



Press release no. 2019-046

BDO Bankruptcy Remains in Effect

Willemstad/Philipsburg - In its ruling of November 13, 2019, the Court of First Instance in Curaçao confirmed the bankruptcy of Banco del Orinoco (BDO). The appeal was dismissed by the Court.

In a judgment rendered on September 5, 2019, an emergency measure was pronounced in connection with BDO by the Court, at the request of the Central Bank of Curaçao and Sint Maarten (CBCS). In its decision, the Court concluded that BDO had used false documents to substantiate its financial position, and therefore considered the serious doubts held by the CBCS about BDO's financial position to be founded. While the emergency measure was in force, the CBCS found BDO's financial position to be deplorable and established that prolonging the emergency measure would no longer serve any purpose. BDO's bankruptcy was therefore declared at the CBCS's request.

In today's ruling, the Court of First Instance reassessed whether, as of today, BDO has a negative equity and whether the objective to be achieved by the emergency measure can (still) be achieved. BDO's liabilities amount to approximately USD 900 million and in the challenge to the bankruptcy ruling, the institution was not shown to possess any substantial assets. In the Court's opinion, the CBCS was justified in its view that BDO has a negative equity. The Court also considers that CBCS was justified in concluding that the purpose of the emergency measure cannot be achieved. BDO's bankruptcy ruling therefore remains in full effect.

Willemstad, November 13, 2019

CENTRAL BANK OF CURAÇAO AND SINT MAARTEN