

# BRAZIL

## Overview of Banking Market



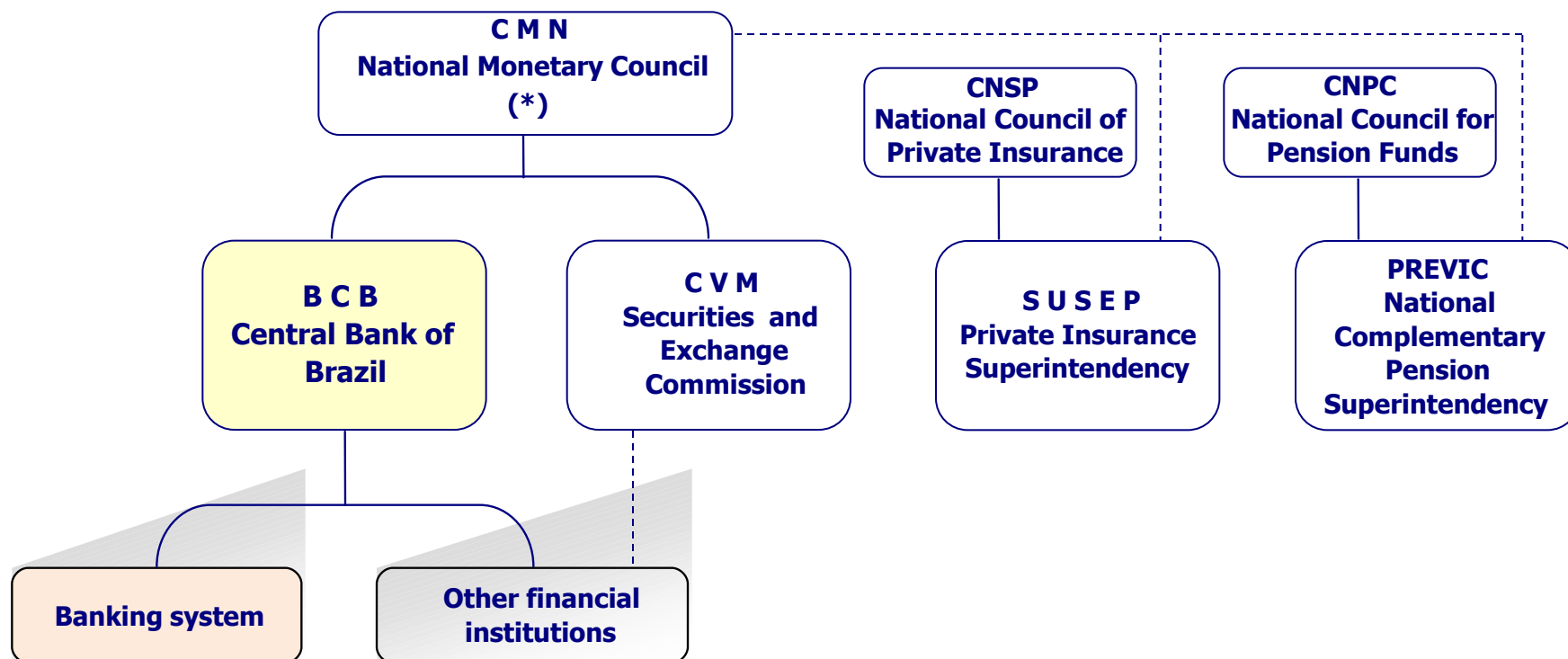
**BANCO CENTRAL DO BRASIL**

## **Deputy Governor for Banking Supervision (DIFIS)**

**July 26th, 2018**

## **I. Banco Central do Brasil – Supervision Structure**

## **II. Overview of Brazilian Financial System**

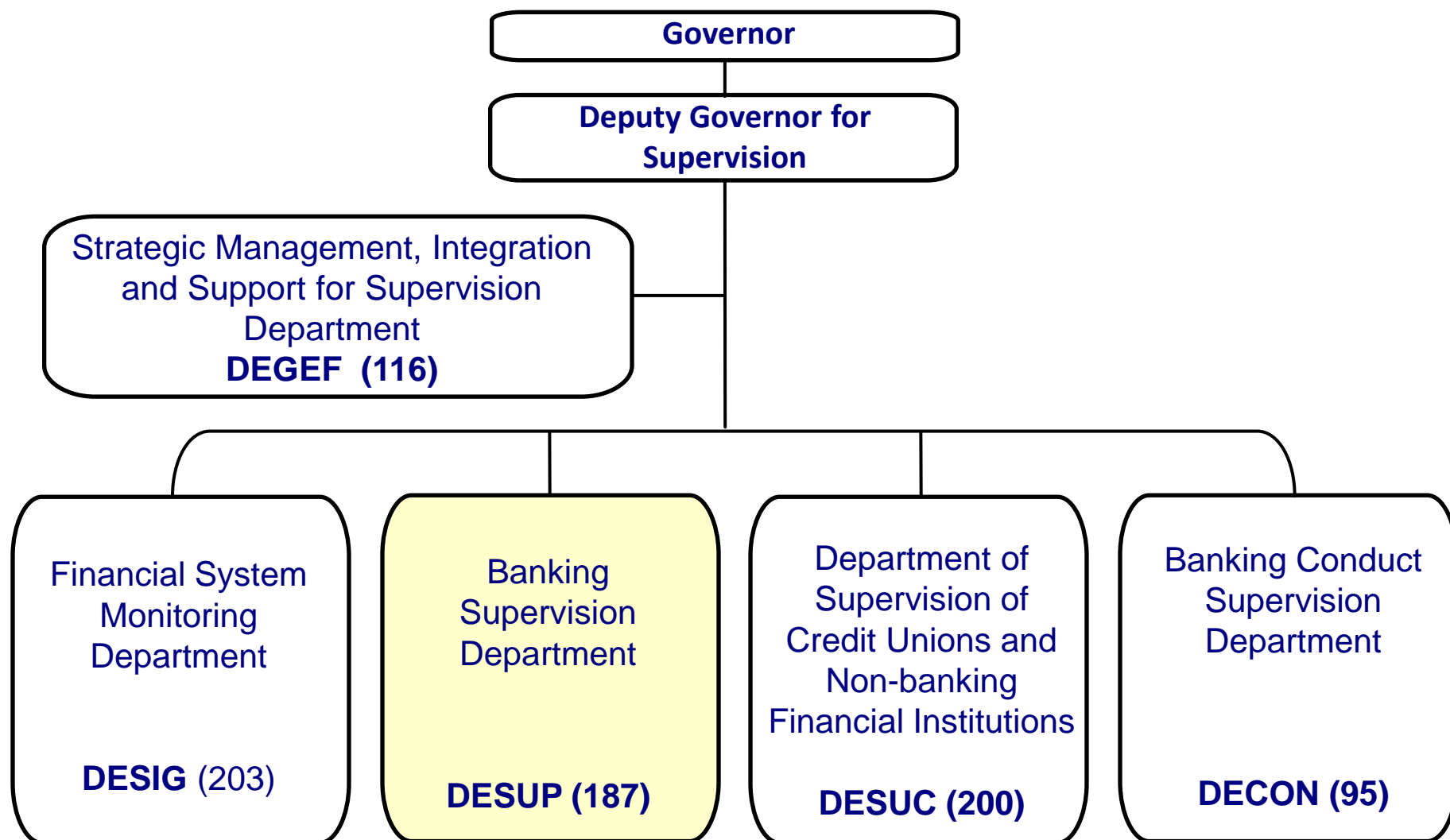


(\*) The CMN consists of the Finance Minister, the Planning Minister and the President of Central Bank of Brazil

## *Banco Central do Brasil* – Institutional Mission

- To ensure the stability of the currency's purchasing power and a solid and efficient financial system;

- Deputy Governor for Supervision
- Deputy Governor for Licensing and Resolution
- Deputy Governor for Regulation
- Deputy Governor for Economic Policy
- Deputy Governor for Monetary Policy
- Deputy Governor for Institutional Relations and Citizenship
- Deputy Governor for International Affairs and Risk Management
- Deputy Governor for Administration






BANKING SYSTEM	
Commercial Banks	154
Investment Banks	14
Development Banks	4
Banco do Brasil and Caixa Economica Federal	2
<b><u>BANKING SYSTEM TOTAL</u></b>	<b><u>174</u></b>
NON BANKING SYSTEM	
Securities Brokerage Companies	239
Credit Unions	1032
Consortiums	159
Others	144
<b><u>NON BANKING SYSTEM TOTAL</u></b>	<b><u>1574</u></b>
<b><u>TOTAL</u></b>	<b><u>1748</u></b>

Source: <http://www.bcb.gov.br/fis/info/instituicoes.asp>



# Brazilian Largest Banks

	Bank	Market share credit to individuals
	Caixa	31,8%
	Banco do Brasil	18,9%
	Itaú	11,8%
	Bradesco	10,4%
	Santander	8,7%

# Fintechs

## Business Lending

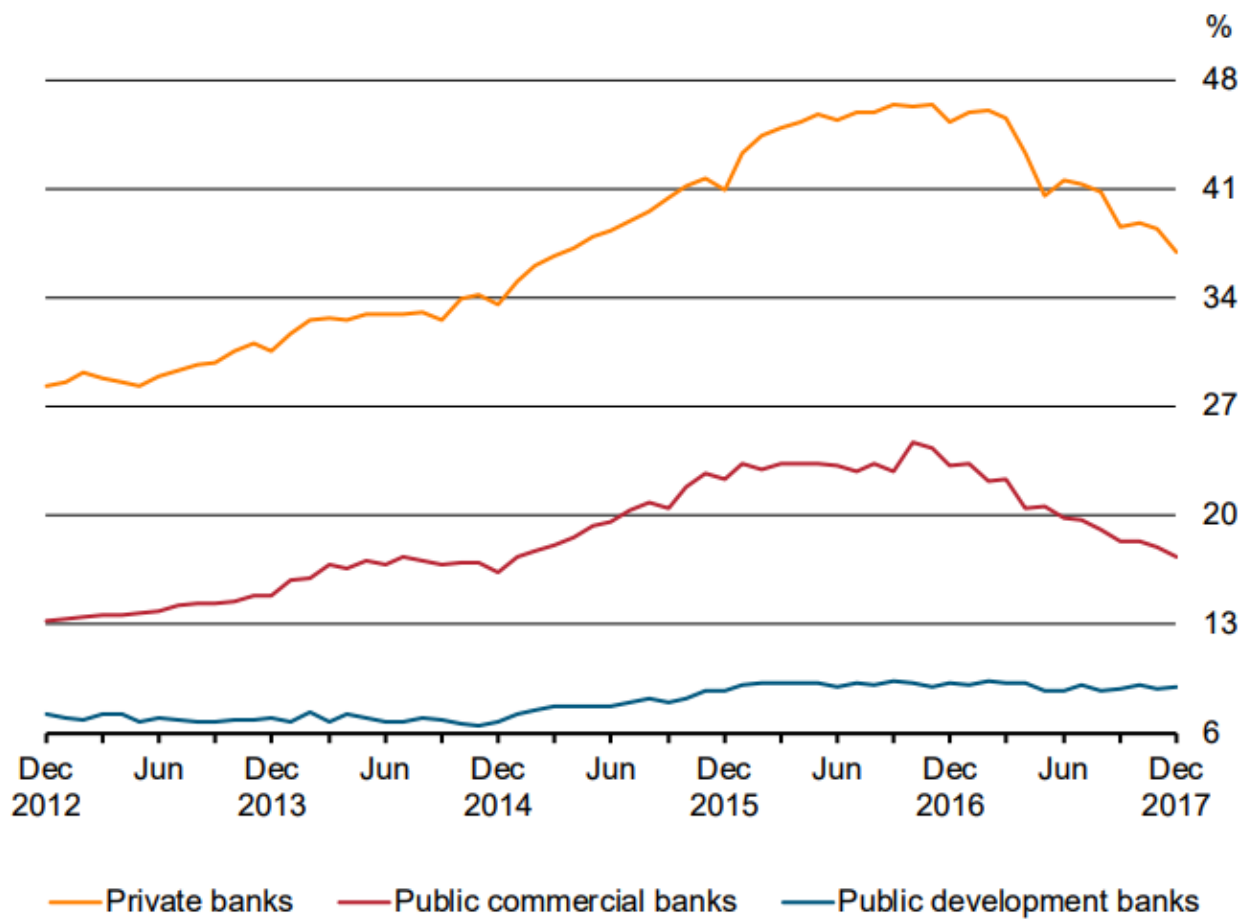
## Consumer Lending

## Digital Banking

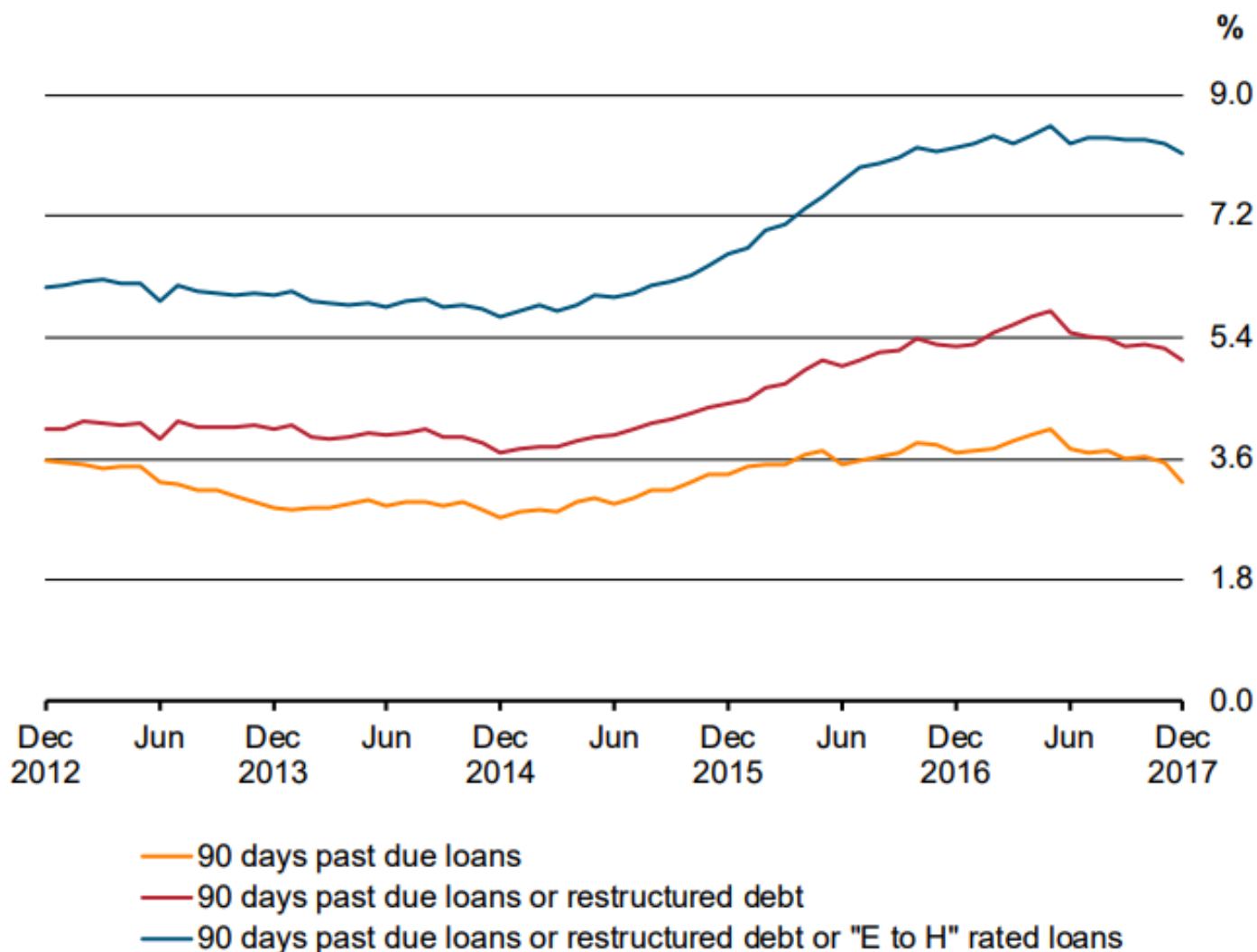
## Wealth Management



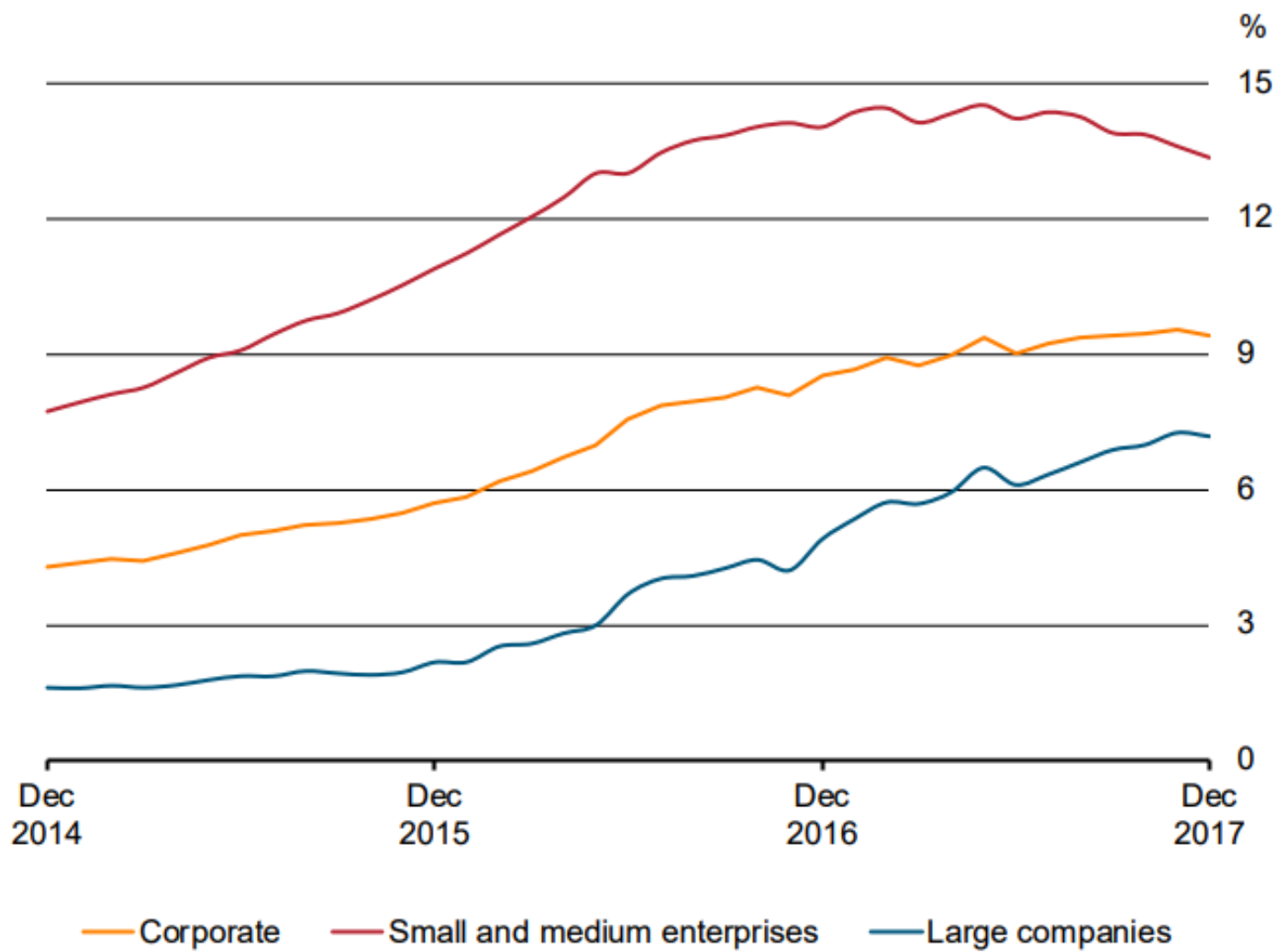
# Average interest rate – new loans



# Problem assets



# Problem assets



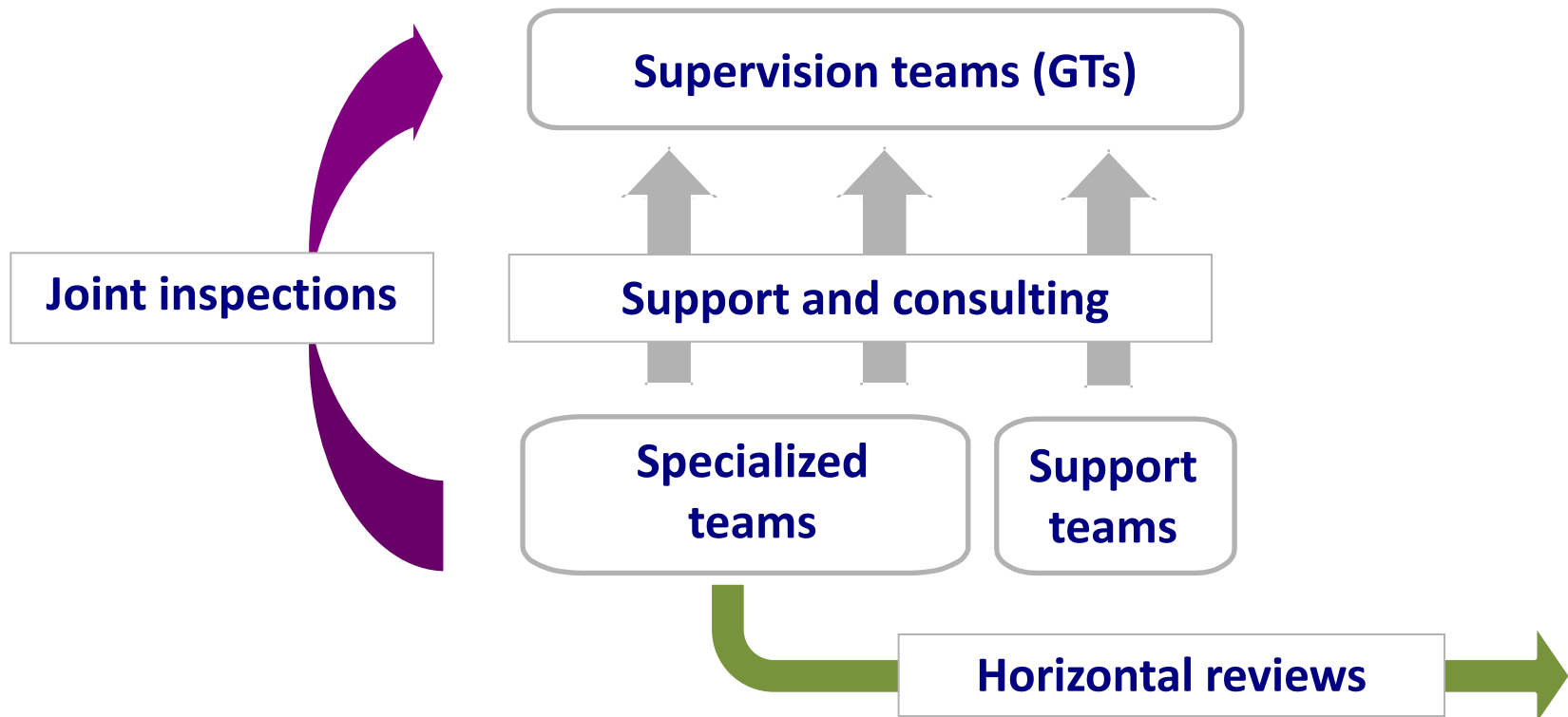


**BANCO CENTRAL DO BRASIL**

## **Banking Supervision (DIFIS)**

# Adittional material

## ✓ Supervision of Banks and Banking Conglomerates

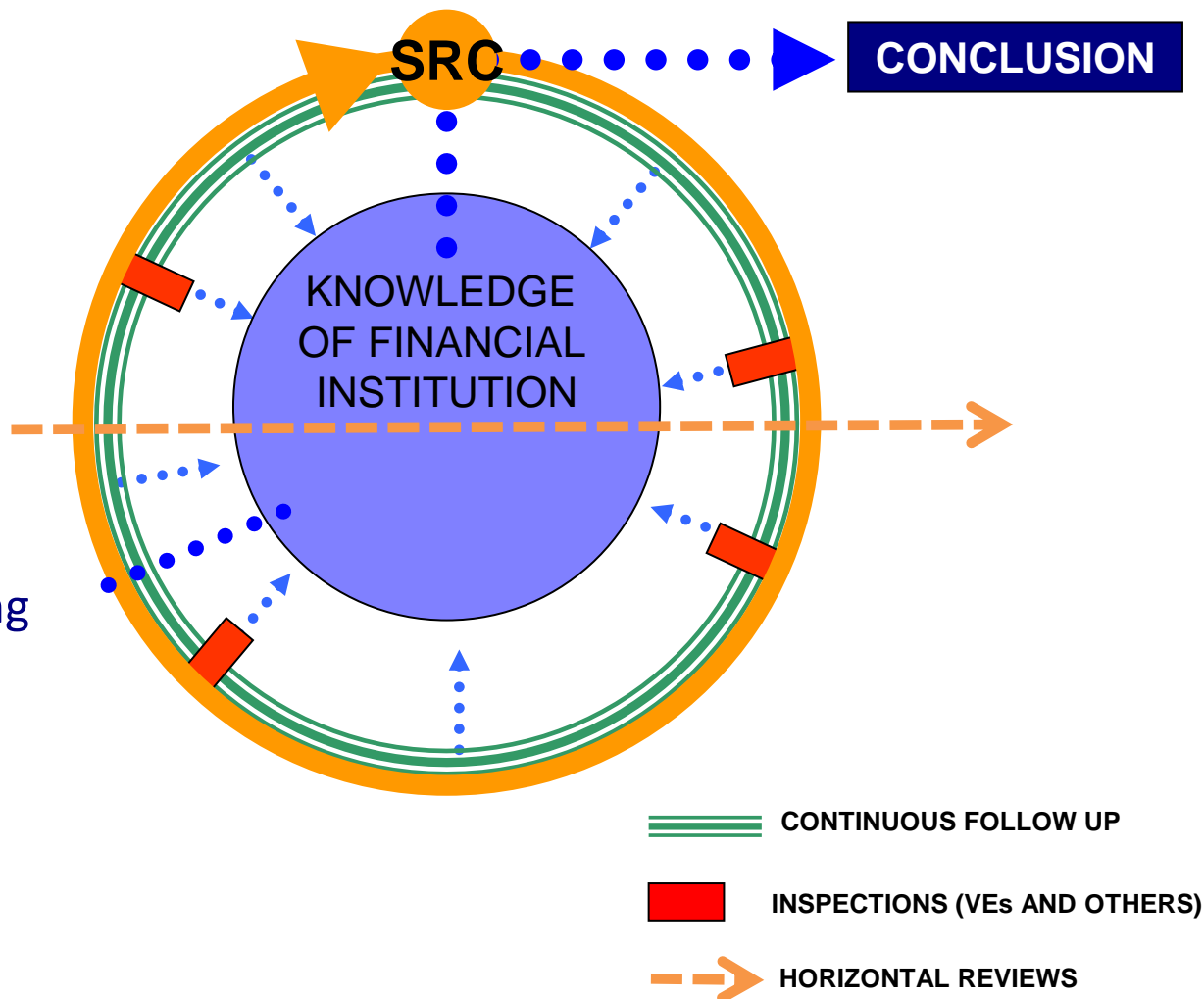




## SUPERVISION CICLE

Risk Assessment System  
(SRC):

- ANEF: Economic and Financial Analysis
- Inspections
- Continuous Monitoring
- Horizontal Reviews



### Quantitative Analysis

- Capital Adequacy
- Quality of Assets
- Liabilities
- Liquidity
- Profitability

### Qualitative Analysis

- Credit risk
- Operational risk/legal
- Market risk
- Liquidity risk
- **Strategy risk**
- Reputation risk
- IT risk
- ML risk

**Final score**

1, 2, 3 or 4  
Best ← ————— → Worst

Communication of  
Results: to Banks  
and Regulators