



CENTRALE BANK VAN ARUBA

Statistical News Release

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

Developments in the third 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. 37.5 million in the third quarter of 2019 to Afl. 1,822.2 million at the end of September 2019 (Table 1 and Chart 1). Foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale of Afl. 53.4 million of foreign exchange in the third quarter of 2019, compared to a net purchase of Afl. 25.7 million of foreign exchange in the corresponding quarter of 2018. This outcome was largely attributed to transactions with the government. These transactions led to a net foreign exchange sale of Afl. 52.3 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 10.3 million in the third quarter of 2018. Additionally, transactions with the commercial banks resulted in a net sale of Afl. 10.3 million of foreign exchange, compared to a net purchase of Afl. 8.6 million of foreign exchange in the third quarter of 2018. On the other hand, the net purchase of foreign exchange from other clients grew by Afl. 2.4 million to Afl. 9.2 million.

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2017		2018		2019	
	Q3	YTD ³	Q3	YTD ³	Q3	YTD ³
I. Reserves at beginning of period	1,704.2	1,673.2	1,688.7	1,649.2	1,859.7	1,778.0
II. Net purchases/sales (-) of foreign exchange	-85.4	-71.9	25.7	76.8	-53.4	-23.5
Of which from/to:						
1. Commercial banks	-2.7	140.2	8.6	155.6	-10.3	63.8
2. Government	-87.9	-222.3	10.3	-94.3	-52.3	-108.3
3. Other clients	5.2	10.3	6.8	15.4	9.2	21.0
III. Other changes ²	7.7	25.1	-14.3	-25.9	15.9	67.7
IV. Reserves at ending of period (I+II+III)	1,626.5	1,626.5	1,700.1	1,700.1	1,822.2	1,822.2
V. Change in official reserves during period (IV-I)	-77.6	-46.7	11.4	50.9	-37.5	44.2

Source: Centrale Bank van Aruba

¹ Including valuation changes.

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

³ January up to and including September.



Source: Centrale Bank van Aruba

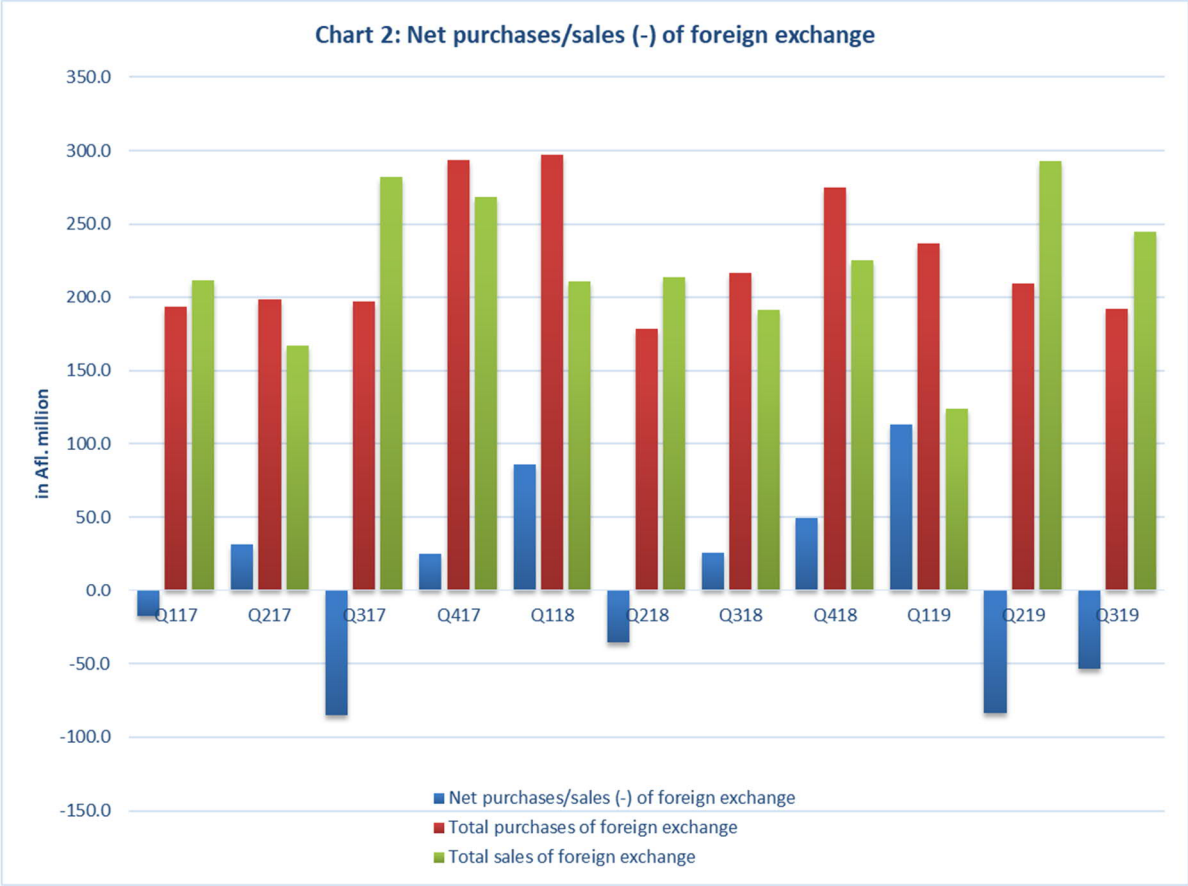
On a gross basis, the CBA's total foreign exchange purchases decreased by Afl. 25.0 million or 11.5 percent to Afl. 191.7 million in the third quarter of 2019, compared to the same quarter of 2018 (Table 2 and Chart 2). This drop was attributed mainly to a fall in government transactions of Afl. 20.5 million to Afl. 9.5 million. Additionally, foreign exchange purchases from the commercial banks reduced by Afl. 7.7 million to Afl. 170.4 million. On the other hand, purchases of foreign exchange from other clients grew by Afl. 3.3 million to Afl. 11.8 million .

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

	2017		2018		2019	
	Q3	YTD ¹	Q3	YTD ¹	Q3	YTD ¹
I. Total purchases of foreign exchange	196.8	589.1	216.7	692.5	191.7	638.3
Of which from:						
1. Commercial banks	189.9	567.9	178.1	641.8	170.4	586.5
2. Government	0.0	0.3	30.0	30.1	9.5	19.5
3. Other clients	6.8	21.0	8.5	20.6	11.8	32.3
II. Total sales of foreign exchange	282.1	661.0	190.9	615.7	245.0	661.8
Of which to:						
1. Commercial banks	192.7	427.7	169.6	486.2	180.7	522.7
2. Government	87.9	222.5	19.7	124.3	61.8	127.9
3. Other clients	1.6	10.7	1.7	5.2	2.6	11.2
III. Net purchases/sales (-) of foreign exchange	-85.4	-71.9	25.7	76.8	-53.4	-23.5
IV. Net purchases/sales (-) from/to commercial banks	-2.7	140.2	8.6	155.6	-10.3	63.8
V. Net purchases/sales (-) from/to government	-87.9	-222.3	10.3	-94.3	-52.3	-108.3
VI. Net purchases/sales (-) from/to other clients	5.2	10.3	6.8	15.4	9.2	21.0

Source: Centrale Bank van Aruba

¹ January up to and including September.



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA grew by Afl. 54.1 million or 28.3 percent to Afl. 245.0 million, mainly because foreign exchange sales to government expanded by Afl. 42.1 million to Afl. 61.8 million. In addition, sales of foreign exchange to the commercial banks and other clients rose by Afl. 11.1 million and Afl. 0.9 million to Afl. 180.7 million and Afl. 2.6 million, respectively.

Developments in the first nine months of 2019

During the first nine months of 2019, foreign exchange transactions effectuated via CBA resulted in a net sale of Afl. 23.5 million of foreign exchange, compared to a net purchase of Afl. 76.8 million in the corresponding period of 2018. This outcome was largely caused by transactions with the commercial banks. Net foreign exchange purchase to the commercial banks shrank by Afl. 91.8 million to Afl. 63.8 million. Additionally, the net foreign exchange sale to the government increased by Afl. 14.0 million to Afl. 108.3 million. On the other hand, net foreign exchange purchase to other clients grew by Afl. 5.6 million to Afl. 21.0 million.

Total foreign exchange purchases fell by Afl. 54.2 million or 7.8 percent to Afl. 638.3 million during the first nine months of 2019, compared to the corresponding period of 2018. This drop was mainly associated with decreases in foreign exchange purchases from the commercial banks (-Afl. 55.3

million) and the government (-Afl. 10.6 million). In contrast, foreign exchange purchases from other clients grew (+Afl. 11.7 million).

Total foreign exchange sales increased by Afl. 46.1 million or 7.5 percent to Afl. 661.8 million during the first nine months of 2019, compared to the same period of 2018. Expansion in foreign exchange sales to the commercial banks (+Afl. 36.5 million), the government (+Afl. 3.6 million) and other clients (+Afl. 6.0 million) contributed to this growth.

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.