



CENTRALE BANK VAN ARUBA

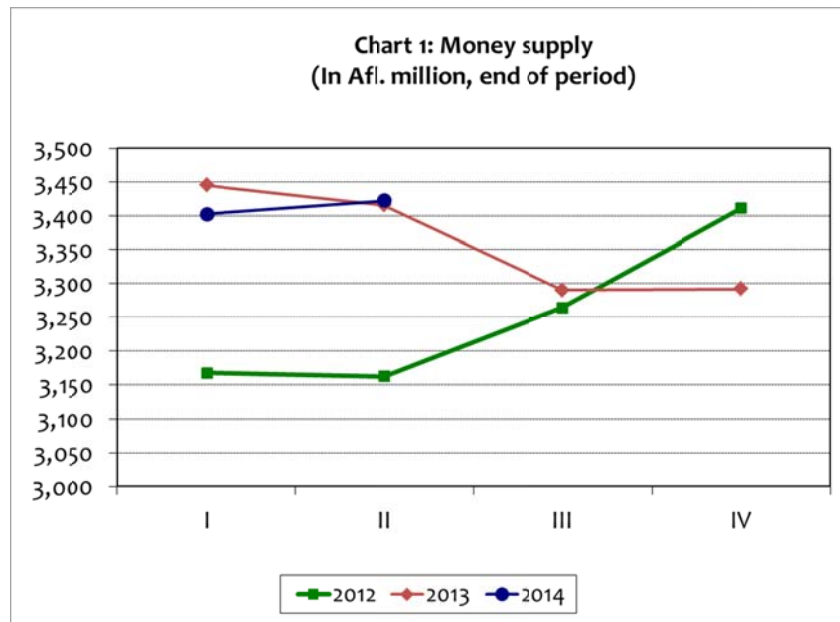
Statistical News Release

Date: October 7, 2014

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

Money and credit

In the second quarter of 2014, the money supply surged by Afl. 20.2 million to Afl. 3,422.1 million, compared to the previous quarter (Chart 1). This increase resulted from an Afl. 95.3 million growth in the domestic component of the money supply, which was largely offset by an Afl. 75.1 million net outflow of foreign funds. The rise in net domestic assets was associated with increases in domestic credit and non-credit related balance sheet items of, respectively, Afl. 79.5 million and Afl. 15.8 million. The expansion in domestic credit was due to rises in claims of the banking sector on both the public sector and private sector of, respectively, Afl. 42.5 million and Afl. 37.0 million.

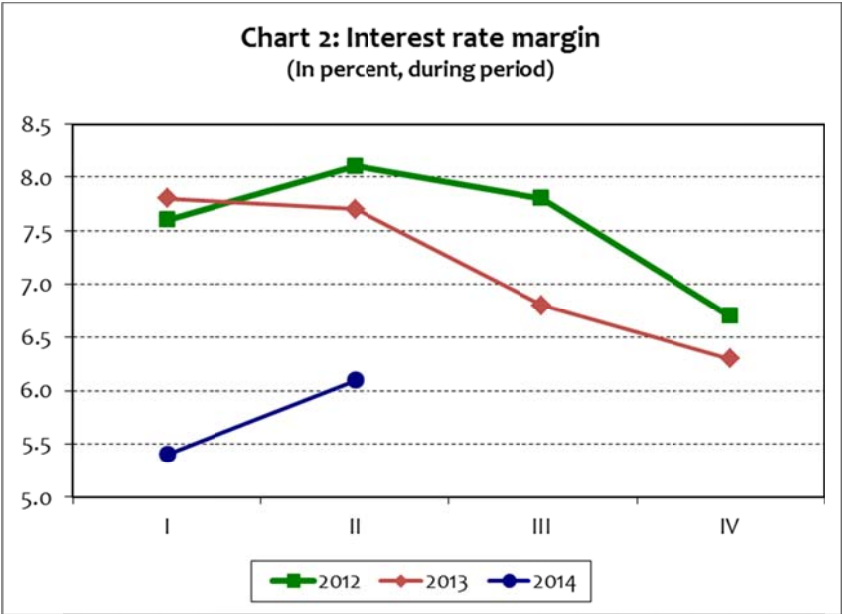


The increase in the net claims of the banking sector on the public sector stemmed from decreases in government deposits and development funds of, respectively, Afl. 31.2 million and Afl. 13.9 million. The growth in claims on the private sector was due to gains in loans to enterprises, housing mortgages and consumer credit of, respectively, Afl. 22.0 million (to Afl. 1,318.0 million), Afl. 10.4 million (to Afl. 1,029.0 million) and Afl. 5.2 million (to Afl. 594.7 million). The increase in non-credit

related balance sheet items was caused largely by decreases in the balance sheet items “shareholders’ equity” and “other liabilities” and clearing transactions.

Interest rate margin

In the second 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) increased by 0.7 percentage point to 6.1 percent, compared to the first quarter of 2014 (Chart 2). This was related to an increase in the weighted average rate of interest paid on new loans of 0.5 percentage point to 8.6 percent and a decrease in the weighted average rate of interest offered on new deposits of 0.2 percentage point to 2.5 percent.



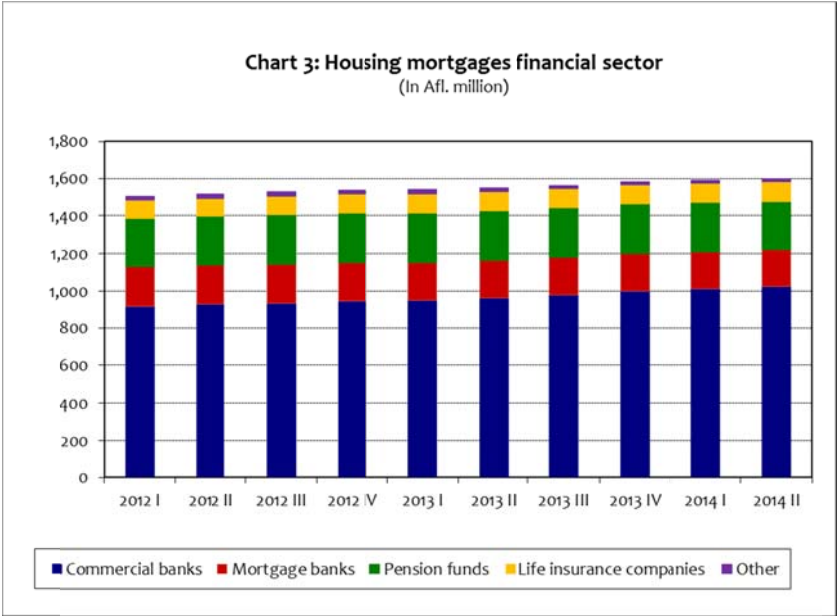
Nonmonetary financial institutions

At end-June 2014, the aggregated balance sheet total of the nonmonetary financial institutions grew by Afl. 47.2 million or 1.5 percent to Afl. 3,242.9 million, compared to end-March 2013. This expansion was caused by an Afl. 53.2 million increase in net foreign assets. Net domestic assets, on the other hand, decreased by Afl. 6.0 million. On the liability side, the pension fund provisions, insurance reserve fund and other items net went up by, respectively, Afl. 38.5 million, Afl. 6.6 million and Afl. 2.1 million. In addition, borrowings and deposits remained practically unchanged at Afl. 38.9 million at the end of June 2014.

Mortgage market

Housing mortgage lending of the financial institutions rose by Afl. 7.8 million to Afl. 1,597.0 million at the end of June 2014, compared to end-March 2013. This growth resulted from an Afl. 10.2 million increase in housing mortgage lending by the commercial banks. In contrast, housing mortgage

lending by the pension funds, mortgage banks and life insurance companies decreased by, respectively, Afl. 1.5 million, Afl. 0.6 million and Afl. 0.5 million (chart 3).



At end-June 2014, the market share of the commercial banks, pension funds, mortgage banks, life insurance companies and other financial institutions remained unchanged at, respectively, 64 percent, 16 percent, 12 percent, 7 percent, and 1 percent, compared to end-June 2013 (chart 4).

