

November 23, 2021

ELEVATING COMMUNITIES

 Lifting Our Communities Through
Corporate Social Responsibility



OUR FOCUS IS LOCAL

Everyone wants to change the world. After nearly 130 years as a community bank, we know the best way to create real and lasting impact is to start locally. But when it comes to making a difference, local doesn't mean small. We're creating significant improvements throughout our communities by investing in our schools, our businesses, and our neighborhoods. We're changing the world by building up our communities in the ways that only we can—neighbors helping neighbors—to foster unity, grow our impact, and inspire others.

As we've grown to serve across the Midwest, we have supported our communities in new and meaningful ways. Our focus is to stay true to the people-first, local mindset on which we were founded.



Unlocking financial freedom for our neighbors, supporting local businesses, helping our communities thrive economically and beyond – this is why we do what we do. First Merchants is part of our communities as much as they are a part of us. Listening, partnering, and taking meaningful action are ways we help build a better tomorrow. This is why we exist.

MARK HARDWICK
Chief Executive Officer

BEYOND RESPONSIBILITY

At First Merchants, our vision is to enhance the financial wellness of the diverse communities we serve. Supporting our communities 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 are proud to outline our commitments to the future and celebrate the path we're paving together with the communities we nurture.

COMMUNITY FIRST

First Merchants was founded in 1893 to be a cornerstone of our community—a place for businesses, friends, family, and neighbors to get the advice, resources, and support they needed to achieve their financial goals. As we’ve grown, we’ve kept this people-first mindset, creating lifelong relationships built on trust, encouragement, and value. Our commitment goes beyond banking. Throughout our history, we’ve served as true partners in our communities by generously giving our time, expertise, and resources to people who need a helpfully supportive bank. Today, our focus remains on meaningfully enhancing the well-being of the businesses, people, and neighborhoods across the communities in which we live and work.

PARTNERS IN CHANGE



1,878
Employees
Strong



37
Communities
Served



COUNTLESS
Lives Changed

Being active and deeply engaged in our communities, we know the importance of perspective. Strategic partnerships are our key source of insight, awareness, and unity within our diverse communities, enabling us to collaborate well. This allows us to focus our resources, expand our reach, and maximize our impact. We believe partnership and prosperity go hand in hand and that we are stronger together.

In our continued effort to support small businesses, housing projects, and economic development, we regularly meet with economic development and affordable housing groups. Additionally, we actively work to address the needs of low- and moderate-income (LMI) and under-resourced communities, as well as to promote financial wellness and home ownership within our communities.

OUR PARTNERS

Affordable Housing Groups
Community Development Corporations
Community Leaders
National Community
Reinvestment Coalition
Chambers of Commerce

Economic Development Groups
Community Advisory Councils
Local Government
Religious Organizations
Nonprofit Organizations



EMPLOYEE EMPOWERMENT



Our employees are bankers. But more than that, they are fundraisers, community leaders, and dreamers. We come from diverse backgrounds, drawing from our unique experiences and perspectives, but we all share a passion for positively impacting lives. We're dedicated to empowering each other with the support, tools, and resources needed to grow—both as professionals and as people.



VOLUNTEERING

The First Merchants culture naturally attracts service-minded people who will never hesitate to lend a helping hand. Our people don't need incentives or encouragement to get involved and help others. It's a part of our DNA to actively support our communities.

Our First Merchants Serves volunteerism program invites employees to carry forward our mission in their communities by connecting them with meaningful volunteer opportunities. These experiences don't just make an impact on others—they make us better people and a stronger, closer team. Together, we combine our passion and expertise by serving on the boards of nonprofits, conducting financial wellness workshops, and volunteering at community fundraisers, projects, and events.



HELPING FROM HOME

In 2020, the COVID-19 pandemic impacted our volunteerism hours and opportunities. But that didn't stop our team from giving back. First Merchants donated \$1 million to pandemic relief efforts in our communities, and our team got creative by volunteering their time over video and phone to offer financial expertise and leadership in our communities.

2019 VOLUNTEERING

20,275 Hours of Service

737 Organizations Touched

519 Employees Reporting Service

2020 VOLUNTEERING*

12,466 Hours of Service

477 Organizations Touched

358 Employees Reporting Service

*Numbers decreased due to the COVID-19 pandemic

LEARNERS HELPING LEARNERS

We have a passion for education and know its value in our communities. Our employees maintain active, engaged roles in our local schools through mentorship programs, reading programs, career fairs, and more. We've seen firsthand how difficult the COVID-19 pandemic has been across our schools. When Tippecanoe School Corporation in our Lafayette, IN community was forced to shut off their water fountains to prevent the spread of the virus, our people were ready to help. The First Merchants team donated reusable water bottles to all students in need to ensure they were healthy, hydrated, and focused.



BUILDING HOPE

Safe and affordable housing continues to be a focus area for our team's impact. To reduce and prevent homelessness in our LaPorte County, Indiana community, our team is helping Homeward Bound Inc. create the "Village of Hope" housing community. Their dream is to develop a safe, supportive, and low-cost living environment for residents to attain a renewed sense of purpose. Our team facilitated the purchase of a 1.5-acre parcel of land to construct housing units, a community center, and a community garden. When complete, as many as 18 families will be able to live in this sanctuary with minimal monthly rental expense.



TUITION REIMBURSEMENT

Being a lifelong learner comes with the trade, so we strive to remove barriers to education for our employees and support their growth. First Merchants offers 75% tuition reimbursement toward degrees for all of our employees, up to \$10,000 per year. We also provide innovative training and professional development opportunities on an ongoing basis, because education makes us better professionals, and people.



COMMUNITY INVESTMENTS + CHARITABLE GIVING

Giving to our communities and seeing them thrive is the best return on investment we can achieve. Our team provides significant, ongoing financial support to community partners dedicated to making a positive impact for those in need. Through contributions and grants, we support philanthropic causes with a focus on financial and economic inclusion, affordable housing, economic development, neighborhood redevelopment, and workforce training. In 2020, First Merchants made a steadfast commitment to invest **\$3.4 million** in our communities by 2025.

FRIENDS OF FRIENDSHIP HOUSE

Friendship House is an apartment facility in our West Lafayette, IN community providing older adults and people with mobility impairments high-quality housing designed for their needs. When Friendship House needed to add 24 units to their facility, along with an improved activity area, First Merchants stepped in to help make financing available for the approximately \$10 million project. But we didn't stop there. Our team developed a special relationship with Friendship House where we continue to host and participate in events for the residents, such as Euchre card parties, holiday celebrations, financial and fraud prevention presentations, and more.

SUPPORTING OUR COMMUNITIES DURING COVID-19

The COVID-19 pandemic has been a challenging and uncertain time for everyone. Amidst all the turmoil of the beginning of the pandemic, we felt a responsibility to lead by example. First Merchants donated \$1 million to relief efforts in our communities and facilitated over **\$1.2 billion** in Paycheck Protection Program (PPP) loans for small businesses.

\$1,000,000
Donated to COVID-19 relief

8,074
PPP loans facilitated

\$1,272,631,146
in PPP funding awarded

A LISTEN-FIRST APPROACH TO LOCATIONS

Physical banking locations are still an important investment we can make in our communities. Whether it's Avondale Meadows in Indianapolis, IN, Northland Banking Center in Columbus, OH, or our future Detroit, MI, and Chicago, IL locations. We engage the community on the front end to help determine where a banking center is needed and how it can be impactful in the community. These locations are in low- and moderate-income areas with large minority populations that have historically been under-resourced. By engaging with local 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.

SUPPORTING BIPOC-LED ORGANIZATIONS

As part of our commitment to reaching historically under-resourced communities, our team has a special focus on supporting organizations with inclusive Black, Indigenous, and People of Color (BIPOC) leadership. Through community partnerships and a commitment of \$250,000, we are listening, learning, and taking action to help address racial wealth disparity across our markets.



ANSWERING THE CALL

In April 2020, during the flurry of activity for the first round of the PPP, our team received a call asking to help Carmelite House, a foundational child and family rehabilitation program in our East Chicago community. The first round of funding kept 90 people employed, and the second round brought their total to \$1.5 million. When the building suffered a fire shortly after the PPP loans, our team was able to donate an additional \$10,000 toward their rebuilding.



CONTRIBUTIONS TO BIPOC-LED ORGANIZATIONS THROUGH 2021

\$260,100
to 29 organizations

FINANCIAL WELLNESS

In an increasingly complex world, discussing finances can often feel like another language for most people. But financial education and financial advice are the first steps toward increasing financial wellness, home ownership, and economic prosperity across our communities. At First Merchants, empathy and expertise help us connect with people of all income levels and walks of life to truly understand their finances and help them make informed decisions. Our programs, wellness workshops, resources, and online tools empower individuals, small businesses, schools, and community groups to assist them in achieving their financial goals.



2020 FINANCIAL WELLNESS DATA

21,578

People Impacted through Financial Wellness Initiatives

SCHOOL AND WORKPLACE OUTREACH

For decades, First Merchants has provided specialized financial wellness outreach for schools and businesses in the form of workshops and partnerships. Our goal is to help students and employees across our communities successfully manage their day-to-day finances while planning ahead and positioning themselves for long-term prosperity.



FINANCIAL EDUCATION FOR STUDENTS IN PARTNERSHIP WITH EVERFI AND BANZAI

3,029 *Students Enrolled Online*

52 *Schools Participating*

4,909 *Hours of Learning*

FROM EDUCATION TO ACTION

Alpha Kappa Alpha's mission is to cultivate and encourage high scholastic and ethical standards, to promote unity and friendship among college women, to study and help alleviate problems concerning girls and women in order to improve their social stature, to maintain a progressive interest in college life, and to be of "Service to All Mankind". The local Chi Chi Omega chapter of our Indianapolis, IN community recognized many of their members had limited access to financial education and resources that could benefit their lives and further their mission. This created a perfect opportunity for partnership with the First Merchants team. For the past two years, our team has partnered with Alpha Kappa Alpha to further their financial wellness initiatives. Through a series of workshops, First Merchants introduced members to financial tools while fostering engaging discussions on budgeting, saving, credit, retirement, and investing to build wealth. Participants then moved from theory to practice with an actionable savings challenge that motivated 44 members to save a total of **\$16,500**.

COMM- UNITY HOME LENDING

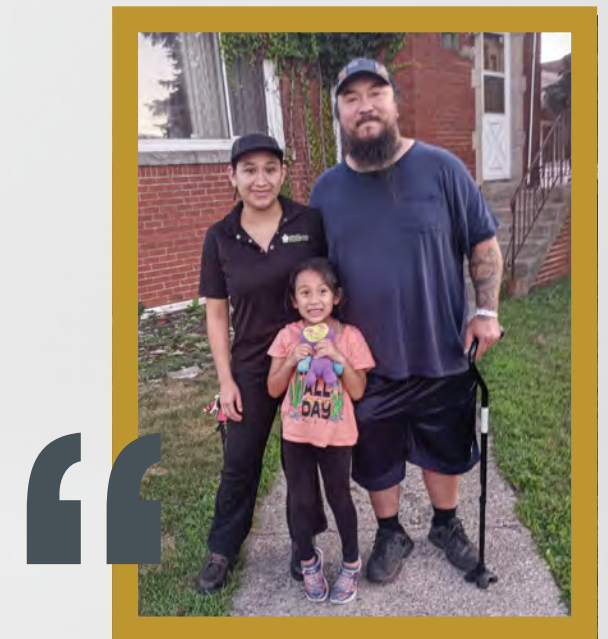
Building up our communities begins at home, and First Merchants envisions a future where affordable living and home ownership are possible for everyone.

In all of our regional service areas, we have Community Home Lending Officers focused on home ownership opportunities as well as bankers with knowledge of Low Income Housing Tax Credit Investments, Tax Credit Real Estate Investments, Municipal and Public Finance, and Economic Development Bond opportunities. Our team actively extends credit to provide affordable housing, economic development, revitalization, and availability of services for people in low- and moderate-income geographies. We remain active and engaged in seeking out community development investment opportunities that focus on low- and moderate-income geographies and utilizing our investment portfolio to provide additional support for community needs.

DAVID, FIRST-TIME HOME BUYER

We appreciate everything you have done since first meeting you. You have always thought out the experience of buying a house and helped with any questions we have. We appreciate our questions being answered with the most professional level of how to go about this process of buying a house. You are truly a blessing to my family.

**DAVID LOPEZ AND
ARMANDINA MORENO**
East Chicago, Illinois



NEXT HORIZON MORTGAGE + DOWN PAYMENT ASSISTANCE PROGRAM

Our Next Horizon Mortgage and down payment assistance programs empower those dreaming of buying a home and make homeownership accessible across our communities. The program offers up to 100% financing, lower monthly payments with no private mortgage insurance required, and up to \$7,500 in community home grants to cover closing costs, down payment funds, or principal reduction for qualified applicants. We also support non-traditional or alternative methods of credit history documentation, like rent and utility payments, to remove barriers to homeownership.



283

Home
Purchase Loans¹



57

Home
Improvement
Loans²



\$44,222,014

Small Business Lending in
Low- and Moderate-income
and Rural Communities

⁽¹⁾ home purchases for owner occupied, 1-4 family properties to LMI borrowers within FMB's CRA assessment areas

⁽²⁾ home improvement loans for owner occupied, 1-4 family properties to LMI borrowers within FMB's CRA assessment areas



MARIE, FIRST-TIME HOME BUYER

I am a first-time homebuyer, and I was very nervous upon starting my pre-approval and home search process. Originally, I had gone to another bank to obtain financing, and I wasn't pleased with my experience. I was referred to Melita Randolph at First Merchants by my realtor, Anna Comer.

I found the process with Melita and First Merchants Bank to be easy and streamlined. Melita kept the lines of communication open and thoroughly explained the steps of the application process. I was pleased to learn that First Merchants offered a 100% financing program with down payment assistance as well.

I closed on my home on August 2, 2021, and I'm so happy! I was nervous and reluctant at times due to the fact of being a first-time homebuyer. I really could not have continued with the home purchasing process if the loan process had not been handled as smoothly as it was by Melita and First Merchants Bank.

Being able to purchase my home with no down payment required, and receiving \$7,500 in down payment assistance to help with my closing cost, has made a world of difference for me. I didn't have to exhaust my liquid assets, and I now can move into my new home without the worry of not having enough funds available for emergencies that may arise. The Next Horizon program and the down payment assistance have definitely been a blessing for me.

MARIE TOWNSEND

Chicago, Illinois

DIVERSITY, EQUITY, AND INCLUSION

When our workforce reflects the multicultural communities we serve, it fosters stronger connections and better service for our customers. Being a diverse and inclusive group also elevates our problem solving, innovation, and agility—it makes us a better team.

First Merchants is committed to recruiting, hiring, developing, promoting, and retaining a diverse and multidimensional workforce capable of meeting the needs and expectations of our ever-changing world. As part of our ongoing development, First Merchants closed for Juneteenth in 2021 to commemorate and celebrate Black History while giving employees the opportunity to reflect, educate, and support events in their communities.

We continue to empower the unique voices and perspectives of our workforce with our listen-first mentality, ensuring equal opportunity for advancement for all.



DE&I COMMITMENTS

Attract and engage teammates of diverse backgrounds who promote innovation and growth

.....

Foster an environment of inclusion and belonging

.....

Serve our partners with teams that reflect the diverse makeup of the communities we serve

.....

Ensure all calling and communication programs effectively reach all audiences in our communities with relevant messaging



DE&I COUNCIL AND STEERING COMMITTEE

First Merchants follows the insight of our DE&I Employee Council and our DE&I Steering Committee. These groups are engaged in an ongoing dialogue to encourage inclusive diversity, raise awareness around bias, develop our skills, and shape the behavioral growth of all our employees.

EMPLOYEE COUNCIL

200 employees and growing. Every two weeks we gather to foster learning and maintain an open dialogue about topics related to diversity, equity, and inclusion.

STEERING COMMITTEE

15 leaders, including Executive Management, who meet monthly to provide direction and guide our efforts.

EMPLOYEE RESOURCE GROUPS

In addition to our DE&I employee council and steering committees, we have a growing community of Employee Resource Groups that provide leadership development, learning, networking opportunities, and multicultural awareness for our team. These include our First Women Connections group, our People of Color Workplace Affinity Group, and more.

SUPPLIER DIVERSITY

Being a diverse, equitable, and inclusive company means more than looking inward—we are also committed to increasing the diversity of our supplier network. In March 2021, First Merchants announced all our office supply orders will now be placed with Rivers Resources Powered by Office360, an Indiana black-owned business. We are excited to leverage their expertise and support a minority-owned business in our community. This expanded vendor partnership is making significant progress toward our supplier network goals.



ENHANCING OUR IMPACT

To maximize the impact we're making in low- and moderate-income (LMI) communities, we have partnered with the National Community Reinvestment Coalition (NCRC) through a five-year commitment to invest **\$1.4 billion** in our communities. We will achieve this through 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 partnership with local organizations.

With this \$1.4 billion commitment, we are building on our company history of philanthropy and our ongoing community development initiatives to create a brighter future for all.

Mortgage Lending to LMI Borrowers and Communities	\$398 Million
Small Business Lending in LMI and Rural Communities	\$423 Million
Community Development Lending & Investments	\$580 Million
Philanthropy and Community Engagement	\$3.4 Million
Branch Distribution and Access	\$10 Million
TOTAL	\$1.4 BILLION

POSITIVELY LOOKING AHEAD

We are proud of all that we're building at First Merchants Bank. Our team is on a journey of meaningful impact, and we know this is only the beginning. Going forward, we will continue to listen, learn, and refine our efforts to optimize our impact. We will be proactive in our approach, but responsive and engaged with community issues and opportunities. As a bank that has survived through panics, depressions, and wars, we know it's important for all of us to support each and every member of our communities through good times and in hardship. That's being a true partner. Our hope is that we exist not only as a system of support for our communities, but also one of inspiration. Positive impact has a ripple effect, and our actions today can inspire others to make a difference of their own. This is our most important work, because it's bigger than us.

www.firstmerchants.com/community





It's important to note that the goals discussed in this report are aspirational. We cannot guarantee or promise that these goals will be met. Statistics and metrics in these disclosures include estimates and may be based on assumptions.