

# TRANSLATION

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## Republic of Panama Superintendency of Banks

### RESOLUTION SBP-0087-2016

(dated 5 May 2016)

#### THE INTERIM SUPERINTENDENT OF BANKS

in use of his legal powers, and

#### WHEREAS:

**BALBOA BANK & TRUST, CORP.** is a corporation established and existing according to the Laws of the Republic of Panama, filed under Page 427208 (S) in the Mercantile Section of the Public Registry and the holder of a General License granted by the Superintendency by means of Resolution SB 33-2005 dated 1 April 2005;

The United States Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a communiqué stating that Waked Group is allegedly engaged in the commission of illegal activities, which implies that the assets this Group has in the United States of America will be frozen;

Since Waked Group is related to **BALBOA BANK & TRUST, CORP.**, a bank under the supervision and regulation of the Superintendency of Banks, if the Bank's assets held in the United States of America were to be frozen, the Bank's liquidity would be significantly compromised;

In the Superintendency's judgment and in view of the above, the interests of depositors are in jeopardy. Therefore, it is necessary to immediately proceed with the Seizure of Administrative and Operating Control of **BALBOA BANK & TRUST, CORP.** while still considering the effect this measure has on the Banking Center's reputation;

Pursuant to the grounds in Article 132 of the Banking Law, the Superintendency may take over the Administrative and Operating Control of **BALBOA BANK & TRUST, CORP.**, including its assets and administration, to best protect the interests of the depositors and creditors, as established in Article 131 of the Banking Law;

Among the grounds specifically listed in paragraph (2) of Article 132 of the Banking Law, is: *"If the bank cannot continue operations without endangering the interests of the depositors;"*

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:

**ONE:** TO ORDER the SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL of **BALBOA BANK & TRUST, CORP.**, a corporation established and existing according to the Laws of the Republic of Panama, filed under Page 427208 (S) in the Mercantile Section of the Public Registry and the holder of a General License granted by the Superintendency by means of Resolution SB 33-2005 dated 1 April 2005, which authorizes the bank to execute transactions to be concluded, consummated or have effect abroad from an office in the Republic of Panama.

**TWO:** TO ORDER the suspension of all banking operations at **BALBOA BANK & TRUST, CORP.**

**THREE:** TO APPOINT Eng. Francisco Alberto Escoffery Aleman, holder of personal identification card N° 8-498-918, as Interim Administrator of **BALBOA BANK & TRUST, CORP.**, 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 be later determined, the following:

- 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;

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- b) To thoroughly investigate the accounts in and to determine whether there is any link to the cases mentioned by the United States Department of the Treasury or to other money laundering cases;
- c) To employ any additional personnel required 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 to submit a copy of this report to the Superintendency;
- f) To send the Office of the Attorney General all of the data representing potential criminal conduct, to be duly handled, classified, and processed by the Investigating Agency;
- g) To inform the Financial Analysis Unit of any operations suspected of being involved in money laundering and the financing of terrorism or any other criminal activity;
- h) Any other powers the Superintendency may authorize for a given purpose, based on the Interim Administrator's detailed request.

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

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

**SIX:** **TO ORDER** the Public Registry to make the relevant marginal notations of the Seizure of Administrative and Operating Control of **BALBOA BANK & TRUST, CORP.**, a corporation established and existing according to the Laws of the Republic of Panama and filed under Page 427208 (S) in the Mercantile Section of the Public Registry, as well as the appointment of Eng. Francisco Alberto Escoffery Aleman, holder of personal identification card N° 8-498-918, as the Bank's Legal Representative, acting as Interim Administrator of the Bank.

**SEVEN:** This Resolution shall become effective at two thirty post meridiem (2:30 p.m.) on Thursday, May 5, 2016.

As provided 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 Administrative Act because the seizure protects a social interest.

**LEGAL GROUNDS:** Article 16, Paragraph I, Subparagraph 4; Article 131 and following articles of the Banking Law (Decree Law 9 of 1998, whose Consolidated Text was adopted by Executive Decree 52 of 2008) and its amendments.

Given in the city of Panama on the fifth (5<sup>th</sup>) day of May, two thousand sixteen (2016).

**FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,**

**THE INTERIM SUPERINTENDENT OF BANKS,**

(original signed)  
Gustavo Adolfo Villa