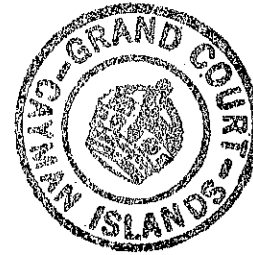
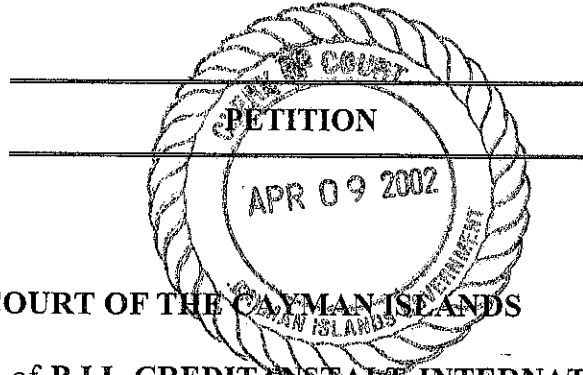


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 239 OF 2002

IN THE MATTER OF THE COMPANIES LAW (2001 SECOND REVISION)

AND IN THE MATTER OF B.I.I. CREDITANSTALT INTERNATIONAL BANK LTD



TO THE GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of **B.I.I. CREDITANSTALT INTERNATIONAL BANK LTD** of Whitehall House, 238 North Church Street, PO Box 31632, Grand Cayman, Cayman Islands shows that:

1. B.I.I. CREDITANSTALT INTERNATIONAL BANK LTD (hereinafter called "the Company") was incorporated under the name Americapital International Bank on 10 September 1980. It changed its name to Banco Interfinanzas International Ltd on 30<sup>th</sup> December 1988 and to B.I.I. Creditanstalt International Bank Ltd in April 1999. It was incorporated as an Exempted Company limited by shares under the Companies Law (2001 Second Revision) ("the Companies Law") of the Cayman Islands.
2. The registered office of the Company is situated at Bank of Austria Cayman Islands Limited, Whitehall House, 238 North Church Street, PO Box 31362, Grand Cayman Cayman Islands. The objects for which the company was established are not restricted in the Company's Memorandum of Association and this permits the carrying on of unlimited general business.

3. The authorised share capital of the Company at the date of its incorporation was US\$20,000,000 divided into 20,000,000 ordinary shares of US\$1.00 each. 16,600,000 shares of US\$1.00 have been issued and are fully paid up and are held equally by the two shareholders, Bank Austria Aktiengesellschaft (a company incorporated in Austria) ("Bank Austria") and Wiener Holdings Limited (a company incorporated in the British Virgin Islands). Each shareholder owns 8,300,000 shares. Bank Austria is 100% owned by Bayerische Hypo-und Vereinsbank AG ("HypoVereinsbank"). The Company holds a category B banking licence subject to the provisions of Banks and Trust Companies Law (2001 Revision) of the Cayman Islands.
4. The Company was formed to operate as a bank. The objects for which the company was established are not restricted in the Company's Memorandum of Association and this permits the carrying on of unlimited general business.

#### **Nature of the Company's business**

5. The Company's business is the provision of working capital finance and trade finance in the Argentine market. In 1992 the Austrian financial institution Creditanstalt AG acquired 300,000 ordinary shares in the Company. Creditanstalt AG acquired a further 3,500,000 shares in the Company in 1998. Creditanstalt AG was later acquired by Bank Austria which became the holder of 3,800,000 in the Company in place of Creditsanstalt AG in 1998.
6. Bank Austria is also a 50% shareholder in Banco B.I. Creditanstalt S.A. ("BICA"), a company incorporated in Argentina. BICA also operates as a bank and has a branch in the Cayman Islands. In Argentina the depositors and borrowers do not specifically distinguish between the Company and BICA.
7. The Company's asset portfolio is mainly comprised of corporate finance loans and loans to private customers. The Company's assets consist principally of its

loan portfolio and its investments in Argentine corporate and sovereign bonds. Many loans are secured by mortgages over properties in Argentina. The financial liquidity cushion that this portfolio provided enabled the Company to overcome a number of major international financial crises, including the 1989 Argentina crisis, the 1995 Mexican Tequila crisis, the 1997 Asian crisis, the 1998 Russian Ruble crisis and the 1999 devaluation of the Brazilian currency, all of which triggered capital outflows from emerging markets.

8. The Company has approximately 600 depositors, of which approximately 570 are Argentine individuals and 19 are institutional investors.
9. The Company's business is booked through its office function in Montevideo which is staffed by an Uruguyan company "Americapital Bookkeeping Services S.A.". Deposits are taken and loans made via the Company's correspondent banks in the U.S.A.

#### **The Company's recent problems**

10. From June 2001 onwards, Argentina's long recession began to deteriorate. This triggered a decrease in the value of the Company's Bond Portfolio, which led to deterioration in the Company's liquidity cushion. The process continued in 2002. The following recent events of occurred, which have combined to trigger an all time low in bond trading prices:

- the Argentine Government and several issuers have defaulted on bond obligations;
- the Argentine Government devalued the Peso;
- foreign exchange restrictions were imposed by the Argentine Government in December 2001. These restrictions require the approval of the Central Bank of Argentina for payments to be made by Argentine borrowers in foreign currency to

foreign lenders. Such approval is very difficult to obtain. In effect, therefore, Argentine borrowers are prevented by law from servicing debt;

- the Argentine Government passed a decree in January 2002 that certain monetary obligations or Argentine borrowers denominated in foreign currencies, including certain Argentine Government bonds, were mandatorily converted into Peso denominations, Peso for Dollar. Since that time the Peso has continued to depreciate dramatically.
  - On 14<sup>th</sup> February 2002 the Argentine Government imposed a 180 day moratorium on the legal enforcement of loan defaults
11. Bank Austria together HypoVereinsbank, met the Company's liquidity requirements up until the end of March 2002 and together made payments totaling US\$97m. The liquidity problem was caused largely by withdrawals of deposits and also margin calls on Repo financing. Together these have totaled US\$13 million to US\$18 million per month since January 2002. On Friday 22 March 2002 HypoVereinsbank and Bank Austria determined not to provide any further liquidity funding.
12. The draft Statements of Financial Condition for the year ended 31 December 2001 show a positive balance sheet and total shareholders' equity of US\$20,679,936 net of bad debts. However, the position has deteriorated significantly since that time and there are now 75 non-performing loans and 19 current account overdrafts in default (with amounts of US\$12,329,481 and US\$8,648,738 outstanding respectively). Further, due to the moratorium imposed in Argentina at present, all loans to Argentine individuals or companies are extremely difficult to collect.
13. In the aforementioned circumstances the Company is unable to pay its debts as they fall due and is insolvent and accordingly should be wound up pursuant to section 94(c) of the Companies Law.

14. Further or alternatively, the Company has resolved by special resolution dated 8<sup>th</sup> April 2002 that a winding up petition be presented for its compulsory winding up. Accordingly, in the circumstances the Company should be wound up pursuant to section 94(a) of the Companies Law.
15. Further or alternatively, it is just and equitable that the Company should be wound up pursuant to section 94(d) of the Companies Law.

**AND YOUR PETITIONER THEREFORE HUMBLY PRAYS** as follows:

1. That the Company be wound up by the Court under the provisions of Part V of the Companies Law.
2. That the costs of Petition be taxed and paid out of the assets of the Company.
3. That such further and/or other relief be granted as this Honourable Court deems appropriate.

NOTE: This Petition is intended to be served on the Registrar of Companies.

DATED this 9<sup>th</sup> of April 2002

Walkers  
Walkers  
Attorneys for the Company

### **Notice of Hearing**

This Petition having been presented to the Court on the        day of April 2002 will be heard at the Court House, George Town, Grand Cayman on the        day of 2002 at 10:00 o'clock in the forenoon or as soon thereafter as the Petition can be heard.

THIS PETITION is filed by Walkers, Attorneys-at-Law for the Petitioner, whose address for service is that of its said Attorneys-at-Law, Mary Street, P.O. Box 265GT, Grand Cayman, Cayman Islands, B.W.I.