

Contents

Abstract	v
Acknowledgments	vii
1. Introduction and Summary	1
2. Characteristics of the Correspondent Arrangement	5
3. Growth and Penetration of Correspondent Banking in Brazil	9
4. Case Studies of Key Institutions Engaged in Correspondent Banking in Brazil	13
Caixa Econômica Federal	13
Banco do Brasil and Banco Popular do Brasil	18
Bradesco and Banco Postal	19
Lemon Bank	22
Case Studies: A Summary	23
5. Role of Correspondent Banking in Expanding Access to Financial Services	27
Regional Penetration	27
Poverty Outreach	28
6. Legal and Regulatory Measures Impacting on Correspondent Banking	31
Regulations Governing Correspondents	31
Comparison of Regulations: Bank Branch Services versus Correspondents	32
Parallel Changes in Regulations towards Microfinance	34
7. Conclusions: Prospects in Brazil and Possibilities of Replication	37
Appendix Tables	39
Bibliography	49

LIST OF TABLES

1: Growth in Correspondents and Other Financial Service Points (2001–04)	10
2: Banking Correspondents—Volume and Value of transactions (2001–04)	11
3: Major Correspondent Banks (2000–04)	14
4: Caixa Aqui—Distribution of Banking Correspondents by type of activity and	15
5: Caixa Econômica Federal—Services at Caixa Aqui	16

6:	Banco Popular do Brasil—Services.....	19
7:	Postal Banks—International Experiences	20
8:	Services offered by Banco Postal.....	22
9:	Banco Postal in Municipalities: Role in Enhancing Access (2004).....	22
10:	Major Correspondent Banks—A Comparative Matrix	24
11:	Financial Services in Municipalities—Role of Correspondents (2001–04)	28
12:	Financial Services in Regions of Brazil—Role of Correspondents (2002)	28
13:	Poverty Outreach of Correspondent Banking (2004).....	29
14:	Income Profile of Correspondent Clients (%)	29
15:	Regional Distribution of Banking Correspondents (November 2004).....	30
16:	Microcredit Provided by Major Banks (August 2003–July 2005)	35
17:	Number of Simplified Accounts in Selected Banks (July 2005).....	35
A1.1:	Brazil—Banking Correspondents by State and Region (end 2002).....	40
A1.2:	Brazil—Bank and Banking Correspondents Tariffs (2005)	41
A1.3:	Correspondent Banks in Brazil: Evolution of Enabling Legislation.....	46

LIST OF FIGURES

1:	Performance of Caixa's Network in Banked Municipalities.....	17
2:	Indices of Reversion of Benefits to Commercial Establishments.....	17