

8 April 2019

Dear Depositor,

National Bank of Anguilla (Private Banking & Trust) Ltd (“PBT”)

PBT’s Modified Liquidating Plan of Reorganization of the Debtor and Debtor in Possession, Chapter 11 Proceedings in U.S.

You will now have received from Epiq Bankruptcy Solutions, LLC (“Epiq”) a disc containing a number of papers dealing with PBT’s proposed Chapter 11 plan of reorganization in the bankruptcy proceedings I initiated in New York. Included with these papers is a form of ballot, wherein you may indicate your acceptance or rejection of the proposed plan. **Please note that, as detailed in the instructions included with the ballot, the completed and signed ballot must be sent so as to be received by Epiq at the address provided in the ballot by not later than April 10, 2019 at 5:00 p.m. (Eastern).** A number of depositors have contacted me to seek clarification on a number of matters and therefore I have decided to prepare a short summary intended to address certain Frequently Asked Questions. I should add that I will be providing depositors with an update report on the Administration of PBT in the next few weeks.

1. Why did you initiate proceedings in the US?

There were a number of reasons, including gaining information from US banks, pursuing potential assets in the US and seeking the assistance of the US Courts in pursuing litigation claims against third parties.

2. Why are you seeking to confirm a plan of reorganization?

My enquiries in the US have concluded and valuable information has been gained from certain US banks. The US Court found that the U.S.-based litigation should be stayed pending resolution of the legal proceedings in Anguilla. This means the US Court requires to be informed of legal developments in Anguilla and may be prepared to intervene in certain circumstances. The Plan contemplates that PBT’s US-based assets, including the US lawsuit presently stayed by order of the US Court, will be assigned to a litigation trust for the benefit of PBT’s creditors. If and when the stay is lifted, the lawsuit will be prosecuted by me, as the litigation trustee. The foregoing will minimize administrative expenses as we await resolution of the Anguillian matters and a potential future lifting of the stay of the US litigation. The Plan has been lodged with the Court and the Hearing has been set down for 7 May 2019. The creditors have been circulated with the full details of the plan and are asked to approve it.

3. How does the Plan affect the Administration process in Anguilla?

Approval of the Plan will have no effect on the Anguillian proceedings, including litigation I have initiated there. Furthermore, I am however at liberty to seek assistance from the US Court should that be required in future.

4. Are any parties to litigation being released from legal claims if the Plan is approved?

No. The reference to “releases” in the Plan only refers to certain limited scope releases provided to the Debtor, me as Administrator, and our professionals for the limited matters described in the Plan. The scope of these release provisions are detailed at Sections III.G and III.H of the Plan. To be sure, there is *no* release provided to any of the defendants in the litigation brought in the US or Anguilla. Moreover, I note that a creditor may only be party to the release provisions if they “opt in” by checking the box on the ballot that accompanied the materials you received from Epiq. Whether or not a creditor “opts in”, however, will in no way affect their rights under the Plan. It is purely optional.

5. Why are steps being taken to agree my claim against PBT?

A core part of all plans of reorganisation is to agree the claims of creditors. As a depositor, you are a creditor. The information provided to you has been taken from the books and records of PBT. Please note that the agreement of claims **ONLY** relates to the US proceedings, a separate process will have to be undertaken to admit claims in the Anguillian administration. However, the work done in the US is relevant to the process to be undertaken in Anguilla in due course. There will be no duplication of work.

6. Why is it necessary to agree claims separately in the US and Anguillian proceedings?

These proceedings are entirely separate, but the work done in the US has been highly valuable in bringing the legal actions I have initiated in Anguilla. The US Bankruptcy Code requires claims in a US Chapter 11 process to be resolved, they will form the basis of distributing any assets in the US. Please note, there are no assets of PBT in the US at present other than the lawsuit which is presently stayed by the US Court and my expectation is that there will not be any in the future. All realisations have and will occur in Anguilla and for that reason, it will be necessary to agree claims, in due course, in Anguilla.

7. Should I vote to approve the Plan of Reorganisation?

Yes. I believe it is in the best interests of the creditors to proceed with the Plan and to make the US Bankruptcy Court aware of the active participation of depositors in the process. There are no better alternatives to the Plan. All rights are preserved for PBT, the creditors and against adverse litigation parties. Therefore, I would invite you to give your approval to the Plan and remind you that **the completed and signed ballot must be sent so as to be received by Epiq at the address provided in the**

ballot by not later than April 10, 2019 at 5:00 p.m. (Eastern). The formal Hearing will take place in New York on 7 May 2019, which I will attend with my US lawyers.

8. Will the parent company of PBT or NCBA, the successor bank, make any recovery from either bank's administration?

There could only be a dividend to the shareholder banks if the claims of creditors are fully repaid. Despite the actions I have taken, it is highly unlikely that creditors' claims can ever be met in full.

9. Can you advise me if I can expect any recovery from my balance?

Unfortunately, at this stage I cannot provide any estimate of likely recoveries. The process of realising assets, mainly loans to customers and properties is continuing, as does the litigation I have initiated. The final outcome will only become more predictable when the litigation in Anguilla concludes. I am not in a position to provide any update on that at present but expect to make reference in the report I will be sending to depositors in due course.

I appreciate that the US proceedings are apparently confusing and hope that this letter helps clarify matters. If you have specific queries, please e mail aaron.gardner@fticonsulting.com. Please note that any query about the agreement of your balance should continue to be address to Epiq at tabulation@epiqsystems.com and there will be a separate process, as noted above, to agree claims in due course in the Anguillian administration.

Yours faithfully,



W R Tacon
Administrator