

## COMMUNIQUE

Based on Subparagraph 4, Paragraph I, Article 16; Article 154 and following articles of Chapter XVIII, Title III of the banking Law and by means of Resolution SBP-0015-2017 dated 27 January 2017, the Superintendency of Banks of Panama ordered the ADMINISTRATIVE LIQUIDATION of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A. effective at two post meridiem (2:00 p.m.) on January 30, 2017.

According to the Reorganizer's Report, the binding offer submitted by the potential buyer expired on November 28, 2016. Consequently, the potential buyer, lacking a formal acceptance letter from the *Agencia Estatal de Resolució D'Entitats Bancaries* (AREB), the entity responsible for Banca Privada D'Andorra Group, cancelled the offer to purchase BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A. in a letter dated December 7, 2016.

The Superintendency of Banks, in use of its legal powers, decided to send a letter to the supervisory entities in Andorra and to the *Agencia Estatal de Resolució D'Entitats Bancaries* (AREB) requesting clarifications and explanations on the funds and securities entrusted to BPA Andorra by BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.

By means of a note received on January 25, 2017, the *Agencia Estatal de Resolució D'Entitats Bancaries* (AREB) advised that the process for transferring the liquid assets of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A., which are placed in a bank in Switzerland, would require additional time, a situation that makes being able to complete an ordered Reorganization process uncertain.

In connection with the above, the Superintendency of Banks of Panama, in use of its legal powers and following the Reorganizer's report and recommendations, continued to the next phase, a Compulsory Administrative Liquidation. Therefore, the SBP ordered all banking operations of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A. to remain suspended. The Bank has sufficient funds to pay all its depositors and creditors.

The Compulsory Administrative Liquidation of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A. is an isolated event as a result of the situation faced by the Banking Group in Andorra and does not affect our Banking Center.

The Superintendency of Banks has appointed a Liquidator to exclusively exercise the legal representation, administration and control of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.

The Superintendency of Banks of Panama recommends the community pay attention only to the official communiqués issued by this Institution and to ignore baseless and malicious rumors that are circulated or posted on social networks and other media. We reiterate that this type of baseless news jeopardizing the national economy or public trust may incur in the commission of offenses under Article 260 of the Penal Code.

Panama, 30 January 2017.

TRANSLATION