

# INTER-AMERICAN DIALOGUE'S

LATIN AMERICA ADVISOR ► FINANCIAL SERVICES

## BOARD OF ADVISORS

**Luis Anavitarte**  
VP & Research  
Director, Gartner Inc.

**Ernesto Armenteros**  
Executive Vice  
President, Grupo  
Quisqueyana

**Jeanne Del Casino**  
VP & Regional Credit  
Officer, Latin American  
Banks, Moody's  
Investors Service

**Michael Diaz**  
Partner,  
Diaz, Reus, Rolff &  
Targ, LLP

**Ernesto Fernández Holmann**  
Chairman of the  
Board, Ayucus

**Rick Gallagher**  
President, Latin  
America, Experian

**Jorge Guerrero**  
CEO, Optima  
Compliance &  
Consulting, Inc.

**Tom Haider**  
Consultant

**Earl Jarrett**  
General Manager,  
Jamaica National  
Building Society

**Thomas J. Mackell, Jr.**  
Chairman,  
Federal Reserve  
Bank of Richmond

**Edward L. Monahan, Jr.**  
Director,  
Financial Services,  
Pricewaterhouse-  
Coopers

**Thomas Morante**  
Chair, Insurance,  
Banking, & Financial  
Services Industry  
Group, Jones Walker  
LLP

**Manuel Orozco**  
Director, Remittances  
& Development  
Program, Inter-  
American Dialogue

**Adalberto Palma-Gomez**  
Senior Partner,  
APERTURE S.C.

**Jan Smith**  
Managing Director,  
Kroll, Inc.

**Roberto Teixeira da Costa**  
Board Member,  
Banco Itau Holding  
Financeira S/A and  
SulAmérica S/A

## FEATURED Q&A

### What is the Future of the Banking Sector in Venezuela?

**Q** Venezuelan President Hugo Chavez in July announced plans to nationalize Banco de Venezuela, the South American country's third-largest bank in terms of deposits and a unit of Spain's Banco Santander, in order to increase state control of the financial services industry. Do you think Santander and the Chavez government will come to an agreement soon? What does the government's move mean for Venezuela's banking sector?

**A** **Guest Comment: Franklin Santarelli:** "The final outcome of these negotiations is, like all negotiations, uncertain in nature and depends on the agreement of a reasonable price. Initial signs indicate that an agreement could be reached between the parties. President Chavez has announced on several occasions in the past his intention to acquire an efficient and large bank in order to provide services for his social agenda. The incorporation of state-owned banks so far has not yielded the desired results, with private banks being relied upon to deliver most of the services he has requested. If the government finally acquires Banco de Venezuela, its main challenge would be to integrate an efficient, previously privately owned bank into the current network of publicly owned entities without losing its efficiency while leveraging its expanded network. For the rest of the banking system, it would be

a challenge to compete with a large government-owned bank. The nationwide outreach of Banco de Venezuela could help the government to provide several services directly to the population, without leveraging the private-sector banks. If the government manages to merge most of its financial entities into one large bank, this would result in by far the largest bank in the country with a significant influence over the market, and even more importantly, it would have the government as its largest individual depositor."

*Continued on page 4*



### Banco Santander in Talks With Chavez Government Over Unit

Spain's Banco Santander said August 1 it was in talks with the government of Venezuelan President Hugo Chavez over the sale of its local unit, Banco de Venezuela. See story on page 2.

*Photo: ABN.*

## Inside This Issue

**FEATURED Q&A:** What is the Future of the Banking Sector in Venezuela?.....1

Banco Santander in Talks With Chavez Government Over Unit's Sale.....2

Venezuelan National Assembly to Draft New Banking Law.....2

Chile to Ease Capital Market Rules to Attract Investment.....2

Banco de Mexico: Banks New Commissions Anti-Competitive.....3

Q2 Earning Highlights: Unibanco, Credicorp, Galicia, Bancolombia.....3

Banco Itau Reports Decline in Profit, Stock Gains on Sector's Outlook.....4

Brazil's Bradesco Posts 13 Percent Decline in Second-Quarter Profit.....4

S&P Lowers Ratings on Argentina, Citing "Economic Challenges".....4

## BRIEFS

**Banco Macro Posts 40 Percent Jump in Second-Quarter Profit**

Argentina's **Banco Macro** on August 7 reported a higher-than-expected 161 million-peso (\$US 52.6 million) second-quarter profit, up 40 percent from the same three months of 2007, Reuters reported. The bank, one of Argentina's largest, said operating income more than doubled to 233.6 million pesos, while loans to the private sector grew 47 percent. For the first six months of the year, Banco Macro reported a profit of 312.6 million pesos.

**Western Union Completes Acquisition of Panama Agent**

Money transfer company **Western Union** announced August 4 that it completed the acquisition of its Panama-based agent, **Transfer Express de Panama**. In a press release, Western Union said Transfer Express will directly operate its own 15 locations and manage relationships with sub-agents who represent nearly 100 sites throughout the country. Approximately 40 local employees have transitioned to Transfer Express as part of the deal, Western Union said.

**BBVA's Mexican Unit Issues 4.8 Billion Pesos in Mortgage Debt**

Spanish bank **BBVA's** Mexican subsidiary, **BBVA Bancomer**, said August 6 it placed 4.8 billion pesos (\$US 483 million) worth of home loans with Mexican investors, Reuters reported. The unit sold about 9,000 mortgages in the 25-year issue, its third in Mexico's small but fast-growing mortgage-backed debt market. Mexican bankers and government officials do not anticipate anything akin to the US housing slump, since the country does not have a subprime sector, according to the report.

## Financial Services News

**Banco Santander in Talks With Chavez Government Over Unit's Sale**

A day after Venezuelan President Hugo Chavez announced plans to nationalize the country's third-biggest bank in terms of deposits, **Banco de Venezuela**, the bank's parent, Spain's **Banco Santander**, said August 1 it was in talks with the Venezuelan government over the bank's sale, Reuters reported. "Banco Santander has thereafter become aware of the interest of the government of Venezuela in Banco de Venezuela, and is now in discussions on that," Santander said in a statement to Spain's securities regulator. In a surprise announcement, Chavez said July 31 he had decided the government would buy Banco de Venezuela after Santander asked for permission to sell it to a local group, and a few days later predicted a "swift accord" would be reached. Analysts value the unit at between \$1.6 and \$1.8 billion. Chavez reportedly planned to offer Santander \$1.2 billion for the bank, \$600 million less than Santander wants. The Spanish government said August 1 it would not intervene because it was not a case of forced nationalization, according to Reuters. Last year, Chavez threatened to expel Spanish banks from Venezuela amid

a diplomatic spat with the European nation. But he mended relations during a July visit to Madrid, where he met with Prime Minister Jose Luis Rodriguez Zapatero and King Juan Carlos. Venezuela's two biggest banking associations—the Banking Association of Venezuela and the National Banking Council—said August 8 financial system stability was not affected by Chavez's nationalization announcement, while Finance Minister Ali Rodriguez denied there have been any large-scale withdrawals by worried customers. [Editor's note: see related Q&A on page 1].

**Chile to Ease Capital Market Rules to Attract Investment**

The Chilean government plans to relax rules on equity and fixed-income trading in an effort to boost trading volumes and attract more foreign investors, Finance Minister Andres Velasco said August 8, according to Bloomberg News. The government will draw up rules for derivatives trading, allow exchange-traded funds, and ease requirements for setting up mutual funds in Chile's stock market, the third-largest in Latin America, Velasco said. "Capital markets play an absolutely crucial

**Venezuelan National Assembly to Draft New Banking Law**

Venezuela's National Assembly will soon begin work on a new banking law that could force banks to spend more on social projects and dedicate an even larger portion of their loans at preferential interest rates to sectors the government deems strategic, the head of the Assembly's subcommittee on banking, Rafic Souki, said August 11, according to Dow Jones.

The reform would add another burden to banks in Venezuela, which already are required to dedicate about half of their loans at below-market interest rates to specific sectors chosen by the government.

The Assembly's plans to draft the bill follows President Hugo Chavez's failure to decree banking sector reforms. Chavez was expected to issue the decree using special powers that expired on August 1, but instead only decreed one small change regarding the liquidation of a banking deposit fund.

The president's team likely "ran out of time" to issue the decree, Souki said.

A key change in the Assembly's bill could be the creation of consumer associations, according to the lawmaker.

role in the development of a modern economy," the finance minister was quoted as saying. The plan calls for eliminating capital gains taxes on debt instruments, and will create rules for a high-yield bond market, Velasco said, according to Bloomberg News. The government will ask the Central Bank to open up debt auctions and will encourage peso-denominated securities, he said. The government will also try to encourage more initial public offerings and foreign company listings, eliminate tax barriers for foreign investors, and ease rules that require foreign finance companies to employ Chileans. The plan also proposes changes to Chile's SVS securities regulator and will set up a capital market advisory committee, Velasco said.



**Velasco**

*Photo: Chilean government.*

### Banco de Mexico: Banks' New Commissions Anti-Competitive

New commissions being charged by three of Mexico's biggest banks are anti-competitive, the central bank said August 1, according to Dow Jones. Banco de Mexico said a 150-peso (\$US 15) bounced check fee being charged by Spain's **Banco Santander** and fees charged by Canada's **Scotiabank** and locally owned **Banorte** to use the ATMs of rival banks are "among the highest" in Mexico's banking system. "The Bank of Mexico doesn't consider it convenient that institutions operating in a competitive market set their commissions at the highest levels when competition should have the opposite effect; prices should fall to the level of the competitors with the lowest prices," the central bank was quoted as saying. Bank of Mexico Governor Guillermo Ortiz has repeatedly criticized Mexico's mostly foreign-owned banks for what he says are excessive commissions and interest rates, and other critics say banks in Mexico charge far more for the same services than in other countries. The banks counter that their commissions are justified due to the higher cost of doing business in Mexico, and that competition has caused fees and commissions to drop.

## Q2 Earnings Highlights

### Unibanco Sees Net Income Rise 18.5 Percent to 756 Million Reais

**Unibanco**, Brazil's third-largest private bank, said August 7 its second-quarter net income rose 18.5 percent from the same period of 2007 to 756 million reais (\$US 465 million), boosted by strong loan growth. In an earnings release, Unibanco said its loan portfolio expanded 33.6 percent in the 12 months through June 30 to 69 billion reais, an increase of 4.3 percent from the end of the first quarter. Large corporate loans increased 23.2 percent year-on-year to 25.9 billion reais, while auto loans and credits for small and medium-sized enterprises rose 86.9 percent and 48.9 percent, respectively, to 10.8 billion reais and 10.3 billion reais. Credit card loans grew 35.9 percent to 7.4 billion reais. Unibanco ended the second quarter with 172 billion reais in total assets, up 32.7 percent from a year earlier.

### Peru's Credicorp Posts 16 Percent Profit Decline on Currency Swings

Peruvian financial holding company **Credicorp Ltd.** on August 6 reported second-quarter net income of \$73.7 million, down 16 percent from the same period of 2007, Reuters reported. Credicorp, which owns **Banco de Credito**, Peru's biggest bank, said the decline was due to swings in currency markets. "Such unexpected high income volatility is a direct result of the unusually high currency fluctuation experienced locally during this first semester and the net currency exposure held at each point in time," Credicorp was quoted as saying in a statement. So far this year, Peru's sol currency has risen 6.8 percent against the US dollar, according to Reuters. Credicorp's loan portfolio grew 32.1 percent in the second quarter to \$9.29 billion from a year earlier, while net interest income rose 36.2 percent year-on-year to \$217 million.

### Argentina's Grupo Financiero Galicia Records 42.1 Million-Peso Profit

Argentina's **Grupo Financiero Galicia** said August 6 it earned a profit of 42.1 million pesos (\$US 13.8 million) in the second quarter, up from 12.6 million pesos for the same period a year earlier. In an earnings release, Galicia, whose main unit is **Banco de Galicia**, said its loan portfolio grew 9.2 percent from a year ago to reach 11.9 billion pesos as of June 30, but was down from 12.2 billion pesos at the end of the first quarter. For the first six months of the year, Galicia posted a profit of 78.2 million pesos, up from a loss of 5.5 million pesos a year ago. It ended the first half of this year with 23.3 billion pesos in total assets, up 9.3 percent from a year ago but a decline from 23.7 billion pesos at the end of the first quarter of this year.

### Bancolombia's Profit Grew 56 Percent; Loan Portfolio up 22 Percent

**Bancolombia**, Colombia's biggest bank, said August 4 its second-quarter profit rose 56 percent from the same period a year ago to 375 billion pesos (\$US 211 million), Dow Jones reported. The bank's net interest income rose 25 percent year-on-year to 858 billion pesos, while its revenues from fees and services rose 10 percent to 299 billion pesos. Bancolombia said its loan portfolio expanded 22 percent, due in part to a weakening of the peso against the dollar toward the end of the quarter. Bancolombia owns a subsidiary in Panama and recently bought **Banco Agricola Comercial de El Salvador**. Both units lend in dollars, which is legal tender in both countries, according to Dow Jones.

## Banco Itau Reports Decline in Profit, Stock Gains on Sector's Outlook

**Banco Itau Holding Financeira**, the second-largest non-government bank in Brazil, on August 5 reported a decrease in its second quarter net profits, which fell 3.5 percent from the previous year, Reuters reported. The Bank's net income fell to 2.041 billion reais (US\$1.3 billion) from 2.115 billion reais during the same period a year ago, the bank said on its Web site. Despite the lower earnings numbers, Itau stock rose 1.4 reais, or 4.4 percent, to 33.20 reais in Sao Paulo trading on Tuesday, bolstered by a strong outlook for the financial services sector in Brazil (editor's note: see related Q&A in the July 30, 2008 [issue](#) of the daily *Latin America Advisor*). Lending at Itau surged 41.3 percent to 148.1 billion reais (\$94.1 billion) in the second quarter compared to a year ago and was up 7.5 percent from the previous quarter, due to growth in personal loans, auto financing and mortgages, according to Bloomberg News. Brazil's banks have raked in hefty profits from increased consumer and business lending. A recent hike in domestic interest rates by the Brazilian government in an attempt to contain inflation will not significantly affect that trend, said Silvio de Carvalho, an executive director at Itau, in an interview with Reuters. Itau expects its total credit portfolio to grow 25 percent in 2009, fueled by more loans to consumers and medium and small-capital companies, Dow Jones reported.

## Brazil's Bradesco Posts 13 Percent Decline in Second-Quarter Profit

**Banco Bradesco**, Brazil's largest private bank, on August 4 reported a 2.002 billion-real second-quarter profit, down 13 percent from the same period a year ago, when its earnings were inflated by the sale of stakes in steelmaker **Arcelor Brasil** and local credit bureau **Serasa**, Reuters reported. When excluding the one-time gains from a year ago, Bradesco's second-quarter profit rose 11 percent. The bank's loan portfolio grew 7.2 percent in the second quarter from the previous quarter, and 38.8 percent in the first six months of this year, reaching 181.6 billion reais at the end

### Featured Q&A

*Continued from page 1*

**A** **Guest Comment: Ben Ramsey:** "President Chavez said this week that Venezuela and Santander will come to an agreement soon; we agree that this is the most likely scenario. According to information widely reported in the Venezuelan press and confirmed by recent comments from President Chavez himself, Santander already had an agreement in place to sell Banco de Venezuela (BdV) to another local private entity for around \$1.2 billion, thus providing a benchmark for the current negotiations with the government. We think both Venezuela and Santander will want to strike a deal as quickly as possible since uncertainty over BdV's status raises the risk that a migration of clients and personnel to other institutions could erode BdV's value—ultimately not in the interest of either party. With this new acquisition, the government would already

become the single-largest player in the local financial system, and we do not see any additional takeovers for now. Indeed, the government bears a heavy burden of proof that it can efficiently manage BdV.

“... The government bears a heavy burden of proof that it can efficiently manage BdV.”

— Ben Ramsey

For its part, the private sector would still maintain over three-quarters of the financial system's assets and deposits, but will face an increasingly un-level playing field in an already tougher operating environment characterized by slowing growth, rising inflation, deteriorating

*Continued on page 6*

of June, according to Reuters. Loans for individual borrowers rose 32.2 percent in the first half, while lending to businesses jumped 42.9 percent. Some analysts warn lending growth may slow in Brazil due to interest rate hikes by the Central Bank.

## Economic News

### S&P Lowers Ratings on Argentina, Citing "Economic Challenges"

**Standard & Poor's** announced August 11 that it lowered its credit ratings for Argentina, citing "increasing economic challenges" in the South American nation. In a press release, S&P said it lowered its foreign and local currency long-term credit ratings on Argentina to "B" from "B+," and its national scale rating on the country to "raAA-" from "raAA," and its transfer and convertibility assessment on Argentina to "BB-" from "BB." It said the outlook for the ratings is "stable," meaning no further action is imminent. "The downgrade reflects Argentina's increasing economic challenges," S&P

credit analyst Sebastian Briozzo was quoted as saying in the press release. "In particular, inflation and fiscal and financial strain have increased while the likelihood of the government taking prompt corrective measures to staunch the loss of creditworthiness remains low." S&P said it would be increasingly difficult for the government to tighten fiscal policy and contain inflation—estimated unofficially to be running at 24-28 percent—given the declining popularity of President Cristina Fernandez and congressional elections next year. "Recent measures—such as increasing the price of electricity and an apparent slowdown in the rate of growth of public expenditure in June—could help stabilize expectations about Argentina's economic outlook if they are expanded and if they are complemented by similar initiatives in other sectors," the ratings firm said. Investor confidence would also receive a boost by a continued reduction in political tensions following lawmakers' rejection last month of Fernandez's increase in taxes on grain exports, S&P said. The downgrade comes amid a decline in Argentine bonds, which

widened Friday to their highest level since the country's 2005 restructuring of its defaulted debt. Other ratings agencies are also contemplating action. Last week, **Moody's Investors Service** credit analyst Gabriel Torres said Moody's expects to review its positive outlook for Argentina's credit rating in the coming weeks. However, Torres said a ratings downgrade was unlikely because it would put Argentina in a category Moody's reserves for countries in or very close to default, which is not the case for Argentina.

### Calderon Names Pro-Business Ally Mexico's Economy Secretary

Mexican President Felipe Calderon on August 6 named his pro-business former chief of staff as secretary of the economy. Gerardo Ruiz, a top manager of Calderon's 2006 presidential campaign and former president of the Council of the Social Union of Mexican Businesses, will replace Eduardo Sojo, who was named president of the government's national statistics institute, INEGI. Sojo had come under fire amid rising inflation in Mexico. Amid soaring food prices, annualized inflation was 5.26 percent in June, the highest level in three and a half years, according to *The Los Angeles Times*. In announcing the change at the secretariat, Calderon said he chose Ruiz because "he has been a businessman who has lived and suffered the condition of businesses in Mexico and has been on the other side of the counter" from the government. "He knows what to do: deregulate the economy and free the country's productive forces to spark growth," Calderon added. Besides rising inflation, Ruiz will take office amid declining economic growth and a drop in remittances from Mexicans working abroad. Remittances are Mexico's second-largest source of foreign exchange after oil exports.

## Political News

### Morales Survives Recall Vote; Two Opposition Governors Ousted

Bolivian President Evo Morales easily survived an August 10 recall referendum,



Morales celebrating his victory in the August 10 referendum.

*Photo: ABI.*

while two opposition governors did not, the Associated Press reported, citing unofficial results. Morales, who proposed the recall vote last year in an effort to undermine opposition governors who have challenged his economic and constitutional reforms, won 62 percent support, according to the results, well above the minimum 46.3 percent he needed to win and the 53.7 percent support with which he was elected president in December 2005. Three governors did not survive the recall vote, including two opposition governors—Jose Luis Paredes of La Paz province and Manfred Reyes of Cochabamba province. Eight of the South American nation's nine governors were subject to the recall vote. The governors of four eastern provinces—Beni, Pando, Santa Cruz, and Tarija—that earlier this year approved greater autonomy from the central government—easily survived the referendum. At the heart of the dispute with the four eastern governors is control over their provinces' vast natural gas wealth, as well as constitutional reforms and a controversial land reform proposal being pushed by Morales. In his victory speech on Sunday, the Bolivian president said the results of the recall vote were an endorsement of his efforts to "move forward with the recovery of our natural resources." Analysts say, however, that the recall vote may have only entrenched both sides even further, making a negotiated settlement all the more difficult. [Editor's note: see related Q&A in the August 12, 2008 [issue](#) of the daily *Latin America Advisor*.]

## POLITICAL & ECONOMIC BRIEFS

### Petition Calls for Re-election of Uribe to Third Straight Term

Supporters of Colombian President Alvaro Uribe on August 11 handed in five million signatures petitioning for a referendum to allow Uribe to run for a third straight term, Reuters reported. Uribe, who was re-elected to a second four-year term in 2006 after his allies in Congress approved a constitutional amendment, has not said whether he will run again. He remains very popular in Colombia, although critics worry a third term could undermine democratic institutions.

### Support for New Constitution in Ecuador Continues to Rise

Popular support in Ecuador for a new Constitution continues to increase, but still falls short of the level of approval needed to pass the draft charter in an upcoming referendum, Reuters reported, citing a poll released August 7. According to the **Cedatos-Gallup** survey, support for the proposed Constitution rose nine points from a July poll to 41 percent, still short of the 50 percent majority needed to win approval in the referendum, which is scheduled for September 28.

### Astori to Step Down as Uruguay's Economy Minister

Uruguayan officials announced August 11 that Economy Minister Danilo Astori will step down on September 15, Reuters reported. Astori is expected to return to the Senate, where he held a seat before being named economy minister. President Tabare Vazquez, a member of the center-left Frente Amplio coalition, is backing Astori to become the coalition's presidential candidate next year, although Astori has not said publicly whether he intends to run.

**Featured Q&A***Continued from page 4*

credit quality, and strict regulations (not to mention the still murky issue of the forced sale of structured notes, which could severely impact the balance sheets of some medium and small-sized institutions). Against this challenging backdrop and given the government's clear bias for greater state control of the economy, over the medium term further government expansion into the banking sector cannot be ruled out."

**A Guest Comment: Asdrúbal Oliveros:** "Various aspects are important to consider regarding this action. In the first place, since approximately a year ago, Venezuela has been interested in acquiring a large bank to compete more directly within the financial system and have better control over the management and distribution of public deposits. Banco de Venezuela was always a natural candidate, given its shareholder structure. In our opinion, the government and Grupo Santander will end up with good terms in the negotiations, and the Venezuelan state will probably end up paying around \$1.5 billion dollars for BdV. It is clear that the problem is not one of resources, because the fiscal position of the government is comfortable given the excellent performance of petroleum prices. The point that worries us is the growth of the state in activities not fundamental to it and a decrease in the role of the private sector. Behind the purchase of BdV is the ideological concept that only the state is capable of resolving problems and that it is the principal artifice of social transformation. But incentives for inefficiency in public-sector companies in the medium term are quite high. The consequences of these measures will be, in the first place, a restructuring of deposits since, due to its size, BdV will manage a large proportion of official deposits. In addition, although we can rule out a nationalization *en masse* of the banking sector, it is likely that bankers will perceive a high level of risk, which could slow down investing in the sector, especially capital investments."

**A Guest Comment: Patrick Esteruelas:** "President Hugo Chavez has further tightened the state's grip over the banking sector with the announced takeover of Grupo Santander's Banco de Venezuela. The state is clearly looking to play a more active role in the financial sector with the purchase of Banco de Venezuela, which will increase the state's share of total deposits from 13 percent to 24 percent. Grupo Santander, which was looking to leave Venezuela for some time, has been forced to sell to the state after the government denied it permission to sell to local bank Banco Occidental del Descuento. While local market estimates value Banco de Venezuela at anywhere between \$1.6 billion and \$2.1 billion, Grupo Santander will struggle to get a fair price after losing all bargaining power. The government already intervenes quite heavily in the banking system, forcing banks to direct close to 40 percent of all loans to agriculture, housing, tourism, and microfinance, and capping consumer lending rates. The government is also due to release this week the details of a new law that will tighten regulation further, increasing mandatory credit allocations and lowering commission and service fees. All told, the state's growing role and tight grip over the banking system are likely to result in poorer standards, greater inefficiency, credit misallocations and declining profitability."

---

**Franklin Santarelli** is Senior Director for *Latin American Financial Institutions at Fitch Ratings.*

**Ben Ramsey** is Vice President for *Emerging Markets Research at JPMorgan.*

**Asdrúbal Oliveros** is an Economist and *Co-director of Ecoanalitica.com.*

**Patrick Esteruelas** is Latin America *Analyst at the Eurasia Group.*

**The Inter-American Dialogue's Financial Services Advisor**

is published biweekly. Copyright © 2008

**Erik Brand,**  
General Manager, Publishing  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Robert Simpson,**  
Editor  
[rsimpson@thedialogue.org](mailto:rsimpson@thedialogue.org)

**Matthew Schewel**  
Reporter, Assistant Editor  
[mschewel@thedialogue.org](mailto:mschewel@thedialogue.org)

**Inter-American Dialogue**

**Peter Hakim,**  
President

**Michael Shifter,**  
Vice President, Policy

**Joan Caivano,**  
Director, Special Projects

**Dan Erikson,**  
Senior Associate, US Policy

**Claudio Loser,**  
Visiting Senior Fellow

**Manuel Orozco,**  
Director, Remittances and Development Program

**Tammy Ortega Goodspeed,**  
Senior Associate, Education

**Marifeli Perez-Stable,**  
Vice President, Democratic Governance

**Jeffrey M. Puryear,**  
Vice President, Social Policy

**Viron Vaky,**  
Senior Fellow

**Subscription Inquiries** are welcomed at [fretrial@thedialogue.org](mailto:fretrial@thedialogue.org)

The Inter-American Dialogue's **Financial Services Advisor** is published biweekly, with the exception of major holidays, from 1211 Connecticut Avenue, Suite 510 Washington, DC 20036  
Phone: 202-822-9002 Fax: 202-822-9553  
[www.thedialogue.org](http://www.thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each Advisor and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.