

ELEVATING COMMUNITIES



Helping Our Communities Prosper Through
Corporate Social Responsibility
2022 Outcomes

April 2023



First Merchants
Helping you prosper



OUR FOCUS IS LOCAL

Everyone wants to change the world. After 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 changing the world by helping our communities prosper in the ways that only we can—neighbors helping neighbors—to foster unity, grow our impact, and inspire others.

As we've grown across the Midwest, we have supported our communities in new and meaningful ways.

Our focus is to stay true to the people-first, attentive, local mindset on which we were founded.

For our neighbors, supporting local businesses, helping our communities prosper economically and beyond – this is why we do what we do. First Merchants is a part of our communities as much as they are a part of us. Listening and taking meaningful action are ways we help build a better tomorrow.



MARK HARDWICK
Chief Executive Officer

BEYOND RESPONSIBILITY

Our vision is to **enhance the financial wellness of the diverse communities we serve.**

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 in change and many other organizations to help our communities prosper.

PARTNERS IN CHANGE

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



EMPLOYEE EMPOWERMENT



Our employees are bankers. But more than that, they are fundraisers, community leaders, and dreamers. At First Merchants Bank, we believe in empowering our employees to pursue their passions, because we know that passionate people make a positive difference. We support our team members' volunteer efforts and offer comprehensive professional development opportunities to help them grow.



VOLUNTEERING

Carrie Ritchie doesn't like to sit still.

"A lot of people go home after work and watch television – I never liked doing that," she shared. "I'd rather be out, interacting with people. I just like to volunteer my time, I'm not one to sit at home."

It's a drive that, over more than 20 years, has led to Carrie becoming a reliable, compassionate fixture in her hometown of Milan, Michigan. In fact, in 2022, Carrie logged more than 1,200 hours of volunteerism, community service, and advocacy.

As a proud First Merchants employee, Carrie serves on the local Chamber of Commerce – which she headed as President for more than a decade – and supports local financial initiatives, often volunteering as a First Merchants representative at local events.

But her passion is far deeper – and older – than her career.

"I was kind of born and raised in it," she shared. "My mom started off volunteering with her church, and my dad would go with her – and, as, kids, we were always following along in their footsteps and helping, too."

When Carrie's mom took up volunteering at the Monroe County Fair in Monroe County, Mich., Carrie joined her. They partnered together, helping run the entrance gates, working in the ticket booths, and volunteering at grandstands. It's a tradition that started when Carrie was young – and one that's still going.

"Each year I actually take a week off and my mom and I spend that time volunteering at the fair," Carrie shared. "We take a camper and camp out and spend time together. It's great to spend that time with her, and it's also great to reconnect with old friends and classmates, since Monroe County is my old stomping ground."



CARRIE RITCHIE
Banking Center Manager
Milan, Michigan



IN INDIANA

Over the past few years, we've forged a close partnership with the Avondale YMCA in Indianapolis, Indiana as we work together to serve the local community. In addition to some of our team members serving on the board, we were also proud to support this great organization as a primary sponsor for a December 2022 Toy Drive, and partnering on new financial wellness and education classes, which will be offered through the Avondale YMCA.



IN OHIO

Our Ohio teammates have been staunch supporters of The Community Kitchen in Columbus, Ohio for nearly 20 years. In addition to philanthropy, our Columbus-area banking centers also organize an annual community day, where team members take the time out of their schedules to prepare and serve a meal for Community Kitchen clients.





PURSUING PASSION

Figuring out how to plan and pay for college can be a huge headache – especially when it comes to filling out paperwork like the Free Application for Federal Student Aid (FAFSA). FAFSA is one of the most commonly utilized forms of student aid, and for many people, it’s a bit of a headache.

But it’s one Adam Russell, Market Leader, and Alisha Coratti, Banking Center Manager (NMLS: 1289644), are intimately familiar with.

For the past few years, Adam and Alisha have both been pursuing graduate-level degrees at Indiana Wesleyan University.

While Adam wrapped up his degree in November 2022, he said that when he first decided to go back to school, it seemed like an almost impossible dream.

“It was a big endeavor to go back to school,” he shared. “It was even more pressure to think about how I would be able to pay for it on top of every other thing that I was responsible for at the same time.”



IN MICHIGAN

Based in Monroe, Michigan, Paula’s House empowers women and women with children as they transition from treatment or incarceration into a new, better life. The non-profit’s mission is to help women as they reconstruct their lives so that they can return to their communities with the skills to be self-sufficient and successful. We’re proud to support Paula’s House through philanthropy, serving on the organization’s board, and hosting Financial Wellness workshops for the organization’s clients and employees.

2022 VOLUNTEER IMPACT



Financial Wellness
Session Hours

TUITION REIMBURSEMENT

First Merchants offers 75% tuition reimbursement for all employees.

In addition to innovative training and professional development, we paid \$172,932 in tuition reimbursements in 2022.

DIVERSITY, EQUITY, & INCLUSION

At the core of enabling employees and serving communities is Diversity, Equity & Inclusion.

ANSWERING THE CALL MATTERS

Why is DE&I important to us? We want to be a place where everyone is welcome and belongs. This is a company where our differences are valued and celebrated. As part of our journey, we acknowledge that listening and learning are pivotal for equity. We must come together as a diverse group for this to happen effectively, and we are called upon to create this safe space.

On a bi-weekly basis, we host DE&I Community Calls, where employees are invited to engage in a dialogue and build relationships. In 2022, some of our topics included: An employee panel for Veteran's Appreciation, external speakers for Mental Health and Religious Diversity, learning about Juneteenth, and celebrating Pride. In all cases, we are always looking for ways that we are more alike than different, fostering camaraderie across the organization.

Not only did we host live video calls, we also record them, so people can benefit from those at their convenience. We have been fortunate that our participation has been inclusive of our diverse workforce, from entry level to Executive, many departments and with members and allies of different groups. In all, we had nearly 600 unique individuals attend the live calls and more view the recordings.

It's about being excited and open to different perspectives, and believing that those perspectives can make us better.



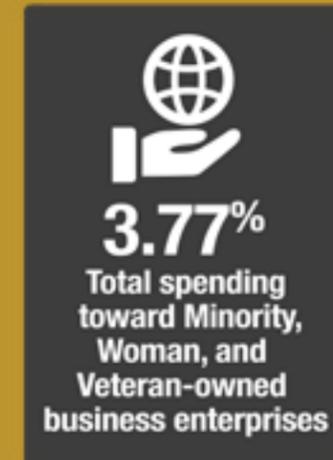
CONTINUING THE CONVERSATION

Giving a voice to our people begins with the company-wide calls, but it doesn't end there. Our team has been hard at work, bringing together people with common affinities and interests through what we call ERGs, Employee Resource Groups. As you can see in the graphic below, our team has made great progress. In 2022, we gained momentum with our People-of-Color ERG, with regular conversations and activities. Thanks to leaders across the organization, First Merchants has also benefited from more successful launches as of the date of this publication.



SUPPLIER DIVERSITY

Being a diverse, equitable, and inclusive company means more than looking inward—we are committed to increasing the diversity of our supplier network.



OUR TEAM

We are a collection of dynamic colleagues with diverse experiences and perspectives who share a passion for positively impacting lives. We are genuinely committed to attracting and engaging teammates of diverse backgrounds. We believe in the power of inclusion and belonging.





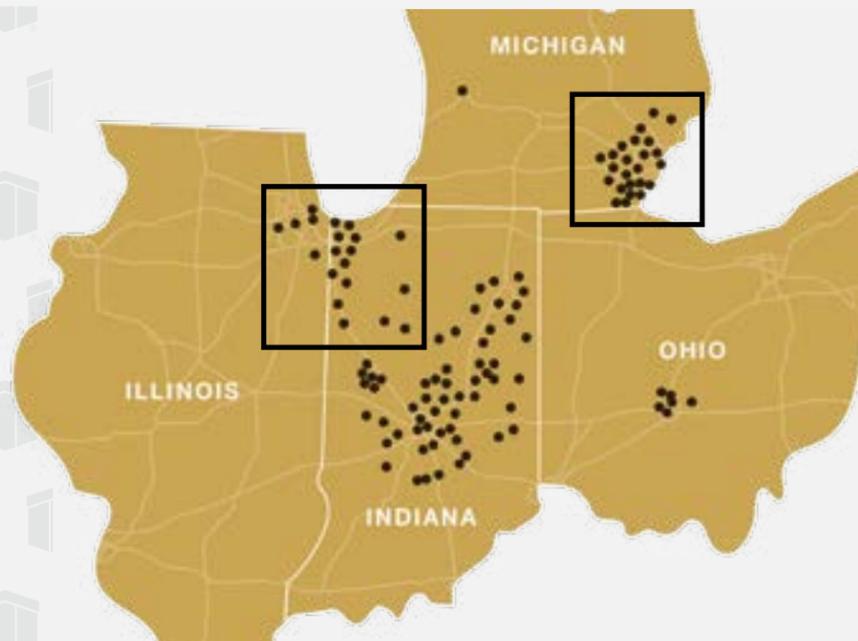
PHILANTHROPY & COMMUNITY INVESTMENT

Philanthropy, charitable giving, and community investments are important to us. Giving to our communities and seeing them thrive is the best return on investment we can achieve. Our organization 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.

To maximize the impact we're making in our communities, we partnered with the National Community Reinvestment Coalition (NCRC) and related partner organizations in 2020 through a five-year \$1.4 billion commitment to invest in our communities. This commitment was then increased to \$1.97 billion in 2022 to reflect First Merchants' ongoing asset growth. The goals of the partnership are being achieved 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.

As part of this overall commitment, First Merchants proactively pursues grants and sponsorships focusing on Community Reinvestment Act (CRA) eligible organizations, specifically supporting low-to-moderate income communities and individuals. In 2022, the funds provided to eligible organizations totaled \$1,533,114 and comprised nearly 60% of the Bank's total contributions.





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. We are listening, learning, and taking action to help address racial wealth disparity across our markets.

CONTRIBUTIONS TO BIPOC-LED ORGANIZATIONS IN 2022

\$587,545
to 89 organizations a
88% increase over 2021



Ribbon Cutting L to R: First Merchants Regional President Jennifer Griffith, First Merchants banker Dante Dela Rosa, First Merchants Community Home Lending Officer Tarika Lewis, First Merchants Community Business Lending Officer Tiffany Whitner, First Merchants President Mike Stewart, former First Merchants Banking Center Manager Robin Scott, (front) First Merchants banker Iman Jackson, First Merchants banker Jessie Hu, First Merchants banker Lulu Zghier, First Merchants President, Consumer Banking Carrie Valek, (back) First Merchants Director of Community Lending and Development Jadira Hoptry, Central Ohio African American Chamber of Commerce, Executive Director J. Averi Frost, Central Ohio African American Chamber of Commerce, Board Vice President Anthony McIntosh, Columbus City Councilmember Emmanuel V. Remy, Northland Area Business Association Alice Foeller, First Merchants Sales Manager, Community Home Lending Sheryl Taylor, First Merchants Director Corporate Social Responsibility Scott McKee. Photo by: @Shellee Fisher Photography & Design

NORTHLAND BANKING CENTER OPENING

In May 2022, First Merchants Bank opened the Northland Banking Center, it's eighth location in the Columbus, Ohio area. The banking center is at the intersection of several neighborhoods at 1925 Morse Road.

The location was chosen because of the revitalization taking place in the neighborhood. First Merchants Bank leaders, community influencers, Columbus City Councilmember Emmanuel V. Remy and First Merchants Corporation board member Clark C. Kellogg were in attendance.



MIKE STEWART
First Merchants President

"We are a community bank through and through," said First Merchants President Mike Stewart. "This location sets us up to be more than a bank but a partner. Our commitment is to make banking accessible to all, especially to people who do not have banking relationships and access to sound financial guidance."

"We are working hard to create partnerships and opportunities to educate our Northland friends and neighbors on what financial wellness is, what homeownership looks like and how bankers support local businesses. Our attentiveness to individuals is vital to build trust and break down barriers, so the community will continue to prosper."

Additionally, First Merchants donated \$10,000 to the Northland Area Business Association. First Merchants is leveraging new and current partnerships with community-based organizations to help identify and engage with those who may benefit from existing and newly developed products and programs.

FINANCIAL WELLNESS

Financial education and advice are the first steps towards increasing financial wellness, homeownership, and economic prosperity across our communities. First Merchants Financial Wellness offers programs, resources, online tools, and accessible solutions to empower individuals, businesses, and community groups to achieve their financial goals. The First Merchants Financial Wellness Program was designed to meet people no matter where they are on their unique financial wellness path.



2022 FINANCIAL WELLNESS DATA

488

Hours of Financial Wellness
Compared to 238 in 2021

125+

Community Financial Wellness
Sessions Compared to 79 in 2021

CREATING A PATH TO PROSPERITY

Whether you're a tried-and-true financial expert, want to brush up on the basics, or are just beginning your financial journey, First Merchants is here to help you grow and prosper.

Nearly all financial institutions have financial wellness resources. What makes our program unique is the three key program drivers working together in concert to create financial wellness for our audiences, delivering on our vision to enhance the financial wellness of our diverse communities.

FROM EDUCATION TO ACTION



KNOWLEDGE & SKILLS

Relevant, timely financial education through community workshops, Financial Wellness powered by Enrich, our dynamic online learning hub and our website.

ASSESS & PLAN

Personal Financial Management tools through our website and mobile app and calculators, worksheets, and financial simulations through our online resources.

ENGAGE & DISCUSS

Welcoming, attentive, and dependable bankers along with accessible banking solutions.

COMMUNITY LENDING

HOME | BUSINESS

Community Lending is a key focus area for us and a space where we created significant impact in 2022. We focus our community lending in two key spaces, home and business.

Homeownership is one of the most important steps in creating stability for a family. Yet, the accessibility and achievability for home ownership, for many, seem daunting, even impossible. Not with First Merchants Bank.

Having a down payment can be one of the biggest obstacles in the home-buying process. Through First Merchants Down Payment Assistance Grants, we reduce the burden by providing up to \$7,500 in community home grants to cover closing costs, down payment funds, or principal reduction for qualified applicants. In 2022, we helped 105 of homeowner applicants get past the down payment hurdle. Of those 105, 92 were low-to-moderate income borrowers.

With a goal of homeownership, First Merchants helped a total of 886 low-to-moderate income borrowers achieve homeownership in 2022. Next Horizon, our innovative and market-leading program is designed to help LMI borrowers achieve homeownership. First Merchants originated 594 Next Horizon loans in 2022.

Through intentional conversations and bankers who pay attention, we've recognized there are businesses who many times are owned by a minority individual and who have historically been underserved by the banking community. Established in 2022, our Community Business Lending team works exclusively with entrepreneurs across our diverse communities. Simply put, our Community Business Lenders passionately and proactively seek to provide small businesses with access to capital.

COMMUNITY HOME LENDING

Domnique's Story

For Domnique Smith, a single mother of three, the journey to becoming a first-time homeowner was a long one – but well worth it.

“This house has really been a fresh start for myself and my family,” she shared. “I’m so proud to be able to build a stable foundation for my family, and to have a space that they’ll always be able to return to.”

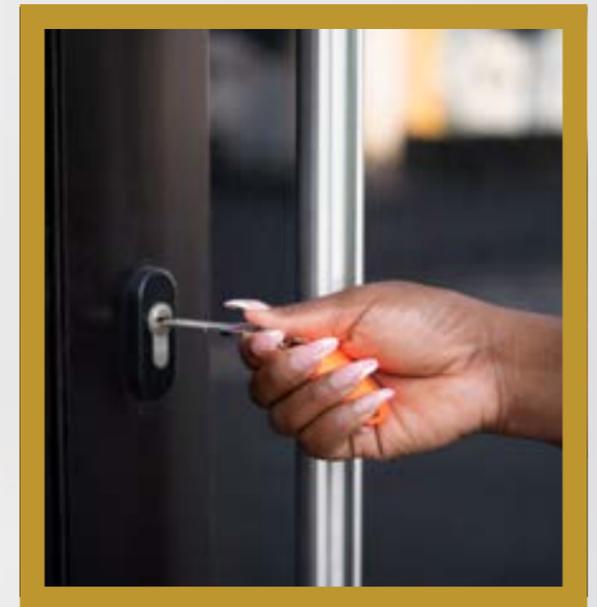
When she initially connected with Ricardo Arambula, Community Home Lending Officer with First Merchants Bank, about securing a mortgage, Domnique said she felt overwhelmed.

“The experience of applying for a mortgage and being a new homeowner feels scary because it’s something you’re not used to,” she shared. “You have to have all your paperwork together and establish a consistent paper trail of all your bills – something Ricardo was able to help with a lot.”

Initially, Domnique didn’t qualify for a mortgage due to a low credit rating – but she and Ricardo came up with strategies to build up her credit and lay the proper foundation for her homeownership journey. After two years of hard work, Domnique finally got the keys to her future.

“It was an exciting time, and I knew that the choice I was making was a wonderful decision for my family,” she said. “The journey to becoming a homeowner is one of the best feelings ever.”

DOMNIQUE SMITH
East Chicago, Indiana





AFFORDABLE HOUSING AT SCALE

First Merchants has identified affordable housing as a critical need in the communities we serve. In 2022, First Merchants Bank provided approximately \$150 million in Community Development loans for affordable housing. Those loans created more than 2,300 units of affordable housing. In addition, to providing loans for affordable housing First Merchants invested equity in affordable housing projects. In 2022 First Merchants invested \$49.5 million in 18 affordable housing developments.

One of these developments, Village Premier, which broke ground in February 2023, will bring 208 affordable housing units to southeast Fort Wayne, Indiana. First Merchants Bank was proud to partner with House Investments in supporting affordable housing in Fort Wayne. This project supports our commitment to closing the housing gap and helping low- and middle-income clients gain the financial security and peace of mind that comes from stable and affordable housing.



I try to teach my employees not just the skill of landscaping, but the skill of managing a bank account.

MARQUETTE DIXON
Business Owner

“I try to teach my employees not just the skill of landscaping, but the skill of managing a bank account, the importance of having a state ID, how to budget and create financial stability,” he shared. “So that they can be prepared for the future and can take care of their families the same way I take care of mine – that’s the most important thing.” And, while Dixon’s perseverance saw him through some hard times, he knows his success wouldn’t be possible without the partnerships and relationships he’s built.

“I’d be lying if I said I’d gotten here by myself,” he said. “I’ve had some great people help me along the way – including my partnership with First Merchants Bank. Everything functions on relationships, and I love building those with my clients and with my business partners.”

COMMUNITY BUSINESS LENDING Mowtivation Lawn Services

Twenty years ago, Marquette Dixon launched his own landscaping business in Columbus, Ohio with an eye on eventually helping employ men re-entering society from the prison system. But, at the time, it was just him, his wife, a truck, and two pushmowers.

Dixon’s desire to work hard and succeed has its roots in his childhood, growing up on the west side of Columbus. “I remember, as a kid, coming home with no running water, or to an extension cord stretching down the hall to the neighbor’s to keep our refrigerator on so food wouldn’t spoil,” he shared. “When I got married, I didn’t want that for my wife. I didn’t want that for my kids. I had this fire, this burning desire to push myself to do better.”

That drive kept him going those first few years after founding Mowtivation Lawn Services LLC, and it soon paid off. Now, his business is a roaring success. He was able to realize his vision of helping those recently released from prison and is dedicated to being a strong support as they work to grow and gain the skills they need to succeed.



ENHANCING OUR IMPACT

We celebrate the impact we've made throughout 2022 and in the communities we serve.

Our collection of diverse colleagues share a passion for positively impacting lives and enables us to fulfill our mission to be the most attentive, knowledgeable, and 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.





Statistics and metrics in these disclosures include estimates and may be based on assumptions.

