

BMGB
B3 LISTED N1



Banco BMG S.A.

***Individual and consolidated financial
statements on June 30.***



(A free translation of the original in Portuguese)

Independent auditor's report on the parent company and consolidated financial statements

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

Opinion

We have audited the accompanying parent company financial statements of Banco Bmg S.A. ("Bank") which comprise the balance sheet as at June 30, 2022 and the statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco Bmg S.A. and its subsidiaries ("Financial Conglomerate"), which comprise the consolidated balance sheet as at June 30, 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

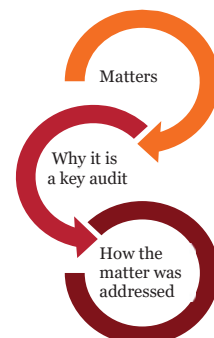
In our opinion, the parent company and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco Bmg S.A. and of Banco Bmg S.A. and its subsidiaries as at June 30, 2022, and the financial performance and the cash flows, as well as the consolidated financial performance and the consolidated cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Bank and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current six-month period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements taken as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.





Banco Bmg S.A.

Our audit for the six-month period ended June 30, 2022 was planned and performed taking into consideration that the operations of the Bank had not changed significantly compared to the prior year. Accordingly, the Key Audit Matters, as well as our audit approach, were substantially aligned with those of the prior year.

Why it is a Key Audit Matter**How the matter was addressed in the audit**

Provision for credit risk losses (Notes 2.2(g) and 8)

The credit operations of the Bank and its subsidiaries comprises mainly retail and wholesale operations. The measurement of the provision for losses associated with credit risk is required to consider the determinations of the National Monetary Council (CMN) and of the BACEN, notably CNM Resolution 2,682/99. In order to comply with these regulations, the Bank's management applies judgment and selects assumptions to define the credit risk of the counterparties to the transactions.

Incorrect judgments or assumptions or the misapplication of current regulations could result in an incorrect estimate of the provision for losses associated with credit risk.

Because of the significance of the provision for credit losses and sensitivity of the matters above, this remained an area of focus during our audit.

Our procedures included, among others, updating our understanding and performing tests of the internal controls over the measurement of the provision for losses associated with credit risk. We also carried out tests on: (i) the consistency of the main assumptions used by management pursuant to the requirements of the BACEN; (ii) the completeness of the underlying database; (iii) the internal classification processes adopted for counterparty risks; and iv) analyses of amounts underlying the provision.

We assessed the reasonableness of the information disclosed in the notes to the financial statements.

We believe that the assumptions and criteria adopted by management to measure and record the provision for credit risk losses to be consistent with the information analyzed in our audit.

Deferred income tax and social contribution assets (Notes 2.2(p), 9 and 25)

Deferred tax assets, which arise substantially from income tax and social contribution losses and temporary differences, are recognized to the extent that management concludes it is probable that the Bank and its subsidiaries will generate sufficient taxable profits which will be available for offset.

Projections of taxable profits are made by management within a horizon of ten years, all of which rely on subjective assumptions.

This matter remained an area of focus in our audit since the use of a different set of assumptions for projecting taxable profit could significantly change the estimated period of realization of tax credits,

Our audit procedures considered, among others, gaining an understanding of management's processes for determining and measuring tax credits to record assets in accordance with the accounting standards and the specific requirements of the BACEN.

Working together with our specialists, we analyzed the key assumptions made by management in its process of evaluating the prospects of realization of these assets based on projections of taxable profits of the Bank and its subsidiaries.

We obtained the Bank's study of taxable profit projections as approved by the Board of Directors



Banco Bmg S.A.

Why it is a Key Audit Matter

with a corresponding accounting effect, as well as conflict with the requirements of the BACEN for recording these assets in the financial statements.

How the matter was addressed in the audit

and, together with our specialists, compared the main assumptions to those used in prior years, adjusted to the current economic scenario.

We assessed the reasonableness of the information disclosed in the notes to the financial statements.

Our tests indicated the studies for the realization of tax credits to be consistent with the methodologies used in the prior year. We consider the criteria and assumptions adopted by management to determine asset realization to be consistent with respect to the recording, maintenance and realization of the deferred tax asset.

Provisions and disclosures of contingent liabilities (Notes 2.2(r) and 18)

The Bank and its subsidiaries are parties to labor, civil and tax administrative and judicial proceedings, inherent to the normal course of their business, filed by third parties and governmental bodies.

Specific labor, tax and civil lawsuits are monitored individually by specialized external legal counsel to assist management in determining the risk of loss classification and in calculating the related outflow of resources for probable (provisioned) and possible (disclosure only) loss amounts. Other civil proceedings are assessed under the advice of legal counsel and provisions recorded and/or disclosed on the basis of internal accounting policies which consider the history of past average disbursements.

The final settlement of the proceedings is typically a lengthy process involving discussions that can depend on case law and judicial precedence.

This matter continued to be an area of focus in our audit due to the nature of the proceedings under discussion and the subjective aspects for determining the likelihood of losses.

Our audit procedures involved understanding the processes for the identification, evaluation, monitoring, measurement and recording of the provision for lawsuits, including tests of amounts and the completeness of the database.

We performed procedures, on a sample basis, to confirm, with the internal and external legal advisors responsible for monitoring the tax proceedings, the background information and progress of the proceedings. We obtained confirmations relating to the labor and civil proceedings from the external counsel and performed consistency tests comparing these to the Bank and its subsidiaries' databases and to information received from the legal departments.

We analyzed the reasonableness of the likelihood of loss for the significant tax cases in the light of case law and legal developments.

Our procedures indicated that management's bases for assessing the sufficiency of the provision and disclosures to be reasonable.



Banco Bmg S.A.

Why it is a Key Audit Matter

How the matter was addressed in the audit

Information Technology environment

The Bank and its subsidiaries rely heavily of the development of information technology. The large volume of daily transactions carried out by the Bank and its subsidiaries requires a complex technology environment structure to process the transactions.

Failure to update information technology and related supporting controls could lead to the incorrect processing of critical information used for decision-making and adversely affect operations.

Because of the importance of this matter, the information technology environment continued to be an area of focus in our audit work.

We performed tests on the information technology general controls covering aspects related to access, alterations and systems development.

We also tested the automated and manual technology-dependent controls and compensating controls for the main business processes.

The audit procedures applied provided sufficient audit assurances that were considered in the determination of the nature, timing and extent of the audit procedures.

Material event notice - Investigation (Note 28(d))

The Bank and its subsidiaries were subject to search and seizure measures at the end of 2020, under Operation "Macchiato", following developments from Operation "Descarte". The Board of Directors formed a "Special Committee" to investigate the facts. A law firm specialized in corporate investigations and a firm specialized in forensic audit were contracted. As a result of the investigative procedures, management has concluded that no instances of the alleged illegal acts suggested by the authorities were identified.

However, investigations by the federal public authorities are still in progress and management is not able to conclude at this time if the results of the investigations may affect the financial statements of the Bank and its subsidiaries at June 30, 2022 or require further disclosures.

We treated this as a key audit matter due to the level of judgments required by management and the inherent uncertainties and limitations from this matter which could have a significant effect on the financial statements.

With the support of our internal forensic specialists, we applied the following audit procedures:

- (a) Discussed the bases for the allegations, scope of the investigation and findings with the Special Committee and with Bank's governance bodies.
- (b) Discussed the procedures adopted by management and follow-up of the main investigative actions;
- (c) Tested, on a sample basis, evidence/information collected in the investigation process; and
- (d) Obtained and read the lawyers' updated opinions on the tax and criminal implications to the Bank and its subsidiaries.

We consider the disclosures regarding this matter to be consistent with the information obtained.



Banco Bmg S.A.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the six-month period June 30, 2022, prepared under the responsibility of the Bank's management, the presentation of which is required by the Brazilian corporate legislation for listed companies and presented as supplementary information for purposes of the Brazilian Central Bank, were submitted to audit procedures performed in conjunction with the audit of the Bank's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Bank's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Comments, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Bank and its subsidiaries.



Banco Bmg S.A.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Banco Bmg S.A.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current six-month period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, August 11, 2022

A handwritten signature in black ink, appearing to be 'PricewaterhouseCoopers'.

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

A handwritten signature in black ink, appearing to be 'Edison Arisa Pereira'.

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

Index

Management Report	1
Summary of the Audit Committee Report of Banco Bmg	5
Fiscal Council Opinion	7
Balance Sheet.....	8
Statement of Income.....	10
Comprehensive Result	11
Statement of Changes in Equity	12
Statement of Cash Flows.....	13
Statement of Value Added.....	14
1. Operations	15
2. Presentation of quarterly information and main accounting policies	15
3. Capital requirements and investment limits.....	23
4. Available Cash and interbank investments	24
5. Interbank investments and interbank deposits.....	24
6. Marketable securities and derivatives	25
7. Derivative financial instruments.....	28
8. Credit operations	31
9. Other receivables	36
10. Other assets	37
11. Investments	38
12. Property and Equipment.....	41
13. Intangible assets.....	42
14. Deposits and open market funding - own portfolio.....	43
15. Funds from acceptance and issue of securities	44
16. Borrowings and onlendings	44
17. Provisions, tax liabilities and other liabilities.....	45
18. Contingent assets and liabilities and legal obligations - Tax and social security	47
19. Equity (Bank)	49
20. Financial intermediation income (expenses).....	51
21. Income from services rendered.....	52
22. Personnel expenses and other administrative expenses.....	52
23. Tax expenses	53
24. Other operating income and expenses	53
25. Income tax and social contribution on net income	54
26. Related party transactions (Bank)	56
27. Fair value estimate	58
28. Other Information.....	59
29. Risk management.....	61
STATEMENT OF THE DIRECTORS ABOUT THE FINANCIAL STATEMENTS	
CHIEF EXECUTIVE OFFICER AND INVESTOR RELATIONS OFFICER	

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 Financial Statements for the semester ended June 30, 2022 along with the independent auditors' report.

Banco Bmg

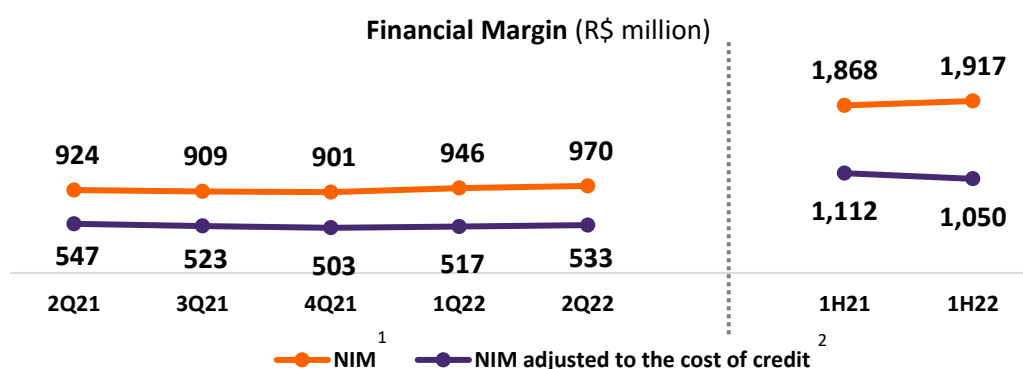
We're a complete bank! Our commitment is focused on people and their needs, so we continue to build a modern, agile, technological and, above all, human bank.

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 financial margin totaled R\$ 1,917 million in the first semester ended June 30, 2022, representing an increase of 2.6% in comparison to the same period of the previous year. In 2Q22, the margin reached R\$ 970 million, an increase of 2.5% compared to 1Q22. The financial margin adjusted to the cost of credit (provision and commission expenses) totaled R\$ 1,050 million in the first semester ended June 30, 2022, representing a decrease of 5.6% in comparison with the same period of the previous year. In 2Q22, the adjusted margin reached R\$ 533 million, an increase of 3.1% compared to 1Q22. The financial margin has been squeezed in the last quarters, initially by the reduction in the average rate of the portfolio due to the product mix, and more recently by the rise in the cost of funding due to the increase in the yield curve. The nominal margin grew again due to the strong increase in the loan portfolio and the repricing of the eligible INSS credit card portfolio with the increase in the maximum interest rate to 3.06% per month occurred in January, 2022.

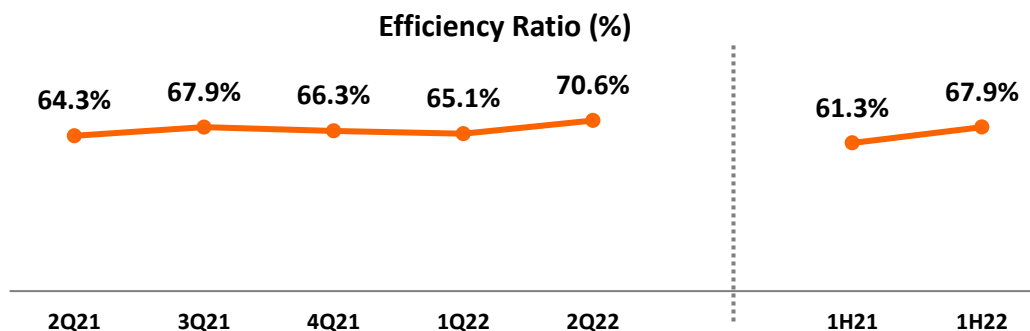


1 - interest income + revenue from services rendered.

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

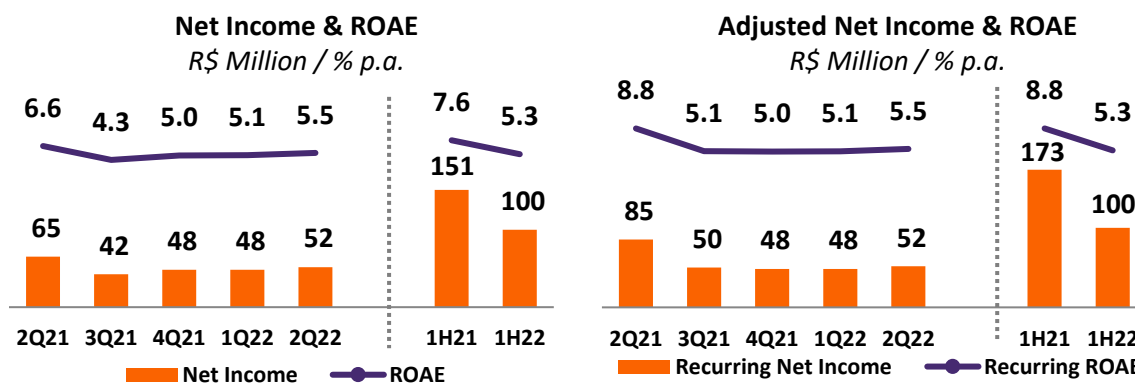
Based on the recurring result.

In the first semester ended June 30, 2022, the efficiency ratio was 67.9%, an increase of 6.6 p.p. compared to the same period in 2021. In 2Q22, the efficiency ratio reached 70.6%, an increase of 5.5 p.p. compared to 1Q22. As part of the modernization process for the transformation of the Bank and implementation of the PHYGITAL strategy, Bmg invested in the development of internal projects linked to its businesses, especially in digitalization, quality and new products. As a result, the Bank oxygenated its staff and invested in hiring new talents, ramped up its marketing investments, contracted systems and brought in consultancy and service providers to assist in specific projects. In this quarter, the increase in expenses is also associated with the strong increase in credit origination.

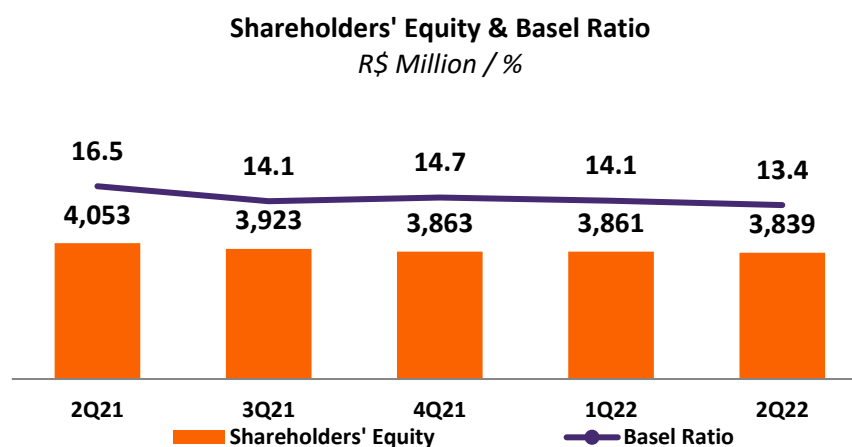


Methodology: Personnel Expenses + Other Administrative Expenses (doesn't consider amortization) + Other Operating Expenses (net from operating income)/ Gross Profit from Financial Intermediation before allowance for loan losses + Income from Services Rendered + Tax Expenses.

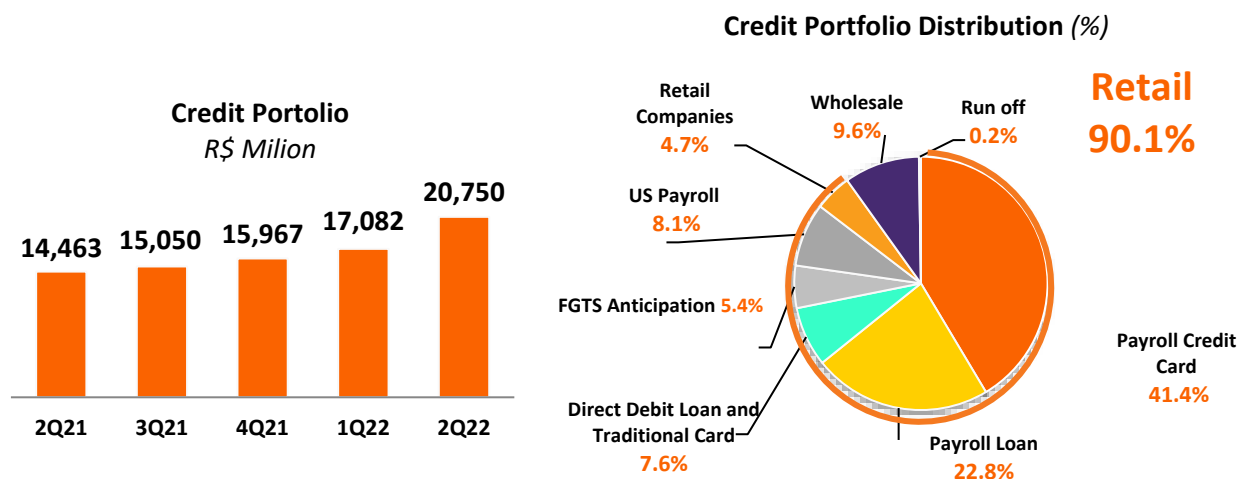
The net income in the first semester ended June 30, 2022 was R\$ 100 million, a reduction of 33.9% compared to the same period of 2021. In 2Q22, the net income was R\$ 48 million, an increase of 6.9% compared to 1Q22. The Return on Average Equity (ROAE) was of 5.3% per year in the first semester ended June 30, 2022. The recurring net income and Recurring Return on Average Equity (Recurring ROAE) were the same as the accounting indicators in the first semester of 2022.



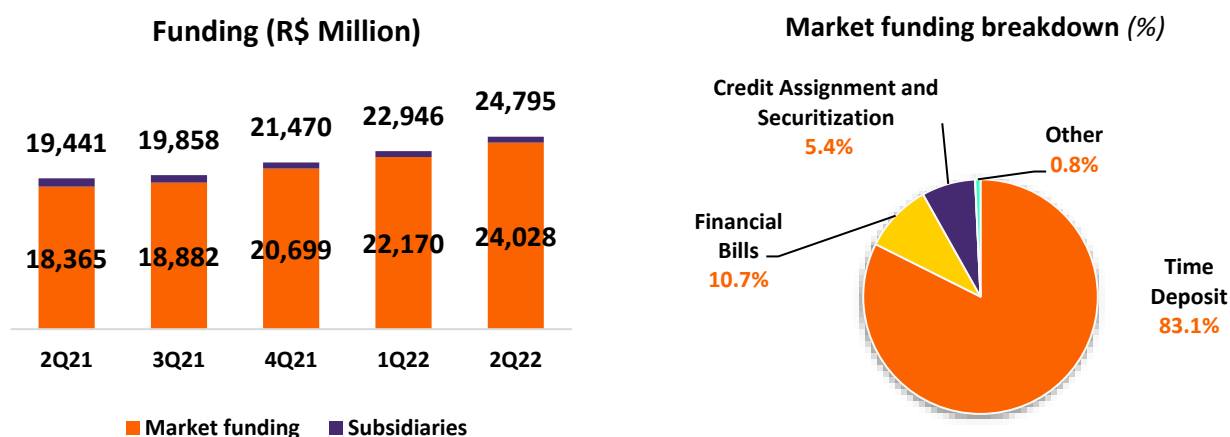
Consolidated Shareholders' Equity on June 30, 2022 amounted to R\$ 3,839 million and the capitalization ratio of risk-weighted assets (Basel Ratio) was 13.4%. The Bank's strategy is to maximize the payment of the interest on shareholders' equity (ISE) in view of the tax benefits that accrue. In June 2022, we carried out the private issuance of R\$ 251 million of Subordinated Financial Bills with terms of 10 and 12 years in the institutional market. The Bills are eligible for Basel composition and are reflected in Tier II Capital. The Bank provisioned Interest on Shareholders' Equity (ISE) in the amount of R\$ 106.5 million in the first semester ended June 30, 2022.



The total consolidated portfolio ended June 30, 2022 with a balance of R\$ 20,750 million, representing an increase of 43.5% compared to the same period of 2021. In the second quarter of 2022, the increase was mainly driven by the consignable products.



The consolidated funding balance totaled R\$ 24,795 million in the end of June 30, 2022, representing an increase of 27.5% compared to the same period of the previous year. Considering only market funding (does not include deposits and financial bills from subsidiaries), funding ended June 30, 2022 with a balance of R\$ 24,028 million, representing an increase of 30.8% compared to the same period of 2021.



On June 30, 2022, The Bank's investments in subsidiaries totaled R\$ 1,075 million. In January 2022, after approval by the Central Bank, we completed the acquisition of 50% of AF Controle S.A., a holding company that owns the equity interest in Araújo Fontes Consultoria e Negócios Imobiliários Ltda. and AF Invest Administração de Recursos Ltda. In June 2022, a capital reduction was carried out in the subsidiary CBFácil Corretora de Seguros e Negócios Ltda. in the amount of R\$50 million.

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, the ESG Executive Department was created, as well as the ESG 2022-2024 Plan, with an integrated strategy aligned to the business. The Plan is focused on four fronts: social equity, diversity and inclusion, care for the environment, and ethics and integrity. 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 60 years of age to provide online customer service, giving opportunities to this group, which is still marginalized in the labor market. 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.

Regulation

BACEN Circular No. 3.068/01 - Bmg has R\$ 7,846 million in securities classified as "held to maturity" and declares it has the financial capacity and intention to hold them to maturity.

Relationship with Independent Auditors

The adopted policy adheres to the principles that preserve the independence of the auditor, in accordance with internationally accepted criteria, ie, the auditor should not audit his or her own work and neither perform managerial functions at his client nor promote its interests. As established by CVM Instruction 381, in the fiscal year ended June 30, 2022, Bmg did not contract and did not have services rendered by PricewaterhouseCoopers Auditores Independentes not related to the external audit, at a level higher than 5% of the total relative fees to external audit services.

Capital Management

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

Acknowledgements

All these achievements reflect the firm commitment of the Shareholders and Management to continually strive to exceed expectations and always offer its clients high quality service and a healthy environment for its employees.

These gains have been possible thanks to our clients' support and trust and the dedicated efforts of our collaborators and partners/correspondents.

To them all, our deep appreciation.

BANK'S MANAGEMENT

São Paulo, August 11, 2022.

SUMMARY OF THE AUDIT COMMITTEE REPORT OF BANCO BMG

The Audit Committee is a statutory advisory body to the Board of Directors, currently composed of three independent members, appointed by the Board of Directors, and its activities are defined by CMN Resolution 4.910/2021, CVM Instruction 308/99 and other applicable legislation, in addition to the duties defined by BMG's by-laws and its Internal By-laws.

Activities During the Period

The Audit Committee held six (6) ordinary meetings in the first semester of 2022, all of them foreseen in its work program. Additionally, another three (3) meetings were held in the second semester of 2022 for the final evaluation of the financial statements for the base date of 6/30/2022, among other matters, and the last one was held jointly with the Board of Directors on this date. Always in attendance are two members of the Board of Directors, who are also members of the Audit Committee, as well as the President of the Institution and the Internal Audit Director.

Internal control systems and Risk Management

In the first half of 2022 BMG continued to improve and update its rules and procedures and strengthen its Corporate Governance process. The Committee monitored the work of the accounting, risk and capital management, Internal Controls and Compliance areas, pursuant to demands from the Central Bank of Brazil, the External Auditors, the Internal Audit and the Ombudsman, as well as the process for determining internal and external frauds and fraud prevention, and civil, tax and labor contingencies, in addition to the ranking of complaints issued by the Central Bank of Brazil.

Based on this set of information and its own inquiries and meetings, the Audit Committee assesses BMG's Internal Controls as effective, understanding that the efforts made in the recent semesters and those currently underway have effectively contributed to strengthening the governance process, by effective engagement at all levels of Management.

Internal Audit

Besides discussing and approving the formulation of the work plans for the area, the Audit Committee received all the reports of the work conducted, monitoring the implementation of the action plans recommended, met with the area and positively evaluates its scope, quality and level of independence, as well as satisfying all the principles of diligence, integrity and professional ethics.

No faults were identified referring to Internal Audit's work regarding compliance with legislation, regulations and internal rules that would be serious enough to put the Organization's business continuity in jeopardy.

External Audit

PricewaterhouseCoopers Auditores Independentes is the company responsible for auditing the BMG Financial Conglomerate's financial statements, and who must certify if they fairly present, their relative aspects, its effective economic and financial situation, pursuant to the accounting practices adopted in Brazil.

The Committee discussed the planning of its work and the main conclusions with the external auditors, considering them as appropriate, and there were no material facts that could compromise its independence.

Ombudsman

The Audit Committee monitors the Ombudsman's work in accordance with current regulations. The Committee believes that BMG has been making constant efforts to maintain the Ombudsman's structure at the appropriate level given the size and complexity of its operations and the level of demand from its clients.

Financial Statements

The Audit Committee analyzed the aspects involved in the preparation of the Financial Statements in BGRAP and IFRS, Explanatory Notes, Financial Reports and the Management Report, with a base date of June 30, 2022, having also held a meeting with those responsible for preparing these documents and with the External Auditors, to obtain additional information and clarifications as deemed necessary.

In addition, the accounting practices used by BMG in the preparation of the financial statements were analyzed and are in line with current legislation and regulations, adequately portraying the Institution's economic and financial situation.

Conclusions

The Audit Committee did not receive, in this period, any report of non-compliance with the rules, absence of controls, act or omission by the Institution's Management that would indicate the existence of fraud, failures or errors that could jeopardize its continuity or the integrity of its financial statements.

Based on the above considerations, the Audit Committee, with due consideration to its responsibilities and the natural limitations of the scope of its activities, recommends to the Board of Directors the approval of the Financial Statements of the BMG Financial Group for the semester ended June 30, 2022.

São Paulo, August 11, 2022.

Dorival Dourado Jr

Manuela Vaz Artigas

Paulo Augusto de Andrade (Chairman and Specialist Member)

FISCAL COUNCIL OPINION

In the exercise of their legal and statutory duties, the members of Banco Bmg S.A. Fiscal Council, after examining the Management Report and the individual and consolidated Financial Statements for the first semester ended June 30, 2022, prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, concluded that all the elements assessed, considering the report of the Independent Auditors Ltd., reflect the asset situation, the financial position and the activities developed by the Bank in the period.

São Paulo, August 11, 2022.

Roberto Faldini
Coordinating Member

Fernando Antônio Fraga Ferreira
Member

Flávio de Sousa Franco
Member

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

ON JUNE 30, 2022 AND DECEMBER 31, 2021

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Assets					
Available cash	4	293,885	349,675	291,532	292,384
Interbank investments	4/5	283,994	49,998	283,994	49,998
Financial Instruments		30,781,455	26,138,250	30,570,876	25,961,977
Investments in interbank deposits	5	29,066	38,894	1,412,418	1,269,542
Marketable securities and derivatives	6 e 7	12,589,161	12,262,124	12,551,918	12,235,776
Credit operations	8	19,043,349	14,683,337	17,358,109	13,206,654
Provision for impairment of credits	8	(880,121)	(846,105)	(751,569)	(749,995)
Interfinancial Relations	9(b)	1,652,116	865,334	1,651,904	865,122
Other credits	9(a)	5,809,261	5,454,016	5,347,432	4,940,624
Tax assets		3,912,484	3,672,207	3,499,642	3,238,670
Sundry		1,896,777	1,781,809	1,847,790	1,701,954
Other assets		272,064	217,408	269,306	217,224
Assets not in use	10(a)	10,673	12,415	10,566	12,301
Prepaid expenses	10(b)	261,391	204,993	258,740	204,923
Permanent assets		1,428,092	1,323,857	4,755,911	4,603,204
Investments		1,079,621	1,013,161	4,407,440	4,292,508
Subsidiary and associated companies:		1,079,621	1,013,161	4,407,440	4,292,508
Foreign	11			271,313	291,310
Local	11	1,075,056	1,008,596	4,131,562	3,996,633
Other investments		4,565	4,565	4,565	4,565
Property and equipment	12	67,561	65,991	67,561	65,991
Intangible assets	13	280,910	244,705	280,910	244,705
Total Assets		40,520,867	34,398,538	43,170,955	36,930,533

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

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
BALANCE SHEET
ON JUNE 30, 2022 AND DECEMBER 31, 2021

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Liabilities and Equity					
Deposits and other financial instruments		32,506,968	26,583,437	35,228,992	29,178,630
Deposits	14	20,790,989	17,640,189	23,513,013	20,227,686
Funds obtained in the open market - own portfolio		8,404,916	5,941,967	8,404,916	5,949,663
Funds from acceptance and issue of securities	15	2,551,826	2,373,376	2,551,826	2,373,376
Borrowings and onlendings	16	604,954	562,573	604,954	562,573
Derivative financial instruments	7	154,283	65,332	154,283	65,332
Interfinancial relations		267,729	199,895	267,652	199,820
Provisions	17(a)	1,056,814	917,225	1,040,147	900,870
Tax liabilities	17(a)	248,118	152,392	193,426	105,622
Other liabilities	17(b)	2,601,909	2,682,650	2,601,500	2,682,740
Total Liabilities		36,681,538	30,535,599	39,331,717	33,067,682
Equity managed by the parent company		3,839,329	3,862,939	3,839,238	3,862,851
Non-controlling interests		91	88		
Equity	19	3,839,238	3,862,851	3,839,238	3,862,851
Capital - local residents		3,742,571	3,742,571	3,742,571	3,742,571
Carrying value adjustment		(462)	(254)	(462)	(254)
Capital reserves		8,210	9,562	8,210	9,562
Other accumulated comprehensive income		(338,308)	(322,642)	(338,308)	(322,642)
Revenue reserves		427,227	433,614	427,227	433,614
Total Liabilities and Equity		40,520,867	34,398,538	43,170,955	36,930,533

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

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF INCOME
SIX-MONTH PERIODS ENDED JUNE 30

In thousands of reais, unless otherwise indicated

A free translation of the original in Portuguese)

	Note	Financial Conglomerate		Bank	
		2022	2021	2022	2021
Income from financial intermediation		2,790,303	2,084,298	2,789,328	2,077,932
Credit operations	20(a)	2,240,501	1,781,545	2,217,575	1,764,111
Marketable securities transactions	20(b)	549,802	302,753	571,753	313,821
Expenses on financial intermediation	20(c)	(1,353,857)	(653,671)	(1,578,599)	(730,747)
Funds obtained in the market		(1,703,563)	(751,801)	(1,928,305)	(831,440)
Loans, assignments and onlendings		(29,497)	(8,987)	(29,497)	(6,424)
Derivative financial instruments		379,203	107,117	379,203	107,117
Net income from financial intermediation before provision for impairment of credits		1,436,446	1,430,627	1,210,729	1,347,185
Provision for impairment of credits	8(f)	(524,578)	(425,512)	(430,509)	(381,689)
Credit operations recovered	8(f)	87,031	76,194	77,846	73,109
Net income from financial intermediation		998,899	1,081,309	858,066	1,038,605
Other operating income (expenses)		(955,179)	(965,219)	(882,910)	(938,397)
Income from services rendered	21	51,004	35,566	50,984	35,531
Personnel expenses	22(a)	(163,950)	(126,542)	(163,947)	(126,503)
Other administrative expenses	22(b)	(501,671)	(533,056)	(500,000)	(532,281)
Tax expenses	23	(87,874)	(71,328)	(84,961)	(70,569)
Equity in the earnings (loss) of subsidiary and associated companies	11	31,752	18,840	101,626	42,941
Other operating income (expenses)	24	(284,440)	(288,699)	(286,612)	(287,516)
Operating result		43,720	116,090	(24,844)	100,208
Non-operating income	28 (f)	109	24,738	117	24,697
Profit before taxation and profit sharing		43,829	140,828	(24,727)	124,905
Income tax	25(c)	(63,049)	(7,002)	(31,459)	(362)
Social contribution	25(c)	(45,588)	(3,310)	(22,933)	2,143
Deferred income tax and social contribution	25(c)	184,904	59,217	199,212	63,037
Statutory profit sharing		(20,159)	(38,443)	(20,159)	(38,434)
Profit for the period		99,937	151,290	99,934	151,289
Non-controlling stake in consolidated subsidiaries		3	1		
Profit before non-controlling interest		99,934	151,289	99,934	151,289
Basic and diluted earnings per share - R\$	19(d)			0,1714	0,2584

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



**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
COMPREHENSIVE RESULT
SIX-MONTH PERIODS ENDED JUNE 30**

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate	
	2022	2021
Net profit for the semester	99,934	151,290
Other comprehensive results		
Items that will not be reclassified to profit or loss		
Securities available for sale - Own	(99,815)	(283,005)
Securities available for sale - From Subsidiaries	44	(6)
Tax effects - Securities available for sale	47,470	134,590
Cash flow hedge	69,857	70,757
Tax effects - Cash flow hedge	(33,222)	(33,650)
Change in other comprehensive income	(15,666)	(111,314)
Total comprehensive income for the semester	84,268	39,976

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



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

STATEMENT OF CHANGES IN EQUITY

SIX-MONTH PERIODS ENDED JUNE 30

In thousands of reais

A free translation of the original in Portuguese)

	Attributable to the Subsidiary's shareholders										
	Capital		Revenue reserves			Other comprehensive results	Treasury stock	Retained earnings	Total	non-controlling interest	Total
	Realized	Capital reserve	Legal	Statutory	Other						
On December 31, 2020	3,742,571	5,680	115,191	291,529	5,894	(18,842)	(13,797)		4,128,226	86	4,128,312
Changes in non-controlling interests											
Recognition of share-based payment plans (note 26b(ii))		133							2,538		2,538
Treasury shares							(25,774)		(25,774)		(25,774)
Treasury shares canceled				(36,912)			36,912				
Change in other comprehensive income						(111,314)			(111,314)		(111,314)
Net Profit for the period								151,289	151,289	1	151,290
Realization of reserves											
Use of Net Profit:											
Transfer from reserves			7,564	143,725				(151,289)			
Provision for Interest on capital				(92,451)					(92,451)		(92,451)
On June 30, 2021	3,742,571	5,813	122,755	305,891	5,894	(130,156)	(254)		4,052,514	87	4,052,601
On December 31, 2021	3,742,571	9,562	127,287	300,433	5,894	(322,642)	(254)		3,862,851	88	3,862,939
Recognition of share-based payment plans (note 26b(ii))		(1,352)							3,584		3,584
Treasury shares							(4,965)		(4,965)		(4,965)
Capital gain				179			(179)				
Change in other comprehensive income						(15,666)			(15,666)		(15,666)
Net Profit for the period								99,934	99,934	3	99,937
Use of Net Profit:											
Transfer from reserves			4,997	94,937				(99,934)			
Provision for Interest on capital (note 19)				(106,500)					(106,500)		(106,500)
On June 30, 2022	3,742,571	8,210	132,284	289,049	5,894	(338,308)	(462)		3,839,238	91	3,839,329

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

BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit for the period	99,934	151,289	99,934	151,289
Adjustments to profit	412,407	545,913	234,041	472,549
Recognition of share-based payment plans	(1,352)	2,538	(1,352)	2,538
Depreciation	7,679	6,861	7,679	6,861
Provision for impairment of credits	524,578	425,512	430,509	381,689
Amortization	315	23,473	315	23,473
Amortizations of other intangible assets	33,123	27,261	33,123	27,261
Deferred income tax and social contribution	(184,904)	(59,217)	(199,212)	(63,037)
Equity in the (earnings) loss of subsidiary and associated companies	(31,752)	(18,840)	(101,626)	(42,941)
Non-operating income from equity pickup method		(30,871)		(30,871)
Result on the sale of assets not intended for use		6,133		6,174
Foreign exchange variations of funding	1,366	9,741	1,366	9,741
Amortization of goodwill		72,521		72,521
Provisions for contingent liabilities	55,226	84,656	55,121	82,991
Effect of exchange rate changes on cash and cash equivalents	8,128	(3,855)	8,118	(3,851)
Adjusted profit for the period	512,341	697,202	333,975	623,838
Changes in assets and liabilities				
Decrease (Increase) in short-term interbank investments	9,828	6,856	(142,876)	(223,309)
(Increase) in marketable securities	(379,338)	(2,450,405)	(368,443)	(2,452,464)
(Increase) in interbank and interdepartmental accounts	(786,782)	18,285	(786,782)	18,267
(Increase) in credit operations	(4,850,574)	(747,424)	(4,580,390)	(701,070)
(Increase) Decrease in other receivables	(170,341)	(396,691)	(186,149)	(317,157)
(Increase) in other assets	(54,656)	(23,214)	(52,082)	(23,273)
Increase in deposits	3,150,800	2,309,829	3,285,327	2,359,570
Increase in funds obtained in the open market	2,462,949	2,935,745	2,455,253	2,941,945
(Decrease) in funds from acceptance and issue of securities	(73,516)	(1,722,081)	(73,516)	(1,722,081)
(Decrease) Increase in borrowings and onlendings	42,381	(7,484)	42,381	2,218
Increase in interbank accounts	67,834	(4,424)	67,832	(4,423)
Increase (Decrease) in derivative financial instruments	125,586	28,683	125,586	28,683
(Decrease) Increase in provisions, deferred tax liabilities and other liabilities	206,636	(207,702)	150,809	(256,742)
Cash from operations	263,148	437,175	270,925	274,002
Income tax and social contribution paid	(50,403)	(21,821)	(3,253)	(4,372)
Net cash (used in) provided by operating activities	212,745	415,354	267,672	269,630
Cash flows from investing activities				
Purchases of property and equipment	(12,019)	(12,136)	(12,019)	(12,136)
Sale of property and equipment	2,770	7,204	2,770	7,204
Capital decrease in subsidiary	50,000		50,000	
Acquisition of shares in affiliates	(85,000)	(7,500)	(85,000)	(7,500)
Increase of intangible assets	(69,328)	(51,753)	(69,328)	(51,753)
Net cash provided by (used in) investing activities	(113,577)	(64,185)	(113,577)	(64,185)
Cash flows from financing activities				
Issuance of equity-eligible debt instruments	250,600		250,600	
Acquisition of Own Shares	(5,144)	(25,774)	(5,144)	(25,774)
Interest on share equity paid out	(158,290)	(90,212)	(158,290)	(90,212)
Net cash provided by (used in) financing activities	87,166	(115,986)	87,166	(115,986)
Net increase (Decrease) in cash and cash equivalents	186,334	235,183	241,261	89,459
Cash and cash equivalents at the beginning of the period	399,673	160,847	342,382	144,905
Effect of exchange rate changes on cash and cash equivalents	(8,128)	3,855	(8,117)	3,851
Cash and cash equivalents at the end of the semester (Note 2.2 and Note 4)	577,879	399,885	575,526	238,215
Increase (Decrease) in cash and cash equivalents	186,334	235,183	241,261	89,459

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
STATEMENT OF VALUE ADDED
SIX-MONTH PERIODS ENDED JUNE 30**

In thousands of reais

(A free translation of the original in Portuguese)

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
1 – Income	2,628,211	2,012,949	2,708,144	2,045,600
Financial intermediation	2,790,303	2,084,298	2,789,328	2,077,932
Services rendered	51,004	35,566	50,984	35,531
Provision for impairment of credits	(524,578)	(425,512)	(430,509)	(381,689)
Credit operations recovered	87,031	76,194	77,846	73,109
Other operating income	223,827	205,889	219,871	204,244
Non-operating	624	36,514	624	36,473
2 - Expenses	(1,862,639)	(1,160,035)	(2,085,589)	(1,234,283)
Expenses on financial intermediation	(1,353,857)	(653,671)	(1,578,599)	(730,747)
Other operating expenses	(508,267)	(494,588)	(506,483)	(491,760)
Non-operating	(515)	(11,776)	(507)	(11,776)
3 - Materials and services purchased from third parties	(453,810)	(392,817)	(452,139)	(392,056)
Materials, energy and other	(52,042)	(26,710)	(51,572)	(26,656)
Third-party services	(70,695)	(62,213)	(70,695)	(62,213)
Others	(331,073)	(303,894)	(329,872)	(303,187)
Communication expenses	(9,245)	(26,549)	(9,245)	(26,549)
Promotions and public relations	(66,094)	(71,271)	(65,997)	(71,191)
Data processing	(92,297)	(71,271)	(92,297)	(73,225)
Specialist technical services	(150,949)	(120,155)	(149,952)	(119,596)
Bank fees	(9,993)	(9,970)	(9,886)	(9,902)
Transport	(2,495)	(2,724)	(2,495)	(2,724)
4 - Gross value added (1 - 2 - 3)	311,762	460,097	170,416	419,261
5 - Depreciation and amortization	(41,117)	(130,116)	(41,117)	(130,116)
6 - Net value added generated by the entity (4 - 5)	270,645	329,981	129,299	289,145
7 - Value added received as transfer	31,752	18,840	101,626	42,941
Equity in the earnings (loss) of subsidiary and associated companies	31,752	18,840	101,626	42,941
8 - Value added to be distributed (6 + 7)	302,397	348,821	230,925	332,086
9 - Distribution of value added	302,397	348,821	230,925	332,086
9.1 Personnel	184,112	164,986	184,106	164,937
Direct remuneration	120,269	111,760	120,265	111,737
Benefits	27,995	23,073	27,993	23,055
Social charges	35,848	30,153	35,848	30,145
9.2 Taxes, contributions and fees	11,607	22,423	(59,859)	5,751
Federal	8,752	20,142	(62,699)	3,526
State	226	133	226	133
Municipal	2,629	2,148	2,614	2,092
9.3 Third-party capital remuneration	6,744	10,123	6,744	10,109
Rents	6,744	10,123	6,744	10,109
9.4 Remuneration of stockholders' capital	99,934	151,289	99,934	151,289
Profit for the six-month periods	99,937	151,290	99,934	151,289
Non-controlling stake in consolidated subsidiaries	3	1		

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

1. Operations

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

Banco Bmg S.A. ("Bmg" or "Bank"), constituted as a Publicly Traded Company, controlled by the Pentagna Guimarães Family, and located at Avenida Presidente Juscelino Kubitscheck, No. 1,830, São Paulo/SP, Brazil, currently has 11.0 million clients, and offers as retail products: payroll credit card, payroll loan, personal credit and mass market insurance via partnership. Additionally, it provides a full range of retail products and services available to its clients through its digital bank. Wholesale customers are offered financing, structured financial services, derivative instruments and collateral insurance. In addition, Bmg offers investment products to both groups.

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

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

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

2. Presentation of quarterly information and main accounting policies

2.1. Presentation of the individual and consolidated financial statements

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

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

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

These financial statements were finalized and approved for issue by the Bank's Board of Directors on Aug 11th, 2022.

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

CMN Resolution No. 4.924/21 - CPC 00 (R2) - Basic Conceptual Pronouncement, CPC 01 (R1) - Asset impairment, CPC 23 - Accounting Policies, Estimate Change and Error Correction and CPC 47 - Revenue from Contract with Client.

CMN Resolution 3.989/11 - CPC 10 (R1) – Share-Based Payment.

CMN Resolution 3.823/09 - CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

CMN Resolution 4.748/19 - CPC 46 (R1) - Fair Value Measurement.

CMN Resolution No. 4.818/20 - CPC 03 (R2) - Statement of Cash Flows, CPC 05 (R1) - Disclosure on Related Parties, CPC 24 - Subsequent Event and CPC 41 (R1) - Earnings per Share.

CMN Resolution 4.967/21 - Technical Pronouncement CPC 28 - Investment Property.

CMN Resolution 4.877/20 - Technical Pronouncement CPC 33 (R1) - Employee Benefits. Some amounts included in this Report have been subject to rounding adjustments.

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

2.2 Description of significant accounting practices

(a) Functional and presentation currency

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

(b) Determination of the results of operations

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

(c) Cash and cash equivalents

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

(d) Interbank accounts

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

(e) Marketable securities

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

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

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

recognized in a specific account in equity, "Adjustment to market value - Securities available for sale", until realization by sale.

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

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

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

Management determines guidelines for the classification of marketable securities within the categories established by BACEN Circular 3068/01. The classifications of the securities in the portfolio, as well as of those acquired in the period, are periodically and systematically reviewed in accordance with these guidelines. As established in article 5 of BACEN Circular 3068, the reevaluation of the classification of marketable securities can only be recognized in the six-monthly balance sheets, in June 2022, the Bank reclassified "securities available for sale" to "securities held to maturity". Moreover, in the event of a transfer from the "held-to-maturity" category to others, the transfer can only be made due to isolated, unusual, non-necessary and unexpected reasons which have occurred after the classification date.

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

(f) Derivative financial instruments

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

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

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

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

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

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

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

The provision for losses associated with credit risk is recognized based on the criteria defined by BACEN Resolution No. 2,682/99, and on management's analysis of outstanding operations, taking into consideration the value of guarantees, past loss experience and the portfolio risks. Additionally, Management exercises its judgment in evaluating the adequacy of the expected loss amounts resulting from the application of regulatory models and, according to its experience and credit condition of certain clients, may define the constitution of an additional provision for these clients.

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

(h) Credit assignments

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

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

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

(j) Other assets - prepaid expenses

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

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

(k) Investments

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

(l) Property and equipment

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

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

(m) Intangible assets

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

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

i. Goodwill

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

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

(n) Impairment of non-financial assets

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

(o) Current and non-current liabilities

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

(p) Income tax and social contribution on net income

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

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

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

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

(q) Operations in foreign currency

The criterion for converting the asset and liability balances of operations in foreign currencies consists of converting these amounts into local currency (R\$) at the exchange rate in effect on the closing date of the period. On June 30, 2022, the applicable exchange rate was: US\$1.00 = R\$5.2249 (as of 12/31/2021 – US\$1.00 = R\$5.5805).

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

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

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

Provisions – these are recognized in the financial statements when the risk of loss in a legal or administrative action is considered to be probable, with a probable outflow of resources to settle the obligations, based on the opinions of the legal advisors and management, similarities with previous processes and the complexity of the processes, and when the amounts involved can be measured with reasonable assurance. In addition to the situations mentioned above, the historical factor of probable litigations was included in the probable loss calculation, taking into consideration the Bank's decisions and experience between the occurrence of the event and the judicial notification.

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Contingent liabilities, which are classified as possible losses, are not provisioned and are disclosed in the notes to the financial statements when the amounts involved are significant. Contingent liabilities in respect of which losses are considered to be remote are neither recorded nor disclosed (Note 18).

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

(s) Compensation plan - Administrators

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

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

(t) Consolidation principles - Financial Conglomerate

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

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

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



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(u) Consolidation

To assist in the analysis of the consolidated financial statements, the balance sheets on June 30, 2022 and December 31, 2021 of the companies of the Financial Conglomerate are summarized as follows:

Assets	Banco Bmg	Leasing	Cayman	Banco Cifra	Banco BCV	DTVM	Eliminations	Financial Conglomerate	
								2022	2021
Available cash	291,532	74	1,388	368	534	2,783	2,794	293,885	349,675
Short-term interbank investments	283,994							283,994	49,998
Financial Instruments	30,570,876	923,943	1,566,102	680,392	1,135,946	7,343	4,103,147	30,781,455	26,138,250
Investments in interbank deposits	1,412,418	923,943		680,392	1,108,116	7,343	4,103,146	29,066	38,894
Marketable securities and derivatives	12,551,918		9,414		27,830		1	12,589,161	12,262,124
Credit operations	16,606,540		1,556,688					18,163,228	13,837,232
Interfinancial relations	1,651,904		2	4	206			1,652,116	865,334
Other credits	5,347,432	36,619	87,956	146,212	238,890	2,294	50,142	5,809,261	5,454,016
Other assets	269,306	106	1		477	2,174		272,064	217,408
Permanent assets	4,755,911						3,327,819	1,428,092	1,323,857
Total Assets	43,170,955	960,742	1,655,449	826,976	1,376,053	14,594	7,483,902	40,520,867	34,398,538



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED

ON JUNE 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	Banco Bmg	Leasing	Cayman	Banco Cifra	Banco BCV	DTVM	Eliminations	Financial Conglomerate	
								2022	2021
Deposits and other financial instruments	35,228,992		1,383,915				4,105,939	32,506,968	26,583,437
Deposits	23,513,013		1,383,915				4,105,939	20,790,989	17,640,189
Funds obtained in the open market - own portfolio	8,404,916							8,404,916	5,941,967
Funds from acceptance and issue of securities	2,551,826							2,551,826	2,373,376
Borrowings and onlendings	604,954							604,954	562,573
Derivative financial instruments	154,283							154,283	65,332
Interfinancial relations	267,652		3	55	20		1	267,729	199,895
Provisions	1,040,147	15,932	218	330	116	71		1,056,814	917,225
Deferred tax liabilities	193,426	21,102		12,617	20,944	29		248,118	152,392
Other liabilities	2,601,500	17,847		11,946	20,266	494	50,144	2,601,909	2,682,650
Equity managed by the parent company	3,839,238	905,861	271,313	802,028	1,334,707	14,000	3,327,818	3,839,329	3,862,939
Non-controlling interests								91	88
Equity	3,839,238	905,861	271,313	802,028	1,334,707	14,000	3,327,909	3,839,238	3,862,851
Total Liabilities and Equity	43,170,955	960,742	1,655,449	826,976	1,376,053	14,594	7,483,902	40,520,867	34,398,538

3. Capital requirements and investment limits

(a) Basel investment indexes

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

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

	Basel III	
	2022	2021
Reference equity - Tier I Capital	2,507,888	2,624,984
Capital	2,397,582	2,515,851
– Equity (1)	4,015,622	4,067,124
– Prudential adjustments – CMN Resolution 4,192/13 (2)	(1,618,040)	(1,551,273)
Complementary capital	110,306	109,133
– Subordinated debts	110,306	109,133
Reference equity - Tier II (ii)	272,495	20,353
– Subordinated debts	272,495	20,353
Reference equity - PR (Tier I + Tier II) (a)	2,780,383	2,645,337
Risk-weighted assets – RWA (b)	20,691,245	18,043,171
Capital allocation:		
– Credit risk	19,201,926	16,841,914
– Market risk	151,725	102,150
– Operational risk	1,337,594	1,099,107
Margin of capital allocation (a / b)	13.44%	14.66%
Tier I capital	12.12%	14.55%
– Main Capital	11.59%	13.94%
– Complementary capital	0.53%	0.61%
Tier II capital	1.32%	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”.	248,303	254,055
Asset investment index	41.45%	40.98%
Excess capital in relation to asset investment	237,757	238,573

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

ii) See note 17(c).

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

4. Available Cash and interbank investments

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Cash and balances at banks	293,885	349,675	291,532	292,384
Short-term interbank investments (i)	283,994	49,998	283,994	49,998
Total	577,879	399,673	575,526	342,382

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

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

5. Interbank investments and interbank deposits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Funded position				
National Treasury Bills – LTN	14,997		14,997	
National Treasury Notes – NTN	268,997	49,998	268,997	49,998
Open market investments	283,994	49,998	283,994	49,998
Interbank deposits	29,066	38,894	1,412,418	1,269,542
Total	313,060	88,892	1,696,412	1,319,540
Current	304,962	81,209	1,688,314	1,311,857
Non-current	8,098	7,683	8,098	7,683

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

6. Marketable securities and derivatives

(a) Marketable securities can be summarized as follows:

	Financial conglomerate		Bank	
	2022	2021	2022	2021
Fixed rate notes				
Free				
Federal Public Securities				
- Financial Treasury Bills – LFT	498,580	100,047	473,401	68,516
- National Treasury Bills – LTN	246,355	285,213	246,355	285,213
- National Treasury Notes – NTN	1,854,535	3,396,014	1,854,535	3,396,014
Private Securities				
- Shares of closed companies	20,564		20,564	
- Debentures	339,708	998,528	339,708	998,528
- Certificate of Real Estate Receivables	71,649	116,504	71,649	116,504
- Agribusiness Receivables Certificates	24,693		24,693	
- Quotas in investment funds	190,918	142,783	190,918	142,783
- Securities Abroad	9,414			
Subject to buyback transactions				
Federal Public Securities				
- Financial Treasury Bills – LFT	589,000	919,699	589,000	927,395
- National Treasury Bills – LTN	544,504	481,394	544,504	481,394
- National Treasury Notes – NTN	6,258,064	4,187,608	6,258,064	4,187,608
Private Securities				
- Debentures	912,504	438,242	912,504	438,242
Subject to guarantees				
Federal Public Securities				
- Financial Treasury Bills - LFT	391,193	488,539	388,543	486,026
- National Treasury Bills – LTN	187,594	273,534	187,594	273,534
- National Treasury Notes – NTN	9,982	39,304	9,982	39,304
Derivative financial instruments (i)				
Private securities				
- Swap receivables	298,654	288,831	298,654	288,831
- Forward contract	141,250	105,884	141,250	105,884
Total	12,589,161	12,262,124	12,551,918	12,235,776
Current	3,636,054	2,228,556	3,635,794	12,235,776
Non-current	8,953,107	10,033,568	8,916,124	12,235,776

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(b) Marketable securities fall due as follows:

Description	Financial Conglomerate					
	Value by the Amortized cost curve		book value		Adjustment to market value	
	2022	2021	2022	2021	2022	2021
Securities/Maturity						
Securities for trading	2,084,517	1,664,319	2,015,765	1,599,131	(68,752)	(65,188)
- NTN						
Up to 30 days	2,063,953	1,664,319	1,995,201	1,599,131	(68,752)	(65,188)
- Shares of closed companies						
Up to 30 days	20,564		20,564			
Securities available for sale (i)	3,020,187	10,901,384	3,027,659	10,268,278	7,472	(633,106)
- LFT						
From 31 to 60 days		109,022		109,014		(8)
From 61 to 90 days	182,344		182,340		(4)	
From 181 to 360 days	62,490	172,949	62,485	172,914	(5)	(35)
After 360 days	1,237,249	1,232,203	1,233,948	1,226,357	(3,301)	(5,846)
- LTN						
Up to 30 days		79,370		79,353		(17)
After 360 days		1,041,707		960,788		(80,919)
- NTN						
After 360 days		6,578,761		6,023,795		(554,966)
- Debentures						
From 61 to 90 days	7,313		7,335		22	
From 181 to 360 days		21,817		22,008		191
After 360 days	1,240,098	1,407,673	1,244,877	1,414,762	4,779	7,089
- Titles abroad						
After 360 days	9,414		9,414			
- Agribusiness Receivables Certificates						
After 360 days	24,237		24,693		456	
- Certificate of Real Estate Receivables						
From 181 to 360 days	29,069		34,201		5,132	
After 360 days	37,055	115,099	37,448	116,504	393	1,405
- Quotas in investment funds						
Without maturity	190,918	142,783	190,918	142,783		
Adjustment to market value recorded in remaining equity of securities reclassified from "available for sale" to "held to maturity" (i)			(740,226)		(740,226)	
- LTN						
Up to 30 days			(5,270)		(5,270)	
From 31 to 60 days			(5,447)		(5,447)	
From 61 to 90 days			(5,271)		(5,271)	
From 91 to 180 days			(16,164)		(16,164)	
From 181 to 360 days			(27,388)		(27,388)	
After 360 days			(37,271)		(37,271)	
- NTN						
Up to 30 days			(21,656)		(21,656)	
From 31 to 60 days			(22,377)		(22,377)	
From 61 to 90 days			(21,656)		(21,656)	
From 91 to 180 days			(66,410)		(66,410)	
From 181 to 360 days			(122,350)		(122,350)	
After 360 days			(388,966)		(388,966)	
Amount of securities reclassified from "available for sale" to "held to maturity" (i)	7,846,059		7,846,059			
- LTN						
From 181 to 360 days	59,876		59,876			
After 360 days	1,015,388		1,015,388			
- NTN						
From 181 to 360 days	1,187,746		1,187,746			
After 360 days	5,583,049		5,583,049			
Derivative financial instruments- Differential receivable			439,904	394,715		
Up to 30 days			38,436	3,459		
From 31 to 60 days			156,862	40,023		
From 61 to 90 days			18,583	10,547		
From 91 to 180 days			23,702	51,808		
From 181 to 360 days			162,712	140,299		
After 360 days			39,609	148,579		
Total	12,950,763	12,565,703	12,589,161	12,262,124	(801,506)	(698,294)
Total - Book value			12,589,161	12,262,124	(801,506)	(698,294)
Current			3,636,054	2,228,556	(377,596)	(65,057)
Non-current			8,953,107	10,033,568	(423,910)	(633,237)

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Description	Value by the Amortized		book value		Adjustment to market value	
	cost curve					
	2022	2021	2022	2021	2022	2021
Securities/Maturity						
Securities for trading	2,084,517	1,664,319	2,015,765	1,599,131	(68,752)	(65,188)
- NTN						
Up to 30 days	2,063,953	1,664,319	1,995,201	1,599,131	(68,752)	(65,188)
- Shares of closed companies						
Up to 30 days	20,564		20,564			
Securities available for sale (i)	2,983,083	10,875,009	2,990,416	10,241,930	7,333	(633,079)
- LFT						
From 31 to 60 days		109,022		109,014		(8)
From 61 to 90 days	182,085		182,080		(5)	
From 181 to 360 days	62,490	172,736	62,485	172,701	(5)	(35)
After 360 days	1,209,818	1,206,041	1,206,379	1,200,222	(3,439)	(5,819)
- LTN						
Up to 30 days		79,370		79,353		(17)
From 61 to 90 days	7,313		7,335		22	
After 360 days	1,240,098	1,041,707	1,244,877	960,788	4,779	(80,919)
- NTN						
After 360 days		6,578,761		6,023,795		(554,966)
- Debentures						
From 61 to 90 days						
From 181 to 360 days		21,817		22,008		191
After 360 days		1,407,673		1,414,762		7,089
- Agribusiness receivables certificate						
After 360 days	24,237		24,693		456	
- Certificate of Real Estate Receivables						
From 181 to 360 days	29,069		34,201		5,132	
After 360 days	37,055	115,099	37,448	116,504	393	1,405
- Quotas in investment funds						
Without maturity	190,918	142,783	190,918	142,783		
Adjustment to market value recorded in remaining equity of securities reclassified from "available for sale" to "held to maturity" (i)			(740,226)		(740,226)	
- LTN						
Up to 30 days					(5,270)	
From 31 to 60 days			(5,271)		(5,447)	
From 61 to 90 days					(5,271)	
From 91 to 180 days			(5,447)		(16,164)	
From 181 to 360 days			(15,988)		(27,388)	
After 360 days			(28,299)		(37,271)	
- NTN			(41,806)			
Up to 30 days					(21,656)	
From 31 to 60 days					(22,377)	
From 61 to 90 days			(21,656)		(21,656)	
From 91 to 180 days			(22,377)		(66,410)	
From 181 to 360 days			(65,689)		(122,350)	
After 360 days			(128,488)		(388,966)	
Amount of securities reclassified from "available for sale" to "held to maturity" (i)	7,846,059		(405,205)			
- LTN			7,846,059			
From 181 to 360 days	59,876					
After 360 days	1,015,388		59,876			
- NTN			1,015,388			
From 181 to 360 days	1,187,746					
After 360 days	5,583,049		1,187,746			
Derivative financial instruments- Differential receivable			5,583,049	394,715		
Up to 30 days			439,904	3,459		
From 31 to 60 days			38,436	40,023		
From 61 to 90 days			156,862	10,547		
From 91 to 180 days			18,583	51,808		
From 181 to 360 days			23,702	140,299		
After 360 days			162,712	148,579		
Total	12,913,659	12,539,328	39,609	12,235,776	(801,645)	(698,267)
Total - Book value			12,551,918	12,235,776	(801,645)	(698,267)
Current			12,551,918	2,228,343	(377,597)	(65,057)
Non-current			3,656,568	10,007,433	(424,048)	(633,210)

(i) To protect the net equity from the variation of the adjustment to market value, in June 2022 Banco BMG reclassified "securities available for sale" to "securities held to maturity," under Circular no. 3.068/01 (note 2.2 (e)).

The adjustment to market value recorded in equity will be realized according to the remaining term to maturity, without generating an impact on the result.

7. Derivative financial instruments

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

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

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

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

(a) Swaps by maturity

Description	Financial Conglomerate and Bank							Total
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	After 360 days		
Swap, options and forward contracts:								
Asset position								
Foreign currency	38,436	17,570	18,583	23,702	40,605	2,936	141,832	
Interest rate		969				1,822	2,791	
Indexes		138,323			122,107	34,851	295,281	
Total – 2022	38,436	156,862	18,583	23,702	162,712	39,609	439,904	
Total – 2021	3,459	40,023	10,547	51,808	140,299	148,579	394,715	
Swap contracts:								
Liability position								
Foreign currency	(41,717)	(24,180)	(8,728)	(39,297)	(34,769)	(5,093)	(153,784)	
Interest rate						(499)	(499)	
Total – 2022	(41,717)	(24,180)	(8,728)	(39,297)	(34,769)	(5,592)	(154,283)	
Total – 2021	(3,098)	(4,170)	(41,448)	(5,624)	(10,283)	(709)	(65,332)	

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(b) Swaps by index and notional amount

Swap, options and forward	Notional amount	Financial Conglomerate and Bank	
		Yield curve value - amortized cost	Market value
U.S. dollar x Fixed rate	10,903	42	42
CDI x U.S. dollar	448,358		98,318
Fixed rate x EURO	45,715	621	2,544
CDI x Fixed rate	5,000	174	247
IPCA x CDI	895,500	105,466	295,282
Fixed rate x Real	22,695		6,464
Fixed rate x U.S. dollar	225,890	519	37,007
Asset position – 2022	1,654,061	106,822	439,904
Asset position – 2021	1,958,370	135,810	394,715
U.S. dollar x U.S. dollar			(2,718)
U.S. dollar x Fixed rate	128,161	(428)	(31,888)
CDI x U.S. dollar		(499)	(4,792)
Fixed rate x Real	52,025		(2,628)
Fixed rate x U.S. dollar	464,652		(112,228)
Liabilities position – 2022	644,838	(927)	(154,283)
Liabilities position – 2021	347,052	(30,700)	(65,332)
Exposure – 2022	2,298,899	105,895	285,621
Exposure – 2021	2,305,422	105,110	329,383

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

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

Futures	Financial Conglomerate and Bank		
	Amounts receivable	Amounts payable	Mark-to-market adjustment in income / (expense)
DAP	2,792		4,827,529
DDI		(8,576)	2,017,184
DI1		(20,195)	7,597,719
DOL		(3,676)	2,816,935
BGI		(41)	54,681
Position – 2022	2,792	(32,488)	17,314,048
Position – 2021	62,828	(3,939)	10,795,614

(c) Operations with derivative instruments designated for hedge purposes

(i) Cash flow hedge

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

In order to protect the future cash flows of the portion of the funding of time deposits against the exposure to the (CDI e IPCA), Banco Bmg negotiated future one-day DI contracts and DAP on B3 - Brasil, Bolsa, Balcão, and the market present value of the funding is R\$4,112,211 (2021 – R\$1,533,324). These instruments generated an adjustment to market value in equity of R\$36,635 (2021 – negative in R\$14,052), net of tax effects.

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

(ii) Market risk hedge

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

To hedge against exposure to changes in the market risk of funding indexed to foreign exchange variation, the Bank negotiates US Dollar x DI swap contracts. On September 5, 2020, the Bank settled its funding operations indexed to the exchange variation object of Market Risk hedge, as well as the Dollar x DI swap contracts designated as a Market Risk hedging instrument. As of June 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 the exchange variation as a Market Risk hedge object.

To hedge against exposure to market risk variation of the CDBs indexed to the IPCA variation plus coupon, Banco Bmg made use of futures contracts (DAPs) traded on the B3 – Brasil, Bolsa, Balcão as hedging instruments. These instruments generated an adjustment to negative market value in the result for the period, in the amount of R\$42,364 (2021 – negative R\$10,976).

To protect against exposure to variation in the market risk of the pre-fixed Subordinated Financial Bills, the Bank uses futures contracts (DI1) traded on the B3 - Brasil, Bolsa, Balcão, as hedge instruments. These futures have shorter maturities than the Subordinated Financial Bills, and the roll-over of contracts is foreseen to maintain the effectiveness of the hedge relationship. On June 30, 2022 the instruments generated a positive adjustment to market value in the result in the amount of R\$7,932.

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

8. Credit operations

(a) Classification by product

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Personal credit	14,525,979	10,561,415	12,840,739	9,097,398
Direct consumer credit (CDC) -Vehicles	95	78	95	78
Commercial portfolio	2,030,995	1,646,681	2,030,995	1,634,015
Assigned credit operations (i)	2,486,280	2,475,163	2,486,280	2,475,163
Subtotal	19,043,349	14,683,337	17,358,109	13,206,654
Payment transactions	908,409	668,046	908,409	668,046
Foreign exchange portfolio	40,705	47,127	40,705	47,127
Credit cards	757,908	568,853	757,908	568,853
Total other receivables	1,707,022	1,284,026	1,707,022	1,284,026
Total credit portfolio	20,750,371	15,967,363	19,065,131	14,490,680
Provision for losses associated with credit risk	(880,121)	(846,105)	(751,569)	(749,995)
Provision for losses associated with credit risk– other credits	(3,880)	(4,507)	(3,880)	(4,507)
Total	19,866,370	15,116,751	18,309,682	13,736,178
Current	10,776,670	8,878,328	10,589,220	8,726,558
Non-current	9,089,700	6,238,423	7,720,462	5,009,620

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

(b) Classification by sector of activity

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Private sector:				
Industry	174,520	145,778	174,520	145,778
Commerce	112,888	108,751	112,888	108,751
Financial intermediaries	1,026,400	809,715	1,026,400	809,715
Services	1,350,850	961,586	1,350,850	961,586
Sports and recreation	271,755	290,486	271,755	290,486
Housing	407	660	407	660
Rural credits	15,954	12,666	15,954	
Individuals	17,797,597	13,637,721	16,112,357	12,173,704
Total	20,750,371	15,967,363	19,065,131	14,490,680

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(c) Credit assignments

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

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

In the semester ended June 30, 2022, the Bank did not carry out credit assignment operations classified in the category of "with substantial retention of risks and benefits," remaining with the amount of R\$2,486,280. With concerning to assignments classified in the category "without substantial retention of risks and benefits", the Bank carried out operations totaling R\$3,153.

The value of the assigned operations and obligations assumed, as of June 30, 2022, are as follows:

Assignment after resolution 3,533/08	Financial Conglomerate and Bank	
	Assigned operations	Assumed obligations (Note 17b)
Personal consigned credit:		
With co-obligation - Present value	2,486,280	1,287,629
Balance of settled operations to be transferred		1,154
Total – 2022	2,486,280	1,288,783
Total – 2021	2,475,163	1,535,321



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

Maturity/Product	Personal credit	Vehicle finance	Financial Conglomerate	
			Commercial portfolio	Total
Falling due in up to 30 days	5,153,446	4	623,975	5,777,425
Falling due from 31 to 60 days	598,176	4	287,624	885,804
Falling due from 61 to 90 days	443,542	3	210,946	654,491
Falling due from 91 to 180 days	1,082,865	9	274,959	1,357,833
Falling due from 181 to 360 days	1,637,338	17	207,399	1,844,754
Falling due after 360 days	7,823,372	39	1,364,144	9,187,555
Total not yet due	16,738,739	76	2,969,047	19,707,862
Overdue up to 14 days	38,801	2	290	39,093
Overdue from 15 to 30 days	115,626	1	1,146	116,773
Overdue from 31 to 60 days	124,858	3	8,879	133,740
Overdue from 61 to 90 days	118,739	4	78	118,821
Overdue from 91 to 180 days	276,606	4	184	276,794
Overdue from 181 to 360 days	356,798	5	485	357,288
Total overdue	1,031,428	19	11,062	1,042,509
Total portfolio – 2022	17,770,167	95	2,980,109	20,750,371
Total portfolio – 2021	13,605,431	78	2,361,854	15,967,363



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Maturity/Product	Personal credit	Vehicle finance	Commercial portfolio	Total	Bank
Falling due in up to 30 days	5,142,413	4	623,975	5,766,392	
Falling due from 31 to 60 days	597,830	4	287,624	885,458	
Falling due from 61 to 90 days	442,947	3	210,946	653,896	
Falling due from 91 to 180 days	1,077,912	9	274,959	1,352,880	
Falling due from 181 to 360 days	1,587,747	17	207,400	1,795,164	
Falling due after 360 days	6,448,229	39	1,364,143	7,812,411	
Total not yet due	15,297,078	76	2,969,047	18,266,201	
Overdue up to 14 days	38,801	2	290	39,093	
Overdue from 15 to 30 days	91,575	1	1,146	92,722	
Overdue from 31 to 60 days	86,210	3	8,879	95,092	
Overdue from 61 to 90 days	82,058	4	78	82,140	
Overdue from 91 to 180 days	222,651	4	184	222,839	
Overdue from 181 to 360 days	266,554	5	485	267,044	
Total overdue	787,849	19	11,062	798,930	
Total portfolio – 2022	16,084,927	95	2,980,109	19,065,131	
Total portfolio – 2021	12,141,414	78	2,349,188	14,490,680	

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(e) Provision for losses associated with credit risk

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

(i) Financial Conglomerate

Level	%	Portfolio	2022			2021	
			Provision for losses associated with credit risk	Additional provision for losses associated with credit risk	Provision for losses associated with credit risk	Portfolio	Provision for losses associated with credit risk
AA	0	908,409				668,046	
A	0.50	18,214,687	91,074	33,125	124,199	13,878,324	69,392
B	1.00	299,634	2,996		2,996	172,181	1,722
C	3.00	168,613	5,058		5,058	228,723	6,861
D	10.00	255,418	25,542		25,542	99,910	9,991
E	30.00	121,223	36,367		36,367	116,025	34,807
F	50.00	135,049	67,524		67,524	112,013	56,007
G	70.00	83,409	58,386		58,386	67,698	47,389
H	100.00	563,929	563,929		563,929	624,443	624,443
Total		20,750,371	850,876	33,125	884,001	15,967,363	850,612

(ii) Bank

Level	%	Portfolio	2022			2021	
			Provision for losses associated with credit risk	Additional provision for losses associated with credit risk	Provision for losses associated with credit risk	Portfolio	Provision for losses associated with credit risk
AA	0	908,409				668,046	
A	0.50	16,773,123	83,864	33,125	116,989	12,582,683	62,913
B	1.00	275,486	2,755		2,755	152,705	1,527
C	3.00	129,965	3,899		3,899	203,932	6,117
D	10.00	218,736	21,874		21,874	79,912	7,991
E	30.00	100,750	30,225		30,225	89,036	26,711
F	50.00	117,308	58,654		58,654	97,076	48,538
G	70.00	67,668	47,367		47,367	55,285	38,700
H	100.00	473,686	473,686		473,686	562,005	562,005
Total		19,065,131	722,324	33,125	755,449	14,490,680	754,502

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

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

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Opening balance	850,612	719,869	754,502	662,668
Addition to/reversal of provision	524,578	425,512	430,509	381,689
(Realization / reversal of provision)	(491,189)	(380,957)	(429,562)	(341,229)
Closing balance	884,001	764,424	755,449	703,128
Credit operations recovered	(87,031)	(76,194)	(77,846)	(73,109)
Effect on the profit (expense) (i)	437,547	349,318	352,663	308,560

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

9. Other receivables

(a) Other credits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Deferred tax assets (i)	3,442,528	3,210,173	3,078,489	2,831,807
Current tax assets (ii)	469,956	462,034	421,153	406,863
Foreign exchange portfolio (Note 8 (a))	40,705	47,127	40,705	47,127
Exchange variation on advances	(165)	1,945	(165)	1,945
Debtors for guarantee deposits (iii)	350,717	364,132	345,409	357,582
Sundry debtors - local	256,774	253,314	163,653	150,153
Non-financial write-offs (iv)	512,516	485,838	512,516	485,838
(-) Provision for non-recoverable amounts (iv)	(46,411)	(46,461)	(46,411)	(46,461)
Amounts receivable from associated companies			132	1,992
Credit cards (Note 8 (a))	757,908	568,853	757,908	568,853
(-) Provision for impairment - Other receivables (Note 8 (a))	(3,880)	(4,507)	(3,880)	(4,507)
Others	28,613	111,568	77,923	139,432
Total	5,809,261	5,454,016	5,347,432	4,940,624
Current	1,719,702	1,590,826	1,649,421	1,484,337
Non-current	4,089,559	3,863,190	3,698,011	3,456,287

- (i) Deferred tax assets refer to income tax and social contribution tax credits calculated and recorded based on the aspects detailed in Note 25(a).
- (ii) The balance of current tax assets refers to taxes to be offset and substantially comprises COFINS credit in the amount of R\$283,060 (2021 - R\$277,804) in the Financial Conglomerate and R\$268,668 (2021 - R\$263,623) in the Bank, due to of the res judicata on 04/06/2009 of the Rescission Action aiming at the recognition of its right to collect COFINS only on service revenues, pursuant to Complementary Law 70/91, in view of the unconstitutionality of art. 3, §1 of Law 9,718/98, declared by the STF in the judgment of Extraordinary Appeal No. 357,950 and recovery of IR/CSLL referring to the decision of the STF - Topic No. 962 - Non-levy of IRPJ and CSLL on amounts updated by the Selic rate arising from lawsuit for repetition of tax overpayment in the amount of R\$110,968 (2021 - R\$108,677).
- (iii) The balances of debtors for guarantee deposits are related to tax and fiscal litigations (Note 18).
- (iv) Refers to amounts for instalments of payroll loan operations pending transfer by public agencies and provisions for non-recoverable amounts.

(b) Interfinancial Relations

The interbank accounts are composed of R\$908,409 (2021 - R\$668,046) in payment transactions acquired from payment institutions (note 8 (a)), R\$691,947 (2021 - R\$151,569) of deposits with the Central Bank and R\$51,760 (2021 - R\$45,719) for other Financial Conglomerate amounts, and R\$908,409 (2021 - R\$668,046) of payment transactions acquired from payment institutions (note 8(a)), R\$691,745 (2021 - R\$151,366) of deposits with the Central Bank and R\$51,750 (2021 - R\$45,710) of other amounts in the Bank.

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

10. Other assets

(a) Assets not for own use

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Non-financial assets held for sale - received (i)	12,168	13,933	12,061	13,819
Provisions for devaluation of non-financial assets held for sale - received	(1,549)	(1,624)	(1,549)	(1,624)
Inventory of supplies	54	106	54	106
Total – Current assets	10,673	12,415	10,566	12,301

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

(b) Prepaid expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Commissions – Local (i)	203,428	179,308	203,428	179,308
Other	57,963	25,685	55,312	25,615
Total	261,391	204,993	258,740	204,923
Current	160,111	104,712	157,460	104,642
Non-current	101,280	100,281	101,280	100,281

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



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

11. Investments

investments in subsidiaries and associated companies

	Financial Conglomerate						
					2022	2021	
	Number of shares/ quotas held	% holding	Equity	Profit / (loss) – semester	Equity income for the semester	Book value of the investment	Book value of the investment
(i) Direct (non-financial area)							
ME Promotora de vendas Ltda.	8,000	80.00%	14,622	399	319	11,698	11,379
CBFacil Corretora de Seguros e Negócios Ltda.	958,491,000	99.99%	877,673	38,392	38,388	877,585	889,193
Bmg Soluções Eletrônicas S.A.	7,006,483	99.38%	1,998	20	20	1,986	1,956
BMG Participações em Negócios Ltda.	28,999,999	92.99%	69,196	3,304	3,072	64,346	61,273
Help Franchising Participações Ltda.	21,995,600	99.98%	22,499	(876)	(876)	22,494	23,370
AF Controle S.A.	599,126	50.00%	5,551	5,551	2,776	87,776	
Granito Instituição de Pagamento S.A.	8,568,767	45.00%	19,464	(21,972)	(11,947)	8,759	20,704
Goodwill on investment in Help Franchising Participações Ltda.						3,091	3,091
Amortization of goodwill - Help Franchising Participações Ltda.						(2,679)	(2,370)
Total					31,752	1,075,056	1,008,596



BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

							Bank
							2021
							2022
	Number of shares/quotas held	% holding	Equity	Profit / (loss) – semester	Equity income and exchange variation for the semester	Book value of the investment	Book value of the investment
(i) Direct (financial area)							
BMG Bank (Cayman) Ltd.	2,417	100,00%	271,313	(1,435)	(19,998)	271,313	291,310
BMG Leasing S.A - Arrendamento Mercantil	547,997,118	99,99%	913,299	31,313	31,311	905,770	881,897
Banco Cifra S.A.	16,364	100,00%	807,268	22,062	22,062	802,028	785,206
Banco BCV S.A.	8,196	100,00%	1,343,344	36,365	36,365	1,334,708	1,306,934
BMG S.A. Distribuidora de Títulos e Valores Mobiliários	279,000	100,00%	14,134	134	134	14,000	14,000
(iii) Direct (non-financial area)							
ME Promotora de vendas Ltda.	8,000	80,00%	14,622	399	319	11,698	11,379
CBFacil Corretora de Seguros e Negócios Ltda.	958,491,000	99,99%	877,673	38,392	38,388	877,585	889,193
Bmg Soluções Eletrônicas S.A.	7,006,483	99,38%	1,998	20	20	1,986	1,956
BMG Participações em Negócios Ltda.	28,999,999	92,99%	69,196	3,304	3,072	64,346	61,273
Help Franchising Participações Ltda.	21,995,600	99,98%	22,499	(876)	(876)	22,494	23,370
AF Controle S.A.	599,126	50,00%	5,551	5,551	2,776	87,776	
Granito Instituição de Pagamento S.A.	8,568,767	45,00%	19,464	(21,972)	(11,947)	8,759	20,704
Goodwill on investment in Help Franchising Participações Ltda.						3,091	3,091
Amortization of goodwill in Help Franchising Participações Ltda.						(2,679)	(2,370)
Total						101,626	4,402,875
							4,287,943

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

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

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

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

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 effective conclusion of the Operation is awaiting the approval of the Central Bank of Brazil - BACEN, pursuant to the existing regulations.

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.



**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED**

ON JUNE 30, 2022 AND DECEMBER 31, 2021

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

12. Property and Equipment

					Financial Conglomerate and Bank					
			2022	2021	Changes					
	Annual rate of depreciation (%)	Cost	(Accumulate Depreciation)	Net book value	Net book value	Net book value at 12.31.2021	Purchases	(Amount written off)	(Depreciation expense)	Net book value at 06.30.2022
Properties in use		16,687	(12,976)	3,711	3,711	3,711				3,711
Land		3,711		3,711	3,711	3,711				3,711
Buildings	4	12,976	(12,976)							
Other assets in use		187,872	(124,022)	63,850	62,280	62,280	12,019	(2,770)	(7,679)	63,850
Facilities	10	108,187	(75,916)	32,271	29,978	29,978	7,043	(2,123)	(2,627)	32,271
Furniture and equipment	10	9,930	(5,013)	4,917	5,137	5,137	278	(9)	(489)	4,917
Communications system	10	2,073	(734)	1,339	1,450	1,450	146	(172)	(85)	1,339
Data processing system	20	59,112	(38,269)	20,843	22,446	22,446	2,200	(2)	(3,801)	20,843
Transport system	20	8,570	(4,090)	4,480	3,269	3,269	2,352	(464)	(677)	4,480
Property and equipment in use		204,559	(136,998)	67,561	65,991	65,991	12,019	(2,770)	(7,679)	67,561

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

13. Intangible assets

(a) Goodwill on acquisition of subsidiaries

	Financial Conglomerate and Bank	
	2022	2021
Intangible assets (i)	465,739	396,411
Amortization of goodwill	(184,829)	(151,706)
Total	280,910	244,705

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

Banco Bmg assesses annually, or when there is evidence of loss, the recoverable amount of goodwill, in order to obtain Management's best estimate of its future cash flows. According to a study carried out on the base date of June 30, 2022, the need to recognize the goodwill impairment loss for the semester ended June 30, 2022 was not identified. The amortization period for goodwill was 10 years, the final date of which is August 2021.

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

(b) The changes in goodwill assets were:

	Financial Conglomerate and Bank	
	2022	2021
Opening balance	244,705	182,443
Other Intangible assets	69,328	122,315
(Amortization of other intangible assets)	(33,123)	(60,053)
Total	280,910	244,705

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

14. Deposits and open market funding - own portfolio

(a) Interbank deposits and time deposits

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Demand deposits	278,485	253,137	280,716	255,585
Interbank deposits				
Fixed rate	131,400	77,605	2,851,193	2,662,654
Time deposits				
Fixed rate	6,915,981	6,197,566	6,915,981	6,197,566
Floating rate (i)	13,465,123	11,111,881	13,465,123	11,111,881
Total	20,790,989	17,640,189	23,513,013	20,227,686
Current	5,819,863	5,784,696	8,541,887	8,372,193
Non-current	14,971,126	11,855,493	14,971,126	11,855,493

(i) Of the amount of R\$13,465,123 (2021 – R\$11,111,881) (Financial Conglomerate and Bank) of post fixed term deposits, R\$738,498 (2021 – R\$1,614,725) correspond to funding through the issuance of DPGE, subject to the conditions determined by CMN Resolution No. 4,785, of 03/23/2020.

(b) Maturity of time and interbank deposits

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

	Interbank deposits		Time deposits(i)		Financial Conglomerate	
	2022	2021	2022	2021	Total	
	2022	2021	2022	2021	2022	2021
Up to 30 days		5,688	1,323,638	1,239,801	1,323,638	1,245,489
From 31 to 60 days	104,846	2,575	444,520	189,784	549,366	192,359
From 61 to 90 days	5,444	20,370	606,020	335,759	611,464	356,129
From 91 to 180 days	725	3,085	798,714	1,381,230	799,439	1,384,315
From 181 to 360 days	7,071	38,340	2,250,400	2,314,927	2,257,471	2,353,267
Over 360 days	13,314	7,547	14,957,812	11,847,946	14,971,126	11,855,493
Total	131,400	77,605	20,381,104	17,309,447	20,512,504	17,387,052
Current	118,086	70,058	5,423,292	5,461,501	5,541,378	5,531,559
Non-current	13,314	7,547	14,957,812	11,847,946	14,971,126	11,855,493

(i) Of the amount of R\$14,957,812 (2021 – R\$11,847,946) of term deposits presented at maturity “After 360 days,” R\$11,277,292 (2021 – R\$7,609,715) mature between 1 and 3 years, R\$2,887,747 (2021 – R\$3,096,756) between 3 and 5 years and R\$792,773 (2021 – R\$1,141,475) over 5 years.

	Interbank deposits		Time deposits		Bank	
	2022	2021	2022	2021	Total	
	2022	2021	2022	2021	2022	2021
Up to 30 days		5,688	1,323,638	1,239,801	1,323,638	1,245,489
From 31 to 60 days	104,846	2,575	444,520	189,784	549,366	192,359
From 61 to 90 days	5,444	20,370	606,020	335,759	611,464	356,129
From 91 to 180 days	6,543	2,588,134	798,714	1,381,230	805,257	3,969,364
From 181 to 360 days	2,721,046	38,340	2,250,400	2,314,927	4,971,446	2,353,267
Over 360 days	13,314	7,547	14,957,812	11,847,946	14,971,126	11,855,493
Total	2,851,193	2,662,654	20,381,104	17,309,447	23,232,297	19,972,101
Current	2,837,879	2,655,107	5,423,292	5,461,501	8,261,171	8,116,608
Non-current	13,314	7,547	14,957,812	11,847,946	14,971,126	11,855,493

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(c) Captações no mercado aberto - carteira própria

Funding in the open market is composed of R\$7,450,001 (2021 - R\$5,541,752) of government bonds and R\$954,915 (2021 - R\$400,215) of private bonds in the Financial Conglomerate and R\$7,450,001 (2021 - R\$5,549,448) of government bonds and R\$954,915 (2021 - R\$400,215) of private securities in the Bank.

15. Funds from acceptance and issue of securities

(a) Liabilities from issue of financial bills

	Financial Conglomerate and Bank	
	2022	2021
Financial bills (i)	2,424,019	2,267,263
Real estate credit bills	4,327	10,460
Agribusiness credit bills	123,480	95,653
Total	2,551,826	2,373,376
Current	1,335,625	1,849,076
Non-current	1,216,201	524,300

- (i) Of the amount of R\$2,424,019 (2021 - R\$2,267,263) of financial bills, R\$1,178,017 (2021 - BRL 1,113,511) correspond to funding carried out through the issuance of Financial Bills with guarantee, subject to the determined conditions by BCB Resolution No. 144, of 09/24/2021.

(b) Maturity

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

	Financial Conglomerate and Bank	
	Financial and Credit Bills	
	2022	2021
Up to 30 days	34,719	9,912
From 31 to 60 days	5,447	23,067
From 61 to 90 days	52,295	494,216
From 91 to 180 days	1,233,555	180,619
From 181 to 360 days	9,609	1,141,262
Over 360 days	1,216,201	524,300
Total	2,551,826	2,373,376
Current	1,335,625	1,849,076
Non-current	1,216,201	524,300

16. Borrowings and onlendings

	Financial Conglomerate and Bank	
	2022	2021
Local onlendings - Official Institutions (a)	60,441	45,964
Local loans - Other Institutions (ii)	544,513	516,609
Total	604,954	562,573
Current	60,441	45,964
Non-current	544,513	516,609

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(a) Local onlendings – Official institutions

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

	Financial Conglomerate and Bank	
	2022	2021
Up to 30 days	27,982	25,905
From 91 to 180 days	32,459	20,059
Total	60,441	45,964
Current	60,441	45,964

17. Provisions, tax liabilities and other liabilities

(a) Provisions and tax liabilities

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Provision for payments to be made	276,210	192,087	275,373	191,457
Provision for financial guarantees provided	5,753	5,513	5,753	5,513
Provision for lawsuits (i)	774,851	719,625	759,021	703,900
Provisions	1,056,814	917,225	1,040,147	900,870
Current	57,281	51,350	3,099	4,924
Deferred (Note 25 (c))	190,837	101,042	190,327	100,698
Tax liabilities	248,118	152,392	193,426	105,622
Total	1,304,932	1,069,617	1,233,573	1,006,492
Current	333,491	243,437	278,472	196,381
Non-current	971,441	826,180	955,101	810,111

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

(b) Other liabilities

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Social and statutory	107,974	189,517	107,964	189,508
Other taxes and contributions payable	24,169	54,679	24,164	54,664
Card obligations payable	342,949	275,539	342,949	275,539
Sundry creditors	455,233	498,108	454,215	497,342
Transfer – Credit Assignments (i)	1,154	1,305	1,154	1,305
Payables to related companies			624	880
Obligations on operations linked to assignments(i)	1,287,629	1,534,016	1,287,629	1,534,016
Financial bills subordinated (Note 17(c))	382,801	129,486	382,801	129,486
Total	2,601,909	2,682,650	2,601,500	2,682,740
Current	915,313	1,144,374	914,904	1,144,464
Non-current	1,686,596	1,538,276	1,686,596	1,538,276

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(c) Financial bills subordinated

Type of security	Date of		Interest Rate (p.y)	R\$
	Issuance	Maturity		
Local (i)				
Financial bills subordinated	1st quarter/19	1st quarter/26	124% of CDI	6,164
Financial bills subordinated	2nd quarter/19	2nd quarter/26	122% of CDI	14,440
Financial bills subordinated	3rd quarter/19	3rd quarter/29	124% of SELIC	1,063
Financial bills subordinated	2nd quarter/19	Perpetual	IPCA + 6.60% to 6.67%	109,033
Financial bills subordinated	3rd quarter/19	Perpetual	126% to 130% of SELIC	1,273
Financial bills subordinated	2nd quarter/22	Perpetual	126% of SELIC	125,414
Financial bills subordinated	2nd quarter/22	Perpetual	18,15% - Fixed rate	125,414
Financial bills subordinated	2nd quarter/22	Perpetual	18,15% - Fixed rate	125,414
Total – 2022				382,801
Total – 2021				129,486

(i) Funding made through the issuance of Financial Bills with subordination clauses, maturing and perpetual, subject to the conditions determined by CMN Resolution No 4.192/13 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)).

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

Debts and financial bills subordinated	Financial Conglomerate and Bank	
	2022	2021
Over 360 days	272,495	20,353
Perpetual	110,306	109,133
Total	382,801	129,486

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

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

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

Contingent tax lawsuits assessed as a possible risk of loss are not recognized in the accounting, whose total estimated risk is R\$1,208,642 (2021 – R\$1,179,432) for the Financial Conglomerate and R\$1,194,018 (2021 – R\$1,167,562) for the Bank. These processes mainly refer to administrative and federal taxes.

The main questions in the conglomerate are:

- a) CSLL – R\$234,055 (2021 - R\$226,682):** final and non-appealable court decision declaring the right not to pay the Social Contribution on Net Profit, under the terms established by Law No. 7.689/88;
- b) IRPJ/IRRF/CSLL 2012, 2014 and 2019 – R\$398,971 (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\$112,528 (2021 - R\$110,194):** Tax Deduction of Losses in Credit Operations - Law No. 9,430/96;
- d) PIS and COFINS – R\$127,121 (2021 - R\$102,106):** Losses from Doubtful Credits: the deduction of credit losses under Law No. 9,718/98 is under discussion;
- e) INSS - Non-Compensatory Funds – R\$ 31,635 (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\$31,742 (2021 - R\$29,043)** under discussion is the unconstitutionality and illegality of the SAT under the terms of article 21-A of Law No. 8,213/91, introduced by Law No. 11,430/06, with the consequent recognition of the non-existence of a judicial-tax relationship that obliges the Co-Complainants to comply with such provisions, maintaining the original regulatory and legal wording.

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

Contingent labor lawsuits assessed as a possible risk of loss are not recognized in the accounts. There are no lawsuits classified as risk of possible loss on June 30, 2022; such processes are classified as probable or remote losses by the Financial Conglomerate and the Bank

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

Contingent civil lawsuits assessed as a possible loss risk are not recognized in the accounting records, whose estimated total risk is R\$866,132 (2021 – R\$730,602) Financial Conglomerate and R\$858,987 (2021 – R\$737,084) Bank.

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

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

(iv) Analysis of judicial deposits and provisions by nature

	Financial Conglomerate		2022	
			Bank	
	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax and social security contingencies	240,359	95,720	235,585	87,861
Labor contingencies	17,437	64,246	17,180	57,448
Civil claims	92,921	614,885	92,644	613,712
Total	350,717	774,851	345,409	759,021

	Financial Conglomerate		2021	
			Bank	
	Judicial deposits	Provisions	Judicial deposits	Provisions
Tax and social security contingencies	226,446	62,189	221,814	57,079
Labor contingencies	24,471	65,992	24,189	57,879
Civil claims	113,215	591,444	111,579	588,942
Total	364,132	719,625	357,582	703,900

(v) Changes

	Financial Conglomerate			
	Judicial deposits	Tax Provisions	Labor Provisions	Civil Provisions
On December 31, 2021	364,132	62,189	65,992	591,444
Additions	96,404	38,304	9,138	196,690
(Amounts written off)	(109,819)	(4,773)	(10,884)	(173,249)
On June 30, 2022	350,717	95,720	64,246	614,885

	Bank			
	Judicial deposits	Tax Provisions	Labor Provisions	Civil Provisions
On December 31, 2021	357,582	57,079	57,879	588,942
Additions	91,571	35,556	8,790	196,310
(Amounts written off)	(103,744)	(4,774)	(9,221)	(171,540)
On June 30, 2022	345,409	87,861	57,448	613,712

19. Equity (Bank)

(a) Capital Social

On June 30, 2022, the subscribed and paid-in capital stock is R\$ 3,742,571, represented by 583,232,411 (five hundred and eighty-three million, two hundred and thirty-two thousand, four hundred and eleven) shares, of which 372,696,198 (three hundred and seventy-two million, six hundred and ninety-six thousand and one hundred and ninety-eight) common shares and 210,536,213 (two hundred and ten million, five hundred and thirty-six thousand, two hundred and thirteen) preferred, registered, book-entry shares with no par value.

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

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

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

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

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

	Own shares 12/31/2021	Acquisition of Own Shares	Long-term incentive payment	Own shares 06/30/2022
Quantity	51,107	1,554,000	(1,355,549)	249,558
Balance in thousands of reais	(254)	(5,144)	4,936	(462)

	Changes in the number of shares	
	12/31/2021	06/30/2022
Common	372,696,198	372,696,198
Preferred	210,536,213	210,536,213
Total	583,232,411	583,232,411

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Number of shares in circulation (i)		
	Common	Preferred	Total
On 12/31/2021	1,251,558	101,526,675	102,778,233
Cancellation of treasury shares		(151,425)	(151,425)
Change in treasury shares	21,237	(475,748)	(454,511)
On 06/30/2022	1,272,795	100,899,502	102,172,297

(i) Defined as outstanding shares, pursuant to art. 67, of CVM Resolution 80/22, all shares of the issuer, with the exception of those held by the controller, persons related to it, the issuer's managers and those held in treasury.

(b) Reserves

Revenue reserves:

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

(c) Dividends and Interest on Capital

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

Interest on Shareholders' Equity was established by Law No. 9,249/95, which in its art. 9, and amendments, allows companies to deduct the Real Profit and Social Contribution from the duly recorded financial expense resulting from the application of the TJLP on shareholders' equity as compensation to the shareholder.

On June 30, 2022 the amount of R\$106,500 was provisioned as interest on own equity, whose payment will be defined and deliberated in a shareholders' meeting's minutes.

(d) Net income per share

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

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

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

Net income per share	06/30/2022	06/30/2021
Profit attributable to the company's shareholders	99,934	151,289
Weighted average number of shares issued	583,120,382	585,576,329
Basic and diluted earnings per share (in Reais)	0,1714	0,2584

20. Financial intermediation income (expenses)

Analysis of the financial intermediation income and expenses:

(a) Credit operations

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Direct consumer credit – personal	2,571,074	2,130,258	2,463,064	2,062,018
Commercial portfolio	176,965	109,896	184,096	108,964
Agent commissions	(429,291)	(406,708)	(429,291)	(406,708)
Exchange variation	(77,953)	(51,738)		
other	(294)	(163)	(294)	(163)
Total	2,240,501	1,781,545	2,217,575	1,764,111

(b) Marketable securities transactions

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Interbank investments	15,966	1,236	39,663	12,631
Marketable securities	533,836	301,517	532,090	301,190
Total	549,802	302,753	571,753	313,821

(c) Expenses with funds obtained in the market

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Derivative financial instruments (i)	379,203	107,117	379,203	107,117
Exchange variation	2,886	2,270	(64,065)	(39,053)
Expenses with time deposits	(1,160,070)	(572,430)	(1,160,070)	(572,430)
Expenses with interbank deposits	(4,660)	(390)	(162,451)	(38,711)
Other funding expenses	(444,803)	(110,885)	(444,803)	(110,880)
Loans, assignments and onlendings	(29,497)	(8,987)	(29,497)	(6,424)
Expenses with assigned credit operations	(96,916)	(70,366)	(96,916)	(70,366)
Total	(1,353,857)	(653,671)	(1,578,599)	(730,747)

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

21. Income from services rendered

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Collection charges	271	406	271	406
Bank fees	13,578	6,749	13,578	6,749
Others	37,155	28,411	37,135	28,376
Total	51,004	35,566	50,984	35,531

22. Personnel expenses and other administrative expenses

(a) Personnel expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Payroll	(100,106)	(73,317)	(100,106)	(73,303)
Social charges	(35,848)	(30,153)	(35,848)	(30,145)
Training	(684)	(533)	(684)	(533)
Benefits	(27,312)	(22,539)	(27,309)	(22,522)
Total	(163,950)	(126,542)	(163,947)	(126,503)

(b) Other administrative expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Water, power and gas	(1,089)	(967)	(1,089)	(967)
Marketing	(58,500)	(71,094)	(58,403)	(71,014)
Rentals	(6,744)	(10,123)	(6,744)	(10,109)
Leased property	(5,386)	(5,135)	(5,386)	(5,135)
Promotions and public relations	(7,594)	(177)	(7,594)	(177)
Communication expenses	(9,245)	(26,549)	(9,245)	(26,549)
Maintenance and repairs of property	(1,243)	(780)	(1,243)	(780)
Data processing	(92,297)	(73,225)	(92,297)	(73,225)
Insurance	(2,752)	(3,010)	(2,331)	(3,008)
Third-party services	(70,695)	(62,213)	(70,695)	(62,213)
Surveillance services	(3,366)	(2,891)	(3,366)	(2,891)
Specialist technical services	(150,949)	(120,155)	(149,952)	(119,596)
Sundry materials	(683)	(842)	(683)	(842)
Financial system services	(9,993)	(9,970)	(9,886)	(9,902)
Transport	(2,495)	(2,724)	(2,495)	(2,724)
Travel	(6,793)	(3,249)	(6,793)	(3,249)
Amortization and depreciation (i)	(41,117)	(130,116)	(41,117)	(130,116)
Others	(30,730)	(9,836)	(30,681)	(9,784)
Total	(501,671)	(533,056)	(500,000)	(532,281)

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

23. Tax expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
PIS/COFINS	(83,297)	(68,697)	(80,797)	(68,062)
ISS	(1,789)	(1,431)	(1,787)	(1,393)
Other	(2,788)	(1,200)	(2,377)	(1,114)
Total	(87,874)	(71,328)	(84,961)	(70,569)

24. Other operating income and expenses

	Financial Conglomerate		Bank	
	2022	2021	2022	2021
Other operating income				
Recovery of charges and expenses	5,308	8,437	5,308	8,437
Reversal of operating provisions (i)	184,818	189,216	181,546	187,907
Adjustment of taxes to be offset	6,792	1,645	6,112	1,344
Share of premiums written (ii)	26,273	3,000	26,273	3,000
Other	636	2,395	632	2,394
Total	223,827	204,693	219,871	203,082
Other operating expenses				
Monetary variations	(5,782)	(257)	(6,130)	(291)
Collection charges	(6,863)	(8,460)	(6,862)	(8,459)
Transaction expenses with onlending of funds	(48,808)	(46,040)	(48,807)	(46,039)
Operating provisions (i)	(414,860)	(405,285)	(412,759)	(402,535)
Charges	(14,248)	(15,717)	(14,248)	(15,717)
Others	(17,706)	(17,633)	(17,677)	(17,557)
Total	(508,267)	(493,392)	(506,483)	(490,598)
Total other operating income (expenses)	(284,440)	(288,699)	(286,612)	(287,516)

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

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

25. Income tax and social contribution on net income

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

	Financial Conglomerate				
	Social contribution MP 2158-35	Temporary differences	Income tax and social contribution losses	Adjustment to market value in equity	Total
Closing balance 12.31.2021	547	2,227,048	681,496	301,082	3,210,173
Increase		373,492	567	84,973	459,032
(Realization / Reversal)		(173,356)	(15,799)	(37,522)	(226,677)
Closing balance 06.30.2022	547	2,427,184	666,264	348,533	3,442,528

	Bank				
	Social contribution on MP 2158-35	Temporary differences	Income tax and social contribution losses	Adjustment to market value in equity	Total
Closing balance 12.31.2021	547	2,188,250	341,934	301,076	2,831,807
Increase		372,136	567	84,973	457,676
(Realization / Reversal)		(172,018)	(1,473)	(37,503)	(210,994)
Closing balance 06.30.2022	547	2,388,368	341,028	348,546	3,078,489

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

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

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

(b) Expected realization of tax credits in the year ended June 30, 2022 can be shown as follows:

Year	Financial Conglomerate	Bank
2022	335,977	321,044
2023	1,166,155	1,121,949
2024	1,121,803	1,079,387
2025	301,425	261,931
2026	247,055	205,512
After 2026	270,113	88,666
Total	3,442,528	3,078,489

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

Deferred income tax and social contribution on temporary exclusions in the amount of R\$190,837 (2021 - R\$101,042) in the Financial Conglomerate and R\$190,327 (2021 – R\$100,698) in the Bank mainly refer to Securities Marking-to-Market.

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

			Financial Conglomerate	
	Income tax	2022 Social contribution	Income tax	2021 Social contribution
Profit before taxation and profit sharing	43,829	43,829	140,828	140,828
Interest on own shareholders' equity (paid and payable)	(106,500)	(106,500)	(92,451)	(92,451)
Statutory profit sharing	(20,159)	(20,159)	(38,443)	(38,443)
Permanent additions (exclusions):				
Equity pickup	(31,752)	(31,752)	(18,840)	(18,840)
Equity pickup - non-operational			(30,870)	(30,870)
Exchange variation on foreign investments			4,960	4,960
Technological innovation (i)	(49,299)	(49,299)	(28,274)	(28,274)
Other	2,550	(14,127)	3,722	(2,124)
Calculation basis	(161,331)	(178,008)	(59,368)	(65,214)
Basic rate	24,200	35,601	8,905	13,043
Additional rate	16,139		5,949	
Tax credit CSLL rate change (ii)				20,737
Tax incentives	327		271	
Income and Social Contribution taxes	40,666	35,601	15,125	33,780
			Bank	
	Income tax	2022 Social contribution	Income tax	2021 Social contribution
Profit (loss) before taxation and profit sharing	(24,727)	(24,727)	124,905	124,905
Interest on own shareholders' equity	(106,500)	(106,500)	(92,451)	(92,451)
Statutory profit sharing	(20,159)	(20,159)	(38,434)	(38,434)
Permanent additions (exclusions):				
Equity pickup	(101,626)	(101,626)	(42,941)	(42,941)
Equity pickup - non-operational			(30,871)	(30,871)
Exchange variation on foreign investments	(18,563)	(18,563)	(4,960)	(4,960)
Technological innovation (i)	(49,299)	(49,299)	(28,274)	(28,274)
Other	1,410	(2,201)	17,132	17,132
Calculation basis	(319,464)	(323,075)	(95,894)	(95,894)
Basic rate	47,919	64,615	14,384	19,826
Additional rate	31,958		9,601	
Tax credit CSLL rate change (ii)				20,737
Tax incentives	328		270	
Income and Social Contribution taxes	80,205	64,615	24,255	40,563

- (i) Law No. 11.196/2005, art.17, item I; and
(ii) Effect of Social Contribution on Net Income

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

26. Related party transactions (Bank)

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

(a) Related-party transactions

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

Related-party transactions	Asset (Liability)		Income (Expense)	
	2022	2021	03/31/2022	03/31/2021
Interbank deposits				
Bmg Bank (Cayman) Ltd.	1,383,352	1,230,648	23,859	11,448
Marketable securities				
Companhia Securitizadora de Créditos Financeiros Cartões Consignados II	1,172,709	1,326,271	82,346	30,990
Credit operations				
Key Management personnel	4,478	4,222		
Others related-party – Legal Person	7,501	22,275	1,136	572
Income receivable				
Banco Cífra 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 Cífra S.A.	89	179		
Banco BCV S.A.	43	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	(2,794)	(123)		
EGL - Empreendimentos Gerais Ltda	(12)	(925)		
Help Franchising	(856)	(1,309)		
CBFacil Corretora de Seguros e Negócios Ltda	(1,162)	(5)		
ME Promotora de Vendas Ltda	(974)	(2,857)		
BMG Soluções Eletrônicas S. A	(23)	(333)		
Bmg Participações Em Negócios Ltda	(89)	(192)		
Cmg Corretora De Seguros	(120)	(187)		
Granito Soluções em Pagamentos S.A.	(540)	(540)		
Interbank deposits				
Banco BCV S.A.	(1,108,116)	(1,043,729)	(64,714)	(15,474)
Banco Cífra S.A.	(680,392)	(644,112)	(39,362)	(9,704)
BMG Leasing S.A. – Arrendamento Mercantil	(923,943)	(887,679)	(53,233)	(12,995)
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(7,343)	(9,529)	(481)	(147)
Time deposits				
EGL - Empreendimentos Gerais Ltda	(2,575)	(6,608)	(266)	(60)
Help Franchising	(10,524)	(11,135)	(484)	(155)
ME Promotora de Vendas Ltda	(9,575)	(9,123)	(523)	(88)
CBFacil Corretora de Seguros e Negócios Ltda	(502,340)	(291,755)	(24,802)	(7,852)
BMG Soluções Eletrônicas S. A	(407)	(385)	(22)	(4)
Bmg Participações Em Negócios Ltda	(8,753)	(15,109)	(746)	(289)
Cmg Corretora De Seguros	(8,196)	(7,364)	(772)	(109)
Financial bills obligations				
CBFacil Corretora de Seguros e Negócios Ltda	(227,503)	(435,606)	(17,019)	(7,670)
Other liabilities				
Banco BCV S.A.	(6)	(426)		
Bmg S.A. Distribuidora De Títulos E Valores Mobiliários	(618)	(454)		
EGL – Empreendimentos Gerais Ltda.	(185)	(567)		

On June 2022, the Bmg Conglomerate contracted a premium guarantee insurance policy in the amount of R\$1,578 underwritten by BMG Seguros S.A.

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

EGL - Empreendimentos Gerais Ltda. (non-financial company belonging to the Bmg Group), acquired credits without co-obligation with Banco Bmg, which, by virtue of the assignment contract, receives 20% of the transfers to be made, as collection services. On June 30, 2022, the amounts to be transferred to EGL – Empreendimentos Gerais Ltda., totaled R\$138 (2021 – R\$567) the company had no balance in collection services (2021 – R\$71).

(b) Management remuneration

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

(i) Short and long-term benefits for management

	2022	2021
Remuneration	23,661	19,549
INSS contribution	5,324	4,399
Total	28,985	23,948

(ii) Share-based payment

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

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

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

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

(iii) Other information

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

27. Fair value estimate

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

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

The table below presents the assets and liabilities measured at fair value on June 30, 2022 and December 31, 2020.

	2022			Financial Conglomerate 2021		
	Book value	fair value	Unrealized gains	Book value	fair value	Unrealized gains
ASSETS						
Investments in interbank deposits	29,066	29,066		38,894	38,894	
Marketable securities	12,149,257	12,149,257		11,867,409	11,867,409	
Derivative financial instruments	439,904	439,904		394,715	394,715	
Credit operations	20,750,371	20,358,247	(392,124)	15,967,363	15,817,093	(150,270)
LIABILITIES						
Deposits	20,790,989	20,837,507	46,518	17,640,189	17,803,978	163,789
Funds obtained in the open market - own portfolio	8,404,916	8,404,916		5,941,967	5,941,967	
Funds from acceptance and issue of securities	2,551,826	1,899,029	(652,797)	2,373,376	2,611,065	237,689
Borrowings and onlendings	604,954	604,954		562,573	562,573	
Derivative financial instruments	154,283	154,283		65,332	65,332	
Debts and financial bills subordinated	382,801	382,801		129,486	129,486	
						Bank
						2021
						Unrealized gains
ASSETS						
Investments in interbank deposits	1,412,418	1,412,418		1,269,542	1,269,542	
Marketable securities	12,112,014	12,112,014		11,841,061	11,841,061	
Derivative financial instruments	439,904	439,904		394,715	394,715	
Credit operations	19,065,131	18,673,007	(392,124)	14,490,680	14,340,409	(150,271)
LIABILITIES						
Deposits	23,513,013	24,089,703	576,690	20,227,686	20,392,076	164,390
Funds obtained in the open market - own portfolio	8,404,916	8,404,916		5,949,663	5,949,663	
Funds from acceptance and issue of securities	2,551,826	1,899,029	(652,797)	2,373,376	2,611,065	237,689
Borrowings and onlendings	604,954	604,954		562,573	562,573	
Derivative financial instruments	154,283	154,283		65,332	65,332	
Debts and financial bills subordinated	382,801	382,801		129,486	129,486	

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

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

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

Specific valuation techniques used to value financial instruments include:

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

28. Other Information

(a) Commitments and Guarantees

Guarantees and sureties given by the Financial Conglomerate to customers amount to R\$255,533 (2021 – R\$254,584) and are subject to financial charges and counter-guarantees from the beneficiaries.

With the advent of Resolution No. 4,512/16, referring to the treatment for financial guarantees provided, the balance of the provision for endorsements and sureties, had a negative impact on the result for the semester ended June 30, 2022 of R\$240 (negative R\$53 - 2021).

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

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

(c) Supplemental information

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

	Financial Conglomerate and Bank	
	2022	2021
Profit for the semester/year	99,934	151,289
Amortization of goodwill (i)		39,886
Sale of 30% Granito Soluções em Pagamentos S.A (ii)		(18,229)
Total non-recurring		21,657
Net profit for semester without non-recurring effects	99,934	172,946

- (i) Goodwill on acquisition of investments, net of tax effects; And
- (ii) Reduction of interest in Granito Soluções em Pagamentos S.A, net of tax effects.

(d) Material facts

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

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

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

The Special Committee concluded the investigation by analyzing all the data and information made available by the Bank, identifying the cases of payments to suppliers mentioned in the police investigation. Briefly, the findings

indicated opportunities for improvements in internal controls, assignment of powers, as well as gaps in supplier management, which prevented prompt knowledge of the facts at the time of their occurrence.

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

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

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

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

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

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

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

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

For employees, with proof of engagement and productivity, the Bank 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 Bank in the face of such a delicate moment was only possible due to the strong ongoing transformation and modernization process.

(f) Non-operating income

In June 2021, refers basically to the non-operating result of equity equivalence in the amount of R\$30,871, generated due to the subscription and payment by Banco Inter in Granito, as described in note 11. In June 2022, there was no material non-operating income

(g) Subsequent events

In July 2022, according to a Notice to the Market, Banco BMG indirectly held 21.99% of the voting capital stock of O2OBOTS Inteligência Artificial Ltda. ("O2OBOTS") through CBFácil Corretora de Seguros e Negócios Ltda. O2OBOTS is a fintech that develops, licenses and maintains specialized chatbot software with artificial intelligence for selling financial and insurance products.

29. Risk management

1. Risk and Capital Management Structure and Sensitivity Analysis

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

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

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

1.1 Capital Management

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

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

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

Among the Committee's main activities are:

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

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

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

1.2 Credit Risk

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

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

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

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

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

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

1.3 Market Risk

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

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

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

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

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

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

1.4 Liquidity Risk

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

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

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

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

1.5 Operating Risk

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

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

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

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

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

1.6 Socioenvironmental Risk

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

1.7 Sensitivity Analysis

(a) Assets and liabilities

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

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

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

	Gross effect on the income				Net effect on the result			
	Optimistic	Pessimistic 1	Pessimistic 2	Pessimistic 3	Optimistic	Pessimistic 1	Pessimistic 2	Pessimistic 3
Productivity	118,922	(118,922)	(237,844)	(356,766)	65,407	(65,407)	(130,814)	(196,221)
Credit quality (PCLD)	92,417	(92,417)	(184,834)	(277,252)	50,829	(50,829)	(101,659)	(152,488)
Funding rates	54,201	(54,201)	(108,403)	(162,604)	29,811	(29,811)	(59,622)	(89,432)
Provisions for contingencies	51,104	(51,104)	(102,209)	(153,313)	28,107	(28,107)	(56,215)	(84,322)

(b) Market Risk

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

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

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

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

Risk Factors	Definition	Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to exchange variation	(1,275)	(3,188)	(6,375)
Interest rate in reais	Exposures subject to pre-fixed interest rate changes	(65,401)	(163,504)	(327,007)
Foreign exchange coupon	Exposures subject to variation of coupon rates in foreign currency	51	129	257
IPCA/IGPM	Exposures subject to price index coupon rate variation	4,055	10,139	20,277
Total		(62,570)	(156,424)	(312,848)

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

The identified risk factors:

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

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

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

**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Assumptions for risk factors

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

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

* * *

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

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

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



**BANCO BMG S.A. (BANK) AND BANCO BMG S.A. AND ITS SUBSIDIARIES (FINANCIAL CONGLOMERATE)
NOTES TO THE FINANCIAL STATEMENTS
ON JUNE 30, 2022 AND DECEMBER 31, 2021**

(A free translation of the original in Portuguese)

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 Bank's Financial Statements for the semester ended June 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 individual and consolidated Financial Statements for the semester ended June 30, 2022 disclosed in this date, as well as that they had reviewed, discussed and agreed with the conclusions expressed in the audit report of the independent auditors PricewaterhouseCoopers Auditores Independentes Ltd. and in the Fiscal Council Opinion for the semester ended on June 30, 2022.

São Paulo, August 11, 2022

Executive Officers
Carlos Andre Hermesindo da Silva
Flávio Pentagna Guimarães Neto