

March 24, 2020  
Circular N° SBP-DR-0091-2020

General Manager

Subject: Change in Loan Atom (AT03) structure –  
Report on modified loans according to the  
provisions of Rule 2-2020

Dear General Manager:

As you may be aware of, considering the effects of the global health pandemic COVID-19, recently declared by the World Health Organization, the National Government issued Executive Decree 64 dated 28 January 2020 and Cabinet Resolutions 6 of 2020 and 10 of 2020, in order to implement measures to face the aforementioned emergency.

Due to the above, the Superintendency of Banks has established temporary and exceptional measures to the provisions contained in Rule 4-2013, in order to adapt the regulatory requirements on credit risk due to the current situation. In this regard, on March 16, 2020 we issued Rule 2-2020 *“Whereby additional, exceptional and temporary measures are established to comply with the provisions contained in Rule 4-2013 on credit risk.”*

Since this exceptional measure allows banks to *modify* the originally agreed on loan conditions, without these adjustments or modifications being considered as a restructured loan, a new loan classification was created, which will be known as “modified loans.”

With the purpose of identifying this exceptional measure and for banks to report modified loans, we have adjusted the Loan Atom (AT03) including a new box and a new table SB120 was designed. This table will include the “Change Categories” codes.

Additionally a new use was given to box (25), therefore we suggest you to review the description of said box.

Should you need further information or have any doubt on the above, please feel free to send us an e-mail to [soporte@superbancos.gob.pa](mailto:soporte@superbancos.gob.pa), referring to this circular and including the name, position, e-mail address and telephone number of the person sending the inquiry.

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*“Velando por la solidez del Centro Bancario Internacional”*

Finally, we request that the enclosed document be distributed to the personnel responsible for its implementation and subsequent submittal to the Superintendency of Banks as of May 2020, with closing date April 30, 2020.

We would greatly appreciate your providing the necessary instructions to your staff for compliance with these provisions.

Best regards,

Amauri A. Castillo  
Superintendent

ARV/vc