

Republic of Panama

Superintendency of Banks

GENERAL RESOLUTION SBP-RG-0001-2014

(dated 19 June 2014)

“Whereby the parameters for the deadline and method of submittal of information required by the Superintendency to conduct its bank examinations are established”

THE SUPERINTENDENT OF BANKS,

In use of his legal powers, and

CONSIDERING:

That due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch reedited Decree Law 9 dated 26 February 1998 and all of its amendments as a sole text, and that this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

That pursuant to Paragraph 1 of Article 5 of the Banking Law, an objective of the Superintendency of Banks is to safeguard the soundness and efficiency of the banking system;

That Paragraph 11 of Article 16 of the Banking Law establishes that supervising banks in accordance with the Banking Law and the regulations enforcing it, as well as the internationally accepted standards and criteria encompassed by the Panamanian banking legal framework, is among the technical duties of the Superintendent;

That Paragraph 13 of Article 16 of the Banking Law establishes that carrying out examinations ordered by the Banking Law, by the Board of Directors and those considered necessary or prudent, is among the technical duties of the Superintendent;

That Article 59 of the Banking Law establishes that all banks that engage in the banking business in the Republic of Panama are subject to inspection and supervision by the Superintendency to confirm their financial stability and their compliance with the provisions of the Banking Law and its regulations;

That Article 86 of the Banking Law provides that the Superintendency is authorized to request documentation and reports from any bank, any firm in the banking group, bank holding companies and nonbanking affiliates regarding their operations and activities;

That according to Paragraph 3 of Article 91 of the Banking Law, all banks must submit any other information required by the Superintendency, in the frequency determined by the latter and without prejudice to the provisions of Article 93 regarding information on liabilities;

That Article 110 of the Banking Law establishes that the Superintendency, including all of its personnel and external auditors, advisors, interim administrators, reorganizers, and liquidators appointed by the Superintendency must comply with the required confidentiality of all information that is supplied to them or that is obtained by them as provided for in the Banking Law;

That Subparagraph d, Paragraph 2 of Article 185 of the Banking Law establishes fines of up to five hundred thousand balboas (B/.500,000.00) for violations of the provisions of Title III related to the documents and reports referred to in Chapter IX;

That during the Superintendency's working sessions it became obvious that it was necessary and advisable to establish parameters for banks to comply with on deadlines and methods for the submittal of information required before bank examinations are

TRANSLATION

conducted and during the supervisory process, so that the Superintendency can fully and effectively perform its role in supervising banking entities.

RESOLVES:

ARTICLE 1. NOTICE OF EXAMINATION. For the purposes of the provisions of Article 66 of the Banking Law, the Superintendency will submit a “notice of examination” to banks in advance, in which the Superintendency will state the date of the inspection, the name of the supervisors that will conduct the examination, and the description of the information that must be at the disposal of the supervisor when starting the examination.

ARTICLE 2. DEADLINES AND METHODS FOR THE SUBMITTAL OF INFORMATION. So that the supervisory process can be conducted quickly and efficiently, banks must submit the information stated in the “notice of examination” by the deadline and in the manner required by the Superintendency.

It is understood that the submittal of information by the deadline and in the proper manner means that all of the documents described in the “notice of examination” will be at the disposal of the supervisors.” For these purposes, once the inspection has started, banks must submit all information requested by the supervisors, be it in writing or electronically (originals, photocopies, electronic and digital archives, among other media required by the Superintendency).

ARTICLE 3. INFORMATION REQUESTED DURING THE INSPECTION. Besides the information required through the “notice of examination” the supervisors may request any other information they may require during the onsite examination. For this, the supervisors will notify the bank of the specific means and deadline by which they require the information to be submitted.

ARTICLE 4. NONCOMPLIANCE. Once the inspection starts, the bank’s failure to have submitted the information required in the “notice of examination” referred to in Article 1 above will be considered noncompliance. Additionally, the bank’s failure to provide information required by the examiners during the course of the examination will be considered noncompliance.

If the information submitted is incomplete or has errors or inconsistencies that affect its quality, the information will be considered not received and will result in the imposition of the corresponding sanctions.

ARTICLE 5. FINES. Failure to comply with the provisions established herein will consist of pecuniary fines of up to five hundred thousand balboas (B/.500,000.00), as provided for in Article 185, Title IV of the Banking Law.

ARTICLE 6. CONFIDENTIALITY. The information obtained by the Superintendency’s personnel during the examination will be kept in the strictest confidence, in accordance with the provisions of Article 110 of the Banking Law.

ARTICLE 7. VALIDITY. This Resolution shall enter into force upon its promulgation.

Given in the city of Panama on the nineteenth (19th) day of June, two thousand fourteen (2014).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT.

THE SUPERINTENDENT OF BANKS,

Alberto Diamond R.