

**MERCANTILE BANK CORPORATION**

	CPP Disbursement Date 05/15/2009	RSSD (Holding Company) 2608763	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2010</b> \$ millions	<b>2011</b> \$ millions	%chg from prev	
<b>Assets</b>	\$1,631	\$1,428	-12.5%	
Loans	\$1,263	\$1,072	-15.1%	
Construction & development	\$118	\$81	-31.4%	
Closed-end 1-4 family residential	\$69	\$58	-15.0%	
Home equity	\$42	\$36	-14.4%	
Credit card	\$2	\$0	-67.8%	
Other consumer	\$3	\$2	-36.1%	
Commercial & Industrial	\$252	\$237	-6.1%	
Commercial real estate	\$721	\$597	-17.1%	
Unused commitments	\$207	\$238	14.8%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$47	\$35	-26.3%	
Asset-backed securities	\$0	\$0		
Other securities	\$174	\$138	-20.4%	
Cash & balances due	\$16	\$22	35.5%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$27	\$19	-30.8%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$31	\$21	-30.5%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$1,473	\$1,235	-16.2%	
Deposits	\$1,275	\$1,113	-12.7%	
Total other borrowings	\$192	\$118	-38.8%	
FHLB advances	\$65	\$45	-30.8%	
<b>Equity</b>				
Equity capital at quarter end	\$158	\$193	21.9%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	9.1%	11.5%	--	
Tier 1 risk based capital ratio	11.2%	14.1%	--	
Total risk based capital ratio	12.5%	15.4%	--	
Return on equity <sup>1</sup>	-11.4%	63.2%	--	
Return on assets <sup>1</sup>	-1.1%	7.8%	--	
Net interest margin <sup>1</sup>	3.5%	3.9%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	70.1%	81.1%	--	
Loss provision to net charge-offs (qtr)	128.1%	40.3%	--	
Net charge-offs to average loans and leases <sup>1</sup>	1.6%	1.7%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
Construction & development	10.7%	4.9%	0.6%	0.0%
Closed-end 1-4 family residential	8.2%	6.3%	0.2%	1.5%
Home equity	8.4%	6.5%	0.0%	0.9%
Credit card	0.0%	0.0%	0.2%	0.0%
Other consumer	5.0%	0.7%	1.0%	0.0%
Commercial & Industrial	3.2%	1.3%	0.4%	0.0%
Commercial real estate	4.7%	5.3%	0.5%	0.7%
Total loans	5.1%	4.2%	0.5%	0.5%