

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

Date: 15 December 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
Trustees	:	mr. M.R.B. Gorsira (until 2 November 2020 together with mr. C.M. van Liere)
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	:	30 June 2020 to 15 December 2020
Bestede uren verslagperiode	:	318,1 uur
Total hours spent to date	:	1.651,3

Summary of key issues

This is the fifth public bankruptcy report of the Trustees of BDO. For a brief description of the (procedural) background of the bankruptcy, reference is made to our first four public bankruptcy reports.

One of the Trustees, Stan van Liere, stepped down as Trustee of BDO on 2 November 2020.

A provisional creditors' committee has now been composed, consisting of Mr. Bertie Braam, Mr. Mirto Murray and Mr. Rafael Moscarella, who together represent a substantial part of the creditors.

Partly due to COVID-19, the negotiations between the Trustee and (the authorized representatives of) the principals of BDO regarding a judicial creditors' agreement have been delayed. The parties are still discussing a MOU, which could possibly serve as a blueprint for this agreement.

For the past several months, the Trustees 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. The Trustees will update the creditors on any further developments.

The Trustees 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 Trustees 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. Gain and loss : Please refer to the First Report.
- 1.3. Pending proceedings : Please refer to the previous bankruptcy reports.
- The cassation proceedings initiated by BDO 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.
- 1.4. Insurances : Under investigation.
- 1.5. Lease : Finalized, please refer to the third bankruptcy report.
- 1.6. Cause of bankruptcy : Under investigation.

2. Employees

- 2.1 Number at the time of bankruptcy: : 25 people
- 2.2 Number in year before bankruptcy : 31 people
- 2.3 Date notice of dismissal : 4 October 2019
- 2.4 Work activities : Finalized, please refer to the First Report.

3. Assets

Real estate

- 3.1. Description : Not applicable
- 3.2. Sale proceeds : Not applicable
- 3.3. Amount mortgage : Not applicable

- 3.4. Contribution of proceeds : Not applicable
- Activities : Not applicable

Inventory

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

Work in progress

- 3.9. Description : Not applicable
- 3.10. Sales proceeds : Not applicable
- 3.11. Contribution of assets : Not applicable
- Activities : Not applicable

Other assets

- 3.12. Description:

At this time, it is unclear whether BDO has liquid 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 Trustees have approached the involved custodians and requested clarification.

In the past report the Trustees 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 'Summary of key issues' in this report.

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

4. Debtors

Scope debtors :

The Trustees 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 Trustees have not been provided with a definitive answer yet.

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

5. Banks / securities

Claims of/on bank(s):

The Trustees 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 Trustees have not been provided with a definitive answer yet.

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 with positive balances of USD 60.592,33 and EUR 154.296,15 respectively. The Trustees have requested Novo Banco to transfer these amounts to the liquidation account.

Allbank Corp

As of 8 November 2019, the BDO affiliated Panamese based Allbank is being wound up. Allbank's liquidator reported securities with a nominal value and total amount of USD 30.605.000,00 to the Trustees. A number of these securities have matured since the bankruptcy date of BDO. The Trustees 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 Trustees 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 Trustees have written this liquidator accordingly.

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| 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. | <u>Reservation of title</u> | : | Under investigation |
| 5.7. | <u>Right of recovery</u> | : | Under investigation |
| 5.8. | <u>Rights of retention</u> | : | 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 Trustees 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 Trustees entered into conversations with another party to make a digital print of BDO's administration again.

In the past reporting period, the Trustees have gained access to a part of BDO's digital administration. The Trustees 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 Trustees 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 Trustees 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 expired.
- 7.3. Mismanagement : Under investigation
- 7.4. Fraudulently act : Under investigation.

- 8. Creditors** : Immediately after the issued bankruptcy order, BDO and the Trustees 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 Trustees 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 (determined until February 26, 2020): ANG 430.697,36 + TBD (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 preferred claims : Claim Tax Authorities: ANG 1,374.156.38 in respect of income tax, wage tax and 'BVZI'. The trustees have submitted an (pro forma) objection in time.
- 8.4. Number of presented unsecured creditors : 1929
- Provisionally contested claims : 296 creditors for a total amount of USD 21.211.053
- 8.5. Amount of presented unsecured Creditors : USD 734.668.104

The reason that the number of provisionally contested creditors and the amount of presented unsecured Creditors is lower than in the fourth report, is that double countings have been removed from the creditor list. Some creditors have registered twice, for example also through representatives.

9. Other

- 9.1. Time frame of liquidation : Unknown.
- 9.2. Plan of action : The Trustees 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.
- 9.3. Submitting next report : The next official bankruptcy report shall be published in three (3) months.
- Activities : See the aforementioned.
