



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba increased in both the second quarter and the first six months of 2016

In the second quarter of 2016, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 170.6 million of foreign exchange, which was Afl. 56.4 million higher than in the second quarter of 2015. This increase was attributed mainly to transactions with the government. These transactions led to a net foreign exchange purchase of Afl. 160 million in the quarter under review, compared to a net foreign exchange sale of Afl. 19.3 million in the second quarter of 2015. On the other hand, the net foreign exchange purchases from the commercial banks fell by Afl 108.2 million, while the net foreign exchange sales to other clients grew by Afl. 14.7 million. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, increased by Afl. 192.6 million to Afl. 1,786.2 million at the end of the second quarter 2016 (see Table 1).

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2014		2015		2016	
	Q2	YTD ³	Q2	YTD ³	Q2	YTD ³
I. Reserves at beginning of period	1,244.0	1,192.9	1,260.8	1,239.8	1,593.6	1,479.9
II. Net purchases/sales (-) of foreign exchange	-20.4	1.4	114.2	132.2	170.6	241.8
Of which from/to:						
1. Commercial banks	-7.2	8.3	134.0	134.7	25.8	153.2
2. Government	-16.9	-17.1	-19.3	-6.6	160.0	102.6
3. Other clients	3.7	10.2	-0.5	4.1	-15.2	-14.0
III. Other changes ²	15.2	44.5	-6.7	-3.7	22.0	64.5
IV. Reserves at ending of period (I+II+III)	1,238.8	1,238.8	1,368.3	1,368.3	1,786.2	1,786.2
V. Change in official reserves during period (IV-I)	-5.2	45.9	107.5	128.5	192.6	306.3

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 June.

During the first six months of 2016, foreign exchange transactions effectuated via CBA led to a net purchase by the CBA of Afl. 241.8 million of foreign exchange, compared to a net purchase of Afl. 132.2 million in the same period of 2015. This expansion was largely caused by transactions with the government leading to a turnaround from a net foreign exchange sale of Afl. 6.6 million into a net foreign exchange purchase of Afl. 102.6 million. Additionally, an increase of Afl 18.5 million in the net foreign exchange purchase from the commercial banks contributed to this expansion in net purchases of foreign exchange.

The CBA's total foreign exchange purchases grew by Afl. 88.9 million to Afl. 320.1 million in the second quarter of 2016, compared to the corresponding quarter of 2015 (see Table 2). This increase was caused largely by an Afl. 177.8 million growth in foreign exchange purchases from the government related to an Afl. 178.2 million receipt from the bonds issuance on the international capital market in May 2016. On the other hand, foreign exchange purchases from commercial banks and other clients declined by, respectively, Afl. 87.3 million and Afl. 1.6 million.

During the first six months of 2016, total foreign exchange purchases expanded by Afl. 145.2 million to Afl. 556.6 million, compared to the corresponding quarter of 2015. This expansion was associated mainly with an Afl. 123.5 million increase in foreign exchange purchases from the government related to the bonds issuance mentioned earlier. In addition, foreign exchange purchases from commercial banks grew by Afl. 25.1 million, while foreign exchange purchases from other clients declined by Afl. 3.2 million.

Tabel 2: Foreign exchange transactions

(in Afl. million)

	2014		2015		2016	
	Q2	YTD ¹	Q2	YTD ¹	Q2	YTD ¹
I. Total purchases of foreign exchange	137.8	490.7	231.2	411.4	320.1	556.6
Of which from:						
1. Commercial banks	131.0	301.3	226.7	346.2	139.4	371.2
2. Government	0.0	174.0	0.4	54.7	178.2	178.2
3. Other clients	6.8	15.4	4.1	10.5	2.5	7.2
II. Total sales of foreign exchange	158.2	489.3	117.0	279.2	149.5	314.8
Of which to:						
1. Commercial banks	138.3	293.0	92.7	211.5	113.6	218.0
2. Government	16.9	191.1	19.8	61.4	18.2	75.6
3. Other clients	3.0	5.2	4.5	6.3	17.7	21.2
III. Net purchases/sales (-) of foreign exchange	-20.4	1.4	114.2	132.2	170.6	241.8
IV. Net purchases/sales (-) from/to commercial banks	-7.2	8.3	134.0	134.7	25.8	153.2
V. Net purchases/sales (-) from/to government	-16.9	-17.1	-19.3	-6.6	160.0	102.6
VI. Net purchases/sales (-) from/to other clients	3.7	10.2	-0.5	4.1	-15.2	-14.0

Source: CBA.

¹ January up to and including June.

Total foreign exchange sales of the CBA grew by Afl. 32.5 million to Afl. 149.5 million in the second quarter of 2016, due mainly to higher foreign exchange sales to the commercial banks and other clients of, respectively, Afl. 20.9 million and Afl. 13.2 million. The latter was partially associated with the funding of notified foreign accounts of Afl 6.1 million. On the other hand, foreign exchange sales to the government declined by Afl. 1.6 million.

During the first six months of 2016, total foreign exchange sales grew by Afl. 35.6 million to Afl. 314.8 million, compared to the first half of 2015. Increases in foreign exchange sales to clients (+Afl. 14.9 million), the government (+Afl. 14.2 million) and the commercial banks (Afl. 6.5 million) contributed to this growth.