

Republic of Panama
Superintendency of Banks

Agreement No. 06-2005
(of July 13, 2005)

THE BOARD OF DIRECTORS
using its legal authority, and

WHEREAS:

According to Numeral 3 of Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks is responsible for promoting public confidence in the banking system.

According to Numeral 9 of Article 16 of said Decree Law, setting accounting requirements regarding the financial information that Banks must submit is an attribution of the Board of Directors of the Superintendency of Banks.

According to Numeral 10 of Article 16 of Decree Law No. 9 of February 26, 1998, setting the rules that Banks must follow in their bookkeeping is an attribution of the Board of Directors of the Superintendency of Banks.

According to Article 55 of Decree Law No. 9 of February 26, 1998, Banks with general or international license must submit to the Superintendency their corresponding Financial Statements regarding their operations performed in or from the Republic of Panama, whichever is the case, which must carry the signature of the legal representative or of a general proxy of the Bank and must be audited and submitted conforming to the technical standards the Superintendency sets.

According to Article 60 of Decree Law No. 9 of February 26, 1998, each Bank must appoint annually, at its own expense, authorized public accountants, specialized in the Superintendency's judgment and professionally suitable, whose duty will be to render a report to the shareholders or partners of each Panamanian Bank or to the parent bank of Foreign Banks on the fiscal exercise; and in said report such auditors will let it be known if, in their judgment, the Financial Statements are complete, reasonable and show the real and accurate state of the Bank's operations.

Through Agreement No. 1-2002 of March 1, 2002, the general parameters regarding External Audits were set.

In work sessions of this Board of Directors with the Superintendency of Banks, the convenience of modifying Article 9 of Agreement No. 1-2002 of March 1, two thousand two (2002) has been made evident.

AGREES:

Acuerdo No. 06-2005
Página 2 de 2

ARTICLE 9 of Agreement No. 1-2002 of March 1, 2002 will read:

“ARTICLE 9: ROTATION OF EXTERNAL AUDITORS. The Banks must rotate their team of external auditors at least every three (3) years, including managers and partners. The rotation also includes the specialized personnel used in the audits (fiscal auditors, systems auditors and others). This rotation does not necessarily imply varying the external audit firm hired by the Bank.

At the time of carrying out the rotation, only one member of the audit team that was serving the Bank will be allowed to remain for an additional one-year period. The person

that remains for the additional period may not be the partner that was serving the Bank. The Bank must send in writing to the Superintendency of Banks within thirty (30) days prior to the beginning of the annual audit functions, the names of their external auditors and the detail of the auditors that compose the audit team, as well as any modification to the team, for the purposes stated in this article.”

ARTICLE 2: This Agreement will be in force from the time it is proclaimed.

Given in the city of Panama, on the thirteenth (13th) day of the month of July of two thousand five (2005).

THE PRESIDENT,
Jorge Altamirano Duque

THE SECRETARY,
Antonio Dudley