

Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches are their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

The full text of this report is available on the CBA website.

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Loans to enterprises increased in the first quarter of 2024

Quarterly economic bulletin Results for the first quarter of 2024

Money and credit

In the first quarter of 2024, the money supply increased by Afl. 225.8 million to Afl. 5,808.8 million, compared to the fourth quarter of 2023 (Table 1 and Chart 1). This rise resulted from higher net domestic assets (+Afl. 138.1 million) and net foreign assets (+Afl. 87.7 million).

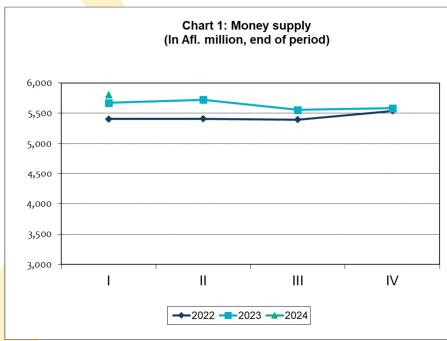
Table 1: Monetary survey		20	23	2024	Cha	anges	
(figures in Afl. million)		Q1	Q4	Q1	Q1-24 vs Q1-23	Q1-24 vs Q4-23	
I.	Net domestic assets	2,735.4	2,780.8	2,918.9	183.5	138.1	
	A. Domestic credit	3,921.5	4,062.1	4,218.5	297.0	156.4	
	 Net claims on the public sector 	312.5	234.0	293.5	-19.0	59.5	
	 Claims on the private sector 	3,609.0	3,828.1	3,925.0	316.0	96.9	
	 Loans to enterprises 	1,631.9	1,755.9	1,845.2	213.3	89.3	
	 Loans to individuals 	1,964.6	2,059.4	2,066.8	102.2	7.4	
	- Consumer credit	401.4	438.3	438.0	36.6	-0.3	
	- Housing mortgages	1,563.2	1,621.1	1,628.8	65.6	7.7	
	 Other claims by the banking sector 	12.5	12.8	13.0	0.5	0.2	
	B. Non-credit-related balance sheet items	-1,186.1	-1,281.3	-1,299.6	-113.5	-18.3	
II.	Net foreign assets	2,936.1	2,802.2	2,889.9	-46.2	87.7	
III.	Broad money	5,671.5	5,583.0	5,808.8	137.3	225.8	
	Money	3,579.5	3,307.3	3,477.0	-102.5	169.7	
	Quasi-money	2,092.0	2,275.7	2,331.8	239.8	56.1	

The expansion in the domestic component of the money supply was the outcome of an increase of Afl. 156.4 million in domestic credit and a decrease in non-credit related balance sheet items of Afl. 18.3 million.

The growth in domestic credit was the result of increases in claims of the banking sector on the private sector (+Afl. 96.9 million) and in net claims of the banking sector on the public sector (+Afl. 59.5 million). The higher claims of the banking sector on the private sector were the result of increases in loans to enterprises (+Afl. 89.3 million), housing mortgages (+Afl. 7.7 million), and a decrease in consumer credit (-Afl. 0.3 million). The higher net claims of the banking sector on the public sector were brought about by lower government deposits (-Afl. 59.1 million).

The decline in non-credit related balance sheet items was caused by increases in 'shareholders' equity', and 'other liabilities', and a decrease in 'premises and equipment'.

Source: Centrale Bank van Aruba.



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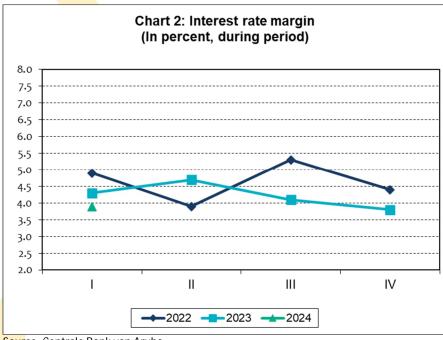
Interest rate margin

The interest rate margin of the commercial banks (calculated as the differential between the weighted average rate of interest paid on new loans and the weighted average rate of interest offered on new deposits) increased by 0.1 percentage point to 3.9 percent in the first quarter of 2024, when compared to the fourth quarter of 2023 (Table 2 and Chart 2). This outcome reflected an increase of 0.5 percentage point to 2.7 percent in the

weighted average rate of interest offered on new deposits and a rise of 0.5 percentage point to 6.6 percent in the weighted average rate of interest charged on new loans.

Table 2: Interest rates of the commercial banks	20	2024	
(weighted averages related to transactions during indicated period)	Q1	Q4	Q1
Weighted average rate of interest on new deposits	1.8	2.2	2.7
Time deposits ≤ 12 months	1.4	2.2	2.0
Time deposits > 12 months	2.5	2.8	3.7
Savings deposits	1.3	1.3	1.3
Weighted average rate of interest on new loans	6.1	6.1	6.6
Individual			
Consumer credit	9.0	8.3	8.4
Housing mortgages	5.2	5.2	5.2
Commercial			
Commercial mortgages	6.0	6.0	6.2
Other loans - Including current accounts (overdraft) facilities	6.0	5.9	6.6
Interest rate margin	4.3	3.8	3.9

Source: Centrale Bank van Aruba.



Source: Centrale Bank van Aruba.

Nonmonetary financial institutions

In the first quarter of 2024, the aggregated balance sheet total of the nonmonetary financial institutions rose by Afl. 129.0 million or 2.4 percent to Afl. 5,549.6 million, compared to the fourth quarter of 2023 (Table 3). This upturn was caused by a rise in domestic claims (+Afl. 153.9 million) and a decrease in net foreign assets (-Afl. 25.0 million). On the liability side, there were increases in insurance reserve fund (+Afl. 32.1 million), pension fund provisions (+Afl. 21.1 million), and 'borrowings and deposits' (+Afl. 0.1 million), when compared to the fourth quarter of 2023. An amount of Afl.

375.6 million was recorded for other items (net), compared to Afl. 299.9 million in the previous quarter.

Table 3: Nonmonetary financial institutions	20	23	2024	Changes	
End of period	Q1	Q4	Q1	Q1-24 vs Q1-23	Q1-24 vs Q4-23
Net foreign assets	1,881.3	2,073.5	2,048.5	167.2	-25.0
Domestic claims a. Government	3,203.9 1,478.5	3,347.2 1,491.5	3,501.1 1,493.3	297.2 14.8	153.9 1.8
b. Private sector	1,725.4	1,855.7	2,007.8	282.4	152.1
3. Total assets = total liablities	5,085.2	5,420.6	5,549.6	464.4	129.0
4. Borrowings and deposits	1.7	1.6	1.7	0.0	0.1
a. Government b. Other residents	1.4 0.3	1.2 0.4	1.2 0.5	-0.2 0.2	0.0 0.1
5. Pension fund provisions	3,389.3	3,487.0	3,508.1	118.8	21.1
6. Insurance reserve fund	1,581.4	1,632.1	1,664.2	82.8	32.1
7. Other items, net	112.8	299.9	375.6	262.8	75.7

Source: Centrale Bank van Aruba.

Mortgage market

Housing mortgage lending of the financial institutions expanded by Afl. 16.0 million to Afl. 2,228.9 million at the end of March 2024, compared to the end of December 2023 (Table 4 and Chart 3). This rise resulted from increases in housing mortgage lending by the life insurance companies (+Afl. 8.4 million), commercial banks (+Afl. 7.7 million), mortgage banks (+Afl. 0.2 million),

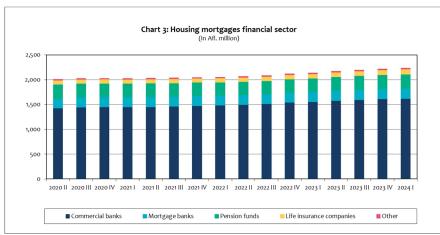
other financial institutions (+Afl. 0.2 million), and a decrease in pension funds (-Afl. 0.4 million).

Table 4: Housing mortgages	2023			2024						
	Q1		Q4			Q1				
End of period	Afl.	Change	Market share	Afl.	Change	Market share	AfI.	Change	Market share	
Total	2,134.3	16.9	100.0%	2,212.9	23.5	100.0%	2,228.9	16.0	100.0%	
Commercial banks	1,555.7	13.5	72.9%	1,614.3	16.2	72.9%	1,622.0	7.7	72.8%	
Mortgage banks	199.9	2.5	9.4%	206.3	2.2	9.3%	206.5	0.2	9.3%	
Pension funds	271.8	-2.1	12.7%	279.7	2.9	12.6%	279.3	-0.4	12.5%	
Life Insurance Companies	91.1	3.4	4.3%	97.7	2.2	4.4%	106.1	8.4	4.8%	
Other	15.8	-0.4	0.7%	14.8	-0.2	0.7%	15.0	0.2	0.7%	

Source: Centrale Bank van Aruba.

At the end of March 2024, there was an increase in the market share of the life insurance companies (+0.5 percentage point) when compared to the first quarter of 2023. In contrast, the market share contracted for pension funds (-0.2 percentage point), commercial banks (-0.1 percentage point), and

mortgage banks (-0.1 percentage point). The market share for other financial institutions remained unchanged.



Source: Centrale Bank van Aruba.

