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Banco BMG S.A.

***Interim financial statements consolidated in
IFRS on September 30, 2022 and independent
auditor's review report on the interim
financial statements***



(A free translation of the original in Portuguese)

Report on review of consolidated interim financial statements

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

Introduction

We have reviewed the accompanying consolidated balance sheet of Banco BMG S.A. ("Bank") and its subsidiaries as at September 30, 2022 and the related consolidated statements of income and comprehensive income for the three and nine month period then ended and of, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these consolidated 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 in 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Banco BMG S.A. and its subsidiaries as at September 30, 2022, and their consolidated financial performance for the three and nine month period then ended and their consolidated cash flows for the nine-month period then ended in accordance with IAS 34.



Banco BMG S.A.

Emphasis of matter

In 2020, following a search and seizure operation mandated by the 2nd Federal Criminal Court of São Paulo, the BMG Financial Group Board of Directors formed a Special Committee to investigate possible irregularities (Note 28(c)). No evidence has been identified to-date by the Special Committee to corroborate the alleged illegal acts, including money laundering and corruption, being addressed in the investigation currently being conducted by the authorities. Management is unable to determine, at this time, whether the results of the investigations and developments therefrom may affect future financial statements of the Bank. Our report is not qualified in respect of this matter.

Other matters

Statement of Value Added

The consolidated interim financial statements referred to above include the consolidated Statement of Value Added for the nine-month period ended September 30, 2022 (Attachment I). This statement is the responsibility of the Bank's management and is presented as supplementary information for the purposes of IAS 34. This statement has been subjected to review procedures performed together with the review of the consolidated interim financial statements for the purpose of concluding whether it is reconciled with the consolidated interim financial statements and accounting records, as applicable, and if its 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 this consolidated Statement of Value Added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the consolidated interim financial statements taken as a whole.

São Paulo, November 10, 2022


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

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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 under IFRS for the first period ended September 30, 2022 along with the independent auditors' report.

Banco Bmg

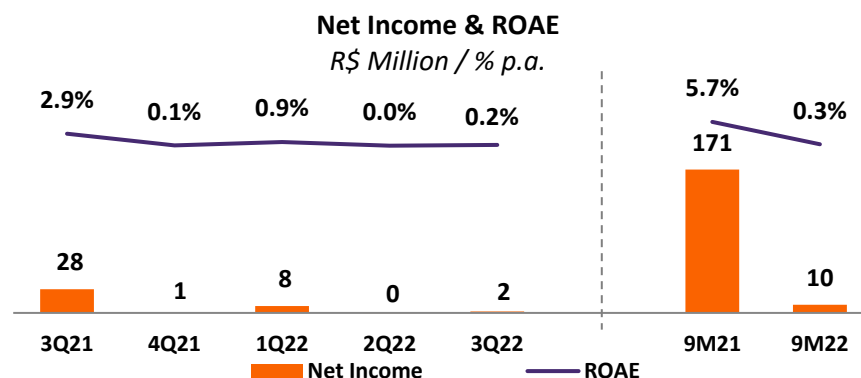
We're a complete bank! Our commitment is focused on people and their needs, so we continue to build a modern, agile, technological and, above all, human bank.

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.

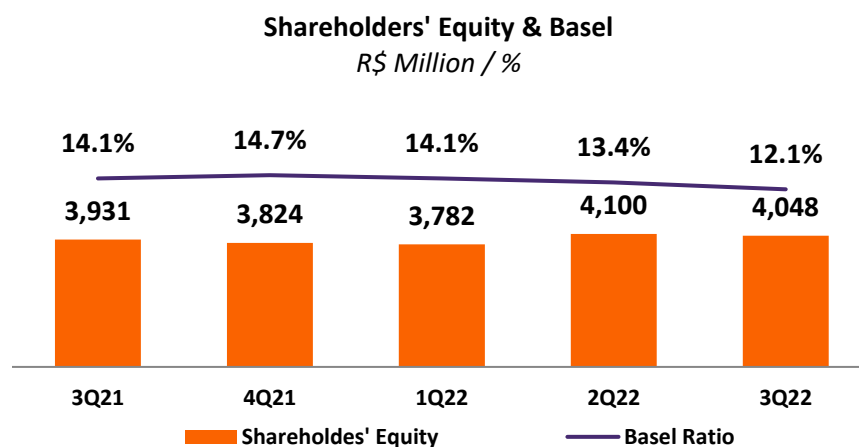
All this has positively impacted our product portfolio over the years. We went from a niche segment to meet the needs of millions of Brazilians and companies by expanding our portfolio of products and services. Our main activity verticals are: Retail Individual, Retail Company, Wholesale and Asset Management.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

Financial Performance

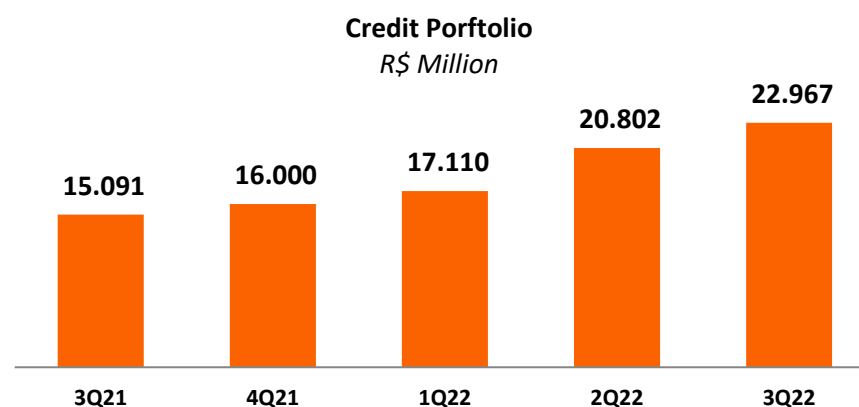
The net income in the first nine months of 2022 was R\$ 10 million, compared to R\$ 171 million in the same period of 2021, a reduction of 94.3%. The Return on Average Equity (ROAE) was 0.3% per year in the first nine months of 2022.



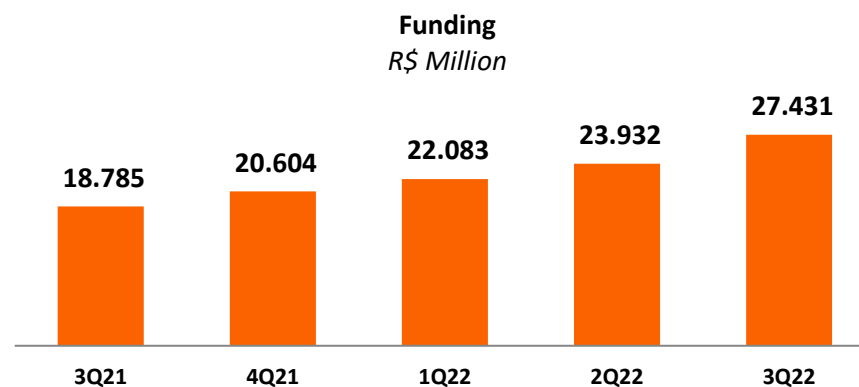
Consolidated Shareholders' Equity on September 30, 2022 amounted to R\$ 4,005 million and the capitalization ratio of risk-weighted assets (Basel Ratio) was 12.1%. The Bank's strategy is to maximize the payment of the interest on shareholders' equity (ISE) in view of the tax benefits that accrue. As a result, in the first nine months of 2022, the Bank provisioned ISE in the amount of R\$ 159.8 million, of which, according to the material fact disclosed in October 2022, R\$ 140 million were declared and will be paid on November 16 to shareholders who have the right to receive the dividends.



The total consolidated portfolio ended September 30, 2022 with a balance of R\$ 22,967 million, representing an increase of 52.2% compared to the same period of 2021.



The consolidated funding balance totaled R\$ 27,431 million in the end of September 30, 2022, representing an increase of 46.0% compared to the same period of the previous year. Deposits, the major source of funding, accounts for 80.0% of funding. We concluded the issuance of R\$1 billion in debentures backed by INSS payroll credit card. Funding was carried out at the CDI rate +1.75% p.a., via a securitization company.



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. In June 2022, a capital reduction was carried out in the subsidiary CBFacil Corretora de Seguros e Negócios Ltda. in the amount of R\$50 million.

In August, we announced a corporate reorganization with the creation of our insurance branch, Bmg Seguridade, with the following main objectives: meeting new demands due to the strong expansion of Bmg's different channels and clients, consolidating activities in the insurance sector, strengthening expansion of Bmg Corretora, and generate gains in scale and cost reduction. The implementation of the transaction is pending regulatory approvals.

ESG Principles

At Bmg, there is a genuinely belief that it is only possible to prosper in business by building a prosperous economy, through ethical behavior and social and environmental development. That is why the Bank incorporated ESG principles into its way of doing business. In 2022, demonstrating the strategic nature and the commitment of the Executive Board and the Board of Directors to the topic, it was created the ESG and Diversity Executive Department, The ESG Committee, composed of members of the Executive Board and the Board of Directors, and also was created 2022-2023 strategic plan, with an integrated strategy totally aligned to the business. Among the actions planned for 2022 the following stand out: the creation of an Institute centralizing the social actions, a career development program for women, an internship program focused on social inclusion and diversity, and the hiring of people over 50 years of age to provide online customer service, giving opportunities to this group, which is still marginalized in the labor market. In October, Bmg joined the UN Global Compact, once again demonstrating its commitment to the best social, environmental and governance practices and, above all, to generating a positive impact on society. Having a clear and efficient ESG agenda fully aligned to the business is one of the main Bmg goals in this and the coming years. The Bank knows that an organization that is strong in ESG is more efficient, responsible and sustainable, and this is what allows Bmg to grow and prosper over the long term.

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 38% 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.

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.

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, in the first nine months of 2022, the Bank 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, November 10, 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 the consolidated interim Financial Statements for the period ended September 30, 2022, prepared in accordance with the International Financial Reporting Standards (“IFRS”) rules issued by the “International Accounting Standard Board” (“IASB”), 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, November 10, 2022.

Roberto Faldini
Coordinating Member

Fernando Antônio Fraga Ferreira
Member

Flávio de Sousa Franco
Member

BANCO BMG S.A.
CONSOLIDATED BALANCE SHEET
ON SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

In thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	2022	2021
Cash and deposits on demand	5	289,621	357,619
Financial assets		36,746,119	27,956,671
At amortized cost		31,346,841	15,796,357
Compulsory deposits in the Central Bank	6	1,021,837	152,121
Money market	5		49,998
Deposit application	6	250,510	38,894
Marketable securities	6	7,827,279	103,543
Loans and other amounts with financial institutions	6	330,571	167,517
Loan and lease operations	6	22,966,658	15,999,893
Provision for the expected losses (impairment)	6	(1,991,266)	(1,591,076)
Sundry debtors	6	941,252	875,467
At fair value through other comprehensive income		2,896,911	10,125,495
Marketable securities	6	2,896,911	10,125,495
At fair value through profit or loss		2,502,367	2,034,819
Derivative financial instruments	6	267,650	394,715
Money market	6	2,234,717	1,640,104
Investments		31,764	44,794
Property and equipment	9	80,935	82,296
Intangible assets	10	1,321,384	1,257,546
Tax assets		3,376,464	3,349,575
Income tax and social contribution recoverable		88,646	72,332
Deferred income tax and social contribution, net	20	2,867,578	2,862,490
Other taxes and contributions recoverable		420,240	414,753
Judicial deposits	19	375,422	365,684
Available-for-sale non-current assets		10,123	12,314
Other assets	11	1,109,953	823,871
Total assets		43,341,785	34,250,370

The accompanying notes are an integral part of the consolidated interim financial statements.

BANCO BMG S.A.
CONSOLIDATED BALANCE SHEET
ON SEPTEMBER 30, 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	Note	2022	2021
Financial liabilities measured at amortized cost		36,495,719	28,040,991
Deposits from clients	12	22,291,302	17,211,181
Borrowings or transfers of financial assets	12	2,378,043	1,536,250
Borrowings and onlendings	12	590,580	562,573
Borrowings of securities and financial bills	12	2,674,170	1,937,649
Subordinated financial bills and debt	12	398,836	129,486
Repo operations	12	7,217,844	5,941,967
Other financial liabilities	12	944,944	721,885
At fair value through profit or loss		92,125	65,332
Derivative financial instruments	12	92,125	65,332
Provisions	19	791,951	733,534
Tax liabilities		167,161	136,361
Income tax and social contribution payable		114,258	67,319
Other taxes and contributions payable		52,903	69,042
Other liabilities	21	1,747,144	1,450,252
Total liabilities		39,294,100	30,426,470
Equity, capital and reserves attributable to stockholders and parent company		4,017,407	3,800,783
Capital	22(a)	3,742,572	3,742,572
Capital reserves		12,212	9,562
Other accumulated comprehensive income	22(b)	71,959	(296,194)
Revenue reserves	22(c)	521,752	527,944
Accumulated deficit		(330,626)	(182,847)
Carrying value adjustment		(462)	(254)
Non-controlling interests		30,278	23,117
Total equity		4,047,685	3,823,900
Total liabilities and equity		43,341,785	34,250,370

The accompanying notes are an integral part of the consolidated interim financial statements.

BANCO BMG S.A.
CONSOLIDATED STATEMENT OF INCOME
NINE-MONTH PERIOD ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Interest income and similar earnings	24 (a)	1,800,359	4,738,459	1,104,349	3,239,795
Interest cost and similar expenses	24 (a)	(878,841)	(2,655,226)	(434,914)	(1,230,886)
Net interest revenue		921,518	2,083,233	669,435	2,008,909
Income from services provided	25	50,705	115,428	25,067	69,557
Equity in the results of associates		12,457	18,480	(1,043)	18,691
Net gain (loss) from financial assets and liabilities	24 (b)	(162,252)	216,951	10,271	117,388
Provision for impairment of financial assets	8 (e)	(395,154)	(1,121,124)	(279,515)	(762,820)
Recovery of loans written off as losses		46,104	133,135	74,282	150,476
General and administrative expenses	24 (c)	(411,227)	(1,175,362)	(362,684)	(1,054,369)
Tax expenses	24 (d)	(55,267)	(156,291)	(36,954)	(117,690)
Other operating income (expenses)	24 (e)	(107,962)	(366,603)	(220,319)	(487,384)
Other non-operating income	28(d)	10,828	29,228	29,829	52,150
Profit (loss) before income tax and social contribution		(90,250)	(222,925)	(91,631)	(5,092)
Current income tax and social contribution	20 (b)	(39,405)	(107,487)	(29,112)	(51,697)
Deferred income tax and social contribution	20 (b)	131,356	340,191	149,074	228,264
Profit for the period		1,701	9,779	28,331	171,475
Attributable to:					
Parent company of the bank		(988)	5,600	28,597	171,239
Non-controlling Interests		2,689	4,179	(266)	236
Basic and diluted earnings per share attributed to the Bank's shareholders (in reais)	23	(0.0017)	0.0096	0.049	0.2930

The accompanying notes are an integral part of the consolidated interim financial statements.

BANCO BMG S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NINE-MONTH PERIOD ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Profit for the period		1,701	9,779	28,331	171,475
Other components of comprehensive income					
Items to be subsequently reclassified to profit or loss					
Changes in fair value through other comprehensive income - marketable securities		97,067	(2,704)	(230,381)	(513,392)
Deferred income tax and social contribution on other comprehensive income - marketable securities		(46,241)	1,229	109,568	244,158
Reclassification of securities "at fair value through other comprehensive income" to "at amortized cost" (note 2.7.1 (a))			388,193		
Cash flow hedge		(105,257)	(35,400)	(18,128)	52,629
Deferred income tax and social contribution on other comprehensive income - cash flow hedge		50,057	16,835	8,621	(25,029)
Change in other comprehensive income for the period	22 (b)	(4,374)	368,153	(130,320)	(241,634)
Total comprehensive income for the period		(2,673)	377,932	(101,989)	(70,159)
Attributable to					
Parent company of the bank		(5,362)	373,753	(101,723)	(70,395)
Non-controlling interests		2,689	4,179	(266)	236

The accompanying notes are an integral part of the consolidated interim financial statements.



BANCO BMG S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE-MONTH PERIOD ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Capital	Capital reserves	Revenue reserve	Other comprehensive income (loss)	Treasury stock	Accumulated Profits or Losses	Total	Non-controlling interests	Total
On December 31, 2020	3,742,572	5,680	506,943	7,606	(13,797)	(110,596)	4,138,408	14,020	4,152,428
Profit for the nine-month period						171,239	171,239	236	171,475
Other comprehensive income				(241,634)			(241,634)		(241,634)
Total comprehensive income for nine-month period				(241,634)		171,239	(70,395)	236	(70,159)
Changes in non-controlling interests								6,619	6,619
Treasury shares (note 22(a))					(25,774)		(25,774)		(25,774)
Treasury shares cancelled (note 22(a))			(36,912)		36,912				
Realization of reserves			193,674			(193,674)			
Appropriation of profit for nine-month period									
Recognition of share-based payment plans		4,282			2,405		6,687		6,687
Interest on capital (note 22(d))			(138,677)				(138,677)		(138,677)
Total transactions with stockholders		4,282	18,085		13,543	(193,674)	(157,764)	6,619	151,145
On September 30, 2021	3,742,572	9,962	525,028	(234,028)	(254)	(133,031)	3,910,249	20,875	3,931,124
On December 31, 2021	3,742,572	9,562	527,944	(296,194)	(254)	(182,847)	3,800,783	23,117	3,823,900
Profit for the nine-month period						5,600	5,600	4,179	9,779
Other comprehensive income				(20,040)			(20,040)		(20,040)
Reclassification of securities "at fair value through other comprehensive income" to "at amortized cost"(note 2.7.1 (a))				388,193			388,193		388,193
Total comprehensive income for nine-month period				368,153		5,600	373,753	4,179	377,932
Changes in non-controlling interests								2,982	2,982
Capital gain			179		(179)				
Treasury shares					(4,965)		(4,965)		(4,965)
Recognition of share-based payment plans		2,650			4,936		7,586		7,586
Appropriation of profit for nine-month period									
Transfer from reserves			153,379			(153,379)			
Interest on capital (note 22(d))			(159,750)				(159,750)		(159,750)
Total transactions with stockholders		2,650	(6,192)		(208)	(153,379)	(157,129)	2,982	(154,147)
On September 30, 2022	3,742,572	12,212	521,752	71,959	(462)	(330,626)	4,017,407	30,278	4,047,685

The accompanying notes are an integral part of the consolidated interim financial statements.

BANCO BMG S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
NINE-MONTH PERIOD ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	2022	2021
Cash flows from operating activities		
Profit for the period attributable to controlling stockholders	5,600	171,239
Adjustment to profit attributable to the controlling stockholders		
Recognition of share-based payment plans	2,650	6,687
Provision for impairment of financial assets	1,121,124	762,820
Equity in the (earnings) loss of subsidiary and Controlled companies	(18,480)	(18,691)
Depreciation	14,408	13,268
Amortization	52,361	41,915
Amortizations of other intangible assets	475	27,261
Foreign exchange variations of funding		(458)
Exchange variation of funding	495	(4,172)
Provisions for contingent liabilities	58,417	95,566
Equity Income		(30,871)
Result on disposal of unused assets		5,735
Deferred income tax and social contribution	(340,191)	(228,264)
Effect of exchange rate changes on cash and cash equivalents	13,372	3,394
Adjusted profit	910,231	845,429
Changes in working capital		
(Increase) in compulsory deposits in the Central Bank	(869,716)	(23,439)
(Increase) in financial assets measured in fair value through profit or loss	(594,613)	(1,921,250)
Decrease (Increase) in financial assets at fair value through other comprehensive income	7,596,737	(1,823,671)
(Increase) in financial assets measured at amortized cost	(15,851,888)	(1,444,848)
(Increase) in taxes and contributions recoverable	(21,803)	(111,064)
(Increase) in deferred taxes and contributions	335,104	(221,149)
Decrease (Increase) in available-for-sale non-current assets	(4,975)	36,607
(Increase) in other assets	(169,568)	(90,500)
(Increase) Decrease in judicial deposits	(9,738)	25,631
Increase (Decrease) in financial liabilities at fair value through profit or loss	153,858	(25,773)
Increase in financial liabilities at amortized cost	8,454,234	5,918,308
Increase in current income tax and social contribution	111,724	38,110
Increase (Decrease) in other liabilities/ provisions	49,947	(343,768)
Cash from operations	89,534	858,623
Income tax and social contribution paid	(80,924)	(28,643)
Net cash (used in) operating activities	8,610	829,980
Cash flows from investing activities		
Acquisition of intangible assets	(109,514)	(81,431)
Acquisition of shareholding	(85,000)	(15,104)
Acquisitions of property and equipment	(17,152)	(22,432)
Disposal of property and equipment	4,105	16,773
Net cash (used in) investing activities	(207,561)	(102,194)
Cash flows from financing activities		
Issuance of equity-eligible debt instruments	250,600	
Acquisition of Own Shares	(5,144)	(25,774)
Interest on share equity paid out	(158,290)	(90,212)
Settlement of loans abroad		(264,199)
Increase (Decrease) in non-controlling interests in subsidiaries	7,161	6,854
Net cash used in financing activities	94,327	(373,331)
Increase (Decrease) in cash and cash equivalents	(104,624)	354,455
Cash and cash equivalents at the beginning of the semester (note 5)	407,617	163,146
Effect of exchange rate changes on cash and cash equivalents	(13,372)	(3,394)
Cash and cash equivalents at the end of the semester (note 5)	289,621	514,207
Increase (Decrease) in cash and cash equivalents	(104,624)	354,455

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

BANCO BMG S.A.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ON SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

1. Operations

Banco BMG S.A. ("Bank" or "Institution") and its subsidiaries (together, "the Group" or "Consolidated") is authorized to operate as a multiple service bank with commercial, credit, financing and investment portfolios. The benefit of the services provided between these companies and the costs of the operational and administrative structures are absorbed, in accordance with the practicability and reasonability of having them allocated to them, together and individually, and they are deemed adequate by the management of the institutions.

The Group is composed of the following subsidiaries: BMG Leasing S.A., BMG Bank Cayman Ltd., Banco Cifra S.A., Banco BCV S.A., BMG S.A. Distribuidora de Títulos e Valores Mobiliários, CBFácil Corretora de Seguros e Negócios Ltda. and its subsidiary ME Promotora de Vendas Ltda., Help Franchising Participações Ltda., BMG Participações em Negócios Ltda. and its subsidiary BMG Seguros S.A., Romeu Fundo de Investimento em Cotas de Fundos de Investimento Multimercado and Fundo de Investimento em Direitos Creditórios NP Esportes. Detailed information about the subsidiaries is described in the consolidation note.

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.

Banco BMG S.A. ("BMG" or "Bank"), incorporated as a Publicly Traded Company, controlled by the Pentagna Guimarães Family, and located at Avenida Presidente Juscelino Kubitschek, nº 1.830, São Paulo/SP, Brazil.

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

The consolidated financial statements prepared under the IFRS were completed and approved by the Bank's management on November 10, 2022.

2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements of Banco BMG S.A. and its subsidiaries were prepared taking into consideration the provisions in Resolution nº 4,818/20 of the National Monetary Council ("CMN"), which requires the preparation of consolidated annual financial statements in accordance with the International Financial Reporting Standards ("IFRS"), as approved by the International Accounting Standards Board ("IASB"), therefore, the interim statements for the quarter and period ended September 30, 2022 were prepared in accordance with IAS 34 - Interim Financial Statements, and show all relevant information specific to the interim financial statements, and only them, which are consistent with those used by the administration in its management.

For the purpose of disclosing these financial statements, the Group observes the provisions of IAS 1 - Presentation of the Financial Statements, presenting the balance sheet in order of liquidity and the segregation between current and non-current in an explanatory note.

The financial statements have been prepared under the historical cost convention and adjusted to reflect financial assets and liabilities (including derivative financial instruments) measured at fair value, as required by IFRS 9, in accordance with the business model.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires the management of the Group to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

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2.2 Consolidation

(a) Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the control. The Group controls an entity when it is exposed to or is entitled to its variable returns arising from its involvement with the entity and has the ability to affect such returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date that control ceases.

The identifiable assets acquired and liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values on the date of the acquisition. The Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net assets. The measurement of the non-controlling interest is determined upon each acquisition made. Acquisition-related costs are accounted for in profit or loss for the year as they are incurred.

The consolidated companies and their interests are presented below:

Investees	Country of incorporation	Activity	Interest (%)	
			2022	2021
BMG Leasing S.A.	Brazil	Leasing	99.99	99.99
BMG Bank Cayman Ltd.	Cayman Islands	Banking	100	100
Banco BCV S.A.	Brazil	Banking	100	100
Banco Cifra S.A.	Brazil	Banking	100	100
BMG S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	Securities distributor Business	100	100
ME Promotora de Vendas Ltda.	Brazil	intermediation	80	80
BMG Soluções Eletrônicas S.A.	Brazil	E-commerce Business	99.38	99.38
Help Franchising Participações Ltda.	Brazil	intermediation	99.98	99.98
BMG Participações em Negócios Ltda.	Brazil	Holding company	92.99	92.99
BMG Seguros S.A.	Brazil	Insurance Business	70	70
CBFácil Corretora de Seguros e Negócios Ltda.	Brazil	intermediation	99.99	99.99
CMG Corretora de Seguros	Brazil	Insurance	60	60

Credit Rights Investment Fund	Interest %	
	2022	2021
Fundo de Investimento em Direitos Creditórios NP Esportes	100	100
Investment Fund in Quotas of Multimarket Investment Funds		2022
Romeu Fundo de Investimento em Cotas de Fundos de Investimento Multimercado	100	2021

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary in order to ensure consistency with the policies adopted by the Group.

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Investments, balance sheet account balances, and profit or loss from transactions between the Bank and its direct and indirect subsidiaries have been eliminated in the consolidated financial statements.

Income arising from assigned credit operations is recorded in the "Interest income and similar earnings" account in the statement of income and the financing cost is recorded in the "Interest cost and similar expenses" account.

(ii) Transactions with non-controlling stockholders

The Group treats transactions with non-controlling stockholders as transactions with equity owners of the Group. In purchases of non-controlling interests, the difference between any consideration paid and the share acquired of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity in the "Carrying value adjustment" account.

2.3 Segment reporting

In accordance with IFRS 8, an operating segment is a component of an entity that performs business activities from which revenue can be obtained and in which expenses can be incurred, whose profit or loss can be assessed by the entity's main operational decision-maker, and in relation to which different financial information is available.

The main operational decision maker, responsible for the allocation of funds and the assessment of the performance of the operating segments, is the Executive Board together, which is also responsible for making the Group's strategic decisions.

The management separate this information into two operating segments: Retail Banking and Wholesale Banking.

These operating segments are described below:

- Retail Banking: profit or loss of the Retail Banking segment arises from the offer of banking products and services to individuals.
- Wholesale Banking: profit or loss of the Wholesale Banking segment arises from the offer of banking products and services to legal entities.

Profit or loss by operating segment is presented in the table below:

	2022				
	Retail Banking	Wholesale Banking	Total BRGAAP(i)	IFRS adjustments	Consolidated under IFRS
Financial margin	2,052,253	(19,207)	2,033,046	110,847	2,143,893
Service revenue	88,086	3,060	91,146	24,282	115,428
Profit from financial intermediation	2,140,339	(16,147)	2,124,192	135,129	2,259,321
Expense of allowance for loan losses	(801,689)	(26,579)	(828,268)	(292,856)	(1,121,124)
Recovery of credits written-off as losses	122,265	10,671	132,936	199	133,135
Financial gross income	1,460,915	(32,055)	1,428,860	(157,528)	1,271,332
Total expenses	(1,332,565)	(145,160)	(1,477,725)	(64,240)	(1,541,965)
Equity in the results of associates	1,492	66,188	67,680	(49,200)	18,480
Income (loss) from operations	129,842	(111,027)	18,815	(270,968)	(252,153)
Non-operating (loss)		1,177	1,177	28,051	29,228
Income tax and social contribution	(57,758)	191,149	133,391	99,313	232,704
Profit or loss	72,084	81,299	153,383	(143,604)	9,779

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	2021				
	Retail Banking	Wholesale Banking	Total BRGAAP(i)	IFRS adjustments	Consolidated under IFRS
Financial margin	1,514,040	477,749	1,991,789	16,818	2,008,607
Service revenue	39,107	16,635	55,742	13,815	69,557
Profit from financial intermediation	1,553,147	494,384	2,047,531	30,633	2,078,164
Expense of allowance for loan losses	(485,266)	(185,770)	(671,036)	(91,784)	(762,820)
Recovery of credits written-off as losses	59,610	90,866	150,476		150,476
Gross finance result	1,127,491	399,480	1,526,971	(61,151)	1,465,820
Total expenses	(996,072)	(568,110)	(1,564,182)	22,429	(1,541,753)
Equity in the results of associates	10,666	27,230	37,896	(19,205)	18,691
Income (loss) from operations	142,085	(141,400)	685	(57,927)	(57,242)
Non-operating (loss)		24,673	24,673	27,477	52,150
Income tax and social contribution	5,428	162,890	168,318	8,249	176,567
Profit or loss	147,513	46,163	193,676	(22,201)	171,475

(i) Result calculated in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN).

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Brazilian *reais* (R\$), which is the Bank's functional currency and also the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or of valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

Foreign exchange variations arising from the settlement of such transactions and from the translation of monetary assets and liabilities into foreign currency at the closing foreign exchange rates are recognized as gain or losses in profit or loss for the year in the "Other operating income and expenses" account.

2.5 Cash and equivalents

Cash and cash equivalents include cash in hand, bank deposits and short-term highly liquid money market investments, with maturities of 90 days or less on the date of acquisition, which are used by the Group to manage its short-term commitments, with immaterial risk of change in value.

2.6 Sales with repurchase commitment and purchases with resale commitment

The Group carries out purchase transactions with resale commitment ("resale commitment") and sale transactions with repurchase commitment ("repurchase commitment") of financial assets. The resale commitment and repurchase commitment are accounted for in the "Money market investments" and "Money market funding" accounts, respectively.

The amounts invested in transactions with resale commitment and the amounts raised in transactions with repurchase commitment are recorded initially in the balance sheet at the amounts received in advance or raised and they are cash subsequently recorded at amortized cost. The difference between the sale price and the repurchase price is treated as interest and it is recognized during the term of the agreement using the effective interest method. The interest accrued in transactions with resale commitment and the interest incurred in

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transactions with repurchase commitment is recorded in the “Interest income and similar earnings” and “Interest cost and similar expenses” accounts, respectively.

The financial assets accepted as guarantees in resale commitments can be used, when allowed by the terms of the agreements, as guarantees of repurchase commitments or they can be sold.

In Brazil, the control of the custody of financial assets is centralized and the ownership of the resale commitment and repurchase commitment is temporarily transferred to the buyer. We closely monitor the market value of the financial assets that back the transactions with repurchase commitment and we adjust the amount of the guarantee when appropriate.

The financial assets offered in guarantee to the counterparties are also maintained in the consolidated financial statements. When the counterparty is entitled to sell or use as guarantee the marketable securities offered in guarantee, these securities are reclassified in the balance sheet to an appropriate class of financial assets.

2.7 Financial assets and liabilities

2.7.1 Recognition and measurement

(a) Classification and measurement of financial assets

The Group started to apply IFRS 9 – Financial instruments and classify its financial assets in the following measurement categories:

- (i) Amortized cost;
- (ii) Fair value through other comprehensive income;
- (iii) Fair value through profit or loss.

The subsequent classification and measurement of financial assets will depend on the business model under which cash flows are managed and their characteristics – SPPI Test (Solely Payment of Principal and Interest Test).

The business model refers to how the Bank manages its financial assets to generate cash flows. The business model determines whether the cash flows result from the recognition of contractual cash flows, sale of assets or both. Financial assets can be managed for the purpose of: i) obtaining contractual cash; ii) obtaining contractual cash flows and sale; or iii) others.

The assessment of the business models takes into consideration the risks that affect the performance of the business model, how the business managers are compensated, and how the performance of the business model is assessed and reported to management. If cash flows are realized differently from expectations, the classification of the remaining financial assets maintained in this business model is not changed.

When the financial asset is maintained in the business models i) and ii), the application of the SPPI test is necessary.

SPPI Test: assessment of the cash flows generated by the financial instrument for the purpose of verifying whether they consist only of the payment of the principal and interest. To comply with this concept, cash flows must include only a consideration for the value of money in time and the credit risk.

If the contractual terms introduce an exposure to risks or volatility in cash flows, such as exposure to changes in the prices of equity instruments or commodity prices, the financial asset is classified as measured at fair value through profit or loss. Hybrid contracts must be assessed as a whole, including all the embedded characteristics. A hybrid contract that contains an embedded derivative is accounted for on a joint basis, that is, the entire instrument is measured at fair value through profit or loss.

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(i) Amortized cost

The amortized cost is the amount for which the financial asset or liability is measured upon initial recognition, plus the adjustments made using the effective interest method, less the repayment of the principal and amortization of interest, adjusted for any provision for expected credit loss.

The assets measured at the amortized cost are managed to obtain the cash flows made up only of payments of the principal and interest (SPPI Test).

Assets are recognized initially at fair value plus transaction costs and they are subsequently measured at the amortized cost using the effective interest method.

Interest, including the amortization of premiums and discounts, are recognized in the consolidated statement of income in the "Interest income and similar earnings" account.

In June 2022 the Bank reclassified financial assets from the category "financial assets at fair value through other comprehensive income" to "amortized cost". As established in paragraph 5.6.5 of IFRS 9, as a reflection of the reclassification to accumulated loss previously recognized in other comprehensive income, which was transferred from equity and adjusted against the fair value of the financial asset.

(ii) Financial assets at fair value through other comprehensive income

- Assets managed to obtain the cash flows made up only of payments of the principal and interest (SPPI Test) and for sale;

- Initially and subsequently recognized at fair value plus transaction costs; and

- Unrealized gains and losses (except for the expected credit loss, foreign exchange differences, dividends and interest income) are recognized, net of the applicable taxes, in the "Accumulated comprehensive income" account.

(iii) Financial assets at fair value through profit and loss and financial assets designated at fair value

- Assets that do not meet the classification criteria of the previous categories; or assets designated upon initial recognition as at fair value through profit or loss to reduce "accounting mismatches";

- Initially and subsequently recognized at fair value;

- Transaction costs are directly recorded in the Statement of income; and

- Gains and losses arising from changes in fair value are recognized in the "Net gain (loss) from investments in securities and derivatives" account.

The Group irrevocably designates financial assets at fair value through profit and loss upon initial recognition (fair value option) when the option significantly reduces or eliminates measurement or recognition inconsistencies that, otherwise, could result from the measurement of assets and liabilities or the recognition of gains and losses on these assets and liabilities on different bases.

Effective interest rate

The effective interest rate is the rate that discounts future estimated receipts or payments over the expected life of the financial asset or liability. For the calculation of the effective interest rate, cash flows are estimated taking into consideration all contractual terms of the financial instrument, but not the future credit loss. The calculation includes all commissions paid or received between the parties to the contract, the transaction costs and all other premiums or discounts. Interest income is calculated by applying the effective interest rate on the gross carrying amount of the financial asset.

In the case of financial assets with recovery problems, the adjusted effective interest rate is applied (considering the expected credit loss) at the amortized cost of the financial asset.

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(iv) Financial liabilities at amortized cost

The financial assets that are not classified at fair value through profit or loss are classified in this category and, initially, they are recognized at fair value and, subsequently, they are measured at the amortized cost using the effective interest method. Interest cost is presented in the consolidated statement of income in “Interest cost and similar expenses”.

Borrowings or onlendings of financial assets represent the credit assignment obligations with or without co-obligation. The amounts are represented at the present value of future financial commitments, decapitalized at the original credit assignment rate.

(b) Hedging

The Group adopts hedge accounting and chose to adopt IFRS 9, continuing to apply the IAS 39 criteria, as allowed in the initial adoption.

In accordance with IAS 39, to qualify as accounting hedge, all the following conditions must be met:

- hedging relationship is at its inception formally designated and documented, together with entity's risk management objective and strategy for undertaking the hedge.
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk (consistently with the documentation) for this hedging relationship in particular.

IAS 39 then describes the rules for three types of hedging: fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. The bank does not have net investment hedge in operations abroad.

The fair values of the many derivative instruments used for hedging purposes are disclosed in Note 7. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining period to maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining period to maturity of the hedged item is less than 12 months.

(i) Fair value hedge

For the derivative financial instruments that are designated and qualify as fair value hedge, the following practices apply:

- a) the gain or loss resulting from the new measurement of the hedging instrument at fair value should be recognized in profit or loss; and
- b) the gain or loss resulting from the hedged item attributable to the effective portion of the hedged item should adjust the carrying amount of the hedged item that will be recognized in profit or loss.

When the derivative expires or is sold, when the hedge no longer meets the criteria for hedge accounting or when the entity revokes the designation, the entity must prospectively discontinue the hedge accounting. Additionally, any adjustment to the carrying amount of the hedged item must be amortized in profit or loss.

(ii) Cash flow hedge

The effective portion of the changes in the fair value of the derivative financial instruments that are designated and qualified as a cash flow hedge is recognized in other comprehensive income in the “Carrying value adjustment” account. The gain or loss relating to the ineffective portion is immediately recognized in the statement of operations within “Interest and similar proceeds income and expenses”.

The amounts accumulated in other comprehensive income are realized in the statement of income in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). For the derivative financial instruments that are designated or qualify as cash flow hedge, the effective portion of the gains or losses on the derivative is directly recorded in other comprehensive income and reclassified to profit or loss in the same period or periods when the hedged transaction affects profit or loss. The portion of gains and

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losses on the derivative financial instruments that represent the ineffective portion or the components of the *hedge* excluded from the effectiveness analysis is recognized in profit or loss. The amounts originally recognized in the accumulated comprehensive income and subsequently reclassified to profit, or loss are recognized in the corresponding income or cost line in which the related hedged item is reported.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in comprehensive income and is recognized in profit or loss when the transaction is recognized in the statement of income. When a transaction is no longer expected to occur, the accumulated gain or loss that was reported in other comprehensive income is immediately transferred to the statement of income within "Interest income and similar earnings" and "Interest cost and similar expenses".

(c) Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and this does not change substantially its terms and conditions, the Group does not write them off. However, the gross carrying amount of this financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted by the original effective interest rate. Any costs or fees incurred adjust the modified carrying amount and are amortized over the remaining term of the financial asset. If, on one hand, the renegotiation or modification substantially changes the terms and conditions of the financial asset, the Group writes down the original asset and recognizes a new one. The date of the renegotiation is, consequently, considered as the date of initial recognition of the new asset for the purpose of calculating the expected credit loss, including determining significant increases in credit risk. The Group also assesses whether the new financial asset can be considered as originated or purchased with credit recovery problems, particularly when the renegotiation was motivated by financial difficulties of the debtor. Differences between the carrying amount of the original asset and the fair value of the new asset are immediately recognized in the Statement of income.

(d) Transfer of financial assets

Financial assets are derecognized when the rights to receive cash flows expire or when all risks and rewards of ownership are substantially transferred, and such transfer qualifies for derecognition in accordance with the requirements in IFRS 9. If it is not possible to identify the transfer of all risks and rewards, the control must be assessed to determine if the continuous involvement related to the transaction does not prevent the derecognition. If, during the assessment, the retention of risks and rewards is not characterized, the financial asset remains recorded, and a liability is recognized for the consideration received.

(i) Derecognition of financial assets

When there are no reasonable expectations of recovery of a financial asset, taking into consideration the historical curves, the financial asset is totally or partially derecognized together with the reversal of the provision for expected credit loss, with no effects on the Group's statement of income. The subsequent recoveries of the amounts previously derecognized are accounted for as income in the statement of income.

(e) Fair value

Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an arm's length transaction between market participants on the measurement date.

(f) Equity instruments

An equity instrument is any contract that provides a residual participation in the assets of an entity, after the deduction of all of their liabilities, such as shares and quotas.

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The Group subsequently measures all of its equity instruments at fair value through profit or loss, except when management chooses, upon initial recognition, to irrevocably designate an equity instrument as at fair value through other comprehensive income if it is maintained for a purpose other than to generate profit. When this choice is made, the gains and losses in the fair value of the instrument are recognized in Accumulated comprehensive income and are not subsequently reclassified to the statement of income, even upon sale. Dividends continue to be recognized in the statement of income when the Group's right is recognized.

Gains and losses in equity instruments measured at fair value through profit or loss are accounted for in the statement of income.

2.8 Financial lease operations (as lessor)

When the assets are the subject matter of a financial lease, the present value of the payments is recognized as a receivable in the consolidated balance sheet in the "Loan and lease operations" account.

The initial direct costs, when incurred by the Group, are included in the initial measurement of the lease receivables, reducing the amount of the income recognized over the term of the lease. These initial costs often include commissions and attorneys' fees.

The recognition of interest income reflects a constant return rate on the Group's net investment and takes place in the consolidated statement of income in the "Interest income and similar earnings" account.

2.9 Provision for impairment of financial assets

Expected credit loss

The Group assesses the expected credit loss associated with financial assets measured at amortized cost or fair value through other comprehensive income, with loan commitments and with financial guarantee contracts on a prospective basis. The provision for expected credit loss is recognized in the Statement of Income on a monthly basis.

Measurement of expected credit loss

- Financial assets: the loss is measured at the present value of the difference between the contractual cash flows and the cash flows the Bank expects to receive discounted at the effective rate charged;
- Loan commitments: the loss is measured at the present value of the difference between the contractual cash flows that would be due if the loan was contracted, and the cash flows the Bank expects to receive;
- Financial guarantees: the loss is measured by the difference between the payments expected to reimburse the counterparty and the amounts expected to be recovered by the Bank.

The expected loss estimation methodology considers the use of the following factors:

- Exposure to Default (EAD): is the value exposed to credit risk, using as reference the outstanding balance of the contracts and the possibility of using the approved limits;
- Default Probability (PD): it is defined as the probability of the counterparty not honoring its contractual payment obligations, using historical data and registration information of customers and contracts for estimation;
- Default Loss (LGD): is the percentage of exposure that is not expected to be recovered in case of default, using for estimation historical parameters of delay levels, guarantees of operations and coverage by credit insurance.

The Group assesses in every reporting period whether the credit risk significantly increased based on reasonable and sustainable information that is relevant and available without undue cost or effort, including qualitative,

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quantitative and prospective information. Prospective information is based on macroeconomic scenarios reassessed every year or whenever market conditions so require.

The Group classifies assets in three stages to measure the expected credit loss, in which the financial assets migrate from one stage to another in accordance with the changes in credit risk.

Stage 1: It is understood that a financial instrument in this stage does not present a significant increase in the risk from its initial recognition. The provision for this asset represents the expected loss resulting from possible non-compliance in the next 12 months;

Stage 2: If a significant increase in the risk is identified from the initial recognition, and no deterioration is realized, the financial instrument falls within this stage. In this case, the amount related to the provision for expected loss due default reflects the estimated loss of the financial instrument remaining life. To assess the significant increase in credit risk, quantitative measurement indicators used in regular credit risk management will be used, as well as other qualitative variables, such as the indication of a non-deteriorated operation is it is considered refinanced or operations included in a special agreement, and;

Stage 3: A financial instrument is registered in this stage when it shows indications of clear impairment arising from one or more past event that already materialized in a loss. In this case, the amount related to the provision for losses reflects the expected losses arising from the credit risk in the expected financial instrument remaining life.

Change of stage

An asset will migrate from one stage to another as the credit risk increases. If, in a subsequent period, the quality of a financial asset improves or the significant increase in the credit risk that was previously identified reverses, the financial asset may return to the stage 1, unless it is a financial asset originated or acquired with credit recovery problems.

Domestic and foreign government bonds are considered financial assets with low credit risk and, therefore, they remain in stage 1, in accordance with a study carried out by the Group.

The Group assesses whether the credit risk significantly increased on an individual or collective basis. For the purpose of a collective assessment, financial assets are grouped based on credit risk characteristics shared, taking into consideration the type of instrument, credit risk ratings, the initial recognition date, the remaining term, industry, geographic position of the counterparty among other relevant factors.

2.10 Available for sale non-current assets

In conformity with IFRS 5, assets whose carrying amount can be recovered, particularly by means of a sales transaction instead of the continuous use, were recorded in this category.

They are composed of real estate properties, machinery and equipment and vehicles not used in operations, which were acquired or received as payment in kind.

These assets are sold when they are received as payment in kind. However, those whose negotiation may reveal to be difficult are periodically assessed for impairment based on a technical report.

2.11 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of the assets and liabilities of the acquired subsidiary. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated financial statements. If negative goodwill is determined, the amount is recorded as a gain in the statement of income on the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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The goodwill is allocated to the Cash Generating Units (“UGC”) for the purposes of impairment testing. The goodwill is allocated to the Cash Generating Units or to the groups of Cash Generating Units, which may benefit from the business combination from which the goodwill originated and they are identified in accordance with the operating segment.

2.12 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be reliably measured. All other repair and maintenance costs are charged to expenses as incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method as follows:

	Years
Buildings	Between 20 and 25
Security system	Between 18 and 20
Installations	Between 8 and 10
Furniture and equipment in use	Between 8 and 10
Communication system	Between 8 and 10
Vehicles	Between 3 and 5
Data processing system	Between 3 and 5

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.13).

The gains and losses on disposals are determined based on the comparison of results with the carrying amount and they are recognized in the “General and administrative expenses” account.

2.13 Provision for impairment of financial assets

Non-financial assets are reviewed for impairment at the balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized by the excess of the asset’s carrying amount over its recoverable amount. The recoverable amount is the highest of an asset’s fair value less costs to sell and its value in use. For the purpose of assessing the provision for impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (“UGCs”)). The non-financial assets for which a provision for impairment was recognized, except goodwill, are reviewed for an analysis of a possible reversal of the provision for impairment on the date of the presentation of the financial statements.

2.14 Provisions

Provisions for judicial actions (labor, civil and tax) are recognized when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

When there are a number of similar obligations, the probability of settling them is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of settlement related to any one item included in the same class of obligations is small.

These judicial actions are assessed based on the best estimates of management, taking into consideration the opinion of legal advisors when it is likely that financial resources will be required to settle the obligations and that the amount of the obligations can be reliably estimated.

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2.15 Current and deferred income tax and social contribution

The provision for current taxes is constituted at the rate of 15% on the calculated profit plus an additional 10% on that which exceeds R\$20/month, for income tax, 20% for Social Contribution on Net Profit "CSLL" according to Constitutional Amendment No. 103 of November 12, 2019 from January 2022 to July 2022 and, 21% between August 1 and December 31, 2022 according to Law No. 14.446/22.

The deferred income tax and social contribution are represented by the tax credits and deferred tax liabilities obtained by the differences between the accounting calculation basis and the tax calculation basis, in accordance with the tax rules and legislation, at the tax rates in effect on the date they are created.

The tax credit arising from tax loss carryforwards is only recognized if there is sufficient future taxable income for its offset.

2.16 Profit sharing

The Group recognizes a liability and an expense for profit sharing based on a methodology that takes into consideration the profit attributable to the Group's stockholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.17 Share Capital

The share capital is composed of common and preferred shares, nominative and with no par value (Note 22 (a)).

2.18 Revenue recognition

The most significant criteria used by the Group to recognize its income and costs are summarized below:

(a) Interest income, interest cost and similar earnings and expenses

Interest income, interest expenses and similar earnings and expenses are recognized using the effective interest method. For the loan operations in which the payment of principal and interest is overdue for 60 days or more, interest income will no longer be recognized.

(b) Commissions, fees and similar items

Income and costs from fees and commissions are recognized in the consolidated statement of income, as part of the effective interest rate, using criteria that vary in accordance with their nature. The main criteria are as follows:

- Income and costs from fees and commissions, related to financial assets and liabilities measured at fair value in profit or loss are recognized when they are incurred.
- Income and costs resulting from transactions or services carried out over a long period of time are recognized over the life of these transactions or services using the straight-line method.
- Income and costs related to services provided in a single act are recognized upon the performance of this single act.

(c) Non-financial income and expenses

They are recognized for accounting purposes on the accrual basis.

(d) Deferred charges and payments

They are recognized for accounting purposes at the amount resulting from the discount of expected cash flows at market rates.

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2.19 Earnings per share

Earnings per share are calculated by the division of profit attributed to the Group's controlling stockholders by the weighted average number of common and preferred shares outstanding every year. The weighted average number of shares is calculated based on the periods in which the shares were outstanding.

2.20 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Group's stockholders is recognized as a liability in the Group's financial statements at the semester, or when declared, based on the Group's By-Laws, calculated based on profit or loss determined in accordance with the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil. Any amount that exceeds the minimum required is only provided on the date it is approved by the stockholders at the General Stockholders' Meeting.

The tax benefit from interest on capital is recognized in the statement of income.

2.21 New Pronouncements and Changes and Interpretations of Existing Pronouncements

(a) Accounting Pronouncements that have been issued and are applicable to future periods

- IFRS 17 - Insurance Contracts: The statement replaces IFRS 4 - Insurance Contracts and presents three approaches for evaluation:

- Standard Model: applicable to all insurance contracts without direct participation;
- Premium Allocation Approach (PAA): applicable to contracts with a duration of up to 12 months or when it produces results similar to what would be obtained if the standard model were used. It is simpler than the default model;
- Variable Fee Approach: applicable to insurance contracts with direct participation. Insurance contracts that are substantially service contracts related to investments under which an entity promises a return on investment based on the underlying items.

Insurance contracts must be recognized through the analysis of four components:

- Expected Future Cash Flows: estimate all components of the contract cash flow, considering inputs and outputs of resources;
- Risk Adjustment: estimate of the compensation required by the deviations that may occur between cash flows;
- Contractual Margin: difference between any amounts received before the beginning of contract coverage and the present value of estimated cash flows at the beginning of the contract;
- Discount: projected cash flows should be discounted to present value, so as to reflect the value of the money over time, at rates that reflect the characteristics of the respective flows.

This rule is effective for fiscal years beginning on January 1, 2023. The possible impacts are being assessed and will be concluded by the date of entry into effect of the rule.

3. Critical accounting estimates and judgments

Estimates and judgments are continually reassessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are described below. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are described below.

These estimates are based on current expectations and on estimated projections of future events and trends that may affect the consolidated financial statements. The main assumptions that can affect these estimates, in addition to those previously mentioned, are related to the following factors: The main assumptions that can affect these estimates, in addition to those previously mentioned, are related to the following factors:

- Variation in the amounts deposited, in client base and in borrowers' default rates.
- Changes in interest rates.
- Changes in inflation rates.
- Government regulations and tax issues.
- Adverse legal proceedings or disputes.
- Credit, market and other risks arising from credit and investment activities.
- Changes in the market values of Brazilian securities, especially Brazilian government bonds.
- Changes in regional, national and international business and economic conditions.

(a) Measurement of the provision for impairment of financial assets in "Financial Assets Measured at Amortized Cost"

Assets classified in the Financial assets measured at amortized cost category are stated at amortized cost and adjusted by the effective interest rate.

On the base date of the financial statements, the Group must assess the losses inherent to the financial assets measured at the amortized cost. The determination of impairment losses on loans and receivables requires a high level of judgment that involves different evaluation criteria, such as an analysis of the specific characteristics of each loan and receivable portfolio, the existing guarantees and the risk of the operations.

The Group uses internal models to analyze the portfolios of loans and receivables and determine the required provision for losses in accordance with Note 2.9. These models use statistical factors of historical losses observable from a time window that is sufficient to capture seasonal effects and remove the effects of unusual market conditions for groups of loans with similar risk characteristics.

(b) Provision, Contingent Liabilities and Contingent Assets

The group periodically reviews its contingencies. These contingencies are assessed based on the best estimates of management, taking into consideration the opinion of legal advisors when it is likely that financial resources will be required to settle the obligations and that the amount of the obligations can be reliably estimated. For the contingencies classified as "Probable", provisions are recognized in the Balance Sheet in the "Provisions" account, as described in Note 19.

The amounts of contingencies are measured using models and criteria that allow their proper measurement despite the uncertainty that is inherent to terms and amounts.

(c) Deferred income tax and social contribution

Deferred tax assets are recognized only in relation to temporary differences to the extent that it is probable that the Group will have future taxable income against which deferred tax assets can be used. Other deferred tax assets (tax credits and tax loss carryforwards) are recognized only when it is probable that the Group will have

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sufficient future taxable profits against which such credits can be used. In accordance with current regulation, the expected realization of the Group's tax assets is based on the projection of future revenue and technical studies.

(d) Impairment of Goodwill

The review of the impairment allowance reflects the Group's best estimate of future cash flows from Cash Generating Units (CGUs), with the identification of CGUs and the estimation of their fair value minus selling costs and/or value in use. These flows are subject to market conditions and uncertain factors, as follows:

- Projected cash flows for the periods of available forecasts and long-term assumptions of these flows;
- Discount rates as they generally reflect financial and economic variables, such as the risk-free interest rate and a risk premium.

CGUs or CGU groups are identified at the lowest level at which goodwill is monitored for internal administration purposes. Goodwill is allocated to cash flow generating units for the purpose of the impairment test.

4. Financial risk management

The Group's activities expose it to several financial risks: market risk (including currency risk, fair value and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a specific office of the Group in accordance with the policies approved by the Board of Directors. The Group's Risk department identifies, assesses and protects the Group against any financial risks in co-operation with the Group's operating units. The Board of Directors establishes written principles for overall risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment of cash surplus, and these principles are monitored through reviews of the Asset and Liability Committee ("ALCO").

4.1 Credit and socioenvironmental risk

The Group is exposed to credit risk, which is the risk that arises when a counterparty causes a financial loss by failing to settle an obligation. Significant changes in the economy or in the financial health of a particular economic activity segment that represents a concentration in the portfolio held by the Group may result in losses that differ from those for which a provision is recognized at the balance sheet date. Therefore, management carefully controls the exposure to credit risk.

Exposures to this type of risk mainly arise from direct loan operations, indirect loan operations (onlendings with the intermediation of financial agents) and other financial instruments. There is also the credit risk in connection with financial agreements that are not recorded in the balance sheet, such as loan commitments. Credit risk control and management are carried out by the Risk Department.

Banco Bmg's Socio-environmental Responsibility policy, which follows the provisions of CMN Resolution No. 4.327/2014, institutes 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 analyses for the purpose of credit and supplier management, conducted 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.

4.1.1 Maximum exposure to credit risk

The table below presents the maximum exposure to credit risk, without considering the guarantees received or other credit improvements.

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	2022	2021
Cash and deposits on demand	289,621	357,619
Money market		49,998
Compulsory deposits in the Central Bank	1,021,837	152,121
Financial assets stated at fair value through other comprehensive income – marketable securities	2,896,911	10,125,495
At fair value through profit or loss	2,234,717	1,640,104
At fair value through profit or loss - Derivative financial instruments	267,650	394,715
Financial assets measured at amortized cost	30,325,004	15,594,238
Off-balance	8,104,327	6,204,423
Guarantees and sureties	252,176	254,584
Credits to be released	7,852,151	5,949,839
Total maximum exposure to credit risk	45,140,067	34,518,713

For assets recorded in the balance sheet, the exposures described are based on net carrying amounts. This analysis includes only the financial assets that are subject to credit risk, and non-financial assets are not included.

As shown in the table above, the most significant exposure arises from loans and receivables and available-for-sale financial assets.

The credit risk limits are determined based on internal or external classifications in accordance with the limits determined by the Board of Directors. The use of the credit limits is regularly monitored. See Note 4.1.4 for further disclosure on credit risk.

4.1.2 Risk limit control and mitigation policies

The Group manages, limits and controls credit risk concentrations whenever they are identified, particularly for counterparties and individual groups. Management structures the risk levels it assumes, establishing limits on the acceptable risk extent related to a specific debtor and groups of debtors. These risks are monitored on a rotating basis and are subject to annual or more frequent reviews, when necessary, and are approved by the proper authorities that are determined by the Corporate Credit Committee. The payroll loan credit card is a large volume mass-market product with low average ticket, which reduces the credit concentration risk.

Credit risk exposure is also managed by the regular analysis of actual and potential borrowers with regard to the payments of the principal amount and interest and of the changes of limits when appropriate.

One of the ways to mitigate credit risk is to take guarantees on the release of funds. The Group implements guidelines on the acceptance of specific classes of guarantees or mitigation of credit risk. The main types of guarantees for loan operations are:

- Trust receipt;
- Pledge;
- Mortgage;
- Promissory note;
- Letter of guarantee.

The internal classification tool helps the Group determine the objective evidence of the provision for impairment in accordance with IFRS 9, based on the criteria described in Note 2.9.

4.1.3 Quality of financial assets

The quality of the Group's financial assets, which are assessed on an individual basis, is measured in accordance with the internal risk classification and is presented as follows:

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	Internal risk classification			2022
	Low	Medium	High	
Cash and deposits on demand	289,621			
Compulsory deposits in the Central Bank	1,021,837			
Financial Assets Measured at Amortized Cost - Credit Operations	20,980,050	894,137		1,092,471
Financial assets stated at fair value through other comprehensive income – marketable securities	2,896,911			
At fair value through profit or loss	2,234,717			
At amortized cost - Marketable securities	7,745,602			
Derivative financial instruments	267,650			
	Internal risk classification			2021
	Low	Medium	High	
Cash and deposits on demand	357,619			
Money market	49,998			
Compulsory deposits in the Central Bank	152,121			
Financial Assets Measured at Amortized Cost - Credit Operations	14,604,413	557,473		838,007
Financial assets stated at fair value through other comprehensive income – marketable securities	10,125,495			
At fair value through profit or loss	1,640,104			
At amortized cost - Marketable securities	103,543			
Derivative financial instruments	394,715			

4.1.4 Concentration of risks

The individual risk limits in loan operations are determined in specific operational regulations.

These limits are frequently monitored and, in the event of departure from the limit, the officer responsible for risk management will be immediately communicated and will have to develop and manage the performance of an action plan for correction and adjustment.

The high volume of operations carried out by the Institution requires a complex structure of technology environment to process these transactions and internal controls.

4.2 Market risk

Market risk is defined as the possibility of losses resulting from the variation of market prices and rates due to the mismatching of terms, currencies and indexes in the positions held by the Group. Operations classified as market risk sources are those subject to changes in foreign exchange rates, interest rates and commodity prices. The portfolios

of held-for-trading investments include all the securities owned by the investment funds, the daily changes in which are regularly monitored.

Financial instruments that are not designated for trading basically correspond to Marketable securities. This portfolio includes interest rate, price index and foreign exchange risks. The measurement techniques used to measure and control the market risk are described below:

Market risk measurement techniques

Value at Risk (“VaR”)

VaR is an estimate based on potential loss statistics for the current investment portfolio arising from adverse changes in market conditions. It expresses the “maximum” amount that the Group can lose at a certain confidence level (99%). There is, therefore, a one percent (1%) probability that actual losses are higher than the VaR estimate.

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This model presumes a holding period for all positions (10 days). In addition, it also presumes that changes during such period will maintain a pattern similar to the changes that occurred in previous ten-day holding periods. The VaR is used to measure the risk of banking portfolio financial operations that are subject to changes in fixed interest rates denominated in Brazilian reais and in the Long-Term Interest Rate (TJLP), changes in price indexes denominated in the Broad Consumer Price Index (IPCA) and the General Market Price Index (IGP-M), and the foreign exchange variation. These limits are daily monitored by the Risk Department.

Stress test

As in the management of market risk exposure, financial instruments are segregated into trading and banking portfolios according to best market practices and to the operation classification and capital management criteria of Basel III New Standardized Approach of Bacen. The banking portfolio consists of commercial and structural operations arising from the different business lines of the Group and their hedges. Therefore, the entire portfolio of the Group to be analyzed regarding market risk is classified as banking.

The summarized table below shows the effects of price variations in the projected scenarios and does not necessarily reflect the current position, in view of the market dynamics and the Group's activities.

Stress tests provide an indication of the potential volume of losses that might arise from extreme market situations. The stress tests for the banking portfolio are conducted by the Risk Department.

		Banking portfolio		
		2022		
Risk factors	Definition	Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to foreign exchange variation	(1,957)	(4,892)	(9,784)
Interest rates in reais	Exposures subject to changes in fixed interest rates	(42,625)	(106,561)	(213,123)
Foreign exchange coupon	Exposures subject to changes in foreign exchange coupon rates	(33,393)	(8,483)	(16,967)
IPCA / IGP-M	Exposures subject to changes in price index coupon rates	12,041	30,102	60,205
Total		(65,934)	(89,834)	(179,669)

		2021		
Risk factors	Definition	Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to foreign exchange variation	(31)	(78)	(157)
Interest rates in reais	Exposures subject to changes in fixed interest rates	(35,240)	(88,101)	(176,202)
Foreign exchange coupon	Exposures subject to changes in foreign exchange coupon rates	(738)	(1,846)	(3,692)
IPCA / IGP-M	Exposures subject to changes in price index coupon rates	(166)	(415)	(829)
Total		(36,175)	(90,440)	(180,880)

The Group's financial instruments are classified as banking portfolio and they comprise loan operations, instruments for the raising of financial resources to be used to finance the loan portfolio, available-for-sale marketable securities and derivative financial instruments to be used to *hedge* other operations classified in this portfolio (asset or liability).

The risk factors identified are as follows:

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- Interest curve – loss arising from price variations due to variations in Brazilian real-denominated fixed interest rates;
- Foreign exchange coupon – loss arising from price variations due to variations in the domestic interest rate for operations indexed to foreign exchange variation;
- Foreign exchange – loss arising from price variations due to variations in any currency.
- IPCA / IGP-M: loss arising from price index variations.

Assumptions for the risk factors

Scenario	Interest curve (fixed) and Foreign exchange coupon curve	Foreign exchange
1	Parallel shift of + 100 basis points	10% increase
2	Parallel shift of + 250 basis points	25% increase
3	Parallel shift of + 500 basis points	50% increase

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

4.3 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from the exposure of some currencies, primarily with respect to the U.S. dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management established a policy that requires the Group companies to manage their foreign exchange risk. The Group companies whose operations are exposed to foreign exchange risk are required to hedge their foreign exchange risk exposure through swap operations carried out under the guidance of the Group' Treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is different from the entity's functional currency.

Concentrations of currency risk—financial instruments recorded in the balance sheet

	2022	2021
Assets		
Investments in foreign currency (U.S. dollar)	83,560	173,613
Total financial assets	83,560	173,613
Total derivatives – Assets (U.S. dollar)	128,015	50,410
Total derivatives – Liabilities (U.S. dollar)	(92,125)	(14,144)
Net financial position recorded in the balance sheet	35,890	36,266

4.4 Cash flow or fair value risk associated with interest rate

The Group's interest rate risk arises mainly from funding via time deposits, interbank deposits and credit lines (FINAME) from the National Bank for Economic and Social Development (BNDES). Funds raised at variable rates expose the Group to cash flow interest rate risk. Meanwhile, funds raised at fixed rates (especially subordinated debts and short-term notes) expose the Group to the fair value interest rate risk. In 2020 and 2019, the Group's variable rate loans were mainly maintained in Brazilian reais.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and financing. Based on these scenarios, the Group calculates the impact on the result of a defined interest rate shift. For each simulation, the same interest rate shift

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is used for all the currencies. The scenarios are run only for the liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The fixed rates that result from this swap operation are lower than those available if the Group borrowed at fixed rates directly.

The table below summarizes the Group's exposure to interest rate risk and includes financial instruments at their carrying amounts, categorized by the earliest contractual amendment or maturity dates.

	2022			
	Within 90 days	From 91 to 360 days	Over 360 days	Total
Compulsory deposits in the Central Bank	1,021,837			1,021,837
At fair value through profit or loss - Derivative financial instruments (Note 7)	53,153	179,802	34,695	267,650
Financial assets stated at fair value through other comprehensive income – marketable securities (Note 6)	163,052	701,994	2,031,865	2,896,911
Financial assets measured at amortized cost (Note 6)	9,820,545	4,812,601	15,691,858	30,325,004
At fair value through profit or loss (Note 6)	22,029		2,212,688	2,234,717
Total financial assets	11,080,616	5,694,397	19,971,106	36,746,119
Financial liabilities measured at amortized cost (Note 12)	11,086,379	4,724,161	20,685,179	36,495,719
Derivative financial instruments (Note 7)	61,016	24,542	6,567	92,125
Total financial liabilities	11,147,395	4,748,703	20,691,746	36,587,844

	2021			
	Within 90 days	From 91 to 360 days	Over 360 days	Total
Money market (Note 5)	49,998			49,998
Compulsory deposits in the Central Bank	152,121			152,121
At fair value through profit or loss - Derivative financial instruments (Note 7)	54,029	192,107	148,579	394,715
Financial assets stated at fair value through other comprehensive income – marketable securities (Note 6)	259,536	194,922	9,671,037	10,125,495
Financial assets measured at amortized cost (Note 6)	5,940,126	3,464,284	6,189,828	15,594,238
At fair value through profit or loss (Note 6)		17,626	1,622,478	1,640,104
Total financial assets	6,455,810	3,868,939	17,631,922	27,956,671
Financial liabilities measured at amortized cost (Note 12)	8,797,991	5,197,546	14,045,454	28,040,991
Derivative financial instruments (Note 7)	48,716	15,907	709	65,332
Total financial liabilities	8,846,707	5,213,453	14,046,163	28,106,323

Financial exposure of derivative financial instruments

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Risk factors				
Fixed rate	1,568,446	2,877,484	811,137	2,318,939
Foreign currency	2,796,454	1,434,910	1,663,795	815,132
IPCA	736,446		1,296,683	
Others	12,949	621,113	717,023	1,037,507
Total	5,114,295	4,933,507	4,488,638	4,171,578

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4.5 Liquidity risk

Liquidity risk is the possibility that the Group will not have sufficient financial resources to meet its obligations due to the mismatch between payments and receipts, taking into consideration the different currencies and the settlement terms of their rights and obligations.

Liquidity risk management process

Liquidity Risk Management is carried out on a daily basis by the Risk Department through an internal system. The Group's Liquidity Risk Policy sets forth limits (liquidity buffer), which are monitored by ALCO, and, if they are extrapolated, the responsible Committee must be informed. For the decision-making processes, reports, such as cash flow, cash projection for the next six months and effective cash versus limits established and made available by Treasury, are prepared.

Funding approach

The main objective of the Group's Treasury is to provide liquidity to ensure that its financial obligations will be met, ensuring the business sustainability through funding at competitive rates and the diversification of its refinancing sources by counterparty, currency, product and term. In addition, it is aimed at mitigating financial risks through the follow-up and monitoring of the risks inherent to the business, such as market risk and liquidity risk.

Undiscounted cash flows

The table below presents the cash flows in accordance with financial assets and liabilities, described by the remaining contractual maturity after the balance sheet date. The amounts disclosed in the table are the contracted undiscounted cash flows, whose liquidity risk is managed based on expected undiscounted cash inflows.

	2022				
	Within 90 days	From 91 to 360 days	From 361 to 1800 days	Over 1800 days	Total
Undiscounted cash flows					
Cash and deposits on demand	289,621				289,621
Financial assets measured at amortized cost	13,545,541	3,990,781	4,850,206	7,076,023	29,462,551
Financial assets stated at fair value through other comprehensive income – marketable securities	163,052	43,870	2,086,606	70,788	2,364,316
Financial assets at fair value through profit – marketable securities	22,029			2,212,688	2,234,717
At fair value through profit or loss - Derivative financial instruments	53,153	179,802	34,695		267,650
Total receivable	14,073,396	4,214,453	6,971,507	9,359,499	34,618,855
Deposits					
Demand deposit	344,345				344,345
Time deposit	1,164,331	4,263,994	18,776,023	763,539	24,967,887
Assignments	41,084	120,879	590,448		752,411
Interbank deposits	154,801	23,053			177,854
Derivative financial instruments	61,016	24,542	6,567		92,125
Marketable securities and financial bills	78,711	588,839	2,667,067	1,819,387	5,154,004
Borrowings and onlendings	11,368	21,750	20,833	536,629	590,580
Subordinated financial bills and debt			21,443	377,393	398,836
Total payable	1,855,656	5,043,057	22,082,381	3,496,948	32,478,042
Difference receivable (payable)	12,217,740	(828,604)	(15,110,874)	5,862,551	2,140,813

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	2021				
	Within 90 days	From 91 to 360 days	From 361 to 1800 days	Over 1800 days	Total
Undiscounted cash flows					
Cash and deposits on demand	357,619				357,619
Money market	49,998				49,998
Financial assets measured at amortized cost	11,342,592	1,588,290	3,318,383	1,452,386	17,701,651
Financial assets stated at fair value through other comprehensive income – marketable securities	188,367	195,218	10,246,626	1,128,904	11,759,115
Financial assets at fair value through profit	17,626			1,622,478	1,640,104
At fair value through profit or loss - Derivative financial instruments	54,029	192,107	148,579		394,715
Total receivable	12,010,231	1,975,615	13,713,588	4,203,768	31,903,202
Deposits					
Demand deposit	256,186				256,186
Time deposit	1,766,509	3,794,735	12,200,030	1,607,553	19,368,827
Assignments	6,593	120,879	590,448		717,920
Interbank deposits	28,654	41,457	7,547		77,658
Derivative financial instruments	48,716	15,907	709		65,332
Marketable securities and financial bills	91,796	228,042	783,005	234,354	1,337,197
Borrowings and onlendings	45,964	5,000	110,546	401,063	562,573
Subordinated financial bills and debt			19,317	110,169	129,486
Total payable	2,244,418	4,206,020	13,711,602	2,353,139	22,515,179
Difference receivable (payable)	9,765,813	(2,230,405)	1,986	1,850,629	9,388,023

4.6 Capital management

The objectives of the Group when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group can make adjustments to the amount of dividends paid to stockholders, issue new shares or sell assets to reduce, for example, debt.

In accordance with CMN Resolution No. 4,557 /17 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 addition, equity used for calculating the Regulatory capital is the equity calculated according to the accounting practices applicable to institutions authorized to operate by the Central Bank of Brazil (Bacen) and not to IFRS.

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The Basel ratio and regulatory capital calculated to meet the rules of Brazilian Central Bank are as follows:

	Basel III	
	2022	2021
Tier I regulatory capital	2,514,225	2,624,984
Common equity tier I	2,399,428	2,515,851
– Equity (i)	4,109,106	4,067,124
– Prudential adjustments – Resolution No. 4,192/13 CMN	(1,709,678)	(1,551,273)
Complementary capital (ii)	114,797	109,133
- Subordinated debt	114,797	109,133
Tier II Reference equity (ii)	275,463	20,353
- Subordinated debt	275,463	20,353
Reference equity - (Tier I + Tier II) (a)	2,789,688	2,645,337
Risk-weighted assets – RWA (b)	22,988,003	18,043,171
Appropriation of capital		
– Credit risk	21,229,695	16,841,914
– Market risk	195,377	102,150
– Operational risk	1,562,931	1,099,107
Solvency ratio (a / b) (iii)	12.14%	14.66%
Tier I capital	10.94%	14.55%
– Common equity tier 1	10.44%	13.94%
– Complementary capital	0.50%	0.61%
Tier II capital	1.20%	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”.	127,896	254,055
Fixed assets ratio	42.63%	40.98%
Excess capital in relation to fixed assets	205,650	238,573

(i) Equity of the Prudential Conglomerate, as provided to Resolution No. 4,955, of October 21, 2021; and

(ii) See note 17.

(iii) Including the payment of interest on shareholders' capital (see note 19 (c)), and the issuance of Subordinated Financial Bills ("LFSN") (see note 28 (g)), the Basel ratio would reach the value of 13.5% in September 2022.

4.7 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.

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The table below presents the assets and liabilities measured at fair value on September 30, 2022.

Description	Level 1	Level 2	Total
Assets			
Financial assets stated at fair value through other comprehensive income – marketable securities	2,896,911		2,896,911
At fair value through profit or loss		2,234,717	2,234,717
Derivative financial instruments		267,650	267,650
Total assets	2,896,911	2,502,367	5,399,278
Liabilities			
Derivative financial instruments		92,125	92,125
Total liabilities		92,125	92,125

The table below presents the assets and liabilities measured at fair value on December 31, 2021.

Description	Level 1	Level 2	Total
Assets			
Financial assets stated at fair value through other comprehensive income – marketable securities	10,125,495		10,125,495
At fair value through profit or loss	1,599,131	40,973	1,640,104
Derivative financial instruments		394,715	394,715
Total assets	11,724,626	435,688	12,160,314
Liabilities			
Derivative financial instruments		65,332	65,332
Total liabilities		65,332	65,332

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:

- 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.

The Group has no Level 3 financial assets.

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4.8 Fair value of financial assets and liabilities not measured at fair value

As mentioned above, financial assets owned by the Group are measured at fair value in the consolidated balance sheet, except for loans and receivables and held-to-maturity assets.

For the same purpose, the Group's financial liabilities are stated at amortized cost in the consolidated balance sheet, except for held-for-trading financial liabilities.

A comparison between the carrying amounts of the Group's financial assets not measured at fair value and their corresponding fair values at the end of the year is presented below:

					2022	2021
ASSETS	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
Loan and lease operations	20,975,392	22,477,286		22,477,286		22,477,286
LIABILITIES						
Deposits from clients	22,291,302	22,950,487		22,950,487		22,950,487
Borrowings and onlendings	590,580	590,580		590,580		590,580
Marketable securities and financial bills	2,674,170	2,219,083		2,219,083		2,219,083
Subordinated financial bills and debt	398,836	398,836		398,836		398,836
Other financial liabilities	944,944	944,944		944,944		944,944
Borrowings or transfers of financial assets	2,378,043	2,378,043		2,378,043		2,378,043
						17,485,502
						562,573
						1,061,956
						129,485
						721,885
						1,536,250

The assumptions used to estimate fair value are as follows:

- The amounts of all asset and liability operations subject to fixed rates were adjusted based on the fair value. The fair value rate was determined based on the average rate by product used for all the operations carried out in September 2021.
- All asset and liability operations subject to floating or fixed rates or indexes, such as the Interbank Certificate Index ("CDI"), General Market Price Index ("IGP-M"), Broad Consumer Price Index ("IPCA"), U.S. dollar and National Consumer Price Index ("INPC") were considered as already measured at fair value, since they are already subject to an index that reflects the fluctuations in the market.
- The fair value amounts were determined using the future cash flow of each operation at the effective rate of the contract and discounted to present value at the market rate, as previously determined, which includes the credit risk of the counterparty.

4.9 Guarantees for loan operations

The Group uses guarantees to reduce losses on operations with credit risk by managing these guarantees so that they are always sufficient, legally enforceable (effective) and viable, and reviewing them on a regular basis.

Loan operations not related to payroll loans are covered by the following guarantees:

				2022
		Type of product		
Type of guarantee	Direct consumer credit	Working capital	Other	Total
Trust receipt	3,712,276	152,556	342,586	4,207,418
Promissory note		4,829		4,829
Assignment of credit rights		2,111,215		2,111,215
Pledge		299,395	58,079	357,474
Other		533	322,528	323,061
TOTAL	3,712,276	2,568,528	723,193	7,003,997

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				2021
Type of guarantee	Type of product			Total
	Direct consumer credit	Working capital	Other	
Trust receipt	1,469,397	121,873	213,750	1,805,020
Promissory note		5,010	365,939	370,949
Assignment of credit rights		2,115,061		2,115,061
Pledge		287,830	64,323	352,153
Other		1,272	277,713	278,985
TOTAL	1,469,397	2,531,046	921,725	4,922,168

When secured loan operations become non-performing, the existing collection policy comprises the following steps: amicable debt collection, attempt to formalize the term of amicable delivery, filing an action for a search warrant of collateral, and ultimately going into auction,

4.10 Business combination and corporate changes

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 result from the sale of interest in a subsidiary 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 share capital.

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.

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. In July 2022, after approval by the Brazilian Central Bank, BMG, through CBFácil Corretora de Seguros e Negócios Ltda., now holds 21.99% of the voting capital of O2OBOTS Inteligência Artificial Ltda.

On May 6, 2022, Bmg, through its direct subsidiary CBFácil Corretora de Seguros e Negócios Ltda., entered into a contractual instrument with the intention of acquiring equity interest in FRP Ieger Software Ltda. ("iCertus"), a management software (ERP) for micro, small and medium-sized companies. The operation was approved by the Central Bank of Brazil on September 12, 2022.

On June 20, 2022, a capital reduction was made in the CBFácil Corretora de Seguros e Negócios Ltda. subsidiary in the amount of R\$50,000.

On August 30, 2022, the Board of Directors approved the creation of a holding company called "Bmg Seguradoras Ltda." through the acquisition of all shares issued by MG Seguros, Vida e Previdência S.A. ("MG Seguros"), by

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Bmg Participações em Negócios Ltda, a subsidiary of Bmg and by Phoenix One Participações S.A., an investment vehicle held by Integra Participações S.A. The amount of the transaction is R\$18,000, in the proportion of 60% Bmg Participações em Negócios and 40% by Phoenix. The effective conclusion of the operation is subject to the approval of the regulatory agencies.

5. Cash and cash equivalents and short-term interbank investments

	2022	2021
Cash and cash equivalents	289,621	357,619
Short-term interbank investments		49,998
Total	289,621	407,617

6. Financial assets

Classification per nature and category

The classification by nature and category for the purpose of valuating the Bank's assets, except balances relating to "Cash and cash equivalents, Reserves with the Central Bank of Brazil" and "Money market investments", on September 30, 2022 and December 31, 2021 are as follows:

	2022			
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Total
Loans and other amounts with financial institutions			330,571	330,571
Loan and lease operations (i)			22,966,658	22,966,658
Sundry debtors			941,252	941,252
Provision for the expected losses (impairment)			(1,991,266)	(1,991,266)
Compulsory deposits in the Central Bank			1,021,837	1,021,837
Deposit application			250,510	250,510
Marketable securities	2,234,717	2,896,911	7,827,279	12,958,907
Financial Treasury Bills - LFT		1,042,671		1,042,671
National Treasury Bills – LTN (i)		1,782	1,092,746	1,094,528
National Treasury Notes – NTN (i)	2,212,688		6,734,533	8,947,221
Agribusiness Credit Receivable Certificates		56,685		56,685
Certificate of Real Estate Receivables		175,103		175,103
Quotas in investment funds		323,198		323,198
Time Deposit	22,029			22,029
Treasury shares		1,287,594		1,287,594
Debentures		9,878		9,878
Derivative financial instruments (Note 7)	267,650			267,650
Total	2,502,367	2,896,911	31,346,841	36,746,119
Current	254,984	865,046	15,654,983	16,775,013
Non-current	2,247,383	2,031,865	15,691,858	19,971,106

(i) Reclassification of financial assets (see note 2.7.1(a))

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				2021
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Total
Loans and other amounts with financial institutions			167,517	167,517
Loan and lease operations			15,999,893	15,999,893
Sundry debtors			875,467	875,467
Provision for the expected losses (impairment)			(1,591,076)	(1,591,076)
Compulsory deposits in the Central Bank			152,121	152,121
Deposit application			38,894	38,894
Marketable securities	1,640,104	10,125,495	103,543	11,869,142
Financial Treasury Bills - LFT		1,508,286		1,508,286
National Treasury Bills - LTN		1,040,140		1,040,140
National Treasury Notes - NTN	1,599,131	6,023,795		7,622,926
Certificate of Real Estate Receivables		116,504		116,504
Quotas in investment funds	40,973			40,973
Time Deposit			103,543	103,543
Debentures		1,436,770		1,436,770
Derivative financial instruments (Note 7)	394,715			394,715
Total	2,034,819	10,125,495	15,746,359	27,906,673
Current	263,762	454,458	9,556,531	10,274,751
Non-current	1,771,057	9,671,037	6,189,828	17,631,922

7. Derivative financial instruments

(a) Fair value of trading derivatives recognized in assets and liabilities

	2022		2021	
	Assets	Fair value (Liabilities)	Assets	Fair value (Liabilities)
Foreign exchange derivative	128,015	(92,125)	50,410	(14,144)
Interest rate and index derivatives	139,635		344,305	(51,188)
Total	267,650	(92,125)	394,715	(65,332)
Current	232,955	(85,558)	246,136	(64,623)
Non-current	34,695	(6,567)	148,579	(709)

Swap transactions, the sole purpose of which is to hedge against risks of the financial assets, backed by the active transaction themselves.

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(b) Notional amounts and fair values of the trading derivative financial instruments

	2022		2021	
	Reference value (notional)	Net fair value	Reference value (notional)	Net fair value
Foreign exchange derivative	1,304,627	35,890	307,790	36,266
Interest rate derivatives	35,676	1,434	1,102,132	33,850
Index derivatives	474,000	138,201	895,500	259,267
Total	1,814,303	175,525	2,305,422	329,383

(c) The breakdown of the notional amounts of the trading derivative financial instruments per maturity as follows:

	2022	2021
Within 30 days	254,250	49,307
From 31 to 180 days	718,302	1,147,333
From 181 to 360 days	639,769	606,557
Over 360 days	201,982	502,225
Total	1,814,303	2,305,422

Below are the reference and receivables/payables amounts of futures operations,

Futures	Amounts receivable	Amounts payable	Reference value
DAP	2,447		5,098,467
DDI	15,477		2,261,684
DI1		(23,720)	9,042,065
DOL	15,151		2,533,252
Corn Futures Contract (CCM)		(266)	42,444
Position – 2022	33,075	(23,986)	18,977,912
Position – 2021	62,828	(3,939)	10,795,614

Below are the results obtained with derivative financial instruments.

(d) Hedging derivative financial instrument transactions

(i) 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 exchange variations, the Bank negotiates Dollar x DI swap contracts. On September 5, 2020, the Bank liquidated its borrowings indexed to foreign exchange variations hedged by Market Risk, as well as the Dollar x DI swap contracts designated as Market Risk hedge instruments. On September 30, 2022, the Bank did not have an outstanding balance of Dollar x DI swap contracts designated as Market Risk hedge instruments, nor does it have a funding balance indexed to the foreign exchange rate variation as an object of Market Risk hedge. On September 30, 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 exchange variation as a Market Risk hedge object.

To hedge its exposure to the market risk variation of CDBs indexed to the IPCA variation plus coupon, the Bank uses futures contracts (DAP) traded at B3 - Brasil, Bolsa, Balcão, as hedging instruments. On September 30,

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2022, the instruments generated a positive adjustment to negative market value in the result for the period, amounting to R\$ 58,833 (2021 – by R\$ 31,839).

To hedge its exposure to the market risk variation of fixed-rate Subordinated Letras Financeiras, the Bank uses futures contracts (DI1) traded on B3 – Brasil, Bolsa, Balcão, as hedging instruments. These futures have shorter maturities than the Subordinated Letras Financeiras, and contracts are expected to be rolled over to maintain the effectiveness of the hedge relationship. On September 30, 2022, the instruments generated a positive market value adjustment in the result in the amount of R\$ 30,671.

(ii) 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 exposure to variable interest rates (CDI and IPCA), the Bank trades 1-day DI and DAP futures contracts at B3 - Brasil, Bolsa, Balcão, with the present market value of funding being R\$5,608,403 (2021 – R\$1,533,324). These instruments generated an adjustment to market value in equity of R\$18,565 (2021 – creditor of R\$27,600), net of tax effects.

(e) Management of derivative financial instruments

The Group is a party to transactions involving financial instruments (differences) recognized in balance sheet or memorandum accounts consistent with market transactions in the same dates to manage its exposure to market, currency, and interest rate risks, which refer basically to transactions intended to hedge assets and liabilities, involving changes in indices used for investing and raising funds, hired for consistent periods, rates, and amounts.

The Group is a party to transactions involving derivative financial instruments (swaps) and futures contracts to hedge own and client assets and liabilities.

These risks are managed through control policies, by setting operating strategies and limits, and several techniques used to monitor liquidity, profitability, and safety positions. The use of derivative financial instruments to minimize market risks originating from interest rate, foreign exchange rate, asset price, and other fluctuations is an integral part of the good practice and a key tool of financial institutions' financial management.

Market risk is the exposure created by potential fluctuations in interest rates, exchange rates, commodity prices, prices quoted on the Stocks market, and for other securities, and is the function of the type of product, the transaction volume, and the term and conditions of the contract and the underlying volatility. Risk management is controlled and monitored independently of the areas generating the risk exposure. Assessment and measurement are carried out on a daily basis using indices and statistical data, utilizing tools such as non-parametric "VaR" and sensitivity analysis in stress scenarios, together with ALCO.

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8. Financial assets carried at amortized cost

At amortized cost	2022	2021
Loans and other amounts with financial institutions	330,571	167,517
Correspondent accounts	3,571	12,367
Interbranch accounts	327,000	155,150
Loan operations, net	20,975,392	14,408,817
Sundry debtors	941,252	875,467
Sundry debtors (i)	514,443	485,838
Provisions for non-recoverable amounts (i)	(45,460)	(46,461)
Amount receivable for assignment of receivables	148,138	98,026
Others	324,131	338,064
Total	22,247,215	15,451,801
Current	13,167,890	9,269,656
Non-current	9,079,325	6,182,145

(i) Refers to amounts for instalments of payroll loan operations pending transfer by public agencies and provisions for non-recoverable amounts.

Loan operations

(a) Breakdown

The breakdown, per classification, of the loan and lease portfolio balances in the consolidated balance sheets is as follows:

	2022	2021
Loan and lease operations		
Loans and receivables at amortized cost	22,966,658	15,999,893
Provision for the expected losses (impairment)	(1,991,266)	(1,591,076)
Loan and lease operations, net	20,975,392	14,408,817
Current	11,896,067	8,226,672
Non-current	9,079,325	6,182,145

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(b) Gross carrying amount (loan portfolio)

Reconciliation of the gross portfolio of loan and financial leasing operations, broken down by stage:

Tier 1	Opening balance as at 01/01/2022	Recognition/(settlement)	Closing balance as at 09/30/2022
Consumer direct credit - Personal credit	12,234,274	5,555,080	17,789,354
Individuals	5,482	(1,143)	4,339
Consumer direct credit - Vehicles	9	7	16
Sales	2,364,648	821,693	3,186,341
Total	14,604,413	6,375,637	20,980,050
Tier 2			
Consumer direct credit - Personal credit	553,204	335,289	888,493
Individuals	1,471	(405)	1,066
Consumer direct credit - Vehicles	10	(2)	8
Sales	2,788	1,782	4,570
Total	557,473	336,664	894,137
Tier 3			
Consumer direct credit - Personal credit	807,768	173,720	981,488
Individuals	3,232	(1,608)	1,624
Consumer direct credit - Vehicles	60	13	73
Sales	26,947	82,339	109,286
Total	838,007	254,464	1,092,471
Three-tier consolidated			
Consumer direct credit - Personal credit	13,595,246	6,064,089	19,659,335
Individuals	10,185	(3,156)	7,029
Consumer direct credit - Vehicles	79	18	97
Sales	2,394,383	905,814	3,300,197
Total	15,999,893	6,966,765	22,966,658

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Tier 1	Opening balance at 01/01/2021	Recognition/(settlement)	Closing balance at 12/31/2021
Consumer direct credit - Personal credit	10,945,135	1,289,139	12,234,274
Individuals	6,299	(817)	5,482
Consumer direct credit - Vehicles	35	(26)	9
Sales	2,057,372	307,276	2,364,648
Total	13,008,841	1,595,572	14,604,413
Tier 2			
Consumer direct credit - Personal credit	332,676	220,528	553,204
Individuals	2,161	(690)	1,471
Consumer direct credit - Vehicles			10
Sales	467	2,321	2,788
Total	335,304	222,169	557,473
Tier 3			
Consumer direct credit - Personal credit	706,700	101,068	807,768
Individuals	3,725	(493)	3,232
Consumer direct credit - Vehicles	84	(24)	60
Sales	38,129	(11,182)	26,947
Total	748,638	89,369	838,007
Three-tier consolidated			
Consumer direct credit - Personal credit	11,984,511	1,610,735	13,595,246
Individuals	12,185	(2,000)	10,185
Consumer direct credit - Vehicles	119	(40)	79
Sales	2,095,968	298,415	2,394,383
Total	14,092,783	1,907,110	15,999,893

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(c) Expected loan losses

Tier 1	Opening balance as at 01/01/2022	Recognition/(settlement)	Closing balance as at 09/30/2022
Consumer direct credit - Personal credit	453,297	123,652	576,949
Individuals	243	(51)	192
Consumer direct credit - Vehicles	1		1
Sales	49,257	(20,873)	28,384
Total	502,798	102,728	605,526
Tier 2			
Consumer direct credit - Personal credit	302,463	163,716	466,179
Individuals	501	(157)	344
Consumer direct credit - Vehicles	2		2
Sales	115	247	362
Total	303,081	163,806	466,887
Tier 3			
Consumer direct credit - Personal credit	768,473	121,135	889,608
Individuals	2,545	(1,282)	1,263
Consumer direct credit - Vehicles	55	10	65
Sales	14,124	13,793	27,917
Total	785,197	133,656	918,853
Three-tier consolidated			
Consumer direct credit - Personal credit	1,524,233	408,503	1,932,736
Individuals	3,289	(1,490)	1,799
Consumer direct credit - Vehicles	58	10	68
Sales	63,496	(6,833)	56,663
Total	1,591,076	400,190	1,991,266

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Tier 1	Opening balance at 01/01/2021	Recognition/(settlement)	Closing balance at 12/31/2021
Consumer direct credit - Personal credit	391,648	61,649	453,297
Individuals	279	(36)	243
Consumer direct credit - Vehicles	2	(1)	1
Sales	51,742	(2,485)	49,257
Total	443,671	59,127	502,798
Tier 2			
Consumer direct credit - Personal credit	183,801	118,662	302,463
Individuals	761	(260)	501
Consumer direct credit - Vehicles		2	2
Sales	157	(42)	115
Total	184,719	118,362	303,081
Tier 3			
Consumer direct credit - Personal credit	638,735	129,738	768,473
Individuals	2,517	28	2,545
Consumer direct credit - Vehicles	81	(26)	55
Sales	17,862	(3,738)	14,124
Total	659,195	126,002	785,197
Three-tier consolidated			
Consumer direct credit - Personal credit	1,214,184	310,049	1,524,233
Individuals	3,557	(268)	3,289
Consumer direct credit - Vehicles	83	(25)	58
Sales	69,761	(6,265)	63,496
Total	1,287,585	303,491	1,591,076

(d) Breakdown per sector of activity

	2022	2021
Private sector:		
Industry	220,910	145,778
Commerce	122,898	108,751
Financial intermediaries	1,230,459	141,669
Other services	1,409,388	1,630,292
Individuals	19,983,003	13,973,403
Total	22,966,658	15,999,893

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Per maturity

	2022		2021	
	Valor	%	Valor	%
Past due for over 14 days	1,149,015	5.0%	881,540	5.5%
Past due for less than 14 days	97,014	0.4%	75,262	0.5%
To fall due:				
Within 30 days	7,766,181	33.8%	5,088,475	31.8%
From 31 to 60 days	944,135	4.1%	663,161	4.1%
From 61 to 90 days	602,680	2.6%	493,534	3.1%
From 91 to 180 days	1,320,342	5.7%	1,020,931	6.4%
From 181 to 360 days	1,790,553	7.8%	1,400,369	8.8%
Over 360 days	9,296,738	40.5%	6,376,621	39.9%
Total	22,966,658	100%	15,999,893	100%

(e) Changes in the provision for impairment losses

	2022	2021
On January 1	1,591,076	1,287,585
Addition of provision	1,121,124	1,096,102
Write-off against provision	(720,934)	(792,611)
Total on September 30	1,991,266	1,591,076

9. Property and equipment

The Group's tangible assets consist of property and equipment in use. The Group does not have tangible assets held as investment property and is not a party to any lease agreement for the periods ended September 30, 2022 and December 31, 2021.

Changes in property and equipment:

The depreciation expenses were accounted for in account "General and administrative expenses", in the statement of income.

	Land and buildings	Data processing system	Installations, furniture and equipment in use	Comm, system	Transport, system	TOTAL
As at 12/31/2021						
Cost	16,686	126,847	148,994	2,618	9,816	304,961
Accumulated depreciation	(12,975)	(104,370)	(97,807)	(984)	(6,529)	(222,665)
Net carrying amount	3,711	22,477	51,187	1,634	3,287	82,296
As at 09/30/2022						
Opening balance	3,711	22,477	51,187	1,634	3,287	82,296
Additions		3,041	10,923	215	2,973	17,152
Disposals		(20)	(3,361)	(180)	(544)	(4,105)
Depreciation		(6,141)	(6,762)	(189)	(1,316)	(14,408)
Cost	16,686	129,868	156,556	2,653	12,245	318,008
Accumulated depreciation	(12,975)	(110,511)	(104,569)	(1,173)	(7,845)	(237,073)
Net carrying amount	3,711	19,357	51,987	1,480	4,400	80,935

There is no contractual commitment for the purchase of property and equipment and no property and equipment item was pledged as collateral.

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10. Intangible assets

	2022	2021
On January 1	1,257,546	1,215,701
Goodwill on acquisition of subsidiary (Addition/Write-off)		(14,265)
Other Intangibles (Addition/Write-off)	63,838	56,110
Total	1,321,384	1,257,546
Goodwill upon acquisition of the subsidiary	1,004,513	1,004,513
Goodwill on acquisition of subsidiary	316,871	253,033
Net carrying amount	1,321,384	1,257,546

On August 18, 2011, after the acquisition of Banco BCV S.A., the Company recognized goodwill amounting to R\$995,582.

On september 2021, it 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 4,10).

Goodwill arising on the acquisition of Banco BCV S.A. is fully allocated to the retail segment.

Impairment test:

According to a study carried out, the need to recognize the goodwill impairment loss on September 30, 2022 was not identified.

The recoverable amount of goodwill was calculated based on its value in use. The calculation uses income projections based on the five-year budget, approved by management. The income projections take into consideration the discount rates sensibilized by 10% to 15% and perpetuity sensibilized by 3% to 5%.

11. Other assets

	2022	2021
Advance expenses from insurance operations	423,274	329,383
Insurance premiums receivable	380,775	283,986
Right-of-use assets	98,143	105,621
Other assets	207,761	104,881
Total	1,109,953	823,871
Current	963,681	569,680
Non-current	146,272	254,191

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12. Financial liabilities

Classification per nature and category

The classification per nature and category for valuation purposes of the Bank's financial liabilities as of September 30, 2022 and December 31, 2022 is as follows:

09/30/2022			
	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total
Client deposits (Note 15)		22,291,302	22,291,302
Borrowings or transfers of financial assets (Note 13)		2,378,043	2,378,043
Borrowings and onlendings (Note 14)		590,580	590,580
Borrowings of securities and financial bills (Note 16)		2,674,170	2,674,170
Subordinated financial bills and debt (Note 17)		398,836	398,836
Other financial liabilities (Note 18)		944,944	944,944
Compromised operations		7,217,844	7,217,844
Derivative financial instruments (Note 7)	92,125		92,125
Total	92,125	36,495,719	36,587,844
Current	85,558	15,810,540	15,896,098
Non-current	6,567	20,685,179	20,691,746
12/31/2021			
	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total
Client deposits (Note 15)		17,211,181	17,211,181
Borrowings or transfers of financial assets (Note 13)		1,536,250	1,536,250
Borrowings and onlendings (Note 14)		562,573	562,573
Borrowings of securities and financial bills (Note 16)		1,937,649	1,937,649
Subordinated financial bills and debt (Note 17)		129,486	129,486
Other financial liabilities (Note 18)		721,885	721,885
Compromised operations		5,941,967	5,941,967
Derivative financial instruments (Note 7)	65,332		65,332
Total	65,332	28,040,991	28,106,323
Current	64,623	13,995,537	14,060,160
Non-current	709	14,045,454	14,046,163

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13. Borrowings or transfers of financial assets

	2022	2021
Borrowings (assignments with co-obligation)	2,378,043	1,536,250
Total	2,378,043	1,536,250
Current	32,404	127,472
Non-current	2,345,639	1,408,778

14. Borrowings and onlendings

	2022	2021
Commitments payable – FGC (ii)	557,462	516,609
Onlendings – Domestic - Finame / Rural credit	33,118	45,964
Total	590,580	562,573
Current	33,118	50,964
Non-current	557,462	511,609

Term:

Within 30 days	337	45,964
From 91 to 180 days	32,781	
After 360 days	557,462	516,609
Total	590,580	562,573

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

15. Client deposits

	2022	2021
Demand deposits	344,345	256,186
Interbank deposits	177,749	77,605
Time deposits	21,769,208	16,877,390
Total	22,291,302	17,211,181
Current	5,774,733	5,796,474
Non-current	16,516,569	11,414,707

Term

	Within 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
On 09/30/2022							
Demand deposits	344,345						344,345
Interbank deposits	148,462	5,518	721	8,206	14,842		177,749
Time deposits	534,808	332,830	291,017	863,332	3,230,652	16,516,569	21,769,208
On 12/31/2021							
Demand deposits	256,186						256,186
Interbank deposits	5,688	2,575	20,370	3,085	38,340	7,547	77,605
Time deposits	1,257,814	164,926	339,076	1,864,878	1,843,536	11,407,160	16,877,390

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16. Borrowings of securities and financial bills

	2022	2021
Financial bills	2,558,019	1,831,536
Agribusiness credit bills	106,427	95,653
Real estate credit bills	9,724	10,460
Total	2,674,170	1,937,649
Current	1,856,105	1,413,640
Non-current	818,065	524,009

Term	2022	2021
Within 30 days	18,999	9,912
From 31 to 60 days	36,231	23,067
From 61 to 90 days	1,242,750	58,768
From 91 to 180 days	39,882	180,486
From 181 to 360 days	518,243	1,141,407
After 360 days	818,065	524,009
Total	2,674,170	1,937,649

17. Subordinated financial bills and debt

	Issue	Maturity	Currency	Interest Rate (p.y.)	2022	2021
Local (i):						
Financial bills subordinated	1st quarter/19	1st quarter/26	R\$	124% of CDI	6,418	5,775
Financial bills subordinated	2nd quarter/19	2nd quarter/26	R\$	122% of CDI	15,025	13,542
Financial bills subordinated	3rd quarter/19	3rd quarter/29	R\$	124% of SELIC	1,034	1,036
Financial bills subordinated	2nd quarter/19	Perpetual	R\$	IPCA + 6.60% to 6.67% 126% to 130% of SELIC	113,560	107,891
Financial bills subordinated	3rd quarter/19	Perpetual	R\$	126% of SELIC	1,237	1,242
Financial bills subordinated	2nd quarter/22	2nd quarter/32	R\$	18,15% - Fixed rate	130,780	
Financial bills subordinated	2nd quarter/22	2nd quarter/34	R\$	18,15% - Fixed rate	130,782	
Total					398,836	129,486
Non-current					398,836	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 4.192/13 and 4.955/21, fully approved by BACEN to comprise Complementary Capital and Level II of Banco BMG Reference Equity. Fixed rate subordinated financial bills have their exposure to variations in market risk protected by hedges (see note 7 (c) (ii)).

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18. Other financial liabilities

	2022	2021
Social and statutory	223,664	218,640
Commitments payable – Card	34,779	50,425
Card – transactions paid in installments with no interest	370,507	225,113
Leasing operations	93,841	103,634
Other creditors	222,153	124,073
Total	944,944	721,885
Current	896,336	665,020
Non-current	48,608	56,865

19. Provisions

	Tax and social security provisions (i)	Provisions for labor charges (ii)	Civil claims (iii)	Total
At the beginning of the year – 2021	52,581	79,157	487,777	619,515
Recognition	14,488	22,778	470,045	507,311
(Reversal/Utilization)	(4,335)	(22,580)	(366,377)	(393,292)
Carrying amount December – 2021	62,734	79,355	591,445	733,534
Recognition	61,539	18,654	312,399	392,592
(Reversal/Utilization)	(4,940)	(25,824)	(303,411)	(334,175)
Carrying amount September - 2022	119,333	72,185	600,433	791,951

	Taxes and social security	Labor	Civil claims	Total
09/30/2022				
Provisions	119,333	72,185	600,433	791,951
Judicial deposits	(263,378)	(16,146)	(95,898)	(375,422)
12/31/2021				
Provisions	62,734	79,355	591,445	733,534
Judicial deposits	(226,727)	(25,742)	(113,215)	(365,684)

The Group is a party to labor, civil, and tax lawsuits. The assessment to recognize provisions is made according to the criteria described in Note 2, 14. The Group's management believes that the provision recognized is sufficient to cover losses arising from the related lawsuits.

In the course of its regular activities, the Group is a party to the following contingencies: a) contingent assets - There are no recognized contingent assets; b) Provisions - Are classified and presented together with their judicial deposits, as follows:

(i) Provision for tax risks - The judicial actions 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.

No provision is recognized for tax contingent proceedings in which the likelihood of loss is considered as possible, amounting to an estimated total of R\$1,127,351 (12/31/2021 – R\$1,199,741). These proceedings refer mainly to federal taxes.

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The Group is a party to judicial actions and administrative proceedings, arising in the normal course of its operations, involving tax and other matters.

The main questions are:

- a)** CSLL – R\$132,452 (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 7,689/88;
- b)** IRPJ/IRRF/CSLL 2012, 2014 and 2015 – R\$423,458 (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\$115,053 (2021 - R\$110,194): Tax Deduction of Losses in Credit Operations - Law No. 9,430/96;
- d)** PIS and COFINS – R\$146,421 (2021 - R\$102,106): Losses from Doubtful Credits: the deduction of credit losses under Law 9,718/98 is under discussion;
- e)** INSS - Non-Compensatory Funds – R\$32,138 (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\$33,273 (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) Provisions for labor claims – A calculation is made periodically to determine a claim's amount, stage and the likelihood of loss, which in turn is estimated according to the characteristics as a matter of fact or of law related to the proceeding, the amounts considered as probable losses are provided for in accounting.

The judicial actions are related to lawsuits discussing the alleged labor benefits derived from labor laws and regulations specifically relating to a professional category, such as overtime pay, salary equalization, job reinstatement, premium for transfer, among other matters.

Contingent labor claims assessed as a possible risk of loss are not recognized in the accounts. As of September 30, 2022, there are no lawsuits classified as a possible loss, these proceedings are classified as a probable or remote loss.

(iii) Provisions for civil lawsuits – The provision for individualized civil actions, lawsuits with peculiar characteristics, is periodically recognized based on the determined risk amount and likelihood of loss, the provision for collective civil lawsuits is periodically recognized using as benchmark the average loss over time applied to the base of ongoing cases. The amounts considered as probable losses are provided for in accounting.

The civil lawsuits are in general arising from compensation for material and moral damages, mostly from the Special Civil Court.

No provision is recorded for civil contingencies representing possible risk of loss, amounting to an estimated R\$1,002,297 (12/31/2021 – R\$737,095), These claims refer to compensation claims or collections.

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20. Current and deferred income tax and social contribution

The Group separately calculates, in each fiscal year, Income Tax and Social Contribution on Net Income. The taxes are calculated at the rates shown below and consider, for the purpose of the respective calculation bases, the legislation in force relevant to each charge.

Income Tax (i)	15.00%
Income Tax Surcharge (i)	10.00%
Social Contribution on the Net Profit (i)	20.00%

(i) see note 2,15

Deferred income tax and social contribution are calculated on income tax and social contribution loss carryforwards and temporary differences arising between the tax bases of these taxes on assets and liabilities and their carrying amounts in the financial statements.

The recoverable amounts are as follows:

	2022	2021
Deferred tax asset		
Recoverable within 12 months	335,997	602,159
Recoverable after 12 months	2,675,061	2,366,011
Total deferred tax asset (i)	3,011,058	2,968,170
Deferred tax liability		
To be settled within 12 months	143,480	105,680
Total deferred tax liability	143,480	105,680
Deferred tax assets, net	2,867,578	2,862,490

(i) Deferred income tax and social contribution credits

	2022	2021
Deferred tax asset		
On temporary additions	2,524,809	2,230,527
On tax losses/ tax loss carryforwards	727,473	757,362
Social contribution – Provisional Measure (MP) No, 2,158/35)	547	547
Adjustment to market value in equity	58,876	301,082
Income tax and social contribution on accounting practice adjustments	(300,647)	(321,348)
Total deferred tax asset	3,011,058	2,968,170

The Group recognizes all tax credits arising from temporary difference or and tax loss carryforwards.

The Group adopts the practice of recognizing deferred tax credits and tax payables on all temporary differences and tax loss carryforwards. On September 30, 2022, these balances have the following characteristics:

- The tax credits relating to temporary add-back refer mainly to contingencies currently being discussed in courts the realization of which depends on the resolution of the court challenges and the provision for impairment of receivables the realization of which depends on the deductibility criteria prescribed by Law nº 9,430/96.

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(a) The changes in the tax credits can be shown as follows:

	Social contribution MP 2,158- 35	Temporary additions	Tax losses/ Tax loss carryforwards	Adjustment to market value in equity	Other	Total
On December 31, 2021	547	2,230,527	757,362	301,082	(321,348)	2,968,170
Recognition		582,829	(3,642)	47,143	20,701	647,031
(Reversal/Utilization)		(288,547)	(26,247)	(289,349)		(604,143)
On September 30, 2022	547	2,524,809	727,473	58,876	(300,647)	3,011,058

	Social contribution MP 2,158- 35	Temporary additions	Tax losses/ Tax loss carryforwards	Adjustment to market value in equity	Other	Total
On December 31, 2020	547	1,949,171	778,766	17,155	(378,595)	2,367,044
Recognition		654,495	(2,257)	301,082	57,247	1,010,567
(Reversal/Utilization)		(373,139)	(19,148)	(17,155)		(409,442)
On December 31, 2021	547	2,230,527	757,362	301,082	(321,348)	2,968,170

The effects arising from the adjustments to accounting policy are included in the column "Others".

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

	Income tax	09/30/2022 Social contribution	Income tax	09/30/2021 Social contribution
Income (loss) before income tax	(222,925)	(222,925)	(5,092)	(5,092)
Interest on capital	(159,750)	(159,750)	(138,677)	(138,677)
Statutory interests	(45,482)	(45,482)	(65,599)	(65,599)
Permanent additions (exclusions):				
Income Tax and CS on Selic Interest - Repetition of tax				
overpayment (i)			(107,987)	(107,987)
Equity pickup method			(30,870)	(30,870)
Exchange variation on foreign investments			(6,189)	(6,189)
Technological innovation – Law No. 11,196/05 (ii)	(81,184)	(81,184)	(54,600)	(54,600)
Others	(7,784)	(7,784)	(91,346)	(91,346)
Calculation basis	(517,125)	(517,125)	(500,360)	(500,360)
Base rate	77,568	103,424	(6,189)	(6,189)
Additional rate	51,712		(54,600)	(54,600)
Expense (income) from income tax and social contribution	129,280	103,424	(91,346)	(91,346)

- (i) Effect of the STF decision - Theme No. 962 - Non-levy of IRPJ and CSLL on amounts updated by the Selic rate resulting from judicial action for the repetition of tax over payment; and
- (ii) Law No. 11.196/2005, art.17, item I.

21. Other liabilities

	2022	2021
Insurance operations	931,488	697,344
Provision for payables	265,705	199,634
Sundry creditors	549,951	553,274
Total	1,747,144	1,450,252
Current	1,215,629	935,946
Non-current	531,515	514,306

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22. Capital and reserves

(a) Capital stock

On September 30, 2022, the subscribed and paid-in capital stock is R\$ 3,742,572, 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 and 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 end 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 relocation to the market or, even, payment of share-based compensation to executives and other beneficiaries of the Bank's long-term incentive plans.

	Own shares 12/31/2021	Acquisition of Own Shares	Cancellation of own shares	Own shares 09/30/2022
Quantity	51,107	1,554,000	(1,402,575)	202,532
Balance in thousands of reais	(254)	(5,144)	4,936	(462)
Changes in the number of shares				
	12/31/2021			09/30/2022
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
As at 12/31/2021	1,251,558	101,526,675	102,778,233
Change in treasury shares		(151,425)	(151,425)
Change in shares held by controlling shareholders and officers	21,237	(290,048)	(268,811)
As at 09/30/2022	1,272,795	101,085,202	102,357,997

- (i) Outstanding shares, according to art. 67, CVM 80/22, 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) Other Comprehensive Income

In September 2022, adjustments were made to other comprehensive income in the positive amount of R\$325,320 (09/30/2021 – negative in R\$241,634). The balance on 09/30/2022 is positive by R\$29,126 (12/31/2021 - negative by R\$296,194). In September 2022, the variation refers mainly to the reclassification of the mark-to-market of Financial Instruments (see note 2.7.1 (a)) and the Cash Flow Hedge.

(c) Revenue reserves

	2022	2021
Revenue reserve		
Legal	134,956	127,287
Tax incentives	5,894	5,894
Statutory	380,902	394,763
Total	521,752	527,944

The changes in the revenue reserves refer to the recognition of a 5% legal reserve on net income for the year and the remaining undistributed amount was allocated to the statutory reserve, as described below.

Legal: Recognized as 5% of net income for the year, limited to 20% of capital.

Statutory: Recognized based on net income not distributed after all allocation and its accumulated is available to stockholders for future decision at a General Stockholders' Meeting.

Tax incentives: Arising on the amounts of the options for income tax incentives.

(d) 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 provided for in the Brazilian Corporate 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 September 30, 2022 an amount of \$159,750 was provisioned as interest on equity, of which R\$140,000, referring to the first nine months of 2022, as per the material fact disclosed on October 13, 2022, was credited individually to the shareholders on October 21, 2022. The amount is equivalent to R\$ 0.240124915 per common and preferred share issued by the Bank, withholding income tax of 15%, resulting in a net amount of R\$ 0.204106178 per share. The payment will be made on November 16, 2022.

(e) Retained earnings (accumulated deficit)

The contra entries to the adjustments referring to the differences between BRGAAP and IFRS that had an impact on the balance sheet were recognized in this account. Additionally, income for said years were also recognized in this account.

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23. Earnings per share

(a) Basic and diluted

Basic earnings per share are calculated by dividing the profit attributable to Company's stockholders by the weighted average number of common and preferred shares issued during the year. Diluted earnings per share is calculated by adjusting the weighted average number of common and preferred shares outstanding to assume conversion of all dilutive potential common and preferred shares. However, there are no potentially dilutive Company common and preferred shares and, therefore, basic earnings per share are equal to diluted earnings per share.

	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Earnings per share				
Profit attributable to stockholders of the Company	(988)	5,600	28,597	171,239
Weighted average number of outstanding shares	583,069,333	583,069,333	585,576,329	584,404,370
Basic and diluted earnings per share (in reais)	(0.0017)	0.0096	0.0488	0.2930

24. Profit or loss

(a) Interest income and cost

The table below shows the breakdown of interest and similar proceeds income and expenses:

	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Interest income and similar earnings	1,800,359	4,738,459	1,104,349	3,239,795
Interest on credit operations	1,397,181	3,777,655	921,840	2,752,364
Interest on other loans and receivables	24,796	40,762	3,186	4,422
Interest on other financial assets	177,935	723,160	357,315	681,127
Mark-to-market of other financial assets	200,447	196,882	(177,992)	(198,118)
Interest cost and similar expenses	(878,841)	(2,655,226)	(434,914)	(1,230,886)
Funds raised in the market	(465,546)	(1,078,941)	(36,497)	(259,440)
Borrowings and onlendings	(18,271)	(47,768)	(7,783)	(16,770)
Time deposits	(395,024)	(1,528,517)	(390,634)	(954,676)
Total	921,518	2,083,233	669,435	2,008,909

(b) Gain (loss), net and financial assets and financial liabilities

	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Swap Adjustment Result/Term/Options	50,691	(43,956)	(15,029)	5,857
Result from futures operations	(212,943)	260,907	25,300	111,531
Total	(162,252)	216,951	10,271	117,388

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(c) General and administrative expenses

	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Salaries and payroll charges	(82,757)	(269,981)	(72,147)	(203,527)
Benefits	(43,921)	(90,323)	(43,117)	(112,046)
Training programs	(438)	(1,502)	(95)	(906)
Depreciation and amortization (i)	(23,593)	(67,244)	(20,691)	(82,444)
Marketing	(47,519)	(108,258)	(34,304)	(106,941)
Promotions and public relations	(6,355)	(14,403)	(430)	(735)
Communications	(5,965)	(16,432)	(9,863)	(37,728)
Data processing	(47,169)	(141,457)	(37,602)	(113,741)
Insurance	(1,893)	(4,704)	(1,021)	(4,114)
Outsourced services	(39,810)	(112,652)	(31,306)	(97,645)
Specialized technical services	(68,614)	(229,203)	(77,139)	(206,763)
Sundry materials	(752)	(2,013)	(1,012)	(2,257)
Banking fees and charges	(7,874)	(17,900)	(4,398)	(14,423)
Transportation	(1,405)	(4,664)	(1,445)	(4,570)
Travelling	(3,650)	(11,450)	(2,197)	(5,870)
Expenses from leasing operations	(7,426)	(22,646)	(7,688)	(25,306)
Other administrative expenses	(22,086)	(60,530)	(18,229)	(35,353)
Total	(411,227)	(1,175,362)	(362,684)	(1,054,369)

(i) On September 2021, it 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 4.10).

(d) Tax expenses

In the period ended September 30, 2022, 2022, the total balance of tax expenses was R\$156,291 (2021 – R\$117,960). This amount basically refers to PIS (Social Integration Program) expenses in the amount of R\$42,245 (2021 – R\$14,974) and COFINS (Contribution for Social Security Financing) in the amount of R\$85,011 (2021 – R\$90,936).

(e) Other operating income and expenses

	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Other operating income				
Recovery of charges and expenses	12,184	17,514	8,763	17,200
Monetary variation – asset	4,855		17,632	18,560
Result from insurance operations	54,332	133,460	46,858	107,331
Equity Interest Gain (note 28(d))	9,965	29,895	29,894	29,894
Adjustment of taxes to be compensated	4,929	11,824	1,652	5,539
Share of premiums issued	13,684	39,957		3,000
Revenues from franchises	1,835	3,857	2,143	7,670
Other	3,381	4,099	430	4,277
Total	105,165	240,606	107,372	193,471

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	3rd quarter 2022	9-month period 2022	3rd quarter 2021	9-month period 2021
Other operating expenses				
Monetary and exchange variation - liability		(922)		
Collection expenses	(2,508)	(9,371)	(3,348)	(11,808)
Expenses on fund transfer intermediation	(25,787)	(74,595)	(23,566)	(69,606)
Operating provision expenses (i)	(127,531)	(371,827)	(257,055)	(518,593)
Other	(57,301)	(150,494)	(43,722)	(80,848)
Total	(213,127)	(607,209)	(327,691)	(680,855)
Total other operating expenses, net	(107,962)	(366,603)	(220,319)	(487,384)

(i) The "Operating provisions expenses" item, basically includes expenses for tax, civil and labor contingencies.

25. Revenue from the provision of services

In the period ended September 30, 2022, 2022, the balance of revenue from the provision of services is de R\$115,428 (2021 – R\$69,557). The balance refers basically to income from banking fees totaling R\$26,424 (2021 – R\$11,030) and card interchange revenue R\$45,719 (2021 – R\$28,220).

26. Dividends and interest on capital payable

Dividends already paid and proposed dividends on September 30, 2022 and 2021 were calculated according to the Brazilian accounting applicable to financial institutions authorized to operate by the Central Bank of Brazil, on the individual financial statements of Banco BMG S.A. as shown below:

	2022	2021
Profit for the year under BRGAAP	153,379	193,675
Recognition of legal reserve (5%)	(7,669)	(9,684)
Calculation basis of dividends	145,710	183,991
Minimum compulsory dividend (25%)	36,428	45,998

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 provided for in the Brazilian Corporate Law.

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27. Transactions with related parties

(a) The intragroup transactions included in consolidation were eliminated from the consolidated financial statements. The main balances with related parties can be shown as follows:

Related-party transactions	Asset (Liability)		Income (Expense)	
	09/30/2022	12/31/2021	09/30/2022	09/30/2021
Interfinancial liquidity investment				
BMG Bank (Cayman) Ltd,	1,610,922	1,230,648	41,749	21,192
Marketable securities				
Companhia Securitizadora de Créditos Financeiros				
Cartões Consignados II	2,329,383	1,326,271	114,389	24,714
Credit operations				
Key Management personnel	4,328	4,222		
Others related-party – Legal Person	6,476	22,275	1,466	582
Income receivable				
Banco Cifra S.A.	11,801	6,561		
Banco BCV S.A.	19,523	10,886		
BMG Leasing S.A. – Arrendamento mercantil	17,616	10,179		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	447	313		
Other receivables				
Banco Cifra S.A.	50	179		
Banco BCV S.A.	6,497	1,813		
Collection services				
EGL – Empreendimentos Gerais Ltda.		71		
Demand deposits				
BMG Leasing S.A. – Arrendamento Mercantil		(192)		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(2,801)	(123)		
EGL - Empreendimentos Gerais Ltda	(35)	(925)		
Help Franchising	(583)	(1,309)		
CBFácil Corretora de Seguros e Negócios Ltda	(3,873)	(5)		
ME Promotora de Vendas Ltda	(2,129)	(2,857)		
BMG Soluções Eletrônicas S, A	(23)	(333)		
Bmg Participações Em Negócios Ltda	(11)	(192)		
Cmg Corretora De Seguros	(194)	(187)		
Granito Soluções em Pagamentos S.A.	(540)	(540)		
Interbank deposits				
Banco BCV S.A.	(1,151,261)	(1,043,729)	(104,371)	(28,794)
Banco Cifra S.A.	(707,410)	(644,112)	(63,809)	(18,839)
BMG Leasing S.A. – Arrendamento Mercantil	(955,016)	(887,679)	(85,003)	(25,454)
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(7,371)	(9,529)	(742)	(284)
Time deposits				
EGL - Empreendimentos Gerais Ltda	(3,056)	(6,608)	(327)	(129)
Help Franchising	(10,866)	(11,135)	(785)	(298)
ME Promotora de Vendas Ltda	(9,908)	(9,123)	(856)	(193)
CBFácil Corretora de Seguros e Negócios Ltda	(514,764)	(291,755)	(42,039)	(15,112)
BMG Soluções Eletrônicas S, A	(421)	(385)	(36)	(15)
Bmg Participações Em Negócios Ltda	(9,023)	(15,109)	(1,042)	(538)
Cmg Corretora De Seguros	(12,949)	(7,364)	(1,276)	(216)
Financial bills obligations				
CBFácil Corretora de Seguros e Negócios Ltda	(235,998)	(435,606)	(42,533)	(29,457)
Other liabilities				
Banco BCV S.A.		(426)		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(677)	(454)		
EGL – Empreendimentos Gerais Ltda.	(255)	(567)		

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(b) Short-term benefits to management members

	2022	2021
Fixed compensation	32,292	22,813
Social security contribution	7,288	9,532
Total	39,580	32,345

(c) 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, Technical Pronouncement CPC 10/IFRS 2 "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 Share-based Long-Term Incentive Plan, the Bank paid R\$4,936 in the quarter ended September 2022 to directors and other eligible employees, net of tax effects.

(d) Other information

Pursuant to Resolution CMN 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 the aforementioned 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.

(e) Equity interest

The members of the board of directors and the executive board jointly hold the following equity interests in BMG:

	2022	
Common and preferred shares	Number	%
Administrative Council	150,305,456	25.8%
Board of Directors	1,217,590	0.2%
Other	431,709,365	74.0%
Total	583,232,411	100%

	2021	
Common and preferred shares	Number	%
Administrative Council	210,487,277	36.1%
Board of Directors	388,577	0.1%
Other	372,356,557	63.8%
Total	583,232,411	100%

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28. Other information

(a) Commitments and Guarantees

Guarantees and sureties given by the Financial Conglomerate to customers amount to R\$252,176 (2020 – R\$254,584) and are subject to financial charges and counter-guarantees from the beneficiaries.

(b) Other Information

(i) 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 No, 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.

(ii) 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, the Group 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, the Group 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 behavioural progress.

The scenario of uncertainties caused by the COVID-19 Pandemic has brought an increase in expected losses, for which continuous monitoring has been maintained. In response, the Group established, in 2020, an additional provision in the amount of R\$20,000 in stage 1. This provision was calculated based on the analysis of potential macroeconomic effects and considered not only quantitative and qualitative indicators but also the adequate and accurate identification of risks and a collective assessment of exposures.

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, the Group extended benefits focused on the needs of the moment. The Group 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 Group adopted the hybrid work model.

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 Group in the face of such a delicate moment was only possible due to the strong ongoing transformation and modernization process.

(c) 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 “Descarte,” 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,

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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 data and information available in the Bank's collection, 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 19(i)(b).

Since the beginning of the investigations, the Bank has adopted a series of internal precautions and the improvement of internal controls.

(d) Capital gain on disposal of investments

In September 2022, it basically refers to the variable portion related to the sale of the shares of CMG Corretora de Seguros Ltda. in the amount of R\$29,895, in September 2021, it basically refers to the result of the sale of interest in a subsidiary in the amount of R\$30,871, generated due to the subscription and payment by Banco Inter in Granito.

(e) Subsequent Event

As announced to the market on November 7, 2022, Banco Bmg issued R\$250,000 of Subordinated Financial Bills ("LFSN") through private placement with institutional investors. The LFSNs are eligible for Tier II Capital and will be included in the calculation of the Basel Index.

BANCO BMG S.A.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ON SEPTEMBER 2022

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APPENDIX I - Consolidated Statement of Value Added

The consolidated statement of value added below is not required by IFRS, but it is being presented as additional information, as required by the Brazilian corporate law for publicly held companies and was derived from the Bank's consolidated financial statements and prepared in accordance with IFRS standards.

	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
1 – Revenue	4,355,299	3,076,174
Financial intermediation	4,955,410	3,357,183
Services rendered	115,428	69,557
Provision for impairment of receivables	(1,121,124)	(762,820)
Recovery of receivables written off as losses	133,135	150,476
Other operating income	240,606	195,212
Non-operating	31,844	66,566
2 – Expenses	3,265,050	1,927,898
Financial intermediation expenses	2,655,226	1,230,886
Other operating expenses	607,209	682,596
Non-operating	2,615	14,416
3 – Inputs acquired from third parties	723,666	630,140
Materials, energy and other	78,697	47,594
Outsourced services	112,652	97,645
Other	532,317	484,901
Communication	16,432	37,728
Advertising, promotions and publicity	122,661	107,676
Data processing	141,457	113,741
Specialist technical services	229,203	206,763
Bank fees	17,900	14,423
Transportation	4,664	4,570
4 – Gross value added (1 – 2 – 3)	366,583	518,136
5 – Depreciation and amortization	67,244	82,444
6 – Net value added generated by the entity (4 – 5)	299,339	435,692
7 – Value added received as transfer	18,480	18,691
Equity in the results of investees	18,480	18,691
8 – Value added to be distributed (6 +7)	317,819	454,383
9 – Distribution of value added	317,819	454,383
9.1 Personnel	361,806	316,477
Direct compensation	191,256	147,104
Benefits	91,825	112,952
Payroll charges	78,725	56,421
9.2 Taxes and fees	(76,412)	(58,875)
Federal	(84,197)	(65,442)
State	515	338
Municipal	7,270	6,229
9.3 Interest	22,646	25,306
Leases	22,646	25,306
9.4 Payments to stockholders	9,779	171,475
Earnings retained for the nine-month period	5,600	171,239
Non-controlling interest in retained earnings	4,179	236



BANCO BMG S.A
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ON SEPTEMBER 2022

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

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

Emerson Jezuino Teodoro Silvestre
CRC - 1SP183479/O-1
(Accountant in Charge)



BANCO BMG S.A
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ON SEPTEMBER 2022

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STATEMENT OF THE DIRECTORS ABOUT THE 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 consolidated interim Financial Statements for the period ended in September 30, 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 consolidated interim Financial Statements for the period ended September 30, 2022 disclosed on 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 opinion of the Fiscal Council for the period ended on September 30, 2022.

São Paulo, November 10, 2022

Executive Officers
Carlos Andre Hermesindo da Silva
Flávio Pentagna Guimarães Neto