

CENTRAL BANK OF THE DOMINICAN REPUBLIC

POLICY COMMITTEE FOR ASSET REALIZATION (COPRA)

TERMS OF REFERENCE (TOR's)

SIXTH NATIONAL AND INTERNATIONAL PUBLIC TENDER FOR THE SALE OF LOAN PORTFOLIO

I. INTRODUCTION AND DEFINITIONS

The Central Bank Policy Committee for Asset Realization (COPRA) invites the companies listed in the Register of Eligible Companies as well as legal entities that are not yet registered, to participate in the Sixth National and International Public Tender for the Sale of Loan Portfolio Debt Balances, to take place according to the rules and conditions set forth in these Terms of Reference (TOR's), published (in Spanish) as of August 8, 2011 on the website of the Central Bank of the Dominican Republic.

This tender was made public via an Invitation to Tender, on August 8, 2011.

For purposes of these TOR's, the following terms and definitions shall be in effect:

- 1) **Central Bank Policy Committee for Asset Realization (COPRA)** is a joint entity created and empowered by the Monetary Board to design policies and strategies, and to make decisions related to the realization of assets from the entities in process of liquidation, as well as any assets received in the Central Bank for various reasons.
- 2) **Terms of Reference (TOR's):** A set of clauses stating the general characteristics of the asset to be auctioned, the procedures and rules governing the bidding, the rights and obligations of the bidders and of the Central Bank, up until the signing of the assignment contract for the credits in question.
- 3) **Register of Eligible Companies:** The register of legal entities interested in participating in the Central Bank of the Dominican Republic's public tenders for the purpose of asset realization, selected for having complied with the remittance of information and legal and financial documents detailed in these TOR's.
- 4) **Tender:** A process that includes all acts, documents, information and procedures set forth in these TOR's, and the laws, regulations and resolutions related thereto.
- 5) **Bidder:** domestic or foreign legal entity that is not affected by any of the situations referred to in Paragraph 6.5, Section VI of these TOR's, and that, by means of an economic proposal, is participating in the bidding process to acquire the Loan Portfolio debt balances, and which if declared awardee, agrees to sign the corresponding contract.
- 6) **Awardee:** The bidder declared as winner in the purchase of an asset tendered, to be notified in writing of the award.
- 7) **Due Diligence:** The process of review, study and evaluation of the documents and material and digital information relating to the tendered assets, carried out by the bidders (representatives and advisors).

- 8) **Economic Proposal:** Unilateral declaration expressing the disposition of the bidder to acquire, for a certain price and under certain conditions, the debt balances in the tendered Loan Portfolio, pursuant to the provisions of these TOR's.
- 9) **Credit Assignment Contract:** Agreement to establish the rights and obligations of the seller and the buyer with regard to the assets tendered, under applicable Dominican law, these TOR's, and the purchase proposal of the awardee.

II. GENERAL OBJECTIVE AND SCOPE

The Sixth Bidding has as its objective the sale of three (3) Loan Portfolio debt balance packages in "as is" conditions, in a total capital amount of **RD\$4.044 billion**, equivalent to **U.S.\$106.4 million** at the purchase exchange rate as of August 3, 2011, published by the Central Bank of the Dominican Republic (RD\$38.0229).

This portfolio is property of the Central Bank of the Dominican Republic, considering that was given in accord and satisfaction, in lieu of payment for outstanding debts of the former Banco Intercontinental, S.A. (BANINTER), Banco Mercantil, S.A., and Banco Nacional de Crédito, S.A.

III. LEGAL BASIS OF TENDER

Legislation and Resolutions of the Monetary Board Related to Public Bidding:

- 1) Monetary and Financial Law 183-02, dated November 21, 2002.
- 2) Law 3-02 of January 18, 2002 on the Commercial Register.
- 3) Law No. 72-02, dated June 4, 2002, against Money Laundering proceeding from the Illicit Trafficking in Drugs and Controlled Substances and Other Serious Offenses.
- 4) Law No. 479-08, dated December 11, 2008 on Commercial Companies and Private Limited Liability Companies, as amended.
- 5) Second Resolution of September 28, 2004, approving the general guidelines of the Comprehensive Settlement Proposal to Reduce the Central Bank Quasi-Fiscal Deficit.
- 6) Fourth Resolution of December 23, 2004, approving the creation of COPRA.
- 7) Fourth Resolution of February 24, 2005, which, among other things, delegates to COPRA the authority to determine all matters related to the Central Bank asset realization.
- 8) Sixth Resolution of February 24, 2005, approving the general guidelines for the classification and valuation of assets, in order to form an integrated inventory of all Central Bank assets, intended to contribute to the reduction of quasi-fiscal deficit.
- 9) Fifth Resolution adopted by the Monetary Board on June 9, 2005, as amended, approving the Regulation for Central Bank Asset Realization, as amended.
- 10) Second Resolution adopted by COPRA, dated July 12, 2011, authorizing this Tender.
- 11) Civil Code, Civil Procedure Code, Tax Law and Commerce Codes.

IV. LANGUAGE

All documents relating to the bidding must be submitted in Spanish. In the case of a document originally written in a different language, the text should be translated into Spanish, in compliance with the protocol for translation and legalization required for documents of this nature.

V. SCOPE OF PARTICIPATION IN THE AUCTION

5.1 Bidders

This Tender is intended for:

- a) Financial companies and institutions listed in the Register of Eligible Companies.
- b) Financial companies and institutions interested in participating in this Tender, that wish to be listed in the Register of Eligible Companies, except for those affected by one or more of the situations referred to in Paragraph 6.5 of Section VI of these TOR's.

VI. UPDATING AND LISTING IN THE REGISTRY OF ELIGIBLE COMPANIES

6.1 Updating Requirements for Registered Companies

To participate in this tender, the registered companies must submit a letter of intent signed by the legal representative or proxy, in which they expressly state the following:

- 1) That they have the necessary legal capacity to sign the corresponding credit assignment contract(s), in the event that they become awardees.
- 2) That they understand and accept the rules governing the tender, as set out in these TOR's.
- 3) That prior to the submission of their asset purchase proposal, they are committed to acquiring knowledge of all the information relating thereto.
- 4) That they are up to date in the payment of their tax obligations.
- 5) That in the event of disputes arising from the bidding procedure or the credit assignment contract derived from that procedure, the courts of the Dominican Republic will be the competent jurisdictional bodies in charge of hearing such disputes, and that they waive any jurisdiction resulting from their present or future domicile.
- 6) That in the case of Dominican companies, they will act in accordance with the provisions of Law No. 479-08, of December 11, 2008 on Commercial Companies and Limited Liability Companies, as amended, and shall send all the relevant corporate documents, including by-laws, acts of incorporation, lists of shareholders, minutes appointing members of the managing directorate for the current period, managers, powers of attorney, among others, duly certified in original and bearing the seal of the Commercial Registry.

Additionally, they should send the following documents:

- i) **Confidentiality Agreement** and Affidavit stating that neither they, nor their shareholders or directors, or any officer of the bidding company is a member of the Central Bank Policy Committee for Asset Realization (COPRA), authority, nor an

officer or employee of the Monetary and Financial Administration, the Superintendence of Banks, or the Superintendence of Securities; nor it has been a shareholder, member of the Directorates, or an officer of the financial institutions in the process of dissolution and liquidation, both directly and indirectly. This prohibition applies within the second degree by blood and the first degree by marriage of the person concerned. **(Annex 1).**

- ii) Original or certified document of the competent corporate body or manager's power of attorney, authorizing the company's participation in this tender and designating the person or persons that will represent it and that is or are authorized to sign on its behalf the documents mentioned in the preceding paragraph, and perform Due Diligence of those documents supporting the tendered assets.
- iii) Certification of the secretary of the corresponding administrative body or manager's power of attorney, indicating the names of the affiliates, subsidiaries and related companies with their corresponding National Taxpayers Registry (RNC) numbers or their equivalents if they are foreign, and names, identity card or passport numbers or RNC (or its equivalent) numbers, of the shareholders, whether individuals or corporate entities.

In the case of foreign companies, they should submit appropriate corporate documentation, a Certificate of Good Standing or certificate of corporate registration in force in their home country, and all the documents referred to in subparagraphs i), ii), and iii), above.

The documentation of Dominican companies must be recorded in photocopy, duly certified and recorded in the Commercial Register. The documentation of foreign companies must be submitted certified by a Notary Public of the home country, the Dominican Consulate in the home country, as well as by the Ministry of Foreign Affairs of the Dominican Republic; or sealed under apostille, if the home country is a signatory of The Hague Convention.

6.2 Requirements for Registration

Interested companies and financial institutions shall submit to COPRA a letter of intent, signed by their legal representative, expressing their interest in being registered in order to participate in the bidding, and expressly stating in writing the following:

- 1) That they have the legal capacity to enter into contracts;
- 2) That they understand and accept the rules governing the tender, as set out in these TOR's;
- 3) That they undertake to acquire knowledge, prior to the submission of the asset purchase proposal, all information relating thereto;
- 4) That they are up to date in the payment of their tax obligations;
- 5) That in the event of disputes arising during the tendering procedure or the credit assignment contract, the courts of the Dominican Republic will be the competent jurisdictional bodies in charge of considering such disputes, and that they waive any jurisdiction that might be appropriate by reason of their present or future domicile.

Additionally, the letter of intent should contain the following information:

- 1) Company name;
- 2) Registered domicile;
- 3) Phone and fax numbers, and e-mail addresses;
- 4) National Taxpayer Registry (RNC) Number or its equivalent if a foreign company; and
- 5) Country and date of incorporation.

They should also include the following documents in an attachment:

- 1) Copy of Personal and Electoral Identity Card, or Passport if they are foreigners, of the shareholders, members of the Managing Directorate, officers, or directors, and of the legal representative of the company concerned, except for public offering companies. In the event that the shareholders are legal entities, the RNC Number, or its equivalent if they are foreigners, is required, with the exception of companies engaged in public offering issuances.
- 2) Corporate documentation containing:
 - a) By-laws or Charter Incorporating the Company;
 - b) Updated list of shareholders, with the exception of companies engaged in issues of public offering securities;
 - c) Minutes of meeting stating the election of current Board members, or Act of corporate body that appoints the manager or managers;
 - d) Copy of the minutes, resolution, or power of attorney of the competent administrative body authorizing the participation of the company in the tender and appointing the person or persons who will represent it, and that will be authorized on its behalf:
 - (i) To expressly agree to abide by the rules governing the bidding and to declare that, in case of disputes arising during the bidding process or the asset assignment contract derived therefrom, the courts of the Dominican Republic are the competent jurisdictional bodies in charge of hearing such disputes, and that they waive any jurisdiction that might be appropriate by reason of their present or future domicile.
 - (ii) To conduct Due Diligence with the persons appointed by the Bidder.
 - (iii) To sign the Confidentiality Agreement regarding the information to which it will have access in Due Diligence (Annex 1).
 - (iv) To sign the Affidavit stating that neither the company nor its shareholders or directors, or any officer of the bidding company is a member of the Central Bank Policy Committee for Asset Realization (COPRA), nor an authority, officer or employee of the Monetary and Financial Administration, the Superintendence of Banks, or the Superintendence of Securities; nor it has been a shareholder, member of the Board, or officer of the Financial Institutions in the process of dissolution and liquidation, neither directly nor indirectly. This prohibition is applicable within the second degree by blood and the first degree by marriage of the person concerned. (Annex 2).

In the case of foreign companies, they must submit the appropriate corporate documentation, the Certificate of Good Standing or certificate of corporate registration in force in their home country, and all documents referred to in subparagraphs i) ii) and iii) of Section VI Sub-Section 6.1, Paragraph 6.

Documentation of Dominican companies must be recorded in photocopy, duly certified and registered in the Commercial Register. The documentation of foreign companies must be submitted certified by a Notary Public of the home country, the Dominican Consulate in the home country, as well as by the Ministry of Foreign Affairs of the Dominican Republic; or sealed under apostille, if the home country is a signatory of The Hague Convention.

- 3) Updated commercial and banking references, by means of original communications, except in the case of financial institutions.

6.3 Strategic Alliances

For companies wishing to participate jointly by means of a strategic alliance, they must send a statement, signed by the legal representatives or proxies of each of the companies, in which they express their interest in being listed in the Registry to participate in the national and international public tenders that COPRA may undertake.

This information shall be contained in the letter of intent that must be deposited at the COPRA offices no later than August 26, 2011, accompanied by the documents described in paragraph 6.2, above. They must also submit the contract or agreement legitimizing the formation of the alliance, in which it is expressly stated that among its objectives is the inclusion of the company in said Registry and the desire to participate in the bidding.

With regard to companies previously listed in the Registry that have formed strategic alliances, they must update the documentation that they have deposited in the Registry, if necessary, as detailed in paragraph 6.1 of this Section.

The letter of intent to participate in the bidding should establish which of the entities that form the alliance will sign the contract for the purchase of asset subject to the tender if awarded. In the case of a third company, the strategic alliance shall specify in the letter that they will ensure and maintain the acquisition proposal for the debt balances of the Loan Portfolio tendered and the price, until the contract is signed and even after payment is made, should the company be declared the awardee.

The strategic alliance must also submit the documents for the third company that will sign the acquisition contract for this tender, for purposes of evaluation and inscription in the Registry.

After the date of registry, changes in the composition of the strategic alliance will not be accepted.

6.4 Third Parties (Legal Entities) Signing the Contract

Bidders may request that the credit assignment contract to be signed, should they become awardees, be signed by a separate legal entity, but which is part of the same financial or economic group, for which they must stipulate the reasons supporting their request and deposit the corporate documentation that covers the same as provided in paragraph 6.2: Requirements for Inscription, duly certified or authenticated, for both Dominican and foreign companies.

6.5 Enrollment and Participation Constraints

Companies or their representatives affected by any of the following situations shall not be accepted into the Registry and therefore cannot participate in the tender:

- 1) Legal entities, their shareholders or directors that have been declared incompetent by the Dominican Constitution and laws;
- 2) Has been convicted by a court with the authority of *res judicata* for:
 - a) Participation in a criminal organization;
 - b) Corruption;
 - c) Fraud; and
 - d) Money laundering;
- 3) Has undertaken fraudulent or corrupt practices as specified under the Criminal Code of the Dominican Republic or the American Convention against Corruption;
- 4) Has made false statements when providing the information required in these TDR's;
- 5) Has breached prior agreements with the Central Bank;
- 6) Has been excluded from the COPRA Register;
- 7) Its shareholders or members of the Board of Directors are members of COPRA, executive, official, or employee of the Central Bank, of the Superintendency of Banks or the Superintendency of Securities.
- 8) Have been shareholders, officers or members of the Board of Directors of financial institutions that are in the process of dissolution or liquidation.

The limitations referred to in items 6) and 7) are applicable within the second degree by blood and the first degree by marriage of the person concerned.

When a bidder is affected by disability or incapacity during the course of the tender, it will be understood that said bidder waives participation in the evaluation and selection process applicable to said bidder and his proposal.

6.6 Registration of Bidders in the Record of Eligible Companies

When the process of receiving and evaluating the documents required by these TDR's has been completed, for legal entities interested in participating in the bidding, the Secretary of COPRA shall assign a number to the bidders who have qualified for purposes of inclusion in the Register, and shall inform them in writing of their inscription. Once registered, bidders may submit their economic proposals for the acquisition of the financial assets that are tendered, pursuant to the rules established in these TDR's.

6.7 Dates and Deadlines: Bidding Calendar

| PHASES OF THE TENDER | DATES SCHEDULED 2011 |
|---|---------------------------------|
| Publication of Notice and Terms of Reference (TOR's) on the website of Central Bank and COPRA | Monday, August 8 |
| Submission of Letter of Intent and documents required by the TOR's | Deadline Friday, August 26 |
| Notification of interested parties as to inscription in the Register of Eligible Companies | Deadline Wednesday September 23 |

| | |
|--|--|
| Due Diligence Process | From Monday September 26 to Friday, October 14 (working days) |
| Public Session: Submission (in sealed envelopes) and opening of economic proposals, before a Notary Public | Tuesday, October 25 |
| Notification and public announcement of the results of the auction | Tuesday November 15 |
| 10% Advance Payment | Deadline Friday November 25 |
| Signing of credit transfer agreement | Friday, December 9 |

VII. DUE DILIGENCE

7.1 Procedure, Requirements and Conditions

Bidders are required to undertake Due Diligence of the documentation relating to the credits tendered, and thus will have the opportunity to analyze the digitized and documentary information available and verify the condition of same.

Bidders are required to perform all necessary audits and investigations that may arise as a result of Due Diligence. Bidders presenting an economic proposal must have completed the process in the manner described above.

For such purposes, bidders will undertake the appropriate Due Diligence in accordance with the following information:

Dates and Hours: September 26 to October 14, 2011, from 9:00 A.M. to 5:00 P.M.

Location: At the COPRA Office, located on Abraham Lincoln Ave., corner of Pedro Henriquez Urena St., No. 156, La Julia, Santo Domingo, National District, Dominican Republic.

Data Room: Bidders shall have, by means of a *Data Room*, the legal and financial information related to the debt balances of the credits subject to the tender, available on magnetic media and in physical documentation.

Representatives: Bidders must notify COPRA at least forty eight (48) hours prior to the starting date for Due Diligence, as to the names of their representatives and/or consultants authorized to carry out this process.

Authorized Capacity: For Due Diligence, up to five (5) persons shall be allowed per bidder.

Credit Assignment Agreement: The model for the Credit Assignment Agreement to be signed by the awardee and the Central Bank will be delivered to each of the bidders on the date of Due Diligence.

Clarifications and Queries: In the event that bidders wish to seek clarification and ask questions about the content of these TDR's as well as any other documentation related to the tender, these may be requested in writing by means of the document designed for such purposes, to be delivered to the contact person during the Due Diligence, who is indicated below. The answers to the clarifications and consultations shall be made available in an Internal Tender Note, to be addressed to all bidders, despite not having asked the questions answered, so they may benefit from the answers.

If a bidder does not become aware of a question and respective answer that has been delivered, against confirmation of receipt presented by COPRA, through the mechanism expressed in the previous paragraph, the Central Bank of the Dominican Republic shall not bear responsibility therefor.

If several requests for clarification on the same topic are received from different bidders, the COPRA may decide to convene a meeting of bidders, in order to expressly clarify the questions that have arisen. Minutes shall be drawn up with regard to that meeting, and will form part of the record of this tender.

Due Diligence Contact: Mr. Freddy Espinosa, Technical Coordinator, Financial Assets Realization and Monitoring.

VIII. TENDERED LOAN PORTFOLIO DEBT BALANCES

8.1 Debt Balances

As of July 31, 2011, the total of these balances amounted to **RD\$4.044 billion**, equivalent to **US\$106.4 million**, at the August 3, 2011 buy rate published by the Central Bank of the Dominican Republic of RD\$38.0229 per U.S. dollar. The loans have been grouped into three different (3) packages, as follows:

The following table shows the amounts of the packages, by currency:

| | Debt Balance in MM of RD\$ | Debt Balance in MM of US\$ | Total Debt Balance | | % |
|---------------|----------------------------|----------------------------|--------------------------|--------------------------|--------------|
| | | | Equivalent in MM of RD\$ | Equivalent in MM of US\$ | |
| Package No. 1 | 524.8 | 15.6 | 1,116.44 | 29.4 | 27.6 |
| Package No. 2 | 927.2 | 29.4 | 2,045.39 | 53.8 | 50.6 |
| Package No. 3 | 478.2 | 10.6 | 882.64 | 23.2 | 21.8 |
| TOTAL | 1,930.2 | 55.6 | 4,044.47 | 106.4 | 100.0 |

The debt balances of the three (3) packages have been reported to the credit information centers (Credit Data and TransUnion).

8.2 Treatment of Payments Made Later than the Debt Balance Cutoff Date.

The cutoff date for the debt balances of the tendered loan portfolio is July 31, 2011. Collections incurred as installments, liquidations, and proceeds from restructured credits after that date, up until the date of commencement of Due Diligence, September 26, 2011, shall correspond to the Central Bank of the Dominican Republic.

The installments, liquidations, and proceeds from restructured credits received beginning September 26, 2011, which is the start date of Due Diligence, will be recognized as cash flows to be surrendered to the awardee of the tender, after a deduction of ten percent (10%) corresponding to management and conservation fees and expenses applied by the Central Bank of the Dominican Republic, as of the closing date of this tender.

IX SPECIAL RULES RELATING TO THE ECONOMIC PROPOSAL

9.1 Special Rules

The provisions of these TDR's will be considered understood and accepted by the bidders. The rules, acknowledgements, and statements expressed herein are of particular relevance to the bidders making economic proposals for the acquisition of financial assets referred to in these TDR's.

- 1) The economic proposal should be in conformity with the provisions of these TDR's, and should not be subject to any condition or term. The economic proposal shall constitute, in and of itself, evidence that the bidders have detailed knowledge of the conditions, specifications, and Appendices of this document, and that they have accepted the terms and conditions provided for therein.
- 2) The price included in the proposal must be singular, certain and definite. Payment thereof must be in cash and effected by the awardee.
- 3) Bidders must accompany their proposal with a **performance bond** in the amount of US\$300,000.00, issued by a bank or insurance company operating in the financial and insurance sectors, respectively, which shall be deducted from the price referred to in point 2) above.
- 4) Under no circumstances will the awardee be able to contract the services of a third party (legal entity), unless said requirement has been previously formalized during the registration updating phase or the initial registration, properly justified and documented, and has received the approval of the Central Bank of the Dominican Republic for such purposes.
- 5) A bidder that has contracted a third party as provided in the preceding paragraph may further require that the offer price be paid by the third party (legal entity), requesting same to sign the assignment contract.
- 6) Bidders shall acknowledge in their economic proposals that, if they become awardees, they shall assume, as of the signing of the contract pursuant to these TDR's, any and all risks associated with ownership and management of such assets, and that they shall be acquired "as is", thus waiving any action against the Central Bank of the Dominican Republic.
- 7) The proposals received and the price offered shall be irrevocable and shall be maintained until the completion of the public bidding process. For the bidder who is declared awardee, both the proposal and the price shall be maintained until the signing of the contract and even after the date thereof, until payment is made.

X SUBMISSION OF PROPOSALS

10.1 Form and Content of Proposals

Economic proposals for the acquisition of the tendered loan portfolio may be for the three (3) packages together, or by individual package.

These proposals will be made through the **"Form for Application for Public Bidding for**

Loan Portfolio Debt Balances,” Appendix No. 2, in conformity with each of the points contained in this form.

On the form, the bidder must state that:

- a) He fully understands and accepts the provisions of the TDR's governing the tender for the assets that the bidder proposes to acquire, and if declared awardee shall sign the assignment contract thereof;
- b) The price offered is irrevocable;
- c) The price shall be maintained until the signing of the contract and even after the date thereof, until payment is made;
- d) He shall not conduct himself in any way that leads to the alteration of the evaluation of the proposal, the outcome of the procedure or other aspects that result in a more advantageous situation compared to other bidders;
- e) If declared awardee, as of the date of the contract set forth in these TDR's, the bidder shall assume all risks associated with ownership of the asset that is the object of the acquisition, and, additionally, it shall be acquired “as is”.

The form must be completed in the Spanish language, free from corrections or erasures. Additionally, the proposal should be on the bidder's letterhead and contain the bidder's seal stamped on same. Each page of the proposal must be initialed by the person who will sign it and be signed by the person authorized to do so.

The proposal must be accompanied by a **performance bond** in the amount of US\$300,000.00, issued by a bank or insurance company operating in the financial and insurance sectors, respectively.

These documents must be submitted in a sealed envelope on Tuesday, October 25, 2011, in the COPRA meeting room, where the public session will be held. Additionally, the envelopes must contain the proposals recorded on magnetic media.

10.2 Method and Form Payment

The proposed method of payments:

- 1) In cash, in U.S. dollars or its equivalent in national currency, calculated at the foreign exchange sell rate published by the Central Bank as of the award date.
- 2) A payment (without refund) of ten percent (10%) of the amount of the proposal no later than November 25, 2011, and the remaining ninety percent (90%), no later than the signing date for the credit assignment contract, i.e., December 9, 2011.
- 3) Payments should be made by the awardee by manager's check, certified check or bank transfer to the order of the Central Bank of the Dominican Republic.

10.3 Place and Manner to Submit Proposals: Public Session

Economic proposals for the acquisition of tendered credits should be delivered to the COPRA office, located on Abraham Lincoln Ave., corner of Pedro Henriquez Urena St., No. 156, La Julia, Santo Domingo, National District, Dominican Republic, in a public session to be held on Tuesday, October 25, 2011 at 5:00 PM.

Under no circumstances will envelopes be received at the COPRA office after the reading of the proposals in the deposit box has begun, regardless of the cause of their delay. Additionally, proposals from companies not recorded in the COPRA Register of Eligible Companies shall not be received.

After the bidders' proposals have been received, in the presence of all bidders and a Notary Public who will witness the proposals received, the envelopes shall be opened. The COPRA Secretary will read aloud the contents of each of the proposals.

Once the public session has been initiated, the proposals may not be modified. COPRA Secretary may request any clarification with regard to the proposal if there are confusing statements, or if it contains errors, impairments or shortcomings.

The bidder must make the appropriate clarifications, but must not use the correction of errors or omissions to alter the substance of the offer or to improve or to assume an unfair advantage over the other bidders. All this shall be stated in the Notarial Certificate that shall be drawn up for that purpose.

The reception of a proposal at the public session is without prejudice to its possible subsequent rejection during the evaluation period, if impairments or shortcomings were to be found that contradict or violate the rules established in the TDR's, or if the offer price is not consistent with the Central Bank's expectations.

No bid submitted at the public session may be dismissed at that session.

XI. ANALYSIS AND EVALUATION OF PROPOSALS, PRINCIPLES AND CRITERIA.

11.1 Analysis and Evaluation

The analysis and evaluation process for the proposals will be performed by the COPRA Support Structure, adhering to the criteria set forth in these TDR's and the Resolutions issued by the Monetary Board and the Regulations for Central Bank Asset Realization, applying comparability methods and the corresponding international standards in the evaluation. This assessment should culminate with the presentation of a report by the Policy Committee for Asset Realization (COPRA), for their consideration and decision.

It shall be the responsibility of COPRA to acknowledge and select the winning bidder(s), based on the following general evaluation principles:

- a) Equal Treatment
- b) Transparency
- c) Strict compliance with the TOR's

11.2 Guidelines and General Criteria for the Evaluation of Proposals

- 1) The evaluation of proposals will be done objectively, taking into account qualitative and quantitative factors, adapted to the requirements of these TOR's.
- 2) The qualitative assessment, inter alia, addresses the legal status of the bidder and its shareholders, members of the Board of Directors or legal representative, banking and business references, specialized research reports, in support of the proposal with respect to the bidder's legal and financial status.

- 3) The quantitative assessment will favor the highest net price offered by those applicants with a satisfactory qualitative assessment. This does not necessarily mean that the highest price wins the bidding; this means rather that the winner may be the one that also receives the highest scoring in the qualitative assessment.
- 4) The proposal evaluation should aim to determine which applicant offers the best quality-to-price ratio (the best qualitative and quantitative assessments). The results of this comparative analysis should have the objective of ensuring the best conditions for the Central Bank of the Dominican Republic and the Dominican Government.
- 5) In the event that two (2) or more bidders receive the same score in technical and economic terms in their qualitative and quantitative assessments, COPRA, with or without cause, may decide the bidder which, in COPRA's judgment, shall be deemed the awardee in the tender for the sale of the loan portfolio. Alternatively, COPRA may decide to convene a second round restricted to those two bidders, in which case said bidders would be notified with regard to the corresponding rules.
- 6) In the event that two (2) or more proposals meet all the requirements of these TDR's in qualitative terms, the awarding of the assets shall be to the bidder whose proposal offers the highest price.
- 7) In the event that there is a winning proposal for which it has not been possible to verify some of the information submitted by the bidder, COPRA's decision shall depend upon the favorable results of the verification. Otherwise, COPRA shall have the option of declaring the second best proposal as the awardee, or of declaring the auction null and void.
- 8) None of the provisions contained in these TDR's, nor in the proposals submitted by the bidders, shall be negotiable.

11.3 Causes for Disqualifying an Economic Proposal

Specifically, there shall be cause for disqualifying a proposal where:

- 1) The proposal is late or contains provisions that deviate from or do not conform to the provisions of these TDR's.
- 2) It has failed to comply with any of the requirements established in these TDR's.
- 3) A bidder has an equity interest in another legal entity that is also a bidder.
- 4) Bidders have been involved or have participated directly or indirectly in studies and projects for this tender or in the development of these TDR's, or firms that have had similar participation whose partners or personnel have been in the service of the bidder.
- 5) The legal representative of a corporate bidder is also a legal representative of other firms that are bidders.

- 6) It has been proven that the bidder entered into agreements with (an)other bidder(s) in order that the first bidder be declared awardee or for same to obtain any improper advantage;
- 7) It has been proven that one bidder has presented two (2) different economic proposals;

XII. AWARD AND NOTIFICATION OF RESULTS

12.1 General Aspects

1. Based on the Report of the Support Structure, the COPRA shall award the portfolio of loans tendered to the applicant that meets the requirements in these TDR's.
2. If, after the awardee has been declared, any event should take place that would prevent the execution of the contract of assignment of credits related to the loan tender, the Central Bank of the Dominican Republic shall have the option of considering the proposal that is second best in qualitative and quantitative terms.
3. If there is not more than one (1) bid placed, this does not preclude the award from taking place.
4. The presentation of bids does not entitle any of the bidders to demand the Central Bank of the Dominican Republic's acceptance of said bids.

12.2 Temporary or Permanent Suspension of the Tender

The tender may be suspended temporarily or permanently, without liability to the Central Bank of the Dominican Republic, by written notification to all bidders when any of the following causes should occur:

- a) For reasons of public or general interest.
- b) A fortuitous event or force majeure.

The Central Bank of the Dominican Republic shall promptly publish in the press such a decision, of which the bidders will receive notification.

12.3 Grounds for Declaring the Bidding Void

The Central Bank of the Dominican Republic may declare void part or the entire tender, with or without cause, for the following reasons:

- 1) When there has been no economic offer presented for the three (3) packages or for a specific package;
- 2) Where the proposals presented have been refused or disqualified for breach of the provisions of the TDR's, after an objective analysis;
- 3) When all the economic proposals were rejected in the process of evaluation of said proposals.

In the event that the Central Bank of the Dominican Republic declares null and void all or part of the auction, it is understood that this decision is final and that it does not create individual

rights for the participants, nor does it imply responsibility for the Central Bank of the Dominican Republic.

12.4 Notification and Public Announcement of Tender Results

On or before Tuesday, November 15, 2011, the COPRA Secretariat will publish the results of the tender on the website of the Central Bank of the Dominican Republic, including in the event of it being declared void, should that be the case. If that is not the case, the participants that are awardees shall be notified as to the results.

As of the date of notification of the tender results, the Central Bank may execute the Performance Bond submitted by the awardee, receiving its value at that time. Said bond will be refunded to the bidders that are not selected as awardees, once the contract or contracts for the assignment of credits have been signed with the awardee(s).

The awardee(s) shall make a non-refundable cash payment equivalent to ten percent (10%) of the award price on or before November 25, 2011, which will be deducted from the total amount payable for the acquisition of the loan portfolio debt packages.

Once the payment referred to above is made, the corresponding sales contract will be implemented, in which the rights and obligations of the undersigned parties will be established, as well as the liabilities to be incurred for breach of said contract.

12.5 Legal and Fiscal Effects of the Award

Bidders shall acknowledge that an award of the assets tendered produces, *inter alia*, legal and tax effects listed below, which they shall take into consideration when formulating their economic proposals, and they shall not be able to claim ignorance as a cause of non-compliance with any provision of the contract of assignment signed with the Central Bank of the Dominican Republic:

- 1) The irrevocable and definitive acquisition of all the credits have been awarded to the bidder and consequently of their inherent rights and benefits.
- 2) The acquisition of action rights that could have previously been exercised through judicial proceedings for the recovery of some loans, and that may be continued, abandoned, negotiated, limited in their scope, or otherwise terminated.
- 3) The receipt, administration, control and custody of the documents that protect the credits tendered.
- 4) The obligation to report to the assigned debtors, at the awardee's expense, the assignment of credits, with respect to the balances originating from Banco Intercontinental, Banco Mercantil v Nacional de Crédito, S. A., on behalf of the Central Bank of the Dominican Republic, as well as those resulting from the assignment made by the Central Bank of the Dominican Republic in its favor, as a consequence of the awarding of this tender.
- 5) The obligation to pay those holding powers of attorney, for the collection of credits awarded when applicable, those fees by virtue of agreements with the originating banks and/or the Central Bank of the Dominican Republic.
- 6) The payment of taxes arising with respect to the acquired assets.

12.6 Delivery of Documents (Pre-Closing Date)

The awardee acknowledges that, no later than the November 25, 2011 pre-closing date, the following documents must be remitted to the Central Bank of the Dominican Republic:

- 1) The minutes of the competent corporate body that authorized the acquisition of the loan portfolio, including price and form of payment. In the event that the awardee is a foreign entity, said authorization must be delivered in the form of record transcribed in full or a certification of the minutes signed by the Secretary of the society, duly authenticated; and
- 2) A notarized certification of the origin of the funds that will pay the loan portfolio award price, which shall state that they are derived from the regular business activities of the awardee or the shareholders thereof, and are of legal origin.

12.7 Pre-contractual Liability

The awardee will incur in pre-contractual liability, if any one of the following situations should occur:

- 1) If the awardee withdraws his proposal;
- 2) If the awardee modifies his proposal;
- 3) When there is proof of conduct undertaken for the purpose of causing the alteration of the proposal evaluation, the outcome of the procedure, or of other conduct leading to the granting of more favorable conditions with respect to the other bidders;
- 4) If it is found that agreements were made with one or more of the other bidders in order to cause the award to be granted on his behalf or obtain any improper advantage.

The occurrence of any one of the situations mentioned above will prevent the signing of the contract of assignment and will involve the loss of the Performance Bond for the awardee and automatic removal from the Record of Eligible Companies.

12.8 Competence to Enter into Contracts

Be considered able to contract, the contractor whose business purpose will allow effectively meeting the overall purpose of this tender. In no case can a contract be entered into through a third party, without first having formalized the requirements therefor during the registration phase or registration update, as the case may be thereof, properly justified and documented, and having received the acceptance of the Central Bank of the Dominican Republic for such purposes.

12.9 Closing and Signing Operations

The closing of operations for the award will be made by signing the contract of assignment, at the price proposed by the bidder(s). The contract shall be signed by representatives of the Central Bank and the awardee(s), on or before December 9, 2011, on which date full payment must be completed and the Minutes of the Shareholders' Meeting, by means of which the acquisition of the asset concerned is authorized, shall have previously been delivered. Payment of the award price shall be made by the contractor on that date.

In the event that the awardee does not attend the closing, or there is any reason attributable to the awardee that prevents the execution of the contract on the date set, the awardee will lose the rights that derive from this award and the amount of the Performance Bond provided by said awardee.

In the event of an occurrence such as described in the foregoing paragraph, the Central Bank of the Dominican Republic may confer a new award, either by selecting the second place bidder, based on the score attained, or by starting a direct sales process with other interested parties.

12.10 Governing Law

Anything not expressly provided for in these TDR's shall be governed by the provisions of the laws of the Dominican Republic, and cases of breach, interpretation, and dispute shall be within the jurisdiction of the courts of the Dominican Republic, and the awardee shall waive the jurisdiction of his domicile, present or future.

XIII CONTACTS

COPRA Address: Avenida Abraham Lincoln corner Pedro Henríquez Ureña No. 156, Ensanche La Julia, Santo Domingo, Dominican Republic. Phone: 809-472-1104
Fax: 809-227-0126. For general information: extensions 243, 245, 246, 247, 249, 250, 261 and 285. For registration: extensions 223, 248 and 240.

For general information:

Ms. Maria Elena Rosario
Assistant Director, Financial Asset Management
m.rosario@bancentral.gov.do

Mr. Freddy Espinosa,
Technical Coordinator, Realization and Monitoring of Financial Assets
freddy.espinosa@bancentral.gov.do

For registration:

Ms. Altagracia Tavaréz de Melo
Secretary of COPRA
a.tavarez@bancentral.gov.do

Appendices:

- 1) Affidavit
- 2) Application Form For Public Tender Of Loan Portfolio Debt Balances

AFFIDAVIT

The undersigned, _____,
(personal information) acting as (title) of (**name of organization, corporate legal type, RNC and address**), **I DECLARE**, under oath as follows: **FIRST:** That neither the undersigned, or any shareholder (partner), member of the Administrative Board, Board of Directors, officer or employee of (**name of entity**) is a member of the Policy Committee for Asset Realization of the Central Bank of the Dominican Republic (COPRA) , nor an authority, officer or employee of the Central Bank, the Superintendence of Banks or the Superintendence of Securities or any other entity or state or municipal agency, nor has a relationship within the second degree by blood and the first degree by marriage with any of the above persons; **SECOND:** That neither the undersigned nor any shareholder (partner), member of the Administrative Board, Board of Directors, officer or employee of company has never been a shareholder, member of a Board or officer of financial institutions subject to reorganization or liquidation, nor has a relationship of up to the second degree of consanguinity and the first degree by marriage with any of the above persons; **THIRD:** That in the event that, after paying the total purchase price of the Loan Portfolio Debt Balances, or a portion thereof, prior to signing the contract of assignment in question, an event of force majeure should take place, which causes (**name of entity**) to request the Central Bank to rescind the purchase, and the Central Bank decides to accept the request, (**name of entity**) agrees to pay freely, voluntarily and expressly, by virtue of a penalty clause, and as legal compensation for damages and losses caused by their failure to purchase the assets, ten percent (10%) of the total amount paid, without any liability being incurred on the part of the Central Bank. In the event of the above, the Central Bank may deduct said amount from the amount to be repaid; **FOURTH:** That in the event that, after signing the contract of assignment, and within no more than thirty (30) days from the date of the signing, an event of force majeure should take place, which leads to (**name of entity**) which causes

(name of entity) to request the Central Bank to rescind the purchase of assets for which the property transfer has not yet been effected by means of the payment of taxes to the General Directorate of Internal Revenue (DGII) and of the registration of the contract with the corresponding Registry of Deeds, and the Central Bank decides to accept said request, (name entity) agrees to pay freely, voluntarily and expressly, by virtue of a penalty clause, and as legal compensation for damages and losses caused by the withdrawal of the purchase, fifteen percent (15%) of the total amount paid, without any liability being incurred on the part of the Central Bank. In the event of the above, the Central Bank may deduct said amount from the amount to be repaid to (name of entity); **FIFTH:** That in the event that the Central Bank should approve the sale of the Loan Portfolio Debt Balances to (name of entity) that have been requested for purchase by same, (name of entity) undertakes to deliver the amount set by the Central Bank as the asset purchase price.

In the city of Santo Domingo de Guzmán, National District, Capital of the Dominican Republic, on the _____ () day of _____, of the year two thousand and eleven (2011).

I, _____, Attorney and Notary Public of the Number _____ for the National District, enrolled in the Association of Dominican Notaries, Inc., with Commission Number _____, **CERTIFY AND ATTEST:** That the signature appearing above was placed freely and voluntarily by Mr. _____, of _____ personal information and qualities recorded, who has declared that is the same signature that he normally uses in all of his actions, both public and private; (in municipalities and provinces). On the _____ () day of the month of _____, two thousand and eleven (2011).

NOTARY PUBLIC

ANNEX No. 2

**SIXTH NATIONAL AND INTERNATIONAL PUBLIC TENDER
FOR THE SALE OF LOAN PORTFOLIOS**

APPLICATION FORM FOR PUBLIC TENDER OF LOAN PORTFOLIO

DEBT BALANCES

1 .- General Information of Applicant Company:

Name -----RNC -----

Address -----

Telephones -----Fax:-----

E-Mail: -----

Legal Representative -----

Cell Phone ----- E-Mail: -----

2 .- Method of Payment

Cash: in US\$ or equivalent in RD\$

3 .- Specifications of Economic Proposal:

Presentation Format:

| Details: | Portfolio Amount | Proposed Price in US\$/ RD \$ | Proposed Price as Percentage of Total Package Amount |
|--------------------------------|-------------------------|--------------------------------------|---|
| Package No.1 | | | |
| Package No.2 | | | |
| Package No.3 | | | |
| Combination of Packages | | | |
| All Packages | | | |

ANNEX No. 2

4.- Statements

The applicant declares that:

- a) He understands and fully accepts the provisions of the TDR's governing the tendered asset he proposes to acquire and, should he be declared awardee, he shall sign the contract of assignment thereof;
- b) The price offered is irrevocable;
- c) The price will remain firm until the signing of the corresponding contract and after the date thereof, until payment is made;
- d) He will refrain from conduct that leads to the alteration of the proposal evaluation, the outcome of the procedure or other conduct resulting in more advantageous conditions in relation to other bidders;
- e) If awarded the contract, as of the signing of said contract he shall assume all risks associated with ownership of the asset that is the object of the acquisition, and he will acquire the asset in the same conditions as they are presently to be found (“as is”).

This form must be completed in the Spanish language, without corrections or cross-outs. It must be completed on the bidder's letterhead and be stamped with the bidder's seal. Each page of the proposal must be initialed by the person signing it and the last page must be signed by the person authorized to do so.

This proposal should be accompanied by a **Performance Bond** issued by a bank or insurance company, in the amount of US\$300,000.00, to be deposited in a sealed envelope on **Tuesday October 25, 2011**, in the COPRA meeting room, where the Public Session will be held. Additionally, said envelopes must contain the proposals of reference on magnetic discs.