

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  MERCANTILE BANK CORPORATION		2 Issuer's employer identification number (EIN)  38-3360865	
3 Name of contact for additional information  CHARLES CHRISTMAS	4 Telephone No. of contact  616-726-1202	5 Email address of contact  CCHRISTMAS@MERC BANK.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  310 LEONARD STREET NW		7 City, town, or post office, state, and ZIP code of contact  GRAND RAPIDS, MI 49504	
8 Date of action  12/31/2025		9 Classification and description  COMMON STOCK	
10 CUSIP number  587376104	11 Serial number(s)  N/A	12 Ticker symbol  MBWM	13 Account number(s)  N/A

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE ATTACHMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► SEE ATTACHMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► SEE ATTACHMENT

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHMENT

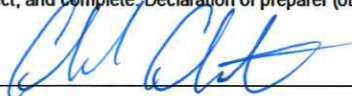
18 Can any resulting loss be recognized? ► SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHMENT

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ►

1-5-26

Print your name ► CHARLES CHRISTMAS

Title ► EVP - CHIEF FINANCIAL OFFICER

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

MONICA SCHMIDT

Preparer's signature

MONICA SCHMIDT

Date

01/05/2026

Check ☐ if  
self-employed

PTIN

P00032475

Firm's name ► CROWE LLP

Firm's EIN ► 35-0921680

Firm's address ► 320 E JEFFERSON BLVD, PO BOX 7, SOUTH BEND, IN 46624

Phone no. 574-232-3992

**Mercantile Bank Corporation**  
**38-3360865**  
**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

***CONSULT YOUR TAX ADVISOR***

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects on the tax basis of Mercantile Bank Corporation ("Mercantile") stock received in exchange for Eastern Michigan Financial Corporation ("EFIN") stock as a result of the merger of EFIN with and into the wholly owned Merger Sub of Mercantile. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Mercantile does not provide tax advice to its shareholders. The tax treatment described below may not apply to all shareholders of EFIN. You are urged to consult your own tax advisor regarding the particular consequences of the merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

**Form 8937 Part I, Box 9**

The securities subject to reporting include all shares of Mercantile common stock issued in exchange for the outstanding common stock of EFIN as a result of the merger of EFIN with and into the wholly owned Merger Sub of Mercantile.

**Form 8937 Part II, Box 14**

On December 31, 2025 ("Effective Date"), pursuant to the Agreement and Plan of Merger dated July 22, 2025 (the "Merger Agreement"), by and between Mercantile and EFIN, EFIN merged with and into the wholly owned Merger Sub of Mercantile, with Merger Sub as the surviving entity in the Merger.

As a result of the Merger, each share of EFIN common stock issued and outstanding was converted into the right to receive 0.7116 shares of Mercantile common stock and \$32.32 in cash.

No fractional shares of Mercantile common stock were issued in connection with the Merger, and EFIN shareholders were entitled to receive cash in lieu of such fractional shares.

**Form 8937 Part II, Box 15**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

The receipt by an EFIN shareholder of Mercantile common stock in exchange for EFIN common stock in the Merger affects such shareholder's tax basis. The aggregate basis in the EFIN shares before the exchange should be allocated proportionately to the 0.7116 (or fraction thereof) Mercantile shares received in the exchange. Generally, the tax basis is allocated to individual Mercantile shares received on a block-by-block basis. Since a whole number of Mercantile shares were not issued in exchange for each EFIN share, this could result in a single share of Mercantile stock having a split basis and a split holding period.

EFIN shareholders who receive Mercantile stock and cash will experience the following effects:

- Gain, but not loss, will be recognized equal to the lessor of: (a) the amount of cash received in the merger; or (b) the amount, if any, by which the sum of the cash received and the fair market value of the Mercantile stock received exceeds the holder's adjusted tax basis in the EFIN shares exchanged in the merger. For this purpose, in computing the gain to be recognized on the exchange of EFIN common stock for Mercantile common stock, the amount of cash considered to be received in the merger does not include cash received in lieu of fractional shares. Gain or loss should be calculated separately for each identifiable block of shares surrendered in the merger, and an unrealized loss on one block of shares may not be used to offset a gain realized on another block of shares.
- The aggregate tax basis of the Mercantile shares received will equal the aggregate basis of EFIN shares exchanged (not counting the basis of any shares allocated to the receipt of fractional Mercantile shares), reduced by cash received in the merger (not counting cash received for fractional shares), and increased by any gain recognized in the exchange (not counting any gain on fractional shares). Generally, the tax basis is allocated to individual Mercantile shares received on a block-by-block basis. Since a whole number of Mercantile shares were not issued in exchange for each EFIN share, this could result in a single share of Mercantile stock having a split basis and split holding period.
- EFIN shareholders who received cash in lieu of a fractional share of Mercantile common stock will generally be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in redemption by Mercantile. These EFIN shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the EFIN common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

**Form 8937 Part II, Box 16**

Refer to the description of the basis calculation in Part II, Box 15 above. The December 31, 2025, closing price of a single share of Mercantile common stock on NASDAQ was \$48.10.

**Form 8937 Part II, Box 17**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Code sections include 354, 356, 358, 368, 1001 and 1221.

**Form 8937 Part II, Box 18**

No loss can be recognized upon the exchange of EFIN common stock for Mercantile common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Mercantile common stock deemed to have been received in the exchange, this loss can be recognized.

**Form 8937 Part II, Box 19**

The Merger was completed on December 31, 2025. Consequently, the reportable tax year of the EFIN shareholders for reporting the tax effect of the share exchange and cash receipt is the tax year that includes December 31, 2025. This is the 2025 calendar year for those shareholders who report taxable income on the basis of a calendar year.