

Republic of Panama
Superintendency of Banks

RESOLUTION SBP-0205-2019
(dated 8 November 2019)

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

WHEREAS:

ALLBANK CORP. is a corporation established and existing according to the laws of the Republic of Panama, filed in Microjacket 724912, REDI Document 1913669 in the Microfilm (Mercantile) Section of the Public Registry and updated by the Public Registry on Page 724912 (S), and the holder of a General Banking License granted by means of Resolution SBP 131-2011 dated 24 October 2011;

By means of Resolution SBP-0169-2019 dated 9 September 2019 and based on the provisions of items 2 and 4 of Article 132 of the Banking Law, the Superintendency of Banks of Panama ordered the Seizure of Administrative and Operating Control of **ALLBANK CORP.** effective at three (3:00) p.m. on the ninth (9th) day of September, two thousand nineteen (2019);

This decision was made as a legitimate means of safeguarding the interests of the Bank depositors, due to the fact that on 5 September 2019, the Court of First Instance of Curacao adopted an “*emergency measure*” with respect to Banco del Orinoco, N.V., whose final beneficiary is also the sole shareholder of **ALLBANK CORP.** The direct impact of this measure means that “[...] *the Banco del Orinoco N.V. cannot be forced to satisfy its debts. For the time being, the Banco del Orinoco, N.V.’s assets will remain frozen [...]*”;

In fact, this situation limited **ALLBANK CORP.’s** access to some of its liquid assets, since a meaningful part of the assets of **ALLBANK CORP.** are placed with related parties, one of which is **Banco del Orinoco, N.V.** This compromises **ALLBANK CORP.’s** liquidity significantly, preventing it from continuing its operations without jeopardizing the interests of depositors;

In addition to the above, it is indicated as part of the grounds for the Seizure of Administrative and Operating Control that **ALLBANK CORP.** has been the object of special attention by the Superintendency of Banks because of the following:

1. Uncertainty on the availability of the bank’s liquid resources;
2. Liquidity management concentrated in related parties;
3. Weak Corporate Governance;
4. Weak risk management;
5. Regulatory compliance;
6. Low quality loan portfolio and deficient asset management;
7. Weaknesses in its compliance with the regime for the prevention of money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, and other provisions.

In addition to the lack of a viable business plan for the sustainability of the Bank’s operations, inadequate internal controls and the condition of the loan portfolio, all of the above showed a high degree of weakness in the financial viability and corporate management of **ALLBANK CORP.;**

All of the above made the Superintendency decide on the Seizure of Administrative and Operating Control based on the grounds of items 2 and 4 of Article 132 of the Banking Law. These items refer to [circumstances in which] *the Bank cannot continue operations without jeopardizing the interest of the depositors; and the Bank’s noncompliance with the measures ordered by the Superintendency as provided for in Article 130 of the Banking Law;*

Article 133 of the Banking Law provides that the term of interim administration will not be longer than thirty (30) days, except when, due to exceptional reasons and a prior reasoned request of the administrator, the Superintendent decides to extend it; in which case, the extension shall not be longer than thirty days;

In this sense and in addition to the grounds contained in the aforementioned Resolution, it is necessary to refer to the latest press release issued by the Central Bank of Curacao, dated 4 October 2019, indicating that on that date the Court of First Instance of Curacao declared Banco del Orinoco N.V. (BDO) bankrupt;

It is important to bear in mind that due to BDO's severe dysfunctionality, the Central Bank of that jurisdiction proceeded to revoke BDO's banking license on 2 September 2019 and requested the Court adopt an emergency measure with respect to this institution. The Court granted the petition on 5 September 2019 because the bank had used false documents to substantiate its financial position;

The press release stressed that while the emergency measure was in force, the Central Bank was able to determine BDO's financial position to be deplorable. The supposed equity presented to the Central Bank and to auditors by BDO seems to be non-existent. The Central Bank has also established that the institution has very little in the way of assets, while its debts, on the other hand, are substantial;

In addition, it should be remembered that as mentioned in Resolution SBP-0169-2019 dated 9 September 2019, a meaningful part of the assets of **ALLBANK CORP.** are allegedly placed in Banco del Orinoco, N.V., (BDO) in Curaçao;

As the days have gone by since the Seizure of Administrative and Operating Control of **ALLBANK CORP.**, on 7 October 2019 the Interim Administrators submitted a detailed report containing the Bank's financial condition, unprocessed transactions, outsourcing relationships, operating system, operating expenses, operational and administrative matters and, furthermore, a series of statements and conclusions as a final consideration that are described where relevant to the purpose of this Resolution;

In summary, regarding the financial condition, the Administrators described that, on 9 September 2019, Allbank Corp. holds USD 177.9 million in customer deposits, of which USD 63.3 million are demand deposits, USD 82.9 million are time deposits, USD 31.7 million are current savings and USD 15,000 are Christmas savings deposits;

The report adds that most of the assets held are allocations and investments totaling USD 141.5 million, of which USD 107.3 million are in securities investments held by banks and companies related to the economic group; USD 34.2 million of investments are allocated as follows: USD 12.7 million in time deposits (USD 10.7 million in banks related to the economic group), and the remaining USD 21.5 million in demand allocations, of which USD 16.2 million are placed in banks and companies related to the same economic group. Moreover, the net loan portfolio amounted USD 64.6 million;

Interim Administrators concluded that, to the report date, they have not yet completed the asset valuation analysis due to the following situations:

- They have not received funds from most of the entities that were requested to do so, partly because of the extensive process required to update and confirm information, and partly by a lack of response or legal inquiries submitted by fund holders. This prevents knowing in detail the amounts of the allocations really available;
- The impossibility of confirming with the custodians the property and value of securities in the securities investment portfolio of USD 107.3 million. They have an estimate from Banco del Orinoco and Plus Capital Markets, but they have not been able to obtain detailed information on the situation of the securities investment held by the former. This prevents knowing for sure **ALLBANK CORP.**'s financial condition;
- They have not been able to confirm in detail the situation of related parties in other jurisdictions that would permit the Interim Administrators to ascertain whether it is possible or not to recover the funds and positions held by them;
- It is necessary to fully complete the information on the loan portfolio to define the potential courses of action thereof.

By virtue of the aforementioned report dated 7 October 2019, the Interim Administrators of **ALLBANK CORP.** deemed it appropriate to recommend the Superintendent of Banks extend the

Seizure of Administrative and Operating Control of **ALLBANK CORP.** for an additional thirty-day period in order to acquire as much information as possible to permit them to present a more objective report on the Bank's situation in order to make well-informed decisions;

Given that under the provisions of the Banking Law, a decision must be made on whether the Bank is to be reorganized, compulsorily liquidated or returned to its Directors or Legal Representative at the end of the 30-day period for the seizure of administrative and operating control, as long as the Bank has remedied the facts that motivated the seizure of administrative and operating control and that, in the Superintendency's opinion, the Bank could again be a viable business in the short and long term;

The Superintendency, having assessed the extension request proposed by the Interim Administrators, deems it advisable and prudent, before making that decision, to give them more time to ascertain the Bank's financial condition for the benefit of the best interests of the Bank's depositors;

Since the thirty (30) day period referred to in Article 133 of the Banking Law would expire on nine (9) October 2019, and based on the provisions of Article 131 and following articles of the Banking Law, it was resolved to extend for an additional thirty (30) day period from the expiration of the term indicated in Resolution SBP-0169-2019 dated 9 September 2019, the **SEIZURE OF ADMINISTRATIVE AND OPERATING CONTROL** of **ALLBANK CORP.** by means of Resolution SBP-0191-2019 dated 9 October 2019;

By means of the aforementioned Resolution, Mr. **RAFAEL MOSCARELLA VALLADARES**, holder of personal identification number N-21-1660, was appointed as the sole Interim Administrator of **ALLBANK CORP.** during the Extension of the Seizure of Administrative and Operating Control, 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, those provided in Article Three of Resolution SBP-0169-2019 dated 9 September 2019;

The resolution also ordered, among others, that the parts of Resolution SBP-0169-2019 dated 9 September 2019 that are not superseded by this Resolution remain in effect, including the suspension of operations and the duties provided in Article Three of that Resolution for the Interim Administrator;

It was understood that the main purpose of the extension, as provided for in the 7 October 2019 report issued by the Interim Administrator, was based on the need to verify the facts on the grounds for the seizure of administrative control that led to the aforementioned grounds insofar as possible;

It can be clearly observed that the first item of the grounds **"the uncertainty on the availability of the bank's liquid resources"** have led the Interim Administrator's team to request Banco del Orinoco in Curaçao, Banco Múltiple de las Américas, S.A. (Bancamérica) in the Dominican Republic and BOI Bank Corp. in Antigua and Barbuda, all of them banks related to **ALLBANK CORP.** and members of the same Banking Group, truthful information on the funds that belong to the Panamanian bank and consequently the repatriation of these funds to the Panamanian jurisdiction;

As referred to in the report of the Interim Administrators dated 7 October 2019, these efforts resulted in letters to each of the Banks where **ALLBANK CORP.**'s funds are allocated. One of these banks, BOI Bank Corp. indicated that after ensuring that it would follow up on the request, *it had to consult its external lawyers in Panama to validate the requirement.* The lawyer consulted concluded that *the Interim Administrator cannot dispose of the Bank's assets;*

Clearly, this is a baseless opinion, used by BOI Bank Corp. to deny the funds to the rightful owners. The aforementioned opinion was, at that time, disregarded by the Interim Administrator and the requirement was reiterated on 19 October 2019;

It is conducive, for the benefit of depositors and other creditors of **ALLBANK CORP.** to provide a summary of the efforts made by the Superintendency of Banks from the beginning of the Bank's operations back in 2012, with a business model based on venturing into the loan market, both domestic and foreign, accepting funds from customers coming from Venezuela and from Panama. The Bank moved towards loans in the middle segment, in partial interim construction financing, in

working capital loans for commercial companies, funding for the Colon Free Trade Zone, in an weak environment for the commercial operation for that trade area;

However, **ALLBANK CORP.** did not developed a solid loan administration process in any of its phases, which resulted in problems for the quality of its loan portfolio that, until that moment, was the Bank's main asset. This was reported to the Bank and was transmitted in the Examination Reports and in meetings with senior executives of the Bank, following up on its performance. Even when Rule 5-2011, whereby the provisions on Corporate Governance were updated, required the inclusion of Independent Directors with a mid-2013 deadline, this did not result in a more robust and reliable corporate governance process for the Bank;

During the first years of management, the main feature was the recurrence of negative results, with operational losses that made the shareholder, upon the Regulator's request, provide more capital to bring the equity up to what was required by the banking legal framework. **ALLBANK CORP.** experienced difficulties in reaching financial equilibrium due to, among other reasons, its low operation scale and weak financial management, which required redefining its business model in Panama;

These efforts confirmed the relevant letters informing **ALLBANK CORP.** of the weaknesses in its corporate governance, risk management and deficiencies in economic-financial results, as indicated in, among others, the Examination Report of December 2015 (highlighting a substantial deterioration with respect to the Report of December 2013) and that brought about the requirement by the Superintendency of additional capital and provisions;

Furthermore, on the Comprehensive Examination Report conducted in 2018, for December 2017, the bank was again required to increase the provisions due to the deterioration identified in the loan portfolio and the bank was required to set up limits to the custody of the investment portfolio that, as of that date, was concentrated in banks related to the banking group. During the follow-up examination carried out in 2019, it was noticed that deterioration of the loan portfolio was increasing, which resulted in a special loan examination, resulting in requiring additional provisioning and, furthermore, an increase of concentration in the custody of the securities portfolio by related banks was identified;

Moreover, beginning in October 2018, the Superintendency of Banks was aware of recurrent claims by certain **ALLBANK CORP.** customers, because of unauthorized renewals of time deposits, unilateral restructuring of terms and conditions, not awarding loans secured by deposits within the same bank but, above all, of customer instructions that were not carried out for the transference of funds deposited in the bank, as any bank would conduct during its regular course of business, following best banking practices, matching these with similar claims in the Banking Group's banks in other jurisdictions;

By then, **ALLBANK CORP.** had already been informed of the Superintendency's concerns, since the Bank, in the previous five years, had had difficulties in achieving positive results in financial figures due to banking operations showing losses, for which the bank was required to submit new business strategies;

Right away, the Superintendency of Banks started an intensive supervisory process, asking the Management and the Shareholder of **ALLBANK CORP.** for explanations and relevant solutions to the customers' claims, as they clearly implied a symptom of liquidity problems:

However, while **ALLBANK CORP.** managed to meet the regulatory soundness and liquidity ratios, it was no less true that the structure of the Bank, with a high concentration of its liquid funds in banks and the majority of the investment portfolio in custodians of its same economic group, generated important red flags;

During the examinations conducted to validate the investment portfolio, **ALLBANK CORP.** could not show, to our satisfaction, clear and convincing evidence of the truthfulness of the investment portfolio, despite repeated requests for confirmation of transactional flows and accounting lines that would verify the income from the investment portfolio;

In March 2019, a series of meetings with the shareholder and its managerial team were held to request several measures that were deemed prudentially necessary and imperative:

1. Normalizing and ordering payment of transferences to Bank's customers;

2. Transferring the liquid funds available in related banks to banks located in Panama, especially Banco Nacional de Panamá, where **ALLBANK CORP.** held its only account in the Panamanian [banking] system;
3. Starting a diversification process of its investment portfolio custodians to independent companies with no relationship to the group;

In April 2019, a remedial action was started, as provided for in the Panamanian Banking Law, appointing an Advisor to accompany **ALLBANK CORP.** on behalf of the Superintendency, to execute the measures mentioned and implement other requirements and, additionally, to make an independent assessment of the loan portfolio. The remedial action was extended for 120 days;

In order to comply with the requirements made by the Superintendency, **ALLBANK CORP.** submitted as response an Action Plan aimed at delaying the requirements, in a clear attitude of not finding an effective solution to the problems it had;

Given this situation, definitive deadlines were established for the shareholder to meet the requirements in order to find a solution that could mitigate negative effects on depositors and dispel doubts about the availability of the assets of **ALLBANK CORP.** The Superintendency had always expected the shareholder to take full responsibility of his duties and obligations, along with the people to whom the resources for its financial management had been entrusted. However, the evasive and dilatory answers, evincing an attitude of not wanting to find effective solutions to the problems, effectively reaffirmed the charges of non-compliance of the requirements, with the interests of the depositors being jeopardized in this way;

Having said that, it is part of the grounds supporting both the Seizure of Administrative and Operating Control of **ALLBANK CORP.** and the extension thereof. The Interim Administration found, as mentioned before, severe difficulty validating the existence of the Bank's main asset: its investment portfolio, allegedly held under the custody of companies related to the shareholder's group, as well as difficulty transferring liquid funds from other jurisdictions. We understand, then, that there are doubts and little evidence of the existence or the availability of these funds;

The sole Interim Administrator, as appointed by means of Resolution SBP-0191-2019 dated 9 October 2019, on its final Management Report dated 7 November 2019, provided in summary the following:

- The financial information, showing the Bank's balance, indicates the bank has apparently adequate liquidity; however, it has not been possible to verify that that position, made up of bank allocations and securities investments, is available to face the needs the bank may have. Before the seizure of administrative and operating control, restrictions were presented to customers in the execution and payment of (domestic or international) transfers, banker's drafts, disbursement of loans or paying off time deposits, which is not related to the liquidity portfolio the entity included in its financial statements;
- There was a Corporate Governance structure, with active Board of Directors and Committees, but follow-up on the SBP's requests was handled by a working group and the situation was not transmitted to [the Board or any Committees];
- We repeatedly requested related entities to transfer the demand deposits of USD 15.7 million, time deposits of USD 10.7 million and securities investment amounting USD 107.3 million. Below is the breakdown by entity:
 - (i) BOI Bank Corporation: A request for funds (USD 12 million in demand deposits and USD 6.4 million in time deposits) and repeated follow-up thereof. The Bank's staff required more information or submitted baseless legal arguments. It only answered specifically the impossibility of early cancellation of time deposits that expire in November 2019.
 - (ii) Bancamérica: The request for demand deposits of USD 2 million and repeated follow-up thereof. It only answered the first time, indicating that they would reply as soon as possible. There has been no additional communication, nor has Bancamérica sent the funds requested.
 - (iii) Plus Capital Market, Inc.: The entity has been intervened by the SMV, but repeated requests the SMV has made to BOI Bank Corp. for the remittance of

securities held by them, of which USD 63.3 million (market value) belong to **ALLBANK CORP.**, has not been honored either. The total held by Plus Capital Market, Inc. is USD 75.6 million at market value. The difference is maintained under the custody of Banco del Orinoco.

(iv) The process of Banco del Orinoco has advised that it cannot locate the securities under custody (USD 31.7 million plus the part allocated through Plus Capital Market, Inc.).

- No answer was given by the related entities with proposals for making the transfers, no financial arguments as to why [the transfers] cannot be performed and there have been no partial transfers;
- We tried to contact the shareholder both directly and indirectly from the beginning of the seizure of control (13 September) (even through other members of the Board of Directors), finally getting an answer on 29 October and meeting with him on 30 October, less than 10 days prior to the conclusion of the seizure of control. [He] sent letters presenting proposals aimed at getting the bank back into operation, without formal, concrete actions, which did not answer the procedural requirement for having short-term access to funds and securities in accounts controlled by related entities in order to verify their existence.

The Interim Administrator also established that the lack of answers and the arguments for delaying compliance with the requirements, as well as the failure to present financial reasons or appropriate proposals on the situation, raises reasonable doubts on the real availability of funds and securities held by **ALLBANK CORP.** in related entities and, therefore, on the financial viability of the entity to honor its liabilities and obligations in a timely manner and, specifically, answer customers on the destination of the deposits held at **ALLBANK CORP.**;

According to the Administrator, the above is due to the fact that, from the beginning of the Seizure of Administrative and Operating Control of the Bank, he tried, through different means, to communicate with the shareholder-final beneficiary and Director-Chairman of **ALLBANK CORP.**, above all to clarify the uncertainties on the existence and availability of the Bank's assets that could satisfy the contracted obligations;

On 24 October, through a lawyer, without powers to act on behalf of the Board of Directors of the Bank or its representatives, a meeting was held aimed at looking for the possibility of getting the Bank [back in operation] and promising to submit a proposal;

On 30 October, the Director-Chairman of **ALLBANK CORP.** talked to the Interim Administrator saying that, among others, he was shocked by the measure, since [the bank] was working with the Superintendency and meeting the requirements previously agreed to, that his objective was to recover the Bank and with that his reputation because he has other business objectives in Panama, that, additionally, [he] has other investors interested in participating in the Bank and that [he] has plans to manage the bank appropriately;

To that end, [the Director-Chairman] submitted a proposal to the Interim Administrator that, for the relevant purposes, sought, as mentioned before, to delay compliance with the requirements without the least consideration of corroborating the securities investment positions and liquid funds allocated in related entities. All in a clear and defiant attitude of not finding an effective solution to the problems [he] faces;

In the same context as all the previous communications, on 6 November 2019, the law firm, without certifying its legitimacy for this matter, submitted to the Interim Administrator a letter dated 4 November that, besides emphasizing potential losses for the bank due to the seizure of control, proposed a reorganization plan within the Seizure of Control, appointing representatives that would act as a communication channel between the Bank's shareholder and the Interim Administrator, demonstrating obvious ignorance of Panamanian banking regulations;

As provided for in Article 133 of the Banking Law *"the term of the interim administration will not be longer than thirty days, except when due to exceptional reasons and a prior reasoned request of the administrator, the Superintendent decides to extend it. In this case, the extension shall not be longer than thirty days."*

According to the cited legislation, Article 140 provides that *“upon the expiration of the period of administrative control, the Superintendent will decide whether to bank should be reorganized, liquidated [...], or returned to the administrative and operating control of directors or legal representatives of the bank, as may be the case.”*

In view of the excerpts from the two aforementioned articles, it is appropriate at this time to conclude, in the first place, that it is not feasible to return administrative control of **ALLBANK CORP.** to its directors, its sole shareholder or [its] legal representative, as they have not resolved in any way the grounds that justified the Seizure of Administrative and Operating Control of the Bank in the first place;

In the second place, we have to refer to the financial, operational and compliance situation of **ALLBANK CORP.** and to determine whether it is feasible to conduct a reorganization process that permits the Bank to continue its operations:

From the assessment contained in the Report of the [Interim] Administrator dated 7 November 2019, as well as from the Superintendency of Banks' own assessment conducted before the seizure of control, it is concluded that: from the emphasis made in the Report issued by the Interim Administrator of **ALLBANK CORP.**, with comments matching the results of the previous examinations reported to the Bank by the Superintendency, the possibility of reorganizing the Bank to return it to its original directors or selling its shares to have a new operator to manage the [bank's] future can be discounted;

In addition to the above, the experience with **ALLBANK CORP.** in trying to get the location of its investments and the continued reluctance—for months and even at the last minute—of Bank executives to provide proof of the real availability of the Bank's funds and the necessary guarantees, raise issues that would merit a thorough investigation by jurisdictional entities to provide an in-depth explanation and an assignment of responsibilities, for the benefit of the Banking Center;

Coupled with and as a result of the above, through a series of meetings held between **ALLBANK CORP.** and this Regulator, the Bank's operational unsustainability was determined due to the depletion of the business model and the uncertainty about the availability of assets, opening a reasonable doubt about the solvency and liquidity of the Bank, without neglecting its specific financial and operational situation;

To that purpose, and at each opportunity, recognizing the difficulty of maintaining itself as a running business under the same strategies, **ALLBANK CORP.** failed to propose short-term solutions, insisting on repeated evasive actions and infeasible terms and conditions to permit it to keep its risky behavior, including evasive actions from the Group's banks to disclose information on the Bank's assets in their respective jurisdictions;

As previously mentioned, on one hand, given the financial, operational and corporate governance situation of **ALLBANK CORP.** there is no room for reorganization or attempt to sell it to another bank. On the other hand, it is definitively not feasible to return the Bank's administration to its original owners. In that regard, the only alternative, given the aforementioned circumstances and background, is to call for the Compulsory Liquidation of the Bank;

In connection with all of the above and pursuant to Subparagraph 4 of Paragraph I of Article 16 of the Banking Law, the Superintendent of Banks is the approving authority for ordering, among other measures, the Compulsory Liquidation of Banks in the cases provided for in the law, and therefore;

RESOLVES:

ONE: TO ORDER, according to the provisions of Articles 154 and following articles of Chapter XVIII **COMPULSORY LIQUIDATION**, Title III of the Banking Law, the **COMPULSORY LIQUIDATION** of **ALLBANK CORP.**, a corporation established and existing according to the Laws of the Republic of Panama, filed in Microjacket 724912, REDI Document 1913669 in the Microfilm (Mercantile) Section of the Public Registry and updated by the Public Registry on Page 724912 (S), and the holder of a General Banking License granted by means of Resolution SBP 131-2011 dated 24 October 2011 issued by the Superintendency of Banks.

TWO: TO APPOINT Mr. **RAFAEL MOSCARELLA VALLADARES**, an adult Panamanian male, the holder of personal identification number N-21-1660, with over five (5) years of experience in the banking sector, with domicile in the city of Panama, to exercise exclusive legal representation, administration and control of **ALLBANK CORP.**

THREE: TO ORDER all bank operations of **ALLBANK CORP.** to remain suspended.

FOUR: As **ALLBANK CORP.** is under Compulsory Liquidation, and in accordance with Article 159 of the Banking Law, **TO DECLARE** the prescription of any right or share to which the Bank is a holder and the terms of lawsuits or administrative proceedings in which the Bank is a party, except for those seeking the execution of a pledge, mortgage or collateral, suspended for up to six months.

FIVE: TO ORDER cessation of interest on all of the obligations of **ALLBANK CORP.** under Compulsory Liquidation, except for the obligations secured with collateral or mortgage on the Bank's assets, as provided for in Article 160 of the Banking Law.

SIX: TO ORDER Liquidator **RAFAEL MOSCARELLA VALLADARES**, herein appointed, to functionally depend on the Superintendent of Banks and report his actions to the Board of Directors of the Superintendency through the Superintendent, as provided for in Article 155 of the Banking Law.

SEVEN: TO REQUEST the appointed Liquidator **RAFAEL MOSCARELLA VALLADARES** to maintain an ordered and verified record of his administration and to guide the Compulsory Liquidation process by the criteria of celerity, diligence, simplicity and transparency in his proceedings and to respect the rights and priorities recognized by the Banking Law.

EIGHT: TO ESTABLISH that the Liquidator will have the powers in Article 168 of the Banking Law and any other duties relevant for this process, among which are:

1. To stop or limit payment of the bank's obligations and of the debts of the assets subject to liquidation, subject to the availability of funding;
2. To employ the necessary personnel and dismiss those employees whose fraudulent or negligent behavior has created or abetted the conditions leading to the liquidation, as well as those employees that are no longer needed due to a reduction in the activities of the bank;
3. To assign or sell assets according to their marketable value, net of provisions, reserves, and any other adjustment required by the Superintendency, according to the existing prudential standards and regulations;
4. To transfer, totally or partially, the assets and liabilities of the bank to an institution licensed to exercise the trust business in Panama, with the prior authorization of the Superintendency;
5. To execute those acts and enter into those agreements within the scope of his responsibilities that would permit the initiation, fulfillment and execution of the liquidation through the transfer of assets and liabilities and/or a trust fund;
6. To establish in the trust contract the requirements, terms and conditions for the proper liquidation of assets and liabilities transferred to the trust fund;
7. To inform the Office of the Attorney General of all documents presenting the possibility of the commission of criminal acts, to be duly processed, categorized and prosecuted by the aforementioned authority;
8. To inform the Financial Analysis Unit of any operations suspicious of being involved in money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction;
9. Any other power which may be authorized by the Superintendent for a specific purpose based on a justified request from the liquidator.

NINE: TO ORDER the appointed Liquidator to pay all of the deposits and other obligations described in items (1) and (2) of Article 167 of the Banking Law within fifteen days following the date this Resolution is executed, as provided for in Article 161 of the Banking Law.

TEN: TO REQUEST depositors and all other creditors of **ALLBANK CORP.** under Compulsory Liquidation to, at any time prior to the Liquidator issuing his Preliminary Report, appear before the Bank to submit their claims, as provided for in Article 162 of the Banking Law.

ELEVEN: TO EMPHASIZE that the Preliminary Report of the Liquidator, referred to in Article 163 of the Banking Law and the previous article herein, will be submitted between thirty (30) and sixty (60) days following the last publication of this Resolution, as referred to in Article 157 of the Banking Law and Article Thirteen herein.

TWELVE: TO ORDER the posting of a Notice in a visible and public place in the Bank's establishment, containing this Resolution on the Compulsory Liquidation and indicating the date and time of the enactment of the Liquidation. This Notice will remain posted for five (5) business days and during the Liquidation. After the five business days following the posting of the Notice in the bank's main establishment, the resolution will be deemed served.

THIRTEEN: TO ORDER the publication of this Resolution in a newspaper with broad national circulation for five (5) business days, once the Notice referred to in the previous article is posted.

FOURTEEN: TO ORDER the Public Registry to make the relevant marginal notations on the Compulsory Liquidation of **ALLBANK CORP.**, a corporation established and existing according to the laws of the Republic of Panama, filed in Microjacket 724912, REDI Document 1913669 in the Microfilm (Mercantile) Section of the Public Registry and updated by the Public Registry on Page 724912 (S), as well as the appointment of Mr. **RAFAEL MOSCARELLA VALLADARES**, an adult Panamanian male and the holder of personal identification card number N-21-1660, as the Bank's Legal Representative, acting as the Liquidator of the Bank.

FIFTEEN: TO INDICATE that this Resolution shall be effective at three post meridiem (3:00 p.m.) on the eighth (8th) day of November, two thousand nineteen (2019).

This Resolution may be appealed to the Third Chamber of the Supreme Court of Justice, which has full jurisdiction over administrative litigation, within fifteen business days following the posting of the Notice referred to in the Banking Law and herein. The filing of an appeal against this Resolution ordering the Compulsory Liquidation of **ALLBANK CORP.** does not suspend the Administrative Act because the compulsory liquidation protects a social interest.

LEGAL GROUNDS: Article 16, Paragraph I, Subparagraph 4; Article 154 and following articles of Chapter XVIII, Title III of the Banking Law.

Given in the city of Panama on the eighth (8th) day of November, two thousand nineteen (2019).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE SUPERINTENDENT OF BANKS,

Ricardo G. Fernandez D.

/jca