

BDMG

**BANCO DE DESENVOLVIMENTO
DE MINAS GERAIS**

Financial Report
2020 1Q

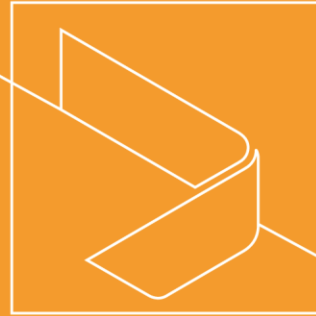


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1. MINAS GERAIS



OVERVIEW

21 MILLION INHABITANTS [2019]

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



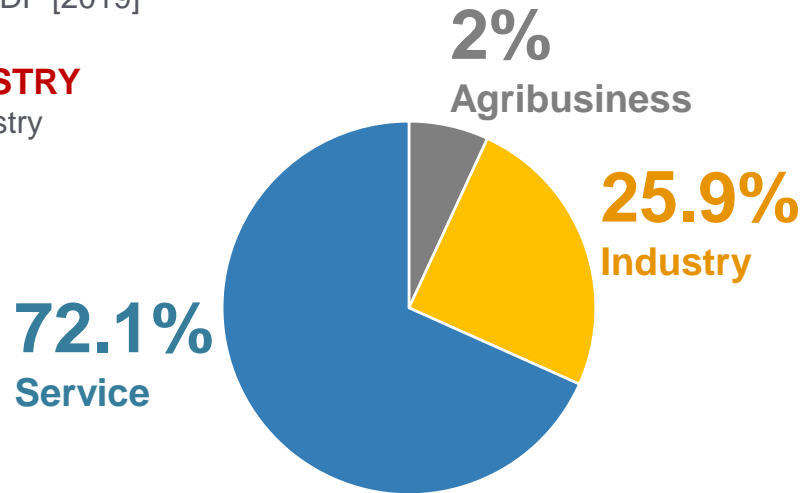
3rd LARGEST GDP

between Brazilian states: BRL 632,0 billion [2019]
8,7% of Brazilian total GDP [2019]



2nd LARGEST INDUSTRY

11.6% of Brazilian industry



Sources: FJP, IBGE, PNADC (T)

Minas Gerais – GDP (2019)
Considering only the last 3 months of the year (total GDP =
BRL 164 bi)



2. INSTITUTIONAL



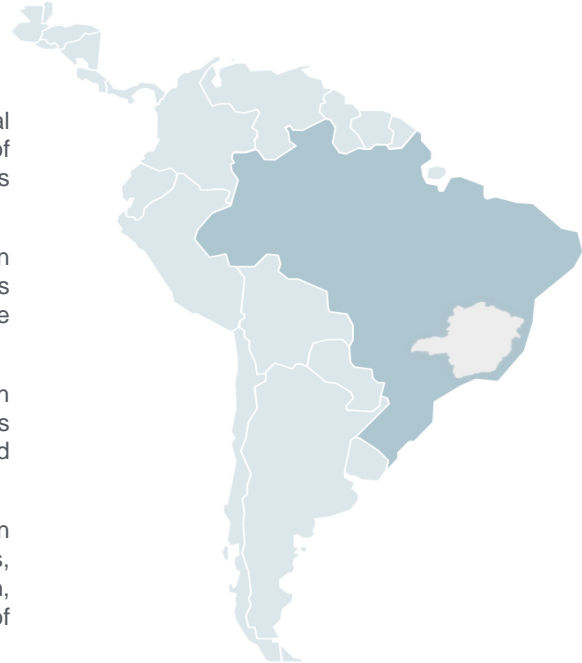
INSTITUTIONAL

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.

The commitments assumed by the BDMG are in line with the 2030 Agenda, which brings together member countries of the United Nations (UN) in the pursuit of objectives and goals for sustainable development.

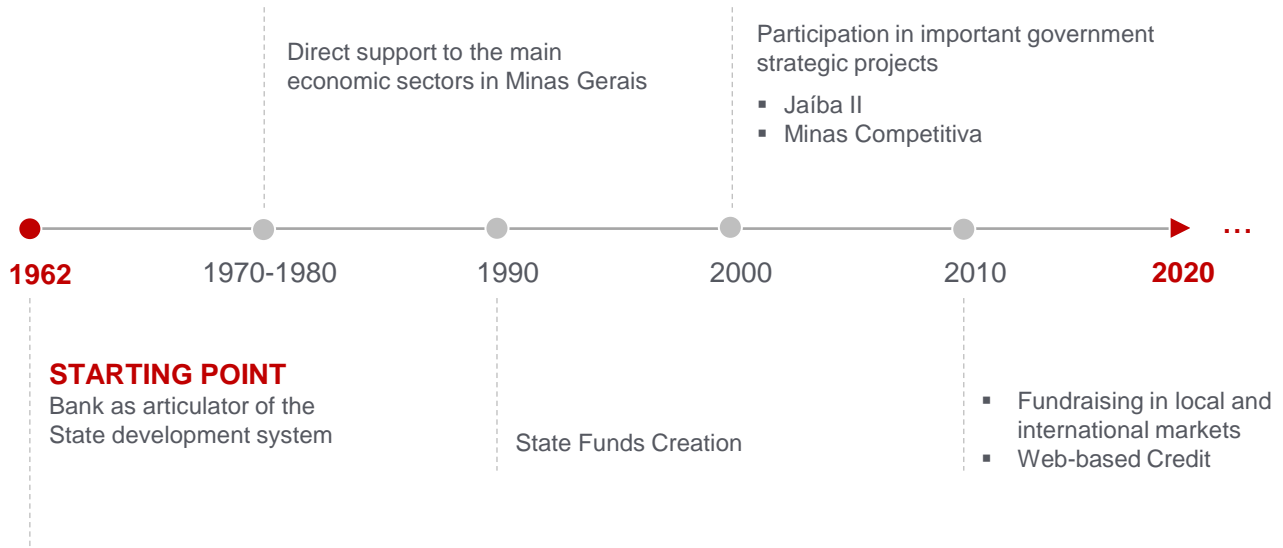
For 2020, the BDMG has its strategy focused on environmental sustainability projects, cities in Minas Gerais, innovation and micro and small companies. In addition, actions are underway to continuously improve the level of governance and management efficiency.



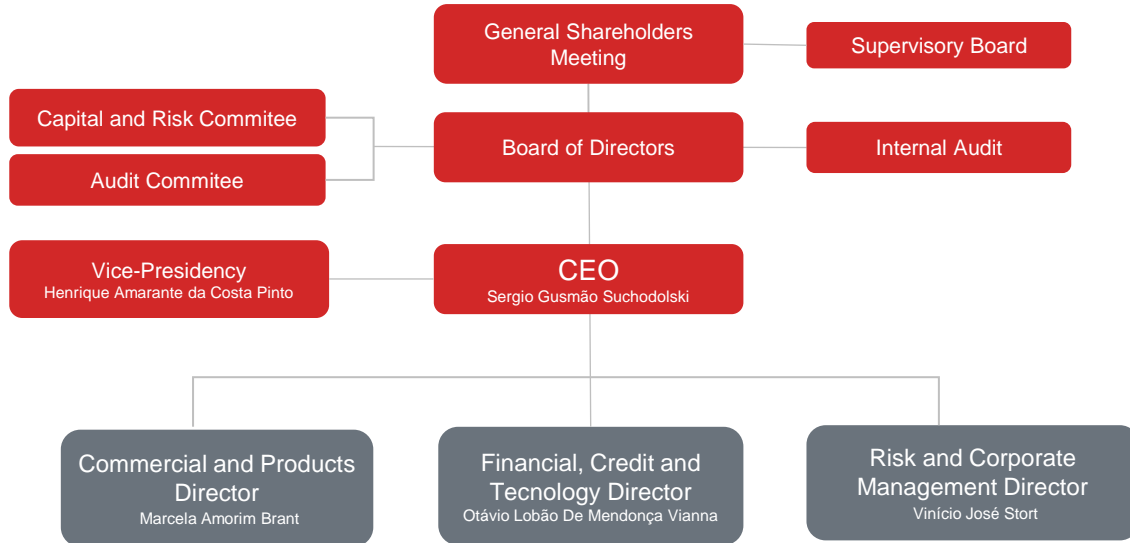




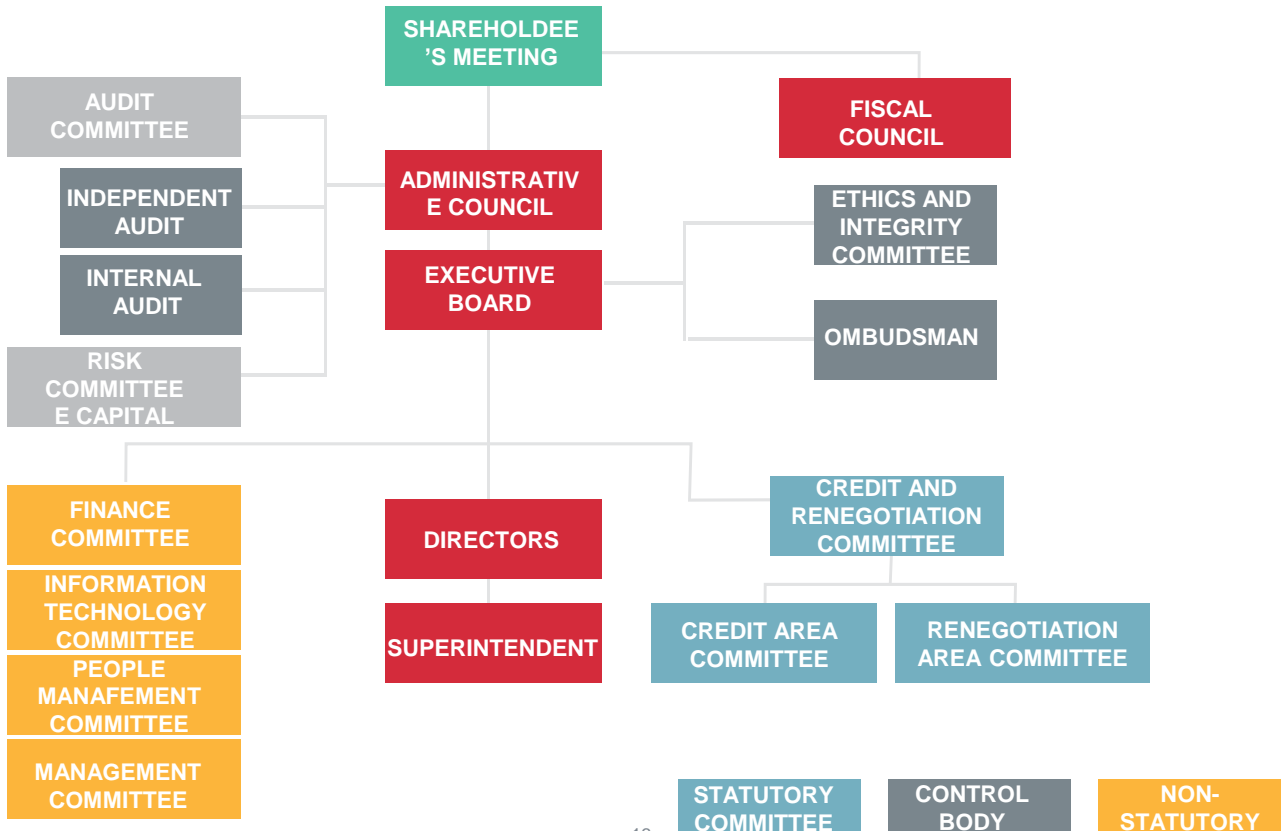
HISTORY



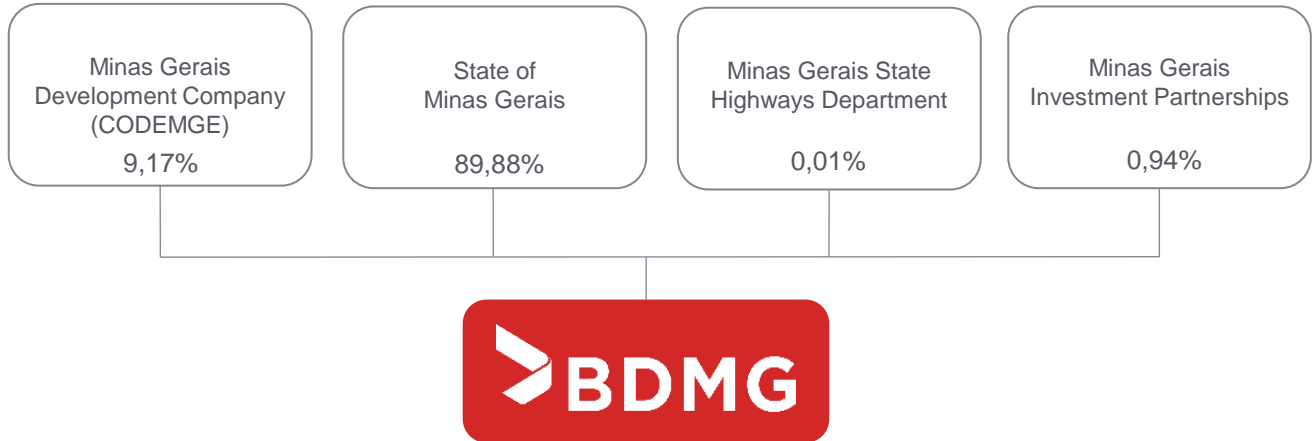
CORPORATE STRUCTURE



GOVERNANCE STRUCTURE



STOCKHOLDERS



KEY NUMBERS

278

BRL Million
DISBURSEMENT

1.379

CLIENTS SERVED



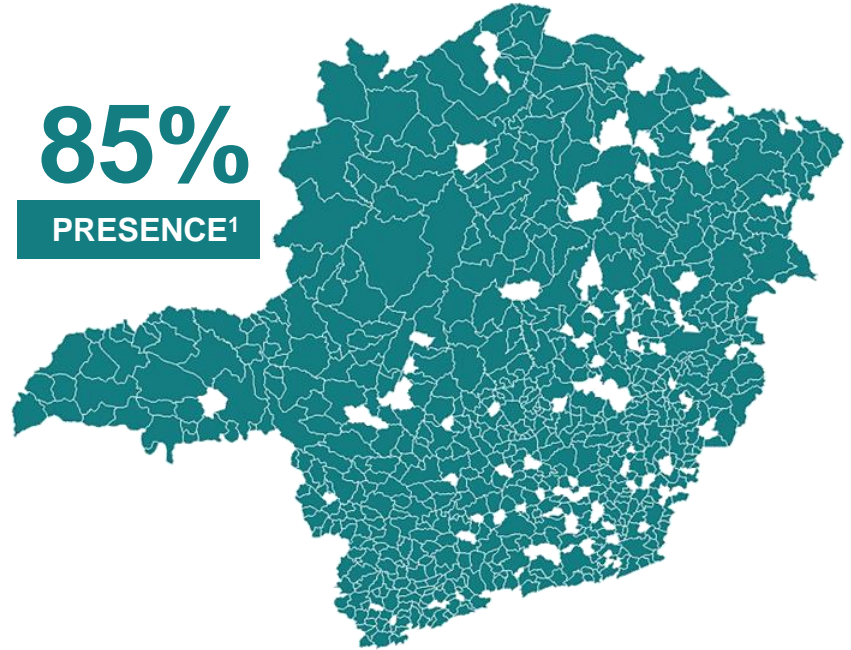
84% of BDMG's
digital platform

21.543

TOTAL CLIENTS

85%

PRESENCE¹



IMPACTO¹



2.557

JOBS SUPPORTED



R\$ 179,9 MM

**IN IMPACT ON
PRODUCTION**



R\$ 7,1 MM

IN TRIBUTES

¹ Estimated values



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.



VINÍCIO JOSÉ START

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.



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.



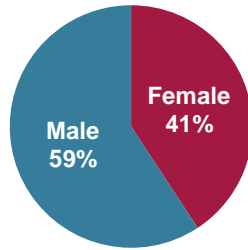
OTÁVIO LOBÃO VIANNA

FINANCIAL, CREDIT AND TECHNOLOGY CHIEF OFFICER

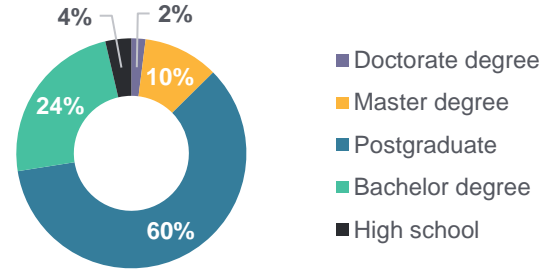
Graduated in Economics in the Federal University of Rio de Janeiro (UFRJ), holds an MBA in Finance from the same University. He worked at the Brazilian Development Bank (BNDES) as a manager of the Funding and Capital Markets department. He was also Executive Manager for the Social Assistance Foundation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

EMPLOYEES

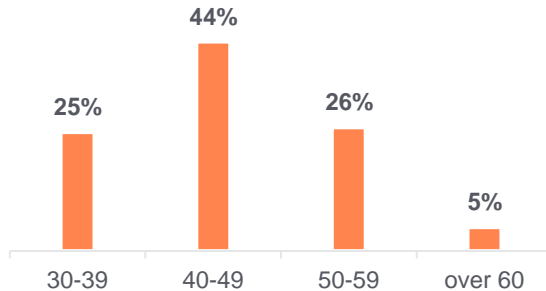
BY GENDER



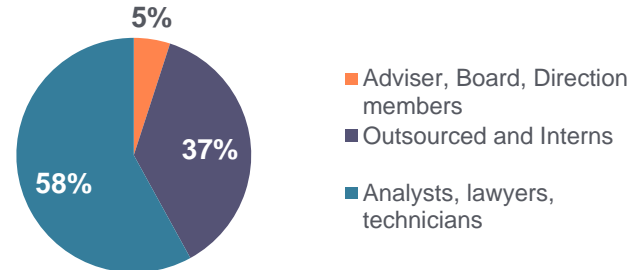
BY LEVEL OF EDUCATION



BY AGE GROUP



BY JOB POSITION



RATING

Moody's

Global Scale

2020, Jan. 22

Local Currency

Long Term **B2**

National Scale

Long Term **Ba1.br**

Short Term **BR-4**

Outlook

Stable

Standard & Poor's

Global Scale

2020, Jan. 6

Local and Foreign Currency

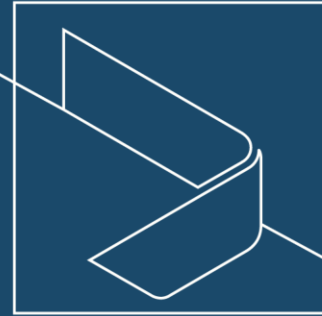
Long Term **B**

National Scale

Long Term **brA-**

Outlook

Stable

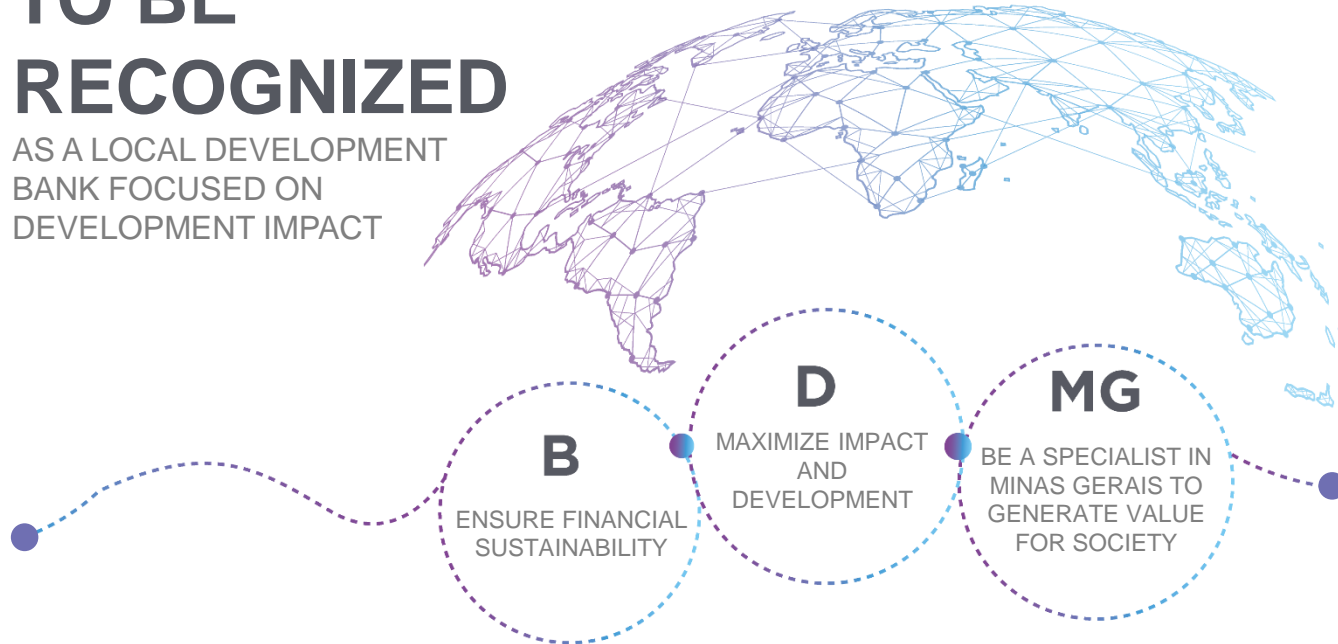


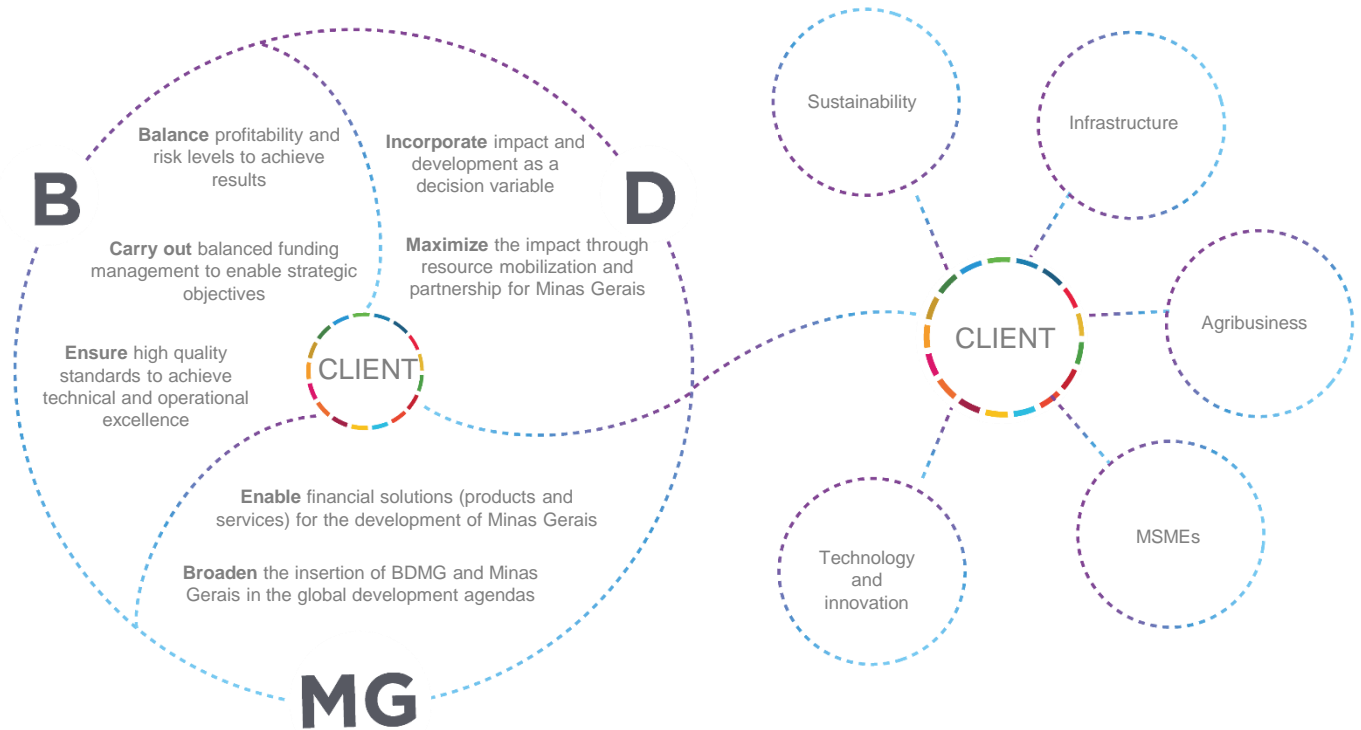
3. STRATEGY



TO BE RECOGNIZED

AS A LOCAL DEVELOPMENT
BANK FOCUSED ON
DEVELOPMENT IMPACT





PLANNING DRIVERS



Impact

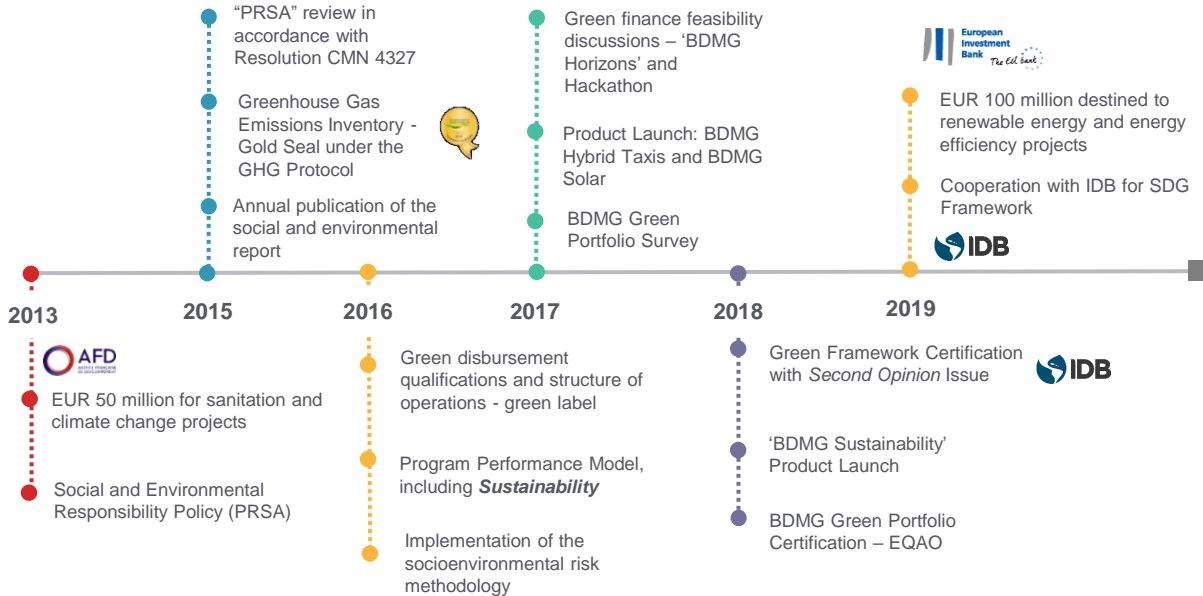
Competitiveness

Partnership

Results-based
culture

DIGITAL TRANSFORMATION

BDMG SUSTAINABILITY



MUNICIPALITIES



BRL 19,9 MM

DISBURSEMENT¹

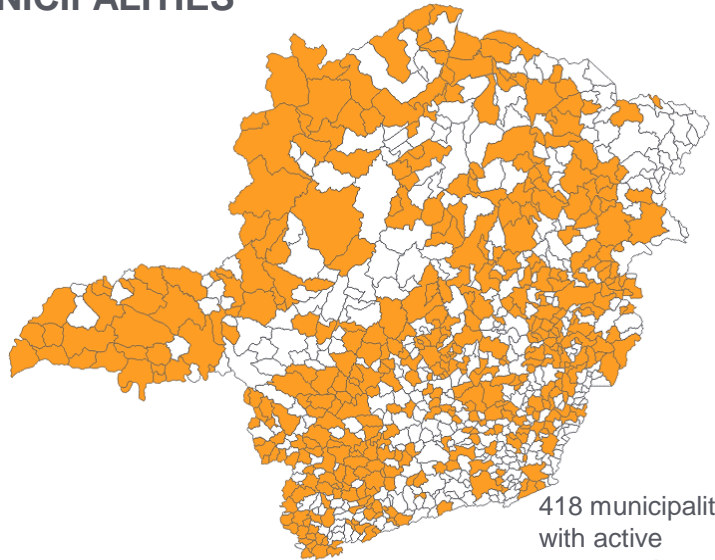
91

MUNICIPALITIES
SERVED



37%

LOW HDI



418 municipalities
with active
contracts in 2019.

2019 EDICT

BRL 276 MM are currently in the contracting phase, with 57% (BRL 159 MM) for urbanization projects and improvement of public roads in cities.

**ECONOMIC RECOVERY
AFTER DISASTERS**

BRL 7,9 MM disbursed in the “BDMG Solidário” line to 201 MSE affected by the floods at the beginning of the year.

BRL 3,1 MM disbursed to 92 companies affected by the rupture of the Fundão Dam.

STRATEGY



RENEWABLE ENERGY AND ENERGY EFFICIENCY



€ 100 MM

Raised for renewable energy and energy efficiency projects

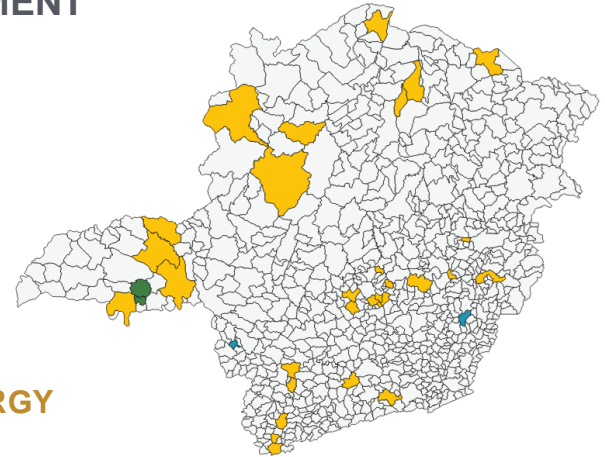
€ 8.4 million
released to 3 photovoltaic plants.



8% of the contract value.



ENVIRONMENT



SOLAR ENERGY

R\$ 21.6 million

Disbursed¹.

11 photovoltaic projects.

17.7 GWh/year

Equivalent to the average annual consumption of 9,224 households.

Renewable energy projects disbursed in 2020

31,395 tonnes of CO² emissions avoided.



MICRO AND SMALL ENTERPRISES

MICRO AND SMALL COMPANIES



BRL 52,3 Million
disbursed in 2020Q1

1.152 companies
assisted

436,000
Accesses in 2020Q1
(+28% 2019Q1)

+145,000
Average monthly
access in 2020Q1

“EMPREENDEDORAS DE MINAS”

Product launched in 2018, with a policy of strengthening socioeconomic development and female empowerment. BRL 63.7 million since its product launch.

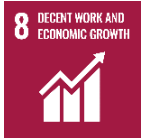


BRL 5,7 million
Disbursed in 2020Q1

160 female entrepreneurs
assisted in **77** municipalities

13% of BDMG's digital platform

STRATEGY



INNOVATION



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.

- Startups Reception
- Mapping of areas of interest
- Mentoring with BDMG employees.

FINANCING INNOVATIVE PROJECTS

+ R\$ 2 million

Paid in 9 FIPS and one debenture.



R\$ 71.2 million invested in 24 mining companies.



Launch of the 2nd Batch in September 2019, with 13 startups selected

FINANCING FOR INNOVATION



BRL 3,6 million

Disbursed in 2020Q1





AGRICULTURE



BRL 123 million
disbursed¹ in Agro products.



BRL 43 million
disbursed¹ from FUNCAFÉ in
the first quarter of 2020.



44%
of the disbursement of the first
quarter was allocated to this
segment.

¹ Disbursed in 2020Q1



HEALTH

CREATION OF NEW HEALTH PRODUCTS

“GERAMINAS SAÚDE”

Specifically for micro and small companies with revenues of up to BRL 4.8 million. It offers special interest rates, in addition to a different grace period.

“GIRO MAIS SAÚDE”

Aimed for companies with annual revenues between BRL 4.8 million and BRL 30 million.

“BDMG SAÚDE”

For medium and large companies with annual revenues above BRL 30 million, including laboratories, industries, large hospitals and other companies of the sector. Interest rates are differentiated, with a period of up to 60 months to pay and a grace period of 18 months.



BRL 17,7 MM

Disbursed¹

¹ Disbursed in 2020Q1

FUNDING

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

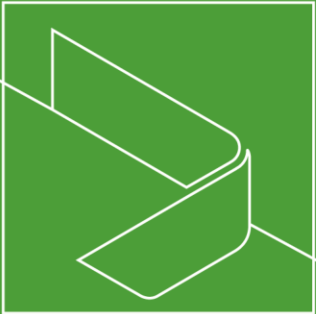


UPCOMING NEGOTIATIONS WITH MULTILATERALS



Onlending



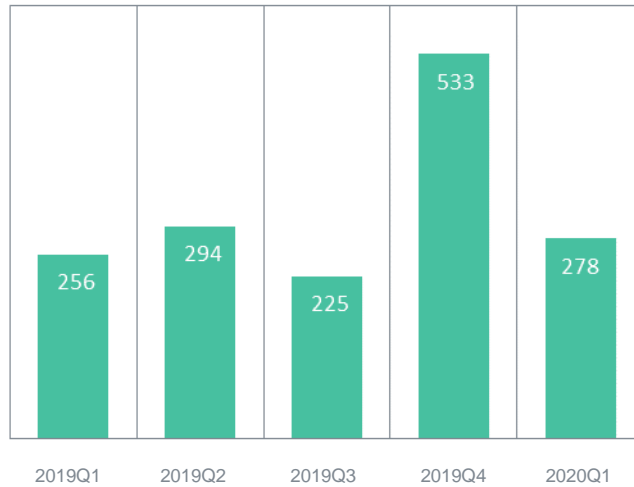


5. OPERATIONAL
PERFORMANCE



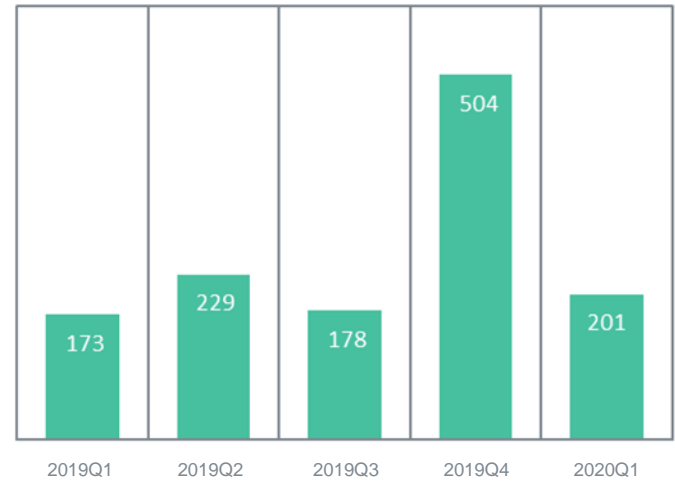
DISBURSEMENT

BRL Million

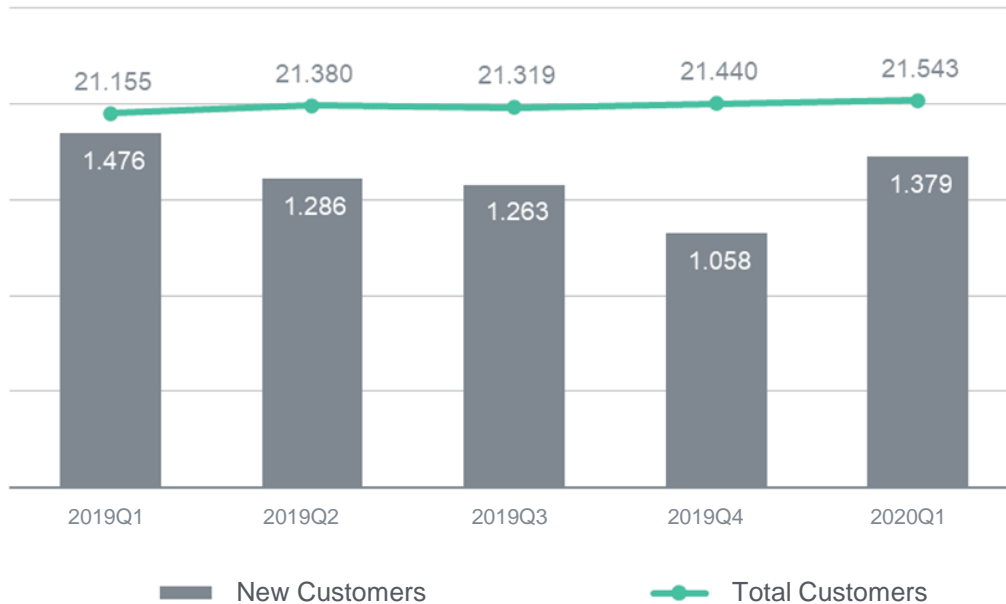


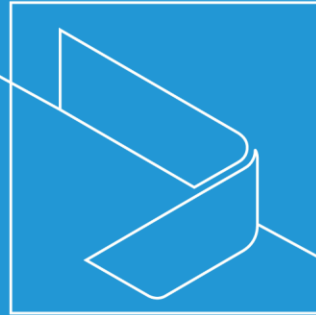
AVERAGE TICKET

BRL Million/Customer



NEW CUSTOMERS AND TOTAL CUSTOMERS

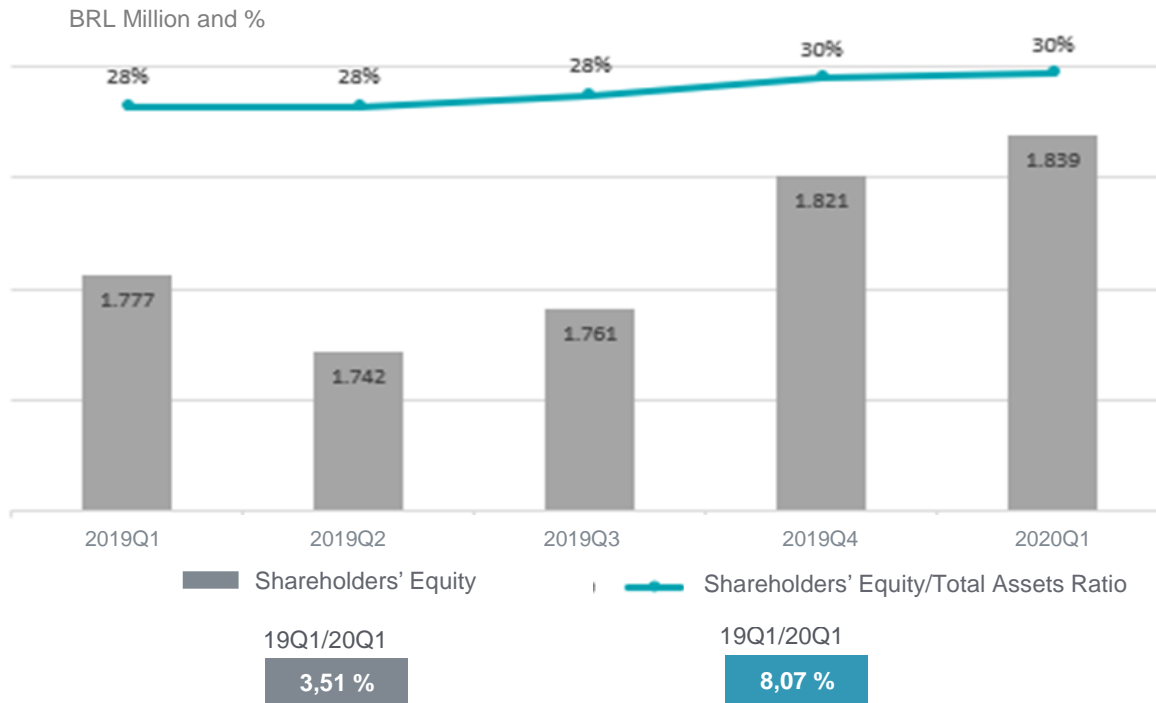




6. FINANCIAL PERFORMANCE



SHAREHOLDERS' EQUITY AND SHAREHOLDERS' EQUITY/TOTAL ASSETS RATIO



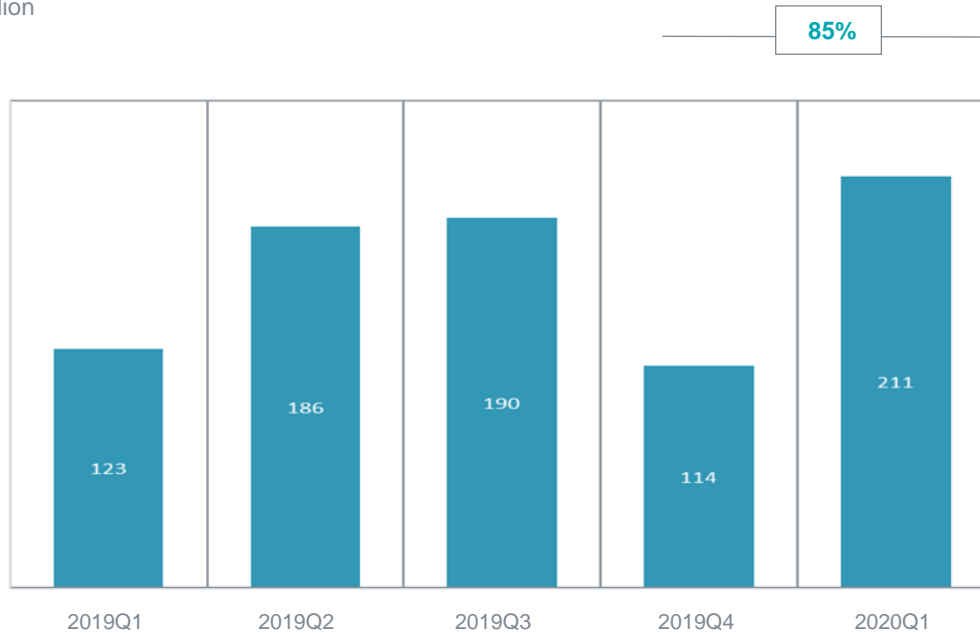
TOTAL ASSETS AND LOAN PORTFOLIO

BRL Million



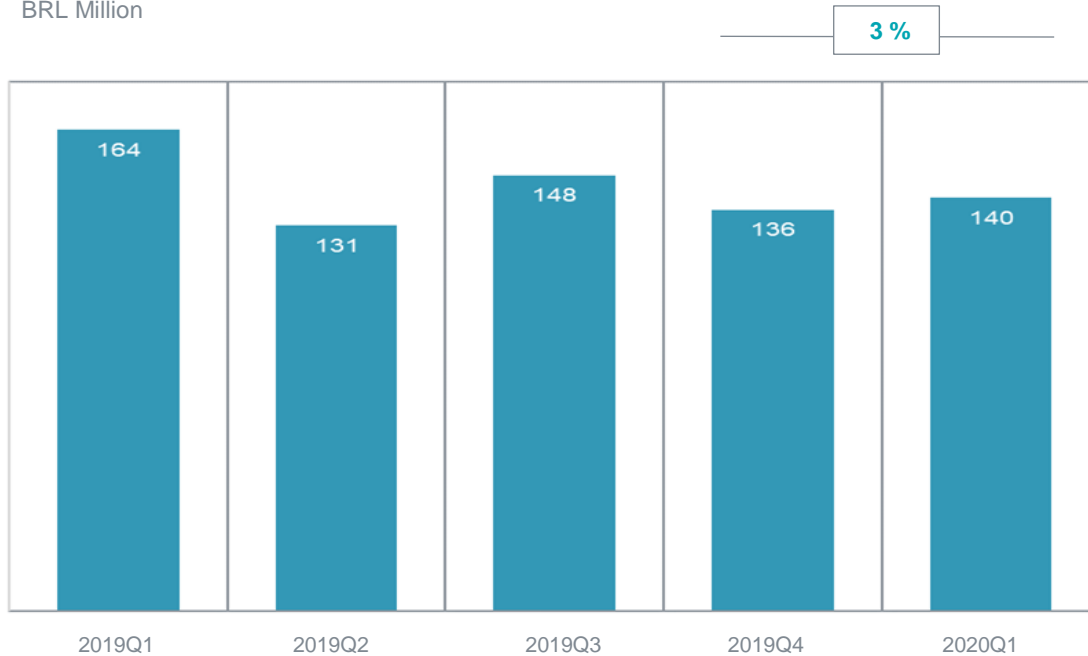
INCOME FROM FINANCIAL INTERMEDIATION

BRL Million

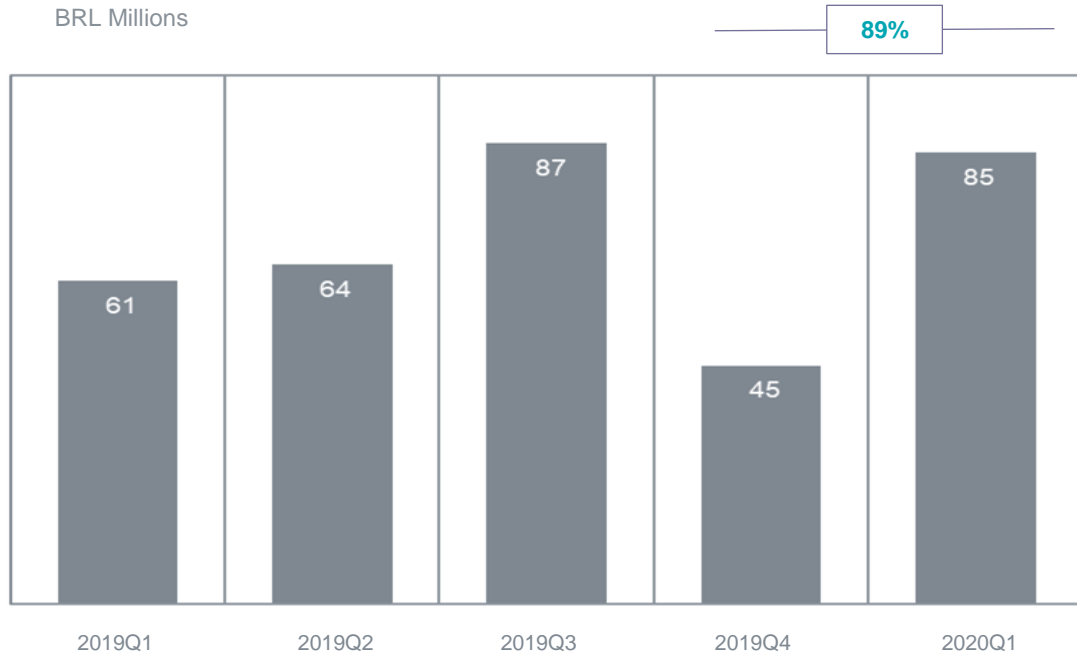


INCOME FROM CREDIT OPERATIONS

BRL Million

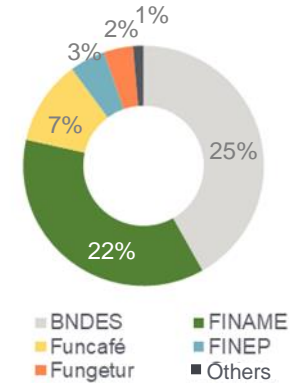
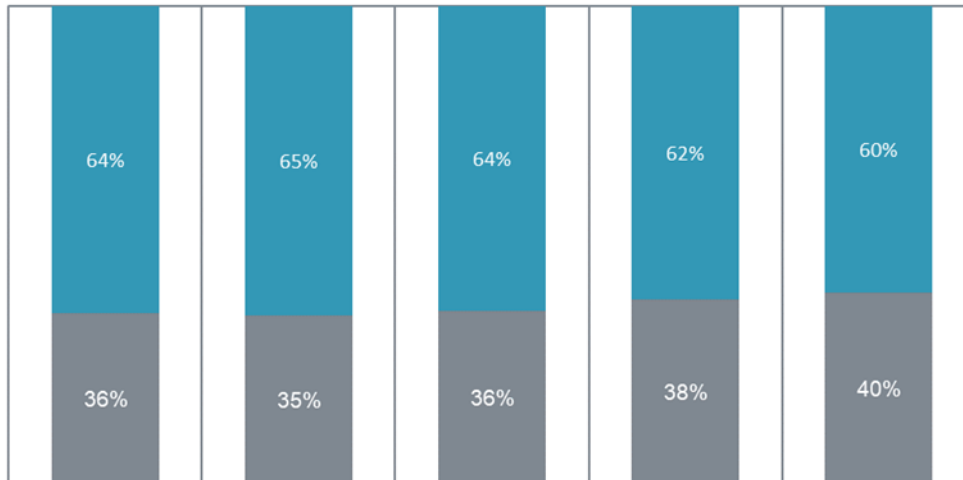


GROSS INCOME FROM FINANCIAL INTERMEDIATION



LOAN PORTFOLIO BY FUND CATEGORY

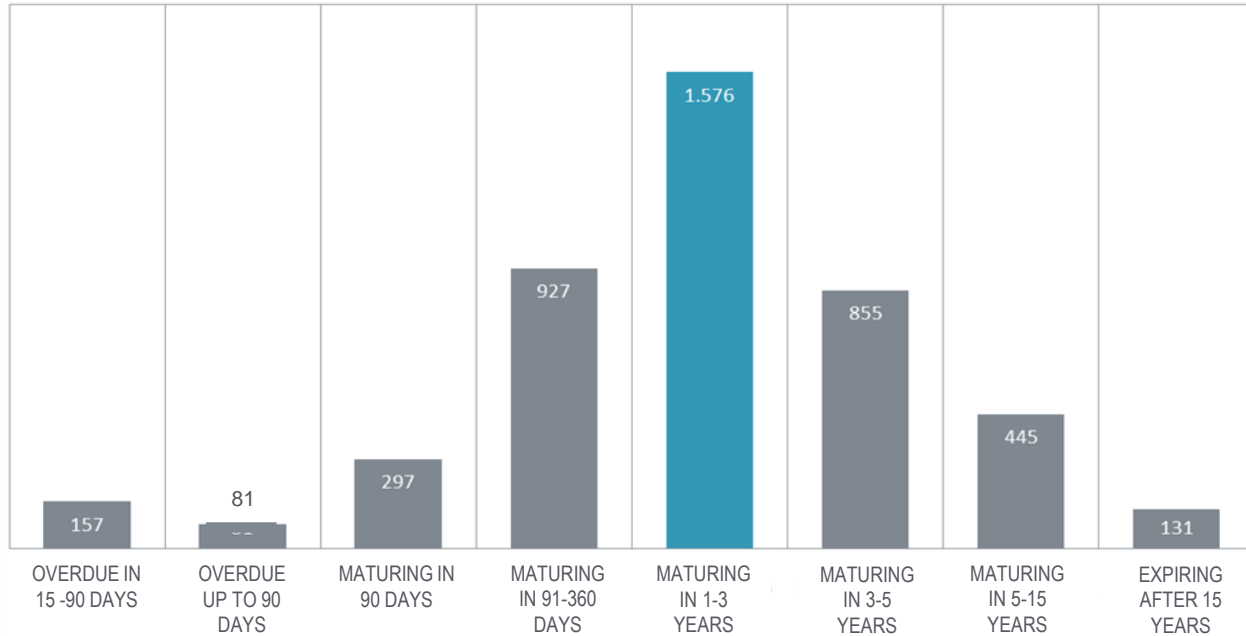
% Loan Portfolio



■ Own Funds ■ Onlendings

MATURITY OF LOAN PORTFOLIO

BRL Million - Position on March/2020



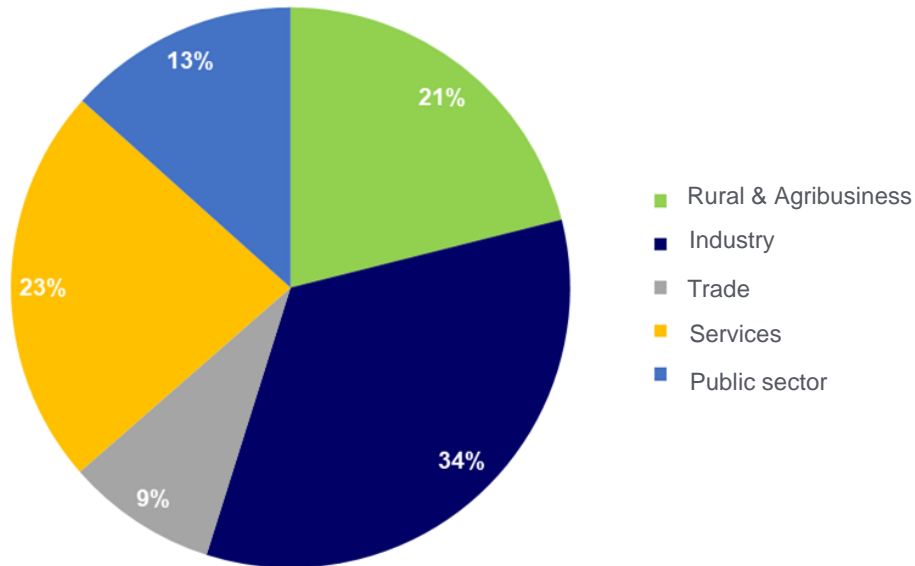
CREDIT PORTFOLIO CONCENTRATION

% Loan Portfolio



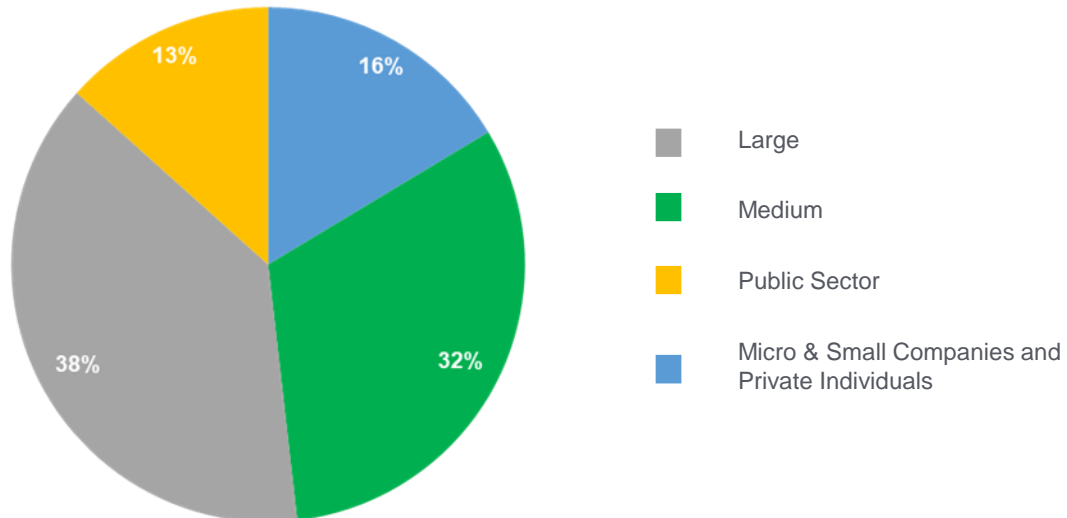
LOAN PORTFOLIO BY ACTIVITY SECTOR

% Loan Portfolio - Position on March/2020



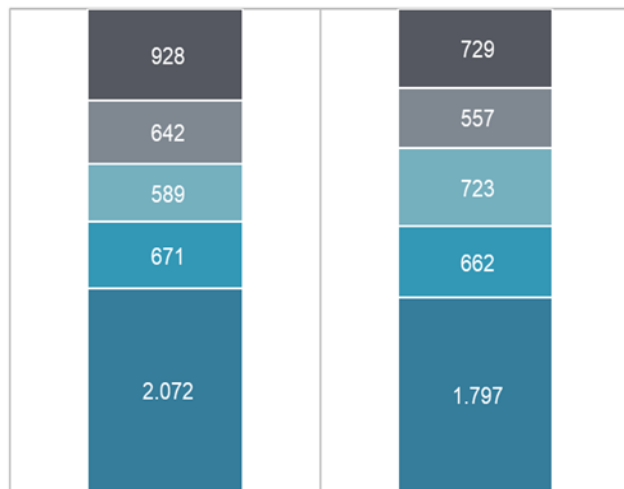
LOAN PORTFOLIO BREAKDOWN BY CLIENT SIZE

% Loan Portfolio - Position on March/2020



LOAN PORTFOLIO BREAKDOWN BY RISK LEVEL

BRL Million

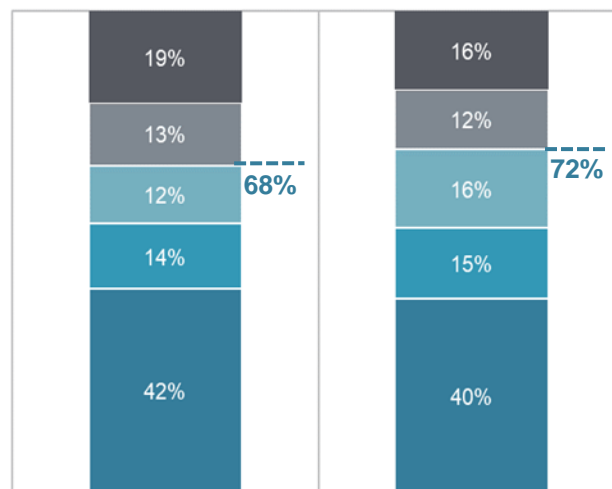


2019Q1

2020Q1

■ AA ■ A ■ B ■ C ■ D-H

% Loan Portfolio



2019Q1

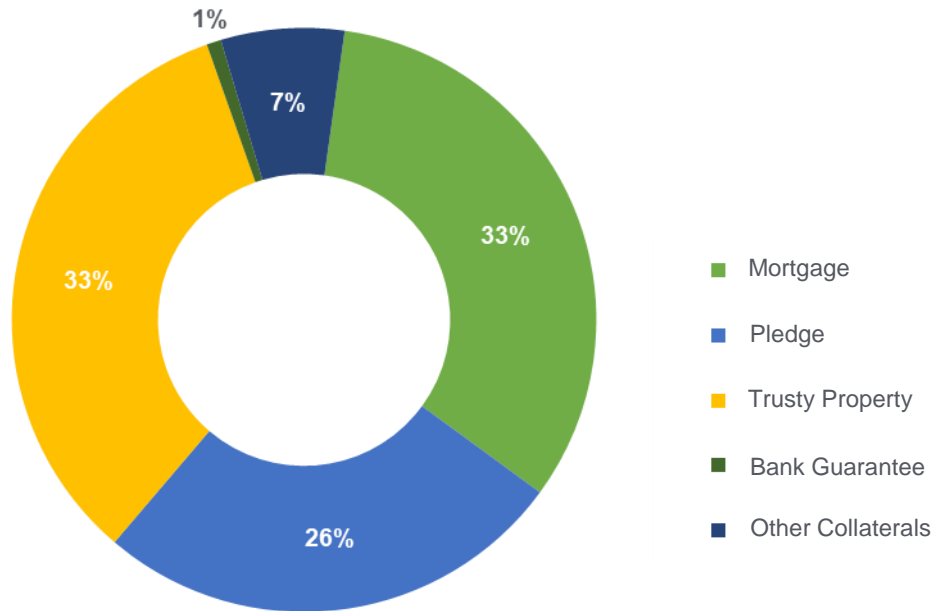
2020Q1

68%

72%

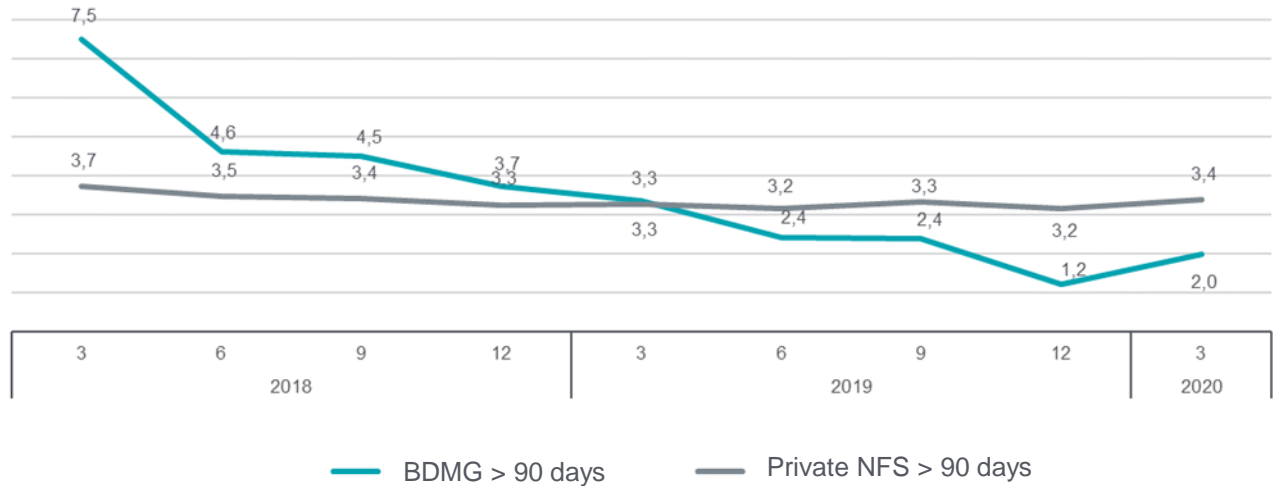
LOAN PORTFOLIO COLLATERALS

Position on March/2020



DELINQUENCY RATE EVOLUTION > 90 DAYS

% Loan Portfolio



Coverage Index Delinquency > 90 days: 4,8 (2020/March)

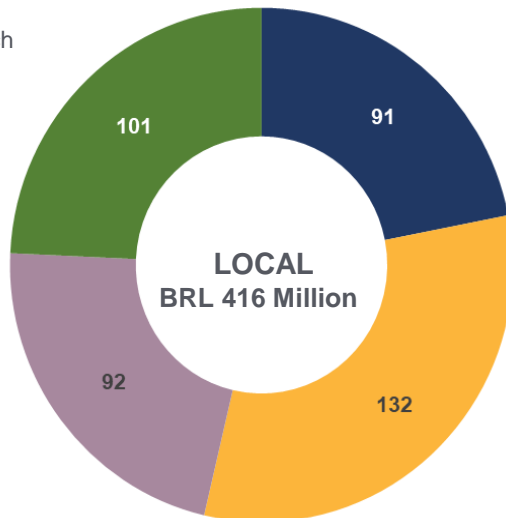
ONLENDING FROM OFFICIAL INSTITUTIONS

BRL Million	2020/03/31	2019/12/31	Variation (%)
BNDES	1.106	1.201	-8%
FINAME	969	1.001	-3%
Funcafé	301	316	-5%
FINEP	127	130	-2%
Fungetur	104	79	32%
Others	37	37	0%
Total	2.643	2.763	-4%
Current	915	933	-2%
Noncurrent	1.728	1.830	-6%

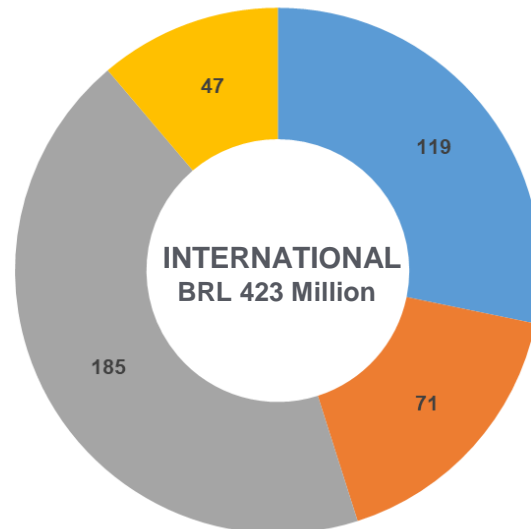
FUNDING

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

As of 2020/March

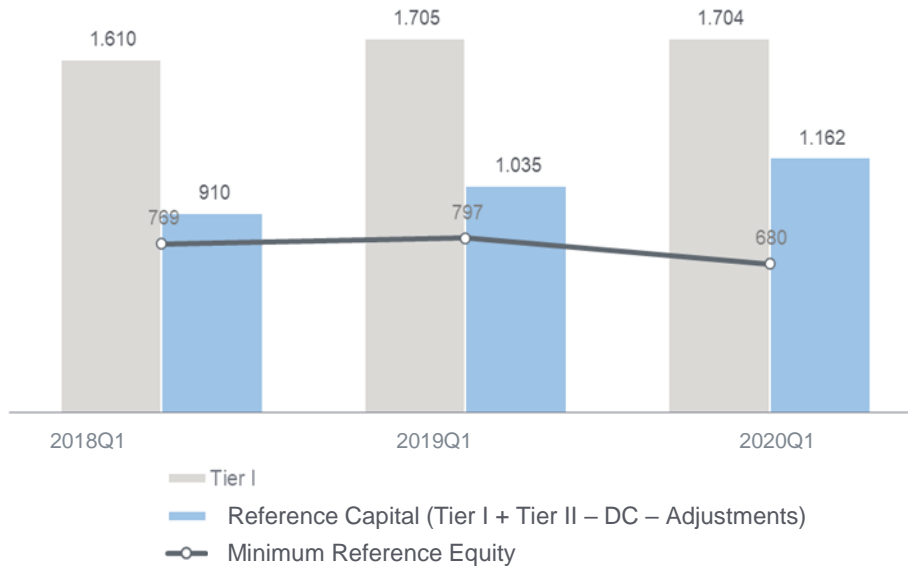


- Financial Bills
- Agribusiness Credit Bills (LCA)
- CDI
- Term Deposit



REFERENCE EQUITY

BRL Million

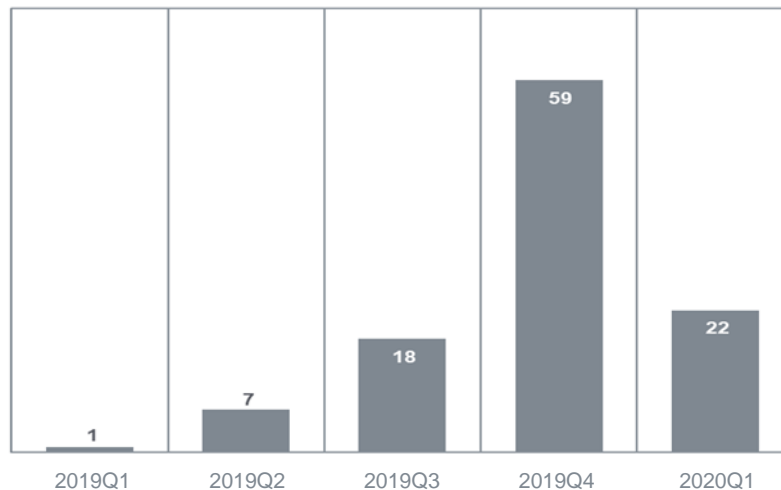


OPERATIONAL LIMITS

Statement of the calculation of the reference equity and Capital Ratios (BRL Million)	2020Q1	2019Q1
Shareholders' equity	1.839	1.821
Reference equity level I (RE level I) or Principal capital (PC) - (a)	1.704	1.694
Capital allocated to transactions with the public sector - (b)	542	542
Reference equity (RE) - (a-b)	1.162	1.152
All risk-weighted assets (RWA)	5.622	5.612
Credit risk (RWAcpad)	4.859	4.828
Market risk (RWAm pad)	74	64
Operational risk (RWAopad)	688	719
Part of the capital to cover for the non-negotiable portfolio interest rate risk (RWA Rban)	89	8
Minimum reference equity	669	738
Basel Index (RE/RWA)	20,7%	20,5%

NET PROFIT

BRL Millions



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).

DEVELOPMENT BANK OF MINAS GERAIS

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**MINAS
GERAIS**

GOVERNO
DIFERENTE.
ESTADO
EFICIENTE.

