

***Republic of Panama***

***Superintendency of Banks***

**Agreement No. 7-2002**

(of October 2, 2002)

**THE BOARD OF DIRECTORS**

In exercise of its legal faculties, and

**WHEREAS:**

Pursuant to the provisions of Number 2, Article 5 of Law Decree No. 9 of February 26, 1998, the Superintendency of Banks is responsible for strengthening and fostering appropriate conditions conducive to Panama's development as an International Financial Center;

Number 3 of the aforementioned Article 5, establishes that the Superintendency of Banks is responsible to foster public faith in the banking system;

In accordance with Article 1 of Agreement 16-89 of October 31, 1989, the administrative personnel employed by a General or International License Bank, particularly its General Manager or equivalent position, shall not concurrently provide services to other General or International License Banks, and said personnel shall likewise abstain from concurrently providing services on a regular basis to enterprises which interests may pose a conflict of interest with the Bank;

The single Article of Agreement 2-95 of May 11, 1995, authorizes that two Banks established in Panama, which are part of the same shareholding group, share all or some of their offices and/or all or part of their personnel;

Agreement 4-95 of August 17, 1995 sets forth the criteria for the evaluation of requests for authorization submitted by banks to share personnel and offices;

By virtue of Agreement 4-2001 of September 5, 2001, this Board of Directors set forth the standards for sound Corporate Government, the structure and responsibilities of Boards of Directors, the relationship between Boards of Directors and Top Management; as well as norms to ensure the existence of a sound internal control framework; and

In the course of joint work sessions of this Board of Directors with the Superintendent of Banks, there became evident the need and convenience to modify the provisions pertaining to the authorization for two Banks established in Panama, which are a part of the same shareholding group, to share offices and/or all or part of their personnel.

**AGREES:**

**ARTICLE ONE:** To revoke Agreements 2-95 and 4-95, which authorize that two Banks established in Panama, which are part of the same shareholding group, share all or some of their offices and/or all or part of their personnel, in a provisional or permanent manner; to include the position of General Manager or equivalent executive position.

**ARTICLE TWO:** The Superintendency of Banks may, on an exceptional basis and for a specified time limit, authorize that two Banks established in Panama, which are part of the same shareholding group, share all or some of their offices and/or all or part of their personnel; including or excluding the position of General Manager or equivalent executive position, solely under the following circumstances:

- a. In the case of a merger of two banking enterprises, provided that the merger process approved by the Superintendency has been initiated.
- b. In the case of a voluntary liquidation, authorization may be granted considering that the liquidating bank will only be held as such for the purpose of its liquidation.
- c. In other exceptional cases contended by the Bank, and so considered by the Superintendency of Banks.

**ARTICLE THREE:** Exceptional authorizations by the Superintendency of Banks, as described in the preceding Article, shall consider the following:

- a. The interested Banks shall belong to or be a part of the same shareholding group;
- b. Authorizations shall be granted for a specified time period;
- c. Shared administration of Banks engaging wholesale clientele (consumer banking) shall not be extended to customer service areas and personnel, and clients shall be guaranteed the ability to clearly and at all time recognize which Bank is performing the operations, and
- d. The name of each Bank authorized to share the physical space shall be posted at the main entrance of the shared locale.

**ARTICLE FOUR:** This Agreement will become effective upon its promulgation.

Given in the city of Panama, on the second (2<sup>nd</sup>) day of the month of October two thousand two.

**PUBLISH AND ENFORCE:**

**THE PRESIDENT**

Jorge W. Altamirano-Duque M.

**THE SECRETARY**

Joseph Fidanque, Jr.