

**REPUBLIC OF PANAMA
SUPERINTENDENCY OF BANKS**

May 27, 2004
CIRCULAR No. 024-2004

General Manager

*Ref.: Assets Acquired in Compensation for
Pending Credits.
Agreement No. 1-2000 and 8-2002, Circular
No.19-2002.*

Dear Sir:

As you know, Article 1, of Agreement 1-2000 dated February 16, 2000, modified by Agreement 8-2002 dated October 2, 2002 specifies that all banks must notify the Superintendency of the acquisition of real state in compensation for pending credits within the three (3) months following the date of said acquisition. Meanwhile, Article 2 of the above-mentioned Agreement establishes the terms for the alienation of said real state.

In both cases, the terms start from the date of the filing of the acquisition in the Public Registry. By virtue of the foregoing, Banks must remit to this Superintendency, within the specified terms, notification of the assets acquired in compensation for pending credits including a copy of the respective Public Deed duly filed in the Public Registry, to determine the terms of the alienation.

Equally, and according to Circular 19-2002 dated April 10, 2002, Banks additionally, must remit monthly through the Information Transfer System, the report on Adjudicated Assets (AT04).

Failure to remit the written notification to the Superintendency, as well as not remitting the Report on Adjudicated Assets (AT04), is subject to the sanctions established in Agreement 12-2002 dated December 11, 2002.

Sincerely,

Delia Cardenas
Superintendent