

Republic of Panama

Superintendency of Banks

Agreement No. 2-2004

(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 is responsible for preserving the strength 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 promoting auspicious conditions for the development of Panama as an international financial center;

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 or regulatory banking provisions in the administrative realm;

That in the course of work sessions of this Board of Directors and the Superintendency of Banks, there became evident the convenience of adopting measures actions and criteria relating to requests of authorization for transfers of deposits or portfolios carried out by Banks.

AGREES:

ARTICLE 1: SCOPE OF APPLICATION. The provisions of this Agreement shall apply to Official Banks, General License Banks, and to International License Panamanian Banks.

The foregoing is not applicable to Banking Branches and Subsidiaries of International License Foreign Banks, or to International License Panamanian Banks that are subsidiary of and consolidate with a controlling foreign corporation duly supervised by a Foreign Supervisory Banking Entity.

ARTICLE 2: AUTHORIZATION BY THE SUPERINTENDENT. Banks engaged in the Business of Banking in or from Panama, who intend to sale-purchase portfolios and/or transfers of deposits, where there exists a Significant Impact (as defined hereinafter) in the volume or nature of banking business, shall require prior authorization by the Superintendent, pursuant to provisions set forth in this Agreement.

ARTICLE 3: SIGNIFICANT IMPACT. For the effects of this Agreement, Significant Impact shall be understood to exist in the volume or nature of the Banking business, whenever the sale-purchase of portfolios and/or transfer of deposits involve twenty five percent (25%) or more of the assets and/or liabilities of the seller or buyer individually.

ARTICLE 4: REQUIREMENTS FOR THE AUTHORIZATION OF THE SALE-PURCHASE OF PORTFOLIOS AND/OR TRANSFER OF DEPOSITS. The formal application for authorization of the sale-purchase of portfolios and/or transfer of deposits involving a Significant Impact, shall be submitted by the party(ies) concerned, as applicable, duly represented by Legal Counsel. The application for authorization shall be submitted in one original and three complete sets of copies of the following documentation:

1. Power of Attorney granted to the Legal Counsel by the parties concerned, as applicable.
2. Application for authorization of sale-purchase of portfolios and/or transfer of deposits.
3. Minutes of Board of Directors of the parties concerned, as applicable, certifying the pertinent corporate approvals.
4. Preliminary proposal, to include a projected timetable for the execution of the operation and the objectives of the transaction.
5. Projected Financial Statement after the proposed operation.
6. Applicant's sworn statement certifying that the information provided is complete and without material omissions
7. Any other document, information or requirement requested by the Superintendency of Banks.

PARAGRAPH: Any documentation listed in this Article that is already up-to-date and available at the Superintendency of Banks is understood to be submitted.

ARTICLE 5: ANALYSIS OF REQUEST FOR AUTHORIZATION OF SALE-PURCHASE OF PORTFOLIOS AND/OR TRANSFER OF DEPOSITS. Upon presentation of the application for authorization, 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 within a term not exceeding fifteen (15) calendar days.

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

ARTICLE 6: PUBLICATION OF OPERATION. The applicant shall publicize the Resolution of Authorization of the proposed operation within five (5) calendar days following the date of notification of the resolution, during a period of three (3) consecutive

working days in a national circulation newspaper, making known the approval of the transaction.

ARTICLE 7: DISAPPROVAL OF APPLICATIONS. Applications shall be disapproved whenever the Superintendent considers that:

1. The application is found to be incomplete after the term for submission to the Superintendency has expired.
2. There are solvency and soundness problems in the banking institution concerned.
3. There is noncompliance with legal or regulatory limits as a result of the operation.
4. The applicants submitted false information or incorrect documentation or omitted substantial information or documentation.

ARTICLE 8: CONFIDENTIALITY OF THE INFORMATION. All information relative to on sale-purchase of portfolios and/or transfers of deposits shall be maintained by banks and the Superintendency of Banks with due confidentiality until such time as it may be publicized. As a result, it is clearly established that said information is subject to banking confidentiality provisions pursuant to Chapter XIII of Decree Law No. 9 of February 26, 1998.

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

ARTICLE 10: 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.