

Republic of Panama
Superintendency of Banks

Agreement No. 008-2005
(dated September 21, 2005)

whereby Article 85 of Decree Law No. 9 of 1998
on Bank Confidentiality, is developed

THE BOARD OF DIRECTORS
Using its legal authority, and

WHEREAS:

According to Numeral 1 of Article 5 of Decree Law No. 9 of February 26, 1998, looking after the maintenance of the soundness and efficiency of the banking system is a function of the Superintendency of Banks;

According to Numeral 2 of Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks is responsible for strengthening and fostering auspicious conditions conducive to the development of Panama as an international financial center;

According to Numeral 7 of Article 16 of Decree Law No. 9 of February 26, 1998, the Board of Directors must set in the administrative realm, the interpretation and scope of the legal or regulatory provisions in banking matters;

According to Article 85 of Decree Law No. 9 of February 26, 1998, Banks will only disclose information about their customers or their operations with said customers' consent, unless there is a formal request from a competent authority, conforming to the Law;

According to Article 86 of Decree Law No. 9 of February 26, 1998, violations to the provisions in Chapter XIII of Title III will be sanctioned with fees of up to One Hundred Thousand Balboas (B/. 100,000.00), regardless of the civil or penal sanctions that may apply;

In work sessions of this Board of Directors with the Bank Superintendent, the need and convenience has been made evident of setting the parameters and basic general guidelines regarding Bank Confidentiality.

AGREES:

ARTICLE 1: APPLICATION SCOPE. Developing Article 85 of Decree Law No. 9 of 1998, the provisions of this Agreement will apply to Official Banks, General License Banks, International License Banks and Representation Offices.

ARTICLE 2: BANK CONFIDENTIALITY. It is mandatory for the banking entities to set in their internal policies and procedures, the duty to reliably verify the clear and accurate identification of their customer through the personal identity document, the passport or any other suitable means, at the time the customer requests or receives records and/or copies of his bank operations. Moreover, the banking entity will adopt measures that tend to prevent a customer's private and confidential information from being revealed to third parties, without the former's authorization, such that all information will be provided only to the interested party and not to third parties that have not been explicitly authorized by the customer. This obligation can be required and is consistent with technological advances developed through time which allow the control and effective protection of the information's privacy.

In the case where a third party requests to perform a transaction in the owner's name, the bank must require the latter's explicit authorization, and the suitable evidence or corresponding documentation must remain in the bank's possession.

At all times, the banking entity must keep available the identity of the official that provided and/or delivered the information required by the customer or third party and evidence of the request and authorizations needed for the case.

PARAGRAPH: The provisions of this Article do not apply in cases where information has been provided to the customer by the banking entity through the electronic banking service, whose access is done with a Personal Identification Number (PIN), its reticence being the responsibility and sole use of the customer.

ARTICLE 3: INFORMATION PRIVACY. Banks must clearly allot in their procedure manuals the duty of keeping the privacy of their customers' information, leaving evidence that the information acquired while exercising their functions, concerning their customers and operations, can only be disclosed with the customer's consent and authorization, unless there is a formal request from a competent authority, conforming to the Law.

ARTICLE 4: SANCTIONS. In case of breach of the provisions stipulated in this Agreement, the sanction set in Article 86 of Decree Law No. 9 of 1998 will be applied.

ARTICLE 5: EFFECT. This agreement will be in force from the time it is proclaimed.

Given in the city of Panama, on the twenty first (21st) day of the month of September of two thousand five (2005).

TO BE RELEASED, PUBLISHED AND FULFILLED.

THE PRESIDENT,

THE SECRETARY

Jorge W. Altamirano-Duque M.

Arturo Gerbaud