

Republic of Panama
Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0003-2020
(dated 20 April 2020)

“By means of which the frequency of risk rating updates, established by means of Article 4 of Rule 2-2010 on banks ratings, is temporarily extended”

THE BOARD OF DIRECTORS
in use of its legal powers, and

WHEREAS:

Due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch re-edited Decree Law 9 dated 26 February 1998 and all its amendments as a consolidated text, and this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

Pursuant to the provisions Article 5 (1), (3) and (4) of the Banking Law, safeguarding the soundness and efficiency of the banking system, promoting public trust in the banking system and safeguarding the judicial balance between the banking system and its clients are objectives of the Superintendency of Banks;

Pursuant to Article 11 (5) of the Banking Law, establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters is a technical duty of the Board of Directors;

The risk rating requirement for banks of the system provides greater transparency and deepens the risk assessment culture, which results in greater security, soundness and stability of the banking system and complements effective bank supervision;

By means of Rule 2-2010 dated 4 February 2010, amended by Rule 6-2010 dated 9 November 2010, the provisions on bank ratings were established;

Article 4 (2) of Rule 2-2010 provided the frequency of risk rating updates on an annual basis, within one hundred and fifty (150) days following the closing of the previous fiscal period;

As a consequence of the COVID-19 global health pandemic decreed by the World Health Organization (WHO), the National Government issued Executive Decree 64 dated 28 January 2020 and Cabinet Resolutions 6 dated 28 January 2020, 10 dated 3 March 2020 and 11 dated 13 March 2020 intended for the implementation of measures to face the emergency in the national territory;

In observance of the measures provided by the National Government due to the current situation the country is experiencing as a consequence of the COVID-19 global pandemic, the Superintendency of Banks deemed it advisable to extend the reporting of audited financial statements for an additional 30-day period;

During the working sessions of the Board of Directors, as a result of the implemented measure of extending the reporting of audited financial statements, it has deemed it necessary and advisable to temporarily extend the reporting of updated risk ratings, as provided for in Rule 2-2010 on Banks Ratings.

RESOLVES:

ARTICLE 1. TEMPORARY EXTENSION OF RISK RATING UPDATES. For the purposes of the provisions of Article 4 (2) of Rule 2-2010 dated 4 February 2010 on banks ratings, for the reporting of annual risk rating updates, the banks with fiscal closure on December 20219 will have an

additional sixty (60-) day period, i.e. until 31 July 2020, for the submittal to the Superintendency of Banks.

ARTICLE 2. ENACTMENT. This Resolution shall be effective upon its signature.

Given at the city of Panama on the twentieth (20th) day of April, two thousand twenty (2020).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE CHAIRMAN,

THE SECRETARY

Joseph Fidanque III

Nicolás Ardito Barletta