

TRANSACTION PROFILE: MERCANTILE/HARRIS

Hovde Financial is pleased to announce its 3rd Chicagoland community bank sale in 2004 with yesterday's announced signing of a merger agreement between Mercantile Bancorp, Inc. and BMO Financial Group's (NYSE: BMO) Chicago-based unit Harris Bankcorp. Hovde both initiated the transaction and served as Mercantile's exclusive financial advisor. To date, Hovde Financial has completed over 40 transactions in the Chicago MSA with an aggregate deal value in excess of \$4 billion.

Mercantile Bancorp is the parent company to Mercantile National Bank of Indiana, and with \$794 million in assets, is the 3rd largest community bank headquartered in Northwest Indiana. Mercantile Bank has a total of 19 branches, with 16 in Lake County, and 3 in Porter County. In addition to the branches, Harris will be acquiring the Mercantile's attractive ATM network, including one in Buffington Harbor near Harrah's, Trump, and Majestic Star casinos. With over seventy years of experience serving the Northwest Indiana community, the company is a diversified financial services company that is positioned as both a commercial bank (the bank's lending focus is predominantly to local businesses with C&I, C&D, and Commercial RE representing over 65% of the portfolio), and a retail bank (market coverage 19 full-service locations offering retail services such as wealth management, trust, and mortgage operations).

The terms of the transaction, as reflected in detail on the following page, call for Mercantile to receive \$148.9 million in a 100% cash transaction. The aggregate price equates to 1.9x Mercantile's total book value, 2.1x tangible book value, and 32.9x trailing twelve months earnings as of June 30, 2004. Additionally, BMO will pay \$7.6 million in cash to acquire Lake Commercial Corp., an entity established to develop potential branch properties for Mercantile, bringing the total transaction value to \$156.5 million. This transaction represents Harris' second acquisition in 2004 and first in Indiana.

This is the 19th transaction, representing over \$3 billion in deal value, Hovde has announced in 2004.

About Hovde Financial LLC

Hovde Financial LLC is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 200 merger and acquisition transactions for an aggregate deal value of over \$14 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

TRANSACTION PROFILE

HOVDE FINANCIAL LLC IS PLEASED TO ANNOUNCE

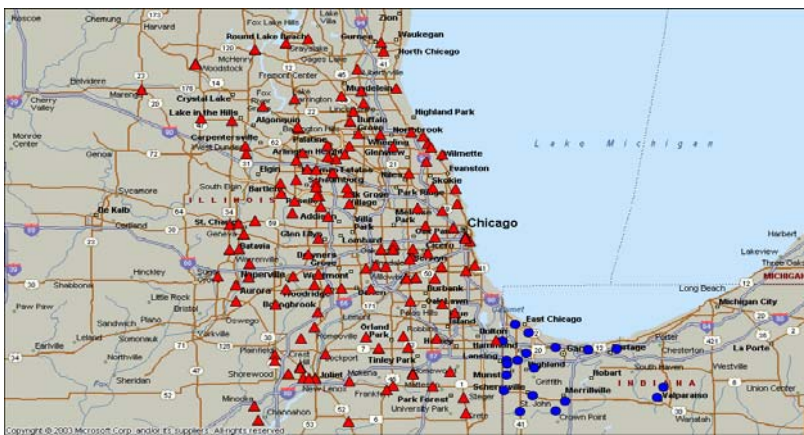
Mercantile Bancorp, Inc. - Hammond, IN
has agreed to merge with
Harris Bankcorp, Inc. - Chicago, IL

Hovde Financial both initiated this transaction and served as exclusive financial advisor to Mercantile Bancorp, Inc.

Overview of the Deal

- Chicago, IL-based Harris Bankcorp, Inc. has announced the signing of a definitive agreement to acquire Hammond, IN-based Mercantile Bancorp, Inc. in a 100% cash transaction valued at \$148.9 million (with Lake Commercial the deal value is \$156.5 million)
- Based on the total deal value of \$148.9 million, this price represents approximately 32.9x Mercantile's trailing twelve months earnings and 2.1x tangible book value.
- The resultant bank will have 190 branches and over 450 ATMS with pro forma combined assets of over \$33.3 billion
- This marks Harris' first acquisition in Indiana and the third Chicagoland transaction since 2003.

Pro Forma Branch Map



Transaction Pricing

Aggregate Deal Price (\$million)*	\$148.9
Announced Date	10/13/2004
Anticipated Closing Date	December 2004
Form of Consideration	100% Cash
Price-to-Tangible Book Value*	2.1x
Price-to-Book Value*	1.9x
Price-to-12 Months Trailing Earnings*	32.9x
Premium-to-Core Deposits*	13.1%
Price-to-Total Assets*	18.8%

* Pricing Multiples exclude the financial impact of Lake Commercial

Pro Forma - Market Share - Chicago MSA

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	JPMorgan Chase & Co. (NY)	297	44,339,120	20.7
2	LaSalle Bank Corporation (IL)	129	25,643,898	12.0
3	BMO Financial Group	179	21,389,563	10.0
4	Citigroup Inc. (NY)	50	8,515,063	4.0
5	Northern Trust Corp. (IL)	19	8,355,213	3.9
6	Fifth Third Bancorp (OH)	98	6,843,484	3.2
7	Royal Bank of Scotland Group	117	6,588,132	3.1
8	First Midwest Bancorp Inc. (IL)	57	4,336,368	2.0
9	National City Corp. (OH)	45	3,920,737	1.8
10	Wintrust Financial Corp. (IL)	39	3,880,139	1.8
11	Bank of America Corp. (NC)	18	3,608,341	1.7
12	MB Financial Inc. (IL)	36	3,367,769	1.6
13	TCF Financial Corp. (MN)	202	2,620,360	1.2
14	U.S. Bancorp (MN)	55	2,584,693	1.2
15	FBOP Corp. (IL)	24	2,540,599	1.2
16	MAF Bancorp Inc. (IL)	45	4,594,085	1.1
17	Corus Bankshares Inc. (IL)	14	2,252,641	1.1
18	Taylor Capital Group Inc. (IL)	12	2,055,398	1.0
19	Metropolitan Bank Group Inc. (IL)	54	1,709,253	0.8
20	First Banks Inc. (MO)	24	1,645,615	0.8
21	First American Bank Corp (IL)	32	1,617,237	0.8
22	West Suburban Bancorp Inc. (IL)	38	1,515,940	0.7
23	Old Second Bancorp Inc. (IL)	22	1,438,045	0.7
24	Midwest Banc Holdings Inc. (IL)	15	1,403,832	0.7
25	Popular Inc. (PR)	20	1,381,493	0.7

Buyer and Seller Financial Information (as of 6/30/2004)

	<u>Harris</u>	<u>Mercantile</u>
Headquarters	Chicago, IL	Hammond, IN
Ticker	NA	NA
States of Operation	IL(157),AZ(8),FL(4),CA(1),WA(1)	IN(19)
Total Branches	171	19
Total Assets (\$000)	32,604,234	794,114
Total Deposits (\$000)	23,777,853	633,741
Core Deposits (\$000)	18,953,261	591,429
Total Equity (\$000)	2,578,597	77,064
Tangible Equity (\$000)	2,431,356	71,534
LTM Net Income (\$000)	229,019	4,527
LTM ROAA (%)	0.86	0.27
LTM ROAE (%)	11.46	2.70
Efficiency Ratio (%)	64.94	71.45
Non-Interest Income /AA (%)	1.53	1.85
Non-Current Loans / Loans (%)	0.51	1.28
Equity Ratio (%)	9.37	6.45