

RELEVANT FACTS

2016

The Development Bank OF Minas Gerais (BDMG) announces that on 12/12/16, Moody's Investors Service reaffirmed the ratings, "B1" on long-term global scale, "Baa3.br" on long-term national scale and "BR-3" on short-term national scale. The outlook on BDMG's rating is negative following the outlook on the rating of the state. In this credit opinion, Moody's confirms the BDMG's stand alone credit profile in "B1", pointing out as positive factors its key role in regional economic development program fully aligned with the objectives of the its owner, the State of Minas Gerais; supported by conservative dividend payout policy, adequate capitalization levels and higher funding diversification versus peers.

On 12/14/16, S & P Global Ratings downgraded the institution to "B-" from "BB-" on the global scale and to "brB-" from "brA" on the Brazilian national scale with a negative outlook due to its shareholder, the state of Minas Gerais, downgrade occurred on previous day. The report highlights that BDMG keeps its stand-alone credit profile (SACP) in "BB-", enjoying adequate liquidity and risk positions and a strong capital structure. Despite the recessionary macroeconomic scenario that has penalized companies and governments, BDMG reaffirms its commitment to fostering the sustainable socioeconomic development of Minas Gerais and the support of its controller. This fact was confirmed in September when the Shareholders' Meeting approved the increase of BRL\$ 100 million in the bank's capital, half paid immediately and half to be paid in one year, according to the applicable legislation.