

Carrard Consulting SA

To the creditors of Banque Privée
Espírito Santo SA

Lausanne, September 19, 2014

Banque Privée Espírito Santo SA in liquidation: Circular n° 1 from the liquidator to the creditors

Dear Madam, dear Sir,

This Circular is made available to the creditors and the clients of Banque Privée Espírito Santo SA in liquidation, in Pully (**BPES**). We hereby inform you that the Swiss Financial Market Supervisory Authority (**FINMA**) ordered as of September 19, 2014 the opening of bankruptcy proceedings against BPES (see the press release of September 19, 2014 at www.finma.ch). Public notice of the opening of the bankruptcy proceedings and of the call to creditors will be published on the website of FINMA and in the Swiss Official Gazette of Commerce (**FOSC**), officially, on September 23, 2014.

In accordance with article 33 para. 2 of the Swiss Federal Act on Banks and Saving Banks (**BA**) and article 12 of the Ordinance of the FINMA on the Insolvency of Banks and Securities Dealers (**BIO-FINMA**), the FINMA appointed the following bankruptcy liquidator to conduct the proceedings in accordance with applicable law:

— Liquidator: Carrard Consulting SA (**Liquidator**).

The purpose of this Circular n° 1 from the Liquidator is to provide information to BPES' creditors on the current status of the proceedings. Also, additional information is posted on the website of FINMA (www.finma.ch).

Based on the current information available to the FINMA and to the Liquidator, BPES has sufficient liquidities to pay out the Privileged Clients' Deposits (see Section 3 "Privileged Clients' Deposits" below).

The Liquidator will publish several Circulars during course of the bankruptcy proceedings in order to keep the creditors informed on the status of the proceedings. The FINMA will also communicate certain information from time to time.

1. Schedule of Claims

BPES owns certain number of assets that have been identified by the Liquidator. The Liquidator will keep a record of the claims against BPES in order to determine the creditors entitled to share the liquidation proceeds. To this end, the Liquidator shall establish a list of the claims and examine their legal grounds. The Liquidator shall assert whether and to which extent the creditor's claims may be approved in the form submitted by them (see Section 2 « Submission of claims » below), the claims' amounts and the order of distribution of the creditors. The list of the claims is the **Schedule of Claims**. If the existence, the amount and/or the legal grounds of a claim submitted by a creditor are not entirely clear to the Liquidator, additional evidence may be requested from the creditor.

Once the Schedule of Claims is established, the Liquidator shall publish the date as from which the Schedule of Claims is available for inspection, in which form and under to which conditions, and inform each creditor in writing thereof. The creditors will also be notified in writing of the Liquidator's ruling as to whether his or her claim was admitted, *i.e.* whether it was fully admitted or rejected in part or fully. The notification will provide the information on the procedural steps to take should such a creditor wish to challenge the Liquidator's ruling.

Due to the potentially large number of creditors, establishing the Schedule of Claims may take a certain time.

2. Submitting the Claims

Creditors that are willing to be registered in the Schedule of Claims (see Section 1 "Schedule of Claims" above) must submit their claim(s). To that effect, they have to fill in the form regarding submission of claims (**Claim Submission Form**), which is available on the Liquidator's website at www.liquidator-bpes.ch, along with the documents evidencing their claim(s), and send it to the Liquidator (see Section 7 "Contacts" below) within the applicable deadline set by the FINMA in the notice to creditors published in the FOSC.

At the time of establishing the Schedule of Claims, and pursuant to article 36 par. 1 BA, claims that are registered in the business records of BPES are deemed submitted. However, it is recommended that all creditors use the Claim Submission Form in any case according to the preceding paragraph. The Liquidator must assess the legal grounds of all claims, irrespectively of whether they are submitted to it with the Claim Submission Form or they are registered in the business records of the bank.

Should they have any additional questions or information requests regarding the submission of their claims, creditors of BPES are kindly invited to refer to Section 7 "Contacts" below.

3. Privileged Clients' Deposits

Creditors with cash deposits on an account opened in their name with BPES in Switzerland will be reimbursed within a short period of time up to a maximum of CHF 100,000.- (**Privileged Clients' Deposits**). Any part of the deposit exceeding CHF 100,000.- will not be regarded as a Privileged Clients' Deposits and will be reimbursed to the extent of the assets available for distribution once the

Schedule of Claims is established. As the case may be, the sums exceeding the amount of the Privileged Clients' Deposit will rank in third class in the Schedule of Claims (see Section 1 "Schedule of Claims" above).

The privilege is applicable irrespective of the currency of the Privileged Clients' Deposit (*i.e.*, it also applies to an account held in Euros, for instance), but the claim will be converted and paid out in Swiss Francs.

4. Payment of Privileged Clients' Deposits to Creditors

Privileged Clients' Deposits will be paid out to the eligible creditors within a short period of time with the available liquid assets of BPES, without any offset with potential claims of BPES against these creditors. To that effect, clients holding Privileged Clients' Deposits are requested to give the Liquidator (see Section 7 "Contacts" below) the instructions required to complete the wire transfer of the Privileged Clients' Deposits, in particular the bank information of the account on which the Privileged Clients' Deposits shall be wired. The bank account's details may be communicated through a form, which will be available on the website of the Liquidator (**Privileged Clients' Deposits Transfer Form**). The wire transfer will then be completed within a few days. Privileged Clients' Deposits may not be withdrawn in cash and will only be transferred to creditors through wire transfer.

Based on the information currently available to the FINMA and the Liquidator, BPES holds sufficient liquid assets to pay out the Privileged Clients' Deposits and it is therefore not expected at this stage to call for the Deposits Guarantee (Esissuisse).

5. Transfer of Securities Accounts

Cash deposits of BPES' clients are not individually attributed to their holders but are mixed with the deposits of BPES. However, BPES holds the securities accounts on behalf of its clients, such as shares, bonds, or shares in (funds of) investment funds; these are individually attributed to their respective holders (**Securities**). Securities are not part of the bankruptcy assets of BPES and are not subject to realisation in the course of the liquidation proceedings. Therefore, the Liquidator has to identify the Securities and their holders before it is able to transfer them. The clients' claims for their Securities may however be set off in part or fully with claims BPES may have against such clients, depending on the amount of the claims.

Holders of Securities accounts are requested to give to the Liquidator (see Section 7 "Contacts" below) the instructions required to complete the transfer of the Securities, in particular the details of the bank account on which the Securities shall be transferred. A specific form will be made available to them on the Liquidator's website for this purpose (**Securities Transfer Form**). The identification by the Liquidator of the Securities and their holders as well as the transfer of the Securities in accordance with the instructions given by the client will take a certain time.

6. Update of Information

a) Information from the Liquidator

The Liquidator will provide the creditors with updated information on the status and developments of the bankruptcy proceedings through Circulars and releases on its website www.liquidator-bpes.ch.

b) Official Communications and Information from the FINMA

Official notices are published in the FOSC and on the website of FINMA.

7. Information for hold mail Clients

Clients who receive their correspondence with BPES at the bank's address (hold mail) will receive the communications from the Liquidator at the bank's address. Should they wish to receive these communications at a different address, they are kindly requested to give corresponding instructions to the Liquidator.

8. Contacts

For any questions regarding the submission of claims or the proceedings in general, please contact the Liquidator by email or by mail to the following address, either in French or in English:

- questions@liquidator-bpes.ch
- Banque Privée Espírito Santo SA en liquidation, Avenue Général Guisan 70A, 1009 Pully.

Yours truly,

The Liquidator, Carrard Consulting SA

Forms available for download on this website :

- Claim Submission form ;
- Privileged Clients' Deposits Transfer Form ; and
- Securities Transfer Form