



BankNotes

Fourth Quarter News

Halloween Chemistry

Dopamine. Serotonin. Oxtocin. 70% of adults will experience these chemical reactions this Halloween.

Hurricanes, Cars and Wage Growth

Another interest rate hike in the near future? Data on the state of recovery is not as clear as everyone would like to be.

First Merchants Peloton Raises \$30,000 to End Cancer!

15 people participated for First Merchants with One Goal -> End Cancer.

Lessons in Customer Surveys and Saying Thank You

Our Cristo Rey students wrote your customer survey thank you cards and learned a valuable lesson by doing so.



THE STRENGTH OF BIG THE SERVICE OF SMALL



Halloween Chemistry

By Jennifer Griffith

The Halloween industry

represents over \$8 billion in retail sales, according to CNN. Greater than 70% of adults are expected to participate in this fabulously imaginative holiday. Haunted houses will pop up in old buildings and farms will be

transformed to ghoulish fields. Horror films will flood the theatres and might be your personal choice one of these autumn nights. Nearly everyone can participate in this playful holiday but some might enjoy the rush more than others.

Dopamine, the selfish chemical, is tied to fear. The fun of Halloween is that you can experience the thrill of fear without any real threat. The rush that comes when you experience a fight-or flight moment can be really addictive. Dopamine is tied to the need to take care of ourselves. It contributes to a teenagers phone addiction, a gamblers rush or a salesman's drive to hit

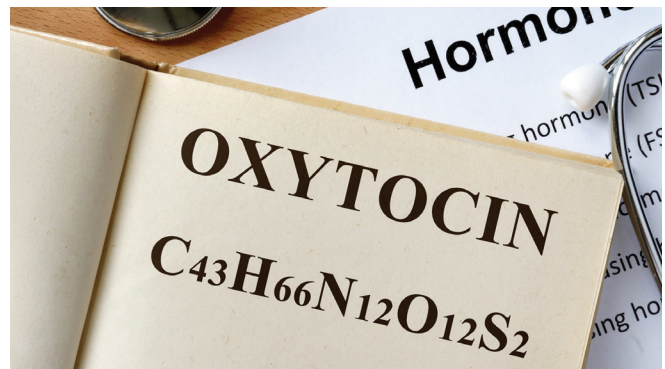


goal. Ever felt a sense of accomplishment when making it to the end of a haunted house or scary movie? A great teammate will get the same rush when they hit goal. Thank you, Dopamine!

How about a team's best friend? Serotonin. Who

would ever enter a haunted house without clearly knowing who will be running point at the front of the line?! We need leaders and serotonin is our leadership chemical. When danger threatens the team, it's important that the alpha goes towards the danger. We need risk takers to act with courage and show us the way.

Finally, when the night is over, we turn to our friends. Spending time with friends makes us feel safe. Safety belongs to Oxytocin. It bonds us together and there are multiple ways to get it. Human touch is one. So whether a hug of achievement at the end of the



ghoulish field or a proper handshake, we need to experience life with people, which includes fantastic holidays and business deals. To quote Simon Sinek, "We do handshake deals without contracts, but not the other way around."

We're in the people business together and there's no one I'd rather experience it with than you. 🏠

Jennifer Griffith is the Ohio Regional President of First Merchants Bank. If you have any questions please feel free to contact Jennifer directly at 614.583.2050 or by email at jgriffith@firstmerchants.com.



Hurricanes, Cars and Wage Growth

By Mike Hicks

of recovery is not as clear as anyone would like it to be. Let me explain.

The Federal Reserve has a dual mandate to maintain low inflation and unemployment. With interest rates only 75 basis points above the record low, there is considerable incentive to raise rates, based solely on a century of history. There are also several data points which argue for higher rates.

The first of these is the continuing low levels of unemployment. With rates hovering around the 4.3 to 4.4 percent rate, they are at near historic lows. Indeed, except for a few months in late 2000 and early 2001, you'd have to go back to the 1960's to see rates this low. The current rates are well beneath the Congressional Budget Office's estimate of the natural rate of unemployment at 4.65 percent.

Average wage growth has been modest, but accelerating. For the past two decades, wage growth for workers with a bachelor's degree or higher have grown strongly, while wages for those with a high school degree or less have been stagnant or declined. Over the past six quarters, all groups have seen modest wage growth, which exceeds the current levels of inflation. Over the past two quarters, these gains have accelerated slightly. Though it is too early to suggest a trend, these gains are certainly what economists would expect given reports of tight labor markets across most of the country.

As 2017 winds down, Federal Reserve policymakers will be considering another interest rate hike as part of the return to normalcy they have been pursuing since 2014. While there are many good reasons to suppose this will be an easy decision, the data on the state

Last month there were 6.1 million job openings and 5.5 million jobs filled, suggesting that demand for labor remains high, while employee 'quits' which are voluntary terminations rose slightly. Taken together, the data suggest continued strong labor market performance across the U.S.

Here in the Midwest, job growth has cooled slightly, though unemployment rates remain at near record lows. Indiana and Wisconsin are performing especially well, with an unemployment rate in the low 3 percent range, while Ohio is over 5 percent and Michigan is in the high 3 percent range. Regional and state



differences in economic performance can be blamed on long term fiscal policy, the quality of the labor force and the industrial mix. States with healthy cities do well, while places with smaller urban centers and a large share of rural households continue to lag in terms of income and employment growth.

Automobile and light truck sales have cooled over the past six months, but are still above the long term average. Over the summer, sales were tracking at about 16.5 million per year mark, down from about 17.5 million over the previous two years. While there is a great deal of monthly fluctuations in this data, it is clear car sales are moving back towards the long-term level.



Nationally, as the Fed considers raising rates, they have seen a reasonable stable rate of inflation, with only modest increases in commodity prices signaling higher rates. The underlying data offers little concern for



inflation, which lessens the risk of delaying interest rate increases.

One significant challenge will be disentangling the effects of Hurricanes Harvey and Irma on the U.S. economy. Estimates of the effect of these disasters on GDP growth range from a loss of 0.1 percent to 0.5 percent for the 3rd quarter. Fortunately, that impact will be brief as construction season extends through the winter month in both Houston and Florida where rebuilding will absorb much of the nation's construction material and workers.

Overall, the economy continues to move slowly but surely towards normalcy. With this in mind, I expect a Federal Reserve rate hike in either 4th quarter 2017 or 1st quarter 2018. If current conditions persist, we should expect two more hikes prior to the end of 2018. 🏠

Michael J. Hicks, PhD, is the Director at the Center for Business and Economic Research at Ball State University. Dr. Hicks' views do not necessarily reflect the opinion of First Merchants Bank and First Merchants Corporation.

One Goal -> End Cancer

First Merchants Peloton Raises \$30,000 to End Cancer!

This is the fourth year for our First Merchants Bank Pelotonia team. Pelotonia was founded in 2008 with One Goal -> End Cancer. Pelotonia is a 3-day weekend of cycling, volunteerism and entertainment. Pelotonia has raised more than \$130 million in its first eight rides. 100% of every dollar raised go towards cancer research at The Ohio State University Comprehensive Cancer Center – James Cancer Hospital and Solove Research Institute.

We had 15 people on our First Merchants Bank team. We were able to raise over \$30,000 this year, which is a record breaking year for our team! Our team captain and rider, Ben Hartings, led our team and helped them reach their goal!

Riders: Kevin Bruns, Kim Edwards, Needra and Julius Gandy, Ben and Lynn Hartings, Christy Kessler, Judy Messatesta, and Dianne Trentman

Virtual Riders: Dan Apple and Jennifer Griffith

Volunteers: Jessica Gliha, Sally Schwab, Janell Reynolds, Zo Sellers, and Kerri Stump 🏠





10 Reasons to Talk to Your Banker

By Lori Elliott

Do you have a favorite banker? One that knows you well and how you like to handle your accounts? Establishing a relationship with a banker has big benefits. Here's ten good reasons:

1. Avoid Fees. Your banker can explain ways to link accounts or upgrade accounts that will help you avoid fees. This is often discovered *after* fees have been charged. Your banker can help you discover the options for the different ways to avoid this *before* it happens.

2. Get loan discounts. There are discounts offered on loans that depend on the type of checking account you have. There are discounts offered for auto payment. Your banker will look for ways to help you discover any discounts available and help you benefit from them.

3. Increase your deposit rate. So many things influence the rate of interest earned on different types of accounts – the balance, the term, and promotions are just a few. Your banker knows the best way to get you the highest rates for your situation.

4. Have an advocate. Creating a relationship with your banker will give you someone that will know your preferences and financial story. They will keep you in mind when there is a new product or policy that will be to your benefit. They will also know when to alert you to problems that might need your attention. Everyone needs a banker that looks out for them.

5. Stay informed. Of course, your bank sends you information in the mail and even puts news on Facebook, but your banker is the best source of information. They can give you a call when a loan or deposit promotion would be a good fit for you. They

can explain new products and answer your questions.

6. Find solutions to problems. Day to day banking is not without occasional hiccups. Life changes happen and they create the need for financial changes, too. Bankers have the knowledge and experience to find solutions. They've had experience dealing with joint accountholders that want single accounts, children that have grown up and want their own account, the discovery of fraud on accounts, online bill payments sent to the wrong company, and just about any other situation you can imagine.

7. Save time. There are a multitude of ways to conduct your banking that keeps you out of the bank. There's online banking, mobile banking, telephone banking with many additional features that can be added. Daunting, isn't it? Your banker knows all the options and will actually help set up these options for you, but also show you how to use them.

8. Make a plan. Once your day-to-day banking is running at top efficiency, it's time to look at the big picture. When your banker asks about your future needs, goals, and retirement plans, they are offering to help you achieve these things.

9. Protect your money. Identity theft, hackers, and fraud are always in the news and making us all look closer at our accounts. Your banker can show you ways to avoid these problems and spot suspicious transactions early.

10. Feel confident. Once you get to know your banker and work with them to achieve your goals, the peace of mind that follows is priceless. Your daily banking is set to "automatic", plans are in place for your future finances, and your banker is watching out for you. 🏠

Lori Elliott is a Retail Market Leader at First Merchants Bank. If you are interested in discussing this article further, please contact Lori at 614.408.0262 or lelliott@firstmerchants.com.



Community Support

4th Annual Kyle Miller Memorial 5K Run/Walk

On Sunday, September 24, friends and family of Pam Miller, Corporate Senior Credit Officer, participated in the 4th Annual Kyle Miller Memorial 5K Run/Walk in Hilliard, Ohio.

The Miller family and friends started out with a goal in 2014 to raise \$25,000 for the Kyle Miller Memorial Fund. This is an endowed scholarship at Otterbein University for a junior or senior with Kyle's passion for wildlife and conservation in the Zoo and Conservation Science program. To date over \$160,000 has been raised with donations also given to the Ohio Wildlife Center where Kyle volunteered and took classes.

First Merchants Bank was again a proud sponsor and volunteer at the race. Many First Merchants employees in Columbus and Indiana came to support Pam and her family. Behind the scenes, Pam and Craig Miller, with the help of family and friends, took months to prepare for this day. There was more than a run/walk going on. There was pump-up music, Skyline Chili, a red-tailed hawk, snake and turtle from the Ohio Wildlife Center and a silent auction with everything from a La-Z-Boy recliner to a signed hockey stick from the Columbus Blue Jackets. Over \$40,000 was raised this year!

If you would like to make a donation or view pictures of the day, please go to: www.kylemillermemorialfund.com.

Pictured to the right, pictures 1–3 are run/walk participants. Pictures to the right, picture 4 from left to right is: Craig Miller, Ashlin and Andy Hundley, and First Merchants employee, Pam Miller. 🏠





Team Celebration!

First Merchants Celebrates with Family Outing at the Columbus Zoo

On Saturday, September 30, First Merchants Bank celebrated being named a Best Employer in the state of Ohio and a successful integration of The Arlington Bank with a family outing at the Columbus Zoo. First Merchants employees and their families enjoyed zoo admission, a catered dinner and a private animal show. The group was able to meet a swift fox, bobcat, clouded leopard and an otter!

The zoo employees brought the animals out one by one and the group was able to ask questions about the specific animals. Some interesting facts about the animals the group was able to meet with are:

The swift fox is a small fox around the size of a domestic cat found in the western grasslands of North America, such as Montana, Colorado and Oklahoma. It is an omnivore and its diet includes grasses and fruits as well as small mammals, carrion and insects.

The bobcat is a North American cat that ranges from southern Canada to central Mexico, including most of the United States. It is twice as large as a domestic cat with distinctive black bars on its forelegs and a black-tipped, stubby tail, from which it derives its name.

The clouded leopard is found in the Himalayan foothills through mainland Southeast Asia into China. It has been listed as Vulnerable on the IUCN Red List since 2008, with its total population fewer than 10,000 mature leopards. Clouded leopards are the most talented climbers among the cats.

The otter has a long, slim, body and relatively short limbs. Their most striking features are the powerful webbed feet used to swim, and their seal-like abilities holding breath underwater. 🏠





Managing Expectations

By Michael Curran

One of the most underrated and overlooked skills for a sales person to ignore is the simple step of managing expectations. In today's market, customers are more educated about the products that they are buying. As a sales person it is your job to make it as easy as possible for

customers to navigate through the buying process. A sales person's ability to manage the client's expectations and provide excellent customer service revolves around making no assumptions, communication and having realistic expectations.

Too many times sales people leave a meeting and don't really know what the customer needs. Why? Because we talk too much! We are too busy trying to sell ourselves and our product that we don't really let the client truly discuss what they want. Sales people have a record collection. The record collection



is based on several years of sales calls. The customers begin to talk about a problem and already before they are done explaining, we have a solution. Take a moment and ask the client, "What do you want?" You may be surprised to find out it is

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something entirely different than what you perceived. In order to establish an understanding of everyone's responsibilities, as the meeting comes to a close always restate each individual's take-aways, responsibilities and the timeline in which each party will operate.

Now that the meeting has ended, it is not the time to ignore the customer. Communication on a frequent basis through the process will alleviate misunderstandings and create flexibility. The timeline which was created with the customer will set up key milestones along the stages of the selling process. When establishing these timelines, be conservative. This gives you the opportunity to not only do a thorough job, but consistently deliver before the time expires. This creates a level of trust and flexibility from the customer. If a timeline is missed, they are typically more understanding of the situation because of your constant communication.

As you move the project through the process, have realistic and achievable expectations not only externally but internally. Be sure that the client's expectations align with those of the corporations. At times, the internal process will be difficult. It's okay to push back on your colleagues. However, this too has to be managed and expectations set because continual friction within the corporation will begin to wear thin over time. A sales person has to remember that everyone in the corporation is working towards the same goal, to meet the client's needs and provide consistent and great customer service. So, be accountable. Own the project, realize everyone's expectations are different and it's your job to manage them. 🏠

Michael Curran is a Relationship Manager at First Merchants Bank. If you'd like to discuss more about managing expectations with Michael, call him at 614.583.2059 or email him at mcurran@firstmerchants.com.



Getting, Keeping and Retaining New Patients

By Justin Baker

Often times in helping finance dental practices throughout the Midwest, one consistent comment I hear is, “I wish we had more new patients coming to our office.” In order to keep a practice growing, getting new patients consistently is critical. However, once you get a new patient, you must keep and retain them for the practice’s long-term success.

The first step in trying to increase your new patient count is to have an active program in place to track where you are currently obtaining your patients from. Most dental practice software systems have this feature to capture this vital information. Tracking this information is critical, as it allows you to see how patients hear about your office. It will help you figure out where to direct your marketing resources.

After you have a new patient in your office, it is critical that you make a good first impression to ensure the patient has a pleasurable and memorable experience. Often times, it is hard to erase a bad first experience from a person’s mind. Make sure the front desk staff welcomes new patients and the waiting area is inviting for all those who enter.

After a patient has their new patient exam, send them



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a thank-you note and welcome them to your practice family. Remain engaged with the patient after their visit to remind them of upcoming re-care appointments or any treatment plans that were discussed during the initial visit. It is also important to maintain an online presence with both a website and Facebook page for your practice as an additional way to communicate with patients and even prospective patients.

While getting, keeping, and retaining new patients may be a challenge at time during your career, it is important to have systems in place to ensure patients have a memorable experience. While you cannot control a patient’s life outside of your practice, making sure they are engaged, informed, and have a pleasant experience while at your office will keep them coming back in the future. 🏠

Justin Baker is a Relationship Manager with First Merchants Practice Finance. If you’d like to discuss getting, keeping and retaining new patients, call him at 614.583.2182 or email him at jrbaker@firstmerchants.com.

First Merchants Private Wealth Advisors In Ohio!



Nick Magora is bringing First Merchants Private Wealth Advisors to Ohio! He is an Investment Consultant. The past 17 years of his career has been in banking and finance, with the

last eight years focusing primarily on financial planning, wealth management and retirement planning.

He has a Series 6, Series 7 and Series 66 allowing him to utilize individual stocks, bonds, mutual funds and ETFs as well as insurance products to help clients reach their individual goals.

To connect with Nick, call him at 740.485.2011 or email him at nmagora@firstmerchants.com. 🏠



Buying or Selling Your Home? We Can Help.

By Greg Valentino

First Merchants can help with all aspects of the real estate process. If you are thinking about selling your home, we can help. We work and bank many real estate professionals that can help you with this process. When selling, you want to work with a realtor and a title company to help make the transaction easier. We can point you in the right direction of many seasoned real estate professionals that can educate you and make the transaction less stressful.

If you are thinking of buying a new home, again, we can help. With all the seasoned loan officers at First Merchants, we make the transaction fast and stress free. We educate you on how to buy a house from the beginning to the end. We are trusted professionals, we always look out for our customers best interest. Once you are pre-approved, we will go over all the lending options for you and your family. You will be able to make an educated decision on what type of program will be best for you. We answer all of your questions to ensure no surprises. After you are comfortable with the lending options, you will be able to start shopping for a new home. This is where you want to have help of a local real estate professional. If you do not have a realtor that you work with, we would be happy to introduce you to one of our trusted advisors.

A couple of reasons why so many real estate professionals prefer to use First Merchants as

With the recent addition of

The Arlington Bank, First Merchants has become a more dominant player in the real estate industry in central Ohio. As of now, First Merchants Bank is the fourth largest producer for purchases in Franklin County.

First Merchants can help with all

their preferred lender is our speed and flexibility. Typically, when you go into contract to purchase a property, you have 30 to 45 days to complete the transaction. We make things easy because we move quickly. We have all in-house processing and underwriting, which enables us to get loans closed quicker than other banks. Our flexibility is also a major reason why we are preferred lender. We offer just about any product you can think of; from conventional to portfolio. If we are unable to get you approved for a conventional loan, we have portfolio products as a second option. I would consider First Merchants a “makes sense” lender. If the loan makes sense, we will find a way to get it done.

Right now, houses are sitting on the market for less than 30 days. If you are serious about buying a new house, you need to get pre-approved first. If you find a house you are interested in buying and you are not pre-approved, you risk losing it to another buyer that is already pre-approved. You need to be prepared to make sure you don't miss out on anything. We can get pre-approvals done in the same day.

Please contact any of our loan officers with questions. We can help. 🏠

Greg Valentino, NMLS UI# 743164, is Mortgage Sales Manager for First Merchants Bank in Ohio. If you would like to connect with him about buying or selling a property, please call 614.583.2148 or email gvalentino@firstmerchants.com.



What Makes A Great Team

By Martin Brady

I have had the good fortune of working on a great team for the past 14 years. Part of this time has been on a team and part has been being a manager of a team. Whether you are a leader, or part of a great team, it can be a positive and rewarding experience. Here are

some things that happen when you are part of a great team:

- Great teams = Great operation performance
- Great teams = Less absenteeism and more productivity
- Great teams = More satisfied employees and commitment to the business
- Great teams = Fun! We have fun together. I enjoy coming to the office. We are not always doing pleasant things, but I thoroughly enjoy the people I work with.

So what if you're not part of a great team, yet? How do you get or create a great team?

1. Most importantly – Get the right people with the right attitude. Attitude is more important than capability. This should be said over and over again. Bad attitudes effect everyone.
2. Teams are constantly changing – flexibility and being able to adapt are important skills to have.
3. No micro-managing – the right people just need direction towards their goal and the team goal.
4. Have trust in your employees – this is key. Easy to do if you have the right people.
5. Skill sets that compliment each other – a little diversity will go a long way.
6. Conflict – some conflict is good. It will challenge the

team and get everyone to the best result.

When you get the right team, you need to help them bond together. Bonding keeps people energized and productive.

Some ways we bond as a group at First Merchants Bank is volunteering. We do this a lot through Junior Achievement, Salvation Army, the local food bank and many more. It is great to be out of the office and spend time together as a group. We also bond over shared meals. Eating together is a great way to get to know each other.

Everyone needs help. No one in a business accomplishes something without help from a team. Developing a strong team is hard, but very rewarding and productive. 🏠

Martin Brady, is the Chief Sales Officer for First Merchants Bank in Ohio. If you would like to connect with him about great teams, please call 614.583.2052 or email him at mbrady@firstmerchants.com.

Save the Date!

What: Holiday Open House

Where: Scioto Country Club

When: Thursday, November 30, 4:30 – 7:30 p.m.

How: Save the date on your calendar. No need to RSVP for this event. Stop by anytime during the evening. See you there!





First Merchants Bank

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BankNotes

Visit One of Our Convenient Locations

Clintonville: 3245 N. High Street – 614.408.0470

Graceland: 5090 N. High Street – 614.408.0480

Grandview: 1460 Grandview Avenue – 614.486.0700

Karl Road: 1616 E. Dublin–Granville Road – 614.408.0410

Olentangy: 3650 Olentangy River Road – 614.583.2200

Reed Road: 4621 Reed Road – 614.486.9600

Reynoldsburg: 6950 E. Main Street – 614.408.0375

Sawmill: 5811 Sawmill Road – 614.408.0274

Tremont Center: 2130 Tremont Center – 614.486.9000



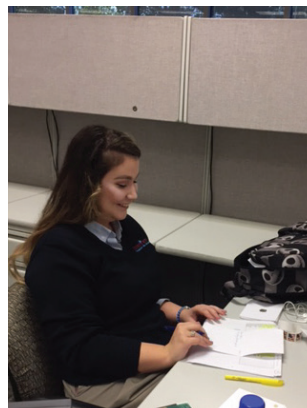
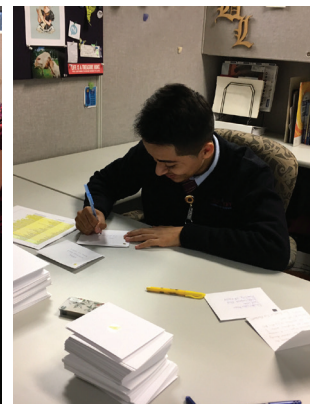
Cristo Rey Columbus High School

Lessons in Customer Surveys and Saying Thank You

We recently closed our 2017 customer survey and would like to say “thank you!” once again to everyone who took the time to complete it. In fact, Jessica Gliha, First Merchants Bank Regional Marketing Director, took the survey experience as a teaching opportunity for our Cristo Rey students.

Jessica discussed why the bank surveys our customers, as well as the importance of saying “thank you.” She had the students talk about their own shopping experiences, how they would rate those experiences, and then research and write out sample thank you notes.

Their final task was to personally write your individual thank you notes, address the envelope, and enclose the \$10 Starbucks gift card. By completing our survey, you also helped participate in a great learning moment for our students. Enjoy your Starbucks gift card and know that we take your feedback to heart! 🏦



Pictured above: Roger Taylor and Jessica Gliha, Brian Reyes–Ovalle, Danielle Bowen, and Steffy Tene.