

Carrard Consulting SA

To the creditors of Banque Privée
Espírito Santo SA in liquidation

Lausanne, April 2025

The English version of this circular is published on the liquidator's website. In case of any discrepancy with the French version, the French version shall prevail.

Banque Privée Espírito Santo SA in liquidation (BPES): Circular no. 35 for the attention of BPES' creditors – status of liquidation operations at the end of 2024

Dear Sir/ Madam,

The purpose of this circular is to summarise for BPES' creditors the progress of the liquidation operations at the end of 2024. It provides information to creditors on the significant steps taken by the liquidator as well as on the main ongoing and future liquidation operations. Its contents are not exhaustive but aim to provide creditors with the best possible information on the situation to date, in the interests of transparency. The liquidator makes no warranty as to the content of the information, the accuracy and veracity of which does not depend exclusively on the liquidator.

This circular is accompanied by circular no. 36 (asset realisation plan).

This circular is sent by registered letter only to those creditors that are (i) admitted in third class in the schedule of claims filed in April 2017 or in the additional schedule of claims of October 2020, or (ii) whose rejection of the third class claim has been the subject of an action challenging the schedule of claims which has not been definitively settled against the creditor, or (iii) the processing of whose claim has been suspended in the schedule of claims, or (iv) whose late claim has not yet been processed by the liquidator. It will also be published on the liquidator's website.

1. Conduct of liquidation operations and staff situation

The liquidation activities still take place at the premises of Carrard Consulting SA, Switzerland (place St-François 7, P.O. box, 1001 Lausanne). The bankruptcy estate has not paid any employees of the bank since 30 June 2016.

2. Banking activity continued

Staff employed by the liquidator continue to carry out securities transactions and verification of assets recorded at BPES and with custodians, including the cash assets of former customers. They also verify on a regular basis the cash assets available to the bankruptcy estate.

Both the cash assets of the bankruptcy estate of BPES and former clients are placed with Banque cantonale vaudoise (fixed short-term deposits).

3. Key figures of the liquidation

The key liquidation figures can be summarised as follows:

| | At 31 December 2024 | | At 31 December 2023 | |
|---|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| - Cash available to the bankruptcy estate ¹ : | CHF 37,648,633 | | CHF 39,041,398 | |
| - Segregated cash (customer assets): | CHF 11.2 million | | CHF 11.1 million | |
| - Number of securitisation positions held by customers with BPES ² : | 91 | | 91 | |
| - Distribution of liquidation dividend to creditors: | Paid as at 31/12/24 (in CHF) | Still due as at 31/12/24 (in CHF) | Paid as at 31/12/23 (in CHF) | Still due as at 31/12/23 (in CHF) |
| • 1 st class creditors ³ : | 840,522 | - | 840,522 | - |
| • 2 nd class creditors (excluding privileged deposits): | 512,994 | - | 512,994 | - |

¹ Excluding segregated cash (customer assets).

² Excluding securities issued by entities of the Espírito Santo group.

³ This item does not include social security contributions due to pension funds related to wage claims admitted to the schedule of claims or benefits paid under the social emergency plan.

| | | | | |
|--|------------|------------------------|------------|------------------------|
| • 2 nd class creditors (privileged deposits only): | 17,806,279 | 1,777,624 ⁴ | 17,805,295 | 1,776,095 |
| • 3 rd class creditors (first interim distribution): | 19,956,944 | 7,420,644 | 19,742,876 | 7,634,712 ⁵ |
| • 3 rd class creditors (second interim distribution): | 15,962,156 | 5,732,279 | 15,784,900 | 5,909,535 ⁵ |

Segregated cash amounting to approximately CHF 11.2 million consists of customer assets still deposited with BPES due to uncertainty as to their legal fate, criminal seizure, because they are the subject of a dispute between multiple announced holders or because they have not been claimed to date.

The first interim distribution of BPES' liquidation dividend of 2.8% meant it was possible to pay more than CHF 20 million to third-class creditors. The second interim distribution of 2.2% meant it was possible to pay approximately CHF 16 million to these same creditors. These amounts include payment of the 30% withholding for claims for damages in connection with investments in securities of the Espírito Santo group when the creditors concerned have waived their securities in the Espírito Santo group and/or assigned to the estate those of their claims resulting from fiduciary investments with group companies (for more information about the 30% withholding in connection with claims for damages, creditors are invited to read liquidator's circular no. 14).

To date, the estate has been unable to distribute large amounts owed to creditors admitted to a schedule of claims since it has not received valid payment instructions. Creditors who have not yet sent the information and documents required for the payment are asked to do so as soon as possible. All information is available on the liquidator's website (see figure 12 below).

4. Filing of claims in Espírito Santo group companies

The claims filed by the liquidator on behalf of BPES' former clients in the procedures of bankruptcy of Luxembourg companies ESFIL – Espírito Santo Financière SA and Espírito Santo Financial Group SA have not yet been processed by the curator in charge of these entities.

The curators of Espírito Santo International S.A. ("ESI") and Rio Forte Investments SA ("Rio Forte") challenged certain claims filed by individual creditors, which are based on

⁴ The amount still due has gone up owing to a pre-bankruptcy debt being reclassified as a privileged deposit.

⁵ This amount is before deduction of the 30% withholding on claims for damages; it does not take into account any claims of the estate arising after the bankruptcy that could be invoked as compensation.

the same debt securities as those invoked by the BPES bankruptcy estate in support of its claims filed on behalf of former customers.

With regard to Rio Forte, the bankruptcy estate of BPES intervened in the proceedings and the courts have ruled in favor of production by the bankrupt estate of BPES, rather than production by individual creditors. However, appeals are ongoing. Information can be found on the Luxembourg curators' website: <http://www.espiritosantoinsoleuencies.lu/>.

The Luxembourg courts have not yet taken a position with regard to ESI.

Information on the status of each of these entities can be found on the aforementioned Luxembourg curators' website.

As indicated in the 2020 report, the Bankruptcy Office for the Vaud East District rejected the claims filed by the liquidator in the ancillary bankruptcies of ESI and Rio Forte initiated in Switzerland following the recognition of the bankruptcy judgements pronounced in Luxembourg against these entities. The liquidator challenged these decisions by filing actions which challenged the schedule of claims before the competent judicial authorities, the main argument being based on the existence of a right of pledge. In 2021, the parties agreed to suspend the proceedings in order to hold settlement discussions given the reciprocal claims of the parties concerned.

5. Inventory of assets and disposal

a) Général

The inventory of assets is available to creditors. The bankruptcy estate has initiated several steps, particularly judicial, for the purpose of realising assets, the fate of which is still unknown or whose outcome occurred in 2025 and will be presented in the related circular.

The estate also asserts a right of pledge over the assets at that time deposited by ESI, Rio Forte and Espírito Santo Control SA with BPES. The right of pledge must be used to guarantee the estate's nostro claims. The estate's right of pledge is disputed by the Luxembourg curators of the aforementioned companies; moreover, the assets concerned are seized by the Swiss criminal authorities, respectively by the Luxembourg criminal authorities on delegation from the Swiss criminal authorities when assets are located in Luxembourg. The estate has initiated numerous steps intended to claim the assets concerned, but these steps are complex due to the international nature of the dispute and the claims made on the assets by a number of opponents. The value of these assets is difficult to assess; based on the information available to the liquidator, one of the companies concerned, Espírito Santo Health Care Investments SA, has paid a liquidation dividend, of which BPES claims the share allocated to Rio Forte.

In addition, the group requested and obtained authorisation to take legal action in the following cases:

- the Creditors' Committee and the Swiss Financial Market Supervisory Authority FINMA ("FINMA") have authorised the bankruptcy estate to act against debtors located in Germany. A settlement agreement has been entered into. This is presented in circular no. 36;
- the bankruptcy estate took legal action in Luxembourg to enforce its pledge over the shares of Espírito Santo Health Care Investments SA. The proceedings are ongoing.

b) Assignment of liability claims against the corporate bodies

By way of reminder, by means of circular no. 11, the liquidator offered for assignment to creditors the liability claims against the corporate bodies of BPES and the corporate bodies of the other companies of the Espírito Santo group, in particular the corporate bodies of ESI and Rio Forte, as well as the contractual claims based on multiple insurance policies.

Assignee creditors have taken action within the time limit set by the liquidator by initiating proceedings against certain corporate bodies and the proceedings are ongoing.

c) Custody fees

The invoicing of custody fees for 2024 for the securities of the Espírito Santo group and the non-transferable securities enabled the estate to collect a total amount of approximately CHF 101,000.

Custody fees are invoiced for 2025. The fees increased compared to 2024.

6. Additional schedule of claims and distribution of funds

By way of reminder, the Creditors' Committee (in its meeting on 11 November 2020 and by way of circulation) and FINMA (by correspondence of 1 February 2021) approved a second interim dividend distribution of 2.2%, bringing the total estimated dividend to 5%, for creditors admitted to the schedule of claims for April 2017. The liquidator required and obtained a similar authorisation for the claims admitted to the additional schedule of claims for October 2020. The 30% withholding in relation to claims for damages also applies to this second interim dividend distribution for the creditors concerned (see, however, figure 3 above).

At this stage, the amounts the liquidator would be able to distribute (taking into account the uncertainties related to the admission of certain claims and the recovery of certain assets) are too low to justify a third interim distribution of the dividend. The final dividend should be in the order of 5% to 6%.

7. Legal proceedings in progress

On 31 December 2024, the following proceedings were opened before the Swiss courts:

- two revocatory actions initiated by the bankruptcy estate;
- The defence of an action to contest the schedule of claims;
- 4 proceedings are suspended insofar as they concern either former BPES' corporate bodies or group companies;
- An action for payment of the amounts due by a company that owes the estate.

Proceedings have now also been opened in Luxembourg (see figure 5.a) above).

With regard to the Madoff proceedings, the liquidator is maintaining its practice, approved by the Creditors' Committee, of retaining in the estate, as far as possible, 10% of the amount of the recourse claims against each customer concerned, the balance of the assets having been paid up. The liquidator is in contact with US counsels so that it receives regular updates on the status of the proceedings initiated in the United States.

8. BPES Creditors' Committee

The BPES Creditors' Committee, established by a FINMA decision of 19 May 2016, met four times in 2024. In particular, the Creditors' Committee deliberated on the following subjects:

- Authorisation to initiate legal proceedings against certain debtors of the estate;
- the criminally seized assets over which the group asserts rights of pledge, in particular the initiation of proceedings against Espírito Santo Health Care Investments SA (see section 5.a) above);
- The proceedings in Luxembourg relating to claims produced in duplicate (see figure 4 above);
- Determinations relating to transactional agreements entered into with companies of the Espírito Santo group;
- Approval of the liquidator's fees (see figure 9 below).

9. Expenses of the bankruptcy estate

A detailed breakdown of the estate's expenses is submitted to FINMA on a quarterly basis. In accordance with Article 36 paragraph 2 OIB-FINMA, the final account is subject to FINMA approval.

The estate's expenses for 2024 break down as follows:

| | |
|---|---------------------|
| - Information/ communication/ technology: | CHF 8,000 |
| - Carrard Consulting SA fees: | CHF 665,000 |
| - External agents (legal advisors, etc.): | CHF 510,000 |
| - Creditors' Committee fees: | CHF 48,000 |
| - General expenses: | CHF 28,000 |
| - Custody fees paid by the estate: | CHF 190,000 |
| - Custody fees charged to customers: | (CHF 124,000) |
| - Interests in favour of the estate: | (CHF 445,000) |
| - Other fees | <i>Non-material</i> |
| Total (rounded): | CHF 880,000 |

The estate's income (excluding custody fees) for 2024 amount to approximately CHF 48,000.

Appendix 1 details the estate's costs and income from 19 September 2014.

The Creditors' Committee did not object to the liquidator's fees submitted to it.

10. STRATEGIC MULTI-MANAGER MASTER USD FUND LTD – CLASS A PREFERRED SHARES

On 12 July 2023, the liquidator received an email from J. Safra Sarasin Bank informing it that the board of directors of the STRATEGIC MULTI-MANAGER MASTER USD FUND LTD fund had decided to proceed with the compulsory redemption of all shares issued by the fund that were still outstanding. Therefore, in accordance with the statement produced in support of this email, BPES was to receive an amount of USD 172,419.47 corresponding to 1,735,7044 shares of the fund held by BPES on 11 July 2023. After the liquidator proved its authority, the amount of USD 172,419.47 was recovered by BPES and deposited in the estate's account opened with Banque cantonale vaudoise on 27 July 2023.

Following the searches carried out in the archiving solution, the liquidator found several reports from the STRATEGIC MULTI-MANAGER MASTER USD FUND LTD fund, the oldest dated 30 September 2013 and the most recent 31 May 2016.

The position of 1,735.7044 STRATEGIC MULTI-MANAGER MASTER USD FUND LTD was not recorded in the IT operating system operated by BPES up to June 2016 (Avaloq). The liquidator then contacted J. Safra Sarasin Bank in Luxembourg by telephone to find out more details about the position in question. During a telephone

interview, J. Safra Sarasin informed the liquidator that due to the amount of time that had passed (more than 10 years), it was no longer possible to convey any information relating to the initial subscription for the units of the STRATEGIC MULTI-MANAGER MASTER USD FUND LTD fund. It did confirm that this position originated from the Strategic Multi-Manager Fund USD, but was unable to specify an ISIN number.

In Avaloq, the liquidator was only able to find a single position of 979,2750 Strategic Multi-Manager Fund USD, deposited in account no. 104593 opened with BPES. However, this position was the subject of several partial repayments, whereupon the position was fully repaid to the client during a final distribution. The liquidator was able to find the client's instruction for full repayment of the position.

The amount of USD 172,419.47 therefore does not appear to be attributable to the aforementioned client: the shares held by this client had clearly all been repaid on a previous date. Bank J. Safra Sarasin was unable to provide any information on the initial subscription. In addition, no useful information could be found in the BPES files, despite numerous searches.

The liquidator is therefore unable to allocate this amount to a client (current or former) or to obtain further useful information on this subject from the issuer of the securities.

These assets will therefore be allocated to the bankruptcy estate for distribution to creditors unless a holder asserts their rights by 13 June 2025, in which case the liquidator will give such party a period of time to bring a claim on the basis of Article 242 LP, unless the holder clearly and irrefutably demonstrates their entitlement to the assets in question.

11. Next stages of the liquidation

2025 will be devoted to defending the interests of the estate and customers/ former customers of BPES in the proceedings in Luxembourg and negotiating with the curators of the companies of the Espírito Santo group in order to process intra-group claims. However, any difficulties the liquidator may encounter in the performance of its tasks should be reserved.

The pending legal proceedings will be continued throughout 2025, as will payment of the interim dividend to those creditors that have not yet received it.

As for the rest, the liquidator will continue to carry out the usual operations of winding up a banking institution via bankruptcy.

12. Invitation to consult the website

The liquidator publishes information on the BPES website, whose address is as follows: [Banque Privée Espírito Santo SA in liquidation](#). We invite you to visit it regularly to read this information.

The liquidator is at your disposal should you have any queries regarding this letter.

Yours faithfully,

The liquidator, Carrard Consulting SA

Appendix 1 – Expenses of the estate