

RESOLUTION 006

(June 30, 1999)

"By which it substitutes Resolution 004 of May 18, 1999"

The Board of Directors of the Guarantee Fund of Financial Institutions (Fogafin)

In use of its legal powers and especially those conferred by the
Decree 836 of May 18, 1999

RESOLVES:

FIRST ARTICLE: Create a line of credit in Fogafin whose purpose will be the granting of loans destined to strengthen the assets of credit institutions.

SECOND ARTICLE: The loans granted against the credit line referred to in the first article of this resolution must be used exclusively to capitalize credit establishments.

THIRD ARTICLE: The beneficiaries of the loans referred to in this resolution will be the shareholders of the credit establishments and / or the natural or legal persons interested in participating in their capital, subject to compliance with the applicable legal requirements.

FOURTH ARTICLE: As a prerequisite to the granting of the credits that deal with in this resolution, the respective credit institutions must clean up their balance sheet in order to reduce the technical equity in such a way that it reasonably reflects its economic value, by carrying out the following operations:

1. The provision of the assets listed below:
 - a. The unprovisioned balances of the entire portfolio classified in category "C", except that which has a mortgage guarantee or whose guarantee is represented in irrevocable real estate commercial trust contracts.
 - b. The unprovisioned balances of the portfolio classified in category "D", except that corresponding to those loans that have been subject to the relief measures granted by Fogafin to the individual debtors of mortgage loans for housing that were in default, in order to facilitate the normalization of their obligations to credit institutions.
 - c. The unprovisioned balances of the entire portfolio classified in category "E".
 - d. 100% of the adjusted book cost of the leased assets that have been returned, as long as they have not been subject to

of a new leasing contract within the six (6) months prior to the balance sheet date indicated in the paragraph of this article.

and. 100% of the unprovisioned balances of the goods received as a dation in payment.

- F. The unprovisioned balances of accounts receivable in a percentage not less than twenty percent (20%) of them.
 - g. The unprovisioned balances of the entire portfolio classified in categories "A" and "B", with respect to which there are reasons to consider it of doubtful quality.
2. The amortization of the assets listed below: One hundred percent (100%) of the
- a. commercial loans. The balance of the account "Prepaid Expenses - Others".
 - b.
 - c. Fifty percent (50%) of the balance of the following deferred charges:
 - .. Studies and Projects
 - .. Supplies and Stationery
 - .. Discount in Placement of Investment Securities
 - .. Discount in Placement of BOCEAS
 - .. Commission Placement of Investment Securities
 - .. Deferred Income Tax "Debit" for Temporary Differences
 - .. Other Deferred Charges

PARAGRAPH: The operations indicated in numbers 1. and 2. of this article must be carried out on the assets registered in the last balance sheet transmitted to the Banking Superintendency.

FIFTH ARTICLE: When, as a consequence of the provision and amortization of the assets indicated in the preceding article four, the technical equity of the credit establishment is reduced to levels below zero (0), the shareholders of the respective credit establishment must be obliged to capitalize it in the amount necessary to bring said equity to at least zero (0).

Shareholders must pay at the time of subscription of the shares not less than fifty percent (50%) of the capital that they must subscribe. The remaining fifty percent (50%) may be paid by the shareholders within twelve (12) months from the date of subscription of the shares, provided that the respective credit establishment has signed with the Banking Superintendency a plan of adjustment in which the sources of payment that shareholders will use to meet said obligation are expressly indicated.

ARTICLE SIX: Notwithstanding the provisions of the fifth article above, the Financial Institutions Guarantee Fund may grant bridging loans to shareholders.

In order for them to have the necessary resources to cancel fifty percent (50%) of the capital that they must pay at the time of subscribing the shares. In this event, applicants must sign the documents that implement the credit and grant the guarantees that the Fund considers acceptable which, in no case, may have a commercial value, determined as indicated by the Financial Institutions Guarantee Fund, less than one hundred thirty-three percent (133%) of the credits granted.

PARAGRAPH FIRST: These credits will have a term of up to six (6) months, an interest rate equivalent to the DTF rate added by two (2) percentage points payable semi-annually and will be amortized upon maturity.

SECOND PARAGRAPH: The loans referred to in this article will be disbursed directly to the credit establishment receiving the capitalization, by means of the credit that the Financial Institutions Guarantee Fund makes in its account in the Bank of the Republic, through the Electronic Services system that administer that entity. Once the payment has been made into the account, the credit establishment will record in accounting the capitalization that is made with the credit product and will immediately invest a sum equal to the amount of the same in the titles that the Financial Institutions Guarantee Fund issues for this purpose.

The aforementioned securities will have a term of up to two hundred and seventy (270) days, an interest rate equivalent to the DTF rate payable semi-annually and will be amortized upon maturity.

ARTICLE SEVEN: Once the provisions indicated in paragraph 1. of article four of this resolution have been made, credit institutions must proceed to write off the corresponding assets and transfer them to an autonomous equity constituted by means of an irrevocable commercial trust contract in a trust company that does not is directly or indirectly related or linked to the respective credit establishment.

They may be beneficiaries of the autonomous equity or the respective credit establishment or those who hold the quality of shareholders of the same at the time of the constitution of said autonomous equity, a decision that will correspond to the general assembly of shareholders of the entity.

PARAGRAPH FIRST: If the general meeting determines that the beneficiaries of the autonomous patrimony are the shareholders, the participation of each shareholder in said patrimony will be the one that it holds in the capital of the credit establishment, whatever the class of shares of which it is the holder.

In this event, while the loan referred to in article eight of this resolution is in force, the credit establishment will record in memorandum accounts the constitution of autonomous equity for a value equal to one peso (\$ 1, 00).

SECOND PARAGRAPH: If the general assembly determines, with the vote of a plural number of shareholders representing no less than eighty percent (80%) of the shares represented at the meeting, that the beneficiary of the patrimony

autonomous is the credit establishment itself, while the loan referred to in article eight of this resolution is in force, the credit establishment will record in its balance the corresponding fiduciary rights for a book value equal to one peso (\$ 1, 00) .

THIRD PARAGRAPH: In no case may the assets that constitute the autonomous patrimony referred to in this article be reacquired by the trustor credit establishment or acquired by another credit establishment.

When the beneficiaries of the autonomous heritage are the shareholders and they are interested in acquiring, directly or indirectly, assets that make up said heritage, they must adopt the necessary protection mechanisms to prevent the rights of minority beneficiaries from being violated.

ARTICLE EIGHTH: The loans referred to in the first article of the

This resolution will have the following financial conditions:

- a) Amount: Ninety percent (90%) of the resources required by the credit establishment so that from the level of technical equity reached as a result of the capitalization provided for in the first paragraph of article five of this resolution, said establishment registers an equity technical such that its solvency ratio reaches ten percent (10%).

In any case, the amount of the credit may not exceed eighty percent (80%) of the total amount that is capitalized both with the shareholder's own resources and with resources resulting from the credit granted by the Financial Institutions Guarantee Fund, except during the first six (6) months from the subscription of the shares indicated in the fifth article, event in which the indicated percentage may be higher if the shareholders made use of the loan provided for in the sixth article of this resolution.

- b) Term: 3 to 7 years.

- c) Grace Period: Up to 1 year at interest and up to 3 years at capital.

- d) Interest rate: During the first three (3) years of validity of the credit, it will be equivalent to the DTF rate added with a margin of two (2) percentage points; Said margin will be capitalizable during the three (3) years indicated.

During the last four (4) years of validity of the credit, it will be equivalent to the DTF rate added with three (3) percentage points.

- e) Payment of interests Quarterly

- f) Amortizations to capital: Biannual

- g) Guarantees: The shares of the credit establishment capitalized for an amount not less than one hundred thirty-three percent (133%) of the value

of credit. The shares will be received for their economic value which will be determined, for the purposes of guarantee coverage, by the Guarantee Fund of Financial Institutions.

PARAGRAPH FIRST: Notwithstanding the provisions of literal d) of this article, the two (2) additional percentage points indicated there may be reduced in the event that the beneficiaries of the credits pay in advance, and before the third year, the balance owed. The reduction will decrease progressively and proportionally each semester, until it reaches zero (0) in the last semester of the third year.

SECOND PARAGRAPH: The Board of Directors of the Institutions Guarantee Fund Financieras may authorize that the interest rate does not increase during the last four (4) years of validity of the credit in the terms indicated in literal d) of this article, when the beneficiaries of the loans offer additional and satisfactory guarantees as a condition of the credit.

ARTICLE NINE: The loans referred to in article eight of this resolution will be disbursed directly to the credit establishment receiving the capitalization, by means of the payment made to its account in the Bank of the Republic by the Guarantee Fund of Financial Institutions through the system of Electronic Services administered by that entity.

ARTICLE TEN: Once the payment has been made in the account referred to in the Article 9 of the preceding article, the credit establishment must proceed to record in accounting the capitalization that is made with the credit product and immediately invest an amount equal to the same amount in the bonds issued for the purpose by the Guarantee Fund of Financial Institutions.

ARTICLE ELEVENTH: The guarantee referred to in literal g) of article eight of this resolution, will be granted by the shareholders by means of the constitution in favor of the Guarantee Fund of Financial Institutions of a pledge held by the creditor over the shares of the respective establishment of credit. Additionally, the Financial Institutions Guarantee Fund will establish mechanisms that ensure that at least seventy-eight percent (78%) of the political rights of the total outstanding shares of the respective credit establishment are immediately transferred in their favor, in case of default in payment by the beneficiaries of the credit.

PARAGRAPH: Notwithstanding what is established in literal g) of article eight and in this same article, the Board of Directors of the Guarantee Fund of Financial Institutions may authorize the creation of guarantees other than those indicated therein.

TWELFTH ARTICLE: As long as unpaid loan balances remain granted by Fogafin pursuant to the provisions of article eight of this resolution, their debtors will be obliged

to allocate all of the dividends that correspond to them due to the generation of profits from the capitalized credit establishment, to the payment of said balances.

Likewise, in the event that the beneficiaries of the autonomous equity are the shareholders of the credit establishment, in the commercial trust agreement indicated in the seventh article of this resolution, it will be expressly established that the resources resulting from the partial or total realization of the fiduciary rights that correspond to the beneficiaries of the autonomous patrimony who in turn are beneficiaries of loans granted by the Financial Institutions Guarantee Fund, will be used to pay the corresponding credit.

THIRTEENTH ARTICLE: The bonds issued by the Guarantee Fund of Financial Institutions referred to in the tenth article of this resolution, will have the following financial conditions:

- a. Term: 3 to 7 years
- b. Interest Rate: DTF
- c. Interest payment: Quarterly
- d. Amortization: At maturity

ARTICLE FOURTEENTH: The Legal Representatives of the respective credit institutions will sign a performance agreement with the Banking Superintendency and with the Financial Institutions Guarantee Fund, in which the following will be established, among others:

- a. The commitments and management goals aimed at consolidating the entity economically, financially and administratively and the consequences generated by non-compliance with them.
- b. The obligation of credit institutions to allocate the flows of funds released, due to the loans granted, to the disbursement of new credits and the signing of debt restructuring agreements.
- c. The prohibition of granting loans to natural or legal persons linked to the respective credit establishment.
- d. Events in which non-compliance with the commitments established in the agreement will lead to the removal of the entity's administrators.
- e. The obligation to provision the balances of credits that, in accordance with the provisions of paragraph b) of numeral 1. of article four of this resolution, have not been provisioned, whenever said credits have a default period of more than four (4 months).
- f. The obligation to consult with the Financial Institutions Guarantee Fund the decisions indicated in the respective agreement, prior to their adoption by the administration of the credit establishment, whenever the shareholders have accessed the credits indicated in the sixth article of this resolution.

ARTICLE FIFTEEN: When the loans referred to this resolution are requested to capitalize credit establishments that belong to business groups, the Board of Directors of the Guarantee Fund of

Financial Institutions may require that the asset strengthening be carried out on all the credit establishments of the respective business group or on some of them.

ARTICLE SIXTEEN: The credit institutions to whose capitalization the loan resources are going to be allocated, will authorize the Guarantee Fund of Financial Institutions and the external consultants that they hire according to the suggestion that the same Fund formulates, to determine and quantify the assets that should be provisioned by credit institutions in accordance with the provisions of paragraph 1. of article four of this resolution, and to establish the economic value of the shares of said establishments.

ARTICLE SEVENTEEN: The Financial Institutions Guarantee Fund will have a control office in the credit establishments capitalized with the resources of the credits granted by it, which will have the purpose of supervising the execution of the performance agreement referred to in article fourteen hereof. resolution. Said control office will report the results of its management to the Financial Institutions Guarantee Fund and its operating costs will be borne by the respective credit institutions.

ARTICLE EIGHTEENTH: As a prerequisite for the disbursement of resources, the beneficiaries of the credits referred to in article eight of this resolution must acquire the portfolio constituted by the credits granted to natural or legal persons linked to said beneficiaries. Likewise, they must acquire the goods leased with their corresponding leasing contracts entered into with the natural or legal persons linked to them.

The purchase operations indicated in this article may be carried out in term, in which case the buyers must grant, in favor of the respective credit establishment, the guarantees that the Board of Directors of the Financial Institutions Guarantee Fund determines as acceptable.

PARAGRAPH: The natural or legal persons related to this resolution will be determined in accordance with the provisions of the legal provisions of the Commercial Code and by Decree 2360 of 1993 and the other regulations that add, modify or replace it.

ARTICLE NINETEEN: The debtors of the credits referred to in this resolution will have the right to have the conditions of their loans adjusted from the date of the respective disbursement, in the event that the Board of Directors of the Guarantee Fund of Financial Institutions determines to modify the conditions of the loans, or apply more favorable conditions to other debtors of credits that are granted pursuant to the provisions of this resolution.

TWENTIETH ARTICLE: The amount not financed by the Financial Institutions Guarantee Fund, according to the provision contained in literal a) of article eight

of this resolution, it may be paid by the shareholders under the conditions set forth in the second paragraph of the fifth article of this resolution.

ARTICLE TWENTY FIRST: The maximum period to submit the request for Access to the credits referred to in article eight of this resolution by the addressees of the same, will be on December 31, 1999.

ARTICLE TWENTY-SECOND: The provisions and amortizations referred to in article four of this resolution will be accounted for in an equity account, in accordance with the instructions issued for that purpose by the Banking Superintendency.

ARTICLE TWENTY THIRD: This resolution fully replaces resolution No. 004 of May 18, 1999.

ARTICLE TWENTY FOUR: This resolution is effective as of the date of its publication.

Issued in Santafé de Bogotá DC, on the thirty (30) day of the month of June, nineteen hundred and ninety-nine (1999).

LET IT BE PUBLISHED AND ENFORCED,

JUAN CAMILO RESTREPO SALAZAR President

KETTY VALBUENA YAMHURE
Secretary