



**MERCANTILE BANCORP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

	December 31, 2008	December 31, 2007
	(In Thousands) (Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 89,821	\$ 76,059
Securities	194,097	205,757
Loans held for sale	4,366	3,338
Loans, net of allowance for loan losses	1,315,907	1,199,257
Premises and equipment	40,616	42,003
Interest receivable	10,240	11,343
Cash surrender value of life insurance	25,278	24,248
Goodwill	44,653	43,934
Other	50,005	33,206
Total assets	\$ 1,774,983	\$ 1,639,145
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 1,462,276	\$ 1,319,459
Short-term borrowings	49,227	45,589
Long-term debt	146,519	143,358
Interest payable	4,280	6,040
Other	7,989	6,971
Total liabilities	1,670,291	1,521,417
Minority Interest	5,735	9,446
Total stockholders' equity	98,957	108,282
Total liabilities and stockholders' equity	\$ 1,774,983	\$ 1,639,145

MERCANTILE BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Twelve Months Ended	
	December 31, 2008	December 31, 2007
	(In Thousands) (Unaudited)	
Interest Income:		
Loans and fees on loans	\$ 83,912	\$ 83,848
Securities:		
Taxable	7,167	7,965
Tax exempt	1,958	1,830
Other	951	2,300
Total interest income	93,988	95,943
Interest Expense:		
Deposits	41,750	44,771
Short-term borrowings	1,117	1,945
Long-term debt	7,788	6,745
Total interest expense	50,655	53,461
Net Interest Income	43,333	42,482
Provision for Loan Losses	23,845	2,969
Net Interest Income After Provision for Loan Losses	19,488	39,513
Noninterest Income:		
Fiduciary activities	2,603	2,411
Brokerage fees	1,770	1,468
Customer service fees	4,302	4,136
Other service charges and fees	1,104	713
Net gains on loan sales	1,010	698
Net gains on investments in common stock	942	2,902
Other	1,893	1,631
Total noninterest income	13,624	13,959
Noninterest Expense:		
Salaries and employee benefits	27,074	23,253
Net occupancy expense	3,624	2,695
Equipment expense	3,459	2,494
Professional fees	2,371	1,993
Postage and supplies	1,290	1,085
Net (gains) losses on sale of assets	(371)	23
Losses on foreclosed assets	1,113	86
Other than temporary losses on available-for-sale and cost method investments	5,270	-
Other	9,973	7,779
Total noninterest expense	53,803	39,408
Minority Interest	(3,321)	622
Income (Loss) Before Income Taxes	(17,370)	13,442
Income Taxes	(8,549)	3,441
Net Income (Loss)	\$ (8,821)	\$ 10,001

MERCANTILE BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	December 31, 2008	December 31, 2007
	(In Thousands) (Unaudited)	
Interest Income:		
Loans and fees on loans	\$ 20,709	\$ 22,696
Securities:		
Taxable	1,335	2,113
Tax exempt	458	534
Other	<u>175</u>	<u>439</u>
Total interest income	<u>22,677</u>	<u>25,782</u>
Interest Expense:		
Deposits	9,968	12,048
Short-term borrowings	317	544
Long-term debt	<u>1,838</u>	<u>2,057</u>
Total interest expense	<u>12,123</u>	<u>14,649</u>
Net Interest Income	10,554	11,133
Provision for Loan Losses	<u>12,762</u>	<u>1,111</u>
Net Interest Income After Provision for Loan Losses	<u>(2,208)</u>	<u>10,022</u>
Noninterest Income:		
Fiduciary activities	550	677
Brokerage fees	372	377
Customer service fees	1,070	1,243
Other service charges and fees	380	194
Net gains on loan sales	186	183
Net gains on investments in common stock	1,519	599
Other	<u>350</u>	<u>520</u>
Total noninterest income	<u>4,427</u>	<u>3,793</u>
Noninterest Expense:		
Salaries and employee benefits	6,431	6,138
Net occupancy expense	996	753
Equipment expense	865	613
Professional fees	778	553
Postage and supplies	332	302
Net losses on foreclosed assets	103	68
Net losses on sale of assets	-	20
Other than temporary losses on available-for-sale and cost method investments	1,238	-
Other	<u>2,995</u>	<u>2,442</u>
Total noninterest expense	13,738	10,822
Minority Interest	<u>(1,267)</u>	<u>91</u>
Income Before Income Taxes	(10,252)	2,902
Income Taxes	<u>(3,538)</u>	<u>414</u>
Net Income	<u>\$ (6,714)</u>	<u>\$ 2,488</u>

MERCANTILE BANCORP, INC.
SELECTED FINANCIAL HIGHLIGHTS

	Twelve Months Ended	
	December 31, 2008	December 31, 2007
	(Dollars In Thousands except share data) (Unaudited)	
EARNINGS (LOSS) AND PER SHARE DATA (1)		
Basic Earnings (Loss) Per Share	\$ (1.01)	\$ 1.15
Weighted average shares outstanding	8,705,452	8,727,926
Cash dividends paid per share	\$.24	\$.24
Book value per share	\$ 11.37	\$ 12.43
Tangible book value per share (2)	\$ 5.78	\$ 6.87
Ending number of common shares outstanding	8,703,330	8,709,727
AVERAGE BALANCES		
Assets	\$ 1,699,442	\$ 1,472,737
Securities	\$ 194,121	\$ 190,284
Loans (3)	\$ 1,274,660	\$ 1,097,106
Earning assets	\$ 1,520,569	\$ 1,333,833
Deposits	\$ 1,391,826	\$ 1,191,828
Interest bearing liabilities	\$ 1,448,330	\$ 1,234,860
Stockholders' equity	\$ 105,025	\$ 104,201
END OF PERIOD FINANCIAL DATA		
Net interest income	\$ 43,333	\$ 42,482
Loans (3)	\$ 1,343,740	\$ 1,215,389
Allowance for loan losses	\$ 23,467	\$ 12,794
PERFORMANCE RATIOS		
Return on average assets	(.52%)	.68%
Return on average equity	(8.40%)	9.60%
Net interest margin	2.85%	3.18%
Interest spread	2.68%	2.86%
Efficiency ratio	94%	70%
Allowance for loan losses to loans (3)	1.75%	1.06%
Allowance as a percentage of non-performing loans	62%	56%
Average loan to deposit ratio	92%	92%
Dividend payout ratio	N/A	21%
ASSET QUALITY		
Net charge-offs	\$ 13,171	\$ 1,914
Non-performing loans	\$ 38,011	\$ 23,003
Other non-performing assets	\$ 10,015	\$ 3,273

- (1) Reflects 3-for-2 stock-split in December 2007
(2) Net of goodwill and core deposit intangibles
(3) Loans include loans held for sale and nonaccrual loans

MERCANTILE BANCORP, INC.
SELECTED FINANCIAL HIGHLIGHTS

	Three Months Ended	
	December 31, 2008	December 31, 2007
	(Dollars In Thousands except share data) (Unaudited)	
EARNINGS (LOSS) AND PER SHARE DATA (1)		
Basic Earnings (Loss) Per Share	\$ (.77)	\$.29
Weighted average shares outstanding	8,703,330	8,709,655
Cash dividends paid per share	\$.06	\$.06
Book value per share	\$ 11.37	\$ 12.43
Tangible book value per share (2)	\$ 5.78	\$ 6.87
Ending number of common shares outstanding	8,703,330	8,709,655
AVERAGE BALANCES		
Assets	\$ 1,763,573	\$ 1,458,044
Securities	\$ 192,210	\$ 210,492
Loans (3)	\$ 1,316,025	\$ 1,203,102
Earning assets	\$ 1,580,176	\$ 1,458,044
Deposits	\$ 1,460,612	\$ 1,306,281
Interest bearing liabilities	\$ 1,516,826	\$ 1,366,861
Stockholders' equity	\$ 102,609	\$ 107,837
END OF PERIOD FINANCIAL DATA		
Net interest income	\$ 10,554	\$ 11,133
Loans (3)	\$ 1,343,740	\$ 1,215,389
Allowance for loan losses	\$ 23,467	\$ 12,794
PERFORMANCE RATIOS		
Return on average assets	(1.51%)	.68%
Return on average equity	(26.03%)	9.18%
Net interest margin	2.67%	3.05%
Interest spread	2.54%	2.79%
Efficiency ratio	92%	73%
Allowance for loan losses to loans (3)	1.75%	1.06%
Allowance as a percentage of non-performing loans	62%	56%
Average loan to deposit ratio	90%	92%
Dividend payout ratio	N/A	21%
ASSET QUALITY		
Net charge-offs	\$ 13,171	\$ 1,914
Non-performing loans	\$ 38,011	\$ 23,003
Other non-performing assets	\$ 10,015	\$ 3,273

- (1) Reflects 3-for-2 stock-split in December 2007
(2) Net of goodwill and core deposit intangibles
(3) Loans include loans held for sale and nonaccrual loans

#