

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

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

29 January 2019, 3:00pm (Portuguese time) / 10:00 am (Cayman time)

<b>PwC:</b>	<b>Representing:</b>
Simon Conway	PwC Cayman and the JOLs
Ruth Simpson	PwC Cayman and the JOLs
Kadie Prospere	PwC Cayman and the JOLs
<b>Andrade Matos:</b>	
Jorge Bastos Leitao	Legal Counsel to the JOLs
<b>Creditors:</b>	The AT&T Teleconferencing Service Center confirmed
	11 creditors were present on the call.

Simon Conway welcomed those in attendance to the tenth 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 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’ Seventeenth Report (the “Report”) which was circulated prior to the meeting and related to the period from 1<sup>st</sup> March 2018 to 31<sup>st</sup> August 2018. 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 23 October 2018.
- 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 noted that following the finalization of the Settlement Agreement with the Portuguese State in 2017 the majority of the work undertaken in 2018 has related to the adjudication of claims; interim distributions for those claims; return of trust money to depositors; and, the collection of debts.
- 1.2 The Chairman confirmed that page 8 of the Report provided details of the claims which had been approved and paid. This included €20.5M of admitted claims, of which €5.4M was reserved and €6M awaited updated KYC and AML information which left €9.1M residual.
- 1.3 A further €3.8M of trust monies are held on account in relation to depositors who also had a debt position with the Company. Of this, €1.7M has been returned to the relevant depositors.

#### **2. Debt Collection**

- 2.1 The Chairman advised that there remained a significant asset portfolio on which debt collections of c. €18M are secured. These are understood to be supported by associated custody asset securities.

- 2.2 With regards to the realisation of custody assets, the JOLs are working with BPP SA and Legal Counsel to develop a realisation strategy and will be looking to begin enforcement proceedings for the recovery of the amounts due over the coming months.
- 2.3 The Chairman noted that discussions continue with one large debtor who the JOLs understand holds sufficient assets to support the debt repayment of approximately €18M.

### **3. Claim Adjudication**

- 3.1 The Chairman advised that there continue to be a small number of claims where further investigation is required, particularly, with respect to parties which were a part of the wider BPP group. Some of the amounts submitted are considerable and whether they are admitted or rejected will have an impact on the recoverable amount for the other creditors in the portfolio. It is expected that key decisions will be made within Q1 2019 as to whether the larger claims are admitted. The impact of these discussions and decisions will be detailed in the next report.
- 3.2 The Chairman advised that the next interim distribution was expected once significant recovery of debts had occurred, especially as relates to the large debtor noted previously. This matter is expected to conclude over the course of this year and, subject to a successful conclusion, a Second Interim Distribution would be proposed towards the end of 2019.

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

### **Questions and Answers**

**Question:** Point of clarification as to whether the Second Interim Distribution will begin at the end of 2019 following appropriate debt recovery.

**Answer:** Yes. A number of debt repayments are expected over the course of the year, however, there may be litigation required for these recoveries. Conclusion on the majority of the substantial recoveries is expected within the next few months. This would then allow for a Second Interim Distribution in the second half of the year.

**Question:** Is there any indication for when the liquidation will be finalized?

**Answer:** Firstly, the JOLs are reliant on the successful collection of outstanding debts. In addition, whilst there have been partial repayments to the Portuguese State, there remains an outstanding amount.

There is no firm timeline in place regarding the closing of the liquidation, as it is dependent on the aforementioned items.

Question: There appears to be a significant difference between the debt amount recoverable and the reported value of assets. What is being done to bridge the gap between these two amounts?

Answer: A large proportion of the book value of the debts is not collectable, this was addressed at the outset of the liquidation, as a result of a large majority of the debts being from related parties which have gone into liquidation or were insolvent when this process started. As part of the liquidation process, the JOLs wrote to all debtors and communicated with BPP SA to seek an understanding of which items had substance and which were more in the nature of vehicles that had no assets and were related to the wider BPP group.

The debtors which the JOLs have identified as those from which recoveries can be made are those which do have substance. The ability to make those recoveries only crystalized once the Settlement Agreement was finalized with the Portuguese State. The issue now faced is in relation to the collection of outstanding debts. As noted earlier in the meeting, where custody assets are held the JOLs will seek to enforce on these assets.

The book value of the loans was addressed in earlier reports in terms of comparison between the collectable value and the book value, these reports are available on the BPP Cayman website:  
<http://www.bancoprivadoportuguescaymanltd.com>

### **Closing of meeting**

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