MERCANTILE BANK CORP
Form S-4
September 17, 2013
Table of Contents

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MERCANTILE BANK CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Michigan	**000-26719**	**38-3360865**
(State or Other Jurisdiction of Incorporation or Organization)	**(Commission File Number)**	**(IRS Employer Identification Number)**

310 Leonard St., N.W.

Grand Rapids, Michigan 49504

(616) 406-3000

(Address, including ZIP Code, and telephone number, including area code, of registrant s principal executive offices)

Charles E. Christmas

Senior Vice President, Chief Financial Officer and Treasurer

Mercantile Bank Corporation

310 Leonard St., N.W.

Grand Rapids, Michigan 49504

(616) 406-3000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Daniel C. Persinger	**Thomas R. Sullivan**	**Harvey Koning**
Warner Norcross & Judd LLP	**President and CEO**	**Varnum LLP**
900 Fifth Third Center	**Firstbank Corporation**	**333 Bridge Street, N.W.**
111 Lyon Street, N.W.	**311 Woodworth Avenue**	**Suite 1700**
Grand Rapids, Michigan 49503-2487	**Alma, Michigan 48801**	**Grand Rapids, Michigan 49504**
(616) 752-2353	**(989) 463-3131**	**(616) 336-6588**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement is declared effective and upon the satisfaction or waiver of all other conditions to consummation of the transactions described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨	Smaller Reporting Company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price(2)(3)**	**Amount of Registration Fee**
Common Stock	8,500,000	N/A	$153,637,500	$20,956.16

(1) Represents the maximum number of shares of Mercantile Bank Corporation common stock that may be issued upon the completion of the merger described in this registration statement.

(2) The proposed maximum aggregate offering price of the registrant s shares of common stock was calculated based upon the market value of shares of common stock of Firstbank Corporation (referred to as Firstbank) (the securities to be exchanged in the merger) in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: the product of (i) $17.94, the average of the high and low prices per share of Firstbank common stock as reported on Nasdaq Stock Market on September 16, 2013 and (ii) 8,500,000, the estimated maximum number of shares of Firstbank common stock that may be exchanged pursuant to the transaction, including the total number of shares issuable under outstanding equity awards of Firstbank.

(3) Estimated solely for the purpose of calculating the registration fee.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this joint proxy statement and prospectus is subject to completion and amendment. A registration statement relating to the securities described in this joint proxy statement and prospectus has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement becomes effective. This joint proxy statement and prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction, in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER [ ], 2013

JOINT PROXY STATEMENT AND PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The boards of directors of each of Mercantile Bank Corporation and Firstbank Corporation have unanimously approved a business combination. Mercantile and Firstbank entered into an Agreement and Plan of Merger, dated as of August 14, 2013. Under the terms of the merger agreement, Firstbank will be merged with and into Mercantile, with Mercantile as the surviving corporation.

Upon completion of the merger, Firstbank shareholders will receive one share of Mercantile common stock for each share of Firstbank common stock that they own. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the effective time of the merger. Based on the closing price of Mercantile common stock on the Nasdaq Stock Market on August 14, 2013, the last trading day before public announcement of the merger, the exchange ratio represented approximately $18.77 in value for each share of Firstbank common stock. Mercantile shareholders will continue to own their existing Mercantile shares. Mercantile common stock and Firstbank common stock are currently traded on Nasdaq under the symbols MBWM and FBMI, respectively. We urge you to obtain current market quotations of Mercantile and Firstbank common stock.

We intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. Accordingly, Firstbank shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Firstbank common stock for shares of Mercantile common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Mercantile common stock.

Based on the estimated number of shares of Mercantile and Firstbank common stock that will be outstanding immediately prior to the effective time of the merger, we estimate that, upon the closing, former Mercantile shareholders will own approximately 52% of the combined company following the merger and former Firstbank shareholders will own approximately 48% of the combined company following the merger.

Mercantile and Firstbank will each hold special meetings of their respective shareholders in connection with the proposed merger. At the Mercantile special meeting, Mercantile shareholders will be asked to vote on a proposal to approve the merger agreement, a proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, a proposal to approve an amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock and a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement and prospectus or determined if this joint proxy statement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This is a prospectus offering up to 8,500,000 shares of Mercantile common stock to Firstbank shareholders. This joint proxy statement and prospectus is dated , 2013 and is first being mailed to Mercantile shareholders and Firstbank shareholders on or about , 2013.

Table of Contents

At the Firstbank special meeting, Firstbank shareholders will be asked to vote on the proposal to approve the merger agreement and to vote on a proposal to approval, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise relates to the proposed transactions.

We cannot complete the merger unless (i) the Mercantile shareholders approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger and approve the merger agreement, and (ii) the Firstbank shareholders approve the merger agreement, in each case as described above. Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend your special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Mercantile or Firstbank special meeting, as applicable.

The Mercantile board of directors unanimously recommends that the Mercantile shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies. The Firstbank board of directors unanimously recommends that the Firstbank shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

The obligations of Mercantile and Firstbank to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement and prospectus contains detailed information about Mercantile, Firstbank, the special meetings, the merger agreement and the merger. **You should read this joint proxy statement and prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 30.**

We look forward to the successful combination of Mercantile and Firstbank.

Sincerely,

Michael H. Price	Thomas R. Sullivan
President and Chief Executive Officer	President and Chief Executive Officer
Mercantile Bank Corporation	Firstbank Corporation

Table of Contents

ADDITIONAL INFORMATION

This joint proxy statement and prospectus incorporates important business and financial information about Mercantile and Firstbank from other documents that are not included in or delivered with this joint proxy statement and prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement and prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Georgeson Inc.

480 Washington Blvd.

26th Floor

Jersey City, New Jersey 07310

Toll-Free: (800) 868-1390

Investors may also consult Mercantile s or Firstbank s website for more information about Mercantile or Firstbank, respectively. Mercantile s website is www.mercbank.com. Firstbank s website is www.firstbankmi.com. Information included on these websites is not incorporated by reference into this joint proxy statement and prospectus.

If you would like to request any documents, please do so by , 2013 in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference in this joint proxy statement and prospectus and how you may obtain it, see Where You Can Find More Information beginning on page 148.

Table of Contents

ABOUT THIS JOINT PROXY STATEMENT AND PROSPECTUS

This joint proxy statement and prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (referred to as the SEC) by Mercantile, constitutes a prospectus of Mercantile under Section 5 of the Securities Act of 1933, as amended (referred to as the Securities Act), with respect to the shares of Mercantile common stock to be offered to Firstbank shareholders in connection with the merger. This joint proxy statement and prospectus also constitutes a joint proxy statement for both Mercantile and Firstbank under Section 14(a) of the Securities Exchange Act of 1934, as amended (referred to as the Exchange Act). It also constitutes a notice of meeting with respect to the special meeting of Mercantile shareholders and a notice of meeting with respect to the special meeting of Firstbank shareholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement and prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement and prospectus. This joint proxy statement and prospectus is dated , 2013. You should not assume that the information contained in this joint proxy statement and prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement and prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement and prospectus to Mercantile shareholders or Firstbank shareholders nor the issuance by Mercantile of shares of common stock pursuant to the merger will create any implication to the contrary.

This joint proxy statement and prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement and prospectus regarding Mercantile has been provided by Mercantile and information contained in this joint proxy statement and prospectus regarding Firstbank has been provided by Firstbank.

All references in this joint proxy statement and prospectus to Mercantile refer to Mercantile Bank Corporation, a Michigan corporation; all references in this joint proxy statement and prospectus to Firstbank refer to Firstbank Corporation, a Michigan corporation; all references in this joint proxy statement and prospectus to we, our and us refer to Mercantile and Firstbank collectively, unless otherwise indicated or as the context requires; and all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of August 14, 2013, by and between Mercantile Bank Corporation and Firstbank Corporation, a copy of which is included as Annex A to this joint proxy statement and prospectus. Mercantile and Firstbank, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement and prospectus as the combined company.

TABLE OF CONTENTS

	Page
NOTICE TO MERCANTILE SHAREHOLDERS	v
NOTICE TO FIRSTBANK SHAREHOLDERS	vii
QUESTIONS AND ANSWERS	1
SUMMARY	9
The Companies	9
The Merger	9
Form of the Merger	10
Merger Consideration	10
Material U.S. Federal Income Tax Consequences of the Merger	10
Recommendation of the Board of Directors of Mercantile	11
Recommendation of the Board of Directors of Firstbank	11
Opinion of Mercantile s Financial Advisor in Connection with the Merger	11
Opinion of Firstbank s Financial Advisor in Connection with the Merger	12
Interests of Mercantile Directors and Executive Officers in the Merger	12
Interests of Firstbank Directors and Executive Officers in the Merger	13
Board of Directors and Management Following the Merger	13
Treatment of Firstbank Equity-Based Awards	14
Regulatory Approval Required for the Merger	14
Amendment to the Articles of Incorporation of Mercantile	14
Expected Timing of the Merger	15
Conditions to Completion of the Merger	15
No Solicitation of Alternative Proposals	16
Termination of the Merger Agreement	16
Termination Fees and Expenses	16
Accounting Treatment	16
No Appraisal or Dissenter s Rights	17
Comparison of Rights of Shareholders	17
Listing of Shares of Mercantile Common Stock; Delisting and Deregistration of Shares of Firstbank Common Stock	17
The Meetings	17
SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRSTBANK	20
SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF MERCANTILE	22
SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF MERCANTILE AND FIRSTBANK	24
Unaudited Selected Comparative Per Share Data	26
Comparative Market Prices	27
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	28
RISK FACTORS	30
Risks Relating to the Merger	30
Risks Relating to the Combined Company after Completion of the Merger	34
Other Risks Relating to Mercantile and Firstbank	36
THE COMPANIES	37
Mercantile Bank Corporation	37
Firstbank Corporation	37

Table of Contents

	Page
THE MERCANTILE SPECIAL MEETING	**38**
Date, Time and Place	38
Purpose of the Mercantile Special Meeting	38
Recommendation of the Mercantile Board of Directors	38
Mercantile Record Date; Shareholders Entitled to Vote	39
Voting by Mercantile s Directors and Executive Officers	39
Quorum	39
Required Vote	39
Voting of Proxies by Holders of Record	40
Shares Held in Street Name	41
Attending the Meeting; Voting in Person	41
Revocation of Proxies	41
Tabulation of Votes	42
Solicitation of Proxies	42
Adjournments	42
THE FIRSTBANK SPECIAL MEETING	**43**
Date, Time and Place	43
Purpose of the Firstbank Special Meeting	43
Recommendation of the Firstbank Board of Directors	43
Firstbank Record Date; Shareholders Entitled to Vote	43
Voting by Firstbank s Directors and Executive Officers	44
Quorum	44
Required Vote	44
Voting of Proxies by Holders of Record	44
Shares Held in Street Name	45
Attending the Meeting; Voting in Person	45
Revocation of Proxies	46
Tabulation of Votes	46
Solicitation of Proxies	46
Adjournments	47
THE MERGER	**48**
Effects of the Merger	48
Background of the Merger	48
Mercantile s Reasons for the Merger ; Recommendation of the Mercantile Board of Directors	54
Opinion of Mercantile s Financial Advisor in Connection with the Merger	56
Amendment to Mercantile s Articles of Incorporation	65
Firstbank s Reasons for the Merger ; Recommendation of the Firstbank Board of Directors	66
Opinion of Firstbank s Financial Advisor in Connection with the Merger	69
Interests of Mercantile Directors and Executive Officers in the Merger	83
Interests of Certain Firstbank Directors and Executive Officers in the Merger	85
Potential Payments Upon a Change in Control Resulting from the Merger	90
Golden Parachute Compensation	92
Board of Directors and Management Following the Merger	94
Regulatory Clearances Required for the Merger	94
Exchange of Shares in the Merger	95
Treatment of Firstbank Equity-Based Awards	95

Table of Contents

	Page
Bank Consolidation Following the Merger	96
Mercantile Dividend Policy	96
Mercantile Special Dividend	96
Listing of Mercantile Common Stock	96
De-Listing and Deregistration of Firstbank Stock	96
No Appraisal or Dissenter s Rights	96
THE MERGER AGREEMENT	**97**
General; The Merger	97
When the Merger Becomes Effective	98
Consideration to be Received Pursuant to the Merger	98
Dividends and Distributions	98
Treatment of Firstbank Awards	99
Procedure for Receiving Merger Consideration	99
Unclaimed Amounts	100
Lost, Stolen or Destroyed Certificates	100
Representations and Warranties	100
Conduct of Business Pending the Completion of the Transaction	102
Restrictions on Solicitation	106
Changes in Board Recommendations	107
Efforts to Obtain Required Shareholder Approvals	107
Efforts to Complete the Transactions	108
Mercantile Special Dividend	108
Other Covenants and Agreements	108
Conditions to Completion of the Transaction	110
Termination of the Merger Agreement	111
Termination Fees and Expenses; Liability for Breach	113
Governance of the Combined Company Following the Completion of the Transaction	116
Indemnification and Insurance	116
Amendments, Extensions and Waivers	117
Governing Law	117
No Third Party Beneficiaries	117
Specific Performance	118
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES	**119**
Tax Consequences of the Merger Generally	120
Tax Consequences to Mercantile and Firstbank	120
ACCOUNTING TREATMENT	**121**
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION	**122**
DESCRIPTION OF CAPITAL STOCK	**131**
General	131
Dividends	131
Voting Rights	131
Dissenters Rights	131
Rights upon Dissolution and Liquidation	131
Shareholder Meetings	132
Board of Directors; Number	132

Table of Contents

	Page
Shareholder Nominations of Directors	132
Removal of Directors	132
Vacancies on Board of Directors	132
Personal Liability of Directors	132
Indemnification	133
Amendment of Articles and Bylaws	133
Business Combinations	133
Michigan Fair Price Act	133
Transfer and Exchange Agent	134
COMPARISON OF RIGHTS OF SHAREHOLDERS	**135**
NO APPRAISAL RIGHTS OR DISSENTERS RIGHTS	**144**
LEGAL MATTERS	**144**
EXPERTS	**144**
Mercantile	144
Firstbank	144
ADVISORY VOTE ON GOLDEN PARACHUTE COMPENSATION MERCANTILE	**144**
ADVISORY VOTE ON GOLDEN PARACHUTE COMPENSATION FIRSTBANK	**145**
FUTURE SHAREHOLDER PROPOSALS	**146**
Mercantile	146
Firstbank	146
OTHER MATTERS PRESENTED AT THE MEETINGS	**147**
WHERE YOU CAN FIND MORE INFORMATION	**148**

Annex A Agreement and Plan of Merger, dated as of August 14, 2013

Annex B Amendment to Mercantile Bank Corporation Articles of Incorporation

Annex C Opinion of Keefe, Bruyette & Woods

Annex D Opinion of Sandler O Neill & Partners, L.P.

Table of Contents

Mercantile Bank Corporation

310 Leonard St., N.W.

Grand Rapids, Michigan 49504

(616) 406-3000

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On , 2013

To the Shareholders of Mercantile Bank Corporation:

We are pleased to invite you to attend the special meeting of shareholders of Mercantile Bank Corporation, a Michigan corporation (referred to as Mercantile), which will be held at [ ], on [ ] at [ ], local time, for the following purposes:

- to vote on a proposal to approve the merger agreement;

- to vote on a proposal to approve the issuance of shares of Mercantile common stock, no par value per share, to shareholders of Firstbank Corporation (referred to as Firstbank) in connection with the merger contemplated by the Agreement and Plan of Merger, dated August 14, 2013, by and between Mercantile and Firstbank, as it may be amended from time to time (referred to as the merger agreement), a copy of which is included as Annex A to the joint proxy statement and prospectus of which this notice is a part;

- to vote on a proposal to approve an amendment to Mercantile s articles of incorporation to increase the number of authorized shares of common stock from 20 million to 40 million, a copy of which amendment is included as Annex B to the joint proxy statement and prospectus of which this notice is a part;

- to vote on a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions; and

- to vote on a proposal to approve the adjournment of the Mercantile special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the proposals listed above.

Completion of the merger is conditioned on approval of the merger agreement and approval of the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, however it is not conditioned on the approval of the amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock.

Mercantile will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement and prospectus of which this notice is a part for further information with respect to the business to be transacted at the Mercantile special meeting.

The Mercantile board of directors has fixed the close of business on , 2013 as the record date for the Mercantile special meeting. Only Mercantile shareholders of record at that time are entitled to receive notice of, and to vote at, the Mercantile special meeting or any adjournment or postponement thereof.

Table of Contents

The Mercantile board of directors has unanimously approved the merger, adopted the merger agreement, and unanimously recommends that Mercantile shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions, and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important. Whether or not you expect to attend the Mercantile special meeting in person, to ensure your representation at the Mercantile special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) visiting the internet site listed on the Mercantile proxy card, (ii) calling the toll-free number listed on the Mercantile proxy card or (iii) submitting your Mercantile proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of record of Mercantile stock who is present at the Mercantile special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Mercantile special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by the bank, broker or other nominee.

The enclosed joint proxy statement and prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Mercantile special meeting. We urge you to carefully read this joint proxy statement and prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or this joint proxy statement and prospectus, would like additional copies or need help voting your shares of Mercantile common stock, please contact Mercantile s proxy solicitor, Georgeson Inc., by mail at 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310, or by telephone, toll-free, at (800) 868-1390.

By Order of the Mercantile Board of Directors

Michael H. Price

Chairman of the Board, President and Chief Executive Officer

, 2013

vi

Table of Contents

Firstbank Corporation

311 Woodworth Ave.

PO Box 1029

Alma, Michigan 48801

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On [ ]

To the Shareholders of Firstbank Corporation:

We are pleased to invite you to attend the special meeting of shareholders of Firstbank Corporation, a Michigan corporation (referred to as Firstbank), which will be held at [ ], on [ ] at [ ], local time, for the following purposes:

- to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of August 14, 2013, by and among Firstbank and Mercantile Bank Corporation, a Michigan corporation (referred to as Mercantile), as it may be amended from time to time (referred to as the merger agreement), a copy of which is included as Annex A to the joint proxy statement and prospectus of which this notice is a part;

- to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions; and

- to vote on a proposal to approve the adjournment of the Firstbank special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Firstbank will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement and prospectus of which this notice is a part for further information with respect to the business to be transacted at the Firstbank special meeting.

The Firstbank board of directors has fixed the close of business on [ ], 2013 as the record date for the Firstbank special meeting. Only Firstbank shareholders of record at that time are entitled to receive notice of, and to vote at, the Firstbank special meeting or any adjournment or postponement thereof. A complete list of such shareholders will be available for inspection by any Firstbank shareholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Firstbank special meeting at Firstbank s offices at 311 Woodworth Ave., Alma, Michigan 48801. The eligible Firstbank shareholder list will also be available at the Firstbank special meeting for examination by any shareholder present at such meeting.

Completion of the merger is conditioned on approval and adoption of the merger agreement by the Firstbank shareholders, which requires the affirmative vote of a majority of the issued and outstanding shares of Firstbank common stock entitled to vote at the special meeting.

The Firstbank board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Firstbank shareholders vote FOR the proposal to adopt the merger

agreement, the merger and the other transactions contemplated by the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the Firstbank special meeting in person, to ensure your representation at the Firstbank special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Firstbank proxy card, (ii) calling the toll-free number listed on the Firstbank proxy card or (iii) submitting your Firstbank proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Firstbank stock who is present at the Firstbank special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Firstbank special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement and prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Firstbank special meeting. We urge you to carefully read the joint proxy statement and prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement and prospectus, would like additional copies or need help voting your shares of Firstbank common stock, please contact Firstbank s proxy solicitor, Georgeson Inc., by mail at 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310, or by telephone, toll-free, at (800) 868-1390.

By Order of the Firstbank Corporation Board of Directors,

Samuel G. Stone

Executive Vice President, Chief Financial Officer,

Secretary and Treasurer

Alma, Michigan

, 2013

Table of Contents

QUESTIONS AND ANSWERS

The following are some questions that you, as a Mercantile shareholder or a Firstbank shareholder, may have regarding the merger and the other matters being considered at the special meetings and the answers to those questions. Mercantile and Firstbank urge you to carefully read the remainder of this joint proxy statement and prospectus, including any documents incorporated by reference, and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger and the other matters being considered at the special meetings.

Q: Why am I receiving this joint proxy statement and prospectus?

A: Mercantile and Firstbank have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement and prospectus. A copy of the merger agreement is included in this joint proxy statement and prospectus as Annex A. In order to complete the merger, among other things, Mercantile shareholders must approve the merger agreement and the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, and Firstbank shareholders must approve the merger agreement. In addition, while not a condition to the closing of the transactions contemplated by the merger agreement, Mercantile shareholders will vote on a proposal to approve an amendment to Mercantile s articles of incorporation to increase the number of authorized of shares of capital stock of Mercantile and a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions, and Firstbank shareholders will vote on a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the merger.

Mercantile and Firstbank will hold separate special meetings of their shareholders to obtain these approvals. This joint proxy statement and prospectus, including its Annexes, contains and incorporates by reference important information about Mercantile and Firstbank, the merger and the shareholder meetings of Mercantile and Firstbank. You should read all of the available information carefully and in its entirety.

Q: What will I receive in the merger?

A: Mercantile shareholders: Whether or not the merger is completed, Mercantile shareholders will retain the Mercantile common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of Mercantile common stock in the merger. As part of the merger, the Mercantile board of directors expects to declare and pay a special cash dividend of $2.00 per share to Mercantile shareholders prior to the effective time of the merger, subject to the satisfaction of the closing conditions set forth in the merger agreement.

Firstbank shareholders: If the merger is completed, Firstbank shareholders will receive one share of Mercantile common stock for each share of Firstbank common stock that they hold at the effective time of the merger. Firstbank shareholders will not receive any fractional shares of Mercantile common stock in the merger. Instead, Mercantile will pay cash in lieu of any fractional shares of Mercantile common stock that a Firstbank shareholder would otherwise have been entitled to receive. Firstbank shareholders will also be entitled to any dividends declared and paid by Mercantile with a record date after the effective time of the merger after they have surrendered their certificates representing Firstbank common stock.

Q: What is the value of the merger consideration?

A: Because Mercantile will issue one share of Mercantile common stock in exchange for each share of Firstbank common stock, the value of the merger consideration that Firstbank shareholders receive will depend on the price

1

Table of Contents

per share of Mercantile common stock at the effective time of the merger. That price will not be known at the time of the special meetings and may be less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Mercantile common stock and Firstbank common stock. See the section titled Risk Factors beginning on page 30.

Q: When and where will the special meetings be held?

A: Mercantile shareholders: The special meeting of Mercantile shareholders will be held at [ ], on [ ], at [ ].

Firstbank shareholders: The special meeting of Firstbank shareholders will be held at [ ], on [ ], at [ ].

Q: Who is entitled to vote at the special meetings?

A: Mercantile shareholders: The record date for the Mercantile special meeting is [ ]. Only record holders of shares of Mercantile common stock at the close of business on such date are entitled to notice of, and to vote at, the Mercantile special meeting or any adjournment or postponement thereof.

Firstbank shareholders: The record date for the Firstbank special meeting is [ ]. Only record holders of shares of Firstbank common stock at the close of business on such date are entitled to notice of, and to vote at, the Firstbank special meeting or any adjournment or postponement thereof.

Q: What constitutes a quorum at the special meetings?

A: Mercantile shareholders: Shareholders who hold shares representing at least a majority of the shares entitled to vote at the Mercantile special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Mercantile common stock represented at the Mercantile special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence or absence of a quorum.

No business may be transacted at the Mercantile special meeting unless a quorum is present. If a quorum is not present, or if fewer shares than required for the necessary shareholder approvals, if necessary or appropriate to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

Firstbank shareholders: Shareholders who hold shares representing at least a majority of the shares entitled to vote at the Firstbank special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Firstbank common stock represented at the Firstbank special meeting, either person or by proxy, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes will have no effect on determining the presence or absence of a quorum at the Firstbank special meeting.

No business may be transacted at the Firstbank special meeting unless a quorum is present. If a quorum is not present, or if fewer shares than required for the necessary shareholder approval, if necessary or appropriate to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

Table of Contents

Q: How do I vote if I am a shareholder of record?

A: Mercantile shareholders: If you were a record holder of Mercantile stock at the close of business on the record date for the Mercantile special meeting, you may vote in person by attending the Mercantile special meeting or, to ensure that your shares are represented at the Mercantile special meeting, you may authorize a proxy to vote by:

- visiting the internet site listed on the Mercantile proxy card and following the instructions provided on that site anytime up to [ ];
- calling the toll-free number listed on the Mercantile proxy card and following the instructions provided in the recorded message anytime up to , 2013; or
- submitting your Mercantile proxy card by mail by using the provided self-addressed, stamped envelope.

If you hold shares of Mercantile common stock in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the Mercantile special meeting.

Firstbank shareholders: If you were a record holder of Firstbank stock at the close of business on the record date for the Firstbank special meeting, you may vote in person by attending the Firstbank special meeting or, to ensure that your shares are represented at the Firstbank special meeting, you may authorize a proxy to vote by:

- visiting the internet site listed on the Firstbank proxy card and following the instructions provided on that site anytime up to , 2013;
- calling the toll-free number listed on the Firstbank proxy card and following the instructions provided in the recorded message anytime up to , 2013; or
- submitting your Firstbank proxy card by mail by using the provided self-addressed, stamped envelope.

If you hold shares of Firstbank common stock in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the Firstbank special meeting.

Q: How many votes do I have?

A: Mercantile shareholders: With respect to each proposal to be presented at the Mercantile special meeting, holders of Mercantile common stock are entitled to one vote for each share of Mercantile common stock owned at the close of business on the Mercantile record date. At the close of business on the Mercantile record date, there were shares of Mercantile common stock outstanding and entitled to vote at the Mercantile special meeting.

Firstbank shareholders: With respect to each proposal to be presented at the Firstbank special meeting, holders of Firstbank common stock are entitled to one vote for each share of Firstbank common stock owned at the close of business on the Firstbank record date. At the close of business on the Firstbank record date, there were [ ] shares of Firstbank common stock outstanding and entitled to vote at the Firstbank special meeting.

Q: What vote is required to approve each proposal?

A: Mercantile shareholders: The approval of the merger agreement requires the affirmative vote of a majority of the issued and outstanding shares of Mercantile common stock entitled to vote at the Mercantile special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal.

Table of Contents

The approval of the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger requires the approval of a majority of the votes cast on this proposal at the Mercantile special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

The approval of the proposed amendment to Mercantile s articles of incorporation requires the approval of a majority of the issued and outstanding shares of Mercantile common stock entitled to vote at the Mercantile special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal.

The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions requires the approval of a majority of the votes cast on this proposal at the Mercantile special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

The adjournment of the Mercantile special meeting, if necessary or appropriate, to solicit additional proxies requires the approval of a majority of the votes cast on this proposal at the Mercantile special meeting, regardless of whether or not a quorum is present. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

Firstbank shareholders: The approval of the merger agreement requires the affirmative vote of a majority of the issued and outstanding shares of Firstbank common stock entitled to vote at the special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal.

The approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions requires the affirmative vote of a majority of the votes cast at the Firstbank special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

The adjournment of the Firstbank special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the issued and outstanding shares of Firstbank common stock that are present in person or represented by proxy and entitled to vote at the special meeting, regardless of whether or not a quorum is present. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

Q: How does the Mercantile board of directors recommend that Mercantile shareholders vote?

A: The Mercantile board of directors has unanimously determined that the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger and the proposed amendment to Mercantile s articles of incorporation) are in the best interests of Mercantile and its shareholders. Accordingly, the Mercantile board of directors unanimously recommends that Mercantile shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Table of Contents

Q: How does the Firstbank board of directors recommend that Firstbank shareholders vote?

A: The Firstbank board of directors has unanimously adopted the merger agreement and determined that the merger agreement is in the best interests of Firstbank and its shareholders. Accordingly, the Firstbank board of directors unanimously recommends that Firstbank shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: My shares are held in street name by my broker, bank or other nominee. Will my broker, bank or other nominee automatically vote my shares for me?

A: No. If your shares are held through a stock brokerage account or a bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your broker, bank or other nominee, and not you. If this is the case, this joint proxy statement and prospectus has been forwarded to you by your broker, bank or other nominee. You must provide the record holder of your shares with instructions on how to vote your shares. Otherwise, your broker, bank or other nominee may not vote your shares on any of the proposals to be considered at the Mercantile special meeting or the Firstbank special meeting, as applicable, and a broker non-vote will result. In connection with the Mercantile special meeting, broker non-votes will have (i) the same effect as a vote AGAINST the proposal to approve the merger agreement, the merge and the other transactions contemplated by the merger agreement, (ii) no effect on the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger (assuming a quorum is present), (iii) the same effect as a vote AGAINST the proposal to approve the amendment to Mercantile s articles of incorporation, (iv) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and (v) no effect on the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies. In connection with the Firstbank special meeting, broker non-votes will have (a) the same effect as a vote AGAINST the proposal to approve the of the merger agreement, (b) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and (c) no effect on the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Mercantile or Firstbank or by voting in person at the special meeting unless you first obtain a legal proxy from your broker, bank or other nominee.

Q: What will happen if I fail to vote?

A: Mercantile shareholders: If you fail to vote, it will have (i) the same effect as a vote AGAINST the proposal to approve the merger agreement, the merge and the other transactions contemplated by the merger agreement, (ii) no effect on the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger (assuming a quorum is present), (iii) the same effect as a vote AGAINST the proposal to approve the amendment to Mercantile s articles of incorporation, (iv) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and (v) no effect on the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Firstbank shareholders: If you fail to vote, it will have (a) the same effect as a vote AGAINST the proposal to approve the merger agreement, (b) no effect on the proposal to approve, on an advisory (non-binding) basis, the

Table of Contents

compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and (c) no effect on the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: What will happen if I mark my proxy or voting instructions to abstain from voting?

A: Mercantile shareholders: If you mark your proxy or voting instructions to abstain, it will have (i) the same effect as a vote AGAINST the proposal to approve the merger agreement, the merge and the other transactions contemplated by the merger agreement, (ii) no effect on the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger (assuming a quorum is present), (iii) the same effect as a vote AGAINST the proposal to approve the amendment to Mercantile s articles of incorporation, (iv) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and (v) no effect on the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Firstbank shareholders: If you mark your proxy or voting instructions to abstain, it will have (i) the same effect as a vote AGAINST the proposal to approve the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and (iii) no effect on the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: What will happen if I return my proxy card without indicating how to vote?

A: Mercantile shareholders: If you properly complete and sign your proxy card but do not indicate how your shares of Mercantile common stock should be voted on a proposal, the shares of Mercantile common stock represented by your proxy will be voted as the Mercantile board of directors recommends and, therefore, FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Firstbank shareholders: If you properly complete and sign your proxy card but do not indicate how your shares of Firstbank common stock should be voted on a proposal, the shares of Firstbank common stock represented by your proxy will be voted as the Firstbank board of directors recommends and, therefore, FOR the proposal to approve the merger agreement, FOR the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Firstbank special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: Yes. If you are the record holder of either Mercantile or Firstbank stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the applicable special meeting. You can do this by:

- timely delivering a signed written notice of revocation;
- timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet); or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person. Simply attending the Mercantile special meeting or the Firstbank special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the Secretary of Mercantile or Firstbank, as applicable, no later than the beginning of the applicable special meeting.

Regardless of the method used to deliver your previous proxy, you may revoke your proxy by any of the above methods.

If you hold shares of either Mercantile or Firstbank in street name, you must contact your broker, bank or other nominee to change your vote.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Firstbank common stock?

A: The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (referred to as the Code). Assuming the merger qualifies as a reorganization, a holder of Firstbank common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder s shares of Firstbank common stock for shares of Mercantile common stock in connection with the merger, except with respect to cash received in lieu of fractional shares. As permitted by the terms of the merger agreement, the Mercantile board of directors expects to declare and pay a one-time special cash dividend of $2.00 per share to Mercantile shareholders prior to the effective time of the merger, subject to the satisfaction of the closing conditions set forth in the merger agreement. Generally, holders will be taxed on the pre-merger special cash dividend at applicable U.S. Federal income tax rates.

Q: When do you expect the merger to be completed?

A: Mercantile and Firstbank hope to complete the merger as soon as reasonably possible and expect the effective time of the merger to occur on or about January 1, 2014. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Mercantile and Firstbank could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the Mercantile and Firstbank special meetings and the completion of the merger.

Q: Do I need to do anything with my shares of common stock other than vote for the proposals at the special meeting?

A: Mercantile shareholders: If you are a Mercantile shareholder, after the merger is completed, you are not required to take any action with respect to your shares of Mercantile common stock.

Firstbank shareholders: If you are a Firstbank shareholder, after the merger is completed, each share of Firstbank common stock that you hold will be converted automatically into the right to receive one share of Mercantile common stock, together with cash in lieu of any fractional shares, as applicable. You will receive instructions at that time regarding exchanging your Firstbank shares for shares of Mercantile common stock. You do not need to take any action at this time. Please do not send your Firstbank stock certificates with your proxy card.

Q: Are shareholders entitled to appraisal or dissenters rights?

A: No. Neither the shareholders of Firstbank nor the shareholders of Mercantile are entitled to appraisal rights or dissenters rights in connection with the merger under Michigan law or under the governing documents of either company.

Table of Contents

Q: What happens if I sell my shares of Firstbank common stock before the Firstbank special meeting?

A: The record date for the Firstbank special meeting is earlier than the date of the Firstbank special meeting and the date that the merger is expected to be completed. If you transfer your Firstbank shares after the Firstbank record date but before the Firstbank special meeting, you will retain your right to vote at the Firstbank special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

Q: What if I hold shares in both Mercantile and Firstbank?

A: If you are both a Mercantile shareholder and a Firstbank shareholder, you will receive two separate packages of proxy materials. A vote cast as a Mercantile shareholder will not count as a vote cast as a Firstbank shareholder, and a vote cast as a Firstbank shareholder will not count as a vote cast as a Mercantile shareholder. Therefore, please separately submit a proxy for each of your Mercantile and Firstbank shares.

Q: Who can help answer my questions?

A: Shareholders of Mercantile or Firstbank who have questions about the merger, the other matters to be voted on at the special meetings, or how to submit a proxy or who desire additional copies of this joint proxy statement and prospectus or additional proxy cards should contact:

Georgeson Inc.

480 Washington Blvd.

26th Floor

Jersey City, New Jersey 07310

Toll-Free: (800) 868-1390

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement and prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the Mercantile and Firstbank special meetings. Mercantile and Firstbank urge you to read the remainder of this joint proxy statement and prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled Where You Can Find More Information beginning on page 148. We have included page references in this summary to direct you to a more complete description of the topics presented below.

The Companies

Mercantile Bank Corporation

Mercantile Bank Corporation is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Mercantile was organized on July 15, 1997 under the laws of the State of Michigan and is the holding company for Mercantile Bank of Michigan. Its current subsidiaries include an insurance company, a real estate company, and a Delaware business trust. Mercantile has seven full-service banking offices in Grand Rapids, Holland, and Lansing, Michigan. Mercantile and its subsidiaries provide a wide variety of commercial and retail banking and related services primarily to small-to medium-sized businesses, and to a lesser extent, individuals and governmental units in and around West Michigan. As of June 30, 2013, Mercantile s total assets were $1.3 billion, and total deposits were $1.1 billion.

Mercantile common stock trades on the Nasdaq Stock Market under the symbol MBWM.

The principal executive offices of Mercantile are located at 310 Leonard St., N.W., Grand Rapids, Michigan 49504, and Mercantile s telephone number is (616) 406-3000. Additional information about Mercantile and its subsidiaries is included in documents incorporated by reference into this joint proxy statement and prospectus. See Where You Can Find More Information on page 148.

Firstbank Corporation

Firstbank Corporation is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Firstbank has two subsidiary banks, Firstbank and Keystone Community Bank. The banks are full-service community banks with 46 banking offices serving Michigan s Lower Peninsula. Each subsidiary bank is a full-service community bank offering customary banking services, including the acceptance of checking, savings, and time deposits and the making of commercial, mortgage, home improvement, automobile, and other consumer loans. As of June 30, 2013, Firstbank s total assets were $1.5 billion, and total deposits were $1.2 billion.

Firstbank common stock trades on the Nasdaq Stock Market under the symbol FBMI.

The principal executive offices of Firstbank are located at 311 Woodworth Ave., Alma, Michigan 48801, and Firstbank s telephone number is (989) 463-3131. Additional information about Firstbank and its subsidiaries is included in documents incorporated by reference into this joint proxy statement and prospectus. See Where You Can Find More Information on page 148.

The Merger

A copy of the merger agreement is attached as Annex A to this joint proxy statement and prospectus. Mercantile and Firstbank encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section entitled The Merger Agreement beginning on page 97.

Table of Contents

Form of the Merger (see page 48)

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Firstbank will be merged with and into Mercantile, and the separate corporate existence of Firstbank shall cease, and Mercantile shall be the surviving corporation of the merger. The combined company may pursue a consolidation of its subsidiary banks after completing the merger.

Merger Consideration (see page 97)

Firstbank shareholders will have the right to receive one share of Mercantile common stock for each share of Firstbank common stock they hold at the effective time of the merger (referred to as the exchange ratio). The exchange ratio is fixed and will not be adjusted for changes in the market value of the common stock of Firstbank or Mercantile. As a result, the implied value of the consideration to Firstbank shareholders will fluctuate between the date of this joint proxy statement and prospectus and the effective date of the merger. Based on the closing price of Mercantile common stock on the Nasdaq Stock Market (referred to as the Nasdaq) on August 14, 2013, the last trading day before public announcement of the merger, the exchange ratio represented approximately $18.77 in value for each share of Firstbank common stock. Based on the closing price of Mercantile common stock on Nasdaq on , 2013, the latest trading day before the date of this joint proxy statement and prospectus, the exchange ratio represented approximately $[ ] in value for each share of Firstbank common stock.

Material U.S. Federal Income Tax Consequences of the Merger (see page 119)

The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as a reorganization, a holder of Firstbank common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder s shares of Firstbank common stock for shares of Mercantile common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Mercantile common stock. As permitted by the terms of the merger agreement, the Mercantile board of directors expects to declare and pay a one-time special cash dividend of $2.00 per share per share to Mercantile shareholders prior to the effective time of the merger, subject to the satisfaction of the closing conditions set forth in the merger agreement. Generally, holders will be taxed on the pre-merger special cash dividend at applicable U.S. Federal income tax rates.

The completion of the merger is conditioned upon the receipt by Mercantile of an opinion of Warner Norcross & Judd LLP, counsel to Mercantile, dated as of the closing date of the merger, that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

Completion of the merger is also conditioned upon the receipt by Firstbank of an opinion of Varnum LLP, counsel to Firstbank, dated as of the closing date of the merger, that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

The tax opinions regarding the merger will not address any state, local or foreign tax consequences of the merger. The opinions will be based on certain assumptions and representations as to factual matters from Mercantile and Firstbank, as well as certain covenants and undertakings by Mercantile and Firstbank. If any of the assumptions, representations, covenants or undertakings is incorrect, incomplete, inaccurate or is violated in any material respect, the validity of the conclusions reached by counsel in their opinions would be jeopardized and the tax consequences of the merger could differ from those described in this joint proxy statement and prospectus. Neither Mercantile nor Firstbank is currently aware of any facts or circumstances that would cause the assumptions, representations, covenants and undertakings to be incorrect, incomplete, inaccurate or violated in any material respect.

Table of Contents

An opinion of counsel represents such counsel s best legal judgment but is not binding on the Internal Revenue Service (referred to as the IRS) or any court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge.

You are urged to consult your own tax advisor regarding the particular consequences to you of the merger.

Recommendation of the Board of Directors of Mercantile (see page 38)

After careful consideration, the Mercantile board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement are in the best interests of Mercantile and its shareholders, approved the merger, adopted the merger agreement, and recommended to Mercantile shareholders the approval of the merger agreement and the approval of the issuance of Mercantile common stock to Firstbank shareholders in connection with the merger. The Mercantile board of directors approved and declared advisable the proposed amendment to Mercantile s articles of incorporation which increases the number of authorized shares of capital stock under its articles of incorporation at the effective time of the merger, and recommends the approval of the amendment to Mercantile s articles of incorporation to the holders of Mercantile common stock. For more information regarding the factors considered by the Mercantile board of directors in reaching its decisions relating to its recommendations, see the section entitled The Merger Mercantile s Reasons for the Merger; Recommendation of the Mercantile Board of Directors. **The Mercantile board of directors unanimously recommends that Mercantile shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the issuance of shares of Mercantile common stock or the merger agreement.**

Recommendation of the Board of Directors of Firstbank (see page 43)

After careful consideration, the Firstbank board of directors unanimously approved the merger agreement, determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Firstbank s shareholders, and recommended that the merger agreement be approved by Firstbank s shareholders. For more information regarding the factors considered by the Firstbank board of directors in reaching its decision to recommend the approval of the merger agreement, see the section entitled The Merger Firstbank s Reasons for the Merger; Recommendation of the Firstbank Board of Directors. **The Firstbank board of directors unanimously recommends that Firstbank shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Firstbank special meeting to a later date or dates, if necessary or appropriate to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement.**

Opinion of Mercantile s Financial Advisor in Connection with the Merger (see page 56)

In connection with the merger agreement and the transactions contemplated thereby, Mercantile s board of directors received a written opinion, dated August 14, 2013, from Mercantile s financial advisor, Keefe, Bruyette & Woods, which we refer to as KBW , as to the fairness to Mercantile, from a financial point of view and as of the date of such opinion, of the exchange ratio. **The full text of KBW s written opinion dated**

August 14, 2013, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this proxy statement and prospectus and is incorporated herein by reference. Shareholders are urged to read KBW s written opinion carefully and in its entirety. KBW s opinion was provided for the use and benefit of Mercantile s board of directors (in its capacity as such) in its evaluation of the merger and related transactions. KBW s opinion is limited solely to the fairness to Mercantile, from a financial point of view, of the exchange ratio and does not address Mercantile s underlying business decision to effect the merger or the relative merits of the merger as compared to any alternative business strategies or transactions that might be available with respect to Mercantile. KBW s opinion does not constitute a recommendation to any shareholder of Mercantile as to how such shareholder should vote or act with respect to the merger or any other matter.

Opinion of Firstbank s Financial Advisor in Connection with the Merger (see page 69)

In connection with the merger, Firstbank s board of directors received a written opinion, dated August 14, 2013, from Sandler O Neill & Partners, L.P., which we refer to as Sandler O Neill , as to the fairness, from a financial point of view and as of the date of the opinion, to holders of Firstbank common stock of the exchange ratio provided for in the merger agreement. The full text of Sandler O Neill s written opinion, which is attached to this joint proxy statement and prospectus as Annex D, sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **Sandler O Neill s opinion was provided for the information of Firstbank s board of directors (in its capacity as such) in connection with its evaluation of the exchange ratio from a financial point of view and did not address any other aspects or implications of the merger. Sandler O Neill expressed no view as to, and its opinion did not address, the underlying business decision of Firstbank to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Firstbank or the effect of any other transaction in which Firstbank might engage. Sandler O Neill s opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

Interests of Mercantile Directors and Executive Officers in the Merger (see page 83)

Certain of Mercantile s directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Mercantile shareholders generally.

As detailed below under The Merger Board of Directors and Management Following the Merger, the merger agreement provides that upon consummation of the merger, the board of directors of Mercantile will consist of six directors, which will include (i) the President and Chief Executive Officer of Mercantile plus two members of the Mercantile board of directors selected by the Mercantile board of directors and (ii) the President and Chief Executive Officer of Firstbank plus two members of the Firstbank board of directors selected by the Firstbank board of directors. In addition, it is expected that, upon consummation of the merger:

- Michael H. Price, the Chairman of the Board, President and Chief Executive Officer of Mercantile, will serve as the President and Chief Executive Officer of the combined company;

- Robert B. Kaminski, Jr., the Executive Vice President, Chief Operating Officer and Secretary of Mercantile, will serve as Executive Vice President and Chief Operating Officer of the combined company; and

- Charles E. Christmas, the current Senior Vice President, Chief Financial Officer and Treasurer of Mercantile will serve as Senior Vice President and Chief Financial Officer of the combined company.

As detailed below under The Merger Interests of Mercantile Directors and Executive Officers in the Merger, the merger will constitute a change in control of Mercantile for the purposes of the Mercantile Bank

Corporation Stock Incentive Plan of 2006. The vesting of restricted stock awards held by Mercantile executive officers and directors will be accelerated as of the effective time of the merger. In addition, the merger will constitute a change in control for certain deferred compensation arrangements with Mercantile executive officers.

As of , 2013, the record date for the Mercantile special meeting, the directors and executive officers of Mercantile and their affiliates beneficially owned and were entitled to vote [ ] shares of Mercantile common stock, collectively representing approximately [ ]% of the shares of Mercantile common stock outstanding and entitled to vote. Mercantile s directors have entered into agreements obligating them to vote their shares in favor of the merger agreement and the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the Merger.

The Mercantile board of directors was aware of these interests and considered them, among other matters, in evaluating the merger and in making its recommendations to Mercantile shareholders.

Interests of Firstbank Directors and Executive Officers in the Merger (see page 85)

Certain of Firstbank s directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Firstbank s shareholders generally. The Firstbank board of directors was aware of these interests and considered them, among other matters, in evaluating the merger and in making its recommendations to Firstbank shareholders.

As detailed below in Interests of Certain Firstbank Directors and Executive Officers in the Merger, the merger agreement provides that upon consummation of the merger the board of directors of Mercantile will consist of six directors, which will include (i) the President and Chief Executive Officer of Mercantile plus two members of the Mercantile board of directors selected by the Mercantile board of directors and (ii) the President and Chief Executive Officer of Firstbank plus two members of the Firstbank board of directors selected by the Firstbank board of directors.

Also as described in Interests of Certain Firstbank Directors and Executive Officers in the Merger, Firstbank and Mercantile have entered into new employment agreements with the executive officers of Firstbank to be effective upon consummation of the merger. Under these new employment agreements, the merger will result in the payment to certain executive officers of change in control cash payments or retention bonuses. Following the merger, upon a termination of employment of an executive officer by the combined company without cause or by the executive officer for good reason, the executive officers would be entitled to specified severance compensation.

Separate from the new employment agreements, the merger will result in the accelerated vesting of restricted stock held by the directors and executive officers.

Current and former directors and officers of Firstbank will also be entitled to continued indemnification and liability insurance coverage.

As of , 2013, the record date of the Firstbank special meeting, the directors and executive officers of Firstbank and their affiliates beneficially owned and were entitled to vote [ ] shares of Firstbank common stock, collectively representing approximately [ ]% of the shares of Firstbank common stock outstanding and entitled to vote. Firstbank s directors have entered into agreements obligating them to vote their shares in favor of the merger agreement.

Board of Directors and Management Following the Merger (see page 94)

Immediately following the effective time of the merger, the board of directors of the combined company will consist of six members, including: (i) the President and Chief Executive Officer of Mercantile plus two

Table of Contents

members of the Mercantile board of directors as of the date of the merger agreement who are independent for purposes of the rules of Nasdaq selected by the Mercantile board of directors and (ii) the President and Chief Executive Officer of Firstbank plus two members of the Firstbank board of directors who are independent for purposes of the rules of Nasdaq selected by the Firstbank board of directors. The Firstbank board of directors has selected Edward Grant and Jeff Gardner to serve as directors of the combined company. The Mercantile board of directors has made a non-binding determination to select David Cassard and Calvin Murdock to serve as directors of the combined company. The fees and/or other remuneration to be provided to the non-employee directors of the combined company have not been determined.

The merger agreement provides that, upon completion of the merger, Thomas R. Sullivan will serve as Mercantile s Chairman of the Board, Michael H. Price will continue to serve as Mercantile s President and Chief Executive Officer, Robert B. Kaminski, Jr. will continue to serve as an Executive Vice President and Chief Operating Officer of Mercantile, Charles E. Christmas will continue to service as Mercantile s Senior Vice President and Chief Financial Officer, and Samuel G. Stone will serve as an Executive Vice President of Mercantile.

Treatment of Firstbank Equity-Based Awards (see page 95)

Upon completion of the merger, each right of any kind to receive Firstbank common stock or benefits measured by the value of a number of shares of Firstbank common stock granted under the Firstbank stock plans will be converted into an award with respect to a number of shares of Mercantile common stock equal to the aggregate number of shares of Firstbank common stock subject to such award. Such converted awards shall otherwise continue to have, and be subject to, the same terms and conditions set forth in the applicable Firstbank stock plan (or any other agreement to which such converted award was subject immediately prior to the effective time of the merger). The exercise or strike price (if any) per share of Mercantile common stock applicable to any such converted award shall be equal to the per share exercise price of such converted award immediately prior to the effective time of the merger. Firstbank restricted stock and unvested stock options will become fully vested as of the effective time of the merger.

Regulatory Approval Required for the Merger (see page 94)

Approval of the Board of Governors of the Federal Reserve System (FRB) is required to complete the merger. An application was filed with the FRB on September 17, 2013. Approval has not yet been obtained. Mercantile and Firstbank have each agreed to take actions in order to obtain regulatory clearance required to consummate the merger. While Mercantile and Firstbank expect to obtain all required regulatory clearances, we cannot assure you that these regulatory clearances will be obtained or that the granting of these regulatory clearances will not involve the imposition of additional conditions on the completion of the merger, including the requirement to divest assets, or require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the merger not being satisfied.

Amendment to the Articles of Incorporation of Mercantile (see page 65)

The Mercantile board of directors has approved, subject to Mercantile shareholder approval, an amendment to the Mercantile s articles of incorporation which increases the number of authorized shares of common stock from 20 million to 40 million. The form of amendment to Mercantile s articles of incorporation is included in this joint proxy statement and prospectus as Annex B. The approval of the amendment by the Mercantile shareholders is not a condition precedent to the closing of the merger. In the event this proposal is approved by Mercantile shareholders, but the merger is not completed, the amendment will not become effective.

Table of Contents

Expected Timing of the Merger

Mercantile and Firstbank currently expect the effective time of the merger to be on or about January 1, 2014. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions as described in the merger agreement, and it is possible that factors outside the control of Mercantile and Firstbank could result in the merger being completed at an earlier time, a later time or not at all.

Conditions to Completion of the Merger (see page 110)

The obligations of Mercantile and Firstbank to complete the merger are subject to the satisfaction of the following conditions:

- the approval of the merger agreement by the holders of a majority of the outstanding shares of Mercantile common stock;
- the approval of the merger agreement by the holders of a majority of the outstanding shares of Firstbank common stock;
- the approval of the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger by the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Mercantile special meeting, assuming a quorum;
- the consents, authorizations, approvals, or exemptions required under the Bank Holding Company Act, the FDI Act, and the Michigan Banking Code;
- the absence of any injunction, decree, order, statute, rule or regulation by a court or other governmental entity that makes unlawful or prohibits the consummation of the merger;
- the effectiveness of the registration statement of which this joint proxy statement and prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose; and
- the authorization for the listing on Nasdaq of the shares of Mercantile common stock to be issued in connection with the merger and upon conversion of the Firstbank restricted stock and the shares of Mercantile common stock reserved for issuance pursuant to Mercantile stock options, subject to official notice of issuance.

In addition, each of Mercantile s and Firstbank s obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of the other party, other than the representations related to the ownership of subsidiaries, capitalization, and authorization of the merger (i) to the extent qualified by material adverse effect, will be true and correct, and (ii) to the extent not qualified by material adverse effect, will be true and correct except where the failure to be true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a material adverse effect on such party, each as of the date of the merger agreement and as of the closing date (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date);
- the representations and warranties of the other party relating to the ownership of subsidiaries and capitalization will be true and correct in all respects (other than de minimis inaccuracies) as of the date of the merger agreement and as of the closing date (except

to the extent such representations or warranties were made only as of a specified date, which need only be true and correct as of such specified date);

- the representations and warranties of the other party relating to the authorization of the merger will be true and correct in all respects;

- the other party will have performed, in all material respects, its covenants and agreements under the merger agreement required to be performed on or prior to the closing date;

- a certificate executed by the other party s chief executive officer or chief financial officer as to the satisfaction of the conditions described in the preceding four bullets will have been received by each party;

- there shall not have occurred a material adverse effect with respect to the other party; and

- a tax opinion from the party s tax counsel as described in the section titled The Merger Agreement Conditions to Completion of the Merger, including an opinion that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code, will have been received by each party.

No Solicitation of Alternative Proposals (see page 106)

The merger agreement generally precludes Mercantile and Firstbank from soliciting or engaging in discussions or negotiations with a third party with respect to an acquisition proposal. However, if Mercantile or Firstbank receives an unsolicited acquisition proposal from a third party and Mercantile s or Firstbank s board of directors, as applicable, among other things, determines in good faith (after consultation with its legal and financial advisors) that such unsolicited proposal is a superior proposal to approve the merger, then Mercantile or Firstbank, as applicable, may furnish non-public information to and enter into discussions with, and only with, that third party regarding such acquisition proposal.

Termination of the Merger Agreement (see page 111)

Mercantile and Firstbank may mutually agree to terminate the merger agreement at any time, notwithstanding approval of the merger agreement by shareholders. Either company may also terminate the merger agreement if the merger is not consummated by March 31, 2014, subject to certain exceptions. In addition, either company may terminate the agreement to enter into a definitive agreement with respect to a superior proposal, subject to certain conditions and the payment of a termination fee. See the section entitled The Merger Agreement Termination of the Merger Agreement for a discussion of these and other rights of each of Mercantile and Firstbank to terminate the merger agreement.

Termination Fees and Expenses (see page 113)

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement and prospectus where Mercantile or Firstbank, as the case may be, may be required to pay a termination fee of $7.9 million and/or expense reimbursement up to $2 million. See the section entitled The Merger Agreement Expenses and Termination Fees; Liability for Breach for a discussion of the circumstances under which such termination fee will be required to be paid.

Accounting Treatment (see page 121)

Mercantile and Firstbank each prepares its respective financial statements in accordance with accounting principles generally accepted in the United States of America, referred to as GAAP. The merger will be accounted for using the acquisition method of accounting. Mercantile will be treated as the acquiror for accounting purposes.

Table of Contents

No Appraisal or Dissenters Rights (see page 144)

Neither the holders of shares of Mercantile common stock nor the holders of shares of Firstbank common stock are entitled to appraisal rights or dissenters rights in connection with the merger, in accordance with Michigan law. Neither the articles of incorporation of Mercantile or its bylaws nor the articles of incorporation of Firstbank or its bylaws confers such appraisal rights.

Comparison of Rights of Shareholders (see page 135)

Firstbank shareholders receiving merger consideration will have different rights once they become shareholders of the combined company due to differences between the governing corporate documents of Firstbank and the governing corporate documents of the combined company. These differences are described in detail under the section entitled Comparison of Rights of Shareholders.

Listing of Shares of Mercantile Common Stock; Delisting and Deregistration of Shares of Firstbank Common Stock (see page 96)

It is a condition to the completion of the merger that the shares of Mercantile common stock to be issued to Firstbank shareholders pursuant to the merger (including those shares of Mercantile common stock to be issued upon conversion of the Firstbank stock options, restricted stock, and restricted stock units) be authorized for listing on Nasdaq at the effective time of the merger, subject to official notice of issuance. Upon completion of the merger, shares of Firstbank common stock currently listed on Nasdaq will cease to be listed on Nasdaq and will be subsequently deregistered under the Exchange Act.

The Meetings

The Mercantile Special Meeting **(see page 38)**

The special meeting of Mercantile shareholders will be held at , on , 2013 at , local time. The special meeting of Mercantile shareholders is being held to consider and vote on:

- a proposal to approve the merger agreement, which is further described in the sections titled The Merger and The Merger Agreement, beginning on pages 48 and 97, respectively;

- a proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger;

- a proposal to approve an amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock;

- a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions; and

- a proposal to approve the adjournment of the Mercantile special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the proposals listed above.

Completion of the merger is conditioned on approval of the merger agreement and approval of the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, however it is not conditioned on the approval of the amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock.

With respect to each Mercantile proposal listed above, Mercantile shareholders may cast one vote for each share of Mercantile common stock that they own. The proposal to approve the merger agreement requires the

17

approval of a majority of the issued and outstanding shares of Mercantile common stock entitled to vote at the special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal. The proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger requires the approval of a majority of the votes cast on this proposal at the Mercantile special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal. The proposal to approve the amendment to Mercantile s articles of incorporation requires the approval of a majority of the outstanding shares of Mercantile common stock entitled to vote at the Mercantile special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions requires the approval of a majority of the votes cast on this proposal at the Mercantile special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

No business may be transacted at the Mercantile special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted than required to obtain the necessary shareholder approvals, to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting on this proposal is obtained, regardless of whether or not a quorum is present. No notice of an adjourned meeting need be given unless a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

The Firstbank Special Meeting **(see page 43)**

The special meeting of Firstbank shareholders will be held at , on , 2013 at , local time. The special meeting of Firstbank shareholders is being held to consider and vote on:

- a proposal to adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, which is further described in the sections titled The Merger and The Merger Agreement, beginning on pages 48 and 97, respectively;

- an advisory (non-binding) proposal to approve the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions; and

- a proposal to approve the adjournment of the Firstbank special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on the adoption of the merger agreement, the merger and the other transactions contemplated by the merger agreement.

With respect to each Firstbank proposal listed above, Firstbank shareholders may cast one vote for each share of Firstbank common stock that they own. The proposal to adopt the merger agreement, the merger, and other transactions required by the merger agreement requires the approval of a majority of the issued and outstanding shares of Firstbank common stock entitled to vote at the special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Firstbank s named executive officers that is based on or otherwise related to the proposed transactions requires the approval of a majority of the issued and outstanding shares of Firstbank common stock that are present in person or represented by proxy and entitled to vote at the special meeting, assuming a quorum. Failures to vote and broker non-votes will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote against the approval of such proposal.

Table of Contents

No business may be transacted at the Firstbank special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted than required to obtain the necessary shareholder approvals, to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained, regardless of whether or not a quorum is present. No notice of an adjourned meeting need be given unless a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Table of Contents

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRSTBANK

(Unaudited)

The following statement of earnings data for each of the three years in the period ended December 31, 2012 and the balance sheet data as of December 31, 2012 and 2011 have been derived from the audited consolidated financial statements of Firstbank contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated into this document by reference. The statement of earnings data for the years ended December 31, 2009 and 2008 and the balance sheet data as of December 31, 2010, 2009 and 2008 have been derived from Firstbank s audited consolidated financial statements for such years, which have not been incorporated into this document by reference.

The statement of earnings data for the six months ended June 30, 2013 and June 30, 2012, and the balance sheet data as of June 30, 2013 have been derived from Firstbank s unaudited interim condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, which is incorporated into this document by reference. The balance sheet data as of June 30, 2012 has been derived from Firstbank s unaudited interim condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, which has not been incorporated into this document by reference. The financial statements in the Form 10-Q are unaudited, but, in the opinion of Firstbank s management, contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly Firstbank s consolidated financial position and results of operations for the periods indicated.

You should read this summary financial data together with the consolidated financial statements that are incorporated by reference into this document and their accompanying notes and management s discussion and analysis of financial condition and results of operations of Firstbank contained in such reports. See Where You Can Find More Information beginning on page 148.

Table of Contents

	As of and for the Six Months Ended June 30, 2013	2012	As of and for the Years Ended December 31, 2012	2011	2010	2009	2008
	(In thousands, except per share data)						
Consolidated Results of Operations:							
Interest income	$ 29,423	$ 32,146	$ 62,866	$ 67,644	$ 72,382	$ 74,686	$ 82,191
Interest expense	3,220	4,540	8,374	12,972	20,890	25,939	35,353
Net interest income	26,203	27,606	54,492	54,672	51,492	48,747	46,838
Provision for loan losses	1,830	4,988	7,690	13,337	13,344	14,671	8,256
Noninterest income	5,868	6,243	12,670	9,675	11,829	15,409	3,990
Noninterest expense	21,508	22,079	44,682	43,553	44,702	45,750	42,915
Income (loss) before income tax expense (benefit)	8,733	6,782	14,790	7,457	5,275	3,735	(343)
Income tax expense (benefit)	2,527	1,961	4,256	1,834	1,512	1,044	(1,062)
Net income	$ 6,206	$ 4,821	$ 10,534	$ 5,623	$ 3,763	$ 2,691	$ 719
Preferred stock dividends and accretion	481	840	1,275	1,679	1,679	1,540	
Net income attributable to common shares	$ 5,725	$ 3,981	$ 9,259	$ 3,944	$ 2,084	$ 1,151	$ 719
Per Common Share Data:							
Net income:							
Basic	$ 0.71	$ 0.50	$ 1.17	$ 0.50	$ 0.27	$ 0.15	$ 0.10
Diluted	0.71	0.50	1.16	0.50	0.27	0.15	0.10
Book value at end of period	16.41	16.14	16.26	15.53	14.82	14.77	15.44
Dividends declared	0.12	0.07	0.29	0.04	0.08	0.40	0.90
Dividend payout ratio	16.89%	13.92%	21.97%	5.58%	16.47%	113.80%	935.73%
Consolidated Financial Ratios:							
Return on average assets	0.83%	0.65%	0.70%	0.38%	0.25%	0.19%	0.05%
Return on average shareholders equity	8.44%	6.30%	7.00%	3.75%	2.56%	1.86%	0.61%
Average shareholders equity to average assets	9.80%	10.40%	10.04%	10.07%	9.87%	10.09%	8.38%
Nonperforming loans to total loans	1.22%	1.86%	1.62%	2.38%	2.61%	3.02%	2.12%
Allowance for loan losses to total loans	2.07%	2.17%	2.21%	2.14%	2.07%	1.70%	1.26%
Tier 1 leverage capital	9.01%	9.47%	9.71%	10.30%	10.02%	10.05%	8.08%
Tier 1 leverage risk-based capital	13.61%	14.37%	14.73%	15.29%	14.68%	13.00%	10.00%
Total risk-based capital	14.87%	15.63%	15.99%	16.55%	15.94%	14.21%	11.06%
Consolidated Balance Sheet Data:							
Total assets	$ 1,457,046	$ 1,485,738	$ 1,498,762	$ 1,485,299	$ 1,458,343	$ 1,482,356	$ 1,425,340
Cash and cash equivalents	54,430	94,099	102,528	80,248	83,943	117,615	63,712
Securities	358,288	333,946	360,950	349,452	263,919	158,592	122,179
Loans	975,796	991,887	966,683	984,258	1,032,975	1,122,185	1,159,632
Allowance for loan losses	20,239	21,522	21,340	21,019	21,431	19,114	14,594
Goodwill	35,513	35,513	35,513	35,513	35,513	35,513	35,603

Deposits	1,208,302	1,211,846	1,241,401	1,220,542	1,183,783	1,149,063	1,046,914
Securities sold under agreements to repurchase	43,661	45,746	42,785	46,784	41,328	39,409	52,917
Federal Home Loan Bank advances	19,862	24,334	22,493	19,457	40,658	100,263	155,921
Subordinated debentures	36,084	36,084	36,084	36,084	36,084	36,084	36,084
Shareholders equity	132,444	145,143	147,058	155,377	148,428	146,880	114,983

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF MERCANTILE

(Unaudited)

The following statement of earnings data for each of the three years ended December 31, 2012 and the balance sheet data as of December 31, 2012 and 2011 have been derived from the audited consolidated financial statements of Mercantile contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated into this document by reference. The statement of earnings data for the years ended December 31, 2009 and 2008 and the balance sheet data as of December 31, 2010, 2009 and 2008 have been derived from Mercantile s audited consolidated financial statements for such years, which have not been incorporated into this document by reference.

The statement of earnings data for the six months ended June 30, 2013 and 2012, and the balance sheet data as of June 30, 2013 have been derived from Mercantile s unaudited interim condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, which is incorporated into this document by reference. The balance sheet data as of June 30, 2012 has been derived from Mercantile s unaudited interim condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, which has not been incorporated into this document by reference. The financial statements in the Form 10-Q are unaudited, but, in the opinion of Mercantile s management, contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly Mercantile s consolidated financial position and results of operations for the periods indicated.

You should read this summary financial data together with the consolidated financial statements that are incorporated by reference into this document and their accompanying notes and management s discussion and analysis of financial condition and results of operations of Mercantile contained in such reports. See Where You Can Find More Information beginning on page 148.

Table of Contents

	As of and for the Six Months Ended June 30, 2013	2012	As of and for the Years Ended December 31, 2012	2011	2010	2009	2008
	(In thousands, except per share data)						
Consolidated Results of Operations:							
Interest income	$ 28,201	$ 30,483	$ 59,917	$ 71,069	$ 88,143	$ 104,909	$ 121,072
Interest expense	5,435	7,103	13,216	19,832	31,794	53,576	74,863
Net interest income	22,766	23,380	46,701	51,237	56,349	51,333	46,209
Provision for loan losses	(3,000)	(3,000)	(3,100)	6,900	31,800	59,000	21,200
Noninterest income	3,599	3,874	7,994	7,282	9,244	7,558	7,282
Noninterest expense	17,397	20,258	39,624	41,495	47,156	46,488	42,126
Income (loss) before income tax expense (benefit)	11,968	9,996	18,171	10,124	(13,363)	(46,597)	(9,835)
Income tax expense (benefit)	3,552	3,125	5,636	(27,361)	(47)	5,490	(4,876)
Net income (loss)	$ 8,416	$ 6,871	$ 12,535	$ 37,485	$ (13,316)	$ (52,087)	$ (4,959)
Preferred stock dividends and accretion		1,030	1,030	1,343	1,295	802	
Net income (loss) attributable to common shares	$ 8,416	$ 5,841	$ 11,505	$ 36,142	$ (14,611)	$ (52,889)	$ (4,959)
Per Common Share Data:							
Net income (loss):							
Basic	$ 0.97	$ 0.68	$ 1.33	$ 4.20	$ (1.72)	$ (6.23)	$ (0.59)
Diluted	0.97	0.65	1.30	4.07	(1.72)	(6.23)	(0.59)
Book value at end of period	17.34	17.38	16.84	16.73	12.20	13.86	20.29
Dividends declared	0.21		0.09		0.01	0.07	0.31
Dividend payout ratio	21.55%	NA	6.73%	NA	NA	NA	NA
Consolidated Financial Ratios:							
Return on average assets	1.23%	0.83%	0.82%	2.36%	(0.80%)	(2.51%)	(0.23%)
Return on average shareholders equity	11.38%	7.26%	7.51%	27.28%	(10.62%)	(29.91%)	(2.87%)
Average shareholders equity to average assets	10.83%	11.46%	10.90%	8.66%	7.56%	8.40%	8.01%
Nonperforming loans to total loans	0.99%	2.69%	1.82%	4.20%	5.50%	5.52%	2.66%
Allowance for loan losses to total loans	2.36%	2.80%	2.75%	3.41%	3.59%	3.11%	1.46%
Tier 1 leverage capital	12.52%	11.42%	11.31%	12.09%	9.09%	8.64%	9.17%
Tier 1 leverage risk-based capital	14.17%	13.33%	13.37%	14.19%	11.17%	9.92%	9.68%
Total risk-based capital	15.43%	14.59%	14.63%	15.46%	12.45%	11.18%	10.93%
Consolidated Balance Sheet Data:							
Total assets	$ 1,343,750	$ 1,385,245	$ 1,422,926	$ 1,433,229	$ 1,632,421	$ 1,906,208	$ 2,208,010
Cash and cash equivalents	57,977	82,466	136,003	76,372	64,198	21,735	25,804

Securities	142,095	139,552	150,275	184,953	235,175	257,384	242,787
Loans	1,058,662	1,060,996	1,041,189	1,072,422	1,262,630	1,539,818	1,856,915
Allowance for loan losses	24,947	29,689	28,677	36,532	45,368	47,878	27,108
Bank owned life insurance	50,736	49,312	50,048	48,520	46,743	45,024	42,462
Deposits	1,061,315	1,105,630	1,135,204	1,112,075	1,273,832	1,401,627	1,599,575
Securities sold under agreements to repurchase	57,328	52,831	64,765	72,569	116,979	99,755	94,413
Federal Home Loan Bank advances	35,000	35,000	35,000	45,000	65,000	205,000	270,000
Subordinated debentures	32,990	32,990	32,990	32,990	32,990	32,990	32,990
Shareholders equity	150,938	149,662	146,590	164,999	125,936	140,104	174,372

Table of Contents

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF MERCANTILE AND FIRSTBANK

The following table presents selected unaudited pro forma condensed combined financial information about Mercantile s consolidated balance sheet and results of operations, after giving effect to the merger with Firstbank and the payment of the special cash dividend. The information under Results of Operations Data in the table below gives effect to the merger as if it had been consummated on January 1, 2012, the beginning of the earliest period presented. The information under Balance Sheet Data in the table below assumes the merger had been consummated on June 30, 2013. This unaudited pro forma combined financial information was prepared using the acquisition method of accounting with Mercantile considered the acquirer of Firstbank. See Accounting Treatment on page 121.

In addition, the unaudited pro forma combined financial information includes adjustments which are preliminary and will likely be revised as additional information becomes available and as additional analysis is performed. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company.

The information presented below should be read in conjunction with the historical consolidated financial statements of Mercantile and Firstbank, including the related notes, filed by each of them with the SEC, and with the pro forma condensed combined financial statements of Mercantile and Firstbank, including the related notes, appearing elsewhere in this document. See Where You Can Find More Information beginning on page 148 and Unaudited Pro Forma Condensed Combined Financial Information beginning on page 122. The unaudited pro forma condensed combined financial information is not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated.

(in thousands)	**Six Months Ended June 30, 2013**	**Year Ended December 31, 2012**
Results of Operations Data		
Net interest income	$ 48,367	$ 100,150
Provision for loan losses	(1,170)	4,590
Net interest income after provision for loan losses	49,537	95,560
Other income	9,467	20,664
Other expense	39,836	86,320
Income before income tax expense	19,168	29,904
Income tax expense	5,542	8,822
Net income	13,626	21,082
Preferred stock dividends	481	2,305
Net income to common shareholders	$ 13,145	$ 18,777

Table of Contents

(in thousands)	As of June 30, 2013
Balance Sheet Data	
Cash and cash equivalents	$ 100,352
Investment securities	500,383
Net loans	1,991,011
Total Assets	2,799,875
Deposits	2,271,917
Borrowings	173,951
Subordinated debentures	54,074
Total shareholders equity	285,061

The table below presents the pro forma regulatory capital levels for the consolidated combined company and regulatory minimum required capital levels, giving effect to the merger as if it had occurred on June 30, 2013, and assuming payment of a $2.00 per share dividend by Mercantile (dollars in thousands):

	Mercantile (as reported)		Firstbank (As reported)		Pro Forma		Minimum Required for Capital Adequacy Purposes	
June 30, 2013	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk weighted assets)	$ 183,956	15.4%	$ 144,062	14.0%	$ 304,698	13.9%	$ 173,069	8.0%
Tier 1 capital (to risk weighted assets)	$ 168,929	14.2%	$ 131,858	13.5%	$ 279,751	12.9%	$ 86,535	4.0%
Tier 1 capital (to average assets)	$ 168,929	12.5%	$ 131,858	9.0%	$ 279,751	10.0%	$ 112,024	4.0%

Table of Contents

Unaudited Selected Comparative Per Share Data

The following table sets forth the basic earnings, diluted earnings, cash dividends and book value per common share data for Mercantile and Firstbank on a historical basis and on a pro forma combined basis, as of and for the six month period ended June 30, 2013, and as of and for the twelve months ended December 31, 2012. The pro forma data was derived by combining the historical consolidated financial information of Mercantile and Firstbank using the acquisition method of accounting for business combinations and assumes the transaction is completed as contemplated. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the transactions had been effective on the dates presented in the case of the book value data, and as if the transactions had become effective on January 1, 2012, in the case of the earnings per share and dividends declared data. The unaudited pro forma data represent a current estimate based on available information of the combined company s results of operations. The pro forma financial adjustments record the assets and liabilities of Firstbank at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analysis is performed. See Unaudited Pro Forma Condensed Combined Financial Information for more information on page 122.

	Mercantile As Reported	Firstbank As Reported	Pro Forma Combined Mercantile (1)	Pro Forma Equivalent Per Share Information (2)
Mercantile Pro Forma Per Share				
Income for the six months ended June 30, 2013:				
Basic earnings per share	$ 0.97	$ 0.71	$ 0.79	$ 0.79
Diluted earnings per share	0.97	0.71	0.78	0.78
Cash Dividends (3)	0.21	0.12	0.21	0.21
Book value per common share as of June 30, 2013 (4)	17.34	16.41	16.99	16.99
Income for the year ended December 31, 2012:				
Basic earnings per share	$ 1.33	$ 1.17	$ 1.13	$ 1.13
Diluted earnings per share	1.30	1.16	1.12	1.12
Cash Dividends (3)	0.09	0.29	0.09	0.09
Book value per common share as of December 31, 2012 (4)	16.84	16.26		

(1) Pro forma earnings per share are based on pro forma combined net income and pro forma combined weighted average shares outstanding at the end of the period.
(2) Calculated based on pro forma combined multiplied by the applicable exchange ratio of 1.00.
(3) Pro forma dividends per share represent Mercantile s historical dividends per share, excluding the special cash dividend.
(4) Calculated based on pro forma combined equity and pro forma combined common shares outstanding at the end of period.

Table of Contents

Comparative Market Prices

The following table shows the closing sale prices of Mercantile and Firstbank common stock as reported on NASDAQ as of August 14, 2013, the last trading day before public announcement of the merger, and as of [ ], 2013, the last trading day before the date of this joint proxy statement and prospectus.

	Mercantile Common Stock	Firstbank Common Stock	Implied Value for Each Share of Firstbank Common Stock
August 14, 2013	$ 18.77	$ 16.66	$ 18.77
[ ], 2013	$ [ ]	$ [ ]	$ [ ]

The market price of Mercantile common stock and Firstbank common stock will fluctuate prior to the merger. Mercantile s shareholders and Firstbank shareholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement and prospectus and the documents incorporated by reference into this joint proxy statement and prospectus contain forward-looking statements within the meaning of the federal securities laws that are not limited to historical facts, but reflect Mercantile and Firstbank s current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, pro intend, anticipate, believe, estimate, predict, potential, pursue, target, continue, and similar expressions are intended to identify s forward-looking statements. These forward-looking statements include, without limitation, Mercantile s and Firstbank s expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the combined company s plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed transaction by shareholders and by governmental regulatory authorities; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction. Management s determination of the provision and allowance for loan losses, the appropriate carrying value of intangible assets (including deferred pay assets) and other real estate owned and the value of investment securities involves judgments that are inherently forward-looking.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Mercantile and Firstbank and are difficult to predict. These risks and uncertainties also include those set forth under Risk Factors, beginning on page 30, as well as, among others, risks and uncertainties relating to:

- the ability to obtain regulatory approvals of the merger and satisfy other closing conditions or follow the expected schedule for the transactions;
- the actions of actual or potential competitors in the markets in which the combined company will operate;
- the combined company s ability to effectively maintain and improve customer relationships, realize expected benefits of the merger, realize growth opportunities, maintain or expand customer base, reduce operating costs, continue to pay dividends, and successfully implement and realize the expected benefits of various programs, initiatives and goals;
- difficulties and delays in integrating the Mercantile and Firstbank businesses following the merger;
- changes in the value of commercial and residential real estate and the value of certain securities held in investment portfolios;
- changes in interest rates and capital markets;
- effects of governmental regulations and policies;
- changes in asset quality and credit risk;
- the effectiveness of the combined company s capital investments and marketing strategies;
- general economic conditions;

the proposed merger, including the ability to complete the merger in the anticipated timeframe or at all, the diversion of each party s management in connection with the merger and the combined company s ability to realize, fully or at all, the anticipated benefits of the merger; and

other financial, operational and legal risks and uncertainties detailed from time to time in each party s SEC filings.

Table of Contents

Mercantile and Firstbank caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Mercantile s and Firstbank s most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning Mercantile, Firstbank, the proposed transaction or other matters and attributable to Mercantile or Firstbank or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements speak only as of the date made and, other than as required by law, neither Mercantile nor Firstbank undertake any obligation to update publicly or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

RISK FACTORS

In addition to the other information included in and incorporated by reference into this joint proxy statement and prospectus, including the matters addressed in the section entitled Special Note Regarding Forward-Looking Statements beginning on page 28, you should carefully consider the following risk factors before deciding whether to vote for the proposal to approve the merger agreement and approve the merger and, in the case of Mercantile shareholders, for the proposal to approve the Mercantile share issuance. In addition, you should read and consider the risks associated with each of the businesses of Firstbank and Mercantile because these risks will relate to the combined company following the completion of the merger. Descriptions of some of these risks can be found in the Annual Reports of Mercantile and Firstbank on Form 10-K for the fiscal years ended December 31, 2012, in each case, as such risks may be updated or supplemented in each company s subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement and prospectus. You should also consider the other information in this document and the other documents incorporated by reference into this document. See the section entitled Where You Can Find More Information beginning on page 148.

Risks Relating to the Merger

The merger is subject to conditions, including certain conditions that may not be satisfied or completed on a timely basis, if at all. Failure to complete the merger could have material and adverse effects on Mercantile and Firstbank.

The completion of the merger is subject to a number of conditions, including the approval by the shareholders of Mercantile and Firstbank, which make the completion and timing of the completion of the merger uncertain. See the section entitled The Merger Agreement Conditions to Completion of the Transaction, beginning on page 110, for a more detailed discussion. Also, either Mercantile or Firstbank may terminate the merger agreement if the merger has not been consummated by March 31, 2014, except that this right to terminate the merger agreement will not be available to any party whose failure to perform any obligation under the merger agreement is the cause of or the primary factor that results in the failure of the merger to be consummated on or before that date.

If the merger is not completed on a timely basis, or at all, Mercantile s and Firstbank s respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the merger, Mercantile and Firstbank will be subject to a number of risks, including the following:

- Mercantile and Firstbank will be required to pay their respective costs relating to the merger, such as legal, accounting, financial advisory and printing fees, whether or not the merger is completed;

- time and resources committed by Mercantile s and Firstbank s respective boards of directors and management to matters relating to the merger could otherwise have been devoted to pursuing other beneficial opportunities;

- the market price of Mercantile common stock or Firstbank common stock could decline to the extent that the current market price reflects a market assumption that the merger will be completed; and

- if the merger agreement is terminated and the board of directors of Mercantile or the board of directors of Firstbank seeks another business combination, Mercantile shareholders and Firstbank shareholders cannot be certain that Mercantile or Firstbank will be able to find a party willing to enter into a merger agreement on terms equivalent to or more attractive than the terms that the other party has agreed to in the merger agreement.

The market value of the merger consideration paid to Firstbank shareholders will fluctuate because the exchange ratio is fixed and will not be adjusted in the event of any change in either Mercantile s or Firstbank s stock price.

Upon completion of the merger, each share of Firstbank common stock will be converted into the right to receive 1 share of Mercantile common stock. This exchange ratio will not be adjusted for changes in the market

30

price of either Mercantile common stock or Firstbank common stock between the date of signing the merger agreement and completion of the merger. Changes in the price of Mercantile common stock prior to the merger will affect the value of Mercantile common stock that Firstbank common shareholders will receive on the closing date.

The prices of Mercantile common stock and Firstbank common stock on the date of the completion of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement and prospectus and on the date of each shareholder meeting. As a result, the value represented by the exchange ratio will also vary. For example, based on the range of closing prices of Mercantile common stock during the period from August 14, 2013, the last full trading day before the public announcement of the merger, through September [ ], 2013, the latest practicable trading date before the date of this joint proxy statement and prospectus, the exchange ratio represented a value ranging from a high of $[ ] to a low of $[ ] for each share of Firstbank common stock.

These variations could result from changes in the business, operations or prospects of Mercantile or Firstbank prior to or following the completion of the merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Mercantile or Firstbank. At the time of the special shareholders meetings, Firstbank shareholders will not know with certainty the value of the shares of Mercantile common stock that they will receive upon completion of the merger.

The merger agreement contains provisions that limit each party s ability to pursue alternatives to the merger, could discourage a potential competing acquiror of either Mercantile or Firstbank from making a favorable alternative transaction proposal and, in specified circumstances, could require either party to pay a termination fee of $7.9 million and transaction-related expenses of up to $2 million to the other party.

The merger agreement contains certain provisions that restrict each of Mercantile s and Firstbank s ability to initiate, solicit, knowingly encourage or, subject to certain exceptions, engage in discussions or negotiations with respect to, or approve or recommend, any third-party proposal for an alternative transaction. Further, even if the board of directors of either company withdraws or qualifies its recommendation with respect to the approval of the merger, unless the merger agreement has been terminated in accordance with its terms, Mercantile or Firstbank, as the case may be, will still be required to submit each of their merger-related proposals to a vote at their special meeting of shareholders. In addition, the other party generally has an opportunity to offer to modify the terms of the merger and other transactions contemplated by the merger agreement in response to any third-party alternative transaction proposal before the board of directors of the company that has received a third-party alternative transaction proposal may withdraw or qualify its recommendation with respect to the merger-related proposal. In some circumstances, upon termination of the merger agreement, a party will be required to pay a termination fee of $7.9 million and transaction-related expenses of up to $2 million to the other party. See the sections entitled The Merger Agreement Restrictions on Solicitation beginning on page 106, The Merger Agreement Termination of the Merger Agreement beginning on page 111 and The Merger Agreement Termination Fees and Expenses; Liability for Breach beginning on page 113.

These provisions could discourage a potential third-party acquiror or merger partner that might have an interest in acquiring all or a significant portion of Mercantile or Firstbank or pursuing an alternative transaction from considering or proposing such a transaction, even if it were prepared to pay consideration with a higher per share cash or market value than market value proposed to be received or realized in the merger, or might result in a potential third-party acquiror or merger partner proposing to pay a lower price to the Mercantile shareholders or Firstbank shareholders than it might otherwise have proposed to pay because of the added expense of the $7.9 million termination fee and transaction-related expenses of up to $2 million that may become payable in certain circumstances.

If the merger agreement is terminated and either Mercantile or Firstbank determines to seek another business combination, Mercantile or Firstbank, as applicable, may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

Table of Contents

If either party terminates the merger agreement because of the failure by the other party to fulfill its obligations, then the breaching party may be required to reimburse the terminating party s expenses.

The merger agreement provides that Mercantile may terminate the merger agreement, subject to certain exceptions, if Firstbank breaches or fails to perform any of its representations, warranties, covenants or other agreements therein and such breach or failure to perform is not cured within 30 business days or is incapable of being cured by March 31, 2014. Similarly, Firstbank may terminate the agreement, subject to certain exceptions, if Mercantile breaches or fails to perform any of its respective representations, warranties, covenants or other agreements therein and such breach or failure to perform is not cured within 30 business days or is incapable of being cured by March 31, 2014. If the merger agreement is terminated as a result of a breach by the other party, the breaching party will be required to reimburse up to $2 million of the terminating party s documented out-of-pocket fees and expenses in connection with the transaction. In addition, if the breaching party receives a third-party proposal for certain types of alternative transactions prior to termination of the merger agreement and consummates a takeover proposal within 12 months after termination of the merger agreement or enters into an agreement for a takeover proposal within 12 months after termination of the merger agreement and subsequently consummates such transaction, the breaching party will be required to pay a termination of $7.9 million.

Mercantile s and Firstbank s executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of Mercantile and Firstbank shareholders generally.

Mercantile s and Firstbank s executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of Mercantile and Firstbank shareholders generally. The executive officers of Firstbank have agreements and arrangements with Firstbank that provide for severance, accelerated vesting of certain rights and other benefits if their employment is terminated under certain circumstances following the completion of the merger. In addition, certain of Firstbank s compensation and benefit plans and arrangements provide for payment or accelerated vesting or distribution of certain rights or benefits upon completion of the merger. Executive officers and directors of Firstbank also have rights to indemnification, advancement of expenses and directors and officers liability insurance that will survive completion of the merger. Certain executive officers of Mercantile have arrangements with Mercantile that provide for the accelerated vesting of restricted stock and deferred compensation upon completion of the merger.

The merger agreement contains certain provisions relating to the governance of the combined company following completion of the merger. Completion of the merger is subject to the conditions described under The Merger Agreement Conditions to Completion of the Transaction beginning on page 110.

The board of directors of the combined company and its committees will consist of six directors, which will include (i) the current President and Chief Executive Officer of Mercantile plus two members of the current Mercantile board of directors selected by the Mercantile board of directors and (ii) the current President and Chief Executive Officer of Firstbank plus two members of the current Firstbank board of directors selected by the Firstbank board of directors. The current President and Chief Executive Officer of Firstbank will serve as Chairman of the Board following the Merger.

The current President and Chief Executive Officer of Mercantile will serve as the President and Chief Executive Officer of the combined company. The current Chief Operating Officer of Mercantile will serve as an Executive Vice President and Chief Operating Officer of the combined company. The Chief Financial Officer of Mercantile will serve as a Senior Vice President and Chief Financial Officer of the combined company. The current Chief Financial Officer of Firstbank will serve as an Executive Vice President of the combined company.

The Mercantile and Firstbank boards of directors were aware of these interests at the time each approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. These interests may cause Mercantile s and Firstbank s directors and executive officers to view the proposed merger differently and more favorably than you may view them. These interests are described in greater detail in the sections entitled The Merger Interests of Mercantile Directors and Executive Officers in the Merger beginning on page 83, The Merger Interests of Certain Firstbank Directors and Executive Officers in the Merger beginning on page 85, and The Merger Board of Directors and Management Following the Merger beginning on page 94.

Each party is subject to business uncertainties and contractual restrictions while the proposed merger is pending, which could adversely affect each party s business and operations.

In connection with the pendency of the merger, it is possible that some customers and other persons with whom Mercantile or Firstbank has a business relationship may delay or defer certain business decisions or might seek to terminate, change or renegotiate their relationships with Mercantile or Firstbank, as the case may be, as a result of the merger, which could negatively affect Mercantile s or Firstbank s respective revenues, earnings and cash flows, as well as the market price of Mercantile s or Firstbank s common stock, regardless of whether the merger is completed.

Under the terms of the merger agreement, each of Mercantile or Firstbank is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations could negatively affect each party s businesses and operations prior to the completion of the merger.

The merger is subject to the receipt of approvals, consents or clearances from regulatory authorities which, if not obtained, could prevent completion of the merger.

Before the merger may be completed, the consents, authorizations, approvals, or exemptions required under the Bank Holding Company Act, the FDI Act, the Michigan Banking Code and other applicable law must have been obtained. Under the merger agreement, Mercantile and Firstbank have agreed to use their commercially reasonable efforts to obtain such approvals, consents and clearances. There is no assurance that such approvals, consents, and clearances will be obtained. For a more detailed description of the regulatory review process, see the section entitled The Merger Regulatory Clearances Required for the Merger beginning on page 94.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees which could adversely affect the future business and operations of the combined company.

Mercantile and Firstbank are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company s success after the completion of the merger will depend in part upon the ability of Mercantile and Firstbank to retain key management personnel and other key employees. Current and prospective employees of Mercantile and Firstbank may experience uncertainty about their roles within the combined company following the completion of the merger, which may have an adverse effect on the ability of each of Mercantile and Firstbank to attract or retain key management and other key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key management personnel and other key employees of Mercantile and Firstbank to the same extent that Mercantile and Firstbank have previously been able to attract or retain their own employees.

Litigation may be filed against Mercantile, Firstbank and/or their respective boards of directors could prevent or delay the consummation of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that Firstbank shareholders may file putative shareholder class action lawsuits against Firstbank and its board of directors, and against Mercantile, and it is possible that Mercantile shareholders may file putative shareholder class action lawsuits against Mercantile and its board of directors. Among other remedies, the plaintiffs may seek to enjoin the merger. The outcome of any such litigation is uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the merger and result in substantial costs to Mercantile and Firstbank, including

Table of Contents

any costs associated with indemnification. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect the combined company s business, financial condition, results of operations, cash flows and market price. See The Merger Litigation Related to the Merger beginning on page 96 for more information about the lawsuit that has been filed related to the merger.

The unaudited pro forma condensed combined financial information in this joint proxy statement and prospectus is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of the combined company following completion of the merger.

The unaudited pro forma condensed combined financial information in this joint proxy statement and prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company s actual financial position or results of operations would have been had the merger been completed on the date indicated. Further, the combined company s actual results and financial position after the merger may differ materially and adversely from the unaudited pro forma condensed combined financial data that is included in this joint proxy statement and prospectus. The unaudited pro forma condensed combined financial information has been prepared based on the determination that Mercantile will be identified as the acquiror under GAAP and reflects adjustments based upon preliminary estimates of the fair value of assets to be acquired and liabilities to be assumed. The final acquisition accounting will be based upon the actual purchase price and the fair value of the assets and liabilities of Firstbank as of the date of the completion of the merger. In addition, subsequent to the closing date, there will be further refinements of the acquisition accounting as additional information becomes available. Accordingly, the final acquisition accounting may differ materially from the pro forma condensed combined financial information reflected in this document. See Unaudited Pro Forma Condensed Combined Financial Information beginning on page 122 for more information.

Completion of the merger will trigger change in control or other provisions in certain agreements to which Mercantile or Firstbank is a party.

The completion of the merger will trigger change in control or other provisions in certain agreements to which Mercantile or Firstbank is a party. If Mercantile and Firstbank are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if Mercantile and Firstbank are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to Firstbank, Mercantile or the combined company.

Risks Relating to the Combined Company after Completion of the Merger

The combined company may be unable to successfully integrate the businesses of Mercantile and Firstbank and realize the anticipated benefits of the merger.

The merger involves the combination of two companies that currently operate, and will continue to operate until the effective date of the merger, as independent public companies. The combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Mercantile and Firstbank. Potential difficulties the combined company may encounter as part of the integration process include the following:

- inability to successfully combine the businesses of Mercantile and Firstbank in a manner that permits the combined company to achieve the full benefits anticipated to result from the merger;

- complexities associated with managing the businesses of the combined company, including the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, employees and other constituencies; and

- potential unknown liabilities and unforeseen increased expenses or delays associated with the merger, including capital expenditures and one-time cash costs to integrate the two companies.

34

Table of Contents

In addition, Mercantile and Firstbank have operated and, until the completion of the merger, will continue to operate independently and may not begin the actual integration process. Although the parties are conducting an integration planning process as permitted by legal restrictions, this process could result in:

- diversion of the attention of each company s management; and
- the disruption of, or the loss of momentum in, each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies,

any of which could adversely affect each company s ability to maintain relationships with customers, employees and other constituencies or Mercantile s and Firstbank s ability to achieve the anticipated benefits of the merger or could reduce each company s earnings or otherwise adversely affect the business and financial results of the combined company.

Mercantile shareholders and Firstbank shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Mercantile shareholders presently have the right to vote in the election of Mercantile s board of directors and on other matters affecting Mercantile. Firstbank shareholders presently have the right to vote in the election of Firstbank s board of directors and on other matters affecting Firstbank. Immediately after the merger is completed, it is expected that current Mercantile shareholders will own approximately 52% of the combined company s common stock outstanding and current Firstbank shareholders will own approximately 48% of the combined company s common stock outstanding, respectively.

As a result, current Mercantile shareholders and current Firstbank shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of Mercantile and Firstbank, respectively.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the completion of the merger.

Following the completion of the merger, the size of the business of the combined company will increase significantly beyond the current size of either Mercantile s or Firstbank s business. The combined company s future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings and other benefits currently anticipated from the merger.

The combined company is expected to incur substantial expenses related to the completion of the merger and the integration of Mercantile and Firstbank.

The combined company is expected to incur substantial expenses in connection with the completion of the merger and the integration of Mercantile and Firstbank. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including banking operations software and systems, accounting and finance, payroll, revenue management, marketing and benefits. While Mercantile and Firstbank have assumed that a certain level of expenses will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the merger, and the amount and timing of such charges are uncertain at present.

Table of Contents

The market price of the combined company s common stock may be affected by factors different from those affecting the price of Mercantile or Firstbank common stock.

Upon completion of the merger, holders of Mercantile common stock and Firstbank common stock will become holders of common stock in the combined company. As the businesses of Mercantile and Firstbank are different, the results of operations of the combined company as well as the price of the combined company s common stock may in the future be affected by factors different from those factors affecting Mercantile and Firstbank as independent, stand-alone companies. The combined company will face additional risks and uncertainties to which Mercantile or Firstbank may not currently be exposed as independent companies.

Other Risks Relating to Mercantile and Firstbank

Mercantile s and Firstbank s businesses are and will be subject to the risks described above. In addition, Mercantile and Firstbank are and will continue to be subject to the risks described in Mercantile s and Firstbank s respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2012, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement and prospectus. See Where You Can Find More Information beginning on page 148 for the location of information incorporated by reference into this joint proxy statement and prospectus.

Table of Contents

THE COMPANIES

Mercantile Bank Corporation

Mercantile Bank Corporation is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Mercantile was organized on July 15, 1997 under the laws of the State of Michigan to provide banking services to business, individuals, and governmental unites, and commenced business on December 15, 1997. Mercantile is the holding company for Mercantile Bank of Michigan and its current subsidiaries include an insurance company, a real estate company, and a Delaware business trust. Mercantile has seven full-service banking offices in Grand Rapids, Holland, and Lansing, Michigan. As of June 30, 2013, Mercantile s total assets were $1.3 billion, and total deposits were $1.1 billion.

Mercantile s common stock is traded on Nasdaq under the symbol MBWM.

The principal executive offices of Mercantile are located at 310 Leonard St., N.W., Grand Rapids, Michigan 49504, and Mercantile s telephone number is (616) 406-3000. Additional information about Mercantile and its subsidiaries is included in documents incorporated by reference into this joint proxy statement and prospectus. See Where You Can Find More Information on page 148.

Firstbank Corporation

Firstbank Corporation is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Firstbank has two subsidiary banks, Firstbank and Keystone Community Bank. The banks are full-service community banks with 46 banking offices serving Michigan s Lower Peninsula. Each subsidiary bank is a full-service community bank offering customary banking services, including the acceptance of checking, savings, and time deposits and the making of commercial, mortgage, home improvement, automobile, and other consumer loans. As of June 30, 2013, Firstbank s total assets were $1.5 billion, and total deposits were $1.2 billion.

Firstbank common stock trades on the Nasdaq Stock Market under the symbol FBMI.

The principal executive offices of Firstbank are located at 311 Woodworth Ave., Alma, Michigan 48801, and Firstbank s telephone number is (989) 463-3131. Additional information about Firstbank and its subsidiaries is included in documents incorporated by reference into this joint proxy statement and prospectus. See Where You Can Find More Information on page 148.

Table of Contents

THE MERCANTILE SPECIAL MEETING

This joint proxy statement and prospectus is being provided to the Mercantile shareholders as part of a solicitation of proxies by the Mercantile board of directors for use at the Mercantile special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement and prospectus provides Mercantile shareholders with information they need to know to be able to vote or instruct their vote to be cast at the Mercantile special meeting.

Date, Time and Place

The special meeting of Mercantile shareholders will be held at , on , 2013 at , local time.

Purpose of the Mercantile Special Meeting

At the Mercantile special meeting, Mercantile shareholders will be asked to consider and vote on the following:

- a proposal to approve the merger agreement, which is further described in the sections titled The Merger and The Merger Agreement, beginning on pages 48 and 97, respectively;
- a proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger;
- a proposal to approve an amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock;
- a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions;
- a proposal to approve the adjournment of the Mercantile special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first two proposals listed above.

Completion of the merger is conditioned on approval of the merger agreement and approval of the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger. Completion of the merger is not conditioned on the approval of the amendment to Mercantile s articles of incorporation to increase the number of authorized shares of Mercantile common stock or the approval of the compensation that may be paid or become payable to Mercantile s named executive officers in connection with the merger.

Recommendation of the Mercantile Board of Directors

At a special meeting held on August 14, 2013, the Mercantile board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement, including the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, are in the best interests of Mercantile and its shareholders. In addition, the Mercantile board of directors determined that the proposed amendment to the Mercantile s articles of incorporation to increase the authorized shares of common stock from 20 million to 40 million is in the best interests of Mercantile and its shareholders. **Accordingly, the Mercantile board of directors unanimously recommends that Mercantile shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve the issuance of shares of Mercantile common stock to Firstbank shareholders in connection with the merger, FOR the proposal to approve the amendment to Mercantile s articles of incorporation, FOR the a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Mercantile s named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the Mercantile special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

Table of Contents

Mercantile shareholders should carefully read this joint proxy statement and prospectus, including any documents incorporated by reference, and the Annexes in their entirety, for more detailed information concerning the merger and the transactions contemplated by the merger agreement.

Mercantile Record Date; Shareholders Entitled to Vote

The record date for the Mercantile special meeting is , 2013. Only record holders of shares of Mercantile common stock at the close of business on such date are entitled to notice of, and to vote at, the Mercantile special meeting or any adjournment or postponement thereof. At the close of business on the record date, the only outstanding voting