

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:)
The International Bank of Miami) AA-EC-07-06
Coral Gables, Florida)

CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over The International Bank of Miami, Coral Gables, Florida (“Bank”).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order for a Civil Money Penalty,” dated January 26, 2007, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

- (1) During the period 2001 through 2004, the Bank violated the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, by:
 - (a) Failing to follow appropriate documentation and recordkeeping requirements including those detailed in 31 C.F.R. §103.33(a). The Bank’s records frequently did not identify adequately a legitimate business purpose for transactions or fully and accurately describe the nature and purpose of loans arranged by the Capital Markets Group (“CMG”). Specifically, CMG loans documented with vague purpose

statements including a description of use of loan proceeds as “working capital” is insufficient to meet these requirements.

- (b) Failing to maintain an adequate BSA compliance program as required by 12 C.F.R. § 21.21(c).
 - (i) The Bank did not maintain an adequate system of internal controls to monitor and report suspicious activities.
 - (ii) The Bank did not adequately identify and monitor the accounts of politically exposed persons (“PEPs”) who conducted business with the Bank.
 - (iii) The Bank did not monitor the activity of loan accounts, including the receipt of payments, for unusual or suspicious activity.
 - (iv) The Bank’s BSA training program did not adequately train employees to identify and report suspicious activities.
- (2) During the period 2001 through 2004, the Bank engaged in unsafe or unsound banking practices by:
 - (a) Failing to supervise adequately CMG’s activities.
 - (i) CMG engaged in loan transactions that did not comply with the Bank’s own lending policies, including the failure to obtain proper authorization of large value transactions.
 - (ii) Files for transactions that originated in CMG did not comply with the Bank’s policies regarding documentation and recordkeeping and did not reflect compliance with the Bank’s transaction approval requirements.

(b) Failing to perform adequate customer due diligence, particularly for high risk customers.

(3) During the period 2001 through 2004, the Bank failed to assure that certain of CMG's securities transactions were conducted in a safe and sound manner and in compliance with the law.

(a) CMG failed to maintain an accurate chronological blotter of all securities transactions as required by 12 C.F.R. § 12.3(a).

(b) CMG engaged in securities transactions and investments in violation of 12 C.F.R. Parts 1 and 16.

(c) CMG conducted securities transactions with high risk countries without the appropriate risk management procedures.

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

(1) The Bank make payment of a civil money penalty in the amount of two hundred and fifty thousand dollars (\$250,000), which shall be paid upon execution of this Order.

(a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000.

(b) If a wire transfer is the selected method of payment, it must be sent to the Comptroller's account #XXXX-XXXX, ABA Routing #XXXXXXXXXX.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) (as amended).

ARTICLE III

ADDITIONAL ORDER PROVISIONS

(1) This Order is not intended to, and shall not, supplant or amend any provisions of the October 18, 2004 Consent Order entered into between the Bank and the Comptroller.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(4) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(5) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 12th day of February, 2007.

Signed

Ronald G. Schneck

Director

Special Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)
The International Bank of Miami)
Coral Gables, Florida)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”) intends to assess a civil money penalty against the Bank pursuant to 12 U.S.C. § 1818(i)(2) for violations of the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, and OCC regulations governing securities investment and transactions, 12 C.F.R. Parts 1 and 16, and unsafe or unsound banking practices relating to the Capital Markets Group’s (“CMG”) lending and securities practices.

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order for a Civil Money Penalty dated January 26, 2007 (“Stipulation”) (i) without any adjudication on the merits and (ii) without admitting or denying the Comptroller’s Findings, except as to Jurisdiction (Article I below), which jurisdiction is admitted;

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE II

AGREEMENT

(1) The Bank hereby consents and agrees to the issuance of the Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

(2) The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2) and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i).

Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Department of the Treasury, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities, to a contract affecting the Comptroller’s exercise of his supervisory responsibilities.

ARTICLE III

WAIVERS

- (1) The Bank, by signing this Stipulation and Consent, hereby waives:
 - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order;
 - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19
 - (d) all rights to seek any type of administrative or judicial review of the Order; and
 - (e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER ACTION

(1) The Bank further agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, the specific acts, omissions, or violations referenced in this Order or otherwise creating the impression that this Order is without factual basis. If the Bank violates this provision, the OCC may set aside this settlement and commence administrative proceedings on the actions alleged herein.

(2) The OCC does release and discharge the Bank from all potential claims and charges that have been or might have been asserted by the OCC based on the violations and safety and soundness deficiencies described in the Comptroller's Findings set forth in Article I of the Order to the extent known to the OCC as of the effective date of the Order. However, the violations alleged in Article I of the Order may be utilized by the OCC in future enforcement actions to establish a pattern or practice of violations or the

continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the OCC to determine and ensure compliance with the terms and provisions of this Stipulation and the Order.

(3) The Bank agrees that the provisions of this Stipulation shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

Signed _____
Ronald G. Schneck
Director
Special Supervision

2/12/07

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed	1/26/07
_____ William D. Atwill	_____ Date
Signed	1/31/07
_____ Barry G. Craig	_____ Date
Signed	1/26/07
_____ Carlos Fernandez	_____ Date
Signed	1/26/07
_____ Stephen L. Herbert	_____ Date
Signed	1/26/07
_____ Carlos F. Mejia	_____ Date
Signed	1/26/07
_____ Alba M. Prestamo	_____ Date
Signed	1/26/07
_____ Alberto Valdes	_____ Date
_____	_____