Financial Intermediation in Brazil

Data Summary 2013
Flow of Funds

Macro Level Institutions
- Institutions (laws and regulations)
- Quantity (simple indicators)
- Quality (theory-based performance)

Corporate Sector
- Institutions
- Quantity
- Quality

Household Sector
- Institutions
- Quantity
- Quality
Part I: Flow of Funds

- Financial Flows
- Capital Flows
  - Private Capital Flows
- Foreign Direct Investment
  - Net Inflows and Outflows (% of GDP)
  - Net Value (USD)
- International Remittances
Brazil

Financial Flows

Flow of Funds  
- Macro-level Institutions
- Corporate Sector
- Household Sector

Financial Flows (capital flows minus foreign direct investment)

Source: Latin American and Caribbean Macro Watch Output Data
Capital Flows

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Capital Flows (capital account balance plus errors and omissions)

Source: Latin American and Caribbean Macro Watch Output Data

Brazil
Private Capital Flows

Brazil

Total Private Capital Flows (% of GDP)

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Source: World Bank DataBank
Brazil

Foreign Direct Investment

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Foreign Direct Investment: Net Inflows and Outflows (% of GDP)

- Foreign direct investment, net inflows (% of GDP)
- Foreign direct investment, net outflows (% of GDP)

Source: World Bank DataBank
Foreign Direct Investment

Flow of Funds:  
- Macro-level Institutions
- Corporate Sector
- Household Sector

Foreign Direct Investment, net (BoP, current US$)

Source: World Bank DataBank
Brazil

Foreign Direct Investment

Foreign Direct Investment: Net Inflows (% of GDP)

Source: World Bank DataBank
Brazil Foreign Direct Investment

Flow of Funds: Macro-level Institutions, Corporate Sector, Household Sector

Foreign Direct Investment: Net Outflows (% of GDP)

Source: World Bank DataBank
Brazil

International Remittances

Workers' remittances, receipts (BoP, current US$)

Flow of Funds  ♦ Macro-level Institutions  ♦ Corporate Sector  ♦ Household Sector

Source: World Bank, Migration and Remittances Data
Brazil

Part II: Macro Level Institutions

- Financial Development Index
- Financial Liberation Index
- Banking Sector
  - Bank Entry Requirements
  - Bank Entry Openness and Discrimination
  - Capital Accounts Restrictions
  - Banking System Economic Outlook 2013
  - Banking Industry Country Risk Assessment (BICRA) Score
- Macro Indicators
  - Gross National Savings
  - Government Savings
  - Gross Capital Formation
  - M2 as a % of GDP
  - Domestic Credit to Private Sector
Brazil

Financial Development Index

Flow of Funds | Macro-level Institutions | Corporate Sector | Household Sector

Financial Development Index

2009 | 2010 | 2011 | 2012


Note: This index consists of seven pillars -- institutional environment; business environment; financial stability; banking financial services; non-banking financial services; financial markets; and financial access. The lower the score, the better financial development.
Brazil

Financial Liberalization Index

Flow of Funds ★ Macro-level Institutions ★ Corporate Sector ★ Household Sector

Financial Liberalization Index (scale: 0 to 18)

## Bank Entry Regulations

### Flow of Funds

<table>
<thead>
<tr>
<th>Public agency in charge of the approval of banking licenses</th>
<th>Banco Central do Brasil (Central Bank of Brazil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Capital Entry Requirement</td>
<td>Varies depending on the nature of banking businesses</td>
</tr>
<tr>
<td>Number of licenses required for banking activity</td>
<td>6</td>
</tr>
<tr>
<td>Sources of funds to be used as capital verified by authorities</td>
<td>Required</td>
</tr>
<tr>
<td>Law enforcement authorities</td>
<td>Consulted</td>
</tr>
<tr>
<td>Assets that cannot be used to increase capital</td>
<td>Assets other than cash/government securities (does not include borrowed funds)</td>
</tr>
<tr>
<td>Legal submission required for banking license</td>
<td>Draft by-laws; intended organizational chart; structure of board, market/business strategy; first 3-year financial projections; financial information on shareholders; background/experience of future board directors and senior managers; and the source of funds to be used as capital.</td>
</tr>
<tr>
<td>Maximum percentage of foreign ownership allowed</td>
<td>100%</td>
</tr>
<tr>
<td>In the past 5 years (2006-2010), number of foreign banks applications to enter through the acquisition of a domestic bank</td>
<td>14 out of 37 applications</td>
</tr>
<tr>
<td>Number of months it takes for a new banking license to be issued</td>
<td>15 months</td>
</tr>
</tbody>
</table>

Source: Bank Regulation Data, World Bank, 2011.
Bank Openness and Discrimination

<table>
<thead>
<tr>
<th>Flow of Funds</th>
<th>Macro-level Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Degree of Openness</th>
<th>Degree of Discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Components</td>
<td>Omit Rejection Rate</td>
</tr>
<tr>
<td>Actual Practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Brazil

| Brazil        | 0.225 | 0.291 | 0.175 | 0.241 | 0.15 | 0.275 | 0.225 | 0.341 | 0.15 | 0.2 |

*Higher values indicate less openness or more discrimination

Brazil practices a higher degree of openness and lower degree of discrimination for its domestic entrants. There is also a divergence between the levels of openness and levels of discrimination that it practices compared to the levels it committed to the WTO.

Source: WTO “Foreign Banking: Do Countries’ WTO Commitments Match Actual Practices?”
In Late 2009 Brazil imposed a foreign exchange transactions (IOF) tax on capital inflows in response to steep appreciation in the exchange rate and heavy capital inflows that resulted in the aftermath of the 2008 global financial crisis. The results:

- Total inflows: increased
- Composition:
  - Long-run impacts- decreased short-term, increased long-term flows
  - Short-run impacts- announcements were in reverse (increased short-term, decreased long).
- Asset Prices:
  - Long-run impacts- none
  - Short-run impacts- announcements reduced asset prices but the cumulative effect was offset by ADR announcement.
- Exchange Rate:
  - Long-run impacts- decreased level and volatility of Real.
  - Short-run impacts- decreased level and volatility only in first announcement.
- Monetary Autonomy: increased

In Brazil, growth should accelerate to 3.4% in 2013 and 3.8% in 2014 from only 0.9% last year. In spite of this cyclical recovery, which is still subject to high risks, we see a structural deterioration of the domestic macroeconomic environment.

Inflationary pressures forced the Central Bank of Brazil to start a monetary tightening cycle, which we expect to bring the SELIC rate to 8.75%, still relatively low for Brazilian standards. However, there is practically no room for a significant deceleration in inflation.

Fiscal policy is now more focused on supporting activity. Meeting targets and reducing the public debt are now secondary goals. This worsens the fiscal accounts and adds a burden to monetary policy.

The current-account deficit is expected to widen, in line with the appreciation of the exchange rate in real terms and the loss of competitiveness of the economy.

Source: BBVA Economic Outlook: Brazil 2nd Quarter 2013
Banking Industry Country Risk Assessment

Flow of Funds  ⚫ Macro-level Institutions  ⚫ Corporate Sector  ⚫ Household Sector

BICRA score* as of January 2013

*Lower score denotes less risk

Source: S&P's BICRA Assessment January 2013
Gross National Savings

Note: Gross savings are calculated as gross national income less total consumption, plus net transfers.

Source: World Bank (International Monetary Fund, Financial Access Survey)
Government Savings

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Gross Public Savings (% of GDP)

Year (*E denotes estimated projection)

Macro Research Department of Banco Itaú Unibanco S.A. ("Itaú Unibanco") (projections ITAU calculations)
Gross Capital Formation

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Gross Capital Formation (% of GDP)

Source: World Bank DataBank
M2 as a % of GDP

Source: World Bank DataBank
Domestic Credit to Private Sector

Flow of Funds  Macroeconomic Institutions  Corporate Sector  Household Sector

Domestic Credit Provided to Private Sector (% of GDP)

Source: World Bank DataBank

Brazil
Part III: Corporate Sector

- Corporate Regulation
  - Corporate Governance
  - Ease of Doing Business Index
  - Start-up Costs
  - Start-Up Environment Summary
  - Accounting Quality

- Stock Market Capitalization

- Large Firms
  - Marginal Product of Capital Dispersion
  - Tobin’s Q Dispersion

- Small Firms Financing
<table>
<thead>
<tr>
<th>Economic Freedom Score (out of 100)</th>
<th>57.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking (in 2013 index)</td>
<td>100th</td>
</tr>
<tr>
<td>Trend</td>
<td>Overall score is .2 point worse than last year, with gains in freedom from corruption and fiscal freedom offset by declines in labor and monetary freedoms.</td>
</tr>
</tbody>
</table>

**Freedom Trend**

**Country Comparisons**

- Brazil: 57.7
- World Average: 59.6
- Regional Average: 59.4
- Free Economies: 84.5

Source: The Heritage Foundation
Ease of Doing Business Index

Ranked 126 out of 183 countries in 2012.

Sources: World Bank Data Bank and Global Finance Magazine Online
Start-up Costs

Cost of Business Start-up Procedures
(% GNI per capita)

- Brazil
- United States
- G5 Average

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Source: World Bank DataBank
## Brazil

### Start-Up Environment Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Start-Up Environment Summary</th>
<th>Getting credit (rank)</th>
<th>Protecting investors (rank)</th>
<th>Macroeconomic Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business (rank)</td>
<td>121</td>
<td>104</td>
<td>82</td>
<td><strong>Macroeconomic Institutions</strong></td>
<td>3</td>
<td>66.7</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>13</td>
<td></td>
<td></td>
<td><strong>Corporate Sector</strong></td>
<td></td>
<td>156</td>
</tr>
<tr>
<td>Time (days)</td>
<td>119</td>
<td></td>
<td></td>
<td><strong>Household Sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum capital (% of income per capita)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dealing with construction permits (rank)</td>
<td>131</td>
<td>109</td>
<td>156</td>
<td><strong>Macroeconomic Institutions</strong></td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>17</td>
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<td><strong>Corporate Sector</strong></td>
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</tr>
<tr>
<td>Time (days)</td>
<td>469</td>
<td></td>
<td></td>
<td><strong>Household Sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Getting electricity (rank)</em></td>
<td>60</td>
<td>123</td>
<td>143</td>
<td><strong>Macroeconomic Institutions</strong></td>
<td>2600</td>
<td></td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>6</td>
<td></td>
<td></td>
<td><strong>Corporate Sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time (days)</td>
<td>57</td>
<td></td>
<td></td>
<td><strong>Household Sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>116.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- *Starting a Business* denotes a reform making it easier to do business.

Source: [www.doingbusiness.org](http://www.doingbusiness.org) 2012 report
Rules for listed filings

• Since 2010 the consolidated financial statements of listed companies are required to be prepared in accordance with both IFRS and CPCs (new Brazilian GAAP) simultaneously.
• IFRS as issued by IASB. However, certain options allowed in IFRS are not allowed in Brazil and some additional disclosures are required. For example revaluation of PP&E is not permitted by Brazilian corporate law. Also, early adoption of new or revised standards is generally not allowed.
• Subsidiaries of foreign companies or foreign companies listed on local exchanges not subject to different rules

Rules for statutory filings

• Statutory financial statements must be prepared in accordance with CPCs (Brazilian GAAP). As mentioned above, there are very few other differences between CPCs and IFRS. There is a CPC for SMEs which is essentially a translation of the IFRS for SMEs, but which can only be applied by entities which meet certain criteria (e.g. size based on revenue or assets).
• IFRS as adopted locally, but still compliant with IFRS as issued by IASB
• Banking and insurance companies are required to prepare consolidated financial statements in accordance with IFRS as published by the IASB as from 2010, although there was a temporary exemption in 2010 from providing comparative information and therefore, the transition date for some of those entities was 31 December 2011.

IFRS conversion plans

• Plans for converging - Fully converged

Brazil

Stock Market Capitalization

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Stock Market Capitalization (% of GDP)

Source: World Bank DataBank
## Brazil

### Large Firms

<table>
<thead>
<tr>
<th>Firm</th>
<th>Industry Type</th>
<th>Sales</th>
<th>Profits</th>
<th>Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrobras-Petroleo Brasil</td>
<td>Oil &amp; Gas Operations</td>
<td>$145.9B</td>
<td>$20.1B</td>
<td>$319.4B</td>
<td>$180B</td>
</tr>
<tr>
<td>Vale</td>
<td>Diversified Metals &amp; Mining</td>
<td>$55.4B</td>
<td>$20.3B</td>
<td>$127.6B</td>
<td>$126.8B</td>
</tr>
<tr>
<td>Itau Unibanco Holding</td>
<td>Major Banks</td>
<td>$75.5B</td>
<td>$7.4B</td>
<td>$426.2B</td>
<td>$91.2B</td>
</tr>
<tr>
<td>Banco Bradesco</td>
<td>Regional Banks</td>
<td>$79.8B</td>
<td>$5.9B</td>
<td>$397.1B</td>
<td>$65.3B</td>
</tr>
<tr>
<td>Banco do Brasil</td>
<td>Major Banks</td>
<td>$72.4B</td>
<td>$6.5B</td>
<td>$516.3B</td>
<td>$45.9B</td>
</tr>
</tbody>
</table>


Note: Forbes Largest 2000 public companies of the world are ranked on the basis of various parameters like score for the sales and profits, assets and the market value and some normalcy conditions.
Marginal Productivity of Capital (%)

Source: “Comparing equilibrium real interest rates: different approaches to measure Brazilian rates” (Marcelo Kfoury Muinhos, Márcio I. Nakane)
Tobin’s Q is the ratio between the market value and replacement value of the same physical asset. \[ Tobin's \ q = \frac{\text{(Value of Stock Market)}}{\text{(Corporate Net Worth)}} \]

Source: Corporate Valuation around the World: The Effects of Governance, Growth, and Openness, Choong Tze Chua, Cheol S. Eun, Sandy Lai,
Part IV: Household Sector

- Consumer Laws and Regulations
- Consumer Quantity Indicators
  - Financial Access
  - Quantity Indicators
- Consumer Performance Indicators
- Cash-flows
  - Savings and Loans
  - B/S Market
Brazil

Consumer Laws and Regulations

Flow of Funds  ◇  Macro-level Institutions  ◇  Corporate Sector  ◇  Household Sector

◇ Regulations Index and Rankings

◇ Legal Rights Index

◇ Consumer Rights Protections

◇ Real Estate Loan Regulations
Regulations Index and Ranking

Brazil Regulations Ratings

- Overall (chain-linked)
- Credit Market Regulations
- Labor Market Regulations
- Business Regulations
- Ranking of 144 Countries (right-axis)

Source: Free the World 2012 Report
Brazil

Legal Rights Index

Flow of Funds  Maco-level Institutions  Corporate Sector  Household Sector

Strength of Legal Rights Index

Source: World Bank DataBank
Consumer Rights in Brazil only acquired visibility after the Constitution of 1988, responsible for reestablishing democracy in the country after a long dictatorship. Following the US model, the Government issued the Consumer Defense Code (Código de Defesa do Consumidor) in 1991, a law that would organize all the rules to protect consumers. Also, the Code came to discipline the relations and responsibilities between providers and consumers, establishing standards of conduct, terms and penalties.

The Brazilian Consumer Defense Code (Federal Law 8.078) summarized below:

- **Life and Health protection**: Before selling, providers must warn their consumers about the possible risks a determined product or service can offer.
- **Education for consumption**: Consumers have the right to be given proper orientation about the adequate use of products and services.
- **Freedom of choice**: Consumers have the right to choose the products and services that better fill their needs.
- **Information**: Every product must bring clear information about its amount, weight, composition, price, possible risks and how to use it. Consumers also have the right to know every detail about their purchased services.
- **Protection against misleading or abusive advertisement**: Consumers have the right to demand for everything that was promised in the add. If what was announced was not complied, then consumers have the right to cancel the purchase and have their money back. Misleading or abusive advertisements are considered a crime.

**Contractual protection**: The Code protects consumers in case of non fulfillment of contract terms or when the terms are damaging to them. In this case, the judge can cancel or modify the clauses.

**Indemnity**: When damaged, consumers have the right to be indemnified by whom sold the product or provided the service, including moral damage.

**Access to Justice**: The consumer whose rights were violated can appeal to court and ask the judge to force the provider to respect his rights.

**Facilitation of rights defense**: An example is the inversion of the burden of the proof. That means that it will be the provider the one obliged to bring proof that he is innocent, not the consumer will have to prove that the provider is guilty.

**Quality of Public Services**: There are rules present in the Code that assure the quality in public services, as well as a good customer service by public institutions or concessionary companies of those services.

Real Estate Loan Regulations

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

<table>
<thead>
<tr>
<th>Bank</th>
<th>Maximum Housing Loan</th>
<th>Maximum % of real estate eligible for financing</th>
<th>Collateral Required</th>
<th>Maximum Loan Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradesco</td>
<td>400,000</td>
<td>80%</td>
<td>property being financed</td>
<td>30 years</td>
</tr>
<tr>
<td>Itau</td>
<td>800,000</td>
<td>80%</td>
<td>property being financed</td>
<td>30 years</td>
</tr>
<tr>
<td>Banco do Brasil</td>
<td>Between 20,000 and 1.5 million</td>
<td>90%</td>
<td>property being financed</td>
<td>30 years</td>
</tr>
</tbody>
</table>

Other Regulations from the National Monetary Council:

- Interest rates: 12% per annum for individuals purchasing a home or 13% per annum for builders constructing flats for residential purposes
- Monetary adjustment of principal and installment: monthly by the same index that is applied to savings deposits
- Maximum value of the real estate unit being financed: R$180,000 (approximately R$ 104,000)
- Maximum financing value: R$ 90,000 (approximately US$ 52,000)
- Maximum Loan to Value (LTV) : 90% (market practice is 50% to 60%)
- Maximum term: 48 months (production) 20 years (purchase) (market practice is 10 to 12 years for purchase)
- Loans must be made to finance the construction or purchase of residential units only.
- The collateral of the loan is the mortgage of the unit being financed.
- Insurance policies: life and permanent disability of the borrower(s) and damages to or losses of the real property unit being financed

Brazil

Quantity Indicators

<table>
<thead>
<tr>
<th>Flow of Funds</th>
<th>Macro-level Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Sector Participation: Savings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Sector Participation: Loans</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Bank Branch Access</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Banking Sector by Share</td>
<td></td>
<td></td>
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<tr>
<td>Banking Sector by Type of Institution</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Domestic Credit</td>
<td></td>
<td></td>
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<tr>
<td>Household Credit Composition</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Household Access to Amenities</td>
<td></td>
<td></td>
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<tr>
<td>Household Access to Technology</td>
<td></td>
<td></td>
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<tr>
<td>Automobile Ownership</td>
<td></td>
<td></td>
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<tr>
<td>Mobile Phone Subscriptions</td>
<td></td>
<td></td>
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<tr>
<td>Tertiary Education</td>
<td></td>
<td></td>
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<tr>
<td>Pensions</td>
<td></td>
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<td></td>
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<tr>
<td>Life Insurance</td>
<td></td>
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</tr>
</tbody>
</table>
Brazil

Financial Sector Participation: Savings

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Savings in 2011 (% of population 15+)

- Account at a formal financial institution  56%
- Saved at a financial institution in the past year  10%
- Saved any money in the past year  21%
- Saved using a savings club in the past year  2%
- Has a credit card  29%
- Has a debit card  41%

Source: World Bank Global Findex
Financial Sector Participation: Loans

Source of Loans in 2011 (% of population 15+)

- Loan in the past year
- Loan from a financial institution in the past year
- Loan from a private lender in the past year
- Loan from an employer in the past year
- Loan from family or friends in the past year
- Loan through store credit in the past year

Source: World Bank Global Findex
Financial Sector Participation: Loans

Number of Depositors and Borrowers (per 1000 adults)

Flow of Funds Macro-level Institutions Corporate Sector Household Sector

Source: World Bank (International Monetary Fund, Financial Access Survey)

Note: Data includes number of resident customers that are nonfinancial corporations (public and private) and households.
Bank Branch Access

Flow of Funds  ◆ Macro-level Institutions  ◆ Corporate Sector  ◆ Household Sector

Bank Branches (per 1000 adults)

Note: Data includes retail locations of resident commercial banks and other resident banks that function as commercial banks that provide financial services to customers and are physically separated from the main office but not organized as legally separated subsidiaries.

Source: World Bank (International Monetary Fund, Financial Access Survey)
Three state-owned banks (Banco do Brasil (BB), BNDES and Caixa Econômica Federal (CEF)) are amongst the 10 largest banks in the country. In terms of total assets, BB, BNDES and CEF rank first, fourth, and fifth, respectively. State-owned banks accounted for 42.4 percent of assets, 45.6 percent of credit, 46.3 percent of total deposits, 45.8 percent of labor force, and 41.5 percent of branches in the banking sector.
Banking Sector by Type

Number of Financial Institutions in 2010

Flow of Funds  ◇ Macro-level Institutions  ◇ Corporate Sector  ◇ Household Sector

- Universal, commercial and investment banks: 174
- Development Banks: 4
- Savings Bank: 1
- Exchange Bank: 1
- Credit Unions: 1388
- Consortium Managing Companies: 302
- Securities brokerage and distribution companies: 271
- Finance Companies: 61
- Leasing Companies: 32
- Housing Finance System: 21
- Development Agencies: 15
- Microentrepreneur and Small Business Credit Companies: 45

Source: BCB/UNICAD, June 2010
Domestic Credit

Domestic Credit Indicators (% of GDP)

Source: World Bank (International Monetary Fund, Financial Access Survey)
Household Credit Composition

Household Credit in 2011 (% of total)

- Durable goods (including vehicles), 24.1%
- Housing, 20.7%
- Personal Credit, 17.2%
- Rural and Agricultural Credit, 11.1%
- Other Credit, 10.4%
- Other personal Credit, 10.3%
- Credit Card, 4.2%
- Overdraft, 2%

Source: SCR - Credit Information System of the Brazilian Central Bank - 2011
Brazil

Household Amenities

Flow of Funds  🔹 Macro-level Institutions  🔹 Corporate Sector  🔹 Household Sector

Household Access (% of total population)

Source: stats.gov BRICS report 2011
Access to Technology

Flow of Funds  ❇️ Macro-level Institutions  ❇️ Corporate Sector  ❇️ Household Sector

Household Access (% of population)

stats.gov BRICS report 2011
Brazil

Auto Ownership

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Number of Registered Vehicles

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Registered Vehicles</td>
<td>64,817,974</td>
</tr>
<tr>
<td>Trend</td>
<td>9.19% increase from 2009-2010</td>
</tr>
<tr>
<td></td>
<td>119% increase from 2000-2010</td>
</tr>
<tr>
<td>Ratio to Population</td>
<td>Average 1 car per every 2.94 residents</td>
</tr>
</tbody>
</table>

Source: g1.globo.com, Denatram
Mobile Phone Subscriptions

Mobile Cellular Subscriptions (Per 100 People)

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Source: World Bank DataBank
In 2012, **11%** of Brazilians ages 25-64 had attained tertiary level of education. Compared to the OECD average of 31%, Brazil ranks **38 of 41 countries**.

In 2011, the average number of years of education received by people ages 25 and older was **7.2 years**.

Source: OECD Brazil Country Note 2012  World Bank DataBank; UNESCO Institute for Statistics
Pensions

Flow of Funds  ♦ Macro-level Institutions  ♦ Corporate Sector  ♦ Household Sector

Pension Assets (% of GDP)

Source: World Bank Databank
Life Insurance

Insurance Premium (billions of Reals) and Penetration (% of GDP)

## Performance Indicators

<table>
<thead>
<tr>
<th>Flow of Funds</th>
<th>Macro-level Institutions</th>
<th>Corporate Sector</th>
<th>Household Sector</th>
</tr>
</thead>
</table>

- Household Income
- Unemployment Rate
- Household Balance Sheet
  - Use of Loans (Flow)
  - Interest Income and Expense
  - Household Wealth
  - Real Assets Composition
Brazil

Household Income

Flow of Funds  ♦  Macro-level Institutions  ♦  Corporate Sector  ♦  Household Sector

Income in 2008 by Source (as % of total income)

0 10 20 30 40 50 60 70 80 90 100

76.05 2.17 2.15 4.74 14.9

Income from all Jobs  Other Private Incomes  Public Transfers  Social Security (basic benefit)  Social Security above > MW

* Public transfers = Bolsa-Familia (Conditional Cash Transfer program)
* Basic Benefit = Floor Social Security Program (minimum wage)
* Social Security above > MW = Program After-floor > MW

Source: CPS/FGV based on microdata from PNAD/ IBGE.
Brazil

Unemployment Rate

Flow of Funds ✧ Macro-level Institutions ✧ Corporate Sector ✧ Household Sector

Unemployment Rate (% of labor force)

Source: World Bank Databank
Use of Loans

Use of Loans in 2011 (% of population 15+)

- Outstanding loan for purchasing a home
- Outstanding loan for paying school fees
- Outstanding loan for home construction
- Outstanding loan for health or emergencies
- Outstanding loan for funerals or weddings

Source: World Bank Global Findex
Interest Income and Expense

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Interest Income and Expense (in thousands of Brazilian Reals)

Source: Banco Central do Brasil, Financial Statements
Brazil

Household Wealth

Flow of Funds  ★  Macro-level Institutions  ★  Corporate Sector  ★  Household Sector

Wealth per adult (in USD)

Source: Credit Suisse Global Wealth Databook 2011