

RULE N° 1-98¹
(dated June 24, 1998)

THE BOARD OF DIRECTORS,
Exercising its Legal Authority, and

WHEREAS:

That Article 19 of Law Decree 9th of February 26, 1998 creates the Banking Regulation and Supervision Rate at the charge of banks established in the Republic of Panama and in favor of the Superintendency of Banks; and that it is the function of the Board of Directors to establish criteria for the application of the Banking Regulation and Supervision Rate, as well as the amount of said rate for this year and subsequent years.

RESOLVES:

Article 1: AMOUNT. Establish the following fixed and variable amounts of Banking Regulation and Supervision Rate per year, as follows:

1. For Banks with General License
 - 1.1 Fixed amounts: US\$ 30,000.00
 - 1.2 Variable amounts: US\$ 35.00 per each million of dollars – or fraction thereof- and total assets to a maximum of US\$ 100,000.00 for this concept of variable amount rate.
2. For Banks with International License: US\$ 15,000.00, as fixed amount
3. For Banks with Representation License: US\$ 5,000.00, as fixed amount.

PARAGRAPH: Banks with General License and with Additional International License are subject to pay the sum of fixed amounts of Banking Regulation and Supervision Rate established for each one of these Licenses according to Numerals 1 and 2 of this article, plus the sum of the variable amount on the total registered assets under the General License, up to a maximum of US\$ 100,000.00 for this concept.

ARTICLE 2: BASE. Taking as a basis the total assets for the application of the Banking Regulation and Supervision Rate for Banks with General License, the following:

1. **Corporative Base:**
The bank, exclusively, before consolidation with other firms of the group or of its property.
2. **Figure Base:**

¹ This Rule was amended by Rules 2-2001 dated 15 May 2001 and 1-2005 dated 24 January 2005.

Figures registered as of December 31 of each year, under General License.

3. Report Base:

The Monthly General Balance as of December of each year presented on January of the following year.

ARTICLE 3²: OPPORTUNITY AND TERMS OF PAYMENT. The amount of the banking regulations and supervision rate corresponding to each Bank shall not be reimbursed and shall be paid in advance to the Superintendency in the first year of the duration of the respective license, within the first twenty (20) business days counted from the publication of the Resolution granting the respective License in the Official Gazette, and in accordance with the proportion established in Article 4 of this Rule.

During the years following to the granting of the license, the Banking Regulation and Supervision Rate shall be paid in its totality and in advance within the first twenty (20) business days of the month of January of every year.

In the cases of Banks whose liquidation extends beyond the calendar year wherein it started, the Banking Regulation and Supervision Rate shall be paid on a monthly basis until the cancellation of its Banking License, at the rate of one twelfth (1/12) of the annual rate.

ARTICLE 4³: PROPORTIONALITY IN THE PAYMENT. In the first year that the banking license is in effect the Banking Regulation and Supervision rate shall be pro-rated to the number of months – or fraction – of that calendar year, starting from the date that the Rule which grants said license is published in the Official Gazette.

ARTICLE 5: TRANSITORY. Exclusively for the year 1998, the amount – fixed and variable of the Banking Regulation and Supervision Rate will be reduced by FIFTY PER CENT (50%)

Half of this amount will be paid during the first five (5) days of the following month of July and the remainder during the first five (5) days of October of this year.

ARTICLE 6. This Rule will be in effect as of its date.

Issued in the City of Panama, on the twenty-fourth (24) day of the month of June of 1998.

² Amended by Article 1 of Rule 1-2005 dated 24 January 2005.

³ Amended by the second article of Rule 2-2001 dated 15 May 2001.