

BANCO
MERCANTIL

Earnings Presentation **3Q24**



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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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Hosts



➤ **Gustavo Araújo, CFA**
CEO



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

HIGHLIGHTS

3Q24

1

Banco Mercantil has surpassed the quarterly net income mark of **BRL 200 million** for the first time, representing a Return on Average Equity (ROAE) of 41.1% over the past 12 months.

2

Year-to-date **Payroll Loan origination** in 2024 reached **BRL 7.2 billion**, an **93%** increase compared to the same period last year.

3

The Bank continues to expand its presence across new locations. In 2024, Banco Mercantil established operations in **18 new cities** across **12 states**, focusing on the **North and Northeast regions**.

4

Investments in customer **digitalization** remain one of our key growth pillars. This year, **68%** of credit operations were originated through Banco Mercantil's digital channels.

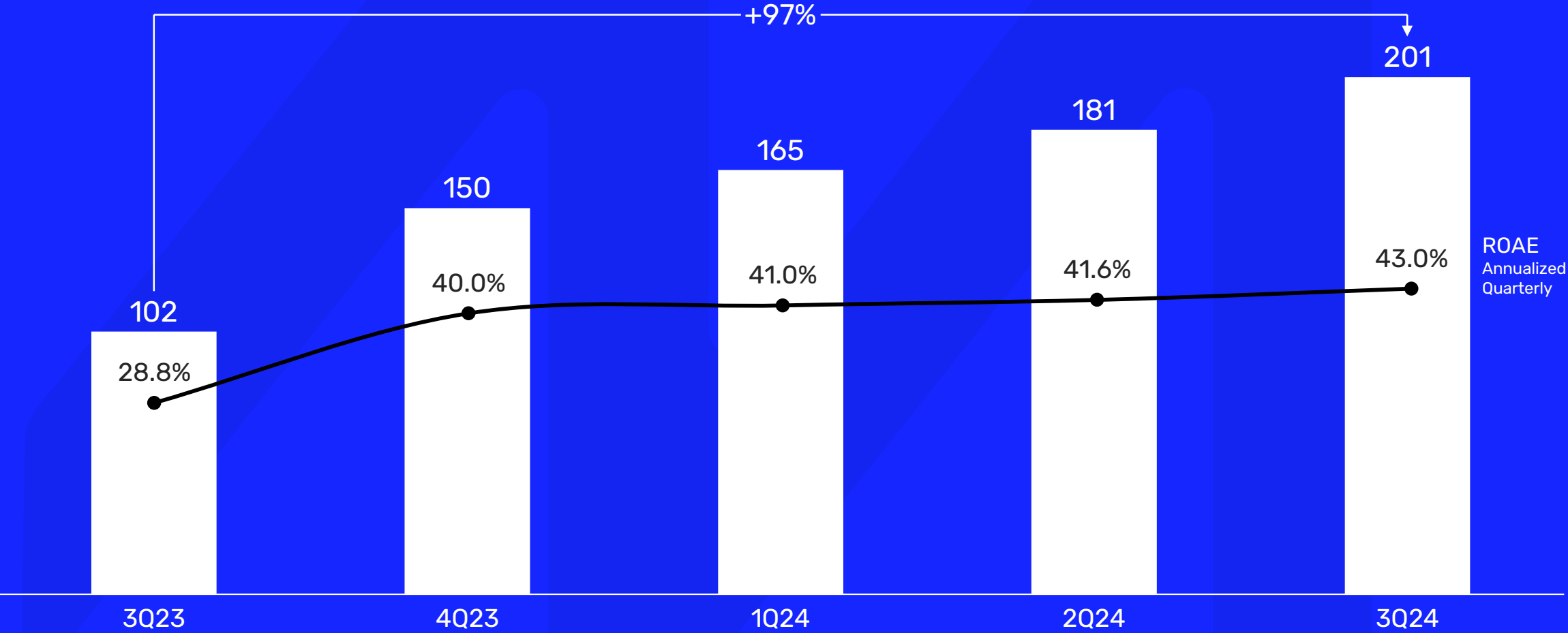
5

Banco Mercantil received a **two-notch rating upgrade** from Fitch Ratings, moving from A-(bra) to **A+(bra)** with a positive outlook.

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

Net Income and ROAE

BRL mn, per quarter



AUCTION INSS 2024

Currently, Banco Mercantil serves as a provider of social benefits in **8 states**

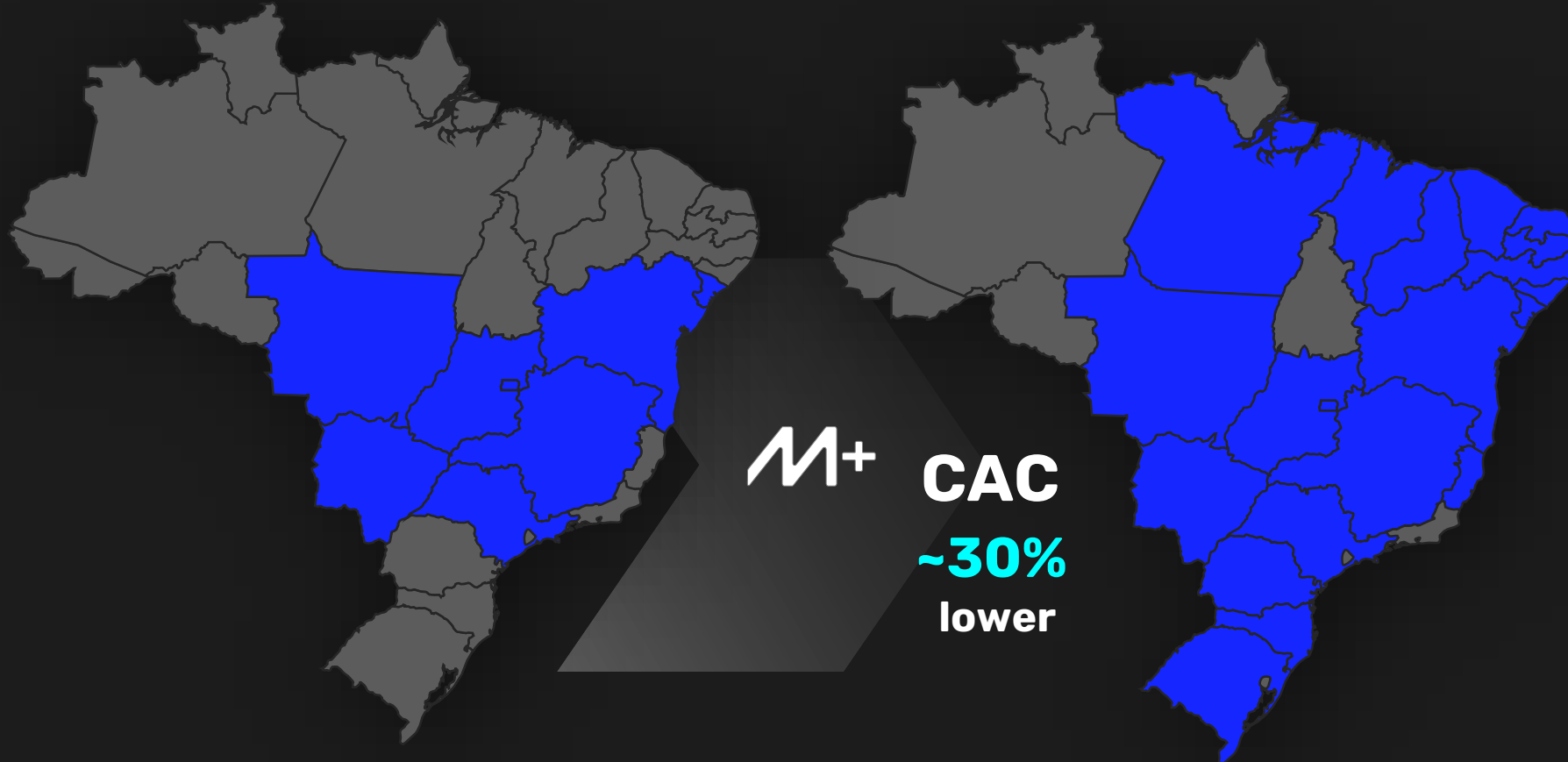
2025

Expansion opportunities in
+12 states

Full-service
BANK



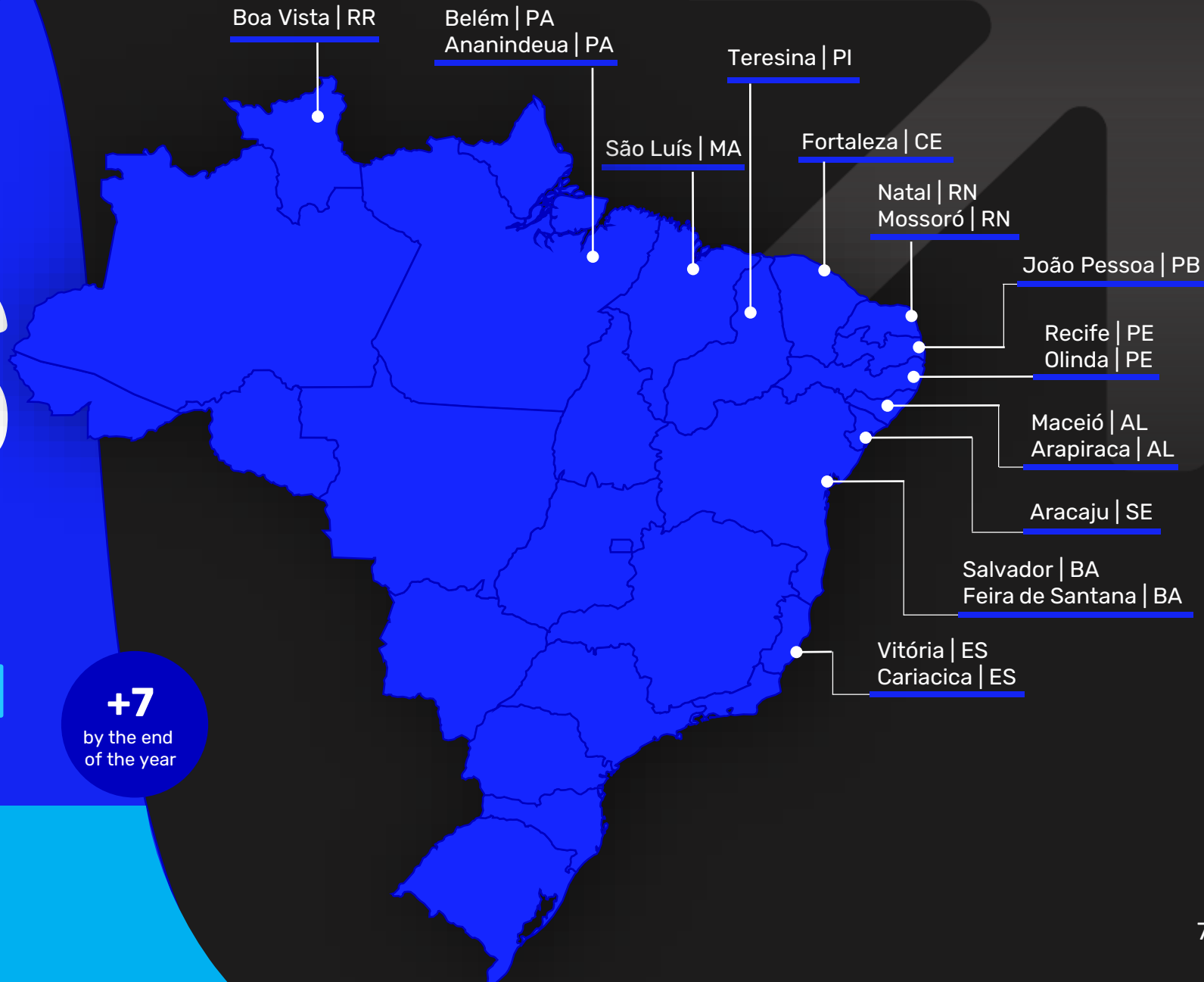
50+
Ecosystem



PROSPECTIVE CUSTOMER

EXPANSION

CHEGA MAIS



18

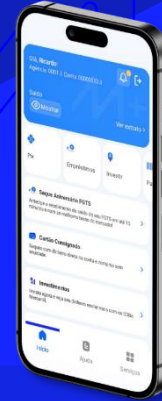
+7
by the end
of the year

**New cities
in 2024**





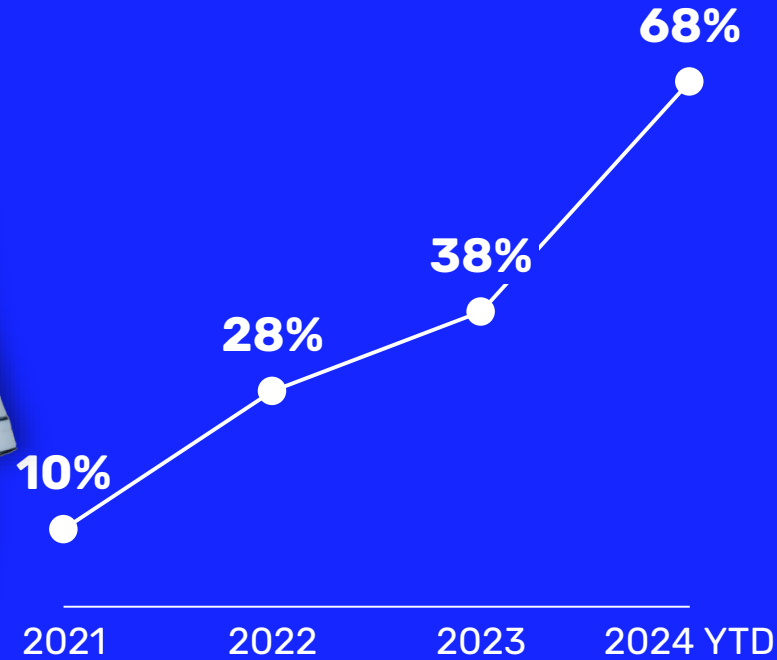
Customer digitalization has been the key driver of our growth.



65% of clients

opted to **enroll in the app** at the time of account opening in 2024

% Credit Origination via Digital Channels
App and WhatsApp



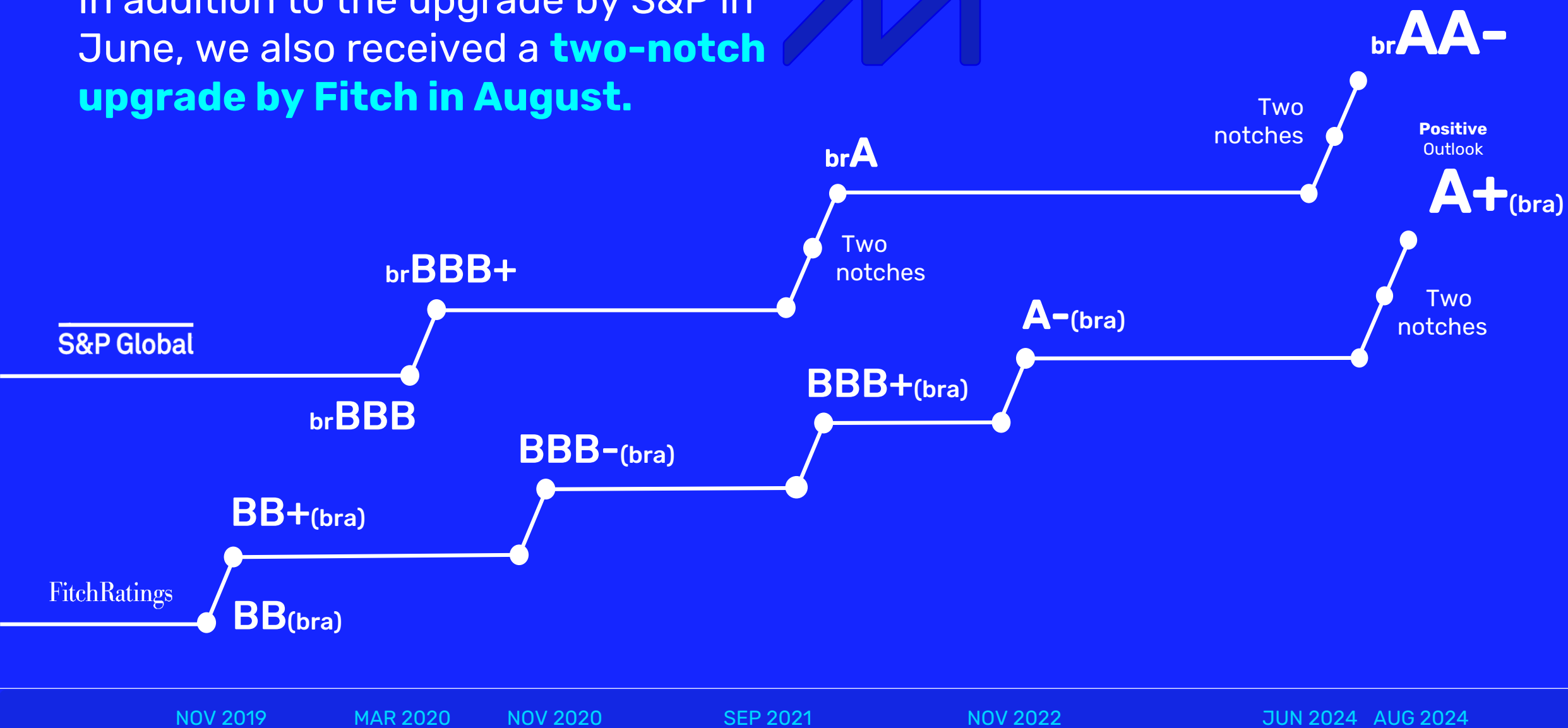
Clients (MN) e Branches



(1) Closing position of the third quarter of each year



In addition to the upgrade by S&P in June, we also received a **two-notch upgrade by Fitch in August.**



Quarter Highlights

3Q24 vs 3Q23

Clients

8.7 mn

+14% ↗

Credit Portfolio

BRL **16.5** bn

+24% ↗

NPL > 90 days

1.9 %

-109 bps ↘

NIM

20.6 %

-70 bps ↘

Quarterly Service
Revenue

BRL **176** mn

+15% ↗

Quarterly Net Profit

BRL **201** mn

+97% ↗

ROAE LTM

41.1 %

+1,602 bps ↗

Capital Adequacy Ratio
(Basel III)

16.8 %

+51 bps ↗

BANCO MERCANTIL

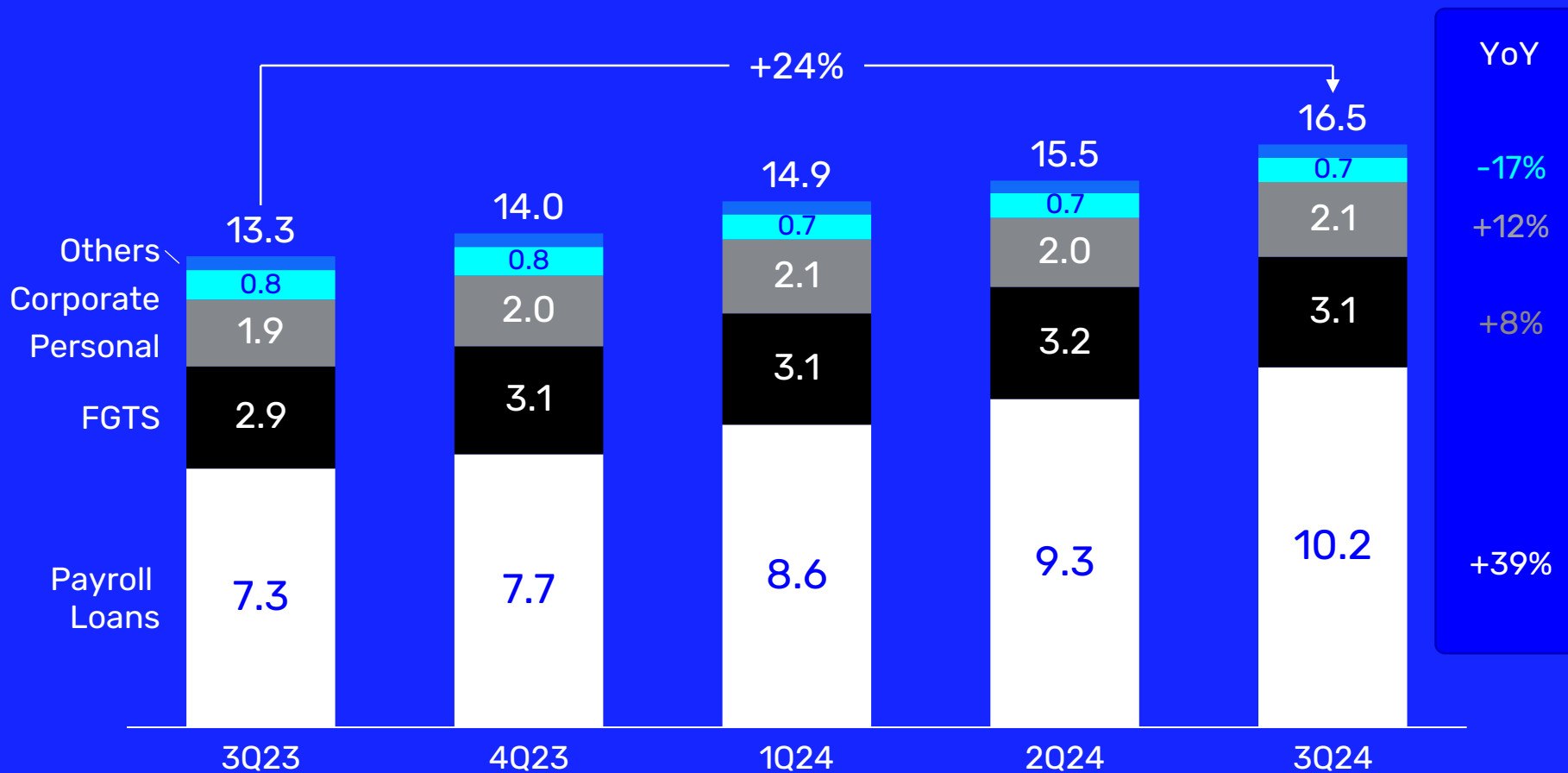
- Credit
- Services
- Funding
- Capital
- Profitability



We continue to expand our credit portfolio, focusing on high-quality assets. ↗

Credit Portfolio

BRL bn



YoY

- 17%
- +12%
- +8%
- +39%

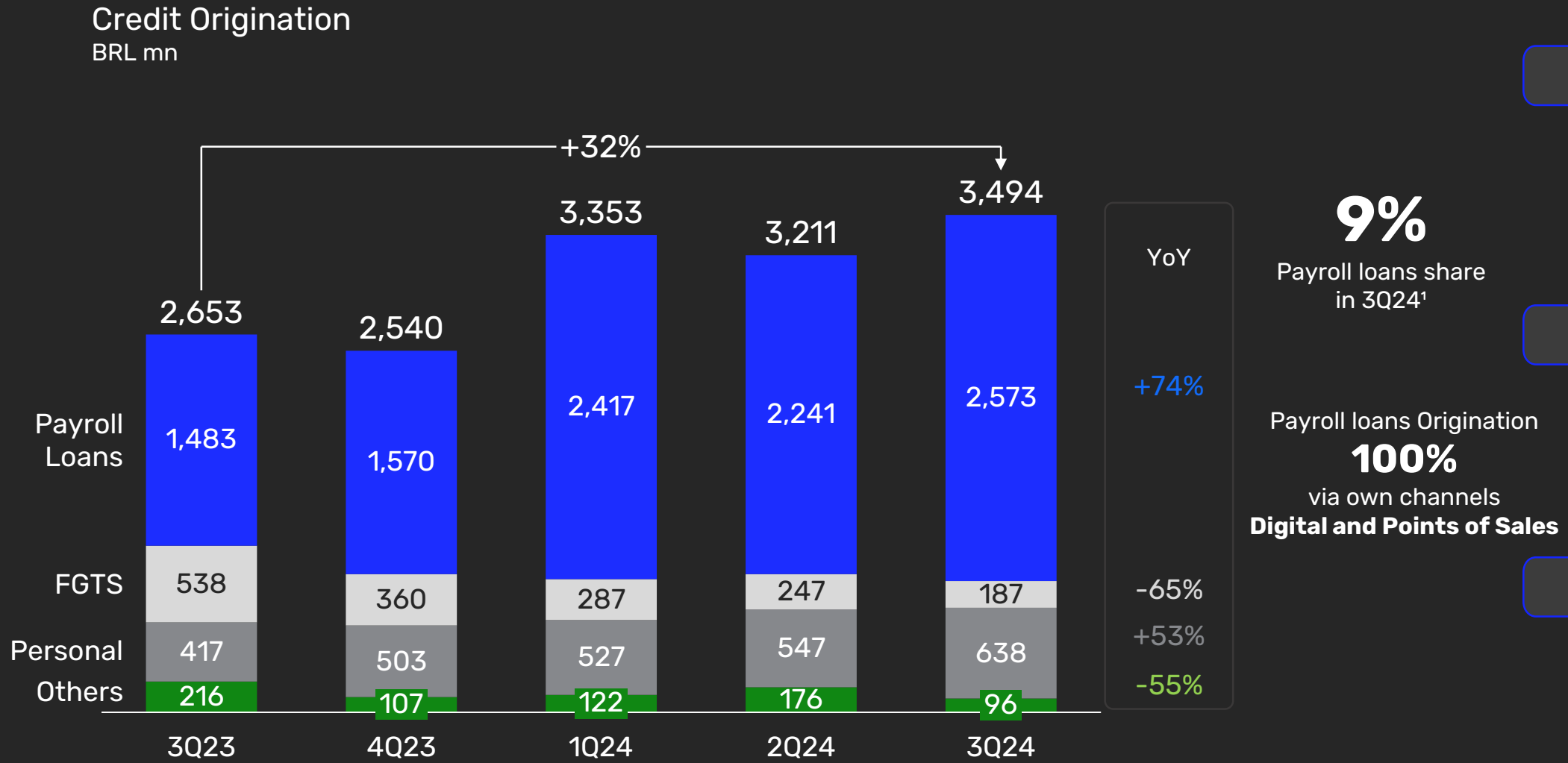
81%
Collateralized credit¹

2.3x
Growth above the Brazilian Credit Portfolio - Individuals²

27%
CAGR 3 years

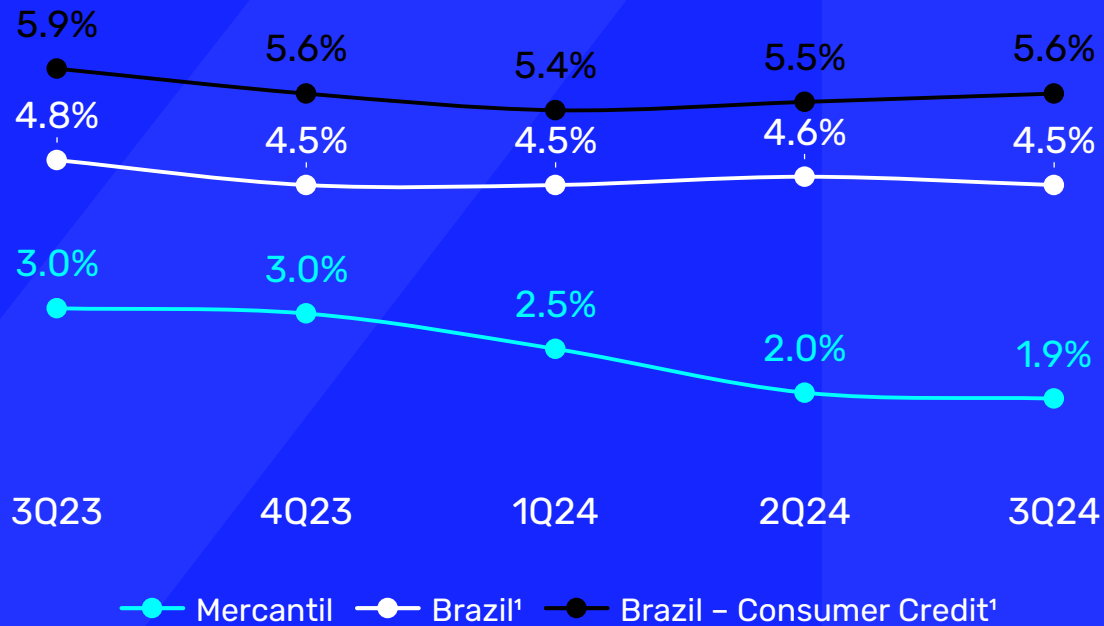


Strong origination in the quarter, with emphasis on Payroll Loans.

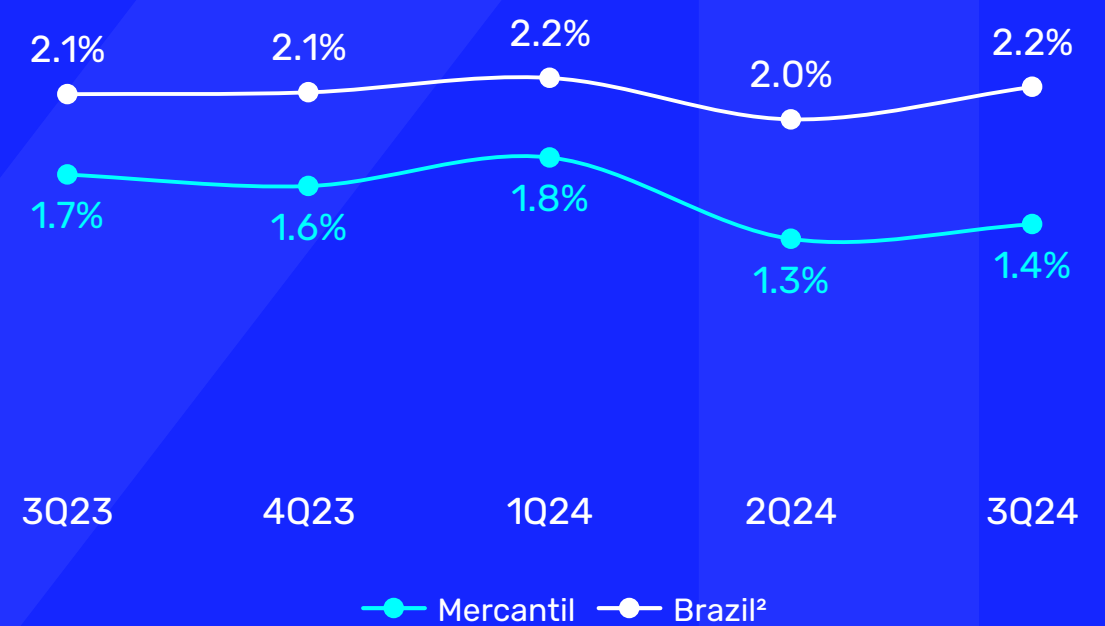


Delinquency levels are declining and below the market average.

NPL Over 90 (%)



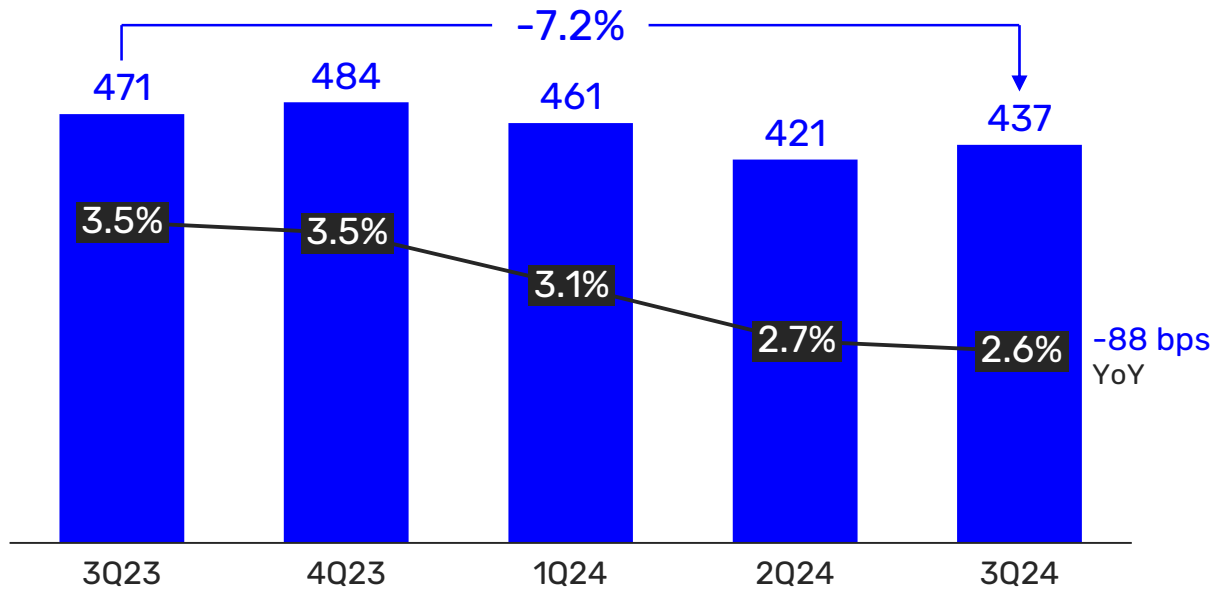
NPL Over 15 - 90 (%)



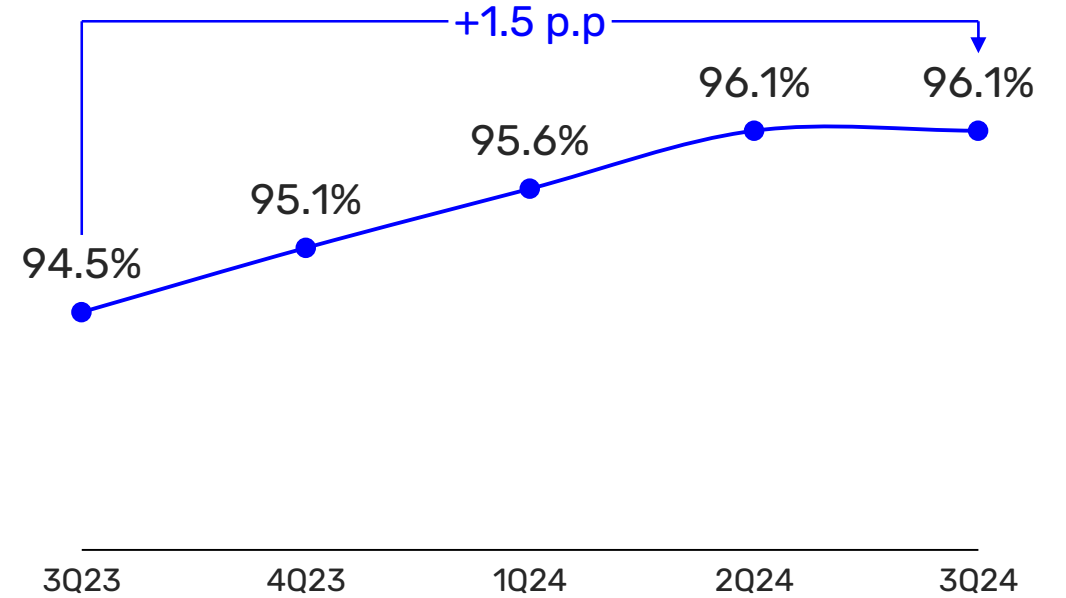
Provision expenses and portfolio quality showed improvement compared to the previous year.

NPL Provision and % Portfolio

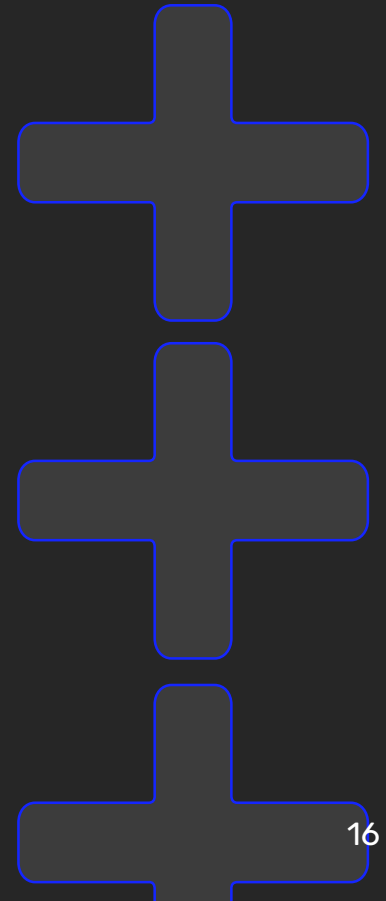
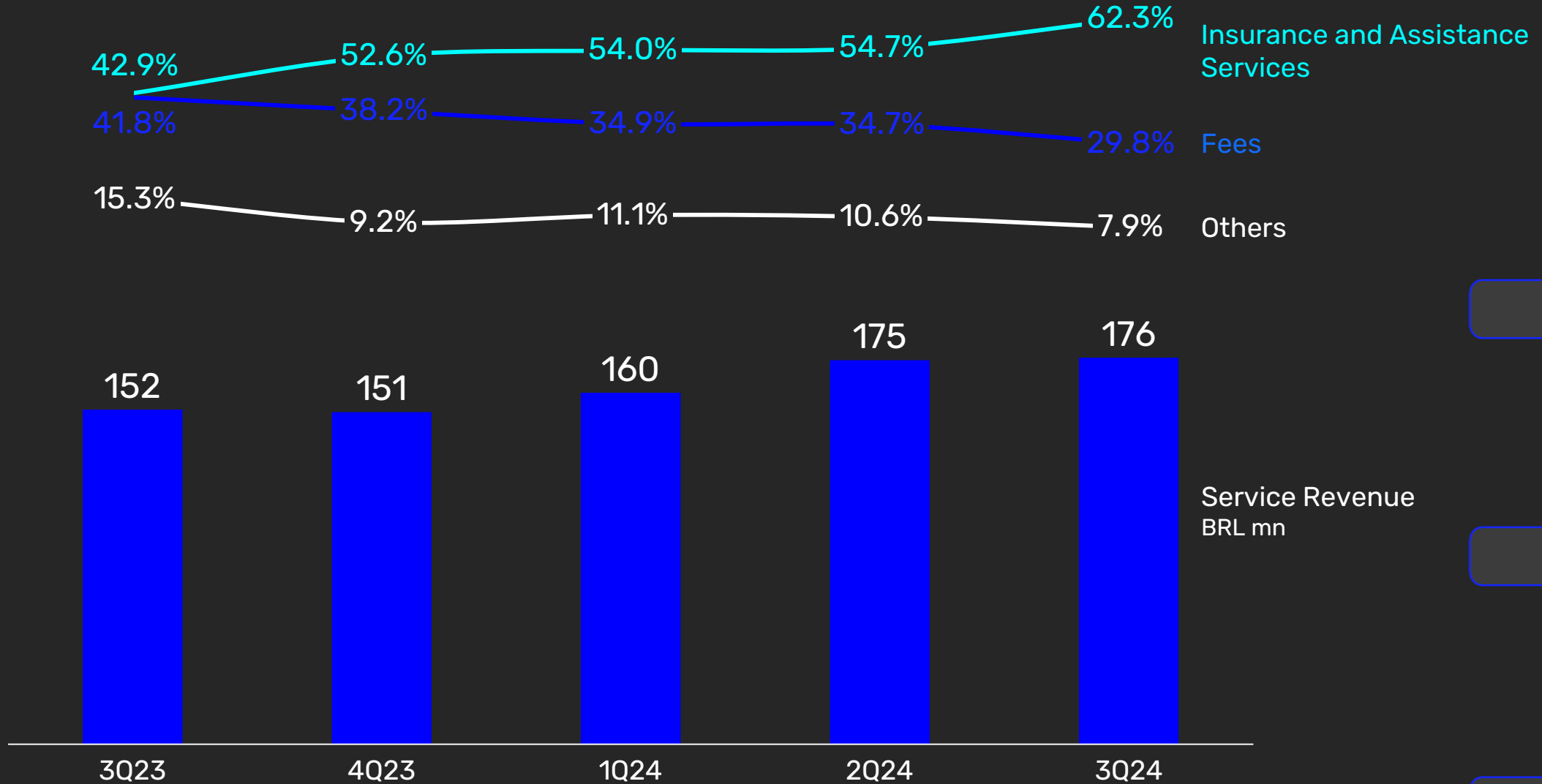
BRL mn, % p.a.



% AA - C / Portfolio



The bank focuses on high-appeal products for the 50+ demographic, such as insurance and assistance services.

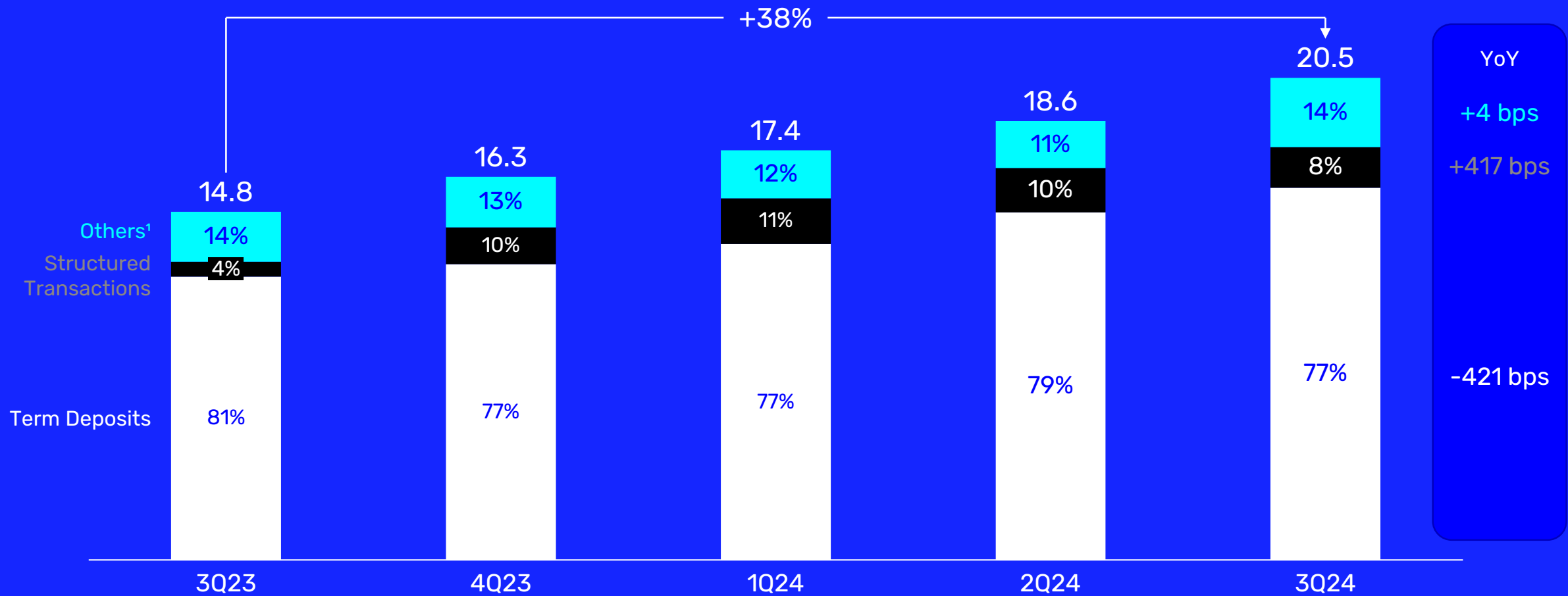


Our funding is diversified and widespread.



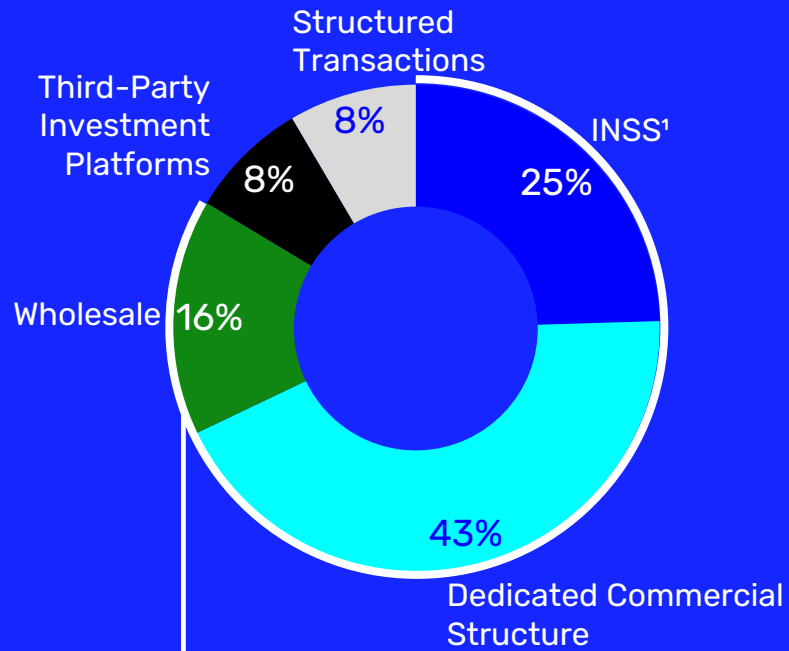
98.7%
Funding Cost
Last 12 months, % CDI benchmark

Funding Balance and Cost (%)
BRL bn



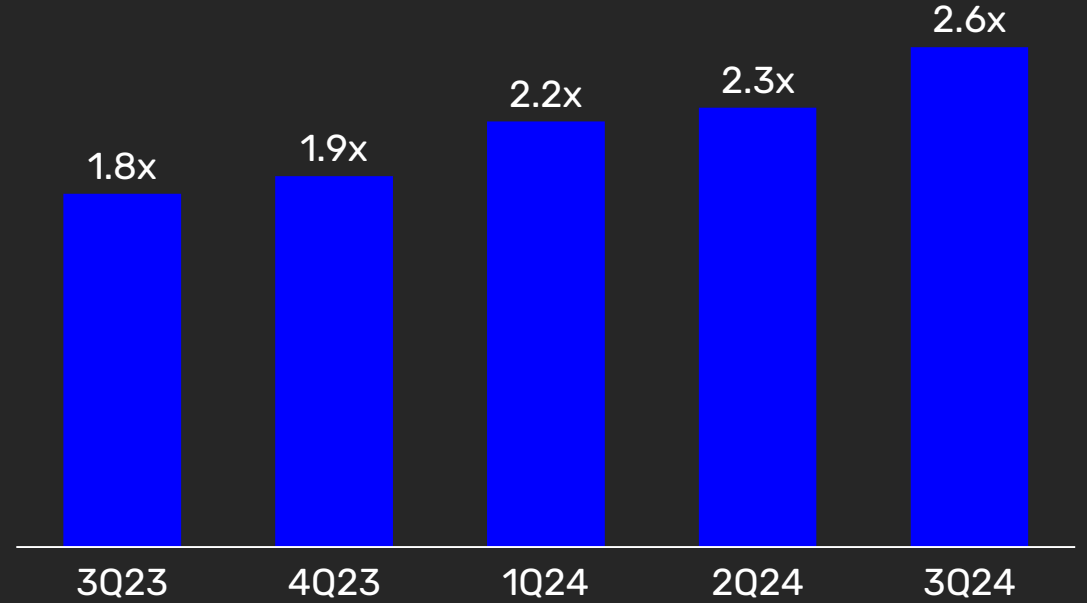
Robust structure for funding through proprietary channels.

Funding Sources



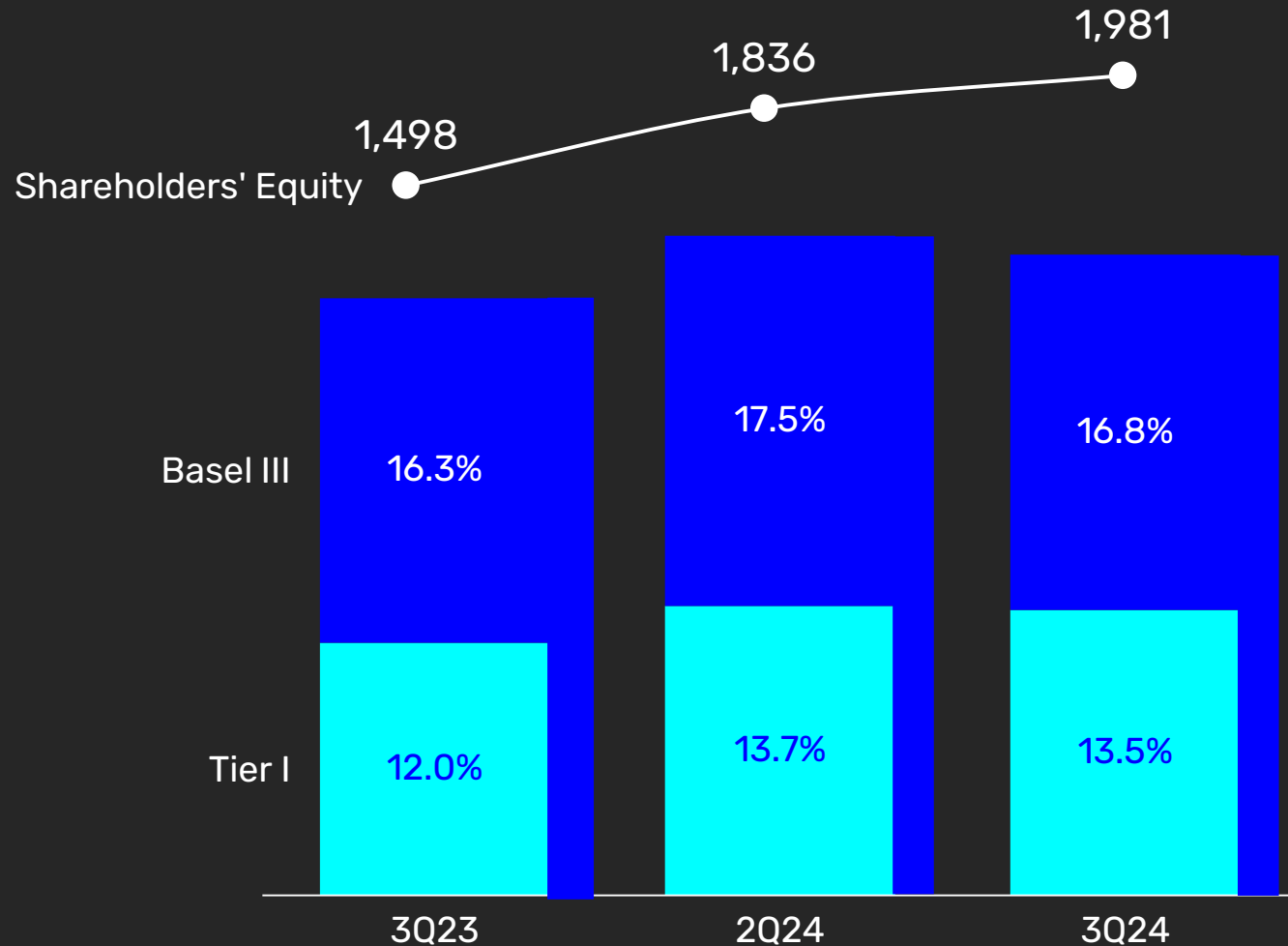
84%
Own Network

Liquidity Coverage Ratio

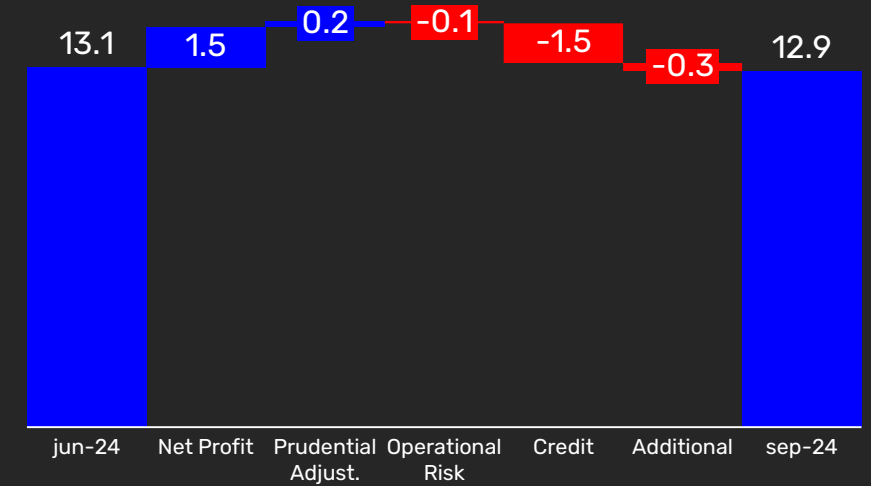


We maintain high levels of capitalization.

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



Common Equity Tier I (CET I) (%)

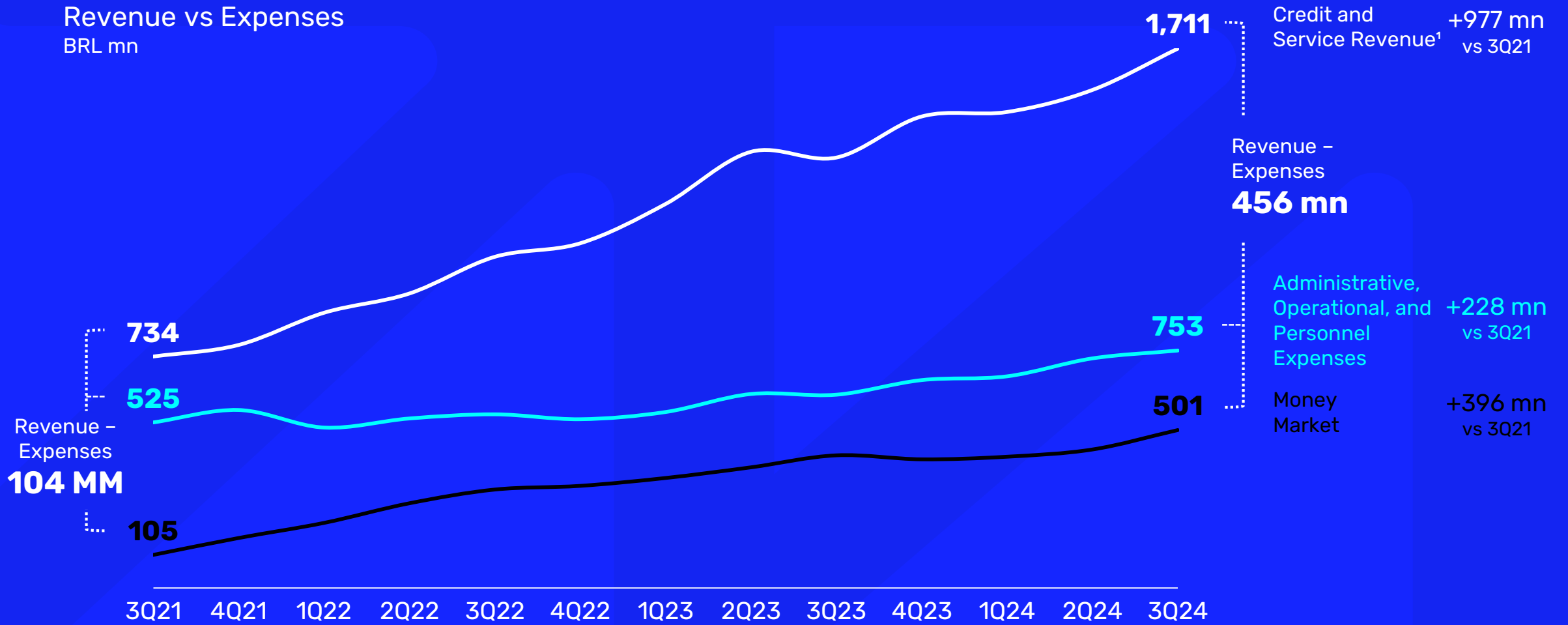


RATINGS

S&P Global Ratings **brAA-** Stable Outlook

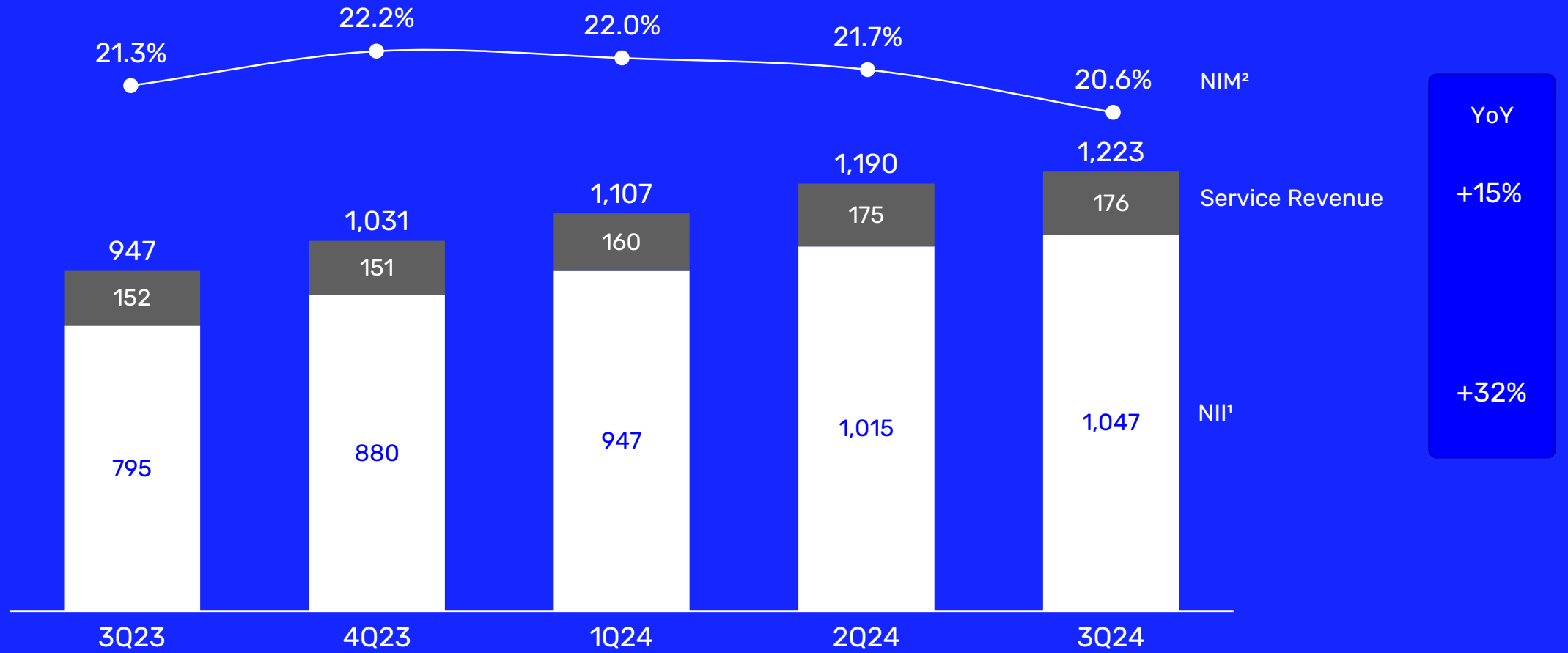
FitchRatings **A+(bra)** Positive Outlook

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



Revenue growth with sustained high margin levels.

Revenues and Net Interest Margin (NIM)
BRL mn

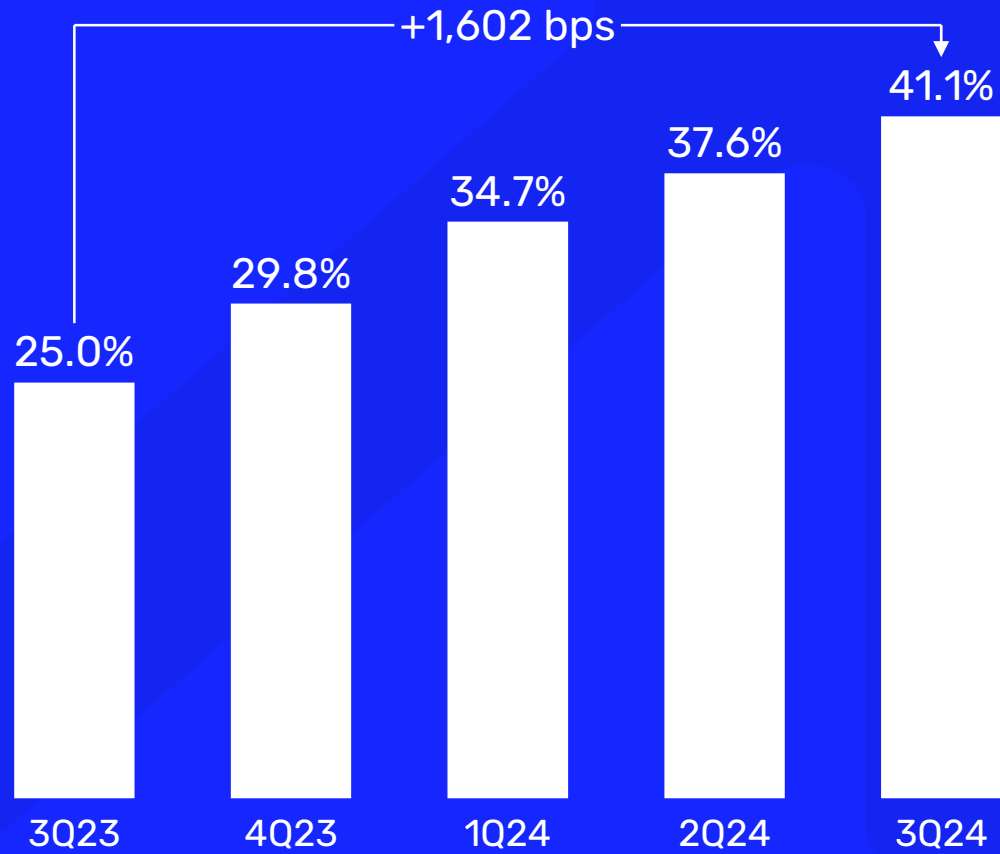


(1) Interest Income - Interest Expenses

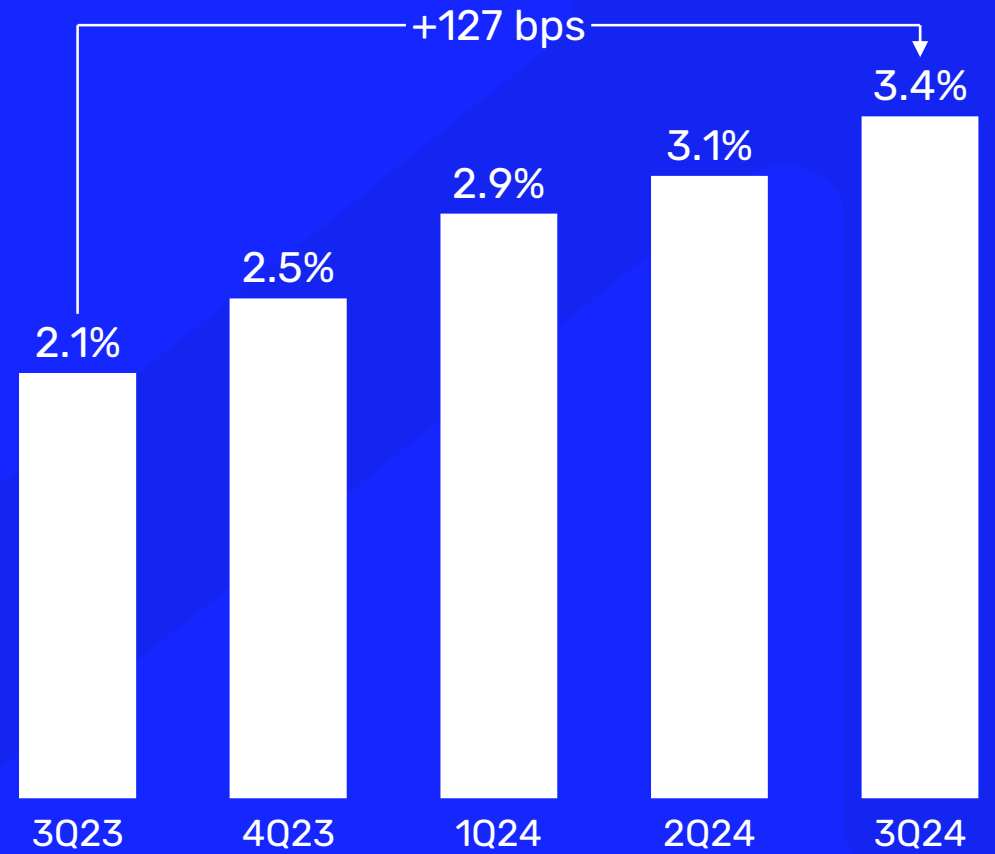
(2) NIM = Net Interest Income for the reference quarter / Average interest-earning assets for the reference quarter and the previous one.

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

ROAE LTM



ROAA LTM





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Talk to IR

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