Truist Financial Services Conference May 2021



Forward-Looking Statements / Disclaimers

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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
- $18B Mortgage servicing portfolio for banks and other investors

LTM[1] Revenues – $98M (24%)
LTM[1] Net Income – $36M (16%)

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 – $179M (45%)
LTM[1] Net Income – $123M (56%)

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 – $120M (30%)
LTM[1] Net Income – $69M (32%)

- NASDAQ Ticker – MBIN; IPO in 2017
- Market Cap[2] ~ $1.5B
- Total Assets[2] ~ $9.7B
- LTM Revenues/Net Income[1] ~ $399M/$218M
- Well Capitalized[2]- CBLR 10.1%
- Ranked #1 top performing bank in Indiana and #3 nationally by S&P Global[3]
- Headquarters – Carmel, IN
- 421 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 March 31,2021, and LTM Net Income refers to the same period.
2 - As of March 31, 2021; Market Cap includes preferred shares.
3 – 2020 Rankings by S&P Global included banks with $3B to $10B in assets.



Financial Highlights – 1Q21

Balance Sheet
(Dollars in thousands)

	March 31, 2020	December 31, 2020	March 31, 2021
Total Assets	$7,908,398	$9,645,375	$9,705,260
Total Loans[1], net	$6,297,778	$8,578,080	$8,459,953
Total Deposits	$6,722,705	$7,408,066	$8,063,181
Total Equity	$672,969	$810,621	$1,011,255
Tangible Equity / Tangible Assets[2]	8.29%	6.02%	10.25%

Credit Quality

	March 31, 2020	December 31, 2020	March 31, 2021
Nonperforming Loans / Loans Held for Investment	0.19%	0.11%	0.08%
Allowance / Loans Held for Investment	0.54%	0.50%	0.51%
Net Charge-offs (Recoveries) / Avg. Total Loans[1]	0.00%	0.00%	0.00%

Performance Metrics

	For the Three Months Ended		
	March 31, 2020	December 31, 2020	March 31, 2021
Net Income Per Common Share	$0.73	$1.95	$2.02
ROAA	1.49%	2.57%	2.49%
ROATCE[2]	19.19%	40.64%	38.32%
Noninterest Income / Net Revenue	36.02%	39.62%	38.46%
Efficiency Ratio[2]	38.27%	24.53%	25.96%
Net Interest Margin	2.40%	3.01%	2.99%
Yield on Total Loans[1]	4.30%	3.64%	3.66%
Cost of Deposits	1.49%	0.74%	0.30%
CBLR - Leverage Ratio (Consolidated)	9.9%	8.6%	10.1%

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. 93 peers[5]

	MBIN	Peer Average[5]	MBIN Ranking[5]
Net Income	53%	21%	#8 Highest
Assets	38%	15%	#5 Highest
Gross Loans[2]	48%	13%	#1 Highest
Deposits	36%	17%	#6 Highest
Earnings Per Common Share	54%	17%	#1 Highest

P/E Multiples[3]

	MBIN	Peer Average[3,5]	MBIN Ranking[3,5]
Price/LTM Earnings Per Share	5.7X	16.0X	#2 Lowest

Administrative Efficiency

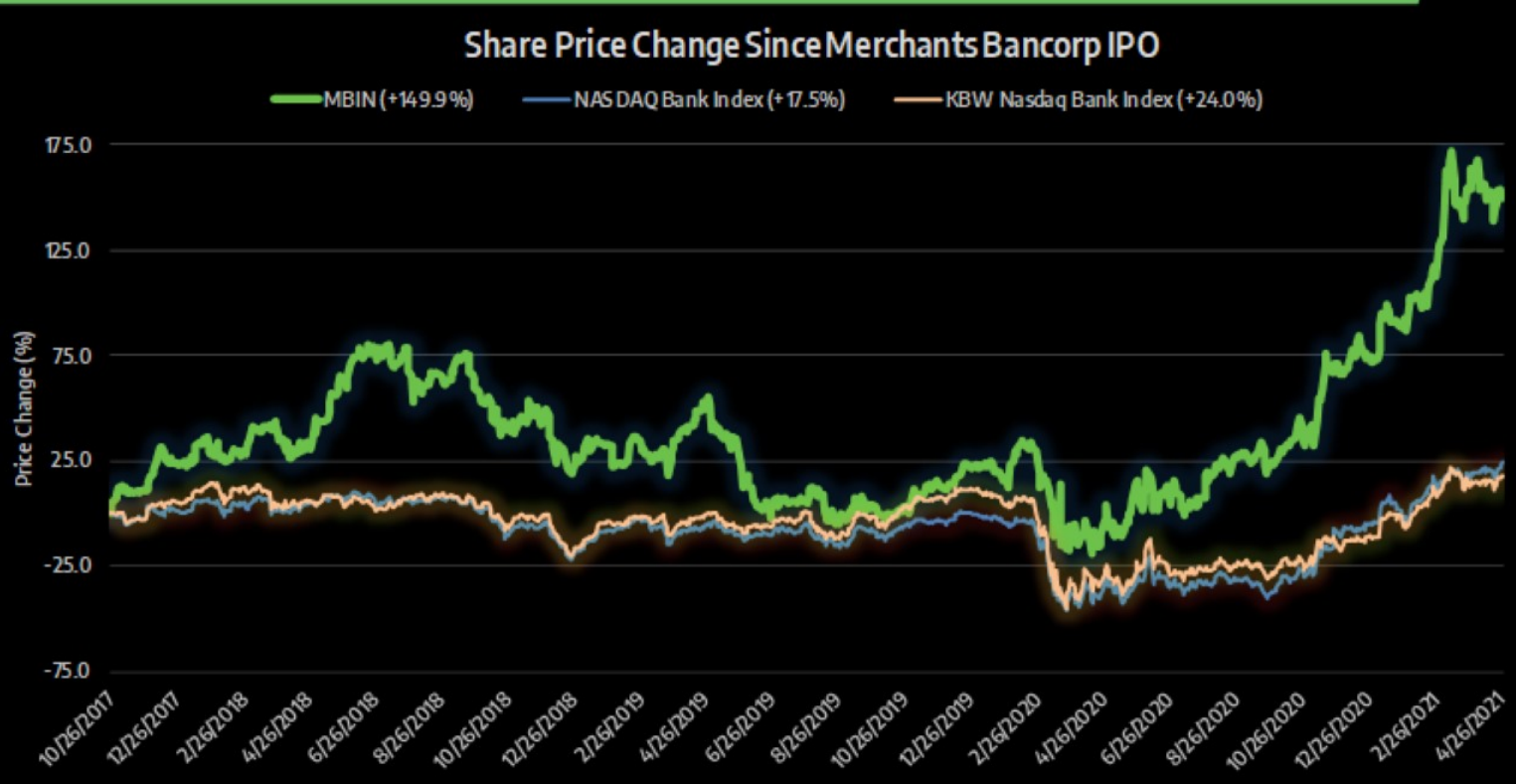
	MBIN	Peer Average[5]	MBIN Ranking[5]
Efficiency Ratio[7]	26%	56%	#1 Lowest

Stock Price Performance[4]

	MBIN	Bank Index[6]
Total Share Appreciation Since MBIN's IPO	150%	18%

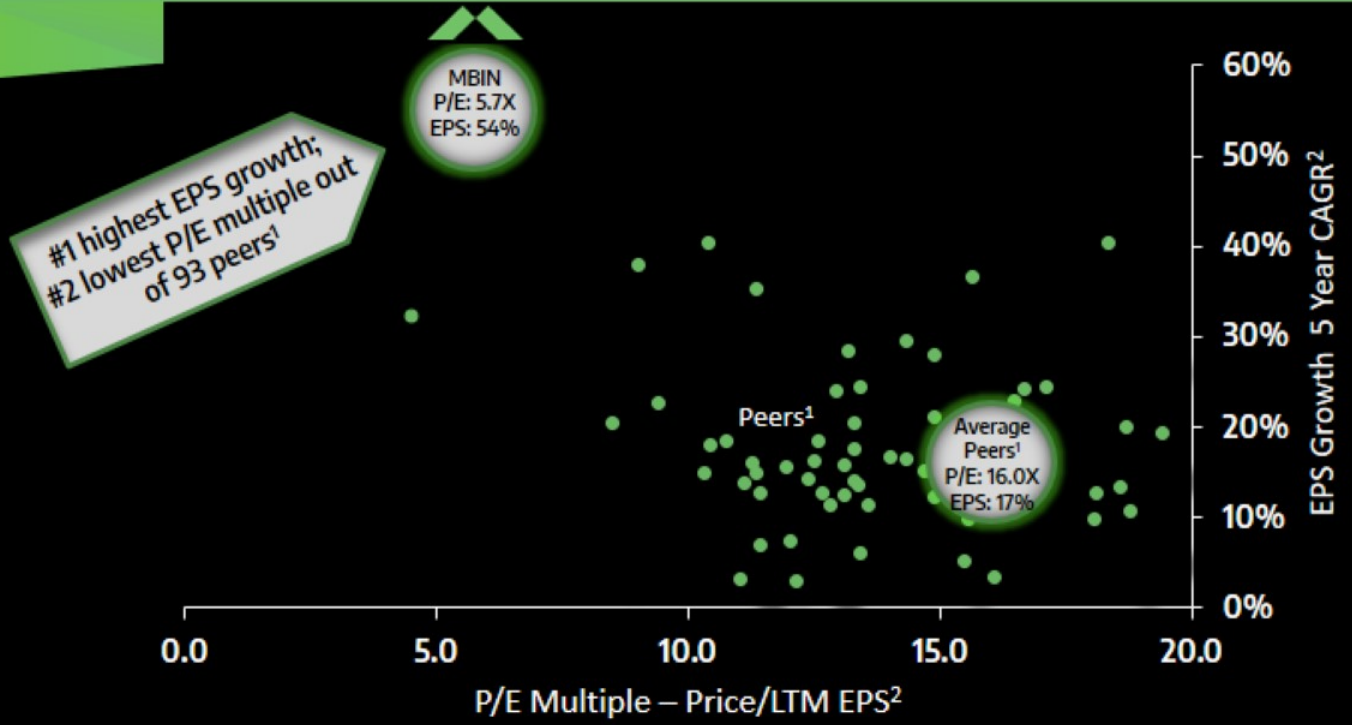
1 – Net Income and Revenue CAGRs reflect full year 2017 compared to the last 12 months ended March 31, 2021; Assets, Loans and Deposit CAGRs reflect year-end 2017 compared to March 31, 2021; Earnings per Common Share CAGRs reflect the 5 years ended March 31, 2021.
2 – Includes both loans held for investment and loans held for sale.
3 – P/E multiples are based on prices as of April 28, 2021 divided by earnings per common share for the last 12 months ended March 31, 2021; 4 peer multiples greater than 55X excluded.
4 – Prices as of April 28, 2021, compared to 10/26/2017, the date of MBIN's initial public offering.
5 – Peer group includes 93 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 – The efficiency ratio is for three months ended March 31, 2021 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.

Share Appreciation Outperforms Industry



Source - S&P Global as of April 28, 2021.

High Growth Rate, Lowest Valuation



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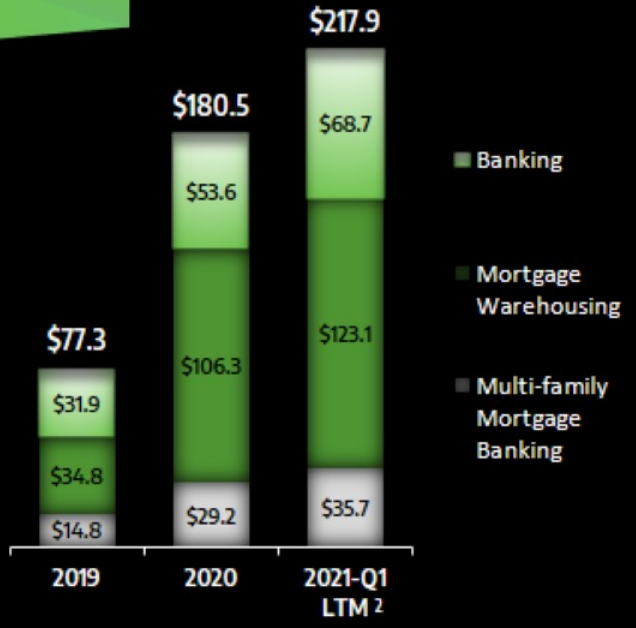
2 – Prices as of April 28, 2021; LTM EPS refers to earnings per share for the last twelve months ending March 31, 2021; EPS Growth 5 Year CAGR is as of March 31, 2021.

How We Generate Income



Net Income[1] ($M)

Banking – 32% 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 – 56% LTM[2] Net Income

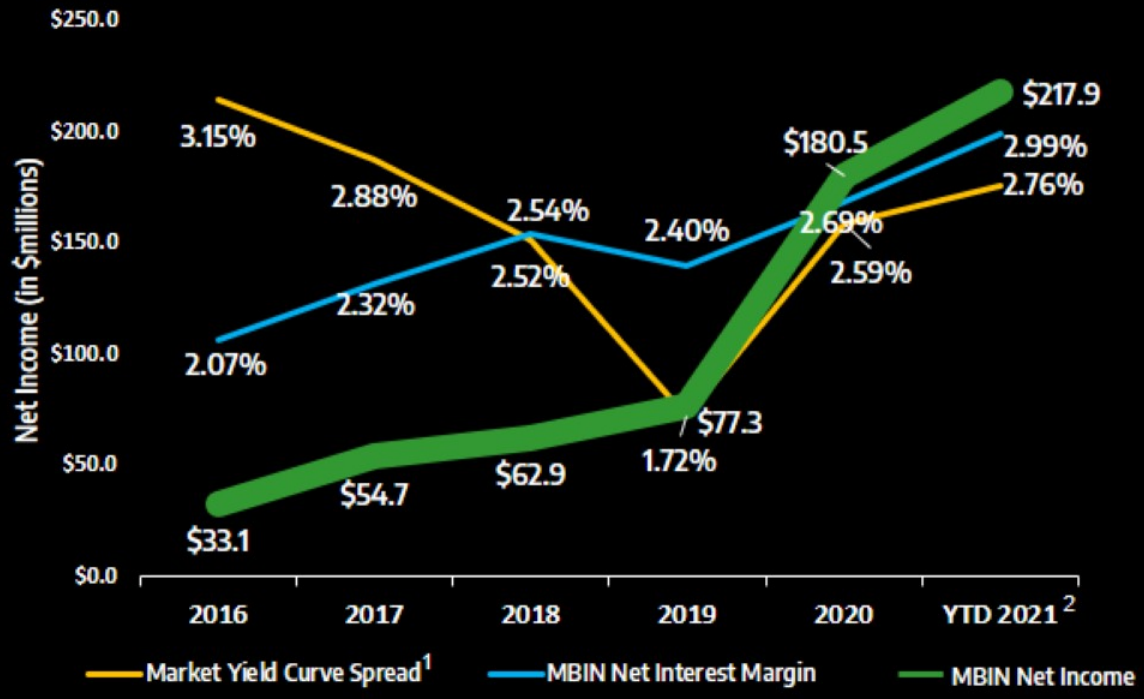
Primarily from interest income and fees earned during the time that loans originated by mortgage bankers are held for resale to federal agencies.

Multifamily – 16% 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 March 31, 2021.

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 2021 Net income represents the last twelve months as of March 31, 2021.

Unique Operating Model



MBIN

- 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?

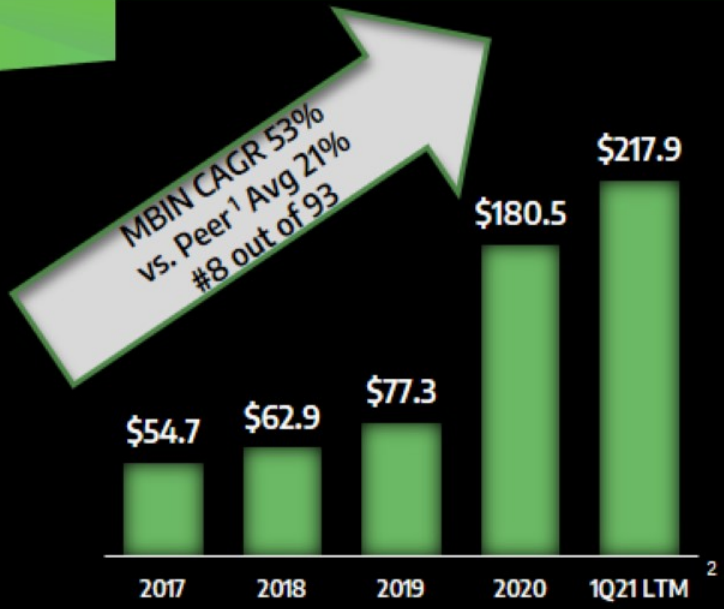




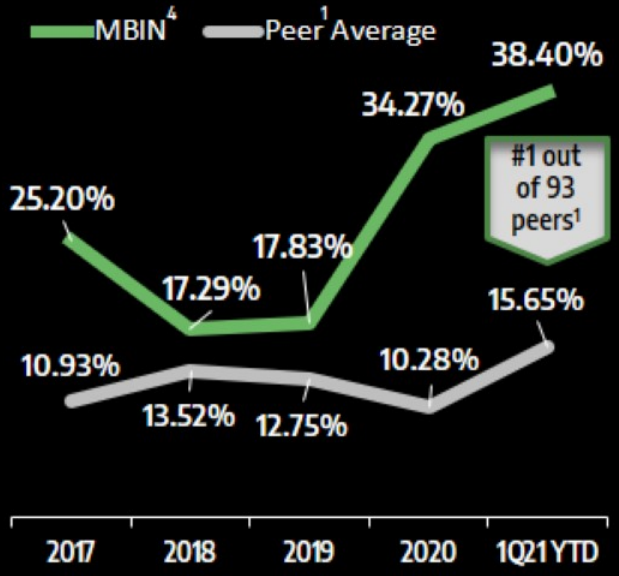
1

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

Profitable Growth in all Interest Rate Cycles



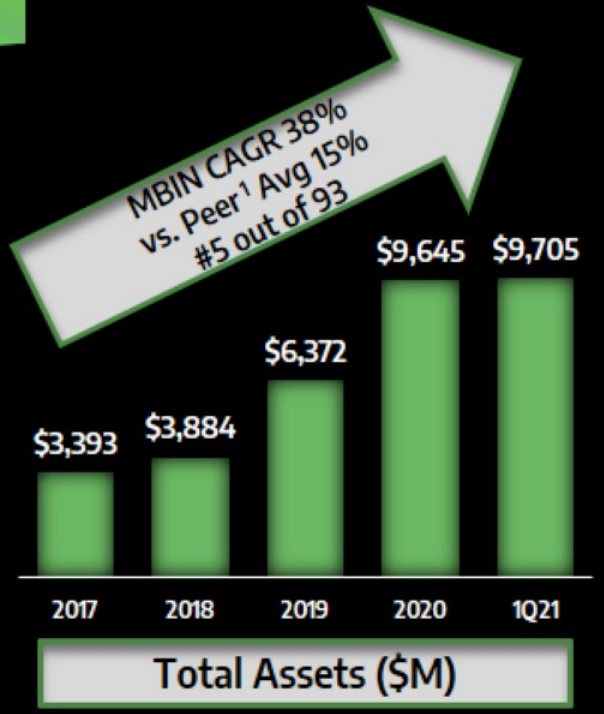
Net Income ($M)

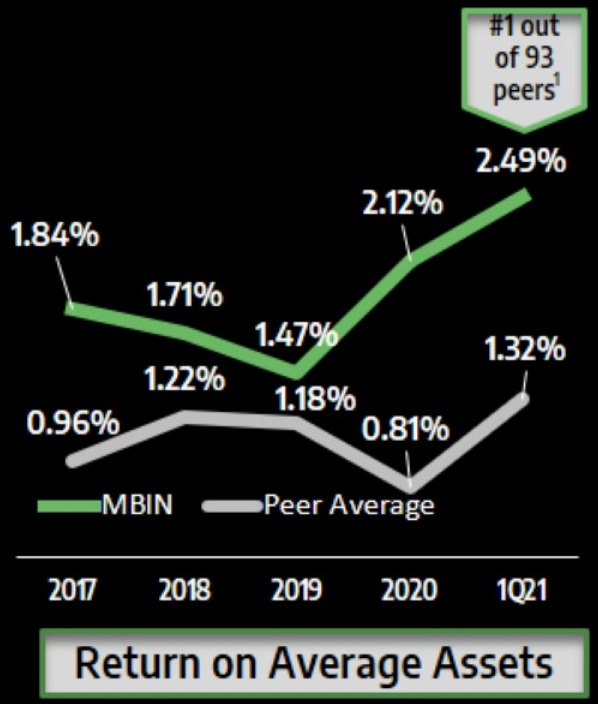


Return on Average TCE [3,4]

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 March 31.
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





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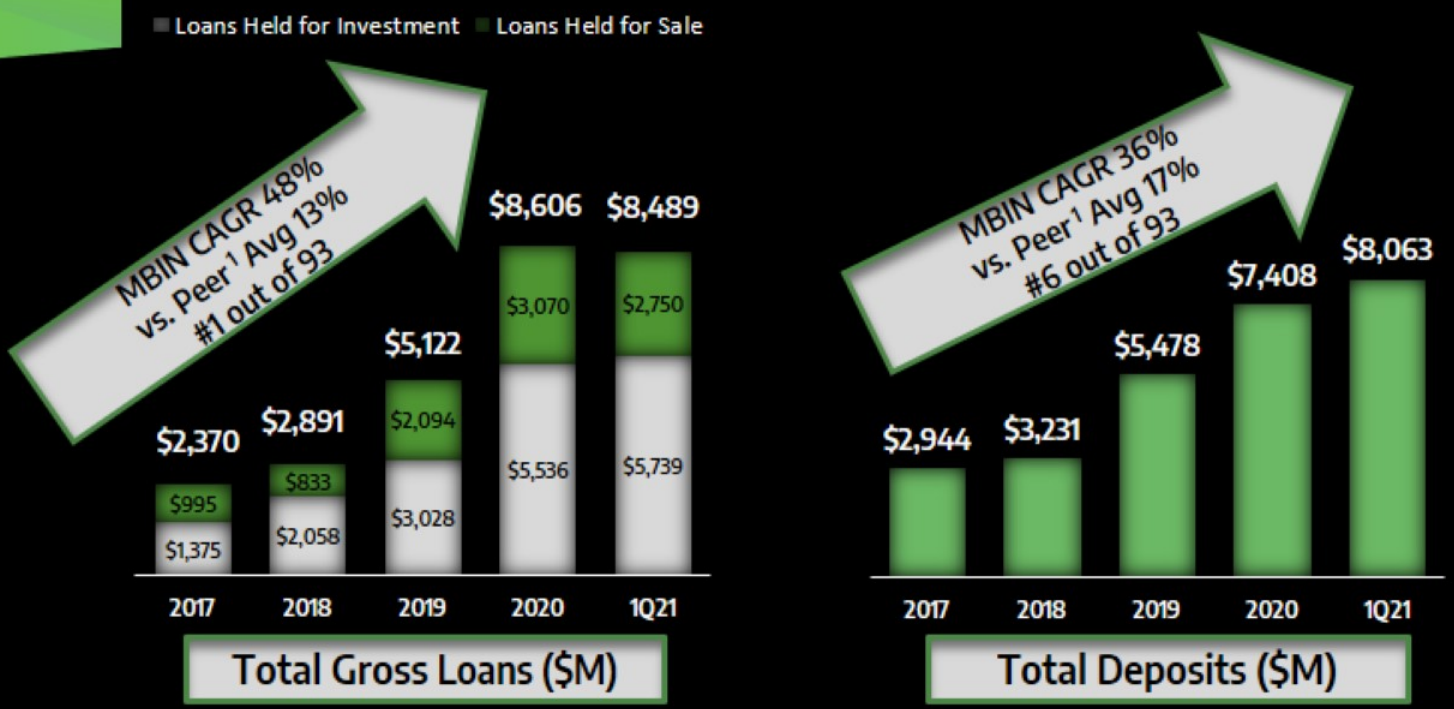
Profitable Growth in all Interest Rate Cycles



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2

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

Low Risk, Short Duration Loan Portfolio

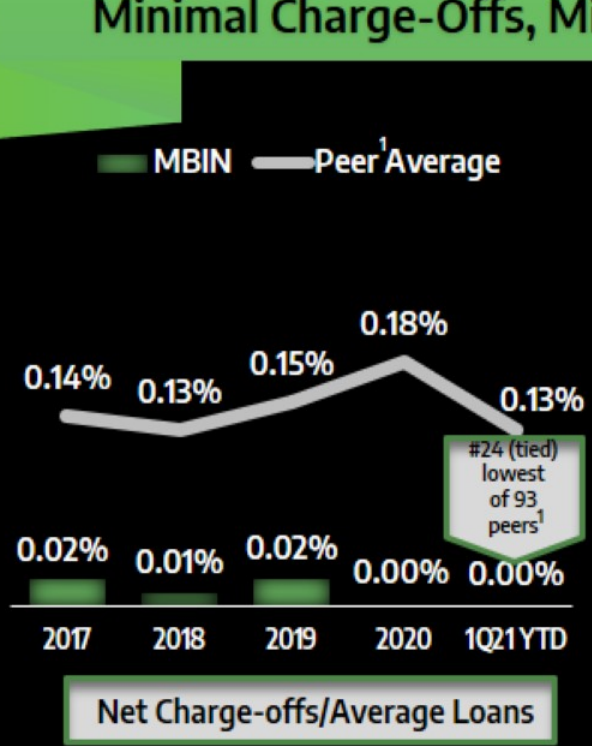
(Dollars in thousands)	As of March 31, 2021	
Loan Type	Balance	% Total
Total Loans Held for Sale	$2,749,662	32.4%
Loans Held for Investment		
Multi-family Real Estate and Healthcare Financing	$3,206,633	37.8%
Mortgage Warehouse Lines of Credit	$1,334,548	15.7%
Residential Real Estate (primarily 1st lien HELOCs)	$731,334	8.6%
Commercial & Commercial Real Estate	$357,682	4.2%
Agricultural Production and Real Estate	$96,108	1.1%
Consumer & Margin Loans	$13,077	0.2%
Total Loans Held for Investment	$5,739,382	67.6%
Total Gross Loans	$8,489,044	100.0%
Mortgage Loans in Process of Securitization	$432,063	

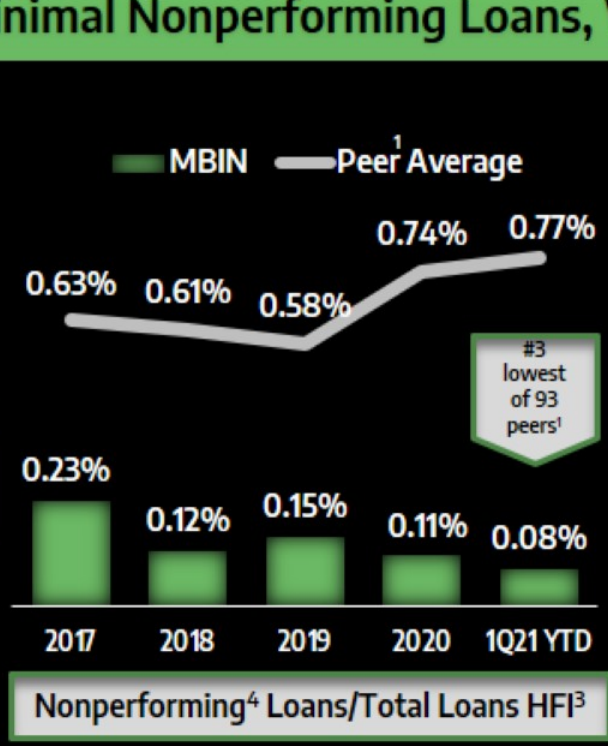
- Loans are predominantly agency eligible with variable rates or short maturities
- Approximately 94% of Merchants Bank's loans reprice in 90 days or less
- Nonperforming loans to total loans held for investment consistently below 0.25% over the past five years
- Minimal direct exposure to industries adversely impacted by COVID-19; $65.9M in PPP loans
- Customers in deferred payments arrangements due to COVID-19 fell to only 9 loans with unpaid balances of $37.2 million, representing 0.44% of total loans
- Less than 2% of commercial loans are non-owner-occupied commercial real estate

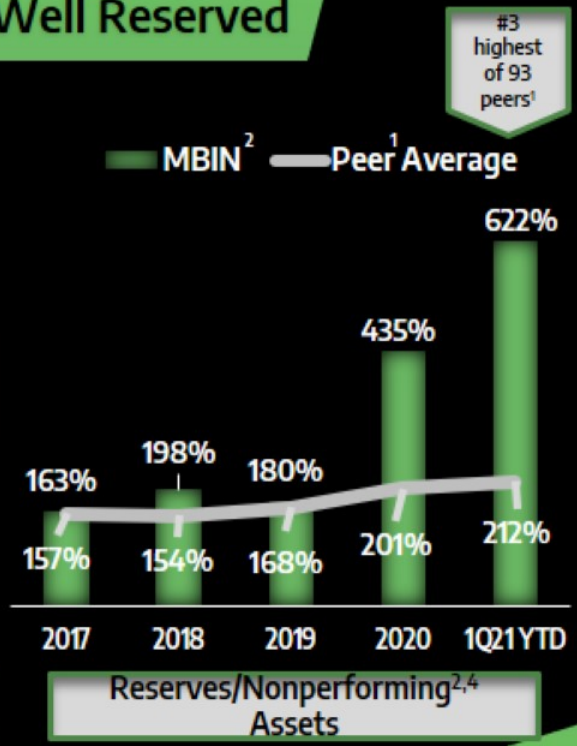
All information as of March 31, 2021.

Highly Disciplined Credit Culture

Minimal Charge-Offs, Minimal Nonperforming Loans, Well Reserved







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.
4 - 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.

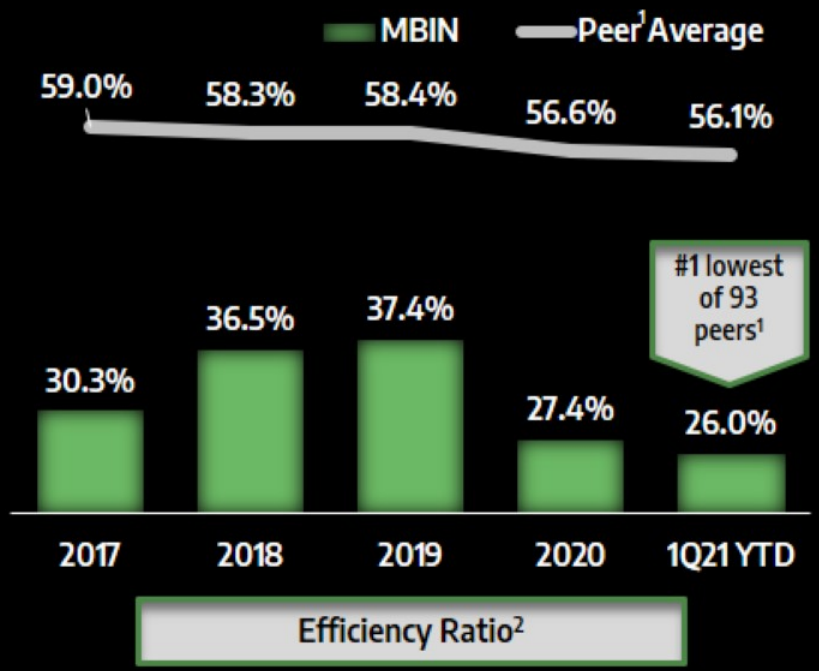


3

Maximizing Efficiency with Minimal Branch Network and National Platform

Maximizing Efficiency

Low Branch Model / 421 Employees



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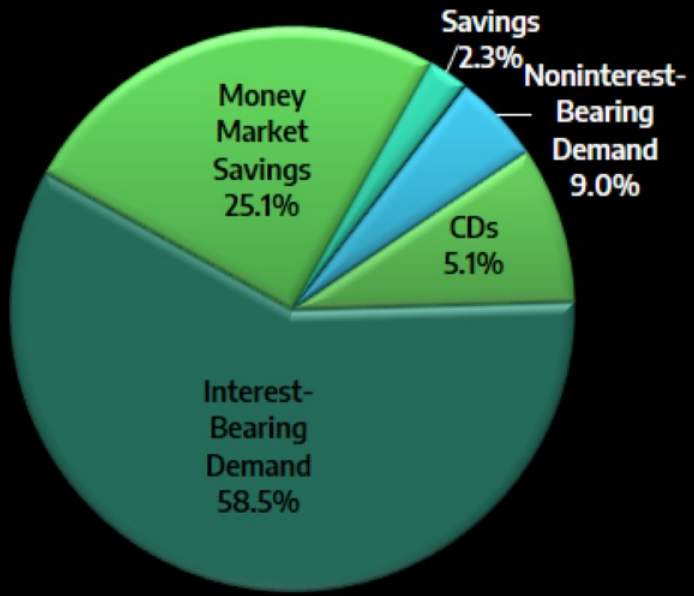
4

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, Federal Reserve, and AFX 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 Three Months Ended March 31, 2021	Avg. Balance ($ in thousands)	Weighted Avg. Rate
Noninterest-Bearing Demand	$740,807	0.00%
Interest-Bearing Demand	$4,806,665	0.10%
Money Market Savings	$2,065,218	0.73%
Savings	$192,196	0.08%
Certificates of Deposit	$416,426	1.09%
Total Deposits	$8,221,312	0.30%

Cost of Deposits[1]: 0.30%

1 - Deposit balances and related costs are based on average deposits for the three months ended March 31, 2021

Multiple Funding Sources and Options

Custodial Escrows

- Self-funding mechanisms in place. In the first quarter of 2021, $4.2B average warehouse deposits funded $4.4B average loans and mortgages in process of securitization

Short Duration Brokered Deposits

- Supplement funding with short duration[1] brokered deposits as needed
- $858K of brokered deposits at March 31, 2021 (11% of deposits)

Fed Home Loan Bank & Federal Reserve

- FHLB of Indianapolis and Chicago and FRB lines of unused capacity of $3.7B as of March 31, 2021
- Added access to FRB's PPP Liquidity Facility 2020
- Became member of AFX in 2021, with additional $250M available as of March 31
- Increased over prior year despite balance sheet growth

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



5

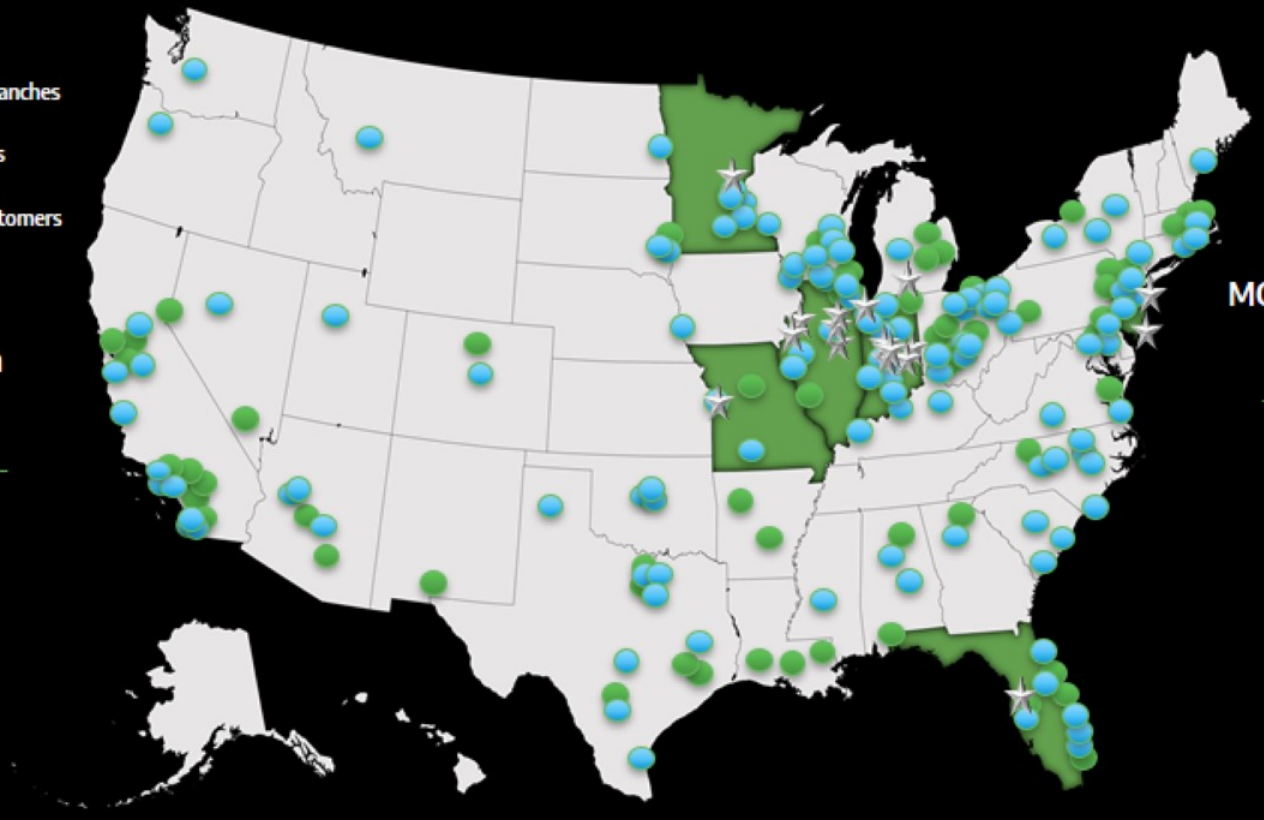
Diverse Business Mix With Opportunity for Additional Growth

Local Presence / National Reach

States with Offices/Branches

Warehouse Customers

Merchants Capital Customers



Top 5 States Warehouse Loan Fundings YTD at 3/31/21

CA	27%
TX	8%
FL	5%
NJ	5%
IL	4%

Top 5 States MCC Servicing & Loan Balances at 3/31/21

IN	30%
NY	13%
IL	12%
TX	7%
OH	6%

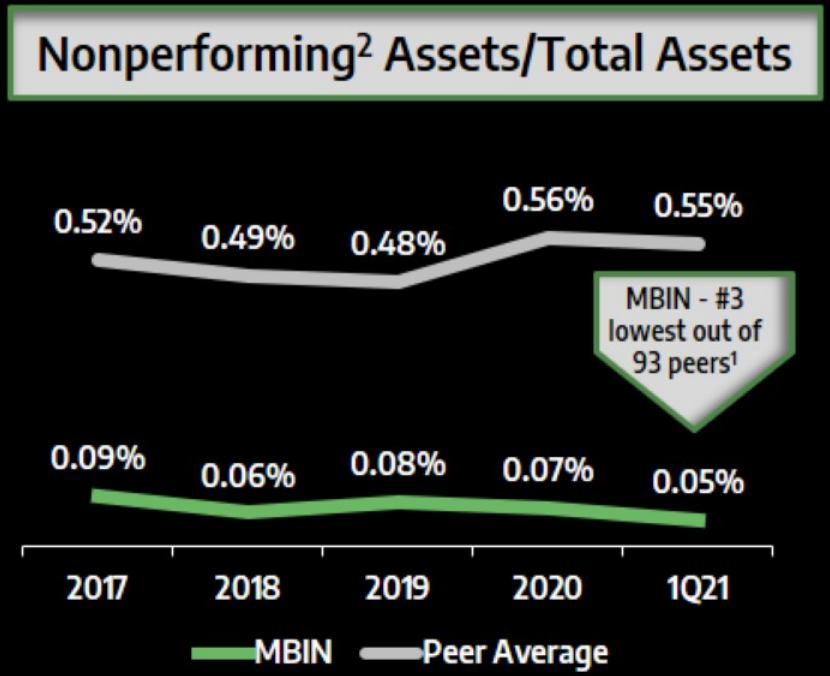
Growth Opportunities for All Businesses

- Additional capital raised during 2019 and 2021 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 and 2020
- 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

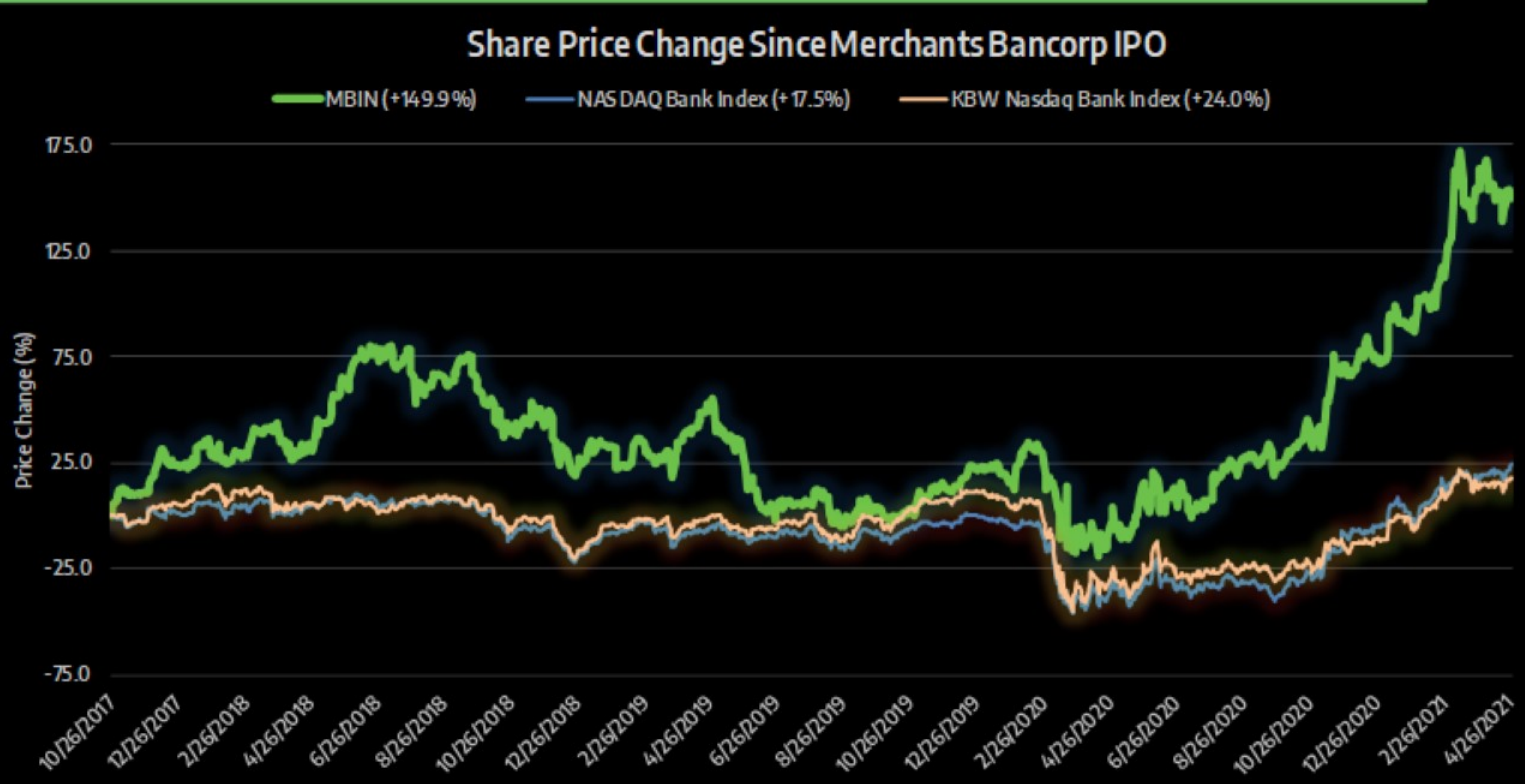
Significantly Lower Risk than Peers



- Conservative underwriting ensures loans can be sold to Federal Agencies
- Shorter duration lending minimizes interest rate risk
- Fast-turning loan portfolio reprices ~ 94% 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

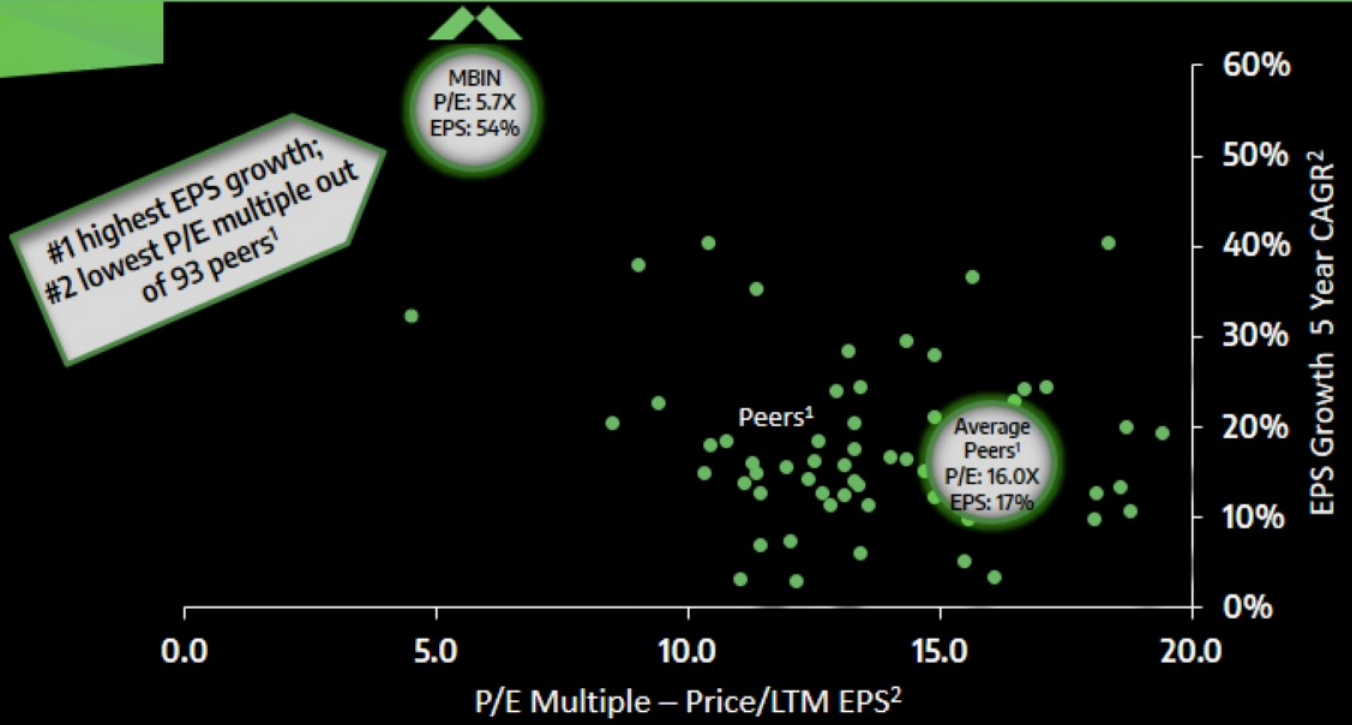
1 - Peer group includes publicly held US banks and thrifts with assets of $5B to $15B, and excludes results deemed as "not meaningful" or "not available" by S&P Global – source S&P Global.
2 - Nonperforming assets include loans on nonaccrual status or loans greater than 90 days late but still accruing, plus other real estate owned.

Share Appreciation Outperforms Industry



Source - S&P Global as of April 28, 2021.

High Growth Rate, Lowest Valuation



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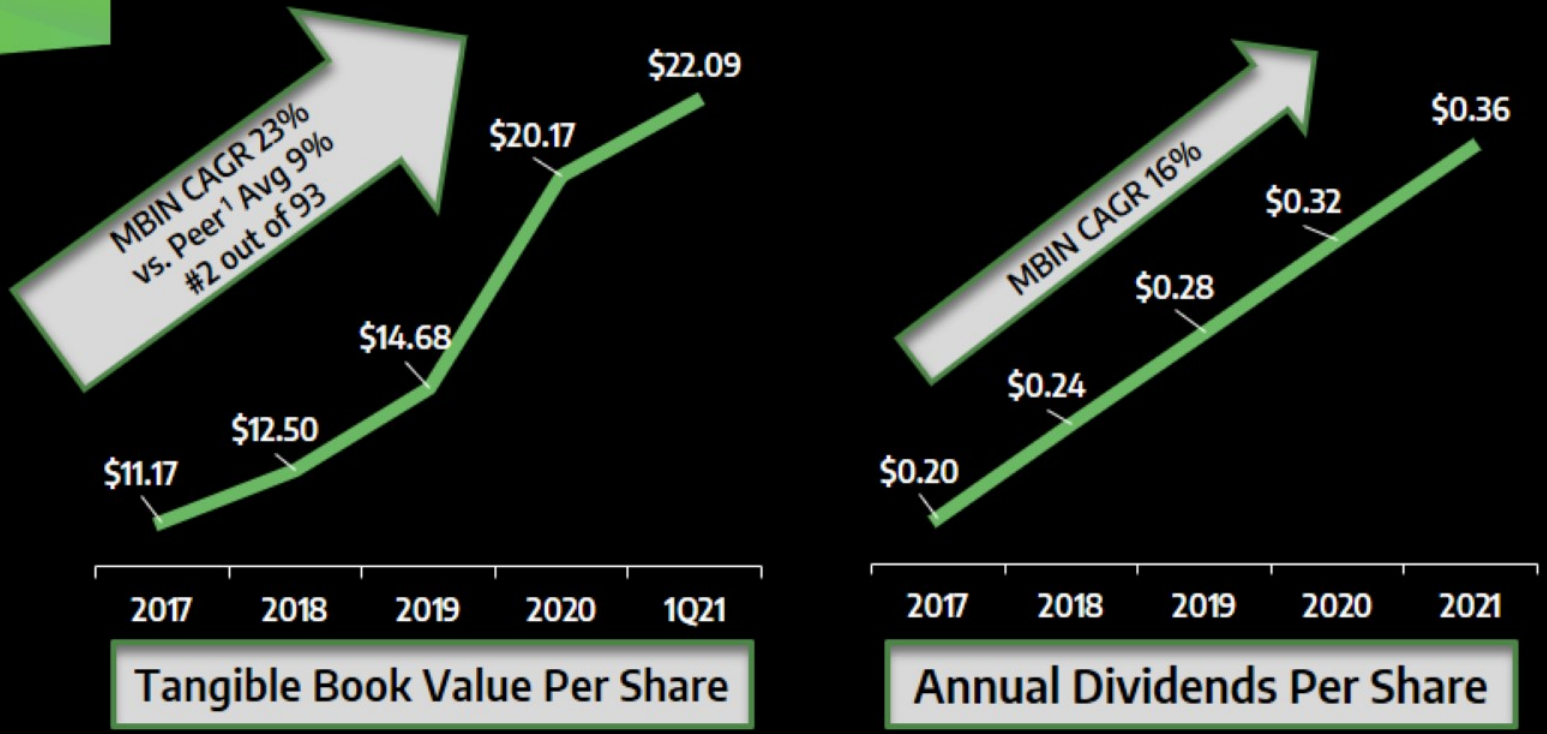
Consistent Growth in Shareholder Value



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Unique Operating Model



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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 Three Months Ended March 31, 2021	
	2017	2018	2019	2020	2020	2021
Non-GAAP Reconciliation: Net Income						
Net income as reported per GAAP	$ 54,684	$ 62,874	$ 77,329	$ 180,533	$ 24,583	$ 61,983
Less: preferred stock dividends	3,330	3,330	9,216	14,473	3,618	3,757
Net income available to common shareholders	$ 51,354	$ 59,544	$ 68,113	$ 166,060	$ 20,965	$ 58,226
Non-GAAP Reconciliation: Tangible Common Equity to Tangible Assets						
Tangible common shareholders' equity						
Shareholders' equity per GAAP	$ 367,474	$ 421,237	$ 653,728	$ 810,621	$ 672,969	$ 1,011,255
Less: goodwill & intangibles	(5,414)	(21,019)	(19,644)	(18,128)	(19,264)	(17,981)
Tangible shareholders' equity	362,060	400,218	634,084	792,493	653,705	993,274
Less: preferred stock	(41,581)	(41,581)	(212,646)	(212,646)	(212,646)	(357,571)
Tangible common shareholders' equity	$ 320,479	$ 358,637	$ 421,438	$ 579,847	$ 441,059	$ 635,703
Tangible assets						
Assets per GAAP	$ 3,393,133	$ 3,884,163	$ 6,371,928	$ 9,645,375	$ 7,908,398	$ 9,705,260
Less: goodwill & intangibles	(5,414)	(21,019)	(19,644)	(18,128)	(19,264)	(17,981)
Tangible assets[1]	$ 3,387,719	$ 3,863,144	$ 6,352,284	$ 9,627,247	$ 7,889,134	$ 9,687,279
Tangible common equity to tangible assets	9.5%	9.3%	6.6%	6.0%	5.6%	6.6%
Tangible equity to tangible assets	10.7%	10.4%	10.0%	8.2%	8.3%	10.3%
Non-GAAP Reconciliation: Efficiency Ratio						
Net interest income (before provision for loan losses)	$ 66,597	$ 89,971	$ 122,298	$ 224,146	$ 38,353	$ 71,963
Noninterest income	47,680	49,585	47,089	127,473	19,902	43,936
Noninterest expense	34,644	50,900	63,313	96,424	22,293	30,084
Efficiency ratio[2]	30.3%	36.5%	37.4%	27.4%	38.3%	26.0%

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 Three Months Ended March 31, 2021	
	2017	2018	2019	2020	2020	2021
Non-GAAP Reconciliation: Return on Average Tangible Common Equity						
Average shareholders' equity per GAAP	$ 248,515	$ 396,350	$ 537,946	$ 719,630	$ 669,169	$ 852,900
Less: average goodwill & intangibles	(2,662)	(9,265)	(20,243)	(18,899)	(19,483)	(18,057)
Less: average preferred stock	(41,581)	(41,581)	(129,881)	(212,646)	(212,646)	(227,115)
Average tangible common shareholders' equity	204,272	345,504	387,822	488,085	437,040	607,728
Return on average tangible common equity	25.14%	17.23%	17.56%	34.02%	19.19%	38.32%
Non-GAAP Reconciliation: Tangible Book Value Per Share						
Tangible common shareholders' equity						
Shareholders' equity per GAAP	$ 367,474	$ 421,237	$ 653,728	$ 810,621	$ 672,969	$ 1,011,255
Less: goodwill & intangibles	(5,414)	(21,019)	(19,644)	(18,128)	(19,264)	(17,981)
Tangible shareholders' equity	362,060	400,218	634,084	792,493	653,705	993,274
Less: preferred stock	(41,581)	(41,581)	(212,646)	(212,646)	(212,646)	(357,571)
Tangible common shareholders' equity	$ 320,479	$ 358,637	$ 421,438	$ 579,847	$ 441,059	$ 635,703
Shares outstanding at period end	28,685,167	28,694,036	28,706,438	28,747,083	28,742,484	28,782,139
Tangible Book Value (non-GAAP)	$ 11.17	$ 12.50	$ 14.68	$ 20.17	$ 15.35	$ 22.09
Non-GAAP Reconciliation: Net Revenue						
Net interest income	$ 66,597	$ 89,971	$ 122,298	$ 224,146	$ 38,353	$ 71,963
Plus: noninterest income	47,680	49,585	47,089	127,473	19,902	43,936
Less: provision for loan losses	2,472	4,629	3,940	11,838	2,998	1,663
Net revenue	$ 111,805	$ 134,927	$ 165,447	$ 339,781	$ 55,257	$ 114,236