



CENTRALE BANK VAN ARUBA

The Centrale Bank van Aruba lowered the reserve requirement for commercial banks to 12.5% effective March 1, 2025

Press Release

Effective March 1, 2025, the Central Bank of Aruba (CBA) reduced the reserve requirement rate for commercial banks from 13.5% to 12.5%. This monetary policy decision reduces the minimum balance that local commercial banks must hold at the CBA. As a result, the commercial banks have more funds to commit toward loans and investments.

Key highlights

1. Adequate foreign reserves despite credit growth
Credit growth (also when excluding large incidentals) picked up in recent months. Nevertheless, foreign reserves were amply above the benchmarks monitored by the CBA as of January 24, 2025. These benchmarks include the current account coverage ratio and the reserve adequacy metric used by the International Monetary Fund (IMF). Additionally, the CBA expects official and international reserves to continue growing and remain adequate in 2025.
2. The slowdown in the end-of-period (EOP) inflation
In December 2024, the 12-month average inflation registered 1.7%. Meanwhile, the EOP inflation slowed down from 0.8% in November to 0.3% in December 2024. Moreover, the CBA projects a further deceleration in inflation in 2025.

The CBA continues to monitor monetary and economic indicators and will adjust its monetary policy stance as needed to maintain the fixed exchange rate between the florin and the US dollar.

For further information, please email: communications@cbaruba.org

Centrale Bank van Aruba

May 8, 2025