



## COMMUNIQUE

### **Reorganization of Balboa Bank & Trust, Corp. obtains consent from depositors and advances in its final phase**

The Superintendency of Banks of Panama wishes to inform the general public that an important milestone in the final phase of the reorganization of Balboa Bank & Trust, Corp. and its subsidiaries has been achieved. This milestone will permit continuing with the process of selling 100% of Balboa Bank & Trust, Corp.'s shares to Grupo Bancario BCT.

The Reorganizer of Balboa Bank & Trust, Corp. formally announced that the necessary consents from a group of depositors was obtained, permitting advancing on structuring the new balance sheet that will be the object of the sale. These consents represent agreement on a reduction of no more than 22.0% of the deposits for a group of the bank's depositors. The final reduction will be lower and its level will be determined after recovering a portion of Balboa Bank's loan portfolio being transferred for that purpose. This portion of the portfolio will not be part of the sale transaction. This recovery will depend on market conditions and will be conducted by a contracted third party selected on the basis of transparency, experience and efficacy.

At the same time, the reorganization includes Grupo Bancario BCT's recognition that interest accrued on the deposit accounts for all of Balboa Bank & Trust, Corp.'s clients will be paid.

The subsequent steps must follow both legal and regulatory characteristics and formalities. Among the main issues are the requests for changing stockholder control submitted to the regulatory bodies of both the banking and securities sectors in Panama. Similarly, the trust fund structures must be completed to facilitate the change of stock ownership and the delisting of Balboa Bank & Trust, Corp. and its subsidiaries from the United States Department of the Treasury's Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons List. At the same time, the Panamanian and Costa Rican supervisory bodies must submit their regulatory approval for the sale of Balboa Bank & Trust, Corp. to Grupo Bancario BCT.

It is estimated that this process could be completed by August. From that moment, the SBP and Grupo Bancario BCT must start an orderly process for reopening Balboa Bank & Trust, Corp.'s operations to gradually provide the bank's customers access to the deposited funds, as well as to provide opportunity for the normal development of financing and loan operations.

The SBP appreciates the cooperation provided by Balboa Bank & Trust, Corp.'s customers making it possible to complete a critical phase of the process to conclude this transaction. Furthermore, the SBP reiterates its commitment of watch over an orderly and safe opening for the bank's depositors, as well as the normal development of Grupo Bancario BCT's operations, in order to foster and strengthen the trust and security of the Bank's customers.

Panama, July 10, 2017

TRANSLATION