

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Financial Statements
for the Six-month
Period and Year Ended
December 31, 2024 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

BANCO DE DESENVOLVIMENTO DE MINAS GERAIS – BDMG

2024 Management Report

MESSAGE FROM THE EXECUTIVE BOARD

In compliance with legal and regulatory requirements, the management of Banco de Desenvolvimento de Minas Gerais S.A. (“BDMG” or “Bank”), a financial institution dedicated to fostering sustainable development in the state of Minas Gerais, presents its Management Report and Financial Statements for the year 2024.

With 62 years of history, the Bank remains firmly committed to driving the socioeconomic development of Minas Gerais. In 2024, BDMG achieved a new record in disbursements: R\$3.5 billion, the highest volume in its history.

These disbursements supported businesses of all sizes, as well as municipalities across the state, contributing to the creation of over 87 thousand jobs, injecting R\$3.2 billion into the local economy, and generating an estimated R\$110.4 million in State VAT (ICMS), based on the Input-Output Matrix methodology adopted by the Bank to assess the impact of its activities.

Of the total disbursements, 54.5% were allocated to initiatives aligned with at least one of the United Nations’ Sustainable Development Goals (SDGs). In recognition of its commitment to financing sustainable projects, BDMG received the 2024 ALIDE-Green Award from the Latin American Association of Development Financing Institutions (ALIDE).

Other key highlights of the year include a 48% increase in disbursements to the public sector, totaling more than R\$485.7 million and benefiting 270 municipalities, half of which have a Human Development Index (HDI) below the Minas Gerais state average.

Disbursements to medium and large enterprises also grew significantly, reaching R\$2.6 billion, with more than half allocated to investment projects. This initiative has helped position Minas Gerais as a competitive hub for long-term investments. Among the most prominent sectors, funding for innovation and agriculture stood out, receiving more than R\$1.8 billion.

Another area of focus was support for rural producers. Through partnerships with credit cooperatives, the Agro Repasse program saw remarkable growth, with disbursements increasing by 193% to R\$264.1 million.

For micro and small enterprises, total financing surpassed R\$500 million in the period. More than 1,000 women-led businesses received funding, reinforcing the Bank’s commitment to promoting female entrepreneurship.

This strong performance, reflected in a low delinquency rate of 1.3% (R\$88.3 million in overdue loans) and record funding of R\$3.1 billion, contributed to improved credit ratings for BDMG. Standard & Poor's (S&P) upgraded the Bank's issuer rating **from 'B' to 'B+'**, while Moody's Investors Service raised its rating **from B2 to B1** on a global scale. In the national ranking, Standard & Poors (S&P) upgraded the rating **from brA to brA+**, and Moody's Local Brazil increased it **from A.br to A+.br**, further strengthening the Bank's reputation for financial stability and credibility.

Finally, as a result of strong performance across multiple segments and a management strategy focused on operational efficiency, BDMG's profit reached R\$134.5 million, an increase of 38% over the previous year. Of this amount, R\$79.9 million was converted into capital increase, enhancing the Bank's reference equity and enabling further credit expansion for municipalities. With this, the Bank strengthens its financial position to consolidate as a strategic player in financing Minas Gerais' development.

The Management of BDMG expresses its gratitude to shareholders for their trust, to clients for their partnership, and to employees for their dedication, which were fundamental in achieving these results. Above all, we thank the people of Minas Gerais, the ultimate reason for all the Bank's efforts.

EXECUTIVE SUMMARY

Based on the information provided in this report, we present a summary of BDMG's main performance highlights for 2024:

- Record disbursement: BDMG closed the period with the highest total disbursement volume in its history – R\$3.5 billion in loan transactions, a 19% growth compared to 2023.
- Record funding: to support this performance, the Bank also focused on diversifying its funding sources and achieved a historic record in fundraising, totaling R\$3.1 billion for the period.
- Solid financial results: BDMG's profit was R\$134.5 million during the period, a 38% increase compared to 2023.
- Growth in the public sector: disbursement for public sector clients grew 48% compared to 2023, rising from R\$328.5 million to R\$485.7 million in 2024.
- Strengthened partnerships with credit cooperatives: financing through transfers to credit cooperatives grew significantly in 2024, with a 193% increase compared to 2023, rising from R\$90.0 million to R\$264.1 million.
- Growth in the agricultural sector: disbursement to this important production chain grew by 46% compared to 2023, rising from R\$1.0 billion to R\$1.5 billion in 2024.
- Support for micro and small enterprises: disbursements reached R\$505.5 million for 4,830 clients.
- Expanded investments: disbursement for investment projects increased by 22% during the period compared to 2023.

- Expansion of the loan portfolio: the significant growth in disbursements, especially for investment projects, raised the loan portfolio by R\$1.3 billion, reaching R\$7.9 billion. The average portfolio balance for 2024 was R\$7.1 billion.
- Launch of a new financial instrument: in 2024, the Development Credit Bill (LCD) was created, a fixed income security with income tax exemption for individuals, exclusive to development banks. In December 2024, the Bank raised R\$137.0 million through LCDs.
- Signing of the first external funding contract in the “A/B loan” modality with the Latin American Development Bank (CAF), totaling US\$220.0 million.
- Credibility and market recognition: credit rating agencies Standard & Poor’s (S&P) and Moody’s Local upgraded BDMG’s ratings, reflecting the Bank’s financial strength and management efficiency.
- International recognition: BDMG was awarded the 2024 ALIDE-Green Award for its outstanding role in financing sustainable projects, particularly through the BDMG Sustainability credit line.

1 | ECONOMIC SCENARIO

In 2024, the global economy was marked by a slow convergence of inflation in major economies toward central bank targets. This process came at a higher cost in Europe, where economic activity stagnated in the last half of the year, and the continent’s largest economies experienced sluggish industrial growth. In the United States, however, employment remained strong. As a result, despite interest rate cuts in both regions during the second half of the year, the economic outlook remains divergent. Concerned about economic activity, the European Central Bank (ECB) has signaled a continuation of gradual interest rate cuts in 2025, whereas the U.S. Federal Reserve (FED) has indicated a slower pace of rate reductions this year, given that core inflation in the U.S. remains above target and uncertainties persist regarding trade policy and its macroeconomic impacts.

In China, weak performance in the real estate sector and low consumer confidence contributed to a slowdown in growth to 5.0% in 2024 (compared to 5.4% in 2023). With the government’s proposed fiscal stimulus package, the Chinese economy barely met the target set by the administration. Consequently, global economic growth is estimated to have reached 3.2% in 2024, following a 3.1% increase in 2023.

In Brazil, strong demand – driven by an expansionary fiscal policy – supported growth in trade and services, while the manufacturing industry rebounded after an unremarkable 2023. Despite low unemployment and rising real income, fiscal policy reached its limit, leading to adverse effects on inflation (which closed at 4.83%, surpassing the target) and on public deficit, exchange rate, and long-term interest rates. The Central Bank of Brazil (BC) initiated a new cycle of interest rate hikes, and GDP grew by 3.4% in 2024. According to BC’s Monetary Policy Committee (Copom), the tightening of monetary policy is linked to resilient economic activity, increasing global economic uncertainties, worsening inflationary conditions in Brazil, and strong domestic demand pressures, indicating an overheated economy.

In Minas Gerais, economic activity grew by 2.8% through the third quarter. The state increased its contribution to national GDP and is expected to account for 9.1% of Brazil’s GDP in 2024. The year was marked by growth in the manufacturing industry – particularly in the metal-mechanical and automotive sectors – as well as in the extractive industry, which expanded by 1.8%, while remaining flat at the national level (0.0%). Trade and services also grew in line with resilient domestic consumption. However, the agricultural sector contracted due to a high base of comparison in 2023 and adverse weather conditions in 2024. Tourism in Minas Gerais stood out, outperforming the national average, growing by 4.5% compared to Brazil’s 3.5%. This result was driven by the creation of new travel routes, investment attraction programs focused on the sector, and real income growth. By year-end 2024, BDMG expects Minas Gerais’ GDP to grow by approximately 3.0%.

2 | STRATEGY

In 2024, BDMG’s operations were guided by its 2024-2028 Strategic Plan, which outlined medium and long-term objectives to ensure the fulfillment of its purpose: “transforming initiatives into reality to make a difference in the lives of the people of Minas Gerais.” With this in mind, the Bank strives to be a true specialist in Minas Gerais, deeply understanding the region’s socioeconomic opportunities and challenges and aligning its credit policies to maximize impact and drive development for the state’s population.

Following this strategic direction, BDMG remains focused on financing long-term projects, particularly those with a positive impact on sustainable development and improvements in quality of life.

The following strategic drivers outline BDMG's priorities for implementing the Strategic Plan:

FINANCIAL SUSTAINABILITY	IMPACT AND DEVELOPMENT	EXPERT IN MINAS GERAIS
<ul style="list-style-type: none">▪ Expand the loan portfolio from 2024 to 2028;▪ Efficient asset and liability management;▪ Funding cost and terms aligned with business strategy.	<ul style="list-style-type: none">▪ Promote the implementation of social, environmental, and climate impact projects in Minas Gerais;▪ Contribute to the Government of Minas Gerais' net-zero 2050 plan;▪ Partner with municipalities, especially those with low HDI, to enable high-impact local projects.	<ul style="list-style-type: none">▪ Support micro and small enterprises, fostering entrepreneurship, financial inclusion, and job creation across all regions of the state;▪ Encourage investments in sectors, value chains, and local production arrangements (APLs) in the state of Minas Gerais;▪ Support the state's agribusiness sector and contribute to the transition to low-carbon agriculture.

BDMG plans to expand its loan portfolio by 84% by 2028, reaching R\$11.9 billion, while increasing the share of investment lines to 73% of the total portfolio.

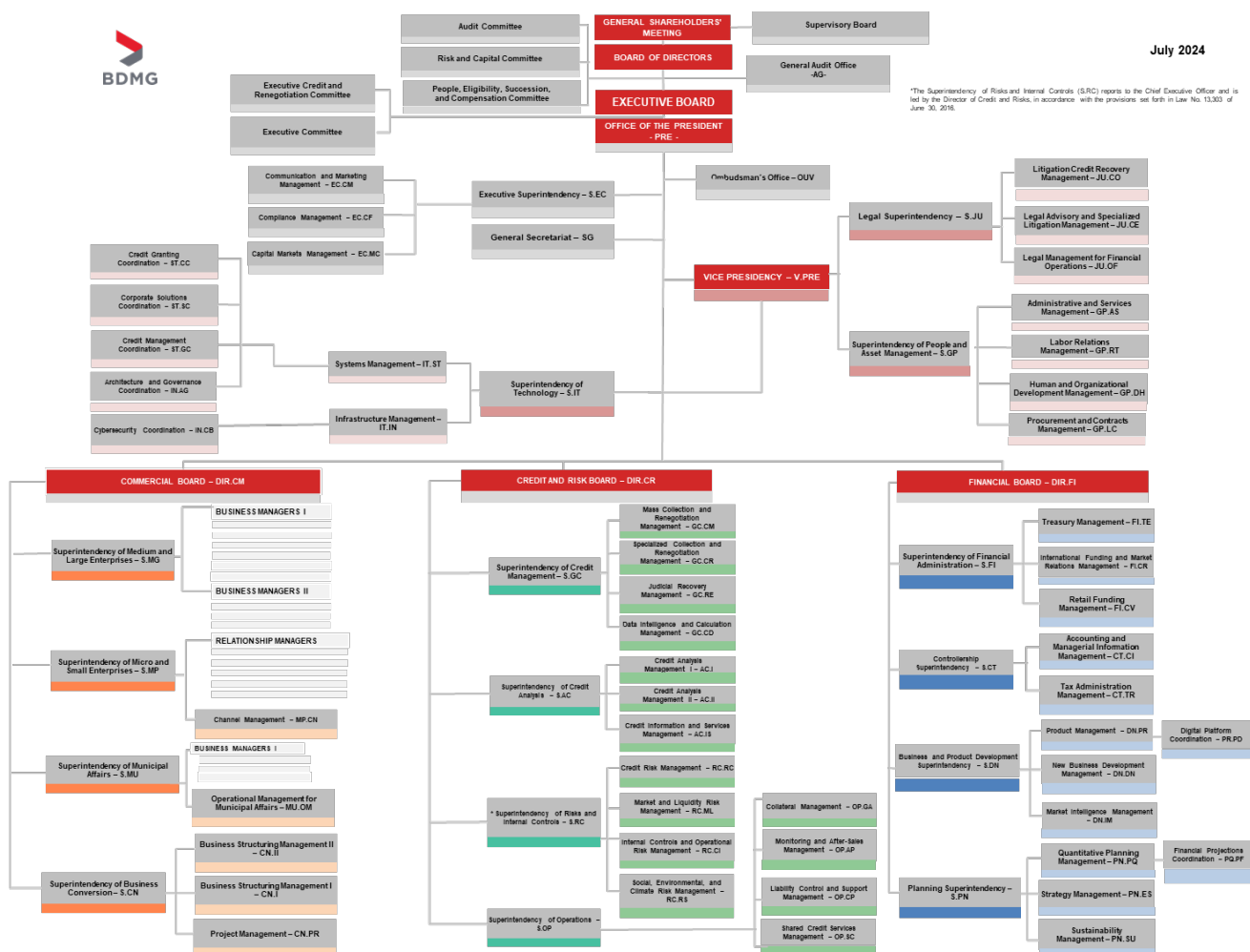
In 2024, BDMG reviewed its strategy for the 2025-2029 period with support from the consultancy firm Roland Berger. This process included discussions on BDMG's core competencies and aspirations, in alignment with its controlling entity, resulting in the definition of key focus areas for the coming years. These include support for micro and small enterprises, municipal projects, and agribusiness, which are considered priority sectors aligned with Minas Gerais' development strategy.

2.1 ORGANIZATIONAL STRUCTURE

BDMG's workforce consists of: 1 president, 1 vice president, 3 directors, 21 board members and statutory committee members, in addition to 281 employees, 188 contractors, 107 interns. These positions are distributed according to the organizational chart below:



July 2024



2.2 2024 CORPORATE GOALS

The corporate objectives are designed to guide BDMG in expanding its loan portfolio while ensuring profitability and quality, in order to preserve its financial stability and support the state's development.

For 2024, four corporate goals were established, all of which were largely achieved, as shown below:

AVERAGE PORTFOLIO BALANCE		MARGIN OF THE TRANSACTIONS	
Goal R\$7.0 billion	101.3%	Goal 1.25	97.6%
Achieved R\$7.1 billion		Achieved 1.22	
DISBURSEMENT		QUALITY INDEX	
Goal R\$3.4 billion	105%	Goal 5.10	98.6%
Achieved R\$3.5 billion		Achieved 5.03	

2.3 IMPACT COMMITMENTS

The Bank prioritizes five core impact commitments, which are broken down into specific indicators that shape the profile of financed projects. Through the BDMG framework, aligned with the United Nations Sustainable Development Goals (SDGs), disbursements are classified as either environmental or social, and their respective impacts are measured.

The results achieved in 2024 were as follows:

Table 01 - Impact Commitments Results (2024)

Impact commitment	Metric	Goal	Achieved
SDG-aligned disbursements	% of disbursements aligned with an SDG	40%	54.5%
Job creation and financial inclusion	Jobs supported in micro and small enterprises (MSEs)	25,000	24,995
	Women-led micro and small enterprises	800	1,101
Clean energy	Tons of CO ₂ avoided	6,000	3,025
	GWh/year of clean energy generated	120	75.9
Priority investments with positive impact	Direct investments enabled (R\$ millions)	1,800	4,092
Inclusive and sustainable cities in Minas Gerais	Municipalities with active contracts	480	466

Of the total disbursements made by BDMG in 2024, 54.5% were aligned with at least one of the UN SDGs. In terms of social impact, the highlights included job creation and urbanization, while in environmental impact, the focus was on renewable energy.

Through financing for micro and small enterprises (MSEs), BDMG supported nearly 25 thousand jobs across the state. In credit lines aimed at women-owned businesses, the Bank exceeded its goal by 37.6%, providing financing to 1,101 companies. For medium and large enterprises, investment project financing outperformed expectations, also helping to stimulate local value chains.

Regarding financial support for municipalities, the Bank financed 270 municipalities, with a 47.9% increase in disbursement amount. However, due to the termination of 56 contracts in 2024, the number of public sector clients with active contracts decreased from 480 to 466.

Although clean energy projects in Minas Gerais have strong growth potential, 2024 was marked by a seasonal shift driven by sector consolidation. This included the completion of power plants already under construction and a slowdown in new project launches, following a surge in demand in previous years. The decline is partly attributed to regulatory changes, particularly the introduction of charges for using the electricity distribution system. As a result, the clean energy generation indicator reached 75.9 GWh/year, as the calculation of each project is considered in the project's initial disbursement. The indicator for avoided CO₂ emissions was also impacted. Nevertheless, BDMG remains actively prospecting new clean energy projects as part of its commitment to sustainable development in Minas Gerais.

For 2025, BDMG has created a working group to review its clean energy product offerings, with the aim of making them more attractive, optimizing the credit approval process, and diversifying the types of financed projects to reduce reliance on solar photovoltaic energy generation.

2.4 IMPACT ON THE ECONOMY OF MINAS GERAIS

Using Input-Output Matrix¹ analysis, which evaluates economic impacts² through sectoral linkages, BDMG assessed the direct and indirect economic effects of its disbursements. The key results are outlined in the table below:

Table 02 – Input-Output Matrix Impact Indicators (2024)

Jobs stimulated	87,250
Potential revenue increase	R\$6.2 billion
Added value to Minas Gerais' GDP	R\$3.2 billion
Salaries paid	R\$1.5 billion
Tax revenue (ICMS collection)	R\$110.4 billion

The direct effects represent the gains in the sectors directly impacted by BDMG's disbursements, while the indirect effects are related to the gains generated in other sectors through productive linkages and household consumption.

3 | OPERATIONAL PERFORMANCE

BDMG achieved a historic record in disbursements in 2024, closing the year with R\$3.5 billion in loans granted – 19% higher than the total disbursed in 2023.

The loan portfolio ended the period with a balance of R\$7.9 billion. The total number of active clients in the portfolio at year-end was 18,314, reflecting a 3% increase compared to the previous year.

BDMG ended the year with a presence in 91% of the state, meaning at least one active client in 775 of Minas Gerais' 853 municipalities.

Regarding the source of disbursed funds, 68% originated from domestic and international funding; 27% came from onlendings, and 5% from funds (FAPEMIG and Renova). Among onlendings, 35% were from the Brazilian Development Bank (BNDES), 32% from the Funding Authority for Studies and Projects (FINEP), and 24% from the Coffee Economy Defense Fund (FUNCAFÉ).

¹ To calculate the potential impacts of BDMG's disbursements, an input-output matrix was used, covering 67 sectors and calibrated based on the productive structure observed in 2015.

² The analysis assessed the effects on key economic variables, including revenue (Gross Production Value), employment (number of jobs), wage mass (salaries), State VAT (ICMS) collection, and Gross Value Added (GDP).

Table 03 - Operational indicators (2024 vs. 2023)

Indicator	2023	2024	Variation
Disbursement (R\$ million)	2,981.5	3,548.6	19%
Number of clients with disbursements in the period	5,108	5,539	8.4%
Number of clients with active contracts	17,780	18,314	3.0%

Chart 01 - Disbursements by business size - R\$ million (2024 vs. 2023)

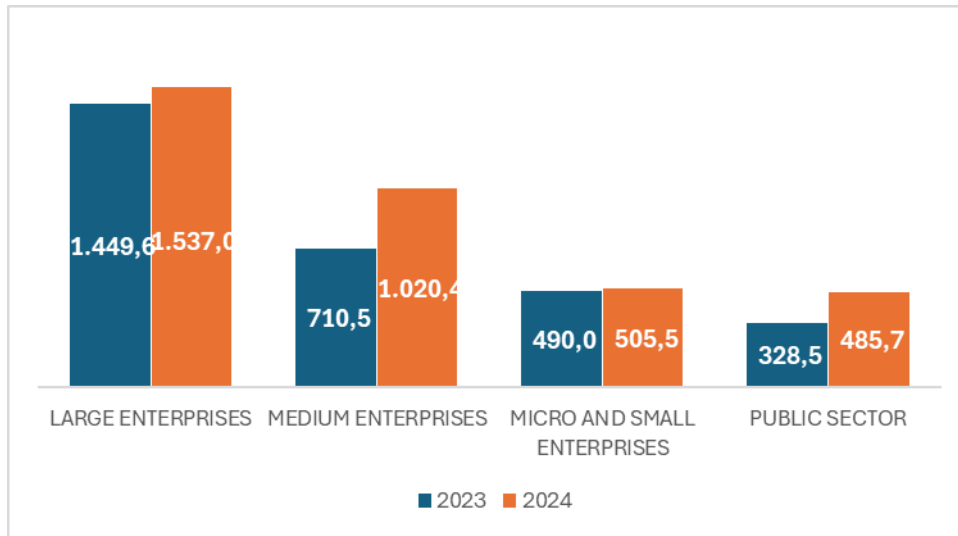
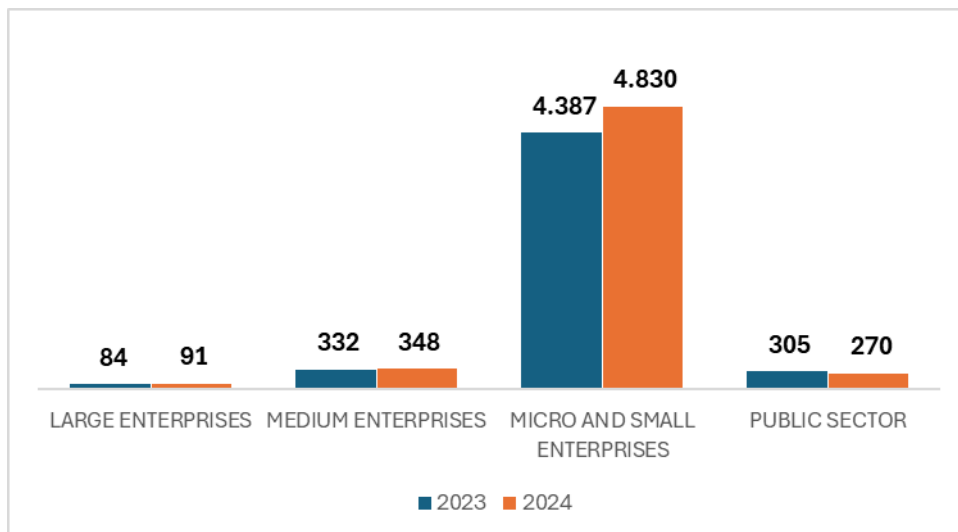


Chart 02 - Number of clients with disbursements - by business size (2024 vs. 2023)



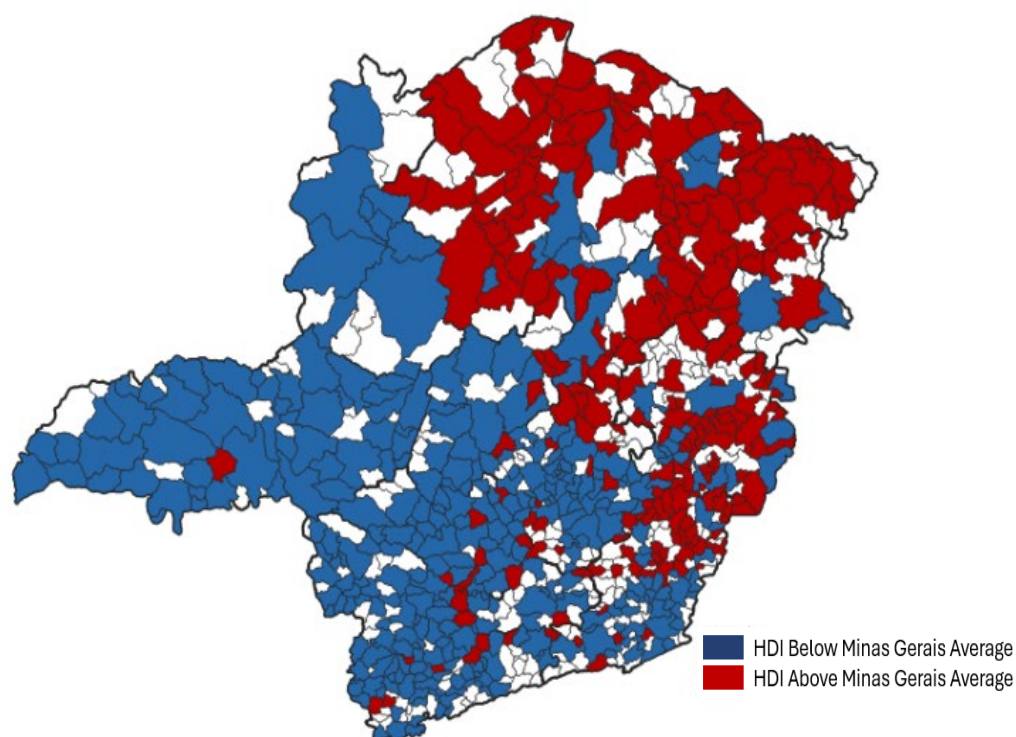
HDI Below Minas Gerais Average
 HDI Above Minas Gerais Average

Table 04 - Disbursements by macroregion (2024)

Macroregion of Minas Gerais	R\$ million	%
Central	875.5	24.7
Triângulo Mineiro	607.5	17.1
South of Minas Gerais	519.2	14.6
Alto Paranaíba	382.4	10.8
Center-West of Minas Gerais	236.5	6.7
Zona da Mata	165.7	4.7
North of Minas Gerais	164.4	4.6
Rio Doce	144.3	4.1
Norwest of Minas Gerais	136.3	3.8
Jequitinhonha	70.3	2.0
Total Minas Gerais	3,302.0	93.1
Neighboring states	246.6	6.9
Grand Total	3,548.6	100

The funds disbursed in 2024 were allocated to companies headquartered in 576 municipalities across Minas Gerais, with 39% of them located in areas with a Human Development Index (HDI) below the state's average³.

Figure 01 – Municipalities with disbursements (2024)



³ The Human Development Index (HDI) measures a nation's progress based on three dimensions: income, health, and education.
Source: <https://www.br.undp.org/>

3.1 MAIN AREAS OF ACTIVITY – 2024 ACHIEVEMENTS

AGRIBUSINESS	<ul style="list-style-type: none"> ● 41% of total disbursements in 2024 were allocated to the agribusiness sector, with R\$1.5 billion granted. Highlight to the disbursements tied to LCA credit lines, which totaled R\$657.2 million, accounting for 45% of agribusiness resources ● BDMG secured resource equalization from Brazil's National Treasury Office to allocate R\$228.0 million for the 2024/2025 harvest season. ● Through the LabAgroMinas program – a partnership between BDMG and Embrapa – over 1,000 local technical assistance professionals from 261 municipalities received training in regenerative coffee farming. Classes were conducted by researchers from Embrapa, Epamig, GAAS, and consultants.
BDMG DIGITAL – MICRO AND SMALL ENTERPRISES (MSEs)	<ul style="list-style-type: none"> ● Disbursement volume increased by 3.2% compared to 2023, reaching R\$505.5 million. ● Online financing processes originating from the BDMG Digital platform saw an 11.7% increase year-over-year, totaling R\$370.2 million. ● A total of 4,830 MSE clients were served, with 4,786 of them using BDMG Digital for financing.
MEDIUM AND LARGE ENTERPRISES (MLEs)	<ul style="list-style-type: none"> ● 348 medium enterprises and 91 large⁴ enterprises were served, totaling 439 clients. ● There was a 21.8% increase in financing operations for investment projects compared to 2023.
PUBLIC SECTOR	<ul style="list-style-type: none"> ● R\$485.7 million was disbursed, marking a 48% increase compared to 2023. Of this total, R\$422.9 million came from BDMG's own funds, while R\$62.8 million originated from Renova Foundation⁵ funds. ● A total of 270 municipalities were served, 129 of which (48%) have HDI below the state average. ● BDMG was selected as the financial agent for sanitation initiatives in 26 municipalities in the Paraopeba River Basin, with a total allocation of R\$1.4 billion under the Brumadinho Dam Disaster Reparations Agreement.
ENERGY EFFICIENCY AND RENEWABLE ENERGY	<ul style="list-style-type: none"> ● Disbursements totaled R\$279.2 million, representing a 26% decline compared to 2023. The funds were allocated to 95 projects (42 in the private sector and 53 in the public sector) across 88 municipalities. ● Solar photovoltaic energy projects accounted for 47% of the disbursements in this category.
INNOVATION	<ul style="list-style-type: none"> ● Disbursements in this sector increased by 518% compared to 2023, reaching R\$390.8 million for 85 companies. Highlight to funding lines from FINEP accounted for 80% of the total amount disbursed.
WOMEN ENTREPRENEURSHIP	<ul style="list-style-type: none"> ● A total of R\$69.9 million was granted through the Empreendedoras de Minas and Pronampe Mulheres credit lines, benefiting 1,101 women-led businesses, an increase of 21% from 2023. ● These financing lines represented 19% of the total amount disbursed to clients served via BDMG Digital.

⁴ Companies with annual revenue greater than R\$4.8 million and up to R\$300 million are considered medium enterprises. Those with revenue exceeding R\$300 million are classified as large enterprises.

⁵ Fundação Renova is a private, non-profit organization established in 2016 to repair the damage caused by the Fundão dam collapse in November 2015. Since 2017, BDMG has been working with Fundação Renova on socioeconomic programs aimed at fostering economic revitalization in the Rio Doce region.

4 | FINANCIAL STATEMENTS

BDMG delivered solid results in sustaining its objectives over the short, medium, and long term, driven by the strategic management of funds and the optimization of available funding sources.

Recurring profit	R\$134.5 million (-17.5% compared to 2023)	Profit for the year	R\$134.5 million (+38.0% compared to 2023)
Equity	R\$2.3 billion (+6,3% compared to 2023)	ROAE	6.1% (-35.5% compared to 2023)

Basel Index	21.4% (-11.3% compared to 2023)
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BDMG ended 2024 with a profit of R\$134.5 million, representing a 38.0% increase compared to 2023 (R\$97.5 million). This performance was mainly driven by gains from securities, as well as higher revenues from loan operations, underscoring the Bank's ongoing efforts to expand loans to its clients.

Equity at year-end totaled R\$2.263 billion, representing 6.3% growth compared to 2023 (R\$2.129 billion).

Table 5 – Key financial indicators

	R\$ million	
	2024	2023
Income		
Income from financial intermediation	516	534
Expenses on provisions	(57)	(137)
Tax expenses ¹	(76)	(91)
Other expenses, net	(248)	(209)
Profit for the year	135	97

¹ Includes taxes on profit

	R\$ million		
	12/31/2024	12/31/2023	Δ%
Financial position			
Total assets	12,454	8,832	41.0%
Loan and similar transactions, net	6,583	5,661	16.3%
Securities	4,761	2,287	108.2%
Other assets	1,110	884	25.5%
Total liabilities	12,454	8,832	41.0%
Third-party funds	10,190	6,703	52.0%
Foreign borrowings	2,271	1,644	38.1%
Domestic funding	4,329	1,800	140.5%
Domestic onlendings	2,419	2,033	19.0%
Other liabilities	1,171	1,226	-4.5%
Equity	2,264	2,129	6.3%
Equity/Total Assets Ratio	18.2%	24.1%	-24.6%

In compliance with Bacen Circular Letter No. 3,068/2001, BDMG declares it has financial capacity and intent to hold to maturity R\$787.2 million in securities classified as “Held to Maturity” as at December 31, 2024.

5 | CREDIT RATING

In 2024, BDMG’s risk ratings improved with upgrades from both Standard & Poor’s (S&P) and Moody’s. S&P raised the Bank’s issuer rating from ‘B’ to ‘B+’ on the global scale. Moody’s upgraded the Bank’s issuer rating from ‘B2’ to ‘B1’, maintaining a positive outlook. Moody’s Local also upgraded the Bank’s issuer rating from ‘A.br’ to ‘A+.br’.

Through similar analyses, the agencies considered BDMG’s strong diversification of funding sources, the growth of its financing portfolio, and its default rate, below the market average of 2.95% for legal entities, as relevant factors for the rating upgrades⁶.

Table 6 – BDMG’s credit rating

	Moody’s (Oct. 2024)	S&P (Nov. 2024)
Global Scale (Long-Term)	B1	B+
Outlook	Positive	Stable
National Scale (Long-Term)	A+.br	brA+
Outlook	Stable	Stable

⁶ To access the latest rating reports on BDMG from the credit agencies, visit: bdmg.mg.gov.br/relacao-investidores/?ratings

6 | FINANCIAL MANAGEMENT

6.1. FUNDING

BDMG reached a historic record in funding volume during the period, totaling R\$3.1 billion, more than double the volume raised in 2023. With a focus on appropriately diversifying funding types, sources, and terms, the Bank ended the period with 54.3% of its total funding contracted in the domestic market and 45.7% in the international market.

6.1.1 Domestic funding

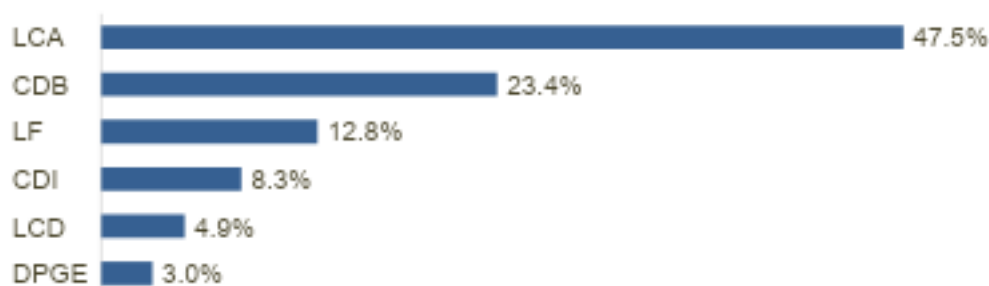
The Bank's strategy to diversify funding sources, key to the growth in fundraising, became even more evident with the launch of a new instrument: the Development Credit Bill (*Letra de Crédito de Desenvolvimento*) (LCD), issued in December 2024 in the amount of R\$137.0 million. Other instruments included Time Deposits with Special Guarantee (DPGE), which raised R\$160.0 million, and repurchase agreements, which raised R\$119.0 million. These instruments allow the use of CRIs (Real Estate Receivables Certificates), CRAs (Agribusiness Receivables Certificates), and debentures to back funding operations and reduce funding costs.

Additionally, BDMG strengthened relationships with new market players, particularly through Agribusiness Credit Bills (LCA) and Bank Deposit Certificates (CDB), resulting in R\$1.5 billion raised in 2024. The cost of funding was reduced by prioritizing more competitive sources like LCA and LCD, whose funding volume nearly doubled from 2023, reaching R\$1.1 billion (36% of total funding), at costs below 100% of DI.

Overall, domestic funding reached R\$2.4 billion, compared to R\$1.1 billion in 2023, reflecting the retail and local markets' confidence in BDMG's capital structure.

The balance of the domestic funding portfolio presents the following structure of financial instruments used for financing investments and working capital:

Chart 03 – Domestic funding by source (2024)



6.1.2 External funding

BDMG expanded partnerships with multilateral institutions, engaging new stakeholders and strengthening existing partnerships.

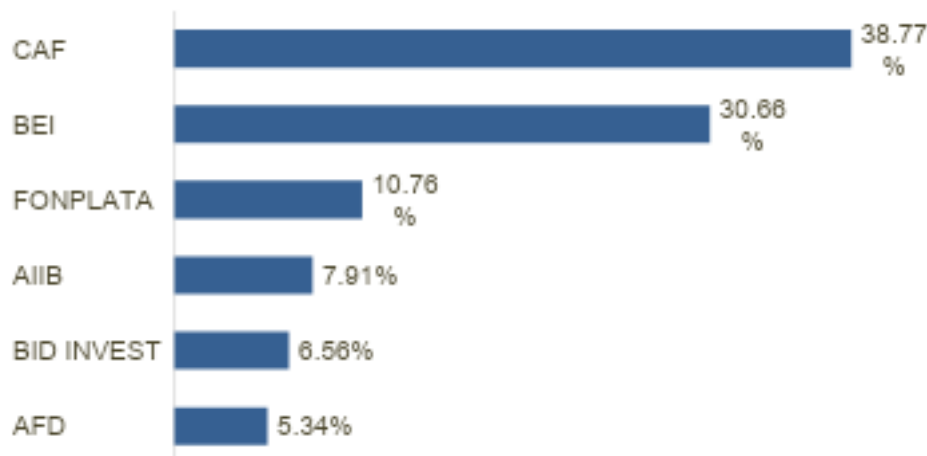
During 2024, two disbursements with the Asian Infrastructure Investment Bank (AIIB) were finalized, totaling US\$30.0 million. This is the first-ever loan from the Asian Infrastructure Investment Bank (AIIB) in Brazil. The funds are intended for renewable energy generation projects and businesses with connectivity to Asia.

In 2024, BDMG signed its first external funding contract in the "A/B loan" modality with the Latin American Development Bank (CAF), totaling US\$220.0 million. This milestone represents the largest funding ever secured by BDMG in its history. The first tranche of US\$100.0 million was disbursed in November, equivalent to R\$575.0 million. In December,

BDMG signed a second loan agreement with the European Investment Bank (EIB) for EUR27.5 million, intended to finance renewable energy generation projects.

The balance of the external funding portfolio consists of transactions with six international partners from different regions, with the funds applied to various profiles of public and private projects.

Chart 04: External funding balance by source - Closing as at 12/31/2024⁷



6.1.3. Federal Government-Backed Funding

The agreements related to the transaction with the New Development Bank (NDB), backed by the Brazilian Federal Government, have been negotiated following approval by the Commission on External Financing (Cofix) in October 2022, for an amount of up to US\$200.0 million. This transaction is currently under analysis by the Brazilian National Treasury Department (STN), as per the process for granting sovereign guarantees. Once finalized, this will be the Bank's first transaction backed by the Federal Government.

⁷ International funding was secured through the following institutions: AIIB - Asian Infrastructure Investment Bank; AFD - Agence Française de Développement; BID INVEST - Inter-American Investment Corporation; FONPLATA - Fondo Financiero para el Desarrollo de la Cuenca del Plata; CAF - Banco de Desarrollo de América Latina y el Caribe; BEI - European Investment Bank.

Another transaction, this time with the Inter-American Development Bank (IDB), was also approved by Cofix in December 2023, for up to US\$100.0 million. The credit line is currently being structured in partnership with the multilateral institution and will be implemented through a Results-Based Program (RBP). This is an innovative model, as it bases the disbursement requests to the multilateral entity on the operational results presented by BDMG. The funds will be directed toward public and private sector projects focused on decarbonization, climate resilience, and reducing inequality.

6.1.4 Total funding stock

In 2024, the total funding stock increased by 57.9% compared to the previous year. This expansion was driven by a higher volume of domestic funding and, in the case of external funding, mainly due to a new agreement with the European Investment Bank (EIB).

Funding (R\$ billion)	2023	2024	% Change
Foreign	1.5	2.4	61.0%
Domestic	1.8	2.8	55.3%
Total	3.3	5.2	57.9%

6.2 CAPITAL MARKETS

BDMG expanded its operations in the Capital Markets. Investments in Corporate Debt Securities – Debentures, Real Estate Receivables Certificates (CRIs), and Agribusiness Receivables Certificates (CRAs) – totaled R\$84.0 million in settled transactions in 2024. The Bank's activity in this market aims to strengthen support for medium and large enterprises in Minas Gerais, enabling them to raise funds for investments and working capital at more attractive costs, while requiring higher levels of governance and transparency in return.

6.3 FINANCIAL PRACTICES

In alignment with best market practices, BDMG implemented various enhancements in 2024 to its financial management systems for Treasury and Trading Desk activities, such as: an automated internal solution for standardizing curves and market data that feed control systems for fixed-income positions, derivatives, and Asset-Liability Management (ALM); monitoring tools for swaps, securities, and the performance of consolidated liabilities (domestic funding); API integrations between internal systems and modules controlling fixed income and derivative positions; automation of the counterparty and brokerage partner selection process; and adaptation of fixed income and swap systems to comply with CMN Resolution No. 4,966/21.

6.3.1 Retail funding

In terms of retail funding, 2024 was marked by robust expansion. BDMG raised R\$3.1 billion in total market funding, a record high. Of this amount, R\$2.3 billion came from domestic retail funding, guided by a strategy of diversifying financial instruments. This approach helped ensure greater funding stability and flexibility to adapt quickly to market changes.

In addition to accessing the market through traditional instruments such as DPGE II, CDBs, Financial Bills (LF), Agribusiness Credit Bills (LCA), and interbank funding, the Bank raised funds for the first time through a repurchase agreement backed by securities from its proprietary portfolio. It is also worth noting that BDMG tapped the market using a newly regulated financial instrument, the Development Credit Bill (LCD), raising the full amount available for 2024, in accordance with the legal limit. Another key milestone in 2024 was the issuance of LCAs: for the first time, BDMG raised over R\$1.0 billion through this instrument, representing a 63% increase compared to 2023.

6.3.2 Investments in the asset and liability management (ALM) structure

Key improvements included the creation of the ALM Desk, development of an ALM Dashboard using automated data sources, and the automation of future curve acquisition processes for economic indicators, focusing on security, cost-efficiency, and calculation accuracy.

6.3.3 Brazilian Payment System (SPB)

BDMG's Bank Reserve Account with the aim to eliminate intermediaries in financial transactions, making processes faster and expanding settlement windows. This change also has the potential to increase funds allocation efficiency, support new product structuring, and improve cash flow management profitability.

To make this possible, key initiatives were implemented in 2024, such as a Graphical Account Module to support the opening of linked accounts, in addition to Treasury system adjustments to comply with CMN Resolution No. 4,966/21. The full implementation of the project and the opening of the Bank Reserve Account are scheduled for January 2026.

6.4 PRODUCT PROFITABILITY MANAGEMENT

BDMG has pricing and monitoring tools for its products to maintain competitiveness in the financial market and the institution's financial sustainability. This monitoring is reflected in corporate targets through the overall product margin indicator, which allows for periodic price reviews and the launch of new financing lines based on market demand and opportunities.

6.5 OPERATIONAL EFFICIENCY

In pursuit of operational efficiency and a stronger focus on the Bank's core business, BDMG Cultural was dissolved in 2024. Its collection was transferred to a specialized association.

Support for the Third Sector remains in place through Tax Incentive Laws, detailed in section 9.4 – Social Responsibility.

7 | INTEGRATED RISK MANAGEMENT AND PILLAR 3

7.1 INTEGRATED RISK MANAGEMENT

BDMG manages and monitors credit, market, liquidity, operational, and socio-environmental risks, aiming to mitigate them and optimize operational effectiveness and results. Risk management practices are appropriate for the Bank's operations, complying with regulatory standards and maintaining a capital adequacy ratio above the minimum requirement in Brazil. The risk management structure includes: Board of Directors, Executive Board, Statutory Risk and Capital Committee, Chief Risk Officer (CRO), Executive Risk, Capital, and Compliance Committee, and the Risk Management Unit.

Risk Appetite Statement

The Risk Appetite Statement (RAS) defines the types and levels of risk the Bank is willing to accept, outlining its desired risk profile in pursuit of strategic objectives, aligned with shareholder interests and ensuring the institution's financial soundness.

The Statement sets out concepts and monitoring methods of indicators related to the main risks involved in the Bank's operation, enabling exposure tracking and proper capital structuring. These include:

- Solvency Risk;
- Liquidity Risk;
- Market Risk and Interest Rate Risk in the Banking Book (IRRBB);
- Credit Risk;
- Operational Risk;
- Reputational Risk;
- Compliance Risk;
- Social, Environmental, and Climate Risks;
- Cyber Risk; and
- Actuarial Risk.

The Bank's risk appetite is regularly reported to Senior Management to guide preventive actions and ensure exposures remain within defined limits.

Credit Risk

In 2024, a corporate project was developed to implement CMN Resolution No. 4,966/21, which established, among other things, new concepts and accounting criteria for the establishment of allowance for expected losses associated with credit risk. Within this project, methodologies were developed to calculate the expected loss for the various customer segments of the Bank, in addition to the creation or revision of internal regulations to ensure compliance with the referred Resolution.

Market Risk & Interest Rate Risk in the Banking Book (IRRBB)

Market risk is managed by separating Trading Book and Banking Book operations. Identification, measurement, and control of market risk and IRRBB use methodologies consistent with the portfolio's characteristics, including maturity, liquidity, and risk sensitivity of classified instruments.

In 2024, highlights include a review of the financial instrument classification policy and implementation of daily RWAcva (Credit Valuation Adjustment) calculations.

Liquidity Risk

In 2024, liquidity risk management policies were revised, particularly to adjust the short-term indicator in relation to new special fund resources, as well as to adapt the calculation of the threshold for short and medium-term indicators. Liquidity indicators remained adequate throughout the year's monitoring, as well as during the review of the projections outlined in the strategic planning scenario.

Social, Environmental, and Climate Risks

In 2024, BDMG complied with a new Central Bank regulation by submitting the 2030 Social, Environmental, and Climate Risk Document (DRSAC). The document contains information on the evaluation of social, environmental, and climate risks, both physical and transitional, related to exposures in loan operations and securities, as well as exposures of respective borrowers and economic sectors. The document must be submitted semiannually. The delivery of the DRSAC highlights BDMG's commitment to sustainability and transparency, reflecting its governance practices and corporate responsibility.

Operational Risk

In 2024, BDMG completed the risk mapping of various processes and updated the internal controls, operational risk, and business continuity policies under the oversight of the Board of Directors and the Executive Board.

Regarding cybersecurity, in addition to maintaining ongoing operational initiatives – such as the Security Operations Center, which monitors the institution's cyber environment uninterruptedly – penetration tests of the cyber environment were conducted by an external company, awareness campaigns on cybersecurity were carried out (including a campaign to test employees' ability to identify phishing attempts), and a crisis scenario test was conducted with the participation of the Cyber Crisis Management Group, composed of members from various BDMG departments.

7.2 BASEL PILLER 3

In compliance with Bacen Resolution No. 54/2020, BDMG discloses the Pillar 3 – Market Discipline Report⁸, which provides information on risk and capital management.

	12/31/24	12/31/23	Δ%
Prudential Limits			
Basel Pure Index	21.4	24.1	-11.2%
Core Capital Index	21.4	24.1	-11.2%
Tier 1 Capital Index	21.4	24.1	-11.2%

8 | PROJECT STRUCTURING AND INVESTMENTS

8.1 ADVISORY TO THE STATE GOVERNMENT

BDMG is in the process of structuring two projects under an existing contract with the State Department for Environment and Sustainable Development (SEMAD), aimed at designing the concession of public services for urban solid waste management. These projects benefit the municipalities of the CIPAR (Intermunicipal Public Consortium for Sustainable Development of Alto Paranaíba) and CISAB SUL (Intermunicipal Consortium for Basic Sanitation of Southern Minas) consortia, involving a total of 35 municipalities.

For the CIPAR Project, a public consultation was held in June 2024. Subsequently, adjustments were made and necessary legislative changes approved in the consortium municipalities.

⁸ For more information, visit: <https://www.bdmg.mg.gov.br/relacao-investidores/?relatorios-financeiros>

As part of the service agreement with the State Department of Infrastructure, Mobility, and Partnerships (SEINFRA) for the road concession of the Ouro Preto Lot, the project was submitted to a new public consultation in November 2024. This followed the signing of the Mariana Repactuation Agreement, which allocated up to R\$2.0 billion for the concession, with the goal of duplicating the BR-356 highway. Total planned investments for this section amount to R\$5.0 billion.

8.2 INVESTMENT FUNDS

In addition to financing, BDMG operates with investment instruments to support innovative and high-growth-potential companies. Since 2010, the Bank has been a shareholder in eight Investment Funds (FIPs) and one Venture Debt Fund, which was concluded in 2024. Over the year, R\$2.2 million was allocated to this fund portfolio, and R\$3.4 million returned to BDMG in amortizations. Altogether, these funds have already committed investments in 33 companies based in Minas Gerais, totaling R\$122.7 million.

The Bank also holds equity stakes in two companies and ended 2024 with 6.5% of the shares in Unitec Semiconductors S.A. and 3.0% of the shares in the biopharmaceutical company Biomm S.A.

9 | ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) AGENDA

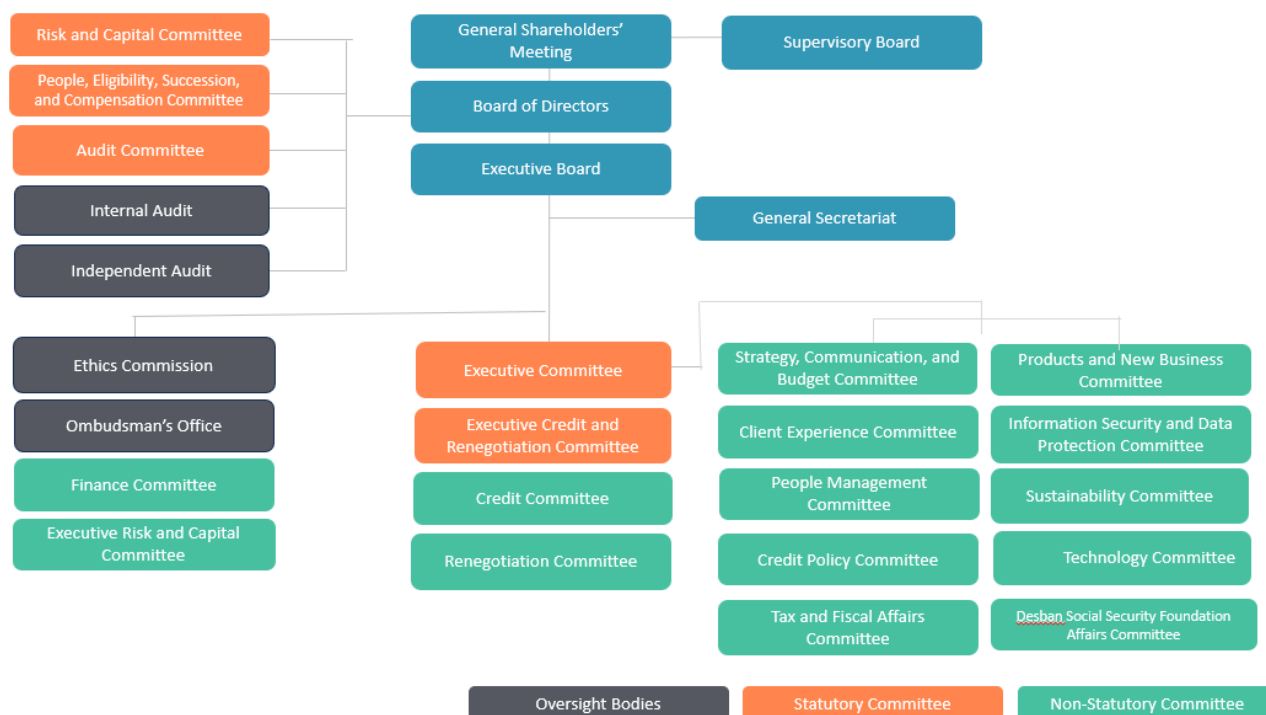
9.1 CORPORATE GOVERNANCE

Through well-defined policies and practices, BDMG's corporate governance guides decision-making in a transparent and responsible manner, protects the interests of shareholders and stakeholders, and mitigates risks associated with management. Additionally, it contributes to building trust-based relationships with investors, clients, and society in general, strengthening the institution's reputation in the market. By establishing ethical and behavioral standards, corporate governance fosters innovation, operational efficiency, and the pursuit of sustainable long-term results, aligning the interests of all stakeholders with BDMG's objectives and commitments to society.

BDMG's governance structure, as defined in its Consolidated Bylaws approved on December 19, 2024, includes the General Shareholders' Meeting, the Supervisory Board, statutory management bodies (the Board of Directors and the Executive Board), and statutory advisory and governance bodies, namely: the Audit Committee; the Risk and Capital Committee; the People, Eligibility, Succession, and Compensation Committee; the Credit and Renegotiation Executive Committee; and the Executive Committee.

This structure is complemented by oversight and control functions, represented by the second line (Risk Management, Internal Controls, Compliance, Ombudsman, and Information Security) and the third line (Internal Audit). These functions aim to strengthen the internal control system and compliance system, contributing to risk mitigation.

Figure 02 – BDMG's Governance Structure



9.2 INTEGRITY AND COMPLIANCE

BDMG has established standards and policies that provide guidelines for promoting ethics, integrity, and compliance with the regulations governing both its internal operations and its relationships with public and private sector entities. Among these are the Code of Ethics, Conduct, and Integrity; the Anti-Corruption and Compliance Policy; and the Integrity Program and Policy.

In addition to other channels, a whistleblowing channel is available to internal and external audiences for the anonymous or non-anonymous reporting of irregularities of any nature. These include unlawful activities such as fraud, embezzlement, theft, robbery, money laundering, or any other unlawful conduct that goes against the values of the Bank or society; violations of internal and external regulations; ethical breaches as outlined in BDMG's Code of Ethics, Conduct, and Integrity; and harassment by any party that interacts with, represents, or provides services on behalf of BDMG, which could impact the Bank's operations, internal relationships, or reputation.

All reports received are analyzed and, depending on the circumstances, forwarded to the Ethics Commission, Conciliation Commission, Audit Committee, or a qualified permanent team for appropriate handling. Depending on the severity of the situation, validated reports may result in disciplinary actions such as reprimands, warnings, suspensions, or dismissals, without prejudice to reporting the matter to the appropriate authorities. Semiannual reports detailing all received complaints and the actions taken in response are prepared and submitted to the Executive Board, the Audit Committee, and the Board of Directors.

Furthermore, BDMG has an Internal Controls System compatible with its size, complexity, structure, risk appetite, and business model across five dimensions:

- Control Environment
- Risk Assessment and Management
- Control Activity
- Information and Communication
- Monitoring

The Bank also maintains a governance structure focused on improvement needs to mitigate existing risks.

9.3 SOCIAL, ENVIRONMENTAL, AND CLIMATE RESPONSIBILITY POLICY (PRSAC)⁹

Aligned with BDMG's strategy and in compliance with CMN Resolution No. 4,945/202Br¹⁰ issued by the Central Bank of Brazil, the Social, Environmental, and Climate Responsibility Policy (PRSAC) consists of a set of social, environmental, and climate principles and guidelines to be observed by BDMG in conducting its strategy, business, activities, and processes, as well as in its interactions with stakeholders. The 2023-2025 PRSAC Action Plan is structured around four pillars: strategic and impactful actions; corporate actions; sustainable business; and culture and transparency. In 2024, the following actions were carried out:

Table 07 - PRSAC: actions taken (2024)

Pillar	Actions taken in 2024	Highlights
1 – Strategic and impactful actions	Approval of BDMG's emissions offset plan – measurement of emissions of the loan portfolio	Initially, the offset of 2022 emissions was approved. Subsequently, the possibility of additional offset for over 50% of 2023 emissions was identified.
	Completion of emissions inventory for BDMG's operations	For the ninth consecutive year, BDMG received the Gold Seal from the Brazilian GHG Protocol Program, awarded by Fundação Getúlio Vargas to companies meeting all transparency criteria in their inventory of greenhouse gas emissions from the operations of the Bank's headquarters.
	Offset of BDMG's emissions	In September, offset of 100% of BDMG's 2022 emissions was carried out through the acquisition of Sustainability Credit Units (UCS). A total of 430 credits were purchased, sufficient to offset 100% of the 2022 emissions (282.36 tCO ₂ e) and 43.7% of 2023 emissions. In November, 200 seedlings were planted in Serra Verde State Park

⁹ The PRSAC and its related documents can be accessed via the following link: <https://www.bdmg.mg.gov.br/sobre-bdmg/responsabilidade>

¹⁰ <https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20CMN&numero=4945>

Pillar	Actions taken in 2024	Highlights
	Measurement of emissions from the loan portfolio	<p>(Parque Estadual da Serra Verde), which is managed by the State Institute of Forests, a partner in the initiative." An additional 28.57 tCO₂e was offset, completing the offset of 100% of 2022 emissions and 52.17% of 2023 emissions.</p> <p>Emissions generated by BDMG's financing operations were measured for the second time, under a cooperation with UKPact, which financed WayCarbon's work. Workshops were conducted to internalize measurement capacity within BDMG's team, and the work was completed in the fourth quarter.</p>
	Review and expansion of the CO ₂ calculator	<p>BDMG's CO₂e emissions avoidance calculator was updated, in partnership with UKPact, by WayCarbon.</p> <p>Updates, improvements, and additions were made to existing sectors, with an increase in the types of projects eligible for financing. For example, calculations for agricultural processes such as liming and nitrogen-fixing species were added.</p>
2 – Corporate actions	Adaptations to BDMG facilities for accessibility and quality of life	<p>Partial revitalization of floors 2, 3, and 4 of the headquarters building included adapting and/or constructing restrooms for people with disabilities (PWD), automating access doors to corridors leading to kitchens and bathrooms, adjusting access control heights, replacing water fountains with more accessible models, and repositioning elevator external call buttons.</p>
	Launch of social projects call for proposals – INDEC partnership	<p>In September, BDMG and the Instituto de Cidadania dos Empregados do BDMG (INDEC) signed a technical cooperation agreement to operationalize BDMG's social responsibility policies and guidelines, supporting initiatives that promote societal improvements and positive social impacts. As a result of this partnership, the call for proposals for the BDMG Social Entrepreneurship Award was published on November 4.</p>

Pillar	Actions taken in 2024	Highlights
3 Sustainable business	– Initiation of the BDMG Sustainable Project Framework update process	In alignment with the best international and national practices, BDMG began updating its Sustainable Project Framework in the fourth quarter. This initiative is a partnership with the Inter-American Development Bank (IDB), aimed at enabling BDMG's categorization process of projects in sustainable categories to identify additional climate mitigation and resilience categories, alongside the existing alignment with SDGs.
4 – Culture and transparency	ESG pathway	Launch of the <i>Aprende BDMG</i> online platform, featuring four ESG and Finance training modules.
	Publication of SAC risk reports	In April, BDMG published the Social, Environmental, and Climate Risks and Opportunities Report (GRSAC).
	Whistleblowing Channel	Since April, BDMG's new External Whistleblowing Channel has been in effect. The Channel ensures security, confidentiality, and transparency, allowing employees, clients, and suppliers to report actions and conduct by individuals associated with the Bank that violate its Code of Ethics, Conduct, and Integrity, as well as applicable laws and regulations.
	Sustainability Month Campaign	In June, the Sustainability Month campaign was launched, featuring activities such as the Integrity Program launch, the “Feira do Campo pra Cá”, and Sipat.
	Integrity Month Campaign	In July, the Integrity Campaign was conducted to educate the employees about the Integrity Program, including the new Code of Ethics, Conduct, and Integrity, updated in May.
	Healthy Mind Program – 4 th Cycle	In September, the 4 th Cycle of the Healthy Mind Program was launched with a lecture covering topics such as stress, depression, burnout, and substance dependence. A new mental health survey was conducted among employees, and initiatives such as emotional self-control and support groups were introduced.
Harassment Prevention Event	During Sipat, an online lecture titled “Addressing and Combating Harassment	

Pillar	Actions taken in 2024	Highlights
	Approval of the Materiality Matrix using the GRI format for the Annual Sustainability Report preparation	and Discrimination” was delivered by a specialist. The Materiality Matrix was approved by the Executive Board in November. Its construction process was based on the Global Reporting Initiative (GRI) methodology and involved a survey with various stakeholders, including employees.

9.4. SOCIAL RESPONSIBILITY

Through Brazil’s Tax Incentive Laws, BDMG allocated approximately R\$2.0 million to a range of social initiatives. Notable projects supported through the Childhood and Adolescence Fund (FIA) include Associação Maria de Proteção e Apoio aos Raros, Sementes do Futuro, and Child Fund. Through the Elderly Fund, Associação Paulo de Tarso and Lar dos Idosos Recanto dos Amigos received support. Under the National Support Program for the Health Care of Persons with Disabilities (PRONAS), APAE in Cachoeira de Minas was a beneficiary, while the National Support Program for Oncology Care (PRONON) supported Santa Casa de Alfenas. Under the Sports Incentive Law, Instituto Galo, AEESB, and the National Basketball League were among the beneficiaries. Lastly, through the Rouanet Cultural Incentive Law, Instituto Periférico and the Água Joia Rara Project also received support.

Table 07 - Sponsorships by Tax Incentive Laws – 2024

	Beneficiary entity	Amount (R\$ thousand)
FIA	Associação Maria de Proteção e Apoio aos Raros - AMPARA	R\$130
	Sementes do Futuro: do Berço ao Campo	R\$30
	Child Fund	R\$50
ELDERLY FUND	Associação Paulo de Tarso	R\$110
	Lar dos Idosos Recanto dos Amigos	R\$110
PRONAS PROJECTS	APAE de Cachoeira de Minas	R\$110
SPORTS PROJECTS	Instituto Galo	R\$100
	AEESB	R\$70
	National Basketball League	R\$250
PRONON	Santa Casa de Alfenas	R\$210
ROUANET LAW	Instituto Periférico	R\$490
	Projeto Água Joia Rara	R\$360
	Total	R\$2,020

9.4.1 BDMG Employees' Citizenship Institute (INDEC)

INDEC was founded in 1998, inspired by the National Campaign Against Hunger, with the mission of supporting individuals in situations of social vulnerability. Its work encompasses initiatives in education, culture, sports, health, and social assistance.

The Institute is funded through donations from its contributors, primarily current and retired BDMG employees, and receives additional financial support from the BDMG Employees' Association (AFBDMG). It is important to note that BDMG does not provide direct financial transfers to INDEC. In 2024, a technical cooperation agreement was signed between the Bank and the Institute, establishing a collaborative effort to pursue shared objectives related to social responsibility. While INDEC serves as BDMG's technical partner in implementing the PRSAC (Corporate Social Responsibility and Citizenship Program), the Bank offers in-kind support by providing infrastructure for the Institute's operations.

In April 2024, INDEC selected five social projects: Oscip 8 de Março, in Almenara, which empowers women through sewing and handicraft courses; ASPAC, in Jequitinhonha, which promotes digital inclusion for socially vulnerable adolescents; Escola do Amado, in Juiz de Fora, which supports neurodivergent children with extracurricular activities; Obra Social Glorieux, in Betim, which aids in the development of children and adolescents through training and sports and cultural activities; and Casa de Maria, which operates in Belo Horizonte and the surrounding metropolitan area, providing support to socially vulnerable individuals with rare syndromes and diseases through healthcare and human development initiatives. Between May and January 2024, these projects received financial support from INDEC, directly benefiting approximately 500 families.

In addition to regular support, INDEC also conducted emergency campaigns, such as raising funds for flood victims in Rio Grande do Sul and supporting the “Banho de Amor” project, which provides hygiene services for people experiencing homelessness. Other notable actions included the 11th Solidarity Challenge, which collected around 5,000 items for institutions in Belo Horizonte, and Christmas initiatives, delivering gifts to over 400 children across various organizations. The Institute also promotes the allocation of a portion of income tax to social projects, reinforcing its commitment to solidarity and the fight against inequality.

10 | FINAL CONSIDERATIONS

This Management Report, in accordance with Article 8, Section VI of Law No. 13,303/2016, ensures transparency in the operational and financial data related to the fulfillment of objectives serving the public interest.

Despite the strong results achieved in 2024, BDMG enters 2025 in constant motion, adapting to market demands and strengthening its operations to create value for society in alignment with its controlling shareholder, the Government of Minas Gerais. As part of this effort, for the 2025-2029 Strategic Plan, the Bank engaged a specialized consulting firm to review its strategic goals and areas of focus, ensuring alignment with best practices observed in peer institutions.

Additionally, key management processes and performance monitoring tools were reviewed and improved, including the update of performance metrics and indicators to measure performance in a more effective manner.

As a result of this process, ten corporate goals were established for 2025 to guide BDMG in expanding its investment portfolio with profitability and quality, while safeguarding financial soundness and advancing its mission to promote development across Minas Gerais.

Beyond goals related to financial sustainability and operational efficiency, new indicators were introduced covering funded projects and activities, as well as the Bank’s geographic reach, ensuring more balanced service across all regions of the state.

The Strategic Guidelines of the 2025-2029 Plan will drive BDMG to increase investments that generate economic, social, and environmental impact throughout Minas Gerais. Emphasis will be placed on strengthening partnerships with municipalities, particularly those with low Human Development Indexes (HDI), to facilitate locally impactful projects, along with a stronger focus on financing micro and small enterprises in the state.

Other strategic actions include maintaining a diversified and balanced funding structure between assets and liabilities to reduce costs, and financing projects aligned with Minas Gerais’ Climate Action Plan (PLAC-MG), reinforcing the Bank’s commitment to sustainability and addressing climate change.

For more information, visit our “Investor Relations” page: <https://www.bdmg.mg.gov.br/relacao-investidores/?relatorios-financeiros>, where you’ll find comprehensive access to BDMG’s financial information, reports, results, and general documentation.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT

To the Management and Shareholders of
Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Opinion

We have audited the accompanying financial statements of Banco de Desenvolvimento de Minas Gerais S.A. - BDMG ("Bank"), which comprise the balance sheet as at December 31, 2024, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of the material accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco de Desenvolvimento de Minas Gerais S.A. - BDMG as at December 31, 2024, and its financial performance and its cash flows for the six-month period and year then ended in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil (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 financial statements" section of our report. We are independent of the Bank in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), 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 and year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Allowances for expected losses associated with the credit risk

The recognition of the allowances for expected losses associated with the credit risk involves judgment, determination of assumptions and the use of estimates by the Bank's Management. As disclosed in notes 3.12, 4.3 and 6.3 to the financial statements, the level of risk of loan transactions takes into consideration the economic environment, the history of payments, the existing collaterals and the specific risks in relation to the transactions and the clients, based on the parameters established by CMN Resolution No. 2,682/99. Thus, the Bank uses internal models to define the credit risk classification for debtors and their respective transactions, involving assumptions and Management's judgment, to represent the best estimate of the portfolio credit risk.

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Due to the relevance of the loan portfolio the use of estimates and judgment by Management in the calculation of the allowance for expected losses associated with the credit risk, we consider this matter a key audit matter.

How was the matter addressed in our audit?

Our audit procedures included, but were not limited to: (a) understanding the provisioning criteria adopted by the Bank for loan transactions; (b) understanding the design and implementation and effectiveness testing of relevant internal controls over the process related to the determination of the risk level to the debtors and their respective transactions; (c) involving specialists in the review of the internal model used; (d) analyzing the provisioning criteria for these transactions and the compliance with the parameters established by CMN Resolution No. 2,682/99, on a sampling basis; and (e) assessing the disclosures in the financial statements.

Based on the audit procedures performed, we believe that the criteria and assumptions adopted by the Bank's Management to estimate the allowances for expected losses associated with the credit risk are acceptable, in the context of the financial statements taken as a whole.

2. Obligations with defined post-employment benefits

The measurement of the obligations with defined post-employment benefits (“post-employment benefits”) involves judgment, determination of assumptions and the use of estimates by the Bank’s Management. As disclosed in notes 3.21, 4.7, 10 a) and 18 to the financial statements, these obligations arise mainly from social security, health and dental care, and life insurance benefits. The Bank hires a specialized outside consulting firm to measure the defined post-employment benefits, which also includes the determination of models and definition of significant assumptions, such as: discount and inflation rate, turnover and medical costs.

The measurement of the obligations with defined post-employment benefits was considered a key audit area due to its relevance in the context of the financial statements, the use of judgment by Management and the complexity of internal models.

How was the matter addressed in our audit?

Our audit procedures included, but were not limited to: (a) understanding the relevant processes involving the measurement of the obligations with defined post-employment benefits; (b) understanding and analyzing the models and assumptions used by the Bank; (c) involving specialists in the review of the internal models used; (d) independently recalculating, on a sampling basis, the measurement of these obligations; and (e) assessing the disclosures in the financial statements.

Based on the audit procedures performed, we consider that the models and assumptions adopted by the Bank's Management to measure the obligations with defined post-employment benefits are acceptable, in the context of the financial statements taken as a whole.

Other matter

Audit of the corresponding figures for the six-month period and year ended December 31, 2023

The corresponding figures for the six-month period and year ended December 31, 2023, presented for purposes of comparison, were audited by another independent auditor, who issued an audit report dated March 6, 2024, with an unmodified opinion on these financial statements.

Other information accompanying the financial statements and the independent auditor's report

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

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the 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 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by BACEN, 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 financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern and for 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 Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 taken 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 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 control.

- 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 Bank's internal control.
- 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 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 financial statements, including the disclosures, and whether the 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 Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 year 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.

Convenience translation

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, March 25, 2025



DELOITTE TOUCHE TOHMATSU
Auditoras Independentes Ltda.



Carlos Claro
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Balance sheet

December 31, 2024 and 2023

(In thousands of Brazilian reais – R\$)

	Notes	12/31/2024	12/31/2023
Assets			
Current		3,533,352	3,115,391
Cash	5	12,140	6,899
Financial instruments		3,512,374	3,102,372
Interbank investments	5.1	1,198,965	1,105,331
Securities	6.1	345,755	240,060
Derivative financial instruments	6.2	2,890	-
Interbank onlendings	6.3	150,496	47,220
Loan and similar transactions	6.3	1,995,070	1,850,036
Other financial assets	6.4	7,360	14,968
Allowances for expected losses associated with the credit risk		(188,162)	(155,243)
Securities	6.1	(2,661)	(3,636)
Loan and similar transactions	6.3	(184,928)	(151,454)
Interbank onlendings	6.3	(573)	(153)
Other assets	8	8,838	6,120
Noncurrent		8,920,324	5,716,623
Long-term assets		8,853,889	5,669,826
Financial instruments		8,198,609	5,011,768
Interbank investments	5.1	-	54,052
Securities	6.1	3,402,751	1,070,989
Derivative financial instruments	6.2	205,785	3,634
Interbank onlendings	6.3	207,045	87,381
Loan and similar transactions	6.3	4,800,927	4,244,638
Other financial assets	6.4	151,233	147,995
Allowances for expected losses associated with the credit risk		(569,132)	(596,921)
Securities	6.1	(184,213)	(180,311)
Loan and similar transactions	6.3	(384,262)	(416,355)
Interbank onlendings	6.3	(657)	(255)
Other assets	8	35,453	25,664
Deferred tax assets	14.b)	619,827	632,394
Property and equipment in use	7.a	16,035	15,175
Intangible assets	7.b	50,400	31,622
Total assets		12,453,676	8,832,014

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Balance sheet

December 31, 2024 and 2023

(In thousands of Brazilian reais – R\$)

	Notes	12/31/2024	12/31/2023
Liabilities and equity			
Current		2,989,215	2,280,604
Financial liabilities		2,779,296	2,073,528
Deposits	9.1	890,484	283,871
Funds from acceptances and issuance of securities	9.1	865,556	887,305
Borrowings and onlendings	9.2	1,023,256	902,352
Domestic onlendings	9.2.b	613,144	604,822
Foreign borrowings	9.2.b	410,112	297,530
Provisions	10	36,627	34,188
Obligations with defined post-employment benefits	10.a	34,664	32,867
Other contingent liabilities		1,963	1,321
Other liabilities	11	173,292	172,888
Noncurrent		7,200,797	4,422,618
Long-term liabilities		7,200,797	4,422,618
Financial liabilities		6,239,435	3,403,723
Deposits	9.1	1,614,113	322,826
Funds from acceptances and issuance of securities	9.1	958,684	305,738
Borrowings and onlendings	9.2	3,664,414	2,592,694
Domestic onlendings	9.2.b	1,805,963	1,428,466
Foreign borrowings	9.2.b	1,858,451	1,164,228
Derivative financial instruments	6.2	2,224	182,465
Provisions	10	669,139	711,156
Obligations with defined post-employment benefits	10.a	326,167	382,748
Tax, labor and civil contingencies	10.b	338,014	322,264
Other contingent liabilities		4,958	6,144
Other liabilities	11	244,275	281,551
Deferred tax liabilities	14.c	47,948	26,188
Equity	12	2,263,664	2,128,792
Capital	12.a	2,316,372	2,218,407
Other comprehensive income	12.b	(101,386)	(134,996)
Earnings reserves	12.c	48,678	45,381
Total liabilities		12,453,676	8,832,014

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Statement of income

Six-month periods and years ended December 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

	Notes	2 nd six-month period	2024 Year	2023 Year
Income from financial intermediation		646,235	1,236,067	1,264,931
Loans	13.a	481,061	925,309	927,753
Gains (losses) on securities	13.b(i)	166,245	307,841	276,195
Gains (losses) on foreign exchange transactions	13.b(i)	(1,071)	2,917	60,983
Expenses with financial intermediation		(355,692)	(658,820)	(667,661)
Borrowings and onlendings	13.b(ii)	(205,677)	(405,133)	(470,803)
Funding transactions	13.b(ii)	(150,015)	(253,687)	(196,858)
Allowance for loan losses	6.3.e	(32,036)	(60,868)	(63,108)
Allowance for/reversal of loan and similar transactions		(31,624)	(60,046)	(63,103)
Allowance for/reversal of interbank onlendings		(412)	(822)	(5)
Gross profit from financial intermediation		258,507	516,379	534,162
Other operating income/expenses		(134,613)	(264,256)	(233,227)
Income from services rendered		22,358	39,978	36,298
Personnel expenses	13.c(iii)	(78,751)	(151,564)	(137,591)
Other administrative expenses	13.c(ii)	(44,858)	(80,107)	(69,076)
Tax expenses	13.c(i)	(15,387)	(30,330)	(30,756)
Other operating income	13.c(iv)	5,056	11,181	17,861
Other operating expenses	13.c(v)	(23,031)	(53,414)	(49,963)
Expenses on provisions	13.c(vi)	(26,631)	(57,712)	(137,278)
Tax, labor and civil		(5,651)	(14,876)	(89,772)
Actuarial		(20,793)	(42,405)	(45,319)
Other		(187)	(431)	(2,187)
Operating income (expenses)		97,263	194,411	163,657
Non-operating income (expenses)		944	1,049	5,145
Profit before income taxes and profit sharing		98,207	195,460	168,802
Income tax and social contribution	14.a	(3,533)	(45,914)	(60,191)
Provision for income tax		(4,531)	(31,358)	(37,559)
Provision for social contribution		(5,535)	(27,215)	(32,252)
Deferred tax asset		6,533	12,659	9,620
Statutory profit sharing		(10,827)	(15,001)	(11,126)
Profit for the six-month period/year		83,847	134,545	97,485
Basic earnings per share		0.00112	0.00180	0.00130

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Statement of comprehensive income

Six-month periods and years ended December 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

	Notes	2024	2023
		2nd six-month period	Year
		Year	Year
Profit for the six-month period/year		83,847	97,485
Items to be subsequently reclassified to profit or loss		(19,308)	(2,087)
Available-for-sale financial assets		(38,347)	(4,145)
Tax effect on losses on financial assets		19,039	2,058
Items that will not be subsequently reclassified to profit or loss		7,523	(13,428)
Actuarial valuation		13,678	(24,415)
Tax effect		(6,155)	10,987
Other comprehensive income		(11,785)	(15,515)
Comprehensive income for the six-month period/year		72,062	81,970

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Statement of changes in equity

Six-month periods and years ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R\$ except interest on capital per share)

	Notes	Earnings reserves			Other comprehensive income		Retained earnings (accumulated losses)	Total
		Capital	Legal	Other	Valuation adjustments to equity - Securities	Other valuation adjustments - benefits		
Balance as at December 31, 2022		2,218,407	17,895	67,420	(5,737)	(113,744)	-	2,184,241
Other comprehensive income		-	-	-	(2,087)	(13,428)	-	(15,515)
Valuation adjustments to equity		-	-	-	(4,145)	(24,415)	-	(28,560)
Tax effect on other comprehensive income		-	-	-	2,058	10,987	-	13,045
Profit for the year	12.d	-	-	-	-	-	97,485	97,485
Reserves	12.c	-	4,874	22,612	-	-	(27,486)	-
Interest on capital and dividends		-	-	(67,420)	-	-	(69,999)	(137,419)
Balance as at December 31, 2023		2,218,407	22,769	22,612	(7,824)	(127,172)	-	2,128,792
Balance as at December 31, 2023		2,218,407	22,769	22,612	(7,824)	(127,172)	-	2,128,792
Capital increase	12.a	97,965	-	(22,612)	-	-	-	75,353
Other comprehensive income		-	-	-	(1,434)	35,044	-	33,610
Valuation adjustments to equity		-	-	-	(2,848)	63,716	-	60,868
Tax effect on other comprehensive income		-	-	-	1,414	(28,672)	-	(27,258)
Profit for the year	12.d	-	-	-	-	-	134,545	134,545
Reserves	12.c	-	6,727	19,182	-	-	(25,909)	-
Interest on capital and dividends		-	-	-	-	-	(108,636)	(108,636)
Balance as at December 31, 2024		2,316,372	29,496	19,182	(9,258)	(92,128)	-	2,263,664
Balance as at June 30, 2024		2,241,462	25,304	-	10,050	(99,651)	48,163	2,225,328
Capital increase		74,910	-	-	-	-	-	74,910
Other comprehensive income		-	-	-	(19,308)	7,523	-	(11,785)
Valuation adjustments to equity		-	-	-	(38,347)	13,678	-	(24,669)
Tax effect on other comprehensive income		-	-	-	19,039	(6,155)	-	12,884
Profit for the 2 nd six-month period	12.d	-	-	-	-	-	83,847	83,847
Reserves	12.c	-	4,192	19,182	-	-	(23,374)	-
Interest on capital and dividends		-	-	-	-	-	(108,636)	(108,636)
Balance as at December 31, 2024		2,316,372	29,496	19,182	(9,258)	(92,128)	-	2,263,664

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Statement of cash flows

Six-month periods and years ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R\$)

	2024	2024	2023
	2nd six- month period	Year	Year
Cash flows from operating activities			
Profit before taxes and profit sharing	98,207	195,460	168,802
Adjustments for:			
Depreciation and amortization	4,118	8,087	10,173
Recognition of provisions and net liabilities	22,505	50,829	130,303
Recognition of allowance for loan losses, net of reversals	32,036	60,868	63,108
Recognition (reversal) of allowance for losses	5,552	3,483	34,808
Allocation of deferred revenue	(10,742)	(19,914)	(18,915)
Exchange gains and losses, net	188,768	385,836	(87,734)
Recovery of loan transactions written off against losses	(8)	(8,605)	(23,128)
Mark-to-market of derivative instruments and hedged item	(181,853)	(343,833)	258,414
Loss on available-for-sale financial assets	(72,239)	(116,662)	(94,649)
Loss on held-to-maturity financial assets	(43,545)	(76,008)	(48,380)
Income from court rulings	(27)	(53)	(515)
Adjusted profit (loss)	42,772	139,488	392,287
Changes in working capital	2,020,834	2,455,928	(66,400)
Interbank investments	13,290	145,115	(61,837)
Interbank accounts	(140,776)	(222,941)	(77,082)
Derivative financial instruments	(33,634)	(84,451)	(166,763)
Loan transactions	(629,892)	(745,642)	(361,086)
Other receivables	7,999	11,843	50,552
Tax credit	11	10	(23)
Other assets	(12,295)	(12,504)	6,517
Deposits	1,663,471	1,897,899	247,342
Repurchase transactions	(89,170)	-	-
Financial bills	371,847	631,197	69,508
Foreign borrowings	463,758	453,922	11,359
Onlendings	446,832	385,818	180,427
Other liabilities	(23,322)	28,103	63,939
Provisions	(17,285)	(32,441)	(29,253)
Cash generated by operations	2,063,606	2,595,416	325,887
Income tax and social contribution paid	(39,079)	(62,727)	(49,544)
Net cash generated by operating activities	2,024,527	2,532,689	276,343
Cash flows from investing activities			
Acquisition of permanent asset	(19,985)	(27,731)	(16,824)
Acquisition of available-for-sale financial assets	(1,884,651)	(1,986,742)	(134,437)
Receipt of available-for-sale financial assets	41,654	47,410	171,159
Acquisition of held-to-maturity financial assets	(257,187)	(559,459)	(248,703)
Receipt of held-to-maturity financial assets	128,236	250,324	141,719
Net cash (used in) generated by investing activities	(1,991,933)	(2,276,198)	(87,086)
Cash flows from financing activities			
Capital increase	-	444	-
Dividends paid	-	-	(67,420)
Interest on capital	-	(69,915)	(67,221)
Net cash used in financing activities	(69,471)	(69,471)	(134,641)
Increase (decrease) in cash and cash equivalents, net	32,594	187,020	54,616
Cash and cash equivalents at the beginning of the period	1,179,584	1,021,168	968,178
Exchange gains (losses) on cash	(1,071)	2,917	(1,626)
Cash and cash equivalents at the end of the period	1,211,105	1,211,105	1,021,168
Non-monetary transactions			
Capital Increase with credit of interest on capital	74,910	74,910	-
Credit of interest on capital to shareholders	(75,000)	(75,000)	(70,000)

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

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Notes to the financial statements

December 31, 2024 and 2023

(Amounts in thousands of reais – R\$, unless otherwise stated)

1. Operational Context

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG (herein referred to as “BDMG” or “Bank”), a closely-held corporation, is a state-owned company controlled by the State of Minas Gerais, which holds 99.20% of its capital and was established in conformity with article 13 of the Transitional Constitutional Provisions Act of the State Constitution, enacted on September 21, 1989, and as prescribed by Law No. 10.092/1989.

BDMG's economic activities are performed in accordance with article 173 of the Brazilian Constitution, also considering the provisions of Law No. 13.303/2016 and State Decree No. 47.154/2017, which regulates such Law. BDMG is engaged in promoting the economic and social and environmental development of the State of Minas Gerais, through the performance of banking activities and the provision of services related to its institutional purposes, mainly the following:

- Activities specific to development banks pursuant to prevailing laws and regulations;
- As determined by the State of Minas Gerais, manage resources from the programs and projects targeted at the State social and economic development;
- Provide advisory, consulting, technical support, administration and management services involving activities related to its area of operation, the Public Administration and private entities;
- Provide privatization project structuring services relating to assets owned by the State of Minas Gerais or other Public Administration agencies and bodies;
- Provide technical services for projects that promote the social and economic development in concessions, permits, authorizations, public-private partnerships and other types of partnership or disposal of assets;
- Manage third-party assets, including through public or private funds in conformity with the respective applicable standards;
- Provide custody and settlement services regarding the financial transactions of the Public Administration agencies and bodies;
- Carry out, as an entity comprising the National Financial System, transactions in the financial or capital market, in conformity with the standards and guidelines of the National Monetary Council and the Central Bank of Brazil;
- Perform activities supplementary to those of development banks, such as insurance intermediation, in order to promote the business protection culture;
- Boost the development of initiatives and investments that promote social and environmental sustainability and climate risk mitigation; and
- Foster scientific, technological, economic and social research and support and promote social and environmental and cultural activities, either directly or in partnership with other entities.

The Bank has no branches and its head office is located at Rua da Bahia, 1.600, ZIP Code 30160-907, in Belo Horizonte, Minas Gerais.

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Notes to the financial statements

December 31, 2024 and 2023

(Amounts in thousands of reais – R\$, unless otherwise stated)

2. Presentation of the individual financial statements

These individual financial statements have been prepared in accordance with accounting practices adopted in Brazil, which consider the accounting guidelines set forth in Law No. 6.404/1976 and the amendments introduced by Law No. 11.638/2007 and Law No. 11.941/2009 and the regulation issued by the National Monetary Council (CMN) and the Central Bank of Brazil (Bacen), disclosing all significant information specific to the individual financial statements which are consistent with that used by Management in the Bank's management.

In accordance with BCB Resolution No. 2/2020, the balance sheet line items are presented by order of liquidity and payment of its balances as at December 31, 2024, when compared to those at the end of the immediately preceding year.

The following pronouncements related to the international accounting convergence process issued by the Accounting Pronouncements Committee - CPC and already approved by the CMN/Bacen, are considered in the preparation of these financial statements, when applicable:

- CPC 00 (R2) - Conceptual Framework for Financial Reporting - CMN Resolution No. 4.924/2021
- CPC 01 (R1) - Impairment of Assets - CMN Resolution No. 4.924/2021
- CPC 03 (R2) - Statement of Cash Flows – CMN Resolution No. 4.818/2020
- CPC 04 (R1) - Intangible Assets – CMN Resolution No. 4.534/2016
- CPC 05 (R1) - Related-Party Disclosures - CMN Resolution No. 4.818/2020
- CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors - CMN Resolution No. 4.924/21
- CPC 24 – Events After the Reporting Period - CMN Resolution No. 4.818/2020
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets – CMN Resolution No. 3.823/2012
- CPC 27 – Property, Plant and Equipment – CMN Resolution No. 4.535/2016
- CPC 33 (R1) - Employee Benefits - CMN Resolution No. 4.877/20
- CPC 41 - Earnings per Share - CMN Resolution No. 4.818/2020
- CPC 46 – Fair Value Measurement – CMN Resolution No. 4.924/2021
- CPC 47 - Revenue from Contracts with Customers – CMN Resolution No. 4.4924/2021

Management states that these financial statements disclose all significant information used in the Bank's management, are based on accounting practices applied in accordance with the prevailing standards and confirm that the Bank has capacity to continue as a going concern and that its resources are sufficient for the future continuity of its business.

Banco de Desenvolvimento de Minas Gerais S.A. - BDMG

Notes to the financial statements

December 31, 2024 and 2023

(Amounts in thousands of reais – R\$, unless otherwise stated)

Also, Management states that it is not aware of any uncertainty that may cast doubts as to the Bank's ability to continue as a going concern in the foreseeable future.

BDMG adopts information security practices to guarantee the confidentiality, integrity, availability and authenticity of the information necessary for the maintenance of its business. The Bank's accounting is automated by the several operating systems integrated with the accounting system and, for those transactions not automated, manual entries are made. Third-party systems necessary for the performance and control of supplementary activities are also used.

The Bank's Board of Directors approved the disclosure of these financial statements on March 25, 2025.

New standards that will come into effect in the future affecting the Bank

CMN Resolution No. 4.966/2021, and the amendments thereto introduced by CMN Resolution No. 5.100/2023, establishes the accounting concepts and criteria applicable to financial instruments, as well as for the designation and recognition of hedge relationships (hedge accounting), standardizing COSIF accounting criteria with the requirements of the international standard IFRS 9 beginning January 1, 2025. The main changes include the classification of financial instruments, recognition of interest in case of default, calculation of the effective contractual rate, write-off against loss and recognition of the allowance and classification of credit-impaired transactions. Law No. 14.467/2022 changed the accounting treatment applicable to losses incurred upon receipt of receivables arising from the activities of the financial and other institutions authorized to operate by the BACEN. Such law will come into effect beginning January 1, 2025.

The adoption of the procedures established by CMN Resolution No. 4.966/2021, Law No. 14.467/2022 and other related regulations were implemented and is in the assisted operation phase, and the estimated impacts on the results of operations and financial position as a result of the changes made are presented in Note 19.

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3. Material accounting policies

The accounting practices adopted by the Bank are consistently applied to determine the data disclosed in these financial statements.

3.1. Functional and presentation currency

a) Functional and presentation currency

These financial statements are presented in thousands of Brazilian reais (R\$), which is the Bank's functional and presentation currency.

b) Foreign currencies

Foreign currency-denominated transactions are translated into the functional currency at the exchange rates disclosed by the Central Bank, effective on the transaction dates and at the end of each month, for purposes of their adjustment.

Exchange gains and losses resulting from the settlement of such transactions and the translation, at the exchange rate at the end of the period, of monetary assets and monetary liabilities denominated in foreign currencies are recognized in the statement of income.

The balances of assets and liabilities arising on foreign currency-denominated transactions are translated into the domestic currency (R\$) using the selling exchange rates prevailing on the following dates:

- December 31, 2024: US\$1.00 = R\$6.1923 and €1.00 = R\$6.4363.
- December 29, 2023: US\$1.00 = R\$4.8413 and €1.00 = R\$5.3516.

3.2. Income and expense recognition

Income and expenses for the period is determined on the accrual basis, adjusted by the attributable portions of income tax and social contribution on taxable income and, when applicable, deferred income tax and social contribution that will be recovered or payable in the future, except in relation to the gain on renegotiated loan transactions, which is recognized on cash basis, as prescribed by CMN Resolution No. 2.682/1999.

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3.3. Statement of comprehensive income

Comprehensive income is comprised of the amount of profit or loss determined in the period plus variations recorded in assets or liabilities as a contra entry to equity, which may affect future results or not.

3.4. Non-recurring profit or loss

As defined by BCB Resolution No. 2/2020, non-recurring profit or loss comprise profit or loss not related or solely incidentally related to the Bank's regular activities, which are not expected to frequently occur in future periods. The information on recurring and non-recurring profit or loss is included in Note 12.f.

3.5. Statement of cash flows

The indirect method is used in the statement of cash flows, according to which profit or loss is adjusted by the effects of:

- Non-cash transactions;
- Deferral or recognition on accrual basis of past or future operating income or expenses; and,
- Income or expense items associated with the cash flows from investing or financing activities.

For purposes of the statement of cash flows, cash and cash equivalents correspond to the balances of cash and interbank investments immediately convertible or with original terms equal to or lower than three months from the acquisition date.

3.6. Current and noncurrent assets

The classification into current and noncurrent follows the prevailing law, which establishes that the assets realizable within up to twelve months after the balance sheet date must be recorded in current.

Exceptions to this rule are tax credits that are presented in noncurrent assets as defined by BCB Resolution No. 02/2020.

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3.7. Measurement of assets and liabilities

Financial assets and liabilities are stated at amortized cost due to the adoption of the accrual basis of accounting upon recognition of the respective interest income and interest expenses, except for securities classified in the “available-for-sale” category, which have their values adjusted to market value and reflected in a specific account in equity.

Interbank investments are stated at amortized cost, plus income earned through the balance sheet date.

Contingent liabilities, which disbursement date is uncertain, are measured at present value as they are initially recognized at the estimated loss amount of the lawsuit and adjusted on a monthly basis.

In conformity with CMN Resolution No. 4.924/2021, which preceded technical pronouncement CPC 46 – Fair Value Measurement, financial assets and liabilities measured at fair value after initial recognition are classified at hierarchical levels 1 to 3, according to the materiality of the data observed in the fair value measurement process.

The fair value of financial instruments, as well as the fair value hierarchy are included in Note 16.

3.8. Cash and cash equivalents

Cash and cash equivalents correspond to the balances of cash and interbank investments immediately convertible or with original terms equal to or lower than three months from the acquisition date (Note 5).

3.9. Interbank investments

Repurchase transactions carried out in reliance upon high liquidity agreement are adjusted by market value. Other assets are stated at acquisition cost, plus income earned through the balance sheet date, less an allowance for impairment, when applicable (Note 5.1).

3.10. Securities

In conformity with Bacen Circular Letter No. 3.068/2001, securities in the Bank’s portfolio, according to Management’s trading intention, are classified in the categories below that satisfy the accounting criteria established by the Circular Letter (Note 6.1):

- (a) Trading securities: include securities acquired for the purpose of being frequently and actively traded, stated at market value, and realized or unrealized gains and losses are directly recognized in profit or loss for the period (Note 6.1 (a)).

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- (b) Available-for-sale securities: include securities used as part of the cash flow management strategy. These securities are accounted for at market value, and the related intrinsic income (security curve) is recognized in profit or loss for the period and any unrealized gains and losses arising from changes in the market value are recognized as valuation adjustments to equity in equity, net of the corresponding tax effects. Realized gains and losses are recognized in profit or loss for the period upon specific identification on the trade date, as a contra entry to equity, net of the corresponding tax effects. This category also includes investment fund units which, as they are not traded in an active market, are stated at acquisition amounts, plus appreciation or depreciation based on the changes in the book value of these funds, according to instructions in the respective statement (Note 6.1(b)).
- (c) Held-to-maturity securities: include securities for which Management has the intent and the financial capacity to hold them to maturity, which are stated at acquisition cost, plus intrinsic income recognized in profit or loss for the period. The financial capacity is defined based on cash flow projections which disregard the possibility of early redemption of these securities (Note 6.1(c)).

Management establishes guidelines for the classification of securities among the categories set out in Bacen Circular Letter No. 3.068/2001. The classification of the portfolio securities, as well as of those acquired in the period, is assessed according to these guidelines. As established in said Circular Letter, the classification of securities can only be revalued at the balance sheet date and the transfer from “held-to-maturity” to the other categories can only be made due to standalone, unusual, non-recurring and unexpected reason occurring after their classification date (Note 6.1).

The income earned on securities, regardless of the category in which they are classified, are calculated on a pro rata basis, based on the index variation and the interest rates agreed through the maturity or final sales date of the security, and is recognized directly in profit or loss for the period.

Losses on as available-for-sale and held-to-maturity securities without nature of temporary losses are directly recognized in profit or loss for the period and start to comprise the asset’s new cost base.

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3.11. Derivative financial instruments

Under Bacen Circular Letter No. 3.082/2002 and subsequent regulations, derivative financial instruments are classified for hedge purposes or not, according to Management's intention.

BDMG operates with derivative financial instruments using swaps to fully or partially mitigate the risks arising from the fluctuation of the foreign currency amounts and interest rates levied on the proceeds from foreign financing.

As informed in Note 6.2, derivatives are stated at fair value and accounted for as assets when positive and as liabilities when negative and, due to their nature, they are classified as market risk hedge. The fair value appreciation or depreciation of financial instruments so classified and related hedged items is recognized in profit or loss for the period.

The risk of derivative financial instrument transactions is managed and monitored in accordance with the Bank's policies and strategies.

3.12. Loan portfolio and allowance for losses associated with the credit risk

Loan transactions and the related loans are classified into nine risk levels: AA (minimum risk) and H (maximum risk) and recorded at the realizable values, including, when applicable, income earned on a pro rata basis, based on the index variation and interest rate agreed. As prescribed by article 9 of CMN Resolution No. 2.682/1999, income from transactions past due up to the 59th day is recognized in profit or loss for the period and, as from the 60th day, it ceases to be recognized and is only recognized in profit or loss upon actual receipt of installments. This Resolution also allows the double counting on the delay periods defined for the nine risk levels for transactions with maturities above 36 months.

Renegotiated operations are maintained at least at the same risk level in which they were classified prior to the renegotiation. However, in case of new relevant facts and significant amortization that justify the risk level change, the renegotiated transaction is reclassified to the lower risk category.

Transactions past due for more than 180 days and classified at level H, after six months in this risk level, are written off against the existing allowance and controlled during in memorandum accounts and, when renegotiated, these transactions return to the balance sheet line items classified at level H.

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The decrease of the asset with the allowance for expected losses associated with the credit risk is based on the analysis of the outstanding balance of the transactions, the collateral amounts, the history of losses and the portfolio risks, according to the criteria set out in CMN Resolution No. 2.682/1999 to classify the customer and transaction credit risk (Note 6.3).

As of January/2025, CMN Resolution No. 4.966/21 came into force, revoking CMN Resolution No. 2.682/1999 and introducing a new methodology for calculating expected losses associated with the credit risk.

3.13. Assignment of credit

The accounting practices established by the Central Bank of Brazil, prior to the enactment of CMN Resolution No. 3.533/2008, determined that the credits assigned to other financial institutions and funds, with or without co-obligation, must be written off against the portfolio upon sale, with the immediate recognition of the gain in profit or loss, and maintenance of the transactions assigned with co-obligation in memorandum accounts. The Bank records in memorandum accounts loan transactions assigned without co-obligation before the enactment of CMN Resolution No. 3.533/2008, for which it recognized a contingent allowance for expected losses (Note 6.3.h).

CMN Resolution No. 3.533/2008, which changed the method of recognition of credit assignment transactions as from January 1, 2012 is effective, establishing procedures for the classification and disclosure of the sale or transfer of financial assets. Pursuant to this regulation, the maintenance or write-off of the financial asset is related to the substantial retention of the transaction risks and rewards.

CMN Resolution No. 2.836/2001, which authorizes the assignment of credits arising from loans and financing to entities not comprising the National Financial System, provided that these assignments are made in cash, without co-obligation of the assignor, which has no permission to repurchase the credits assigned, is also effective.

3.14. Other financial assets

These assets are stated at realizable values including, when applicable, income earned on a pro rata basis less, when necessary, corresponding unearned income or allowances (Note 6.4).

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3.15. Other assets

Other assets comprises assets not for use and prepaid expenses.

Assets not for use derive from assets arising from payment in kind or enforcement of collateral on defaulting transactions. Upon receipt, these are recognized at the lower of their carrying amount or valuation amount. Assets are annually adjusted at fair value considered the lower of the valuation in the year and the amount recorded. For assets for sale in auction in the year, the fair value is determined by the lower of the amount recorded after the asset last valuation and the amount offered at the auction (Note 8 (i)).

Prepaid expenses recorded as other assets refer mainly to disbursements incurred with fees and commissions on borrowings and issuance of securities abroad recognized in profit or loss, in accordance with Resolution No. 4.924/2021 when the performance obligation is met (Note 8 (ii)).

3.16. Current and deferred tax assets and liabilities

These tax assets and liabilities are recorded in accordance with CMN Resolution No. 4.842/2020. Current tax assets are taxes over which the Bank is legally entitled to future offset or refund and deferred tax assets or tax credits are tax assets arising from temporary tax differences and tax losses. Current tax liabilities refer to taxes due related to the current period and prior periods and deferred tax liabilities to the tax on the income due in a future period related to taxable temporary differences.

3.17. Property and equipment in use and intangible assets

Assets comprising property and equipment in use and intangible assets are stated at acquisition cost, net of the respective depreciation and amortization and adjusted by impairment, when there is proven evidence that these assets are impaired (Note 7).

Depreciation and amortization are recorded on a straight-line basis in allowances and adjustments to equity and gains and losses on disposals, determined by comparing the profit or loss with its carrying amount, are recognized as non-operating income or expenses in the income statement.

3.18. Current and noncurrent liabilities

Stated at known or estimated values plus, when applicable, charges on a pro rata basis, less unrecognized expenses.

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Deposits, funding, foreign borrowings, and domestic onlendings

Deposits, funding, foreign borrowings and domestic financing are stated at the original amounts (amortized cost) and include adjusted charges payable, when applicable.

For foreign borrowings, which interest rate and foreign currency fluctuation risk is assumed by the Bank, derivative financial instruments, such as swaps, are contracted for hedge purposes to swap foreign currencies to Brazilian real and floating or fixed rates to post-fixed or fixed rates.

The terms and conditions of the borrowing and associated derivative represent a tie-in transaction so that economically a debt in Brazilian reais subject to fixed or post-fixed interest results from the transaction. For those cases, the debt is measured at fair value through profit or loss to eliminate the accounting mismatch between the borrowing and the associated derivative instrument.

3.19. Contingent assets and liabilities - tax, labor and civil

Contingent liabilities: stated at known and estimated amounts, plus charges, when applicable. These are measured, recognized and disclosed as prescribed by CMN Resolution No. 3.823, of 12/16/2009, which approves technical pronouncement CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, issued by the Accounting Pronouncements Committee (CPC).

Contingent assets: not recognized in the accounting books, except when Management fully controls the situation or when there are collaterals or final and unappealable favorable court decisions, which qualify the favorable outcome as virtually certain and based on the confirmation of its recovery capacity through receipt or offset against other payable.

3.20. Current and deferred income tax and social contribution

The provision for income tax is recognized at a 15% rate on taxable income, plus a 10% surtax, and the provision for social contribution on adjusted profit (CSLL) is 20%.

BDMG's tax credits derive from temporary differences related to additions to the tax base of expenses not temporarily accepted as deductible and are recognized at the rates to be applied upon their realization, as follows:

- (i) Income tax: 15% on taxable income plus a 10% surtax;

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- (ii) Social contribution: 20% on taxable income.

Tax credits are also recognized on income tax loss (25%) and social contribution loss (20%), when applicable.

Income tax and social contribution credits are reviewed at every balance sheet date and recognized on temporary additions and deductions, in accordance with prevailing laws on their recognition date.

Tax credits on income tax and social contribution losses are realized based on taxable income generation, subject to the limit of 30% of taxable income for the base period.

Deferred tax assets and liabilities are recognized by applying the effective tax rates on their respective tax bases. The criteria established by CMN Resolution No. 4.842/2020, supported by a realization capacity study, are observed for the recognition, maintenance and write-off of deferred tax assets. The tax credit arising from income tax and social contribution losses is only recognized if there is sufficient future taxable income for their offset.

3.21. Employee benefits

The Bank offers to its active and assisted employees the following benefits:

- (i) Social security benefits: supplement the employees' retirement guaranteed by the General Social Security Regime (RGPS). BDMG sponsors social security plans as follows: defined benefit (closed for new adhesions on November 11, 2011) and defined contribution (on November 1, 2023, the BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan, as shown in Note 18 a) i).
- (ii) Health and dental care benefit: This plan, administered by Fundação BDMG de Seguridade Social (Desban) offers coverage of health and dental care expenses to its participants and is assured to active employees, retired employees who were already inactive on February 22, 2018, as well as employees who retired under the Voluntary Dismissal Program, which adhesion period ended on April 30, 2018. For other employees, the plan is guaranteed by the Bank while they remain as active participants and, upon self-sponsorship, after they retire according to the conditions established in the PRÓ-SAÚDE Regulation.
Considering the current situation of the Plan, mainly due to the reduction in the number of users, in order to ensure the provision of health care to beneficiaries, BDMG's management decided to adhere to Cemig Saúde, an operator established by Cemig, a state-owned company controlled by the State of Minas Gerais.

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The transition to Cemig Saúde will be gradual, without the immediate termination of Pro-Saúde.

- (iii) Life insurance: this benefit, sponsored by the Bank upon payment of part of the premium of the Group Life Insurance policy, is offered as from February 22, 2018 to active and assisted employees who were already entitled to the benefit on that date. Active employees can, when become assisted, remain linked to the plan, and bear the total contribution due.
- (iv) Other benefits: the Bank also offers to its active employees other benefits related to profit sharing, maternity leave extended for sixty days and paternity leave extended for fifteen days.

All benefits offered by the Bank, including those offered to active employees and that do not constitute post-employment benefits: profit sharing and extension of maternity and paternity leaves, are accounted for pursuant to CPC 33 (R1) – Employee Benefits, introduced by CMN Resolution No. 4.877/2020.

Benefits are recorded in accordance with the aforesaid Resolution, which requires the performance of an actuarial study to support these accounting entries. The actuarial study used by the Bank is conducted semiannually as at December 31 and June 30. The real rates used to discount at present value the post-employment benefit obligations are determined by the interpolation of the rates indicating the IMA-B index, published by ANBIMA, considering the maturity durations of NTN-B bonds comprising such index and based on the duration determined of the actuarial obligations of each post-employment benefit plan.

The information of the accounting for employee benefits is detailed in Note 18.

3.22. Employee profit sharing

Defined in collective bargaining agreement, provisioned based on a percentage rate of the monthly profit and adjusted at the end of the year after determination of profit for the year.

3.23. Capital

The Bank's capital, recorded in equity, is represented by registered common shares, without par value (Note 12(a)).

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3.24. Interest on capital

BDMG's bylaws establishes the payment of mandatory minimum dividends corresponding to 1% of profit for the year adjusted as prescribed by the law.

3.25. Earnings per share

BDMG's capital is exclusively comprised of common shares held by the shareholders, whose interests cannot be diluted as the Bank does not operate with products or any related instruments convertible into shares.

Accordingly, the earnings disclosed in the Bank's financial statements is the basic earnings per share, calculated by dividing profit and the total number of common shares. Information on earnings per share is disclosed in Note 12 (e).

3.26. Income and expenses

Recognized on accrual basis in profit or loss for the related periods, except part of income related to loan transactions, as shown in Note 3.12.

3.27. Related parties

The disclosure in notes to the financial statements about related parties complies with CMN Resolution No. 4.818/2020, which establishes the disclosure of transactions between the Bank and its related parties that affected the financial condition and profit and loss.

The legal entities and individuals considered as the Bank's related parties are described in BDMG Resolution No. 209-D/2024, which addresses the Related-Party Transaction Policy. Those with which the Bank carried out transactions in the period are shown in Note 15.

4. Adoption of judgments and accounting estimates with significant effects

The preparation of the financial statements requires Management to use judgments and estimates that impact the accounting balances of assets and liabilities held by the Bank. The estimates and judgments adopted by BDMG derive from the subjectivity and uncertainties involving certain classes of assets and liabilities.

On the other hand, the Bank has internal rules or technical notes that establish criteria for the application of accounting policies that can involve or note the use of judgments and estimates to calculate the amounts to be recorded.

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The judgments and estimates are reviewed on ongoing basis, as it is necessary to consider, in addition to the practice established, the factors assessed as likely to occur upon the preparation of the financial statements.

The use of more significant estimates and judgments is necessary mainly as regards:

4.1. Fair value of financial instruments

In estimating the fair value, the following assumptions are considered: historical database, information on similar transactions, discount rate and estimated future cash flows.

The main judgments applied in calculating the fair value of financial instruments arise from the need to determine the variables to be used for the fair value calculation of financial instruments that are not traded in active or without illiquid markets. The variables of these models derive from data observable in the market, whenever available. If there is no sufficient information to apply the aforementioned criteria, other technical parameters and judgments approved by Management are adopted.

Note 16 contains information on the fair value of certain financial instruments.

4.2. Impairment of non-financial assets

Non-financial assets held for sale, accounted for in accordance with CMN Resolution No. 4.747/2019, are technically assessed to verify the feasibility of recovering their carrying amount. The assessments consider estimates defined according to the conditions that affect the asset when carried out. The Bank recognizes an allowance for loss when the assessment of the asset is lower than the amount recorded, and the recognized loss may be reversed due to future assessments.

The condition in which the amount offered at the auction for the sale of the asset is lower than its carrying amount is accepted as evidence of loss of the carrying amount of an asset.

4.3. Allowance for expected losses associated with the credit risk

The Bank's Management exercises judgment and applies certain assumptions to measure the expected losses associated with the credit risk.

The allowances related to expected losses on the loan portfolio comply with the provisions set out in CMN Resolution No. 2.682/1999, as set forth in Note 6.3. The assessment of expected losses on the portfolio is made based on a model that involves several estimates and judgments since they consider the characteristics of the loan and quality of the customer, the payment history and the existing collaterals, which may lead to a reduction in the estimated amount of receipt of future cash flows.

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Management's judgments are made mainly in relation to factors considered in the model that, due to internal and external information, show the possibility of losses during the life of the transaction.

However, the use of different judgments and assumptions may result in an allowance amount different from the amount determined by the model.

4.4. Fair value of derivative financial instruments

The Bank's derivative financial instruments are recorded at their fair value, which is established based on active market quotations, when available, and, in the absence of a quotation, is calculated using valuation techniques that are based on assumptions that consider judgments established on the basis of information and market conditions existing at the balance sheet date.

The judgments made derive mainly from the volatility of the foreign exchange markets that can cause significant changes in the future rates of foreign currencies in very short periods of time, which can result in significant variations in the fair value of swaps.

The methodologies adopted are considered appropriate and consistent with market conditions, but when assumptions with judgments and assumptions are taken into account, the results obtained may vary in relation to those resulting from the application of other methodologies that use different assumptions in the fair value determination.

4.5. Deferred tax asset

The Bank has tax credits recorded in assets resulting mainly from temporary differences and for which there is expected realization based on projected future taxable income.

The expected future generation of taxable income is based on technical studies to forecast results that require judgments by Management and also involves the use of estimated calculations that take into account current and future expectations regarding the Bank's business growth and performance.

4.6. Provisions for tax, civil and labor risks

The Bank has contingent liabilities and related provisions, arising from legal and administrative proceedings related to lawsuits subject to tax, civil and labor risks.

Obligations are recognized according to the opinion of the legal counsel who classify the lawsuits in terms of the likelihood of loss.

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For obligations legally assessed as "probable loss", provisions are recognized whose amounts are quantified using criteria that allow them to be measured despite the inherent uncertainties as regards terms, settlement amounts and likelihood of loss.

For judgment purposes, Management considers the possibility of changes in estimates used for the amounts provisioned due to changes in the conclusion of proceedings and the possibility of future disbursement due to decisions in higher courts and/or government incentive programs for the payment of debts under favorable conditions that may lead to a disbursement lower than the amount provisioned.

The Bank's contingencies are described in Note 10.b.

4.7. Obligations with post-employment benefits

The defined benefit plan, healthcare plan and life insurance sponsored by the Bank generate obligations whose amounts are obtained by actuarial calculations that consider various assumptions and that are partially based on current market conditions.

In measuring the actuarial liability of these plans, Management uses judgments to determine the assumptions to be used.

4.8. Provisions for credit commitments and tendering of collaterals

In order to support losses arising from any need to honor obligations arising from the tendering of collaterals of contracts and credit commitments not recorded in the balance sheet, the Bank establishes an allowance for expected losses, and this amount is recognized as a liability as a contra entry to profit or loss for the period. For the calculation of the estimated amount for the expected losses, the same parameters compatible with those used for the calculation of the expected loss in the customer loan portfolio are used.

5. Cash and cash equivalents

Breakdown of cash and cash equivalents

	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash	3,229	166
Cash in foreign currency	8,911	6,733
Interbank investments (i)	<u>1,198,965</u>	<u>1,014,269</u>
	<u>1,211,105</u>	<u>1,021,168</u>

Interbank investments considered as cash equivalents are repurchase transactions maturing within 90 days.

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5.1. Interbank investments

	<u>12/31/2024</u>	<u>12/31/2023</u>
Investments in repurchase transactions (own portfolio)	1,198,965	1,014,269
Financial Treasury Bills	998,875	-
National Treasury Notes	200,090	810,259
National Treasury Bills	-	204,010
Investments in interbank deposits, net of allowance (i)	-	145,114
	1,198,965	1,159,383
Current	1,198,965	1,105,331
Noncurrent	-	54,052

(i) Investments in interbank deposits refer to deposits to cover a clause contained in derivative contracts.

Maturities of interbank investments:

	<u>Past due</u>	<u>Up to 30 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>Over 360 days</u>	<u>Total</u>
National Treasury Notes	-	998,875	-	-	-	998,875
National Treasury Bills	-	200,000	-	-	-	200,000
Interbank deposits	1,107	-	-	-	-	1,107
Allowance for losses	(1,107)	-	-	-	-	(1,107)
Balance as at 12/31/2024	-	1,198,965	-	-	-	1,198,965
Balance as at 12/31/2023	-	1,014,269	20,009	71,053	54,052	1,159,383

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6. Financial instruments

6.1. Securities

Portfolio breakdown

	12/31/2024			12/31/2023		
	Quantity	Curve value	Market value	Amount	Curve value	Market value
Available-for-sale securities (b)		2,979,699	2,961,311	-	924,536	908,997
Government securities	336,533	2,708,184	2,686,085	51,840	661,245	661,173
Financial Treasury Bill (LFT)	148,971	2,345,739	2,345,112	44,250	628,974	628,853
Free	144,218	2,270,588	2,269,961	40,293	572,553	572,503
Linked to capital increase	4,753	75,151	75,151	-	-	-
Linked to tendering of collateral	-	-	-	3,957	56,421	56,350
National Treasury Bill (LTN)	128,000	104,215	98,825	-	-	-
NTN-B	59,562	258,230	242,148	7,590	32,271	32,320
Private securities		271,515	275,226	-	263,291	247,824
Investment fund units	132,876,924	178,162	178,162	130,684,614	167,407	167,407
Fixed-income securities (FI)	88,237,411	123,810	123,810	88,280,209	112,131	112,131
Credit Rights (FIDC)	-	-	-	6,356	1,365	1,365
Participations (FIP)	42,910,642	49,913	49,913	41,028,918	50,470	50,470
FGI – Investment guarantee fund	1,728,871	4,439	4,439	1,369,131	3,441	3,441
Variable-income securities	3,787,835	93,353	97,064	4,058,825	95,884	80,417
Held-to-maturity securities (c)	-	787,195	787,195	-	402,052	402,052
Private securities	-	787,195	787,195	182,301	402,052	402,052
Certificate of Real Estate Receivables (CRI)	50,000	46,755	46,755	85,000	85,688	85,688
Debentures	107,144	165,770	165,770	67,144	109,509	109,509
Certificate of Agribusiness Receivables - (CRA)	53,694	29,620	29,620	30,157	15,494	15,494
Investments in Commodities - CPR	-	545,050	545,050	-	191,361	191,361
	-	3,766,894	3,748,506	-	1,326,588	1,311,049
Current			345,755			240,060
Noncurrent			3,402,751			1,070,989

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Provisions for securities

	<u>12/31/2024</u>	<u>12/31/2023</u>
Available-for-sale securities	(56,198)	(57,028)
Allowance for losses on variable-income securities (1)	(56,198)	(57,028)
Held-to-maturity securities	(130,676)	(126,919)
Provision for credit risk on debentures (2)	(126,046)	(109,509)
Provision for credit risk on CPR (2)	(3,586)	(599)
Provision for credit risk on CRI (2)	(799)	(16,811)
Provision for credit risk on CRA	(245)	-
	(186,874)	(183,947)
Current	(2,661)	(3,636)
Noncurrent	(184,213)	(180,311)

- (1) The provision for variable-income securities arises from a stake in a company whose implementation work is suspended.
- (2) Held-to-maturity securities, acquired for the purpose of credit and not financial investment are provisioned considering, under the terms of CMN Resolution No. 2.682/1999, the credit risk of the issuer.

a) Trading securities

BDMG does not have on December 31, 2024 and did not have on December 31, 2023 securities classified in this category.

b) Available-for-sale securities

Securities that can be sold at any time in response to the need for liquidity or changes in market conditions are classified in this category. Securities that can be sold at any time in response to the need for liquidity or changes in market conditions are classified in this category. Government securities that make up the portfolio are recognized at market value, and any unrealized gains and losses resulting from the adjustments to their amounts accounted for at market value are recorded, net of applicable taxes, in a specific line item in equity; and, when realized, they are recognized in profit or loss, on the trading date, as a contra entry to that specific line item.

The mark-to-market of these securities is carried out considering quotations published by the Brazilian Association of Financial and Capital Market Entities (ANBIMA) for the secondary market of these securities.

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Variations in valuation adjustments to equity of available-for-sale securities

	Unrealized gains (losses)	Tax effects	Adjustment to Market value
Balance as at 12/31/2023	(15,539)	7,715	(7,824)
Adjustment in the period	(2,848)	1,414	(1,434)
Balance as at 12/31/2024	(18,387)	9,129	(9,258)

Variable-income securities classified as available-for-sale securities refer to shares accounted for at fair value and reduced by proper impairment losses.

Investments in investment fund units are considered in this category at the amounts of units at month-end informed by the fund managers through the monthly statements.

Maturities of available-for-sale securities

	12/31/2024					Total
	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	
Government securities		-	-	-	2,686,085	2,686,085
LFT	-	-	-	-	2,345,112	2,345,112
Free	-	-	-	-	2,269,961	2,269,961
Linked to capital increase	-	-	-	-	75,151	75,151
LTN	-	-	-	-	98,825	98,825
Free	-	-	-	-	98,825	98,825
NTN	-	-	-	-	242,148	242,148
Free	-	-	-	-	242,148	242,148
Private securities		210	136	3,273	271,607	275,226
Investment fund units	-	210	136	3,273	174,543	178,162
Variable-income securities	-	-	-	-	97,064	97,064
Total		210	136	3,273	2,957,692	2,961,311

	12/31/2023					Total
	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	
Government securities		-	-	32,320	628,853	661,173
LFT	-	-	-	-	628,853	628,853
Free	-	-	-	-	572,503	572,503
Linked to tendering of collateral	-	-	-	-	56,350	56,350
NTN	-	-	-	32,320	-	32,320
Free	-	-	-	32,320	-	32,320
Private securities	73	485	11,646	34,213	201,407	247,824
Investment fund units	73	485	11,646	34,213	120,990	167,407
Variable-income securities	-	-	-	-	80,417	80,417
Total	73	485	11,646	66,533	830,260	908,997

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c) Held-to-maturity securities

BDMG's portfolio of held-to-maturity securities, consisting of private securities, was initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the interest rate and other contracted finance charges.

These securities were acquired for the purpose of credit and not for financial investment, and a provision was recognized for the issuer's credit risk, pursuant to CMN Resolution No. 2.682/1999.

Maturities of held-to-maturity securities

	12/31/2024							
	Without maturity	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	Total
Private securities	2,130	11,157	39,284	25,257	72,362	191,946	445,059	787,196
Investments in Commodities - CPR	2,130	8,203	39,284	23,376	65,951	182,115	223,991	545,050
Certificate of Real Estate Receivables (CRI)	-	315	-	1,762	2,322	4,644	37,712	46,755
Debentures	-	-	-	119	1,577	4,716	159,358	165,770
Certificates of Agribusiness Receivables (CRA)	-	2,639	-	-	2,512	471	23,998	29,620
Total	2,130	11,157	39,284	25,257	72,362	191,946	445,059	787,195

	12/31/2023							
	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	Total	
Private securities	7,913	418	10,952	18,309	123,731	240,729	402,052	
Investments in Commodities - CPR	4,876	-	9,739	12,054	108,138	56,554	191,361	
Certificate of Real Estate Receivables (CRI)	375	418	1,213	3,624	10,427	69,631	85,688	
Certificate of Agribusiness Receivables (CRA)	2,662	-	-	2,631	5,166	5,035	15,494	
Debentures	-	-	-	-	-	109,509	109,509	
Total	7,913	418	10,952	18,309	123,731	240,729	402,052	

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6.2. Derivative financial instruments

In order to protect its assets from its own risks arising from exchange rate and interest rate fluctuations in foreign funding contracts, for which it maintains the risks, the Bank uses derivative financial instruments in the swap category.

For contracted derivative financial instruments, the Bank's regulations concerning the risk control policy are taken into account, the established hedging strategies and determined limits, as well as the methodology for monitoring the Bank's operations.

Derivatives are stated as assets when the fair value is positive and as liabilities when the fair value is negative. These derivatives are intended to offset, either fully or partially, the risks arising from changes in the fair value of hedged financial liabilities. Such derivatives and the related financial liabilities are adjusted to fair value, whereas any gains and losses are directly recognized in the income statement.

At BDMG, derivatives are recognized in conformity with the provisions of BACEN Circular Letter 3.082/2002 on the hedge accounting methodology. Under this methodology, the offsetting effects on the changes in fair values of hedge instruments (swaps) and related hedged items (hedged contracts of foreign funding) are recognized in profit or loss for the period in which they occur.

Pursuant to article 3 of BACEN Circular Letter, the Hedge Accounting adopted by BDMG refers to the market risk hedge.

In applying this accounting procedure, BDMG fulfills the following regulatory requirements:

- Documentary identification of the hedged risk comprising detailed information on the transaction; and
- Hedge effectiveness at a percentage rate within the range set out in the Circular Letter referred to above.

At the inception of each transaction, an effectiveness test (initial prospective testing of the hedge structure) is performed to assess effectiveness through prospective and retrospective testing during the preparation of the semiannual and annual financial statements, by calculating the ratio of changes in the fair value of hedge instruments and changes in the fair value of hedged items.

As derivatives are contracted pursuant to the main terms and conditions (notional amount, currency, rates, terms) equivalent to those governing the foreign funding contracts, their effectiveness is historically observed, achieving the expected hedging goal.

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In December 2024, as in 2023, the Bank has foreign borrowings, involving own risks, indexed to SOFR (Secured Overnight Financing Rate), Euribor and fixed rates, which are hedged by derivatives under the swap category.

a) Hedge of receivables or payables

Receivables and payables under swap contracts are collateralized by deposits and/or interbank funding when exceeding the contractually determined limits.

	12/31/2024	12/31/2023
Ongoing collaterals:		
Investments in interbank deposits	-	145,115
Borrowings in interbank deposits	138,745	12,473

b) Position of foreign borrowings hedged by derivatives

	Initial date	Final date	Borrowings	12/31/2024		12/31/2023	
				Balance (foreign currency)	Curve	Balance (foreign currency)	Curve
BEI	03/02/2020	02/20/2030	US\$9,301	6,532	40,440	7,730	37,400
FONPLATA	05/21/2020	05/19/2025	US\$36,000	6,057	37,503	18,192	88,064
BEI 2	12/03/2020	12/03/2030	US\$35,703	26,799	165,930	31,264	151,341
BEI 3	12/03/2020	12/03/2030	US\$11,241	8,437	52,242	9,843	47,649
CAF6	01/08/2021	12/18/2026	US\$40,000	17,824	110,361	26,746	129,469
CAF6	03/11/2021	12/18/2026	US\$60,000	26,736	165,541	40,119	194,202
BID INVEST	03/09/2021	12/19/2027	US\$50,000	24,973	154,624	33,318	161,284
AFD4	07/08/2021	07/30/2032	€\$17,500	16,063	103,356	18,100	96,815
BEI4	07/16/2021	07/09/2031	US\$11,633	10,465	64,798	11,975	57,966
BEI5	03/22/2022	03/16/2032	US\$24,854	22,085	136,742	25,026	121,143
BEI6	11/18/2022	11/18/2032	US\$8,454	8,498	52,619	8,496	41,128
BEI7	04/27/2023	04/27/2033	US\$12,181	12,267	75,953	12,268	59,387
BEI8	06/13/2023	06/13/2033	US\$9,686	9,707	60,104	9,707	46,990
BEI9	09/28/2023	09/28/2033	US\$5,356	5,425	33,589	5,426	26,263
BEI10	10/20/2023	10/20/2033	US\$6,362	6,425	39,779	6,425	31,103
FONPLATA2	12/18/2023	09/15/2031	US\$34,000	34,791	215,415	34,104	165,090
AIIB	04/29/2024	06/17/2030	US\$20,000	20,064	124,228	-	-
AIIB2	07/30/2024	06/17/2030	US\$10,000	10,032	62,114	-	-
CAF7	11/18/2024	10/10/2031	US\$59,091	59,612	369,101	-	-
CAF8	11/18/2024	10/10/2029	US\$18,182	18,340	113,556	-	-
CAF9	11/18/2024	10/11/2027	US\$22,727	22,917	141,895	-	-
					2,319,890		1,455,294
Market-to-market adjustments ⁽¹⁾					(73,581)		(30,576)
Market value					2,246,309		1,424,717

(1) Market-to-market adjustments to foreign borrowings are offset by hedge instruments marked to market, as stated in Note 9.2-a.

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c) Swap amounts recognized

			12/31/2024	12/31/2023
	Notional amount (memorandum account)	Receivables/ payables (balance sheet account) (1)	Net effect (profit or loss account)	Net effect (profit or loss account)
(USD + SOFR + Rate) x (BRL + %CDI)	476,484	43,335	111,987	-
(USD + SOFR + Rate) x (BRL + Rate)	929,578	105,281	99,339	(3,170)
(USD + Rate) x (BRL + %CDI)	501,345	60,059	82,314	(281)
(USD + SOFR + Rate) x (BRL + %CDI)	-	-	-	(165,767)
(EUR + Euribor + Rate) x (BRL + %CDI)	97,481	(2,224)	7,190	(32,791)
(USD + SOFR + Rate) x (BRL + Rate)	-	-	-	(1,311)
(USD + Rate) x (BRL + %CDI)	-	-	-	(67,567)
	2,004,888	206,451	300,830	(270,887)

(1) The amounts of differences receivable and payable are recorded, respectively, in the groups of Assets and Liabilities.

d) Swaps by maturity

	31 to 180 days	After 360 days	Total
Long position – Difference receivable			
Foreign currency	2,890	205,785	208,675
Total as at 12/31/2024	2,890	205,785	208,675
Total as at 12/31/2023	-	-	-
Short position – Difference payable			
Foreign currency	-	(2,224)	(2,224)
Total as at 12/31/2024	-	(2,224)	(2,224)
Total as at 12/31/2023	-	(182,465)	(182,465)
Net exposure – 12/31/2024	2,890	203,561	206,451
Net exposure – 12/31/2023	-	(178,831)	(178,831)

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e) Swaps by index and notional amount

	<u>Notional amount</u>	<u>Curve value</u>	<u>Mark-to- market adjustments</u>	<u>Market value</u>
Long position – difference receivable				
(US\$ + SOFR+ Rate) x (BRL + %CDI)	476,484	52,095	(8,760)	43,335
(USD + SOFR + Rate) x (BRL + Rate)	929,578	121,044	(15,763)	105,281
(USD + Rate) x (BRL + %CDI)	501,345	107,876	(47,817)	60,059
Long position - 12/31/2024	<u>1,907,407</u>	<u>281,015</u>	<u>(72,340)</u>	<u>208,675</u>
Long position - 12/31/2023	111,341	2,871	763	3,634
Short position – difference payable				
(EUR + Euribor + Rate) x (BRL + %CDI)	97,481	(689)	(1,535)	(2,224)
Short position - 12/31/2024	<u>97,481</u>	<u>(689)</u>	<u>(1,535)</u>	<u>(2,224)</u>
Short position - 12/31/2023	1,466,284	(150,618)	(31,847)	(182,465)
Net exposure – 12/31/2024	<u>2,004,888</u>	<u>280,326</u>	<u>(73,875)</u>	<u>206,451</u>
Net exposure – 12/31/2023	1,577,625	(147,747)	(31,084)	(178,831)

The effect of exchange rate changes on hedge accounting transactions is equivalent to the foreign exchange effect derived from hedged transactions.

6.3. Loan portfolio

The loan portfolio is comprised of i) loan transactions encompassing financing, loans and similar transactions - consisting of installment sales of assets not in use (non-financial assets held for sale, received in settlement of financial instruments that are of difficult or doubtful solution and not intended for own use, in accordance with CMN Resolution 4.747/2019), which are directly contracted by the Bank that assumes the credit risk arising therefrom; ii) interbank onlendings through transfer of funds from the Bank to partner- institutions and accredited credit cooperatives. These onlendings include indirect transactions, since the partner- institution receiving the funds is in charge of negotiating the financing conditions and assumes the underlying credit risks.

The accounting treatment applicable to loan transactions and interbank onlendings and allowances for expected losses associated with the credit risk is consistent with the criteria set out in CMN Resolution No. 2.682/1999 and, when applicable, a supplementary allowance is recognized to cover possible additional risks.

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Loan portfolio breakdown

	12/31/2024			12/31/2023		
	Gross balance	Allowance	Net balance	Gross balance	Allowance	Net balance
Loan transactions	6,792,315	(569,172)	6,223,143	6,089,601	(567,784)	5,521,817
Credits equivalent to loan transactions	3,682	(18)	3,664	5,073	(25)	5,048
Total loan and similar transactions	6,795,997	(569,190)	6,226,807	6,094,674	(567,809)	5,526,865
Current	1,995,070	(184,928)	1,810,142	1,850,036	(151,454)	1,698,582
Noncurrent	4,800,927	(384,262)	4,416,665	4,244,638	(416,355)	3,828,283
Interbank onlendings	357,541	(1,230)	356,311	134,601	(408)	134,193
Current	150,496	(573)	149,923	47,220	(153)	47,067
Noncurrent	207,045	(657)	206,388	87,381	(255)	87,126
Total loan portfolio	7,153,538	(570,420)	6,583,118	6,229,275	(568,217)	5,661,058
Current	2,145,566	(185,501)	1,960,065	1,897,256	(151,607)	1,745,649
Noncurrent	5,007,972	(384,919)	4,623,053	4,332,019	(416,610)	3,915,409

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a) Breakdown of the loan portfolio by industry

	<u>12/31/2024</u>	<u>12/31/2023</u>
Borrowings	1,495,928	1,469,030
Industry	404,428	454,514
Trade	560,144	524,792
Other services	531,356	489,724
Financing to the private sector	4,492,167	4,024,642
Industry	1,605,957	1,386,416
Trade	370,058	316,755
Other services	1,638,249	1,595,677
Rural and agribusiness	865,950	719,640
Individuals	8,271	1,082
Other	3,682	5,072
Financing to the public sector (direct and indirect municipal management bodies)	807,902	601,002
Total loan and similar transactions	6,795,997	6,094,674
Interbank onlendings	357,541	134,601
Total loan portfolio	7,153, 538	6,229,275
Current	2,145,566	1,897,256
Noncurrent	5,007,972	4,332,019

b) Allowance for loan losses

	<u>12/31/2024</u>	<u>12/31/2023</u>
Loan transactions	(569,172)	(567,784)
Credits equivalent to loan transactions	(18)	(25)
Interbank onlendings	(1,230)	(408)
Total	(570,420)	(568,217)
Current	(185,501)	(151,607)
Noncurrent	(384,919)	(416,610)

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c) Maturity terms of loan transactions

i) *Loan and similar transactions*

Risk level	12/31/2024								12/31/2023	
	Past-due (in days)		Falling due (in days)						Total	Total
	15 to 90 days	Over 90 days	Up to 90	91 to 360	361 to 1,080	1,081 to 1,800	1,800 to 5,400	Over 5,400		
AA	-	-	106,143	279,335	563,109	253,144	154,062	-	1,355,793	2,008,542
A	916	-	153,651	375,758	695,561	332,579	370,057	-	1,928,522	1,300,618
B	15,692	-	145,251	371,779	571,024	294,392	431,454	-	1,829,592	1,489,297
C	16,073	726	66,625	177,522	370,158	169,096	90,060	-	890,260	559,255
D	16,745	19,641	17,713	40,587	83,587	41,660	41,616	-	261,549	166,295
E	933	3,328	1,561	4,447	9,880	428	40	-	20,617	43,438
F	209	2,482	1,839	6,550	5,418	550	-	-	17,048	20,785
G	50,617	10,584	8	393	766	564	188	-	63,120	56,208
H	28,752	51,555	7,018	20,637	208,342	5,787	8,632	98,773	429,496	450,236
TOTAL	<u>129,937</u>	<u>88,316</u>	<u>499,809</u>	<u>1,277,008</u>	<u>2,507,845</u>	<u>1,098,200</u>	<u>1,096,109</u>	<u>98,773</u>	<u>6,795,997</u>	<u>6,094,674</u>

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ii) *Interbank onlendings*

Risk level	Falling due (in days)					12/31/2024	12/31/2023
	Up to 90	91 to 360	361 to 1,080	1,081 to 1,800	1,800 to 5,400	Total	Total
AA	1,604	43,875	72,966	12,196		130,641	75,094
A	17,209	78,222	108,831	3,524		207,786	41,525
B	2,354	7,232	8,976	368	184	19,114	16,952
C	-	-	-	-	-	-	1,030
	21,167	129,329	190,773	16,088	184	357,541	134,601

d) Classification of loan transactions by risk level and allowance

i) *Loan and similar transactions*

Risk level	%	12/31/2024		12/31/2023	
		Portfolio	Provision for credit risks based on the minimum required percentage rates	Portfolio	Provision for credit risks based on the minimum required percentage rates
AA	0	1,355,793	-	2,008,542	-
A	0.5	1,928,522	(9,643)	1,300,618	(6,503)
B	1	1,829,592	(18,296)	1,489,297	(14,893)
C	3	890,260	(26,708)	559,255	(16,778)
D	10	261,549	(26,155)	166,295	(16,630)
E	30	20,617	(6,185)	43,438	(13,031)
F	50	17,048	(8,524)	20,785	(10,392)
G	70	63,120	(44,184)	56,208	(39,346)
H	100	429,496	(429,495)	450,236	(450,236)
		6,795,997	(569,190)	6,094,674	(567,809)

ii) *Interbank onlendings*

Risk level	%	12/31/2024		12/31/2023	
		Onlendings	Allowance for loan losses	Onlendings	Allowance for loan losses
AA	0	130,641	-	75,094	-
A	0.5	207,786	(1,039)	41,525	(208)
B	1	19,114	(191)	16,953	(169)
C	3	-	-	1,029	(31)
		357,541	(1,230)	134,601	(408)

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e) Variations in the allowance for loan losses

	2024		2023
	2nd six-month period	Year	Year
Allowance for loan and similar transactions			
Opening balance	555,145	567,809	595,283
(+) Allowance recognition, net of reversals	31,624	60,045	63,103
(-) Decrease in the provision for write-off of credits as losses	(17,579)	(58,664)	(90,577)
Closing balance	569,190	569,190	567,809
Provision for interbank onlendings			
Opening balance	818	408	403
(+) Allowance recognition, net of reversals	412	822	5
Closing balance	1,230	1,230	408
Total allowance for loan losses	570,420	570,420	568,217

f) Breakdown of loan portfolio by type of fund

	12/31/2024	12/31/2023
Own funds	4,619,085	4,119,966
Loan and similar transactions	4,261,544	3,985,365
Interbank onlendings	357,541	134,601
Third-party funds (onlendings from financial institutions for the original transaction)	2,534,453	2,109,309
Total	7,153,538	6,229,275

Renegotiated loan transactions totaled R\$964,900 (12/31/2023 - R\$981,692).

g) Assignment of loan transactions

- i) Loan transactions assigned with co-obligation prior to the effectiveness of CMN Resolution No. 3.533/2008 and recorded in memorandum accounts:

	12/31/2024	12/31/2023
Co-obligations to be settled	4,659	11,874
Settled transactions to be transferred	2,029	2,343
	6,688	14,217

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- ii) Loan transactions assigned to individuals that are not part of the National Financial System are reported below pursuant to the provisions set out by CMN Resolution No. 2.836/2001:

<u>Assigned loans</u>	<u>2024</u>	<u>2023</u>
Assignment amount	13,655	13,803
Carrying amount	36,102-	12,890
Profit or loss	(22,447)	913

h) Expanded portfolio

a) Breakdown

The Bank's exposure to credit risks, in relation to the expanded portfolio, are as follows:

<u>Loans assigned and/or authorized</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
Loan and similar transactions and interbank onlendings	7,153,538	6,229,275
Credit notes	787,196	402,051
Credits to be released within 360 days	471,259	596,891
Co-obligations	4,659	11,874
	8,416,652	7,240,091

b) Bank's exposure to credit risk

The table comprises the Bank's exposure to credit risks, by customer commitment, in relation to the expanded portfolio:

	<u>12/31/2024</u>		<u>12/31/2023</u>	
	<u>Gross balance</u>	<u>%</u>	<u>Gross balance</u>	<u>%</u>
<u>Ranges</u>				
Largest client	182,922	2	182,431	3
10 largest clients	1,148,731	14	1,089,243	15
20 largest clients	1,885,242	22	1,805,642	25
50 largest clients	3,273,815	39	3,098,107	44
100 largest clients	4,475,785	53	4,072,278	57
Other clients	3,940,867	47	3,033,212	43

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6.4. Other financial assets

	12/31/2024	12/31/2023
Receivables from escrow deposits (a)	147,116	143,677
Sundry receivables - domestic (b)	3,054	9,250
Income receivable (c)	1,631	2,491
Advances and prepayments of salaries (d)	504	1,611
Notes receivable	1,958	1,446
Other	4,330	4,488
	158,593	162,963
Current	7,360	14,968
Noncurrent	151,233	147,995

(a) Receivables from escrow deposits

The escrow deposits derive from tax challenges, as stated in Note 10 b (i).

Breakdown	12/31/2024	12/31/2023
Deposits for filing of tax lawsuits	145,779	139,894
Deposits for labor lawsuits	1,170	3,610
Deposits for civil lawsuits	167	173
Total	147,116	143,677
Current	-	-
Noncurrent	147,116	143,677

(b) The balance of R\$3,054 (12/31/2023 - R\$9,250) refers to: i) R\$2,184 (12/31/2023 - R\$0) amount receivable from the sale of shares; ii) R\$870 (12/31/2023 - R\$845) amount receivable from sundry customers.

(c) The balance of income receivable refers to: i) commissions on services provided by the Bank in the capacity of financial agent/legal representative in contracting loan transactions performing using funds from development funds that are made available to BDMG for such purpose, in the total amount of R\$1,568 (12/31/2023 - R\$1,436), net of related provisions. Compensation is due upon the maturity of contracted installments and the respective provision is recognized on the amounts recorded, according to the percentage of risk level within which the transaction that gave rise to such compensation is classified. Such risk rating complies with the Bank's policy that also applies to transactions financed using funds from managed funds. The same criteria are set out in CMN Resolution No. 2.682/1999 for loan transactions composing BDMG's own portfolio; and, ii) R\$63 (12/31/2023 - R\$1,055) refers to sundry income.

(d) Advances and prepayment of salaries totaling R\$504 (12/31/2023 - R\$1,611) refer to vacation pay advances and other payroll line items.

(e) The balance of notes receivable refers to the yield of R\$1,958 (12/31/2023 - R\$1,446) to be refunded by the National Treasury Department in compliance with certain statutory provisions applicable to rural loans financed through funds from STN and subsequent renegotiations of those transactions.

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7. Property and equipment in use and intangible assets

a) Property and equipment in use

	12/31/2024		12/31/2023	
	Cost	Accumulated depreciation	Net amount	Net amount
Properties	46,359	(31,295)	15,064	14,300
Facilities, furniture and equipment	6,840	(6,067)	773	607
Data processing equipment	5,735	(5,613)	122	204
Other	500	(424)	76	61
Construction in progress				3
	59,434	(43,400)	16,035	15,175

No evidence of impairment of those assets has been identified.

Insurance coverage - to cover probable losses on property and equipment items, the Bank has taken insurance in the amount of R\$70,000 (12/31/2023 - R\$50,000).

b) Intangible assets

	12/31/2024		12/31/2023	
	Cost	Accumulated amortization	Net amount	Net amount
Data processing system (software)	73,098	(22,698)	50,400	31,622

The variation in intangible assets is due to software developed internally with increase of R\$15,536 in 2024.

8. Other assets

	12/31/2024	12/31/2023
Held-for-sale non-financial assets (i)	13,046	18,332
Provision for held-for-sale non-financial assets	(2,622)	(2,367)
Prepaid expenses (ii)	33,359	15,308
Other	508	511
	44,291	31,784
Current	8,838	6,120
Noncurrent	35,453	25,664

(i) Includes assets not intended for use, deriving from assets obtained in assignments or pledged as collateral for unperformed transactions (Note 3.15).

(ii) Primarily refers to: 1) amounts paid as fees and commissions on borrowings and issuance of securities abroad, recorded at the disbursed amount and amortized over the maturity period of those transactions, and 2) expenses on services in progress, recorded in conformity with CMN Resolution No. 4.924/2021.

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9. Financial liabilities

9.1. Deposits and funding

i) Deposits

	<u>12/31/2024</u>	<u>12/31/2023</u>
Deposits		
Interbank deposits (a)	146,168	60,687
Time deposits (b)	736,065	546,010
Interest-bearing special deposits (c)	1,622,364	-
	<u>2,504,597</u>	<u>606,697</u>
Current	890,484	283,871
Noncurrent	1,614,113	322,826

(a) Interbank deposits: the balance of interbank deposits includes the amount of R\$7,422 (12/31/2023 - R\$48,214) contracted with special collateral – DPGE, R\$8,479 (12/31/2023 - R\$0) contracted without collateral, and R\$130,267 (12/31/2023 - R\$12,473) contracted to cover the provisions of derivative contracts.

(b) Time deposits - the balance includes the amount of R\$469,438 (12/31/2023 - R\$272,109) referring to securities issued for funding transactions, R\$189,392 (12/31/2023 - R\$273,901) referring to securities issued to cover loan transactions, and R\$77,234 (12/31/2023 - R\$0) referring to securities issued to be used as environmental collateral.

(c) Interest-bearing special deposits – the balance derives from funds in which the Bank is the depository in compliance with contracts relating mainly to the Fundação Dam Reparation Agreement (Mariana) and the Basic Sanitation Universalization Program in the Paraopeba Valley (Brumadinho Dam Rupture).

ii) Borrowings

	<u>12/31/2024</u>	<u>12/31/2023</u>
Borrowings		
Financial bills (a)	357,994	342,918
Agribusiness Credit Bills (LCA) (b)	1,328,077	850,125
Development Credit Bills (LCD) (c)	138,169	-
	<u>1,824,240</u>	<u>1,193,043</u>
Current	865,556	887,305
Noncurrent	958,684	305,738

(a) Financial bills with an average term of 2.22 years.

(b) Agribusiness Credit Bills (LCAs): securities backed by agribusiness loan transactions, with coverage provided by the Loan Guarantee Fund (FGC) limited to R\$250 by client/institution.

(c) New funding of income securities regulated this year by the National Monetary Council to meet the needs of Development Banks.

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Maturity of deposits

	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	12/31/2024 Total	12/31/2023 Total
Interbank deposits	-	1,587	-	14,313	70,087	60,181	146,168	60,687
Margin call	-	-	-	-	70,087	60,181	130,268	12,473
Borrowings	-	1,587	-	6,891	-	-	8,478	--
DPGE	-	-	-	7,422	-	-	7,422	48,214
Time deposits	5,349	6,716	10,258	283,273	498,901	1,553,932	2,358,429	546,010
With certificate	5,248	6,332	9,874	77,020	138,142	422,087	658,703	519,304
DPGE	-	-	-	19,086	58,276	-	77,362	26,706
Interest-bearing special deposits	101	384	384	187,167	302,483	1,131,845	1,622,364	-
	5,349	8,303	10,258	297,586	568,988	1,614,113	2,504,597	606,697
Current							890,484	283,871
Noncurrent							1,614,113	322,826

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Maturity of borrowings

	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	After 360 days	06/30/2024 Total	12/31/2023 Total
Privately issued financial bills	-	-	-	-	7,744	350,250	357,994	342,918
Agribusiness Credit Bills (LCA)	32,654	37,335	44,811	281,741	323,218	608,318	1,328,077	850,125
Development Credit Bills (LCD)	-	-	-	-	138,053	116	138,169	-
Total	32,654	37,335	44,811	281,741	469,015	958,684	1,824,240	1,193,043
Current							865,556	887,305
Noncurrent							958,684	305,738

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9.2. Borrowings and onlendings

a) Foreign borrowings

	12/31/2024		12/31/2023	
	Curve	Market	Curve	Market
Institution:				
BEI	722,196	670,418	620,370	591,258
CAF	900,454	895,442	323,671	322,974
BID INVEST	154,624	152,308	161,284	160,619
AFD	125,608	124,094	133,856	134,319
FONPLATA	252,918	245,623	253,154	252,588
AIIB	186,341	180,678	-	-
	2,342,141	2,268,563	1,492,335	1,461,758
Current		410,112		297,530
Noncurrent		1,858,451		1,164,228

Both foreign borrowings and derivatives hedging the borrowings are subject to covenants that are either monitored and fulfilled or are guaranteed by waivers agreed upon between the parties.

The covenants require compliance with certain financial and non-financial ratios, and these obligations are standardized for foreign borrowing and financing agreements, when applicable.

The Bank asserts that all covenants comprised under those agreements, including those from waivers, are met.

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Funds by institution of origin

i) *European Investment Bank (Banco Europeu de Investimento - BEI)*

The current balance of funds raised from BEI to finance Renewable Energy and Energy Efficiency projects comprises the following tranches:

Tranche	Release date	Final maturity	Release US\$	12/31/2024			12/31/2023		
				Balance US\$	Curve R\$	Market R\$	Balance US\$	Curve R\$	Market R\$
BEI 1	03/02/2020	02/20/2030	9,301	6,532	40,440	39,393	7,730	37,400	37,034
BEI 2	12/03/2020	12/03/2030	35,703	26,799	165,930	145,217	9,843	47,649	42,346
BEI 3	12/03/2020	12/03/2030	11,241	8,437	52,242	45,720	31,264	151,341	134,497
BEI 4	07/09/2021	07/09/2031	11,633	10,465	64,798	61,890	11,975	57,966	56,313
BEI 5	03/16/2022	03/16/2032	24,854	22,085	136,742	124,779	25,026	121,143	113,740
BEI 6	11/18/2022	11/18/2032	8,454	8,498	52,619	51,413	8,496	41,128	41,948
BEI 7	04/27/2023	04/27/2033	12,181	12,267	75,953	71,967	12,268	59,387	58,613
BEI 8	06/13/2023	06/13/2033	9,687	9,707	60,104	57,919	9,707	46,990	47,414
BEI 9	09/28/2023	09/28/2033	5,357	5,425	33,589	33,375	5,426	26,263	27,525
BEI 10	10/20/2023	10/20/2033	6,362	6,425	39,779	38,744	6,425	31,103	31,828
			<u>134,773</u>	<u>116,640</u>	<u>722,196</u>	<u>670,417</u>	<u>128,160</u>	<u>620,370</u>	<u>591,258</u>

The payment term of the agreement executed with BEI is 10 years from the date of release of each tranche and contractual charges vary according to the tranches.

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ii) CAF - Banco de Desenvolvimento da América Latina

Tranche	Release date	Final maturity	Release US\$	12/31/2024			12/31/2023		
				Current balance US\$	Curve R\$	Market R\$	Balance US\$	Curve R\$	Market R\$
CAF 6	12/18/2020	12/18/2026	100,000	44,560	275,902	273,009	66,865	323,671	322,974
CAF 7	11/18/2024	10/10/2031	59,091	59,612	369,101	367,820	-	-	-
CAF 8	11/18/2024	10/10/2029	18,182	18,340	113,556	113,177	-	-	-
CAF 9	11/18/2024	10/11/2027	22,727	22,917	141,895	141,436	-	-	-
			<u>200,000</u>	<u>145,429</u>	<u>900,454</u>	<u>895,442</u>	<u>66,865</u>	<u>323,671</u>	<u>322,974</u>

Tranche 6, which matures in 2026, was signed in 2020 to support emergency actions to address the crisis generated by the COVID-19 pandemic.

Tranches 7, 8 and 9 refer to the first A/B loan obtained by BDMG, which involves a financial transaction coordinated by CAF as creditor A and the participation of six other Participants-B. These new tranches mature within 7, 5 and 3 years, respectively.

iii) Inter-American Investment Corporation - BID Invest

Tranche	Release date	Final maturity	Release US\$	12/31/2024			12/31/2023		
				Balance US\$	Curve R\$	Market R\$	Balance US\$	Curve R\$	Market R\$
1	12/29/2020	12/29/2027	<u>50,000</u>	<u>24,973</u>	<u>154,624</u>	<u>152,308</u>	33,318	161,284	160,619

Such borrowing resulted from BDMG's issuance of sustainable bonds registered on the New York Stock Exchange, in the amount of US\$50 million that were acquired by BID Invest. The bonds mature within 7 years.

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iv) Agence Française de Développement - (AFD)

The tranches released by AFD refer to two agreements maturing within 11 years and subject to finance charges equivalent to the 6-month Euribor rate, plus a variable percentage rate according to each tranche.

The following tranches compose the balance of funds released by AFD:

Tranche	Release date	Final maturity	Release €	Balance €	12/31/2024		12/31/2023		
					Curve R\$	Market R\$	Balance €	Curve R\$	Market R\$
AFD 1(*)	07/22/2014	11/28/2025	9,000	1,004	6,460	6,460	2,010	10,754	10,754
AFD 2(*)	10/13/2014	11/28/2025	7,000	781	5,025	5,025	1,564	8,364	8,364
AFD 3(**)	02/02/2017	11/28/2025	15,000	1,673	10,767	10,767	3,351	17,923	17,923
AFD 4(***)	02/03/2021	07/30/2032	17,500	16,063	103,356	101,842	18,100	96,815	97,278
			48,500	19,521	125,608	124,094	25,025	133,856	134,319

(*) There were no hedges for borrowings from AFD1 and AFD2 tranches, since the funds were transferred to borrowers and subject to borrowing charges solely including the Bank's interest.

(**) Part of borrowings from AFD 3 tranche backed the loan transaction in respect of one customer under the same financial conditions, plus the Bank's interest. The remaining balance is hedged by swaps.

(***) Borrowings from AFD 4 tranche are hedged by swaps, as described in note 6.2b.

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v) Fundo Financeiro para o Desenvolvimento da Bacia do Prata – FONPLATA

Tranche	Release date	Final maturity	Release US\$	12/31/2024			12/31/2023		
				Balance US\$	Curve R\$	Market R\$	Balance US\$	Curve R\$	Market R\$
FONPLATA	05/21/2020	05/17/2025	36,000	6,057	37,503	37,136	18,192	88,064	87,449
FONPLATA2	12/18/2023	09/15/2031	34,000	34,791	215,415	208,485	34,104	165,090	165,139
			70,000	40,848	252,918	245,621	52,296	253,154	252,588

In May 2020, BDMG executed with FONPLATA a foreign borrowing agreement aiming to structure credit facilities for Minas Gerais State municipalities.

The agreement is effective for a five-year period. In December 2023, a new agreement was signed with the same purpose and for an eight-year period.

vi) Asian Infrastructure Investment Bank – AIIB

Tranche	Release date	Final maturity	Release US\$	12/31/2024			12/31/2023		
				Balance US\$	Curve R\$	Market R\$	Balance US\$	Curve R\$	Market R\$
AIIB 1	04/29/2024	06/17/2030	20,000	20,064	124,227	119,044	-	-	-
AIIB 2	07/30/2024	06/17/2030	10,000	10,032	62,114	61,634	-	-	-
			30,000	30,096	186,341	180,678	-	-	-

The tranches refer to the first financing agreement between BDMG and AIIB, two tranches have been disbursed with maturity in June 2030.

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b) Domestic onlendings

Onlendings are obligations referring to funds obtained from official funds and programs to be passed on to as financing to projects in the State of Minas Gerais. The maturities of principal and charges thereon are extended to 2038, with the levy of finance charges determined under the operating policies of each body or fund transferring the funds. The funds for onlendings from BDMG to its customers primarily derive from BNDES/FINAME system.

The balances of obligations from onlendings are broken down as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>
BNDES (1)	536,158	533,378
FINAME	883,292	826,602
Funcafé (2)	254,756	267,140
Fungetur (3)	230,578	188,131
FINEP	391,925	98,902
FDNE - SUDENE (4)	105,071	96,160
CEF	11,728	12,850
National Treasury	5,187	7,238
BNB	412	2,887
	<u>2,419,107</u>	<u>2,033,288</u>
Current	613,144	604,822
Noncurrent	1,805,963	1,428,466

(1) Funds from the National Bank for Social and Economic Development (“BNDES”) are intended to finance the long-term investment projects and mainly derive from the following credit facilities:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Automatic BNDES	189,332	205,146
BNDES FINEM	102,162	152,293
Other credit facilities	244,664	175,939
	<u>536,158</u>	<u>533,378</u>

(2) Funcafé funds are intended for working capital financing, storage and acquisition of coffee.

(3) Fungetur funds are targeted at private financing for tourism developments and service providers relating to the supply chain of the relevant industry registered with Cadastur.

(4) Funds derived from the Northeast Development Fund (“FDNE”) agreement, executed in 2022, are intended for investments in areas within the jurisdiction of the Northeast Development Authority (“SUDENE) in Minas Gerais.

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10. Provisions

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial obligations (a)	360,831	415,615
Contingent liabilities: tax, labor and civil (b)	338,014	322,264
Provisions for other contingencies	6,921	7,465
Total	<u>705,766</u>	<u>745,344</u>
Current	36,627	34,188
Noncurrent	669,139	711,156

a) Actuarial obligations

The provision recognized for actuarial obligations referring to benefits sponsored by the Bank for its active and assisted employees, as detailed in Note 18, is broken down as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial liabilities referring to the Pension Plan - DB/DC (Note 18.c.i)	232,065	261,550
Actuarial liabilities referring to the Health Promotion Program (PRO - SAÚDE), healthcare and dental care plan (Note 18.c.i)	115,774	138,528
Actuarial liability referring to life insurance (Note 18.c.i)	12,992	15,537
Total	<u>360,831</u>	<u>415,615</u>
Current	34,664	32,867
Noncurrent	326,167	382,748

b) Contingent liabilities of tax, labor and civil nature

The Bank is a party to tax, labor and civil lawsuits in the ordinary course of business. In view of the legal counsel's assessment of the likelihood of loss, these lawsuits may lead to the recognition of provisions.

The following table comprises the accrued contingent liabilities by nature and respective variations occurred during the period:

	<u>12/31/2023</u>	<u>Provisions recognized</u>	<u>Adjustments</u>	<u>(write-offs)</u>	<u>12/31/2024</u>
Tax (b.1)	299,309	179	14,896	-	314,384
Labor (b.3)	15,974	550	1,621	(2,864)	15,281
Civil (b.2)	6,981	7,447	228-	(6,305)	8,351
Total	<u>322,264</u>	<u>8,176</u>	<u>16,743</u>	<u>(9,169)</u>	<u>338,014</u>
Current	-				-
Noncurrent	322,264				338,014

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b.1) *Tax contingencies*

The provisions for tax risks refer to liabilities associated with lawsuits and administrative proceedings in progress before the Brazilian Federal Revenue Service Office or Administrative Board of Tax Appeals, which are assessed as probable losses.

Variations in provisions

	12/31/2023	Provisions	Adjustments	12/31/2024
Changes in COFINS tax base - Law 9.718/1998	217,076	-	11,601	228,677
Changes in PIS/PASEP tax base - Law 9.718/1998	73,188	-	2,968	76,156
Other contingencies	9,045	179	327	9,551
	299,309	179	14,896	314,384

The table below comprises the provisions and escrow deposits referring to tax lawsuits assessed as probable losses:

	12/31/2024		12/31/2023	
	Provision	Deposit	Provision	Deposit
Changes in COFINS tax base - Law 9.718/1998	228,677	66,679	217,077	63,897
Changes in PIS/PASEP tax base - Law 9.718/1998	76,156	76,156	73,188	73,188
Other contingencies	9,551	2,945	9,044	2,809
	314,384	145,780	299,309	139,894

The provisions are adjusted for inflation on a monthly basis, according to the SELIC rate, the Bank's earnings projections and expected realization of related tax credits, considering their distribution within a period of 10 years.

There are performance bonds at the National Treasury General Attorneys' Office (PGFN) level to guarantee the payment of debts included in the executable tax debts in connection with COFINS tax executions, as governed by Ordinance 164 of February 27, 2014 of the Ministry of Finance. Although the tax liability has already been fully accrued, when the lawsuit has undergone all court levels there may be a cash effect for BDMG, with a disbursement currently estimated at R\$161,998 (2023 – R\$153,180), equivalent to the difference between the total accrued liability and the existing escrow deposits.

b.2) *Civil contingencies*

The civil contingencies mostly refer to lawsuits claiming debt amounts, contractual clauses and interim statute of limitations.

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The provisions for civil lawsuits are recognized when the legal counsel's opinions indicate a likelihood of probable loss.

The accrued contingencies refer to 495 lawsuits (2023 = 667 lawsuits), of which 17 lawsuits with an individual amount greater than R\$100 reach the amount of R\$4,450.

The provisions are adjusted for inflation based on the SELIC rate.

To cover the risks underlying those lawsuits, the Bank has escrow deposits recorded in "Debtors for escrow deposits", in the amount of R\$129 (12/31/2023 - R\$173).

b.3) *Labor contingencies*

The labor contingencies assessed as probable losses substantially refer to: (i) lawsuits claiming the 7th and 8th hours and disqualification of positions of trust; (ii) payment of adjustments set forth in CBA 1996/1997 understated due to the CBA amendment executed by state banks in activity during that period; (iii) break time set out in article 384 of CLT; and (iv) the bank divisor applicable for calculating overtime. There are also claims involving joint liability filed against service providers serving the Bank.

The provisions are adjusted for inflation based on the SELIC rate.

The escrow deposits amounting to R\$1,170 (12/31/2023 - R\$3,610) for the filing of appeals associated with labor claims are recorded in line item "Debtors for escrow deposits".

b.4) *Tax, labor and civil contingencies assessed as possible losses*

The table below lists the quantity and balances of ongoing lawsuits assessed as possible losses, for which no provision has been recognized:

	12/31/2024		12/31/2023	
	Quantity	Balance	Quantity	Balance
Tax (i)	8	27,381	10	27,850
Civil	28	4,938	47	7,782
Labor (ii)	2	763	2	688
	38	33,082	59	36,320

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- (i) The tax lawsuits assessed as possible losses, for which no provision has been recognized, are as follows:

<u>Lawsuits</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
• Income tax (IRPJ) and social contribution (CSLL)	20,638	19,750
• Social security contribution (INSS)	6,743	6,368
• Other	-	1,732
Total	27,381	27,850

The tax lawsuits assessed as possible losses include the following:

- collection of IRPJ for the year 1997 in the updated amount of R\$20,293 thousand on exclusion made in the tax base, referring to inflation adjustment based on the IPC/BTNF provided for in Law 8200/1991;
- collection of social security contribution (INSS) on amounts provided for in the Collective Bargaining Agreement for Bank Employees: Bonus (from 2001 to 2005) in the amount of R\$2,479 thousand and Profit Sharing (2015) in the amount of R\$4,235 thousand.

- (ii) The labor lawsuits assessed as possible losses include lawsuits filed by employees of the company UNITEC, in which BDMG holds a 6.5% equity interest. Due to such equity interest, the Bank is jointly and severally liable under the relevant labor lawsuit.

11. Other liabilities

Breakdown of balances

	<u>12/31/2024</u>	<u>12/31/2023</u>
Financial and development funds (a)	260,612	287,757
Sundry creditors – domestic (b)	56,795	35,204
Social and statutory obligations (c)	33,636	69,915
Accrued payments (d)	30,520	25,497
Current tax liabilities (e)	29,463	33,971
Other	6,541	2,095
Total	417,567	454,439
Current	173,292	172,888
Noncurrent	244,275	281,551

- (a) Financial and development funds - the balance of R\$260,612 (12/31/2023 - R\$287,757) refers to funds derived from state funds, funds related to official agencies and private funds, which are made available to the Bank for the exercise of its duties as financial agent/legal representative of these funds.

The several funds in which the Bank acts as a financial agent/legal representative are controlled through individual accounting groups, held in memorandum accounts (unaudited), which include the financing balances receivable and the total amount of cash and cash equivalents comprising the amounts transferred by funds for the granting of new financing plus the total amount of installments received, net of interest.

The installments received net of interest are transferred to the funds to the extent they are incorporated into the Bank's cash.

<u>Fund's equity (unaudited)</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
State funds	3,864,983	3,862,441
Private funds	124,087	88,072
Other funds	249,955	185,299
	4,239,025	4,135,812

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(b) Sundry creditors – breakdown of balances

	<u>12/31/2024</u>	<u>12/31/2023</u>
Deferred revenue	37,959	21,597
Amounts to be transferred to third parties	6,844	934
Amounts to be transferred to INDI	3,750	-
Trade receivables to be offset	3,300	5,302
Attorneys' fees payable (received from customers)	2,546	2,296
Payroll sale	829	1,050
Other	1,567	4,025
	<u>56,795</u>	<u>35,204</u>

(c) Social and statutory obligations - the balance of R\$33,636 (12/31/2023 - R\$69,915) refers to the amount of dividends for 2024 to be paid to shareholders.

(d) Accrued payments – breakdown of balances

	<u>12/31/2024</u>	<u>12/31/2023</u>
Vacation pay, 13 th salary and other charges	16,999	15,653
Employee profit sharing (PLR) (1)	10,152	7,416
Other	3,369	2,428
	<u>30,520</u>	<u>25,497</u>

(1) Employee profit sharing reported in the income statement in the total amount of R\$13,802 (2023 - R\$11,126) derives from the balance of R\$10,152 (2023 - R\$7,416) referring to the amount payable as a result of earnings for the year and from the amount of R\$3,650 (2023 - R\$3,710) already paid in advance to employees, based on earnings for the first half of the year.

(e) Current tax liabilities

	<u>12/31/2024</u>	<u>12/31/2023</u>
Provision for taxes and contributions	19,992	24,330
Taxes and contributions on payroll	6,123	5,888
Other taxes and contributions payable	3,348	3,753
	<u>29,463</u>	<u>33,971</u>

12. Equity

a) Capital

BDMG's subscribed capital is represented by 77,288,453,872 (12/31/2023 - 74,775,621,386) registered common shares without par value, in the amount of R\$2,316,372 (12/31/2023 - R\$2,218,407).

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Capital increase in 2024:

1. On April 22, 2024, as resolved at the Annual and Extraordinary Shareholders' Meetings held on the same date, BDMG's capital was increased by R\$23,055, as follows:

i) R\$22,612 – derived from residual profit for FY2023 and incorporated into capital without the issuance of shares, distributed as follows:

Shareholder	R\$
State of Minas Gerais	22,430
MGI – Minas Gerais Participações S.A.	182
Departamento de Estradas de Rodagem do Estado de Minas Gerais - DER-MG	-
Total	22,612

ii) R\$443 – amount corresponding to 15,853,250 shares, subscribed and paid up by shareholder State of Minas Gerais through funds derived from proceeds from the financing of Fundo de Fomento e Desenvolvimento Socioeconômico do Estado de Minas Gerais - FUNDESE, to be allocated for investments in “Programa Estadual de Crédito Popular”.

2. At a meeting held on December 19, 2024, the Extraordinary Shareholders' Meeting approved the conversion into capital increase of the amount net of tax of R\$75,000, resolved at the same Meeting, as credit of interest on capital for FY2024 to shareholders.

The credit of interest on capital net of taxes, totaling R\$74,909, converted into capital increase subscribed and paid-up on the same date, is broken down as follows:

Shareholder	Amount	Number of shares
State of Minas Gerais	74,396	2,479,861,579
MGI – Minas Gerais Participações S.A.	513	17,117,657
Total	74,909	2,496,979,236

Bank's shareholding structure:

Position as at December 31, 2024

	Capital breakdown		Equity interest - %
	Amount	Number of shares	
State of Minas Gerais	2,296,856	76,668,991,052	99.19
MGI – Minas Gerais Participações S.A.	19,516	619,462,820	0.81
Total	2,316,372	77,288,453,872	100.00

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The Extraordinary Shareholders' Meeting held on December 19, 2024 accepted the terms of the minutes of the 7th meeting of the Board of Directors of Departamento de Estradas de Rodagem do Estado de Minas Gerais - DER-MG, resolving to withdraw as shareholder of BDMG, as of the same date. Under the terms of the minutes, the 41 common shares owned by DER, with par value of R\$0.03, were transferred to the controlling shareholder State of Minas Gerais.

Position as at December 31, 2023

	Capital breakdown		Equity interest - %
	Amount	Number of shares	
State of Minas Gerais	2,199,587	74,173,276,182	99.19
MGI – Minas Gerais Participações S.A.	18,820	602,345,163	0.81
Departamento de Estradas de Rodagem do Estado de Minas Gerais - DER-MG	-	41	-
Total	2,218,407	74,775,621,386	100.00

Shareholders' compensation

In May 2024, the Bank paid credits from interest on capital to shareholders corresponding to FY2023, as resolved at the Extraordinary Shareholders' Meeting held on December 27, 2023.

The table below comprises the amounts of interest on capital paid in 2024 and 2023:

	Payment in 2024	Payment in 2023		Total
	Interest on capital for 2023	Interest on capital for 2022	Dividends for 2022	
State of Minas Gerais	69,436	79,672	53,964	133,636
MGI – Minas Gerais Participações S.A.		550	438	988
(*)	479			
Total	69,915	80,222	54,402	134,624

(*) Interest on capital of MGI: net of withholding income tax (IRRF) in the amount of R\$84.

Among the guidelines approved for allocation of profit for FY2024, the Extraordinary Shareholders' Meeting held on December 19, 2024 approved the payment to shareholders of 25% of the profit for the year, and the amount to be settled with the shareholder State of Minas Gerais must consider the shares of DER transferred to the shareholder, as reported above.

According to this resolution, the dividends for FY2024 to be paid to shareholders are:

Shareholders	Dividends
State of Minas Gerais	33,365
MGI Participações S.A.	271
Total	33,636

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b) Valuation adjustments to equity

	<u>12/31/2024</u>	<u>12/31/2023</u>
Mark-to-market adjustments (i)	(9,258)	(7,824)
Other valuation adjustments to equity (ii)	(92,128)	(127,172)
Total	<u>(101,386)</u>	<u>(134,996)</u>

(i) The mark-to-market adjustments, net of taxes, refer to adjustments to securities classified as “Available-for-sale securities” (Note 6.1.b)

(ii) Other adjustments refer to the recognition of costs inherent in the Bank’s obligation to offer employee benefits and that, as required by technical pronouncement CPC 33 (R1) – Employee Benefits, effective beginning January 2013, should be adjusted in equity, net of taxes. The gross amounts are disclosed in Note 18.c-i.

c) Earnings reserves

The earnings reserve amounting to R\$48,678 (12/31/2023 - R\$45,381) is recognized through the legal reserve of R\$29,496 (12/31/2023 - R\$22,769, calculated based on 5% on profit for the period, limited to 20% of capital; and the special earnings reserve of R\$19,182 (12/31/2023 - R\$22,612), which refers to the residual profit after the allocation of the portion for capital increase of BDMG, as resolved at the Extraordinary Shareholders’ Meeting of 12/19/2024. The residual profit was determined by the profit for 2024 less 5% allocated to the Legal Reserve, the credit of Interest on Capital credit and the allocation of 25% for payment to shareholders.

The balance of the earnings reserve at December 31, 2023 was allocated for capital increase, as resolved at the Annual Shareholders’ Meeting held on April 22, 2024.

d) Profit for the year

In the year, a profit of R\$134,545 was generated (2023 – R\$97,485).

e) Earnings per share

	<u>Six-month period</u>	<u>2024 Year</u>	<u>2023 Year</u>
Profit for the period	83,847	134,545	97,485
Number of shares (per thousand shares)	77,288,454	77,288,454	74,775,621
Basic earnings per share	0.00112	0.00176	0.00130

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f) Recurring and non-recurring revenue and expenses

Recurring and non-recurring revenue and expenses for the first half of 2024 and 2023 are broken down as per BDMG's internal policy that is consistent with BCB Resolution No. 2/2020:

	2024		2023
	Six-month period	Year	Year
Recurring revenue and expenses	83,847	134,545	163,118
Non-recurring revenue and expenses	-	-	(65,633)
▪ Recognition of provision for tax risks ⁽¹⁾	-	-	(60,451)
▪ Provision for offset of tax losses ⁽²⁾	-	-	(5,182)
	83,847	134,545	97,485

⁽¹⁾ In June 2023, the Federal Supreme Court (STF) issued a ruling unfavorable to banks regarding the collection of PIS/COFINS on all revenues obtained from financial intermediation. In view of such decision, in that same month BDMG recomputed the provision for COFINS that had been reversed in January 2023 in the amount of R\$75,210 and, additionally, accrued the amounts of fines and legal charges related to the lawsuit, previously not accrued, in the amount of R\$72,708, whose net tax credit amount is R\$60,451.

⁽²⁾ Change in assessment of the risk of loss from possible to probable referring to the administrative proceeding arising from the offset of tax losses in 2005: R\$3,265 and negative calculation basis in 2007: R\$3,876, totaling the gross amount of R\$7,141, net of the corresponding tax credit, R\$5,182.

13. Profit or loss accounts

a) Revenue from loan transactions

	2024		2023
	2nd six-month period	Year	Year
Income from borrowings and financing	455,180	865,919	828,315
Recovered receivables ⁽¹⁾	48,328	81,837	98,524
Sale or transfer of financial assets	(22,447)	(22,447)	914
	481,061	925,309	927,753

(1) Refer to revenue generated by the recovery of assets written off as losses resulting from agreements signed with customers and/or receipts for honoring guarantee funds and assets given as collateral for transactions.

(2) Refer to the income from credit assignment transactions with substantial transfer of risks and rewards in transactions with cash payments. In the prior year, the negative result of these assignments was presented in "Other operating expenses".

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b) Income from securities and derivative financial instruments and expenses on financial intermediation

i) *Income from securities and foreign exchange transactions*

	2024		2023
	2nd six-month period	Year	Year
Income from securities			
Fixed-income securities ⁽¹⁾	106,017	179,875	98,430
Investments in repurchase transactions ⁽²⁾	55,524	110,684	147,524
Investments in investment funds	4,399	11,933	13,413
Investments in interbank deposits	305	5,349	16,828
Gains (losses) on foreign exchange transactions ⁽³⁾	(1,071)	2,917	60,983
	165,174	310,758	337,178

(1) The increase in income from fixed-income securities arose from the higher balance of investments in federal government bonds and private securities and from the reversals of provisions for Real Estate Receivables Certificates.

(2) The decrease in income was due to decreases in the average daily balances invested in repurchase transactions and the SELIC rate.

(3) The income from foreign exchange transactions in 2023 was mainly due to the positive exchange rate variation of foreign borrowings due to the appreciation of the local currency in the first half of 2023.

ii) Expenses on financial intermediation

	2024		2023
	2nd six-month period	Year	Year
Expenses on borrowings and onlendings	(192,869)	(378,016)	(442,329)
Expenses on foreign borrowings, net of effects of gains (losses) on derivative transactions - swaps ⁽¹⁾	(110,039)	(215,791)	(301,849)
Expenses on BNDES and FINAME onlendings	(62,314)	(122,501)	(103,735)
Expenses on onlendings - other institutions	(20,516)	(39,724)	(36,745)
Expenses on funding transactions	(162,823)	(280,804)	(225,332)
Expenses on agribusiness credit bills	(60,471)	(106,018)	(92,893)
Expenses on interbank deposits and repurchase transactions ⁽²⁾	(68,748)	(105,652)	(59,322)
Expenses on financial bills	(20,060)	(41,280)	(44,642)
Expenses on payables to financial and development funds	(12,808)	(27,118)	(28,475)
Expenses on development credit bills	(736)	(736)	
	(355,692)	(658,820)	(667,661)

(1) The decrease primarily refers to exchange gains on foreign borrowings in 2023 in the amount of R\$62,609 thousand classified as Gains (losses) on foreign exchange transactions (Note 13.bi).

(2) The increase in expenses is due to the increase in the balances of interbank deposits, time deposits and interest-bearing special deposits.

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c) Tax expenses, administrative and personnel expenses, other operating income (expenses) and expenses on provisions

i) *Tax expenses*

	2024		2023
	2nd six-month period	Year	Year
Taxes on revenue (PIS and COFINS)	(14,267)	(27,443)	(28,101)
Service tax (ISSQN)	(1,118)	(1,999)	(1,815)
Other	(2)	(888)	(840)
	(15,387)	(30,330)	(30,756)

ii) *Administrative expenses*

	2024		2023
	2nd six-month period	Year	Year
Outside services and specialized technical services	(14,596)	(23,521)	(18,596)
Data processing expenses ⁽¹⁾	(10,973)	(22,374)	(16,413)
Expenses on publicity and communications	(6,391)	(10,300)	(9,055)
Depreciation and amortization	(4,117)	(8,085)	(10,173)
Registration expenses	(2,449)	(4,542)	(3,826)
Expenses on maintenance and materials	(2,355)	(4,182)	(4,347)
Expenses on rentals and infrastructure	(861)	(1,646)	(1,365)
Travel and transportation expenses	(1,108)	(1,921)	(1,355)
Other	(2,008)	(3,536)	(3,946)
	(44,858)	(80,107)	(69,076)

(1) The variation is due to the increase in expenses on cloud providers and software maintenance.

iii) *Personnel expenses*

	2024		2023
	2nd six-month period	Year	Year
Wages (1)	(49,783)	(96,265)	(87,350)
Payroll and related taxes	(16,432)	(31,905)	(28,904)
Benefits (1)	(6,977)	(13,217)	(12,280)
Fees of the Executive Board and Boards	(2,815)	(5,580)	(4,968)
Interns' compensation	(1,625)	(3,018)	(2,899)
Training	(1,119)	(1,578)	(1,084)
Other	-	(1)	(106)
	(78,751)	(151,564)	(137,591)

(1) The increase in expenses was due to certain factors, including the effects of the collective bargaining agreements of Sept/23 and Sept/24.

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iv) Other operating income

	2024	2024	2023
	2nd six-month	Year	Year
	period		
Reversal of sundry provisions	3,691	6,183	11,102
Recovery of expenses	448	2,691	1,864
Income arising from court decisions	27	53	515
Income from inflation adjustments - STN	-	133	246
Income from equalization - STN	187	466	638
Other	703	1,655	3,496
	5,056	11,181	17,861

v) Other operating expenses

	2024	2023	
	2nd six-month	Year	
	period	Year	
Agreement expenses - Invest Minas	(7,976)	(16,298)	(10,093)
Fees/commissions - foreign borrowings (1)	(4,048)	(12,177)	(4,471)
Expenses on discounts granted on renegotiations (2)	(2,989)	(11,880)	(21,136)
Agreement expenses - BDMG Cultural	(183)	(1,573)	(4,412)
Expenses on bonuses and discounts on loan transactions	(1,403)	(1,745)	(2,051)
Indemnity expenses	(1,231)	(2,102)	(2,748)
Other (3)	(5,201)	(7,639)	(5,052)
	(23,031)	(53,414)	(49,963)

(1) The variation was due to the increase in foreign borrowings.

(2) The amount of discounts derives from agreements executed for debt renegotiation purposes, particularly payments in cash.

(3) Refers mainly to: inflation adjustment of amounts payable to FGI (R\$3,527, 2023 = R\$327) and donations/incentives related to the Rouanet Law (R\$850, 2023 = R\$1,000).

vi) Expenses on provisions

	2024	2023	
	2nd six-month	Year	
	period	Year	
Post-employment benefits - DB and CV pension plan (Note 18.c.i)	(12,453)	(25,906)	(27,546)
Post-employment benefits – healthcare plan and life insurance (Note 18.c.i)	(7,783)	(15,493)	(16,921)
Expenses on accrued tax obligations (1)	(5,510)	(10,136)	(85,195)
Expenses on accrued labor obligations	-	(2,171)	(1,659)
Expenses on accrued civil obligations	(140)	(2,569)	(2,917)
Provisions for co-obligations in rural transactions	(32)	(146)	(1,908)
Other	(713)	(1,291)	(1,132)
	(26,631)	(57,712)	(137,278)

(1) In 2023, they refer mainly to expenses on accrued fines and legal charges in connection with the COFINS lawsuit, which were not previously accrued, as disclosed in note 12 b – observation (1) of the table.

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14. Income tax and social contribution

a) Reconciliation of income tax and social contribution in the income statement
Profit or loss

	12/31/2024	12/31/2023
	2nd six-month period	Year
Profit before income tax, social contribution and profit sharing	98,207	195,460
Profit sharing	(10,827)	(15,001)
Profit before income tax and social contribution	87,380	180,459
Statutory rate	45%	45%
Income tax and social contribution at statutory rate	(39,321)	(81,207)
Interest on capital	32,496	32,496
Nondeductible expenses and nontaxable revenues	1,590	1,465
Expenses on COFINS lawsuit	(736)	(1,484)
Tax incentives	2,427	2,792
Other amounts	10	23
Income tax and social contribution expenses	(3,533)	(45,914)
Deferred tax assets	6,533	12,659
Current income tax and social contribution amounts payable	(10,066)	(58,573)

b) Tax credits

BDMG's tax credits are recognized on temporary differences and amount to R\$619,827 (12/31/2023 - R\$632,394). The tax credits are recognized in conformity with CMN Resolution No. 4.842/2020 considering, within up to 10 years, their expected realization due to taxable income included in the earnings projections.

Origin of tax credits on temporary differences

	12/31/2023	Recognition	Realization	12/31/2024
Allowance for loan losses	266,077	208,577	(204,402)	270,252
Post-employment benefits	187,027	18,618	(43,271)	162,374
Decrease in securities	82,777	9,485	(8,166)	84,096
Changes in COFINS tax base - Law 9.718/1998	59,398	2,551	-	61,949
Tax, labor and civil contingencies	14,730	2,339	(1,923)	15,146
Changes in PIS/PASEP tax base - Law 9.718/1998	11,465	-	-	11,465
Co-obligation to STN	1,146	66	(709)	503
Other	1,873	88,608	(87,785)	2,696
Total temporary differences	624,493	330,244	(346,256)	608,481
Mark-to-market adjustments to available-for-sale securities	7,901	3,445	-	11,346
Total tax credits	632,394	333,689	(346,256)	619,827

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Estimated realization of tax credits on temporary differences

	<u>Nominal amount</u>	<u>Present value</u>
Year:		
2025	58,338	53,551
2026	18,020	15,065
2027	85,623	66,020
2028	134,818	96,215
2029	89,586	59,341
2030	49,758	30,647
2031	34,664	19,929
2032	50,832	27,346
2033	53,954	28,169
2034	44,234	23,095
Total	<u>619,827</u>	<u>419,377</u>

The present value of the realizable value of tax credits is determined through discounts at the average borrowing rate of funds contracted by BDMG.

c) Deferred tax liabilities

	<u>12/31/2024</u>	<u>12/31/2023</u>
Deferred revenue	45,753	26,025
Mark-to-market adjustments to available-for-sale securities	2,205	163
Total	<u>47,948</u>	<u>26,188</u>

15. Related parties

In conformity with CMN Resolution No. 4.818/2020, Law No. 13.303/2016 and State Decree No. 47.154/2017, BDMG established a policy applicable to related-party transactions. Among other guidelines, the policy forbids the performance of related-party transactions under conditions different from market conditions or that may impair the institution's interests.

The transactions conducted by the Bank with its related parties include:

State of Minas Gerais

a) Agreements executed through bodies managing state funds

BDMG provides services in the capacity of financial agent/legal representative of state funds, receiving commissions included in the finance charges levied on financing taken using the fund's resources. In 2024, the total revenue earned by the Bank amounted to R\$4,855 (2023 = R\$4,831).

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b) Agreement executed through SEINFRA - Secretaria de Estado de Infraestrutura e Mobilidade

The Bank entered into an agreement for the provision of services involving the concession project structuring for the highway system Ouro Preto – Brumadinho. The compensation depends on the successful or unsuccessful completion of the project: Successful completion: R\$5,665 and unsuccessful completion: R\$3,600, which are adjusted for inflation on an annual basis, according to the Extended Consumer Price Index (IPCA).

c) Agreement executed through SEMAD - Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável

The Bank entered into an agreement for the provision of specialized technical services in connection with the structuring of environmental projects.

In 2024, the following was recorded in respect of such agreement: revenues of R\$2,812 and expenses of R\$1,456.

d) Secretaria de Estado de Planejamento e Gestão de Minas Gerais – SEPLAG

The Bank assumes responsibility for the charges related to professionals assigned by SEPLAG. In 2024, expenses on the six professionals assigned totaled R\$1,469. In 2023, expenses on the five professionals assigned amounted to R\$1,159.

INVEST Minas (a non-profit entity associated with the State Department of Economic Development)

Pursuant to State Law No. 22,287, of September 14, 2016, the Bank holds a 50% equity interest in Invest Minas (currently Instituto de Desenvolvimento Integrado de Minas Gerais – INDI), and, through contributions, accounts for 50% of corporate expenses annually recorded.

The Bank's expenses on contributions made total R\$16,298 in 2024 and amounted to R\$10,093 in 2023.

Instituto Cultural Banco de Desenvolvimento de Minas Gerais - BDMG Cultural

(non-profit civil association)

The Bank incurs expenses on contributions made so that the Institute may perform cultural activities. In 2024, expenses on contributions made total R\$1,573 and amounted to R\$4,412 in 2023.

The Institute is in process of dissolution.

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DESBAN - Fundação BDMG de Seguridade Social (non-profit, closed-end supplementary pension entity)

In order to provide the social security and healthcare benefits to its employees, the Bank makes payments to DESBAN, an entity in charge of managing those benefits.

Note 18 includes information on disbursements and expenses on post-employment benefits (social security and healthcare) made by the Bank in 2024 and 2023.

BDMG's assets comprise the amount of R\$844 to be used by DESBAN in partially covering the insurance premiums, as defined in the regulations governing the Pension Benefit Plan namely BDMG CD that superseded the BDMG CV Plan.

BDMG, as sponsor of the Defined Benefit Plan – BD and, in compliance with paragraph 1 of CNPC Resolution No. 30/2018 and RN/DESBAN Report No. 008/2022, pledged as collateral, on behalf of DESBAN, for obligations arising from the 2021 deficit resolution plan, credit rights comprising three loan transactions.

Such commitment agreement totaled R\$34,412. As at December 31, 2024, the inflation-adjusted balance of this agreement is R\$36,442 and the balance of the three loan transactions collateralizing such agreement amount to R\$36,557.

The transfer of management of the Pró-Saúde plan from Desban to the self-management operator Cemig Saúde is currently underway.

Those expenses on post-employment benefits are detailed in note 16.

BDMG has assigned an employee to DESBAN, which defrays the respective costs.

AFBDMG - Associação dos Funcionários do BDMG (non-profit association)

The Bank pays to AFBDMG the amount equivalent to its share referring to the Group Life Insurance of the employees managed by the Association. The Bank's expenses on assets without post-employment benefits in 2024 and 2023 totaled R\$76.

Those expenses on post-employment benefits are detailed in note 18.

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Individuals

Members of the Board of Directors, Supervisory Board, Audit Committee, Risk and Capital Committee, Personnel, Eligibility, Succession and Compensation Committee and the Executive Board.

Compensation, payroll taxes and benefits paid in 2024 total R\$7,544 and amounted to R\$6,423 in 2023.

16. Fair value of financial assets and financial liabilities

In conformity with CMN Resolution 4.924/2021, when measuring and disclosing the fair value of financial instruments, the Bank adopts the following hierarchy:

- Level 1: instruments based on the prices quoted in an active market;
- Level 2: prices quoted in an active market for similar instruments or valuation techniques for which all significant variables are based on observable market inputs;
- Level 3: valuation techniques in which significant variables are not based on observable market inputs.

For certain groups of financial instruments, the fair value approximates the carrying amount, since they involve transactions with specific characteristics, exclusive rates and there is no active market and similar instrument. The following financial assets and financial liabilities are broken down as follows:

- Loan portfolio, including Interbank onlendings.
- Other financial assets.
- Deposits.
- Funds from securities issued.
- Onlendings.

As for interbank investments, the carrying amount approximates the fair value, since those transactions have short-term maturities and are recorded considering the market rates.

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- a) Comparative summary between cost (curve value) and the estimated fair value of financial instruments:

	12/31/2024		12/31/2023	
	Cost (curve value)	Fair value	Cost (curve value)	Fair value
Financial assets				
Interbank investments	1,198,965	1,198,965	1,014,269	1,014,269
Interbank deposits	-	-	145,114	145,114
Securities	3,766,894	3,664,210	1,326,588	1,311,078
Held-to-maturity financial assets	787,195	702,899	402,052	402,081
Debentures	165,770	82,798	109,509	109,466
CRA	29,620	29,631	15,494	15,566
CRI	46,755	46,759	85,688	85,688
CPR	545,050	543,711	191,361	191,361
Available-for-sale financial assets	2,979,699	2,961,311	924,536	908,997
Federal government bonds	2,708,184	2,686,085	661,245	661,173
Investment fund units	178,162	178,162	167,407	167,407
Variable-income securities	93,353	97,064	95,884	80,417
Derivative financial instruments	281,015	208,676	2,871	3,634
Loan portfolio (i)	7,153,538	7,153,538	6,229,275	6,229,275
Other financial assets	158,593	158,593	162,963	162,963
Total financial assets	12,559,005	12,383,982	8,881,080	8,866,333

(i) Include Interbank onlendings.

	12/31/2024		12/31/2023	
	Cost (curve value)	Fair value	Cost (curve value)	Fair value
Financial liabilities				
Deposits	2,504,597	2,504,597	606,697	606,697
Funds from securities issued	1,824,240	1,824,240	1,193,043	1,193,043
Foreign borrowings	2,342,141	2,268,563	1,492,335	1,461,758
Onlendings	2,419,107	2,419,107	2,033,288	2,033,288
Derivative financial instruments	688	2,223	150,617	182,466
Total financial liabilities	9,090,773	9,018,730	5,475,980	5,477,252

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b) Breakdown of the fair values of financial instruments by hierarchy level

	12/31/2024				12/31/2023			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income	2,961,311	2,783,149	123,810	54,352	908,997	741,590	112,131	55,276
Federal government bonds	2,686,085	2,686,085	-	-	661,173	661,173	-	-
Investment fund units	178,162	-	123,810	54,352	167,407	-	112,131	55,276
Variable-income securities	97,064	97,064	-	-	80,417	80,417	-	-
Financial assets measured at fair value through profit or loss	208,676	-	208,676	-	3,634	-	3,634	-
Derivative financial instruments	208,676	-	208,676	-	3,634	-	3,634	-
Total financial assets	3,169,987	2,783,149	332,486	54,352	912,631	741,590	115,765	55,276
Financial liabilities measured at fair value through profit or loss	2,270,786	-	2,270,786	-	1,644,224	-	1,644,224	-
Foreign borrowings	2,268,563	-	2,268,563	-	1,461,758	-	1,461,758	-
Derivative instruments	2,223	-	2,223	-	182,466	-	182,466	-
Total financial liabilities	2,270,786	-	2,270,786	-	1,644,224	-	1,644,224	-

17. Capital and risk management

BDMG's risk and capital management seeks to ensure an appropriate control over its activities to obtain the best return possible relatively to the risk level the Bank is willing to assume.

17.1. Capital management

a) Capital management

BDMG's capital management, in accordance with CMN Resolution No. 4.557/2017, aims to ensure an adequate capital level to perform the Bank's strategic planning, based on the risks underlying the business and decision-making mechanisms to deal with stressful situations.

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The Bank has institutional structures and policies to manage the operational risks, market risks, credit risks, liquidity risks, social risks, environmental and climate risks and capital management approved by the Board of Directors. The basic principles observed in managing and controlling risks and capital have been established pursuant to the prevailing regulations and market practices.

BDMG's capital management framework is broken down as follows:

- Board of Directors;
- Risk and Capital Committee;
- Executive Risk, Capital and Compliance Committee;
- Executive Board;
- Officer in charge of capital management;
- Officer in charge of risk management (CRO);
- Unit in charge of capital management;
- Unit in charge of the integrated risk management;
- Other units that may be involved in the capital management process.

The responsibilities assumed within the capital management framework consist of:

- Continuous monitoring to maintain the Regulatory Capital, Tier I Capital and Common Equity at levels compatible with the risks incurred;
- Systems, routines and procedures designed for capital management purposes;
- Assessment of impacts derived from the projection of scenarios on capital;
- Capital Plan;
- Capital Contingency Plan;
- Timely managerial reports for the Executive Board, Risk and Capital Committee, Executive Risk, Capital and Compliance Committee and Board of Directors.

The description of the capital management framework is disclosed together with the information on risk and capital management in the Basel Pillar 3 Report at the following website: <https://www.bdmg.mg.gov.br/transparencia-documentos/?demonstracoes>.

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In order to assess the capital sufficiency to cover possible risks underlying the performance of its activities and compliance with regulatory operational limits, a capital plan is annually prepared consistently with the Bank's strategic planning.

b) Regulatory capital

BDMG monitors the minimum capital requirements, the solvency indicators and operational limits according to the provisions and set of regulations disclosed by the Central Bank, aligned with the recommendations from the Basel Committee on Banking Supervision. The main figures relevant to the calculation of capital ratios are as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Equity	2,263,664	2,128,792
Tier I Regulatory Capital or Common Equity - (a)	2,050,611	1,965,128
Capital for transactions with the public sector - (b)	200,000	200,000
Regulatory capital (PR) - (a-b)	1,850,611	1,765,128
Total risk-weighted assets (RWA)	<u>8,643,878</u>	<u>7,312,647</u>
Credit risk (RWA _{CPAD})	7,403,355	6,397,520
Market risk (RWA _{MPAD})	333,120	106,909
Operational risk (RWA _{OPAD})	907,403	808,218
Capital share to cover the interest rate risk underlying the non-negotiable portfolio (RWA _{RBAN})	104,106	63,686
Minimum regulatory capital	1,011,713	831,514
Basel Index (PR/RWA)	21.41%	24.14%
Extended Basel Index (PR/(RWA + RBAN))	21.15%	23.93%

c) Sensitivity analysis

In compliance with article 35 of BCB Resolution No. 2/2021, BDMG conducts a sensitivity analysis for the recognition of carrying amounts that are subject to variations due to changes in the methods, assumptions and estimates considered for the next fiscal year. Based on the projections prepared within the scope of these financial statements, variables have been stressed for which variations more immediately affect profit or loss for the current year: allowance for loan losses, recovery of receivables and income from securities.

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	Impact on profit or loss (net of tax effects)			
	10% deterioration	20% deterioration	30% deterioration	40% deterioration
Sensitized variable				
Allowance for loan losses	(4,301)	(8,602)	(12,903)	(17,204)
Recovery of receivables	(2,574)	(5,148)	(7,722)	(10,296)
Income from services rendered	(1,043)	(2,086)	(3,129)	(4,172)

The sensitivity analysis for actuarial liabilities is disclosed in Note 18 c (iv).

17.2. Risk management

The risk management aligned with the strategic guidelines is committed to the Bank's ethical standards of conduct and reliability. We always aim to ensure the convergence of internal methodologies and models to the Basel Agreements and in conformity with the recommendations from the Regulatory Bodies, CMN Resolution No. 4.557/2017 and CMN Resolution No. 4.595/2017, aligned with the best risk management practices.

BDMG's risk management mission is to manage credit, market, liquidity, operational, social, environmental and climate risks, with a view to mitigating those risks and enhancing the effectiveness of operations and results of operations. Accordingly, practices are adopted appropriately to the nature and particularities of the Bank's operations.

The governance structure comprises the Board of Directors, Audit Committee, Internal Audit Committee, Independent Audit Committee, Risk and Capital Committee, Executive Risk, Capital and Compliance Committee, Credit and Risk Executive Board, Risk and Internal Control Authority, and other units in charge of managing risks in the first place.

Credit risk

The credit risk management policy establishes limits of exposure to credit risks by customer, economic group, economic dependence and monitoring of the loan portfolio quality, approval levels and credit analysis and monitoring criteria, in order to align decisions to the Institution's risk appetite.

Operational risk

The operational risk management policy defines duties, responsibilities and the own methodology for managing BDMG's operational risks, so as to identify, assess and respond to the risks appropriately.

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Compliance risk

The compliance risk management policy defines duties and responsibilities for managing BDMG's compliance risks, so as to ensure the Bank's performance is consistent with the internal and external regulations.

Liquidity risk

The liquidity risk management policy defines duties and responsibilities, exposure limits and reporting levels, aiming to prepare the Bank to support adverse scenarios, considering the different time horizons. It provides for situations that require triggering the contingency plan, which includes a set of strategies and measures to be implemented, with a view to adjusting the fixed limits. The policy also encompasses the monitoring of action plans defined and reporting of related results to Senior Management.

Market risk

The market risk management policy defines duties and responsibilities, operational limits, reporting levels and methods to be applied to mitigate the adverse effects arising therefrom on the Institution's economic and financial results, appropriately to the defined risk appetite.

Social, environmental and climate risks

The policy governing the management of social, environmental and climate risks establishes the management framework and guidelines, duties and responsibilities to be considered in BDMG's risk management process so as to keep them consistent with the organization's risk appetite.

Descriptions of the risk management frameworks and other management information are available on BDMG's website (<http://www.bdmg.mg.gov.br>).

Sensitivity analysis of market risks

The financial instruments are classified in the banking book as per the conservative strategy adopted for the allocation of funds and determined by Management, in compliance with the best market practices and classification criteria set by regulatory bodies. BDMG's exposure in the banking book particularly consists of loan transactions and borrowings, with the respective hedges, as well as securities transactions.

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The sensitivity test is performed under the economic value approach - EVE (Economic Value of Equity), which assesses the impact of interest rate changes on the present value of cash flows from the instruments classified in the institution's banking book.

Delta EVE measures the difference between the present value of total repricing flows of the instruments subject to interest rate risks under a base scenario and stress scenario for interest rates.

The following table summarizes the sensitivity amounts for scenarios of increase and decrease, determined through Delta EVE, concerning the banking book position as at December 31, 2024.

December 2024	Δ EVE	Δ EVE
	Parallel stress - increase	Parallel stress - decrease
Dollar coupon	(599)	649
EURO coupon	(176)	171
PRE	50,627	(56,975)
IPCA coupon	33,608	(40,469)
TJLP coupon	7,411	(9,844)
TLP coupon	3,753	(4,359)
TRD coupon	8,706	(15,481)
TOTAL BRL	104,106	(127,128)
Δ EVE	104,106	820

Note: The variation measures include losses represented by positive amounts, pursuant to article 13, paragraph 3 of BACEN Circular Letter 3.876/2018, which methodology is adopted for this sensitivity testing purposes.

Standardized scenarios comprising interest rate stresses (increase and decrease) were used, as per BACEN's regulations for Financial Institutions, classified as S3, which is the case of BDMG where 400bps stresses were applied for instruments associated with risk factors in local currency and 200bps stresses for Dollar and Euro coupons.

18. Employee benefits

As disclosed in Note 3.21, BDMG provides its employees with the following post-employment benefits: social security benefits, healthcare and dental care and life insurance.

Among the benefits granted, the Bank offers to its active and assisted employees and dependents the healthcare plan Pro-Saúde, managed by Desban.

Considering mainly the reduction in the number of users, in order to ensure the provision of healthcare to beneficiaries, on October 1, 2024 BDMG's management decided to adhere to Cemig Saúde, an operator established by Cemig, a state-owned company controlled by the State of Minas Gerais.

The transition to Cemig Saúde will be gradual, without the immediate termination of Pro-Saúde.

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The granted benefits are recorded in accordance with CPC 33 (R1) – Employee Benefits, which requires the performance of regular actuarial studies to support the recognition of benefits. Accordingly, to support the financial statements, the Bank adopts actuarial studies carried out on a semiannual basis for the reporting dates December 31 and June 30.

a) Characteristics of the benefit plans

i) *Pension Plan Benefit*

BDMG offers social security plans under the defined benefit and defined contribution categories, which are managed by DESBAN - Fundação BDMG de Seguridade Social, a non-profit, closed-end supplementary pension entity. Both plans are intended to supplement the amount of installments paid by the participants and their beneficiaries under the General Social Security Regime (RGPS).

Pension plan under the defined benefit category

This plan, closed for new adhesions on November 11, 2011, is based on the capitalization regime for calculating and accumulating the respective reserves, which derive from contributions made by the participants and sponsor, whose contribution is limited to the total regular contributions from participants, according to their individual particularities, in accordance with the contribution parity provided for in Constitutional Amendment No. 20/1998.

In 2015, the defined benefit plan sponsored by BDMG had a technical deficit to be resolved, in the amount of R\$28,136 at that time. Such resolution was conducted pursuant to article 29 of Resolution 26, of September 29, 2008, issued by the Supplementary Pension Management Board (CGPC), which was effective at the time and required that the plan deficit be resolved by participants (active and assisted employees and pensioners) and sponsors, consistently with the proportion of regular contributions made during the year in which the deficit was recorded.

In 2021, the defined benefit plan sponsored by BDMG had a technical deficit to be resolved, in the amount of R\$157,886 at that time. Such resolution was conducted pursuant to article 14 of Resolution 30, of October 10, 2018, issued by the National Supplementary Pension Board (CNPC), which required that the plan deficit be resolved by participants (active and assisted employees and pensioners) and sponsors, consistently with the proportion of regular contributions made during the year in which the deficit was recorded.

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Information on the deficit amount and resolution terms, including the respective adjustments, is provided below:

DB Plan – 2015 Deficit Resolution Plan (PED 2015)	Resolution at Desban in 2015	Resolution balance at the Sponsor as at 12/31/2023 (*)	Resolution balance at the Sponsor as at 12/31/2024 (**)
Resolution amount	28,136	33,186	32,644
Amount of sponsor's contribution	14,068	16,593	16,322
Amount of contribution by active and assisted participants	14,068	16,593	16,322
Resolution term	20 years	2024 to 2036	2025 to 2036

DB Plan – 2021 Deficit Resolution Plan (PED 2021)	Resolution at Desban in 2021	Resolution balance at the Sponsor as at 12/31/2023 (*)	Resolution balance at the Sponsor as at 12/31/2024 (**)
Resolution amount	157,886	164,984	148,236
Amount of sponsor's contribution	78,943	82,492	74,118
Amount of contribution by active and assistant participants	78,943	82,492	74,118
Resolution term	18 years and 11 months	2024 to 2042	2025 to 2042

(*) Resolution amount defined according to the flow of liabilities discounted to present value based on the assumptions determined in BDMG's actuarial valuation in December 2023.

(**) Resolution amount defined according to the flow of liabilities discounted to present value based on the assumptions determined in BDMG's actuarial valuation in December 2024.

When considering the best estimate to be adopted for the accounting recognition of the deficit resolution amount, the Bank relied on the statutory provisions and regulations required to determine the actuarial liabilities of a public entity sponsoring the supplementary pension plan.

Accordingly, for such purpose, participants (exactly 50%) and sponsors (exactly 50%) equally share the contributions, whereas the actuarial deficit portion is recognized in the Bank's liabilities that falls under its responsibility as sponsor.

This condition was accepted by DESBAN's Advisory Council as registered in the minutes to the 282nd meeting held on December 27, 2016: "an equal apportionment between participants (exactly 50%) and sponsors (exactly 50%) shall be considered not only for this Resolution Plan, but also for other deficit resolution plans that may be required in the future, as long as the same statutory and regulatory provisions remain effective".

The 2021 Deficit Resolution Plan (PED 2021) was approved at the 423rd meeting held by DESBAN's Advisory Council on November 30, 2022. The deficit will be resolved through payment of 50% by the sponsor and the remaining 50% by active and assisted participants.

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The life annuity benefits granted to former assisted employees and retirement benefits to two former retired employees that did not opt for the CLT regime at the time when the Bank was an independent entity, are recorded together with the actuarial liabilities from the Pension Benefit Plan under the defined benefit category (BD).

Defined contribution plan

On November 1, 2023, the Licensing Department of the National Pension Fund Agency, through PREVIC Ordinance No. 992, approved the proposed amendments to the regulations of the BDMG CV Pension Benefit Plan that was converted into BDMG CD Pension Benefit Plan.

As a result of those amendments, the variable contribution plan - BDMG CV, created on January 13, 2011, which combined characteristics of a defined contribution plan (CD) in the savings formation phase and a defined benefit plan (BD) over the benefit utilization period, became BDMG-CD, a plan under which the benefit amount now derives from the accumulation of contributions.

The Pension Benefit Plan - BDMG CD, which is open to new adhesions, offers participants the regular retirement benefits, early retirement and social security risk benefits pursuant to the relevant regulations (disability retirement and death annuity), with coverage provided through an insurance policy taken by DESBAN.

BDMG's regular contributions, as the Plan's sponsor, comply with the provisions set out in Constitutional Amendment No. 20/1998, limited to the total amount of regular contributions made by the participants.

Upon the BDMG-CV Plan conversion into BDMG-CD Plan, there was an assisted participant that received a monthly lifelong income under the defined benefit category with extraordinary contribution for the deficit resolution plan approved in 2022. In March 2024, the benefit granted as monthly lifelong income was discontinued, since the participant in a disability situation returned to work and is currently an active participant. Accordingly, upon the termination of the monthly lifelong income benefit, the remaining post-employment obligations were settled on March 31, 2024, after the regulatory changes occurred in 2023, under the responsibility of BDMG, in connection with the BDMG CD Plan.

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ii) *Health and dental care benefit*

PRÓ-SAÚDE is a Private Healthcare Plan offering coverage for medical and dental expenses to active participants and their beneficiaries, as disclosed in note 3.21. It is managed by DESBAN under a capitalization regime. This benefit is assured to active employees, retired employees who were already inactive on February 22, 2018, as well as employees who retired under the Voluntary Dismissal Program, which adherence period ended on April 30, 2018.

iii) *Life insurance*

The Bank sponsors the post-employment Group Life Insurance exclusively to assisted employees who were already entitled to the benefit on February 22, 2018. Such benefit is assured to active employees only while they remain as active participants. The Bank's contribution corresponds to 50% of the premium amount paid.

b) BDMG's participants under the social security plans

The number of participants is broken down as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Plans:		
Defined benefit (DB) - assisted participants	522	530
Defined benefit (DB) - active participants	214	217
Defined benefit (DB) - self-sponsored participants	7	8
Defined contribution – (DC) - active participants ⁽¹⁾	69	70
Defined contribution (DC) - assisted participants ⁽¹⁾	-	1
Defined contribution (DC) - self-sponsored participants ⁽¹⁾	1	
Benefits directly paid by the Company ⁽²⁾	3	3
Total	<u>816</u>	<u>829</u>

(1) The BDMG CV Benefit Plan was changed to BDMG CD Pension Benefit Plan on November 1, 2023.

(2) Refers to life annuity benefits granted to a former assisted employee and retirement benefits to two former retired employees that did not opt for the CLT regime at the time when the Bank was an independent entity, as disclosed in Note 3.22 (v).

In fulfilling its benefit plan obligations, BDMG made the following contributions to active and assisted employees:

	<u>2024</u>		<u>2023</u>	
	<u>2nd six-month period</u>	<u>Year</u>	<u>Year</u>	
Pension benefit plan (DB)	12,667	23,286		20,788
Health Promotion Program (PRÓ-SAÚDE)	5,135	10,159		9,288
Group life insurance	602	1,194		1,194
Pension Benefit Plan (CV) ⁽¹⁾	511	966		1,045
Total	<u>18,915</u>	<u>35,605</u>		<u>32,315</u>

(1) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan on November 1, 2023.

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Notes to the financial statements

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c) Bank's commitments to benefit plans

i) *Variations in net actuarial liabilities*

The net amounts of defined benefit plan obligations, pursuant to CPC 33 (R1), derived from the following variations occurred in the period:

	Pension Benefit Plan - BD			Pension Benefit Plan - CD (3)			Health Promotion Program (PRO-SAÚDE)			Group life insurance		
	2°	2024	2023	2°	2024	2023	2°	2024	2023	2024	2023	
	2nd six- month period	Year	Year	2nd six- month period	Year	Year	2nd six- month period	Year	Year	2nd six- month period	Year	Year
Reconciliation of (liabilities)/assets recognized												
Initial net (liabilities)	(260,457)	(304,121)	(276,307)	-	2	-	(124,045)	(138,528)	(123,084)	(14,040)	(15,537)	(13,935)
Effect of asset ceiling and additional liabilities	-	-	-	-	(23)	-	-	-	-	-	-	-
Participants' share of surplus (-) deficit (+)	26,977	42,592	38,121	-	-	-	-	-	-	-	-	-
Initial net (liabilities) recorded (1)	(233,480)	(261,529)	(238,186)	-	(21)	-	(124,045)	(138,528)	(123,084)	(14,040)	(15,537)	(13,935)
(Expenses)/revenues recognized in profit or loss for the period	(12,453)	(25,862)	(27,328)	-	(44)	(218)	(7,063)	(14,063)	(15,355)	(720)	(1,430)	(1,566)
Gains/(losses) recognized in equity	820	31,266	(17,456)	-	65	969	11,653	29,527	(6,776)	1,205	2,858	(1,152)
Employer contributions	12,667	23,286	20,788	-	-	72	3,680	7,289	6,687	563	1,117	1,116
Benefits directly paid by the Company	381	774	653	-	-	-	-	-	-	-	-	-
Transfer to other assets in the employer's balance sheet	-	-	-	-	-	(844)	-	-	-	-	-	-
Final net (liabilities) recorded (1)	(232,065)	(232,065)	(261,529)	-	-	(21)	(115,775)	(115,775)	(138,528)	(12,992)	(12,992)	(15,537)

(1) Refers to the share of sponsor's actuarial liability upon calculation of the effects of sharing risks with active and assisted participants.

(2) The actuarial gains/(losses) are recorded in "Other valuation adjustments to equity" in equity, as disclosed in Note 12.b.ii.

(3) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in November 2023.

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Amounts recognized in profit or loss

Expenses on the post-employment benefit plans are detailed below:

	Year 2024				Total
	Pension Benefit Plan – BD	Pension Benefit Plan – CD (2)	Health Promotion Program (PRO-SAÚDE)	Group life insurance	
Cost of current services	(2,303)	-			(2,303)
Cost of past services		(44)			(44)
Net interest cost	(23,559)	-	(12,789)	(1,430)	(37,778)
Expected contributions for administrative expenses			(1,274)		(1,274)
(Expenses) income recognized in the income statement (1)	(25,862)	(44)	(14,063)	(1,430)	(41,399)

	2nd Half of 2024				Total
	Pension Benefit Plan - BD	Pension Benefit Plan – CD (2)	Health Promotion Program (PRO-SAÚDE)	Group life insurance	
Cost of current services	(701)	-			(701)
Cost of past services		-			-
Net interest cost	(11,752)	-	(6,410)	(720)	(18,882)
Expected contributions for administrative expenses			(653)		(653)
(Expenses) income recognized in the income statement (1)	(12,453)	-	(7,063)	(720)	(20,236)

	Year 2023				Total
	Pension Benefit Plan - BD	Pension Benefit Plan – CD (2)	Health Promotion Program (PRO-SAÚDE)	Group life insurance	
Cost of current services	(2,125)	(4)	-	-	(2,129)
Cost of past services		(218)	-	-	(218)
Net interest cost	(25,203)	4	(14,251)	(1,566)	(41,016)
Expected contributions for administrative expenses	-	-	(1,104)	-	(1,104)
(Expenses) income recognized in the income statement (1)	(27,328)	(218)	(15,355)	(1,566)	(44,467)

(1) In 2024, the accounting records of expenses were segregated as follows: R\$6,721 (2023 - R\$6,864) and 2nd half of 2024 - R\$2,892, referring to benefits to be granted (active employees) and R\$34,678 (2023 - R\$37,603) and 2nd half of 2024 R\$17,344, referring to granted benefits (assisted employees). As for the Pension Plan – CD, contributions referring to the defined contribution share (CD), recognized as expenses in 2024, amounted to R\$1,032 (2023 - R\$890) and R\$564 in the 2nd half of 2024.

(2) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in November 2023.

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d) Actuarial studies

The actuarial obligations were assessed by an independent actuary under the Projected Unit Credit Method, whereas the study prepared for the reporting date December 31, 2024 remains effective.

i) *Statement of calculation of and variations in net actuarial liabilities*

The BDMG CV Pension Benefit Plan was changed to BDMG DC Pension Benefit Plan through PREVIC Ordinance 992, of November 1, 2023.

	Pension benefit plan - BD		Pension benefit plan - CD (1)		Health Promotion Program (PRO-SAÚDE)		Group life insurance	
	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
(Deficit)/surplus recorded								
Actuarial obligations calculated upon the actuarial valuation	(1,177,173)	(1,326,207)	-	(318)	(143,261)	(167,184)	(12,992)	(15,537)
Fair value of plan assets	909,251	1,022,086	-	320	27,486	28,656	-	-
(Deficit)/surplus recorded	(267,922)	(304,121)	-	2	(115,775)	(138,528)	(12,992)	(15,537)
Effects of the asset ceiling, additional liabilities and risk sharing								
Effect of the asset ceiling	-	-	-	(24)	-	-	-	-
Risk sharing (deficit to be shared x 50%)	35,857	42,592	-	-	-	-	-	-
Effects of the asset ceiling, additional liabilities and risk sharing	35,857	42,592	-	(24)	-	-	-	-
Net (liabilities)/assets calculated ((deficit)/surplus recorded, less effects of the asset ceiling and additional liabilities) (1)	(232,065)	(261,529)	-	(22)	(115,775)	(138,528)	(12,992)	(15,537)
Initial fair value of assets	1,022,086	901,130	320	2,486	28,656	26,569	-	-
Benefits paid over the period using the plan assets	(97,490)	(94,902)	(8)	(38)	(9,111)	(8,852)	-	-
Participant's contributions made in the period	15,375	13,172	-	72	-	-	-	-
Employer's contributions made in the period	23,286	20,788	-	71	7,289	6,687	-	-
Expected return on assets	95,643	100,949	8	238	2,833	2,831	-	-
Prepaid obligations – regulation amendments	-	-	(306)	(780)	-	-	-	-
Transfer to other assets in the employer's balance sheet	-	-	-	(844)	-	-	-	-
Gains/(losses) on the fair value of plan assets (2)	(149,649)	80,949	(14)	(885)	(2,181)	1,421	-	-
Final fair value of assets	909,251	1,022,086	-	320	27,486	28,656	-	-

The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in November 2023.

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i) Statement of calculation of and variation in net actuarial liabilities

	Pension benefit plan - BD		Pension benefit plan - CD (1)		Health Promotion Program (PRO-SAÚDE)		Group life insurance	
	Year 2024	Year 2023	Year 2023	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
Initial actuarial obligations	(1,326,207)	(1,177,437)	(318)	(708)	(167,184)	(149,653)	(15,537)	(13,935)
Cost of current services	(2,303)	(2,125)	-	(4)	-	-	-	-
Cost of past services	-	-	(44)	(218)	-	-	-	-
Participant's contributions made in the period	(15,375)	(13,172)	-	(72)	-	-	-	-
Interest on actuarial obligation	(122,584)	(129,561)	(7)	(82)	(15,622)	(17,082)	(1,430)	(1,566)
Benefits paid in the year	98,264	95,555	8	38	7,837	7,748	1,117	1,116
Prepaid obligations – regulation amendments	-	-	306	780	-	-	-	-
Gains/(losses) on actuarial obligations (2)	-	-	-	-	-	-	-	-
Actuarial gain/(loss) - changes in assumptions	229,936	(89,918)	40	(141)	28,739	(11,606)	2,720	(1,198)
Actuarial gains/(losses) - changes in the demographic assumptions	-	-	-	-	-	-	-	-
Actuarial gain/(loss) - changes in the extraordinary contributions of participants and assisted employees	-	-	-	21	-	-	-	-
Actuarial gains/(losses) - experience adjustments	(38,904)	(9,549)	15	68	2,969	3,409	138	46
Final actuarial obligations	(1,177,173)	(1,326,207)	-	(318)	(143,261)	(167,184)	(12,992)	(15,537)

(1) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in November 2023.

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i) Statement of calculation of and variation in net actuarial liabilities—Continued

	Pension benefit plan - BD		Pension benefit plan - CD (3)		Health Promotion Program (PRO-SAÚDE)		Group life insurance	
	Year 2024	Year 2023	Year 2024	Year 2023	Year 2023	Year 2022	Year 2023	Year 2022
Calculation of the deficit to be shared								
(Deficit)/surplus subject to sharing (1)	(263,811)	(299,367)	-	-	-	-	-	-
Employer's obligation with future contributions (normal contributions)	101,657	115,098	-	-	-	-	-	-
Employer's obligation with future contributions (extraordinary contributions - 2015 deficit resolution)	90,440	99,085	-	-	-	-	-	-
(Deficit) to be shared	(71,714)	(85,184)	-	-	-	-	-	-
Asset ceiling, minimum funding requirements and risk sharing								
Effects of the asset ceiling, additional liabilities and initial risk sharing	42,592	38,121	-	(1,778)	-	-	-	-
Expected interest on the effects of the asset ceiling, additional liabilities and risk sharing	3,382	3,409	-	(152)	-	-	-	-
Gains/(losses) on the effects of the asset ceiling, additional liabilities and risk sharing (2)	(10,117)	1,062	-	1,906	-	-	-	-
Effect of the final asset ceiling and additional liabilities	35,857	42,592	-	(24)	-	-	-	-

(1) Share of deficit of the Pension Plan under the Defined Benefit Category before including the actuarial obligations to statutory retirees and life annuity, which totaled R\$4,111 in the year (2023 - R\$4,754).

(2) The actuarial gains/(losses) are recorded in "Other valuation adjustments to equity" in equity, as disclosed in Note 12.bii.

(3) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in November 2023.

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ii) Allocation of the fair value of plan assets

As at December 31, 2024 and 2023, the plan assets are allocated by category as follows:

Pension Benefit Plan - BD	2024	2023
Available	0.00%	0.01%
Realizable – pension plan management	4.13%	0.28%
Realizable - administrative management	0.86%	0.75%
Government bonds	46.11%	52.12%
Investment funds	39.49%	36.42%
Private credits	0.36%	0.34%
Real estate investments	2.21%	2.56%
Borrowings and financing	0.72%	0.57%
Escrow deposits	6.12%	5.75%
Other realizable amounts	0.00%	1.20%
Total	<u>100.00%</u>	<u>100.00%</u>

Pension Benefit Plan - CD (1)	2024	2023
Available	N/A	0.02%
Realizable - administrative management	N/A	1.29%
Government bonds	N/A	2.02%
Investment funds	N/A	95.79%
Borrowings and financing	N/A	0.88%
Total	<u>N/A</u>	<u>100.00%</u>

(1) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan on November 1, 2023.

Beginning March 2024, such plan does not have assets related to post-employment benefits.

Health Promotion Program (PRO-SAÚDE)	2024	2023
Available	0.10%	0.09%
Investments related to technical provisions	28.51%	22.41%
Free investments	36.39%	22.26%
Receivables from healthcare operations	0.53%	0.44%
Receivables from operations unrelated to operator's healthcare plans	0.39%	0.30%
Government bonds	22.96%	43.05%
Long-term receivables	11.12%	11.45%
Total	<u>100.00%</u>	<u>100.00%</u>

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iii) Main assumptions used in the actuarial valuation

The actuarial studies disclosing BDMG's obligations as at December 31, 2024 and 2023 are based on the following assumptions:

	2024	2023
Nominal discount rate for actuarial obligations		
Pension Benefit Plan - BD	12.6811%	9.4877%
Pension Benefit Plan - CD (1)	N/A	9.5898%
Health Promotion Program (PRO-SAÚDE)	12.6663%	9.5243%
Group Life Insurance	12.6708%	9.5249%
Expected annual notional rate of return on investments		
Pension Benefit Plan - BD	12.6811%	9.4877%
Pension Benefit Plan - CD (1)	N/A	9.5898%
Health Promotion Program (PRO-SAÚDE)	12.6663%	9.5243%
Estimated future annual inflation rates	4.96%	3.90%
Nominal rate of future salary growth:		
BDMG (PCS)	7.03%	5.95%
BDMG (CC)	5.35%	4.28%
Health Care Cost Trend Rate - HCCTR (2)	4.10%	4.10%
Turnover:		
Up to 39 years old	4.00%	4.00%
From 39 years old	0.30%	0.30%
General mortality table	AT-2012 Basic IAM reduced by 20%, segregated by gender.	AT-2012 Basic IAM reduced by 20%, segregated by gender.
Disability table	Adjusted Álvaro Vindas reduced by 70%.	Adjusted Álvaro Vindas reduced by 70%.
Disability mortality table	Winklevoss reduced by 25%.	Winklevoss reduced by 25%.
Composition of pensioner families	Benefits to be granted: average family composition assumption: <ul style="list-style-type: none"> • Percentage of married people (dependents): 83.10%; • Female spouse five (5) years younger than the holder; • Age of youngest child (Z): $Z = 24 - \text{MAX}[(63 - X)/2; 0]$, with "x" being the holder's age Benefits granted: Real family.	Benefits to be granted: average family composition assumption: <ul style="list-style-type: none"> • Percentage of married people (dependents): 83.10%; • Female spouse five (5) years younger than the holder; • Age of youngest child (Z): $Z = 24 - \text{MAX}[(63 - X)/2; 0]$, with "x" being the holder's age Benefits granted: Real family.

(1) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan in 2023.

(2) Only applicable to Healthcare Plans.

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Notas explicativas às demonstrações financeiras

31 de dezembro de 2024 e de 2023

(Em milhares de reais, exceto quando indicado de outra forma)

iv) *Sensitivity of the defined benefit obligations*

Changes in the assumptions supporting the actuarial studies may affect the defined benefit obligation amounts.

The following table illustrates, in percentage terms, how the defined benefit obligation is affected by changes in the actuarial assumptions below:

	Changed assumption							
	Increase of 0.5% p.a. in the discount rate	Decrease of 0.5% p.a. in the discount rate	Increase of 1 year in the life expectancy	Decrease of 1 year in the life expectancy	Increase of 0.5% in the salary growth rate	Decrease of 0.5% in the salary growth rate	Increase of 0.5 in HCCTR (1)	Decrease of 0.5% in HCCTR
Pension benefit plan - BD	-3.98%	4.36%	-1.83%	1.74%	0.63%	-0.60%	N/A	N/A
Health Promotion Program (PRO-SAÚDE)	-4.35%	4.71%	4.12%	-4.10%	N/A	N/A	4.92%	(4.58%)
Group life insurance	-4.42%	4.77%	-4.17%	4.28%	N/A	N/A	N/A	N/A

(1) HCCTR: Health Care Cost Trend Rate.

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v) Projected cash flows

The actuarial study conducted as at December 31, 2024 comprises the following estimates on payments of benefits and contributions by the sponsor for the year 2025:

Estimated cash flows	Pension benefit plan - BD	Health Promotion Program (PRO-SAÚDE)	Group life insurance	Total
Payments of expected benefits using the plan assets	119,317	8,825	1,242	129,384
Payments of expected benefits directly made by the Company	655	-	-	655
Expected contributions from the employer	26,279	7,993	1,242	35,514

The weighted average duration of actuarial obligations is as follows:

	Pension benefit plan - BD	Pension benefit plan - CD (1)	Health Promotion Program (PRO-SAÚDE)	Group life insurance
12/31/2024	9.4		10.22	10.30
12/31/2023	10.51	12.76	11.33	11.35

(1) The BDMG CV Pension Benefit Plan was changed to BDMG CD Pension Benefit Plan through PREVIC Ordinance 992, of November 1, 2023.

19. Other information

a) Implementation of CMN Resolution No. 4.966/2021

The Plan for implementation of accounting procedures established under CMN Resolution No. 4.966/2021, presented in the financial statements for December 2022, was carried out. Changes were made to the automated routines, processes and systems and it is assessed that they are adequate to meet, as of January 2025, the requirements of Resolution No. 4.966/2021 and complementary standards.

In compliance with article 78 of CMN Resolution No. 4.966/2021, the estimated impacts from the implementation of the new accounting procedures established by the standard are presented below:

The adoption of the new accounting concepts and criteria established by CMN Resolution No. 4.966/2021 and complementary legislation, effective January 1, 2025, will result in relevant accounting changes since the Bank will have to reclassify and remeasure the financial instruments that will be impacted by the new accounting regulation.

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With regard to these changes, the main impact is related to the remeasurement of the allowance for losses associated with the credit risk of financial assets, loans to be released and loan commitments.

A total impact of an increase in the allowance for expected losses, including incurred losses, of R\$78,738 is estimated, as a contra-entry to the retained earnings/accumulated losses account.

The other impacts can be summarized as follows:

Fair value of financial instruments

In the work carried out to implement CMN Resolution No. 4.966/2021 and complementary legislation, it was identified that certain assets do not meet the criteria of solely payments of principal and interest on the principal amount. Therefore, these assets will be measured at their fair value. A total positive impact resulting from this new criterion is estimated at R\$1,541.

Stop accrual of interest

CMN Resolution No. 2.682/1999, in force until 12/31/2024, prohibited the recognition in the income statement for the period of revenues from loan transactions past due for more than 59 days. CMN Resolution No. 4.966/2021, in turn, prohibits the recognition in the income statement of revenues of any nature when the asset reaches 90 days of delay or earlier, if considered a 'problematic asset' (stage 3). A total positive impact resulting from this new criterion is estimated at R\$26.

Loan assignment with co-obligation

Loan transactions with co-obligation that are currently recorded only in memorandum accounts will be included in the loan portfolio as of January 2025. As a result of this change, the provision recorded in a separate account of contingent liabilities up to 12/31/2024 will be reversed with a contra entry with positive effect in the retained earnings/accumulated losses account in the estimated amount of R\$1,152.

Effective interest rate

For loan transactions and other transactions with credit granting characteristics classified as amortized cost, the Bank will adopt a different methodology for the purposes of recognizing revenues and expenses related to transaction costs, prospectively from 01/01/2025.

For other financial assets and liabilities, the effective interest rate will be adopted as of January 2025.

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Tax impacts

With the enactment of Law No. 14.467/2022 and amendments to Law No. 15.078/2024, new criteria were defined for the tax treatment of loans from financial institutions. As of January 1, 2025, in accordance with this legislation, the Bank can deduct the losses on non-performing loans and transactions with companies in bankruptcy or under court-supervised reorganization.

Losses incurred calculated under the new regulations at December 31, 2024 and which have not been deducted by that date will be excluded from the calculation of income tax and social contribution at a rate of 1/84 as of January 2026.

Final considerations

In accordance with Article 94 of BCB Resolution No. 352/23, the principles established in this resolution were applied prospectively to the financial statements as of January 1, 2025. Therefore, the balances for the period ended December 31, 2024 were not adjusted, since the effects of the initial adoption were recorded in equity as of January 1, 2025.

The new accounting and tax regulations are expected to impact the Bank's results, mainly due to the provisioning criteria for expected losses associated with the credit risk.

The impact to be recognized in the retained earnings/accumulated losses account in equity is an estimated reduction in the total amount of R\$76,018 (R\$44,725 net of tax effects).

Also due to the tax aspects affecting the amounts to be recorded at January 1, 2025, a cash outflow of around R\$76.018 (R\$ 44.725 net of tax effects) is estimated to be settled by January 2026.

The table below summarizes the estimated impacts from the adoption of CMN Resolution No. 4.966/2021 and complementary standards.

Equity before the estimated adjustments from the adoption of CMN Resolution No. 4.966 - 12/31/2024	2,263,664
Fair value adjustment of loan transactions	(1,542)
Allowance for expected losses	38,716
Allowance for incurred losses	40,022
Allowance with co-obligation	(1,152)
Remeasurement of assets	(26)
Subtotal	2,339,682
Tax effects	8,891
Tax effects - Deferred (Law No. 14.467)	(40,182)
Equity, net of tax effects after the adjustments from CMN Resolution No. 4.966 - 01/01/2025	2,308,391

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(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)

- b) Agreement for reparation of the municipalities affected by Brumadinho dam collapse.

As a result of the Court Settlement for Full Reparation, signed on 02/04/2021, for the reparation of 26 municipalities affected by Brumadinho dam collapse, BDMG has already received R\$721,361 deposited by Vale S.A.

The remaining amount to be deposited, as set forth in the Agreement, shall be adjusted for inflation based on the IPCA from the date of signing of the Court Settlement for Reparation to the date of the actual deposit.

BDMG, appointed as the financial manager of these amounts, among other obligations, must make transfers to the impacted municipalities, analyze the technical-financial feasibility of the engineering projects, and monitor the works.

- c) The Court Settlement for Full and Definitive Reparation related to the Fundão Dam collapse in Mariana was signed on 10/25/2024 and ratified on 11/06/2024.

BDMG, as stated in the Agreement, will be the depositary of part of the amounts allocated to the reparation related to the Fundão Dam collapse.

Board of Directors

Wagner Lenhart	Chairman
Welerson Cavalieri	Vice Chairman
Alexandre Navarro de Castro Barreto	Board Member
Frederico Amaral e Silva	Board Member
Frederico Silva Miana	Board Member
Gustavo Leipnitz Ene	Board Member
José Henrique Santos Portugal	Board Member
Michele da Silva Gonsales Torres	Board Member
Otávio Romagnolli Mendes	Board Member

Executive Board

Gabriel Viégas Neto	CEO
Antônio Claret de Oliveira Junior	Vice President
Edmilson Gama da Silva	Officer
Rômulo Martins de Freitas	Officer
Sérgio Rodrigues Pimentel	Officer

Controllership Authority

Giovani Rosemberg Ferreira Gomes	Accountant CRC-MG-075701/O-5
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