

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

Date: 17 December 2019

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. C.M. van Liere and 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	:	26 October 2019 to 16 December 2019
Hours spent 26 October – 16 December	:	357,4
Total hours spent to date	:	533,1

Summary of key issues

This is the second public bankruptcy report of the Trustees of BDO. On 18 October 2019 the shareholders, as well as (the majority of) the employees, have objected (on time) to the adjudication of bankruptcy on 4 October 2019. On 13 November 2019 the Court of First Instance of Curaçao (“**Court**”) declared BDO inadmissible in their objection and dismissed the objection of the shareholders and the (former) employees of BDO.

On 28 October 2019 the Supervisory judge rejected the request of the shareholders of BDO to dismiss the Trustees.

The shareholders appealed (on time) against the abovementioned judgments. Furthermore, there is a LAR-appeal (National Ordinance Administrative Law) at the Court of Curaçao against the withdrawal of the banking license of BDO.

The former (authorized) representatives of the shareholders of BDO withdrew themselves as of 14 November 2019. With the new representatives of the shareholders of BDO the Trustees (and the representatives of Central Bank of Curacao and Sint Maarten (“**CBCS**”)) agreed on the postponement for an indeterminate period. During this period the Trustees and the shareholders will deliberate, with the aim to reach an amicable solution, where the interests of the joint creditors prevail.

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 can be given concerning the completeness and correctness of the data as provided in this report. 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

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|-----|--------------------------------|--|
| 1.1 | <u>Board and organization:</u> | See the first public bankruptcy report of Banco del Orinoco N.V. of 7 November 2019 (" First Report "). |
| 1.2 | <u>Gain and loss:</u> | See the First Report |
| 1.3 | <u>Pending proceedings:</u> | See the "Summary of key issues". Furthermore, the Trustees deliberate with the (former) representatives of BDO regarding the pending proceeding at the Supreme Court of the Netherlands. |
| 1.4 | <u>Insurances:</u> | Under investigation |
| 1.5 | <u>Lease:</u> | The Trustees together with the lessor of the office buildings of BDO agreed on a termination by mid-January 2020. In the upcoming period a buyer of BDO's inventory will safeguard that the inventory of BDO is disposed of and that the building will be delivered broom clean. |
| 1.6 | <u>Cause of bankruptcy:</u> | Under investigation |

2. Employees

- | | | |
|-----|--|---------------------------------|
| 2.1 | <u>Number at the time of bankruptcy:</u> | 25 people |
| 2.2 | <u>Number in year before bankruptcy:</u> | Under investigation |
| 2.3 | <u>Date notice of dismissal:</u> | 4 October 2019 |
| 2.4 | <u>Work activities:</u> | Finalized, see the First Report |

3. Assets

Real estate

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

Inventory

3.5 Description BDO holds office equipment in the leased properties. There is a possibility that Mr. Römer has an entitlement, under property law, to the office equipment, as he allegedly bought the items in a public auction (and before the bankruptcy).

In the past reporting period, the Trustees reached an agreement on the sale of BDO's inventory to Franks Spullen. This party will safeguard that the inventory of BDO is disposed of and that the rented buildings are delivered to the lessor. Mr. Römer has waived his property rights.

3.6 Sales proceeds: ANG 13.500 (ex OB)

3.7 Contribution of assets: Not applicable

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 her obligations towards the depositors and other creditors. The majority of that 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/Paraguay. In the anticipation of and during the emergency regulations an investigation has been conducted by or for the Central Bank and BDO's former accountant KPMG in Curaçao, into these custodians and the securities portfolios that they managed, according to BDO. 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. Currently there are conversations between the Trustees and the shareholders of BDO in order to reach a joint solution in the (primary) interest of the deposit holders of BDO. During this period the Trustees and the shareholders will consult together, in order to reach amicable solution, where the interests of the joint creditors are paramount.

3.13	<u>Sales proceeds:</u>	Not applicable
	Activities:	See the aforementioned
4. Debtors		
4.1	<u>Scope debtors:</u>	Total amount debtors on date of bankruptcy (in investigation):
		<p>BDO has a claim on Plus Capital Markets in Panama, which is also controlled by the UBO, (term loan) of USD 12,903,000.-- (as of 30 April 2019). The Panamanian supervisory authority has also taken measures against Plus Capital Markets.</p> <p>It is possible that BDO has security rights on assets of Plus Capital Markets as security for those claims. The Trustees are investigating these matters.</p> <p>Cipresco Company Group: USD 620,000.--. Also, in this case securities were allegedly be provided to BDO.</p> <p>Agricola Agrocao C.A.: USD 190,000.--. It is unlikely that there are securities.</p> <p>Gavides Omar: USD 160,800.--.</p>
		<p>Considering the conversations between the Trustees and the shareholders of BDO, the Trustees have largely held the collection activities during the past reporting period.</p>
4.2	<u>Sales proceeds:</u>	TBD
4.3	<u>Contribution of assets:</u>	Not applicable
	Activities:	See the aforementioned
5. Banks / securities		
5.1	<u>Claims of/on bank(s):</u>	<p>According to information of CBCS, the Trustees still assume the following position regarding the (foreign) banks within the group of BDO:</p> <p><u>BOI Bank:</u> Claims: 2 savings accounts per September 2019: USD 25,000.--. Debts: 2 savings accounts per September 2019: USD 35,960,000.--.</p>

Allbank:

Claims: Account per Augustus 2019: USD 85,000.--.

Debts: Saving and time deposits per August 2019 (total) USD 6,017,000.--.

Allbank has requested the Trustees to pay out US Treasury Bills and related 'coupon payments', which have expired ('matured') with a (nominal) value of USD 5,000,000.--. The Trustees have placed this claim on the list of provisionally allowed creditors.

Banco Multiple de Las Americas:

Claims: multiple accounts per 29 August 2019: USD 778,000.--.

Debts: saving accounts per August 2019: USD 800,000. —

Local banks:

MCB Bank (local): in investigation (approximately USD 70,000. --)

Considering the conversations between the Trustees and the shareholders of BDO the Trustees have largely held the collection activities during the past reporting period. MCB Bank and Novo Bank are requested to transfer the balance of BDO to the liquidation account of BDO.

5.2	<u>Lease contracts:</u>	Not applicable
5.3	<u>Description securities:</u>	See under debtors
5.4	<u>Position as secured creditor</u>	Under investigation
5.5	<u>Contribution of assets:</u>	Not applicable
5.6	<u>Reservation of title:</u>	Under investigation
5.7	<u>Fiduciary title:</u>	Under investigation
5.8	<u>Right of recovery:</u>	Under investigation
5.9	<u>Possessory lien</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 national power blackout in Curaçao in mid-November 2019 there is a possibility that the digital administration of BDO may have been lost. The Trustees are in conversation with another party to make a digital print of the administration of BDO again.

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.

According to the last (unverified) interim accounts of BDO, the total outstanding amount of deposit holders accumulates to NAF 1,585,154.000 (July 2019).

- 8.1 Estate claims: Costs of bankruptcy proceedings: TBD
Lease amount outstanding after bankruptcy date: ANG 24,000. -- (for the months October, November and December 2019).
Salaries employees outstanding after bankruptcy date: ANG 177,297.06 (for the month September and notice period).
- 8.2 Claims SVB: TBD
- 8.3 Other preferred claims: Claim Tax Authorities: ANG 1,374,156.38 in the respect of income tax, wage tax and BVZl. The trustees have submitted an (pro forma) objection on time.
- 8.4 Number of presented unsecured creditors: 407
- 8.5 Amount of presented unsecured creditors: USD 118,442,574.97
- ## 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.
