

TRANSLATION

Republic of Panama *Superintendency of Banks*

GENERAL RESOLUTION No. 001-2010 (of 3 December 2010)

“Whereby the methodology to calculate Bank Examinations fees is established and the General Resolution No. 1-2009 of 26 October 2009 is repealed”

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

WHEREAS:

Decree Law 9 of 28 February 1998 was amended by means of Decree Law 2 of 22 February 2008, which was ordered by means of a Sole Text, hereinafter referred to as the Banking Law;

Article 66 of the Banking Law provides that the total cost of the examinations, as well as incidental expenses will be paid for by the respective bank;

Number 1 of article 23 of the Banking Law states as resources of the Superintendency, the income from examinations and other special services paid by the banks and other regulated entities;

Rule No. 5-2010 of 4 October 2010 develops the bank examination concept contained in Article 66 of the Banking Law;

Article 1 of Rule No. 5-2010 of 4 October 2010 establishes that it will be understood as bank examinations the set of actions undertaken by the Superintendency of Banks, aimed at overseeing the operations carried out by the banks, their banking group and their non-banking and non-financial affiliates, by which the Superintendency verifies their financial situation and compliance with current regulations.

The above article states that the bank examination concept includes, beside the on-site inspection to banks conducted by the Superintendency at least every two (2) years, the local or cross-border off-site supervision and continuous monitoring to the activities performed by the former through permanent surveillance and analysis, studies, reports and general advices provided by the technical and administrative staff of the Superintendency.

Article 2 of Rule No. 5-2010 mentions that will be considered as costs of the bank examination, the fixed and variable expenses which must be covered by the Superintendency of Banks for the ongoing monitoring of regulated parties for the benefit of the banking center and its depositors, in order to avoid risks that may affect both the banks and the system.

In the working sessions of this Office, was mentioned the necessity and convenience of amending the methodology to charge the inspection rights in accordance with the total of consolidated assets of the Bank or its Bank Holding Group, as well as the volume and sophistication of its operations, its geographical location, and its corporate governance structure, among others.

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RESOLVES:

ARTICLE 1: BANK EXAMINATION FEES. From 2011 we will implement the methodology for calculating the bank examinations fees, which will be calculated in proportion to the average of consolidated assets of the Bank.

For Banks consolidating their operations with Bank Holdings established in Panama, which, at the same time, have bank subsidiaries in other jurisdictions, the calculation will be made based on the total consolidated assets of said Holding. This will be applied only in cases where this Office acts as home supervisor.

ARTICLE 2: METHODOLOGY TO BE APPLIED TO GENERAL LICENSE BANKS. The methodology to be applied to General License Banks will be based on the rate of 0.0065% of average consolidated assets. This will be calculated based on the information submitted to this Office by the bank and its branches through Table BAN 02 of the ITBANK information system.

For these Banks, the minimum amount payable to this Office as examination fees will be of SIXTY THOUSAND BALBOAS (B/.60,000.00) per annum, up to a maximum amount of SEVEN HUNDRED THOUSAND BALBOAS (B/.700,000.00) per annum.

ARTICLE 3: METHODOLOGY TO BE APPLIED TO INTERNATIONAL LICENSE BANKS. The methodology to be applied to International License Banks will be based on the rate of 0.0065% of average consolidated assets. This will be calculated based on the information submitted to this Office by the Bank and its branches through Table BAN 02 of the ITBANK information system.

For these Banks, the minimum amount payable to this Office as examination fees will be of SIXTY THOUSAND BALBOAS (B/.60,000.00) per annum, up to a maximum amount of ONE HUNDRED THOUSAND BALBOAS (B/.100,00.00) per annum.

ARTICLE 4. METHODOLOGY TO BE APPLIED TO MICROFINANCE BANKS. Microfinance Banks will be exempted from the calculation referred to in the first paragraph of article 2. Notwithstanding the above, the fixed amount payable to this Office as examination fees will be of THIRTY THOUSAND BALBOAS (B/.30,000.00) per annum.

ARTICLE 5. NEW BANKS. New banks to which this Office grants a Banking License and that would start operations with assets under ONE HUNDRED MILLION BALBOAS (B/.100,000,000.00) will have a fifty percent (50%) discount on the amount payable as inspection fees. The above will be applicable only to General and International License Banks, not to Microfinance Banks.

The discount referred to above, will be applicable only during the first year of operation, starting from the date of commencement of operations.

PARAGRAPH 1. If during the first year of operation the new bank exceeds the amount of ONE HUNDRED MILLION BALBOAS (B/.100,000,000.00) of average assets, the discount established on the first paragraph of this article will not be applied. For these cases, the calculation will be applied based on the provisions of articles 2 and 3 of this resolution, as appropriate.

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ARTICLE 6. BANKS CONSOLIDATING THEIR OPERATIONS WITH BANK HOLDINGS ESTABLISHED IN PANAMA. The calculation for the inspection fees to be applied to Banks consolidating their operations with Bank Holdings will be based on the rate of 0.0065% of consolidated information issued by the Bank Holdings established in Panama, which is received electronically in accordance with the submittal frequency required by this Office.

ARTICLE 7: PAYMENT PERIODS. Payments for the amounts set forth in the preceding articles will be made twice a year, during the first twenty calendar days of January and July each year.

Payments made in **January** will correspond to average assets of May, June, July, August, September, and October of each year, as appropriate.

Payments made in **July** will correspond to the average of November, December, January, February, March, April, as appropriate.

PARAGRAPH 1. Banks referred to in article 5 of this Resolution, will pay to this Office the bank examinations fees within 30 calendar days after the commencement of operations. For new Banks starting operations in 2010 and to the date of enactment of this Resolution do not have 6 months of operation, shall pay based on the average of months of operations.

ARTICLE 8. DELINQUENCY. To banks not paying within the period prescribed in article 7 of this Resolution, will be applied a surcharge of one percent (1%) per month to the amount of the invoice issued by the Superintendency of Banks.

ARTICLE 9. REVISIONS. This Office shall revise the provisions set forth in this Resolution in yearly basis.

ARTICLE 10. ENACTMENT. This Resolution shall take effect from 1st January 2011.

ARTICLE 11. REPEAL. This General Resolution repeals in its entirety the General Resolution No. 1-2009 of 26 October 2009.

ARTICLE 12. TRANSITORY. Banks that to the date of enactment of this Resolution have outstanding balances payable of examinations carried out in 2010, shall comply with the provisions set forth in article 2 of the General Resolution No. 1-2009 of 26 October 2009.

Given in the city of Panama, on third (3rd) December, two thousand ten (2010).

LET IT BE KNOWN, PUBLISHED AND ENFORCED.

THE SUPERINTENDENT OF BANKS,

Alberto Diamond R. (signed)