

TRANSLATION



SUPERINTENDENCY OF BANKS OF PANAMA

COMMUNIQUE

Following up on the information in Circular SBP-DR-0152-2014, released on November 26, 2014 and sent to all regulators, the Superintendency started a special examinations program on all banks in the market, aimed at verifying compliance with the regime established to prevent their services from being misused for money laundering, the financing of terrorism and related crimes, or crimes of a similar nature or origin. This program is in addition to the examinations conducted by the Superintendency.

The special examinations program is currently being exercised in fifteen (15) banks of the System. To date, five (5) of these inspections have been concluded, five (5) are being finalized and five (5) will be started shortly.

The Superintendency has pressed charges for allegedly failing to comply with the provisions of the Banking Law, Law 42 of 2000 and Rule 12-2005 on two (2) of the five (5) banks whose inspections have been completed. The files on the other three (3) are under assessment to determine charges. At the same time, the rest of the examinations being conducted could also end in administrative processes against these banks.

It is worth emphasizing that the concluded and ongoing administrative processes, as well as those that will be conducted later on must comply with the due process and secrecy required by our country's laws.

We reiterate that the Superintendency of Banks will apply the sanctions provided for in the Banking Law and Law 42 of 2000 in those cases where noncompliance with the legal and regulatory frameworks for the prevention of money laundering and the financing of terrorism and of the banking regime is proven. To illustrate, failure to comply with the provisions on the prevention of money laundering and the financing of terrorism can incur fines of up to B/.1 million and breaches of other Banking Law provisions can incur fines of up to B/.500,000, depending on the seriousness of the breach, recidivism, the extent of the damage and the harm caused.

TRANSLATION

These penalties will be applied without prejudice to those established by other competent authorities.

It is also important to clarify that according to the provisions in the Banking Law, any information on individual clients of banks obtained by the Superintendency while discharging its duties must be maintained under strict confidentiality and would only be disclosed when required by competent authority in accordance with legal provisions during a criminal proceeding.

Alberto Diamond R.
Superintendent

January 28, 2015