

BANCO



**INSTITUTIONAL
PRESENTATION**

4Q17

Historic

1930

- Guimarães Family created the Banco de Minas Gerais, focused on individual and corporate credit

1998

- Beginning of Payroll Loan operations— BMG starts to focus on payroll loan for public employees

2005

- BMG started operating in the Payroll Credit Card

2012

- **Jul** - BMG and Itaú Unibanco form a joint venture to create a new bank focused on Payroll Loan (JV)
- **Nov** - BMG improves its governance structure

2015

- **Sep** - BMG started operating the Payroll Credit Card in the INSS (Social Security)

1980's

- BMG Leasing positioned as the market leader in the vehicle leasing segment

2002

- BMG is the first bank to structure a fully distributed ABS fund

2011

- Banco BMG acquires 100% of Banco GE Money shares in Brazil (current Banco Cifra) and of Banco Schahin (current BCV)

2016

- **Jan** - Launch of a new distribution channel, the “help! loja de crédito”, a franchise network
- **Jun** - Creation of BMG Seguros, focused on surety bond market
- **Oct** – BMG and Generali sign a 20-year partnership for exclusive distribution of insurance products
- **Dec** – BMG concludes the sale of its participation in the JV to Itaú

2017

- **Apr** – Mr. Bernard Menciaer is the new chairman of Banco BMG's Board of Directors and Ms. Olga was elected as the 3rd independent member
- **Sep** - Launch of the fixed income platform, BMG Invest Digital
- **Sep** - Marco Antunes takes over as Managing Director and Flavio Guimarães Neto as CFO

- ✓ Bank with private capital belonging to the **Guimarães Family** and with **87 years of a solid history in the financial market**;
- ✓ **Retail products**: payroll credit card (**BMG Card**), **Direct Debt Loan**, both exclusive to Social Security (INSS) retirees and pensioners and public servants, and digital personal credit (**Lendico**);
- ✓ **Wholesale products**: financing, structured financial services, derivatives instruments and surety bond insurance for medium and large companies (**BMG Empresas** and **BMG Seguros**).

Highlights 2017:

Total Assets

R\$ 16,260 million

Shareholders' Equity

R\$ 2,572 million

Net Interest Margin

13.2 % p.a.

Basel Ratio

15.7%

Net Income

R\$ 26.3 million

ROAE

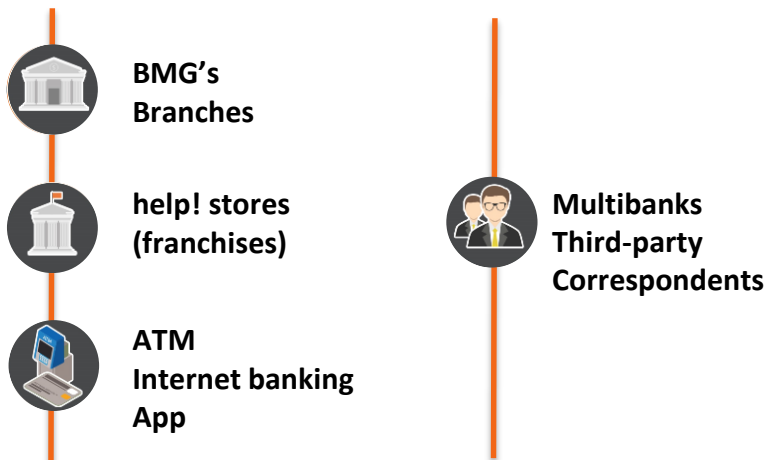
1.0% p.a.

Credit Portfolio

		Balance R\$ Million	% of Total Portfolio	
		12/31/2017		
Core Retail and Wholesale Portfolios	Payroll Credit Card	6,321	73.2%	<ul style="list-style-type: none"> International card with the benefits of the traditional card and attractive rates, will remain as an exclusive product of BMG and has a great growth potential; Minimum monthly payment discounted directly from the payroll; Average Interest Rate 4Q17: 50.4% per year.
	Personal Credit	513	6.0%	<ul style="list-style-type: none"> Portfolio reduction and optimization of capital allocation; Focus on non-interest income; Diversified portfolio, distributed among different sectors.
	BMG em Conta	250		
	Lendico	123		
	BMG Money	140		
	BMG Empresas	1,293	15.0%	<ul style="list-style-type: none"> The focus of personal loans of Banco BMG is the Direct Debt Loan, exclusive for Social Security (INSS) retirees and pensioners and public employees and Lendico, digital personal credit.
			8,128	
Run Off		505	5.8%	<ul style="list-style-type: none"> The segments of payroll loans, vehicles finance and home equity loan were discontinued, only remaining the run off of the portfolios.
		8,633		

Distribution Channel

Distribution Channel



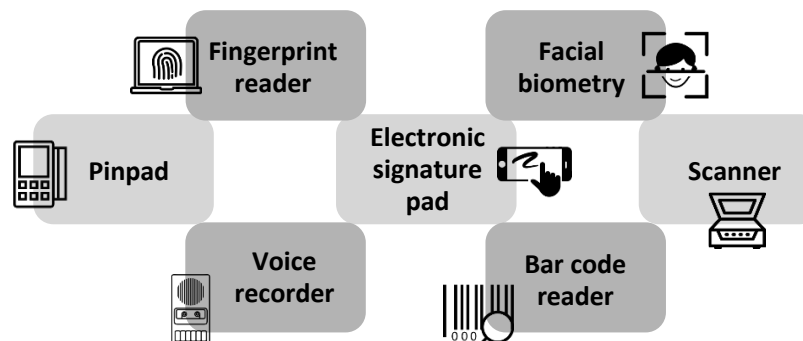
help! franchise network

LOJA DE CRÉDITO

- ✓ Network of credit franchise, focused on the **retail segments** of Social Security (INSS) retirees and pensioners and public employees;
- ✓ Designed to be a **multi-services solution (one stop shop)**;
- ✓ Offer **greater security** for the operation and allows **closer relationship** with the client;
- ✓ **Stores strategically located** at points of easy access and high circulation of target customers.

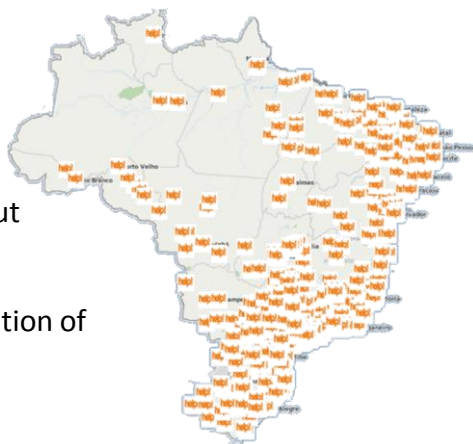
Formalization

Formalization through the complete biometric profile, integrated to the operating system:



Multibanks Third-party Correspondents

- ✓ ~3,000 BMG agreed correspondents throughout Brazil;
- ✓ Multibank stores, without exclusivity with BMG;
- ✓ Main channel for origination of consignment products.



Diversified Funding

	Balance R\$ Million	% Total Funding
12/31/2017		
Deposits	8,341	69.9%
Time Deposit	7,828	
DPGE	443	
Interbank Deposit	70	
External Funding	1,688	14.1%
Credit Assignment	494	4.1%
<i>Letras Financeiras</i>	632	5.3%
Securitization	504	4.2%
Other	278	2.3%
	11,939	



BMG aims to diversify the funding through **BMG Invest**, a fixed income platform geared towards individuals and companies, helping broaden the number of clients in the Bank's funding base.



BMG launched **BMG Invest Digital**, through which it is possible to **open accounts 100% digitally** via the **website or app**. The platform provides the market with secure, cost-effective and easy-to-access investment solutions with a wide range of fixed income products tailored to each investor's profile.



Reflecting the Bank's efforts to spread the funding base, the **number of funding clients increased 25.8%** in the last twelve months.



BMG completed in the quarter the issue of the first **public securitization of its payroll credit card** amounting to **R\$ 502 million** over a five-year term. The securitization was accomplished through a "Real Guarantee" Debenture pursuant to CVM Instruction 476.

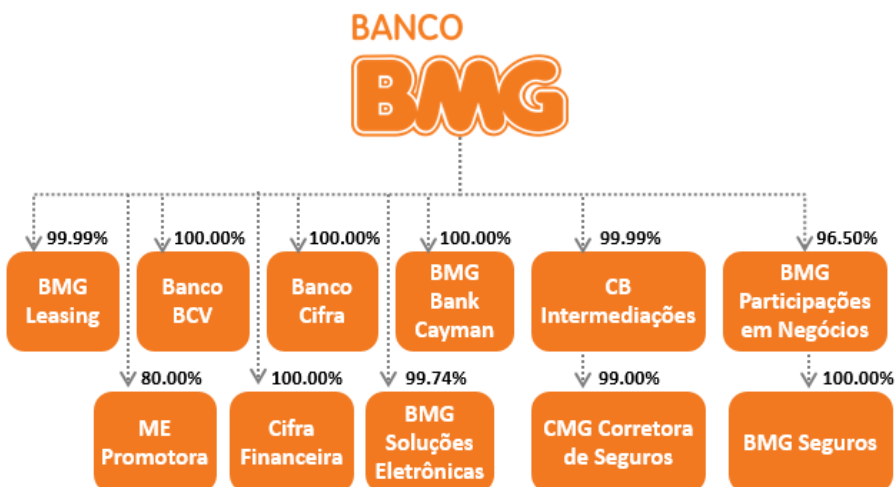
Corporate Governance

Ownership Breakdown

99.6% owned by Pentagna Guimarães Family.

Shareholders	# shares	%
Flávio Pentagna Guimarães	9,646	38.9%
BMG Participações S/A	7,662	30.9%
Regina Annes Guimarães	1,618	6.5%
Ricardo Annes Guimarães	1,618	6.5%
João Annes Guimarães	1,618	6.5%
Ângela Annes Guimarães	1,618	6.5%
Outros	1,026	4.2%
Total	24,806	100.0%

Corporate Structure



Board of Directors

Monthly meetings of the Board of Directors.

Board of Directors	Position
Bernard Camille Paul Mencier	President (IM)
Ângela Annes Guimarães	Counselor
Flavio Pentagna Guimarães Neto	Counselor
José Eduardo Dominicale	Counselor
João Annes Guimarães	Counselor
Olga Stankevicius Colpo	Counselor (IM)
Regina Annes Guimarães	Counselor
Roberto Faldini	Counselor (IM)

*IM: Independent Member

Main Committees

- ◆ **Executive Committee and the Officers Meeting:** strategic and tactical meetings on a weekly basis;
- ◆ **Audit Committee:** composed entirely of independent directors, the committee meets monthly;
- ◆ **ALCO – Assets and Liabilities Committee:** decision-making character committee, for best practices meets weekly;
- ◆ **Disclosure Committee:** aiming to ensure transparency and quality of information, the committee meets at least quarterly;
- ◆ BMG also has six other internal committees that assist the Executive Board in its activities.

Ratings

Agencies	Date	Rating	Perspective
FITCH Ratings	November 2017	Local Currency A-(bra)	Negative
		Foreign Currency B+	
Moody's	January 2018	Local Currency Baa3.br	Negative
		Foreign Currency B1	
RISKbank	January 2018	10.01	Low Risk for Short Term 2

INVESTOR RELATIONS TEAM

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We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management, and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officer.

Forward-looking statements also include information concerning our possible or assumed future results of operations, as well as statements preceded by, followed by, or that include the words "believes" "may" "will" "continues" "expects" "anticipates" "intends" "plans" "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.