



# THRIVING ON CHANGE

## First Merchants Corporation

By Symone C. Skrzycki

### History

Headquartered in Muncie, First Merchants Corporation (First Merchants) is a publicly-owned banking company. It's comprised of First Merchants Bank, which also operates Lafayette Bank & Trust, The Arlington Bank and First Merchants Private Wealth Advisors as divisions of First Merchants Bank.

First Merchants has banking locations in Indiana, Illinois and Ohio. In 2018, it will celebrate its 125th anniversary.

### On sound footing

With approximately \$8.7 billion in assets, First Merchants employs about 1,700 people.

Acquisitions since 2012 (in Indiana alone) include:

- iAB Financial Bank (part of Independent Alliance Banks), Fort Wayne (2017)
- Ameriana Bank, New Castle (2015)
- Citizens Financial Bank, Munster (2015)
- Community Bank, Noblesville (2014)
- Shelby County Bank, Shelbyville (2012)

### Coming together

Mike Rechin, president and CEO, attributes First Merchants' longevity to its most valuable assets: hard-working employees.

"It might be a little trite, but it's (about) taking care of our communities. And for us to do a great job in the community, we have to have the right people. Our success is driven by our team here."

How do things continue to run smoothly during an acquisition as new employees are introduced?

"It starts with the culture of our company being inviting to talented people at a bank that are joining us," Rechin offers. "For instance, with the people in Fort Wayne, we try and be so visible with them and clear about what our mission is so they see that it's a good place to work and a good place for them to apply their experience. Being a great place to work is job one."

"And then having a performance culture that rewards our shareholders because most of these opportunities, especially the acquisitions, kind of involve, 'How strong is your company?' So, you have to have a share price that reflects the strength of an operating business that allows other companies to think maybe they should be part of yours. But it all starts with people executing on our mission every day."

### The Great Recession

First Merchants not only survived the economic downturn of 2008-2009, but is thriving today.

Rechin asserts that "survive" is a key word.

"It's a double-edged sword," he comments. "2008 and 2009 – I don't want to repeat them – but it (the notion of surviving) made you get back to finding what you're best at and getting more efficient in delivering it."

"The economy, unfortunately, has recessions repeatedly. (That recession) was much worse than normal. When I look back now, it made us a better company. It made us change and react to things because you didn't have a choice. And for companies that weren't as quick to change, they then had to re-evaluate their futures. Some of those companies chose to join us because they thought it was their best avenue to continue to serve their community."

### Location, location, location

Like other industries, banking is heavily influenced by location.

"The solvency and the leadership in the state of Indiana has been consistently good," Rechin emphasizes. "It creates an umbrella of strength above us that allows companies like First Merchants to do what they do best. But if you live just one state to the west of us, in Illinois, you'd see that without great government leadership and without great business leadership, you can dig yourself a hole."

"Indiana hasn't done that, so a company like First Merchants – we're in Ohio and we're a little bit in Illinois, but 90% of our company is in the state of Indiana – it gives you an environment (in which) to flourish. And we have."