



## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: March 8, 2018

### **The official reserves of the Centrale Bank van Aruba decreased in 2017 despite an increase in the fourth quarter of 2017**

#### Developments in the fourth quarter of 2017

In the fourth quarter of 2017, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 25.5 million of foreign exchange, compared to a net sale of Afl. 41.6 million in the fourth quarter of 2016. This turnaround was attributed mainly to transactions with the commercial banks. These transactions led to a net foreign exchange purchase of Afl. 74.8 million in the quarter under review, compared to a net foreign exchange sale of Afl. 6.6 million in the same quarter of 2016. Transactions on behalf of other clients resulted in an Afl. 6.3 million net purchase of foreign exchange, which was Afl. 5.8 million higher than in the corresponding quarter of 2016. In contrast, the net sale of foreign exchange to the government grew by Afl. 20.1 million to Afl. 55.6 million. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, increased by Afl. 22.7 million to Afl. 1,649.2 million at the end of December 2017 (see Table 1 and Chart 1).

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

(in Afl. million)

	2015		2016		2017	
	Q4	YTD <sup>3</sup>	Q4	YTD <sup>3</sup>	Q4	YTD <sup>3</sup>
I. Reserves at beginning of period	1,457.0	1,239.8	1,757.6	1,479.9	1,626.5	1,673.2
II. Net purchases/sales (-) of foreign exchange	40.8	263.9	-41.6	178.8	25.5	-44.6
<i>Of which from/to:</i>						
1. Commercial banks	-7.5	133.1	-6.6	176.2	74.8	214.8
2. Government	39.7	116.0	-35.5	-11.0	-55.6	-280.2
3. Other clients	8.6	14.8	0.5	13.6	6.3	20.8
III. Other changes <sup>2</sup>	-17.9	-23.8	-42.8	14.5	-2.8	20.6
IV. Reserves at ending of period (I+II+III)	1,479.9	1,479.9	1,673.2	1,673.2	1,649.2	1,649.2
V. Change in official reserves during period (IV-I)	22.9	240.1	-84.4	193.3	22.7	-24.0

Source: CBA

<sup>1</sup> Including valuation changes.

<sup>2</sup> Include valuation changes refer to revaluation of gold, for foreign exchange and security holdings and statistical differences.

<sup>3</sup> January up to and including December.



On a gross basis, the CBA's total foreign exchange purchases grew by Afl. 109.3 million to Afl. 293.6 million in the fourth quarter of 2017, compared to the same quarter of 2016 (see Table 2 and Chart 2). This increase was caused mainly by an expansion in purchases of foreign exchange from the commercial banks and other clients of Afl. 107.0 million to Afl. 285.0 million, and Afl. 2.5 million to Afl. 8.6 million.

**Table 2: Foreign exchange transactions**

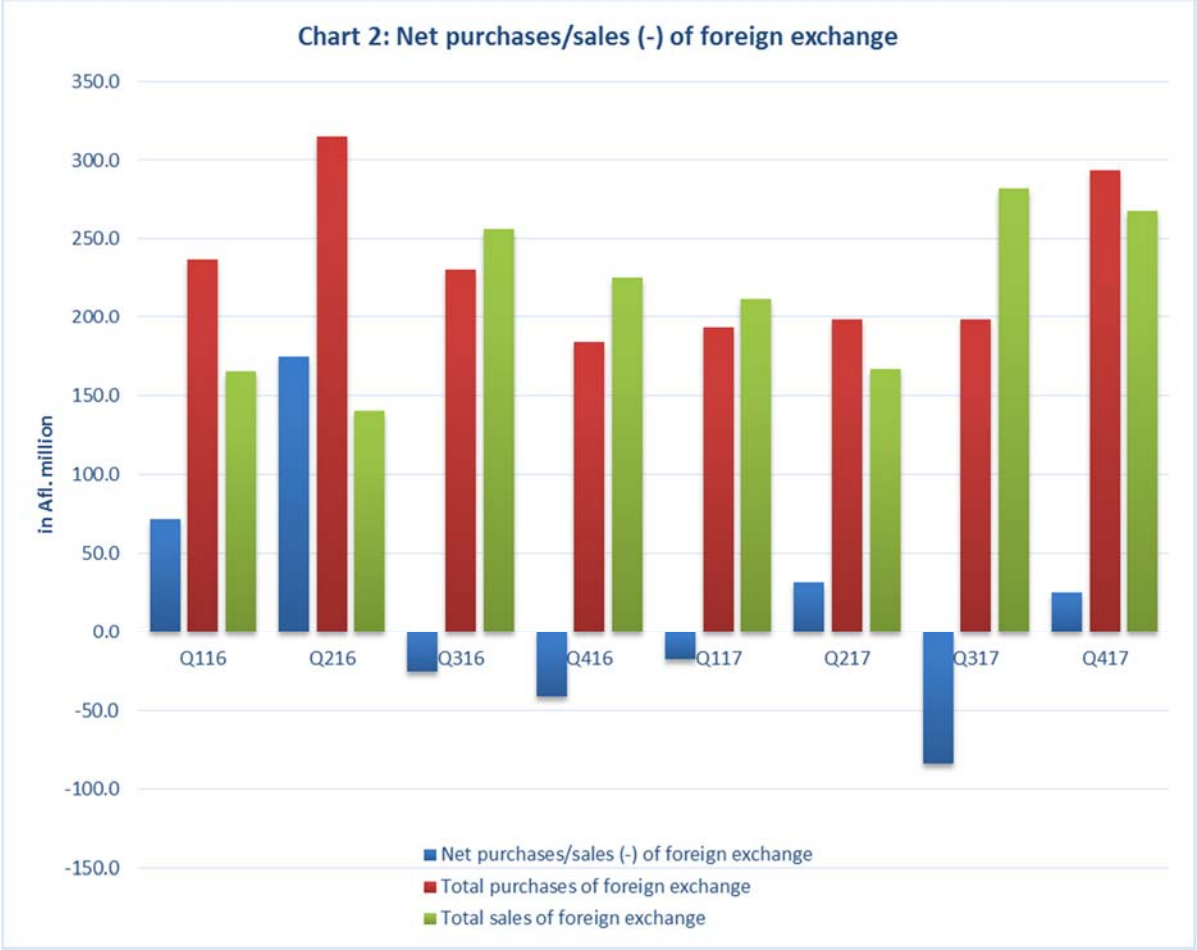
(in Afl. million)

	2015		2016		2017	
	Q4	YTD <sup>1</sup>	Q4	YTD <sup>1</sup>	Q4	YTD <sup>1</sup>
I. Total purchases of foreign exchange	<b>259.2</b>	<b>994.5</b>	<b>184.3</b>	<b>966.8</b>	<b>293.6</b>	<b>884.3</b>
Of which from:						
1. Commercial banks	174.6	689.9	178.0	759.4	285.0	852.8
2. Government	74.5	278.6	0.2	178.4	0.0	0.0
3. Other clients	10.1	26.0	6.1	29.0	8.6	31.5
II. Total sales of foreign exchange	<b>218.4</b>	<b>730.6</b>	<b>225.9</b>	<b>788.0</b>	<b>268.1</b>	<b>928.9</b>
Of which to:						
1. Commercial banks	182.1	556.8	184.6	583.2	210.2	638.0
2. Government	34.8	162.6	35.7	189.4	55.6	280.2
3. Other clients	1.5	11.2	5.6	15.4	2.3	10.7
III. Net purchases/sales (-) of foreign exchange	<b>40.8</b>	<b>263.9</b>	<b>-41.6</b>	<b>178.8</b>	<b>25.5</b>	<b>-44.6</b>
IV. Net purchases/sales (-) from/to commercial banks	-7.5	133.1	-6.6	176.2	74.8	214.8
V. Net purchases/sales (-) from/to government	39.7	116.0	-35.5	-11.0	-55.6	-280.2
VI. Net purchases/sales (-) from/to other clients	8.6	14.8	0.5	13.6	6.3	20.8

Source: CBA

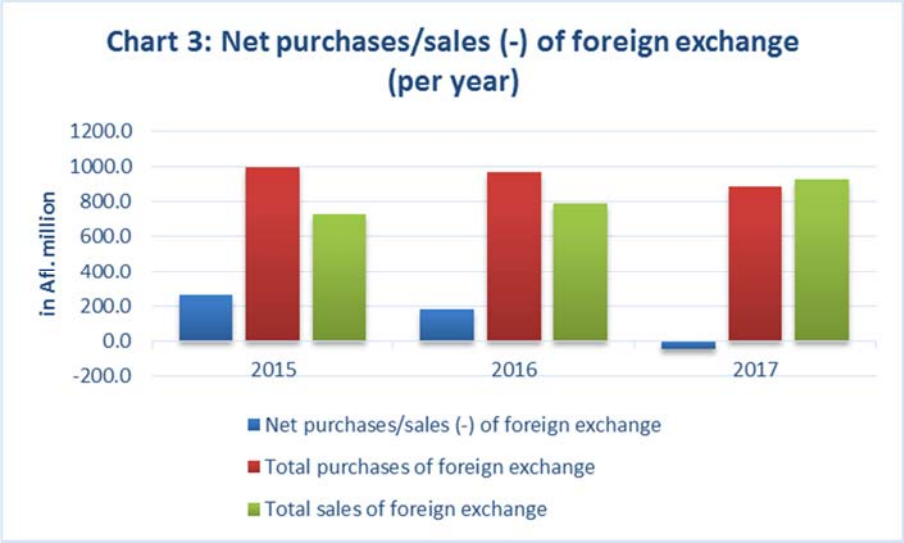
<sup>1</sup> January up to and including December.

The total foreign exchange sales of the CBA expanded by Afl. 42.2 million to Afl. 268.1 million, mainly because of increases in foreign exchange sales to the commercial banks and the government of Afl. 25.6 million to Afl. 210.2 million, and Afl. 19.9 million to Afl. 55.6 million, respectively. The expansion in foreign exchange sales to the government was largely due to rises in government foreign debt service payments (+Afl. 3.6 million) and funding of its notified foreign account (+Afl. 12.2 million). On the other hand, sales of foreign exchange to other clients declined by Afl. 3.3 million to Afl. 2.3 million.



Developments during 2017

During 2017, foreign exchange transactions effectuated via CBA resulted in a net sale of, Afl. 44.6 million of foreign exchange, compared to a net purchase of Afl. 178.8 million of foreign exchange in 2016. This outcome was largely caused by transactions with the government leading to a huge expansion of Afl. 269.2 million in net foreign exchange sale. On the other hand, net foreign exchange purchase from the commercial banks and other clients increased by Afl. 38.6 million and Afl. 7.2 million, respectively (see Table 1 and Chart 3).



On a gross basis, total foreign exchange purchases contracted by Afl. 82.5 million to Afl. 884.3 million, compared to 2016, resulted mainly from transactions with the government as no foreign exchange was received in 2017. In contrast, purchases of foreign exchange from the commercial banks and other clients rose by Afl. 93.4 million to Afl. 852.8 million, and Afl. 2.5 million to Afl. 31.5 million, respectively (see Table 2 and Chart 3).

Total foreign exchange sales grew by Afl. 140.9 million to Afl. 928.9 million, compared to 2016. Increases in foreign exchange sales to the government (+Afl. 90.8 million) and the commercial banks (+Afl. 54.8 million) contributed to this growth. On the other hand, sales of foreign exchange to other clients declined (-Afl. 4.7 million).