

*Republic of Panama*  
*Superintendency of Banks*

**Agreement No. 007-2008**  
(of October 8, 2008)

"Which modifies Articles 15, 16 and 17 of Agreement No. 1-2006,  
which itself is modified by Agreement No. 4-2006, on the Liquidation of Assets"

**THE BOARD OF DIRECTORS**

Using its legal authority, and

**WHEREAS:**

Decree Law 9 of February 26, 1998 was modified by Decree Law 2 of February 22, 2008, and was ordered by way of a Single Text, hereinafter the Banking Law;

Article 182 of the Banking Law stipulates that banks under the process of liquidation at the time Decree Law 2 of 2008 goes into effect, that is, banks that are undergoing mandatory liquidation as of August 25, 2008, will be governed by the procedure stipulated in Decree Law 9 of 1998, before its modification;

Pursuant to Numeral 5, Literal I of Article 11 of the Banking Law, it is a technical attribution of the Board of Directors to set in the administrative realm, the interpretation and scope of the legal or regulatory provisions in banking matters;

Article 129 of Decree Law No. 9 of February 26, 1998, before being modified by Decree Law No. 2 of 2008, stipulates that liquidators will procure the disposal and achievement of all goods, rights and other assets of the Bank under the most advantageous conditions possible;

Numeral 2 of the mentioned Article 129 stipulates that, pertaining to real property or chattels whose value exceeds twenty-thousand Balboas (B/.20,000.00), the liquidator may sell them through a private auction, following the proceedings for foreclosures or judicial sales set forth in the Judicial Code, insofar as applicable;

Pursuant to Agreement No. 1-2006 of January 25, 2006 and its modification, Numerals 1 and 2 of Article 129 of Decree Law No. 9 of 1998 were developed;

In work sessions of this Board of Directors, the need and convenience of modifying Articles 15, 16 and 17 of Agreement No. 1-2006 of January 25, 2006 have become evident, so as to favor the interests of the creditors of banks in administrative mandatory liquidation.

**AGREES:**

**ARTICLE 1:** Article 15 of Agreement No. 1-2006 of January 25, 2006 will read:

**“ARTICLE 15: REALIZATION OF THE PRIVATE AUCTION.** The private auction will be performed on the day and time announced in the announcement published pursuant to Article 12 of this Agreement, and will be presided by the liquidator, or by whomever the latter designates, who will proceed to close the bidding stage.

The sale's base price will be the quick sale value established in the appraisal, and any bid that covers at least the percentage that the liquidator stipulates on the sale's base price will be admitted, which percentage will never be inferior to 66.67% of the sale's base price. At the time set forth in the announcement, the liquidator will open the period of raising the bids; thus, the bidders can improve their proposals.

This auction will be in the presence of an Authorized Public Notary, who will bear witness of the actions, and the ancillary staff the liquidator designates.

The liquidator will reject the bids with respect to each good being sold when the same are for an amount that does not cover the amount set by the liquidator as the admissible bid in the announcement or when they do not comply with the documentation requirements established in Article 14 of this Agreement.

Once the formalities stipulated in this Agreement are observed, the liquidator will provisionally award the goods to the bidders that have placed the best bid. The Authorized Public Notary will prepare the minutes of the act, which will portray the date of the private auction, the good offered in sale, the name of the participating bidders, the name of the winning bidder and the amount for which each good was sold. The minutes must be signed by the persons awarded the goods, the liquidator and the Authorized Public Notary. This document will constitute evidence of the provisional adjudication in favor of the persons awarded the goods."

**ARTICLE 2:** Article 16 of Agreement No. 1-2006 of January 25, 2006 will read:

**ARTICLE 16: SECOND SUMMONS.** If the person who made the bid for the percentage stipulated by the liquidator pursuant to the previous article does not appear in the first summons, a new date will be set, by a public announcement pursuant to what Article 12 of this Agreement stipulates, wherein any bid that covers at least the new percentage that the liquidator stipulates for this second summons on the sale's base price will be admitted, which percentage will never be inferior to 50% of the sale's base price.

The liquidator will reject the bids with respect to each good being sold when the same are for an amount that does not cover the amount set by the liquidator as the admissible bid in the announcement or when they do not comply with the documentation requirements established in Article 14 of this Agreement.

If whoever makes a bid that covers at least the new percentage that the liquidator sets for this second summons does not appear during the following fifteen (15) calendar days, the liquidator will be authorized to procure the direct sale of the good or goods, at a price not inferior to 50% of the sale's base price.

The sale's base price cannot be less than the quick sale value established in the appraisal.

**ARTICLE 3:** Article 17 of Agreement No. 1-2006 of January 25, 2006 will read:

**“ARTICLE 17: THIRD SUMMONS.** If the good was not sold by the procedure set in the preceding article during the following fifteen (15) calendar days, a new date will be set, by a public announcement pursuant to what Article 12 of this Agreement stipulates, wherein bids will be accepted for any amount.

The liquidator will reject the bids regarding each good in sale when they do not comply with the documentation requirements stipulated in Article 14 of this Agreement.

Previously securing a Notary Certification, which states that no admissible tender has been offered pursuant to Articles 15, 16 and 17 of this Agreement, the liquidator can dispose of the good by a direct sale to anyone who makes a tender.”

**ARTICLE 4: EFFECT.** This Agreement will be in force from the time it is proclaimed.

Given in the city of Panama, on the eighth (8th) day of the month of October, two thousand eight (2008).

**TO BE PUBLISHED AND FULFILLED.**

**THE CHAIRMAN,**

**THE SECRETARY,**

Felix B. Maduro

Jorge W. Altamirano-Duque