



CENTRALE BANK VAN ARUBA

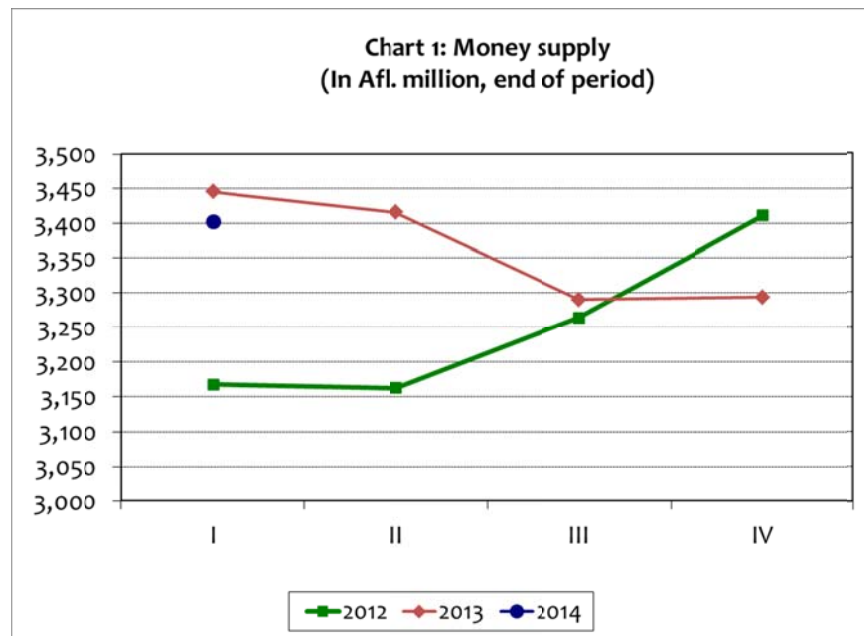
Statistical News Release

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Monetary and financial developments: Money supply increased in the first quarter of 2014

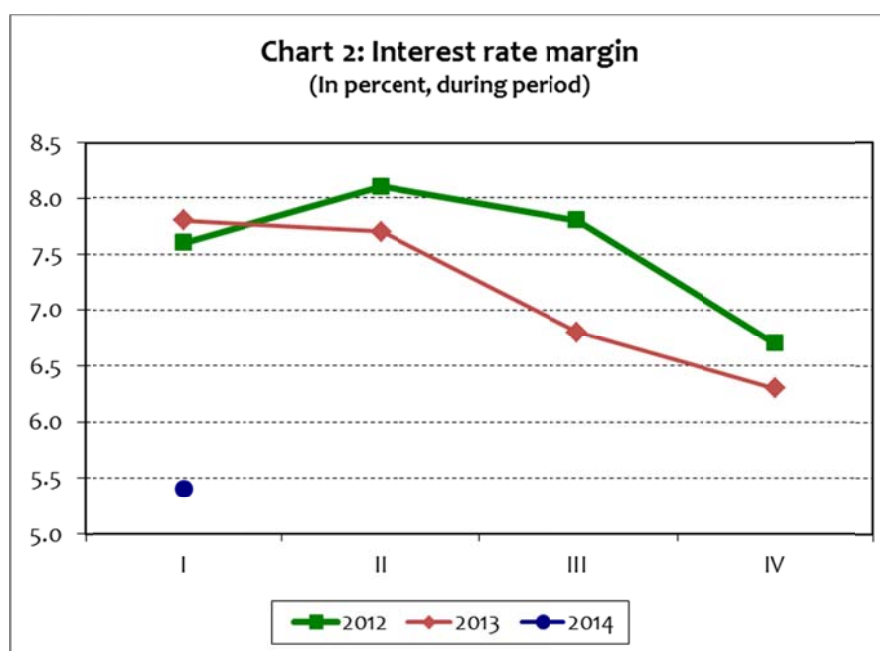
Money and credit

In the first quarter of 2014, the money supply surged by Afl. 108.1 million to Afl. 3,401.9 million, compared to the fourth quarter of 2013 (Chart 1). This increase resulted from an Afl. 71.8 million growth in the domestic component of the money supply and an Afl. 36.4 million net inflow of foreign funds. The rise in net domestic assets was associated with an Afl. 90.8 million increase in domestic credit. In contrast, non-credit related balance sheet items fell by Afl. 19.1 million. The rise in domestic credit was predominantly due to an Afl. 69.8 million growth in claims of the banking sector on the private sector, owed to gains in consumer credit, loans to enterprises and housing mortgages of, respectively, Afl. 47.1 million (to Afl. 589.1 million), Afl. 13.5 million (to Afl. 1,308.3 million) and Afl. 11.0 million (to Afl. 1,018.5 million). The upturn in consumer credit reflected a reclassification of individual loans from nonresident to resident and the acquisition of a resident loan portfolio from abroad. In addition, the net claims of the banking sector on the public sector increased by Afl. 21.0 million, stemming from decreases in government deposits and development funds of, respectively, Afl. 15.7 million and Afl. 7.2 million.



Interest rate margin

In the first quarter of 2014, the interest rate margin of the commercial banks (calculated as the differential between the weighted average rate of interest paid on new loans and the weighted average rate of interest offered on new deposits) declined by 0.9 percentage point to 5.4 percent, compared to the fourth quarter of 2013 (Chart 2). This was related to an increase in the weighted average rate of interest offered on new deposits of 0.6 percentage point to 2.7 percent and a decrease in the weighted average rate of interest paid on new loans of 0.3 percentage point to 8.1 percent.

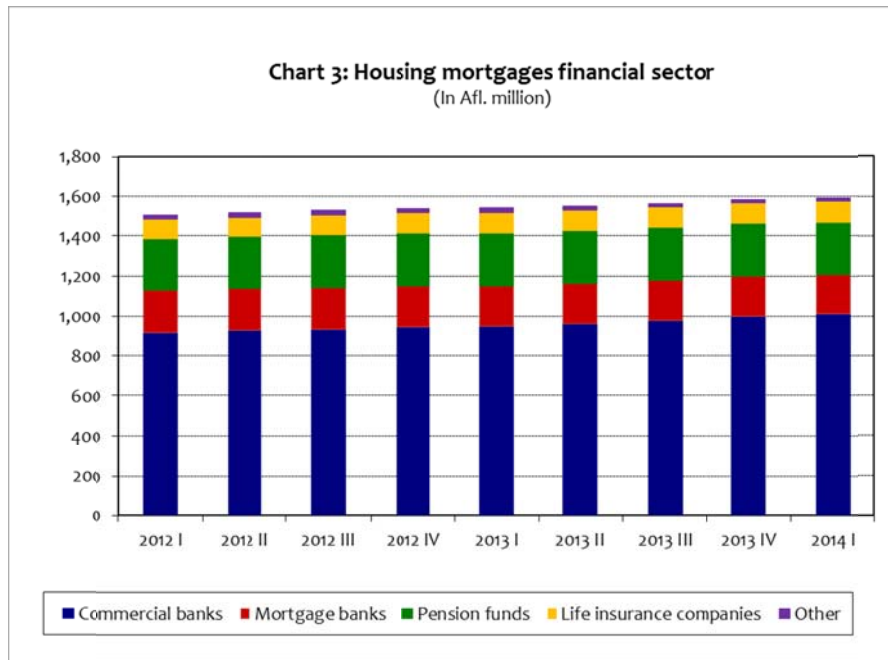


Nonmonetary financial institutions

At end-March 2014, the aggregated balance sheet total of the nonmonetary financial institutions grew by Afl. 14.4 million or 0.5 percent to Afl. 3,193.3 million, when compared to end-December 2013. This expansion was caused by increases in both domestic claims and net foreign assets of, respectively, Afl. 12.2 million and Afl. 2.2 million. On the liability side, the insurance reserve fund and pension fund provisions went up by, respectively, Afl. 40.1 million and Afl. 18.8 million. In addition, other items net declined by Afl. 44.4 million. Borrowings and deposits remained practically unchanged at Afl. 38.9 million at the end of March 2014.

Mortgage market

Housing mortgage lending of the financial institutions rose by Afl. 6.6 million to Afl. 1,589.1 million at the end of March 2014, compared to end-December 2013. This resulted from increases in mortgage lending by the commercial banks and life insurance companies of, respectively, Afl. 11.2 million and Afl. 0.8 million (chart 3).



In contrast, housing mortgage lending by the mortgage banks, pension funds, and other financial institutions dropped by, respectively, Afl. 2.6 million, Afl. 2.2 million and Afl. 0.5 million. At end-March 2014, the market share of the commercial banks, pension funds, mortgage banks, life insurance companies and other financial institutions stood at, respectively, 64 percent, 16 percent, 12 percent, 7 percent, and 1 percent (end-March 2013: 62 percent, 17 percent, 13 percent, 7 percent, and 1 percent, respectively) (chart 4).

Chart 4: Housing mortgages financial sector
(market share in percent, at end-March 2014)

