

TRANSLATION

Republic of Panama Superintendency of Banks

RESOLUTION SBP-0053-2015
(dated 10 March 2015)

THE SUPERINTENDENT OF BANKS
In use of his legal powers, and

CONSIDERING:

That **BANCA PRIVADA D'ANDORRA (PANAMÁ) S.A.** is a corporation filed under Folio 737102 (S) in the Mercantile Section of the Public Registry of Panama and the holder of an International Banking License granted by means of Resolution SBP 154-2011 dated 11 November 2011, which allows the bank to execute transactions to be concluded, consummated or have effect abroad from an office established in the Republic of Panama;

That the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has issued a communiqué indicating that the **BANCA PRIVADA D'ANDORRA** Banking Group is considered a foreign financial institution of primary money laundering concern. According to FinCEN, the Banking Group has facilitated transactions for persons linked to illegal activities from its headquarters in the Andorran capital;

That, according to the communiqué, these illicit activities, channeled with funds coming from criminal organizations, were conducted through high-level managers at Banca Privada D'Andorra in various jurisdictions, including transactions for organizations in Russia and China, and other transactions related to the siphoning off of millions of dollars from the Venezuelan public oil company, in exchange of commissions;

That even though its subsidiary **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** has not been named nor is there any evidence of its involvement in these illegal activities, the undersigned summoned the General Manager of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** today to inform him of these developments and, considering that all deposits are demand deposits, he was instructed to transfer the liquid assets of the Bank held in the Parent Company in Andorra to another bank from which its customers could access their deposits. This has not been done;

That on 10 March 2015, the Andorran National Finance Institute, the Banking Group Regulator in Andorra, seized Banca Privada D'Andorra after receiving the money laundering charges made by the United States government;

That the decisions made in the Jurisdiction of the Bank's Parent Company make it impossible now for **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** to have effective access to the majority of the assets needed to meet depositor demands, which could affect the Bank's operations in this Jurisdiction;

That in the opinion of the Superintendency, depositor interests are in jeopardy and it is necessary to proceed with the immediate Seizure of Administrative and Operating Control of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** due to the fact that that the reputation of its Banking Group is in question and that a substantial part of the bank's liquid assets are in the Group's bank in Andorra, which has been intervened;

That Article 131 of the Banking Law authorizes the Superintendency to assume Administrative and Operating Control of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.**, including the seizure of its assets and takeover of its management, on the grounds established in Article 132 to better protect its depositors and creditors;

That subparagraph 2 of Article 132 of the Banking Law specifically indicates as one of these grounds: If the Bank cannot continue operations without endangering the interests of the depositors;

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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 and, therefore,

RESOLVES:

FIRST: TO ORDER the SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL OF BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A., a corporation filed under Folio 737102 (S) in the Mercantile Section of the Public Registry of Panama and the holder of an International Banking License granted by means of Resolution SBP 154-2011 dated 11 November 2011, which allowed the bank to execute transactions to be concluded, consummated or have effect abroad from an office established in the Republic of Panama, for a period of up to thirty days, renewable.

SECOND: TO ORDER the suspension of all banking operations at BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.

THIRD: TO APPOINT Mr. Jaime De Gamboa Gamboa, holder of personal identification card No. E-8-95145, as Interim Administrator of BANCA PRIVADA D'ANDORRA (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 time and without prejudice to others that may later be determined:

- a) To stop or limit payment on the bank's obligations during a period that will in no case exceed the period of seizure of control;
- b) To comprehensively investigate the accounts held in BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A. and to determine whether there is any connection with the cases indicated by the United States Department of the Treasury or with other money laundering cases;
- c) To employ any additional personnel necessary and to dismiss those employees whose fraudulent or negligent actions have caused the seizure of control;
- d) To manage the bank's correspondence;
- e) To make an inventory of the Bank's assets and liabilities and to submit a copy of this report to the Superintendency;
- f) Any other powers that the Superintendency may authorize for a given purpose, based on the Interim Administrator's detailed request.

FOURTH: TO ORDER the posting of this 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 notations of the Seizure of Administrative and Operating Control of BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A., filed under Folio 737102 (S) in the Mercantile Section of the Public Registry of Panama, and 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 two o'clock (2:00 p.m.) on Wednesday, March 11, 2015.

As provided for in Article 135 of the Banking Law, this Resolution may be appealed to the Third Chamber of the Supreme Court of Justice, which has full jurisdiction over administrative litigation.

The filing of an appeal against this Resolution does not suspend the Seizure of Control or its effects, because the seizure protects a social interest.

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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 consolidated text and adopted by Executive Decree 52 of 2008 (Banking Law).

Given in the city of Panama on the tenth (10th) day of March, two thousand fifteen (2015).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT,

THE SUPERINTENDENT OF BANKS,

Alberto Diamond R.

/jca