



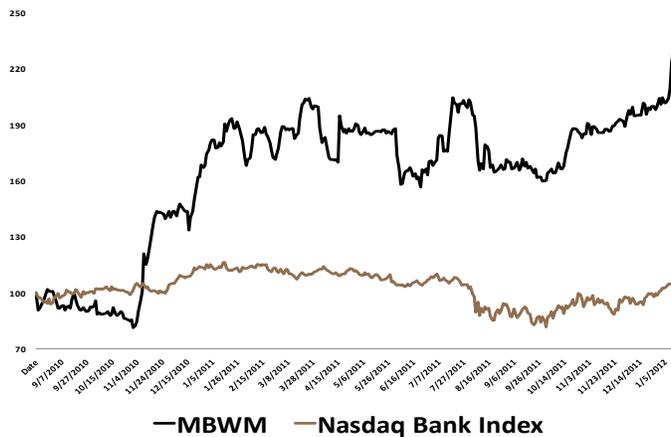
# MERCANTILE<sup>®</sup> BANK CORPORATION

**MBWM**  
**NASDAQ**  
LISTED

## Investor Fact Sheet | First Quarter 2012

**MARKET PRICE:** \$14.99 (as of market close on 4-25-12)

**52-WEEK PRICE RANGE:** \$7.51—\$15.25



**MARKET CAP:** \$127.31 million

**AVG. DAILY VOLUME:** 19,898

**TOTAL SHARES OUTSTANDING:** 8,608,544

**MOST RECENT FISCAL YEAR END:** December 31, 2011

### 2012 HIGHLIGHTS:

- Significant improvement in profitability resulting from lower provision expense, decreased overhead costs, and an increased net interest margin
- Additional improvement in asset quality; continued decline in nonperforming assets, down 31 percent from a year ago
- Level of loans in the 30- to 89-days delinquent category remains at virtually zero
- No provision expense during the quarter, compared to provision expense of \$2.2 million in the first quarter of 2011
- A \$1.8 million decline in nonperforming asset costs compared to the prior-year first quarter
- A record net interest margin of 3.73 percent
- Regulatory capital ratios remain significantly above minimum requirements for “well-capitalized” institutions
- Wholesale funds declined to 29 percent of total funds, down from 41 percent at first-quarter end 2011

### RESEARCH:

Keefe, Bruyette & Woods  
Raymond James Financial, Inc.  
Stifel, Nicolaus and Company, Inc.

John Barber  
Dan Cardenas  
Stephen Geyen

### OWNERSHIP:

Institutional Ownership: 31%  
Insider Ownership: 18%  
Retail/Other: 51%

## Company Profile

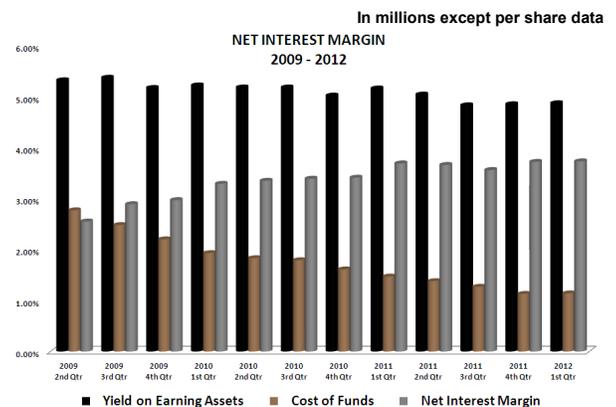
Based in Grand Rapids, Michigan, Mercantile Bank Corporation is the bank holding company for Mercantile Bank of Michigan. Founded in 1997 to provide banking services to businesses, individuals and governmental units, the Bank differentiates itself on the basis of service quality and the expertise of its banking staff. Mercantile has seven full-service banking offices in Grand Rapids, Holland and Lansing, Michigan. Mercantile Bank Corporation’s common stock is listed on the NASDAQ Global Select Market under the symbol “MBWM.”

## Recent News

**Apr. 17, 2012** — Mercantile Bank Corporation (NASDAQ:MBWM) reported net income attributable to common shares of \$2.6 million, or \$0.28 per diluted share, for the first quarter of 2012, compared with net income attributable to common shares of \$1.1 million, or \$0.12 per diluted share, for the prior-year period.

**Apr. 4, 2012** — Mercantile Bank Corporation (NASDAQ: MBWM) announced today that it has repurchased 50 percent of the \$21 million in non-voting preferred stock issued in May 2009 to the U.S. Department of the Treasury under the Treasury’s Capital Purchase Program (“CPP”), as part of the Troubled Asset Relief Program.

	1Q12	1Q11	2011	2010
<b>Net Income (Loss)</b>	\$2.6	\$1.1	\$36.1	\$(14.6)
<b>EPS (fully diluted)</b>	\$0.28	\$0.12	\$4.07	\$(1.72)
<b>Return on Assets</b>	0.73%	0.28%	2.36%	(0.80)%
<b>Return on Equity</b>	6.14%	3.49%	27.28%	(10.62)%
<b>Total Assets</b>	\$1,402	\$1,577	\$1,433	\$1,632
<b>Shareholders' Equity</b>	\$167	\$127	\$165	\$126



## Focus on Technology

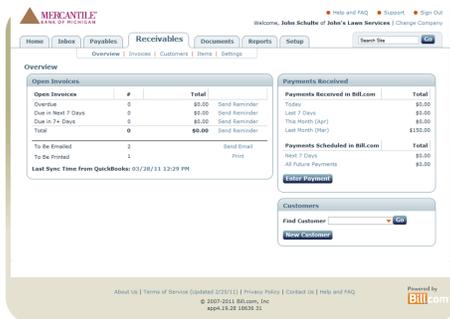
### Virtual Branch Strategy

Mercantile Bank Corporation, through its subsidiary Mercantile Bank of Michigan, satisfies the demands of increasingly tech-savvy customers through their offerings in virtual banking. The first bank to partner with PayPal<sup>®</sup>, Mercantile is at the leading edge of the technology world with products such as: **MercMobile<sup>®</sup>**, a powerful all-in-one application allowing users to access account information, transfer money, and pay bills from the ease of a cell phone; **Merc@Home<sup>®</sup>**, allowing customers to deposit checks online from the convenience of their home or office, or any location with an internet connection; and **FinanceWorks<sup>®</sup>**, an online management tool that allows customers to manipulate all of their accounts (including accounts with other financial institutions) using a single, robust solution powered by Quicken.



### Small Business

Mercantile offers an array of tools for small-business owners, inclusive of Accounts Receivable and Accounts Payable reporting functions. Furthermore, owners can save time and money using **Mercantile Payroll Services** to streamline their process.



## Why Mercantile?

- Emerged from deep recession without long-term capital/regulatory issues
- Positioned for immediate and long-term growth
- Experienced management team
- Strong and improving capital position
- Proven track record of performance
- Focus on technology
- Well established, long-standing relationships

