

Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches are their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

The full text of this report is available on the CBA website.

Loans to enterprises increased in the second quarter of 2024

Quarterly economic bulletin Results for the second quarter of 2024

Money and credit

In the second quarter of 2024, the money supply increased by Afl. 171.5 million to Afl. 5,980.3 million, compared to the first quarter of 2024 (Table 1 and Chart 1). This rise resulted from higher net foreign assets (+Afl. 231.9 million) and a decrease in net domestic assets (-Afl. 60.4 million).

Table 1: Monetary survey		2023	2024		Changes	
(fia	ures in Afl. million)	Q2	Q1	Q2	Q2-24 vs	
(5		~-	~ .	~_	Q2-23	Q1-24
I.	Net domestic assets	2,740.3	2,918.9	2,858.5	118.2	-60.4
	A. Domestic credit	3,933.2	4,218.5	4,233.7	300.5	15.2
	 Net claims on the public sector 	259.3	293.5	234.8	-24.5	-58.7
	 Claims on the private sector 	3,673.9	3,925.0	3,998.9	325.0	73.9
	 Loans to enterprises 	1,670.9	1,845.2	1,896.9	226.0	51.7
	 Loans to individuals 	1,990.6	2,066.8	2,089.1	98.5	22.3
	- Consumer credit	402.5	438.0	441.2	38.7	3.2
	- Housing mortgages	1,588.1	1,628.8	1,647.8	59.7	19.0
	 Other claims by the banking sector 	12.4	13.0	12.9	0.5	-0.1
	B. Non-credit-related balance sheet items	-1,192.9	-1,299.6	-1,375.2	-182.3	-75.6
II.	Net foreign assets	2,981.9	2,889.9	3,121.8	139.9	231.9
III.	Broad money	5,722.2	5,808.8	5,980.3	258.1	171.5
	Money	3,611.9	3,477.0	3,661.7	49.8	184.7
	Quasi-money	2,110.3	2,331.8	2,318.7	208.4	-13.2

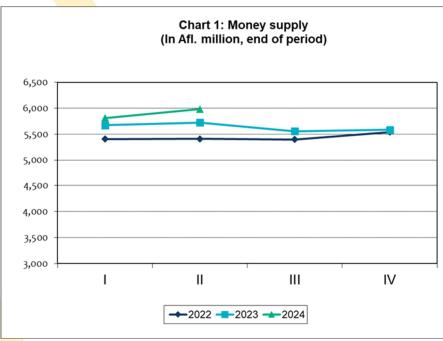
The contraction in the domestic component of the money supply was the outcome of a decrease in non-credit related balance sheet items of Afl. 75.6 million and an increase of Afl. 15.2 million in domestic credit.

The growth in domestic credit was the result of an increase in claims of the banking sector on the private sector (+Afl. 73.9 million) and a decrease in net claims of the banking sector on the public sector (-Afl. 58.7 million). The higher claims of the banking sector on the private sector were the result of increases in loans to enterprises (+Afl. 51.7 million), housing mortgages (+Afl. 19.0 million), and consumer credit (+Afl. 3.2 million). The lower net claims of the banking sector on the public sector were brought about by higher government deposits (+Afl. 85.3 million) and an increase in gross claims (+Afl. 26.6 million).

The decline in non-credit related balance sheet items was caused by increases in 'shareholders' equity', 'other liabilities', and 'accounts receivable and prepayments'.

Source: Centrale Bank van Aruba.

Correspondence related to this quarterly economic bulletin should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: www.cbaruba.org or E-mail: statistics.department@cbaruba.org



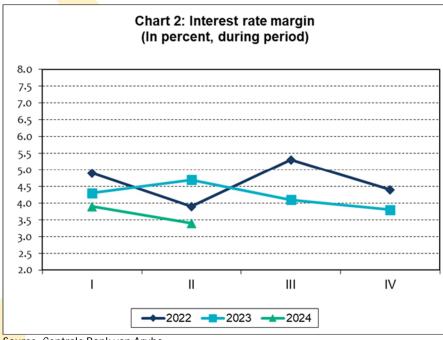
Source: Centrale Bank van Aruba.

Interest rate margin

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) decreased by 0.5 percentage point to 3.4 percent in the second quarter of 2024, when compared to the first quarter of 2024 (Table 2 and Chart 2). This outcome reflected an increase of 0.4 percentage point to 3.1 percent in the weighted average rate of interest offered on new deposits and a decline of 0.1 percentage point to 6.5 percent in the weighted average rate of interest charged on new loans.

Table 2: Interest rates of the commercial banks	2023	2024		
(weighted averages related to transactions during indicated period)	Q2	Q2		
Weighted average rate of interest on new deposits	1.5	2.7	3.1	
Time deposits ≤ 12 months	0.9	2.0	2.4	
Time deposits > 12 months	2.9	3.7	4.4	
Savings deposits	0.9	1.3	1.4	
Weighted average rate of interest on new loans	6.2	6.6	6.5	
Individual	0.0			
Consumer credit	8.8	8.4	9.0	
Housing mortgages	5.2	5.2	5.2	
Commercial				
Commercial mortgages	6.5	6.2	6.2	
Other loans - Including current accounts (overdraft) facilities	5.9	6.6	6.8	
Interest rate margin	4.7	3.9	3.4	

Source: Centrale Bank van Aruba.



Source: Centrale Bank van Aruba.

Nonmonetary financial institutions

In the second quarter of 2024, the aggregated balance sheet total of the nonmonetary financial institutions increased by Afl. 87.6 million or 1.6 percent to Afl. 5,637.2 million, compared to the first quarter of 2024 (Table 3). This upturn was caused by increases in domestic claims (+Afl. 70.1 million) and in net foreign assets (+Afl. 17.5 million). On the liability side, there were increases in insurance reserve fund (+Afl. 32.1 million), and pension fund provisions (+Afl. 19.4 million), while 'Borrowings and deposits' slightly decreased (-Afl. 0.1 million), when compared to the first quarter of

2024. An amount of Afl. 411.8 million was recorded for other items (net), compared to Afl. 375.6 million in the previous quarter.

Table 3: Nonmonetary financial institutions	2023	20	24	Changes		
	02	01	02	-,		
End of period	Q2 Q1 Q2-24 vs Q2-23 Q2-24 vs Q2-23 Q2-23 Q2-23 Q2-23 Q2-23 Q2-23 Q2-23 Q2-23 Q2-24 vs Q2-23 Q2-24 vs Q2-24 vs Q2-25 Q2-	Q1-24				
Net foreign assets	1,948.3	2,048.5	2,066.0	117.7	17.5	
2. Domestic claims	3,254.2	3,501.1	3,571.2	317.0	70.1	
a. Government	1,468.6	1,493.3	1,548.9	80.3	55.6	
b. Private sector	1,785.6	2,007.8	2,022.3	236.7	14.5	
3. Total assets = total liablities	5,202.5	5,549.6	5,637.2	434.7	87.6	
Borrowings and deposits	1.7	1.7	1.6	-0.1	-0.1	
a. Government	1.4	1.2	1.2	-0.2	0.0	
b. Other residents	0.3	0.5	0.4	0.1	-0.1	
5. Pension fund provisions	3,412.3	3,508.1	3,527.5	115.2	19.4	
6. Insurance reserve fund	1,597.7	1,664.2	1,696.3	98.6	32.1	
7. Other items, net	190.8	375.6	411.8	221.0	36.2	

Source: Centrale Bank van Aruba.

Mortgage market

Housing mortgage lending of the financial institutions expanded by Afl. 21.7 million to Afl. 2,250.6 million at the end of June 2024, compared to the end of March 2024 (Table 4 and Chart 3). This rise resulted from increases in housing mortgage lending by the commercial banks (+Afl. 19.1 million), pension funds (+Afl. 2.3 million), and mortgage banks (+Afl. 0.6 million), while there was a decrease in the housing mortgage lending at the other

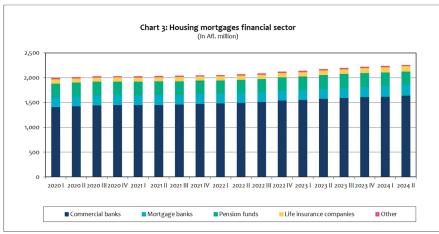
financial institutions (-Afl. 0.2 million). Housing mortgage lending at the life insurance companies remained unchanged.

Table 4: Housing mortgages	2023			2024						
	Q2		Q1			Q2				
End of period	Afl.	Change	Market share	Afl.	Change	Market share	Afl.	Change	Market share	
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Total	2,166.9	32.6	100.0%	2,228.9	15.9	100.0%	2,250.6	21.7	100.0%	
Commercial banks	1,580.6	24.9	72.9%	1,622.0	7.7	72.8%	1,641.1	19.1	72.9%	
Mortgage banks	202.3	2.4	9.3%	206.5	0.1	9.3%	207.1	0.6	9.2%	
Pension funds	273.2	1.4	12.6%	279.3	-0.4	12.5%	281.6	2.3	12.5%	
Life Insurance Companies	95.4	4.4	4.4%	106.1	8.4	4.8%	106.1	0.0	4.7%	
Other	15.3	-0.5	0.7%	15.0	0.1	0.7%	14.8	-0.2	0.7%	

Source: Centrale Bank van Aruba.

At the end of June 2024, there was an increase in the market share of the life insurance companies (+0.3 percentage point) when compared to the second quarter of 2023. In contrast, the market share contracted for pension funds (-0.1 percentage point), and mortgage banks (-0.1 percentage point).

The market share for commercial banks and other financial institutions remained unchanged.



Source: Centrale Bank van Aruba.

