

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

OFFICE OF THE COMPTROLLER OF THE CURRENCY

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF THRIFT SUPERVISION

CAYMAN ISLANDS MONETARY AUTHORITY

Statement of Cooperation

1. In view of the fact that a number of banks and banking organizations chartered in the United States and the Cayman Islands have operations in each of the respective jurisdictions, the Board of Governors of the Federal Reserve System (the "Board"), the Office of the Comptroller of the Currency (the "OCC"), the Federal Deposit Insurance Corporation (the "FDIC"), the Office of Thrift Supervision ("OTS") and the Cayman Islands Monetary Authority ("CIMA") have reached an understanding in order to establish an arrangement for the sharing of supervisory information to facilitate the performance of their respective duties and to promote the safe and sound functioning of banks and banking organizations in their respective jurisdictions. This understanding also demonstrates the commitment of the Board, the OCC, the FDIC, the OTS and the CIMA to the principles of comprehensive consolidated supervision and cooperation among banking regulators.

2. The Board, the OCC, the FDIC, the OTS and the CIMA express, through this Statement of Cooperation ("Statement"), their willingness to cooperate with each other on the basis of mutual trust and understanding in the supervision of cross-border establishments of banks and banking organizations incorporated in the United States and

the Cayman Islands insofar as they are subject to the supervision of the Board, the OCC, the FDIC, the OTS, or the CIMA.¹

3. The Board, the OCC, the FDIC, the OTS and the CIMA shall be referred to as “Authorities.”

Sharing of Information

4. The Authorities recognize that close communications between home and host supervisors would be mutually advantageous. Cooperation would include contact during the authorization process of a cross-border establishment as well as in the supervision of the ongoing activities of cross-border establishments.

5. In connection with the authorization process, the Authorities intend to:

- a. notify the appropriate home supervisor(s), without delay, of applications for approval to establish cross-border establishments in one jurisdiction by banks and banking organizations from the other jurisdiction;
- b. upon request, inform the host supervisor(s) whether the applicant is in substantial compliance with banking laws and regulations and whether it may be expected, given its administrative structure and internal controls, to manage the cross-border establishment in an orderly manner; and

1. The terms “bank” and “banks” include savings associations. “Banking organization” refers to a bank holding company or financial holding company and its bank and non-bank subsidiaries. It also refers to savings and loan holding companies and their savings association and other subsidiaries. The term “cross-border establishment” refers to branches, subsidiaries and affiliates of a bank insofar as they are subject to the supervision of the Board, the OCC, the FDIC, the OTS or the CIMA.

c. to the extent reasonable and consistent with law, share information on the capability, integrity, or experience of the prospective managers of the cross-border establishment.

6. In connection with the ongoing supervision of cross-border establishments, the Authorities intend to:

a. endeavor to notify the appropriate home supervisor(s) and provide relevant information regarding any material developments or supervisory concerns in respect of the local operations of any bank or banking organization headquartered in the other jurisdiction;

b. respond to requests for information on any aspect of their respective regulatory systems and inform each other about any major changes which have a significant bearing on the activities of cross-border establishments by banks and banking organizations incorporated in the other jurisdiction;

c. endeavor to inform the appropriate host supervisor(s), in a timely manner and to the extent reasonable, about any event which has the potential to endanger the stability of cross-border establishments in the host jurisdiction; and

d. inform the appropriate Authority(ies) in the other jurisdiction of administrative penalties imposed, or any other formal enforcement action taken, on a cross-border establishment as host supervisor, or on a bank or banking organization as home supervisor if the home supervisor judges the information as possibly important to the Authority(ies) in the other jurisdiction as it may relate to the operation of cross-border establishments in that jurisdiction.

7. Upon receipt of a written request by the home supervisor(s), the host supervisor(s) would endeavor to provide to the Authority making the request, information contained in examination or other reports, including in appropriate cases making available relevant excerpts of the report itself, regarding the cross-border establishments of banks and banking organizations incorporated in the requesting Authority's jurisdiction. Such information normally would not include customer account information unless this is of particular relevance to the supervisory concern prompting the request. Where the Authorities perceive a need for expedited action, requests may be initiated in any form but should be confirmed subsequently in writing.

8. Whenever appropriate, ad-hoc meetings would be arranged to resolve serious supervisory problems concerning a cross-border establishment.

Supervisory Cooperation

9. The Authorities recognize that cooperation is particularly useful in assisting each other in carrying out on-site inspections of cross-border establishments in the host jurisdiction. The home supervisor(s) would notify the host supervisor(s) of plans to inspect or verify any information concerning a cross-border establishment in the host jurisdiction, indicating the purpose of the visit and the aspects of the cross-border establishment they wish to explore. Inspections or examinations of cross-border establishments in the host jurisdiction would be undertaken only after consultation with the licensing or supervising authority of such cross-border establishments in that jurisdiction. At the discretion of the host supervisor(s), examinations or inspections may be carried out independently by the home supervisor(s), or jointly with the host supervisor(s). The home supervisor(s) would inform the host supervisor(s) at the conclusion of an examination or inspection and provide, to the extent reasonable, information on the results of the review relevant to the operations of the cross-border establishment.

10. The Authorities intend to cooperate closely when they identify suspected money laundering, terrorist financing, unauthorized banking business, and other criminal financial activities and will endeavor to share information related to such activities, including, as relevant, customer-related information, in accordance with the provisions of this understanding.

11. The Authorities will endeavor to share information related to banks or banking organizations in the United States and the Cayman Islands that are under common ownership or control by one person or group of persons. To the extent such parallel-owned banking organizations are not subject to consolidated supervision, the Board, the OCC, the FDIC, or the OTS, on the one hand, and the CIMA, on the other, would expect to consult on aspects of the U.S. and the Cayman Islands operations that may have an impact on the operations in the other jurisdiction.

General Provisions

12. Information would be shared to the extent reasonable and subject to any relevant statutory provisions, including those restricting disclosure. In addition, the provision of, or request for, information under this Statement may be denied on grounds of public interest or national security or when disclosure would interfere with an ongoing investigation.

13. Any confidential information received from another Authority will be used only for lawful supervisory purposes. To the extent permitted by law, each Authority will hold confidential all information (other than publicly available information) received from another Authority pursuant to this Statement and will not disclose such information other than as necessary to carry out its lawful supervisory responsibilities and consistent with paragraphs 14, 15, and 16.

14. Except as provided in paragraphs 15 and 16, before an Authority discloses any confidential information received from another Authority to a third party, the Authority will request and obtain prior consent from the originating Authority which shall not be unreasonably withheld. Each Authority will endeavor to respond to a request to disclose information within twenty (20) days.

15. In the event that an Authority is required by statute or legal process to disclose confidential information provided pursuant to this Statement, it will, to the extent permitted by law,² inform the Authority that provided the information about such possible onward sharing. If the informed Authority does not consent to such disclosure and if possible and appropriate, the Authority that is required to disclose the received information will take reasonable steps to resist disclosure, including by employing legal means to challenge the order or by advising the requesting party of the possible negative consequences that such disclosure might have on the future exchange of confidential information between the Authorities.³

16. The CIMA consents to the Board, the OCC, the FDIC and the OTS (each, a “U.S. banking agency”) disclosing information provided by the CIMA to other U.S. federal and state financial supervisors and regulators in furtherance of the appropriate U.S. banking agency’s lawful responsibilities, and subject to assurances that the information will not be further disclosed by the receiving party except as authorized by the appropriate U.S. banking agency after the U.S. banking agency obtains the CIMA’s consent in accordance with the terms of this Statement.

2. For example, a subpoena or court order requesting information may bar the Board, the OCC, the FDIC or the OTS from disclosing the existence of such subpoena or order.

3. Such reasonable steps also would be taken as appropriate in the context of the instances referred to in footnote 2.

17. No privileges or confidentiality associated with information provided by any Authority are intended to be waived as a result of sharing such information pursuant to this Statement.

18. The Authorities would conduct meetings as often as appropriate to discuss issues concerning banks and banking organizations that maintain cross-border establishments in the respective other jurisdiction. In addition, every effort will be made to encourage continuous and informal contacts between the staff of the CIMA and the staffs of the Board, the OCC, the FDIC and the OTS.

19. The Authorities may promote their cooperation through visits for informational purposes and by exchange of staff for practical internships. In addition, the Authorities may pursue areas where the training of staff at one Authority would benefit from input and support by another Authority in order to reinforce sound banking supervisory practices in both jurisdictions.

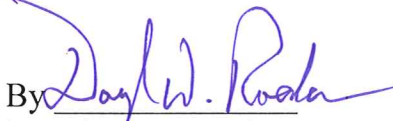
20. Nothing in this Statement affects the competence or supervisory authority of the Authorities under their respective laws.

21. This Statement will enter into force as of the date written below and continue indefinitely subject to modification by the mutual consent of the parties or termination by any Authority with 30 days advance notice to the other Authorities. After termination, the confidentiality provisions shall continue to apply to any information provided under this Statement prior to termination.


22. The Authorities look forward to continued cooperation and discussions on these and other supervisory matters.

Confirmed:


Office of the Comptroller
of the Currency

By 
Douglas W. Roeder
Senior Deputy Comptroller for
Large Bank Supervision

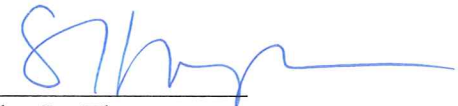
Cayman Islands Monetary Authority

By 
Cindy Scotland
Managing Director

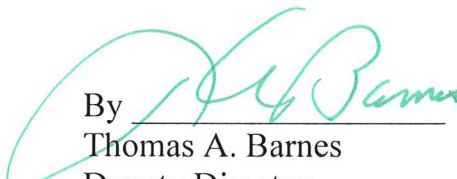
Board of Governors of the
Federal Reserve System

By 
Patrick M. Parkinson
Director
Division of Supervision and Regulation

Federal Deposit Insurance
Corporation

By 
Sandra L. Thompson
Director
Division of Supervision and Consumer
Protection

Office of Thrift Supervision

By 
Thomas A. Barnes
Deputy Director

Dated: 6 August 2010