

MERCANTILE BANK CORPORATION

	CPP Disbursement Date 05/15/2009	RSSD (Holding Company) 2608763	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$1,905	\$1,631	-14.4%	
Loans	\$1,540	\$1,263	-18.0%	
Construction & development	\$175	\$118	-32.6%	
Closed-end 1-4 family residential	\$79	\$69	-13.6%	
Home equity	\$45	\$42	-7.7%	
Credit card	\$1	\$2	150.2%	
Other consumer	\$4	\$3	-23.3%	
Commercial & Industrial	\$362	\$252	-30.3%	
Commercial real estate	\$815	\$721	-11.6%	
Unused commitments	\$251	\$207	-17.2%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$65	\$47	-27.8%	
Asset-backed securities	\$0	\$0		
Other securities	\$177	\$174	-1.6%	
Cash & balances due	\$20	\$16	-20.1%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$17	\$27	56.8%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$16	\$31	91.0%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$1,735	\$1,473	-15.1%	
Deposits	\$1,404	\$1,275	-9.2%	
Total other borrowings	\$322	\$192	-40.4%	
FHLB advances	\$205	\$65	-68.3%	
Equity				
Equity capital at quarter end	\$170	\$158	-7.1%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$19	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	8.6%	9.1%	--	
Tier 1 risk based capital ratio	9.8%	11.2%	--	
Total risk based capital ratio	11.1%	12.5%	--	
Return on equity ¹	-69.8%	-11.4%	--	
Return on assets ¹	-6.7%	-1.1%	--	
Net interest margin ¹	3.1%	3.5%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	58.3%	70.1%	--	
Loss provision to net charge-offs (qtr)	232.9%	128.1%	--	
Net charge-offs to average loans and leases ¹	2.8%	1.6%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010
Construction & development	14.9%	10.7%	1.6%	0.6%
Closed-end 1-4 family residential	6.6%	8.2%	0.9%	0.2%
Home equity	0.8%	8.4%	0.6%	0.0%
Credit card	0.0%	0.0%	0.0%	0.2%
Other consumer	0.0%	5.0%	0.0%	1.0%
Commercial & Industrial	2.5%	3.2%	0.8%	0.4%
Commercial real estate	4.5%	4.7%	0.4%	0.5%
Total loans	5.3%	5.1%	0.7%	0.5%