

## Republic of Panama Superintendency of Banks

### BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0001-2021 (dated 13 April 2021)

**“Which temporarily recognizes the letters of guarantee issued by the ‘Banca de Oportunidades’ Guarantee Program in relation to Articles 39, 41 and 42 of Rule 4-2013 on Credit Risk Management and Administration”**

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

#### RECITALS:

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 of Article 5 (2) of the Banking Law, strengthening and fostering favorable conditions for the development of the Republic of Panama as an international financial center is an objective of the Superintendency of Banks;

Pursuant to Article 11 (2) of the Banking Law, approving generally applicable standards for the definition and identification of credits to clients related among themselves or related to banks or banking groups, is a technical duty of the Board of Directors;

Pursuant to Article 3 (36) of the Banking Law, the resolutions are decisions adopted by the Superintendent or the Board of Directors, in the exercise of powers granted by the aforementioned Law, applicable to a particular case;

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 Board of Directors is authorized to defining and establishing the criteria for credit risk management including the processes and procedures that [banks] must comply with in each of its phases;

By means of Rule 4-2013 dated 28 May 2013 and its amendments, the provisions on credit risk management inherent in credit portfolio and off-balance sheet transactions are established;

Articles 39, 41 and 42 of Rule 4-2013 establish the valid collateral for the calculation of specific reserves, the parameters for the valuation of collateral and the current value of the pledges eligible as risk mitigators;

As a consequence of the effects of the COVID-19 pandemic worldwide, it is necessary to establish support measures for the different sectors of the Panamanian economy, including entrepreneurs and microenterprise entrepreneurs, which is why the National Government through its entities is promoting different existing programs aimed at developing an economic and social recovery plan to maintain jobs and economic stability in our country;

By means of Executive Decree 191 dated 31 July 2020, the ‘Banca de Oportunidades’ Guarantee Program is created, with the purpose of facilitating access to credit for microenterprises during their entrepreneurial stage or those that are reinventing themselves;

By means of the ‘Banca de Oportunidades’ Guarantee Program, the Micro, Small and Medium Enterprise Authority (AMPYME), through the Guarantee Fund, will endorse the funding granted by Banco Nacional de Panamá and Caja de Ahorros to microenterprises during their entrepreneurial stage or those that are reinventing themselves;

Pursuant to Article 1 of Executive Decree 191 of 2020, financing under the 'Banca de Oportunidades' Guarantee Program will be limited to loans between B/.2,000.00 to B/.5,000.00 with a maximum term of 84 months to liquidate the loans;

By means of Article 22 of Executive Decree 191 of 2020, it is established that 'Banca de Oportunidades' Guarantee Program has a validity of 18 months from the date of issuance of the first guarantee or until the total placement of the initial funds that have been assigned by the banks for the granting of loans to be guaranteed by the program;

For the Superintendency of Banks the 'Banca de Oportunidades' Guarantee Program is of great importance, understanding that our job as an entity of the Panamanian State is that the international banking center remains solid and contributes to the country's economy, especially in the current situation;

During its working sessions, the Board of Directors determined it necessary and advisable to temporarily recognize the letters of guarantee of the 'Banca de Oportunidades' Guarantee Program, which will be in force until the loans secured by the aforementioned program are expired, as admissible guarantees for the calculation of specific provisions, in accordance with Articles 39, 41 and 42 of Rule 4-2013, to support the loans granted by **Banco Nacional de Panamá** and **Caja de Ahorros** to micro enterprises during their entrepreneurial stage or those that are reinventing themselves that apply to said program.

#### RESOLVES:

**ARTICLE 1. LETTERS OF GUARANTEE OF THE 'BANCA DE OPORTUNIDADES' GUARANTEE PROGRAM.** For the purposes of the provisions of Article 39 of Rule 4-2013, the letters of guarantee issued by the Micro, Small and Medium Enterprise Authority (AMPYME), under the 'Banca de Oportunidades' Guarantee Program, which will be in force until the loans secured by the aforementioned program are expired, are temporarily recognized as admissible collateral for the calculation of specific provisions, to support the loans granted by **Banco Nacional de Panamá** and **Caja de Ahorros** to microenterprises during their entrepreneurial stage or those that are reinventing themselves.

**ARTICLE 2. ASSESSMENT OF GUARANTEES OF THE 'BANCA DE OPORTUNIDADES' GUARANTEE PROGRAM.** For the purposes of the provisions of Article 41 of Rule 4-2013, the letters of guarantee of the 'Banca de Oportunidades' Guarantee Program, consisting of a principal collateral with coverage of a 90% of the unpaid balance plus interest at ninety (90) days are recognized, provided that the provisions established in Executive Decree 191 dated 31 July 2020, by means of which the 'Banca de Oportunidades' Guarantee Program is created, are met.

In the event that the bank files a claim at the Micro, Small and Medium Enterprise Authority (AMPYME) against the Guarantee Fund and it is dismissed or the term to file it expires, in accordance with Executive Decree 191 of 2020, [the bank] must proceed immediately to penalize the affected operation.

**ARTICLE 3. CURRENT VALUE OF THE PLEDGES OF THE 'BANCA DE OPORTUNIDADES' GUARANTEE PROGRAM.** For the purposes of the provisions Article 42 of Rule 4-2013, the valuation of pledges of the 'Banca de Oportunidades' Guarantee Program as risk mitigators will be recognized according to the following:

Pledge	Current Value
Letters of guarantee issued by the Micro, Small and Medium Enterprise Authority (AMPYME) under the 'Banca de Oportunidades' Guarantee Program through the Guarantee Program.	100% of the amount guaranteed by AMPYME, i.e. 90% of the unpaid balance plus interest at ninety (90) days

**ARTICLE 4. DURATION OF THE PROGRAM.** The 'Banca de Oportunidades' Guarantee Program will be in force for the duration of the aforesaid program or until the total placement of the initial funds that have been assigned by banks for the granting of loans to be guaranteed by the program.

By virtue of the foregoing, this temporary measure will take effect until the 'Banca de Oportunidades' Guarantee Program remains in force.

**ARTICLE 5. REPORTING.** Banks participating in the 'Banca de Oportunidades' Guarantee Program must submit a semi-annual report with the details of the portfolio under this Program and its delinquency status or any other additional information requested by the Superintendency of Banks.

**ARTICLE 6. ENACTMENT.** This Resolution will take effect from its signature.

Given in Panama City this thirteenth (13<sup>th</sup>) day of April, two thousand twenty-one (2021).

**FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,**

**THE CHAIRMAN,**

**THE SECRETARY**

Luis Alberto La Rocca

Nicolás Ardito Barletta