

REPUBLIC OF PANAMA
SUPERINTENDENCY OF BANKS

January 3, 2006
Circular No. 001-2006

General Manager
Panama City

Reference: International Financial Information Standards
(IFIS). Submittal of Financial Statements.

Dear General Manager:

Through this means, we inform you that the Audited Financial Statements and explanatory notes that the banking entities must submit during the current fiscal period, must at all times comply with the stipulations contained in Agreements 6-2000 and 7-2000 on Loan and Investment Rating, respectively.

This Superintendency of Banks is executing the pertinent updates in the abovementioned standards, with the purpose of adapting them to the new accounting environment introduced by the International Financial Information Standards (IFIS), keeping in mind the accounting and prudential criteria.

By virtue thereof, the Superintendency of Banks will not consider that there is non-compliance in those cases where the Banks do not totally adjust to the International Financial Information Standards (IFIS), but only in those aspects where there are differences with the regulations in force; nonetheless, in the other aspects, the banking entities must have fully completed the implementation of the corresponding reforms and updates at the time of submitting their Audited Financial Statements corresponding to the 2005 year closing, which includes those banks with a fiscal year closing other than the month of December 2005.

We are grateful to the Manager for giving the staff under his charge and informing his external auditors on the corresponding instructions for the observance of this circular.

Attentively,

Delia Cardenas
Superintendent

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