

Consolidated financial
statements under IFRS

BANCO
MERCANTIL



June 2025

Dear Stockholders:

We submit the consolidated financial statements under the international accounting financial standard of Banco Mercantil do Brasil S.A. for your consideration.

ECONOMIC SITUATION

The first half was marked by the worsening of trade disputes in the international scenario, through the increase of customs tariffs, which, coupled with the intensification of geopolitical conflicts, raised expectations of a significant slowdown in the global economy, compared to the GDP growth of 3.2% recorded in 2024.

In Brazil, the 1.4% increase in GDP in the first half fueled some optimism among economic agents. However, the combination of high inflation and high Selic rate could result in GDP growth well below the 3.4% achieved in 2024. The announced increase in export tariffs for Brazilian products to the US market has increased uncertainty, making the economic scenario even more challenging.

Indeed, in the domestic scenario, the combination of inflationary pressures and a restrictive Selic interest rate to curb inflationary pressures reduces household consumption, makes credit more expensive and negatively affects the performance of strategic sectors of the economy.

Regarding inflation, the IPCA showed a variation of 2.99% in the half and 5.35% over the last 12 months ended in June. In this scenario, the Selic rate of 10.50% p.a. in September 2024 was gradually raised until it reached 15.0% p.a. in June 2025, remaining the main instrument for combating current inflationary pressures.

In the context of the National Financial System, credit for individuals recorded a growth of 4.1% until May (the most recent available data), compared to 4.3% in the same period of the previous year. Provisions for credit risk in the National Financial System stood at 7.2% in May 2025.

ABOUT MERCANTIL

Banco Mercantil is a medium-sized, privately-owned national financial institution with over 80 years of history built by many hands and increasingly guided by the visibility given to the 50+ public.

The history of serving INSS beneficiaries was the basis for Mercantil's journey and undoubtedly elevated the institution's expertise in a strategy based on very well-defined pillars: pulverized funding, quality in the offer of products and services, constant technological evolution and humanized multichannel service. Accordingly, Banco Mercantil is consolidating its position in the market, presenting solutions that form the best financial and non-financial ecosystem for the growing 50+ audience.

As quickly as the economic scenario advances, imposing challenges on institutions, Mercantil is growing its results, both in figures and image, strongly positioning its brand and standing out in the financial market as a pioneering bank focusing exclusively on the 50+ public.

The business sustainability is reflected in continuous growth and is consistently demonstrated in the results delivered by Mercantil. In the first six months of 2025, the profit for the year recorded was R\$ 347.2 million, yet another record achieved consecutively, highlighting the success of the strategy, even in an adverse macroeconomic environment.

The loan portfolio performance continues to be one of the most important pillars of Mercantil's performance. In the first half, Mercantil recorded a growth of 10.9%, reaching an impressive R\$ 19.3 billion, despite the markedly challenging environment, including constant regulatory changes. All of this is supported by a well-structured credit policy and internal processes that prioritize clarity with the customer and technology, guaranteeing the robustness of operations. Furthermore, Mercantil's loan portfolio maintains default levels among the best in the industry, preserving its profitability and security.

On another front, one of Banco Mercantil's great differentials is the strategic combination of digital and physical channels. In addition to increasing efficiency, the digitalization of operations has provided greater convenience for those customers who prefer this channel. The simple, easy and accessible digital service model guarantees not only convenience for the customer, but also a significant gain in scale for the bank.

82 Years of existence and one certainty: the customer remains at the heart of the strategy. Moreover, by adapting not only its technology, but also its business model to customer behavior and needs, Mercantil is expanding its physical network throughout Brazil, becoming an important competitive business differentiator. It is also expanding the range of products and services on its digital channels, with a language that is totally adapted to the silver population.

Advancing in the construction of the best and most complete ecosystem for its audience, the Bank increases its range of offers beyond the financial world through Meu+, the set of assistance services created to improve the quality of life of customers, with services aimed at well-being and convenience, and most importantly: at an affordable price. A literally blue ocean, unprecedented among financial institutions, which generated income from services rendered of R\$ 409.4 million in the half, accounting for an increase of 28.4% compared to the first half of 2024. This growth reflects the maturity of the revenue diversification strategy and the strengthening of relationships with clients, understanding and offering what they perceive as added value.

Regarding regulatory capital, the Bank maintained comfortable levels, with a Basel ratio of 17.1% and Tier 1 Capital of 14.5%, well above regulatory requirements, ensuring solidity to sustain planned growth and absorb any fluctuations in the economic environment.

In June 2025, Mercantil reached the mark of 9.1 million customers, maintaining its 5th position among the largest payers of INSS benefits, even losing the last auction held.

All these figures confirm the continuous work to improve processes, strengthen governance, manage risks effectively and strictly control operating costs.

With a modern management model that is attentive to the business, the team that writes Mercantil's history on a daily basis has received constant investment in development, keeping the objective of having increasingly more employees trained and engaged to make the Bank's mission happen: to be the best ecosystem for its audience. This requires dedication, behavioral studies, brand strategy, the production of educational content, customer relations, efficient service at all points of contact, structured and clear responses to the press and transparent communication that is easy to understand and connect with the 50+ audience.

Accordingly, with the solid foundation provided by its eight decades of existence, Mercantil has been on a sustainable journey, well-structured and consistent with its purpose, making a strong presence in the competitive national financial market. A mature, modern, powerful bank ready to conquer more space, on an upward and very promising scale.

- **Service channels**

At Mercantil, the digital transformation is driven by significant investments in technology. The adherence of the 50+ public to these platforms shows how the Bank is successfully integrating technology into its customers' daily lives. Thus, Mercantil has been successfully consolidating the use of digital media as one of the important pillars for boosting business and the aspects of corporate sustainability.

It is worth highlighting that this technological advance is also aligned with modern ESG principles (which bring together environmental, social and governance policies), especially in the Social pillar, by fostering financial inclusion through accessible and intuitive solutions for all customer profiles, including retirees, pensioners and INSS beneficiaries. Regarding Governance, the strengthening of digital channels contributes to greater transparency and security in operations, reinforcing integrity and trust in internal processes.

Mercantil application

The evolution of Mercantil App is sustained by strong and constant investment. In fact, all the transactions that take place through the app are already carried out in a cloud infrastructure, where Google becomes the main ally to guarantee a quick response that is always available to our customers.

As a result of these investments, the consolidation of Banco Mercantil's digital strategy has been reflected in significant results. The Mercantil App, which offers a comprehensive portfolio of products and services, accounted for 59.86% of all transactions carried out in the period. In the first half, more than 2.9 million customers used the digital channel, totaling over 255 million transactions. Furthermore, 37.5% of the products contracted by customers were purchased directly through the app, demonstrating the relevance of the platform in customer relations and in the Bank's operational efficiency.

The new INSS Beneficiary customers are becoming more digital every day, 77% of them have already signed up to the Mercantil App, 57% of them on the same day they open their account, using the several services available.

And the evolution of this application never stops. In the half, Mercantil made several changes to the design and functionalities of the app. Today, users can already nickname their registered accounts in the app according to their convenience, an important aspect for those with more than one checking account at the bank.

Our statement has also changed, becoming more practical and displaying a more modern look, following the best practices of the service. The automatic PIX (Brazilian Instant Payment System) was also launched this half, providing the customer with the possibility of making automatic recurring payments, all within the PIX ecosystem. Another new feature was the possibility of accessing the website gov.br via the Mercantil App. The process is quick and easy, guaranteeing the silver seal for the bank's account holders.

We also made progress in partnerships, as well as improving the entire payroll card journey. An important innovation is the possibility of entering online stores directly through the app, taking advantage of the several discounts offered to customers and paying using our cards. The journey fully takes place on the Mercantil App, which guarantees our customers' end to end security.

Mercantil - WhatsApp Channel

Mercantil has achieved remarkable success in expanding the number of clients and generating business through digital marketing actions. In fact, the Bank has used its strategic presence and expertise in closing deals on WhatsApp to win new clients and expand its loan portfolio. As a result, there has been an increase in the number of business deals carried out on the WhatsApp channel, including the anticipation of FGTS withdrawals, INSS Payroll Loans, Personal Loans, INSS Payroll Loan Cards and Portability. This whole process is carried out end-to-end on the WhatsApp platform, providing a fast and convenient experience for the target audience.

ATMs

The objective continues to be the channel availability and the improvement of the technological structure, bringing business solutions that enhance targeted approach strategies for client prospecting, as well as guaranteeing the availability of the channel to clients.

With different transactions carried out in the first half of 2025, of around 3.3 million per month, self-service was responsible for over 10 million withdrawal transactions, more than 900 thousand transactions between payments, transfers or deposits, and over 116 thousand product contracts.

Therefore, ATMs play a strategic role in consolidating customer relations and supporting the institution's growth.

Differentiated Corporate Governance (IGC)

Banco Mercantil is part of B3's Special Corporate Governance Stock Index (IGC) and is listed in the Level 1 Segment, highlighting its adherence to practices that prioritize transparency, fairness, accountability, and corporate responsibility.

As a Level 1 issuer, in addition to formal obligations, management conducts a structured investor relations program, including teleconferences and public meetings, to present results, outlook, and performance indicators, reinforcing the dialogue with stockholders and other stakeholders.

The governance framework also incorporates well-founded risk management, regulatory compliance and internal control processes, in line with the prudential guidelines applicable to the financial system. Additional information is available at <https://ri.bancomercantil.com.br/>.

Sustainable Development

Banco Mercantil reaffirms its commitment to sustainable development, with integrated actions in the social, environmental, climate and governance dimensions. Sustainability remains one of the institution's strategic pillars, with structured policies and initiatives aimed at collective well-being.

In the social area, the Bank maintained sponsorships, donations and the production of free financial education content, available on its digital channels.

In the environmental front, progress was made in consolidating the Environmental, Social and Climate Responsibility Policy, with measures to mitigate risks and increase efficiency. It is worth highlighting the use of renewable energy, reduction in energy and water consumption at the registered office, maintenance of paperless digital stores, and proper waste management.

In the loan assignment, the Bank applies strict criteria for socio-environmental and climate risk, and does not finance activities with significant negative impacts. It uses restrictive lists and alerts from official bodies to reinforce control.

Regarding governance, all contracts include socio-environmental and anti-corruption clauses. Relations with third parties follow internal rules that assess legal compliance, reputation and alignment with institutional values.

Banco Mercantil continues to act as an agent of transformation, fostering inclusion, ethics and responsibility. More information is available at: ri.bancomercantil.com.br/governanca-corporativa/sustentabilidade/.

Talent and culture

Banco Mercantil recognizes that strengthening the culture and continuous development of its employees are essential pillars for the sustainability of our business and the maintenance of a healthy and productive corporate environment.

It relies on a Human Resources structure that acts strategically in mapping the organization's needs, in structuring and managing talent and culture programs and actions. The core objective is to strengthen the bond between employees and the Bank, ensuring that they have an excellent education and stand out in the competitive national financial market.

With an eye on employee well-being and sustainable corporate growth, we highlight the continuity of already consolidated development programs, including the Knowledge Multiplier.

Knowledge Multiplier: This program actively encourages collaboration and the sharing of valuable information among our employees. Through online lectures, we encourage the exchange of knowledge and the building of collective intelligence. During the half, important lectures were held: "Marketplace - Its role in the ecosystem for the 50+ audience"; "Trends for the Retail Market in 2025"; "NotebookLM - AI Applied to Bank Efficiency" and "Ethics in action: impact, leadership and practices for daily organizational life".

As a direct result of these initiatives and programs, we recorded significant engagement in virtual training during the half, which was conducted through the Mercantil Academy and online training via Google Meet, as well as in-person training.

It is important highlighting the performance appraisal program, the Development Cycle. Feedback cycles and the definition of corporate goals have started, as well as the drafting of Individual Development Plans (IDPs). In these plans, Mercantil defines actions for qualification and professional development, such as courses, workshops, benchmarking, technical visits, and lectures, which will be implemented throughout 2025 with the purpose of boosting the achievement of the established targets and KPIs.

This care dedicated to employees has led to an increasingly favorable organizational climate, where motivation and a sense of belonging are cultivated, driving the achievement of consistent and sustainable results for the Bank.

It is in this context that Banco Mercantil is once again among the best companies to work for. In 2025, we were awarded the GTPW – Great Place to Work seal. The survey showed a reach of 84% satisfaction. Moreover, we obtained the GPTW seal – Great People Mental Health, which recognizes organizations with relevant actions to foster mental health, highlighting a work environment that prioritizes the mental health of its employees. This result shows that Banco Mercantil's employees feel they are in an environment of trust that is constantly developing.

Investments in our human capital and the continuous pursuit of technological innovation have provided Banco Mercantil with a modern and dynamic corporate environment, consolidating our entry into the Digital Age and enabling us to achieve our strategic objectives of generating growing and sustainable results.

- **Capital and Risk Management - Basel III**

The Capital Management Structure is aligned with the Institution's business model and risk profile, allowing for a robust assessment of the capital needs to sustain projected growth. This approach also favors a forward-looking view, anticipating possible capital demands resulting from changes in market conditions.

The operational limits are determined on a consolidated basis, and the capital adequacy ratio (according to Basel III guidelines) reached 17.1%, above the regulatory minimum of 10.5%, already considering the additional core capital. Detailed information can be found in Note 21.

- **Anti-money Laundering**

The Bank has policies, procedures, internal controls and continuous monitoring aimed at preventing and fighting the laundering or concealment of assets, rights and values. The guidelines for complying with the policies and procedures are available in an internal Regulatory Act accessible to all employees.

CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE

- **Asset Information and Results**

>> Assets

Total consolidated assets stood at R\$ 29.8 billion, accounting for a significant increase of 17.0%. Cash equivalents and other financial assets reached R\$ 27.7 billion.

In the asset structure, the most relevant assets are represented by Financial Assets (R\$ 27.7 billion), Current and Deferred Tax Assets (R\$ 930.9 million), Property and Equipment (R\$ 506.3 million), Intangible Assets (R\$ 189.5 million), among others.

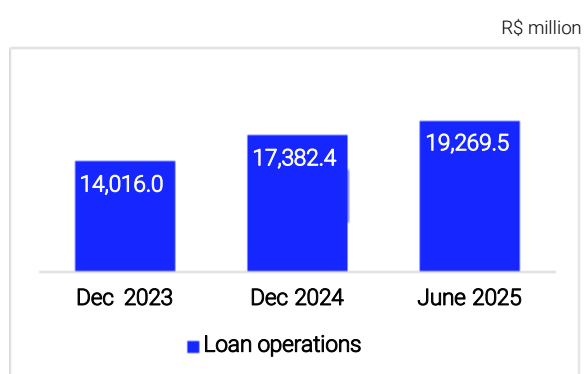
Cash and cash equivalents total R\$ 5.8 billion (19.6% of total assets) and are used to manage short-term commitments. They are composed of cash equivalents of R\$ 1.1 billion and short-term interbank investments of R\$ 4.7 billion.

The financial assets recognized at fair value through other comprehensive income total R\$ 1.7 billion and are composed of Financial Treasury Bills (R\$ 1.6 billion), Certificates of Agribusiness Receivables (R\$ 64.5 million), Certificates of Real Estate Receivables (R\$ 22.9 million), Agribusiness Credit Rights Certificates (R\$ 9.2 million), among others.

The financial assets recognized at amortized cost totaled R\$ 25.8 billion (86.5% of total assets) and are mainly represented by Required Reserves at the Central Bank of Brazil, Short-term interbank investments, Marketable securities, Loan operations, and Other credits.

Marketable securities at amortized cost reached R\$ 601.4 million and consist of sovereign external securities.

Loan operations and other credits reached R\$ 19.3 billion, accounting for a significant annual expansion of 10.9%, despite the adverse scenario for the period. The credit facilities that recorded a more significant expansion were payroll loans (16.6%) and personal loans (9.3%). In line with strategic guidelines, there is a growing concentration in the individual segment.



The main credit facilities account for 95.7% of the loan portfolio and are segmented as follows, with the following percentages of the loan portfolio: payroll loan of R\$ 12.6 billion (65.3%); FGTS loan of R\$ 2.8 billion (14.7%); personal loans R\$ 2.6 billion (13.6%) and Working Capital of R\$ 412.6 million (2.1%).

The provision for expected losses associated with credit risk stood at 5.3%. More detailed information is available in Note 7.4.

>> Liabilities

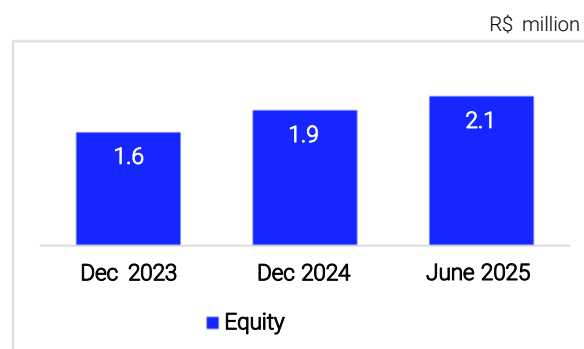
Funding

Financial liabilities recorded at amortized cost and are mainly represented by money market funding in the amount of R\$ 25.9 billion (accounting for an increase of 17.9%), of which R\$ 19.2 billion derives from time deposits, accounting for an increase of 15.9%. Further details are available in Note 14.

Fundraising through financial bills reached R\$ 4.6 billion. Of this total, the amount of R\$ 852.3 million is recorded under the heading "Debt Instruments Eligible for Capital" in Liabilities, as referred to in CMN Resolution 4955/2021, of which R\$ 407.7 million is being used to compose Level II Reference Equity; and R\$ 199.6 million as Supplementary Capital.

>> Equity and income

Mercantil Múltiplo's equity reached R\$ 2,108.2 million, compared to R\$ 1,894.6 million, accounting for an increase of 11.3%.



>> Income

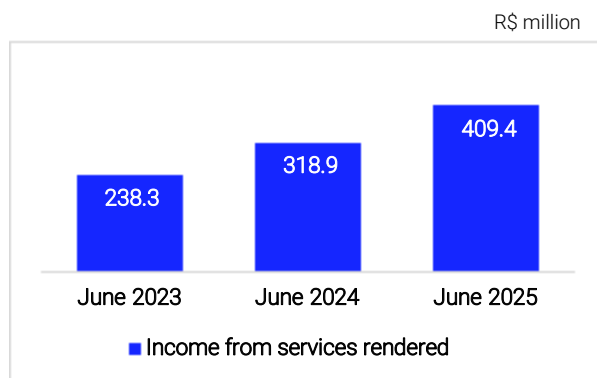
Interest Income stood at R\$ 3.7 billion, accounting for an increase of 36.8%. They are mainly represented by income from loan operations of R\$ 3.3 billion and income from marketable securities and derivative financial instruments of R\$ 389.9 million from income on financial intermediation.

Interest Expenses totaled R\$ 1.5 billion, accounting for an increase of 72.8%, represented mainly by Expenses on funds raised in the market.

The provision for expected losses associated with credit risk stood at R\$ 466.9 million, compared to R\$ 231.0 million in the same half of 2024.

Net Interest Income (net of Provision for Expected Losses) stood at R\$ 1.7 billion, compared to R\$ 1.6 billion in the same period of 2024.

Income from services rendered reached R\$ 409.4 million (R\$ 318.9 million in the previous year), accounting for a significant growth of 28.4%.



Personnel expenses reached R\$ 364.6 million and administrative expenses totaled R\$ 620.1 million. Further details are available in Notes 18.2 and 18.3.

INVESTMENTS IN SUBSIDIARIES

Interests and investments in subsidiaries are detailed in a specific table in the financial statements.

RELATIONSHIP WITH INDEPENDENT AUDITORS

Pursuant to the provisions of CVM Resolution 162/2022, Mercantil and the companies controlled by the Bank inform that services not related to external audit, when contracted, are based on applicable regulations and international principles that preserve the independence and objectivity of the independent auditor.

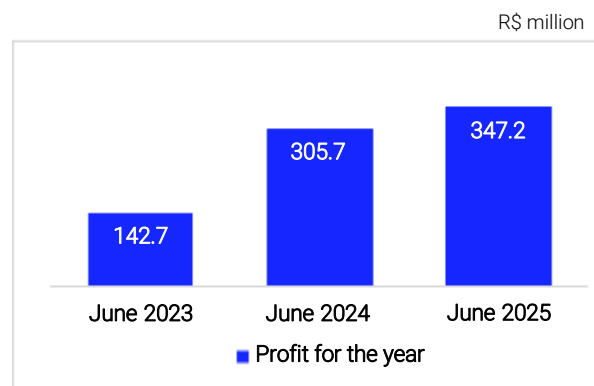
Mercantil and its subsidiaries report that services unrelated to external audit were not engaged with their independent auditors PricewaterhouseCoopers Auditores Independentes in the first half of 2025.

Belo Horizonte, August 2025.

Management

>> Profit for the year

Profit for the year stood at R\$ 347.2 million, compared to R\$ 305.7 in the same half of 2024.



>> Dividends

In the half, dividends to stockholders in the form of Interest on Capital provisioned totaled R\$ 139.6 million, equivalent to R\$ 118.7 million, net of income tax. Further details are available in Note 17.3.



Review report on the parent company and consolidated interim financial statements

To the Board of Directors and Stockholders
Banco Mercantil do Brasil S.A.

Introduction

We have reviewed the consolidated balance sheet of financial statements of Banco Mercantil do Brasil S.A. ("Bank") and its subsidiaries as at June 30, 2025 and the consolidated statements of income, comprehensive income for the three and six-month periods then ended, changes in equity and cash flows for the nine-month period then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

The Bank's management is responsible for the preparation and fair presentation of these consolidated interim financial statements according to the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards for the review of interim financial information (NBC TR 2410/ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, mainly to the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any fact that leads us to believe that the interim consolidated financial statements do not present fairly, in all material respects, the financial position of Banco Mercantil do Brasil S.A. and its subsidiaries as at June 30, 2025, and their consolidated performance for the three and six-month periods then ended and their cash flows for the three-month period then ended, in accordance with the International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

Other matters

Statement of value added

The consolidated interim financial statements referred to above include the consolidated Statement of Value Added for the three-month period ended June 30, 2025, prepared under



Banco Mercantil do Brasil S.A.

the responsibility of the Bank's management and presented as supplementary information. This statement has been subject to review procedures performed together with the review of the consolidated interim financial statements, aiming to conclude whether it is reconciled with the consolidated interim financial statements and accounting records, as applicable, and whether its form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". Based on our review, we are not aware of any fact that leads us to believe that this statement of value added has not been prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and is consistent with the interim consolidated financial statements taken as a whole.

Belo Horizonte. August 05, 2025

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PriceweerhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

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Luís Carlos Matias Ramos
Accountant CRC 1SP171564/O-1

BALANCE SHEET

Assets	Note	(In thousands of reais)	
		06/30/2025	12/31/2024
Cash equivalents	4	1,131,911	1,311,041
Financial instruments		26,572,270	22,216,594
Fair value through other comprehensive income		1,739,868	1,658,098
Marketable securities	5.1	1,739,868	1,658,098
At fair value through profit or loss		65,680	94,302
Marketable securities	6.1	65,680	94,302
At amortized cost		24,766,722	20,464,194
Compulsory deposits with the Central Bank	7.1	958,562	576,988
Short-term interbank investments	7.2	4,811,019	2,674,749
Marketable securities	7.3	601,365	574,290
Loan operations and other credits	7.4.a)	19,273,391	17,372,837
(Provision for expected losses)	7.4.e)	(1,030,839)	(812,498)
Other financial assets	7.6	153,224	77,828
Tax assets		930,859	856,765
Current	8.1	187,705	228,166
Deferred	8.2	743,154	628,599
Non-financial assets held for sale	9	47,251	51,740
Other assets	10	402,726	425,386
Investments	11	23,073	18,676
Property and equipment	12	506,346	434,268
Intangible assets	13	189,459	164,639
Total assets		29,803,895	25,479,109
Liabilities and equity	Note	06/30/2025	12/31/2024
Financial liabilities		26,035,421	22,094,738
At amortized cost		26,035,421	22,094,738
Deposits	14.1	20,200,603	17,659,110
Funds from acceptance and issue of securities	14.2	4,717,207	3,397,427
Borrowings and onlendings		106,988	100,101
Interbank accounts		117,175	98,160
Interdepartmental accounts		-	11,092
Obligations for operations linked to assignment	7.5	34,191	44,228
Debt instruments eligible to capital	14.3	852,342	780,955
Other financial liabilities		6,915	3,665
Tax liabilities		128,278	121,417
Current		120,851	113,239
Deferred		7,427	8,178
Provisions	15	318,020	299,303
Other liabilities	16	1,214,002	1,069,062
Equity		2,108,174	1,894,589
Capital	17.1	807,203	807,203
(Treasury shares)	17.1	(3,830)	(3,830)
Capital reserve	17.2	43,375	43,375
Revenue reserves	17.2	876,228	1,004,408
Other comprehensive income		1,446	6,839
Retained earnings		345,137	-
Non-controlling interest		38,615	36,594
Total liabilities and equity		29,803,895	25,479,109

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

STATEMENT OF INCOME

(In thousands of reais, except for the information on the number of shares and net earnings per share)

	Note	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Interest income		1,976,263	3,717,617	1,404,258	2,716,091
Loan operations	7.4.d)	1,748,132	3,320,410	1,246,279	2,444,467
Income from loan operations		-	-	69	85
Income from marketable securities transactions		238,899	419,360	98,422	186,512
Income from derivative financial instruments	6.2.c)	(16,747)	(29,435)	58,984	84,015
Income from compulsory deposits		5,979	7,282	504	1,012
Interest expense	14.4	(830,904)	(1,517,839)	(449,830)	(878,464)
Net result from financial intermediation		1,145,359	2,199,778	954,428	1,837,627
Provision for expected losses associated with credit risk	7.4.e)	(132,956)	(466,948)	(123,603)	(230,999)
Net interest income		1,012,403	1,732,830	830,825	1,606,628
Other operating income/expenses		(711,004)	(1,336,904)	(617,091)	(1,179,815)
Income from services rendered	18.1	206,696	409,406	168,021	318,928
Personnel expenses	18.2	(182,819)	(364,651)	(154,175)	(303,725)
Other administrative expenses	18.3	(339,680)	(620,095)	(245,475)	(463,138)
Tax expenses	18.4	(76,865)	(149,863)	(71,464)	(136,451)
Other operating income	18.5	22,621	54,130	25,756	51,756
Other operating expenses	18.6	(279,637)	(559,981)	(296,608)	(567,916)
Reversals of/(Expenses on) provisions	18.7	(61,320)	(105,850)	(43,146)	(79,269)
Income before income tax and social contribution		301,399	395,926	213,734	426,813
Income tax and social contribution	8.3	(58,594)	(38,085)	(56,873)	(121,032)
Current		(88,371)	(146,679)	(66,414)	(114,812)
Deferred	8.2	29,777	108,594	9,541	(6,220)
Non-controlling interest		(5,093)	(10,628)	307	(102)
Profit for the period		237,712	347,213	157,168	305,679
Basic and diluted earnings per share (in reais)					
Common shares		2.2751	3.3232	1.5042	2.9256
Preferred shares		2.2751	3.3232	1.5042	2.9256
Profit attributed (in reais - R\$ thousand)					
Common shares		148,237	216,522	98,010	190,622
Preferred shares		89,475	130,691	59,158	115,057
Number of outstanding shares - basic and diluted					
Common shares		65,155,744	65,155,744	65,155,744	65,155,744
Preferred shares		39,327,336	39,327,336	39,327,336	39,327,336

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

STATEMENT OF COMPREHENSIVE INCOME

(In thousands of reais)

	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Profit for the period	237,712	347,213	157,168	305,679
Other comprehensive income	532	(5,393)	11	2,064
Items to be subsequently reclassified to income	532	(5,393)	11	2,064
Financial assets at fair value through other comprehensive income	1,043	(10,163)	23	2,139
Tax effect	(511)	4,770	(12)	(75)
Total comprehensive income for the period	238,244	341,820	157,179	307,743
Taxable profit to controlling shareholder	233,151	331,192	157,486	307,641
Taxable profit to non-controlling interest	5,093	10,628	(307)	102

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

STATEMENT OF CHANGES IN EQUITY

(In thousands of reais)

	Realized capital	Capital reserves	Revenue reserves		Retained earnings/(losses)	Other comprehensive income	(Treasury shares)	Equity	Non-controlling interest	Adjusted equity
			Legal	Statutory						
AT 12/31/2023	702,372	43,375	118,761	687,935	19,747	4,348	(3,830)	1,572,708	39,441	1,612,149
Capital transactions with partners	-	-	-	-	(102,000)	-	-	(102,000)	-	(102,000)
Interest on capital paid, resolved and/or provisioned	-	-	-	-	(102,000)	-	-	(102,000)	-	(102,000)
Total comprehensive income	-	-	-	-	305,679	2,064	-	307,743	102	307,845
Profit for the period	-	-	-	-	305,679	-	-	305,679	102	305,781
Other comprehensive income	-	-	-	-	-	2,064	-	2,064	-	2,064
Financial assets at fair value through other comprehensive income	-	-	-	-	-	2,139	-	2,139	-	2,139
Tax effect	-	-	-	-	-	(75)	-	(75)	-	(75)
Internal changes in equity	104,831	-	-	(104,831)	(4,794)	-	-	(4,794)	(3,053)	(7,847)
Capital increase - Meeting of the Board of Directors on 03/20/2024	104,831	-	-	(104,831)	-	-	-	-	-	-
Other	-	-	-	-	(4,794)	-	-	(4,794)	(3,053)	(7,847)
AT 06/30/2024	807,203	43,375	118,761	583,104	218,632	6,412	(3,830)	1,773,657	36,490	1,810,147
AT 12/31/2024	807,203	43,375	156,370	848,038	-	6,839	(3,830)	1,857,995	36,594	1,894,589
Capital transactions with partners	-	-	-	-	(139,641)	-	-	(139,641)	-	(139,641)
Interest on capital provisioned	-	-	-	-	(139,641)	-	-	(139,641)	-	(139,641)
Total comprehensive income	-	-	-	-	347,213	(5,393)	-	341,820	10,628	352,448
Profit for the period	-	-	-	-	347,213	-	-	347,213	10,628	357,841
Other comprehensive income	-	-	-	-	-	(5,393)	-	(5,393)	-	(5,393)
Financial assets at fair value through other comprehensive income	-	-	-	-	-	(10,163)	-	(10,163)	-	(10,163)
Tax effect	-	-	-	-	-	4,770	-	4,770	-	4,770
Internal changes in equity	-	-	-	(128,180)	137,565	-	-	9,385	(8,607)	778
Other	-	-	-	(128,180)	137,565	-	-	9,385	(8,607)	778
BALANCES AT 06/30/2025	807,203	43,375	156,370	719,858	345,137	1,446	(3,830)	2,069,559	38,615	2,108,174

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

STATEMENT OF CASH FLOW - Indirect Method

	(In thousands of reais)	
	06/30/2025	06/30/2024
1. CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax on profit	395,926	426,813
Adjustments to profit	692,632	406,713
Effect of changes in exchange rate on cash and cash equivalents	-	(134)
Expense / (Reversal) and Interest/indexation with tax, civil and labor provisions	116,589	83,837
Expenses with provision for expected losses	466,948	243,629
Depreciation and amortization	109,206	78,600
(Gains) Losses with other assets	(111)	781
Net (increase) decrease in operating assets	(2,560,201)	(1,915,894)
Financial assets at amortized cost	(2,680,465)	(1,654,941)
Current tax assets	40,461	(12,124)
Non-financial assets held for sale	4,489	4,473
Deferred tax assets	(5,961)	3,059
Financial assets at fair value through other comprehensive income	145,217	(145,139)
Financial assets at fair value through profit or loss	28,622	(39,488)
Other assets	(92,564)	(71,734)
Increase (decrease), net in operating liabilities	3,914,825	2,210,979
Financial liabilities at amortized cost	3,940,683	2,362,565
Current tax liabilities	(8,596)	32,154
Provisions	18,717	1,546
Deferred tax liabilities	4,019	(28,352)
Other liabilities	(39,998)	(156,934)
Cash generated by / (invested in) operations	2,443,182	1,128,611
Taxes paid	(130,471)	(144,892)
NET CASH GENERATED BY / (INVESTED IN) OPERATING ACTIVITIES (1)	2,312,711	983,719
2. CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments	(341,656)	(39,341)
Acquisition of financial assets at fair value through other comprehensive income	(237,193)	(1,497)
Investment acquisition	(4,500)	-
Acquisition of own property and equipment	(39,713)	(6,985)
Acquisition of intangible assets	(60,250)	(30,859)
Disposal	267	24,452
Disposal of financial assets at fair value through other comprehensive income	43	14,370
Sales of investments	103	-
Disposal of own property and equipment	121	5,117
Disposal of intangible assets	-	4,965
NET CASH GENERATED BY / (INVESTED IN) INVESTMENT ACTIVITIES (2)	(341,389)	(14,889)
3. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of debt instruments eligible to capital	69,941	11,123
Dividends and interest on capital paid	(122,775)	(83,282)
Change in minority interest	(8,607)	(3,053)
NET CASH GENERATED BY (INVESTED IN) FINANCING ACTIVITIES (3)	(61,441)	(75,212)
INCREASE / (DECREASE) IN CASH EQUIVALENTS (1+2+3)	1,909,881	893,618
Cash and cash equivalents at the beginning of the period	3,934,842	2,793,186
Effect of changes in exchange rate on cash and cash equivalents	-	134
Cash and cash equivalents at the end of the period	5,844,723	3,686,938
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,909,881	893,618

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

STATEMENT OF VALUE ADDED

	(In thousands of reais)	
	06/30/2025	06/30/2024
1 – INCOME	3,048,375	2,207,664
Income on financial intermediation	3,717,617	2,716,091
Income from services rendered	409,406	318,928
Expenses with provision for expected losses	(466,948)	(230,999)
Other	(611,700)	(596,356)
2 - EXPENSES ON FINANCIAL INTERMEDIATION	(1,517,839)	(878,464)
3 - INPUTS ACQUIRED FROM THIRD PARTIES	(510,889)	(379,655)
Materials, energy and others	(26,167)	(27,205)
Third-party services	(240,802)	(157,978)
Other	(243,920)	(194,472)
Communications	(6,208)	(4,826)
Data processing	(123,827)	(99,431)
Advertising and publicity	(34,339)	(23,275)
Financial system services	(14,168)	(7,350)
Insurance expenses	(15,032)	(11,432)
Transport expenses	(25,987)	(25,636)
Other	(24,359)	(22,522)
4 - GROSS ADDED VALUE (1-2-3)	1,019,647	949,545
5 - DEPRECIATION, AMORTIZATION AND DEPLETION	(109,206)	(83,483)
Depreciation and amortization	(109,206)	(83,483)
6 – NET ADDED VALUE PRODUCED BY THE ENTITY (4-5)	910,441	866,062
7 – ADDED VALUE RECEIVED AS TRANSFER	-	-
8 – ADDED VALUE PAYABLE (6+7)	910,441	866,062
9 – DISTRIBUTION OF ADDED VALUE	910,441	866,062
Personnel	312,858	263,809
Direct remuneration	244,226	201,044
Benefits	54,920	49,550
FGTS	13,712	13,215
Taxes, rates and contributions	239,742	296,472
Federal	222,338	280,446
State	12	12
Municipal	17,392	16,014
Remuneration of own capital	357,841	305,781
Interest on capital	139,641	102,000
Retained earnings	207,572	203,679
Non-controlling interests in retained earnings	10,628	102

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

1. Operations

Banco Mercantil do Brasil S.A. ("Mercantil" or "Bank") is a publicly-held company authorized to operate as a multiple bank and has a wide variety of products and services available through digital and physical channels, through its network of 321 bank service points. It operates directly and indirectly through its subsidiaries in the most diverse types of credit, mainly payroll loan transactions, personal credit guaranteed by the individual's right to the Government Severance Indemnity Fund for Employees (FGTS) and in other financial segments, in the areas of investment, distribution and intermediation of securities, as well as in the sale of insurance and complementary marketplace services. The Bank's registered office and its main place of business are located at Avenida do Contorno, 5800 - 11º ao 15º andar, Savassi, Belo Horizonte, Minas Gerais, Brazil.

2. Preparation and presentation of financial statements

2.1. Presentation of the financial statements

The accounting information in the financial statements as at and for the year ended June 30, 2025 have been prepared considering the requirements and guidelines of Resolution 4818/20 of the National Monetary Council (CMN) which requires the preparation of consolidated financial statements adopting the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently named "IFRS accounting standards" (IFRS® Accounting Standards), including the interpretations issued by IFRS Interpretations Committee (IFRIC® Interpretations) or its previous body, Standing Interpretations Committee (SIC® Interpretations) translated into Portuguese by a Brazilian entity accredited by the International Financial Reporting Standards Foundation (IFRS Foundation).

In conformity with IAS 01, the annual consolidated financial statements under IFRS comprise the balance sheet, the statement of income, comprehensive income, changes in equity, cash flows and value added and the explanatory notes. The financial statements under IFRS are prepared in thousands of Reais, unless otherwise stated, rounding up or down to the nearest thousand consistent with the Brazilian Association of Technical Standards (ABNT).

The Statement of Value Added, which is required by the Brazilian corporate legislation for listed companies, is included. The statement of value added was prepared in accordance with Technical Pronouncement CPC 09 - Statement of Value Added.

The preparation of financial statements requires the use of estimates to record certain assets, liabilities, income and expenses. These include estimates for the provision for expected losses associated with credit risk, provision for labor, civil and tax risks, estimates of provision for income taxes and other provisions. Actual results may differ from those estimated.

The classifications and measurements of Financial Assets and Financial Liabilities are in accordance with the Business Model approved by the Board of Directors on 04/29/2025 as required by IFRS 9.

The financial statements were approved by Banco Mercantil's Board of Directors on August 5, 2025.

2.2. Consolidated financial statements

The consolidated financial statements for the year ended June 30, 2025 have been prepared in accordance with Law 6404/76 and the rules and regulations of the BACEN and CVM.

Intercompany investments, account balances, income and expenses and unrealized profits arising from transactions between the Bank and its Subsidiaries have been eliminated. Non-controlling interests in profit for the year and equity have been separately disclosed.

The consolidated financial statements include those of the Bank and its direct and indirect subsidiaries (Consolidated) listed below:

Direct and indirect subsidiaries:	Acronym	% - Equity interest	
		June 2025	Dec 2024
Banco Mercantil de Investimentos S.A. ^(I)	BMI	92.53	92.53
Mercantil Financeira S.A.-Crédito, Financiamento e Investimento ^{(I) (II)} (VI)	Finance	95.31	95.31
Mercantil do Brasil Corretora S.A. - Câmbio, Títulos e Valores Mobiliários	MBC	99.99	99.99
Mercantil do Brasil Distribuidora S.A. - Títulos e Valores Mobiliários	MBD	100.00	100.00
Domo Digital Tecnologia S.A. ^(III)	Domo	99.16	99.16
COSEFI - Companhia Securitizadora de Créditos Financeiros	COSEFI	100.00	100.00
SANSA - Negócios Imobiliários S.A.	SANSA	100.00	100.00
MB FII – Fundo de Investimento Imobiliário ^{(IV) (VIII)}	MB FII	100.00	100.00
OPEA SPE 01 - Companhia Securitizadora de Créditos Financeiros ^(V)	OPEA	100.00	100.00
Mercantil Adm. Corretagem de Seguros S.A ^(VIII)	MACS	99.56	99.56
Bem Aqui Administradora e Corretora de Seguros, Previdência Privada e Correspondente Bancário S.A.	Bem Aqui	100.00	100.00
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	Marketplace	100.00	100.00
Altavis Plataforma de Bem Estar Ltda. ^{(VII) (VIII)}	Altavis	95.00	95.00
Dente Vitta Assistência Odonto Ltda. ^{(VII) (VIII)}	Dente Vitta	95.00	95.00
Geração Saber Cursos Livres Ltda. ^{(VII) (VIII)}	Geração Saber	95.00	95.00
Maturitec Solução em Tecnologia Ltda. ^{(VII) (VIII)}	Maturitec	95.00	95.00
Viva Notícias Ltda. ^{(VII) (VIII)}	Viva	95.00	-

^(I) In the first half of 2024, the Bank acquired 310,000 preferred shares and 6,000 common shares at R\$ 9.95 each from Mercantil Financeira S.A. and a further 36,005 preferred shares at R\$ 15.23 each and 10,504 common shares at R\$ 20.01 each from Banco Mercantil de Investimentos S.A. The Bank's investment in the Institutions currently amounts to 89.32% and 92.53%, respectively.

^(II) The EGM held on November 5, 2024 resolved to increase the capital of the subsidiary Mercantil Financeira S.A. - Crédito, Financiamento e Investimentos, in the amount of R\$ 321.6 million, through the private subscription of 13,901,203 common shares and 9,083,968 preferred shares, registered and with a nominal value of R\$ 7.50 each, at an issue price of R\$ 13.990298 per share. The Bank's investment is now 95.31%.

^(III) The total equity interest in Domo held by the Bank and its subsidiaries Banco Mercantil de Investimentos S.A. and Mercantil Financeira S.A. – Crédito, Financiamento e Investimento.

^(IV) Investment fund, indirectly controlled by the Bank.

^(V) The Bank holds 100% of the subordinated quotas of the debentures through a specific purpose securitization company. These debentures are backed by credit rights of payroll loan assigned by Banco Mercantil.

^(VI) Corporate name changed by the Ordinary and Extraordinary General Meeting held on April 25, 2024. Former corporate name: Creditaqui Financeira S.A. – Crédito, Financiamento e Investimentos.

^(VII) Companies controlled by Marketplace that started operating in October 2024.

^(VIII) Indirectly controlled.

2.3. Reclassification of Comparative Information

The following reclassifications were made to the Balance Sheet and Statement of Income in December 2024:

BALANCE SHEET	Original	Reclassification	Reclassified
Financial instruments	22,216,594	-	22,216,594
At fair value through profit or loss	-	94,302	94,302
At fair value through other comprehensive income	1,752,400	(94,302)	1,658,098
At amortized cost	20,464,194	-	20,464,194
Deposited with the Central Bank of Brazil	576,988	-	576,988
Short-term interbank investments	2,674,749	-	2,674,749
Marketable securities	814,429	(240,139)	574,290
Loan operations and other credits	17,132,698	240,139	17,372,837
(Provision for expected losses)	(812,498)	-	(812,498)
Other financial assets	77,828	-	77,828
Total assets	25,479,109	-	25,479,109

Statement of income	Original	Reclassification	Reclassified
Interest Income	2,731,027	(14,936)	2,716,091
Interest expenses	(878,464)	-	(878,464)
Net result from financial intermediation	1,852,563	(14,936)	1,837,627
(-) Expected losses on financial assets	(245,935)	14,936	(230,999)
Net interest income	1,606,628	-	1,606,628

2.4. Significant accounting policies and critical estimates

a) Segment reporting

The presentation of information by segment is consistent with the Strategic and Marketing Plan, through which the Bank makes decisions for allocation of resources and investments, whose main focus are the Financial Segments, which operate credit in its various modalities, the Marketplace, which complements the 50+ ecosystem's portfolio of non-financial services, among other segments basically made up of the real estate, securitization and technology industries.

b) Cash and cash equivalents

Cash and cash equivalents are mostly cash, readily-redeemable bank deposits, and short-term high-liquidity investments readily convertible into cash and subject to an insignificant risk of change in value or limits, with original maturities of less than 90 days, from acquisition date, which are used by the Bank to manage its short-term cash commitments.

c) Foreign currency translation

- Functional and presentation currency**

The accounting information of the Bank and its direct and indirect subsidiaries is presented in Brazilian Real/Reais (R\$), which is its functional and presentation currency.

- **Foreign currency translation into functional currency**

Assets and liabilities in foreign currency, when they occur, are translated into Reais at the exchange rate at the balance sheet date. At June 30, 2025, the exchange rate was: US\$ 1.00 = R\$ 5.4565 (December 31, 2024 - US\$ 1.00 = R\$ 6.1923).

d) Financial instruments

The financial assets can be classified into three categories: (i) at amortized cost, (ii) at fair value through other comprehensive income and (iii) at fair value through profit or loss, based on the business model and in accordance with the provisions of IFRS 9:

The business model sets the way in which the Bank manages its financial assets to generate cash flows. The Management's purpose for a given business model is: (i) maintain the assets to receive the contractual cash flows; (ii) maintain the assets to receive the contractual cash flows and sale; or (iii) maintain the assets for trading.

The Solely Payments of Principal and Interest (SPPI) Test, is applied to verify whether the contractual provisions of financial assets and liabilities are only for payment of principal and interest, that is, they must include only consideration for the amount of money over time and the respective credit risk.

(i) Financial assets at amortized cost

They are financial assets acquired or originated with the objective of receiving contractual cash flows that are solely payment of principal and interest.

Financial assets measured at amortized cost are assets initially recognized at fair value, including direct and incremental costs, and subsequently recorded at amortized cost under the effective interest rate method.

Interest is recognized in the statement of income as "Income from Marketable Securities."

(ii) Financial assets at fair value through other comprehensive income

They are assets acquired or originated whose objective is achieved both by collecting contractual cash flows and selling financial assets.

They are initially recognized at fair value, plus transaction costs that are directly attributable to their acquisition or issuance, and are subsequently measured at fair value with the gains and losses recognized in other comprehensive income, until the financial asset is no longer recognized. Expected credit losses are reported in the statement of income.

Interest income is recognized in the Result under "Income from Marketable Securities," using the effective interest rate method.

(iii) Financial assets measured at fair value through profit or loss

Operations that are not classified as financial assets at amortized cost or at fair value through other comprehensive income or those that in the initial recognition are irrevocably designated at FVTPL, if this eliminates or significantly reduces accounting mismatches.

Financial assets measured at FVTPL are initially recorded and measured at fair value, and the respective subsequent changes in the fair value are immediately recognized in income.

Interest income from financial assets measured at FVTPL is recognized in "Income from marketable securities."

(iv) Financial liabilities

Financial liabilities are measured at amortized cost, except when we have financial liabilities designated as hedged items (or hedging instruments), which are measured at fair value.

Financial liabilities at fair value are initially measured at transaction cost and are subsequently adjusted at fair value. They are stated by the amounts payable and consider, when applicable, the payable charges updated up to the balance sheet date, recognized on a *pro rata die* basis.

In operations to raise funds through the issue of marketable securities, the associated expenses are appropriated to the income according to the term of the operation and shown as a reduction in the corresponding liability.

(v) Derivatives

Derivative financial instruments are classified, on the date of their acquisition, according to Management's intention to designate them as a hedging instrument or not, in accordance with IAS 39 (using the prerogative to continue applying the hedge accounting provided for in IAS 39, as permitted by IFRS 9). Moreover, they can be classified according to their nature into the following categories:

- **Fair value hedge** - the financial instruments classified into this category, as well as its related financial assets and liabilities, subject to hedge, have their realized or unrealized gains and losses recorded in income;
- **Cash flow hedge** - the financial instruments classified into this category have the effective portion of gains or losses recorded, net of tax effects, in a separate account in equity. The non-effective portion of the hedge is recognized directly in income; and
- **Hedge of net investment in foreign operation** - the financial instruments classified in this category aim to hedge the exchange rate change of investments abroad, whose functional currency is different from the local currency, and are accounted for in accordance with the accounting procedures applicable to the cash flow hedge category, i.e., with the effective portion recognized in equity, net of tax effects, and the non-effective portion recognized in income for the period.

Operations that use financial instruments that do not meet the hedge accounting criteria, mainly derivatives used to manage overall risk exposure, are recognized at market value, with any appreciation or devaluation recognized directly in income.

For operations contracted in trading for raising of or investment of funds, any valuation or devaluation derived from the adjustment to market value may be disregarded as long as their trading or settlement separately from the operation associated to it is not permitted, which in the event of early settlement of the associated operation, it is carried out at the contracted value, and that it is contracted for the same period and with the same counterparty of the associated operation.

(vi) Recognition and derecognition of financial assets and liabilities

A financial asset or a financial liability is recorded in the balance sheet when the Bank becomes a party to the contractual provisions of the instrument.

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards related to the transferred assets are transferred to third parties:

- **Loan assignment with substantial retention of risks and rewards:** the assigned operations are still recorded in the Bank's assets, and the funds received are recorded in assets with a corresponding entry to financial liabilities resulting from the obligation assumed. Income and expenses resulting from assignments are monthly recognized in income for the remaining term of the related operations.
- **Loan assignment without substantial retention of risks and rewards:** the assigned operations are derecognized from the Bank's assets. The gain or loss determined in the operation is recognized in income for the period.

(vii) Determination of fair value

The determination of the fair value of most financial assets and financial liabilities is based on market quotation prices or distributor prices for financial instruments traded in active markets. For the other financial instruments, fair value is determined using valuation techniques, which include the use of recent market transactions, discounted cash flow method, comparison with similar instruments for which there are market prices, and valuation models.

In conformity with IFRS 7 - Fair Value Measurement, financial assets and liabilities that are measured at fair value, after initial recognition, are grouped into Levels 1 to 3 of the fair value hierarchy:

- **Level 1:** obtained from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** obtained from information that is observable for the asset or liability, either directly or indirectly, except for quoted prices included in Level 1.
- **Level 3:** obtained through valuation techniques, which include variables for the asset or liability, but which, mostly, do not use as a basis the observable market data.

(viii) Provision for expected losses (Impairment)

• Assets measured at amortized cost

The Bank assesses at each balance sheet date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired when the credit risk of that financial instrument has increased significantly since initial recognition.

In the case of financial assets measured at amortized cost, the amount of the provision for expected losses determined based on the assessment of the increase in credit risk that occurs over the expected life of the financial instrument is presented as a reduction in the asset balance.

The Bank has policies, methods and procedures to cover its credit risk resulting from insolvency attributable to a counterparty.

These policies, methods and procedures are applied when granting, examining and documenting debt instruments and commitments, identifying any failure in their recovery and calculating the amounts necessary to cover the respective credit risk.

The Bank measures financial assets at amortized cost that meet the management criteria of the business model and the characteristics of the contractual cash flows, as established by the CMN Resolution 4.966/21. Provisions for expected losses are recognized for these assets, reflecting the evolution of credit risk over time.

Credit risk is assessed monthly to determine whether there has been a significant increase in risk since the initial recognition of the asset. The provisioning methodology follows the stages approach of IFRS 9, which classifies financial assets into three categories based on credit risk:

- **Stage 1 – Realizable Assets:** Application of provision for loss based on next twelve-month expected credit loss for assets that do not present a significant increase in credit risk since initial recognition.
- **Stage 2 – Doubtful Assets:** Application of a provision considering the expected loss over the life of the asset, for those that have suffered a significant increase in credit risk.
- **Stage 3 – Assets in default:** It is characterized by the delay of over 90 days and/or indicative that the respective obligation will not be fully met under the agreed conditions, without it being necessary to resort to guarantees or collateral. At this stage, the recognition of income of any kind not yet received from financial assets with credit recovery problems in the result for the period is not allowed.

Reclassification between stages occurs according to the evolution of the asset's credit risk, except in the case of financial assets acquired or originated with evidence of credit loss, which remain in Stage 3 until they are liquidated or written-off.

Provisioning methodology

The Bank adopts specific policies and procedures to manage and mitigate the credit risk associated with financial assets measured at amortized cost. The provisioning structure is made up of two main groups, with distinct criteria for calculating the provision:

- **Loans assessed individually:** This includes operations in which the provision is determined based on specific criteria for each product and previously defined impairment triggers.
- **Loans assessed collectively:** It covers operations subject to statistical modeling to estimate the expected loss, based on historical default patterns. Loss percentages are applied to these loans according to the portfolio segmentation and the different credit risk stages.

Loss parameters are calculated using historical series, resulting in the definition of a median expected loss rate. This analysis is reviewed annually based on the latest information available and incorporating forward-looking views.

Furthermore, in compliance with BCB Resolution 352/2023, the level of provision for loan operations must correspond to the amount resulting from the application of the percentages defined in the tables included in Annexes I and II, considering the periods of delay and the portfolios defined by this Resolution, based on the gross carrying amount of the asset.

Classification and evaluation criteria

The Bank's loan portfolio is segmented to allow a granular assessment of risk and the appropriate measurement of the provision for losses. This segmentation considers factors such as: Geographical region; Product type; Remaining contractual term; Profile of client or beneficiary; Age; Gender; etc.

To improve the accuracy of the provision, periodic studies are carried out on credit recovery, as well as studies on the reduction of credit risk based on the number of installments paid after the transaction is settled, a process known as "Cure."

Recognition of interest income

Interest income on assets classified in Stages 1 and 2 is recognized in proportion to the time elapsed, since the cash flows are still expected to be realized.

Stage 3 records operations with the prospect of liquidity problems (Problem Assets); in this case, the recognition of interest income is interrupted. In cases where the operation ceases to be classified as an asset with a credit recovery problem, considering the Cure criteria, recognition may be resumed, prospectively, following the effective interest method.

Based on the analysis of the loans and receivables portfolio, the Bank considers that operations less than 90 days overdue and with no other signs of credit deterioration remain classified as realizable.

This approach ensures that the provision for loss is appropriate to the reality of the portfolio's risk and complies with the applicable accounting and regulatory principles.

- **Assets classified as at fair value through other comprehensive income**

The Bank assesses at the end of each reporting period whether there is an increase in credit risk of a financial asset or group of financial assets.

For financial assets, credit loss is the present value of the difference between the contractual cash flows and the cash flows expected to be received.

The provision for expected losses on financial assets measured at fair value through other comprehensive income is recognized in the income in Other operating expenses.

e) Taxes and contributions

• Social contributions related to PIS and COFINS

The direct taxes for the Social Integration Program (PIS) and the Social Contribution on Revenues (COFINS) are calculated based on the Gross Revenue pursuant to article 12 of Decree-Law 1598/77, in conformity with Law 12973/14 and supplementary regulation, and are paid at the rates of 0.65% and 4%, respectively, on the cumulative system.

• Current and deferred income taxes

The provision for income tax is recorded on the accrual basis and calculated based on taxable profit, adjusted for temporary or permanent differences, at the rate of 15%, plus a 10% surcharge on annual taxable profit exceeding R\$ 240. Social contribution was calculated at the rate of 20% on taxable profit, in accordance with Law 14183/21.

Deferred taxes arising from temporary differences and from income tax and social contribution losses, if any, are recognized based on a technical study of estimated future taxable profits, in accordance with CMN Resolution 4842/20, BCB Resolution 15/20 and supplementary regulations, and are fully presented in non-current assets, based on BCB Resolution 2/20.

f) Non-financial assets held for sale

These comprise real estate, machinery and equipment and vehicles not used in the operations, intended for sale or received in lieu of payment.

They are recognized at the lower of the carrying amount or the gross carrying amount of the respective financial instrument of difficult or doubtful resolution and the fair value of the asset.

Non-financial assets held for sale without a liquid market are periodically assessed for impairment, through a technical appraisal report.

g) Property and equipment

• Rental properties

Rental properties or investment properties refer to land and projects constituted by the Bank's subsidiaries and are stated at acquisition cost and are depreciated at the acquisition cost and based on the useful life of the asset.

• Property and equipment in use

Property and equipment in use are stated at cost adjusted for depreciation, calculated based on the useful life of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

• Leased Property and Equipment

Finance leases over which the Bank holds substantially all the risks and rewards of ownership are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The property and equipment acquired under finance leases are depreciated over the useful life of the asset.

The Bank leases properties for agencies and bank service points. They are recognized as a "Right-of-use assets" as a counterpart to "Lease liabilities" that correspond to the balance payable for leases recorded at present value. Right-of-use assets are depreciated based on the useful life of the asset. The finance cost corresponding to interest on the lease liability is recognized under "Other operating expenses".

h) Intangible assets

Intangible assets correspond to expenditures for the acquisition and development of software and are recorded at the acquisition cost. The amortization of intangible assets was calculated based on the useful life attributed to the asset, which is defined between three and five years.

i) Impairment of assets

Based on Management's analysis, if the carrying amount of the assets or group of non-financial assets, except other values and assets and tax credits, exceeds their recoverable amount, an impairment charge is recognized in the income.

j) Provisions, contingent assets and liabilities

The control of contingent assets and liabilities and provisions is made in accordance with the criteria defined by IAS 37 - Provisions, contingent liabilities and contingent assets:

- **Contingent assets** - these are not recorded in the books, unless Management has full control over the asset or when favorable unappealable court decisions assure the realization of the gain is virtually certain. Contingent assets with expectations of probable favorable outcomes are only disclosed in the financial statements.
- **Contingent liabilities** - these represent legal cases for which losses are probable as classified by management, under the advice of the external legal counsel, based on the nature of the actions, the similarity with previous cases, the complexity and positioning of the Courts.
- **Provisions** - these originate from labor, civil and other lawsuits, under the advice of external legal counsel, based on the nature of the actions, similarity with previous cases, the complexity and positioning of the Courts. The amounts of these lawsuits are recognized when a probable outflow of resources is expected to arise to settle the obligation and when the amounts involved can be measured reliably.
- **Legal obligations** - provision for tax risks - these refer to tax obligations established by law, challenged in court as to their constitutionality that, irrespective of the probability of a favorable outcome in the ongoing lawsuits, are fully recorded in the financial statements.

k) Earnings per share

Basic earnings per share are presented for the two classes of shares; namely, common and preferred, and are calculated by dividing profit for the year attributable to the Parent by the weighted average number of preferred and common shares outstanding during the year (Note 17.4.).

The Bank does not have potentially dilutive instruments, therefore, diluted earnings per share are equal to basic earnings per share.

l) Interest on capital

Interest on capital paid and payable to stockholders and received or receivable from subsidiaries is calculated in accordance with Law 9249/95 and are presented in the financial statements in conformity with CMN Resolution 4872/20 as follows: (i) Interest on capital representing a present obligation at the balance sheet date is recorded in liabilities, as applicable, deducted from the retained earnings account; and (ii) Interest on capital received and receivable from subsidiaries is recognized in assets when the entity has obtained the right to receive it, it is measured by the investee, posted against the related investment.

m) Benefit plans

The Bank has a Compensation Plan specific for management, which includes rules for the payment of fixed and variable compensation in line with the Bank's risk management policy and best market practices, in accordance with IAS 19 - Employee Benefits. The amount of the overall compensation is approved annually at the Annual General Meeting. The right to variable compensation is subject to the achievement of the Bank's strategic goals, the individual goals and the goals of the management's operating areas.

n) Non-recurring events

The non-recurring results, when they occur, are shown in conformity with BCB Resolution 02/20 and refer to events that are not related to the Bank's typical activities or that are related, but are not expected to occur frequently in future years.

o) Critical accounting estimates and judgments

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual amounts may differ from these estimates.

Accounting estimates are reviewed periodically and have their amounts recognized on the base date of the review, as well as in the future periods affected, such as:

- **Provision for expected losses (Impairment):** the Bank assesses at each balance sheet date, whether there was an increase in the credit risk of a financial asset or group of financial assets and the expected loss attributed to these assets. In order to determine the measurement of expected credit loss, the Bank exercises its judgment considering whether there is objective evidence that indicates an increase in credit risk.
- **Fair value of financial assets and liabilities:** measurement is based on quotations in the active market or, in the absence of an active market, in the most advantageous market for financial assets or liabilities, taking into consideration all the reasonably available information. The fair value of financial assets and liabilities that are not traded on an active market and that have no information available is determined using valuation techniques.
- **Contingent assets and liabilities:** The Bank's contingencies are recorded when, supported by technical studies and under the advice of legal counsel, it is probable lawsuits will result in a cash outflow; and internal studies using a modeling approach that results in a better assessment of massified contingencies; and
- **Deferred income tax and social contribution:** deferred tax assets are recognized for temporary differences to the extent it is probable that the institutions will have sufficient future taxable profits to cover the deferred tax assets to be used supported by technical studies of estimated taxable profits.

3. Statement by operating segments

The presentation of information by segments is as follows:

Balance sheet	Finance ⁽ⁱ⁾	Insurance and business intermediation	Marketplace ⁽ⁱⁱ⁾	Other ⁽ⁱⁱⁱ⁾	Elimination	BRGAAP	Adjustments	June 2025	Dec 2024
Cash equivalents	1,125,321	380	6,032	6,830	(6,652)	1,131,911	-	1,131,911	1,311,041
Financial instruments	26,862,134	240,756	403,733	1,371,407	(2,308,905)	26,569,125	3,145	26,572,270	22,216,594
Tax assets	919,167	1,053	9,283	5,155	-	934,658	(3,799)	930,859	856,765
Non-financial assets held for sale	47,251	-	-	-	-	47,251	-	47,251	51,740
Other assets	389,242	9,979	6,526	3,644	(6,665)	402,726	-	402,726	425,386
Investments	728,614	15,241	12,024	1,940	(734,746)	23,073	-	23,073	18,676
Property and equipment	477,242	25,939	228	2,937	-	506,346	-	506,346	434,268
Intangible assets	189,370	-	89	-	-	189,459	-	189,459	164,639
Total Assets	30,738,341	293,348	437,915	1,391,913	(3,056,968)	29,804,549	(654)	29,803,895	25,479,109
Financial liabilities	27,027,573	-	-	1,002,506	(1,994,658)	26,035,421	-	26,035,421	22,094,738
Provisions	315,586	2,250	-	184	-	318,020	-	318,020	121,417
Tax liabilities	106,950	6,039	16,227	993	-	130,209	(1,931)	128,278	299,303
Other liabilities	1,181,869	29,999	2,715	16,928	(17,509)	1,214,002	-	1,214,002	1,069,062
Equity	2,106,363	255,060	418,973	371,302	(1,044,801)	2,106,897	1,277	2,108,174	1,894,589
Total Liabilities	30,738,341	293,348	437,915	1,391,913	(3,056,968)	29,804,549	(654)	29,803,895	25,479,109

Statement of income	Finance ⁽ⁱ⁾	Insurance and business intermediation	Marketplace ⁽ⁱⁱ⁾	Other ⁽ⁱⁱⁱ⁾	Elimination	BRGAAP	Adjustments	June 2025	June 2024
Interest Income	3,771,850	13,423	20,741	141,030	(228,175)	3,718,869	(1,252)	3,717,617	2,731,027
Interest expenses	(1,610,445)	-	-	(75,430)	168,036	(1,517,839)	-	(1,517,839)	(878,464)
Net result from financial intermediation	2,161,405	13,423	20,741	65,600	(60,139)	2,201,030	(1,252)	2,199,778	1,852,563
(-) Provision for expected losses associated with credit risk	(239,087)	-	-	-	-	(239,087)	(227,861)	(466,948)	(245,935)
Net result from expected loss of financial assets	1,922,318	13,423	20,741	65,600	(60,139)	1,961,943	(229,113)	1,732,830	1,606,628
Other operating income (expenses)	(1,366,651)	77,134	180,929	(3,338)	(224,978)	(1,336,904)	-	(1,336,904)	(1,179,815)
Income from services rendered	116,934	116,594	201,082	16,371	(41,575)	409,406	-	409,406	318,928
Equity in earnings of subsidiaries	224,612	462	(44)	(53)	(224,977)	-	-	-	-
Personnel expenses	(336,441)	(18,712)	(2,339)	(7,159)	-	(364,651)	-	(364,651)	(303,725)
Other administrative expenses	(633,587)	(5,433)	(3,193)	(7,427)	29,545	(620,095)	-	(620,095)	(463,138)
Tax expenses	(118,804)	(14,659)	(12,794)	(3,606)	-	(149,863)	-	(149,863)	(136,451)
Other operating income	53,846	151	57	127	(51)	54,130	-	54,130	51,756
Other operating expenses	(567,529)	(1,101)	(1,840)	(1,591)	12,080	(559,981)	-	(559,981)	(567,916)
Reversals of/(Expenses on) provisions	(105,682)	(168)	-	-	-	(105,850)	-	(105,850)	(79,269)
Income before taxes	555,667	90,557	201,670	62,262	(285,117)	625,039	(229,113)	395,926	426,813
Income tax and social contribution	(71,172)	(32,127)	(28,101)	(941)	-	(132,341)	94,256	(38,085)	(121,032)
Non-controlling interests	(1,248)	-	(8,203)	-	(1)	(9,452)	(1,176)	(10,628)	(102)
Profit for the year	483,247	58,430	165,366	61,321	(285,118)	483,246	(136,033)	347,213	305,679

⁽ⁱ⁾“Finance” segment is represented by financial institutions that operate loans in their various formats.

⁽ⁱⁱ⁾ Marketplace and its companies that complement the “50+” ecosystem’s portfolio of non-financial services.

⁽ⁱⁱⁱ⁾ “Other” segment basically comprises the real estate, securitization and technology sectors, as well as companies engaged in real estate development.

4. Cash and cash equivalents

Description	June 2025	Dec 2024
Cash equivalents	1,131,911	1,311,041
Short-term interbank investments	4,712,812	2,623,801
Money market investments - Own portfolio	4,666,999	2,577,967
Investments in interbank deposits	45,813	45,834
Total	5,844,723	3,934,842

5. Financial instruments at fair value through other comprehensive income

5.1. Marketable securities at fair value through other comprehensive income

a) Marketable securities at fair value through other comprehensive income

Description	Updated cost	Mark-to-market	Expected loss	Fair value/ Carrying amount
Financial Treasury Bills	1,628,748	1,740	-	1,630,488
Certificate of Agribusiness Receivables	70,799	312	(6,618)	64,493
Certificate of Real Estate Receivables	21,749	1,229	(64)	22,914
Certificate of Agribusiness Credit Rights	9,258	-	(15)	9,243
Bank Deposit Certificate	2,442	-	-	2,442
Commercial note	4,864	-	(16)	4,848
Debentures	5,474	(1)	(33)	5,440
Total at 06/30/2025	1,743,334	3,280	(6,746)	1,739,868
Total at 12/31/2024	1,657,842	1,197	(941)	1,658,098

b) Marketable securities at fair value through other comprehensive income by maturity

Term (in years)	June 2025	Dec 2024
≤01	215,894	62,298
01-02	132,490	275,713
02-03	208,005	204,802
03-04	112,581	69,315
04-05	355,246	47,957
>05	715,652	998,013
Total	1,739,868	1,658,098

Depending on their specific features, marketable securities are listed with B3 S.A. - Brasil, Bolsa, Balcão ("B3") and with Special System for Settlement and Custody (SELIC).

The main methodology used to value securities is to multiply the quantity of assets in inventory by the market prices published by the market information systems (ANBIMA, B3 or other feeders). If it is not possible to capture market prices, due to the low liquidity of the assets or since they do not have transaction records, theoretical prices will be established using methodologies recognized in the national financial market.

Furthermore, marketable securities have their fair value calculated using a specific methodology for determining expected loss, regardless of the market pricing process, as defined in the institutional policy.

c) **Expected loss**

The expected loss, related to financial assets at fair value through other comprehensive income is as follows:

Consolidated	Dec 2024	Gains /losses	Purchases	Settlement	Transfers	June 2025
Stage 1	(379)	(919)	(167)	343	-	(1,122)
Debentures	(2)	-	(32)	1	-	(33)
Commercial note	-	4	(21)	1	-	(16)
CRA	(358)	(853)	(114)	331	-	(994)
CDCA	-	(18)	-	3	-	(15)
CRI	(19)	(52)	-	7	-	(64)
Stage 2	(562)	(5,062)	-	-	5,624	-
CRA	(562)	(5,062)	-	-	5,624	-
Stage 3	-	-	-	-	(5,624)	(5,624)
CRA	-	-	-	-	(5,624)	(5,624)
Grand total	(941)	(5,981)	(167)	343	-	(6,746)

6. Financial instruments at fair value through profit or loss

6.1. Marketable securities at fair value through profit or loss

a) Marketable securities at fair value through profit or loss

Description	June 2025			Fair value/ Carrying amount
	Updated cost	Mark-to- market	Expected loss	
Real Estate Fund Quotas	38,111	-	-	38,111
Credit Right Investment Funds	20,430	-	-	20,430
Funcine	1,418	-	-	1,418
Investment fund quotas	351	-	-	351
Trading Participant Fund Quotas and Clearing Member	5,370	-	-	5,370
Total at 12/31/2024	65,680	-	-	65,680
Total at 12/31/2024	81,115	13,323	(136)	94,302

b) Marketable securities at fair value through profit or loss at maturity

Term	June 2025	Dec 2024
Undetermined	45,250	74,807
1-2 Years	20,430	19,495
Total	65,680	94,302

Depending on their specific features, marketable securities are listed with B3 S.A. - Brasil, Bolsa, Balcão ("B3") and with Special System for Settlement and Custody (SELIC).

Investment fund quotas were recorded on the basis of the quotation reported by the fund managers.

c) **Expected loss**

The expected loss, related to financial assets at fair value through profit or loss, is as follows:

Consolidated	Dec 2024	Gains /losses	Purchases	Settlement	Transfers	June 2025
Stage 1	(136)	136	-	-	-	-
FIDC	(98)	98	-	-	-	-
Quotas of Funds	(38)	38	-	-	-	-
Grand total	(136)	136	-	-	-	-

6.2. Derivative financial instruments

The derivative financial instruments traded by the Bank are mainly futures contracts used as hedge of foreign currency translation into functional currency due to the risk of foreign exchange and interest rate variations to hedge the fixed rate positions, and are classified according to Management's intention in accordance with IFRS 9 - Financial Instruments.

They are used in two strategies: trading portfolio and banking portfolio. Derivatives held with the intention of trading, or intended to hedge other elements of the trading portfolio, which do not have limitations on their trade, are classified in the trading portfolio. The banking portfolio contains derivatives intended for structural operations, not classified as trading.

Risk management is controlled and monitored independently of the areas generating the risk exposure. The assessment and measurement are carried out daily based on the metrics of Delta EVE (Economic Value Equity) and Delta NII (Net Interest Income). Additionally, sensitivity analyses and stress tests are carried out for derivative instruments.

The fair value of derivative financial instruments and the related hedged items is determined by estimating the cash flow of each party discounted to present value, according to the rates published by B3, adjusted by the risk spread, determined at the closing of the operation.

Operations with derivative financial instruments are held in custody on B3 (stock exchange) or on the Organized Counter for Assets and Derivatives (B3 - over-the-counter). The notional values of these operations are recorded in memorandum accounts.

The derivative financial instruments of the Bank and Consolidated are as follows:

a) Derivative financial instruments

By index	June 2025		Dec 2024	
	Notional amount	Fair value	Notional amount	Fair value
Futures contract - DI ⁽ⁱ⁾				
Short position - Interest rate	5,523,765	5,517,599	4,190,141	4,190,952
Futures contract - DAP⁽ⁱⁱ⁾				
Short position - Interest rate	-	-	30,635	30,630
Futures contract - US dollar ⁽ⁱⁱⁱ⁾				
Short position - Foreign currency	-	-	3,110	3,119
Futures contract - Mini index ^(iv)				
Long position - Ibovespa	678	688	1,362	1,363
Total	5,524,443	5,518,287	4,225,248	4,226,064

⁽ⁱ⁾ The objective of the futures contract - DI is to hedge fixed rate exposures indexed to the DI.

⁽ⁱⁱ⁾ The objective of the IPCA Coupon Futures (DAP) is to hedge the Bank's exposures in relation to transactions indexed to the IPCA index.

⁽ⁱⁱⁱ⁾ The objective of the US Dollar Futures Contract is to hedge, as a complement, the foreign exchange exposures of the Bank calculated at market value on a daily basis and adjusted on B3.

^(iv) The Mini Index Futures Contract refers to a mini futures contract derived from the Bovespa Index, traded on the stock exchange.

By maturity	01–90 Days	91–360 Days	>360 days	Notional value
Futures contract - DI	-	-	5,523,765	5,523,765
Futures contract - Mini index	678	-	-	678
Total at 06/30/2025	678	-	5,523,765	5,524,443
Total at 12/31/2024	1,521,890	30,635	2,672,723	4,225,248

b) Hedge accounting

Mercantil has a hedge transaction, classified in the market risk hedge category.

Market risk hedge	June 2025		Dec 2024	
	Carrying amount	Fair value adjustment	Carrying Amount	Fair value adjustment
Hedged item - Asset portfolio ⁽¹⁾	5,499,814	5,508,980	2,004,891	1,993,774
Hedge instrument - Interest rate	5,508,977	5,508,977	(1,993,772)	(1,993,772)

⁽¹⁾ The objective of the Hedge Accounting operation with Futures Contract - DI is to partially hedge the Bank's fixed rate loan operations (Note 7.4).

The effectiveness of hedge accounting operations is verified through the hedge ratio, which is measured by the ratio between the quantity of the hedging instrument and the hedged item in terms of their relative weighting, in addition to the qualitative assessment of the hedging relationship, in line with the Institution's risk management strategy.

c) Income from derivative financial instruments

Gains and losses on derivative financial instruments have been recognized directly in profit or loss in the line item "Income from derivative financial instruments" in the Bank and Consolidated, as shown below:

Description	04/01-06/30			01/01-06/30		
	Gain	Loss	Net result	Gain	Loss	Net result
Futures contract - DI	127,009	(143,836)	(16,827)	175,067	(204,945)	(29,878)
Futures contract - DAP	64	(61)	3	382	(432)	(50)
Futures contract - US dollar	306	(255)	51	1,109	(728)	381
Futures contract - Mini index	218	(192)	26	646	(534)	112
Total in 2025	127,597	(144,344)	(16,747)	177,204	(206,639)	(29,435)
Total in 2024	132,006	(73,022)	58,984	214,926	(130,911)	84,015

7. Financial instruments at amortized cost

7.1. Deposits at the Central Bank of Brazil

The deposits with the Central Bank of Brazil, at the Bank and Consolidated are as follows:

Description	June 2025	Dec 2024
Instant Payment Account	597,787	536,265
Time deposit	323,049	-
Saving deposit	22,699	24,925
Microcredit Direction	10,027	10,798
Compulsory cash reserves at the Central Bank	5,000	5,000
Total current	958,562	576,988

7.2. Short-term interbank investments

a) Breakdown of short-term interbank investments

Description	June 2025	Dec 2024
Money market investments	4,713,673	2,577,967
Own portfolio	4,666,999	2,577,967
Financial treasury bills - LFT	-	1,399,992
National Treasury Bills - LTN	1,443,325	-
National Treasury Notes - NTN	3,199,997	1,139,996
Private securities	23,677	37,979
Third-party portfolio position	46,674	-
National Treasury Bills - LTN	46,674	-
Investments in interbank deposits	97,346	96,782
Total	4,811,019	2,674,749
Current	4,808,463	2,670,830
Non-current	2,556	3,919

The third-party portfolio position has as a matching entry in liabilities "money market funding", which basically refers to repurchases pending settlement from third-party portfolio.

b) Income from short-term interbank investments

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Money market investments	144,883	241,550	62,032	114,915
Own portfolio	142,121	237,439	60,019	110,103
Third-party portfolio position	2,762	4,111	2,013	4,812
Investments in interbank deposits	18,892	35,028	7,781	14,901
Total	163,775	276,578	69,813	129,816

7.3. Marketable securities at amortized cost

a) Marketable securities at amortized cost:

Description	June 2025		Dec 2024	
	Updated/ Accounting Cost	Fair value	Updated/ Accounting Cost	Fair value
External sovereign bonds	601,365	601,365	574,290	574,290
Total carrying amount	601,365	601,365	574,290	574,290

b) Marketable securities at amortized cost by maturity:

Term	June 2025	Dec 2024
1-2 Years	601,365	574,290
Total	601,365	574,290

Depending on their specific features, marketable securities are listed with B3 S.A. - Brasil, Bolsa, Balcão ("B3") and with Special System for Settlement and Custody (SELIC). The cost value of marketable securities at amortized cost is determined on the basis of initial acquisition cost updated by earnings accrued for each operation depending on maturity.

Marketable securities have their fair value calculated using a specific methodology for determining expected loss, as defined in the institutional policy.

7.4. Loans and Other receivables

The balance of Loan operations and other credits is as follows:

a) Loan operations by products

Loan portfolio	June 2025	Dec 2024
Loans and financings	18,772,805	16,949,961
Payroll loan	12,580,136	10,784,086
FGTS withdrawal loan	2,825,672	3,043,437
Personal loan	2,631,896	2,408,780
Working capital	412,647	425,789
Overdraft facilities	110,343	104,579
Credit cards	29,397	100,310
Overdraft account	15,787	21,520
Other loans and financing	166,927	61,460
Other credits	496,737	432,496
Amounts receivable related to payment transactions	145,046	146,798
Debtors for purchase of assets	47,309	45,559
Notes and credits receivable	304,382	240,139
Subtotal	19,269,542	17,382,457
Mark-to-market adjustment of hedged loan operations ⁽¹⁾	9,165	(11,116)
Adjustment of effective rate	(5,316)	1,496
Total	19,273,391	17,372,837

⁽¹⁾ The Bank has a Hedge Accounting operation with the objective of hedging part of the fixed rate loan portfolio against market fluctuations. (Note 6.2).

b) By maturity

Description	June 2025	Dec 2024
Up to 1 year	7,601,246	6,917,306
1–5 years	9,347,826	8,576,808
>05 years	2,320,470	1,888,343
Total	19,269,542	17,382,457

c) Portfolio by stage

Description	Stage 1	Stage 2	Stage 3	Total
At 12/31/2024	16,154,549	341,096	886,812	17,382,457
Recognition/(Reversal)	2,197,139	(54,406)	(34,103)	2,108,630
Transfer to Stage 1	21,683	(20,656)	(1,027)	-
Transfer to Stage 2	(64,338)	65,509	(1,171)	-
Transfer to Stage 3	(174,208)	(95,925)	270,133	-
Write-off to loss	-	-	(221,545)	(221,545)
Balance at 06/30/2025	18,134,825	235,618	899,099	19,269,542

d) Income from loan operations

Description	04/01–06/30/2025	01/01–06/30/2025	04/01–06/30/2024	01/01–06/30/2024
Loans	1,725,216	3,296,291	1,257,895	2,439,826
Financing	789	1,730	1,184	2,358
Other credits	22,127	22,389	2,136	2,283
Total	1,748,132	3,320,410	1,261,215	2,444,467

e) Changes in expected losses by stages

Description	Stage 1	Stage 2	Stage 3	Total
At 12/31/2024	90,283	154,909	567,306	812,498
Formation/Settlement	203,425	15,784	212,753	431,962
Transfer to Stage 1	613	(595)	(18)	-
Transfer to Stage 2	(26,734)	27,276	(542)	-
Transfer to Stage 3	(150,135)	(85,371)	235,506	-
Write-off to loss	-	-	(213,621)	(213,621)
Balance at 06/30/2025	117,452	112,003	801,384	1,030,839

The expected losses on financial assets are presented by the concept of expanded loss, which includes the recovery of credits written-off as loss and discounts granted, totaling an effect on income of R\$ 34,986 (R\$ 14,936 in June 2024).

The Bank assesses the objective evidence of losses on "Loans and financing to clients" individually for Financial Assets that are individually significant and collectively for Financial Assets that are not individually significant (Note 2.4.d).

7.5. Loan assignment

Assigned loan operations with substantial retention of risks and rewards

The Bank has loan assignment operations with substantial retention of risks and rewards with co-obligation in the assignments.

The amount of the assigned operations and the obligations assumed are as follows:

Description	June 2025	Dec 2024
Loans assignments	28,705	41,719
Obligations assumed	34,191	44,228

7.6. Other financial assets

Description	June 2025	Dec 2024
Marketable securities and credits receivable ⁽ⁱ⁾	136,430	74,030
Payments and receipts pending settlement	16,182	877
Trading and intermediation of securities	612	2,921
Total	153,224	77,828
Current	50,178	4,654
Non-current	103,046	73,174

⁽ⁱ⁾ Refers mainly to Credit rights and Court-ordered debt payments (*precatórios*) receivable and recorded a provision of R\$ 5,894 and R\$ 7,200 in the consolidated.

8. Tax assets

8.1. Current - Taxes to be offset

Description	June 2025	Dec 2024
Corporate Income Tax (IRPJ) /Social Contribution on Net Income (CSLL) - repetition of undue payment ⁽ⁱ⁾	72,558	109,444
IRPJ/CSLL ⁽ⁱⁱ⁾	3,101	22,206
COFINS - Law 9718/98 ⁽ⁱⁱⁱ⁾	8,538	8,538
Withholding taxes and contributions	17,558	8,505
Prepayment of IRPJ/CSLL	84,130	77,405
Other	1,820	2,068
Total	187,705	228,166
Current	155,008	177,743
Non-current	32,697	50,423

⁽ⁱ⁾ The Bank holds amounts to be offset under a final and unappealable decision on the proceeding that was the subject of a decision on the merits of Theme 962 by the Federal Supreme Court (STF) in September 2021 and an opinion (SEI 11469/2022) by the National Treasury Attorney General's Office (PGFN), regarding the exclusion of interest from the calculation basis of Corporate Income Tax (IRPJ) and Social Contribution on Profit (CSLL).

⁽ⁱⁱ⁾ Refers basically to credit balances calculated for the prior-year Corporate Income Tax Returns (DIPJ).

⁽ⁱⁱⁱ⁾ The COFINS credits arise from a final and unappealable court decision in 2010, which acknowledged that tax is only due on a reduced calculation basis, and not on the total income earned; the refund is for amounts overpaid. As assessed by external legal counsel, the risk of loss is remote, and the judgment of Topic 372 (RE609.096) does not change our estimate except for the proceeding 1011346-45.2019.4.01.3800 that was remote and now it is possible. Banco Mercantil has three favorable decisions in the lower court that acknowledge the *res judicata* effect of the judgment. On November 5, 2024, the decision of the Federal Regional Court of the 6th Region (TRF-6) related to the proceeding 1011346-45.2019.4.01.3800, which upheld the remittance and the appeal by the National Treasury was published, reversing one of the favorable rulings. Motions for clarification were filed against the decision and, on December 17, 2024, the TRF-6 granted suspensive effect to prevent the effects of the Ruling (see Note 15.c).

8.2. Deferred tax credits

a) Balances and changes in tax credits

Description	12/31/2024	Provision	Realization	06/30/2025
Temporary differences	602,272	858,356	(720,441)	740,187
Provision for expected losses	398,404	219,800	(122,427)	495,777
Provision for contingencies	116,116	145,468	(138,118)	123,466
MTM	13,914	99,464	(108,485)	4,893
Other temporary differences	73,838	393,624	(351,411)	116,051
Tax losses	26,124	109	(23,364)	2,869
EO 2158/01(*)	203	-	(105)	98
Total	628,599	858,465	(743,910)	743,154

(*) The adoption of EO 2158-35/01 does not impact the results because they refer to taxes that can be offset, as established in article 8 of such EO.

In accordance with paragraph 2, item V of article 20 of BACEN Resolution 02/2020, deferred tax assets must be presented in non-current assets.

b) Realization of tax credits:

Tax credits that can be offset, recorded pursuant to Executive Order 2158-35/01, are derived from applying the 18% rate on tax losses and temporary differences to profit for the purpose of determining Social Contribution, corresponding to periods ended up to December 31, 1998. These credits are not regulated by CMN Resolution 4842/20. The tax credits and the realization values and their respective present values, calculated using the funding rates expected for the corresponding periods, are as follows:

Description	Temporary differences	Tax losses and negative basis	EO 2158-35/01	June 2025	Dec 2024
2025	215,042	2,479	-	217,521	273,787
2026	308,783	101	-	308,884	58,324
2027	50,136	75	-	50,211	54,524
2028	38,384	75	-	38,459	54,233
2029	46,393	6	98	46,497	107,811
2030-2032	81,449	133	-	81,582	79,920
Total	740,187	2,869	98	743,154	628,599
Present value	391,592	2,144	-	393,736	456,574

c) Unrecorded tax credits

As at June 30, 2025, in the consolidated, the balance of temporary additions, as well as tax losses, on which no tax credits were recorded, amount to R\$ 2,285 of the Subsidiary Mercantil do Brasil Corretora S.A and R\$ 199 of the Subsidiary Mercantil Adm. Corretagem de Seguros S.A.

8.3. Income tax and social contribution income/(expense)

Description	June 2025	June 2024
Income before taxes	395,926	426,813
Income tax and social contribution at statutory rates ⁽¹⁾	(153,595)	(172,526)
Adjustments in the tax calculation	-	-
Interest on capital	62,838	45,900
Other amounts	52,672	5,594
Income tax and social contribution expense	(38,085)	(121,032)

⁽¹⁾ Current rates: (i) The provision for income tax of the Group companies is calculated at the rate of 15%, plus a 10% surcharge on annual taxable profit exceeding R\$ 240; and (ii) social contribution is calculated based on taxable profit at a rate of 20% for the Bank and BMI; 15% for other financial institutions and 9% for commercial companies included in the Consolidated.

9. Non-financial assets held for sale

a) Non-financial assets held for sale, in the Bank and Consolidated

Description	Cost	Provision	June 2025	Dec 2024
Properties	64,341	(17,090)	47,251	51,740

b) Changes in non-financial assets held for sale, in the Bank and Consolidated:

Description	Properties
At 12/31/2024	51,740
Additions	-
(-) Write-offs	(7,435)
(+) Formation / (-) Reversal of provision	2,946
Balance at 06/30/2025	47,251

Assets and liabilities held for sale are stated at fair value, measured using information adopted by the market, such as prices of recent sales of similar businesses.

10. Other assets

Description	June 2025	Dec 2024
Debtors for guarantee deposits (Note 15.b)	160,026	157,258
Prepaid expenses (see Note 10.1.)	127,024	179,333
Credit card ⁽¹⁾	53,798	42,547
Sundry receivables - domestic	25,321	20,289
Other	36,557	25,959
Total	402,726	425,386
Current	137,728	173,516
Non-current	264,998	251,870

⁽¹⁾ Refers, to amounts receivable from card purchases made by Mercantil clients.

10.1. Prepaid expenses

Description	June 2025	Dec 2024
Advertising and publicity ⁽ⁱ⁾	69,218	90,139
Financial system services	22,481	50,270
Insurance ⁽ⁱⁱ⁾	17,605	20,538
Other prepaid expenses ⁽ⁱⁱⁱ⁾	17,720	18,386
Total	127,024	179,333
Current	23,769	86,420
Non-current	103,255	92,913

⁽ⁱ⁾ Amounts applied in accelerating business through digital means for the origination of loan operations. It is worth highlighting that as at January 1, 2025, the new origination through digital means became part of the loan portfolio's effective interest rate.

⁽ⁱⁱ⁾ This basically refers to the cost of the litigation insurance in administrative and judicial proceedings, recorded on a monthly basis in accordance with the insurance policy term.

⁽ⁱⁱⁱ⁾ This basically refers to municipal property tax (IPTU), rents and branch operating license, which are recorded on a monthly basis according to contractual terms.

11. Investments

Description	June 2025	Dec 2024
CIP S.A. ⁽ⁱ⁾	16,286	16,286
Prepago - Soluções em Créditos Judiciais Ltda. ⁽ⁱⁱ⁾	4,500	-
Gyramais Tecnologia S.A.	1,940	1,940
Other	347	450
Total - non-current	23,073	18,676

⁽ⁱ⁾ Trade name: Nuclea.

⁽ⁱⁱ⁾ Acquisition of direct equity interest of 10% in the capital of Prepago – Soluções em Créditos Judiciais Ltda. by the subsidiary Banco Mercantil de Investimentos S.A., corresponding to an indirect equity interest of 9.25% by Banco Mercantil do Brasil S.A, approved by Bacen on June 25, 2025.

12. Property and equipment

12.1. Own property and equipment

a) Balances of owned property and equipment

Description	Rate	Cost	Depreciation	June 2025	Dec 2024
Rental properties	-	2,984	(28)	2,956	2,957
Land	-	2,947	-	2,947	2,937
Buildings	4%	37	(28)	9	20
Property and equipment in use	-	439,768	(274,542)	165,226	149,719
Data processing equipment	20%	219,377	(165,091)	54,286	55,255
Properties and leasehold improvements	4%	120,514	(46,490)	74,024	63,249
Furniture and equipment	10%	98,331	(62,961)	35,370	30,708
Inventory of supplies	-	1,546	-	1,546	507
Total		442,752	(274,570)	168,182	152,676

b) Changes in own property and equipment

Changes	Data processing equipment	Properties and leasehold improvements	Furniture and equipment	Rental properties	Inventory of supplies	Total
At 12/31/2024	55,255	63,249	30,708	2,957	507	152,676
(+) Additions	10,371	20,164	7,647	-	1,531	39,713
(+/-) Transfer	-	-	448	-	(448)	-
(-) Disposals	(215)	(3,001)	(123)	-	(44)	(3,383)
(-) Depreciation in the period	(11,324)	(9,341)	(3,421)	(1)	-	(24,087)
(-) Write-offs of depreciation	199	2,953	111	-	-	3,263
Balance at 06/30/2025	54,286	74,024	35,370	2,956	1,546	168,182

12.2. Lease properties

a) Balances of lease properties

Description	Cost	Depreciation ⁽¹⁾	June 2025	Dec 2024
Right-of-use assets	386,065	(47,901)	338,164	281,592
Total	386,065	(47,901)	338,164	281,592

⁽¹⁾ Depreciation is calculated based on the useful life of the assets, which corresponds to the term of each lease contract, ranging from 60 to 300 months.

b) Changes in leased property and equipment

Changes	Right-of-use assets
At 12/31/2024	281,592
(+) Additions	81,843
(-) Disposals	(954)
(-) Depreciation in the period	(24,346)
(-) Write-offs of depreciation	29
Balance at 06/30/2025	338,164

Right-of-use assets refer to property rental contracts for agencies and bank service points. There are no sublease contracts outside the Mercantil Group.

13. Intangible assets

a) Balances of intangible assets

Description	Rate	Cost	Amortization	June 2025	Dec 2024
Data processing systems	20%	318,344	(182,909)	135,435	123,989
Licenses and right of use ⁽¹⁾	-	77,800	(25,390)	52,410	39,088
Security systems	20%	9,588	(8,538)	1,050	1,365
Other intangible assets	20%	570	(6)	564	197
Total		406,302	(216,843)	189,459	164,639

⁽¹⁾ Amortization according to the contract term.

b) Changes in intangible assets:

Changes	Data processing systems	Licenses and right of use	Security systems	Other intangible assets	Total
At 12/31/2024	123,989	39,088	1,365	197	164,639
(+) Additions	29,412	30,438	54	369	60,273
(-) Disposals	(2,127)	(16,595)	-	-	(18,722)
(-) Amortization in the period	(17,943)	(17,117)	(369)	(1)	(35,430)
(+) Write-offs of amortization	2,104	16,595	-	-	18,699
Balance at 06/30/2025	135,435	52,409	1,050	565	189,459

14. Deposits and other financial instruments – At amortized cost

14.1. Deposits

Description	≤90 days	91–360 days	> 360 days	June 2025	Dec 2024
Demand	370,631	-	-	370,631	477,246
Savings account	112,518	-	-	112,518	123,956
Interbank	178,022	219,962	105,550	503,534	491,675
Time	2,058,933	5,984,390	11,165,664	19,208,987	16,565,211
Other	4,933	-	-	4,933	1,022
Total	2,725,037	6,204,352	11,271,214	20,200,603	17,659,110

14.2. Funds from acceptance and issue of securities

Description	≤90 days	91–360 days	> 360 days	June 2025	Dec 2024
Financial bills	16,800	95,520	3,612,834	3,725,154	2,403,436
Debentures	-	-	992,053	992,053	990,958
Agribusiness Credit Note	-	-	-	-	3,033
Total	16,800	95,520	4,604,887	4,717,207	3,397,427

14.3. Debt instruments eligible to capital

The balance of debt instruments eligible for capital is as follows:

Description	Maturity	Transaction amount	June 2025	Dec 2024
Subordinated Financial Bill - Tier II	2025–2037	505,498	652,731	652,443
Subordinated Financial Bill - Supplementary Capital	Perpetual	187,358	199,611	128,512
Total			852,342	780,955
Current			92,393	102,963
Non-current			759,949	677,992

Of the total Subordinated Financial Bills - Tier II, the amount of R\$ 407,743 is being used in the composition of the Reference Equity Tier II according to the maturity.

14.4. Expenses on funds raised in the market

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Expenses on funds raised in the market	827,091	1,510,669	449,778	878,382
Deposits	624,255	1,148,729	360,894	707,981
Expenses on agribusiness credit note, real estate credit bills and financial bills	153,165	268,266	43,425	77,438
Debentures expenses	39,736	75,430	28,661	57,651
Sale or transfer of financial assets	1,874	3,332	10,202	22,123
Repurchase agreements	1,194	1,682	1,257	2,899
Other	6,867	13,230	5,339	10,290
Loan and lending operations	3,813	7,170	52	82
Total	830,904	1,517,839	449,830	878,464

15. Provision and contingent liabilities

Management regularly monitors provisions, including those classified as probable risk of loss, in conformity with CPC 25. The outcome of these lawsuits may result in reversal of the related provisions for the lawsuits that may have a favorable outcome for the Bank.

These provisions are as follows:

- Labor: are recorded by management in accordance with technical studies conducted by external legal counsel. Labor lawsuits with judicial deposits or in the process of provisory execution, with relevance and calculations approved, have their total amount provisioned for the related deposits and amounts approved. Labor lawsuits brought by the Bank Employees' Union are analyzed individually and therefore do not follow the historical loss percentage model.
- Civil: are recorded based on internal studies using a methodology to better assess these contingencies. Management believes that provisions for labor and civil claims are sufficient to cover any probable losses.
- Tax: the Bank has ongoing lawsuits in which it discusses the legality and constitutionality of some taxes. A provision is recorded for these taxes, irrespective of the chances of a favorable outcome, under the advice of external legal counsel.

Loss percentages are calculated based on lawsuits closed in the last two years for civil claims and three years for labor claims.

a) Balances of provisions

Description	June 2025	Dec 2024
Provision for civil claims	148,404	123,322
Provision for labor claims	83,126	91,398
Provision for tax claims ⁽¹⁾	86,490	84,583
Total - Non-current	318,020	299,303

⁽¹⁾ Refers to legal challenges arising from the following lawsuits:

- COFINS: the increase in the COFINS tax rate from 3% to 4% and the increase in the calculation basis.
- CSLL: increase in the CSLL rate, introduced by Laws 8114/90, Supplementary Law 70/91, Constitutional Amendments 01/94 and 10/96 and Law 9316/96. The amounts are deposited in court.
- Work Accident Insurance (SAT)/Work Environment Risk (RAT): increase in the social security contribution rate from 15% to 20% for independent contractors, officers and managers (Law 9876/99 - Accident Prevention Factor - FAP index).

- PIS: Increase in the PIS calculation basis, introduced by Constitutional Amendment 10/96, which continued to require the PIS levy on gross operating income, with collection retroactive to January 1996. The amounts are deposited in court.
- ISS: The matter disputed in court relates mainly to the scope of the municipal tax requirements in relation to Supplementary Law 116/03 regarding the taxation of income other than services; the provision is based on the calculation of the percentage of historical loss in similar lawsuits, finalized in the last three years.

b) Changes in the provisions

Changes	Civil	Labor	Tax	Total
At 12/31/2024	123,322	91,398	84,583	299,303
Recognition/(Reversal)	94,294	11,783	(227)	105,850
Interest/indexation	4,610	4,421	1,708	10,739
Settlements / Update of deposits	(73,822)	(24,476)	426	(97,872)
Balances at 06/30/2025	148,404	83,126	86,490	318,020
Judicial deposits - Note 10.	26,566	35,251	98,209	160,026

c) Contingent liabilities

The Bank is a party to civil and tax lawsuits involving likelihood of loss that Management classifies as possible, based on the assessment of its external legal counsel, for which no provisions have been made, in conformity with CMN Resolution 3,823/09 and CVM Resolution 72/22. The civil lawsuits balance stood at R\$ 11,157. The tax proceedings at the Bank totaled R\$ 4,672 (Consolidated - R\$ 7,352).

Additionally, on November 5, 2024, the decision of the Federal Regional Court of the 6th Region (TRF-06) was published and upheld the remittance and the appeal by the National Treasury in the judgment of the proceeding 1011346-45.2019.4.01.3800. Such judgment reversed one of the favorable decisions that had recognized the Bank's final and unappealable decision and guaranteed it the non-levy of COFINS under Law 9718/98. A motion for clarification was filed against this decision, which was admitted by the TRF - 06 on December 17, 2024, granting suspensive effect to prevent the effects of the Ruling. The disbursement amount estimated by management would be R\$ 396,581.

16. Other liabilities

Description	June 2025	Dec 2024
Payables for acquisition of assets and rights ⁽ⁱ⁾	371,107	304,327
Liabilities under government agreements ⁽ⁱⁱ⁾	163,783	226,470
Social and statutory obligations	196,841	199,569
Provision for payments to be made	114,866	102,242
Collection of taxes and similar charges ⁽ⁱⁱⁱ⁾	113,214	6,020
Sundry creditors	105,049	104,165
Credit Card System ^(iv)	78,535	61,171
Provision for administrative expenses	56,662	64,243
Other	13,945	855
Total	1,214,002	1,069,062
Current	917,494	853,224
Non-current	296,508	215,838

⁽ⁱ⁾ Mainly refers to lease liabilities related to right-of-use assets (Note 12.2).

⁽ⁱⁱ⁾ This refers to credits of funds on behalf of the related beneficiaries for the payment of INSS pension.

⁽ⁱⁱⁱ⁾ In June 2025, this basically refers to balances of federal taxes to be transferred.

^(iv) This refers to onlendings to card operators liable for paying merchants for the purchases made by Mercantil's clients.

17. Equity

17.1. Capital

Capital (all stockholders are domiciled in Brazil) is divided into registered book-entry shares as follows:

Shares	June 2025		Dec 2024	
	Number	R\$ thousand	Number	R\$ thousand
Common shares	65,155,744	501,699	65,155,744	501,699
Preferred shares	39,675,836	305,504	39,675,836	305,504
Total subscribed and paid-up capital	104,831,580	807,203	104,831,580	807,203
(-) Preferred shares in treasury	(348,500)	(3,830)	(348,500)	(3,830)
Total capital outstanding	104,483,080	803,373	104,483,080	803,373

Following the amendment to the Bylaws, the Bank's capital may be increased up to the limit of R\$ 3,000,000,000.00 irrespective of amendment to its Bylaws, as established by article 168 of the Brazilian Corporate Law, after approval by the Board of Directors.

17.2. Capital and revenue reserves

a) Capital reserve: These refer to a share premium in accordance with article 13, paragraph 2, of Law 6404/76.

b) Legal reserve: Formed by appropriations of 5% of profit for the year, limited to 20% of capital. Its purpose is to preserve capital and it can be used to offset losses or increase capital.

c) Statutory reserves: From profit for the year not distributed once all other allocations established by the bylaws have occurred, the balance being placed at the disposal of stockholders for designation at a future General Meeting, in accordance with the Bank's bylaws.

According to statutory provisions in the half, there was no profit sharing.

17.3. Interest on capital

Pursuant to the Company's bylaws, stockholders are entitled to a mandatory dividend, at a percentage that may be fixed or variable in each half, of at least 25% of the profit for each year in BRGAAP, in accordance with article 202 of the Law 6404/76.

Bank	June 2025	June 2024
Profit for the periods	483,246	345,833
(-) Legal reserve	(24,162)	(17,292)
Calculation basis	459,084	328,541
Interest on capital (gross) approved / provisioned / paid	139,641	102,000
(-) Withholding income tax related to interest on capital	(20,946)	(15,300)
Interest on capital (net) approved / provisioned / paid	118,695	86,700
Percentage of interest on capital on the calculation basis	25.9%	26.4%

17.4. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the Parent company by the weighted average number of common shares outstanding during the period, excluding shares purchased by the Bank and held as treasury shares.

Description	Common	Preferred	June 2025	June 2024
Average and final number of shares	65,155,744	39,327,336	104,483,080	104,483,080
Number of shares, including shares equivalent to common shares	65,155,744	39,327,336	104,483,080	104,483,080
Attributable basic earnings (in R\$ thousand)	216,522	130,691	347,213	305,679
Basic earnings per share	3.3232	3.3232	3.3232	2.9256

The diluted earnings per share equals the basic earnings.

18. Other operating income (expenses)

18.1. Income from services rendered

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Income from business	149,663	294,283	95,518	181,722
Bank fees	44,069	90,006	53,973	100,899
Credit cards - Exchange	9,666	18,757	9,877	18,526
Collection services	1,183	2,298	5,908	12,080
Collection	591	1,231	744	1,892
Other	1,524	2,831	2,001	3,809
Total	206,696	409,406	168,021	318,928

⁽¹⁾ Refers mainly to Income from insurance and assistance intermediation services rendered generated through subsidiaries.

18.2. Personnel expenses

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Employees compensation	84,210	172,210	69,119	135,474
Payroll charges	33,649	65,505	26,793	53,131
Benefits	27,567	54,920	25,129	49,550
Fees	20,647	52,361	19,667	38,443
Profit sharing	16,746	19,655	13,467	27,127
Total	182,819	364,651	154,175	303,725

18.3. Administrative expenses

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Third-party services	146,225	240,802	86,709	157,978
Data processing	64,962	123,827	51,737	99,431
Amortization and depreciation	56,586	109,206	40,672	83,483
Transportation	12,968	25,987	14,638	25,636
Advertising and publicity	17,337	34,339	12,605	23,275
Materials, maintenance and repairs	9,668	18,047	10,022	18,915
Insurance	7,701	15,032	5,805	11,432
Water, electric energy and gas	3,813	8,120	4,112	8,290
Financial system services	7,398	14,168	4,258	7,350
Communications	3,242	6,208	2,173	4,826
Other	9,780	24,359	12,744	22,522
Total	339,680	620,095	245,475	463,138

18.4. Tax expenses

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
COFINS	54,692	107,523	53,602	102,305
PIS	9,348	18,370	9,185	17,490
Services Tax (ISSQN)	7,257	13,906	6,698	13,012
Other taxes	5,568	10,064	1,979	3,644
Total	76,865	149,863	71,464	136,451

18.5. Other operating income

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
	25	25	24	24
Foreign exchange gains	10,652	21,488	10,988	19,856
Recovery of charges and expenses	7,915	16,952	4,485	9,250
Reversal of provisions	1,220	2,313	1,301	2,375
Other income	2,834	13,377	8,982	20,275
Total	22,621	54,130	25,756	51,756

18.6. Other operating expenses

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Right to pay social security benefits ⁽ⁱ⁾	190,866	394,742	229,281	441,315
Non-recurring expenses ⁽ⁱⁱ⁾	16,692	29,219	12,595	18,837
Foreign exchange losses	5,131	10,739	1,784	4,568
Other expenses	66,948	125,281	52,948	103,196
Total	279,637	559,981	296,608	567,916

⁽ⁱ⁾ Refers to the cost of the INSS Auction related to the right to pay social security benefits.

⁽ⁱⁱ⁾ Refers basically to the cancellation of loan operations and settlement of lawsuits.

18.7. Reversals of/(Expenses on) provisions

Description	04/01-06/30/2025	01/01-06/30/2025	04/01-06/30/2024	01/01-06/30/2024
Civil provisions	(57,494)	(94,294)	(33,560)	(61,311)
Labor provisions	(11,733)	(11,783)	(9,281)	(17,570)
Tax provisions	7,907	227	(305)	(388)
Total	(61,320)	(105,850)	(43,146)	(79,269)

18.8. Non-recurring income (expenses)

As at June 30, 2025, there was no significant non-recurring income (expenses) as addressed by BACEN Resolution 2/20.

19. Related-party transactions

19.1. Related-party transactions

These are carried out under terms, rates and conditions compatible with currently practiced risk-free market transactions, as follows:

Assets	Maximum term	June 2025	Dec 2024
Financial investments - DI ⁽ⁱ⁾		356,548	411,019
Banco Mercantil de Investimentos S.A.	No deadline	356,548	185,123
Mercantil Financeira S.A.	No deadline	-	225,896
Marketable securities ⁽ⁱⁱ⁾		320,899	417,752
OPEA	03/20/2029	320,899	417,752
Amounts receivable from related parties ⁽ⁱⁱⁱ⁾		919	622
Banco Mercantil de Investimentos S.A.	07/31/2025	86	62
Bem Aqui Adm. e Corretora de Seguros, Prev. Privada e Correspondente Bancário S.A.	07/31/2025	131	123
COSEFI	07/31/2025	26	24
Domo Digital Tecnologia S.A.	07/31/2025	11	10
Mercantil Adm. Corretagem de Seguros S.A.	07/31/2025	7	5
Mercantil do Brasil Corretora S.A.	07/31/2025	27	19
Mercantil do Brasil Distribuidora S.A.	07/31/2025	29	22
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	07/31/2025	77	75
Mercantil Financeira S.A.	07/31/2025	482	280
SANSA	07/31/2025	3	2
Altivis Plataforma de Bem Estar Ltda.	07/31/2025	10	-
Dente Vitta Assistência Odonto Ltda.	07/31/2025	10	-
Geração Saber Cursos Livres Ltda.	07/31/2025	10	-
Maturitec Solução em Tecnologia Ltda.	07/31/2025	10	-
Dividends/Interest on capital receivable		-	86,485
Banco Mercantil de Investimentos S.A.	No deadline	-	2,022
Bem Aqui Adm. e Corretora de Seguros, Prev. Privada e Correspondente Bancário S.A.	No deadline	-	24,828
COSEFI	No deadline	-	81
Mercantil do Brasil Distribuidora S.A.	No deadline	-	175
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	No deadline	-	47,764
Mercantil Financeira S.A.	No deadline	-	11,615

⁽ⁱ⁾ Refers to the Bank's investments through interbank deposits at rates equivalent to the CDI.

⁽ⁱⁱ⁾ Refers to the subordinated quotas of the debentures retained by the bank issued by OPEA, which are backed by payroll loans assigned by Banco Mercantil.

⁽ⁱⁱⁱ⁾ Refers mainly to amounts receivable from related companies arising from the Expense Sharing Agreement, which includes the reimbursement of management and administration costs due for the rendering of services relating to treasury management and fundraising, business referrals, among others.

Liabilities	Maximum term	June 2025	Dec 2024
Deposits ⁽ⁱ⁾		(1,027,258)	(672,289)
Banco Mercantil de Investimentos S.A.	-	(1,786)	(1,171)
Bem Aqui Adm. e Corretora de Seguros, Prev. Privada e Correspondente Bancário S.A.	-	(240,138)	(202,864)
COSEFI	-	(28,385)	(27,903)
Domo Digital Tecnologia S.A.	-	(3,901)	(5,900)
MB FII	-	-	(3,127)
Mercantil Adm. Corretagem de Seguros S.A.	-	(5,321)	(5,177)
Mercantil do Brasil Corretora S.A.	-	(1,102)	(120)
Mercantil do Brasil Distribuidora S.A.	-	(1,031)	(54)
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	-	(358,441)	(253,968)
Mercantil Financeira S.A.	-	(2,460)	(1,837)
SANSA	-	(2,448)	(2,384)
Altivis Plataforma de Bem Estar Ltda.	-	(9,751)	-
Dente Vitta Assistência Odonto Ltda.	-	(9,845)	-
Geração Saber Cursos Livres Ltda.	-	(9,735)	-
Maturitec Solução em Tecnologia Ltda.	-	(11,149)	-
Viva Notícias Ltda.	-	(10,066)	-
Key management personnel	-	(331,699)	(167,784)
Money market funding		(61,230)	(33,378)
Banco Mercantil de Investimentos S.A.	No deadline	-	(8,457)
Mercantil do Brasil Corretora S.A.	No deadline	(14,555)	(3,683)
Mercantil do Brasil Distribuidora S.A.	No deadline	(19,868)	(21,238)
Mercantil Financeira S.A.	No deadline	(26,807)	-
Obligations for operations linked to assignment ⁽ⁱⁱ⁾		(1,305,476)	(1,372,530)
OPEA	03/20/2029	(1,305,476)	(1,372,530)
Payables to related parties		(6,817)	(495)
Domo Digital Tecnologia S.A.	07/31/2025	(2,725)	-
Mercantil do Brasil Corretora S.A.	07/31/2025	(28)	(47)
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	07/31/2025	(41)	(29)
Mercantil Financeira S.A.	07/31/2025	(419)	(419)
Altivis Plataforma de Bem Estar Ltda.	07/31/2025	(671)	-
Dente Vitta Assistência Odonto Ltda.	07/31/2025	(675)	-
Geração Saber Cursos Livres Ltda.	07/31/2025	(666)	-
Maturitec Solução em Tecnologia Ltda.	07/31/2025	(801)	-
Viva Notícias Ltda.	07/31/2025	(791)	-
Funds from acceptance and issue of securities ⁽ⁱⁱⁱ⁾		(2,399)	(3,845)
Key management personnel	-	(2,399)	(3,845)
Debt instruments eligible to capital ^(iv)		(7,340)	(6,456)
Key management personnel	-	(7,340)	(6,456)
Dividends/Interest on capital payable		(90,150)	(74,292)
Key management personnel	-	(90,150)	(74,292)

⁽ⁱ⁾ Refers to the balances of current accounts and investments in term, demand and savings deposits of related parties and controlling shareholders held at the Bank;

⁽ⁱⁱ⁾ Refers to the obligation arising from the assignment of credit rights without co-obligation and with risk retention carried out with OPEA.

⁽ⁱⁱⁱ⁾ Refers to investments by Controlling Shareholders in Financial Bills and Agribusiness credit note held at the Bank;

^(iv) Refers to investments by Controlling Shareholders in Subordinated Financial Bills held at the Bank;

Income/(expenses)	June 2025	June 2024
Income from financial intermediation ⁽ⁱ⁾	(160,424)	(156,015)
Banco Mercantil de Investimentos S.A.	18,890	(760)
Bem Aqui Administradora e Corretora de Seguros, Previdência Privada e Correspondente Bancário S.A.	(13,471)	(7,672)
COSEFI	(1,745)	(1,349)
Domo Digital Tecnologia S.A.	(334)	(211)
MB FII	(30)	(162)
Mercantil Adm. Corretagem de Seguros S.A.	(324)	(257)
Mercantil do Brasil Corretora S.A.	(260)	(154)
Mercantil do Brasil Distribuidora S.A.	(1,313)	(1,071)
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	(17,635)	(8,126)
Mercantil Financeira S.A.	2,315	6,813
OPEA	(131,302)	(134,930)
SANSA	(150)	(123)
Altivis Plataforma de Bem Estar Ltda.	(706)	-
Dente Vitta Assistência Odonto Ltda.	(718)	-
Geração Saber Cursos Livres Ltda.	(714)	-
Maturitec Solução em Tecnologia Ltda.	(758)	-
Viva Notícias Ltda.	(148)	-
Key management personnel	(12,021)	(8,013)
Income from services rendered ⁽ⁱⁱ⁾	4,899	3,656
Banco Mercantil de Investimentos S.A.	351	600
Bem Aqui Administradora e Corretora de Seguros, Previdência Privada e Correspondente Bancário S.A.	798	749
COSEFI	160	147
Domo Digital Tecnologia S.A.	64	60
Mercantil Adm. Corretagem de Seguros S.A.	38	32
Mercantil do Brasil Corretora S.A.	143	126
Mercantil do Brasil Distribuidora S.A.	160	120
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	472	218
Mercantil Financeira S.A.	2,456	1,588
SANSA	17	16
Altivis Plataforma de Bem Estar Ltda.	60	-
Dente Vitta Assistência Odonto Ltda.	60	-
Geração Saber Cursos Livres Ltda.	60	-
Maturitec Solução em Tecnologia Ltda.	60	-
Other administrative expenses	(28,166)	(20,508)
Banco Mercantil de Investimentos S.A.	-	(1,107)
Bem Aqui Adm. e Corretora de Seguros, Prev. Privada e Correspondente Bancário S.A. ⁽ⁱⁱⁱ⁾	(11,553)	(12,423)
Domo Digital Tecnologia S.A. ^(iv)	(16,371)	(6,565)
Mercantil do Brasil Corretora S.A. ^(v)	(191)	(365)
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	(51)	(48)
Other operating expenses	(11,841)	-
Mercantil do Brasil Marketplace e Empreendimentos Imobiliários S.A.	(141)	-
Altivis Plataforma de Bem Estar Ltda.	(2,446)	-
Dente Vitta Assistência Odonto Ltda.	(2,478)	-
Geração Saber Cursos Livres Ltda.	(2,474)	-
Maturitec Solução em Tecnologia Ltda.	(2,756)	-
Viva Notícias Ltda.	(1,546)	-

⁽ⁱ⁾ Refers to the remuneration on financial investments (Savings, Time Deposits, Agribusiness credit note and Financial Bills) held at the Bank by related companies and controlling shareholders.

⁽ⁱⁱ⁾ Refers to the sum of the monthly amounts received or receivable from related parties referring to the Expense Sharing Agreement, which includes the reimbursement of management and administration costs due for the rendering of services relating to treasury management and fundraising, business referrals, among others.

⁽ⁱⁱⁱ⁾ Refers basically to amounts paid to Bem Aqui Adm. e Corretora de Seguros, Prev. Privada e Correspondente Bancário S.A. relating to the provision of banking correspondent services.

^(iv) Refers to the amounts paid to Domo Digital Tecnologia S.A. for payment of data processing costs.

^(v) Refers to the amounts paid to Mercantil do Brasil Corretora S.A. for custody services.

19.2. Other information

Loans or advances to any subsidiary, members of the Board of Directors, of Executive Board, or their related spouses, common-law partners, relatives up to a second level of kinship and other persons, if any, are carried out in compliance with CMN Resolution 4,693/18.

20. Benefit plans

The Bank has a Compensation Plan specific for management, which includes rules for the payment of fixed and variable compensation in line with the Bank's risk management policy and best market practices, in accordance with CMN Resolution 5177/24.

The Annual General Meeting sets total fixed compensation for members of the Board of Directors and the Executive Board of the Bank, as stipulated in its bylaws. The right to variable compensation is subject to the achievement of the Bank's strategic goals, the individual goals and the goals of the management's operating areas.

The Bank's management compensation was approved at the Annual General Meeting dated 04/30/2025, which established the limit for the year of R\$ 145,000.

Management compensation is basically comprised of fees of the Board of Directors, the Statutory Audit Board and the Executive Board and profit sharing (Note 18.2).

At June 30, 2025, there had been no decision on post-employment benefits.

- **Short and long-term benefits for management and share-based compensation**

Until June 30, 2025, no decision has been made regarding long-term benefits and share-based compensation under the terms of CMN Resolution 3989/11, for management members.

- **Termination of employment contract benefits**

Termination of the employment relationship does not entitle the employee to any financial compensation.

21. Risk and capital management

Risk management and capital management are an integral and fundamental part of Mercantil's activities, aimed to obtain the best risk/return ratio compatible with the prudential conglomerate's risk appetite. Risk management is carried out in an integrated way, enabling the identification, measurement, evaluation, monitoring, reporting, control and mitigation of adverse effects resulting from interactions between risks, having as objective more assertive decision-making and optimization of the use of capital.

In accordance with CMN Resolution 4557/17, the Institution continuously manages its risks, guided by the guidelines of the Board of Directors and Executive Board expressed in the policies and institutional strategies and supported by different hierarchical levels, including the Risk Committee. The risk and capital management is concentrated in the Executive Board of Compliance and Risk Management, comprising not only the bank data, but also those of other companies that comprise the prudential conglomerate, resulting in more agility and assertiveness in decision-making.

Following good Corporate Governance practices and Market Discipline, Mercantil seeks to establish a standard of information disclosure that allows the market to evaluate the essential information about risk exposures, adequacy of capital levels and responsible socio-environmental behavior. This information, both from a quantitative and qualitative perspective, is available on the website: www.bancomercantil.com.br.

A brief description of the activities related to the assessment and management of the main risks in the Institution is presented below:

a) Capital Management

The Bank has a Capital Management Structure, which comprises an ongoing process of monitoring capital and control maintained by the Institution, the assessment of the need for capital to face the risks to which it is subject, the planning of goals and the capital requirements, considering the Institution's strategic and marketing objectives.

The Bank's Capital Management Structure is compatible with the Institution's business model and risk profile, which enables a consistent evaluation of the capital required to support projected growth, in addition to the adoption of a prospective position, anticipating the capital requirement arising from possible changes in the market conditions.

The Bank manages its capital structure through the mechanisms and procedures formalized in its Institutional Capital Management Policy.

The ongoing capital management activities include the monitoring of capital indicators known as Basel III, adopted by BACEN through CMN Resolution 4958/21, which provides for the minimum requirements for Reference Equity (RE), Tier I Capital, Principal Capital and Supplementary Capital (SC).

The calculation of the Capital Indicators is as follows:

Operational Limits and Basel Index	June 2025	Dec 2024
Reference Equity (RE)	2,707,429	2,471,431
Reference Equity Tier I	2,299,686	2,026,350
Principal Capital (PC)	2,100,075	1,897,838
Supplementary Capital (SC)	199,611	128,512
Reference Equity Tier II	407,743	445,081
Risk-weighted Assets (RWA)	15,850,500	13,680,081
RWA for Credit Risk by Standardized Approach - RWA_{cpad}	13,885,912	12,232,346
RWA for Market Risk - RWA_{mpad}	23,000	23,723
RWA for Operational Risk by Standardized Approach - RWA_{opad}	1,941,588	1,424,012
Basel Index	17.1	18.1
Capital Tier I	14.5	14.8
Principal Capital	13.3	13.9

Funds invested in permanent assets, determined in a consolidated manner, are limited to 50.00% of reference equity adjusted pursuant to prevailing regulation. The Bank opted to calculate consolidated property and equipment to equity ratio and risk ratio, covering all the financial institutions in the conglomerate, placing the property and equipment to equity ratio at 31.73% (24.94% in December 2024).

- Gearing Ratio

In compliance with BACEN Circular Letter 3,748/15, the Bank assesses the Gearing Ratio (GR) of its equity structure. It is the relationship between Tier I Reference Equity, under CMN Resolution 4955/21 and supplementary regulations, and the Total Exposure assessed pursuant to article 2 of BACEN Circular Letter 3748/15.

This information, both quantitative and qualitative, is available on the website (www.bancomercantil.com.br), in the Investor Relations (IR) area.

b) Credit risk management

As defined by CMN Resolution 4557/17, credit risk may arise from the total or partial non-fulfillment, by a counterparty, of obligations related to the settlement of transactions involving the trading of financial assets as well as disbursements to pay guarantees, sureties, co-obligations, credit commitments, and other similar

operations. Credit risk also characterizes the restructuring of financial instruments, as well as costs of recovering exposures classified as problem assets.

Segregation of activities is an important operating principle and includes the origination, analysis, decision, formalization, follow-up, control, risk management, collection and recovery. The full process is supported by highly-integrated modern technology systems, which make managerial information fully available, with constant validation process for all involved, making the results of each cycle transparent and integrated.

The process of analysis aims at concluding about client credit risk by adopting quantitative aspects based on their economic, financial and equity condition, as well as the qualitative aspects, such as master file and performance data.

The credit operation analysis is based on the client risk assessments and incorporates aspects of business structuring, including liquidity and sufficiency of the guarantees presented. The whole process is centralized and decisions are made jointly and within the authority of each level.

The retail mass credit is mainly granted in an automated and standardized manner, using quantitative models developed by a skilled technical team that is in constant development, using tools to ensure a higher quality of the credits granted.

The process takes into account operational limits, as it has locks, alerts and definition of differentiated approval levels according to the level of exposure of each client and economic group, always respecting the regulatory limit.

The care taken with quality of the financial assets of the Bank is concurrent with the loan assignment process flowing through to the settlement of the contracts. This activity is under the direct responsibility of the Executive Board of Legal Affairs, Ombudsman, Credit and Corporate Governance, together with the Asset Superintendency, and all of its guidelines are based on the Bank's Credit Policy.

For the effectiveness of the Credit Risk management, procedures are adopted to identify, measure, assess, monitor, report, control and mitigate credit risks associated with Mercantil and the institutions that are part of the prudential conglomerate, always pursuing the defined risk appetite in the RAS, in line with Bank's business strategies. The Bank's credit risk management covers internal factors such as analysis of portfolio progress, default levels, product profitability, portfolio quality and capital allocated; as well as external factors such as monitoring the macroeconomic environment and economic sectors, interest rates, market default indicators, consumption conditions, among others.

It also includes credit risk management: determining the expected loss on loan operations based on a robust statistical methodology, tested and validated by an independent audit; the calculation of the credit risk portion (RWA_{cpad}) of the Operational Limit Statement (OLS); conducting backtesting to evaluate the framework and sufficiency of the provision recognized by the Bank; in addition to projections of provision expense and default using statistical techniques in conjunction with the assumptions defined in the corporate budget.

Finally, robust interaction of the risk management areas with the other actors in the credit process are also emphasized, always seeking opportunities for improvement in policies and processes, as well as bringing assertiveness and speed in any adjustments and corrections to points that are generating losses, non-compliance or inadequacies in relation to the Bank's risk appetite.

Therefore, variations in exposure to the Bank's risks are monitored taking into account the business environment, market behavior and commitments to clients, stockholders, employees and other stakeholders.

Credit risk exposure

The Credit Risk Exposure includes Loan and Other Credit Operations, the unconditionally and unilaterally non-cancellable credit limit established by the Institution and guarantees provided.

NOTES

The tables below include quantitative data on its exposure to the Bank's credit risk based on information provided internally to key management personnel:

Total exposures by geographic region in Brazil:

Geographic Region	June 2025	Dec 2024
Southeast	22,104,587	19,149,378
Midwest	2,884,887	945,357
Northeast	714,247	419,335
North	18,074	21,144
South	67,186	21,028
Grand total	25,788,981	20,556,242

Total exposures by economic sector:

Risk Sector	June 2025	Dec 2024
Individual	19,891,042	17,000,294
Corporate	5,897,939	3,555,948
Financial activities, insurance and related services	5,137,728	2,843,026
Provision of services	238,114	247,877
Civil construction	195,649	128,145
Biofuel and sugar	81,397	71,999
Transportation of cargo and logistics	59,025	48,785
Communication	35,127	36,564
Passenger transportation, except for civil aviation	30,415	16,158
Fuel distribution	26,662	23,779
Food	25,413	26,857
Education	14,846	13,582
Entertainment, sports and culture	11,790	5,724
Automotive	10,218	22,664
Beverages	9,552	9,909
Construction materials	8,513	5,762
Other	13,490	55,117
Grand total	25,788,981	20,556,242

Total exposures by remaining maturity:

Remaining term	June 2025	Dec 2024
≤06 months	6,968,395	4,802,317
06–12 months	1,089,507	909,955
01–05 years	6,338,171	5,487,756
>05 years	11,392,908	9,356,214
Grand total	25,788,981	20,556,242

Operations in abnormal course segregated by geographic region in Brazil:

Geographic Region	June 2025			Dec 2024		
	Exposure	Provision	Write-off to loss	Exposure	Provision	Write-off to loss
Southeast	850,555	760,820	135,967	572,206	263,818	329,221
Midwest	43,252	38,127	10,529	31,011	17,627	21,593
Northeast	22,133	14,904	9,683	14,757	9,601	8,273
North	1,176	357	1,007	1,067	746	-
South	1,963	834	1,234	1,231	697	-
Grand total	919,079	815,042	158,420	620,272	292,489	359,087

Total exposures segmented by past due range:

Delinquency bracket (in days)	June 2025	Dec 2024
≤30	354,837	133,563
31-90	164,191	83,557
91-180	167,173	58,835
181-365	219,792	21,256
>365	54,840	2,547
Grand total	960,833	299,758

Exposures restructured by course of operations:

Operations Course	June 2025	Dec 2024
Normal Course	-	-
Abnormal Course	122,243	106,535
Grand total	122,243	106,535

Percentage of concentration of the 10 and 100 largest exposures:

Ranking	June 2025	Dec 2024
10 Largest	2.2%	3.4%
100 Largest	4.8%	5.0%

The Exposure to Credit Risk in is assessed, for credit risk purposes, in accordance with the amounts determined under BRGAAP, which reflects how Management manages the risks.

Risk mitigation - Guarantees

The Bank uses several types of guarantees to mitigate the credit risk of its operations. These guarantees are assets that aim to ensure a second source of loan payment in the event of a client's default. Therefore, the quality and quantity of the guarantees provided are a determining factor in defining the risk level for each loan.

According to the Bank's Credit Policy, for each operation there may be more than one type of guarantee, each duly identified, quantified through the percentage required in relation to the value of the operation.

According to the Bank's Credit Policy, for each operation there may be more than one type of guarantee, each duly identified, quantified through the percentage required in relation to the value of the operation.

Credit risk measurement

The measurement of the credit risk used for the analysis of impairment is performed on a quarterly basis, based on the identification of objective evidence of loss on the loan and advance portfolio, considering the historical experience of impairment loss and other circumstances known at the time of the assessment.

Loss events can be specific, that is, refer to only one client, such as late payments, renegotiation, bankruptcy event, or they can be collective, affecting a larger group of assets, due to changes in interest rates or exchange rates or a decrease in the level of activity of one or more economic sectors.

For the purpose of collective assessment of impairment, financial assets are grouped under similar credit risk characteristics, which are indicative of the debtor's ability to pay all amounts in accordance with the contractual terms. The relevant factors used for this classification process are product, guarantee and contractual terms.

Based on the experience of historical losses of assets with similar credit risk characteristics, within each group, the triggers for materialization of any losses incurred and estimated percentage of those losses, are established. Percentages that are applied to the debit balance allow estimates of the amounts to be provisioned.

For clients that present specific objective evidence, the loss estimate is made individually, considering, among other aspects, the monetization of guarantees constituted that are linked to operations.

The experience of historical losses is adjusted based on the updated observable data, in order to reflect the effects of current conditions that did not affect the period on which the experience of historical losses is based and to remove the effects of conditions in the historical period not consistent with the current conditions.

c) **Liquidity risk management**

Liquidity risk management may arise from the Bank not being able to settle its current and future expected and unexpected obligations, including those arising from guarantees, without affecting its daily operations and without incurring significant losses.

In this regard, the Bank manages liquidity risk using methodologies and models based on the Bank's ability to pay, considering financial planning, risk limits, and the optimization of available resources, thus enabling faster and highly reliable strategic decision-making.

The Bank has two models: "mapping mismatches of financial flows" and "daily movement of products". The first model allows monitoring by product, currency, index and maturity and the second provides input and output flows of loan operations and the products included in the funding portfolio. In addition, the Bank adopts operational liquidity limits, monitored through the Minimum Cash Balance and the Liquidity Ratio. The latter indicates the Bank's ability to survive stressful situations and is based on the concepts of the Liquidity Risk Statement (DRL Model II). The liquidity ratio is obtained through the ratio between the inventory of highly liquid assets and the total net cash outflows expected for the next 30 days, measured according to a stress scenario standardized by BACEN.

One of the instruments of the Bank's management is the estimate of cash flows based on budget forecasts combined with observations of historical series of behavior of products in the loan and funding portfolio, advanced receipts, due dates and repurchases of time deposit transactions, loan operations, loan assignments, letters of credit, savings accounts, demand deposits and marketable securities.

Stress test scenarios enable the identification of possible problems that might undermine the economic and financial stability of the Institution.

The Bank has a Liquidity Contingency Plan with responsibilities, strategies and procedures required to ensure its stability in terms of ability to pay considering the potential problems identified in stress scenarios.

d) **Market risk management**

According to Resolution 4,557/17 of the National Monetary Council, amended by CMN Resolution 4,745/19, market risk of occurrence of losses from fluctuations in the market values of instruments held by the Bank.

Market risk management adopts appropriate methodologies and systems in line with the nature of its operations, complexity of products, and the extent of the exposure as well as the conditions in domestic and

international markets, enabling it to base strategic decisions for the Bank quickly and with a high degree of reliability.

The main aspect of the calculations of market risk regulatory capital is: the classification of operations into Trading and Banking portfolios.

For operations related to the Trading Portfolio, the methodology is based on the standard model of the Central Bank of Brazil, which establishes criteria and conditions for determining the portions of risk-weighted assets (RWA) to cover the risk arising from exposure to interest rates, foreign exchange variation, share prices and commodity prices.

For Banking Portfolio operations, the methodology adopted is based on the Central Bank's instructions for the Interest Rate Risk in the Banking Book (IRRBB) as the risk of the impact of adverse movements in interest rates on the capital or results of a financial institution, for instruments classified in the banking portfolio.

For the banking portfolio, the approach adopted for measuring and allocating capital takes into account the Economic Value of Equity (EVE) and the Net Interest Income (NII) metrics, observing the guidelines provided by BACEN Circular Letter 3,876/18, amended by BACEN Circular Letter 3938/19.

The EVE metric estimates the variation between the financial instruments repricing flows present value in a base scenario (current rate) and the repricing flows present value of these same instruments in an interest rate stress scenario.

In the NII metric, the risk is calculated using the income from financial intermediation approach, which consists of the difference between the financial intermediation result of financial instruments subject to IRRBB, in a base scenario and the financial intermediation result of these same instruments in an interest rate stress scenario, considering a time horizon of up to 12 months.

The EVE and NII approaches were developed in line with the best market practices and in accordance with the framework contained in current regulations, namely CMN Resolution 4557/17 and BACEN Circular Letter 3876/18.

The risk of changes in interest rates for instruments classified in the banking portfolio (IRRBB) and trading is calculated and reported daily to the management.

Stress tests on the fluctuation of the main macroeconomic variables are performed, using historical or change in assumptions scenarios.

For major price fluctuations, the Bank uses hedges as a means of protecting financial transactions from specified risks. The hedging strategy aims to offset, in full or in part, risks from exposure to variations in fair value or cash flows of any asset, liability, commitment, or future transaction.

– Fair value of financial assets and liabilities

The following table presents the carrying amount and estimated fair value of the main consolidated financial instruments:

Financial assets	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Fair value through other comprehensive income	1,739,868	1,737,426	2,442	-	1,739,868
Marketable securities	1,739,868	1,737,426	-	-	1,737,426
At fair value through profit or loss	65,680	-	5,721	59,959	65,680
Marketable securities	65,680	-	5,721	59,959	65,680
At amortized cost	24,766,722	958,562	23,859,532	1,251,326	26,069,420
Deposited with the Central Bank of Brazil	958,562	958,562	-	-	958,562
Short-term interbank investments	4,811,019	-	4,811,015	-	4,811,015
Marketable securities	601,365	-	-	601,365	601,365
Loan operations and other credits	18,242,552	-	19,048,517	496,737	19,545,254
Other financial assets	153,224	-	-	153,224	153,224
Total at 06/30/2025	26,572,270	2,695,988	23,867,695	1,311,285	27,874,968

Financial liabilities	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
At amortized cost	26,035,421	483,149	654,900	24,897,372	26,035,421
Deposits	20,200,603	483,149	503,534	19,213,920	20,200,603
Interbank accounts	117,175	-	117,175	-	117,175
Obligations for assignment operations	34,191	-	34,191	-	34,191
Funds from acceptance and issue of securities	4,717,207	-	-	4,717,207	4,717,207
Debt instruments eligible to capital	852,342	-	-	852,342	852,342
Borrowings and onlendings	106,988	-	-	106,988	106,988
Other financial liabilities	6,915	-	-	6,915	6,915
Total at 06/30/2025	26,035,421	483,149	654,900	24,897,372	26,035,421

- Positions of financial instruments and risk sensitivity analysis

In compliance with CVM Resolution 121/22, which approved CPC 40 (R1) - Financial Instruments: Disclosures, a sensitivity analysis was carried out covering all significant financial instruments, assets and liabilities, and assets and liabilities measured at fair value by management.

Marketable Securities (TVM) classified at fair value through profit or loss, fair value through other comprehensive income, and at amortized cost were considered, as well as derivative financial instruments and their respective hedged items.

The bank, always, attentive to market opportunities, stood at the interest rate futures market in order to partially hedge loan assets. In this case, the instrument was classified under Hedge Accounting which is an instrument used in the management and mitigation of financial risks through the application of specific accounting rules, mitigating and in some cases even eliminate, volatility in the accounting results.

Most of the Bank's Derivative financial instruments are intended to protect against exposure to risks (hedge) of positions deemed necessary, and are not of a speculative nature.

The sensitivity analysis, by types of risk, followed the scenario below:

- **Scenario I:** A probable model, where data was obtained from an external source (B3), such as: the US Dollar rate, the price of bonds and future interest rates. As an example, for a one-year term, the interest rate was considered to be 14.53% per year.
- **Scenario II:** Applying to Scenario I a stress factor of 25% for prices and yields at 12/31/2022 which could cause losses. Accordingly, for example, for a one-year term, the interest rate considered was 11.01% per year.
- **Scenario III:** Applying to Scenario I a stress factor of 50% for prices and yields at 06/30/2025 which could cause losses. Accordingly, for example, for a one-year term, the interest rate considered was 7.34% per year.

Sensitivity Analysis:

Operation	Effect on change in fair value		Scenarios		
	Risk factors	Components	I	II	III
Hedge Accounting	Fixed interest rate ⁽¹⁾	Loan Operations (long position)	10,359	269,025	560,586
		Derivative (future short position)	(10,379)	(269,564)	(561,767)
		Net Effect	(20)	(539)	(1,181)
		Debentures	(27)	(1,368)	(2,737)
Marketable Securities	Fixed income	Commercial note	(24)	(1,216)	(2,432)
		CDCA	(46)	(2,314)	(4,629)
		CRI	(437)	(5,744)	(11,489)
	Quotas of Fund	CRA	(877)	(17,780)	(35,560)
		FIDC	(3)	(67)	(131)
		FIAGRO	(2)	(54)	(106)
Total with correlation			(1,436)	(29,082)	(58,265)
Total with correlation, net of tax effects			(790)	(15,995)	(32,046)

⁽¹⁾ The change in risk factors causes a net negative effect, since derivative and hedged item create equal and opposite effects (profit/loss or loss/profit).

The table highlights the effects on the result arising from fluctuations in the main macroeconomic variables, mainly the domestic interest rate in Scenarios II and III. The hedge accounting assures stability in the financial margin of loan operations even in an adverse scenario.

The sensitivity analysis assumes all other conditions are held constant and the Bank takes no corrective action. In fact, the Bank has active management of its market risks with daily monitoring of exposure to the various risk

factors, managing its exposure which may have an effect on the fair value of its financial instruments, assets and liabilities, including derivatives.

e) **Operational risk management**

Operational risk is the possibility of losses resulting from external events or failure, deficiency or inadequacy of internal processes, people or systems.

Operational Risk Management is integrated with the strategies and business of the Bank's companies, aligning existing processes in place with the prevailing policies. The Bank's management strategy is to monitor risk exposures through tools that aim to mitigate them and the consequent impact on operational losses.

The management structure establishes a shared performance of the Operational Risk, in which all employees are responsible for complying with their processes, encouraging commitment to results and participative management.

The methodology used for Operational Risk management comprises qualitative and quantitative stages: qualitative and quantitative. The first stage includes the survey of critical processes, the identification and assessment of risks and controls using tests on the operating design and effectiveness of controls and finally, the strategy for responding to residual risk - either through action plans for improvement or monitoring actions. The risks identified contemplate the legislation in force.

The quantitative stage consists of identifying operating losses and formation of a basis aimed at recording the information related to events resulting from the exposure to the Operating Risk, enabling the identification of the reasons for the most representative losses and their root causes, allowing the generation of action plans with the purpose of reducing future losses.

Operational Risk Management also includes the monitoring of key risk indicators (KRIs) that monitor the main reasons for losses to the Bank. Indicator tolerance is aligned with the risk appetite and when this metric is exceeded, actions are generated to have the risk returned to acceptable levels. All incidents are monitored and recorded in a specific database for purposes of taking actions to resolve problems and prevent recurrences.

The Bank also has defined procedures for the management of significant third parties. The management process is driven by the risk involved in the activity, with a structured process of segmentation, hiring, monitoring, management and termination.

The Bank calculates the RWAopad portion for the Alternative Simplified Standardized Approach. The entire calculation methodology of the approach adopted by the Bank was defined according to the consistency criteria, being liable to verification and duly formalized.

The Business Continuity Management, which is also included in the Operational Risk Management level, covers all companies of the Prudential Conglomerate, and seeks to assure the Bank's sustainability at acceptable levels in the event of crises that may interrupt its activities. To this end, the processes identified and classified as critical in terms of business continuity have their contingencies planned and tested, aiming to reduce the impact of incidents. It provides a safer environment for operations, clients and counterparties, as well as to stockholders. The Bank's Business Continuity Management encompasses three touch points: Technology Continuity; Continuity of Service Points and; Business Continuity (Central Management).

The Bank adopts a methodology that enables it to define contingency strategies, determining alternative procedures and measures to promote its resilience in critical times, even if adverse events occur that cause the interruption of the activities. All of these specifications are formalized in Operational Contingency Plans, periodically updated and published in order to assure their ready access, covering the entire structure of resources and personnel required for business continuity. The Bank's Corporate Contingency Plan focuses on a restricted scenarios that could affect client service and services provided.

f) Social, environmental and climate risk management

Social, Environmental and Climate Risk Management are derived from the improvements of the tools for identifying, controlling and mitigating the relevant social, environmental and climate impacts inherent to the banking activities and stakeholders.

Based on the Social, Environmental and Climate Responsibility Institutional Policy (PRSAC), the actions to control and reduce the impacts of the Bank's activity comprise the proper management of waste and the mapping and continuous study of opportunities that may contribute to efficiency in the consumption of energy and natural resources.

In this regard, the Bank's Social Risk Management includes the continuous monitoring of people included in restrictive lists of work analogous to slavery published by the Ministry of Labor and Social Security, as well as people who have some type of precautionary measure in force applied by the Brazilian Health Regulatory Agency (ANVISA), whose economic activities carry out are of high health risk. Clients that present these restrictions will have minimum decision-making authority in the analysis of business proposals.

Regarding the Environmental Risk Management, its mitigation is carried out through the inclusion of restrictive environmental alerts for people responsible for the recovery of contaminated or degraded areas, as well as owners of properties embargoed due to practices that do not comply with environmental regulations. Assessments of real estate guarantees and properties arising from debt settlement processes are also carried out. All urban properties subjected to these processes have a report showing signs of soil contamination.

With regard to climate risk, the sensitivity rule for this risk is applied to the Institution's loan portfolio. With it, Mercantil is able to identify, based on the criteria of relevance (nature of activities and quality of portfolios) and proportionality (share of the portfolio in the total loan portfolio), which are the economic sectors and the stakeholders more sensitive to climate risk.

Furthermore, Mercantil assigns its clients a Classification of Exposure to Social, Environmental and Climate Risks, which varies from "A" (highest risk) to "C" (lowest risk), with predominance of the worst partial classification between categories. Those clients that have high exposure are treated at the minimum level of the Credit Committee, complying with the value cuts to reach the final level of the Higher Credit Committee.

These clients are also monitored by Mercantil regarding the quality of their loan operations, as well as their balances invested in funding products and the counterparties of investments in interbank deposits and marketable securities. These monitoring and follow-ups are carried out by Mercantil's stakeholders, which include employees, product and service suppliers, borrowers and investors.

Collating information on social and environmental risk was improved at client relationship inception in the credit granting and management process, as well as the relationship of the Bank with third parties; this is now based on clauses and processes that require a more socially and environmentally responsible network of companies.

22. Other information

- a) Investment funds – investment fund management is carried out through the subsidiary Mercantil do Brasil Distribuidora S.A.
- b) Insurance contracted - the Bank and its subsidiaries have insurance coverage considered adequate by Management to cover potential losses.
- c) Clearing and settlement agreement - the Bank has a clearing and settlement agreement within the scope of the National Financial System, in accordance with CMN Resolution 3,263/05, to assure settlement of its assets with financial institutions.
- d) Financial Statements under IFRS, CMN Resolution 4818/20 establishes that financial institutions registered as publicly-held companies or that are lead companies of a prudential conglomerate classified in Segment 1 (S1), Segment 2 (S2) or Segment 3 (S3), in accordance with specific regulations, must prepare consolidated annual financial statements adopting international accounting standards (IFRS) in accordance with the pronouncements issued by the International Accounting Standards Board (IASB), translated into Portuguese by a Brazilian entity accredited by the International Financial Reporting Standards Foundation (IFRS Foundation). In accordance with the standard, all institutions must adopt IFRS in the preparation of all their consolidated financial statements, including those imposed by legal or regulatory provisions, regardless of their frequency, annual or interim.

The Bank discloses separately its consolidated financial statements under IFRS for the year ended June 30, 2025 simultaneously with these current financial statements on its website (www.bancomercantil.com.br), in the Investor Relations (IR) area, in the Balance Sheet Center of the Central Bank of Brazil and the CVM, as permitted by article 77 of CMN Resolution 4,966/21.

Further information can be obtained on the websites of the Institution (www.bancomercantil.com.br), of CVM website (www.cvm.gov.br) and of B3 S.A. - Brasil, Bolsa, Balcão (www.b3.com.br/pt_br/).

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