

OPERATIONAL REPORT 2024



CENTRALE BANK VAN ARUBA

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Chapter 1. Statements by the President and Board of Supervisory Directors

1.1. President's Statement

1.1.1. Continued strengthening of the domestic economy

In 2024, Aruba's economy continued to strengthen for the fifth consecutive year, growing by an estimated 6.8 percent in real terms. The main driver is the sustained robust performance of the tourism sector. This surge in tourism activities, coupled with boosted investment, induced employment opportunities and, thereby, pushed up private consumption.

The latter was also supported by the significant wage indexation of civil servants, along with rising wages in the private sector, as a result of tighter labor conditions, which improved consumers' spending power. Furthermore, reduced government spending through a decreased number of employees and the coverage of general health care insurance also impacted the economy. In addition, investment benefitted from the ongoing construction of several large resorts as well as the rise in government raised its investment outlays due to a higher budget surplus.

1.1.2. Highest net financial result to date

In line with the domestic economy, the CBA also showed a strong performance. In 2024, the Centrale Bank van Aruba (CBA) achieved its highest net financial result to date, closing the year with Afl. 70.4 million, compared to Afl. 23.9 million in 2023. This outcome was

mainly driven by a 138.6 percent increase in net interest revenues to Afl. 80.9 million. This was fueled by higher investment portfolio income, following a replenishment of Afl. 510.2 million, as well as a restructuring of the investment portfolios in the previous years, aimed at enhancing returns and mitigating interest rate risk. These gains were partially offset by higher interest expenses on commercial bank deposits.

In addition, the CBA's balance sheet strengthened considerably, with total assets rising by 29.2 percent to Afl. 3,490.3 million. This growth was brought about by higher foreign currency assets, a substantial rise in the valuation of the gold holdings reflecting increased market prices, and larger deposits by the commercial banks. Capital and reserves rose by 21.1 percent in 2024, reflecting the rise in undistributed earnings from 2023.

1.1.3. Operational achievements

Next to a strong financial performance in 2024, the CBA continued to manage its costs effectively, with personnel expenses remaining the largest cost category, consistent with 2023. Additionally, significant progress was made on the execution of the strategic projects, such as the publication of medium-term GDP forecasts for 2023–2027, the strengthening of cybersecurity, and the revision of the business continuity and disaster recovery strategy.

In 2024, the CBA continued investing in the talent development of its employees, amply providing reskilling and upskilling opportunities, as well as increasing employee engagement, as well as that of other important stakeholders through different information sessions, meetings, and conferences. As in previous years, it also gave back to the Aruban community through participation in various social activities, as well as donations. The CBA also contributed to policy-making through knowledge sharing, research, and publications, and participated in multiple (international) stakeholders platforms.

1.1.4. Outlook for 2025

In recent years, Aruba's economy continued to grow despite challenges such as rising inflation, tight labor market and strict government finances. For 2025, it is expected to continue to perform positively. However, if the trade war continues to escalate and triggers a recession in the US, it is highly likely that the Aruban economy will also be affected. In that case, Aruba will once again have to demonstrate its resilience in the face of external challenges.

Looking ahead, the CBA will continue to adapt, innovate, and serve the people of Aruba with integrity and excellence. It will remain focused on effectively executing its mandate, as supported also by the implementation of key strategic projects. With this in mind, it will prepare its third strategic plan for 2026–2030. With a solid financial foundation, a clear strategic vision, and a committed workforce, the CBA is well-positioned to continue fulfilling its mandate and contributing to Aruba's financial stability and resilience.

Jeanette R. Semeleer,

President Centrale Bank van Aruba

1.2. Board of Supervisory Directors Statement

1.2.1. Introduction

In accordance with the Central Bank Ordinance (CBO) of Aruba the Board of Supervisory Directors (BoSD) supervises the actions of the Executive Committee (EC), provides advice to the EC, and oversees the management of the CBA's assets as well as the funds entrusted to it. Additionally, the BoSD is responsible for the approval of the annual budget of the CBA, financial accounts, and certain essential decisions on subjects listed in the CBO. Pursuant to Article 25 of the CBO, the BoSD meets with the EC at least once per quarter of the year. In line herewith, the BoSD held 8 meetings with the EC during 2024.

In 2024, the BoSD examined how CBA's policies relating to its core tasks and internal operations were carried out, emphasizing:

- The investment policy.
- The IT and cyber security issues.
- Additionally, the supervisory and legal matters.

1.2.2. Composition

In accordance with article 23 of the CBO, the BoSD consists of at least three and at most five members, including the Chairman/Government Commissioner.

In 2024, the BoSD consisted of:

1. Mr. Andries J. Swaen (Master in Law). Mr. Swaen was born in 1945. After obtaining his diploma HBS-A at Colegio Arubano, he studied Municipal Administration in the Netherlands, followed by the study for Legal Practitioner, and afterwards obtained his Master degree at the University of the Netherlands Antilles, complemented with numerous post-academic legal courses and

training programs. Mr. Swaen started his 16 years government career at the Department of Social and Economic Affairs, becoming later Head of the Department of Economic Affairs section Aruba. Subsequently he served as Senior Advisor to the Government of the Netherlands Antilles. Mr. Swaen also had a long career as a lawyer working for the Law Firm Nagtegaal and at his own law firm for 36 years. He also held various additional functions, such as Member Appeal Committee of Education, Dean and Honorary Member Aruban Bar Association, Senior Member Inter-American Bar Association, Member of the RAIO-commission for nomination of judges, Member BoSD of Interbank Aruba, Government Commissioner/Chairman of the BoSD of the CBA, Curator and Member Appeal and Visitation Committee of the University of Aruba, Member and Chairman of the Advisory Board to the Government of Aruba, Vice-Chairman of the Social-Economic Council of Aruba, Informer to the Formation of a new Government, Chairman Advisory Committee Employment Agency and Dismissal Committee, Government Commissioner of Committee Improvement of Democratic Order, and Member of the Committee Corporate Governance Legislation. The Queen of the Netherlands awarded him a Royal decoration as Knight of the Order of Oranje-Nassau.

2. Mr. Gerard G. Oduber (Economist). Mr. Oduber was born in 1967, and is a seasoned business leader with a strong corporate management, finance, and board governance background. Over the past 30 years, he held senior roles across the private and public sectors, focusing on strategic oversight and operational leadership. Since 2014, he is serving as Managing Director of Oduber Agencies, a leading wholesale and distribution company active in Aruba and the former Netherlands Antilles. In this role, he manages the company's overall operations, leads commercial strategy, and oversees stakeholder relations. He holds a Bachelor of Science in Business, with concentrations in Economics and Finance, from Barry University. He also completed graduate coursework in Economics at Florida International University. His

academic foundation is paired with ongoing executive education, including certifications in corporate governance from Harvard Business School and Fitch Learning in London and New York. Mr. Oduber has extensive boardroom experience. He currently chairs the Board of Aruba Stevedoring Company (ASTEC) and held supervisory positions in various industries, including financial services, healthcare, logistics, and energy. Across these roles, he contributed to board strategy, financial oversight, and risk governance. His career reflects a consistent focus on effective leadership, transparent governance, and sustainable business growth.

3. Mr. Marcial R. Croes (Certified Accountant). Mr. Croes was born in 1947 and is an expert in business economics, finance, and administrative organization. He specializes in preparing and analyzing financial statements and other types of financial reporting for both profit and non-profit entities. Since September 2001, he undertakes consulting assignments in business economics and finance, as well as in financial-administrative matters, under the name MRC Financial Consulting. Between 2001 and 2009, he successfully carried out major advisory assignments for the Government of Aruba in multidisciplinary teams. These included resolving hotel guarantee issues, divestment of government shares in hotel projects, various lawsuits regarding claims against the Government of Aruba, and leading the working group for the implementation of the New Fiscal Framework as of January 1, 2003. The Court of First Instance also appointed him as a financial expert in several bankruptcies in the hotel sector. In addition, he provides services related to corporate financial restructuring and financing, and supports lawyers in legal proceedings regarding financial, administrative, and business aspects. Since November 1, 2018, he has been serving as a member of the BoSD of the Central Bank of Aruba. Previously, he was a member of this Board from September 9, 2005, to February 20, 2014, during which he also served as chairman of the Board's Audit Committee. From July

2003 to June 2009, he was a member of the BoSD of the AZV and also served as chairman of its Audit Committee. Subsequently, he continued to advise the Board until December 31, 2009, primarily in support of the Audit Committee. From October 1983 to June 2001, he was director and co-owner of KPMG Aruba, an accounting and advisory firm, where he led the audit and related advisory practice. From June 1976 to September 1983, he headed the Island Audit Office and also served as an advisor in the process leading to Aruba's attainment of its Status Aparte. In that capacity, he participated in the Round Table Conference of March 1983. His education consists of earning his HBS diploma in Aruba, and he pursued accountancy studies in the Netherlands at the Royal NIVRA, obtaining his accountant's diploma in December 1975. He remained registered as a chartered accountant until October 31, 2009.

4. Mr. Ling Wong (Economist), Mr. Ling Wong Ec. Drs, born in 1946, graduated in Economics from the University of Amsterdam after finishing his HBS-A studies at the Colegio Arubano. His career started at the Department of Economic Affairs in Aruba, becoming its Head after a few years. Thereafter, he left for Curaçao to become the President of the Central Bank of the Netherlands Antilles, where he helped reorganize the bank. At the start of the Status Aparte of Aruba, he returned to Aruba to become Financial Economic Advisor of the first Government of Aruba, co-authoring the Financial Economic Recovery Plan for Aruba after the closure of the LAGO refinery. Subsequently, he assisted in instituting the Aruba Investment Bank and led it as its President for several years. After leaving the AIB he held important functions in the private sector, the Department of Finance of Aruba (DOF), and the Parliament of Aruba. He served several years as member of the Aruba Court of Audit. At the moment he is also Chairman of the BoSD of Arubus N.V. Additional functions held in the past are in the social and sports field, as a.o. President of the Olympic Committee of Aruba.

5. Ms. Madhu S. Jadnanansing (Certified Accountant). Dr. Jadnanansing, born in 1968, is currently a professor at the University of Aruba and holds a PhD in Management Science, a postgraduate degree in financial auditing (Registeraccountant-RA) and a Master's degree in Business Economics. With a career spanning over 30 years, she formerly worked at one of the Big Four accounting firms in the Netherlands and Aruba. She also held senior positions in the public sector of Aruba, including Head of the Tax Audit Department of Aruba and Deputy Head of the Tax Department of Aruba (DIMP). At the university, Dr. Jadnanansing serves as a Vice-Dean and is involved in both research and teaching. She teaches undergraduate (Bachelor) and graduate (Master) courses in management, covering subjects such as strategic management, corporate governance, organizational fundamentals, and her primary area of expertise: business leadership.

1.2.3. Duties

The average attendance rate at BoSD meetings was high. None of the members were regularly absent. In total, the BoSD met 39 times (16 times amongst themselves and 23 times with CBA and CBA-related parties).

The Chairman had 20 weekly consultations with the CBA's President about issues concerning the BoSD's work and developments concerning the CBA.

A major issue in 2024 was the developments in the supervisory field.

At its meetings, the BoSD addressed the most essential developments in CBA's areas of responsibility, derived from the periodic updates on current affairs with the EC members, as well as on the meetings with international entities.

The Chair of the Audit Committee held periodic meetings with the Head of the Internal Audit (IA) department, accompanied by the other members of the BoSD.

1.2.4. Audit Committee

In the year under review, the Audit Committee (AC) consisted of Mr. Marcial R. Croes and Ms. Madhu Jadnanansing.

The AC, accompanied by the other members of the BoSD, met periodically with the Head of the IA department.

The AC extensively discussed the financial statements, the audit plan, and the external auditor's findings, and advised the BoSD to adopt the 2024 financial statements. Furthermore, the AC discussed the draft 2025 budget at length with the EC, and ultimately advised the BoSD to approve the budget. In 2024, as in previous years, the AC examined the external auditor's report and management letter, advising the BoSD to adopt the annual accounts, thereby discharging the President and the Executive Directors.

Furthermore, the AC discussed current affairs, relating to the facility building, as well as information security and the digital agenda, both having a priority status.

1.2.5. Statement on independence

The CBA does not employ members of the BoSD, and they were not employees at any time, nor did they have any relationship with the CBA from which they could obtain personal gain. BoSD members receive a fixed monthly fee unrelated to the CBA's results in any given year.

1.2.6. Concluding words

The BoSD looks back on an eventful year in which the economy of Aruba continued to rebound strongly, and the continuing high inflation rate in the US posed challenges for the CBA's investment policy.

The BoSD notes that the CBA maintained its commitment to performing its core tasks and managing internal operations over the past year. The BoSD would like to thank the CBA's staff and its EC for their contribution to Aruba's prosperity and looks forward to its continued cooperation with the EC in 2025.

BoSD of the Centrale Bank van Aruba,

Andries Swaen, Chairman

Marcial Croes

Gerard Oduber

Ling Wong

Madhu Jadnanansing

Chapter 2. Guided by Our Core Responsibilities

2.1. CBA's Core Responsibilities

Principal tasks of the CBA

The CBA's principal tasks are to maintain the value of the florin, which is pegged to the US Dollar (USD) at a rate of Afl. 1.79 to USD 1.00, and to promote the soundness and integrity of the financial system, accomplished by motivated and qualified employees, for the general benefit and well-being of the people of Aruba.

2.1.1. Role and Mandate

The CBA started its operations on January 1, 1986, when Aruba became an autonomous country within the Kingdom of the Netherlands. Prior to this period, Aruba formed part of the Netherlands Antilles.

The CBA is a legal entity in itself (*sui generis*) with an autonomous position within Aruba's public sector. With its inception in 1986, the Aruban florin was simultaneously brought into circulation. Since then, the pegged exchange rate of the Aruban florin to the USD has remained unchanged.

Moreover, the CBA contributes to the financial stability and economic well-being of the Aruban community through the execution of its five core responsibilities (See Figure 1 and Appendix 1 for a more extensive

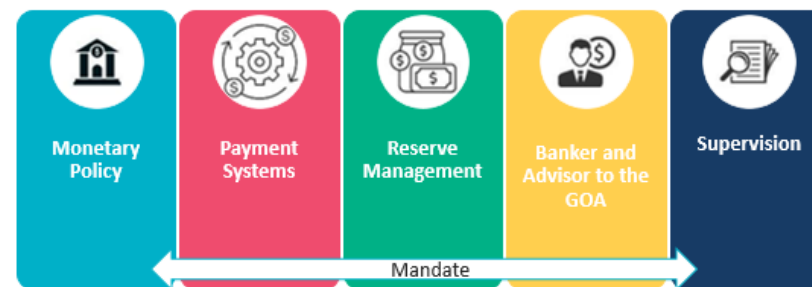
overview) derived from its legal mandate, as defined in the CBO, as well as of other relevant ordinances.

2.1.2. Operational Report 2024 reading guide

The four core responsibilities reported in this Operational Report are monetary policy, reserve management, payment systems, and banker and advisor to the Government of Aruba (GOA). In addition, this report covers strategic, governance, and risk management-related (policymaking) activities. The CBA's fifth core responsibility, i.e., supervision, is covered in the Financial Sector Supervision Report, published separately¹ on an annual basis. The CBA is tasked with the supervision and regulation of Aruba's financial sector, fully committed towards maintaining confidence in the financial system by ensuring the solidity and integrity of the sectors and institutions supervised.

Specifically, this report elaborates on the CBA's financial position and relevant financial market developments, monetary policy, and economic developments, banking and payments services, payment systems, and the Aruban florin banknotes and coins. This report also expands on the CBA's organization structure, key strategic activities and objectives, HR-related data, and on ways in which the CBA gives back to its community through outreach and research. Relevant abbreviations and a list of the figures, tables and graphs can be found in the appendices.

Figure 1: CBA's Five Core Responsibilities



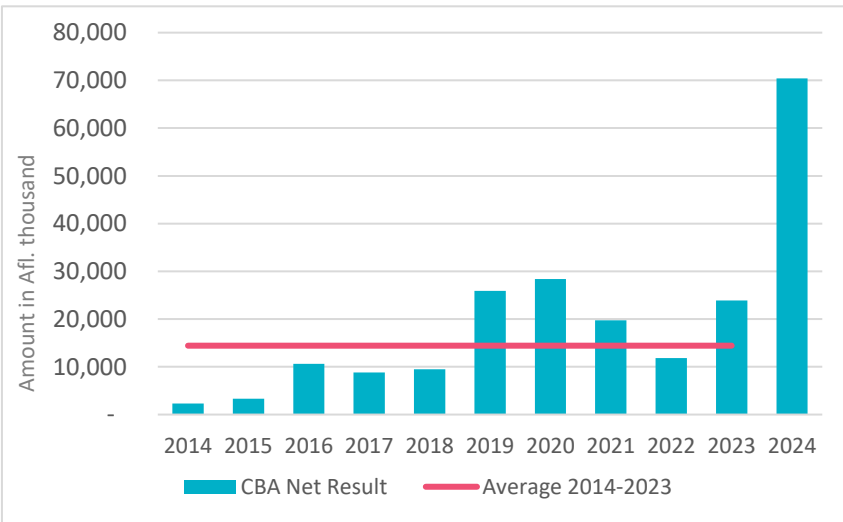
¹ [Financial Sector Supervision](#)

2.2. Financial Position

2.2.1. Record high net result

In 2024, the net financial result of the CBA climbed up to Afl. 70.4 million, compared to Afl. 23.9 million in 2023. This was the highest net result recorded since its inception in 1986. When analyzing a period of 10 years (2014-2023), it is noted that the CBA's average net financial result was below that average of Afl. 14.4 million during mentioned period. Since 2019, this had been trending mostly above the aforementioned 10-year average with exception of 2022. During that year, the CBA performed restructuring operations related to its investment portfolio, which led to realized losses to optimize its returns while partially mitigating the unrealized losses (see Graph 1).

Graph 1: Development of CBA net result for the preceding 10 years vs. average



The higher net financial result in 2024, when compared to 2023, was mainly caused by an increase in net interest revenues (+ Afl. 47.0 million or + 138.6 percent) (see Table 1), which was predominantly driven by the rise in the net income of Afl. 49.8 million generated by the investment portfolio. The latter was largely due to the replenishment of the investment portfolio, in the equivalent to Afl. 510.2 million, resulting from larger purchases of USD from commercial banks, which stemmed from elevated tourism receipts during 2024 and proceeds of foreign loans acquired by the GOA. The higher portfolio income was also a result of the restructuring operation of the investment portfolio at the end of January 2024. The CBA executed this restructuring to mitigate the interest rate risk, while aiming to improve the income-generating capacity of the portfolio for the coming years.

The larger in the investment portfolio income was partially offset by an increase in interest expenses of Afl. 3.1 million on time deposits placed by the commercial banks at the CBA.

Table 1: Condensed profit and loss account (amounts in Afl. million)

	<i>Year-end 2024</i>	<i>Year-end 2023</i>	<i>Difference</i>
1. Net interest revenues	80.9	33.9	47.0
2. Other revenues	20.2	20.6	-0.4
Total income	101.1	54.5	46.6
3. Amortization of stock of bank notes	0.5	1.1	-0.6
4. Personnel expenses	20.3	19.7	0.6
5. Operating expenses	6.9	6.3	0.6
6. Depreciation expenses	3.0	3.6	-0.6
Total expenses	30.7	30.6	0.1
Net result	70.4	23.9	46.5

2.2.2. The level of total expenses in line with prior year

In 2024, personnel expenses remained the main cost driver of the CBA, rising by Afl. 0.6 million (+ 3.0 percent) compared to 2023. Operating expenses also went up by Afl. 0.6 million (+ 9.5 percent), driven mostly by higher consultancy and licenses cost, as well as corporate social responsibility (CSR) initiatives.

2.2.3. Strengthened financial position of the CBA in 2024

The CBA's total assets rose by Afl. 788.6 million (+ 29.2 percent) to Afl. 3,490.3 million at year-end 2024, when compared to year-end 2023 (see Table 2). The latter was caused mainly by an increase in foreign currency assets of Afl. 679.2 million (+ 30.1 percent), and an Afl. 109.2 million

surge in the value of gold reserves (+ 26.6 percent), stemming from a higher market price of gold (USD 2,610.85 per troy ounce at year-end 2024, compared to USD 2,062.40 at year-end 2023). The latter was predominantly driven by a rise in the holding of government and other securities of Afl. 605.2 million, as a result of the replenishment of the investment portfolio stemming from higher sales of USD by commercial banks, the proceeds of foreign loans acquired by GOA, the increase in the market value of the investment portfolio (revaluation), and higher interest income. The increased foreign currency assets effect was partially offset by net realized capital losses, as a result of the restructuring operation of the investment portfolio in January 2024.

The CBA's total liabilities and equity rose by Afl. 788.6 million (+ 29.2 percent) at year-end 2024, compared to year-end 2023 (see Table 2). This increase was driven mainly by:

- Bank notes in circulation (Afl. + 40.8 million).
- Deposits of residents (Afl. + 431.8 million).
- Deposits of nonresidents (Afl. + 119.0 million).
- Revaluation account (Afl. + 131.5 million), because of the surge in the market value of gold and the decline in unrealized losses of the securities in the portfolio.

Additionally, the CBA's capital and reserves rose by Afl. 23.9 million (+ 21.1 percent) due to undistributed earnings of 2023.

Table 2: CBA Condensed balance sheet (in Afl. million)

	Year-end 2024	Year-end 2023	Difference
Assets			
1. Gold	520.1	410.9	109.2
2. Foreign currency assets	2,938.0	2,258.8	679.2
3. Other assets	32.2	32.0	0.2
Total assets	3,490.3	2,701.7	788.6
Liabilities and equity			
1. Bank notes in circulation	356.2	315.4	40.8
2. Deposits of residents	2,378.2	1,946.4	431.8
3. Deposits of nonresidents	142.9	23.9	119.0
4. Money in custody	2.3	2.2	0.1
5. Payables and accrued expenses	11.2	16.4	(5.2)
6. Employee savings fund liability	0.9	0.6	0.3
7. Revaluation account	391.2	259.7	131.5
8. Capital and reserves	137.0	113.1	23.9
Net result for the year	70.4	23.9	46.5
Total liabilities and equity	3,490.3	2,701.7	788.6

Key figures 2024



NET RESULT AFL 70.4 MILLION



TOTAL INCOME AFL 101.1 MILLION



TOTAL EXPENSES AFL 30.7 MILLION



TOTAL ASSETS AFL 3,490.3 MILLION



TOTAL CAPITAL AND RESERVES AFL 137.0 MILLION
(INCLUDING UNDISTRIBUTED EARNINGS OF 2023)

Outlook 2025

- Projected increase in the net financial result compared to the realization for 2024, mainly due to an expected rise in the net interest revenues as a result of a continued high-interest rate environment on the US financial capital markets and favorable positioning of the investment portfolio in the year 2025.
- Expected rise in the CBA's total expenses compared to 2024, largely related to higher personnel and operating expenses in line with the plans to realize CBA's strategic objectives.
- Likely the formalization of a profit distribution policy, with the aim to strengthen the CBA's reserves and improve its solvency ratio to mirror the recommended levels, boosting thereby resiliency in case of future financial setbacks.

2.3. Reserve Management

Key objectives

In line with the CBO, the CBA manages Aruba's foreign exchange reserves and gold holdings to support monetary and foreign exchange policy objectives, thereby contributing financial stability. The core responsibilities include safeguarding reserve adequacy, preserving capital, optimizing investment returns through asset management within a conservative risk framework, managing international payments on behalf of the GOA, and overseeing the foreign exchange regulatory framework.

Accordingly, the CBA serves as the central foreign exchange bank of Aruba and as such utilizes a range of monetary and foreign exchange instruments to manage the country's foreign exchange reserves effectively.

Moreover, the CBA regulates the international flow of funds in accordance with the CBO, as further detailed in the State Ordinance on Foreign Exchange Transactions (AB 1990 no. GT 6).

2.3.1. Preserving the foreign exchange reserves

In line with its task as the central foreign exchange bank of Aruba, the CBA implements the following foreign exchange instruments designed to regulate foreign asset holdings:

- The application of the 40-60 percent investment rule for institutional investors, requiring them to allocate at least 60 percent of their funds domestically, thereby limiting capital outflows.
- The issuance of foreign exchange licenses to residents to execute transactions, among others, related to lending to and borrowing from abroad, portfolio investments in foreign assets, and transfers to foreign accounts.

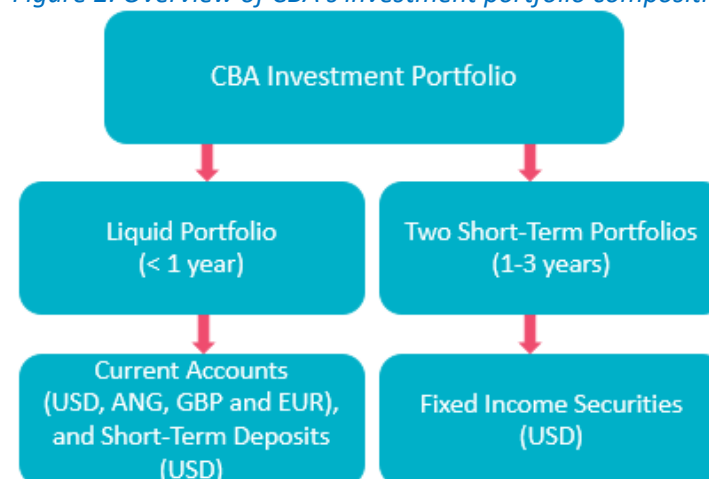
- The B9-Regulation which allows commercial banks to maintain a limited working capital balance of foreign exchange reserves to facilitate the settlement of foreign exchange transactions of their clients.

Beyond policy tools, the CBA actively monitors the banking sector's and the GOA's foreign currency liquidity needs to ensure sufficient reserve levels to adequately meet liquidity demands at all times.

2.3.2. The CBA's investment portfolio

The CBA's investment portfolio consists of three portfolios categorized by their duration position. Namely, one liquid portfolio managed internally and two short-term fixed income portfolios with an average duration up to three years managed by external asset management companies (see Figure 2).

Figure 2: Overview of CBA's investment portfolio composition



The liquid portfolio comprises current accounts in different denominations (EUR, GBP, ANG, USD) and short-term time deposits in USD.

The short-term portfolios consist of fixed income securities with high credit quality, such as US government and US agency securities (including mortgage-backed securities), asset-backed securities, corporate bonds (limited to financial services sector and industrial sector), sovereign and supranational securities, and money market instruments.

The Investment Committee (IC) closely monitors the developments in the investment portfolios, and advises the President, among others, on the overall investment strategy, policy and ensuing guidelines to preserve capital, diversify the CBA's portfolio, and optimize its return, while simultaneously keeping its financial risks at an acceptable level.

2.3.3. The CBA's gold holdings

The global demand for gold reached new heights in 2024 as market participants sought stability amid persistent high levels of inflation, geopolitical conflicts, and global economic uncertainties surrounding the US presidential election results. As a result, gold prices also rose to USD 2,610.85 per troy ounce at year-end 2024, from USD 2,062.40 at year-end 2023. These developments led to an increase in the value of the CBA's gold holdings in 2024, reaching Afl. 520.1 million at year-end 2024, up from Afl. 410.9 million at year-end 2023.

2.3.4. Introduction of the general foreign exchange license for capital transactions

In line with the CBA's task to regulate the international flow of funds, capital transactions, and dividend- and profit remittances can only be effectuated through special foreign exchange licenses and declarations issued by the CBA, respectively. Furthermore, resident

natural persons and legal entities (excluding commercial banks) can execute capital transactions without any administrative restrictions up to Afl. 600,000 and Afl. 1,500,000, respectively.

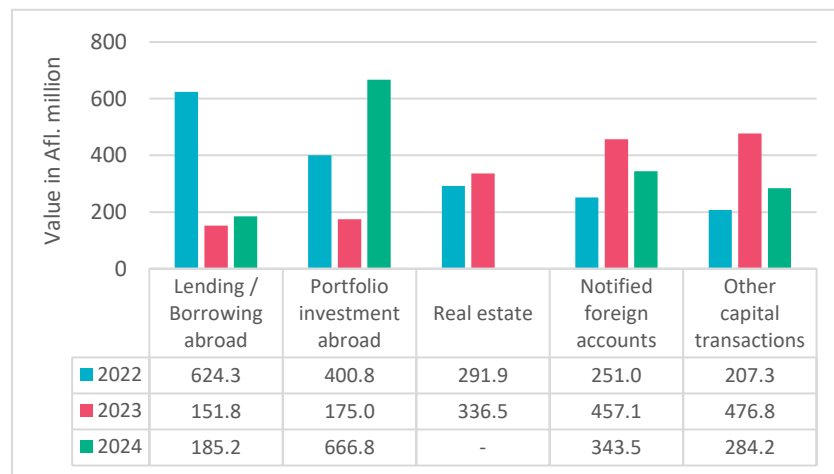
As of January 1, 2024, the CBA introduced a general foreign exchange license for capital transactions as follows:

- All incoming transfers by resident natural persons from their foreign bank account.
- All incoming transfers related to capital contribution.
- All purchases and sales of real estate.

With the general foreign exchange license, residents can effectuate these transactions without having to request a special foreign exchange license.

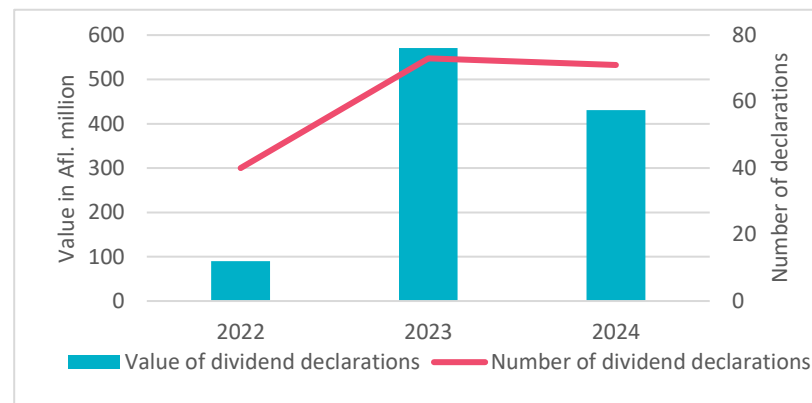
In 2024, the CBA granted 806 foreign exchange licenses, compared to 782 in 2023. The surge in licenses issued are mainly due to increased transfers to investment portfolios abroad. However, the total value of all foreign exchange licenses fell from Afl. 1,597.2 million in 2023 to Afl. 1,479.8 million in 2024, mostly driven by the introduction of the general foreign exchange license for capital transactions, lowering the total value of real estate foreign exchange licenses issued in 2024 to zero (see Graph 2).

Graph 2: Value of foreign exchange licenses issued



Furthermore, the total number of declarations granted for dividend distribution and profit payments decreased slightly from 73 declarations in 2023 to 71 declarations in 2024 (see Graph 3). The (net) value of dividend distribution- and profit payments shrunk from Afl. 571.0 million in 2023 to Afl. 430.5 million in 2024.

Graph 3: Value and volume of dividend declarations issued

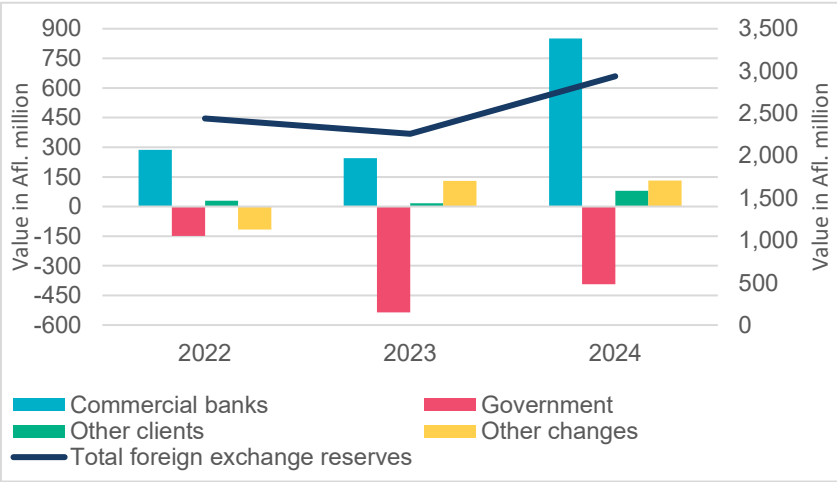


2.3.5. Increased foreign exchange reserves driven by a continued strong tourism sector

The CBA prudently manages its reserves to maintain sufficient liquidity for foreign currency needs of the GOA to cover external debt repayments, interest payments, and other operational expenses, as well as the commercial banks' liquidity needs. The CBA's foreign exchange reserves performed positively in 2024, recording a net overall increase.

The foreign exchange reserves held by the CBA rose by Afl. 679.2 million to Afl. 2,938.0 million in 2024, up from Afl. 2,258.8 million in 2023 (see Graph 4), driven largely by a net purchase of foreign currency from commercial banks, stemming from boosted tourism receipts throughout 2024 (Afl. 851.3 million). The addition to the foreign exchange reserves was partially mitigated by a net decrease of Afl. 392.7 million in net purchases of foreign currency by the GOA to cover its external debt repayments, interest payments, and other operational expenses denominated in foreign currency during 2024.

Graph 4: Movements in foreign exchange reserves



Key figures year-end 2024



VALUE OF GRANTED FOREIGN EXCHANGE LICENSES AFL. 1,479.8 MILLION
VALUE OF DIVIDEND DISTRIBUTION AND PROFIT PAYMENTS AFL. 430.5 MILLION



806 GRANTED FOREIGN EXCHANGE LICENSES
71 DECLARATIONS FOR DIVIDEND DISTRIBUTION AND PROFIT PAYMENTS



FOREIGN EXCHANGE RESERVES HELD BY THE CBA AMOUNTED TO AFL. 2,938 MILLION
VALUE OF CBA'S GOLD HOLDINGS AMOUNTED TO AFL. 520.1 MILLION

2.4. Monetary Policy and Economic Developments

Key objectives

One of the CBA's main tasks is safeguarding the value of the Aruban florin. The CBA aims to achieve this monetary policy goal by maintaining the fixed exchange rate between the Aruban florin and the USD at Afl. 1.79 to US\$ 1.00. To support this peg, the CBA holds an adequate level of foreign exchange reserves, by applying several monetary policy instruments, including a reserve requirement (RR).

In 2010, the CBA instituted the MPC to evaluate and determine monetary policy. Moreover, by informing the Minister of Finance, as well as publishing the decision of the MPC, the CBA provides the required transparency of its monetary policy decisions.

2.4.1. Continued meetings by the Monetary Policy Committee

The Monetary Policy Committee (MPC) held 10 meetings in 2024. During these meetings, the MPC discussed primarily whether to reduce or increase the liquidity of the commercial banks, which could impact their lending capacity. Loan activity is relevant to monetary policy since it largely affects imports and, when settling related payments with nonresidents, outflows of foreign exchange reserves take place. The MPC targets liquidity by stipulating the amount of funds commercial banks are required to hold at the CBA. To this end, raising or lowering the RR, an important monetary policy tool of the CBA is applied. In deciding whether to adjust the RR, the MPC reviews multiple economic indicators, such as foreign exchange reserves, inflation, credit, interest rates, and excess liquidity.

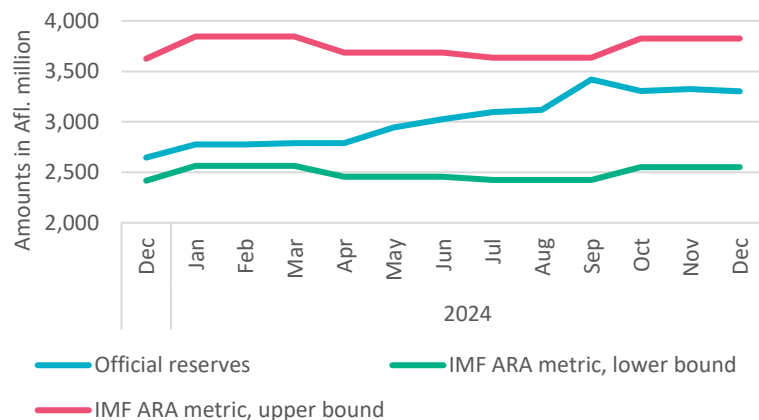
2.4.2. Growth in foreign exchange reserves supported the florin-dollar peg

The official reserves, i.e., foreign exchange reserves held by the CBA, widened from Afl. 2,645.7 million on December 29, 2023, to Afl. 3,315.3 million on December 27, 2024. Similarly, international reserves - consisting of official reserves and foreign exchange reserves held by commercial banks - rose from Afl. 3,061.9 million to Afl. 3,666.3 million during the same period. Foreign exchange reserves were deemed adequate at these levels, according to the monitored benchmarks (see Graphs 5 and 6). The main decision-making criteria considered by the MPC to lower the RR during 2024 were, inter alia, the adequacy and persistent rise in foreign exchange reserves, despite an expansion in commercial bank lending, and the steady decrease in the inflation rate.

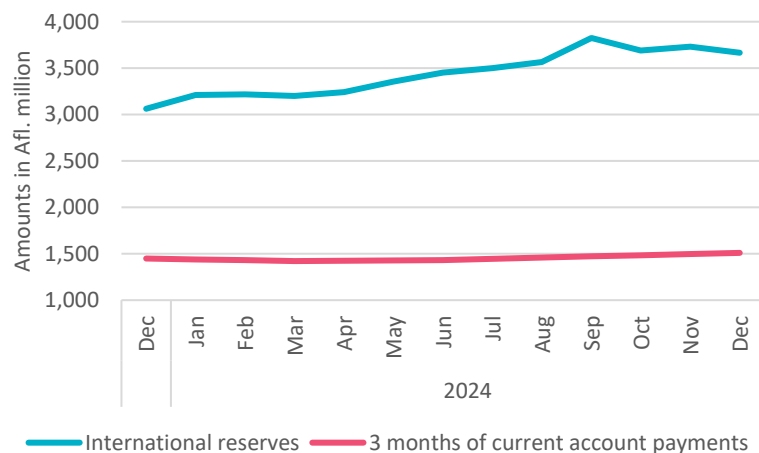
2.4.3. Ample foreign exchange reserves despite strong credit growth

The credit growth subsided to 8.8 percent in December 2024, down from 9.8 percent in December 2023. The latter was primarily associated with a slower business credit growth (+16.1 percent in 2023, compared to +13.9 percent in 2024). Although, such credit growth would usually exert downward pressure on foreign reserves, the MPC noted a persistent rise in foreign exchange reserves. The resilience in foreign exchange reserves partially reflects robust tourism activities, with a 12.3 percent rise in revenues stemming from this sector in 2024.

Graph 5: Official reserves measured against the CBA-monitored benchmark



Graph 6: International reserves measured against the CBA-monitored benchmark



2.4.4. Credit growth remained elevated amid higher loan interest rates

The interest rate on new loans climbed from 6.1 percent in 2023, to 6.4 percent in 2024 particularly for long-term (non-mortgage) business loans. Higher loan interest rates typically curb credit growth. However, the MPC observed that credit growth, despite decelerating, was still at a substantial level.

2.4.5. Period average inflation reached favorable levels

The period average inflation slowed down from 3.4 percent in December 2023 to 1.7 percent in December 2024, suggesting a healthy level of inflation due to tempered price increases in energy and food. Meanwhile, end-of-period inflation fell by 2.0 percentage points in December 2023 to 0.3 percent in December 2024, as the effect of the 2023 price spike in telephone services subsided. Overall, the MPC frequently cited moderate inflation for reducing the RR throughout 2024.

2.4.6. Declined RR unlikely to have boosted credit growth

Commercial banks' excess liquidity surged from Afl. 519.4 million in December 2023 to Afl. 936.0 million in December 2024. The rise in excess liquidity stemmed from the lowering of the RR and the solid tourism performance. Although increased excess liquidity normally stimulates credit growth, commercial banks placed a significant portion of the available liquidity at the CBA's time deposit facility, somewhat dampening the credit growth.

2.4.7. Reduced RR during 2024

Before loosening the RR in March 2024, the MPC maintained an elevated level of 22.0 percent in the meetings of January and February (see Table 3). At that time, the MPC considered that foreign exchange reserves were just slightly above the lower bound of its primary benchmark. Hence, prudence was essential considering the rising level of excess liquidity and its associated credit potential.

2.4.7.1. Downward trend of the RR

The MPC initially started with a 0.5 percentage point decrease in the RR rate during the meeting of March 2024. This decision was in light of adequate foreign exchange reserves.

Subsequently, the MPC decided to lower the RR rate by a wider margin of 1.0 percentage point, citing adequate foreign exchange reserves, moderate period average inflation, and a decreasing pace of credit growth (excluding a large incidental loan) from May 2024 to September 2024, except July 2024 because there was no meeting. From October 2024 onwards, the MPC maintained this 1.0 percentage point cutback in the RR rate and referenced adequate foreign exchange reserves despite a recent pick-up in credit growth, in addition to a relatively subdued period average inflation. In 2024, the MPC reduced the RR eight times (see Table 3).

Table 3: Timeline of the MPC's RR decisions

		<i>Decision*</i>	<i>RR rate (in percent)</i>
2024	January	Maintain RR	22.0
	February	Maintain RR	22.0
	March	Lower RR	21.5
	April	No meeting	21.5
	May	Lower RR	20.5
	June	Lower RR	19.5
	July	No meeting	19.5
	August	Lower RR	18.5
	September	Lower RR	17.5
	October	Lower RR	16.5
	November	Lower RR	15.5
	December	Lower RR	14.5

* MPC decisions take effect the subsequent month.

Key figures year-end 2024



RESERVE REQUIREMENT OF 14.5%



CREDIT GROWTH OF 8.8%



OFFICIAL RESERVES HELD BY THE CBA AFL. 3,303.7 MILLION



INTERNATIONAL RESERVES HELD BY COMMERCIAL BANKS
AFL. 3,666.5 MILLION

Outlook 2025

- Monetary policy outcomes hinge on potential foreign shocks.
- Looming risks, such as global trade policy uncertainty and geopolitical tensions that may lead to fewer tourists and lower-than-expected foreign exchange reserves.
- Foreign exchange reserves are still projected to remain at adequate levels, thereby strengthening the florin-dollar peg.
- Period average inflation forecasted at 0.9 percent (refer to CBA's Economic Outlook publication²) may rise beyond that level.
- External shocks may materialize and push up inflation in Aruba. Possible shocks include the recent hikes in US tariffs, agricultural disruptions, and oil price shocks.

² [Economic Outlook, February 2025](#)

2.5. Banking and Payment Services on behalf of the GOA

Key objectives

The CBA serves as the Government of Aruba's (GOA) banker. As part of this function, the DOF and the DIMP hold funds in current accounts at the CBA. With these funds, it makes local and international payments on behalf of the GOA. The CBA is also the issuing and settlement bank for the GOA's treasury papers (bonds and treasury bills) and cash loans, and maintains the registry of the electronic GOA bonds. Additionally, it is responsible for the levy and collection of the foreign exchange commission (FEC) on behalf of the GOA.

2.5.1. Fully subscribed GOA treasury papers and cash loans

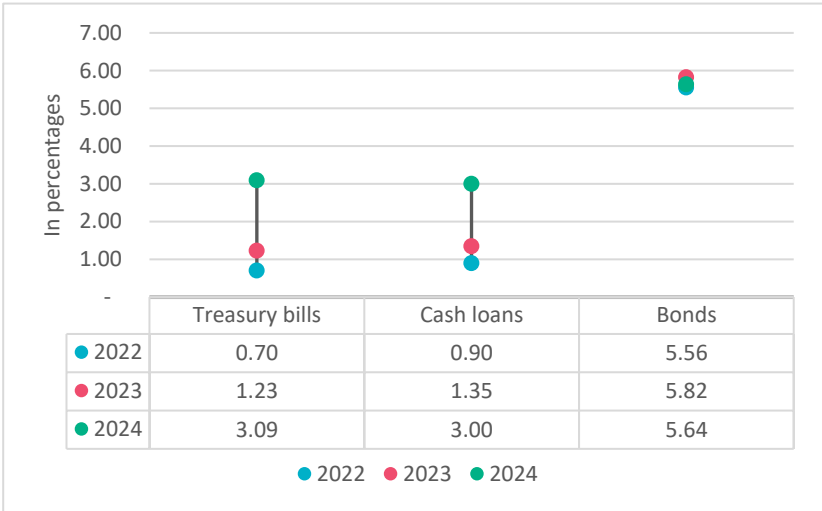
Only natural persons and entities that are residents of the countries within The Kingdom of the Netherlands are allowed to participate in issuances of treasury papers, while the cash loans issuances are exclusively aimed at commercial banks.

During 2024, the CBA assisted the GOA with the issuance of:

- Two bonds through a tender system on the domestic market for the total amount of Afl. 160.0 million. The yearly coupons of these bonds were 5.5 percent and 6.5 percent for maturities of 6 years and 14 years, respectively. The GOA used the proceeds from these issuances to cover its financing needs ensuing from the execution of its 2024 budget.
- Eight 3-month treasury bills for a total amount of Afl. 51.3 million. By year-end 2024, there were no treasury bills outstanding.
- One 6-month cash loan for the total amount of Afl. 8 million. By year-end 2024, there were no cash loans outstanding.

All issuances of GOA bonds, treasury bills and cash loans were fully subscribed. The average yields of the 3-month treasury bills and that of the 6-month cash loans rose in 2024 compared to 2023, while the average yield of the GOA Bonds fell (see Graph 7). This development reflects a lower demand for the GOA's short-term papers.

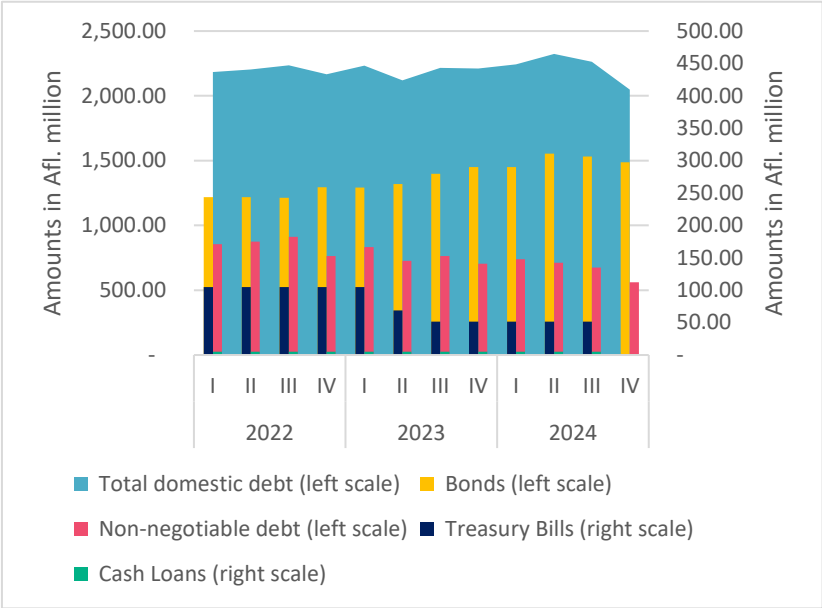
Graph 7: Average yield of the GOA's securities issuance during 2024



2.5.2. Decreased GOA's domestic debt development

The GOA's outstanding domestic debt decreased by 7.3 percent at year-end 2024 (see Graph 8). The total outstanding domestic debt fell to Afl. 2,048.3 million at year-end 2024, from Afl. 2,210.1 million at year-end 2023. The GOA opted to pay out its outstanding treasury bills and cash loans during the fourth quarter of 2024, as well as reduce its non-negotiable debt, amongst other long-term liabilities to APFA and private loans, during 2024, which led to the aforementioned reduction in domestic debt at year-end 2024 compared to year-end 2023.

Graph 8: Overview of GOA’s outstanding debt



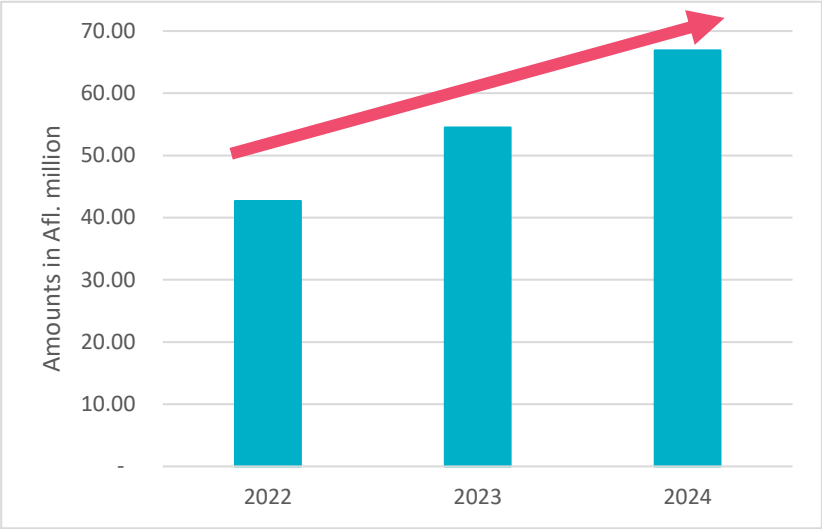
2.5.3. Increased FEC driven by a continuous rise in tourism visitors

The FEC is a commission residents pay to the GOA on all payments to non-residents. Every month, the CBA transfers the collected FEC during the previous month to the DOF’s current account held at its institution.

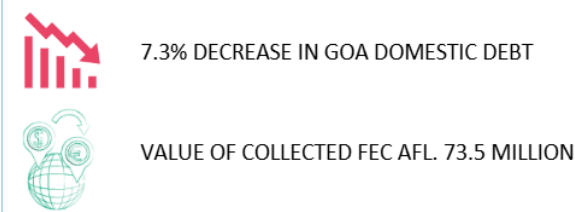
In 2024, the CBA collected a total amount of Afl. 73.5 million in FEC, which is Afl. 6.6 million more compared to 2023 (Afl. 66.9 million) (see Graph 9). The FEC is an additional income stream for GOA to cover its expenses resulting from its 2024 budget.

This higher FEC collected is attributed to a continued rise in foreign exchange transactions to abroad, such as imports of goods and services, driven by a continuous increase in tourism visitors and, subsequently, a higher economic growth rate.

Graph 9: Collected FEC on behalf of the GOA



Key figures year-end 2024



Outlook 2025

- Revision of the State Ordinance on Treasury Papers and State Decree on Treasury Papers.
- Revision of the State Ordinance on FEC.
- Implementation of the Power BI project to enhance the collection and analysis process of the FEC.

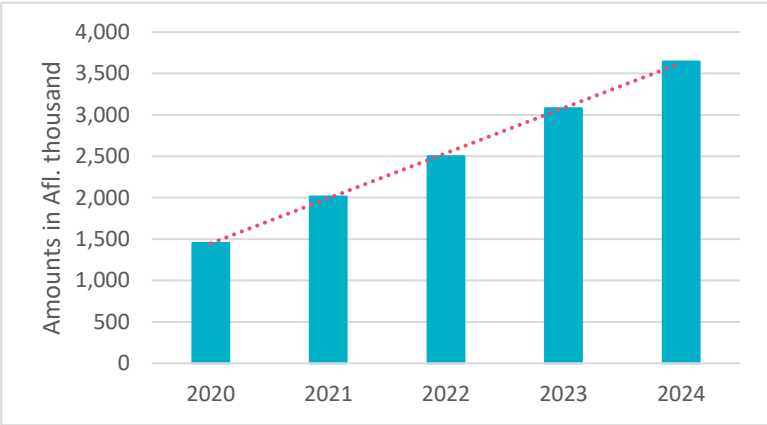
2.6. Payments in Focus

2.6.1. Instant payments

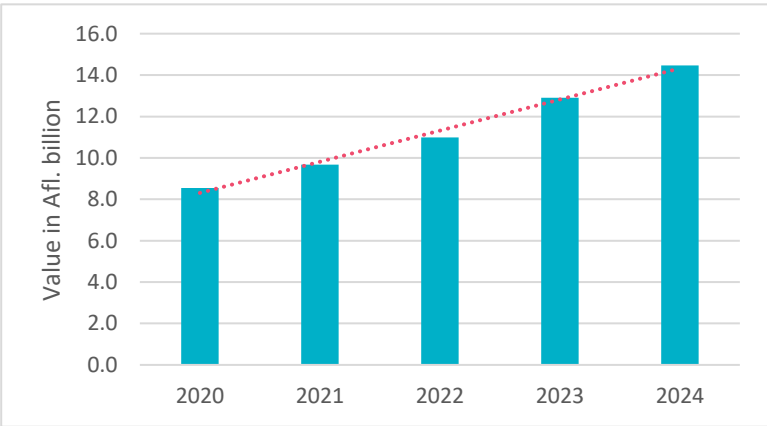
I-Pago, CBA’s instant payments platform, processed 3.6 million interbank transfers in 2024, i.e., an 18.3 percent increase from 2023. This growth translates into an additional 5 interbank transfers per person in 2024, bringing the average to 34 transfers per capita. In addition, the value of interbank transfers rose by 12.1 percent from the previous year, up from Afl. 12.9 billion to Afl. 14.5 billion. This resulted in an average per interbank transfer of Afl. 3,970.22 in 2024, when compared to Afl. 4,189.32 in 2023.

Although the number and value of interbank transfers increased each year since I-Pago was introduced in 2020 (see Graphs 10 and 11), there is a noticeable slowdown in the growth rate for both the number and value of transfers (see Graph 12 and 13). The slowdown in growth may be attributed to market saturation, as the majority of potential users for the current offering have already adopted the service. However, the introduction of new use cases, such as person-to-person transfers, in-store payments, and e-commerce transactions, could bring added functionality that may help attract new users and increase both the number and value of transfers, as I-Pago can be applied across a wider range of payment scenarios.

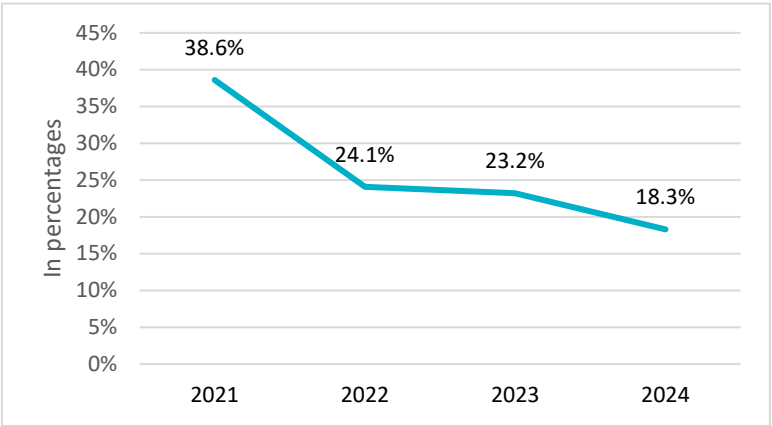
Graph 10: Trend in the number of interbank transfers



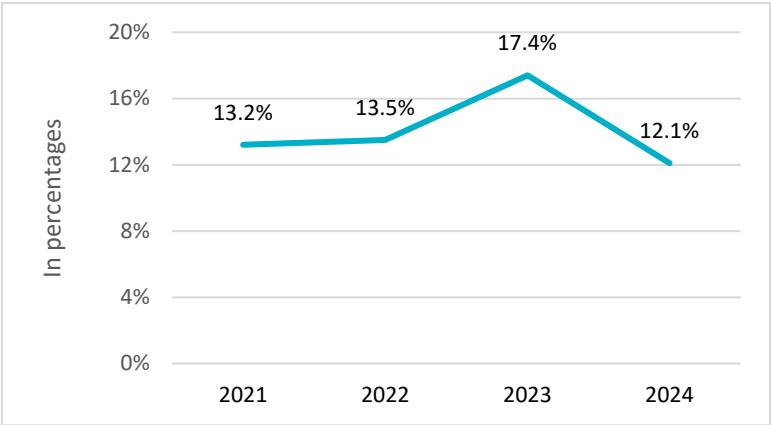
Graph 11: Trend in the value of interbank transfers



Graph 12: Rate of growth in the number of interbank transfers compared to the previous year



Graph 13: Rate of growth in the value of interbank transfers compared to the previous year



2.6.2. Foro di Pago Nacional

The CBA hosted two sessions of the Foro Working Group (FWG) in April 2024. During these FWG meetings, stakeholders discussed topics related to cash and non-cash payments in Aruba. Key takeaways from these discussions were the following:

Relating to cash payments in Aruba:

- Businesses generally prefer non-cash payments.
- Senior citizens are the age group that mostly prefers to pay with cash.
- Most people carry cash as a back-up option.
- USD cash payments in Aruba seem to be significant both in volume and in value.
- Cash should not be eliminated as a payment option.

Relating to non-cash payments in Aruba:

- I-Pago has significantly improved interbank transfers in Aruba.
- Digital payment options are experiencing a growing demand.
- Payment security is a top priority.
- The use of cryptocurrency is becoming more prevalent in Aruba.
- Educating and assisting senior citizens in understanding non-cash payment options is important.

In addition to the FWG meetings, the CBA organized its annual Foro di Pago Nacional (FPN) conference in November 2024 titled “Payment Matters: Navigating Financial Access and Fraud.” The conference featured two sessions, each with a keynote speaker and a panel discussion.

The first session focused on scams and digital fraud in payments. It emphasized the importance of implementing robust security measures, educating the public in using secure websites, being cautious of emails and texts from unknown sources, reporting phishing emails to commercial banks, using unique passwords for different accounts, monitoring transactions, and sharing information among stakeholders.

They also highlighted the need for collaboration to secure payments, and combat scams and digital payment fraud.

The second session addressed the common challenges in advancing financial inclusion. These challenges pertain to, among others, a significant informal economy, low levels of financial literacy, and limited access to basic and affordable payment services. To tackle these issues, several strategies were recommended i.e., adopting a national vision for financial development and inclusion, legislating financial education and integrating it into school curriculums, and regulating access to basic payment services. These measures aim to create a more inclusive financial environment and improve financial literacy.

2.6.3. Scams and digital fraud in payments

The CBA regularly conducts surveys on payment-related topics. In October 2024, the survey 'Scams and Digital Fraud in Payments' was carried out in collaboration with FPN stakeholders. Digital payments offer residents a convenient way to manage their finances. However, this convenience comes with growing concerns due to the rapid pace of technological change, as well as the increasing savviness of scammers and fraudsters. Key findings from the survey include the following:

- Scams are relatively uncommon in Aruba. However, senior citizens are targeted more frequently.
- Credit- and debit cards are the payment methods most commonly associated with fraud and scams in digital transactions.
- While many victims report only small financial losses, some are faced with significant losses.
- Although most victims reach out to their banks, not all receive quick or full reimbursements.
- There is a high level of awareness regarding the risks of scams and digital fraud in payments.
- Common channels for scams include social media and emails.

Key figures year-end 2024



NUMBER OF INTERBANK TRANSFERS: 3.6 MILLION
VALUE OF INTERBANK TRANSFERS: AFL. 14.5 BILLION



NUMBER OF TRANSACTIONS PER CAPITA 34
AVERAGE VALUE PER TRANSACTION AFL. 3,970.22

Outlook 2025

- The CBA will organize FPN working group meetings in May 2025 to discuss the topic of payment fees in Aruba.
- The third annual FPN conference is planned to take place in the fourth quarter of 2025.

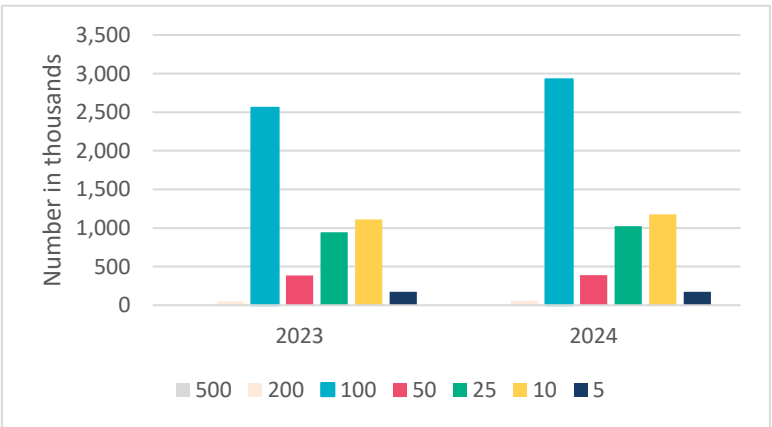
2.7. Banknotes and Coins

2.7.1. Banknotes in circulation

In 2024, the number of banknotes in circulation increased by 10.0 percent, compared to 2023, while the total value of these banknotes grew by 12.7 percent, reaching Afl. 362 million (including banknotes series 1990/1993) by year-end 2024. The Afl. 100 denomination continues to represent the largest share of all banknotes issued, comprising 50.9 percent of the total banknotes in circulation (see Graph 14).

The number of registered counterfeit florin banknotes was relatively low in recent years. In 2024, there were no reports of counterfeit Aruban florin banknotes.

Graph 14: Banknotes in circulation by denomination

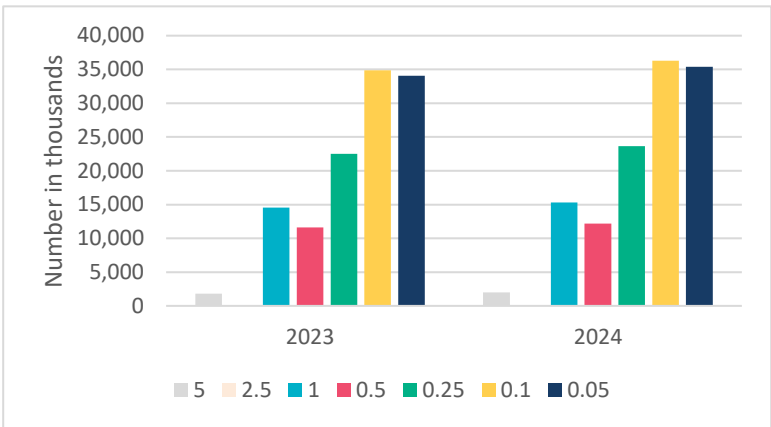


2.7.2. Coins in circulation

In 2024, the number of coins in circulation rose by 4.5 percent, compared to 2023, while the total value of these coins grew by 6.0 percent, reaching Afl. 42.9 million by year-end 2024. The two smallest coin

denominations, the 5-cent and 10-cent coins, are the largest in circulation, followed by the 25-cent coin (see Graph 15).

Graph 15: Coins in circulation by denomination



2.7.3. Commemorative coin issued in 2024

In 2024, the CBA issued a silver commemorative proof-quality coin with a nominal face value of Afl. 5 (see Figure 3). The coin features the “Cabay di Awa”, Papiamento for seahorse, which swims in the Caribbean Sea surrounding Aruba, and is a significant attraction for diving and snorkeling enthusiasts. Aruba is home to various seahorse species in multiple colors and sizes.

Figure 3. New commemorative coin 2024



2.7.4. Confidence in cash

In 2024, the CBA conducted a survey on cash usage, knowledge of Aruban florin banknotes, and confidence in their authenticity and quality. The results of the survey indicate that:

- Most consumers still use cash regularly, with the Afl. 25 and Afl. 100 banknotes being the most commonly utilized.
- The most commonly used coin denominations are the Afl. 1 and Afl. 5 coins.
- Many respondents prefer to withdraw cash at their own bank's ATMs.
- Respondents expect to use less cash in the future due to the convenience of electronic payments.
- Respondents generally recognize security features on banknotes, but not everyone checks for the authenticity of these banknotes.
- Most respondents have never encountered counterfeit banknotes.
- The quality of Aruban florin banknotes has a high rating.

Key figures year-end 2024



VALUE OF BANKNOTES IN CIRCULATION AFL. 362 MILLION
NO COUNTERFEIT BANKNOTES REPORTED



VALUE OF COINS IN CIRCULATION AFL. 42.9 MILLION

Outlook 2025

- The CBA will issue a new commemorative coin in 2025.

Chapter 3. Supported by Our Staff

3.1. Organization Structure

3.1.1. Stable management

The CBA is supervised by the BoSD and is managed by the EC, which consists of the President and two Executive Directors. At the end of 2024, four Division Managers directed four divisions. Each division comprises three to six departments. Additionally, there are two stand-alone departments that report directly to either an Executive Director or the President. There are 21 departments in total. See Appendix 2 for the organization chart as of December 2024.

It is important to note that the organization structure was redesigned, based upon a fit-for-future organization by 2030. To this end, a first phase of the reorganization was implemented as of March 14, 2025. A new division was added to the organization structure, and a new division manager was appointed. For the purpose of this report, the organization structure at the end of December 2024 is used. More information is provided in the Outlook 2025 text box at the end of this Section.

3.1.1.1. The Executive Committee (EC)

The CBA's EC has specialized backgrounds and rich experience in central banking, economics, supervision, and accounting, enabling them to oversee the 21 departments. The EC consists of the following 3 well-rounded members:

President

Jeanette Semeleer studied economics in the US. She began her career at the CBA as deputy manager of the Research Department and steadily climbed the corporate ladder, being appointed President of the CBA in 2008. As President, together with the two Executive Directors, she oversees the division of Economic Policy & Financial Stability, the division Strategy, Planning & Information, as well as the stand-alone department IA.

Executive Director Secretary

Miriam Gonzalez has a university degree in Economics and started her career at the Research department of the CBA in 1990. She grew into different leadership roles until she became Executive Director in 2010. She is responsible for the division of Payment Systems, Treasury & Banking Operations.

Executive Director

Prakash Mungra has an extensive background in business economics and accountancy. He started his career at the CBA in 1992 and gained experience through different leadership roles until being appointed Executive Director in 2010. As Executive Director, he is responsible for the division Supervision & Enforcement as well as the stand-alone department Risk & Compliance (R&C).

3.1.1.2. Division Managers

Division Manager Economic Policy & Financial Stability

Ryan Peterson has an extensive scientific and professional background in the fields of economics development and resilience, with a strong focus on small island sustainability. His journey at the CBA started in 2015 as a General Manager (now called Division Manager).

Division Manager Strategy, Planning & Information

Edwina Pereira has an extensive background in economics and strategic management and has built a career at the CBA since 2003. She grew into different leadership roles and transitioned into the role of Division Manager in 2019.

Division Manager Payment Systems, Treasury & Banking Operations

Penélope Tromp-Gomez has an extensive background in accountancy, finance, business administration, supervision, payment systems, and banking operations. She started her career at the CBA in 2007 and after experiencing different leadership roles, she became Division Manager in 2013.

Division Manager Supervision & Enforcement

Laïndhra Garcia has a degree in business administration and business economics. She started her journey at the CBA in 2004 and gained extensive experience, primarily in the area of supervision, throughout her career at the CBA. She has been leading the Supervision & Enforcement division since 2023.

3.1.2. The CBA's divisions and departments

The Supervision & Enforcement division consists of the departments: Prudential Supervision Banks, Prudential Supervision Insurance Companies, Pension Funds & Investments Institutions, Integrity Supervision, Enforcement, Market Entry & Legal Advisory, and Legal Services. This division is fully committed towards maintaining confidence in the financial system of Aruba through a robust and intrusive supervision of the financial soundness and integrity of institutions that fall under CBA's supervision, and enforce measures, when necessary. Additionally, this division also contributes to the regulation of international payments through the execution of the State Ordinance Foreign Exchange Transactions. Finally, this division advises the organization on all matters which may have legal implications.

The Payment Systems, Treasury & Banking Operations division consists of the departments: Treasury, Financial Markets & Banking Operations, Payment Systems, Cash Operations & Logistics, Financial Reporting & Control, Facility Management, and Secretariat & Information Center. This division encompasses a diverse range of expertise, including advising the GOA on financial matters, including debt management, overseeing gold and foreign exchange reserves, monitoring the liquidity position of commercial banks, implementing liquidity management instruments for commercial banks, ensuring modern, safe, secure, and reliable payment systems, financial administration and reporting, managing the circulation of coins and Aruban florin banknotes, information management, and facilities management.

The Economic Policy & Financial Stability division comprises two core departments, i.e., Statistics and Research, and one supporting department, i.e., Communications. Additionally, the division oversees the working group in charge of Financial Stability. Consequently, the division mainly focuses on conducting comprehensive economic analysis and forecasting, as well as providing relevant economic policy recommendations.

The Strategy, Planning & Information division has the following departments: Strategy & Planning, Human Resources, Information Security, Information Technology, and Physical Security. This division supports the entire organization by developing and implementing the organizational- and human resources strategy, ensuring physical and cyber security, and managing the information technology infrastructure and business processes.

The R&C department oversees risk management and ensures that the risks to which the CBA is exposed to are appropriately managed and that adequate policies and procedures are implemented to bring or keep these risks within limits acceptable to management.

The IA department conducts several audits, including the financial statements of the CBA, and attestations required by key stakeholders of the CBA. Moreover, the IA department provides an independent opinion on the design and operational effectiveness of CBA's risk management system and internal controls. This department also has a direct reporting line to the AC of the BoSD.

Outlook 2025

- The CBA will introduce a new organization structure aimed at streamlining the divisions to strengthen interdepartmental collaboration and communication, improve efficiency and adherence to best practices, and create a better distribution of responsibilities while adapting to technological advances.
- A new division will be created to better align core and supporting tasks and responsibilities within the divisions.
- This re-alignment of the organization structure will lead to department shifts between the divisions, thereby shifting responsibilities, strategies, and goals.

3.2. Strategic Activities and Outcomes

Key objectives

In line with its strategic plan 'Dilanti Biento', the CBA advocates regeneration and transformation to foster an inclusive and resilient Aruban community. Each year, the CBA carries out the planning and control cycle that includes departments and division plans, budgets, and policy note to define priorities and ensure that resources are effectively aligned. The CBA monitors its operational tasks and strategic actions to ensure that, if necessary, the course of its strategic plan is adapted to fulfill its purpose and correctly prioritize key projects.

3.2.1. Steady progress

Challenges such as expanding mandates and operational tasks, and shifting priorities made 2024 a year in which several key strategic decisions were made, and priorities were revisited to create better alignment between available resources and strategic outcomes. In 2024, the CBA's strategic focus centered on 17 strategic projects, each contributing in their own way towards our strategic objectives.

The CBA's employees pushed through and achieved critical milestones, including finalizing policy recommendations for strengthening debt sustainability in coordination with the MPC, establishing the Financial Stability Committee and Working Group, publishing medium-term GDP forecasts for 2023 – 2027, executing the initial phases of the new Chart of Accounts project, following up on Caribbean Financial Action Task Force (CFATF) recommendations relating to the CBA's domain, and updating the writing guide. To strengthen organizational resilience in the rapidly evolving digital landscape, the CBA further tightened its cyber security. Additionally, a Business Impact Analysis was performed to

provide critical data and insights, forming the foundation for the development of the Business Continuity and Disaster Recovery Strategy.

Several strategic projects relating to the upgrade of CBA's security systems, the redesign of the organization design and workforce formation, the forecasting framework and models, and the development of a statistical business register are in an advanced stage and are expected to be finalized in 2025.

Considering the differing priorities and focus areas, there was a shift in focus in 2024, and a new priority list was made, thereby providing the departments with more leeway to perform both operational tasks and (strategic) projects.

Outlook 2025

- The CBA will continue working on its strategic projects and will prioritize its focus for 2025.
- The CBA plans to embark on its journey towards the third strategic plan 2026 – 2030.

3.3. Human Resources

3.3.1. Creating a more future-proof CBA

In 2024, steady progress was made in aligning HR policies and processes with current trends and developments, especially those relating to employee engagement and the recruitment and retention of new employees.

In 2024, substantial advances were made to create a more future-proof organization, by executing several projects aimed at employee development and engagement. Progress was also made with regard to several HR-related policies and projects, such as the further digitalization of processes, thereby gaining efficiency and process overview, the revision of secondary job benefits, the adaptation of the part-time working policy to enhance flexibility, and also the execution of an improvement project relating to the recruitment and selection process.

The backbone of the CBA is its employees. As a knowledge organization with many specialized functions, the CBA invests in the continuous professional development of its employees to assist them in reaching their full potential. Every year, employees are encouraged to continue to develop their knowledge and skills. Besides allocating a training budget for each department, several information sessions and workshops on leadership and change management were organized for all employees.

3.3.2. Changing workforce

In 2024, the CBA experienced various personnel changes, including promotions, horizontal transfers, and staff inflow and outflow. The CBA's workforce increased by four permanent employees compared to the previous year, reaching an all-time high of 112 permanent employees at

the end of 2024. Additionally, in 2024, there were two interns, eight vacation workers, and five temporary employees who temporarily joined the workforce. In 2024, three employees left the organization to either pursue new opportunities or to emigrate. The CBA also welcomed seven employees as permanent employees.

3.3.3. Diversity reflected in the CBA's personnel

Although the CBA offers the possibility to work part-time only 4.5% made use of this in 2024, all of whom were female employees. The CBA's workforce had been strongly represented by females for the past years. This is once again the case in 2024, with 62.5% female employees and 66.7% of managerial staff being female.

The CBA's permanent employees reflect the diversity of the Aruban culture, with over 29.5% born outside of Aruba. Moreover, 54.5% of the personnel had an average tenure of less than 10 years with an average of 12 years and 9 months. The average employee age was 45.3. This shows the importance of continually developing the strategic HR policies that ensure a future-proof organization. These policies should balance finding the right people for the right positions, while also recruiting and retaining younger employees. These are more likely to change jobs after a few years, thereby creating more pressure on the recruitment, selection, and onboarding process.

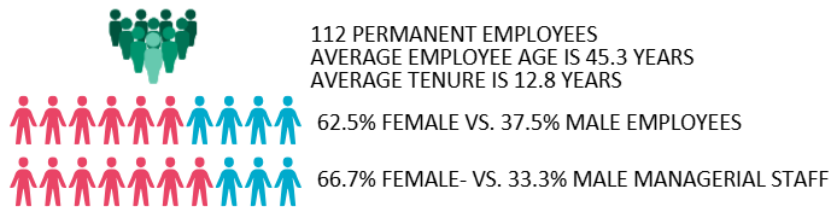
3.3.4. Recruiting highly skilled employees stays challenging

In 2024, the CBA received many applications through its Working at the CBA recruitment portal³, but only seven permanent employees were hired. Although many applications were received, finding highly skilled and experienced candidates in our region is quite difficult.

³ [Working at the CBA - Working at the CBA](#)

In 2024, the CBA found it challenging to recruit highly skilled candidates for specific vacancies, such as for IT functions. To address this, it evaluated several options to deal with the scarcity in the labor market. In 2024, a delegation of the CBA participated in job and career fairs in the Netherlands to increase awareness about the career opportunities at the CBA and to enhance its visibility in the labor market.

Key figures year-end 2024



Outlook 2025

- Increased efforts to recruit new employees to fill the vacancies.
- Focus on employee learning and development by providing different workshops and/or programs related to leadership and change management.

Chapter 4: Driven by Our Community

4.1. Community Outreach

Key objectives

In line with the CBA's prominent position in the Aruban community, it leads by example with regard to CSR by contributing toward a more sustainable workplace and island, as well as towards giving back to the community in numerous ways.

4.1.1. CSR

The CBA's commitment to the Aruban community is evident through its various social activities. These include participating in community events, such as Aruba Doet project in March, assisting with a project related to school accessories, joining a beach clean-up in September, and volunteering in a giving-back-to-the-community event during December, through collaboration with a service organization. See Figures 4 and 5.

Additionally, in 2024, the CBA engaged a consulting firm to conduct a corporate waste audit and provide recommendations for sustainable waste management alternatives. The results of this report will be finalized in 2025.

Furthermore, in 2024, the CBA supported, together with a Coalition of the Willing, and other public and private sector institutions, the launch of a national assessment on climate and ocean risks, which is conducted by the Stimson Center on National Security and Justice. Financial stability

and climate resilience are essential to safeguard Aruba's economic security and macroeconomic stability, as well as the health and wealth of our ecology and society.

Figure 4 – Participation in Aruba Doet



Figure 5 – Giving back Christmas event



4.1.2. Knowledge sharing

The CBA also gives back to the community through knowledge sharing on financial literacy during the national summer program ‘Buki di Pret’, ‘Global Money Week’, and the coordination of the ‘Cyber School Program’. In addition to these in-house initiatives, the CBA tailors relevant communication to the general public, thereby reinforcing its commitment to financial education and awareness.

In 2024, the CBA also gave different presentations on economic forecasts, as well as published papers, to stakeholders such as the GOA, AHATA, ATHA, Aruban Banker’s Association, Commissie Marco Model Aruba, DOF, Economen Club Dutch Caribbean (during its symposium), Insurance Association Aruba, a labor union, and rating agencies Fitch, Standard & Poor, and Moody’s.

Moreover, every year the CBA visits schools to educate students about the security features of our banknotes through its “Nos Florin” presentations. These sessions help raise awareness about identifying genuine banknotes and understanding the security features that prevents counterfeiting. In 2024, the CBA visited a local school and gave information sessions to more than 300 students from different grades. Students learned about essential security features like high-relief printings, 3D moving stripes, color-changing ink, and watermarks. Through these presentations, the CBA aims to make students more aware of the money they use and build trust in secure currency from an early age.

It also offers extensive resources to help the public verify the authenticity of Aruban florin banknotes and maintain consumer confidence⁴.

Additionally, the CBA’s mobile app, “Aruba su Florin,” can be downloaded to scan banknotes, explore security features, play a game,

and learn more about the banknotes. For further information, one can also visit the CBA’s social media accounts^{5,6,7}.

4.2.3. Donations and sponsorships

In line with its donation and sponsorship policy, the CBA allocates resources for donations and sponsorships each year. In 2024, roughly Afl. 61.6 thousand was donated to various groups ranging from sport clubs, schools, social charity clubs, and non-profit organizations, for the execution of 16 projects. The projects were related to the areas of education, sports, art, innovation, and social welfare.

Key figures year-end 2024



PARTICIPATED IN 4 COMMUNITY PROJECTS



DONATED TO 16 SOCIAL PROJECTS
DONATED APPROXIMATELY AFL. 61.6 THOUSAND

Outlook 2025

- Continued commitment to contributing to financial literacy of the Aruban community.
- Continued efforts will be made to give back to the Aruban community through donations and community work.

⁴ [Security Features Banknotes 2019](#)

⁵ [Aruba su Florin, Facebook](#)

⁶ [Centrale Bank van Aruba, Instagram](#)

⁷ [Centrale Bank van Aruba, LinkedIn](#)

4.2. Research and Communication

Key objectives

The CBA works on strengthening Aruba's resilience by providing high-impact, economically relevant research and reports that are valuable to both the general population, local policymakers, and financial professionals. Moreover, its press releases cater to both the general public and financial citizens.

4.2.1. Providing a wide range of relevant publications

The CBA produces economic, monetary, financial, and supervision reports and bulletins on a monthly, quarterly, and/or annual basis. Additionally, it publishes research and performs online surveys to gather valuable data that will be used for policy advice.

As in the preceding years, in 2024, the CBA published its 2023 audited condensed Financial Statements⁸ on its website together with the 2023 Operational Report.

Based on the requirement of the CBO, the CBA publishes its monthly summary balance sheets in the national gazette ('landscourant') and on its corporate website⁹.

Other relevant publications are as follows:

- Average yield of GOA's Treasury Papers and cash loans¹⁰: shows various results relating to GOA's bonds, cash loans, and treasury bills issues.
- Annual Statistical Digest¹¹: contains economic, financial, and social data, including Aruba's financial, real, external, and public sectors.
- Economic Outlook¹²: presents economic projections of the Aruban economy.
- Monthly Economic Bulletins¹³: discuss the main economic indicators and monetary developments of the month under review.
- State of the Economy¹⁴: shows quarterly economic developments, mainly covering local developments.

Furthermore, the CBA also published the Fiscal Outlook 2024 – 2028: Projections and Policy Implication¹⁵, and the second edition of the Government Policy Study) paper Governing from the future. The latest edition is titled 'Governing from the future, leading with inclusion: Policies, prospects, and pathways for Aruba 2040'¹⁶. The two comprehensive policy studies provide valuable insights for policymakers, key stakeholders, and the Aruban community.

Additionally, in 2024, the CBA published several important press releases such as:

- Strategic Options for Ennia Aruba in June¹⁷

⁸ [Condensed Financial Statements](#)

⁹ [Summary Balance Sheets](#)

¹⁰ [GOA Bonds, Cash loans, and Treasury bills issue results](#)

¹¹ [Annual Statistical Digest](#)

¹² [Economic Outlook](#)

¹³ [Monthly Economic Bulletins](#)

¹⁴ [State of the Economy](#)

¹⁵ [Fiscal Outlook 2024-2028, August 2024](#)

¹⁶ [Governing From the Future](#)

¹⁷ [Strategic Options for Ennia Aruba](#)

- The MPC Meetings of January¹⁸, February¹⁹, March²⁰, May²¹, June²², August²³, September²⁴, October²⁵, November²⁶, and December²⁷
- The CBA Addresses Concerns on Payment Fees in November²⁸

The CBA also held a wide range of valuable and targeted surveys throughout 2024 on the following topics:

- Business Perception^{29,30,31}
- Card Processing Fees
- Consumer Confidence^{32,33,34}
- Confidence in Cash³⁵
- Ease of Lending^{36,37,38}
- Food Security³⁹
- Use of Digital Payments in Aruba
- Use of Credit Cards, Debit Cards, Cash, and Credit Transfers in Aruba
- Financial Literacy

The results of these surveys provide data for policy proposals and development.

¹⁸ [MPC Meeting, January 2025](#)

¹⁹ [MPC Meeting, February 2024](#)

²⁰ [MPC Meeting, March 2024](#)

²¹ [MPC Meeting, May 2024](#)

²² [MPC Meeting, June 2024](#)

²³ [MPC Meeting, August 2024](#)

²⁴ [MPC Meeting, September 2024](#)

²⁵ [MPC Meeting, October 2024](#)

²⁶ [MPC Meeting, November 2024](#)

²⁷ [MPC Meeting, December 2024](#)

²⁸ [CBA Addresses Concerns on Payment Fees](#)

²⁹ [Business Perception, Quarter 1](#)

³⁰ [Business Perception, Quarter 2](#)

³¹ [Business Perception, Quarter 3](#)

³² [Consumer Confidence, Quarter 1](#)

³³ [Consumer Confidence, Quarter 2](#)

³⁴ [Consumer Confidence, Quarter 3](#)

³⁵ [Confidence in Cash, Quarter 3](#)

³⁶ [Ease of Lending, Quarter 1](#)

³⁷ [Ease of Lending, Quarter 2](#)

³⁸ [Ease of Lending, Quarter 3](#)

³⁹ [Food Security, August 2024](#)

4.3. (International) Cooperations

Next to publishing relevant research and conducting important surveys, the CBA also actively collaborates with both national and international stakeholders. Furthermore, the CBA embraces opportunities for knowledge sharing in different committees and also receives technical assistance from experts. Some examples of collaborations in 2024 are as follows:

- In May 2024, the CBA's President gave an opening speech during a visit from IMF's Executive Director Dr. P. Hilbers to the CBA, in which she explained the pathways that the CBA is taking with regard to financial stability and climate change⁴⁰.
- Technical assistance was received by IMF's Caribbean Regional Technical Assistance Centre.
- Attendance at the IMF Spring and Fall Meetings in Washington D.C.
- Participation in the IMF pre-Article IV visit to Aruba in September 2024.
- Participation in the Caribbean Economic Research Team's research agenda for 2023/2024.
- Member of the Organization for Economic Cooperation and Development⁴¹ and attendance at the International Network on Financial Education regional- and technical committee meetings.
- Participation in a peer review through Caribbean Regional Technical Assistance Centre in the area of financial stability at the central banks of Barbados and Cayman Islands.
- Participate in discussions on relevant matters or changes, and attend periodic and/or plenary meetings relating to supervision with relevant stakeholders such as the 'Technisch Comité van Koninkrijk toezichthouders', the CFATF meetings, and the Caribbean Group of Banking Supervisors (CGBS).

- A Cyber Risk Technical working group attends periodic CGBS meetings.
- Participation in different working groups or teams relating to cybersecurity and information technology such as the Operational Security Situational Awareness Team and Regional Central Banks Information Systems Specialist.
- A division manager is the chair of the Caribbean Community's (also known as CARICOM) Cybersecurity Information Sharing Group where peers share insights.
- Information exchange with Latin America and Caribbean Cyber Competence Center.
- Collaboration on climate risk workshops and surveys relating to the Climate & Ocean Risk and Vulnerability Investigation project organized by the Stimson Center and they also participated in the Climate Adaptation Services to collaborate on the Climate Impact Analysis projects.
- (Division) managers participated as presenters and/or panelists at events such as Small Island Climate Vulnerabilities in the Dutch Caribbean Conference and Aliv Cyber Security Summit.
- Participation in a biannual research exchange with the Central Bank of Curacao and Sint Maarten (CBCS) that enables knowledge exchange on research and policy papers.
- Collaboration with, work visits to, and regular meetings with, other central banks such as CBCS and De Nederlandsche Bank to exchange information and experience with subject matter experts relating to areas such as document management, SWIFT ISO migration, investments, cybersecurity, risk, audit, and business continuity.

⁴⁰ [Opening Speech J. Semeleer during visit IMF Executive Director, May 14](#)

⁴¹ [OECD INFE](#)

Outlook 2025

- Relevant press releases, reports, data will continue to be produced and published.
- Surveys on Banking Statuses & Payment Behavior and Payment Fees in Aruba will be launched respectively in quarters 1 and 2.
- The third edition of the research paper Governing from the future is projected to be published.

Chapter 5. Safeguarded by Our Governance, Risk Management, and Compliance

Purpose

The governance of the CBA is a cornerstone of Aruba's financial stability and economic prosperity. It involves mechanisms and structures to ensure accountability, transparency, and independence to enable the CBA to fulfil its mandate effectively.

Established by law, the CBA is an independent institution within the public sector. Its management is assigned to the President, assisted by two Executive Directors. Together, they form the Executive Committee (EC) that is responsible for the execution of the CBA's mandate as outlined in the CBO. The CBA's operations, and the management of its assets, and the funds entrusted to it, are overseen by the BoSD.

Regular collaborative meetings, and support from key internal committees and working groups, contribute to maintain effective oversight and governance. In this respect, compliance with laws, regulations, internal policies, procedures, as well as the application of effective risk management, is pivotal.

5.1 Governance

5.1.1. Autonomous BoSD

The autonomous role of the BoSD is crucial in the governance structure of the CBA. The BoSD approves the budget, reviews and adopts the financial statements, and appoints the external auditor. For 2024, Ernst & Young Aruba served as CBA's external auditor.

By providing independent judgment and oversight, the BoSD enhances transparency, accountability, and trust in CBA's operations.

5.1.2. Continued collaborative meetings

During 2024, EC meetings were scheduled on a weekly basis. The President chairs these meetings. In these meetings decision-making, as well as consultation, and sharing of essential information on important issues took place. All division managers participate in the EC meetings for advisory, operation's continuity, and information and knowledge sharing purposes.

Furthermore, throughout 2024, the BoSD met regularly with the EC to discuss key topics such as financials, budget plans, project updates, economic developments, supervision, and legal issues. Additionally, the Chairman of the BoSD and the President met on a weekly basis to discuss ongoing concerns and/or issues.

5.1.3. Commitment to a sound Corporate Governance

The CBA is firmly committed to maintaining a robust corporate governance aligned with international standards and best practices. This includes implementing checks and balances, promoting transparency, ensuring due process, and safeguarding institutional independence. Through this forward-thinking governance approach, which is one of the six strategic pillars, CBA builds trust in the soundness and stability of the Aruban financial system.

5.1.4. Supportive committees and working groups

The EC receives support from several internal committees and working groups. The committees are chaired by one of the EC members. These committees are as follows:

1. The Monetary Policy Committee's (MPC) main objective is to determine an effective monetary policy with the aim of maintaining the fixed value of the Aruban florin vis à vis the USD.
2. The Foreign Exchange Policy Committee's main objective is to have an effective foreign exchange policy in place with the aim to manage the available foreign exchange and to monitor this in accordance with the CBO. This committee also monitors the proper collection of the foreign exchange commission and the exchange rate margin compensation.
3. The Investment Committee (IC) advises the President on investment strategies and policies to protect the CBA's financial assets. This committee also monitors the ongoing compliance with the investment policies and guidelines.
4. The Risk Management & Compliance Committee (RMCC) ensures that all material risks the CBA is exposed to are properly identified and effectively managed, with the aim of safeguarding the achievement of CBA's legal mandate and strategic objectives. This committee also ensures compliance with applicable laws, regulations, contracts, guidelines, internal policies, and procedures.
5. The Strategic Committee oversees the implementation of the CBA's strategic plan, i.e., Dilanti Biento, and monitors the progress of its strategic projects.
6. The Payment System Committee promotes an innovative, safe, reliable and efficient payment system for Aruba that is in conformity with international standard and best practices. Furthermore, it advises the EC on ways to further modernize the payment systems.
7. The Project Committee provides input on project feasibility, prioritization, and planning. It also tracks progress on enterprise-wide initiatives.
8. The Corporate Information Security Committee (CIS-C) ensures the CBA has a robust and effective information security framework in place, that aligns with international standards and strengthens the CBA's security practices on an ongoing basis.
9. The Pension Committee evaluates CBA's pension plan for compliance with laws and benchmarks it against alternative plans, aiming to recommend the most favorable option within legal boundaries.

In addition to committees, the CBA has several working groups in place that support ongoing projects and initiatives. Some of the working groups, such as the Foreign Exchange Working Group, Budget Working Group, and the Corporate Information Security Working Group, focus on operational areas, while others, for instance the Working Group Processes, focus on long-term strategic priorities.

5.2. Risk Management

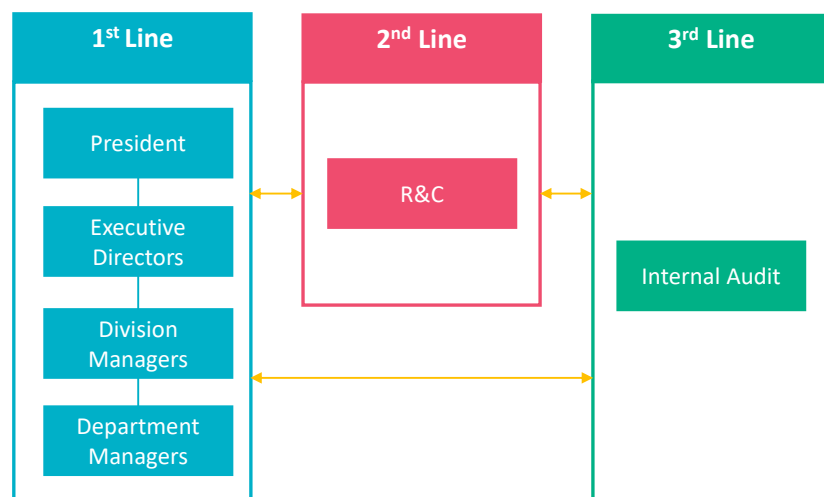
Purpose

The integration of risk management into the CBA's strategic, financial, and operational processes and decision-making is essential for a sound governance and risk management, the proper execution of the CBA's legal mandate, and the achievement of its strategic objectives.

5.2.1. Applied model

The CBA applies the Three Lines Model as defined by the Institute of Internal Auditors to identify and address possible events that, if materialized, may affect its ability to deliver on its legal mandate and strategic objectives, and damage its reputation and the trust of its stakeholders. The CBA's Three Lines Model is depicted in Figure 6.

Figure 6: Three lines risk management model



The first line comprises the President, Executive Directors, Division Managers, and Department Managers. Division and Department Managers are responsible for the daily management of the operations of the CBA within the boundaries set by the EC. The President and Executive Directors - supported by the Strategy & Planning department - are responsible for the management of the strategic risks of the CBA.

The second line is assigned to the R&C department overseen by RMCC. The R&C department is responsible for designing, implementing, and, on an ongoing basis, improving policies and procedures to identify and mitigate the material risks the CBA is exposed to. The R&C department also advises the EC on risk management matters, solicited or unsolicited, and provides awareness sessions and training to management and staff to promote a sound risk culture within the CBA.

The R&C department reports to the Executive Director and is responsible for overseeing that risk management is effectively embedded across the organization, and that all material and emerging risks are properly identified and managed. The RMCC, amongst others, discusses and (pre-) approves new or amended policies and procedures in the areas of risk management and compliance before these documents are sent to the President for final approval.

The CBA has installed different committees to oversee the proper management of some specific material risks, including but not limited to the IC, which advises the President, i.e., on risks and mitigating measures related to the investment portfolio, and the CIS-C, in which the main risks related to information security, including cybersecurity risks, and mitigating measures are discussed and decided upon.

The third line consists of the IA department. The IA department is responsible for providing independent and objective assurance on the design and operating effectiveness of risk management within the CBA and advising the President on how to improve risk management CBA-wide. The IA department reports directly to the President and has a reporting line to the BoSD.

5.2.2. Risk Assessment and framework

In 2024, the CBA again conducted a Risk Assessment Survey (RAS) to identify and assess the most significant risks the CBA is exposed to. As part of this exercise, all divisions had to identify, evaluate, and prioritize the top risks within their division. The R&C department reviews and discusses the collected data with the respective divisions and reports its findings and recommendations to the RMCC and EC.

Cybersecurity was identified as one of the highest risks during the RAS 2024. As the CBA advances the digitalization of its core processes, cybersecurity remains the number one risk that needs to be monitored closely. The CBA has allocated substantial resources to this area to prevent disruptions to its IT systems and core processes arising from internal and external factors.

Another top risk identified during the RAS in 2024 is the availability of qualified staff to execute the core tasks and strategic projects of the CBA. Business continuity/IT-disruption was again identified as a primary risk during the RAS 2024, especially related to the payment system of Aruba (I-Pago). The dependency on external stakeholders to support the CBA's operations was also identified as a major risk. It includes cloud services. This dependency increases the vulnerability of the CBA to operational disruptions.

In 2024, the CBA continued strengthening its risk management framework to embed risk management further into its financial, operational, and strategic processes and decision-making.

5.2.3. Incident Management

According to the CBA Incident Policy, an incident is the materialization of an unwanted event that took place, was not promptly identified nor stopped by the existing controls and procedures, and caused or could have caused damage or loss to the assets, operations, and/or reputation of the CBA.

In 2024, the number of reported incidents increased compared to 2023 (See Tables 4 and 5).

Table 4 – Reported CBA-incidents based on impact area

Impact area	# of incidents reported that qualify as an incident according to the definition in the CBA Incident Policy	
	2023	2024*
Financial	-	3
Operational	2	8
Reputational	7	7
Total	9	18
<i>* Preliminary figures</i>		

Table 5 – Reported CBA-incidents based on root cause

Root cause category	# of incidents reported that qualify as an incident according to the definition in the CBA Incident Policy	
	2023	2024*
People	8	8
Technology	1	6
External	-	2
Governance		2
Total	9	18
<i>* Preliminary figures</i>		

The increase in reported incidents is related to a higher awareness among management and staff of what constitutes an incident and the importance of reporting these incidents promptly. The reported incidents assisted the CBA in identifying deficiencies and vulnerabilities in its risk management and control systems, and prompted, where necessary, the implementation of additional measures to prevent recurrence.

5.2.4. Risk Mitigation

One of the main focuses of the CBA in 2024 was the business continuity risk. To ensure that the CBA's most critical processes remain operational during and after a disruption like a power outage, internet failure, cybersecurity attack, or a calamity like a hurricane, it initiated the evaluation and update of its overall business continuity policy and the related business continuity plans and procedures. The primary focus in 2024 was the CBA's payment systems (Olympic and SWIFT), and Aruba's local payment system (I-Pago). The most significant risks related to these processes were identified and assessed through a business impact analysis, which serves as a basis for designing an up-to-date business continuity plan and related procedures regarding payment systems.

Another critical focus area in 2024 was cybersecurity risk. The mitigation of the risks related to data confidentiality, data integrity, and data availability continued to be a high priority in 2024. The heightened geopolitical tensions, the global increase in cyberattacks targeting critical infrastructures, and the rapid development of technologies like Artificial Intelligence (AI) underscore the importance of sustaining investments in and improving the CBA's cybersecurity posture. In 2024, the CBA organized several internal sessions to increase awareness within all levels at the CBA on the techniques attackers are using, like phishing, smishing, and vishing. Phishing, smishing, and vishing fall into the category of social engineering, which uses different types of channels to steal confidential data from the victim by pretending to be a trustworthy or legitimate source. "Phishing" uses means like emails, websites, QR-

codes, and links, while "smishing" uses text or SMS messages to target selected persons or companies. "Vishing" is when an attack is carried out through voice (e.g., a phone call). The use of AI, deepfake technology, and AI chatbots was also highlighted during these awareness sessions.

5.3. Compliance

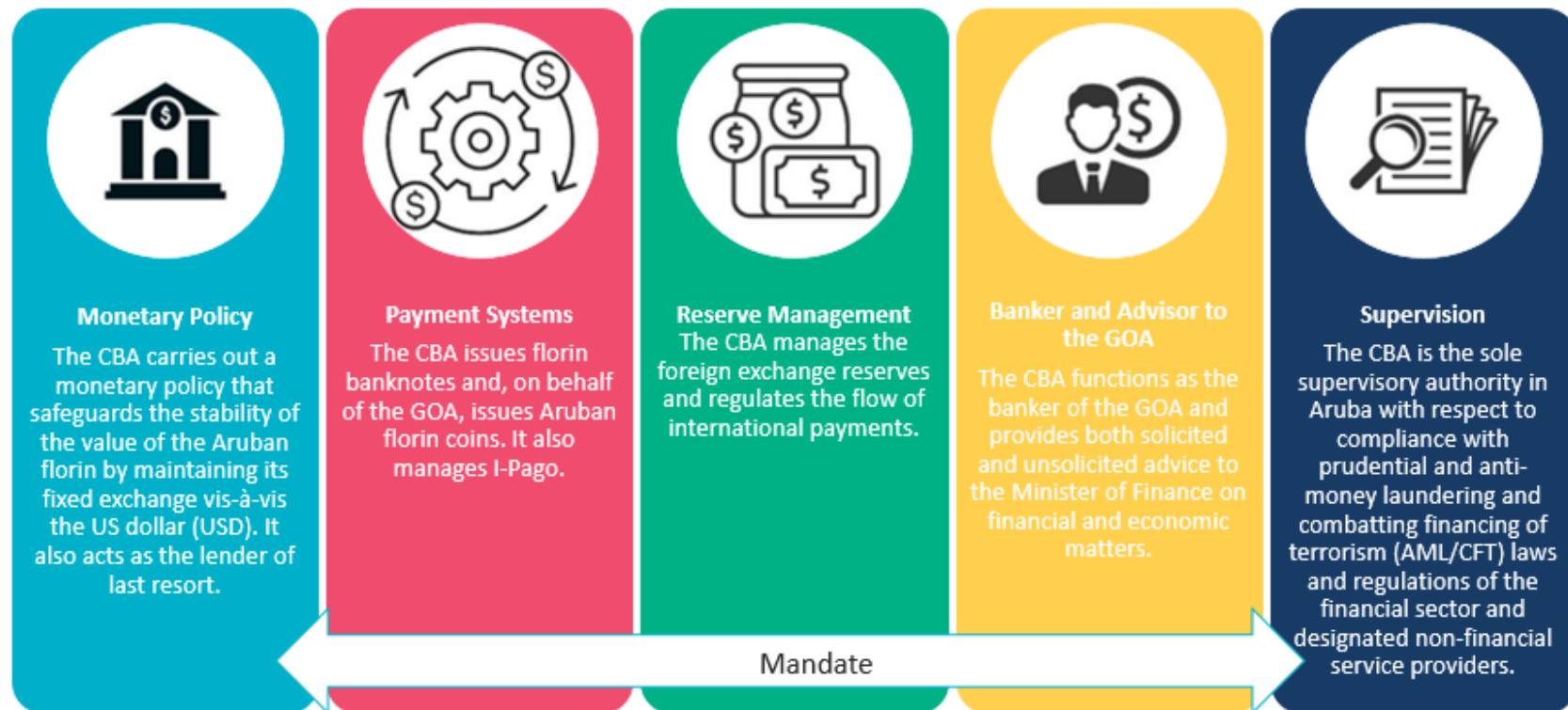
The integrity of management and staff is a cornerstone for preserving the trust and confidence of the Aruban community, government, and other stakeholders. Integrity involves consistently acting in conformity with applicable laws and regulations and according to the highest ethical standards. All members of management and staff members must annually submit a compliance statement in which they declare that they comply with the CBA's Code of Conduct and disclose their external activities and financial interests. These compliance statements are reviewed by the R&C department and the findings are reported to the EC.

Outlook 2025

- The CBA Incident Policy (effective since November 2022) will be strengthened.
- The CBA intends to finalize its risk appetite statement and further its enterprise-wide risk management framework.
- The Code of Conduct will be revisited.

Appendices

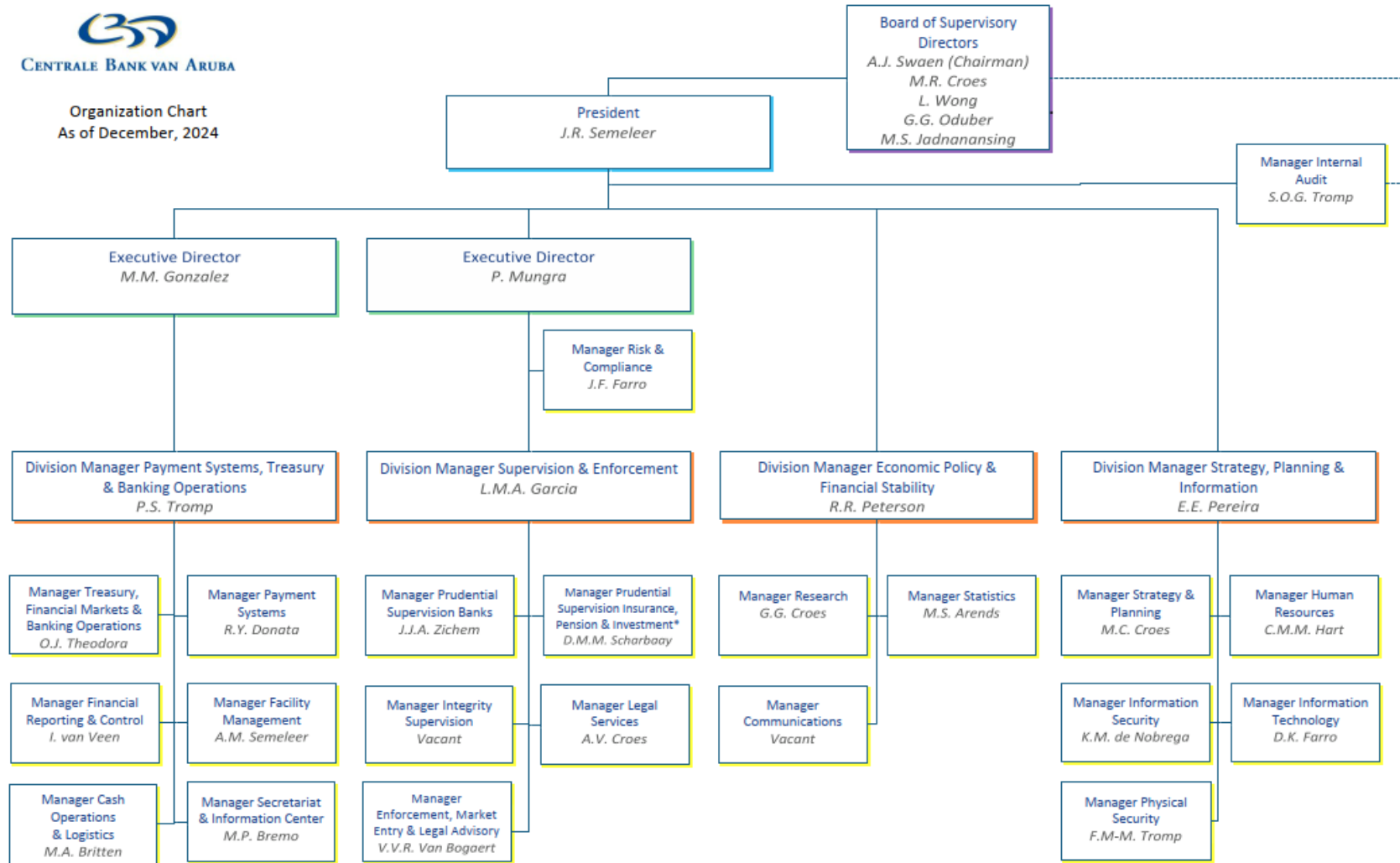
Appendix 1 - Five core responsibilities of the CBA



Appendix 2 - Organization chart December 2024



Organization Chart
As of December, 2024



*Manager Prudential Supervision Insurance Companies, Pension Funds & Investment Institutions

Appendix 3 - List of Abbreviations

AC	Audit Committee	GOA	Government of Aruba
BoSD	Board of Supervisory Directors	IA	Internal Audit
CBA	Centrale Bank van Aruba (the Central Bank of Aruba)	IC	Investment Committee
CBO	Central Bank Ordinance	IMF	International Monetary Fund
CFATF	Caribbean Financial Action Task Force	IT	Information Technology
CIS-C	Corporate Information Security Committee	MPC	Monetary Policy Committee
CSR	Corporate Social Responsibility	RAS	Risk Assessment Survey
CGBS	Caribbean Group of Banking Supervisors	RMCC	Risk Management & Compliance Committee
DIMP	Tax Department of Aruba	R&C	Risk & Compliance
DOF	Department of Finance of Aruba	RR	Reserve Requirement
EC	Executive Committee	US	United States
FEC	Foreign Exchange Commission	USD	US Dollar
FPN	Foro di Pago Nacional		
FWG	Foro Working Group		

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