

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 280 OF 2003

IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)

And in the matter of:

BANCO DE GALICIA (CAYMAN) LTD



PETITION



TO THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of Banco de Galicia (Cayman) Ltd. (In Provisional Liquidation) acting by its Joint Provisional Liquidators ("the Applicants") shows as follows:-

1. The object of this Petition is to seek the sanction of the Court for a Scheme of Arrangement "the Scheme" pursuant to Section 86 of the Companies Law (2002 Revision) ("the Companies Law") between the above-named Banco de Galicia (Cayman) Ltd. (In Provisional Liquidation) ("the Company") and its Class A Scheme Creditors and Class B Scheme Creditor (as defined). Draft copies of the Scheme Documentation (as defined in the Scheme) are annexed to this Petition by way of a Schedule. Save where otherwise defined, capitalised terms in this Petition shall have the same meaning as in the Scheme and its Explanatory Statement.
2. The Company was incorporated in the Cayman Islands on 25 January 1988 as an Exempted Company limited by shares under the Companies Law.
3. The registered office of the Company is at Nova Scotia Trust, PO Box 501, Bank of Nova Scotia Building, Grand Cayman, Cayman Islands.
4. The nominal capital of the Company is US\$150,000,000 divided into 150,000,000 shares of a nominal par value of US\$1.00 each.
5. Pursuant to a petition presented by the Company the Applicants were appointed Joint Provisional Liquidators of the Company on 18 July 2002.
6. The proposed Scheme has, inter alia, the following features:-

- (a) Creditors will be placed into two Classes. Class A Scheme Creditors will comprise all creditors other than Galicia Pension Fund Ltd. Class B will comprise Galicia Pension Fund Ltd.
- (b) The Scheme provides for a 100% return to Scheme Creditors plus interest at 2% per annum over a 9 year period.
- (c) An Initial Cash Payment of 5% of Allowed Scheme Claims will be paid within 21 days of the Effective Date to Class A Scheme Creditors and Class A Scheme Creditors will receive a transferable Certificate of Deposit with a face value of 95% of Allowed Scheme Claims at the same time.
- (d) The Initial Cash Payment will be funded in part by the sale of certain of the Company's assets, which will be supplemented by a US\$1.2m loan from Grupo Financiero Galicia (the "Scheme Loan").
- (e) The Certificates of Deposit of Class A Scheme Creditors will be redeemed annually over a period of 9 years from the Effective Date, each Annual Cash Payment being made within 21 days after receipt by the Scheme Administrators of payments from the Depositor Repayment Plan (a form of Scheme of Arrangement) of Banco de Galicia (Uruguay) Ltd., the Company's major debtor. The first two Annual Cash Payments will each comprise 15% of the face value of the Certificates of Deposit. The third to ninth Annual Cash Payments inclusive will each comprise 10% of the face value of the Certificates of Deposit.
- (f) The Class B Scheme Creditor will receive a transferable Certificate of Deposit with a face value of 100% of its Allowed Scheme Claim. This will be redeemed after all Class A Scheme Creditors have received 100% of their Allowed Scheme Claims.
- (g) The Scheme Loan with interest at 2% will be repaid only after all Class A Scheme Creditors and the Class B Scheme Creditor have been repaid 100% of their Allowed Scheme Claims under the Scheme, with interest at 2%.
- (h) If Assets remain in the hands of the Scheme Administrators after the Scheme Loan has been repaid then additional interest will be payable to all Scheme Creditors representing an additional 1% over and above the 2% already paid. If Assets remain in the hands of the Scheme Administrators after additional interest has been paid, these shall remain with the Company and shall not be distributed to Scheme Creditors under the Scheme.
- (i) The Scheme will terminate either (a) when all Allowed Schemes have been paid in full or (b) upon failure of the Scheme, which may occur if the Scheme Administrators form the opinion that any Scheme Payment cannot be made when it is due, or (c) 2012, whichever is the earlier. The Scheme may be extended upon application to the Court by the Scheme Administrators if this is deemed necessary to make further realisations of assets under the Scheme.

Subject to the approval of the requisite statutory majorities required pursuant to Section 86 of the Companies Law:

YOUR PETITIONER THEREFORE HUMBLY PRAYS as follows:-

1. That the Scheme set out in the Schedule hereto be sanctioned by the Court so as to be binding on the Company and its Class A and Class B Scheme Creditors.
2. Such other Orders as may be made in the premise this Honourable Court deems fit.

DATED the 28th day of April 2003



SOLOMON HARRIS
Attorneys-at-Law for the Applicants

NOTE:
Companies.

It is intended that this petition will be served on the Registrar of