

TRANSLATION

Republic of Panama Superintendency of Banks

S.B. RESOLUTION No. 131-2003 (dated 1 September 2003)

THE SUPERINTENDENT OF BANKS in use of her legal powers, and

CONSIDERING:

That **BANCREDITO (PANAMÁ), S.A.** a corporation organized according to national legislation, filed under Microjacket 196336, Roll 21901, Image 0033 in the Microfilms (Mercantile) Section of the Panamanian Public Registry, holds an International License issued by the National Banking Commission by Resolution 32-87 dated 18 September 1987;

That because of the bankruptcy due to fraudulent acts of an important private Bank in the Dominican Republic (Banco Intercontinental, S.A. – Baninter), and the weaknesses found in other banks of the Dominican banking system, there have been regressions in the Dominican economy leading to repercussions in the stability and trustworthiness of the Dominican banking system and risking the contagion of other banks;

That BANCO NACIONAL DE CREDITO (BANCREDITO, S.A.), Dominican Republic, party related to **BANCREDITO (PANAMÁ), S.A.** has suffered from administrative deficiencies and has incurred excessive loans to interested parties, subjecting it to a restructuring plan under which it was sold;

That according to the Analysis and Inspection of **BANCREDITO (PANAMÁ), S.A.** made by analysts and inspectors from the Superintendency of Banks, it was determined that in July 2003 the loan portfolio of **BANCREDITO (PANAMÁ), S.A.** showed a significant deterioration in the quality of its credit with loans classified Subnormal, Doubtful and Unrecoverable, increasing by 163%. At the same time, delinquent loans increased by 795%. Additionally, in that same month liquid assets regressed 53.1% and have not recovered as of the closure of 22 August 2003;

That from the results of the Analysis and Inspection made, it was established that the situation of the Dominican entity shows that there are serious risks to the business of **BANCREDITO (PANAMÁ), S.A.** and that those risks have affected banks operations. Consequently, the Bank cannot continue its operations without risking the interests of the depositors;

That pursuant to the provisions of Decree Law 9 of 1998 and due to the reasons above, contained in Article 95, Paragraph 7, the Superintendency of Banks must intervene the business of the Bank, taking possession of its properties and assuming its administration on terms to be determined by the Superintendency, and

That pursuant to the provisions set forth in Decree Law 9 of 1998, Article 17, Paragraph 4, the Superintendent of Banks is the official empowered to decree the intervention of banks in cases contemplated by the Decree Law,

RESOLVES:

ARTICLE 1: To decree the Intervention of **BANCREDITO (PANAMÁ), S.A.** a corporation holding an International License issued by the National Banking Commission, by Resolution 32-87 dated 18 September 1987.

ARTICLE 2: To order the suspension of all banking operations of **BANCREDITO (PANAMÁ), S.A.**

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ARTICLE 3: Without prejudice to its power for making new appointments in the future, to appoint Mr. **EDUARDO E. PAZMIÑO U.**, holder of personal identification No. 8-140-742, as Receiver of **BANCREDITO (PANAMÁ), S.A.** to exclusively exercise the legal representation, management and control of the Bank, substituting for its current management, with the powers and duties that the Superintendency determines, to include from this moment, the following:

- a) Stop or limit payment on the bank's obligations during a period that will not exceed the period of the intervention.
- b) Employ the necessary personnel and dismiss those employees whose fraudulent or negligent actions have motivated the intervention.
- c) Take control of the bank's correspondence.
- d) Make an inventory of the assets and liabilities of the Bank intervened, and submit a copy of the inventory to the Superintendency.
- e) At the end of the intervention, recommend to the Superintendency the return of management and control to the directors of the Intervened Bank or its reorganization or compulsory liquidation.
- f) Any other power that, prior reasoned request by the Receiver or Receivers, is authorized by the Superintendency of Banks for certain purpose.

ARTICLE 4: To advise that, pursuant to the provisions of Article 98 of Decree Law 9 of 1998, while **BANCREDITO (PANAMÁ), S.A.** is under intervention, all prescriptive terms of rights or actions to which the Bank is entitled and the terms in lawsuits or proceedings in which the Bank is a party are understood to be suspended.

ARTICLE 5: To order the placing of a copy of this Resolution in a public and visible place of the main establishment of **BANCREDITO (PANAMÁ), S.A.** for a period of five (5) business days, starting at the time of enactment of the Intervention.

ARTICLE 6: To order the publication of this Resolution in a newspaper with nationwide circulation for five (5) business days.

ARTICLE 7: The Remedies established by Law can be pursued against this Resolution.

ARTICLE 8: This Resolution shall become effective as of the date and time of placement of this notice as referred to in the fifth paragraph.

LEGAL GROUNDS: Article 17 (paragraph 4), 95 (paragraph 7) and following articles of Decree Law 9 of 1998.

Given in the city of Panama on the first (1st) day of September, two thousand three (2003).

LET IT BE KNOWN, PUBLISHED AND ENFORCED,

THE SUPERINTENDENT,

Delia Cárdenas