

FIRST MERCHANTS CORPORATION FACT SHEET

FIRST MERCHANTS CORPORATION ANNOUNCES FOURTH 2019 RESULTS

FOURTH QUARTER 2019

Fourth Quarter 2019 Earnings

First Merchants Corporation (NASDAQ - FRME) has reported fourth quarter 2019 net income of \$47.8 million compared to \$41.7 million during the same period in 2018. Earnings per share for the period totaled \$.87 per share compared to fourth quarter 2018 result of \$.85 per share. Included in the fourth quarter results are \$1.9 million, or \$.03 per share, of one-time charges related to the closing of our acquisition with Monroe Bank & Trust on September 1, 2019. Net income for the year ended December 31, 2019 totaled \$164.5 million, compared to \$159.1 million during the same period in 2018. Year-to-date earnings per share totaled \$3.19 compared to \$3.22 in 2018. Included in the year-to-date results are \$13.7 million, or \$.21 per share, of one-time charges related to the acquisition of Monroe Bank & Trust.

Total assets equaled \$12.5 billion as of year-end and loans totaled \$8.5 billion. The Corporation's loan portfolio increased by \$1.2 billion, or 17.1 percent, during 2019. Investments increased \$963 million, or 59 percent, during the year and now total \$2.6 billion. Total deposits equaled \$9.8 billion as of year-end and increased by \$2.1 billion, or 26.9 percent, during 2019. Of the 2019 increases, Monroe Bank & Trust accounted for \$733 million of loan growth and \$1.1 billion of deposit growth.

Michael C. Rechin, President and Chief Executive Officer, stated, "Our team completed 2019 producing strong financial results that reflect aggressive market coverage as well as entry into the state of Michigan through the acquisition and integration of Monroe Bank & Trust. Our balance sheet grew organically by 7 percent in loans and 12.6 percent in deposits. Our loan portfolio continues to exhibit stellar credit quality which improved throughout the year. Despite net-interest margin pressure during the year, the balance sheet growth fueled record net-interest income and earnings. We are eager to accelerate into 2020 with a high-performing team that's motivated to serve our marketplace with skilled advisory and growth solutions."

Fourth Quarter 2019 Highlights

- \$47.8 Million of Net Income, or \$0.87 Per Share
- Completed System Conversion of MBT Financial Corporation
- Integration Expense Totaled \$1.9 Million, or \$0.03 Per Share
- Winning Marketplace Execution Delivering Growth
- Organic Loan Growth of \$161 Million, a 7.8% Annualized Growth Rate
- Organic Non-Maturity Deposit Growth of \$154 Million, a 7.7% annualized Growth Rate
- Resumption of High Performance Metrics

Analyst Comments

Keefe, Bruyette & Woods, February 2020

We come away from 4Q results continuing to view FRME as a top pick among our Mid-West coverage. A favorable outlook for loan growth, stabilizing margin, fee income growth and increased buyback activity lead us to raise estimates.

Stephens, February 2020

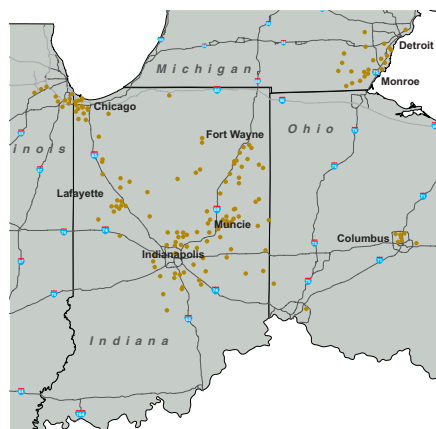
First Merchants had an active year and despite some delays with the closing of their acquisition of Monroe Bank the company generated organic loan and deposit growth of 7% and 13%, respectively. The Monroe deal closed on Sept. 1st and added \$1.3 bil. of assets. First Merchants' capital finished in a strong position and we feel the company may step-up repurchase activity in light of the recent sell-off in bank stocks. Acquisitions remain an attractive option for First Merchants as a way to supplement organic growth. Credit quality trends were stable-to improving and management's CECL disclosures did result in a higher run-rate loan loss provision. We maintain our OW rating with a \$45 (from \$46).

Raymond James, February 2020

We reiterate our Outperform rating on FRME shares following its release of 4Q financial results. A full quarter of operations with Monroe resulted in a higher operating expense base than expected, but also higher accretion and a higher reported NIM than projected.

Janney, February 2020

Increased scale in recent years driven by both organic growth and M&A is paying dividends as evidenced by improving efficiency. Core Efficiency Ratio is expected to hold mostly stable in 2020 and better than peer at ~50-51%.



2019 Fourth Quarter Statistics

Asset Size	\$12.4 billion
Deposits	\$9.8 billion
Loans	\$8.5 billion
Private Wealth	\$3.8 billion
Customers	273,323
Banking Centers	128
ATMs	163
NASDAQ Symbol	FRME

Capital Position

	FMC 2019 4Q	"Well- Capitalized" Requirements
Total Risk-Based Capital Ratio	14.29%	10%
Tier 1 Risk-Based Capital Ratio	12.81%	6%
Leverage Ratio	10.54%	5%
TCE/TCA	10.16%	N/A

At a Glance

As the largest financial holding company based in Central Indiana, First Merchants delivers superior service to clients in 30 Indiana counties as well as two counties in Michigan, Illinois, and Ohio for:

- Commercial Banking
- Personal Banking
- Private Wealth Advisors

Full Year 2019 Performance

- Record Net Income of \$164.5 Million, a 3.3% increase over 2018
- Earnings Per Share of \$3.19
- Expanded Franchise into Michigan
- Acquisition Expense Totaled \$13.7 Million, or \$0.21 Per Share
- Total Assets of \$12.5 Billion; Grew by 26.0% over 2018
- Organic Loan Growth of \$507 Million, a 7.0% Growth Rate
- Organic Deposit Growth of \$979 Million, a 12.6% Growth Rate
- Tangible Book Value Increased to \$21.94 Per Share, or 14.7% over Year-End 2018

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