

**CONDENSED FINANCIAL STATEMENTS**  
**2023**



June 18, 2024

**CENTRALE BANK VAN ARUBA**

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**CENTRALE BANK VAN ARUBA****CONDENSED BALANCE SHEET**  
**(before allocation of net result)**  
**(Afl.)**

	<i>As of</i> <u>December 31, 2023</u>	<i>As of</i> <u>December 31, 2022</u>
<b>Assets</b>		
<b>1. Gold</b>	<b>410,864,224</b>	<b>361,050,124</b>
<b>2. Foreign currency assets</b>		
2.1 Due from banks and other financial institutions	66,429,287	153,336,837
2.2 Government and other papers	2,177,504,396	2,276,486,089
2.3 Other	14,888,402	9,419,944
	<b>2,258,822,085</b>	<b>2,439,242,870</b>
<b>3. Other assets</b>		
3.1 Receivables	10,722,066	11,285,821
3.2 Stock of coins and printing costs banknotes	1,087,978	2,165,936
3.3 Due from local banks	640,140	-
3.4 Other fixed assets and premises	16,913,093	13,449,920
3.5 Projects in progress	2,606,433	6,872,891
	<b>31,969,710</b>	<b>33,774,568</b>
	<b><u>2,701,656,019</u></b>	<b><u>2,834,067,562</u></b>

**CENTRALE BANK VAN ARUBA****CONDENSED BALANCE SHEET  
(before allocation of net result)  
(Afl.)***As of*  
December 31, 2023*As of*  
December 31, 2022***Liabilities and equity***

<b>1. Banknotes in circulation</b>	<b>315,408,515</b>	<b>297,790,515</b>
<b>2. Deposits of residents</b>		
2.1 Government	82,270,482	69,639,855
2.2 Commercial banks	1,861,460,794	2,193,704,582
2.3 Other	2,688,246	3,939,710
	<b>1,946,419,522</b>	<b>2,267,284,147</b>
<b>3. Deposits of nonresidents</b>	<b>23,939,357</b>	<b>9,405,081</b>
<b>4. Money in custody</b>	<b>2,164,953</b>	<b>2,163,863</b>
<b>5. Payables and accrued expenses</b>	<b>16,394,137</b>	<b>4,481,091</b>
<b>6. Employee savings fund liability</b>	<b>578,941</b>	<b>-</b>
<b>7. Revaluation account</b>	<b>259,727,006</b>	<b>129,833,734</b>
<b>8. Capital and reserves</b>		
8.1 Capital	10,000,000	10,000,000
8.2 General reserve	103,109,131	101,289,844
	<b>113,109,131</b>	<b>111,289,844</b>
<b>Net result for the year</b>	<b>23,914,457</b>	<b>11,819,287</b>
	<b><u>2,701,656,019</u></b>	<b><u>2,834,067,562</u></b>

**CENTRALE BANK VAN ARUBA**

**CONDENSED PROFIT AND LOSS  
ACCOUNT  
(Afl.)**

	<u>2023</u>	<u>2022</u>
1. Net interest revenues	33,911,030	20,728,036
2. Other revenues	20,641,742	19,777,566
<b>Total net income</b>	<b>54,552,772</b>	<b>40,505,602</b>
3. Amortization of stock of banknotes	1,101,249	1,101,249
4. Personnel expenses	19,680,260	19,107,069
5. Operating expenses	6,292,978	6,258,384
6. Depreciation expenses	3,563,828	2,219,613
<b>Total expenses</b>	<b>30,638,315</b>	<b>28,686,315</b>
<b>Net result</b>	<b>23,914,457</b>	<b>11,819,287</b>

**CENTRALE BANK VAN ARUBA****CONDENSED CASH FLOW STATEMENT  
(Afl.)**

	<u>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Net result	<b>23,914,457</b>	<b>11,819,287</b>
<u>Adjustments for</u>		
Depreciation expenses	3,563,828	2,219,613
Amortization expenses printing costs of banknotes	1,101,249	1,101,249
	<b>4,665,077</b>	<b>3,320,862</b>
<u>Changes in working capital</u>		
Decrease in receivables	563,755	271,535
(Increase) in stock of coins	(23,291)	(51,732)
Increase in banknotes in circulation	17,618,000	5,486,860
Net (decrease)/increase in deposits of residents and nonresidents	(306,330,349)	173,645,198
Increase/(decrease) in money in custody	1,090	(31,014)
Increase in payables and accrued expenses	11,913,046	410,365
Increase in employee savings fund liability	578,941	-
	<b>(275,678,808)</b>	<b>179,731,212</b>
<b>Total cash flow (used in)/from operating activities</b>	<b>(247,099,274)</b>	<b>194,871,361</b>
<b>Investment activities</b>		
Net investments in other fixed assets, premises, and projects in progress	(2,760,543)	(3,454,972)
Net investments in government and other papers	179,095,004	(283,927,062)
Net change in interest receivables from foreign currency assets	(5,450,406)	(4,466,837)
<b>Total cash flow from/(used in) investment activities</b>	<b>170,884,055</b>	<b>(291,848,871)</b>
<b>Financing activities</b>		
Profit distribution	(10,000,000)	(19,730,836)
<b>Total cash flow (used in) financing activities</b>	<b>(10,000,000)</b>	<b>(19,730,836)</b>

**CENTRALE BANK VAN ARUBA****CONDENSED CASH FLOW STATEMENT  
(Cont'd)****(Afl.)**

	<u>2023</u>	<u>2022</u>
<b>Total net (decrease) in cash and cash equivalents</b>	<b>(86,215,219)</b>	<b>(116,708,346)</b>
<b>Cash and cash equivalents as of January 1</b>	<b>153,615,582</b>	<b>270,226,479</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(34,139)	97,449
<b>Cash and cash equivalents as of December 31</b>	<b>67,366,224</b>	<b>153,615,582</b>
<b>Cash and cash equivalents comprise:</b>		
Due from banks and other financial institutions as of December 31	67,069,427	153,336,837
Banknotes as of December 31	296,797	278,745
	<u><b>67,366,224</b></u>	<u><b>153,615,582</b></u>

## **4. NOTES TO THE CONDENSED BALANCE SHEET AS OF DECEMBER 31, 2023 AND THE CONDENSED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2023**

### **1. GENERAL**

For publication purposes, the Centrale Bank van Aruba (CBA) prepared the 2023 condensed financial statements derived from the CBA's audited financial statements 2023, which have been drawn up pursuant to article 31, paragraphs 1 and 3 of the Central Bank Ordinance (CBO) (AB 1991 no. GT 32).

The external auditor expressed an unmodified opinion on the CBA's financial statements for the year 2023 in its report dated June 14, 2024. The CBO does not mandate publication requirements. However, for transparency purposes, yearly the CBA publishes its condensed financial statements.

### **2. ACCOUNTING POLICIES**

#### **Form and presentation of the financial statements**

The condensed financial statements are prepared by the Executive Committee and follow the same accounting policies as applied by the CBA in the financial statements and disclose extracts derived from the audited financial statements. The CBA adheres to the relevant articles for the preparation of the financial statements as stated in the CBO. In addition, the financial statements are prepared according to the Guideline (EU) 2019/2217 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2019/34) (ESCB Guidelines), as issued by the Governing Council of the European Central Bank, except for the following deviation by virtue of the CBO.

The accounting policy in the CBO that deviates from the ESCB Guidelines is stated in article 31 sub 2, which stipulates that the changes that occurred during a financial year in the value of the gold and foreign exchange reserves and the business assets of the CBA, except those relating to the assets in which the capital and reserves have been invested, are recorded on the liability side of the balance sheet, and shall not be included in the compilation of the profit and loss account. The CBA, therefore, records these changes in the revaluation account. This accounting policy deviates from the ESCB Guidelines, as this guideline states that, in contrast to the CBO, unrealized losses that exceed any unrealized gains recorded in the revaluation account, are to be recorded in the profit and loss account.

The CBA's financial year equals the calendar year. The financial statements are presented in Aruban florin (Afl.), and all values are rounded up to the nearest florin, except when otherwise indicated.

#### **Accounting principles**

The following accounting principles have been applied: transparency, prudence, recognition and disclosure of post-balance-sheet events, materiality, going concern, the accruals principle, consistency, and comparability.

#### **Recognition of assets and liabilities**

An asset or liability is only recognized in the balance sheet when it is probable that any associated future economic benefits will flow to or from the CBA, substantially all of the associated risks and rewards have been transferred to or from the CBA, and the cost or value of the asset or the amount of the obligation can be measured reliably.



### **Basis of accounting**

The condensed financial statements have been prepared on a historical cost basis, modified to include the market valuation of gold, marketable securities, and on-balance sheet claims and liabilities denominated in foreign currency. Transactions related to financial assets and liabilities are reflected in the accounts on the basis of the date on which they are settled.

### **Conversion of foreign currency**

Assets and liabilities denominated in foreign currency are converted into Aruban florin (Afl.) at the rate of exchange (middle rate) prevailing on the balance sheet date. Transactions in foreign currency during the reporting period are converted into Afl. at the exchange rate prevailing on the date of settlement. The exchange rate for one U.S. dollar (USD) is fixed at Afl. 1.79, in accordance with the State Decree Value of the Aruban florin (AB 1992 No. GT 6). The exchange rate for transfers in Netherlands Antillean guilder (ANG) is also fixed at Afl. 1.00 as established by the CBA.

### **Comparison with previous year/Changes in accounting policies**

The principles of valuation and determination of results remained unchanged in the year 2023.

### **Gold, marketable securities, and on-balance sheet claims and liabilities denominated in foreign currency**

Gold, marketable securities, and on-balance sheet claims and liabilities denominated in foreign currency are valued at market prices prevailing on the last working day of the period under review.

Changes in the market value of gold, marketable securities, and on-balance-sheet claims and liabilities denominated in foreign currency are recognized in the revaluation account, which is included on the liabilities side of the balance sheet.

The accounting policies of the ECB and ESCB prescribe that unrealized losses should be recorded in the profit and loss account, when exceeding previous revaluation gains registered in the corresponding revaluation account. This accounting treatment is not in conformity with article 31, sub 2 of the CBO, which requires that changes in the valuation of the gold and foreign exchange reserves and business assets of the CBA occurring during the financial year should be reported on the liabilities side of the balance sheet. Therefore, in the (condensed) financial statements, unrealized losses are charged to the revaluation account.

### **Foreign currency assets and receivables**

Foreign currency assets and receivables are recognized at their nominal value, less provision for impairment if considered necessary.

### **Stock of coins**

The stock of coins comprises commemorative coins available for sale. The stock of coins is valued at the selling price of the coins.

### **Due from local banks**

The due from local banks is recognized at amortized cost, less provision for impairment if considered necessary. It comprises of accounts held at the local banks in the name of the CBA, for its own account and on behalf of its employees.

### Printing costs banknotes

Printing costs banknotes consist of the printing costs related to the 2019 series of Aruban florin banknotes that should cover the supply of banknotes for the upcoming years. These printing costs are amortized over a period of 5 years, starting from June 2019, which is the month in which the 2019 series banknotes were brought into circulation by the CBA replacing the 2003 series banknotes.

### Other fixed assets and premises

Other fixed assets and premises are valued at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the expected useful life of the assets, beginning from the moment of use. The useful life applied for the main asset classes is as follows:

- Other fixed assets, comprising:
  - computer hardware and software 3 to 5 years
  - office equipment and furniture & fixtures 2 to 10 years
  - motor vehicles 4 years
  - security equipment 3 to 10 years
- Premises, comprising:
  - the CBA's building, terrain, remodeling/renovations, parking lot, and landscaping 5 to 40 years, with a residual value of 30 percent

### Projects in progress

The projects in progress are valued at historical cost and include several projects still in the process of being executed as of December 31, 2023. When completed, the acquired assets are transferred to their respective capital asset accounts. Subsequently, the depreciation of these assets starts.

### Banknotes in circulation

The CBA issues Aruban florin banknotes. Banknotes in circulation are recognized at their nominal value.

### Other liabilities (comprising deposits of residents and nonresidents, money in custody, and payables and accrued expenses)

Other liabilities are recognized at their nominal value.

### Employee savings fund liability

The employee savings fund liability is recognized at amortized cost.

### Post-balance-sheet events

The values of assets and liabilities are adjusted for events that occur between the balance sheet date and the date on which the Executive Committee authorizes the submission of the CBA's financial statements to the BoSD for approval, if such events materially affect the condition of assets and liabilities at the balance sheet date. Important post-balance-sheet events that do not materially affect the condition of assets and liabilities at the balance sheet date are disclosed in the notes, if considered necessary.

### Revenue recognition

Revenues consist of the following categories:

- 
- Revenues, consisting mostly of interest income and realized gains and losses from the investment portfolios. These revenues are recognized in the period in which they are earned.
  - Other revenues – foreign exchange, being the net transaction profits resulting from the margin between the buying and selling rates of foreign exchange applied by the CBA. These revenues are recognized in the period in which they are earned.
  - Other revenues – coins, being the difference between the face value and the cost of minting of the coins ('seignorage'). Pursuant to article 12, paragraph 1 of the State Ordinance Governing the Monetary System (AB 1991 no. GT 34), coins are minted exclusively for the account of the Government of Aruba, whereas in conformity with article 7 of the CBO, the CBA is entrusted with the issuance of these coins. These revenues are recognized in the period in which they are earned.
  - Other revenues – exchange rate margin compensation, being the amounts obtained by the CBA from the foreign exchange banks, following the introduction of the State Ordinance Exchange Rate Margin Compensation Centrale Bank van Aruba (AB 2014 no. 57) (SOERMC) as of April 1, 2015. The foreign exchange banks owe the CBA a (net) exchange rate margin compensation comprising 3/8 percent of the counter value in Aruban florin of all foreign exchange sale transactions to the public, minus 1/8 percent of the counter value in Aruban florin of all foreign exchange purchase transactions from the public. These revenues are recognized on a monthly basis based on an estimate by the CBA, which is subsequently compared to the actual monthly payment received, taking into account any subsequent amendments and/or adjustments by the foreign exchange banks and/or the CBA.
  - Other revenues – various, include a number of smaller revenue items that are recognized in the period in which they are earned. This category comprises revenues related to the passing on of (part of) the supervision costs to the sectors supervised by the CBA and certain fees that are charged to the banking sector. It also contains administrative fines that are recognized as revenue once these fines have become irrevocable. This stage in the legal process is reached when all the rights of appeal of the parties involved have been exhausted. Until this stage in the legal process is reached, all payments collected by the CBA from administrative fines imposed are recorded as an 'advance payment' on the liability side of the CBA's balance sheet.

## **Expenses**

Expenses are recognized in the period in which they are incurred by the CBA.

## **Cash flow statement**

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise due from banks and banknotes. Exchange differences affecting cash items are shown separately in the cash flow statement. Transactions not resulting in inflow or outflow of cash are adjusted for in the cash flow statement.

## 5. NOTES TO THE CONDENSED BALANCE SHEET AS OF DECEMBER 31, 2023

### Assets

The number in parentheses following the account description refers to the corresponding items in the condensed balance sheet.

#### Gold (1)

Effective December 31, 2001, the gold of the CBA is valued on a quarterly basis at the prevailing market price for gold. At December 31, 2023, the market price for gold per fine troy ounce was USD 2,062.40 or Afl. 3,691.70 (December 31, 2022: USD 1,812.35 or Afl. 3,244.11).

The following tables provide the quantity and the value, as well as the changes in the gold of the CBA as of December 31, 2023, when compared to the previous period.

	<u>Fine troy ounces</u>		<u>Value (Afl.)</u>	
	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<b>Gold</b>	111,294.165	111,294.165	410,864,224	361,050,124
			<b>December 31,</b> <b>2023</b>	<b>December 31,</b> <b>2022</b>
			<b>Afl.</b>	<b>Afl.</b>
<b>Gold as of beginning balance</b>			<b>361,050,124</b>	<b>362,594,052</b>
Net change in the value of gold			49,814,100	(1,543,928)
<b>Gold as of ending balance</b>			<b>410,864,224</b>	<b>361,050,124</b>

#### Foreign currency assets (2)

Foreign currency assets are mostly held in U.S. dollars, while relatively small amounts are held in ANG, euros, and British pounds.

##### - *Due from banks and other financial institutions (2.1)*

Comprises current accounts held at De Nederlandsche Bank (DNB), the Bank of England (BOE), the Federal Reserve Bank of New York (FRNY), the Centrale Bank van Curaçao en St. Maarten (CBCS), and other financial institutions in the U.S.A., and time deposits held at a financial institution in Colombia. In order to minimize foreign exchange risk, total non-U.S. dollar holdings are limited to a maximum amount. Current accounts and other money market instruments (such as short-term funds with maturities ranging from overnight to 1 year, e.g., certificates of deposit, as well as time deposits) must be held at financial institutions with a minimum credit rating of Standard & Poor's (S&P) A-1 or Moody's P-1 or Fitch F1.

During 2023, the balance sheet item 'Due from banks and other financial institutions' decreased by Afl. 86,907,550 (- 56.7 percent) to Afl. 66,429,287 as of December 31, 2023, when compared to December 31, 2022 (Afl. 153,336,837). This decrease was largely the result of a decline in the CBA's current account held at FRNY (- Afl. 48,540,784) and CBCS (- Afl. 22,449,120), as well as in the CBA's time deposits held at a financial institution in Colombia (- Afl. 17,900,000) as of December 31, 2023, compared to December 31, 2022. On the other hand, the CBA's current account held at DNB increased by Afl. 1,470,342.

- **Government and other papers (2.2)**

Consist of investments through CBA's external asset managers, based on the investment guidelines, in:

1. U.S. government and U.S. agencies securities;
2. Securities issued by qualifying supranational financial institutions;
3. Asset-backed securities issued by qualifying institutions;
4. Mortgage-Backed securities issued by qualifying institutions;
5. Money market instruments, comprising mostly certificates of deposit, time deposits, and treasury bills; and
6. Corporate bonds issued by the financial services industry, specifically banks and other financial institutions, and the industrial sector.

The investment guidelines of the asset managers, based on conservative parameters, stipulate, amongst other, the investment objectives, benchmarks, average duration, and eligible investment instruments, which must be denominated in U.S. dollar per investment portfolio. Investments in U.S. Treasury Securities and securities directly or not directly guaranteed by the U.S. government and U.S. agency securities are limited to AA rated markets or equivalent, and all credits are limited to AAA rated markets or equivalent, while for money market instruments (excluding U.S. Treasury bills) the minimum investment grade is S&P A-1, Moody's P-1 or Fitch F-1. Moreover, the mortgage-backed securities are limited to U.S. agency mortgages only, and the credit quality of asset-backed securities and corporate bonds is limited to a minimum rating of AAA or equivalent and A- or equivalent, respectively. For securities with split ratings, the highest rating is applied.

During 2023, the government and other papers held by the CBA decreased by Afl. 98,981,693 (- 4.3 percent) to Afl. 2,177,504,396 as of December 31, 2023 (December 31, 2022: Afl. 2,276,486,089). This decrease was mainly attributed to net cash transfers in the amount of Afl. 204,060,000 from the investment portfolio to the CBA's current account held at a financial institution in the U.S.A. to cover the Government of Aruba's debt repayment and interest payments and other operational expenses denominated in foreign currency during 2023. In addition, the item 'Government and other papers' was negatively impacted by a net realized capital loss of Afl. 39,724,666. This movement occurred because the CBA continued with its partial restructuring operations of the investment portfolio in May and December 2023 in order to mitigate the interest rate risk and further expansion of the unrealized loss position of the investment portfolio, while aiming to maximize the income generating capacity of the portfolio for the coming years. The effect of these decreases was partly offset by the net change in the market value of the CBA's investment portfolio (see note 7 on Revaluation account) (+ Afl. 80,113,311) and interest income received (+ Afl. 64,794,079).

- **Other (2.3)**

This foreign currency assets item consists of accrued interest earned on the CBA's government and other papers, as well as banknotes held by the CBA in foreign currencies.

**Other assets (3)**

- ***Receivables (3.1)***

Receivables include mainly mortgage and personal loans granted to the CBA's personnel, prepaid expenses, receivables for passed on supervision costs, receivables relating to the exchange rate margin compensation, and other receivables.

The following table provides a specification of the item 'Receivables' as of December 31, 2023 and December 31, 2022.

	<b>December 31, 2023 Afl.</b>	<b>December 31, 2022 Afl.</b>
Loans, mortgages and advances to personnel	7,517,908	8,390,163
Prepaid expenses	465,429	566,637
Receivable passed on supervision costs	919,328	257,699
Receivable (net) related to the exchange rate margin compensation	1,177,282	1,150,428
Prepayments on behalf of the Government of Aruba	341,562	631,571
Receivables relating to administrative fines imposed on supervised institutions	245,222	230,500
Various	55,335	58,823
	<b>10,722,066</b>	<b>11,285,821</b>

- ***Stock of coins and printing cost banknotes (3.2)***

This item consists of commemorative coins available for sale, as well as the printing costs related to the 2019 series Aruban florin banknotes.

- ***Due from local banks (3.3)***

Due from local banks comprises of a corporate collective savings account and two current accounts held at local commercial banks. The corporate collective savings account was opened on April 19, 2022. The balance of this account as of December 31, 2022, was Afl. 257,976. There are no restrictions on the balances held in the current accounts. The total balance on the current accounts as of December 31, 2022 was Afl. 11,898.

- ***Other fixed assets and premises (3.4)***

Other fixed assets and premises include the CBA's building at J.E Irausquin Boulevard 8, terrain, renovations, parking space, landscaping, computer hardware & software, as well as other assets comprising office equipment, furniture and fixtures, security equipment, and motor vehicles.

In Afl. thousands	Building, renovations, parking space and landscaping Afl.	Computer hardware & software Afl.	Other assets Afl.	Total Afl.
<b><u>As of January 1, 2023</u></b>				
Cost	16,334	12,699	11,599	40,632
Accumulated depreciation	(8,288)	(9,337)	(9,557)	(27,182)
<b>Book value as of January 1, 2023</b>	<b>8,046</b>	<b>3,362</b>	<b>2,042</b>	<b>13,450</b>
<b><u>Changes during the year:</u></b>				
Additions	-	6,014	235	6,249
Disposals	-	-	(80)	(80)
Depreciation expenses	(142)	(2,047)	(597)	(2,786)
Depreciation on disposals	-	-	80	80
Adjustment - Cost	-	-	3	3
Adjustment - Accum. Depr	-	1	(4)	(3)
<b>Net changes during the year</b>	<b>(142)</b>	<b>3,968</b>	<b>(363)</b>	<b>3,463</b>
<b><u>As of December 31, 2023</u></b>				
Cost	16,334	18,713	11,757	46,804
Accumulated depreciation	(8,430)	(11,383)	(10,078)	(29,891)
<b>Book value as of December 31, 2023</b>	<b>7,904</b>	<b>7,330</b>	<b>1,679</b>	<b>16,913</b>

- ***Projects in progress (3.5)***

The following table provides the changes in the ongoing projects on the balance sheet of the CBA in 2023.

<b>In Afl. thousands</b>	<b>Project in progress  Afl.</b>
<b><u>As of January 1, 2023</u></b>	
Beginning balance	<u><b>6,873</b></u>
<b><u>Changes during 2023</u></b>	
Additions	2,710
Adjustment	(11)
Write offs	(779)
Reclassification to capital asset accounts	<u>(6,187)</u>
<b>Net changes during 2023</b>	<u><b>(4,267)</b></u>
<b><u>As of December 31, 2023</u></b>	
Ending balance	<u><b>2,606</b></u>

The projects in progress amounted to Afl. 2,606,433 as of December 31, 2023 (December 31, 2022: Afl. 6,872,891). When completed, the acquired assets are transferred to their respective capital asset accounts within the category 'Other fixed assets' or 'Premises', and, subsequently, the depreciation of these assets will initiate.



## Liabilities

### Banknotes in circulation (1)

Banknotes are issued pursuant to article 7, paragraph 1, of the CBO.

Afl. Denomination	Value	
	December 31, 2023	December 31, 2022
	Afl.	Afl.
10.00	9,581,340	9,222,890
25.00	22,612,375	22,039,775
50.00	18,649,500	17,538,450
100.00	253,645,300	238,724,500
200.00	10,243,000	9,576,400
500.00	677,000	688,500
	<b>315,408,515</b>	<b>297,790,515</b>

As at December 31, 2023, the banknotes in circulation consisted of both the 2003 series florin banknotes (5.0 percent) and the 2019 series florin banknotes (95.0 percent).

### Deposits of residents (2)

#### - *Government (2.1)*

This item consists of deposits of the Government of Aruba held at the CBA.

#### - *Commercial banks (2.2)*

This item comprises:

	December 31, 2023	December 31, 2022
	Afl.	Afl.
Current accounts	657,607,794	853,064,582
Reserve requirement	1,103,853,000	1,215,640,000
Time deposits	100,000,000	125,000,000
	<b>1,861,460,794</b>	<b>2,193,704,582</b>

Current accounts of the commercial banks are primarily held for transaction purposes. The reserve requirement comprises mandatory unremunerated deposits held by the commercial banks in accordance with the monetary policy requirements of the CBA. These mandatory deposits are not accessible to the commercial banks.

As per end-December 2023, the reserve requirement ratio stood at 22.0 percent, following several reductions during the year. (End-December 2022: 25.0 percent).

Furthermore, the CBA moved up its time deposit interest rates to pre-pandemic levels as of September 5, 2022, ranging from 0.025 percent to 0.100 percent, taking into account the increases of the Federal Fund rate during 2022, as well as the expectation that the Federal Reserve may raise aforementioned rates further to contain inflationary pressures in the U.S.A. On June 20, 2023 and October 16, 2023, the CBA raised its time deposits interest rates again, ranging from 0.125 percent to 0.325 percent, and from 0.375 percent to 0.575 percent, respectively.

- ***Other (2.3)***

This item consists of deposits of public nonfinancial corporations and other institutions held at the CBA.

**Deposits of nonresidents (3)**

This item consists of Aruban florin deposits of nonresident banks held at the CBA.

**Money in custody (4)**

This item comprises funds received in custody from third parties in conformity with the State Ordinance on Consignment of Money (AB 1991 GT 66).

**Payables and accrued expenses (5)**

The following table provides a specification of the item 'Payables and accrued expenses' of the CBA as of December 31, 2023 and December 31, 2022.

	December 31, 2023 Afl.	December 31, 2022 Afl.
Profit payable to the Government of Aruba	9,368,853	-
Unclaimed principal/ coupons of Aruban government securities	200,000	1,552
Foreign exchange commission collected and due to the Government of Aruba	286,683	182,152
Wage tax, social premiums, and pension contributions withheld	662,142	541,243
Accrual for asset management and custodian fees	132,942	525,421
Payable usage clearing system fee	20,330	76,325
Accrual vacation allowance	420,000	420,000
Advance payments related to administrative fines imposed	3,570,150	705,699
Accounts payable	1,608,352	1,869,482
Other payables	124,685	159,217
	<b>16,394,137</b>	<b>4,481,091</b>

### **Employee savings fund liability (6)**

The balance of the employee savings fund liability represents the amount owed to its employees for their contributions, as well as the CBA's contributions and any interest earned on the employee savings fund.

### **Revaluation account (7)**

Pursuant to article 31, paragraph 2 of the CBO, revaluation changes in gold, securities, and foreign exchange holdings are included in the revaluation account.

The following tables provide a specification of the 'Revaluation account' of the CBA, as well as a detailed overview of this balance sheet item as of December 31, 2023 and December 31, 2022.

	<b>December 31, 2023 Afl.</b>	<b>December 31, 2022 Afl.</b>
<b>Revaluation account as of beginning balance</b>	<b>129,833,734</b>	<b>246,256,879</b>
Net changes in the market value of gold	49,814,100	(1,543,928)
Net changes in the market value of foreign currencies	(34,139)	97,449
Net changes in the market value of securities	80,113,311	(114,976,666)
<b>Revaluation account as of ending balance</b>	<b>259,727,006</b>	<b>129,833,734</b>

	<b>December 31, 2023 Afl.</b>	<b>December 31, 2022 Afl.</b>
Gold	301,921,123	252,107,023
Foreign currencies	(282,763)	(248,624)
Securities	(41,911,354)	(122,024,665)
	<b>259,727,006</b>	<b>129,833,734</b>

During 2023, the revaluation account expanded by Afl. 129,893,272 (+ 100.0 percent) to Afl. 259,727,006, compared to December 31, 2022 (Afl. 129,833,734). This rise was mainly due to an increase in the market value of securities in the investment portfolios of Afl. 80.1 million, as well as an increase in the market value of gold amounting to Afl. 49.8 million.

**Capital and reserves (8)**

- ***Capital (8.1)***

Pursuant to article 3, paragraph 1 of the CBO, the capital amounted to Afl.10,000,000 as of December 31, 2023

- ***General reserve (8.2)***

This item comprises:

	<b>December 31, 2023 Afl.</b>	<b>December 31, 2022 Afl.</b>
<b>Beginning balance</b>	<b>101,289,844</b>	<b>101,289,844</b>
Retained earnings	1,819,287	-
<b>Ending balance</b>	<b>103,109,131</b>	<b>101,289,844</b>

The undistributed profit related to the year 2022 amounted to Afl. 11,819,287. In the month of November 2023, in accordance with article 33 of the CBO, an amount of Afl. 10,000,000 was approved by the Minister of Finance and Culture as profit distribution to the Government of Aruba. In accordance with the agreement with the Government of Aruba, several items that were prepaid by the CBA for Government of Aruba were settled with the profit distribution over the year 2022. Upon instruction from the Government of Aruba, the net amount of Afl. 9,368,852.79 was paid out on January 4, 2024. The Government of Aruba also agreed to add Afl. 1,819,287, being the remaining amount of the undistributed earnings pertaining to the year 2022, to the general reserves of the CBA

## 6. NOTES TO THE CONDENSED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2023

The number in parentheses following the account description refers to the corresponding items in the condensed profit and loss account.

### **Net interest revenues (1)**

The net interest revenues consist mostly of interest income from the investment portfolio, including realized gains and losses, as well as management fees and charges for custodian services.

The following table provides a specification of the net interest revenues realized by the CBA during the year 2023 and 2022.

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Revenues (net of expenses)	34,107,374	20,746,533
Interest expenses	(196,344)	(18,497)
<b>Net interest revenues</b>	<b>33,911,030</b>	<b>20,728,036</b>

### **Other revenues (2)**

The other revenues consists of foreign exchange revenues, coins revenues, revenues from exchange rate margin compensation, and other revenues.

The following table provides a specification of the other revenues realized by the CBA during the year 2023 and 2022.

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Foreign exchange revenues	3,041,849	5,029,702
Coins revenues	1,128,389	794,676
Exchange rate margin compensation	11,870,874	10,966,478
Various revenues	4,600,630	2,986,710
<b>Total</b>	<b>20,641,742</b>	<b>19,777,566</b>

Condensed Financial Statements 2023

The following table provides a specification of the ‘various’ revenues realized by the CBA during the year 2023 and 2022.

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Passed on supervision costs	2,097,540	1,590,001
Administrative fines	2,345,611	1,458,500
Other income/(expense)	157,479	(61,791)
<b>Various revenues</b>	<b>4,600,630</b>	<b>2,986,710</b>

**Personnel expenses (4)**

The following table provides a specification of the personnel expenses incurred by the CBA during the year 2023 and 2022.

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Salaries and social security expenses	18,331,674	17,937,370
Courses, seminars, conferences and education expenses	562,710	430,852
Other personnel expenses	785,876	738,847
	<b>19,680,260</b>	<b>19,107,069</b>

At December 31, 2023, the CBA employed 108 persons full-time (December 31, 2022: 109 persons).

**Operating expenses (5)**

The following table provides a specification of the operating expenses incurred by the CBA during the year 2023 and 2022.

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Utilities	524,272	470,050
Cleaning and maintenance	631,683	631,366
License and maintenance computers	1,719,607	1,902,190
Fire insurance and property tax	244,178	241,708
Telephone	168,643	179,197
Office supplies	82,060	103,549
Donations	23,369	71,768
Legal	594,053	497,632
Other consultancy services	1,185,574	843,527
Literature, subscription, and membership contributions	284,040	279,729
Seminars organized/hosted by the CBA	116,256	13,669
Other expenses	719,243	1,023,999
<b>Total</b>	<b>6,292,978</b>	<b>6,258,384</b>

**Depreciation expenses (6)**

	<b>2023</b>	<b>2022</b>
	<b>Afl.</b>	<b>Afl.</b>
Depreciation other fixed assets	3,422,045	2,049,924
Depreciation CBA premises	141,784	169,689
	<b>3,563,828</b>	<b>2,219,613</b>

**7. COMMITMENTS**

As of December 31, 2023, the CBA is not aware of any material commitments outstanding, which are not reflected in the current financial statements.

**8. CONTINGENCIES**

The CBA terminated a software license agreement due to the non-compliance of the vendor to satisfactorily deliver the agreed upon deliverables. The vendor may dispute the termination and or pursue legal action against the CBA to claim payment for the remaining installments of Afl. 626,500 according to the contract. In addition, the vendor may claim Afl. 179,000 in license fees, and Afl. 161,100 in support fees. Since the likelihood of a lawsuit and the potential amount of claims are uncertain, this contingent liability is not recognized on the balance sheet at this date. As of December 31, 2023, the CBA is not aware of any other legal proceedings or other business activities for which a contingent liability or a contingent asset may have arisen.

**9. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE**

There are no events after the reporting period that could have a (significant) effect on the financial statements as of December 31, 2023, except as noted elsewhere in these financial statements.

# Independent auditors report on the condensed financial statements

To the Executive Committee and Board of Supervisory Directors of the Centrale Bank van Aruba

## ***Opinion***

The condensed financial statements 2023 of the Centrale Bank van Aruba ("the CBA"), which comprise the condensed balance sheet as at December 31, 2023, and the condensed profit and loss account and the condensed cash flow statement for the year then ended, and the notes to the condensed balance sheet as of December 31, 2023 and the condensed profit and loss account for the year 2023, are derived from the audited financial statements of the CBA for the year ended December 31, 2023.

In our opinion, the accompanying condensed financial statements 2023 are consistent, in all material respects, with the audited financial statements, on the basis described in the notes to the condensed balance sheet as of December 31, 2023, and the condensed profit and loss account for the year 2023.

## ***Condensed financial statements***

The condensed financial statements 2023 do not contain all the disclosures required by Guideline (EU) 2019/2217 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2019/34) as issued by the Governing Council of the European Central Bank. Reading the condensed financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements 2023 of the CBA and the auditor's report thereon.

## ***The audited financial statements and our report thereon***

We expressed an unmodified audit opinion on the audited financial statements 2023 of the CBA in our report dated June 14, 2024. The audited financial statements 2023 and the condensed financial statements 2023 do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements 2023.

## ***Responsibilities of the Executive Committee for the condensed financial statements***

The Executive Committee is responsible for the preparation of the condensed financial statements 2023 in accordance with the notes to the condensed balance sheet as of December 31, 2023, and the condensed profit and loss account for the year 2023.

## ***Auditor's responsibilities***

Our responsibility is to express an opinion on whether the condensed financial statements 2023 are consistent, in all material respects, with the audited financial statements 2023 based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Aruba, June 26, 2024  
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for Ernst & Young

(Sgd.) Garrick de Cuba, MSc, RA  
Partner

Ernst & Young is a partnership of limited liability companies ('professional corporations') established on Aruba. Our services are subject to the general terms and conditions, which contain a limitation of liability clause.