

# TRANSLATION

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## Republic of Panama Superintendency of Banks

**RESOLUTION SBP-0096-2016**  
(dated 2 June 2016)

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

### WHEREAS:

**BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** is a corporation registered on Page 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;

Based on the provisions in Articles 131 and 132 of the Banking Law and by means of Resolution SBP-0053-2015 dated 10 March 2015, the Superintendency of Banks of Panama ordered the Seizure of Administrative and Operating Control of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** effective at 2:00 P.M. on Wednesday, March 11, 2015 as a result of the events arising from the notice issued by the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) stating that the Banking Group BANCA PRIVADA D'ANDORRA was considered an institution of primary money laundering concern;

At the request of the Interim Administrator and by means of Resolution SBP-0063-2015 dated 7 April 2015, the Superintendency of Banks of Panama extended the Seizure of Administrative and Operating Control for an additional 30-day period effective at 2:00 P.M. on Friday, April 10, 2015, to permit the Interim Administrator to continue the negotiations in different jurisdictions, including Andorra, to gain real and secure access to all Bank assets, in order to meet the Bank's obligations;

By means of Resolution SBP-0077-2015 dated 8 May 2015 the Reorganization of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** was ordered, effective 10 May 2015 and for a period of ninety (90) days, which could be curtailed or extended, to permit the processes in Andorra to take effect;

On 5 June 2015, in accordance with Article 146 of the Banking Law, the Reorganizer of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** presented his **Reorganization Plan** for the Bank, containing, in addition to a timeline for its execution, the general steps required for the Bank to return, if possible, to safe and efficient operations, taking into consideration the interests of the depositors and creditors. This plan was approved by the Superintendent of Banks in a letter dated 30 July 2015;

In a duly justified letter, the Reorganizer requested an extension of the Reorganization deadline expiring on 8 August 2015 in accordance with Resolution SBP-0077-2015 dated 8 May 2015, because the Parent Company of the Bank had entered into a restructuring phase in Andorra. Therefore, the timeframe for the **REORGANIZATION** of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** was extended for an additional period of ninety (90) days beginning 8 August 2015, by means of Resolution SBP-0130-2015 dated 7 August 2015;

By means of Resolution SBP-0161-2015 dated 23 October 2015, the Reorganization of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** was extended for an additional period of ninety (90) days beginning 6 November 2015, permitting the Andorran authorities to complete the restructuring of the Bank in Andorra;

By means of Resolution SBP-0040-2016 dated 30 February 2016, the Reorganization of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** was extended for an additional period of one hundred and twenty (120) days beginning 5 February 2016, to provide the opportunity for generally achieving the following: (i) to formalize the authorizations for the sale of the Bank under the parameters of the Reorganization of the Bank in Panama; (ii) to obtain the Andorran authorities' commitment to treat both Panamanian financial institutions as clients; and (iii) to structure and complete the sale in accordance with the amendment of the Reorganization Plan submitted on 2 February 2016;

The Reorganizer of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** has submitted a Reorganization report dated 26 May 2016, concluding that on 21 April 2016 the Board of Directors of the Andorra Bank Resolution Agency (Agencia Estatal de Resolució d'Entitats Bancaries – AREB)

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issued a Resolution determining the deposits belonging to Banca Privada D'Andorra (Panamá), S.A. and BPA Valores, S.A. would remain at Banca Privada D'Andorra and would be transferred to the Bank in Panama as soon as the sale is completed. Consequently, the Reorganizer recommends proceeding with the sale in coordination with the Andorran Authorities. This requires an extension of the Reorganization;

Given that the one hundred and twenty (120) -day period provided in Resolution SBP-0040-2016 dated 3 February 2016 will expire on 4 June 2016, and considering the recommendation of the Reorganizer of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.**, the Superintendency deems it prudent to provide an opportunity to develop the sale of the bank;

Pursuant to Article 16, Paragraph I, Subparagraph 16 of the Banking Law, the Superintendent of Banks is authorized to order, among other things, the Reorganization of Banks in the cases established by Law, therefore;

## RESOLVES:

**ONE:** TO ORDER THE EXTENSION of the REORGANIZATION of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.**, a corporation registered on Page 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, for an additional period of one hundred and twenty (120) days. This period can be curtailed or extended by the Superintendency based on a justified request from the Reorganizer in accordance with Article 142, Paragraph 3 of the Banking Law.

**TWO:** TO APPOINT Mr. **RAFAEL MOSCARELLA VALLADARES**, an adult Venezuelan male, holder of personal identification card No. **E-8-86777**, domiciled in Panama City, as the new REORGANIZER of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** as the replacement of the current Reorganizer. Mr. **MOSCARELLA VALLADARES** meets all the requirements established by Law to act as reorganizer and, as long as the Reorganization lasts, he will exclusively execute the Administration and Control of the Bank and will act as its Legal Representative, with the powers and duties the Superintendency may determine, including, as of the beginning of the Reorganization, those below, without precluding others being determined later:

- a) To redeem the losses against tier one and tier two capital as well as to fix the value of the shares at that moment;
- b) To appoint new administrators;
- c) To authorize the issuance of new bank shares, as well as their sale to third parties, at the price the reorganizer may determine;
- d) To process and execute the merger or consolidation of the bank with one or more banks, to obtain loans, sales or partial liquidation of its assets or the constitution of liens on those, according to the criteria to be developed by the Superintendency;
- e) To recommend the involuntary liquidation of the bank to the Superintendency;
- f) To request the transfer and disposal of funds held by **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** in any bank accounts and jurisdictions, to protect the interests of depositors and creditors;
- g) Any other powers that the Superintendency may authorize for a given purpose, based on the Reorganizer's detailed request.

**THREE:** TO ORDER posting of a Notice including a transcription of this Resolution for five (5) business days in a visible and public place in the Bank's main offices. In like manner, a copy of this Resolution will remain posted during the period of Reorganization

**FOUR:** TO ORDER the Public Registry to make the relevant marginal notation in the record of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.**, registered on Page 737102 (S) in the Mercantile Section of the Public Registry of Panama, of the extension of the period of Reorganization that was originally ordered by Resolution SBP-0077-2015 dated 8 May 2015, as well as the appointment of Mr. **RAFAEL MOSCARELLA VALLADARES** as the Legal Representative of **BANCA PRIVADA D'ANDORRA (PANAMÁ), S.A.** and the new Reorganizer of the Bank as of the enactment of this Resolution.

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

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This Resolution shall become effective at two o'clock post meridiem (2:00 p.m.) on Saturday, the fourth (4<sup>th</sup>) of May, two thousand sixteen (2016).

This Resolution may be appealed to the Third Chamber of the Supreme Court of Justice, which has full jurisdiction over administrative litigation.

**LEGAL GROUNDS:** Article 16, Paragraph I, Subparagraph 4; Article 141 and following articles of the Banking Law (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).

Given in the city of Panama on the second (2<sup>nd</sup>) day of May, two thousand sixteen (2016).

**FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT.**

**THE SUPERINTENDENT OF BANKS,**

(original signed)  
Ricardo G. Fernandez D.

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