

PRESS RELEASE

OPERATIONAL REPORT 2020 AND CONDENSED FINANCIAL STATEMENTS 2020: THE CENTRALE BANK VAN ARUBA MAINTAINS ITS SOLID FINANCIAL POSITION DURING THE COVID-19 PANDEMIC

Oranjestad, December 23, 2021 – The Centrale Bank van Aruba (CBA) today publishes its [Operational Report 2020](#) and its [Condensed Financial Statements 2020](#) . These reports provide a synopsis of CBA’s financial results for 2020, summarize the most important achievements related to its strategic plan “Bela yen: Nos Plan Strategico 2016-2020”, and highlights the main developments and activities in the monetary sector, the payment systems, along with the prime operational activities carried out by the CBA in 2020.

In 2020, one of the CBA’s main focus areas was to ensure at all times an adequate level of foreign exchange reserves to safeguard the fixed value of the florin vis a vis the U.S. dollar. This in view of the strong contraction in foreign currency inflows from tourism activities, resulting from the measures the Government of Aruba (GOA) had to take to contain the spread of the Covid-19 virus. The CBA, on its turn, took various measures in the monetary, prudential, and foreign exchange areas. These measures, further fortified by substantial foreign borrowing of the GOA, including from The Netherlands, mitigated the negative impact on the [foreign exchange reserve](#). These reserves were appropriate throughout 2020, while the liquidity of the banking system also remained adequate, including other important prudential ratios, thereby contributing to the stability of the financial sector and [maintaining the confidence in the Aruban florin](#). In view hereof, as well as the strong rebound in the tourism sector and positive economic outlook, as of [September 1, 2021](#), the CBA revoked all foreign exchange restrictions imposed, as well as the prudential relief measures for the commercial banks. In addition, as of September 2021, in view of the high level of excess liquidity in the banking sector and rising inflation pressures, the CBA tightened monetary policy by gradually raising the reserve requirement rate for the commercial banks, which reached the level of 12 percent as of [December 1, 2021](#).

The year 2020 also marked the end of CBA’s strategic plan “Bela Yen: Nos Plan Strategico 2016 – 2020”. During that period, the CBA focused on becoming a prominent central bank in the region, by executing its tasks in an efficient and result-oriented manner, while being an attractive organization for top-talents. The CBA completed various strategic initiatives in the areas of payment systems, corporate governance, supervision, information security, and information system. In particular, a key achievement in 2020, was the launching of the Instant Payment Clearing and Settlement Mechanism, also known as I-Pago, in close collaboration with the commercial banks. Thanks to this new platform,

the clearing and settlement of local transfers between commercial banks was reduced from several days to a couple of seconds. The I-Pago system is available 24 hours a day, 365 days a year. This was an important milestone especially during the Covid-19 pandemic, where contactless payment became essential in the local retail industry.

By significantly reducing expenditures through strict budgetary measures, the financial position of the CBA [remained solid](#) throughout 2020, generating a net profit of Afl. 28.4 million. The [net interest revenues](#), CBA's primary source of revenue fell markedly in 2020, reflecting the negative interest rate developments in the U.S. financial markets due to the Covid-19 pandemic and Fed's subsequent anticipating measures. [Personnel and operating expenses of the CBA](#) contracted due to more stringent cost control.

The CBA would like to thank all its stakeholders for the cooperation received during 2020 and 2021, and wishes the entire Aruba community a happy and healthy 2022.

The [Operational Report 2020](#) and the [Condensed Financial Statements 2020](#) are available on CBA's website as of today.