CENTRALE BANK VAN ARUBA

The Centrale Bank van Aruba maintained the reserve requirement for commercial banks at 12.5% effective May 1, 2025

Press Release

Effective May 1, 2025, the Central Bank of Aruba (CBA) upheld the reserve requirement rate for commercial banks at 12.5%. This monetary policy decision maintains the minimum balance that local commercial banks must hold at the CBA.

Key highlights:

1. Heightened global uncertainties
   U.S. trade policy uncertainties and ambiguities, as well as elevated global trade risks have the potential to directly and indirectly affect Aruba's economy. However, the specific materialization of economic repercussions for Aruba are subject to multiple contingencies, considering the volatile and evolving nature of trade policy actions and subsequent global developments.

2. Adequate foreign reserves despite credit growth
   As per March 28, 2025, foreign reserves were substantially above the benchmarks monitored by the MPC, despite an uptick in credit growth. Considering the robust reserve adequacy and ample reserve buffer, foreign reserves are expected to remain sufficiently adequate throughout 2025.

3. Excess Liquidity
   In 2024 and up to February 2025, growth in commercial bank excess liquidity (EL) exceeded overall credit growth, with expectations of a continued increase in EL in the medium term.

4. A low inflation environment
   The 12-month average inflation remained at 1.6% in February 2025, while the end-of-period (EOP) inflation was 0.5%.

The CBA continues to monitor monetary and economic indicators and adjusts its monetary policy stance as needed to support the fixed exchange rate between the florin and the U.S. dollar.

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

Centrale Bank van Aruba
June 6, 2025