

19 April 2016

## **TO ALL KNOWN DEPOSITORS**

Dear Depositor

### **National Bank of Anguilla (Private Banking and Trust) Ltd – Administrator Appointed**

In my letter dated 13 April 2016, I pointed out that the repayment of net new money deposited before 24 March 2016 could be subject to liquidity constraints of the Onshore Banks, which are controlled by the ECCB and Conservator over which I have neither control nor visibility.

I was informed on 15 April 2016 by the Conservator that a substantial repayment request had been received that, apart from money deposited after 23 March 2016, could not be met at present because of liquidity constraints.

I am working with the ECCB to urgently to address this issue. Specifically, I am seeking details regarding the availability of liquidity both now and in the future. I am seeking to agree with the ECCB, the quantum of net new money deposited up to 23 March 2016. As previously requested, please provide details of transactions on your account since the onset of Conservatorship, and if making a withdrawal request, a detailed note of the transactions supporting the request

In view of the inability of the Conservator and ECCB to provide sufficient liquidity to meet withdrawal requests from net new money deposited up to 23 March 2016, I have concluded that such liquidity as becomes available must for now be pooled pending clarification of the basis on which further payments can be made. This may in due course necessitate an application to the Court sanctioning the basis on which funds can be distributed. My priority is to ensure that all creditors are treated equitably and in accordance with their rights. I have put the ECCB on notice that it and the Onshore Banks must not distribute money to depositors on a 'first come, first serve' basis, such that there is no need for creditors to make further demands for repayment. I will take whatever action I can to ensure that the obligations to the depositors of net new money are fulfilled, and to maximise generally the returns to creditors.

For avoidance of doubt, I am not stopping all withdrawal requests, but there will be inevitably be a delay before requests can be met while the issues of establishing the net new money returnable and timing and quantum on liquidity are resolved. As noted above, it may be necessary to seek Court approval to the method of returning net new money to depositors which is likely to lead to further delay.

The lack of liquidity and its consequential effects will cause hardship to depositors of net new money but the steps I am taking are intended to ensure the obligations of the Onshore Banks, ECCB and Conservator are met, and proceeds are distributed fairly. Timing issues can be ameliorated if significant liquidity is made available rapidly, together with the process of agreeing the quantum of claims. As already noted, both of these matters require co-operation from the Conservator and ECCB, which control the liquidity position.

Finally, the ECCB has confirmed net new money deposited with the Offshore Banks after 23 March 2016 and held in a separate account at the Onshore Banks can and will be returned when withdrawal requests are made.

Should you have any queries with the contents of this letter, please do not hesitate to contact [pbt@fticonsulting.com](mailto:pbt@fticonsulting.com)

Yours faithfully

National Bank of Anguilla (Private Banking and Trust) Ltd – Administrator Appointed

**William Tacon**  
**Administrator**