

Great
Place
To
Work®

Melhores Empresas
Para Trabalhar
Minas Gerais

BRASIL

2019

**MERCANTIL
DO BRASIL**
Compromisso com você.

Institutional Presentation

1st Semester of 2019

Overview

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TIMELINE



Banco Mercantil de Minas Gerais Foundation - Curvelo/MG.

1940



1968 - Banco Santa Cruz e Banco Metrópole acquisition.

1960



It consolidates in MG and is recognized in the banking and financial sectors Nationwide.

1980



Institutional Solidity, Social and Environmental Responsibility, service providing excellence are recognized and valued.

2000



New business opportunities for Banco Mercantil de Investimentos.

2016

1950

1953 - Araújo Family takes over BMMG.
1955 - Incorporation of Banco Industrial de Minas Gerais.



1970

Banco Industrial de Campina Grande and Mercantil do Brasil acquisition. It becomes known as Banco Mercantil do Brasil.



1990

1999 - Revitalization of Visual Identity and branches network.



2014

2009 / 2014 INSS Payroll auction winner in MG and SP countryside. Focus on INSS Beneficiaries service.



2018

ISO 9001 Certification for the main Branch - quality of service proved.



Corporate Governance



CONTROLLING GROUP
ON: 57,6%
PN: 23,8%

SHAREHOLDERS' MEETING

Free Float
ON: 42,4%
PN: 76,2%

BOARD OF DIRECTORS

Audit Committee

Compensation Committee

Board of Auditors

DIRECTIVE COMMITTEE

PRESIDENT

VICE-PRESIDENT

VICE-PRESIDENT

VICE-PRESIDENT

VICE-PRESIDENT

EXECUTIVE VICE-PRESIDENT

Controllershship

Credit and Credit
Management

Technology and
Infrastructure

Commercial
INSS

Commercial Individuals
and Companies

Finance, Investor
Relations and
Marketing

Products and
Ombudsman

Development and
Business Support

EXECUTIVE COMMITTEE

Internal
Audit Board

Management Board,
Compliance and Risks

Payroll Operations and
Vehicle Financing

Retail

Companies

Finance

Loans

High Credit
Committee

Corporate

IT

Ethical Conducts

AML

Compliance and
Internal Controls

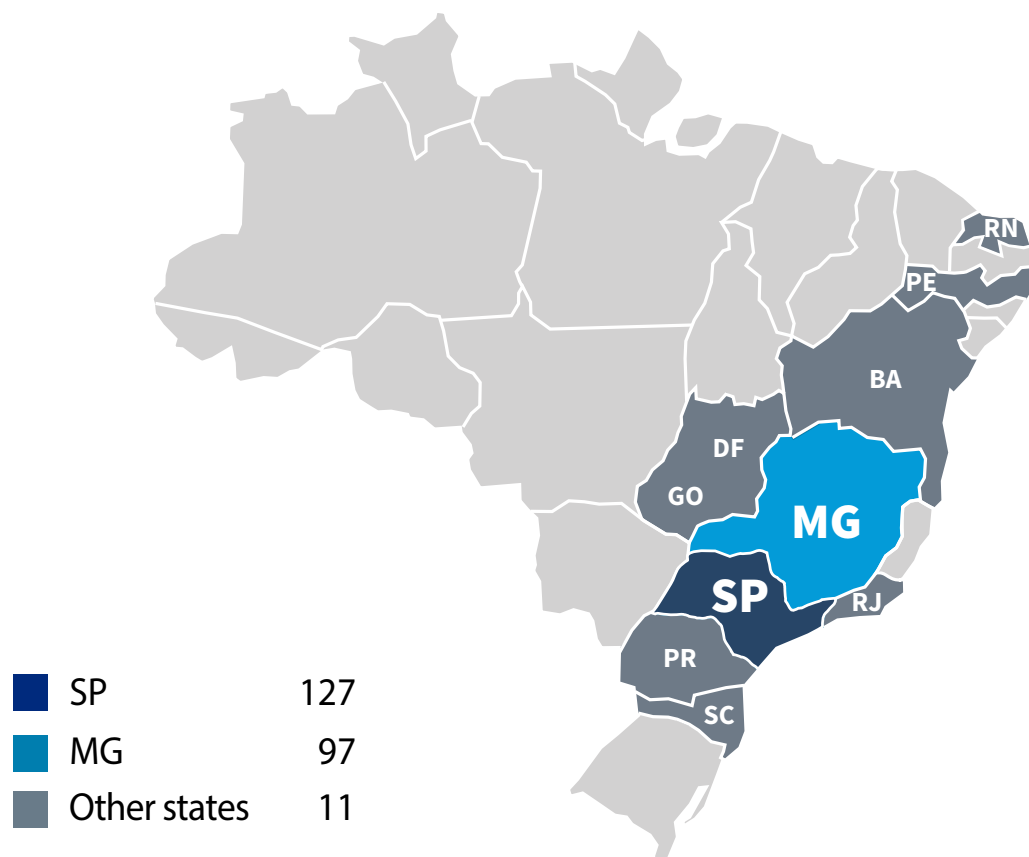
Products

Risks

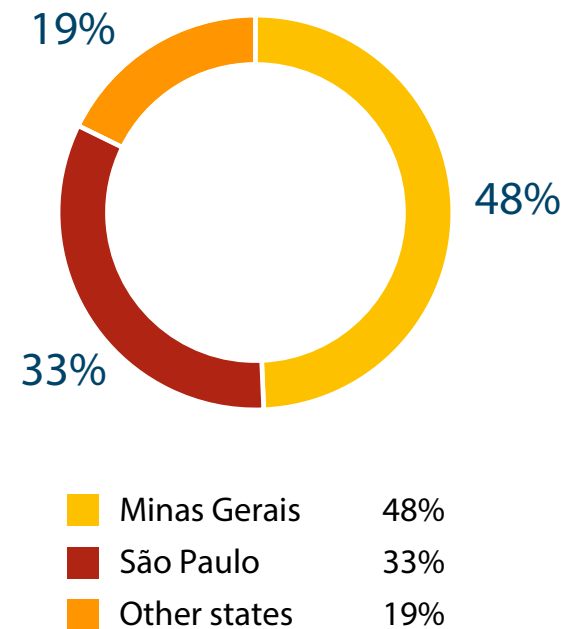
Service

Advisory
Committee

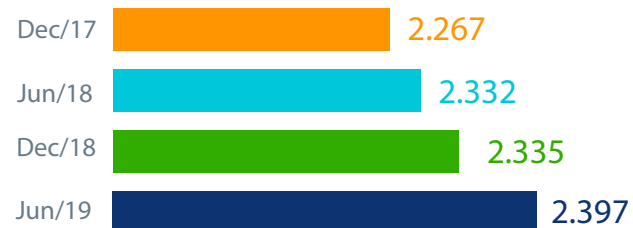
235 BRANCHES IN BRAZIL



LOAN PORTFOLIO'S REGION DISTRIBUTION



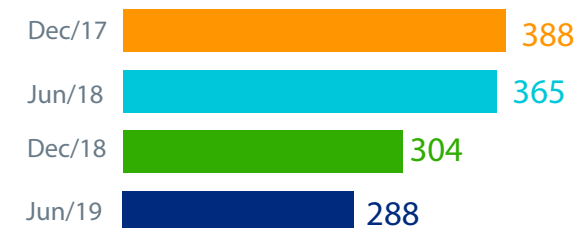
CLIENT BASE - TOTAL



#CLIENTS - BRANCHES NETWORK



#CLIENTS - CORRESPONDENT AGENTS

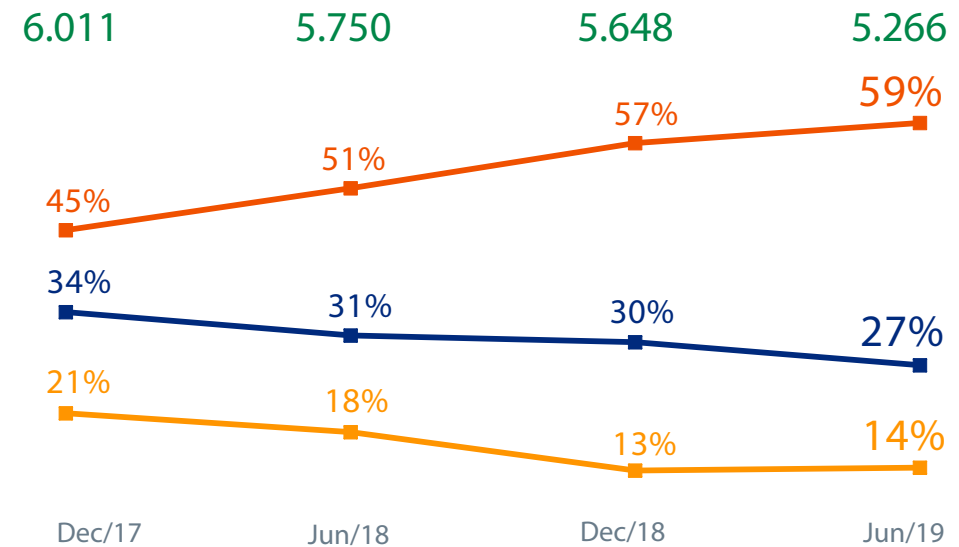


HALF-ANNUAL EVOLUTION

R\$ MM

- Loan Portfolio
- Companies
- Individuals - Branch Network
- Individuals - Correspondent Agents

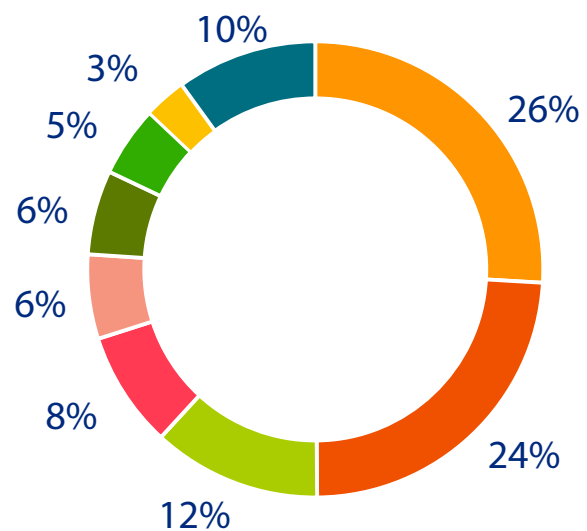
	Loan Portfolio	Δ (YoY)
Companies	R\$ 1.427	- R\$ 360
Individuals	R\$ 3.839	- R\$ 130



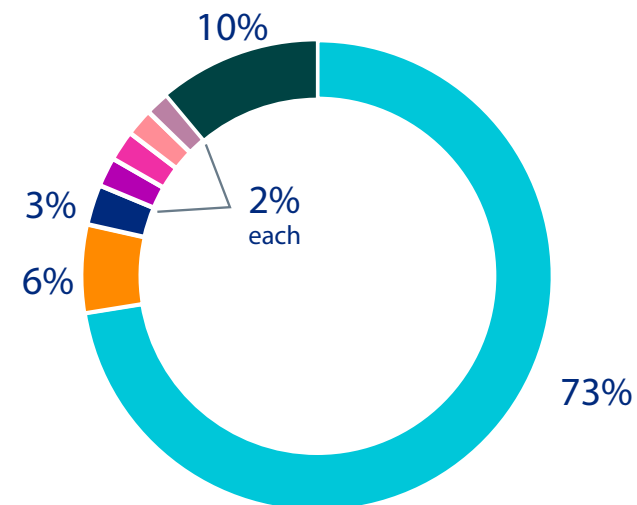
Loan Portfolio Breakdown - R\$ 5.266 MM



PRODUCTS



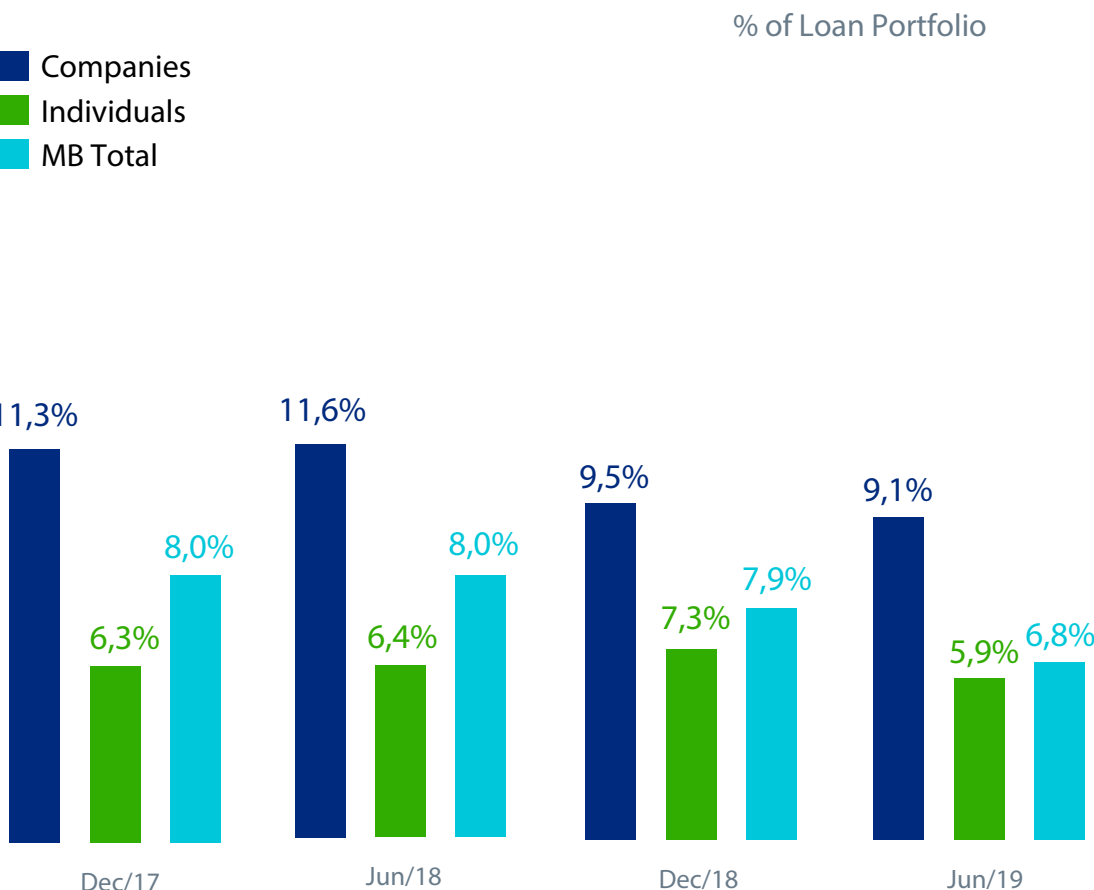
BY SECTOR



Payroll Loans - INSS (Brazilian Social Security System)	26%	Renegotiation	8%	Payroll Loan - Credit Card	5%
Personal Loans - Account Debt	24%	Rural Loans	6%	Personal Loans	3%
Working Capital	12%	Public Payroll Loans	6%	Other Products	10%

Individuals	73%	Biofuel and Sugar	2%	Building Material	2%
Engineering	6%	Services	2%	Other Sectors	10%
Passenger Transportation	3%	Financial Activities	2%		

DELINQUENCY RATIO Over 90 days



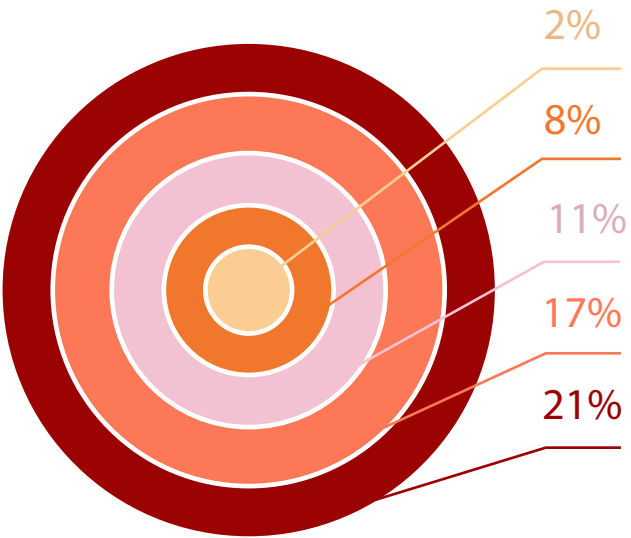
ASSETS AND LIABILITIES MANAGEMENT

Months

POSITIVE GAP between loan portfolio and funding

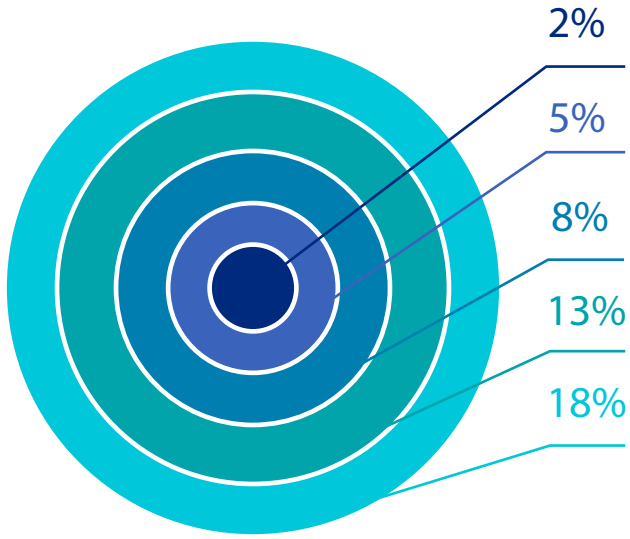
	Dec/17	Jun/18	Dec/18	Jun/19
Loan Portfolio	15,5	14,9	18,6	17,0
Average Term of Permanence		Jun/18	Dec/18	Jun/19
CDB	21,2	22,7	21,9	22,9

LARGEST DEBTORS



TOP 1	2%	TOP 50	17%
TOP 10	8%	TOP 100	21%
TOP 20	11%		

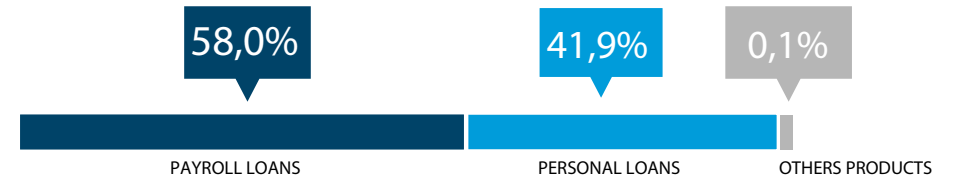
LARGEST DEPOSITORS



TOP 1	2%	TOP 50	13%
TOP 10	5%	TOP 100	18%
TOP 20	8%		

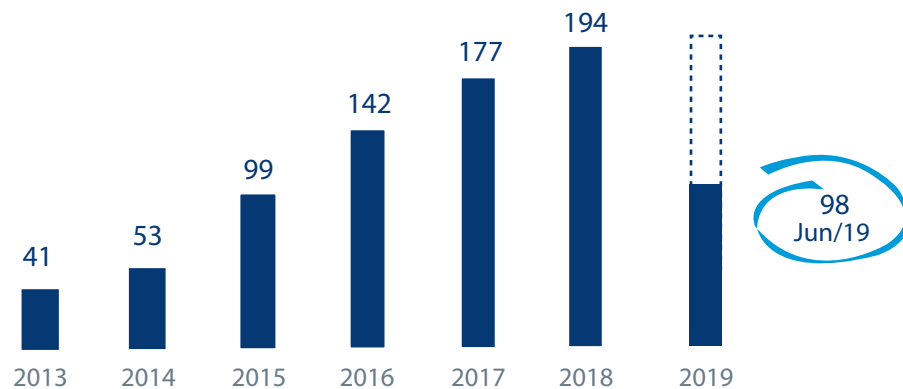
TOTAL LOAN
PORTFOLIO

R\$ 3.255
MM



SERVICE INCOME

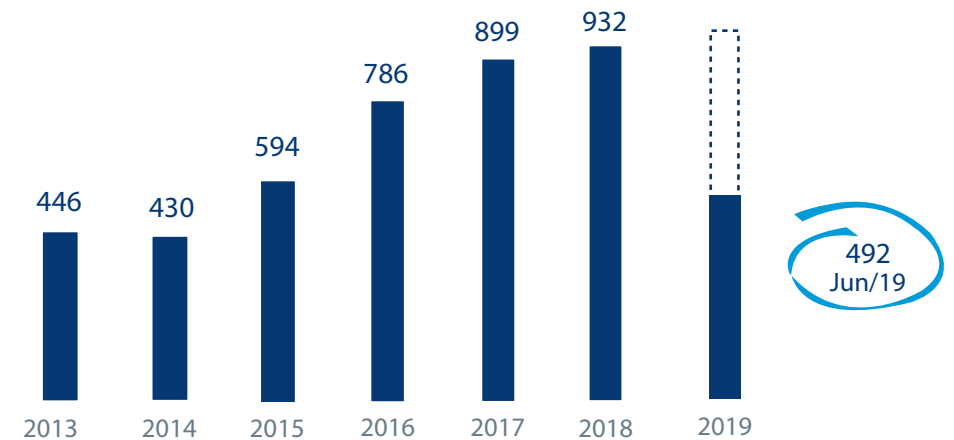
R\$ MM



Simple annualization for comparative effect.

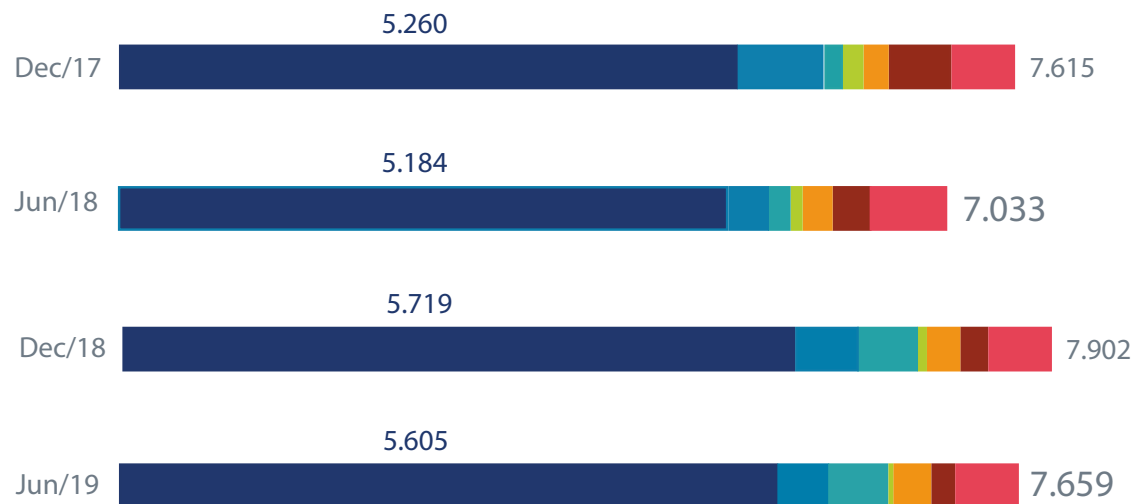
FINANCIAL INTERMEDIATION INCOME

R\$ MM



Simple annualization for comparative effect.

FUNDING COMPOSITION



- CDB
 - DPGE I and II
 - Demand Deposit, Saving Account and Interbank Funding
 - Credit Assignment
 - LFS*
 - LF, LCA and LCI
 - Securities Issued Abroad
- * Subordinated Bills Tier I - R\$ 313 MM
Perpetual Credit Bill - R\$ 17 MM

FUNDING COST



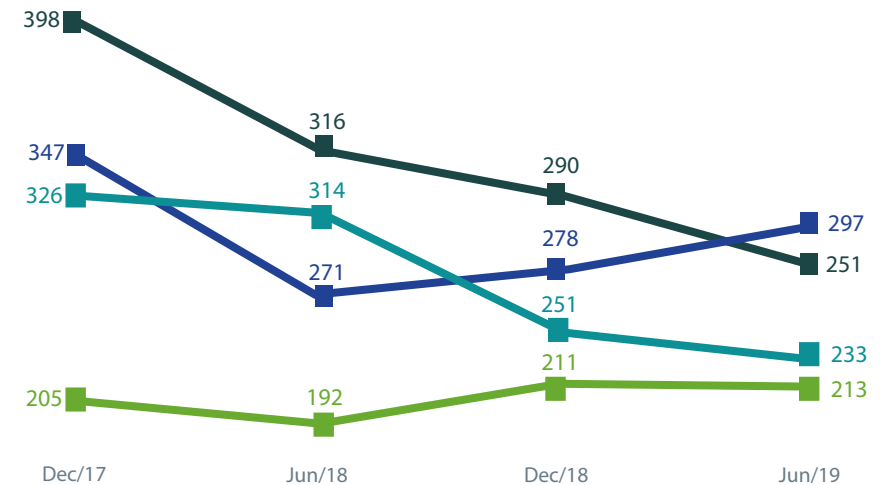
INCOME

	R\$ MM		
	Jun/18	Jun/19	Variation (%)
Financial Intermediation*	1.187	1.020	-16,4%
Services Income	135	134	-1,0%

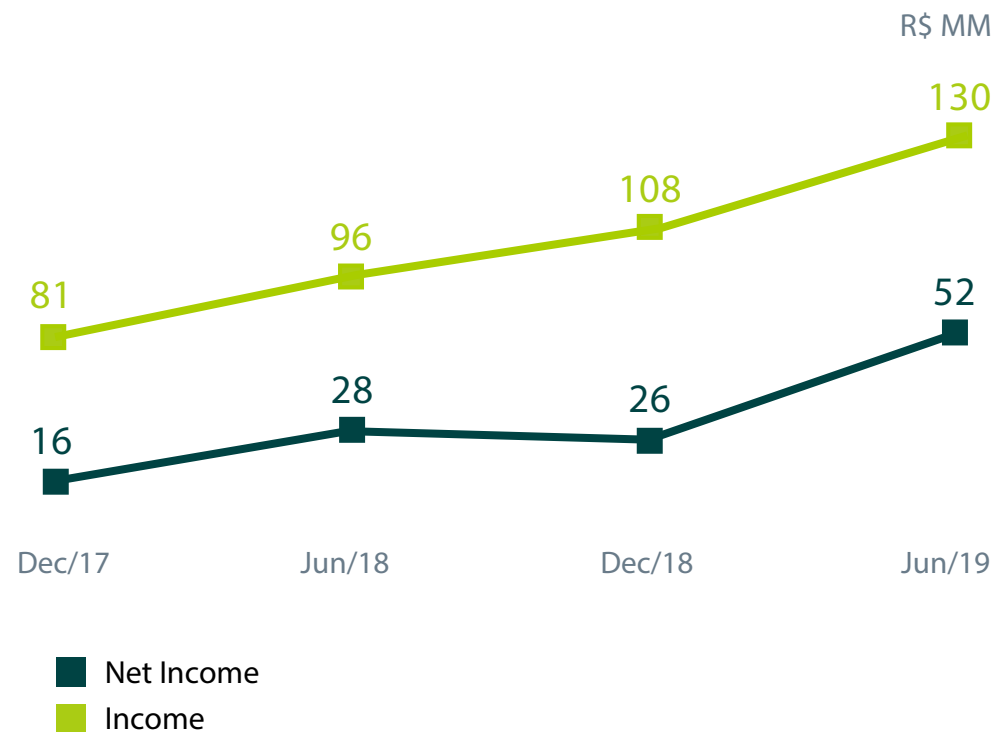
*Excluding income from credit assignment without risk retention.

EXPENSES

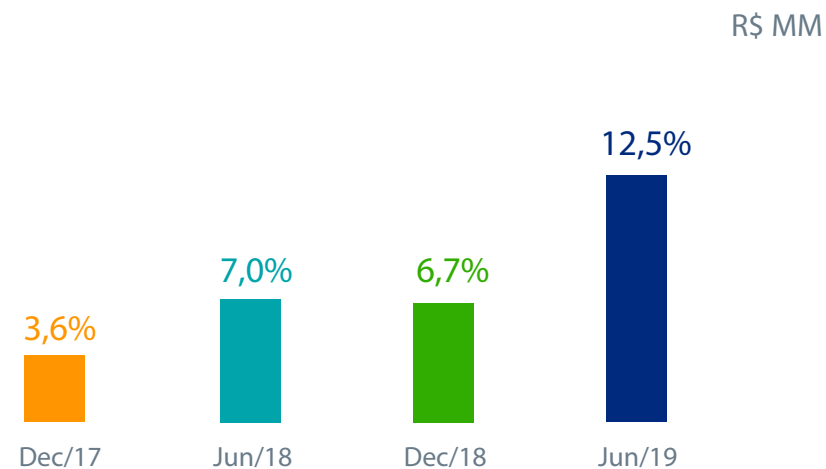
	Δ (YoY)	R\$ MM
Allowance for Loans Losses	- 20,5%	
Funding	- 25,8%	
Personnel	10,9%	
Administrative	9,6%	



RESULTS



ROAE Linear annualization



BASEL RATIO



Jun/19	R\$ (Thousand)
Shareholder's Equity	850.253
Regulatory Capital	1.033.990
Tier I	693.142
Tier II	340.848

RATING

		PERSPECTIVE
Standard & Poor's (Domestic)	brBBB	Positive
Fitch (Domestic)	BB(bra)	Stable
Moody's (Global)	Caa1	Negative
Riskbank	8,29	-

DOMO DIGITAL



INTEGRATION'S CENTER WITH INNOVATION COMPANIES / STARTUPS



TECH INVESTMENT



100% DIGITAL
ACCOUNT OPENING



MEL - NEW VIRTUAL
ASSISTANT



OBJECTIVE

To give Minas Gerais companies access to Structure Capital Market Products (DCM, M&A and Corporate Finance).



UNIQUE SUPPORT
Mercantil do Brasil structure and relationship with major clients and investors.



EXPERIENCED TEAM

Professionals with proven track record in M&A and Capital Market transactions.

OPERATIONS PERFORMED

 DEBÊNTURES R\$ 140MM SANITATION CAMPAIGN OF THE MINAS GERAIS STATE SET . 2016 CO-MANAGER	 DEBÊNTURES R\$ 20MM TECHNOLOGY AND TELECOMMUNICATIONS MAY . 2017 LEAD MANAGER	 PROMISSORY NOTES R\$ 620MM POWER GENERATION AND TRANSMISSION OCT . 2016 CO-MANAGER	 FINANCIAL DEBÊNTURES R\$ 100MM FINANCIAL INSTITUTION JAN . 2018 LEAD MANAGER	 CRI - CERTIFICATE OF AGRI-BUSINESS REAL ESTATE R\$ 35MM PPP HOUSING GOVERNMENT OF THE SÃO PAULO STATE DEC . 2018 LEAD MANAGER
 DEBÊNTURES R\$ 27MM CEMIG TELECOM MAY . 2017 CO-MANAGER	 FIDC - CREDIT RIGHTS INVESTMENT FUND R\$ 120MM FINANCIAL INSTITUTION MAR . 2018 LEAD MANAGER	 PROMISSORY NOTES R\$ 400MM DISTRIBUTION MAY . 2018 CO-MANAGER	 CRA - CERTIFICATE OF AGRI-BUSINESS RECEIVABLES R\$ 40MM AGRICULTURAL ENTERPRISES AUG . 2018 SPECIAL PARTICIPANT	 FII - REAL ESTATE INVESTMENT FUND R\$ 30MM URBAN DEVELOPMENT DEC . 2018 LEAD MANAGER
 CRA - CERTIFICATE OF AGRI-BUSINESS RECEIVABLES R\$ 19MM GRAIN TRADING MAY . 2019 SPECIAL PARTICIPANT	 CRI - CERTIFICATE OF AGRI-BUSINESS REAL ESTATE R\$ 68MM PORT TERMINALS JUN . 2019 SPECIAL PARTICIPANT	 CRA - CERTIFICATE OF AGRI-BUSINESS RECEIVABLES R\$ 50MM AGRICULTURAL ENTERPRISES JUL . 2019 SPECIAL PARTICIPANT	 CRI - CERTIFICATE OF AGRI-BUSINESS REAL ESTATE R\$ 326MM REAL ESTATE DEVELOPER JUL . 2019 SPECIAL PARTICIPANT	

Responsable Care

THE PUSH THAT MOVES SPORT, CULTURE AND CITIZENSHIP

SPORT



- Cabeça de Prata
 - Desenvolvimento e Formação de Atletas - Minas Tênis Clube
- (Athletes development project sponsorship)

CULTURE



- Orquestra Jovem Sinfonia de Betânia (Musical initiation education project)
- Cine Vida
- Circo no Querubins (Circus classes)
- Festival Sabiá

CITIZENSHIP



- Campanha Doar Faz Bem (Charity drive)
- MB Consciente Ambiental (MB Environmental Conscious)
- MB Doação de Sangue (MB Blood Donation)
- MB Educação Financeira (MB Financial Education)

INVESTOR RELATIONS TEAM

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GUSTAVO ARAÚJO



ALCEU ALBUQUERQUE



MARINA MIRANDA



ANA RAQUEL



LUIZ VIEIRA



RONAN COUTO

INSTITUTIONAL INVESTORS



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THANK YOU!

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**Great
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Certificado
22/01/2019 - 22/01/2020
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