



## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: March 24, 2020

The official reserves of the Centrale Bank van Aruba (CBA) decreased during the fourth quarter of 2019

#### Developments in the fourth quarter of 2019

The official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 37.5 million in the fourth of 2019 to Afl. 1,784.8 million at the end of December 2019 (Table 1 and Chart 1). Foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 43.5 million of foreign exchange in the fourth quarter of 2019, compared to a net purchase of Afl. 49.4 million of foreign exchange in the fourth quarter of 2018. This outcome was attributed mainly to transactions of the government. These transactions led to a net foreign exchange sale of Afl. 106.0 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 96.5 million in the fourth quarter of 2018. On the other hand, transactions with the commercial banks led to a net foreign exchange purchase of Afl. 55.5 million of foreign exchange, compared to a net foreign exchange sale of Afl. 47.7 million in the corresponding period of 2018. The net purchase of foreign exchange from other clients grew by Afl. 6.4 million to Afl. 7.0 million in the fourth quarter of 2019.

Table 1: Factors affecting CBA's official reserves<sup>1</sup>

(in Afl. million)

	2017		2018		2019	
	Q4	YTD <sup>3</sup>	Q4	YTD <sup>3</sup>	Q4	YTD <sup>3</sup>
I. Reserves at beginning of period	1,626.5	1,673.2	1,700.1	1,649.2	1,822.2	1,778.0
II. Net purchases/sales (-) of foreign exchange	25.3	-46.5	49.4	126.2	-43.5	-67.0
Of which from/to:						
1. Commercial banks	73.1	213.3	-47.7	107.9	55.5	119.2
2. Government	-54.1	-276.4	96.5	2.2	-106.0	-214.3
3. Other clients	6.3	16.6	0.6	16.0	7.0	28.1
III. Other changes <sup>2</sup>	-2.6	22.5	28.5	2.6	6.0	73.8
IV. Reserves at ending of period (I+II+III)	1,649.2	1,649.2	1,778.0	1,778.0	1,784.8	1,784.8
V. Change in official reserves during period (IV-I)	22.7	-24.0	77.9	128.8	-37.5	6.8

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 December.

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Source: Centrale Bank van Aruba

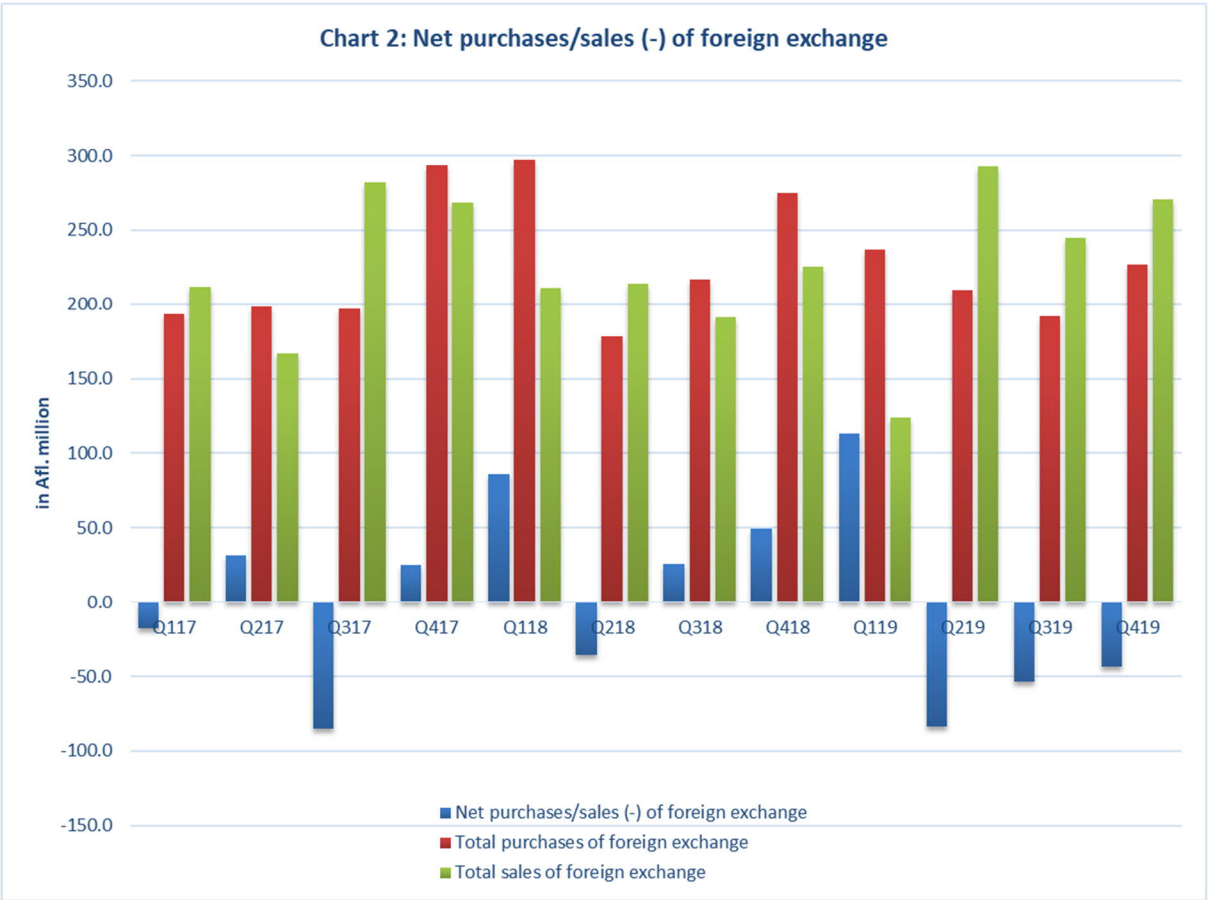
On a gross basis, the CBA's total foreign exchange purchases fell by Afl. 48.1 million or 17.5 percent to Afl. 226.9 million in the fourth quarter of 2019, compared to the same quarter of 2018 (Table 2 and Chart 2). This decrease was attributed mainly because in the quarter under review, there were no purchases of foreign exchange from the government, compared to Afl. 106.5 million in purchases of foreign exchange in the same quarter of 2018. In contrast, purchases of foreign exchange from the commercial banks and other clients increased by Afl. 53.4 million and Afl. 4.9 million to Afl. 216.8 million and Afl. 10.1 million, respectively.

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

	2017		2018		2019	
	Q4	YTD <sup>1</sup>	Q4	YTD <sup>1</sup>	Q4	YTD <sup>1</sup>
I. Total purchases of foreign exchange	293.6	882.7	275.0	967.5	226.9	865.2
Of which from:						
1. Commercial banks	285.0	852.8	163.4	805.2	216.8	803.3
2. Government	0.0	0.3	106.5	136.6	0.0	19.5
3. Other clients	8.6	29.6	5.2	25.8	10.1	42.4
II. Total sales of foreign exchange	268.2	929.2	225.7	841.4	270.4	932.2
Of which to:						
1. Commercial banks	211.8	639.5	211.1	697.3	161.4	684.0
2. Government	54.1	276.7	10.0	134.3	106.0	233.9
3. Other clients	2.3	13.0	4.6	9.8	3.0	14.3
III. Net purchases/sales (-) of foreign exchange	25.3	-46.5	49.4	126.2	-43.5	-67.0
IV. Net purchases/sales (-) from/to commercial banks	73.1	213.3	-47.7	107.9	55.5	119.2
V. Net purchases/sales (-) from/to government	-54.1	-276.4	96.5	2.2	-106.0	-214.3
VI. Net purchases/sales (-) from/to other clients	6.3	16.6	0.6	16.0	7.0	28.1

Source: Centrale Bank van Aruba

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



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA expanded by Afl. 44.7 million or 19.8 percent to Afl. 270.4 million, mainly because foreign exchange sales to the government grew by Afl. 96.0 million to Afl. 106.0 million. On the other hand, foreign exchange sales to the commercial banks and other clients contracted by Afl. 49.7 million and Afl. 1.6 million to Afl. 161.4 million and Afl. 3.0 million, respectively.

**Developments during 2019**

During 2019, foreign exchange transactions effectuated via CBA resulted in a net sale of Afl. 67.0 million of foreign exchange, compared to a net purchase of Afl. 126.2 million in 2018. This outcome was mainly caused by transactions of the government leading to a turnaround from a net foreign exchange purchase of Afl. 2.2 million in 2018 into a net foreign exchange sale of Afl. 214.3 million in 2019. Foreign exchange transactions with the commercial banks and those of other clients led to higher net foreign exchange purchases of Afl. 11.3 million and Afl. 12.1 million to Afl. 119.2 million and Afl. 28.1 million, respectively.

Total foreign exchange purchases dropped by Afl. 102.3 million or 10.6 percent to Afl. 865.2 million during 2019, compared to 2018. This contraction was largely associated with an Afl. 117.1 million decrease in foreign exchange purchases from government. Foreign exchange purchases from the commercial banks also resulted in a decline of foreign exchange (-Afl. 1.9 million). On the other hand, foreign exchange purchases from other clients rose by Afl. 16.6 million.

Total foreign exchange sales increased by Afl. 90.8 million or 10.8 percent to Afl. 932.2 million. Increases in foreign exchange sales to the government (+Afl. 99.6 million) and other clients (+Afl. 4.5 million) contributed to this growth. In contrast, sales of foreign exchange to commercial banks fell (-Afl. 13.3 million).

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.