

TRANSLATION

REPUBLIC OF PANAMA SUPERINTENDENCY OF BANKS

September 28, 1998
CIRCULAR No. 15-98

General Manager

Dear General Manager:

Due to the many enquiries we have received about the display and publication of audited Financial Statements, we have already informed the stakeholders our criteria on this issue, which is below, for your further knowledge and application:

Article 56 of Decree Law No. 9 of 26 February 1998 establishes two (2) duties that are compulsory to banks: displaying and publishing financial statements.

Both duties involve the audited Financial Statements – accompanied by any pertinent explanatory notes –. There is no difference between the displayed statements (Audited Financial Statements along with explanatory notes) and published statements (Audited Financial Statements along with explanatory notes).

In this regard, the display required in Article 56 of Decree Law 9 of 1998 must be done including the explanatory notes.

Regarding the publication format, we consider that, if it is up to each bank individually to decide which model will be used to display these statements (location, diagram, distribution, in one or several pages, inside usual newspaper sections or an individual or collective special supplement), it is important that the transparency purpose is met, so the text published must comply with all characteristics that may allow any person to read and revise them.

The emphasis that the Bank wants to give to certain information on its Financial Statements or its achievements should not be done in detriment to the attention given to the whole information.

In this regard, we would request you that the quality of the text in which the Explanatory Notes are printed out should be the same as the text of the whole document, and the font size of both shall not be lesser than 12.

Thanks and best regards,

Carlos A. Vallarino R.
Superintendent of Banks