

# Republic of Panama Superintendency of Banks

**GENERAL RESOLUTION SBP-RG-0001-2013**  
(dated 14 January 2013)

“Whereby the reporting requirements referred to in Article 28 of Rule 7-2011 on the annual report are broadened”

**THE SUPERINTENDENT OF BANKS,**  
in use of his legal powers, and

## **CONSIDERING:**

That in accordance with the provisions of article 16, paragraph 14 of the Banking Law, establishing prevention programs that provide full cognizance of the financial condition of banks, as well as verification of the truthfulness of the information submitted by banks to the Superintendency, are among the technical duties of the Superintendent;

That pursuant to the provisions of article 86 of the Banking Law, the Superintendency is authorized to request documentation and reports regarding its operations and activities from any bank, firm in a banking group, bank holding company or nonbanking affiliate;

That by means of Rule 7-2011 the Superintendency established the general framework for operational risk management;

That article 28 of Rule 7-2011 establishes that banks shall submit an annual report containing the main points and the results of their operational risk management program to the Superintendency no later than January 31 of each year, with the first report for 2012 being submitted no later than January 31, 2013;

That during the Superintendency's working sessions it became obvious that it was necessary and advisable to broaden the reporting requirements on the annual report referred to in article 28 of Rule 7-2011 and establish its minimum contents.

## **RESOLVES:**

**ARTICLE 1:** For the purposes of the provisions of article 28 of Rule 7-2011, the annual report on the main aspects and results of the operational risk management program, must contain the following:

1. The organizational structure (who manages legal and operational risks) including:
  - a. Hierarchical and functional organization charts.
  - b. The number of employees in the risk unit that are assigned to operational and legal risk management.
2. A brief historical description of the development and initiation of operational risk management in the bank.
3. A description of the tools used by the bank for operational risk management, such as Process Maps, Self-assessments, Risk Indicators acting as early warnings, any other tools implemented by the bank.

# TRANSLATION

---

4. The total number of employees that were trained on operational risk issues and a description of those issues.
5. The total number of events or incidents registered in the database during the last year, with their respective classification according to the type of risk, their amount (for those that are quantifiable) and their criticality.
6. A description of the ten (10) most critical events (event description, amount, criticality level and corrective measures).
7. A description of the ten (10) most critical incidents (amount of the loss, the general ledger account number and an individual description of each incident registered, the tolerance level value assigned to these risks and action plans for avoiding similar losses in the future).
8. The bank's operational risk map for the last period, using the classification described in Appendix 1, level 1 of Rule 7-2011 as a reference.
9. The classification of products and services offered by the bank according to the line items described in Appendix 2 of Rule 7-2011.
10. A description of new products and/or services launched, with the opinion of each risk management unit on the potential operational risks posed by each.
11. A description of all lawsuits filed by or against the bank. This includes lawsuits concluded with favorable and unfavorable results, as well as lawsuits that are still under adjudication, to include their prospects.
12. Operational risk-related findings encountered in internal and external audits.

**ARTICLE TWO:** This Resolution shall become effective when signed.

Given in the city of Panama on the fourteenth (14<sup>th</sup>) day of January, two thousand thirteen (2013).

**LET IT BE KNOWN, PUBLISHED AND ENFORCED.**

**THE SUPERINTENDENT OF BANKS,**

Alberto Diamond R.