

TRANSLATION



June 22, 2010
Circular No. 033-2010

Mr.
General Manager

Subject: Cross-border Cash Transfer.

Dear Mr. General Manager:

Hereby, we would like to reiterate and emphasize, regarding to Circular No. 56-2007 of October 26, 2007, whereby we have instructed on the needs of the Banks established in Panama that are dedicated to transporting cash and securities, among others, from abroad towards Panama by means of the procedures established by the National Customs Authority, to keep proper controls and procedures to prevent the improper use of banking services.

Transfer money involves high risks that may impact negatively the Bank's activities and reputation, in the case that any of the controls and policies adopted by the bank fails.

Because of this, and besides the recommendations issued in the cited Circular, we would like to reiterate the provisions given in Article 10 of Agreement No. 4-2001 whereby the measures on Corporate Governance are adopted, and sets forth among other things:

Article 10. RESPONSIBILITIES OF THE BOARD OF DIRECTORS. The Board of Directors is responsible for the establishment and maintenance of an effective internal control system in the Bank...

In order to comply with its responsibilities, the Board of Directors shall fulfill at least the following duties:

- a. To approve and review periodically the business strategies **and other important policies of the Bank**;

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- b. **To appreciate and understand the main risks exposures of the Bank, setting reasonable limits and procedures for such risks and to ensure that the Senior Management adopts the measures required for the identification, assessment, supervision and control;**
- c. **To keep the Superintendency informed about the situations, events or problems affecting or that may affect the Bank and the specific actions to face and/or correct the deficiencies identified.**
(The highlighted is ours)

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...

This Superintendency discourages emphatically and categorically carrying out this activity even though the Bank is fully aware of the legitimacy of the origin of the funds and has foreseen the reputational risk the entity may be exposed to.

As part of the supervisory role this Superintendency has we will strictly monitor the aforementioned in order to safeguard the integrity and reputation of our International Banking Center.

Yours truly,

Alberto Diamond R.
Superintendent