



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba decreased during the third quarter and the first nine months of 2017

Developments in the third quarter of 2017

In the third quarter of 2017, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 83.6 million of foreign exchange, which was Afl. 57.7 million higher than in the third quarter of 2016. The expansion in the net sale of foreign exchange was attributed mainly to the commercial banks transactions. These transactions led to a net foreign exchange sale of Afl. 2.7 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 28.9 million in the third quarter of 2016. Additionally, the net sale of foreign exchange from the government grew by Afl. 15.7 million to Afl. 87.7 million. Transactions on behalf of other clients led to an Afl. 6.8 million net purchase of foreign exchange, which was Afl. 10.4 million lower than in the same quarter of 2016. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 77.7 million to Afl. 1,626.5 million at the end of September 2017 (see Table 1 and Chart 1).

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2015		2016		2017	
	Q3	YTD ³	Q3	YTD ³	Q3	YTD ³
I. Reserves at beginning of period	1,368.3	1,239.8	1,786.2	1,479.9	1,704.2	1,673.2
II. Net purchases/sales (-) of foreign exchange	90.9	223.1	-25.9	220.4	-83.6	-70.1
<i>Of which from/to:</i>						
1. Commercial banks	5.9	140.6	28.9	182.8	-2.7	140.0
2. Government	82.9	76.3	-72.0	24.5	-87.7	-224.6
3. Other clients	2.1	6.3	17.2	13.1	6.8	14.5
III. Other changes ²	-2.2	-94.6	-2.7	85.9	5.9	101.1
IV. Reserves at ending of period (I+II+III)	1,457.0	1,457.0	1,757.6	1,757.6	1,626.5	1,626.5
V. Change in official reserves during period (IV-I)	88.7	217.2	-28.6	277.7	-77.7	-46.7

Source: CBA

¹ Including valuation changes.

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

³ January up to and including September.



On a gross basis, the CBA's total foreign exchange purchases fell by Afl. 32.0 million to Afl. 198.4 million in the third quarter of 2017, compared to the same quarter of 2016 (see Table 2 and Chart 2). This decrease was attributed mainly to contractions in purchases of foreign exchange from the commercial banks and other clients of, Afl. 20.3 million to Afl. 189.9 million, and Afl. 11.7 million to Afl. 8.5 million, respectively.

Table 2: Foreign exchange transactions

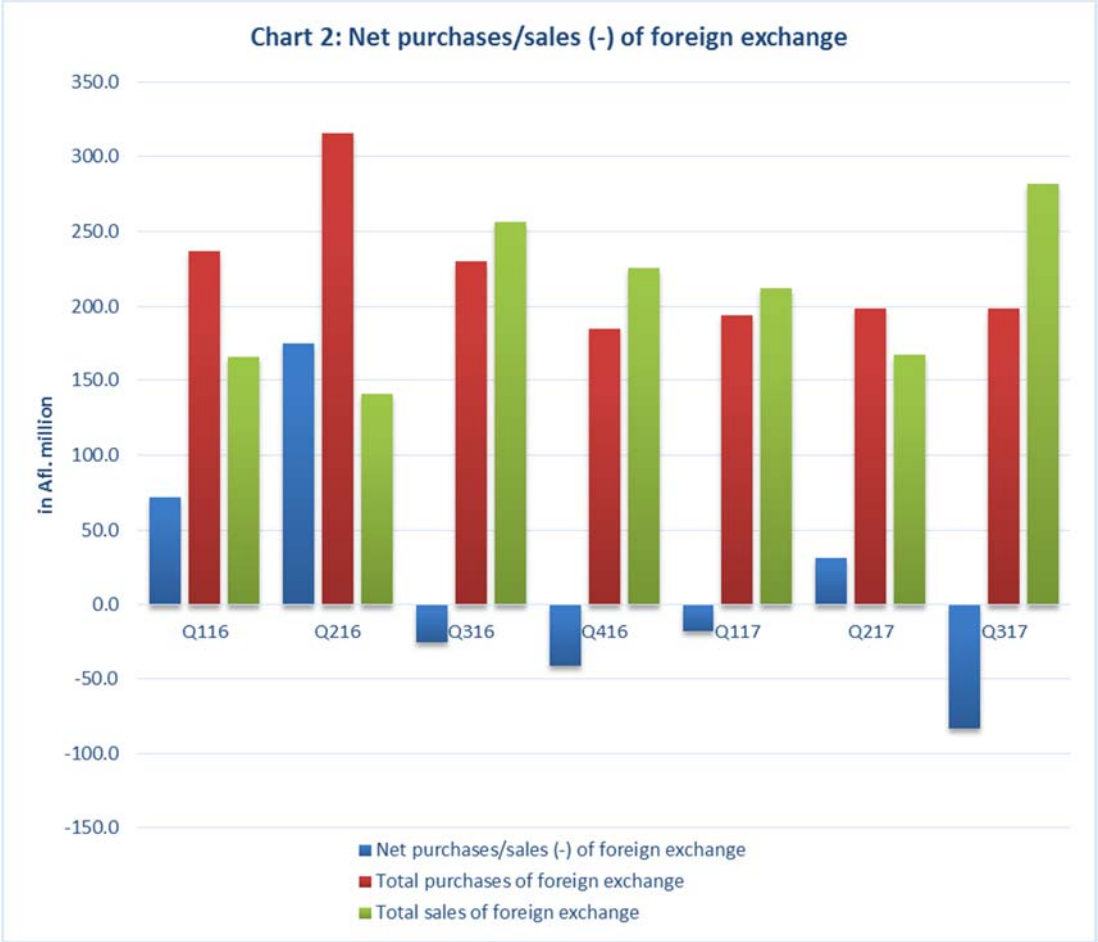
(in Afl. million)

	2015		2016		2017	
	Q3	YTD ¹	Q3	YTD ¹	Q3	YTD ¹
I. Total purchases of foreign exchange	323.9	735.3	230.4	782.5	198.4	590.7
Of which from:						
1. Commercial banks	169.2	515.3	210.2	581.4	189.9	567.8
2. Government	149.4	204.1	0.0	178.2	0.0	0.0
3. Other clients	5.4	15.9	20.2	22.9	8.5	22.9
II. Total sales of foreign exchange	233.0	512.2	256.3	562.1	282.0	660.8
Of which to:						
1. Commercial banks	163.3	374.7	181.3	398.6	192.7	427.8
2. Government	66.4	127.8	72.0	153.7	87.7	224.6
3. Other clients	3.3	9.6	3.0	9.8	1.6	8.4
III. Net purchases/sales (-) of foreign exchange	90.9	223.1	-25.9	220.4	-83.6	-70.1
IV. Net purchases/sales (-) from/to commercial banks	5.9	140.6	28.9	182.8	-2.8	140.0
V. Net purchases/sales (-) from/to government	82.9	76.3	-72.0	24.5	-87.7	-224.6
VI. Net purchases/sales (-) from/to other clients	2.1	6.3	17.2	13.1	6.9	14.5

Source: CBA

¹ January up to and including September.

The total foreign exchange sales of the CBA expanded by Afl. 25.7 million to Afl. 282.0 million, partially because foreign exchange sales to the government rose by Afl. 15.7 million to Afl. 87.7 million, reflecting largely Afl. 69.3 million government foreign debt service payments and Afl. 8.2 million funding of its notified foreign account. In addition, foreign exchange sales to commercial banks increased by Afl. 11.4 million to Afl. 192.7 million. On the other hand, sales of foreign exchange to other clients declined by Afl. 1.4 million to Afl. 1.6 million.



Developments in the first nine months of 2017

During the first nine months of 2017, foreign exchange transactions effectuated via CBA resulted in a net sale of Afl. 70.1 million of foreign exchange, compared to a net purchase of Afl. 220.4 million of foreign exchange in the same period of 2016. This outcome was largely caused by transactions with the government leading to a turnaround from a net foreign exchange purchase of Afl. 24.5 million into a net sale of foreign exchange of Afl. 224.6 million. Additionally, a decrease of Afl. 42.8 million in the net foreign exchange purchase from the commercial banks also contributed to the aforementioned outcome (see Table 1).

On a gross basis, total foreign exchange purchases contracted by Afl. 191.8 million to Afl. 590.7 million, compared to the corresponding nine months of 2016. This contraction was associated mainly with government transactions, as no foreign exchange was received in the period under review. Additionally, purchases of foreign exchange from the commercial banks decreased by Afl. 13.7 million to Afl. 567.8 million. Foreign exchange purchases from other clients remained at Afl. 22.9 million (see Table 2).

Total foreign exchange sales rose by Afl. 98.7 million to Afl. 660.8 million, compared to the first nine months of 2016. Increases in foreign exchange sales to the government (+Afl. 70.9 million) and commercial banks (+Afl. 29.2 million) contributed to this growth. However, sales of foreign exchange to other clients decreased (-Afl. 1.4 million).