



FOR IMMEDIATE RELEASE

CREDITAS RELEASES 2017 BRAZIL LENDING MARKET REPORT

With a mission of lowering interest rates by making secured loans mainstream, fintech startup counts on new distribution channels to democratize this type of credit in Brazilian market.

New York, March 6, 2017 – [Creditas](#) announced today at the [Lendit USA](#) gathering of 5,000 fintech and lending executives in New York City, the release of its [2017 Brazil Lending Market Report](#), an overview of the trends in the consumer lending space. The report provides an update to the 2016 edition also released at Lendit last year.

In the midst of the biggest economic crisis in recent history, Brazilian banks have continued increasing banking spreads, which now stand at 32.8% compared to 27.8% a year ago. Consumers today are paying 41.9% for their debt, despite a reduction in the benchmark rate of the economy and lower funding costs of the banking industry. Ironically, NPLs continue to improve and stand at an overall 4.0% vs. 4.3% a year ago despite the fact that unemployment rates continue to increase and now stands at 12.6%.

“Banks continued to do what they do best: managing the quality of the portfolio by increasing the spreads and not transferring the reduction of the basic interest rates to the consumer,” says Sergio Furio, Creditas’ CEO.

On an inflation-adjusted basis, outstanding debt reduced by 1.9% year-over-year, compared to an accelerated growth of 10% over the last decade. Outstanding consumer debt is now R\$1,565 billion (US\$504 billion). Brazilians have on average US\$2,557 in consumer debt compared to US\$39,313 of Americans. However, the per capita net interest margin is US\$839 compared to US\$1,119 of Americans.

In the secured lending space, total outstanding auto loans stand at R\$143bn (US\$41bn), a 15.1% reduction in real terms from a year ago. The average loan spread widened to 14.7% while loans more than 90 days in arrears increased from 4.3% to 4.6%. The auto fleet increased in size to 51.3 million. Used car sales represent 85.6% of total car sales and average car financing is R\$2,800 (US\$903) vs. R\$3,234 a year ago.

Mortgages continue to grow, the balance reaching R\$536bn (US\$173bn). However at 34.3% of total family debt, they still comprise a relatively small portion of low-cost financing. Rates increased both for market-rate and earmarked loans to an average of 10.9% (15.4% and 10.2% respectively) with the spread widening to 3.8%. Mortgages today represent 8.5% of GDP vs. 8.4% a year ago.

About Creditas

Creditas (formerly BankFacil) is a digital credit platform focused on secured loans. Its mission is to reduce high interest expenses in Brazil. Based in São Paulo, Creditas has 120 employees and uses technology and data intelligence to generate efficiency and reinvent the experience of the borrower. Its hybrid financing model allows them to originate loans secured by homes or cars with the resources of both institutional investors and financial institutions. In addition to secured loans, the company operates in the car finance segment in the C2C market. Creditas is supported by venture capital funds including Redpoint eventures, Kaszek Ventures, Quona Capital, QED Investors, IFC and Naspers Fintech. For more information, visit: <https://www.creditas.com.br>

About LendIt

LendIt is the world's largest event series dedicated to connecting the fintech and lending community. Our conferences bring together the leading lending platforms, investors, and service providers in our industry for unparalleled educational, networking, and business development opportunities.

LendIt hosts three conferences annually: our flagship conference LendIt USA as well as LendIt Europe in London and LendIt China in Shanghai. LendIt USA 2017 will be held in New York from March 6 - 7. Learn more at <http://www.lendit.com/>.

Contacts

Sergio Furio, Founder & CEO: sergio@creditas.com.br, +55 11 96494 2042

Nicole Simms, Funding analyst: nicole.simms@creditas.com.br, +55 11 3522 8009