

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	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$2,204	\$1,915	-13.1%	
Loans	\$1,857	\$1,540	-17.1%	
Construction & development	\$263	\$175	-33.7%	
Closed-end 1-4 family residential	\$92	\$79	-13.6%	
Home equity	\$49	\$45	-7.1%	
Credit card	\$1	\$1	12.2%	
Other consumer	\$4	\$4	0.1%	
Commercial & Industrial	\$507	\$362	-28.6%	
Commercial real estate	\$876	\$815	-6.9%	
Unused commitments	\$380	\$251	-34.0%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$77	\$65	-15.6%	
Asset-backed securities	\$0	\$0		
Other securities	\$150	\$177	17.8%	
Cash & balances due	\$17	\$20	22.0%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$8	\$17	107.5%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$9	\$16	80.4%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$2,001	\$1,735	-13.3%	
Deposits	\$1,600	\$1,404	-12.3%	
Total other borrowings	\$379	\$322	-15.0%	
FHLB advances	\$270	\$205	-24.1%	
Equity				
Equity capital at quarter end	\$203	\$180	-11.3%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$19	NA	
Performance Ratios				
Tier 1 leverage ratio	9.0%	9.1%	--	
Tier 1 risk based capital ratio	9.6%	10.3%	--	
Total risk based capital ratio	10.8%	11.6%	--	
Return on equity ¹	2.0%	-47.2%	--	
Return on assets ¹	0.2%	-4.6%	--	
Net interest margin ¹	2.5%	3.0%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	54.8%	46.2%	--	
Loss provision to net charge-offs (qtr)	62.5%	140.8%	--	
Net charge-offs to average loans and leases ¹	1.4%	2.8%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
Construction & development	9.5%	14.9%	0.5%	1.6%
Closed-end 1-4 family residential	2.2%	6.6%	0.4%	0.9%
Home equity	1.6%	0.8%	1.7%	0.6%
Credit card	0.0%	0.0%	0.4%	0.0%
Other consumer	0.7%	0.0%	0.0%	0.0%
Commercial & Industrial	1.0%	2.5%	0.3%	0.8%
Commercial real estate	1.8%	4.5%	0.3%	0.4%
Total loans	2.7%	5.3%	0.4%	0.7%