

LIQUIDATION COMMITTEE MESSAGE

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The European Central Bank revoked the authorization of Banco Espírito Santo, S.A. (BES) for the exercise of banking activity on July 13, 2016, which took effect from 19 hours (Central European Time) that day, which, in accordance with applicable law, implies the bank into liquidation.

Although the power to revoke the authorization of credit institutions belong, currently to the ECB the configuration of the settlement system for national credit institutions continues to be governed by the provisions of Decree-Law No. 199/2006, of 25 October . Thus, in accordance with paragraphs 1 and 2 of Article 5 and 2 of article 8 of the aforementioned law, that withdrawal of the authorization BES produces the effects of the declaration of insolvency and determines the liquidation of the institution. Within the framework of its powers, the Bank of Portugal has applied to the 1st Chamber of Commerce Instance Central Judicial Court of the District of Lisbon judicial settlement of BES and proposed the appointment of a Liquidation Commission, which came to be granted by order of prosecution of the liquidation.

BES had been the subject of a measure of resolution determined by the Bank of Portugal on August 3, 2014, which took place the transfer of almost all assets, liabilities, off-balance sheet and assets under management to a new bank - the NOVO BANCO S.A.. BES remained a residual set of assets (loans on GES group entities and branches with complex situations) and liabilities (some series of senior bonds, liabilities to related entities, subordinated bonds and contingent liabilities).

Revocation of BES authorization occurs following the application of the measure of resolution, and the outcome that is provided for by law.

As mentioned above, the Decree-Law No. 199/2006, specifically regulates the winding up of credit institutions, and the 3 of article 9 provides that "shall apply, mutatis mutandis, the other provisions of the Insolvency Code and Recovery Companies that are compatible with the particularities contained in the present law, with the exception of titles IX and X, "and there will be to articulate the provisions of the two acts in the BES settlement process.

The Liquidation Commission is aware of the challenges that will face in the exercise of their duties, and direct its activity in compliance with the law towards the settlement of the BES over in an orderly manner.

Lisbon, 28th of July, 2016.

The Liquidation Committee

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