



January 14, 2008
Circular No. 005-2008

General Manager
Panama City

Ref.: Financial Statements. Observance of prudent standards, IFIS and US-GAAP
(General Resolution No. 1-2007).

Dear General Manager:

The Superintendency of Banks hereby reiterates to the Banks and their external auditors that the audited financial statements corresponding to the closing of the 2007 fiscal year must be expressed and published in such a way that they are compared with 2006, pursuant to the International Financial Information Standards (IFIS) or the United States Generally Accepted Accounting Principles (US-GAAP), portraying at all times the observance of the prudent and regulation standards approved by the Superintendency of Banks of Panama, as the supervising authority liable for the Banking System.

The observance of prudent standards gives special emphasis to the provision structure treatment, for the loan portfolio and awarded goods, as well as for any other provision related to the loan rating criteria of the regulations in force, and the treatment of the Capital Funds account.

Therefore, the Superintendency of Banks deems that the submittal of the audited financial statements that observe the approved prudent regulatory framework will likewise observe the IFIS or US-GAAP just as they have been adopted by the Superintendency of Banks.

Attentively,

Olegario Barrelier
Superintendent