CENTRALE BANK VAN ARUBA

Statistical News Release Fourth Quarter 2010
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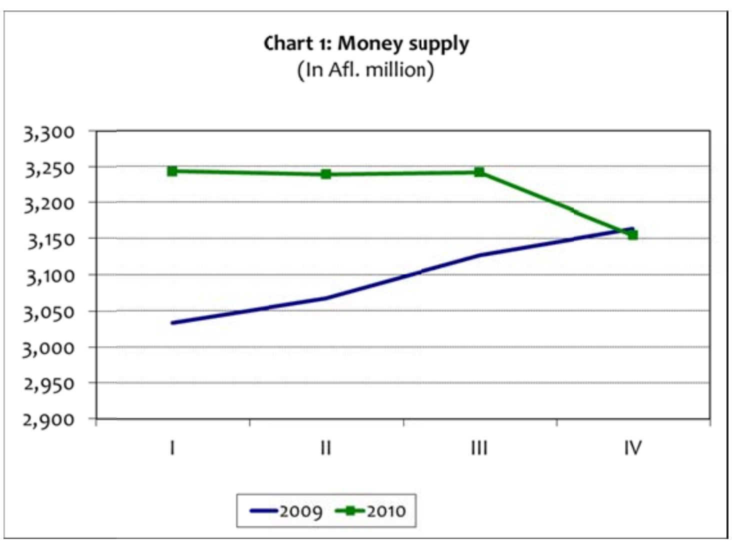
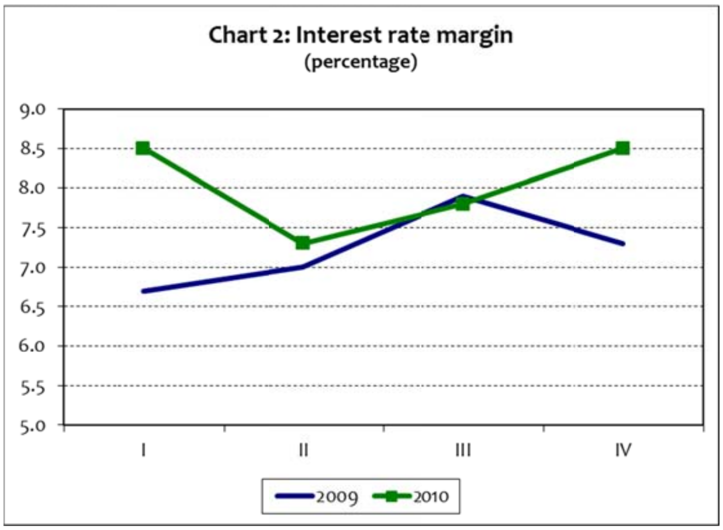
Money supply dropped, due to a large net outflow of foreign funds

Money and credit

In the fourth quarter of 2010, the money supply dropped by Afl. 87.0 million to Afl. 3,154.8 million compared to the third quarter, because of an Afl. 119.9 million net outflow of foreign funds. In contrast, the domestic component of the money supply expanded by Afl. 32.9 million, due to a decrease of Afl. 30.4 million in net claims of the public sector on the banking sector. The latter resulted from a rise in the liabilities of the government related to the reissue of Afl. 40 million in treasury bills in December 2010. In addition, claims on the private sector grew by Afl. 11.9 million, reflecting an Afl. 22.4 million increase in housing mortgages, which was partially offset by declines in loans to enterprises and consumer credit of, respectively, Afl. 2.4 million and Afl. 7.4 million. Non-credit-related balance sheet items fell by Afl. 9.4 million.



In the fourth quarter of 2010, the interest rate margin of the commercial banks (calculated as the differential between the weighted average rate of interest on new loans and the weighted average rate of interest on new deposits) rose by 0.7 percentage point to 8.5 percent, up from 7.8 percent in the previous quarter. This was mostly related to a 0.5 percentage point increase in the weighted average rate of interest paid on new loans. The weighted average interest rate offered on new deposits remained practically unchanged. For 2010 as a whole, the interest rate margin reached 8.2 percent, the highest annual margin since measurement started in 1998.



Balance of payments

Provisional data on the balance of payments showed a sharp deterioration in the balance of payments outcome of the fourth quarter of 2010. In that quarter, the balance of payments posted an Afl. 119.9 million overall deficit in contrast to an Afl. 56.3 million surplus in the corresponding quarter of 2009. This deterioration stemmed from a turnaround, i.e., from a surplus into a deficit, in the overall balance of the oil sector, reflecting largely the net purchase of Afl. 136.4 million in foreign exchange by this sector from the commercial banks. In addition, international transactions of the non-oil sector led to a lower surplus, i.e., from Afl. 48.3 million in 2009 to Afl. 16.5 million in 2010.

The current account deficit expanded by Afl. 365.6 million to Afl. 367.7 million, mostly attributed to the oil sector and, to a lesser extent, to the non-oil sector. The oil sectors' current account deficit increased from Afl. 22.8 million to Afl. 320.4 million, due mainly to the import of crude oil in the fourth quarter of 2010. The non-oil current account shifted from an Afl. 20.7 million surplus into an Afl. 47.3 million deficit, caused mainly by higher dividend payments to abroad, which were partially offset by an Afl. 12.2 million (2.2 percent) growth in gross tourism receipts.

In the fourth quarter of 2010, the capital and financial accounts posted an Afl. 242.4 million surplus, i.e., Afl. 184.3 million higher than that in the fourth quarter of 2009. This higher net inflow of capital was driven by both the oil and non-oil sector. The oil sector received suppliers' credits from foreign affiliated company, while its foreign bank accounts were in part drawn down to finance its current account deficit. The non-oil sector, on the other hand, generated net foreign exchange proceeds arising partially from the government bond issue in December 2010.