

# TRANSLATION

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## Republic of Panama Superintendency of Banks

**RESOLUTION SBP-0022-2017**  
(dated 10 February 2017)

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

### WHEREAS:

**FPB BANK, INC.** is a corporation established and existing according to the Laws of the Republic of Panama, filed on 31 December 2004 on Page 471857 (S) in the Mercantile Section of the Public Registry. The bank, after holding an International Banking License granted by the Superintendency by means of Resolution SB 028-2005 dated 28 March 2005, currently holds a General License granted by the Superintendency by means of Resolution SBP 151-2011 dated 27 October 2011;

The investigations being conducted in Brazil related to the "Lava Jato" Operation, which at the same time involves a Panamanian law firm, involve **FPB BANK, INC.** as a bank used to open bank accounts for customers abroad;

This situation represents a legal and reputational risk that jeopardizes the interests of the Bank's depositors, taking into consideration that most of the bank's business and risks are in Brazil;

By means of Resolution SBP-0232-2016 dated 26 December 2016, the Superintendency of Banks, through an administrative procedure, took action against **FPB BANK, INC.** for a possible breach of the provisions of Law 23 of 2015 that adopts measures for the prevention of money laundering, the financing of terrorism and financing of the proliferation of weapons of mass destruction;

By means of the same Resolution, **FPB BANK, INC.** was also charged with a possible breach of the provisions contained in the banking regulation, particularly on Corporate Governance rules;

Considering the Bank's operational strategy has been weakened over the last seven years as a result of the concentration of operations in Brazil, the Board of Directors of **FPB BANK, INC.** has requested authorization for its voluntary liquidation under Article 115 and following articles of the Banking Law;

It is essential for the Superintendency, in addition to guaranteeing the interests of the depositors, to preserve any information relevant to competent authorities in the ongoing investigations;

For this reason, in the Superintendency's judgment, the interests of depositors are at risk, making it necessary to immediately proceed with the Seizure of Administrative and Operating Control of **FPB BANK, INC.**;

As provided for in Article 131 of the Banking Law and in order to defend the best interests of the bank's depositors and creditors, the Superintendency may assume Administrative and Operating Control of **FPB BANK, INC.**, including possession of its assets and seizure of its management, pursuant to the grounds established in Article 132;

Among the grounds specifically mentioned in the cited Article 132 of the Banking Law, paragraph (2) establishes: "*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;

By means of Resolution SBP-JD-0001-2017 dated 24 January 2017, Gustavo Adolfo Villa, Secretary General, was appointed Acting Superintendent from the twenty-fifth (25<sup>th</sup>) of January

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to the twenty-third (23<sup>rd</sup>) of February, two thousand seventeen (2017) or until the Superintendent returns to his post, and therefore;

## RESOLVES:

**ONE:** **TO ORDER** the **SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL** of **FPB BANK, INC.**, a corporation established and existing according to the Laws of the Republic of Panama, filed on Page 471857 (S) in the Mercantile Section of the Public Registry and the holder of a General License granted by the Superintendency by means of Resolution SBP 151-2011 dated 27 October 2011, which authorizes the bank to engage in the banking business anywhere in the Republic of Panama, to execute transactions to be concluded, consummated or have effect abroad and to conduct any other transactions the Superintendency may authorize, for an extendable period of thirty (30) days.

**TWO:** **TO ORDER** the suspension of all banking operations at **FPB BANK, INC.**

**THREE:** **TO APPOINT** Mauricio Rodriguez Vargas, holder of personal identification card N-19-577, as Interim Administrator of **FPB BANK, INC.**, 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;
- b) To employ any additional personnel required and to dismiss those employees whose fraudulent or negligent actions have caused the seizure of control;
- c) To manage the bank's 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) 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;
- f) 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;
- g) Any other powers the Superintendency may authorize for a given purpose, based on the Interim Administrator's substantiated request.

**FOUR:** **TO ORDER** the posting of a Notice in a visible and public place in 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 on the Seizure of Administrative and Operating Control of **FPB BANK, INC.**, a corporation established and existing according to the Laws of the Republic of Panama and filed on Page 471857 (S) in the Mercantile Section of the Public Registry, as well as the appointment of Mauricio Rodriguez Vargas, holder of personal identification card N-19577, as the Bank's Legal Representative, acting as Interim Administrator of the Bank.

**SEVEN:** This Resolution shall become effective at three thirty post meridiem (3:30 p.m.) on Friday, February 10, 2017.

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.

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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 tenth (10<sup>th</sup>) day of February, two thousand seventeen (2017).

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

**THE ACTING SUPERINTENDENT OF BANKS,**

Gustavo Adolfo Villa