

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

**DATE OF REPORT (Date of earliest event reported): May 14, 2020**

Commission File Number 0-17071

**FIRST MERCHANTS CORPORATION**

(Exact name of registrant as specified in its charter)

Indiana	35-1544218
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

**200 East Jackson Street  
P.O. Box 792**

**Muncie, IN 47305-2814**

(Address of principal executive offices, including zip code)

**(765) 747-1500**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.125 stated value per share	FRME	Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01 REGULATION FD DISCLOSURE.**

The executive officers of First Merchants Corporation intend to use the material filed herewith, in whole or in part, in one or more meetings with investors and analysts. A copy of the investor presentation is attached hereto as Exhibit 99.1.

First Merchants Corporation does not intend for this item 7.01 or Exhibit 99.1 to be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits.

Exhibit 99.1 [First Merchants Corporation Investor Presentation](#)

Exhibit 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Merchants Corporation  
(Registrant)

By: /s/ Mark K. Hardwick  
Mark K. Hardwick  
Executive Vice President,  
Chief Financial Officer and Chief Operating Officer

Dated: May 14, 2020

# 1Q Highlights | 2020



**First Merchants Corporation**

NASD

First Merchants Corporation | 200 E. Jackson St., P.O. Box 792, Muncie, IN 47305-2814 | 1.765.747.1500



# Forward Looking Statement

This presentation contains forward-looking statements made pursuant to the safe-harbor of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These looking statements include, but are not limited to, statements relating to First Merchants’ intentions and expectations; statements regarding the First Merchants’ business plan and strategies; statements regarding the asset quality of First Merchants’ loan and investment and estimates of First Merchants’ risks and future costs and benefits. These forward statements are subject to significant risks, assumptions and uncertainties that may cause differ materially from those set forth in forward-looking statements, including, among other possible changes in economic and business conditions; the existence or exacerbation of geopolitical instability and uncertainty; the effects of a pandemic or other unforeseeable ability of First Merchants to integrate recent acquisitions and attract new customers; possible in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impact on collectability of loans; fluctuations in market rates of interest; competitive factors in the industry; changes in the banking legislation or regulatory requirements of federal and state applicable to bank holding companies and banks like First Merchants’ affiliate bank; availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest associated with the First Merchants’ business; and other risks and factors identified in each of First Merchants’ filings with the Securities and Exchange Commission. First Merchants undertake an obligation to update any forward-looking statement, whether written or oral, relating to the information discussed in this presentation or press release. In addition, the company’s past results of operations do not necessarily indicate its anticipated future results.

## **NON-GAAP FINANCIAL MEASURES**

These slides contain non-GAAP financial measures. For purposes of Regulation G, a financial measure is a numerical measure of the registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, First Merchants Corporation has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

# Company Profile

(as of March 31, 2020)

(in Thous

## First Merchants

- First Merchants Bank formed in 1893, celebrating its 127<sup>th</sup> anniversary
- First Merchants Corporation, organized in 1982, is the largest financial services holding company headquartered in Central Indiana

## Financial Highlights

Assets	\$12,693,518
Loans, Net	\$8,512,434
Deposits	\$9,870,484
Tangible Common Equity	\$1,200,469
TCE/TA	9.91%
2020 Net Income – YTD	\$34,263
2020 ROAA – YTD	1.09%
2020 ROATCE - YTD	11.39%
NPAs/Loans + OREO	0.28%

## Market Information

Common Shares Outstanding	53,75
Market Cap	\$1,42
Dividend Yield	3
Price/Tangible Book Value	
Price/LTM EPS	
Price/2020 Est. EPS	

## Leadership Team

(Name, title, age)

Michael C. Rechin, President & CEO
Mark K. Hardwick, EVP, COO & CFO
Michael J. Stewart, EVP & Chief Banking Officer
John J. Martin, EVP & Chief Credit Officer
Michele M. Kawiecki, SVP, Director of Finance
Michael B. Joyce, SVP, President PWA
Carrie A. Valek, SVP, Director Consumer Banking

# Why Invest in First Merchants?



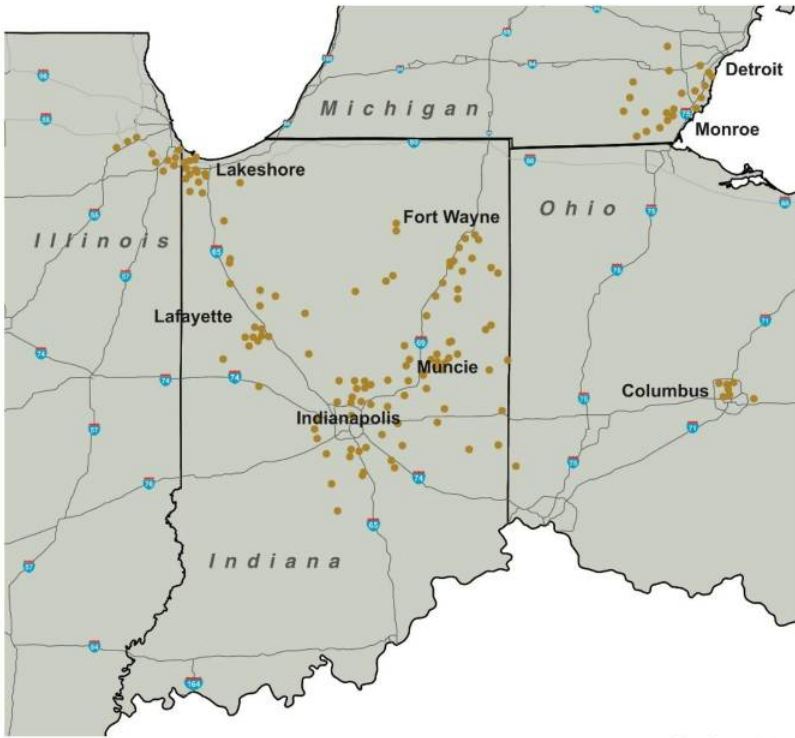
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**Forbes | 2020  
BEST BANKS  
IN AMERICA**

**First Merchants Bank  
Ranked Top 5 in  
2018, 2019 and 2020**



# Our Franchise



Key Market Profiles		
Loans		Deposit
\$1,323M	Columbus	\$ 672M
825M	Fort Wayne	1,055M
2,890M	Indianapolis	1,889M
712M	Lafayette	1,196M
1,011M	Lakeshore	1,344M
694M	Michigan	1,121M
1,157M	Muncie	2,593M
\$8,612M	Total	\$9,870M

(as of March 31, 20)

## Mission Statement

To be the most responsive, knowledgeable and high-performing bank for our clients, teammates and shareholders.



# Key FMC Market Share Data

County	Region/Type	Market Position	Market %	\$ Deposits
Delaware County, IN	Muncie (Established)	1	55.53%	\$ 1,522,
Monroe, MI	Michigan (Established)	1	48.66%	1,005,
Madison County, IN	Indianapolis (Growth)	1	26.62%	398,
Jasper County, IN	Lafayette (Established)	1	34.43%	226,
White County, IN	Lafayette (Established)	1	36.99%	173,
Jay County, IN	Muncie (Established)	1	50.15%	126,
Wells County, IN	Fort Wayne (Growth)	1	21.79%	105,
Union County, IN	Muncie (Established)	1	41.35%	47,
Tippecanoe County, IN	Lafayette (Established)	2	20.83%	580,
Henry County, IN	Muncie (Established)	2	36.92%	237,
Shelby County, IN	Indianapolis (Growth)	2	16.20%	101,
Wabash County, IN	Muncie (Established)	2	15.09%	65,
Clinton County, IN	Lafayette (Established)	2	12.36%	56,
Hendricks County, IN	Indianapolis (Growth)	3	11.68%	320,
Adams County, IN	Muncie (Established)	3	15.48%	106,
Huntington County, IN	Fort Wayne (Growth)	3	15.66%	96,
Randolph County, IN	Muncie (Established)	3	2.99%	76,
Hamilton County, IN	Indianapolis (Growth)	4	7.10%	838,
Allen County, IN	Fort Wayne (Growth)	4	10.18%	635,
Morgan County, IN	Indianapolis (Growth)	4	12.47%	130,
Hancock County, IN	Indianapolis (Growth)	4	10.76%	113,
Marshall County, IN	Fort Wayne (Growth)	4	6.29%	51,
Carroll County, IN	Lafayette (Established)	4	15.31%	46,
Miami County, IN	Muncie	4	8.23%	33,
Fayette County, IN	Muncie	5	9.45%	31,
Sub Total				\$7,128,
First Merchants Total				\$9,611,

FDIC Data June 30, 2019

# First Merchants Strategy

“Service-driven alternative to super-regional bank competitors.  
Deliver superior service with presence close to the customer for . . .”

## Commercial Banking

- › Business Banking
- › Commercial & Industrial
- › Agriculture
- › Sponsor Finance
- › Public Finance
- › Healthcare Services
- › Investment Real Estate
- › Treasury Management
- › Merchant Processing Services
- › Asset-Based Lending

## Consumer Banking

- › Mortgage Banking

## Private Wealth Advisory

- › Private Banking
- › Investment Management
- › Personal Trust
- › Brokerage
- › Retirement



*“We specialize in our communities”*

# First Merchants Strategy

- › Commercial Bank Located in Prime Growth Commercial Banking Markets
  - › Indianapolis, Indiana
  - › Monroe, Michigan
  - › Columbus, Ohio
  - › Fort Wayne, Indiana
  - › Lafayette, Indiana
  - › Lakeshore - Northwest Indiana
- › Hire the Best Talent Supported with the Finest:
  - › Sales Management Process
  - › Credit and Treasury Services
  - › Revenue-Based Incentive System



# First Merchants Strategy

- › Consumer Retail Bank
  - › Diverse Locations in Stable Rural and Growth Metro Markets
  - › Supported by:
    - › Talented Customer Service Oriented Banking Center and Call Center Professionals
    - › State-of-the-Art Systems
      - › Deposit and CRM Systems
      - › Online Banking System
      - › Mobile Banking System
    - › Customer Service and Relationship Growth-Oriented Incentive System



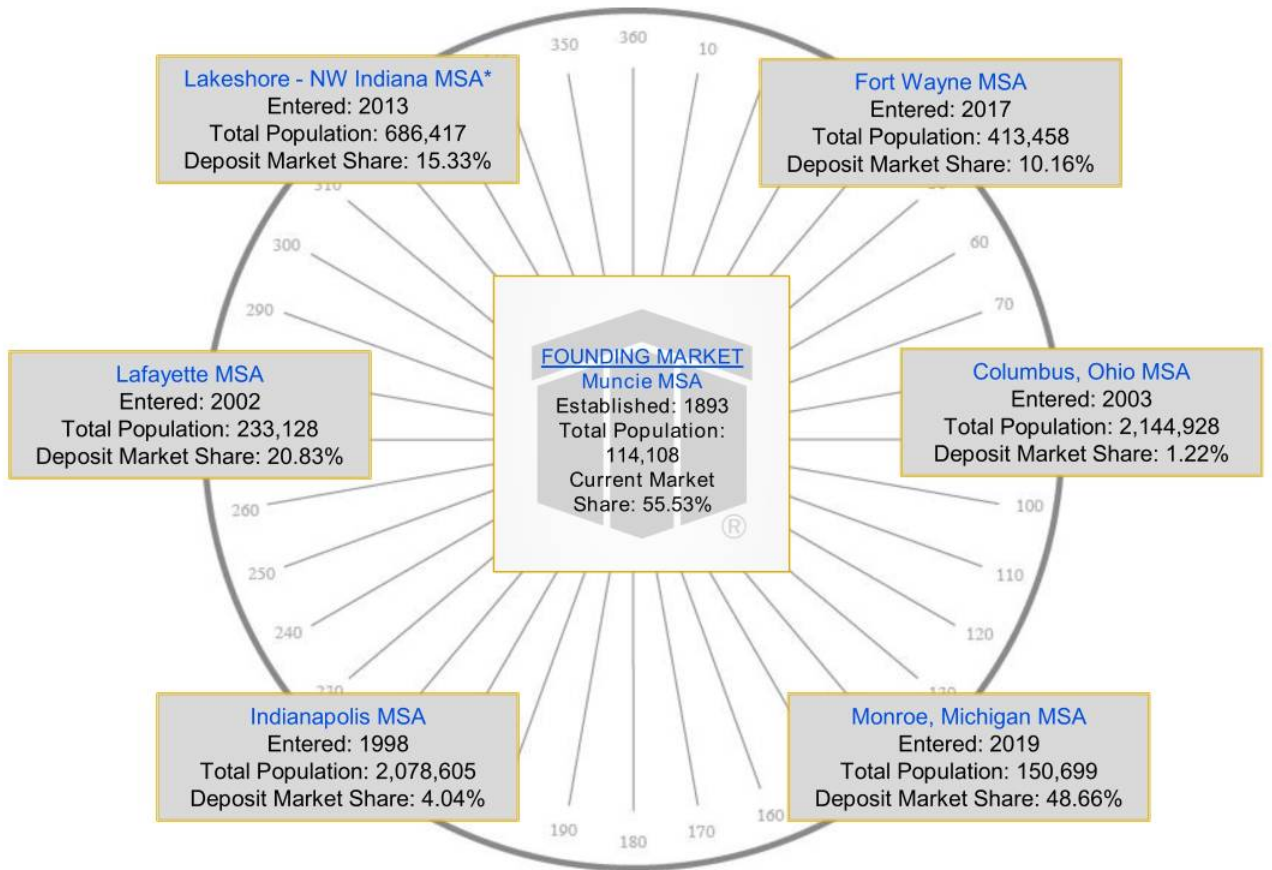
# First Merchants Strategy

## › Private Wealth Advisors

- › Comprehensive and coordinated approach to personal wealth management
- › Expertise in Investment Management, Private Banking, Fiduciary, Estate and Financial Planning
- › Strengthen commercial relationships with personal services for executives/owners and retirement plan services for companies
- › Partner with consumer bank to offer personal investment advice through First Merchants Investment Services



# Organic Growth Opportunities Exists in All Directions



\*Includes Jasper, Lake, and Porte

# Ranked Best in the Midwest for Business



- › AAA Credit Rating since 2008<sup>1</sup>
- › Leading the Nation in Manufacturing Job Growth
- › 1<sup>st</sup> in Midwest and 5<sup>th</sup> Nationally for Best State for Doing Business
- › 1<sup>st</sup> Metro Area for Strong Job Opportunities with Affordable Housing
- › 1<sup>st</sup> Nationally for Highway Accessibility
- › 1<sup>st</sup> in the Midwest/8<sup>th</sup> Nationally for Low Taxes
- › 1<sup>st</sup> for Quality of Government and Government Administration<sup>3</sup>
- › 1<sup>st</sup> for Best Business Regulatory Climate<sup>4</sup>
- › Top 5 Nationally for Cost of Doing Business
- › 2<sup>nd</sup> in the Nation for Small Business Growth
- › 2<sup>nd</sup> Nationally for Availability of Skilled Labor
- › 2<sup>nd</sup> Best City in the Nation for Recent Graduates (Indianapolis)
- › 2<sup>nd</sup> Nationally for Top States for Business - Infrastructure
- › 2<sup>nd</sup> Largest Global Fed Ex Air Hub
- › 4<sup>th</sup> Nationally for Women in Tech and 10<sup>th</sup> in Overall Tech Job Growth

<sup>1</sup>S&P, Moody's & Fitch  
<sup>2</sup>Chief Executive Magazine 2017  
<sup>3</sup>US News & World Reports 2017  
<sup>4</sup>Forbes 2017  
Unless otherwise noted, source: First Merchants Corporation



# Muncie Market

- Located 58 miles northeast of Indianapolis in the east central portion of the state
- Described by several national studies as a typical American community, Delaware County offers the advantages of larger cities without the hassles and costs associated with living in major metropolitan areas.
- Easy access to the top 100 markets in the country, Muncie-Delaware County has a diverse economic landscape
- Ranked #27, Forbes Best Small Places for Business and Careers
- Workforce experienced in life science, advanced manufacturing, 21st century logistics and information technology
- Home to Ball State University

Delaware County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	<b>First Merchants Corporation</b>	9	\$1,522,233	55.53%
2	Mutual First Financial	7	653,442	23.84%
3	J.P. Morgan Chase	3	240,499	8.77%
4	Old National Bancorp	4	175,585	6.41%
5	Star Financial Group	3	148,707	5.42%
6	Woodforest Financial Group	1	833	0.03%
<b>Market Total</b>		<b>27</b>	<b>\$ 2,741,299</b>	

\*SNL Financial FDIC Summary of Deposits as of June 30, 2019

## Notable Major Employers



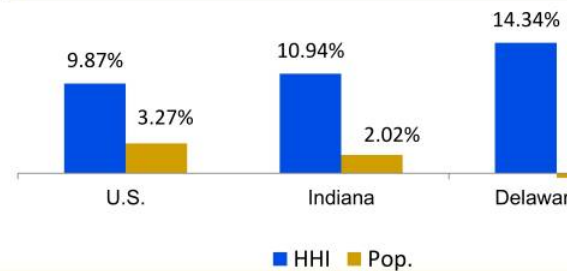
Ball Memorial Hospital & Physicians



ONTARIO SYSTEMS



## Projected HHI & Pop. Change 2020-2025



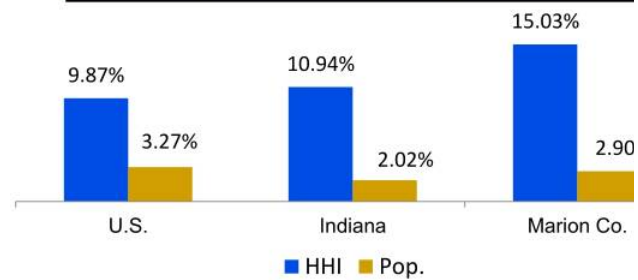
# Indianapolis Market

- Indianapolis metropolitan area includes four of the five fastest-growing counties in Indiana and 10 of the 11 fastest-growing cities and towns with populations of at least 5,000\*
- The population data released by the U.S. Census Bureau show suburban Hamilton County's population grew 20.2% since 2010
- Indiana's population growth outpaced those of neighboring states Illinois, Kentucky, Michigan and Ohio\*
- With 867,125 residents, Indianapolis was the nation's 17<sup>th</sup> largest city\*

## Notable Major Employers



## Projected HHI & Pop. Change 2020-2025



Indianapolis-Carmel-Anderson, IN MSA**				
Rank		Branches	Deposits	Mkt. Share
1	JP Morgan Chase	66	\$10,832,171	19.98%
2	PNC Financial Services Group	61	7,585,010	13.99%
3	Fifth Third Bancorp	42	4,610,022	8.50%
4	Huntington Bancshares	40	3,579,245	6.60%
5	Bank of Montreal	36	3,446,760	6.36%
6	First Internet Bancorp	1	3,055,633	5.64%
7	KeyCorp	19	3,007,934	5.55%
8	Bank of America	3	2,528,339	4.66%
9	Merchants Bancorp	3	2,333,994	4.31%
<b>10</b>	<b>First Merchants Corporation</b>	<b>33</b>	<b>2,192,200</b>	<b>4.04%</b>
<b>Market Total</b>		<b>526</b>	<b>\$54,224,982</b>	

\*IN.gov  
 \*\*SNL Financial FDIC Summary of Deposits as of June 30, 2019  
 \*\*\*Marion County, IN

# Lafayette Market

- Ranked #1, MSN Money, Fastest Growing Cities in the State of Indiana
- Ranked #2, Forbes Best Small Places for Business and Careers
- Ranked #2 in Indiana for STEM job density, with 13.6% of the workforce, topping the state's 10.9% & national average of 11.9% (Lafayette up 70.6% since 2001, with 4,850 new jobs)\*\*
- Ranked among 24/7 Wall St., American City Adding the Most Jobs
- Home to Purdue University

Tippecanoe County, IN**				
Rank		Branches	Deposits	Mkt. Share
1	JPMorgan Chase & Co.	5	\$ 873,326	31.35%
2	<b>First Merchants Corporation</b>	<b>8</b>	<b>580,077</b>	<b>20.83%</b>
3	Regions Financial Corp	6	309,630	11.12%
4	Old National Bancorp	4	242,592	8.71%
5	Horizon Bancorp	5	210,728	7.57%
6	Huntington Bancshares, Inc.	3	161,359	5.79%
7	First Bancshares	5	122,206	4.39%
8	Fifth Third Bancorp	2	104,968	3.77%
9	1st Source Corp	3	94,444	3.39%
10	Piper Holdings	3	25,631	.92%
<b>Market Total</b>		<b>51</b>	<b>\$ 2,785,456</b>	

\*Indianapolis Business Journal

\*\*SNL Financial FDIC Summary of Deposits as of June 30, 2019

## Notable Major Employers

oerlikon  
fairfield

PURDU  
UNIVERSITY



ARCONIC

CAT

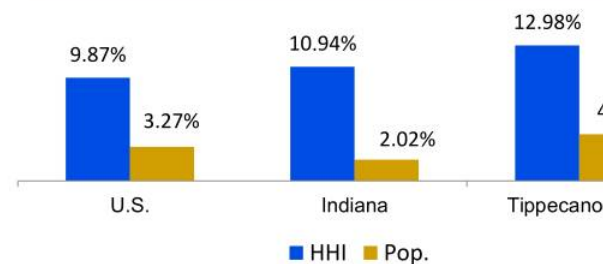


GE Aviation



KR Kirby  
Electrical

## Projected HHI & Pop. Change 2020-2025



# Lakeshore Market

- Indiana's second-most populous market
- Benefit from its Chicago proximity
- Continue to produce finest steels, refine the cleanest fuels and deliver the best products to the Midwest\*\*
- New investments by world-class companies like BP, Pratt Industries, Alcoa Howmet, Urschel Labs and Monosol\*\*
- Lakefront being revitalized through the Marquette Plan and assistance of the Regional Development Authority\*\*

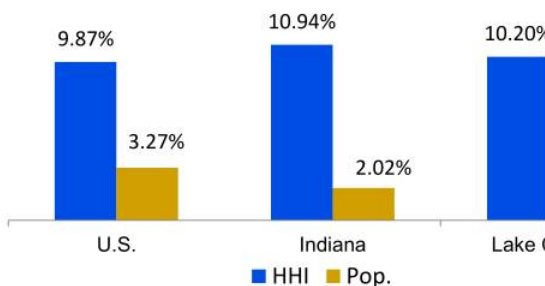
## Notable Major Employers



Lake County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	First Bancshares, Inc.	28	\$ 2,559,201	24.94%
2	JPMorgan Chase & Co.	19	2,055,209	20.03%
3	First Midwest Bancorp	14	1,103,746	10.76%
<b>4</b>	<b>First Merchants Corporation</b>	<b>10</b>	<b>913,715</b>	<b>8.90%</b>
5	Northwest Indiana Bancorp	15	823,788	8.03%
6	First Financial Bancorp	8	759,383	7.40%
7	Bank of Montreal	14	574,425	5.60%
8	Fifth Third Bancorp	11	499,095	4.86%
9	AMB Financial Corp	5	190,578	1.86%
10	PNC Financial Services Group	4	187,715	1.83%
<b>Market Total</b>		<b>145</b>	<b>\$10,262,262</b>	

\*SNL Financial FDIC Summary of Deposits as of June 30, 2019  
 \*\*www.nwiforum.org/nwi-becoming-an-economic-powerhouse

## Projected HHI & Pop. Change 2020-2025





# Fort Wayne Market

- 2<sup>nd</sup> Largest MSA in the State of Indiana
- Diversified economy (manufacturing, health care, retail trade, food services)
- Attractive location for businesses to locate and expand – located between the Chicago, Detroit, Dayton, Toledo and Indianapolis metro areas
- Fort Wayne-Allen County economic engine of the Northeast Indiana region
- #1 place to raise a family (2017, SmartAsset.com)

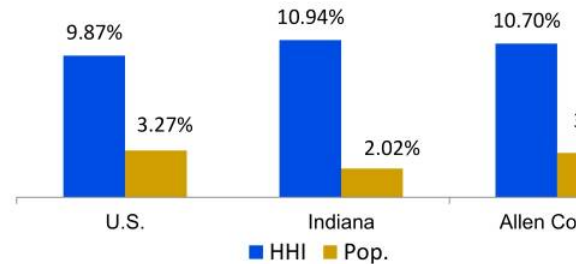
Allen County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	JP Morgan Chase & Co.	12	1,276,476	20.42%
2	Lakeland Financial Corp.	5	894,320	14.31%
3	PNC Financial Services Group	11	719,618	11.51%
4	<b>First Merchants Corporation</b>	<b>8</b>	<b>635,312</b>	<b>10.16%</b>
5	Flagstar Bancorp	13	527,350	8.44%
6	Old National Bancorp	5	514,046	8.22%
7	STAR Financial Group, Inc.	9	465,735	7.45%
8	1 <sup>st</sup> Source Corp.	8	393,564	6.30%
9	Fifth Third Bancorp	7	279,488	4.47%
10	First Defiance Financial	3	99,128	1.59%
<b>Market Total</b>		<b>97</b>	<b>\$ 6,250,828</b>	

\*SNL Financial FDIC Summary of Deposits as of June 30, 2019

## Notable Major Employers



## Projected HHI & Pop. Change 2020-2025



# Columbus, Ohio Market

- Second-most populous county in Ohio
- Within 600 miles of 60% of All U.S. and Canadian Population
- Ranked 2<sup>nd</sup> in CNBC's 2010 study of state transportation systems for its infrastructure, vitality, quality roads, and ability to cost-effectively ship goods by land, air, and water\*\*
- Home to Ohio State University

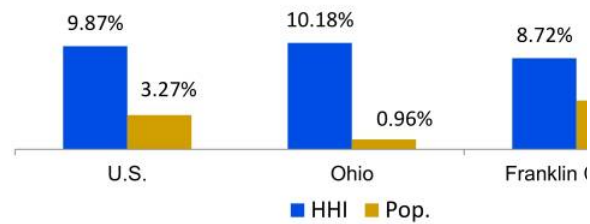
Franklin County, OH*				
Rank		Branches	Deposits	Mkt. Share
1	Huntington Bancshares	57	\$ 21,259,940	42.58%
2	JP Morgan Chares & Co	51	11,806,056	23.65%
3	PNC Financial Services Group	40	4,801,164	9.62%
4	Fifth Third Bancorp	38	4,692,684	9.40%
5	Key Corp	21	1,357,761	2.72%
6	U.S. Bancorp	33	1,224,166	2.45%
7	Heartland Bancorp	15	769,022	1.54%
8	<b>First Merchants Corporation</b>	9	<b>607,718</b>	<b>1.22%</b>
9	Wells Fargo & Co	1	579,729	1.16%
10	First Financial Bancorp	5	512,166	1.03%
<b>Market Total</b>		<b>319</b>	<b>\$ 49,928,406</b>	

\*SNL Financial FDIC Summary of Deposits as of June 30, 2019  
 \*\*<http://jobs-ohio.com/manufacturing/>

## Notable Major Employers



## Projected HHI & Pop. Change 2020-2025



# Monroe, Michigan Market

- Monroe is located on the western shore of Lake Erie, approximately 14 miles north of Toledo, Ohio and 25 miles south of Detroit
- Michigan is within 500 miles of nearly half the U.S. and Canadian population and commerce centers providing unparalleled access to market
- \$500 Million in trade crosses between Michigan and Canada daily via the Ambassador Bridge, the busiest border crossing in North America
- Michigan's cost of living is 10% below the national average and ranks as the fourth most affordable state in the country

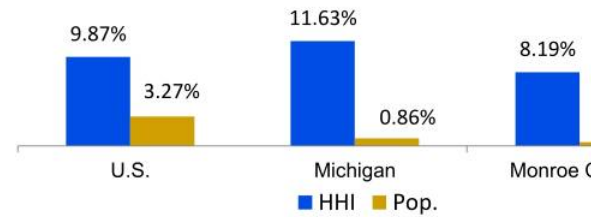
Monroe County, MI*				
Rank		Branches	Deposits	Mkt. Share
1	<b>First Merchants Corporation</b>	14	\$ 1,005,960	48.66%
2	Huntington Bancshares	4	366,202	17.71
3	Fifth Third Bancorp	3	243,611	11.78%
4	KeyCorp	3	164,865	7.97%
5	PNC Financial Services Group	2	163,628	7.91%
6	Old National Bancorp	1	64,881	3.14%
7	Flagstar Bancorp	1	38,283	1.85%
8	Citizens Financial Group	1	19,936	.96%
<b>Market Total</b>		<b>29</b>	<b>\$ 2,067,366</b>	

\*SNL Financial FDIC Summary of Deposits as of June 30, 2019

## Notable Major Employers



## Projected HHI & Pop. Change 2020-2025



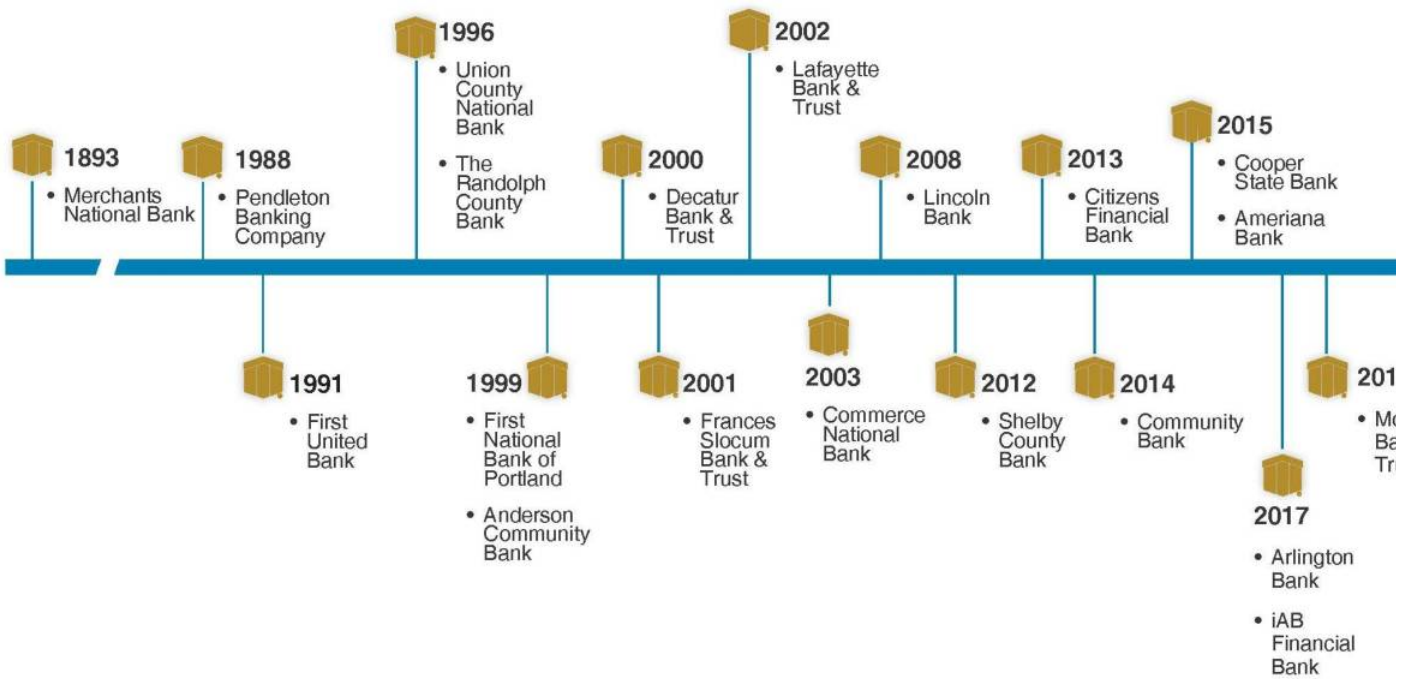


# Growth Through Acquisition

- › Experienced Acquirer
- › Expand in Current High-Growth Markets
- › Extend into Additional High-Growth Markets
- › Add to Franchise with Stable Deposit Gathering Markets

2020

# Acquisition Experience



# Acquisition Process

- › Continuous Relationship Building
- › Complete and Thorough Due Diligence Process
- › Demonstrated Pricing Discipline
- › Detailed Project Management
- › Integration Process
- › Scalable Technology and Operations Center
- › Achieve Announced Financial Return Targets



# Operational Delivery Highlights

- › Strategic differentiator in support of growth and scalability
- › Operational services execution “hub” focusing on value creation
- › Functional focus:
  - › Operations
  - › Technology
  - › Vendor Management
  - › Project Management
  - › Risk Management
  - › Credit Administration
- › Located on the interstate less than 30 minutes north of Indianapolis
- › 130,000+ square feet of flexible space



## Strategic Vendor Partners



# Operational Delivery Highlights

## Customer, Digital Channel & Transaction Activity

Total Households: 207,783

### Online Banking/Digital Channel

- Consumer: 90K Users
- 1M logins monthly
- 16K bill pay users
- 96K bill payment transactions monthly (\$33M)
- Mobile: 68K Users
- 24.5 average logins per user, per month
- 14K mobile deposits per month
- Business: 13K Users
  - 193K logins monthly
  - 13% use ACH/Wire/Positive Pay
- Total ATMS: 164 + 25,000 MoneyPass ATMs

### Treasury Management Annual Volume

- Automated Clearing House (ACH)
  - # Originated: 2.5M Items (\$8B)
  - # Received: 14M Items (\$23B)
- Domestic Wires
  - # Originated: 42K Items (\$21B)
  - # Received: 43K Items (\$27B)
- International Wires
  - # Originated: 1K Items (\$35M)
  - # Received: 159 Items (\$2.6M)

### Total Debit Cards

- 200K active cards
- 3.8M monthly card swipes
- \$152M in monthly volume

### Commercial Remote Deposit Capture

- 591 businesses using solution
- 143K deposits annually
- 1.7M items deposited annually
- \$3.7B in total deposits

# 1<sup>st</sup> Quarter 2020 Highlights

- › Earnings Per Share of \$.62; Net Income of \$34.3 Million; ROA 1.09%
- › Total Assets of \$12.7 Billion; Grew by 24.3% over 1Q 2019
- › Organic Loan & Deposit Growth of 7.9% and 8.9%, respectively, over 1Q 2019
- › \$19.8 Million Provision; Allowance increased by 22.9% over 1Q 2019
- › Tangible Common Equity to Assets of 9.91%; Allowance & Fair Value Adjustments totaling 1.54% of Loans
- › \$22.46 TBV Per Share, 11.9% Increase over 1Q 2019



# Total Assets

	<u>2018</u>	<u>2019</u>	<u>Q1-'19</u>	<u>Q1-'2</u>
(\$ in Millions)				
1. Investments	\$1,633	\$2,596	\$1,863	\$2,69
2. Loans	7,229	8,468	7,303	8,61
3. Allowance	(81)	(80)	(81)	(99
4. Goodwill & Intangibles	470	579	468	57
5. BOLI	225	288	226	29
6. Other	<u>409</u>	<u>606</u>	<u>432</u>	<u>61</u>
7. Total Assets	<u>\$9,885</u>	<u>\$12,457</u>	<u>\$10,211</u>	<u>\$12,69</u>

Annualized Asset Growth

26.0%

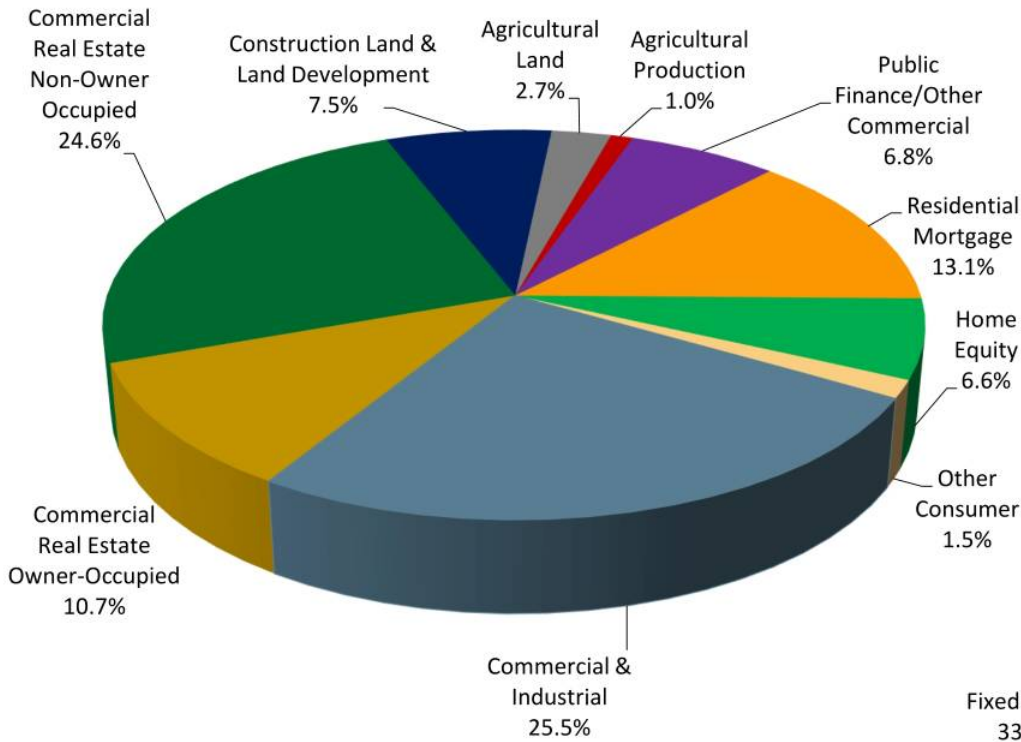
7.6%

<sup>1</sup> Annualized from December 31, 2019

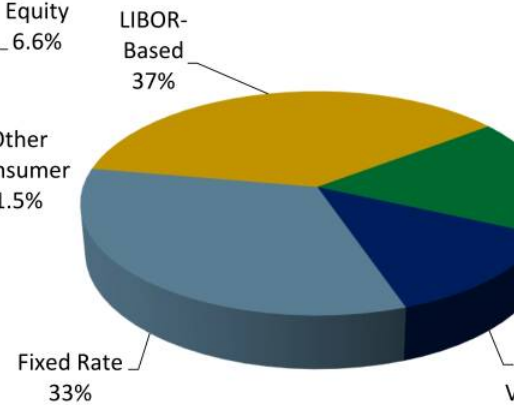


# Loan Yield and Detail

(as of March 31, 2020)



YTD Yield	=	4.8
Total Loans	=	\$8.6 Bill
Variable	=	\$5.7 Bill
Fixed	=	\$2.9 Bill



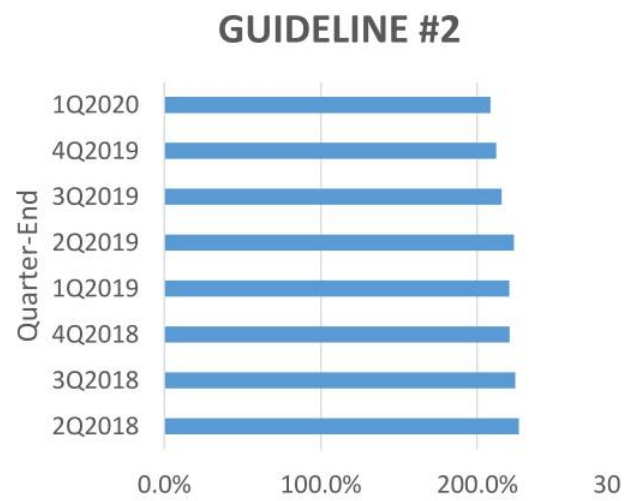
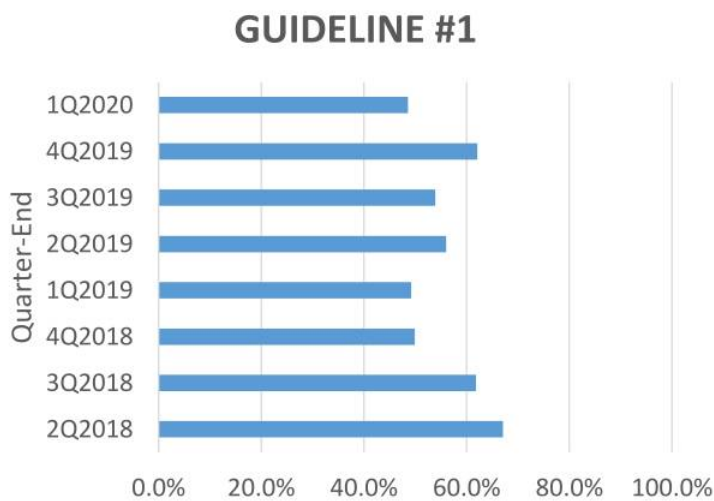
# CRE Loan Concentration

## First Merchants Results in Relation to FDIC Guidelines

FDIC GUIDELINES TO IDENTIFY INSTITUTIONS POTENTIALLY EXPOSED TO CRE RISK:

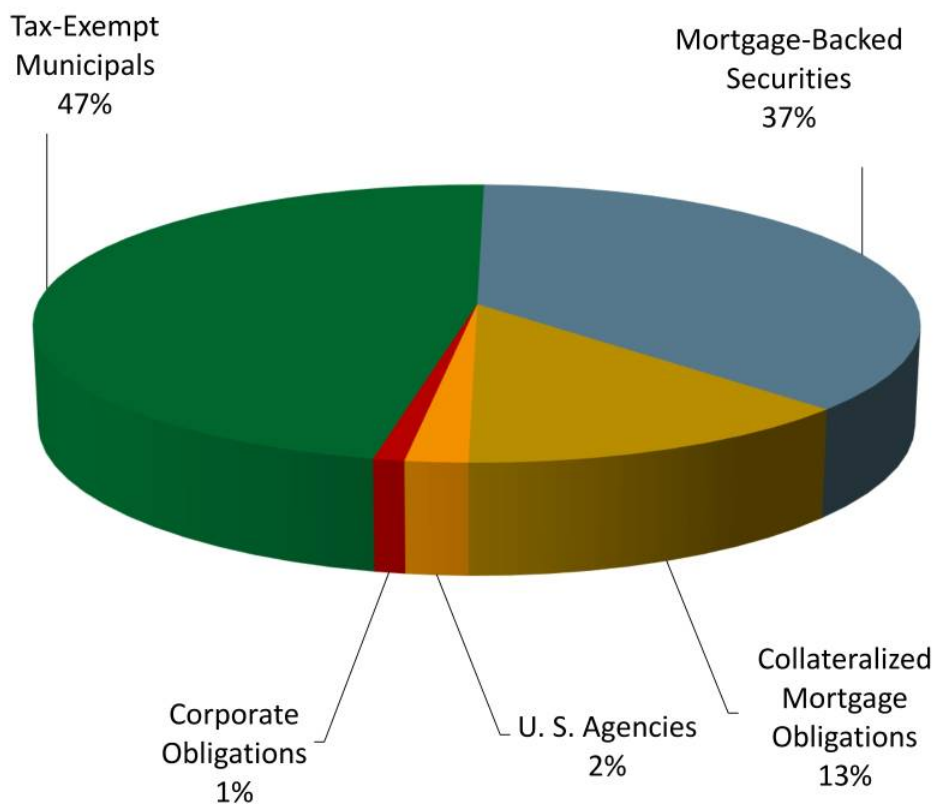
**Guideline 1:** Total loans for construction, land development, and other land representing 100% or more of total capital

**Guideline 2:** Total CRE loans representing 300% or more of total capital AND a CRE portfolio that increased 50% or more during the prior 36 months



# Investment Portfolio

(as of March 31, 2020)



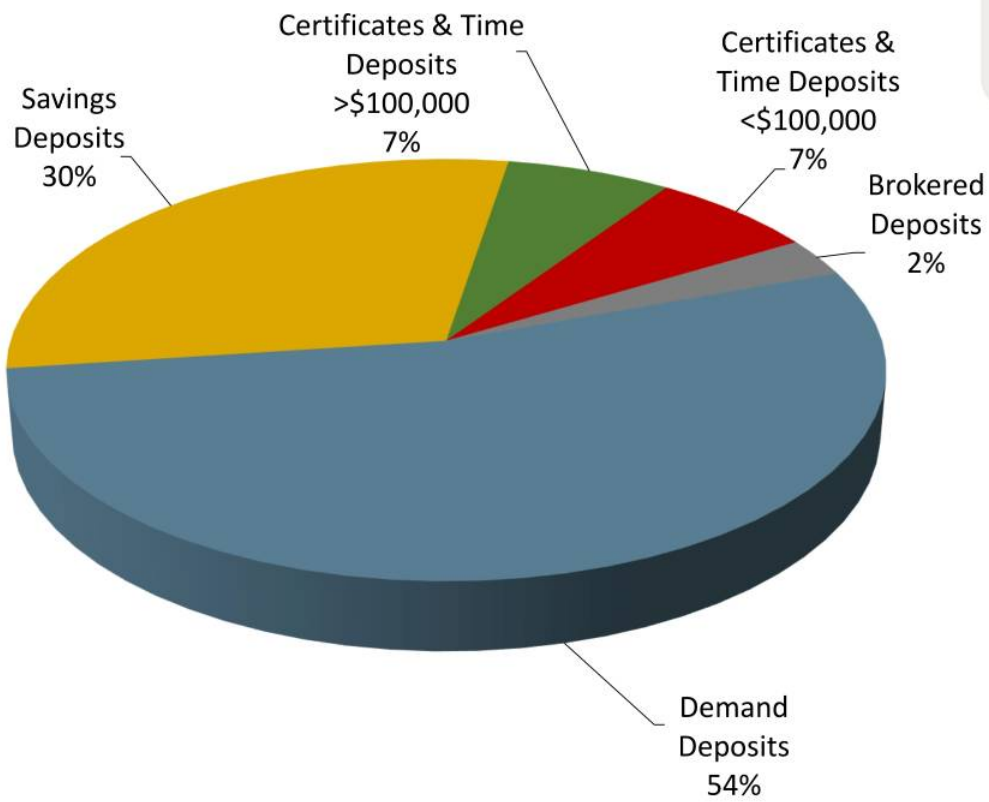
- › \$2.7 Billion Portfolio
- › Modified duration of 4.3 years
- › Tax equivalent yield of 3.16%
- › Net unrealized gain of \$121.7 M

# Total Liabilities and Capital

(\$ in Millions)	<u>2018</u>	<u>2019</u>	<u>Q1-'19</u>	<u>Q1-'</u>
1. Customer Non-Maturity Deposits	\$6,268	\$8,147	\$6,439	\$8,2
2. Customer Time Deposits	1,241	1,478	1,375	1,4
3. Brokered Deposits	<u>246</u>	<u>215</u>	<u>234</u>	<u>2</u>
Total Deposits	7,755	9,840	8,048	9,8
4. Borrowings	538	599	481	7
5. Other Liabilities	51	98	92	2
6. Hybrid Capital	133	134	134	1
7. Common Equity	<u>1,408</u>	<u>1,786</u>	<u>1,456</u>	<u>1,7</u>
8. Total Liabilities and Capital	<u>\$9,885</u>	<u>\$12,457</u>	<u>\$10,211</u>	<u>\$12,6</u>

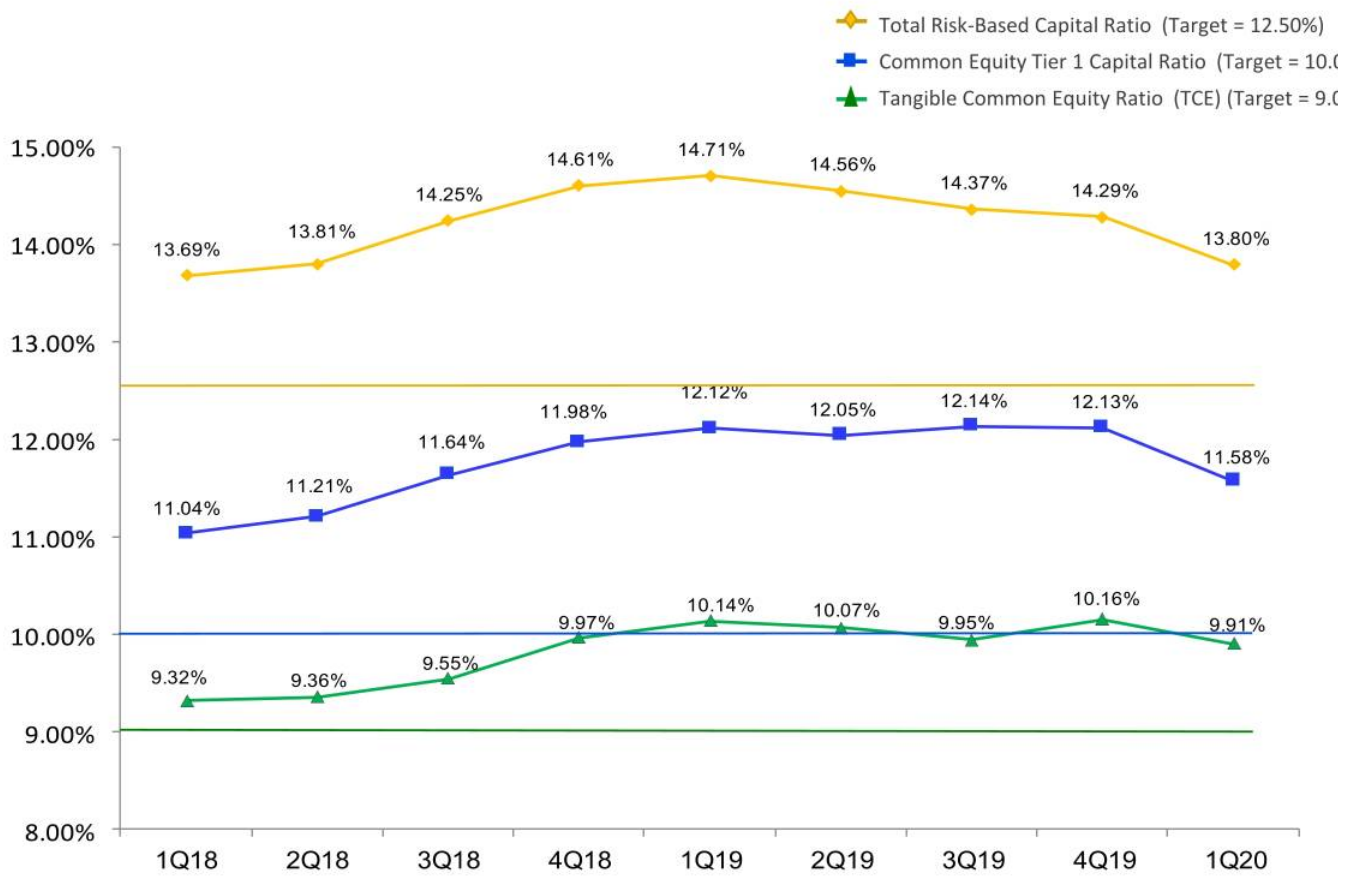
# Deposit Detail

(as of March 31, 2020)



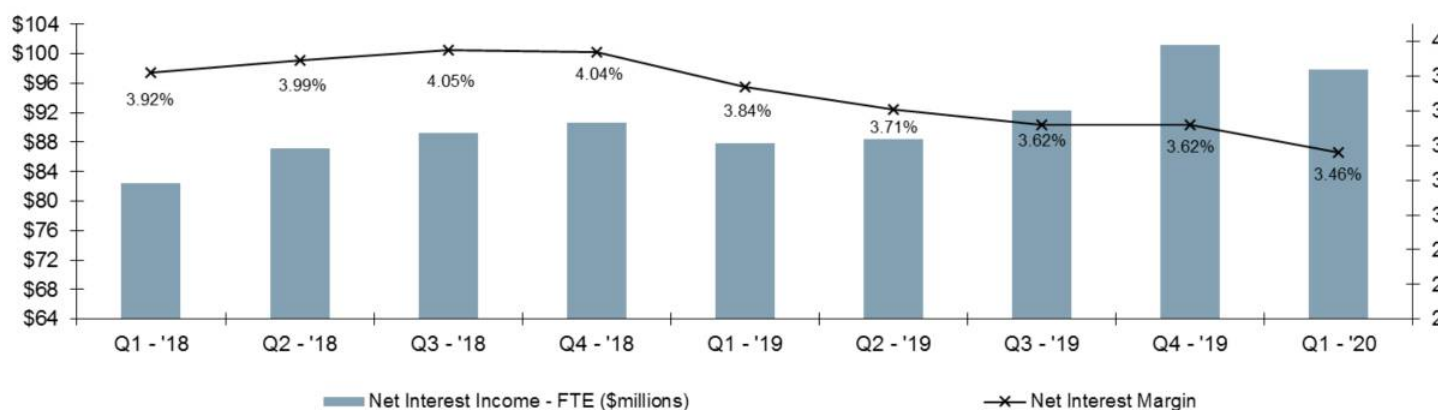
Deposit Cost = 0.8  
Total = \$9.9 Billi

# Capital Ratios



# Net Interest Margin

	Q1 - '18	Q2 - '18	Q3 - '18	Q4 - '18	Q1 - '19	Q2 - '19	Q3 - '19	Q4 - '19	Q1 - '20
Net Interest Income - FTE (\$millions)	\$ 82.5	\$ 87.2	\$ 89.2	\$ 90.7	\$ 87.8	\$ 88.4	\$ 92.3	\$ 101.2	\$ 97.0
Fair Value Accretion	\$ 3.2	\$ 3.8	\$ 3.2	\$ 3.9	\$ 2.3	\$ 2.2	\$ 2.5	\$ 5.0	\$ 3.0
Tax Equivalent Yield on Earning Assets	4.57%	4.74%	4.88%	4.97%	4.89%	4.86%	4.77%	4.63%	4.38%
Interest Expense/Average Earning Assets	0.65%	0.75%	0.83%	0.93%	1.05%	1.15%	1.15%	1.01%	0.92%
Net Interest Margin	3.92%	3.99%	4.05%	4.04%	3.84%	3.71%	3.62%	3.62%	3.46%
Fair Value Accretion Effect	0.15%	0.18%	0.15%	0.17%	0.09%	0.09%	0.10%	0.18%	0.11%





# Non-Interest Income

(\$ in Millions)	<u>2018</u>	<u>2019</u>	<u>Q1-'19</u>	<u>Q1-'</u>
1. Service Charges on Deposit Accounts	\$ 21.0	\$23.0	\$ 5.1	\$ 6.1
2. Wealth Management Fees	14.9	17.6	3.8	6.1
3. Card Payment Fees	18.0	20.2	4.8	5.1
4. Gains on Sales of Mortgage Loans	7.0	7.9	1.3	3.1
5. Derivative Hedge Fees	2.5	5.4	0.8	2.1
6. Other Customer Fees	1.9	1.7	0.5	0.1
7. Cash Surrender Value of Life Ins	4.2	4.5	1.0	1.1
8. Gains on Sales of Securities	4.3	4.4	1.1	4.1
9. Other	<u>2.7</u>	<u>2.0</u>	<u>0.3</u>	0.1
10. Total Non-Interest Income	<u>\$76.5</u>	<u>\$86.7</u>	<u>\$18.7</u>	<u>\$29.1</u>

# Private Wealth Advisors

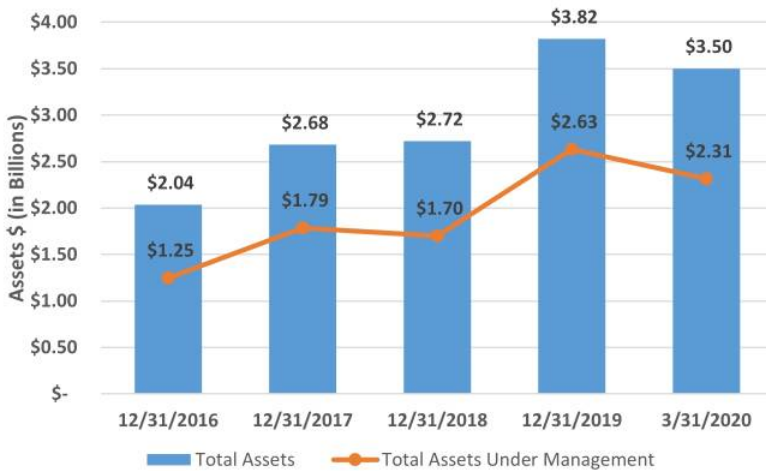
*Delivers broad advisory capabilities and expertise through local, engaged and empowered leaders*

Business lines include:

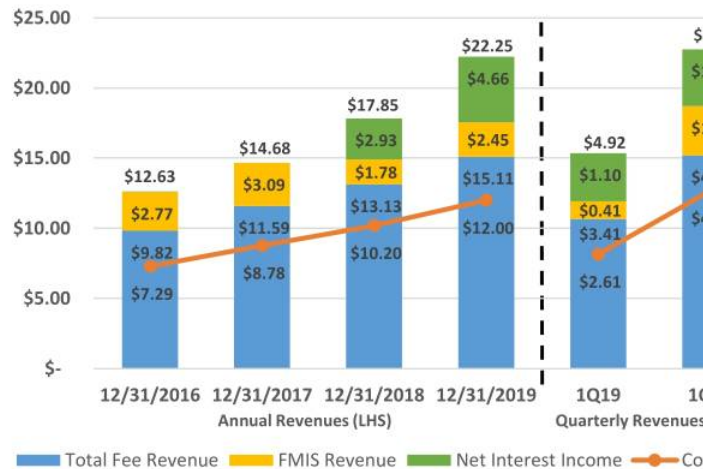
- › Wealth Management
- › Investment Management – Personal and Institutional
- › Retirement Plan Services
- › Fiduciary Administration
- › Private Banking
- › First Merchants Investment Services (not reflected below)

- › Strong client household growth and relationship expansion
- › Benefitting from business owner liquidity events as succession plans are executed
- › Expansion of advisory capabilities and family-office driving asset retention and expansion
- › FMIS business executing a stronger advisory-based resulting in an enhanced client experience and more consistent business results

### Total Assets



### Total Revenue (in Millions \$)



# Mortgage Banking

*Delivers mortgage lending across our markets via commissions and salaried loan originators*

- › Strong loan origination teams in high-growth areas of Indianapolis and Columbus, OH
- › Centralized underwriting and processing
- › Strong connectivity with retail branches
- › Majority of the pipeline is driven by purchase business
- › 12/31/2019 YTD 2489 mortgages for \$501M in volume

**Mortgage Banking Revenue (\$ in Millions)**



# Non-Interest Expense

(\$ in Millions)	<u>2018</u>	<u>2019</u>	<u>Q1-'19</u>	<u>Q1-'2</u>
1. Salary & Benefits	\$131.7	\$144.0	\$33.0	\$39.
2. Premises & Equipment	32.7	35.8	8.7	10.
3. Intangible Asset Amortization	6.7	6.0	1.5	1.
4. Professional & Other Outside Services	8.2	15.4	1.9	2.
5. OREO/Credit-Related Expense	1.5	2.4	1.2	0.
6. FDIC Expense	2.9	0.7	0.7	1.
7. Outside Data Processing	13.2	16.5	3.7	4.
8. Marketing	4.7	6.7	1.1	1.
9. Other	<u>18.4</u>	<u>19.3</u>	<u>4.8</u>	<u>5.</u>
10. Total Non-Interest Expense	<u>\$220.0</u>	<u>\$246.8</u> <sup>1</sup>	<u>\$56.6</u>	<u>\$66.</u>

<sup>1</sup>Includes acquisition-related expenses of \$13.7 million

# Earnings

(\$ in Millions)	<u>2018</u>	<u>2019</u>	<u>Q1-'19</u>	<u>Q1</u>
1. Net Interest Income	\$ 338.8	\$356.7	\$ 84.9	\$9
2. Provision for Loan Losses	<u>(7.2)</u>	<u>(2.8)</u>	<u>(1.2)</u>	<u>(1)</u>
3. <b>Net Interest Income after Provision</b>	<b>331.6</b>	<b>353.9</b>	<b>83.7</b>	<b>7</b>
4. Non-Interest Income	76.5	86.7	18.7	2
5. Non-Interest Expense	<u>(220.0)</u>	<u>(246.8)</u>	<u>(56.6)</u>	<u>(6)</u>
6. <b>Income before Income Taxes</b>	<b>188.1</b>	<b>193.8</b>	<b>45.8</b>	<b>3</b>
7. Income Tax Expense	<u>(29.0)</u>	<u>(29.3)</u>	<u>(6.9)</u>	<u>(3)</u>
8. <b>Net Income Avail. for Distribution</b>	<b><u>\$ 159.1</u></b>	<b><u>\$164.5</u></b>	<b><u>\$ 38.9</u></b>	<b><u>\$3</u></b>
9. <b>EPS</b>	<b>\$ 3.22</b>	<b>\$ 3.19<sup>1</sup></b>	<b>\$ 0.78</b>	<b>\$0</b>
10. <b>Efficiency Ratio</b>	<b>50.21%</b>	<b>52.73%<sup>2</sup></b>	<b>51.18%</b>	<b>52.1</b>

<sup>1</sup>Acquisition-related expenses reduced EPS by \$0.21

<sup>2</sup>Acquisition-related expenses increased the Efficiency Ratio by 3.04%

# Per Share Results

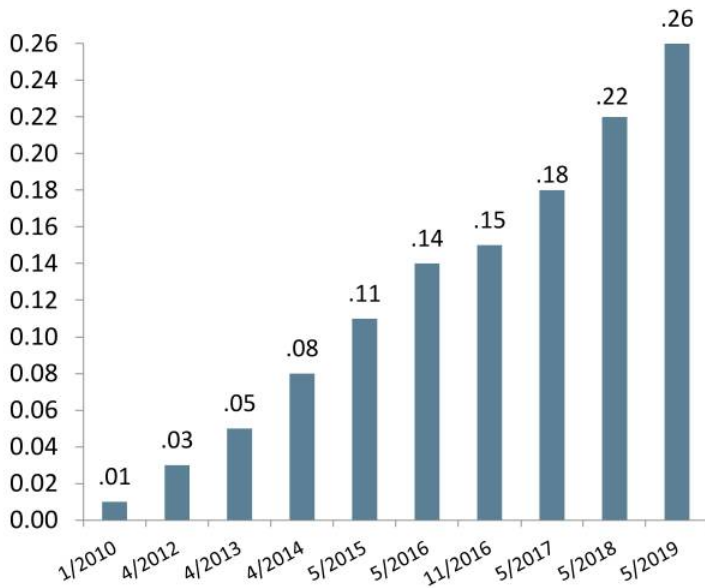
<u>2019</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Tot</u>
1. Earnings Per Share	\$ .78	\$ .83 <sup>1</sup>	\$ .71 <sup>1</sup>	\$ .87 <sup>1</sup>	\$ 3.1
2. Dividends	\$ .22	\$ .26	\$ .26	\$ .26	\$ 1.0
3. Tangible Book Value	\$20.07	\$21.01	\$21.26	\$21.94	
<u>2020</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Tot</u>
1. Earnings Per Share	\$ .62	—	—	—	\$ .6
2. Dividends	\$ .26	—	—	—	\$ .2
3. Tangible Book Value	\$22.46				

<sup>1</sup>Acquisition-related expenses reduced EPS by \$0.01 in Q2; \$0.17 in Q3; \$0.03 in Q4; and \$0.21 for full-year 2019



# Dividends and Tangible Book Value

Quarterly Dividends



3.93% Forward Dividend Yield  
Equals 41.9% Dividend Payout Ratio

Tangible Book Value



Compound Annual Growth Rate of 10.12%

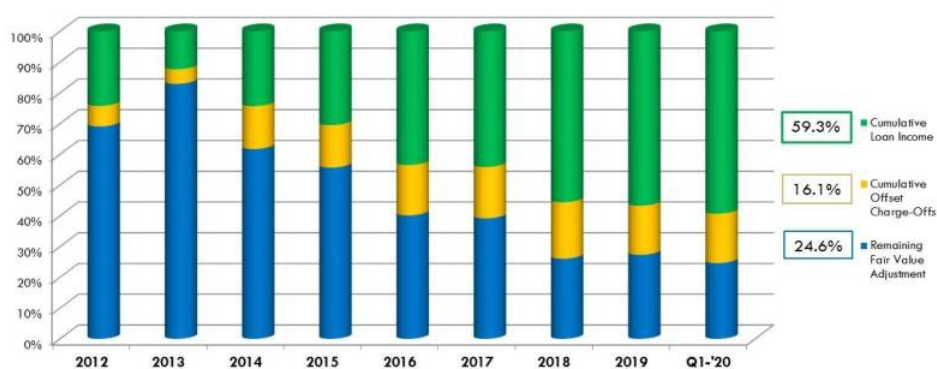
# Asset Quality Summary

(\$ in Millions)

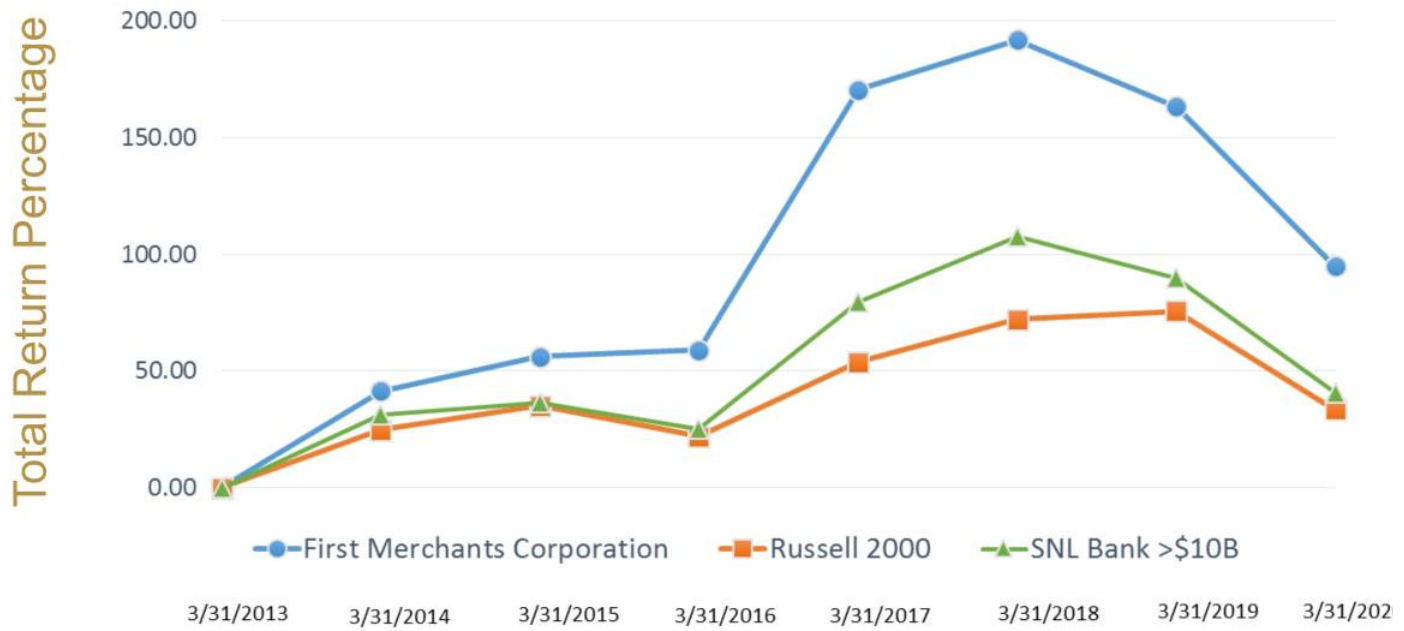
	2018	2019	Q1-'19	Q1-'20	Change Linked Quarter		Change Year Over Y	
					\$	%	\$	%
1. Non-Accrual Loans	\$ 26.1	\$ 16.0	\$ 28.0	\$ 15.6	\$ (0.4)	(2.5%)	\$ (12.4)	(44.0%)
2. Other Real Estate	2.2	7.5	1.9	8.0	0.5	6.7%	6.1	32.0%
3. Renegotiated Loans	1.1	0.8	0.7	0.7	(0.1)	(12.5%)	-	-
4. 90+ Days Delinquent Loans	1.9	0.1	0.1	0.3	0.2	200.0%	0.2	20.0%
5. Total NPAs & 90+ Days Delinquent	\$ 31.3	\$ 24.4	\$ 30.7	\$ 24.6	\$ 0.2	0.8%	\$ (6.1)	(19.0%)
6. Total NPAs & 90+ Days/Loans & ORE	0.4%	0.3%	0.4%	0.3%				
7. Classified Loans	\$167.4	\$200.1	\$165.1	\$207.0	\$ 6.9	3.4%	\$ 41.9	20.7%
8. Classified Loans/Total Loans	2.3%	2.4%	2.3%	2.4%				

# ALLL and Fair Value Summary

(\$ in Millions)	Q2-'19	Q3-'19	Q4-'19	Q1-'20
1. Beginning Allowance for Loan Losses (ALLL)	\$ 80.9	\$ 81.3	\$ 80.6	\$ 80.3
2. Less: Net Charge-offs (Recoveries)	0.1	1.3	0.8	0.6
3. Add: Provision Expense	0.5	0.6	0.5	19.8
4. Ending Allowance for Loan Losses (ALLL)	\$ 81.3	\$ 80.6	\$ 80.3	\$ 99.5
5. Specific Reserves	\$ 2.3	\$ 2.3	\$ 0.7	\$ 0.6
6. ALLL/Non-Accrual Loans	317.0%	354.5%	503.4%	635.5%
7. ALLL/Non-Purchased Loans	1.19%	1.16%	1.11%	1.33%
8. ALLL/Loans	1.08%	0.97%	0.95%	1.15%
9. Fair Value Adjustment (FVA)	\$ 25.6	\$ 41.3	\$ 36.6	\$ 33.1
10. Total ALLL plus FVA	106.8	121.9	116.9	132.5
11. Purchased Loans plus FVA	732.5	1,410.3	1,271.2	1,155.1
12. FVA/Purchased Loans plus FVA	3.49%	2.93%	2.88%	2.86%



# Total Return Performance



# Response to COVID-19

## Supporting Our Employees' Health and Financial Stability

- › Enabled over 1,000 associates to work from home
- › Provided additional 80 hours of paid time off for all full time associates for COVID-19 related sick and dependent care
- › Covered the cost of any medical testing or care related to COVID-19 under medical plans
- › Supported employee physical health, mental health and financial wellness through Employee Assistance Program providing personalized counseling available 24/7
- › Around-the-clock personalized and confidential internal Human Resource support through myHR technology

# Response to COVID-19

## Supporting Businesses in Our Communities

- › SBA Paycheck Protection Program institution with more than 4,500 applications and greater than \$870 Million funded to businesses (FM is, and has been, a preferred SBA Lender)<sup>1</sup>
- › Over \$850 Million in Commercial Loan modifications<sup>1</sup>
- › Evaluating and preparing for the potential rollout of the Main Street Lending Program to support larger businesses
- › Extending credit to qualified borrowers of all sizes for working capital
- › New Remote Deposit Capture and Wire modules provided to business clients for a specific period without monthly fees

<sup>1</sup>As of N



# Response to COVID-19

## Supporting Our Communities and Clients

- › First Merchants CARES... \$1,000,000 commitment to impacted First Merchant markets through local non profit organizations
- › All Banking Centers are open and accessible to clients by drive thru with lob service and individual meetings by appointment
- › Leveraged digital banking, call center and banking centers to provide uninterrupted customer service
- › Enhanced mobile and online services, such as increased mobile deposit limit to allow more transactions to be completed outside of the branch
- › Consumer and Mortgage Loan payment deferral for up to 90 days without incurring fees or impact to credit report
- › Hardship Bridge Loans (0% interest rate) to qualified consumer banking customers providing deferred payments for 90 days
- › Client alerts focused on COVID-19 Scams and Fraud Education and Prevention

# First Merchants Value Proposition

## *Looking Forward...*

- › Pre-Tax Pre-Provision Earnings strength of \$57.5 Million
- › Tangible Common Equity of nearly 10%
- › Allowance for loan losses & fair value marks total approximately 1.54% of loans
- › 87% loan-to-deposit ratio produces excess liquidity
- › Conservative underwriter, diversified loan portfolio, long-term consistent asset quality
- › Industry leading profitability, Return on Assets, and Efficiency Ratios
- › Trading multiple of just over 100% of Tangible Book Value is 50% of our historical average
- › Well positioned for this challenge . . . and for the future

*“Strength and Stability”*



**First Merchants Bank  
Ranked Top 5 in  
2018, 2019 and 2021**

# Why Invest in First Merchants?

- › High Performance Financial Metrics
- › Attractive Long-Term Deposit Market Shares
- › Commercial Presence that Creates a Client Preference
- › Successful Acquisition and Integration Track Record
- › Focused on Providing Sustainable Shareholder Value



# Research Coverage

**PIPER | SANDLER**



**KEEFE, BRUYETTE & WOOL**  
*Specialists in Financial Services*

*A Stifel Company*

**H** HOVDE  
GROUP

**Stephens**

**Janney**



Formerly Covered by  
FIG Partners LLC

**RAYMOND JAM**

**First Merchants Corporation**



First Merchants Corporation common stock is traded  
on the NASDAQ Global Select Market under the symbol FRME

Additional information can be found at  
[www.firstmerchants.com](http://www.firstmerchants.com)

Investor Inquiries:  
Nicole Weaver, Investor Relations  
765.521.7619  
[nweaver@firstmerchants.com](mailto:nweaver@firstmerchants.com)

# Appendix



# Appendix – Non-GAAP Reconciliation

## CAPITAL RATIOS (dollars in thousands):

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	
<b>Total Risk-Based Capital Ratio</b>									
Total Stockholders' Equity (GAAP)	1,313,073	1,340,328	1,361,426	1,408,260	1,455,848	1,501,636	1,749,012	1,786,437	1,7
Adjust for Accumulated Other Comprehensive (Income) Loss	21,725	24,868	35,409	21,422	1,595	(14,602)	(25,648)	(27,874)	(5
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125
Add: Qualifying Capital Securities	65,975	66,030	66,086	66,141	66,197	66,252	66,308	66,363	66,363
Less: Tier 1 Capital Deductions	-	-	-	-	-	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(467,518)	(466,063)	(464,658)	(463,525)	(462,202)	(460,885)	(570,098)	(569,468)	(5
Less: Disallowed Deferred Tax Assets	(2,594)	(2,104)	(1,111)	-	(4,037)	(2,587)	(3,460)	-	-
Total Tier 1 Capital (Regulatory)	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,057,276	\$ 1,089,689	\$ 1,215,989	\$ 1,255,333	\$ 1,2
Qualifying Subordinated Debentures	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Allowance for Loan Losses includible in Tier 2 Capital	76,420	77,543	78,406	80,552	80,902	81,274	80,571	80,284	80,284
Total Risk-Based Capital (Regulatory)	\$ 1,071,956	\$ 1,105,477	\$ 1,140,433	\$ 1,177,725	\$ 1,203,178	\$ 1,235,963	\$ 1,361,560	\$ 1,400,617	\$ 1,3
Net Risk-Weighted Assets (Regulatory)	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,176,677	\$ 8,491,188	\$ 9,474,126	\$ 9,799,329	\$ 9,5
<b>Total Risk-Based Capital Ratio (Regulatory)</b>	<b>13.69%</b>	<b>13.81%</b>	<b>14.25%</b>	<b>14.61%</b>	<b>14.71%</b>	<b>14.56%</b>	<b>14.37%</b>	<b>14.29%</b>	
<b>Common Equity Tier 1 Capital Ratio</b>									
Total Tier 1 Capital (Regulatory)	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,057,276	\$ 1,089,689	\$ 1,215,989	\$ 1,255,333	\$ 1,2
Less: Qualified Capital Securities	(65,975)	(66,030)	(66,086)	(66,141)	(66,197)	(66,252)	(66,308)	(66,363)	(66,363)
Add: Additional Tier 1 Capital Deductions	-	-	-	-	-	-	-	-	-
Common Equity Tier 1 Capital (Regulatory)	\$ 864,561	\$ 896,904	\$ 930,941	\$ 966,032	\$ 991,079	\$ 1,023,437	\$ 1,149,681	\$ 1,188,970	\$ 1,1
Net Risk-Weighted Assets (Regulatory)	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,176,677	\$ 8,491,188	\$ 9,474,126	\$ 9,799,329	\$ 9,5
<b>Common Equity Tier 1 Capital Ratio (Regulatory)</b>	<b>11.04%</b>	<b>11.21%</b>	<b>11.64%</b>	<b>11.98%</b>	<b>12.12%</b>	<b>12.05%</b>	<b>12.14%</b>	<b>12.13%</b>	

<sup>1</sup> Includes net unrealized gains or losses on securities available for sale, net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans.

# Appendix – Non-GAAP Reconciliation

## TANGIBLE COMMON EQUITY RATIO (dollars in thousands):

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Total Stockholders' Equity (GAAP)	\$ 1,313,073	\$ 1,340,328	\$ 1,361,426	\$ 1,408,260	\$ 1,455,848	\$ 1,501,636	\$ 1,749,012	\$ 1,786,437
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(474,777)	(473,059)	(471,409)	(469,784)	(468,256)	(466,736)	(579,751)	(578,881)
Tangible Common Equity (non-GAAP)	\$ 838,171	\$ 867,144	\$ 889,892	\$ 938,351	\$ 987,467	\$ 1,034,775	\$ 1,169,136	\$ 1,207,431
Total Assets (GAAP)	\$ 9,472,796	\$ 9,734,715	\$ 9,787,282	\$ 9,884,716	\$ 10,210,925	\$ 10,737,857	\$ 12,325,061	\$ 12,457,254
Less: Intangible Assets	(474,777)	(473,059)	(471,409)	(469,784)	(468,256)	(466,736)	(579,751)	(578,881)
Tangible Assets (non-GAAP)	\$ 8,998,019	\$ 9,261,656	\$ 9,315,873	\$ 9,414,932	\$ 9,742,669	\$ 10,271,121	\$ 11,745,310	\$ 11,878,373
<b>Tangible Common Equity Ratio (non-GAAP)</b>	<b>9.32%</b>	<b>9.36%</b>	<b>9.55%</b>	<b>9.97%</b>	<b>10.14%</b>	<b>10.07%</b>	<b>9.95%</b>	<b>10.16%</b>

## TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18	1Q19	2Q19	3Q19	4Q19
Total Stockholders' Equity (GAAP)	\$ 454,408	\$ 514,467	\$ 552,236	\$ 634,923	\$ 726,827	\$ 850,509	\$ 901,657	\$ 1,303,463	\$ 1,408,260	\$ 1,455,848	\$ 1,501,636	\$ 1,749,012	\$ 1,786,437
Less: Preferred Stock	(67,880)	(90,783)	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(154,019)	(150,471)	(149,529)	(202,767)	(218,755)	(259,764)	(258,866)	(476,503)	(469,784)	(468,256)	(466,736)	(579,751)	(578,881)
Tax Benefit	2,907	2,224	2,249	4,973	6,085	6,278	5,930	6,788	5,017	4,703	4,391	7,627	7,25
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 235,416	\$ 275,437	\$ 314,048	\$ 437,004	\$ 514,032	\$ 596,898	\$ 648,596	\$ 833,623	\$ 943,368	\$ 992,170	\$ 1,039,166	\$ 1,176,763	\$ 1,214,68
Shares Outstanding	25,574,251	28,559,707	28,692,616	35,921,761	37,669,948	40,664,258	40,912,697	49,158,238	49,349,800	49,428,468	49,456,594	55,345,672	55,368,48
<b>Tangible Common Equity per Share (non-GAAP)</b>	<b>\$ 9.21</b>	<b>\$ 9.64</b>	<b>\$ 10.95</b>	<b>\$ 12.17</b>	<b>\$ 13.65</b>	<b>\$ 14.68</b>	<b>\$ 15.85</b>	<b>\$ 16.96</b>	<b>\$ 19.12</b>	<b>\$ 20.07</b>	<b>\$ 21.01</b>	<b>\$ 21.26</b>	<b>\$ 21.9</b>

# Appendix – Non-GAAP Reconciliation

## EFFICIENCY RATIO (dollars in thousands):

	2018	1Q19	2019	1Q20
Non Interest Expense (GAAP)	\$ 219,951	\$ 56,621	\$ 246,763	\$ 66,171
Less: Intangible Asset Amortization	(6,719)	(1,528)	(5,994)	(1,514)
Less: OREO and Foreclosure Expenses	(1,470)	(1,165)	(2,428)	(505)
Adjusted Non Interest Expense (non-GAAP)	<u>211,762</u>	<u>53,928</u>	<u>238,341</u>	<u>64,152</u>
Net Interest Income (GAAP)	338,857	84,866	356,660	93,877
Plus: Fully Taxable Equivalent Adjustment	10,732	2,930	13,085	3,894
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	<u>349,589</u>	<u>87,796</u>	<u>369,745</u>	<u>97,771</u>
Non Interest Income (GAAP)	76,459	18,713	86,688	29,799
Less: Investment Securities Gains (Losses)	(4,269)	(1,140)	(4,415)	(4,612)
Adjusted Non Interest Income (non-GAAP)	<u>72,190</u>	<u>17,573</u>	<u>82,273</u>	<u>25,187</u>
Adjusted Revenue (non-GAAP)	<u>421,779</u>	<u>105,369</u>	<u>452,018</u>	<u>122,958</u>
<b>Efficiency Ratio (non-GAAP)</b>	<b>50.21%</b>	<b>51.18%</b>	<b>52.73%</b>	<b>52.17%</b>

## FORWARD DIVIDEND YIELD

	1Q20
Most recent quarter's dividend per share	\$ 0.26
Most recent quarter's dividend per share - Annualized	\$ 1.04
Stock Price at 3/31/20	\$ 26.49
<b>Forward Dividend Yield</b>	<b>3.93%</b>

## DIVIDEND PAYOUT RATIO

	2020 YTD
Dividends per share	\$ 0.26
Earnings Per Share	\$ 0.62
<b>Dividend Payout Ratio</b>	<b>41.9%</b>

# Appendix – Non-GAAP Reconciliation

## CONSTRUCTION AND INVESTMENT REAL ESTATE CONCENTRATIONS (dollars in thousands):

	2018	1Q19	2019	1Q20
<b>Total Risk-Based Capital (Subsidiary Bank Only)</b>				
Total Stockholders' Equity (GAAP)	\$ 1,456,220	\$ 1,487,947	\$ 1,787,006	\$ 1,850,513
Adjust for Accumulated Other Comprehensive (Income) Loss <sup>1</sup>	19,031	(908)	(30,495)	(56,807)
Less: Preferred Stock	(125)	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(463,076)	(461,754)	(569,021)	(567,994)
Less: Disallowed Deferred Tax Assets	-	(4,119)	-	-
Total Tier 1 Capital (Regulatory)	1,012,050	1,021,041	1,187,365	1,225,587
Allowance for Loan Losses includible in Tier 2 Capital	80,552	80,902	80,284	99,454
<b>Total Risk-Based Capital (Regulatory)</b>	<b>\$ 1,092,602</b>	<b>\$ 1,101,943</b>	<b>\$ 1,267,649</b>	<b>\$ 1,325,041</b>
Construction, Land and Land Development Loans	\$ 545,729	\$ 542,501	\$ 787,568	\$ 643,674
<b>Concentration as a % of the Bank's Risk-Based Capital</b>	<b>50%</b>	<b>49%</b>	<b>62%</b>	<b>49%</b>
Construction, Land and Land Development Loans	\$ 545,729	\$ 542,501	\$ 787,568	\$ 643,674
Investment Real Estate Loans	1,865,544	1,887,995	1,902,692	2,118,148
Total Construction and Investment RE Loans	\$ 2,411,273	\$ 2,430,496	\$ 2,690,260	\$ 2,761,822
<b>Concentration as a % of the Bank's Risk-Based Capital</b>	<b>221%</b>	<b>221%</b>	<b>212%</b>	<b>208%</b>

<sup>1</sup> Includes net unrealized gains or losses on securities available for sale, net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans.

## ALLOWANCE AS A PERCENTAGE OF NON-PURCHASED LOANS (dollars in thousands):

	2Q19	3Q19	4Q19	1Q20
Loans Held for Sale (GAAP)	\$ 5,854	\$ 7,910	\$ 9,037	\$ 5,039
Loans (GAAP)	7,511,370	8,299,260	8,459,310	8,606,849
Total Loans	7,517,224	8,307,170	8,468,347	8,611,888
Less: Purchased Loans	(706,916)	(1,369,064)	(1,234,616)	(1,122,063)
<b>Non-Purchased Loans (non-GAAP)</b>	<b>\$ 6,810,308</b>	<b>\$ 6,938,106</b>	<b>\$ 7,233,731</b>	<b>\$ 7,489,825</b>
Allowance for Loan Losses (GAAP)	\$ 81,274	\$ 80,571	\$ 80,284	\$ 99,454
Fair Value Adjustment (FVA) (GAAP)	25,545	41,265	36,622	33,058
<b>Allowance plus FVA (non-GAAP)</b>	<b>\$ 106,819</b>	<b>\$ 121,836</b>	<b>\$ 116,906</b>	<b>\$ 132,512</b>
Purchased Loans (GAAP)	\$ 706,916	\$ 1,369,064	\$ 1,234,616	\$ 1,122,063
Fair Value Adjustment (FVA) (GAAP)	25,545	41,265	36,622	33,058
<b>Purchased Loans plus FVA (non-GAAP)</b>	<b>\$ 732,461</b>	<b>\$ 1,410,329</b>	<b>\$ 1,271,238</b>	<b>\$ 1,155,121</b>
<b>Allowance as a Percentage of Non-Purchased Loans (non-GAAP)</b>	<b>1.19%</b>	<b>1.16%</b>	<b>1.11%</b>	<b>1.33%</b>
<b>FVA as a Percentage of Purchased Loans plus FVA (non-GAAP)</b>	<b>3.49%</b>	<b>2.93%</b>	<b>2.88%</b>	<b>2.86%</b>

