



**First Merchants  
Corporation**

NASDAQ: FRME

**INVESTOR UPDATE**  
Second Quarter 2022

# 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, 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.



**First Merchants Corporation**

*Helping you prosper*

# Executive Management Team

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**FMB:**  
24 Yrs

**Banking:**  
24 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:**  
14 Yrs

**Banking:**  
34 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:**  
14 Yrs

**Banking:**  
32 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:**  
7 Yrs

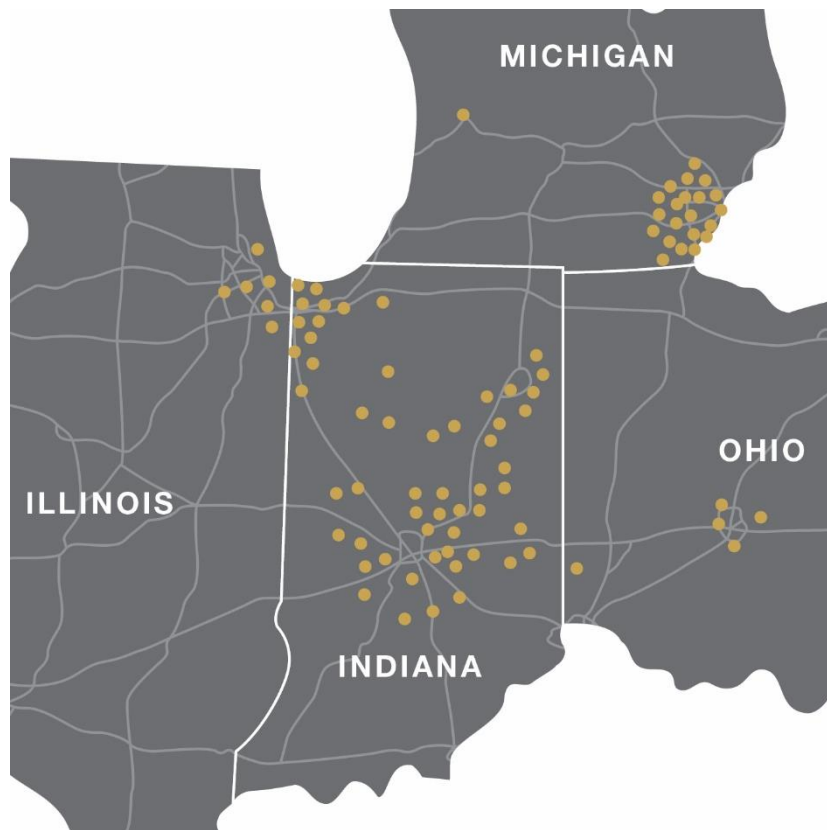
**Banking:**  
19 Yrs

## **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.

# First Merchants Corporation (NASDAQ: FRME)

Largest financial services holding company  
headquartered in Central Indiana



124 Banking Centers

## Financial Highlights as of 6/30/2022

**\$17.8 Billion**  
Total Assets

**\$11.4 Billion**  
Total Loans

**\$14.6 Billion**  
Total Deposits

**\$6.6 Billion**  
Assets Under Advisement\*

YTD ROAA: 1.05%

YTD Return on TCE 13.98%

TCE/TA: 7.04%

Market Cap \$2.1B

Dividend Yield: 3.34%

Price / Tangible Book: 1.74x

Price / LTM EPS: 10.4x

\*Assets Under Management - \$3.1 Billion

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



# Highlights

## Second Quarter

### Net Income & EPS<sup>1</sup>

**\$38.5** Million

**\$0.63** Per Share

### ROA (Annualized)

**0.88%** ROA

**1.62%** PTPP ROA

### ROE & ROTCE (Annualized)

**7.62%** ROE

**12.91%** ROTCE

- Reported EPS of \$0.63 compared to \$1.03 in Q2 2021 and \$0.91 in Q1 2022. Excluding Paycheck Protection Program (“PPP”) income and expenses related to the Level One acquisition, current quarter EPS was \$1.01 compared to Q2 2021 of \$0.89 and Q1 2022 of \$0.88<sup>1,2</sup>
- 20.1% annualized organic loan growth on a linked quarter basis, excluding PPP loans
- Legal close of the acquisition of Level One Bancorp in Farmington Hills, Michigan on April 1, 2022
- System Integration of Level One Bank planned for third quarter of 2022
- Completed 3 branch consolidations with 2 additional planned for Q3

## Year to Date

### Net Income & EPS<sup>1</sup>

**\$87.1** Million

**\$1.54** Per Share

### ROA (Annualized)

**1.05%** ROA

**1.54%** PTPP ROA

### ROE & ROTCE (Annualized)

**8.90%** ROE

**13.98%** ROTCE

- Reported EPS of \$1.54 compared to \$1.94 in 2021. Excluding PPP income and expenses related to the Level One acquisition, current YTD EPS was \$1.89 compared to \$1.67 in 2021<sup>1,2</sup>

# 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

## Mortgage Banking

Offering a full suite of mortgage solutions to assist with purchasing, constructing, renovating, or refinancing a home.

- › 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

## 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

## Private Wealth Advisors

Comprehensive and coordinated approach to personal wealth management

Expertise in:

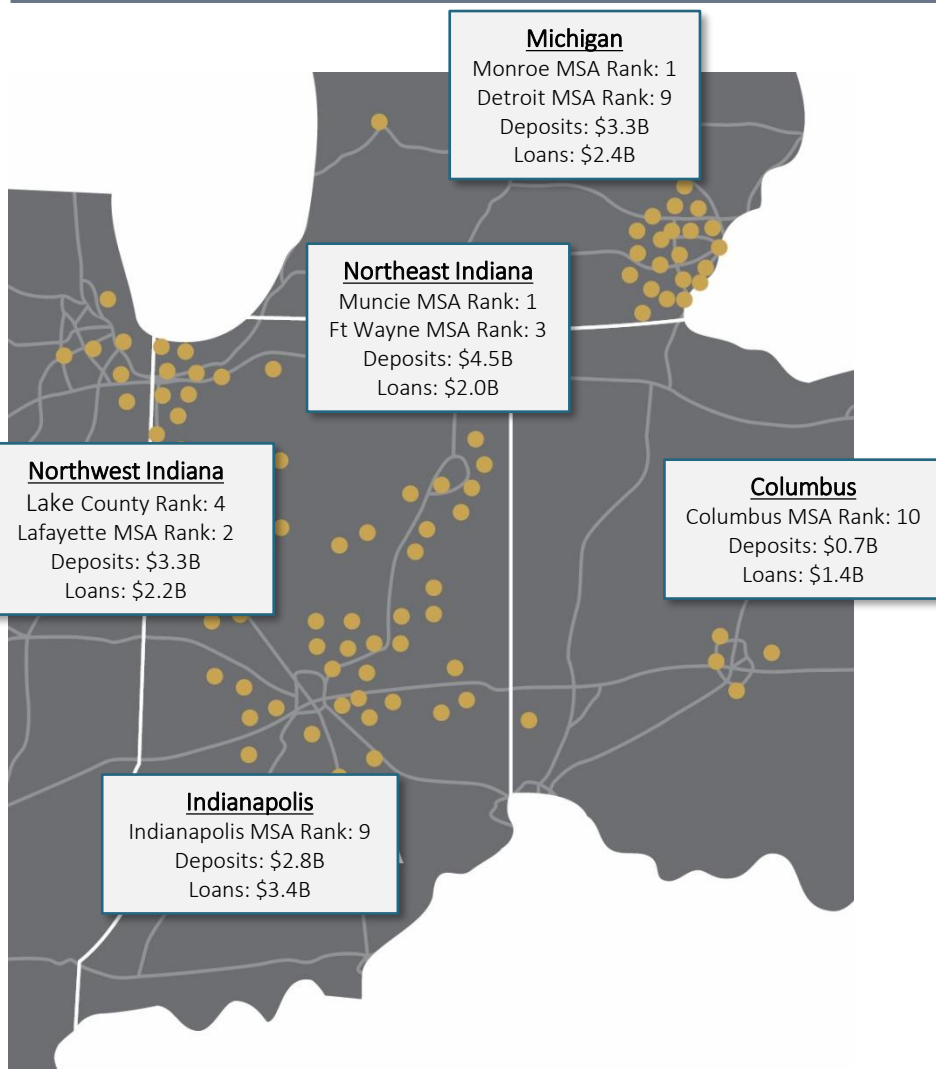
- › Investment Management
- › Private Banking
- › Fiduciary Estate
- › Financial Planning

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



# Business Highlights



MSA ranking data per S&P Global and is pro forma for pending transactions

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

	2Q22	2022 YTD
<b>Commercial<sup>2</sup></b>	<b>13.7%</b>	<b>9.9%</b>
<b>Consumer</b>	<b>6.9%</b>	<b>2.8%</b>
<b>Private Wealth</b>	<b>30.4%</b>	<b>35.2%</b>
<b>Mortgage</b>	<b>80.7%</b>	<b>51.9%</b>
<b>Total Loans – Adjusted<sup>2</sup></b>	<b>20.1%</b>	<b>13.8%</b>

- C&I growth continues to be the driver of strong Commercial growth in the current quarter and year to date. IRE grew balances in the current quarter yet still down on a year-to-date basis
- Consumer loan growth increases showed strength in the current quarter with HELOC and Small Business as the key drivers
- Mortgage balance growth is attributed to construction loans and increasing customer preference for variable rate loan products
- Across the bank, loan pipeline remains stable

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

	2Q22	2022 YTD
<b>Commercial</b>	<b>(1.3)%</b>	<b>(5.5)%</b>
<b>Consumer</b>	<b>(14.0)%</b>	<b>(3.7)%</b>
<b>Total Deposits</b>	<b>(8.2)%</b>	<b>(1.5)%</b>

- Commercial balances declined due to customer working capital deployment, capital investments and stimulus proceeds slowing for municipal and public entities
- Consumer decline in legacy FMB follows seasonal pattern, 2% decline
- Post close of Level One, decline in deposit balances were due to strategic depository pricing changes in both the commercial and consumer categories

<sup>1</sup>Excluding \$1.6 billion of loans and \$1.9 billion of deposits acquired from Level One

<sup>2</sup>Excluding Change in PPP Loans

# Second Quarter Financial Results

(SM except per share data)

	For the Three Months Ended,					Variance Linked Quarter	% Variance Linked QTR- Annualized
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22		
<b>Balance Sheet &amp; Asset Quality</b>							
1. Total Assets	\$14,923.1	\$15,060.7	\$15,453.1	\$15,465.3	\$17,780.5	\$2,315.2	59.9%
2. Total Loans	9,139.8	9,047.6	9,253.0	9,360.2	11,406.5	2,046.3	87.4%
3. Investments	4,148.3	4,445.5	4,524.4	4,489.3	4,630.0	140.8	12.5%
4. Deposits	12,203.4	12,348.7	12,732.6	12,906.0	14,570.9	1,664.9	51.6%
5. Common Equity	1,871.8	1,868.1	1,912.6	1,807.6	1,977.6	170.0	37.6%
6. TCE Ratio	9.04%	8.94%	9.01%	8.31%	7.04%	-1.27%	
7. Total RBC Ratio	14.23	14.02	13.92	13.85	12.73%	-1.12	
8. ACL / Loans	2.19	2.21	2.11	2.09	1.98	-0.11	
9. NCOs / Avg Loans	0.06	-0.01	0.20	-0.03	0.01	0.04	
10. NPAs + 90PD / Assets	0.40	0.35	0.29	0.33	0.30	-0.03	
<b>Summary Income Statement</b>							
11. Net Interest Income	\$104.3	\$104.7	\$101.3	\$102.3	\$128.7	\$26.4	103.2%
12. Provision for Loan Losses	0.0	0.0	0.0	0.0	16.8	16.8	
13. Non-interest Income	30.9	28.5	25.8	25.9	28.3	2.4	36.8%
14. Non-interest Expense	69.3	71.4	72.4	72.3	97.3	25.0	138.4%
15. Pre-tax Income	65.9	61.8	54.7	55.9	42.9	(13.0)	-93.1%
16. Provision for Taxes	10.3	9.1	7.0	7.3	3.9	(3.4)	-187.5%
17. Net Income	55.6	52.8	47.7	48.6	39.0	(9.6)	-78.9%
18. Preferred Stock Dividends	0.0	0.0	0.0	0.0	0.5	0.5	
19. Net Income Available to Common Stockholders	55.6	52.8	47.7	48.6	38.5	(10.1)	-82.8%
20. ROAA	1.51%	1.41%	1.25%	1.26%	0.88%	-0.38%	
21. ROAE	12.04	11.17	10.10	10.28	7.62	-2.66	
22. ROTCE	17.77	16.33	14.78	14.99	12.91	-2.08	
23. Net Interest Margin	3.22	3.20	3.04	3.03	3.28	0.25	
24. Efficiency Ratio	48.91	51.18	53.49	52.79	58.45	5.66	
<b>Per Share</b>							
25. Earnings per Diluted Share	\$1.03	\$0.98	\$0.89	\$0.91	\$0.63	(\$0.28)	
26. Tangible Book Value per Share	24.15	24.31	25.21	23.26	20.45	(2.81)	
27. Dividend per Share	0.29	0.29	0.29	0.29	0.32	0.03	
28. Dividend Payout Ratio	28.2%	29.6%	32.6%	31.9%	50.8%	18.9%	

## 2Q22 Highlights

- **58.45% Efficiency Ratio, 50.75% excluding acquisition costs<sup>1</sup>**
- **Net interest income, excluding the impact of PPP loan income and fair value accretion, increased \$25.1 million over prior quarter and \$32.5 million over 2Q 2021**
- **Pre-Tax, Pre-Provision (PTPP) Earnings totaled \$72.2 million excluding acquisition costs, PTPP ROA was 1.62% and PTPP ROE was 14.28%<sup>1</sup>**
- **Declines in TCE Ratio of 1.27% and Tangible Book Value per share of 12% reflect the impact of AOCI changes in equity due to market volatility and the acquisition of Level One**





# Year to Date Financial Results

(SM except per share data)

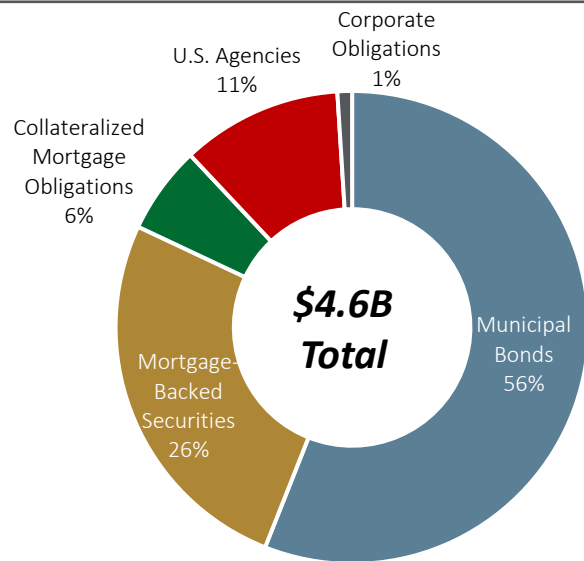
	For the Six Months Ended June 30,			Variance YOY	% Variance YOY
	2020	2021	2022		
<b>Balance Sheet &amp; Asset Quality</b>					
1. Total Assets	\$13,819.4	\$14,923.1	\$17,780.5	\$2,857.4	19.1%
2. Total Loans	9,299.4	9,139.8	11,406.5	2,266.6	24.8%
3. Investments	2,789.4	4,148.3	4,630.0	481.7	11.6%
4. Deposits	10,966.0	12,203.4	14,570.9	2,367.5	19.4%
5. Common Equity	1,809.1	1,871.8	1,977.6	105.8	5.7%
6. TCE Ratio	9.31%	9.04%	7.04%	-2.00%	
7. Total RBC Ratio	14.18	14.23	12.73%	-1.50	
8. ALLL / Loans	1.30	2.19	1.98	-0.21	
9. NCOs / Avg Loans	0.02	0.11	-0.01	-0.12	
10. NPAs + 90PD / Assets	0.46	0.40	0.30	-0.10	
<b>Summary Income Statement</b>					
11. Net Interest Income	\$186.9	\$204.7	\$230.9	\$26.2	12.8%
12. Provision for Loan Losses	41.6	0.0	16.8	16.8	
13. Non-interest Income	56.3	55.0	54.2	(0.8)	-1.5%
14. Non-interest Expense	126.2	135.4	169.6	34.2	25.3%
15. Pre-tax Income	75.4	124.3	98.7	(25.6)	-20.6%
16. Provision for Taxes	8.1	19.3	11.1	(8.2)	-42.3%
17. Net Income	67.3	105.0	87.6	(17.4)	-16.6%
18. Preferred Stock Dividends	0.0	0.0	0.5	0.5	
19. Net Income Available to Common Stockholders	67.3	105.0	87.1	(17.9)	-17.1%
20. ROAA	1.03%	1.45%	1.05%	-0.40%	
21. ROAE	7.45	11.40	8.90	-2.50	
22. ROTCE	11.28	16.82	13.98	-2.84	
23. Net Interest Margin	3.32	3.23	3.16	-0.07	
24. Efficiency Ratio	50.09	49.54	55.90	6.36	
<b>Per Share</b>					
25. Earnings per Diluted Share	\$1.24	\$1.94	\$1.54	(\$0.40)	
26. Tangible Book Value per Share	23.04	24.15	20.45	(3.70)	
27. Dividend per Share	0.52	0.55	0.61	0.06	
28. Dividend Payout Ratio	41.9%	28.4%	39.6%	11.3%	

## Year to Date Highlights

- **55.90% Efficiency Ratio, 51.62% excluding acquisition costs<sup>1</sup>**
- **Net interest income, excluding the impact of PPP loan income and fair value accretion, increased \$42.6 million or 23.5% over prior year**
- **Pre-Tax, Pre-Provision (PTPP) Earnings totaled \$128.2, an increase of \$3.9 million over prior year<sup>1</sup>**
- **Declines in TCE Ratio of 2% and Tangible Book Value per share of 15% reflect the impact of AOCI changes in equity due to market volatility and the acquisition of Level One**
- **PPP fee income totaled \$2.8 million, a decrease of \$16.2 million from prior year. Remaining unearned fees total \$0.4 million**

# Investment Portfolio Highlights

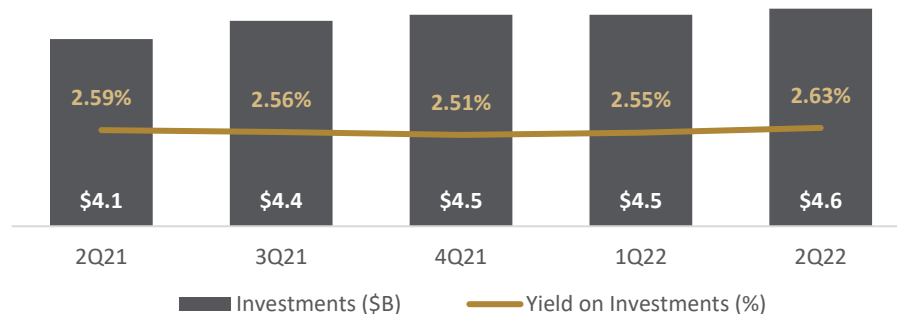
## 2Q22 Investment Portfolio Composition



### Highlights

- Effective duration of 6.4 years
- 2022 roll off cash flow \$113 million / ~2.17% yield
- AA rated municipal bond portfolio
- Allowance for Credit Losses for Investments of \$245,000
- 48% of portfolio classified as Held-to-Maturity

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



## Investment Portfolio Gains / Losses

### Unrealized AFS Loss

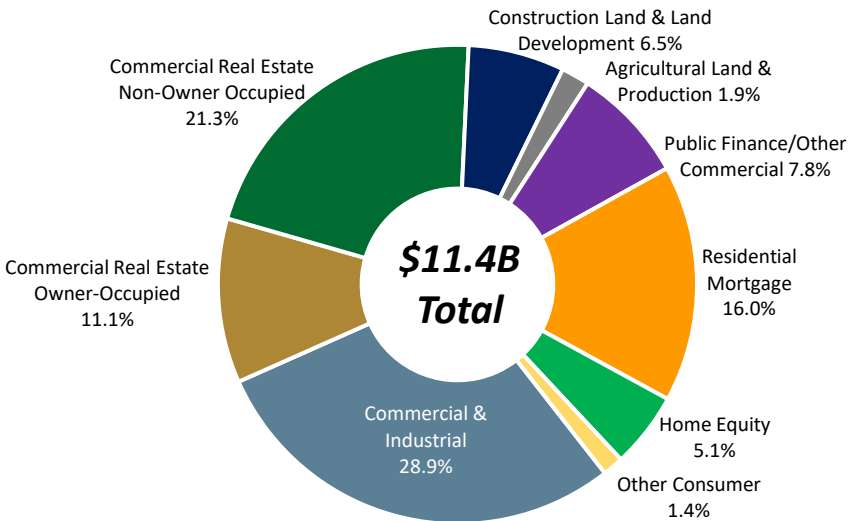
- Net unrealized AFS Loss of \$246.1 million

### Realized Gains

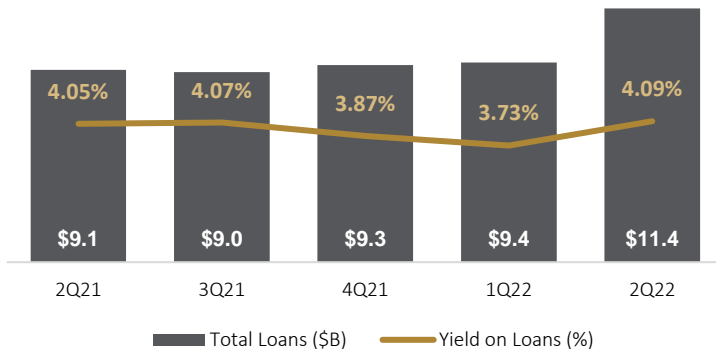
- 2Q 2021 \$1.8 million
- 3Q 2021 \$1.7 million
- 4Q 2021 \$0.4 million
- 1Q 2022 \$0.6 million
- 2Q 2022 \$0.1 million

# Loan Portfolio Highlights

## 2Q22 Loan Composition



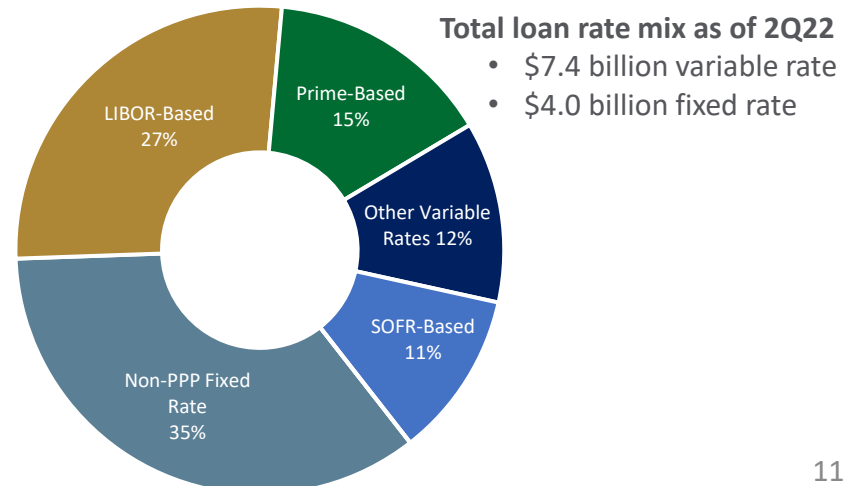
## Yield on Loans (%) / Total Loans (\$B)



## Highlights

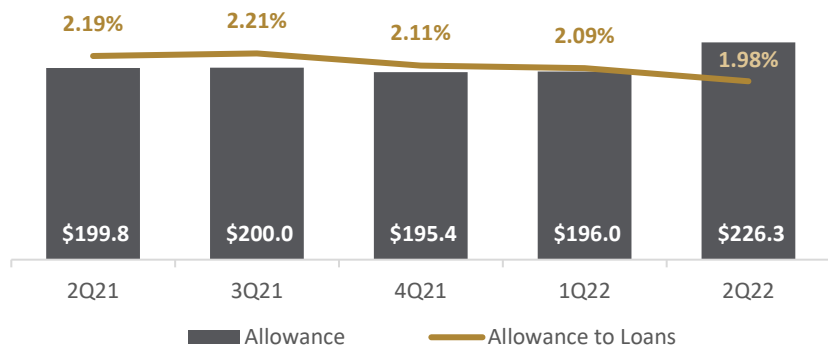
- Portfolio composition remains ~80% Commercial oriented
  - Composition mostly unchanged from prior quarter
- Loan yields remained strong at 4.09%, 3.96% excluding PPP loans and fair value accretion
- New/renewed loan yields averaged 3.87% for the quarter compared to 3.22% in 1Q22
- Acquired Level One loans totaled \$1.6 billion

## 2Q22 Portfolio by Yield Type



# Allowance for Credit Losses - Loans

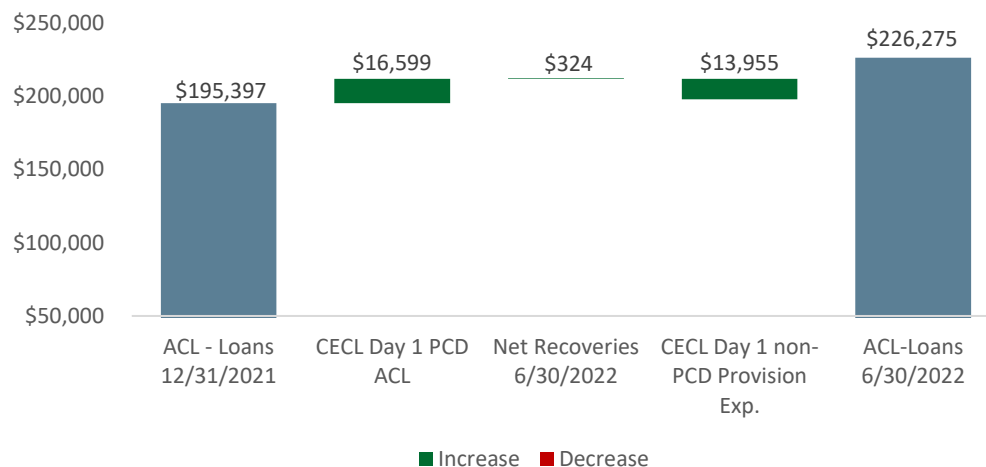
## 2Q22 Allowance for Credit Losses - Loans



## Highlights

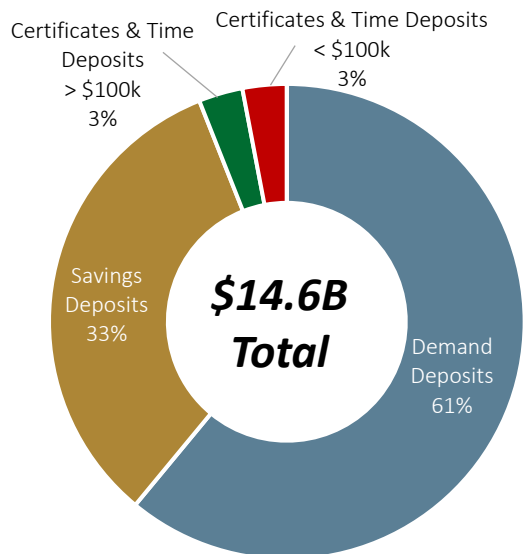
- Q2 provision expense of \$16.8 million reflects:
  - \$14 million for CECL Day 1 non-PCD loans
  - \$2.8 million for Level One’s unfunded commitments
- The reserve for unfunded commitments now totals \$23.3 million and is recorded in Other Liabilities
- The remaining fair value accretion on acquired loans is \$37.3 million, an increase of \$27.3 million due to the acquisition

## Change in ACL – Loans



# Deposit Portfolio Highlights

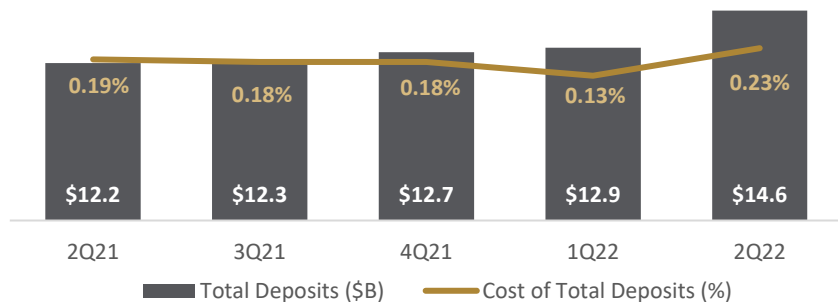
## 2Q22 Deposit Composition



## Highlights

- **Strong core deposit base**
  - 97% core deposits<sup>1</sup>
  - 24% non-interest bearing
  - ~54% yield 5 bps or less
- **Acquired Level One deposits totaled \$1.9 billion**
- **Consumer DDA average balance per account declined slightly but is still 33% higher than pre-pandemic levels**
- **Total deposit costs increased to 0.23%**
  - Up 10 bps from 1Q22

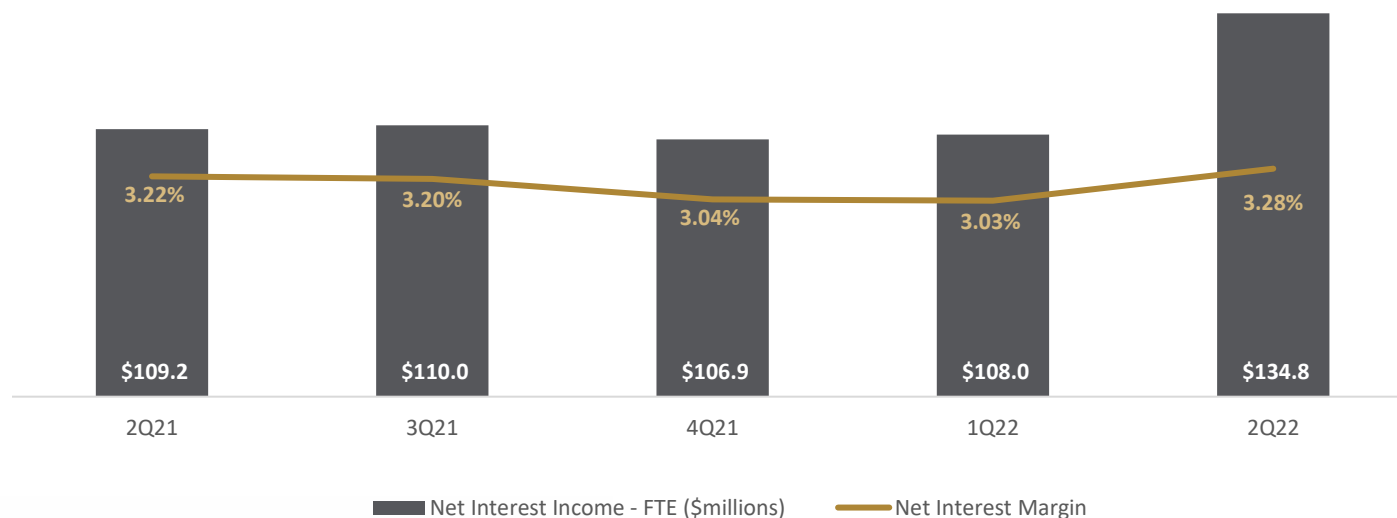
## Cost of Total Deposits (%) / Total Deposits (\$B)



# Net Interest Margin

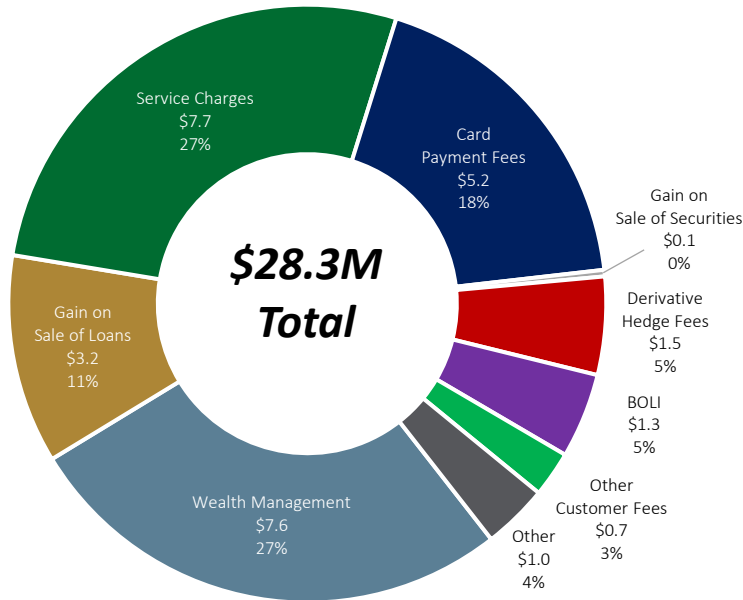
	2Q21	3Q21	4Q21	1Q22	2Q22
1. Net Interest Income - FTE (\$millions)	\$ 109.2	\$ 110.0	\$ 106.9	\$ 108.0	\$ 134.8
2. Fair Value Accretion	\$ 2.5	\$ 1.5	\$ 1.5	\$ 1.0	\$ 3.2
3. PPP Loan Income	\$ 9.7	\$ 8.2	\$ 3.7	\$ 1.9	\$ 0.9
4. Adjusted Net Interest Income - FTE <sup>1</sup>	\$ 97.0	\$ 100.3	\$ 101.7	\$ 105.1	\$ 130.7
5. Tax Equivalent Yield on Earning Assets	3.49%	3.46%	3.29%	3.23%	3.58%
6. Interest Expense/Average Earning Assets	0.27%	0.26%	0.25%	0.20%	0.30%
7. Net Interest Margin	3.22%	3.20%	3.04%	3.03%	3.28%
8. Fair Value Accretion Effect	0.07%	0.04%	0.04%	0.03%	0.08%
9. Impact of PPP Loans	0.15%	0.17%	0.08%	0.03%	0.01%
10. Adjusted Net Interest Margin <sup>1</sup>	3.00%	2.99%	2.92%	2.97%	3.19%

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



# Non-Interest Income Highlights

## 2Q22 Non-Interest Income Detail (\$M)

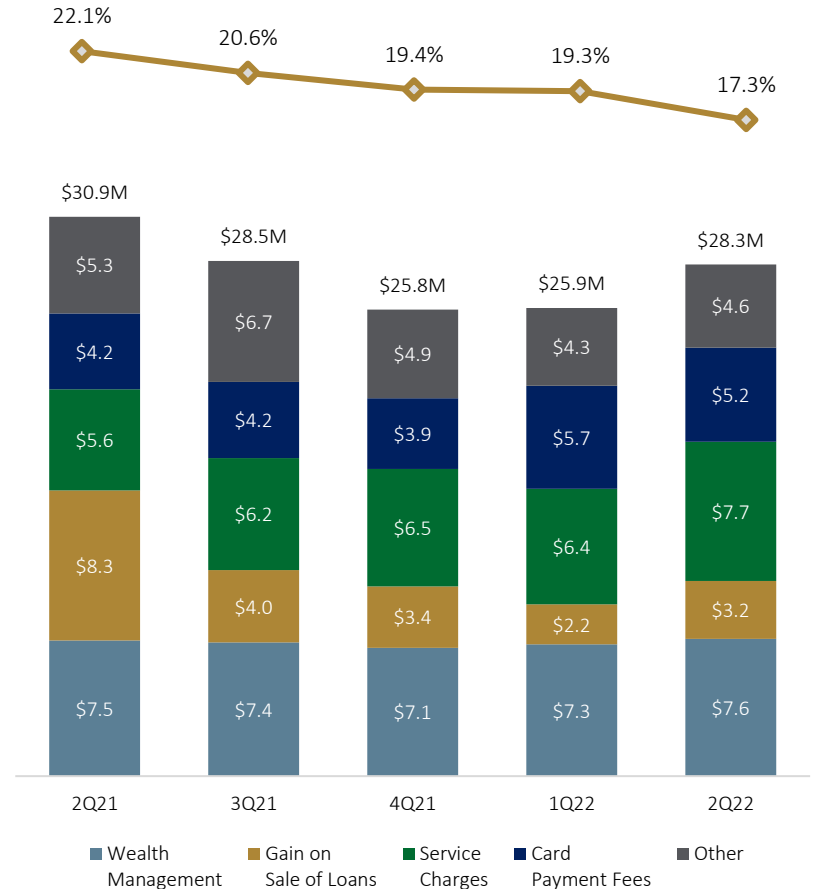


### Highlights

- 91% in Customer-related fees totaling \$25.8 million for 2Q22, an increase of \$2.8 million over 1Q22 driven by higher service charges on deposits, gains on mortgage loan sales, and derivative hedge fees

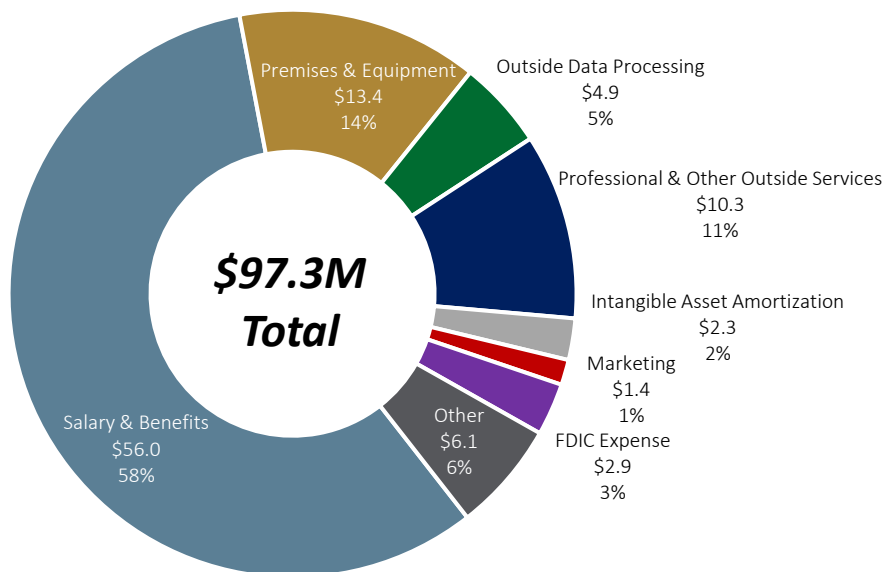
## Non-Interest Income Trends (\$M)

### Fee Income / Revenue



# Non-Interest Expense Highlights

## 2Q22 Non-Interest Expense Detail

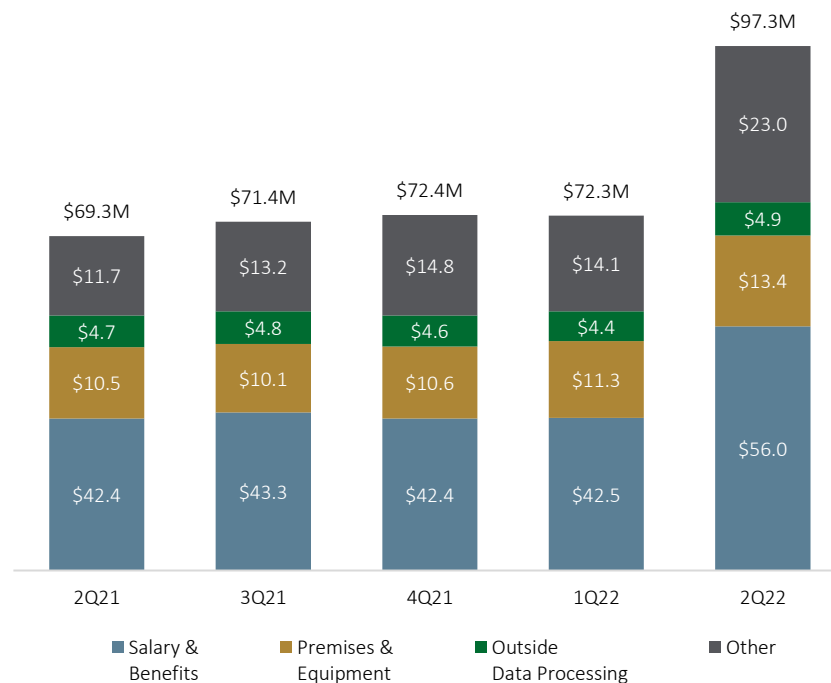
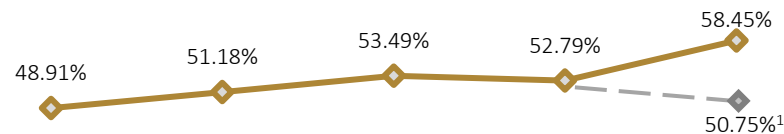


### Highlights

- 2Q22 included acquisition costs of \$12.5 million of which \$10 million were one-time charges
- Core expense increase of \$1.5 million in salaries and incentives

## Non-Interest Expense Trends (\$M)

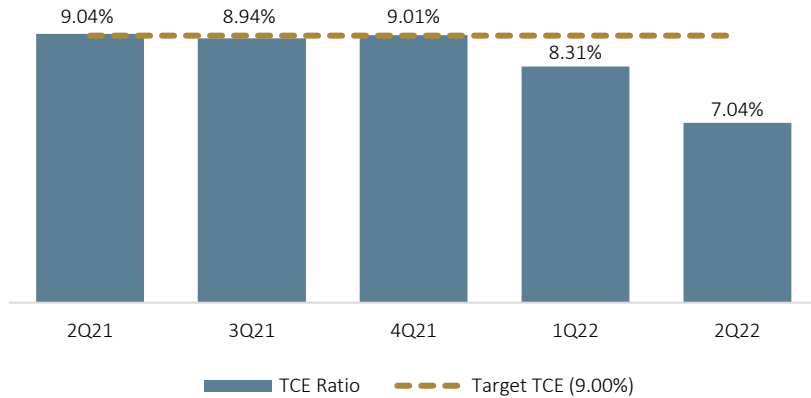
### Efficiency Ratio





# Capital Ratios

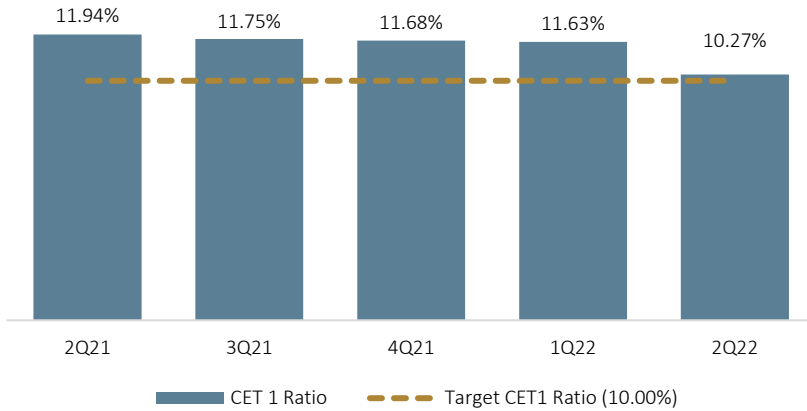
## Tangible Common Equity Ratio



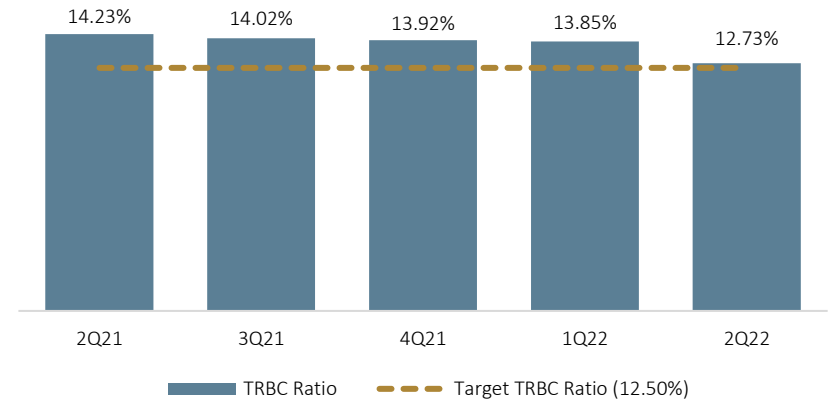
## vs. Prior Quarter

- Reduction in TCE due to AOCI changes in equity due to market volatility and cash consideration used in acquisition of Level One

## Common Equity Tier 1 Ratio



## Total Risk-Based Capital Ratio



# Loan Portfolio

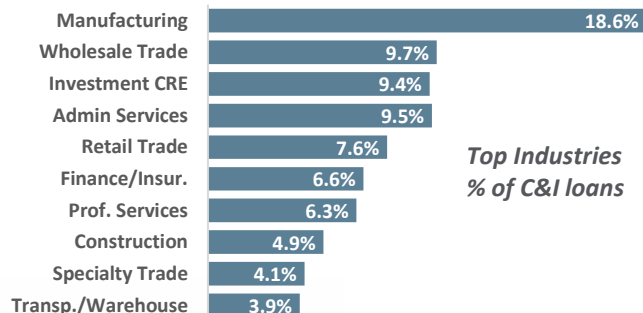
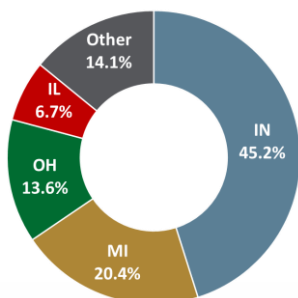
## Loan Portfolio Trends (\$M)

	2Q21	3Q21	4Q21	1Q22	2Q22	Level One <sup>2</sup>	2Q22 Organic Growth
1. Commercial & Industrial	\$ 2,214	\$ 2,125	\$ 2,213	\$ 2,283	\$ 2,681	\$ 378	\$ 20
2. Sponsor Finance	460	448	504	546	619	0	73
3. CRE Owner Occupied	950	953	984	972	1,262	274	16
4. Construction/Land/Land Dev.	491	522	523	553	746	88	105
5. CRE Non-Owner Occupied	2,264	2,150	2,136	2,073	2,423	424	(74)
6. Agricultural	235	241	246	209	215	0	6
7. Public Finance/Other Commercial	759	782	807	833	894	4	57
8. <b>Total Commercial Loans</b>	<b>7,373</b>	<b>7,221</b>	<b>7,413</b>	<b>7,469</b>	<b>8,840</b>	<b>1,168</b>	<b>203</b>
9. Residential Mortgage	1,146	1,159	1,168	1,230	1,823	424	169
10. Home Equity	490	531	524	513	586	44	29
11. Other Consumer	131	137	148	148	157	1	8
12. <b>Total Resid. Mortgage &amp; Consumer</b>	<b>1,767</b>	<b>1,827</b>	<b>1,840</b>	<b>1,891</b>	<b>2,566</b>	<b>469</b>	<b>206</b>
13. <b>Total Loans</b>	<b>\$ 9,140</b>	<b>\$ 9,048</b>	<b>\$ 9,253</b>	<b>\$ 9,360</b>	<b>\$11,406</b>	<b>\$ 1,637</b>	<b>\$ 409</b>
14. <b>PPP Loans<sup>1</sup></b>	<b>\$ 416</b>	<b>\$ 198</b>	<b>\$ 107</b>	<b>\$ 49</b>	<b>\$ 33</b>	<b>\$ 43</b>	<b>\$ (59)</b>
15. <b>Total Loans net of PPP</b>	<b>\$ 8,724</b>	<b>\$ 8,850</b>	<b>\$ 9,146</b>	<b>\$ 9,311</b>	<b>\$11,373</b>	<b>\$ 1,594</b>	<b>\$ 468</b>

<sup>1</sup>Included in C&I above

<sup>2</sup>Acquired Level One loans

## Geography / C&I Top Industries



## Highlights

### vs. Prior Quarter

- Robust quarterly organic loan growth up \$468 million / 20.1% annualized ex PPP

- ↑ \$169 million Residential Mortgage
- ↑ \$152 million C&I (lines 1 & 2)<sup>1</sup>
- ↑ \$105 million Construction

<sup>1</sup>excluding \$59 million PPP quarterly paydown

### vs. Prior Year

- Consistent organic loan growth. YOY increase of \$1.1 billion / 12.1% ex PPP

- ↑ \$674 million C&I (lines 1 & 2)<sup>2</sup>
- ↑ \$253 million Residential Mortgage
- ↑ \$167 million Construction

<sup>2</sup>excluding \$426 million PPP annual paydown

### Acquired Level One Portfolio

- Commercially focused and comparably concentrated portfolio

- \$1.6 billion commercially oriented loan portfolio with residential mortgage concentration
- Michigan loan portfolio increases to 20.4% from 7.1% of loans

# Asset Quality

## Asset Quality Trends (\$M)

	2Q21	3Q21	4Q21	1Q22	2Q22	Level One <sup>1</sup>	Excluding Level One
1. Non-Accrual Loans	\$ 57.6	\$ 51.5	\$ 43.1	\$ 42.7	\$ 46.0	\$ 9.4	\$ 36.6
2. Other Real Estate	0.6	0.7	0.5	6.3	6.5	-	6.5
3. 90PD Loans	0.2	0.2	1.0	2.1	0.6	0.6	-
4. Renegotiated Loans	<u>0.6</u>	<u>0.4</u>	<u>0.3</u>	<u>0.1</u>	<u>0.2</u>	<u>-</u>	<u>0.2</u>
5. NPAs + 90PD	\$ 59.0	\$ 52.8	\$ 44.9	\$ 51.2	\$ 53.3	\$ 10.0	\$ 43.3
6. NPAs + 90PD/Loans and ORE	0.65%	0.58%	0.49%	0.55%	0.47%		
7. Classified Loans	\$183.7	\$144.6	\$122.7	\$102.3	\$192.1	\$ 73.5	\$ 118.6
8. Classified Loans/Loans	2.01%	1.60%	1.33%	1.09%	1.68%		
9. Net Charge-offs (QTD)	\$ 1.3	\$ (0.2)	\$ 4.6	\$ (0.6)	\$ 0.3	\$ -	\$ 0.3
10. QTD NCO/Avg. Loans (Annualized)	0.06%	-0.01%	0.20%	-0.03%	0.01%		

<sup>1</sup> Acquired Level One loans

## Highlights

### vs. Prior Quarter

#### Strong Asset Quality

- Continued reduction in non-accrual loans on the legacy portfolio
- NPAs +90PD of .47% of loans and ORE
- Classified loans of 1.68% after inclusion of \$73.5 million Level One loans
  - ↳ Top Industries - manufacturing, senior living, agriculture and CRE

### vs. Prior Year

#### Favorable Asset Quality Trends on Legacy portfolio

- Non-accrual loans down \$21.0 million (37%)
- NPAs +90PD decreased \$15.7 million (27%)
- Classified loans down \$65.1 million (35%)

### Acquired Level One Portfolio

#### Favorable Asset Quality Position

- NPA +90PD at 0.61% of loans

# Non-Performing Assets

## Non-Performing Assets Roll Forward (\$M)

						Excluding	
	2Q21	3Q21	4Q21	1Q22	2Q22	Level One <sup>1</sup>	Level One
1. <b>Beginning Balance NPAs + 90PD</b>	<b>\$60.3</b>	<b>\$59.0</b>	<b>\$52.8</b>	<b>\$44.9</b>	<b>\$51.2</b>		<b>\$ 51.2</b>
<u>Non-Accrual</u>							
2. Add: New Non-Accruals	5.4	22.6	6.4	4.4	13.1	9.4	3.7
3. Less: To Accrual/ Payoff/Renegotiated	(4.0)	(27.9)	(9.5)	(4.3)	(8.9)	-	(8.9)
4. Less: To ORE	-	(0.2)	-	-	0.5	-	0.5
5. Less: Charge-offs	<u>(1.7)</u>	<u>(0.6)</u>	<u>(5.3)</u>	<u>(0.5)</u>	<u>(1.4)</u>	<u>-</u>	<u>(1.4)</u>
6. <b>Non-Accrual Loans Change</b>	<b>(0.3)</b>	<b>(6.1)</b>	<b>(8.4)</b>	<b>(0.4)</b>	<b>3.3</b>	<b>9.4</b>	<b>(6.1)</b>
<u>Other Real Estate Owned (ORE)</u>							
7. Add: New ORE Properties	-	0.2	-	5.8	0.5	-	0.5
8. Less: ORE Sold	-	(0.1)	-	-	(0.2)	-	(0.2)
9. Less: ORE Losses (write-downs)	<u>-</u>	<u>-</u>	<u>(0.2)</u>	<u>-</u>	<u>(0.1)</u>	<u>-</u>	<u>(0.1)</u>
10. <b>ORE Change</b>	<b>-</b>	<b>0.1</b>	<b>(0.2)</b>	<b>5.8</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>
11. <b>90PD Change</b>	<b>(0.9)</b>	<b>-</b>	<b>0.8</b>	<b>1.1</b>	<b>(1.5)</b>	<b>0.6</b>	<b>(2.1)</b>
12. <b>Renegotiated Loans Change</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
13. <b>NPAs + 90PD Change</b>	<b>(1.3)</b>	<b>(6.2)</b>	<b>(7.9)</b>	<b>6.3</b>	<b>2.1</b>	<b>10.0</b>	<b>(7.9)</b>
14. <b>Ending Balance NPAs + 90PD</b>	<b>\$59.0</b>	<b>\$52.8</b>	<b>\$44.9</b>	<b>\$51.2</b>	<b>\$53.3</b>	<b>\$10.0</b>	<b>\$ 43.3</b>

<sup>1</sup> Acquired Level One loans

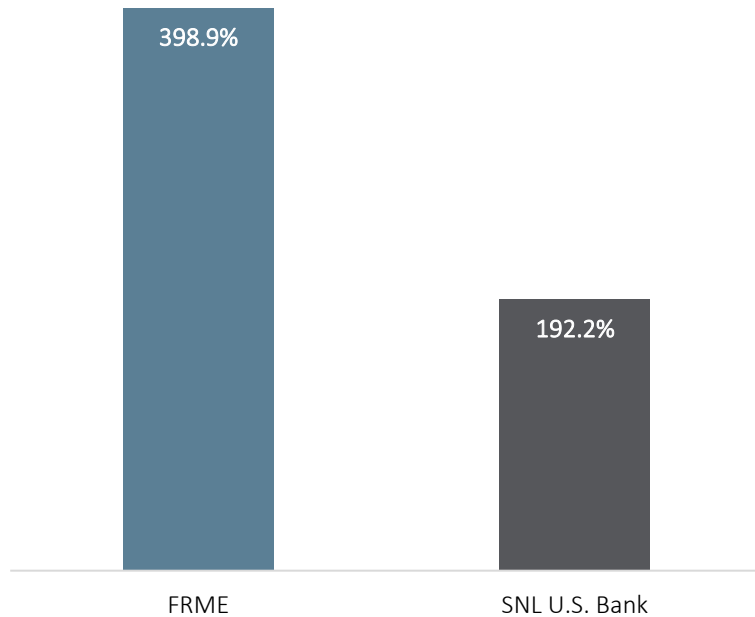
## Highlights

### 2nd Quarter NPA Roll Forward

- **Stable Asset Quality**
  - Reduction of \$7.9 million in NPAs +90PD offset by the addition of \$10 million in new Level One NPAs +90PD
    - ↳ Non-accrual loans declined \$6.1 million with \$8.9 million resolved on line 3
  - Top three non-accrual relationships total \$20.1 million
    - ↳ Senior Living, Grain Marketing, Medical Office
  - Recoveries of \$1.1 million offset by gross charge-offs of \$1.4 million

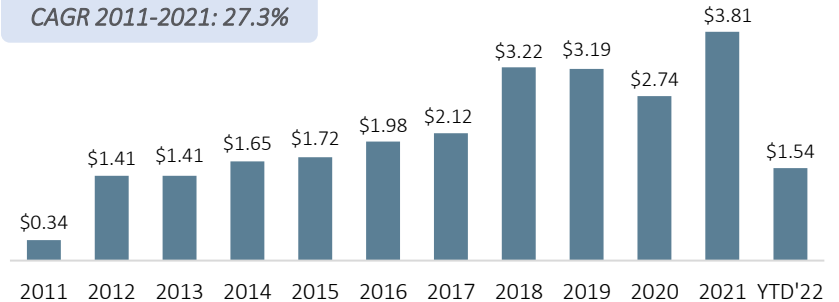
# Track Record of Shareholder Value

## 10-Year Total Return (2011-2021)



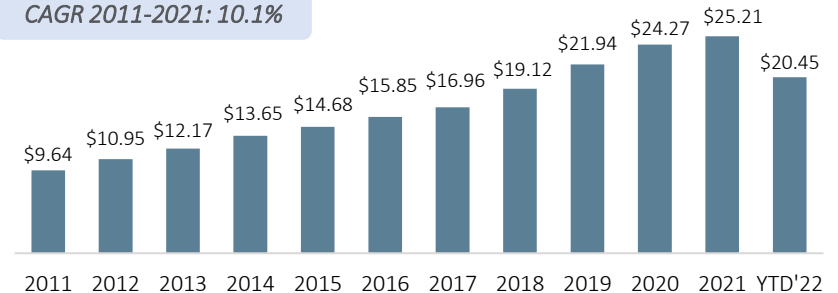
## Earnings per Share

CAGR 2011-2021: 27.3%

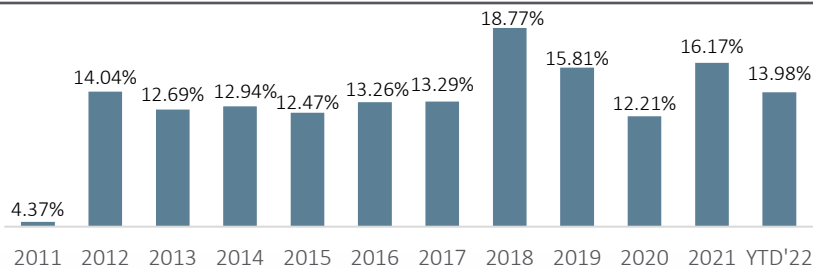


## Tangible Book Value per Share

CAGR 2011-2021: 10.1%



## Return on Tangible Common Equity



## Dividends per Share

CAGR 2011-2021: 39.7%



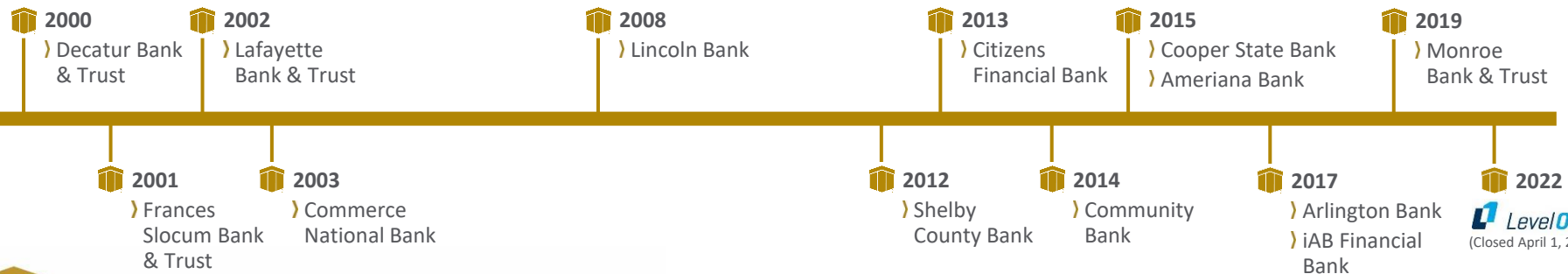
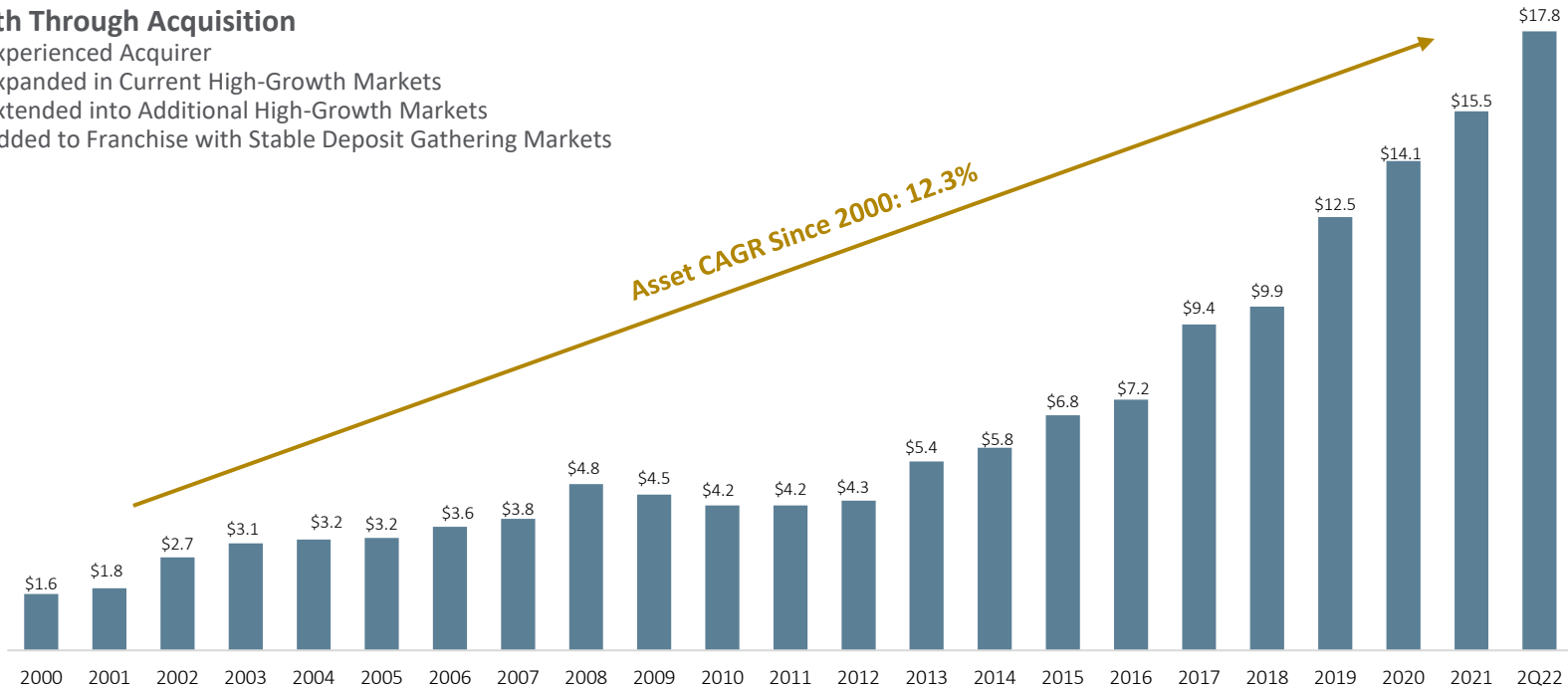
**First Merchants Corporation**  
*Helping you prosper*

# 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



**LevelOne**  
(Closed April 1, 2022)

# 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 responsive, 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

## CAPITAL RATIOS (dollars in thousands):

	2Q20	2Q21	3Q21	4Q21	1Q22	2Q22
<b>Total Risk-Based Capital Ratio (dollars in thousands)</b>						
Total Stockholders' Equity (GAAP)	1,809,095	1,871,800	1,868,090	1,912,571	1,807,633	1,977,641
Adjust for Accumulated Other Comprehensive (Income) Loss <sup>1</sup>	(63,845)	(60,080)	(39,889)	(55,113)	84,392	198,556
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(25,125)
Add: Qualifying Capital Securities	46,248	46,487	46,546	46,606	46,665	25,000
Less: Tier 1 Capital Deductions	-	-	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(567,246)	(566,412)	(565,221)	(564,002)	(562,887)	(743,285)
Less: Disallowed Deferred Tax Assets	-	(1,152)	(1,005)	(239)	(374)	(1,554)
Add: Modified CECL Transition Amount	-	40,314	34,542	34,542	23,028	23,028
Total Tier 1 Capital (Regulatory)	\$ 1,224,127	\$ 1,330,832	\$ 1,342,938	\$ 1,374,240	\$ 1,398,332	\$ 1,454,261
Qualifying Subordinated Debentures	65,000	65,000	65,000	65,000	65,000	143,074
Allowance for Loan Losses includible in Tier 2 Capital	121,119	135,690	139,200	143,241	146,247	175,059
Total Risk-Based Capital (Regulatory)	\$ 1,410,246	\$ 1,531,522	\$ 1,547,138	\$ 1,582,481	\$ 1,609,579	\$ 1,772,394
Net Risk-Weighted Assets (Regulatory)	\$ 9,946,087	\$ 10,759,672	\$ 11,037,663	\$ 11,369,907	\$ 11,618,250	\$ 13,918,947
<b>Total Risk-Based Capital Ratio (Regulatory)</b>	<b>14.18%</b>	<b>14.23%</b>	<b>14.02%</b>	<b>13.92%</b>	<b>13.85%</b>	<b>12.73%</b>
<b>Common Equity Tier 1 Capital Ratio</b>						
Total Tier 1 Capital (Regulatory)	\$ 1,224,127	\$ 1,330,832	\$ 1,342,938	\$ 1,374,240	\$ 1,398,332	\$ 1,454,261
Less: Qualified Capital Securities	(46,248)	(46,487)	(46,546)	(46,606)	(46,665)	(25,000)
Add: Additional Tier 1 Capital Deductions	-	-	-	-	-	-
Common Equity Tier 1 Capital (Regulatory)	\$ 1,177,879	\$ 1,284,345	\$ 1,296,392	\$ 1,327,634	\$ 1,351,667	\$ 1,429,261
Net Risk-Weighted Assets (Regulatory)	\$ 9,946,087	\$ 10,759,672	\$ 11,037,663	\$ 11,369,907	\$ 11,618,250	\$ 13,918,947
<b>Common Equity Tier 1 Capital Ratio (Regulatory)</b>	<b>11.84%</b>	<b>11.94%</b>	<b>11.75%</b>	<b>11.68%</b>	<b>11.63%</b>	<b>10.27%</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.

# Non-GAAP

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

	2Q20	2Q21	3Q21	4Q21	1Q22	2Q22
<b>Tangible Common Equity Ratio (dollars in thousands)</b>						
Total Stockholders' Equity (GAAP)	\$ 1,809,095	\$ 1,871,800	\$ 1,868,090	\$ 1,912,571	\$ 1,807,633	\$ 1,977,641
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(25,125)
Less: Intangible Assets	(575,855)	(573,786)	(572,323)	(570,860)	(569,494)	(753,649)
Tangible Common Equity (non-GAAP)	\$ 1,233,115	\$ 1,297,889	\$ 1,295,642	\$ 1,341,586	\$ 1,238,014	\$ 1,198,867
Total Assets (GAAP)	\$ 13,819,378	\$ 14,923,097	\$ 15,060,725	\$ 15,453,149	\$ 15,465,258	\$ 17,780,492
Less: Intangible Assets	(575,855)	(573,786)	(572,323)	(570,860)	(569,494)	(753,649)
Tangible Assets (non-GAAP)	\$ 13,243,523	\$ 14,349,311	\$ 14,488,402	\$ 14,882,289	\$ 14,895,764	\$ 17,026,843
<b>Tangible Common Equity Ratio (non-GAAP)</b>	<b>9.31%</b>	<b>9.04%</b>	<b>8.94%</b>	<b>9.01%</b>	<b>8.31%</b>	<b>7.04%</b>

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

	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18
<b>Tangible Common Equity Per Share</b>								
Total Stockholders' Equity (GAAP)	\$ 514,467	\$ 552,236	\$ 634,923	\$ 726,827	\$ 850,509	\$ 901,657	\$ 1,303,463	\$ 1,408,260
Less: Preferred Stock	(90,783)	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(150,471)	(149,529)	(202,767)	(218,755)	(259,764)	(258,866)	(476,503)	(469,784)
Tax Benefit	2,224	2,249	4,973	6,085	6,278	5,930	6,788	5,017
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 275,437	\$ 314,048	\$ 437,004	\$ 514,032	\$ 596,898	\$ 648,596	\$ 833,623	\$ 943,368
Common Shares Outstanding	28,559,707	28,692,616	35,921,761	37,669,948	40,664,258	40,912,697	49,158,238	49,349,800
<b>Tangible Common Equity per Share (non-GAAP)</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>

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

	4Q19	2Q20	4Q20	2Q21	3Q21	4Q21	1Q22	2Q22
<b>Tangible Common Equity Per Share</b>								
Total Stockholders' Equity (GAAP)	\$ 1,786,437	\$ 1,809,095	\$ 1,875,645	\$ 1,871,800	\$ 1,868,090	\$ 1,912,571	\$ 1,807,633	\$ 1,977,641
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(25,125)
Less: Intangible Assets	(578,881)	(575,855)	(572,893)	(573,786)	(572,323)	(570,860)	(569,494)	(753,649)
Tax Benefit	7,257	6,597	5,989	5,432	5,153	4,875	4,615	8,692
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,214,688	\$ 1,239,712	\$ 1,308,616	\$ 1,303,321	\$ 1,300,795	\$ 1,346,461	\$ 1,242,629	\$ 1,207,559
Common Shares Outstanding	55,368,482	53,795,500	53,922,359	53,972,386	53,510,745	53,410,411	53,424,823	59,059,866
<b>Tangible Common Equity per Share (non-GAAP)</b>	<b>\$ 21.94</b>	<b>\$ 23.04</b>	<b>\$ 24.27</b>	<b>\$ 24.15</b>	<b>\$ 24.31</b>	<b>\$ 25.21</b>	<b>\$ 23.26</b>	<b>\$ 20.45</b>

# Non-GAAP

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

	2Q21	3Q21	4Q21	1Q22	2Q22	6/30/20 YTD	6/30/21 YTD	6/30/22 YTD
<b>(Dollars in Thousands, Except Per Share Amounts)</b>								
Net Income Available to Common Stockholders - GAAP	\$ 55,559	\$ 52,770	\$ 47,733	\$ 48,586	\$ 38,522	\$ 67,255	\$ 105,028	\$ 87,108
Adjustments:								
PPP loan income	(9,725)	(8,211)	(3,721)	(1,884)	(891)	(4,686)	(18,968)	(2,775)
Acquisition-related expenses	-	-	-	152	12,549	-	-	12,701
Acquisition-related provision expense	-	-	-	-	16,755	-	-	16,755
Tax on adjustment	2,385	2,013	912	425	(6,967)	1,149	4,651	(6,542)
<b>Adjusted Net Income Available to Common Stockholders - NON-GAAP</b>	<b>\$ 48,219</b>	<b>\$ 46,572</b>	<b>\$ 44,924</b>	<b>\$ 47,279</b>	<b>\$ 59,968</b>	<b>\$ 63,718</b>	<b>\$ 90,711</b>	<b>\$ 107,247</b>
Average Diluted Common Shares Outstanding	54,184	53,960	53,660	53,616	59,308	54,430	54,159	56,516
Diluted Earnings Per Common Share - GAAP	\$ 1.03	\$ 0.98	\$ 0.89	\$ 0.91	\$ 0.63	\$ 1.24	\$ 1.94	\$ 1.54
Adjustments:								
PPP loan income	(0.18)	(0.15)	(0.07)	(0.04)	(0.01)	(0.09)	(0.35)	(0.05)
Acquisition-related expenses	-	-	-	-	0.22	-	-	0.22
Acquisition-related provision expense	-	-	-	-	0.30	-	-	0.30
Tax on adjustment	0.04	0.04	0.02	0.01	(0.13)	0.02	0.08	(0.12)
<b>Adjusted Diluted Earnings Per Common Share - NON-GAAP</b>	<b>\$ 0.89</b>	<b>\$ 0.87</b>	<b>\$ 0.84</b>	<b>\$ 0.88</b>	<b>\$ 1.01</b>	<b>\$ 1.17</b>	<b>\$ 1.67</b>	<b>\$ 1.89</b>

## PRE-TAX, PRE-PROVISION ("PTPP") EARNINGS EXCLUDING PAYCHECK PROTECTION PROGRAM ("PPP") AND ACQUISITION-RELATED EXPENSES

	2Q21	3Q21	4Q21	1Q22	2Q22	6/30/20 YTD	6/30/21 YTD	6/30/22 YTD
<b>(Dollars in Thousands, Except Per Share Amounts)</b>								
Net Interest Income (GAAP)	\$ 104,264	\$ 104,715	\$ 101,273	\$ 102,280	\$ 128,661	\$ 186,895	\$ 204,692	\$ 230,941
Other Income (GAAP)	30,884	28,501	25,847	25,897	28,277	56,280	54,975	54,174
Total Revenue	135,148	133,216	127,120	128,177	156,938	243,175	259,667	285,115
Less: Other Expenses (GAAP)	(69,295)	(71,384)	(72,436)	(72,325)	(97,313)	(126,160)	(135,393)	(169,638)
Add: Acquisition-Related Expenses (GAAP)	-	-	528	152	12,549	(111)	-	12,701
Pre-Tax, Pre-Provision Earnings (non-GAAP)	<b>\$ 65,853</b>	<b>\$ 61,832</b>	<b>\$ 55,212</b>	<b>\$ 56,004</b>	<b>\$ 72,174</b>	<b>\$ 116,904</b>	<b>\$ 124,274</b>	<b>\$ 128,178</b>
Average Assets (GAAP)	\$ 14,758,597	\$ 15,006,087	\$ 15,298,655	\$ 15,464,605	\$ 17,778,221	\$ 13,114,280	\$ 14,503,087	\$ 16,627,804
Average Equity (GAAP)	\$ 1,846,037	\$ 1,889,037	\$ 1,890,229	\$ 1,891,223	\$ 2,021,123	\$ 1,805,963	\$ 1,843,250	\$ 1,956,532
Average Diluted Common Shares	54,184	53,960	53,660	53,616	59,308	54,430	54,159	56,516
PTPP/Average Assets (PTPP ROA)	1.78%	1.65%	1.44%	1.45%	1.62%	1.78%	1.71%	1.54%
PTPP/Average Equity (PTPP ROE)	14.27%	13.09%	11.68%	11.85%	14.28%	12.95%	13.48%	13.10%
PTPP/Average Diluted Common Shares	\$ 1.22	\$ 1.15	\$ 1.03	\$ 1.04	\$ 1.22	\$ 2.15	\$ 2.29	\$ 2.27

# Non-GAAP

## EFFICIENCY RATIO (dollars in thousands):

	2Q21	3Q21	4Q21	1Q22	2Q22	2Q20 YTD	2Q21 YTD	2Q22 YTD
<b>EFFICIENCY RATIO (dollars in thousands):</b>								
Non Interest Expense (GAAP)	\$ 69,295	\$ 71,384	\$ 72,436	\$ 72,325	\$ 97,313	\$ 126,160	\$ 135,393	\$ 169,638
Less: Intangible Asset Amortization	(1,464)	(1,463)	(1,463)	(1,366)	(2,303)	(3,025)	(2,821)	(3,669)
Less: OREO and Foreclosure Expenses	(178)	91	(171)	(564)	266	(1,189)	(912)	(298)
Adjusted Non Interest Expense (non-GAAP)	67,653	70,012	70,802	70,395	95,276	121,946	131,660	165,671
Net Interest Income (GAAP)	104,264	104,715	101,273	102,280	128,661	186,895	204,692	230,941
Plus: Fully Taxable Equivalent Adjustment	4,948	5,331	5,594	5,736	6,168	7,982	9,659	11,904
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	109,212	110,046	106,867	108,016	134,829	194,877	214,351	242,845
Non Interest Income (GAAP)	30,884	28,501	25,847	25,897	28,277	56,280	54,975	54,174
Less: Investment Securities Gains (Losses)	(1,761)	(1,756)	(358)	(566)	(90)	(7,680)	(3,560)	(656)
Adjusted Non Interest Income (non-GAAP)	29,123	26,745	25,489	25,331	28,187	48,600	51,415	53,518
Adjusted Revenue (non-GAAP)	138,335	136,791	132,356	133,347	163,016	243,477	265,766	296,363
<b>Efficiency Ratio (non-GAAP)</b>	<b>48.91%</b>	<b>51.18%</b>	<b>53.49%</b>	<b>52.79%</b>	<b>58.45%</b>	<b>50.09%</b>	<b>49.54%</b>	<b>55.90%</b>

## EFFICIENCY RATIO EXCLUDING ACQUISITION-RELATED EXPENSES (dollars in thousands):

	2Q22	2Q22 YTD
<b>EFFICIENCY RATIO (dollars in thousands):</b>		
Non Interest Expense (GAAP)	\$ 97,313	\$ 169,638
Less: Intangible Asset Amortization	(2,303)	(3,669)
Less: OREO and Foreclosure Expenses	266	(298)
Less: Acquisition-Related Expenses	(12,549)	(12,701)
Adjusted Non Interest Expense (non-GAAP)	82,727	152,970
Net Interest Income (GAAP)	128,661	230,941
Plus: Fully Taxable Equivalent Adjustment	6,168	11,904
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	134,829	242,845
Non Interest Income (GAAP)	28,277	54,174
Less: Investment Securities Gains (Losses)	(90)	(656)
Adjusted Non Interest Income (non-GAAP)	28,187	53,518
Adjusted Revenue (non-GAAP)	163,016	296,363
<b>Efficiency Ratio Excluding Acquisition-Related Expenses (non-GAAP)</b>	<b>50.75%</b>	<b>51.62%</b>

# Non-GAAP

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
<b>Return on Tangible Common Equity</b>										
Total Average Stockholders' Equity (GAAP)	\$ 478,440	\$ 535,506	\$ 540,255	\$ 675,295	\$ 753,724	\$ 884,664	\$ 1,110,524	\$ 1,343,861	\$ 1,569,615	\$ 1,805,963
Less: Average Preferred Stock	(74,181)	(90,908)	(47,537)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Average Intangible Assets, Net of Tax	(149,554)	(147,889)	(153,519)	(199,354)	(215,281)	(254,332)	(360,005)	(467,421)	(499,622)	(570,553)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 254,705	\$ 296,709	\$ 339,199	\$ 475,816	\$ 538,318	\$ 630,207	\$ 750,394	\$ 876,315	\$ 1,069,868	\$ 1,235,285
Net Income Available to Common Stockholders (GAAP)	\$ 9,013	\$ 40,583	\$ 42,150	\$ 60,162	\$ 65,384	\$ 81,051	\$ 96,070	\$ 159,139	\$ 164,460	\$ 67,255
Less: Intangible Asset Amortization, Net of Tax	2,112	1,081	892	1,395	1,720	2,542	3,670	5,307	4,736	2,390
Tangible Net Income (non-GAAP)	\$ 11,125	\$ 41,664	\$ 43,042	\$ 61,557	\$ 67,104	\$ 83,593	\$ 99,740	\$ 164,446	\$ 169,196	\$ 69,645
<b>Return on Tangible Common Equity (non-GAAP)</b>	<b>4.37%</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>11.28%</b>

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

	2020	2Q21	2021 YTD	3Q21	4Q21	2021	1Q22	2Q22	2022 YTD
<b>Return on Tangible Common Equity</b>									
Total Average Stockholders' Equity (GAAP)	\$ 1,825,135	\$ 1,846,037	\$ 1,843,250	\$ 1,889,037	\$ 1,890,229	\$ 1,866,632	\$ 1,891,223	\$ 2,021,123	\$ 1,956,532
Less: Average Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(25,125)	(12,625)
Less: Average Intangible Assets, Net of Tax	(569,377)	(569,107)	(567,795)	(567,852)	(566,616)	(567,512)	(565,476)	(745,614)	(656,042)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,255,633	\$ 1,276,805	\$ 1,275,330	\$ 1,321,060	\$ 1,323,488	\$ 1,298,995	\$ 1,325,622	\$ 1,250,384	\$ 1,287,865
Net Income Available to Common Stockholders (GAAP)	\$ 148,600	\$ 55,559	\$ 105,028	\$ 52,770	\$ 47,733	\$ 205,531	\$ 48,586	\$ 38,521	\$ 87,108
Less: Intangible Asset Amortization, Net of Tax	4,730	1,156	2,228	1,156	1,156	4,540	1,079	1,820	2,898
Tangible Net Income (non-GAAP)	\$ 153,330	\$ 56,715	\$ 107,256	\$ 53,926	\$ 48,889	\$ 210,071	\$ 49,665	\$ 40,341	\$ 90,006
<b>Return on Tangible Common Equity (non-GAAP)</b>	<b>12.21%</b>	<b>17.77%</b>	<b>16.82%</b>	<b>16.33%</b>	<b>14.78%</b>	<b>16.17%</b>	<b>14.99%</b>	<b>12.91%</b>	<b>13.98%</b>