



COMMUNIQUÉ

Based on the provisions of Article 131 of the Banking Law and by means of Resolution SBP-0169-2019, the Superintendency ordered the seizure of administrative and operating control of Allbank Corp., effective at 3:00 p.m. on September 9, 2019.

This decision was made as a result of a series of factors that jeopardize the security of deposits that customers have entrusted to the Bank. The Superintendency ordered the holding group to diversify the high degree of exposure of the liquid assets and the custodial services for the securities investments that the Bank allocated to related parties. However, the holding group failed to address the corrective actions in a timely or opportune manner.

One of the banks owned by the main shareholder of Allbank Corp. in Curaçao (Banco del Orinoco, N.V.), where a quarter of Allbank Corp.'s liquid assets is located and which also provides custodial services for one third of the securities investments that are part of the productive assets of Allbank Corp., was taken over by the Centrale Bank van Curaçao en Sint Maarten (CBCS) on September 5, 2019. This resulted in Banco del Orinoco, N.V. being unable to provide its regular or any new services or gain new clients, and it cannot be forced to satisfy its debts. Consequently, Banco del Orinoco, N.V.'s assets will remain frozen for the time being.

At the same time, the results of the recent examinations conducted by our institution indicate a significant weakness in the health of the loan portfolio, which, coupled with weak Corporate Governance management, a business model that is becoming unsustainable and the uncertainty created by both the [lack of] access to Allbank's assets and the potential contagion effect derived from the situation of the banking group in Curaçao, have convinced the Superintendency that depositors' interests will be in jeopardy if the Bank continues to operate under the administration of its shareholder and top management.

The Superintendency of Banks of Panama wishes to clarify to all Allbank Corp. customers and the general public that the measures adopted are aimed at protecting and safeguarding the best interests of the Bank's depositors.

The Superintendency of Banks reaffirms the stability and soundness of the Panamanian banking system. This measure does not represent any risk of contagion to the Panamanian Banking System, given the lack of an interbank relationship between Allbank and the rest of the system. The Superintendency recommends the public pay attention only to the official communications issued by the institution and ignore any unfounded rumor that may be posted on social or other media. Please bear in mind that anyone that disseminates fake news that jeopardizes the national economy or public trust commits an act punishable under Article 260 of the Criminal Code.

September 9, 2019.