



**BANCO BMG
2Q25 RESULTS CONFERENCE CALL
AUGUST 15, 2025**

Danilo Herculano:

Good morning, everyone. Welcome to Banco Bmg's 2Q25 earnings conference call. My name is Danilo Herculano and I am responsible for the Investor Relations, M&A and Institutional Distribution areas. Today we are joined by Felix Cardamone, CEO, and Vice Presidents Flavio Neto and João Consiglio.

We would like to inform you that this video conference is being recorded and will be made available on our IR website. All participants will be in listen-only mode.

After the presentation, we will begin the Q&A session. Questions can be sent in writing at any moment throughout the Q&A icon located on the bottom part of your screen, informing your name and company. Please note that the presentation materials in both Portuguese and English are already available for download on our website under the "Results Center" tab.

Before proceeding, I would like to clarify that any statements made during this video conference call regarding the Bank's business outlook, should be treated as forward-looking statements. Investors and analysts should understand that general conditions, industry conditions and other operational factors may affect the Bank's future results and may lead to results that differ from those expressed in such forward-looking statements.

I would like to turn it over to Felix to begin the presentation. Please, Felix.

Felix Cardamone:

Thank you, Danilo, and thanks to all that are with us today. We are starting the presentation, let's go to our first slide.

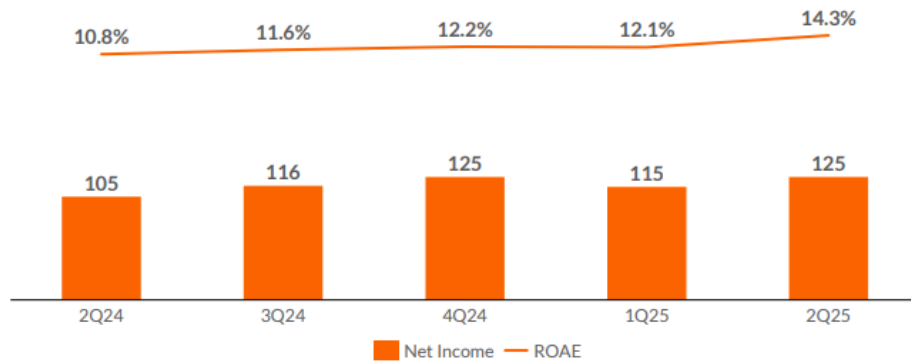
And on the first slide, I would like to strengthen the consistencies in our results. I would like to also highlight the ROAE that was 14.3%. Another point is that regarding the same period last year, our result increased 19%.

Sustainable generation of results



Profitability

Recurring Result | R\$ million and % p.a.



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Now, on our next slide, we improved the structure, tools, remix of portfolios, etc., and we had a significant drop in the NPL, in the Over 90 of our portfolio. This reflects how we are operating, how careful we are.

Point number two, on the upper right-hand side, lower risk premiums that already reflect how the market sees us regarding our strategy and market consistencies. We are working and raising funds at ever cheaper rates.

Another point that I would like to highlight is that within our strategy that was announced, we continue reducing our payroll portfolio in the United States. The pace is very interesting. And after implementing the Resolution 4,966, we continued to strengthen our capital, and I would like to highlight the recapitalization of ISE, which demonstrates the support of our controlling shareholders in keeping the Bank healthy.

And, lastly, Fitch reaffirmed A rating, but upgraded the outlook to positive, which is extremely important for us. This means we are in the direction a stronger balance sheet, more consistent results and, consequently, improvements in our ratings.

Financial highlights



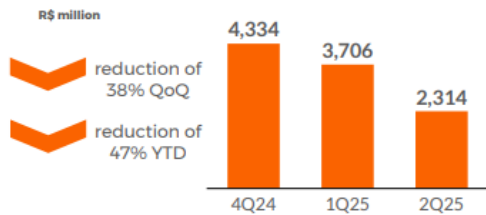
Constant improvement in asset quality



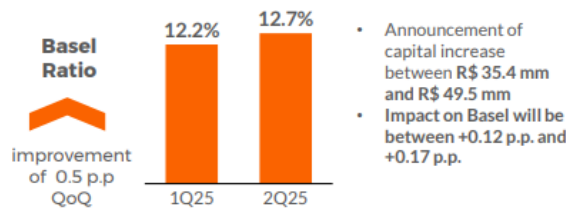
Lowest risk premium on the Bank's public issues



Reduction in the payroll loan portfolio in the United States (non-strategic asset)



Capital strengthening



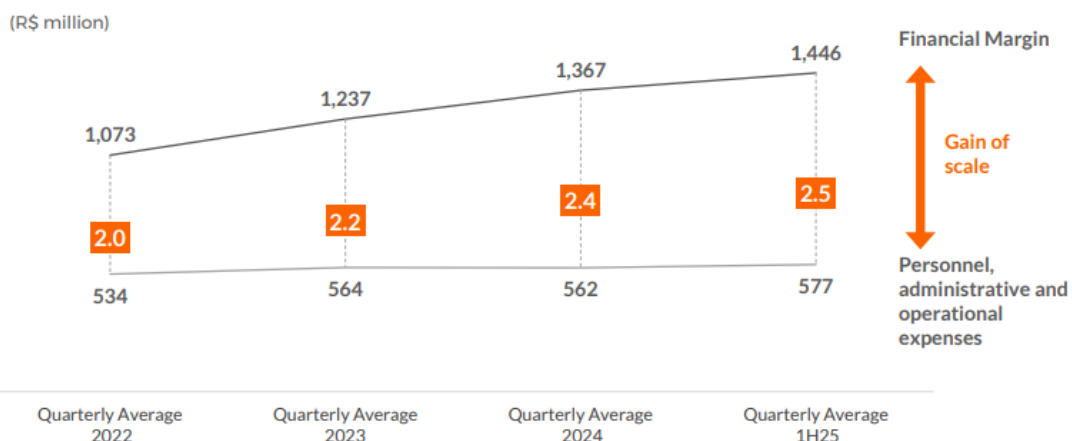
Fitch Ratings reaffirmed the National Long-Term Rating at A(bra), **upgrading the outlook to positive**

3

On the next slide. I believe that it is worthwhile to highlight that our financial margin continues growing despite we have a challenging scenario in the last months, and here we are bringing economies of scale and increasing the profitability of the Bank. The Bank is working with tight margins, a tight spread, consequently small tickets, high volume.

Therefore, the operational efficiency is the name of the game, and we are capturing these efficiencies through automation investments, AI investments, we are improving our operational, technology process, digitalization, this entire framework. Everything that we have invested in the past years are showing more efficiency in the Bank.

Sustained growth in profitability, reflecting improvements in operational efficiency



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Now, on our next slide. What we should highlight here: Number one, that we maintain the level of origination, although with the INSS changes, we have the same level of the origination in

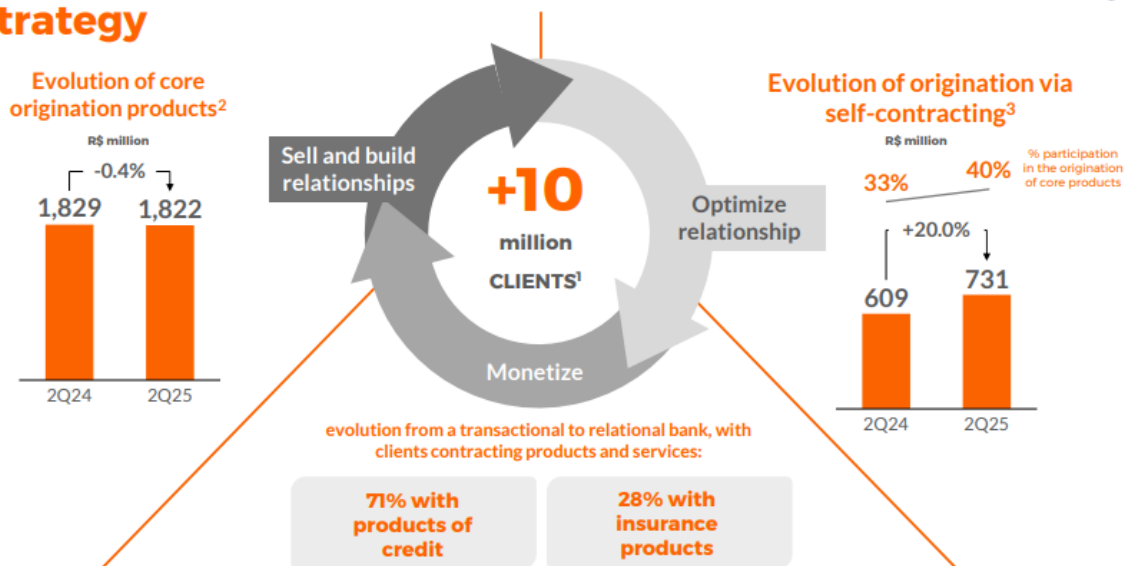
comparison to the 1Q24, and the market was extremely challenging, but the strength of our brand, the partnership with our correspondents, our franchisee network that is extremely solid has helped us, not only to maintain our level of origination but to gain more market share.

Another point, which is extremely important to highlight on the right-hand side, is origination through self-contracting. It is growing significantly, and this reflects an investment we are making in having a more fluid process for our customers, of being a relationship bank with these customers, of being close, providing services, experiences more appropriate for this audience, which is the 50+ audience, classes C and D, which is our niche.

We're investing heavily in communication with WhatsApp, improving our app for this audience, and this is clearly reflecting in better usability, and consequently in a higher volume of business.

And at last, we grew by 9% the base of customers with insurance. So our strategy of being closer to the customer, working with cross-selling, offering the right products to the right customer, reviewing our entire product range, both in insurance and in loan products, to meet the needs of this 50+ audience, classes C and D, has also proven to be efficient, and this is reflected in the increased consumption of products by our audience.

The clients' lifecycle guides the sales and relationship strategy



1. Bacen methodology of total clients. | 2. It considers only the new resource released to the client. It does not consider refinanced amounts. It considers origination via withdrawal and purchase. Core products: personal credit, personal credit with benefit, personal credit with CPF, and personal credit with CPF. | 3. It is a methodological definition of core products.

On the next slide. I believe that here this shows exactly what I just mentioned. Number one, we want to increase our addressable market. We are working in a more consistent fashion. We are more focused on public loans, so we are growing at a rapid pace.

This is a promising and great market, which we didn't focus on in the past, but now this is part of our core business. So, we are growing significantly with new partnerships, improving our processes. We do believe that there is a major potential of growth.

We've entered the private payroll loan market, but very conservatively. We understand that the process, as currently designed, is improving, but it poses some risks. We've decided to proceed very cautiously, understanding this product and process step by step, and carefully calibrating our credit tools. We'll gradually expand, but always with a high level of conservatism, with great caution, to avoid any negative surprises.

We strongly believe in the product and understand its enormous potential, but we'll proceed conservatively.

On the upper right-hand side, I would like to highlight the expansion of our franchisee stores, 67 plus stores vis-a-vis the last period. So, we can see the strength of our brand, the partnership that we have with our franchisees.

We received two awards, five stars of franchise Pequenas Empresas & Grandes Negócios, and the seal of excellence by ABF. Despite a turbulent and challenging market, our network remains healthy and profitable, which is why we continue to expand.

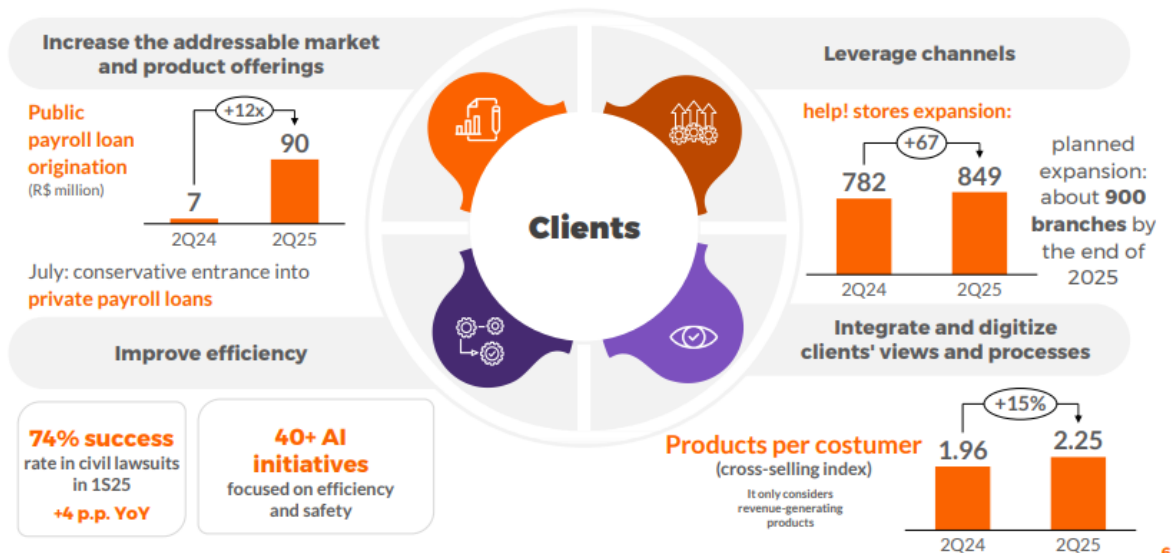
And two points. One of them is that we're improving our success in civil lawsuits, which is an important point. This also demonstrates how we are focused in improving our operational efficiencies. And there are 40 AI initiatives in the Bank focused on efficiency, safety, productivity, automation processes, so that we can have a Bank and a stable, scalable, and low-cost platform.

We are holding a number of initiatives, and a very robust training session for our team, that they know how to properly use these tools in the proper rights to resolve the problems in the right way.

At last, the evolution of our products per customer, our cross-selling index, that grew 15%, and thanks on how we are focused on the customer, the hiring process is more efficient, more fluid. Therefore, our customer has access to better products, and our sales force can sell these products in a fluid way.

Evolution of strategic priorities for 2025

Sustainable generation of results: profitability, asset and capital quality



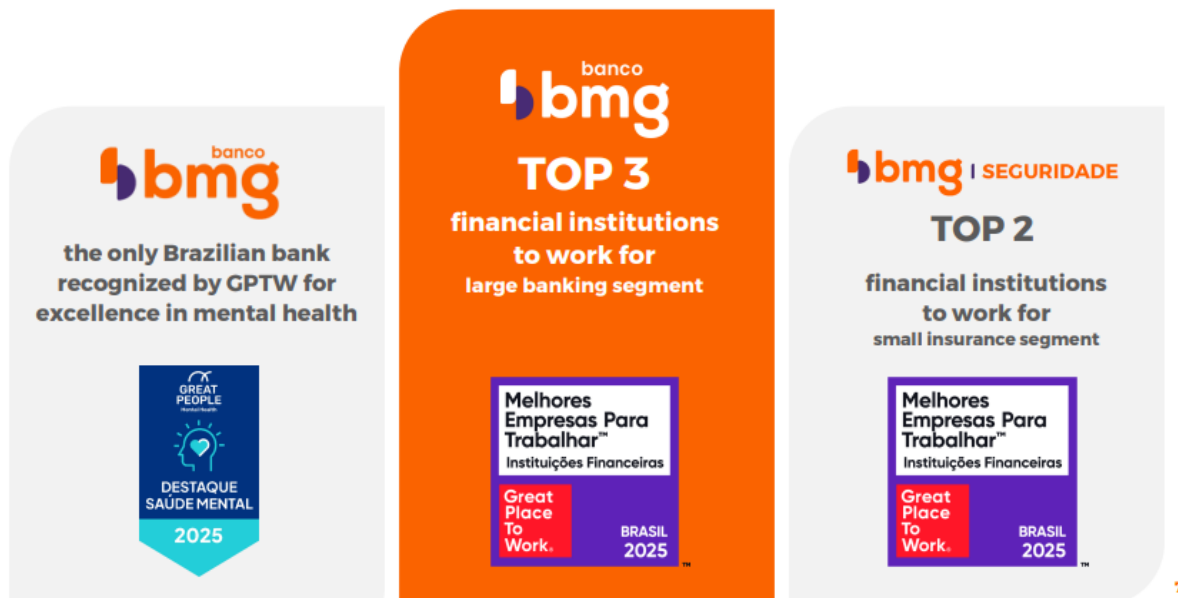
Our next slide, I would like to highlight with a lot of pride that this week we received three awards from Great Place to Work. First, we ranked third as the best large bank to work for in the Brazilian market, which makes us very proud. Second, we ranked second as a small insurance company. And another really cool highlight is that we were the only bank this year to win the mental health award.

We want to grow with sustainable results. We want to be closer to our customers. We want to stand out in this market through a differentiated way of dealing with our customers, but we can

only do this with an engaged team and encouraged team, extremely trained. And this award clearly demonstrates that we are on the right path.

The Bank just celebrated 95 years, and this was a very special award for the Bank, for our history, that clearly shows us that we are on the right path. And we will continue evolving in the training and the development of our team and how we are focused on the customer and our results.

People: focus on development and value creation



And now I will hand it over to Flávio.

Flávio Neto:

Thank you, Felix. Good morning. It is a pleasure once again to talk to you about the Bmg results. On slide 9, we have our credit portfolio.

The main highlight would be that more and more we are growing in our core products, the products that for us are the most profitable products as we also reduce the share in less profitable portfolios and less strategic for us. In payroll credit cards we are constantly growing as you have seen throughout the past quarters. In payroll loan, which was a portfolio where we resumed assignments this quarter. Remembering that in 1Q25 we chose not to make assignments at that time, we resumed them in 1Q25. Even so, the portfolio showed slight growth. It's worth noting that assignments were slightly lower than in the first half of last year.

Regarding retail individuals, personal credit is also a portfolio that we have been expanding because of the situation of the INSS and the challenge regarding to payroll loan. Personal credit absorbs this result that is not attended by the INSS payroll loans.

On the other hand, of our core products, the only one where we had a portfolio decline was the FGTS product, and largely due to a significant assignment we made this quarter. Other products that are mainly credit cards, we continue reducing the portfolio, now a bit slower.

And the payroll portfolio in the US, which is not as strategic for the Bank, which we were going to runoff. This runoff is taking place. We have dropped it since the beginning of the year. This was also driven by a partial sale of the portfolio this quarter.

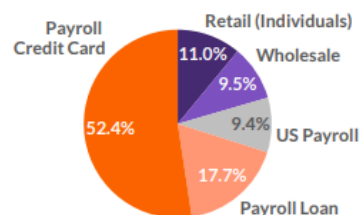
Diversification of the credit portfolio



Credit Portfolio (R\$ million)	2Q25	1Q25	Δ%	2Q24	Δ%
Payroll products	17,306	17,076	1.3%	15,654	10.6%
Payroll Credit Cards	12,938	12,759	1.4%	12,198	6.1%
Payroll Loan	4,367	4,316	1.2%	3,456	26.4%
Retail (Individuals)	2,716	3,860	-29.6%	3,279	-17.2%
Personal Credit	1,471	1,367	7.6%	997	47.6%
FGTS Anticipation	713	1,942	-63.3%	1,520	-53.1%
Credit Card and Others	532	551	-3.5%	763	-30.3%
Wholesale	2,345	2,176	7.8%	2,033	15.3%
Companies	1,012	837	21.0%	638	58.7%
Structured Operations ¹	1,333	1,339	-0.4%	1,396	-4.5%
Brazil Credit Portfolio	22,367	23,111	-3.2%	20,966	6.7%
US Payroll²	2,314	3,706	-37.6%	3,310	-30.1%
Total Credit Portfolio	24,680	26,817	-8.0%	24,276	1.7%

Remix of assets increasing exposure to payroll loans and personal credit while reducing less profitable portfolios

Distribution of the credit portfolio (%)



1. Refers to the anticipation of receivables from commissions paid by Bmg to banking agents and franchisees, and anticipation of TV broadcasting rights to soccer clubs. | 2. The balance of this portfolio fluctuates based on the portfolio's value in U.S. dollars and exchange rate variations during the period, however, the Bank does not bear foreign exchange exposure risk on this portfolio.

When we go to slide 10, here you can see the quality of credit portfolio. And the highlight is that our Over90 indicator is 3.8%. This is the lowest figure since our IPO. And this is possibly because of two actions.

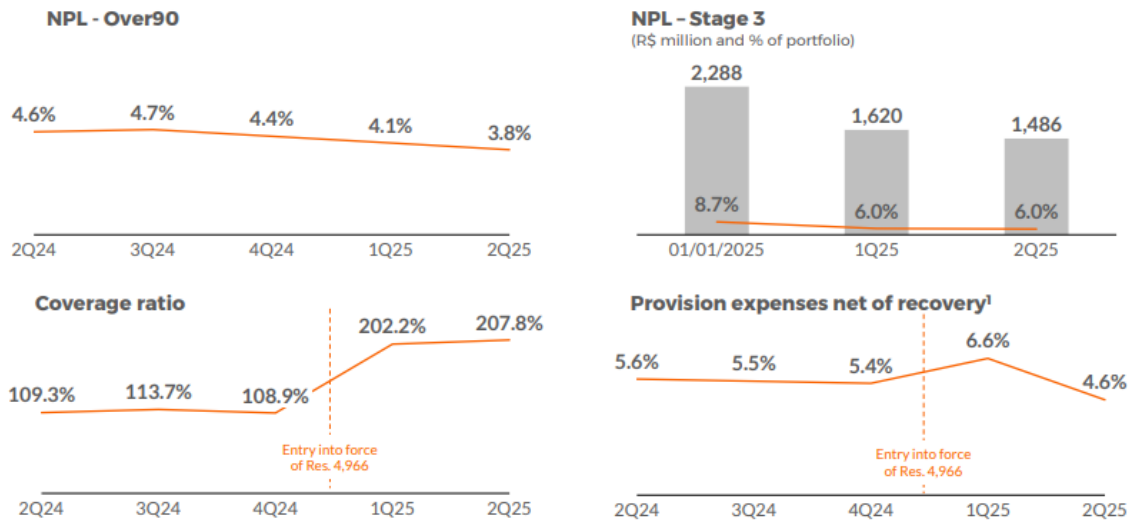
A portfolio remix movement, which has been happening, which helps with this, and another movement that is an improvement, in fact, in each of our products, in which we have made significant investments in the Bank's credit and collection areas, so that we have been able to work our various portfolios in a much more efficient way, with a much lower level of losses.

Our NPL Stage 3 dropped R\$ 1.5 billion and maintained its 6%, which is an interesting indicator because we had a significant assignment of FGTS. The credit quality of the FGTS is extremely positive and the NPL is almost inexistent. So it's quite positive that we've managed to maintain our Stage 3 at just 6%.

The coverage ratio superior to 200% shows the quality of our balance. And our provisions expenses net of recovery at a very comfortable level, 4.6%.

And this indicator is benefiting from the number of improvements in the credit and collecting areas and also a more timid origination when we compare it to the past quarter, which obviously with an expected loss model, this makes us end up spending a little less on provisions.

Quality of credit portfolio



1. Provision expenses net of credit recovery, divided by average portfolio and annualized via multiplication.

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On the next slide, 11, here we have our insurance operation. We are strongly focused on protecting those that don't have protection and as we do this, we also strengthen the business front that is the main pillar of our noncredit strategy.

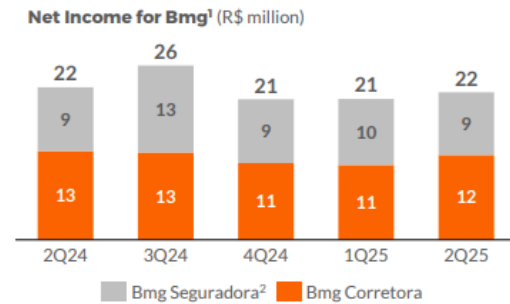
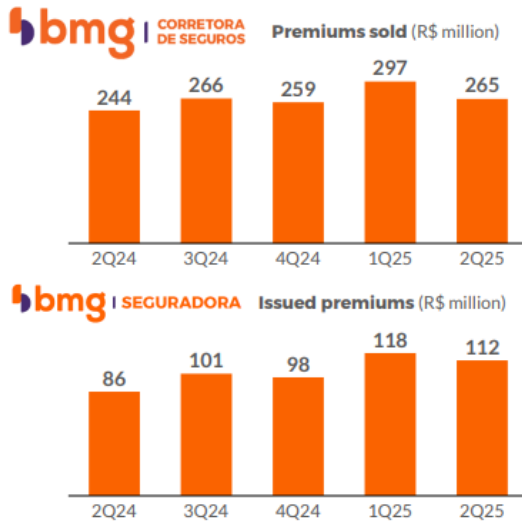
This insurance operation is highly relevant within the Bank's result and it contributes with the net income. We are talking about R\$ 22 million. And the result of Bmg's Seguradora hasn't been 100% captured. We announced the purchase of the 40% that we didn't have from Bmg Seguradora but we are still waiting for it to be approved by SUSEP. And once it is approved, we will capture 100% of the result.

And I would also like to talk about two highlights. Regarding the amount of policies, we are very close to 10 million insurance policies. Therefore, our insurance operation is amongst the best operations in the country in terms of volumes and customer volumes.

And we launched a telemedicine product that is Bmg Med that has been accepted by our distribution network, and by our customer, which is almost 1 million policies.

So, this just demonstrates how capable our channel is of accepting new products, and how well we are achieving our goal of meeting our customers' needs.

Retail Insurance: reaching those without protection



Number of insurance policies
9.8 million
+16% YoY

Bmg Med (telemedicine)
about 800 thousand policies
+333% YoY

1. Bmg Corretora: equity equivalence of Bmg Corretora for Bmg; Bmg Seguradora: net income considering Bmg's share. | 2. In Apr/25, the acquisition of the remaining 40% of Bmg Seguradora was announced, and accordingly Bmg will hold 100% of the share capital. Completion of the operation is pending, subject to regulatory approvals.

Now, I would like to hand it over to João that will talk about the rest of our products.

João Consiglio:

Thank you, Flavio. On slide 12, talking a little about the payroll loan, the dynamics and operational processes that were changed at INSS effectively caused an impact on origination in the 2Q25. This origination within the market dropped approximately 50% during the quarter while origination only dropped 37% and this shows a market share gain for Bmg.

We're already seeing a recovery in this market. Our focus, partnership, and proximity to our partners, origination channels, and the ease of use through digital channels have significantly contributed to this recovery. Of course, the 1.85% cap rate remains inadequate, but we're working with this reality, striving for the best possible operational efficiency and offering other products to increase the Bank's profitability.

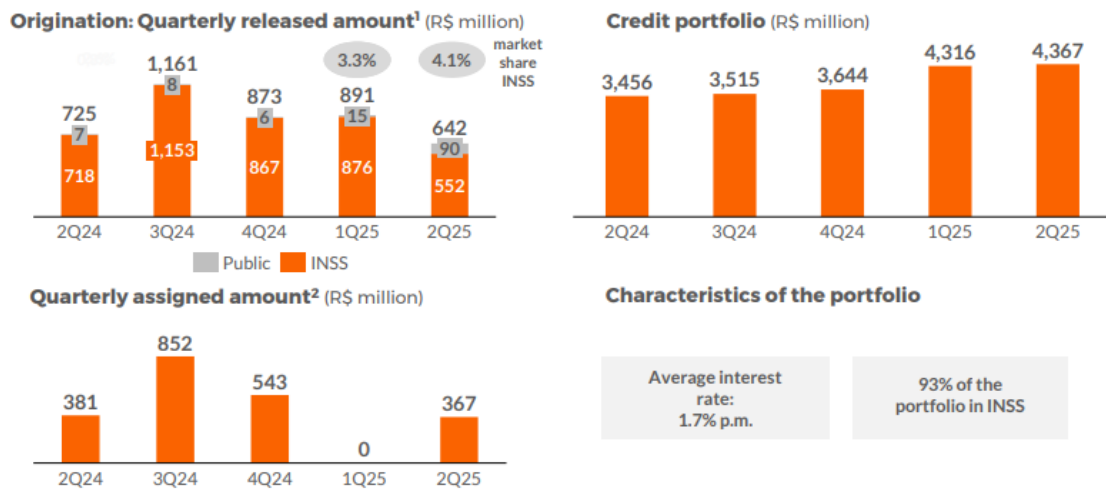
We're also seeking growth in payroll loans through public agreements, not just through the INSS, and this is a market where our market share wasn't yet fully compatible with the Bank's size and our payroll loan market share. So, there's an important path for us to develop and grow in the public payroll loan market.

With the improvement with the curves and future interest rates, we have been able to resume our assignments that wasn't done during the 1Q25 because new opportunities emerged for these new assignments.

Payroll loan is an important portfolio and it is a profitable way of attracting new customers to the Bank that have been profitable from the beginning.

Payroll Products

payroll loan



1. It considers only the new resource released to the client, it does not consider refinanced amounts. | 2. Credit assignment without retention of risks and benefits.

On page 13 you can see the payroll credit card, where the Bank has a relevant share, both in payroll credit card and benefit payroll card. The origination dropped less than origination on payroll loan, and we even managed to grow our portfolio in 2Q25.

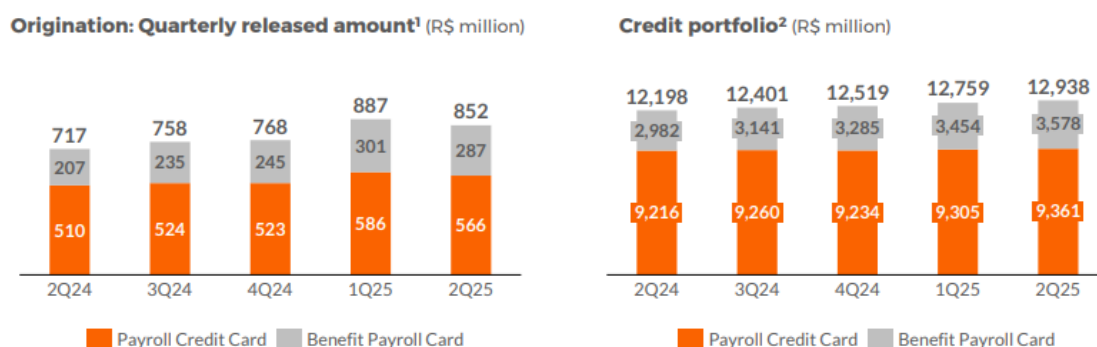
The benefit payroll card is growing year on year and this is a product that has possibilities of growing in customers that didn't have access to this product.

And we're ensuring that both the payroll credit card and the benefit payroll card are used by customers for their purchases as a means of payment, effectively enabling them to self-serve, making the best use of credit as a payment method, and taking advantage of the ease of installment payments later through INSS margins.

Here there is an important possibility to grow in public agreements where our share is still lower than what we would like to have and there are great possibilities of growing because this only represents 11% of our portfolio.

Payroll Products

payroll credit card + benefit payroll card



Characteristics of the portfolio

Average interest rate: 2.9% p.m.	Payroll and benefit credit cards: 4.9 million active cards	89% of the portfolio in INSS
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1. It considers only the new resource released to the client, it does not consider refinanced amounts. It considers origination via withdrawal and purchase. | 2. Includes balance of purchases to be invoiced.

On page 14, we will talk about the retail individuals portfolio where our strategy is diversification. This includes personal credit, FGTS anticipation and non-consignable credit card.

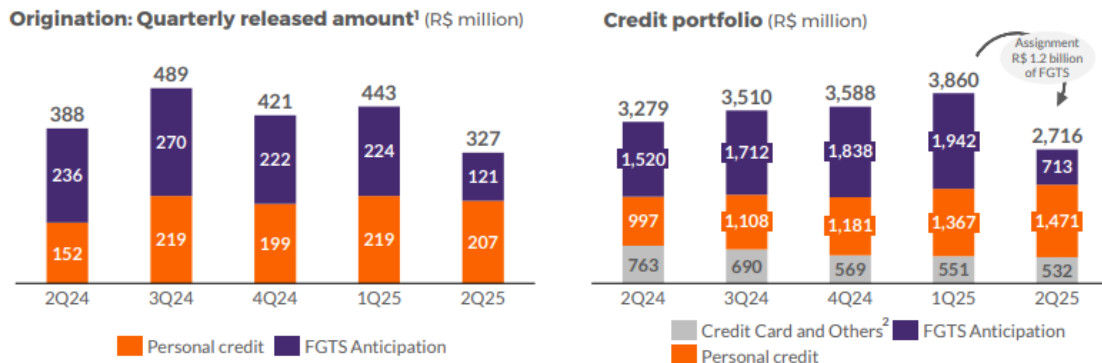
As we did last year, the FGTS anticipation presented a great opportunity, there was a major assignment during the 2Q25. And it is a portfolio with lower potential because the ticket is lower and refinancing will not necessarily take place at the pace we wish. So, it was an important opportunity so we did an assignment during the 2Q25.

To continue servicing this customer profile, we are working with credit to workers, which is private payroll loan. We are being cautious and we understand that operational process improvement for this type of credit will provide benefits for the operation as a whole.

Also this quarter, we can talk a little about the volume of personal credit origination, which has been growing and is one of the products we intend to continue growing since it is undersized in relation to the Bank, and our share in this market can be much greater than it is today, since all credit, collection processes, etc. have already been adjusted and we have a very relevant growth capacity here.

Retail (Individuals)

personal credit + FGTS anticipation + credit card



Characteristics of the portfolio

Average interest rate:
11.6% p.m.

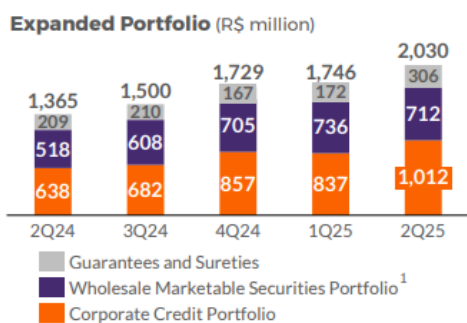
94% of personal credit portfolio receives the benefit through Bmg

1. It considers only the new resource released to the client, it does not consider refinanced amounts. | 2. Includes purchases to be invoiced which represent 49% of the credit card portfolio in 2Q25. Other portfolios refer to PJ Varejo (Companies Retail), the portfolio linked to the Desenrola Brasil program, and run-off primarily referring to legacy payroll loans.

On the page 15, we will talk about our wholesale world. The wholesale and investment bank structure with the support of Araújo Fontes, our investee, strengthens our strategy to perform in this market, increasing our return thanks to the capital markets operations and operations that don't exactly use capital.

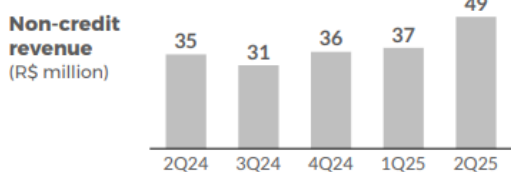
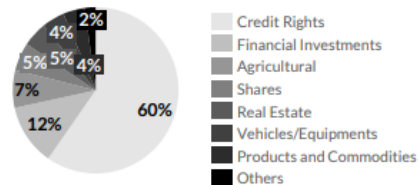
We have the opportunity of growing with safety, and non-credit revenue has also been growing. We are participated in 16 offers as coordinator, 12 as leaders, and we completed 5 M&A operations in 1H25, which has significantly contributed to our non-credit operations.

An important observation about our credit portfolio is that it's covered by a significant amount of guarantees. So, there's a description of our collateral, and 91% of this portfolio is covered by very secure collateral.



Guarantees

91%
of the loan portfolio covered by collateral



1H25 | CAPITAL MARKET OPERATIONS

R\$ 497 million
total amount of offers

16
offers as coordinator
(12 as leader)

Advisory on **5**
M&A operations

1. It includes Debentures, CRA, CRI, Commercial Notes and Funds that Bmg has invested with capital market strategy.

And now, I will hand it over to Danilo.

Danilo Herculano:

Thank you João. Now on slide 17, regarding the financial margin, which has been positively impacted by the recurring revenue generation by the core products in the last quarters.

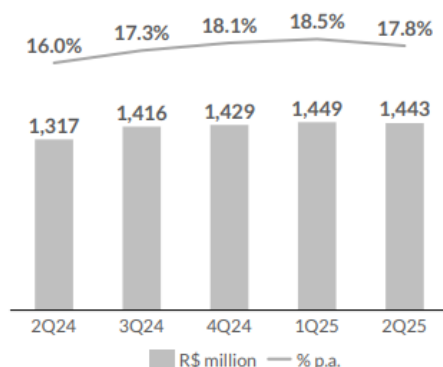
This quarter, the nominal margin remained virtually unchanged, while the percentage margin was impacted by the cap on the payroll loan rate and the rise in interest rates. Even so, our margin remains at a good level.

The margin after cost of credit, here in the right corner of the screen, grew 15% this quarter, driven primarily by improved credit quality. Flávio highlighted this point a bit: we are increasingly working with a healthy portfolio, and this has been very positive for the composition of this financial margin, making it increasingly healthy and growing.

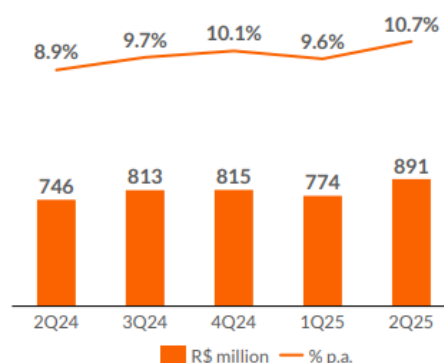
Financial Margin



Financial Margin (NIM)¹



NIM after the cost of credit (provision expenses and commission)²



1. Income from credit operations + income from marketable securities transactions + funding expenses and derivatives + income from services rendered + insurance operations / average profitable assets.
2. Financial Margin + net provision expenses + commission expenses / average profitable assets.
Based on Managerial Income Statement.

Moving on to slide 18, I think it's important to highlight that the Bank continues to operate with increasingly efficient cost management, which is already deeply rooted in our culture and strengthened by the technological and operational efficiency gains we've seen.

That's why we launched our cost to serve indicator this quarter. It encompasses virtually all of the Bank's expenses, including personnel, administrative, and operational expenses, as well as commissions. This indicator has been kept under control, even despite recent inflationary pressures and when compared to 2024. This is a result of the modernization of our technological and operational platform.

And it's interesting that, to avoid unnecessary costs, we've also been purging active customers from our base on a recurring basis, so the average customer base has been practically flat this past year, as you can see here on the screen, in the upper right corner.

Speaking briefly about expenses, they showed growth this quarter, mainly due to net operating provision expenses, when compared to 1Q25.

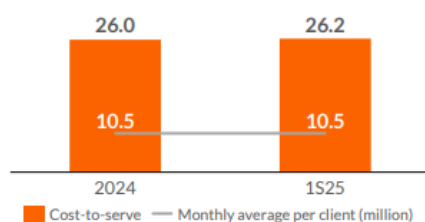
Also, remember that 1Q25 has seasonality and lower entry of lawsuits, and in 2Q25, we had a volume of inflows due to INSS issues, as already mentioned in this conference call. But I'd also like to emphasize that these inflows began to cool off last month, bringing a new dynamic for the coming months.

And with this, I'd also like to reinforce—as Felix mentioned very well at the beginning of the presentation—the internal work we've been doing. So, we continued to significantly increase our success rate and reached 74% in 1H25.

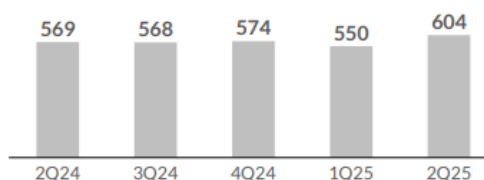
Operational Efficiency



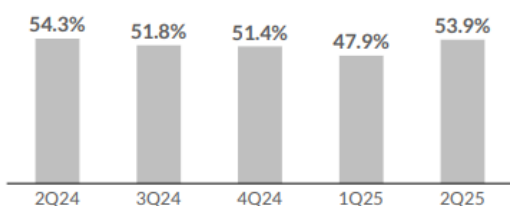
Cost-to-serve¹ (R\$ monthly average per client)



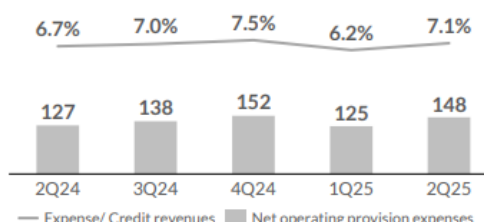
Personnel, administrative and operational expenses (R\$ million)



Efficiency ratio (%)



Net operating provision expenses (R\$ million)



+74%
success
rate on
1H25

1. Personnel + administrative + operational + commissions expenses / average number of customers using Bacen's methodology.

On slide 19, we have the diversification of funding and conservative liquidity management. We continue with the liquidity management with an LCR, which represents the short-term outlook, with a conservative level. And although it is not mandatory for S3 banks, we are launching our NSFR, which offers a longer-term outlook, at a level compatible to the major banks of the market. Here's a benchmark for the top tiers.

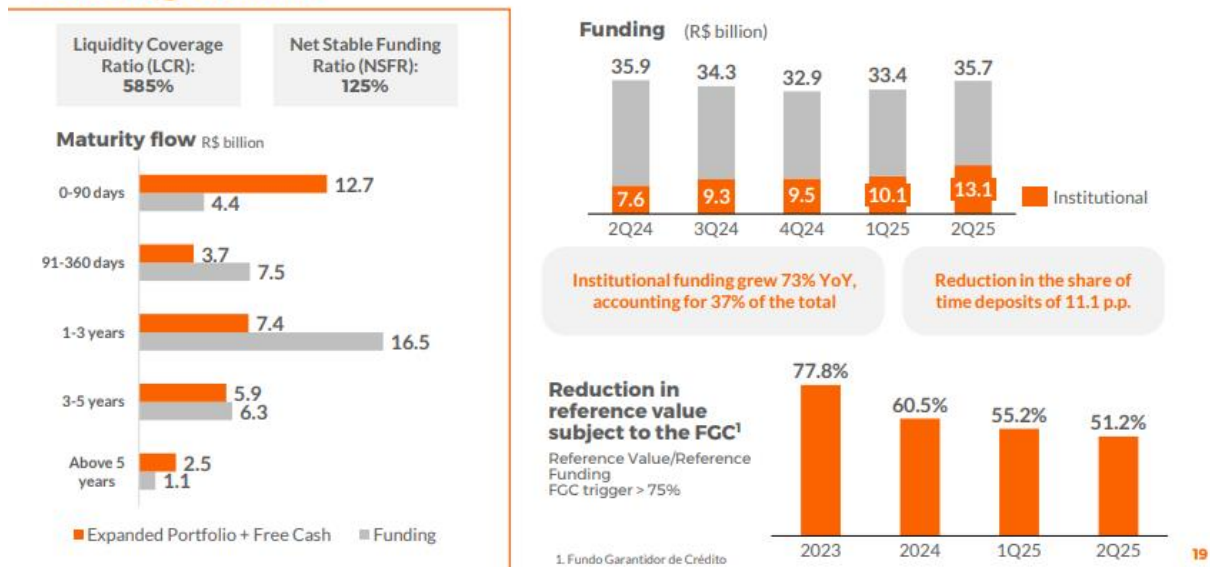
And also, as you can see below, our cash flow is very well matched, according to the recent rollovers.

We continue broadening a relationship with institutional investors, reinforcing our capital markets strategy. This grew 73% in the last 12 months, exceeding R\$ 13 billion, and it is almost 1/3 of our total funding.

This institutional growth has been concomitant with the reduction in term deposit funding through distributor platforms. So, not only improving our risk premium, but also reducing our average cost of onerous liabilities, given that here we have lower FGC costs and also the cost of compulsory deposit.

And speaking of FGC, our reference value for the FGC, used to calculate the value of the additional contribution, has been reducing since 2023 and we reached 51.2% here, almost 50% in this quarter.

Diversification of funding and conservative liquidity management



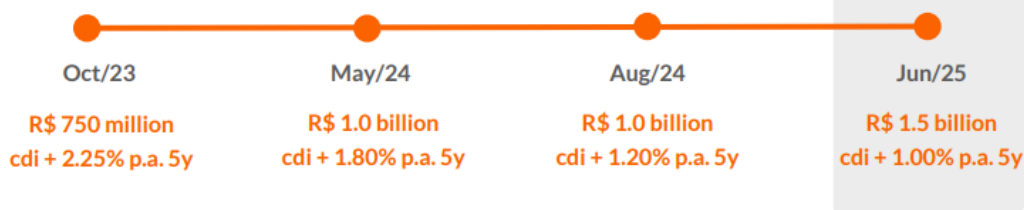
Moving on to slide 20, I'd like to highlight this reduction in the risk premium. These are the last two public issuances we've made this year. The first, the debenture backed by payroll card, we increased the volume from around R\$1 billion to R\$1.5 billion, and even so, we managed to reduce the premium to CDI + 1.00%.

And our last public financial note issuance, also in June, reached R\$300 million, and we reached a CDI + 1.45% for two years.

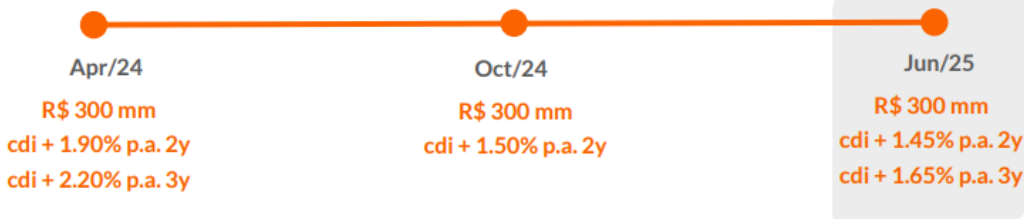
These are the lowest risk premiums in the Bank's history in these two categories, significantly reinforcing the confidence of our institutional investors.

Risk premium reduction

Public Issuance of Debentures backed by payroll cards



Public Issuance of Financial Bills

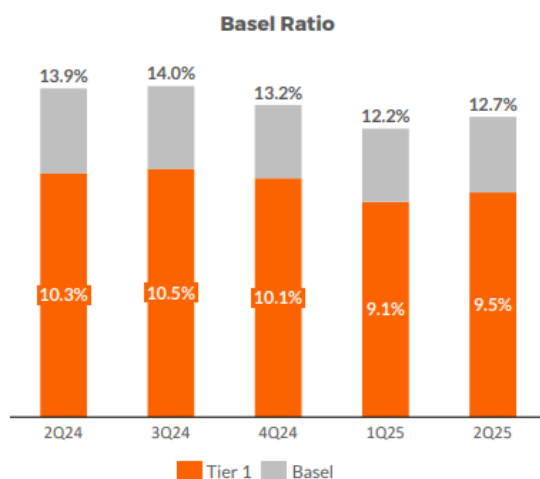


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And the main capital levers are: internal capital generation, which has been growing, with net income growing more and more. Consequently, the consumption of tax credits, especially tax loss. Also, credit assignments without retention of risk and benefit, concomitant with the runoff, as Flávio explained, of non-core products, products the Bank has been exiting, and potentially with new ISE recapitalizations.

It is important to highlight the capital increase we announced, reinforcing the controlling shareholders' commitment to the Bank..

Adequate capital level for the growth of the operations



Main capital levers

- Internal capital generation
- Consumption of tax credit
- Credit assignments
- ISE recapitalization

Capital increase reinforcing commitment of controlling shareholders

- Concurrent with payment of ISE 2Q25
- Increase between R\$ 35.4 mm and R\$ 49.5 mm
- Subscription price R\$ 3.124
- Impact on Basel: between +0.12 p.p. and +0.17 p.p.

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And now we will initiate our Q&A session.

Olavo Arthuzo, UBS (via webcast):

Hi Felix, Flávio, Danilo, João. I would like you to elaborate about the marketplace for INSS. Try to understand your perception regarding pricing and how and if this can affect the Bank correspondent channel.

Could you tell us when the system would be fully in operation?

João Consiglio:

Thank you, Danilo. Thank you, Olavo. We have been preparing ourselves for the INSS marketplace. We believe that it will become operational as of September. This is an additional origination channel. We believe that it can be extremely powerful and it is aligned with our strategy of offering the products wherever the customer wants to purchase.

Regarding pricing and what may take place with correspondent, well we do believe that the customer will be served normally by the correspondents or by the marketplace, wherever they feel it is more adequate. So, the role of the correspondent is very important and will continue being important, given the fragmentation of access to customers, and the way customers purchase, which often requires personal support.

The marketplace is an additional channel of origination and the correspondent will continue originating operations for the Bank, and our partnership continues.

Marcos Ferreira, Manager (via webcast):

About private payroll, how do you see this? What to expect of this line within the Bmg?

Felix Cardamone:

Thank you, Marcos, for your question. Well, we do understand that the private payroll has a major potential. It is an excellent product that was recently launched and we are investing to grow in this product.

We are working with it, but our operations are extremely conservative because we want to understand the settlement flow, the hiring flow, so that we can adjust our models in order to understand what is the best niche for the Bank profile. And absolutely we are going to grow.

What is important is that within our priorities, as João mentioned, public payroll, the growth of core products, private payroll loans are also a priority, but they are a new product for us, not only for us, but for the entire market.

So, within a conservative strategy, which is what we've been doing for some time, we're approaching this cautiously, understanding and calibrating our models, but it will certainly grow significantly and become a very profitable product in a short period of time.

Lucas Rodrigues, Investor (via webcast):

Within scenario of INSS news. How do you see this situation? How is product origination working?

Flávio Neto:

Thank you, Lucas, for your question. João approached very quickly this point during the presentation. What we saw was a major drop in origination, especially during May and June, and this drop stems from two things. One would be, because of the INSS crisis was on the news during two months and this frightens the customer, this provides uncertainties to the customer. This is why we had a drop in the market.

The INSS has implemented a more complex hiring process because they demanded biometrics registered. But the good news is that despite the drop in the market, Bmg also dropped but could gain share because of the credibility of the brand and the history that we have within the market.

And what we've seen since then, since this became a major media issue, is that gradually since the end of June, July, August, the market has recovered. It is still not back to the levels pre-crisis, but gradually, week by week, it has been growing.

João Vicente, Analyst (via webcast):

What has Bmg done to drive the self-contracting process?

João Consiglio:

Thank you, João Vicente. We've been investing heavily in our app, WhatsApp, and in our customer contact methods, facilitating their access to the bank. But we've been mainly encouraging customers to use our payroll credit card, the benefit card for purchases. They can

self-contract, as they make purchases and then decide whether to pay the bill or pay in installments.

So, the combination of access to the app, our credit shopping mall, which is now available, even to non-account holders, through our app, and the incentive to purchase the card has significantly increased self-contracting and is aligned with our strategy of working across multiple channels, whether through self-signing, partners, or our help! store network.

Pedro Ávila, Varos Research (via webcast):

During the quarter, the free cash went from R\$ 2.7 billion to R\$ 6.8 billion. Do you believe that the current level is within what you expect or if there is space of a gain of efficiency to gain cash in operation of greater maturity?

Flávio Neto:

Thank you, Pedro, for your question. And your statement is correct. We can gain efficiency. And what we saw in this quarter were a number of factors, like the sale of two portfolios, both the FGTS and the payroll loan portfolios in the United States. In addition, we also issued financial bills and carried out the securitization operation.

So, if we look at it as a whole, there was a cash concentration during this quarter, and what we expect in the coming quarters is that we will see this number reducing so that we can allocate this capital much more efficiently.

Danilo Herculano:

Thank you, Flavio, for your answer. And this way, we end our Q&A session. Now, I would like to hand it over to Felix for his final remarks.

Felix Cardamone:

Thank you, Danilo, and to all that follow us. As I mentioned, this was a challenging quarter. Nonetheless, we were able to deliver the results that were planned.

And through a healthier portfolio, as you were able to see, consistent results that are aligned with our strategies without any relevant and extraordinary factors, this is increasingly bringing greater robustness to our balance sheet and, consequently, market recognition through cheaper issuances or rating improvements, etc

We are managing to attract more satisfied, more profitable customers with greater digital engagement, which is extremely important and strategic for us. We also continue to expand our physical network, which demonstrates the engagement of our franchisees and the importance we place on the network and in the development of our omnichannel strategy.

Our costs remain under control, which is bringing efficiency gains through constant investments in improving our technological and operational platform and database organization. This will also enable us to be more efficient in sales, understand customer needs, and work with increasingly refined CRM.

And finally, with the awards we received this week from Great Place to Work, we have an engaged, motivated, and customer-focused team. And it's this team that has ensured such consistent results, within a healthy work environment. It's certainly challenging, but this team has done a wonderful job.

So, I'd like to congratulate the Bmg team on the award we won, the results we're delivering, and the increased customer satisfaction, which improves a little every quarter.

We're on the right track, I'm absolutely certain, and we'll continue our work every day and deliver increasingly better results. Thank you all for following our earnings results.

Danilo Herculano:

Thank you, Felix. We thank all of you for participating in our earnings result. The IR team is at your disposal and have an excellent day.