

# Republic of Panama

## Superintendency of Banks

### Agreement No. 3-2003

(of April 23, 2003)

#### THE BOARD OF DIRECTORS

In exercise of its legal faculties, and

#### WHEREAS:

Pursuant to Article 67 of Law No. 9 of February 26, 1998, Banks are forbidden to acquire or possess shares or participations in enterprises not related to the banking business, whose value exceeds twenty five percent (25%) of the Bank's capital funds;

Pursuant to Article 68 of the same law, the foregoing provisions of Article 67 are not an impediment to the purchase or sale by a Bank, for the account and at the request of a client, or with prior authorization from the Superintendency of Banks, of any corporation established for the purpose of insuring banking deposits, promoting the development of a money or securities market in Panama, or improving the financing of economic development;

Pursuant to Number 7 of Article 16 of Decree Law No. 9 of 1998, the Board of Directors is responsible for determining the interpretation and scope of legal and regulatory banking provisions in the administrative realm;

That in the course of joint work sessions of the Board of Directors of this Superintendency, there became evident the convenience of modifying Article 2 of Agreement 2-2002 of March 27, 2002, pertaining to the notion of enterprises not related to the banking business.

#### AGREES:

**Article 1:** Article 2 of Agreement No. 2-2002 of March 27, 2002 shall read as follows:

"ARTICLE 2. NOTION OF ENTERPRISE NOT RELATED TO THE BANKING BUSINESS: Relating to the application of Article 67 of Decree Law 9 of 1998 and this Agreement, activities related to the Banking Business shall be understood to be the following:

the offer of monetary loans and financing instruments; the business of insurance; the financial leasing; the financing of accounts receivable; the administration of funds and/or financial assets; the negotiation of securities in the market; the operation of credit card systems; the operation of electronic or semi-mechanical systems for debit cards; the administration of real estate acquired for use by the bank or any other activity determined to be a Banking Business-related activity by the Superintendency of Banks in the future.

Therefore, enterprises not related to the banking business, pursuant to Article 67 of Decree Law 9 of 1998, are those corporations whose value exceeds twenty five percent (25%) of their capital funds in activities other than those cited heretofore.

**Article 2: EFFECT.** This agreement shall become effective upon its promulgation.

Given in the city of Panama, on the twenty third (23rd) day of the month of April two thousand three (2003).

#### COMMUNICATE, PUBLISH AND ENFORCE:

THE PRESIDENT

THE SECRETARY

Jorge W. Altamirano-Duque M.

Joseph Fidanque, Jr.