



## CENTRALE BANK VAN ARUBA

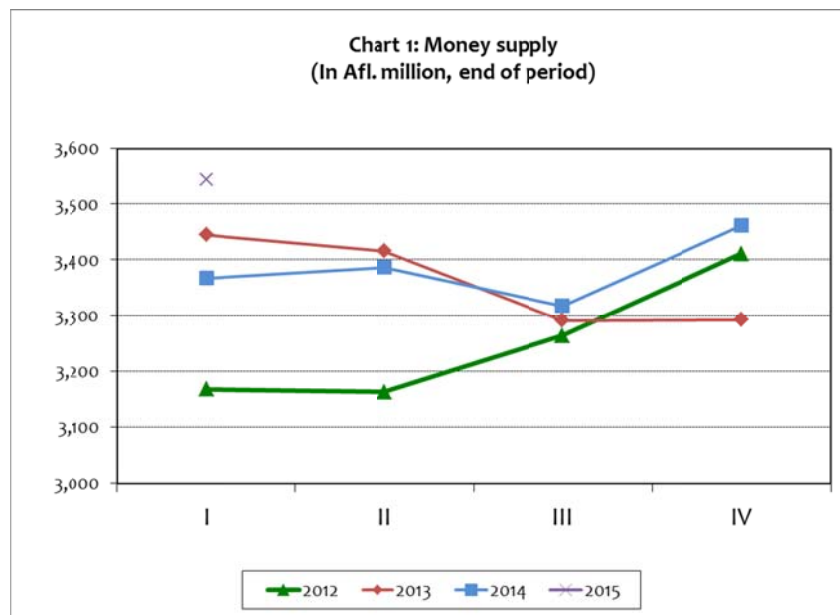
### Statistical News Release

Date: January 18, 2016

#### **Monetary and financial developments: Money supply increased in the first quarter of 2015**

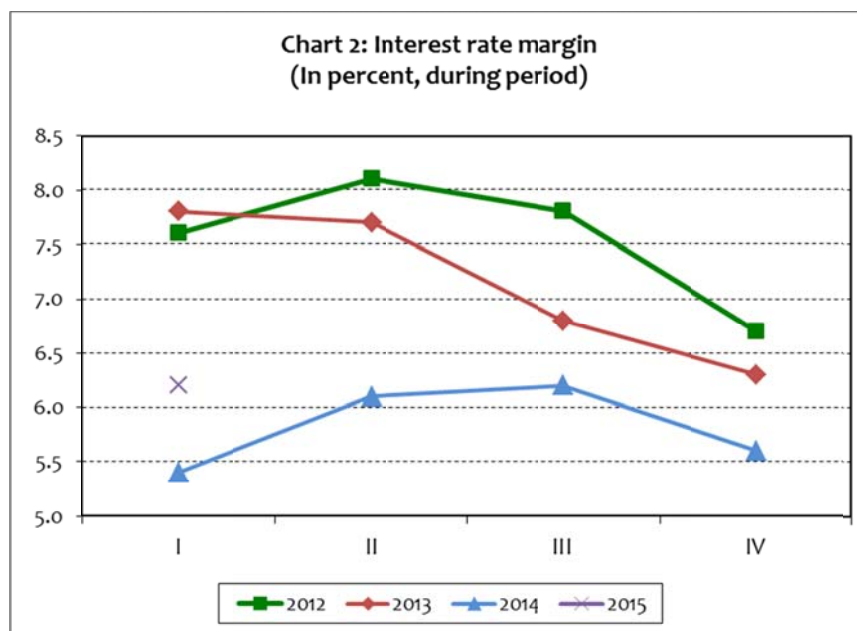
##### *Money and credit*

In the first quarter of 2015, the money supply increased by Afl. 82.8 million to Afl. 3,543.9 million, compared to the previous quarter (Chart 1). This growth resulted from an Afl. 88.6 million inflow of foreign funds, mainly due to an Afl. 54.2 million (USD 30.3 million) inflow of foreign funds in January 2015 related to the second tranche of the issuance of USD 52.9 million in government bonds on the international capital market in December 2014. In contrast, the domestic component of the money supply decreased by Afl. 5.7 million to Afl. 2,282.4 million. The decline in net domestic assets was associated with an Afl. 6.2 million decrease in domestic credit, due to a fall in claims on the private sector of Afl. 12.4 million, owed to decreases in consumer credit of Afl. 15.1 million to Afl. 571.0 million and loans to enterprises of Afl. 6.1 million to Afl. 1,324.6 million. In contrast, housing mortgages increased by Afl. 8.8 million to Afl. 1,058.2 million. The Afl. 6.2 million rise in the net claims of the banking sector on the public sector was the result of decreases in government deposits of Afl. 9.3 million and development funds of Afl. 3.1 million, and a decline of Afl. 6.3 million in the gross claims of the banking sector on the public sector. Non-credit related balance sheet items went up slightly by Afl. 0.4 million.



### Interest rate margin

In the first quarter of 2015, 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 0.6 percentage point to 6.2 percent, compared to the fourth quarter of 2014 (Chart 2). This resulted from a decrease in the weighted average rate of interest offered on new deposits of 0.1 percentage point to 2.1 percent and a rise in the weighted average rate of interest paid on new loans of 0.6 percentage point to 8.3 percent.



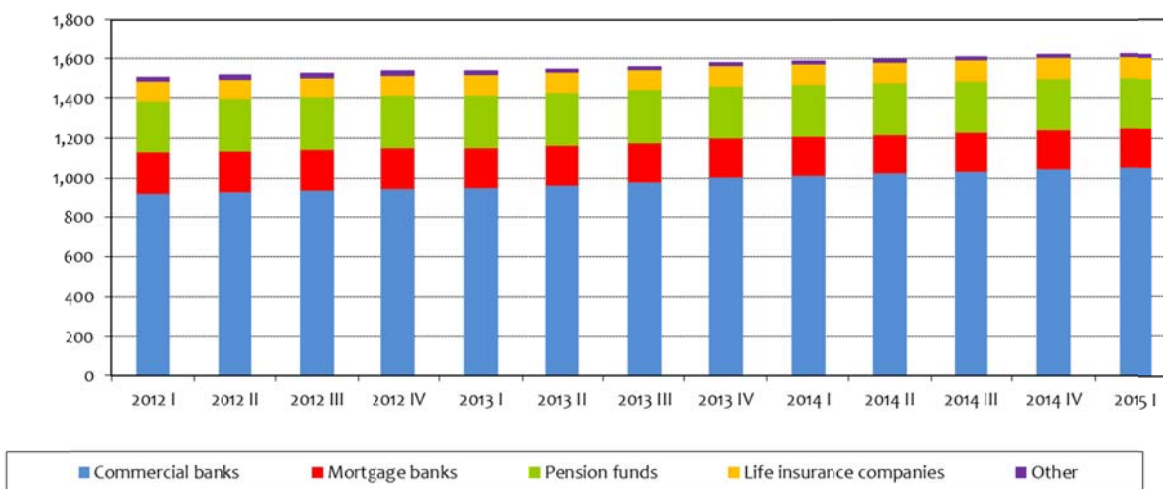
### Nonmonetary financial institutions

At the end of March 2015, the aggregated balance sheet total of the nonmonetary financial institutions fell by Afl. 18.9 million or 0.5 percent to Afl. 3,611.4 million, compared to end-December 2014. This contraction was a result of an Afl. 41.6 million decrease in domestic claims and an Afl. 22.7 million rise in the net foreign assets. On the liability side, there were increases reported in the insurance reserve fund of Afl. 47.2 million and in the pension fund provisions of Afl. 18.3 million. In contrast, other items net declined by Afl. 84.4 million, while borrowings and deposits remained unchanged at Afl. 38.8 million at the end of March 2015.

### Mortgage market

Housing mortgage lending of the financial institutions rose by Afl. 5.0 million to Afl. 1,626.7 million at the end of March 2015, compared to end-December 2014. This growth resulted mainly from an increase in housing mortgage lending by the commercial banks. In contrast, housing mortgage lending by the pension funds fell by Afl. 3.4 million and mortgage banks by Afl. 2.3 million (chart 3).

**Chart 3: Housing mortgages financial sector**  
(In A£L million)



At the end of March 2015, the market share of the commercial banks increased by 0.3 percentage point, while the market share of the pension funds declined by 0.3 percentage point and mortgage banks by 0.2 percentage point when compared to the fourth quarter of 2014 (table 1).

	2014 IV	2015 I
Commercial banks	64.3	64.7
Mortgage banks	12.4	12.2
Pension funds	15.6	15.3
Life insurance companies	6.6	6.6
Other	1.0	1.1