



Republica de Panamá
SUPERINTENDENCIA DE BANCOS

**AGREEMENT No. 4-2000
(12th April 2000)**

THE BOARD OF DIRECTORS
in the exercise of its legal powers, and

WHEREAS:

Article 1 of Agreement CBN-No. 1-85 of 20th November 1985, as amended by Agreement CBN-No.10-90 of 5th July 1990, both of the National Banking Commission, laid down provisions applicable to the agreed term for Local Fixed Term Deposits, placing restrictions on the early withdrawal or early reduction of such deposits.

From consultations on the subject, it has become apparent in working sessions of this Board of Directors with the Superintendent of Banks that it would be advisable to adopt a criterion for construing Article 1 of the aforementioned Agreement in cases of Local Fixed Term Deposits which are pledged as security and which are executed by the bank due to a breach of the obligation guaranteed; and

In accordance with Article 16 Point 7 of Decree Law 9 of 1998 this Board of Directors is responsible for fixing the construction and scope of the legal provisions or regulations pertaining to banking matters within the administrative sphere.

AGREES:

SINGLE ARTICLE: As from the date hereof it is expressly understood that the restriction on early withdrawals or reductions of Local Fixed Term Deposits laid down in Article 1 of Agreement CBN-No. 1-85 of 20th November 1985, as amended by Agreement CBN-No.10-90 of 5th July 1990, both of the National Banking Commission, is not intended to prevent and does not in fact prevent a bank from terminating the deposit wholly or in part and as a result from removing the corresponding part thereof from its books in cases where such deposits are pledged in favour of the bank and are executed wholly or in part due to a breach of the obligation guaranteed.

Issued in Panama City on the twelfth (12th) day of the month of April two thousand (2000).

LET THIS AGREEMENT BE NOTIFIED AND COMPLIED WITH.

THE CHAIRMAN,
Rogelio Miró

THE SECRETARY,
Eduardo Ferrer