

INSTITUTIONAL PRESENTATION

2021 *1st
QUAR
TER*

MERCANTIL
DO BRASIL

AGENDA

BANK 50+ *Clients, Products and Channels*

**TECHNOLOGY &
INNOVATION**

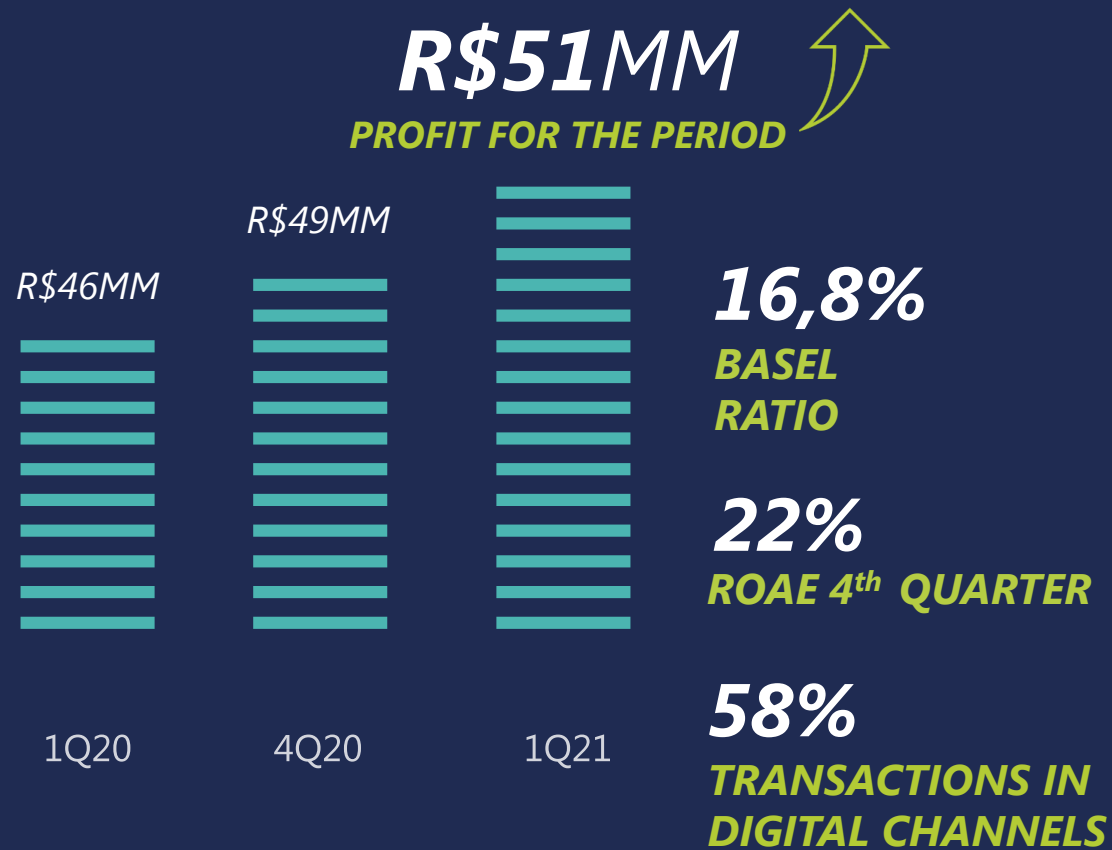
ESG *Environmental, Social and Governance*

MERCANTIL IN NUMBERS

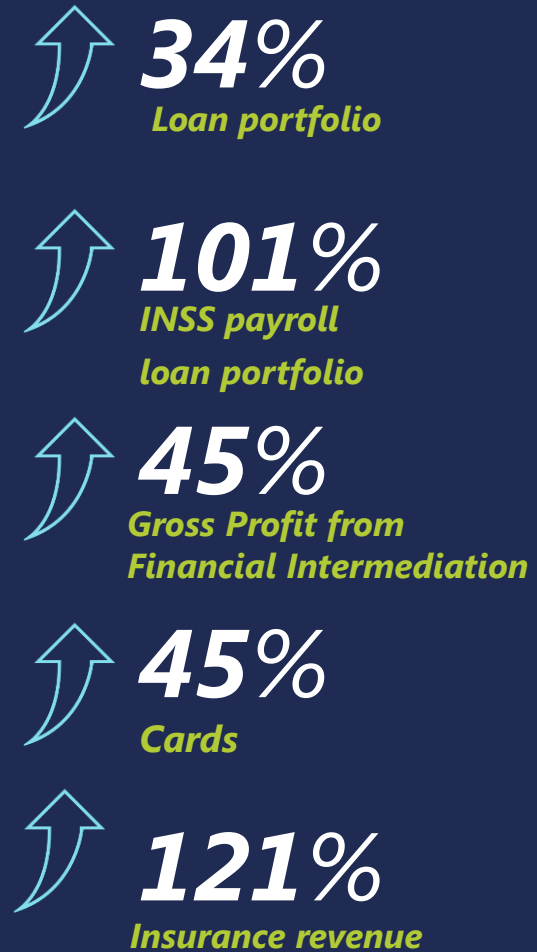
ANNEX



HIGHLIGHTS 2021



1Q20 x 1Q21



A middle-aged man with grey hair, wearing a blue athletic t-shirt and white earbuds, stands in a park. He is smiling slightly and looking towards the camera. The background shows trees and a park bench, slightly out of focus.

50+

BANK

**CUSTOMERS,
PRODUCTS
AND CHANNELS**



50+ BANK

31% OF THE POPULATION
WILL BE OVER 50
YEARS OLD IN 2030
Source: IBGE

50+ Brazilian Population

2020 54_{MM} 2030 70_{MM}

Brazilian Population

2020 212_{MM} 2030 225_{MM}

2.7MM

Costumer base

NPS > 70% EXCELLECE
ZONE

8.1 RECLAME AQUI

+8 OMBUDSMAN
QUALITY
RANKING

50+ BANK

74% OF THE CURRENT
CUSTOMER BASE

89% OF TOTAL
LIFETIME
BENEFICIARIES

WE SOUGHT TO BE RECOGNIZED
AS THE BEST FINANCIAL
ECOSYSTEM FOR THE 50+ PUBLIC



50+ PRODUCTS

PENETRATION PERCENTAGE

37%

Payroll loan

17%

Personnal Credit

36%

Insurance

*Life
Property/Casualty*

27%

Credit Card

62%

Debit Card

36%

Investments

*CDB
DPGE
Funds
Bills*

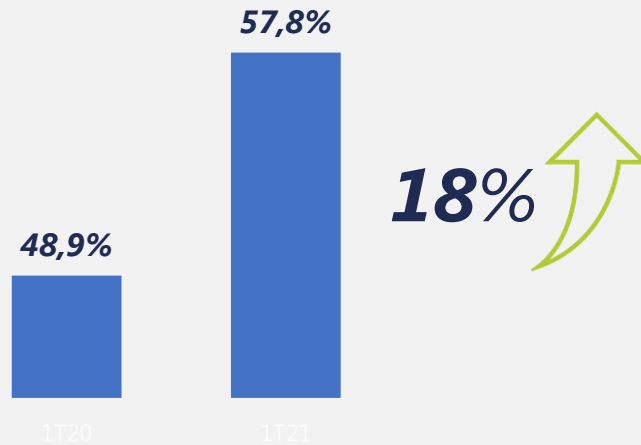
CROSS-SELLING

5 *Products per customer
on average*



OMNICHANNEL CONNECTION

TRANSACTIONS VIA APP



DIGITAL ACCOUNTS

Growth of **380%** opening of digital accounts through the APP



A close-up, slightly low-angle shot of a young Black man with a bright smile, looking upwards and to the right. He is wearing a multi-colored plaid button-down shirt. The background is a blurred indoor setting, possibly an office or a modern home. The overall tone is positive and forward-looking.

TECHNOLOGY & INNOVATION



TECHNOLOGY AND INNOVATION



MEL
virtual
assistant for
customers



MIX
PIX
mascot



MAX
virtual assistant
for employees

R\$137MM

Budget for innovation projects

47%

increase
in technology
investment

10%

additional
reduction in total
fixed IT cost

63%

reduction
in lead time



HUGO
accessibility
virtual
assistant

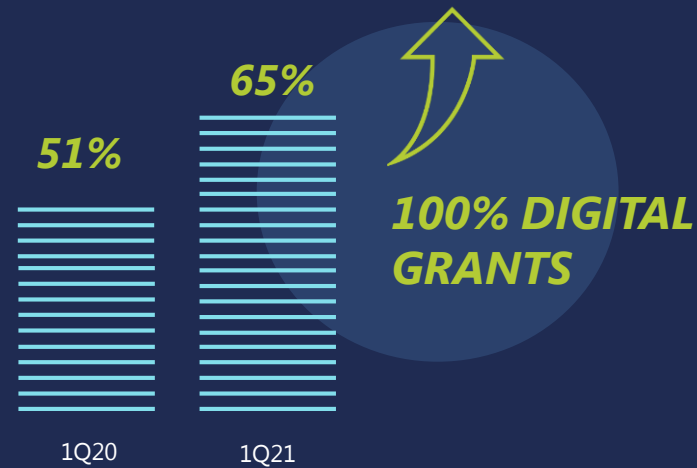


MB DIGITAL

DIGITAL GRANT

Of the 2.23 billion loans granted by Mercantil, more than 90% were calculated through advanced analytics.

65% of the grants were digitally formalized.



**R\$ 183 MM
App**

**R\$ 30 MM
Whatsapp**

DIGITAL CORRESPONDENT

In March 2021 we launched **meuMB**: A digital platform developed especially for our correspondents to offer payroll loans in an interactive, agile and secure way.

The entire process is online, with the customer's electronic signature.



**REDUCTION
IN SIGNATURE
TIME**

% Proposals signed
within 1 hour



WE BELIEVE IN

ESG



Governance

90% of employees attended the MB Code of Ethics training



Índice de Ações com Governança Corporativa Diferenciada **IGC**



Social

Diversity and inclusion

Female participation: 55% of customers, 42% of employees and 33% of the executive board

Participation in the Discover Programa

Support for initiatives in the spheres of culture, sports and citizenship

MB Financial Education – Banking

Environmental

Waste management/ Selective garbage collection.

Paperless stores – saving 120 metric tons of paper

By the end of 2021, we will have 80% of the MB units served through clean energy generation (photovoltaic / CGH).

2018-2021

Total reduction of 1,654 metric tons of CO2 released into the atmosphere.



PURPOSE AND VALUES

WE LIVE THE CUSTOMER

Our reason to exist

PEOPLE IS OUR DRIVING FORCE

- *Our simplicity brings people closer*
- *We foster long-lasting relations*
- *We value the well-being of a balanced life*

SIMPLE AND CLOSE

Your bank of choice and trust

DIFFERENCES ARE A PLUS

- *We promote inclusion and diversity*
- *Different views render best yield better deliveries*
- *We share experiences and knowledge*

SPARKLE IN THE EYES

- *Our passion is overwhelming*
- *We inspire by setting the tone*
- *We are committed to getting things done!*

AN AWARE RESULT IS A SUSTAINABLE ONE

- *We innovate with simplicity and efficiency*
- *We overcome each challenge*

ETHICS ALWAYS



MERCANTIL IN

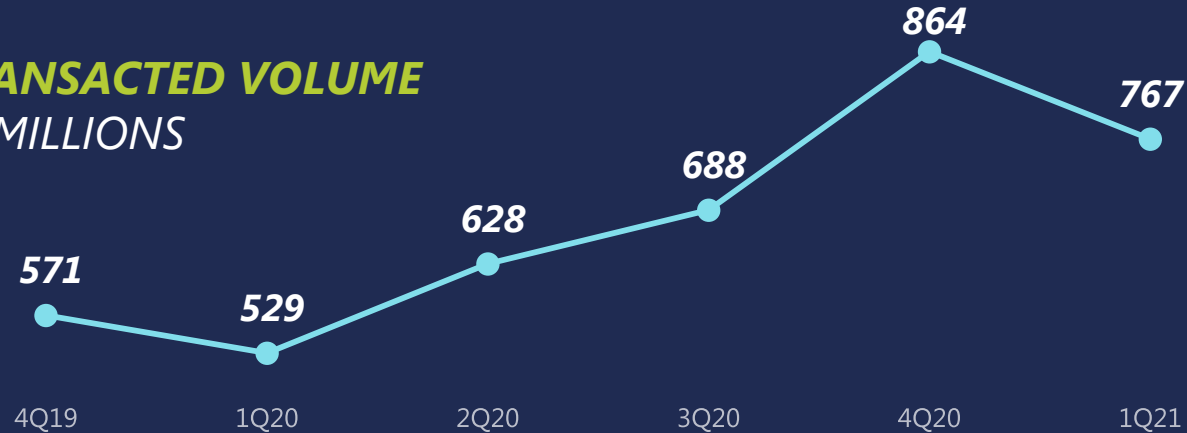
NUMBERS



M_B

CARD TRANSACTIONS

TRANSACTIONED VOLUME IN MILLIONS



MOVING AVERAGE OF UNIQUE CUSTOMERS IN THOUSANDS



45%

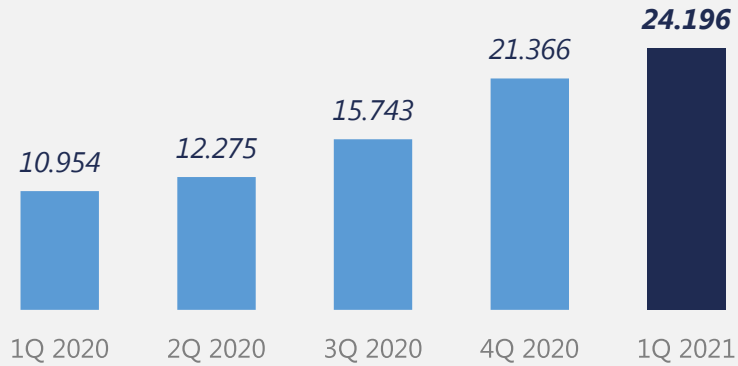
*growth in the number
of credit card
transactions 1Q20 - 1Q21*

*Increase in the number of cards
activated due to new immediate
credit card delivery at the time of
opening of the current account*



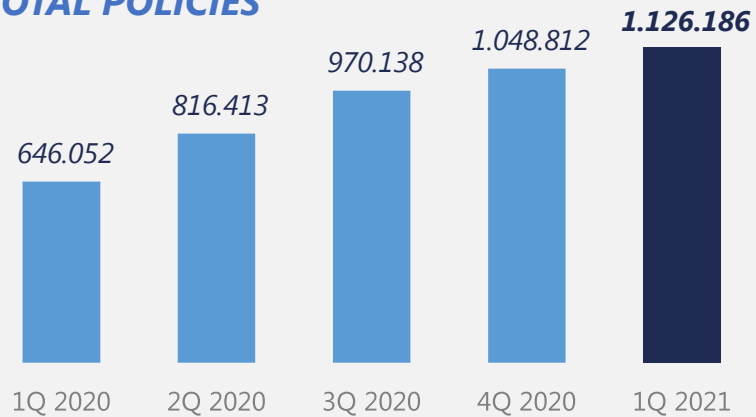
INSURANCE

GROSS REVENUE (R\$MM)



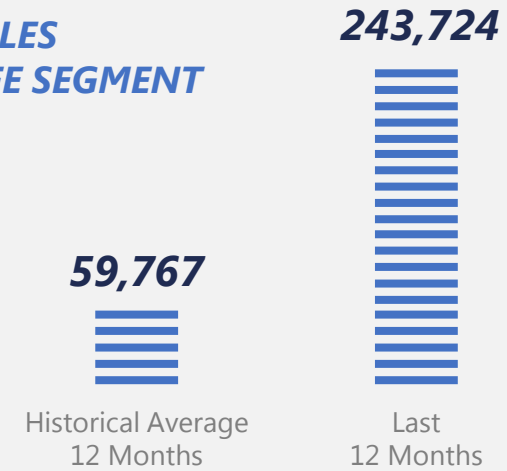
121% 

TOTAL POLICIES

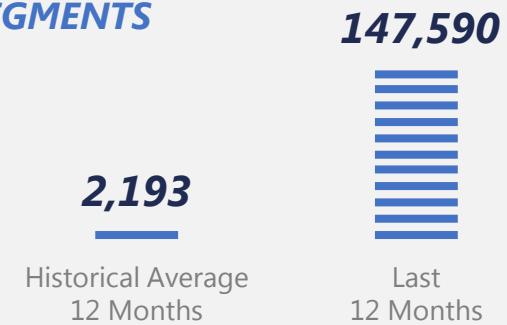


74% 

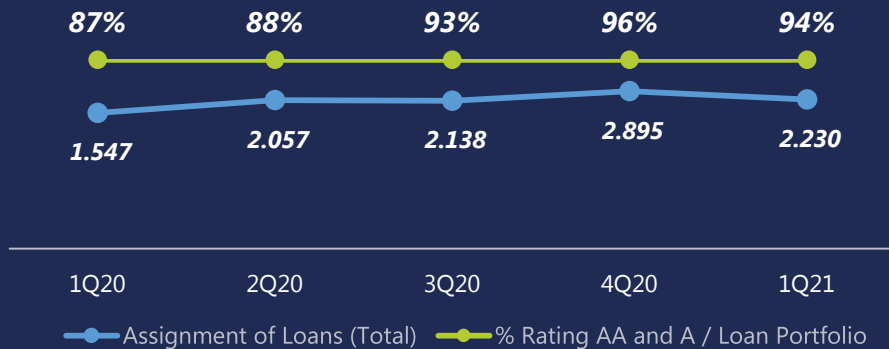
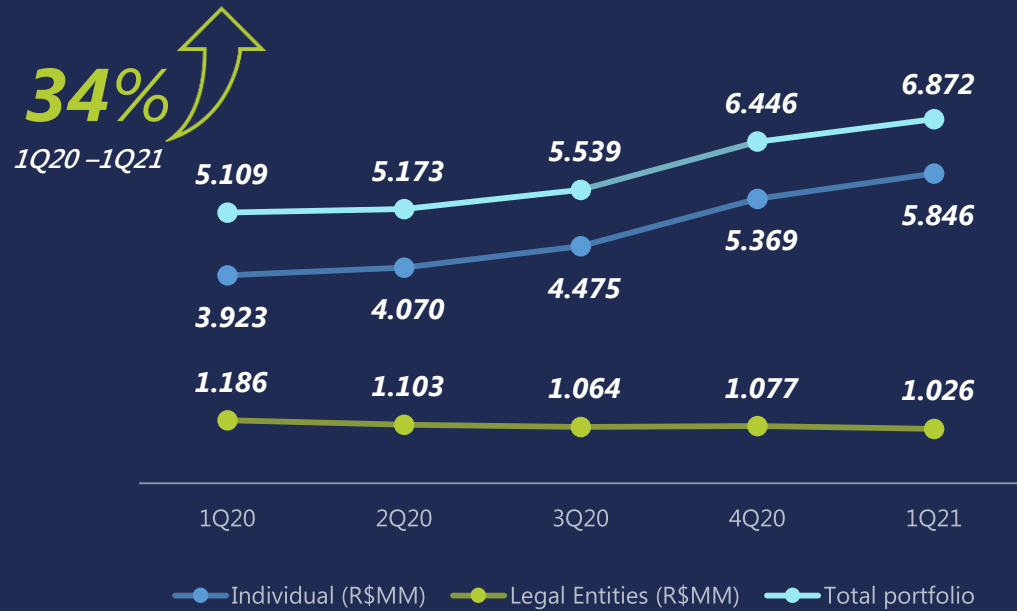
SALES LIFE SEGMENT



SALES PROPERTY/CASUALTY SEGMENTS



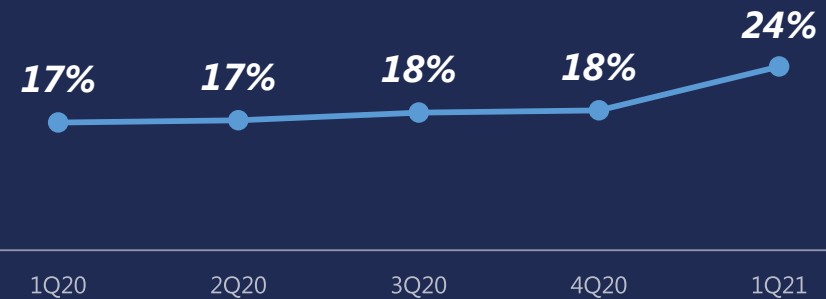
CREDIT PORTFOLIO



INSS PAYROLL LOAN



FINANCIAL MARGIN

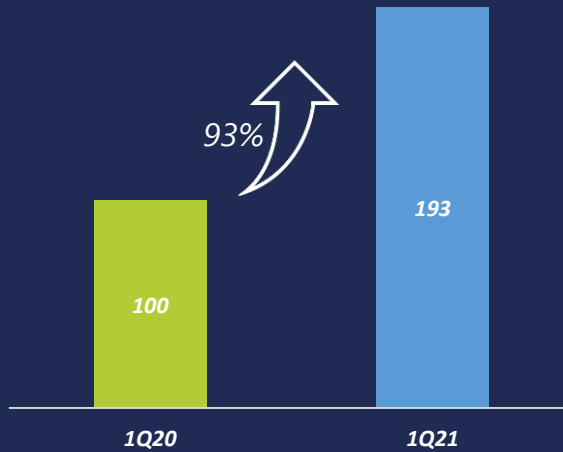


LOAN MANAGEMENT

TOTAL RECOVERY

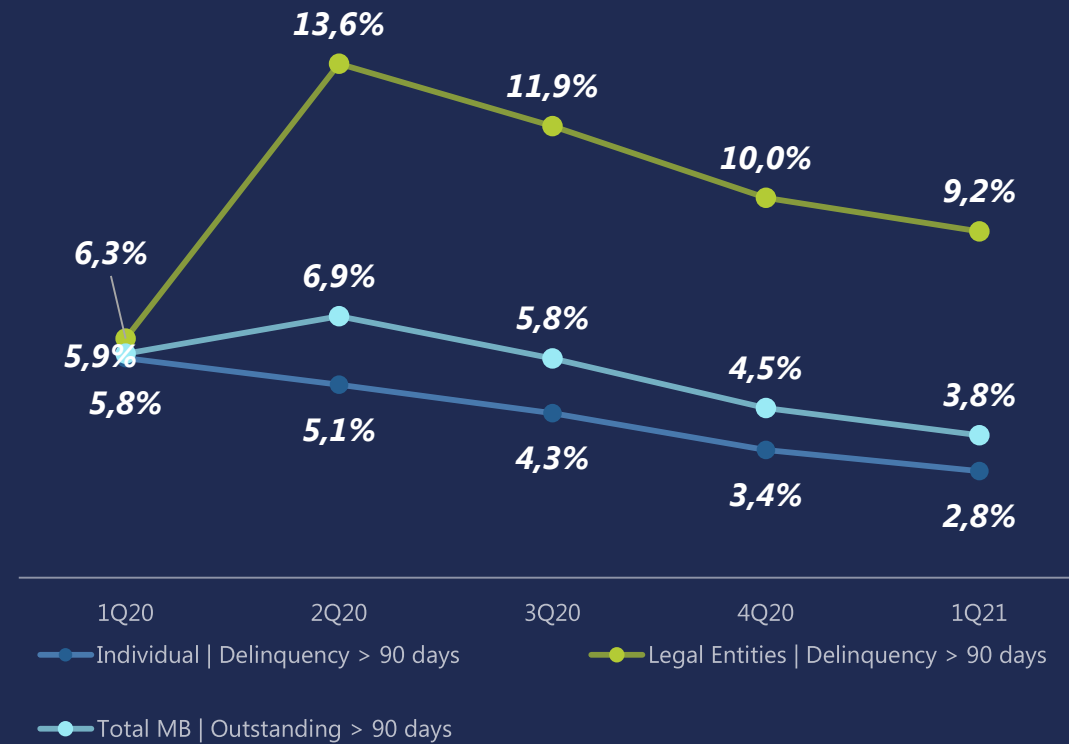
Base 100

Through the strategic use of data analytics and optimization of key collection processes, MB has practically doubled the recovery rate



DEFAULT PROGRESS

% OVER 90



FUNDING / R\$ 8.6 BILLION

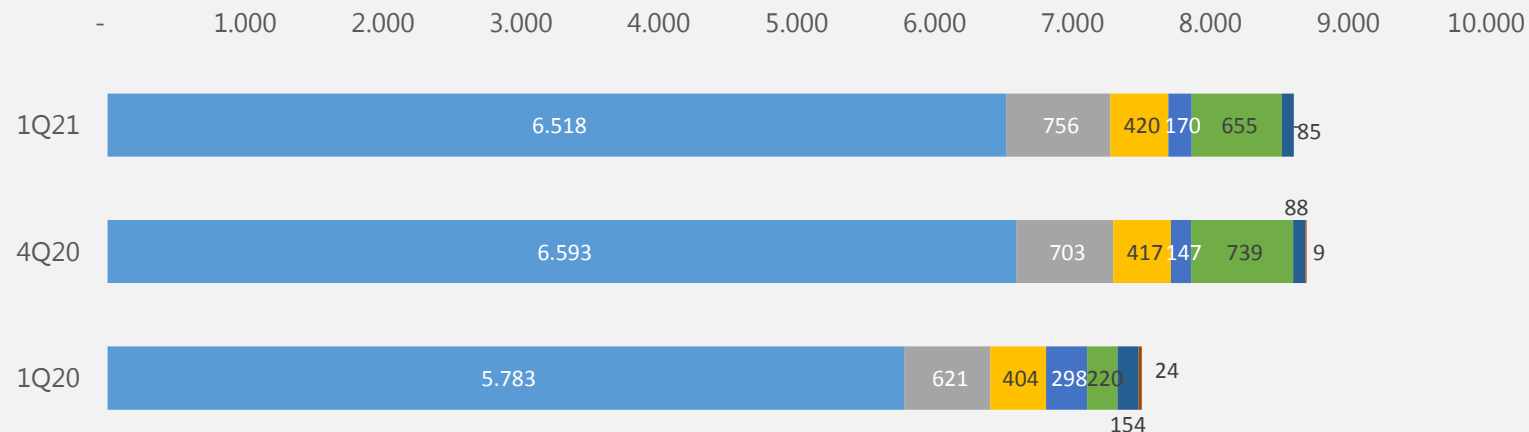
21.8 months

Duration | Loan Portfolio

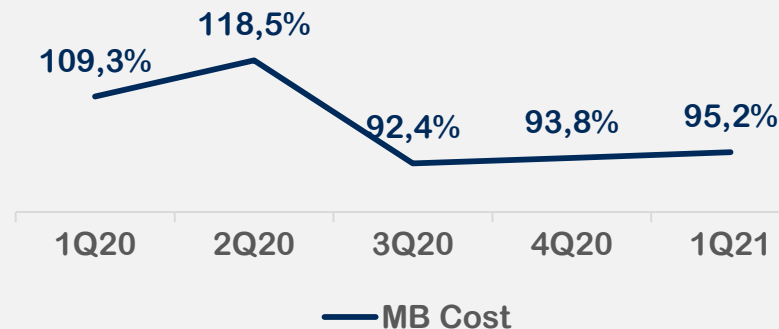
17.6 months

CDB | Length of Stay in the Portfolio

Increase of 7%
in the Duration of
funding operations
performed
via APP



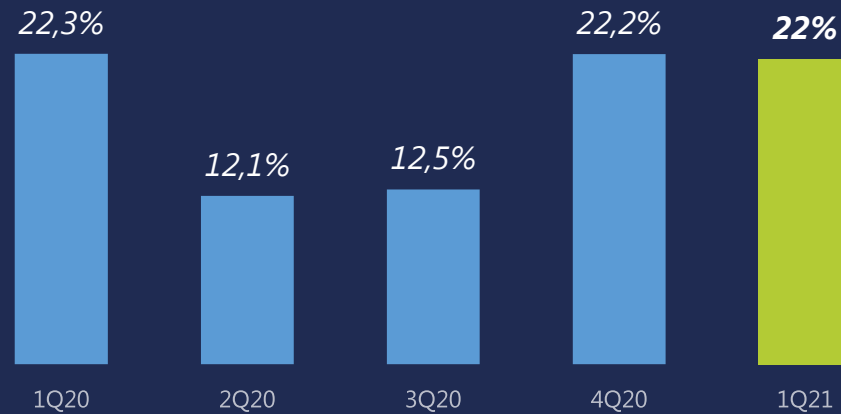
- CDB
- Foreign Funding
- Demand Deposit, Savings and DI
- LFS*
- Open market funding
- DPGE II
- LF, LCA e LCI
- Assignments of Loans With Coobligation



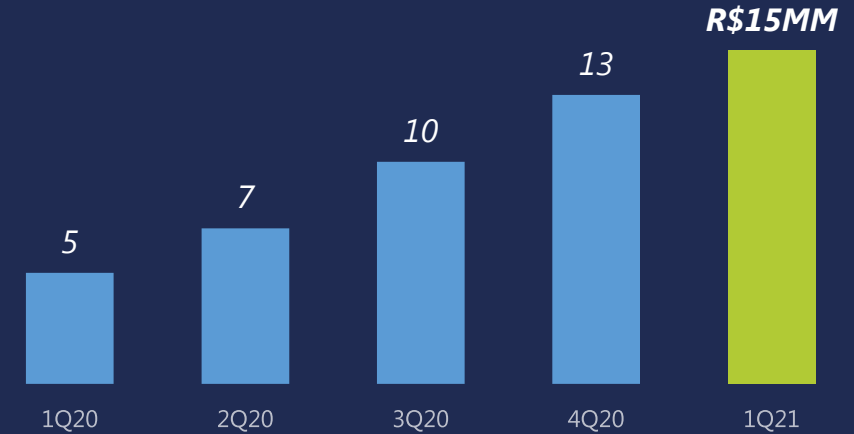
PROFITABILITY



Annualized ROAE

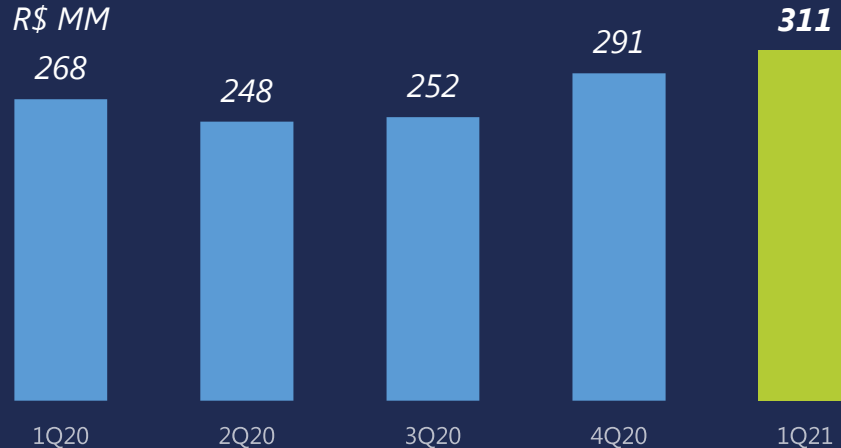


Equity in earnings of subsidiaries R\$ MM

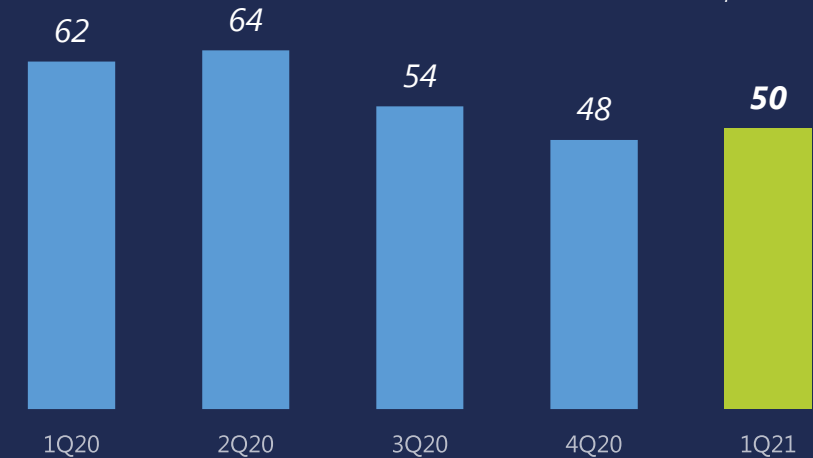


Profitability from Financial Intermediation

R\$ MM

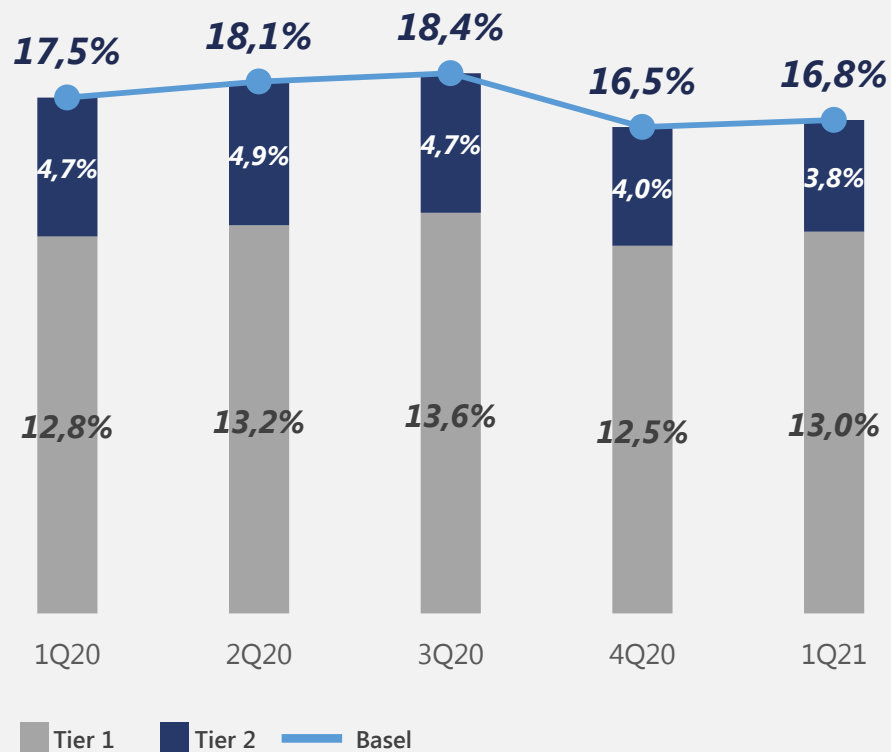


Service Provision R\$ MM

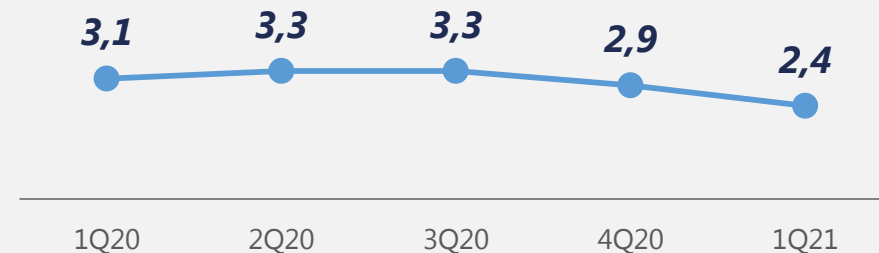


CAPITAL, CASH AND RATING

CAPITAL



ACCOUNTING CASH R\$BI



RATING DEC 2020

BBB-
Fitch

BBB+
S&P

*Investment Grade



SUMMARY OF THE QUARTER

	1Q20	2Q20	3Q20	4Q20	1Q21	Δ%
Total Assets R\$ BI	10.0	10.7	10.1	10.7	10.7	6%
Total Loan Portfolio R\$ BI	5.1	5,2	5,5	6,4	6.8	34%
Mass Market Loan Portfolio R\$ BI	3.9	4,1	4,5	5,3	5.8	49%
Funding R\$ BI	8.3	3,8	8,2	8,6	8.6	4%
Equity R\$ MM	979.6	1,000.7	1,026.3	1,033.9	1,084.8	11%
Gross Profit from Financial Intermediation R\$ MM	330.0	360.2	385.6	461.1	478.5	45%



SUMMARY OF THE QUARTER

	1Q20	2Q20	3Q20	4Q20	1Q21	Δ%
Revenue from Services Rendered R\$ MM	78.7	83.4	76.9	79.3	79.9	1.6%
Personnel Expenses R\$ MM	106.3	110.2	121.3	121.0	120.3	-13%
Provision Expenses + Discounts Granted R\$ MM	83.3	97.4	98.9	91.5	74.8	-11%
Funding Expenses R\$ MM	249.8	109.2	24.0	39.4	41.3	-83%
Administrative Expenses R\$ MM	157.1	165.8	164.7	196.2	192.2	22%
Net Profit R\$ MM	46.9	26.7	28.0	49.4	51.2	9%



CONTACTS



Gustavo Araújo
CEO



Carolina Duarte
CIO



Gabrielle Barrozo



Marcela Cançado



João Sad

INVESTOR RELATIONS

relacoescominvestidores@mercantil.com.br



DISCLAIMER

This presentation was prepared by Banco Mercantil do Brasil SA ("Company") for exclusive use in its presentations to the market and may include statements that represent expectations about future events or results, such as economic, competitive, governmental and technological factors, potential opportunities for growth and other matters. These statements are based on certain assumptions and analyses made by the Company in accordance with its experience and the economic environment, market conditions and expected future events, many of which are beyond the

Company's control.

The statements also involve known and unknown risks and uncertainties that could cause the company's actual results or results to be materially different from those anticipated and discussed here.

Accordingly, these statements are not guarantees of future performance, considering the existence of the mentioned risks and uncertainties and the existence of events beyond the Company's control.

The information and opinions contained herein are not to be construed as a recommendation to potential investors.

This presentation has been prepared for informational purposes only and should not be construed as a solicitation or an offer to buy or sell any related securities or financial instruments.

None of the Company's advisors, related parties and/or their representatives will have any liability for any losses that may arise from the use of the information contained in this presentation.

<https://mercantildobrasil.com.br/Paginas/Home.aspx>

**FOR MORE INFORMATION, CLICK AND
ACCESS OUR *WEBSITE***



ANNEX



GOVERNANCE

Board of Directors



LUIZ HENRIQUE ARAÚJO
President



GUSTAVO ARAÚJO
CEO



SIMONE DUTRA
Chief Loan, HR and
Marketing Officer



TAÍSE CRUZ
Chief Services and
Ombudsman Officer



FELIPE BOFF
Chief Products, IT
and Innovation
Officer



RODRIGO QUEIROZ
Chief Controllershship
Officer



VALCI REZENDE
Chief Commercial INSS
Officer



UELQUES ALMEIDA
Chief Business and
Operations
Development Officer



CAROLINA DUARTE
General Counsel and
Chief Investor
Relations Office



MARIANA ARAÚJO
Chief Compliance and
Risks Officer



RICARDO SANTIAGO
Chief Commercial
Individuals/Legal Entities
Officer

 **33%**
OF FEMALE
PARTICIPATION



51.94%

Controller Group +
Associates **66.41%**
Common shares
28.17% Preferred shares

GROUP
**MERCANTIL
DO BRASIL**

48.06%

Free Float
33.59% Common shares
71.83% Preferred shares



91.53%

Investment Bank
that provides advice
on DCM, M&A
and structured loan
operations for
companies



99.99%

Securities trading on
stock exchanges,
or in the organized
over-the-counter
market, including via
the Internet



100%

Distribution of
marketable
securities,
administration
and management
of third-party
portfolios, funds
and investment
clubs



85.95%

Direct consumer
loan with
emphasis on
vehicle financing
and payroll loans
to INSS
beneficiaries



100%

Performance in the
real estate
segment



100%

Insurance
and private
pension
brokerage and
banking
correspondent



100%

Performance
in the real estate
segmento



MERCANTIL
DO BRASIL

