## COMMUNIQUÉ

The Banking Law authorizes the Superintendent of Banks to impose relevant sanctions for violations of the provisions of the Banking Regime. Additionally, the same law authorizes the publication of sanctions imposed accordingly, which the Superintendent may discharge with the discretion each case merits.

In connection with the above, and being responsible for the commitment acquired at the beginning of his administration, the Superintendent announces that starting today, the list of sanctions exceeding B/.5,000.00, imposed on banks of the market during the 2015-2016 period for breaching the rules applicable to banks of the Banking System, has been posted on our website www.superbancos.gob.

It is worth emphasizing that the sanctions imposed on banks have corrective purposes, and the publication, which reinforces the transparency of the Banking System, is aimed at general prevention.

As a result, the posting of a sanction imposed because of the commission of administrative offenses, a practice already being applied in other countries, should in no way be construed as an adverse opinion of the sanctioned bank, nor does it mean that banks are involved in criminal offenses or that the Banking System is at risk.

We should emphasize that behind each of these sanctions there is a true effort by the sanctioned bank to adopt corrective measures and to fully comply with the applicable standards which benefits the Banking System, its users and participants within a broad transparent framework.

The Superintendency of Banks of Panama recommends the community pay attention only to the official communiqués issued by this Institution and to ignore baseless and malicious rumors that are circulated or posted on social networks and other unauthorized media. We reiterate that anyone disseminating false news jeopardizing the national economy or public credit incurs in the commission of offenses under Article 260 of the Penal Code.

In that regard, it is important to highlight that the Superintendency of Banks is responsible for ensuring the stability of the International Banking Center that, as of September 2016, has sound and stable liquidity and solvency ratios.

All banks meet the legal and regulatory liquidity and capital requirements of 30% and 8%, respectively. The Banking System has double-digit average liquidity and capital adequacy ratios, above 60% and 15%, respectively. Private deposits grew more than 5% compared with the same period in 2015.

The International Banking Center represents 92% of the total Panamanian financial system and generates more than 26000 direct jobs. The financial sector is a dynamic component of the economy and represented, as of the second quarter of 2016, 8% of the Gross Domestic Product (GDP), equivalent to B/.4 billion annually. Compared to the same period in 2015, this activity grew 9.0%, standing as one of the most relevant activities for the country's economy thanks to its facilitating role in financing and implementing projects that contribute to productive development, employment and the well-being of the country.

Panama, 6 January 2017.