

TRANSLATION

Republic of Panama *Superintendency of Banks*

RESOLUTION JD 32-2005

(dated 21 December 2005)

“Whereby the scope of Due Diligence contained in Article 3 of Rule 12-2005 is established”

THE BOARD OF DIRECTORS OF THE SUPERINTENDENCY OF BANKS

in use of its legal powers, and

CONSIDERING:

That pursuant to Article 5 of Decree Law 9 of 1998, it is the duty of the Superintendency to maintain the soundness and efficiency of the banking system as well as to strengthen and foster favorable conditions for the development of Panama as an international financial center;

That by means of Rule 12-2005 dated 14 December 2005 the Superintendency of Banks updated the guidelines on the prevention of money laundering and the financing of terrorism, for the purpose of consolidating and strengthening the regulation on the prevention of the misuse of banking and trust services in Panama;

That Article 3 of Rule 12-2005 dated 14 December 2005 provides that any operation or transaction resulting from an interbank relationship provided by the Bank to Foreign Banks will be subject to Due Diligence measures that must reflect the level of risk;

That pursuant to Paragraph 7 of Article 16 of Decree Law 9 of 1998, it is the duty of the Board of Directors to establish the administrative interpretation and scope of the legal provisions and regulations on banking matters; and

That during the working sessions of the Superintendency of Banks it became obvious that it was necessary and advisable to establish the scope of Due Diligence and other considerations for the purposes of Article 3 of Rule 12-2005.

RESOLVES:

ARTICLE 1: INTERBANK OPERATIONS DUE DILIGENCE MEASURES. For the purposes of Article 3 of Rule 12-2005, the Due Diligence process must include, among others:

- a. To ensure the existence and physical presence of the bank or its parent company and to gather sufficient information on:
 - a.1. The bank receiving the contracted service,
 - a.2. Its management,
 - a.3. Its main business activities,

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- a.4. The nature of that entity's business, and
- a.5. To determine, in conjunction with the available public information, the institution's reputation.

- b. To confirm that the bank that receives the service has measures and controls for the prevention and detection of money laundering and the financing of terrorism pursuant to international standards.

- c. To pay special attention when the bank has relationships with banks located in jurisdictions that have "Know your Customer" standards that are less demanding than those established by the Superintendency.

- d. To clearly set up and document, if necessary, the relevant responsibilities of each bank on the Due Diligence process with regard to their correspondent clients.

ARTICLE 2: The decisions on setting up correspondent services will be the responsibility of the bank's Board of Directors.

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

LET IT BE KNOWN, PUBLISHED, AND ENFORCED.

THE CHAIRMAN,

THE SECRETARY,

Jorge W. Altamirano-Duque M.

Antonio Dudley A.