

FIRST MERCHANTS CORPORATION ANNOUNCES FIRST QUARTER 2022 EARNINGS PER SHARE

First Merchants Corporation (the “Corporation”) has reported first quarter 2022 net income of \$48.6 million compared to \$49.5 million during the same period in 2021. Earnings per share for the period totaled \$.91 per share compared to the first quarter of 2021 result of \$.91 per share.

Total assets equaled \$15.5 billion as of March 31, 2022 and loans totaled \$9.4 billion. The Corporation experienced organic loan growth of \$730.6 million, or 8.5 percent, during the past twelve months. This was offset by the forgiveness of Paycheck Protection Program (“PPP”) loans of \$693.1 million, resulting in net loan growth of \$37.5 million. PPP loans accounted for \$48.7 million of the period end loan portfolio balance. Investments increased \$788.4 million, or 21.3 percent, during the year and now total \$4.5 billion. Total deposits equaled \$12.9 billion as of quarter-end and increased by \$954.2 million, or 8.0 percent over the same period in 2021.

The Corporation’s Allowance for Credit Losses – Loans (ACL) totaled \$196.0 million as of quarter-end, or 2.09 percent of total loans. Net loan recoveries for the quarter totaled \$0.6 million and no provision expense was recorded during the quarter or during the last twelve months. Non-performing assets to total assets were 0.32% for the first quarter of 2022, a decrease of eight basis points compared to 0.40% in the first quarter of 2021.

Net-interest income totaling \$102.3 million for the quarter, continued to grow with an increase of \$1.0 million, or 4.0 percent, over prior quarter and an increase of \$1.9 million, or 1.8 percent compared to the first quarter of 2021. Stated net-interest margin on a tax equivalent basis, totaling 3.03 percent, declined by one basis point compared to the fourth quarter of 2021 and twenty basis points compared to the first quarter of 2021. Net-interest margin excluding the impact of fair value accretion and PPP loans totaled 2.97%, an increase of five basis points compared to 2.92% for the fourth quarter of 2021 and a decline of seven basis points from the first quarter of 2021. During the quarter, net-interest margin expanded nine basis points from growth in the loan and investment portfolios, higher investment portfolio yield and lower funding costs, offset by a decline of four basis points from the impact of a lower day count in the quarter.

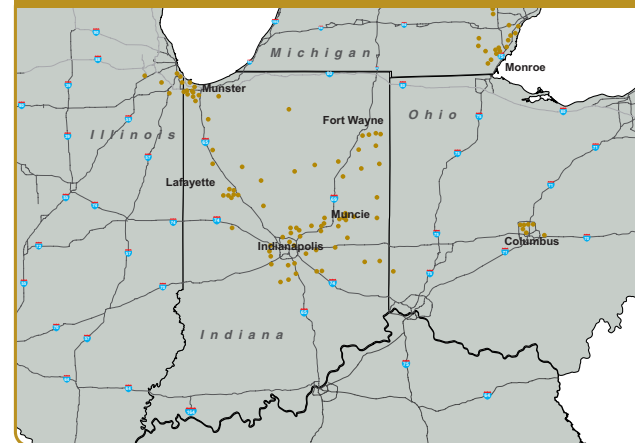
Mark Hardwick, Chief Executive Officer, stated, “The Bank’s loan, deposit and earnings growth were in line with expectations and my colleagues are focused on delivering our aspirational 2022 plan. The completion of our merger with Level One on April 1st is a milestone in First Merchants history that will propel our Bank into the future. I am proud of our new teammates and the professional winning attitude they exude.”

FINANCIAL HIGHLIGHTS as of 3.31.2022

\$ 15.5 BILLION Total Assets	YTD ROAA:	1.26%
\$ 9.4 BILLION Total Loans	YTD RETURN ON TCE:	14.99%
\$ 12.9 BILLION Total Deposits	TCE/TA:	8.31%
\$ 6.6 BILLION Assets Under Advisement*	MARKET CAP:	\$2.2B
	DIVIDEND YIELD:	2.79%
	PRICE / TANGIBLE BOOK:	1.79x
	PRICE / 2021 EST. EPS	10.9x
272,522 Customers	109 Banking Centers	166 ATMs

*Assets Under Management - \$3.5 Billion

LARGEST FINANCIAL SERVICES HOLDING COMPANY HEADQUARTERED IN CENTRAL INDIANA



VISION

To enhance the financial wellness of the diverse communities we serve



MISSION

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

FIRST QUARTER 2022 HIGHLIGHTS

Net Income & EPS	ROA (Annualized)	ROE & ROTCE (Annualized)
\$47.7 MILLION \$0.89 PER SHARE	1.25% ROA 1.44% PTPP ROA	10.10% ROE 14.78% ROTCE

- Stated EPS of \$0.91 is same as Q1 2021 EPS of \$0.91 Excluding Paycheck Protection Program (“PPP”) income, current quarter EPS was \$0.88 and Q1 2021 EPS was \$0.78
- 7.2% annualized loan growth ex. PPP
- 5.4% annualize deposit growth
- Legal close of the acquisition of Level One Bancorp in Farmington Hills, Michigan on April 1, 2022
- Officially introduced our new tag line: *Helping you prosper*

TRACK RECORD OF SHAREHOLDER VALUE

10-YEAR TOTAL RETURN (12.30.2011 - 12.30.2021)

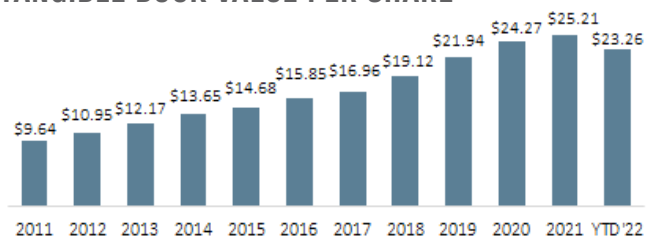
 First Merchants

398.9%

SNL U.S. BANK

192.2%

TANGIBLE BOOK VALUE PER SHARE



ANALYST COMMENTS

KEEFE, BRUYETTE, & WOODS, INVESTMENT THESIS

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, continued expense control and modest credit leverage should also support ongoing earnings growth.

1Q results. It was another solid quarter as the bank continues to achieve its targeted loan growth while maintaining attractive profitability. Leverage to rising rates will benefit earnings going forward, while positive momentum should remain unchanged in the rest of the bank. Profitability and growth expectations remain solid, and we believe investors will continue to be attracted to the consistent growth and strong profitability from this high-quality bank. Trading at a discounted P/E multiple to peers, we believe shares should outperform going forward.

STEPHENS, EXCITED ABOUT OPPORTUNITES IN MICHIGAN

First Merchant's high performing and sustainable business model produced above-consensus results in 1Q22. We remain bullish on the opportunities in Southeast Michigan following the closing of Level One earlier in the month, as their size and product set are unique and should drive future market share gains in commercial and consumer banking and wealth management.

HOVDE, SOLID LOAN GROWTH AND WELL-MANAGED EXPENSES SETS THE STAGE FOR SUBSTANTIAL PPNR GROWTH

We are increasing both our FY22E to \$3.83 (+\$0.03) and FY23E to \$4.72 (+\$0.23). We also reiterate our High-C conviction Outperform rating. Results this quarter were better than expected, however, most of our upward earnings revision was driven by the improved pro forma loan growth outlook and the continuation of a well-managed expense base.

RAYMOND JAMES, POSITIVE MOMENTUM CONTINUES; MAINTAIN OUTPERFORM & \$48 PT

We reiterate our Outperform rating on FRME shares following its release of