

Republic of Panama  
Superintendency of Banks

July 14, 2006  
Circular No. 047-2006

General Manager  
IN YOUR OFFICE

Ref.: Numerals 2 and 5, Article 128 of Law 22 of June 27, 2006

Dear General Manager:

We hereby inform you regarding the content of Article 128 of Law 22 of June 27, 2006, whereby Public Contracts are regulated and another provision is prescribed, which stipulates the following in numerals 2 and 5:

"Article 128. Interest rates.

...

The following are excluded from the surtax charge of one percent (1%) mentioned in this article:

1. ...
2. Inter-bank loans, bond and security loans and loans granted to financial entities regulated by Law 20 of 1986, which regulates financial company operations.
3. ...
4. ...
5. The loans granted to retired persons, pensioned persons or those in their golden age, as defined by the law, when said loans are amortized by directly withholding their pensions or when they are guaranteed by mortgage and/or antichretic encumbrances held over real property occupied by said borrowers as their customary family residence. “

By virtue thereof, we request you notify the staff of the entity you represent, so as to take the pertinent measures.

Without anything else in particular, we remain yours.

Attentively,

Delia Cardenas  
Superintendent  
/is