

**MEMORANDUM OF
UNDERSTANDING BETWEEN THE
NATIONAL BANKING AND
SECURITIES COMMISSION OF THE
UNITED MEXICAN STATES AND THE
FINANCIAL SERVICES COMMISSION
OF THE BRITISH VIRGIN ISLANDS**



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**MEMORANDUM OF UNDERSTANDING BETWEEN THE NATIONAL
BANKING AND SECURITIES COMMISSION OF THE UNITED MEXICAN
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The National Banking and Securities Commission (CNBV), of the United Mexican States and the Financial Services Commission (FSC), of the British Virgin Islands (the Parties); supervise in each of their respective jurisdictions bank or other financial activities, and therefore are capable of practicing cross-border financial supervision.

The CNBV is empowered to share and exchange information with the FSC and vice versa, in order to foster and procure the sound operation of banks and other financial institutions under their supervision.

The Parties are committed to following the principles of consolidated cross-border supervision and to preserve the cooperation with other regulators to the extent permitted by their respective laws.

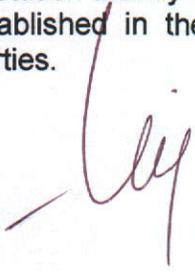
The Parties have reached an understanding as follows:

**Article 1
Definitions**

For purposes of this Memorandum of Understanding, the concepts mentioned below will have the following meaning:

Banking Organization(s): The institution carrying out banking activities in the United Mexican States and/or in the British Virgin Islands through its head office and cross border establishments, that are subject to the supervision and regulation of any of the Parties in accordance with the applicable laws and provisions in their respective jurisdictions. In its case, Banking Organization will include any holding company and its bank subsidiaries duly incorporated and placed under the supervision of any of the Parties.

Cross-Border Establishment(s): An organizational unit carrying out banking activities authorized in the British Virgin Islands or in the United Mexican States of a Banking Organization which is authorized in the other jurisdiction, or an institution carrying out banking activities authorized in the British Virgin Islands or in the United Mexican States controlled by a Banking Organization which is authorized in the other jurisdiction. A Cross-Border Establishment is also an institution that by virtue of direct or indirect investment by a Banking Organization established in the home jurisdiction is subject to supervision by any of the Parties.



Financial Institution(s): Those entities different from a Banking Organizations or a Cross-Border Establishment, subject to the supervision by any of the Parties and which are controlled by a Financial Institution or a Banking Organization authorized in the other jurisdiction. A Financial Institution is also an organization that by virtue of direct or indirect investment by a Financial Institution established in the home jurisdiction is subject to supervision by any of the Parties.

On-Site Inspections(s): The official visits of inspection carried out at a Cross-Border Establishment or at a Financial Institution by the Home Supervisor, through duly authorized officers, to verify its financial condition and otherwise carry out consolidated supervision.

Home Supervisor: The supervisor located in the United Mexican States or in the British Virgin Islands, respectively, responsible for the supervision on a consolidated basis of a Banking Organization or a Financial Institution.

Host Supervisor: The supervisor located in the United Mexican States or in the British Virgin Islands, respectively, in which a Banking Organization is authorized to carry out banking activities through its Cross-Border Establishment or a financial activity through its Financial Institution in the other Party's jurisdiction.

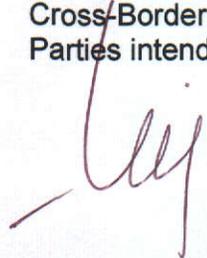
Visit(s): The visits carried out at the Banking Organizations or a Financial Institution located in the other Party's territory with the purpose to revise and supervise the systems and process related to the operation of the Banking Organizations or Financial Institutions, subcontracted by the Mexican or British Virgin Islanders companies supervised by CNBV or FSC, respectively.

Article 2 Purpose

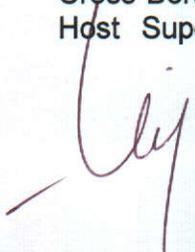
The purpose of this Memorandum is to facilitate the performance of the Parties' respective duties and to promote the adequate and accurate functioning of Banking Organizations and the Financial Institutions in the United Mexican States and/or in the British Virgin Islands, according to their national legislation.

Article 3 Exchange of Information for Supervisory Purposes

1. The Parties recognize that close communication between Home and Host Supervisors is mutually advantageous. In this vein, cooperation would include contact during the authorization process, as well as in the supervision of the ongoing activities of Banking Organizations, Cross-Border Establishments and/or Financial Institutions.
2. In connection with the authorization process of the Banking Organizations, Cross-Border Establishments and, in such case, Financial Institutions, the Parties intend to:



- a) Notify the Home Supervisor without delay of the applications for approval to establish Cross-Border Establishments or Financial Institutions in the United Mexican States or in the British Virgin Islands by Banking Organizations and/or Financial Institutions from the other country, within their scope of action.
 - b) Upon request, inform the Host Supervisor whether the applicant is in compliance with banking laws and applicable regulations, and whether it may be expected, given its administrative structure and internal controls, to manage the Cross-Border Establishments or the Financial Institution in an orderly manner.
 - c) To extent reasonable and consistent with applicable national legislation, share information on the capability, integrity, or experience of the prospective managers of a Cross-Border Establishment or a Financial Institution.
3. Upon request, and in connection with the ongoing supervision of a Banking Organization, a Cross-Border Establishment or a Financial Institutions, the Parties intend to:
- a) Notify the Home Supervisor and provide relevant information regarding any material developments or supervisory concerns in respect of the local operations of a Financial Institution, Cross-Border Establishment or any Banking Organization headquartered in the United Mexican States or in the British Virgin Islands, within their scope of action.
 - b) Respond to requests for information on any aspect of their respective national banking system, and inform each other about any major changes, in particular about those which have a significant bearing on the activities of Financial Institutions or Cross-Border Establishments by Banking Organizations incorporated in the United Mexican States or in the British Virgin Islands.
 - c) Endeavor to inform the appropriate Host Supervisor, in a timely manner and to the extent reasonable, about any event which has the potential to endanger the stability of Financial Institutions or Cross-Border Establishments headquartered in the United Mexican States and/or in the British Virgin Islands.
 - d) Inform the supervisor in the United Mexican States or in the British Virgin Islands of administrative penalties imposed, or any other formal enforcement action taken, on a Financial Institution or a Cross-Border Establishment and/or on its respective officers as the Host Supervisor, or on a Financial Institutions or a Banking

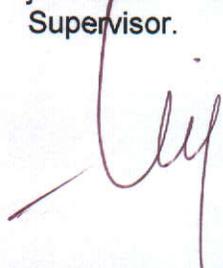


Organization and/or on its officers as Home Supervisor, if the Home Supervisor judges the information as possibly important to the supervisor in the other country as it may relate to the operation of a Financial Institution or Cross-Border Establishment in that country.

4. Upon receipt of a written request by the Home Supervisor, the Host Supervisor would endeavor to provide to the Party making the request information regarding the Financial Institution or the Cross-Border Establishment of Banking Organizations incorporated in the United Mexican States or in the British Virgin Islands. Such information would not normally include customer account information, unless this is of particular relevance to the supervisor 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.
5. Whenever appropriate, ad hoc meetings would be arranged by the Parties in order to resolve serious supervisory problems concerning a Financial Institution or a Cross-Border Establishment.
6. Upon written request, the Parties intend to do their best efforts, as permitted in their respective legislations, in order to cooperate with the other Party in the assistance requested when the suspicion of probable illegal banking activities occur in the jurisdiction of that Party.

Article 4 Supervisory Cooperation

1. The Parties acknowledge that cooperation provided to each other is particularly useful in carrying out On-Site Inspections and Visits to the Banking Organizations, Cross-Border Establishments and the Financial Institutions, in the United Mexican States or in the British Virgin Islands. Visits or On-Site Inspections will be carried out prior written notice, according to the legal provisions applicable at the jurisdiction where the visits will be carried out and according to the terms agreed by the Parties for such purpose.
2. The Home Supervisor would notify the Host Supervisor at least with thirty (30) days in advance of plans to inspect or verify information concerning a Financial Institution or a Cross-Border Establishment in the host jurisdiction, indicating the purpose of the visit and the specific aspects of the Financial Institution and/or the Cross-Border Establishment to inspect. Additionally, any request should include the applicable legal dispositions for the corresponding inspection. On-Site Inspections at Financial Institutions or Cross-Border Establishments by the Home Supervisor in the other jurisdiction would only be carried out after consultation with the Host Supervisor.



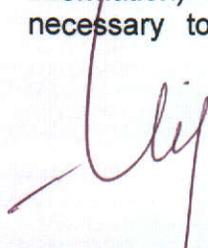
3. At the discretion of the Host Supervisor and in accordance with the applicable laws and provisions in each jurisdiction, On-Site Inspections may be carried out independently or accompanied jointly with the Host Supervisor. The Home Supervisor would inform the Host Supervisor at the conclusion of an On-Site Inspection and, provide, to the extent reasonable, information on the results of the On-Site Inspection relevant to the operations of the Financial Institution or the Cross-Border Establishment.
4. Under written request and in accordance with the applicable legislation in their respective jurisdictions, the Parties agree to provide assistance to the requesting Party in order to carry out Visits to the Banking Organization or the entity under its supervision that provides services or data processing to the Financial Institution or the Cross-Border Establishment under the supervision of the requesting Party.

Article 5 Mutual Interest

The Parties agree that all actions of cooperation derived from this Memorandum will be carried out in accordance with the applicable legislation of each jurisdiction and subject to the principle of reciprocity, in recognition of the assistance that each Party can provide to the other in carrying out the consolidated supervision of Banking Organizations or Financial Institutions headquartered in the United Mexican States or in the British Virgin Islands. Consequently, it is intended that the supervisors will share information with each other, will permit and facilitate the conduct of On-Site Inspections or Visits of Financial Institutions or Cross-Border Establishments and will cooperate as described in this Memorandum.

Article 6 Confidentiality

1. 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 Memorandum may be denied on the grounds of public interest, national security, or when disclosure would interfere with an ongoing investigation.
2. Any confidential information received from another supervisor would be used only for lawful supervisory purposes. According to applicable national legislation, each supervisor would hold confidential all information received pursuant to this Memorandum (other than publicly available information) and would not disclose such information other than as necessary to carry out its lawful supervisory responsibilities. If the



information provided will be used for another purpose, the supervisor that received the information will not disclose it to a third party without previously notifying to the supervisor that provided the information.

3. In the case where a supervisor is legally compelled to disclose confidential information received under this Memorandum, it is understood that the supervisor would cooperate in seeking to preserve the confidentiality of the information to the extent permitted by law. Prior to releasing confidential information to third parties, the originating supervisor will be notified immediately of a request for disclosure to the extent permitted by law. In all cases of disclosure to third parties, to the extent permitted by law, the supervisor disclosing the information would notify the other supervisor that originated the information of such disclosure. Prior to releasing confidential information in cases covered by criminal law, the originating supervisor will be notified immediately of a request for disclosure to the extent permitted by law.
4. In cases where a supervisor receives a request for information, but disclosure is not legally compelled or necessary to carry out the supervisor's lawful supervisory responsibilities, the supervisor receiving the request would consult and obtain the prior consent from the supervisor that originated the information in order to release it.

Article 7 Requests

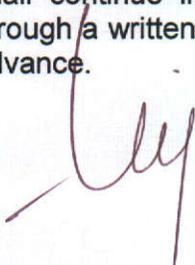
Written requests of information or any other request for assistance shall be addressed to the President and/or Vice-president of Financial Institution's Supervision 5, in the case of the CNBV; and to the Managing Director/CEO and/or Deputy Managing Director-Regulations, in the case of FSC.

Article 8 Dispute Solution

Any difference derived from the interpretation or application of the provisions of this Memorandum shall be solved by the Parties in common agreement.

Article 9 Entry into effect and Amendments

This Memorandum shall enter into force as of the date of the last signature and shall continue indefinitely unless that any of the Parties decides to finish it through a written communication addressed to the other Party, with thirty days in advance.



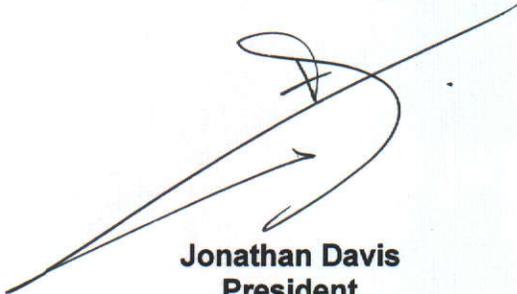
This Memorandum shall be modified by the Parties' mutual consent. The modifications shall be formalized in writing specifying the date they will come into force.

After termination, the confidentiality provisions shall continue to apply to any information provided under this Memorandum prior to termination.

The anticipated termination of this Memorandum will not affect the conclusion of the actions for cooperation that would have been formalized while it was in force.

Signed in two original copies on each language, Spanish and English, being both versions equally identical.

**By the National Banking
and Securities Commission of the
United Mexican States**



**Jonathan Davis
President**

**By the Financial Services
Commission of the British
Virgin Islands**



**Kenneth Baker
Deputy Managing Director**

Date: October 5, 2006.
United Mexican States



Date: October 5, 2006.
British Virgin Islands