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Banco BMG S.A.

Individual and consolidated interim financial statements on March 31, 2022 and independent auditor's review report on the interim financial statements



(A free translation of the original in Portuguese)

Report on review of parent company and consolidated interim financial statements

To the Board of Directors and Stockholders
Banco BMG S.A.

Introduction

We have reviewed the accompanying interim balance sheet of Banco BMG S.A. ("Bank") as at March 31, 2022 and the related statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, as well as the accompanying consolidated interim balance sheet of Banco BMG S.A. and its subsidiaries ("Consolidated") as at March 31, 2022 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Banco BMG S.A.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Banco BMG S.A. and of Banco BMG S.A. and its subsidiaries as at March 31, 2022, and the parent company financial performance and its cash flows for the quarter

then ended, as well as the consolidated financial performance and the consolidated cash flows for the quarter then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by BACEN.

Emphasis of matter

As mentioned in note 28 (d) to the parent company and consolidated interim financial statements, in 2020, due to the search and seizure measure in compliance with the decision of the 2nd Federal Criminal Court of São Paulo, the BMG Financial Group's Board of Directors constituted a "Special Committee" to investigate the facts, and as a result, no corroborative elements were found in the occurrence of crimes of money laundering, corruption or against the National Financial System. Investigations by federal public authorities are still ongoing and at the moment there is no way to anticipate whether the results of these investigations and their respective developments may eventually have future consequences on the Bank's financial statements. Our report does not contain any qualification regarding this matter.

Other matters

Statements of value added

The interim financial statements referred to above include the parent company and consolidated statements of value added for the quarter ended March 31, 2022. These statements are the responsibility of the Bank's management and are presented as supplementary information for the purposes of BACEN. These statements have been subjected to review procedures performed together with the review of the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in accounting standard CPC 09 - "Statement of Value Added." Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, May 12, 2022


PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5


Edison Arisa Pereira
Contador CRC 1SP127241/O-0

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MANAGEMENT REPORT

The Management of Banco Bmg S.A. and its subsidiaries ("Bank"), in accordance with the legal and statutory provisions applicable to financial institutions authorized to operate by the Central Bank of Brazil, is presenting the Interim Financial Statements for the period of three months ended March 31, 2022 along with the independent auditors' report.

Banco Bmg

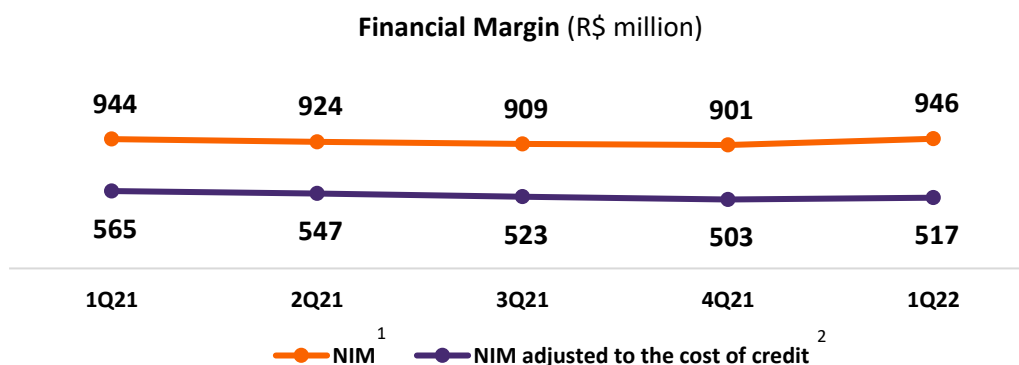
We're a complete bank! Our commitment is focused on people and their needs, so we continue to build a modern, agile, technological and, above all, human bank.

We are PHYGITAL: we act in a complementary manner on physical and digital channels, uniting the technology of the digital world with the human sensitivity of the physical world. Thus, we approach both more traditional clients, driven by the eye-to-eye relationship, and clients more open to innovation and change.

All this has positively impacted our product portfolio over the years. We went from a niche segment to meet the needs of millions of Brazilians and companies by expanding our portfolio of products and services. Our main activity verticals are: Retail Individual, Retail Company, Wholesale and Asset Management. This allows us to remain firm in our mission: to popularize financial services in Brazil.

Financial Performance

The financial margin totaled R\$ 946 million for the period of three months ended March 31, 2022, representing an increase of 0.2% in comparison to the same period of the previous year and an increase of 5.0% compared to the fourth quarter of 2021. The financial margin adjusted to the cost of credit (provision and commission expenses) totaled R\$ 517 million for the period of three months ended March 31, 2022, representing a decrease of 8.5% in comparison with the same period of the previous year and an increase of 2.7% compared to the fourth quarter of 2021. The financial margin has been squeezed in recent quarters, initially by the reduction in the average rate of the portfolio due to the product mix, and more recently by the rise in the cost of funding due to the increase in the yield curve. In 1Q22, the nominal margin grew again due to the increase in the loan portfolio and the repricing of the eligible INSS credit card portfolio with the increase in the maximum interest rate to 3.06% per month.

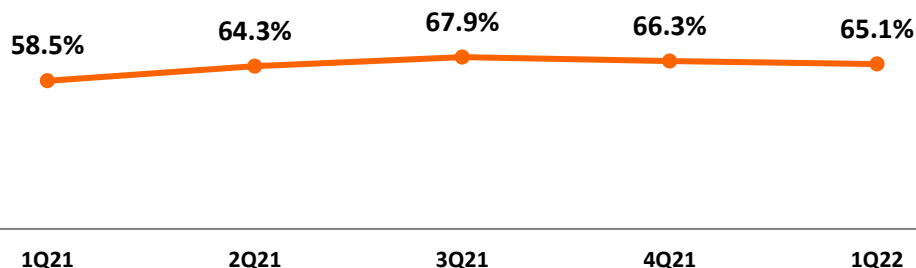


1 - interest income + revenue from services rendered.

2 - interest financial margin after expenses with net provision for recovery and expenses with agent fees + revenue from services rendered. Based on the recurring result.

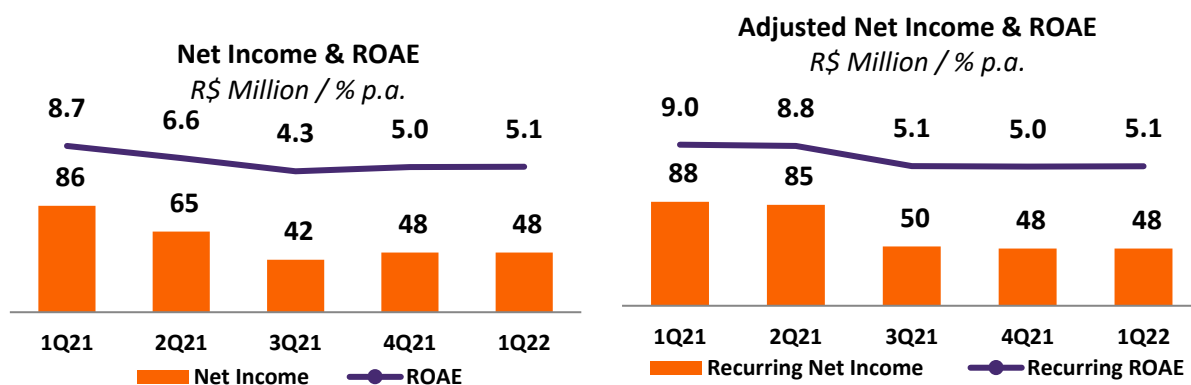
For the period of three months ended March 31, 2022, the efficiency ratio was 65.1%, an increase of 6.6 p.p. compared to the same period in 2021 and improvement of 1.2 p.p. compared to the fourth quarter of 2021. As part of the modernization process for the transformation of the Bank and implementation of the PHYGITAL strategy, Bmg invested in the development of internal projects linked to its businesses, especially in digitalization, quality and new products. As a result, the Bank oxygenated its staff and invested in hiring new talents, ramped up its marketing investments, contracted systems and brought in consultancy and service providers to assist in specific projects.

Efficiency Ratio (%)

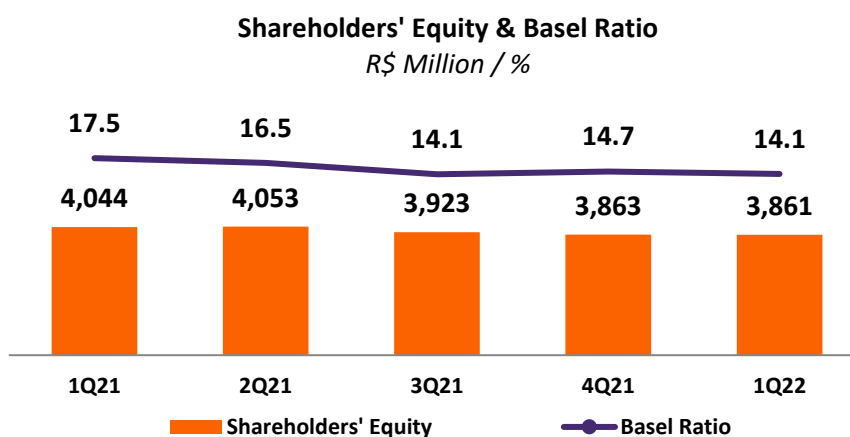


Methodology: Personnel Expenses + Other Administrative Expenses (doesn't consider amortization) + Other Operating Expenses (net from operating income)/ Gross Profit from Financial Intermediation before allowance for loan losses + Income from Services Rendered + Tax Expenses.

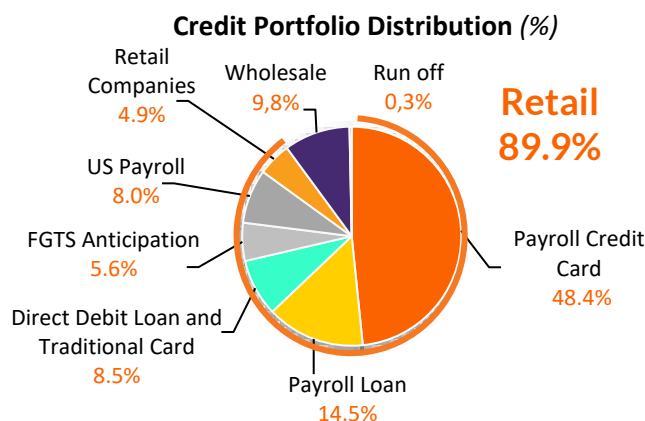
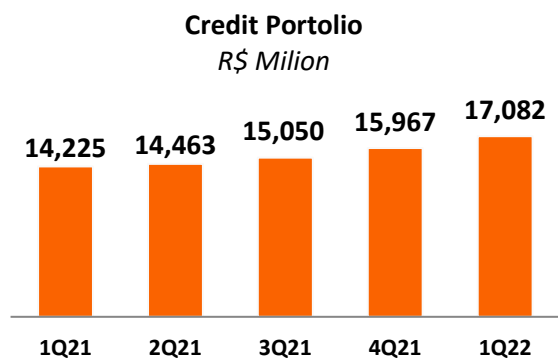
The net income for the period of three months ended March 31, 2022 was R\$ 48 million, a reduction of 43.9% compared to the same period of 2021, and stable in comparison to the fourth quarter of 2021. The Return on Average Equity (ROAE) was of 5.1% per year for the period of three months ended March 31, 2022. The recurring net income and Recurring Return on Average Equity (Recurring ROAE) were the same as the accounting indicators in the first quarter of 2022.



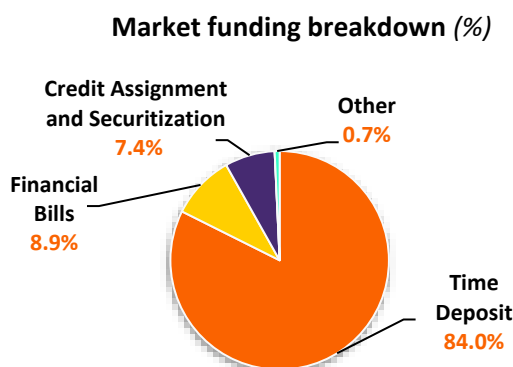
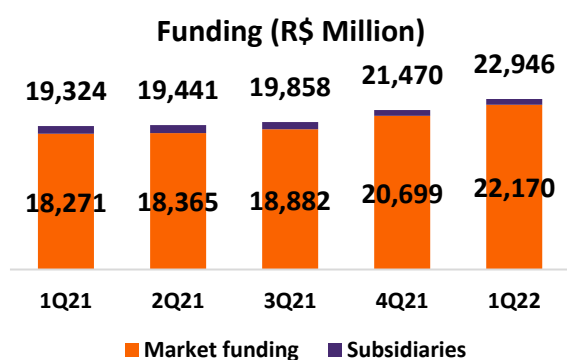
Consolidated Shareholders' Equity on March 31, 2022 amounted to R\$ 3,861 million and the capitalization ratio of risk-weighted assets (Basel Ratio) was 14.1%. The Bank's strategy is to maximize the payment of the interest on shareholders' equity (ISE) in view of the tax benefits that accrue. The Bank provisioned Interest on Shareholders' Equity (ISE) in the amount of R\$ 53 million in the period of three months ended March 31, 2022.



The total consolidated portfolio ended March 31, 2022 with a balance of R\$ 17,082 million, representing an increase of 20.1% compared to the same period of 2021. In the first quarter of 2022, the increase was mainly driven by the FGTS anticipation and consignable products.



The consolidated funding balance totaled R\$ 22,946 million in the end of March 31, 2022, representing an increase of 18.7% compared to the same period of the previous year. Considering only market funding (does not include deposits and financial bills from subsidiaries), funding ended March 31, 2022 with a balance of R\$ 22,170 million, representing an increase of 21.3% compared to the same period of 2021. In April, we concluded our 2nd Issue of Public Financial Bills in the amount of over R\$300 million raised from a wide distribution of institutional investors, maturing in 2 years with remuneration of the CDI + 1.80% p.a..



On March 31, 2022, The Bank's investments in subsidiaries totaled R\$ 1,105 million. In January 2022, after approval by the Central Bank, we completed the acquisition of 50% of AF Controle S.A., a holding company that owns the equity interest in Araújo Fontes Consultoria e Negócios Imobiliários Ltda. and AF Invest Administração de Recursos Ltda.

Corporate Governance

The Bank has a robust corporate governance structure. In addition to the obligations established in Level 1 of corporate governance of B3 S.A – Brasil, Bolsa, Balcão, the Bank adopted some of the obligations set forth in the Novo Mercado: (i) the 100% tag-along right, guaranteeing all shareholders the same price and conditions offered to the controlling shareholder in case of sale of control; (ii) simultaneous disclosure in Portuguese and English earnings results and material facts; and (iii) Board of Directors composed of 2 or 20% (whichever is greater) of Independent Members, and currently one third is composed of independent members, including the vice-president. Furthermore, the Bank has: (i) an Audit Committee composed exclusively of independent members, (ii) four other committees directly subordinated to the Board of Directors, all with the presence of independent members; and (iii) a permanent Fiscal Council approved at the Shareholder's Meeting, pending approval by the Central Bank.

Based on best risk management practices, the Bank has developed policies, systems and internal controls to mitigate and control possible losses arising from exposure to the risks to which its activities are exposed, with a set of appropriate processes and routines applied to its operating modalities.

For more information on corporate governance, please visit: www.bancobmg.com.br/ir.

Regulation

BACEN Circular No. 3.068/01 - At the end of the quarter, the Bank had no securities classified as "held to maturity".

Relationship with Independent Auditors

The adopted policy adheres to the principles that preserve the independence of the auditor, in accordance with internationally accepted criteria, ie, the auditor should not audit his or her own work and neither perform managerial functions at his client nor promote its interests. As established by CVM Instruction 381, for the period of three months ended March 31, 2022, Bmg did not contract and did not have services rendered by PricewaterhouseCoopers Auditores Independentes not related to the external audit, at a level higher than 5% of the total relative fees to external audit services.

Capital Management

The assessment of capital adequacy is made to ensure that the organization maintains a strong capital base to support its activities. It also considers a prospective vision, designed to anticipate possible changes in market conditions.

Acknowledgements

All these achievements reflect the firm commitment of the Shareholders and Management to continually strive to exceed expectations and always offer its clients high quality service and a healthy environment for its employees. These gains have been possible thanks to our clients' support and trust and the dedicated efforts of our collaborators and partners/correspondents. To them all, our deep appreciation.

BANK'S MANAGEMENT

São Paulo, May 12, 2022.

FISCAL COUNCIL OPINION

In the exercise of their legal and statutory duties, the members of Banco Bmg S.A. Fiscal Council, after examining the Management Report and the individual and consolidated interim Financial Statements for the period of three months ended March 31, 2022, prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, concluded that all the elements assessed, considering the report of the Independent Auditors Ltd., reflect the asset situation, the financial position and the activities developed by the Bank in the period.

São Paulo, May 12, 2022.

Roberto Faldini
Coordinating Member

Fernando Antônio Fraga Ferreira
Member

Flávio de Sousa Franco
Member

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
BALANCE SHEET**

ON MARCH 31, 2022 AND DECEMBER 31, 2021

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Assets					
Available cash	4	366,570	349,675	359,652	292,384
Interbank investments	4/5	38,750	49,998	38,000	49,998
Financial Instruments		25,527,423	26,138,250	25,344,775	25,961,977
Investments in interbank deposits	5	39,541	38,894	1,149,923	1,269,542
Marketable securities and derivatives	6 e 7	10,694,094	12,262,124	10,667,082	12,235,776
Credit operations	8	15,646,430	14,683,337	14,280,008	13,206,654
Provision for impairment of credits	8	(852,642)	(846,105)	(752,238)	(749,995)
Interfinancial Relations	9(b)	1,161,907	865,334	1,161,695	865,122
Other credits	9(a)	5,624,179	5,454,016	5,135,866	4,940,624
Tax assets		3,768,928	3,672,207	3,345,456	3,238,670
Sundry		1,855,251	1,781,809	1,790,410	1,701,954
Other assets		251,608	217,408	249,762	217,224
Assets not in use	10(a)	11,600	12,415	11,493	12,301
Prepaid expenses	10(b)	240,008	204,993	238,269	204,923
Permanent assets		1,434,026	1,323,857	4,705,484	4,603,204
Investments		1,109,940	1,013,161	4,381,398	4,292,508
Subsidiary and associated companies:		1,109,940	1,013,161	4,381,398	4,292,508
Foreign	11			243,192	291,310
Local	11	1,105,375	1,008,596	4,133,641	3,996,633
Other investments		4,565	4,565	4,565	4,565
Property and equipment	12	64,428	65,991	64,428	65,991
Intangible assets	13	259,658	244,705	259,658	244,705
Total Assets		34,404,463	34,398,538	36,995,234	36,930,533

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
BALANCE SHEET
ON MARCH 31, 2022 AND DECEMBER 31, 2021

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Liabilities and Equity					
Deposits and other financial instruments		26,644,453	26,583,437	29,278,622	29,178,630
Deposits	14	19,447,882	17,640,189	22,081,797	20,227,686
Funds obtained in the open market - own portfolio		4,189,148	5,941,967	4,189,402	5,949,663
Funds from acceptance and issue of securities	15	2,175,495	2,373,376	2,175,495	2,373,376
Borrowings and onlendings	16	575,430	562,573	575,430	562,573
Derivative financial instruments	7	256,498	65,332	256,498	65,332
Interfinancial relations		230,729	199,895	230,654	199,820
Provisions	17(a)	988,890	917,225	970,928	900,870
Tax liabilities	17(a)	173,081	152,392	147,935	105,622
Other liabilities	17(b)	2,505,966	2,682,650	2,505,841	2,682,740
Total Liabilities		30,543,119	30,535,599	33,133,980	33,067,682
Equity managed by the parent company		3,861,344	3,862,939	3,861,254	3,862,851
Non-controlling interests		90	88		
Equity	19	3,861,254	3,862,851	3,861,254	3,862,851
Capital - local residents		3,742,571	3,742,571	3,742,571	3,742,571
Carrying value adjustment		(462)	(254)	(462)	(254)
Capital reserves		4,683	9,562	4,683	9,562
Other accumulated comprehensive income		(314,172)	(322,642)	(314,172)	(322,642)
Revenue reserves		428,634	433,614	428,634	433,614
Total Liabilities and Equity		34,404,463	34,398,538	36,995,234	36,930,533

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF INCOME
THREE-MONTH PERIODS ENDED MARCH 31

In thousands of reais, unless otherwise indicated

A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Income from financial intermediation		1,112,181	1,162,977	1,307,131	1,037,893
Credit operations	20(a)	834,946	1,033,764	1,020,698	903,275
Marketable securities transactions	20(b)	277,235	129,213	286,433	134,618
Expenses on financial intermediation	20(c)	(391,869)	(439,978)	(649,622)	(387,515)
Funds obtained in the market		(761,186)	(354,673)	(1,018,939)	(303,669)
Loans, assignments and onlendings		(13,504)	(3,923)	(13,504)	(2,464)
Derivative financial instruments		382,821	(81,382)	382,821	(81,382)
Net income from financial intermediation before provision for impairment of credits		720,312	722,999	657,509	650,378
Provision for impairment of credits	8(f)	(252,426)	(217,566)	(209,944)	(193,543)
Credit operations recovered	8(f)	27,285	35,276	22,837	34,104
Net income from financial intermediation		495,171	540,709	470,402	490,939
Other operating income (expenses)		(464,855)	(484,348)	(470,809)	(440,902)
Income from services rendered	21	21,574	14,809	21,554	14,791
Personnel expenses	22(a)	(77,716)	(61,806)	(77,715)	(61,778)
Other administrative expenses	22(b)	(234,324)	(273,330)	(233,514)	(272,839)
Tax expenses	23	(43,203)	(33,822)	(41,859)	(33,503)
Equity in the earnings (loss) of subsidiary and associated companies	11	11,922	10,278	4,019	53,379
Other operating income (expenses)	24	(143,108)	(140,477)	(143,294)	(140,952)
Operating result		30,316	56,361	(407)	50,037
Non-operating income	28 (f)	64	30,676	72	30,676
Profit before taxation and profit sharing		30,380	87,037	(335)	80,713
Income tax	25(c)	(36,377)	(36,895)	(21,914)	(34,453)
Social contribution	25(c)	(25,438)	(28,485)	(15,099)	(26,477)
Deferred income tax and social contribution	25(c)	95,809	79,612	101,720	81,476
Statutory profit sharing		(16,066)	(15,227)	(16,066)	(15,218)
Profit for the period		48,308	86,042	48,306	86,041
Non-controlling stake in consolidated subsidiaries		2	1		
Profit before non-controlling interest		48,306	86,041	48,306	86,041
Basic and diluted earnings per share - R\$	19(d)			0,0828	0,1464

The accompanying notes are an integral part of these individual and consolidated interim financial statements.



**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
 COMPREHENSIVE RESULT
 THREE-MONTH PERIODS ENDED MARCH 31**

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate	
	2022	2021
Net profit for the quarter	48,306	86,041
Other comprehensive results		
Items that will not be reclassified to profit or loss		
Securities available for sale - Own	1,891	(272,739)
Securities available for sale - From Subsidiaries	14	
Tax effects - Securities available for sale	(899)	129,708
Cash flow hedge	14,233	79,707
Tax effects - Cash flow hedge	(6,769)	(37,907)
Change in other comprehensive income	8,470	(101,231)
Total comprehensive income for the quarter	56,776	(15,190)

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF CHANGES IN EQUITY
THREE-MONTH PERIODS ENDED MARCH 31
In thousands of reais
A free translation of the original in Portuguese)

	Attributable to the Subsidiary's shareholders										
	Capital		Revenue reserves			Other comprehensive results	Treasury stock	Retained earnings	Total	non-controlling interest	Total
	Realized	Capital reserve	Legal	Statutory	Other						
Ganho de capital On December 31, 2020	3,742,571	5,680	115,191	291,529	5,894	(18,842)	(13,797)		4,128,226	86	4,128,312
Changes in non-controlling interests											
Recognition of share-based payment plans (note 26b(ii))		(924)					2,405		1,481		1,481
Treasury shares							(25,520)		(25,520)		(25,520)
Treasury shares canceled				(36,912)			36,912				
Change in other comprehensive income						(101,231)			(101,231)		(101,231)
Net Profit for the period								86,041	86,041	1	86,042
Realization of reserves											
Use of Net Profit:											
Transfer from reserves			4,302	81,739				(86,041)			
Provision for Interest on capital				(45,406)					(45,406)		(45,406)
At March 31, 2021	3,742,571	4,756	119,493	290,950	5,894	(120,073)			4,043,591	87	4,043,678
On December 31, 2021	3,742,571	9,562	127,287	300,433	5,894	(322,642)	(254)		3,862,851	88	3,862,939
Recognition of share-based payment plans (note 26b(ii))		(4,879)					4,936		57		57
Treasury shares							(4,965)		(4,965)		(4,965)
Capital gain				179			(179)		179		179
Change in other comprehensive income						8,470			8,470		8,470
Net Profit for the period								48,306	48,306	2	48,308
Use of Net Profit:											
Transfer from reserves			2,415	45,891				(48,306)			
Provision for Interest on capital (note 19)				(53,465)					(53,465)		(53,465)
At March 31, 2022	3,742,571	4,683	129,702	293,038	5,894	(314,172)	(462)		3,861,254	90	3,861,344

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit for the period	48,306	86,041	48,306	86,041
Adjustments to profit	197,440	195,440	155,397	127,018
Recognition of share-based payment plans	(4,879)	1,481	(4,879)	1,481
Depreciation	3,723	3,437	3,723	3,437
Provision for impairment of credits	252,426	217,566	209,944	193,543
Amortization	12	36,221	12	36,221
Amortizations of other intangible assets	16,108		16,108	
Deferred income tax and social contribution	(95,809)	(79,612)	(101,720)	(81,476)
Equity in the (earnings) loss of subsidiary and associated companies	(11,922)	(10,278)	(4,019)	(53,379)
Non-operating income from equity pickup method		(30,871)		(30,871)
Foreign exchange variations of funding	3,493	(26,130)	3,493	(26,130)
Amortization of goodwill		36,260		36,260
Provisions for contingent liabilities	36,251	38,607	34,680	39,185
Effect of exchange rate changes on cash and cash equivalents	(1,963)	8,759	(1,945)	8,747
Adjusted profit for the period	245,746	281,481	203,703	213,059
Changes in assets and liabilities				
Decrease (Increase) in short-term interbank investments	(647)	3,589	119,619	(90,054)
(Increase) in marketable securities	1,569,036	(363,617)	1,569,700	(365,883)
(Increase) in interbank and interdepartmental accounts	(296,573)	(14,311)	(296,573)	(14,327)
(Increase) in credit operations	(1,208,982)	(365,128)	(1,281,055)	(196,837)
(Increase) Decrease in other receivables	(74,354)	(409,007)	(93,522)	(422,474)
(Increase) in other assets	(34,200)	(7,011)	(32,538)	(7,041)
Increase in deposits	1,807,693	377,465	1,854,111	405,795
Increase in funds obtained in the open market	(1,752,819)	763,608	(1,760,261)	765,108
(Decrease) Increase in funds from acceptance and issue of securities	(201,374)	(2,480)	(201,374)	(2,480)
(Decrease) Increase in borrowings and onlendings	12,857	25,941	12,857	898
Increase in interbank accounts	30,834	(9,057)	30,834	(9,062)
Increase (Decrease) in derivative financial instruments	198,630	(9,721)	198,630	(9,721)
(Decrease) Increase in provisions, deferred tax liabilities and other liabilities	34,292	85,439	13,837	33,631
Cash from operations	330,139	357,191	337,968	300,612
Income tax and social contribution paid	(44,800)	(18,193)	(2,988)	(2,070)
Net cash (used in) provided by operating activities	285,339	338,998	334,980	298,542
Cash flows from investing activities				
Purchases of property and equipment	(4,912)	(7,049)	(4,912)	(7,049)
Sale of property and equipment	2,752	5,514	2,752	5,514
Acquisition of shares in affiliates	(85,000)	(7,500)	(85,000)	(7,500)
Increase of intangible assets	(31,061)	(23,501)	(31,061)	(23,501)
Net cash provided by (used in) investing activities	(118,221)	(32,536)	(118,221)	(32,536)
Cash flows from financing activities				
Acquisition of Own Shares	(5,144)	(25,520)	(5,144)	(25,520)
Interest on share equity paid out	(158,290)		(158,290)	
Net cash provided by (used in) financing activities	(163,434)	(25,520)	(163,434)	(25,520)
Net increase (Decrease) in cash and cash equivalents	3,684	280,942	53,325	240,486
Cash and cash equivalents at the beginning of the period	399,673	160,847	342,382	144,905
Effect of exchange rate changes on cash and cash equivalents	1,963	(8,759)	1,945	(8,747)
Cash and cash equivalents at the end of the period (Note 2.2 and Note 4)	405,320	433,030	397,652	376,644
Increase (Decrease) in cash and cash equivalents	3,684	280,942	53,325	240,486

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF VALUE ADDED
THREE-MONTH PERIODS ENDED MARCH 31

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
1 – Income	996,884	1,123,519	1,229,345	1,020,051
Financial intermediation	1,112,181	1,162,977	1,307,131	1,037,893
Services rendered	21,574	14,809	21,554	14,791
Provision for impairment of credits	(252,426)	(217,566)	(209,944)	(193,543)
Credit operations recovered	27,285	35,276	22,837	34,104
Other operating income	87,722	96,632	87,219	95,415
Non-operating	548	31,391	548	31,391
2 - Expenses	(623,183)	(677,802)	(880,611)	(624,597)
Expenses on financial intermediation	(391,869)	(439,978)	(649,622)	(387,515)
Other operating expenses	(230,830)	(237,109)	(230,513)	(236,367)
Non-operating	(484)	(715)	(476)	(715)
3 - Materials and services purchased from third parties	(211,036)	(190,900)	(210,227)	(190,415)
Materials, energy and other	(24,774)	(19,797)	(24,668)	(19,681)
Third-party services	(33,374)	(31,112)	(33,374)	(31,112)
Others	(152,888)	(139,991)	(152,185)	(139,622)
Communication expenses	(3,979)	(14,006)	(3,979)	(14,006)
Promotions and public relations	(26,510)	(27,089)	(26,467)	(27,051)
Data processing	(45,325)	(36,756)	(45,325)	(36,756)
Specialist technical services	(71,036)	(55,847)	(70,413)	(55,551)
Bank fees	(5,016)	(5,023)	(4,979)	(4,988)
Transport	(1,022)	(1,270)	(1,022)	(1,270)
4 - Gross value added (1 - 2 - 3)	162,665	254,817	138,507	205,039
5 - Depreciation and amortization	(19,843)	(75,918)	(19,843)	(75,918)
6 - Net value added generated by the entity (4 - 5)	142,822	178,899	118,664	129,121
7 - Value added received as transfer	11,922	10,278	4,019	53,379
Equity in the earnings (loss) of subsidiary and associated companies	11,922	10,278	4,019	53,379
8 - Value added to be distributed (6 + 7)	154,744	189,177	122,683	182,500
9 - Distribution of value added	154,744	189,177	122,683	182,500
9.1 Personnel	93,782	77,033	93,781	76,996
Direct remuneration	63,303	49,233	63,303	49,213
Benefits	13,811	11,507	13,810	11,497
Social charges	16,668	16,293	16,668	16,286
9.2 Taxes, contributions and fees	9,211	19,591	(22,848)	12,957
Federal	8,119	18,554	(23,938)	11,972
State	150	54	150	54
Municipal	942	983	940	931
9.3 Third-party capital remuneration	3,445	6,512	3,444	6,506
Rents	3,445	6,512	3,444	6,506
9.4 Remuneration of stockholders' capital	48,306	86,041	48,306	86,041
Profit for the six-month periods	48,308	86,042	48,306	86,041
Non-controlling stake in consolidated subsidiaries	2	1		

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

1. Operations

The operations of Banco BMG S.A. ("Bmg" or "Bank") are conducted in the context of a group of financial institutions that operate together in the financial market, and certain operations have the co-participation or intermediation of institutions of the Bmg Financial Conglomerate. Bmg is authorized to operate as a multiple service bank with commercial and credit, financing and investment portfolios. The benefits of the services rendered between the institutions of the Financial Conglomerate and the operating and administrative costs are absorbed together or individually, as is most practical and reasonable in the circumstances, and as considered adequate by management of the financial institutions.

Banco Bmg S.A. ("Bmg" or "Bank"), constituted as a Publicly Traded Company, controlled by the Pentagna Guimarães Family, and located at Avenida Presidente Juscelino Kubitscheck, No. 1,830, São Paulo/SP, Brazil, currently has 10.4 million clients, and offers as retail products: payroll credit card, payroll loan, personal credit and mass market insurance via partnership. Additionally, it provides a full range of retail products and services available to its clients through its digital bank. Wholesale customers are offered financing, structured financial services, derivative instruments and collateral insurance. In addition, Bmg offers investment products to both groups.

As approved by the Central Bank of Brazil, through the official letter of November 10, 2021, we communicate the change in the business purpose of Cifra Financeira SA to the "society distributing bonds and securities", adopting the new name BMG S.A. Distribuidora de Títulos e Valores Mobiliários.

Pursuant to BCB Resolution No. 2/20, the interim financial statements include the individual financial statements, as well as the consolidated statements of the group of companies that are part of the financial conglomerate, Banco Bmg S.A., the foreign subsidiary BMG Bank (Cayman) Ltd., and the subsidiaries of the financial branch, BMG Leasing S.A. - Arrendamento Mercantil, BMG S.A. Distribuidora de Títulos e Valores Mobiliários, and Banco BCV S.A. (note 2.2 t).

In December 2018, the Bank obtained its register as a public company with the Brazilian Securities and Exchange Commission (CVM).

2. Presentation of quarterly information and main accounting policies

2.1. Presentation of the individual and consolidated interim financial statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN), which take into account the accounting guidelines pursuant to Law 6,404/76 and the changes introduced by Laws 11,638/07 and No. 11,941/09, for the accounting of operations, associated with the rules and instructions of the National Monetary Council (CMN) and the Central Bank of Brazil (BACEN) and show all the relevant information specific to the financial statements, and only them, which are consistent with those used by management for its administrative requirements. For the purpose of disclosing these financial statements., Bmg observes the provisions of CMN Resolution 4,818/20 and BCB Resolution 2/20, now presenting the balance sheet by order of liquidity and the segregation between current and non-current assets in an explanatory note.

In March 2022, payment transactions acquired from financial institutions were reclassified from the item "Operations with characteristics of granting credit" to "Interfinancial relationships", for better understanding and comparability between the periods presented in these financial statements, we reclassified, managerially, the values referring to December 2021, as shown below:

Assets	Financial Conglomerate and Bank	
	From	For
Credit operations	668,046	
Interfinancial Relations		668,046

These interim financial statements were finalized and approved for issue by the Bank's Board of Directors on May 12th, 2022.

The Accounting Pronouncements Committee – CPC issued pronouncements related to the international accounting convergence process. Accordingly, the Conglomerate, in preparing the financial statements, has adopted the following pronouncements to date:

Resolution CMN no. 4,144/12 - CPC 00 (R2) - Basic Conceptual Pronouncement
Resolution CMN no. 3,566/08 - CPC 01 (R2) - Impairment of Assets
Resolution CMN no. 4,524/16 – CPC 02 (R2) - The Effects of Changes in Foreign Exchange Rates
Resolution CMN no. 3,604/08 - CPC 03 (R2) - Statement of Cash Flows
Resolution CMN no. 4,534/16 – CPC 04 (R1) - Intangible Assets
Resolution CMN no. 3,989/11 - CPC 10 (R1) - Share-based Payments
Resolution CMN no. 4,007/11 - CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors
Resolution CMN no. 3,823/09 - CPC 25 - Provisions, Contingent Liabilities and Contingent Assets
Resolution CMN no. 4,535/16 – CPC 27 - Permanent assets
Resolution CMN no. 4,424/15 - CPC 33 (R1) - Employee Benefits
Resolution CMN no. 4,748/19 - CPC 46 (R1) - Fair Value
Resolution CMN no. 4,818/20 - CPC 05 (R1) – Disclosure of Related Parties, CPC 24 - Subsequent Event and CPC 41 (R1) – Earnings per Share.

Some amounts included in this Report have been subject to rounding adjustments.

Accordingly, amounts shown as totals in some tables may not be the arithmetic sum of the amounts that precede them.

2.2 Description of significant accounting practices

(a) Functional and presentation currency

The financial statements are presented in Brazilian reais, which is Bmg's functional currency. The foreign subsidiary's operations (Note 11) are, in fact, an extension of the activities carried out in Brazil. Therefore, its assets, liabilities and income and expenses are stated in conformity with the accounting practices adopted in Brazil and are converted into reais, based on the foreign currency exchange rates. Gains and losses on conversion are recorded in the statement of income for the period.

(b) Determination of the results of operations

The results of operations are determined on the accrual basis of accounting and are adjusted by income tax and social contribution on net income due on taxable income, and, when applicable, by deferred income tax and social contribution that will be recoverable or payable in future periods. In addition, for the purpose of presenting the financial statements, the Conglomerate discloses the recurring and non-recurring results in a segregated manner, demonstrating the nature and effects of the period (See note 28 (c)), non-recurring results are considered those that are unrelated or only occasionally related to the activities of the institution and are not expected to occur in the future.

(c) Cash and cash equivalents

Cash and cash equivalents, according to CPC 03 (R2) - Statement of Cash Flows, include cash, bank deposits, high liquidity short-term investments, without a significant risk of changes value and limits, maturing in 90 days or less at the acquisition date. These are utilized by the Bank to manage its short-term obligations (See Note 4).

(d) Interbank accounts

Unrestricted purchase and sale commitments are adjusted to market value. Other assets are stated at acquisition cost, plus accrued income up to the balance sheet date, net of a provision for losses, when applicable.

(e) Marketable securities

In accordance with BACEN Circular 3,068/01 and subsequent regulations, marketable securities are classified into three specific categories based on management's intention of negotiation, in accordance with the following accounting criteria:

(i) Trading securities - securities purchased in order to be frequently and actively traded. They are recorded at market value and the realized and unrealized gains and losses are recognized in the statement of income.

(ii) Securities available for sale - securities to be used as part of the strategy to manage the risk of interest rate variations, which can be traded because of these variations, changes in payment conditions or for other reasons. These securities are recorded at market value, with the accrued income being recognized in the statement of income, and the unrealized gains and losses arising from market value variations, net of tax effects, when applicable, recognized in a specific account in equity, "Adjustment to market value - Securities available for sale", until realization by sale.

Gains and losses, when realized, are recognized in the statement of income after being specifically identified at the trading date, with a corresponding entry to the specific account in equity, net of tax effects.

(iii) Securities to be held until maturity - securities that the Bank intends and has the financial capacity to hold until maturity, which are recorded at cost of purchase, plus accrued income. Financial capacity is defined according to cash flow projections which do not consider the possibility of the early redemption of these securities.

Decreases in the market value of securities available for sale and those held to maturity to below their respective costs, for reasons not considered to be temporary, are reflected in the statement of income as realized losses, when applicable.

Management determines guidelines for the classification of marketable securities within the categories established by BACEN Circular 3068/01. The classifications of the securities in the portfolio, as well as of those acquired in the period, are periodically and systematically reviewed in accordance with these guidelines. As established in article 5 of BACEN Circular 3068, the reevaluation of the classification of marketable securities can only be recognized in the six-monthly balance sheets. Moreover, in the event of a transfer from the "held-to-maturity" category to others, the transfer can only be made due to isolated, unusual, non-necessary and unexpected reasons which have occurred after the classification date.

(iv) The methodology for adjusting to fair market value meets the measurement requirements for financial assets foreseen in CMN Resolution No. 4,748/19.

(f) Derivative financial instruments

In accordance with BACEN Circular 3,082/02 and subsequent regulations, derivative financial instruments are classified at the date of purchase according to the intention of management to utilize them as hedge instruments or not.

Transactions that utilize derivative financial instruments, which are carried out at customers' requests, for own account, or that do not meet the hedging criteria defined in the Circular (mainly derivatives used to manage the overall risk exposure), are recorded at market value, and the realized and unrealized gains and losses recognized directly in the statement of income.

The transactions that utilize derivative financial instruments destined for hedging purposes are classified as market or cash flow hedges, in accordance with the criteria defined in BACEN Circular 3,082/02. In these cases, the items hedged are also adjusted to market value, with a corresponding entry for these adjustments (derivative and respective item hedged) to: (i) the appropriate income or expense account for the period, in the case of a market risk hedge; and (ii) a separate account in equity, for the effective portion of a cash flow hedge, net of tax effects.

Pursuant to CMN Resolution 4,277 of October 31, 2013, Bmg has procedures to assess the need for adjustments in the value of the financial instruments, observing the prudence, relevancy and reliability criteria, including, among other factors, the credit risk spread when registering the market value of these instruments.

(g) Credit transactions and provision for losses associated with credit risk

The credit operations are stated at realizable values, including, when applicable, accrued income calculated on a daily pro rata basis, in accordance with the variation in the index or interest rate contracted. The income on overdue accounts is recorded up to the 59th day and, after the 60th day, is no longer appropriated and is only recognized in the income when the installments are effectively received, as determined by article 9 of BACEN Resolution 2,682/99.

As defined in the COSIF (The Chart of Legal Accounts for Financial Institutions), credit operations are presented net of unearned income, which is appropriated to income on a pro rata basis.

The provision for losses associated with credit risk is recognized based on the criteria defined by BACEN Resolution No. 2,682/99, and on management's analysis of outstanding operations, taking into consideration the value of guarantees, past loss experience and the portfolio risks.

The Bank also took into account the criteria established by CMN Resolution 4,803/20 when measuring the loan loss provision, which provides for the reclassification of renegotiated operations between March 1st and September 30th, 2020 due to the Covid 19 pandemic in note 28, to the level that was classified on February 29, 2020 under the specified conditions.

(h) Credit assignments

Resolution CMN 3,533/2008 (postponed by Resolutions CMN 3,673/08 and 3,895/10), established the procedures for the classification and disclosure of sales or transfers of financial assets. In accordance with this resolution, the maintenance or write-off of the financial asset is related to the substantial retention of the risks and rewards in the sale or transfer transaction. The credit assignment operations in which a substantial retention of risks and rewards are retained by Bmg remain recorded in assets in their totality. The amounts received in the operation are recorded in assets with a corresponding entry in liabilities related to the assumed obligation. The income and expenses are appropriated and recorded separately in the statement of income over the remaining period of the transactions.

(i) Other current assets and other long-term receivables

These assets are stated at realizable values including, when applicable, accrued income calculated on a daily pro rata basis, less the related unearned income.

(j) Other assets - prepaid expenses

Prepaid expenses include the investment of resources, the benefits of which will occur in future periods, and are recorded in the statement of income on the accrual basis.

The costs incurred for the corresponding assets, which will generate income in subsequent periods, are appropriated to the statement of income based on the terms and amounts of the expected benefits and written off directly to expenses when the corresponding assets and rights no longer comprise the Bank's assets or when future benefits are no longer expected.

(k) Investments

Investments in subsidiaries, which have significant influence, are valued using the equity method (see percentage ownership in Note 11) in the individual statements. Other investments are recorded at cost and, when applicable, adjusted to their recoverable value through the constitution of a provision, in accordance with current rules.

(l) Property and equipment

As provided for in CMN Resolution No. 4,535, dated 11/24/2016, represent own tangible assets and improvements made in third-party real estate, provided they are used in the performance of the Financial Conglomerate's activities for a period of more than one year and must be recognized at cost and adjusted for impairment. They are stated at acquisition cost, less accumulated depreciation and allowance for impairment losses, when applicable.

Depreciation is calculated on the straight-line method at the following annual rates that consider the useful lives of these assets: property in use - 4%; machinery, equipment, furniture and fixtures, installations and communication systems - 10% and vehicles and data processing equipment - 20%.

(m) Intangible assets

The intangible assets are comprised of non-monetary items, without physical substance and separately identifiable. They are formed through business combinations, acquisition of software licenses and other intangible assets. These assets are recognized at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Assets with a useful life are amortized over their economic useful lives. Intangible assets without a determined useful life are not amortized.

The book value of intangible assets with indefinite useful lives, such as goodwill or intangible assets not yet available for use, are tested for impairment annually. Intangible assets subject to amortization are valued at the end of each reporting period if there is any indication that an asset may have suffered a devaluation. A loss through reduction in recoverable value (impairment) is recognized if the carrying amount exceeds the recoverable amount.

i. Goodwill

Goodwill originates in the process of acquisition of subsidiaries. It represents the excess of the acquisition cost over the book value of identifiable assets and liabilities acquired from a subsidiary on the date of acquisition. Goodwill arising on the acquisition of subsidiaries is recognized in "Investments" on the individual financial statements. For investees that are consolidated, goodwill is classified as "Intangible Assets." The goodwill arising from the acquisition of subsidiaries and consolidated and subsequently incorporated companies is recognized in "Intangible Assets" on the individual and consolidated financial statements.

Goodwill based on estimated future profitability was determined in acquisitions of equity participations, substantiated by the future profitability of these investments. This goodwill was determined based on the difference between the acquisition amount and the stockholder's equity of the related subsidiaries at the date of acquisition (note 13), as required by the standards of the Central Bank of Brazil (BACEN) and are substantiated by the estimated future profitability, based on forecasted results of the investee. They are amortized in accordance with the time period of the forecasts that substantiated it or based on their disposal or loss. They are annually tested for impairment.

(n) Impairment of non-financial assets

Impairment losses are recognized in the statements of income if there is evidence that the assets are recorded at a non-recoverable amount. This procedure is performed annually.

(o) Current and non-current liabilities

The separation between short and long term is presented in the explanatory notes, shown at known or estimated values, including, when applicable, the charges incurred on a daily "pro-rata" basis, less the corresponding expenses to be appropriated.

(p) Income tax and social contribution on net income

The provision for current taxes is constituted at the rate of 15% on the profit calculated plus 10% on what exceeds R\$20/month, for income tax and 20% for social contribution until February 2020 and 20% from March 2020 in accordance with Constitutional Amendment No. 103 of November 12, 2019.

Law 14.183 of July 14, 2021 changed the rate of the Social Contribution on Net Income "CSLL" to 25% from July 1, 2021 to December 31, 2021 and to 20% from January 2022.

Deferred income tax and social contribution are represented by deferred tax credits and deferred tax liabilities arising from the differences between the accounting basis and the tax basis, in accordance with tax rules and legislation, at the rates prevailing on the date of their constitution.

Tax credits arising from tax losses carryforwards are only recognized if there is sufficient future taxable income to offset them.

(q) Operations in foreign currency

The criterion for converting the asset and liability balances of operations in foreign currencies consists of converting these amounts into local currency (R\$) at the exchange rate in effect on the closing date of the period. As of March 31, 2022, the applicable exchange rate was: US\$1.00 = R\$4.7532 (as of 12/31/2021 – US\$1.00 = R\$5.5805).

(r) Contingent assets and liabilities and legal obligations - tax and social security

These are valued, recognized and disclosed based on the provisions established in CMN Resolution 3,823, of December 16, 2009, and BACEN Circular Letter 3,429, of February 11, 2010.

Contingent assets – these are not accounted for, except when the realization of the gain is practically certain and when the ability to recover them is confirmed by receiving or offsetting other taxes due.

Provisions – these are recognized in the financial statements when the risk of loss in a legal or administrative action is considered to be probable, with a probable outflow of resources to settle the obligations, based on the opinions of the legal advisors and management, similarities with previous processes and the complexity of the processes, and when the amounts involved can be measured with reasonable assurance. In addition to the situations mentioned above, the historical factor of probable litigations was included in the probable loss calculation, taking into consideration the Bank's decisions and experience between the occurrence of the event and the judicial notification. Contingent liabilities, which are classified as possible losses, are not provisioned and are disclosed in the notes to

the interim financial statements when the amounts involved are significant. Contingent liabilities in respect of which losses are considered to be remote are neither recorded nor disclosed (Note 18).

Legal obligations - tax and social security - relate to legal actions contesting the legality and constitutionality of the obligations and are fully recognized in the interim financial statements regardless of the evaluations concerning favorable outcomes in the legal actions (Note 18).

(s) Compensation plan - Administrators

Bmg has a specific remuneration plan for management, which includes rules for the payment of fixed and variable remuneration in line with the Bank's risk management policy and best market practices, in compliance with CMN Resolution 3,921/10. The fixed remuneration amount is approved annually at the Annual General Meeting. The right to variable remuneration is subject to the achievement of the Conglomerate strategic goals, the individual goals and the goals of the management's operational areas.

Additionally, at an extraordinary shareholders' meeting of the Company held on April 3, 2020, the Bank implemented a Long-Term Incentive Plan, to allow the directors and certain employees of the Bmg Group designated by the Company's Compensation and Personnel Committee and approved by the Board of Directors of the Company (together, "Employees") to receive preferred shares issued by the Company as a long-term incentive that will compose their respective variable remuneration. On April 29, 2022, the Plan's reform was approved at the Bank's Extraordinary General Meeting

(t) Consolidation principles - Financial Conglomerate

The consolidated financial statements were prepared in accordance with BACEN's consolidation standards and instructions for the preparation of the Financial Conglomerate's consolidated financial statements and are being presented pursuant to art. 77 of CMN Resolution 4.966/21. Thus, the interests of one Institution in another, the balances of equity accounts and the income and expenses between them were eliminated, as well as the portions of net income and shareholders' equity referring to the interests of non-controlling shareholders.

Goodwill calculated on the acquisition of investments in subsidiaries is disclosed in Note 13 - Intangible Assets.

The financial statements of the company headquartered overseas, BMG Bank (Cayman) Ltd., whose functional currency is the Brazilian real, are originally prepared in accordance with accounting practices adopted in Brazil and BACEN standards.



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON MARCH 31, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(u) Consolidation

To assist in the analysis of the consolidated financial statements, the balance sheets on March 31, 2022 and December 31, 2021 of the companies of the Financial Conglomerate are summarized as follows:

Assets	Banco Bmg	Leasing	Cayman	Banco Cifra	Banco BCV	DTVM	Eliminations	Financial Conglomerate	
								2022	2021
Available cash	359,652	408	6,619	77	156	2,807	3,149	366,570	349,675
Short-term interbank investments	38,000			750	253		253	38,750	49,998
Financial Instruments	25,344,775	895,842	1,266,018	652,929	1,101,720	7,799	3,741,660	25,527,423	26,138,250
Investments in interbank deposits	1,149,923	895,842		652,929	1,074,708	7,799	3,741,660	39,541	38,894
Marketable securities and derivatives	10,667,082				27,012			10,694,094	12,262,124
Credit operations	13,527,770		1,266,018					14,793,788	13,837,232
Interfinancial relations	1,161,695			5	207			1,161,907	865,334
Other credits	5,135,866	36,789	81,616	154,670	242,883	2,238	29,883	5,624,179	5,454,016
Other assets	249,762	108			39	1,699		251,608	217,408
Permanent assets	4,705,484						3,271,458	1,434,026	1,323,857
Total Assets	36,995,234	933,147	1,354,253	808,431	1,345,258	14,543	7,046,403	34,404,463	34,398,538



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE INTERIM FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON MARCH 31, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Liabilities and Equity	Banco	Leasing	Cayman	Banco	Banco	DTVM	Eliminations	Financial Conglomerate	
	Bmg			Cifra	BCV			2022	2021
Deposits and other financial instruments	29,278,622		1,110,894				3,745,063	26,644,453	26,583,437
Deposits	22,081,797		1,110,894				3,744,809	19,447,882	17,640,189
Funds obtained in the open market - own portfolio	4,189,402						254	4,189,148	5,941,967
Funds from acceptance and issue of securities	2,175,495							2,175,495	2,373,376
Borrowings and onlendings	575,430							575,430	562,573
Derivative financial instruments	256,498							256,498	65,332
Interfinancial relations	230,654			55	20			230,729	199,895
Provisions	970,928	17,369	167	306	68	52		988,890	917,225
Deferred tax liabilities	147,935	9,958		5,689	9,472	27		173,081	152,392
Other liabilities	2,505,841	10,193		7,225	12,228	359	29,880	2,505,966	2,682,650
Equity managed by the parent company	3,861,254	895,627	243,192	795,156	1,323,470	14,105	3,271,460	3,861,344	3,862,939
Non-controlling interests								90	88
Equity	3,861,254	895,627	243,192	795,156	1,323,470	14,105	3,271,550	3,861,254	3,862,851
Total Liabilities and Equity	36,995,234	933,147	1,354,253	808,431	1,345,258	14,543	7,046,403	34,404,463	34,398,538

3. Capital requirements and investment limits

(a) Basel investment indexes

In accordance with CMN Resolution No. 4,958/21 and subsequent regulations, financial institutions are obliged to maintain equity compatible with the degree of risk of their assets, weighted by factors that vary from 0% to 1,250% and a minimum index of equity in relation to assets weighted by risk of 8% plus the respective portions of Additional Principal Capital and Countercyclical.

In order to demonstrate compliance with the capital requirements provided for in the regulations in force, we present below the Basel Ratio and the equity requirements, which can be demonstrated as follows:

	2022	Basel III 2021
Reference equity - Tier I Capital	2,618,785	2,624,984
– Equity (1)	4,042,566	4,067,124
– Prudential adjustments – CMN Resolution 4,192/13 (2)	(1,536,355)	(1,551,273)
Complementary capital	112,574	109,133
– Subordinated debts	112,574	109,133
Reference equity - Tier II	20,919	20,353
– Subordinated debts	20,919	20,353
Reference equity - PR (Tier I + Tier II) (a)	2,639,704	2,645,337
Risk-weighted assets – RWA (b)	18,657,002	18,043,171
Capital allocation:		
– Credit risk	17,304,548	16,841,914
– Market risk	14,860	102,150
– Operational risk	1,337,594	1,099,107
Margin of capital allocation (a / b)	14.15%	14.66%
Tier I capital	14.04%	14.55%
– Main Capital	13.44%	13.94%
– Complementary capital	0.60%	0.61%
Tier II capital	0.11%	0.11%
– Capital to hedge the risk of transactions subject to the variation of interest rates classified in the banking portfolio per Resolution No. 3.876 of BACEN - Installment “IRRBB”.	144,407	254,055
Asset investment index	44.68%	40.98%
Excess capital in relation to asset investment	140,386	238,573

1) Equity of the Prudential Conglomerate, as Resolution 4,955, of October 21, 2021; and

2) The instruments eligible for capital, Complementary Capital and Level II, were issued subject to the conditions determined by Resolution No. 4,192, of 1/3/2013, of the CMN, with maturity of the repurchase option, subject to the prior authorization of the Central Bank of Brazil, in 5 years from the instrument issue date.

4. Available Cash and interbank investments

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Cash and balances at banks	366,570	349,675	359,652	292,384
Short-term interbank investments (i)	38,750	49,998	38,000	49,998
Total	405,320	399,673	397,652	342,382

(i) Includes only operations with maturity dates equal to or less than 90 days on the effective date of the investment, and which have an immaterial risk of change in fair value.

The balance of interbank investments considered as cash and cash equivalents is also presented in Note 5.

5. Interbank investments and interbank deposits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Funded position				
National Treasury Bills – LTN	750			
National Treasury Notes – NTN	38,000	49,998	38,000	49,998
Open market investments	38,750	49,998	38,000	49,998
Interbank deposits	39,541	38,894	1,149,923	1,269,542
Total	78,291	88,892	1,187,923	1,319,540
Current	70,421	81,209	1,180,053	1,311,857
Non-current	7,870	7,683	7,870	7,683

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6. Marketable securities and derivatives

(a) **Marketable securities can be summarized as follows:**

	Financial conglomerate		Bank	
	2022	2021	2022	2021
Fixed rate notes				
Free				
Federal Public Securities				
- Financial Treasury Bills – LFT	169,255	100,047	143,816	68,516
- National Treasury Bills – LTN	296,103	285,213	296,103	285,213
- National Treasury Notes – NTN	3,775,808	3,396,014	3,775,808	3,396,014
Private Securities				
- Shares of closed companies	19,686		19,686	
- Debentures	759,683	998,528	759,683	998,528
- Certificate of Real Estate Receivables	88,819	116,504	88,819	116,504
- Quotas in investment funds	147,121	142,783	147,121	142,783
Subject to buyback transactions				
Federal Public Securities				
- Financial Treasury Bills – LFT	944,772	919,699	945,775	927,395
- National Treasury Bills – LTN	269,970	481,394	269,970	481,394
- National Treasury Notes – NTN	2,419,542	4,187,608	2,419,542	4,187,608
Private Securities				
- Debentures	587,354	438,242	587,354	438,242
Subject to guarantees				
Federal Public Securities				
- Financial Treasury Bills - LFT	323,155	488,539	320,579	486,026
- National Treasury Bills – LTN	404,939	273,534	404,939	273,534
- National Treasury Notes – NTN		39,304		39,304
Derivative financial instruments (i)				
Private securities				
- Swap receivables	295,506	288,831	295,506	288,831
- Forward contract	192,381	105,884	192,381	105,884
Total	10,694,094	12,262,124	10,667,082	12,235,776
Current	709,314	629,425	709,096	629,212
Non-current	9,984,780	11,632,699	9,957,986	11,606,564

(i) See information on derivative financial instruments in Note 7.

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(v) Marketable securities fall due as follows:

Description Securities/Maturity	Financial Conglomerate						Bank					
	Yield curve value / amortized cost		Book value	Adjustment to market value		Yield curve value / amortized cost		Book value	Adjustment to market value			
	2022	2021		2022	2021	2022	2021		2022	2021		
Securities available for sale	10,724,944	10,901,384	10,093,754	10,268,278	(631,190)	(633,106)	10,697,929	10,875,009	10,066,742	10,241,930	(631,187)	(633,079)
- LFT												
From 31 to 60 days		109,022		109,014		(8)		109,022		109,014		(8)
From 91 to 180 days	177,152		177,165		13		176,933		176,947		14	
From 181 to 360 days	59,784	172,949	59,791	172,914	7	(35)	59,784	172,736	59,791	172,701	7	(35)
After 360 days	1,202,370	1,232,203	1,200,226	1,226,357	(2,144)	(5,846)	1,175,574	1,206,041	1,173,432	1,200,222	(2,142)	(5,819)
- LTN												
Up to 30 days		79,370		79,353		(17)		79,370		79,353		(17)
From 181 to 360 days	142,496		137,016		(5,480)		142,496		137,016		(5,480)	
After 360 days	915,761	1,041,707	833,996	960,788	(81,765)	(80,919)	915,761	1,041,707	833,996	960,788	(81,765)	(80,919)
- NTN												
After 360 days	6,655,576	6,578,761	6,102,583	6,023,795	(552,993)	(554,966)	6,655,576	6,578,761	6,102,583	6,023,795	(552,993)	(554,966)
- Debentures												
From 91 to 180 days	14,588		14,678		90		14,588		14,678		90	
From 181 to 360 days		21,817		22,008		191		21,817		22,008		191
After 360 days	1,326,298	1,407,673	1,332,359	1,414,762	6,061	7,089	1,326,298	1,407,673	1,332,359	1,414,762	6,061	7,089
- Certificate of Real Estate Receivables												
After 360 days	83,798	115,099	88,819	116,504	5,021	1,405	83,798	115,099	88,819	116,504	5,021	1,405
- Quotas in investment funds												
Without maturity	147,121	142,783	147,121	142,783			147,121	142,783	147,121	142,783		
Trading securities	112,733	1,664,319	112,453	1,599,131	(280)	(65,188)	112,733	1,664,319	112,453	1,599,131	(280)	(65,188)
- NTN												
After 360 days	93,047	1,664,319	92,767	1,599,131	(280)	(65,188)	93,047	1,664,319	92,767	1,599,131	(280)	(65,188)
- Shares												
Without maturity	19,686		19,686				19,686		19,686			
Derivative financial instruments- Differential receivable			487,887	394,715					487,887	394,715		
Up to 30 days			99,063	3,459					99,063	3,459		
From 31 to 60 days			15,094	40,023					15,094	40,023		
From 61 to 90 days			24,006	10,547					24,006	10,547		
From 91 to 180 days			173,579	51,808					173,579	51,808		
From 181 to 360 days			8,922	140,299					8,922	140,299		
After 360 days			167,223	148,579					167,223	148,579		
Total	10,837,677	12,565,703	10,694,094	12,262,124	(631,470)	(698,294)	10,810,662	12,539,328	10,667,082	12,235,776	(631,467)	(698,267)
Total - Book value			10,694,094	12,262,124	(631,470)	(698,294)			10,667,082	12,235,776	(631,467)	(698,267)
Current			709,314	629,425	(5,370)	131			709,096	629,212	(5,369)	131
Non-current			9,984,780	11,632,699	(626,100)	(698,425)			9,957,986	11,606,564	(626,098)	(698,398)

7. Derivative financial instruments

The Bank participates in transactions involving financial instruments, recorded in asset and liability accounts at amounts compatible with those currently practiced in the market, in order to manage its exposure to market, foreign exchange and interest rate risks. The transactions are principally designed to protect assets and liabilities, involving changes in indexes in the application and obtaining of resources, contracted at maturities, rates and amounts compatible with the protection necessary.

The transactions involving derivative financial instruments (swaps and futures contracts) are entered into in order to protect their own and clients' assets and liabilities. The risks are managed through control policies, establishment of operating strategies, determination of limits and various techniques for monitoring positions, with a view to liquidity, profitability and security. The utilization of derivative financial instruments in order to minimize market risks arising from fluctuations in interest rates, currencies, asset prices, and other factors, is an integral part of good accounting practice and is an indispensable tool in financial management.

Market risk is the exposure created by potential fluctuations in interest rates, exchange rates, prices of goods, prices quoted on the stock market and for other securities, and is the function of the type of product, the volume of operations, the duration and conditions of the contract and the underlying volatility. Risk management is controlled and monitored independently of the areas generating the risk exposure. The assessment and measurement are carried out daily based on indexes and statistical data, utilizing tools such as non-parametric "VaR" and sensitivity analysis in stress scenarios.

The derivative financial instruments are registered at the B3 - Brasil, Bolsa, Balcão.

(a) Swaps by maturity

Description	Financial Conglomerate and Bank						
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	After 360 days	Total
Swap, options and forward contracts:							
Asset position							
Foreign currency	96,943	12,311	24,006	38,081	8,922	14,989	195,252
Interest rate	2,120	2,783		2,289			7,192
Indexes				133,209		152,234	285,443
Total – 2022	99,063	15,094	24,006	173,579	8,922	167,223	487,887
Total – 2021	3,459	40,023	10,547	51,808	140,299	148,579	394,715
Swap contracts:							
Liability position							
Foreign currency	(80,945)	(33,083)	(39,296)	(57,296)	(38,336)	(7,517)	(256,473)
Interest rate		(25)					(25)
Total – 2022	(80,945)	(33,108)	(39,296)	(57,296)	(38,336)	(7,517)	(256,498)
Total – 2021	(3,098)	(4,170)	(41,448)	(5,624)	(10,283)	(709)	(65,332)

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(b) Swaps by index and notional amount

Swap, options and forward	Notional amount	Financial Conglomerate and Bank	
		Yield curve value - amortized cost	Market value
U.S. dollar x Fixed rate	16,623		2,691
CDI x U.S. dollar	72,352	6,748	6,955
Fixed rate x EURO	405		165
CDI x Fixed rate	5,000	48	237
IPCA x CDI	895,500	123,053	285,443
Fixed rate x Real	22,695		5,108
Fixed rate x U.S. dollar	437,038	2,792	187,288
Asset position – 2022	1,449,613	132,641	487,887
Asset position – 2021	1,958,370	135,810	394,715
U.S. dollar x U.S. dollar			(1,393)
U.S. dollar x Fixed rate	408,095	(1,879)	(224,974)
CDI x U.S. dollar			(2,584)
Fixed rate x U.S. dollar	202,808		(27,547)
Liabilities position – 2022	610,903	(1,879)	(256,498)
Liabilities position – 2021	347,052	(30,700)	(65,332)
Exposure – 2022	2,060,516	130,762	231,389
Exposure – 2021	2,305,422	105,110	329,383

Swap transactions were marked-to-market based on *B3 - Brasil, Bolsa, Balcão* quotations.

Below are the reference and receivables/payables amount of futures operations.

Futures	Financial Conglomerate and Bank		
	Amounts receivable	Amounts payable	Mark-to-market adjustment in income / (expense)
DAP	695	(1,140)	2,303,829
DDI	6,235		1,514,404
DI1		(5,338)	3,657,546
DOL		(1,660)	1,664,706
Position – 2022	6,930	(8,138)	9,140,485
Position – 2021	62,828	(3,939)	10,795,614

(c) Operations with derivative instruments designated for hedge purposes

(i) Cash flow hedge

The purpose of Bmg's hedge relationship is to protect the portion of the payment cash flows to be disbursed in the funding of time deposits with floating interest rates indexed by the Interbank Deposit Certificate (CDI) to fixed rates.

In order to protect the future cash flows of the portion of the funding of time deposits against the exposure to the CDI, Banco Bmg negotiated future one-day DI contracts on B3 - Brasil, Bolsa, Balcão, and the market present value of the funding is R\$2,270,945 (2021 – R\$1,533,324). These instruments generated an adjustment to market value in equity of R\$7,464 (2021 – negative in R\$14,052), net of tax effects.

The effectiveness determined for the hedge portfolio was in compliance with the provisions established in BACEN Circular Letter No. 3,082 of January 30, 2002.

(ii) Market risk hedge

The purpose of Banco Bmg's hedge relationship is to protect, from exposure to changes in market risk, post-fixed time deposits indexed to the dollar against the CDI.

To hedge against exposure to changes in the market risk of funding indexed to foreign exchange variation, the Bank negotiates US Dollar x DI swap contracts. On September 5, 2020, the Bank settled its funding operations indexed to the exchange variation object of Market Risk hedge, as well as the Dollar x DI swap contracts designated as a Market Risk hedging instrument. As of March 31, 2022, the Bank did not have an outstanding balance of US Dollar x DI swap contracts designated as Market Risk hedging instruments, nor does it have a funding balance indexed to the exchange variation as a Market Risk hedge object.

To hedge against exposure to market risk variation of the CDBs indexed to the IPCA variation plus coupon, Banco Bmg made use of futures contracts (DAPs) traded on the B3 – Brasil, Bolsa, Balcão as hedging instruments. These instruments generated an adjustment to negative market value in the result for the period, in the amount of R\$5,788 (2021 – negative R\$10,976).

The effectiveness calculated for the hedge portfolio throughout the period of use of the instruments and strategies was measured in accordance with the provisions of BACEN Circular Letter No. 3,082 of 01/30/2002.

8. Credit operations

(a) Classification by product

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Personal credit	11,470,509	10,561,415	10,104,087	9,097,398
Direct consumer credit (CDC) -Vehicles	127	78	127	78
Commercial portfolio	1,689,179	1,646,681	1,689,179	1,634,015
Assigned credit operations (i)	2,486,615	2,475,163	2,486,615	2,475,163
Subtotal	15,646,430	14,683,337	14,280,008	13,206,654
Payment transactions	778,081	668,046	778,081	668,046
Foreign exchange portfolio	41,335	47,127	41,335	47,127
Credit cards	616,600	568,853	616,600	568,853
Total other receivables	1,436,016	1,284,026	1,436,016	1,284,026
Total credit portfolio	17,082,446	15,967,363	15,716,024	14,490,680
Provision for losses associated with credit risk	(852,642)	(846,105)	(752,238)	(749,995)
Provision for losses associated with credit risk—other credits	(3,996)	(4,507)	(3,996)	(4,507)
Total	16,225,808	15,116,751	14,959,790	13,736,178
Current	9,556,105	8,878,328	9,434,993	8,726,558
Non-current	6,669,703	6,238,423	5,524,797	5,009,620

(i) Credits assigned with substantial retention of risks and rewards in accordance with Resolution nº 3.533/08.

(b) Classification by sector of activity

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Private sector:				
Industry	185,234	145,778	185,234	145,778
Commerce	97,007	108,751	97,007	108,751
Financial intermediaries	922,283	809,715	922,283	809,715
Services	990,812	961,586	990,812	961,586
Sports and recreation	269,551	290,486	269,551	290,486
Housing	679	660	679	660
Rural credits	15,356	12,666	15,356	
Individuals	14,601,524	13,637,721	13,235,102	12,173,704
Total	17,082,446	15,967,363	15,716,024	14,490,680

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(c) Credit assignments

Effective as from January 1, 2012, Resolution nº 3,533/2008 establishes procedures for the classification, recording and disclosure of operations of sale or transfer of financial assets.

The classification as substantial retention of risks and rewards in the credit assignment operations is characterized by the co-obligation in the credit assignments or by the acquisition of subordinated quotas of the assignee funds. In this classification, the assigned operations remain recorded in the assets of the assignor institution and the funds received are recorded in assets with a corresponding entry in liabilities, due to the assumed obligation. Income and expenses referring to the assignments of credit realized are recognized in the statement of income according to the remaining term of the transactions.

In the period of three months ended March 31, 2022, the Bank did not carry out credit assignment operations classified in the category of "with substantial retention of risks and benefits," remaining with the amount of R\$2,486,615. With concerning to assignments classified in the category "without substantial retention of risks and benefits", the Bank carried out operations totaling R\$1,635.

The value of the assigned operations and obligations assumed, as of March 31, 2022, are as follows:

	Financial Conglomerate and Bank	
	Assigned operations	Assumed obligations (Note 17b)
Assignment after resolution 3,533/08		
Personal consigned credit:		
With co-obligation - Present value	2,486,615	1,413,982
Balance of settled operations to be transferred		751
Total – 2022	2,486,615	1,414,733
Total – 2021	2,475,163	1,535,321

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(d) Analysis of the credit portfolio by product and maturities

Maturity/Product	Personal credit	Vehicle finance	Financial Conglomerate	
			Commercial portfolio	Total
Falling due in up to 30 days	4,893,096	5	526,988	5,420,089
Falling due from 31 to 60 days	509,588	4	220,682	730,274
Falling due from 61 to 90 days	364,337	4	156,069	520,410
Falling due from 91 to 180 days	880,829	11	322,683	1,203,523
Falling due from 181 to 360 days	1,269,562	21	225,800	1,495,383
Falling due after 360 days	5,718,897	43	1,054,579	6,773,519
Total not yet due	13,636,309	88	2,506,801	16,143,198
Overdue up to 14 days	30,168	1	373	30,542
Overdue from 15 to 30 days	105,742	2	116	105,860
Overdue from 31 to 60 days	115,273	4	218	115,495
Overdue from 61 to 90 days	93,406	2	107	93,515
Overdue from 91 to 180 days	242,255	8	329	242,592
Overdue from 181 to 360 days	350,571	22	651	351,244
Total overdue	937,415	39	1,794	939,248
Total portfolio – 2022	14,573,724	127	2,508,595	17,082,446
Total portfolio – 2021	13,605,431	78	2,361,854	15,967,363



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Maturity/Product	Personal credit	Vehicle finance	Commercial portfolio	Total	Bank
Falling due in up to 30 days	4,892,903		5	526,988	5,419,896
Falling due from 31 to 60 days	509,189		4	220,682	729,875
Falling due from 61 to 90 days	363,656		4	156,069	519,729
Falling due from 91 to 180 days	876,574		11	322,683	1,199,268
Falling due from 181 to 360 days	1,235,196		21	225,801	1,461,018
Falling due after 360 days	4,568,085		43	1,054,578	5,622,706
Total not yet due	12,445,603		88	2,506,801	14,952,492
Overdue up to 14 days	30,168		1	373	30,542
Overdue from 15 to 30 days	87,659		2	116	87,777
Overdue from 31 to 60 days	92,954		4	218	93,176
Overdue from 61 to 90 days	74,785		2	107	74,894
Overdue from 91 to 180 days	194,071		8	329	194,408
Overdue from 181 to 360 days	282,062		22	651	282,735
Total overdue	761,699		39	1,794	763,532
Total portfolio – 2022	13,207,302		127	2,508,595	15,716,024
Total portfolio – 2021	12,141,414		78	2,349,188	14,490,680

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(e) Provision for losses associated with credit risk

The analysis of the credit and leasing operations portfolio in the corresponding risk levels established in BACEN Resolution N° 2,682/99, and the related provision for impairment, is as follows:

(i) Financial Conglomerate

Level	%	Portfolio	2022		2021	
			Portfolio	Provision for losses associated with credit risk	Portfolio	Provision for losses associated with credit risk
AA	0	787,868			668,046	
A	0.50	14,740,292		73,701	13,878,324	69,392
B	1.00	271,796		2,718	172,181	1,722
C	3.00	151,468		4,543	228,723	6,861
D	10.00	206,827		20,683	99,910	9,991
E	30.00	114,356		34,307	116,025	34,807
F	50.00	131,361		65,681	112,013	56,007
G	70.00	78,245		54,772	67,698	47,389
H	100.00	600,233		600,233	624,443	624,443
Total		17,082,446		856,638	15,967,363	850,612

(ii) Bank

Level	%	Portfolio	2022		2021	
			Portfolio	Provision for losses associated with credit risk	Portfolio	Provision for losses associated with credit risk
AA	0	778,081			668,046	
A	0.50	13,559,412		67,797	12,582,683	62,913
B	1.00	253,673		2,537	152,705	1,527
C	3.00	129,148		3,874	203,932	6,117
D	10.00	188,206		18,821	79,912	7,991
E	30.00	96,078		28,823	89,036	26,711
F	50.00	115,665		57,832	97,076	48,538
G	70.00	64,036		44,825	55,285	38,700
H	100.00	531,725		531,725	562,005	562,005
Total		15,716,024		756,234	14,490,680	754,502

(f) Changes in the Provision for losses associated with credit risk and recovery of credits

Data related to doubtful credits written-off against the provision for impairment of credits and the recovery of credit operations previously written off as losses can be summarized as follows:

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Opening balance	850,612	719,869	754,502	662,668
Addition to/reversal of provision	252,426	217,566	209,944	193,543
(Realization / reversal of provision)	(246,400)	(211,214)	(208,212)	(192,079)
Closing balance	856,638	726,221	756,234	664,132
Credit operations recovered	(27,285)	(35,276)	(22,837)	(34,104)
Effect on the profit (expense) (i)	225,141	182,290	187,107	159,439

(i) Refers to the net amount of the credit provisioning and recovery.

9. Other receivables

(a) Other credits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Deferred tax assets (i)	3,305,066	3,210,173	2,932,628	2,831,807
Current tax assets (ii)	463,862	462,034	412,828	406,863
Foreign exchange portfolio (Note 8 (a))	41,335	47,127	41,335	47,127
Exchange variation on advances	129,202	1,945	129,202	1,945
Debtors for guarantee deposits (iii)	355,915	364,132	349,239	357,582
Sundry debtors - local	227,086	253,314	140,344	150,153
Non-financial write-offs (iv)	498,370	485,838	498,370	485,838
(-) Provision for non-recoverable amounts (iv)	(47,262)	(46,461)	(47,262)	(46,461)
Amounts receivable from associated companies	12		724	1,992
Credit cards (Note 8 (a))	616,600	568,853	616,600	568,853
(-) Provision for impairment - Other receivables (Note 8 (a))	(3,996)	(4,507)	(3,996)	(4,507)
Others	37,989	111,568	65,854	139,432
Total	5,624,179	5,454,016	5,135,866	4,940,624
Current	1,672,037	1,590,826	1,584,926	1,484,337
Non-current	3,952,142	3,863,190	3,550,940	3,456,287

- (i) Deferred tax assets refer to income tax and social contribution tax credits calculated and recorded based on the aspects detailed in Note 25(a).
- (ii) The balance of current tax assets refers to taxes to be offset and substantially comprises COFINS credit in the amount of R\$280,156 (2021 - R\$277,804) in the Financial Conglomerate and R\$265,881 (2021 - R\$263,623) in the Bank, due to of the res judicata on 04/06/2009 of the Rescission Action aiming at the recognition of its right to collect COFINS only on service revenues, pursuant to Complementary Law 70/91, in view of the unconstitutionality of art. 3, §1 of Law 9,718/98, declared by the STF in the judgment of Extraordinary Appeal No. 357,950 and recovery of IR/CSLL referring to the decision of the STF - Topic No. 962 - Non-levy of IRPJ and CSLL on amounts updated by the Selic rate arising from lawsuit for repetition of tax overpayment in the amount of R\$109,702 (2021 - R\$108,677).
- (iii) The balances of debtors for guarantee deposits are related to tax and fiscal litigations (Note 18).
- (iv) Refers to amounts for instalments of payroll loan operations pending transfer by public agencies and provisions for non-recoverable amounts.

(b) Interfinancial Relations

The interbank accounts are composed of R\$778,081 (2021 - R\$668,046) in payment transactions acquired from payment institutions (note 8(a)), R\$338,670 (2021 - R\$151,569) of deposits with the Central Bank and R\$45,156 (2021 - R\$45,719) for other Financial Conglomerate amounts, and R\$778,081 (2021 - R\$668,046) of payment transactions acquired from payment institutions (note 8(a)), R\$338,468 (2021 - R\$151,366) of deposits with the Central Bank and R\$45,146 (2021 - R\$45,710) of other amounts in the Bank.

10. Other assets

(a) Assets not for own use

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Non-financial assets held for sale - received (i)	13,100	13,933	12,993	13,819
Provisions for devaluation of non-financial assets held for sale - received	(1,560)	(1,624)	(1,560)	(1,624)
Inventory of supplies	60	106	60	106
Total – Current assets	11,600	12,415	11,493	12,301

(i) Basically, comprises real estate and vehicles received as payment in kind.

(b) Prepaid expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Commissions – Local (i)	185,968	179,308	185,968	179,308
Other	54,040	25,685	52,301	25,615
Total	240,008	204,993	238,269	204,923
Current	141,290	104,712	139,551	104,642
Non-current	98,718	100,281	98,718	100,281

(i) They refer mainly to the commission related to funding operations.

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11. Investments

investments in subsidiaries and associated companies

	Financial Conglomerate								
								2022	2021
	Number of shares/ quotas held	%	Equity	Profit / (loss) – 2nd half period	2nd half equity pickup (equivalence) result	Profit / (loss)	equity pickup (equivalence) result	Book value of the investment	Book value of the investment
(i) Direct (non-financial area)									
ME Promotora de vendas Ltda.	8,000			80.00%	15,019	796	637	12,015	11,379
CBFacil Corretora de Seguros e Negócios Ltda.	1,308,490,992			99.99%	906,563	17,281	17,280	906,474	889,193
BMSE Participações Ltda.	7,006,483			99.38%	1,988	9	9	1,975	1,956
BMG Participações em Negócios Ltda.	28,999,999			92.99%	67,563	1,670	1,553	62,826	61,273
Help Franchising Participações Ltda.	21,995,600			99.98%	22,275	(1,099)	(1,099)	22,271	23,370
AF Controle S.A.	599,126			50.00%	(256)	(256)	(128)	84,872	
Granito Soluções em Pagamentos S.A.	8,568,767			45.00%	31,946	(11,994)	(6,330)	14,376	20,704
Goodwill on investment in Help Franchising Participações Ltda.								3,091	3,091
Amortization of goodwill - Help Franchising Participações Ltda.								(2,525)	(2,370)
Total							11,922	1,105,375	1,008,596

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							2022	Bank 2021	
	Number of shares/quotas held	% holding	Equity	Profit / (loss) – 2nd half period	2nd half Equity pickup (equivalence) result	Profit / (loss)	equity pickup (equivalence) result	Book value of the investment	Book value of the investment
(i) Direct (financial area)									
BMG Bank (Cayman) Ltd.	2,417			100.00%	243,192	(4,932)	(48,118)	243,192	291,310
BMG Leasing S.A - Arrendamento Mercantil	547,997,118			99.99%	895,627	13,642	13,640	895,537	881,897
Banco Cifra S.A.	16,364			100.00%	795,156	9,949	9,949	795,156	785,206
Banco BCV S.A.	8,196			100.00%	1,323,470	16,521	16,521	1,323,468	1,306,934
BMG S.A. Distribuidora de Títulos e Valores Mobiliários	279,000			100.00%	14,105	105	105	14,105	14,000
(iii) Direct (non-financial area)									
ME Promotora de Vendas Ltda.	8,000			80.00%	15,019	796	637	12,015	11,379
CBFacil Corretora de Seguros e Negócios Ltda.	1,308,490,992			99.99%	906,563	17,281	17,280	906,474	889,193
BMSE Participações Ltda.	7,006,483			99.38%	1,988	9	9	1,975	1,956
BMG Participações em Negócios Ltda.	28,999,999			92.99%	67,563	1,670	1,553	62,826	61,273
Help Franchising Participações Ltda.	21,995,600			99.98%	22,275	(1,099)	(1,099)	22,271	23,370
AF Controle S.A.	599,126			50.00%	(256)	(256)	(128)	84,872	
Granito Soluções em Pagamentos S.A.	8,568,767			45.00%	31,946	(11,994)	(6,330)	14,376	20,704
Goodwill on investment in Help Franchising Participações Ltda.								3,091	3,091
Amortization of goodwill in Help Franchising Participações Ltda.								(2,525)	(2,370)
Total							4,019	4,376,833	4,287,943

On March 5, 2021, upon compliance with all suspensive conditions, the operation foreseen in the Purchase and Sale Contract and Subscription of Shares and Other Covenants, entered into by Banco Bmg, Banco Inter and Individual Partners, with the intervention and consent of BMG Granito Soluções em Pagamento, established in the binding memorandum of understanding entered into on November 17, 2020, was consummated. The Transaction was for the acquisition by Bmg of 713,606 of Granito's common shares held by the Individual Partners, for the total price of R\$ 7.5 million and, together with the subscription and payment, by Inter, of 8,568,767 of Granito's common shares, for a total issue price of R\$ 90 million. As a result of the subscription and payment of Inter, Banco Bmg recorded a non-operating result of the equity pickup method of R\$ 30,871 in the quarter ended March 31, 2021, as well as a total write-off of goodwill of R\$22,985 (note 22 (b)).1. With the closing of the Operation, the Bank and Banco Inter each held 45% of Granito's capital stock and the Individual Partners, together, hold the remaining 10% of the sharecapital.

On July 2, 2021, Banco Bmg entered into an agreement to invest in Araújo Fontes Consultoria e Negócios Imobiliários Ltda. and AF Invest Administração de Recursos Ltda., one of the leading independent investment advisory boutiques in Brazil, with the acquisition of 50% of the capital stock of the holding company ("AF Controle S.A "). The approximate amount involved in the transaction was R\$150,000, comprised of a fixed portion of R\$85,000 and a potential variable amount estimated at R\$65,000. Completion is subject to certain conditions precedent usual to this type of transaction, including approval by the Central Bank of Brazil (see note 28 (g)).

On August 30, 2021 and October 29, 2021, a capital reduction was carried out in the subsidiary CBFácil Corretora de Seguros e Negócios Ltda. in the amount of R\$200,000.

As communicated to the market on October 20, 2021, CBFácil Corretora de Seguros e Negócios Ltda. has signed a contractual instrument with the intention to acquire an equity stake in O2OBOTS Inteligência Artificial Ltda. O2OBOTS is a fintech that operates in the development, licensing and maintenance of software specialized in chatbots with artificial intelligence for selling financial and insurance products.

12. Property and Equipment

					Financial Conglomerate and Bank					
			2022	2021	Changes					
	Annual rate of depreciation (%)	Cost	(Accumulate Depreciation)	Net book value	Net book value	Net book value at 12.31.2021	Purchases	(Amount written off)	(Depreciation expense)	Net book value at 03.31.2022
Properties in use		16,687	(12,976)	3,711	3,711	3,711				3,711
Land		3,711		3,711	3,711	3,711				3,711
Buildings	4	12,976	(12,976)							
Other assets in use		182,310	(121,593)	60,717	62,280	62,280	4,912	(2,752)	(3,723)	60,717
Facilities	10	104,406	(74,580)	29,826	29,978	29,978	3,253	(2,123)	(1,282)	29,826
Furniture and equipment	10	9,720	(4,788)	4,932	5,137	5,137	38		(243)	4,932
Communications system	10	2,003	(691)	1,312	1,450	1,450	72	(169)	(41)	1,312
Data processing system	20	58,592	(37,756)	20,836	22,446	22,446	279	(1)	(1,888)	20,836
Transport system	20	7,589	(3,778)	3,811	3,269	3,269	1,270	(459)	(269)	3,811
Property and equipment in use		198,997	(134,569)	64,428	65,991	65,991	4,912	(2,752)	(3,723)	64,428

13. Intangible assets

(a) Goodwill on acquisition of subsidiaries

	Financial Conglomerate and Bank	
	2022	2021
Intangible assets (i)	427,472	396,411
Amortization of goodwill	(167,814)	(151,706)
Total	259,658	244,705

(i) Refer to licenses for the use and other intangibles, amortized over the estimated economic useful life

Banco Bmg assesses annually, or when there is evidence of loss, the recoverable amount of goodwill, in order to obtain Management's best estimate of its future cash flows. According to a study carried out on the base date of december 31, 2021, the need to recognize the goodwill impairment loss for the period of three months ended March 31, 2022 was not identified. The amortization period for goodwill was 10 years, the final date of which is August 2021.

The goodwill recoverable calculation uses long-term assumptions for cash flow projections, considering market conditions and factors such as sensitized discount rates of 10% to 15% and sensitized perpetuities of 3% to 5%. Cash flow projections are based on the 10-year budget approved by Management.

(b) The changes in goodwill assets were:

	Financial Conglomerate and Bank	
	2022	2021
Opening balance	244,705	182,443
Other Intangible assets	31,061	122,315
(Amortization of other intangible assets)	(16,108)	(60,053)
Total	259,658	244,705

14. Deposits and open market funding - own portfolio

(a) Interbank deposits and time deposits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Demand deposits	271,185	253,137	273,822	255,585
Interbank deposits				
Fixed rate	67,050	77,605	2,698,328	2,662,654
Time deposits				
Fixed rate	6,674,379	6,197,566	6,674,379	6,197,566
Floating rate (i)	12,435,268	11,111,881	12,435,268	11,111,881
Total	19,447,882	17,640,189	22,081,797	20,227,686
Current	6,150,420	5,784,696	8,784,335	8,372,193
Non-current	13,297,462	11,855,493	13,297,462	11,855,493

(i) Of the amount of R\$12,435,268 (2021 – R\$11,111,881) (Financial Conglomerate and Bank) of post fixed term deposits, R\$1,568,335 (2021 – R\$1,614,725) correspond to funding through the issuance of DPGE, subject to the conditions determined by CMN Resolution No. 4,785, of 03/23/2020.

(b) Maturity of time and interbank deposits

The information on the maturities of time and interbank deposits is as follows:

	Interbank deposits		Time deposits(i)		Financial Conglomerate	
	2022	2021	2022	2021	2022	2021
					Total	Total
Up to 30 days		5,688	1,109,781	1,239,801	1,109,781	1,245,489
From 31 to 60 days		2,575	448,053	189,784	448,053	192,359
From 61 to 90 days	13,222	20,370	530,102	335,759	543,324	356,129
From 91 to 180 days	38,740	3,085	2,399,569	1,381,230	2,438,309	1,384,315
From 181 to 360 days	702	38,340	1,339,066	2,314,927	1,339,768	2,353,267
Over 360 days	14,386	7,547	13,283,076	11,847,946	13,297,462	11,855,493
Total	67,050	77,605	19,109,647	17,309,447	19,176,697	17,387,052
Current	52,664	70,058	5,826,571	5,461,501	5,879,235	5,531,559
Non-current	14,386	7,547	13,283,076	11,847,946	13,297,462	11,855,493

(i) Of the amount of R\$13,283,076 (2021 – R\$11,847,946) of term deposits presented at maturity “After 360 days,” R\$8,940,114 (2021 – R\$7,609,715) mature between 1 and 3 years, R\$3,220,308 (2021 – R\$3,096,756) between 3 and 5 years and R\$1,122,654 (2021 – R\$1,141,475) over 5 years.

	Interbank deposits		Time deposits		Bank	
	2022	2021	2022	2021	2022	2021
					Total	Total
Up to 30 days		5,688	1,109,781	1,239,801	1,109,781	1,245,489
From 31 to 60 days	362,805	2,575	448,053	189,784	810,858	192,359
From 61 to 90 days	2,281,695	20,370	530,102	335,759	2,811,797	356,129
From 91 to 180 days	38,740	2,588,134	2,399,569	1,381,230	2,438,309	3,969,364
From 181 to 360 days	702	38,340	1,339,066	2,314,927	1,339,768	2,353,267
Over 360 days	14,386	7,547	13,283,076	11,847,946	13,297,462	11,855,493
Total	2,698,328	2,662,654	19,109,647	17,309,447	21,807,975	19,972,101
Current	2,683,942	2,655,107	5,826,571	5,461,501	8,510,513	8,116,608
Non-current	14,386	7,547	13,283,076	11,847,946	13,297,462	11,855,493

(c) Captações no mercado aberto - carteira própria

Funding in the open market is composed of R\$3,600,749 (2021 - R\$5,541,752) of government bonds and R\$588,399 (2021 - R\$400,215) of private bonds in the Financial Conglomerate and R\$3,601,003 (2021 - R\$5,549,448) of government bonds and R\$588.399 (2021 – R\$400,215) of private securities in the Bank.

15. Funds from acceptance and issue of securities

(a) Liabilities from issue of financial bills

	Financial Conglomerate and Bank	
	2022	2021
Financial bills (i)	2,065,059	2,267,263
Real estate credit bills	8,012	10,460
Agribusiness credit bills	102,424	95,653
Total	2,175,495	2,373,376
Current	1,419,427	1,849,076
Non-current	756,068	524,300

- (i) Of the amount of BRL 2,065,059 (2021 – BRL 2,267,263) of financial bills, BRL 1,142,613 (2021 – BRL 1,113,511) correspond to funding carried out through the issuance of Financial Bills with guarantee, subject to the determined conditions by BCB Resolution No. 144, of 09/24/2021.

(b) Maturity

The information on the maturity of the funds from acceptance and issue of securities is as follows:

	Financial Conglomerate and Bank	
	Financial and Credit Bills	
	2022	2021
Up to 30 days	28,601	9,912
From 31 to 60 days	148,552	23,067
From 61 to 90 days	18,359	494,216
From 91 to 180 days	58,762	180,619
From 181 to 360 days	1,165,153	1,141,262
Over 360 days	756,068	524,300
Total	2,175,495	2,373,376
Current	1,419,427	1,849,076
Non-current	756,068	524,300

16. Borrowings and onlendings

	Financial Conglomerate and Bank	
	2022	2021
Local onlendings – Official Institutions (a)	46,296	45,964
Local loans – Other Institutions (ii)	529,134	516,609
Total	575,430	562,573
Current	46,296	45,964
Non-current	529,134	516,609

- (i) These values refer to a loan from the FGC - Credit Guarantor Fund, with maturity in 2026.

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(a) Local onlendings – Official institutions

These onlendings refer to funds received from the Ministry of Agriculture - Coffee Economy Defense Fund (FUNCAFÉ). They fall due as follows:

	Financial Conglomerate and Bank	
	2022	2021
Up to 30 days	25,899	25,905
From 91 to 180 days	20,397	20,059
Total	46,296	45,964
Current	46,296	45,964

17. Provisions, tax liabilities and other liabilities

(a) Provisions and tax liabilities

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Provision for payments to be made	227,393	192,087	226,727	191,457
Provision for financial guarantees provided	5,621	5,513	5,621	5,513
Provision for lawsuits (i)	755,876	719,625	738,580	703,900
Provisions	988,890	917,225	970,928	900,870
Current	28,634	51,350	3,857	4,924
Deferred (25 (c))	144,447	101,042	144,078	100,698
Tax liabilities	173,081	152,392	147,935	105,622
Total	1,161,971	1,069,617	1,118,863	1,006,492
Current	256,027	243,437	230,584	196,381
Non-current	905,944	826,180	888,279	810,111

(i) Refers to claims of a civil, labor and tax nature. See Note 18.

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(b) Other liabilities

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Social and statutory	54,939	189,517	54,930	189,508
Other taxes and contributions payable	34,826	54,679	34,818	54,664
Card obligations payable	271,213	275,539	271,213	275,539
Sundry creditors	596,762	498,108	595,422	497,342
Transfer – Credit Assignments (i)	751	1,305	751	1,305
Payables to related companies			1,232	880
Obligations on operations linked to assignments(i)	1,413,982	1,534,016	1,413,982	1,534,016
Financial bills subordinated (Note 17(c))	133,493	129,486	133,493	129,486
Total	2,505,966	2,682,650	2,505,841	2,682,740
Current	1,052,970	1,144,374	1,052,845	1,144,464
Non-current	1,452,996	1,538,276	1,452,996	1,538,276

(i) Refers to obligations assumed for credit assignment operations with substantial retention of risks and rewards. See Note 8(c).

(c) Financial bills subordinated

Type of security	Date of		Interest Rate (p.y)	R\$
	Issuance	Maturity		
Local (i)				
Financial bills subordinated	1st quarter/19	1st quarter/26	124% of CDI	5,949
Financial bills subordinated	2nd quarter/19	2nd quarter/26	122% of CDI	13,944
Financial bills subordinated	3rd quarter/19	3rd quarter/29	124% of SELIC	1,026
			IPCA + 6.60% to 6.67%	
Financial bills subordinated	2nd quarter/19	Perpetual	126% to 130% of SELIC	111,347
Financial bills subordinated	3rd quarter/19	Perpetual	126% of SELIC	1,227
Total – 2022				133,493
Total – 2021				129,486

(i) Funding made through the issuance of Financial Bills with subordination clauses, maturing and perpetual, subject to the conditions determined by CMN Resolution No. 4,192, of 3/1/2013, fully approved by BACEN to comprise Complementary Capital and Level II of Banco Bmg Reference Equity.

The debts and financial bills subordinated eligible for level II capital (Financial Conglomerate and Bank) mature as follows:

Debts and financial bills subordinated	Financial Conglomerate and Bank	
	2022	2021
Over 360 days	20,919	20,353
Perpetual	112,574	109,133
Total	133,493	129,486

18. Contingent assets and liabilities and legal obligations - Tax and social security

The Bank is a party to litigation involving labor, civil and tax issues. The criteria described in Note 2.2(r) are utilized to assess the need to record a provision. Management of the Bank believes that the provision recorded is enough to cover the expected losses from the respective processes.

(i) Provision for tax risks – The contingencies are equivalent to the amount of the principal of taxes related to administrative or judicial proceedings, which are subject to self-assessment or official assessment, plus interest and, when applicable, fines and charges. A provision is recorded, regardless of the likelihood of loss, when related to a legal obligation, that is, for a favorable outcome in the matter the law in effect must be declared unconstitutional. For other cases, a provision is recorded whenever the likelihood of loss is probable.

Contingent tax lawsuits assessed as a possible risk of loss are not recognized in the accounting, whose total estimated risk is R\$1,181,643 (2021 – R\$1,179,432) for the Financial Conglomerate and R\$1,193,804 (2021 – R\$1,167,562) for the Bank. These processes mainly refer to administrative and federal taxes.

The main questions in the conglomerate are:

- a) CSLL – R\$229,982 (2021 - R\$226,682): final and non-appealable court decision declaring the right not to pay the Social Contribution on Net Profit, under the terms established by Law No. 7.689/88;
- b) IRPJ/IRRF/CSLL 2012, 2014 and 2019 – R\$391.310 (2021 – R\$386,277): questions the collection of income taxes and social contributions on expenses alleged to be non-deductible;
- c) IR and CS 2016 – R\$111,193 (2021 - R\$110,194): Tax Deduction of Losses in Credit Operations - Law No. 9,430/96;
- d) PIS and COFINS – R\$113,558 (2021 - R\$102,106): Losses from Doubtful Credits: the deduction of credit losses under Law No. 9,718/98 is under discussion;
- e) INSS - Non-Compensatory Funds – R\$32,894 (2021 – R\$32,522): questions the payment of the employer's portion on directors' shareholdings, pursuant to Law No. 8,212/91; and
- f) SAT – Law No. 11,430/06 – R\$30,298 (2021 - R\$29,043) under discussion is the unconstitutionality and illegality of the SAT under the terms of article 21-A of Law No. 8,213/91, introduced by Law No. 11,430/06, with the consequent recognition of the non-existence of a judicial-tax relationship that obliges the Co-Complainants to comply with such provisions, maintaining the original regulatory and legal wording.

(ii) Labor Provisions - The calculation is conducted periodically, based on the determination of the amount of the request, the procedural phase and the likelihood of loss, which, in turn, is estimated according to the factual and legal characteristics related to the action. The amounts considered as probable losses are subject to an accounting provision.

Contingent labor lawsuits assessed as a possible risk of loss are not recognized in the accounts. There are no lawsuits classified as risk of possible loss on March 31, 2022; such processes are classified as probable or remote losses by the Financial Conglomerate and the Bank

(iii) Civil Provisions - The provision of individualized civil cases is carried out periodically, based on the determination of the value of the risk and the probability of loss. The provision for class action civil cases is carried out periodically, based on a parameter of the average loss verified temporally and applied to the active cases base. The amounts considered as probable losses are subject to an accounting provision.

Contingent civil lawsuits assessed as a possible loss risk are not recognized in the accounting records, whose estimated total risk is R\$835,084 (2021 – R\$730,602) Financial Conglomerate and R\$828.144 (2021 – R\$737,084) Bank.

Banco Bmg does not have any contingent assets on its balance sheet.

Below, we show the segregation by type and movement of provisions and respective deposits in guarantee of Tax and Social Security, labor and civil legal claims:

(iv) Analysis of judicial deposits and provisions by nature

	2022			
	Financial Conglomerate		Bank	
	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax and social security contingencies	230,132	78,308	225,434	71,972
Labor contingencies	19,628	64,461	19,342	56,148
Civil claims	106,155	613,107	104,463	610,460
Total	355,915	755,876	349,239	738,580

	2021			
	Financial Conglomerate		Bank	
	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax and social security contingencies	226,446	62,189	221,814	226,446
Labor contingencies	24,471	65,992	24,189	24,471
Civil claims	113,215	591,444	111,579	113,215
Total	364,132	719,625	357,582	364,132

(v) Changes

	Financial Conglomerate			
	Judicial deposits	Tax Provisions	Labor Provisions	Civil Provisions
On December 31, 2021	364,132	62,189	65,992	591,444
Additions	52,846	16,119	3,377	94,931
(Amounts written off)	(61,063)		(4,908)	(73,268)
On March 31, 2022	355,915	78,308	64,461	613,107

	Bank			
	Judicial deposits	Tax Provisions	Labor Provisions	Civil Provisions
On December 31, 2021	357,582	57,079	57,879	588,942
Additions	48,560	14,893	3,157	94,644
(Amounts written off)	(56,903)		(4,888)	(73,126)
On March 31, 2022	349,239	71,972	56,148	610,460

19. Equity (Bank)

(a) Capital Social

On March 31, 2022, the subscribed and paid-in capital stock is R\$ 3,742,571, represented by 583,232,411 (five hundred and eighty-three million, two hundred and thirty-two thousand, four hundred and eleven) shares, of which 372,696,198 (three hundred and seventy-two million, six hundred and ninety-six thousand and one hundred and ninety-eight) common shares and 210,536,213 (two hundred and ten million, five hundred and thirty-six thousand, two hundred and thirteen) preferred, registered, book-entry shares with no par value.

At a meeting held on March 18, 2020, the Board of Directors of the Bank resolved to cancel 11,981,100 (eleven million, nine hundred and eighty-one thousand and one hundred) preferred shares issued by the Bank held in treasury ("Shares"), without reducing the value of the Bank's capital stock, acquired through the buyback program approved by the Bank's Board of Directors at a meeting held on December 10, 2019. As a result, on the same date, the own stock buyback program approved at the meeting of the Board of Directors on December 10, 2019 ended early.

At the same meeting, the Board of Directors of the Bank approved a new stock buyback program, authorizing the acquisition of up to 10,700,112 (ten million, seven hundred thousand and one hundred and twelve) of the Bank's own preferred shares, without reducing the value of the capital stock, corresponding to up to 10.0% (ten percent) of the outstanding shares for treasury maintenance, cancellation or replacement in the market or, also, payment of remuneration to executives of the Bank under long-term incentive plans of the Bank, according to §§ 1 and 2 of article 30 of the Brazilian Corporations Law and CVM Instruction 567/15.

At a meeting held on March 30, 2021, the Bank's Board of Directors resolved to cancel 8,242,120 (eight million, two hundred and forty-two thousand, one hundred and twenty) preferred shares issued by the Bank held in treasury ("Shares"), without reducing the value of the Bank's share capital, acquired through the repurchase program approved by the Bank's Board of Directors at a meeting held on March 18, 2020. Due to the cancellation of the shares, the share capital of the Bank remains unchanged, being divided into 583,232,411 (five hundred and eighty-three million, two hundred and thirty-two thousand, four hundred and eleven) book-entry shares with no par value, being 400,007,354 (four hundred million, seven thousand, three hundred and fifty-four) common shares and 183,225,057 (one hundred and eighty-three million, two hundred and twenty-five thousand, fifty-seven) preferred shares.

At the same meeting, the Board of Directors of the Bank approved a new stock repurchase program, authorizing the acquisition of up to 9,905,227 (nine million, nine hundred and five thousand and twenty-seven) preferred shares issued by the Bank, without reducing the value of the capital stock, corresponding to up to 10.0% (ten percent) of the outstanding shares for treasury maintenance, cancellation or replacement in the market or, also, payment of remuneration to executives of the Bank under long-term incentive plans of the Bank, according to §§ 1 and 2 of article 30 of the Brazilian Corporations Law and CVM Instruction 567/15.

In a Notice to the Market on March 31, 2022, the Bank announced the closing of the share buyback program approved by the Bank's Board of Directors on March 30, 2021. The shares repurchased under the Program will be held in treasury for later cancellation or new placement in the market, or payment of share-based compensation to executives and other beneficiaries of the Bank's long-term incentive plans

		Acquisition of Own Shares	Long-term incentive payment	Own shares
	Own shares 12/31/2021			Own shares 03/31/2022
Quantity	51,107	1,554,000	(1,355,549)	249,558
Balance in thousands of reais	(254)	(5,144)	4,936	(462)

	Changes in the number of shares	
	12/31/2021	03/31/2022
Common	372,696,198	372,696,198
Preferred	210,536,213	210,536,213
Total	583,232,411	583,232,411

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	Number of shares in circulation (i)		
	Common	Preferred	Total
On 12/31/2021	1,251,558	101,526,675	102,778,233
Cancellation of treasury shares		(198,451)	(198,451)
Change in treasury shares		(1,150,123)	(1,150,123)
Conversion of shares			
On 03/31/2022	1,251,558	100,178,101	101,429,659

(i) Outstanding shares, according to art. 62, ICVM 480/09, are defined as all the issuer's shares, with the exception of those held by the controller, by people linked to it, by the issuer's managers and those held in treasury.

(b) Reserves

Revenue reserves:

- **Legal:** Accumulated through appropriations equivalent to 5% of the profit, for the year with the balance limited to 20% of capital.
- **Statutory:** The undistributed annual profit after all appropriations is transferred to this reserve and the accumulated balance is available to stockholders for future appropriations to be decided at General Meetings.

(c) Dividends and Interest on Capital

Stockholders are entitled to receive as mandatory dividends, in each fiscal year, an amount of not less than twenty-five percent (25%) of the adjusted net income, as called for in the Brazilian Corporations Law.

Interest on Shareholders' Equity was established by Law No. 9,249/95, which in its art. 9, and amendments, allows companies to deduct the Real Profit and Social Contribution from the duly recorded financial expense resulting from the application of the TJLP on shareholders' equity as compensation to the shareholder. It should be noted that, during 2020, the Bank complied with the provisions of CMN Resolution No. 4,820/20.

On March 31, 2022 the amount of R\$53,465 was provisioned as interest on own equity, whose payment will be defined and deliberated in a shareholders' meeting's minutes.

(d) Net income per share

The basic earnings per share is calculated by dividing the profit attributable to the Bank's shareholders by the weighted average number of common and preferred shares issued during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to presume the conversion of all diluted potential common shares.

However, there are no potential common and preferred shares in the Bank for dilution purposes and, therefore, the basic and diluted earnings per share are equal. According to CPC41, we used the retrospective adjustment to calculate the basic profit per share of march 2021.

Net income per share	03/31/2022	03/31/2021
Profit attributable to the company's shareholders	48,306	86,041
Weighted average number of shares issued	583,170,876	587,882,031
Basic and diluted earnings per share (in Reais)	0,0828	0,1464

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20. Financial intermediation income (expenses)

Analysis of the financial intermediation income and expenses:

(a) Credit operations

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Direct consumer credit – personal	1,193,718	1,074,937	1,149,990	1,035,772
Commercial portfolio	76,938	59,526	75,521	64,620
Agent commissions	(204,592)	(197,126)	(204,592)	(197,126)
Exchange variation	(230,897)	96,418		
other	(221)	9	(221)	9
Total	834,946	1,033,764	1,020,698	903,275

(b) Marketable securities transactions

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Interbank investments	1,079	905	10,916	6,438
Marketable securities	276,156	128,308	275,517	128,180
Total	277,235	129,213	286,433	134,618

(c) Expenses with funds obtained in the market

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Derivative financial instruments (i)	382,821	(81,382)	382,821	(81,382)
Exchange variation	(14,949)	(7,949)	(201,621)	57,646
Expenses with time deposits	(526,326)	(262,473)	(526,326)	(262,473)
Expenses with interbank deposits	(2,088)	(110)	(73,189)	(14,690)
Other funding expenses	(170,915)	(45,194)	(170,895)	(45,205)
Loans, assignments and onlendings	(13,504)	(3,923)	(13,504)	(2,464)
Expenses with assigned credit operations	(46,908)	(38,947)	(46,908)	(38,947)
Total	(391,869)	(439,978)	(649,622)	(387,515)

(i) Includes derivative financial instruments used to hedge the foreign exchange variation presented in notes 20 (a).

21. Income from services rendered

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Collection charges	116	200	116	200
Bank fees	5,981	3,200	5,981	3,200
Others	15,477	11,409	15,457	11,391
Total	21,574	14,809	21,554	14,791

22. Personnel expenses and other administrative expenses

(a) Personnel expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Payroll	(47,237)	(34,006)	(47,237)	(33,995)
Social charges	(16,668)	(16,293)	(16,668)	(16,286)
Training	(472)	(393)	(472)	(393)
Benefits	(13,339)	(11,114)	(13,338)	(11,104)
Total	(77,716)	(61,806)	(77,715)	(61,778)

(b) Other administrative expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Water, power and gas	(529)	(490)	(529)	(490)
Marketing	(26,418)	(26,982)	(26,375)	(26,944)
Rentals	(3,445)	(6,512)	(3,444)	(6,506)
Leased property	(2,658)	(2,629)	(2,658)	(2,629)
Promotions and public relations	(92)	(107)	(92)	(107)
Communication expenses	(3,979)	(14,006)	(3,979)	(14,006)
Maintenance and repairs of property	(580)	(391)	(580)	(391)
Data processing	(45,325)	(36,756)	(45,325)	(36,756)
Insurance	(1,654)	(1,789)	(1,561)	(1,789)
Third-party services	(33,374)	(31,112)	(33,374)	(31,112)
Surveillance services	(1,577)	(1,424)	(1,577)	(1,424)
Specialist technical services	(71,036)	(55,847)	(70,413)	(55,551)
Sundry materials	(341)	(386)	(341)	(386)
Financial system services	(5,016)	(5,023)	(4,979)	(4,988)
Transport	(1,022)	(1,270)	(1,022)	(1,270)
Travel	(2,728)	(2,001)	(2,728)	(2,001)
Amortization and depreciation (i)	(19,843)	(75,918)	(19,843)	(75,918)
Others	(14,707)	(10,687)	(14,694)	(10,571)
Total	(234,324)	(273,330)	(233,514)	(272,839)

(i) On March 2021, includes the write-off of goodwill related to the reduction of the stake in Granito Soluções em Pagamentos S.A., in the amount of R\$ 22,985 (note 11).

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23. Tax expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
PIS/COFINS	(41,305)	(32,636)	(40,169)	(32,396)
ISS	(715)	(682)	(714)	(644)
Other	(1,183)	(504)	(976)	(463)
Total	(43,203)	(33,822)	(41,859)	(33,503)

24. Other operating income and expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Other operating income				
Recovery of charges and expenses	2,015	4,160	2,015	4,160
Reversal of operating provisions (i)	79,290	87,788	79,128	86,690
Adjustment of taxes to be offset	3,078	649	2,742	530
Share of premiums written (ii)	3,000	3,000	3,000	3,000
Other	339	1,035	334	1,035
Total	87,722	96,632	87,219	95,415
Other operating expenses				
Monetary variations	(1,266)	(340)	(1,423)	(352)
Collection charges	(3,430)	(3,991)	(3,430)	(3,991)
Transaction expenses with onlending of funds	(23,816)	(22,908)	(23,816)	(22,908)
Operating provisions (i)	(186,419)	(195,706)	(185,961)	(194,993)
Charges	(6,198)	(8,586)	(6,198)	(8,586)
Others	(9,701)	(5,578)	(9,685)	(5,537)
Total	(230,830)	(237,109)	(230,513)	(236,367)
Total other operating income (expenses)	(143,108)	(140,477)	(143,294)	(140,952)

(i) Basically, reversal and constitution of civil, labor and tax provisions.

(ii) In the item "Participation on premiums written," the value of the partnership with the insurance company is recorded;

25. Income tax and social contribution on net income

(a) Deferred tax assets – income tax and social contribution credits

	Financial Conglomerate				
	Social contribution MP 2158-35	Temporary differences	Income tax and social contribution losses	Adjustment to market value in equity	Total
Closing balance 12.31.2021	547	2,227,048	681,496	301,082	3,210,173
Increase		184,269	2,025	1	186,295
(Realization / Reversal)		(82,270)	(8,215)	(917)	(91,402)
Closing balance 03.31.2022	547	2,329,047	675,306	300,166	3,305,066

	Bank				
	Social contribution on MP 2158-35	Temporary differences	Income tax and social contribution losses	Adjustment to market value in equity	Total
Closing balance 12.31.2021	547	2,188,250	341,934	301,076	2,831,807
Increase		183,665	2,025		185,690
(Realization / Reversal)		(82,233)	(1,737)	(899)	(84,869)
Closing balance 03.31.2022	547	2,289,682	342,222	300,177	2,932,628

The Financial Conglomerate adopts the practice of constituting deferred tax credits and obligations on all temporary differences, tax losses and negative bases.

Tax credits related to temporary additions refer mainly to Provisions for tax and social security disputes discussed at the judicial or administrative level, labor and civil provisions, the realization of which depends on the closing of the respective processes, and provision for doubtful accounts whose realization depends on the deductibility criteria under Law No. 9.430/96.

The technical studies carried out demonstrate the Institution's capacity to generate sufficient taxable profits to offset existing tax credits.

(b) Deferred tax liabilities – income tax and social contribution

Deferred income tax and social contribution on temporary exclusions in the amount of R\$144,447 (2021 - R\$101,042) in the Financial Conglomerate and R\$144,078 (2021 – R\$100,698) in the Bank mainly refer to Securities Marking-to-Market

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(c) Reconciliation of income tax and social contribution in the income statement

	2022		Financial Conglomerate	
	Income tax	Social contribution	Income tax	Social contribution
Profit before taxation and profit sharing	30,380	30,380	87,037	87,037
Interest on own shareholders' equity (paid and payable)	(53,465)	(53,465)	(45,406)	(45,406)
Statutory profit sharing	(16,066)	(16,066)	(15,227)	(15,227)
Permanent additions (exclusions):				
Equity pickup	(11,922)	(11,922)	(10,278)	(10,278)
Equity pickup - non-operational			(30,871)	(30,871)
Exchange variation on foreign investments			(12,765)	(12,765)
Technological innovation (i)	(21,900)	(21,900)		
Other	693	(5,670)	(5,240)	(1,976)
Calculation basis	(72,280)	(78,643)	(32,750)	(29,486)
Basic rate	10,842	15,729	4,913	5,897
Additional rate	7,234		3,281	
Tax incentives	189		141	
Income and Social Contribution taxes	18,265	15,729	8,335	5,897

	2022		Bank	
	Income tax	Social contribution	Income tax	Social contribution
Profit (loss) before taxation and profit sharing	(335)	(335)	80,713	80,713
Interest on own shareholders' equity	(53,465)	(53,465)	(45,406)	(45,406)
Statutory profit sharing	(16,066)	(16,066)	(15,218)	(15,218)
Permanent additions (exclusions):				
Equity pickup	(4,019)	(4,019)	(53,379)	(53,379)
Equity pickup - non-operational			(30,871)	(30,871)
Exchange variation on foreign investments	(43,186)	(43,186)	12,765	12,765
Technological innovation (i)	(21,900)	(21,900)		
Other	(4,157)	(4,678)	4,082	4,082
Calculation basis	(143,128)	(143,649)	(47,314)	(47,314)
Basic rate	21,469	28,730	7,097	8,572
Additional rate	14,319		4,737	
Tax incentives	189		140	
Income and Social Contribution taxes	35,977	28,730	11,974	8,572

(i) Law No. 11.196/2005, art.17, item I; and

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26. Related party transactions (Bank)

Transactions carried out between related parties are disclosed in compliance with BACEN Resolution No. 4.636, dated 02/22/2018, and with Technical Pronouncement CPC 05. These operations are carried out at the usual values, terms and rates of the bank's other operations.

(a) Related-party transactions

Intercompany transactions are eliminated from the financial statements on consolidation. The main balances can be summarized as follows:

Related-party transactions	Asset (Liability)		Income (Expense)	
	2022	2021	03/31/2022	03/31/2021
Interbank deposits				
Bmg Bank (Cayman) Ltd.	1,110,382	1,230,648	9,989	5,544
Marketable securities				
Companhia Securitizadora de Créditos Financeiros Cartões Consignados II		1,326,271	24,946	5,599
Credit operations				
Key Management personnel	4,636	4,222	10	82
Others related-party – Legal Person	9,266	22,275	817	350
Income receivable				
Banco Cífra S.A.	6,561	6,561		
Banco BCV S.A.	10,886	10,886		
BMG Leasing S.A. – Arrendamento mercantil	10,179	10,179		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	313	313		
Other receivables				
Banco Cífra S.A.	71	179		
Banco BCV S.A.	641	1,813		
Collection services				
EGL – Empreendimentos Gerais Ltda.		71		
Demand deposits				
BMG Leasing S.A. – Arrendamento Mercantil	(331)	(192)		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(625)	(123)		
EGL - Empreendimentos Gerais Ltda	(915)	(925)		
Help Franchising	(1,922)	(1,309)		
CBFacil Corretora de Seguros e Negócios Ltda	(5)	(5)		
ME Promotora de Vendas Ltda	(2,818)	(2,857)		
BMG Soluções Eletrônicas S. A	(241)	(333)		
Bmg Participações Em Negócios Ltda	(151)	(192)		
Cmg Corretora De Seguros	(147)	(187)		
Granito Soluções em Pagamentos S.A.	(540)	(540)		
Interbank deposits				
Banco BCV S.A.	(1,074,708)	(1,043,729)	(28,979)	(5,851)
Banco Cífra S.A.	(652,929)	(644,112)	(17,817)	(3,709)
BMG Leasing S.A. – Arrendamento Mercantil	(895,842)	(887,679)	(24,065)	(4,963)
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(7,799)	(9,529)	(240)	(57)
Time deposits				
EGL - Empreendimentos Gerais Ltda	(4,634)	(6,608)	(61)	(31)
Help Franchising	(9,526)	(11,135)	(232)	(63)
ME Promotora de Vendas Ltda	(9,359)	(9,123)	(236)	(27)
CBFacil Corretora de Seguros e Negócios Ltda	(506,796)	(291,755)	(9,276)	(2,986)
BMG Soluções Eletrônicas S. A	(394)	(385)	(10)	(2)
Bmg Participações Em Negócios Ltda	(15,481)	(15,109)	(372)	(106)
Cmg Corretora De Seguros	(13,989)	(7,364)	(357)	(50)
Financial bills obligations				
CBFacil Corretora de Seguros e Negócios Ltda	(220,216)	(435,606)	(9,732)	(3,189)
Other liabilities				
Banco BCV S.A.	(642)	(426)		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(590)	(454)		
EGL – Empreendimentos Gerais Ltda.	(894)	(567)		

On March 2022, the Bmg Conglomerate contracted a premium guarantee insurance policy in the amount of R\$1.757 underwritten by BMG Seguros S.A.

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The funds invested in and obtained from related parties were contracted at market rates.

EGL - Empreendimentos Gerais Ltda. (non-financial company belonging to the Bmg Group), acquired credits without co-obligation with Banco Bmg, which, by virtue of the assignment contract, receives 20% of the transfers to be made, as collection services. On March 31, 2022, the amounts to be transferred to EGL – Empreendimentos Gerais Ltda., totaled R\$894 (2021 – R\$567) the company had no balance in collection services (2021 – R\$71).

(b) Management remuneration

As mentioned in Note 2.2(s), in accordance with CMN Resolution No. 3,921/10, the Bank has established the management remuneration at each the Annual General Meeting, agreed between the Board of Directors and the Executive Board, as determined by the Bank's bylaws.

(i) Short and long-term benefits for management

	2022	2021
Remuneration	14,398	9,574
INSS contribution	3,240	1,479
Total	17,638	11,053

(ii) Share-based payment

In order to stimulate the development of a long-term vision and alignment between the interests of employees, officers and shareholders of the Bmg Group, enabling the Company to attract and retain talent, maximize the generation of income and encourage value creation in a sustainable manner, a Long-Term Incentive Plan was implemented in 2020 with payment based on Shares, whose supervision, planning and control is the responsibility of the Board of Directors.

This program makes it possible for officers and other eligible employees to receive the Company's "BMGB4" preferred shares as a long-term incentive, comprising their respective variable remuneration ("Performance Shares Units" or "PSU"), observing, when applicable, the conditions of CMN Resolution No. 3,921/10, CPC Technical Pronouncement 10 "Share-Based Payment" and the Company's Directors Compensation Policy.

The number of shares to be awarded under this plan shall not exceed 10% of the outstanding shares on March 18, 2020 and will be evaluated according to the weighted average of the closing price of the share in the 20 trading sessions immediately prior to the date of the PSU calculation.

In line with the Long-Term Incentive Plan with share-based payment, in the quarter ended March 2022 the Bank paid R\$4,936 to executive officers and other eligible employees, net of tax effects.

(iii) Other information

Pursuant to Resolution No. 4,693, as of January 2019, financial institutions may carry out credit operations with related parties in compliance with the conditions and limits defined by said resolution. Accordingly, Banco Bmg established a policy to conduct credit operations with related parties, duly approved by the Board of Directors and formalized in a specific document made available to the Central Bank of Brazil.

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27. Fair value estimate

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments:

- Level 1: quoted prices in active markets for the same instrument without change.
- Level 2: quoted prices in active markets for similar instruments or valuation techniques for which all significant inputs are based on observable market data.
- Level 3: valuation techniques for which any significant input is not based on observable market data.

The table below presents the assets and liabilities measured at fair value on March 31, 2022 and December 31, 2020.

	2022			Financial Conglomerate 2021		
	Book value	fair value	Unrealized gains	Book value	fair value	Unrealized gains
ASSETS						
Investments in interbank deposits	39,541	39,541		38,894	38,894	39,541
Marketable securities	10,206,207	10,206,207		11,867,409	11,867,409	10,206,207
Derivative financial instruments	487,887	487,887		394,715	394,715	487,887
Credit operations	17,082,446	16,836,555	(245,891)	15,967,363	15,817,093	17,082,446
LIABILITIES						
Deposits	19,447,882	19,838,522	390,640	17,640,189	17,803,978	19,447,882
Funds obtained in the open market - own portfolio	4,189,148	4,189,148		5,941,967	5,941,967	4,189,148
Funds from acceptance and issue of securities	2,175,495	1,278,974	(896,521)	2,373,376	2,611,065	2,175,495
Borrowings and onlendings	575,430	575,430		562,573	562,573	575,430
Derivative financial instruments	256,498	256,498		65,332	65,332	256,498
Debts and financial bills subordinated	133,493	133,493		129,486	129,486	133,493
						Bank
						2021
ASSETS						
Investments in interbank deposits	1,149,923	1,149,923		1,269,542	1,269,542	
Marketable securities	10,179,195	10,179,195		11,841,061	11,841,061	
Derivative financial instruments	487,887	487,887		394,715	394,715	
Credit operations	15,716,024	15,470,133	(245,891)	14,490,680	14,340,409	(150,271)
LIABILITIES						
Deposits	22,081,797	22,469,484	387,687	20,227,686	20,392,076	164,390
Funds obtained in the open market - own portfolio	4,189,402	4,189,402		5,949,663	5,949,663	
Funds from acceptance and issue of securities	2,175,495	1,278,974	(896,521)	2,373,376	2,611,065	237,689
Borrowings and onlendings	575,430	575,430		562,573	562,573	
Derivative financial instruments	256,498	256,498		65,332	65,332	
Debts and financial bills subordinated	133,493	133,493		129,486	129,486	

The fair value of financial instruments traded in active markets (such as held-for-trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

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- quoted market prices or financial institution or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on yield curves adopted by the market;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

28. Other Information

(a) Commitments and Guarantees

Guarantees and sureties given by the Financial Conglomerate to customers amount to R\$255.047 (2021 – R\$254,584) and are subject to financial charges and counter-guarantees from the beneficiaries.

With the advent of Resolution No. 4,512/16, referring to the treatment for financial guarantees provided, the balance of the provision for endorsements and sureties, had a negative impact on the result for the period of three months ended March 31, 2022 of R\$108 (negative R\$21 - 2021).

(b) Agreements for the clearing and settlement of liabilities in the National Financial System environment

In order to allow the offsetting of credits and debits held with a single counterparty, whose maturities of the rights and obligations may be accelerated to the date on which the event of default by either parties occurs, the Bmg Conglomerate, pursuant to CMN Resolution 3,263, of February 24, 2005, entered into compensation agreements in the scope of derivative agreements, as well as agreements for the offset and settlement of assets and liabilities.

(c) Supplemental information

We present below the nature and effects of non-recurring income realized in the period ended in March 2022 and 2021.

	Financial Conglomerate and Bank	
	2022	2021
Profit for the semester/year	48,306	86,041
Amortization of goodwill (i)		19,944
Sale of 30% Granito Soluções em Pagamentos S.A (ii)		(18,229)
Total non-recurring		1,715
Net profit for the quarter without non-recurring effects	48,306	87,756

(i) Goodwill on acquisition of investments, net of tax effects; And

(ii) Reduction of interest in Granito Soluções em Pagamentos S.A, net of tax effects.

(d) Material facts

As disclosed in the Material Facts of October 29 and November 3, 2020, the Bmg Financial Group was the subject of a search and seizure measure that was part of Operation "Macchiato," an outcome of the developments of Operation "Descartes", based on a decision of the 2nd Federal Criminal Court of São Paulo investigating alleged offenses related to crimes against the national financial system and the tax regimen and money laundering that may allegedly have been committed by certain managers of the Bank over the period comprising 2014 to 2016.

In connection with, and prior to, this criminal investigation, the Bank had been penalized by the Internal Revenue Service in connection with the disallowance of payments made to certain suppliers. These assessments were, within the legal deadlines, defended and challenged administratively, with the support of legal counsel specialized in tax cases, and awaits a final decision of the appropriate bodies.

At an extraordinary meeting of the Board of Directors, it was decided to create a Special Committee, appointed ad hoc, to conduct a thorough and detailed analysis related to the complaint and endowed with its own human and financial resources as required for the unrestricted and complete fulfillment of its duties. In this context, a law firm specialized in corporate investigations and a company specialized in forensic audits were contracted.

The Special Committee concluded the investigation by analyzing all the data and information made available by the Bank, identifying the cases of payments to suppliers mentioned in the police investigation. Briefly, the findings indicated opportunities for improvements in internal controls, assignment of powers, as well as gaps in supplier management, which prevented prompt knowledge of the facts at the time of their occurrence.

No corroborating elements were found in the Bank's informational database that was available to the Investigation of the occurrence of crimes of money laundering, corruption or against the National Financial System. Investigations by federal public authorities are still ongoing and, at the present moment, there is no way to anticipate whether the results of these investigations and their respective developments may, eventually, have future consequences on the financial statements or disclosures in explanatory notes. The Bank continues to monitor and support the investigation process being conducted by the appropriate authorities until its conclusion.

After the conclusions of the investigation's work, the Special Committee presented the results to the legal tax counsel hired to defend the violation notifications and who confirmed the opinion, taking into consideration the penalties assessed, as to the Possible Risk classification and which are disclosed in Note 18 (i)(b).

Since the beginning of the investigations, the Bank has been adopting a series of measures aimed at improving internal controls.

(e) Impacts of the COVID 19 pandemic (Coronavirus)

In line with the Official Letter No. 02/2020 issued by CVM, in the face of the COVID-19 pandemic, Banco Bmg is thinking about everyone and, toward this end, has taken all necessary measures and care to minimize the impacts of the pandemic as much as possible.

Beyond just taking all the necessary measures and care to minimize the effects of the pandemic, Bmg adapted the way it relates with its clients, prioritizing remote service and the digital formalization of contracts, directing and accelerating its strategic efforts for technological, cultural and behavioral progress.

The relationship with its main partners has been further refined, with emphasis on adaptations in service format and formalization, thus creating a new, perennial product origination alternative.

For clients, Bmg extended benefits focused on the needs of the moment. The Bank launched the *Volta pra Mim Farmácia* – a temporary benefit through which clients receive a portion of their payments back in their accounts when using Bmg debit or credit cards in pharmacies. In addition, Bmg has partnered with the Pague Menos pharmacy chain for discounts of up to 30% when presenting the Bmg credit card.

For employees, with proof of engagement and productivity, the Bank remains with the practice of the home office.

In the social sphere, the Bank continues to make donations to create exclusive structures to combat the virus in hospitals and basic needs for distribution in underprivileged communities.

The rapid response and adaptation of the Bank in the face of such a delicate moment was only possible due to the strong ongoing transformation and modernization process.

(f) Non-operating income

In March 2021, refers basically to the non-operating result of equity equivalence in the amount of R\$30,871, generated due to the subscription and payment by Banco Inter in Granito, as described in note 11.

(g) Subsequent events

(i) In April 2022, pursuant to the Material Fact disclosed to the market on February 24, 2022, Bmg carried out its 2nd public issue of financial bills, without guarantees and without subordination clauses, in the amount of R\$ 354,000. The Financial Bills were object of a public distribution effort, with exemption from registration under the terms of CVM Resolution 8/20 and other legal and regulatory provisions applicable to a Restricted Offering.

(ii) On May 6, 2022, Bmg, through its direct subsidiary CBFácil Corretora de Seguros e Negócios Ltda., entered into a contractual instrument with the intention to acquire an equity interest in FRP Ieger Software Ltda. ("iCertus"), a management software firm (ERP) for micro, small and medium-sized companies. The effective conclusion of the operation is pending approval by the Central Bank of Brazil - BACEN, under the terms of the regulations in force.

29. Risk management

1. Risk and Capital Management Structure and Sensitivity Analysis

The Bmg Conglomerate believes risk management is essential for maximizing capital use efficiency and for choosing business opportunities, as well as ensuring the preservation of process integrity and independence. To this end, the Bmg Conglomerate has developed, based on best risk management practices, policies, systems and internal controls for the mitigation and control of possible losses arising from exposure to the risks to which its activities are exposed, with a set of processes and routines appropriate to its operational modalities.

In this context, Banco Bmg manages its risks - capital, liquidity, market, credit and operational - with specific actions for each, as summarized below. The other Pillar II risks, such as image, strategy and socio-environmental risks, also are monitored by the Risk and Compliance Department, reporting to the Risk and Capital Management Committee and with the following structure:

The document detailing the structure and guidelines established in risk management, together with the Pilar 3 Report, can be viewed on the website (<http://www.bancobmg.com.br/ri/>), in the Corporate Governance, Risk Management section.

1.1 Capital Management

Banco Bmg opted to create a centralized capital management framework for the Financial Conglomerate, appointing a director responsible for the full structure.

The Capital Management Committee is primarily responsible for promoting discussions about capital management.

The Committee is led by the Planning, Risk, IR and Digital Channels Department in order to present the current Basel Ratio to the Board of Directors and other executive officers, along with the projections for the next three years.

Among the Committee's main activities are:

- Promote discussions and decisions on issues related to policies, procedures, methodologies and processes related to managing capital and the Capital Plan as set forth in this Policy paper;
- Validate the Capital Management Policy and the Organization's Capital Plan and submit them to the Executive Board and Board of Directors;
- Submit the committee's deliberations affecting Policy and the Capital Plan to the Executive Board and the Board of Directors;
- Monitor the effectiveness of the capital management process within the Organization, including the possible impacts on capital, deriving from the risks associated with non-financial companies that are part of the consolidated economic-financial group;
- Report to the Board of Directors the significant changes in the financial projections and future capital requirements, as well as possible significant changes in relation to the strategies adopted, the amount of capital to be allocated and the effects of stress tests within the Organization;
- To regularly report all the activities of the Committee to the Board of Directors.

The Risk Superintendence (SURIC) is the unit responsible for managing the Bmg financial conglomerate's capital as well as the assessment of potential impacts on the capital arising from risks associated with non-financial companies that are part of the consolidated economic financial group.

Quantitative data regarding regulatory capital requirements as well as compliance with the capital requirements provided for in the regulations in force can be seen in "Note 3 - Capital requirements and limits of fixed assets."

1.2 Credit Risk

Banco Bmg's operating strategy is focused on the Retail segment, offering efficient credit solutions for different client profiles.

As a result, the main credit products are: Payroll loan, Payroll Loan Credit Card, BMG Em Conta (direct debit personal loans) and BMG Empresas (Companies), the possibility of developing other products that show growth and profitability potential remains open. With the consolidation of Bmg as a digital bank, the non-consigned credit card portfolio has seen significant growth.

The credit policies specific to each product are established based on internal and external factors, taking into account the economic environment and the risk appetite profile of the institution.

Among the most notable internal factors are: portfolio quality, margins, rates of return, the company's goals and targets; external factors: variation of the client's capacity to pay due to an economic slowdown, inflation, unemployment, crises, etc.

The credit award process is based on an assessment of the risk x return of the operation, establishing limits to clients according to their degree of exposure to risk and verification of the reported registration data. As part of the assessment, credit bureaus may be consulted to assist in the decision and risk classification of the client.

The monitoring of credit policies is conducted through regular performance reports that, presenting variations (improved or worsening performance), will indicate a possible need for review, adapting to the new dynamics.

1.3 Market Risk

The shareholders and directors of the Bmg Conglomerate are cognizant that the effective management of this risk, coupled with an effective control based on best practices and operational tools, ensures that the institution is adequately capitalized and secure, and is aware of its advantages and disadvantages in terms of returns and risks.

It also considers that all the hierarchical levels of the institution have roles and responsibilities in relation to the management of market risk in its activities, for the effectiveness of controls.

The management area uses practices and technologies for daily measurements and monitoring of defined limits, sensitivity and stress to fluctuations in foreign exchange exposure, interest rates, stock and commodity prices, even forecasting the risks inherent in new activities and products, adapting the necessary controls and procedures.

The Bmg Prudential Conglomerate is conservative regarding exposure to market risk, establishing limits for positioning in certain markets and products, and limiting losses resulting from fluctuations in market values, with daily monitoring of these limits carried out by an area independent of that of the position manager.

The Market Risk management area monitors compliance with limits and distributes management reports about the control of the positions, as well as reports and regular presentations, to senior management.

In addition to verification of compliance with the established limits, the results of the measurements involving normal and stress situations and the running of compliance tests are disclosed through the Monthly Market Risk Letter to the full Executive Board and the Assets and Liabilities Committee.

1.4 Liquidity Risk

Liquidity risk management aims to keep structured control systems in line with the institution's operating profiles. They are periodically reassessed to allow ongoing monitoring of positions taken in all financial and capital market operations, to highlight and mitigate the liquidity risk arising from its activities.

Liquidity risk is defined as the occurrence of imbalances between tradable assets and liabilities - "mismatches" between payments and receipts - which may affect the institution's payment capacity, taking into consideration the different currencies and settlement terms of their rights and obligations.

The Bmg Conglomerate is concerned about liquidity risk management, delegating the monitoring mission to suitably qualified professionals with the necessary knowledge for effective control and meeting the requirements of regulatory bodies, in consonance with the principles established by the Basel accord.

Liquidity risk management shall ensure that risks affecting the achievement of the institution's strategies and objectives are continuously assessed. Internal controls should be reviewed to appropriately cover new or previously uncontrolled risks.

1.5 Operating Risk

The Bmg Conglomerate believes operational risk management is essential to maximize the efficient use of capital and choice of business opportunities, thereby ensuring the adequate understanding of the risks associated with its business activities, so that no event may adversely interfere with identifying and dealing with the objectives to be achieved.

To this end, the response to risk comprises avoidance, accepting, mitigating, sharing or transferring the risk within the established parameters and evaluation of the cost/benefit ratio.

It also takes into account that the responsibility for risk management should be exercised by all employees, regardless of their hierarchical level, who must express concerns when they identify control breakdowns or violations of the rules defined by the Bmg Conglomerate.

The strategy is characterized by the monitoring of all known and potential risks of the institution and service providers, aiming at the implementation of appropriate controls, considering the cost / benefit of each item evaluated, according to the risk classification.

All risk events that lead to an effective operating loss must be controlled to facilitate identification of typical occurrences and accompanying documentation, both for senior management's administration purposes as well the provision of information to the supervisory authorities.

1.6 Socioenvironmental Risk

Banco Bmg's Socio-environmental Responsibility policy, which follows the provisions of CMN Resolution No. 4,327/2014, establishes guidelines and consolidates socio-environmental practices in business and in customer relations. The policy establishes prohibited segments, for which we do not grant credit, and restricted sectors, for which the social and environmental risk analysis is more detailed and rigorous. It also determines practices, which include risk management and socio-environmental impact analysis as the purpose of credit and supplier management, which is carried out through the analysis of socio-environmental practices. In this case, socio-environmental risk is analyzed in order to mitigate operational risk, capital risk, credit risk, and reputational risk.

1.7 Sensitivity Analysis

(a) Assets and liabilities

In compliance with Instruction No. of art.17 of Bacen Circular No. 3959/19, Banco Bmg conducted a sensitivity analysis through the "Stress Testing Program" as defined in its risk policies, applying the following factors to assets and liabilities, adopting each of the scenarios listed below:

- **Optimistic:** we considered a productivity improvement of 10%, increase in credit quality by 10% (lower loan loss provision - PCLD), reduction of funding rates by 10%, reduction in provisions for contingencies by 10%.
- **Pessimistic 1:** we considered a 10% worsening in productivity, a 10% worsening credit quality (higher PCLD), an increase in funding rates by 10%, and an increase in contingency provisions by 10%.

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- **Pessimistic 2:** we considered a productivity decrease of 20%, credit quality worsening by 20% (higher PCLD), increase in funding rates by 20%, increase in provisions for contingencies by 20%.
- **Pessimistic 3:** simulation of reverse stress where we stress the main variables to the point of zeroing out the Bank's Net Profit

	Gross effect on the income				Optimistic	Pessimistic 1	Pessimistic 2	Pessimistic 3
	Optimistic	Pessimistic 1	Pessimistic 2	Pessimistic 3				
Productivity	119,522	(119,522)	(239,045)	(358,567)	65,737	(65,737)	(131,475)	(197,212)
Credit quality (PCLD)	93,125	(93,125)	(186,250)	(279,375)	51,219	(51,219)	(102,437)	(153,656)
Funding rates	52,846	(52,846)	(105,692)	(158,539)	29,065	(29,065)	(58,131)	(87,196)
Provisions for contingencies	50,558	(50,558)	(101,115)	(151,673)	27,807	(27,807)	(55,613)	(83,420)

(b) Market Risk

In compliance with CVM, Banco Bmg carried out a sensitivity analysis for relevant market risk factors.

Financial instruments are segregated in the trading and banking (non-trading) portfolios, such as in the management of the market risk exposure, in accordance with the best market practices and with the classification criteria of operations and capital management of the BACEN Basel III new standardized method. The banking portfolio consists of commercial and structural operations arising from the Group's various lines of business and possible hedges. Therefore, the entire Group portfolio to be analyzed for market risk is classified as banking.

The summary table below shows the effects of changes in prices in the projected scenarios and does not necessarily reflect the current position, due to the dynamism of the market and the Group's activities.

Stress tests provide an indication of the potential volume of losses that could arise from extreme market situations. For the non-trading portfolio, stress tests are performed by the Risk area.

Risk Factors	Definition	Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to exchange variation	(320)	(800)	(1,600)
Interest rate in reais	Exposures subject to pre-fixed interest rate changes	(36,863)	(92,159)	(184,317)
Foreign exchange coupon	Exposures subject to variation of coupon rates in foreign currency	(74)	(184)	(368)
IPCA/IGPM	Exposures subject to price index coupon rate variation	(986)	(2,466)	(4,932)
Total		(38,243)	(95,609)	(191,217)

The Group's financial instruments are classified as Banking Portfolio. They consist of credit operations, instruments for raising funds to finance the loan portfolio, securities classified as Available for Sale and derivative financial instruments intended to hedge other operations classified in this portfolio (assets or liabilities).

The identified risk factors:

Interest curve – loss due to price variations due to changes in the fixed interest rate in reais;

Foreign exchange coupon – loss due to changes in price due to changes in the domestic interest rate for operations indexed to the exchange rate variation;

Exchange – loss arising from changes in price due to changes in any currency.

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Assumptions for risk factors		
Scenario	Interest curve (pre) and Currency Coupon Curve	Foreign Exchange
1	Parallel offset + 100 basis points	Increase of 10%
2	Parallel offset + 250 basis points	Increase of 25%
3	Parallel offset + 500 basis points	Increase of 50%

- Scenario 1 represents a parallel shock of 100 basis points (+1%) on interest and exchange coupon curves plus a 10% shock on exchange rates.
- Scenario 2 represents a parallel shock of 250 basis points (+2.5%) on interest and exchange coupon curves plus a 25% shock on the exchange rates.
- Scenario 3 represents a parallel shock of 500 basis points (+5%) on interest and exchange coupon curves plus a 50% shock on the exchange rates.

* * *

Carlos Andre Hermesindo da Silva
(Finance, Risks and Compliance Officer)

Paulo Augusto de Andrade
(Chairman and Specialist Member of the Audit Committee)

Silvio Cesar Ferreira
CRC - 1SP185135/O-0
(Accountant in Charge)



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STATEMENT OF THE DIRECTORS ABOUT THE INTERIM FINANCIAL STATEMENTS

In compliance with the provisions of art. 25, item VI of the Securities and Exchange Commission Instruction No. 480/09, Banco Bmg S.A.'s Directors hereby declare that, according to their cognizance of the matter, they reviewed, discussed and agreed with the Bank's Interim Financial Statements for the period of three months ended March 31, 2022.

CHIEF EXECUTIVE OFFICER AND INVESTOR RELATIONS OFFICER

In compliance with the provisions of art. 25, item V of the Securities and Exchange Commission Instruction 480/09, the directors of the Bank Bmg S.A., hereby declare that they have reviewed, discussed and agree with the individual and consolidated Interim Financial Statements for the period of three months ended March 31, 2022 disclosed in this date, as well as that they had reviewed, discussed and agreed with the conclusions expressed in the audit report of the independent auditors PricewaterhouseCoopers Auditores Independentes Ltd. and in the Fiscal Council Opinion for the period ended on March 31, 2022.

São Paulo, May 12, 2022

Executive Officers
Carlos Andre Hermesindo da Silva
Flávio Pentagna Guimarães Neto