

TRANSLATION



República de Panamá
Superintendencia de Bancos
Velamos por la Transparencia del Centro Bancario Internacional

PRESS RELEASE

THE SUPERINTENDENCY OF BANKS

ANNOUNCES

1. In a meeting held at the Superintendency of Banks on 17 July 2000, Mr. Sebastian Mendez and others announced the beginning of a massive advertising campaign to promote non-banking financial services offered by a company organized in the British Virgin Islands (B.V.I.), known as THE PROVIDENCE CORPORATION (B.V.I.), represented in Panama by ESTRELLAMAR, S.A.
2. On July 19, 20 and 21, the Superintendency of Banks communicated with Mr. Kenneth Baker, Supervisor of the British Virgin Islands (B.V.I.) Regulator.
3. By means of letter SB-DSB-173-2000 dated 31 July, the Superintendency of Banks informed ESTRELLAMAR, S.A. that based on Article 25 of Decree Law 9 of 1998, the Superintendency intended to perform an inspection of the financial product promoting immediate remittances.
4. On 2 August 2000, the Superintendency of Banks requested the representatives of THE PROVIDENCE CORPORATION (B.V.I.) suspend the advertising campaign that presented the financial product as a banking product; this was complied with.
5. On 3 August 2000, the representatives of THE PROVIDENCE CORPORATION (B.V.I.) informed the Superintendency of Banks that the company would restructure its operations to conform to the new securities market system under the National Securities Commission; this was not done by the company.
6. THE PROVIDENCE CORPORATION (B.V.I.) and ESTRELLAMAR, S.A. are not regulated nor supervised by the Superintendency of Banks.
7. For the reasons in the above paragraph, the Superintendency of Banks has not ordered the takeover of THE PROVIDENCE CORPORATION (BVI) or the closure of the offices of ESTRELLAMAR, S.A., nor is the Superintendency associated with the initiatives of some creditors affected by the suspension of payments.
8. The Superintendency informed the Attorney General's Office of the facts related to THE PROVIDENCE CORPORATION (B.V.I.) and ESTRELLAMAR, S.A. in letter SB-DS-282-2000 dated 9 October.

Given in Panama on the twelfth (12th) day of October, two thousand (2000).

Delia Cardenas
Superintendent