

Banco Industrial do Brasil S.A.

Credit Comment

Profitability Recovers After Cyber Incident: Banco Industrial do Brasil (BIB) posted net income of BRL44.7 million in 1H26, reversing a BRL35.2 million loss in 1H25. That loss stemmed from a cyber incident on June 30, 2025, when a third-party provider was attacked, resulting in the withdrawal of BRL104.3 million from BIB's PIX account held with the Central Bank of Brazil (BACEN). BIB recovered only BRL14 million in 3Q25, with no further recoveries through June 2026. Annualized ROAE rose to 12.0% in 1H26, from -9.7% in 1H25, while full-year 2025 ROAE was 4.1%, still below 11.7% posted in 2024. Fitch attributes the recovery to BIB's lean cost structure and stable asset quality, with momentum expected to continue through 2026-2027.

Efficiency Normalizes: The efficiency ratio improved to 54% in 1H26, from a cyber-distorted 110% in 1H25, and 59% for 2025, still above the 45% posted in 2024. Total assets stood at BRL8.3 billion in June 2026, stable compared with BRL8.5 billion at YE 2025, and up from BRL7.1 billion at YE24. Fitch highlights BIB's decade-long business model consistency as a key support for earnings predictability. The bank's business remains concentrated in low corporate to SME and middle-market lending (approximately 79% of gross loans) and payroll-deductible lending (approximately 21%), with BIB generally acting as a secondary, rather than primary, banking relationship, thereby limiting single-name concentration.

Loan Portfolio Shifts Mix: The expanded credit portfolio reached BRL6.2 billion, up 1.7% year-over-year. Wholesale lending fell to BRL4.7 billion in June 2026, from BRL5.2 billion at YE 2025, while retail (payroll loans and cards) grew 32.6% year-over-year to BRL1.3 billion, lifting retail's share of the total portfolio to roughly 21%, from 16% a year earlier. BIB maintains coverage of more than 90% of the portfolio through receivables and highly liquid collateral, underpinning its low delinquency levels.

Impaired Loans and Provision Coverage: NPLs over 90 days rose to 2.7% in June 2026 (BRL161.0 million), from 2.0% at YE 2025 (BRL124.7 million), while total delinquency reached 3.4%, from 2.7%. The provision balance rose to BRL212.2 million (a significant portion of the provisions is directed to non-defaulting loans), from BRL192.9 million at YE 2025, driven mainly by the transition to Resolution 4,966: BRL99.2 million relates to newly required provisioning on the receivables-purchase product, BRL39.9 million to purchased receivables —whose provisioning rate increased from approximately 0.03% to a minimum of 1.90% — and BRL59.3 million to other products, whose provisioning rate increased from approximately 0.41% to 1.58%.

Collateral coverage stood at 120% of gross loans at June 2026, up from 118% at YE 2025, comprising receivables (50%), avals (25%), chattel pledges (20%), financial investments (9%), mortgages to liens (10%) and sureties/FGI-PEAC insurance (6%). Fitch notes that this collateralized profile supports credit stability above peer averages, even as the 1H26 increase in delinquency reflects the ongoing seasoning of the expected-loss.

Stable Funding, With a Longer-Term Mix: Total funding reached BRL6.7 billion in Jun/26, up 3.1% year-over-year, as growth in LCA/LCI/LF (+26.4%) and external loans (+19.6%) offset a decline in traditional domestic funding (-3.2%). The loan-to-deposit ratio stood at 279% in 2025, improving to roughly 190% when LCA, LCI and LF are included as time deposits. The top 20 depositors accounted for 55% of total national funding. High-quality liquid assets remain at approximately 1.2x equity, reflecting conservative liquidity management, though the funding franchise remains less developed than that of larger peers.

Capitalization Remains Adequate: The Basel ratio closed at 17.1% in Jun/26, up from 16.9% at YE 2025, with total equity of BRL751.8 million. The CET1 ratio stood at 12.3% at YE25, comfortably above regulatory minimums. Fitch views this level as adequate given the moderate pace of balance-sheet expansion, providing a buffer that helped absorb the cyber-incident loss.

Ratings

Foreign Currency

Long-Term IDR	BB-
Short-Term IDR	B

Local Currency

Long-Term IDR	BB-
Short-Term IDR	B

Viability Rating	bb-
Government Support Rating	ns

National Rating

National Long-Term Rating	AA(bra)
National Short-Term Rating	F1+(bra)

Sovereign Risk (Brazil)

Long-Term Foreign-Currency IDR	BB
Long-Term Local-Currency IDR	BB
Country Ceiling	BB+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Related Research

[Fitch Affirms Banco Industrial do Brasil's IDR at 'BB-'; Outlook Stable \(March 2026\)](#)

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