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1. MINAS GERAIS
MINAS GERAIS

OVERVIEW

21 MILLION INHABITANTS [2018]
Similar to Australia
2nd most populous state of Brazil

LARGER THAN FRANCE AND GERMANY
In Territorial extension
Total area of 586.5 km²
4th largest state in Brazil

853 MUNICIPALITIES
and 12 regions very different between themselves
50 municipalities concentrate 53% of the population
ECONOMY

3rd LARGEST GDP
between Brazilian states: USD 149.62 billion* [2018]

2nd LARGEST INDUSTRY
11.6% of Brazilian industry

68.3% Service

24.8% Industry
3.6 p.p. higher than Brazilian average

6.9% Agribusiness

Sources: FJP, IBGE, PNADC (T)
* Exchange rate: BRL/USD 4.00, on May 15th ** AV at 2016’s prices
2. INSTITUTIONAL
The Minas Gerais Development Bank (BDMG) is a financial institution founded in 1962 and controlled by the State of Minas Gerais, with the purpose of promoting the state’s economic, financial and social development.

For more than 57 years BDMG has actively participated in the development of Minas Gerais. In its history, it has focused on generating opportunities and sustainable regional growth.

Its actions are distributed throughout the territory of the state and it supports various sectors of the economy - industry, agriculture, agribusiness, commerce and services. In addition to these sectors, BDMG finances infrastructure and urbanization projects in the cities of Minas Gerais.

It operates with its own resources and as a financial agent of BNDES, also working with other financing programs, such as Funcafé, Finep and BNB. Furthermore, it is also the financial agent of the Development Funds of the State of Minas Gerais.
STARTING POINT
Bank as articulator of the State development system

1962

1970-1980

1990

2000

2010

2020

HISTORY

Direct support to the main economic sectors in Minas Gerais

State Funds Creation

Participation in important government strategic projects
- Jaíba II
- Minas Competitiva

Fundraising in local and international markets
- Web-based Credit
BRL 5.6 billion  
Loan Portfolio²  

BRL 1,308 million  
Disbursement in 2019¹, generating the follow impacts³:

- **22,677 jobs** supported
- **BRL 974.6 million** in impact on production
- **BRL 44.2 million** in tributes

**87%**

Presence in the State of Minas Gerais  
(738 municipalities with at least 1 client)

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¹ Disbursements in 2019
² In December 2019
³ Estimated values
CORPORATE STRUCTURE

- General Shareholders Meeting
- Supervisory Board
- Capital and Risk Committee
- Audit Committee
- Board of Directors
- Internal Audit
- Vice-Presidency
  Henrique Amarante da Costa Pinto
- CEO
  Sergio Gusmão Suchodolski
- Commercial and Products Director
  Marcela Amorim Brant
- Financial, Credit and Technology Director
  Otávio Lobão De Mendonça Vianna
- Risk and Corporate Management Director
  Vinicio José Stort
MARCELA AMORIM BRANT
COMMERCIAL, HUMAN RESOURCES AND PRODUCTS CHIEF OFFICER
Holds a bachelor in Business Administration from the Federal University of Minas Gerais (UFMG), and an MBA in Finance and Organizational Management from Brazilian Institute of Capital Markets – IBMEC. Ms. Brant has also held prominent positions at BDMG, including Risk and Corporate Management Director.

SÉRGIO GUSMÃO SUCHODOLSKI
PRESIDENT
Holds a Master of Laws Degree (LL.M.) from Harvard Law School, a Diplome (M.A.) from the Institut d’Etudes Politiques de Paris – Sciences-Po (Major in International Trade) and an LL.B. from the University of Sao Paulo Law School. Formerly, Mr. Suchodolski also held the positions of Special Advisor and Chief of Foreign Policy Advisor at the Secretariat of Strategic Affairs, under the Office of the President of Brazil.

HENRIQUE AMARANTE COSTA
VICE PRESIDENT
Has a bachelor in Mechanical Engineering and holds a Master of Business Administration from Federal University of Rio de Janeiro (UFRJ) and International Securities, Investment and Banking from ICMA Center - University of Reading. Mr. Amarante Costa also held the position of Secretary of Public Policy Articulation in the Investment Partnership Program (PPI) under the supervision of the Brazilian Presidency. At BNDES, he held the position of Project Structuring Superintendent.

OTÁVIO LOBÃO VIANNA
FINANCIAL, CREDIT AND TECHNOLOGY CHIEF OFFICER
Graduated in Economics in the Federal University of Rio de Janeiro (UFRJ), holds an MBA in Finance from the same University. He worked at the Brazilian Development Bank (BNDES) as a manager of the Funding and Capital Markets department. He was also Executive Manager for the Social Assistance Foundation (FAPES) at BNDES.

VINÍCIO JOSÉ STORT
PLANNING, OPERATIONS AND RISK CHIEF OFFICER
Graduated in Engineering, holds a complementary degree from the University of California - Berkeley and a Master degree in Business Administration from George Washington University. He was responsible for Finance at the New Development Bank in Shanghai, managing budget, financial planning, the development asset portfolio and capital adequacy. He also worked at the IDB and other large companies.

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STOCKHOLDERS

- Minas Gerais Development Company (CODEMGE) 9,17%
- State of Minas Gerais 89,88%
- Minas Gerais State Highways Department 0,01%
- Minas Gerais Investment Partnerships 0,94%
<table>
<thead>
<tr>
<th>Moody's</th>
<th>Standard &amp; Poor's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Scale</strong></td>
<td><strong>Global Scale</strong></td>
</tr>
<tr>
<td>2020, Jan. 22</td>
<td>2020, Jan. 6</td>
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<tr>
<td><strong>Local Currency</strong></td>
<td></td>
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<tr>
<td>Long Term</td>
<td>Long Term</td>
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<tr>
<td><strong>National Scale</strong></td>
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<tr>
<td>Long Term</td>
<td>Long Term</td>
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<td>Short Term</td>
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<td><strong>Outlook</strong></td>
<td><strong>Outlook</strong></td>
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<tr>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>
3. STRATEGY
PLANNING DRIVERS

Impact

Competitiveness

Partnership

Results-based culture

DIGITAL TRANSFORMATION
TO BE RECOGNIZED
AS A LOCAL DEVELOPMENT BANK FOCUSED ON DEVELOPMENT IMPACT

ENSURE FINANCIAL SUSTAINABILITY

MAXIMIZE IMPACT AND DEVELOPMENT

BE A SPECIALIST IN MINAS GERAIROS TO GENERATE VALUE FOR SOCIETY
Balance profitability and risk levels to achieve results.

Carry out balanced funding management to enable strategic objectives.

Ensure high quality standards to achieve technical and operational excellence.

Incorporate impact and development as a decision variable.

Maximize the impact through resource mobilization and partnership for Minas Gerais.

Enable financial solutions (products and services) for the development of Minas Gerais.

Broaden the insertion of BDMG and Minas Gerais in the global development agendas.

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Enable financial solutions (products and services) for the development of Minas Gerais.

Broaden the insertion of BDMG and Minas Gerais in the global development agendas.
EUR 50 million for sanitation and climate change projects

“PRSA” review in accordance with Resolution CMN 4327

Greenhouse Gas Emissions Inventory – Gold Seal under the GHG Protocol

Annual publication of the social and environmental report

Social and Environmental Responsibility Policy (PRSA)

EUR 100 million destined to renewable energy and energy efficiency projects

Cooperation with IDB for SDG Framework

BDMG SUSTAINABILITY

Green disbursement qualifications and structure of operations - green label

Program Performance Model, including Sustainability

Implementation of the socioenvironmental risk methodology

“BDMG Sustainability” Product Launch

BDMG Green Portfolio Certification – EQAO
WHAT DO WE FUND?

MUNICIPALITIES
Municipal infrastructure projects
Water and Sanitation

SOCIAL
Education and public health projects
PPP and structured projects
Financing for private clients

ENVIRONMENT
Renewable Energy
Energy efficiency
Sustainable consumption and production

MICRO AND SMALL COMPANIES, GENDER AND INNOVATION
Online credit for micro and small businesses
“Empreendedoras de Minas”
Tourism
Financing for innovative companies and partnerships in the Innovation ecosystem

AGRIBUSINESS
Sustainable agriculture and natural resources management
MUNICIPALITIES

WATER AND SANITATION
BRL 86.3 million
Sanitation projects in portfolio

URBAN MOBILITY
BRL 26 million
Bus Rapid Transit - BRT in Belo Horizonte and Metropolitan Region

ECOSYSTEMS
BRL 49.9 million
Pampulha Lagoon Dredging

INCLUSIVE AND SUSTAINABLE URBANIZATION
BRL 436.3 million
Portfolio of urban mobility and urbanization projects

QUALITY INFRASTRUCTURE
BRL 287.4 million
Infrastructure projects for intercity roads

437 municipalities with active contracts in 2019
HEALTH

BRL 164 million

METROPOLITAN PPP
BRL 52.7 million
Balance in portfolio – Metropolitan Hospital

PRIVATE HOSPITALS
BRL 41.7 million
Portfolio of private hospitals, construction of a new hospital and maintenance of other units

“BNDES SAÚDE”
BRL 11.6 million
In portfolio, focusing on the improvement of management, expansion and modernization of health institutions

EDUCATION

BRL 84.9 million

INOVA BH PPP
BRL 67.1 million
Portfolio for the construction of 37 teaching units (“UMEIs”) with the ability to attend 19,000 children

SCHOOL BUSES
BRL 5.7 millions
Disbursed on FINAME in 2015
SOLAR ENERGY FINANCING

BRL 63.1 million
Solar financing portfolio in 2019

68%
of the operations in Minas Gerais’s north region

+45,8 GWh/year
Equivalent to the average annual consumption of 23,800 households in Brazil
The European Investment Bank (EIB) is providing €100 millions to Banco de Desenvolvimento de Minas Gerais (BDMG) to support climate action projects in Minas Gerais. Projects of any dimensions will be able to benefit from advantageous financing conditions. Government initiatives can also be contemplated. The payment term can be 13 years, depending on the nature of the operation and the type of business, with a grace period of up to two years.

- Provide this financing for renewable energy and energy efficiency projects;
- EIB funds will cover up 75% of climate investments;
- Employment: 700 jobs are expected to be created during the implementation of the project.

- In the third quarter of 2019, BRL 30.7 million were approved for two photovoltaic solar energy generation projects in the north of Minas Gerais, with the potential to generate 18 GWh/year of solar energy.
- 33.590 tonnes of CO² emissions have been avoided.
MICRO AND SMALL COMPANIES

BRL 1.5 billion disbursed
Between 2012 and 2019

+600,000
Accesses in 2019 (+54% 2018)

+49,000
Average monthly access in 2019

“EMPREENDEDORAS DE MINAS”

Product launch on 2018, strengthening socioeconomic development and gender empowerment

BRL 42 million
Portfolio in 2019

1,736 entrepreneurs assisted in 287 municipalities

18% of BDMG’s digital platform

TOURISM

BRL 23.9 million
Portfolio of tourism in 2019

152 companies assisted in 75 municipalities
HUBBLE

Environment integrated with the state’s innovation ecosystem to provide connections, exchange of experiences and ideas to discuss and generate solutions for Minas Gerais.

1st BATCH RESULTS

15 Startups
256 Contracts
81 Direct Created Jobs
30 Mapped POCs

BRL 8.3 million Of income (+107,8%)
BRL 7.5 million In investments

More than 5,600 people Impacted directly in 84 events.

FINANCING FOR INNOVATION

BRL 160 million Portfolio for Innovation 2019
SUSTAINABLE AGRICULTURE AND NATURAL RESOURCE MANAGEMENT

FOREST PRODUCTION AND REFORESTATION
BRL 28.8 million
Balance of portfolio in 2019

IRRIGATION
BRL 4.7 million
Portfolio in 2019

OTHER LINES FOR AGROBUSINESS:
BRL 249.7 million
Portfolio balance of products using Agrobusiness Credit Letter (LCA) resources

BRL 215.5 million
Portfolio of FUNCAFE, intended for coffee crop
4. PARTNERSHIPS
PARTNERSHIPS

BDMG AS A SHARING KNOWLEDGE PLATFORM | 2019

INTERNATIONAL EVENTS

[SEPTEMBER 2019]

[OCTOBER 2019]

[DECEMBER 2019]
PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

TECHNICAL COOPERATION AND OTHER PARTNERSHIPS

1. Impact measurement tools focused on 2030 Agenda
2. Carbon calculator
3. New funding lines
4. Expertise in PPPs

Study alternatives for MG development and support projects for state economic diversification

Technical cooperation to work in accordance to EIB E&S standards

FiBraS Project: technical assistance for the development of green financial products for MSMEs
Signed in 2019, this technical assistance proposes supporting BDMG to structure its SDG bond issuance and an independent assessment of the integrity of the framework, which will contribute to reassure investors that the social bond will meet their requirements.

- Evaluate and review BDMG Portfolio according to SDG principles
- Review of process for project selection and management of the bond
- Review of resource allocation and management methods, in alignment with the SDG structure
- Support in the preparation of key messages for the issuance promotion and communication of the results from the SDGs framework.
- Support to Second Party Opinion selection and follow-up process, such as responding to auditors requests.

**SITAWI Finance for Good** is a pioneer organization in the development of financial solutions for social impact and in the analysis of the social and environmental performance of companies and financial institutions.
Green Framework Review: Expansion to SDGs

- Portfolio Evaluation and Review
  Nov-Dec 2019
- Green Framework Review: Expansion to SDGs
  Dec 2019 / Jan 2020
- Second party opinion follow-up
  Jan-Feb 2020
- Processes for selecting and monitoring projects
  Feb-Apr 2020

RESULTS

- Of the 17 SDGs: 13
- Of the 169 targets: 36
- Possible categories identified for issuing SDGs bonds: 11

TOTAL ELIGIBLE BALLAST

BRL 1 529.3 million
(BRL 486.4 million 24 months / BRL 774.2 million 48 months)

NEXT STEPS

- Evaluation of the process of tagging eligible projects
- Methodology for calculating socio-environmental benefits for the indicators report
- Automate SDGs tagging
- Framework presentation and process structuring workshop
- Monitoring system implementation
Plantar Carbon is a Plantar Group company, and it develops strategies, policies and projects in the area of climate change and sustainability.

**CONSULTING**

WayCarbon is a reference in advising on global climate change, managing environmental assets and developing strategies and businesses aiming at eco-efficiency and a low carbon economy.

**CARBON CALCULATOR**

It consists in developing a methodology to calculate the carbon dioxide emissions and Greenhouse Gas Emissions, considering:

- **Steps**
  - Initial assessment of the BDMG project portfolio
  - Development of Carbon calculator
    - Removals of greenhouse gas emission by forests
    - Forest carbon stock
    - Reduction of greenhouse gas emissions (GHG)
  - Validation

**PARTNERSHIPS**
Indicators Proposal
Validation of indicators and calculation tools by category
(renewable energy generation, energy efficiency, transport and sanitation)
Tool usage manual
Training for use
BDMG obtained approval for technical assistance within the scope of the FiBraS (Sustainable Brazilian Finance) project, with the objective of developing an innovative financial product with resources from the German fund GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). The product to be built should have the prerogatives: innovative character, focus on green finance, and being scalable.

For the construction of this financial product, BDMG will have the support of BRL 500 thousand from the German fund, which can be used on demand in services for the development, implementation and launch of the proposal, as specialized consultancy (legal, accounting, tax, amongst others).

- The project sent by BDMG, prepared by a group of employees from different teams, proposes the creation of BDMG Energy Efficiency credit, focusing on micro, small and medium-sized companies, and should be marketed on the Bank's web environment.
DISASTER RESPONSE AND RELIEF

BDMG partners with Renova Foundation for economic strengthening projects

We are building new partnerships in reforestation, municipal investments in education, health, infrastructure and public safety, as well as financing for MEI and private investments in the region.

FUNDS IN ACTION

“DESENVOLVE RIO DOCE”

Working capital for micro and small companies, with interest rates below the market average.
BLR 25.9 million have been destined to 707 customers since the launch in October 2017.

“COMPETE RIO DOCE”

Executed in partnership with SEBRAE, it finances vulnerable micro and small businesses in the region. BRL 3 million were destined to 65 companies in 14 municipalities (more than 250 have been consulted by Sebrae).

“DIVERSIFICA MARIANA”

Fund to attract ventures to the municipality of Mariana.

“WATER AND SANITATION”

BRL 390 million destined to municipalities to carry out water and sanitation projects to improve the quality of Rio Doce’s water.
BDMG Employee Citizenship Institute was created in 1987 and its main objective is to support projects in health and education sectors.

Supports and stimulates the development of the artistic and cultural scene in the state. It promotes events and activities including theater, dance, classical and instrumental music, literature and visual arts.
5. OPERATIONAL PERFORMANCE
More than **BRL 2.5 billions**
In local and foreign funding since 2012

First Regional Development Bank in Brazil to raise funds in the international market.

- USD 200 million
- EUR 131 million
- R$ 1,4 billion

Local market

**Onlending**

- BNDES
- FAPEMIG
- FUNCAFÉ
- Finep
- FUNGEF
- CAIXA
- Renova
OPERATIONAL PERFORMANCE

**DISBURSEMENT**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL Million</td>
<td>256</td>
<td>294</td>
<td>225</td>
<td>533</td>
<td>1,280</td>
<td>1,308</td>
</tr>
</tbody>
</table>

+2%

**AVERAGE TICKET**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL Million/Customer</td>
<td>173</td>
<td>229</td>
<td>178</td>
<td>504</td>
<td>241</td>
<td>257</td>
</tr>
</tbody>
</table>

+7%
OPERATIONAL PERFORMANCE

NEW CUSTOMERS AND TOTAL CUSTOMERS

<table>
<thead>
<tr>
<th>Year</th>
<th>New Customers</th>
<th>Total Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019Q1</td>
<td>1.476</td>
<td>21.155</td>
</tr>
<tr>
<td>2019Q2</td>
<td>1.286</td>
<td>21.380</td>
</tr>
<tr>
<td>2019Q3</td>
<td>1.263</td>
<td>21.319</td>
</tr>
<tr>
<td>2019Q4</td>
<td>1.058</td>
<td>21.440</td>
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</table>
6. FINANCIAL PERFORMANCE
SHAREHOLDERS’ EQUITY AND SHAREHOLDERS’ EQUITY/TOTAL ASSETS RATIO

BRL Million and %

<table>
<thead>
<tr>
<th></th>
<th>Shareholders’ Equity</th>
<th>Shareholders’ Equity/Total Assets Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019Q1</td>
<td>1.777</td>
<td>+5.29%</td>
</tr>
<tr>
<td>2019Q2</td>
<td>1.742</td>
<td></td>
</tr>
<tr>
<td>2019Q3</td>
<td>1.761</td>
<td>+13.86%</td>
</tr>
<tr>
<td>2019Q4</td>
<td>1.821</td>
<td></td>
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</tbody>
</table>

19Q4/18Q4
TOTAL ASSETS AND LOAN PORTFOLIO

BRL Million

<table>
<thead>
<tr>
<th></th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>6.411</td>
<td>6.294</td>
<td>6.197</td>
<td>6.141</td>
</tr>
<tr>
<td>Loan Portfolio</td>
<td>4.903</td>
<td>4.755</td>
<td>4.518</td>
<td>4.505</td>
</tr>
</tbody>
</table>
## INCOME FROM FINANCIAL INTERMEDIATION

<table>
<thead>
<tr>
<th>Year</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>164</td>
<td>131</td>
<td>148</td>
<td>136</td>
<td>652</td>
<td>579</td>
</tr>
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</table>

-11% decrease from 2018 to 2019.
GROSS INCOME FROM FINANCIAL INTERMEDIATION

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL Millions</td>
<td>61</td>
<td>64</td>
<td>87</td>
<td>45</td>
<td>236</td>
<td>258</td>
</tr>
</tbody>
</table>

+ 9%
MATURITY OF LOAN PORTFOLIO

BRL Million - Position on December 2019

- Overdue in 15-90 days: 101
- Overdue up to 90 days: 53
- Maturing in 90 days: 351
- Maturing in 91-360 days: 864
- Maturing in 1-3 years: 1,551
- Maturing in 3-5 years: 974
- Maturing in 5-15 years: 478
- Expiring after 15 years: 134
CREDIT PORTFOLIO CONCENTRATION

% Loan Portfolio

<table>
<thead>
<tr>
<th></th>
<th>2018Q4</th>
<th>2019Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>20</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>50</td>
<td>44%</td>
<td>46%</td>
</tr>
<tr>
<td>100</td>
<td>57%</td>
<td>61%</td>
</tr>
</tbody>
</table>
LOAN PORTFOLIO BY ACTIVITY SECTOR

% Loan Portfolio - Position on December 2019

- Rural & Agribusiness: 21%
- Industry: 35%
- Trade: 8%
- Services: 22%
- Public sector: 14%
LOAN PORTFOLIO BREAKDOWN BY CLIENT SIZE

% Loan Portfolio - Position on December 2019

- 39%: Large
- 32%: Medium
- 15%: Public Sector
- 14%: Micro & Small Companies and Private Individuals
FINANCIAL PERFORMANCE

LOAN PORTFOLIO BREAKDOWN BY RISK LEVEL

BRL Million

2018Q4 | 2019Q4
---|---
1.083 | 809
708 | 520
598 | 731
760 | 622
2.044 | 1.823

% Loan Portfolio

2018Q4 | 2019Q4
---|---
20% | 18%
14% | 12%
12% | 16%
15% | 14%
39% | 40%

AA | A | B | C | D-H
LOAN PORTFOLIO COLLATERALS

Position on December 2019

- Mortgage: 32%
- Pledge: 8%
- Trusty Property: 33%
- Bank Guarantee: 1%
- Other Collaterals: 26%

FINANCIAL PERFORMANCE
DELINQUENCY RATE EVOLUTION > 90 DAYS

% Loan Portfolio

Coverage Index Delinquency > 90 days: 7.48 (2019/Dec)
F I N A N C I A L  P E R F O R M A N C E

LOAN LOSSES EXPENSES

BRL Millions

- 35%

2019Q1 2019Q2 2019Q3 2019Q4 2018 2019
37 20 22 24 161 103

58
## ONLENDING FROM OFFICIAL INSTITUTIONS

<table>
<thead>
<tr>
<th>BRL Million</th>
<th>2019/12/31</th>
<th>2018/12/31</th>
<th>Variation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNDES</td>
<td>1.201</td>
<td>1.693</td>
<td>-29%</td>
</tr>
<tr>
<td>FINAME</td>
<td>1.001</td>
<td>1.133</td>
<td>-12%</td>
</tr>
<tr>
<td>Funcafé</td>
<td>316</td>
<td>297</td>
<td>6%</td>
</tr>
<tr>
<td>FINEP</td>
<td>130</td>
<td>117</td>
<td>11%</td>
</tr>
<tr>
<td>Fungetur</td>
<td>79</td>
<td>16</td>
<td>383%</td>
</tr>
<tr>
<td>Others</td>
<td>37</td>
<td>41</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.763</strong></td>
<td><strong>3.298</strong></td>
<td><strong>-16%</strong></td>
</tr>
<tr>
<td>Current</td>
<td>933</td>
<td>1.060</td>
<td>-12%</td>
</tr>
<tr>
<td>Noncurrent</td>
<td>1.830</td>
<td>2.238</td>
<td>-18%</td>
</tr>
</tbody>
</table>
FINANCIAL PERFORMANCE

Values marked to market (MtM) (In BRL Million and %)

As of 2019/Dec

LOCAL
BRL 443 Million

INTERNATIONAL
BRL 315 Million

- Financial Bills
- Agribusiness Credit Bills (LCA)
- CDI
- Term Deposit
- Local funding
- International funding
**FINANCIAL PERFORMANCE**

**REFERENCE EQUITY**

BRL Million

<table>
<thead>
<tr>
<th></th>
<th>2017Q4</th>
<th>2018Q4</th>
<th>2019Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I</td>
<td>1.610</td>
<td>1.705</td>
<td>1.654</td>
</tr>
<tr>
<td>Tier I + Tier II</td>
<td>769</td>
<td>797</td>
<td>733</td>
</tr>
<tr>
<td>Patrimônio de Referência (Tier I + Tier II - DC - Ajustes Prudenciais)</td>
<td>910</td>
<td>1.035</td>
<td>1.112</td>
</tr>
<tr>
<td>Patrimônio de Referência Exigido</td>
<td>733</td>
<td>1.000</td>
<td>1.250</td>
</tr>
</tbody>
</table>

**Tier I**

**Tier I + Tier II**

**Reference Capital (Tier I + Tier II – DC – Adjustments)**

**Minimum Reference Equity**
### OPERATIONAL LIMITS

<table>
<thead>
<tr>
<th>Statement of the calculation of the reference equity and Capital Ratios (BRL Million)</th>
<th>2019Q3</th>
<th>2018Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td>1.821</td>
<td>1.729</td>
</tr>
<tr>
<td>Reference equity level I (RE level I) or Principal capital (PC) - (a)</td>
<td>1.654</td>
<td>1.705</td>
</tr>
<tr>
<td>Capital allocated to transactions with the public sector - (b)</td>
<td>542</td>
<td>670</td>
</tr>
<tr>
<td>Reference equity (RE) - (a-b)</td>
<td>1.112</td>
<td>1.035</td>
</tr>
<tr>
<td>All risk-weighed assets (RWA)</td>
<td>5.572</td>
<td>6.369</td>
</tr>
<tr>
<td>Credit risk (RWAcpad)</td>
<td>4.788</td>
<td>5.321</td>
</tr>
<tr>
<td>Market risk (RWAmag)</td>
<td>64</td>
<td>379</td>
</tr>
<tr>
<td>Operational risk (RWAopad)</td>
<td>719</td>
<td>669</td>
</tr>
<tr>
<td>Part of the capital to cover for the non-negotiable portfolio</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>interest rate risk (RWA Rban)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum reference equity</td>
<td>733</td>
<td>797</td>
</tr>
<tr>
<td>Basel Index (RE/RWA)</td>
<td>20,0%</td>
<td>16,3%</td>
</tr>
</tbody>
</table>
**FINANCIAL PERFORMANCE**

**NET PROFIT**

BRL Millions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>7</td>
<td>18</td>
<td>59</td>
<td>126</td>
<td>84</td>
</tr>
</tbody>
</table>

**Impacts on results:**

- **2019Q1** – New provision for guarantee expenses (BRL 13.68 millions).
- **2019Q2** – New provision for possible tax, labor and civil contingencies (BRL 20.25 millions).
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