



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba increased during the second quarter of 2021

In the second quarter of 2021, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 193.2 million of foreign exchange, which was Afl. 52.9 million lower than in the same quarter of 2020. This outcome was attributed mainly to transactions with the government. These transactions led to a net foreign exchange purchase of Afl. 196.1 million, compared to Afl. 404.5 million in the corresponding quarter of 2020. On the other hand, the net foreign exchange sale to the commercial banks contracted by Afl. 155.1 million to Afl. 12.1 million in the quarter under review. The net purchase of foreign exchange from other clients grew by Afl. 0.5 million to Afl. 9.3 million. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, increased by Afl. 203.7 million to Afl. 2,322.2 million at the end of June 2021 (see Table 1 and Chart 1).

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2019		2020		2021	
	Q2	YTD ³	Q2	YTD ³	Q2	YTD ³
I. Reserves at beginning of period	1,905.9	1,778.0	1,871.3	1,784.8	2,118.6	2,208.6
II. Net purchases/sales (-) of foreign exchange	-83.6	29.8	246.1	316.0	193.2	156.4
Of which from/to:						
1. Commercial banks	-52.5	74.0	-167.2	-21.3	-12.1	-80.3
2. Government	-35.0	-56.0	404.5	318.5	196.1	224.6
3. Other clients	3.9	11.8	8.8	18.8	9.3	12.1
III. Other changes ²	37.4	51.9	52.6	69.3	10.5	-42.8
IV. Reserves at ending of period (I+II+III)	1,859.7	1,859.7	2,170.0	2,170.0	2,322.2	2,322.2
V. Change in official reserves during period (IV-I)	-46.2	81.7	298.7	385.2	203.7	113.6

Source: Centrale Bank van Aruba

¹ Including valuation changes.

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

³ January up to and including June.



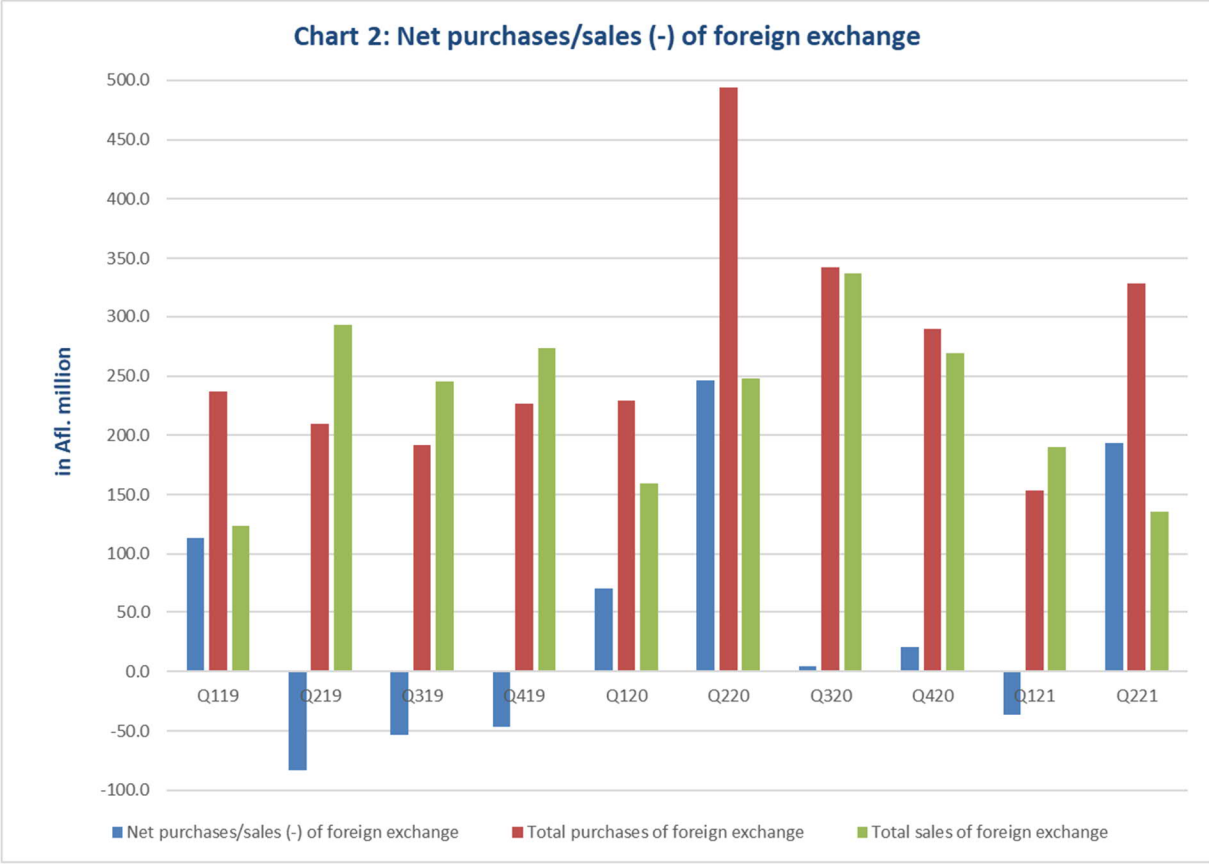
On a gross basis, the CBA's total foreign exchange purchases decreased by Afl. 165.6 million or 33.5 percent to Afl. 328.5 million in the second quarter of 2021, compared to the same quarter of 2020 (Table 2 and Chart 2). This contraction was caused mainly by a decline of Afl. 204.4 million in purchases of foreign exchange from the government, resulting from less foreign borrowing from the Netherlands associated with the COVID-19 situation. On the other hand, foreign exchange purchases from the commercial banks grew by Afl. 37.8 million to Afl. 78.4 million.

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

	2019		2020		2021	
	Q2	YTD ¹	Q2	YTD ¹	Q2	YTD ¹
I. Total purchases of foreign exchange	209.5	723.4	494.1	723.4	328.5	481.7
Of which from:						
1. Commercial banks	198.6	258.5	40.6	258.5	78.4	154.8
2. Government	0.2	443.2	443.2	443.2	238.8	310.4
3. Other clients	10.7	21.6	10.3	21.6	11.3	16.5
II. Total sales of foreign exchange	293.1	407.4	248.0	407.4	135.3	325.3
Of which to:						
1. Commercial banks	251.1	279.9	207.8	279.9	90.6	235.1
2. Government	35.2	124.8	38.7	124.8	42.7	85.8
3. Other clients	6.7	2.8	1.5	2.8	2.0	4.4
III. Net purchases/sales (-) of foreign exchange	-83.6	316.0	246.1	316.0	193.2	156.4
IV. Net purchases/sales (-) from/to commercial banks	-52.5	-21.3	-167.2	-21.3	-12.1	-80.3
V. Net purchases/sales (-) from/to government	-35.0	318.5	404.5	318.5	196.1	224.6
VI. Net purchases/sales (-) from/to other clients	3.9	18.8	8.8	18.8	9.3	12.1

Source: Centrale Bank van Aruba

¹ January up to and including June.



The total foreign exchange sales of the CBA fell by Afl. 112.7 million or 45.5 percent to Afl. 135.3 million, mainly because foreign exchange sales to the commercial banks dropped by Afl. 117.2 million to Afl. 90.6 million. On the other hand, foreign exchange sales to the government expanded by Afl. 4.0 million to Afl. 42.7 million.

Developments in the first six months of 2021

During the first six months of 2021, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 156.4 million of foreign exchange, Afl. 159.6 million lower compared to the same period of 2020. This outcome was largely caused by transactions with the government. Net foreign exchange purchase from the government shrank by Afl. 93.9 million to Afl. 224.6 million. In contrast, there was a foreign exchange sale to the commercial banks, which grew by Afl. 59.0 million to Afl. 80.3 million. Net foreign purchase from other clients fell by Afl. 6.7 million tot Afl. 12.1 million.

Total foreign exchange purchases contracted by Afl. 241.7 million or 33.4 percent to Afl. 481.7 million during the first six months of 2021, compared to the same period of 2020. This drop was largely caused by a decrease in foreign exchange purchases from the government (-Afl. 132.8 million) associated with less foreign borrowing from the Netherlands mentioned earlier. Foreign exchange purchases from the commercial banks (-Afl. 103.7 million) and other clients (-Afl. 5.1 million) also declined

Total foreign exchange sales dropped by Afl. 82.1 million or 20.2 percent to Afl. 325.3 million during the first six months of 2021. This contraction resulted from decreases in foreign exchange sales to the commercial banks (-Afl. 44.8 million) and to the government (-Afl. 39.0 million). On the other hand, foreign exchange sales to other clients increased (+Afl. 1.6 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.