

# TRANSLATION

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## REPUBLIC OF PANAMA SUPERINTENDENCY OF BANKS

September 21, 1998  
**CIRCULAR No. 014-98**

General Manager

Dear Manager:

I would like to take this opportunity to inform you about the instability that in recent months has been affecting the major international and Latin American stock markets, in which there have been important drops and devaluations that have meant considerable losses, in some cases and potential losses in other cases, to many financial and banking institutions worldwide.

Even though our country has some advantages such as the characteristics of our monetary and economic system which make it less vulnerable than our neighbors, we cannot be unaware of the possibility that this phenomenon could affect unfavorably our system.

In our duty to overseeing the soundness and efficiency of the Banking System and member banks to keep appropriate solvency and liquidity coefficients to face their obligations, we are evaluating the potential impact the current situation could have to the possible exposure of the institutions within our Banking Center, in order to implement concerning prudential actions to protect the system.

In this regard, we would like to request you to provide us the detail of investments the Bank has made up to September 30, 1998 according to their amount, country, and investment mode, information that must be submitted to this Office no later/by October 10, 1998 in the format attached hereto.

Also, we would like to request you to keep update, in monthly basis, this information and to submit it together with the Monthly Financial Statements.

Thanks and best regards,

**Carlos A. Vallarino R.**  
**Superintendent of Banks**