

Press release

AGENCY FOR THE RESTRUCTURING OF FINANCIAL ENTITIES (AREB)

AREB expects to present the resolution plan for BPA in mid-June

Andorra la Vella, 2nd June 2015.- The Agency for the Restructuring of Financial Entities (AREB, by its acronym in Catalan) has completed its first month fully constituted and it considers this milestone a suitable opportunity to publicly share information regarding the current situation and next steps on the resolution of Banca Privada d'Andorra, SA ("BPA").

It is important to take into account what turned this matter into a unique crisis within the range of the global banking crisis: the state of operational disability that followed FinCEN's announcement last March 10th, in which the US agency considered Banca Privada d'Andorra as a 'Foreign Financial Institution of Primary Money Laundering Concern' and stated its intention to limit BPA's operational capacity in the near future, which was immediately done by most correspondents, custodians, counterparties and operators, immediately and dramatically limiting the operational capacity of BPA. The impact of this operational limitation was so severe that it triggered a series of measures by the Andorran authorities that are well known to the public.

Among these measures, in accordance with *Act 8/2015 of April 2nd, of urgent measures to try to implement mechanisms of restructuring and resolution of financial entities*, it was the constitution of AREB, which bears responsibility for designing and implementing the resolution plan for BPA using the tools conferred by the legislation, in order to minimize losses and maximize the preservation of its value, as well as prioritizing the anchorage and the international significance of the Andorran financial sector.

Together with the competent authorities of the country and the professional teams of BPA, AREB is working to unlock operations with domestic and foreign counterparts to carry out the resolution process effectively; calculate the value of the assets and liabilities of the entity; be able to identify which operations from the bank and its clients are viable in the long term, and keep providing BPA with the necessary liquidity to continue serving its customers.

The next goal will be the presentation of the BPA resolution plan to the Board of Directors of AREB for immediate approval and orderly implementation. The approval is expected in mid-June. Then, the plan will be submitted to the Andorran Government and Parliament.

It is not feasible at present to exactly define the various scenarios of resolution for BPA until completion of the internal works of analysis. AREB wants to make clear that the anticipation of these possible scenarios is mere speculation.

AREB also appreciates the understanding and cooperation of all clients and suppliers of BPA that are being affected by a process in which the protection of their interests is the main priority. A process, however, that generates serious difficulties in their daily operations. Besides, AREB wants to highlight the excellence, commitment and involvement of BPA professionals.