

Republic of Panama

Superintendency of Banks

Agreement No. 1-2004
(of December 29, 2004)

THE BOARD OF DIRECTORS
In exercise of its legal faculties, and

WHEREAS:

Pursuant to Number 1 of Article 5 of Decree Law No. 9 of 1998, the Superintendency of Banks is responsible for preserving the soundness and efficiency of the banking system;

Pursuant to Number 2 of Article 5 of Decree Law No. 9 of 1998, the Superintendency of Banks is responsible for strengthening and fostering auspicious conditions conducive to the development of Panama as an international financial center;

Pursuant to Numbers 5 and 6 of Article 17 of Decree Law No. 9 of February 26, 1998, the Superintendent is empowered to authorize the merger and consolidation of Banks and of Economic Groups of which Banks are member, and to authorize the acquisition and transfer of shares of Banks and Economic Groups of which Banks are a member, when the acquirer and other linked natural or juridical persons, become sole or majority owners or obtain administrative control thereof;

Pursuant to Article 71 of Decree Law No. 9 of February 26, 1998, Banks engaged in the business of banking in or from Panama are not authorized to merge or consolidate, nor sell all or part of their assets, whenever such actions may be equivalent to a merger or consolidation, without obtaining prior authorization by the Superintendency of Banks;

Pursuant to Circular No. 23-2002 of May 14, 2002, requirements are established for applications for mergers and acquisition or transfer of shares;

Pursuant to Agreement 10-2003 of December 17, 2003, whereby measures and criteria are established to standardize procedures for applications for authorization of Bank mergers and the acquisition or transfer of their shares.

Pursuant to Number 7 of Article 16 of Decree Law No. 9 of 1998, the Board of Directors is responsible for determining the interpretation and scope of legal and regulatory banking guidelines in the administrative realm;

That in the course of work sessions of this Board of Directors and the Superintendent of Banks, there became evident the need to modify Agreement 10-2003 of December 17, 2003.

AGREES:

ARTICLE 1: SCOPE OF APPLICATION. This Agreement shall be applicable to: a) Banks or Economic Groups of which Banks are member and juridical or natural persons holders shares of Banks, that intend to carry out an acquisition or transfer of banking entities shares which results in a Change of Control; and, b) Banks or Economic Groups of which Banks are a member, intending to merge or consolidate.

ACQUISITION OR TRANSFER OF SHARES

ARTICLE 2: AUTHORIZATION BY THE SUPERINTENDENT FOR THE ACQUISITION OR TRANSFER OF SHARES. Transfers of shares of Banks and Economic Groups of which Banks are a member, as well as any modification in shareholder participation in the capital of said Banks, shall require prior authorization by the Superintendent, pursuant to provisions set forth in this Agreement, whenever such action causes a Change in Control, or there exists a concerted action causing a Change in Control (as defined hereinafter) or an acquisition of Significant Interference (as defined hereinafter).

ARTICLE 3: CONCEPT OF CHANGE OF CONTROL. For the effects of this Agreement, Change of Control shall be understood to be the acquisition or transfer of shares of Banks or Economic Groups of which Banks are a member, when, as a result, the buyer or other linked natural or juridical person, or a group of natural or juridical persons acting in concert:

1. Become the sole or majority owners; or
2. Obtain direct or indirect control over its management.

NOTE: Management Control shall be understood to occur when the buyer or other linked or natural or juridical persons may directly or indirectly appoint the majority of the Board of Directors members, the corporation's President and Legal Representative, or the General Manager, or top executives.

ARTICLE 4: CONCEPT OF SIGNIFICANT INTERFERENCE. Transfers of shares of Banks and Economic Groups of which Banks are a member shall require prior authorization by the Superintendent whenever the acquirer or other natural or juridical persons, acting individually or in concert, obtain a Significant Interference by controlling 25% or more of the total shares as a result of said transfer.

ARTICLE 5: ACTING IN CONCERT. Acting in concert shall be understood to be the knowing participation in a joint activity or parallel action in furtherance of the common goal to acquire control irregardless of the existence, or lack thereof, of an express agreement. The term may also be understood to be the combined votes and other interests

guided by a common purpose pursuant to any contract, understanding, relation or agreement, whether or not existing in writing.

ARTICLE 6: PRELIMINARY MEETING. Authorized representatives of any Bank or Economic Group of which the Bank is a member, or, when applicable, legal or juridical person, intending to request authorization for the acquisition or transfer of shares, shall hold a meeting with the Superintendent and submit an executive summary indicating the intended manner of operation execution.

Following an analysis of the documentation provided, the preliminary meeting with the applicants and technical evaluations to that effect, the Superintendent shall issue a preliminary opinion with respect to discouraging or encouraging the continuation of the corresponding processes, without prejudice to the final decision, within a term not exceeding three (3) working days as of the date of the preliminary meeting.

The applicants shall not publically announce their purpose without a favorable preliminary opinion by the Superintendent.

ARTICLE 7: REQUIREMENTS FOR THE FORMAL AUTHORIZATION OF AN ACQUISITION OR TRANSFER OF SHARES. The formal application for authorization of an acquisition or transfer of shares shall be presented jointly by the interested parties, duly represented by Legal Counsel. The application for authorization shall be submitted in one original and three (3) complete sets of copies of the following documentation, whenever applicable and as determined by the Superintendent:

1. Power of Attorney granted to the Legal Counsel by the parties engaged in the operation.
2. Application for authorization of acquisition or transfer of shares.
3. Minutes of Board of Directors meeting certifying the approval of the acquisition or transfer of shares, as applicable.
4. Public Registry Certificates of the entities concerned, certifying information in effect at the time of the acquisition or transfer of shares.
5. Agreement for the acquisition or transfer of shares.
6. Interim Financial Statements of the interested institutions, with closure on the last day of the month previous to the date of the Agreement of acquisition or transfer of shares.
7. Organizational and operational structure resulting from the acquisition or transfer of shares.
8. General information concerning the Directors, Officers and Senior Management members to be appointed following the acquisition or transfer of shares.

9. Additionally, curriculum vitae, banking, commercial and personal references shall be submitted, including the source of the information to enable its verification, or request additional information, for all Directors, Officers or Senior Management members whose information is not available in the Superintendency of Banks.
10. A detailed report of the proposed transaction shall include:
 - a. Share purchase agreement.
 - b. Amount of shares and price.
 - c. Percentage controlled by the acquirer after completion of the transaction.
 - d. Indication as to whether there exist other agreements with another shareholder or other parallel transactions.
 - e. Name of the natural or juridical person selling the shares (amount of shares sold and amount retained after the transaction).
11. Evidence of funds available and origin to execute the transaction.
12. Information concerning any person due any direct or indirect commission for the execution of the transaction.
13. Business Plan: Description of the acquirer's proposed plans to develop once the acquisition or transfer of shares is authorized (short, medium and long term objectives).
14. General Information concerning the Acquirer: Detailed and accurate information verifying the identity, domicile, address, nationality, occupation, shareholding participation, as well as copy of the personal identification card and/or passport. Additionally, submit a curriculum vitae and banking, commercial and personal references, including the source of the information to enable its verification or request for additional information.

In the case of a corporation, this information shall refer to majority shareholders holding 5% or greater of circulating shares, directors and officers of the acquirer.
15. Economic Group or Financial Conglomerate: Information concerning the Economic Group or Financial Conglomerate of which the acquirer is a member, including, particularly, an organizational diagram showing the relationship between the acquirer and the corporations exerting control over the acquirer, and any subsidiary or affiliate; kinship, property, existing control or management; the directors, officers and personnel common to both corporations.
16. Financial Activities of the Economic Group or Financial Conglomerate: Summary of all financial activities engaged by the enterprises comprising the Economic Group or Financial Conglomerate of which the acquirer is a member, including a list of operating jurisdictions of said enterprises.
17. Acquirer's Substantial Investments: List of all corporations in which the acquirer and its consolidating subsidiaries possess, singly or jointly with other persons, a capital

investment exceeding 20% of the capital or exceeding 10% of voting rights respectively.

18. Capital Distribution: Percentage of acquirer's participation in the paid-in capital stock with voting rights of the entity becoming the owner of transferred shares.
19. Audited Consolidated Financial Statements: Comparative audited consolidated financial statements of the acquirer and its Economic Group corresponding to the last two fiscal year closures.
20. Registration and Authorization of Auditors: Name of the acquirer's external auditor, along with certification of the Republic of Panama Ministry of Commerce and Industries Technical Board, or equivalent Authority, certifying that the external auditor countersigning the acquirer's and its Economic Group's Financial Statements is duly authorized to practice such profession.
21. Publications and Annual Reports: The most recent Annual Report or similar publication containing information concerning the acquirer or the Economic Group of which it is a member, such as, incorporation, changes in objectives, mergers or consolidations, management of operations, local and foreign banking entities (subsidiaries, branches, representation offices and agencies), links to other financial institutions, and, in general, its management results and its indicators on profitability, growth and asset risks, its liabilities and its capital stock.
22. Where the acquirer operates as a Bank in its home country, or is a member of a financial conglomerate that includes Banks operating in its home country, the Superintendency shall require a certification issued by the home country Banking Supervisory Entity, addressing the viability of the operation.
23. Applicant's sworn statement certifying that the information provided is complete, without misrepresentations or material omissions. The Superintendency of Banks shall be notified immediately of any changes in the information submitted if such occur before a decision is made.
24. Certified or bank's check in the amount of Five Thousand Balboas (B/.5,000.00) per operation, to cover the expenses of the investigation carried out by the Superintendency of Banks. This payment is not reimbursable. (Agreement 8-2003 of October 16, 2003.)
25. Any other document, information or requirement requested by the Superintendency of Banks, to include personal Financial Statements providing details relating to the financial solvency of majority shareholders or those exercising control of the Bank and its Economic Group to be appointed following the acquisition or transfer of shares if deemed convenient.

The information and documentation submitted shall be truthful and provide a means for verification. The submission of false information and documentation or significant

omissions relating to the Change of Control qualifies as a crime pursuant to Chapter I of Title VIII of the Republic of Panama Criminal Code.

PARAGRAPH 1: Banking entities regulated by the Superintendency of Banks are not required to submit the documentation listed in numbers 12 through 21 of this Article, provided it is already available and up-to-date at the Superintendency of Banks.

PARAGRAPH 2: Public Offerings of Shares Acquisitions are not required to submit the documentation listed in numbers 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 18 of this Article, provided it is included in the corresponding Prospectus.

ARTICLE 8: ANALYSIS OF REQUESTS FOR AUTHORIZATION OF ACQUISITION OR TRANSFER OF SHARES. Upon presentation of the application for authorization of an acquisition or transfer of shares, including the documentation listed in the foregoing Article, the Superintendency of Banks shall proceed to make pertinent evaluations and shall approve or disapprove the request through a Motivated Resolution as follows:

- a) For entities regulated by the Superintendency of Banks, within a term not exceeding thirty (30) calendar days, unless the Superintendency of Banks extends the term for an additional period not exceeding thirty (30) calendar days.
- b) For entities not regulated by the Superintendency of Banks, within a term not exceeding sixty (60) calendar days, unless the Superintendency of Banks extends the term for an additional period not exceeding thirty (30) calendar days

The terms established in the present Article shall not begin until such time as applications have been submitted in due form and accepted by the Superintendency of Banks.

ARTICLE 9: PUBLICATION OF APPLICATION. The Superintendency of Banks shall provide the applicants a Public Notice within three (3) working days following the acceptance of the application, for its publication within fifteen (15) calendar days, at the applicant's expense, in a national circulation newspaper during a period of three (3) consecutive working days, to inform the public of the application for authorization of an acquisition or transfer of shares.

Persons having relevant observations concerning the acquisition or transfer of shares may submit them in writing to the Superintendency with supporting documentation, if available, within fifteen (15) calendar days following the date of the last publicized notice. The Superintendency is not compelled to issue statements regarding such observations.

Relevant observations shall be understood to be those regarding the economic capability and moral solvency of the applicants, as well as their directors, officers, executive officers mentioned in the publicized notice, and, in general, those verifiable circumstances evidencing the inconvenience of the proposed operation.

ARTICLE 10: FORMALIZATION OF THE ACQUISITION OR TRANSFER OF SHARES. Once authorized by the Superintendency of Banks, the applicant shall complete all actions leading to the formalization of legal, administrative and operative aspects of the acquisition or transfer of shares within a term not exceeding six (6) months, extendable by the Superintendency upon receipt of a well supported request by the interested party, starting on the date of notification of the Resolution of Authorization for Acquisition or Transfer of Shares.

Once notified regarding the aforementioned Resolution, the applicant shall carry out corporate actions conducive to the formalization of legal procedures that enable the acquirer to acquire the totality of the shares, as well as submit in due time to the Superintendency of Banks the operative and organizational structure and a description of the business plan intended for development.

Applicants shall notify the Superintendency of Banks of the finalization of the acquisition or transfer of shares process, within five (5) working days after its culmination.

ARTICLE 11: REORGANIZATION FOLLOWING THE ACQUISITION OR TRANSFER OF SHARES. Upon completion of the acquisition or transfer of shares of Banks or Economic Groups of which a Bank is a member, the acquiring entity may proceed with the intended mergers, consolidations or corporate reorganizations without holding a prior meeting with the Superintendent, provided there is prior notification to the Superintendency of Banks and the process may be managed within the same dossier, without prejudice to provisions set forth in Articles 19, 20, 21, 22, 23, 24 and 25 of this Agreement.

ARTICLE 12: TRANSFER OF SHARES WITHIN THE SAME ECONOMIC GROUP. For the effects of the present Agreement, a transfer of shares within the same Economic Group shall be understood to be those transfers of shares or modifications in the social and legal structure of the Bank, not involving the consideration of new final shareholders.

ARTICLE 13: NOTIFICATION TO THE SUPERINTENDENCY. The applicant shall give a timely advance notice to the Superintendency of Banks in the cases of transfers of shares within the same Economic Group implying a Change of Control or representing a corporative reorganization. In the case of Foreign Economic Groups, a certification issued by the Supervisory Entity of the Home Office shall be submitted, indicating a 'no objection' to the transfer of shares.

The Superintendency of Banks shall proceed to analyze the aforementioned notification, and shall notify the applicant within a period of ten (10) working days, the following:

- a) That there is no objection to the notification submitted, thereby the transaction is authorized as notified; or
- b) That additional documentation is required before an authorization may be notified.

Where additional documentation is requested and received, the Superintendency of Banks shall proceed to its analysis in order to issue a notification of authorization, pursuant to the terms set forth in Article 8 of this Agreement.

ARTICLE 14: DISAPPROVAL OF APPLICATIONS. Applications submitted for an acquisition or transfer of shares shall be disapproved whenever the Superintendent considers that:

1. The Consolidated Supervisor lacks the legal ability to supervise in a consolidated manner, or, if vested with such authority, has not exercised it at the time of submission of the application.
2. The Consolidated Supervisor refuses to certify that it will provide all the information and cooperation necessary to carry out an effective supervision.
3. The transaction may cause an adverse effect to banking competition in Panama that exceeds its potential positive effect to the public interest.
4. The application is deemed incomplete after the term for submission to the Superintendency has expired.
5. The information regarding the reputation and integrity of the applicants cannot be verified and confirmed.
6. There is reasonable doubt concerning the reputation, integrity and experience of the applicants.
7. There is reasonable doubt concerning the source of funds for the acquisition or transfer of shares leading to a Change of Control.
8. The applicants submitted false information or documentation or omitted substantial information or documentation.
9. There are marked weaknesses in the programs for the prevention of money laundering and prevention of financing of terrorism.
10. The analyses and evaluations made by the Superintendency of Banks determine the inconvenience of the operation for the banking center.
11. The analyses and evaluations made by the Superintendency of Banks determine the inconvenience of the operation for the acquired or acquiring entity.

MERGERS

ARTICLE 15: CONCEPT. ‘Merger’ shall be understood to be the fusion of two or more pre-existing corporations, whether one is absorbed by another (Merger by Absorption) or

both become a new subsisting corporation (Consolidation), the latter inheriting a universal title to the rights and obligations of the corporations involved.

ARTICLE 16: AUTHORIZATION FOR MERGER. The merger or consolidation of Panamanian Banks and Banks incorporated as a juridical person pursuant to Panamanian legislation, as well as any modification in the structure of said Banks, and mergers and consolidations of Economic Groups of which said Banks are members, shall require previous authorization from the Superintendency of Banks, pursuant to provisions of this Agreement.

ARTICLE 17: PRELIMINARY MEETING. Authorized representatives of Banks or Economic Groups of which the Bank is a member, intending to apply for authorization of a merger, shall hold a meeting with the Superintendent and submit an executive summary stating the manner of the intended operation execution.

Following an analysis of the documentation provided, the preliminary meeting with the applicants and technical evaluations to that effect, the Superintendent shall issue a preliminary opinion with respect to discouraging or encouraging the continuation of the corresponding processes, without prejudice to the final decision, within a term not exceeding three (3) working days as of the date of the preliminary meeting.

The applicants shall not publically announce their purpose without a favorable preliminary opinion by the Superintendent.

ARTICLE 18: REQUEST FOR AUTHORIZATION OF MERGER. The formal request for authorization of a merger or consolidation shall be submitted to the Superintendency through legal representation, once approval has been secured from the Shareholding Assemblies of the respective Banks or enterprises of the Economic Group of which the Bank is a member.

ARTICLE 19: APPLICATION REQUIREMENTS FOR AUTHORIZATION OF MERGER. The application for authorization of a merger or consolidation shall be submitted in an original and three (3) complete sets of copies of the following documentation:

1. Power-of-Arrowney granted by both entities to a Legal Counsel.
2. Application for authorization of a merger or consolidation, making reference, among others, to the purpose of the transaction, its principal terms, the financial arrangements made for the transaction, and additional agreements.
3. Approved or projected Merger or Consolidation Agreement.
4. Public Registry Certificates of the entities concerned, certifying information in effect at the time of the merger or consolidation.

5. Interim Financial Statements of both Banks and its Economic Group, with closure on the last day of the month previous to the date of the Merger or Consolidation Agreement.
6. Prospective Financial Statements projecting results from the merger or consolidation, including a balance sheet, statement of income and expenses and statements of changes in capital stock, providing details on the basic premises for the projections, which shall include the following information:
 - a. Detailed account of the effects of the merger on the capital stock of the merged institution for the resultant banking institution and the Consolidated Banking Group, to which the following shall be added:
 - i. The primary capital stock, net surplus, treasury shares, losses not realized, unfavorable conversion adjustments and net of other direct deductions to the primary capital or prorated with the secondary capital.
 - ii. Total capital, net of applicable deductions.
 - iii. Relationships of weighted assets to:
 1. Net primary capital stock.
 2. Total net capital stock.
 - b. Details regarding any re-evaluated asset or liability deriving from the transaction. The bases of computation of any substantial re-evaluation shall be provided.
 - c. Concerning the issuance of new capital stock:
 - i. Provide details of transactions foreseen.
 - ii. Indicate specific dates when transactions are expected to occur.
 - d. Detail all out of balance accounts.
 - e. Detail all intangible assets accounts.
 - f. Detail of Deferred Taxes on Revenue Taxes.
 - g. Detail any other asset devoid of value in the event of liquidation.
 - h. Executive Summary of due diligence studies performed for the transaction.
 - i. Analysis of transactions with a sole person, related parties and Individual Economic Group from the perspective of the resulting institution.
7. Organizational and operative structure resulting from the merger or consolidation, to include general information concerning the Directors, Officers and Senior Management members to be appointed after the merger.

Additionally, the curriculum vitae and banking, commercial and personal references shall be submitted with indication as to the source of the information to verify their contents or request additional information on all Directors, Officers or Senior Management members whose information is not available in the Superintendency of Banks.

8. Agreements to secure a portion of the transaction or funds to guarantee the quality of the credit portfolio.
9. Details concerning all subsidiaries subjected to the transaction and description of their operations.
10. Details on proposed technological and integration platforms.
11. Applicant's sworn statement certifying that the information provided is complete, without misrepresentations or material omissions. The Superintendency of Banks shall be notified immediately of any changes in the information submitted if such occur before its decision is made.
12. Certified or bank's check in the amount of Five Thousand Balboas (B/.5,000.00) per operation to cover the expenses of the investigation carried out by the Superintendency of Banks. This payment is not reimbursable. (Agreement 8-2003 of October 16, 2003.)
13. Any other document, information or requirement requested by the Superintendency of Banks, to include personal Financial Statements providing details of financial solvency of majority shareholders or those exercising control of the Bank and its Economic Group to be appointed following the merger, when deemed convenient.

The information and documentation provided shall be truthful and provide a means for verification. The submission of false information and documentation or significant omissions qualifies as a crime pursuant to Chapter I of Title VIII of the Republic of Panama Criminal Code.

PARAGRAPH 1: Banking entities regulated by the Superintendency of Banks are not required to submit the documentation listed in this Article, provided it is already available and up-to-date at the Superintendency of Banks.

ARTICLE 20: ANALYSIS OF THE APPLICATION FOR AUTHORIZATION OF MERGER. Upon presentation of the application for authorization of a merger, including the documentation listed in the foregoing article, the Superintendency of Banks shall proceed to make pertinent evaluations and shall approve or disapprove the request through a Motivated Resolution as follows:

- a) For entities regulated by the Superintendency of Banks, within a term not exceeding thirty (30) calendar days, unless the Superintendency of Banks

extends the term for an additional period not exceeding thirty (30) calendar days.

- b) For entities not regulated by the Superintendency of Banks, within a term not exceeding sixty (60) calendar days, unless the Superintendency of Banks extends the term for an additional period not exceeding thirty (30) calendar days

The terms established in this article shall not begin until such time as the application has been submitted in due form and accepted by the Superintendency of Banks.

ARTICLE 21: PUBLICATION OF APPLICATION. The Superintendency of Banks shall provide the applicants a Public Notice within three (3) working days following the acceptance of the application, for its publication within fifteen (15) calendar days, at the applicant's expense, in a national circulation newspaper during a period of three (3) consecutive working days, to inform the public of the application for authorization of an acquisition or transfer of shares.

Persons having relevant observations concerning the merger may submit them in writing to the Superintendency with supporting documentation, if available, within fifteen (15) calendar days following the date of the last publicized notice. The Superintendency is not compelled to make statements regarding such observations.

Relevant observations shall be understood to be those regarding the economic capability and moral solvency of the applicants, as well as their directors, officers, executive officers mentioned in the publicized notice, and, in general, those verifiable circumstances evidencing the inconvenience of the proposed operation.

ARTICLE 22: FORMALIZATION OF THE MERGER. Once authorized by the Superintendency of Banks, the applicants shall complete all actions leading to the formalization of the legal, administrative and operative aspects of the merger, within a term not exceeding six (6) months, extendable on receipt of a well supported request by the interested party, starting on the date of notification of the Resolution of Authorization of Merger.

Once notified regarding the aforementioned Resolution, the applicant Banks shall:

- a) Protocolize and register in the Public Register the Merger Agreement and submit of a duly registered copy to the Superintendency. The term for protocolization and registration of the merger in the Public Registry expires within three (3) months after the date of the Resolution. This term may be extended by the Superintendency upon request by the interested party.
- b) Submit the following information to the Superintendency of Banks in a timely manner:

Merger Plan, duly authorized by the Banks or enterprises concerned, including an implementation timetable. The Merger Plan shall include the operational changes of the resulting entity, such as:

- Branch closures and openings.
 - Elimination or creation of products offered.
 - Timely previous notification to the banking entity's service users, to include savings, checking and time deposits account holders, so as to ensure their ability to decide, within a period not exceeding thirty (30) calendar days, whether they will or will not maintain their accounts in the resulting banking institution.
 - Elimination of surplus assets (buildings, systems, equipment, among others).
 - Costs of reduction of personnel.
 - Costs related to the transaction.
- c) Carry out corporate actions conducive to the formalization of legal procedures that allows the new corporation to take over the totality of the capital of the corporation dissolved.

Applicants shall notify the Superintendency of Banks of the finalization of the merger, within five (5) working days after its culmination.

ARTICLE 23: DISAPPROVAL OF APPLICATIONS. Applications for banking mergers shall be disapproved whenever the Superintendent considers that:

1. The Consolidated Supervisor lacks the legal ability to supervise in a consolidated manner, or, if vested with such authority, has not exercised it at the time of submission of the application for banking merger.
2. The Consolidated Supervisor refuses to certify that it will provide all the information and cooperation necessary to carry out an effective supervision.
3. The transaction may cause an adverse effect to banking competition in Panama that exceeds the potential positive effect to the public interest.
4. The application is found to be incomplete after the term for submission to the Superintendency has expired.
5. The Superintendency of Banks is unable to verify or confirm the information provided regarding the reputation and integrity of the applicants.
6. The Superintendency of Banks considers there is reasonable doubt concerning the reputation, integrity and experience of the applicants.

7. The resulting Board of Directors or Management lacks the necessary experience to manage the new institution.
8. There are solvency and soundness problems in the resulting entity.
9. The merger plan is considered inadequate.
10. The applicants submitted false information or documentation or omitted substantial information or documentation.
11. There is noncompliance with legal or regulatory limits as a result of the merger.
12. There are marked weaknesses in the programs for the prevention of money laundering and prevention of financing of terrorism.
13. The analyses and evaluations made by the Superintendency of Banks determine the inconvenience of the operation for the banking center.
14. The analyses and evaluations made by the Superintendency of Banks determine the inconvenience of the operation for the acquired or acquiring entity.

ARTICLE 24: FOREIGN MERGERS. Foreign mergers affecting or involving branches or subsidiaries of Banks located in the Republic of Panama, shall require authorization from the Superintendency of Banks and shall update all pertinent information concerning the resulting entity.

ARTICLE 25: MERGERS WITHIN THE SAME ECONOMIC GROUP. Mergers within the same Economic Group, not involving Banks or entities or corporations controlling Banks, shall be notified to the Superintendency of Banks not later than five (5) working days following the date of the merger.

ARTICLE 26: REPRESENTATION OFFICES. Notification by Representation Offices is limited to acquisitions or transfers of shares involving Change of Control, and mergers or consolidations in which they are involved.

ARTICLE 27: BANKING REGULATORY FEE. Following the authorization for acquisition or transfer of shares or merger, the Banking Regulatory Fee applicable to the acquired or merged Bank shall continue in effect until such time as its Banking License is duly cancelled.

ARTICLE 28: SANCTIONS FOR NONCOMPLIANCE WITH AGREEMENT. Noncompliance with provisions contained in the present Agreement shall be punishable by the Superintendent pursuant to Article 137 of Decree Law No. 9 of 1998.

ARTICLE 29: This Agreement supersedes Agreement 10-2003 of December 17, 2003 in its entirety.

ARTICLE 30: EFFECT. This agreement shall become effective upon its promulgation.

Given in the city of Panama, on the twenty ninth (29th) day of the month of December two thousand four (2004).

COMMUNICATE, PUBLISH AND ENFORCE:

THE PRESIDENT

THE SECRETARY

Felix B. Maduro

Jorge W. Altamirano-Duque M.