TRANSLATION

Financial Studies Division

Banking Activity Report

December 2017

Superintendencia de Bancos de Panamá

Table of Contents

I. Economic Environment

A. Gross Domestic Product

The Panamanian economy grew by 5.4% compared to the previous year. This growth surpassed that of 2016, which was at 5.0%. The GDP, valued at constant 2007 prices and calculated by INEC, amounted to USD 40.17 billion, reflecting an increase of USD 2.04 billion. In nominal terms, the GDP reached USD 61.83 billion."

Table 1. Components of GDP by the supply side
2017 – 2018

Sector	Annual Difference (%)		Contributions (pp)	
	2016	2017	2016	2017
GDP	5.0%	5.4%	5.0	5.4
Central Government	9.2%	10.3%	0.6	0.7
Transportation and communications	2.5%	10.1%	0.3	1.3
Construction	8.0%	8.3%	1.3	1.4
Financial intermediation	6.5%	5.0%	0.5	0.4
Utilities (Energy, gas, and water)	9.3%	3.6%	0.4	0.1
Real estate activities	4.9%	3.4%	0.7	0.5
Commerce	3.1%	3.0%	0.6	0.5
Primary sector	0.0%	2.5%	0.0	0.0
Other activities	7.9%	2.5%	0.8	0.3
Manufacturing industry	-1.5%	2.2%	-0.1	0.1
Hotels and restaurants	2.7%	1.9%	0.1	0.0
Fishing	-8.1%	-2.7%	0.0	0.0

Source: SBP with CGR data.

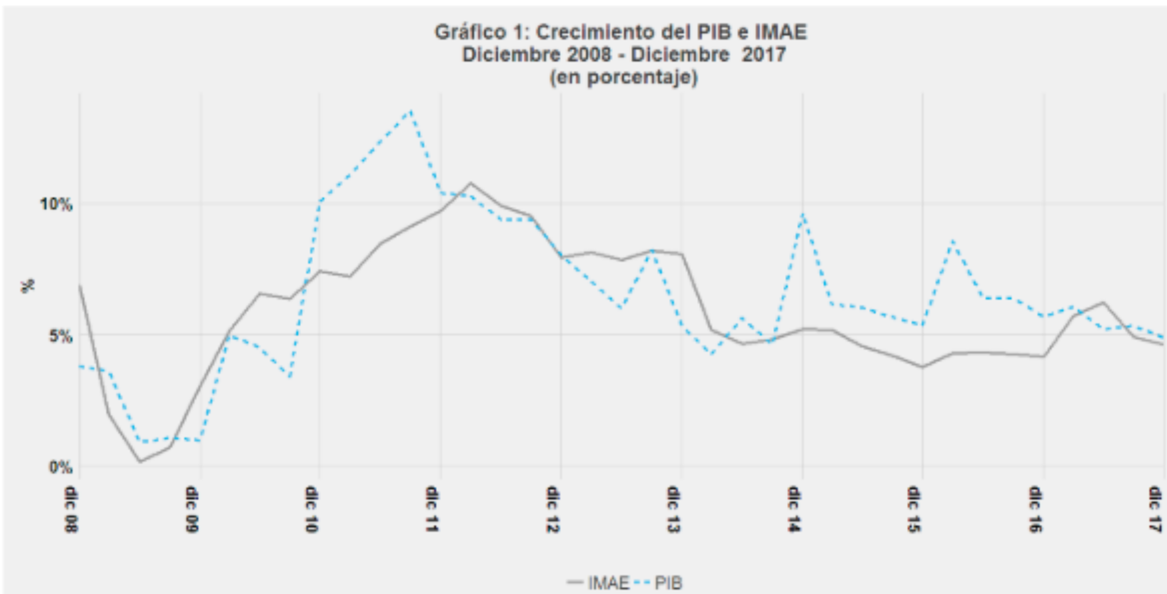
It is noteworthy that, as has been the trend in recent years, the construction sector significantly impacted GDP variation. In 2017, it contributed 1.4 percentage points (constituting 25.0% of total growth), making it the most influential sector during this period. Furthermore, the construction sector and real estate activities could be responsible for 34.2% of the GDP contribution, emphasizing the need for careful observation of these sectors.

Financial intermediation in the national accounts reflected a growth of 5.0%, attributed to the performance recorded in the International Banking Center, which saw a 4.3% increase in financial services during the period[1].

[1] Note that the data presented in this section do not coincide with the data reported by the SBP, as the Indirectly Measured Financial Intermediation Services (SIFMI) are constituted by the indirect remuneration

The transportation, storage, and communication sectors registered a growth of 10.1%, establishing themselves as the most dynamic economic activities in the market production sector in 2017. These results were driven by positive indicators from the Panama Canal, which saw a 16.1% increase in value added attributed to rises in toll revenues. General Government exhibited the highest growth at 10.3%.

Meanwhile, activities such as real estate, rental, and business activities grew at a moderate pace, with a 3.4% increase, along with electricity, gas, and water supply, which rose by 3.6%, and wholesale and retail trade, which saw a 3.0% growth, among others.



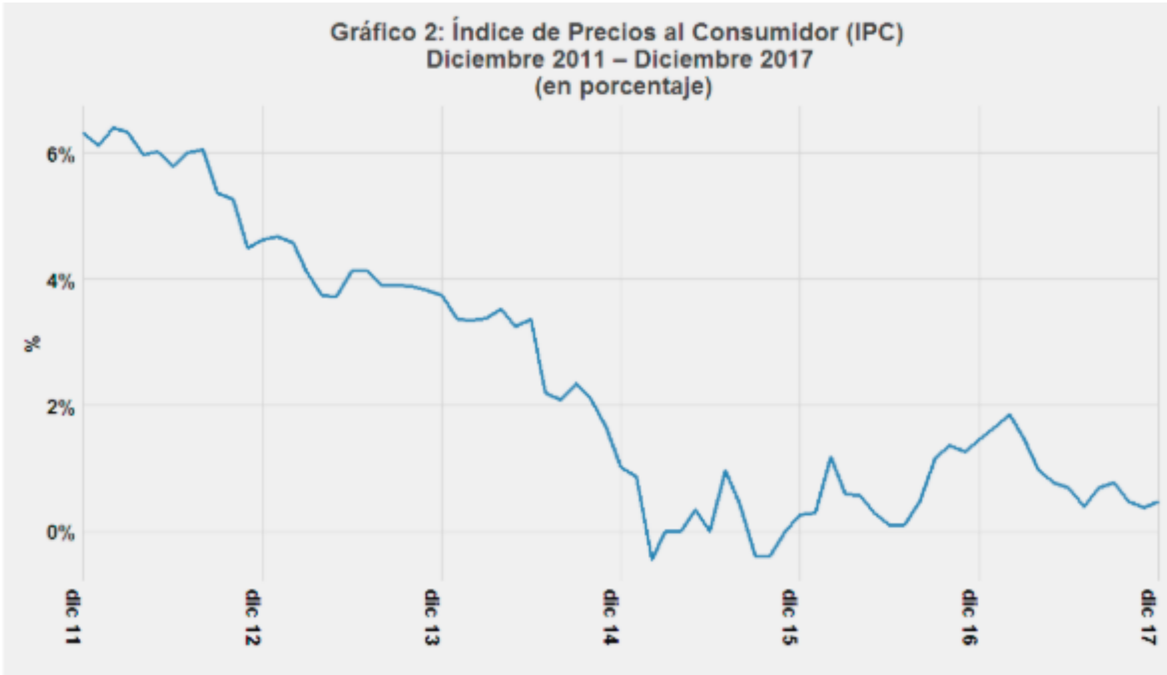
Source: SBP with CGR data.

According to the International Monetary Fund and the World Bank, Panama is projected to grow by 5.6% in 2018, which aligns with the projections of the Ministry of Economy and Finance. Additionally, the Economic Commission for Latin America and the Caribbean forecasts a growth rate of 5.5%.

B. Consumer Price Index (CPI)

Panama's consumer price index registered an accumulated variation of 0.9% by December, a result lower than the 1.5% of the previous year. On the other hand, the consumer price index (CPI) registered a year-on-year variation of 0.5%. The components of the CPI linked to the behavior of domestic demand continue to show stability. This suggests that there are

obtained by financial institutions in deposit and loan operations with their clients, due to their methodological construction. Additionally, these data differ because they are deflated based on the methodological process established by the INEC for this purpose no excesses in demand in the economy, allowing it to continue growing with low levels of inflation.



Source: SBP with INEC data.

The segments that contributed the most to the CPI percentage variation were education (3.5%); healthcare (2.3%); miscellaneous goods and services (1.9%); transportation (1.7%); housing, water, electricity, and gas (1.3%); leisure and cultural activities (0.6%); and hotels and restaurants (0.6%). In contrast, house furniture and appliances increased by 0.2%.

The moderation of the CPI rate was attributed to decreases in food and non-alcoholic beverages (-1.3%); communications (-0.8%); clothing and footwear (-0.7%); and alcoholic beverages and tobacco (-0.6%).

II. International Banking Center

The results of the Banking Center, which includes general and international license banks, show positive signs in their performance. Net income presents a growth of 17.9%. This behavior is mainly attributed to good management in margins and yields, on the one hand, and on the other hand, good expense control, which has allowed the consolidation of efficiency. The stability observed in the volumes of active and passive operations is explained by the good performance of income-generating assets and liabilities with costs. On the asset side, the local loan portfolio to the private sector continues to grow recurrently, mainly in the corporate and individual sectors.

The CBI has strong financial soundness indicators, primarily liquidity and solvency, which are almost double the minimum required. **The income-generating capacity and capital strengthening of the Banking Center banks have remained on a growth trend, even in a stringent foreign market due to weaknesses in their main credit markets. Current bank management has allowed them to improve their profitability levels without jeopardizing the CBI's financial health.** In summary, the analysis of performance variables and indicators of the Financial System shows the favorable evolution of the sector, which, coupled with the enhancement of the risk supervisory process and a robust regulatory framework, are the conditions necessary for ensuring financial solvency and stability.

A. Balance Sheet and Profit Statement

CBI's profits surged by 17.9% in December, driven by a reduction in expenses and an increase in financial operations income. As a result, the CBI achieved a net profit of USD 1.79 billion between January and December 2017. The trend is explained by an increase in net interest income (up 5.6%) and a reduction in general expenses (down 2.3%)."

Table 2: International Banking Center
Profit Statement
(in millions of USD)

International Banking Center	2016 Jan.-Dec.	2017 Jan.-Dec.	17/16 Difference
Net interest income	2,506	2,646	5.6%
Other income	2,186	2,234	2.2%
Operating income	4,692	4,870	4.0%
General expenses	2,652	2,592	-2.3%
Profit before provisions	2,040	2,288	12.1%
Provisioning expenses	516	491	-4.9%
Profit the period	1,524	1,797	17.9%

Source: General and international license banks.

It is observed that most entities showed improvement in efficiency (with an **efficiency ratio of 1.9 times income to expenses**) and resource rationalization, which led to increased profitability during the year. **It is worth noting that the significant improvement in CBI's efficiency represents the best record in the last five years**. This index reflects that financial intermediation entities have improved their financial cost management and optimization processes.

The results at the National Banking System level (excluding international license banks) reflect a profit of USD 1.50 billion as of December 2017, 22.4% higher than the previous year. The generation of these results has allowed banks to continue strengthening their solvency position, enabling them to meet regulatory requirements at almost double the minimum required. These profit figures have been based on the generation of net interest income of USD 2.39 million (a growth of 6.0%), which has been contributed to by the policy of diversifying income-generating products and services. It also highlights a 2.6% reduction in general expenses. Proper control of financial and credit costs is essential to sustain operating profitability that supports asset growth.

Table 3: National Banking System
Profit Statement
(in millions of USD)

Banking System	2016 Jan.-Dec.	2017 Jan.-Dec.	17/16 Difference
Net interest income	2,261	2,397	6.0%
Other income	1,872	1,944	3.8%
Operating income	4,133	4,341	5.0%
General expenses	2,421	2,357	-2.6%
Profit before provisions	1,713	1,984	15.8%
Provisioning expenses	482	478	-0.9%
Profit the period	1,230	1,505	22.4%

Source: General license banks.

CBI ended December 2017 with total assets of USD 119.73 million. These are lower than the same period of the previous year, reflecting the reduction of the external loan portfolio due to a more conservative position in markets and clients with higher credit risk. It is important to note that commercial activity in the region has decreased due to the slowdown in the most important economies of South America, which has had an impact on the assets and liabilities of CBI banks. Many of these banks have prudently reduced their assets and exposure in these markets.

This process has also led to a decrease in the external component of liquid placements, as resources have been redirected in search of more profitable operations. **This strategic approach has enabled banks to enhance their profitability levels without compromising the financial health of the CBI**. The most recent data show that the CBI maintains robust financial soundness indicators, particularly those related to legal liquidity and solvency, recording almost double the minimum required by regulation.

Domestic credit demand from the private sector increased by 6.9% compared to the same period of the previous year. The sectors driving this higher growth are associated with personal banking products, especially in the mortgage (9.0%) and personal loan (8.4%) sectors. On the other hand, the increase in interim construction financing shows that disbursements are still being made for commercial and residential construction market development projects. The source of growth in local operations is directly associated with a 5.3% increase in domestic individual deposits, especially time deposits.

Table 4: International Banking Center
Balance Sheet
(in millions of USD)

International Banking Center	2016 December	2017 December	Dec. 17/16 Difference Total	%
Liquid assets	22,532	18,498	-4.035.0	-17.9%
Loan portfolio	74,896	75,479	586.9	0.8%
Securities investment	19,948	21,584	1,636.1	8.2%
Other assets	3,666	4,175	509.4	13.9%
Total Assets	**121,039**	**119,737**	**-1,303**	**-1.1%**
Deposits	85,991	84,280	-1,711	-2.0%
Obligations	18,618	17,725	-893	-4.8%
Other liabilities	2,935	3,419	484	16.5%
Equity	13,495	14,313	818	6.1%

Source: General and international license banks.

The balance sheet of the National Banking System (excluding international license banks) shows that total assets at the end of December 2017 amounted to USD 101.41 billion, representing a growth of 0.3% compared to the previous year. On the liability side, total deposits closed with a balance of USD 73.04 billion, reflecting a decrease of 1.2%. However, local deposits grew by 3.4% in their different components, which will be discussed later. Liabilities decreased by 2.1% compared to December 2016, a behavior explained by intragroup operations in a small number of banks that conduct lending, cyclical transactions, guaranteed by deposits.

Table 5: National Banking System
Balance Sheet
(in millions of USD)

Banking System	2016 December	2017 December	Dec. 17/16 Difference Total	December
Liquid assets	16,934	13,866	-3,069	-18.1%
Loan portfolio	64,510	65,345	835	1.3%
Securities investment	16,388	18,355	1,967	12.0%
Other assets	3,303	3,844	541	16.4%
Total Assets	**101,136**	**101,410**	**274**	**0.3%**
Deposits	73,919	73,049	-870	-1.2%
Obligations	13,907	13,619	-288	-2.1%
Other liabilities	2,650	3,133	483	18.2%
Equity	10,661	11,610	949	8.9%

Source: General license banks.

B. Loans

By credit destination, the sector that reported the greatest expansion was that of real sector companies and individuals with business activity. The credit business maintains a positive pace in economic sectors that show dynamism, such as construction (8.1%), personal consumption (8.4%), agriculture (6.0%), and mortgages (10.1%), among others. One of the sectors that is reducing its financing level is the public sector, which decreases by 45.6%. This decrease is explained by the better financing conditions via issuance that the government sector has compared to bank credit conditions.

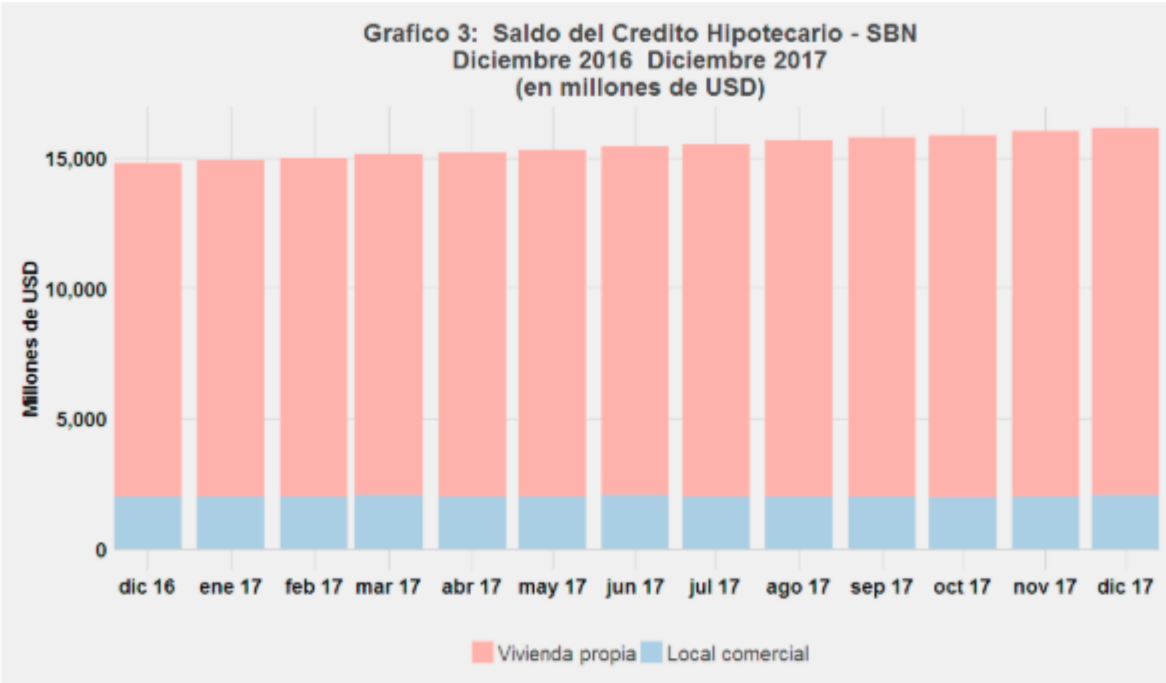
Table 6: National Banking System
Domestic loan portfolio by sectors and activities
(in millions of USD)

Sector	2017 December	2018 December	Total Diff. 17/16	% Diff.
TOTAL	48,645	51,557	2,192	6.0%
Public sector	932	538	-394	-42.3%
Private sector	47,713	51,018	3,305	6.9%
Commerce	10,962	11,292	330	3.0%
Wholesale	1,749	2,181	432	24.7%
Colón Free Trade Zone	1,851	1,350	-501	-27.1%
Retail	2,165	2,396	231	10.7%
Services	5,197	5,365	168	3.2%
Residential Mortgages	12,794	14,083	1,289	10.1%
Preferential interest law	4,106	4,710	604	14.7%
Non-preferential interest law	8,688	9,373	685	7.9%
Commercial Mortgages	1,995	2,039	44	2.2%
Construction	6,236	6,744	508	8.1%
Personal consumption	10,198	11,055	587	8.4%
Personal loan	6,540	7,053	513	7.8%
Car loan	1,647	1,740	93	5.6%
Credit card	2,011	2,262	251	12.5%
Agriculture	1,683	1,784	101	6.0%
Others	3,845	4,022	177	4.6%

Source: General license banks.

1. Residential Mortgage Loan Portfolio

Residential mortgage credit remains one of the types of financing that maintains growing demand. At the end of December, this financing reached a growth of 10.1%. During the 2017 period, the mortgage loans granted amounted to USD 14.08 billion, reflecting an expansion of USD 1.28 billion compared to 2016.



Source: General license banks.

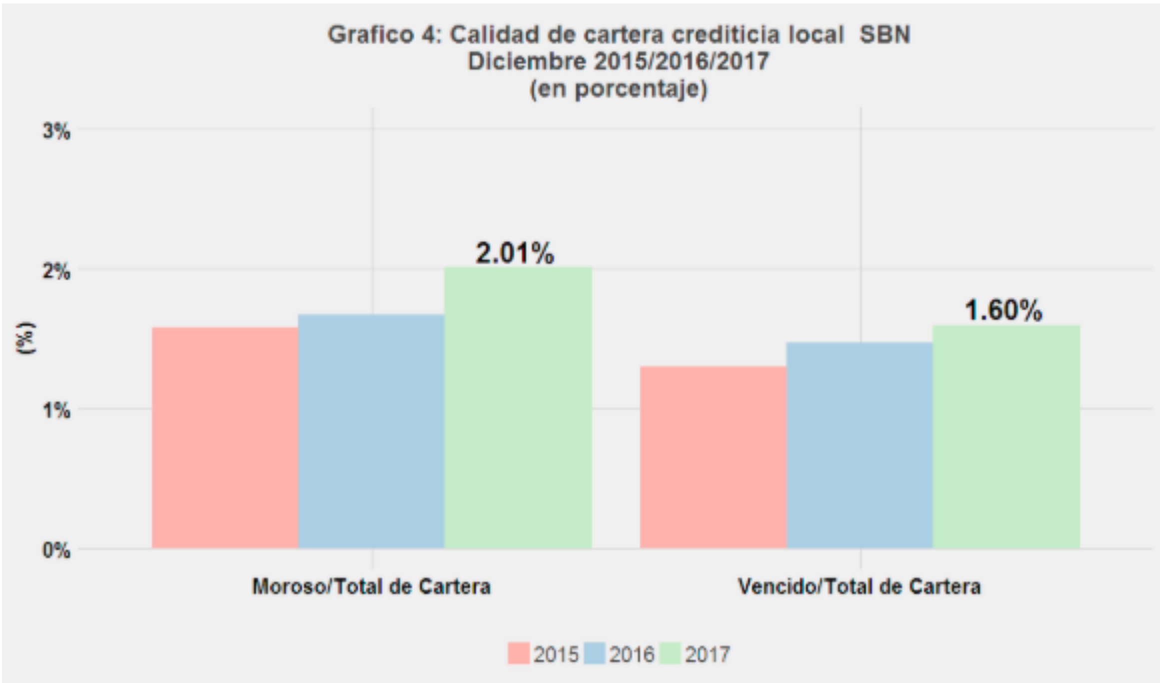
The volume of housing units and commercial projects that have been delivered in recent years has led to the placement of a substantial flow of residential and commercial mortgages in different market segments. The low interest rates and favorable terms of mortgage credit have facilitated a very stable and favorable financing placement process for the system.

2. Personal Consumption Portfolio

Consumer loans continued to grow at a sustained rate of 8.4%. One of the most dynamic segments was that oriented towards car loans, which grew by 5.6% in December 2017 compared to the same month of the previous year. Similarly, loans granted via credit cards also recorded significant figures with a growth rate of 12.5%.

C. Portfolio quality

Regarding the trend of domestic credit portfolio quality indicators, it is observed that the non-performing loans (delays between 30 and 90 days) is equivalent to 2.0% of the total domestic portfolio, and the overdue balance (delays of more than 90 days) represents 1.6% of the total domestic portfolio. The trend continues to show that there are no significant displacements that put pressure on non-income-generating assets (delays of more than 90 days). The sum of non-performing and overdue balances represents 3.6% of the domestic portfolio as of December 2017. It is noteworthy that there has been a decrease in these components in recent months, reflecting an improvement in the loan quality indicators of the portfolio."



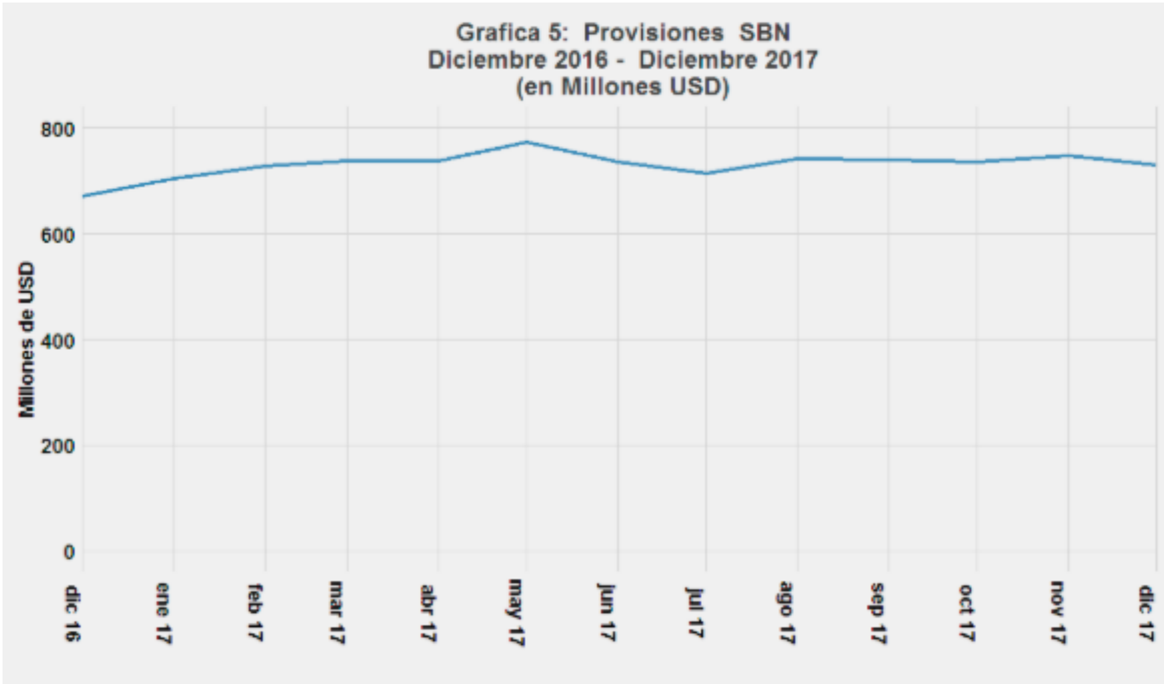
Source: General license banks.

It is worth noting that the sectors with significant delinquency have tangible assets as collateral to support these loans. Additionally, non-performing loans outnumber overdue loans, indicating that there are no shifts in delinquency, and collection efforts have intensified in response to signs of increased delinquency.

The dynamics and trends observed in the overdue portfolio balance indicate that the expansion of banks' credit levels has not resulted in a significant deterioration in the loan portfolio's quality. This suggests that financial intermediaries have implemented adequate credit-granting management.

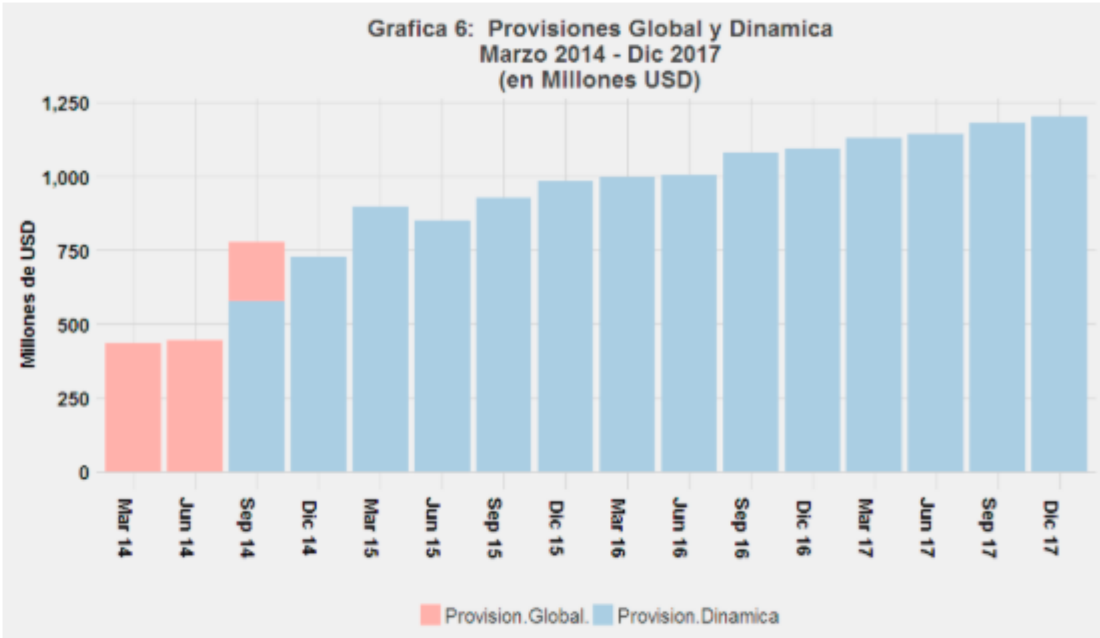
It is worth noting that in recent years, the regulatory framework on prudential measures for credit risk mitigation has been strengthened. In this sense, the data as of December show an increase in specific provisions for different risk categories (Rule 4-2013).

Under this regulation, there are USD 729 million in provisions constituted as of December of this year (Graph 5), which is higher than those required under the parameters of the previous rule (Rule 6-2000).



Source: General license banks.

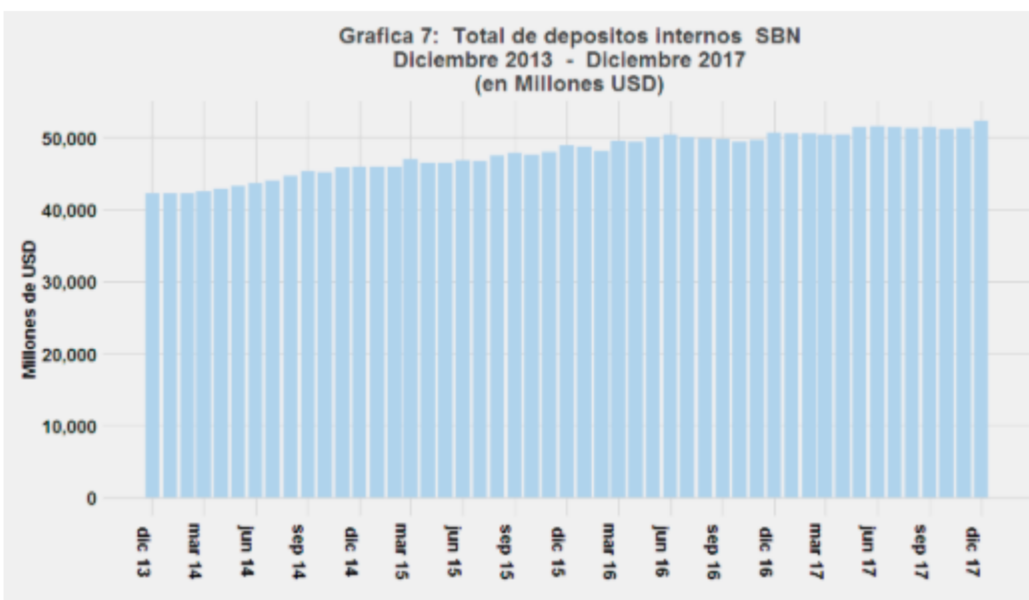
With Rule 4-2013, starting in 2014, risk is mitigated by recording net collateral provisions (only the exposed portion). Additionally, this year dynamic provisions have been constituted on the increase of all credit facilities that do not have a specific assigned provision, that is, on credit facilities classified in the pass category. As of December 2017, this reserve on the part of the banks has a balance of USD 1.20 billion.



Source: General and international license banks.

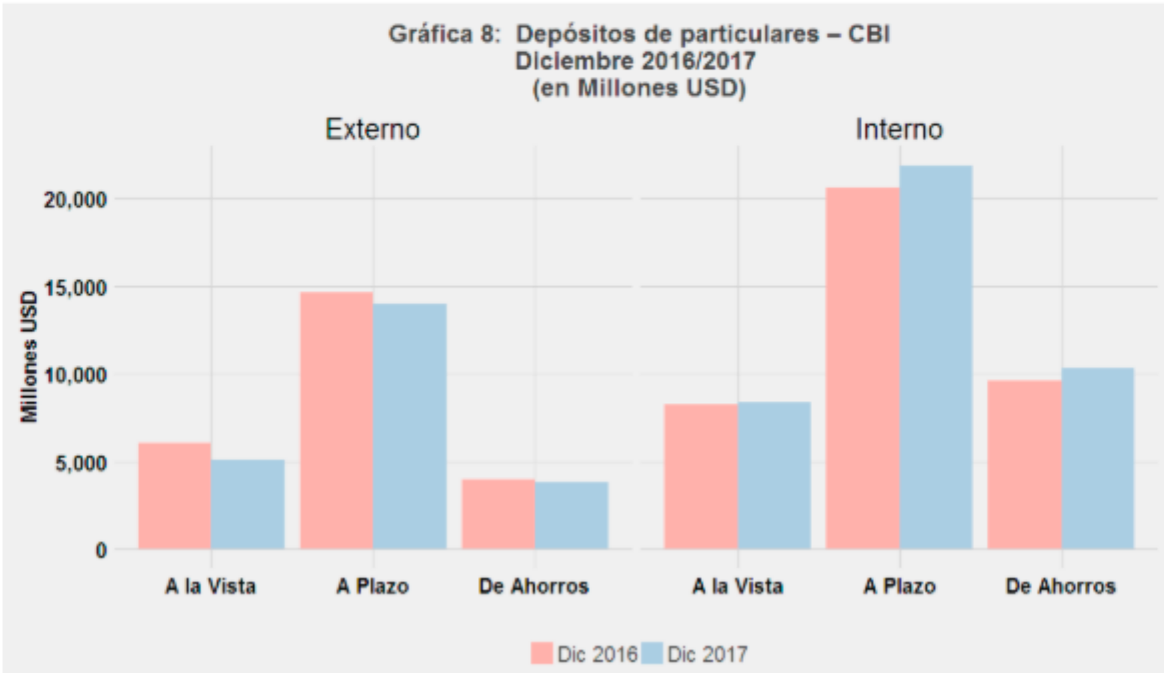
D. Deposits

Domestic deposits of the National Banking System represent 71% of total system deposits. The graph below shows the evolution of the balance of domestic deposits (Graph 7). It is worth noting that domestic deposits maintained a positive trend compared to December 2016, with a growth of 3.4%.



Source: General license banks.

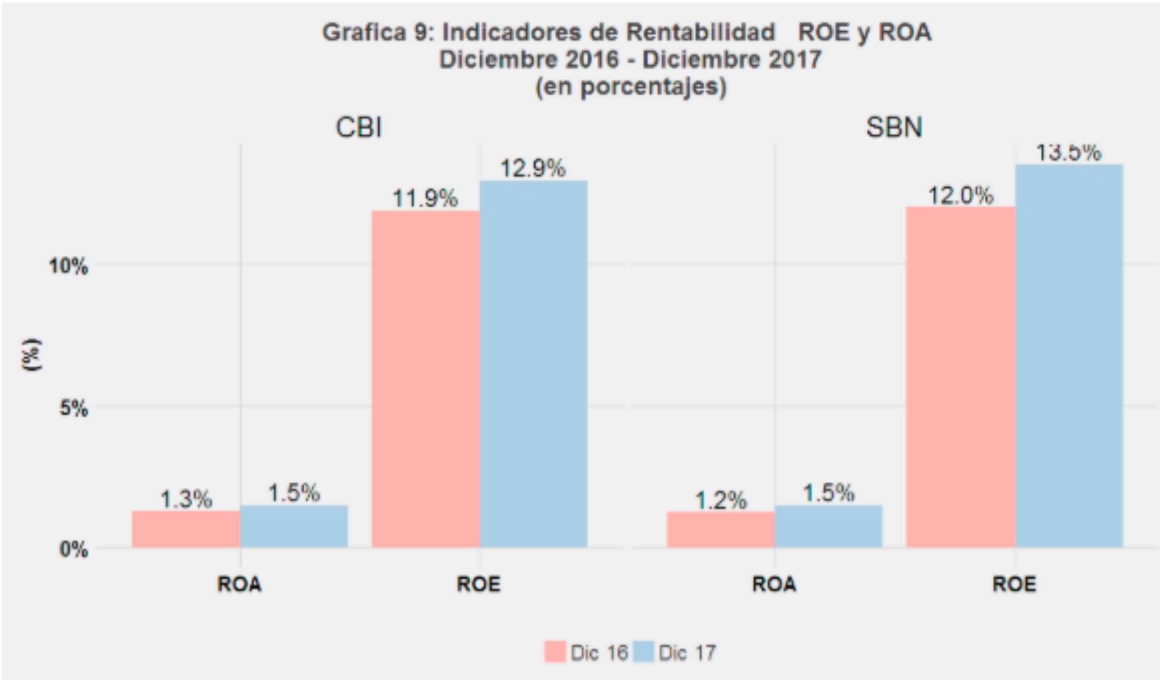
In December 2017, the composition of customer domestic deposits remained similar: demand deposits amounted to USD 8.34 billion; time deposits, USD 21.87 billion; and savings accounts, USD 10.29 billion (Graph 8).



Source: General and international license banks.

E. Profitability indicators

The increase in earnings has led to a clear improvement in management indicators. The return on assets (ROA) for the International Banking Center was 1.49% in December 2017. Meanwhile, the same indicator for the National Banking System (general license banks only) also registered 1.49%. These indicators are consistent with the growth in profits and assets."



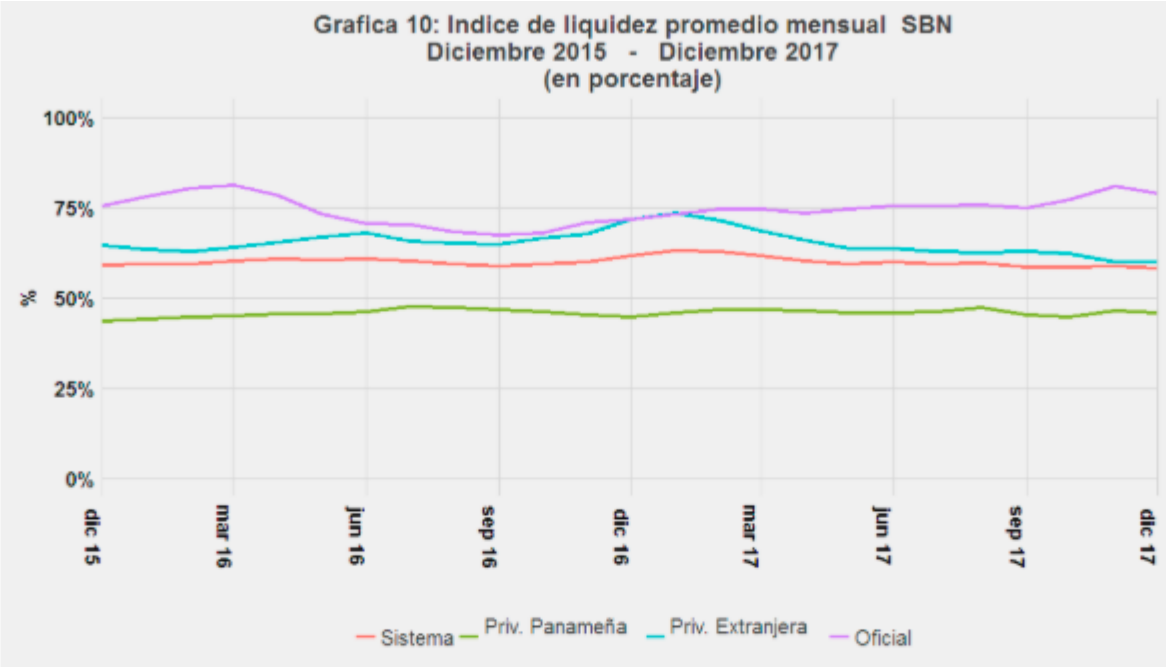
Source: General and international license banks.

Along with the improvement in earnings, the return on equity (ROE) has also increased in the National Banking System. The ROE, which measures the return to shareholders for each dollar invested, was 13.5% for the SBN, while the CBI recorded 12.9%.

The generation of positive results has ensured that banks maintain their solvency position, enabling them to meet regulatory requirements at levels almost double the minimum required. These indicators also demonstrate the strong ability of financial intermediation entities to generate income, allowing them to expand, maintain a competitive position in the market, and replenish and increase their equity.

F. Liquidity

The average monthly liquidity for December 2017 was 59.01% for the National Banking System. By type of bank, liquidity was 79.0% for state-owned banks, 60.0% for foreign private banks, and 46.0% for Panamanian private banks. This strong liquidity position allows banks to comfortably meet short- and medium-term maturities. **Sensitivity analyses through bank stress tests on liquidity items suggest that the Panamanian banking system currently has assets that can be quickly converted into cash. These tests showed that banks maintain liquidity levels above those required by regulations, even under more restrictive scenarios**.



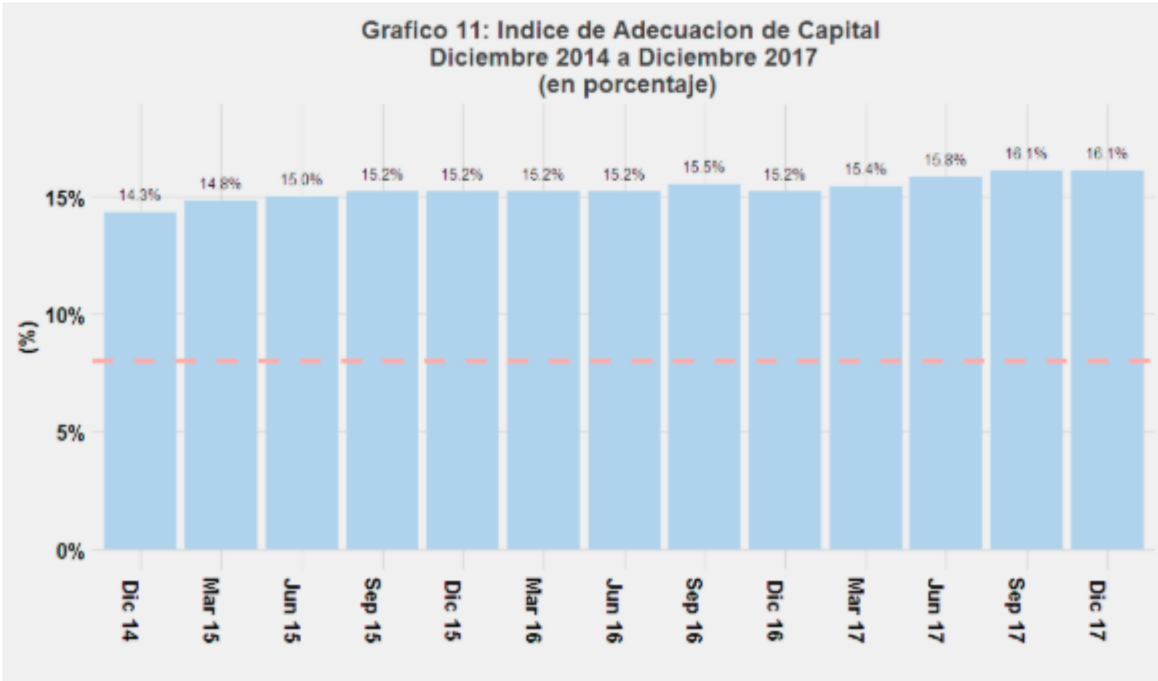
Source: General license banks.

G. Solvency:

The most recent solvency ratio demonstrates the strength of equity, reflected at 16.1%, well above the regulatory requirements, which have become more conservative following Rules 1-2015 and 3-2016. The individual solvency ratio of the banking sector reflects the entities' ability to absorb unexpected losses (the country's regulatory minimum is set at 8%, the same as established by Basel III).

Panamanian banking has made significant progress because of the cited rules, including the definitions of Tier 1 and Tier 2 capital, the treatment of hybrid bonds (to the detriment of current subordinated bonds), and the establishment of a minimum Tier 1 capital requirement of 4.5%.

Currently, all banks in operation satisfactorily comply with the new regulatory standards on bank capital.



H. Correspondent banking relationships:

Since the country's removal from the FATF gray list, 57 new correspondent relationships have been established in the banking center from 2016 to December 2017. Correspondent banks have announced plans to expand credit availability to other banks. This indicates that the banking system is solid and remains an important pillar of the country's economic growth.

III. New Banking Regulations

Below, we have included the most recent regulatory changes to date for the stability of the system, particularly in accounting, risk management, and AML/CFT/WMD. These changes comprise a set of measures that form part of the agenda adopted by the Superintendency of Banks to enhance the quality of capital, assess the risks to which banks are exposed, align with International Financial Reporting Standards, and remove the Republic of Panama from discriminatory and non-cooperative jurisdiction lists. Currently, the SBP has approved regulations on market risk, operational risk, the short-term liquidity coverage ratio (LCR), and derivative instruments, among others, with some already undergoing implementation according to the schedule developed by the SBP.

Similarly, all information regarding current banking regulations in Panama is available on the SBP’s website. The Superintendency of Banks’ URL address is http://www.superbancos.gob.pa.

Table 1: Recent Regulations

Document	Topic
2015 - 2017	
Rule 11-2017	Guidelines for operations involving derivative financial instruments are established. This Rule delineates the responsibilities and risk management procedures that banks must adhere to when engaging in operations with derivative instruments. It specifies the requirements and valuation methods for derivative financial instruments, along with the obligation for banks to disclose, in the footnotes to the financial statements, the information stipulated in the Rule, as well as any other relevant details pertaining to derivative instruments.
Rule 10-2017	Rule 4-2014 is amended to establish an expedited procedure for imposing sanctions on banks and trust companies for late submission of information.
Rule 9-2017	Rule 8-2010 is amended to incorporate the concept of social and environmental risk.
Rule 8-2017	Article 1 of Rule 5-2015 is amended to make it applicable to money service businesses, exchange bureaus, Banco de Desarrollo Agropecuario (Agricultural Development Bank), Banco Hipotecario Nacional (National Mortgage Bank), and housing savings and loan associations. Law 21 of 2017 amended Law 23 of 2015, assigning these new reporting entities to the Superintendency of Banks for matters related to AML/CFT/WMD.
Rule 7-2017	Article 10 of Rule 1-2014 regarding the standardization of personal and commercial checks in Panama is amended. This article modifies the validity, allowing the circulation of checks issued before the required standards until February 1, 2018.
Rule 6-2017	Through this, new provisions on Shared Banking are issued.
Rule 5-2017	Article 6 of Rule 5-2009, which implements Article 215 of the Banking Law on Inactive Assets, is amended to clarify procedures. It is stipulated that when transferring liquid funds to Banco Nacional, it must be in the currency of the original account. If Banco Nacional cannot accept the transfer in the original currency, the bank must convert it to balboas or U.S. dollars accordingly.
Rule 3-2017	Article 15-A is added to Rule 9-2015, stipulating that the Superintendency, under circumstances it deems appropriate, may request the cancellation, withdrawal, restriction, removal, or

	suspension of the license, certificate of suitability, or other authorizations granted to financial reporting entities. This administrative sanction is imposed for violations of the provisions on the prevention of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.
Rule 2-2017	The provisions regarding fund transfers are updated in alignment with Recommendation No. 16 of the Financial Action Task Force.
Rule 1-2017	Rule 10-2015 on the prevention of the misuse of banking and trust services is amended.
Rule 8-2016	Rule 3-2016 on the rules for the determination of risk-weighted assets for credit risk and counterparty risk is amended.
Rule 7-2016	Guidelines are established for AML/CFT risks in cross-border correspondent banking relationships provided by banks in the country. This Rule outlines the obligations of domestic banks offering correspondent services to foreign banks, aiming to understand the nature of their clients' businesses and assess associated AML/CFT risks comprehensively. Additionally, banks in Panama are mandated to implement due diligence procedures and measures for entities with which they engage in correspondent banking services.
Rule 6-2016	Guidelines are established for risk management concerning AML/CFT in relation to new products and technologies. Reporting entities are required to evaluate new products and services, including their geographical location, as well as new or developing technologies for both new and existing products. Based on these evaluations, entities must identify and assess AML/CFT risks.
Rule 5-2016	Article 8 of Rule 6-2009 on risk concentration to economic groups and related parties is amended. This amendment stipulates that the Superintendent may temporarily grant exceptions to state-owned banks regarding the application of concentration limits to individual entities. This exception applies specifically to loans provided by these banks to companies fully owned by the Panamanian State.
Rule 4-2016	Rule 4-2011 on the collection of commissions and surcharges by banks is amended. This amendment establishes the obligation for banks to include guidelines on the collection of commissions and surcharges in lending and deposit operations within bank contracts.
Rule 3-2016	Rules for determining risk-weighted assets for credit risk and counterparty risk are established.
Rule 2-2016	Article 33-A is added to Rule 007-2014, which establishes rules for the consolidated supervision of banking groups. This addition requires banking groups that consolidate their operations in Panama and are under the home supervision of the Superintendency to publish their consolidated financial statements.

Rule 1-2016	General parameters are established for ACH compensation and fund availability.
Rule 12-2015	The administrative sanctioning procedure before the Superintendency of Banks is established for cases lacking a designated administrative procedure.
Rule 11-2015	Article 3 of Rule 2-2012 is amended to broaden the range of services that banks can offer through non-banking correspondents.
Rule 10-2015	This rule establishes the measures that banks and trust companies must adopt to prevent the misuse of banking and trust services. It mainly includes the following aspects: 1. Adequate customer identification measures. 2. Identification measures for natural and legal persons. 3. Enhanced due diligence for politically exposed persons (PEPs). 4. Updating and safeguarding information and documentation records. 5. Due diligence measures for trusts companies.
Rule 9-2015	The administrative sanctioning procedure applicable to reporting entities for potential violations of the prevention of money laundering, terrorism financing, and financing of the proliferation of weapons of mass destruction regime is established.
Rule 7-2015	The guide for banks and trust companies on suspicious transactions is updated based on the red flags catalog prepared by the Financial Analysis Unit, following recommendations from various supervisory and control bodies. The red flags catalog includes behaviors of clients, employees, or companies, as well as characteristics of certain financial operations that could indicate a suspicious transaction related to money laundering, terrorist financing, and financing the proliferation of weapons of mass destruction. Reporting entities must detect and pay special attention to the behaviors described in the rule and determine whether they constitute suspicious transactions, considering other factors, signs, and criteria.
Rule 6-2015	Article 17 of Rule 4-2008, regarding compliance with the legal liquidity ratio, is updated to ensure more timely monitoring of liquidity risk. It now stipulates that the legal liquidity ratio will be calculated according to the frequency determined by the Superintendent. Previously, the rule explicitly stated that the legal liquidity ratio was calculated once a week.
Rule 5-2015	This Rule establishes the necessary measures that new reporting entities, regulated and supervised by the Superintendency, must take for the prevention of money laundering. Its aim is to prevent their operations and transactions from being conducted with funds

	originating from activities related to money laundering, terrorist financing, and the proliferation of weapons of mass destruction.
Rule 4-2015	This Rule establishes the procedures and requirements for entities seeking authorization as custodians of domestic and foreign bearer shares. It also outlines the obligations that must be fulfilled and specifies the circumstances under which such authorization may be revoked due to deficiencies in service provision.
Rule 3-2015	Articles 9 and 14 of Rule 4-2010 on the external audit of banks have been amended to update the special reports that external auditors must submit in accordance with International Financial Reporting Standards (IFRS), as well as to specify the period during which members of the external audit team may rejoin it.
Rule 1-2015	Capital adequacy regulations are established for banks and banking groups to update the regulatory framework governing capital requirements. These updates align with international standards, aiming to strengthen the solvency of the banking system, limit leverage, and encourage sustainable growth strategies. These measures ultimately enhance the financial stability of the banking center.
Resolution SBP-GJD-0003-2015	The guidelines and technological requirements for on-site inspections conducted to financial entities under the supervision of this Superintendency are established concerning the prevention of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.
General Resolution SBP-RG-0001-2015	The resolution has been updated to compile information requirements for banks, encompassing their content, format, frequency, correction, quality, and sanctions for non-compliance.

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