Statistical News Release
Date: June 7, 2013

Monetary developments: Money supply increased in the first quarter of 2013

Money and credit

In the first quarter of 2013, the money supply increased by Afl. 25.6 million to Afl. 3,444.5 million compared to the previous quarter (Chart 1). This increase resulted from an Afl. 16 million net inflow of foreign funds and an Afl. 9.6 million expansion in the domestic component of the money supply. An Afl. 33.9 million increase in domestic credit led to the rise in net domestic assets. This credit growth was largely offset by an Afl. 24.3 million decrease in non-credit related balance sheet items. The growth in domestic credit was mainly due to an Afl. 31.8 million increase in the net liability of the public sector to the banking sector in the quarter under review. This was related mostly to a decline of Afl. 41.2 million in government deposits at the banking sector, which was partially negated by an Afl. 11.5 million rise in development funds. In addition, claims on the private sector grew slightly by Afl. 2.1 million (to Afl. 2,714.4 million), owed to increases in housing mortgages and loans to enterprises of, respectively, Afl. 3.8 million (to Afl. 955 million) and Afl. 1.5 million (to Afl. 1,209.7 million), and a drop in consumer credit of Afl. 2.5 million (to Afl. 532.3 million). The decline in non-credit related balance sheet items was partially caused by clearing transactions.
Interest rate margin

In the first quarter of 2013, 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) expanded by 1.1 percentage points to 7.8 percent compared to the previous quarter (Chart 2). This expansion was caused by a rise in the weighted average rate of interest paid on new loans of 0.5 percentage point to 8.7 percent and a decrease of 0.6 percentage point to 0.9 percent in the weighted average interest rate offered on new deposits.