

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

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

9 January 2018, 3:00pm (Portuguese time) / 10:00 am (Cayman time)

PwC:	Representing:
Simon Conway	PwC Cayman and the JOLs
Jodi Jones	PwC Cayman and the JOLs
Ruth Simpson	PwC Cayman and the JOLs
Andrade Matos:	
Jorge Bastos Leitao	Legal Counsel to the JOLs
Creditors:	The AT&T Teleconferencing Service Center confirmed
	7 creditors were present on the call.

Simon Conway welcomed those in attendance to the ninth 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 12 December 2016, notably with regards to the proposed First Interim Distribution;
- The Chairman referred the attendees to the meeting Agenda and Joint Official Liquidators’ Fourteenth and Fifteenth Reports dated 27 March 2017 and 23 October 2017 respectively (the “Reports”) 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. Summary

- 1.1 The Chairman advised that over the most recent 6 month reporting period, the JOLs had collected an additional c. €3.5m in loan realisations;
- 1.2 The JOLs had wound up a further 8 Structured Investment Vehicles, totaling c. €11m returned to creditors and generating c. €0.6m for the insolvent estate; and
- 1.3 The Chairman confirmed that the JOLs had successfully dealt with a number of legal actions brought against the bank, with the support of Portuguese counsel, and also won costs against the plaintiffs.

2. Settlement Agreement

- 2.1 The Chairman referred creditors to page 11 of the most recent Report which sets out the financial position of the Company, showing c. €35m and US\$1m;

- 2.2 Referring to the most recent Report, the Chairman confirmed that the Settlement Agreement with the Portuguese State had been reached in December 2016 and confirmed that the first payment of c. €25m was received by the insolvency estate in June 2017;
- 2.3 The Chairman confirmed that the JOLs are awaiting a further c. US\$2.7m under the Settlement Agreement, which the JOLs are actively chasing; and
- 2.4 The Chairman advised that whilst awaiting receipt of these monies, and given the relatively small quantum of monies outstanding, the JOLs issued notice of their intention to declare a First Interim Distribution.

3. First Interim Distribution

- 3.1 The Chairman noted that the JOLs had requested proofs of debt to be submitted from all creditors by early September 2017, although the JOLs have considered all proofs submitted after this date;
- 3.2 The Chairman confirmed that the JOLs had received proofs of debt from c. 88% of creditors;
- 3.3 In order to instruct payment, the Chairman advised the creditors that would be required to submit relevant due diligence documents, including a tax self-certification form, details of which are available on the BPP Cayman website. The Chairman advised that should the JOLs require any further documentation from any creditor, they would be in direct contact;
- 3.4 The Chairman noted that the JOLs had intended to instruct the First Interim Distribution in December 2017, however as a result of a large volume of claims which did not reconcile to the Company's records, this process had taken longer than anticipated;
- 3.5 With regards to the differences, the Chairman advised that these were largely driven by claims being made with respect to custody assets in addition to unsecured deposit claims. The Chairman confirmed that custody assets would be dealt with separately to unsecured deposit claims in the liquidation estate;
- 3.6 The Chairman advised that the adjudication process had been highly detailed and that there were several claims which would be rejected, or admitted in part;
- 3.7 With regards to the rejections, the Chairman advised that these would be provisioned for until the rejected creditor has had the opportunity to appeal the JOLs' decision to the Cayman Islands' Court, the Chairman noted that appeals must be lodged within 21 days of receiving a rejection notice;
- 3.8 In order to prevent further delays to payment, the Chairman confirmed that an initial payment would be made to all creditors whose claims had been accepted and that the JOLs would conduct a 2 stage distribution;

Two Stage Distribution Process:

1. An initial distribution will be made to accepted creditor claims, with a provision held back for rejected claims, this is expected to begin at the end of January 2018;
2. Correspondence will be issued on all rejected or partly admitted claims; and

3. Upon expiry of the rejection appeal period, the JOLs will re-distribute the provisioned hold back amounts to the accepted claimants. It is anticipated this would occur c. 2-3 months after the initial distribution.
 - 3.9 The Chairman confirmed that the JOLs would communicate the percentage of recovery for the initial distribution in letters to creditors, which are expected to be circulated to all creditors at the end of January 2018; and
 - 3.10 Finally the Chairman reiterated that should the JOLs require further documentation in order to instruct the initial distribution, they would liaise directly with the creditors.
4. **Loan Realisations**
- 4.1 The Chairman advised that the JOLs were working on the recovery of outstanding loan balances;
 - 4.2 It was further noted that in instances where the companies have been dissolved or are themselves in insolvency, the JOLs were investigating the position of pledged assets and beneficial owners, and, should it be commercially appropriate, would pursue these debtors through legal action;
 - 4.3 In that respect, the Chairman advised that the JOLs expected to make reasonable recoveries during the course of 2018, such that a third distribution may be possible at a future date; and
 - 4.4 The Chairman also confirmed that the JOLs were conscious of the changing position with respect to the proposed repayment of the Portuguese State loan by BPP SA and that the JOLs will be monitoring this closely as it progresses.

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

Questions and Answers

Question: Are there already procedures established in this distribution for creditors who have a pledge with BPP SA?

Answer: Yes and the JOLs will be in contact shortly with BPP SA in that respect. Given the connected nature between the banks, it is appropriate to liaise with BPP SA on any proposed distribution, in the same way that BPP SA has done with BPP Cayman. This is to ensure that we are not cutting across any pledge arrangements.

Historically, where BPP SA has held payments for customers and there have been pledges to support the repayment of loans to BPP Cayman, those pledges have been honoured. The JOLs will reciprocate that to the extent allowed under Portuguese and Cayman law.

Question: Will the JOLs be publishing a list of accepted and rejected claims, or will this not be accessible to the public?

Answer: Unlike a Portuguese liquidation process, in Cayman we do not publically announce any list of creditor.

Any creditor, under Cayman Islands' law, has a right to make an application to see the list of creditors once it is finally adjudicated, creditors can approach the JOLs in that respect should they wish to do so.

However given that BPP SA is the parent bank, the JOLs will need to share the list with BPP SA, in order to practically deal with issues around set-off etc.

Question: With regards to creditors' rights in the SIVs, are they involved in this First Interim Distribution?

Answer: Yes, the JOLs are dealing with SIVs where they have creditor positions. The JOLs will be writing to the underlying noteholders of those SIVs, advising them of their portion of the respective claim that the SIV has in the BPP Cayman liquidation.

Closing of meeting

There being no further business, at 3:21pm (Portuguese time) / 10:21am (Cayman time) the Chairman declared the meeting closed.