

Republic of Panama
Superintendency of Banks

AGREEMENT No. 02-2006
(of March 8, 2006)

"Which modifies Articles 7, 9, 10 and 13 of Agreement 3-2001
of September 5, 2001 on Banking Licenses"

THE BOARD OF DIRECTORS
using its legal authority, and

WHEREAS:

Pursuant to Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks is responsible for looking after the maintenance of the soundness and efficiency of the banking system as well as strengthening and fostering auspicious conditions conducive to the development of Panama as an International Financial Center.

Pursuant to Numeral 1 of Article 17 of Decree Law No. 9 of February 26, 1998, it pertains to the Bank Superintendent to approve the granting of banking licenses within the framework established by said Decree Law.

Pursuant to Article 32 of Decree Law No. 9 of February 26, 1998, it is an attribute of the Board of Directors of the Superintendency of Banks to set the requirements and other conditions that the applicants must meet to acquire a banking license.

In work sessions of this Board of Directors with the Bank Superintendent, the convenience of modifying Article 7 of Agreement No. 3-2001 of September 5, two thousand one (2001) has become evident.

AGREES:

ARTICLE 1: Article 7 of Agreement No. 3-2001 of September 5, 2001 will read:

ARTICLE 7. PREVIOUS MEETING. The Superintendent or the Institution's officer appointed by the former, will hold a meeting with representatives of the applicant bank or of the sponsoring group, or with the proxies appointed by the latter for said purpose, before the formal submittal of the banking license application.

The granting or not of the respective license is left to the Superintendent's discretion, heeding the analysis of the documentation provided by the applicant or by the sponsor, the meetings carried out with the applicant and/or its sponsoring group before the submittal of the banking license application and the inquiries that lead to that outcome.

In the cases he deems it convenient, the Superintendent can subdue the concession of the license to the fulfillment of particular quantitative or qualitative conditions, with the previous signing of a commitment by the applicant or its sponsoring group.

ARTICLE 2: Literal "h" of Article 9 of Agreement No. 3-2001 of September 5, 2001 will read:

ARTICLE 9. DOCUMENTATION REQUIRED FROM BANKS TO BE INCORPORATED IN PANAMA.

...

h. Substantial investments from the applicant and its stockholders: List of all corporations wherein the applicant and the subsidiaries consolidating with it or on their own or jointly with other persons, an equity investment exceeding 25% of the capital or exceeding 10% of the respective voting rights.

Likewise, the stockholders of the applicant and/or sponsor must submit an affidavit that specifies if they belong to financial groups in which on their own or jointly with other persons they have an equity investment exceeding 25% of the capital or exceeding 10% of the respective voting rights.

ARTICLE 3: Literal "h" of Article 10 of Agreement No. 3-2001 of September 5, 2001 will read:

ARTICLE 10. DOCUMENTATION REQUIRED FROM BANKS INCORPORATED ABROAD.

...

h. Substantial investments from the applicant and its stockholders: List of all corporations wherein the applicant and the subsidiaries consolidating with it or on their own or jointly with other persons, an equity investment exceeding 25% of the capital or exceeding 10% of the respective voting rights.

Likewise, the stockholders of the applicant and/or sponsor must submit an affidavit that specifies if they belong to financial groups in which on their own or jointly with other persons they have an equity investment exceeding 25% of the capital or exceeding 10% of the respective voting rights.

ARTICLE 4: Article 13 of Agreement No. 3-2001 of September 5, 2001 will read:

“ARTICLE 13. REPRESENTATION LICENSE APPLICANTS. Representation Licenses can only be granted to Banks with a physical presence and a Parent Bank constituted abroad, with management and substantial operations in their home country, which must be subject to the control and oversight of a Foreign Supervising Authority.

Considering that, among other things, pursuant to Decree Law No. 9 of 1998, the Representation Offices cannot perform any banking business in or from Panama, the Superintendency of Banks can determine which of the requirements specified in Articles 9 and 10 of this Agreement will be demanded together with the license application procedure.

Representation Licenses will not be granted to Banks that cannot prove compliance with the requirements of capital adequacy, liquidity and the other prudential standards set by the legislation and/or the corresponding Foreign Supervising Authority.

Representation License holders cannot perform, under the protection of said license, any banking operation in or from their office in Panama, whether the latter is active or passive, operations with General or International License Banks, with residents or non-residents, of credit mediation, mediation in collections and/or payments or in managing capital or goods in a trust."

ARTICLE 5: This Agreement will be in effect from the time it is proclaimed.

Given in the City of Panama, on the eighth (8th) day of the month of March of two thousand six (2006).

THE PRESIDENT,

THE SECRETARY,

Jorge W. Altamirano-Duque M.

Antonio Dudley A.