

Panama, December 30, 2019
CIRCULAR CFL 3-85-N° 005-2019

General Manager

Subject: Residential Mortgage Loans (Law 3/85, 11/90, 5/94, 28/95, 50/99, 65/2003, 29/2008, 28/2012, 63/2013, 66/2017, and 94/2019)

Dear General Manager:

In accordance with the provisions of Article 4 of Law 3 dated 20 May 1985, amended by Law 94 dated 20 September 2019, "Whereby a preferential interest rate is established for certain Mortgage Loans," we are pleased to inform you that pursuant to the established framework, the calculation of the reference interest rate for the Fourth Quarter of 2019 was 5.83%.

In connection with the above, the annualized Domestic Market Benchmark Interest Rate for Residential Mortgage Loans for the First Quarter of 2020 is **FIVE POINT SEVENTY-FIVE PERCENT (5.75%)**, which represents the quarter (1/4) of a basis point closest to the result obtained according to the standard.

Best regards,

Rogelio Arrocha
Acting Superintendent

OC/ym