



**First Merchants  
Corporation**

NASDAQ: FRME

## **INVESTOR UPDATE**

First Quarter 2025

# 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 (including the ability to grow and maintain core deposits and retain large, uninsured deposits), 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



**FMB:**  
27 Yrs

**Banking:**  
27 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.



**FMB:**  
17 Yrs

**Banking:**  
37 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.



**FMB:**  
17 Yrs

**Banking:**  
36 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 Bank Operations and 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.



**FMB:**  
10 Yrs

**Banking:**  
22 Yrs

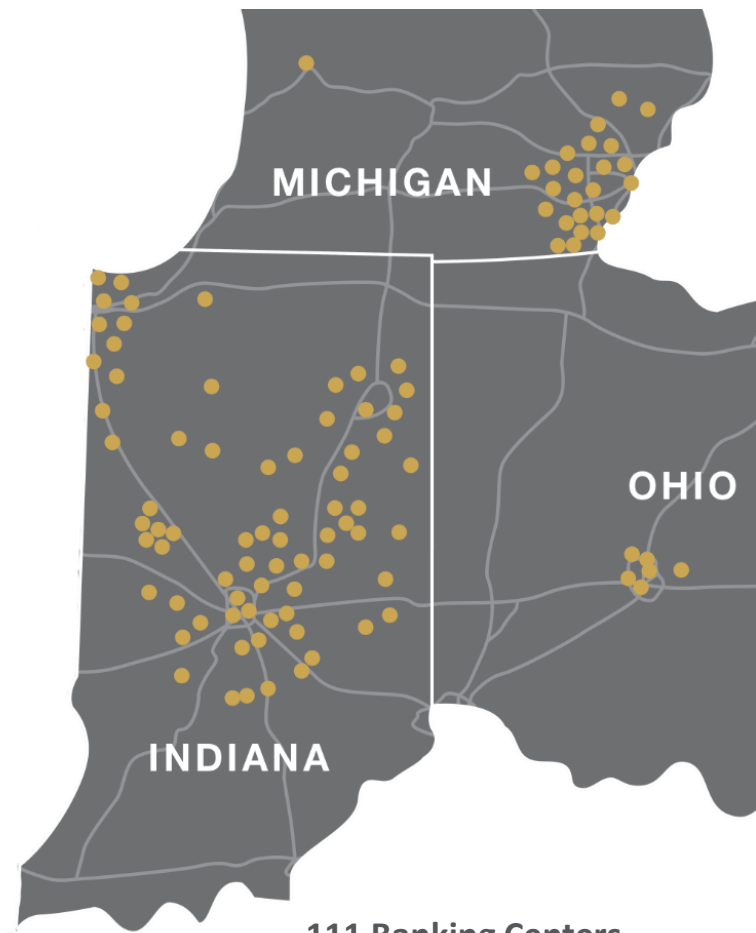
## **Michele Kawiecki** **Chief Financial Officer**

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



## Financial Highlights as of 3/31/2025

**\$18.4 Billion**  
Total Assets

**\$13.0 Billion**  
Total Loans

**\$14.5 Billion**  
Total Deposits

**\$5.8 Billion**  
Assets Under Advisement\*

YTD ROAA: 1.21%

YTD Return on TCE 14.12%

TCE/TA: 8.90%

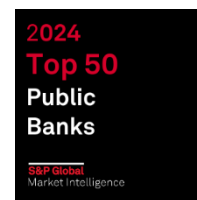
Market Cap \$2.3B

Dividend Yield: 3.46%

Price / Tangible Book: 1.48x

Price / LTM EPS: 11.4x

\*Excludes custody of \$3.4 Billion, includes Assets Under Management of \$3.9 Billion



# Highlights

## First Quarter

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

**\$54.9** Million

**\$0.94** Per Share

### ROA (Annualized)

**1.21%** ROA

**1.47%** PTPP ROA<sup>2</sup>

### ROE & ROTCE (Annualized)

**9.38%** ROE

**14.12%** ROTCE<sup>2</sup>

- EPS of \$0.94<sup>1</sup> compared to core EPS of \$0.85<sup>1,2</sup> in 1Q24 an increase of 10.6%
- Core PTPP income growth of 12% and positive operating leverage over 1Q24
- Efficiency ratio of 54.54%
- Strong loan growth of \$154.9 million or 4.8% annualized
- Robust capital position with tangible common equity ratio of 8.90%
- Repurchased 246,751 shares totaling \$10 million year to date through April
  - 194,311 shares totaling \$7.9 million repurchased through March 31, 2025
- \$30 million of sub debt redeemed in March



# 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 purchase, construction, renovation, and home finance

- › 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

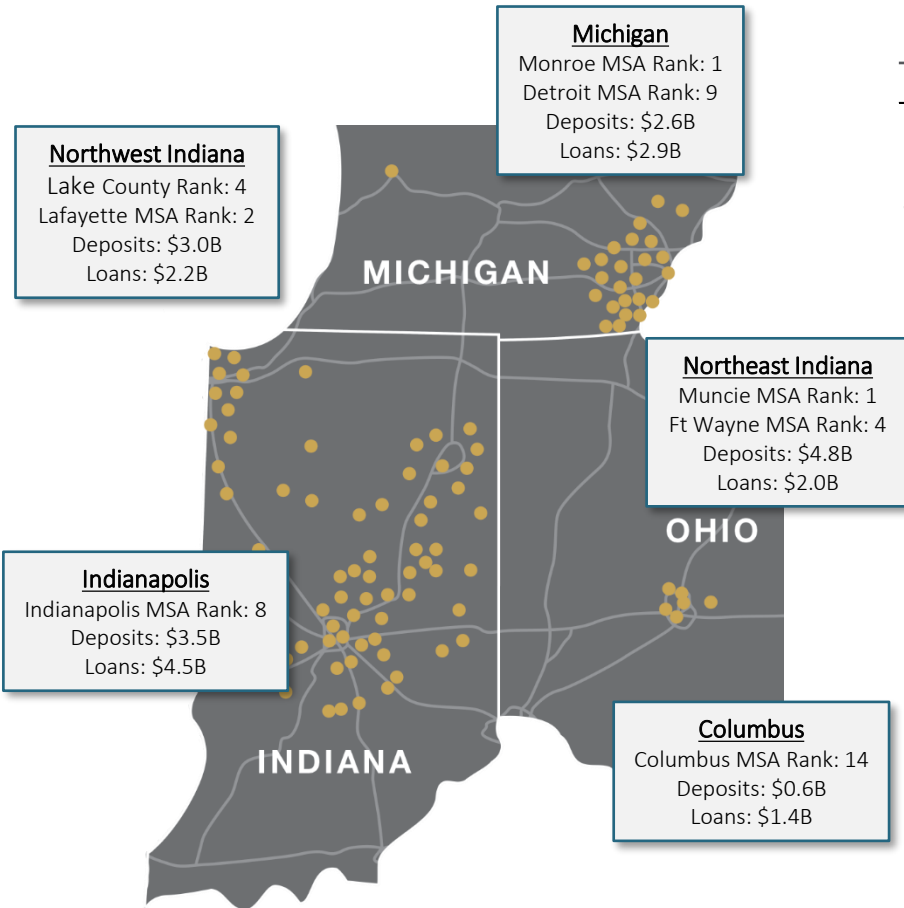
Expertise in:

- › 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 - Loans



## Loan Growth Summary<sup>1,2</sup>

	1Q25 Balance (\$B)	Growth
Commercial	9.8	7.0%
Consumer	3.2	-1.8%
<b>Total Loan Growth QTD</b>		<b>4.8%</b>

### Commercial

- Strong Commercial growth during the quarter of ~\$169 million, or 7.0%
  - C&I annualized growth of ~\$248 million, or 18.8% annualized
  - IRE loan balances declined by ~\$96 million, or 16.9% annualized
- Commercial pipelines remained strong at quarter end for both C&I and IRE

### Consumer

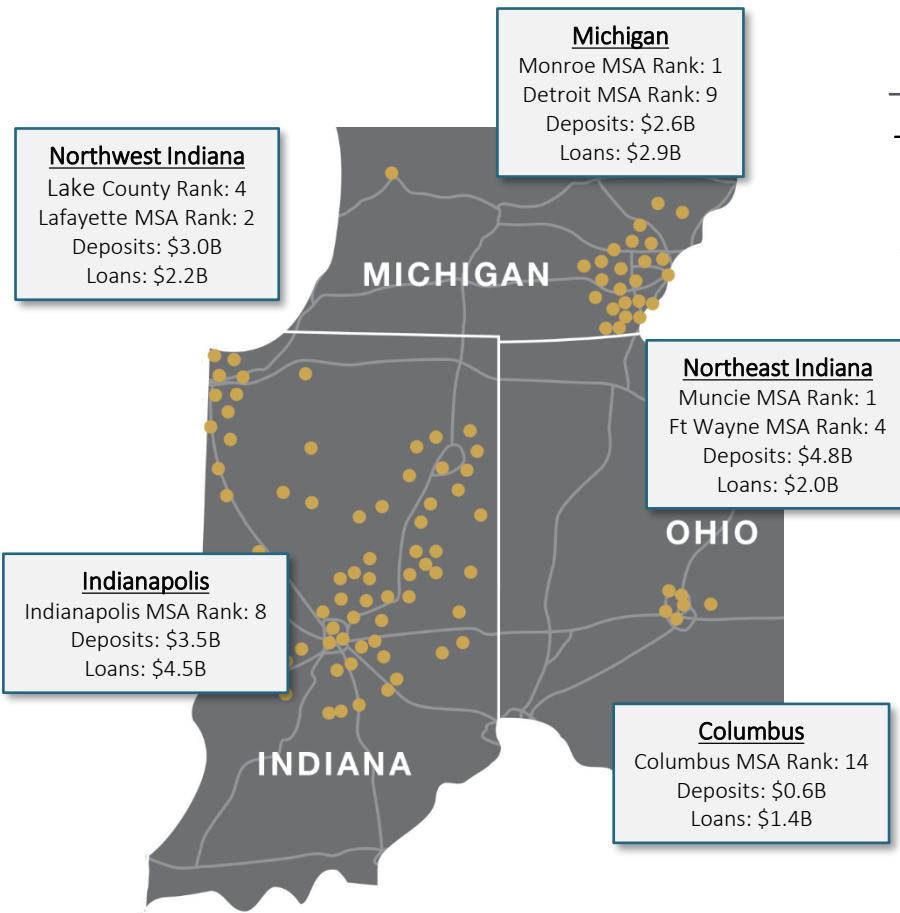
- Consumer balances declined during the quarter ~\$14 million
  - Residential Mortgage balances grew ~\$24 million
  - Other Consumer balances declined by ~\$38 million
- Mortgage pipeline remained strong on a year over year basis

MSA and County ranking data per FDIC

<sup>1</sup>Commercial includes Public Finance, Consumer includes Private Wealth and Mortgage

<sup>2</sup>Annualized

# Business Highlights - Deposits



## Deposit Growth Summary<sup>1,2</sup>

	1Q25 Balance (\$B)	Growth
Commercial	7.1	-12.4%
Consumer	5.8	-0.6%
<b>Total Deposit Growth QTD</b>		<b>-1.6%</b>

### Commercial

- Commercial deposits declined during the quarter ~\$228 million
  - Core relationship balances declined ~\$20 million
  - Public Funds balances declined ~\$208 million

### Consumer

- Consumer deposits declined during the quarter by ~\$9 million
  - Non-maturity balances increased ~\$188 million
  - Maturity balances declined ~\$197 million

MSA and County ranking data per FDIC

<sup>1</sup>Commercial includes Public Funds deposits and Consumer includes Private Wealth and Mortgage

<sup>2</sup>Annualized

# First Quarter Financial Results

(\$M except per share data)

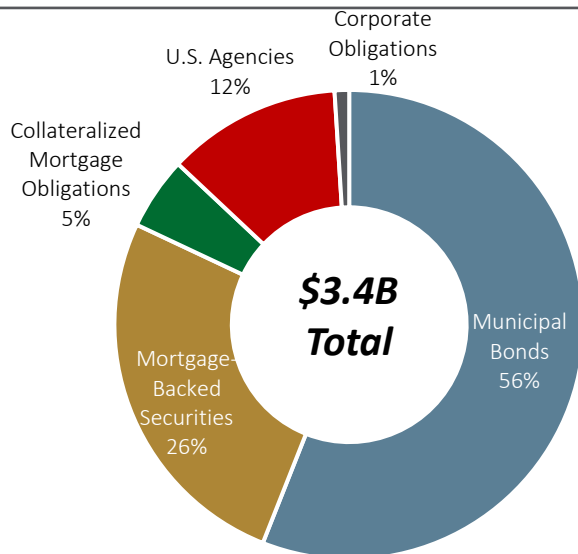
	For the Three Months Ended,					Variance Linked Quarter	% Variance Linked QTR- Annualized
	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25		
<b>Balance Sheet &amp; Asset Quality</b>							
1. Total Assets	\$18,317.8	\$18,303.4	\$18,347.6	\$18,312.0	\$18,439.8	\$127.8	2.8%
2. Total Loans	12,480.7	12,671.9	12,687.5	12,873.0	13,027.9	154.9	4.8%
3. Investments	3,783.6	3,753.1	3,662.1	3,460.7	3,427.1	(33.6)	-3.9%
4. Deposits	14,884.6	14,569.1	14,365.1	14,521.6	14,462.0	(59.6)	-1.6%
5. Total Equity	2,224.8	2,212.5	2,302.4	2,305.0	2,332.2	27.2	4.7%
6. TCE Ratio	8.32%	8.27%	8.76%	8.81%	8.90%	0.09%	
7. Total RBC Ratio	13.34	12.95	13.18	13.31	13.22	-0.09	
8. ACL / Loans	1.64	1.50	1.48	1.50	1.47	-0.03	
9. NCOs / Avg Loans	0.07	1.26	0.21	0.02	0.15	0.13	
10. NPAs + 90PD / Assets	0.38	0.37	0.43	0.46	0.49	0.03	
<b>Summary Income Statement</b>							
11. Net Interest Income	\$127.1	\$128.6	\$131.1	\$134.4	\$130.3	(\$4.1)	-3.1%
12. Provision for Credit Losses	2.0	24.5	5.0	4.2	4.2	0.0	
13. Noninterest Income	26.6	31.3	24.9	42.7	30.0	(12.7)	-29.7%
14. Noninterest Expense	96.9	91.4	94.6	96.3	92.9	(3.4)	-3.5%
15. Pre-tax Income	54.8	44.0	56.4	76.6	63.2	(13.4)	-17.5%
16. Provision for Taxes	6.8	4.1	7.2	12.2	7.8	(4.4)	-36.1%
17. Net Income	48.0	39.9	49.2	64.4	55.4	(9.0)	-14.0%
18. Preferred Stock Dividends	0.5	0.5	0.5	0.5	0.5	0.0	
19. Net Income Available to Common Stockholders	47.5	39.4	48.7	63.9	54.9	(9.0)	-14.1%
20. ROAA	1.04%	0.87%	1.07%	1.39%	1.21%	-0.18%	
21. ROAE	8.47	7.16	8.66	11.05	9.38	-1.67	
22. ROTCE <sup>1</sup>	13.21	11.29	13.39	16.75	14.12	-2.63	
23. Net Interest Margin	3.10	3.16	3.23	3.28	3.22	-0.06	
24. Efficiency Ratio	59.21	53.84	53.76	48.48	54.54	6.06	
<b>Per Share</b>							
25. Earnings per Diluted Share	\$0.80	\$0.68	\$0.84	\$1.10	\$0.94	(\$0.16)	
26. Tangible Book Value per Share <sup>1</sup>	25.07	25.10	26.64	26.78	27.34	0.56	
27. Dividend per Share	0.34	0.35	0.35	0.35	0.35	0.00	
28. Dividend Payout Ratio	42.5%	51.5%	41.7%	31.8%	37.2%	5.4%	

## 1Q25 Highlights

- **54.54% Efficiency Ratio<sup>1</sup>**
- **Net interest income decreased \$4.1 million** due to day count
- **Net interest margin of 3.22% was stable** on a linked quarter basis when normalized for day count
- **Noninterest income decreased \$12.7 million** primarily due to the 4Q24 gain on the Illinois branch sale, partially offset by realized losses on securities
- **TCE Ratio increased 0.09% to 8.90%**
- **\$27.34 Tangible Book Value per share**, an increase of \$0.56 from prior quarter

# Investment Portfolio Highlights

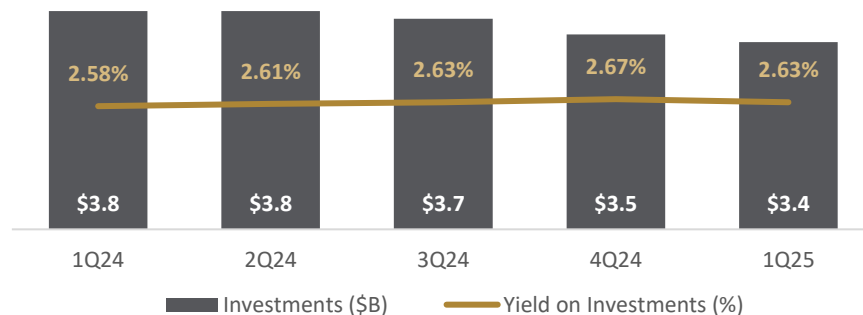
## 1Q25 Investment Portfolio Composition



### Highlights

- Effective duration of 6.1 years
- Cash flow of \$214 million in the next 9 months / ~2.16% yield
- AA rated municipal bond portfolio
- ~55% of portfolio classified as Held-to-Maturity
- Allowance for Credit Losses for Investments of \$245,000

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



## Investment Portfolio Gains / Losses

### Unrealized Losses

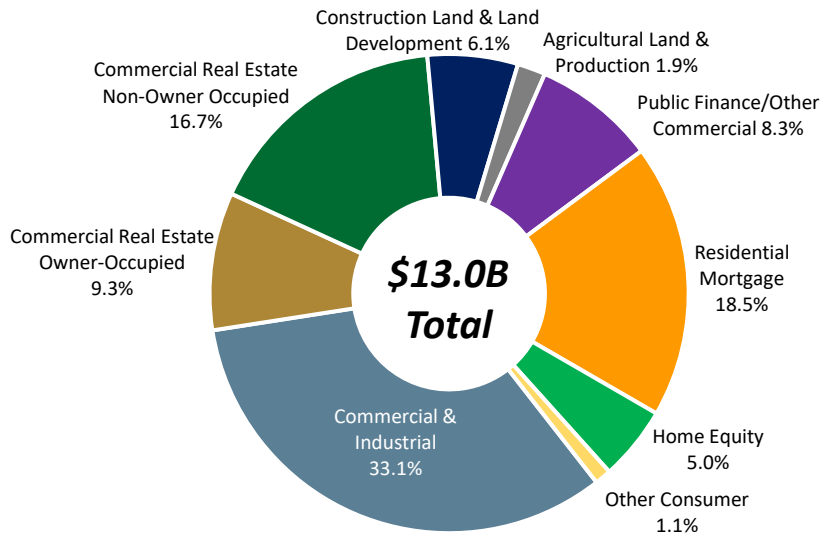
- Net unrealized AFS Loss of \$240.5 million (\$238.4 M prior Q)
- Net unrealized HTM Loss of \$343.9 million (\$351.0 M prior Q)

### Realized Gains/Losses

- 1Q 2024 none
- 2Q 2024 none
- 3Q 2024 \$9.1 million loss
- 4Q 2024 \$11.6 million loss
- 1Q 2025 none

# Loan Portfolio Highlights

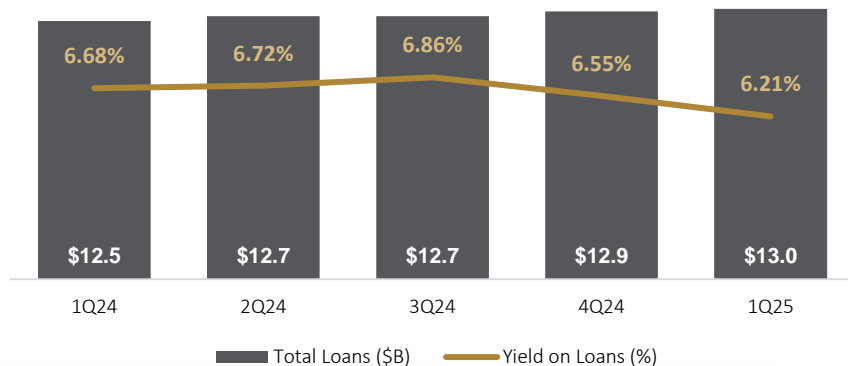
## 1Q25 Loan Composition



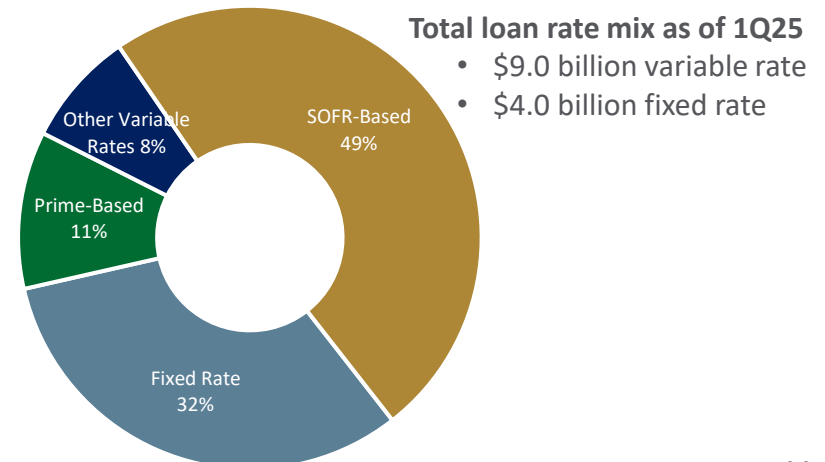
## Highlights

- Portfolio composition is ~75% Commercial oriented
- Total loan yield of 6.21%
- New/renewed loan yields averaged 6.96% for the quarter

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

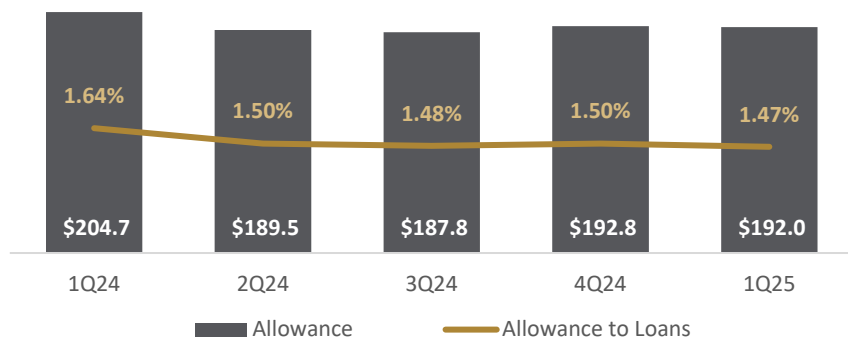


## 1Q25 Portfolio by Yield Type



# Allowance for Credit Losses - Loans

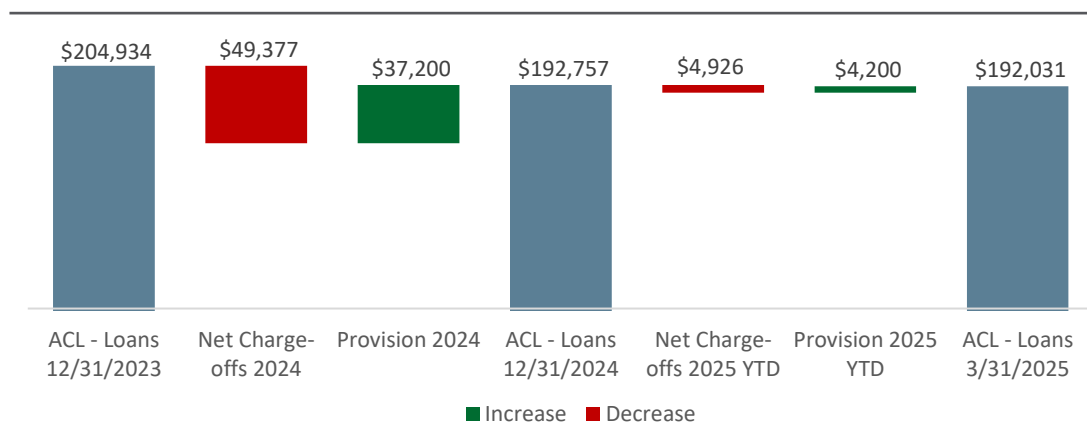
## 1Q25 Allowance for Credit Losses - Loans



## Highlights

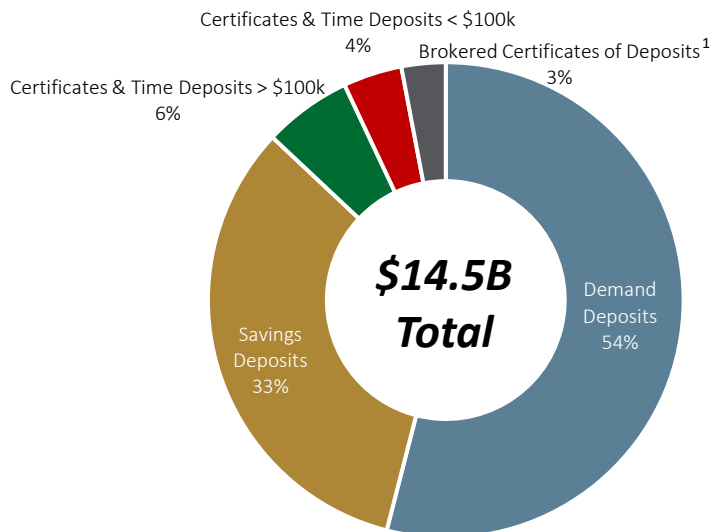
- \$4.2 million Q1 provision
- The reserve for unfunded commitments totals \$18.0 million and is recorded in Other Liabilities
- The remaining fair value accretion on acquired loans is \$16.3 million inclusive of credit and interest rate marks

## Change in ACL – Loans



# Deposit Portfolio Highlights

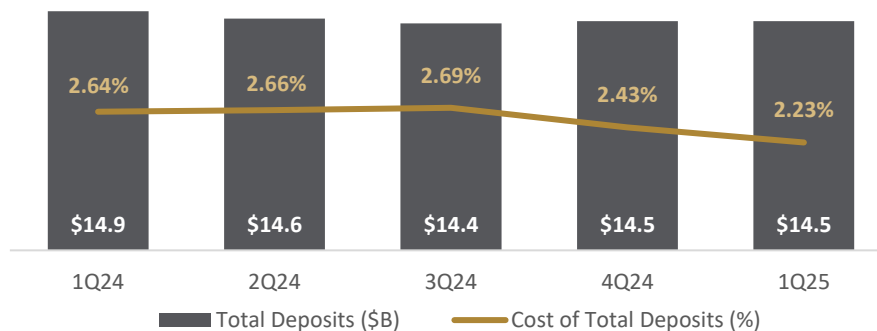
## 1Q25 Deposit Composition



## Highlights

- **Strong core deposit base**
  - 91% core deposits<sup>2</sup>
  - 15% noninterest bearing
  - 36% of total deposits yield 0 to 5 bps
- **Rate paid on interest-bearing deposits declined 25 bps to 2.64%**
- **Insured 69.6% / Uninsured 30.4%**
- **Average deposit account balance of \$36,000**

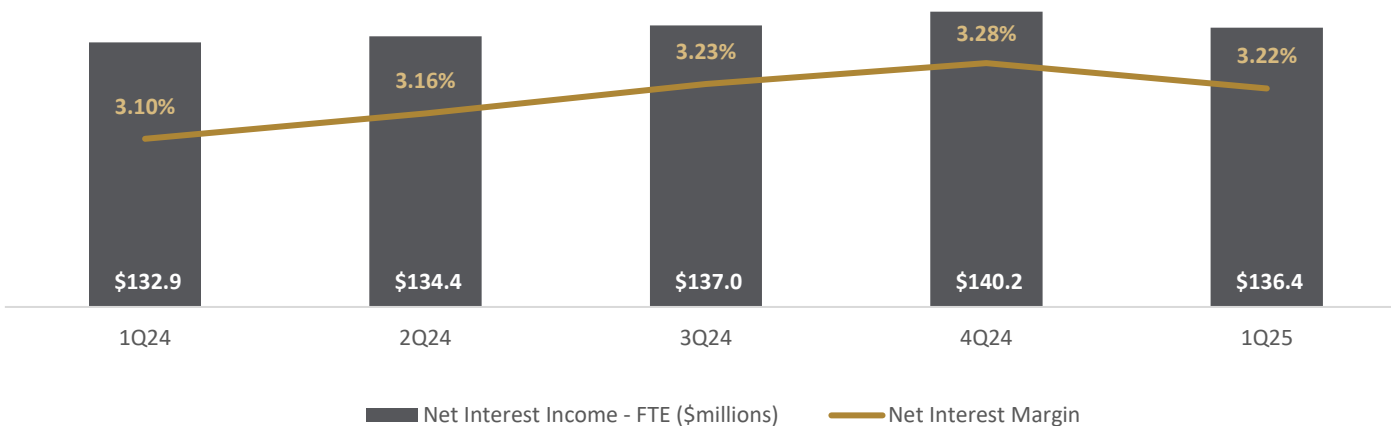
## Cost of Total Deposits (%) / Total Deposits (\$B)



# Net Interest Margin

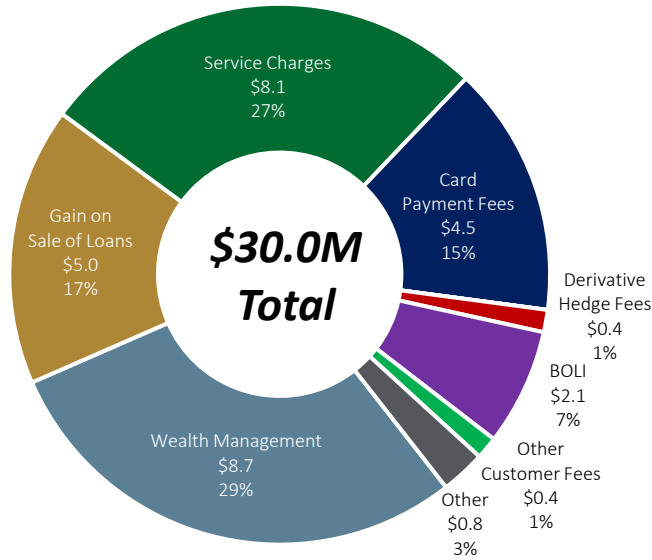
	1Q24	2Q24	3Q24	4Q24	1Q25
1. Net Interest Income - FTE (\$millions)	\$ 132.9	\$ 134.4	\$ 137.0	\$ 140.2	\$ 136.4
2. Fair Value Accretion	\$ 1.4	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.1
3. Adjusted Net Interest Income - FTE <sup>1</sup>	\$ 131.5	\$ 132.9	\$ 135.6	\$ 138.8	\$ 135.3
4. Tax Equivalent Yield on Earning Assets	5.65%	5.69%	5.82%	5.63%	5.39%
5. Interest Expense/Average Earning Assets	2.55%	2.53%	2.59%	2.35%	2.17%
6. Net Interest Margin	3.10%	3.16%	3.23%	3.28%	3.22%
7. Fair Value Accretion Effect	0.03%	0.03%	0.04%	0.03%	0.03%
8. Adjusted Net Interest Margin <sup>1</sup>	3.07%	3.13%	3.19%	3.25%	3.19%

<sup>1</sup>Adjusted for Fair Value Accretion



# Noninterest Income Highlights

## 1Q25 Noninterest Income Detail (\$M)

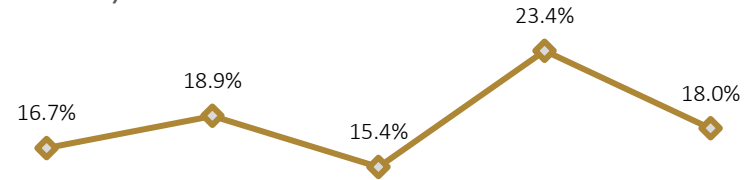


### Highlights

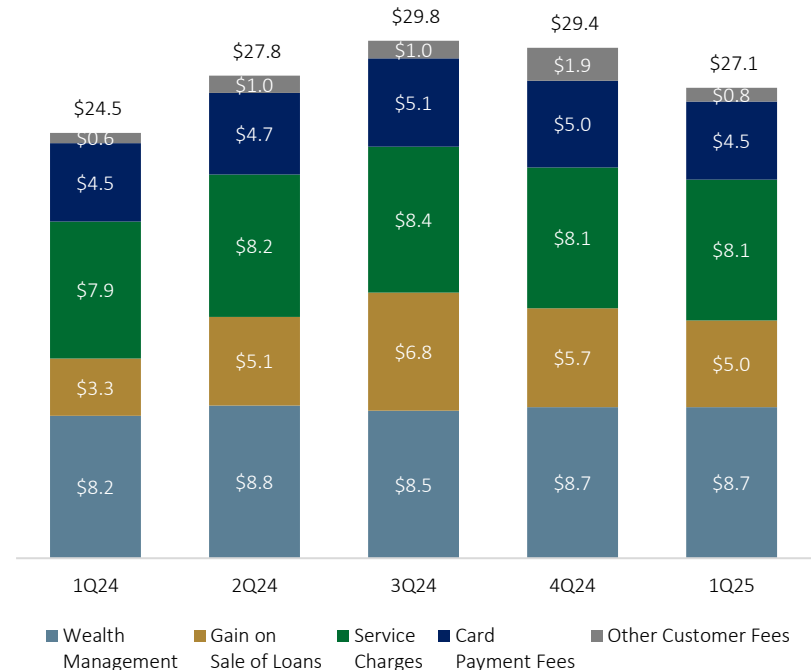
- Customer-related fees totaled \$27.1 million for 1Q25, a decrease of \$2.3 million due to lower derivative hedge fees, gains on sales of mortgage loans and card payment fees
- Non-customer related fees decreased \$10.4 million from prior quarter primarily due to a gain on the Illinois branch sale, partially offset by realized losses on sales of securities recorded in the prior quarter

## Noninterest Income Trends

### Fee Income / Revenue

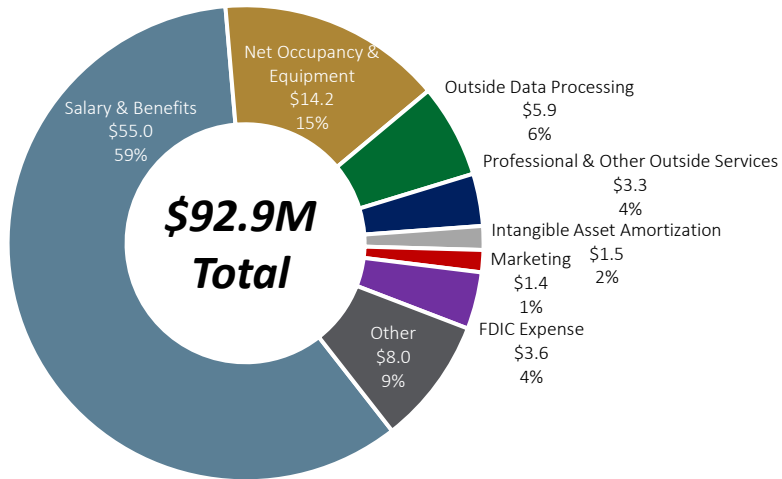


## Customer-Related Fees (\$M)



# Noninterest Expense Highlights

## 1Q25 Noninterest Expense Detail

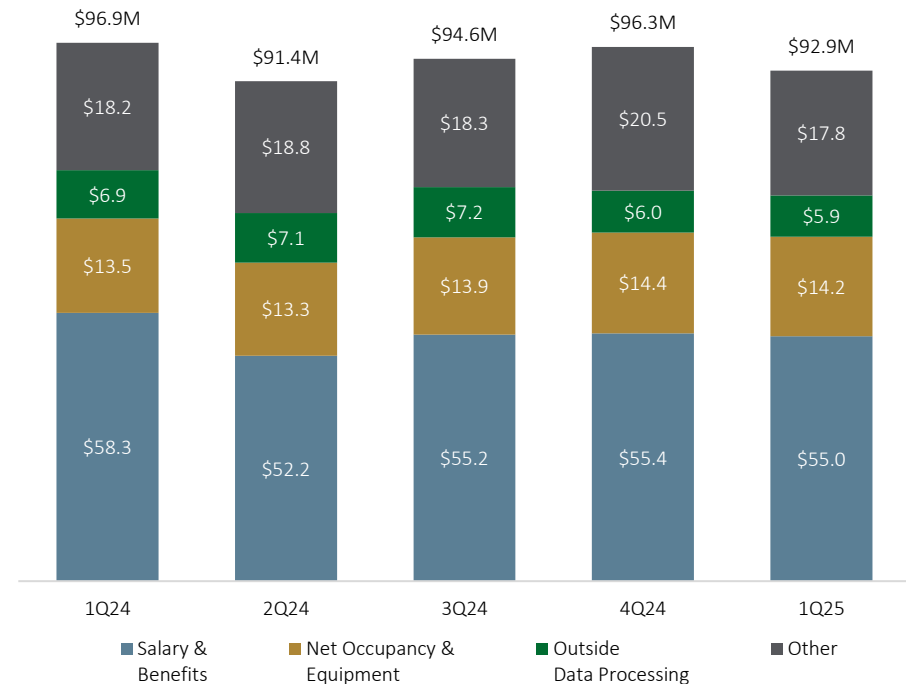
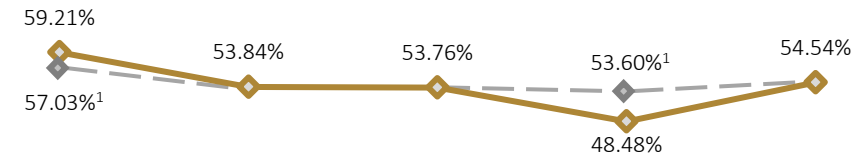


### Highlights

- Decrease from 4Q24 of \$3.4 million due to lower marketing costs, professional fees and employee incentives

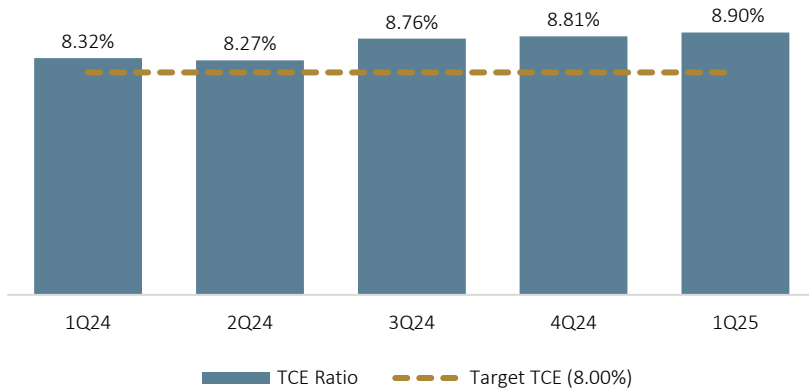
## Noninterest Expense Trends (\$M)

### Efficiency Ratio



# Capital Ratios

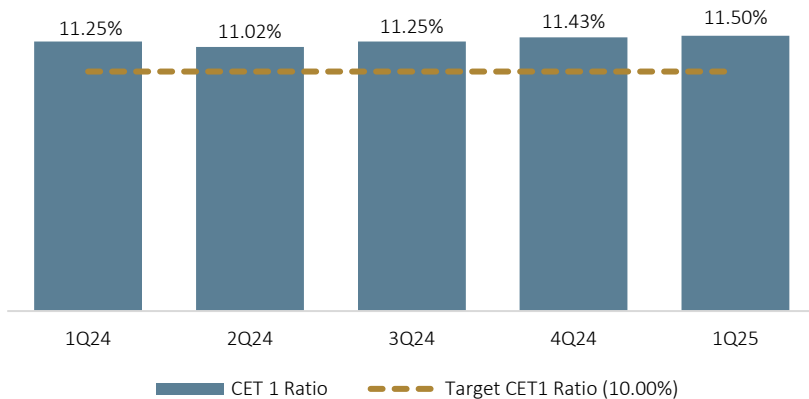
## Tangible Common Equity Ratio



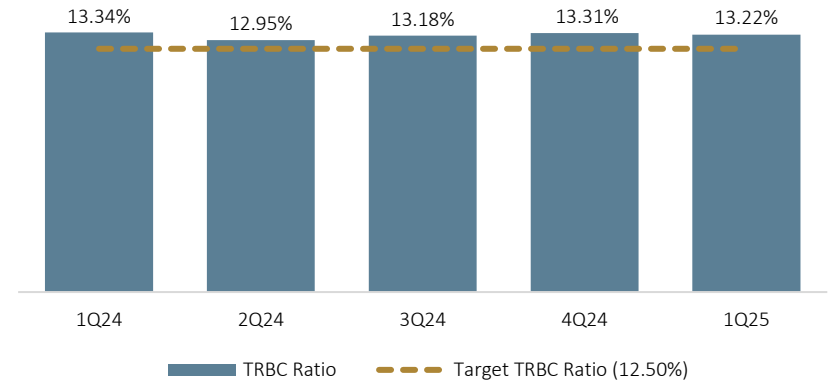
## Highlights

- TCE increased over 4Q24 due to strong earnings growth
- Capital ratios reflect \$30 million of sub debt redemption and \$7.9 million of shares repurchased during 1Q25

## Common Equity Tier 1 Ratio



## Total Risk-Based Capital Ratio



# Loan Portfolio

## Loan Portfolio Trends (\$M)

	1Q24	2Q24	3Q24	4Q24	1Q25
1. C&I - Regional Banking	\$ 2,910	\$ 3,132	\$ 3,201	\$ 3,349	\$ 3,482
2. C&I - Sponsor Finance	813	818	841	766	824
3. CRE Owner Occupied	<u>1,138</u>	<u>1,174</u>	<u>1,155</u>	<u>1,158</u>	<u>1,215</u>
<b>4. Total C&amp;I Loans</b>	<b>4,861</b>	<b>5,124</b>	<b>5,197</b>	<b>5,273</b>	<b>5,521</b>
5. Construction/Land/Land Dev.	942	823	815	792	793
6. CRE Non-Owner Occupied	<u>2,368</u>	<u>2,324</u>	<u>2,254</u>	<u>2,274</u>	<u>2,178</u>
<b>7. Total CRE NOO Loans</b>	<b>3,310</b>	<b>3,147</b>	<b>3,069</b>	<b>3,066</b>	<b>2,971</b>
8. Agricultural	234	240	239	256	244
9. Public Finance/Other Commercial	<u>965</u>	<u>965</u>	<u>982</u>	<u>1,059</u>	<u>1,087</u>
<b>10. Total Commercial Loans</b>	<b>9,370</b>	<b>9,476</b>	<b>9,487</b>	<b>9,654</b>	<b>9,823</b>
11. Residential Mortgage	2,331	2,403	2,397	2,389	2,413
12. Home Equity	618	631	641	660	651
13. Other Consumer	<u>162</u>	<u>162</u>	<u>163</u>	<u>170</u>	<u>141</u>
<b>14. Total Resi Mortgage &amp; Consumer</b>	<b>3,111</b>	<b>3,196</b>	<b>3,201</b>	<b>3,219</b>	<b>3,205</b>
<b>15. Total Loans</b>	<b>\$12,481</b>	<b>\$12,672</b>	<b>\$12,688</b>	<b>\$12,873</b>	<b>\$13,028</b>

## 1Q25 Highlights

- **Balanced Commercial loan growth of \$169 million**
- **Strong C&I Loan growth of \$248 million**
- **Conservative Real Estate approach with room for quality CRE opportunities:**

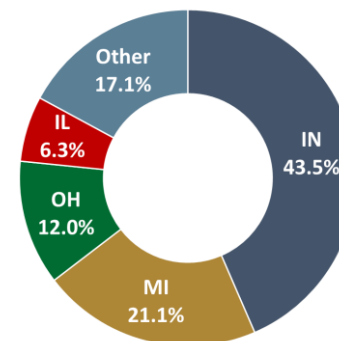
CRE Construction: 39.9% / 100%<sup>1</sup>  
 CRE Total: 149.4% / 300%<sup>1</sup>

<sup>1</sup>Measures loans as a percentage of the Bank's total regulatory capital which is used by regulators to assess CRE exposure.

## Year Over Year Highlights

- **Total Loan growth of \$547 million or 4.4%**
  - Led by Regional C&I lending totaling \$572 million

## Geography



82.9% of borrowers within four state Midwest geography



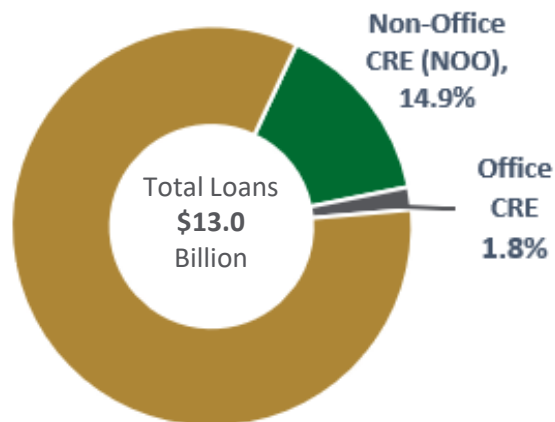
# Loan Portfolio Insights (continued)

## Commercial Real Estate (Non-Owner Occupied) (\$M)

	Multi-Family	Industrial	Retail	Warehouse / Storage	Office	Hotel	Other	Total CRE (NOO)
Balance:	\$ 659.9	\$ 405.5	\$ 311.3	\$ 281.4	\$ 237.3	\$ 96.3	\$ 186.1	\$ 2,177.8
Commitment:	\$ 704.1	\$ 425.6	\$ 314.9	\$ 293.3	\$ 240.9	\$ 96.3	\$ 267.4	\$ 2,342.5
# of loans:	448	466	271	99	176	26	105	1,591
% of Total Loans:	5.1%	3.1%	2.4%	2.2%	1.8%	0.7%	1.4%	16.7%
Average Loan Balance:	\$ 1.5	\$ 0.9	\$ 1.1	\$ 2.8	\$ 1.3	\$ 3.7	\$ 1.8	\$ 1.4
Top 10 - Avg. Loan Com:	\$ 17.0	\$ 12.4	\$ 8.4	\$ 17.5	\$ 12.6	\$ 8.3	\$ 16.5	\$ 24.0

## Office (Non-Owner Occupied) (\$M)

### Office % Total Loans



### Office Type

General Office	\$86.8
Medical	\$65.6
Mixed	\$50.3
Government	\$17.7
Other	\$16.9

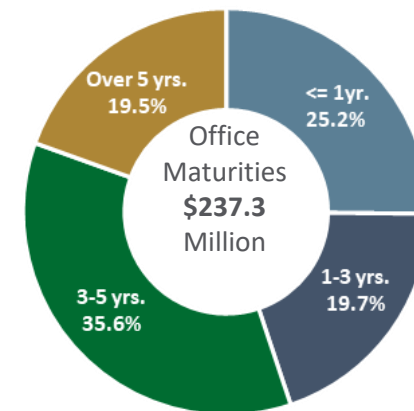
### Office Tenant Classification

Multi Tenant	\$129.9
Single Tenant	\$107.4

### Office Geographic

Michigan	\$71.2
Indiana	\$53.2
Ohio	\$27.5
California	\$25.0
Oklahoma	\$24.5
Other	\$35.9

### Office - Maturities



- Top 10 loans are ~53% of total office with WALTV of ~63.6 at origination
- Largest NOO Office \$25.0 million, mixed office, 67.2% LTV
- 2nd largest \$24.5 million, single tenant medical



# Asset Quality

## Asset Quality Trends (\$M)

	1Q24	2Q24	3Q24	4Q24	1Q25
1. Non-Accrual Loans	\$ 62.5	\$ 61.9	\$ 59.1	\$ 73.8	\$ 81.9
2. Other Real Estate	4.9	4.8	5.2	4.9	5.0
3. 90PD Loans	<u>2.8</u>	<u>1.7</u>	<u>14.1</u>	<u>5.9</u>	<u>4.3</u>
<b>4. NPAs + 90PD</b>	<b>\$ 70.2</b>	<b>\$ 68.4</b>	<b>\$ 78.4</b>	<b>\$ 84.6</b>	<b>\$ 91.2</b>
5. NPAs + 90PD/Loans and ORE	0.56%	0.54%	0.62%	0.66%	0.70%
6. Classified Loans	\$ 279.4	\$ 296.6	\$ 370.9	\$ 372.8	\$ 362.3
<b>7. Classified Loans/Loans</b>	<b>2.24%</b>	<b>2.34%</b>	<b>2.92%</b>	<b>2.90%</b>	<b>2.78%</b>
8. Net Charge-offs (QTD)	\$ 2.3	\$ 39.6	\$ 6.7	\$ 0.8	\$ 4.9
<b>9. QTD NCO/Avg. Loans (Annualized)</b>	<b>0.07%</b>	<b>1.26%</b>	<b>0.21%</b>	<b>0.02%</b>	<b>0.15%</b>

## 1Q25 Highlights

### Asset Quality:

- Largest Non-Accruals
  - \$22 million – Multi-family
    - Originally payoff expected by end of Q1-beginning Q2.
    - Revised payoff expected within 30 days.
  - \$8.7 million – Nursing Facility
  - \$6.8 million – C & I Brewery
- Classified Loans declined to 2.78%
- \$4.9 million or 0.15 % Net Charge-offs as % of Average Loans (Annualized)
  - \$2.6 million Professional Services Co.

# Nonperforming Assets

## Nonperforming Assets Roll Forward (\$M)

	1Q24	2Q24	3Q24	4Q24	1Q25
1. <b>Beginning Balance NPAs + 90PD</b>	\$ 58.6	\$ 70.2	\$ 68.4	\$ 78.4	\$ 84.6
<u>Non-Accrual</u>					
2. Add: New Non-Accruals	17.7	51.6	13.2	42.9	19.6
3. Less: To Accrual or Payoff	(5.6)	(11.2)	(7.9)	(25.5)	(5.0)
4. Less: To OREO	-	(0.1)	(0.5)	(0.1)	(0.3)
5. Less: Charge-offs	<u>(3.2)</u>	<u>(40.9)</u>	<u>(7.6)</u>	<u>(2.6)</u>	<u>(6.2)</u>
6. <b>Non-Accrual Loans Change</b>	<b>8.9</b>	<b>(0.6)</b>	<b>(2.8)</b>	<b>14.7</b>	<b>8.1</b>
<u>Other Real Estate Owned (ORE)</u>					
7. Add: New ORE Properties	0.1	0.1	0.5	0.1	0.3
8. Less: ORE Sold	-	(0.2)	(0.1)	(0.4)	(0.2)
9. Less: ORE Losses (write-downs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10. <b>ORE Change</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.4</b>	<b>(0.3)</b>	<b>0.1</b>
11. 90PD Change	2.6	(1.1)	12.4	(8.2)	(1.6)
12. <b>NPAs + 90PD Change</b>	<b><u>11.6</u></b>	<b><u>(1.8)</u></b>	<b><u>10.0</u></b>	<b><u>6.2</u></b>	<b><u>6.6</u></b>
13. <b>Ending Balance NPAs + 90PD</b>	\$ 70.2	\$ 68.4	\$ 78.4	\$ 84.6	\$ 91.2

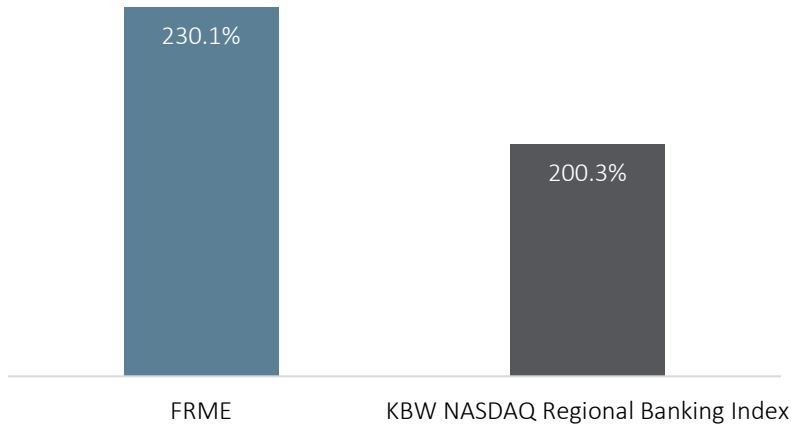
## 1Q25 Highlights

### Non-Accrual Migration:

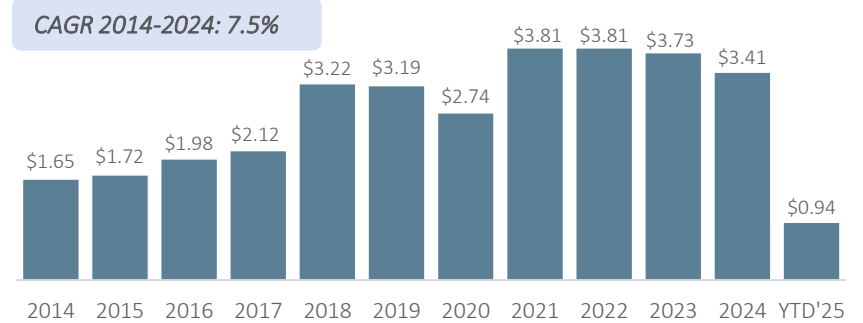
- Largest new non-accrual relationship totals \$6.8 million
  - \$2.4 million paydown intra-quarter
- 90 days past due decreased \$1.6 million

# Track Record of Shareholder Value

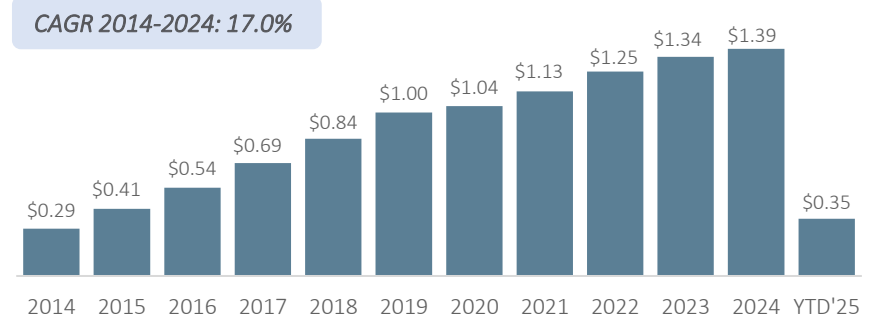
## 10-Year Total Return (2014-2024)



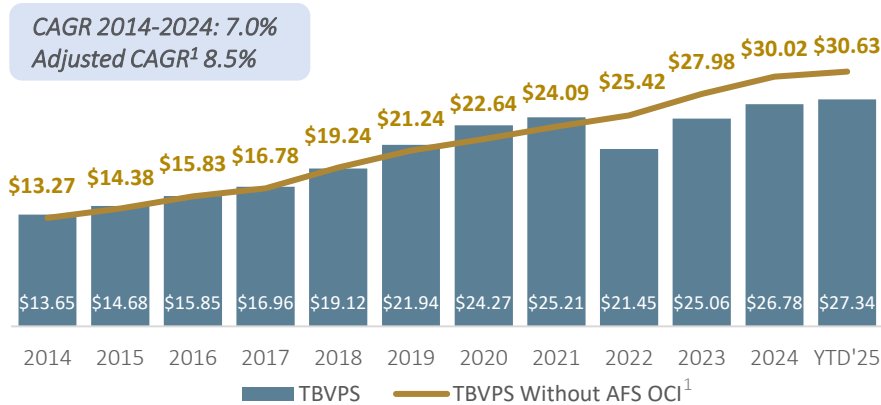
## Earnings per Share



## Dividends per Share

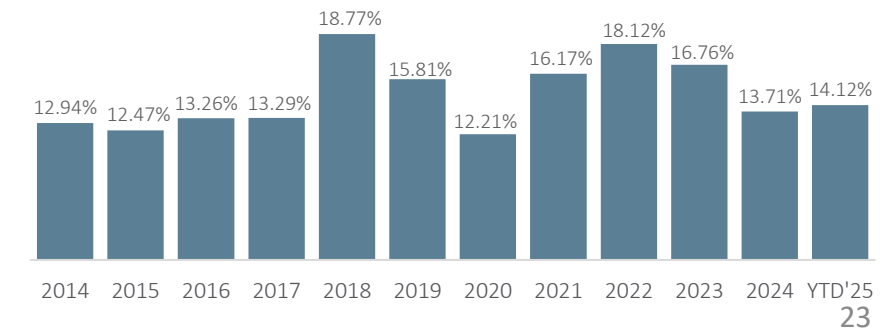


## Tangible Book Value per Share



<sup>1</sup>Tangible book value per share excluding unrealized gain/loss in available for sale securities.

## Return on Tangible Common Equity

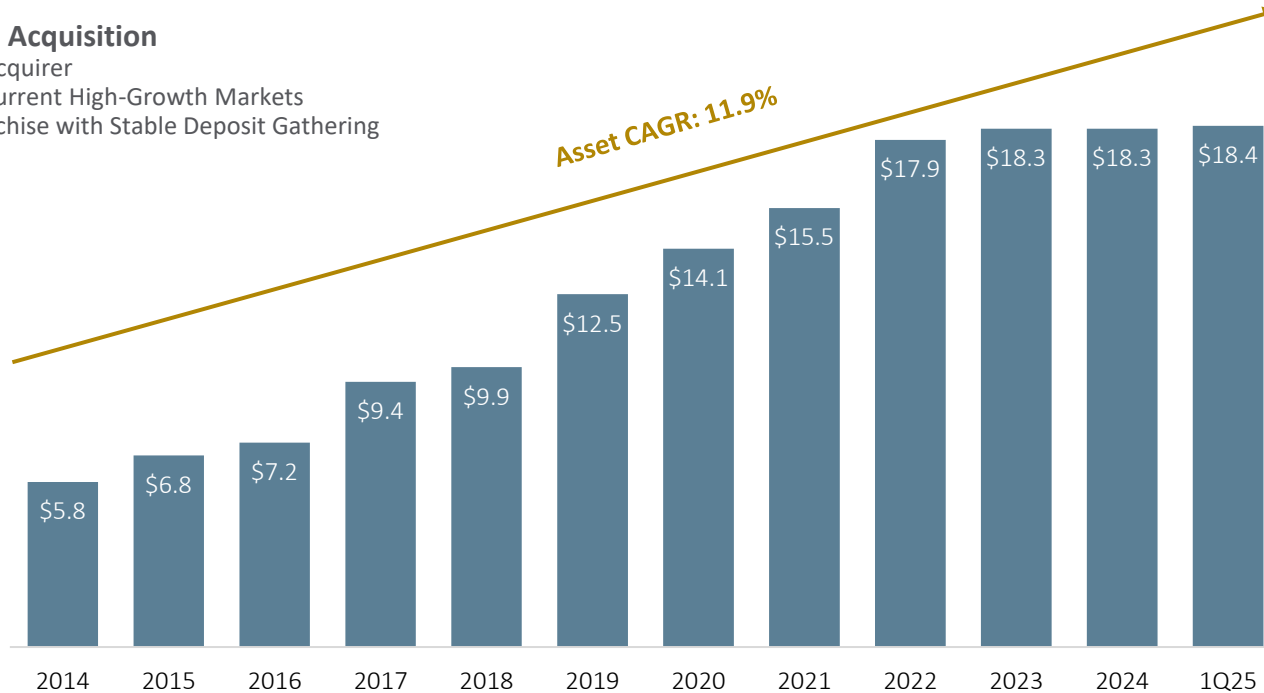


# History of Organic and Whole Bank Acquisition Growth

Total Assets (\$B)

## Growth Through Acquisition

- ✓ Experienced Acquirer
- ✓ Expanded in Current High-Growth Markets
- ✓ Added to Franchise with Stable Deposit Gathering Markets



**2015**  
 } Cooper State Bank (\$138 M)  
 } Ameriana Bank (\$483 M)

**2019**  
 } Monroe Bank & Trust (\$1.3 B)

**2014**  
 } Community Bank (\$269 M)

**2017**  
 } Arlington Bank (\$309 M)  
 } iAB Financial Bank (\$1.1 B)

**2022**  
 } LevelOne (\$2.5 B)

# 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 attentive, knowledgeable, and high-performing bank for our clients, teammates, and shareholders.*

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## **Strategic Imperatives:**

- Drive engagement 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
- Continued investment in the digitization 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 our stakeholder-centric business model

# APPENDIX



# Non-GAAP

## ADJUSTED NET INCOME AND DILUTED EARNINGS PER COMMON SHARE

	1Q24	2Q24	3Q24	4Q24	1Q25
<b>(Dollars in Thousands, Except Per Share Amounts)</b>					
Net Income Available to Common Stockholders - GAAP	\$ 47,472	\$ 39,456	\$ 48,719	\$ 63,880	\$ 54,870
Adjustments:					
Net realized losses/(gains) on sales of available for sale securities	2	49	9,114	11,592	7
Gain on branch sale	-	-	-	(19,983)	-
Non-core expenses <sup>1,2</sup>	3,481	-	-	762	-
Tax on adjustments	(848)	(12)	(2,220)	1,851	(2)
<b>Adjusted Net Income Available to Common Stockholders - NON-GAAP</b>	<b>\$ 50,107</b>	<b>\$ 39,493</b>	<b>\$ 55,613</b>	<b>\$ 58,102</b>	<b>\$ 54,875</b>
Average Diluted Common Shares Outstanding	59,273	58,328	58,289	58,247	58,242
Diluted Earnings Per Common Share - GAAP	\$ 0.80	\$ 0.68	\$ 0.84	\$ 1.10	\$ 0.94
Adjustments:					
Net realized losses/(gains) on sales of available for sale securities	-	-	0.15	0.20	-
Gain on branch sale	-	-	-	(0.34)	-
Non-core expenses <sup>1,2</sup>	0.06	-	-	0.01	-
Tax on adjustments	(0.01)	-	(0.04)	0.03	-
<b>Adjusted Diluted Earnings Per Common Share - NON-GAAP</b>	<b>\$ 0.85</b>	<b>\$ 0.68</b>	<b>\$ 0.95</b>	<b>\$ 1.00</b>	<b>\$ 0.94</b>

<sup>1</sup>Non-core expenses in 4Q24 included \$0.8 million of costs directly related to the branch sale.

<sup>2</sup>Non-core expenses in 1Q24 included \$1.1 million from the FDIC special assessment and \$2.4 million from digital platform conversion costs.

# Non-GAAP

## PRE-TAX, PRE-PROVISION ("PTPP") EARNINGS, AS ADJUSTED

(Dollars in Thousands, Except Per Share Amounts)

	1Q24	2Q24	3Q24	4Q24	1Q25
Net Interest Income (GAAP)	\$ 127,063	\$ 128,571	\$ 131,110	\$ 134,370	\$ 130,270
Other Income (GAAP)	26,638	31,334	24,866	42,742	30,047
Total Revenue	153,701	159,905	155,976	177,112	160,317
Less: Other Expenses (GAAP)	(96,935)	(91,412)	(94,628)	(96,289)	(92,901)
Add: Net Realized Losses on Sales of Available for Sale Securities	2	49	9,114	11,592	7
Add: Gain on Branch Sale				(19,983)	-
Add: Non-core Expenses <sup>1,2</sup> (non-GAAP)	3,481	-	-	762	-
Pre-Tax, Pre-Provision Earnings (non-GAAP)	\$ 60,249	\$ 68,542	\$ 70,462	\$ 73,194	\$ 67,423
Average Assets (GAAP)	\$ 18,430,521	\$ 18,332,159	\$ 18,360,580	\$ 18,478,303	\$ 18,341,738
Average Equity (GAAP)	\$ 2,242,139	\$ 2,203,361	\$ 2,251,547	\$ 2,312,270	\$ 2,340,874
PTPP/Average Assets (PTPP ROA)	1.31%	1.50%	1.54%	1.58%	1.47%
PTPP/Average Equity (PTPP ROE)	10.75%	12.44%	12.52%	12.66%	11.52%

<sup>1</sup>Non-core expenses in 4Q24 included \$0.8 million of costs directly related to the branch sale.

<sup>2</sup>Non-core expenses in 1Q24 included \$1.1 million from the FDIC special assessment and \$2.4 million from digital platform conversion costs.

# Non-GAAP

## NET INTEREST MARGIN ("NIM"), ADJUSTED

**(Dollars in Thousands, Except Per Share Amounts)**

	1Q24	2Q24	3Q24	4Q24	1Q25
Net Interest Income (GAAP)	\$ 127,063	\$ 128,571	\$ 131,110	\$ 134,370	\$ 130,270
Fully Taxable Equivalent ("FTE") Adjustment	5,795	5,859	5,883	5,788	6,127
Net Interest Income (FTE) (non-GAAP)	132,858	134,430	136,993	140,158	136,397
Average Earning Assets (GAAP)	\$ 17,123,851	\$ 17,013,984	\$ 16,990,358	\$ 17,089,198	\$ 16,960,475
Net Interest Margin (GAAP)	2.97%	3.02%	3.09%	3.15%	3.07%
Net Interest Margin (FTE) (non-GAAP)	3.10%	3.16%	3.23%	3.28%	3.22%

# Non-GAAP

## EFFICIENCY RATIO (dollars in thousands):

	1Q24	2Q24	3Q24	4Q24	1Q25
<b>EFFICIENCY RATIO (dollars in thousands):</b>					
Non Interest Expense (GAAP)	\$ 96,935	\$ 91,413	\$ 94,629	\$ 96,289	\$ 92,902
Less: Intangible Asset Amortization	(1,957)	(1,771)	(1,772)	(1,771)	(1,526)
Less: OREO and Foreclosure Expenses	(534)	(373)	(942)	(227)	(600)
Adjusted Non Interest Expense (non-GAAP)	94,444	89,269	91,915	94,291	90,776
Net Interest Income (GAAP)	127,063	128,571	131,110	134,370	130,270
Plus: Fully Taxable Equivalent Adjustment	5,795	5,859	5,883	5,788	6,127
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	132,858	134,430	136,993	140,158	136,397
Non Interest Income (GAAP)	26,638	31,334	24,866	42,742	30,048
Less: Investment Securities (Gains) Losses	2	49	9,114	11,592	7
Adjusted Non Interest Income (non-GAAP)	26,640	31,383	33,980	54,334	30,055
Adjusted Revenue (non-GAAP)	159,498	165,813	170,973	194,492	166,452
<b>Efficiency Ratio (non-GAAP)</b>	<b>59.21%</b>	<b>53.84%</b>	<b>53.76%</b>	<b>48.48%</b>	<b>54.54%</b>
Adjusted Non Interest Expense (non-GAAP)	94,444	89,269	91,915	94,291	90,776
Non-core expenses <sup>1,2</sup>	(3,481)	-	-	(762)	-
Adjusted Non Interest Expense Excluding Non-Core Expenses (non-GAAP)	90,963	89,269	91,915	93,529	90,776
Adjusted Revenue (non-GAAP)	159,498	165,813	170,973	194,492	166,452
Less: Gain on Branch Sale	-	-	-	(19,983)	-
Adjusted Revenue Excluding Gain on Branch Sale (non-GAAP)	159,498	165,813	170,973	174,509	166,452
<b>Adjusted Efficiency Ratio (non-GAAP)</b>	<b>57.03%</b>	<b>53.84%</b>	<b>53.76%</b>	<b>53.60%</b>	<b>54.54%</b>

<sup>1</sup>Non-core expenses in 4Q24 included \$0.8 million of costs directly related to the branch sale.

<sup>2</sup>Non-core expenses in 1Q24 included \$1.1 million from the FDIC special assessment and \$2.4 million from digital platform conversion costs.

# Non-GAAP

## CAPITAL RATIOS (dollars in thousands):

	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Total Risk-Based Capital Ratio (dollars in thousands)</b>					
Total Stockholders' Equity (GAAP)	2,224,803	2,212,525	2,302,373	2,304,983	2,332,214
Adjust for Accumulated Other Comprehensive (Income) Loss <sup>1</sup>	198,029	211,979	151,825	188,685	190,311
Less: Preferred Stock	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Add: Qualifying Capital Securities	25,000	25,000	25,000	25,000	25,000
Less: Disallowed Goodwill and Intangible Assets	(729,734)	(728,321)	(726,907)	(725,504)	(724,275)
Less: Disallowed Deferred Tax Assets	(340)	(282)	(257)	(571)	(573)
Total Tier 1 Capital (Regulatory)	\$ 1,692,633	\$ 1,695,776	\$ 1,726,909	\$ 1,767,468	\$ 1,797,552
Qualifying Subordinated Debentures	98,176	78,236	78,205	72,040	47,380
Allowance for Loan Losses includible in Tier 2 Capital	185,639	189,697	189,366	190,854	192,814
Total Risk-Based Capital (Regulatory)	\$ 1,976,448	\$ 1,963,709	\$ 1,994,480	\$ 2,030,362	\$ 2,037,746
Net Risk-Weighted Assets (Regulatory)	\$ 14,818,838	\$ 15,161,104	\$ 15,132,640	\$ 15,249,287	\$ 15,408,760
<b>Total Risk-Based Capital Ratio (Regulatory)</b>	<b>13.34%</b>	<b>12.95%</b>	<b>13.18%</b>	<b>13.31%</b>	<b>13.22%</b>
<b>Common Equity Tier 1 Capital Ratio</b>					
Total Tier 1 Capital (Regulatory)	\$ 1,692,633	\$ 1,695,776	\$ 1,726,909	\$ 1,767,468	\$ 1,797,552
Less: Qualified Capital Securities	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Common Equity Tier 1 Capital (Regulatory)	\$ 1,667,633	\$ 1,670,776	\$ 1,701,909	\$ 1,742,468	\$ 1,772,552
Net Risk-Weighted Assets (Regulatory)	\$ 14,818,838	\$ 15,161,104	\$ 15,132,640	\$ 15,249,287	\$ 15,408,760
<b>Common Equity Tier 1 Capital Ratio (Regulatory)</b>	<b>11.25%</b>	<b>11.02%</b>	<b>11.25%</b>	<b>11.43%</b>	<b>11.50%</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):

	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Tangible Common Equity Ratio (dollars in thousands)</b>					
Total Stockholders' Equity (GAAP)	\$ 2,224,803	\$ 2,212,525	\$ 2,302,373	\$ 2,304,983	\$ 2,332,214
Less: Preferred Stock	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Intangible Assets	(737,144)	(735,373)	(733,601)	(731,830)	(730,304)
Tangible Common Equity (non-GAAP)	\$ 1,462,534	\$ 1,452,027	\$ 1,543,647	\$ 1,548,028	\$ 1,576,785
Total Assets (GAAP)	\$ 18,317,803	\$ 18,303,423	\$ 18,347,552	\$ 18,311,969	\$ 18,439,787
Less: Intangible Assets	(737,144)	(735,373)	(733,601)	(731,830)	(730,304)
Tangible Assets (non-GAAP)	\$ 17,580,659	\$ 17,568,050	\$ 17,613,951	\$ 17,580,139	\$ 17,709,483
<b>Tangible Common Equity Ratio (non-GAAP)</b>	<b>8.32%</b>	<b>8.27%</b>	<b>8.76%</b>	<b>8.81%</b>	<b>8.90%</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Tangible Common Equity Per Share</b>								
Total Stockholders' Equity (GAAP)	\$ 726,827	\$ 850,509	\$ 901,657	\$ 1,303,463	\$ 1,408,260	\$ 1,786,437	\$ 1,875,645	\$ 1,912,571
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(218,755)	(259,764)	(258,866)	(476,503)	(469,784)	(578,881)	(572,893)	(570,860)
Tax Benefit	6,085	6,278	5,930	6,788	5,017	7,257	5,989	4,875
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 514,032	\$ 596,898	\$ 648,596	\$ 833,623	\$ 943,368	\$ 1,214,688	\$ 1,308,616	\$ 1,346,461
Common Shares Outstanding	37,669,948	40,664,258	40,912,697	49,158,238	49,349,800	55,368,482	53,922,359	53,410,411
<b>Tangible Common Equity per Share (non-GAAP)</b>	<b>\$ 13.65</b>	<b>\$ 14.68</b>	<b>\$ 15.85</b>	<b>\$ 16.96</b>	<b>\$ 19.12</b>	<b>\$ 21.94</b>	<b>\$ 24.27</b>	<b>\$ 25.21</b>

	2022	2023	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Tangible Common Equity Per Share</b>							
Total Stockholders' Equity (GAAP)	\$ 2,034,770	\$ 2,247,713	\$ 2,224,803	\$ 2,212,525	\$ 2,302,373	\$ 2,304,983	\$ 2,332,214
Less: Preferred Stock	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Intangible Assets	(747,844)	(739,101)	(737,144)	(735,373)	(733,601)	(731,830)	(730,304)
Tax Benefit	7,702	5,819	5,398	5,020	4,642	4,263	3,939
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,269,503	\$ 1,489,306	\$ 1,467,932	\$ 1,457,047	\$ 1,548,289	\$ 1,552,291	\$ 1,580,724
Common Shares Outstanding	59,170,583	59,424,122	58,564,819	58,045,653	58,117,115	57,974,535	57,810,232
<b>Tangible Common Equity per Share (non-GAAP)</b>	<b>\$ 21.45</b>	<b>\$ 25.06</b>	<b>\$ 25.07</b>	<b>\$ 25.10</b>	<b>\$ 26.64</b>	<b>\$ 26.78</b>	<b>\$ 27.34</b>

# Non-GAAP

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

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Return on Tangible Common Equity</b>								
Total Average Stockholders' Equity (GAAP)	\$ 675,295	\$ 753,724	\$ 884,664	\$ 1,110,524	\$ 1,343,861	\$ 1,569,615	\$ 1,825,135	\$ 1,866,632
Less: Average Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Average Intangible Assets, Net of Tax	(199,354)	(215,281)	(254,332)	(360,005)	(467,421)	(499,622)	(569,377)	(567,512)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 475,816	\$ 538,318	\$ 630,207	\$ 750,394	\$ 876,315	\$ 1,069,868	\$ 1,255,633	\$ 1,298,995
Net Income Available to Common Stockholders (GAAP)	\$ 60,162	\$ 65,384	\$ 81,051	\$ 96,070	\$ 159,139	\$ 164,460	\$ 148,600	\$ 205,531
Plus: Intangible Asset Amortization, Net of Tax	1,395	1,720	2,542	3,670	5,307	4,736	4,730	4,540
Tangible Net Income (non-GAAP)	\$ 61,557	\$ 67,104	\$ 83,593	\$ 99,740	\$ 164,446	\$ 169,196	\$ 153,330	\$ 210,071
<b>Return on Tangible Common Equity (non-GAAP)</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>12.21%</b>	<b>16.17%</b>

	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
<b>Return on Tangible Common Equity</b>								
Total Average Stockholders' Equity (GAAP)	\$ 1,972,445	\$ 2,127,262	\$ 2,242,139	\$ 2,203,361	\$ 2,251,547	\$ 2,312,270	\$ 2,252,491	\$ 2,340,874
Less: Average Preferred Stock	(18,875)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)	(25,125)
Less: Average Intangible Assets, Net of Tax	(699,803)	(736,601)	(732,432)	(730,980)	(729,581)	(728,218)	(730,295)	(726,917)
Average Tangible Common Equity, Net of Tax (non-GAAP)	\$ 1,253,767	\$ 1,365,536	\$ 1,484,582	\$ 1,447,256	\$ 1,496,841	\$ 1,558,927	\$ 1,497,071	\$ 1,588,832
Net Income Available to Common Stockholders (GAAP)	\$ 220,683	\$ 221,911	\$ 47,472	\$ 39,456	\$ 48,719	\$ 63,880	\$ 199,527	\$ 54,870
Plus: Intangible Asset Amortization, Net of Tax	6,537	6,906	1,546	1,399	1,399	1,399	5,744	1,206
Tangible Net Income (non-GAAP)	\$ 227,220	\$ 228,817	\$ 49,018	\$ 40,855	\$ 50,118	\$ 65,279	\$ 205,271	\$ 56,076
<b>Return on Tangible Common Equity (non-GAAP)</b>	<b>18.12%</b>	<b>16.76%</b>	<b>13.21%</b>	<b>11.29%</b>	<b>13.39%</b>	<b>16.75%</b>	<b>13.71%</b>	<b>14.12%</b>