

**AGREEMENT Nº 4-99**

(Of May 11, 1999)

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

**WHEREAS:**

That according to Articles 55 and 16 (Numerals 9 and 5) of Law Decree 9 of February 26 of 1998, it corresponds to this Superintendency to dictate the technical accounting requirements and Standards for the presentation of the Financial Statements of Banks and other information required in their operations.

That according to Agreement Nº 3-98 of September 23 of 1998, this Board of Directors adopted the International Accounting Standards of the COMMISSION OF INTERNATIONAL ACCOUNTING STANDARDS as the technical accounting Standards for accounting registers of banks established in Panama, the presentation of the Financial Statements and other information required on its operations;

That the Generally Accepted Accounting Principles in the United States of America (US-GAAP) constitutes the technical accounting Standards equally adequate and apt for the accounting register of the Banks and for the presentation of its Financial Statements; and

That the advisability and need to add the adopted criteria through Agreement Nº 3-98 of September 23 of 1998, in order to incorporate the Generally Accepted Accounting Principles in the United States of America (US-GAAP) as the technical accounting Standards of equal acceptance for this Superintendency has it became evident during working sessions of this Superintendency with the Superintendent of Banks

**APPROVES:**

**ARTICLE 1:** To adopt as technical accounting Standards for the accounting registers of Banks established in Panama, the presentation of the Financial Statements and other required information on their operations and Standards or principles in effect at every moment corresponding to:

1. The International Accounting Standards of the COMMISSION OF INTERNATIONAL ACCOUNTING STANDARDS; and
2. The Generally Accepted Accounting Principles of the United States of America (US-GAAP).

Banks will indicate in advance to the Superintendency which of these systems they will adopt.

Said communication will be made in the form and term dictated by the Superintendent.

**ARTICLE 2:** The reports and opinions at the charge of the Certified Public Accountants named by each Bank or by the Superintendency of Banks, for the purposes of Articles 60 and 61 of Law Decree 9 of 1998, will be stipulated according to the Standards and principles in effect at each time corresponding to:

1. The International Auditing Standards of the COMMISSION OF INTERNATIONAL ACCOUNTING STANDARDS; and
2. The Auditing Standards (Statements on Auditing Standards – SAS) of the American Institute of Certified Public Accountants (AICPA)

The Certified Public accountants named by each Bank or by the Superintendency of Banks will previously indicate to the Superintendency which of these systems they will adopt.

Said indication will be made in the form and term specified by the Superintendent.

**ARTICLE 3:** The Superintendent of Banks will communicate Banks the Standards, principles or standards in effect at each moment, as well as any additions or modifications to them, corresponding to:

1. The International Accounting Standards of the COMMISSION OF INTERNATIONAL ACCOUNTING STANDARDS; or
2. That the Generally Accepted Accounting Principles in the United States of America (US-GAAP)
3. The International Auditing Standards of the COMMISSION OF INTERNATIONAL ACCOUNTING STANDARDS; and
4. The Auditing Standards (Statements on Auditing Standards – SAS) of the American Institute of Certified Public Accountants (AICPA)

**ARTICLE 4:** Whatever has been approved in this Agreement will apply to the Financial Statements of the fiscal years that begin as of 1999.

However, with the purpose of allowing each Bank and Certified Public Accountant the necessary adequacy term to the new Standards, new principles or new standards, compliance to the Agreement by the Superintendency of Banks will be required only as of the Financial Statements and other reports that are presented as of July 1 of 1999.

**ARTICLE 5:** Replace as of this date Agreement N° 3-98 of September 23 of 1998.

Issued in the City of Panama, on the ( ) day of the month of ( ) of nineteen hundred and ninety-nine (1999).

**NOTIFY AND EXECUTE**

**THE PRESIDENT**  
Joseph Fidanque

**THE SECRETARY**  
Rogelio Miro