

FOURTH PUBLIC BANKRUPTCY REPORT OF
BANCO DEL ORINOCO N.V.

Date: 30 June 2020

Company name	:	Banco del Orinoco N.V. ("BDO")
Incorporation date	:	17 July 1987 (establishment date 27 September 1993)
Business address	:	Windstraat 3, 1 st floor, Handelskade, Curaçao
Bankruptcy reference	:	Cur201903648
Bankruptcy date	:	4 October 2019
Bankruptcy Receivers:	:	mr. C.M. van Liere en mr. M.R.B. Gorsira
Supervisory judge	:	mr. P.E. de Kort
Activities company	:	Banking activities as international credit institution
Turnover data	:	unknown
Employees on date bankruptcy	:	25 persons
Reporting period	:	28 February 2020 to 30 June 2020
Bestede uren verslagperiode	:	469.7
Total hours spent to date	:	1,333.2

Introductory remarks:

This is the fourth public insolvency report by the Bankruptcy Receivers in the bankruptcy proceedings of BDO. This report should be read in conjunction with the previously published public reports.

For the past several months, the Bankruptcy Receivers have been negotiating with the (attorney of) the principals of BDO in connection with the composition with creditors to be approved by the court. Part of these discussions is a so called “Memorandum of Understanding” (“**MOU**”), which could possibly serve as a blueprint for the Court approved composition with creditors.

If and in so far the parties at hand will come to a settlement, the principals of BDO will submit a draft of the composition with creditors to the Court of First Instance of Curaçao on a yet to be determined date. Subsequently, there will be a voting on this draft composition by creditors who appeared at the hearing and were provisionally admitted thereto. Provided that a composition is reached, the supervisory judge will determine a closing date for aforementioned proceedings after which the Court will decide on the approval of the scheme of arrangement. At such public hearing, the supervisory judge will issue a written report and creditors who consider such to be appropriate can substantiate their objections to such sanctioning by the Court. It should be noted that the bankruptcy receivers strive to reach a settlement in which the creditors’ claims will be repaid in full or, as the case may be, will consent to a full debt takeover by a third party. The bankruptcy receivers will update the creditors on any further developments. In light thereof, the Bankruptcy Receivers are discussing a possible creditors’ committee with (representatives of the) (larger) creditors. Such a provisional creditors’ committee will consist of a maximum of three members and (future) meetings are to held to discuss the developments surrounding the winding-up operation.

The Bankruptcy Receivers emphasize that the information provided in this report is still subject to further investigation. Please be advised that information may have to be substantially amended following such further investigation. At this time no statements concerning the completeness and correctness of the data as provided in this report can be given. No rights can be derived from this bankruptcy report and/or following reports. Nothing in this report can be interpreted as a recognition of liability nor as a waiver of any rights. With this report, the Bankruptcy Receivers present, in a simplified manner, the current state of the bankruptcy estate according to the in Curaçao applicable guidelines for bankruptcy reports and suspension of payment reports.

The report shall be published on www.ekvandoorne.com. In case the English translation of the bankruptcy report differs from the (original) Dutch version, the latter prevails.

1. Inventory

1.1. Board and organization : Please refer to the first bankruptcy report of Banco del Orinoco N.V. of 7 November 2019 (“**First Report**”).

1.2. Profit and losses : Please refer to the First Report.

1.3. Pending proceedings : Please refer to the previous bankruptcy reports.

The cassation proceedings between Andrade Gutierrez Engenharia (AGE) S.A. and BDO with the Supreme Court of the Kingdom of the Netherlands has been suspended in view of BDO’s bankruptcy.

Two cases in appeal are scheduled for verdict.

To date, no individual cases has been brought before the Court since the insolvency of BDO.

1.4. Insurance : Under investigation.

1.5. Lease : Finalized, please refer to the third bankruptcy report.

1.6. Cause of bankruptcy : Under investigation.

2. Staff

2.1 Number at the time of bankruptcy: : 25 employees

2.2 Number in year before bankruptcy : 31 employees

2.3 Date notice of dismissal : 4 October 2019

2.4 Work activities : Finalized, please refer to the First Report.

3. Assets & outlook

Real estate

- | | | | |
|------|---------------------------------|---|----------------|
| 3.1. | <u>Description</u> | : | Not applicable |
| 3.2. | <u>Sale proceeds</u> | : | Not applicable |
| 3.3. | <u>Amount mortgage</u> | : | Not applicable |
| 3.4. | <u>Contribution of proceeds</u> | : | Not applicable |
| | Activities | : | Not applicable |

Inventory

- | | | | |
|------|--|---|---|
| 3.5. | <u>Description:</u> | : | Finalized, please refer to the third report |
| 3.6. | <u>Sales proceeds</u> | : | Finalized, please refer to the third report |
| 3.7. | <u>Contribution</u> | : | Finalized, please refer to the third report |
| 3.8. | <u>Priority right of tax authority</u> | : | Not applicable |

Work in progress

- | | | | |
|-------|-------------------------------|---|----------------|
| 3.9. | <u>Description</u> | : | Not applicable |
| 3.10. | <u>Sales proceeds</u> | : | Not applicable |
| 3.11. | <u>Contribution of assets</u> | : | Not applicable |
| | Activities | : | Not applicable |

Other assets

- | | | | |
|-------|---------------------|--|--|
| 3.12. | <u>Description:</u> | | |
|-------|---------------------|--|--|

At this time, it is still unclear whether BDO has sufficient assets/bonds security for its obligations towards the depositors and other creditors. The majority of such security, namely more than ANG 2.4 billion, is said to exist of securities and bonds which, according to BDO, are held by the custodians Farrington from Singapore, Vistra International S.A. from Panama

and Welden Securities from Uruguay. In the anticipation of and during the emergency regulations an investigation has been conducted by or on behalf of the Central Bank and BDO's former accountant KPMG in Curaçao, into these custodians and the securities portfolios that they managed. Also, the Bankruptcy Receivers have approached the involved custodians and requested clarification.

In the past report the Bankruptcy Receivers were not able to obtain a definite answer regarding the existence, scope or control of the investment portfolio. As regard to the current negotiations and the MOU; please refer to the 'Introductory remarks' in this report.

- 3.13. Sale proceeds : Not applicable
- Activities : Please refer to the aforementioned

4. Debtors/receivables

Scope debtors :

The Bankruptcy Receivers have presented the possible claims of BDO, including possible security interests and rights of setoff for verification in connection thereto, to the principals of BDO.
 The Bankruptcy Receivers have not been provided with a definitive answer yet.

- 4.1. Sale proceeds : TBD
- 4.2. Contribution of assets : Not applicable.

5. Bank finances / collateral security held

Claims of/on bank(s):

The Bankruptcy Receivers have presented the possible claims of BDO, including possible security interests and rights of setoff for verification in connection thereto, to the principals of BDO.
 The Bankruptcy Receivers have not been provided with a definitive answer to date.

In addition to the above, the following applies:

Novo Banco S.A.

Novo Banco S.A. from Portugal has confirmed that on 5 September 2019, BDO maintained two accounts of USD 60.592,33 and EUR 154.296,15 respectively. The Bankruptcy Receivers have requested Novo Banco to transfer these amounts to the estate account.

Allbank Corp

As of 8 November 2019, the BDO affiliated Panamese based Allbank is in a formal liquidation proceedings. Allbank's liquidator reported securities with a nominal value and total amount of USD 30.605.000,00 to the Bankruptcy Receivers. A number of these securities have matured since the bankruptcy date of BDO. The Bankruptcy Receivers also presented these (matured) securities for verification to the principals of BDO.

Plus Capital Markets Ltd. ("PCM")

PCM is also an entity affiliated to BDO which, on one hand, independently maintained accounts with BDO and, on the other hand maintained financial relationships ('brokerage clients') on behalf of its own clients. The Curaçao law office STvB has reported (third party) claims on BDO on behalf of PCM. In answer to this, the Bankruptcy Receivers sent STvB a letter on 24 April 2020, in which they requested clarification on certain aspects, *inter alia* in respect of certain the third-party claims. By mid-May 2020, the Panamese supervisor ("*The Superintendencia del Mercado de Valores de Panama*") ordered PCM's winding-up proceedings and appointed a liquidator. The Bankruptcy Receivers have informed the liquidator accordingly.

- | | | | |
|------|-------------------------------------|---|---------------------------|
| 5.1. | <u>Lease contracts</u> | : | Not applicable |
| 5.2. | <u>Description securities</u> | : | Please refer to 'debtors' |
| 5.3. | <u>Position as secured creditor</u> | : | Under investigation |
| 5.4. | <u>Contribution of assets</u> | : | Not applicable |
| 5.5. | <u>Eigendomsvoorbehoud</u> | : | In onderzoek |

5.6. Reservation of title : Under investigation

5.7. Right of recovery : Under investigation

5.8. Rights of retention : Under investigation

6. Relaunch / continuing

Continuing

6.1. Exploitation : Not applicable

6.2. Financial reporting : Not applicable

Relaunch

6.3. Description : Not applicable

6.4. Responsibility : Not applicable

6.5. Sales proceeds : Not applicable

6.6. Contribution of assets : Not applicable

Activities : Not applicable

7. Legitimacy

7.1. Accounting obligation : Immediately after the ruling of the emergency regulations, CBCS secured the (digital) administration of BDO with the assistance of a specialized third party and a transfer of the books and records (in so far as available) has taken place. The Bankruptcy Receivers expect to gain further insight shortly and to be able to access the (digital) administration of BDO.

Considering the nationwide power blackout in Curaçao in mid-November 2019 there is possibility that the digital administration of BDO may have been

lost. The Bankruptcy Receivers entered into conversations with another party to make a digital print of BDO's administration again.

In the past reporting period, the Bankruptcy Receivers have gained access to a part of BDO's digital administration. The Bankruptcy Receivers have entered into conversations with a Panamese IT company with the purpose of gaining full access of the digital administration. This concerns the IBS Core banking-program which was used by BDO to render its banking services.

By now, the Bankruptcy Receivers have gained access to BDO's digital administration on the Panamese server. Due to the measurements imposed in light of the corona pandemic, the Panamese servers are currently down. The Bankruptcy Receivers expect that the server will be accessible again in the near future.

- 7.2. Payment obligation : Considering the incorporation date of BDO, a (possible) claim shall be time-barred.
- 7.3. Mismanagement : Under investigation
- 7.4. Fraudulently act : Under investigation.

- 8. **Creditors** : Immediately after the issued bankruptcy order, BDO and the Bankruptcy Receivers gave notice of the bankruptcy to the general public and requested the deposit holders and other creditors of BDO to present their claim for verification. The bankruptcy was published in the (local) newspapers and a (Spanish) notification has been placed on the website of BDO. The Bankruptcy Receivers have set up an email address (creditors.bdo@ekvandoorne.com) which can be used for submitting claims and other inquiries about the bankruptcy.

- 8.1. Estate claims: Costs of bankruptcy proceedings: ANG 674,774.42 (provisionally)
 Rent outstanding after bankruptcy date: ANG 66,780 (for the months October 2019 up to and including

January 2020).

Salaries employees outstanding after bankruptcy date: ANG 177,297.06 (for the month September and the notice period).

- 8.2. Claims SVB : TBD
- 8.3. Other preferential creditors : Claim Tax Authorities: ANG 1,374.156.38 in respect of income tax, wage tax and 'BVZI'. The Bankruptcy Receivers have submitted an (pro forma) objection in time.
- 8.4. Number of presented unsecured creditors : 2.171
- Provisionally contested claims : 270 creditors for a total amount of USD 20.071.557.27
- 8.5. Amount of presented unsecured Creditors : USD 748.065.405,85
- 9. Other**
- 9.1. Time frame of liquidation : Unknown.
- 9.2. Plan of action : The Bankruptcy Receivers shall – depending on the outcome of the conversations with the shareholders – come to a joint and controlled settlement of BDO or a liquidation of the assets of the company. Moreover, the Bankruptcy Receivers shall endeavor to expedite the assignment of the provisional creditors' committee.
- 9.3. Submitting next report : The next official bankruptcy report shall be published in three (3) months.
- Activities : See the aforementioned.
