



AGREEMENT N° 2-98
(Of September 23, 1998)

THE BOARD OF DIRECTORS,
Exercising its Legal Authority, and

WHEREAS:

That according to Articles 137, 138 and 17 (Numeral 25) of Law Decree 9 of 1998, the Superintendency of Banks is authorized to impose monetary sanctions up to US\$ 50,000.00 for violation of Law Decree 9 of 1998 and its regulatory dispositions, according to the severity of the fault, its persistency, its recurrence and the damage affecting third parties; That according to Articles 4 (Numeral 7) and 7 of Law 4 of May 17 of 1994 (FECl), infractions to said Law will be sanctioned by the Superintendency of Banks with a fine of B/. 5,000.00; That according to what is established in Article 30 of Executive Decree N° 16 of 1984; modified by Executive Decree N° 53 of 1985 regulating trust business in the Republic of Panama, "... the non-compliance with any of the dispositions therein contained, will be sanctioned with a fine of up to B/.50,000.00 according to the severity of the fault"; That the convenience of adopting criteria on the imposition of progressive fines for delay in the periodical presentation of reports Superintendency documents that have been previously requested by legal dispositions or by Memorandums Superintendency Notes of the Superintendency has become evident during the working sessions of this Superintendency and that according to what is established in Article 16, Numeral 6, of Law Decree 9 of 1998 it corresponds to the Board of Directors to fix, in the administrative level, the interpretation and range of the legal or regulatory dispositions on banking matters.

APPROVES:

ARTICLE 1:

Each working day delay in the presentation of the periodical reports Superintendency documents previously requested of Banks, Fiduciary Businesses and Financial Entities – the last two for the exclusive effect of the Interest Compensation Special Funds (FECl: Law 4 of 1994, Executive Decree N° 29 of 1996), respectively, by legal or regulatory dispositions (Agreements, Resolutions, Memorandums and Notes) will be sanctioned accumulatively as follows:

With a fine of FIFTY DOLLARS (US\$ 50.00) for the first ten (10) working days delay,

With a fine of ONE HUNDRED DOLLARS (US\$ 100.00) for the following ten (10) working days delay, and

With a fine of ONE HUNDRED FIFTY DOLLARS (US\$ 150.00) the following working days

delay, up to a maximum of THREE THOUSAND DOLLARS (US\$ 3,000.00) for each report or document delayed.

ARTICLE 2:

The Superintendent of Banks has the faculty to impose fines referred to in the previous article without detriment of his attribution to delegate this faculty to another officer of the Superintendency of Banks.

ARTICLE 3:

From this date on, Agreement N° 2-92 of July 9 of 1992 of the National Banking Commission remains without effect.

ARTICLE 4:

This Agreement will be in effect as of its date.

Issued in the City of Panama, on the twenty third (23) day of the month of September of nineteen hundred ninety-eight (1998)

NOTIFY AND EXECUTE.

THE PRESIDENT

Joseph Fidanque

THE SECRETARY

Rogelio Miro