FitchRatings

Banks
Wholesale Commercial Banks
Brazil

Banco Industrial do Brasil S.A.

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

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3
Climate Vulnerability	
2035 Climate Vulnerability Signal:	33
Transition (VSt):	29
Physical (VSp):	21

Applicable Criteria

Financial Institutions Climate Vulnerability Rating Criteria (December 2025)

National Scale Rating Criteria (December 2020)

Bank Rating Criteria (March 2025)

Related Research

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

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Key Rating Drivers

IDRs Driven by VR: Banco Industrial do Brasil S.A.’s (BIB) Issuer Default Ratings (IDRs) reflect its Viability Rating (VR). The VR reflects a niche lending model that focuses on small and medium-sized enterprises (SMEs) with a conservative approach, ensuring stable performance. However, its small franchise and limited pricing power relative to larger market players offset these strengths. Its National Ratings highlight stable risk management and earnings resilience.

Operating Environment at 'bb': The Operating Environment score for Brazilian banks is 'bb', which aligns with the implied assessment based on Brazil's GDP per capita of USD10,000 and Fitch Ratings’ Operational Rating Index (ORI) of 47.9 (percentile ranking). Fitch expects growth to decelerate further in 2026 to 1.9% (2025: 2.3%) due to the lagged effect of tight monetary policy and the waning of past fiscal impulse, but to remain supported by a resilient labour market, income tax changes, and other credit-related policy stimulus before elections.

Consistent Business Model: BIB's business profile reflects its position as a moderately sized institution, with consistent total operating income and business diversification limited to the Low Corporate, SME and payroll lending segments. The institution's enduring borrower relationships and experienced, stable management provide moderate competitive advantages that partially offset the constraints inherent in its limited franchise footprint.

Prudent Lending Practices: BIB's risk profile is particularly sensitive to its exposure to Low Corporate and SME borrowers, who are more susceptible to economic cycles. However, Fitch scores BIB's risk profile higher than its business profile score, reflecting the company's prudent loan-to-value ratios and risk controls. These factors result in above-average credit stability and lower credit losses than those of its closest peers, even in challenging operating environments. The bank's market risk management is commensurate with its size.

Stable Loan Performance: BIB's asset-quality metrics outperform those of its peers, with minimal losses across cycles. The impaired loans ratio (Stage 3 loans/gross loans) was 2.0% in December 2025, compared to 2.9% in 2024 (D-H loans/total gross loans under Resolution 2682 classification), aligning with those of other sizable Brazilian banks. The four-year average was 2.4% from 2020 to 2024 (D-H loans). Nonperforming loans (NPLs), which are loans more than 90 days past due, decreased to 2.0% in December 2025 from 2.2% in 2024.

Recovery of Performance Despite Cyber Incident: BIB experienced a temporary setback in terms of profitability during 1H25. This was primarily attributable to a cyber incident that occurred on June 30, 2025, resulting in a loss of BRL104 million. Notwithstanding this event, the bank demonstrated robust performance in 2H25, closing 2025 with a net profit of BRL31 million. This recovery was underpinned by the bank's lean cost structure and stable asset quality, which serve as fundamental earnings drivers. The bank maintains an adequate 2025 profitability profile. Despite an operating profit to risk-weighted assets (RWA) ratio of 0.5% in 2025, the four-year average was 1.7% from 2022 to 2025.

Appropriate Capital Buffers: The Common Equity Tier 1 (CET1) to RWA ratio was 12.3% in 2025, providing adequate buffers above regulatory requirements. It also compares well with similarly rated peers. The bank's capital ratio reflects adequate internal capital generation and slower balance sheet expansion.

Adequate Liquidity but Concentrated Funding Base: Fitch’s assessment of BIB's Funding and Liquidity factor reflects its conservative liquidity management and the moderate improvements in its funding structure. These enhancements have resulted in better market access. However, the bank's funding franchise remains less developed than that of larger Fitch-rated peers in the ‘AAA(bra)’ and ‘AA+(bra)’ categories, and some single-name concentration risks persist.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- The VR could be downgraded if BIB's financial profile materially weakens. This would require a durable contraction of its operating profit-to-RWAs and CET1 ratios to below 1.25% and 10%, respectively, combined with a material deterioration in asset-quality metrics.
- The National Ratings are sensitive to a weakening of the bank's or group's creditworthiness relative to other Brazilian issuers.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- An upgrade could occur in the long term if the bank strengthens its market position in its core businesses, leading to a substantial improvement in its TOI, and increases diversification in its funding base.
- The National Ratings are sensitive to a change in the bank's creditworthiness relative to other Brazilian issuers.

Other Debt and Issuer Ratings

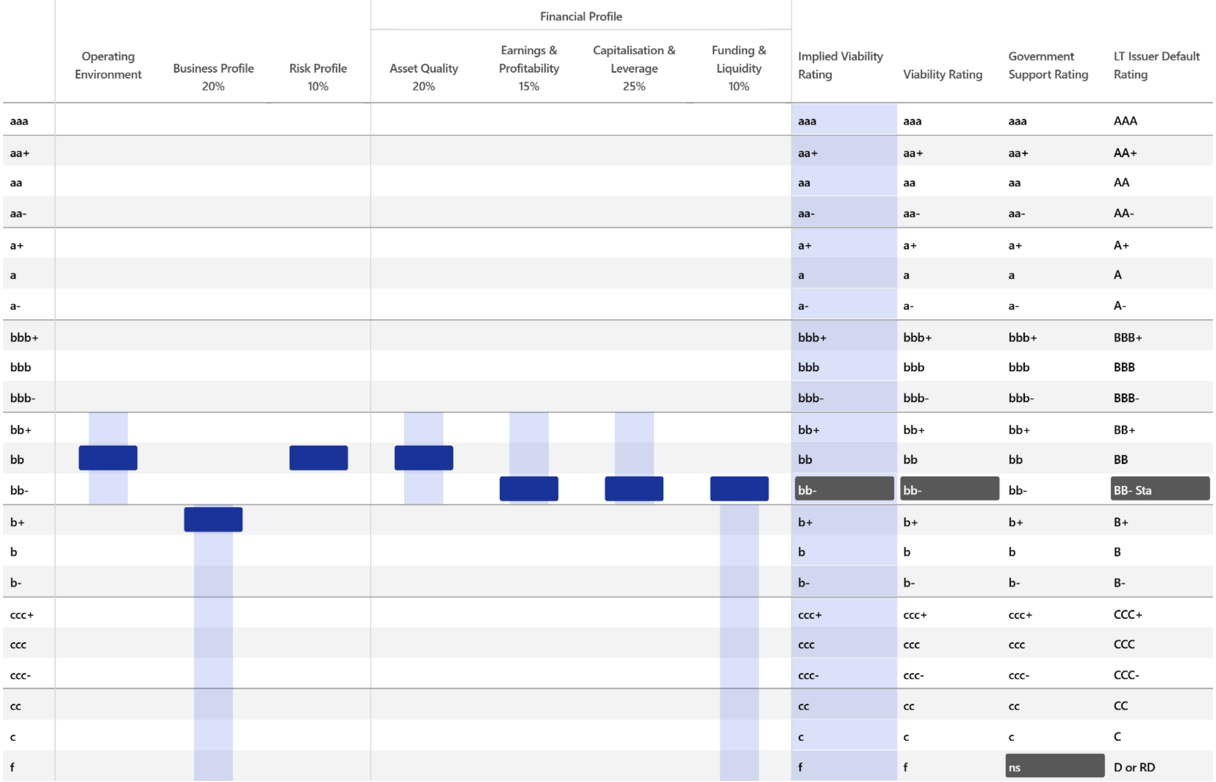
GSR – Key Rating Drivers

The Government Support Rating (GSR) of 'No Support' (ns) reflects BIB's small franchise within the Brazilian financial system (less than 1% of customer deposits as of December 2025). In Fitch's view, there is no reasonable assumption of support being forthcoming.

GSR - Sensitivities

BIB's GSR of 'ns' is sensitive to changes in Fitch's assessment of the sovereign's ability and propensity to provide timely support. Fitch would likely revise the GSR only if there is a significant increase in the bank's systemic importance.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The VR was assigned in line with the implied VR.

The Funding and Liquidity score of 'bb-' is above the 'b and below' category implied score due to the following adjustment reason: liquidity coverage (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Brazil Sovereign Rating and Banking Sector

Fitch affirmed Brazil's Long-Term Foreign Currency IDR at 'BB' with a Stable Outlook in June 2025, balancing a large, diverse economy and strong external finances against significant fiscal challenges. General government debt rose to 78.7% of GDP in 2025 and is projected to reach 84.8% by 2027, well above the 'BB' median of 53.8%. The federal primary deficit improved to 0.4% of GDP in 2024, but the general government deficit is expected to surge to 8.0% of GDP in 2025 due to high interest costs from monetary tightening. Durable fiscal consolidation requiring entitlement spending reforms is unlikely until after the October 2026 elections. Economic growth decelerated to 2.3% in 2025 and is expected to slow further to 1.9% in 2026, though supported by a record-low unemployment rate of 5.1%. Inflation improved to 4.3% at year-end (YE) 2025, prompting the Brazilian Central Bank (BCB) to signal rate cuts from the current 15.0% base interest rate in Brazil (Selic; *Sistema Especial de Liquidação e de Custódia*), with Fitch expecting cumulative cuts of 300 basis points (bps) in 2026 and 150 bps in 2027 to reach a terminal rate of 10.5%. The current account deficit stabilized at 3% of GDP, fully funded by robust foreign direct investment (FDI) inflows exceeding 3.4% of GDP.

Brazil's banking sector, operating in a 'bb' rated environment, demonstrated resilience despite challenging conditions. System credit growth slowed to 10.2% in 2025 from 11.5% in 2024, with further moderation to 9.1% expected in 2026 due to restrictive monetary conditions and cooling economic activity. Private banks led growth at 14.5%, reflecting stronger credit card momentum as fintechs gain market share, while state-owned and foreign banks slowed significantly. Asset quality pressures intensified, with system NPLs rising to 4.1% in 2025 from 3.0% in 2024, driven by high interest rates, elevated household indebtedness, and the transition to expected-loss accounting under Resolution 4,966. Rural credit NPLs exceeded 6%, reflecting weaker producer cash flows and adverse climate conditions, which represent a key downside risk for lenders with higher agribusiness exposure.

Fitch maintains a 'neutral' outlook for the Brazilian banking sector in 2026, expecting asset-quality pressures to rise as the credit cycle matures and the new expected-loss framework fully seasons, but deterioration should remain manageable. The sector's resilience is underpinned by strong pre-impairment profitability, solid capitalization with ratios comfortably above regulatory minimums, and robust liquidity buffers with high-quality liquid assets and limited external funding reliance. Supervisory stress tests continue to indicate systemwide resilience under adverse scenarios. Key monitoring points include SME fragility as corporate funding shifts to capital markets, mortgage funding pressures from weak savings deposits and greater reliance on tax-advantaged instruments, and the ongoing regulatory phase-in of the expected-loss framework and revised operational-risk charges affecting capital ratios through 2028. The extrajudicial liquidation of a medium-sized bank is not considered material from a systemic risk perspective.

Business Profile

Institutional Overview and Market Position

BIB represents a moderately-sized, privately-held banking institution within the Brazilian financial landscape, ranking around 100th by total assets with BRL8.5 billion as of 2025. Established in 1994, the institution has maintained its private ownership structure throughout its three-decade operational history, deliberately focusing on collateralized lending to Low Corporate SMEs. This strategic niche positioning underscores both its modest institutional scale and its deliberately concentrated yet stable revenue base when compared to higher-rated peers operating across more diversified business lines. The bank's business profile and strategic objectives have demonstrated remarkable consistency over the past decade, with minimal variation in its fundamental revenue model and core financial metrics, reflecting a disciplined approach to institutional development and market positioning.

Business Model and Strategic Focus

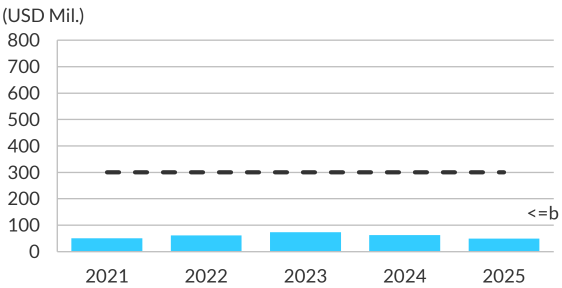
The institution's lending portfolio exhibits deliberate concentration. Midsized enterprises account for approximately 83% of gross loans, while payroll-discounted lending to retirees, pensioners, and public sector employees accounts for the remaining 17%. Within the Small segment, the bank targets enterprises with annual revenues of up to BRL100 million; in the Middle segment, it targets enterprises with annual revenues between BRL100 million and BRL600 million; and in the Low Corporate segment, which includes companies with annual revenues exceeding BRL 600 million. It offers traditional commercial banking products, including working capital facilities, asset acquisition financing, trade finance solutions, and on-lending of National Bank for Economic and Social Development (BNDES; *Banco Nacional de Desenvolvimento Economico e Social*) credit lines. The institution strategically positions itself as a secondary lender rather than the primary banking relationship holder to mitigate single-name concentration risks.

The secured payroll lending business serves as a complementary revenue stream, catering to both public and private sector employees while providing portfolio diversification benefits and stable cash flows across economic cycles.

Since its establishment, the institution has demonstrated consistent growth in credit operations, underpinned by a business model built on three fundamental pillars: specialization in credit market niches with elevated growth and profitability potential, agility in originating quality assets, and rigorous credit, liquidity, and internal control policies. The bank maintains a strategic geographic distribution across Brazil, with branches and offices in major commercial centers, including São Paulo, Belo Horizonte, Campinas, Curitiba, Goiânia, Rio de Janeiro, Salvador, Manaus, Macapá, and Rio Branco, complemented by an international presence in Nassau, Bahamas. Beyond its physical branch network, the bank also originates payroll loans through active banking correspondents distributed throughout the country.

Mr. Carlos Alberto Mansur maintains full ownership of the institution while simultaneously serving as Chief Executive Officer and Chairman, representing a consolidated leadership structure characteristic of family-owned financial institutions. BIB's corporate governance is considered adequate given its business complexity and demonstrated consistency across multiple business cycles. The senior management team combines family members and experienced non-family executives, demonstrating low turnover and substantial institutional knowledge, with key positions such as the Chief Financial Officer and Chief Risk Officer held by professionals with extensive prior experience at established Brazilian financial institutions.

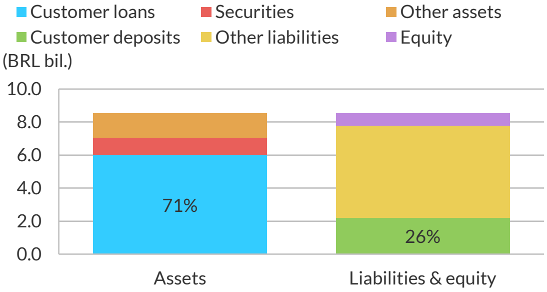
Total Operating Income



Source: Fitch Ratings, Fitch Solutions, BIB

Balance Sheet

(Ended Dec. 2025)



Source: Fitch Ratings, Fitch Solutions, BIB

Risk Profile

Risk Profile and Underwriting Standards

BIB's risk profile demonstrates particular sensitivity to its exposure to SME borrowers, a segment inherently more vulnerable to economic cyclicality. Nevertheless, Fitch assesses BIB's risk profile as superior to its business profile score, a distinction that reflects the institution's prudent loan-to-value ratios and robust risk control mechanisms. These disciplined underwriting practices have yielded above-average credit stability and demonstrably lower credit losses than those of peer institutions, even amid challenging macroeconomic environments. The bank's market risk management framework remains commensurate with its operational scale, while its strict underwriting standards and elevated collateralization levels sustain a healthy risk profile despite the concentration in SME lending. With gross loans of BRL6.0 billion in 2025, representing approximately 70% of assets, and cash plus sovereign debt securities comprising around 30% of assets, these portfolios constitute the bank's principal sources of credit risk, managed through a control environment deemed adequate for the complexity of its business model.

Low Corporate and SME Lending Strategy and Portfolio Composition

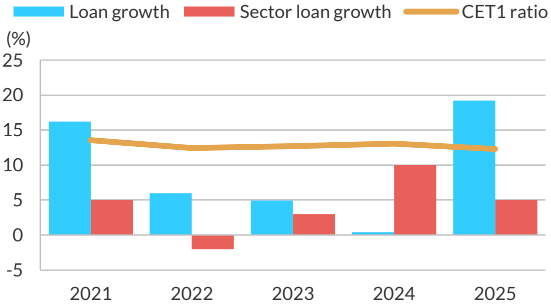
BIB manages credit risk through strategic diversification across individual borrowers and maintains prudent loan-to-value ratios throughout its portfolio. The Low Corporate/SME portfolio is predominantly short term in nature, averaging 227 days to maturity, and benefits from substantial collateralization, resulting in a 90-day NPL ratio of 1.8%, significantly below the Low Corporate/SME industry average of around 4.5%, as reported by the BCB. Collateral coverage stands at 118% of gross loans, comprising 61% performed receivables, 4% BNDES guarantees, 14% real estate, 17% fixed assets, and 11% cash collateral, all with adequate enforceability. The bank's 20 largest exposures account for 35% of Low Corporate/SME loans or 29% of total gross loans, with further diversification achieved through its payroll lending business. The portfolio's short-term characteristics provide enhanced flexibility for repricing, restructuring, and renegotiation, while maintaining granular average ticket sizes.

The payroll lending business serves as a complementary operation and a valuable source of risk diversification, historically representing approximately 15% to 20% of total loans, with potential fluctuations within a 5% range above or below that level, depending on Low Corporate/SME segment performance. This portfolio maintains an adequate risk profile, with exposure predominantly focused on public sector employees in Brazil's northern and northeastern regions, where the average credit profile of public sector entities exceeds the domestic average, albeit with correspondingly higher yields.

Market Risk Management and Treasury Operations

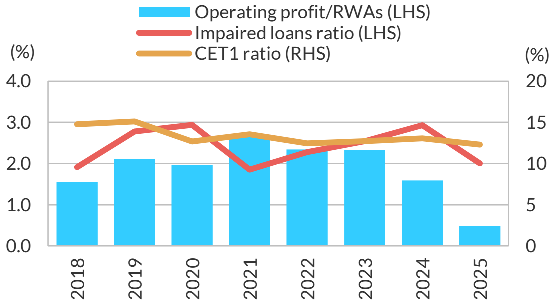
BIB's market risk exposure remains limited to 1.8% of total risk-weighted assets, primarily attributable to interest rate risks from the banking book and foreign exchange risks stemming from trade finance and foreign currency-denominated funding. The treasury desk functions not as a profit center but rather as a unit fundamentally focused on asset-liability management, endeavoring to minimize tenor and pricing mismatches between lending and funding balances.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, BIB

Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, BIB

Financial Profile

Asset Quality

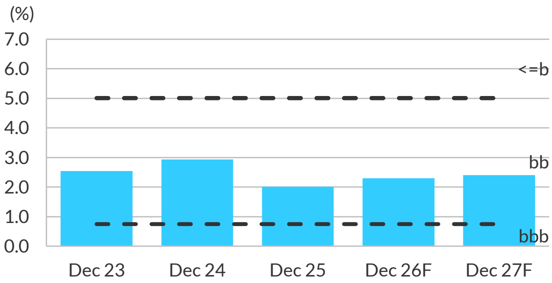
Sustained Asset Quality Across Economic Cycles

BIB demonstrates superior asset quality metrics relative to its peer group, characterized by consistently minimal credit losses throughout economic cycles. The impaired loans ratio (Stage 3 loans to gross loans) registered at 2.0% as of December 2025, representing a notable improvement from 2.9% in 2024 (D-H loans/total gross loans under Resolution 2682 classification), and closely aligning with benchmarks established by other prominent Brazilian financial institutions.

The four-year trailing average stood at 2.4% for the period spanning 2020 to 2024 (D-H loans), while NPLs (loans more than 90 days past due) contracted to 2.0% in December 2025 from 2.2% in the prior year. This performance reflects a decade-long track record of disciplined credit management, with the institution maintaining an average impaired ratio of 2.3% over the past ten years, with minimal variance and substantially outperforming sector averages. Notably, BIB's 90-day NPL ratios have consistently surpassed industry standards, approximating levels typically associated with large corporate lending portfolios within the domestic banking sector.

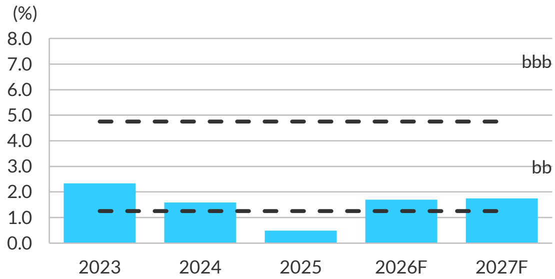
BIB's robust asset quality position is further reinforced by prudent provisioning practices and a well-diversified, collateralized loan portfolio. The bank maintains comprehensive coverage at 154% of Stage 3 loans, which is commensurate with its loan collateralization profile and portfolio composition, while loan collateralization exceeds aggregate loan values, encompassing approximately 118% of gross loans. The institution's substantial secured exposure within payroll lending operations provides meaningful risk diversification and downside protection.

Impaired Loans/Gross Loans
BIB



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets
BIB



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Cyber Incident

BIB experienced a temporary setback in profitability during 1H25, primarily attributable to a cyber incident that occurred on June 30, 2025, resulting in a loss of BRL104.3 million. As disclosed in Note 1 (1.1) of the financial statements for the year ended 2025, the bank fell victim to a cybersecurity incident that targeted a third-party service provider, which compromised funds deposited in BIB's instant payment system (PIX) maintained with the BCB for arrangement transactions.

Second-Half Recovery and Financial Performance

Notwithstanding this specific event, the bank demonstrated remarkable resilience through a robust 2H25 performance, with positive monthly results in July and August offsetting much of the 1H25 shortfall. BIB ultimately closed 2025 with a net profit of BRL31 million, representing a net income-to-average equity ratio of 4.1%, a substantial recovery from the first-half net loss of BRL35.2 million. This turnaround was underpinned by the bank's lean cost structure and stable asset quality, which serve as fundamental earnings drivers.

The bank's adequate profitability profile remains evident and consistent when viewed through a multi-year lens. Although the 2025 operating profit-to-RWA ratio of 1.7%, revenue streams are less diversified than those of larger domestic banks due to the banks' reliance on net interest income, but BIB has historically exhibited lower profitability volatility compared to peers. Recovery momentum is anticipated to continue in 2026 and 2027, with credit losses and deliquency rates expected to remain manageable, supported by the bank's disciplined risk management framework and stable asset quality metrics.

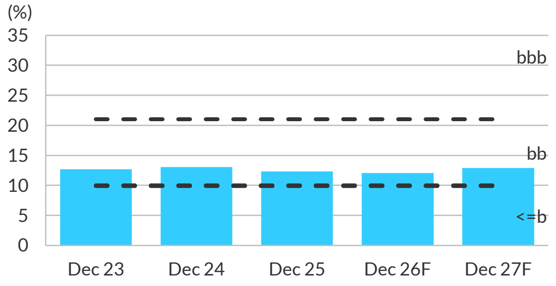
Capitalization and Leverage

Capitalization and Leverage Assessment

BIB maintains its capitalization levels with moderate buffers above regulatory minimums, which are deemed adequate considering the bank's well-managed risk profile, asset quality, and internal capital generation. BIB consistently generates internal capital before dividends each year. In 2025, the CET1-to-RWA ratio was 12.3%, well above the minimum requirement of 8.5% and comparing favorably with similarly rated peers.

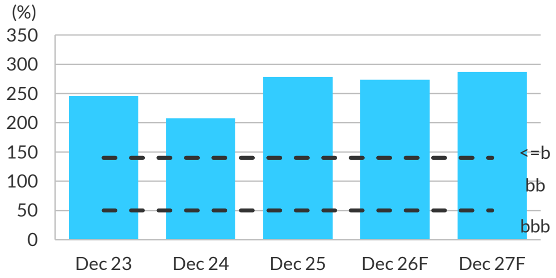
In 2023, BIB issued Tier 2 subordinated debt, enhancing its total regulatory capital ratio to 16.9%. This issuance provides greater capital flexibility and supports Fitch's assessment of BIB's capitalization and leverage. The bank's RWA-to-total assets ratio of 74% reflects a moderate risk profile, while its solid capital position provides an important buffer to absorb potential losses from extraordinary events, as demonstrated during the 2025 cyber incident recovery.

CET1 Ratio
BIB



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits
BIB



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Conservative Management with Evolving Funding Mix

BIB's Funding and Liquidity profile reflects its conservative liquidity management and moderate improvements in its funding structure, which have enhanced market access, although its funding franchise remains less developed than that of larger Fitch-rated peers in the 'AAA(bra)' and 'AA+(bra)' categories. The loan-to-deposit ratio stood at 279% in 2025, improving to approximately 190% when including Agribusiness Credit Bills (LCA; *Letras de Crédito do Agronegócio*) and Real Estate Credit Bills (LCI; *Letras de Crédito Imobiliárias*) as time deposits. In 2025, the top 20 depositors accounted for 55% of total national funding (45% when excluding brokerage platforms) and 47% of total funding (national and international) .

BIB has diversified its funding mix over the years, incorporating trade finance lines with foreign banks and international funding from multilateral entities. The main funding sources comprise customer deposits and LCAs/LCIs (32%), complemented by long-term domestic senior unsecured funding (23%), interbank funding (10%), and international funding (23%). BIB maintains high-quality liquid assets at approximately 1.2x its equity and 20% of deposits. BIB's liquidity profile also benefits from effective asset-liability management and the short-term nature of its guaranteed lending receivables, with an average duration of approximately 227 days.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in environments that Fitch scores in the 'bb' category.

Financials

Financial Statements

	December 31, 2022 12 months (BRL Mil.)	December 31, 2023 12 months (BRL Mil.)	December 31, 2024 12 months (BRL Mil.)	December 31, 2025 12 months (BRL Mil.)
Summary income statement				
Net interest and dividend income	292	339	353	324
Net fees and commissions	25	32	30	19
Other operating income	4	-6	10	-67
Total operating income	321	365	393	277
Operating costs	176	190	221	199
Pre-impairment operating profit	145	175	172	78
Loan and other impairment charges	26	39	77	47
Operating profit	119	137	95	31
Other non-operating items (net)	9	-	14	-2
Tax	35	30	20	-2
Net income	93	106	89	31
Other comprehensive income	-4	4	-4	0
Fitch comprehensive income	89	110	85	31
Summary balance sheet				
Assets				
Gross loans	4,951	5,194	5,215	6,217
– Of which impaired	113	132	153	125
Loan loss allowances	50	65	93	192
Net loans	4,901	5,130	5,122	6,024
Interbank	90	156	205	46
Derivatives	5	6	18	447
Other securities and earning assets	796	1,041	1,255	1,538
Total earning assets	5,792	6,332	6,600	8,056
Cash and due from banks	64	42	29	42
Other assets	341	276	486	414
Total assets	6,197	6,650	7,115	8,512
Liabilities				
Customer deposits	1,627	2,112	2,511	2,231
Interbank and other short-term funding	584	1,114	697	1,165
Other long-term funding	3,075	2,453	2,888	3,751
Trading liabilities and derivatives	2	13	12	467
Total funding and derivatives	5,287	5,691	6,107	7,615
Other liabilities	218	215	232	154
Preference shares and hybrid capital	-	-	-	-
Total equity	692	743	777	743
Total liabilities and equity	6,197	6,650	7,115	8,512
Exchange rate	USD1= BRL5.1439	USD1= BRL4.9186	USD1= BRL6.1917	USD1= BRL5.5018

Source: Fitch Ratings, Fitch Solutions, BIB

Key Ratios

	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
Ratios (%; annualized as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.3	2.3	1.6	0.5
Net interest income/average earning assets	5.2	5.8	5.4	4.5
Non-interest expense/gross revenue	55.4	52.7	57.1	72.8
Net income/average equity	13.9	14.9	11.6	4.2
Asset quality				
Impaired loans ratio	2.3	2.5	2.9	2.0
Growth in gross loans	6.0	4.9	0.4	19.2
Loan loss allowances/impaired loans	44.6	48.8	60.5	154.1
Loan impairment charges/average gross loans	0.6	0.8	1.5	0.8
Capitalization				
Common equity Tier 1 ratio	12.5	12.7	13.1	12.3
Fully loaded common equity Tier 1 ratio	-	-	-	-
Fitch Core Capital ratio	-	-	-	-
Tangible common equity/tangible assets	10.2	10.2	9.8	7.3
Basel leverage ratio	-	-	-	-
Net impaired loans/common equity Tier 1	-	-	-	-
Net impaired loans/Fitch Core Capital	-	-	-	-
Funding and liquidity				
Gross loans/customer deposits	304.3	246.0	207.7	278.6
Gross loans/customer deposits + covered bonds	-	-	-	-
Liquidity coverage ratio	-	-	-	-
Customer deposits/total non-equity funding	30.8	37.2	41.2	31.2
Net stable funding ratio	-	-	-	-

Source: Fitch Ratings, Fitch Solutions, BIB

Support Assessment

Government Support

Sovereign	Brazil
Sovereign Long Term Issuer Default Rating	BB/Stable
Typical D-SIB Government Support for sovereign's rating level	bb or bb-
Actual jurisdiction D-SIB Government Support	bb-
Government Support Rating	ns
Government ability to support D-SIBs	
Size of banking system	Neutral
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Neutral
Ownership	Positive

Note: The colors below indicate the influence of each support factor in our assessment.
Higher influence Moderate influence Lower influence
Source: Fitch Ratings

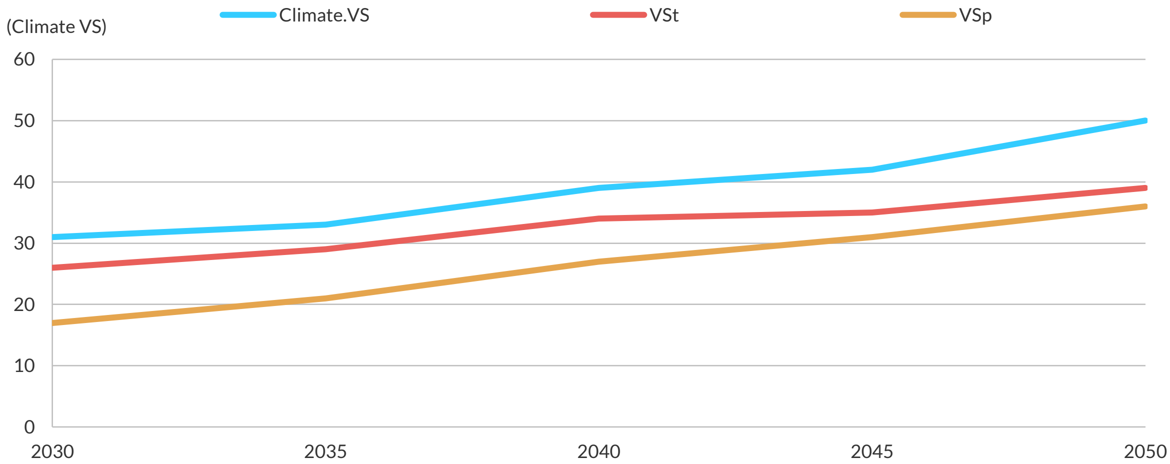
The GSR of 'No Support' (NS) reflects BIB's small franchise within the Brazilian financial system (less than 1% of customer deposits as of December 2025). In Fitch's view, there is no reasonable assumption of support being forthcoming.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

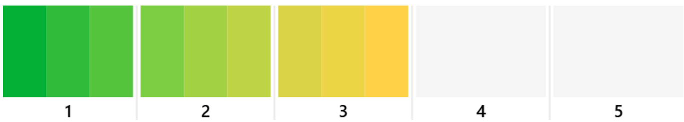
The Climate.VS for BIB for 2035 is 33, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 29 and a physical risk (VSp) component signal of 21. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's Financial Institutions Climate Vulnerability Rating Criteria."

Climate Vulnerability Signals for Banco Industrial do Brasil S.A.



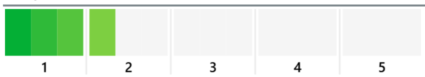
Source: Fitch Ratings

Environmental, Social and Governance Considerations



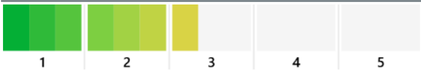
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



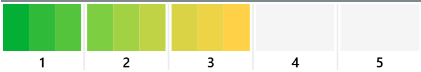
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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