



Chart of Accounts (CoA)

G.D. Paalman, Statistics Department

K. Scholliers, Prudential Supervision Department

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Introduction



Reasons for the new CoA:

1. MS were introduced in 1986
2. New standards / requirements
 - State Ordinance on the Supervision of the Credit System (AB 1998, no. 16) (SOSCS) enacted in 1998
 - Monetary and Financial Statistics Manual (MFSM 2000) issued by the IMF
 - International Financial Reporting Standards (IFRS)
 - Basel II core principles / framework
 - Additional supervisory and monetary guidelines issued by the CBA



Introduction (cont'd)



Main objectives of the new CoA

1. Alignment with IFRS
2. Application of IMF standards
3. Application of Basel II principles
4. Harmonization of the new reporting framework (CoA) with the Central Bank of Curaçao and Sint Maarten (CBCS)
5. Enhance the quality of the financial reporting
6. Applicable to the commercial banks, the offshore banks and the bank-like institutions
7. Web-based reporting (Reporting Delivery System (RDS))



General info CoA



The CoA manual consists of:

- CoA manual – Main document
- CoA manual – Attachments
- CoA reports and Examples document
- Tables 4.1 and 4.2 (references to IFRSs)

The CoA reports consist of:

- Balance Sheet
- Profit & Loss Account
- Contingent Liabilities
- Sub-reports I and II
- Supporting Schedules (SSs)
 - => Prudential Supporting Schedules
 - => Monetary Supporting Schedules



General info CoA (cont'd)



CoA manual – Main document

- ⇒ Provides conceptual guidelines for the preparation of the CoA reports.

CoA manual – Attachments

- ⇒ Provides information on and explanation of the SSs
- ⇒ Contains examples on completing certain SSs
- ⇒ Contains a listing of the CBA's choices made under National Discretion
- ⇒ Provides other relevant information with respect to the application of Basel II
- ⇒ Provides examples of different CoA reports.

Examples document

- ⇒ Contains worked examples to illustrate the reporting of some of the CoA reports.

Tables 4.1 and 4.2 (references to IFRS)

- ⇒ Contain references to the applicable IFRSs for the classes, accounts and categories.



General info CoA (cont'd)



- The current MS comprises 16 appendices while the CoA comprises 45 SSs.
- CoA includes the sectorization of the Balance Sheet and the Profit & Loss Account. The CoA identifies the following sectors:
 - Central banks
 - Governments
 - Other depository corporations
 - Other financial corporations
 - Public nonfinancial corporations
 - Other nonfinancial corporations
 - Households
 - Other



General info CoA (cont'd)

The Balance Sheet includes:

- Class 1: Assets
- Class 2: Liabilities
- Class 3: Equity

The Profit & Loss Account includes:

- Class 4: Net interest income
- Class 5: Net fees and commissions
- Class 6: Operating profit
- Class 7: Minority interest and taxes

The Contingent Liabilities are included in class 8



General info CoA (cont'd)



The Sub-reports I and II include:

1. Sub-report I: Breakdown Government Resident Accounts

=> This report provides a breakdown of the government resident accounts contained in the submitted balance sheet. This information is for monetary purposes.

2. Sub-report II: Mortgages

=> This report provides a breakdown of the outstanding mortgages contained in the balance sheet item "Mortgages". It constitutes four parts: (A) Mortgages for purchase of real estate, (B) Mortgages for construction loans, (C) Mortgages other loans and (D) Mortgages meeting certain qualification criteria, described in attachment E-1 "Residential mortgage loans (qualification criteria)". The categories A, B and C serve monetary and prudential purposes while category D only serves prudential purposes.



General info CoA (cont'd)



The **Prudential SSs** comprise:

1. SSs related to **capital adequacy**

- SS 1A Capital Adequacy Ratio (CAR);
- SS 1B Capital
- SS 1C Risk-Weighted Assets Standardized Credit Risk
- SS 1D Risk-Weighted Assets Standardized Credit Risk Contingent Liabilities
- SS 1E Risk-Weighted Assets Standardized Credit Risk Derivatives
- SS 1F-1 Risk-Weighted Assets Basic Indicator Approach Operational Risk
- SS 1F-2 Risk-Weighted Assets Standardized Approach Operational Risk
- SS 1F-3 Risk-Weighted Assets Alternative Standardized Approach Operational Risk
- SS 1G Market Risk Standard Method Summary
- SS 1H-1 Market Risk Standard Method Interest Rate Risk- Specific risk
- SS 1H-2 Market Risk Standard Method Interest Rate Risk- General Market risk
- SS 1H-3 Market Risk Standard Method Interest Rate Risk - General Market risk (Summary)
- SS 1I-1 Market Risk Standard Method Equity Position Risk (per national market)



General info CoA (cont'd)



The **Prudential SSs** comprise:

1. SSs related to **capital adequacy** (cont'd)

- SS 1I-2 Market Risk Standard Method Equity Position Risk Summary
- SS 1J Market Risk Standard Method Foreign Exchange Risk
- SS 1K Market Risk Standard Method Commodities Risk Simplified approach
- SS 1L Market Risk Standard Method Options Risk Simplified approach
- SS-4 Due from / Due to Unconsolidated Affiliates
- SS-6A Large Exposures
- SS-6B Large and Other Exposures



General info CoA (cont'd)

The **Prudential SSs** compared to current appendices- capital adequacy related:

CoA		Montly Statement	
SS 1A	Capital Adequacy Ratio (CAR)	Appendix 7	Risk Weighted Solvency Test
SS 1B	Capital	Appendix 7	Risk Weighted Solvency Test
SS 1C	RWA- Standardized Credit Risk	Appendix 7	Risk Weighted Solvency Test
SS 1D	RWA- Standardized Credit Risk Contingent liabilities	Appendix 7	Risk Weighted Solvency Test
SS 1E	RWA- Standardized Credit Risk Derivatives	New!	
SS 1F-1	RWA-Basic Indicator Approach Operational Risk	New!	
SS 1F-2	RWA-Standardized Approach Operational Risk	New!	
SS 1F-3	RWA-Alternativ. Standardized Appr. Operational Risk	New!	
SS 1G	Market Risk Standard Method Summary	New!	
SS 1H-1	Market Risk Standard Method Interest Rate Risk-Specific Risk	New!	
SS 1H-2	Market Risk Standard Method Interest Rate Risk-General Market Risk	New!	
SS 1H-3	Market Risk Standard Method Interest Rate Risk-General Market Risk (Summary)	New!	
SS 1I-1	Market Risk Standard Method Equity Position Risk (per national market)	New!	
SS 1I-2	Market Risk Standard Method Equity Position Risk (Summary)	New!	
SS 1J	Market Risk Standard Method Foreign Exchange Risk	Somewhat like Appendix 16	Foreign Exchange Risk Exposure
SS 1K	Market Risk Standard Method Commodities Risk Simplified Approach	New!	
SS 1L	Market Risk Standard Method Options Risk Simplified Approach	New!	
SS 4	Due from/due to unconsolidated affiliates	New!	
SS 6A	Large Exposures	Appendix 3	Large Loans
SS 6B	Large and Other Exposures	New!	



General info CoA (cont'd)



The **Prudential SSs** comprise:

2. SSs related to **liquidity**

- SS 2A Liquidity Report
- SS 2B Prudential Liquidity Ratio and Loan-to-deposit Ratio
- SS 2C Pledged Assets
- SS 9A Maturity Gap Analysis
- SS 10 Large Depositors
- SS 12 Gross to Net Balances



General info CoA (cont'd)

The Prudential SSs compared to current appendices- liquidity related:

CoA		Montly Statement	
SS 2A	Liquidity Report	Appendix 8	Liquidity Sheet Testing
SS 2B	Prudential Liquidity Ratio and Loan-to-deposit Ratio	Appendix 8A	Prudential Liquidity Ratio and Loan-to-deposit Ratio
SS 2C	Pledged Assets	Included in Appendix 7	
SS 9A	Maturity Gap Analysis	Appendix 6	Maturity Gap Analysis
SS 10	Large Depositors	New!	
SS 12	Gross to Net Balances	New!	



General info CoA (cont'd)



The **Prudential SSs** comprise:

3. Other SSs

- SS 3 Claims and liabilities with other Depository Corporations and Financial Institutions
- SS 4 Due from/due to unconsolidated affiliates
- SS 5A Breakdown of loans granted by collateral type
- SS 5B Credit extension to principal shareholders, supervisory directors, executive officers and employees
- SS 6A Large exposures
- SS 6B Large and other exposures
- SS 7A Non-performing loans: current account overdraft
- SS 7B Delinquent and other non-performing loans
- SS 8 Allocated Loans loss provisions
- SS 9B Interest Rate Repricing
- SS 11 Country Risk Exposure



General info CoA (cont'd)

The Prudential SSs compared to current appendices- Other:

CoA		Montly Statement	
SS 3	Claims and liabilities with other depository corporations and financial institutions	Appendix 1	Claims and liabilities with other banks and financial institutions
SS 4	Due from/due to unconsolidated affiliates	New!	
SS 5A	Breakdown of loans granted by collateral type	Appendix 2	Breakdown of loans granted by collateral type
SS 5B	Credit extension to principal shareholders, supervisory directors, executive officers and employees	Included in Appendix 2	
SS 6A	Large Exposures	Appendix 3	Large Loans
SS 6B	Large and Other Exposures	New!	
SS 7A	Non-performing loans: current account overdraft	New!	
SS 7B	Delinquent and other non-performing loans	Appendix 12	Non-performing loans
SS 8	Allocated Loans loss provisions	Appendix 13	Allocoated Loan Loss Provision
SS 9B	Interest Rate Repricing	Appendix 15	Interest Rate Risk Exposure
SS 11	Country Risk Exposure	Appendix 14	Country Risk Exposure



General info CoA (cont'd)



The **Monetary SSs** comprise:

- SS 13 Reserve Requirements
- SS 14 Net Foreign Assets
- SS 15A New Domestic Loans and Acceptances
- SS 15B Domestic Loans and Acceptances
- SS 15C Foreign Loans and Acceptances
- SS 16 New Domestic Loans by Type and Acceptances
- SS 17 Credit Card loans, car loans and other loans
- SS 18 Maturity of Time deposits and financial liabilities
- SS 19 Savings Deposits
- SS 20 A Interest Rates on New Loans
- SS 20 B Interest Rates on New Deposits



General info CoA (cont'd)

The Monetary SSs compared to current appendices:

CoA		Montly Statement	
SS 13	Reserve Requirement	New!	
SS 14	Net Foreign Assets	New!	
SS 15-A	New Domestic Loans and Acceptances	Appendix 11	Loans distributed by Economic Sector
SS 15-B	Domestic Loans and Acceptances	Appendix 11	Loans distributed by Economic Sector
SS 15-C	Foreign Loans and Acceptances	Appendix 11	Loans distributed by Economic Sector
SS 16	New Domestic Loans by Type and Acceptances	New!	
SS 17	Credit Card Loans, Car Loans and Financial Liabilities	Somewhat like Appendix 9-A	Breakdown into sector of items 5a
SS 18	Maturity of Time Deposits and Financial Liabilities	Somewhat like Appendix 6	Maturity Gap Analysis
SS 19	Savings Deposits	Appendix 5	Savings of Res & NR
SS 20-A	SS 20-A Interest Rates on New Loans	Appendix 4-A	Interest Rates Loans
SS 20-B	SS 20-B Interest Rates on New Deposits	Appendix 4-B	Interest Rates Deposits



Comparison MS and CoA



MS

Assets

- Cash and due from banks (sub-category 1, 2 and 3)
- Investments (sub-category 4)
- Loans Net (sub-category 5)
- Other assets (sub-category 6, 7, 8 and 9)

CoA

Class 1: Assets

- Cash and deposit balances
- Interbank funds-sold
- Investments
- Loans
- Customers' liability on bankers' acceptances
- Non-current assets held for sale and discount'd operations
- Property, plant and equipment
- Other assets



Comparison MS and CoA



MS

Liabilities

- Deposits (sub-category 10, 11 and 12)
- Borrowings (sub-category 13)
- Other liabilities (sub-category 14)

CoA

Class 2: Liabilities

- Deposits
- Financial liabilities
- Derivatives
- Interbank funds-bought
- Bankers' liability for acceptances outstanding
- Other liabilities
- Liability included in disposal groups classified as held for sale
- Subordinated debentures and limited life redeemable preference shares



Comparison MS and CoA



MS

Capital

- Shareholders' equity (sub-category 15)
 - Paid-in capital
 - Statutory and general reserves
 - Retained earnings
 - Revaluation reserve
 - Balance of income and expenditure
- Subordinated debt (sub-category 16)

CoA

Class: 3 Equity

- Shareholders' equity
 - Share capital
 - Share premium
 - Revaluation and regulatory reserves
 - Other reserves
 - Retained earnings
- Non-controlling interest
- (Portions of) subordinated debt that qualify may be included in Tier 2 capital for capital adequacy ratio calculation purposes



Comparison MS and CoA

MS-Appendix 10

Income & Expenditure Statement:

- Interest income
- Interest expenses
- Other operating income
- Other operating expenses
- Extraordinary income
- Extraordinary expenses
- Result subsidiaries
- Profit tax

CoA

Class 4: Net interest income

- Interest income
- Interest expenses

Class 5: Net fees & commissions

- Fees & commissions income
- Fees & commissions expenses

Class 6: Operating profit

- Dividend income on investments
- (Un)realized gains & losses
- Other income
- Personnel expenses
- Occupancy expenses
- Provision for/(recoveries from) loan losses
- Impairment
- Other operating expenses



Comparison MS and CoA

Appendix 10

See previous slide



CoA

Class 7: Minority interest & taxes

- Non-controlling interest in profit/ (loss) of consolidated subsidiaries
- Profit Tax

① No category exists for extraordinary income or expenses as these items are not segregated in a separate category under IFRS.



Comparison MS and CoA

Off-balance sheet items

Reported in MS below the Assets

- Guarantees & similar contingent liabilities :
 - Letters of credit
 - Guarantees issued
 - Other

Reported in MS below the Liabilities

- Commitments
 - Undisbursed loan funds
 - Other
- Uncalled capital
- Other

CoA

Class 8: Contingent liabilities

- Guarantees issued
- Risk participations
- Repo-style transactions
- Note issuance facilities & revolving underwriting facilities
- Commitments
- Pending litigation
- Performance related contingencies
- Other contingent liabilities



Timeframe



1. Information session for the banking sector on November 28, 2013
2. February 2014: workshops on specific CoA related topics, inter alia, Balance Sheet, Profit & Loss Account and SSs
3. March 2014: Comments of the sector must be submitted
4. July 2014: Final version of the CoA (including comments of the sector)
5. Date TBD: CoA is applicable for the financial reporting of the commercial banks, the offshore banks and the bank-like institutions





Questions ?





Thank you for your attention!

