

# TRANSLATION

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## Republic of Panama Superintendency of Banks

### **RESOLUTION SBP-0097-2014** (dated 16 July 2014)

#### **THE SUPERINTENDENT OF BANKS** in use of his legal powers, and

#### **CONSIDERING:**

That, **ES BANK (PANAMÁ), S.A.** is a corporation filed under Micro jacket 403433, Document 253259 of the Microfilm (Mercantile) Section of the Public Registry of Panama and the holder of an International Banking License granted by Resolution SB 69-2001 dated 25 October 2001, which allows the bank to execute transactions to be concluded, consummated or have effect abroad from an office established in Panama;

That, due to recent events in Portugal, the home jurisdiction of its Banking Group, **ES BANK (PANAMÁ), S.A.** faces significant difficulty in accessing a high proportion of its productive assets, which has substantively increased the risk of its operations;

That, the decisions made in the jurisdictions of its holding company and of the Bank's parent company make it impossible for **ES BANK (PANAMÁ), S.A.** to have access to lines of credit to back up its liquidity to meet its depositors' needs;

That, in a meeting held today at the Superintendency's offices, Directors and the Senior Management of the Bank confirmed the weakness and narrowness of **ES BANK (PANAMÁ), S.A.**'s financial situation, which is the result of actions that have been taken outside of our jurisdiction but that directly affect the bank's ability to continue running its business, due to the lack of access to liquid financial assets;

That, the condition experienced in international markets has meant that the share value of ESPÍRITO SANTO FINANCIAL GROUP, sole owner of the shares of the Bank in Panama, has been substantially diminished;

That, this situation has affected the Bank's operations within this jurisdiction;

That, as provided for in Article 131 of Decree Law 9 of 1998, amended by Decree Law 52 of 2008, whose sole text was adopted by means of Executive Decree 52 of 2008, hereinafter referred to as the Banking Law, the Superintendency may assume Administrative and Operating Control of a bank, including the seizure of its assets and takeover of its management, in conformity with the grounds established in Article 132 to better protect its depositors and creditors;

That, among the grounds comprehensively listed in the cited Article 132 of the Banking Law for Seizure of Administrative and Operating Control of a Bank, are:

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2. *If the bank cannot continue operations without endangering the interests of the depositors.*
  
7. *If the Superintendency confirms that the capital adequacy, solvency or liquidity of the bank has deteriorated to the point that it requires the Superintendency's action.”*

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That, based on the above, it is necessary, in the Superintendency's judgment, to proceed with the immediate Seizure of Administrative and Operating Control of **ES BANK (PANAMÁ), S.A.** in accordance with the provisions of subparagraphs 2 and 7 of Article 132 of the Banking Law, in order to protect the interests of the depositors;

That, pursuant to subparagraph 4 of paragraph I of Article 16 of the Banking Law, the Superintendent of Banks has the authority to order the Seizure of Administrative and Operating Control of Banks in those cases provided for in this Law.

## RESOLVES:

**FIRST:** **TO ORDER** the **SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL** of **ES BANK (PANAMÁ), S.A.**

**SECOND:** **TO ORDER** the suspension of all banking operations at **ES BANK (PANAMÁ), S.A.**

**THIRD:** **TO APPOINT** Mr. Jaime de Gamboa Gamboa, holder of personal identification card No. E-8-95145, as Interim Administrator of **ES BANK (PANAMÁ), S.A.**, to exercise exclusive legal representation of the bank on behalf of the Superintendency with the powers and duties the Superintendency may determine, including from this moment and without prejudice to others that may later be determined:

- a). To stop or limit payment of the bank's obligations during a period that will in no case exceed the period of seizure of control;
- b). To employ any additional personnel necessary and to dismiss those employees whose fraudulent or negligent actions have motivated the seizure of control;
- c). To address bank correspondence;
- d). To make an inventory of the Bank's assets and liabilities and to submit a copy of this report to the Superintendency;
- e). Any other powers requested by the interim administrator and approved by the Superintendent;
- f). Any additional powers which the Superintendent considers necessary

**FOURTH:** **TO ORDER** the posting of a Notice in a visible and public place of the Bank's main offices, providing a copy of this Resolution on the measure and indicating the day and time of the Seizure of Administrative and Operating Control.

**FIFTH:** **TO ORDER** the publication of this Resolution in a newspaper with broad national circulation for five (5) business days.

**SIXTH:** **TO ORDER** the Public Registry to make the relevant marginal notation of the Seizure of Administrative and Operating Control of **ES BANK (PANAMÁ), S.A.**, filed under Micro jacket 403433, Document 253259 of the Microfilm (Mercantile) Section of the Public Registry of Panama, as well as the appointment of Mr. Jaime de Gamboa Gamboa as the Bank's Legal Representative, acting as Interim Administrator of the Bank.

**SEVENTH:** This Resolution shall become effective at noon (12:00 p.m.) on 17 July 2014.

As provided for in Article 135 of the Banking Law, this Resolution may be impugned by means of an appeal to the Third Chamber of the Supreme Court of Justice, which has full jurisdiction over administrative litigation. The filing of the appeal against the resolution

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does not suspend the seizure of control or its effects because the seizure protects a social interest.

**LEGAL GROUNDS:** Article 16, Paragraph I, Subparagraph 4; Article 131 and following articles of Decree Law 9 of 1998, as amended by Decree Law 2 of 1998, re-edited as a sole text and adopted by Executive Decree 52 of 2008 (Banking Law).

Given in the city of Panama on the sixteenth (16<sup>th</sup>) day of July, two thousand fourteen (2014).

**LET IT BE KNOWN, PUBLISHED AND ENFORCED,**

**THE SUPERINTENDENT OF BANKS,**

Alberto Diamond R.