



AGREEMENT N° 1-98

(Of 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.

APPROVES:

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:

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 3: OPPORTUNITIES AND PAYMENT MODALITIES

The amount of the Banking Regulation and Supervision Rate corresponding to each Bank will be completely settled within the first twenty (20) days of the month of January of each year.

ARTICLE 4: PROPORTIONALITY AND REFUND

The Banking Regulation and Supervision Rate will be applied proportionally to the number of months – or fraction thereof – during which the license, if maintained valid in the year in which said rate is paid. The amount paid of the Banking Regulation and Supervision Rate corresponding to the subsequent months to the last month of the license validity will be returned to the Bank. The refund will be made during the first two (2) months of the following year.

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 Agreement 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.

THE PRESIDENT

Joseph Fidanque

THE SECRETARY

Rogelio Miro