

PROFILE

Santa Catarina is located in the South region of Brazil and excels as one of the Brazilian states with the best economic and social indicators. With 95.7 thousand square kilometers and 6.7 million inhabitants, it is the 20th state of Brazil in territory and the 11th in population.

General aspects of the
State of Santa Catarina

Location: South Region of Brazil

Territorial Area: 95,733.978 km² (IBGE, 2014)

Estimated population: 6,727,148 (IBGE, 2014)

Number of municipalities: 295

Capital: Florianópolis

Demographic density: 65,27 inhabitants/km²
(IBGE, 2014)

Borders: North — State of Paraná

South — State of Rio Grande do Sul

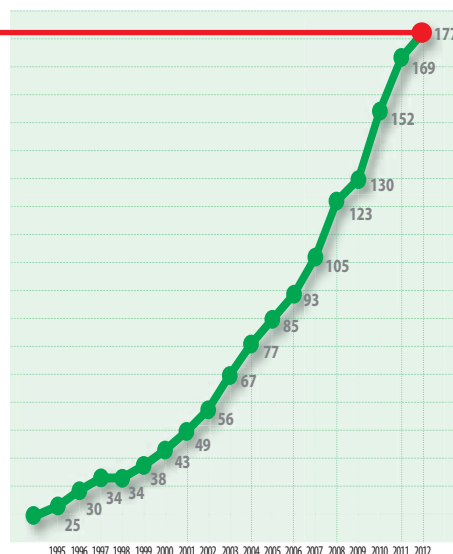
West — Argentina

East — Atlantic Ocean

GDP 2012: 177.276 billion BRL

Human Development Index: 0.77%

Graph 1 | Evolution of GDP (in BRL billions)

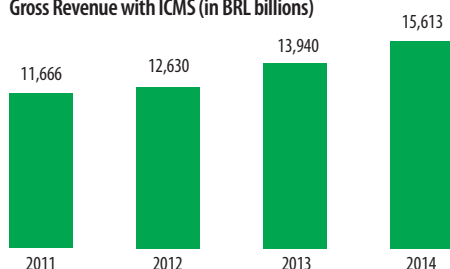


HIGHLIGHTS 2014

ICMS/VAT

12.01% growth of gross Value Added Tax and on Services of Interstate and Intermunicipal Transportation and Communication in comparison with the year of 2013.

Gross Revenue with ICMS (in BRL billions)



COVENANT FOR SANTA CATARINA

Evolution of actions by Covenant for Santa Catarina, a long-term program which projects investments of 10 billion BRL between 2013 and 2016. Actions unite works and acquisitions with the goal of satisfying major demands of Santa Catarina society. By the end of 2014, the program had 18% of actions completed and 57% in progress, amounting to 1.5 billion BRL in investments. Among these actions, works in schools, roads and penitentiaries, aside from acquisitions of vehicles and installation of a meteorological radar.

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Santa Catarina in first place

GREATEST EMPLOYMENT GENERATOR 2014

53,887 new positions

BEST TOURIST DESTINATION IN THE COUNTRY

LONGEST LIFE EXPECTANCY

78.1 years (74.7 years for men and 81.4 for women)

LOWEST INFANT MORTALITY RATE

10.1 (children under 1 year per thousand live births)

LOWEST CHILDHOOD MORTALITY RATE

11.8 (per thousand live births)

LOWEST EXTREME POVERTY RATE

3.23% (households with per capita income of up to 1/4 of minimum wage)

GREATEST SENSE OF SECURITY

Neighborhoods (79.1%) and cities (68.3%)

BRAZIL'S LARGEST PRODUCER

Pork, fish, apples, onions, oysters and mussels

More detailed information about the geography, history, colonization, the people, the culture and tourist attractions in Santa Catarina can be seen on the State's website (www.sc.gov.br).

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FUNDAM

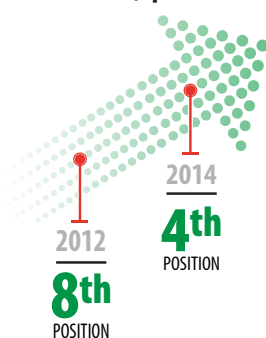
Intensification of actions according to State Support Fund for Municipalities (FUNDAM), a program structured by State Administration to share resources among municipalities in a thorough, objective and unbiased manner, providing important investment, particularly in health care, education, sanitation, and infrastructure.

- FUNDAM**
- » BRL 605 million provided by the State Government to the catarinense town halls
 - » 295 town halls submitted projects
 - » BRL 505 million—agreed amounts of concluded Agreements
 - » 384 agreements were signed with 274 municipalities

TRANSPARENCY

The Transparency Portal of the State Executive, which is a tool of social control that allows for the citizen to monitor revenue from income and application of public resources, gained four positions in comparison to the last assessment and occupied the fourth place in the country in the Transparency Index (evaluation carried out by NGO Contas Abertas (Open Accounts)). In the year on 2014, the Portal had 1.4 million accesses, in an average of 3,838 daily accesses.

Santa Catarina
Transparency Index
Contas Abertas (Open Accounts)

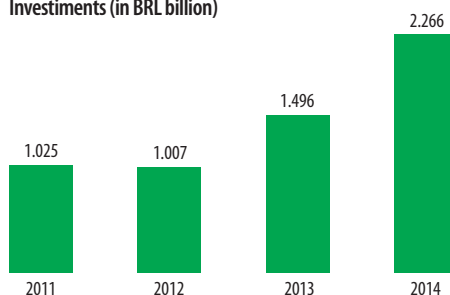
**SANTA CATARINA STATE UNIVERSITY**

State University of Santa Catarina ranked fourth best state university in Brazil and the 18th in overall ranking among 192 institutions evaluated by Ministry of Education, evidencing the quality of education, research, and extension activities offered by tertiary education in Santa Catarina.

INVESTMENTS

Increase of 121% of investments in 2014 in comparison with the year of 2011, amounting to BRL 2.266 billion invested. Of this amount, BRL 882 million arise from credit operations.

Investments (in BRL billion)



The most significant part of the investments in 2014 (36.23%) was almost entirely destined to extension and renovation of the State road network, amounting to 821 million BRL.

Great investments were also granted to Education (BRL 200 million), Law Enforcement (BRL 152 million) and Health Care (BRL 143 million).

The increase in invested amount is evidence that Santa Catarina State Administration has sought, over the years, to develop a public investment policy that ensures regional development and promotes reduction of inequalities, increase of workplaces and income, enhancement of reach and quality of public service offered to society.

PAYMENT CARD

Implementation of Santa Catarina State Payment Card (CPESC), allowing for administrative units to adhere to State agencies and entities to, with higher efficiency and transparency, carry out procurements and contracts of extraordinary, urgent or lesser amount expenses.

The card was initially implemented in 1,070 state schools. Later, other State unities adopted CPESC, such as the Foundation for the Environment and Administration, Strategic, National Coordination, Regional Development (in Lages), and Justice and Citizenship Secretaries.

**SANTA CATARINA IN FIGURES****BUDGET 2014**

(in BRL billions)

2014	Gross Revenue	Net Revenue	Expenses
Preview	28.773	21.293	21.293
Execution	29.291	21.612	21.230

BALANCE SHEET

(in BRL billions)

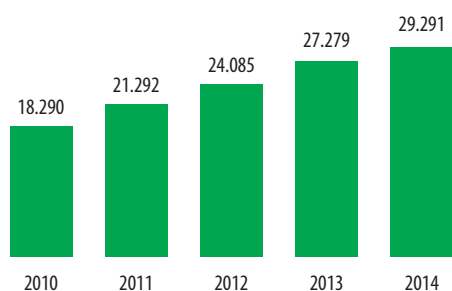
Assets		Liabilities	
Current Assets	12.395	Current Liabilities	8.015
Fixed Assets	16.769	Fixed Liabilities	18.751
		Equity	2.398
Total	29.164	Total	29.164

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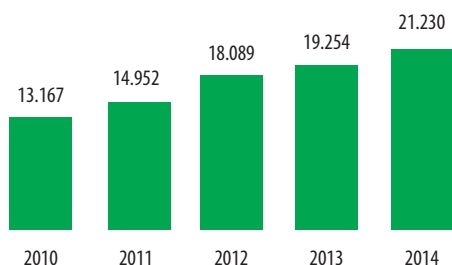
GROSS COLLECTED REVENUE

(in BRL billions)



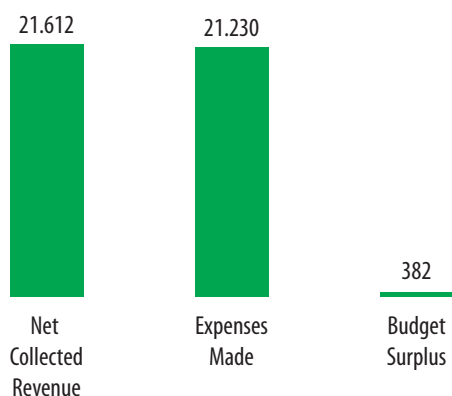
EXPENSES MADE

(in BRL billions)



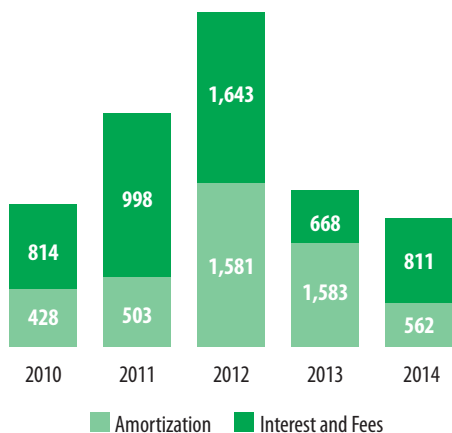
BUDGET RESULT

(in BRL billions)



PAYMENT OF PUBLIC DEBT

(in BRL billions)



In 2013, amortization of debts of CELESC* is highlighted, as it represents a significant reduction in interest payment by the State.

* CELESC = State Power Agency

RATING HISTORY

Date	Long Term (Foreign and Local Currency)	Long Term National Rating
Dec. 11 th , 2012	BBB-	AA(bra)
Dec. 10 th , 2013	BBB-	AA(bra)
Dec. 10 th , 2014	BBB-	AA-(bra)

Source: Fitch

PROPERTY EVALUATION

(in BRL millions)

Assets	Dec. 31 st , 2013	Dec. 31 st , 2014	Increase (%)
Movable	1,812	2,112	16.50
Immovable	3,920	9,277	136.67
Intangible	113	171	51.33

A significant part of the increase of balance in Immovable account refers to accounting for evaluation of market price of immovable assets (BRL 3.889 billion) and of evaluation of infrastructure assets (BRL 622 million).

SANTA CATARINA IN TAX FIGURES

Index	2014	2013
Nominal Result (BRL million)	516	1,370
Primary Result (BRL million)	-556	296
Property Result (BRL million)	1,311	(277)
Financial Result (BRL million)	1,064	1,508
Budget Result (BRL million)	382	396
Equity (BRL million)	2,398	(2,218)
Net Current Revenue (BRL million)	17,836	15,893
Net Revenue Available (BRL million)	12,173	10,723
Net Tax Revenue (BRL million)	15,217	13,533
Investment in Education (%NIT ¹)	28.39	28.30
Minimum Investment (%NIT ¹)	25	2
Investment in Health Care (%NIT ¹)	12.11	12.02
Minimum Investment (%NIT ¹)	12	12
Expenses with Personnel – Overage Collective Amount (%NCI ²)	57.55	56.2
Prudential Limit	57	57
Maximum Limit	60	60
Expenses with Personnel – Executive Branch (%NCI ²)	47.93	46.70
Prudential Limit	46.55	46.55
Maximum Limit	49	49

1 – Net Income from Taxes | 2 – Net Current Income

BALANCE OF TRADE (USD thousands)

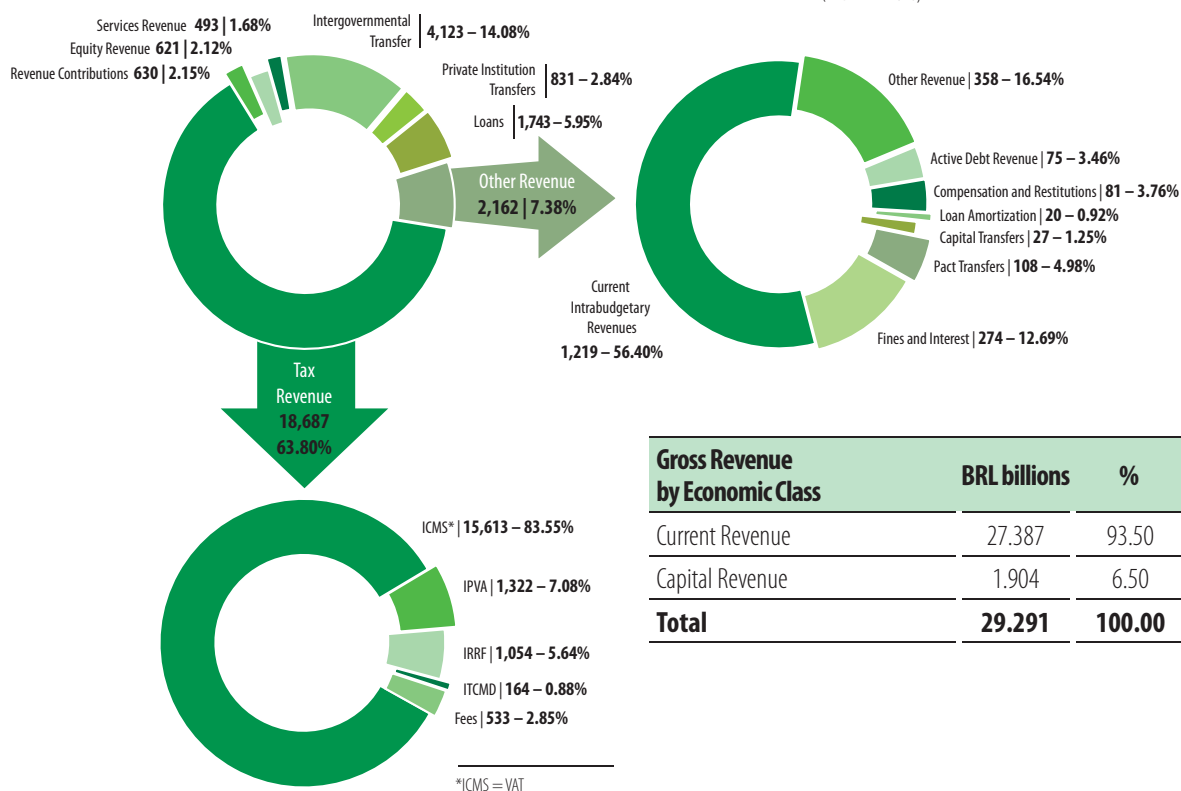
Balance of Trade	2014	2013
Import	16,019,844	14,779,464
Export	8,987,359	8,688,839
Balance	-7,032,485	-6,090,625

Major export products were chicken (15.36%), soy (9.26%), and pork (5.81%). Among the biggest destination markets, are the United States (12.86%), China (10.89%), Japan (5.86%), Russia (5.46%), and Argentina (4.86%). Import has amounted to USD 16.020 billion, being copper cathode (5.09%), automobiles (2.55%), polyethylene (1.73%) the major import products. China was the main import origin countries (32.56% of the total import), followed by Argentina (8.29%), United States (6.95%), Germany (6.37%), and Chile (6.34%).

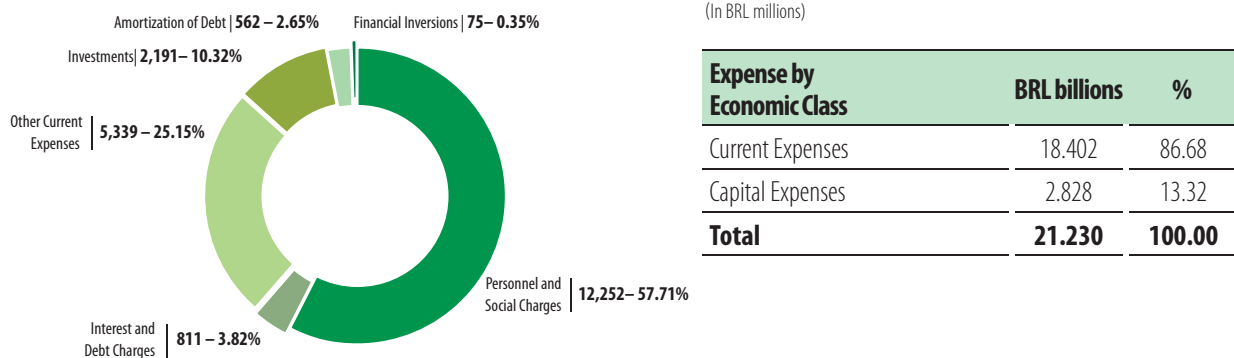
PERFORMANCE IN 2014

GROSS REVENUE
BRL 29.291 billions

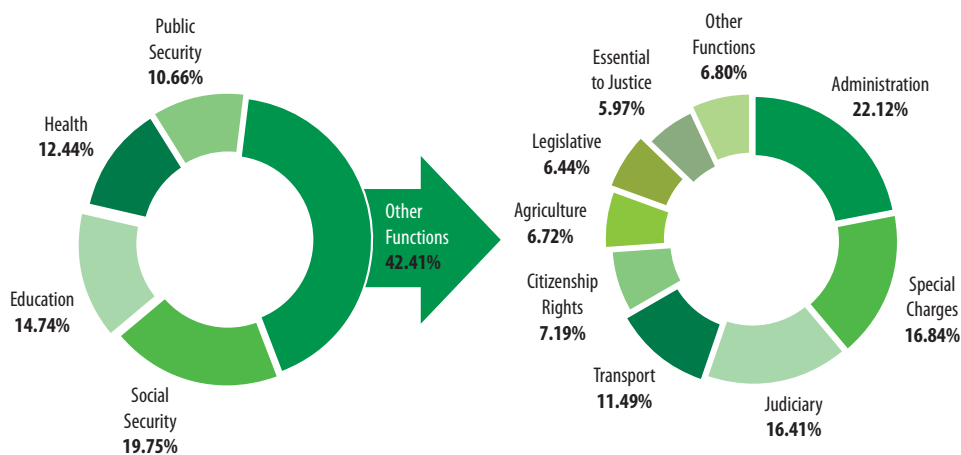
(In BRL millions)

EXPENSES
BRL 21.230 billions

(In BRL millions)



EXPENSES BY GOVERNMENT AREA



More administration, economic, social, and financial information about the State may be obtained from Financial Report 2014, available in the Transparency Portal of the State Executive Branch (<http://www.transparencia.sc.gov.br>).

