

BANCO
MERCANTIL

Earnings Presentation **1Q24**



Hosts



➤ **Gustavo Araújo, CFA**
CEO



➤ **Paulino Rodrigues**
Chief Financial Officer and Investor Relations

Quarter Highlights

vs 1Q23

Clients

8.2 mn

+22% ↗

Credit Portfolio

BRL **14.9** bn

+22% ↗

NPL > 90 days

2.5 %

-23 bps ↘

Quarterly Service
Revenue

BRL **160** mn

+20% ↗

NIM

22.0 %

+40 bps ↗

Quarterly Net Profit

BRL **165** mn

+142% ↗

ROAE LTM

34.7 %

+1,690 bps ↗

Capital Adequacy Ratio
(Basel III)

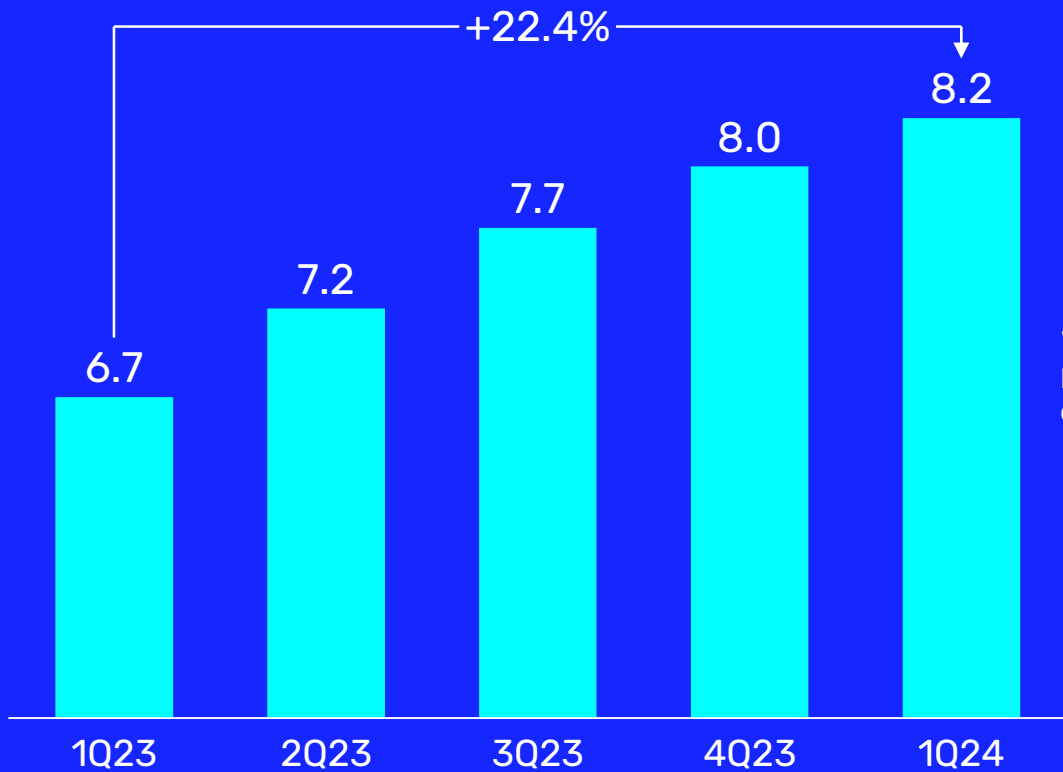
17.1 %

+70 bps ↗



Engaged and increasingly digitized customer base.

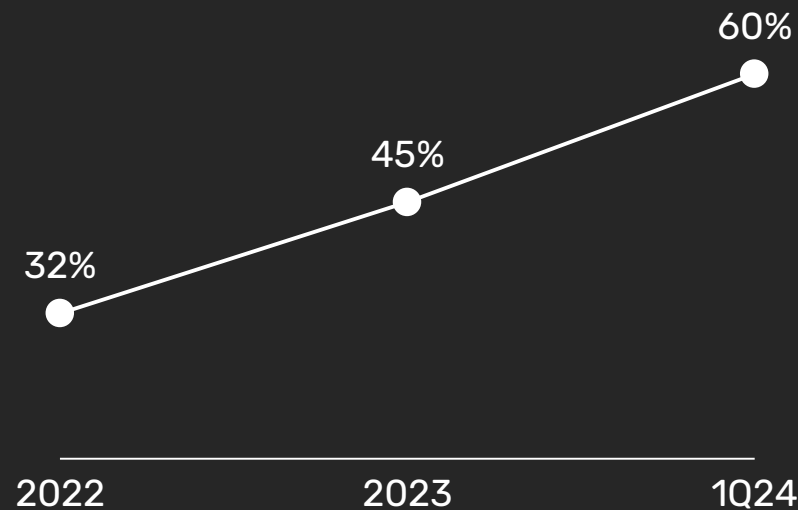
Clients
mn



50%
Have a loan operation

App Subscription

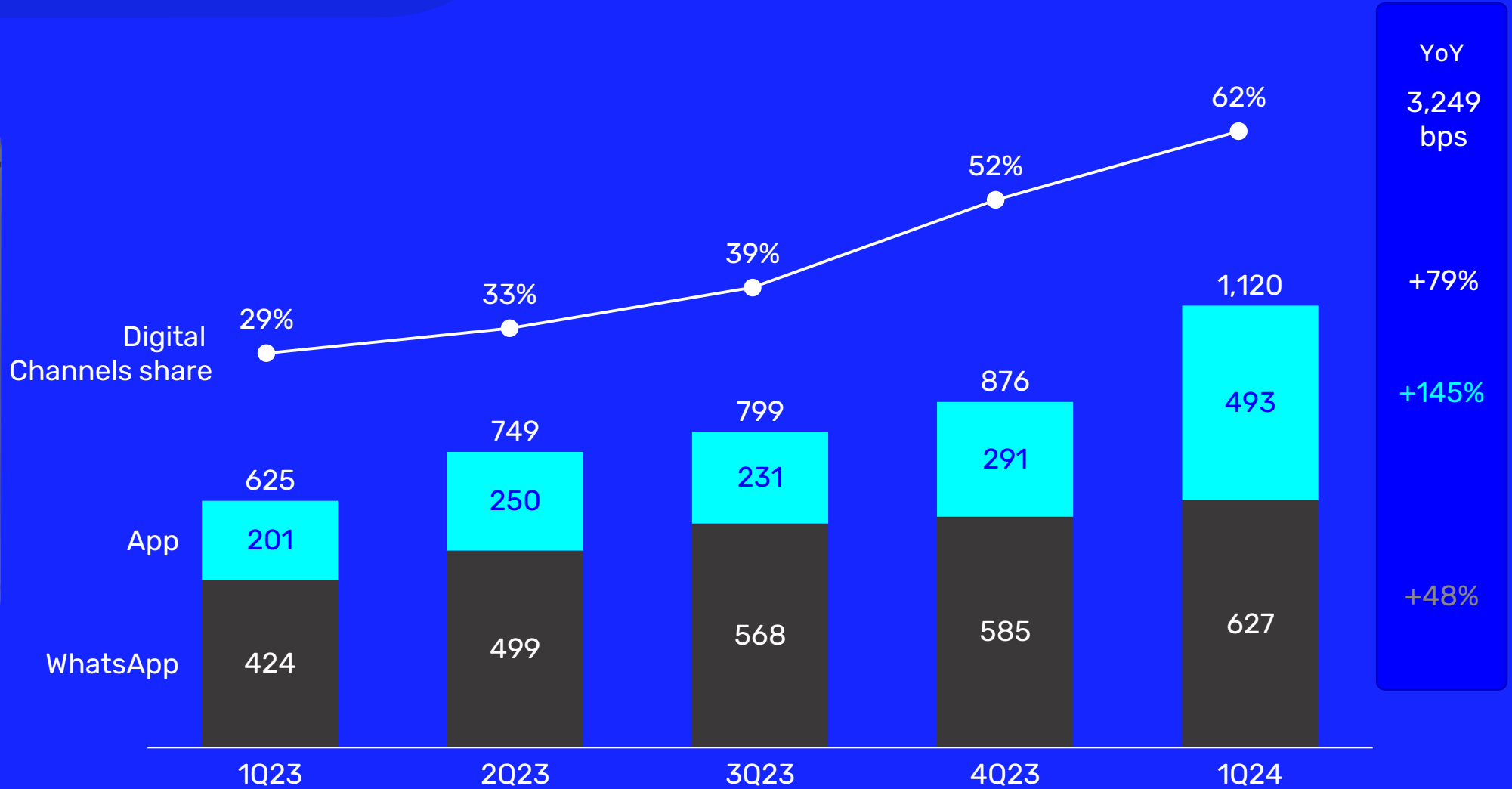
% of clients that joined the App after opening the account



Increasingly digital credit origination.



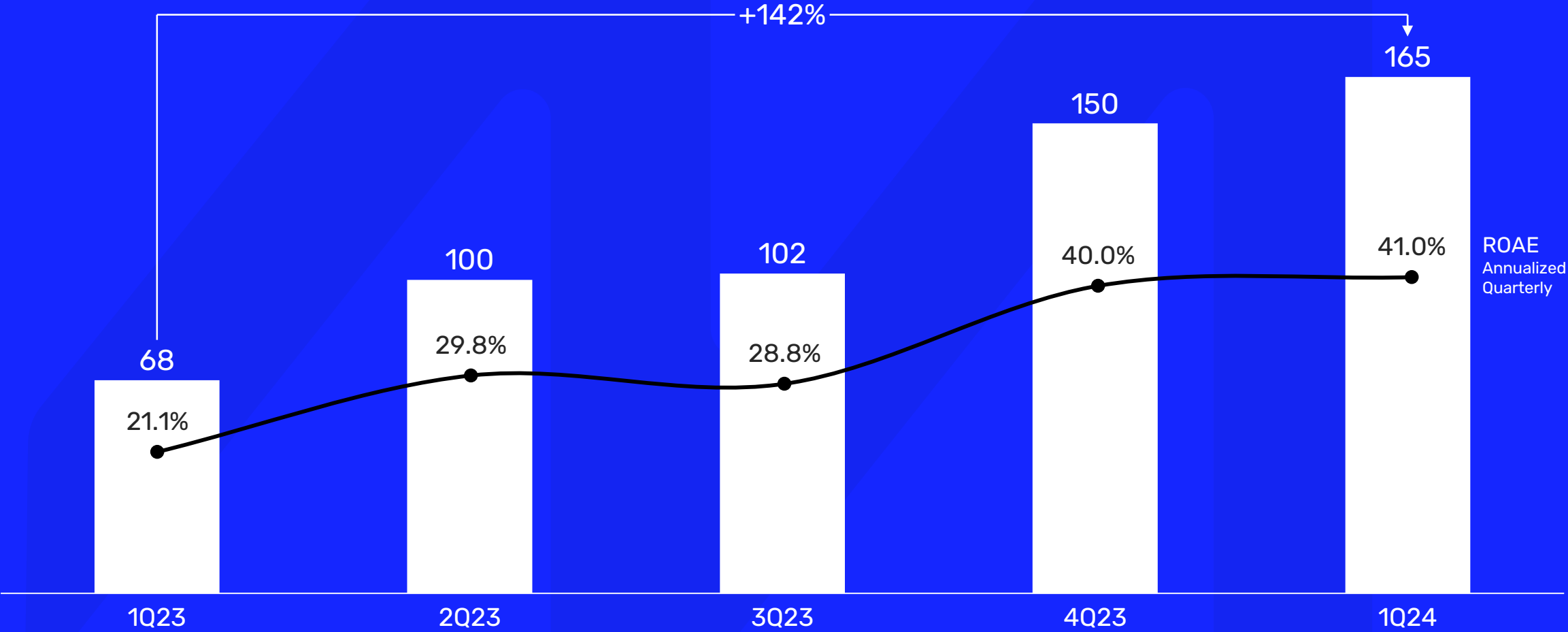
Credit Origination via Digital Channels App and WhatsApp, # contracts (thousand)



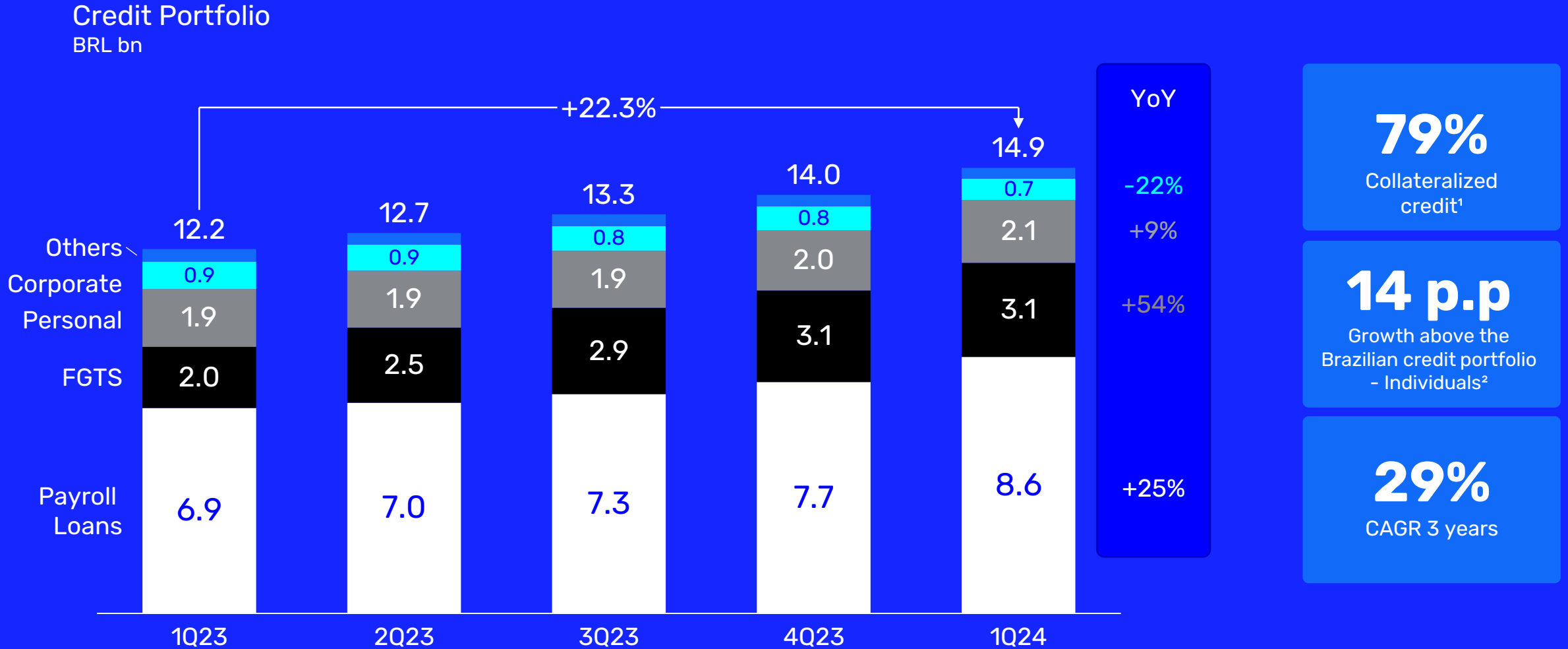
Consecutive record-breaking results demonstrate the robustness of the business model.

Net Income and ROAE

BRL mn, per quarter

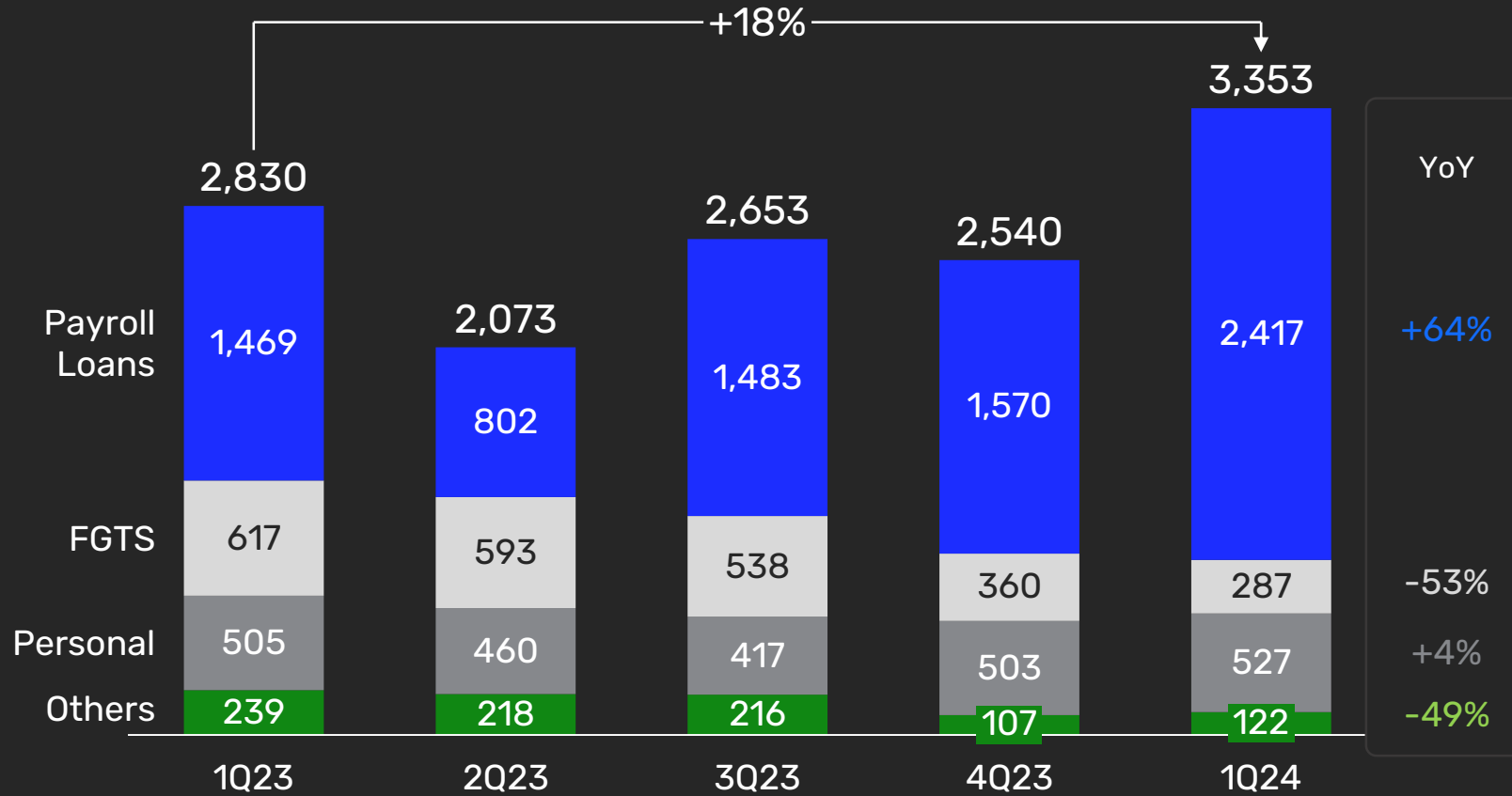


We continue to expand our credit portfolio with a focus on Payroll Loans and Personal Loans FGTS. ↗



Robust origination in the quarter, notably driven by Payroll Loans. ↗

Credit Origination
BRL mn



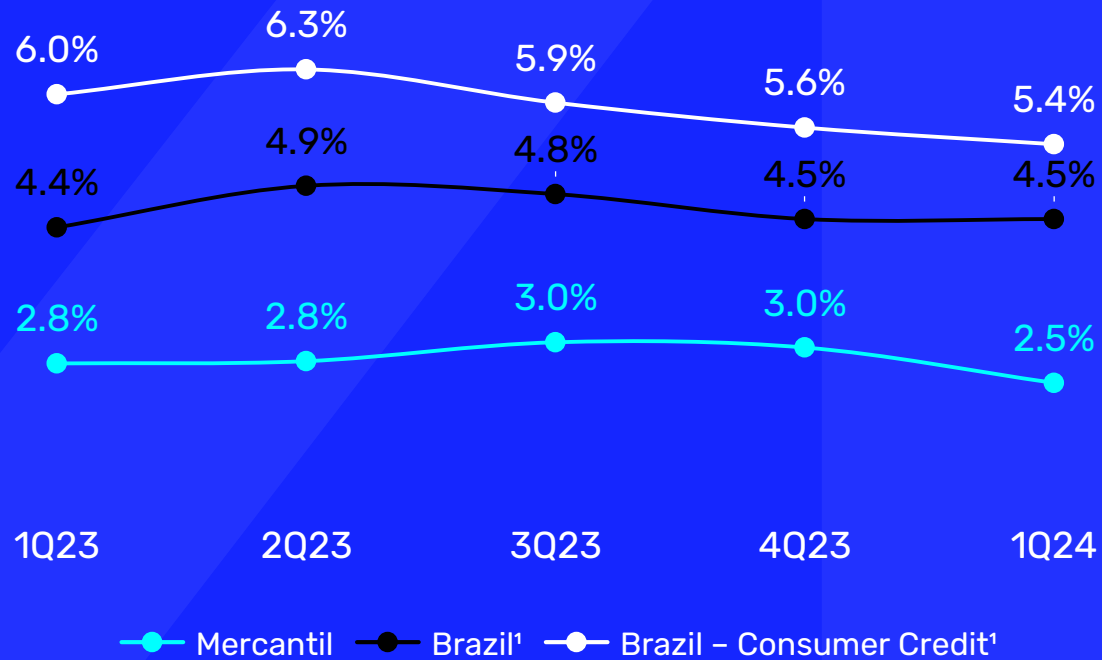
8%
Payroll loans share
in 1Q24¹

Payroll loans Origination
100%
via own channels
Digital and Points of Sales

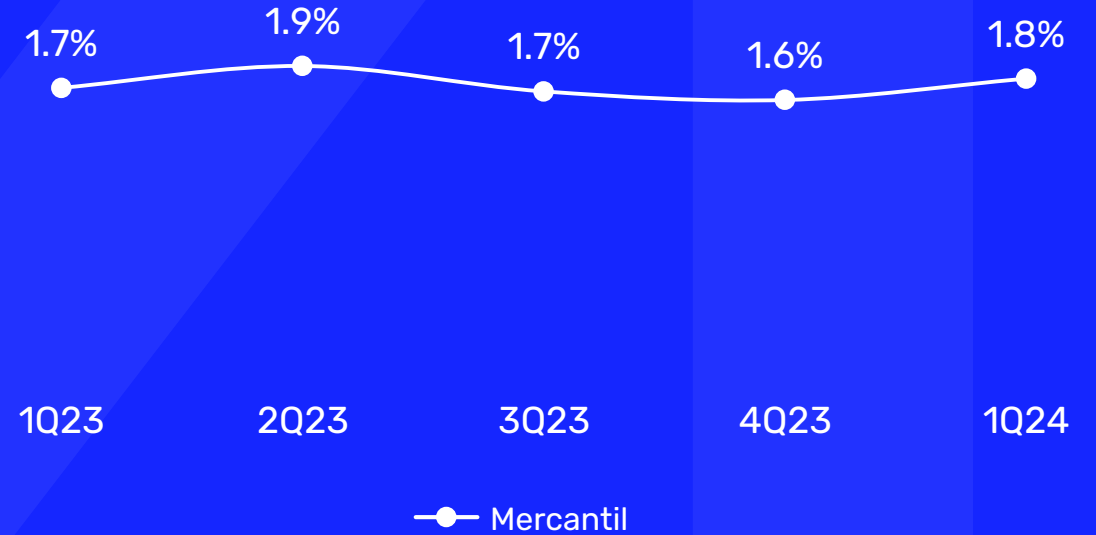


Delinquency levels remain controlled and below the market average.

NPL Over 90 (%)



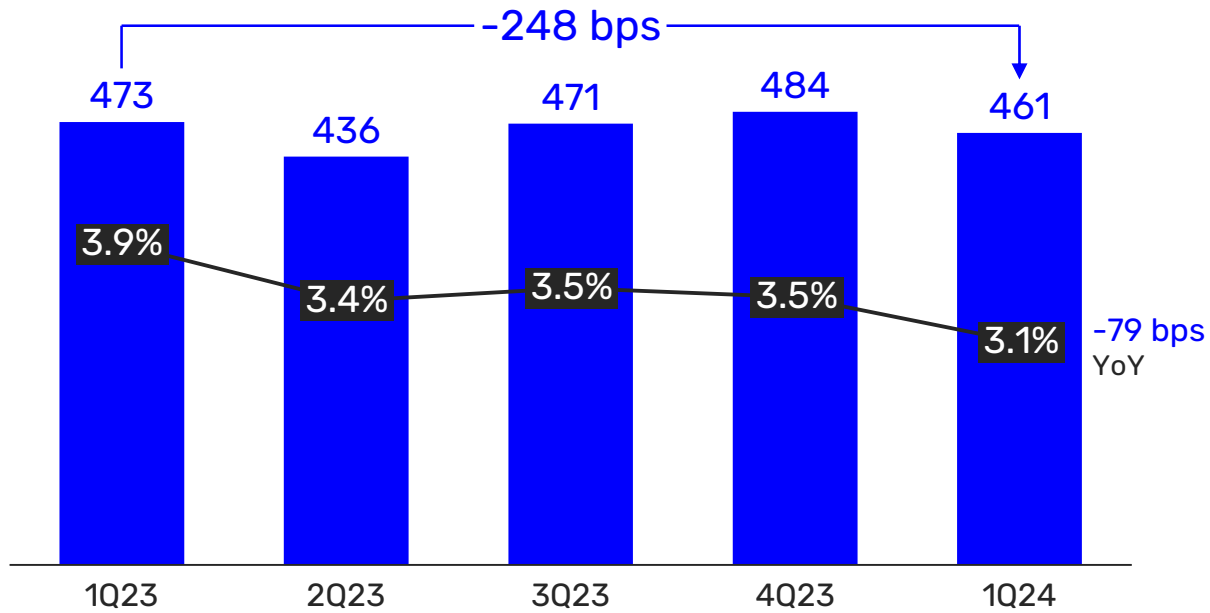
NPL Over 15 - 90 (%)



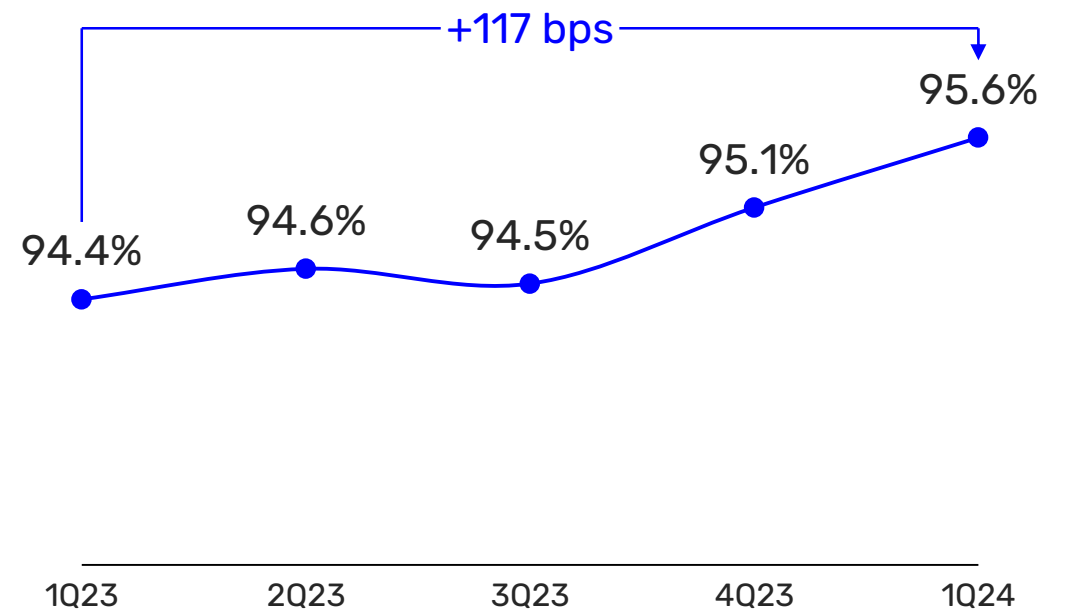
Provision expenses and portfolio quality showed improvement.

NPL Provision and % Portfolio

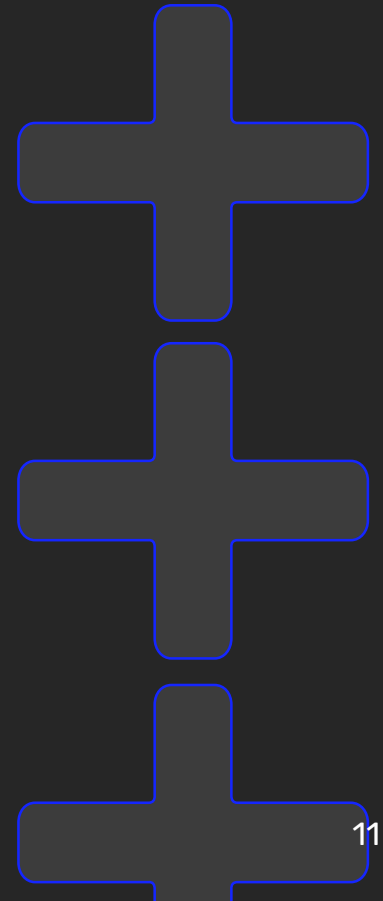
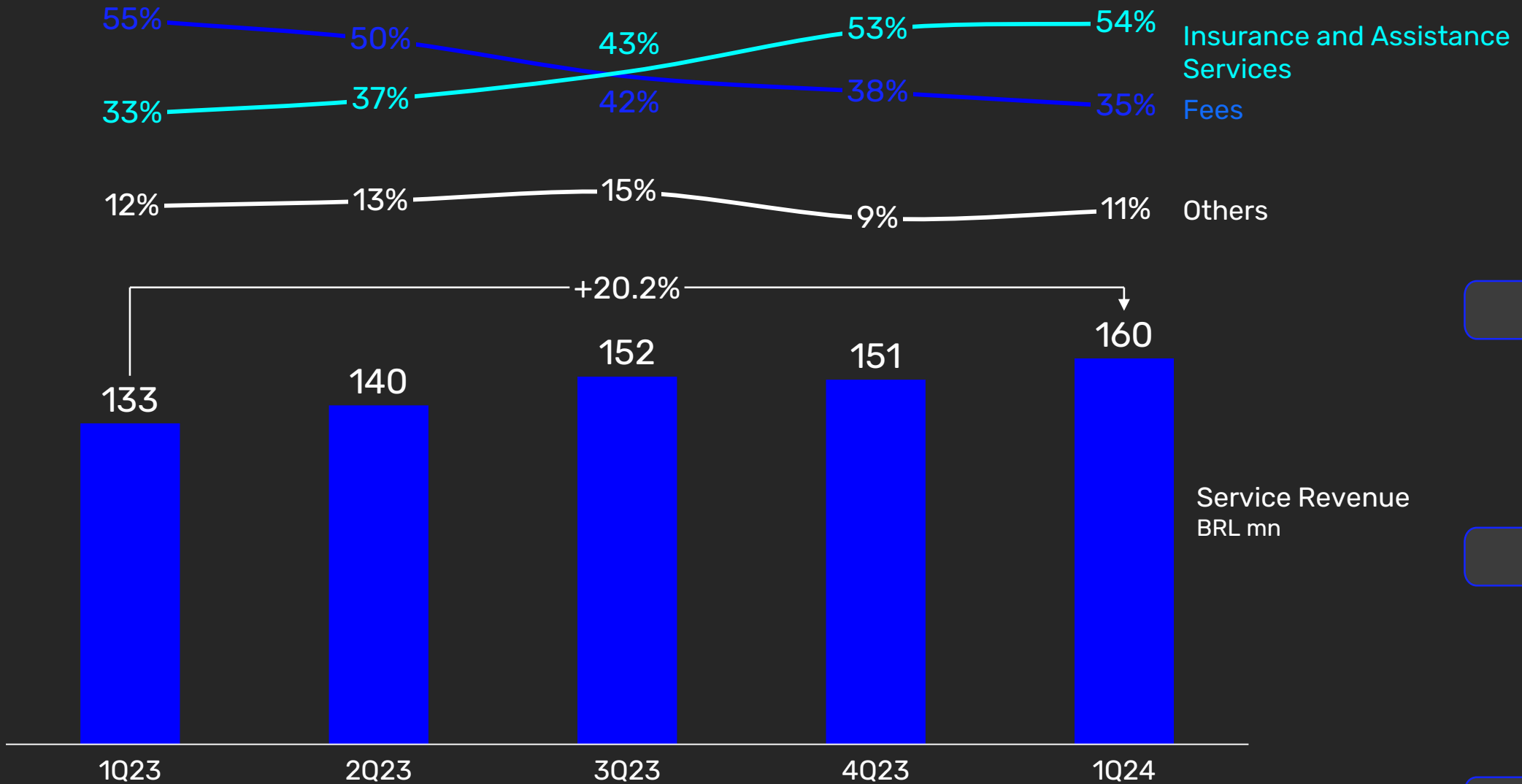
BRL mn, % p.a.



% AA - C / Portfolio

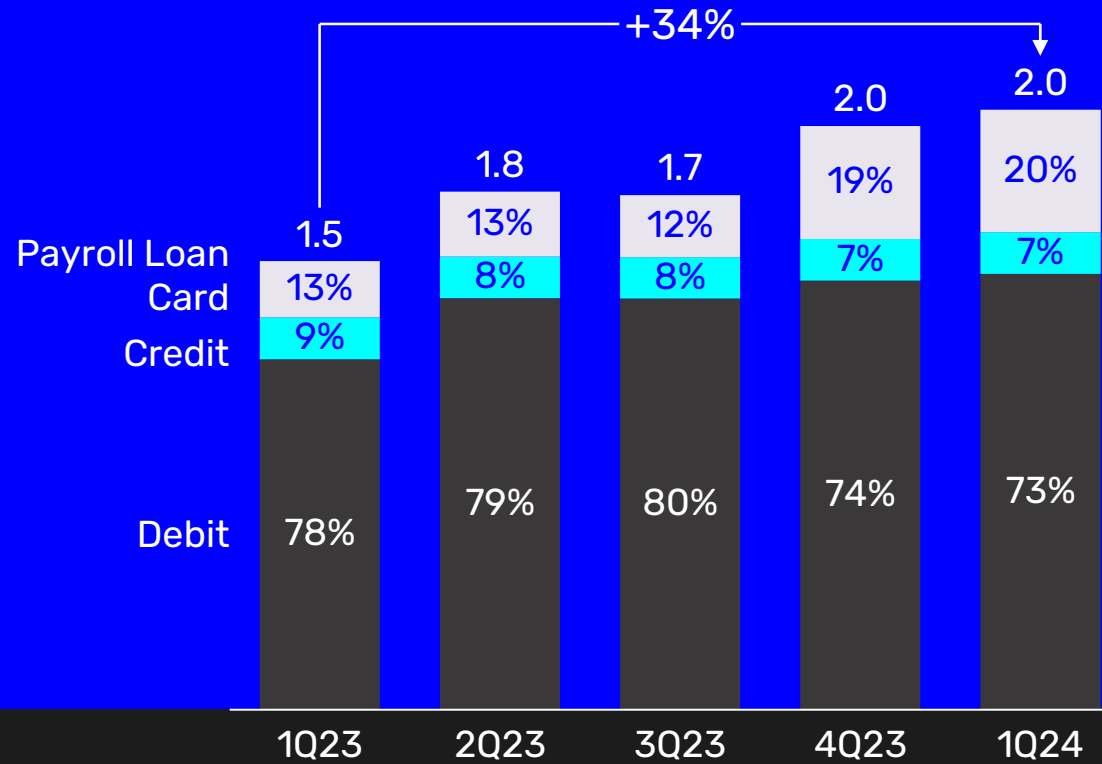


Consistent evolution in services revenue, focused on the growth of Insurance and Assistance Services.

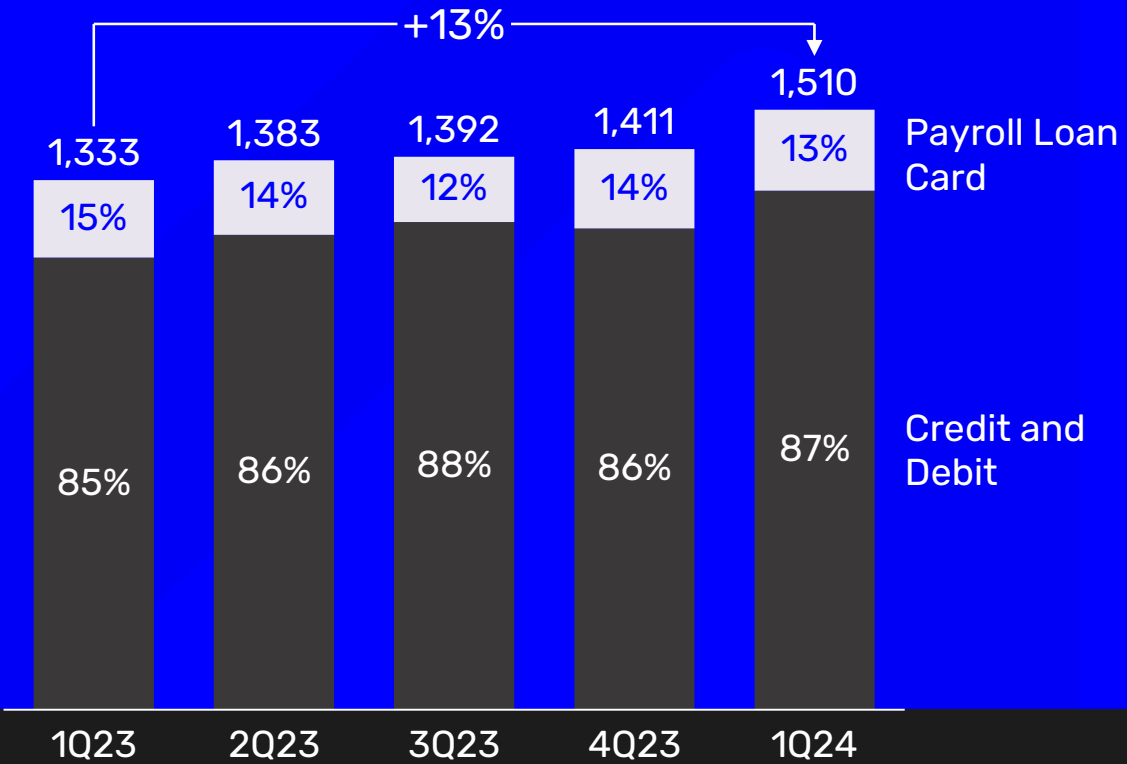


Advancement in the card segment, with a focus on the Payroll Loan Card.

Cards in Circulation
mn



Total Processed Volume - TPV
BRL mn

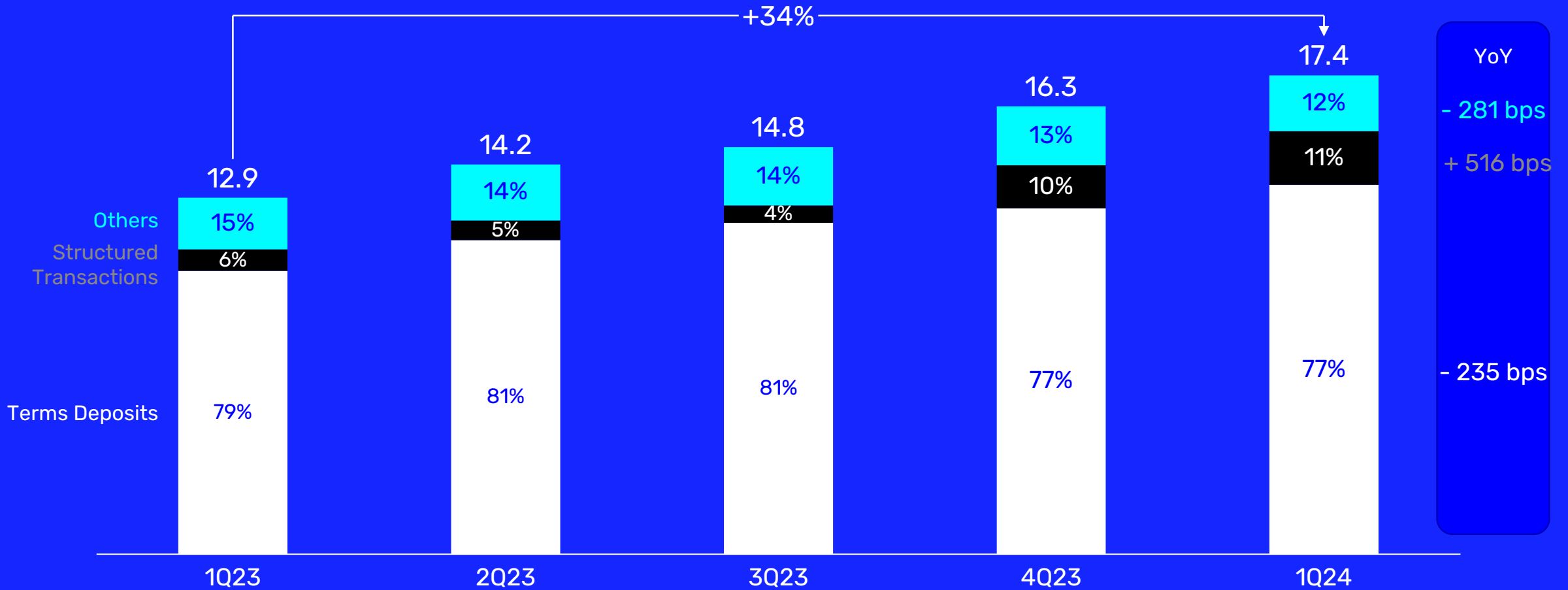


Our funding lines are diversified and dispersed.



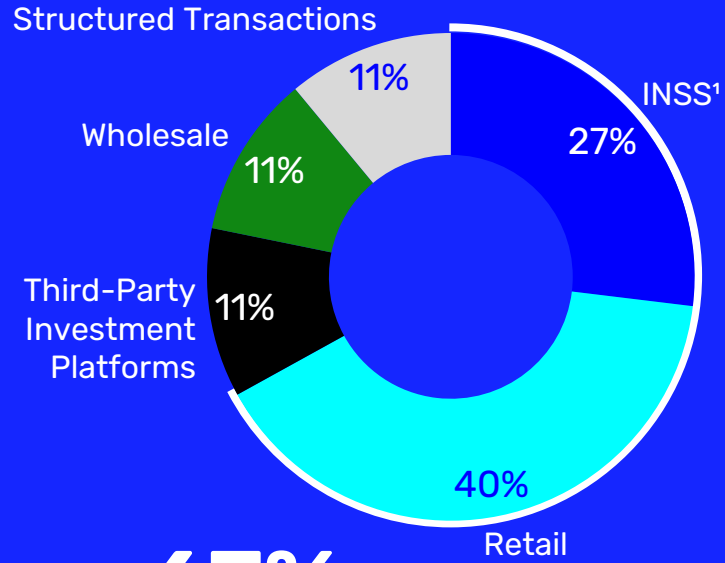
95.7%
Funding Cost
Last 12 months, % CDI benchmark

Funding Balance and Cost (%)
BRL bn



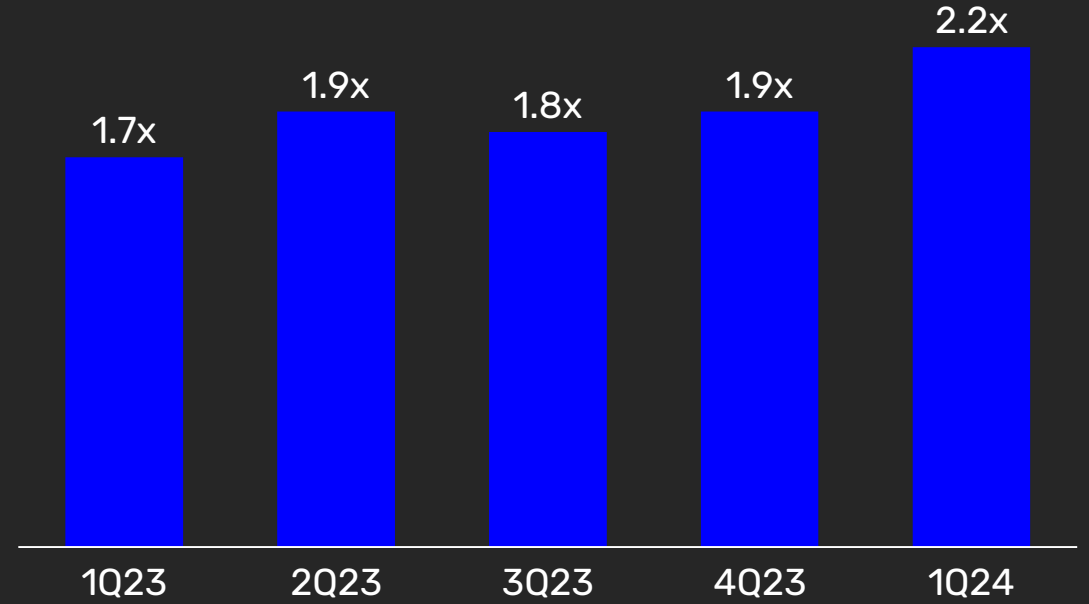
Robust structure for funding through proprietary channels.

Funding Sources



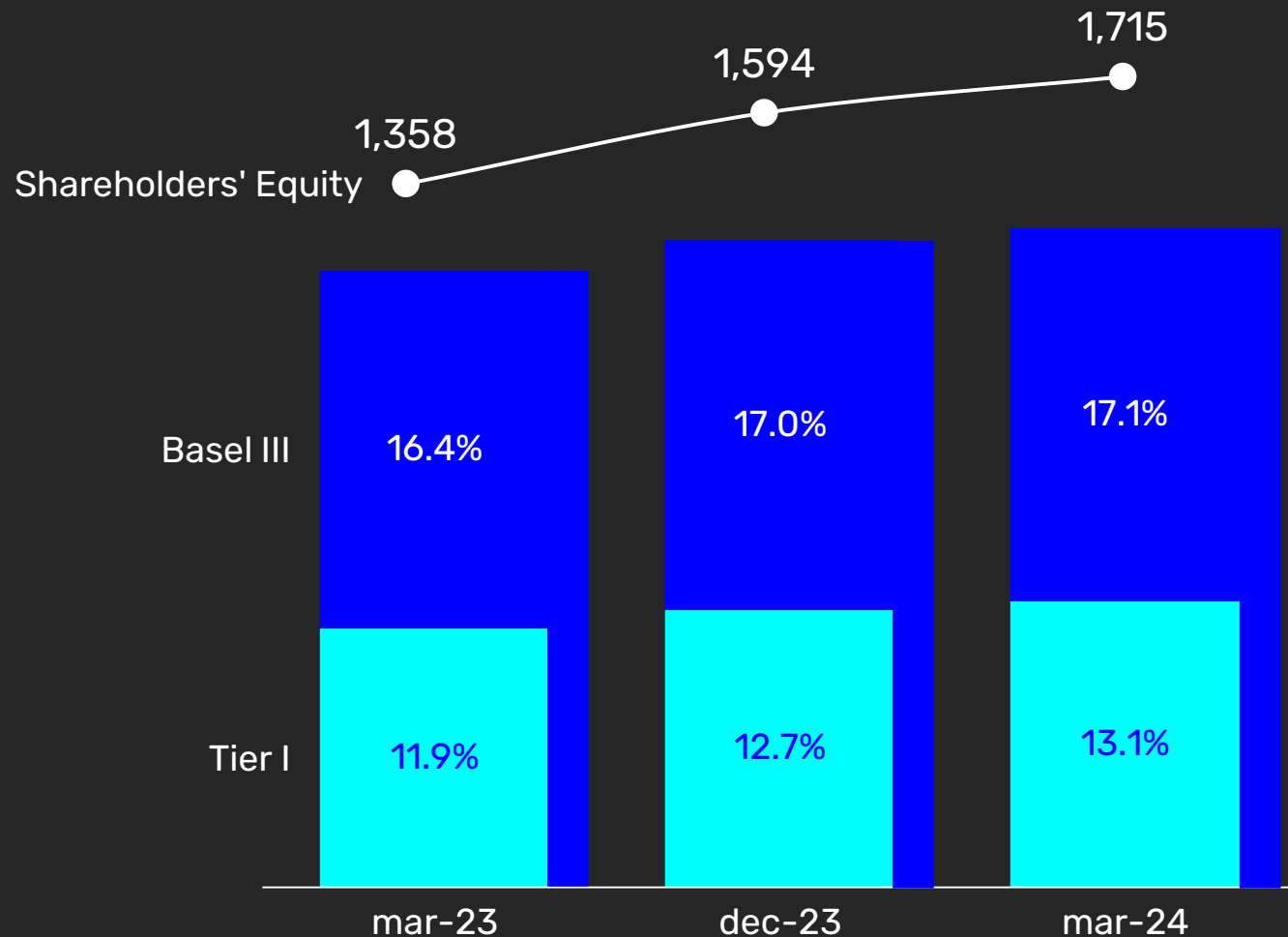
67%
Own Network

Liquidity Coverage Ratio

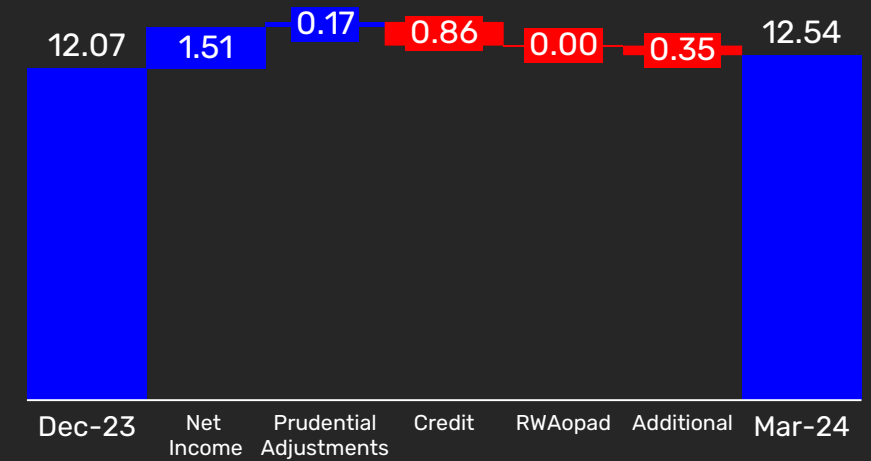


We present elevated levels of capitalization.

Capital Adequacy Ratio (Basel III) and Shareholders' Equity (%) and BRL mn



Common Equity Tier I (CET I) (%)



RATINGS

S&P Global
Ratings

brA

Positive
Outlook

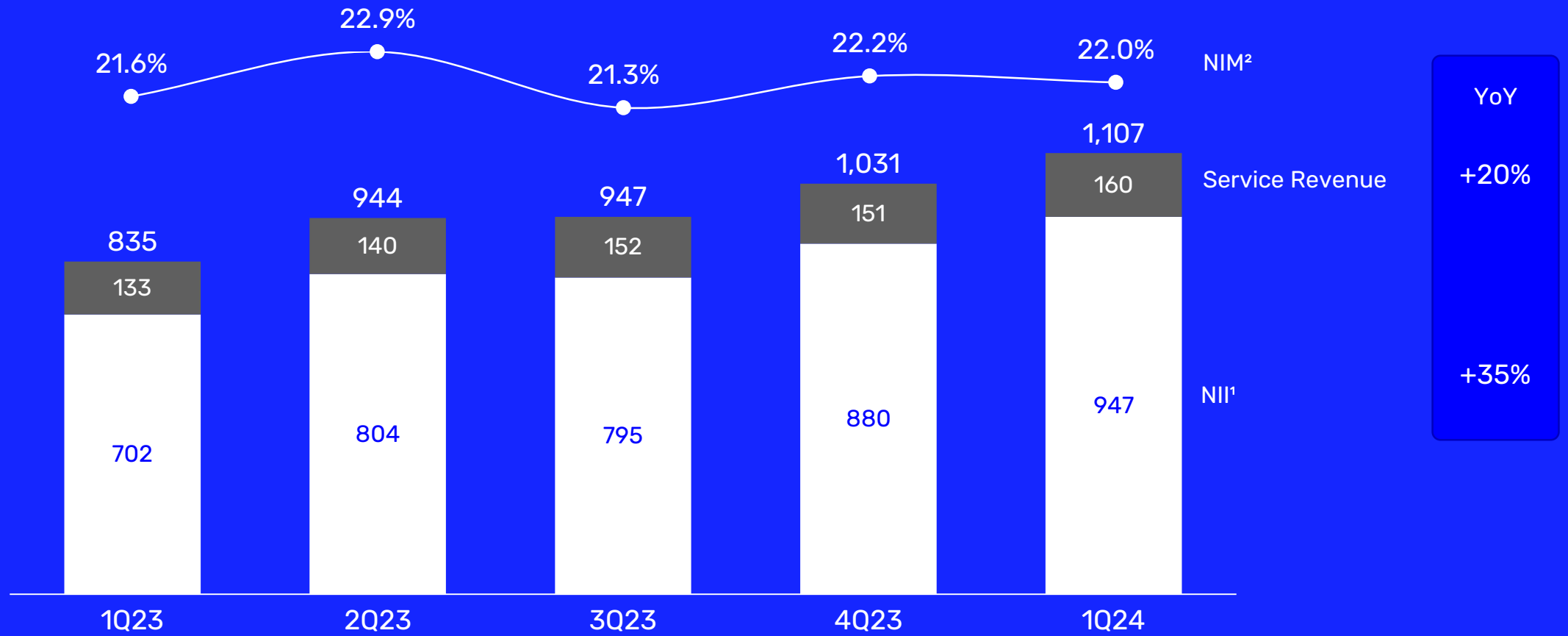
FitchRatings

A-(bra)

Positive
Outlook

Revenue growth while sustaining high margins.

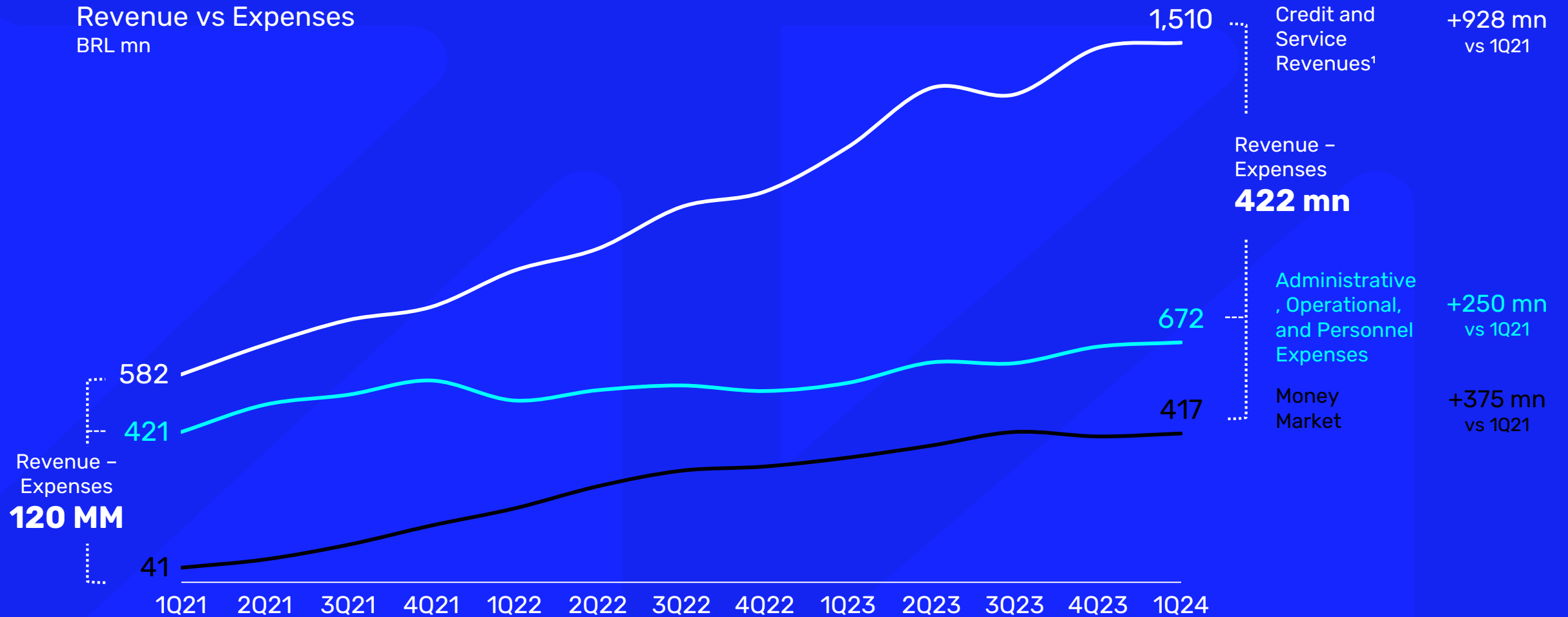
Revenues and Net Interest Margin (NIM)
BRL mn



(1) Interest Income - Interest Expenses

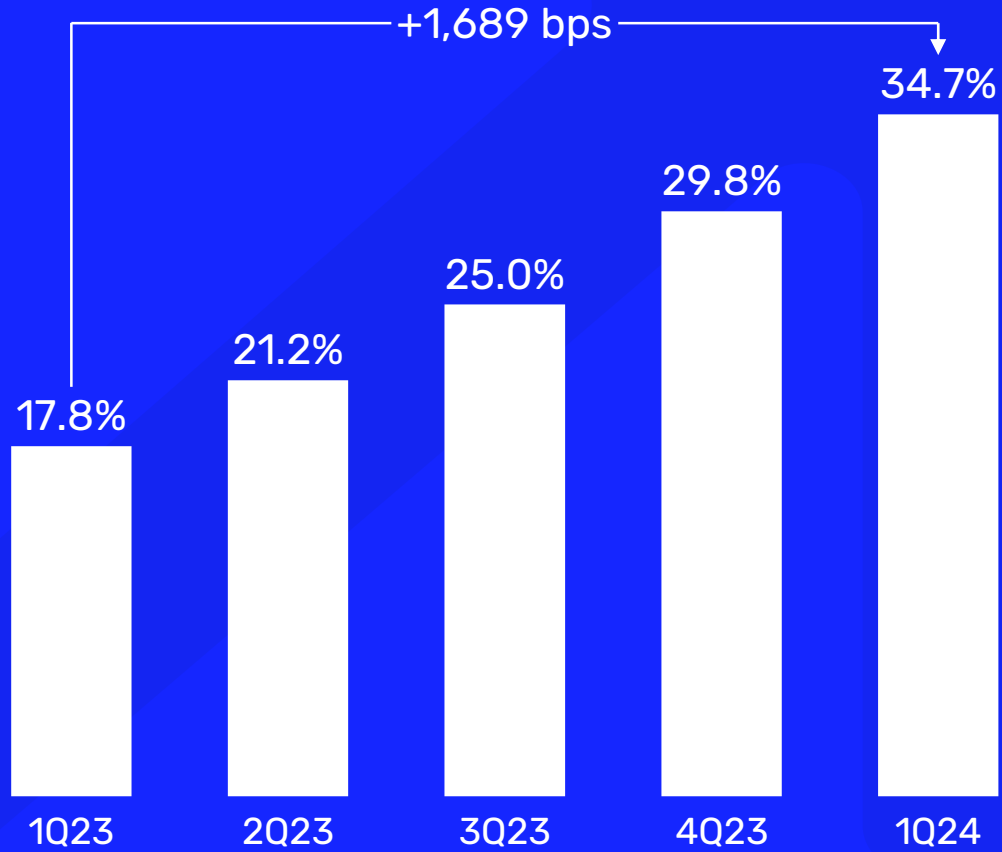
(2) NIM = Net Interest Income + Service Revenue for the reference quarter / Average interest-earning assets for the reference quarter and the previous one.

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

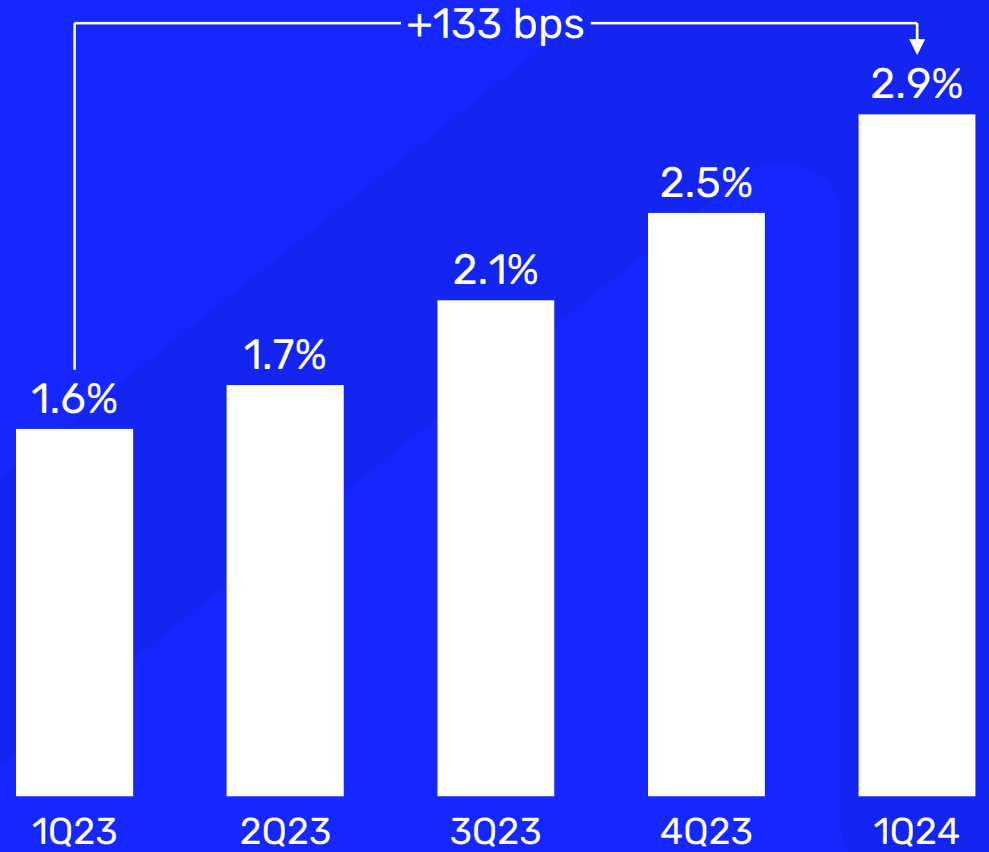


Over the past 12 months, profitability metrics also show continuous improvement.

ROAE LTM



ROAA LTM





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