

TRANSLATION

REPUBLIC OF PANAMA SUPERINTENDENCY OF BANKS

September 29, 2004
CIRCULAR CFL 3-85 No. 004-2004

General Manager

Subject: Residential Mortgage Loans (Law 3/85, 11/90, 5/94, 28/95, 30/99, 50/99, and 65/2003)

Dear General Manager:

According to the provisions of article 4 of Law 3 dated 20 May 1985, with its duration extended and Article 5 amended by Law 65 dated 29 October 2003, "Whereby a preferential interest rate was established for certain Mortgage Loans", we wish to inform you that the Weighted Average Mortgage Interest Rate (TIPPO, for its acronym in Spanish) for the Fourth Quarter of 2004 is set at **AN ANNUAL RATE OF SEVEN POINT TWENTY-FIVE PERCENT (7.25%)**.

Best regards,

Roberto De Araujo
Interim Superintendent