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# Best Run Latin IPO´s Are Brazilian Banks, Study Shows

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Initial public offerings in Latin America have not been known for satisfactory corporate governance, but a study by Spain's Management & Excellence and LatinFinance magazine shows they have improved.

However, despite Brazil's overwhelming presence on the list of the top 14 IPOs according to corporate governance, our southern neighbors snag the top spot. Mexico's Banco Compartamos is Latin America's best governed IPO, according to the study, followed by two Brazilian banks in second and third place, Banco Pine and Banco Sofisa. In fourth and fifth place were Brazilian houses AGRA and Cremer. Of the remaining nine slots, all but one -- number nine was Argentina's Edenor -- went to Brazilian firms,

One conclusion was that public offerings in Mexico and Brazil fare better because their respective bourses, Bovespa and BMV, have already implemented governance guidelines for listed firms. Regional firms tend to favor Latin guidelines, as opposed to New York Stock Exchange regs, because, as the study notes, while Brazil requires that only 20% of the members be independent, NYSE stipulates that the majority be independent.

Another conclusion was that companies already listed are more transparent about corporate governance than those gearing up for an offering. The finding suggests that most companies do not seem to implement governance until they hit the market while big companies floating tend to have all their ducks in a row about a year before, if not sooner.