

LATINFINANCE

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CONFIDANTE Violy McCausland

Colombian-born Violy McCausland is the most colorful personality working in Latin American investment banking. Intense and direct, she has been extraordinarily successful at cultivating owners of Latin America's big family-owned companies, gaining their trust and their business. Violy, as she is universally known, is the first person bosses call when their companies need help with a deal. "Being an advisor, you really become the family doctor for all these companies," says McCausland. "You really are part of their mind, their inner soul, their family."

Her charges have changed a lot in the 20 years she has been in business, first at JP Morgan and later at her own firm, Violy, Byorum and Partners. She says in the 1980s, companies in Latin America didn't need to focus on quality because they operated largely as monopolies. "The entrepreneurial blood was there, but companies didn't have to excel at what they did," she



says. "They just had to do it." Over the next decade, everything changed as markets globalized, markets opened and companies struggled to survive. McCausland says that revealed reserves of resilience and inventiveness that

helped Latin American companies recover. "The 1980s were a time when everyone had to be very creative to prevent companies from dying," she says. Corporate reorganizations of the 1980s and 1990s brought a shift in management culture. "Companies started to have visionary management," she says. "People who said, 'we've got to buckle down, find resources, reinvest and keep competitive in a market.'"

McCausland is now unwinding a partnership with Stormy Byorum and restructuring their New York City-based firm. Violy says running her own firm fundamentally changed her views as an investment banker. "A lot of the things I was telling clients when I was at JP Morgan were all very academic," she says. "When you are running a company, you realize they are all very tough and complicated decisions, nonacademic decisions, and that your ability as a CEO to make those decisions is not so straightforward."

STRATEGIST Juan Mario Laserna

In 2003, Juan Mario Laserna took a break from the rigors of life in Bogotá to do a stint at the Inter-American Development Bank's capital market unit. Laserna, 35, was Colombia's director of public credit between 1999 and 2002, some of the toughest years in the emerging markets. He is young, ambitious and well-connected, so he will be back in Colombia before long. While at the IDB, he wants to develop local market corporate issuance in Latin America. This is a less demanding job than raising money for Colombia, but he says, "It is a good way of rounding my education."

Laserna cut some impressive deals for the government at a difficult time. He is a military history buff and earned a diploma in defense studies at Colombia's War College after taking an economics degree at Yale University. Aged only 24, he set up Colombia's first civilian office to oversee, analyze, and review security expenditure. He spent

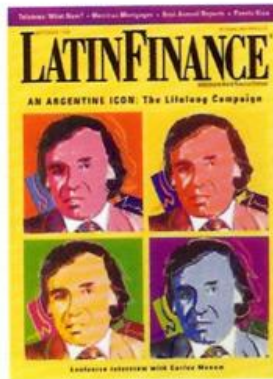
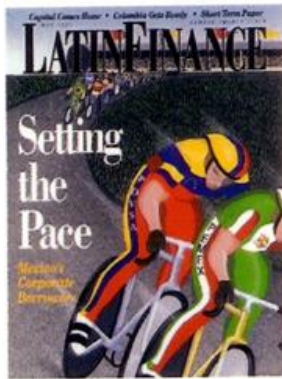
much of his time at the finance ministry preparing Colombia's financial defenses for the 2002 elections. "We created a financial *blindaje* (armor plating) that was able to withstand the Argentina crisis, the breakdown of the peace process and the volatility induced by elections," he says.

A \$750 million, World Bank-guaranteed bond in 2001 paved Colombia's way back into the capital markets after the county lost its investment grade rating. Laserna tapped the euro market with a series of small issues, which he calls "the guerilla approach" to capital markets. "We used guerilla tactics to strike for any deal in the curve. We went for three, five and 10-year points and did a lot of reopenings. We raised almost \$2 billion in euros." While at the Finance Ministry, Laserna diversified Colombia's bond issuance into the US, yen and euro markets and fleshed out a local fixed rate yield curve with tenors from three to 10 years. He also



carried out several exchanges totaling more than \$3.4 billion to improve Colombia's debt profile, including the first domestic bond exchange and the first exchange of external debt for local debt.

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people

Blockbuster transactions, political upheaval, financial crises and monumental reforms have transformed Latin America over the last 15 years. We have selected over 40 people — political leaders, finance ministers and central bankers, investors and bankers — who have led the region through this period of historic change. Some of their contributions are well known, while others have exerted a more subtle influence. Some have firmly established reputations, others are rising stars.

But what unites this group of people whom we feature on the following pages, is their commitment to Latin America, whether it is political or professional or simply a personal bond. They have made our coverage of the markets, the political scene and economic trends over the last 15 years a lively, controversial and rewarding ride.

