

Featured Special Report - 2009: A Year of Reckoning for Latin American Banks

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While the region's banks largely escaped the "first wave" of the global credit crisis, the challenges that they will face during the global economic slowdown, or the "second wave" of the crisis, are two-fold, as they will be confronted with both pressure on their traditional loan products and funding restrictions brought on by still-reticent capital markets. Although past experiences often point to rapid loan growth as a harbinger of banking crises, Latin American bank fundamentals have generally held up well through the growth period preceding the current crisis. Thus, capital levels continue to compare favorably on an international basis, supported by consistently strong earnings and hybrids issuance. Margins have supported growing levels of provisions, which have remained ahead of credit losses. Loan growth was largely funded by deposits and, while liquidity has tightened, proactive measures by regulators have helped support adequate levels of liquidity. The report highlights the key factors driving the sector's performance this year, providing an in-depth analysis for the banking systems in Argentina, Brazil, Chile, Colombia, Central America and Mexico. Contacts: Peter V. A. Shaw - +1 212 908 0553 - peter.shaw@fitchratings.com Franklin Santarelli - Andean Pact - +1 212 908 0739 - franklin.santarelli@fitchratings.com Ana Gavuzzo - Southern Cone - +5411 5235 8133 - ana.gavuzzo@fitchratings.com Media Relations: Tyrene Frederick-Mack - New York - +1 212-908-0540 - tyrene.frederick-mack@fitchratings.com. Ante cualquier consulta por favor no deje de comunicarse con Carolina Basualdo por mail carolina.basualdo@fitchratings.com o telefónicamente al 54 11 5235-8135, para recibir la versión pdf del informe.