

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

**PRIVILEGED AND CONFIDENTIAL**

**MINUTES OF THE 28<sup>TH</sup> JANUARY 2025 ANNUAL GENERAL MEETING**

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**PRESENT**

<b>PwC:</b>	<b>Representing:</b>
Simon Conway (“SC”)	PwC Cayman and one of the Joint Official Liquidators (“JOLs”)
Ruth Simpson (“RS”)	PwC Cayman
Saba Mir	PwC Cayman
Rajiv Jaggernath	PwC Cayman
<b>Various Creditors</b>	10 creditors in total

The meeting was convened via teleconference at 09:30am (Cayman Time), 2:30pm (Portuguese Time).

Mr. Simon Conway took the Chair of the meeting (the “**Chairman**”).

**QUORUM**

The Chairman acknowledged that all expected attendees were present on the line, and the meeting was quorate.

**Introduction**

The Chairman welcomed everyone to the meeting and thanked them for their attendance.

The Chairman advised that the main purpose of the call was to provide an update on the status of the liquidation over the previous 12 months, referencing the Joint Official Liquidators’ (“JOLs”) Twenty Eighth Report covering the twelve-month period from 1 February 2024 to 31 August 2024.

The Chairman noted that litigation matters will be discussed in the meeting, which is commercially sensitive and therefore there would be a limit to what could be disclosed in the meeting. However, he noted that the Liquidation Committee (“LC”), who are subject to non-disclosure agreements, are regularly consulted on the litigation.

SC confirmed that the key agenda items were asset realisations; investigations and litigation; declared distributions; and outstanding distributions.

**1. Asset Realisations**

- 1.1 SC advised that a large focus for the last 12 months has been on collecting in outstanding debts owed to the Company.
- 1.2 SC further noted that the JOLs have continued enforcement proceedings against numerous smaller debtors in Portugal. The JOLs expect recoveries with regards to the same over the course of the next 1 to 2 years, any such recoveries will be subject to a split with the Portuguese State in accordance with the terms of the settlement agreement.
- 1.3 In the past 12 months, the JOLs have received favourable judgments at the first level

court in Portugal, in relation to €1.8m of outstanding debts. Given these decisions could still be subject to appeal, the JOLs expect to receive funds once it is confirmed that no appeal will be brought, or the JOLs receive a favourable decision which is *res judicata*.

- 1.4 The JOLs also agreed final settlement terms for outstanding debts of c. €400k. The JOLs have received €150k of this settlement in January 2025, and expect to receive the balance in the coming weeks.

## **2. Investigations and litigation**

- 2.1. As discussed previously, the JOLs received claims from related parties, valued in the total amount of c.€44.9m, with associated distributions in the amount of c.€6.9m, which has been set aside. I am now able to provide some further information regarding the most significant of those claims.
- 2.2. As previously disclosed, following discussions with the JOLs' Cayman and Portuguese legal counsel (in respect of which, privilege is not waived), and pursuant to the documentation reviewed with regards to the provisioned claims, the JOLs identified claims which the Company is able to bring against a related party, Privado Geste, in the amount of €22.4m.
- 2.3. The claim was filed against the former directors of BPP Cayman, being, the Estate of Joao Manual Oliveira Rendeiro (deceased) ("First Defendant"), Salvador Pizarro Fezas Vital ("Second Defendant"), Antonio Paulo Araujo Portugal de Guichard Alves ("Third Defendant") and Privado Geste SGPS, SA (in liquidation) ("Fourth Defendant"), together the "Defendants".
- 2.4. Following the receipt of the court sanction on 9 November 2023 to commence proceedings, the JOLs' legal counsel obtained leave from the Grand Court to serve the Writ of Summons on the Defendants outside of the Cayman Islands on 26 April 2024.
- 2.5. As of 18 June 2024, the Defendants were successfully served, and the JOLs' legal counsel filed a Statement of Claim with the Court on 12 August 2024.
- 2.6. Privado Geste challenged the JOLs Statement of Claim and refuted that they were a necessary and proper party to the claim and further contended that Portugal, rather than the Cayman Islands, was the appropriate jurisdiction for the trial. Consequently, a court hearing was held on 25 November 2024 in Cayman to address these challenges.
- 2.7. Our Cayman legal counsel's position is that Privado Geste is a necessary and proper party, and that Cayman Islands is the appropriate forum for the trial.
- 2.8. The JOLs claim against Privado Geste for knowing receipt is premised upon the existence of breaches of duty by the Former Directors, as a matter of Cayman Islands Law. Privado Geste ultimately received the Claimed Fees of €22.4m, contributing to the loss suffered by BPP Cayman, and in relation to which it is asserting a claim in the liquidation of the Company.
- 2.9. The JOLs understand the Banco Privado Portugues SA (in liquidation) ("BPP SA") has a significant interest in the Privado Geste entity and would ultimately benefit from any proceeds paid to Privado Geste by BPP Cayman.
- 2.10. The Chairman noted that the JOLs remain open to settlement discussions with regards to the Privado Geste litigation.
- 2.11. A judgement is expected in early 2025 from the Cayman court. Once a judgement is received, the JOLs will consult with their Cayman legal counsel in order to discuss the most

appropriate next steps.

- 2.12. The JOLs will also continue to progress investigations in relation to the other related parties, which have a provision currently set aside of c.€0.9m.

### 3. Interim Distribution Payments

- 3.1 The JOLs declared a third interim distribution of 2.2% in November 2023. The total amount being distributed to creditors in relation to this dividend is €4.5m. This brings the total distributions declared to c. 18%. A distribution summary was presented to the meeting.
- 3.2 SC noted that if the action against Privado Geste is successful, then the overall amount distributed across the duration of the liquidation could be in the region of 20-25%. This is higher than the JOLs' initial estimate of c. 20% at the time of the settlement with the Portuguese State.
- 3.3 SC noted that there is a significant amount of work involved in reviewing the anti-money laundering documentation, particularly under the updated anti-money laundering requirements in Cayman and therefore there may be some delay between reviewing the documentation provided and instructing the relevant distribution payment.
- 3.4 SC referred to the presentation and noted that of the €41m of distributions and trust monies declared to date, €21.2m of distribution monies and €3.4m of trust monies has been paid since declaring the First Interim Distribution. Of this, c. €2.9m has been paid in the last 12 months, and €260k is currently under review to be paid shortly.
- 3.5 With regards to the outstanding distributions, which are yet to be paid, the Chairman provided a breakdown of those monies:
- SC noted that there is c. €6m set aside regarding the Privado Geste litigation, which was referenced earlier, alongside €0.9m regarding other related parties.
  - €1.5m of distributions are in relation to claims which have been rejected by the JOLs, these monies will form part of any future distributions.
  - Following a detailed review of the books and records of the Company, the JOLs identified €2.2m of distributions for which no associated proof of debt has been received for the claim amounts. As you will be aware, the JOLs have requested that proof of debts be submitted from the outset of the liquidation, as a result of inconsistencies in the books and records of the Company, alongside deliberate misreporting by the former management.
  - The Chairman noted that at previous Annual General Meetings, creditors have asked what would happen to distributions for which no proof of debt has been submitted. In answer to that, the Chairman noted that should someone come forward with a proof of debt, then those monies would accordingly be paid to the relevant creditor. However, if no proof of debts are provided by the final proving date (which would be in line with the declaration of the Final Distribution), then those monies would fall back into the general estate for distribution to those creditors who have submitted a proof of debt.
  - The Chairman confirmed that there was c. €5.7m of outstanding distributions for

which a proof of debt has been submitted, however, the JOLs are awaiting updated AML documentation in order to pay those amounts to the creditors. In some cases, these creditors were paid the First Interim Distribution, which was more substantial, and are yet provide updated information for the smaller Second and Third Interim Distributions.

- SC advised that there is a limit of how much time would be reasonable to be spent on non-responsive creditors, as this time would incur costs for the whole estate.
- Finally, the Chairman advised that any Final Distribution would be predicated on the conclusion of the Privado Geste litigation and the enforcement proceedings for the outstanding debtors.

#### **4. JOLs' 29<sup>th</sup> Report**

- 4.1 SC referred to the 29<sup>th</sup> Report which was made available on the Company's website in September 2024.
- 4.2 SC noted with regards to the JOLs' fees that the JOLs go through the process of seeking approval from the Liquidation Committee and the Cayman Islands court. SC noted that the LC usually defers such approval to the court. For the last period, ending 31 August 2024, the JOLs fees were €415k.
- 4.3 Also set out in the 29<sup>th</sup> Report are summaries of the current financial position of the liquidation. SC confirmed that as at 31 December 2024, the liquidators held c. €19.6m and c. US \$498k in cash. Of this, €11m is held in a fixed term deposit.

#### **5. Questions**

At this point the Chairman opened the meeting for questions from attendees.

Question: There was a question put forward via the meeting's chat function regarding the length of time of the liquidation, in the context of the Lehman liquidation, and noting concerns in relation to dealing with assets in Portugal.

Answer: The Chairman acknowledged that liquidations of this magnitude and complexity often take many years to conclude and noted that the Lehman liquidation is still ongoing and still has many years to run before it would likely be resolved.

The Chairman reminded creditors that prior to the settlement with the Portuguese State, the JOLs were restricted in their ability to realise assets because the Portuguese State was asserting a pledge over these assets.

SC noted that the Company had no assets or cash in its bank account at the outset of the liquidation, however the litigation against the estate resulted in a settled which was anticipated to be return c. 20% to creditors at that time, which the Chairman acknowledged would still leave a substantial shortfall for creditors. SC also noted that the JOLs now expected to be able to recover slightly above the 20% that they initially anticipated, however the Final Distribution would be dependent on the timing of Privado Geste and the enforcement actions.

Question: A creditor asked how long it would take for the Final Distribution to be declared.

Answer: The Chairman advised that litigation can be a long process, which could take another 2-3 years, unless a settlement was reached. The Chairman acknowledged that there were persons in the meeting with an economic interest in Privado Geste and therefore there was a limited to what he could communicate without prejudicing potential settlement discussions. However, the Chairman reiterated that the JOLs remain open to settlement discussions.

Question: A creditor asked:

- 1) Since BPP Cayman had claims into Portugal, whether there were any claims coming into BPP Cayman from Portugal and is litigation worthwhile; and
- 2) With regards to the creditors who have not submitted a proof of debt, can that money be distributed amongst those who have submitted proof of debts?

Answer:

The Chairman confirmed that BPP Cayman is not facing any claims being brought against it currently, aside from depositor claims such as Privado Geste's. He also confirmed that the liquidation committee is consulted regularly with regards to litigation, alongside the wider liquidation, and the liquidation committee are supportive of the Privado Geste litigation, particularly given that it is the largest claim into the estate with associated distributions of €6m.

The Chairman noted that if the litigation was not pursued and the claim was admitted, then that €6m would be paid to Privado Geste, for a claim which the JOLs do not believe is a legitimate claim. Whereas should the JOLs be successful in the litigation, or agreeing a settlement, then those monies would be paid to across the legitimate creditors.

With regards to the second question, the Chairman reconfirmed what he outlined earlier in the call, that if no proof of debt is submitted in relation to the €2.2m of distributions ahead of the Final Distribution, then these monies would form part of the BPP Cayman estate and be distributed across the remaining creditors who have submitted a proof of debt.

### **Closing of meeting**

There being no further matters to discuss, the Chairman declared the meeting closed at 10:03am (Cayman time), 3:03pm (Portuguese time).



Simon Conway  
**Joint Official Liquidator**