



Press release no. 2019-040

Bankruptcy of Banco del Orinoco

Willemstad/Philipsburg – This morning the Court of First Instance of Curaçao declared Banco del Orinoco N.V. (BDO) bankrupt.

Due to BDO's severe dysfunctionality, the CBCS proceeded to revoke BDO's banking license on September 2, 2019, and petition the Court to adopt an emergency measure with respect to this institution. The Court of First Instance granted that petition on September 5, 2019. The Court of First Instance concluded that BDO had used false documents to substantiate its financial position and therefore considered the serious doubts held by the CBCS about the BDO's financial position to be founded.

Thereafter, several foreign regulators took similar measures against other banks belonging to the same group as BDO.

While the emergency measure was in force, the CBCS found BDO's financial position to be deplorable. The supposed equity presented to the CBCS and to auditors by BDO seems to be non-existent. The CBCS has established that the institution has very little in the way of assets, while its debts on the other hand are substantial. In view of this, prolonging the emergency measure would not serve any purpose at this point, and the BDO's bankruptcy was therefore declared pursuant to Article 37, paragraph 1, of the National Ordinance on the Supervision of Banking and Credit Institutions (LTBK, by its Dutch acronym)¹.

BDO's personnel was informed of this development during an information session held at the CBCS this afternoon. The Court of First Instance has appointed Mr. M.R.B. Gorsira and Mr. C. M. van Liere as trustees to further handle the settlement in this bankruptcy. The trustees can be reached at the following email address: creditors.bdo@ekvandoorne.com.

¹LTBK - Article 37, paragraph 1 - The Bank shall submit a petition for the credit institution's bankruptcy if the credit institution is found to have negative equity and the objective to be achieved by means of the emergency measure either has been or no longer can be achieved, or—in case the emergency measure was not previously adopted—it can no longer be reasonably expected that the objective to be achieved by means of the emergency measure can still be achieved.

Willemstad, October 4, 2019
CENTRAL BANK OF CURAÇAO AND SINT MAARTEN