

*Republic of Panama*  
*Superintendency of Banks*

**Agreement No. 10-2005**  
(November 11, 2005)

**THE BOARD OF DIRECTORS**  
using its legal authority, and

**WHEREAS:**

According to Numeral 1 of Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks has among its goals to preserve the soundness and efficiency of the Banking System;

According to Numeral 2 of Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks is responsible for fostering auspicious conditions conducive to the development of Panama as an international financial center;

According to Numeral 7 of Article 16 of Decree Law No. 9 of February 26, 1998, the Board of Directors must set, in the administrative realm, the interpretation and scope of the legal or regulatory provisions in banking matters;

In work sessions of this Board of Directors with the Bank Superintendent, the need and convenience became evident of modifying Article 3 of Agreement No. 1 of November twenty (20), 1985;

**AGREES:**

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

**ARTICLE 2:** Article 3 of Decree Law No. 1 of November twenty (20), 1985 will read as follows:

**“ARTICLE 3: LOCAL SAVINGS DEPOSITS.** The following provisions will apply to local savings deposits:

1. Banks will be able to freely set the interest rate amounts in the Local Savings Deposits. Nevertheless, they must specify the rate of those deposits in their customers' account statements or when the customers request them.
2. The way and modality for the interest payment calculation and opportunity on those deposits will be of free hire between the parties. Under no circumstances will the opportunity to capitalize interests be after the quarter's maturity.

3. The advertising of raffles, gifts, trips, prizes or other incentives in favor of those deposits requires the Superintendency of Bank's previous authorization.

The interested banks will submit the respective plans and programs for the case's considerations with the proper timeliness.

The Bank Superintendent will know and decide upon the requests made on this issue, according to the regulatory instructions the Superintendency establishes on this matter.

**PARAGRAPH:** So as to encourage savings and propitiate a better yield through the savings accounts, the banking entities will be able to set special savings deposits wherein the parties will be able to accord that the depositary cannot make withdrawals during a set period of time."

**ARTICLE 3: EFFECT.** This Agreement will be in effect from the time it is proclaimed.

Given in the city of Panama, on the eleventh (11) day of the month of November, two thousand five (2005).

**TO BE RELEASED, PUBLISHED AND FULFILLED.**

**THE PRESIDENT,**

Jorge W. Altamirano-Duque M.

**THE SECRETARY,**

Antonio Dudley A.