

COMMUNIQUÉ

The Reorganization of **Balboa Bank & Trust, Corp.** was ordered by means of Resolution SBP-0116-2016 dated 1 July 2016, effective at 2:30 p.m. on 4 July 2016. The reorganization was ordered taking into consideration the recommendations of the Interim Administrator.

The Reorganization of the bank seeks to meet three basic objectives:

- Protecting the best interests of depositors;
- Minimizing any loss of value of the bank that may harm the depositors; and
- Reducing any negative impact on the Banking System.

The decision to reorganize the Bank will permit alternatives that seek to give more security to depositors and creditors of Balboa Bank & Trust, Corp. for the prompt normalization of the Bank's status and access to all its funds. This will be achieved by selling the bank to a new holding company.

To that end, the Superintendency of Banks has appointed Engineer Ariel Antonio Sanmartin Mendez as the Reorganizer in charge of preparing a Reorganization Plan that must delineate the different phases and stages to be complied with under the course of action selected as the best alternative.

During this phase, the Superintendency of Banks and the Reorganizer will coordinate with qualified consultancy firms to determine the design of the alternatives for the financial and legal structure of the Bank that will best safeguard the interests of the depositors.

This will be a transparent process, so that the confidence of depositors, creditors and entities interested in purchasing the Bank is assured. Similarly, it will be a process that ensures the avoidance of any eventualities that are not compatible with the decision that originated the seizure of administrative and operating control of the Bank.

The Superintendency of Banks recommends the community pay attention only to the official communications issued by the Institution.

Panama, 1 July 2016.