



Superintendencia
de Bancos de Panamá

Velamos por la Transparencia del Centro Bancario Internacional

Monthly Executive Report

April 2008



Panama: Banking System

- ✓ Preliminary estimates point to a smaller growth rhythm of the economy in the first months of 2008 with respect to the same period of the previous year.
- ✓ The economic growth forecasts for the first part of the year are in a favorable rhythm of 7.5% in real terms, taking into account the strong 11.2% increase with which the year 2007 closed.
- ✓ The fiscal position of the public sector remains strong, which continues to furnish a favorable environment to local and foreign private investments.



Panama: Banking System

- ✓ The exportation of goods and services are in a favorable trend, among which these stand out:
 - ✓ Colon Free Zone re-exports (9.9%).
 - ✓ The income from tolls of the Panama Canal operation (8.9%).
 - ✓ The tourism expense (18.1%).
 - ✓ Port Activity (6.8%).

- ✓ Nevertheless, the greater contributions due to expenses from crude oil imports have decreased the thrust in sectors linked to local consumption and increased inflationary pressures, which has an adverse effect on the economic system's available income.



Panama: Banking System

- ✓ The Latin American foreign environment remains stable, which continues to favor a growing trend in the foreign financing operations.
- ✓ Until now the volatility of foreign markets has not had a direct adverse repercussion on the foreign operations that take place in the Banking Center.
- ✓ Nevertheless, some elements are still reducing potential from the dynamism observed up to this point and can be summed up as:
 - ✓ A weak USA Dollar facing the main foreign currencies and its impact on the increased value of exports to the North American market.
 - ✓ Growing trend of crude oil prices and its effect on inflationary pressures.



Panama: Banking System

- ✓ The earnings growth remains dynamic (16% with respect to the same period of the previous year), based on the good management of financial margins.
- ✓ The other income different from interests registers a greater level, as a result of seeking higher return levels, facing the interest rate levels and the high competitiveness of the market.
- ✓ The Banking Center's bank-only-based assets rise to \$59.9 billion, which represents a 27.7% increase with respect to April 2007. Group-based assets (including the subsidiaries that consolidate with their parent banks in Panama) add up to \$72.5 billion.



Panama: Banking System

- ✓ The domestic loan portfolio portrayed a 17.2% growth as of the April 2008 closing with respect to the same period of 2007.
- ✓ The main source of growth comes from the increase in loans intended for the industrial, mortgage and construction sectors and financial companies.
- ✓ The volume of new local loans to the corporate sector depicts a greater expansion, compared to the same month of 2007.
- ✓ This greater expansion in the corporate sector lead to a total placement at the local level of \$277.2 million more, compared to what was procured 12 months earlier.

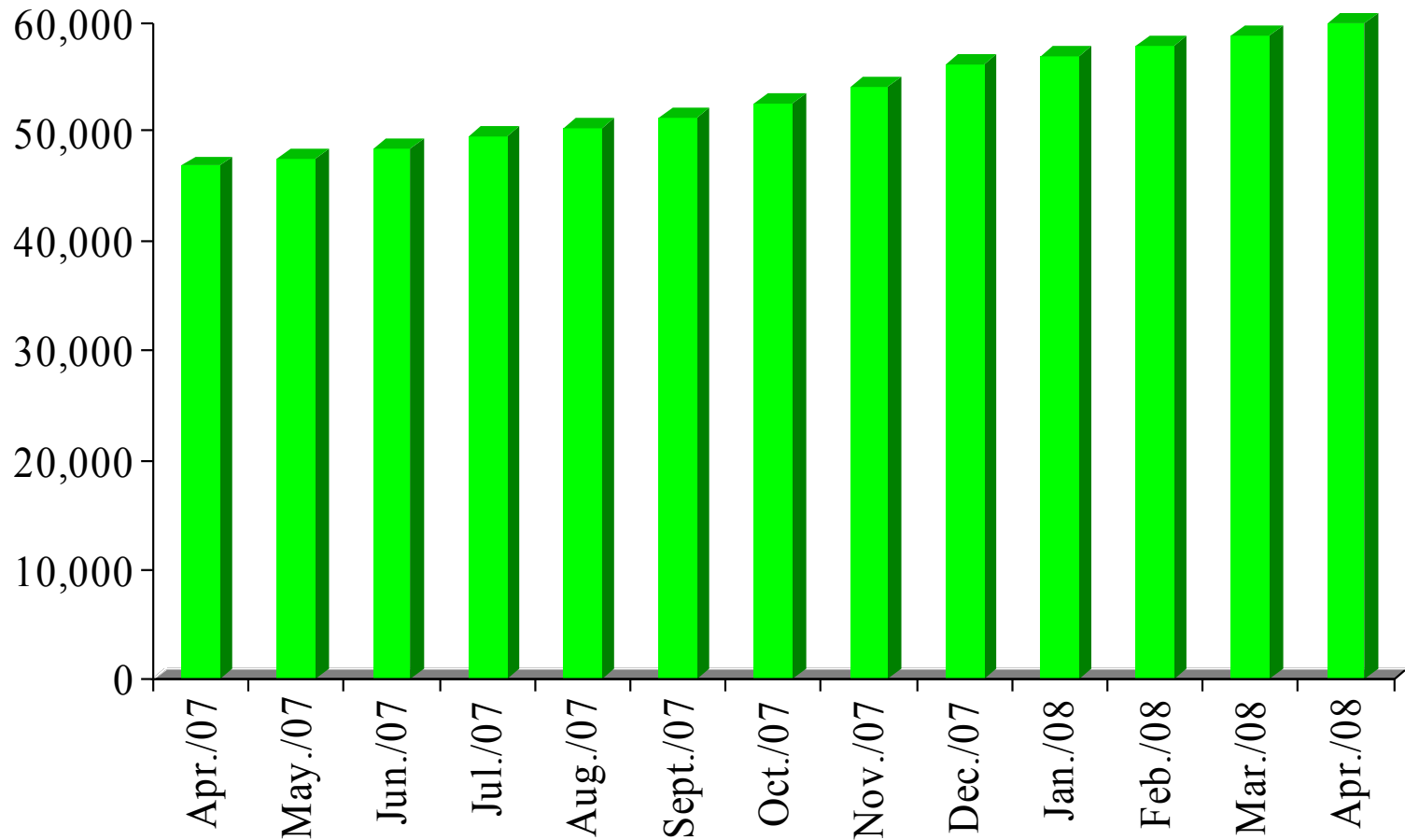


Panama: Banking System

- ✓ The falling trend in international rates has placed a downward pressure on the local liability rates, which has led to a slight increase in the financial margin differential.
- ✓ Thus, the average spread of the system's rates for the April 2007 - April 2008 period is 361 basic points.
- ✓ As a result of the above, in 2008 the records of the 6-month average liability rate are below the levels marked by the financial spread.



International Banking Center Total Assets in Bank-Only Basis (In millions of Dollars)



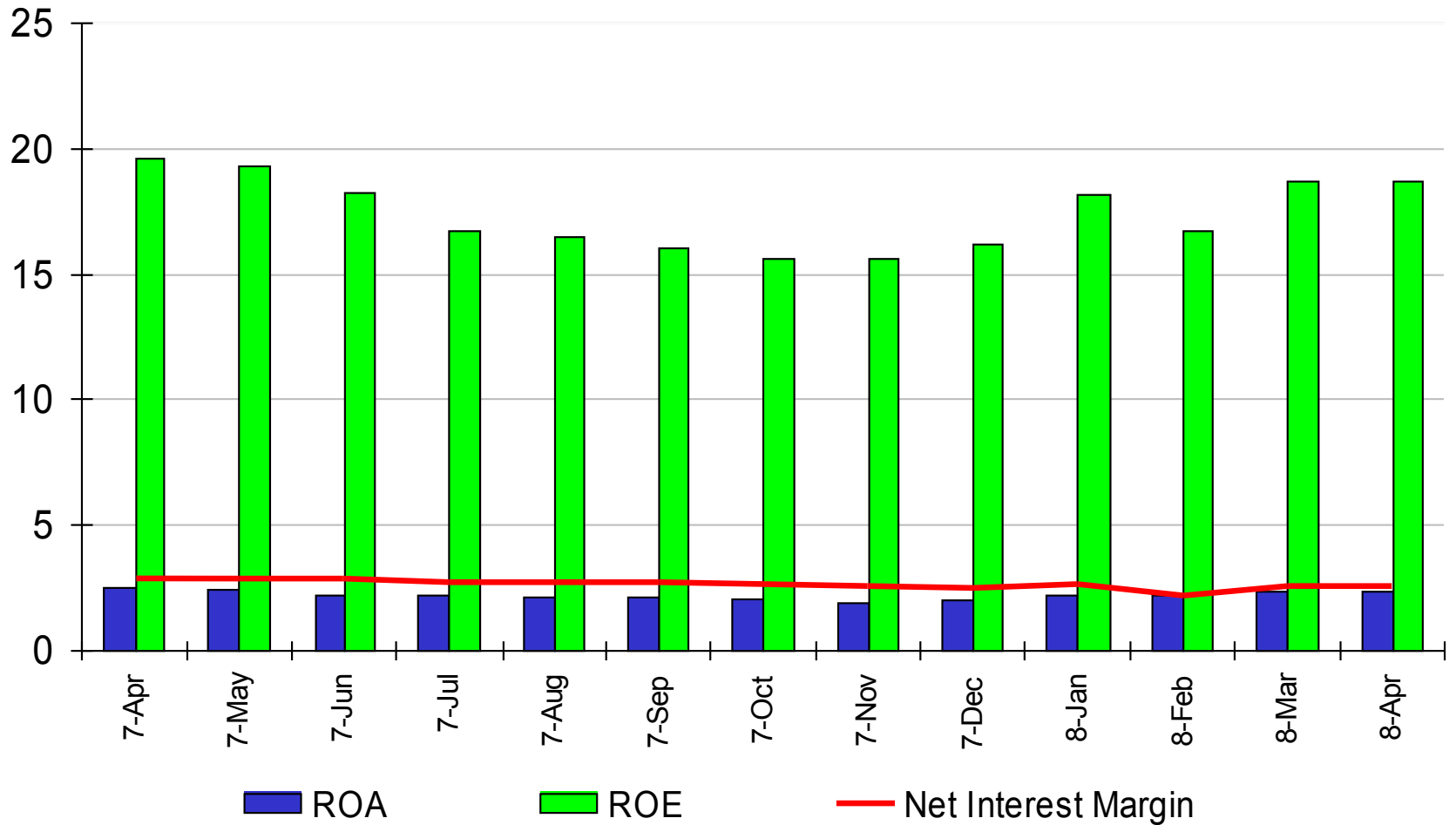


INTERNATIONAL BANKING CENTER
MAIN ACCOUNTS OF THE PROFIT AND LOSS STATEMENT
APRIL 2008
 (In millions of Dollars)

Detail	Jan 07- Apr 07	Jan 08- Apr 08	Abs. Var. Jan-Apr 08/07	% Var. Jan-Apr 08/07
Interest Income	971	1,079	108	11.1%
Operating Costs	608	680	72	11.8%
Net Interest Income	363	399	36	9.9%
Other Income	342	439	97	28.4%
Income from Operations	705	838	133	18.9%
General Costs	291	340	49	16.8%
Earnings before Provisions	414	498	84	20.3%
Cost of Bad Accounts	57	84	27	47.4%
Period Earnings	357	414	57	16.0%

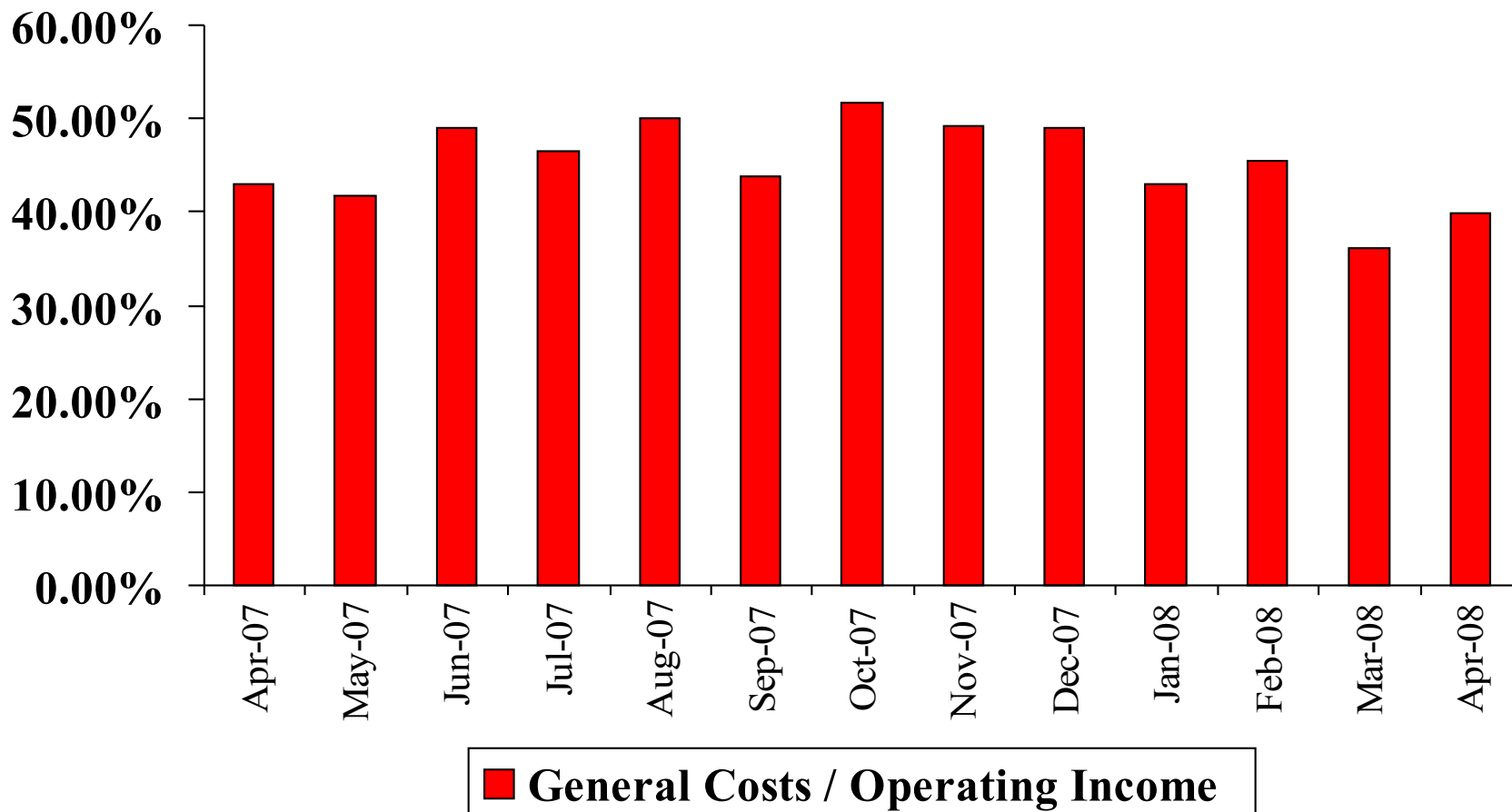


INTERNATIONAL BANKING CENTER PROFITABILITY INDICATORS (In Percentages)



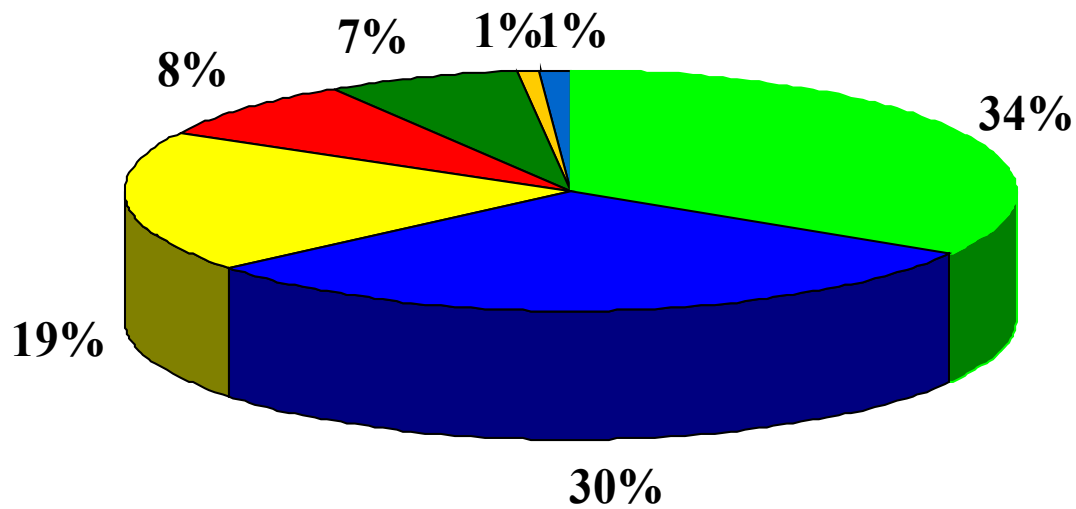


International Banking Center Efficiency Indicators (In Percentages)





INTERNATIONAL BANKING CENTER INVESTMENTS IN THE FOREIGN SECTOR BY GEOGRAPHIC REGION April 2008



- North America
- Central America
- South America
- Caribbean
- Europe
- Asia & Africa
- Other



Banking System

New Loan Disbursements by Activity

(In thousands of Dollars)

Sectors	BANKING SYSTEM		Variation April 08/07	
	April 07 (R)	April 08 (P)	Absolute	%
Public Entity	68	538	470	0.0%
Financial Companies	81,743	90,722	8,979	11.0%
Agriculture (Includes Forests)	18,588	21,303	2,715	14.6%
Stockbreeding	24,480	29,949	5,469	22.3%
Fishing	5,364	2,270	- 3,094	-57.7%
Mines and Pits	2,076	2,496	420	0.0%
Trade (Includes Services)	530,453	768,866	238,413	44.9%
Industry	95,110	122,159	27,049	28.4%
Mortgage	115,005	102,114	- 12,891	-11.2%
Construction	106,964	109,490	2,526	2.4%
Personal Consumption (Includes Microcredit)	139,013	146,181	7,168	5.2%
Total	1,118,864	1,396,088	277,224	24.8%

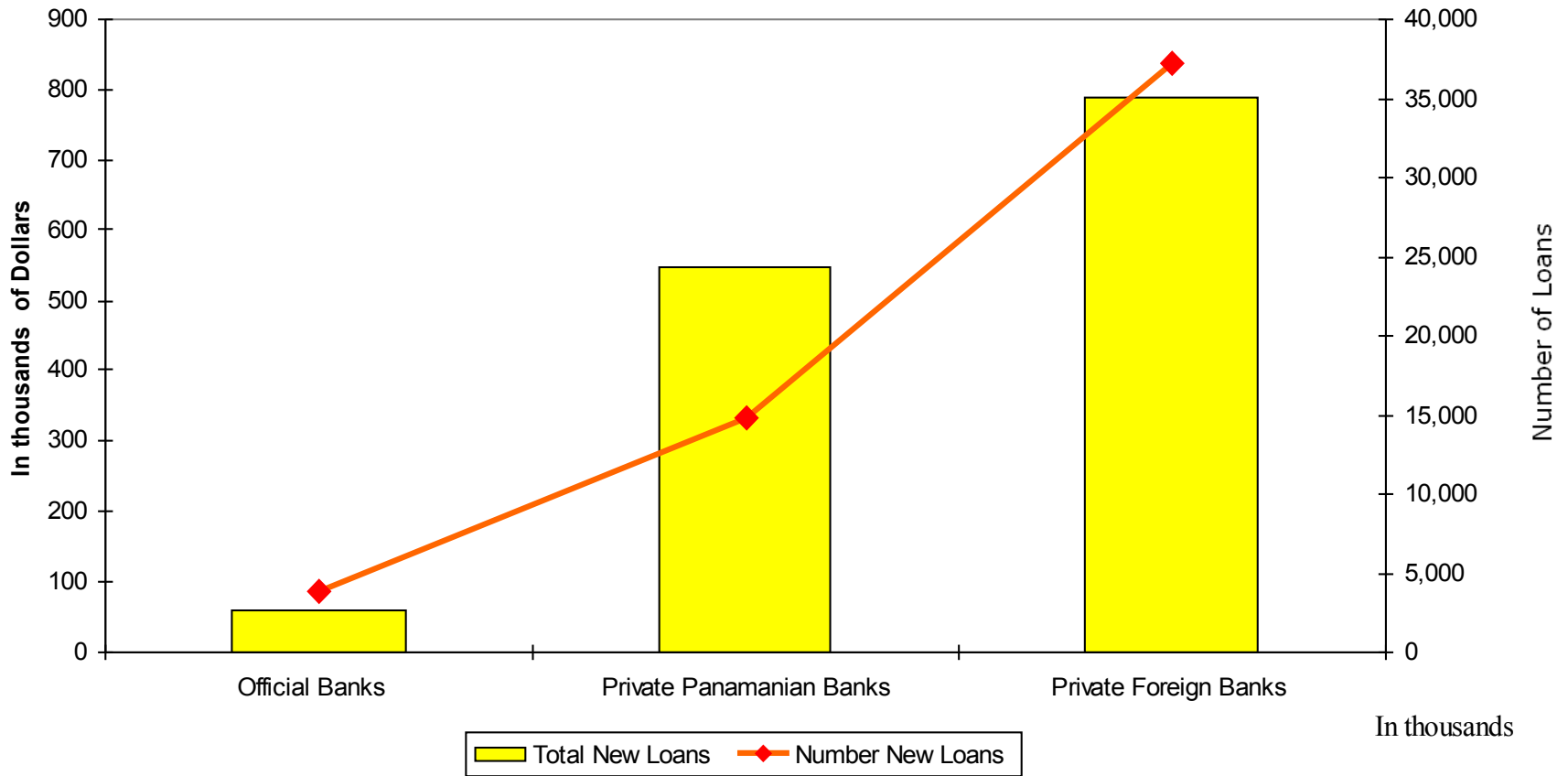


Banking System

New Loans and Number of Loans

By Banking Type

April 2008

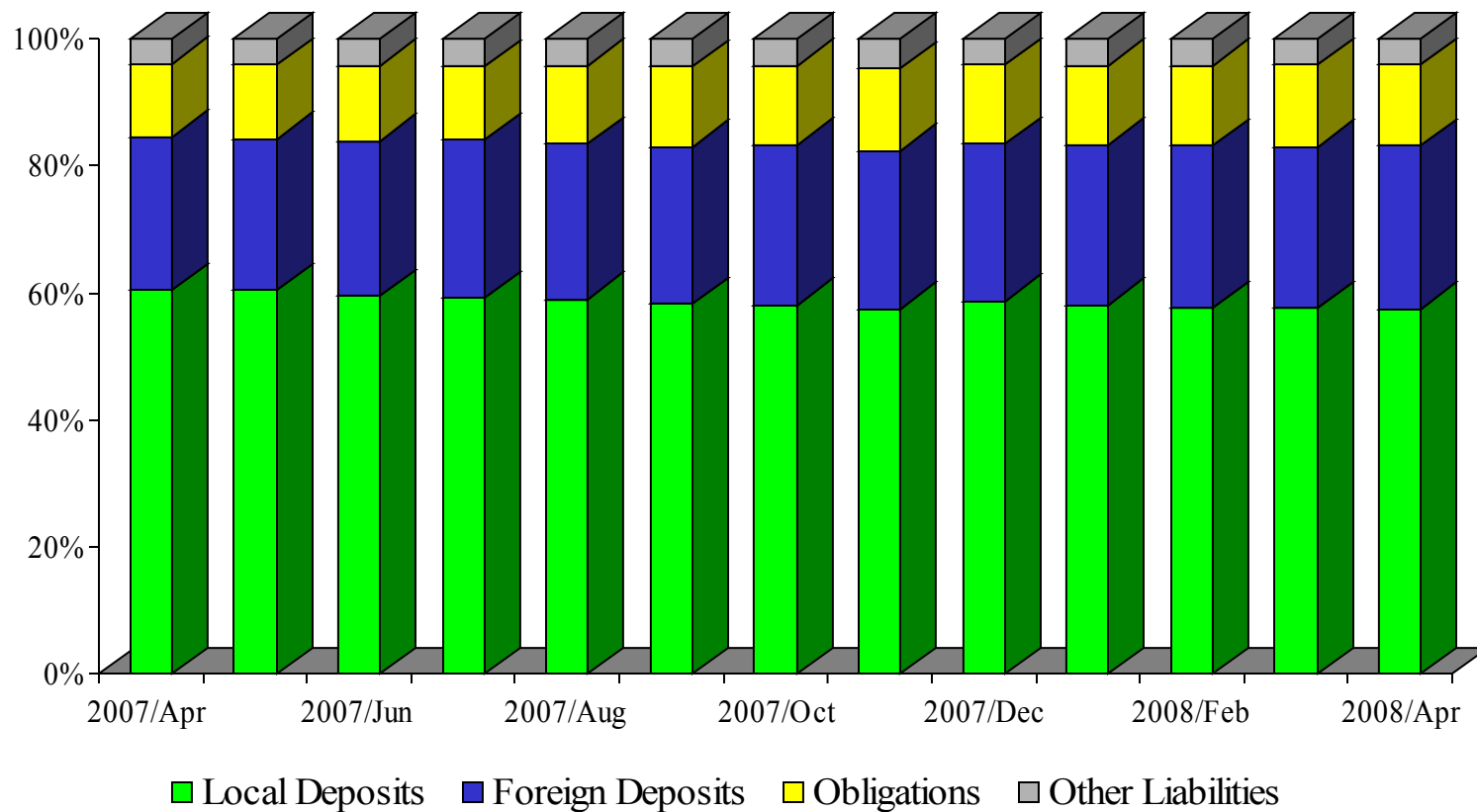




BANKING SYSTEM

Liability Structure

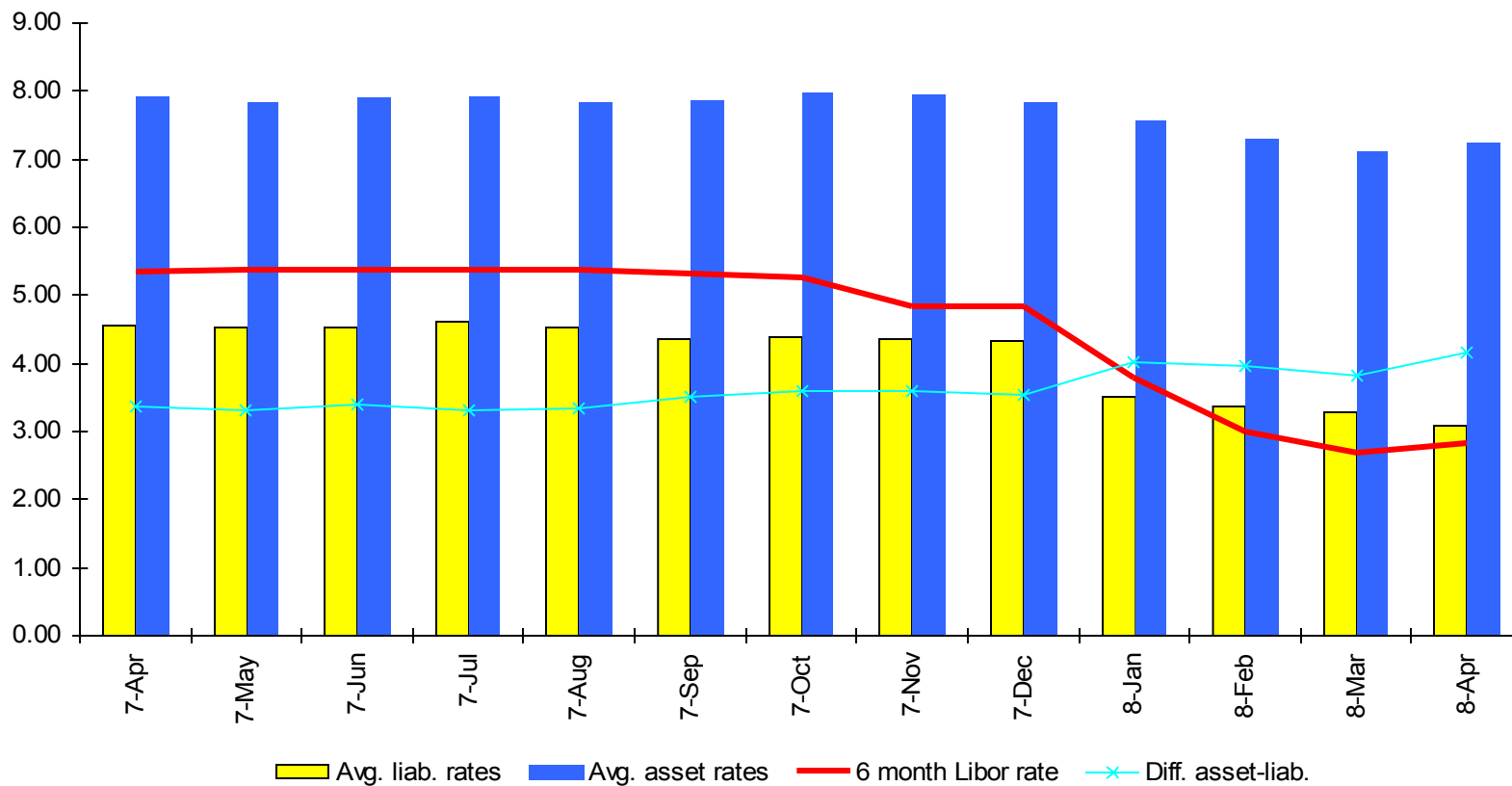
April 2007-2008





National Banking System

Average Asset Rates on One Year Corporate Loans and
Average Liability Rates on Six Month Fixed Term Deposits
(In Percentages)





National Banking System

Average Corporate Rates versus One Year Fixed Term Deposits (In Percentages)

