

March 31, 2023
Circular No. SBP-DR-0028-2023

General Manager

Subject: Rule 2-2023

Dear Sir/Madam,

We would like to inform you that the Superintendency of Banks of Panama has issued Rule 2-2023, dated 28 March 2023, titled "Addition of Article 3-A and Amendments to Articles 13 and 27 of Rule 5-2011 on Corporate Governance."

Through this Rule, a new Article is added to Rule 5-2011, which establishes basic guidelines regarding the integrity of shareholders, board members, senior managers, and key staff. The purpose is to ensure that banks and their shareholders, under the home supervisor of the Superintendency, adopt integrity policies, procedures, and control mechanisms to manage the reputation, moral standing, and economic solvency of these individuals, as well as any natural or legal person legally associated with them. This is done to mitigate the potential risks that could jeopardize the continuity of bank operations, depositors' funds, and the stability, sustainability, reputation, and security of the bank, the banking group, or the banking system.

Furthermore, Rule 2-2023 amends articles of Rule 5-2011 to include new responsibilities for the Board of Directors of banks and bank holding companies under the home supervision of the Superintendency. These responsibilities aim to establish policies and procedures that will help mitigate risks that could jeopardize the continuity of group's companies' operations or the security of depositors' funds, arising from shareholders, senior managers, board members, or dignitaries.

The Rule will take effect immediately upon enactment. However, banks and bank holding companies under the home supervision of the Superintendency of Banks of Panama will have a nine (9) month adaptation period to comply with the provisions of this Rule, starting from its enactment.

Attached, you will find a copy of the Rule, and its contents are available for reference on our website at www.superbancos.gob.pa under the "Regulatory Framework" section.

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"Solidez y confianza: garantes de los derechos de los consumidores bancarios"

We kindly request that you to provide the necessary instructions to your staff to ensure compliance with these provisions.

Best regards,

Digitally signed by [S]

NAME CASTILLO CHANG,

AMAURI ARIEL – ID 8-238-386

Date: 2023.04.03 10:10:24 - 05'00'

Amauri A. Castillo

Superintendent

Enc.: Rule 2-2023

ARV/vc