

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

September 2011

(millions of NAf.)

| Assets | Difference compared to | | Liabilities | Difference compared to | |
|--------------------------------------|---------------------------|---------------|--|---------------------------|---------------|
| | 30-Sep-11 | 31-Aug-11 | | 30-Sep-11 | 31-Aug-11 |
| Claims on nonresidents | 3,600.7 | -201.6 | Liabilities to nonresidents | 634.6 | -11.8 |
| Gold | 1,219.1 | -145.6 | Deposits of nonresidents in foreign currency | 634.6 | -11.8 |
| Official reserves | 2,165.9 | -55.9 | | | |
| Securities and loans | 215.8 | -0.1 | | | |
| Domestic assets | 372.0 | -2.0 | Domestic liabilities | 2,145.2 | -55.7 |
| | | | Currency in circulation | 369.4 | 1.4 |
| Claims on the government | 0.1 | 0.1 | Government deposits | 349.5 | -15.7 |
| Government paper in portfolio | 0.1 | 0.1 | Government of Curacao | 248.7 | -10.4 |
| Government agencies and institutions | 0.0 | 0.0 | Government of Sint Maarten | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | Former Central Government | 100.4 | -5.8 |
| | | | Government agencies and institutions | 0.5 | 0.5 |
| Claims on deposit money banks | 0.0 | 0.0 | Liabilities to deposit money banks | 1,100.0 | -36.1 |
| Current account balances | 0.0 | 0.0 | Current account balances | 439.8 | -155.5 |
| | | | Certificates of Deposit | 40.0 | 0.0 |
| | | | Required reserves | 620.3 | 119.4 |
| Claims on other sectors | 371.9 | -2.1 | Liabilities to other sectors | 326.2 | -5.3 |
| Other assets | 371.9 | -2.1 | Deposits of other residents | 215.3 | -14.3 |
| | | | Other liabilities | 110.9 | 8.9 |
| | | | Capital and reserves | 1,193.0 | -136.2 |
| Total assets | 3,972.7 | -203.6 | Total liabilities | 3,972.7 | -203.6 |

During the month of September 2011, the Bank directed its monetary policy at a tightening of the surplus on the money market. On September 16th 2011, the percentage of the reserve requirement, the main instrument, was increased by 2 percentage points from 7.75% to 9.75%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Cause for the increase of the reserve requirement was the increasing deficit on the current account of the balance of payments in combination with a relatively rapid expansion in credit extension. The increase in the reserve requirement restricts the ability of the commercial banks to extend credit, reducing a further deterioration of the current account and reserves. Due to the increase in the reserve requirement, the amount of required reserves expanded by NAf.119.4 million. The other monetary policy instrument, the auctioning of Certificates of Deposit (CDs), was not actively deployed. During the biweekly auctions, the Bank aimed only at the refinancing of maturing CDs. The amount of outstanding CDs, therefore, remained the same.

Base money, defined as the sum of currency in circulation and the current account balances of the commercial banks at the Bank, decreased by NAf.154.1 million in September 2011. This decline was due to a drop of NAf.155.5 million in the current account balances of the commercial banks caused by the increase of the reserve requirement. Furthermore, the commercial banks purchased reserves from the Bank during September 2011, explaining also

the drop of NAf.55.9 million in the item “Official reserves” on the assets side of the balance sheet.

Furthermore, the item “Deposits of other residents” on the liabilities side of the balance sheet fell by NAf.14.3 million in September. This decline was due mainly to the fact that SONA¹ transferred money from its account at the Bank towards its accounts at the commercial banks. The net position of the government with the Bank declined by NAf.15.7 million. This deterioration was mainly the result of a decrease in the deposits of the government of Curaçao and the former central government.

Finally, the item “Gold” on the assets side of the balance sheet has dropped by NAf.145.6 million as a result of the lower market value at the balance sheet date, compared to the end of August 2011. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet is related to the decreased market value of gold.

Willemstad, November 1, 2011

Centrale Bank van Curaçao en Sint Maarten

¹ The foundation that approves and funds development projects.