



2024  **Mercantile**<sup>®</sup>  
Bank Corporation  
ENTERPRISE EXCELLENCE REPORT



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# Introduction

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A Message from Our CEO  
Company Profile & 2024 Highlights  
Mission, Vision, & Values





## A message from our CEO.

Mercantile's performance in 2024 continued to demonstrate our steadfast commitment to excellence in all that we do.

The strength of our Company reflected our ongoing success in providing high-quality products and services to our clients, as well as supporting the communities we serve. Our team remained deeply focused on our strategic goals throughout the year, many of which include our ongoing efforts in the realm of corporate responsibility.

Our strong commitment is echoed in numerous metrics, and the report that follows illustrates the foundational commitment Mercantile has to the betterment of our associates, customers, communities, and shareholders.

A handwritten signature in white ink that reads "Ray Reitsma". The signature is fluid and cursive, with a long horizontal stroke at the end.

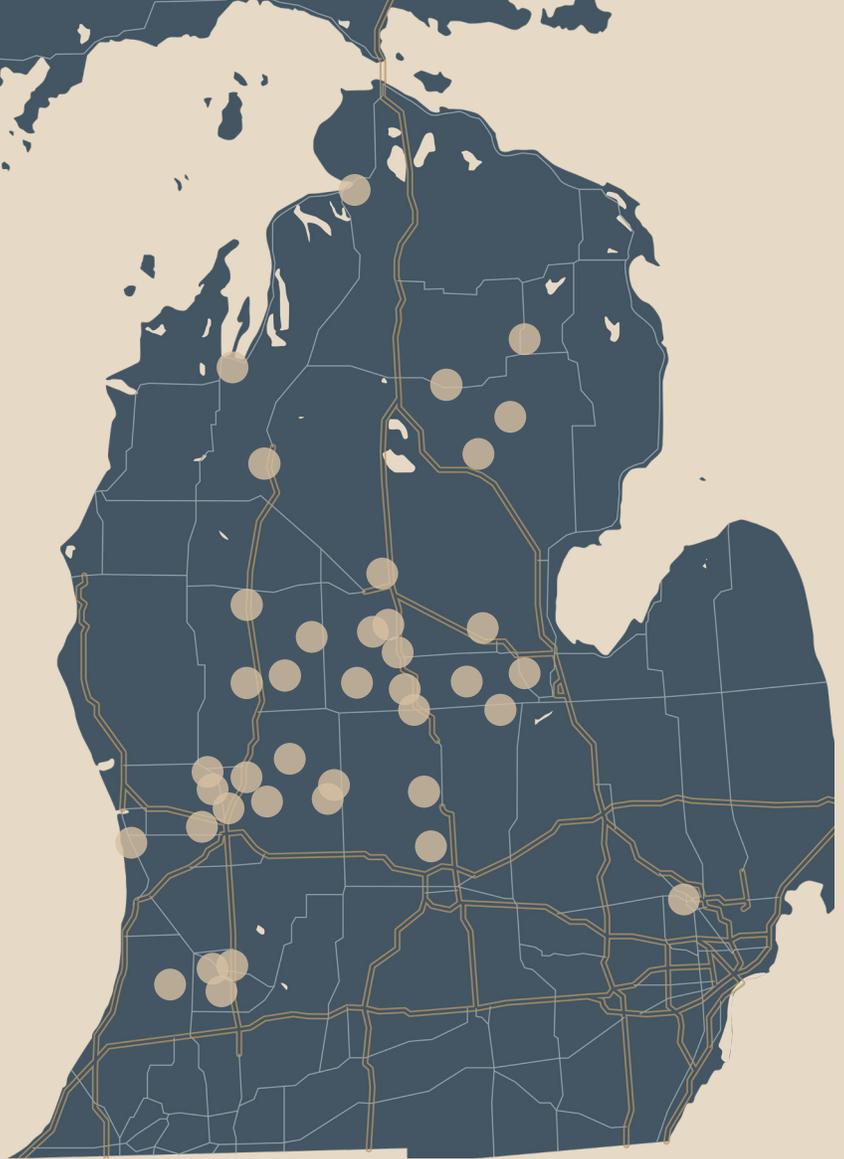
**Ray Reitsma**  
President and CEO  
Mercantile Bank Corporation

# Company Profile.

As the largest bank headquartered in Michigan with over 40 locations statewide, our roots are deeply embedded in the diverse communities we serve.

Founded in 1997 by entrepreneurs, for entrepreneurs, we've been building strong relationships through collaboration and innovation. It's about more than banking, it's about being a trusted ally to businesses, individuals, governments, and community partners.

Customer and community commitment is at the core of all we do, because Mercantile Bank is here for you.



**40+**  
LOCATIONS

**SIX**  
BILLION  
Asset Size

**680+**  
Employee  
COUNT

**NAMED**  
BEST & BRIGHTEST  
COMPANIES  
TO WORK FOR  
20 YEARS  
& COUNTING



## 2024 Highlights.

**3.58%**  
Net Interest Margin

**8.55%**  
Commercial Loan Growth

**0.09%**  
Non-Performing Assets/Total Assets

**8.91%**  
Tangible Equity/Tangible Assets

**14.17%**  
Total Risk-Based Capital Ratio

**79.6MM**  
Net Income

**\$4.93**  
Basic Earnings Per Share

# Mission, Vision, & Values.

We believe that by fulfilling our mission, striving towards our vision and living our values, we will provide shareholders of Mercantile Bank Corporation with an excellent return on their investment.

## Mission

To deliver financial solutions that empower people to achieve their goals and dreams.

## Vision

To be the financial and career partner of choice, bettering the lives of our customers and enriching the communities we serve.

## Values

To build strong relationships, accomplished through: Accountability, Collaboration, Excellence, Inclusivity and Innovation.



# People

## Our Customers

Personal Products & Services  
Privacy & Data Security  
Ways We Protect Customers

## Our Communities

Community-Centered Banking & Service  
Community Impact  
Volunteering Time & Talents  
Community Partners

## Our Colleagues

Engagement & Development  
A Robust Workforce & Culture  
Teamwork By The Numbers



# People | Our Customers

## Personal Products & Services.

We understand that people are individuals, with unique circumstances and financing needs, which is why Mercantile has developed a robust suite of personal products and services to fit nearly any situation.



## Personal Solutions

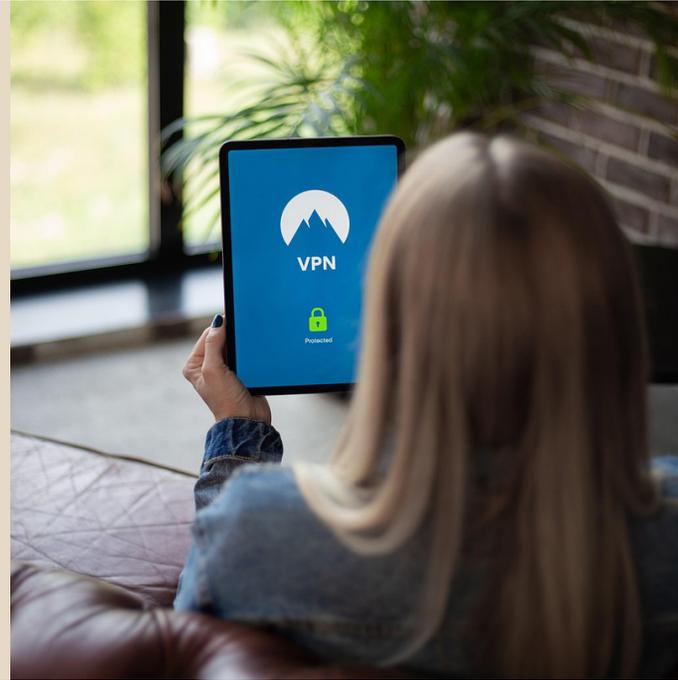
- Appointment Scheduling
- Automobile & Recreational Vehicle (RV) Loans
- CardSwap
- Certificate of Deposit with Flexible Term Options
- ClickSwitch
- Community Champion Mortgage Loans
- Community Checking Account
- Community Savings Account
- Conforming Mortgage Programs with Fannie Mae & Freddie Mac
- Construction Mortgage Programs
- Credit Builder Loans
- Credit Card Reward Programs
- CXI - Foreign Currency Exchange
- Devenir - HSA Investment Account (partnership)
- Digital Debit Card Issuance
- Doctor & Dentist Mortgage Loans
- Down Payment Assistance Grants
- Electric Vehicle/Green Auto Loans
- ESG Green Loans
- Equity Transfer (Bridge) Loans
- Extra Credit - First-Time Home Buyer Programs
- FHA Mortgage Loans
- Getting Started Widget
- Gift Cards
- Greenlight Debit Card
- Health Savings Account (HSA)
- Home Equity Loans
- Jumbo Mortgage Program
- Let's Chat
- Live ATMs
- Lot & Land Mortgage Program
- Manufactured Home Mortgage Loans
- MercCredit
- MercDebit
- MercMobile®
- MercMoney®
- MercPerks Plus Checking Account with Ultimate ID
- MercStart Checking Account (Teens)
- MercStart Fresh Checking Account
- Mobile Wallet
- Money Market Account
- MoneyPass ATM Network
- MSHDA Mortgage Loans
- Online Account Opening
- Online Banking & Bill Pay
- Online Consumer Loan Applications
- Online Mortgage Applications
- Personal Loans
- Portfolio Mortgage Programs
- Rural Development Loans
- Savvy Money
- Secured Credit Card
- Single & Double-Wide Mortgage Loans
- Student Savings (Kids)
- Traditional Mortgage Programs
- Veteran Affairs Home Loans



# People | Our Customers

## Privacy & Data Security.

Safeguarding sensitive customer information ranks as one of Mercantile’s highest priorities. Our enterprise risk management program is relentlessly identifying, assessing, and mitigating risks across all aspects of our Company, including financial, operational, regulatory, reputational, and legal. Given the increasing reliance on technology and potential cyber threats, cybersecurity is a vital component of this program.



Monthly phishing tests challenge associates and keep them vigilant. All team members are required to complete the following Information Security training annually:

- Password Security
- Email Security
- Understanding Privacy: The Gramm-Leach-Bliley Act (GLBA)
- Cybersecurity: Social Media Security
- Cybersecurity: Securing Mobile Devices
- Cybersecurity: Phishing & Social Media
- Ransomware: Spotting the Red Flags

We ensure our customers’ data is safe and secure in the following ways:

Annual review and approval of the Information Cyber Security Program and Policy (“ICSP”) and Information Cyber Security Response Policy (“ICSRP”).

Senior Management oversees efforts to develop, implement, and maintain the ICSP and ICSR.

Third-party management detection and response company actively monitors the security of the Bank’s information systems around-the-clock.

The Board of Directors is responsible for reviewing and approving the ICSP and ICSR at least annually and monitoring material risks facing our Company.

# People | Our Customers

## Ways We Protect Customers.

- Account & Security Alerts
- Biometric Recognition
- Endpoint Detection & Response
- Facial Recognition
- Fraud Reporting
- MercCredit App
- MercDebit via Online Banking
- MercMobile App
- Multi-Factor Authentication
- Password-Controlled Secure Login
- Routers & Firewalls
- Sectigo RSA Domain Validation Secure Email
- Secure File Sharing (sFTP)
- Security Event & Incident Management
- SHA-256 with RSA Encryption
- Temporary Access Code (TAC)
- Transport Layer Security (TLS)
- Ultimate ID+®
- Whole Disk Encryption



Business clients benefit from additional products and protections specifically tailored for the commercial environment.

### Commercial/Business:

Depository Accounts  
Checking  
Money Market  
Savings  
Certificates of Deposit  
IntraFi CDARS & ICS Accounts

### Commercial/Business Banking

#### Lending Solutions:

Lines of Credit  
Term Loans  
Mortgages  
International Banking/FX  
Services

### Government Banking Solutions:

Depository Accounts  
Non-Profit Depository Accounts  
Municipal Depository Accounts  
IntraFi CDARS & ICS Accounts

### Card Solutions:

Business Debit Card  
Business Rewards Credit Card  
Commercial Credit Card  
Online Card Management Portal  
Payroll & Disbursement Card  
Virtual/Instant Issue Credit Card

### MercForce Solutions

#### Human Capital Management:

Applicant Tracking  
Payroll & Human Resource  
Benefits & Affordable Care Act  
Time & Attendance  
Learning Management  
Engagement & Performance  
Management

### Treasury Management Solutions

#### Online Banking Services:

Bill Pay Services  
sFTP File Transmissions  
Information Reporting Services

### Fraud Mitigation Services:

Positive Pay (Check & ACH)  
Dual Control Transactions  
Enhanced Corporate User  
Entitlements

### Liquidity Management Services:

Loan Sweep Services  
Repurchase Sweep Services  
Zero Balance Sweep Services

### Payables Services:

ACH Services  
Integrated Payables  
Wires - Domestic & International

### Receivables Services:

ACH Services  
Cash Vault Services  
Lockbox  
Merchant Services  
Remote Deposit

# People | Our Communities

## Community-Centered Banking & Service.

We're proud of the positive impact our employees make on their local communities and encourage those efforts through our Cheers for Peers program which received 386 submissions in 2024. Each month staff selects up to five of their favorite stories out of dozens of submissions to determine who will receive a \$500 donation to go to their favorite charity or non-profit.



### Jenny

Jenny created a laminated account sheet for a customer who has trouble communicating, and keeps the list at the branch. Now when the customer comes in, staff can take out the sheet and write down balances so they can circle which transactions they want to make. The branch staff's care and compassion has given this customer a sense of control for which they are truly grateful.



### Lisa

Lisa worked closely with a customer who struggles with technology, spending extra time and making it a point to check in with them, even over the weekend, to ensure they understood how to complete their transactions. Lisa provided exemplary service to ensure this customer had all of their banking needs met so that they remained satisfied and happy to have a Bank who puts people first.



### Sueanne

Sue works closely with a couple at her branch to ensure they have all of their banking needs met, but also went above and beyond when she learned they didn't have access to purchase a ticket online for a local football game. She purchased the ticket and met the customer at the field so they could watch their favorite team.

# People | Our Communities

## Community Impact.

“Mercantile has been our go-to for creative financing! They talk through options with us and provide clear communication which keeps us coming back for all of our home financing needs!”

Jess and Dustin Anderson  
Owners  
Retreat North



The numbers below reflect the amount donated per United Nations Strategic Development Goal (SDG) Category, which totaled nearly \$1 million dollars in 2024.

### Additional Impact

Provided **1,226** Small Business/Community Reinvestment Act (CRA) Loans totaling **\$365** million dollars.

**116** Community Development Loans totaling over **\$480** million dollars.

**202** First-Time Home Buyer (Extra Credit) Program participants received **\$438,196** in total towards closing costs.

Our annual giving campaign resulted in team-member pledges totaling over **\$134,000** to Michigan United Way agencies.

**1** NO POVERTY



\$245,150

**2** ZERO HUNGER



\$44,704

**3** GOOD HEALTH AND WELL-BEING



\$309,575

**4** QUALITY EDUCATION



\$90,500

**5** GENDER EQUALITY



\$12,615

**7** AFFORDABLE AND CLEAN ENERGY



\$2,500

**8** DECENT WORK AND ECONOMIC GROWTH



\$15,000

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



\$15,000

**10** REDUCED INEQUALITIES



\$55,300

**11** SUSTAINABLE CITIES AND COMMUNITIES



\$172,338

**15** LIFE ON LAND



\$13,600

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



\$11,600

# People | Our Communities

## Volunteering Time & Talents.

In 2024, Mercantile colleagues once again demonstrated their passion for their communities by making a significant impact with both financial support and the offering of time and talent to various organizations and causes.

The information in the bar graph below represents the 27,509 volunteer hours aligned with the United Nations Sustainable Development Goals (SDGs).



**27,509**

Volunteer Hours



**84%**

Employee Participants



**311**

Board or Committees Served



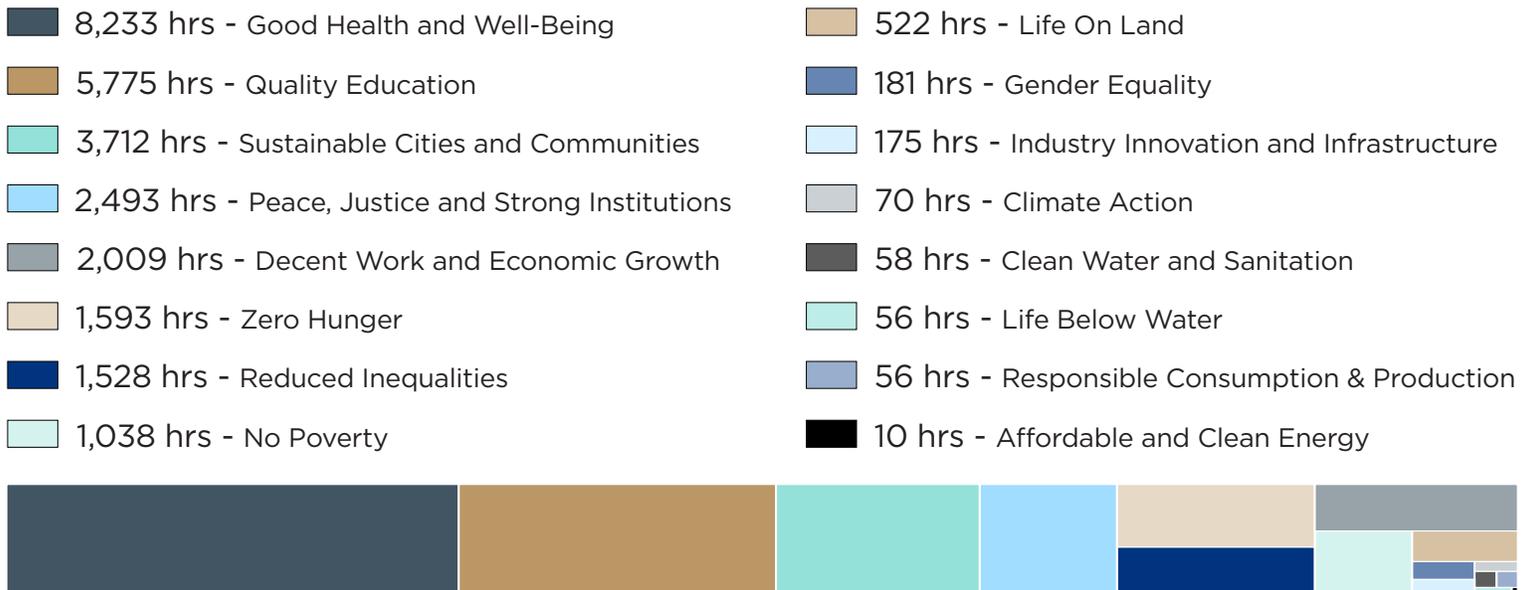
**\$875**

Community Value of Service (In Thousands)



**946**

Entities Served



# People | Our Communities

## Community Partners.

Mercantile Community Partners (MCP) provides financial solutions to support community development and the growing need for affordable housing. As a wholly owned subsidiary of Mercantile Bank Corporation, MCP provides the expertise to expand our commitment to further enrich the communities we serve. Our team empowers communities by working together to navigate each step in the financing process.

### Highlights

- “One-stop-shop” for lending and tax credit investment
- A team that’s relationship and community-driven
- We are experts at connecting affordable housing developers with financing tools and incentives
- Our solutions provide a direct investment into community development projects on behalf of Mercantile Bank Corporation

### Products

- Acquisition and pre-development loans\*
- Construction financing\*
- Investment in Low-Income Housing Tax Credits (LIHTCs)
- Investment in Historic Tax Credits (HTCs)
- Access to Federal Home Loan Bank of Indianapolis Affordable Housing Program Grant (AHP)\*

10

Community Development Projects

325

Total Affordable Apartments

72,000

Total Square Feet of Historic Rehabilitation

\$48,900,000

Total Equity Investments

\*Acquisition and development loans, construction financing and access to Federal Home Loan Bank of Indianapolis Affordable Housing Program provided through Mercantile Bank.



# People | Our Colleagues



## Engagement & Development.

Intentional engagement and learning opportunities provide team members with the skills necessary to perform their jobs effectively, opportunities to collaborate and grow, and to exceed our customers' expectations while fulfilling all the legal and compliance requirements of a financial institution.



**1,224**

Hours invested in supervisor training



**288**

Hours invested in Director training



**6,405**

Compliance training courses successfully completed by employees

100% of team members completed the following compliance training in 2024, with most associates receiving additional job-specific training beyond this list:

- Bank Secrecy Act (BSA) & Anti-Money Laundering (AML) Essentials
- Understanding Privacy: The Gramm-Leach-Bliley Act (GLBA)
- Robbery Prevention & Response
- Federally Insured Accounts
- Fair Lending Compliance
- Identity Theft Red Flags: Duties of Financial Institutions & Creditors
- Business Continuity & Disaster Recovery
- Cyber/Information Security Courses

# People | Our Colleagues



## A Robust Workforce & Culture.

The unique culture of our Company creates an environment for our employees to develop and thrive, while they work to assist those in our communities with their financial needs, goals, and dreams.

**WEST MICHIGAN'S  
BEST AND  
BRIGHTEST<sup>®</sup>  
COMPANIES  
TO WORK FOR  
WINNER 2024**

**20  
YEARS  
IN A  
ROW!**

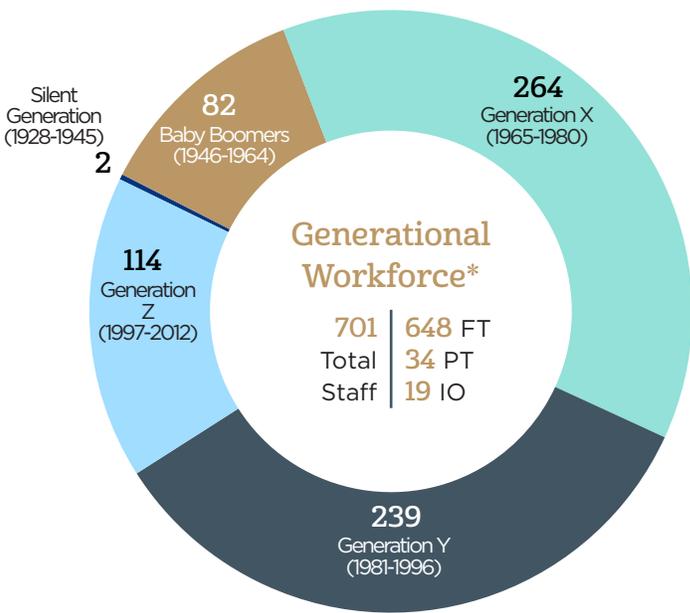
**Mercantile is consistently recognized for the outstanding work performed by our team members.**

- West Michigan's Best & Brightest Companies to Work For — 2024 Elite Award for Compensation, Benefits, and Employee Solutions
- Meals On Wheels Western Michigan Volunteer Group of the Year
- Michigan Bankers Association — Financial Literacy Award
- Forbes Best Banks In America — 2024 recognition
- S&P Global Top 50 Performing Community Banks — 2024 recognition in the \$3B-\$10B asset category
- Michigan Sustainable Business Forum — 2024 Sustainable Business of the Year
- Heart of West Michigan United Way — Top Corporate Supporter

# People | Our Colleagues



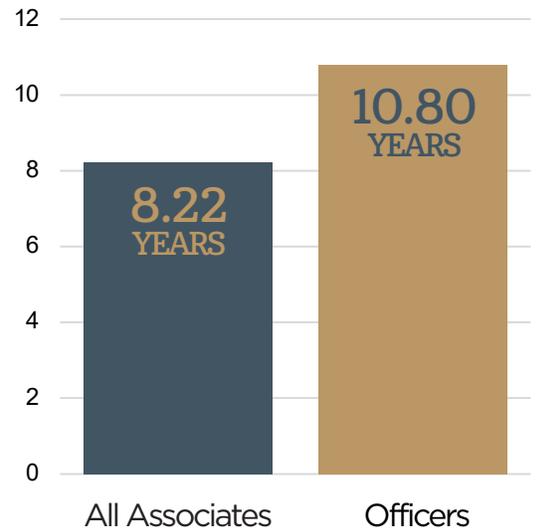
## Teamwork By The Numbers.



**62**  
female  
new hires

**41**  
male  
new hires

## Average Workforce Tenure



### 701 Associates\*



**65.8%** (461)  
Female Associates

**34.2%** (240)  
Male Associates

### 297 Officers



**55.9%** (166)  
Female Officers

**44.1%** (131)  
Male Officers

\* Includes Full-Time (FT), Part-Time (PT), Interns/On-Call (IO), Full-Time Equivalents (FTEs) = 668

# Planet

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## Our Environment

- Stewardship
- Energy Efficiencies
- Recycling & Waste Reduction



## Stewardship.

We believe that it is our responsibility to be good stewards of our environment which is not only good business but reflective of our values in doing what is right for all our constituents, communities, and the planet. To accomplish our work and remain true to our beliefs, our entire Company is committed to being accountable, collaborative, inclusive, innovative, and delivering everything with a high level of care and excellence.



Since 2022, Mercantile has practiced this stewardship by partnering with the State of Michigan's Adopt-A-Highway Program, where three-times a year employees volunteer to clean up both sides of a two-mile section of the M-6 Highway between Ivanrest and Burlingame in Wyoming, MI.

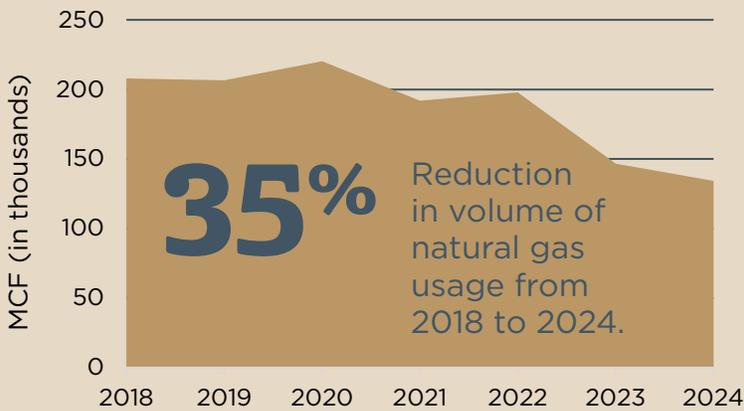


## Energy Efficiencies.

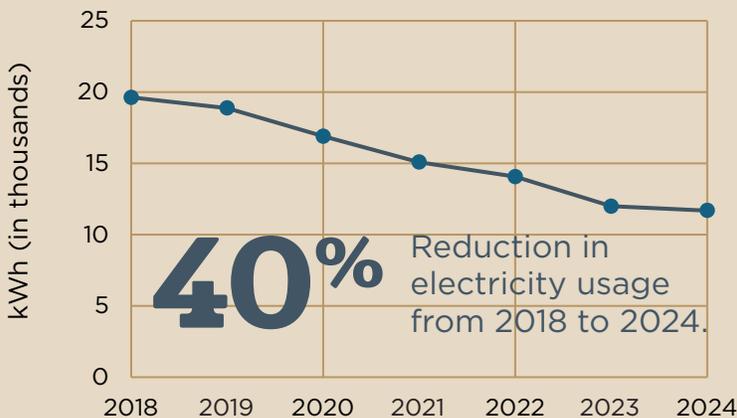
Efficiency continues to be top of mind as we operate and maintain all our locations. In 2024, we invested in additional capital improvements by refreshing four facilities. As is our practice, all were completed with high-efficiency and environmentally conscious updates, such as building management systems, LED lighting and sensors, and low-flow water fixtures to reduce resource consumption.



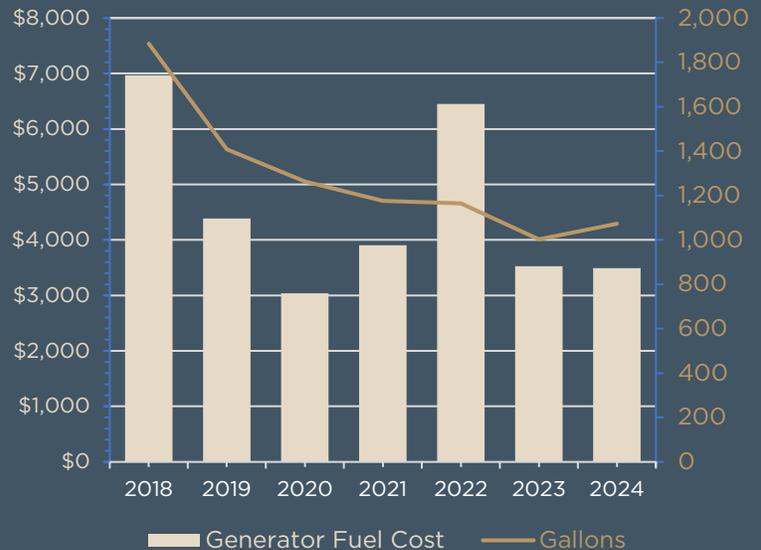
### Natural Gas



### Electricity



### YOY Generator Fuel Consumption



**50%**

Reduction in Generator Fuel Costs from 2018 to 2024.

**43%**

Reduction in gallons of Generator Fuel Used from 2018 to 2024.

# Planet | Our Environment

## Recycling & Waste Reduction.

In 2024, we sponsored nine community shred events, in addition to monthly secure shred collection from all of our facilities, resulting in 240 tons of paper diverted from landfills. We also have water bottle-filling stations, plastic, glass, and cardboard recycling.



In 2024, diverting paper from landfills equated to the following savings:



4,084

TREES  
SAVED



91,295

GALLONS  
OF OIL  
SAVED



793

CUBIC YARDS  
OF LANDFILL  
SAVED



985,025

KILOWATTS  
OF ENERGY  
SAVED

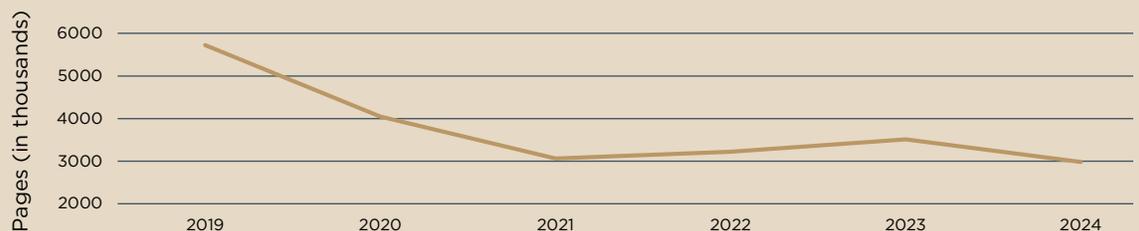


1,681,750

GALLONS  
OF WATER  
SAVED

44%

Reduction in  
internal printed  
pages 2019 to 2024.



# Process



## Our Leadership and Governance

- Ethics and Policies
- Strategic Management of Risk
- Board Oversight & Independence

## Our Business Model and Innovation

- Strategies & Priorities

## Appendices

- United Nations Sustainable Development Goals
- SASB Framework
- Enterprise Excellence Matrix
- Forward-Looking Statement

# Process | Our Leadership & Governance



## Ethics & Policies.

Our Enterprise Excellence Committee (EEC), comprised of Mercantile team members representing various departments within the Company, reports up through the Governance and Nominating Committee of the Board of Directors. The EEC regularly reviews and implements best practices, striving to ensure that our Company's strategic plan reflects both the short and long-term objectives to position Mercantile as a leader when it comes to environmental, social, and governance matters.

The following Governance policies are reviewed annually and made publicly available via the Company's Investor Relations website at [ir.mercbank.com/overview/documents](https://ir.mercbank.com/overview/documents):

- Anti-Bribery and Anti-Corruption Policy
- Clawback Policy
- Code of Ethics Policy
- Corporate Governance Guidelines
- Environmental Policy
- Human Rights Policy
- Insider Trading Policy
- Supplier Diversity Program Policy
- Vendor and Supplier Code of Conduct

## Corporate Governance Highlights

- Annual evaluations of the Board, its committees, and individual directors conducted by the Governance and Nominating Committee;
- Corporate Governance Guidelines are in place for all directors (available on our website under Investor Relations);
- Anti-Hedging and Anti-Pledging policies are in place as components of our Insider Trading Policy;
- Executive Session Facilitator is an independent director, annually recommended by the Governance and Nominating Committee and elected by the Board of Directors;
- Chairman of the Board and Chief Executive Officer are separate positions;
- The oversight of environmental, social and governance sustainability matters is the responsibility of the Governance and Nominating Committee.

# Process | Our Leadership & Governance

## Strategic Management of Risk.

As part of its standard underwriting practices, the Bank does consider sustainability, environmental, social, and governance risks that could materially affect a borrower's ability to repay its credit obligations. These risks can be borrower specific or specific to the industry in which a borrower operates.



## The Role of the Board and Executive Management

- Board oversight of risk management practices – responsible for definition, structure, implementation and coordination of the Bank's risk management plan.
- The Bank's Chief Risk Officer is a member of the Enterprise Excellence Committee (EEC) and the Enterprise Risk Management Committee (ERMC), which provide high-level attention and coordination to the risk management process, policies, procedures and routine risk mitigation oversight.
- The Board reviews and discusses the Enterprise-Wide Risk Assessment on a quarterly basis.
- The Bank regularly consults with its independent audit firm, legal counsel, independent investment banking firms and regulators to anticipate emerging risks and mitigate future threats.

We are steadfastly focused on creating long-term value through meaningful relationships and management of risk.

# Process | Our Leadership & Governance

2024 Board of Directors



**Michael Davenport**  
Jireh Metal Products



**Tom Dickinson**  
Biggs, Dickinson, and Roberts  
Wealth Management Services



**Michelle Eldridge**  
Clear Ridge Wealth Management



**Joe Jones**  
The Hekima Group



**Bob Kaminski**  
Retired, Mercantile Bank



**Rich MacDonald**  
The Hinman Company



**Mike Price**  
Retired, Mercantile Bank



**David Ramaker**  
Retired, Banking Executive



**Ray Reitsma**  
Mercantile Bank



**Nelson Sanchez**  
RoMan Manufacturing



**Sara Schmidt**  
US Foods



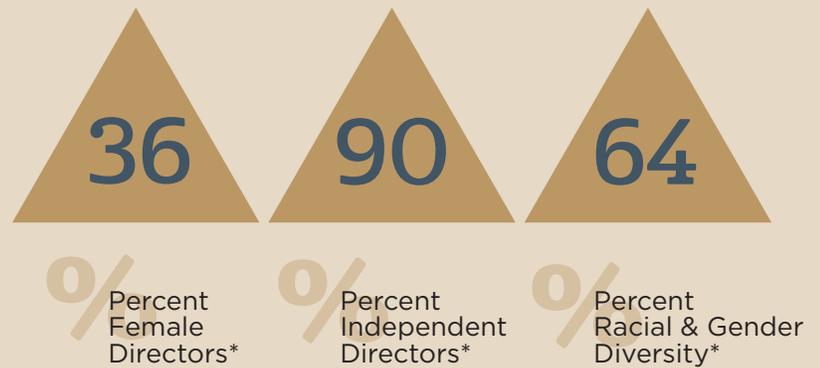
**Amy Sparks**  
Nuvar, Inc.



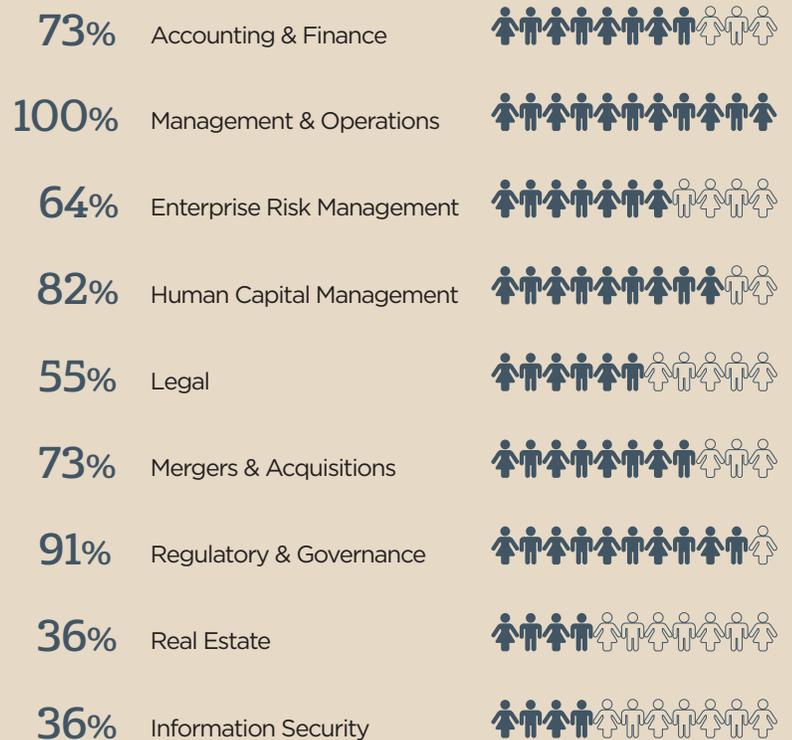
**Shoran Williams**  
Attorney

## Board Oversight & Independence.

Our diverse Board helps promote equitable representation.



## Board of Directors Experience & Skills



\*Percentages based on 2025 Proxy Statement.

# Process | Our Business Model & Innovation



## Strategies & Priorities.

When done right, our Company's strategies are reflected in our bottom-line success for all our stakeholders. The history of our ability to grow our position in innovative ways, while remaining strong, secure and profitable, speaks to our commitment to uphold our values and leverage our talented and experienced team to ensure the company is sustainable and strong, far into the future.

### Communication is the key.

Mercantile is a relationship-centered Bank and believes it is essential to have open communication with our constituents. Regular communication (email, social media posts, online banking messaging, branch signage, website) is provided to our customers covering important and relevant topics such as financial wellness tips, how to avoid fraud, and other helpful messages relating to free products and services for our customers to leverage (Greenlight, Turbo Tax discounts, Credit Check app, and more.)

We define sustainability as the leveraging of combined abilities to ensure our ongoing impact on people and the environment, and our success is always focused on upholding long-lasting, positive results.

### Enterprise Excellence Committee

Our Enterprise Excellence Committee (EEC) meets on a quarterly basis and supports our ongoing commitment to environmental, health, safety, corporate social responsibility, corporate governance, sustainability, and other matters relevant to our organization.

# Process | Appendices

## United Nations Sustainable Development Goals.

Mercantile utilizes the 17 United Nations Sustainable Development Goals (UNSDGs) to align all our community service activities as a reflection of how our acts are positively impacting the world. The UNSDGs highlighted on this page represent the achievements that best expressed our company's strategy and activities, including giving and volunteer service throughout 2024.

**1** NO POVERTY



Pages [8](#), [11](#), [12](#), [13](#),  
[14](#), [16](#), [23](#), [26](#)

**2** ZERO HUNGER



Pages [12](#), [13](#), [16](#)

**3** GOOD HEALTH AND WELL-BEING



Pages [12](#), [13](#), [19](#), [21](#)

**4** QUALITY EDUCATION



Pages [12](#), [13](#)

**8** DECENT WORK AND ECONOMIC GROWTH



Pages [8](#), [9](#), [10](#), [11](#),  
[12](#), [13](#), [15](#), [16](#),  
[23](#), [24](#), [26](#)

**10** REDUCED INEQUALITIES



Pages [10](#), [11](#), [12](#), [13](#),  
[14](#), [16](#), [23](#), [25](#),  
[26](#)

**11** SUSTAINABLE CITIES AND COMMUNITIES



Pages [12](#), [13](#), [14](#), [16](#),  
[19](#), [20](#), [21](#), [23](#)

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



Pages [10](#), [12](#), [13](#), [14](#),  
[16](#), [23](#)

# Process | Appendices

## SASB Framework.

The index below includes SASB standards for the Financial Sector that are relevant for our business: Commercial Banks. Unless otherwise noted, all data and descriptions apply to our entire firm and are as of or for the year ended December 31, 2024. For additional information about our financial performance, please refer to the Company's quarterly earnings materials as well as quarterly and annual reports on Form 10-Q and Form 10-K, respectively.

Certain information may not be disclosed within the index below if it is not considered material, is privileged or confidential, could cause a competitive disadvantage to our business if publicly disseminated, or is not currently collected in a manner wholly correlative with the SASB metric.

Topic	Code	Metric	Disclosure
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) Percentage that are personal data breaches (3) Number of account holders affected	(1) 0 (2) 0% (3) 0 Any material cybersecurity incidents would be reported in a periodic, annual, or quarterly report.
Data Security	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Please see Item 1C. Cybersecurity in our <a href="#">December 31, 2024 Form 10-K</a> , on page 19.
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) Amount of loans outstanding that qualify for programs designed to promote small business and community development	(1) 116 Community Development Loans, 1,226 Small Business/Community Reinvestment Act (CRA) Loans; (2) \$481,603,999 Community Development Loans, \$365,480,000 Small Business/Community Reinvestment Act (CRA) Loans.
Financial Inclusion & Capacity Building	FN-CB-240a.2	(1) Number and (2) Amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Not Disclosed.

Topic	Code	Metric	Disclosure
Financial Inclusion & Capacity Building	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Mercantile Bank offers two low-cost checking accounts (fees may be waived if certain requirements are met). MercStart™ is an account designed for students ages 13 to 17 that provides the convenience of a traditional checking account while encouraging healthy banking habits (1,010 accounts). MercStart Fresh™ is BankOn Certified, and an account developed for customers with previous banking obstacles to assist them with maintaining a deposit account while developing healthy banking habits; overdraft and dormant fees are waived (67 accounts).
Financial Inclusion & Capacity Building	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Over 444 financial literacy courses were offered to over 4,300 participants that were considered low or moderate income (LMI).
Incorporation of, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	As part of its standard underwriting practices, the Bank does consider sustainability, environmental, social, and governance risks that could materially affect a borrower's ability to repay its credit obligations. These risks can be borrower specific or specific to the industry in which a borrower operates.
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Please see Part 1, Item 3. Legal Proceedings from our <a href="#">December 31, 2024 Form 10-K</a> , page 20. In the opinion of management, we are not a party to any legal proceedings that are material to our financial condition, either individually or in the aggregate.

Topic	Code	Metric	Disclosure
Business Ethics	FN-CB-510a.2	Description of whistleblower policies and procedures	Please see our <a href="#">Code of Ethics Policy</a> , Section III, on page 3 and our Business Conduct Contact Form on our website under Investor Relations – Governance Documents.
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Mercantile Bank is not identified as a Global Systemically Important Bank (G-SIB) for 2024 and therefore does not have a score; this metric is not relevant to our business.
Systemic Risk Management	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	The Bank monitors its risk factors continuously, formally documenting risk and control assessments on each factor on a quarterly basis, maintaining historical documentation along with an analysis of the projected and desired risk outcomes and any projected risk discrepancy. The Bank regularly consults with its independent audit firm, legal counsel, independent investment banking firms and regulators to anticipate emerging risks and mitigate future threats. A capital stress test is conducted as part of the annual budget review and approval process that centers around the expected performance of our loan portfolio under a variety of economic scenarios.
Activity Metrics			
	FN-CB-000.A	(1) Number and (2) Value of checking and savings accounts by segment: (a) personal and (b) small business	Please see our <a href="#">Investor Presentation from Q4 and Year-End 2024</a> , page 21.
	FN-CB-000.B	(1) Number and (2) Value of loans by segment: (a) personal, (b) small business, and (c) corporate	Please see our <a href="#">Investor Presentation from Q4 and Year-End 2024</a> , page 25.

# Process | Appendices

## Enterprise Excellence Matrix.

Category	Metric	Update
Business Model & Innovation	Efficiencies	Use of internally secured, monitored, and regulated Artificial Intelligence (AI) allowing for enhanced workflow efficiencies
Business Model & Innovation	Efficiency Through Technology	Smartboards, cameras and software installed throughout company to reduce travel, increase training opportunities and team collaboration
Business Model & Innovation	Certified Suppliers	Electronic recycling vendors are certified to ISO 14001 and ISO 45001 standards
Business Model & Innovation	Supplier Diversity Program and Policy	<u>Mercantile's Supplier Diversity Program</u> is inclusive of Minority / Woman / LGBTQ+ / Veteran / Disabled owned vendors; Program Policy information and application is located on our website under <u>RESOURCES</u> ; Mercantile is devoted to ensuring that all businesses within the communities the Bank serves are fairly considered when we contract for services and products
Business Model & Innovation	Vendor Management	Vendor Management Program classifies and assesses risk associated with outsourcing services to a vendor, which allows for appropriate due diligence review and mitigating controls to be in place at all times for operations; all vendors reviewed at least annually
Community	Community Development Lending	116 loans totaling almost \$482 million in 2024
Community	Community Donations	Almost \$1 million in corporate donations were made in 2024; employees collectively pledged over \$134,000 in support of United Way from their pay in 2024
Community	Community Financial Education	In 2024, over 400 financial education classes were offered, impacting over 4,300 participants

Category	Metric	Update
Community	First-Time Home Buyer Program	First-Time Home Buyer (Extra Credit) Program offsetting \$438,196 in total towards closing costs for 202 participants
Community	Non-Profits Served - Volunteering	84% of employees donated 27,509 hours of volunteering in support of 946 non-profit organizations in 2024
Community	Pay It Forward	Employees can donate up to 24 vacation hours per year to a vacation bank for other employees to use in times of need
Community	Small Business Lending/ Community Reinvestment Act (CRA)	1,226 loans totaling \$365,480,000 in 2024
Community	Sustainable Development Goals	All volunteering activities and corporate donations categorized using United Nations-defined sustainable development goals
Community	Sustainable Giving	<a href="#">The Mercantile Foundation</a> exists to ensure future community giving
Community	Volunteer Community Value	The value of volunteer hours invested in communities was \$874,770 for 2024
Customers	Customer Education	Regular communication (email, social media posts, OLB messaging, branch signage, website) is provided to our customers covering important and relevant topics such as financial wellness tips, how to avoid fraud, and other helpful messages relating to free products and services for our customers to leverage (Greenlight, Turbo Tax discounts, Credit Check app, and more)
Customers	Customer Protection & Safety Through Technology	Ways we protect customers: Password-Controlled Secure Login - Online & Mobile Banking, Multi-Factor Authentication, Sectigo RSA Domain Validation Secure Server CA, SHA-256 with RSA Encryption, Transport Layer Security (TLS), Temporary Access Code (TAC), Facial and Biometric Recognition, Single Sign-on (SSO) for certain applications, Fraud Reporting, Ultimate ID+, Account and Security Alerts, MercMobile App, MercDebit integrated into online banking, MercCredit App, Secure Email, Secure File Sharing, Routers and Firewalls, Security Event and Incident Management, Whole Disk Encryption, Endpoint Detection and Response. Online Statements, Online Banking and Bill Pay, Dual Control, ACH Positive Pay, Check Positive Pay, Online Review of Suspect Items, Payee Match, Remote Deposit Capture and Mobile Remote Deposit Capture, Automated Sweep Services, Payroll Cards

Category	Metric	Update
Customers	Efficiencies	Use software platforms for secure digital documents and customer signatures across key business lines
Customers	Efficiency Through Technology	Continue to improve and expand online banking platform for mobile and desktop applications; offer customers the ability to make in-person appointments; free credit score modeling; free budgeting tools and the ability to work with a digital branch banker directly through chat support embedded into online banking
Customers	Live ATM Banking Services	Expanded teller banking service hours available at most locations through our Live ATMs
Customers	Marketing Compliance	Marketing materials reviewed to ensure regulatory and ADA compliance
Customers	Safety Through Technology	<u>Treasury Product</u> : Utilizing and expanding customer use of Positive Pay product to reduce fraud
Customers	Safety Through Technology	Links to Security Resources on our Website: <u>National Cybersecurity Alliance</u> ( <a href="https://staysafeonline.org/">https://staysafeonline.org/</a> ), <u>National Institute of Standards and Technology - Small Business Cybersecurity Corner</u> ( <a href="https://www.nist.gov/itl/smallbusinesscyber">https://www.nist.gov/itl/smallbusinesscyber</a> ), <u>Federal Trade Commission Consumer Advice - Online Privacy and Security</u> ( <a href="https://consumer.ftc.gov/identity-theft-and-online-security/online-privacy-and-security">https://consumer.ftc.gov/identity-theft-and-online-security/online-privacy-and-security</a> ), <u>National Center for Missing and Exploited Children</u> ( <a href="https://www.missingkids.org/netsmartz/home">https://www.missingkids.org/netsmartz/home</a> )
Environment	Efficiencies	44% reduction of printed documents since 2019
Environment	Efficiencies	All new construction and renovation projects include low-flow devices and LED lighting to keep future energy usage lower
Environment	Efficiencies	Bank-wide use of online accounts payable system (save paper, time, and resources)
Environment	Efficiencies	Bank-wide use of technology and video to reduce/eliminate travel, save time, and reduce fuel consumption for meetings
Environment	Electric Vehicle	Maintain one (1) Electric Vehicle for courier delivery use
Environment	Electric Vehicle Charging Stations	Two Electric Vehicle (EV) Chargers are available for employee and public use
Environment	Electricity Usage	Over the past six years, electricity usage has been reduced by 40%

Category	Metric	Update
Environment	Enterprise Wide Risk Assessment	Enterprise Wide Risk Assessment includes environmental risk; reports are presented to the Board quarterly to monitor evolving risk
Environment	Environmental Policy	The Board of Directors annually reviews and adopts the <a href="#">Environmental Policy</a> , which is available on the company website; the Enterprise Excellence Committee recommends changes to the Board
Environment	ESG Green Credit (Loan)	For clients building or renovating a home that use large scale environment-friendly sustainable initiatives or have a LEED certification; Solar Panels, Electric Vehicle Charging Stations and water recycling systems; LEED certifications receive a discount on closing costs; Electric Vehicle Loans
Environment	Natural Gas Usage	Over the past six years, natural gas usage has been reduced by 35%
Environment	Recycling	All office locations have recycling stations to divert cardboard, plastic, and metal items from landfills
Environment	Recycling	Secure paper shredding and recycling program (internal and community shred days); in 2024, the Bank securely shred 240 tons of paper, including 9 state-wide community shred events, which saved approximately 4,084 trees, 985,025 kWh in saved electricity, avoided adding 793 cubic yards of waste in landfills and saved 1,681,750 gallons of water
Environment	Renovations & Construction	Follow LEED Green practices whenever possible
Environment	Repurpose	Any renovations and expansion projects are met with Mercantile's repurpose initiative, which donates previously used office furniture to non-profit organizations
Environment	Waste Reduction	Water bottle refill stations installed during expansions and renovations to reduce plastic bottle use
Leadership & Governance	Anti-Pledging & Anti-Hedging	<a href="#">Insider Trading Policy</a> has all insiders sign and agree to anti-pledging and anti-hedging policies.
Leadership & Governance	Audit	The Company has annual information security audits
Leadership & Governance	Audit	The Company's Internal Audit Director reports directly to the Audit Committee (comprised of 100% independent Directors)

Category	Metric	Update
Leadership & Governance	Enterprise Excellence Committee	The Enterprise Excellence Committee meets formally at least three times per year, focusing on matters that sustain the bank and add value consistent with social well-being and maintaining our natural world; the Company's Governance Committee maintains oversight of the Enterprise Excellence Committee
Leadership & Governance	Election	All Directors are elected annually (Company and Bank Boards)
Leadership & Governance	Financial Experts	The Company's Audit Committee has identified four financial experts
Leadership & Governance	Independence	The Executive Session Facilitator (Lead Director) is an independent Director
Leadership & Governance	Independence	The Chair of the Audit Committee is an independent Director
Leadership & Governance	Independence	The Chair of the Compensation Committee is an independent Director
Leadership & Governance	Independence	The Chair of the Governance & Nominating Committee is an independent Director
Leadership & Governance	Independence	100% of the Audit Committee members are independent Directors
Leadership & Governance	Independence	100% of the Compensation Committee members are independent Directors
Leadership & Governance	Independence	100% of the Governance & Nominating Committee members are independent Directors
Leadership & Governance	Insider Trading Policy	<u>Insider Trading Policy</u> annually reviewed and adopted by Board of Directors; posted on website; all Insiders annually review and sign Policy
Leadership & Governance	Insurance	The Company maintains insurance policies for information security risks
Leadership & Governance	Performance Evaluation	The <u>Governance &amp; Nominating Committee Charter</u> requires an annual performance evaluation of the Board and its Directors

Category	Metric	Update
Leadership & Governance	Policies	The Company maintains numerous policies, including Code of Ethics Policy; Conflict of Interest; Insider Trading Policy; Corporate Governance Guidelines; Policy Against Harassment; Supplier Diversity Program Policy; Vendor and Supplier Code of Conduct; Environmental Policy; Non-Discrimination and Equal Employment Opportunities (EEO); Clawback Policy; Anti-Bribery and Anti-Corruption Policy; Bank Secrecy Act (BSA), Anti-Money Laundering (AML), Customer Identification and Due Diligence Programs; select policies posted on the <a href="#">Corporate Governance website</a>
Leadership & Governance	Safety Through Technology	The Company utilizes the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Assessment to help assess current practices and preparedness to mitigate cyber risks
Leadership & Governance	Compliance Training	The Company requires the Directors to complete annual information security training as well as assigned compliance training, including Bank Secrecy Act (BSA), Anti-Money Laundering (AML) compliance, Fair Lending, and Cybersecurity
Team	Compliance Training	All staff complete annual compliance and information security training, including Bank Secrecy Act (BSA), Anti-Money Laundering (AML) compliance, Cybersecurity, Identity Theft Red Flags identification, Customer Identification Program (CIP) and Customer Due Diligence requirements, Disaster Recovery & Business Continuity training, and Fair Lending compliance
Team	Employees	Full Time Equivalents (12-31-2024) — 668 Workforce Gender Diversity - 65.8% female, 34.2% male Officer Gender Diversity - 55.9% female, 44.1% male Board Diversity - 36% female gender diversity, 64% racial and gender diversity
Team	Employee Retention	Robust Employee Benefit Programs: 86% company contribution towards medical, dental and vision benefits; company-provided short-term disability, long-term disability and basic life insurance accidental death and dismemberment (AD&D) insurance; tuition reimbursement; Employee Assistance Program (EAP); access provided to all employees for additional optional employee-paid benefits
Team	Employee Retention	Additional Employee Benefits: Adoption/IVF assistance; Interest free loans: computer/home office, clothing, fitness equipment; stock purchase plan; 401(k) match; employee referral program; Pay-it-Forward program; generous vacation and sick time program; Giving Day; incentive vacation for specialized volunteer opportunities; United Way giving; casual Fridays; Flexible Hybrid Remote Work wherever possible; annual wellness program

Category	Metric	Update
Team	Employee Retention	Third-Party Employee Engagement Surveys completed every two years; supervisor training; Employee FUN Committee with during and after-hours employee programming; Executive Road Show; THRIVE and Young Professional groups; online training subscription; employee library; clothing resource closet; and various lunch-and-learn programming
Team	Employee Wellness	Variety of monthly wellness challenges - employees can earn rewards for participating and completing healthy goals
Team	Human Rights Policy	<u>Human Rights Policy</u> annually reviewed and adopted by Board of Directors; posted on website
Team	Information Security	Bank and Company Directors receive information security training and updates from senior management at least annually; the Bank's Technology Committee meets quarterly and is responsible for information security oversight with four (4) independent Directors from the Bank Board attending as members; Company & Bank Directors receive Technology Committee minutes quarterly; one (1) member of the Bank's Board of Directors is a cybersecurity professional
Team	Internship Programs	Annually provide enriching business experiences for college students/young professionals through paid internships
Team	Supervisor Training	Ongoing training and support for supervisors; in 2024, supervisors invested 1,224 hours in training

## Forward Looking Statement.

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, 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 risk factors described in our annual report on Form 10-K for the year ended December 31, 2024, 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.



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