Investor Presentation

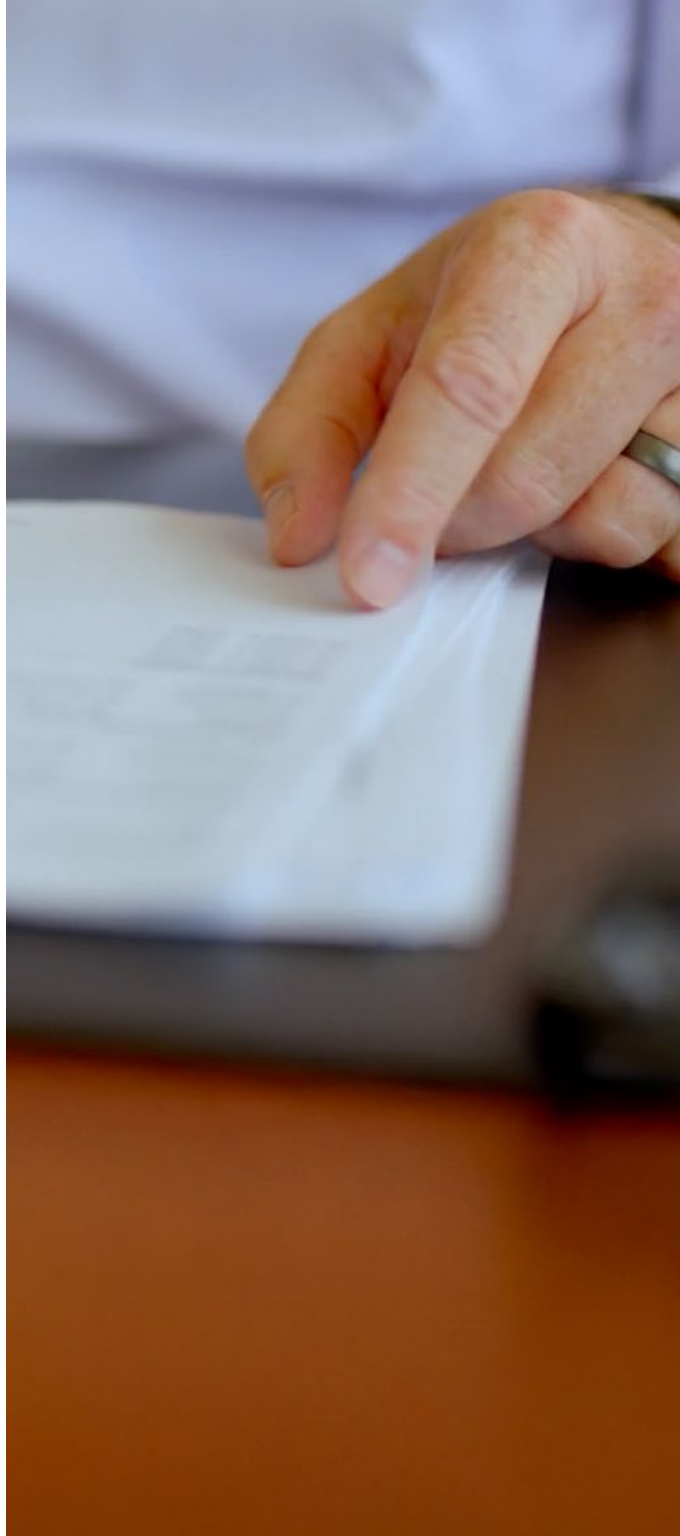
October 2026



Mercantile® Bank Corporation

Forward-Looking Statements

This presentation contains statements or information that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipates,” “intends,” “plans,” “goal,” “seeks,” “believes,” “projects,” “estimates,” “expects,” “indicates,” “strategy,” “future,” “is likely,” “may,” “should,” “will,” and variations of such words and similar references to future periods. Any such statements are based on current expectations that involve a number of risks, uncertainties and assumptions (“Future Factors”) that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. We undertake no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events (whether anticipated or unanticipated), or otherwise. Therefore, actual results and outcomes may differ materially from the results expressed or forecasted in such forward-looking statements. Future factors include, among others, difficulties and delays in the integration of Mercantile and Eastern and achieving anticipated synergies, cost savings and other benefits from the transaction; delays, cost overruns, disruptions, or other difficulties in completing our core and digital banking system conversion, or failure to realize its anticipated benefits; adverse changes in interest rates and interest rate relationships; increasing rates of inflation and slower growth rates or recession; significant declines in the value of commercial real estate; market volatility; demand for products and services; climate impact; labor markets; the degree of competition by traditional and nontraditional financial services companies; changes in banking regulation or actions by bank regulators; changes in tax laws and other laws and regulations applicable to us; changes in prices, levies, and assessments; the impact of technological advances; potential cyber-attacks, information security breaches and other criminal activities; litigation liabilities; governmental and regulatory policy changes; the outcomes of existing or future contingencies; trends in customer behavior as well as their ability to repay loans; changes in local real estate values; damage to our reputation resulting from adverse publicity, regulatory actions, litigation, operational failures, and the failure to meet client expectations and other facts; changes in the national and local economies; unstable political and economic environments; disease outbreaks, such as the COVID-19 pandemic or similar public health threats, and measures implemented to combat them; and other risk factors described in our annual report on Form 10-K for the year ended December 31, 2025, including those disclosed from time to time in filings made by Mercantile with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.



Company Overview

Executive Management Team



RAYMOND REITSMA

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Reitsma was appointed President and Chief Executive Officer of Mercantile effective June 1, 2024, and has been with the Bank for over 20 years, beginning with his initial role as a Commercial Loan Manager in 2003, including holding the title of Senior Lender for eight years and President for seven years.



CHARLES CHRISTMAS

EVP, CHIEF FINANCIAL OFFICER, AND TREASURER

Mr. Christmas has served as Chief Financial Officer at Mercantile since 1998. Prior to joining Mercantile, Mr. Christmas was a bank examiner for the Federal Deposit Insurance Corporation.

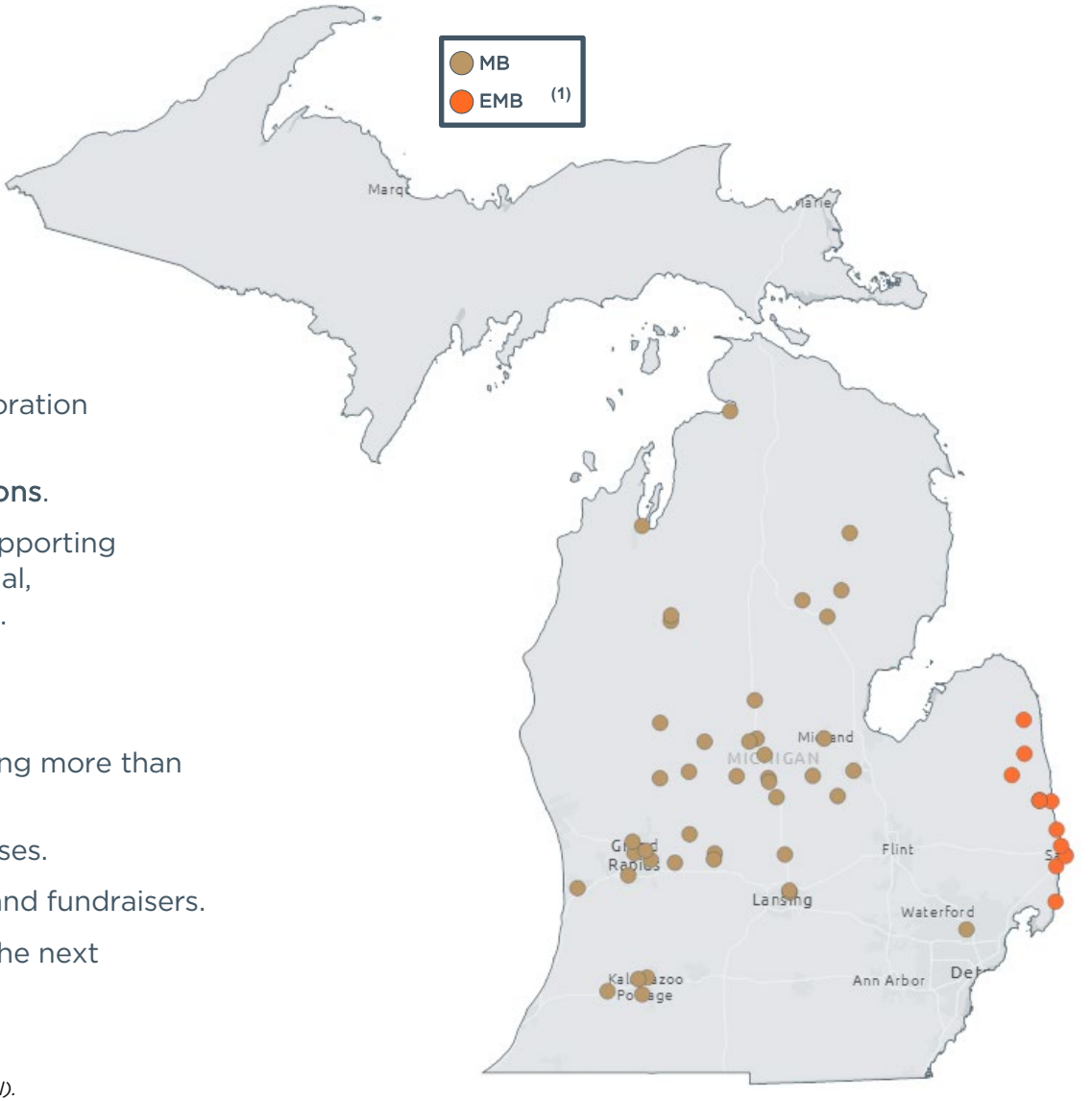


JANINA KREIDER

SVP, FINANCE DIRECTOR

Ms. Kreider serves as Finance Director and joined the Bank in 2021. Prior to joining Mercantile, Ms. Kreider held roles at Steelcase and credit-focused investments firms.

The largest bank founded, headquartered, and serving in Michigan.



OVERVIEW

- Founded in **1997** in Grand Rapids, MI.
- **$7.2** billion in total assets.
- Acquisition of Eastern Michigan Financial Corporation closed December 31, 2025.
- More than **800 employees** and **over 50 locations**.
- Offers more than **75 products and services** supporting commercial, business, governmental, educational, nonprofit, treasury and personal banking needs.

WE INVEST IN OUR COMMUNITIES BY:

- Volunteering more than 24,000 hours supporting more than 900 organizations.
- Teaching more than 300 financial wellness classes.
- Donating over $1.0 million to local non-profits and fundraisers.
- Employing 40+ interns each year, investing in the next generation.

(1) Excludes one loan production office (66 N. Howard Ave, Croswell).

Strategic Areas of Focus

CLIENT EXPERIENCE

- Advance client onboarding and servicing technology
- Enhance existing technology solutions
- Expand sales training, tools, and resources
- Deepen understanding of client needs and behaviors

GROWTH

- Continue growing local deposits
- Expand our Southeast Michigan presence
- Strengthen our business banking reputation and portfolio
- Extend traditional and digital marketing reach
- Continue prudent commercial loan growth
- Continue evaluating complementary M&A targets

PEOPLE AND CULTURE

- Reinforce a culture of employee value and empowerment
- Broaden and deepen employee training
- Strengthen workplace engagement
- Improve communication across departments
- Maintain competitive compensation and benefits
- Deepen our community impact

EFFICIENCY

- Expand data analytics and process automation
- Further improve efficiency across functions
- Continue exploring AI applications
- Continue software investment and upgrades

RISK MANAGEMENT

- Maintain and strengthen our credit culture
- Refine interest rate risk management and reporting
- Maintain effective compliance practices
- Enhance enterprise risk practices, monitoring, and reporting

Financial Performance

Third Quarter 2026

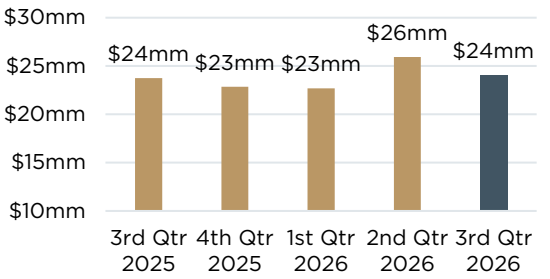
3Q26 Performance Highlights

EARNINGS	• Quarter-over-quarter (3Q26 vs 3Q25) revenue growth of over 17% with earnings partially offset by one-time costs and investments in people and technology. • EPS of $1.39 in 3Q26 vs. $1.46 in 3Q25 with EPS impacted by timing of cost savings from acquisition and non-recurring costs • 1.4% ROAA and 12.6% ROAE in 3Q26 vs. 1.5% ROAA and 14.7% ROAE in 3Q25
NET INTEREST MARGIN AND NET INTEREST INCOME	• Net interest margin of 3.73% in 3Q26 vs. 3.49% in 3Q25 • Driven by lower cost of funds relating to EMB acquisition, repricing of fixed rate assets, and refinement in deposit mix
COMMERCIAL LOAN PORTFOLIO	• Commercial loans increased 2% annualized in 3Q26 • 9% increase from prior year third quarter end • C&I and Owner Occupied CRE combined represented 55% of the portfolio as of September 30, 2026 • Pipeline remains solid
ASSET QUALITY	• Nonperforming assets to total assets ratio of 0.14% at the end of 3Q26 • Net loan recoveries to average loans of 0.02% in 3Q26
DEPOSIT AND FUNDING	• Continued focus on building local deposit base • Deposits increased 17% from prior year third quarter end; 6% in 3Q26 • Loan-to-deposit ratio at 88% at the end of 3Q26 vs. 96% at the end of 3Q25
CAPITAL	• CET1 capital ratio of 11.4% at the end of 3Q26 vs. 11.3% at the end of 3Q25 • Total risk-based capital ratio of 14.6% at the end of 3Q26 vs. 14.9% at the end of 3Q25 • Tangible book value per share of $37.81 at the end of 3Q26 vs. $37.41 at the end of 3Q25

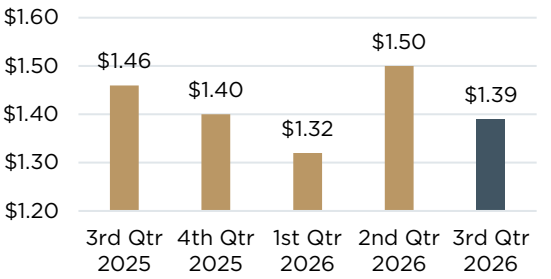
3Q26 Performance Highlights

This is a year of investments in people and technology. Solid margin improvement continues, while investments in the business drive higher expenses and lower near-term earnings.

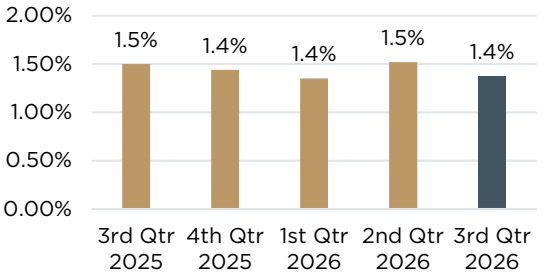
Net income



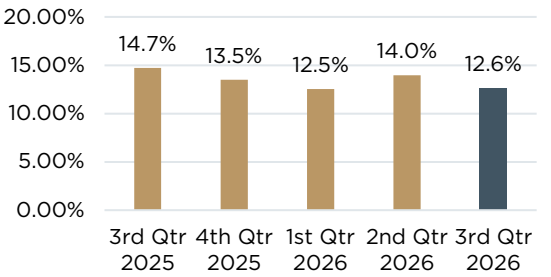
Diluted earnings per share



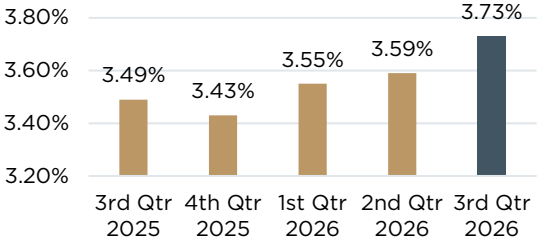
Return on average assets



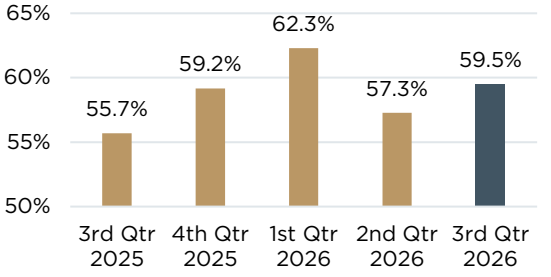
Return on average equity



Net interest margin (fully tax-equivalent)



Efficiency ratio

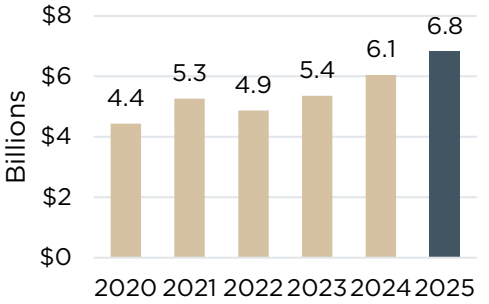


Historical Trends and Shareholder Value

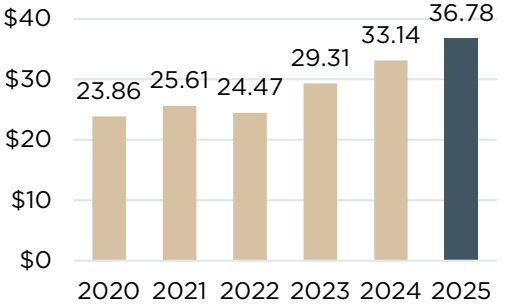
Strong Track Record of Delivering Shareholder Value

Solid Earnings and Balance Sheet Growth Trends

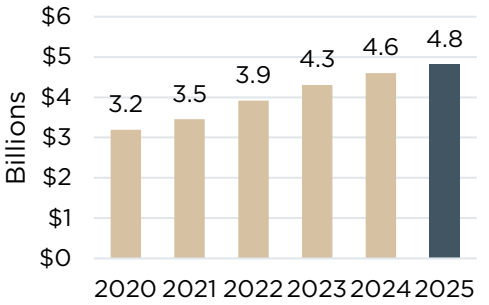
Total Assets
9.0% CAGR



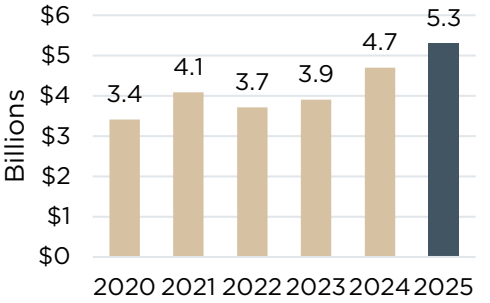
TBVPS
9.0% CAGR



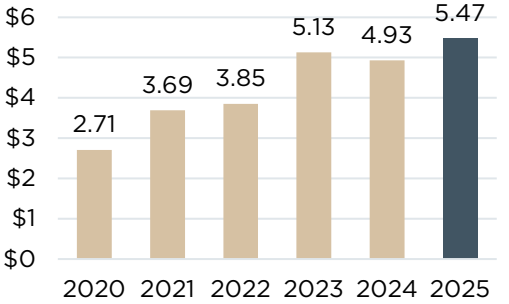
Total Loans
8.6% CAGR



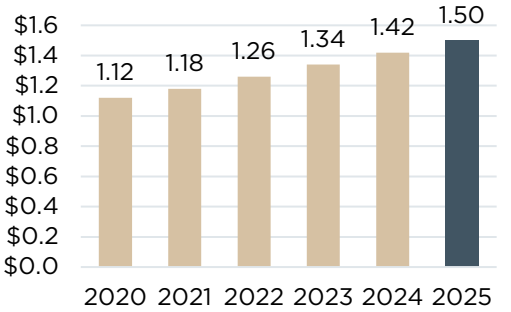
Total Deposits
9.2% CAGR



EPS
15.1% CAGR



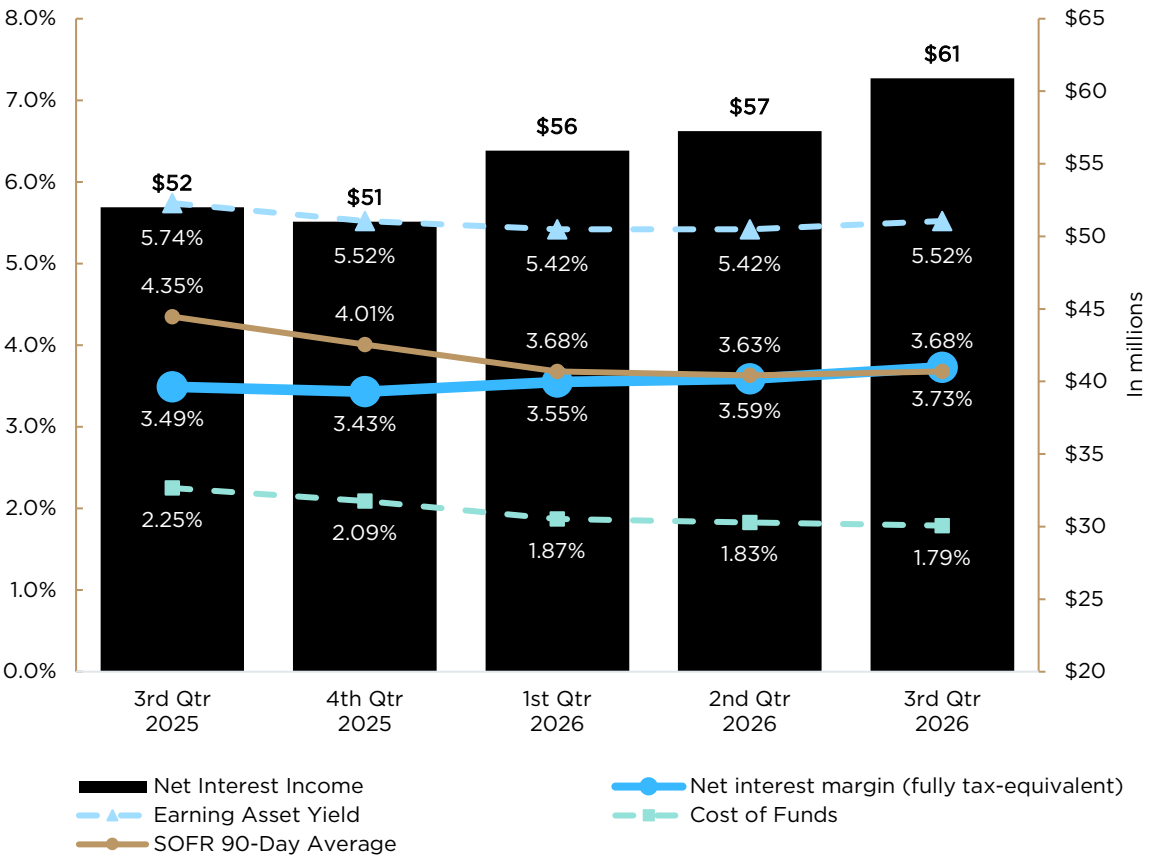
Cash Dividends
6.0% CAGR



Expanding margin and net interest income in a dynamic interest rate environment

Solid net interest margin

- Proactive balance sheet management strategies that support margin stabilization include:
  - Matched funding fixed rate commercial loans and deposit mix strategies/management
  - Commercial loan back-to-back interest rate swap program
  - Laddered maturities in investment portfolio and purchases of heavily discounted callable agency bonds
  - Refinement of deposit base
  - Acquisition of EMB provided low-cost deposits



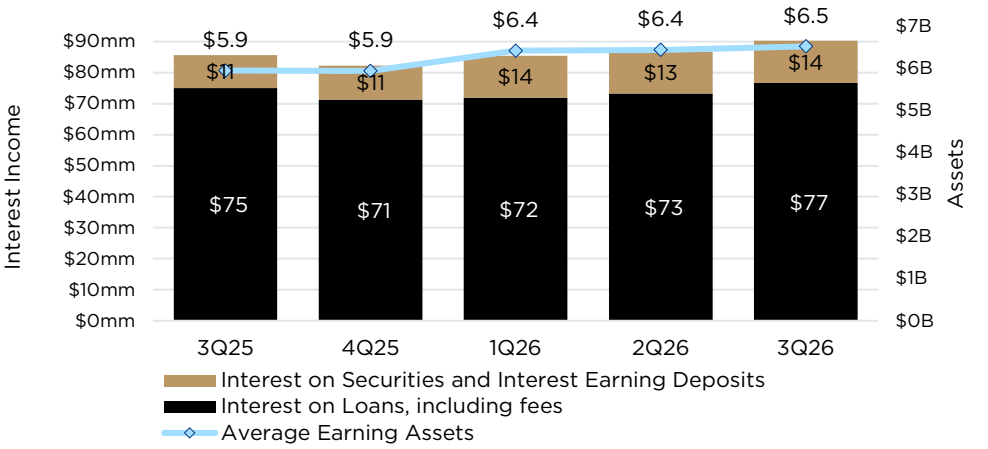
Upcoming Repricing Opportunities as of September 30, 2026	Fixed Rate CRE		Agency Bonds	
	Total Amount	Average Rate	Total Amount	Average Rate
Remainder of 2026	$ 58,000,000	4.92%	$ 16,000,000	1.53%
2027	$ 191,500,000	4.91%	$ 100,000,000	2.51%

Net Interest Income

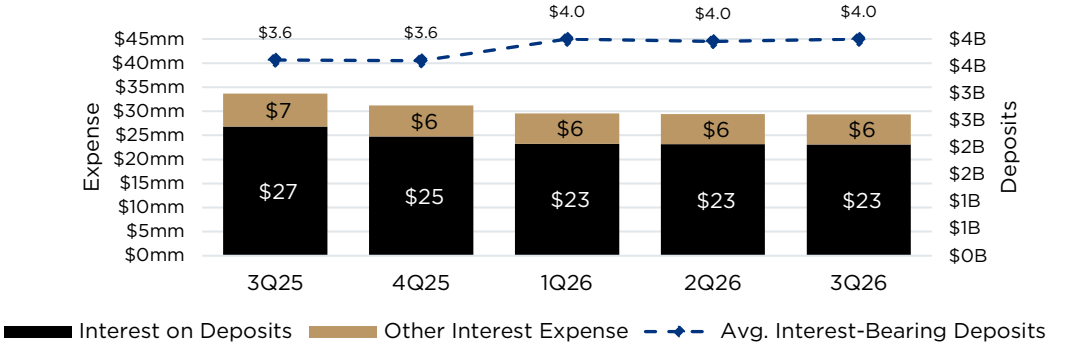
Solid net interest income in a dynamic interest rate environment

- Despite changing interest rate environment, net interest income continues to be solid driven by:
  - Quarter-over-quarter growth in average assets
  - Active match funding initiatives
  - Higher yield on investments as fixed rate securities reprice
  - Repricing of fixed rate loans
  - Repricing of time deposits
  - Stable noninterest bearing deposits
  - EMB acquisition

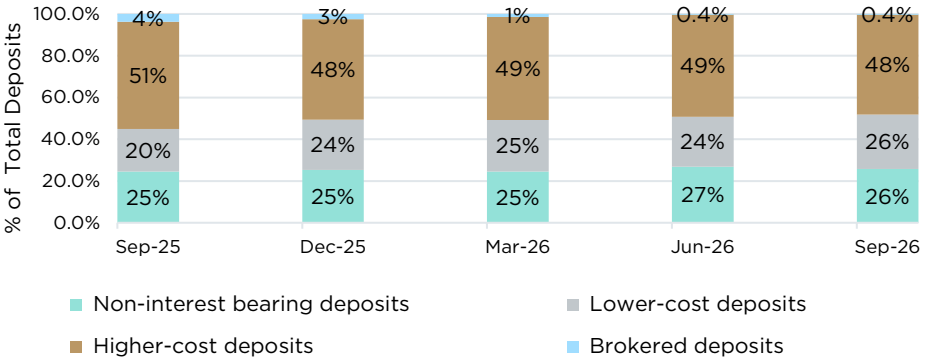
Change in asset mix as on balance sheet liquidity grows



Costs stable as deposit balances grow

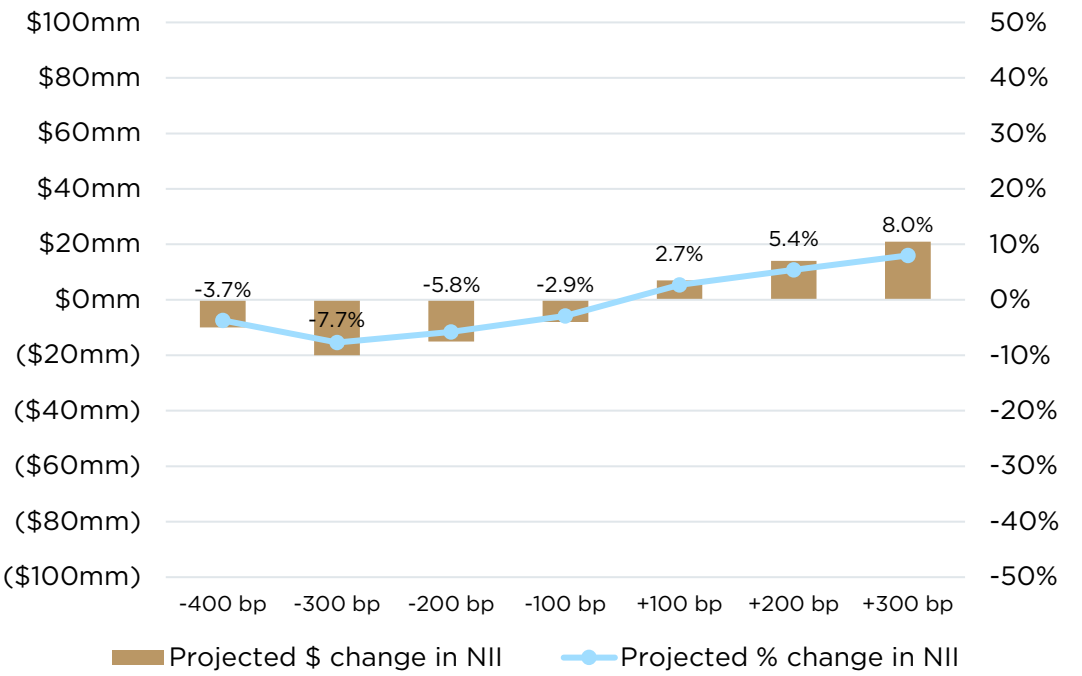


Significant low/no cost deposits



Interest Rate Model

- Identifies that balance sheet structure supports stable net interest income across pro forma rate environments
- Purchases of highly discounted callable agency bonds provide additional protection in a down rate environment
- Matched funding fixed rate commercial loans, deposit mix strategies, and commercial loan back-to-back interest rate swap program mitigate the impact of rate changes



Reflects a gradual one-year parallel change in interest rates; simulation results as of September 30, 2026

Asset Quality

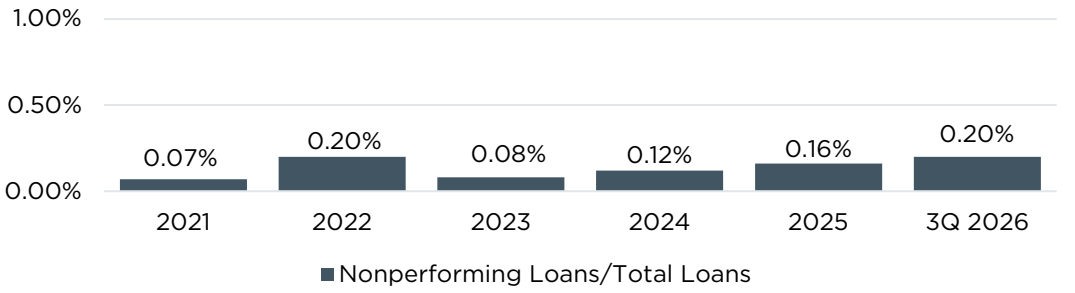
Asset quality measures remain strong

- Reflects ongoing commitment to soundly and vigilantly underwrite and administer loans and strength of borrowers

Quarterly Asset Quality Metrics

($ in thousands)		3rd Qtr 2025	4th Qtr 2025	1st Qtr 2026	2nd Qtr 2026	3rd Qtr 2026
Gross loan charge-offs	$	200	2,800	0	0	0
Recoveries	$	700	200	400	500	300
Net loan charge-offs (recoveries)	$	(500)	2,600	(400)	(500)	(300)
Net loan charge-offs (recoveries) to average loans		(0.05%)	0.23%	(0.03%)	(0.04%)	(0.02%)
Provision for credit losses	$	200	(700)	(1,800)	(1,800)	700
Allowance for credit losses	$	59,100	58,200	56,700	55,400	56,400
Allowance to loans		1.28%	1.21%	1.18%	1.13%	1.14%
Nonperforming loans	$	9,800	7,900	7,500	5,800	9,700
Other real estate/repossessed assets	$	0	0	0	0	100
Nonperforming loans to total loans		0.21%	0.16%	0.16%	0.12%	0.20%
Nonperforming assets to total assets		0.16%	0.12%	0.11%	0.09%	0.14%

Historical Nonperforming Loans to Total Loans*



*Reflects period ends.

Loan-to-Deposit Ratio*

- Multi-year strategic initiative to reduce loan-to-deposit ratio
- Reduced to 88% from 96% over last twelve months

*Reflects end of quarter balances

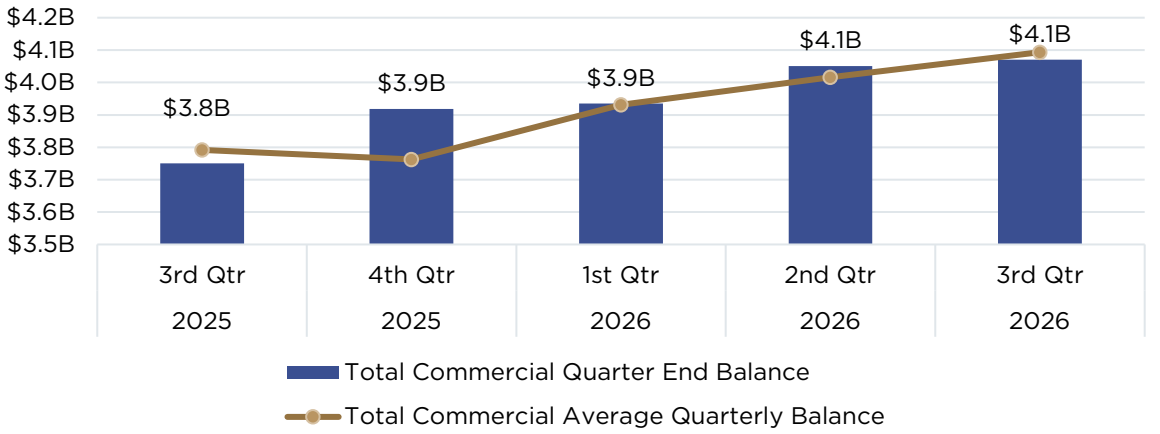


Loan Growth

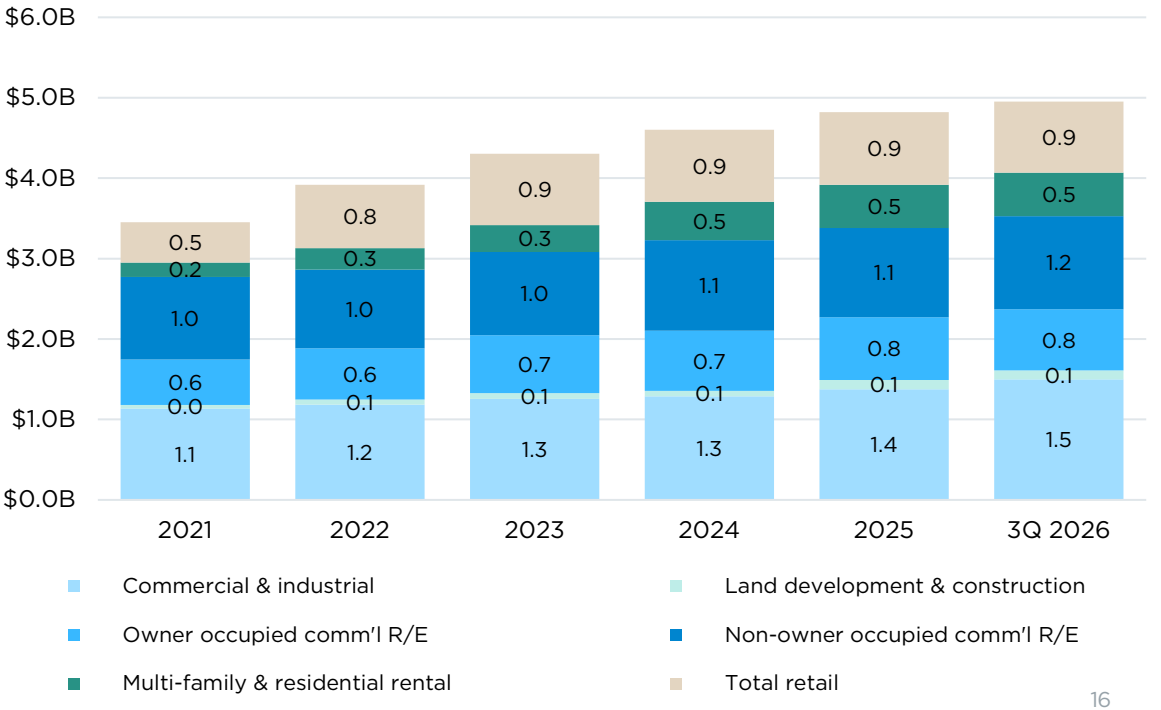
Consistent Fundings

- Commercial loan focused
- Solid historical growth
- Top tier asset quality
- Third quarter 2026 loan balance increased but impacted by late quarter paydown activity and timing
- Pipeline remains solid as shown by an increase in commitments

Quarter End Core Commercial Loan Growth Trends

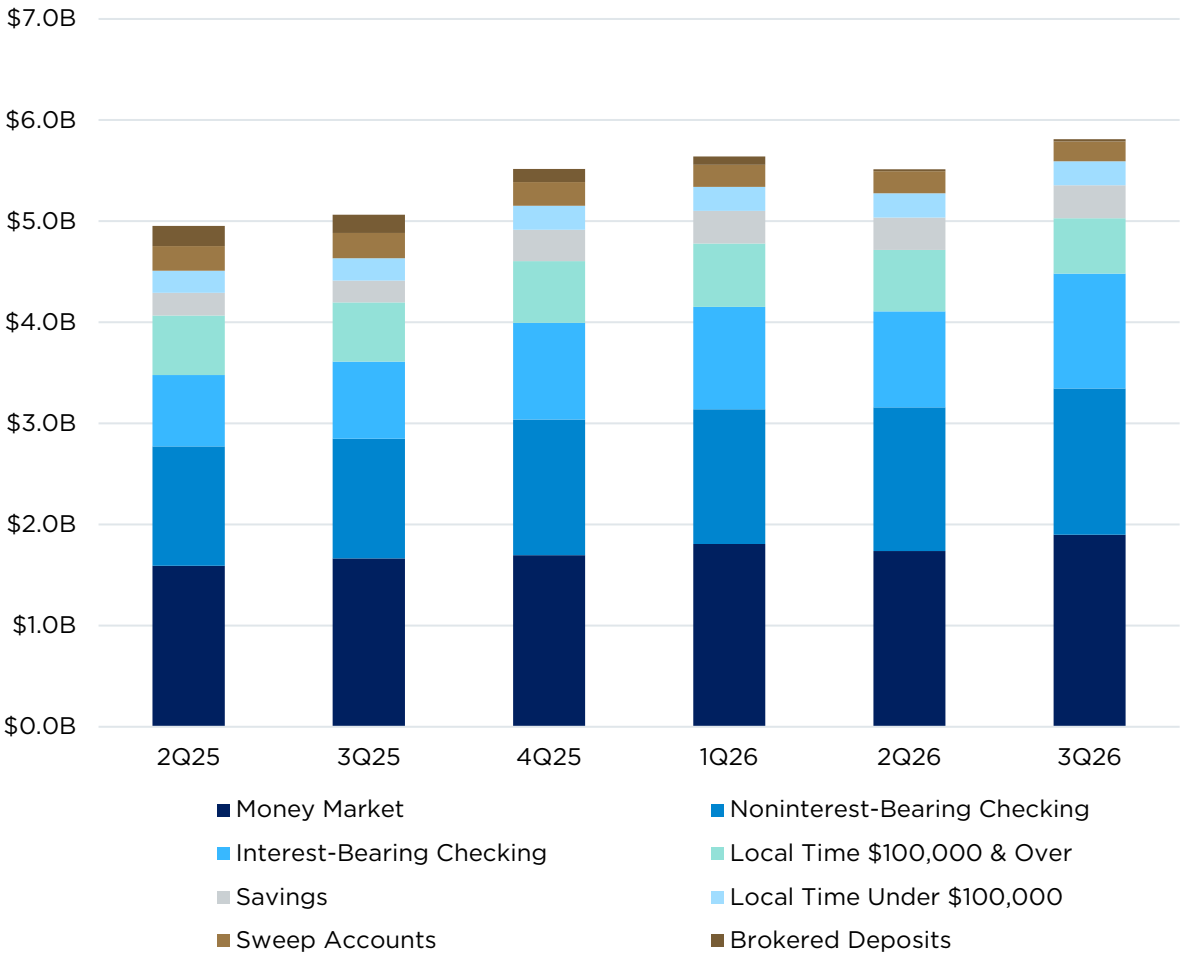


Total Loan Portfolio Growth Trends (reflects year end and quarter end balances)



Deposits and Sweep Accounts*

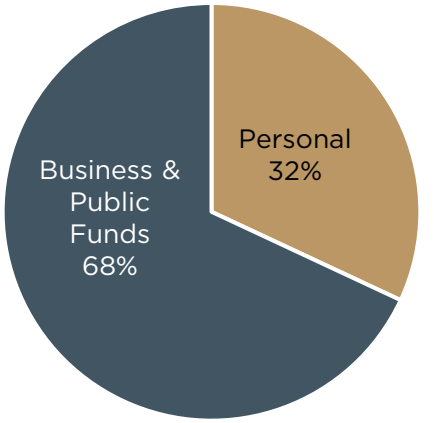
- Continued refinement of deposit base
- 17% growth in deposits over trailing twelve months driven both by the acquisition of EMB and organic deposit growth
- 6% growth in total deposits in the third quarter of 2026 partially driven by seasonal increases in public funds
- 8% growth in low and no cost deposits in the third quarter of 2026



*As of September 30, 2026

Deposit Balances*

Deposits comprised primarily of business accounts



($ in thousands)	September 30, 2026		September 30, 2025	
	Personal	Business	Personal	Business
Noninterest-Bearing Checking	$ 236,200	1,210,100	186,800	996,000
Interest Checking	$ 254,600	880,300	171,200	590,600
Savings	$ 269,500	55,800	182,300	32,600
Money Market	$ 504,400	1,396,000	459,100	1,206,600
Certificates of Deposit	$ 522,200	263,000	535,500	272,300
Total Deposits	$ 1,786,900	3,805,200	1,534,900	3,098,100

*As of September 30, 2026, excludes brokered deposits

Large Depositors

(Includes Sweep Account Balances)

- Our large depositor base has grown, anchored by longstanding, “sticky” relationships
- Most large depositor relationships from five years ago continue to maintain sizeable balances, with balances growing alongside their business success

Large Depositors (Current)

- Depositors with over $5 million as of September 30, 2026

Total – 105 relationships aggregating $2.0 billion

Business/Individual – 72 relationships aggregating $1.7 billion

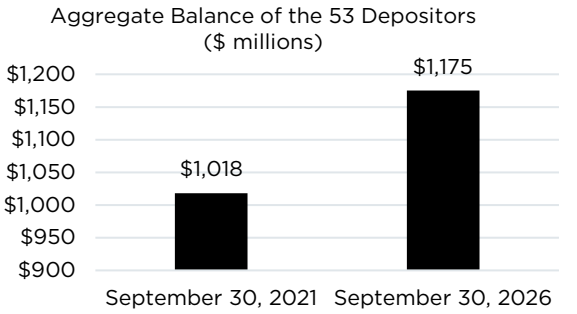
Governmental – 33 relationships aggregating $0.3 billion

Large Depositors (Historic View)

- Depositors with over $5 million as of September 30, 2021 (5 years ago), consisted of 72 relationships aggregating $1.1 billion
- Most of those relationships remain and have grown balances

53 of the 72 relationships still maintain deposits over $5 million as of September 30, 2026

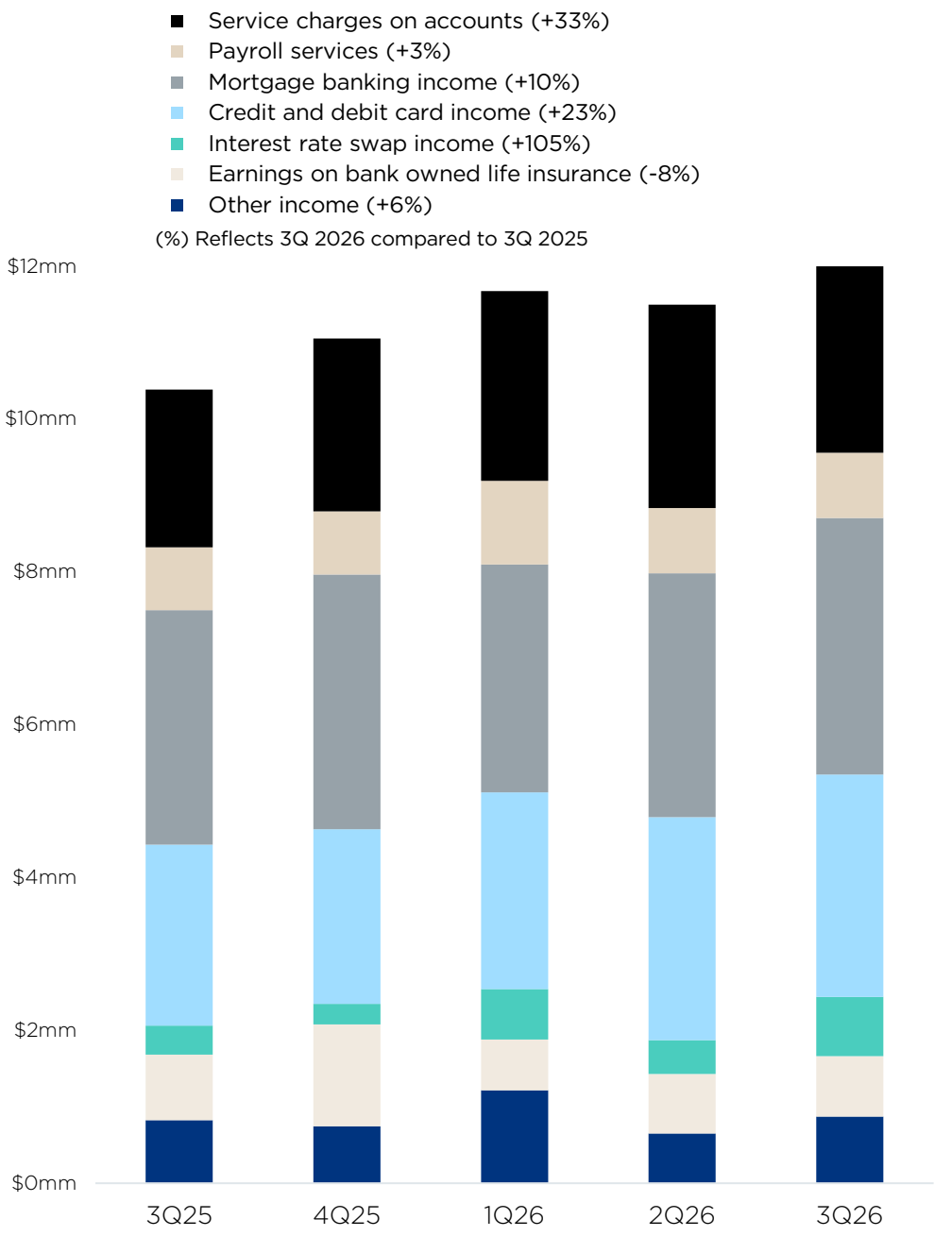




Noninterest Income

Stable fee income:

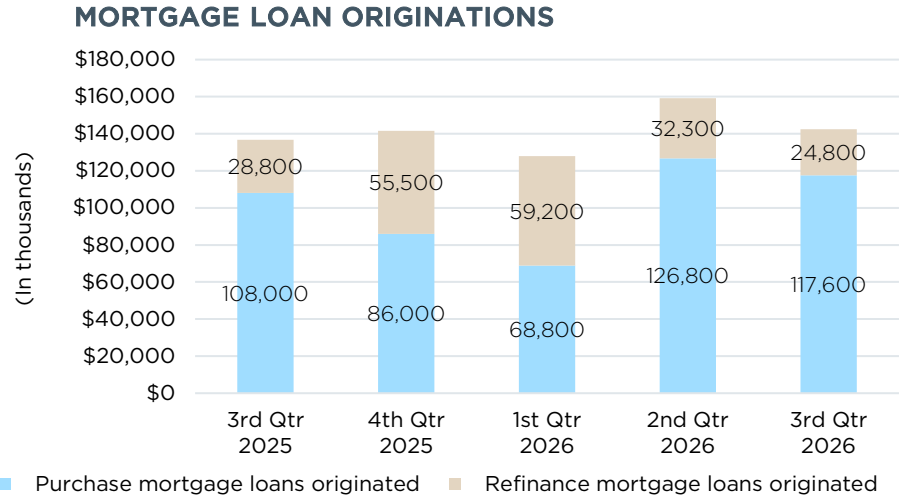
- Treasury management and credit card income increase driven by new commercial client acquisitions, effective marketing endeavors, and usage
- Growth in other categories, including mortgage banking income, swap fee income and payroll services

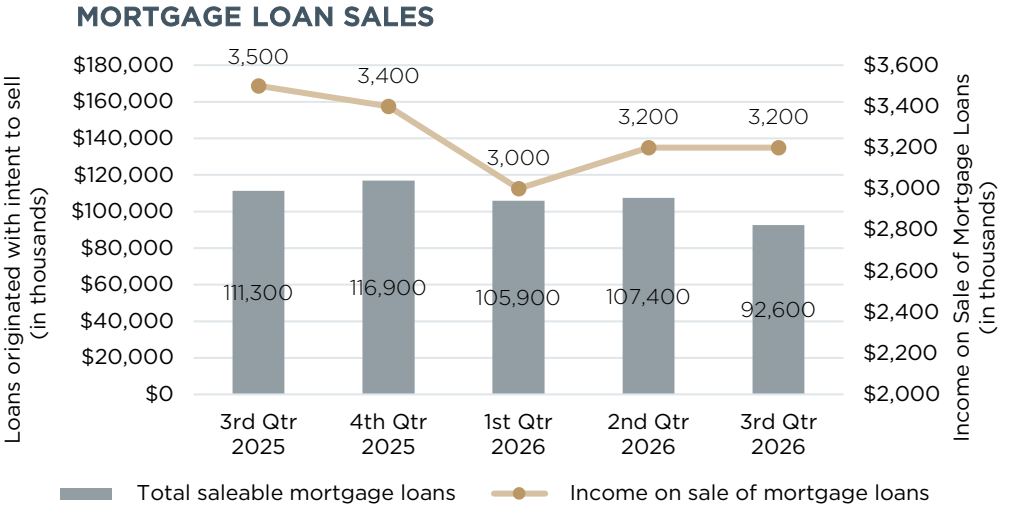


Mortgage Loan Activity

Stable income and solid originations

- Solid originations in 3Q26 with a greater share retained

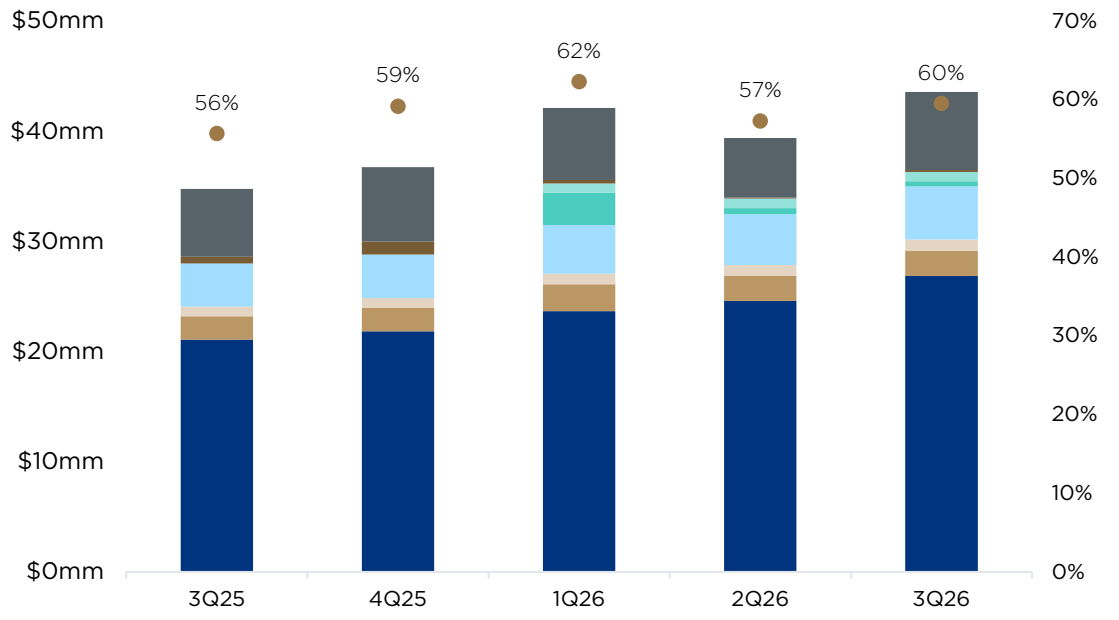




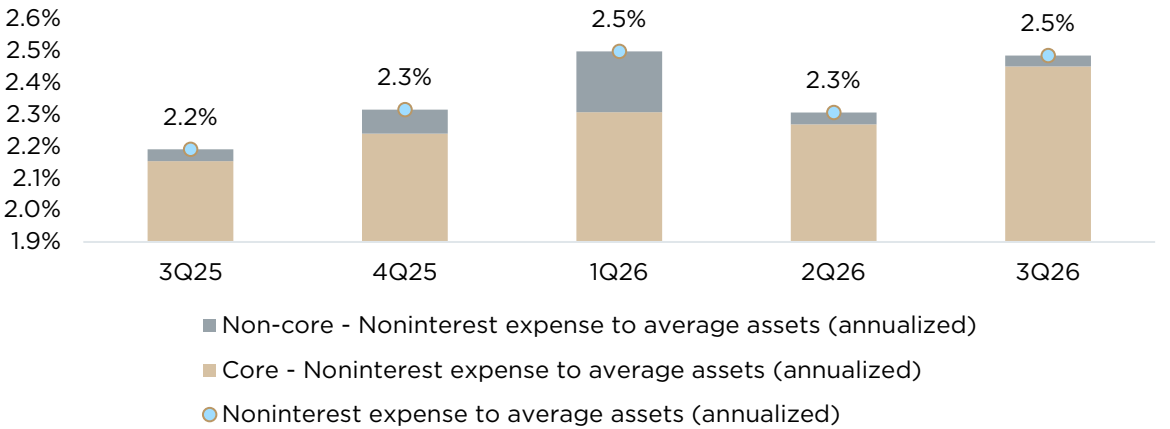
Noninterest Expense

Investments in People and Technology to better position for future growth

- Investments in people include additional costs related to talent acquisition in SE Michigan, higher bonus accrual related to performance and employee retention, and training and development expenses
- Investments in technology associated with core conversion and technology updates



(%) Reflects 3Q2026 compared to 3Q2025



Funding sources designed to match asset repricing characteristics*

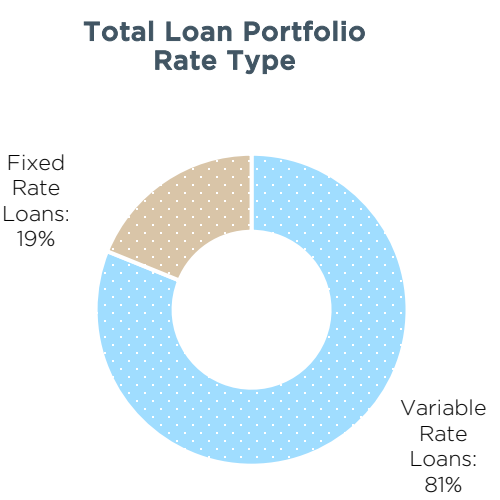
Floating rate:

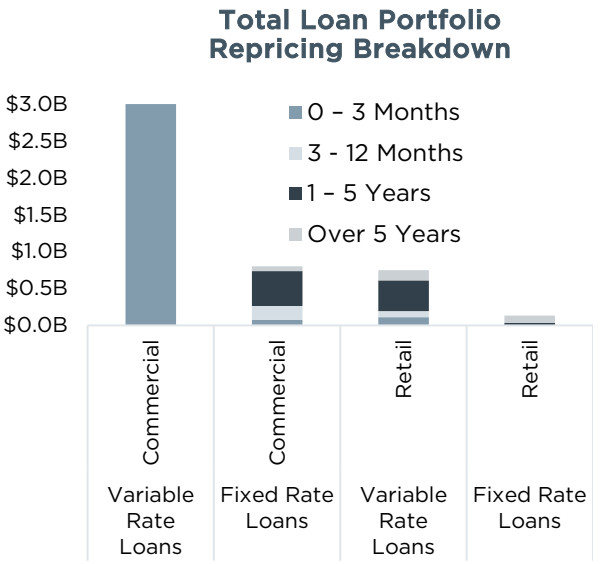
- Shorten balance sheet duration
- Align with funding sources (of which a proportional amount has short durations and floating rates) to mitigate interest rate risk

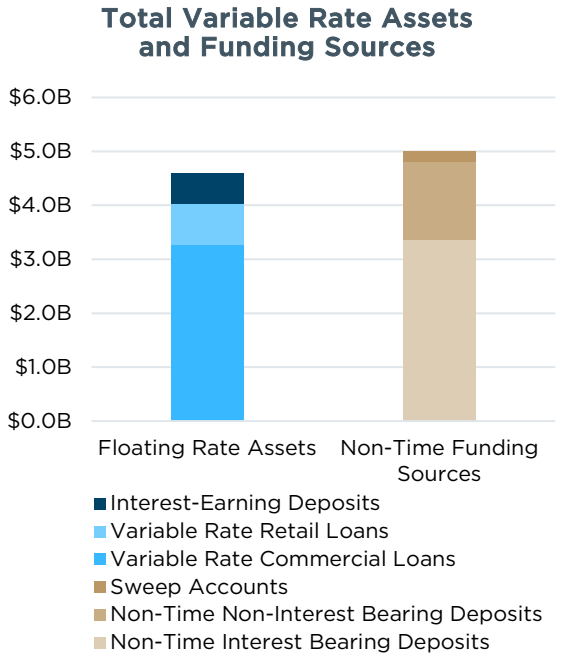
Fixed rate:

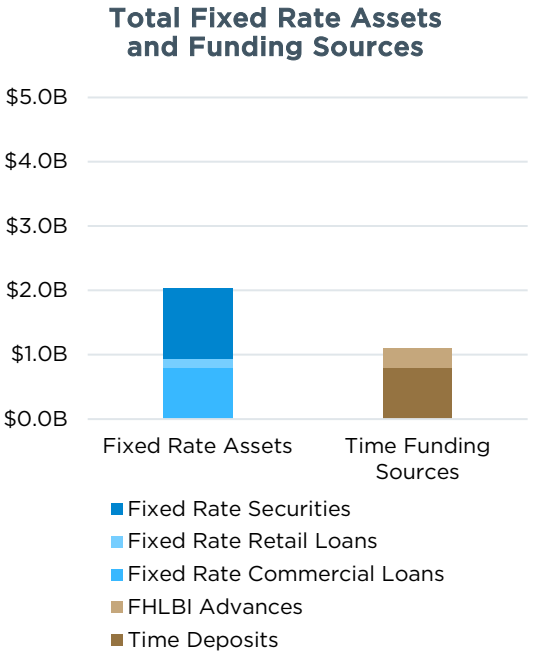
- Match funded with fixed rate liabilities
- Fixed-rate loans and securities provide a natural hedge in a declining-rate environment

*As of September 30, 2026







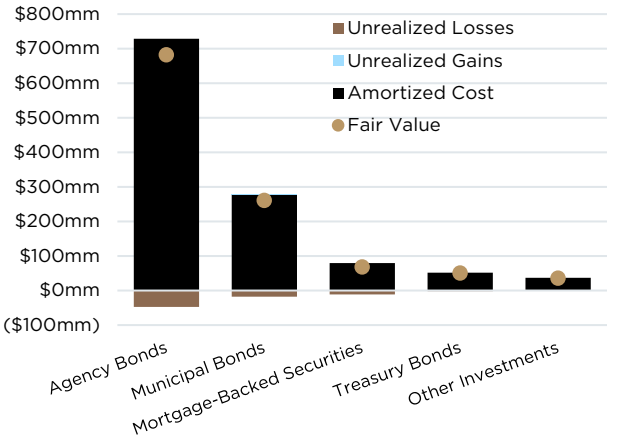


Investment Portfolio

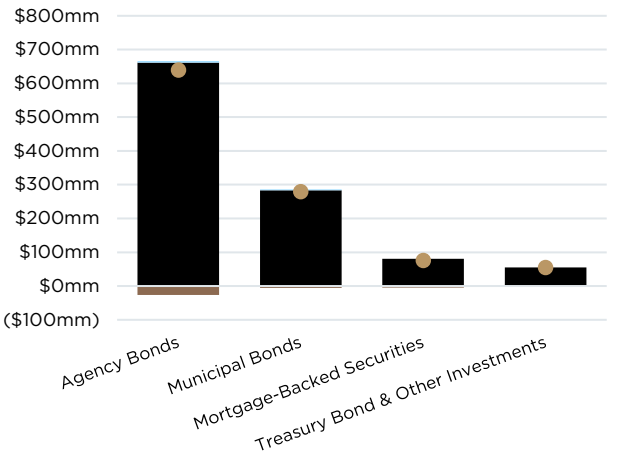
- Net unrealized losses (before tax) equaled $78 million (or 7% of total securities book value) as of September 30, 2026
- Investment portfolio mix remains relatively unchanged, dominated by U.S Agency bonds
- Continue to build the U.S Agency portfolio as part of the strategy to reduce loan to deposit ratio and mitigate interest rate risk
  - Increased portfolio yield given higher rate environment
  - Laddered maturities but concentration on bond purchases with maturities in 3-5 years

Total Investment Portfolio Composition

As of September 30, 2026

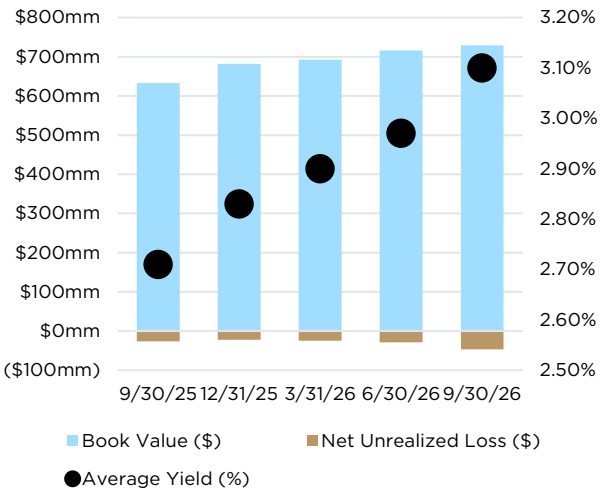


As of December 31, 2025

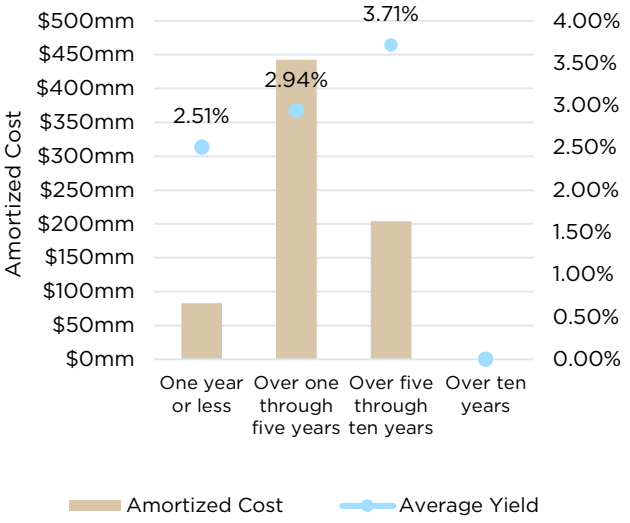


U.S. Agency Bond Segment Profile

Segment Growth



Maturity Schedule*



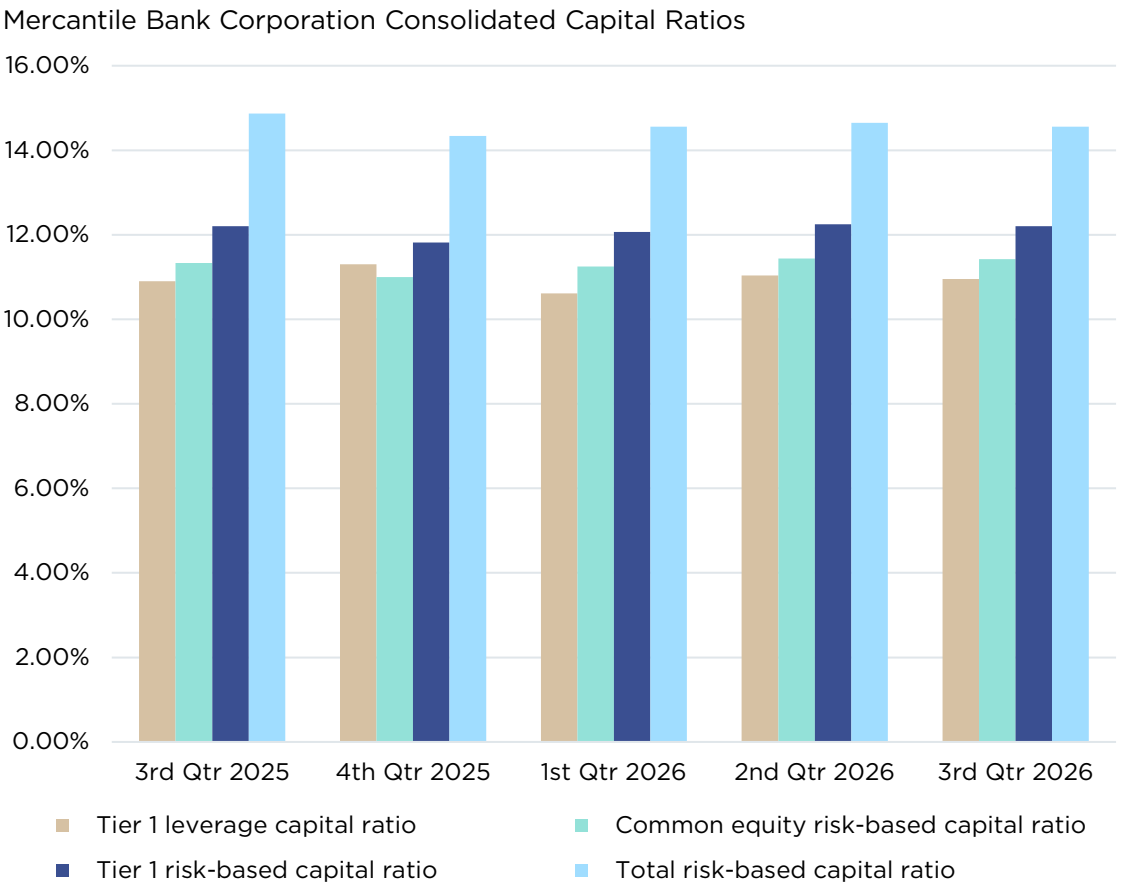
*As of September 30, 2026

Capital Ratios

Both of Mercantile Bank Corp's subsidiaries, Mercantile Bank and Eastern Michigan Bank, have regulatory capital levels in excess of the amounts necessary to be categorized as "well capitalized."

Subsidiary Banks Total Risk Based Capital Ratios:

- Mercantile Bank - 13.4%
- Eastern Michigan Bank – 23.9%



Sources of Liquidity

Upward trend in liquidity sources driven by organic growth and the acquisition of EMB

Availability
($ in thousands)

Source	December 31, 2025	September 30, 2026
Unsecured Federal Funds Line of Credit	$ 50,000	50,000
FHLB of Indianapolis Advance Program	$ 777,000	929,000
Unpledged Investments	$ 491,000	760,000
Federal Reserve Discount Window	$ 157,000	140,000
Total	1,475,000	1,879,000

Thoughts on 2026

PRIME / SOFR RATES

- No rate changes

PERFORMANCE METRICS

	4th QUARTER
Loan Growth (annualized)	5.00%-7.00%
Net Interest Margin	3.75%-3.85%
Fee Income	$10.0MM-$11.0MM
Overhead Costs[1]	$42.0MM-$43.0MM
Federal Tax Rate[2]	17%

1. Excludes anticipated non-recurring costs associated with core conversion
2. Reflects expected transferable energy tax credit acquisitions

Loan Portfolio Characteristics

Strong Credit Culture

Diversified Lending

Total Loans*

($ in thousands)		Balance	Percentage
COMMERCIAL LOANS			
Commercial and Industrial	$	1,499,100	30%
Real Estate – Non-Owner Occupied	$	1,159,700	24%
Real Estate – Owner Occupied	$	757,300	15%
Real Estate – Multi-Family & Residential Rental	$	542,100	11%
Real Estate – Land Development & Residential Construction	$	112,600	2%
Total Commercial Loans	$	**4,070,800**	**82%**
RETAIL LOANS			
1 – 4 Family Mortgages	$	763,700	16%
Other Consumer	$	118,400	2%
Total Retail Loans	$	**882,100**	**18%**
TOTAL LOANS	$	4,952,900	**100%**

*As of September 30, 2026

Asset Quality Metrics

Quarter Trends
($ in thousands)

- Continued strong asset quality metrics
- 14 basis points nonperforming assets to total assets as of September 30, 2026

		9/30/25	12/31/25	3/31/26	6/30/26	9/30/26
Net loan charge-offs (recoveries)	$	(500)	2,600	(400)	(500)	(300)
Net loan charge-offs (recoveries) to average loans (annualized)		(0.05%)	0.23%	(0.03%)	(0.04%)	(0.02%)
Allowance to loans		1.28%	1.21%	1.18%	1.13%	1.14%
Nonperforming loans to total loans		0.21%	0.16%	0.16%	0.12%	0.20%
Nonperforming assets to total assets		0.16%	0.12%	0.11%	0.09%	0.14%

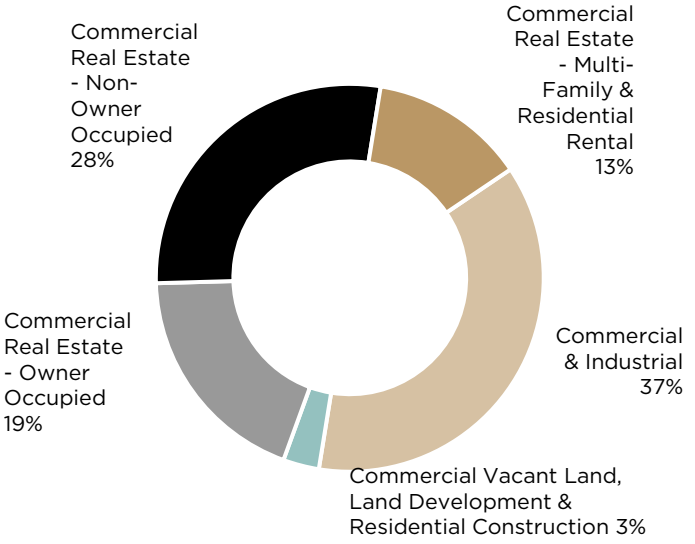
Lending Commitments

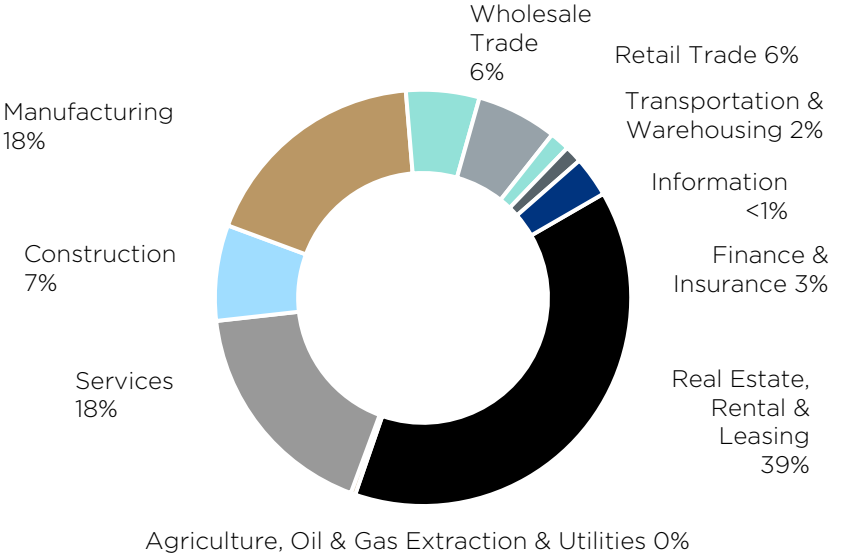
($ in millions)

*Commitments to make loans generally reflect our binding obligations to existing and prospective commercial customers to extend credit, including line of credit facilities secured by accounts receivable and inventory, and term debt secured by either real estate or equipment.

		9/30/25	12/31/25	3/31/26	6/30/26	9/30/26
CONSTRUCTION LOANS						
Commercial	$	216	237	240	236	266
Residential	$	37	34	32	47	44
COMMITMENTS TO MAKE LOANS*	$	133	205	289	224	279
TOTAL	$	386	476	561	507	589

Composition – Commercial Loans [1,2]





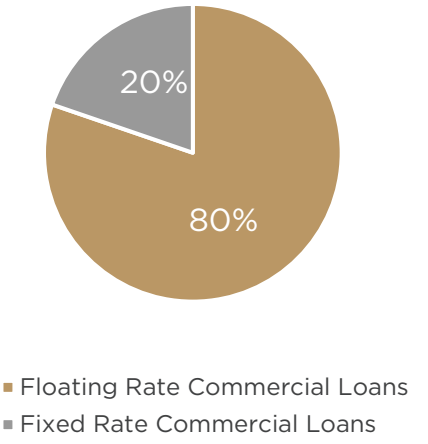
CREDIT RISK PROFILE BY INTERNAL CREDIT RISK GRADES ($ in millions)

Internal Credit Risk Grade Groupings		Commercial & Industrial	Commercial Vacant Land, Land Dev., & Residential Construction	Commercial Real Estate – Owner Occupied	Commercial Real Estate – Non-Owner Occupied	Commercial Real Estate – Multi-Family & Residential Rental
Grades 1-4	$	725.7	56.3	427.0	559.3	169.2
Grades 5-7	$	755.8	54.2	323.1	600.4	372.9
Grades 8-9	$	17.6	2.1	7.2	-	-
Total Commercial	**$**	1,499.1	112.6	757.3	1,159.7	542.1

1. Private credit exposure represents 2% of commercial loan balances
2. As of September 30, 2026

Rate Type – Commercial Loans*

($ in millions)



RATE TYPE BREAKDOWN

		Balance
Floating Rate Commercial Loans	$	3,267,100
Fixed Rate Commercial Loans	$	803,700
Total Commercial Loans	**$**	4,070,800

*As of September 30, 2026

Past Due Loans

Commercial and Retail Past Due Loans*

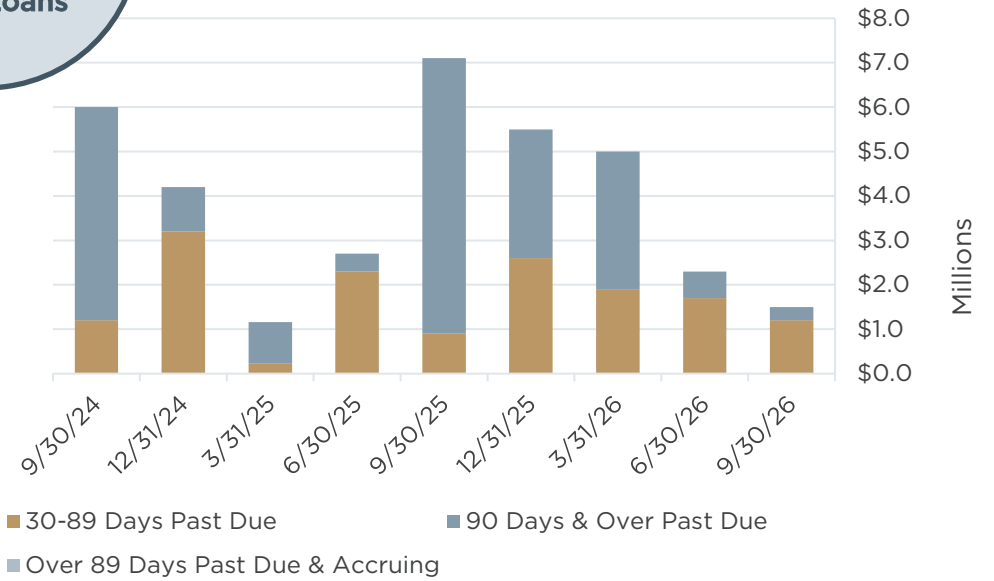
($ in millions)

		30–59 Days Past Due	60–89 Days Past Due	> 89 Days Past Due	Total Past Due	Current	Total Loans	Recorded Balance > 89 Days & Accruing
Commercial and Industrial	$	–	–	–	–	1,499.1	1,499.1	–
Vacant Land, Land Development, Residential Construction	$	-	–	-	-	112.6	112.6	–
Real Estate – Owner Occupied	$	-	0.1	0.3	0.4	756.9	757.3	–
Real Estate – Non-Owner Occupied	$	–	–	–	–	1,159.7	1,159.7	–
Real Estate – Multi-Family and Residential Rental	$	–	–	–	–	542.1	542.1	–
Total Commercial	**$**	–	0.1	0.3	0.4	4,070.4	4,070.8	–
1–4 Family Mortgages	$	0.2	0.5	-	0.7	763.0	763.7	–
Other Consumer Loans	$	0.3	–	–	0.3	118.1	118.4	–
Total Retail	**$**	0.5	0.5	0.0	1.0	881.1	882.1	–
Total Past Due Loans	**$**	0.5	0.6	0.3	1.4	4,951.5	4,952.9	–

*As of September 30, 2026. Excludes current non-accrual loans.

Past Due Loans

3 bps*
as % of Total Loans

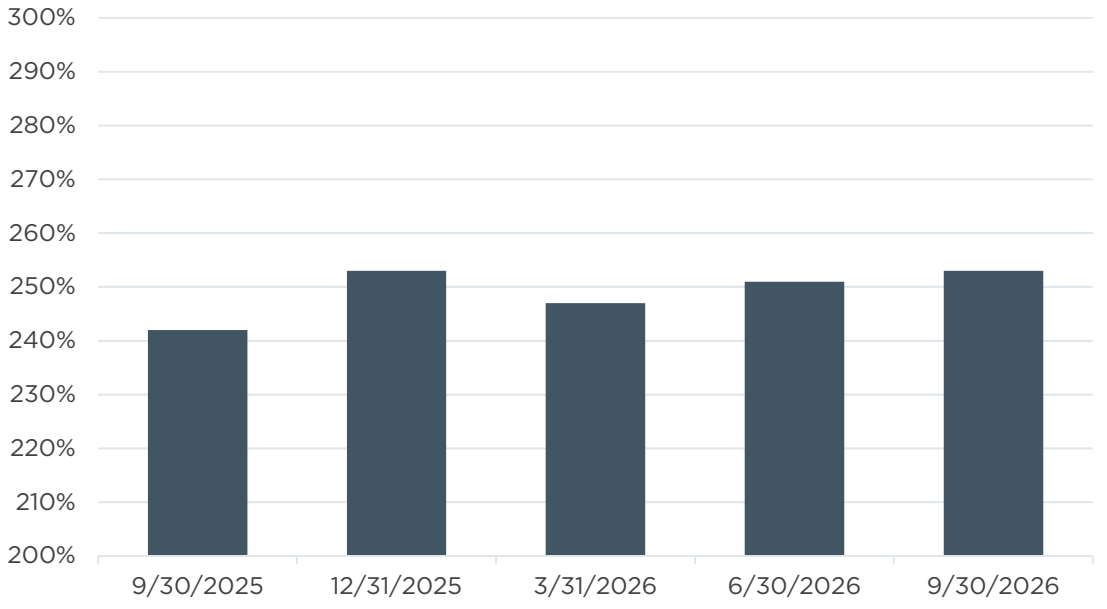


*As of September 30, 2026

FDIC Commercial Real Estate Lending Concentration Guideline for Mercantile Bank

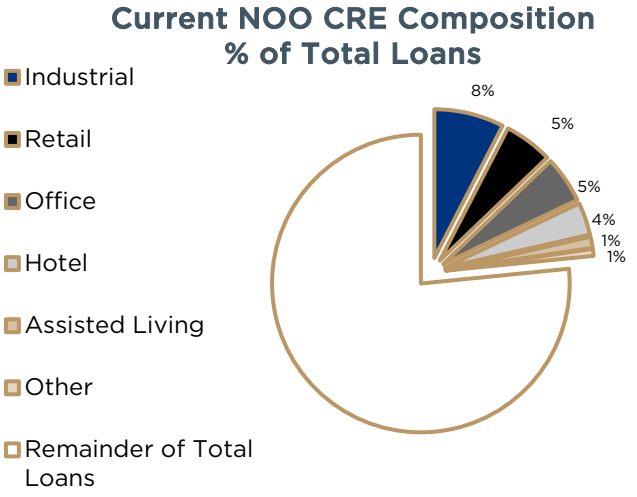
Commercial Real Estate Loans / Total Regulatory Capital

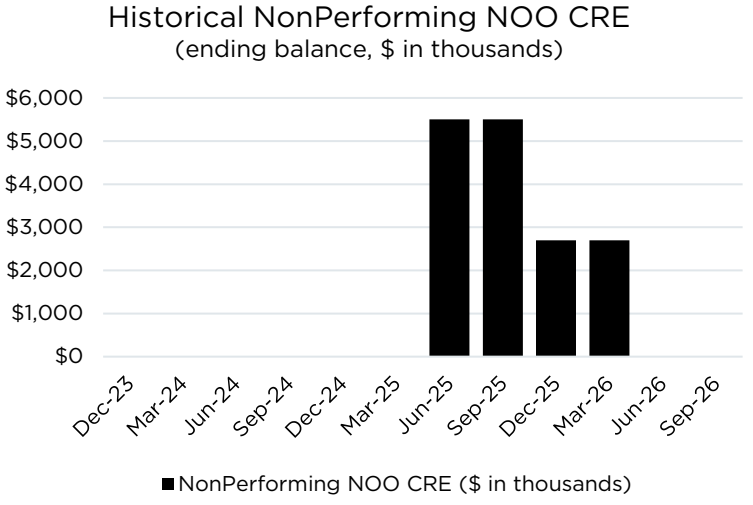
Generally not to exceed 300%



Non-Owner Occupied Commercial Real Estate Lending*

- 100% of office NOO CRE is located in Michigan
- 33% of office is medical
- Only one nonperforming NOO CRE loan relationship over past five years





($ in thousands)		Balance	% of NOO CRE	% of Total Loans
Industrial	$	375,400	32%	8%
Retail**	$	260,700	23%	5%
Office	$	250,300	22%	5%
Hotel	$	175,500	15%	4%
Assisted Living	$	59,900	5%	1%
Other	$	37,900	3%	1%
Total	**$**	1,159,700	100%	24%

*As of September 30, 2026

**Retail is defined using S&P GICS classifications for the Retailing Industry, in addition to restaurants and NOO-CRE with direct exposure to multi use retailing businesses.


Mercantile Bank®