

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): October 26, 2023

**FIRST MERCHANTS CORPORATION**

(Exact name of registrant as specified in its charter)

Indiana (State or other jurisdiction of incorporation)	
001-41342 (Commission File Number)	35-1544218 (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)

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.125 stated value per share	FRME	The Nasdaq Stock Market LLC
Depository Shares, each representing a 1/100th interest in a share of Non-Cumulative Perpetual Preferred Stock, Series A	FRMEP	The Nasdaq Stock Market LLC

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 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On Thursday October 26, 2023, First Merchants Corporation will conduct a third quarter 2023 earnings conference call and web cast at 11:30 a.m. (ET). A copy of the slide presentation utilized on the conference call is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit 99.1 [Slide Presentation, utilized on October 26, 2023, during conference call and web cast by First Merchants Corporation](#)  
Exhibit 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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/ Michele M. Kawiecki

Michele M. Kawiecki

Executive Vice President, Chief Financial Officer  
(Principal Financial and Accounting Officer)

Dated: October 26, 2023

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EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
Exhibit 99.1	<a href="#">Slide Presentation, utilized on October 26, 2023, during conference call and web cast by First Merchants Corporation</a>
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)



**First Merchants  
Corporation**  
NASDAQ: FRME

**INVESTOR UPDATE**  
Third Quarter 2023

First Merchants Corporation | 200 E. Jackson St., P.O. Box 792, Muncie, IN 47305 | 765.747.1500

## Forward Looking Statement

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This presentation contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like "believe", "continue", "pattern", "estimate", "project", "intend", "anticipate", "expect" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "might", "can", "may", or similar expressions. These forward-looking statements include, but are not limited to, statements relating to First Merchants' goals, intentions and expectations; statements regarding the First Merchants' business plan and growth strategies; statements regarding the asset quality of First Merchants' loan and investment portfolios; and estimates of First Merchants' risks and future costs and benefits. These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the effects of a pandemic or other unforeseeable event; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes 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 impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like First Merchants' affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity (including the ability to grow and maintain core deposits and retain large, uninsured deposits), credit and interest rate risks 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 undertakes no obligation to update any forward-looking statement, whether written or oral, relating to the matters 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 non-GAAP 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 calculated 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.



## Executive Management Team

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FMB:  
25 Yrs

Banking:  
25 Yrs

### Mark Hardwick Chief Executive Officer

Mark K. Hardwick currently serves as the Chief Executive Officer of First Merchants Corporation and First Merchants Bank. Mark joined First Merchants in November of 1997 as Corporate Controller and was promoted to Chief Financial Officer in April of 2002. In 2016, Mark's title expanded to include Chief Operating Officer, overseeing the leadership responsibilities for finance, operations, technology, risk, legal, and facilities for the corporation. Prior to joining First Merchants Corporation, Mark served as a senior accountant with BKD, LLP in Indianapolis. Mark is a graduate of Ball State University with a Master of Business Administration and Bachelor's degree in Accounting. He is also a certified public accountant and a graduate of the Stonier School of Banking.

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FMB:  
16 Yrs

Banking:  
36 Yrs

### Mike Stewart President

Mike Stewart currently serves as President for First Merchants Corporation and First Merchants Bank overseeing the Commercial, Private Wealth, and Consumer Lines of Business for the Bank. Mike joined the bank in 2008 as Chief Banking Officer. Prior to joining First Merchants, Mike spent 18 years with National City Bank in various commercial sales and credit roles. Mike has a Master of Business Administration from Butler University and a Bachelor's degree in Finance from Millikin University.

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FMB:  
15 Yrs

Banking:  
33 Yrs

### John Martin Chief Credit Officer

John Martin currently serves as Executive Vice President and Chief Credit Officer of First Merchants Corporation overseeing the Commercial, Small Business and Consumer Credit functions, as well as the Mortgage Line of Business. Prior to joining First Merchants, John spent 18 years with National City Bank in various sales and senior credit roles. John is a graduate of Indiana University where he earned a Bachelor of Arts in Economics. He also holds a Master of Business Administration in Finance from Case Western Reserve University.

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FMB:  
8 Yrs

Banking:  
20 Yrs

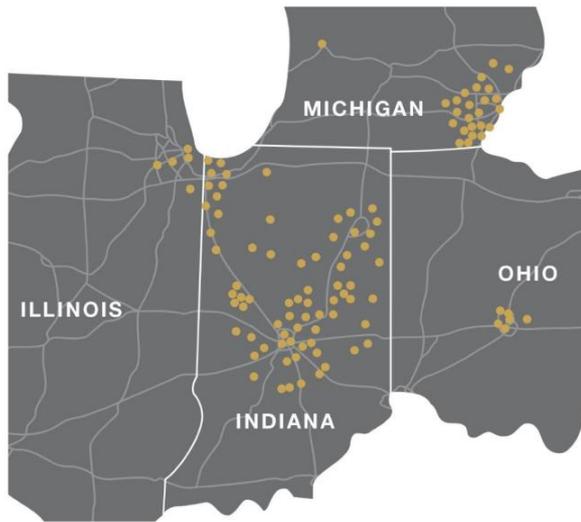
### Michele Kawiecki Chief Financial Officer

Michele Kawiecki currently serves as Executive Vice President and Chief Financial Officer for First Merchants Corporation and First Merchants Bank. Michele joined First Merchants in 2015 as Director of Finance. Prior to joining First Merchants, Michele spent 12 years with UMB Financial Corporation in Kansas City, Missouri having served as Senior Vice President of Capital Management and Assistant Treasurer; Director of Corporate Development and the Enterprise Project Management Office; and Chief Risk Officer. Prior to UMB, she worked for PriceWaterhouseCoopers LLP as an Audit Manager. Michele earned both a Master of Science in Accounting and an Executive Master of Business Administration from the University of Missouri-Kansas City and a Bachelor's degree in Accounting from Dakota Wesleyan University.

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# First Merchants Corporation (NASDAQ: FRME)

Largest financial services holding company  
headquartered in Central Indiana



118 Banking Centers



## Financial Highlights as of 9/30/2023

<b>\$18.0 Billion</b> Total Assets	YTD ROAA: 1.33%
<b>\$12.3 Billion</b> Total Loans	YTD Return on TCE 18.10%
<b>\$14.6 Billion</b> Total Deposits	TCE/TA: 7.69%
<b>\$8.0 Billion</b> Assets Under Advisement*	Market Cap \$1.7B
	Dividend Yield: 4.74%
	Price / Tangible Book: 1.24x
	Price / LTM EPS: 6.6x

\*Assets Under Management - \$3.4 Billion

## Moody's a3 Baseline Credit Assessment<sup>1</sup>



<sup>1</sup>Moody's Credit Opinion – First Merchants Corporation, October 25, 2022, baseline Credit Assessment (BCA) reflects a bank's standalone credit strength

## Highlights

### Third Quarter

Net Income & EPS <sup>1</sup>	ROA (Annualized)	ROE & ROTCE (Annualized)
<b>\$55.9 Million</b>	<b>1.24% ROA</b>	<b>10.38% ROE</b>
<b>\$0.94 Per Share</b>	<b>1.48% PTPP ROA<sup>2</sup></b>	<b>16.54% ROTCE<sup>2</sup></b>

- Total deposits increased \$65.4 million or 1.8% annualized on a linked quarter basis
  - Commercial & Consumer deposits increased \$327.8 million
  - Brokered deposits declined \$133.6 million
  - Municipal deposits declined \$128.8 million due to seasonality
- Loan yields remain strong at 6.58% with new/renewed loan yields averaging 7.88% for the quarter
- Maintained a low 50's Efficiency Ratio, while managing increasing deposit betas
- Maintained strong credit quality and a robust allowance for credit losses
- Reported EPS of \$0.94 compared to \$1.08 in 3Q22. Excluding PPP income and expenses related to the Level One acquisition, current EPS was \$0.94 compared to \$1.12 in 3Q22<sup>1,2</sup>

### Year-to-Date

Net Income & EPS <sup>1</sup>	ROA (Annualized)	ROE & ROTCE (Annualized)
<b>\$179.9 Million</b>	<b>1.33% ROA</b>	<b>11.28% ROE</b>
<b>\$3.03 Per Share</b>	<b>1.58% PTPP ROA<sup>2</sup></b>	<b>18.10% ROTCE<sup>2</sup></b>

- Reported EPS of \$3.03 compared to \$2.62 in 2022. Excluding PPP income and expenses related to the Level One acquisition, current YTD EPS was \$3.03 compared to \$3.01 in 2022<sup>1,2</sup>



<sup>1</sup>Net Income and EPS reported on a diluted basis and for common stockholders  
<sup>2</sup>See "Non-GAAP Financial Information" for reconciliation

# Business Strategy

## Commercial Banking

Full Spectrum of Debt Capital and Treasury Service Offerings Located in Prime Growth Markets

- › Small Business & SBA
- › Middle Market C&I
- › Investment Real Estate
- › Public Finance
- › Sponsor Finance
- › Asset Based Lending
- › Syndications
- › Treasury Management Services
- › Merchant Processing Services

## Consumer Banking

Full Spectrum of Consumer Deposit and Lending Offerings Supported by:

- › Talented, Customer Service Oriented Banking Center and Call Center Professionals
- › Competitive Digital Solutions
  - Deposit and CRM
  - Online Banking
  - Mobile Banking
- › Diverse Locations in Stable Rural and Growth Metro Markets

## Mortgage Banking

Offering a full suite of mortgage solutions to assist with purchase, construction, renovation, and home finance

- › Strengthen existing Commercial, Consumer and Private Wealth relationships
- › Create new household relationships
- › Support underserved borrowers and neighborhoods
- › Deliver solutions through a personalized, efficient, and scalable model

## Private Wealth Advisors

Comprehensive and coordinated approach to personal wealth management

Expertise in:

- › Investment Management
- › Private Banking
- › Fiduciary Estate
- › Financial Planning

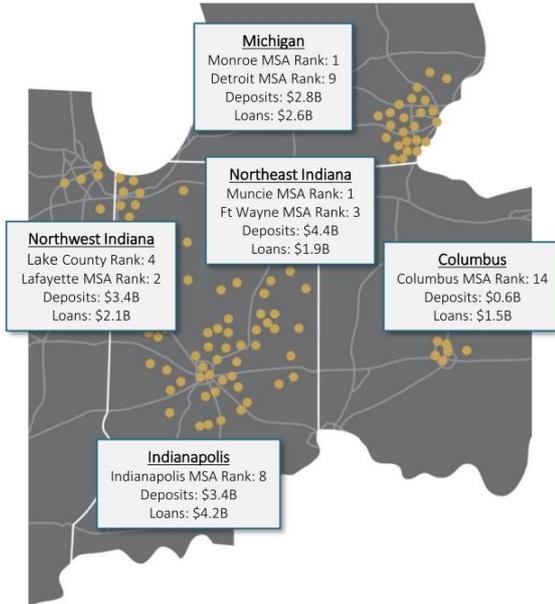
Strengthen commercial relationships with personal services for executives/owners and retirement plan services for companies

Partner with consumer to offer personal investment advice through First Merchants Investment Services



**First Merchants Corporation**  
*Helping you prosper*

# Business Highlights



MSA and County ranking data per FDIC  
<sup>1</sup>Commercial includes Municipal deposits and Consumer includes Private Wealth and Mortgage



## Loan Growth Annualized<sup>1</sup>

	3Q23 Balance (\$B)	Growth
Commercial	\$9.3	(1.7)%
Consumer	\$2.9	7.3%
<b>Total Loan Growth QTD</b>		<b>0.2%</b>
<b>Total Loan Growth YTD</b>		<b>3.2%</b>
<b>*Adjusted Total Loan Growth YTD</b>		<b>4.6%</b>

- Commercial loans declined in large part to continued client focus on working capital management and continued evaluation of new capital projects given the current interest rate environment.
  - The total Commercial pipeline improved at quarter end with regional C&I, IRE, Sponsor and Syndications all increasing to prior year levels.
  - The Consumer increase was attributed to increases in Installment, Private Banking and Residential Mortgage.
- \*During the second quarter, the non-relational, term loan B portfolio of \$116 million was sold with a gain.

## Deposit Growth Annualized<sup>1</sup>

	3Q23 Balance (\$B)	Growth
Commercial	\$7.3	(1.9)%
Consumer	\$6.3	9.5%
<b>Total Deposit Growth QTD</b>		<b>1.8%</b>
<b>Total Deposit Growth YTD</b>		<b>2.4%</b>

- Strong deposit growth continued for the quarter and year to date.
- As noted on slide 5, the Municipal deposits decline was the driver for the Commercial deposit decline of 1.9% noted above. Adjusting for the seasonal decline in Municipal deposits, Commercial deposits grew at a 5.1% annualized rate.
- Consumer line of business showed strong growth in both the branch network and private client relationships.

# Third Quarter Financial Results

	For the Three Months Ended,					Variance Linked Quarter	% Variance Linked QTR Annualized	3Q23 Highlights
	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23			
<i>(\$M except per share data)</i>								
<b>Balance Sheet &amp; Asset Quality</b>								
1. Total Assets	\$17,719.0	\$17,938.3	\$18,178.9	\$17,968.4	\$17,996.6	\$28.2	0.6%	<ul style="list-style-type: none"> <li>▪ <b>53.91% Efficiency Ratio</b> reflecting strong operating leverage</li> <li>▪ <b>Net interest income</b>, decreased \$4.5 million due to higher funding cost and mix change which offset higher earning asset income</li> <li>▪ <b>Pre-Tax, Pre-Provision (PTPP) Earnings totaled \$67.4 million</b> PTPP ROA was 1.48% and PTPP ROE was 12.51%<sup>1</sup></li> <li>▪ <b>TCE Ratio decreased 0.30% to 7.69%</b> due to the impact of AOCI</li> <li>▪ <b>Tangible Book Value per share totaled \$22.43</b>, a decrease of \$0.91 from prior quarter</li> </ul>
2. Total Loans	11,675.4	12,013.0	12,250.9	12,297.5	12,302.4	4.9	0.2%	
3. Investments	4,294.8	4,263.8	4,057.4	3,891.5	3,713.7	(177.8)	-18.3%	
4. Deposits	14,434.8	14,382.7	14,703.3	14,581.2	14,646.6	65.4	1.8%	
5. Total Equity	1,906.7	2,034.8	2,122.4	2,145.6	2,092.6	(52.9)	-9.9%	
6. TCE Ratio	6.66%	7.34%	7.75%	7.99%	7.69%	-0.30%	0.18	
7. Total RBC Ratio	12.84	13.08	13.23	13.48	13.66%			
8. ACL / Loans	1.94	1.86	1.82	1.80	1.67	-0.13		
9. NCOs / Avg Loans	-0.01	0.12	0.01	0.06	0.66	0.60		
10. NPAs + 90PD / Assets	0.29	0.28	0.34	0.43	0.33	-0.10		
<b>Summary Income Statement</b>								
11. Net Interest Income	\$140.3	\$149.0	\$144.1	\$137.9	\$133.4	(\$4.5)	-3.3%	
12. Provision for Loan Losses	0.0	0.0	0.0	0.0	2.0	2.0		
13. Noninterest Income	29.6	24.1	25.0	26.3	27.8	1.5	5.7%	
14. Noninterest Expense	96.4	89.7	93.7	92.6	93.8	1.2	1.3%	
15. Pre-tax Income	73.5	83.4	75.4	71.6	65.4	(6.2)	-8.7%	
16. Provision for Taxes	9.8	12.6	11.3	10.7	9.0	(1.7)	-15.9%	
17. Net Income	63.7	70.8	64.1	60.9	56.4	(4.5)	-7.4%	
18. Preferred Stock Dividends	0.5	0.5	0.5	0.5	0.5	0.0		
19. Net Income Available to Common Stockholders	63.3	70.3	63.6	60.4	55.9	(4.5)	-7.4%	
20. ROAA	1.43%	1.59%	1.42%	1.34%	1.24%	-0.10%		
21. ROAE	12.54	14.36	12.21	11.29	10.38	-0.91		
22. ROTCE	20.85	24.21	19.82	18.04	16.54	-1.50		
23. Net Interest Margin	3.55	3.72	3.58	3.39	3.29	-0.10		
24. Efficiency Ratio	53.34	48.60	51.72	52.21	53.91	1.70		
<b>Per Share</b>								
25. Earnings per Diluted Share	\$1.08	\$1.19	\$1.07	\$1.02	\$0.94	(\$0.08)		
26. Tangible Book Value per Share	19.26	21.45	22.93	23.34	22.43	(0.91)		
27. Dividend per Share	0.32	0.32	0.32	0.34	0.34	0.00		
28. Dividend Payout Ratio	29.6%	26.9%	29.9%	33.3%	36.2%	2.8%		



<sup>1</sup>See "Non-GAAP Financial Information" for reconciliation

# Year-to-Date Financial Results

*(\$M except per share data)*

	For the Nine Months Ended September 30,			Variance YOY	% Variance YOY	Year-to-Date Highlights
	2021	2022	2023			
<b>Balance Sheet &amp; Asset Quality</b>						
1. Total Assets	\$15,060.7	\$17,719.0	\$17,996.6	\$277.7	1.6%	<ul style="list-style-type: none"> <li>▪ <b>52.60% Efficiency Ratio</b> reflecting strong operating leverage</li> <li>▪ <b>Net interest income</b>, increased \$44.1 million primarily due to the addition of Level One in 2Q22</li> <li>▪ <b>Pre-Tax, Pre-Provision (PTPP) Earnings totaled \$214.3 million</b> PTPP ROA was 1.58% and PTPP ROE was 13.44%<sup>1</sup></li> <li>▪ <b>TCE Ratio increased 1.03% to 7.69%</b> over prior year</li> <li>▪ <b>Tangible Book Value per share totaled \$22.43</b>, an increase of \$3.17 over prior year</li> </ul>
2. Total Loans	9,047.6	11,675.4	12,302.4	627.0	5.4%	
3. Investments	4,445.5	4,294.8	3,713.7	(581.0)	-13.5%	
4. Deposits	12,348.7	14,434.8	14,646.6	211.8	1.5%	
5. Total Equity	1,868.1	1,906.7	2,092.6	186.0	9.8%	
6. TCE Ratio	8.94%	6.66%	7.69%	1.03%		
7. Total RBC Ratio	14.02	12.84	13.66%	0.82		
8. ALLL / Loans	2.21	1.94	1.67	-0.27		
9. NCOs / Avg Loans	0.07	-0.01	0.24	0.25		
10. NPAs + 90PD / Assets	0.35	0.29	0.33	0.04		
<b>Summary Income Statement</b>						
11. Net Interest Income	\$309.4	\$371.2	\$415.3	\$44.1	11.9%	
12. Provision for Loan Losses	0.0	16.8	2.0	(14.8)		
13. Noninterest Income	83.5	83.8	79.2	(4.6)	-5.5%	
14. Noninterest Expense	206.8	266.0	280.2	14.2	5.3%	
15. Pre-tax Income	186.1	172.3	212.3	40.1	23.3%	
16. Provision for Taxes	28.3	20.9	31.0	10.1	48.2%	
17. Net Income	157.8	151.3	181.3	30.0	19.8%	
18. Preferred Stock Dividends	0.0	0.9	1.4	0.5		
19. Net Income Available to Common Stockholders	157.8	150.4	179.9	29.5	19.6%	
20. ROAA	1.43%	1.19%	1.33%	0.14%		
21. ROAE	11.32	10.14	11.28	1.14		
22. ROTCE	16.65	16.22	18.10	1.88		
23. Net Interest Margin	3.22	3.30	3.42	0.12		
24. Efficiency Ratio	50.10	54.95	52.60	-2.35		
<b>Per Share</b>						
25. Earnings per Diluted Share	\$2.92	\$2.62	\$3.03	\$0.41		
26. Tangible Book Value per Share	24.31	19.26	22.43	3.17		
27. Dividend per Share	0.84	0.93	1.00	0.07		
28. Dividend Payout Ratio	28.8%	35.5%	33.0%	-2.5%		



<sup>1</sup>See "Non-GAAP Financial Information" for reconciliation

# Investment Portfolio Highlights

## 3Q23 Investment Portfolio Composition

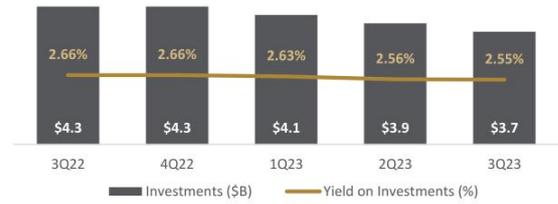


### Highlights

- Quarterly bond sales of \$33 million / \$347 million YTD
- Effective duration of 6.6 years
- Cash flow of \$335 million through the end of 2024 / ~2.12% yield
- AA rated municipal bond portfolio
- ~53% of portfolio classified as Held-to-Maturity
- Allowance for Credit Losses for Investments of \$245,000



## Yield on Investments (%) / Total Investments (\$B)



## Investment Portfolio Gains / Losses

### Unrealized Losses

- Net unrealized AFS Loss of \$382.8 million (\$269.8 M prior Q)
- Net unrealized HTM Loss of \$472.6 million (\$ 359.7 M prior Q)

### Realized Gains/Losses

- 3Q 2022 \$0.4 million gain
- 4Q 2022 \$0.1 million gain
- 1Q 2023 \$1.6 million loss
- 2Q 2023 \$1.4 million loss
- 3Q 2023 \$1.7 million loss

# Loan Portfolio Highlights

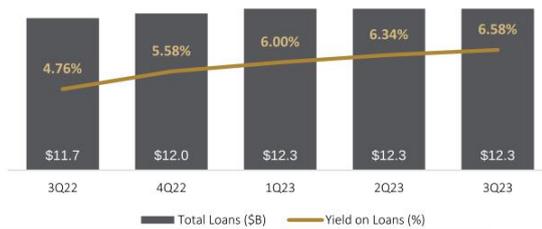
## 3Q23 Loan Composition



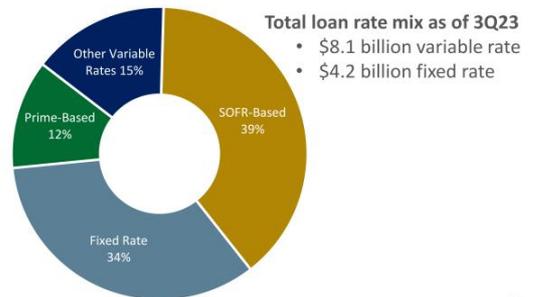
## Highlights

- Portfolio composition is ~75% Commercial oriented
- Loan yields remained strong at 6.58%
- New/renewed loan yields averaged 7.88% for the quarter compared to 7.30% in 2Q23

## Yield on Loans (%) / Total Loans (\$B)



## 3Q23 Portfolio by Yield Type



## Allowance for Credit Losses - Loans

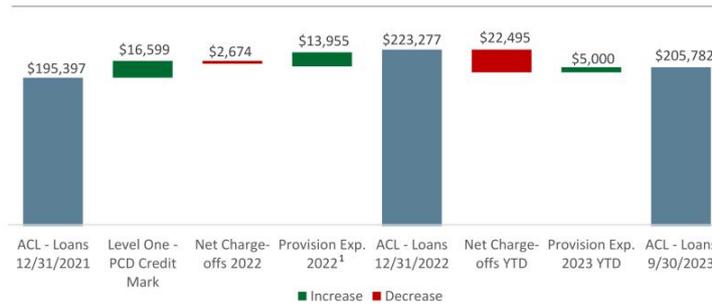
### 3Q23 Allowance for Credit Losses - Loans



### Highlights

- \$2.0 million Q3 provision expense
  - \$5.0 million provision exp. recorded for ACL – Loans
  - \$3.0 million reserve reduction for unfunded commitments
- The reserve for unfunded commitments totals \$20.3 million, a reduction of \$3.0 million in Q3, and is recorded in Other Liabilities
- The remaining fair value accretion on acquired loans is \$24.9 million inclusive of credit and interest rate marks

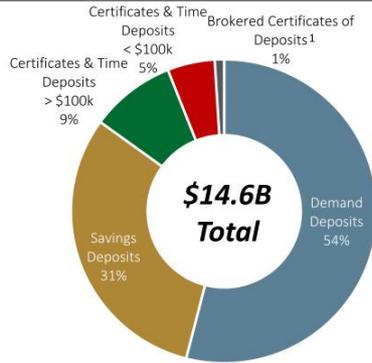
### Change in ACL – Loans



<sup>1</sup>Reflects \$14 million for CECL Day 1 non-PCD loans. Total provision expense for 2022 of \$16.8 million also includes \$2.8 million for Level One's unfunded commitments.

# Deposit Portfolio Highlights

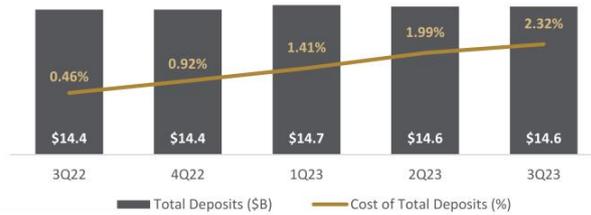
## 3Q23 Deposit Composition



## Highlights

- **Strong core deposit base**
  - 91% core deposits<sup>2</sup>
  - 17% noninterest bearing
  - 41% yield 5 bps or less
- **Total deposit costs increased to 2.32%**
- **51% cumulative interest-bearing deposit beta, 47% prior quarter**
- **Insured 71.5% / Uninsured 28.5%**
- **Average deposit account balance of \$34,000**

## Cost of Total Deposits (%) / Total Deposits (\$B)

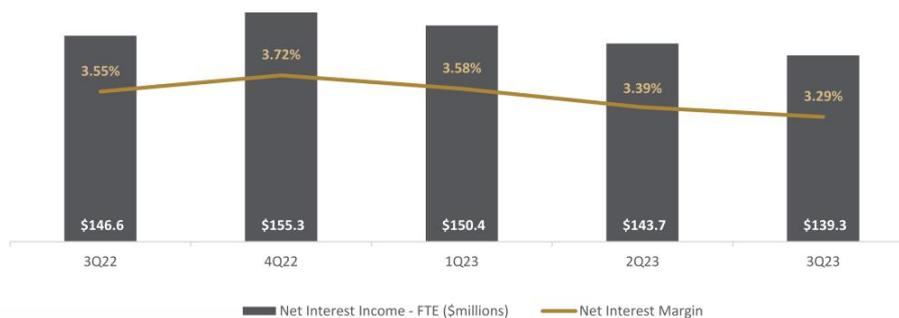


<sup>1</sup>Total brokered deposits of \$734 million, which includes brokered CDs of \$81 million  
<sup>2</sup>Defined as total deposits less time deposits > \$100k

## Net Interest Margin

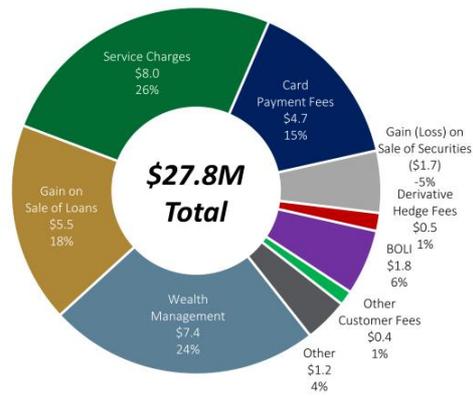
	3Q22	4Q22	1Q23	2Q23	3Q23
1. Net Interest Income - FTE (\$millions)	\$ 146.6	\$ 155.3	\$ 150.4	\$ 143.7	\$ 139.3
2. Fair Value Accretion	\$ 3.2	\$ 2.7	\$ 2.4	\$ 2.0	\$ 2.0
3. PPP Loan Income	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ -
4. Adjusted Net Interest Income - FTE <sup>1</sup>	\$ 143.1	\$ 152.5	\$ 148.0	\$ 141.7	\$ 137.3
5. Tax Equivalent Yield on Earning Assets	4.11%	4.73%	5.06%	5.36%	5.55%
6. Interest Expense/Average Earning Assets	0.56%	1.01%	1.48%	1.97%	2.26%
7. Net Interest Margin	3.55%	3.72%	3.58%	3.39%	3.29%
8. Fair Value Accretion Effect	0.08%	0.07%	0.06%	0.05%	0.05%
9. Impact of PPP Loans	0.00%	0.00%	0.00%	0.00%	0.00%
10. Adjusted Net Interest Margin <sup>1</sup>	3.47%	3.65%	3.52%	3.34%	3.24%

<sup>1</sup>Adjusted for Fair Value Accretion and PPP Loan Income



# Noninterest Income Highlights

3Q23 Noninterest Income Detail (\$M)



## Highlights

- Customer-related fees totaling \$26.5 million for 3Q23, increased \$1.7 million from 2Q23 driven primarily by higher gains on the sales of mortgage loans
- Losses of \$1.7 million recognized on the sale of \$33 million of available-for-sale securities

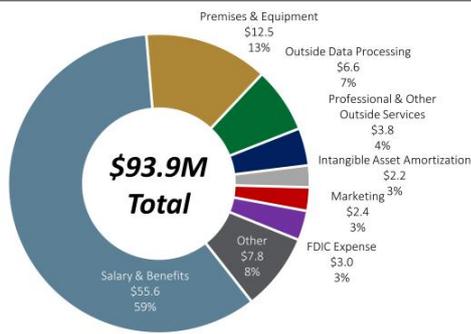
Noninterest Income Trends (\$M)

Fee Income / Revenue



# Noninterest Expense Highlights

## 3Q23 Noninterest Expense Detail



### Highlights

- Increase in Other expenses reflects \$1.3 million in increased marketing costs somewhat offset by a decline in professional fees.

## Noninterest Expense Trends (\$M)



<sup>1</sup>3Q22, and 4Q22 Efficiency Ratio excluding acquisition costs, see "Non-GAAP Financial Information" for reconciliation

# Capital Ratios

## Tangible Common Equity Ratio



## Highlights

- TCE Ratio including marks on held-to-maturity securities portfolio is 5.64%
- CET1 including net unrealized loss in AOCI on available-for-sale securities is 9.39%

## Common Equity Tier 1 Ratio



## Total Risk-Based Capital Ratio



# Loan Portfolio

## Loan Portfolio Trends (\$M)

	3Q22	4Q22	1Q23	2Q23	3Q23
1. C&I - Regional Banking	\$ 2,703	\$ 2,827	\$ 2,831	\$ 2,733	\$ 2,662
2. C&I - Sponsor Finance	630	612	674	798	829
3. CRE Owner Occupied	1,266	1,244	1,242	1,180	1,154
4. Construction/Land/Land Dev.	829	836	961	950	1,022
5. CRE Non-Owner Occupied	2,299	2,407	2,375	2,380	2,360
6. Agricultural	222	242	220	230	234
7. Public Finance/Other Commercial	<u>915</u>	<u>933</u>	<u>959</u>	<u>964</u>	<u>967</u>
<b>8. Total Commercial Loans</b>	<b>8,864</b>	<b>9,101</b>	<b>9,262</b>	<b>9,235</b>	<b>9,228</b>
9. Residential Mortgage	2,014	2,103	2,195	2,276	2,286
10. Home Equity	622	631	621	614	609
11. Other Consumer	<u>175</u>	<u>178</u>	<u>173</u>	<u>173</u>	<u>179</u>
<b>12. Total Resi Mortgage &amp; Consumer</b>	<b><u>2,811</u></b>	<b><u>2,912</u></b>	<b><u>2,989</u></b>	<b><u>3,063</u></b>	<b><u>3,074</u></b>
<b>13. Total Loans</b>	<b>\$11,675</b>	<b>\$12,013</b>	<b>\$12,251</b>	<b>\$12,298</b>	<b>\$12,302</b>

## 3Q23 Highlights

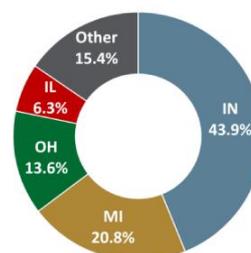
- C&I - Sponsor Finance up \$31 million
- Construction/Land/Land Dev. up \$72 million

## Year Over Year Highlights

### Loan growth of \$744 million or 6.4%<sup>1</sup>

- Balanced commercial loan growth - \$481 million<sup>1</sup>
  - C&I - Regional Banking - \$76 million<sup>1</sup>
  - C&I - Sponsor Finance - \$199 million
  - CRE/Constr/Land/Land Dev. - \$193 million
  - CRE NOO - \$61 million
- Total Resi Mtg & Cons. - \$263 million
  - Mortgage growth of \$272 million, primarily from portfolio ARM strategy

## Geography



84.6% of borrowers within four state Midwest geography

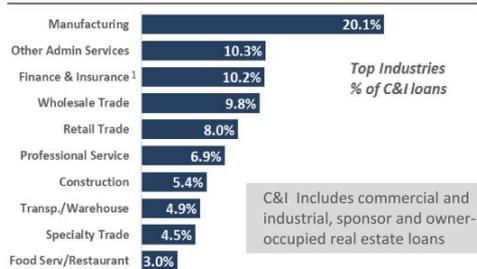
<sup>1</sup>Adjusted for the sale of non-relational, term loan B loans of \$116 million during the 2nd quarter.



# Loan Portfolio Insights

## Commercial

### C&I



- Line utilization Q3'23 40.9% from 41.7% Q2'23
- \$644 million in Shared National Credits
- \$60.7 million of SBA guaranteed loans

<sup>1</sup>Reclassified ~\$200 million from RE leasing to F&I in 3Q

### C&I - Sponsor Finance

- \$829 million to 86 companies
- Senior Debt/Adj. EBITDA < 3.0X ~ 68%
- Total Debt/Adj. EBITDA < 4.0X ~ 80%
- FCCR > 1.50X ~ 60%
- ~2.7% Classified

### Construction Finance

- \$185 million Resi Real Estate Construction
- \$837 million CRE Construction & Land

(\$M)	% CRE		
	Balance	Commit.	Constr/Land
Multi-Family	\$508	\$820	60.7%
Industrial	90	113	10.8%
Self Storage	72	78	8.6%
Office - Medical	23	27	2.7%
Office - General	10	29	1.2%

## Mortgage & Consumer

### Home Equity / Other Consumer

- > 95% of \$679 million in consumer loans had a credit score exceeding 669 at origination<sup>2</sup>

### Residential Mortgage

- \$263 million residential mortgage secured, related to commercial loan relationships
- \$2.0 billion residential mortgage loans
  - > 90% of \$1.8 billion in residential portfolio loans had a credit score at origination exceeding 669<sup>3</sup>

<sup>2</sup>Excludes ~14% of loans where origination data is unavailable

<sup>3</sup>Excludes ~13% of residential loans where origination data is unavailable

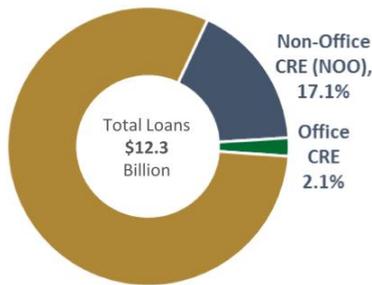
## Loan Portfolio Insights (continued)

### Commercial Real Estate (Non-Owner Occupied) (\$M)

	Multi-Family	Industrial	Retail	Office	Warehouse / Storage	Hotel	Other	Total CRE (NOO)
Balance:	\$678.6	\$388.0	\$374.5	\$259.8	\$240.8	\$153.6	\$265.3	\$2,360.6
Commitment:	\$717.6	\$400.4	\$380.8	\$265.8	\$255.9	\$154.1	\$298.0	\$2,472.6
# of loans:	468	492	324	219	101	32	132	1,768
% of Total Loans:	5.6%	3.1%	3.0%	2.1%	2.0%	1.2%	2.2%	19.2%
Average Loan Balance:	\$1.5	\$0.8	\$1.2	\$1.2	\$2.4	\$4.8	\$2.0	\$1.3
Top 10 - Avg. Loan Com:	\$18.2	\$8.6	\$9.9	\$11.2	\$14.8	\$12.2	\$16.3	\$23.4

### Office (Non-Owner Occupied) (\$M)

Office % Total Loans



Office Type

General Office	\$124.9
Medical	71.6
Mixed	26.7
Government	21.1
Other	15.5

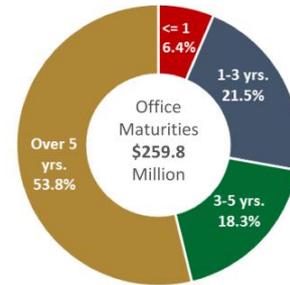
Office Tenant Classification

Multi Tenant	157.9
Single Tenant	101.9

Office Geographic

Michigan	90.5
Indiana	66.6
Ohio	36.6
Oklahoma	25.0
Illinois	24.0
Other	17.1

Office - Maturities



- Top 10 loans are 41% of total office with WALTV of ~60% at origination
- Largest NOO Office \$25 million, medical office, 39% LTV
- 2nd largest \$19 million, 40% owner occupied

## Asset Quality

### Asset Quality Trends (\$M)

	3Q22	4Q22	1Q23	2Q23	3Q23
1. Non-Accrual Loans	\$ 43.5	\$ 42.3	\$ 46.6	\$ 69.2	\$ 53.1
2. Other Real Estate	6.5	6.5	7.8	7.7	6.5
3. 90PD Loans	0.7	1.7	7.0	0.4	0.1
4. Renegotiated Loans	0.2	0.2	-	-	-
5. NPAs + 90PD	\$ 50.9	\$ 50.7	\$ 61.4	\$ 77.3	\$ 59.7
6. NPAs + 90PD/Loans and ORE	0.44%	0.42%	0.50%	0.63%	0.49%
7. Classified Loans	\$207.1	\$215.2	\$250.5	\$257.0	\$232.2
8. Classified Loans/Loans	1.77%	1.79%	2.04%	2.09%	1.89%
9. Net Charge-offs (QTD)	\$ (0.4)	\$ 3.4	\$ 0.2	\$ 1.9	\$ 20.4
10. QTD NCO/Avg. Loans (Annualized)	-0.01%	0.12%	0.01%	0.06%	0.66%

### Highlights

- Top three nonaccruals declined from \$34.6 million to \$17.1 million
  - Senior Living
  - Rental and sale of machinery equipment
  - Material Handling
- NPAs + 90PD declined \$17.6 million or 14 bps to 0.49% of loans and ORE
- Classified Loans declined \$24.8 million. A decline of 20 bps as a % of loans
- Q3 Net Charge-offs of \$20.4 million
  - \$19.1 million related to charge-off of two non-accruals from Q2 2023

## Nonperforming Assets

### Nonperforming Assets Roll Forward (\$M)

	3Q22	4Q22	1Q23	2Q23	3Q23
<b>1. Beginning Balance NPAs + 90PD</b>	<b>\$53.3</b>	<b>\$50.9</b>	<b>\$50.7</b>	<b>\$61.4</b>	<b>\$77.3</b>
<u>Nonaccrual</u>					
2. Add: New Nonaccruals	9.0	7.3	15.4	33.2	7.5
3. Less: To Accrual or Payoff	(10.7)	(4.8)	(8.6)	(8.3)	(2.5)
4. Less: To OREO	0.1	0.1	(1.4)	-	(0.2)
5. Less: Charge-offs	<u>(0.9)</u>	<u>(3.8)</u>	<u>(1.1)</u>	<u>(2.3)</u>	<u>(20.9)</u>
<b>6. Nonaccrual Loans Change</b>	<b>(2.5)</b>	<b>(1.2)</b>	<b>4.3</b>	<b>22.6</b>	<b>(16.1)</b>
<u>Other Real Estate Owned (ORE)</u>					
7. Add: New ORE Properties	0.1	0.1	1.4	-	0.2
8. Less: ORE Sold	(0.1)	(0.1)	(0.1)	(0.1)	(1.4)
9. Less: ORE Losses (write-downs)	-	-	-	-	-
<b>10. ORE Change</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>(0.1)</b>	<b>(1.2)</b>
11. 90PD Change	0.1	1.0	5.3	(6.6)	(0.3)
12. Renegotiated Loans Change	-	-	(0.2)	-	-
<b>13. NPAs + 90PD Change</b>	<b>(2.4)</b>	<b>(0.2)</b>	<b>10.7</b>	<b>15.9</b>	<b>(17.6)</b>
<b>14. Ending Balance NPAs + 90PD</b>	<b>\$50.9</b>	<b>\$50.7</b>	<b>\$61.4</b>	<b>\$77.3</b>	<b>\$59.7</b>

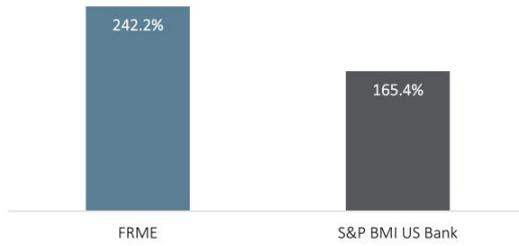
### Highlights

#### Nonaccrual Migration:

- \$17.6 million reduction in NPAs and 90 day past due
  - \$7.5 million in new nonaccruals. Largest loan was a \$1.2 million automotive parts manufacturer
  - \$1.1 million OREO property sold this quarter
  - 90 days PD reduced \$0.3 million

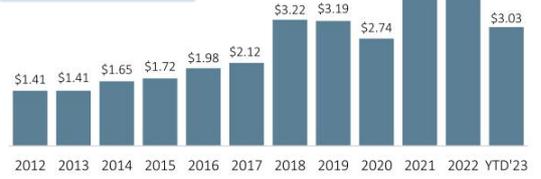
# Track Record of Shareholder Value

10-Year Total Return (2012-2022)



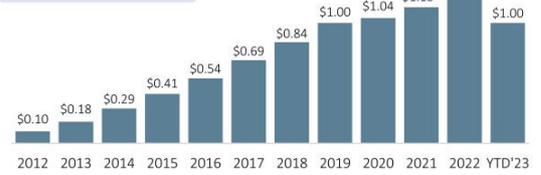
Earnings per Share

CAGR 2012-2022: 10.5%



Dividends per Share

CAGR 2012-2022: 28.7%



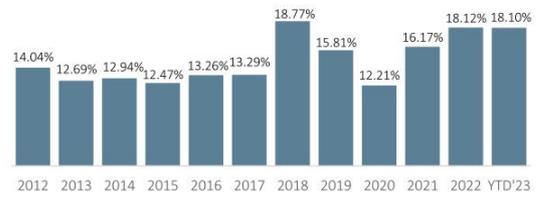
Tangible Book Value per Share

CAGR 2012-2022: 7.0%  
Adjusted CAGR<sup>1</sup> 9.3%



<sup>1</sup>Tangible book value per share excluding unrealized gain/loss in available for sale securities.

Return on Tangible Common Equity

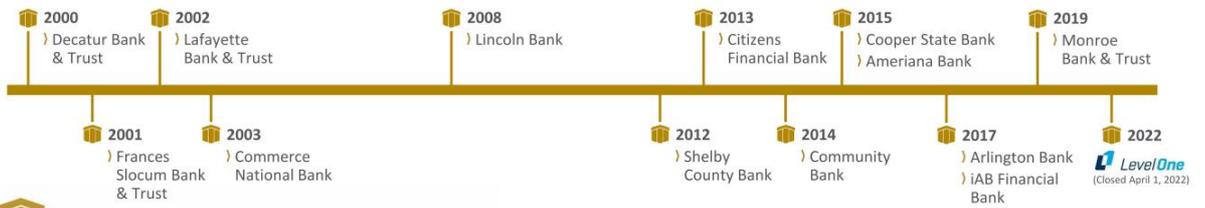


# History of Organic and Whole Bank Acquisition Growth

Total Assets (\$B)

## Growth Through Acquisition

- ✓ Experienced Acquirer
- ✓ Expanded in Current High-Growth Markets
- ✓ Extended into Additional High-Growth Markets
- ✓ Added to Franchise with Stable Deposit Gathering Markets



 **First Merchants Corporation**  
*Helping you prosper*

## Vision for the Future

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- Our Vision:** *To enhance the financial wellness of the diverse communities we serve.*
- Our Mission:** *To be the most attentive, knowledgeable, and high-performing bank for our clients, teammates, and shareholders.*
- Our Team:** *We are a collection of dynamic colleagues with diverse experiences and perspectives who share a passion for positively impacting lives. We are genuinely committed to attracting and engaging teammates of diverse backgrounds. We believe in the power of inclusion and belonging.*
- 

- Strategic Imperatives:**
- Lead a brand-focused cultural transformation through inclusivity, teamwork, performance management, career development, rewards, and work-life balance
  - Produce organic growth across all lines of business and markets through focused, data-driven, industry-leading client acquisition, expansion, and retention activities
  - Invest in the digital transformation of our delivery channels to simplify the client experience
  - Maintain top-quartile financial results supported by industry-leading governance, risk, and compliance practices to ensure long-term sustainability
  - Continue to leverage our core competency in acquisitions to enhance growth, efficiency, and high performance
  - Cultivate a high-quality shareholder base that values environmental, social, and governance initiatives inspired by our stakeholder-centric business model

# APPENDIX

## Non-GAAP

### ADJUSTED EPS EXCLUDING PAYCHECK PROTECTION PROGRAM ("PPP") AND ACQUISITION-RELATED EXPENSES

	3Q22	4Q22	1Q23	2Q23	3Q23	9/30/21 YTD	9/30/22 YTD	9/30/23 YTD
<b>(Dollars in Thousands, Except Per Share Amounts)</b>								
Net Income Available to Common Stockholders - GAAP	\$ 63,283	\$ 70,292	\$ 63,610	\$ 60,393	\$ 55,898	\$ 157,798	\$ 150,391	\$ 179,901
Adjustments:								
PPP loan income	(323)	(109)	(25)	(9)	(8)	(27,179)	(3,098)	(42)
Acquisition-related expenses	3,417	413	-	-	-	-	16,118	-
Acquisition-related provision expense	-	-	-	-	-	-	16,755	-
Tax on adjustment	(759)	(75)	6	2	2	6,664	(7,301)	10
<b>Adjusted Net Income Available to Common Stockholders - NON-GAAP</b>	<b>\$ 65,618</b>	<b>\$ 70,521</b>	<b>\$ 63,591</b>	<b>\$ 60,386</b>	<b>\$ 55,892</b>	<b>\$ 137,283</b>	<b>\$ 172,865</b>	<b>\$ 179,869</b>
Average Diluted Common Shares Outstanding	59,339	59,384	59,441	59,448	59,503	54,093	57,468	59,465
Diluted Earnings Per Common Share - GAAP	\$ 1.08	\$ 1.19	\$ 1.07	\$ 1.02	\$ 0.94	\$ 2.92	\$ 2.62	\$ 3.03
Adjustments:								
PPP loan income	-	(0.01)	-	-	-	(0.50)	(0.05)	-
Acquisition-related expenses	0.05	0.01	-	-	-	-	0.27	-
Acquisition-related provision expense	-	-	-	-	-	-	0.30	-
Tax on adjustment	(0.01)	-	-	-	-	0.12	(0.13)	-
<b>Adjusted Diluted Earnings Per Common Share - NON-GAAP</b>	<b>\$ 1.12</b>	<b>\$ 1.19</b>	<b>\$ 1.07</b>	<b>\$ 1.02</b>	<b>\$ 0.94</b>	<b>\$ 2.54</b>	<b>\$ 3.01</b>	<b>\$ 3.03</b>

### PRE-TAX, PRE-PROVISION ("PTPP") EARNINGS EXCLUDING ACQUISITION-RELATED EXPENSES

	3Q22	4Q22	1Q23	2Q23	3Q23	9/30/21 YTD	9/30/22 YTD	9/30/23 YTD
<b>(Dollars in Thousands, Except Per Share Amounts)</b>								
Net Interest Income (GAAP)	\$ 140,307	\$ 148,956	\$ 144,119	\$ 137,835	\$ 133,383	\$ 309,407	\$ 371,247	\$ 415,337
Other Income (GAAP)	29,616	24,151	24,997	26,319	27,842	83,476	83,790	79,158
Total Revenue	169,923	173,107	169,116	164,154	161,225	392,883	455,037	494,495
Less: Other Expenses (GAAP)	(96,378)	(89,699)	(93,720)	(92,593)	(93,854)	(206,777)	(266,016)	(280,167)
Add: Acquisition-Related Expenses (GAAP)	3,417	413	-	-	-	-	16,118	-
<b>Pre-Tax, Pre-Provision Earnings (non-GAAP)</b>	<b>\$ 76,962</b>	<b>\$ 83,821</b>	<b>\$ 75,396</b>	<b>\$ 71,561</b>	<b>\$ 67,371</b>	<b>\$ 186,106</b>	<b>\$ 205,139</b>	<b>\$ 214,328</b>
Average Assets (GAAP)	\$ 17,770,623	\$ 17,834,468	\$ 18,022,195	\$ 18,170,649	\$ 18,152,239	\$ 14,672,596	\$ 17,012,930	\$ 18,115,504
Average Equity (GAAP)	\$ 2,018,156	\$ 1,958,041	\$ 2,083,125	\$ 2,139,877	\$ 2,154,232	\$ 1,858,680	\$ 1,977,299	\$ 2,126,005
Average Diluted Common Shares	59,339	59,384	59,441	59,448	59,503	54,093	57,468	59,465
PTPP/Average Assets (PTPP ROA)	1.73%	1.88%	1.67%	1.58%	1.48%	1.69%	1.61%	1.58%
PTPP/Average Equity (PTPP ROE)	15.25%	17.12%	14.48%	13.38%	12.51%	13.35%	13.83%	13.44%
PTPP/Average Diluted Common Shares	\$ 1.30	\$ 1.41	\$ 1.27	\$ 1.20	\$ 1.13	\$ 3.44	\$ 3.57	\$ 3.60



## Non-GAAP

### EFFICIENCY RATIO (dollars in thousands):

	3Q22	4Q22	1Q23	2Q23	3Q23	3Q21 YTD	3Q22 YTD	3Q23 YTD
<b>EFFICIENCY RATIO (dollars in thousands):</b>								
Non Interest Expense (GAAP)	\$ 96,378	\$ 89,699	\$ 93,720	\$ 92,593	\$ 93,854	\$ 206,777	\$ 266,016	\$ 280,167
Less: Intangible Asset Amortization	(2,303)	(2,303)	(2,197)	(2,182)	(2,182)	(4,284)	(5,972)	(6,561)
Less: OREO and Foreclosure Expenses	(328)	(197)	18	(916)	(677)	(821)	(626)	(1,575)
Adjusted Non Interest Expense (non-GAAP)	93,747	87,199	91,541	89,495	90,995	201,672	259,418	272,031
Net Interest Income (GAAP)	140,306	148,956	144,119	137,835	133,383	309,407	371,247	415,337
Plus: Fully Taxable Equivalent Adjustment	6,316	6,370	6,321	5,858	5,911	14,991	18,220	18,090
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	146,622	155,326	150,440	143,693	139,294	324,398	389,467	433,427
Non Interest Income (GAAP)	29,617	24,150	24,997	26,319	27,842	83,476	83,791	79,158
Less: Investment Securities Gains (Losses)	(481)	(57)	1,571	1,392	1,650	(5,316)	(1,137)	4,613
Adjusted Non Interest Income (non-GAAP)	29,136	24,093	26,568	27,711	29,492	78,160	82,654	83,771
Adjusted Revenue (non-GAAP)	175,758	179,419	177,008	171,404	168,786	402,558	472,121	517,198
<b>Efficiency Ratio (non-GAAP)</b>	<b>53.34%</b>	<b>48.60%</b>	<b>51.72%</b>	<b>52.21%</b>	<b>53.91%</b>	<b>50.10%</b>	<b>54.95%</b>	<b>52.60%</b>

## Non-GAAP

### CAPITAL RATIOS (dollars in thousands):

	3Q21	3Q22	4Q22	1Q23	2Q23	3Q23
<b>Total Risk-Based Capital Ratio (dollars in thousands)</b>						
Total Stockholders' Equity (GAAP)	1,868,090	1,906,666	2,034,770	2,122,448	2,145,565	2,092,644
Adjust for Accumulated Other Comprehensive (Income) Loss <sup>1</sup>	(39,889)	314,089	239,151	198,914	217,964	307,270
Less: Preferred Stock	(125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Add: Qualifying Capital Securities	46,546	25,000	25,000	25,000	25,000	25,000
Less: Tier 1 Capital Deductions	-	-	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(565,221)	(740,780)	(738,206)	(736,429)	(734,666)	(732,903)
Less: Disallowed Deferred Tax Assets	(1,005)	(1,267)	(337)	(351)	(258)	(192)
Add: Modified CECL Transition Amount	34,542	23,028	23,028	11,514	11,514	11,514
Total Tier 1 Capital (Regulatory)	\$ 1,342,938	\$ 1,501,611	\$ 1,558,281	\$ 1,595,971	\$ 1,639,994	\$ 1,678,208
Qualifying Subordinated Debentures	65,000	143,089	143,103	143,118	143,132	143,147
Allowance for Loan Losses includible in Tier 2 Capital	139,200	178,490	180,870	182,308	183,106	184,046
Total Risk-Based Capital (Regulatory)	\$ 1,547,138	\$ 1,823,190	\$ 1,882,254	\$ 1,921,397	\$ 1,966,232	\$ 2,005,401
Net Risk-Weighted Assets (Regulatory)	\$ 11,037,663	\$ 14,196,430	\$ 14,392,671	\$ 14,524,959	\$ 14,590,561	\$ 14,683,329
<b>Total Risk-Based Capital Ratio (Regulatory)</b>	<b>14.02%</b>	<b>12.84%</b>	<b>13.08%</b>	<b>13.23%</b>	<b>13.48%</b>	<b>13.66%</b>
<b>Common Equity Tier 1 Capital Ratio</b>						
Total Tier 1 Capital (Regulatory)	\$ 1,342,938	\$ 1,501,611	\$ 1,558,281	\$ 1,595,971	\$ 1,639,994	\$ 1,678,208
Less: Qualified Capital Securities	(46,546)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Add: Additional Tier 1 Capital Deductions	-	-	-	-	-	-
Common Equity Tier 1 Capital (Regulatory)	\$ 1,296,392	\$ 1,476,611	\$ 1,533,281	\$ 1,570,971	\$ 1,614,994	\$ 1,653,208
Net Risk-Weighted Assets (Regulatory)	\$ 11,037,663	\$ 14,196,430	\$ 14,392,671	\$ 14,524,959	\$ 14,590,561	\$ 14,683,329
<b>Common Equity Tier 1 Capital Ratio (Regulatory)</b>	<b>11.75%</b>	<b>10.40%</b>	<b>10.65%</b>	<b>10.82%</b>	<b>11.07%</b>	<b>11.26%</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 the defined benefit and other postretirement plans.

## Non-GAAP

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

	3Q21	3Q22	4Q22	1Q23	2Q23	3Q23
<b>Tangible Common Equity Ratio (dollars in thousands)</b>						
Total Stockholders' Equity (GAAP)	\$ 1,868,090	\$ 1,906,666	\$ 2,034,770	\$ 2,122,448	\$ 2,145,565	\$ 2,092,644
Less: Preferred Stock	(125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Intangible Assets	(572,323)	(750,713)	(747,844)	(745,647)	(743,465)	(741,283)
Tangible Common Equity (non-GAAP)	\$ 1,295,642	\$ 1,130,828	\$ 1,261,801	\$ 1,351,676	\$ 1,376,975	\$ 1,326,236
Total Assets (GAAP)	\$ 15,060,725	\$ 17,718,985	\$ 17,938,306	\$ 18,178,908	\$ 17,968,412	\$ 17,996,648
Less: Intangible Assets	(572,323)	(750,713)	(747,844)	(745,647)	(743,465)	(741,283)
Tangible Assets (non-GAAP)	\$ 14,488,402	\$ 16,968,272	\$ 17,190,462	\$ 17,433,261	\$ 17,224,947	\$ 17,255,365
<b>Tangible Common Equity Ratio (non-GAAP)</b>	<b>8.94%</b>	<b>6.66%</b>	<b>7.34%</b>	<b>7.75%</b>	<b>7.99%</b>	<b>7.69%</b>

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

	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18	4Q19
<b>Tangible Common Equity Per Share</b>								
Total Stockholders' Equity (GAAP)	\$ 552,236	\$ 634,923	\$ 726,827	\$ 850,509	\$ 901,657	\$ 1,303,463	\$ 1,408,260	\$ 1,786,437
Less: Preferred Stock	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(149,529)	(202,767)	(218,755)	(259,764)	(258,866)	(476,503)	(469,784)	(578,881)
Tax Benefit	2,249	4,973	6,085	6,278	5,930	6,788	5,017	7,257
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 314,048	\$ 437,004	\$ 514,032	\$ 596,898	\$ 648,596	\$ 833,623	\$ 943,368	\$ 1,214,688
Common Shares Outstanding	28,692,616	35,921,761	37,669,948	40,664,258	40,912,697	49,158,238	49,349,800	55,368,482
<b>Tangible Common Equity per Share (non-GAAP)</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>\$ 21.94</b>
<b>Tangible Common Equity Per Share</b>								
Total Stockholders' Equity (GAAP)	\$ 1,875,645	\$ 1,868,090	\$ 1,912,571	\$ 1,906,666	\$ 2,034,770	\$ 2,122,448	\$ 2,145,565	\$ 2,092,644
Less: Preferred Stock	(125)	(125)	(125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Intangible Assets	(572,893)	(572,323)	(570,860)	(750,713)	(747,844)	(745,647)	(743,465)	(741,283)
Tax Benefit	5,989	5,153	4,875	8,197	7,702	7,231	6,760	6,290
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,308,616	\$ 1,300,795	\$ 1,346,461	\$ 1,139,025	\$ 1,269,503	\$ 1,358,907	\$ 1,383,735	\$ 1,332,526
Common Shares Outstanding	53,922,359	53,510,745	53,410,411	59,145,414	59,170,583	59,257,051	59,297,148	59,398,022
<b>Tangible Common Equity per Share (non-GAAP)</b>	<b>\$ 24.27</b>	<b>\$ 24.31</b>	<b>\$ 25.21</b>	<b>\$ 19.26</b>	<b>\$ 21.45</b>	<b>\$ 22.93</b>	<b>\$ 23.34</b>	<b>\$ 22.43</b>



## Non-GAAP

### RETURN ON TANGIBLE COMMON EQUITY (dollars in thousands):

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
<b>Return on Tangible Common Equity</b>										
Total Average Stockholders' Equity (GAAP)	\$ 535,506	\$ 540,255	\$ 675,295	\$ 753,724	\$ 884,664	\$ 1,110,524	\$ 1,343,861	\$ 1,569,615	\$ 1,825,135	\$ 1,858,680
Less: Average Preferred Stock	(90,908)	(47,537)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Average Intangible Assets, Net of Tax	(147,889)	(153,519)	(199,354)	(215,281)	(254,332)	(360,005)	(467,421)	(499,622)	(569,377)	(567,815)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 296,709	\$ 339,199	\$ 475,816	\$ 538,318	\$ 630,207	\$ 750,394	\$ 876,315	\$ 1,069,868	\$ 1,255,633	\$ 1,290,740
Net Income Available to Common Stockholders (GAAP)	\$ 40,583	\$ 42,150	\$ 60,162	\$ 65,384	\$ 81,051	\$ 96,070	\$ 159,139	\$ 164,460	\$ 148,600	\$ 157,798
Plus: Intangible Asset Amortization, Net of Tax	1,081	892	1,395	1,720	2,542	3,670	5,307	4,736	4,730	3,384
Tangible Net Income (non-GAAP)	\$ 41,664	\$ 43,042	\$ 61,557	\$ 67,104	\$ 83,593	\$ 99,740	\$ 164,446	\$ 169,196	\$ 153,330	\$ 161,182
<b>Return on Tangible Common Equity (non-GAAP)</b>	<b>14.04%</b>	<b>12.69%</b>	<b>12.94%</b>	<b>12.47%</b>	<b>13.26%</b>	<b>13.29%</b>	<b>18.77%</b>	<b>15.81%</b>	<b>12.21%</b>	<b>16.65%</b>

	2021	3Q22	2022 YTD	4Q22	2022	1Q23	2Q23	3Q23	2023 YTD
<b>Return on Tangible Common Equity</b>									
Total Average Stockholders' Equity (GAAP)	\$ 1,866,632	\$ 2,018,156	\$ 1,977,299	\$ 1,958,041	\$ 1,972,445	\$ 2,083,125	\$ 2,139,877	\$ 2,154,232	\$ 2,126,005
Less: Average Preferred Stock	(125)	(25,125)	(16,792)	(25,125)	(18,875)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Average Intangible Assets, Net of Tax	(567,512)	(744,069)	(685,707)	(741,632)	(699,803)	(739,190)	(737,489)	(735,787)	(737,476)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,298,995	\$ 1,248,962	\$ 1,274,800	\$ 1,191,284	\$ 1,253,767	\$ 1,318,810	\$ 1,377,263	\$ 1,393,320	\$ 1,363,404
Net Income Available to Common Stockholders (GAAP)	\$ 205,531	\$ 63,283	\$ 150,391	\$ 70,292	\$ 220,683	\$ 63,610	\$ 60,393	\$ 55,898	\$ 179,901
Plus: Intangible Asset Amortization, Net of Tax	4,540	1,819	4,718	1,819	6,537	1,734	1,724	1,724	5,182
Tangible Net Income (non-GAAP)	\$ 210,071	\$ 65,102	\$ 155,109	\$ 72,111	\$ 227,220	\$ 65,344	\$ 62,117	\$ 57,622	\$ 185,083
<b>Return on Tangible Common Equity (non-GAAP)</b>	<b>16.17%</b>	<b>20.85%</b>	<b>16.22%</b>	<b>24.21%</b>	<b>18.12%</b>	<b>19.82%</b>	<b>18.04%</b>	<b>16.54%</b>	<b>18.10%</b>



