Piper-Sandler Financial Services Conference

November 2020



Forward-Looking Statements / Disclaimers

This presentation may contain "forward-looking statements" within the meaning of meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect management's current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "will likely result," "anticipate," "seek," "estimate," "intend," "plan," "projection," "goal," "target," "outlook," "aim," "annualized," "would" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Forward-looking statements speak only as of the date they are made and are inherently subject to uncertainties and changes in circumstances, including those described under the heading "Risk Factors" in the Company's latest Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC"). Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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This presentation includes industry and market data that we obtained from periodic industry publications, third-party studies and surveys. Although we believe this industry and market data is reliable as of the date of this presentation, this information could prove to be inaccurate. Industry and market data could be inaccurate because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses these "non-GAAP" measures in its analysis of our performance. Management believes that these non-GAAP financial measures allow for better comparability with prior periods, as well as with peers in the industry who provide a similar presentation and provides a further understanding of our ongoing operations. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

Merchants Bancorp Overview

Unique lender with a balanced and diverse revenue stream that lessens volatility through various cycles

Multi-family Lending

- Lending to developers of multi-family and healthcare properties
- Specializing in government agency (FHA, FNMA, and FHLMC) affordable, permanent loan products
- $15B Mortgage servicing portfolio for banks and other investors

LTM[1] Revenues – $72M (25%)
LTM[1] Net Income – $25M (17%)

Warehouse Lending

- Provides warehouse and commercial lending to independent mortgage banks
- Depository for mortgage servicing relationships
- Fully built out for e-mortgages

LTM[1] Revenues – $131M (45%)
LTM[1] Net Income – $88M (58%)

Banking

- Traditional community banking, including single-family mortgage
- National footprint: correspondent mortgage banking, online and mobile; regional SBA lending
- Holds multi-family loans pending conversion to permanent loans

LTM[1] Revenues – $83M (28%)
LTM[1] Net Income – $44M (29%)

- NASDAQ Ticker – MBIN; IPO in 2017
- Market Cap[2] ~ $567B
- Total Assets[2] ~ $9.5B
- LTM Revenues[1] ~ $290.3M
- Well Capitalized[2]- CBLR 7.9%
- Ranked #1 top performing bank in Indiana and #2 nationally by S&P Global[3]
- Headquarters – Carmel, IN
- 391 Employees[2]
- Insider Ownership ~ 70%[2]

1 - LTM Revenues refers to net interest income plus noninterest income, less provision for loan losses for the last twelve months ended September 30, 2020, and LTM Net Income refers to the same period.
2 - As of September 30, 2020.
3 – 2019 Rankings by S&P Global included banks with $3B to $10B in assets.



Financial Highlights – 3Q20

Balance Sheet
(Dollars in thousands)

	September 30, 2019	June 30, 2020	September 30, 2020
Total Assets	$6,337,186	$9,439,400	$9,530,475
Total Loans[1], net	$5,240,626	$8,011,084	$8,177,173
Total Deposits	$5,499,649	$6,908,628	$7,084,647
Total Equity	$629,439	$708,198	$757,135
Tangible Equity / Tangible Assets[2]	9.65%	7.32%	7.77%

Credit Quality

	September 30, 2019	June 30, 2020	September 30, 2020
Nonperforming Loans / Loans Held for Investment	0.22%	0.16%	0.16%
Allowance / Loans Held for Investment	0.50%	0.49%	0.48%
Net Charge-offs (Recoveries) / Avg. Total Loans[1]	0.03%	0.00%	0.00%

Performance Metrics

	For the Nine Months Ended		
	September 30, 2019	June 30, 2020	September 30, 2020
Net Income Per Common Share	$1.45	$2.03	$3.82
ROAA	1.31%	1.72%	1.95%
ROATCE[2]	14.75%	26.08%	31.34%
Noninterest Income / Net Revenue	22.77%	35.20%	36.54%
Efficiency Ratio[2]	40.78%	31.38%	28.77%
Net Interest Margin	2.45%	2.41%	2.56%
Yield on Total Loans[1]	4.70%	3.96%	3.82%
Cost of Deposits	1.92%	1.12%	0.87%
CBLR - Leverage Ratio (Consolidated)	10.0%	7.9%	7.9%

1 - Total Loans include loans held for investment and loans held for sale for the YTD period indicated.
2 - These are non-GAAP measures. See "Reconciliation of Non-GAAP Measures" in the Appendix.



MBIN

Exceptional Performance

5-Year Compound Annual Growth Rates (CAGRs)[1] vs. 88 peers[5]

	MBIN	Peer Average[5]	MBIN Ranking[5]
Net Income	43%	12%	#6 Highest
Revenues	35%	9%	#3 Highest
Assets	43%	15%	#4 Highest
Gross Loans[2]	56%	16%	#2 Highest
Deposits	35%	15%	#6 Highest
Earnings Per Common Share	36%	3%	#4 Highest

P/E Multiples[3]

	MBIN	Peer Average[5]	MBIN Ranking[5]
Price/LTM Earnings Per Share	5.4X	13.4X	#1 Lowest

Administrative Efficiency

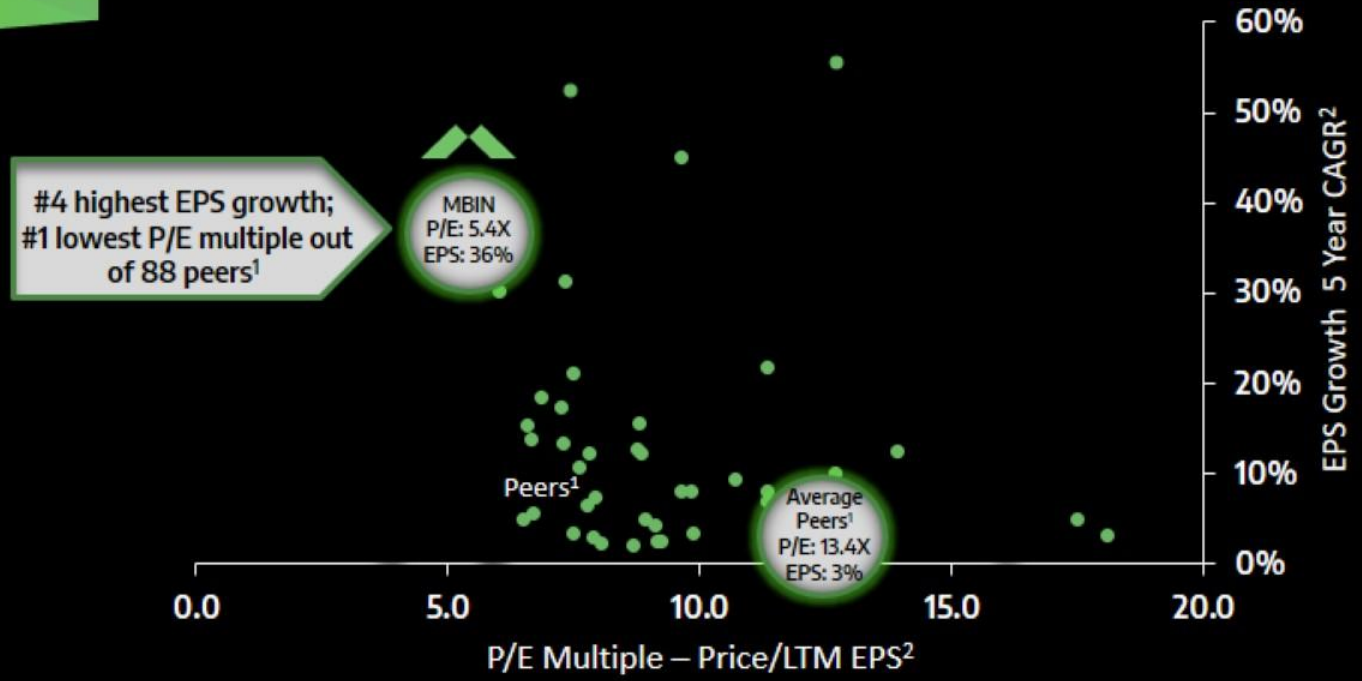
	MBIN	Peer Average[5]	MBIN Ranking[5]
Efficiency Ratio[8]	31%	56%	#1 Lowest

Stock Price Performance[4]

	MBIN	Bank Index[6]
Total Shareholder Return since MBIN's IPO	23%	-37%

1 - Net Income and Revenue CAGRs reflect full year 2016 compared to the last 12 months ended June 30, 2020; Assets, Loans and Deposit CAGRs reflect year-end 2016 compared to June 30, 2020; Earnings per Common Share CAGRs reflect the 5 years ended June 30, 2020.
2 - Includes both loans held for investment and loans held for sale.
3 - P/E multiples are based on prices as of September 23, 2020 divided by earnings per common share for the last 12 months ended June 30, 2020.
4 - Prices as of September 30, 2020, compared to 10/26/2017, the date of MBIN's initial public offering.
5 - Peer group includes 88 publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global - source S&P Global.
6 - Bank Index refers to the NASDAQ Bank Index - source S&P Global.
7 - Nonperforming Loans refers to loans on nonaccrual status or loans greater than 90 days late but still accruing. Nonperforming Assets include nonperforming loans and other real estate owned.
8 - The efficiency ratio is for six months ended June 30, 2020 and represents noninterest expense divided by the sum of net interest income and noninterest income. This is a non-GAAP measure. Please also see "Reconciliation of Non-GAAP Measures" in the Appendix.

High Growth Rate, Lowest Valuation



1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global. Peers with earnings growth below 0% or P/E multiples above 20% not displayed on chart but are included in averages and other statistics provided.
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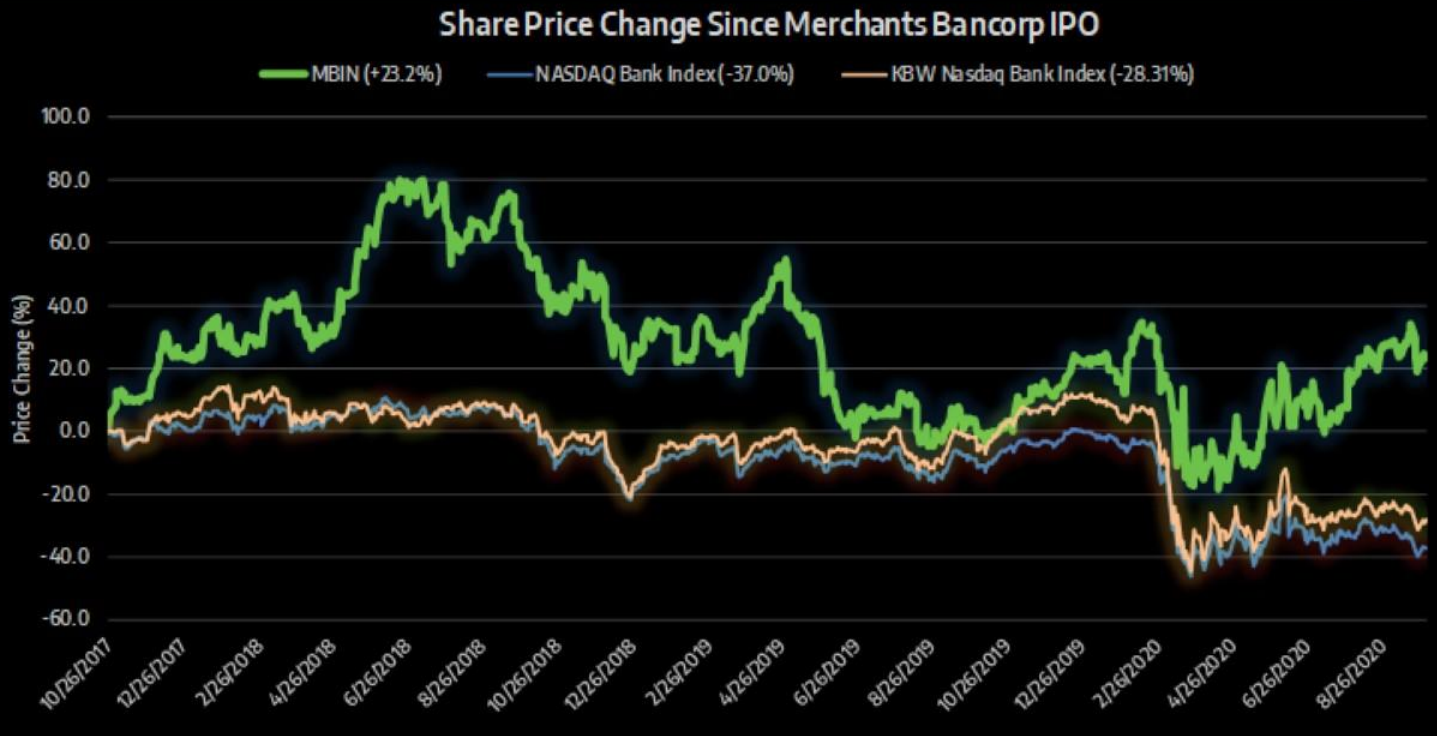
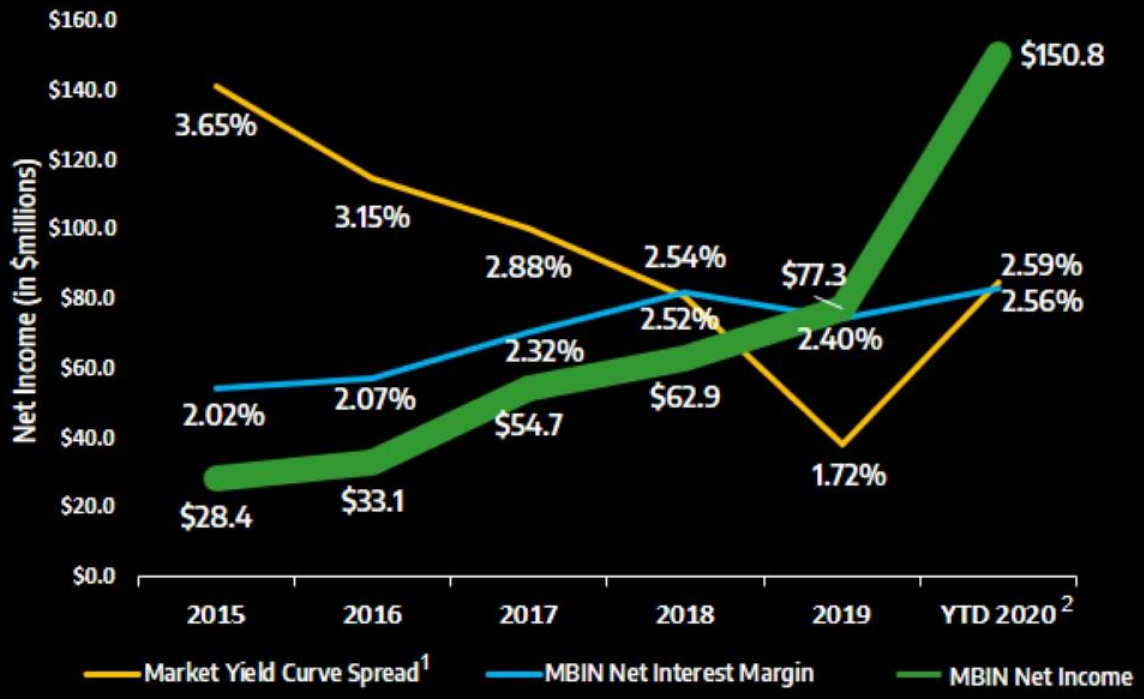
Share Appreciation Outperforms Industry



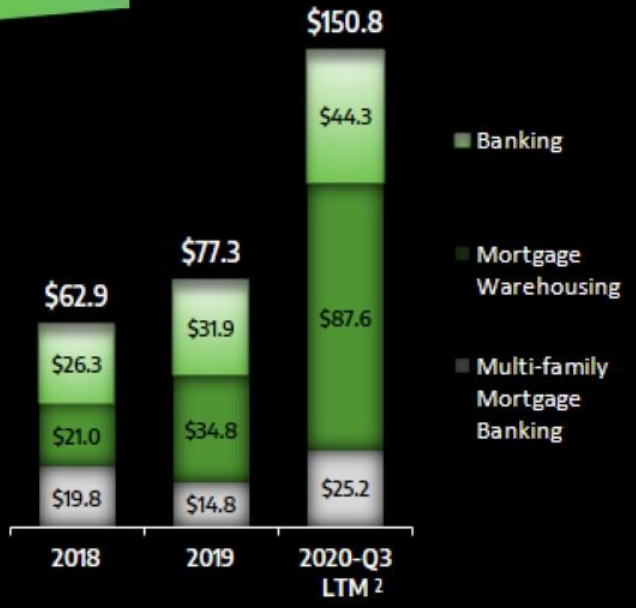
Source - S&P Global as of September 30, 2020.

Earnings Correlation to Interest Rates



1 - Market yield curve spread reflects the difference between the average 30-year mortgage (source: http://www.freddiemac.com/pmms/pmms30.html) and the average 1-month LIBOR rate.
2 - YTD 2020 Net income represents the last twelve months as of September 30, 2020.

How We Generate Income



Net Income[1] ($M)

Banking – 29% LTM[2] Net Income

Primarily from traditional interest income on loans originated by Multi-family businesses, but also gain on sale of single-family and SBA loans as they are packaged and sold to federal agencies.

Mortgage Warehousing – 58% LTM[2] Net Income

Primarily from interest income and fees earned during the time that loans originated by mortgage bankers are held for resale to federal agencies.

Multifamily – 17% LTM[2] Net Income

Primarily from gain on sale of loans resold to federal agencies such as GNMA, FHLMC, or FNMA, as well as servicing fees on the loans sold or retained.

1 – The sum of the individual segments will not equal total because they are not inclusive of "Other" segment.
2 – Refers to the last twelve months ended September 30, 2020.



MBIN

Unique Operating Model

- Consistent Profitablity and Growth That is Less Dependent on Interest Rate Cycles Than Peers
- Conservative, Low Risk Underwriting and Track Record of Minimal Loan Losses
- Maximizing Efficiency with Minimal Branch Network and National Platform
- Enviable Funding Options and Liquidity to Support Fast-Turning, Short Duration Lending Model
- Diverse Business Mix With Growth Opportunities



What is Unique About Merchants Bancorp?

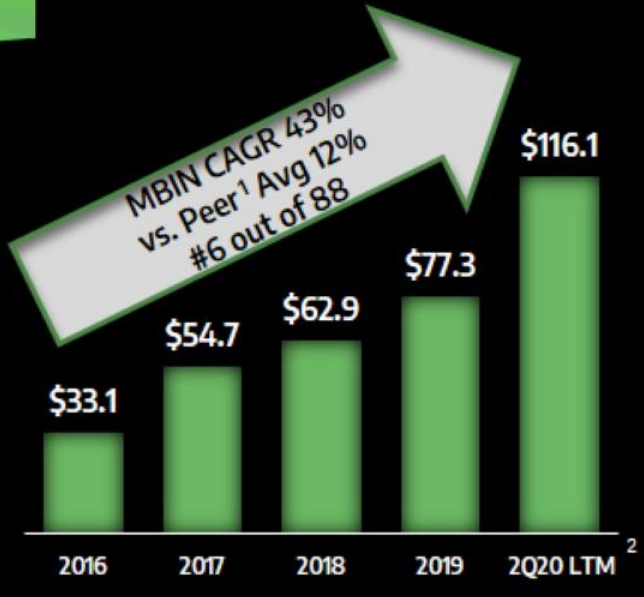




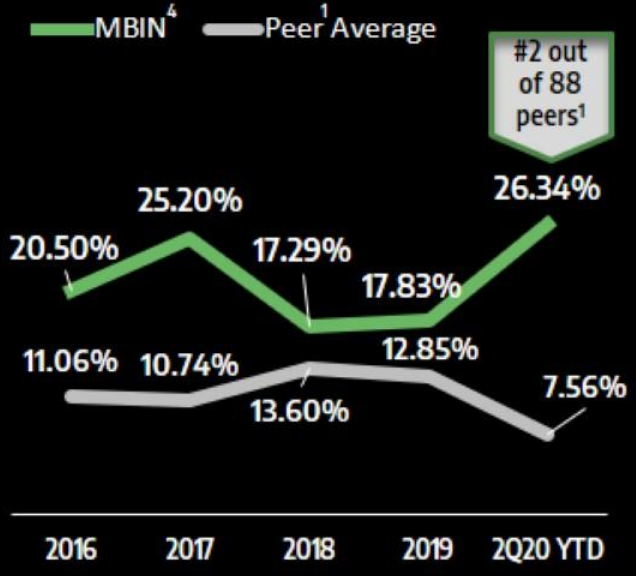
1

Consistent Profitablity and Growth That is Less Dependent on Interest Rate Cycles Than Peers

Profitable Growth in all Interest Rate Cycles



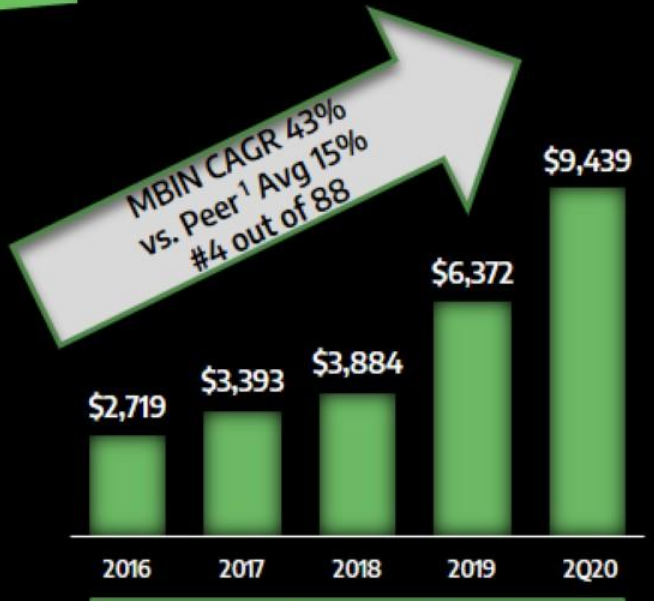
Net Income ($M)



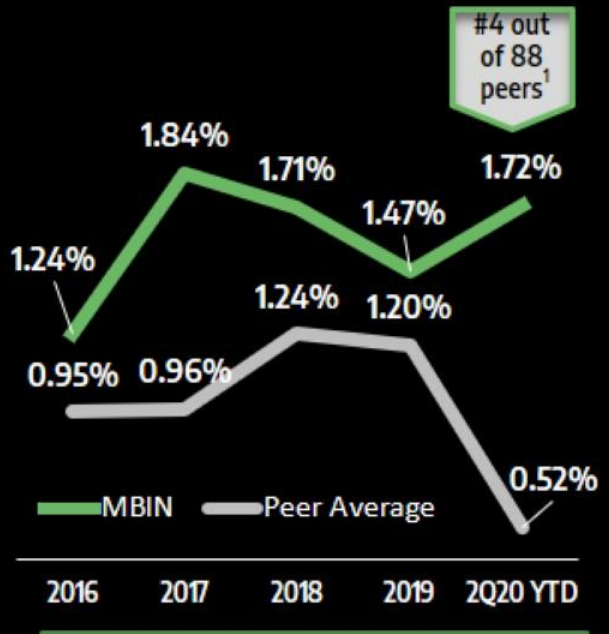
Return on Average TCE [3,4]

1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global.
2 - LTM refers to last twelve months ending June 30, 2020.
3 - These are non-GAAP measures. See "Reconciliation of Non-GAAP Measures" in the Appendix.
4 – MBIN results differ slightly from amounts previously reported in other public SEC filings, to be consistent with the definition used by S&P Global for peer data.

Profitable Growth in all Interest Rate Cycles



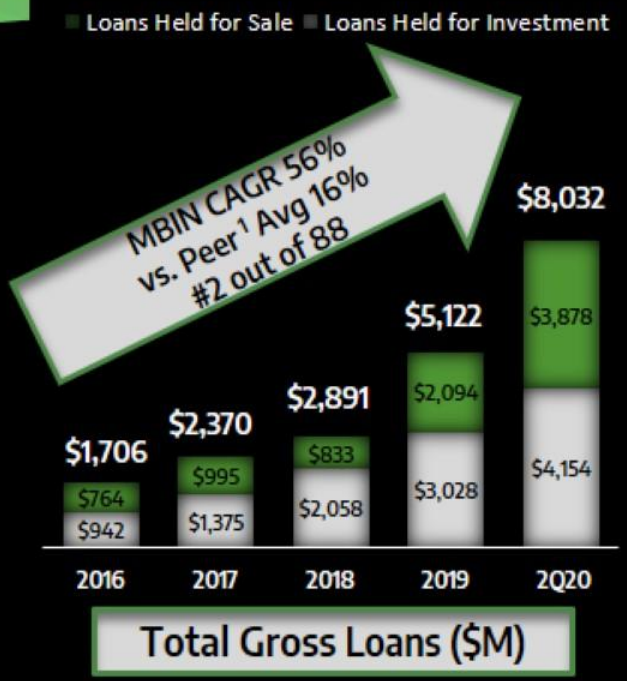
Total Assets ($M)

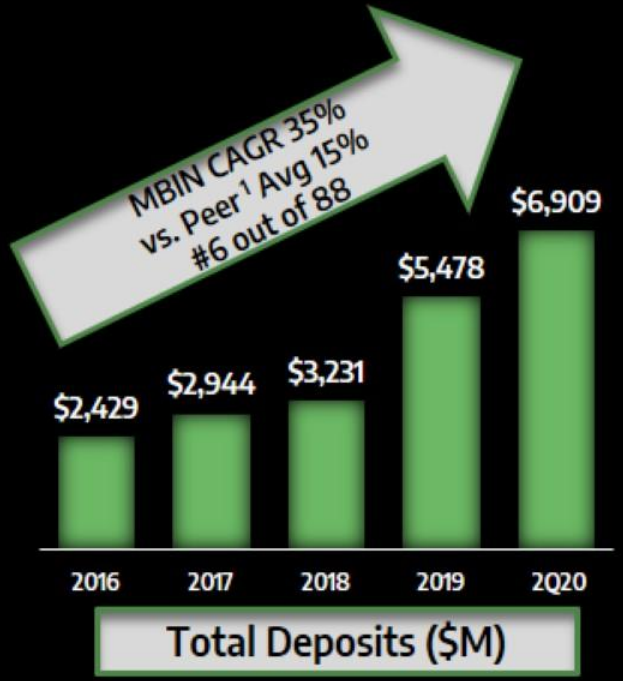


Return on Average Assets

1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global.

Profitable Growth in all Interest Rate Cycles





1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global.



2

Conservative, Low Risk Underwriting and Track Record of Minimal Loan Losses

Low Risk, Short Duration Loan Portfolio

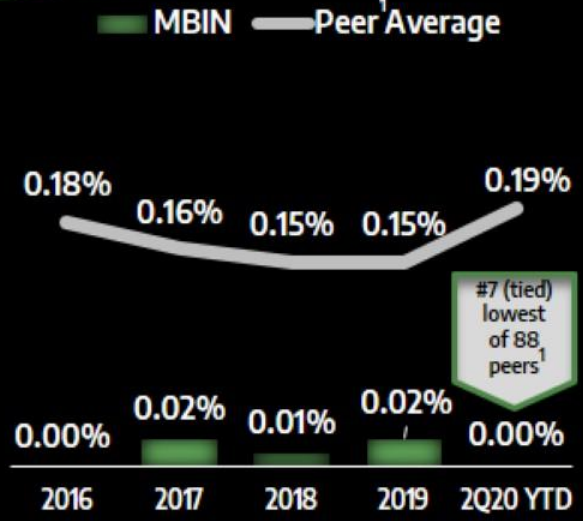
(Dollars in thousands)	As of September 30, 2020	
Loan Type	Balance	% Total
Total Loans Held for Sale	$3,319,619	40.5%
Loans Held for Investment		
Multi-family Real Estate and Healthcare Financing	$2,125,516	25.9%
Mortgage Warehouse Lines of Credit	$1,647,521	20.1%
Residential Real Estate (primarily 1st lien HELOCs)	$572,527	7.0%
Commercial & Commercial Real Estate	$419,812	5.1%
Agricultural Production and Real Estate	$101,636	1.2%
Consumer & Margin Loans	$13,978	0.2%
Total Loans Held for Investment	$4,880,990	59.5%
Total Gross Loans	$8,200,609	100.0%
Mortgage loans in process of securitization	$374,721	

All information as of September 30, 2020.

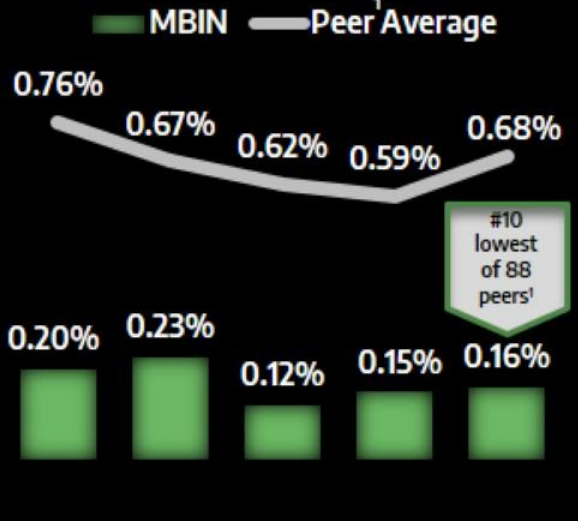
- Loans are predominantly agency eligible with variable rates or short maturities
- Approximately 95% of Merchants Bank's loans reprice in 90 days or less
- Nonperforming loans to total loans held for investment consistently below 0.25% over the past five years
- Minimal direct exposure to industries adversely impacted by COVID-19; $87M in PPP loans
- Customers in deferred payments arrangements due to COVID-19 fell to only 11 loans with unpaid balances of $1.6 million, representing 0.02% of total loans, down from $80.6 at June 30, 2020
- Only 2% of commercial loans are non-owner-occupied commercial real estate

Highly Disciplined Credit Culture

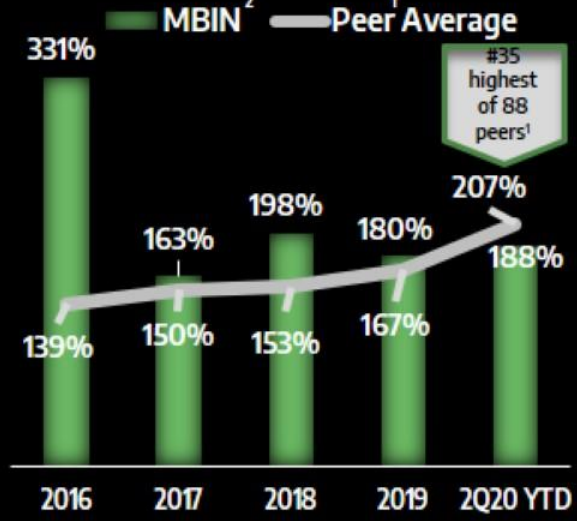
Minimal Charge-Offs, Minimal Nonperforming Loans, Well Reserved



Net Charge-offs/Average Loans



Nonperforming Loans/Total Loans HFI[3]



Reserves/Nonperforming[2] Assets

1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global.
2 – Some of MBIN results differ from amounts previously reported in other public SEC filings, to be consistent with the definition of nonperforming assets and loans provided by S&P Global for peer data. S&P Global includes troubled debt restructured loans, whereas MBIN has traditionally excluded them. Additionally, MBIN has not been required to adopt CECL accounting, but many peers have increased reserves in doing so during 2020.
3 – HFI refers to gross loans held for investment.

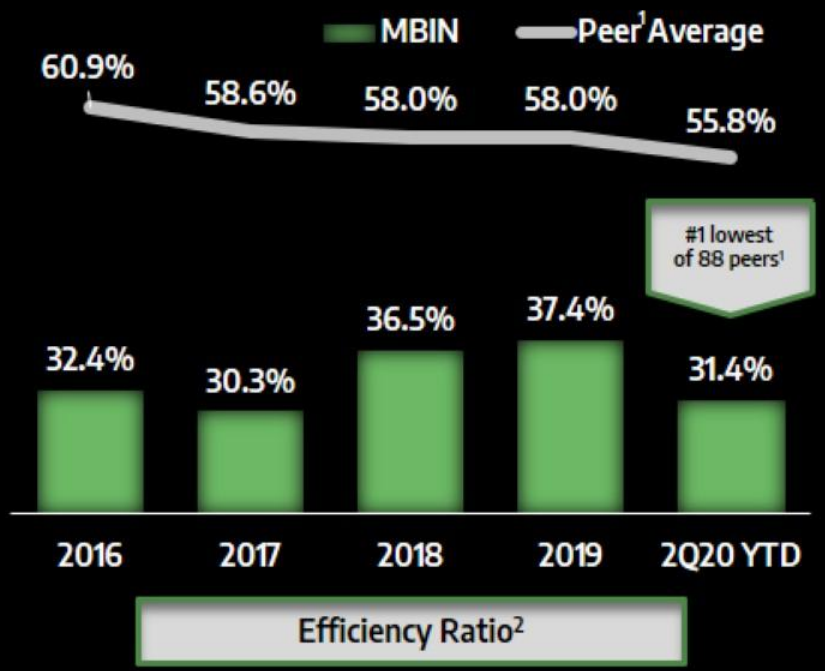


3

Maximizing Efficiency with Minimal Branch Network and National Platform

Maximizing Efficiency

Low Branch Model (11) / 391 Employees



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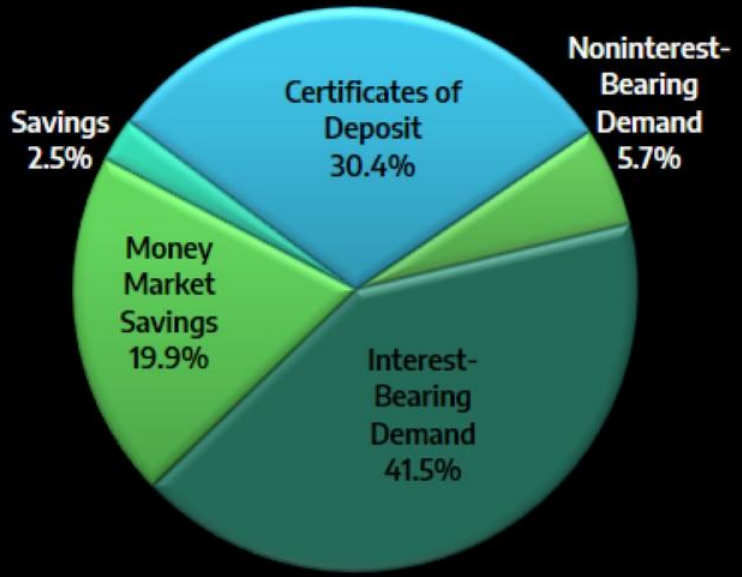
4

Enviable Funding Options and Liquidity to Support Fast-Turning, Short Duration Lending Model

Enviable Funding Strategy
Flexible Options to Obtain Lowest Cost

- Make use of lines at the Federal Home Loan Bank and Federal Reserve to lower interest expense
- Grow multi-family custodial deposits from Merchants Capital Corp. originations and subservicing relationships
- Expand custodial escrow relationships from warehouse customers
- Expand use of reciprocal deposits with FDIC insurance
- Expand network of brokered deposit dealers
- Low cost platform allows for highly competitive deposit rates offered in footprint and mobile/online support out of footprint
- Deposit campaigns

Multiple Funding Options
Deposit Mix



For the Nine Months Ended September 30, 2020	Avg. Balance ($ in thousands)	Weighted Avg. Rate
Noninterest-Bearing Demand	$396,124	0.00%
Interest-Bearing Demand	$2,874,370	0.49%
Money Market Savings	$1,375,667	1.20%
Savings	$173,570	0.09%
Certificates of Deposit	$2,104,225	1.40%
Total Deposits	$6,923,956	0.87%

Cost of Deposits[1]: 0.87%

1 - Deposit balances and related costs are based on average deposits for the nine months ended September 30, 2020.

Multiple Funding Sources and Options

Custodial Escrows

- Self-funding mechanisms in place. In the third quarter of 2020, $2.6B average warehouse deposits funded $5.2B average loans and mortgages in process of securitization

Short Duration Brokered Deposits

- Supplement funding with short duration[1] brokered deposits as needed
- $1.7B of brokered deposits at Septemer 30, 2020 (24% of deposits)

Fed Home Loan Bank & Federal Reserve

- FHLB of Indianapolis and Chicago and FRB lines of unused capacity of $2.5B as of September 30, 2020
- Added access to FRB's PPP Liquidity Facility in 3Q20
- Increased over prior year despite balance sheet growth

1 – Duration is typically overnight to less than 3 months.



5

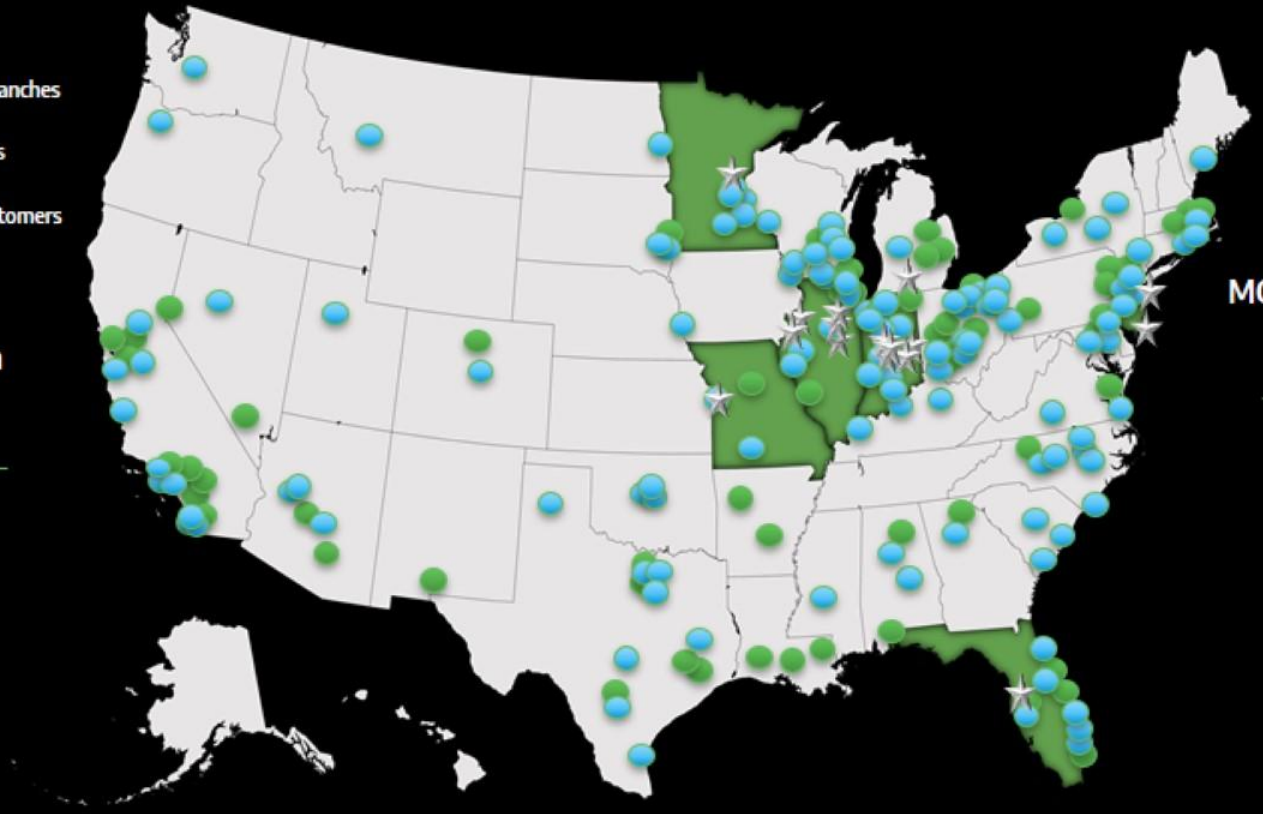
Diverse Business Mix With Opportunity for Additional Growth

Local Presence / National Reach

States with Offices/Branches

Warehouse Customers

Merchants Capital Customers



Top 5 States Warehouse Loan Fundings YTD at 9/30/20

CA	38%
TX	6%
FL	4%
NJ	4%
AZ	3%

Top 5 States MCC Servicing & Loan Balances at 9/30/20

IN	31%
NY	13%
IL	12%
TX	8%
OH	6%

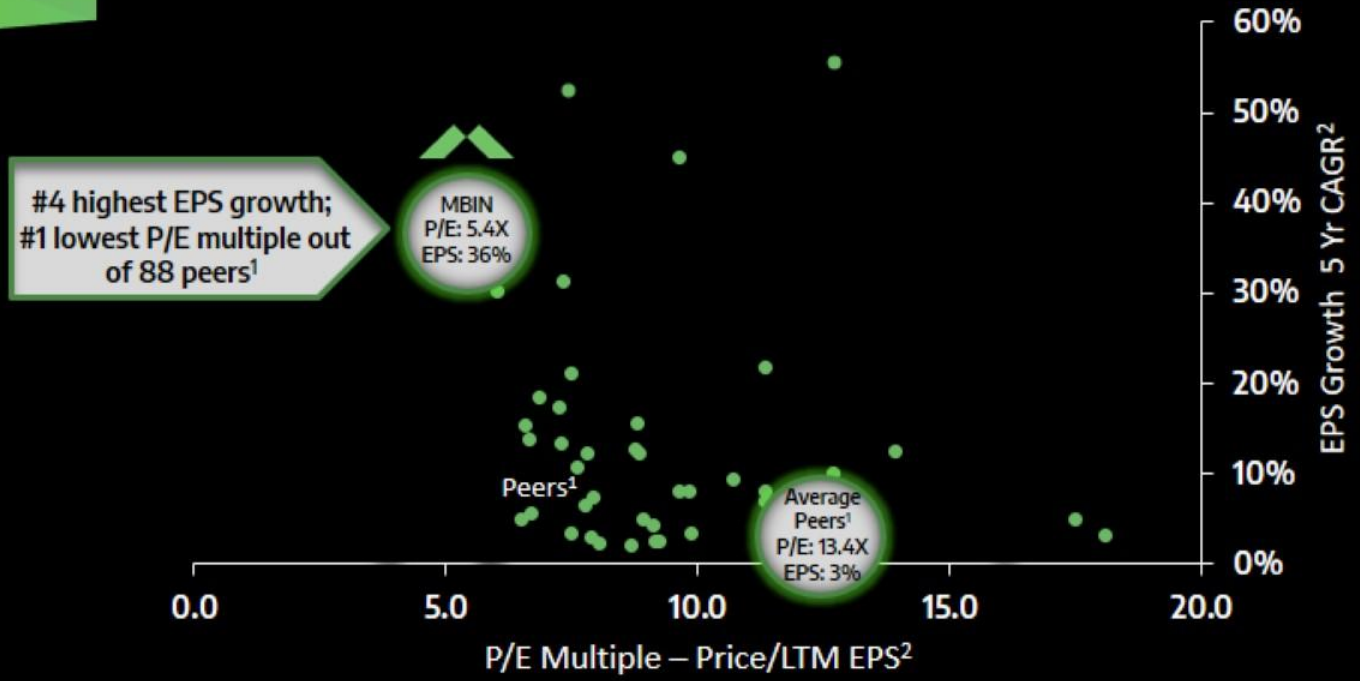
Growth Opportunities for All Businesses

- Additional capital raised during 2019 being utilized to generate revenues across all lines of business
- Refinance activity continuing longer than industry expected
- Low Income Housing Tax Credit (LIHTC) platform enhanced in 2020
- SBA platform enhanced in 2019
- Online/mobile banking presence increasing National footprint
- Innovative e-Note mortgage platform is in operation today and at forefront of industry adoption that has increased with COVID pandemic
- Lines of credit collateralized by mortgage servicing rights leading to growth opportunities in loans and corporate/custodial deposits



6 Compelling Shareholder Value Proposition

High Growth Rate, Lowest Valuation



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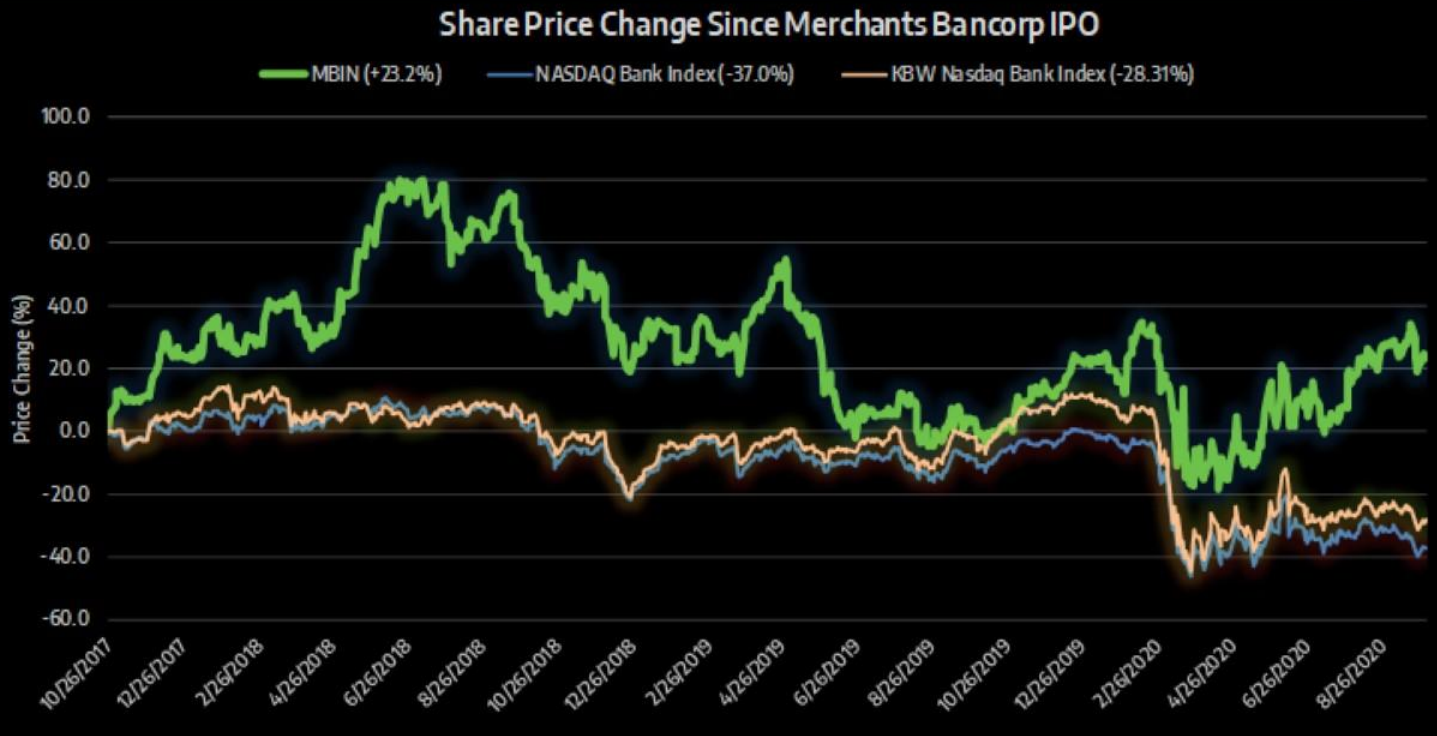
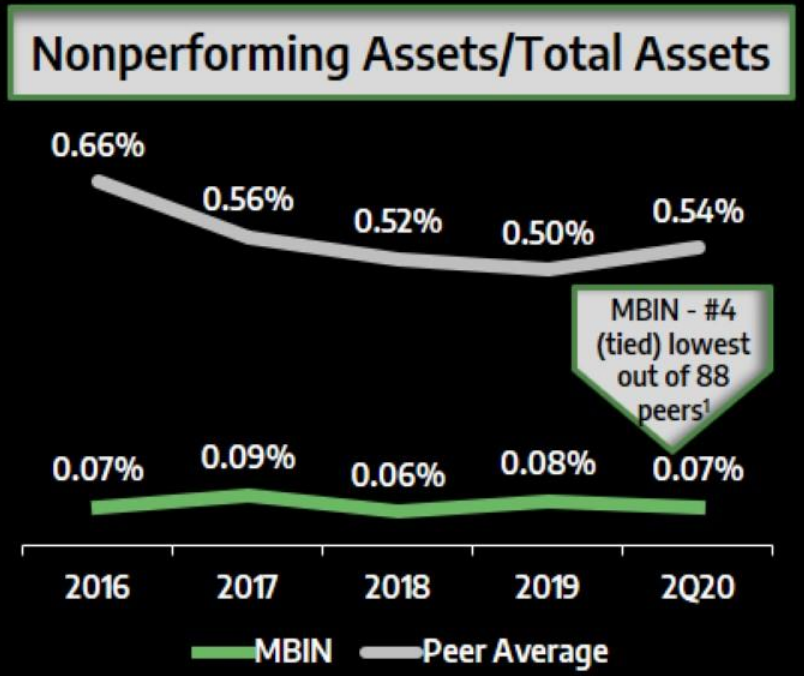
Share Appreciation Outperforms Industry



Source - S&P Global as of September 30, 2020.

Significantly Lower Risk than Peers



- Conservative underwriting ensures loans can be sold to Federal Agencies
- Shorter duration lending minimizes interest rate risk
- Fast-turning loan portfolio reprices ~ 95% of loans within 90 days and multiple funding sources match shorter duration
- Minimal exposure to industries directly impacted by COVID-19
- Track record of minimal charge-offs and nonperforming loans

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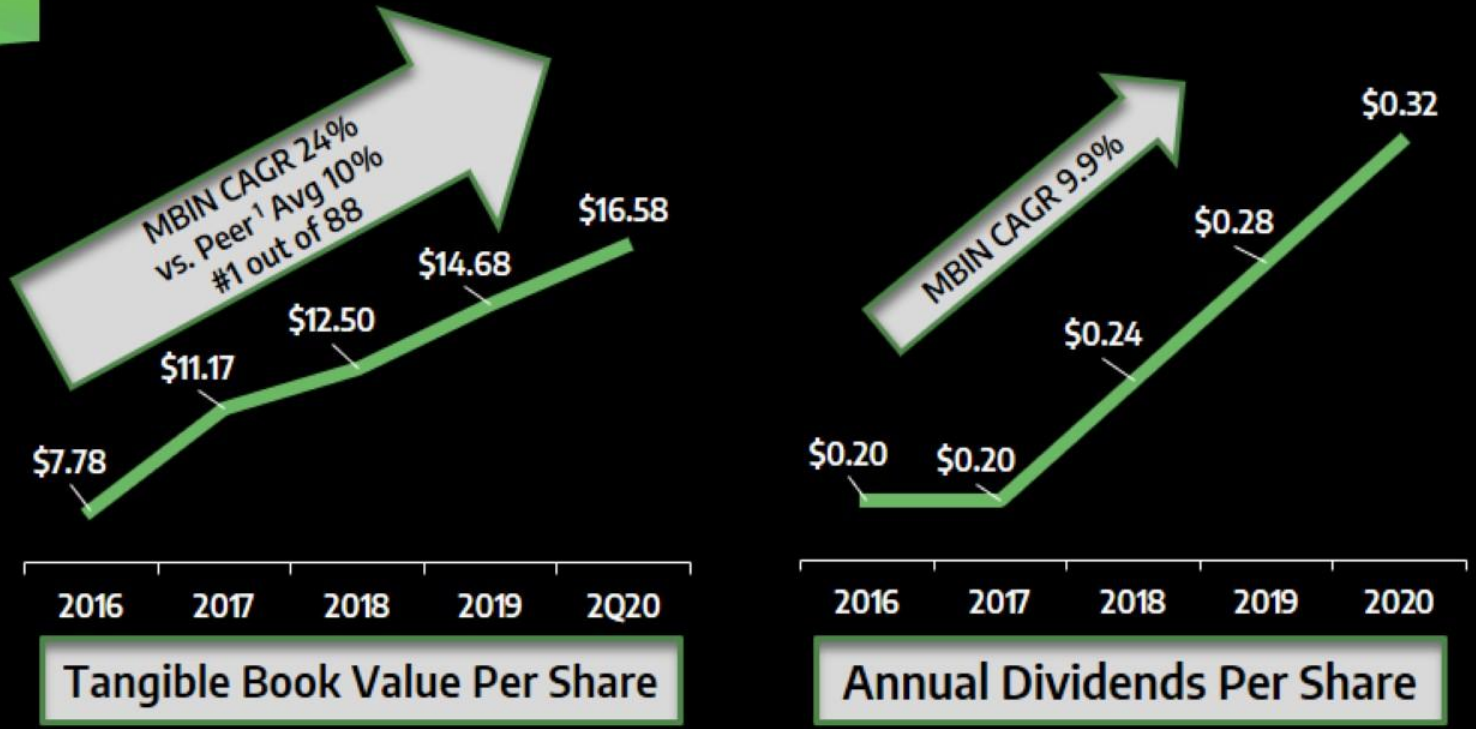
Consistent Growth in Shareholder Value



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- Diverse Business Mix With Growth Opportunities

Appendix

Reconciliation of Non-GAAP Measures

(Dollars in thousands, except per share amounts)	At or for the Year Ended December 31,				At or for the Nine Months Ended September 30,	
	2016	2017	2018	2019	2019	2020
Non-GAAP Reconciliation: Net Income						
Net income as reported per GAAP	$ 33,127	$ 54,684	$ 62,874	$ 77,329	$ 47,268	$ 120,747
Less: preferred stock dividends	2,002	3,330	3,330	9,216	5,598	10,855
Net income available to common shareholders	$ 31,125	$ 51,354	$ 59,544	$ 68,113	$ 41,670	$ 109,892
Non-GAAP Reconciliation: Tangible Common Equity to Tangible Assets						
Tangible common shareholders' equity						
Shareholders' equity per GAAP	$ 206,288	$ 367,474	$ 421,237	$ 653,728	$ 629,439	$ 757,135
Less: goodwill & intangibles	(523)	(5,414)	(21,019)	(19,644)	(19,756)	(18,502)
Tangible shareholders' equity	205,765	362,060	400,218	634,084	609,683	738,633
Less: preferred stock	(41,581)	(41,581)	(41,581)	(212,646)	(212,689)	(212,646)
Tangible common shareholders' equity	$ 164,184	$ 320,479	$ 358,637	$ 421,438	$ 396,994	$ 525,987
Tangible assets						
Assets per GAAP	$ 2,718,512	$ 3,393,133	$ 3,884,163	$ 6,371,928	$ 6,337,186	$ 9,530,475
Less: goodwill & intangibles	(523)	(5,414)	(21,019)	(19,644)	(19,756)	(18,502)
Tangible assets[1]	$ 2,717,989	$ 3,387,719	$ 3,863,144	$ 6,352,284	$ 6,317,430	$ 9,511,973
Tangible common equity to tangible assets	6.0%	9.5%	9.3%	6.6%	6.3%	5.5%
Tangible equity to tangible assets	7.6%	10.7%	10.4%	10.0%	9.7%	7.8%
Non-GAAP Reconciliation: Efficiency Ratio						
Net interest income (before provision for loan losses)	$ 53,971	$ 66,597	$ 89,971	$ 122,298	$ 84,677	$ 154,909
Noninterest income	28,504	47,680	49,585	47,089	24,386	84,747
Noninterest expense	26,720	34,644	50,900	63,313	44,477	68,959
Efficiency ratio[2]	32.4%	30.3%	36.5%	37.4%	40.8%	28.8%

1 - Tangible assets represents consolidated assets less goodwill and intangibles in each period.
2 - The efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income.

Reconciliation of Non-GAAP Measures

(Dollars in thousands, except per share amounts)	At or for the Year Ended December 31,				At or for the Nine Months Ended September 30,	
	2016	2017	2018	2019	2019	2020
Non-GAAP Reconciliation: Return on Average Tangible Common Equity						
Average shareholders' equity per GAAP	$ 177,370	$ 248,515	$ 396,350	$ 537,946	$ 498,091	$ 698,071
Less: average goodwill & intangibles	(523)	(2,662)	(9,265)	(20,243)	(20,458)	(19,089)
Less: average preferred stock	(25,038)	(41,581)	(41,581)	(129,881)	(101,979)	(212,646)
Average tangible common shareholders' equity	151,809	204,272	345,504	387,822	375,654	466,336
Return on average tangible common equity	20.50%	25.14%	17.23%	17.56%	14.75%	31.34%
Non-GAAP Reconciliation: Tangible Book Value Per Share						
Tangible common shareholders' equity						
Shareholders' equity per GAAP	$ 206,288	$ 367,474	$ 421,237	$ 653,728	$ 629,439	$ 757,135
Less: goodwill & intangibles	(523)	(5,414)	(21,019)	(19,644)	(19,756)	(18,502)
Tangible shareholders' equity	205,765	362,060	400,218	634,084	609,683	738,633
Less: preferred stock	(41,581)	(41,581)	(41,581)	(212,646)	(212,689)	(212,646)
Tangible common shareholders' equity	$ 164,184	$ 320,479	$ 358,637	$ 421,438	$ 396,994	$ 525,987
Shares outstanding at period end	21,111,200	28,685,167	28,694,036	28,706,438	28,706,438	28,745,614
Tangible Book Value (non-GAAP)	$ 7.78	$ 11.17	$ 12.50	$ 14.68	$ 13.83	$ 18.30
Non-GAAP Reconciliation: Net Revenue						
Net interest income	$ 53,971	$ 66,597	$ 89,971	$ 122,298	$ 84,677	$ 154,909
Plus: noninterest income	28,504	47,680	49,585	47,089	24,386	84,747
Less: provision for loan losses	960	2,472	4,629	3,940	1,947	7,724
Net revenue	$ 81,515	$ 111,805	$ 134,927	$ 165,447	$ 107,116	$ 231,932