

**Banco Privado Portugues
(Cayman) Limited (In Official
Liquidation)**
*Twentieth Report of the Joint
Official Liquidators*

29 February 2020

CAUSE NO. FSD: 166 OF 2010 (RPJ)

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1. Basis of Preparation and Disclaimer

1.1. Basis of Preparation

This report has been prepared solely for the purpose of providing a report of the Joint Official Liquidators (“JOLs”) of Banco Privado Portugues (Cayman) Limited (“the Company” or “BPP Cayman”) to the Grand Court of the Cayman Islands (“the Grand Court”) and the creditors of the Company.

1.2. Disclaimer

This report is strictly confidential and must not be provided to or made available, by any means, to any person other than the intended recipients, the Grand Court and the Company’s creditors. This report should not be copied or disclosed to any third party or otherwise be quoted or referred to, in whole or in part, without the prior written consent of the JOLs. In the event that this report is obtained by a third party or used for any purpose other than in accordance with its statutory purpose, any such party relying on the report does so entirely at their own risk and shall have no right of recourse against the JOLs, PricewaterhouseCoopers (“PwC”), PwC Corporate Finance & Recovery (Cayman) Limited (“PwC Cayman”), PricewaterhouseCoopers Portugal (“PwC Portugal”), their partners, directors, employees, professional advisors or agents. None of the JOLs, PwC, PwC Cayman, PwC Portugal, their partners, directors, employees, professional advisors or agents accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report and any such party who receives a copy of this report whether from PwC, or any other source shall have no right of recourse against PwC, its partners, directors, employees, professional advisors or agents.

The JOLs must stress that in preparing this report they have relied upon information provided to them by the Company, its directors, its service providers and its parent company Banco Privado Portugues SA (“BPP SA”). The JOLs have not performed an audit examination on this information. Except where specifically stated, the JOLs have been unable to establish the reliability of the sources of information presented to them by reference to independent evidence.

2. Introduction

2.1. Introduction

This is the JOLs' Twentieth Report to the Grand Court and the creditors of the Company and should be read in conjunction with the Previous Reports.

2.2. Purpose of the JOLs' Twentieth Report

This report has been prepared in order to provide an update on the progress and conduct of the liquidation since the date of the last report.

2.3. Summary of actions taken since September 2019

Below is a summary of the main work-streams undertaken by the JOLs and their staff during the period 1 September 2019 to 29 February 2020.

1. Instructing first interim distribution payments to unsecured creditors totalling c. €32k;
2. Finalising negotiations with key debtor and received first debt repayment;
3. Commencing enforcement actions against outstanding debtors where possible;
4. Calculating amounts for a Second Interim Distribution;
5. Ongoing liaison and correspondence with BPP SA, the Portuguese Republic and the custodians of the Proprietary Portfolio assets to agree the process for splitting and transferring the assets pursuant to the terms of the Settlement Agreement;
6. Investigations into material historical transactions and liaison with overseas legal counsels on recovery options; and
7. Ongoing dialogue and correspondence with creditors, providing general updates and responding to claim specific queries.

3. Update on Progress of Liquidation

During the six month period from 1 September 2019 to 29 February 2020, the main focus of the JOLs' actions have been in relation to further first interim distribution payments to unsecured creditors, return of Trust Monies to depositors and asset recoveries for the Company's liquidation estate.

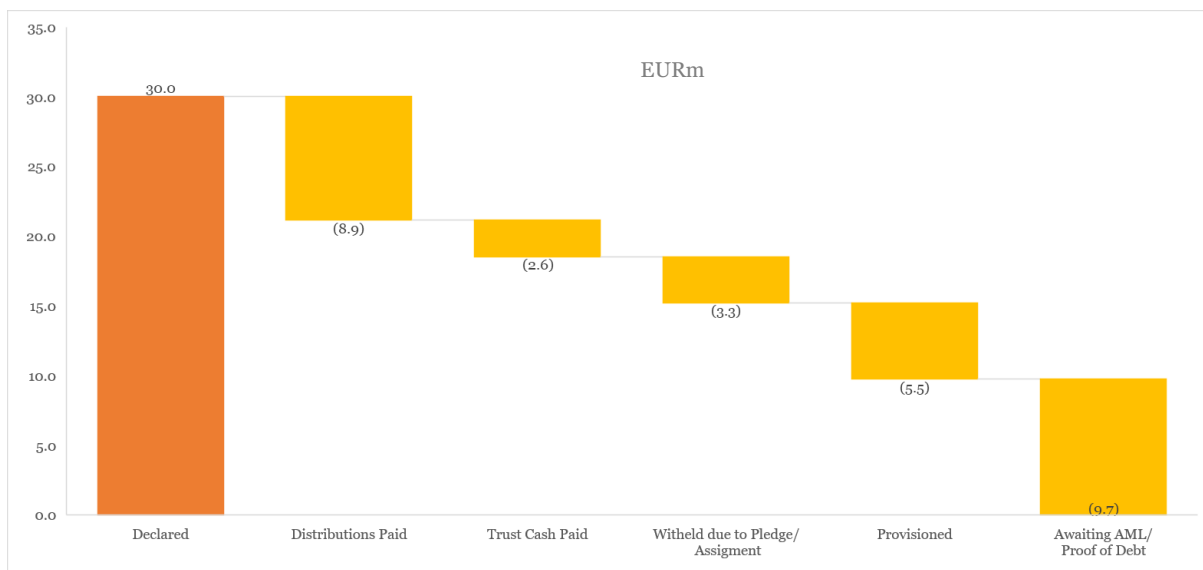
3.1. First Interim Distribution

As previously advised in the JOLs' Sixteenth Report, the JOLs determined an amount available for distribution of c. €30m, inclusive of Trust Monies and amounts provisioned for, representing 12.67% of the value of all known unsecured creditor claims. As set out in the Previous Reports, the JOLs have been distributing monies on receipt of adequate anti-money laundering documentation.

In the 6 months to 29 February 2020, the JOLs have distributed an additional €32k of monies to unsecured depositors. The table below outlines the monies distributed to date.

The JOLs are awaiting AML documentation in relation to c. €9.7m of distributable funds, the JOLs are unable to instruct payment without submission of all required AML documentation, for further details please refer to Appendices 1 and 2. Letters have been re-circulated to the relevant unsecured depositors.

Table 1: First Interim Distribution Payments



3.2. Trust Monies

Of the c. €30m available for distribution, c. €3.8m relates to Trust Monies due back to certain depositors. As at 29 February 2020, Trust Monies of c. €2.6m has been returned to depositors representing approximately 68% of Trust Monies held on account.

3.3. Second Interim Distribution

The JOLs have received repayments from certain debtors which will enable a Second Interim Distribution to be declared within the first half of 2020. The JOLs will circulate correspondence to creditors once the amount of the Second Interim Distribution has been confirmed.

3.4. Provisioned Claims

3.4.1. Pledged or Assigned

There is c. €3.3m of distributable funds which are subject to either a pledge against debts owed to BPP SA, or which have been assigned to a party who have an outstanding debt with BPP Cayman, and or, BPP SA. Accordingly, the JOLs are working with the relevant depositors and BPP SA in order to resolve these positions.

3.4.2. Validity of Claims Being Determined

The JOLs have received claims valued in the total amount of c. €44.9m, the validity of which have not yet been determined. Given uncertainties with respect to the validity of those claims, the JOLs have requested further information and/or documentation in support of those claims, and as such, a provision in the amount of c. €5.5m, representing the potential first interim distribution for these claims, has been set aside in relation to those potential claims submitted but not adjudicated. The JOLs have been in discussions with the relevant creditors to obtain further supporting documentation in relation to their claims. The JOLs are currently in the process of concluding their adjudication in relation to these claims and expect to have finalised their position during 2020.

3.5. Other Assets Available for Distribution

As advised in Previous Reports, other assets held in the custody of either the BPP Cayman or BPP SA and segregated from both liquidation estates are available for distribution to certain depositors. The origin of these other assets available for distribution are summarised below.

3.5.1. Client Monies

As detailed in Previous Reports, Client Monies are currently being held in BPP SA's custody on behalf of certain depositors, and are segregated from both BPP Cayman's and BPP SA's liquidation estates.

The JOLs will continue to seek agreements with depositors with respect to the split of Client Monies held by BPP SA on terms substantially the same as those sanctioned by the 14 May 2014 Grand Court Order. Any Client Monies received post 9 July 2010 and held in BPP SA's custody is available for immediate transfer, following settlement of any outstanding debts owed by the depositor, if applicable.

In circumstances where Client Monies are held on behalf of depositors, details of the pre and post 9 July 2010 cash positions are set out in the JOLs' claim admittance and/or rejection notification letters previously circulated.

4. Asset Recoveries

Since the Nineteenth Report, the JOLs have made further progress with regards to realisations from the Company's major debtors.

4.1.1. Debt Recoveries

The JOLs have obtained original loan and security documentation for numerous outstanding debts, totalling €7.8m so far, and have begun enforcement proceedings accordingly. Enforcement proceedings are expected to take several months before the resulting realisations form part of the Company's liquidation. However, once realised, the JOLs expect to instruct a further distribution to unsecured depositors.

The JOLs have also concluded discussions with a significant debtor and have received the first repayment of c. €3.5m, the debt will be fully realised mid 2021.

The JOLs continue to investigate the prospects of realisations relating to c. €25m of outstanding debts, and the JOLs have made progress over the last 6 months in tracing the proceeds of these loans.

4.1.2. SIV Settlements

To date the JOLs have agreed settlements with the note holders of c.40 SIVs on substantially the same commercial terms as those sanctioned by the 14 May 2013 Grand Court Order. As at 29 February 2020 c. €35.0m has been distributed to SIV note holders and c. €5.1m has been collected in for the benefit of BPP Cayman's insolvent liquidation estate as a result of agreeing the split of Segregated Monies and the repayment of SIV debts.

4.1.3. Other Realisations

The JOLs have realised a position held in Silvercreek and received funds totalling \$618k, this is the final distribution due from Silvercreek.

4.2. Financial Position as at 29 February 2020

The Receipts and Payments set out in Table 1 below provides a summary of the JOLs' asset realisations and payments since the commencement of the Controllership on 27 May 2010 to 29 February 2020.

Table 1: Receipts and Payments 4 June 2010 to 29 February 2020

EUR Account Summary	Pledged	Unpledged
Receipts		
Voluntary contribution to JOLs for t/f of custody assets	-	223,825
Customer Settlement Proceeds		413,968
SIV Settlement Proceeds		5,000,958
Settlement Agreement - Trust Monies		7,857,826
Settlement Agreement - FEI Monies		25,417,766
Settlement Agreement - 60% Pledged Debt Collections		2,767,015
Realisation from Investments		-
Loan/Debt Repayments		4,424,515
PIHY 36 Swap Proceeds due to Elle Ventures	320,873	-
Cash available at the date of appointment		926,385
Management Fees (FEI)		142,027
Total Cash Receipts (EUR)	320,873	47,174,283
Payments		
Controllership fees - PwC Cayman		(87,717)
Controllership fees - PwC Portugal		(46,777)
Controllership fees - Maples & Calder		(8,227)
Maples & Calder		(789,553)
PwC Cayman Fees		(2,823,249)
PwC Portugal Fees		(1,181,000)
AAA		(652,974)
JBL*		(124,614)
Jean Francois Bouchoms		(6,178)
Law Square		(15,958)
Squire Patton Boggs		(1,250)
Statutory Advertising		(1,026)
PwC Cayman Disbursements		(51,776)
PwC Portugal Disbursements		(39,472)
Payment to service providers		(60,535)
Investor Distributions		(11,529,834)
Bank Charges		(503,090)
Total Payments	-	(17,923,230)
Balance as at 29 February 2020	320,873	29,251,398

USD Account		
Summary	Pledged	Unpledged
Receipts		
Voluntary contribution to JOLs for t/f of custody assets		6,841
SIV Settlement Proceeds		194,149
Realisation from Investments		1,213,354
Settlement Agreement		1,237,665
Loan/Debt Repayments		312,420
Cash available at the date of appointment		-
Total Cash Receipts (USD)		2,964,430
Payments		
Controllership fees - PwC Cayman		
Controllership fees - PwC Portugal		
Controllership fees - Maples & Calder		
Maples & Calder		(812,802)
PwC Cayman Fees		(1,417,771)
PwC Cayman Disbursements		(9,874)
PwC Brazil Fees		(2,105)
Statutory Advertising/Website		(9,077)
Law Square		(2,451)
		-
Payment to service providers		(23,127)
Bank Charges		(7,340)
Total Payments		(2,284,548)
Balance as at 29 February 2020		679,867

5. JOLs' Fees and Expenses

5.1. Fees and Expenses Incurred During the Period 1 September 2019 to 29 February 2020

The JOLs incurred time costs during the period 1 September 2019 to 29 February 2020 totalling US\$342,803. The summary of the fees incurred by PwC Cayman are summarised in the tables below. Attached as Appendix 3, is a summary of the time spent, the tasks completed and the prescribed hourly rates of the JOLs and their staff. The time incurred by the JOLs during the period will be the subject of the JOLs' fee application scheduled to be filed with the Grand Court in April 2020.

The JOLs will also seek approval of the fees incurred during the period from the Liquidation Committee in advance of their Grand Court application.

Table 3: PwC Cayman's Fees

Banco Privado Portugues (Cayman) Ltd. (In Official Liquidation)
PwC Corporate Finance & Recovery (Cayman) Limited
Detailed Time Analysis for the period 1 September 2019 to 29 February 2020

	BPP Category	Total	
		Hours	Cost US \$
1	Appointment of JOLs, job acceptance, administration and billing	67.8	28,918.5
2	Statutory requirements - Inc statutory filings and website	5.4	2,834.5
3	Statutory requirements - Inc creditors meeting, review of claims, minutes and preparing reports	32.1	15,395.0
4	Strategy, asset realisation & Legal analysis & support	211.4	118,156.0
5	Communication - creditors and investors	13.7	6,415.5
6	Communication - BPP SA	27.1	18,922.0
7	Communication - Directors	-	-
8	Communication - Custodians	0.7	413.0
9	Communication - Other parties (BANIF, BoP)	1.3	710.0
10	Liquidation committee correspondence, meetings and reporting	23.3	12,245.5
11	Realisation of custody assets	106.8	49,381.0
12	Investigation	54.9	30,309.5
13	Cash Management	0.2	118.0
14	Translations and review of translations	-	-
15	Interim distribution, anti-money laundering reviews, payment instructions	103.6	52,864.0
	Grand Total	648.3	336,683

**Rates updated as at 1 Jan 2020, per Remuneration Agreement*

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The JOLs incurred disbursements of \$12,446.43 in the period 1 September 2019 to 29 February 2020.

6. *Next Steps*

The JOLs will continue to focus on the key actions required to ensure the orderly winding up of the Company. In particular, the principal areas of focus will remain:

- Continue with payment of the first interim dividend to unsecured creditors (subject to satisfactory completion of AML and other requisite due diligence procedures, and receipt of fully executed FATC/CRS Self-Certification forms);
- Recovery of loan book assets and collection in of Proprietary Portfolio assets;
- Seeking agreement with note holders in relation to the winding up of the remaining SIVs, and subsequent split and distribution of Segregated Monies;
- Adjudication of provisioned unsecured claims;
- Further investigation into material historical transactions and, if appropriate, corresponding recovery actions; and
- Declare and pay a further interim and/or final distribution when practical to do so.

Reports and circulars previously issued by the JOLs may be found on BPP Cayman's website at the following address: <http://www.bancoprivadoportuguescaymanltd.com/index.html>

Signed on behalf of the Joint Official Liquidators of
Banco Privado Portugues (Cayman) Limited

Simon Conway
Joint Official Liquidator
Banco Privado Portugues (Cayman) Limited

7. Glossary of Terms and Abbreviations

Terms used in this report are the same as those used in the First Report through Fifteenth Report.

Term	Definition
the Company or BPP Cayman	Banco Privado Portugues (Cayman) Limited (in Liquidation), a Cayman Islands registered company which formerly held a Class B Banking license issued by CIMA in 1997
BPP SA	Banco Privado Portugues, S.A., a Portuguese private bank which was placed into liquidation on 16 April 2010 and is the immediate parent of the Company
Client Monies	Proceeds from coupon payments, amortizations and maturities of certain custody assets received after the commencement of BPP Cayman's liquidation on 9 July 2010 and held on behalf of BPP Cayman's depositors
Companies Law	The Cayman Islands Companies Law (2018 Revision)
Grand Court	The Grand Court of the Cayman Islands
the JOLs	Mr. Simon Conway of PwC Cayman appointed Joint Official Liquidator of the Company by order of the Grand Court dated 20 November 2014, and Mr. Jess Shakespeare of PwC Cayman appointed Joint Official Liquidator of the Company by order of the Grand Court dated 13 July 2016
Previous Reports	The JOLs' previous Reports One through Seventeen to the Grand Court and creditors of the Company
Proprietary Portfolio	Third party investment assets owned by BPP Cayman; namely, shares held in Silver Creek Low Vol Strategies II, Ltd., Belmont RX SPC FI (In Voluntary Liquidation), and Belmont Asset Based Lending Ltd. (In Official Liquidation)
Segregated Monies	Cash under the control and custody of BPP SA in an account segregated from its insolvency estate generated as a result of dividend payments from, or the maturity of, SIV investment assets during the period 16 April 2010 and 9 July 2010 that can be split between the note holders of the SIV that generated the liquidity and BPP Cayman's liquidation estate
Settlement Agreement	Settlement Agreement between BPP Cayman, BPP SA and the Portuguese Republic entered into on 12 December 2016
the SIVs	Special investment vehicles; corporate entities established by the BPP Group to act as offshore holding companies for customer investments
Trust Monies	Proportion of loan collections received into BPP Cayman's liquidation estate pursuant to the terms of the Settlement Agreement and held in trust, on behalf of depositors in circumstances where a creditor's deposit claim in the liquidation exceeds the proportion of that depositor's loan repayment allocated to BPP Cayman's liquidation estate as a result of the disparity between Cayman Islands Law and Portuguese Law with respect to creditors' statutory right to set-off mutual dealings in the liquidation.

Appendix 1 – Anti-Money Laundering/KYC Document Guidance



REQUIRED ANTI-MONEY LAUNDERING PROCEDURES GUIDANCE

The information and examples set out in this document are for guidance purposes only and are not exhaustive. Additional documentation and/or information may be required to ensure compliance with, and properly fulfil the requirements of, the Cayman Islands Anti-Money Laundering Regulations, 2017 Revision (the “AMLRs”) and will be determined on a case-by-case basis.

Individuals

Where an investor/creditor is an individual, the following information and/or documentation is required to be provided:

- satisfactory evidence of the individual’s identity ; and
- satisfactory evidence of the individual’s permanent physical address.

Corporations

Where an investor/creditor is a corporate entity, the following information/documentation is required to be provided (where applicable):

- a certified true copy of the entity’s certificate of incorporation (or equivalent);
- written confirmation of the entity’s registered office address, and place of business (if different from the entity’s registered office);
- certified true copies of satisfactory evidence of the identity and physical address of individuals with a 10% or more ownership interest in the entity;
- a certified true copy of the entity’s register of directors;
- certified true copies of satisfactory evidence of the identity and current physical address for at least two of the entity’s directors, or the sole director where not more than one director is currently appointed;
- a copy of the entity’s authorised signatories list;
- certified true copies of evidence of the identity and current physical address for individuals with significant influence or control over the entity other than the entity’s directors and investors with a 10% or more ownership interest; and
- a certified true copy of the entity’s memorandum and articles of association.

Limited Partnership (“LPs”) or Limited Liability Company (“LLC”):

Where an investor/creditor is an LP or LLC, the following information and/or documentation is required to be provided:

- a certified true copy of the LP’s partnership agreement or the LLC’s operating agreement and memorandum and articles of association (or equivalent);
- a certified true copy of the certificate of registration of the LP or certificate of incorporation of the LLC (or equivalent);
- a certified true copy of documentation verifying the LP’s or LLC’s registered office address;
- copies of mandate documentation conferring authority on those authorised to sign on behalf of the LP or LLC; and
- certified true copies of satisfactory evidence of the identity of two of the partners and documentation verifying the existence of the general partner with respect to the LP, and the identity of two of the managing member(s)/controlling individual(s) with respect to an LLC (where more than one exists).

Trusts

Where an investor/creditor is a Trust, and an individual or entity is acting in a fiduciary capacity with the absolute and unconditional legal right to exercise significant influence and/or control over the investment activities of the Trust, the following information and/or documentation is required to be provided:

- satisfactory evidence of the identity and registered address of the Trustee(s), and/or any individual(s) controlling or having significant rights of control with respect to the Trust;
- written confirmation as to the general nature/purpose of the Trust; and
- satisfactory evidence of the identity and physical address of the settlor(s) and/or beneficial owner(s) of the Trust.

Appendix 2 – Entity and Individual FATCA/CRS Self-Certification Forms

[CERTIFICATION FORMS ATTACHED SEPARATELY]

Appendix 3 - Summary of Fees Incurred by the JOLs during the for the period 1 September 2019 to 29 February 2020

Banco Privado Portugues (Cayman) Ltd. (In Official Liquidation)
PwC Corporate Finance & Recovery (Cayman) Limited
Detailed Time Analysis for the period 1 September 2019 to 29 February 2020

BPP Category	Partner			Senior Manager			Manager		
	Hours	Rate*	Total US\$	Hours	Rate*	Total US\$	Hours	Rate*	Total US\$
1 Appointment of JOLs, job acceptance, administration and billing	3.3	850	2,677.5	2	600	1,180.0	39.1	495	19,096.5
2 Statutory requirements - Inc statutory filings and website	0.9	850	697.5	-	600	-	4.3	495	2,067.0
3 Statutory requirements - Inc creditors meeting, review of claims, minutes and preparing reports	4.7	850	3,845.0	-	600	-	16.1	495	7,818.0
4 Strategy, asset realisation & Legal analysis & support	55.8	850	44,310.0	2.8	600	1,654.0	141	495	68,505.0
5 Communication - creditors and investors	0.6	850	465.0	0.6	600	354.0	9.9	495	4,822.5
6 Communication - BPP SA	19.5	850	15,180.0	0.5	600	295.0	6.8	495	3,345.0
7 Communication - Directors	-	850	-	-	600	-	-	495	-
8 Communication - Custodians	-	850	-	0.7	600	413.0	-	495	-
9 Communication - Other parties (BANIF,BoP)	-	850	-	0.7	600	413.0	0.6	495	297.0
10 Liquidation committee correspondence, meetings and reporting	3.8	850	2,945.0	0.6	600	354.0	17.5	495	8,470.5
11 Realisation of custody assets	15.8	850	12,807.5	9.8	600	5,862.0	45.1	495	21,820.5
12 Investigation	15.3	850	12,277.5	-	600	-	31	495	15,108.0
13 Cash Management	-	850	-	0.2	600	118.0	-	495	-
14 Translations and review of translations	-	850	-	-	600	-	-	495	-
15 Interim distribution, anti-money laundering reviews, payment instructions	7.7	850	6,432.5	2	600	1,200.0	88.2	495	43,375.5
Grand Total	127		101,638	20		11,843	400		194,726

*Rates updated as at 1 Jan 2020, per Remuneration Agreement

Banco Privado Portugues (Cayman) Ltd. (In Official Liquidation)
PwC Corporate Finance & Recovery (Cayman) Limited
Detailed Time Analysis for the period 1 September 2019 to 29 February 2020

BPP Category	Senior Associate			Associate			Administrator		
	Hours	Rate*	Total US\$	Hours	Rate*	Total US\$	Hours	Rate*	Total US\$
1 Appointment of JOLs, job acceptance, administration and billing	10.5	350	3,578.00	-	210	-	12.9	190	2,386.50
2 Statutory requirements - Inc statutory filings and website	0.2	350	70	-	210	-	-	190	-
3 Statutory requirements - Inc creditors meeting, review of claims, minutes and preparing reports	10.3	350	3,502.00	1	210	230	-	190	-
4 Strategy, asset realisation & Legal analysis & support	9.1	350	3,094.00	2.7	210	593	-	190	-
5 Communication - creditors and investors	1.6	350	544.00	1	210	230	-	190	-
6 Communication - BPP SA	0.3	350	102	-	210	-	-	190	-
7 Communication - Directors	-	350	-	-	210	-	-	190	-
8 Communication - Custodians	-	350	-	-	210	-	-	190	-
9 Communication - Other parties (BANIF,BoP)	-	350	-	-	210	-	-	190	-
10 Liquidation committee correspondence, meetings and reporting	1.4	350	476	-	210	-	-	190	-
11 Realisation of custody assets	5.8	350	1,972.00	30.3	210	6919	-	190	-
12 Investigation	8.6	350	2,924.00	-	210	-	-	190	-
13 Cash Management	-	350	-	-	210	-	-	190	-
14 Translations and review of translations	-	350	-	-	210	-	-	190	-
15 Interim distribution, anti-money laundering reviews, payment instructions	4.7	350	1,626.00	1	210	230	-	190	-
Grand Total	53		17,888	36		8,202	13		2,387

*Rates updated as at 1 Jan 2020, per Remuneration Agreement