

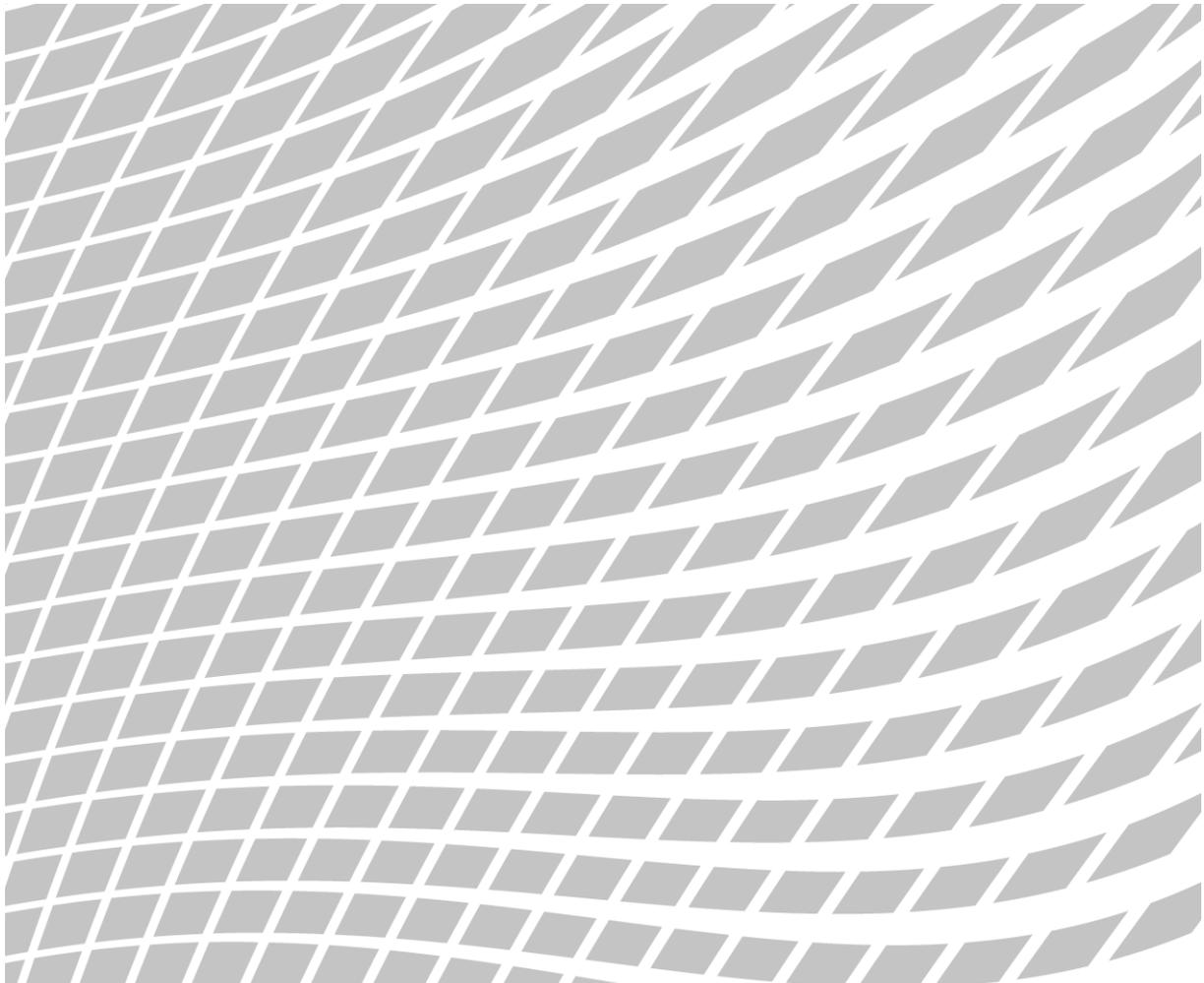
questions@finma.ch, 17 September 2014

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# Bankruptcy of Banque Privée Espérito Santo SA

## Answers to questions from bank clients

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## 1 Questions and answers

### Questions regarding client assets at Banque Privée Espírito Santo SA

#### 1.1.1 Bankruptcy proceedings have been opened – what happens now?

The liquidators will gather information from all of the bank's creditors to build up a picture of its debts. They are tasked with listing all claims and determining the validity of each one in a document known as the schedule of claims. In principle, creditors are responsible for informing the liquidators in writing about the amount of and reasons for their claim (the claim submission form can be downloaded at [www.liquidator-bpes.ch](http://www.liquidator-bpes.ch)). The bank's clients have a special status in this regard. The liquidators do not need to be informed about their claims as recorded in the bank's books, since they are already aware of these. The bank's clients are free to submit their claims to the liquidators by using the claim submission form (see question 1.1.12). Otherwise the evaluation of their claims will be based on the bank's books. Should any questions arise, clients must contact the liquidators.

#### 1.1.2 Am I going to get all of my money back?

Cash held in client accounts is privileged up to a maximum amount of CHF 100,000 (privileged deposits). The main concern of the liquidators when bankruptcy proceedings are opened is to ensure that privileged deposits are repaid as quickly as possible. Based on the information currently available, these deposits can be repaid from the available assets of Banque Privée Espírito Santo SA. Cash amounts above the CHF 100,000 limit will be repaid to the extent possible after the schedule of claims has been drawn up (see question 1.1.1). The liquidators will then know the extent of the bank's debts and will be able to distribute the available assets among the recognised creditors.

#### 1.1.3 What are privileged deposits?

These are cash deposits held in client accounts at the bank, which will be repaid as quickly as possible up to a maximum amount of CHF 100,000. In bankruptcy proceedings, they are repaid before all creditors.

#### 1.1.4 When am I going to get my money?

Cash deposits up to a maximum amount of CHF 100,000 (privileged deposits) must be repaid to clients immediately from the bank's available assets. Specifically, they must be repaid within a few days of the liquidators receiving the requisite payment instructions from each client (a form to this purpose is thus available at [www.liquidator-bpes.ch](http://www.liquidator-bpes.ch)), even before the schedule of claims is drawn up.

Clients' cash deposits above the CHF 100,000 limit (non-privileged deposits) qualify as third-class claims. These are repaid to the extent possible once the schedule of claims has been drawn up, which can take some time.

#### **1.1.5 What will happen to cash deposits above the CHF 100,000 limit?**

Client cash deposits above the CHF 100,000 limit (non-privileged deposits) are qualified as third-class in the schedule of claims. They are repaid to the extent possible once the schedule of claims has been drawn up, which can take some time.

#### **1.1.6 Does the depositor protection scheme (Esisuisse) have to be involved?**

No.

Questions regarding securities custody accounts at Banque Privée Espirito Santo SA

#### **1.1.7 What will happen to the securities and other financial assets in my custody account?**

At a bank, all clients' cash holdings are mixed with those of the bank. Unlike cash, securities – such as shares, bonds and fund units – are uniquely attributable to their owner. The bank holds them on behalf of its clients. If it goes bankrupt, the securities are not included in the bankruptcy assets. The liquidator must thus identify the securities and transfer them to each owner (client) in accordance with the instructions from the latter (see question 1.1.8), provided the bank has no right to offset a claim against the client.

#### **1.1.8 When will I have control over my securities?**

The liquidators will transfer the securities as soon as they have determined who owns them and received the requisite instructions from clients (a form to this purpose is thus available at [www.liquidator-bpes.ch](http://www.liquidator-bpes.ch)), provided the bank has no right to offset a claim against the client. Identifying and transferring the securities may take several weeks.

Questions regarding Espirito Santo Group securities (e.g. Rioforte)

#### **1.1.9 Can I transfer my Espirito Santo securities?**

In the bankruptcy proceeding against Banque Privée Espirito Santo SA, all the securities, the Espirito Santo securities included, deposited at the Bank are given the same treatment, this regardless of their quality. The conditions for the transfer are described under question 1.1.7.

#### **1.1.10 Am I going to get the full value of my investments back?**

The market determines the value of the Espirito Santo securities.

## Questions regarding further procedure

### **1.1.11 Bankruptcy proceedings have been opened – what do I have to do now?**

The liquidators will gather information from all of the bank's creditors to build up a picture of its debts. They are tasked with listing all claims and determining the validity of each one in a document known as the schedule of claims. In principle, creditors are responsible for informing the liquidators in writing about the amount of and reasons for their claim (the claim submission form can be downloaded at [www.liquidator-bpes.ch](http://www.liquidator-bpes.ch)). The bank's clients have a special status in this regard. The liquidators do not need to be informed about their claims as recorded in the bank's books, since they are already aware of these. The bank's clients are free to submit their claims to the liquidators, by using the claim submission form (see question 1.1.12). Otherwise the evaluation of their claims will be based on the bank's books. Should any questions arise, clients must contact the liquidators.

### **1.1.12 How do I go about recovering my assets?**

Client claims as recorded in the bank's books are considered by law to have been brought to the liquidators' attention. The liquidators must be informed about all other claims using a claim form that can be downloaded at [www.liquidator-bpes.ch](http://www.liquidator-bpes.ch). Clients who want to clear any doubt as to whether their claim is recorded in the bank's books are advised to submit a claim form. For more information about submitting claims, please refer to the notice to creditors published on the FINMA website and in the Swiss Official Gazette of Commerce (SOGC) on 23 September 2014.

### **1.1.13 Who can I contact with questions?**

The liquidators, Carrard Consulting SA, in Lausanne, will deal with your questions pertaining to the bankruptcy proceedings. Your questions can be sent by email ([questions@liquidator-bpes.ch](mailto:questions@liquidator-bpes.ch)) or by letter (Banque Privée Espirito Santo SA en liquidation, Avenue Général Guisan 70A, Case postale 107, 1009 Pully).

### **1.1.14 When can I expect further information?**

First information can be read on [www.finma.ch](http://www.finma.ch). The liquidators have posted a circular for the intention of creditors on their website ([www.liquidator-bpes.ch](http://www.liquidator-bpes.ch)). Further information will also be posted on this website.

### **1.1.15 Where will the official publications appear?**

The official publications will appear in the Swiss Official Gazette of Commerce (SOGC) and on the FINMA website ([www.finma.ch](http://www.finma.ch)).

**1.1.16 Which language should I use for correspondence?**

Clients and creditors may contact the liquidators in English or French.