

**Banco Privado Portugues (Cayman) Limited  
(In Official Liquidation) (“the Company” or “BPP Cayman”)**

**Minutes of the Eighth Meeting of the Creditors of the Company  
held by conference call**

12 December 2016, 3:00pm (Portuguese time) / 10:00 am (Cayman time)

<b>PwC:</b>	<b>Representing:</b>
Simon Conway	PwC Cayman and the JOLs
Jodi Jones	PwC Cayman and the JOLs
<b>Creditors:</b>	The AT&T Teleconferencing Service Center confirmed
	10 creditors were present on the call.

Simon Conway welcomed those in attendance to the eighth annual creditor’s meeting of Banco Privado Portugues (Cayman) Limited. Mr. Conway took the Chair of the meeting.

### **Introduction**

- The Chairman advised the purpose of the call was to convene a statutory meeting of the creditors of the Company as required under Cayman Islands law, and provide an update on the liquidation since the last meeting held on 16 December 2015;
- The Chairman referred the attendees to the meeting Agenda and Joint Official Liquidators’ Thirteenth Report dated 5 October 2016 (the “Report”) which were circulated prior to the meeting and placed on the liquidation website; and
- The Chairman advised the attendees there will be a question and answer session at the end of the meeting.

### **Progress Report**

#### **1. Settlement Agreement**

- 1.1 The Chairman advised agreement had been reached between the JOLs, Banco Privado Portugues SA (“BPP SA”) and the Portuguese Republic with respect to a split of assets between the parties and the Settlement Agreement was signed today, 12 December 2016, in Portugal.
- 1.2 As the Company’s creditors should already be aware from previous meetings and the JOLs’ previous reports, the JOLs were party to legal proceedings in the Cayman Islands and in Portugal, and the main issues being determined in those proceedings are summarised as follows:
  - 1.2.1 The validity of the Portuguese Republic’s purported pledge over BPP Cayman’s assets; and
  - 1.2.2 Ownership of the Overdraft Receivables purportedly transferred from BPP Cayman to BPP SA.
- 1.3 As advised previously, the JOLs sought to reach agreement with BPP SA and the Portuguese Republic on these matters mainly as a result of concerns with respect to timing and uncertainty.

- 1.4 Had the JOLs continued with the legal proceedings, return to creditors (if any) would likely take several years and there was no certainty the legal actions would result in a favorable outcome for BPP Cayman's liquidation estate in the Cayman Islands or Portugal. In addition, there was no certainty the JOLs would be able to enforce a favorable decision in the Cayman Islands proceedings to recover the assets in Portugal.
- 1.5 With the timing and uncertainty issues in mind, the JOLs sought and received the approval of the Company's liquidation committee and the Grand Court of the Cayman Islands to enter into the Settlement Agreement with BPP SA and the Portuguese Republic. The terms of the Settlement Agreement do not allow the JOLs to disclose the specific details of the Settlement Agreement.
- 1.6 The JOLs will be corresponding with all creditors during the beginning of 2017 to provide an indication as regards timing and the estimated value of amounts to be recovered. Prior to making distribution payments, the JOLs will firstly need to go through the process of adjudicating creditor claims, and plan to proceed with making an interim distribution to all undisputed claims as soon as possible. The JOLs will require certain information from creditors prior to proceeding with payments, namely due diligence verification documents which will be set out in the JOLs' correspondence to creditors.
- 1.7 The JOLs, in consultation with the Portuguese Republic, will be responsible for collection of the Company's outstanding loan book. Some of the outstanding loans are secured with assets held in BPP SA's custody and, as such, the JOLs will be able to collect in those loans relatively quickly. Other loans will likely take some time to collect in.
- 1.8 The JOLs expect to be in a position to proceed with the first interim distribution quite soon after receipt of BPP Cayman's share of the Overdraft Receivables, the loans collected to date, and with respect to the secured loans that can be collected relatively quickly.
- 1.9 There will likely be a second, and possibly a third, interim distribution at a later date when further loan recoveries are made.

## **2. Presentation of the JOLs' Thirteenth Report**

The Chairman referred the meeting to the Report circulated with notice of the meeting.

- 2.1 The Chairman referred the meeting to the summary of the Company's financial position set out on pages 9 and 10 of the Report, and highlighted that the amounts detailed do not include the amounts to be received as a result of the Settlement Agreement.
- 2.2 The Chairman referred the meeting to the summary of fees incurred by the JOLs for the 6 month period from 1 February 2016 to 31 August 2016 on page 11 of the Report, and advised the fees incurred during the period have been approved by the Grand Court of the Cayman Islands and subsequently paid.

The Chairman advised that he had covered all the main areas of update and opened the meeting for questions.

**Question:** Firstly, congratulations on finally reaching a settlement. This is good news. Some creditors have had segregated liquidity returned to us, but in order to do so, we were required to settle our total debts owed without consideration of set-off. Does the Settlement Agreement address these types of situations?

**Answer:** Yes, to the extent that BPP Cayman's liquidation estate receives sufficient monies to allow for the return of cash to creditors with respect to set-off claims, those amounts will be recoverable and will be dealt with on an individual creditor basis. The amounts recoverable will be set out in the JOLs' communication to investors following the claims adjudication process.

**Question:** Congratulations on being able to agree a settlement. I understand that the terms of the Settlement Agreement are confidential, but can you send me the number of the file in Portugal related to the Settlement Agreement?

**Answer:** I will need to confirm this with our Portuguese legal counsel, but don't suspect this will be an issue if it is publicly available information.

**Question:** Regarding the wind up of the remaining SIVs, for some of them it has been taking quite a long time as a result of not being able to receive the required level of approvals. My understanding from BPP SA is the winding up of the majority of the remaining SIVs have been blocked as a result of not being able to receive the required approvals. Have other possibilities been considered to speed up the winding up of those SIVs to give the opportunity for those who have already provided their consent to have their money returned to them?

**Answer:** We have dealt with the majority of the SIVs where it was relatively simple to receive the requisite 75% approval. We are now left with SIVs where for various reasons the required approval rate has not yet been achieved, more specifically because note holders are unresponsive, cannot be located, or simply will not agree because any amounts due to them would be used solely for debt repayments owed or guaranteed by them to BPP Cayman or BPP SA.

What we intend to do now, in consultation with BPP SA, is consider other alternatives to allow for the repayment of monies to those SIV note holders who have given consent, but 75% of note holder approval has still not been obtained.

**Question:** As a possible solution for the remaining SIVs, would you consider arranging for a meeting of the note holders so that together they can potentially reach an agreement amongst themselves and speed up the process?

**Answer:** We will have to deal with each situation SIV by SIV because each SIV is a separate legal entity. However, we could potentially arrange meetings of note holders for a particular SIV if we feel it will assist in resolving the situation with respect to that particular SIV.

### **Closing of meeting**

There being no further business, at 3:20pm (Portuguese time) / 10:20am (Cayman time) the Chairman declared the meeting closed.