

TRANSLATION

Republic of Panama ***Superintendency of Banks***

RULE No. 005-2013
(dated 13 August 2013)

“Whereby Article 1 of Rule 6-2009 is amended”

THE BOARD OF DIRECTORS
In use of its 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 the provisions of paragraphs 1 and 2 of Article 5 of the Banking Law, safeguarding the soundness and efficiency of the banking system as well as strengthening and fostering favorable conditions for the development of the Republic of Panama as an international financial center, are objectives of the Superintendency of Banks;

That pursuant to the provisions of paragraph 5 of Article 11 of the Banking Law, approving, within the administrative sphere, the interpretation and scope of the legal provisions and regulations on banking matters, is among the technical duties of the Board of Directors;

That pursuant to paragraph 2 of Article 11 of the Banking Law, approving generally applicable standards for the definition and identification of credits to clients related among themselves or related to banks or to banking groups, is among the technical duties of the Board of Directors;

That Title III, Chapter X of the Banking Law sets forth risk concentration prohibitions and limitations;

That Rule 6-2009 dated 24 June 2009 sets forth regulations on risk concentration limits for economic groups and related parties;

That during the Board of Directors' working sessions it became obvious that it was necessary and advisable to amend Article 1 of Rule 6-2009, which sets forth the scope of application of this regulation.

RESOLVES:

ARTICLE 1. Article 1 of Rule 6-2009 shall read:

“ARTICLE 1: FRAMEWORK AND SCOPE OF APPLICATION.
This Rule shall be applied to the following entities:

TRANSLATION

1. Bank holding companies of which the Superintendency of Banks of Panama is home supervisor,
2. State-owned banks,
3. Banks of which the Superintendency of Banks is home supervisor;
4. Subsidiaries of general license banks of which the Superintendency of banks is host supervisor.

all of which shall hereinafter be referred to as "THE BANK" except when another terms is necessary for clarity.

PROVISO: International license banks and general license banks acting as branch offices, for which the Superintendency of Banks is the host supervisor, shall apply risk concentration limits established by their home jurisdiction. Measurement of the established limit will be based on the consolidated equity of the parent company or bank holding group to which they belong.

ARTICLE 2. ENACTMENT. This Rule shall enter into force as of its promulgation. However, the Superintendent may grant an additional adjustment period based on the needs of a particular bank.

Given in the city of Panama on the thirteenth (13th) day of August, two thousand thirteen (2013).

LET IT BE KNOWN, PUBLISHED AND ENFORCED.

THE CHAIRMAN,

THE SECRETARY,

Nicolas Ardito Barletta

L.J. Montague Belanger