

TRANSLATION

Republic of Panama Superintendency of Banks

RULE No. 2-2016
(dated 23 February 2016)

“Whereby Article 33-A is added to Rule 7-2014, which establishes standards for the consolidated supervision of banking groups”

THE BOARD OF DIRECTORS
in use of its legal powers and,

WHEREAS:

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 consolidated text, and this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

Pursuant to paragraph 1 of Article 5 of the Banking Law, safeguarding the soundness and efficiency of the banking system is an objective of the Superintendency of Banks;

Pursuant to paragraph 2 of Article 5 of the Banking Law, strengthening and fostering favorable conditions for the development of the Republic of Panama as an international financial center is an objective of the Superintendency of Banks;

Pursuant to paragraph 1 of Article 11 of the Banking Law, approving general standards for the identification, regulation, and consolidated supervision of banks and banking groups is a duty of the Board of Directors;

Pursuant to paragraph 5 of Article 11 of the Banking Law, establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters is a duty of the Board of Directors;

According to paragraph 12 of Article 16 of the Banking Law, carrying out the consolidated supervision of banking groups as established by the Banking Law and the Board of Directors is a duty of the Superintendent;

In accordance with paragraph 5 of Article 48 of the Banking Law, the Board of Directors is authorized to establish any other criteria it deems relevant to the approval or denial of banking licenses;

Pursuant to Article 61 of the Banking Law, the Superintendency will exercise exclusive consolidated and cross-border supervision of Panamanian banks and banking groups that were established in Panama, in accordance with the standards of general application that may be adopted by the Board of Directors;

Chapter VII (Integrity and Truthfulness of Information) of Rule 7-2014 on the standards for the consolidated supervision of banking groups provides the guidelines for reporting consolidated or combined information on banking groups;

During its working sessions, the Board of Directors determined it necessary and advisable to implement standards for the publication of consolidated financial statements of the banking groups consolidating their operations in Panama and over which the Superintendency exercises home supervision, in order to ensure the effective consolidated supervision of banking groups.

RESOLVES:

ARTICLE 1. Article 33-A is added to Rule 7-2014 dated 12 August 2014, as follows:

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ARTICLE 33-A. PUBLICATION OF CONSOLIDATED FINANCIAL STATEMENTS. Banking groups consolidating their operations in Panama and over which the Superintendency exercises home supervision shall post their consolidated financial statements on their websites and in a visible place in the group's main banking establishment within seven (7) business days after having submitted them to the Superintendency.

ARTICLE 2. This Rule shall become effective upon its promulgation.

Given in the city of Panama on the twenty-third (23rd) day of February, two thousand sixteen (2016).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT.

THE CHAIRMAN,

THE SECRETARY,

Luis Alberto La Rocca

Arturo Gerbaud