

FIRST MERCHANTS CORP  
Form S-4  
December 03, 2018  
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As filed with the Securities and Exchange Commission on December 3, 2018

Registration Statement No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT

*UNDER*  
*THE SECURITIES ACT OF 1933*

FIRST MERCHANTS CORPORATION  
(Exact name of registrant as specified in its charter)

INDIANA	6712	35-1544218
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)
200 East Jackson Street Muncie, Indiana 47305 (765) 747-1500 (Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)		

Mark K. Hardwick  
Executive Vice President,  
Chief Financial Officer and Chief Operating Officer  
First Merchants Corporation  
200 East Jackson Street  
Muncie, Indiana 47305  
(765) 747-1500  
(Name, address, including Zip Code, and telephone number, including area code, of agent for service)

*With copies to:*

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**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after the effective date of this Registration Statement and upon the effective time of the merger described in the accompanying proxy statement and prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ☐

#### **CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered<sup>(1)</sup></b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price<sup>(2)</sup></b>	<b>Amount of Registration Fee<sup>(3)</sup></b>
Common Shares, no par value	Up to 6,442,260 shares	N/A	\$ 262,141,427	\$ 31,771.54

- (1) This represents the maximum number of shares of First Merchants Corporation common stock estimated to be issuable upon completion of the merger described herein. This number is based on (a) the 23,195,704 shares of MBT Financial Corp. ( "MBT" ) common stock expected to be outstanding when the transaction is consummated plus 230,697 shares of MBT common stock issuable in connection with the termination of rights of certain directors under MBT's Director Death Benefit Only Life Insurance Plan, and (b) the exchange of each such shares of MBT common stock for a 0.2750 share of First Merchants Corporation common stock, pursuant to the terms of the Agreement and Plan of Reorganization and Merger, dated as of October 9, 2018 (the "Merger Agreement" ), by and between First Merchants Corporation and MBT Financial Corp., which is attached to the proxy statement and

prospectus as Annex A.

- Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933 and computed pursuant to Rule 457(f)(1) thereunder on the basis of the market value of the common stock of MBT to be exchanged in the transaction, which is calculated as the product of (i) \$11.19 (the average of the high and low prices, as quoted on The NASDAQ Global Select Market, on November 27, 2018, a date within five business days prior to the date of filing this registration statement) and (ii) the aggregate 23,426,401 shares of MBT common stock described in clause (a) of footnote (1) above.
- (2)
- (3) The registration fee of \$31,771.54 for the securities registered hereby has been calculated pursuant to Rule 457(f) under the Securities Act, as \$262,141,427 multiplied by 0.0001212.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**THE INFORMATION IN THIS PROXY STATEMENT AND PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS PROXY STATEMENT AND PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**PRELIMINARY PROXY STATEMENT AND PROSPECTUS  
DATED DECEMBER 3, 2018 SUBJECT TO COMPLETION**

**FIRST MERCHANTS CORPORATION  
YOUR VOTE IS VERY IMPORTANT**

**MBT FINANCIAL CORP.**

**PROSPECTUS OF FIRST MERCHANTS CORPORATION FOR UP TO  
6,442,260 SHARES OF COMMON STOCK AND  
PROXY STATEMENT OF MBT FINANCIAL CORP.**

The Board of Directors of First Merchants Corporation ( First Merchants ) and the Board of Directors of MBT Financial Corp. ( MBT ) have approved an Agreement and Plan of Reorganization and Merger (the Merger Agreement ), pursuant to which MBT will merge with and into First Merchants (the Merger ). This proposed strategic business combination will combine two like-minded, high performing community banks and further each of their strategic objectives. Following the Merger, the combined company will have 136 full-service branch locations in four states (namely, Indiana, Michigan, Ohio and Illinois) and approximately \$11.3 billion in assets, \$7.8 billion in loans, \$8.8 billion in deposits, and total shareholders equity of \$1.6 billion.

If the Merger Agreement is approved by shareholders holding at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of MBT and the Merger is subsequently completed, each share of MBT common stock owned by an MBT shareholder will be converted into the right to receive a 0.2750 (the Exchange Ratio ) share of First Merchants common stock. First Merchants will pay cash for any fractional shares resulting from application of the Exchange Ratio. The Exchange Ratio is subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions.

First Merchants common stock is listed on The NASDAQ Global Select Market under the symbol FRME. On October 9, 2018, the last business day prior to the public announcement of the Merger, the closing price of a share of First Merchants common stock was \$45.71, which, after giving effect to the Exchange Ratio of 0.2750, results in an implied value of approximately \$12.57 per share of MBT common stock as of such date. On [•], the latest practicable date before the date of this proxy statement and prospectus, the closing price of a share of First Merchants common stock was \$[•], which, after giving effect to the Exchange Ratio of 0.2750, results in an implied value of approximately \$[•] per share of MBT common stock as of such date. You should obtain a current market quotation for First Merchants before you vote.

We cannot complete the Merger unless shareholders holding at least sixty-six and two-thirds percent (66 2/3%) of the issued and outstanding shares of common stock of MBT vote to approve the Merger Agreement. MBT will hold a special meeting of its shareholders to vote on this merger proposal. Your vote is very important. Whether or not you plan to attend the shareholder meeting, please take the time to vote by completing the enclosed proxy card and mailing it in the enclosed envelope. **If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the Merger Agreement. Not returning your card will have the**

**same effect as a vote against the Merger Agreement.**

The date, time and place of the meeting are as follows:

[•], 2019, 10:00 a.m., local time  
10 Washington Street  
Monroe, Michigan 48161

This proxy statement and prospectus provides you with detailed information about the special meeting and the proposed Merger. It also contains or references information about MBT and First Merchants. You can also get information about First Merchants from publicly available documents that have been filed with the Securities and Exchange Commission.

We strongly support the Merger of our companies. **The Board of Directors of MBT recommends that you vote in favor of the Merger Agreement.**

/s/ Michael C. Rechin  
President and Chief Executive Officer  
FIRST MERCHANTS CORPORATION

/s/ H. Douglas Chaffin  
President and Chief Executive Officer  
MBT FINANCIAL CORP.

**For a discussion of certain risk factors which you should consider in evaluating the Merger, see Risk Factors beginning on page 23. We encourage you to read this entire document carefully.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued pursuant to this proxy statement and prospectus or determined if this proxy statement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**These securities are not savings or deposit accounts or other obligation of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency.**

**Proxy statement and prospectus dated [•], [•], and first mailed to MBT shareholders on or about [•], [•].**

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**ADDITIONAL INFORMATION**

This document incorporates important business and financial information about First Merchants from other documents filed by First Merchants with the Securities and Exchange Commission ( SEC ) that are not delivered with or included in this document. This information (including the documents incorporated herein by reference) is available to you without charge upon your written or oral request. You may request these documents in writing or by telephone at the following addresses and telephone numbers:

First Merchants Corporation  
200 East Jackson Street  
Muncie, Indiana 47305  
Attention: Brian T. Hunt,  
Corporate Secretary  
Telephone: (765) 747-1500

**To ensure timely delivery, shareholders must request the documents containing the information described above no later than five (5) business days prior to the date of the special meeting of the MBT shareholders. Accordingly, if you would like to make such a request, please do so by [•], [•], in order to receive the requested information before the meeting.**

You can also obtain copies of the documents incorporated by reference in this document through the SEC's website at [www.sec.gov](http://www.sec.gov). See WHERE YOU CAN FIND ADDITIONAL INFORMATION on page 71.

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**MBT FINANCIAL CORP.**

**10 Washington Street  
Monroe, Michigan 48161**

**NOTICE OF SPECIAL MEETING OF  
SHAREHOLDERS TO BE HELD ON  
[•], 2019**

To Our Shareholders:

We will hold a special meeting of the shareholders of MBT Financial Corp. ( MBT ) on [•], 2019, at 10:00 a.m., local time, at 10 Washington Street, Monroe, Michigan 48161.

The purposes of the special meeting are the following:

1. *Merger Proposal.* To consider and vote upon a proposal to approve the Agreement and Plan of Reorganization and Merger, dated October 9, 2018 (the Merger Agreement ), between First Merchants Corporation ( First Merchants ) and MBT, and to approve the transactions contemplated thereby, as discussed under the section titled Merger Proposal beginning on page 32 (the Merger Proposal ). Pursuant to the Merger Agreement, MBT will merge with and into First Merchants (the Merger ) and, immediately thereafter, Monroe Bank & Trust will be consolidated and merged with and into First Merchants Bank ( First Merchants Bank ), a wholly-owned banking subsidiary of First Merchants (the Bank Merger ).
2. *Merger-Related Compensation Proposal.* To consider and vote upon a proposal to approve, on an advisory (non-binding) basis, the compensation to be paid to MBT's named executive officers that is based on or otherwise relates to the Merger, as discussed under the section titled Merger-Related Compensation Proposal beginning on page 32 (the Merger-Related Compensation Proposal ).
3. *Adjournment Proposal.* To approve one (1) or more adjournments of the MBT special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (the Adjournment Proposal ).
4. *Other Matters.* To vote upon such other matters which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. MBT's Board of Directors is not aware of any such other matters.

The proxy statement and prospectus describes the Merger Agreement and the proposed Merger in detail and includes, as Annex A, the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed Merger. **In particular, you should carefully read the section captioned Risk Factors beginning on page 23 of the accompanying proxy statement and prospectus for a discussion of certain risk factors relating to the Merger.** The Board of Directors of MBT has fixed the close of business on [•], [•], as the record date for determining those shareholders who are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting. Approval of the Merger Proposal requires the affirmative vote of shareholders holding at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of MBT common stock. Approval of the Merger-Related Compensation Proposal and the Adjournment Proposal only requires the affirmative vote of at least a majority of the shares of MBT common stock voting at the meeting, in person or by proxy, so long as a quorum is present.

**The MBT Board of Directors recommends that you vote FOR (1) approval of the Merger Proposal; (2) approval of the Merger-Related Compensation Proposal; and (3) approval of the Adjournment Proposal.**

**Whether or not you plan to attend the special meeting in person, please submit your proxy by completing, signing, and dating the enclosed proxy card and returning it as soon as possible using the enclosed postage-prepaid envelope. If you attend the special meeting, you may vote in person if you wish, even if you**

**have previously submitted your proxy. Not submitting your proxy will have the same effect as a vote against the Merger Proposal.**

By Order of the Board of Directors

Michael J. Miller  
Chairman

H. Douglas Chaffin  
President and Chief Executive Officer

[•], [•]

Monroe, Michigan



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### FORWARD-LOOKING STATEMENTS

This document, and the information included or incorporated by reference into it, contain 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, should, could, might, can, may, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the benefits of the proposed Merger between First Merchants and MBT, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of First Merchants' goals, intentions and expectations; statements regarding 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, whether with respect to the Merger or otherwise.

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: the risk that the businesses of the First Merchants and MBT will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required regulatory and shareholder approvals, and the ability to complete the Merger on the expected time frame; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; 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 banks and bank holding companies; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with First Merchants' and MBT's business; and other risks and factors identified in First Merchants' filings with the SEC.

Neither First Merchants nor MBT undertakes any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed herein unless required to under the federal securities laws. In addition, First Merchants' and MBT's past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER  
AND THE SHAREHOLDER MEETING**

**Q: What am I voting on?**

A: You are being asked to vote to approve the Merger Agreement, pursuant to which MBT will merge with and into First Merchants, and to approve the transactions contemplated by the Merger Agreement, as discussed under the heading **MERGER PROPOSAL** beginning on page 32 (the **Merger Proposal**). First Merchants would be the surviving entity in the Merger, and MBT would no longer be a separate company. You are also being asked to vote on two other proposals (completion of the Merger is not conditioned upon approval of these additional proposals):

- a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of MBT (which we refer to as the **Merger-Related Compensation Proposal**) may receive in connection with the Merger pursuant to existing agreements or other arrangements with MBT, as discussed under the heading **MERGER-RELATED COMPENSATION PROPOSAL** beginning on page 32; and
- a proposal to adjourn the MBT special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (which we refer to as the **Adjournment Proposal**).

Finally, while your Board of Directors is unaware of any matter for action by shareholders at the special meeting other than the Merger Proposal and the Adjournment Proposal, the enclosed proxy will give discretionary authority to the persons named in the proxy with respect to other matters which may properly come before the special meeting. It is the intention of the persons named in the proxy to vote with respect to such matters in accordance with the recommendations of the Board of Directors of MBT or, if no recommendations are given, in their best judgment.

**Q: How do I vote my shares without attending the special meeting?**

- A: Whether you hold shares directly or in street name, you may direct your vote without attending the special meeting. If you are a shareholder of record, you may vote by granting a proxy as follows:
- By Mail – You may vote by mail by signing and dating your proxy card and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example as guardian, trustee, custodian, attorney or officer of a corporation), you should indicate your name and title or capacity.
  - By Phone – You may vote by phone by calling 1-800-690-6903 and following the instructions given.
  - By Internet – You may vote by internet at [www.proxyvote.com](http://www.proxyvote.com) by entering the 12 digit control number found on your proxy card and following the instructions.

Your vote by phone or internet is valid as authorized by the Michigan Business Corporation Act.

For shares held in street name, you should follow the voting instructions provided by your broker or nominee. You may complete and mail a voting instruction card to your broker or nominee or, in some cases, submit voting instructions by telephone or the internet. If you provide specific voting instructions by mail, telephone, or internet, your broker or nominee will vote your shares as you have directed. If you hold your shares in street name, please note that only your brokerage firm can sign a proxy on your behalf. **The Board of Directors urges you to contact the person responsible for your account today and instruct them to execute a proxy on your behalf for the special meeting.**

**Q: How do I vote my shares in person at the special meeting?**

- A: Even if you plan to attend the special meeting, we encourage you to vote by mail, phone, or internet so your vote will be counted if you later decide not to attend the special meeting.

If you choose to vote at the special meeting:

-

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If you are a shareholder of record, to vote your shares at the special meeting you should bring the enclosed proxy card and proof of identity.

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If you hold your shares in street name, you must obtain a proxy in your name from your bank, broker or other holder of record, proof of beneficial ownership, such as a recent brokerage statement or letter from your bank or broker, and proof of identity in order to vote at the special meeting.

Bring the proxy (for record holders) or proof of beneficial ownership (for street name holders), such as a recent brokerage statement or a letter from your bank or broker, and proof of identity for admission to the special meeting.

### **Q: Why are First Merchants and MBT proposing to merge?**

We believe the Merger is in the best interests of both companies and our respective shareholders. MBT and First Merchants believe that the Merger will bring together two (2) complementary institutions to create a strategically, operationally and financially strong company that is positioned for further growth. The Merger will give the combined company greater scale and geographic diversity, not only for serving existing customers more efficiently, but also for future expansion. The Merger will combine two like-minded, high performing community banks and further each of their strategic objectives. We believe the Merger will enhance our capabilities to provide banking and financial services to our customers and strengthen the competitive position of the combined organization.

A: You should review the background of and reasons for the Merger described in greater detail beginning on page 35.

### **Q: What will MBT shareholders receive in the Merger?**

If the Merger Agreement is approved by the shareholders of MBT and the Merger is subsequently completed, each share of MBT common stock owned by an MBT shareholder will be converted into a 0.2750 (the Exchange Ratio ) share of First Merchants common stock (the Merger Consideration ). Each MBT shareholder that would otherwise be entitled to receive a fractional share of First Merchants common stock will receive cash in lieu of such fractional share. The Exchange Ratio is subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions.

A: Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments), the value of the Merger Consideration that you will receive will depend on the market price of First Merchants common stock when you receive your shares of First Merchants common stock. The implied per share value of the Merger Consideration, based upon First Merchants closing stock price on [•], [•], the most recent practicable trading day before this proxy statement and prospectus was finalized, was \$[•] per share. **No assurance can be given that the current market price of First Merchants common stock will be equivalent to the market price of First Merchants common stock on the date that shares of First Merchants common stock are received by an MBT shareholder or at any other time.** You should obtain current market prices for shares of First Merchants common stock which is listed on The NASDAQ Global Select Market under the symbol FRME.

### **Q: What risks should I consider before I vote on the Merger Proposal?**

A: You should carefully review the section captioned Risk Factors beginning on page 23.

### **Q: Will First Merchants' shareholders receive any shares or cash as a result of the Merger?**

A: No. After the Merger, First Merchants shareholders will continue to own the same number of First Merchants shares they owned before the Merger.

### **Q: When is the Merger expected to be completed?**

We are working to complete the Merger as quickly as possible. We must first obtain the necessary regulatory approvals and the approval of MBT shareholders at the special meeting. We currently expect to complete the Merger during the first quarter of 2019.

### **Q: What are the tax consequences of the Merger to me?**

A: The Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code ). A U.S. Holder (as defined in

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the section captioned MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 60) who exchanges all of its shares of MBT common stock for shares of First Merchants common stock pursuant to the Merger will not recognize any gain or loss on the exchange for federal income tax purposes, except with respect to any cash received in lieu of a fractional share of First Merchants common stock. A U.S. Holder who receives cash in lieu of a fractional share of First Merchants common stock will be treated as having received such fractional share of First Merchants common stock pursuant to the Merger and then as having sold that fractional share of First Merchants common stock for cash. As a result, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount of cash received and the U.S. Holder's basis in the fractional share of First Merchants common stock determined as described above. At the closing of the Merger, First Merchants will receive an opinion from their tax attorneys confirming these tax consequences. Such opinion will comply with the regulations and guidance of the SEC with respect to the persons entitled to rely on tax opinions contained in the Registration Statement on Form S-4, of which this proxy and prospectus is a part. See MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 60. **Your individual tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the Merger to you.**

### **Q: Will I have dissenters' rights?**

Dissenters' rights of appraisal are rights that, if available under applicable law or otherwise, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to

**A:** shareholders in connection with the extraordinary transaction. Dissenters' rights of appraisal are not available in all circumstances, and exceptions to those rights are provided in the Michigan Business Corporation Act ( MBCA ). Under the MBCA and MBT's Articles of Incorporation and Bylaws, MBT shareholders will not have dissenters' rights of appraisal in connection with the Merger.

### **Q: What do I need to do now?**

You should carefully read and consider the information contained in this document and any information incorporated herein by reference. Then, please submit your proxy by completing, signing, and dating the enclosed

**A:** proxy card and returning it as soon as possible using the enclosed postage-prepaid envelope so that your shares can be voted at the special shareholder meeting. If a returned proxy card is signed but does not specify how you wish to vote your shares, your proxy will be voted **FOR** the: (1) approval of the Merger Proposal; (2) approval of the non-binding Merger-Related Compensation Proposal and (3) approval of the Adjournment Proposal.

### **Q: What if I don't vote or I abstain from voting?**

If you do not vote or you abstain from voting, your abstention will count as a vote **AGAINST** the Merger Proposal. The advisory vote on the Merger-Related Compensation Proposal regarding merger-related

**A:** compensation payable to MBT's named executive officers and the vote on the Adjournment Proposal only require that there be more votes in favor than against. As a result, abstentions and broker non-votes will have no effect on the Merger-Related Compensation Proposal and the Adjournment Proposal.

### **Q: If my shares are held by my broker in street name, will my broker vote my shares for me?**

Your broker will vote any shares you hold in street name only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker to vote your shares. If you do not

**A:** provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares, which will have the effect of a vote **AGAINST** the Merger and will not be counted for purposes of the Merger-Related Compensation Proposal or the Adjournment Proposal.

### **Q: Why am I being asked to cast an advisory (non-binding) vote to approve the compensation payable to certain MBT officers in connection with the Merger?**

The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, has

**A:** adopted rules that require MBT to seek an advisory (non-binding) vote with respect to certain payments that are payable to MBT's named executive officers in connection with the Merger.



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**Q: What will happen if MBT's shareholders do not approve such compensation at the special meeting?**

- MBT shareholder approval of the compensation payable to certain of MBT's executive officers in connection with the Merger is not a condition to completion of the Merger. The vote with respect to such compensation is an advisory vote and will not be binding on MBT (or First Merchants after the Merger) regardless of whether the
- A:** Merger Agreement is approved. Accordingly, because the compensation to be paid to certain MBT executive officers in connection with the Merger is contractual, such compensation will be payable if the Merger is completed regardless of the outcome of the advisory vote.

**Q. May I change my vote after I have submitted my proxy?**

- Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one (1) of three (3) ways. First, you can send a written notice stating that you revoke your proxy. Second, you can complete and submit a new proxy, dated at a date later than your most recent proxy. Please submit your notice of
- A:** revocation and/or new proxy card to MBT Financial Corp., 10 Washington Street, Monroe, Michigan 46161, Attention: Scott E. McKelvey, Corporate Secretary. Third, you may attend the special meeting and vote in person. Simply attending the special meeting, however, will not revoke your proxy. You must request a ballot and vote the ballot at the meeting.

**Q: What constitutes a quorum?**

- The presence, in person or by proxy, of shareholders holding at least a majority of the issued and outstanding shares of MBT entitled to vote as of [•], [•], the record date for the special meeting, will constitute a quorum for the
- A:** special meeting. On the record date, there were [•] shares of MBT common stock outstanding and entitled to vote at the special meeting.

**Q: Should I send in my stock certificate(s) now?**

- No. After the Merger is completed, MBT shareholders will receive written instructions from First Merchants for exchanging their stock certificates for shares of First Merchants common stock and cash for fractional shares to
- A:** be received by them in the Merger. Any shares of MBT common stock held in book-entry form will be automatically exchanged for shares of First Merchants common stock. If you are a First Merchants shareholder, you should retain your certificates, as you will continue to hold the First Merchants shares you currently own.

**Q: Whom should I contact if I have other questions about the Merger Agreement or the Merger?**

- A:** You may contact MBT's agent assisting MBT with the proxy solicitation:

Morrow Sodali  
470 West Avenue  
Stamford, Connecticut 06902  
Shareholders May Call Toll Free: (800) 662-5200  
Banks and Brokers May Call: (203) 658-9400  
Email: mbtf@morrrowsodali.com

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### **SUMMARY**

*This summary highlights selected information from this proxy statement and prospectus. Because this is a summary, it does not contain all of the information that is important to you. You should carefully read this entire document, including the documents incorporated herein by reference, and the other documents to which we have referred you before you decide how to vote. See *Where You Can Find Additional Information* on page 71 for a description of documents that we incorporate by reference into this document. Each item in this summary includes a page reference that directs you to a more complete description in this document of the topic discussed.*

#### ***Description of First Merchants Corporation (page 62)***

##### **First Merchants Corporation**

200 East Jackson Street  
Muncie, Indiana 47305  
(765) 747-1500

First Merchants is a financial holding company headquartered in Muncie, Indiana and was organized in September 1982. First Merchants common stock is listed on The NASDAQ Global Select Market under the symbol FRME. First Merchants has one full-service Indiana commercial bank charter, First Merchants Bank, which opened for business in Muncie, Indiana, in March 1893. First Merchants Bank also operates First Merchants Private Wealth Advisors as a division of First Merchants Bank. First Merchants Bank has 116 full-service branch in thirty-one Indiana, two Illinois and two Ohio counties. First Merchants Bank's business activities are currently limited to one significant business segment, which is community banking.

As of September 30, 2018, First Merchants had consolidated assets of \$9.8 billion, consolidated deposits of \$7.6 billion and shareholders' equity of \$1.4 billion. As of December 31, 2017, First Merchants and its subsidiaries had 1,684 full-time equivalent employees.

#### ***Description of MBT Financial Corp. (page 63)***

##### **MBT Financial Corp.**

10 Washington Street  
Monroe, Michigan 46161  
(734) 241-3431

MBT is a bank holding company incorporated under Michigan law and headquartered in Monroe, Michigan. MBT's wholly-owned bank subsidiary is Monroe Bank & Trust, a Michigan commercial bank. MBT was organized in 2000 at the direction of the management of Monroe Bank & Trust. Monroe Bank & Trust was incorporated and chartered as Monroe State Savings Bank under the laws of the State of Michigan in 1905. In 1940, Monroe Bank & Trust consolidated with Dansard Bank and moved to the present address of its main office. Monroe Bank & Trust operated as a unit bank until 1950 when it opened its first branch office in Ida, Michigan. It then continued its expansion to its present total of 20 branch offices, including its main office. Monroe Bank & Trust changed its name from Monroe State Savings Bank to Monroe Bank & Trust in 1968. Monroe Bank & Trust operates 20 banking offices in Monroe and Wayne Counties in Michigan. In addition to Monroe Bank & Trust, MBT's other direct subsidiary is MB&T Financial Services, Inc., a Michigan corporation. MBT has no employees other than its three officers, each of whom is also an employee and officer of Monroe Bank & Trust and who serve in their capacity as officers of MBT without compensation. As of September 30, 2018, Monroe Bank & Trust had 286 full-time employees and 10 part-time employees.

At September 30, 2018, on a consolidated basis, MBT had assets of approximately \$1.3 billion, deposits of approximately \$1.2 billion, and shareholders' equity of approximately \$121 million.

***The Merger (page 34)***

*We have attached a copy of the Merger Agreement to this document as Annex A. Please read the Merger Agreement in its entirety. It is the legal document that governs the Merger.*

The Merger Agreement provides that, if all of the conditions are satisfied or waived, MBT will be merged with and into First Merchants and, immediately thereafter, MBT will cease to exist. Immediately following the Merger, Monroe Bank & Trust will be consolidated and merged with and into First Merchants Bank and Monroe Bank & Trust will cease to exist. We expect to complete the Merger during the first quarter of 2019.

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### *Reasons for the Merger (page 38)*

**First Merchants.** First Merchants' Board of Directors considered a number of financial and nonfinancial factors in making its decision to merge with MBT, including its respect for the ability and integrity of MBT's Board of Directors, management and staff. The Board believes that expanding First Merchants' operations in the market areas where MBT operates offers financial and strategic benefits to First Merchants and MBT as a combined company.

**MBT.** In considering the Merger with First Merchants, MBT's Board of Directors collected and evaluated a variety of economic, financial and market information regarding First Merchants and its subsidiaries, their respective businesses and First Merchants' reputation and future prospects. In the opinion of MBT's Board of Directors, favorable factors included First Merchants' strong earnings and stock performance, its management, the compatibility of its markets to those of MBT, the likelihood of regulatory approvals of the Merger, and the attractiveness of First Merchants' offer from a financial perspective.

### *Opinion of MBT's Financial Advisor (page 40)*

MBT's Board of Directors retained Sandler O'Neill & Partners, L.P. (Sandler O'Neill) to render a fairness opinion in connection with the proposed Merger. At the meeting of MBT's Board of Directors on October 8, 2018, Sandler O'Neill delivered to MBT's Board of Directors its oral opinion, which was subsequently confirmed by delivery of a written opinion, dated October 9, 2018, to the effect that, as of the date of the written opinion and based upon and subject to the conditions, limitations, qualifications and assumptions set forth therein, the Exchange Ratio was fair to the holders of MBT Common Stock from a financial point of view.

The full text of the written opinion of Sandler O'Neill, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion of Sandler O'Neill, is attached as Annex B to this proxy statement and prospectus. MBT shareholders are urged to read Sandler O'Neill's written opinion carefully and in its entirety. Sandler O'Neill's opinion is limited solely to the fairness, from a financial point of view, of the Exchange Ratio to be received in the Merger by the holders of MBT common stock and does not address MBT's underlying business decision to effect the Merger or the relative merits of the Merger as compared to any alternative business strategies or transactions that might be available with respect to MBT. Sandler O'Neill's opinion does not constitute a recommendation to any shareholder of MBT as to how such shareholder should vote or act with respect to any matter relating to the Merger or otherwise.

### *What MBT Shareholders Will Receive (page 34)*

If the Merger Agreement is approved and the Merger is subsequently completed, each outstanding share of MBT common stock will be converted into the right to receive the Exchange Ratio of 0.2750 share of First Merchants common stock. The Exchange Ratio is subject to adjustment for stock splits, stock dividends, recapitalization or similar transactions. Each MBT shareholder that would otherwise be entitled to receive a fractional share of First Merchants common stock will receive cash in lieu of such fractional share.

Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments), the value of the Merger Consideration that you will receive will depend on the market price of First Merchants common stock when you receive your shares of First Merchants common stock. The implied per share value of the Merger Consideration, based upon First Merchants' closing stock price on [•], the most recent practicable trading day before this proxy statement and prospectus was finalized, was \$[•] per share. **No assurance can be given that the current market price of First Merchants common stock will be equivalent to the market price of First Merchants common stock on the date that shares of First Merchants common stock are received by an MBT shareholder or at any other time.**

Within three (3) business days following the effective date of the Merger, First Merchants will cause the exchange agent to mail a letter of transmittal to each person who was, immediately prior to the effective time of the Merger, a holder of record of MBT common stock. The letter of transmittal will contain instructions for use in effecting the surrender of MBT stock certificates (or shares held in book-entry form) in exchange for the consideration to which such person may be entitled pursuant to the Merger Agreement.

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### ***What First Merchants Shareholders Will Receive (page 35)***

First Merchants shareholders will not receive any consideration in the Merger. After the Merger, First Merchants shareholders will continue to own the same number of First Merchants shares owned before the Merger.

### ***The MBT Special Shareholders Meeting (page 28)***

The special meeting of MBT shareholders will be held on [•], [•], at 10:00 a.m., local time, at 10 Washington Street, Monroe, Michigan 48161.

At the special meeting, MBT shareholders will be asked:

1. *Merger Proposal.* To consider and vote upon a proposal to approve the Merger Agreement and to approve the transactions contemplated thereby, as discussed under the section titled *Merger Proposal* beginning on page 32. Pursuant to the Merger Agreement, MBT will merge with and into First Merchants and, immediately thereafter, Monroe Bank & Trust will be consolidated and merged with and into First Merchants Bank.
2. *Merger-Related Compensation Proposal.* To consider and vote upon a proposal to approve, on an advisory (non-binding) basis, the compensation to be paid to MBT's named executive officers that is based on or otherwise relates to the Merger, as discussed under the section titled *Merger-Related Compensation Proposal* beginning on page 32.
3. *Adjournment Proposal.* To approve one (1) or more adjournments of the MBT special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.
4. *Other Matters.* To vote upon such other matters which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. MBT's Board of Directors is not aware of any such other matters.

### ***MBT Recommendation to Shareholders (page 29)***

MBT's Board of Directors approved and adopted the Merger Agreement and approved and authorized the proposed Merger. MBT's Board of Directors concluded that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement are in the best interest of MBT and the MBT shareholders. MBT's Board of Directors recommends that MBT shareholders vote **FOR** (1) approval of the Merger Proposal, (2) approval of the Merger-Related Compensation Proposal, and (3) approval of the Adjournment Proposal. In reaching its determination, MBT's Board of Directors considered a number of factors, which are described in the section captioned *THE MERGER—MBT's Reasons for the Merger* beginning on page 38. Because of the wide variety of factors considered, MBT's Board of Directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

### ***MBT Special Meeting Record Date; Vote Required (page 28)***

Only MBT shareholders of record as of the close of business on [•], [•], are entitled to notice of, and to vote at, the MBT special meeting and any adjournments or postponements of the special meeting. As of the record date, there were [•] shares of MBT common stock outstanding. Approval of the Merger Proposal requires the affirmative vote of holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of MBT common stock entitled to vote. The approval of the Merger-Related Compensation Proposal and the Adjournment Proposal requires more votes to be cast in favor of the proposal than are cast against it. As provided by the Michigan Business Corporation Act, an abstention is not a vote cast. Abstentions from voting and broker non-votes, if any, on Proposal 2 (Merger-Related Compensation Proposal) and Proposal 3 (Adjournment Proposal) are not treated as votes cast and, therefore, will have no effect on the outcome of the passage of the proposal. You can vote your shares by attending the MBT special

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meeting and voting in person, or you can vote by proxy by marking the enclosed proxy card with your vote, signing it and mailing it in the enclosed return envelope. You may also vote by internet or by phone by following the instructions on the proxy card. You can revoke your proxy at any time before the special meeting by sending a written notice of revocation, submitting a new proxy or by attending the special meeting and voting in person.

No approval by First Merchants shareholders is required.

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### ***Voting Agreement (page 28)***

On the date the Merger Agreement was executed, each member of the Board of Directors of MBT, plus Patriot Financial Partners and Castle Creek Capital Partners, entered into a voting agreement with First Merchants to cause all MBT common stock owned by each of them of record or beneficially on such date to be voted in favor of the Merger Proposal. See THE MERGER AGREEMENT—Voting Agreement on page 28. As of the record date, the members of MBT's Board of Directors, Patriot Partners, and Castle Creek had power to vote, or caused to be voted, an aggregate of [•] shares of MBT common stock outstanding, representing [•]% of the outstanding shares on that date.

### ***What We Need to Do to Complete the Merger (page 54)***

Completion of the Merger depends on a number of conditions being met or waived. In addition to our compliance with the Merger Agreement, these conditions include among others:

- the approval of the Merger Agreement at the special meeting by at least sixty-six and two-thirds percent (66 2/3%) of the issued and outstanding shares of MBT common stock;
- the approval of the Merger and the Bank Merger by certain regulatory agencies and the expiration of any regulatory waiting periods;
- the representations and warranties made by the parties in the Merger Agreement must be true, accurate and correct in all material respects on and as of the effective date of the Merger, except that representations and warranties that are qualified by materiality or a Material Adverse Effect (as defined below in THE MERGER AGREEMENT—Conditions to Completion of the Merger ) must be true and correct in all respects, and provided that for those representations and warranties which address matters only as of an earlier date, then they shall be tested as of such earlier date;
- the covenants made by the parties must have been complied with in all material respects from the date of the Merger Agreement through and as of the effective date of the Merger;
- First Merchants must have received an opinion of Bingham Greenebaum Doll LLP that, for U.S. federal income tax purposes, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;
- the Registration Statement on Form S-4, of which this proxy statement and prospectus is a part, relating to the First Merchants shares to be issued pursuant to the Merger Agreement, must have become effective under the Securities Act of 1933, as amended (the Securities Act ), and no stop order suspending the effectiveness of the Registration Statement shall have been issued or threatened by the SEC;
- the shares of First Merchants common stock to be issued in the Merger shall have been listed for trading on The NASDAQ Global Select Market (subject to official notice of issuance);
- there must be no order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger or the Bank Merger; and
- other customary conditions and obligations of the parties set forth in the Merger Agreement.

Under the Merger Agreement, receipt of the tax opinion and the reliance letter referred to above may be waived by First Merchants and MBT, respectively, prior to the closing of the Merger. However, if receipt of such opinion and reliance letter were waived, MBT would resolicit its shareholders if any change in the tax consequences were material and disclose the reasons for the waiver and the change in tax consequences. Such resolicitation would require an amendment to the Registration Statement on Form S-4, of which this proxy statement and prospectus is a part.

### ***Regulatory Approvals (page 51)***

The Merger cannot be completed until First Merchants Bank receives necessary regulatory approvals, which include the approval of the Indiana Department of Financial Institutions (the Indiana DFI ) and the Federal Deposit Insurance Corporation (the FDIC ). First Merchants Bank has filed an application with the Indiana DFI and the FDIC, but cannot



be certain when or if such approval will be obtained. First Merchants Bank has also

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sent required notice to the Michigan Department of Insurance and Financial Services (the Michigan DIFS ). First Merchants has also requested that the Federal Reserve Board of Governors (the Federal Reserve ) waive its right to receive an application in connection with the Merger as permitted under Regulation Y of the Bank Holding Company Act.

### ***Conduct of Business Pending Merger (page 57)***

Under the terms of the Merger Agreement, MBT and First Merchants must carry on their business in the ordinary course and, subject to certain limited exceptions, may not take certain extraordinary actions without first obtaining the other party's consent.

We have agreed that MBT will continue to pay quarterly dividends at no more than the current rate of \$0.10 per share until the Merger closes. We will each cooperate to insure that MBT shareholders will receive only one (1) quarterly dividend for the quarter in which the Merger closes, and not a separate dividend from both First Merchants and MBT.

### ***Agreements of First Merchants (pages 51 and 59)***

In the Merger Agreement, First Merchants has agreed, among other matters, to:

- Proceed and use its reasonable and diligent efforts to obtain any consents and approvals for the Merger. See THE MERGER—Regulatory Approvals on page 51.  
Take action as may be necessary to allow MBT and its subsidiaries' employees, as soon as reasonably practicable following the effective date of the Merger, to participate in benefit plans First Merchants maintains for its employees. Until such time as participation is implemented, First Merchants will assume, honor and continue the employee plans and benefit arrangements of MBT as in effect on the effective date of the Merger, subject to certain limitations set forth in the Merger Agreement. See THE MERGER AGREEMENT—Employee Benefit Plans on page 59.
- Provide, or allow for, director and officer liability insurance and indemnification. See THE MERGER AGREEMENT—Indemnification and Insurance of MBT Directors and Officers on page 59.

### ***Management and Operations After the Merger (page 58)***

MBT's corporate existence will cease after the Merger. Accordingly, except as otherwise described herein, directors and officers of MBT will not serve in such capacities after the effective date of the Merger. Upon completion of the Merger, the current officers and directors of First Merchants will continue to serve in such capacities.

### ***Interests of Directors and Officers in the Merger That Are Different From Your Interests (page 51 and 52)***

You should be aware that some of directors and executive officers of MBT and Monroe Bank & Trust may have interests in the Merger that are different from, or in addition to, their interests as shareholders. Both MBT's Board of Directors and First Merchants' Board of Directors were aware of these interests and took them into consideration in approving the Merger Agreement and the Merger. These interests are as follows:

- *MBT Executive Officer Agreements.* Certain executive officers of MBT and Monroe Bank & Trust are parties to change in control and severance agreements with MBT that under the terms of the Merger Agreement entitle them to certain cash payments in the aggregate amount equal to \$3,278,020. In addition such executive officers hold restricted stock units ( RSUs ) and stock only stock appreciation rights ( SOSARs ) that pursuant to their terms and the terms of the Merger Agreement provide for acceleration of vesting and payment of benefits following a change in control of MBT. The total value of the acceleration of equity awards to such executive officers, based on the average closing market price of \$43.63 of First Merchants

common stock, over the five business days following the first public announcement of the Merger on October 10, 2018, is \$668,784. The aggregate cash payments to be made to such MBT executive officers and the total value of the acceleration of equity awards to such executive officers is equal to \$3,946,804.

- *MBT Director Death Benefit Only Plan.* MBT Directors Peter H. Carlton, H. Douglas Chaffin, Joseph S. Daly, Michael J. Miller and Debra J. Shah are participants in a legacy death benefit only plan

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that was frozen to new director participants in 2006 ( Director DBO Plan ). The Director DBO Plan provides death benefits to the participating director s beneficiaries in the event of the death of the director during service as a director. In the event of a change in control of MBT, the Director DBO Plan also provides those same death benefits during the director s post retirement and for the life of the director. In connection with entering into the Merger Agreement, each of the participating directors in the Director DBO Plan executed agreements that terminate their respective rights under the Director DBO Plan upon the consummation of the Merger in exchange for a cash payment. The cash payment represents approximately 66 and two-thirds percent (66 $\frac{2}{3}$ %) of the projected actuarial net present value of the benefit arrangement to the participating directors. Under the terms of these termination agreements the participating directors will receive the following payments upon the closing of the Merger: Mr. Carlton \$645,009, Mr. Chaffin \$507,324, Mr. Daly \$461,764, Mr. Miller \$645,009 and Ms. Shah \$640,788. At the election of each of those participating directors, such amount may be paid in shares of common stock of First Merchants.

- *Continued Director and Officer Liability Coverage.* First Merchants has agreed that for a period of six (6) years after the effective time of the Merger, it will maintain directors' and officers' liability insurance in force covering directors and officers of MBT and Monroe Bank & Trust, subject to certain conditions set forth in the Merger Agreement.

- *Board Appointments.* The Merger Agreement obligates First Merchants to appoint one person who is currently a member of the MBT Board of Directors (chosen by First Merchants after consultation with MBT) to the First Merchants Board of Directors. Such person will be entitled to receive compensation from First Merchants for service to the Board. All members of the Board of Directors of Monroe Bank & Trust, who have agreed to serve in such capacity and would not otherwise be prohibited to serve under applicable law, will be appointed to First Merchants Bank's Michigan regional advisory board, as soon as practicable after the effective time of the Merger.

### ***Termination of the Merger (page 55)***

Both First Merchants and MBT can mutually agree to terminate the Merger Agreement before we complete the Merger. In addition, either MBT or First Merchants acting alone can terminate the Merger Agreement under the circumstances described on page 55.

MBT has agreed to pay First Merchants a termination fee of \$12,680,000 if:

- MBT's Board of Directors terminates the Merger Agreement in the exercise of its fiduciary duties after receipt of an unsolicited superior acquisition proposal from a third party;
- First Merchants terminates the Merger Agreement because MBT's Board of Directors withdraws or modifies its recommendation to MBT's shareholders to vote for the Merger following receipt of a written proposal for an acquisition from a third party; or
- First Merchants terminates the Merger Agreement because MBT fails to give First Merchants written notice that it intends to furnish information to or enter into discussions or negotiations with a third party relating to a proposed acquisition of MBT, or if MBT, within sixty (60) days after giving such notice, does not terminate such discussions or negotiations.

Either party may terminate the Merger Agreement if the Merger has not been completed by June 30, 2019, provided the terminating party is not then in material breach of any representation warranty or covenant and, provided, further, that if the sole impediment to closing is the lack of any necessary regulatory approval, then such termination date shall be extended to September 30, 2019. In the event of such termination, First Merchants has agreed to pay MBT a termination fee of \$2,500,000 if the Merger Agreement is terminated by either party as a result of the failure to obtain any of the required regulatory approvals and such failure is a result of a regulatory issue directly and solely related to First Merchants.

### ***Material U.S. Federal Income Tax Consequences (page 60)***

It is a condition to the closing of the Merger that Bingham Greenebaum Doll LLP deliver an opinion, effective as of the date on or about this proxy statement and prospectus, to First Merchants substantially to the effect that, for United States federal income tax purposes, the Merger will be treated as a reorganization within

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the meaning of Section 368(a) of the Internal Revenue Code. Such opinion will comply with the regulations and guidance of the SEC with respect to the persons entitled to rely on tax opinions contained in the Registration Statement on Form S-4, of which this proxy and prospectus is a part. This opinion will not, however, bind the Internal Revenue Service (the "IRS") which could take a different view.

**Determining the actual tax consequences of the Merger to you can be complicated. We suggest you consult with your own tax advisors with respect to the tax consequences of the Merger to you.**

For a more detailed description of the material federal income tax consequences of the Merger to First Merchants and MBT shareholders, see MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES on page 60.

***Comparative Rights of First Merchants and MBT Shareholders (page 64)***

The rights of shareholders of First Merchants and MBT differ in some respects. The rights of holders of First Merchants common stock are governed by the laws of the State of Indiana, including the Indiana Business Corporation Law, and First Merchants' Articles of Incorporation and Bylaws. The rights of holders of MBT common stock are governed by the laws of the State of Michigan, including the Michigan Business Corporation Act, and MBT's Articles of Incorporation and Bylaws. Upon completion of the Merger, MBT shareholders who receive First Merchants common stock will take such stock subject to First Merchants Articles of Incorporation and Bylaws.

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***Authorized But Unissued Shares***

***First Merchants***

***MBT***

First Merchants' Articles of Incorporation authorize the issuance of 100,000,000 shares of common stock, of which 49,658,419 shares were outstanding as of October 31, 2018. First Merchants' Board of Directors may authorize the issuance of additional shares of common stock up to the amounts authorized in First Merchants' Articles of Incorporation without shareholder approval, subject only to the restrictions of the Indiana Business Corporation Law and the Articles of Incorporation. First Merchants has 500,000 shares of preferred stock authorized, no shares of which are currently outstanding. The preferred shares are available to be issued, without prior shareholder approval, in classes with the rights, privileges and preferences determined for each class by the Board of Directors of First Merchants.

As of October 1, 2018, First Merchants had 91,347 shares of its common stock reserved and remaining available for issuance under its 2009 Long-term Equity Incentive Plan and 804 shares of its common stock reserved and remaining available for issuance under its Dividend Reinvestment and Stock Purchase Plan. In addition, as of October 1, 2018, First Merchants had no options granted but unexercised under its 1994 Stock Option Plan, 26,606.998 options granted but unexercised under its 1999 Long-term Equity Incentive Plan, and 73,100 options granted but unexercised under its 2009 Long-term Equity Incentive Plan, with shares reserved and remaining available equal to the outstanding options under each plan.

The issuance of additional shares of First Merchants common stock or the issuance of additional First Merchants preferred stock may adversely affect the interests of First Merchants shareholders by diluting their voting and ownership interests.

The Articles of Incorporation of MBT authorize the issuance of 51,000,000 shares of capital stock, comprised of 50,000,000 authorized shares of MBT common stock, without par value, and 1,000,000 authorized shares of MBT nonvoting preferred stock. 22,990,430 shares of MBT common stock were issued and outstanding as of October 9, 2018, and there are no shares of MBT nonvoting preferred stock issued and outstanding. MBT's Board of Directors may authorize the issuance of additional shares of common stock up to the amounts authorized in MBT's Articles of Incorporation, without shareholder approval, subject only to the restrictions of the Michigan Business Corporation Act and its Articles of Incorporation.

***Restrictions on Transfer of Shares***

***First Merchants***

***MBT***

The holders of First Merchants common stock are generally not restricted on sales of their shares. The shares are also registered under Section 12 of the Securities and Exchange Act of 1934 (the Exchange Act ) and listed for exchange on The NASDAQ Global Select Market under the symbol of FRME. As a result, a public market exists for the shares of common stock.

The holders of MBT common stock are generally not restricted on sales of their shares. The shares are also registered under Section 12 of the Exchange Act, and listed for exchange on The NASDAQ Global Select Market under the symbol of MBTF. As a result, a public market exists for the shares of common stock.



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*Dividend Rights*

*First Merchants*

The holders of First Merchants common stock are entitled to dividends and other distributions when, as and if declared by its Boards of Directors.

Generally, First Merchants *may not* pay a dividend if, after giving effect to the dividend:

- First Merchants would not be able to pay its debts as they become due in the usual course of business; or
- First Merchants' total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy preferential rights of shareholders payable upon dissolution.

The amount of dividends, if any, that may be declared by First Merchants in the future will necessarily depend upon many factors, including, among other things, future earnings, capital requirements, business conditions and capital levels of subsidiaries (since First Merchants is primarily dependent upon dividends paid by its subsidiaries for revenues), the discretion of First Merchants' Board of Directors and other factors that may be appropriate in determining dividend policies.

First Merchants Bank may pay cash dividends to First Merchants on its common stock only out of adjusted retained net profits for the year in which the dividend is paid and the two preceding years.

First Merchants Bank will ordinarily be restricted to paying dividends in a lesser amount to First Merchants than is legally permissible because of the need for the banks to maintain adequate capital consistent with the capital adequacy guidelines promulgated by the banks' principal federal regulatory authorities. If a bank's capital levels are deemed inadequate by the regulatory authorities, payment of dividends to its parent holding company may be prohibited. First Merchants Bank is not currently subject to such a restriction.

*MBT*

The holders of MBT common stock are entitled to dividends and other distributions when, as and if declared by its Boards of Directors. Dividends may be paid in cash, in property or in MBT's stock.

Generally, MBT *may not* pay a dividend if, after giving effect to the dividend:

- MBT would not be able to pay its debts as they become due in the usual course of business; or
- MBT's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy preferential rights of shareholders payable upon dissolution.

MBT's ability to pay dividends on its common stock depends on its receipt of dividends from Monroe Bank & Trust. Monroe Bank & Trust is subject to restrictions and limitations in the amount and timing of the dividends it may pay to MBT. Dividends may be paid out of a Michigan commercial bank's net income after deducting all bad debts. A Michigan commercial bank may only pay dividends on its common stock if the bank has a surplus amounting to not less than 20% of its capital after the payment of the dividend. If a Michigan commercial bank has a surplus less than the amount of its capital, it may not declare or pay any dividend until an amount equal to at least 10% of net income for the preceding one-half year (in the case of quarterly or semi-annual dividends) or at least 10% of net income of the preceding two consecutive half-year periods (in the case of annual dividends) has been transferred to surplus.

Federal law also affects the ability of a Michigan commercial bank to pay dividends. The FDIC's prompt corrective action regulations prohibit an insured depository institution from making capital distributions, including dividends, if the institution has a regulatory capital classification of undercapitalized, or if it would be undercapitalized after making the distribution. The FDIC may also prohibit the payment of dividends if it deems any such payment to constitute an unsafe and unsound banking practice. In addition, the Basel III capital rules

include a capital conservation buffer that prohibits or limits the dividends a bank can pay if its risk-based capital ratios fall below certain thresholds.

TABLE OF CONTENTS*Completion of the Merger (page 51)*

The Merger will become effective when we file Articles of Merger with the Secretary of the State of Indiana and the Certificate of Merger with the Corporations Division of the Michigan Department of Licensing and Regulatory Affairs (the Michigan Corporations Division), or at such later date and time as may be set forth in the Articles of Merger and Certificate of Merger. We expect the Merger to become effective during the first quarter of 2019.

*Comparative Market Price Information*

Shares of First Merchants common stock are listed on The NASDAQ Global Select Market under the symbol FRME. Shares of MBT common stock are listed on The NASDAQ Global Select Market under the symbol MBTF. The following table presents quotation information for First Merchants common stock and for MBT common stock on October 9, 2018, the business day before the Merger was publicly announced, and [•], [•], the last practicable trading day for which information was available prior to the date of this proxy statement and prospectus.

	First Merchants Common Stock			MBT Common Stock		
	(Dollars Per Share)					
	High	Low	Close	High	Low	Close
October 9, 2018	\$ 45.79	\$ 45.33	\$ 45.71	\$ 11.73	\$ 11.30	\$ 11.50
[•], [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]

The market value of the aggregate consideration that MBT shareholders will receive in the Merger is approximately \$291.7 million (or \$12.57 per share of MBT common stock) based on 23,195,704 shares of MBT common stock outstanding (representing the sum of 22,990,430 shares of MBT common stock outstanding on October 9, 2018 and 205,274 shares of MBT common stock to be issued immediately prior to the effective time of the Merger pursuant to certain outstanding stock only stock appreciation rights (SOSARs) and restricted stock units (RSUs) awards), and First Merchants' closing stock price of \$45.71 on October 9, 2018, the business day before the Merger was publicly announced.

The market value of the aggregate consideration that MBT shareholders will receive in the Merger is approximately \$[•] million (or \$[•] per share of MBT common stock) based on [•] shares of MBT common stock outstanding (as described above) and First Merchants' closing stock price of \$[•] on [•], [•], the last practicable trading day prior to the date of this proxy statement and prospectus.

Also set forth below for the closing price of First Merchants common stock on October 9, 2018, and [•], [•], is the equivalent pro forma price of MBT common stock, which we determined by multiplying the applicable price of First Merchants common stock by the number of shares of First Merchants common stock we are issuing for each share of MBT common stock in the Merger, which is the Exchange Ratio of 0.2750. The equivalent pro forma price of MBT common stock shows the implied value to be received in the Merger by MBT shareholders who receive First Merchants common stock in exchange for a share of MBT common stock on these dates.

	<b>First Merchants Common Stock</b>	<b>MBT Common Stock</b>	<b>MBT Equivalent Pro Forma</b>
October 9, 2018	\$ 45.71	\$ 11.50	\$ 12.57
[•], [•]	\$ [•]	\$ [•]	\$ [•]

We suggest you obtain a current market quotation for First Merchants common stock. We expect that the market price of First Merchants common stock will fluctuate between the date of this document and the date on which the Merger

is completed and thereafter. Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments) and the market price of First Merchants common stock is subject to fluctuation, the value of the shares of First Merchants common stock that MBT shareholders will receive in the Merger may increase or decrease prior to and after the Merger.

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### *Comparative Per Share Data*

The following table sets forth the basic and diluted earnings per common share, book value per share and cash dividends per share for each of First Merchants and MBT on a historical basis, for First Merchants on a pro forma combined basis, and on a pro forma combined basis per MBT equivalent share.

The pro forma data gives effect to: (i) the proposed acquisition of MBT; and (ii) the proposed issuance of 6,378,818 shares of First Merchants common shares to MBT shareholders, which assumes 23,195,704 shares of MBT common stock are outstanding at the time of closing (representing the sum of 22,990,430 shares of MBT common stock outstanding on October 9, 2018 and 205,274 shares of MBT common stock to be issued immediately prior to the effective time of the Merger pursuant to certain outstanding SOSARs and RSUs awards). For purposes of presenting pro forma basic and diluted earnings per share, cash dividends per share, and book value per share, the comparative pro forma data assumes that First Merchants and MBT had been combined throughout the period shown. The data in the column *Pro Forma Equivalent Per MBT Share* shows the effect of the Merger from the perspective of an owner of MBT common stock, and was obtained by multiplying the Combined Pro Forma Amounts for First Merchants by the Exchange Ratio of 0.2750.

We expect that we will incur reorganization and restructuring expenses as a result of combining our two companies. We also anticipate that the Merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company, does not take into account these expected expenses or these anticipated financial benefits, and does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the merged company would have been had our companies been merged during the periods presented.

The information in the following table is based on historical financial information of MBT and First Merchants. The information with respect to First Merchants and MBT are included in their respective annual and quarterly reports previously filed with the SEC, which have been incorporated into this document by reference. See **WHERE YOU CAN FIND ADDITIONAL INFORMATION** beginning on page 71 for a description of documents that First Merchants and MBT incorporate by reference into this document and how to obtain copies of them.

TABLE OF CONTENTS**FIRST MERCHANTS AND MBT  
HISTORICAL AND PRO FORMA PER SHARE DATA**

	<b>First Merchants Historical</b>	<b>MBT Historical</b>	<b>Combined Pro forma Amounts for First Merchants<sup>(1)</sup></b>	<b>Pro forma Equivalent Per MBT Share</b>
<b>Net income per share</b>				
Nine months ended September 30, 2018				
Basic	\$ 2.38	\$ 0.60	\$ 2.32	\$ 0.64
Diluted	\$ 2.37	\$ 0.60	\$ 2.31	\$ 0.64
Twelve months ended December 31, 2017				
Basic	\$ 2.13	\$ 0.46	\$ 2.02	\$ 0.56
Diluted	\$ 2.12	\$ 0.46	\$ 2.01	\$ 0.55
<b>Cash dividends per share</b>				
Nine months ended September 30, 2018	\$ 0.62	\$ 0.83	\$ 0.62	\$ 0.17
Twelve months ended December 31, 2017	\$ 0.69	\$ 0.92	\$ 0.69	\$ 0.19
<b>Book value per share</b>				
At September 30, 2018	\$ 27.61	\$ 5.28	\$ 29.52	\$ 8.12
At December 31, 2017	\$ 26.51	\$ 5.79	\$ 28.55	\$ 7.85

(1) See Unaudited Pro Forma Summary of Selected Consolidated Financial Data beginning on page 20 for certain supporting information.

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**SELECTED CONSOLIDATED FINANCIAL DATA**

The following tables set forth certain summary historical consolidated financial data for each of our companies. First Merchants' and MBT's balance sheet and income statement data as of and for the five years in the period ended December 31, 2017 are taken from each of First Merchants' and MBT's respective audited financial statements (which data and financial statements are presented on a consolidated basis). The financial data at and for the nine months ended September 30, 2018 and September 30, 2017 is derived from the unaudited financial statements of First Merchants and MBT and, in the opinion of each such company's management, its respective statements and data reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such information at and for those dates. Ratios for the nine months ended September 30, 2018 and September 30, 2017 are annualized. Results for the nine months ended September 30, 2018 do not necessarily indicate results expected or anticipated for the entire year.

The following tables also set forth certain summary unaudited pro forma consolidated financial information for First Merchants and MBT reflecting the Merger. The pro forma disclosures are being presented to provide additional information in support of the pro forma data included under the "Comparative Per Share Data" section of this SUMMARY. As a result, this condensed pro forma presentation is not intended to comply with the disclosure requirements under Article 11 of Regulation S-X. The income statement information presented gives effect to the Merger as if it occurred on the first day of the period presented. The balance sheet information presented gives effect to the Merger as if it occurred on the last day of the period presented. The pro forma data gives effect to: (i) the proposed acquisition of MBT; and (ii) the proposed issuance of 6,378,818 shares of First Merchants common shares to MBT shareholders, which assumes 23,195,704 shares of MBT common stock are outstanding at the time of closing (representing the sum of 22,990,430 shares of MBT common stock outstanding on October 9, 2018 and 205,274 shares of MBT common stock to be issued immediately prior to the effective time of the Merger pursuant to certain outstanding SOSARs and RSUs awards).

The pro forma information reflects the purchase method of accounting, with MBT's assets and liabilities recorded at their estimated fair values as of the date presented. The actual fair value adjustments to the assets and the liabilities of MBT will be made on the basis of appraisals and evaluations that will be made as of the date the Merger is completed. Thus, the actual fair value adjustments may differ significantly from those reflected in these pro forma financial statements. In the opinion of First Merchants' management, the estimates used in the preparation of these pro forma financial statements are reasonable under the circumstances.

We expect that we will incur reorganization and restructuring expenses as a result of combining our companies. We also anticipate that the Merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under two sets of assumptions, does not take into account these expected expenses or anticipated financial benefits, and does not attempt to predict or suggest future results.

This selected financial data is only a summary and you should read it in conjunction with First Merchants' consolidated financial statements and related notes incorporated into this document by reference. See "WHERE YOU CAN FIND ADDITIONAL INFORMATION" on page 71 for a description of documents that we incorporate by reference into this document and how to obtain copies of such documents.

**TABLE OF CONTENTS****FIRST MERCHANTS****FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

(Dollars in Thousands, Except Per Share Amounts)

	For the Nine Months Ended September 30,			For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013	
	(unaudited)							
Summary of Operations								
Interest income	\$ 299,291	\$ 224,548	\$ 314,896	\$ 253,312	\$ 221,198	\$ 208,879	\$ 170,834	
Interest expense	48,318	26,029	37,612	26,839	24,794	21,842	16,569	
Net interest income	250,973	198,519	277,284	226,473	196,404	187,037	154,265	
Provision for loan losses	5,563	7,343	9,143	5,657	417	2,560	6,648	
Net interest income after provision for loan losses	245,410	191,176	268,141	220,816	195,987	184,477	147,617	
Non-interest income	57,279	51,948	71,009	65,203	69,868	61,816	51,831	
Non-interest expenses	162,213	149,123	205,556	177,359	174,806	164,008	139,034	
Income before income tax expense	140,476	94,001	133,594	108,660	91,049	82,285	60,414	
Income tax expense	23,050	22,314	37,524	27,609	25,665	22,123	15,884	
Net Income	117,426	71,687	96,070	81,051	65,384	60,162	44,530	
Preferred stock dividends and discount accretion	—	—	—	—	—	—	(2,380 )	
Net Income Available to Common Shareholders	\$ 117,426	\$ 71,687	\$ 96,070	\$ 81,051	\$ 65,384	\$ 60,162	\$ 42,150	
Per Share Data								



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Net income

Basic	\$	2.38	\$	1.64	\$	2.13	\$	1.99	\$	1.73	\$	1.66	\$	1.42
Diluted	\$	2.37	\$	1.63	\$	2.12	\$	1.98	\$	1.72	\$	1.65	\$	1.41
Cash dividends	\$	0.62	\$	0.51	\$	0.69	\$	0.54	\$	0.41	\$	0.29	\$	0.18

**Balance End  
of Period**

Total assets	\$	9,787,282	\$	9,049,403	\$	9,367,478	\$	7,211,611	\$	6,761,003	\$	5,824,127	\$	5,437,262
Total loans		7,091,093		6,487,962		6,758,415		5,142,574		4,703,716		3,932,100		3,637,740
Allowance for loan losses		78,406		73,354		75,032		66,037		62,453		63,964		67,870
Total deposits		7,633,152		6,911,019		7,172,530		5,556,498		5,289,647		4,640,694		4,231,468
Stockholders' equity		1,361,426		1,283,120		1,303,463		901,657		850,509		726,827		634,923

**Selected  
Ratios**

Return on average assets		1.63 %		1.22 %		1.17 %		1.17 %		1.07 %		1.08 %		0.95 %
Return on average equity		11.76 %		9.12 %		8.65 %		9.16 %		8.67 %		8.91 %		7.80 %

TABLE OF CONTENTS**MBT****FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

(Dollars in Thousands, Except Per Share Amounts)

	For the Nine Months Ended September 30,			For the Years Ended December 31,			
	2018	2017	2017	2016	2015	2014	2013
	(unaudited)						
<b>Summary of Operations</b>							
Interest income	\$ 34,172	\$ 31,010	\$ 41,800	\$ 39,859	\$ 40,041	\$ 38,539	\$ 39,238
Interest expense	1,586	1,320	1,737	2,236	3,066	3,838	6,037
Net interest income	32,586	29,690	40,063	37,623	36,975	34,701	33,201
Provision for loan losses	(100 )	(200 )	(700 )	(2,200 )	(3,000 )	(500 )	2,200
Net interest income after provision for loan losses	32,686	29,890	40,763	39,823	39,975	35,201	31,001
Non-interest income	12,227	12,225	15,882	17,513	15,327	13,353	15,931
Non-interest expenses	28,134	27,020	36,135	36,598	38,200	38,667	39,508
Income before income tax expense	16,779	15,095	20,510	20,738	17,102	9,887	7,424
Income tax expense	2,958	4,342	9,901	6,237	5,020	2,572	(18,113 )
Net Income	13,821	10,753	10,609	14,501	12,082	7,315	25,537
Preferred stock dividends and discount accretion	—	—	—	—	—	—	—
Net Income Available to Common Shareholders	\$ 13,821	\$ 10,753	\$ 10,609	\$ 14,501	\$ 12,082	\$ 7,315	\$ 25,537

**Per Share  
Data**

Net income

Basic	\$	0.60	\$	0.47	\$	0.46	\$	0.64	\$	0.53	\$	0.33	\$	1.43
Diluted	\$	0.60	\$	0.47	\$	0.46	\$	0.63	\$	0.53	\$	0.33	\$	1.41
Cash dividends	\$	0.83	\$	0.86	\$	0.92	\$	0.64	\$	—	\$	—	\$	—

**Balance End  
of Period**

Total assets	\$	1,339,122	\$	1,347,352	\$	1,347,420	\$	1,357,283	\$	1,342,313	\$	1,278,657	\$	1,222,682
Total loans		752,895		693,866		694,979		652,337		617,308		610,332		597,590