

Following a restructuring in 2002, Uruguay's banking sector is observed to a significant consolidation. There are currently two state banks: Banco de la Republica Oriental del Uruguay (BROU) and Banco Ipotekario Uruguay (BHU), 13 private banks, including Banco Nuevo Komertsial (NBC), and a number of credit cooperatives. NBC has the most extensive branch network of all private banks and is the only national bank from the number of fractions.

In many cities, it is generally a single bank, not counting BROU.

The Central Bank formulates monetary and exchange policy, coordinating the work with the executive, admits the currency, and manages foreign exchange reserves, supervises banks and insurance companies. The Central Bank is not engaged in retail operations. Largest bank in Uruguay is BROU, which provides loans at the lowest and best bid in the country.

Since November 2002, a state bank owns 40% of deposits of the private sector, and provides more than one-third of loans to private residents.

After the incident in August 2002 banking crisis BROU froze dollar-denominated time deposits and developed a timetable for their return during the annual payments over three years (25% deposit in the first year, 35% - during the second year and 45% in the third year) .

In July 2002, the government suspended the activities of the banking system to prevent the diversion of money from bank accounts, which resulted in foreign exchange reserves declined from 3.1 billion dollars in late 2001 to 655 million by mid-2002

In 2003 BROU frees up the first tranche of term deposits post for two months before the planned deadline. Nevertheless, a large number of depositors left their money in the bank. Mortgage Bank (BHU) is a leading bank in providing loans to purchase housing.

During the banking crisis, the government shifted the time deposits in dollars in BHU BROU.

The Government of Uruguay agreed with the IMF restructuring scheme and strengthen BHU in connection with the lived through them financial hardship.

Insurance is a state monopoly until the mid 90's.

In 1996 a law was passed on de-monopolization of the insurance sector, excluding workers' compensation insurance.

Now private firms are allowed to compete with the state insurer - Banco de Seguros del Estado (Banco de Seguros del Estado (BSE)).

As a result, the banking crisis in 2002 ceased operations 4 banks (Banco Comercial, Banco de Credito, Banco Montevideo and Banco Caja Obrera), and created a new bank (Nuevo Banco Comercial), which includes all assets and liabilities of closed banks except for Banco de Credito.

Although Nuevo Banco Comercial is 100% owned by the state, it is controlled by private individuals.

Banco de Credito (formerly 51% owned by state and by 49% "Moon Group) was closed altogether.

"Edvent International - an international private firm recently announced its agreement to acquire the Government of Nuevo Bank Komertsial SA

(NBC) - the largest commercial bank of Uruguay.

The total purchase price of \$ 167 million.

Question of the acquiring bank must be resolved at the legislative level until December 2005 This will be the sixth investment group Edvent "in the financial sector in Latin America, where she has a great experience.

Private banks provide citizens with the short-term loans in U.S. dollars and take mostly dollar-denominated deposits (almost 95% of retail deposits in the private commercial banks made in U.S. dollars).

Most private banks, including those belonging to the U.S. capital, has successfully survived last year's banking crisis and timely payment of all deposits. Uruguay is traditionally considered a safe place to store funds for Argentine depositors, so that on the eve of the banking crisis in 2002 Argentines owned about 40% of total deposits in Bank of Uruguay.

However, many Argentine depositors withdrew their deposits in 2002 and the end of 2002 their share had dropped to 30%.

Offshore financial institutions provide a limited number of operations, for example, they have no right either to accept deposits from residents or open checking accounts.

Financial Institutions

Some domestic and foreign banks operating in Uruguay:

Banco de la Republica Oriental del Uruguay (Banco de la Republica Oriental del Uruguay (BROU))
Banco del Ipotekario Uruguay (Banco Hipotecario del Uruguay (BHU))
Nuevo Banco Komertsial (Nuevo Banco Commercial)
Banco acac (Banco ACAC)
Banco Santander Uruguay (Banco Santander Uruguay)
EychEsBiSi Bank (Uruguay) SA (HSBC Bank (Uruguay) SA)
Banco Sudameris (Banco Sudameris)
EychEsBiSi Bank (HSBC Bank)
Citibank NA (Citibank NA)
Bank of Boston (Bank Boston)
Lloyds TSB Bank Plc (Lloyds TSB Bank Plc)
ABN-Amro (ABN-AMRO)
Banco Bilbao Vizcaya Argentaria (Banco Bilbao Vizcaya Argentaria)
Bank of Nazionale del Lavaur (Banca Nazionale del Lavoro)
American Express Bank (American Express Bank)
Banco Europea couple Datin America (Banco Europeo para America Latina)
Banco Galicia (Banco Galicia)