



CENTRALE BANK VAN ARUBA

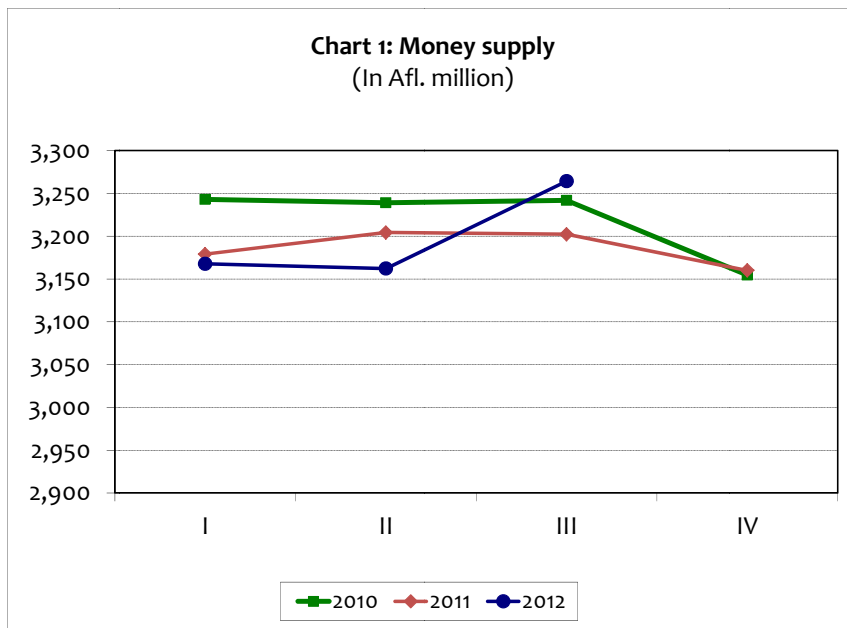
Statistical News Release

Date: December 14, 2012

Monetary developments: Money supply increased in the third quarter 2012

Money and credit

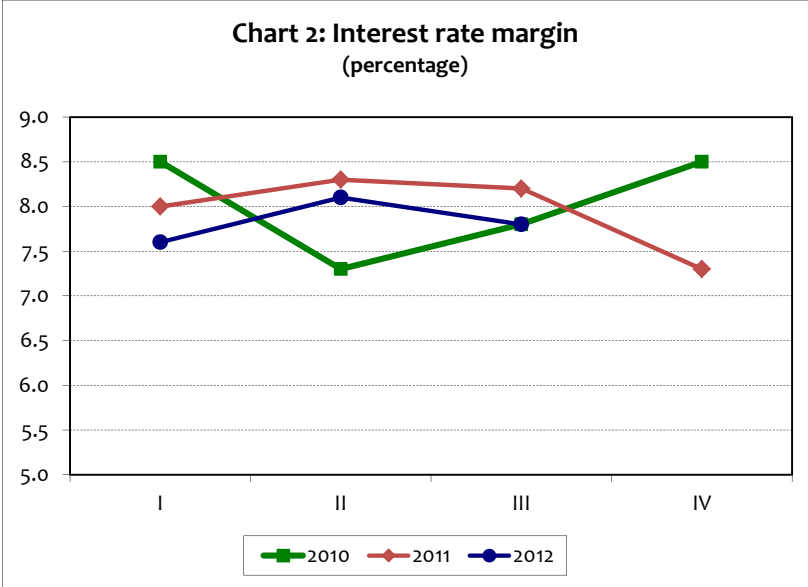
In the third quarter of 2012, the money supply increased by Afl. 102.1 million to Afl. 3,264.3 million compared to the second quarter of 2012. This increase resulted from an Afl. 359.0 million inflow of foreign funds, related mainly to the issuance of US\$ 253.0 million in bonds by the government on the international capital market, which was largely offset by an Afl. 256.9 million decrease in the domestic component of the money supply (Chart 1). The decline in net domestic assets was attributed to an Afl. 224.8 million drop in domestic credit and an Afl. 32.1 million fall in non-credit related balance sheet items. The drop in domestic credit was mainly because an Afl. 157.5 million net liability of the public sector to the banking sector at the end of June 2012 turned into an Afl. 74.2 million net claim of the public sector on the banking sector at the end of September 2012. This turnaround was related to an Afl. 240.6 million increase in government deposits at the banking sector, stemming from the bond issue by the government mentioned above. In contrast, claims on the private sector grew by Afl. 6.9 million (to Afl. 2,704.1 million), reflecting increases in housing mortgages and consumer credit of, respectively, Afl. 8.7 million (Afl. 944.0 million) and Afl. 2.2 million (to Afl. 552.2 million), while loans to enterprises decreased by Afl. 3.3 million (to Afl. 1,189.2 million).



During the first nine months of 2012, the money supply expanded by Afl. 104.3 million compared to end-December 2011, resulting from an Afl. 157.0 million rise in net foreign assets, which was partly offset by an Afl. 52.7 million drop in net domestic assets. Net claim of the public sector on the banking sector grew by Afl. 35.3 million, resulting from increases in, on the one hand, the deposits of the government at the banking sector of Afl. 56.0 million and, on the other hand, its liabilities to the banking sector of Afl. 20.7 million. Claims on the private sector grew by Afl. 67.0 million, associated with increases in loans to enterprises and housing mortgages of, respectively, Afl. 39.5 million and Afl. 31.7 million, and an Afl. 2.0 million decline in consumer credit. In contrast, non-credit related balance sheet items fell by Afl. 84.3 million.

Interest rates

In the third quarter of 2012, the interest rate margin of the commercial banks (calculated as the differential between the weighted average rate of interest on new loans and the weighted average rate of interest on new deposits) shrank by 0.3 percentage point to 7.8 percent compared to the previous quarter (Chart 2). This decline is attributed to decrease in both the weighted average rate of interest paid on new loans and the weighted average interest rate offered on new deposits of, respectively, 0.4 percentage point to 9.2 percent and 0.1 percentage point to 1.4 percent.



In the first nine months 2012, the interest rate margin decreased by 0.4 percentage point to 7.8 percent compared to the same period a year earlier, resulting from declines in the weighted average rate of interest paid on new loans and offered on new deposits of, respectively, 0.5 percentage point and 0.1 percentage point.