

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

Press Release

Effective July 1, 2025, the Centrale Bank van 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:

- Global economic uncertainty
 Current global uncertainties may impact foreign exchange reserves and inflation, potentially causing deviations from baseline projections.
- 2. Adequate foreign reserves despite credit growth
 Up to April 2025, foreign reserves were amply above the benchmarks monitored by the CBA, even amid
 increased credit activity (+0.8%). Moreover, foreign reserves are expected to remain adequate and
 continue to grow.
- 3. A low inflation environment In April 2025, the end-of-period (EOP) and period average inflation prevailed at low levels of 0.4% and 1.3%, respectively.
- 4. Elevated excess liquidity
 Excess liquidity of the local commercial banks stays elevated despite decreasing in May 2025.

The CBA monitors monetary and economic indicators closely and adjusts its monetary policy stance as needed to maintain the fixed exchange rate between the florin and the U.S. dollar.

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

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