

**RULE No. 2-2002<sup>1</sup>**  
(dated March 27, 2002)

**THE BOARD OF DIRECTORS**  
In use of its legal powers, and

**WHEREAS**

In accordance with Article 67 of Decree-Law No. 9 of February 26, 1998, Banks are forbidden to acquire or possess stock or shares in any other companies not related with the banking business, whose value exceeds twenty-five percent (25%) of the Capital Funds of the Bank;

That in accordance with Article 68 of the same Decree-Law, the provisions set forth in Article 67 mentioned herein above does not impede the purchase or sale of shares of stock by a Bank for the account and order of a customer, or, prior authorization from the Superintendency, the purchase or sale of shares of stock for the account of the bank itself, of any corporation organized to the end of securing the bank deposits, promoting the development of a money market or securities market in Panama, or improving the financing system of the economic development.

That in accordance with Numeral 7 of Article 16 of Decree-Law 9 of 1998, it corresponds to this Board of Directors to fix, at the administrative level, the interpretation and scope of the legal or regulatory provisions regarding banking; and

That in work meetings of this Board of Directors with the Superintendency of Banks, it has become evident the need and convenience of asserting criteria regarding the interpretation and scope of the above-mentioned Articles 67 and 68.

**RESOLVES:**

**ARTICLE 1. CUMULATIVE NOTION OF THE LIMIT:** To the effect of the application of the limit established in Article 67 of Decree-Law No. 9 of February 26 of 1998, it is hereby expressly understood that said limit shall be applied upon a cumulative and not an individual basis, and for this reason the amount of all investments of the Bank in stock or shares in companies not related with the Banking Business may not exceed twenty-five percent (25%) of the consolidated Capital Funds of the Bank.

**ARTICLE 2<sup>2</sup>. NOTION OF ENTERPRISE NOT RELATED TO THE BANKING BUSINESS:** Relating to the application of Article 67 of Decree Law 9 of 1998 and

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<sup>1</sup> Amended by Rule 3-2003 dated 23 April 2003.

<sup>2</sup> Amended by article 1 of Rule 3-2003 dated 23 April 2003.

this Rule, activities related to the Banking Business shall be understood to be the following:

the offer of monetary loans and financing instruments; the business of insurance; the financial leasing; the financing of accounts receivable; the administration of funds and/or financial assets; the negotiation of securities in the market; the operation of credit card systems; the operation of electronic or semi-mechanical systems for debit cards; the administration of real estate acquired for use by the bank or any other activity determined to be a Banking Business-related activity by the Superintendency of Banks in the future.

Therefore, enterprises not related to the banking business, pursuant to Article 67 of Decree Law 9 of 1998, are those corporations whose value exceeds twenty five percent (25%) of their capital funds in activities other than those cited heretofore.

**ARTICLE 3. APPLICATION OF THE LIMIT TO INVESTMENTS IN CONTROLLING CORPORATIONS:** In the case of controlling corporations of the majority of the voting rights in the Shareholders Meeting of Banks, it shall be considered that said corporations are related to the banking business, provided always that the proportion of the total assets that are related with the banking business in accordance with the criterion of the above Article of the present Rule, represent at least ninety-five percent (95%) of the value of the consolidated assets of the controlling corporation.

Accordingly, the limit established in Article 67 of Decree-Law 9 of 1998 shall not be applied to the investments or participations in the controlling companies of banks that meet the condition set forth in the above paragraph.

**ARTICLE 4. VALIDITY:** The present Rule shall start to be in effect counting from its promulgation.

**ARTICLE 5. ADJUSTMENT TERM:** The Banks shall have a term which shall end on the thirty-first (31<sup>st</sup>) of December of the year two thousand and two (2002) to adjust to the obligations established in the present Rule.

Given in the city of Panama, this twenty-seventh (27<sup>th</sup>) day of the month of March of the year two thousand and two (2002).