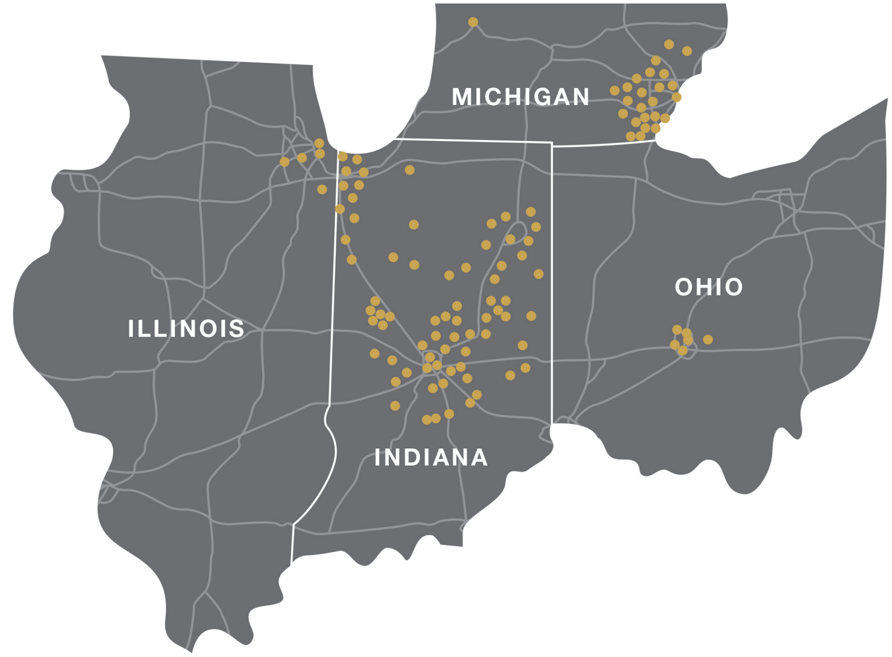
FIRST MERCHANTS CORPORATION ANNOUNCES THIRD QUARTER 2023 EARNINGS PER SHARE

Mark Hardwick, Chief Executive Officer, stated, “First Merchants continued to deliver top quartile operating returns while tactically managing the inflationary interest rate environment. Our teams are focused on meeting the demands of our customer base while planning for continued 2024 growth and performance.”

Third Quarter Financial Results:

First Merchants Corporation (the “Corporation”) has reported third quarter 2023 net income available to common stockholders of $55.9 million compared to $63.3 million during the same period in 2022. Diluted earnings per common share for the period totaled $0.94 per share compared to the third quarter of 2022 result of $1.08 per share.

Total assets equaled $18.0 billion as of quarter-end and loans totaled $12.3 billion. During the past twelve months, total loans grew by $743.6 million, or 6.4 percent and were offset by the non-relationship based commercial loan sale of $116.6 million. On a linked quarter basis, loans grew $4.9 million, or 0.2 percent.



First Merchants Corporation — 2023 Financial Results

- **$18.0 BILLION** — Total Assets
- **$12.3 BILLION** — Total Loans
- **$14.6 BILLION** — Total Deposits
- **$8.0 BILLION** — Assets Under Advisement*

YTD ROAA:	1.33%
YTD RETURN ON TCE:	18.10%
TCE/TA:	7.69%
MARKET CAP:	$1.7B
DIVIDEND YIELD:	4.74%
PRICE / TANGIBLE BOOK:	1.24x
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$179.9M
EFFICIENCY RATIO:	52.60%

Banking Centers: **118**

*Assets Under Management - $3.4 Billion

as of 9.30.2023

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.

Best Company Work-Life Balance 2023 · Best Company Leadership 2023 · Best CEOs for Women 2023 · Best Company Career Growth 2023 · Newsweek America's Best Banks 2023 · American Banker 2022 Best Banks to Work For · Best Employers in Ohio 2023 Crain's Cleveland Business · Forbes 2022 Best-In-State Banks · Forbes 2023 America's Best Banks · Forbes 2023 World's Best Banks

THIRD QUARTER 2023 HIGHLIGHTS

Net Income & EPS[1]	ROA (Annualized)	ROE & ROTCE (Annualized)
$55.9 MILLION $0.94 PER SHARE	1.24% ROA 1.48% PTPP ROA[2]	10.38% ROE 16.54% ROTCE[2]

- 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[1,2]

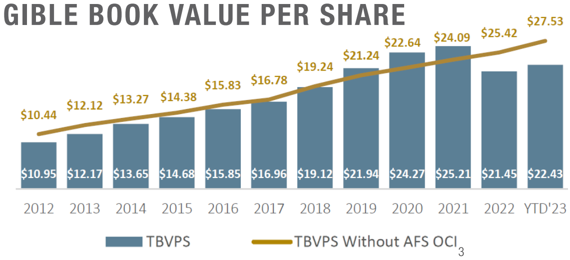
TRACK RECORD OF SHAREHOLDER VALUE

10-YEAR TOTAL RETURN (2012-2022)

First Merchants 242.2%

S&P BMI US BANK 165.4%

TANGIBLE BOOK VALUE PER SHARE



[1]Net Income and EPS reported on a diluted basis and for common stockholders [2]See "Non-GAAP Financial Information" for reconciliation [3]Tangible book value per share excluding unrealized gain/loss in available for sale securities

ANALYST COMMENTS

First Merchants Corporation
Helping you prosper

RAYMOND JAMES

First Merchants is a high-performing community bank specializing in various commercial lending verticals throughout Indiana, NE Illinois, Ohio, and Michigan. The bank possesses a solid core deposit base, funding flexibility due to its relatively low loan/deposit ratio, and has historically produced solid organic loan growth supplemented via occasional acquisitions. Additionally, credit metrics have been solid through-the-cycle as the bank possesses a below-peer credit risk profile with a history of below-peer credit costs while possessing a lower concentration of scrutinized CRE classes. Though the current interest rate environment creates EPS headwinds as funding pressures temper NIM expectations, our forecasts call for the bank to continue producing above-peer profitability metrics through-the-cycle while we remain confident in its ability to weather a downturn. Moreover, we view First Merchants as a high-quality bank and, given our expectation for above-peer profitability metrics and solid growth over the long-term, we believe shares are deserving of a premium valuation to peers.

JANNEY

Reiterate BUY with shares trading at ~8x our 2024 EPS. We continue to be positive on the FRME story and view risk-reward dynamics favorably, given the company's solid growth outlook, attractive profitability profile, efficient operating structure, and excellent credit quality position. ROAA and ROTCE are expected to approximate 1.1% and 14.5% in 2024, respectively. We expect the company to manage through the remaining NIM pressure while maintaining solid efficiency. FRME is well positioned to continue its solid performance given an outlook for mid-single-digit loan growth supported by its diversified lending strategies and geographic footprint, well-managed expenses, and strong credit performance. The near-term focus is on organic growth with no M&A expected. Capital levels are expected to continue to build given our outlook for solid profitability positioning FRME to be opportunistic given current market uncertainty.

KEEFE, BRUYETTE & WOODS

Armed with healthy capital levels, FRME continues to be well positioned to increase its profitability profile through the combination of mid- to upper-single-digit organic loan growth and strategic M&A opportunities. FRME remains favorably positioned for rising interest rates, and continued expense control and modest credit leverage should also support ongoing earnings growth.

PIPER SANDLER

We reiterate our Overweight-rating as FRME remains well-positioned to garner at least a peer-like forward P/E. Expected catalysts include FRME's more durable prospects to grow both loans and deposits at a MSD pace, continued above average profitability, and as future credit quality should be relatively benign. We also favor FRME's building excess capital optionality that may eventually support greater returns to shareholders.