BROCHURE CALCULATION OF EXTRAORDINARY CONTRIBUTIONS

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If the Deposit Guarantee Fund ("DGF") does not have sufficient financial resources to cover the reimbursements under the Deposit Guarantee Scheme ("DGS"), the Centrale Bank van Curaçao en Sint Maarten ("CBCS") will impose extraordinary contributions on the other participating credit institutions. To ensure that funds are immediately available to meet the 20-working-day reimbursement deadline, the CBCS may request an advance payment. This brochure explains how extraordinary contributions – and any advance payments - will be determined and collected in the event of a DGS reimbursement.

WHEN ARE EXTRAORDINARY CONTRIBUTIONS IMPOSED?

If a DGS reimbursement is carried out and the DGF does not hold sufficient resources, the CBCS will impose extraordinary contributions[1]. In such cases, the Board of the Deposit Guarantee Fund Foundation Sint Maarten ("the Foundation") will determine the funds available and calculate the shortfall to fully cover the DGS reimbursement. Once the Board of the Foundation has informed the CBCS regarding the size of this shortfall, the CBCS will levy extraordinary contributions on the participating credit institutions to obtain the required funds.

[1] Ministerial Regulation (AB 2026, no. 31) - Article 8

HOW DOES THE CBCS DETERMINE EXTRAORDINARY CONTRIBUTIONS?

Extraordinary contributions are calculated based on the formulas in the DGS Regulation[2] and the following steps:

1. Once a DGS reimbursement is initiated, the required financial resources for the reimbursement are determined. The Foundation informs the CBCS about the funds available in the DGF.
2. If the DGF shows a deficit, the shortfall to fully finance the DGS reimbursement is calculated.
3. The CBCS may, after consultation with the Foundation, require credit institutions to pay an advance of the extraordinary contributions, to ensure a timely DGS reimbursement can take place.
4. Before May 1st each year, the CBCS determines the extraordinary contributions (pro rata) to be levied on participating credit institutions, up to a maximum of 0.5% of the total guaranteed deposits. These contributions are levied annually as long as the DGF remains insufficient.

WHEN ARE (ADVANCE PAYMENTS ON) EXTRAORDINARY CONTRIBUTIONS DUE, AND BY WHEN MUST THEY BE PAID?

Credit institutions become liable for extraordinary contributions once the CBCS has determined and imposed them by formal decision. This decision specifies the total amount owed by the credit institution and the applicable payment deadline. To ensure that the Foundation can promptly access the required funds, the CBCS, after consultation with the Foundation, may require credit institutions to make an advance payment[3]. Such advances ensure that depositors can receive their DGS repayment within the legal repayment period of 20 working days. The advances paid by the credit institutions will later be reconciled with the final extraordinary contributions determined.

When setting a payment deadline, the CBCS ensures that no credit institution shall be charged an extraordinary contribution exceeding 0.5% of its guaranteed deposits per calendar year. If the total amount owed exceeds this limit, the remainder will be collected in subsequent years.

If the solvency or liquidity position of a credit institution does not allow full payment of the extraordinary contribution, the CBCS, after consultation with the Foundation, may determine a reduced percentage for that year. Any unpaid amount will be charged in later years, provided that the credit institution's solvency and liquidity position allows for it.

[2] Ministerial Regulation (AB 2026, no. 31) - Appendix, part 3, attached to Article 8, paragraph 3
[3] Ministerial Regulation - (AB 2026, no. 31) - Article 9

In assessing the impact on the liquidity and solvency, the CBCS takes into account that extraordinary contributions represent a financial burden for credit institutions. However, credit institutions may, in due course, recover a part—if not all—of these contributions from repayments made by the bankruptcy estate. The Foundation will redistribute proceeds from estate recoveries to the credit institutions that have paid extraordinary contributions. The CBCS also considers the accounting treatment that banks are expected to apply when recording extraordinary contributions.

The actual amount to be repaid to depositors under the DGS may differ from the initially estimated amount of funds needed for the reimbursement. Therefore, credit institutions will receive a final decision for the extraordinary contributions, stating whether additional amounts remain payable or whether reimbursements will be made in respect of previously paid advances.

HOW ARE EXTRAORDINARY CONTRIBUTIONS REIMBURSED?

Credit institutions that have paid extraordinary contributions do not acquire a direct claim against the bankruptcy estate of the failed credit institution. Their claim lies with the Foundation, which in turn holds the claim against the insolvent estate. When a depositor is reimbursed under the DGS, the Foundation subrogates the claim of the depositor against the failed credit institution. In case insolvency estate proceeds are paid out, it will be distributed among credit institutions proportional to the extraordinary contributions they have paid, first taking into account other payables resulting from a credit facility or credit agreement used for the financing of the payout. For each specific case where extraordinary contributions are levied, the Foundation records the share contributed by each credit institution. Any reimbursements may also be offset against outstanding extraordinary contributions. If a surplus remains after this offset, funds are allocated to the DGF.

www.centralbank.cw

CBCS CURAÇAO
Simon Bolivar Plein 1, Willemstad, Curaçao
T: + 5999 434 5500

CBCS SINT MAARTEN
Walter Nisbeth Road 25, Pondfill, Philipsburg, Sint Maarten
T: +1721 542 3520