



Republica de Panamá  
SUPERINTENDENCIA DE BANCOS

**AGREEMENT N° 10-99**  
(Of December 29, 1999)

**THE BOARD OF DIRECTORS,**  
Exercising its Legal Authority, and

**WHEREAS:**

That, according to Numeral 32 of Article 17 of Law Decree N° 9 of February 26 of 1998, it is the duty of the Superintendency of Banks to dictate regulations that Banks must observe so that their operations develop inside the adequate risk levels, including the capacity to establish limits that must be observed by Banks in their operations;

That, according to Articles N° 1-99 and N° 2-99 of May 11 of 1999 of the Superintendency of Banks, regulations were established for the regulation of the exposition and/or concentration of credit risks derived from granting loans or credit facilities, according to what is stipulated in Articles 63 and 64 of Law Decree N° 9 of February 26 of 1998;

That the acquisition or investment in certificates of indebtedness also constitutes a source of exposition and/or risk concentration;

That, the need and advisability of limiting the exposition and/or concentration of risk product of both types of operations in front of Related Parties by Banks with General License has become evident during the working sessions of this Superintendency; and

That, according to Numeral 7 of Article 16 of Law Decree 9 of February 26 of 1998, it corresponds to the Board of Directors to establish at the administrative level the interpretation and scope of the legal and regulatory dispositions on banking matters,

**APPROVES:**

**ARTICLE 1. RELATED PARTIES CONCENTRATION LIMITS.**

**GENERAL – SIMPLE.** Establish at Five percent (5%) the Capital Funds of the Bank, the investment general limits of exposition and/or concentration of risks of the Bank in front of ONE (1) Related Party for the acquisition and/or investment in titles of indebtedness granted to that person and for the acquisition and/or investment in titles of indebtedness issued by that party the amounts of operations object of the limit established by Article 3 and 4 of Agreement N° 2-99 of May 11 of 1999 and the operations object of the established limit for Agreement 8-99 of December 29 of 1999 in its Article 2, cannot exceed the established limit of this Article, without detriment of the recognized exceptions in Article 5 of Agreement N° 2-99 and in Article 3 of Agreement N° 8-99.

**ARTICLE 2. RELATED PARTIES CONCENTRATION LIMITS**

**GENERAL – GLOBAL.** For the application of the limit established by Article 1 of this Agreement, the operations of the Bank and the subsidiaries consolidating with it will be taken into account.

### **ARTICLE 3. RELATED PARTIES CONCENTRATION LIMITS**

**GENERAL – ACCUMULATED.** The total amount of all operations of the Bank and that of the subsidiaries that consolidate with for loans and credit facilities granted to Related Parties and for indebtedness title investment issued by Related Parties cannot exceed in any event seventy five percent (75%) of the Capital Funds of the Bank.

The percentage referred to in the foregoing paragraph will remain at fifty percent (50%) as of the third year of effect of this agreement, and at twenty five percent (25%) as of the sixth year.

**ARTICLE 4. NOTION OF BANK AND CONSOLIDATION.** what is stated in Article 6 of Agreement N° 2-99 of May 11 of 1999 and in Numeral 1.1.6 of Article 1 of Agreement 8-99 of December 29 of 1999 on the Notion of Bank and Consolidation. will apply to this Agreement

### **ARTICLE 5. DEADLINE TO ADJUST TO THESE LIMITS**

**REGULATIONS.** The deadlines established in Articles 10 and 11 of Agreement N° 5-98 of October 14 of 1998 will remain in force..

**ARTICLE 6: VALIDITY.** Without detriment of the deadline specified in the previous Article, this Agreement will be in effect as of the first (1) of February of the year 2000.

Issued in the City of Panama, on the twenty-ninth (29) day of the month of December of nineteen hundred and nine (1999).

### **NOTIFY AND EXECUTE**

**THE PRESIDENT**  
Rogelio Miro

**THE SECRETARY**  
Eduardo Ferrer

AAHB:rmq