



CENTRALE BANK VAN ARUBA

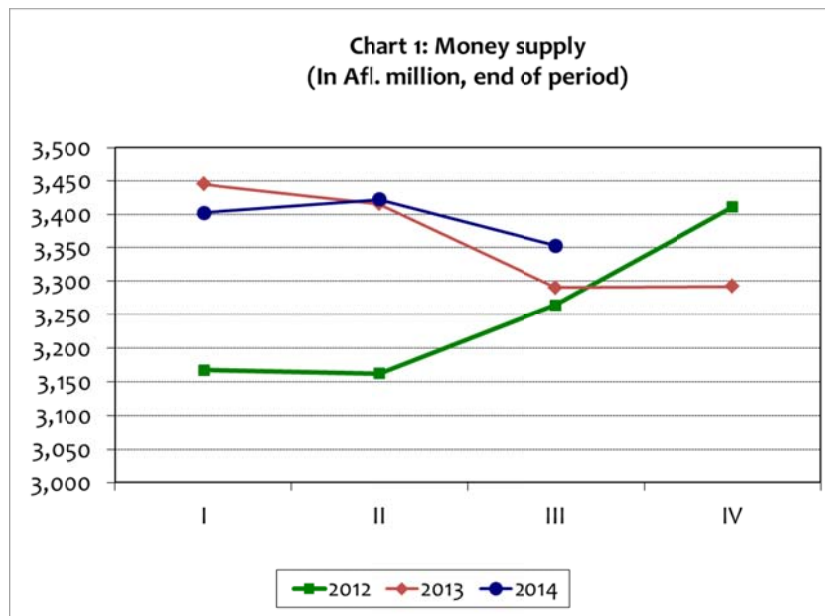
Statistical News Release

Date: February 6, 2015

Monetary and financial developments: Money supply decreased in the third quarter of 2014

Money and credit

In the third quarter of 2014, the money supply decreased by Afl. 68.9 million to Afl. 3,353.2 million, compared to the previous quarter (Chart 1). This decline resulted from an Afl. 55.0 million outflow of foreign funds and an Afl. 13.9 million decrease in the domestic component of the money supply. The decline in net domestic assets was associated with an Afl. 52.6 million decrease in non-credit related balance sheet items, which was largely offset by an Afl. 38.7 million growth in domestic credit. The contraction in non-credit related balance sheet items was caused largely by increases in the balance sheet items “shareholders’ equity”, “general provisions” and “other liabilities” and clearing transactions. 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. 30.8 million and Afl. 7.9 million.

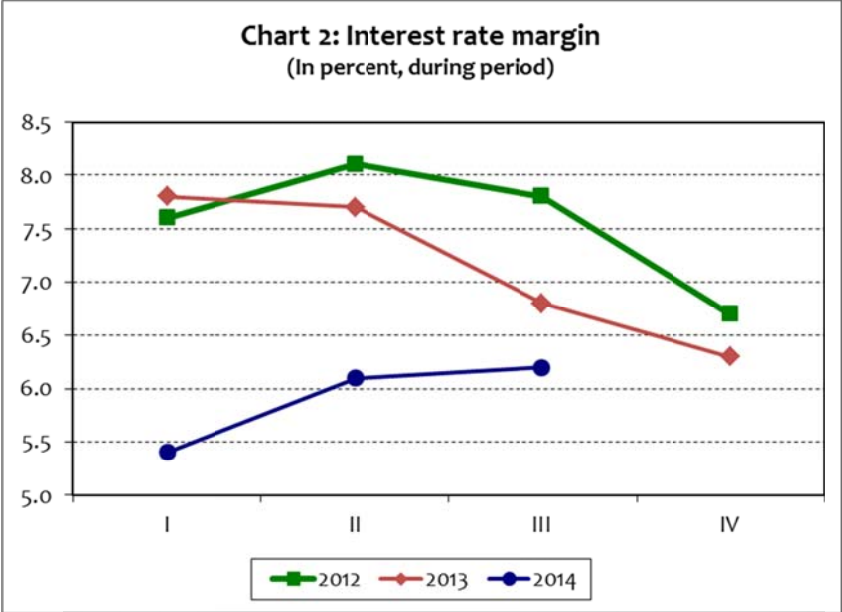


The increase in net claims of the banking sector on the public sector stemmed mainly from decreases in government deposits and development funds of, respectively, Afl. 15.5 million and Afl. 11.4 million. The growth in claims on the private sector was due to gains in housing mortgages and loans to

enterprises of, respectively, Afl. 9.9 million (to Afl. 1,038.8 million) and Afl. 4.4 million (to Afl. 1,322.5 million). In contrast, consumer credit dropped by Afl. 4.6 million (to Afl. 590.1 million).

Interest rate margin

In the third 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 0.1 percentage point to 6.2 percent, compared to the second quarter of 2014 (Chart 2). This resulted from decreases in both the weighted average rate of interest offered on new deposits and in the weighted average rate of interest paid on new loans of, respectively, 0.9 percentage point to 1.6 percent and 0.7 percentage point to 7.9 percent.



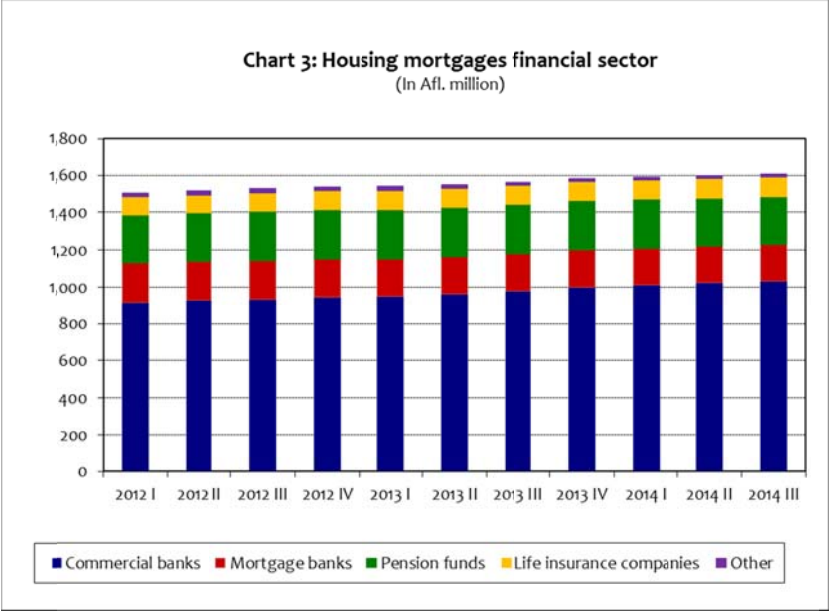
Nonmonetary financial institutions

At end-September 2014, the aggregated balance sheet total of the nonmonetary financial institutions grew by Afl. 117.1 million or 3.6 percent to Afl. 3,373.4 million, compared to end-June 2014. This expansion was caused by increases in both net domestic claims and net foreign assets of, respectively, Afl. 87.1 million and Afl. 30.0 million. On the liability side, other items net, pension fund provisions and insurance reserve fund went up by, respectively, Afl. 79.3 million, Afl. 28.4 million and Afl. 9.3 million. In addition, borrowings and deposits remained unchanged at Afl. 38.9 million at the end of September 2014.

Mortgage market

Housing mortgage lending of the financial institutions rose by Afl. 11.0 million to Afl. 1,608.0 million at the end of September 2014, compared to end-June 2014. This growth resulted from increases in housing mortgage lending by the commercial banks, life insurance companies and mortgage banks

of, respectively, Afl. 9.8 million, Afl. 3.2 million and Afl. 1.7 million. In contrast, housing mortgage lending by the pension funds fell by Afl. 3.9 million (chart 3).



At end-September 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 2014 (chart 4).

