

BANCO
MERCANTIL

INSTITUTIONAL PRESENTATION



80 YEARS

Founded in 1943, Mercantil has strength and longevity in its DNA, which demonstrates its stability and growth in the banking sector

BRL 15.5bn

Credit Portfolio

37.6%

ROAE LTM

8.5M

Clients

2.0%

NPL > 90 Days

17.5%

Basel III Ratio

INNOVATION

Through our people and technology, we can change, reinvent ourselves and continue to grow.

+2.8x

Clients
3 years

+2.1x

Credit Portfolio
3 years

+3.4x

Net Income
3 years, LTM

+2.0x

Service Revenue
3 years, LTM

5th

Largest payer of
Social Security
Benefits

Strength

BANCO
MERCANTIL

Growth

We Combine Growth and Sustainable Profitability

80 YEARS

OF ↗ HISTORY

1943

Established in
Curvelo, MG

1953

Acquisition by
the Araújo
family

1955 - 1974

Expansion and acquisitions

- Banco Industrial de Minas Gerais
- Banco Santa Cruz e Metr pole
- Banco Industrial de Campina Grande
- Banco Mercantil do Brasil do Rio de Janeiro

1977

IPO

2009

First victory
in the INSS
auction

2019

Cultural
transformation

2021

Migration to
Level 1 of B3
(Brazilian stock
exchange)

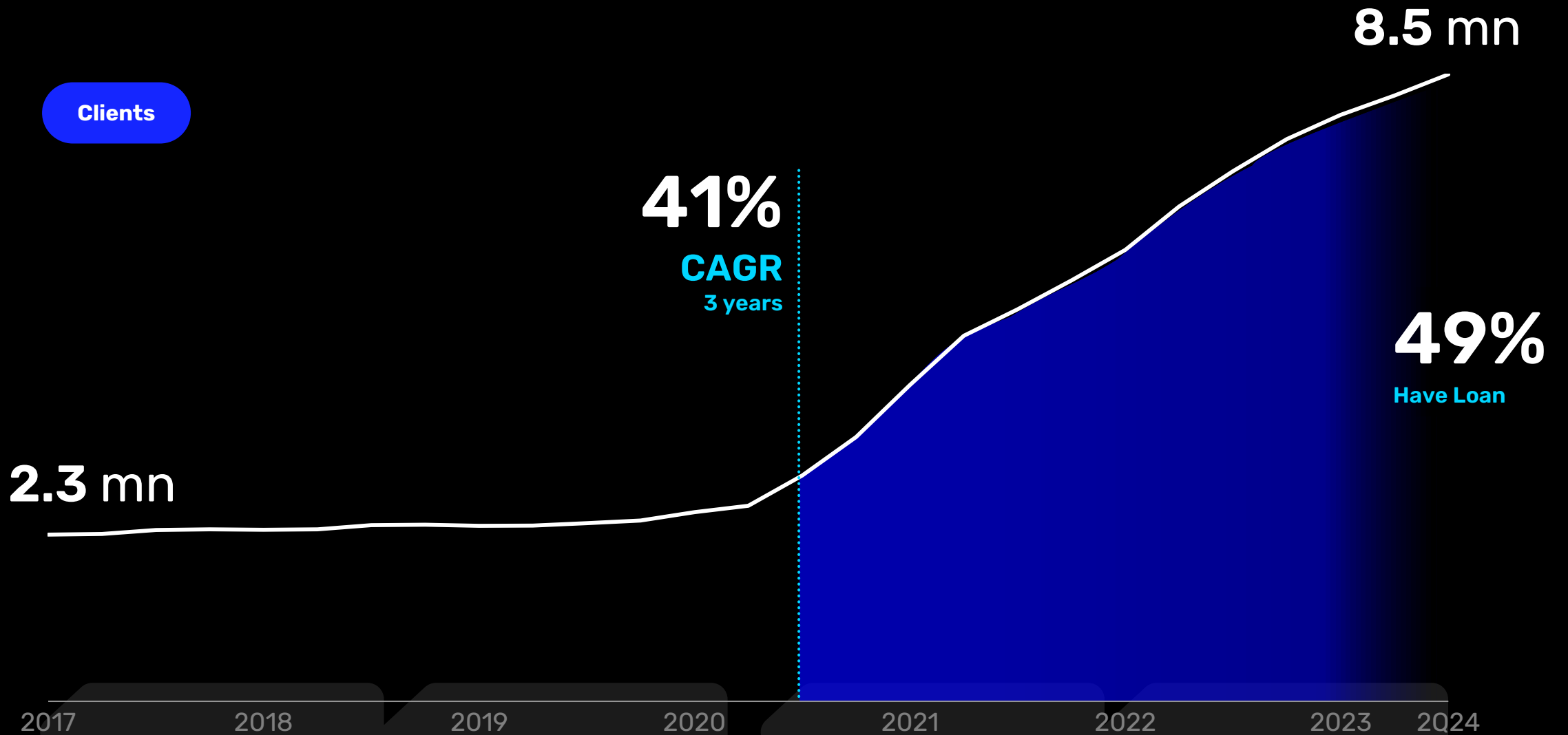
5th largest
benefits payer in
the country

2023

New
headquarters
and new visual
identity

Name change
to Banco
Mercantil

Over the past few years, Banco Mercantil underwent a significant strategic repositioning.



50+

CLIENTS CHOOSE
BANCO
MERCANTIL

FOCUS



CONVENIENCE



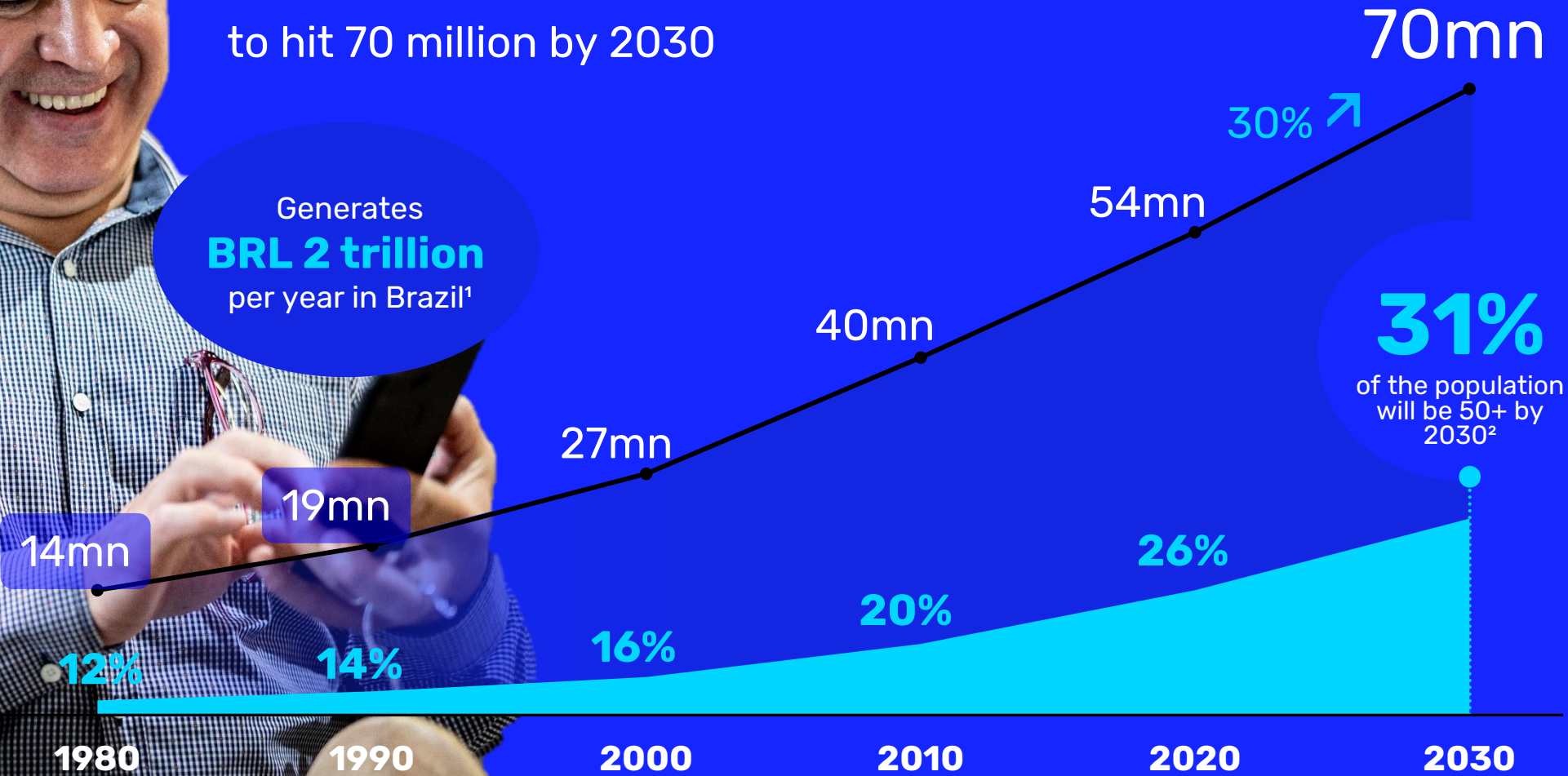
SIMPLICITY



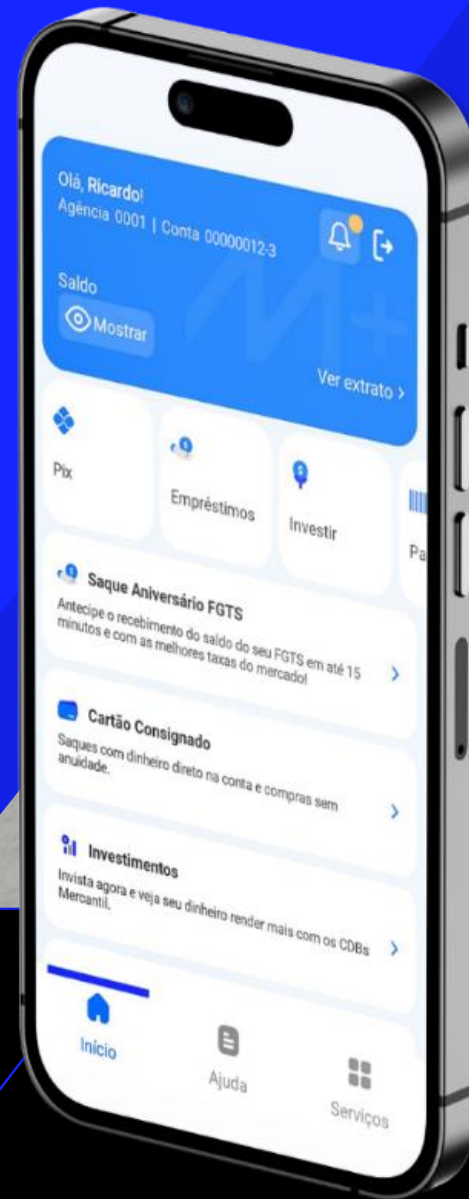
50+ MARKET

to hit 70 million by 2030

Generates
BRL 2 trillion
per year in Brazil¹



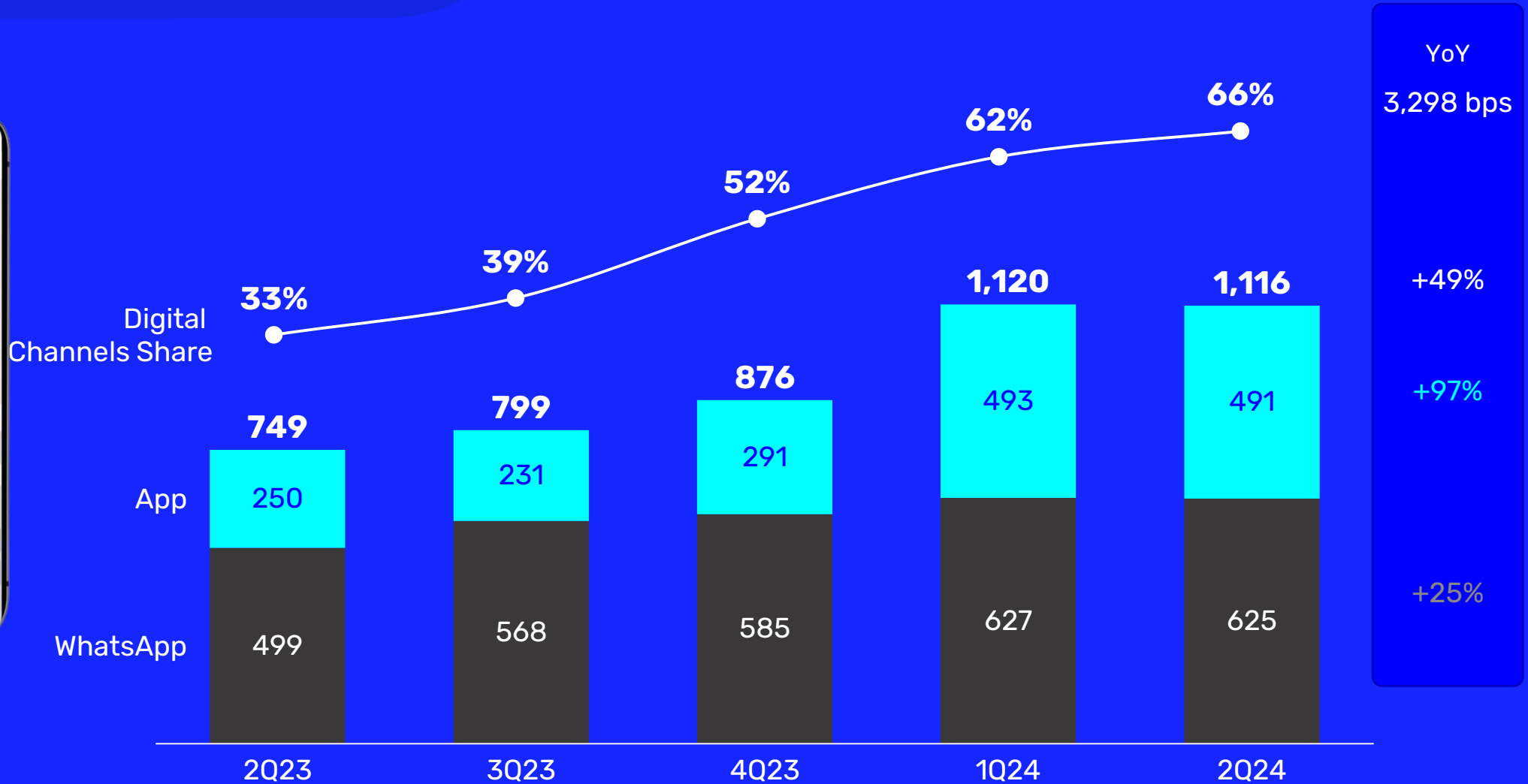
COMBINING
PHYSICAL
PRESENCE WITH
THE SIMPLICITY
OF *DIGITAL*



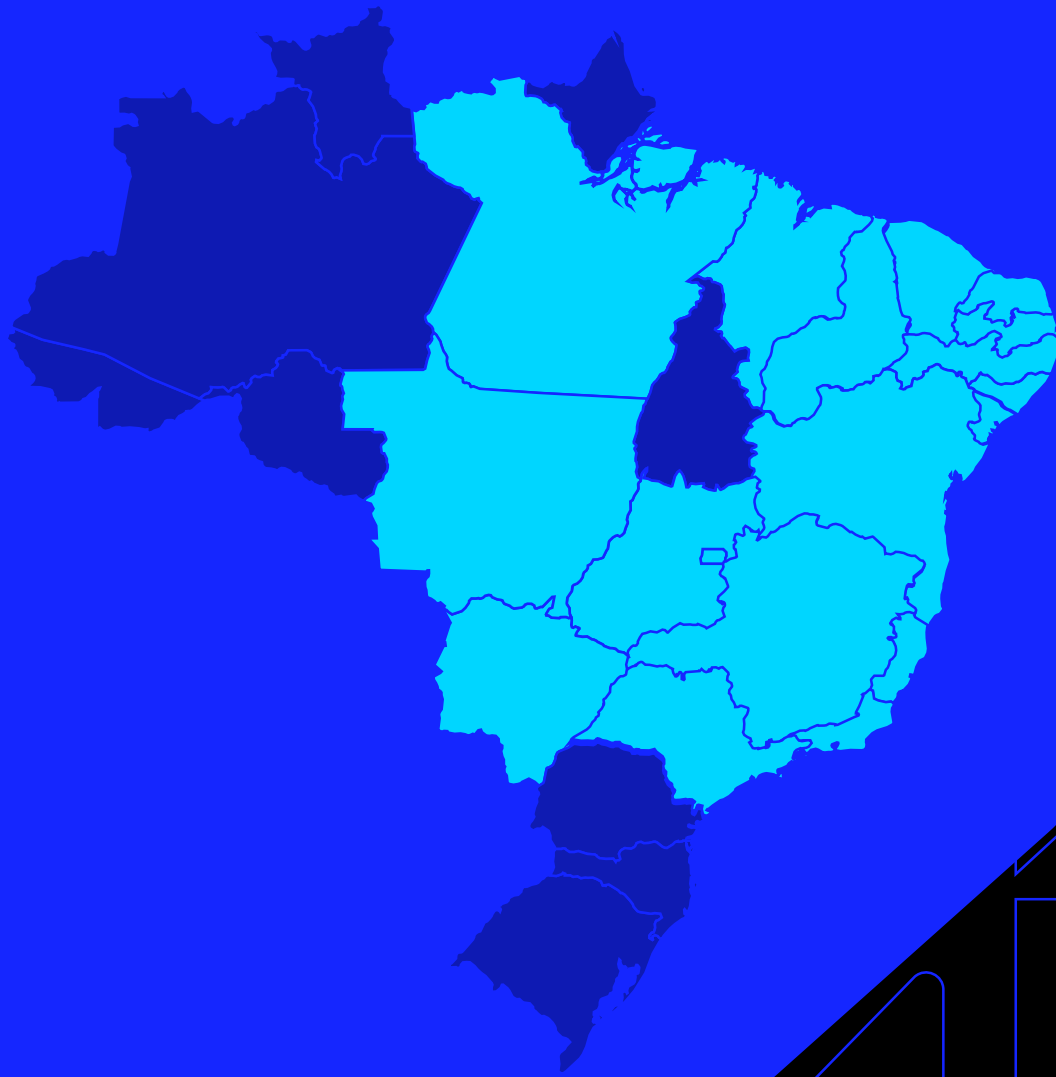
Increasingly digital credit origination.



Credit Origination via Digital Channels App and WhatsApp, # contracts (thousand)



Through our own stores, we operate
in sixteen states¹ across the country



BANCO
MERCANTIL

304

Branches

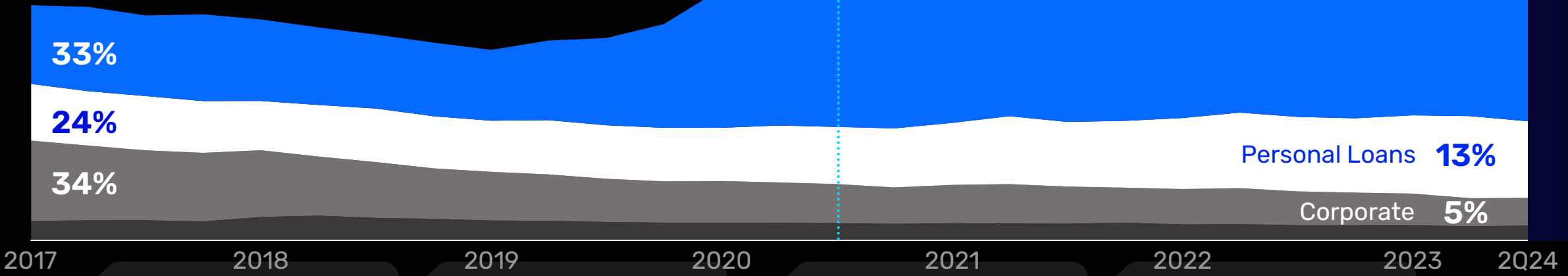
The Credit Portfolio has grown more than 2,5x in the last four years, focused on low-risk products.

Credit Portfolio

BRL bn

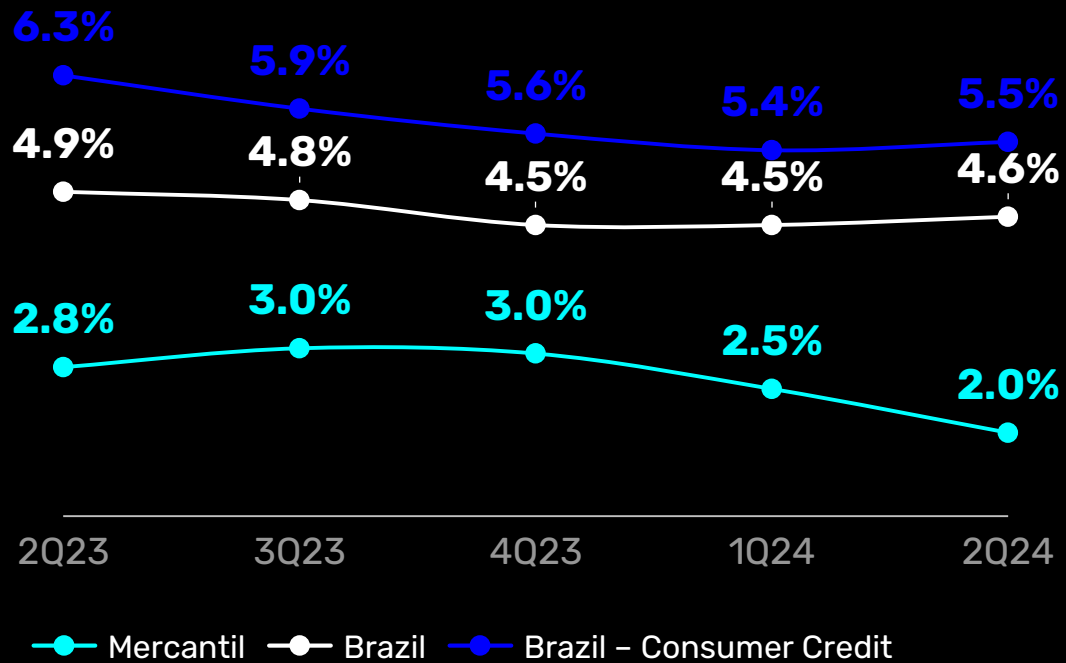
27%
CAGR
3 years

6.0

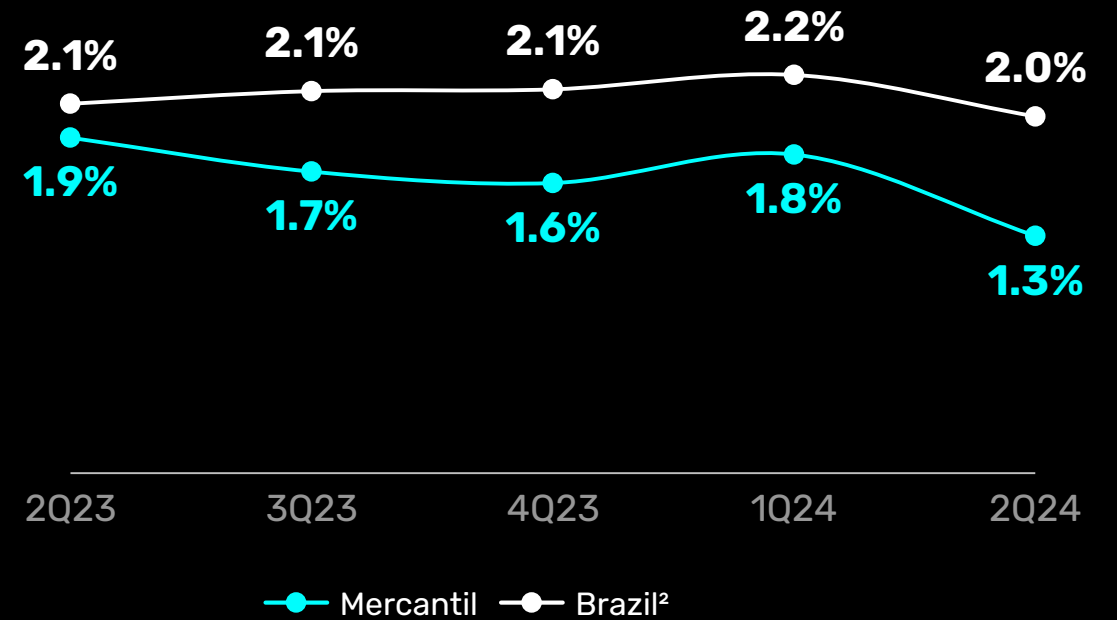


Delinquency levels remain controlled and below the market average.

NPL > 90 Days (%)



NPL > 15 - 90 Days (%)

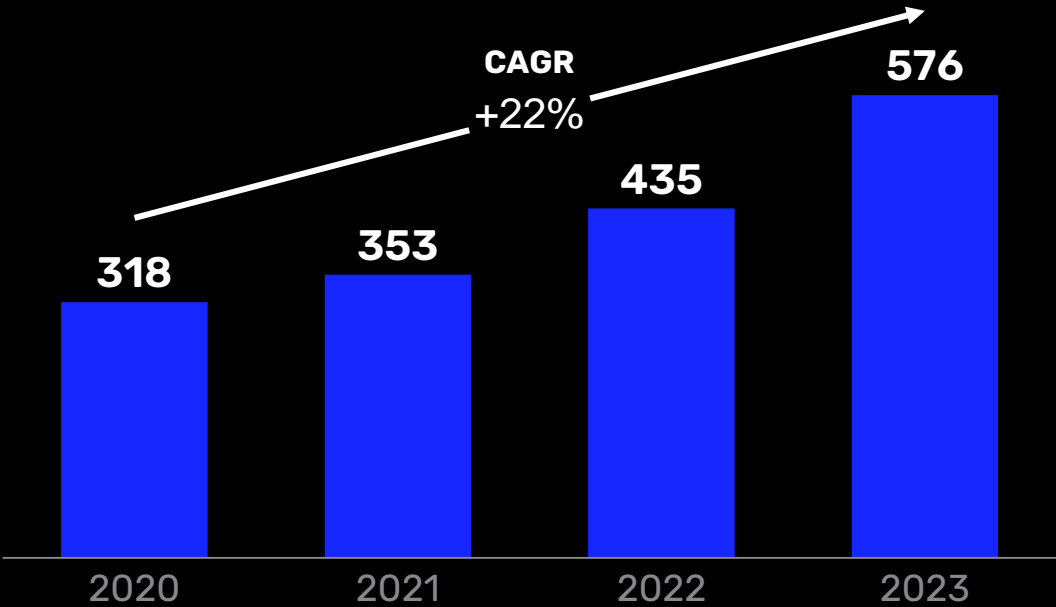


The primacy in customer relationship also contributed to the significant increase in service revenue.

Service Revenue

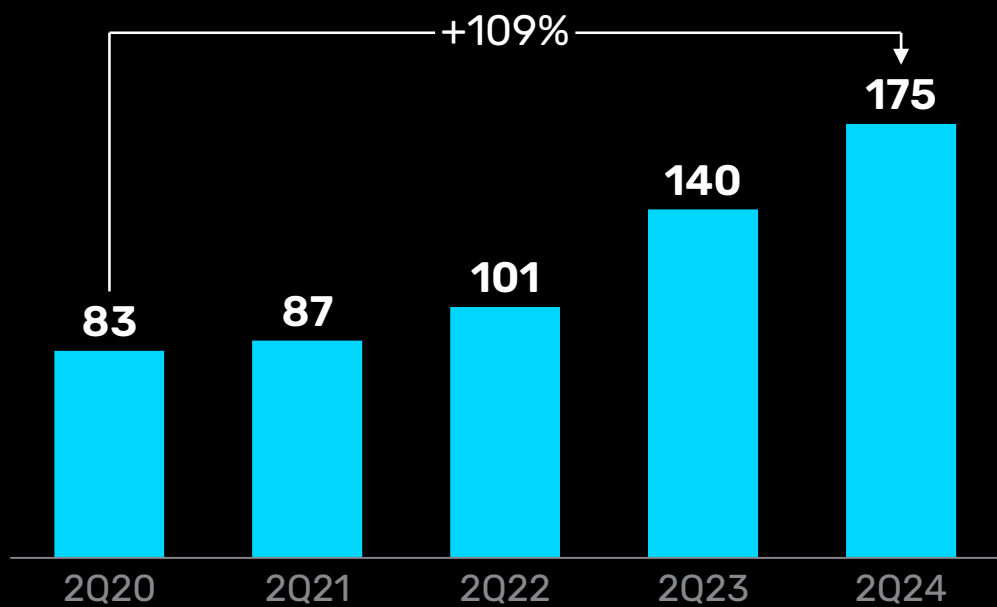
Annual

BRL mn



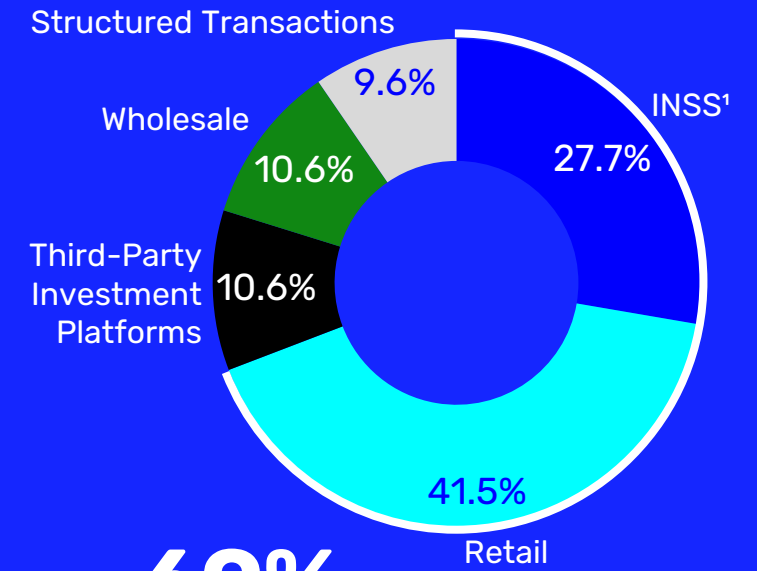
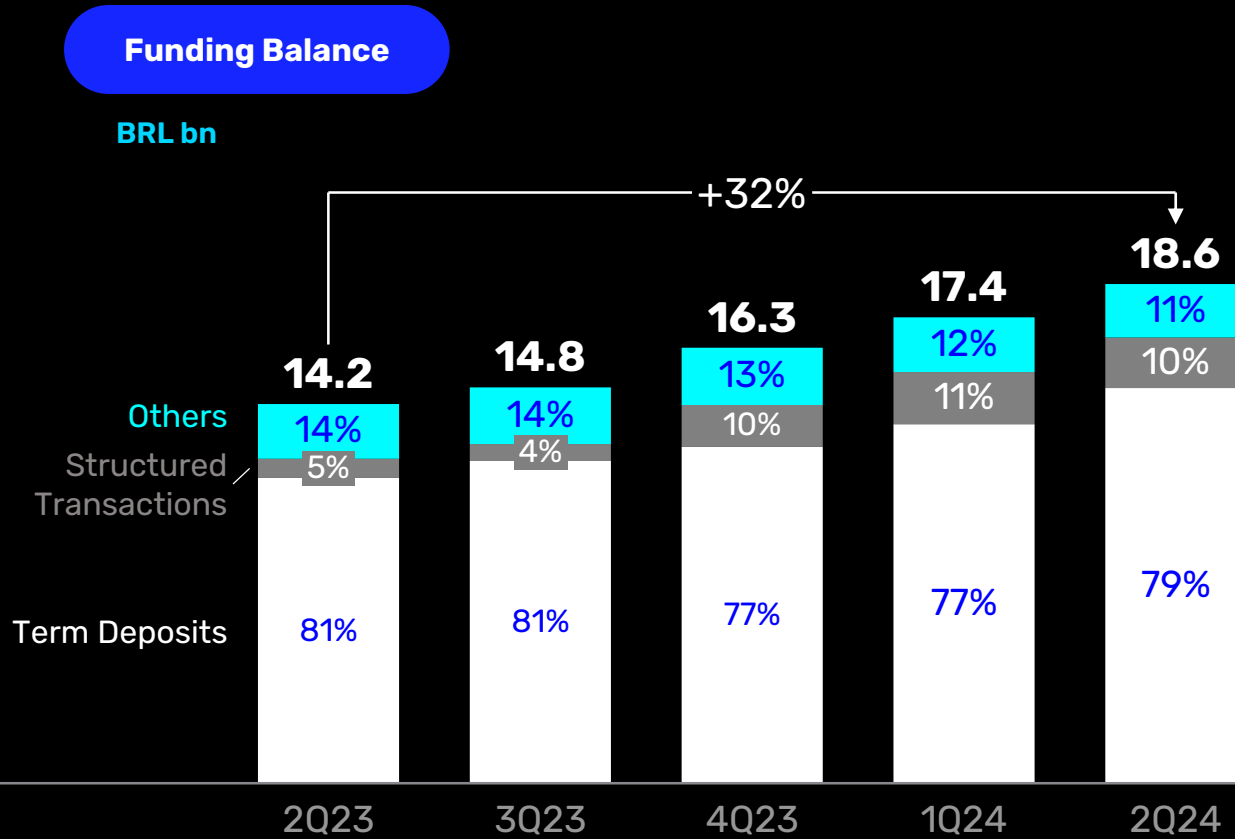
Quarterly

BRL mn



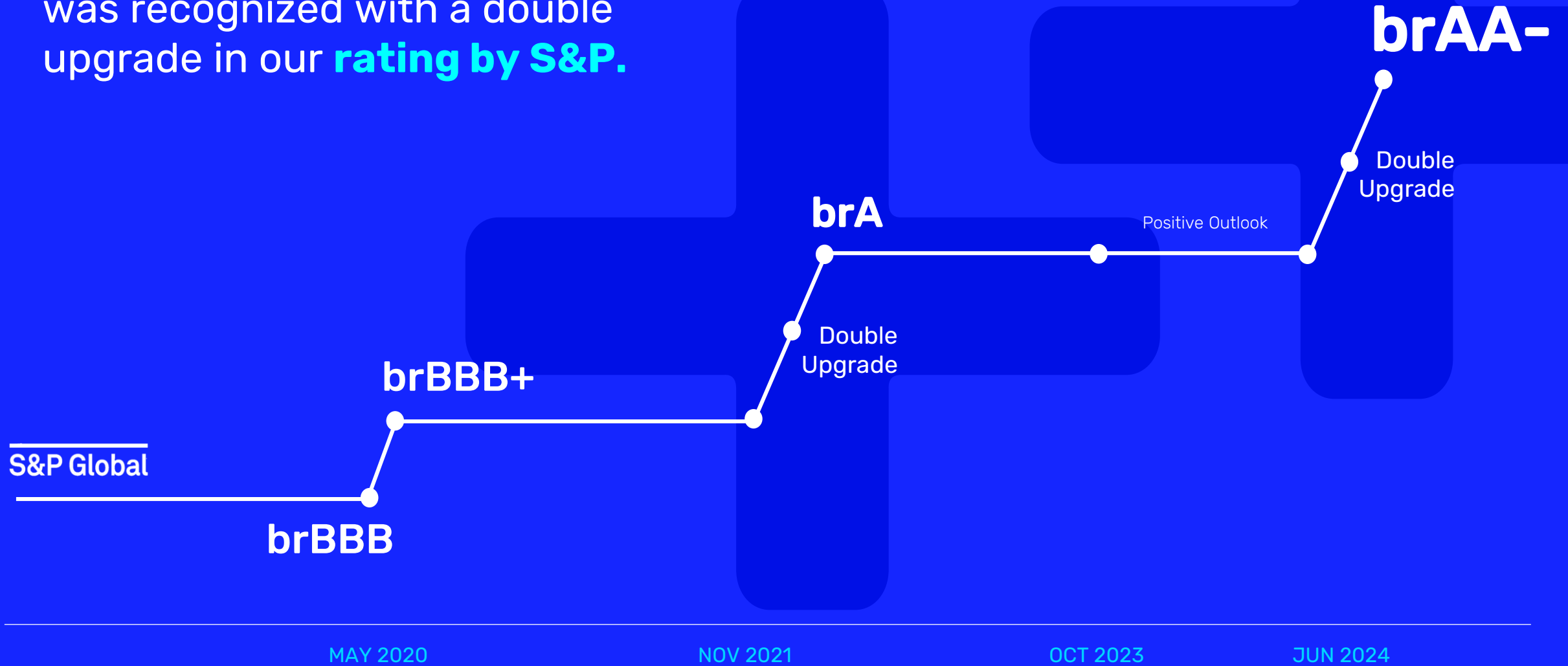
Our funding lines are diversified and dispersed.

Funding Sources



69%
Own Network

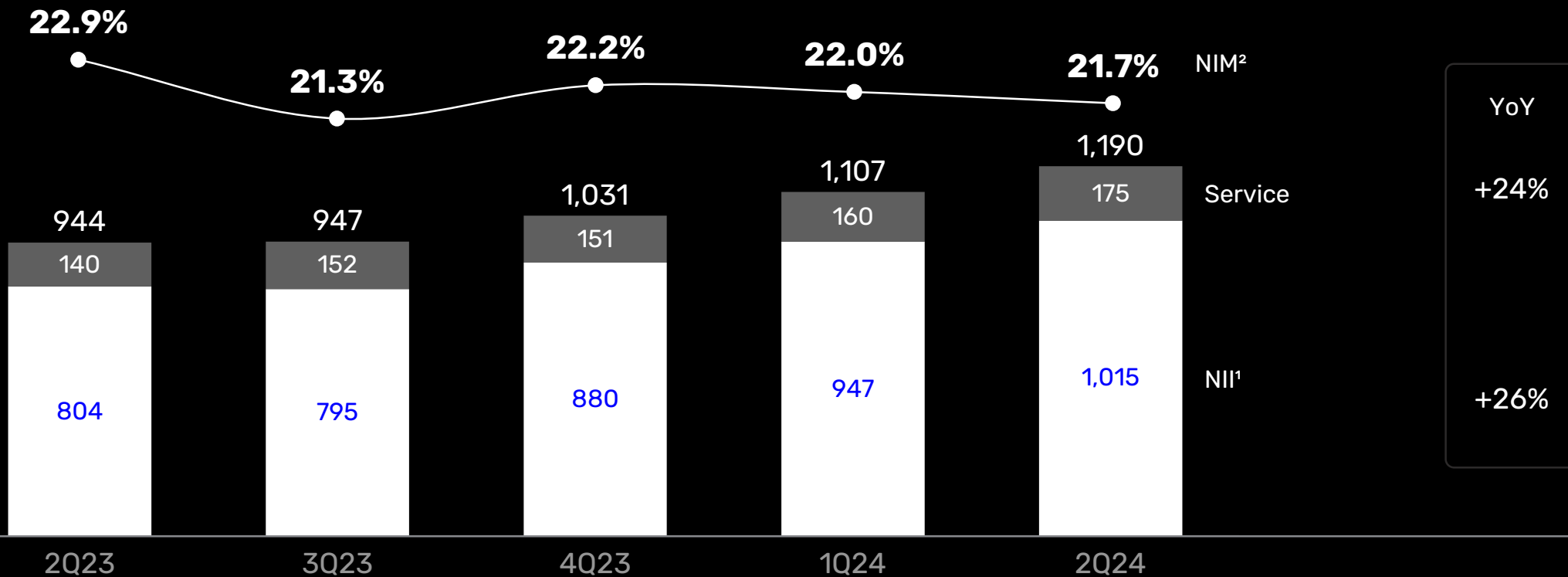
The evolution of our business model was recognized with a double upgrade in our **rating by S&P**.



Revenue growth while sustaining high margins.

Revenues and Net Interest Margin (NIM)

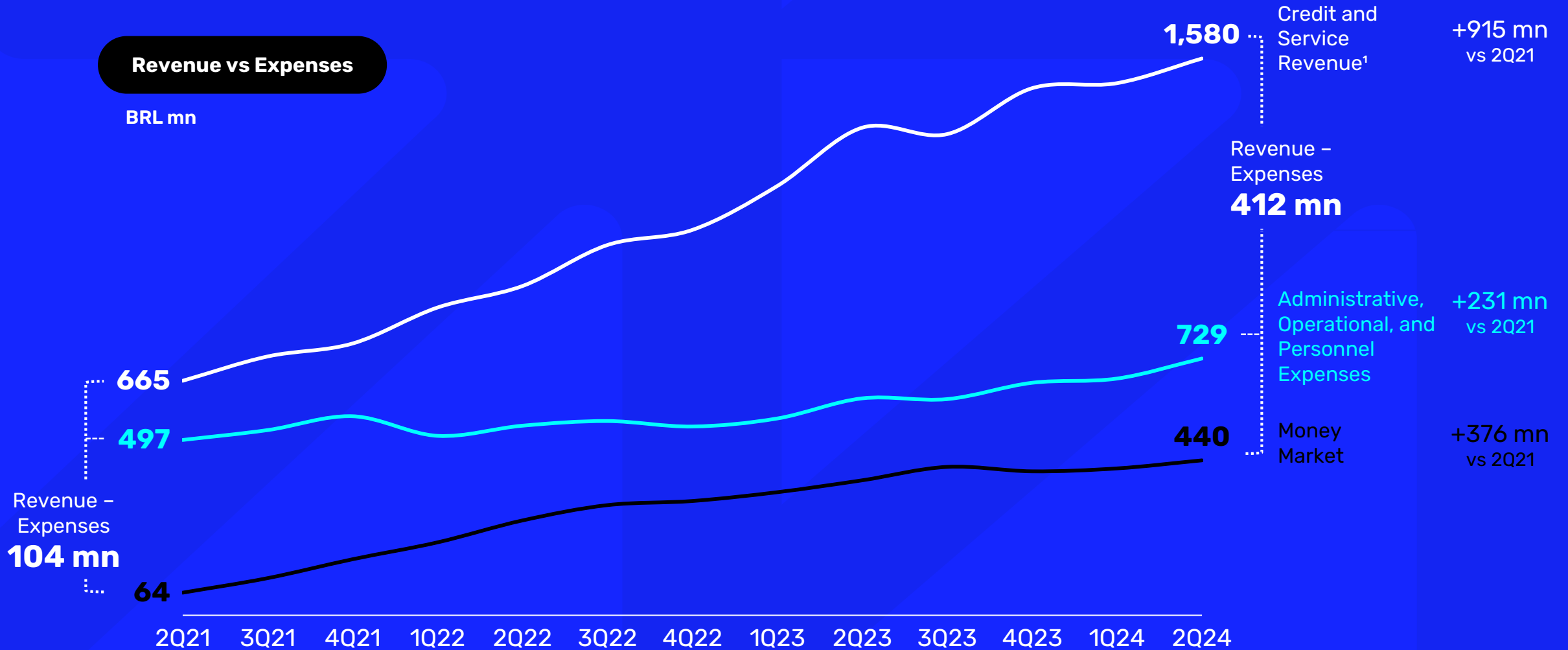
BRL mn, quarterly



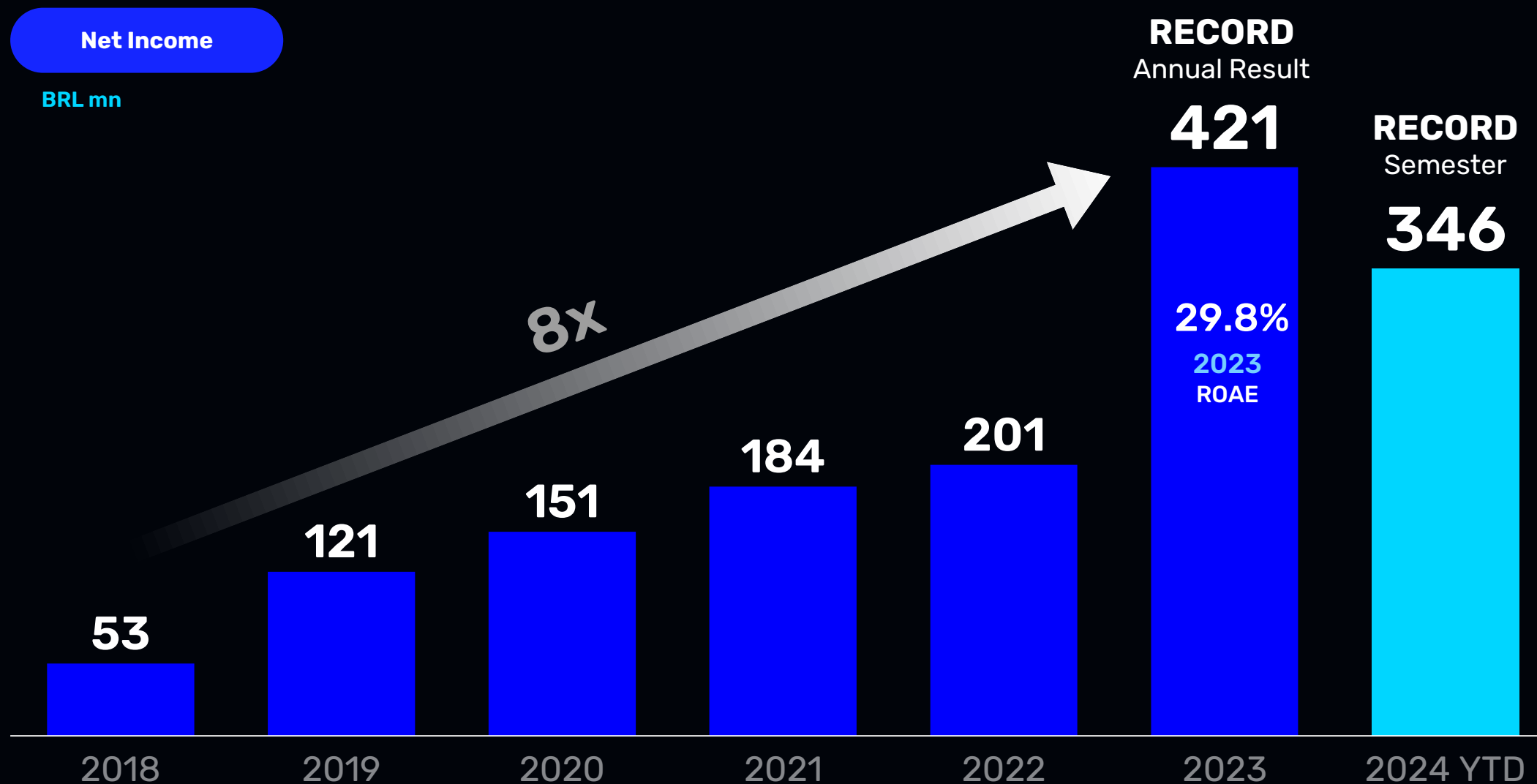
(1) Interest Income - Interest Expenses

(2) Net Interest Income for the reference quarter / Average interest-earning assets for the reference quarter and the previous one.

Credit and service revenue are growing at a faster pace than expenses.

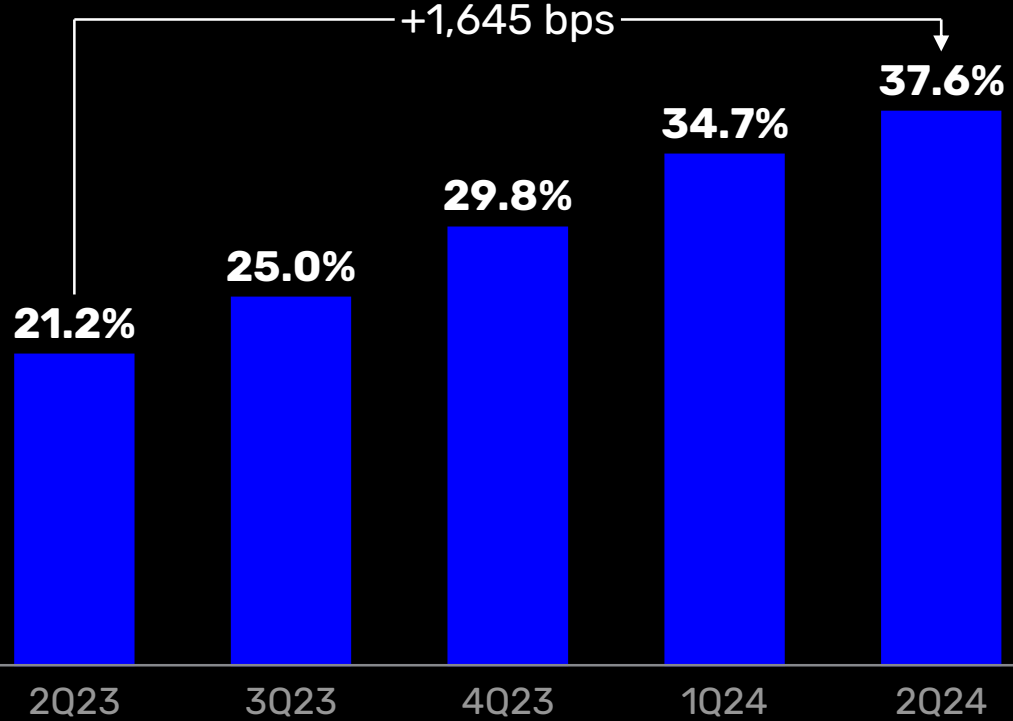


In 5 years, net income has grown by 8 times.

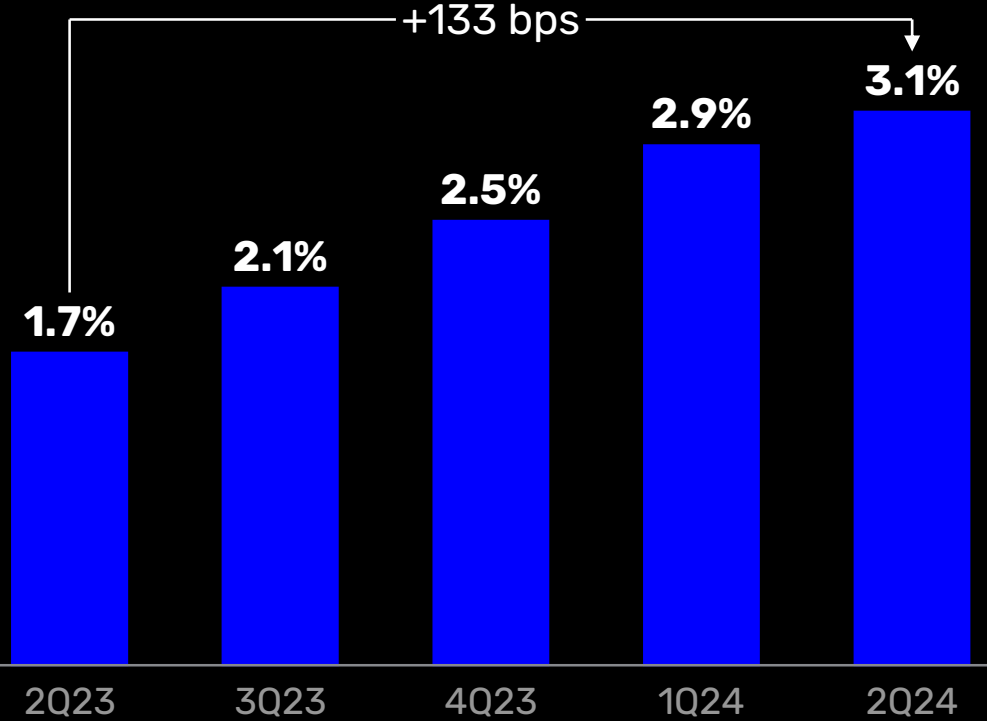


Over the past 12 months, profitability metrics also show continuous improvement.

ROAE LTM



ROAA LTM



BANCO MERCANTIL

Access to all social security (INSS) auctions

Banking Primacy

Diversification

Product Portfolio
Adherent to the 50+

Truly digital

Low Funding Cost

Security
Antifraud, cyber

Tradition
80 years of history

PURPOSE

50+

*UNIQUE
ADVANTAGES*

EXECUTION

Huge, growing and addressable market with little dedicated competition

- People
- Data
- Technology
- Leadtime

EXPONENTIAL
GROWTH

RESILIENT
RESULTS

HIGHEST
RETURNS IN
THE INDUSTRY

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The tables and charts in this report display balances and accounting values, as well as financial and managerial figures. Relative rate variations are calculated before the rounding procedure. Rounding is carried out according to IBGE Resolution 886/66 standards: if the decimal digit is equal to or greater than 0.5, the value is rounded up; if it is less than 0.5, the value is rounded down.

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