

Republic of Panama

Superintendency of Banks

Agreement No. 8-2002

(of October 2, 2002)

THE BOARD OF DIRECTORS

In exercise of its legal faculties, and

WHEREAS:

Pursuant to the provisions of Article 69 of Law Decree No. 9 of February 26, 1998, the purchase, acquisition or lease of real estate properties by Banks for themselves is prohibited, except when in compliance with provisions contained therein;

Likewise, the aforementioned Article 69, establishes that notwithstanding the preceding, Banks which accepted real estate properties as guarantee to their credits may, upon default of credit payments, acquire such real estate properties for the purpose of transferring their ownership at the earliest opportunity and within the term period determined by the Superintendency;

As established in Agreement 1-2000 of February 16, 2000, this Board of Directors set forth policy and criteria pertaining to term periods for the transfer of real estate properties acquired by Banks in compensation for outstanding credits;

In the course of joint work sessions of this Board of Directors with the Superintendent of Banks, there became evident the need and convenience of revising the policy and criteria pertaining to term periods for ownership transfers, provisions and fines;

Article 5 of Law Decree No. 9 of February 26, 1998, establishes that the Superintendency of Banks is responsible for guaranteeing the strength and efficiency of the banking system, and promoting appropriate conditions for the development of Panama as an international financial center; and

AGREES:

ARTICLE ONE: Article 2 of Agreement 1-2000 of February 16, 2000 shall henceforth read as follows:

ARTICLE 2. TERM PERIOD FOR OWNERSHIP TRANSFERS OF REAL ESTATE PROPERTIES. The term period addressed in Article 69 of Law Decree No. 9 of 1998, within which to transfer ownership of real estate property acquired in compensation for outstanding credit is ONE (1) YEAR AND SIX (6) MONTHS, as of the date of property registration in the Public Registry. This term period may be subject to one (1) extension only, for up to THREE (3) YEARS, upon request by the Bank and acceptance by the Superintendency..

A request for extension and its justification may be submitted by the Bank within the five (5) working days previous to the date of expiration of the authorized term period.

ARTICLE TWO: Article 4 of Agreement 1-2000 of February 16, 2000, shall henceforth read as follows:

ARTICLE FOUR. PROVISIONS. Upon the expiration of the ONE (1) YEAR AND SIX (6) MONTHS set forth in Article 1 herein, in the absence of ownership transfer of the real estate property, the Bank shall establish a provision for the book value of said property.

ARTICLE THREE: Article 5 of Agreement 1-2000 of February 16, 2000 shall henceforth read as follows:

ARTICLE FIVE. FINES. Failure to comply with the provisions established herein shall cause the application of sanctions set forth in Article 137 of Decree Law No. 9 of February 26, 1998.

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

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

PUBLISH AND ENFORCE:

THE PRESIDENT

Jorge W. Altamirano-Duque M.

THE SECRETARY

Joseph Fidanque, Jr.