**Embargoed until 9 pm NZ time**

19 February 2015

**NZ Super Fund - Oak Finance Timeline - Media Backgrounder**

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| 31 December 2013 | Banco Espirito Santo (“BES”) reports a Tier 1 Capital Ratio of 10.4% (and a Total Capital Ratio of 11.8%) in its annual accounts as at 31 December 2013. |
| 15 May 2014 | BES Q1 results. Earnings are in line with estimates and the Tier 1 Capital Ratio is reported as 9.8% (and a Total Capital Ratio of 11.1%). |
| 17 June 2014 | BES completes its EUR1.045bn equity rights issue. After the rights issue brokers calculated the capital ratio to be 10.4% following the rights issue. |
| 30 June 2014 | BES, as borrower, and Oak Finance, as lender, enter into a Loan Agreement, with drawdown of funds to occur on 3 July 2014. |
| 2 July 2014 | The Bank of Portugal publically states that BES has a “solid solvency position”. |
| 3 July 2014 | US$784,600,000 fixed rate Notes are issued by Oak Finance (including US$150m of Notes issued to NZSF). BES draws down c. US$784,564,000 under the loan from Oak Finance. |
| 10 July 2014 | BES releases an update on its exposure to the wider Espirito Santo group – a total of EUR1.18bn. BES emphasises that it has a EUR2.1bn capital buffer above the minimum required to cover potential losses. |
| 14 July 2014 | Ricardo Espirito Santo Silva Salgado, the Chairman and CEO of BES, agrees to step down and a new management team is appointed to BES. This is perceived by equity analysts as a positive move that ensures independence from the major shareholder. |
| 18 July 2014 | The Governor of the Bank of Portugal gives a speech to the Portuguese Parliamentary Budget and Public Administration Committee regarding BES and reiterates that BES “… has an adequate capital buffer…”. |
| 15-23 July 2014 | Goldman Sachs borrows shares in BES on 15 July as part of its client-facilitation activity. This triggersa pro forma disclosure by Goldman Sachs under EU transparency rules setting out a greater than 2% holding in BES. Goldman Sachs’ physical holding was 1.6% with the balance of 0.67% being Goldman’s interest in cash settled swaps, which did not carry any voting interest in nor right to acquire BES shares.  The disclosableposition ended on 23 July with Goldman Sachs returning the borrowed shares. |
| 24 July 2014 | Ricardo Espirito Santo Silva Salgado, the Chairman and CEO of BES, is detained for questioning and released on EUR 3 million bail on suspicion of fraud, money-laundering, document falsification and embezzlement. |
| 30 July 2014 | BES’ new management report a half year loss of EUR3.6bn. The results include provisions for new and unexpected exposure to the shareholder group for EUR1.2bn which had not been previously reported and did not appear to have been correctly approved internally.  The losses dropped BES’ Tier 1 Capital Ratio to 5% - below the Bank of Portugal’s 7% minimum and also below the ECB’s 8% stress test threshold.  BES’ new CEO said that the announcement “… seems to indicate the existence of possible breach of legal rules…” by the previous management.  The Bank of Portugal suspend senior management in BES’ risk, internal audit and compliance departments. |
| 1 August 2014 | Amendment to the Portuguese bank resolution regime, provided in the Portuguese Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law 298/92, dated 31 December 1992, purporting to stop claims from shareholders with a holding equal to or greater than 2% in banks in a resolution process moving to new banks established under the process. This amendment purported to include a look-back period of 2 years. The previous regime, in force since February 2012, did not set out a *de minimis* threshold but it also did not set out any look-back period. |
| 3 August 2014 | Resolution measures applied to BES, pursuant to the Portuguese Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law 298/92, dated 31 December 1992. Bank of Portugal announces the transfer of certain assets and liabilities to Novo Banco. |
| 11 August 2014 | In response to enquiries from Goldman Sachs, the Bank of Portugal confirms to Goldman Sachs that all senior obligations of BES, including the loan made by Oak Finance, had been transferred to Novo Banco. |
| 14 August 2014 | In response to a further query from Goldman Sachs, the Legal Department of BES/Novo Banco confirms that “*the Facility Agreement dated 30th. June 2014, signed, amongst others, Oak Finance Luxembourg S.A., as lender, and Banco Espírito Santo, S.A. – Luxembourg Branch, as borrower, has been transferred to Novo Banco S.A. as a consequence of the resolution measure applied on 3rd. August 2014 and subsequent announcements by Banco de Portugal*.” |
| 22 December 2014 | Board of Directors of the Bank of Portugal purports to make a retrospective decision and notifies Oak Finance that:  a) BES’s liability to Oak Finance was not transferred to Novo Banco;  b) This decision is effective as of 3 August 2014;  c) Novo Banco and BES must adapt their accounting records. |
| 23 December 2014 | Novo Banco issues release notifying that it has been informed of the decision of the Bank of Portugal. |
| 18 February 2015 | Bank of Portugal reaffirms its 22 December 2014 decision. |