

TRANSLATION

Republic of Panama Superintendency of Banks

RESOLUTION SBP-0114-2015
(dated 30 June 2015)

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

CONSIDERING:

That **BANCO UNIVERSAL, S.A.** is a corporation established and existing according to the laws of the Republic of Panama by means of Public Deed 589 dated 1 August 1994 of the Second Notary of the Circuit of Chiriquí, filed under Microjacket 290546, Roll 43118, Image 0106 in the Microfilm (Mercantile) Section of the Public Registry and updated to Folio 290546 (S) by the Public Registry;

That **BANCO UNIVERSAL, S.A.** is the holder of a General Banking License granted by means of Resolution 24-94 dated 31 August 1994 and issued by the National Banking Commission, today known as the Superintendency of Banks of Panama, authorizing the bank to engage in the Banking Business anywhere in the Republic of Panama and to execute transactions to be concluded, consummated or have effect both in Panama and abroad;

That by means of Resolution SBP-0093-2015 dated 5 June 2015, the Superintendency of Banks of Panama ordered the Seizure of Administrative and Operating Control of **BANCO UNIVERSAL, S.A.**, as provided for in Paragraph 2 of Article 132 of the Banking Law, for a period of up to thirty (30) days, renewable;

That this decision, which was based on the impossibility of the Bank continuing its operations without jeopardizing the interests of its depositors, was supported, at a minimum, by the following facts:

- Noncompliance with the specific restrictions imposed to avoid the repeated breaches to the rules on legal limits on the concentration of operations with related parties,
- Weak compliance with the minimum requirements for good Corporate Governance that affected, among other issues, its capability to generate income and its short- and medium-term financial viability,
- Inappropriate internal controls and weak risk management affecting the foundations of the bank itself. Its partial or complete noncompliance with the orders issued by the Public Ministry to sequester certain bank accounts is of particular note;

That the Bank was involved in a series of operations that are under criminal investigation by the authorities and the subject of administrative proceedings by the Superintendency because of breaches of due diligence on customers and customer resources with regard to the prevention of the misuse of banking services;

That all of the above weighs on the deterioration of **BANCO UNIVERAL, S.A.**'s image and reputation, with adverse effects on the credibility a bank requires to provide confidence to its depositors, creditors and investors;

That due to these facts, the Superintendency of Banks ordered the Seizure of Administrative and Operating Control of **BANCO UNVIERSAL, S.A.** to safeguard the interests of depositors and creditors;

That after a detailed analysis based on the Bank's business model, type of operations, the quality of its assets and the structure of its liabilities, the Interim Administrator issued a report dated 15 June 2015, concluding the following:

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- The Bank's Seizure of Administrative and Operating Control met its objective of avoiding further deterioration of the Bank's assets and mitigating inherent risks.
- Although the assets, liabilities, equity, operating income and expenses were not administered in a manner conducive to the proper generation of value, there is a substantial and material corpus of assets that are potentially marketable and that can be maximized under appropriate management and strategy.
- At the same time, the Bank's decision to grant loans to related parties in contravention of previous requirements was confirmed.
- Movements of funds from accounts to avoid the orders issued by the Public Ministry to sequester those accounts were also verified. Several of these movements also violated restrictions imposed on certain operations with related parties.
- Some of the operations analyzed were reported to the Financial Analysis Unit.

That in this report, the Interim Administrator of **BANCO UNIVERSAL, S.A.** recommended the Seizure of Administrative and Operating Control of the bank be terminated and its Reorganization ordered;

That pursuant to Article 140 of the Banking Law and the fact that the period for the Seizure of Administrative and Operating Control **BANCO UNIVERSAL, S.A.** has concluded due to its objectives having been met, the Superintendent must decide whether the bank should be reorganized, compulsorily liquidated under the provisions of the Banking Law, or returned to the administrative and operating control of its directors or legal representatives, as the case may be;

That in this case, according to the Interim Administrator's recommendation and based on Subparagraph 4, Paragraph I of Article 16 of the Banking Law, the Superintendent deems it appropriate to order the Reorganization of **BANCO UNIVERSAL, S.A.**, orienting this process as much as possible towards rescuing the Bank through suitable means envisioned in the Banking Law, due to the fact that there is a marketable corpus of assets whose value can support the Bank;

That in view of the above, the Superintendent of Banks,

RESOLVES:

FIRST: **TO ORDER** the **REORGANIZATION** of **BANCO UNIVERSAL, S.A.**, a corporation registered under Folio 290546 (S) in the Mercantile Section of the Public Registry. The reorganization must be concluded within one hundred and twenty (120) days, a term that can be shortened or extended by the Superintendency based on a justified request by the person responsible for the Reorganization, as provided for in Paragraph 3 of Article 142 of the Banking Law.

SECOND: In accordance with the provisions of Article 149 of the Banking Law and during the period of Reorganization of the bank, **TO ORDER** the disqualification of the Board of Shareholders, directors, administrators and agents of **BANCO UNIVERSAL, S.A.** from making decisions for the Bank.

THIRD: **TO APPOINT MS. ROSAURA GONZALEZ MARCOS**, a Panamanian woman who is a practicing attorney and the holder of personal identification card N° 4-139-199, and **MR. JAIME DE GAMBOA GAMBOA**, a Colombian male banker and specialist in finance and business administration domiciled in Panama and holding personal identification card N° E-8-95145, as members of the **REORGANIZATION COMMITTEE** of **BANCO UNIVERSAL, S.A.**, which will have exclusive responsibility over the administration and control of the bank while the reorganization lasts and will be accountable to the Superintendency of Banks.

FOURTH: **TO APPOINT MR. JAIME DE GAMBOA GAMBOA**, identified above, as Chairman of the Reorganization Committee. He will also be the Legal Representative of the Bank and, when absent, will delegate the representation to the other member of the Committee.

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FIFTH: **TO ORDER** the Reorganization Committee to remove the directors, dignitaries and general manager of **BANCO UNIVERSAL, S.A.** Similarly, to remove any other executive or employee as it deems appropriate;

SIXTH: **TO ORDER** the Reorganization Committee to have the following powers in addition to those indicated in Article 145 of the Banking Law:

1. To suspend **BANCO UNIVERSAL, S.A.**'s operations, except for the release of funds authorized herein and those that, in the opinion of the Committee, could continue. The latter will require a justified request from the Committee and the express, written approval of the Superintendent.
2. To maintain all payments of commissions, wages, *per diem* and other stipends to the executives of the company suspended, except for the basic wages and benefits of the employees of the Bank, with prior authorization from the Superintendent of Banks.
3. To conduct investigations on behalf of the Superintendent, and to permit investigations required by competent authorities, of any cases that might have occurred at **BANCO UNIVERSAL, S.A.** that could have placed the Bank in this position.
4. To send the Public Ministry all of the data on potential criminal conduct for consideration, classification and prosecution by the Investigating Agency.
5. To inform the Financial Analysis Unit of any operations suspected of being involved in money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.
6. To authorize the request for the transfer and availability of funds held in any bank account or jurisdiction on behalf of **BANCO UNIVERSAL, S.A.**, with the exception of those pledged as collateral, in order to protect the interests of the depositors and creditors.

SEVENTH: In accordance with the provisions of Article 146 of the Banking Law, **TO REQUIRE** the Reorganization Committee to prepare a reorganization plan pursuant to Article 145 of the cited Law, to be submitted for the consideration of the Superintendent of Banks. The Reorganization Committee will recommend a suitable and transparent mechanism for enabling and realizing the sale of **BANCO UNIVERSAL, S.A.** to third parties, or partially or fully transferring its own and its depositors' assets to a General License Bank, safeguarding, in all cases, the best interests of the depositors and following the required parameters for due diligence, transparency and verification of the final beneficiaries of the proponents.

EIGHTH: **TO AUTHORIZE** the Reorganization Committee to permit **BANCO UNIVERSAL, S.A.**'s accountholders (individuals and legal entities) owning demand and ordinary savings accounts to freely access up to **two thousand five hundred Balboas (B/.2,500.00)** under a mechanism proposed by the Reorganization Committee and authorized by the Superintendent. It is understood that in any case, no more than the amount indicated above will be paid to the client, regardless of the number and types of accounts owned. This does not preclude other procedures being adopted under Paragraph 1 of the Sixth Article of this Resolution.

NINTH: **TO ORDER** the posting of a Notice containing a transcription of this resolution in a visible and public place in the Bank's main offices, along with a copy of the present Resolution communicating the measures and indicating the date and time that the Reorganization of **BANCO UNIVERSAL, S.A.** entered into effect.

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

ELEVENTH: **TO ORDER** the Public Registry to make the relevant marginal notations to register the following: (i) the Reorganization of **BANCO UNIVERSAL, S.A.**, a corporation registered under Folio 290546 (S) in the Mercantile Section of the Public Registry; (ii) the appointment of Messrs. **ROSAURA GONZALEZ MARCOS**, a Panamanian woman holding personal identification card No. 4-139-199, and **JAIME DE GAMBOA GAMBOA**, a Colombian male holding personal identification card No. E-8-95145, as members of the Reorganization Committee of **BANCO UNIVERSAL, S.A.**; (iii) that the Legal

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Representation of **BANCO UNIVERSAL, S.A.** will be executed by the Chairman of the Reorganization Committee, as well as (iv) the disqualification of the board of shareholders, directors, dignitaries and agents of **BANCO UNIVERSAL, S.A.** from making any decisions for the Bank.

TWELFTH: This Resolution shall become effective at three o'clock (3:00 p.m.) on the first (1st) day of July, two thousand fifteen (2015).

As provided for in Article 151 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 this Administrative Effects because it protects a social interest.

LEGAL GROUNDS: Article 16, Paragraph I, Subparagraph 4; Article 141 and following articles of Decree Law 9 of 1998, amended by Decree Law 2 of 2008, re-edited as a consolidated text and adopted by Executive Decree 52 of 2008 (Banking Law).

Given in the city of Panama on the thirtieth (30th) day of June, two thousand fifteen (2015).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT,

THE SUPERINTENDENT OF BANKS,

Ricardo G. Fernandez D.

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