Vehicle Financing Market

October/2021

B3.COM.BR

INTRODUCTION

The vehicle financing market structure was developed by B3 together with financial institutions as a solution to bring agility and security to the process of collateral provision in the Brazilian financial system.

SNG (National Liens System) is a system that manages the financial restrictions on motor vehicles, and its main objective is to provide banks, lending firms, leasing companies and purchasing pool administrators with information about vehicles offered as collateral in a credit transaction.

After SNG was created, fraud involving credit transactions for vehicle financing in the Brazilian market was virtually extinguished.

This file contains detailed information on the performance of the Brazilian vehicle financing market and on the penetration of financing on vehicle sales (source: Fenabrave) and comes as a complement to the vision of the vehicle credit portfolio (source: Central Bank of Brazil).
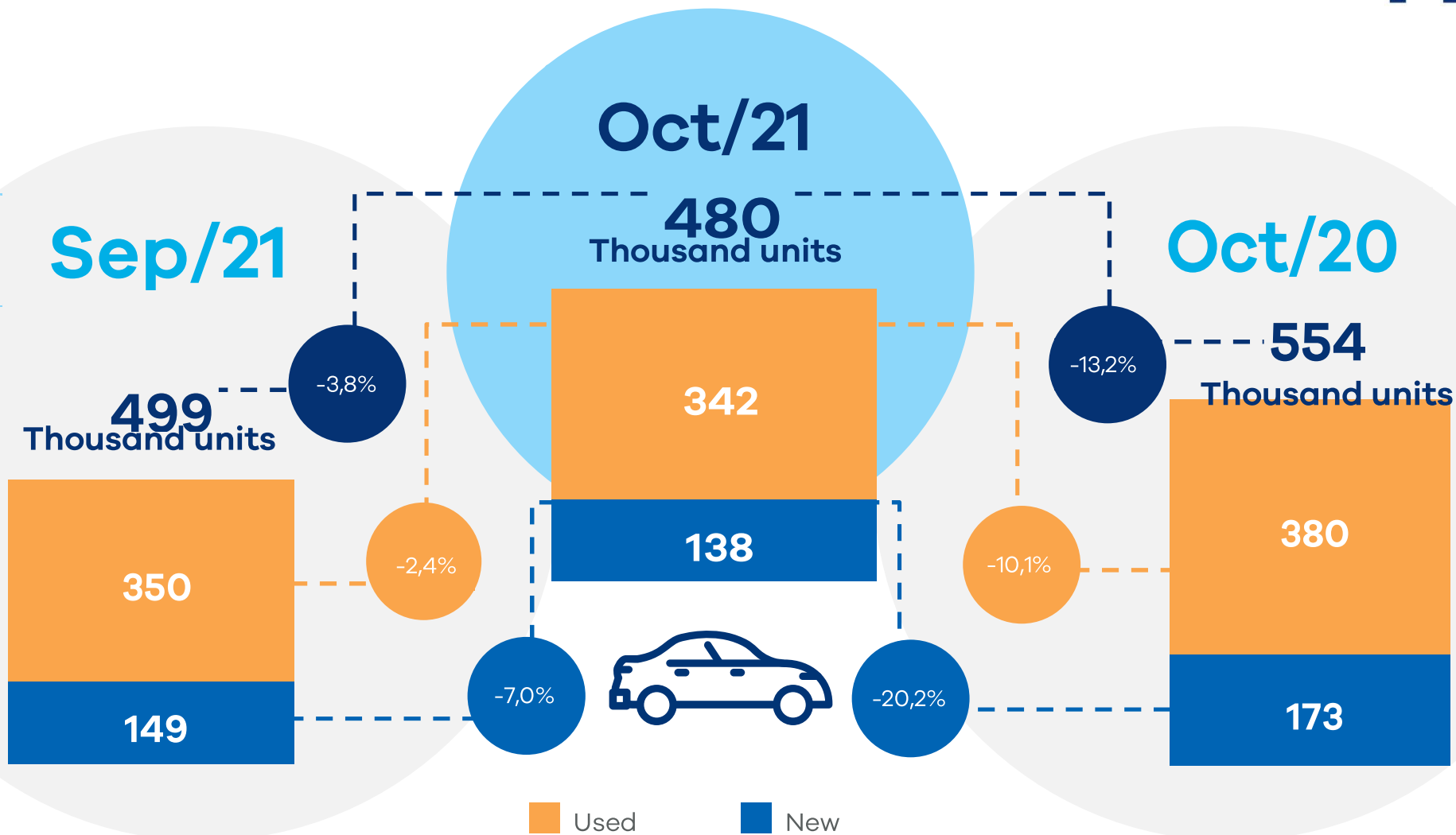
AGENDA

1 VEHICLE FINANCING DATA

2 VEHICLE FINANCING VS. SALES

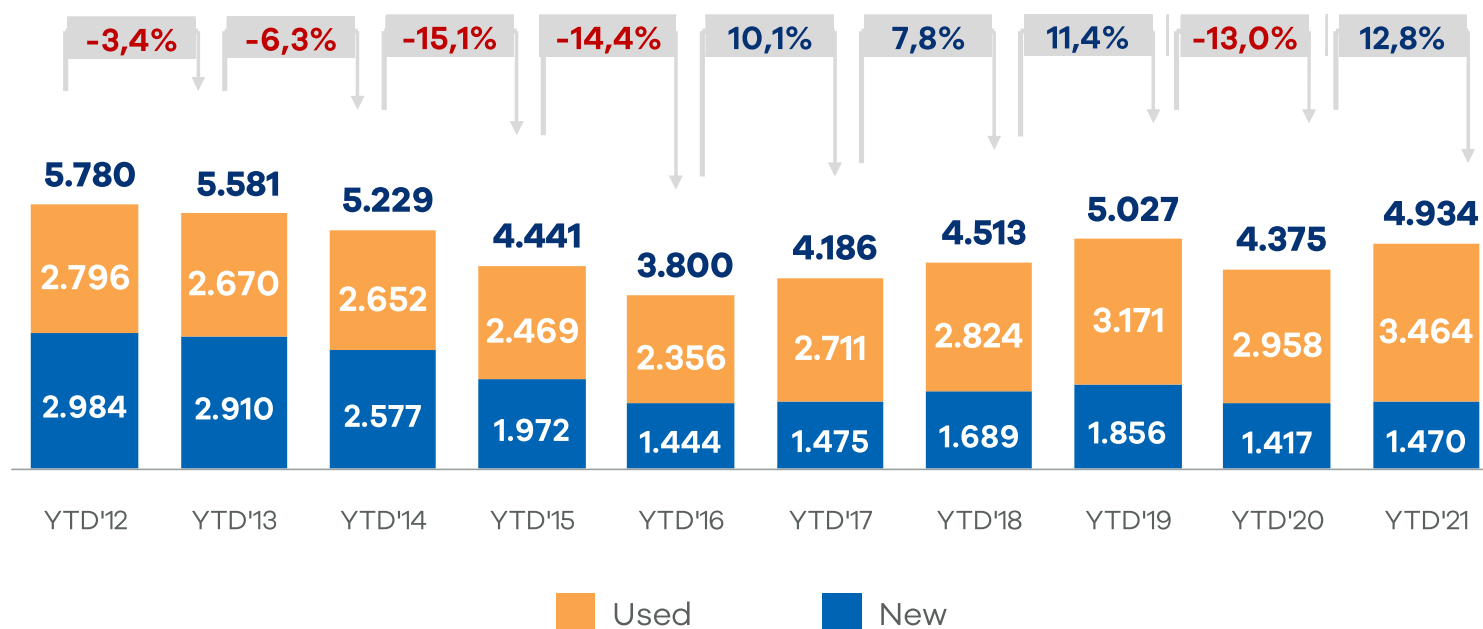**3** CREDIT DATA ON VEHICLE PURCHASE

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VEHICLE FINANCING DATA
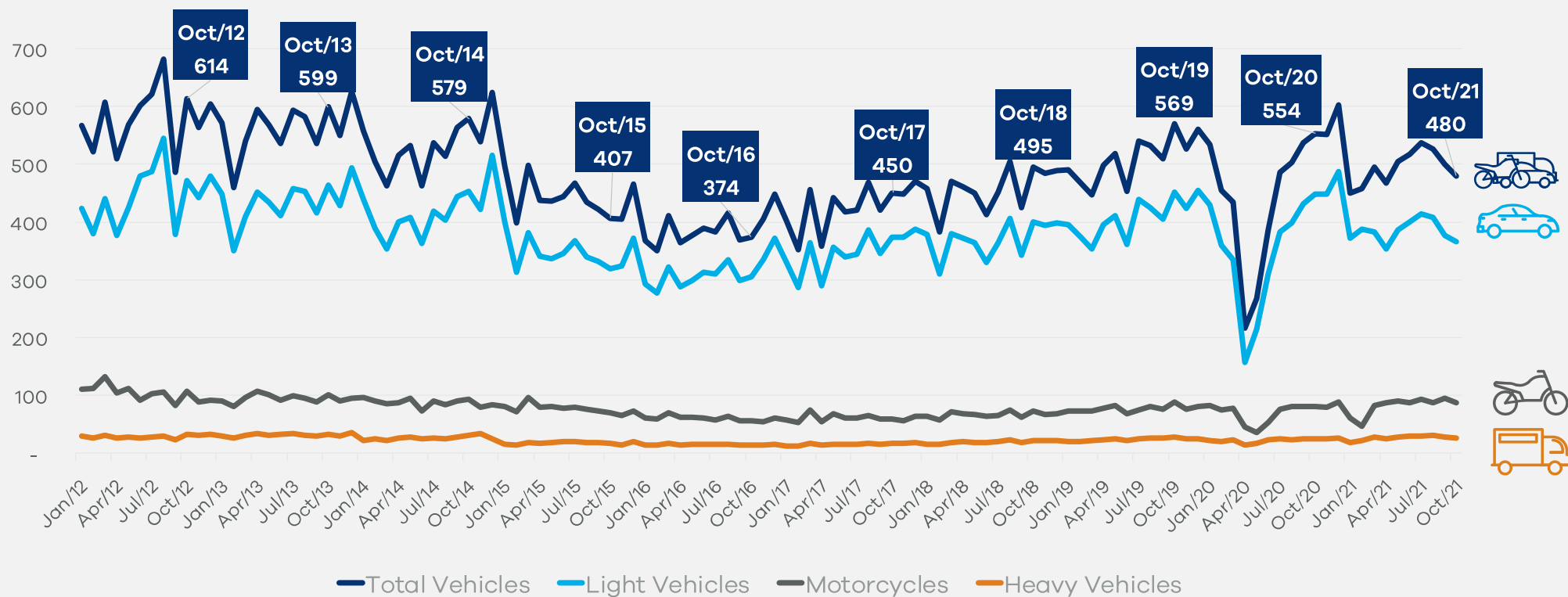
VEHICLE FINANCING QUANTITY | YTD 2021

used vehicles

3.464

4.934
thousand
units

new vehicles

1.470

		-3,4%	-6,3%	-15,1%	-14,4%	10,1%	7,8%	11,4%	-13,0%	12,8%

	YTD'12	YTD'13	YTD'14	YTD'15	YTD'16	YTD'17	YTD'18	YTD'19	YTD'20	YTD'21
Total	5.780	5.581	5.229	4.441	3.800	4.186	4.513	5.027	4.375	4.934
Used	2.796	2.670	2.652	2.469	2.356	2.711	2.824	3.171	2.958	3.464
New	2.984	2.910	2.577	1.972	1.444	1.475	1.689	1.856	1.417	1.470

■ Used   ■ New

For YTD 2021 (until October), sales of financed vehicles totaled **4.934 thousand units**, including new and used vehicles comprising motorcycles, light and heavy vehicles. This figure showed a increase of **12,8%** over 2020. This is equivalent to **559 thousand units** more than last year.

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Evolution of the Vehicle Financing Market for the Months of October

| Oct/12 614 | Oct/13 599 | Oct/14 579 | Oct/15 407 | Oct/16 374 | Oct/17 450 | Oct/18 495 | Oct/19 569 | Oct/20 554 | Oct/21 480 |

— Total Vehicles — Light Vehicles — Motorcycles — Heavy Vehicles

In million units

VEHICLE FINANCING MODELS

Breakdown of vehicle financing models in October 2021

*Others 0,7% Leasing 0,2%

Purchasing 12,5%

CDC 86,6%
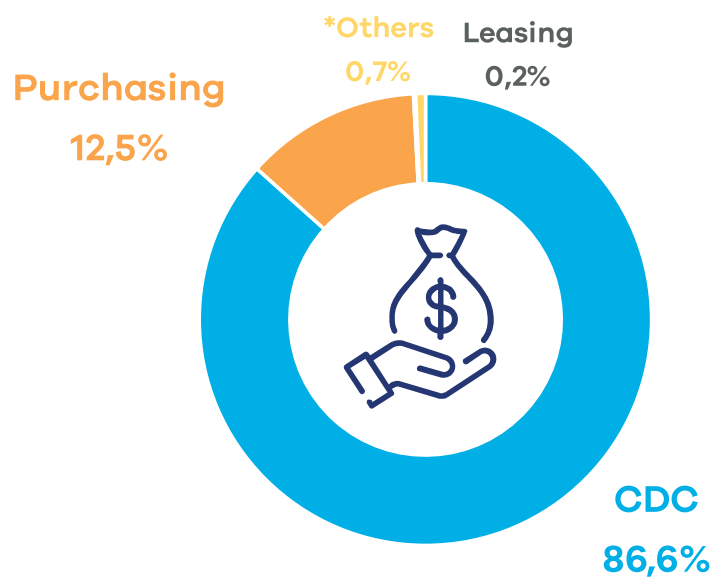
	UNITS'000 (MONTH/YEAR)			VARIATION %	
	Oct/21	Oct/20	Sep/21	Oct/21 vs. Oct/20	Oct/21 vs. Sep/21
CDC	416	491	433	-15,3%	-3,9%
Purchasing	60	58	62	3,2%	-3,6%
Leasing	1	1	1	26,2%	-17,2%
*Others	3	3	3	1,6%	8,9%
Total	480	554	499	-13,2%	-3,8%

*Others: Reservation of Ownership and other financing modalities.

CDC (Direct Consumer Credit) is the most representative financing model among the other models – purchasing pool, leasing and others. In October 2021 it showed an decrease of 9,2% compared to October in the previous year.

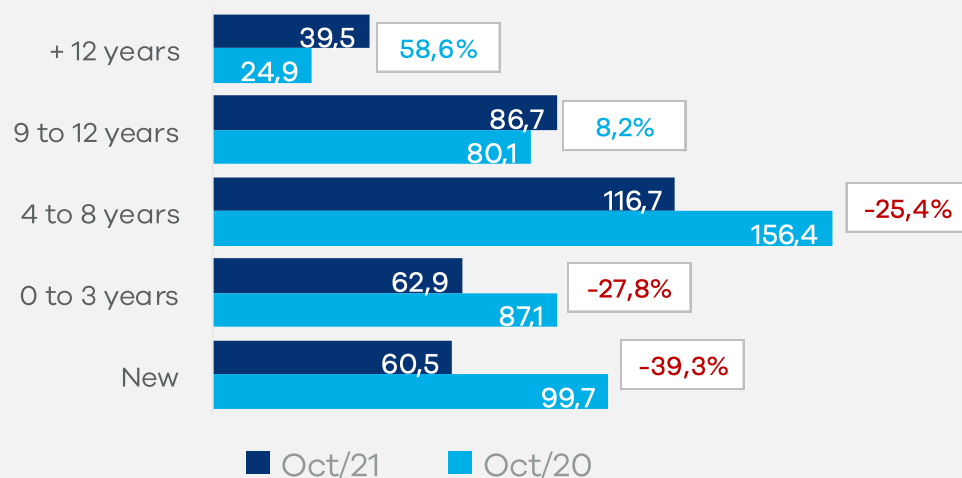# FINANCING PER TIME-OF-USE PERIOD AND PER TERM AND USE RANGE | LIGHT VEHICLES
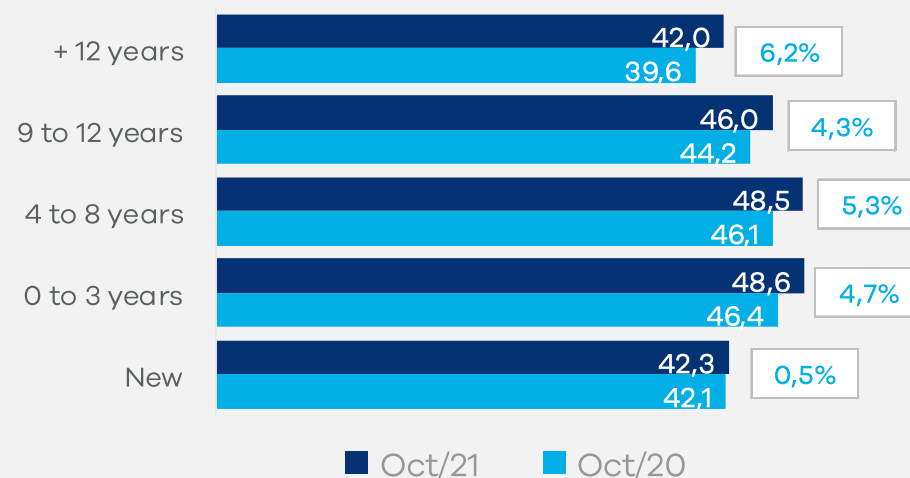
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GRAND TOTAL (thousands of units)

366	**448**
Oct/21	Oct/20

GRAND TOTAL (in months)

46,2	**44,6**
Oct/21	Oct/20

Financing per time-of-use period
Units'000 and Variation %

	Oct/21	Oct/20	Variation
+ 12 years	39,5	24,9	58,6%
9 to 12 years	86,7	80,1	8,2%
4 to 8 years	116,7	156,4	-25,4%
0 to 3 years	62,9	87,1	-27,8%
New	60,5	99,7	-39,3%

■ Oct/21 ■ Oct/20

Financing per term and use range
Months and Variation %

	Oct/21	Oct/20	Variation
+ 12 years	42,0	39,6	6,2%
9 to 12 years	46,0	44,2	4,3%
4 to 8 years	48,5	46,1	5,3%
0 to 3 years	48,6	46,4	4,7%
New	42,3	42,1	0,5%

■ Oct/21 ■ Oct/20

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Breakdown per Brazilian Region (January - October 2021)
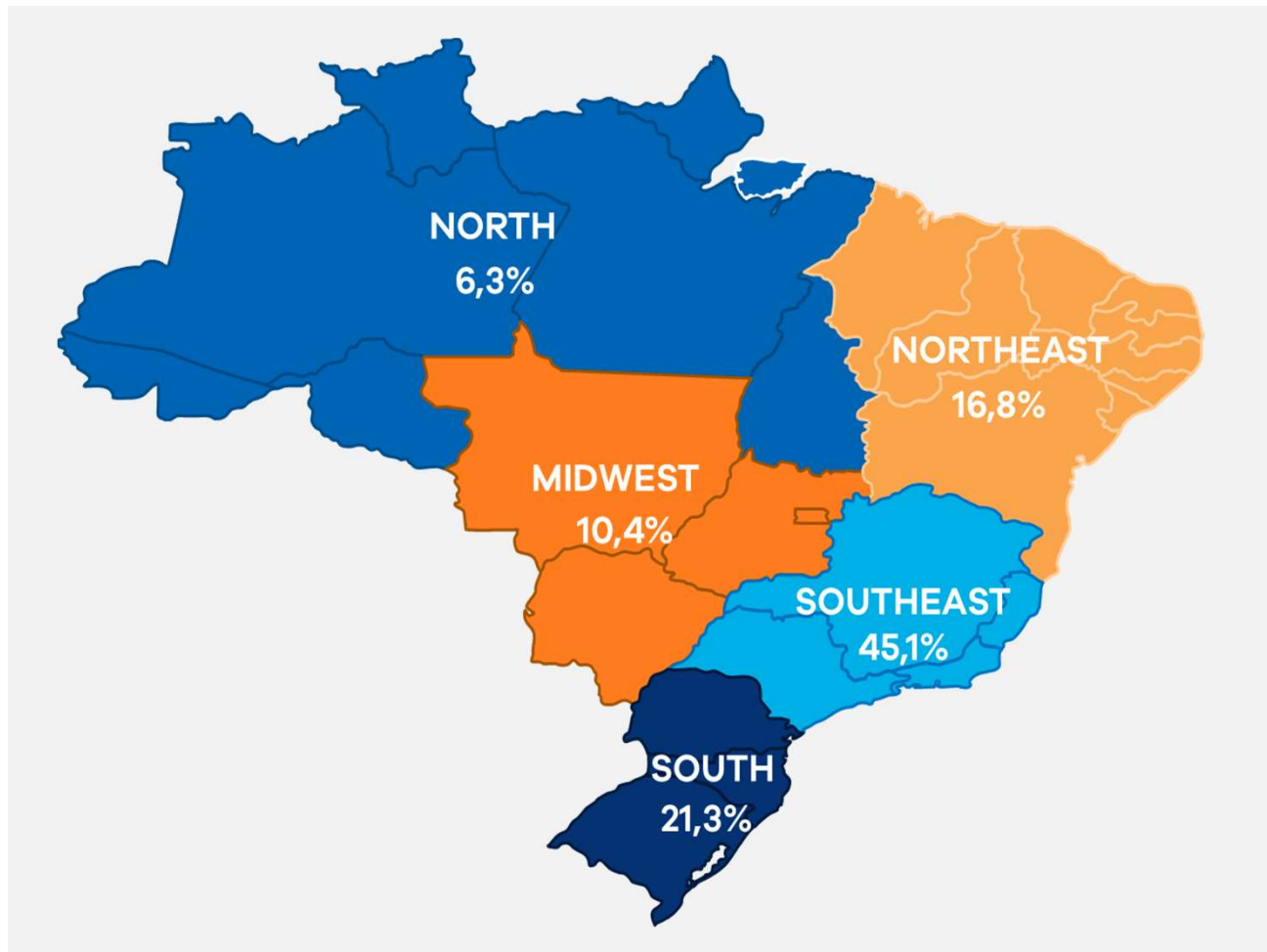
Variation per Brazilian Region (Jan - Oct 2021 vs. Jan - Oct 2020)
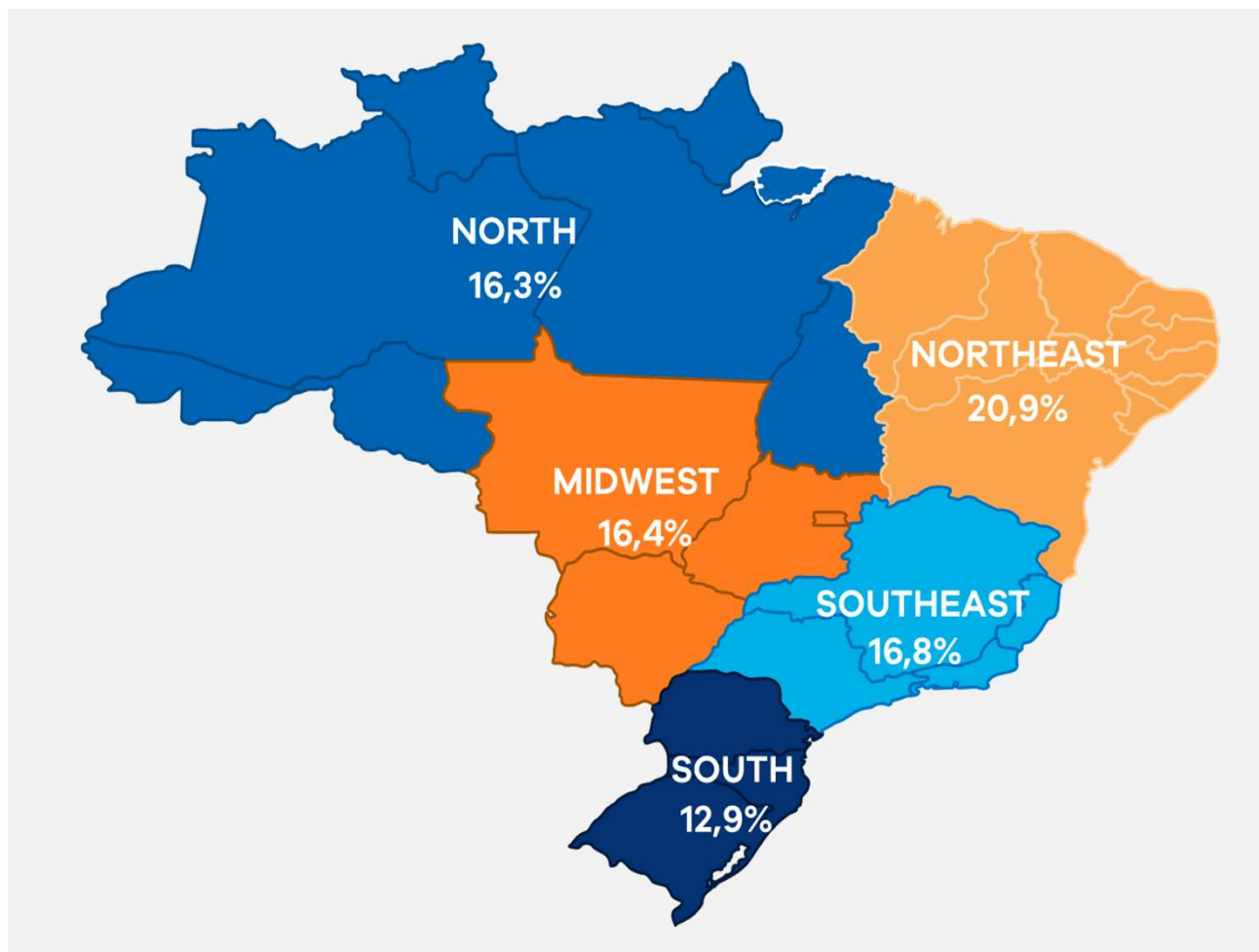
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VEHICLE FINANCING VS. SALES

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YTD January - October

Units'000, Variation and Vehicle Penetration over Sales

| 2,4% | 2,0% | -5,0% | -6,4% | 6,7% | 3,2% | 3,9% | -20,5% | 27,9% |

YTD'12	YTD'13	YTD'14	YTD'15	YTD'16	YTD'17	YTD'18	YTD'19	YTD'20	YTD'21
14.473	14.826	15.119	14.364	13.440	14.345	14.797	15.373	12.223	15.632
39,9%	37,6%	34,6%	30,9%	28,3%	29,2%	30,5%	32,7%	35,8%	31,6%

■ Sales ━●━ Penetration

Source Sales: Fenabrave

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YTD January - October
Units'000, Variation and Vehicle Penetration over Sales

| -2,6% | -7,7% | -20,2% | -21,3% | 0,8% | 13,9% | 10,6% | -25,7% | 16,2% |

	YTD'12	YTD'13	YTD'14	YTD'15	YTD'16	YTD'17	YTD'18	YTD'19	YTD'20	YTD'21
Sales	4.630	4.508	4.163	3.322	2.614	2.635	3.002	3.320	2.465	2.864
Penetration	64,4%	64,6%	61,9%	59,4%	55,2%	56,0%	56,3%	55,9%	57,5%	51,3%
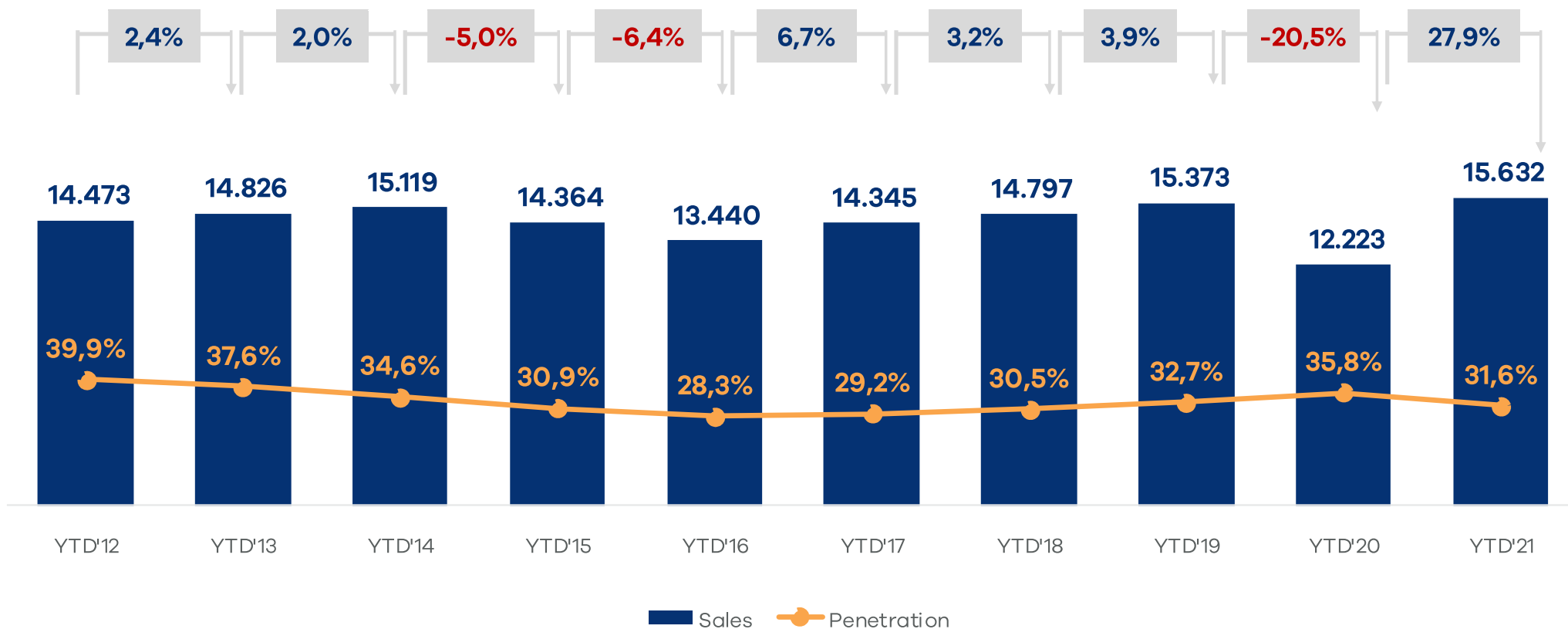
■ Sales —●— Penetration

Source Sales: Fenabrave

YTD January - October

Units'000, Variation and Vehicle Penetration over Sales

| 4,8% | 6,2% | 0,8% | -2,0% | 8,2% | 0,7% | 2,2% | -19,0% | 30,8% |

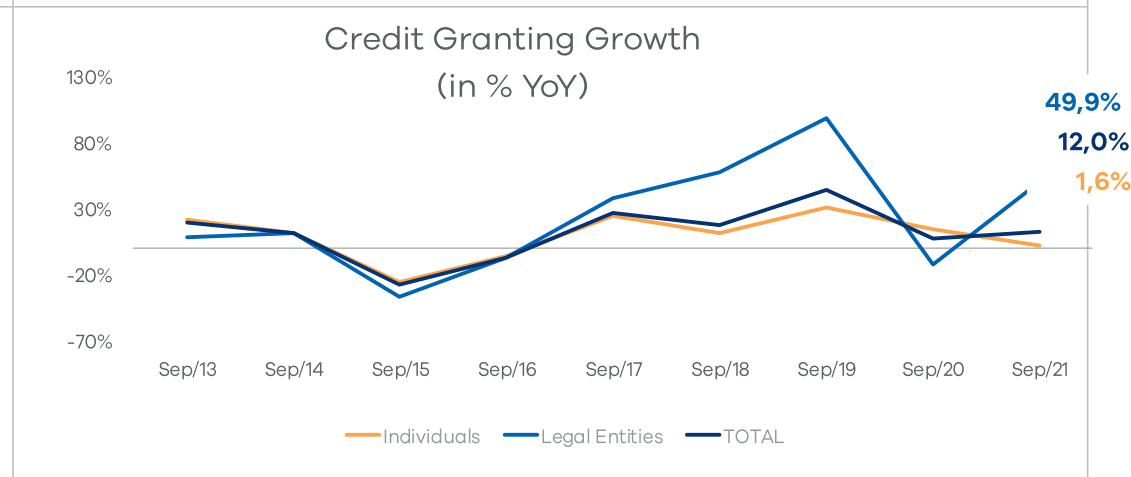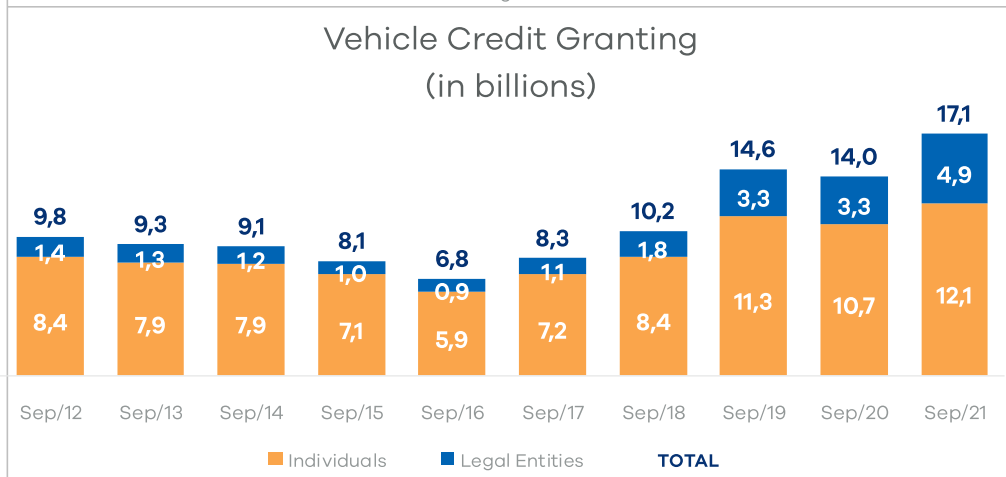|	YTD'12	YTD'13	YTD'14	YTD'15	YTD'16	YTD'17	YTD'18	YTD'19	YTD'20	YTD'21
Sales	9.844	10.318	10.956	11.043	10.826	11.709	11.795	12.053	9.758	12.768
Penetration	28,4%	25,9%	24,2%	22,4%	21,8%	23,2%	23,9%	26,3%	30,3%	27,1%

■ Sales ━ Penetration
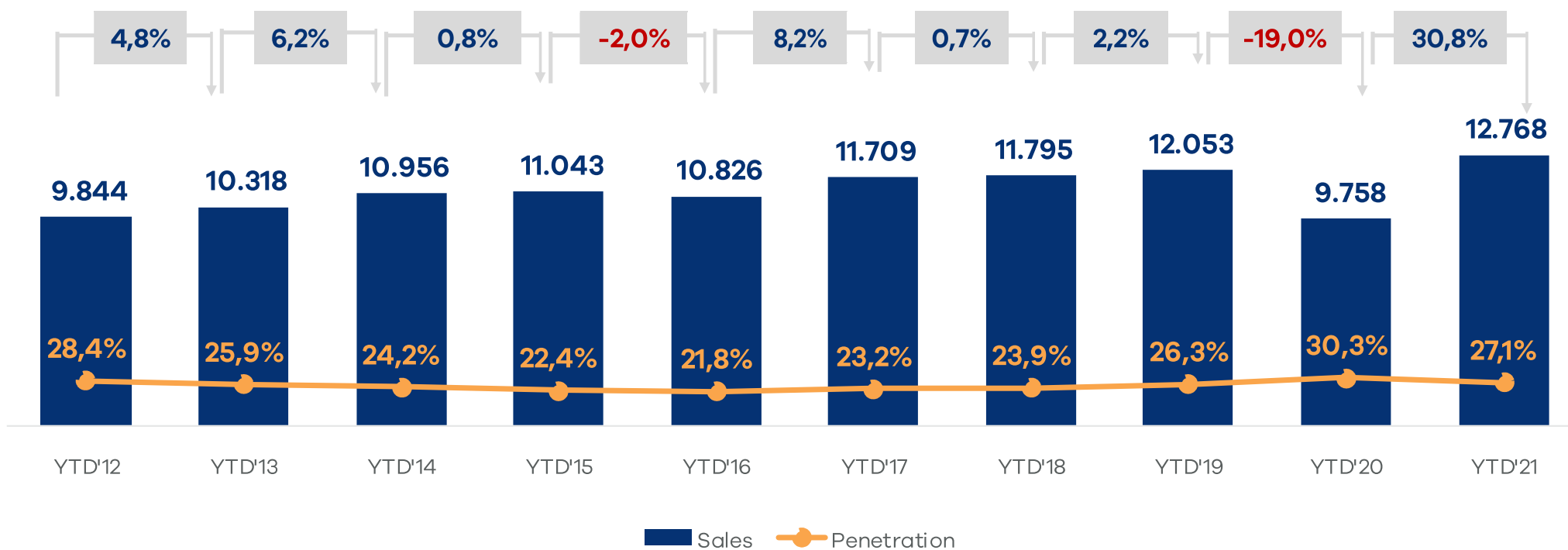
Source Sales: Fenabrave

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CREDIT DATA ON VEHICLE PURCHASE
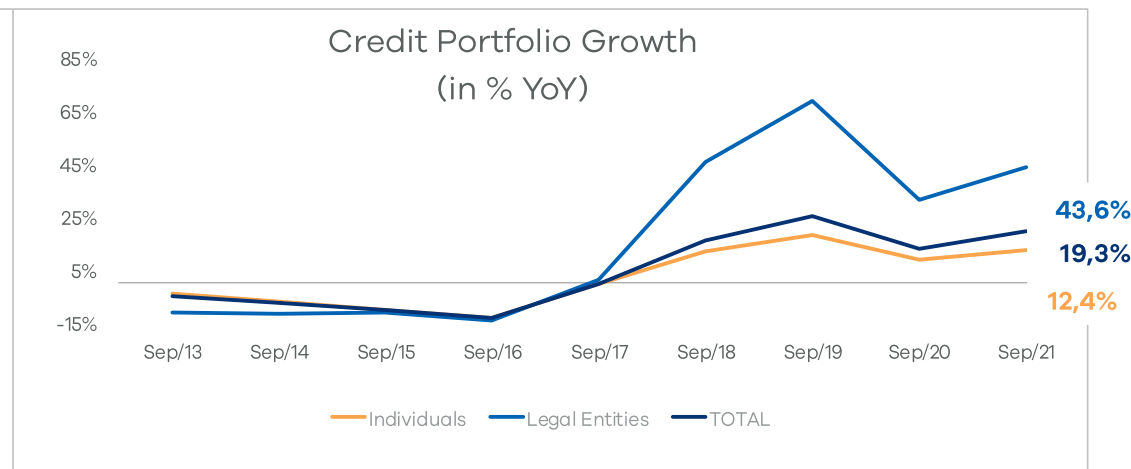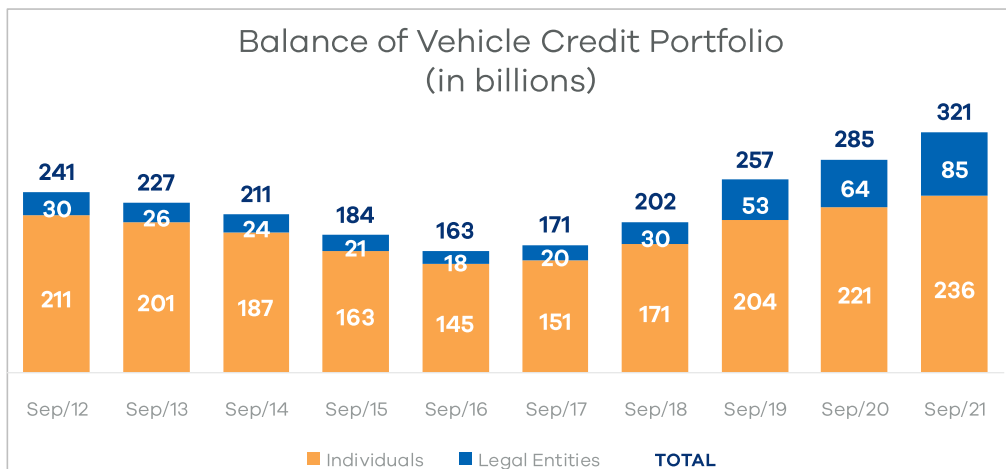
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Balance of Vehicle Credit Portfolio (in billions)

	Sep/12	Sep/13	Sep/14	Sep/15	Sep/16	Sep/17	Sep/18	Sep/19	Sep/20	Sep/21
TOTAL	241	227	211	184	163	171	202	257	285	321
Legal Entities	30	26	24	21	18	20	30	53	64	85
Individuals	211	201	187	163	145	151	171	204	221	236

Credit Portfolio Growth (in % YoY)

Legal Entities: 43,6%
TOTAL: 19,3%
Individuals: 12,4%

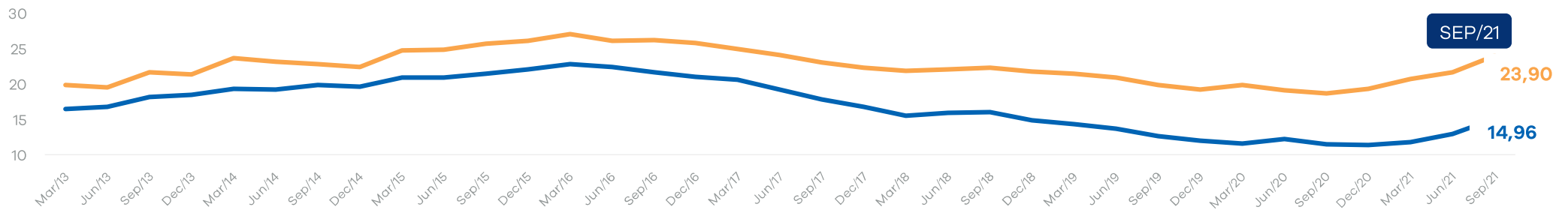## Vehicle Credit Granting (in billions)

	Sep/12	Sep/13	Sep/14	Sep/15	Sep/16	Sep/17	Sep/18	Sep/19	Sep/20	Sep/21
TOTAL	9,8	9,3	9,1	8,1	6,8	8,3	10,2	14,6	14,0	17,1
Legal Entities	1,4	1,3	1,2	1,0	0,9	1,1	1,8	3,3	3,3	4,9
Individuals	8,4	7,9	7,9	7,1	5,9	7,2	8,4	11,3	10,7	12,1

Credit Granting Growth (in % YoY)

Legal Entities: 49,9%
TOTAL: 12,0%
Individuals: 1,6%

(1) Source: Central Bank of Brazil

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Interest Rate on Vehicle Purchase (% p.a.)

Interest Rate on Vehicle Purchase (% p.m.)

(1) Source: Central Bank of Brazil

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Default above 90 days (% p.a.)

SEP/21

3,42

0,80

Mar/13 Jun/13 Sep/13 Dec/13 Mar/14 Jun/14 Sep/14 Dec/14 Mar/15 Jun/15 Sep/15 Dec/15 Mar/16 Jun/16 Sep/16 Dec/16 Mar/17 Jun/17 Sep/17 Dec/17 Mar/18 Jun/18 Sep/18 Dec/18 Mar/19 Jun/19 Sep/19 Dec/19 Mar/20 Jun/20 Sep/20 Dec/20 Mar/21 Jun/21 Sep/21

Default from 15 to 90 days (% p.a.)

SEP/21

5,87

1,95

Mar/13 Jun/13 Sep/13 Dec/13 Mar/14 Jun/14 Sep/14 Dec/14 Mar/15 Jun/15 Sep/15 Dec/15 Mar/16 Jun/16 Sep/16 Dec/16 Mar/17 Jun/17 Sep/17 Dec/17 Mar/18 Jun/18 Sep/18 Dec/18 Mar/19 Jun/19 Sep/19 Dec/19 Mar/20 Jun/20 Sep/20 Dec/20 Mar/21 Jun/21 Sep/21

━━ Individuals   ━━ Legal Entities

(1) Source: Central Bank of Brazil

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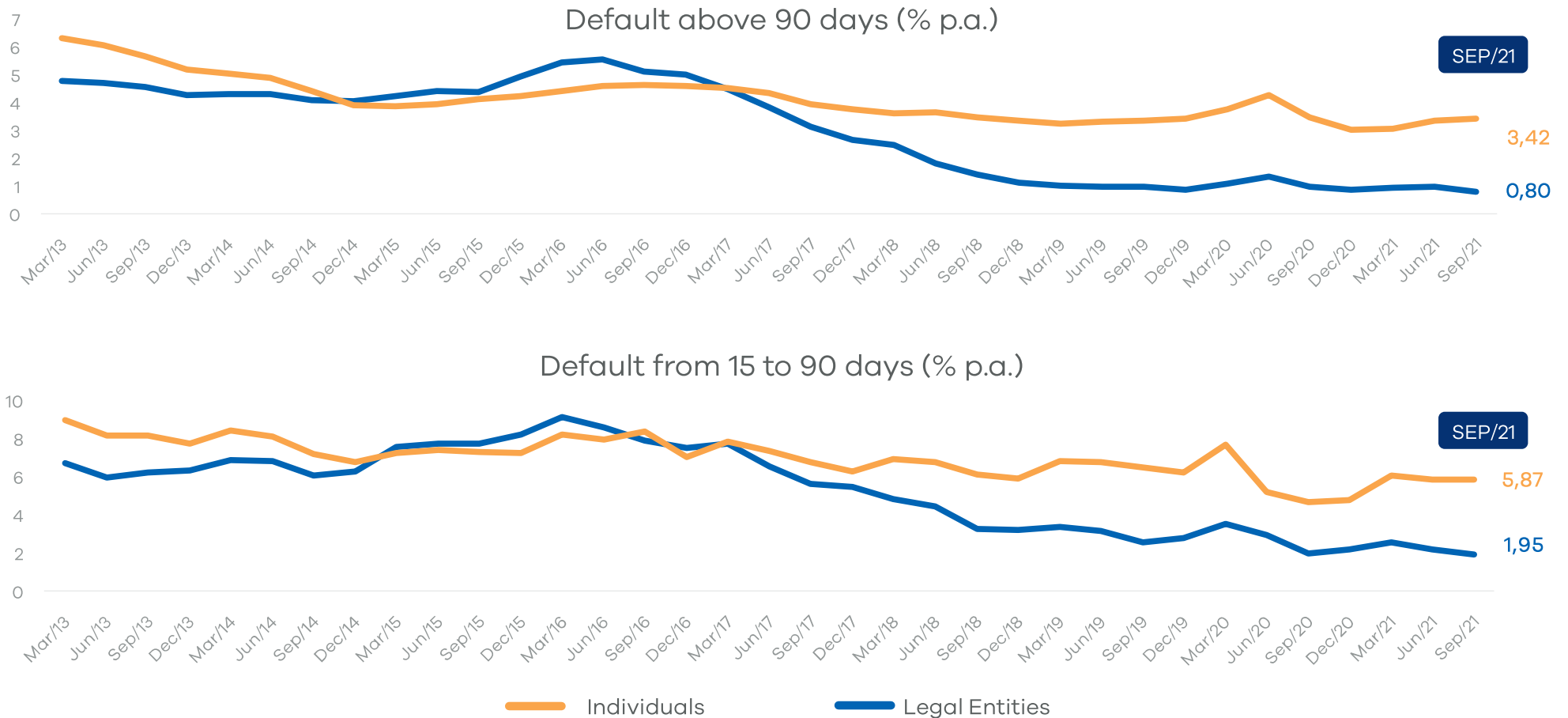
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