

CONTINUATION CLAIMS ADMISSION MEETING IN THE BANKRUPTCY OF BANCO DEL ORINOCO N.V. ("BdO"), CASE NO. CUR201903648, ON DECEMBER 6, 2024

Bankruptcy report of receivers mrs. M.R.B. Gorsira and D.C. Narvaez

Developments after the September 27, 2024 claims admission meeting

1. The claims admission meeting of September 27, 2024 was postponed by the supervisory judge until and adjourned to March 25, 2025 under the express condition that within two weeks, i.e. no later than Friday, October 11, 2024, sufficient evidence would be provided by the Cartera Group to the receivers of the existence of the BdO securities portfolio. In the event that such evidence would not be provided or the receivers are otherwise not sufficiently confident of a good outcome, the receivers would request that the claims admission meeting be brought forward, so ruled the supervisory judge on the Cartera Group's request for a further adjournment of the claims admission meeting. That request for a further adjournment was motivated, in particular, to give the Cartera Group more time to prepare and submit a detailed and amended creditors' agreement. A description of that amended agreement was briefly discussed at the meeting of September 27, 2024 and submitted by the Cartera Group (Annex 3 to the minutes of the claims admission meeting of September 27, 2024).
2. Right after the conclusion of the September 27, 2024 claims admission meeting, the receivers requested the Cartera Group to provide the following information and documents:
 - Name and contact information of the "*custodian*" that holds/keeps the BdO securities portfolio;
 - Written confirmation from the "*custodian*" of the person (natural or legal person) who is registered with the "*custodian*" as the owner or holder of the BdO securities portfolio;
 - Relevant agreements with the "*custodian*" regarding the BdO securities portfolio;
 - An updated overview of the securities held with the '*custodian*' showing ISIN codes, maturity dates and face and market values;
 - Written confirmation from Farrington that it manages and administers the BdO securities portfolio indicating the principal for whom exactly it is doing that management and administration; and
 - Relevant service or management agreements with Farrington relating to the BdO securities portfolio.
3. Until October 11, 2024, the receivers didn't receive any information about the BdO securities portfolio from the Cartera Group. It was not until October 11, 2024 at 8:36 p.m. that the receivers received an e-mail from Cartera with an attached letter from Farrington that was allegedly sent to Cartera by e-mail shortly before (at 8:34 p.m.) by a certain Ana Isabel Gonzalez of Farrington. The enclosed letter was addressed to "Banco del Orinoco N.V., Windstraat 3, Punda, Curacao. The letter indicates that it concerns a '*confirmation letter*' that was provided at the request of Cartera as '*ultimate beneficial owner*' of Banco del Orinoco N.V. Furthermore, by means of a *statement report* that was sent along, details were provided

about the status as of September 30, 2024 of the '*securities position for account BDO0002817*' or in other words of the securities account in the name of BdO at Farrington.

4. What is immediately striking about the securities statement sent with the letter is that significantly more, but also different securities are listed than in the securities statement as of September 30, 2023, received from Cartera in October 2023. According to Farrington's latest statement, as of September 30, 2024, the total nominal value of the portfolio would be approximately USD 1.86 billion and the total market value would be approximately USD 1.6 billion. What is further striking is that the letter does not contain any information about the "*custodian*" of the BdO securities portfolio or the relationship with Farrington regarding that portfolio.
5. In order to verify the accuracy of the portfolio information that had been provided, the receivers then approached the CEO of Farrington Mr. Martin Young on October 14, 2024, asking whether this letter and the securities statement sent with it was indeed from Farrington and, if so, how this letter related to his earlier message of June 24, 2024 that Farrington did not maintain any relationship with BdO, Cartera de Inversiones or Mr. Vargas Itrausquin.
6. Farrington's (Mr. Martin Young) response to these questions came by return email dated October 14, 2024. It indicated that the Farrington letter forwarded to the receivers by the Cartera Group on October 11, 2024 did not originate from Farrington, nor are or were BdO or Cartera de Inversiones clients of Farrington. Farrington further indicated that the Farrington email address allegedly used to send the letter to Cartera on October 11, 2024 is not a Farrington email address and appears to be a *fake* email address.
7. The receivers confronted Cartera and Mr. Vargas with this response from Farrington, but they did not get beyond saying that "*they are trying to obtain clarification from Farrington*" and that "*they are taking this matter extremely seriously*". To this day, Cartera and Mr. Vargas have been unable or unwilling to provide any further explanation of this course of events, nor have they provided sufficient evidence of the existence of the securities portfolio. The receivers then requested the supervisory judge to advance the date for the continuation of the claims admission meeting, after which the judge set the date of December 6, 2024 for that meeting.
8. And the receivers repeat it again, this is a portfolio of which Cartera and Mr. Vargas claim and have claimed all the years that that portfolio has been discussed with first the Central Bank and after the bankruptcy date with the receivers, that it exists, that it belongs to BdO and was purchased and built up with the deposits of BdO account holders. But despite this, Cartera and Mr. Vargas categorically refuse to surrender this portfolio and the control over it to the receivers. As far as the receivers are concerned, Cartera and Mr. Vargas are guilty of bankruptcy fraude and withdrawing assets from the bankrupt BdO estate for the purpose of fraudulently abridging the rights of BdO creditors.
9. Even in the amended creditors' agreement to be discussed later, which the Cartera Group has recently submitted, there is no mention of the BdO securities portfolio other than that, in the interests of the BdO creditors, that portfolio is owned and controlled by the Cartera Group and that the Cartera Group and its related creditors would be entitled to the bulk of that portfolio. Upon acceptance of the agreement, the portfolio is actually wholly (owned) by the Cartera Group, it is indicated. There is no further role for the portfolio in the offered

composition plan, not even as a guarantee for the proper compliance with the plan. Nor is there any role for the receivers in the proposed settlement.

10. The receivers understand from various creditors that they have been approached and informed by the Cartera Group in Venezuela about a modified creditors' agreement, the outlines of which were already discussed at the meeting held on September 27, 2024 (see Annex 3 to the minutes of the claims admission meeting held on September 27, 2024). On November 12, 2024, the receivers were confirmed by telephone by the Cartera Group that a further detailed creditor's agreement along the lines previously indicated on September 27, 2024, would be submitted at the Court Registry before the meeting of December 6, 2024. This was finally done on November 27, 2024. There was no consultation with the receivers on this amended composition plan.
11. It is this agreement which, after the conclusion of the verification of all submitted claims, is now before the Court for voting and, if adopted, for confirmation by the Court. After the closure of the verification of claims, the receivers and also the members of the creditors' committee will give their (written) advice to creditors on the composition plan, now offered by the Cartera Group. If the plan is not accepted or, if accepted, not confirmed by the Court, the receivers will consider further measures to be taken against the Cartera Group, the Cartera Group related Venezuelan directors of BdO and Mr. Vargas. An important aspect here is whether and to what extent these measures can be financed. The receivers already have ideas about this, but this venue needs further investigation.

The current status of the BdO bankruptcy estate

12. To this report, the receivers have attached a summary of the current status of the bankruptcy state (**Annex**). On the bankruptcy account there is currently only ANG 21,157.36 (USD 11,886.16). The total amount of unpaid but already determined bankruptcy costs up to November 27, 2024 amounts to USD 592,457.43. Including estate debts and the disputed Cartera related claims, the total outstanding debt of BdO is currently USD 850,135,886.08. And to this must be added the bankruptcy costs already incurred, but not yet determined as of November 28, 2024 and those yet to be incurred in the future. All in all, a bleak financial picture.

Annex - Overview of financial status of the BdO bankruptcy estate

**Overview of the estate of
Banco del Orinoco N.V.
3 December 2024**

Overview provisionally admitted claims of Banco del Orinoco N.V.

Estate claims					Number of creditors
Estate costs until and including 27 November 2024	USD	592,457.43	ANG	1,054,574.23	1
Centrale Bank van Curacao en Sint Maarten	USD	30,970.08	ANG	55,126.75	1
Lease	USD	37,516.85	ANG	66,780.00	1
Employees	USD	207,973.64	ANG	370,193.08	<u>25</u>
Total estate claims	USD	868,918.01	ANG	1,546,674.06	28
Unsecured creditors					
Unsecured creditors other than accountholders	USD	315,841.10	ANG	566,040.90	14
Unsecured creditors (accountholders) up to and including 15 November 2024	USD	687,331,727.77	ANG	1,251,131,030.44	<u>2811</u>
	USD	687,647,568.87	ANG	1,251,697,071.34	2825
Total estate claims and claims unsecured creditors	USD	688,516,486.88	ANG	1,253,243,745.40	

Total account holders **7201**

Overview contested claims Banco del Orinoco N.V.

Preferential claim					Aantal crediteuren
Tax claim	USD	772,067.08	ANG	1,374,279.41	1
Contested unsecured claims					
Unsecured claims	USD	5,294,666.14	ANG	9,636,292.38	96
Unsecured claims that form part of the Cartera Group	USD	161,619,399.20	ANG	294,147,306.54	<u>24</u>
Totaal contested unsecured claims	USD	166,914,065.34	ANG	303,783,598.92	120

State of the estate account of Banco del Orinoco N.V.

Income					
Sale of goods	USD	11,165.73	ANG	19,875.00	
Other income	USD	78,093.92	ANG	139,007.17	
Closing account	USD	239,742.44	ANG	426,741.54	
Cash	USD	43.00	ANG	76.54	
Total income	USD	329,045.08	ANG	585,700.25	
Expenses					
Storage administration	USD	13,514.36	ANG	24,055.56	
Payment costs	USD	56.18	ANG	100.00	
Payment estate costs (Receiver)	USD	298,144.58	ANG	530,697.36	
Invoice 01102020LM	USD	519.57	ANG	924.83	
IT costs	USD	955.13	ANG	1,700.14	
Payment students re verification poa's	USD	3,969.10	ANG	7,065.00	
Total expenses	USD	317,158.93	ANG	564,542.89	
Income - expenses	USD	11,886.16	ANG	21,157.36	