

BANCO
MERCANTIL

Earnings Release **2025**



TABLE OF CONTENTS



Message from the Board	. 3
Highlights	. 5
Clients	. 6
Credit	. 7
Services	. 11
Funding	. 12
Capital	. 13
Profitability	. 14
ESG	. 15
Balance Sheet	. 16
Income Statement	. 17

MESSAGE FROM THE BOARD



Banco Mercantil is pleased to present, once again in 2Q25, a series of record-breaking results, maintaining a consistent growth trajectory that reaffirms our ongoing commitment to our stakeholders.

The second quarter of 2025 marked the **11th consecutive quarter of record Net Income**, a significant milestone and a testament to the commitment and disciplined execution that have brought us to this point.

Net Income for the quarter reached **BRL 243 million**, representing a 34% increase compared to the same period in the previous year. Return on Average Equity (ROAE LTM) reached **46.0%**, up 8.4 percentage points versus 2Q24. These results reflect the strength of our client-centered business model, which has proven resilient and efficient, despite the non-recurring challenges faced this quarter.

Credit origination totaled **BRL 2.6 billion**, a 20% decline compared to the same quarter in the previous year, largely explained by the new requirement for benefit reactivation via the Meu INSS app, a systemic market shift during 2Q25. Our credit portfolio grew by **24%** year-over-year, closing the quarter at **BRL 19.3 billion** and the Payroll Loans stood out, growing 35% over the same period, reaching **BRL 12.6 billion**.

In 2Q25, we launched Viva, our new news portal designed with our clients in mind. Viva is now the seventh assistance service offered through **Meu+**, reinforcing our 50+ ecosystem. This strategic positioning translated into strong results in Service Revenue, which totaled **BRL 207 million** in the quarter, an 18% increase over 2Q24.

In 2025, our physical branch network expansion includes the opening of **43** new branches, primarily across the Northeast, South, and Southeast regions. Our goal remains to reach more clients through branches designed specifically for the 50+ audience. We also made progress in the adoption of our digital channels, this quarter, **80%** of all credit contracts were originated through our app or via WhatsApp.

A Administração

MESSAGE FROM THE **BOARD**



We continue to expand in a prudent manner, maintaining our conservative capital structure. In 2Q25, we closed the quarter with a Basel III Ratio of **17.1%**, well above the regulatory minimum, and representing a 66 bps increase compared to the previous quarter.

With the first half of the year behind us, we are confident in the execution of our strategy, **centered around our clients**, which is clearly reflected in the results achieved so far this year. We look ahead to continuing this work in the coming quarters, consistently adapting to the evolving landscape and delivering increasingly better solutions for the 50+ audience.

Board of Directors

HIGHLIGHTS

Main Indicators

	2025	1Q25'	Δ	2024	Δ
Net Interest Income (BRL mn)	1,133	1,068	+6%	1,015	+12%
Service Revenue (BRL mn)	207	203	+2%	175	+18%
Net Profit (BRL mn)	243	241	+1%	181	+34%
Total Customers (mn)	9.1	9.0	+1%	8.5	+6%
Number of Employees and Interns	3,600	3,588	+0.3%	3,392	+6%

Credit Portfolio (BRL mn)

	2025	1Q25	Δ	2024	Δ
Payroll Loan	12,594	12,134	+4%	9,298	+35%
Personal Loan FGTS	2,818	2,941	-4%	3,178	-11%
Personal Loan	2,500	2,587	-3%	1,958	+28%
Others	1,367	1,321	+3%	1,059	+29%
Top 10 Debtors (%)	2.07%	2.13%	-6 bps	2.73%	-66 bps
Top 50 Debtors (%)	3.25%	3.36%	-11 bps	4.76%	-152 bps
Top 100 Debtors (%)	3.40%	3.53%	-13 bps	5.14%	-174 bps
Total Portfolio	19,279	18,983	+2%	15,492	+24%

Credit Indicators

	2025	1Q25	Δ	2024	Δ
NPL > 90	2.34%	2.21%	+13 bps	2.00%	+34 bps
Individuals NPL > 90	2.37%	2.25%	+12 bps	2.07%	+30 bps
NPL (15 – 90)	2.61%	1.72%	+89 bps	1.32%	+129 bps
NPL Provision / Credit Portfolio	2.71%	2.29%	+42 bps	2.88%	-17 bps

Profitability Indicators

	2025	1Q25	Δ	2024	Δ
ROAE (LTM)	46.0%	46.4%	-39 bps	37.6%	+8.4 p.p.
ROAA (LTM)	3.4%	3.5%	-4 bps	3.1%	+37 bps
NIM (quarter annualized)	18.1%	18.4%	-26 bps	21.7%	-361 bps

Capital Indicators

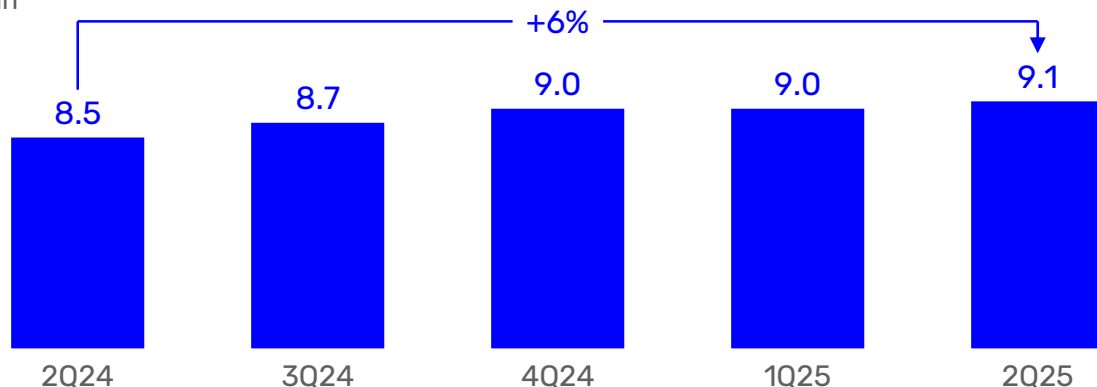
	2025	1Q25	Δ	2024	Δ
Basel III Index (%)	17.1%	16.4%	+72 bps	17.5%	-44 bps
Tier I Capital (%)	14.5%	13.8%	+69 bps	13.7%	+82 bps
Shareholder's Equity (BRL mn)	2,107	1,933	+9%	1,836	+15%
Funding (BRL mn)	25,911	23,701	+9%	18,641	+39%

CLIENTS



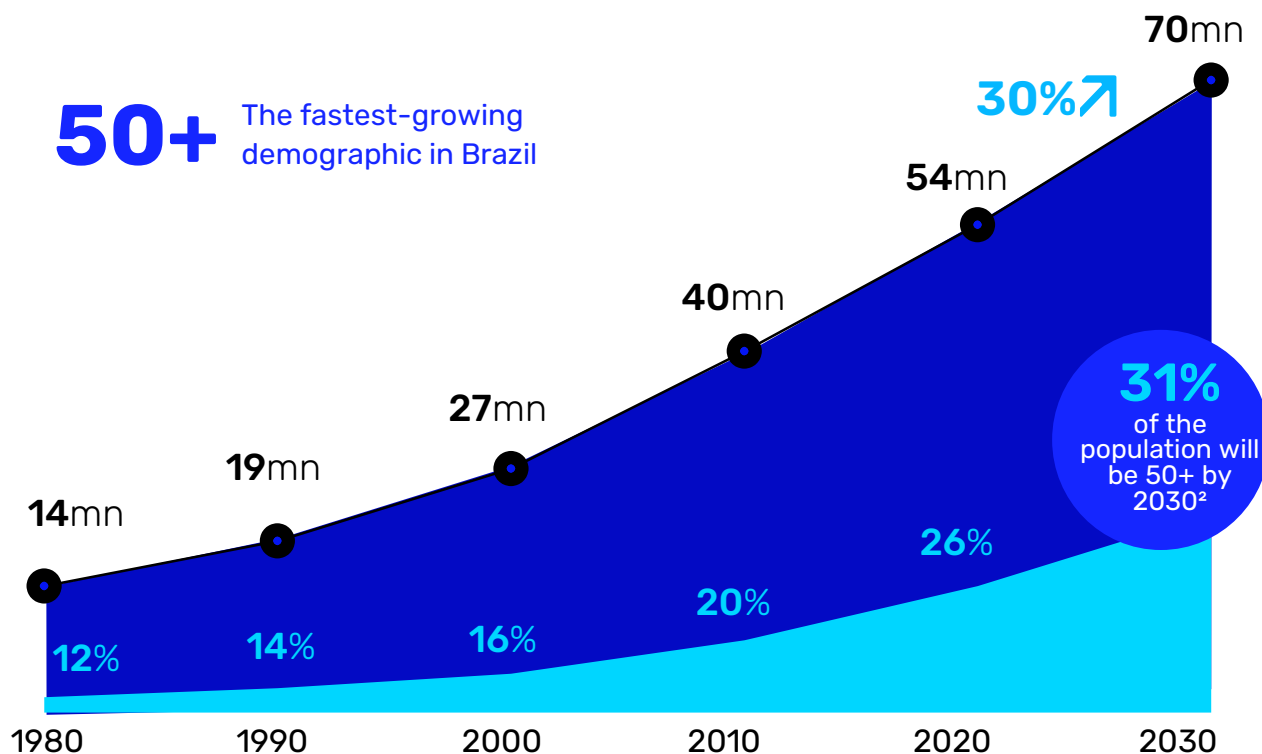
Clients

mn



The second quarter 2025 results reaffirm Banco Mercantil's commitment to being by its customers' side, through a comprehensive, dynamic, and customer-centric relationship model. By the end of the period, the Bank achieved a client base of 9.1 million, representing a 6% increase compared to 2Q24. This growth reflects a stronger focus on meeting customer needs, which in turn drives greater profitability. This strategy has proven successful, as evidenced by a significant increase in revenue from assistance services and an improvement in our NPS.

With an ecosystem designed for the 50+ audience, Banco Mercantil offers a wide range of products and services tailored to meet the needs of this group, which plays a key role in the Brazilian economy, generating approximately BRL 2 trillion per year¹. The relevance of this segment continues to grow in line with the country's demographic trends.

50+The fastest-growing
demographic in Brazil

CREDIT

In the second quarter of 2025, Banco Mercantil’s loan portfolio posted a robust year-over-year growth of 24%. This increase was driven primarily by a strategic focus on INSS Payroll Loans, the main growth engine for the quarter. Remaining committed to prudent and sustainable expansion, Banco Mercantil reinforced its strategy with a strong emphasis on lending to individuals. Payroll Loans and FGTS continued to play a central role in the credit portfolio, jointly accounting for 80% of the total portfolio by the end of 2Q25. In 2Q25, total loan origination was impacted by recent events involving benefit suspensions for INSS recipients, resulting in a 20% decline compared to the same period last year, totaling R\$ 2.6 billion.

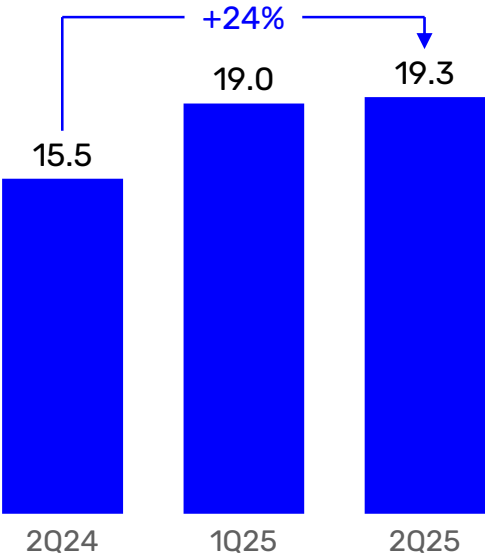
Credit Portfolio

BRL19.3bn +24% ↗

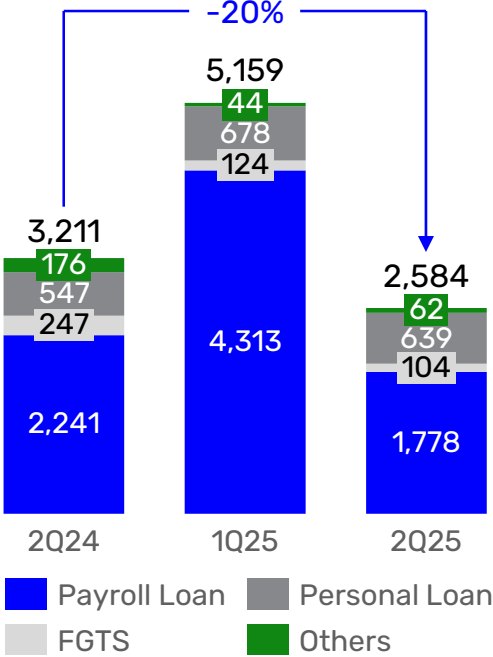
Compared to the same quarter of the previous year

Despite sustained demand for credit, the current scenario has led to lower penetration. By product, Payroll Loan origination reached BRL 1.8 billion, Personal Loans totaled BRL 639 million, and FGTS amounted to BRL 104 million during the quarter.

Credit Portfolio
BRL bn



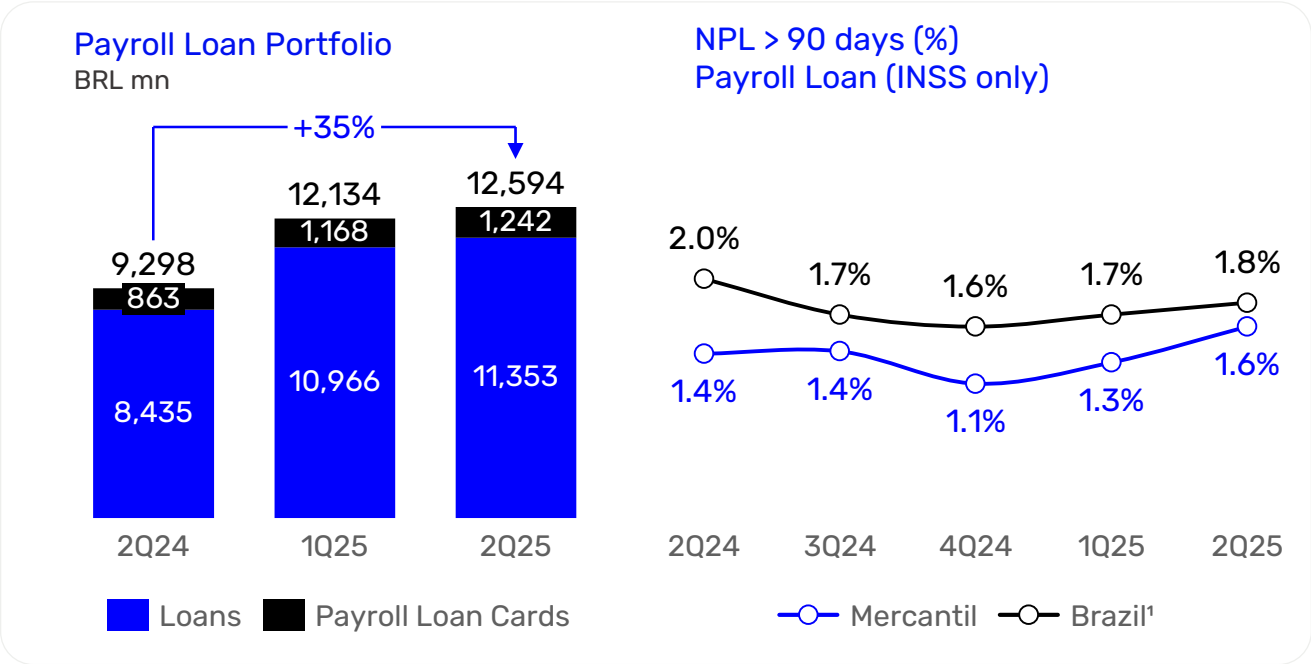
Credit Origination
BRL mn



Payroll Loan Portfolio

Payroll Loans remain the core product within Banco Mercantil’s credit portfolio, supported by the Bank’s high level of specialization and strong market positioning. Banco Mercantil continues to be the 5th largest social benefit payer in Brazil, placing it in a strategic position within the INSS Payroll Loan segment, which accounts for 98% of the Bank’s total Payroll Loan portfolio.

As of the end of the second quarter of 2025, Payroll Loans represented 65% of the Bank’s total credit portfolio, reaching BRL 12.6 billion, a 35% increase compared to the second quarter of 2024



Payroll Loans also play a fundamental role in fostering customer loyalty, helping to build a comprehensive relationship and serving as a gateway to other products and services offered by Banco Mercantil.

In the second quarter of 2025, payroll loan origination was 21% lower than in the same period of 2024, reflecting market conditions that have made it more challenging to originate new contracts. All transactions during the quarter were executed through the Bank’s proprietary channels, a strategic approach that has been done for the past quarters and has contributed significantly to the preservation of operating margins.

Origination Payroll Loan

100%

via own Network

75%

Digital Channels share in 2Q25

Total Payroll Loan Origination

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.

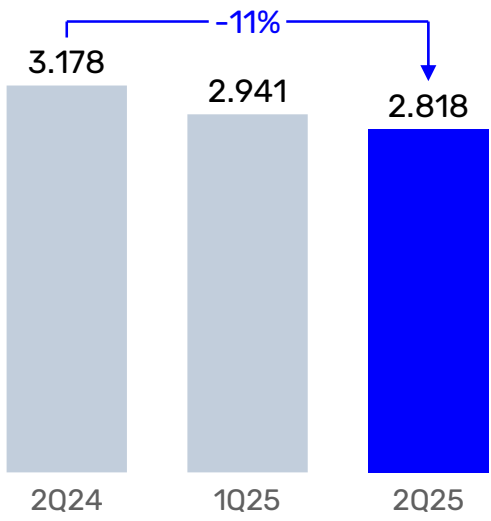
However, it is a product that has been losing depth in the past quarters. In the second quarter of 2025, the FGTS loan portfolio closed at BRL 2.8 billion. Nevertheless, it still accounts for 15% of the Bank’s total credit portfolio.

Personal Loan Porfolio

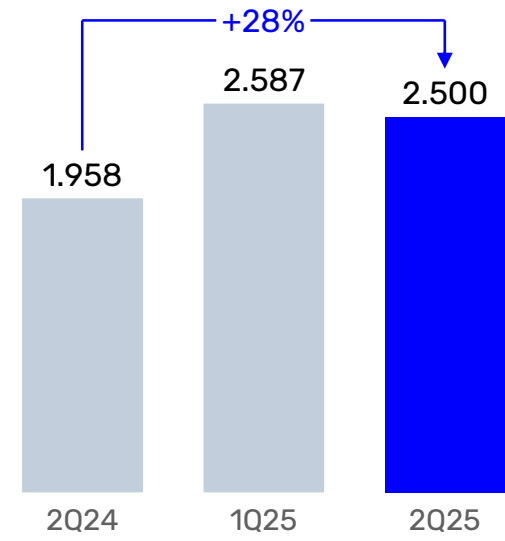
The Personal Loan portfolio plays a complementary role alongside core lending products such as payroll loans. By offering this additional credit solution, Banco Mercantil not only diversifies its product offering but also strengthens client relationships and enhances cross-sell opportunities. Primarily 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.

In the second quarter of 2025, the Personal Loan portfolio reached BRL 2.5 billion, reflecting a 28% increase compared to the same period of the previous year. This balance accounts for 13% of the Bank’s total credit portfolio.

FGTS Portfolio
BRL mn



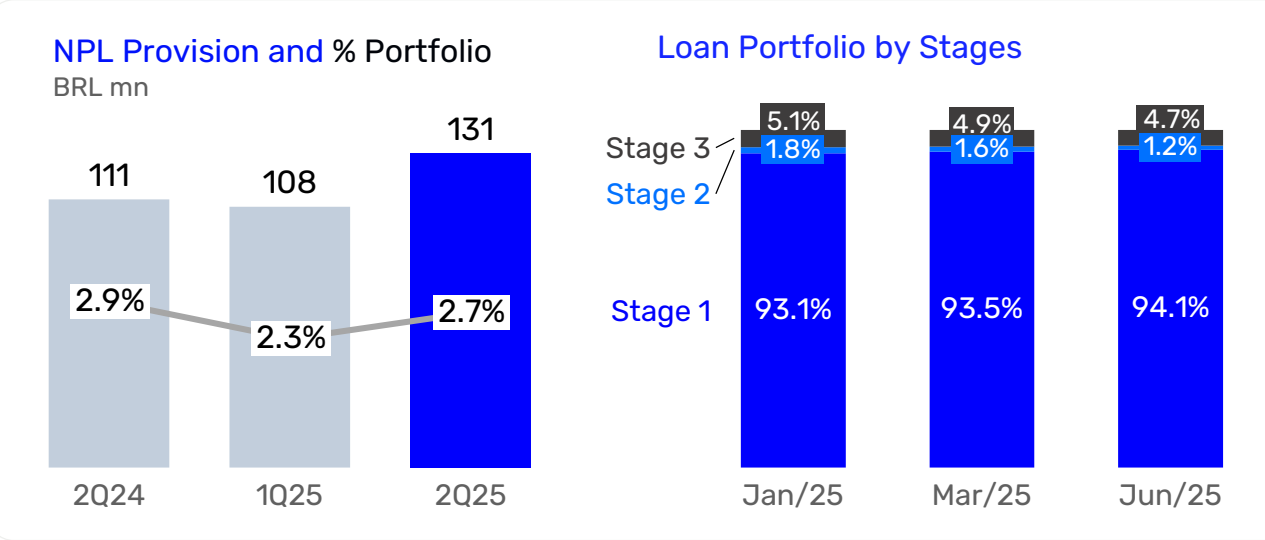
Personal Loan Porfolio
BRL mn



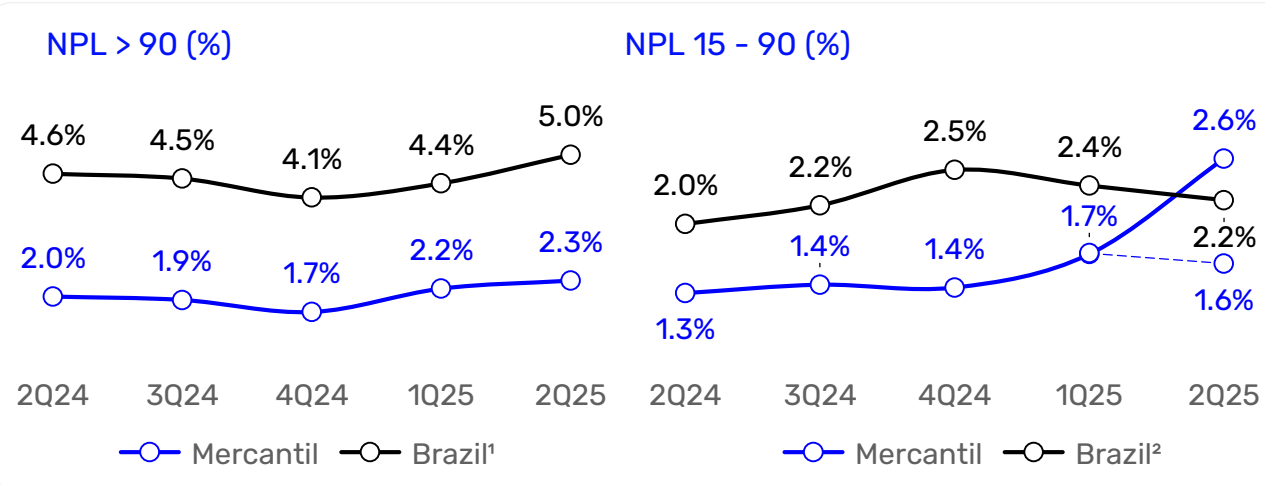
Credit Portfolio Quality

Even after the implementation of CMN Resolution No. 4,966 at the beginning of 2025, Banco Mercantil has continued to uphold a high standard in the quality indicators of its credit portfolio, with a gradual reduction in the share of stage 3 classified loans. As of the end of 2Q25, loans classified as stage 1 and stage 2 accounted for 95.3% of the total credit portfolio.

The cost of credit in the second quarter of 2025 totaled BRL 131 million, which, when annualized, corresponds to 2.7% of the total credit portfolio, a 0.2 percentage point decrease compared to the same period of the previous year.



In the second quarter of 2025, the 90+ day delinquency rate reached 2.3%, representing an increase of 34 bps compared to the same period of the previous year, a rise below that observed in the National Financial System (SFN) during the same timeframe. The NPL between 15 and 90 days, was affected by the new INSS biometric verification process for payroll loan refinancing operations. Excluding this operational factor, the 2Q25 result would have been 1.6%, reflecting an improvement of 10 bps on a quarterly comparison basis.



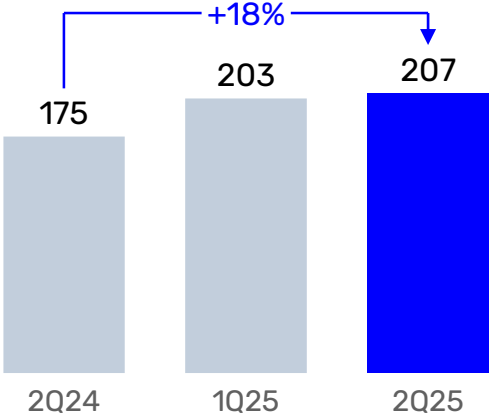
SERVICES

Banco Mercantil continues to expand its portfolio of value-added services, with a strategic focus on the needs of clients 50+. 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, education and news. 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 207 million in the second quarter of 2025, representing an 18% increase compared to the same period of the previous year.

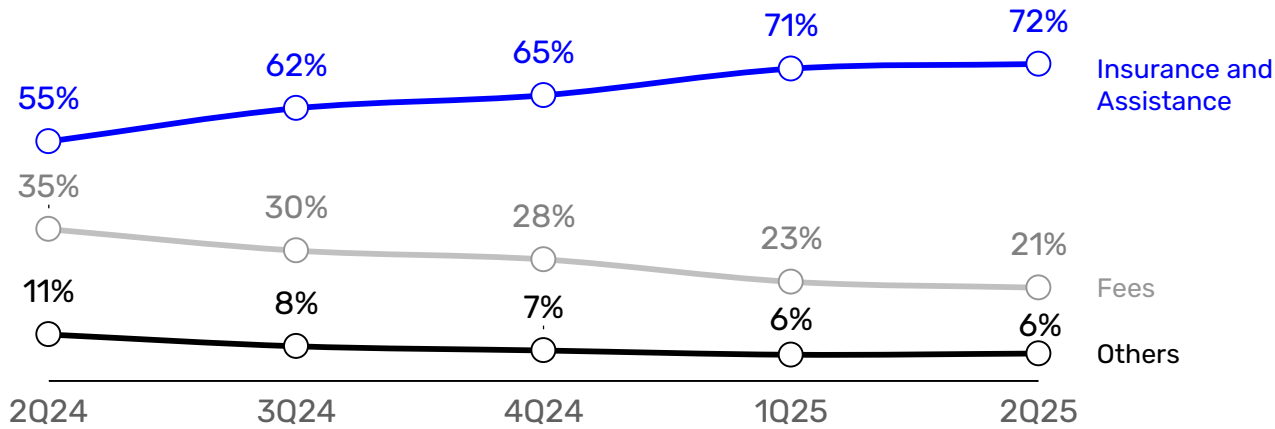
Service Revenue

BRL mn



The composition of Banco Mercantil’s Service Revenue has followed the same trend observed in recent quarters, showing a decrease in the share of fees, which now account for only 21% of the total, and a significant increase in insurance and assistance-related revenues, which now represent 72% of total Service Revenue.

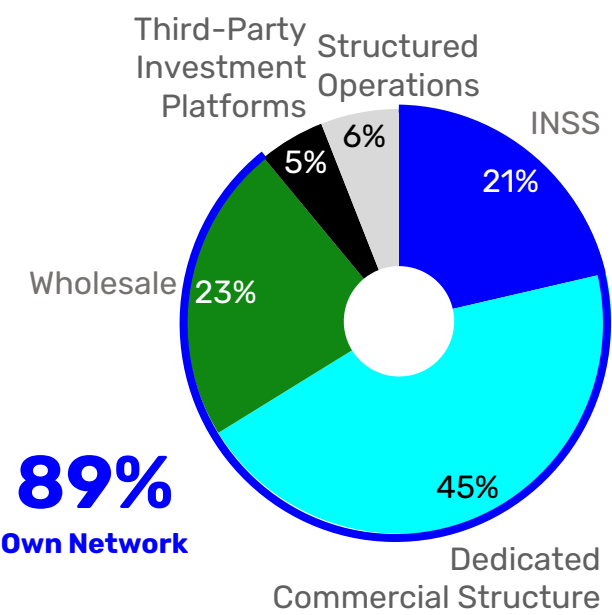
Segment Evolution – Service Revenue



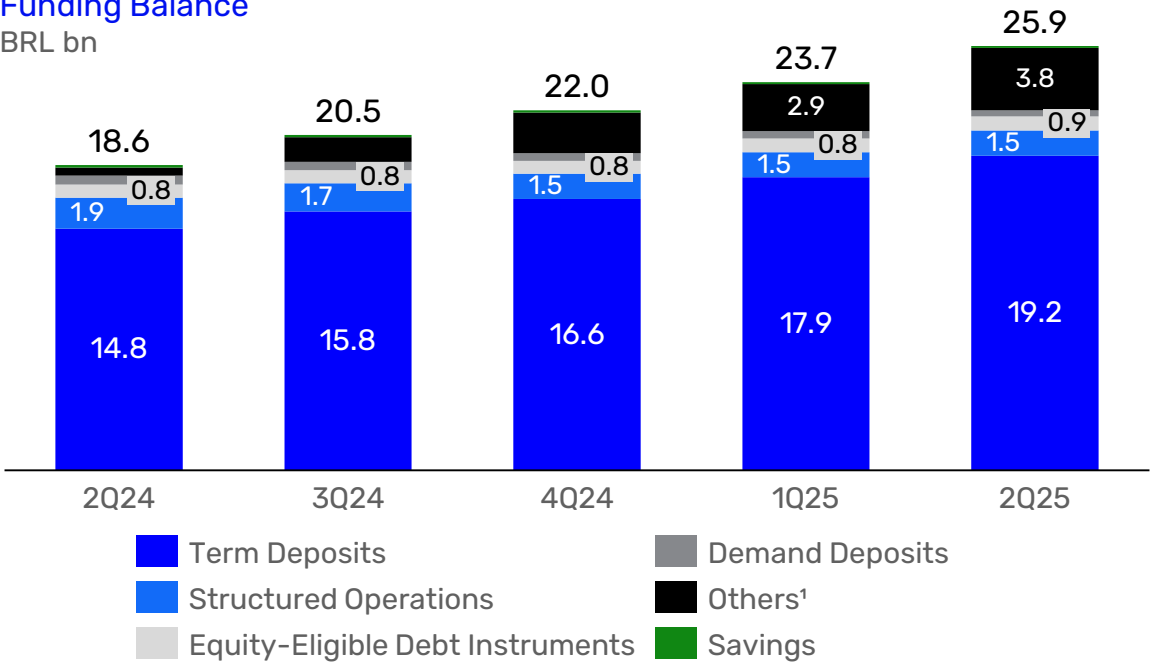
FUNDING

In the first quarter of 2025, Banco Mercantil’s total funding reached BRL 25.9 billion, representing a 39% increase compared to the same period in the previous year. Time deposits remained the main funding source, totaling BRL 19.2 billion and accounting for 74% of the Bank’s total funding base. Banco Mercantil continues to differentiate itself through the diversification of its funding sources. Of the total funding, 21% originated from INSS beneficiary clients, 45% from the Bank’s proprietary commercial network (including time deposits, savings accounts, demand deposits, and structured notes), and 23% from Treasury operations (such as financial bills, DPGE and interbank deposits). Funding sourced through proprietary channels accounted for 89% of the total, supporting the Bank’s ability to maintain a competitive cost of funding at 100.4% of the CDI benchmark rate.

We have taken advantage of recent opportunities to strengthen our long-term funding profile, raising our Net Stable Funding Ratio (NSFR) to 139%.



Funding Balance
BRL bn



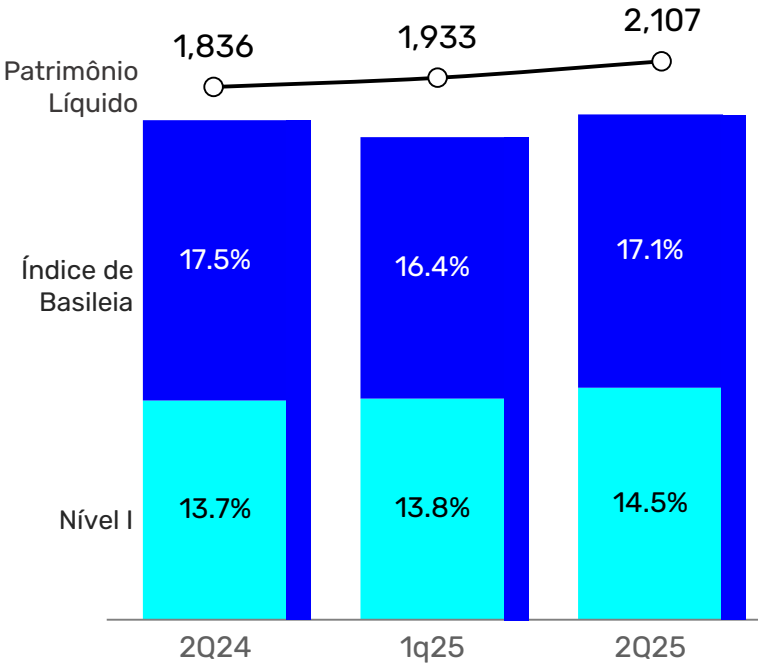
(1) Financial Bills, Agribusiness Letters of Credit (LCA), Real Estate Letters of Credit (LCI), Savings, Interbank Deposits.

CAPITAL

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

At the close of the second quarter of 2025, Banco Mercantil's Shareholders' Equity reached BRL 2.1 billion, a 15% increase compared to the same period in 2024 and a 9% growth over the previous quarter. This evolution reflects the Bank's recent results, which have been incorporated into the Retained Earnings line.

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

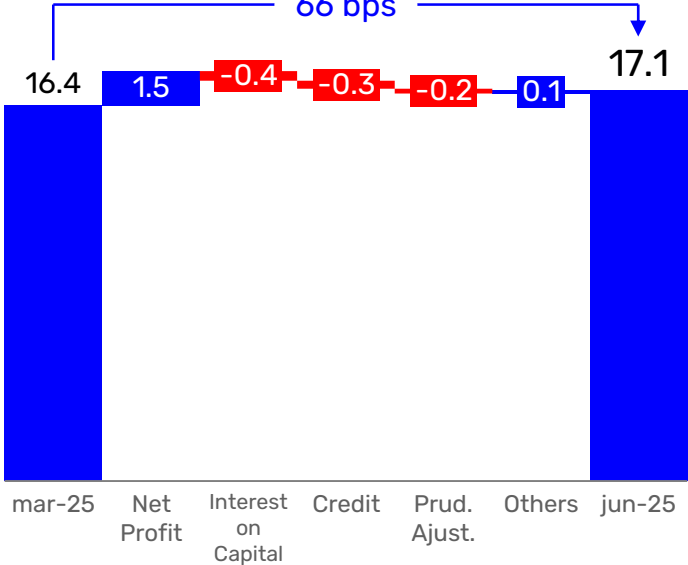


The Basel Ratio increased by 66 bps on a quarterly comparison, reaching 17.1%. This growth reflects Banco Mercantil's position as a secure and well-capitalized institution, maintaining a comfortable buffer above the regulatory minimum.

The Tier 1 Capital Ratio and the Common Equity Tier 1 (CET1) Ratio, key indicators of the Bank's financial strength – also improved in 2Q25, reaching 14.5% and 13.2%, respectively.

The variations in the Basel III Ratio were positively influenced by the Net Income from the previous quarter. However, the expansion of the loan portfolio and the distribution of Interest on Equity (JCP) had a negative impact on the ratio. As a result, the capitalization stood at 17.1%, ensuring the Company's operational soundness and supporting its future growth.

Capital Adequacy Ratio (Basel III) (%)

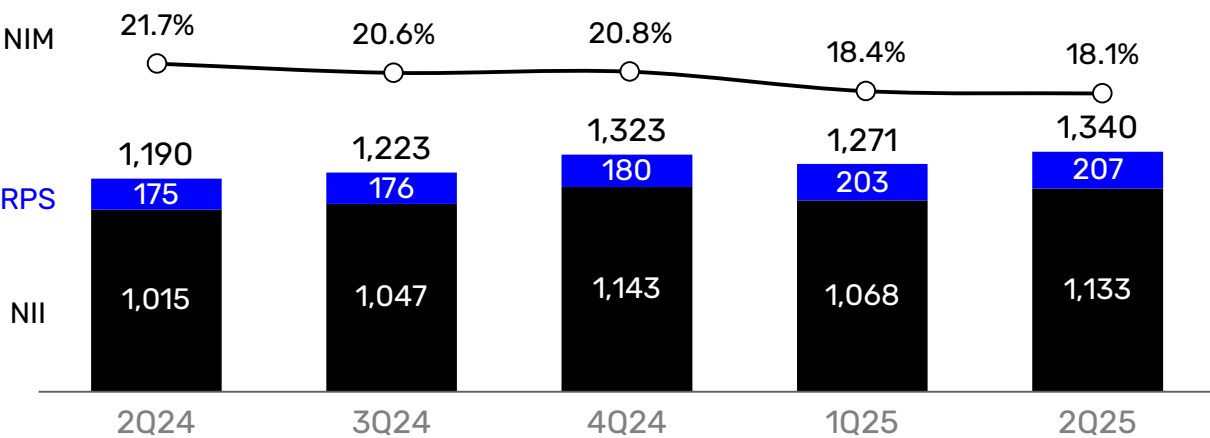


PROFITABILITY

In the second quarter of 2025, Banco Mercantil's Financial Intermediation Result reached BRL 1.1 billion, representing a 12% increase compared to the same period last year. The Net Interest Margin (NIM), however, declined by 361 bps year-over-year, reaching 18.1% in the quarter. This downward trend observed over recent quarters is primarily due to the disproportionate growth of cash and cash equivalents relative to the Bank's other assets.

Total Revenue and Net Interest Margin

BRL mn

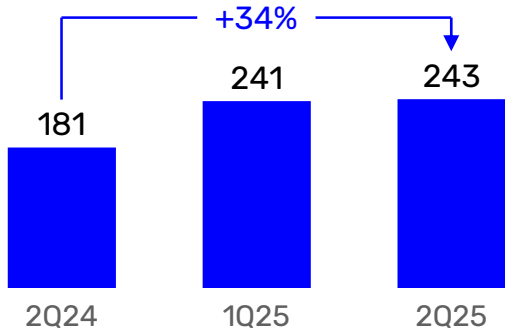


Net Income totaled BRL 243 million in the second quarter of 2025, marking the 11th consecutive record result. This figure represents a 34% year-over-year increase and remained stable compared to the previous quarter. Return on Average Equity (ROAE) reached 46.0% over the last twelve months (LTM), an increase of 839 bps compared to the second quarter of the previous year.

These results reaffirm Banco Mercantil's ongoing commitment to profitability and operational excellence, consistently guided by transparency and close relationships with its clients – the core pillars of its strategy and business model.

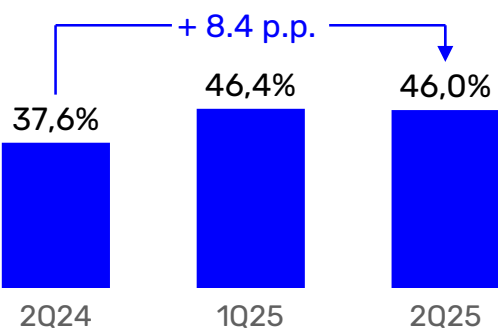
Net Profit

BRL mn



ROAE

LTM, % p.a.





Jardim Sonoro 2025 – Inhotim

Banco Mercantil sponsored the second edition of Jardim Sonoro (July 11 to 13, 2025) at Instituto Inhotim, an event that brings together art, nature, and music, with a focus on exploring the voice in its political, poetic, and musical dimensions. Featuring newly designed stages integrated into the museum’s collection, the festival reinforced Banco Mercantil’s commitment to diversity, cultural inclusion, and the celebration of plural narratives from Brazilian and Indigenous voices.

Artists such as Djuena Tikuna, Luiza Brina, Mônica Salmaso, Cécile McLorin Salvant, Josyara, Tetê Espíndola, Ilê Aiyê, and Brisa Flow showcased regional diversity, promoting culture and entertainment for the senior audience.



Festival Sabiá – “É Moderno Envelhecer”

Sponsored by Banco Mercantil, the 4th edition of Festival Sabiá was held in Belo Horizonte in April 2025 under the theme “**É Moderno Envelhecer**”. The event featured workshops, concerts, theater performances, and panel discussions focused on the 50+ audience.

The theme promoted a reimagining of aging, challenging stereotypes and celebrating the creative protagonists of the silver generation. According to the organizers, “life after 50 is vibrant, transformative, and full of possibilities”.



CLIQUE AQUI
E CONHEÇA OUTRAS
INICIATIVAS.



Balance Sheet

BRL mn

Assets	2025	1Q25	Δ	2024	Δ
Total Assets	29,805	27,148	+10%	21,868	+36%
Loan Operations and Other Credits	19,279	18,983	+2%	14,902	+29%
Short-term Interbank Investments	4,811	2,861	+68%	2,559	+88%
Marketable securities	2,407	2,364	+2%	1,281	+88%
Provision for Expected Losses	(1,039)	(1,093)	-5%	(421)	+147%
Tax Assets	935	919	+2%	694	+35%
Property and Equipment	506	455	+11%	145	+248%
Intangible	189	171	+11%	124	+53%
Other Assets	2,717	2,489	+9%	2,584	+5%
Liabilities	2025	1Q25	Δ	2024	Δ
Liabilities	27,698	25,215	+10%	20,032	+38%
Deposits	20,201	18,926	+7%	15,948	+27%
Funds from Acceptance and Issue of Securities	4,717	3,799	+24%	1,612	+193%
Debt Instruments Eligible to Capital	852	835	+2%	799	+7%
Provisions	318	309	+3%	261	+22%
Tax Liabilities	130	126	+3%	106	+23%
Other Liabilities	1,479	1,219	+21%	1,305	+13%
Equity	2,107	1,933	+9%	1,836	+15%
Capital	807	807	-	807	-
Capital Reserves	43	43	-	43	-
Retained Earnings	344	171	+101%	244	+41%
Revenue Reserves	876	876	-	702	+25%
Others	36	35	+4%	40	-9%

Income Statement

BRL mn

	2025	1Q25	Δ	2024	Δ
Financial Intermediation Revenue	1,964	1,755	+12%	1,465	+34%
Revenue from Credit Operations	1,736	1,586	+9%	1,305	+33%
Income from Securities and Bond Transactions	239	180	+32%	100	+138%
Financial Intermediation Expenses	(831)	(687)	+21%	(450)	+85%
Market Funding Operations	(827)	(684)	+21%	(440)	+88%
Operations for Sale or Transfer of Financial Assets	(4)	(3)	+14%	(10)	-63%
Income from Financial Intermediation	1,133	1,068	+6%	1,015	+12%
NPL Provision	(131)	(109)	+20%	(111)	+17%
Operating Revenues and Expenses	(692)	(645)	+7%	(646)	+7%
Service Revenue	207	203	+2%	175	+18%
Personnel Expenses	(183)	(182)	+1%	(154)	+19%
Administrative Expenses	(321)	(299)	+7%	(271)	+18%
Tax Expenses	(77)	(73)	+5%	(71)	+8%
Other Operating Revenues / Expenses	(257)	(249)	+3%	(280)	-8%
Reversals / Expenses of Provisions	(61)	(45)	+38%	(43)	+42%
Earnings Before Taxation on Profit	310	315	-1%	260	+19%
Income Tax and Social Contribution	(63)	(70)	-10%	(79)	-21%
Participação Minoritária nas Controladas	(5)	(4)	+18%	(1)	+714%
Net Profit	243	241	+1%	181	+34%

Shareholding Structure

As of June 30, 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



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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.

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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 the following quarters reflects a new methodological basis and may present comparability limitations with previous periods.



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Talk to IR

Investor Relations

Gustavo Araújo *CEO*

Paulino Rodrigues *CFO and IR*

Leonardo Ferraz *Investor Relations
Manager*

Josias de Matos *Investor Relations
Analyst*

Rafael Castro *Investor Relations
Analyst*

Contact

ri.bancomercantil.com.br

ri@mercantil.com.br