

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

Minutes of the Eleventh Meeting of the Creditors of the
Company held by conference call

15 January 2020, 2:30pm (Portuguese time) / 9:30 am (Cayman time)

PwC:	Representing:
Simon Conway	PwC Cayman and Joint Official Liquidator (“JOL”)
Ruth Simpson	PwC Cayman and the JOLs
Iva Rozinkova	PwC Cayman and the JOLs
Andrade Matos:	
Jorge Bastos Leitao	Legal Counsel to the JOLs
Creditors:	The AT&T Teleconferencing Service Center confirmed 11 creditors were present on the call.

Simon Conway welcomed those in attendance to the eleventh annual creditors’ 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 provide a progress report on the actions taken over the past year.

The Chairman referred the attendees to the meeting Agenda and Joint Official Liquidators’ Nineteenth Report (the “Report”) which was circulated prior to the meeting and related to the period from 1st March 2019 to 31st August 2019. The Report included a summary of the fees incurred over the past year and which were reviewed by the Liquidation Committee and approved by the Cayman Court on 13 November 2019.

The Chairman advised the attendees there will be a question and answer session at the end of the meeting and that the agenda would be as follows:

- First interim distribution payments
- Asset realisations
- Second interim distribution
- Strategy for proceeding 12 months
- Presentation of the JOLs’ Nineteenth Report
- Any other business

First Interim Distribution

The Chairman referred the attendees to the previous annual creditors’ meeting, and also recent reports, within which the liquidators confirmed a c. 12% distribution towards the end of 2017. The Chairman confirmed that just under €10m of available funds have been paid to creditors.

The Chairman advised that the liquidators still held circa €9m of funds which are due to creditors, this amount is in addition to provisions for uncertain claims. The circa €9m is due to creditors who are yet to submit their due diligence documentation. The Chairman advised creditors who have not yet provided such information to please send to the BPP Cayman mailbox at their earliest convenience, in order for the liquidators to instruct payment (bpccayman@ky.pwc.com).

Asset Realisations

The Chairman noted that the focus of the liquidation for the last 12 months has largely been on collecting in outstanding debts owed to the Company. The Liquidators have made some significant progress in this regard, including agreeing a settlement with a significant debtor (circa €14m before interest), the first repayment of which has now been received and will enable the liquidators to instruct a second distribution, the final repayment will be due in approximately 18 months.

The Chairman confirmed that the liquidators have also commenced enforcement proceedings against numerous other debtors in Portugal.

In addition to the significant debt repayment, the Chairman confirmed that the Company has also received the remaining payments which were due under the settlement agreement with BPP SA and the Portuguese Republic.

The Chairman further confirmed the receipt of monies from a position it held in a fund called Silvercreek, this receipt also supports the second interim distribution payment.

Second Interim Distribution

The Chairman advised the creditors that as a result of the work done over the past 12 months in terms of debt and asset realisations for the BPP Cayman estate, the liquidators will be in a position to declare a further distribution in Q1 2020. The Chairman noted that the liquidators are still working to finalize what the amount will be, and will circulate correspondence to creditors once the calculations have been finalized.

Strategy for proceeding 12 months

The Chairman noted that the focus for the next 12 months will continue to be on enforcing against outstanding debtors, alongside realizing any further custody assets held on behalf of the Company. The liquidators hope to avoid prolonged litigation and seek consensual repayment where possible. This would allow the liquidators to instruct a third distribution in due course.

The liquidators originally anticipated returning over c. 20% to creditors, and the Chairman confirmed that the liquidators were currently on track to achieve that return over the course of the liquidation.

The Chairman also noted that the liquidators expected to resolve the c. €5.5m of monies which have been provisioned from the First Interim Distribution, regarding claims from related parties. The liquidators are still reviewing documentation with regards to these claims and continue to be in dialogue with the respective parties. The Chairman advised that there had been a range of historical transfers between off balance sheet entities, which had a significant adverse impact for the Company. The liquidators continue to investigate whether recovery actions are available and implications for any claims into BPP Cayman.

JOLs' 19th Report

The Chairman referred attendees to the liquidators' 19th report, which is available on the Company's website, and which provides further detail on the areas outlined in the meeting.

The Chairman referenced, as set out in the report, summaries of the liquidators' fees and the current financial position of the liquidation, in summary:

- The liquidators incurred fees of US \$261k between 1 March and 31 August 2019;
- The liquidators held c. €26m in cash as at the end of August 2019, now €29m as at January 2020; and
- The liquidators expect that their fee run rate will slightly increase upon declaration of the second distribution, given the volume of work required with instructing distribution payments.

The Chairman then opened the line for questions.

Questions and Answers

Question: A question was raised regarding the percentage return due to creditors and if this was likely to be higher than the 20% referenced in the meeting.

Answer: The Chairman advised that 20% is the liquidators' base case scenario and that any returns above this level are subject to ongoing enforcement actions and the conclusion of the investigatory work around the provisioned claims.

Question: Given the liquidation is now in its 10th year, a question was raised as to any ongoing obstacles to finalizing the liquidation.

Answer: The Chairman noted that the liquidation had been ongoing for some time, however given the complexity of the case it is on par with other complex insolvencies, the Chairman made a comparison to the Lehman collapse which still has numerous entities in liquidation.

The Chairman further noted that the settlement agreement between BPP Cayman, BPP SA and the Portuguese State was the most significant resolution for the estate.

The Chairman confirmed that with regards to the ongoing matters, BPP SA and the Portuguese State were both cooperating with BPP Cayman in order to resolve outstanding matters.

Closing of meeting

There being no further business, at 2.58pm (Portuguese time) / 9:58am (Cayman time) the Chairman declared the meeting closed.