

**MERCANTIL BANK REPORTS NET PROFIT OF \$15.3 MILLION
FOR THE SECOND QUARTER OF 2018**

News Release

CORAL GABLES, FL (July 30, 2018) – Mercantil Bank, the fifth largest bank headquartered in Florida and among the top 2% of banks in the nation ranked by asset size, announced today a net profit of \$15.3 million for the quarter ended June 30, 2018. Total assets at the close of the first quarter were \$8.5 billion.

“In the second quarter, we achieved strong performance results once again as we continued to sharpen the focus on our business and relationship banking strategies,” said Millar Wilson, Vice-Chairman and CEO of Mercantil Bank. “The positive economic activity in our South Florida, Texas, and New York markets led to solid lending growth and increased net interest income during the quarter.”

Earlier this year, the Bank received the AON® *Best Employer in the U.S.* Certification, a distinction it has earned for the third consecutive year. “We are proud to be recognized for our commitment to creating an organizational climate where employees are highly engaged and feel they are a part of our future, especially as we become a publicly listed company,” added Wilson.

Performance Highlights For the Quarter

- Net income rose 27.5% year-over-year compared to the same quarter in 2017.
- Operating profit was 20.3% higher year-over-year compared to the same quarter in 2017.
- Annualized ROA and ROE of 0.73% and 7.66%, respectively.
- Efficiency ratio of 70.4%.
- Strong capital ratios above regulatory guidelines to be considered “well capitalized”.

Income and Performance Measures

Net income for the quarter ended June 30, 2018 was \$15.3 million compared to \$13.9 million for the quarter ended March 31, 2018 and \$12.0 million for the quarter ended June 30, 2017. Net interest income of \$56.0 million increased by \$1.5 million, or 2.8%, compared to the quarter ended March 31, 2018, which was \$54.5 million, and was \$2.7 million, or 5.1% higher than the quarter ended June 30, 2017. The increase in net interest income was primarily attributable to an increase in average loan volume and related yields.

The Bank’s net interest margin was 2.80% for the quarter ended June 30, 2018 compared to 2.73% for the immediately preceding quarter ended March 31, 2018 and 2.64% for the quarter ended June 30, 2017.

Return on assets (“ROA”) increased from 0.66% at March 31, 2018 to 0.73% at June 30, 2018. Return on equity (“ROE”) increased from 6.82% at March 31, 2018 to 7.66% at June 30, 2018. ROA and ROE, respectively, significantly improved from 0.57% and 6.09% since June 30, 2017. The efficiency ratio improved to 70.38% at June 30, 2018 compared to 76.50% at March 31, 2018 and 70.47% at June 30, 2017.

Noninterest Income

Noninterest income totaled \$14.2 million for the second quarter of 2018 as compared to \$13.2 million for the first quarter of 2018 and \$17.0 million for the second quarter of 2017. The Bank's diversified advisory and brokerage services contribute a significant portion of non-interest income for the Bank in the form of investment (Mercantil Investment Services) and fiduciary (Mercantil Trust Company) fee revenue. The primary components of noninterest income for the quarter were \$4.5 million of deposit and service fees, \$4.4 million of brokerage, advisory and fiduciary activities, and \$1.5 million change in cash surrender value of bank-owned life insurance.

Financial Position

Total stockholder's equity increased from \$785.2 million at March 31, 2018 to \$797.2 million at June 30, 2018, after a \$40 million dividend in the first quarter of 2018. Capital ratios continue to be strong and well in excess of minimum regulatory requirements to be "well capitalized." At June 30, 2018, the Bank's total risk weighted capital ratio, Tier 1 risk-based capital ratio, and Tier 1 leverage ratio were 12.18%, 11.25%, and 9.55%, respectively.

Loan Portfolio Composition and Asset Quality

The gross loan portfolio, before netting the allowance for loan losses (ALL), increased to \$6.22 billion as of June 30, 2018, compared to \$5.95 billion as of March 31, 2018. Additionally, the loan portfolio increased by 2.3% from \$6.08 billion as of June 30, 2017.

During the second quarter of 2018, the Bank recorded a provision for loan losses of \$0.2 million, which is in line with the first quarter of 2018. Overall, the allowance for loan losses decreased to \$69.9 million compared to \$72.1 million as of March 31, 2018. This is attributed to improvements in loan loss factors used for certain loan portfolio segments during the period, primarily as a result of improving trends in our real estate and commercial loan portfolio segments. The total reserves to total loans and nonperforming loans to total loans were 1.12% and 0.47%, respectively, as of June 30, 2018. Both ratios represent an improvement compared to March 31, 2018 when these were 1.21% and 0.53%, respectively.

Deposits

Total deposits increased by 1.3% to \$6.40 billion at June 30, 2018 from \$6.32 billion at March 31, 2018. The average cost of total deposits ("Cost of Funds") was 1.05% for the quarter ended June 30, 2018, compared to 0.92% for the immediately preceding quarter ended March 31, 2018 and 0.70% for the quarter ended June 30, 2017.

Financial Highlights and Key Ratios

<i>(millions)</i>	June 2018	March 2018	June 2017	△ Quarter on Quarter %	△ Year on Year %
Consolidated Balance Sheet					
Total assets	\$ 8,519.5	\$ 8,411.4	\$ 8,543.1	1.3	(0.3)
Investment securities	1,738.1	1,755.0	1,942.5	(1.0)	(10.5)
Loans, gross	6,219.5	5,950.5	6,077.4	4.5	2.3
Allowance for loan losses (ALL)	69.9	72.1	82.7	(3.1)	(15.5)
Loans, net	6,149.6	5,878.3	5,994.7	4.6	2.6
Total deposits	6,399.9	6,318.9	6,641.6	1.3	(3.6)
Stockholder's equity	797.2	785.2	794.9	1.5	0.3
Quarterly Results					
Consolidated Income Statement					
Net interest income	\$ 56.0	\$ 54.5	\$ 53.3	2.8	5.1
Provision for loan losses	0.2	—	3.6	—	(94.4)
Noninterest income	14.2	13.2	17.0	7.6	(16.5)
Noninterest expense	49.4	51.7	49.7	(4.4)	(0.6)
Profit before taxes	20.7	16.0	17.2	29.4	20.3
Net income	15.3	13.9	12.0	10.1	27.5
Key Ratios (Quarterly Annualized)					
Performance Measures					
Return on assets (%)	0.73	0.66	0.57		
Return on equity (%)	7.66	6.82	6.09		
Net interest income / Avg. assets (%)	2.66	2.60	2.54		
Net interest margin (%)	2.80	2.73	2.64		
Efficiency ratio (%)	70.38	76.50	70.47		
Capital Adequacy Indicators					
Total risk based capital ratio (%)	12.18	12.38	12.09		
Tier 1 risk-based capital ratio (%)	11.25	11.31	10.93		
Leverage ratio (%)	9.55	9.33	9.35		

ABOUT MERCANTIL BANK

Mercantil Bank, N.A. is the fifth largest bank headquartered in Florida and is ranked among the top 150 banks and thrifts in the U.S. by the American Banker in terms of assets and deposits. The Bank offers a wide variety of domestic, international, personal and commercial banking services, including investment, trust, and estate planning through its subsidiaries, Mercantil Investment Services, Inc. and Mercantil Trust Company, N.A. Headquartered in Coral Gables, Florida for over 35 years, it operates 22 banking centers – 15 in South Florida and 7 in Houston – as well as a commercial real estate loan production office in Manhattan, New York. For more information, please visit www.mercantilbank.com.

This press release is not an offer to sell nor the solicitation of an offer to purchase any securities.

The financial information presented as of and for the six months ended June 30, 2017 and 2018 are unaudited and may not reflect the results or financial position for any other interim period or year.