

## Commerce Bancshares Corporation (Worcester, MA) announces agreement to acquire Mercantile Capital Corporation (Boston, MA)

**Deal Value: Approximately \$26.5 million**

Sandler O'Neill served as financial advisor to Commerce Bancshares Corporation in this transaction. This transaction is Sandler O'Neill's 63<sup>rd</sup> bank or thrift transaction since January 1, 2010. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Commerce Bancshares Corporation today announced that it signed a definitive agreement to acquire Boston-based Mercantile Capital Corporation and its subsidiary, Mercantile Bank & Trust Company, in an all cash transaction with a purchase price of \$9.05 for each of Mercantile Capital Corporation's 2,930,230 shares outstanding, for a total value of \$26.5 million.

The merger will combine two organizations focused on serving their communities, while providing enhanced convenience for their customers. Additionally, the merger marks Commerce's physical entrance into the Boston market, a market in which Commerce has been an active lender. The combined organization will have assets of \$1.6 billion and 16 retail banking offices serving people and businesses across central and eastern Massachusetts, including three offices in the Boston metro area.

At December 31, 2011, Commerce Bancshares Corporation's consolidated assets were approximately \$1.4 billion and Mercantile Capital Corporation had assets of approximately \$193 million. At December 31, 2011, Mercantile Bank & Trust Company and Commerce Bank & Trust Company were both considered well-capitalized under applicable regulatory capital guidelines, and Commerce Bank & Trust Company will remain well-capitalized under such standards upon completion of the transaction.

The completion of the merger is subject to certain customary conditions, including the receipt of regulatory approvals. The transaction, which has been approved by the boards of directors of both companies, is expected to occur in the third quarter of 2012. In connection with the transaction, it is expected that Mercantile Bank & Trust Company will merge into Commerce Bank & Trust Company.

### Financial Highlights

(Dollars in millions)

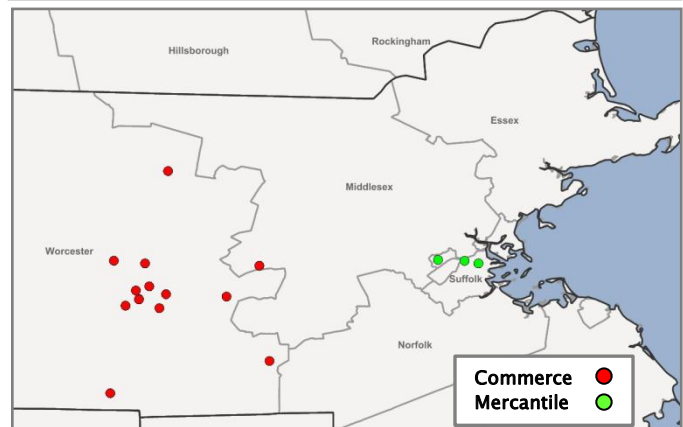
	<u>Commerce</u>	<u>Mercantile</u>
Total Assets	\$1,411	\$193
Net Loans	\$808	\$171
Total Deposits	\$1,187	\$162
Total Equity	\$118	\$21
Tang. Common Equity / Tang. Assets	8.34%	7.08%

Note: Financial data as of December 31, 2011

(1) Includes bank or thrift transactions since 2010; excludes terminated transactions and self-advisory roles

Source: SNL Financial

### Pro Forma Map



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