

# Banco Industrial do Brasil S.A.

## Full Rating Report

### Ratings

#### Foreign and Local Currency

Long-Term IDR	BB
Short-Term IDR	B

#### National Rating

Long-Term Rating	AA-(bra)
Short-Term Rating	F1+(bra)
Viability Rating	bb
Bank Support Rating	5

#### Sovereign Rating

Long-Term FC IDR	BB
Long-Term LC IDR	BB

IDR – Issuer Default Rating. FC – Foreign currency. LC – Local currency. LT – Long term.

### Rating Outlooks

Long-Term FC and LC IDR	Negative
National Long-Term Rating	Stable
Sovereign LT LC and FC IDR	Negative

### Financial Data

#### Banco Industrial do Brasil S.A.

(BRL Mil.)	12/31/16	12/31/15
Total Assets (USD Mil.)	885.6	656.1
Total Assets	2,885.6	2,561.6
Net Equity	501.1	488.7
Operating Income	57.6	50.6
Net Income	47.9	46.8
Comprehensive Result	47.9	46.8
Operating ROAA (%)	2.13	2.02
Operating ROAE (%)	11.65	10.56
Internal Capital Generation (%)	2.37	3.52
Fitch Eligible Capital/ Risk-Weighted Assets (%)	15.69	15.59
Tier 1 Regulatory Capital Ratio (%)	15.70	15.99

### Related Research

[Banco Industrial do Brasil S.A. - Rating Navigator \(June 2017\)](#)

[Fitch Affirms Banco Industrial do Brasil SA's Ratings at 'BB'/AA-\(bra\)' \(May 2017\)](#)

### Analysts

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### Key Rating Drivers

**Ratings Affirmation:** Fitch Ratings' affirmation of the Issuer Default Ratings (IDRs) of Banco Industrial do Brasil S.A. (BIB) follows the affirmation of the bank's Viability Rating (VR) at 'bb'. The VR considers the bank's experience and continuous focus on small- and medium-sized enterprises (SMEs), a segment in which the bank manages to operate with relatively low losses over challenging economic cycles.

**Weakening of the Operational Environment:** The Negative Outlook for the IDRs reflects the strong influence of a more challenging operating environment on the main indicators of loan quality and profitability of medium-sized banks such as BIB.

**Adequate Performance:** The ratings take into account the institution's stability and financial performance, which is above the peer average, and notably evidenced by the maintenance of good asset quality, liquidity and capitalization throughout different cycles of the Brazilian economy. The ratings also consider BIB's size and concentration of assets and liabilities inherent to the business model.

**Stable Business Model:** BIB has a stable business model, characterized by the maintenance of low leverage, strictness and conservatism in terms of risk appetite, and retaining a high liquidity position. BIB avoids positioning itself as the first-choice bank for clients, considering its size. BIB is relatively successful in finding better terms for SME lending with the addition of guarantees in order to reduce risk in a more challenging economic environment. The bank has seized opportunities to create a portfolio of companies with a low risk profile.

**Good Loan Quality:** BIB has maintained adequate loan quality indicators in the past three years. The ratio of loans with arrears of more than 90 days was 0.9% in March 2017, 0.6% in 2016 and 1.0% of total loans in 2015.

The concentration of the bank's loan portfolio remained high, but controlled, as the 20 top clients accounted for 26% in 2016 compared with around 30% of the loan portfolio in 2015 and 2014. Impaired loans classified as 'D-H' were 2.9% of the portfolio in March 2017 and 2016, 1.1% in 2015 and 3.4% in 2015. This was better than the peer average.

**Adequate Capitalization:** The bank has a comfortable capital base, reflected by the Fitch Core Capital (FCC) Index of 15.7% in 2016, 16.0% in 2015 and 16.3% in 2014. BIB diversified its base as the bank had access to foreign trade lines with multilateral agencies. The bank still maintains term deposits as a main source of funding with competitive costs and terms. BIB held a comfortable liquidity position in first-quarter 2017 of BRL435.8 million.

### Rating Sensitivities

**Positive Rating Action:** BIB's VR and IDRs are constrained by Brazil's operating environment. Therefore an upgrade of the ratings is very unlikely in the near future. The Outlook of the Long-Term IDRs could be revised to Stable when and if Fitch makes a similar revision to the Outlook for the Brazilian banking system's operating environment, which in turn is highly influenced by the Sovereign Rating Outlook, which is currently Negative.

**Negative Rating Action:** Ratings may be negatively affected by a deterioration in the quality of the bank's assets such as nonperforming loans (NPLs) past due for more than 90 days above 5.0% and a decline in performance of the operating ROAA below 1.0%.

**Operational Environment**

*Sovereign Rating: IDR 'BB'; Outlook Negative*

In May 2017, Fitch affirmed Brazil's Long-Term Local and Foreign Currency IDRs at 'BB' and maintained a Negative Outlook. This reflects the sovereign's continued large fiscal imbalances and adverse government debt dynamics along with uncertainty as to the implementation of fiscal measures to improve prospects for debt stabilization. Fitch previously downgraded Brazil's Sovereign Ratings to 'BB' from 'BB+' in May 2016.

*Challenging Economic Environment in Brazil*

Fitch expects Brazil's economy to emerge from recession in 2017, forecasting GDP to grow 0.5%, after declining 3.6% in 2016 and 3.8% in 2015, reflecting the expectation of economic stabilization. Inflation declined to 6.3% in December 2016, after a peak of 10.7% at the beginning of 2016, which led the Central Bank of Brazil, or Banco Central do Brasil (BACEN), to reduce interest rates in October 2016. Since then the basic interest rate, or Sistema Especial de Liquidação e Custodia (SELIC) was reduced to 10.25% from 14.25%. The Brazilian real recovered compared with the U.S. dollar by 17% in 2016, following a 50% depreciation in 2015.

*Financial Market Development*

The Brazilian banking system is well developed but highly concentrated. Loan growth and asset quality have come under pressure from the weak operating environment since 2014. In 2016, total sector loans fell 3.5% on a year-over-year basis compared with annual growth of 6.7% in 2015 and 16.0% per year between 2010 and 2014. NPLs past due for more than 90 days reached 3.7% of total sector loans in 2016, 3.4% in 2015 and 2.7% in 2014. The loans/GDP ratio stood at 49% in 2016 and 55% in 2015. State-owned banks accounted for 56% of total sector loans and the top-10 banks made up about 85% of assets

*Regulatory Framework: Adequate and Well Established*

The country's regulatory environment is strong. The two main regulators, BACEN and the Brazilian Securities and Exchange Commission, enjoy a good reputation in terms of sophistication, controls and monitoring, in addition to flexibility and a timely reaction to adverse situations. Law enforcement is adequate.

**Company Profile**

*Franchise: Small-Sized Bank with Good Efficiency*

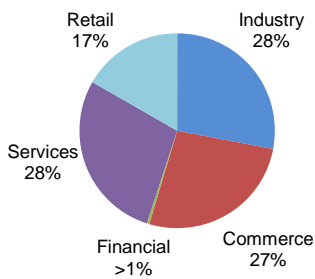
BIB is a private, closed capital bank created in 1994 after the acquisition of Banco Santista S.A. (Grupo Bunge). The bank had 263 employees in 2016 and is headquartered in a proprietary building in São Paulo. BIB has six branches in Campinas, São Paulo; Rio de Janeiro, Rio de Janeiro; Curitiba, Paraná; Goiânia, Goiás; Salvador, Bahia; and Macapá, Amapá. The bank's portfolio of legal entities was spread among the five regions of Brazil with the Southeast at 71%, Central-West at 15%, South at 4%, North at 2% and the Northeast at 8%.

Given its size, BIB is generally the second or third bank of choice for clients. Thus, it has a low representation in the Brazilian banking system and occupies the 68th position in terms of total deposits, or less than 1% of the Brazilian banking system, and 68th in total assets, or less than 1% of the Brazilian banking system.

*Business Model: Main Focus on SMEs*

BIB has a stable business model characterized by maintaining low leverage, stringency and a conservative nature in terms of risk appetite with a high liquidity level. BIB's main operating

**Loans Breakdown**  
(As of March 31, 2017)



Note: Figures do not total 100% due to rounding of figures.  
Source: Banco Industrial do Brasil S.A.

**Related Criteria**

National Scale (March 2017)	Ratings	Criteria
Global Bank (November 2016)	Rating	Criteria

focus is on lending to SMEs with revenue above BRL250 million. The bank offers traditional products in the market place such as working capital loans at 36%, asset acquisition or receivable advances at 27%, overdraft accounts at 11%, sureties and guarantees at 9%, trade finance at 11% and on-lendings from the Brazilian Economic and Social Development Bank, or Banco Nacional de Desenvolvimento Econômico e Social (BNDES) at 4% as of 2016.

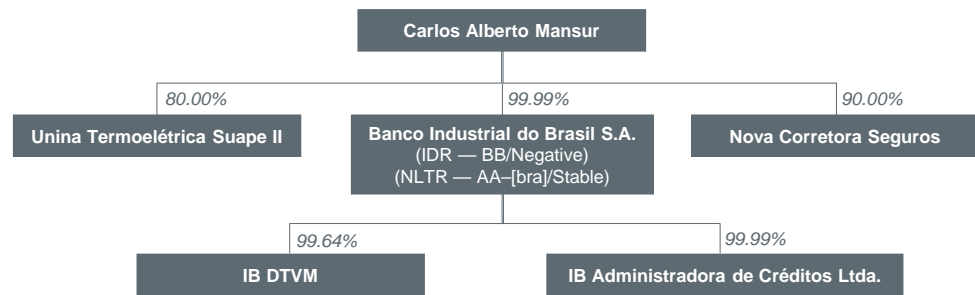
On a smaller scale, the bank operates in the retail segment by focusing exclusively on payroll-deductible loans to social security retirees, public and private sector workers, and portfolio refinancing. BIB's participation in this segment has tended to decline over time.

*Lean Organizational Structure*

The bank is 99.99% controlled by Carlos Alberto Mansur and has two operating companies, which, although not very representative, provide synergies: Industrial do Brasil DTVM and IB Administradora de Créditos Ltda.

**Organizational Structure**

(As of Dec. 31, 2016)



IDR – Issuer Default Rating. NLTR – National Long-Term Rating.  
Source: Banco Industrial do Brasil S.A.

**Management and Strategy**

*Management: Adequate in Terms of Stability and Experience*

Fitch considers the management adequate in terms of stability and experience of the members for the bank's size. The main shareholder, Carlos Mansur, is BIB's CEO and participates in the daily activities and strategic decision-making of the bank with the seven-member executive board.

*Corporate Governance: Efficient with Relative Autonomy*

The corporate governance is neutral to BIB's ratings. The institution relies on several committees such as loan, risk and policy revision committees and the frequency of meetings is defined by internal policies, translating into good practices. Although Fitch does not perceive pronounced risk, it considers BIB's corporate governance as typical of small and mid-sized closed capital banks, with a familiar shareholding structure and centralized decision making.

In terms of reports, the bank's financial information has a good degree of openness and transparency, even though the institution is not listed on the Brazilian Stock Exchange. BIB is audited by KPMG International, which issued an unqualified opinion. The bank discloses financial information according to Brazilian accounting standards (BR GAAP) and the IFRS.

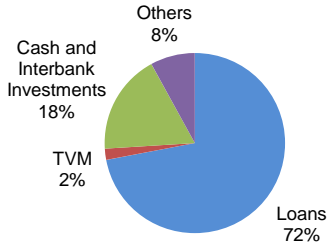
*Strategic Targets: Expansion in Companies with Lower Risk*

BIB's strategic targets have been solid over the years. The bank maintains a strategy of operating primarily in the SME segment, keeping a portfolio of only 11% of payroll-deductible loans as of 2016 and 14% in 2015, a segment in which it mainly operates in loan renewals,

with no plans to expand the portfolio to new customers. The operations aimed at SMEs are focused on companies with revenue above BRL250 million. In addition, the bank continues to seek higher guarantees in order to reduce risk in an increasingly challenging economic environment. BIB seized opportunities to purchase a portfolio of companies with a low risk profile.

**Assets Breakdown**

(As of Dec. 31, 2016)



TVM – Securities portfolio.  
Source: Banco Industrial do Brasil S.A.

*Strategy Execution: Good Track Record of Policy Implementation*

BIB maintains a more conservative risk appetite, lower leverage and less sophisticated product offerings, allowing the bank to maintain a lean cost structure. In 2017, BIB plans to achieve a net income around BRL50 million, close to 2016 net income, while maintaining adequate profitability ratios, according to Fitch.

Fitch considers BIB’s expansion plans to be feasible in view of the market dynamics. The strategy contemplates the modest risk appetite of the bank, which presents strong financial metrics and comfortable liquidity and capitalization ratios. By focusing on this, management is able to produce the expected results while navigating the challenging market environment.

**Risk Appetite**

*Underwriting Standards: Loans are the Main Risk*

Fitch views BIB’s underwriting standards as solid. Loans remain the main risk of the bank’s operations, which recorded a loan portfolio of BRL1.9 billion in March 2017, BRL2.1 billion in 2016, BRL1.9 billion in 2015 and BRL1.8 billion in 2014. The bank’s loans comprise companies at 83% and individuals at 17%. Loan risk represented 85% of risk-weighted assets in 2016. The 20 largest borrowers represented about 26% of the portfolio in 2016, 28% in 2015 and 30% in 2014. The average loan amount for the corporate loans portfolio declined sharply to around BRL440,000 in 2016 from BRL1.1 million in 2015 and BRL841,100 in 2014.

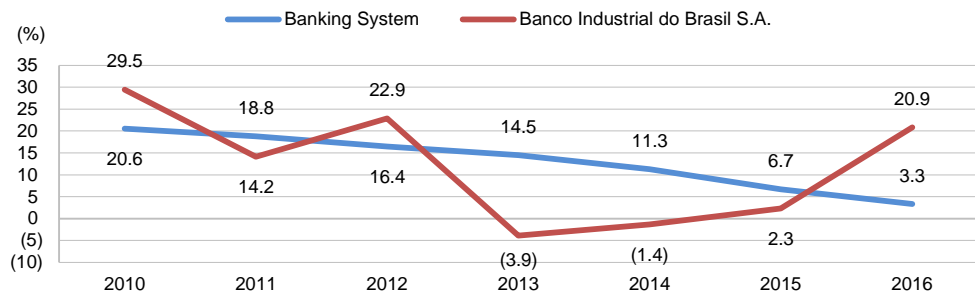
All transactions are submitted to the loan committee, made up of the main directors and the president of the bank. The committee meets once a week, with the mandatory presence of the president or vice president and other directors. Operations are approved by majority votes. BIB’s loan policy limits the concentration of clients to 5% of capital. As to the risk of loan operations, the bank adopted the practice of classifying loans based on the quality and level of guarantees, in accordance with BACEN Resolution 2.682.

*Risk Controls and Operational Risk*

BIB has an adequate structure of risk controls. As the bank is focused on SMEs, loan monitoring and assurance of control functions are essential. The bank’s good asset quality reflects effective risk controls. In 2016, operational risk represented only 7.6% of the reference equity, a percentage compatible with BIB’s profile, compared with 8.7% in 2015.

**Loan Growth**

(December 2010–December 2016)



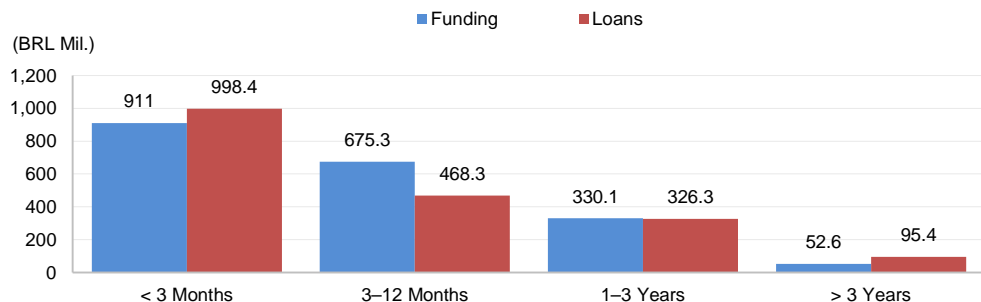
Source: Brazilian Central Bank, Fitch.

### Loan Growth Larger than SFN's

BIB reported marginal growth of 2.3% in 2015 and an expansion of 20.0% in 2016. The bank took advantage of some low-risk portfolios, while the National Financial System loan portfolio, or Sistema Financeiro Nacional (SFN), increased by 7.0% in 2015 and declined by 3.3% in 2016. A more stringent risk classification criterion, in addition to adverse macroeconomic conditions, led BIB to focus its strategy on clients with better credit profiles, maintaining low leverage. In first quarter 2017, BIB finances declined 14%. This is explained by the purchase of a low risk portfolio with a short-term maturity that occurred at year-end 2016.

### Loans Versus Funding by Maturity

(As of March 2017)



Source: Banco Industrial do Brasil S.A.

### Low Market Risk

BIB's treasury is conservative, focused on funding and on liquidity management to prevent rate and term mismatches. The security and financial investment portfolio mainly comprised public securities at 97%. The bank's average loan term remained less than one year at 293 days in 2016, while the average term of deposits was 396 days.

BIB has a management system that calculates value at risk (VaR) according to BACEN standards. The overall VaR limit is BRL4 million with a confidence level of 94% according to management and 99% according to regulators. Any operation outside this standard must be submitted to the risk committee for approval. Currently, the exposure limit is set by index, regardless of the product such as bonds, futures or U.S. dollar options. Interest is set at BRL425 million, U.S. dollar currency is set at USD10 million and exchange is set at BRL5 million.

The positions are controlled by managerial and compliance information and risk areas, which correspond to the administrative board and the president, respectively. The bank holds daily cash meetings to discuss hedging policy and positioning in the market. The decisions are taken by consensus.

### Financial Profile

#### Asset Quality: Good Loan Quality

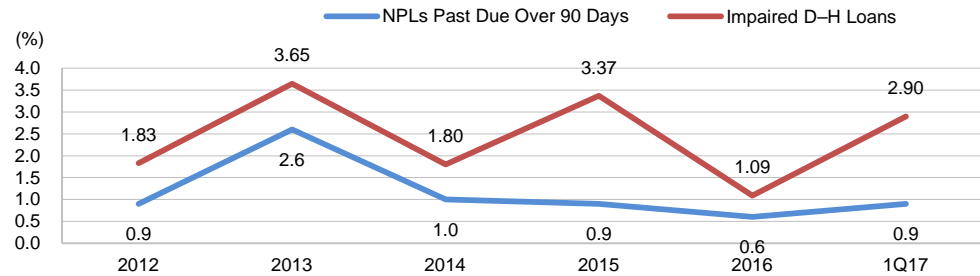
Given its small size and limited product offering, the maintenance of good quality assets is very important to BIB. The bank holds good asset quality indicators and a better average than peers. Even in the face of a more challenging economic environment, BIB maintained loan quality indicators at appropriate levels in 2014, 2015 and 2016. The NPLs past due for more than 90 days was only 0.9% in March 2017, 0.6% in 2016, and 1.0% of the total loan portfolio in 2015 and 2014.

BIB maintained low leverage, reflecting a more conservative appetite for loan risk, given the current macroeconomic environment. The bank's loan portfolio concentration remained high,

but controlled. The 20 largest clients represented 26% of the portfolio in 2016 compared with around 30% in 2015 and 2014. Impaired loans classified as 'D-H' were 2.9% in March 2017, 1.1% in 2016, 3.4% in 2015 and 1.8% in 2014. This was better than the peer average. Net write-offs reached only 0.8% in 2016 and 2015, a percentage in line with BIB's history, which reflects the bank's policy of favoring transactions with more solid guarantees.

**Loan Quality**

(December 2010–March 2017)



NPLs – Nonperforming loans.  
Source: Banco Industrial do Brasil S.A.

**Earnings and Profitability: Good Profitability Ratios**

The bank reported net income of BRL47.9 million in the LTM ended December 2016, BRL46.8 million in 2015 and BRL40.3 million in 2014. Annual return on assets was 1.8% in 2016, 1.9% in 2015 and 1.7% in 2014. The average operating result/risk-weighted assets in the last four years was 2.1%, a percentage considered good. BIB reported favorable results even in the face of a weak macroeconomic environment. This occurred due to better financing costs and because there was a decline of competition in the SME segment, which contributed to the generation of good spreads. Fitch expects BIB's profitability to remain adequate in future years. In first quarter 2017, BIB presented net income of BRL6 million.

**Capitalization and Leverage: Adequate Capitalization and Low Leverage**

BIB relies on a comfortable capital base, which is reflected in its FCC ratios of 15.7% in 2016, 16.0% in 2015 and 16.3% in 2014. The bank has good quality capital comprising Tier 1 capital. The institution has room to increase leverage, since the loan portfolio represented 4.5x equity in 2016, 3.4x in 2015 and 3.7x in 2014, a ratio considered adequate. Fitch believes BIB's capital base is sufficient to maintain the expansion and absorption of any potential losses.

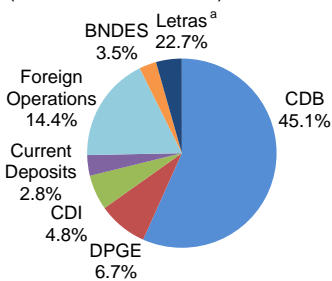
**Funding and Liquidity: Concentrated Funding and Satisfactory Liquidity**

BIB diversified its funding base as it had access to trade financing lines from multilateral agencies. The bank still maintains term deposits as a main source of funding at competitive costs and terms. BIB's other sources of funding are those traditionally used in the market such as interbank deposits, financial bills and real estate credit bills. Most of BIB's investors have a history of long applications, demonstrating stability in times of stress and market volatility.

In line with the expansion of the foreign trade loan portfolio, the bank holds credit lines from multilateral institutions. The bank has a credit line of USD15 million with the German Investment and Development Corporation, or Deutsche Investitions- und Entwicklungsgesellschaft, and USD80 million with the International Finance Corporation. The funding concentration is high, and the 20 top investors accounted for 40% of total funding in 2016 and 44% in 2015. The concentration is explained in part by the strong participation in financial bills, related to the release of compulsory deposits with major banks. The two largest

**Funding Breakdown**

(As of March 31, 2017)



<sup>a</sup>Letras consists of letras financeiras or financial bills, letras de credito imobiliarias or real state credit bills, and letras de credito agricola or agribusiness credit bills. CDB – Time deposits. DPGE – Term deposit with a special guarantee. CDI – Interbank deposits. BNDES – Banco Nacional de Desenvolvimento Economico e Social.  
Source: Banco Industrial do Brasil S.A.

accounted for 20% of BIB's total funding in 2016. The credits/deposits ratio over the last four years, considering the financial bills, was adequate at 134%.

The bank maintained a comfortable liquidity position as of March 2017, despite the one-off reduction in December 2016. The cash position was BRL435.8 million, equivalent to 87% of net equity as of March of 2017. Liquid assets accounted for 26% of total deposits as of March 2017 and 22% in December 2016.

### **Support**

#### *Ratings Based on Stand-Alone Profile*

BIB's ratings are based on its stand-alone profile. Along with midsize peers, the institution will not receive sovereign support in the case of default, since it does not represent a systemic risk.

Income Statement — Banco Industrial do Brasil S.A.

	2016 <sup>a</sup>		2015 <sup>a</sup>		2014 <sup>a</sup>		2013 <sup>a</sup>		2012 <sup>a</sup>		
(BRL Mil., Audited — Unqualified, Year End as of Dec. 31)	(USD Mil.)	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets		
Interest Income on Loans	82.2	267.9	9.60	251.9	9.95	202.2	7.97	193.6	9.00	189.2	7.74
Other Interest Income	25.6	83.3	2.99	215.6	8.52	133.9	5.28	108.8	5.06	126.8	5.19
Dividend Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Gross Interest and Dividend Income</b>	<b>107.8</b>	<b>351.2</b>	<b>12.59</b>	<b>467.5</b>	<b>18.47</b>	<b>336.1</b>	<b>13.25</b>	<b>302.4</b>	<b>14.05</b>	<b>316.0</b>	<b>12.93</b>
Interest Expense on Customer Deposits	65.6	213.7	7.66	192.5	7.61	166.2	6.55	117.8	5.47	151.1	6.18
Other Interest Expense	5.4	17.7	0.63	161.9	6.40	71.1	2.80	63.3	2.94	64.0	2.62
<b>Total Interest Expense</b>	<b>71.0</b>	<b>231.4</b>	<b>8.29</b>	<b>354.4</b>	<b>14.00</b>	<b>237.3</b>	<b>9.35</b>	<b>181.1</b>	<b>8.42</b>	<b>215.1</b>	<b>8.80</b>
<b>Net Interest Income</b>	<b>36.8</b>	<b>119.8</b>	<b>4.29</b>	<b>113.1</b>	<b>4.47</b>	<b>98.8</b>	<b>3.89</b>	<b>121.3</b>	<b>5.64</b>	<b>100.9</b>	<b>4.13</b>
Net Gains(Losses) on Trading and Derivatives	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Net Gains(Losses) on Other Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Net Gains(Losses) on Assets at Fair Value Through Income Statement	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Net Insurance Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Net Fees and Commissions	5.1	16.7	0.60	14.8	0.58	10.9	0.43	9.2	0.43	13.3	0.54
Other Operating Income	5.2	17.1	0.61	40.1	1.58	35.2	1.39	32.8	1.52	33.8	1.38
<b>Total Non-Interest Operating Income</b>	<b>10.4</b>	<b>33.8</b>	<b>1.21</b>	<b>54.9</b>	<b>2.17</b>	<b>46.1</b>	<b>1.82</b>	<b>42.0</b>	<b>1.95</b>	<b>47.1</b>	<b>1.93</b>
Personnel Expenses	17.1	55.8	2.00	50.6	2.00	48.5	1.91	45.6	2.12	43.3	1.77
Other Operating Expenses	12.2	39.8	1.43	37.7	1.49	34.6	1.36	32.9	1.53	34.4	1.41
<b>Total Non-Interest Expenses</b>	<b>29.3</b>	<b>95.6</b>	<b>3.43</b>	<b>88.3</b>	<b>3.49</b>	<b>83.1</b>	<b>3.28</b>	<b>78.5</b>	<b>3.65</b>	<b>77.7</b>	<b>3.18</b>
Equity-Accounted Profit/Loss — Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Pre-Impairment Operating Profit</b>	<b>17.8</b>	<b>58.0</b>	<b>2.08</b>	<b>79.7</b>	<b>3.15</b>	<b>61.8</b>	<b>2.44</b>	<b>84.8</b>	<b>3.94</b>	<b>70.3</b>	<b>2.88</b>
Loan Impairment Charge	0.1	0.4	0.01	29.1	1.15	6.0	0.24	45.5	2.11	9.7	0.40
Securities and Other Credit Impairment Charges	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Operating Profit</b>	<b>17.7</b>	<b>57.6</b>	<b>2.06</b>	<b>50.6</b>	<b>2.00</b>	<b>55.8</b>	<b>2.20</b>	<b>39.3</b>	<b>1.83</b>	<b>60.6</b>	<b>2.48</b>
Equity-Accounted Profit/Loss — Non-Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Nonrecurring Income	0.2	0.6	0.02	0.0	0.00	0.0	0.00	0.7	0.03	0.0	0.00
Nonrecurring Expense	0.0	0.0	0.00	0.3	0.01	2.2	0.09	0.0	0.00	1.6	0.07
Change in Fair Value of Own Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Non-Operating Income and Expenses	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Pretax Profit</b>	<b>17.9</b>	<b>58.2</b>	<b>2.09</b>	<b>50.3</b>	<b>1.99</b>	<b>53.6</b>	<b>2.11</b>	<b>40.0</b>	<b>1.86</b>	<b>59.0</b>	<b>2.41</b>
Tax Expense	3.2	10.3	0.37	3.7	0.15	13.3	0.52	6.5	0.30	14.6	0.60
Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Net Income</b>	<b>14.7</b>	<b>47.9</b>	<b>1.72</b>	<b>46.6</b>	<b>1.84</b>	<b>40.3</b>	<b>1.59</b>	<b>33.5</b>	<b>1.56</b>	<b>44.4</b>	<b>1.82</b>
Change in Value of Available for Sale Investments	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Remaining Other Comprehensive Income Gains(Losses)	0.0	0.0	0.00	0.2	0.01	0.0	0.00	0.0	0.00	0.0	0.00
<b>Fitch Comprehensive Income</b>	<b>14.7</b>	<b>47.9</b>	<b>1.72</b>	<b>46.8</b>	<b>1.85</b>	<b>40.3</b>	<b>1.59</b>	<b>33.5</b>	<b>1.56</b>	<b>44.4</b>	<b>1.82</b>
Memo: Profit Allocation to Noncontrolling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Memo: Net Income after Allocation to Noncontrolling Interests	14.7	47.9	1.72	46.6	1.84	40.3	1.59	33.5	1.56	44.4	1.82
Memo: Common Dividends Relating to the Period	11.0	36.0	1.29	29.4	1.16	22.7	0.89	22.0	1.02	22.0	0.90
Memo: Preferred Dividends Related to the Period	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00

<sup>a</sup>Exchange rate: 2016 – USD1 = BRL3.25850; 2015 – USD1 = BRL3.90420; 2014 – USD1 = BRL2.65560; 2013 – USD1 = BRL2.35380. 2012 – USD1 = BRL2.04830.  
Source: Banco Industrial do Brasil S.A.



Balance Sheet — Banco Industrial do Brasil S.A.

(BRL Mil., Year End as of Dec. 31)	2016 <sup>a</sup>		2015 <sup>a</sup>		2014 <sup>a</sup>		2013 <sup>a</sup>		2012 <sup>a</sup>		
	(USD Mil.)		As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	
<b>Assets</b>											
<b>Loans</b>											
Residential Mortgage Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Mortgage Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Consumer/Retail Loans	118.6	386.5	13.39	268.0	10.46	326.5	12.98	242.2	11.03	295.2	11.17
Corporate and Commercial Loans	574.9	1,873.2	64.92	1,601.9	62.54	1,502.5	59.73	1,569.5	71.49	1,425.2	53.95
Other Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Less: Reserves for Impaired Loans	6.6	21.4	0.74	37.4	1.46	16.1	0.64	52.4	2.39	18.2	0.69
<b>Net Loans</b>	<b>686.9</b>	<b>2,238.3</b>	<b>77.57</b>	<b>1,832.5</b>	<b>71.54</b>	<b>1,812.9</b>	<b>72.07</b>	<b>1,759.3</b>	<b>80.14</b>	<b>1,702.2</b>	<b>64.43</b>
<b>Gross Loans</b>	<b>693.5</b>	<b>2,259.7</b>	<b>78.31</b>	<b>1,869.9</b>	<b>73.00</b>	<b>1,829.0</b>	<b>72.71</b>	<b>1,811.7</b>	<b>82.53</b>	<b>1,720.4</b>	<b>65.12</b>
Memo: Impaired Loans Included Above	7.5	24.6	0.85	63.0	2.46	33.5	1.33	66.1	3.01	31.5	1.19
Memo: Loans at Fair Value Included Above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Other Earning Assets</b>											
Loans and Advances to Banks	1.1	3.6	0.12	2.6	0.10	2.3	0.09	16.3	0.74	17.5	0.66
Reverse Repos and Cash Collateral	156.6	510.3	17.68	670.4	26.17	642.6	25.55	335.3	15.27	636.2	24.08
Trading Securities and at Fair Value Through Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	11.9	0.45
Derivatives	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Available for Sale Securities	11.6	37.9	1.31	21.7	0.85	79.0	3.14	40.5	1.84	76.7	2.90
Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Equity Investments in Associates	0.1	0.2	0.01	0.2	0.01	0.2	0.01	0.3	0.01	0.0	0.00
Other Securities	0.0	0.0	0.00	3.6	0.14	0.0	0.00	0.4	0.02	0.2	0.01
<b>Total Securities</b>	<b>168.3</b>	<b>548.4</b>	<b>19.00</b>	<b>695.9</b>	<b>27.17</b>	<b>721.8</b>	<b>28.70</b>	<b>376.5</b>	<b>17.15</b>	<b>725.0</b>	<b>27.44</b>
Memo: Government Securities Included Above	162.3	528.8	18.33	671.9	26.23	706.4	28.08	353.9	16.12	481.9	18.24
Memo: Total Securities Pledged	3.1	10.2	0.35	10.1	0.39	11.9	0.47	11.7	0.53	17.7	0.67
Investments in Property	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Insurance Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Total Earning Assets</b>	<b>856.3</b>	<b>2,790.3</b>	<b>96.70</b>	<b>2,531.0</b>	<b>98.81</b>	<b>2,537.0</b>	<b>100.86</b>	<b>2,152.1</b>	<b>98.03</b>	<b>2,444.7</b>	<b>92.54</b>
<b>Non-Earning Assets</b>											
Cash and Due From Banks	2.0	6.4	0.22	10.0	0.39	15.1	0.60	15.7	0.72	26.5	1.00
Memo: Mandatory Reserves Included Above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.9	0.04	1.6	0.06
Foreclosed Real Estate	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Fixed Assets	10.1	33.0	1.14	34.4	1.34	36.1	1.44	26.6	1.21	26.3	1.00
Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Intangibles	0.1	0.2	0.01	0.6	0.02	1.0	0.04	1.6	0.07	1.6	0.06
Current Tax Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deferred Tax Assets	8.9	29.1	1.01	32.6	1.27	24.5	0.97	36.3	1.65	22.7	0.86
Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Assets	8.2	26.6	0.92	(47.0)	(1.83)	(98.4)	(3.91)	(37.0)	(1.69)	120.1	4.55
<b>Total Assets</b>	<b>885.6</b>	<b>2,885.6</b>	<b>100.00</b>	<b>2,561.6</b>	<b>100.00</b>	<b>2,515.3</b>	<b>100.00</b>	<b>2,195.3</b>	<b>100.00</b>	<b>2,641.9</b>	<b>100.00</b>

<sup>a</sup>Exchange rate: 2016 – USD1 = BRL3.25850; 2015 – USD1 = BRL3.90420; 2014 – USD1 = BRL2.65560; 2013 – USD1 = BRL2.35380. 2012 – USD1 = BRL2.04830.

Continued on next page.

Source: Banco Industrial do Brasil S.A.

Balance Sheet — Banco Industrial do Brasil S.A. (Continued)

(BRL Mil., Year End as of Dec. 31)	2016 <sup>a</sup>		2015 <sup>a</sup>		2014 <sup>a</sup>		2013 <sup>a</sup>		2012 <sup>a</sup>		
	(USD Mil.)		As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	
<b>Liabilities and Equity</b>											
<b>Interest-Bearing Liabilities</b>											
Customer Deposits — Current	14.3	46.6	1.61	56.4	2.20	37.4	1.49	39.8	1.81	46.3	1.75
Customer Deposits — Savings	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Customer Deposits — Term	300.5	979.3	33.94	876.5	34.22	937.7	37.28	629.6	28.68	746.0	28.24
<b>Total Customer Deposits</b>	<b>314.8</b>	<b>1,025.9</b>	<b>35.55</b>	<b>932.9</b>	<b>36.42</b>	<b>975.1</b>	<b>38.77</b>	<b>669.4</b>	<b>30.49</b>	<b>792.3</b>	<b>29.99</b>
Deposits from Banks	34.7	113.1	3.92	76.4	2.98	117.7	4.68	111.1	5.06	296.9	11.24
Repos and Cash Collateral	45.8	149.1	5.17	29.3	1.14	32.1	1.28	73.4	3.34	414.7	15.70
Commercial Paper and Short-Term Borrowings	226.1	736.9	25.54	521.9	20.37	543.9	21.62	486.5	22.16	344.6	13.04
<b>Total Money Market and Short-Term Funding</b>	<b>621.5</b>	<b>2,025.0</b>	<b>70.18</b>	<b>1,560.5</b>	<b>60.92</b>	<b>1,668.8</b>	<b>66.35</b>	<b>1,340.4</b>	<b>61.06</b>	<b>1,848.5</b>	<b>69.97</b>
Senior Unsecured Debt (Original Maturity > One Year)	66.4	216.4	7.50	349.6	13.65	244.3	9.71	245.0	11.16	217.8	8.24
Subordinated Borrowing	15.4	50.1	1.74	59.9	2.34	40.7	1.62	71.5	3.26	31.4	1.19
Covered Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00
Other Long-Term Funding	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00
<b>Total Long-Term Funding (Original Maturity &gt; One Year)</b>	<b>81.8</b>	<b>266.5</b>	<b>9.24</b>	<b>409.5</b>	<b>15.99</b>	<b>285.0</b>	<b>11.33</b>	<b>316.5</b>	<b>14.42</b>	<b>249.2</b>	<b>9.43</b>
Derivatives	0.0	0.1	0.00	0.1	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Trading Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Total Funding</b>	<b>703.3</b>	<b>2,291.6</b>	<b>79.42</b>	<b>1,970.1</b>	<b>76.91</b>	<b>1,953.8</b>	<b>77.68</b>	<b>1,656.9</b>	<b>75.47</b>	<b>2,097.7</b>	<b>79.40</b>
<b>Non-Interest Bearing Liabilities</b>											
Fair Value Portion of Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Credit Impairment Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Reserves for Pensions and Other	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	10.2	0.39
Current Tax Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deferred Tax Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deferred Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Insurance Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Liabilities	28.5	92.9	3.22	102.8	4.01	90.2	3.59	84.2	3.84	91.6	3.47
<b>Total Liabilities</b>	<b>731.8</b>	<b>2,384.5</b>	<b>82.63</b>	<b>2,072.9</b>	<b>80.92</b>	<b>2,044.0</b>	<b>81.26</b>	<b>1,741.1</b>	<b>79.31</b>	<b>2,199.5</b>	<b>83.25</b>
<b>Hybrid Capital</b>											
Preferred Shares and Hybrid Capital Accounted for as Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Preferred Shares and Hybrid Capital Accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Equity</b>											
Common Equity	155.1	505.5	17.52	488.5	19.07	471.3	18.74	453.8	20.67	442.4	16.75
Noncontrolling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Securities Revaluation Reserves	(1.4)	(4.5)	(0.16)	0.1	0.00	(0.1)	(0.00)	0.3	0.01	0.0	0.00
Foreign Exchange Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Fixed Asset Revaluations and Other Accumulated											
Other Comprehensive Income	0.0	0.1	0.00	0.1	0.00	0.1	0.00	0.1	0.00	0.0	0.00
<b>Total Equity</b>	<b>153.8</b>	<b>501.1</b>	<b>17.37</b>	<b>488.7</b>	<b>19.08</b>	<b>471.3</b>	<b>18.74</b>	<b>454.2</b>	<b>20.69</b>	<b>442.4</b>	<b>16.75</b>
<b>Total Liabilities and Equity</b>	<b>885.6</b>	<b>2,885.6</b>	<b>100.00</b>	<b>2,561.6</b>	<b>100.00</b>	<b>2,515.3</b>	<b>100.00</b>	<b>2,195.3</b>	<b>100.00</b>	<b>2,641.9</b>	<b>100.00</b>
Memo: Fitch Core Capital	153.7	500.9	17.36	488.1	19.05	470.3	18.70	452.6	20.62	418.1	15.83

<sup>a</sup>Exchange rate: 2016 – USD1 = BRL3.25850; 2015 – USD1 = BRL3.90420; 2014 – USD1 = BRL2.65560; 2013 – USD1 = BRL2.35380. 2012 – USD1 = BRL2.04830.  
Source: Banco Industrial do Brasil S.A.

Summary Analytics — Banco Industrial do Brasil S.A.

(%, Year End as of Dec. 31)	2016	2015	2014	2013	2012
<b>Interest Ratios</b>					
Interest Income on Loans/Average Gross Loans	13.32	15.56	13.11	12.54	12.38
Interest Expense on Customer Deposits/Average Customer Deposits	23.33	21.41	20.18	16.48	17.55
Interest Income/Average Earning Assets	13.42	20.65	15.32	14.20	12.95
Interest Expense/Average Interest-Bearing Liabilities	11.19	18.58	13.15	10.25	9.40
Net Interest Income/Average Earning Assets	4.58	5.00	4.50	5.70	4.13
Net Interest Income Less Loan Impairment Charges/Average Earning Assets	4.56	3.71	4.23	3.56	3.74
Net Interest Income Less Preferred Stock Dividend/Average Earning Assets	4.58	5.00	4.50	5.70	4.13
<b>Other Operating Profitability Ratios</b>					
Non-Interest Income/Gross Revenue	22.01	32.68	31.82	25.72	31.82
Non-Interest Expense/Gross Revenue	62.24	52.56	57.35	48.07	52.50
Non-Interest Expense/Average Assets	3.53	3.53	3.53	3.40	2.85
Preimpairment Operating Profit/Average Equity	11.73	16.63	13.30	18.92	16.25
Preimpairment Operating Profit/Average Total Assets	2.14	3.18	2.62	3.67	2.58
Loans and Securities Impairment Charges/Preimpairment Operating Profit	0.69	36.51	9.71	53.66	13.80
Operating Profit/Average Equity	11.65	10.56	12.01	8.77	14.01
Operating Profit/Average Total Assets	2.13	2.02	2.37	1.70	2.23
Operating Profit /Risk-Weighted Assets	1.80	1.62	1.93	1.48	2.32
<b>Other Profitability Ratios</b>					
Net Income/Average Total Equity	9.69	9.72	8.67	7.47	10.26
Net Income/Average Total Assets	1.77	1.86	1.71	1.45	1.63
Fitch Comprehensive Income/Average Total Equity	9.69	9.77	8.67	7.47	10.26
Fitch Comprehensive Income/Average Total Assets	1.77	1.87	1.71	1.45	1.63
Taxes/Pretax Profit	17.70	7.36	24.81	16.25	24.75
Net Income/Risk-Weighted Assets	1.50	1.49	1.39	1.26	1.70
<b>Capitalization</b>					
Fitch Core Capital/Fitch Core Capital-Adjusted Risk-Weighted Assets	15.69	15.59	16.26	17.07	15.99
Tangible Common Equity/Tangible Assets	17.36	19.06	18.71	20.63	15.97
Tier 1 Regulatory Capital Ratio	15.70	15.61	16.29	17.08	16.90
Total Regulatory Capital Ratio	16.01	15.99	16.85	17.89	17.86
Common Equity Tier 1 Capital Ratio	15.70	15.61	16.29	17.08	N.A.
Equity/Total Assets	17.37	19.08	18.74	20.69	16.75
Cash Dividends Paid and Declared/Net Income	75.16	63.09	56.33	65.67	49.55
Internal Capital Generation	2.37	3.52	3.73	2.53	5.06
<b>Loan Quality</b>					
Growth of Total Assets	12.65	1.84	14.58	(16.90)	8.03
Growth of Gross Loans	20.85	2.24	0.95	5.31	23.49
Impaired Loans/Gross Loans	1.09	3.37	1.83	3.65	1.83
Reserves for Impaired Loans/Gross Loans	0.95	2.00	0.88	2.89	1.06
Reserves for Impaired Loans/Impaired Loans	86.99	59.37	48.06	79.27	57.78
Impaired Loans Less Reserves for Impaired Loans/Fitch Core Capital	0.64	5.24	3.70	3.03	3.18
Impaired Loans less Reserves for Impaired Loans/Equity	0.64	5.24	3.69	3.02	3.01
Loan Impairment Charges/Average Gross Loans	0.02	1.80	0.39	2.95	0.63
Net Chargeoffs/Average Gross Loans	0.82	0.83	0.45	0.73	0.90
Impaired Loans Plus Foreclosed Assets/Gross Loans Plus Foreclosed Assets	1.09	3.37	1.83	3.65	1.83
<b>Funding and Liquidity</b>					
Loans/Customer Deposits	220.27	200.44	187.57	270.65	217.14
Interbank Assets/Interbank Liabilities	3.18	3.40	1.95	14.67	5.89
Customer Deposits/Total Funding (Excluding Derivatives)	44.77	47.36	49.91	40.40	37.77
Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not available.

Source: Banco Industrial do Brasil S.A.

Reference Data — Banco Industrial do Brasil S.A.

	2016 <sup>a</sup>		2015 <sup>a</sup>		2014 <sup>a</sup>		2013 <sup>a</sup>		2012 <sup>a</sup>		
	(USD Mil.)	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets		
(BRL Mil., Year End as of Dec. 31)											
<b>Off-Balance Sheet Items</b>											
Managed Securitized Assets Reported Off Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	8.4	0.32
Other Off-Balance Sheet Exposure to Securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Guarantees	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Acceptances and Documentary Credits Reported Off Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Committed Credit Lines	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Off-Balance Sheet items	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Total Assets Under Management</b>	<b>885.6</b>	<b>2,885.6</b>	<b>100.00</b>	<b>2,561.5</b>	<b>100.00</b>	<b>2,515.3</b>	<b>100.00</b>	<b>2,195.3</b>	<b>100.00</b>	<b>2,650.3</b>	<b>100.32</b>
<b>Average Balance Sheet</b>											
Average Loans	617.0	2,010.6	69.68	1,618.7	63.19	1,542.8	61.34	1,544.1	70.34	1,528.7	57.86
Average Earning Assets	802.9	2,616.1	90.66	2,264.1	88.39	2,194.1	87.23	2,128.9	96.98	2,440.2	92.37
Average Assets	831.1	2,708.2	93.85	2,504.1	97.76	2,355.3	93.64	2,310.6	105.25	2,722.0	103.03
Average Managed Securitized Assets Off Balance Sheet	0.0	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00	14.3	0.54
Average Interest-Bearing Liabilities	634.7	2,068.1	71.67	1,907.1	74.45	1,804.2	71.73	1,766.3	80.46	2,289.4	86.66
Average Common Equity	152.0	495.3	17.16	479.1	18.70	464.6	18.47	448.1	20.41	432.7	16.38
Average Equity	151.7	494.3	17.13	479.2	18.71	464.8	18.48	448.3	20.42	432.7	16.38
Average Customer Deposits	281.1	916.1	31.75	899.1	35.10	823.4	32.74	715.0	32.57	861.0	32.59
<b>Maturities</b>											
<b>Asset Maturities</b>											
Loans and Advances < 3 Months	364.7	1,188.5	41.19	829.9	32.40	828.5	32.94	932.4	42.47	834.5	31.59
Loans and Advances 3–12 Months	182.5	594.8	20.61	612.9	23.93	610.8	24.28	367.1	16.72	518.8	19.64
Loans and Advances 1–5 Years	136.8	445.6	15.44	402.0	15.69	362.8	14.42	319.5	14.55	352.4	13.34
Loans and Advances > 5 Years	9.5	30.8	1.07	25.1	0.98	26.8	1.07	26.9	1.23	14.7	0.56
Debt Securities < 3 Months	11.6	37.9	1.31	0.0	0.00	32.4	1.29	85.5	3.89	48.9	1.85
Debt Securities 3–12 Months	0.0	0.0	0.00	36.1	1.41	79.0	3.14	29.2	1.33	39.7	1.50
Debt Securities 1–5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Debt Securities > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans and Advances to Banks < 3 Months	0.7	2.3	0.08	0.0	0.00	1.0	0.04	14.3	0.65	12.6	0.48
Loans and Advances to Banks 3–12 Months	0.0	0.0	0.00	2.0	0.08	1.0	0.04	1.0	0.05	4.9	0.19
Loans and Advances to Banks 1–5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans and Advances to Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Liability Maturities</b>											
Retail Deposits < 3 Months	14.3	46.6	1.61	56.4	2.20	37.4	1.49	39.8	1.81	46.3	1.75
Retail Deposits 3–12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits 1–5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits < 3 Months	0.0	0.0	0.00	0.0	0.00	833.0	33.12	490.2	22.33	620.0	23.47
Other Deposits 3–12 Months	253.8	827.0	28.66	711.2	27.76	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits 1–5 Years	46.7	152.2	5.27	165.3	6.45	104.7	4.16	139.4	6.35	126.0	4.77
Other Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks < 3 Months	33.2	108.2	3.75	0.0	0.00	114.5	4.55	111.1	5.06	293.8	11.12
Deposits from Banks 3–12 Months	0.0	0.0	0.00	76.4	2.98	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks 1–5 Years	1.5	4.9	0.17	0.0	0.00	3.1	0.12	0.0	0.00	3.1	0.12
Deposits from Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing < 3 Months	121.3	395.3	13.70	0.0	0.00	543.9	21.62	0.0	0.00	0.0	0.00
Senior Debt Maturing 3–12 Months	138.4	450.9	15.63	521.9	20.37	0.0	0.00	486.5	22.16	344.6	13.04
Senior Debt Maturing 1–5 Years	32.9	107.1	3.71	349.6	13.65	244.3	9.71	245.0	11.16	217.8	8.24
Senior Debt Maturing > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Total Senior Debt on Balance Sheet</b>	<b>292.6</b>	<b>953.3</b>	<b>33.04</b>	<b>871.5</b>	<b>34.02</b>	<b>788.2</b>	<b>31.34</b>	<b>731.5</b>	<b>33.32</b>	<b>562.4</b>	<b>21.29</b>

<sup>a</sup>Exchange rate: 2016 – USD1 = BRL3.25850; 2015 – USD1 = BRL3.90420; 2014 – USD1 = BRL2.65560; 2013 – USD1 = BRL2.35380. 2012 – USD1 = BRL2.04830.  
Source: Banco Industrial do Brasil S.A.

Reference Data — Banco Industrial do Brasil S.A. (Continued)

	2016 <sup>a</sup>		2015 <sup>a</sup>		2014 <sup>a</sup>		2013 <sup>a</sup>		2012 <sup>a</sup>		
(BRL Mil., Year End ad of Dec. 31)	(USD Mil.)	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	As % of Earning Assets	
<b>Maturities (Continued)</b>											
<b>Liability Maturities (Continued)</b>											
Fair Value Portion of Senior Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing < 3 Months	15.4	50.1	1.74	0.0	0.00	1.0	0.04	1.4	0.06	0.8	0.03
Subordinated Debt Maturing 3–12 Months	0.0	0.0	0.00	1.3	0.05	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing 1–5 Years	0.0	0.0	0.00	58.6	2.29	39.8	1.58	70.1	3.19	30.6	1.16
Subordinated Debt Maturing > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Total Subordinated Debt on Balance Sheet	15.4	50.1	1.74	59.9	2.34	40.7	1.62	71.5	3.26	31.4	1.19
Fair Value Portion of Subordinated Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Risk-Weighted Assets</b>											
Risk-Weighted Assets	979.6	3,192.0	110.62	3,131.3	122.24	2,892.2	114.98	2,651.7	120.79	2,615.2	98.99
Fitch Core Capital Adjustments for Insurance and Securitization Risk-Weighted Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fitch Core Capital-Adjusted Risk-Weighted Assets	979.6	3,192.0	110.62	3,131.3	122.24	2,892.2	114.98	2,651.7	120.79	2,615.2	98.99
Other Fitch Adjustments to Risk-Weighted Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Fitch Adjusted Risk-Weighted Assets	979.6	3,192.0	110.62	3,131.3	122.24	2,892.2	114.98	2,651.7	120.79	2,615.2	98.99
<b>Equity Reconciliation</b>											
Equity	153.8	501.1	17.37	488.7	19.08	471.3	18.74	454.2	20.69	442.4	16.75
Add: Preferred Shares and Hybrid Capital Accounted for as Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00
Add: Other Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00
Published Equity	153.8	501.1	17.37	488.7	19.08	471.3	18.74	454.2	20.69	442.4	16.75
<b>Fitch Core Capital Reconciliation</b>											
Total Equity as Reported Including Noncontrolling Interests	153.8	501.1	17.37	488.7	19.08	471.3	18.74	454.2	20.69	442.4	16.75
Fair Value Effect Included in Own Debt/Borrowings at Fair Value on the Balance Sheet — Credit Component Only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Non-Loss Absorbing Noncontrolling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Intangibles	0.1	0.2	0.01	0.6	0.02	1.0	0.04	1.6	0.07	1.6	0.06
Deferred Tax Assets Deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	22.7	0.86
Net Asset Value of Insurance Subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
First Loss Tranches of Off-Balance Sheet Securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>Fitch Core Capital</b>	<b>153.7</b>	<b>500.9</b>	<b>17.36</b>	<b>488.1</b>	<b>19.05</b>	<b>470.3</b>	<b>18.70</b>	<b>452.6</b>	<b>20.62</b>	<b>418.1</b>	<b>15.83</b>

<sup>a</sup>Exchange rate: 2016 – USD1 = BRL3.25850; 2015 – USD1 = BRL3.90420; 2014 – USD1 = BRL2.65560; 2013 – USD1 = BRL2.35380. 2012 – USD1 = BRL2.04830.  
Source: Banco Industrial do Brasil S.A.

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