

TCI Bank limited  
(In Liquidation)

STATEMENT BY THE PROVISIONAL LIQUIDATORS

April 21, 2010

On Friday, April 9, 2010, we, Anthony Kikivarakis and Mark Munnings, partners at Deloitte & Touche Bahamas, were appointed Joint Provisional Liquidators of TCI Bank Limited (“the Company”), on the petition of the Financial Services Commission (“FSC”), by Exparte Order before the Honorable Justice Richard Williams of the Supreme Court of the Turks and Caicos Islands (“the Court”).

We were charged by the Court, amongst other things:

- To locate, protect, secure and take possession of, collect and get in all of the property and assets of whatever nature to which the Company is or appears to be entitled;
- To locate, protect, secure, take possession of, collect and get in the books, papers and records of the Company including the accounting and statutory records;
- To Investigate the affairs of the Company so far as it is necessary to locate, protect, secure, take possession of, collect and get in the assets of the Company, and
- If deemed appropriate to draft a scheme of arrangement under the provision of section 84 – 86 of the Companies Ordinance CAP 122 between the Company and its creditors to give affect to and/or facilitate a reorganization and to seek whatever directions are required in respect thereof from the Court.

At the hearing of the petition on April 9, 2010, Justice Williams was mindful of the gravity of the situation and requested that we, the Provisional Liquidators, keep an open mind with regard to restructuring the Company.

In line with this request, we spent the weekend Saturday, April 10, 2010, and Sunday, April 11, 2010 reaching out to various interested groups to explore avenues to keep the Company open. These explorations are continuing with a number of prospective investors who have expressed an interest in purchasing the Company. At the time of this press release, we have assembled relevant information on the Company that may be shared with these prospective investors, on signing of a confidentiality agreement. However, the prospect of a feasible rescue plan cannot be determined at this time.

It is our intention to have our first report for the Court dated as of May 28, 2010 and in the hands of the Court prior to June 4, 2010; the date of hearing of the Petition to wind-up the Company.

## **Our Findings to Date**

1. Up to the date of our appointment, we found that the Company was having serious liquidity concerns and that new funds, in the amount of USD \$5.5 million had to be loaned to the Company by one of its majority shareholders. The loan is secured by a fixed and floating charge over the unsecured assets of the Company.
2. Shortly after the introduction of the new funds noted above, three (3) large withdrawals totaling approximately USD\$4 million were made, thereby almost taking the Company back to its earlier liquidity position.
3. A major capital injection is still necessary to save the Company as well as a commitment from depositors not to withdraw funds.
4. The Company has a significant number of large non-performing loans on its books, many of which have been delinquent for well over a year, which to a large extent has contributed to the Company's current liquidity crisis and may have left the Company insolvent.

## **Concerns**

### *Cost of Liquidation*

We understand that concerns have arisen about the cost of the Company's liquidation. All costs and expenses of the liquidation will be scrutinized and taxed by the Court, prior to any payment being made, as is normal in any court supervised liquidation. Our cost as Provisional Liquidators and that of our agents are at the low end of the range for fees normally charged for this type of work.

### *Interested Parties*

Some of you may have seen a proposal from a Mr. A. David Kosoy and a Mr. Phil Biden, which although marked confidential, we are informed was posted on Facebook and appeared in the tcijournal. As Provisional Liquidators, we are open to all serious attempts to rescue the Company and informed Messrs Kosoy and Biden of our willingness to meet with them again, to discuss their new proposal.

Other interested parties include:

- A prospective investor out of Trinidad and Tobago;
- A Bahamian bank who has already started its due diligence, but has not yet responded with an offer; and
- A group comprising some of the Eastern Caribbean shareholders who have also expressed an interest and are in the process of starting their due diligence.

We are pleased that interests in the Company has increased and we are committed to reviewing and assessing all offers as quickly as possible before making a recommendation to the Court. In any event, the agreement of the majority of shareholders, depositors, and creditors will have to be considered.

There is no “quick fix” to this situation due to the varied interested groups and the number of proposals that are being made. Our recommendations to the Court will seek to balance the interest of depositors and shareholders.

### **Continued repayment of loans**

In the meantime, all loans must continue to be paid to the Company at its premises at Butterfield Square, Providenciales, Turks & Caicos Islands. Cheques should be made payable to “Provisional Liquidators for TCI Bank Limited”, account number 10519166.

### **Public Meetings**

We request your patience and assure you that we will shortly be conducting town meetings to answer your questions and queries. We can assure you that we take our duties seriously and will continue to preserve, protect and collect the assets of the Company while in this position as Provisional Liquidators under the supervision of the Court.

Any director, shareholder or creditor including depositors may request a copy of the Petition from the Petitioner (the FSC).

### **Contact details**

If you have any questions, please contact us via email at email address [info@tcibliquidation.com](mailto:info@tcibliquidation.com) or telephone numbers 941-7500 or 649-941-7504.

Signed,

Provisional Liquidators  
Messrs. Anthony S. Kikivarakis and Mark E. Munnings