

COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER

Luxembourg, 17 November 2014

La Direction

Mr Fernando Negrão  
Chairman of the Parliamentary  
Committee of Inquiry on the  
Management of Banco Espírito Santo  
and the Espírito Santo Group  
Palácio de S. Bento  
1249-068 Lisbon  
Portugal

O/Ref.: JUR.14/1541-MNG/MM  
Y/Ref.:  
Dispatch: mail

Contact person : Marc Limpach  
Direct dialling: (+352) 26 251 – 453

**Re: Espírito Santo Financial Group**

Dear Mr Negrão,

We are honoured to write to you in relation to your letter dated 30 October 2014 (Official letter no. 28/CPIBES) requesting information on the measures taken since 2011 regarding the *Espírito Santo* Financial Group. We are of course happy to help you to the extent possible, but you should note that we are bound by the professional secrecy rules of Article 16 of the Law of 23 December 1998 establishing a financial sector supervisory commission, which is in conformity with the professional secrecy obligation of the supervising authorities of the EU Member States<sup>1</sup>. Further to your request regarding the *Espírito Santo* Financial Group, we are therefore not able to provide you with any confidential information from our files. We may nevertheless let you have, for ease of reference, a comprehensive and up-to-date compilation of all publicly available material regarding the entities of the *Espírito Santo* Group (the “GES”).

On a more general note, it is important to understand, that the intervention of the *Commission de surveillance du secteur financier* (the “CSSF”) as prudential supervisor has been very limited in respect of the entities of the GES.

Firstly, please note that Espírito Santo Financial Group S.A. (“ESFG”) did not fall within the scope of the CSSF’s prudential supervision. The consolidating prudential

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<sup>1</sup> See, *inter alia*, Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, Art. 53.

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supervisor of ESFG was *Banco de Portugal* under Article 126 of the directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions until 30 June 2014. This was notified to the European Banking Authority (“EBA”) and the European Commission by *Banco de Portugal* and the CSSF in 2012.<sup>2</sup>

Secondly, please note that in most cases the CSSF (if competent) acts only as financial market supervisor (and not prudential supervisor) in respect of securities listed by several entities of the GES, under different legal acts (that is, the Prospectus,<sup>3</sup> Transparency<sup>4</sup> and/or Market Abuse<sup>5</sup> Directives as implemented into Luxembourg law). It should be understood that a financial market supervisor is mainly concerned with the disclosure obligations to be fulfilled by the relevant issuer. Certain Luxembourg entities of the GES fall neither within the scope of the CSSF’s prudential supervision nor within the scope of the CSSF’s financial market competence.

That said, we may share the following information with you:

### 1. *Espirito Santo Control S.A.* (“ESC”)

ESC is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 20 February 1976 and is registered at the Luxembourg trade and companies register under number B 13634. ESC does not fall within the scope of the CSSF’s prudential supervision. As ESC has not issued any financial instruments admitted to trading on a regulated market, it does not fall under the CSSF’s financial market supervision.

Following its bankruptcy filing, ESC has been declared bankrupt by the Luxembourg District Court sitting in commercial matters on 5 November 2014. Mrs Karin Guillaume has been appointed as competent judge (*juge-commissaire*) and Mr Alain Rukavina has been appointed as administrator (*curateur*).

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<sup>2</sup> Please note that the CSSF has cooperated with both Portuguese supervisory authorities, namely *Banco de Portugal* and *Comissão do Mercado de Valores Mobiliários* (the “CMVM”) in respect of the *Espirito Santo* Financial Group in the past. We therefore consider that you may contact *Banco de Portugal* and the CMVM, which might, under certain conditions of Portuguese law, be able to provide you with more specific information regarding certain international aspects of the *Espirito Santo* Financial Group.

<sup>3</sup> Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, OJ L 345, 31.12.2003.

<sup>4</sup> Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, OJ L 390, 31.12.2004.

<sup>5</sup> Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse), OJ L 96, 12.4.2003.

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### 2. Espirito Santo International S.A. (“ESI”)

ESI (formerly Espirito Santo International Holding S.A.) is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 17 June 1975 and is registered at the Luxembourg trade and companies register under number B 13091.

ESI does not fall within the scope of the CSSF’s prudential supervision. As ESI has not issued any financial instruments admitted to trading on a regulated market, it does not fall under the CSSF’s financial market supervision.

On 17 October 2014, the Luxembourg District Court sitting in commercial matters has rejected ESI’s application for controlled management (*gestion contrôlée*). Following its bankruptcy filing, ESI has been declared bankrupt by the Luxembourg District Court sitting in commercial matters on 27 October 2014. Mrs Karin Guillaume has been appointed as competent judge (*juge-commissaire*) and Messrs Alain Rukavina and Paul Laplume have been appointed as administrators (*curateurs*).

### 3. Rio Forte Investments S.A. (“Rio Forte”)

Rio Forte is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 11 December 2007 and is registered at the Luxembourg trade and companies register under number B 134741.

Rio Forte is an entity from the non-financial branch of the GES and does not fall within the scope of the CSSF’s prudential supervision or the CSSF’s financial market supervision.

On 17 October 2014, the Luxembourg District Court sitting in commercial matters has rejected Rio Forte’s application for controlled management (*gestion contrôlée*). Rio Forte has filed an appeal against this decision at the end of October 2014. The merits of such application and the report of the experts on Rio Forte will be reviewed by the Court of Appeal to either confirm or revise the decision of the District Court.

### 4. Espirito Santo Financial Group S.A. (“ESFG”)

ESFG is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 28 November 1984 and is registered at the Luxembourg trade and companies register under number B 22232.

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ESFG is an issuer of securities for which Luxembourg is the home Member State pursuant to the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended (the “Transparency Law”). The CSSF is therefore the competent authority of ESFG for the purposes of the Transparency Directive.

As has been indicated above, ESFG does not fall within the scope of the CSSF’s prudential supervision. As a matter of fact, the consolidating prudential supervisor of ESFG was *Banco de Portugal* under Article 126 of the directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions until 30 June 2014. This was duly notified to EBA and the European Commission by *Banco de Portugal* and the CSSF in 2012.

On 3 October 2014, the Luxembourg District Court sitting in commercial matters has rejected ESFG’s application for controlled management (*gestion contrôlée*). Following its bankruptcy filing, ESFG has been declared bankrupt by the Luxembourg District Court sitting in commercial matters on 10 October 2014. Mr Jean-Paul Hoffmann has been appointed as competent judge (*juge-commissaire*) and Mrs Laurence Jacques has been appointed as administrator (*curateur*).

### **5. Luxembourg branch of Novo Banco S.A.**

The Luxembourg branch of Novo Banco S.A. (formerly a branch of Banco Espírito Santo S.A.), with registered office at 1, rue Schiller, L-2519 Luxembourg, Grand Duchy of Luxembourg, falls under the prudential supervision of the CSSF as host supervisory authority. The nature of this prudential supervision has not changed since the split of Banco Espírito Santo into a so-called bad bank and a good bank (the latter being Novo Banco S.A.).

### **6. ESFIL - Espirito Santo Financière S.A. (“ESFIL”)**

ESFIL is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 23 December 1993 and is registered at the Luxembourg trade and companies register under number B 46338.

ESFIL is an issuer of securities for which Luxembourg is the home Member State pursuant to the Transparency Law. The CSSF is therefore the competent authority of ESFG for the purposes of the Transparency Directive.

On 3 October 2014, the Luxembourg District Court sitting in commercial matters has rejected ESFIL’s application for controlled management (*gestion contrôlée*). Following its bankruptcy filing, ESFIL has been declared bankrupt by the Luxembourg District Court sitting in commercial matters on 10 October 2014. Mr Jean-Paul Hoffmann has

**COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER**

been appointed as competent judge (*juge-commissaire*) and Mrs Laurence Jacques has been appointed as administrator (*curateur*).

**7. Espirito Santo Wealth Management (Europe) S.A. (“ESWM”)**

ESWM is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 27 March 2012 and is registered at the Luxembourg trade and companies register under number B 168159.

ESWM is an investment firm authorised to act as investment adviser, broker in financial instruments, commission agent and private portfolio manager in accordance with Articles 24, 24-1, 24-2 and 24-3 of the Law of 5 April 1993 on the financial sector, thus falling under the CSSF’s prudential supervision.

On 12 November 2014, ESWM has convened an extraordinary general meeting of shareholders which will be held on 20 November 2014 in order to discuss and to vote on the dissolution and the voluntary liquidation of the company.

**8. ESAF International Management (“ESAF”)**

ESAF is a *société anonyme* governed by the laws of the Grand Duchy of Luxembourg, with registered office at 412F, route d’Esch, L-2086 Luxembourg, Grand Duchy of Luxembourg, and has been incorporated on 6 February 1995 and is registered at the Luxembourg trade and companies register under number B 50293.

ESAF is authorised as a management company under Chapter 15 of the law of 17 December 2010 relating to undertakings for collective investment, thus falling under the CSSF’s prudential supervision.

Since the split of Banco Espirito Santo into a so-called bad bank and a good bank, ESAF is in the hands of Novo Banco S.A. (the so-called good bank).

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COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER

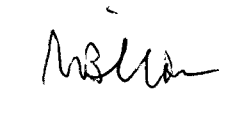
Please do not hesitate to contact us, should you have any queries relating to the above.

Yours sincerely,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER




Claude SIMON  
Directeur



Andrée BILLON  
Directeur



Simone DELCOURT  
Directeur



Jean GUILL  
Directeur général



**CORRESPONDÊNCIAS**  
**CORREIO REGISTRADO**  
TALÃO DE ACEITAÇÃO



RD 5139 5568 5 PT

**ANTES DE PREENCHER LEIA COM ATENÇÃO VEJA AS INSTRUÇÕES NO VERSO**  
A FORMA MAIS SEGURA DE ENVIAR DOCUMENTOS E OBJETOS VALIOSOS PORQUE TEM:  
- TRATAMENTO ESPECIAL - CÓDIGO DE BARRAS COM NÚMERO DE IDENTIFICAÇÃO ÚNICO  
- CONTROLO INDIVIDUAL - COBERTURA POR UM SEGURO

**DESTINATÁRIO**

Madam  
Chair of the Board of Directors  
Isabelle Goubin  
Commission de Surveillance du Secteur Financier  
110, route D'Arlon  
L-1150 Luxembourg

Assembleia da República  
Comissão Parlamentar de Inquérito à Gestão do BES  
e do Grupo Espirito Santo  
Palácio de São Bento  
1249-068 Lisboa

NACIONAL
  INTERNACIONAL
  SIMPLES
  EM MÃO
  PESSOAL

CITAÇÃO VIA POSTAL
  NOTIFICAÇÃO VIA POSTAL
  NOTIFICAÇÃO VIA POSTAL SIMPLES
  CITAÇÃO VIA POSTAL 2ª TENTATIVA

CORREIO OFICIAL
  SIMPLES
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  LIVRO
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EM MÃO

**SERVIÇOS ESPECIAIS**

AVISO DE RECEÇÃO (AR)
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  CONTRA REEMBOLSO (COB)
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**AVISO ELETRÔNICO**

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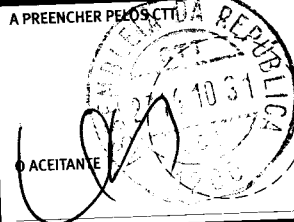
**IMPORTANTE: CONSERVE ESTE TALÃO, SERÁ NECESSÁRIO EM CASO DE PEDIDO DE INFORMAÇÃO OU RECLAMAÇÃO.**

**ESTE TALÃO NÃO SERVE DE RECIBO DE PAGAMENTO.**

**AS RECLAMAÇÕES DEVERÃO SER APRESENTADAS NO PRAZO DE 1 ANO PARA O SERVIÇO NACIONAL E 6 MESES PARA O SERVIÇO INTERNACIONAL.**

PELA INTERNET OU PELO TELEFONE É POSSÍVEL SABER ONDE SE ENCONTRA O SEU CORREIO REGISTRADO EM DETERMINADO MOMENTO.

www.ctt.pt // LINHA CTT 707 26 26 26  
Dias úteis e sábados das 8h às 22h





PARLIAMENTARY COMMITTEE OF INQUIRY ON THE MANAGEMENT OF BANCO ESPÍRITO SANTO AND THE ESPÍRITO SANTO GROUP AND ON THE PROCESS LEADING TO THE IMPLEMENTATION OF THE RESOLUTION MEASURE AND ITS CONSEQUENCES, NOTABLY AS REGARDS THE DEVELOPMENTS AND OPTIONS CONCERNING THE ESPÍRITO SANTO GROUP AND NOVO BANCO

Madam  
Chair of the Board of Directors  
Isabelle Goubin  
Commission de Surveillance du Secteur  
Financier  
110, route D'Arlon  
L-1150 Luxembourg

N/Ref. Official letter no. 28 /CPIBES

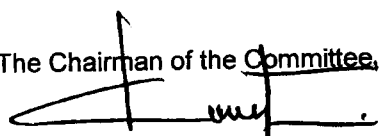
Dear Sirs,

Under the terms laid down in Article 13 of the Legal Regime governing Parliamentary Inquiries, approved by Law no. 5/93, of 1 March 1993, as amended by Law no. 126/97, of 10 December 1997, and by Law no. 15/2007, of 3 April 2007, the Parliamentary Committee of Inquiry on the Management of *Banco Espírito Santo* and the *Espírito Santo* Group and on the process leading to the implementation of the resolution measure and its consequences, notably as regards the developments and options concerning the *Espírito Santo* Group and *Novo Banco*, created by Resolution no. 83/2014 of the Assembly of the Republic, published in the official journal *Diário da República*, 1st series, no. 189, of 1 October, would be grateful if you could send information on the measures taken, since 2011, regarding the *Espírito Santo* Financial Group.

For the smooth running of its work, the Committee would be grateful if the requested information would be sent as soon as possible.

Yours sincerely,

São Bento Palace, 30 October 2014

The Chairman of the Committee,  
  
(Fernando Negrão)