His Excellency
Mr. Hector E. Alexander H.
Minister of Economy Finance
Ministry of Economy Finance
Republic of Panamá

Re: Panamá: First Amendment to Loan No. 8087-PA (Disaster Risk Management Development Policy Loan)

Excellency,

We refer to the Loan Agreement between the Republic of Panamá (the Borrower) and the International Bank for Reconstruction and Development, (the Bank), dated January 4, 2012, (the Loan Agreement), with respect to the above-captioned operation. Please note that capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to the Borrower’s Letter dated March 13, 2020, requesting the restructuring of the operation to modify the definition of State of Emergency, I am pleased to inform you that the Bank hereby proposes to amend the Loan Agreement as follows:

1. Section II.E.1 of Schedule 1 to the Loan Agreement is modified in its entirety to read as follows:

“No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied, based on evidence satisfactory to it, that a State of Emergency (Estado de Emergencia) exists in the Borrower’s territory to respond to an imminent or occurring catastrophic disaster which has been declared by the Borrower, through a Cabinet Resolution (Resolución de Gabinete), all in accordance with the Borrower’s legislation.”

2. Paragraph 9 of the Appendix to the Loan Agreement is modified to read as follows:

“State of Emergency” means a declaration by the Borrower, through a Cabinet Resolution (Resolución de Gabinete), of a state of emergency (Estado de Emergencia) due to a catastrophic disaster generated by natural phenomena or health-related events, pursuant to the Borrower’s Law No. 7 of February 11, 2005 and any other legal instrument, compatible with the existing regulation of a State of Emergency, that the Borrower may introduce from time to time with the previous agreement of the Bank.

All other provisions of the Loan Agreement, except as amended in this Amendment Letter, shall remain in full force and effect.

Please confirm your agreement with the foregoing Amendment Letter, on behalf of the Borrower, by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter shall be executed in two counterparts each of which shall be an original and one of which shall be returned to us. The provisions set forth in this Amendment Letter will become
effective as of March 13, 2020, upon receipt by the Bank of one fully countersigned original of this Amendment Letter.

Please also note that the attached restructuring paper will be disclosed on the Bank's external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
Alfonso Abel L. Caamaño
Country Manager

AGREED:
REPUBLIC OF PANAMA

By: [Signature]
Authorized Representative
Name: Héctor E. Alexander H.
Title: Ministerio de Economía y Finanzas
Date: 19/3/2020

REFRENDO:
General Comptroller of the Republic of Panama

By: [Signature]
Authorized Representative
Name: Gerardo Sohs
Title: Contralor General
Date: 23/3/2020