

BANCO  
**MERCANTIL**

**EARNINGS** PRESENTATION

3Q23



## Hosts



➤ Gustavo Araújo, CFA  
CEO



➤ Paulino Rodrigues  
Chief Financial Officer and Investor Relations

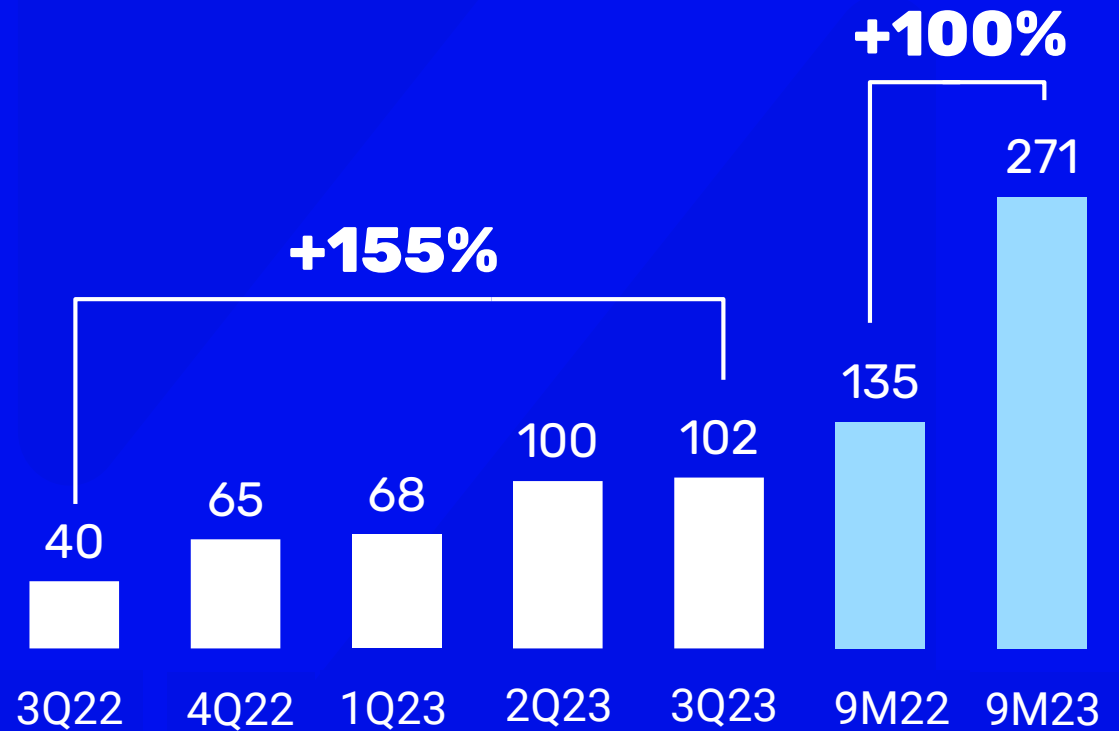
# RECORD

## EARNINGS

**ROAE**

**28.8%<sup>1</sup>**

### Quarterly Net Income BRL Mi



BANCO  
**MERCANTIL**

<sup>1</sup>Annualized 3Q23

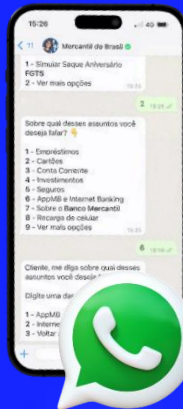
Businesses are becoming increasingly digital.



**App**

**36%**

Of the total amount of Payroll Loans contracts<sup>1</sup>

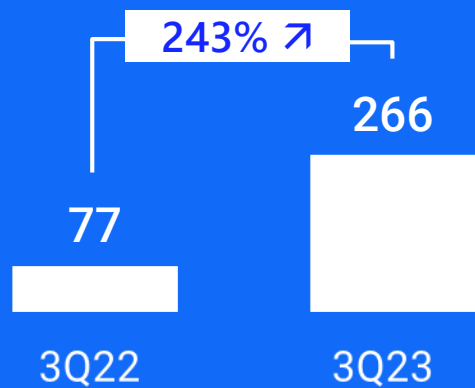


**WhatsApp**

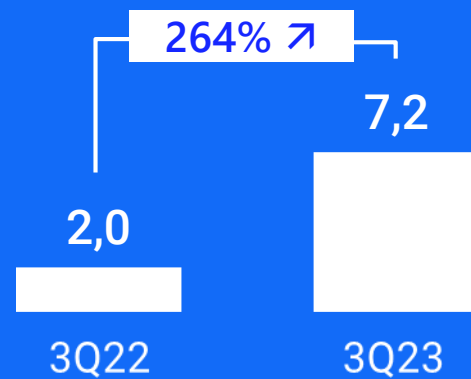
**26%**

Of the total number of loan contracts<sup>1</sup>

Loans through WhatsApp  
BRL millions

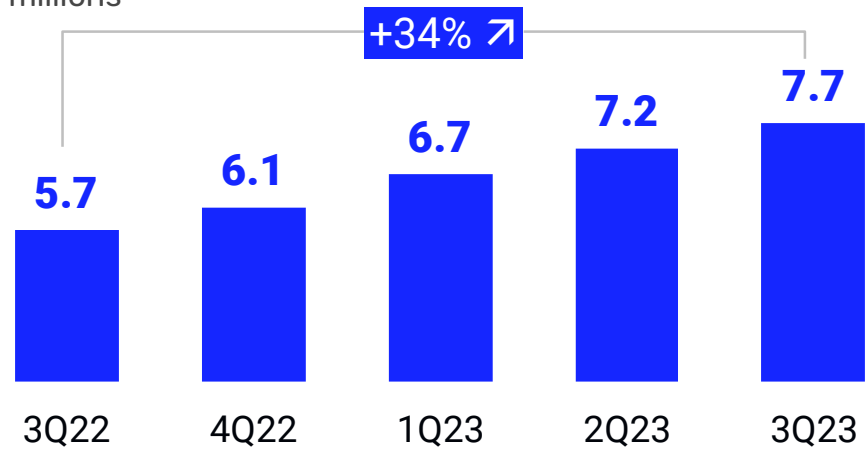


Customer Service sessions on WhatsApp  
millions

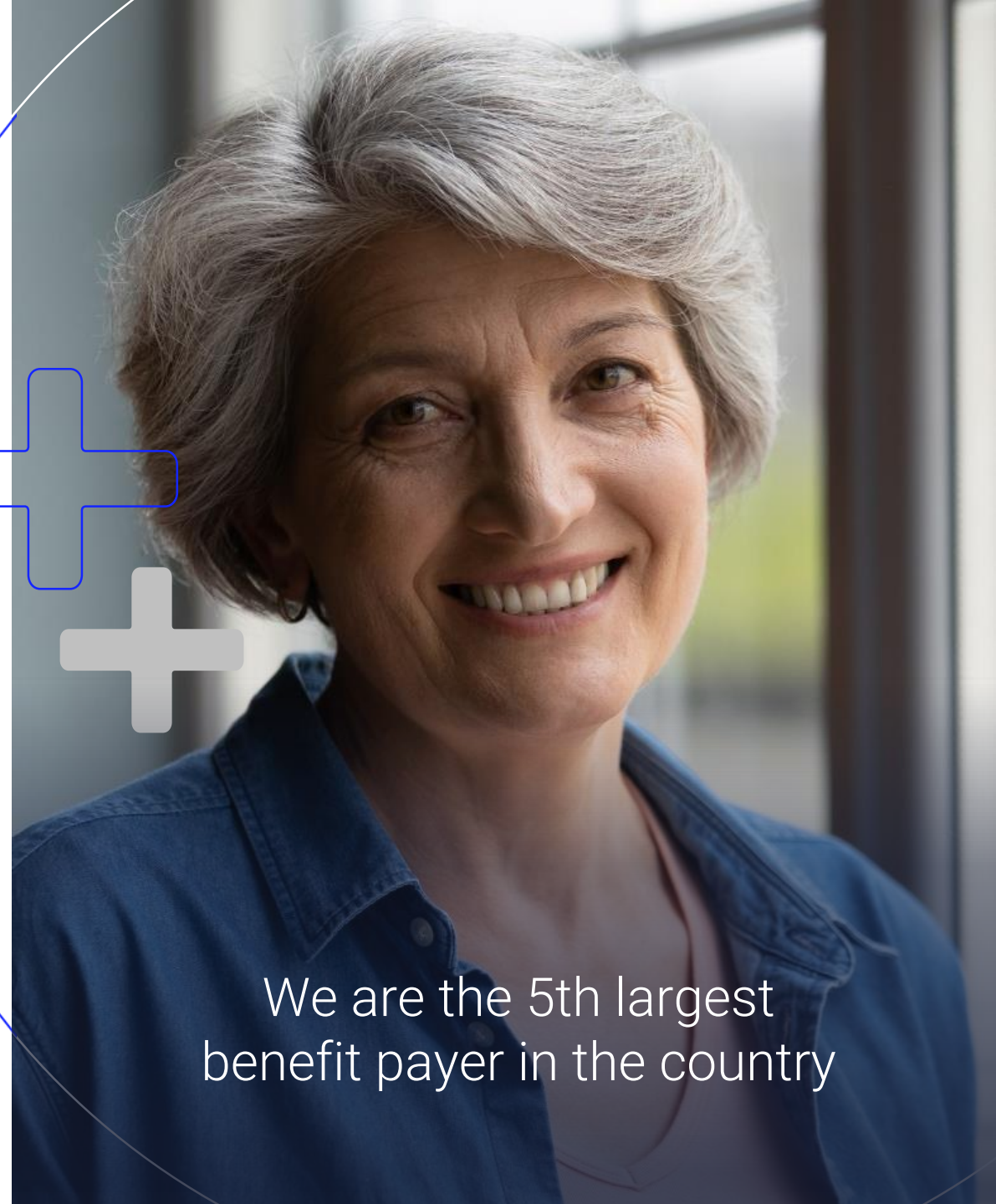
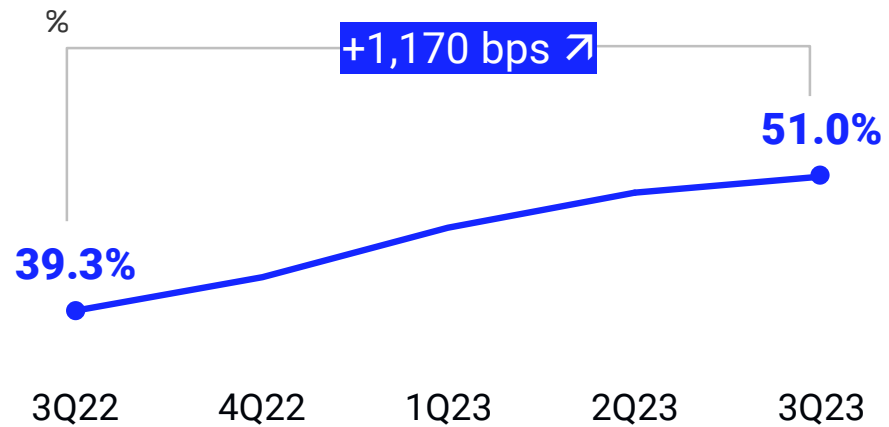


Increasing and engaged customer base.

Number of Clients  
millions



Customers with Credit



We are the 5th largest benefit payer in the country



# Performance Highlights

3Q23 Δ 3Q23 vs 3Q22

<b>Credit Portfolio</b>  BRL 13.3bi <small>+29% ↗</small>	<b>Payroll Loans Portfolio</b>  BRL 7.3bi <small>+22% ↗</small>	<b>Personal Loans FGTS Portfolio</b>  BRL 2.9bi <small>+122% ↗</small>
<b>NPL &gt; 90</b>  3.0% <small>-20 bps ↘</small>	<b>Quarterly Services Revenue</b>  BRL 152mi <small>+38% ↗</small>	<b>Basel III Index</b>  16.4% <small>+140 bps ↗</small>
<b>Net Interest Margin</b>  21.3% <small>+150 bps ↗</small>	<b>Annualized Quarterly ROAE</b>  28.8% <small>+1,560 bps ↗</small>	<b>Quarterly Net Profit</b>  BRL 102mi <small>+155% ↗</small>

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**MERCANTIL**

***INVESTOR***

***DAY***

***November 16<sup>th</sup>***

***2 p.m. to 5 p.m.***

Brasília (GMT-3)

Citibank – Paulista Avenue, 1111 - Bela Vista, São Paulo

# INVESTOR DAY

Join us in our exclusive event for investors and analysts.

We will present our strategic vision, recent results and future plans.

Connect with our leadership team and learn about the growth prospects of Banco Mercantil.

**November 16<sup>th</sup>**

**2 p.m. to 5 p.m.**

Brasília (GMT-3)

## PARTICIPANTS



**Gustavo Araújo**  
CEO



**Bruno Simão**  
Chief Clients, Growth and  
Marketing Officer



**Felipe Boff**  
Chief Technology, Products,  
Services Officer



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





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**MERCANTIL**

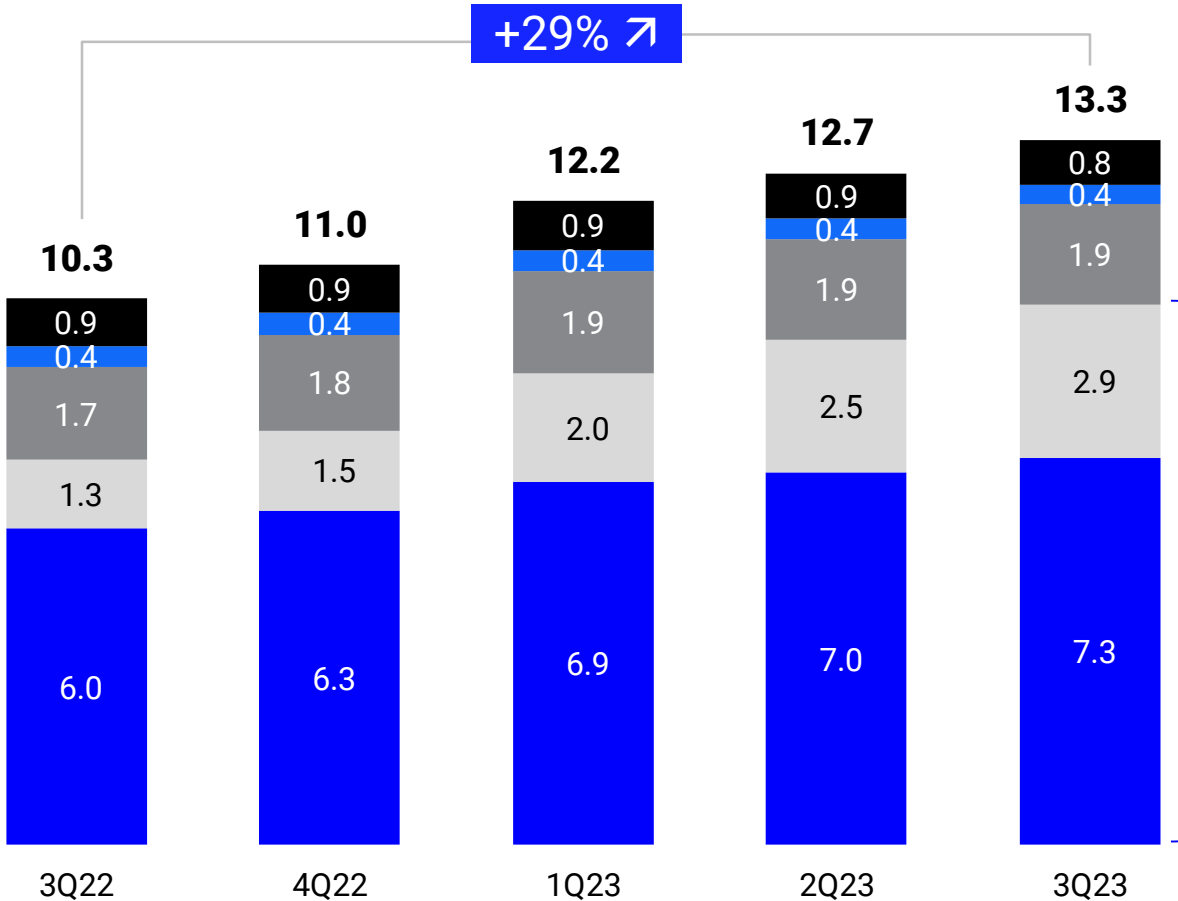
- ◆ Credit
- ◆ Funding
- ◆ Services
- ◆ Capital
- ◆ Profitability

Earnings  
**3Q23**

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

Credit Portfolio

BRL bi



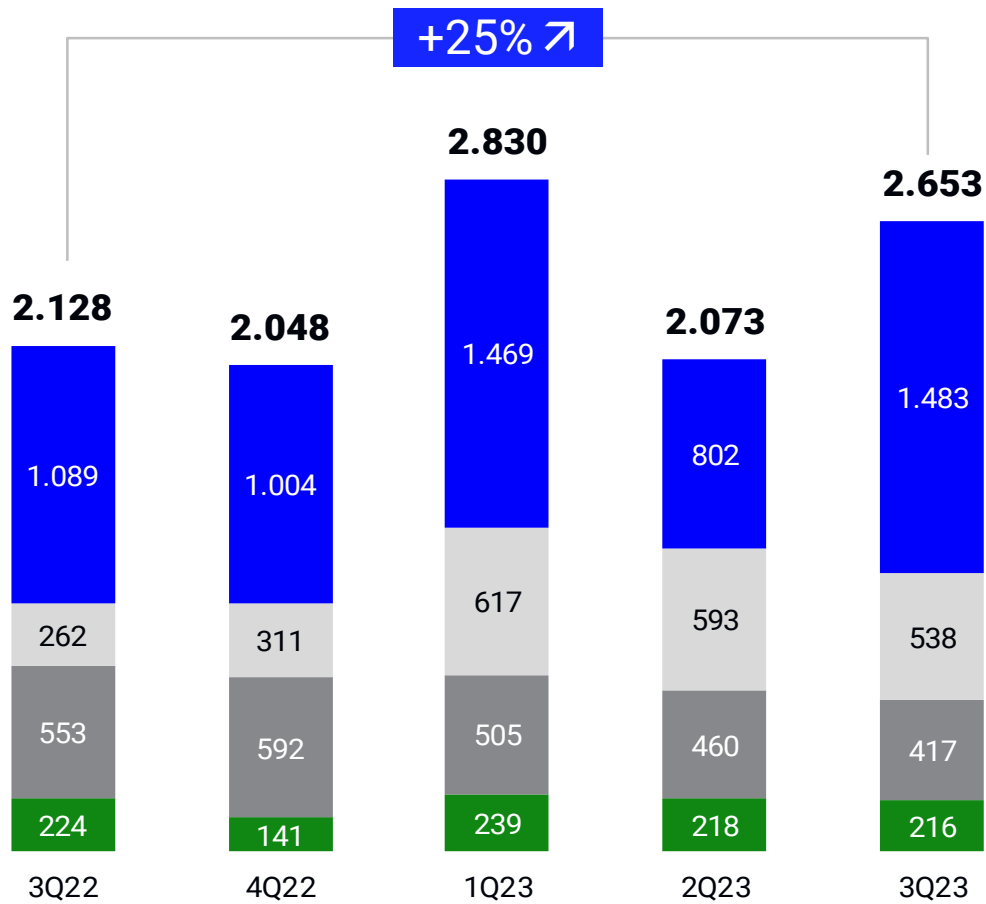
- Business loans
- Individual Others
- Personal Loans
- Personal Loans FGTS
- Payroll Loans



Our credit origination aims to ensure the **profitability** of the portfolio.

### Credit Origination

BRL mi



+25% ↗

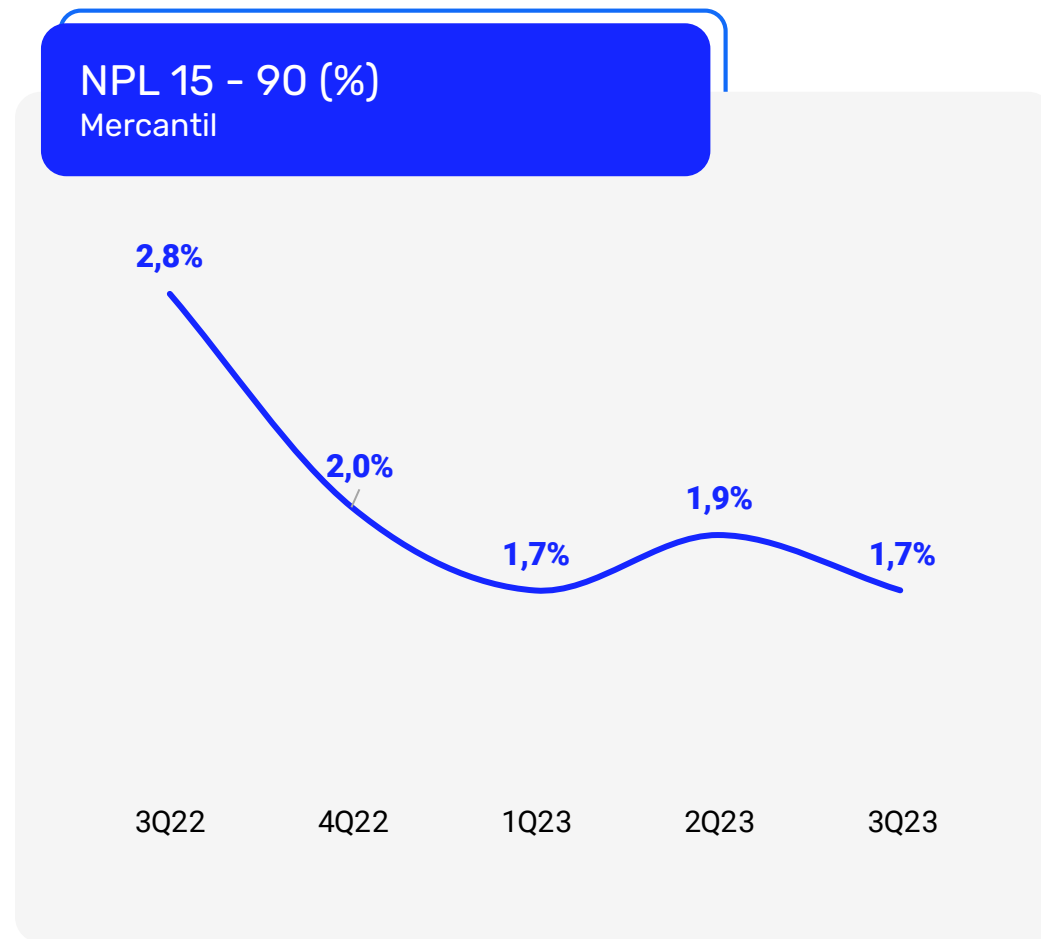
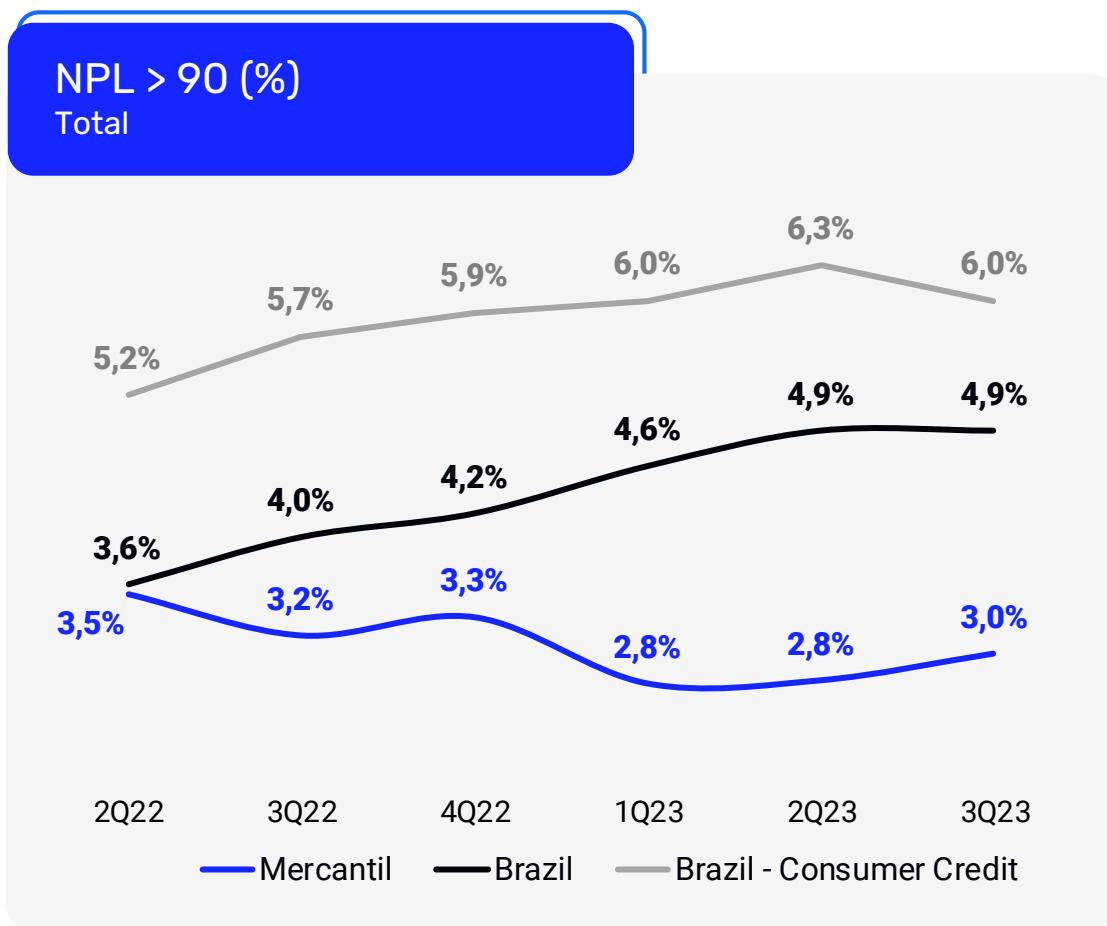
Payroll Loans Origination  
**100%**  
via own channels  
in 3Q23

7% share<sup>1</sup>



<sup>1</sup>Source: Central Bank

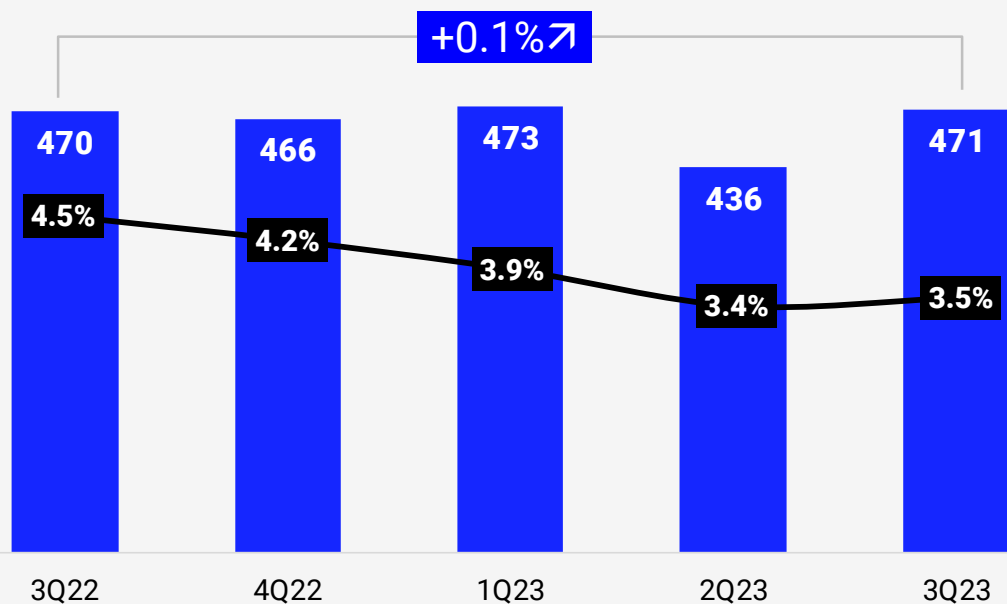
Controlled delinquency levels and below market average.



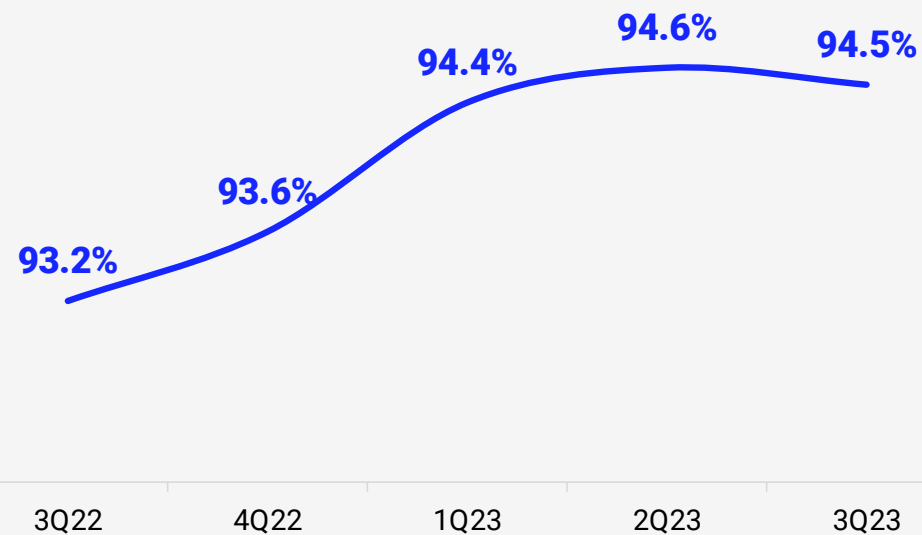
Provision expenses and portfolio quality **remained stable** even in a challenging economic scenario.

### NPL Provision & % Portfolio

BRL mi, % p.a.



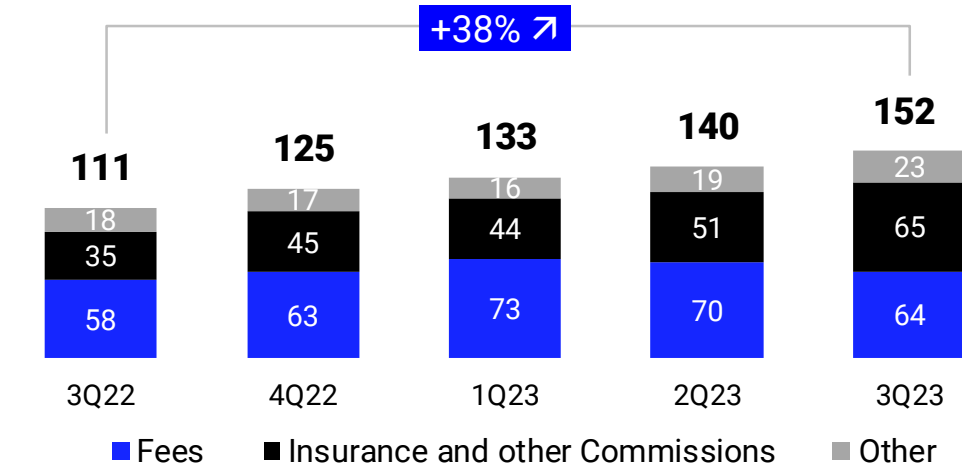
### %AA - C / Portfolio



Consistent evolution in services revenue.

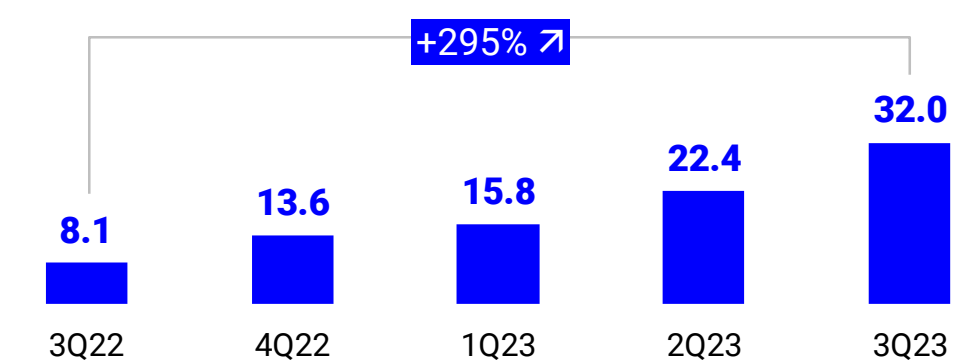
### Services Revenue

BRL mi



### Marketplace Profit

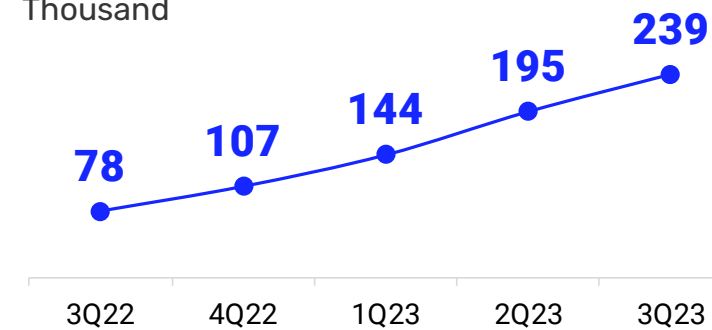
BRL mi



Products with strong adherence to the **50+** public

### Active Customers with Assistance

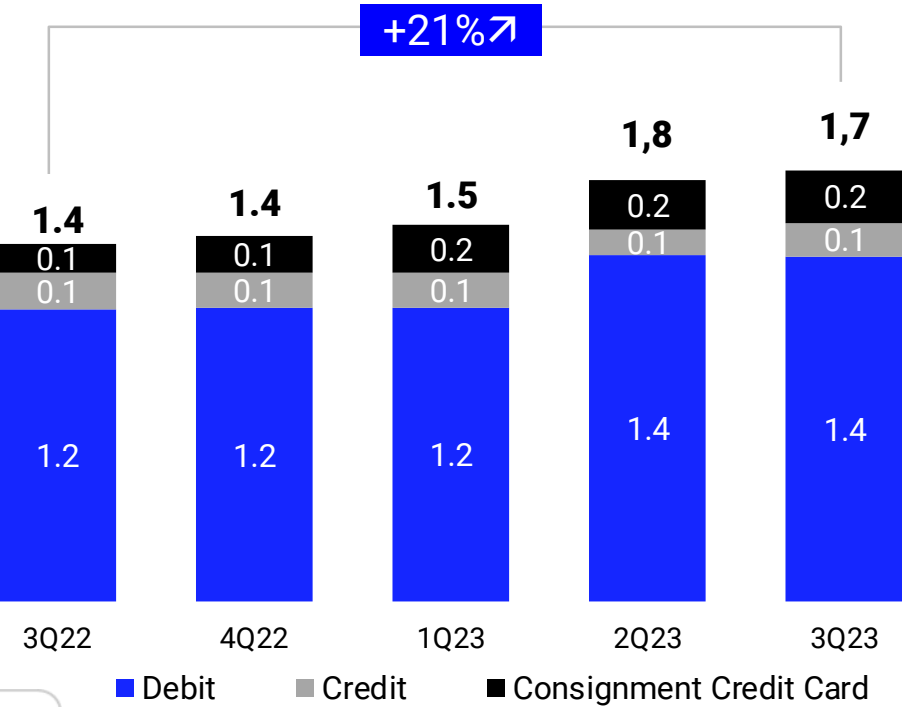
Thousand



Our progress in the cards segment is done conservatively, prioritizing security.

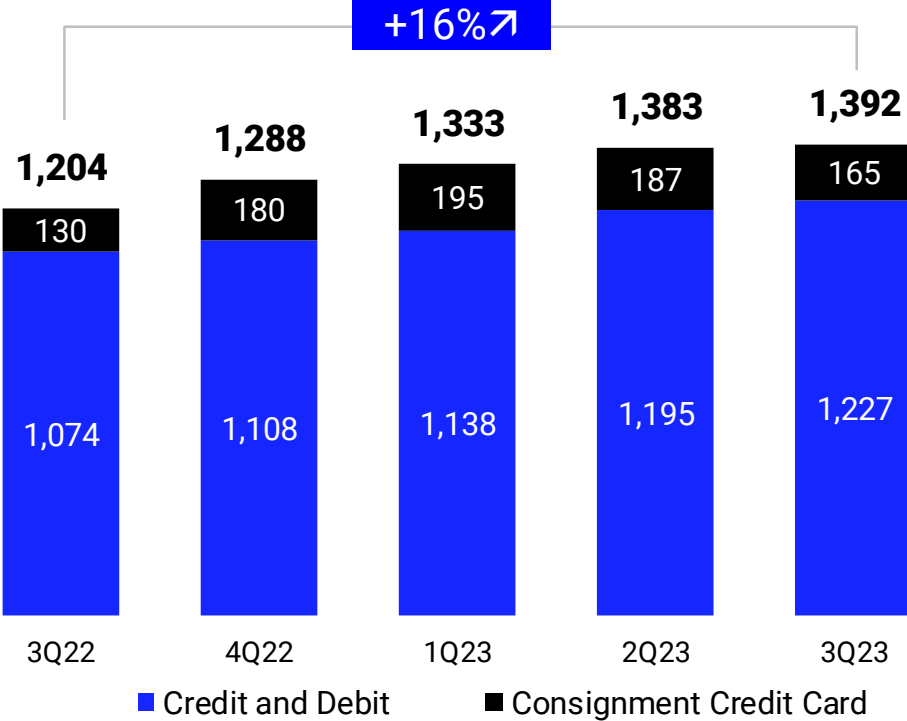
### Cards in Circulation

mi



### Total Processed Volume - TPV

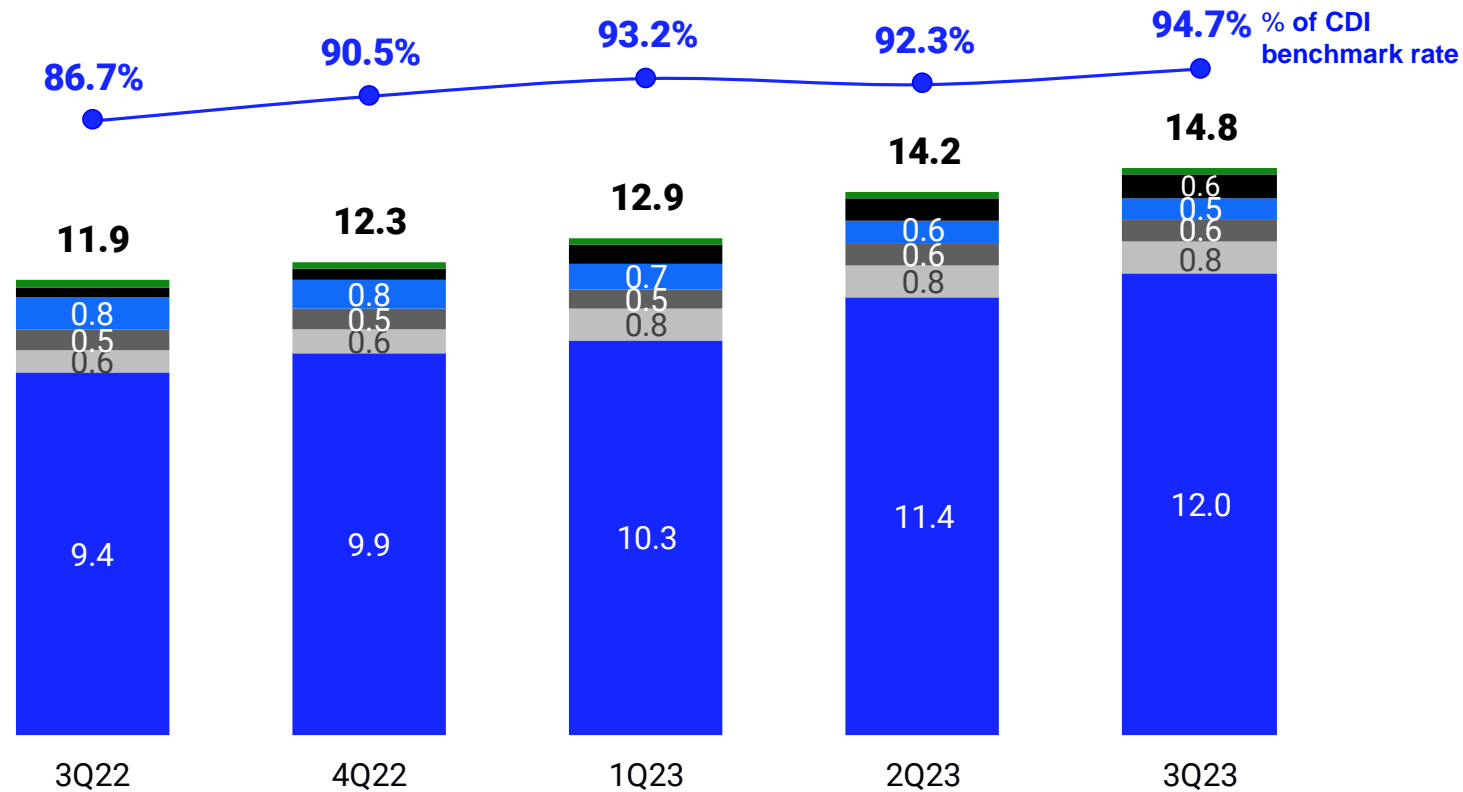
BRL mi



Our funding lines are diversified and dispersed.

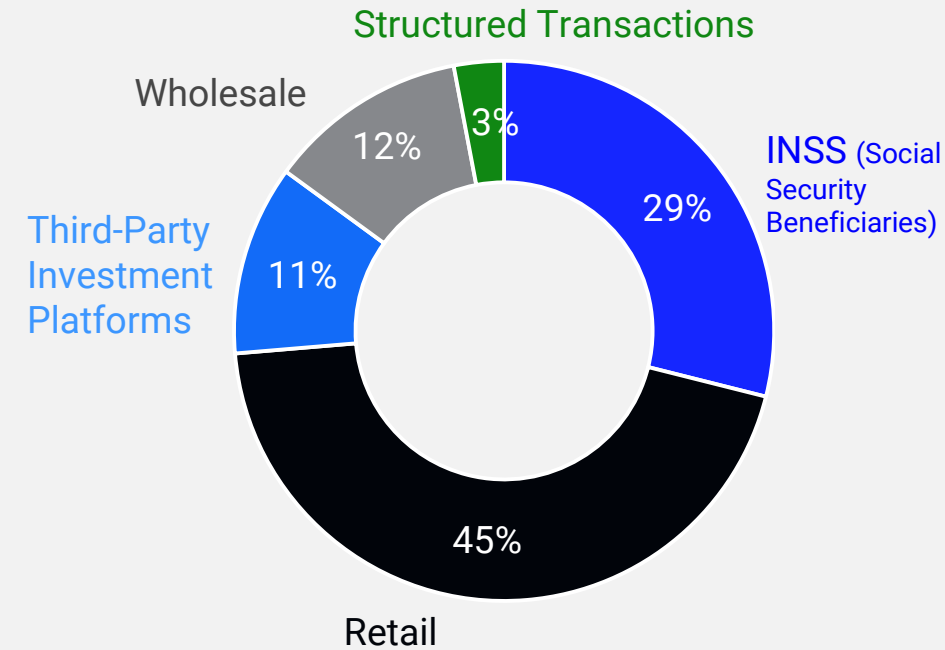
### Funding Balance and Cost (%)

BRL bi & % CDI benchmark rate



- Term Deposits
- Equity-Eligible Debt Instruments
- Demand Deposits
- Wholesale Facilities
- Other
- Savings

### Funding Sources



### LCR Liquidity Coverage Ratio (x)

Minimum required limit: 1.0x

1.8x

<sup>1</sup>It refers to our customer base that receives their pensions and other benefits (INSS) at the bank, and that are simultaneously responsible for a significant part of our funding.

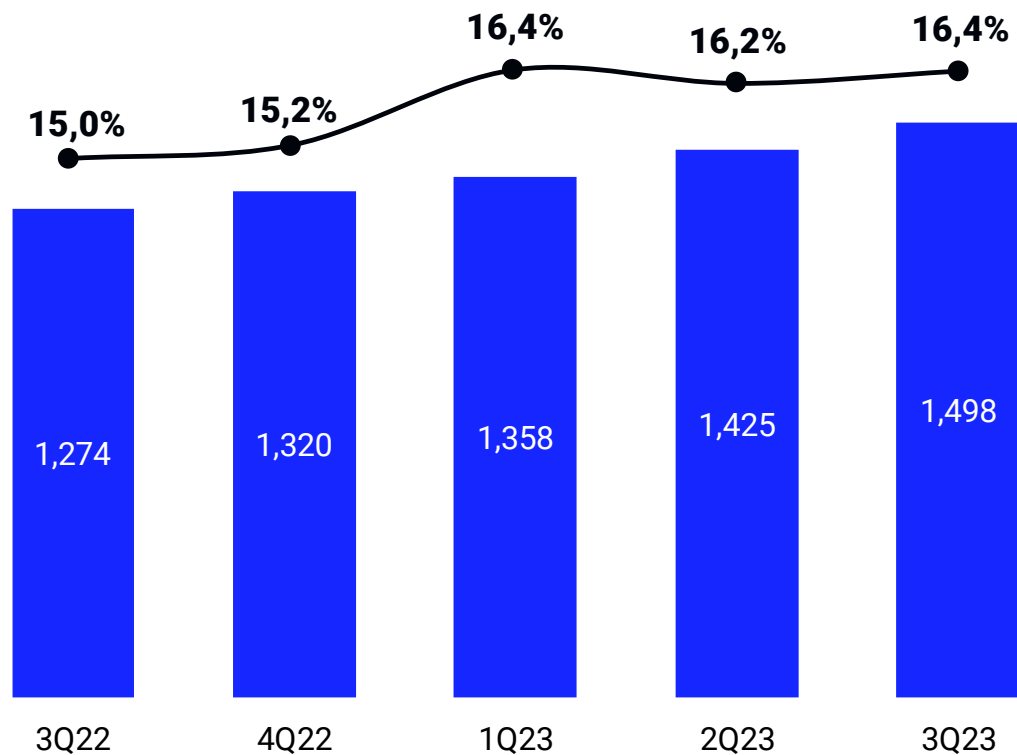




We present high levels of capitalization.

### Basel III Index and Shareholders' Equity

- Shareholders' Equity
- Basel III Index



### RATING

**S&P Global**  
Ratings

**A**

Positive outlook

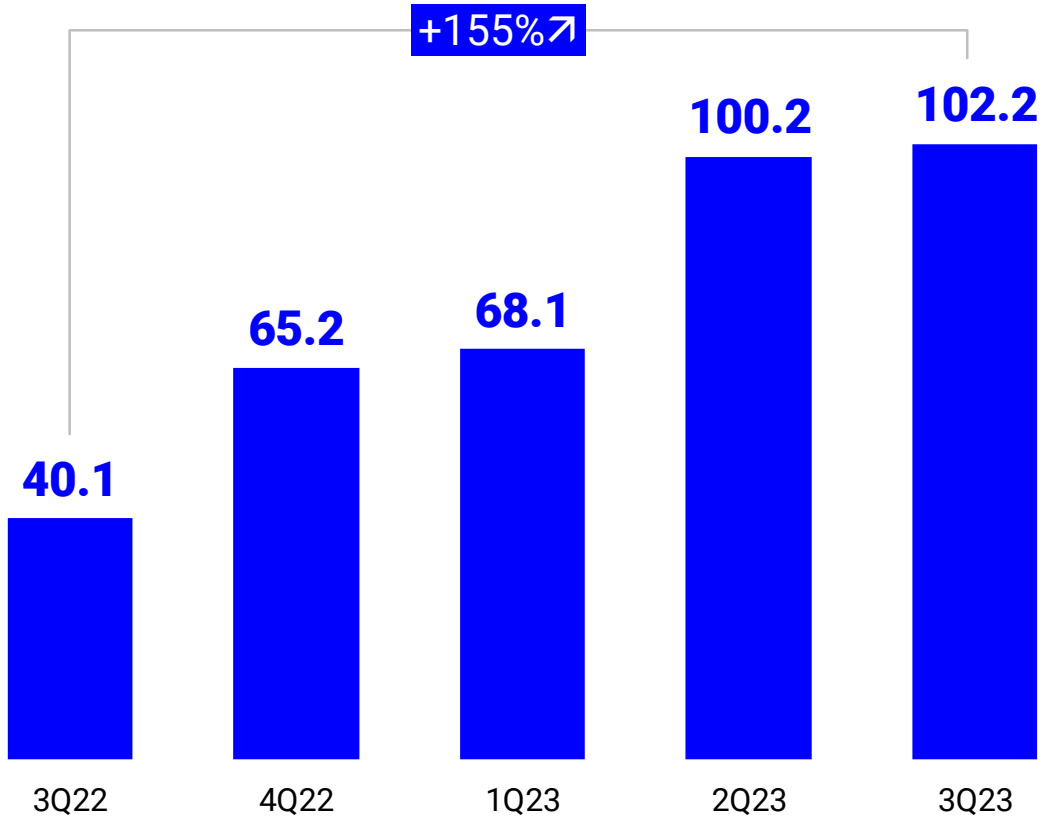
**Fitch**Ratings

**A-**

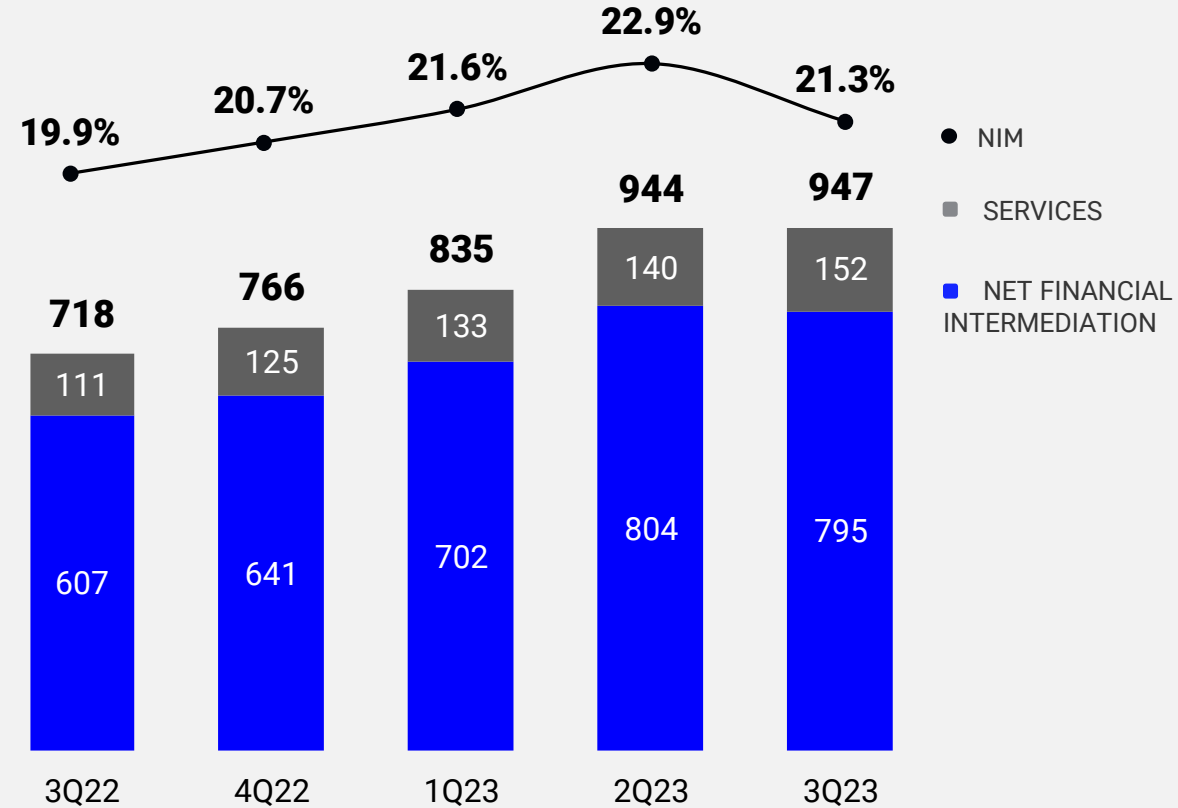
Positive outlook

Mercantil's business model is consistent and delivers high levels of profitability.

Net Income  
BRL mi



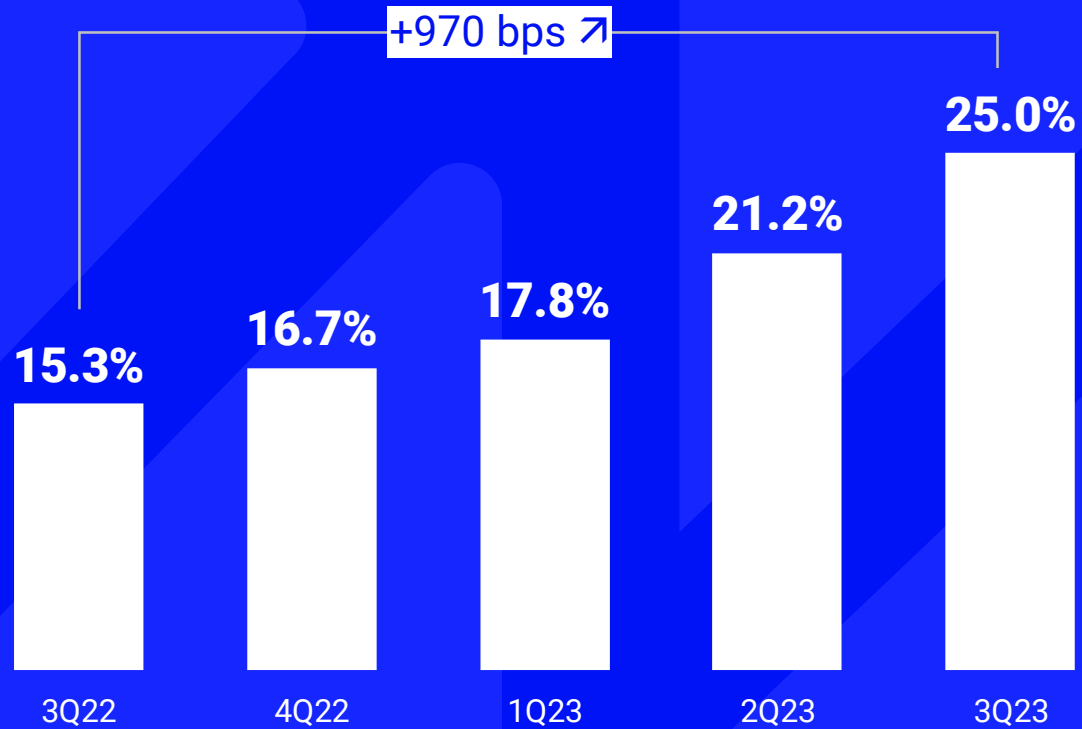
Total Revenue  
BRL mi



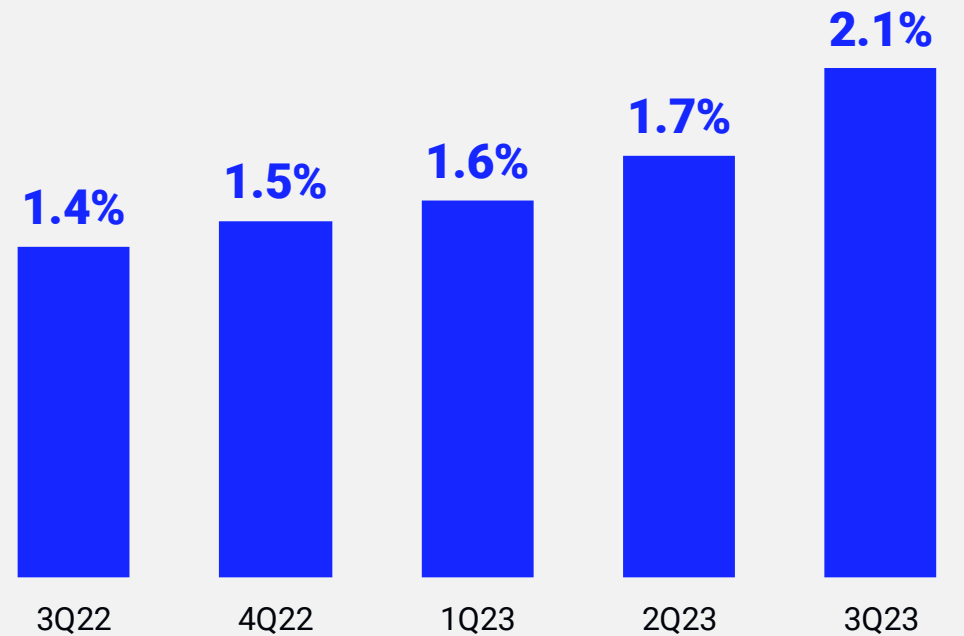
# BANCO MERCANTIL

ROAE<sup>1</sup>  
% p.a.

**28.8%** ROAE 3Q23  
anualized



ROAA<sup>1</sup>  
% p.a.





Your experience inspires us.

<https://ri.bancomercantil.com.br/>

### **Investor Relations**

Gustavo Araújo, CFA *CEO*

Paulino Rodrigues *Chief Financial Officer and IR*

Marina Magalhães *Strategy and Investor Relations*

### **Contact**

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