



2024

Elevating Communities

Empowering individuals and igniting the potential of our diverse communities through business investments.



First Merchants Bank
Helping you prosper

COMMERCIAL BANKING | PERSONAL BANKING | PRIVATE WEALTH

Deposit accounts and loan products are offered by First Merchants Bank, Member FDIC, Equal Housing Lender.

First Merchants Private Wealth Advisors products are not FDIC insured, are not deposits of First Merchants Bank, are not guaranteed by any federal government agency, and may lose value. Investments are not guaranteed by First Merchants Bank and are not insured by any government agency.





BEYOND RESPONSIBILITY

Helping our communities prosper is more than a responsibility. It is our passion. For us, social impact isn't a campaign or a movement—it's part of who we are. It's the foundation of our organization, and it permeates every part of our business.

We know the importance of diverse perspectives in serving our communities, and that partnership and prosperity go hand in hand. We work alongside these partners and many other organizations to help our communities prosper.

VISION

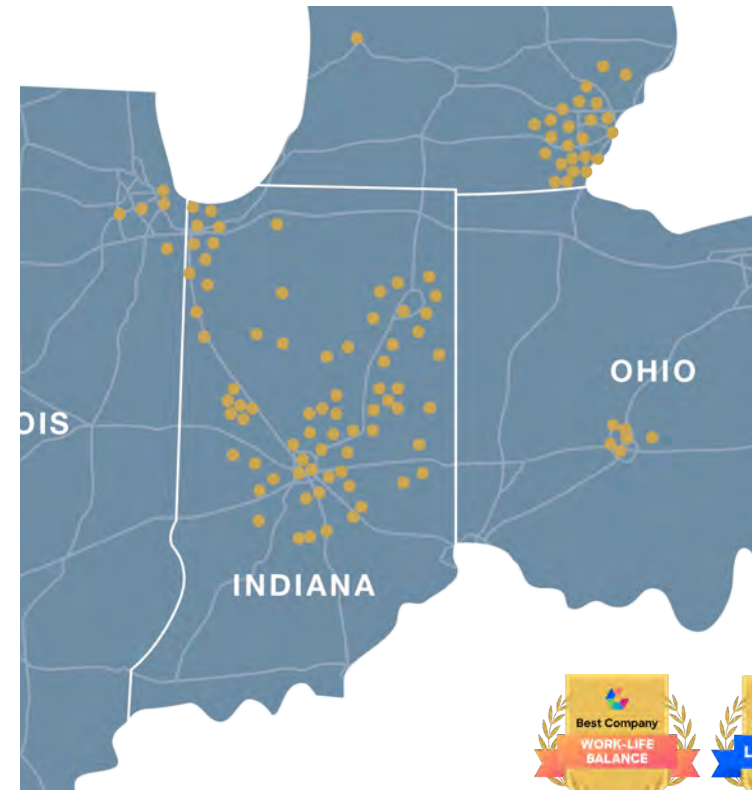
To enhance the financial wellness of the diverse communities we serve

MISSION

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

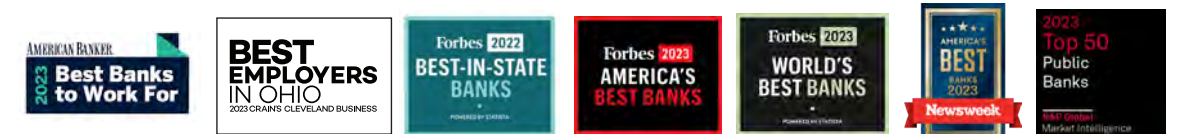
ABOUT FIRST MERCHANTS BANK

\$18.3 Billion in total assets	Nearly \$15 Billion in total deposits
131 Years of Service	Headquarters Muncie, Indiana
Stock Symbol NASDAQ: FRME	Largest bank holding company headquartered in Central Indiana.
Helping you prosper in four states: Indiana, Michigan, Ohio & Illinois	



Empowering local communities, First Merchants delivers personalized financial solutions through 116 banking centers across Indiana, Michigan, Ohio, and Illinois.

Recognized for our commitment to financial wellness, access to capital, and community development, we're your strong partner for a secure financial future.



HELPING YOU PROSPER

AT A GLANCE

<p>Helped 445 get past the down payment hurdle</p>	<p>Helped 948 Low to Moderate Income borrowers achieve home ownership</p>
<p>479 Next Horizon Mortgage Program loans</p>	<p>\$2,298,900 provided in Community Home Buyer Grant Down Payment Assistance</p>
<p>\$88,830,000 Small Business Lending in LMI and Rural Communities</p>	
<p>13,580 Volunteer Hours Served</p>	<p>\$2,011,182 In Charitable Giving</p>
<p>24,383 lbs Technology Recycling</p>	<p>436,325 lbs Paper Recycling</p>
<p>4.27% total spending toward minority, woman, and veteran-owned business enterprises</p>	
<p>\$433,490 Contributions to BIPOC-led organizations in 2023</p>	<p>83 BIPOC Organizations</p>



HELPING YOU PROSPER



CAROLINE PRETTYMAN SPOTLIGHT ON ATTENTIVENESS AND ELDER FRAUD

It can be difficult to recover from a setback without a helping hand – but **Caroline Prettyman, Client Relationship Representative** at our Graceland banking center, is always there to assist.

Recently, Caroline has been working with an elderly customer who fell victim to scammers earlier this year. “She had racked up significant debt on multiple credit cards – it’s a terrible thing to happen to anyone, but especially someone who should be enjoying her retirement instead of stressing about finances and debt,” Caroline shared. She helped the client consolidate her debt with a Home Equity Loan, so that she’ll only need to pay a single creditor and won’t be juggling multiple payments with high interest rates. “She comes into the banking center with her laptop sometimes so that we can sit down together and pull up all her statements,” Caroline said. “It’s one way we’re keeping track of her payments and debt, so we can ensure she’s on the right path to get out of debt and move forward confidently.”



VILLAGE PREMIER - FORT WAYNE INDIANA AFFORDABLE HOUSING DEVELOPMENT

Everyone deserves the safety and security – both physical and financial – that a home provides. That’s why First Merchants is a proud supporter of affordable housing initiatives within our service area. We are partnering with our communities to increase access to housing and we are passionate and dedicated about closing the housing gap.

We recently invested in Village Premier, a new affordable housing development in southeast Fort Wayne. Village Premier is one of the largest developments of its kind in Indiana, and we are proud to be a part of making a lasting positive impact in one of our communities. We look forward to expanding our initiatives and identifying new ways to help ensure that everyone has access to shelter and financial security.

VOLUNTEERISM

13,580

Hours Served

645

Organizations Touched

521

Employees Volunteering



FINANCIAL WELLNESS

FINANCIAL EDUCATION & OUTREACH

Our financial education resources include educational videos and other training available on our website through our partnership with Enrich. This education technology provides learners of all ages with education for the real world through innovative and scalable digital learning.



I wish I had learned...



Why Us?

COMMUNITY LENDING



COMMUNITY HOME LENDING NEXT HORIZON MORTGAGE PROGRAM

There are few things that can build equity and future financial stability like homeownership. However, our nation has a fraught history when it comes to equal access to homeownership, lending, and building credit. “It’s, at times, a very dark history when it comes to the treatment of people of color and the issue of building wealth, income, and equity,” said **Sheryl Taylor, Vice President, Sales Manager, Community Home Lending** with First Merchants Bank. “These are all things that play into a person’s ability to purchase a home. So we see – even today – the echoes of that history and those barriers in current homeownership rates between certain ethnicities.”

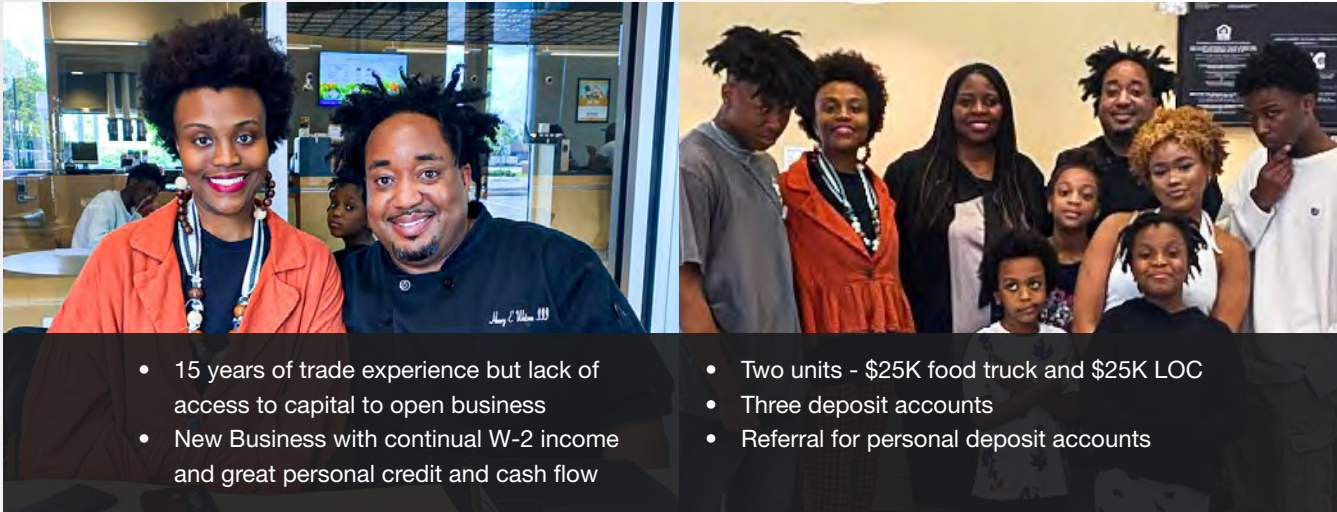
“We have generations of people who didn’t understand homeownership and didn’t have a chance to be homeowners – so the knowledge wasn’t passed down,” Sheryl explained. “There are many people of color who could buy a house but aren’t aware that they can purchase a home. So financial education is a really important piece of helping to improve that homeownership gap.”

“This is a program that actively seeks to correct the wrongs of the past,” Sheryl shared. “It doesn’t require a down payment, offers grants for closing cost assistance, has a below-market interest rate, no private mortgage insurance, and can use alternative means to establish credit. These are all things that can really boost the ability of first-time homebuyers’, including people of color, to acquire a mortgage and purchase a home. It is one big step toward building financial freedom and generational equity. I really love that we provide solutions for these issues, and we care about our diverse communities,” Sheryl said. “We’re dedicated to helping our customers prosper – and there’s nothing that brings equity and prosperity quite like homeownership.”

“We’re dedicated to helping our customers prosper – and there’s nothing that brings equity and prosperity quite like homeownership.”

COMMUNITY BUSINESS LENDING

COMMUNITY BUSINESS LENDING – TIFFANY WHITNER
CHEF HENRY’S CATERING LLC - COLUMBUS, OHIO



- 15 years of trade experience but lack of access to capital to open business
- New Business with continual W-2 income and great personal credit and cash flow
- Two units - \$25K food truck and \$25K LOC
- Three deposit accounts
- Referral for personal deposit accounts

Mr. Henry Watson, Owner of Chef Henry’s Catering, has been an Executive Chef for over 15 years for the likes of Cheesecake Factory and Eddie Merlot’s Restaurants. It has been a lifelong dream for him to one day run his own Food Truck and Catering Business, but he did not know how to obtain a business loan to get started. He was referred to Tiffany from the Branch Manager of a local Credit Union. They were unable to fulfill the client’s request for funding the purchase of a food truck, so they were referred to Tiffany. Tiffany helped form a Lending Coalition in the community so that if we can’t help a client, someone in the area can.

Mr. Watson is the head of a household of 10, and the first day we met, he brought his wife, Leah, and six of his eight children to the Banking Center (ages 6-16). Despite the meeting taking approximately 2 hours to gather all the information needed to submit the loan, the children never once complained and sat quietly the entire time! The original request was for \$25,000 for the purchase and build out of the food truck and a LOC for \$25,000. Since he had yet to officially open, he had no business revenue, it seemed quite challenging on how Tiffany was going to get this approved. After obtaining his W-2 income, a solid business plan with projections and proof of cash on hand, we were able to have sufficient cashflow for the purchase of the Food Truck only.

Chef Henry was elated to hear the news of the approval! When scheduling the loan closing, Tiffany asked Mr. Watson to bring his wife and as many of the kids he could bring. She intentionally wanted his family to be a witness to one of their Husband/Father’s proudest professional moments by achieving his goal of starting a business. She wanted his children to experience early on how to obtain a Commercial Loan and for them to be present for the beginning of what will hopefully be the start of generational family wealth. We have a to consider a working capital line of credit for the business.

COMMUNITY PARTNERS



- Partnership with the National Community Reinvestment Coalition is a \$1.97 billion commitment to invest in our communities
- The goal of this partnership is to offer a listen-first approach with our community partners, followed by action in the areas of mortgage lending, small business lending, community development, philanthropic efforts, and expanding branch distribution and access in partnerships with local

Affordable Housing Groups	Community Development Corporations
Community Leaders	National Community Coalitions
Chambers of Commerce	Economic Development Groups
Community Advisory Councils	Local Government
Religious Organizations	Nonprofit Organizations

**ACCESS TO FAIR BANKING
DETROIT FITZGERALD**



The Detroit Fitzgerald branch is part of First Merchant’s ongoing commitment to expanding its reach, ensuring people can access fair banking. The bank has a long history of investing in communities and supporting economic development, and the opening of this new branch is a continuation of that commitment.



“We engage the communities on the front end to help determine where a banking center is needed and how it can impact the community,” says Scott McKee, Director of Corporate Social Responsibility. “By engaging with residents, small businesses, and town hall meetings, we listen and connect with the people we hope to serve, building strong, trusted relationships between our company and our communities.”

**SCOTT MCKEE
DIRECTOR - CORPORATE SOCIAL RESPONSIBILITY**



“This branch is more than just a place to deposit checks; it’s a community hub,” says Kevin Johnson, First Merchants Board Member and President and CEO of the Detroit Economic Growth Corporation. “We look forward to partnering with First Merchants to provide services like financial education workshops, business development, and solutions for the Fitzgerald community. This is about investing in Detroit’s future, one family, one entrepreneur, one dream at a time.”

**KEVIN JOHNSON
FIRST MERCHANTS BOARD MEMBER**

**IMPROVED BANK INFRASTRUCTURE
DIGITAL BANKING & TECHNOLOGY**

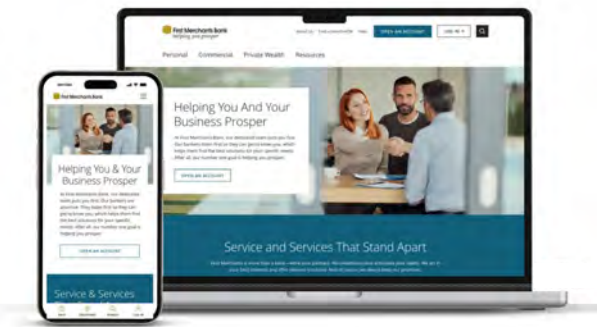
We seek to help our clients prosper and exceed their expectations through a simple and smooth banking experience, whether in person, on the phone, or a device.

- We launched a refreshed website at www.firstmerchants.com in late 2023. The refreshed site improves the user experience, aligns with ADA Compliance Standards and Requirements and offers new and engaging content to offer more valuable and helpful resources to clients and communities.
- We enhanced our online account opening platform in the branch reducing the amount of time to open an account to under ten minutes. Additionally, this new platform offers digital signatures reducing paper and technology waste.
- Investments in 2023 led to a brand new personal mobile app and online banking experience in early 2024.
- Additional 2023 investments are leading to additional digital solutions for Private Wealth Advisor clients and Commercial clients in 2024.

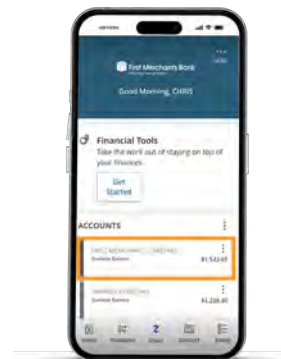
We are committed to broadening the functionality of our mobile app and online banking, enriching client experiences to help them prosper.

Digital transformation is ongoing and we anticipated continued investments to deliver the most attentive solutions for our clients.

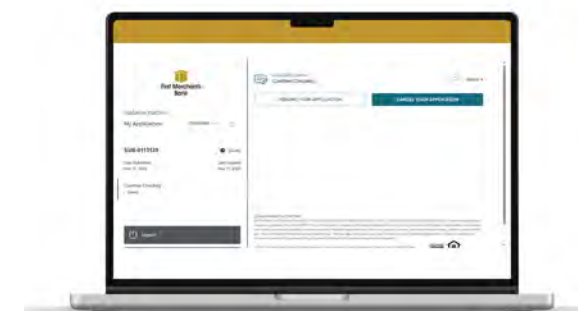
Website Refresh



Mobile App



InBranch/DAO



EMPLOYEE ENGAGEMENT

FIRST MERCHANTS EMPLOYEE ENGAGEMENT

Being a high performing bank starts with attracting, hiring, and engaging people with an innate sense of helping others. We recently listened to our team in a fall 2023 employee engagement survey. Here's what they shared about working at First Merchants.

2192 Teammates	88.1% like the work they do.	88.0% trust their manager	86.4% believe the company is committed to promote diversity, equity, and inclusion
84.5% are proud to work here	82.7% believes the company values and appreciates differences among employees	82.5% feels the work they do makes a difference	82.2% feels comfortable bringing their authentic self to work

TEAM STATEMENT

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.



EMPLOYEE ENGAGEMENT

LEARNING AND DEVELOPMENT

We encourage the growth and development of our teammates and seek to promote and transfer from within the company. Ongoing development and career growth is advanced through performance reviews, career growth plans and developmental conversations between teammates and their managers. We offer virtual and in-person training programs and an online portal for professional development.

Our dedicated talent development and employee engagement department offers extensive training programs for entry-level positions through management. In addition to role-specific training, we require that all teammates complete mandatory annual courses. We update training to respond to regulatory changes, industry events, evolving risks, and strategic priorities. Completion of mandatory training is an expectation at First Merchants.



NEW TEAM MEMBER ONBOARDING | COMPANY-WIDE

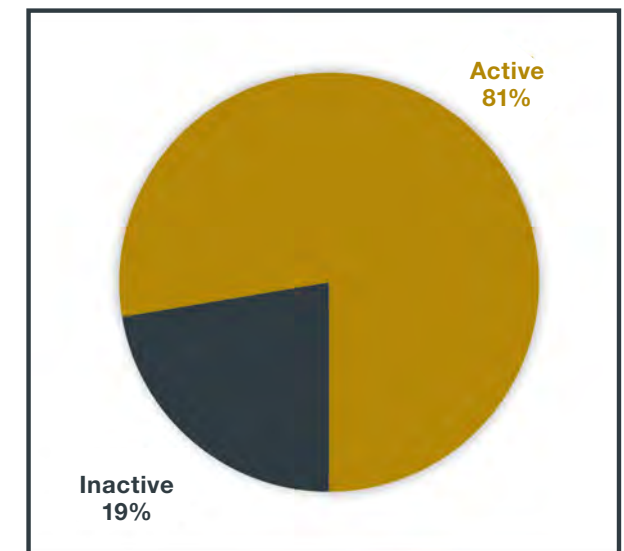
542

New team members were onboarded and attended the new hire orientation in 2023.

439

still active employees

Represents a 81% retention rate of 2023 new hires.



EMPLOYEE ENGAGEMENT

EMPLOYEE - COMBINED TOTAL TRAINING HOURS | SUMMARY

External Training 309 Hours	Materials 426 Hours	Online Courses 55,745 Hours
Virtual / Instructor-Led 35,290 Hours		Videos 694 Hours

Our teammates completed over **129,000** sessions in-person or virtually in **2023** resulting in over **92,000** hours of training and development.

100% of our Team Members completed annual risk-based compliance training including courses on the following topics:

- Bank Security Awareness: exploitation, malicious emails, customer verification, info security, and more.
- General Security
- FMC Code of Conduct
- FMC Ethics and Integrity Reporting
- Harassment Prevention Training
- American with Disabilities Act

MONTHLY AWARENESS & ONGOING TRAINING

- ✓ Phishing simulations
- ✓ Monthly Newsletters to all teammates
- ✓ Education & resources through various internal newsletters and in-person training events

CORPORATE GROWTH

NEW SPACES INDY HEADQUARTERS

2023 brought investments into two new to First Merchants spaces centered around growth and collaboration. In August, 2023, First Merchants announced the purchase of a building located at 8711 River Crossing Blvd, Indianapolis to serve as the new Indianapolis Headquarters.



“The purchase of our new, Indianapolis Headquarters building is tangible proof of our commitment to businesses, clients, and the Indianapolis community. We are proud to serve the great state of Indiana, and our two decades of success in the greater Indianapolis market demands additional investment.”

MARK HARDWICK, CEO



“It is a state-of-the-art building that has earned several awards for its environmentally- and health-conscious design. It has more amenities to facilitate team collaboration, communication, and learning. It is designed for the way we work today, fostering more collaboration. The building’s layout and workspaces appeal as we drive for a more authentically collaborative and high-performing culture.”

MIKE STEWART, PRESIDENT



CORPORATE GROWTH

NEW SPACES COLUMBUS HEADQUARTERS



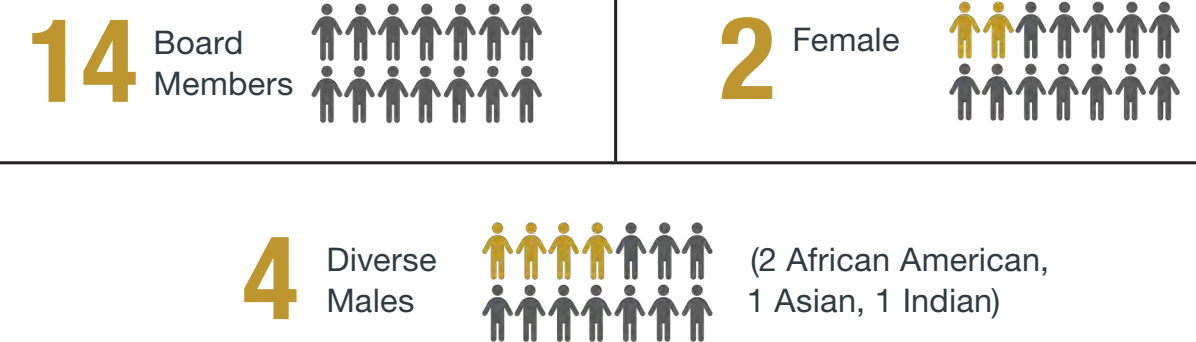
“We are uniquely positioned to grow with Columbus. First Merchants is investing in greater Columbus with the team and resources needed to grow this region for the future. We meet our clients where they work and live, so we get to know them. We’re attentive to the unique situations of each client, and we’re creative in adapting our offerings to meet those needs in a perfectly tailored way.”

JENNIFER GRIFFITH, REGIONAL PRESIDENT

DIVERSITY, EQUITY, AND INCLUSION

COMPANY WIDE DIVERSITY

We have made progress in this area and continue to strive to diversify our workforce further and strengthen our culture of inclusion.



EMPLOYEE RESOURCE GROUPS



Employees involved in Community Calls with **760** unique attendees

**SAFETY AND SOUNDNESS
CORPORATE GOVERNANCE**

At First Merchants, adhering to strong corporate governance practices lays the foundation for enhancing the financial wellness of the diverse communities we serve. Our commitment to sound decision-making and integrity protects our reputation as a safe and secure community bank and an employer of choice. We will remain faithful to strong governance principles and deliver the highest service to the businesses and people we serve.

- Corporate Governance Guidelines
- Board Committee Charters
- Code of Conduct
- Ethics & Integrity Policy
- Human & Workforce Rights Policy
- Environmental Policy
- Whistleblower Policy
- Corporate Risk Appetite Statement

Code of Conduct

- 100% of Employees attest to and completed training on the Code of Conduct

Enterprise Risk Management

- Risk Appetite Statement aligning business strategy, risk profile and capital plan
- Chief Risk Officer
- Strong expertise and talent within the Enterprise Risk Management Team
- Robust risk assessments, monitoring, and reporting
- Comprehensive information security and cybersecurity programs

Whistleblower Protections

First Merchants Corporation is committed to the highest possible standards of ethical, moral and legal business conduct. Employees, officers, and directors are expected to act lawfully, ethically, and professionally in performing their duties at all times. In line with this commitment and First Merchant’s commitment to open communication, this Policy aims to provide more than one avenue for raising concerns regarding unethical accounting, internal controls, or auditing matters with the assurance that any person raising a concern will be protected from retaliation, reprisals, or victimization for reporting in good faith.



ENHANCING OUR IMPACT

We celebrate the communities we serve and cherish the opportunity to walk alongside them. Our collection of diverse colleagues share a passion for positively impacting lives and enables us to fulfill our mission to be a high-performing bank for our clients, teammates, and shareholders.

As you read through this report, we hope you found our commitment to the communities we serve substantial, providing lasting impact. We cannot accomplish what we do without the support of our clients, community partners, and employees.

In a time when stability and confidence in the banking sector has come into question, we remain attentive to our communities and client needs. Our commitments are building on our company history of philanthropy designed to create a brighter future for all.





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