

# BANCO MERCANTIL

EARNINGS  
**RELEASE**

**4Q24** 

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# Message from the Board

The year 2024 will be remembered as one of the most significant in Banco Mercantil's history. By combining execution discipline, innovation, and a well-defined strategy, we delivered results that reinforce our position as a benchmark in the industry.

We achieved the highest annual profit in our history, reaching BRL 752 million, a 79% growth compared to the previous year. Our Return on Average Equity (ROAE) closed the year at 41.3%, reflecting our ability to generate profitability consistently.

Our loan portfolio grew by 22%, reaching BRL 17.1 billion, with 81% allocated to collateralized products, such as Personal Loan FGTS and INSS Payroll Loans. This composition allowed us to maintain delinquency at a controlled level of 1.7%, significantly below the market average.

Service revenues also stood out, totaling BRL 690 million in 2024, a 20% year-over-year increase. This performance highlights the impact of our 50+ ecosystem, offering assistance and insurance solutions that positively impact our customers' lives.

Our digital transformation, driven by substantial investments in technology over the past few years, has been one of the key drivers of our growth. Today, 70% of loan transactions are conducted through digital channels, such as our app and WhatsApp, underscoring the success of this initiative. The growing adoption of these platforms by the 50+ audience demonstrates how we are effectively addressing their needs, adapting our technology to their daily lives.

Additionally, we expanded our physical presence by opening 23 new service points across 13 states, strengthening our brand and extending our reach in strategic regions.

We were also upgraded by both Fitch Ratings and S&P Global Ratings, which raised our ratings to A+ and AA-, respectively. These upgrades reflect the financial strength and consistency of our results.

As we look ahead to 2025, we remain confident in the resilience and expertise that have brought us this far. We will continue executing our strategy with prudence and discipline, always focused on generating sustainable and long-term value for all our stakeholders.

***Board of Directors***

HIGHLIGHTS

M+

Main Indicators	4Q24	3Q24	Δ	4Q23	Δ
Net Interest Income (BRL mn)	1,098	1,047	+5%	880	+25%
Service Revenue (BRL mn)	180	176	+2%	151	+19%
Net Profit (BRL mn)	205	201	+2%	150	+36%
Total Customers	8,934,103	8,746,720	+2%	7,981,641	+12%
Number of Employees and Interns	3,430	3,403	+1%	3,324	+3%
Credit Portfolio (BRL mn)	4Q24	3Q24	Δ	4Q23	Δ
Payroll Loan	10,784	10,200	+6%	7,735	+39%
Personal Loan FGTS	3,043	3,133	-3%	3,064	-1%
Personal Loan	2,308	2,119	+9%	2,001	+15%
AA-C Rated Portfolio	16,552	15,877	+4%	13,308	+24%
Top 10 Debtors (%)	2.4%	2.5%	-15 bps	3.2%	-78 bps
Top 50 Debtors (%)	3.85%	4.35%	-50 bps	5.9%	-209 bps
Top 100 Debtors (%)	4.1%	4.7%	-60 bps	6.5%	-240 bps
Total Portfolio	17,128	16,517	+4%	13,997	+22%
Credit Indicators	4Q24	3Q24	Δ	4Q23	Δ
NPL > 90	1.68%	1.93%	-25 bps	2.95%	-128 bps
Individuals NPL > 90	1.72%	1.97%	-24 bps	2.99%	-127 bps
Corporate NPL > 90	0.47%	1.09%	-61 bps	2.31%	-183 bps
NPL (15 – 90)	1.37%	1.40%	-3 bps	1.61%	-24 bps
NPL Provision (BRL mn)	377	437	-14%	484	-22%
NPL Provision/Credit Portfolio	2.20%	2.65%	-45 bps	3.46%	-126 bps
Profitability Indicators	4Q24	3Q24	Δ	4Q23	Δ
ROAE (LTM)	41.3%	41.1%	+25 bps	29.8%	+1,153 bps
ROAA (LTM)	3.4%	3.4%	0 bps	2.5%	+90 bps
NIM (quarter annualized)	20.8%	20.6%	-69 bps	22.2%	-229 bps
Capital Indicators	4Q24	3Q24	Δ	4Q23	Δ
Basel III Index (%)	18.1%	17.1%	+100 bps	17.0%	+112 bps
Tier I Capital (%)	14.8%	13.2%	+161 bps	12.7%	+208 bps
Shareholder's Equity (BRL mn)	2,126	1,981	+7%	1,594	+33%
Funding (BRL mn)	21,982	20,473	+7%	16,271	+35%

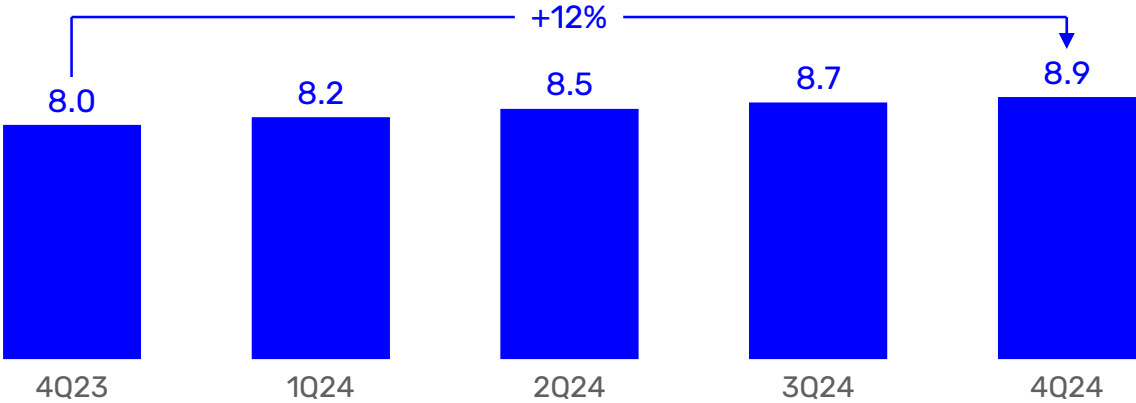
MANAGERIAL INCOME STATEMENT

M+

BRL thousand	4Q24	3Q24	Δ	4Q23	Δ
Managerial Financial Margin	1,174,462	1,090,530	+8%	927,599	+27%
Interest Income	1,692,591	1,549,341	+9%	1,297,593	+30%
Credit Operations Revenue	1,511,187	1,432,868	+5%	1,205,012	+25%
Income from Securities and Bond Transactions	155,807	129,935	+20%	89,181	+75%
Income from Derivative Financial Instruments (+ MTM)	23,079	(13,920)	+266%	2,842	+712%
Foreign Exchange Operations Income	51	(31)	+265%	(16)	-419%
Income from Compulsory Investments	2,467	489	+404%	574	+330%
Interest Expense	(568,061)	(510,817)	+11%	(424,692)	+34%
Funding Expense	(564,106)	(501,210)	+13%	(408,440)	+38%
Loan and Transfer Expenses	(187)	(589)	-68%	(435)	-57%
Expenses for Obligations Related to Transferred Operations	(3,768)	(9,018)	-58%	(15,817)	-76%
Other Non-Interest Income (Expenses) and Non-Interest Banking Expenses	49,932	52,006	-4%	54,698	-9%
Financial Asset Sale or Transfer Transactions	0	0	-	0	-
Income from Sale of Securities and Bonds	0	(321)	-100%	(2,958)	-100%
Service Revenue (Fees)	49,932	52,327	-5%	57,656	-13%
Cost of Credit	(105,803)	(122,468)	-14%	(127,720)	-17%
Provision for Loan Losses	(111,997)	(121,802)	-8%	(114,139)	-2%
Impairment	(746)	(327)	+128%	(262)	+185%
Discounts Granted	(12,489)	(9,845)	+27%	(23,414)	-47%
Recovery of Loans Written Off as Losses	19,429	9,506	+104%	10,095	+92%
Other Operating Income / Expenses	(800,127)	(714,901)	+12%	(616,863)	+30%
Service Revenue (Others)	129,897	123,388	+5%	93,243	+39%
Non-Interest Expenses	(855,845)	(761,716)	+12%	(647,569)	+32%
Tax Expenses for ISS, PIS, Cofins and Others Taxes	(74,179)	(76,573)	-3%	(62,537)	+19%
Income Before Taxes and Profit Sharing	268,532	253,161	+6%	183,016	+47%
Income Tax and Social Contribution	(60,414)	(50,849)	+19%	(32,309)	+87%
Minority Interest in Subsidiaries	(3,090)	(991)	+212%	(419)	+637%
Recurring Managerial Result	205,028	201,321	+2%	150,288	+36%

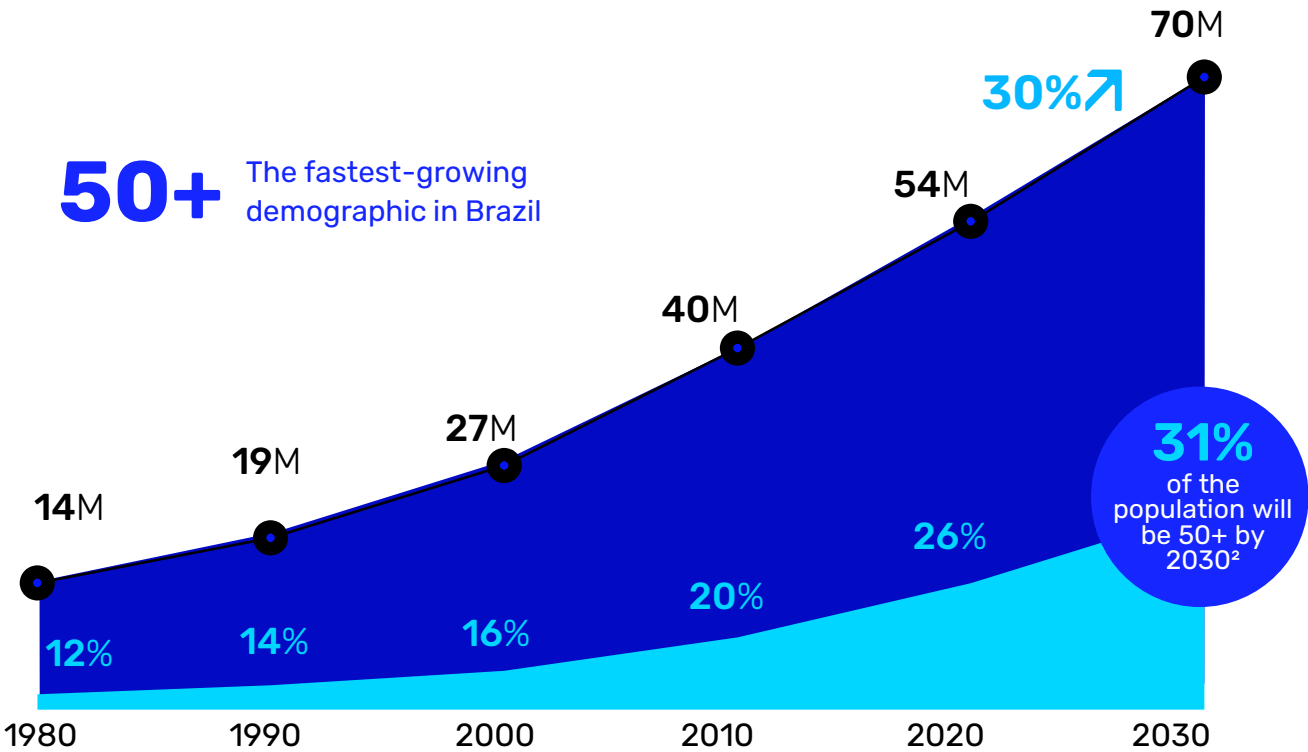
CLIENTS

Clients  
mn



Banco Mercantil's commitment to prioritizing its customers is grounded in a solid, transparent, and trustworthy relationship. At the end of the fourth quarter of 2024, we celebrated reaching 8.9 million customers, reflecting an 12% increase from the previous year and a 2% increase from the preceding quarter.

Banco Mercantil stands out as a comprehensive ecosystem for the 50+ segment, offering a variety of products and services specifically designed for this demographic. This group significantly contributes to the economy, generating about BRL 2 trillion annually in Brazil<sup>1</sup>, and its importance continues to grow, driven by the advancing age structure of the Brazilian population.



# CREDIT

Banco Mercantil’s credit portfolio registered solid growth, reaching BRL 17.1 billion at the end of the period – a 22% increase compared to the fourth quarter of the previous year and a 4% increase over the third quarter of 2024. This performance was once again driven by the growth of Payroll Loans.

The Bank maintained its focus on prudent and sustainable growth, emphasizing operations for individuals. The Payroll Loans and Personal Loan FGTS modalities remain predominant, representing 81% of the total portfolio. These collateralized products show significantly lower delinquency rates compared to other credit lines in the market.

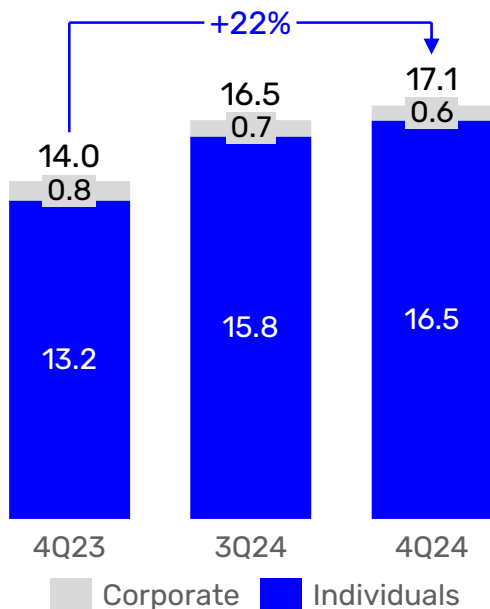
In 4Q24, total credit origination reached BRL 3.1 billion, representing a 21% growth compared to the same period of the previous year. This performance reflects the Bank's commercial efficiency, stemming from its market expertise. By product, Payroll Loans origination totaled BRL 2.2 billion, Personal Loan BRL 638 million, and Personal Loan FGTS BRL 130 million in the quarter.

Credit Portfolio

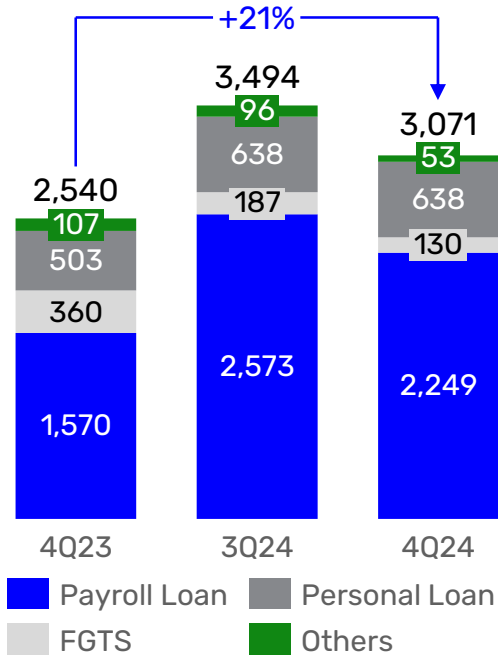
BRL17.1bn +22% ↗

Compared to the same quarter of the previous year

Credit Portfolio  
BRL bn



Credit Origination  
BRL mn

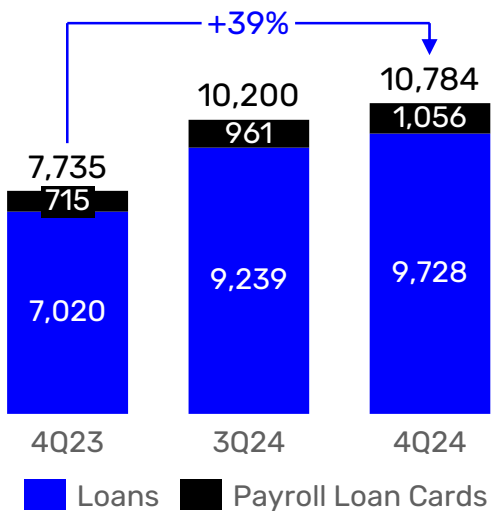


Payroll Loan Portfolio

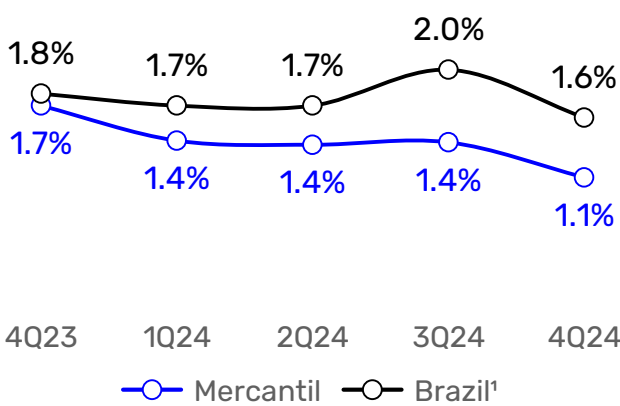
Payroll Loans remain the main product in Banco Mercantil's credit portfolio, leveraged by its high degree of specialization and strong positioning in this market. The Bank is also the 5th largest payer of benefits in Brazil, placing it in a strategic position in the INSS payroll loans market, which comprises 98% of the company's payroll loan portfolio.

At the end of the fourth quarter of 2024, the Payroll Loans line represented 63% of the credit portfolio, totaling BRL 10.8 billion, a growth of 39% compared to the fourth quarter of 2023.

Payroll Loan Portfolio  
BRL mn



NPL > 90 days (%)  
Payroll Loan (INSS only)



Payroll Loans also play a fundamental role in customer retention, contributing to strengthening relationships and directing clients toward other products and services offered by Banco Mercantil. In the fourth quarter of 2024, Payroll Loan origination totaled BRL 2.2 billion, marking a 41% increase compared to the same period last year.

All operations conducted during the quarter were executed through the Bank's own channels, a strategy that has significantly contributed to sustaining operating margins.

Origination Payroll Loan  
**100%**  
 via own Network

**11.3%**  
 Share 4Q24¹

**61%**  
 Digital Channels share in 2024  
 Total Payroll Loan Origination





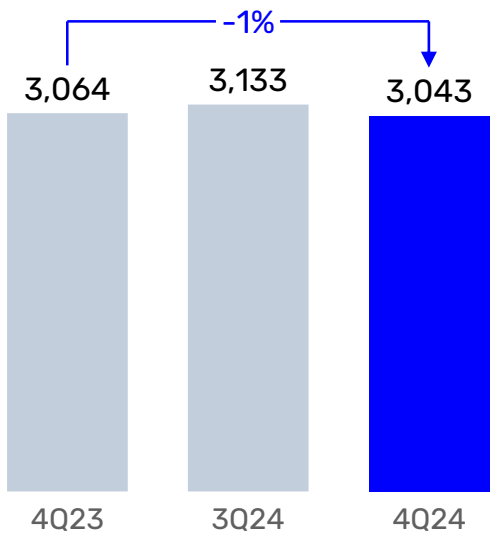
## Personal Loan FGTS

The Personal Loan FGTS line remains an important segment of Banco Mercantil's credit portfolio, noted for its security due to its collateralized profile and low delinquency rates.

In the fourth quarter of 2024, the FGTS portfolio stood at BRL 3.0 billion, representing 18% of the Bank's total credit portfolio, with an 8% increase compared to the same period last year.

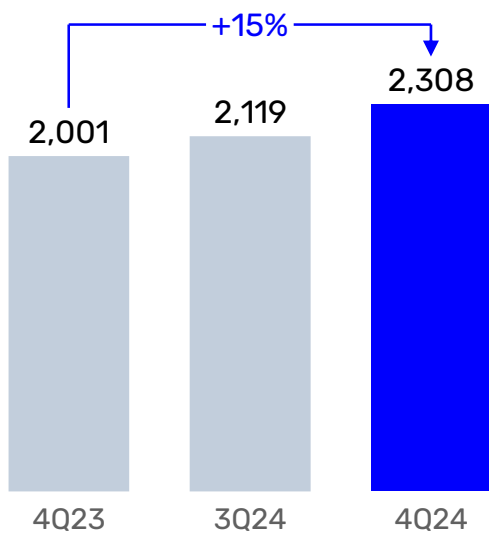
### FGTS Portfolio

BRL mn



### Personal Loan Portfolio

BRL mn



## Personal Loan Portfolio

The Personal Loan line plays a significant role in complementing other modalities, such as Payroll Loans. By offering this option, the Bank not only diversifies its credit alternatives but also strengthens customer relationships, boosting cross-sell opportunities. Primarily aimed at customers with an existing relationship, this credit line enables more effective risk management, supported by data analyses that help reduce delinquency rates.

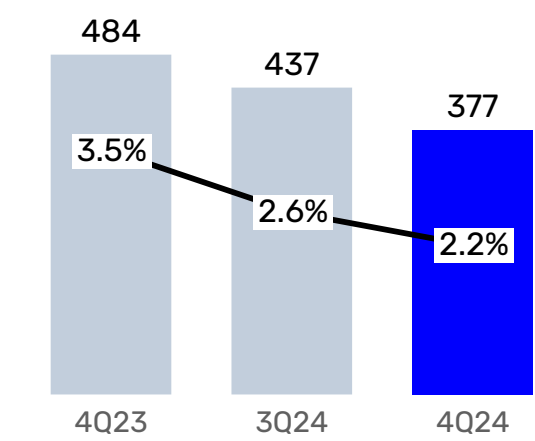
In the fourth quarter of 2024, the Personal Loan portfolio reached BRL 2.3 billion, accounting for 13% of the Bank's total credit portfolio. This figure reflects a 15% growth compared to the same period last year.

Credit Portfolio Quality

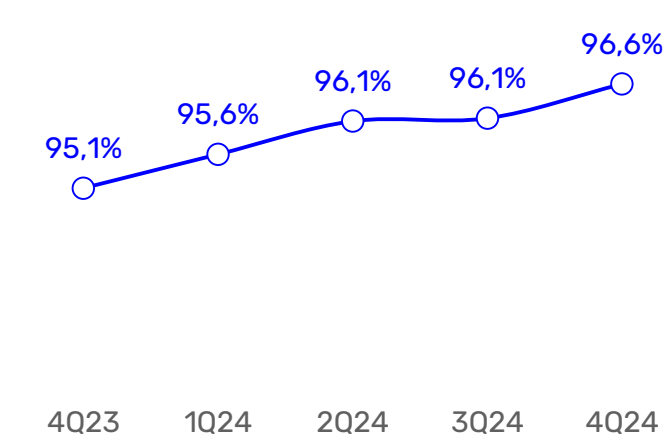
Banco Mercantil has successfully maintained high quality standards in its credit portfolio indicators, even in a challenging macroeconomic environment. In the fourth quarter of 2024, operations classified in the lowest risk categories, from "AA" to "C," represented 96.6% of the total credit portfolio, an increase of 156 bps compared to the same period last year.

Provisions for credit risk totaled BRL 377 million for the quarter, corresponding to 2.2% of the total credit portfolio, reflecting a reduction of 126 bps compared to the same period last year.

NPL Provision and % Portfolio  
BRL mn

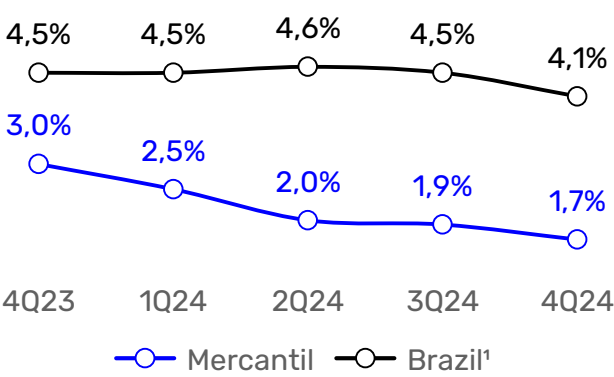


% AA – C / Portfolio

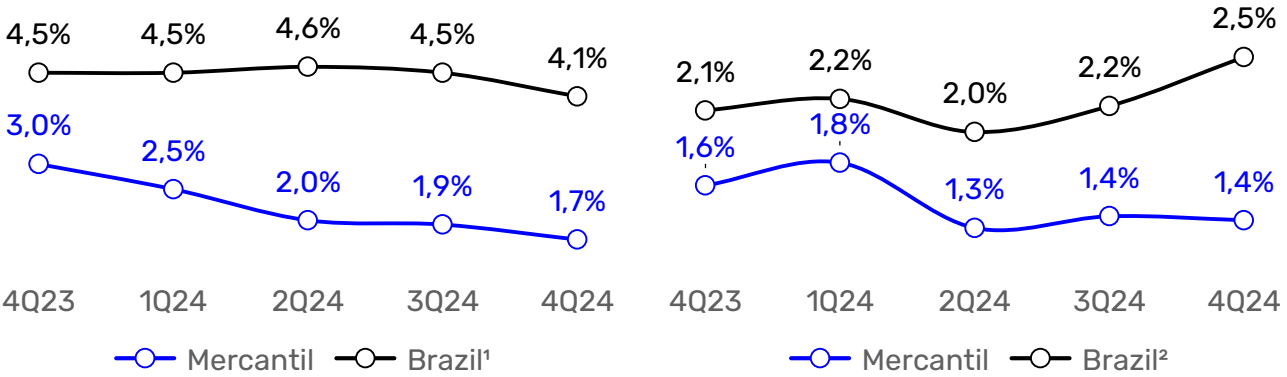


In 4Q24, delinquency over 90 days reached 1.7%, among the lowest levels in the banking market, with a reduction of 128 bps compared to the fourth quarter of 2023, while delinquency between 15 and 90 days reached 1.4%, a drop of 24 bps compared to the fourth quarter of 2023.

NPL > 90 (%)



NPL 15 - 90 (%)

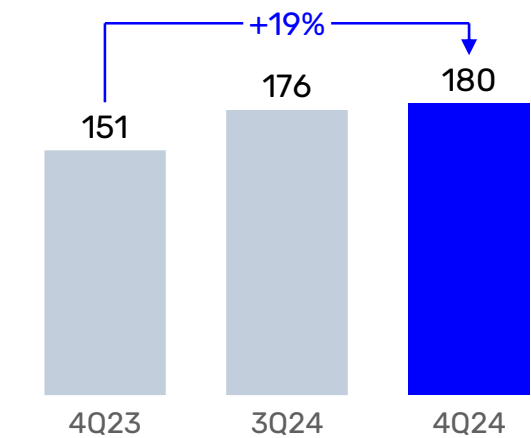


SERVICES

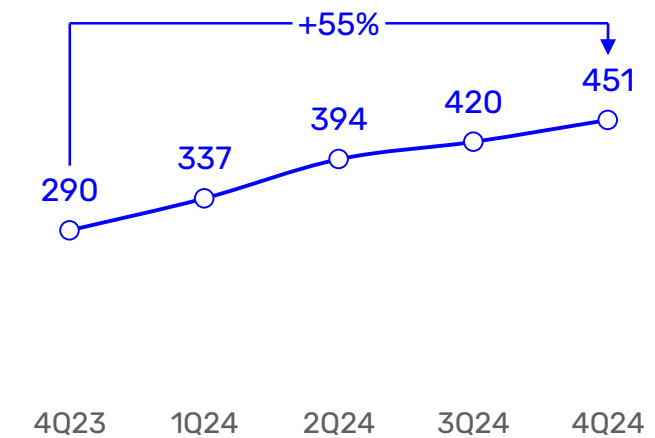
Banco Mercantil continues to expand its service portfolio, focusing on the specific demands of the 50+ demographic. This approach strengthens client relationships and supports the institution's long-term strategy to establish itself as the leading financial ecosystem for this segment.

At the end of the fourth quarter of 2024, the number of active clients receiving assistance reached 451 thousand, representing a 55% increase compared to the previous year. Service Revenue (RPS) for the period totaled BRL 180 million, reflecting a 19% increase over the same period last year.

Service Revenue  
BRL mn

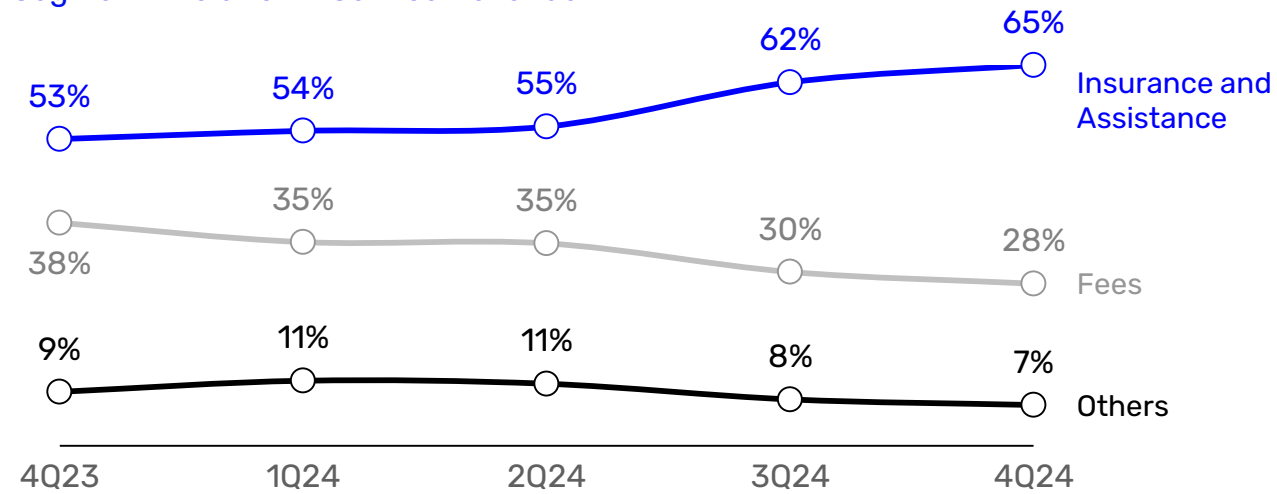


Active Customers with Assistance  
thousand



The composition of Service Revenue at Banco Mercantil shows a strong trend of decreasing fees in the revenue mix and a significant increase in revenue from insurance and assistance services, which now account for 65% of total Service Revenue. This shift indicates an evolution in the Bank's revenue strategy, highlighting its ability to adapt services effectively to meet the needs of its audience, aligned with the preferences and demands of the 50+ segment.

Segment Evolution – Service Revenue



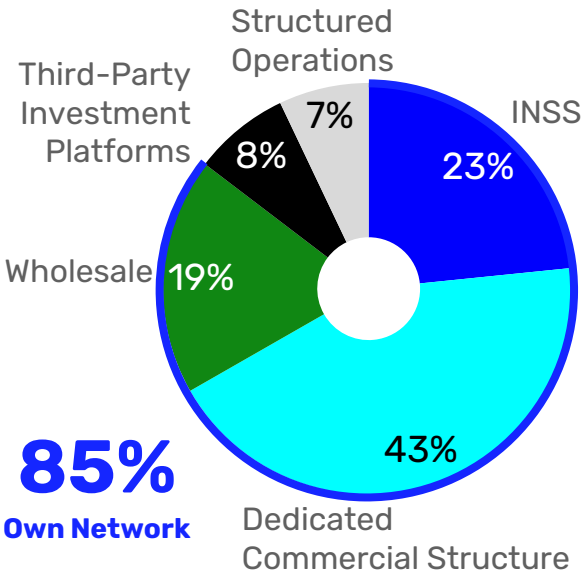
FUNDING

In the fourth quarter of 2024, Banco Mercantil's funding balance reached BRL 22.0 billion, marking a 35% growth compared to the same period last year. Term deposits were a major component of this total, amounting to BRL 16.6 billion and accounting for 75% of total funding.

Banco Mercantil continues to stand out for its diversity in funding sources. Of this total, 23% comes from INSS beneficiaries, while 43% originates from Dedicated Commercial Structure operations (CDBs, LFs, Demand Deposits, and Savings) and 19% from Wholesale (LFSN, DPGE, and DI).

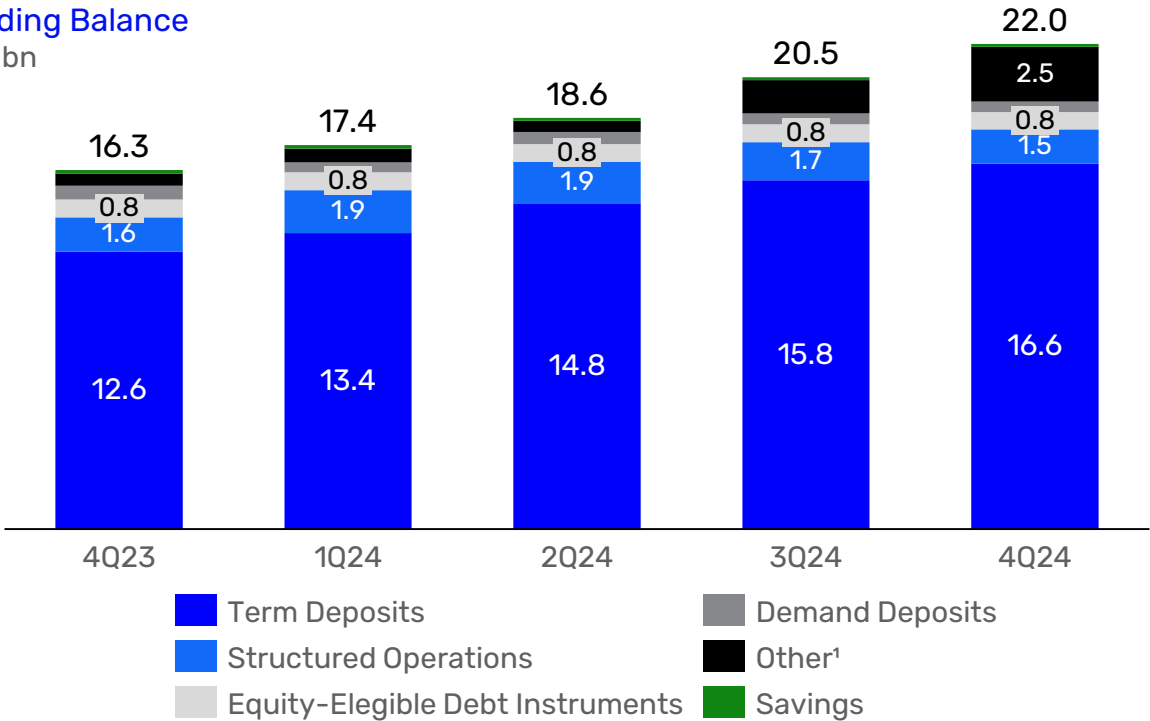
This funding strategy, strongly driven by the proprietary network, represents 85% of the total and contributes to maintaining a competitive funding cost, below the CDI.

At the end of the fourth quarter of 2024, the LTM funding cost was 99.6% of the CDI benchmark rate, an increase of 96 bps compared to the previous quarter. This adjustment reflects macroeconomic conditions and an acceleration in funding through Financial Bills during the period, taking advantage of favorable conditions for this type of issuance.



Funding Balance

BRL bn



CAPITAL

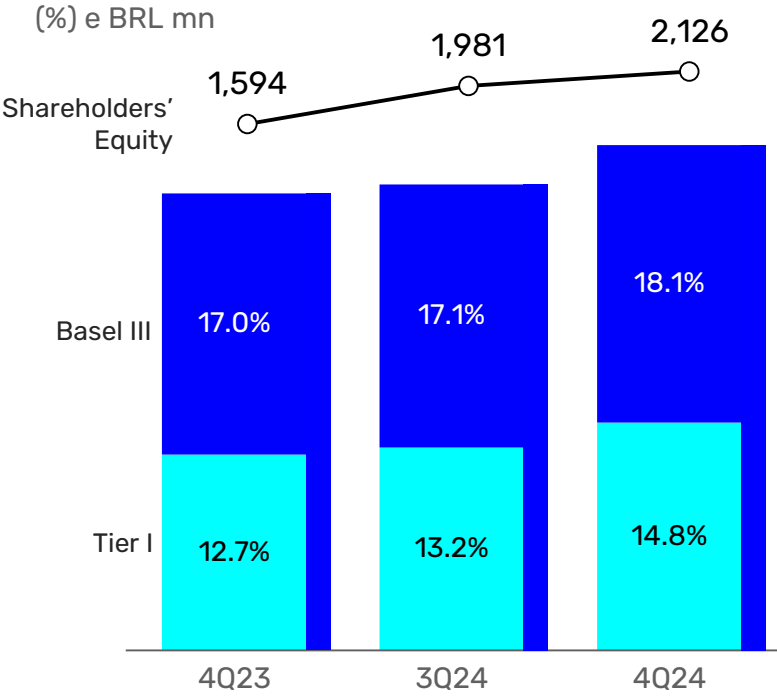
M+

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

At the close of the fourth quarter of 2024, Banco Mercantil's Equity surpassed BRL 2.1 billion, reflecting a 33% increase from the same period last year and an 7% rise since the last quarter. This growth underscores the bank's financial robustness and its capacity to support sustained growth.

Capital Adequacy Ratio and Shareholders' Equity

(%) e BRL mn



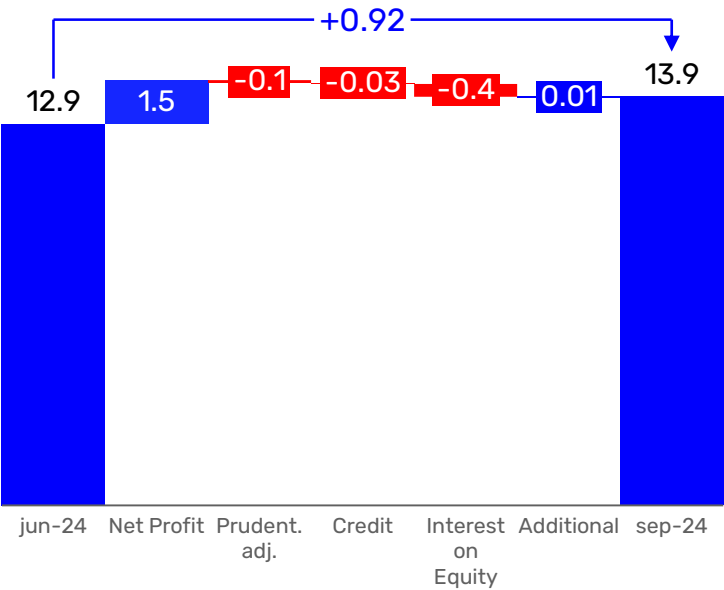
The Basel III Index reached 18.1%, reflecting an increase of 108 bps compared to the previous year and a decrease of 97 bps compared to the last quarter. This level demonstrates the efficiency of the bank's risk management policies.

Additionally, the Tier 1 Capital and Core Capital Ratios, essential indicators for assessing the company's financial soundness, remained at excellent levels, reaching 14.8% and 13.9%, respectively.

Common Equity Tier I (CET1)

(%)

The Common Equity Tier 1 (CET1) ratio reached 13.9% during the quarter, with its positive variation attributed to retained earnings, which ensure a solid capital base to support the Company's future growth, and its negative variation due to the distribution of interest on capital to shareholders.



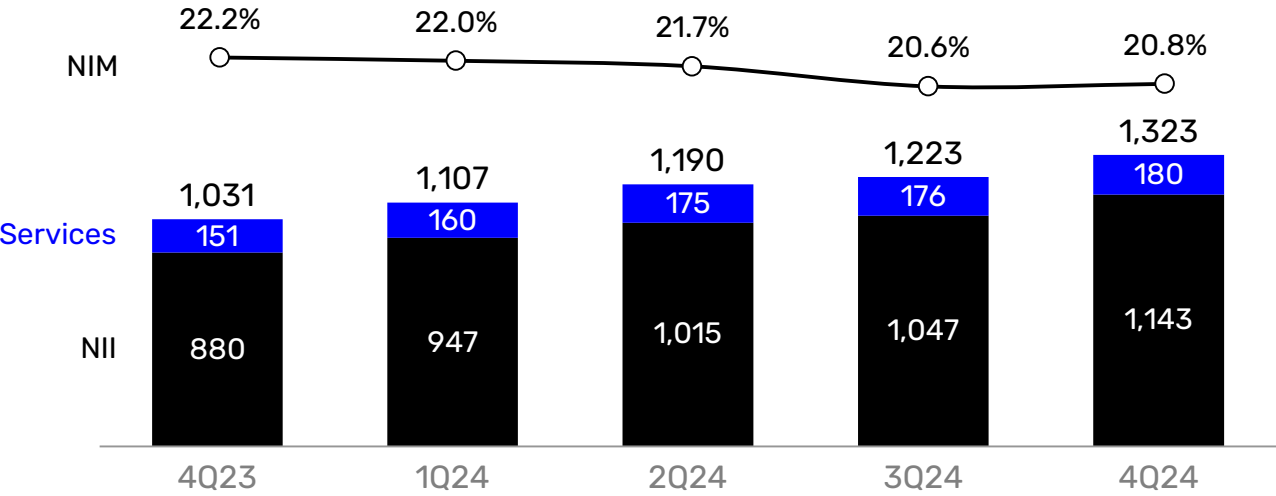
PROFITABILITY

M+

In the fourth quarter of 2024, Banco Mercantil's Financial Intermediation Result again reached the BRL 1 billion mark, reflecting a 9% increase compared to the previous quarter and a significant 30% rise over the same period last year. Meanwhile, the Net Interest Margin registered a slight reduction of 146 bps year-over-year, standing at 20.8% for the quarter.

Total Revenue and Net Interest Margin

BRL mn



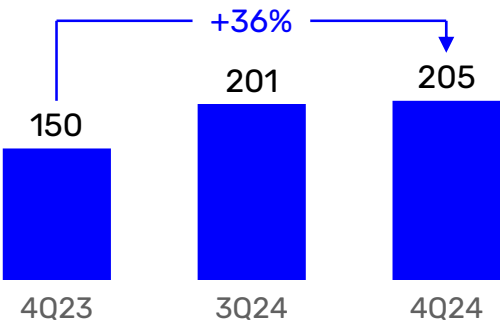
Net Profit reached BRL 205 million in the fourth quarter of 2024, setting another record for the Bank. This result represents a 36% growth compared to the same period last year and an 2% increase over the previous quarter.

The ROAE reached 41.3% over the last 12 months (LTM), an improvement of 1,153 bps from the fourth quarter of the prior year and 25 bps from the last quarter.

These results reaffirm Banco Mercantil's ongoing commitment to profitability and operational excellence, always guided by transparency and close customer relationships—central pillars of its strategy and business model.

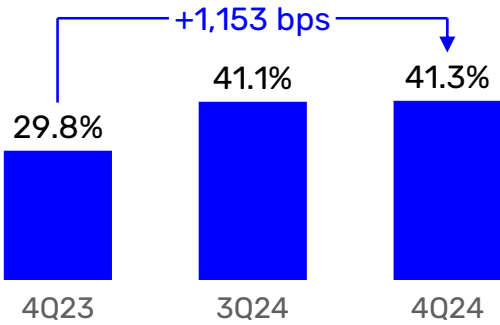
Net Profit

BRL mn



ROAE

LTM, % p.a.



## Internal Blood Donation Campaign: United for Good

At Grupo Mercantil, people come first, and this commitment is reflected in initiatives like the Internal Blood Donation Campaign, held at the Bank's headquarters, Ed. Statement, in Belo Horizonte. This initiative mobilized employees in support of an important cause, reinforcing the Company's spirit of solidarity. With over 200 registered donors, 55 employees participated in the drive, representing 25% of the total, contributing to saving lives and strengthening Banco Mercantil's positive impact on society.



## Partnership with Instituto O Grito

Banco Mercantil reaffirms its social commitment to the community by supporting Instituto O Grito. Operating in Belo Horizonte and its metropolitan region, the Institute promotes social inclusion through culture, sports, and leisure, transforming the lives of people in vulnerable communities.

## Supporting Active Aging

Since 2021, Banco Mercantil has been a proud partner of the Hábil-Idade project, an outstanding initiative led by Associação Move Cultura, which has positively impacted the lives of over 100 individuals aged 60+ in Contagem, Minas Gerais. Through activities ranging from water aerobics and digital inclusion to theater and guitar lessons, the project fosters learning, social interaction, and enhances the well-being and quality of life of its participants.



# Balance Sheet

BRL mn

Assets	4Q24	3Q24	Δ	4Q23	Δ
Total Assets	25,421	23,779	+7%	19,283	+32%
Credit Operations	16,547	15,871	+4%	13,415	+23%
Interbank Liquidity Investments	2,675	2,664	0%	1,309	+104%
Securities and Bonds	2,567	1,843	+39%	1,034	+148%
NPL Provision	(377)	(437)	-14%	(484)	-22%
Tax Assets	661	704	-6%	700	-5%
Fixed Assets	150	144	+4%	161	-7%
Intangible Assets	165	142	+16%	116	+42%
Liabilities	4Q24	3Q24	Δ	4Q23	Δ
Total Liabilities	25,421	23,779	+7%	19,283	+32%
Fixed Term Deposits	16,565	15,804	+5%	12,564	+32%
Demand Deposits	477	506	-6%	625	-24%
Transactions Linked to Transfers	44	237	-81%	411	-89%
Equity-Eligible Debt Instruments	781	802	-3%	813	-4%
Provision	299	267	+12%	259	+15%
Shareholders' Equity	2,126	1,981	+7%	1,594	+33%
Share Capital	807	807	-	702	+15%
Capital Reserves	43	43	-	43	-
Retained Earnings Reserves	702	702	-	807	-13%



# Income Statement

BRL mn

	4Q24	3Q24	Δ	4Q23	Δ
<b>Financial Intermediation Revenue</b>	<b>1.666</b>	<b>1.558</b>	<b>+7%</b>	<b>1.304</b>	<b>+28%</b>
Revenue from Credit Operations	1.534	1.406	+9%	1.259	+22%
Income from Securities and Bond Transactions	109	129	-15%	86	+27%
<b>Financial Intermediation Expenses</b>	<b>(568)</b>	<b>(511)</b>	<b>+11%</b>	<b>(425)</b>	<b>+34%</b>
Market Funding Operations	(564)	(501)	+13%	(408)	+38%
Operations for Sale or Transfer of Financial Assets	(4)	(9)	-58%	(16)	-76%
<b>NPL Provision</b>	<b>(112)</b>	<b>(122)</b>	<b>-8%</b>	<b>(114)</b>	<b>-2%</b>
<b>Gross Income from Financial Intermediation</b>	<b>986</b>	<b>926</b>	<b>+6%</b>	<b>766</b>	<b>+29%</b>
<b>Operating Revenues and Expenses</b>	<b>(761)</b>	<b>(673)</b>	<b>+13%</b>	<b>(591)</b>	<b>+29%</b>
Service Revenue	180	176	+2%	151	+19%
Personnel Expenses	(194)	(174)	+12%	(137)	+41%
Administrative Expenses	(313)	(287)	+9%	(239)	+31%
Tax Expenses	(74)	(77)	-3%	(63)	+19%
Other Operating Expenses	(304)	(292)	+4%	(283)	+7%
<b>Earnings Before Taxation on Profit</b>	<b>268</b>	<b>253</b>	<b>+6%</b>	<b>183</b>	<b>+47%</b>
Income Tax and Social Contribution	(60)	(51)	+19%	(32)	+87%
<b>Net Profit</b>	<b>205</b>	<b>201</b>	<b>+2%</b>	<b>150</b>	<b>+36%</b>

# Shareholding Structure

As of December 31, 2024, 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 <sup>1</sup>	BRMP 2	Stable	aug/23

# Ombudsman

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

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A photograph of two Black men in blue polo shirts standing in a warehouse or storage room. They are both smiling and looking at each other. The man on the right has his arm around the man on the left. In the background, there are shelves filled with various boxes and supplies. The text 'BANCO MERCANTIL' is overlaid on the left side of the image, and 'JUNTOS PODEMOS MAIS' is overlaid on the right side.

BANCO  
**MERCANTIL** JUNTOS PODEMOS MAIS



## Talk to IR

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