

Banking in Ecuador

Banking in Ecuador is not difficult. You can open a savings account even if you enter on a tourist visa. There are a number of banks serving the Ecuadorian public but the largest and most trusted are Banco Pichincha, Produbanco and Banco del Pacifico. I've listed their websites at the end of this article. When I say "most trusted" that is subjective based on me questioning many professional Ecuadorians over the last seven years up until the present time.

Banking with a US, or European bank is theoretically safer than banking with an Ecuadorian bank. But I'm not so sure when I look around and see all the bank failures in different so-called more stable countries. It is true that a few Ecuadorian banks did collapse in the economic crisis of 1999/2000. Perhaps the difference between bank collapses in Ecuador and those of the US and Britain is that our governments step in and don't allow the banks to fail, with one or two notable exceptions, whereas the Ecuadorian government may not have the means to protect depositors if there would be a bank default in Ecuador.

Never have all your eggs in one basket! Where should we turn to avoid problems. One solution I like is offered by Banco de Pichincha who conveniently have a branch in Cotacachi. The Pichincha Group (a holding company) also have a US bank in Florida, Pichincha de Miami, and a bank in Panama, Pichincha Panama. All three banks enjoy independent jurisdiction meaning that if you had funds in all three banks and one of them failed then your remaining funds would be safe.

Apart from the safety hedge perhaps the biggest convenience is that you could open three accounts in the three different banks and then using one electronic transfer window transfer funds between the different accounts. If you intend living in Ecuador or Panama this could be a very convenient way to bank.

There is even a Pichincha investment fund which would be a fourth haven for your money. I am not qualified to advise if that may or may not be a good place for your money but personally I would rather have money in Ecuadorian property at the moment rather than funds as, given the current economic situation, I can envisage receiving more capital growth from Ecuadorian property than the money markets at this time; especially so considering the increasing interest in our properties and Ecuador in general. This trend is underlined as living in Cotacachi for the last three years I have seen more and more visitors passing through town year on year.

To open a savings account at the Cotacachi branch of Banco de Pichincha you need to show your passport and a photocopy of it; produce two letters from Ecuadorian residents (Ecuadorian citizens OR foreigners) vouching they know you; an original copy of a utility bill from the place you are staying (not a hotel obviously); and deposit a minimum of \$200.

In the same Cotacachi bank they can open an account on your behalf in Pichincha Panama and Pichincha de Miami. The minimum deposits are \$1,500. You can also, instead of /as well as a savings account, open a certificate of deposit in one or all three banks. The minimum to open a CD in Ecuador is \$500 for 30 days. For Panama and Miami it is \$5,000.

In Ecuador another advantage of opening a CD is that you can use this as the proof and collateral to get a resident visa. Opening a CD of \$25,500 for one person (or \$26,500 for a married couple) for a minimum one year period is the amount needed in order to qualify for an investor visa. The deposited money is returnable and receives at the current time about 5% annual interest. Asking for your money revokes your right to residency. If you want to continue your residency you have to renew the residency and leave the money deposited for another year.

Buying a property that has a value in the local municipal tax register of more than the amounts stated above and then presenting the deed will also qualify you for the same visa. Most people choose this option as most who want residency want to live in their own property.

With the savings account you will receive an atm card and just the Banco Pichincha has nearly 700 atm

machines across Ecuador. But you need to be a resident in order to open a checking account and get a check book and avail yourself of other banking services.

If you have no desire to open an account at an Ecuadorian bank, with thousands of atm machines across Ecuador, if you have a debit card from your home bank that works in foreign countries you will have no trouble withdrawing money from one of those machines. Normally the maximum withdrawal is \$500 per day for security reasons. One thing to remember is that travelers checks to all intents and purposes are NOT accepted in Ecuador.

Finally, Cotacachi has one bank and three atm machines. Just 5 miles away, Otavalo has a dozen banks or more so plenty of cash is available for purchases in the famous Cotacachi leather stores and the even more famous handicraft markets of Otavalo.

Banco de Pichincha <http://www.p1.pichincha.com/web/index.php>

Prudobanco <http://www.produbanco.com/GFPNet/>

Banco del Pacifico <http://www.bp.fin.ec/>

Of course, the websites are in Spanish so if you don't speak the language and you wanted to open an account then the best option would be to take a Spanish speaking friend or an interpreter with you to the bank branch.