



Roundtable in Brazilian Banking Federation with Russian Delegation

27th of February 2012

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Agenda

- **About Us;**
- **Mission and Values;**
- **Small and Médium Sized (SMID) Banks;**
- **Characteristics of the Small and Médium Sized SMID Banks;**
 - **Assets**
 - **Funding**
- **Importance of the SMID Banks;**
- **Prospects and Challenges.**

About Us

- Entity created in March 1983 that gathers over than **80 institutions, which are mainly SMID banks;**
- Ours purpose is to contribute to the Brazil's sustainable economic development and to strengthen the Financial System;
- ABBC activities relies on three pillars: **Institutional, Services and Education.**

Mission and Values

- **Mission**

"Contribute to the sustained economic development of Brazil and the strengthening of the Financial System, representing its associates, acting to defend free enterprise, broad competition, preserving the consumer's freedom of choice and its rights and contributing to society's welfare."

- **Values**

Sustainability: commitment to the future

Diversity: respecting the differences

Responsibility: social and environmental commitment

Values: people and free initiative

Conduct: ethics

Transparency: in favor of society

Small and médium sized (SMID) Banks

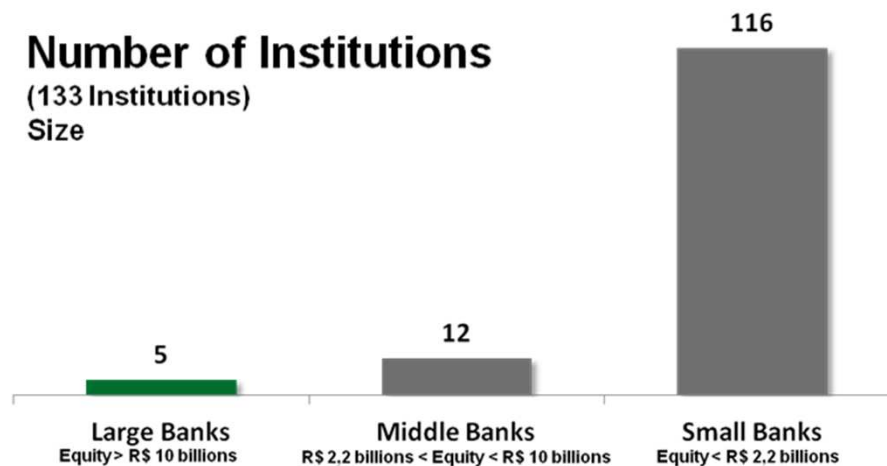
SMID = Banks with Equity < R\$ 10 billions

Medium and Small Banks		
September/11	SMID	Financial System
	R\$ billions	%
Equity	109	29%
Assets	1.063	24%
Credit Operations	367	24%
Deposits	335	21%

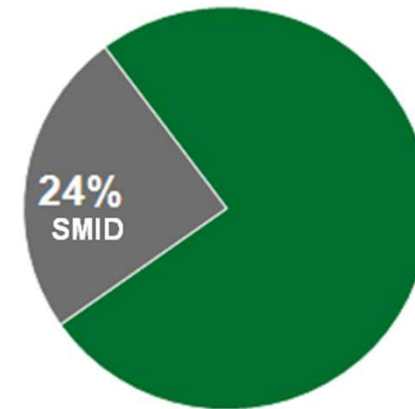
Source: Brazilian Central Bank / September 2011

Number of Institutions

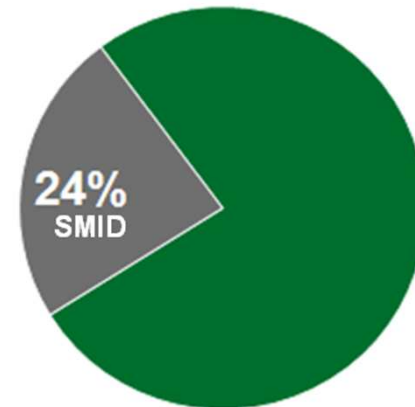
(133 Institutions)
Size



Assets



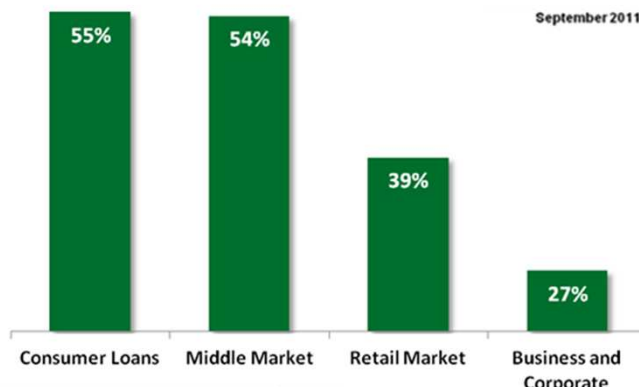
Credit Operations



Characteristics of the SMID Banks - Assets

Credit Operations / Assets
Niches

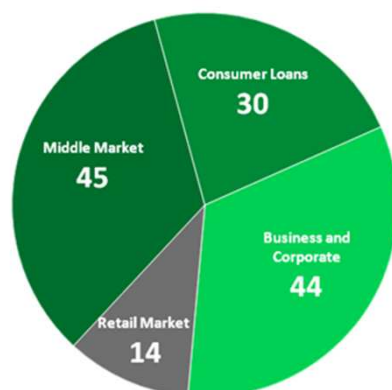
September 2011



Source: Brazilian Central Bank / ABBC

- **Higher participation of credit** in operational activities;
- Main products: **payroll loans, personal and consumer loans, vehicle acquisitions loans, credit for small and middle companies;**

Number of Institutions
(133 Institutions)
Niches



Source: Brazilian Central Bank / ABBC

- **Distribution** of products made by **banking correspondents** (capillarity);
- **Agility, flexibility and skill** in specific niches;
- **Personalized and tailor made services.**

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Characteristics of the SMID Banks - Funding

- **Structure:**

CDBs;

DPGEs;

LCAs;

Credit Assignment Agreements;

FDICs - Credit Rights Investment Funds;

International Capital Market (Bonds);

Letras Financeiras.

- **Covered Bonds:**

Alternative to provide long term funding.

Importance of the SMID Banks

- **Credit democratization, enabling inclusion of low-income individuals into the financial market;**
- **The network of banking correspondents has fundamental importance in the growing process of financial and social inclusion;**
- **Important role to promote a more competitive environment in the banking industry.**

Prospects and Challenges

