

TRANSLATION



Superintendencia
de Bancos de Panamá

July 23, 2010
Circular No. 40-2010

Mr.
General Manager

Subject: Prevention of the Improper use of Banking and
Trust Services (Agreement 12-2005).

Dear General Manager:

Hereby, we would like to remind you the contents of Agreement 12-2005 of 14 December 2005, regarding the prevention of the improper use of Banking and Trust Services.

Especially, we would like to emphasize what is set for in Articles 4 and 5 of the cited Agreement, in connection with the due diligence of banking and trust customers and their resources.

We would like to remind you that banks and trust companies must comply with the due diligence towards their particular customers and their resources which will be the object of the contract relationship, regardless of the amount of the operation.

Also, we would like to emphasize, what is provided in number 5 of Article 4 of Agreement 12-2005, in the sense that special attention must be paid and pertinent measures must be taken for those customers identified as Politically Exposed Persons (PEP), the latter being understood as national or foreign individuals who fulfill or have fulfilled prominent public functions, so as to establish appropriate risk management systems and to carry out a deeper due diligence.

Mr. Manager, we will highly appreciate to inform the personnel in charge of the relevant instructions in order to fully comply with this circular.

Yours truly,

Alberto Diamond R.
Superintendent
/cv