



## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: November 7, 2019

The official reserves of the Centrale Bank van Aruba decreased during the second quarter of 2019

#### Developments in the second quarter of 2019

The official reserves of the Centrale Bank van Aruba (CBA), including other changes not related to foreign exchange transactions, decreased by Afl. 46.2 million to Afl. 1,859.7 million at the end of June 2019 (Table 1 and Chart 1). Foreign exchange transactions settled through the CBA resulted in a net sales by the CBA of Afl. 83.6 million of foreign exchange in the second quarter of 2019, which was Afl. 48.9 million higher than in the same quarter of 2018. The expansion in the net sales of foreign exchange was attributed mainly to the commercial banks. These transactions led to a net foreign exchange sale of Afl. 52.5 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 11.2 million in the second quarter of 2018. On the other hand, the net sale of foreign exchange to the government contracted by Afl. 15.2 million to Afl. 35.0 million in the quarter under review. The net purchase of foreign exchange from other clients fell by Afl. 0.5 million to Afl. 3.9 million.

Table 1: Factors affecting CBA's official reserves<sup>1</sup>  
(in Afl. million)

	2017		2018		2019	
	Q2	YTD <sup>3</sup>	Q2	YTD <sup>3</sup>	Q2	YTD <sup>3</sup>
I. Reserves at beginning of period	1,673.1	1,673.2	1,736.5	1,649.2	1,905.9	1,778.0
II. Net purchases/sales (-) of foreign exchange	31.5	13.5	-34.7	51.1	-83.6	29.8
Of which from/to:						
1. Commercial banks	73.4	142.9	11.2	147.1	-52.5	74.0
2. Government	-45.1	-134.4	-50.2	-104.6	-35.0	-65.9
3. Other clients	3.2	5.0	4.4	8.6	3.9	21.7
III. Other changes <sup>2</sup>	-0.5	17.4	-13.2	-11.6	37.4	51.9
IV. Reserves at ending of period (I+II+III)	1,704.2	1,704.2	1,688.7	1,688.7	1,859.7	1,859.7
V. Change in official reserves during period (IV-I)	31.0	30.9	-47.8	39.5	-46.2	81.7

Source: Centrale Bank van Aruba

<sup>1</sup> Including valuation changes.

<sup>2</sup> Include valuation changes refer to revaluation of gold, foreign exchange and security holdings and statistical differences.

<sup>3</sup> January up to and including June.



Source: Centrale Bank van Aruba

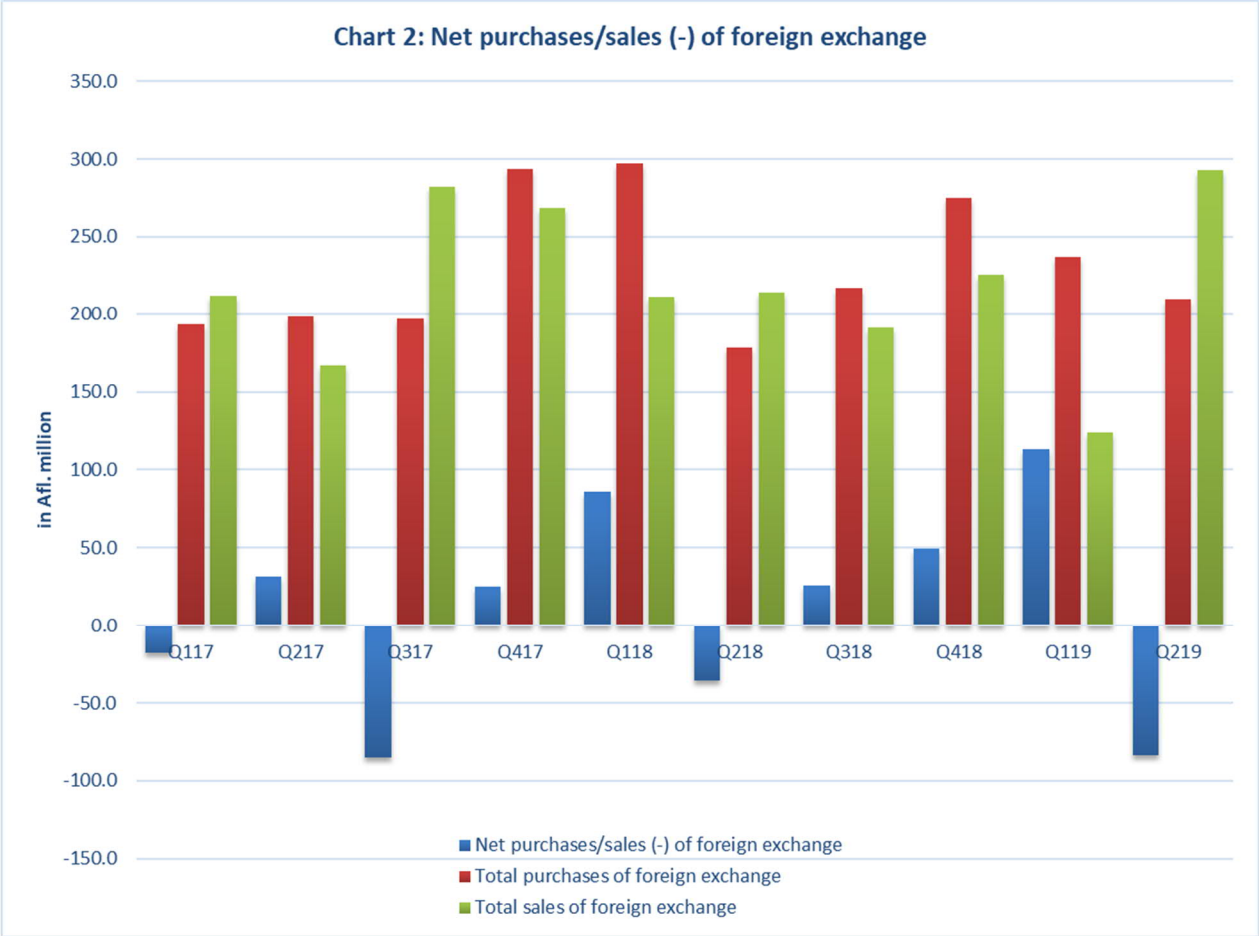
On a gross basis, the CBA's total foreign exchange purchases increased by Afl. 30.9 million to Afl. 209.5 million in the second quarter of 2019, compared to the same quarter of 2018 (Table 2 and Chart 2). This growth was attributed mainly to an expansion in commercial banks transactions of Afl. 26.0 million to Afl. 198.6 million. Additionally, foreign exchange purchases from other clients and the government grew by Afl. 4.7 million and Afl. 0.1 million to Afl. 10.7 million and Afl. 0.2 million, respectively.

Table 2: Foreign exchange transactions  
(in Afl. million)

	2017		2018		2019	
	Q2	YTD <sup>1</sup>	Q2	YTD <sup>1</sup>	Q2	YTD <sup>1</sup>
I. Total purchases of foreign exchange	198.7	392.3	178.6	475.8	209.5	446.6
Of which from:						
1. Commercial banks	190.7	377.9	172.6	463.7	198.6	416.1
2. Government	0.2	0.3	0.1	0.1	0.2	0.2
3. Other clients	7.7	14.1	6.0	12.1	10.7	30.4
II. Total sales of foreign exchange	167.1	378.8	213.3	424.8	293.1	416.8
Of which to:						
1. Commercial banks	117.3	235.0	161.4	316.6	251.1	342.0
2. Government	45.3	134.7	50.3	104.7	35.2	66.1
3. Other clients	4.5	9.1	1.6	3.5	6.7	8.7
III. Net purchases/sales (-) of foreign exchange	31.5	13.5	-34.7	51.1	-83.6	29.8
IV. Net purchases/sales (-) from/to commercial banks	73.4	142.9	11.2	147.1	-52.5	74.0
V. Net purchases/sales (-) from/to government	-45.1	-134.4	-50.2	-104.6	-35.0	-65.9
VI. Net purchases/sales (-) from/to other clients	3.2	5.0	4.4	8.6	3.9	21.7

Source: Centrale Bank van Aruba

<sup>1</sup> January up to and including June.



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA grew by Afl. 79.8 million or 37.4 percent to Afl. 293.1 million, mainly because foreign exchange sales to the commercial banks expanded by Afl. 89.7 million to Afl. 251.1 million. In addition, foreign exchange sales to other clients rose by Afl. 5.1 million to Afl. 6.7 million. On the other hand, sales of foreign exchange to the government fell by Afl. 15.1 million to Afl. 35.2 million.

**Developments in the first half of 2019**

During the first six months of 2019, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 29.8 million of foreign exchange, Afl. 21.3 million lower compared to the same period of 2018. This outcome was caused by transactions with the commercial banks. Net foreign exchange purchase from the commercial banks shrank by Afl. 73.1 million to Afl. 74.0 million. In contrast, net foreign exchange sale to the government fell by Afl. 38.7 million to Afl. 65.9 million. Additionally, the net foreign exchange purchase from other clients increased by Afl. 13.1 million to Afl. 21.7 million.

Total foreign exchange purchases fell by Afl. 29.2 million or 6.1 percent to Afl. 446.6 million during the first six months of 2019, compared to the corresponding period of 2018. This drop was mainly

associated with a decrease in foreign exchange purchases from commercial banks (-Afl. 47.6 million). In contrast, foreign exchange purchases from other clients (+Afl. 18.3 million) and Government (+Afl. 0.1 million) increased.

Total foreign exchange sales fell by Afl. 8.0 million or 1.9 percent to Afl. 416.8 million during the first six months of 2019, compared to the same period of 2018. A decrease in foreign exchange sales to the government (-Afl. 38.6 million) contributed to this fall. On the other hand, sales of foreign exchange to the commercial banks (+Afl. 25.4 million) and other clients (+Afl. 5.2 million) expanded.

General note to the tables:

Owing to rounding of figures, the sum of separate items may differ in the final digit from the total shown.