

BANCO
MERCANTIL

Earnings Release **1Q25**



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MESSAGE FROM THE BOARD



Banco Mercantil began 2025 with record-breaking results and a growth trajectory that once again reinforces the consistency and resilience of our strategy. The first quarter was marked by significant progress in profitability, operational efficiency, geographic expansion, and a record volume of loan origination, led by INSS Payroll Loan.

We reported Net Income of **BRL 241 million** in the quarter, a 46% increase compared to the same period in 2024. Return on Average Equity (ROAE – LTM) reached **46.4%**, up 1,168 bps over the last twelve months. This performance reflects the maturity of a business model that balances high profitability with low risk and a strong focus on customer relationships.

Our credit portfolio grew **25%** year-over-year, reaching **BRL 18.7 billion**, with a 90+ days delinquency rate of **2.2%**, remaining under control and below the industry average. Payroll-deductible loans—our main growth driver—reached **BRL 12.1 billion**, up 42% year-over-year.

Credit origination totaled **BRL 5.2 billion** in the quarter, a 54% increase over 1Q24. Payroll-deductible loans were once again the highlight, accounting for **BRL 4.3 billion**, representing a 78% year-over-year increase. As a result, we reached a record market share of **16.2%** in INSS payroll loan origination this quarter. This performance is directly linked to our strategic choice of managing 100% of payroll lending through our own distribution channels, both digital and physical, ensuring end-to-end excellence and control.

Service Revenue reached **BRL 203 million** in the quarter, up 27% year-over-year. This result underscores the growing relevance of Meu+, our insurance and assistance platform tailored to the 50+ audience, which continues to show strong adoption of our value-added services.

As part of our strategic expansion plan “Chega Mais,” we opened **25 new branches in 24 new cities this quarter**, with a focus on the South and Southeast regions of Brazil. Physical expansion complements our digital strategy and strengthens our brand presence in regions with high growth potential.

MESSAGE FROM THE **BOARD**



We closed the quarter with a Basel Ratio of **16.4%**, reflecting a robust capital position to support continued growth.

We see 2025 as a year of concrete opportunities to advance even further. The results achieved in the first quarter demonstrate that we are on the right path, with a strategy rooted in **discipline, customer proximity, and the smart use of technology**. Banco Mercantil enters this new cycle more prepared, more efficient, and with an even stronger foundation to sustain growth.

We remain committed to working with focus, responsibility, and ambition—confident that there is ample room to expand our positive impact and continue delivering consistent value to all our stakeholders.

Board of Directors



HIGHLIGHTS

Main Indicators

	1Q25'	4Q24	Δ	1Q24	Δ
Net Interest Income (BRL mn)	1,068	1,143	-7%	947	+13%
Service Revenue (BRL mn)	203	180	+13%	160	+27%
Net Profit (BRL mn)	241	205	+17%	165	+46%
Total Customers (mn)	9.0	9.0	-	8.2	+9%
Number of Employees and Interns	3,588	3,430	+5%	3,363	+7%

Credit Portfolio (BRL mn)

	1Q25	4Q24	Δ	1Q24	Δ
Payroll Loan	12,134	10,784	+13%	8,573	+42%
Personal Loan FGTS	2,941	3,043	-3%	3,149	-7%
Personal Loan	2,587	2,308	+12%	2,097	+23%
Others	1,321	993	+33%	1,080	+22%
Top 10 Debtors (%)	2.13%	2.38%	-26 bps	2.84%	-71 bps
Top 50 Debtors (%)	3.36%	3.85%	-49 bps	5.03%	-168 bps
Top 100 Debtors (%)	3.53%	4.07%	-54 bps	5.41%	-188 bps
Total Portfolio	18,983	17,128	+11%	14,900	+27%

Credit Indicators

	1Q25	4Q24	Δ	1Q24	Δ
NPL > 90	2.17%	1.68%	+49 bps	2.53%	-36 bps
Individuals NPL > 90	2.25%	1.72%	+53 bps	2.53%	-28 bps
NPL (15 – 90)	1.69%	1.37%	+32 bps	1.77%	-8 bps
NPL Provision / Credit Portfolio	2.29%	2.62%	-33 bps	3.11%	-82 bps

Profitability Indicators

	1Q25	4Q24	Δ	1Q24	Δ
ROAE (LTM)	46.4%	41.3%	+508 bps	34.7%	+1,168 bps
ROAA (LTM)	3.5%	3.4%	+11 bps	2.9%	+60 bps
NIM (quarter annualized)	18.4%	20.8%	-238 bps	22.0%	-365 bps

Capital Indicators

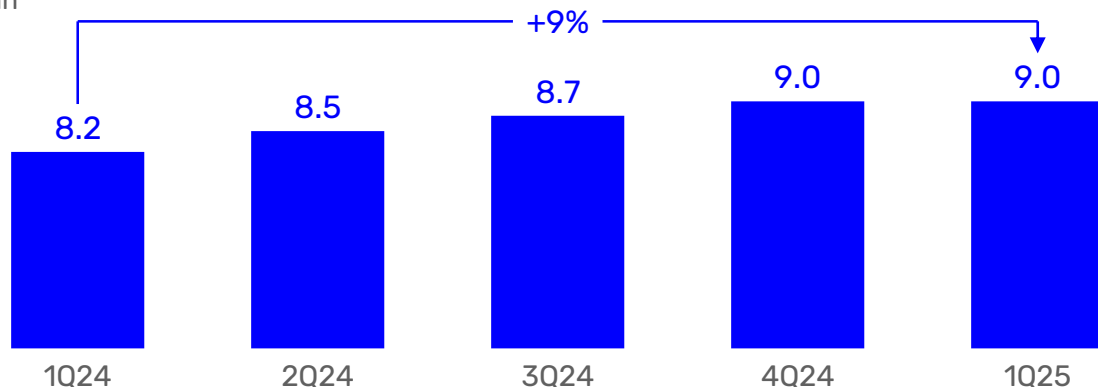
	1Q25	4Q24	Δ	1Q24	Δ
Basel III Index (%)	16.4%	18.1%	-171 bps	17.1%	-78 bps
Tier I Capital (%)	13.8%	14.8%	-100 bps	13.1%	+67 bps
Shareholder's Equity (BRL mn)	1,933	2,126	-9%	1,715	+13%
Funding (BRL mn)	23,701	21,982	+8%	17,395	+36%

CLIENTES



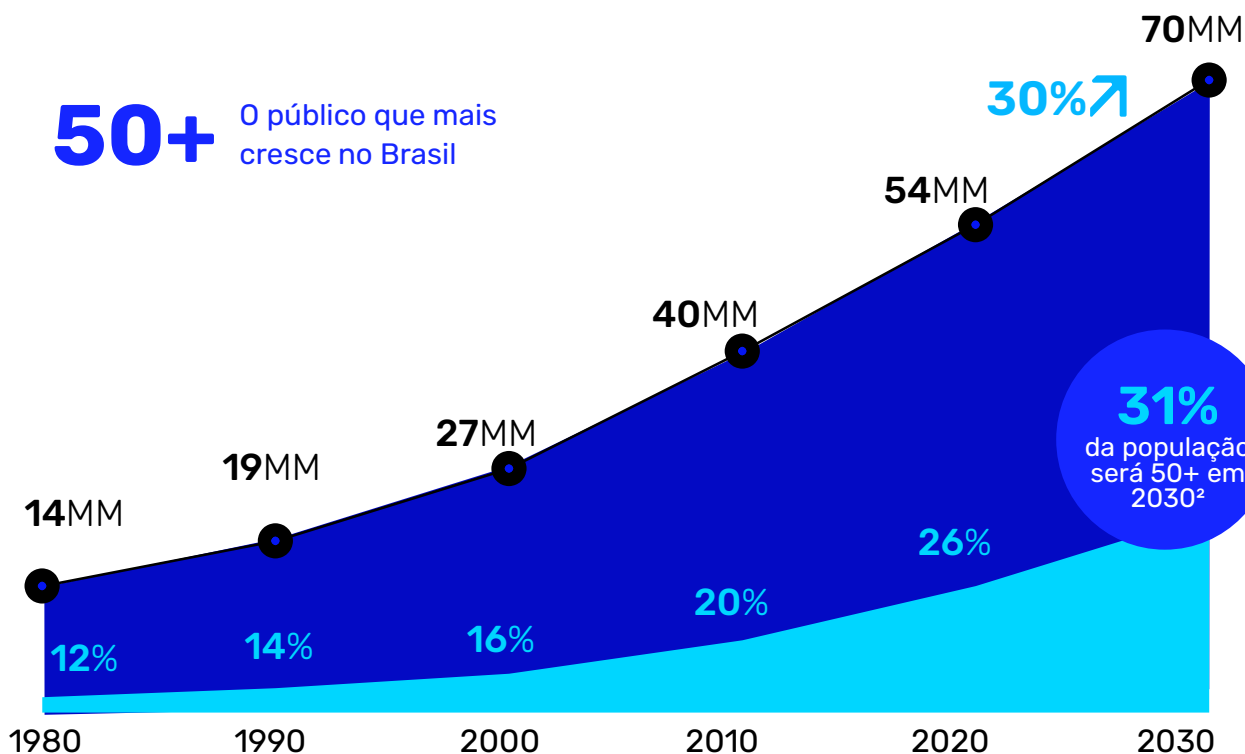
Clients

mn



The first quarter 2025 results reinforce Banco Mercantil's commitment to being consistently close to its customers, through a comprehensive, dynamic, and customer-centric relationship model. By the end of the period, the Bank maintained a solid client base of 9 million, representing a 9% increase year-over-year. This growth reflects a strategic focus on enhancing client profitability—a strategy that has proven successful, as evidenced by the significant expansion of the loan portfolio within an unchanged client base.

Banco Mercantil stands out as a comprehensive ecosystem for the 50+ segment, offering a variety of products and services designed for this demographic. This group significantly contributes to the economy, generating about BRL 2 trillion annually in Brazil¹, and its importance continues to grow, driven by the advancing age structure of the Brazilian population.

50+O público que mais
cresce no Brasil

CREDIT

In the first quarter of 2025, Banco Mercantil delivered strong growth in its loan portfolio, which increased by 27% year-over-year and 11% quarter-over-quarter. This solid performance was primarily driven by the continued expansion in Payroll Loan, the Bank’s flagship lending product. In line with its strategy of sustainable and disciplined growth, Banco Mercantil has reinforced its focus on retail lending, particularly to individual clients. Payroll Loans and Personal Loan FGTS modalities together accounted for 79% of the total loan portfolio at the end of 1Q25, underscoring the Bank’s commitment to products with lower credit risk and strong client demand.

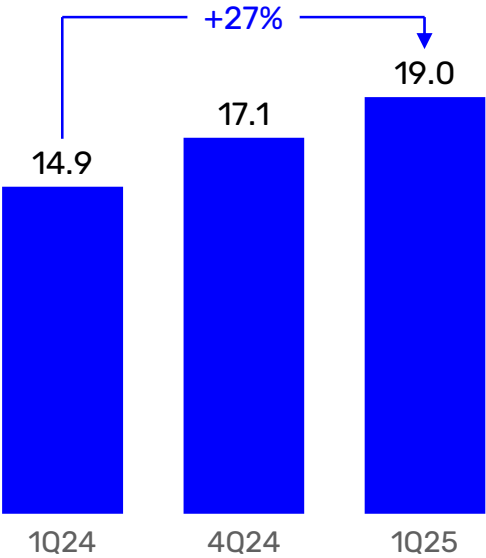
Credit Portfolio

BRL19.0bn +27% ↗

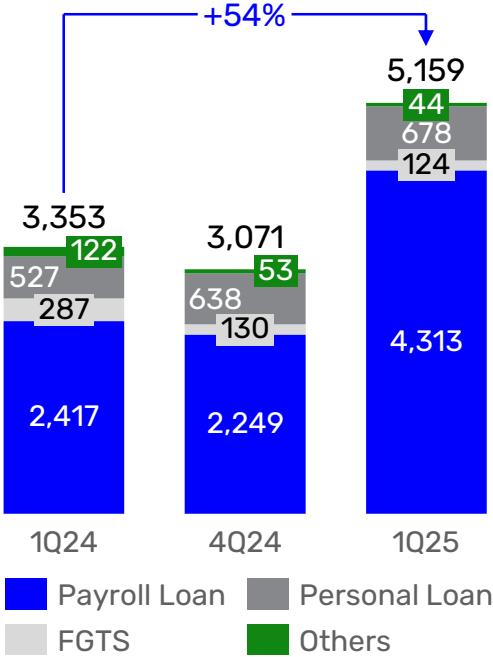
Compared to the same quarter of the previous year

Total loan origination reached BRL 5.2 billion in the quarter, up 54% year-over-year and 68% versus the previous quarter, reflecting both increased commercial productivity and growing demand for payroll-deductible credit. By product, origination volumes were BRL 4.3 billion in payroll-deductible loans, BRL 678 million in personal loans, and BRL 124 million in FGTS advance withdrawals.

Credit Portfolio
BRL bn



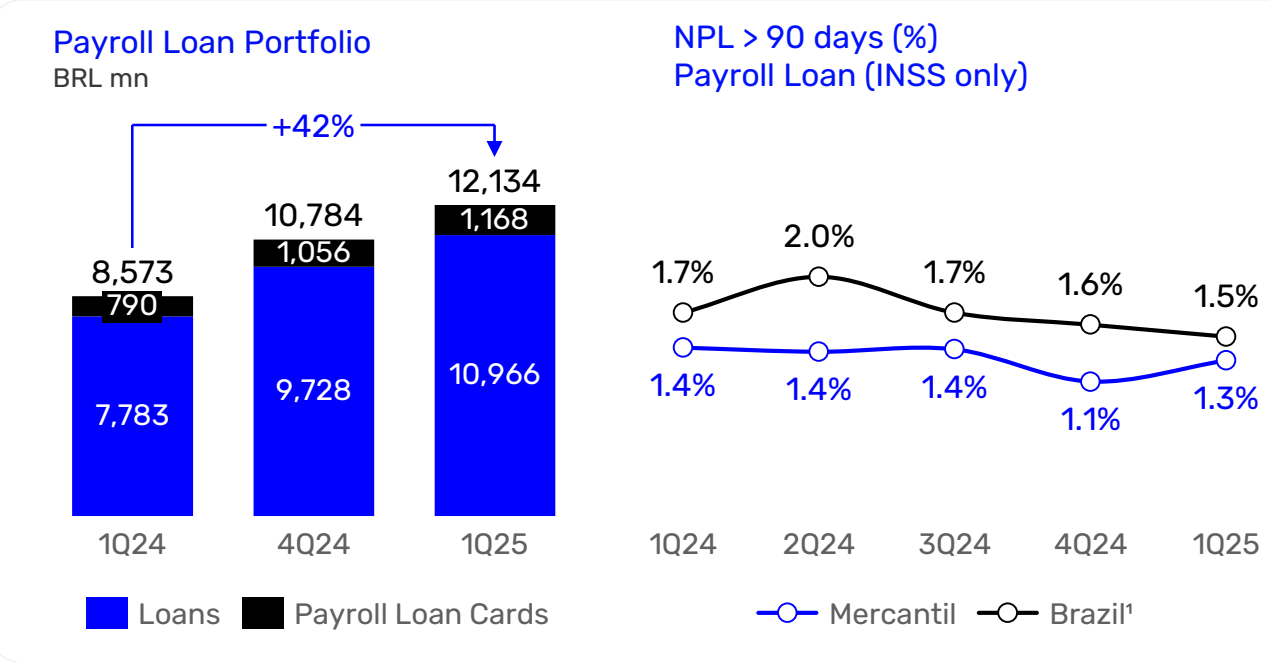
Credit Origination
BRL mn



Payroll Loan Portfolio

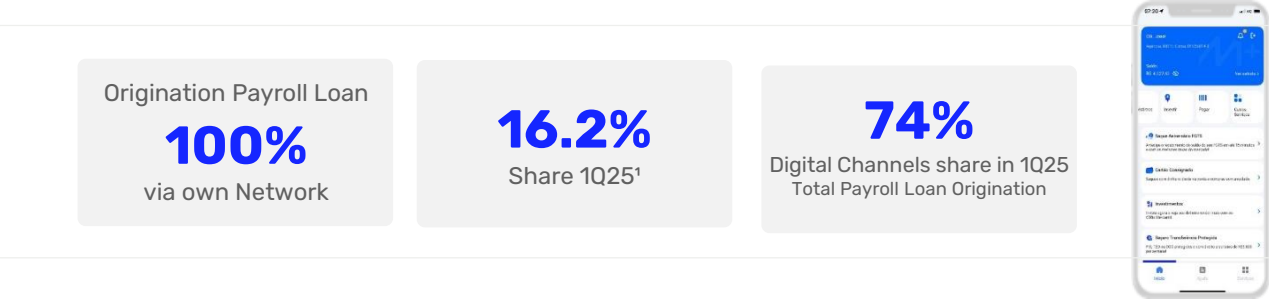
Payroll Loans remain the core product within Banco Mercantil’s credit portfolio, supported by the Bank’s high degree of specialization and solid positioning in this market. Banco Mercantil is currently the 5th largest social security benefit payment agent in Brazil, which provides a strategic advantage in the INSS payroll loan segment, representing 98% of the Bank’s total payroll-deductible loan book.

As of the first quarter of 2025, payroll-deductible loans accounted for 64% of the total credit portfolio, reaching BRL 12.1 billion, a 42% increase compared to the first quarter of 2024.



This product also plays a key role in strengthening customer relationships, driving loyalty and enabling cross-selling opportunities with other financial products and services offered by the Bank.

In 1Q25, payroll-deductible loan origination totaled BRL 4.3 billion, up 78% year-over-year. Notably, 100% of origination was executed through the Bank’s proprietary distribution channels, a strategic approach that has significantly supported the maintenance of healthy operating margins.



Personal Loan FGTS

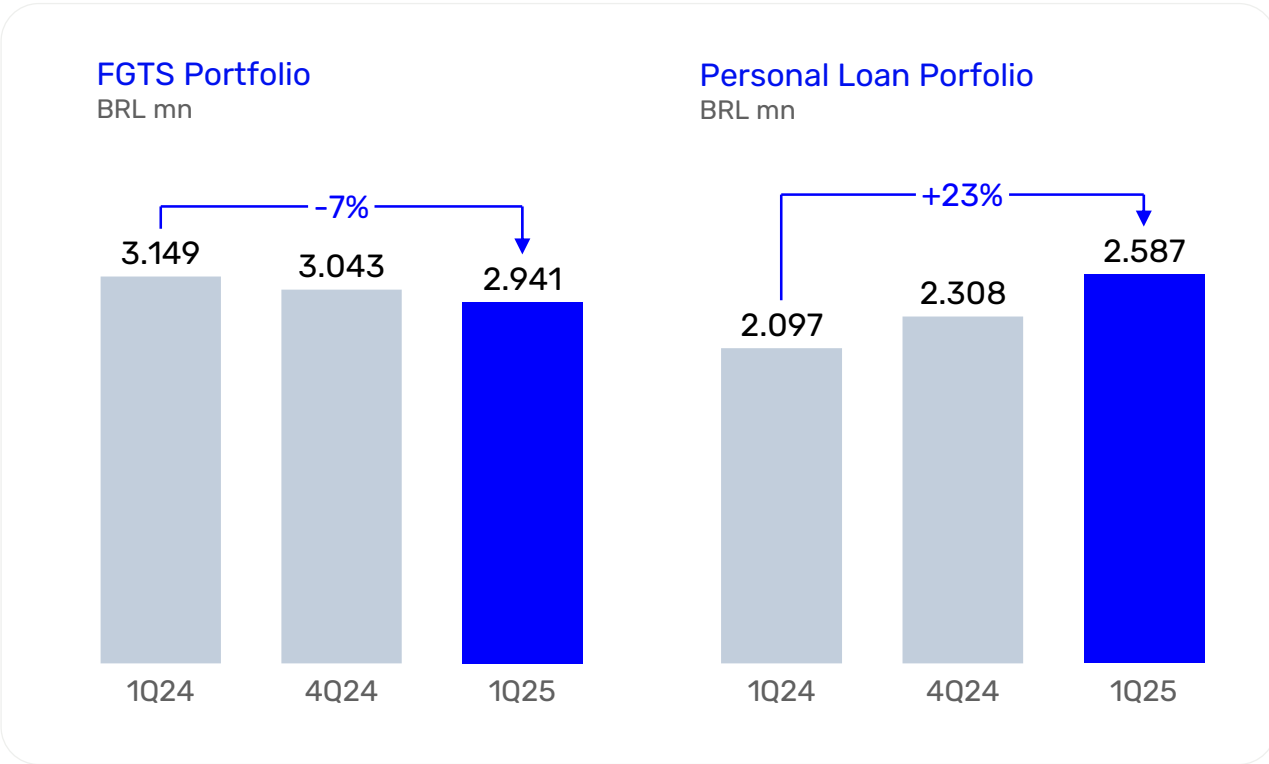
The Personal Loan FGTS line continues to represent a relevant portion of Banco Mercantil’s credit portfolio, standing out for its strong credit quality due to its collateralized structure and historically low default rates.

As of the first quarter of 2025, the FGTS loan portfolio reached BRL 2.9 billion, accounting for 15% of the Bank’s total credit portfolio.

Personal Loan Portfolio

The Personal Loan portfolio plays a complementary role alongside core lending products such as payroll loans. By offering this additional credit solution, Banco Mercantil not only diversifies its product offering but also strengthens client relationships and enhances cross-sell opportunities. Primarily targeted at existing clients with an established relationship, the Personal Loan line enables more effective risk management, supported by data-driven analytics that help reduce the cost of risk.

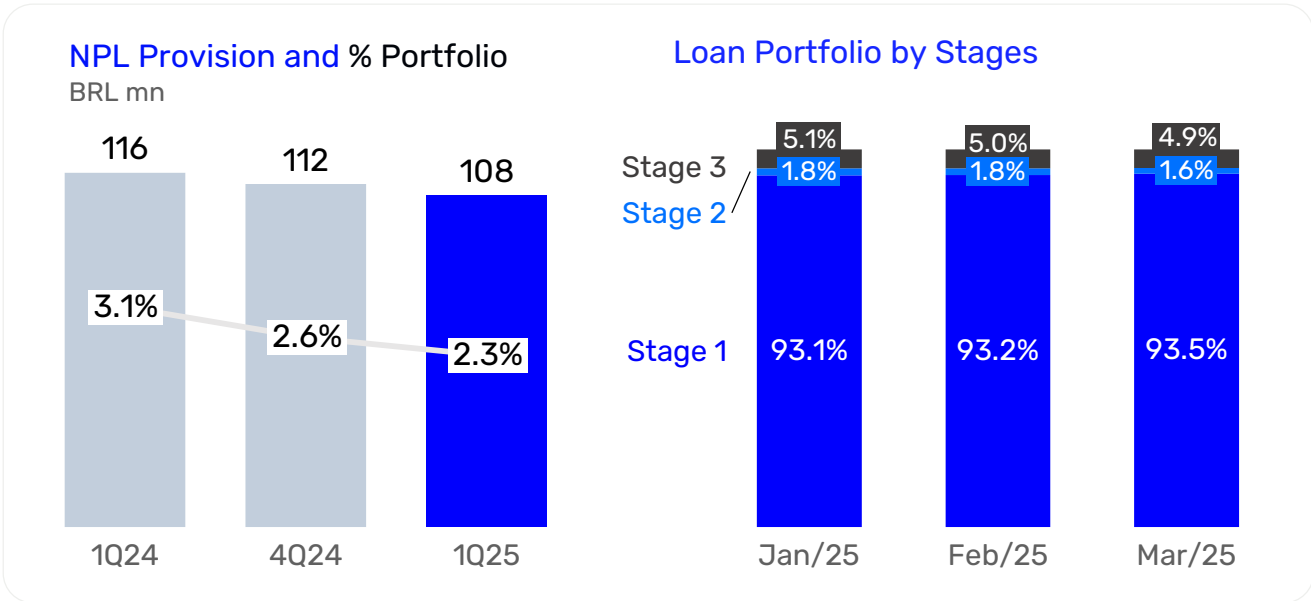
As of the first quarter of 2025, the Personal Loan portfolio totaled BRL 2.6 billion, representing 14% of the Bank’s total credit portfolio—a 23% increase year-over-year.



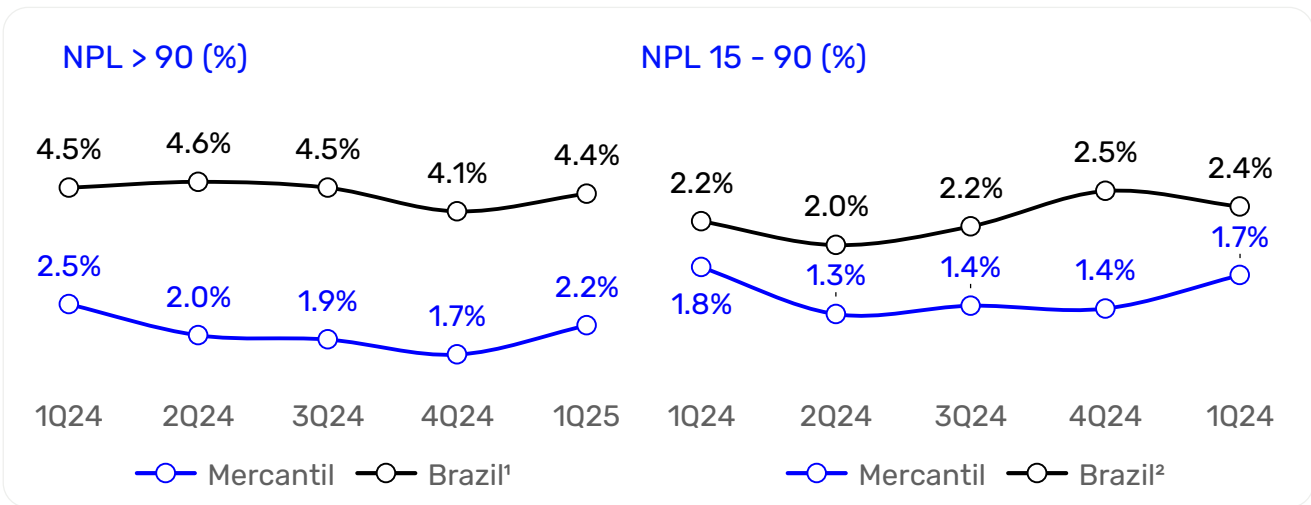
Credit Portfolio Quality

Even after the implementation of CMN Resolution No. 4,966, Banco Mercantil has maintained a high standard of credit portfolio quality, supported by a reduction in the proportion of loans classified as Stage 3. As of the end of 1Q25, loans classified under Stages 1 and 2 accounted for 95% of the total credit portfolio.

Credit cost for the first quarter of 2025 amounted to BRL 108 million. On an annualized basis, this corresponds to 2.3% of the total credit portfolio, representing a reduction of 0.8 percentage points compared to the same period of the previous year.



In the first quarter of 2025, the NPL > 90 ratio reached 2.2%, a decrease of 40 basis points compared to the same period in the previous year. This level remains among the lowest in the Brazilian banking industry. Delinquency in the 15 to 90-day range stood at 1.7%, also reflecting an improvement of 8 basis points year-over-year.



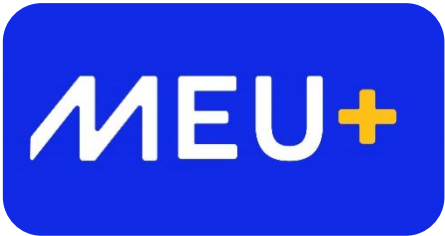
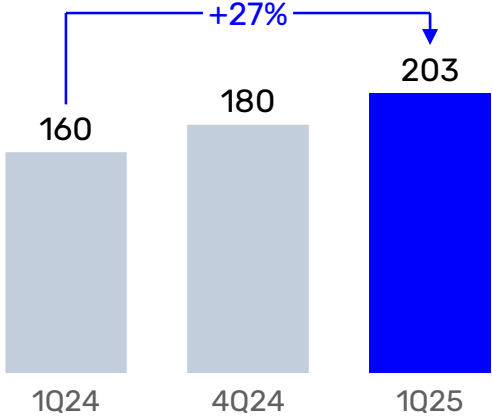
SERVICES

Banco Mercantil continues to expand its portfolio of value-added services, with a strategic focus on the needs of clients aged 50 and above. This effort is centered around Meu+, a proprietary platform offering exclusive benefits and assistance to Banco Mercantil customers, across areas such as health, wellness, technology, dental care, and education. This initiative reinforces the Bank’s commitment to delivering value beyond traditional financial products, providing integrated service solutions aligned with the specific demands of its target audience.

As a result of this strategy, Service Revenue reached BRL 203 million in the first quarter of 2025, representing a 27% increase compared to the same period of the previous year.

Service Revenue

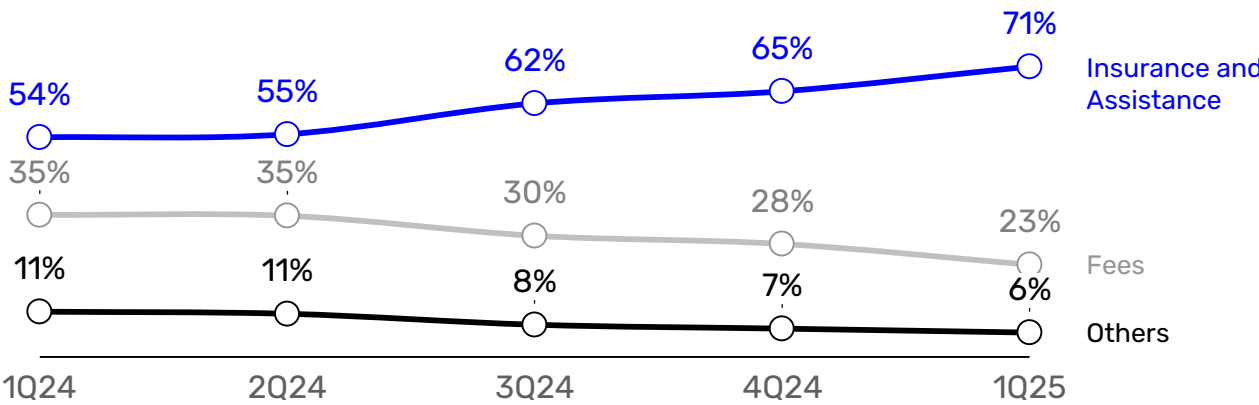
BRL mn



+ Hundreds of Benefits for our Clients

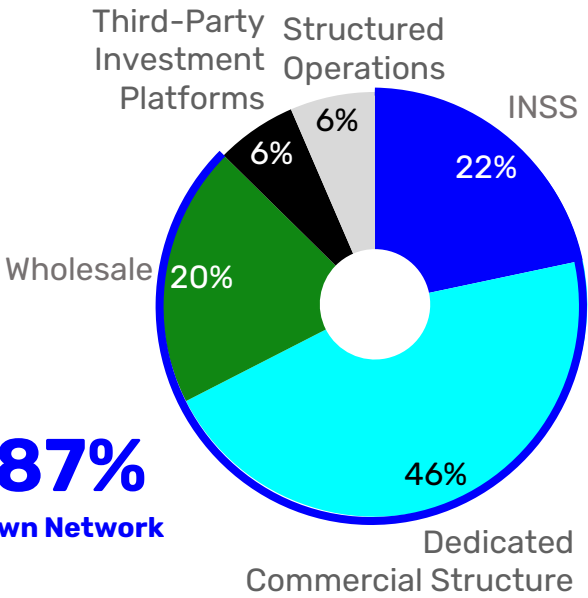
The composition of Banco Mercantil’s Fee and Commission Income reveals a clear shift, with a declining share of traditional banking fees—which now account for 23% of total fee income—and a significant increase in revenues from insurance and assistance services. These segments now represent 71% of total fee and commission income, reflecting the Bank’s strategic emphasis on value-added services with recurring revenue potential.

Segment Evolution – Service Revenue

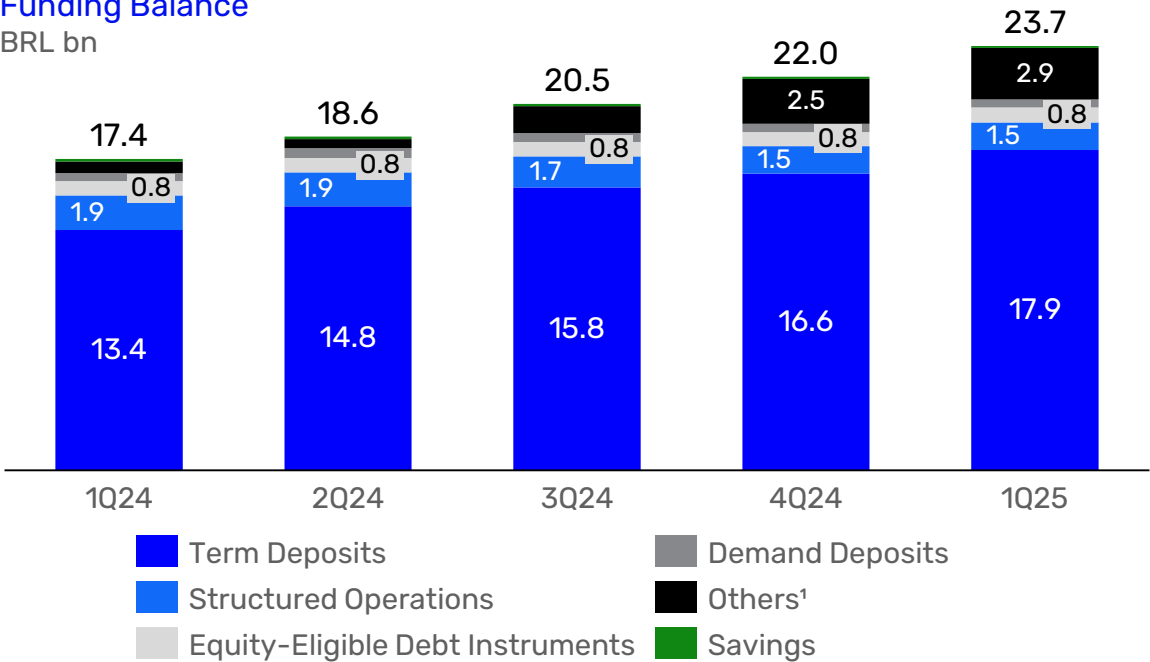


FUNDING

In the first quarter of 2025, Banco Mercantil’s total funding reached BRL 23.7 billion, representing a 36% increase compared to the same period in the previous year. Time deposits remained the main funding source, totaling BRL 17.9 billion and accounting for 76% of the Bank’s total funding base.Banco Mercantil continues to differentiate itself through the diversification of its funding sources. Of the total funding, 22% originated from INSS beneficiary clients, 46% from the Bank’s proprietary commercial network (including time deposits, savings accounts, demand deposits, and structured notes), and 20% from Treasury operations (such as financial bills, DPGE and interbank deposits). Funding sourced through proprietary channels accounted for 87% of the total, supporting the Bank’s ability to maintain a competitive cost of funding at 100.1% of the CDI benchmark rate. In light of current market uncertainties and reflecting the Bank’s conservative approach to credit risk management, the Liquidity Coverage Ratio (LCR) stood at a robust 3.1x at the end of the first quarter of 2025.



Funding Balance
BRL bn



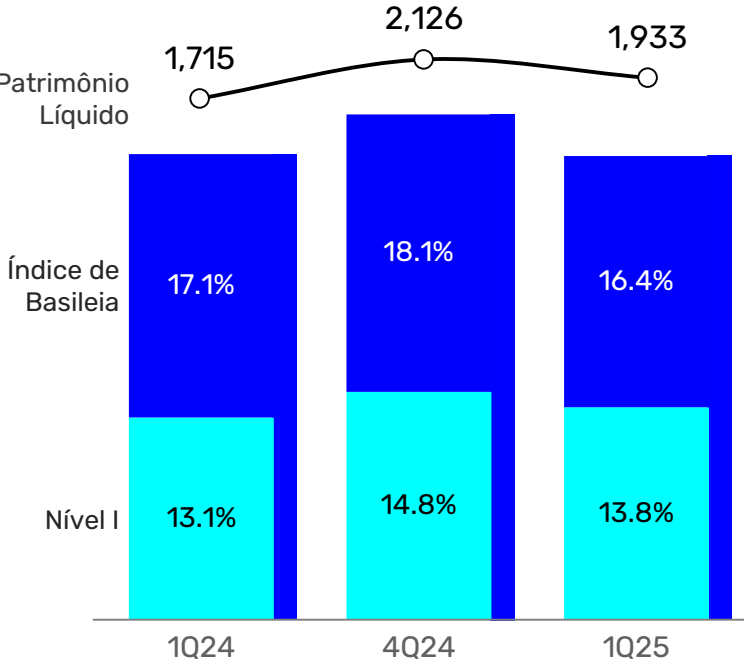
(1) Financial Bills, Agribusiness Letters of Credit (LCA), Real Estate Letters of Credit (LCI), Savings, Interbank Deposits.

CAPITAL

Basel III Index (Capital Adequacy Ratio) and Shareholders' Equity

At the end of 1Q25, Banco Mercantil's Shareholders' Equity reached BRL 1.9 billion, a 13% increase year-over-year, although representing a 9% decline compared to the previous quarter. This quarterly decrease was primarily driven by the regulatory impacts of CMN Resolution No. 4,966.

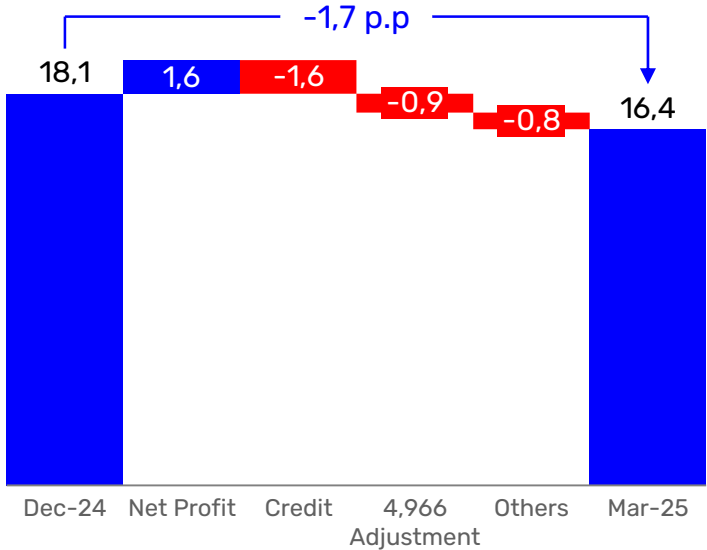
Capital Adequacy Ratio and Shareholders' Equity (%) e BRL mn



The Basel Ratio was also affected by the implementation of the new regulation, standing at 16.4%, a 71 bps decline versus 1Q24. Nonetheless, this level remains comfortably above the regulatory minimum, reflecting the Bank's continued commitment to prudence and capital soundness. Both the Tier I Capital Ratio and the Core Capital Ratio remained at solid levels, reaching 13.8% and 12.6%, respectively – key indicators of the Bank's financial strength.

The quarterly decline of 165 bps in the Basel Ratio was mainly attributable to the combined effects of credit portfolio expansion and the capital base adjustments mandated by CMN Resolution No. 4,966. Despite these impacts, Banco Mercantil remains well-capitalized and positioned to support the Company's continued growth trajectory.

Capital Adequacy Ratio (Basel III) (%)

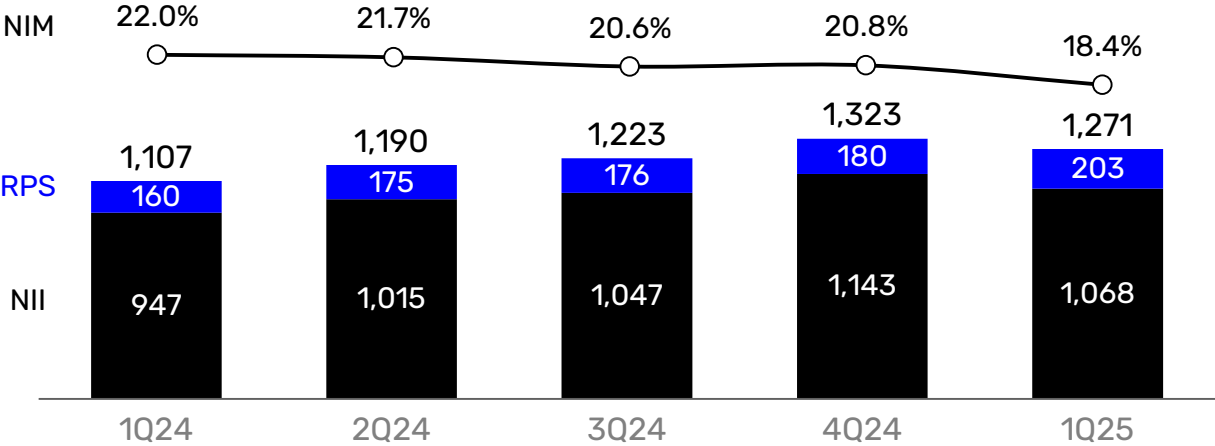


PROFITABILITY

In the first quarter of 2025, Banco Mercantil’s Net Interest Income remained above BRL 1 billion, marking a 13% increase compared to the same period of the previous year. The Net Interest Margin (NIM), however, declined by 364 bps year-over-year, reaching 18.4% in the quarter. This decline is primarily explained by an increase in the proportion of cash and equivalents relative to the Bank’s total assets.

Total Revenue and Net Interest Margin

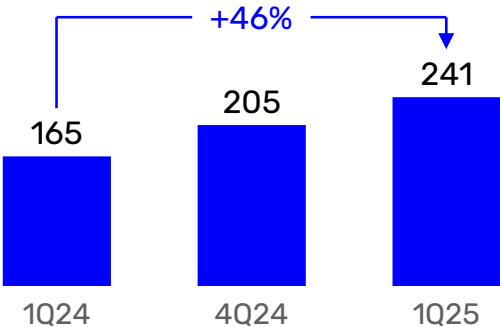
BRL mn



Net Income for the quarter totaled BRL 241 million, setting a new historical record for the Bank. This result represents a 46% increase compared to 1Q24 and a 17% increase quarter-over-quarter. Return on Average Equity (ROAE) reached 46.4% on a last twelve months (LTM) basis, an increase of 1,168 bps and 508 bps quarter-over-quarter. These strong results reaffirm Banco Mercantil’s ongoing commitment to profitability and operational excellence, underpinned by transparency and close customer relationships, which remain central pillars of the Bank’s strategy and business model.

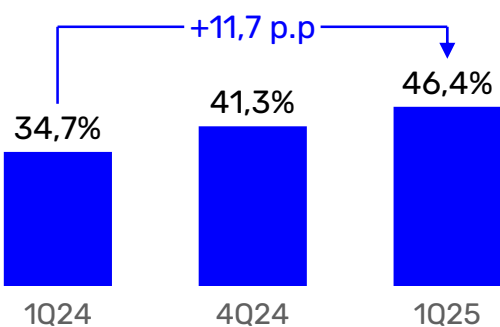
Net Profit

BRL mn



ROAE

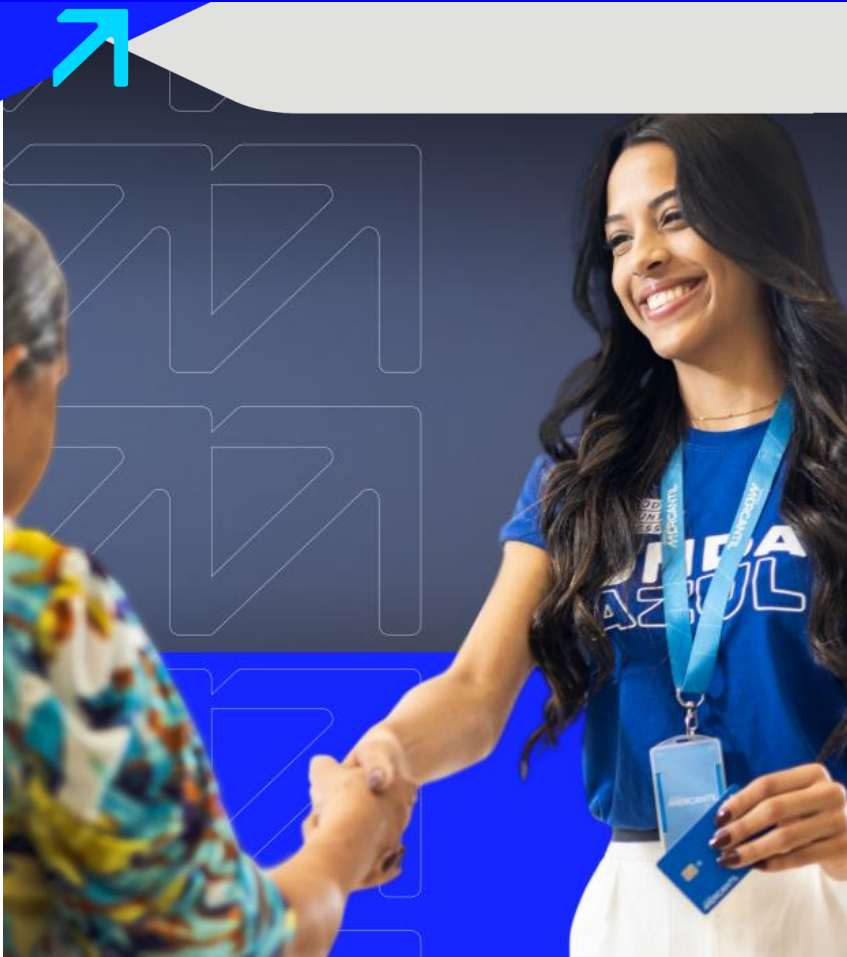
LTM, % p.a.



ESG

For the fourth consecutive year, Banco Mercantil has published its Sustainability Report, reaffirming its commitment to transparency, ethical conduct, sound governance practices, and long-term business sustainability. Prepared in accordance with the Global Reporting Initiative (GRI) Standards – 2021 version, the report provides a comprehensive overview of Banco Mercantil’s performance across economic, social, environmental, and governance dimensions.

RELATÓRIO DE SUSTENTABILIDADE ↗



Adesão a iniciativas de desenvolvimento sustentável



75% das unidades abastecidas por energia limpa

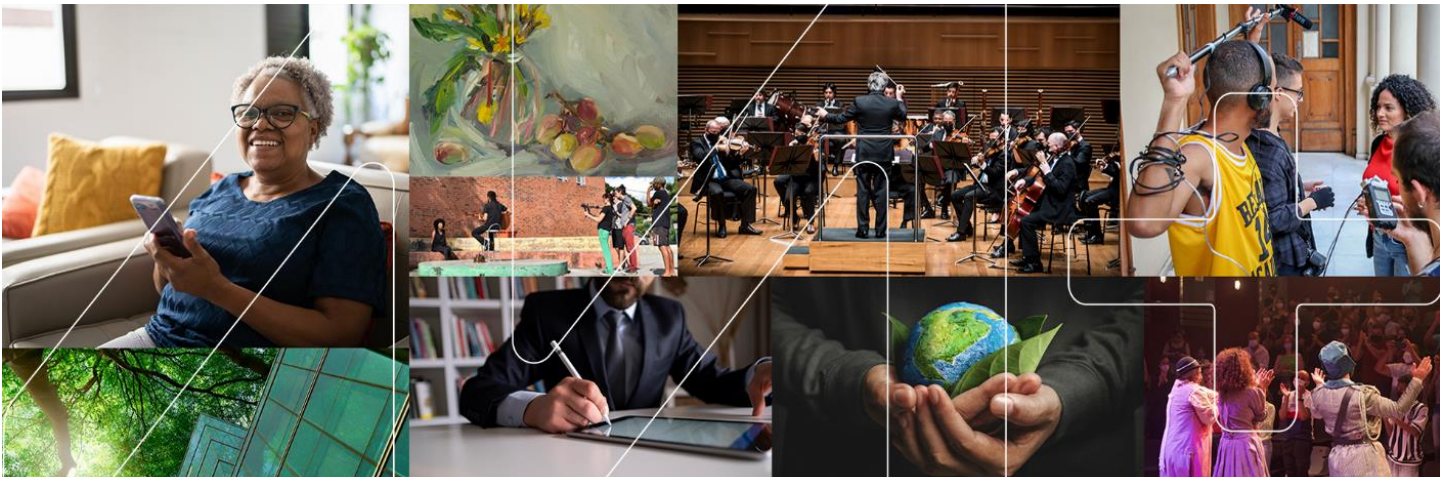


R\$ 5,2 milhão destinado a 40 projetos culturais e sociais



Participação feminina: 54% dos funcionários e 52% dos clientes

As a socially responsible institution, Banco Mercantil actively supports initiatives focused on Education, Diversity and Inclusion, and Senior Citizens. Further details on the Bank’s ESG programs and supported initiatives can be accessed via the following link: <https://sustentabilidade.bancomercantil.com.br/projetos-apoiados/>



Balance Sheet

BRL mn

Assets	1Q25	4Q24	Δ	1Q24	Δ
Total Assets	27,148	25,421	+7%	20,433	+33%
Loan Operations and Other Credits	18,983	16,547	+15%	14,327	+32%
Short-term Interbank Investments	2,861	2,675	+7%	1,765	+62%
Marketable securities	2,364	2,567	-8%	1,102	+115%
Provision for Expected Losses	(1,093)	(377)	+190%	(461)	+137%
Tax Assets	919	661	+39%	691	+33%
Property and Equipment	455	150	+204%	153	+198%
Intangible	171	165	+4%	118	+44%
Other Assets	2,489	3,034	-18%	2,738	-9%
Liabilities	1Q25	4Q24	Δ	1Q24	Δ
Liabilities	25,215	23,295	+8%	18,718	+35%
Deposits	18,926	17,659	+7%	14,643	+29%
Funds from Acceptance and Issue of Securities	3,799	3,397	+12%	1,622	+134%
Debt Instruments Eligible to Capital	835	781	+7%	808	+3%
Provisions	309	299	+3%	262	+18%
Tax Liabilities	126	114	+11%	103	+22%
Other Liabilities	1,219	1,045	+17%	1,280	-5%
Equity	1,933	2,126	-9%	1,715	+13%
Capital	807	807	-	807	-
Capital Reserves	43	43	-	43	-
Retained Earnings	171	533	-68%	117	+46%
Revenue Reserves	876	702	+25%	702	+25%
Others	35	41	-14%	45	-21%

Income Statement

BRL mn

	1Q25	4Q24	Δ	1Q24	Δ
Financial Intermediation Revenue	1,755	1,711	+3%	1,376	+28%
Revenue from Credit Operations	1,586	1,537	+3%	1,262	+26%
Income from Securities and Bond Transactions	180	155	+16%	88	+105%
Financial Intermediation Expenses	(687)	(568)	+21%	(429)	+60%
Market Funding Operations	(684)	(564)	+21%	(417)	+64%
Operations for Sale or Transfer of Financial Assets	(3)	(4)	-11%	(12)	-72%
Income from Financial Intermediation	1,068	1,031	+4%	832	+28%
NPL Provision	(109)	(112)	-3%	(116)	-6%
Operating Revenues and Expenses	(645)	(760)	-15%	(588)	+10%
Service Revenue	203	180	+13%	160	+27%
Personnel Expenses	(182)	(194)	-6%	(150)	+22%
Administrative Expenses	(299)	(313)	-4%	(244)	+23%
Tax Expenses	(73)	(74)	-2%	(65)	+12%
Other Operating Revenues / Expenses	(249)	(304)	-18%	(278)	-11%
Reversals / Expenses of Provisions	(45)	(71)	-37%	(36)	+23%
Earnings Before Taxation on Profit	315	269	+17%	243	+29%
Income Tax and Social Contribution	-70	-60	+15%	-78	-10%
Participação Minoritária nas Controladas	-4	-3	-40%	-1	-496%
Net Profit	241	205	+17%	165	+46%

Shareholding Structure

As of March 31, 2025, the company's share capital was BRL 807,203 thousand, According to the most recent information disclosed to the market, **Mercantil's share capital consists of 65,155,744 common shares**, of which 33.15% are in circulation, **and 39,675,836 preferred shares**, of which 67.57% are in circulation. Therefore, out of the total of 104,831,580 company shares, 46.18% are in circulation

Ratings

	NOTE	PERSPECTIVE	DATE
S&P Global Ratings	brAA-	Stable	jun/24
Fitch Ratings	A+(bra)	Positive	aug/24
RiskBank ¹	BRMP 2	Stable	aug/23

Ombudsman

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Banco Mercantil has an Ombudsman's Office, whose purpose is to ensure strict compliance with legal and regulatory norms regarding consumer rights, as well as to act as a communication channel with customers and users, seeking solutions to any problems arising from the relationship with the bank, by registering complaints, reports, and suggestions.

DISCLAIMER



This document is intended solely to provide information and should not be construed as securities analysis, promotion, an offer to buy or sell, an investment recommendation, an allocation suggestion, or strategic guidance for recipients.

Banco Mercantil is not responsible for investment decisions based on the information disclosed and cannot guarantee future results or events. We recommend that investors seek independent financial advice, considering their personal circumstances, before making any investment decisions.

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

This material was compiled based on public information, internal data, and other external sources. Information such as terms, rates, and conditions presented are indicative and do not constitute any kind of statement or warranty, express or implied.

Banco Mercantil suggests that all information contained in this document be confirmed before any business decision. The data contained in this material is valid only as of the date of its publication and may be updated without prior notice.

CMN Resolution 4,966, effective as of January 1, 2025, introduced changes to risk classification and provisioning criteria. Therefore, the data for this quarter reflects a new methodological basis and may present comparability limitations with previous periods.



BANCO
MERCANTIL

Talk to IR

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