

Independent Bank Corporation

2024 Annual Shareholder Meeting

April 23, 2024

Be Independent 

Cautionary note regarding forward-looking statements

2

This presentation contains forward-looking statements, which are any statements or information that are not historical facts. These forward-looking statements include statements about our anticipated future revenue and expenses and our future plans and prospects.

Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. For example, deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect our revenues and the values of our assets and liabilities, reduce the availability of funding to us, lead to a tightening of credit, and increase stock price volatility. Our results could also be adversely affected by changes in interest rates; increases in unemployment rates; deterioration in the credit quality of our loan portfolios or in the value of the collateral securing those loans; deterioration in the value of our investment securities; legal and regulatory developments; changes in customer behavior and preferences; breaches in data security; and management's ability to effectively manage the multitude of risks facing our business. Key risk factors that could affect our future results are described in more detail in our Annual Report on Form 10-K for the year ended December 31, 2023 and the other reports we file with the SEC, including under the heading "Risk Factors." Investors should not place undue reliance on forward-looking statements as a prediction of our future results.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Today's Agenda

3

- Welcome and Call to Order – IBC Chairman
- Voting upon matters listed in the Company's 2024 Proxy Statement – IBC Chairman
- Business Update - IBC President & CEO
- Question and answer session – IBC President & CEO and IBC EVP & CFO
- Adjournment

IBC Board of Directors

4



Michael M. Magee Jr.

- Director Since: 2005
- Former CEO of IBC and Independent Bank



Dennis W. Archer Jr.

- Director Since: 2020
- CEO of Ignition Media Group and President of Archer Corporate Services
- Member of the Audit Committee



Terance L. Beia

- Director Since: 2018
- Former Director of Traverse City State Bank
- Self-employed
- Member of the Governance and the Nominating Committees



William J. Boer

- Director Since: 2012
- Founder and President of Grey Dunes
- Chair of the Governance and the Nominating Committees



Joan A. Budden

- Director Since: 2015
- Former President & CEO of Priority Health
- Chair of the Compensation Committee



Michael J. Cok

- Director Since: 2017
- Former President of Foremost Insurance Company
- Member of the Audit Committee



Stephen L. Gulis Jr.

- Director Since: 2004
- Former President, Global Operations of Wolverine Worldwide (NYSE: WWW)
- Chair of the Audit Committee, member of the Governance and Nominating Committees



Christina L. Keller

- Director Since: 2016
- President & CEO of Cascade Engineering
- Member of the Compensation Committee



William B. Kessel

- Director Since: 2013
- President & CEO of IBC and Independent Bank



Ronia F. Kruse

- Director Since: 2019
- Founder & CEO of OpTech, LLC and OpTech Solutions
- Member of the Audit Committee

IBC Executive Management Team

5



William B. Kessel
President, CEO & Director

- CEO of IBC and Independent Bank since 2013
- Joined Independent Bank in 1994
- Began career with Crowe



Gavin A. Mohr
EVP, Chief Financial Officer

- Joined Independent Bank in 2020 as EVP and Chief Financial Officer
- Previously SVP, Chief Financial Officer of STAR Financial Corporation
- 18 years of experience in financial management



Stephanie M. Kimball
EVP, Chief Risk Officer

- EVP and Chief Risk Officer since 2012
- Joined the Company in April 2007 as EVP – Commercial
- Previous experience with Comerica for 25 years



Joel F. Rahn
EVP, Commercial Banking

- Joined Independent Bank in 2018 as Senior Vice President Commercial Banking
- 33 years experience in Commercial Banking
- Previously Regional President of West Michigan at Chemical Bank



Larry R. "Russ" Daniel
EVP, Operations & Retail Banking

- Responsible for Retail Banking, Deposit Ops, as well as digital banking strategy
- Joined Independent Bank over 20 years ago
- Previous experience in commercial and retail bank management



Patrick J. Ervin
EVP, Mortgage Banking

- Joined Independent Bank in 2016 as Senior Vice President Mortgage Banking
- 28 years experience in the mortgage area
- Previous experience with Talmer Bank, TCF Bank, and Standard Federal Bank

2024 Annual Meeting of Shareholders

6

- Secretary for the meeting (Gavin A. Mohr)
- Record date: February 23, 2024
- Approximate distribution date of Proxy Statement: March 11, 2024
- Shares entitled to vote: 21,082,873
- Determination of quorum
- Voting on proposals

Proposal #1 - Election of Directors

7

Nominees for a three-year term expiring 2027



Christina L. Keller



Ronia F. Kruse



Michael M. Magee, Jr.

- Crowe, LLP has served as IBC's independent registered public accounting firm since 2005.
- Crowe, LLP was founded in 1942 and is one of the 10 largest accounting and consulting firms in the U.S.
- IBC is served primarily by Crowe's Grand Rapids, Michigan and South Bend, Indiana offices.



The Board has solicited a non-binding advisory vote from our shareholders to approve the compensation of our executives as described in our proxy materials.

Brad Kessel President & CEO

Business Update



Mission

Working together to make a positive difference in the lives of our customers, associates, shareholders and the communities we serve.



Vision

Our vision is to guide, to serve and empower people to improve lives and the world we live in.



Values

Character, Commitment, Continuous Learning, Courage, Excellence, Generosity, Inclusion & Diversity, Positive Attitude, Problem Solving, Respect, Teamwork & Trust

2023 Full Year Financial Highlights

12

- Net income and diluted earnings per share of **\$59.1 million and \$2.79**
- Annualized return on average assets and on average equity of **1.2%** and **16.0%**, compared to 1.3% and 18.4% respectively in the prior year
- Paid cash dividends of **\$0.92** per share, a **5%** increase over prior year
- Repurchased **298,601** shares of common stock at a weighted average cost of **\$17.27** per share
- Returned **41.5%** of 2023 earnings to shareholders through dividends and share repurchases

Track Record of Consistent Growth & Profitability

13

For the year ended December 31,

(\$M except per share data)

<u>BALANCE SHEET</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	5 Year CAGR
Total Assets	\$3,353	\$3,565	\$4,204	\$4,705	\$5,000	\$5,264	9.4%
Portfolio Loans	\$2,583	\$2,725	\$2,734	\$2,905	\$3,465	\$3,791	8.0%
Deposits	\$2,913	\$3,037	\$3,637	\$4,117	\$4,379	\$4,623	9.7%
Tangible Common Equity	\$304	\$317	\$357	\$367	\$317	\$374	4.2%
<u>PROFITABILITY</u>							
Pre-Tax, Pre-Provision Income	\$50.6	\$58.6	\$81.9	\$75.4	\$83.1	\$79.9	9.6%
Pre-Tax, Pre-Prov / Avg. Assets	1.62%	1.70%	2.08%	1.69%	1.72%	1.56%	-
Net Income ⁽¹⁾	\$39.8	\$46.4	\$56.2	\$62.9	\$63.4	\$59.1	8.2%
Diluted EPS	\$1.68	\$2.00	\$2.53	\$2.88	\$2.97	\$2.79	10.7%
Return on Average Assets ⁽¹⁾	1.27%	1.35%	1.43%	1.41%	1.31%	1.15%	-
Return on Average Equity ⁽¹⁾	12.38%	13.63%	15.68%	16.13%	18.41%	16.04%	-
Net Interest Margin (FTE)	3.88%	3.80%	3.34%	3.10%	3.32%	3.26%	-
Efficiency Ratio	67.20%	64.90%	59.24%	62.87%	59.71%	60.76%	-
<u>SHAREHOLDER VALUE</u>							
TBV/Share	\$ 12.90	\$ 14.08	\$ 16.33	\$ 17.33	\$ 15.04	\$ 17.96	6.8%
Dividends Paid per Share	\$ 0.60	\$ 0.72	\$ 0.80	\$ 0.84	\$ 0.88	\$ 0.92	8.9%
Value of Shares Repurchased	\$ 12.7	\$ 26.3	\$ 14.2	\$ 17.3	\$ 4.0	\$ 5.2	-

Strong Balance Sheet and Liquidity

14

- Loan growth of **\$325.5 million**, a **9.4%** increase from the prior year
- Commercial loan growth of **\$212.9 million (14.5%)**
- Mortgage loan growth of **\$117.5 million (8.6%)**
- Consumer loans decreased **\$4.8 million (0.8%)**
- Deposit growth (excluding brokered time deposits) of **\$171.0 million**
- Loan to deposit ratio of **82.0%**
- Uninsured deposits are approximately **22.2%** of total deposits, excluding brokered time deposits.

Strong Credit Quality

15

For the year ended December 31,

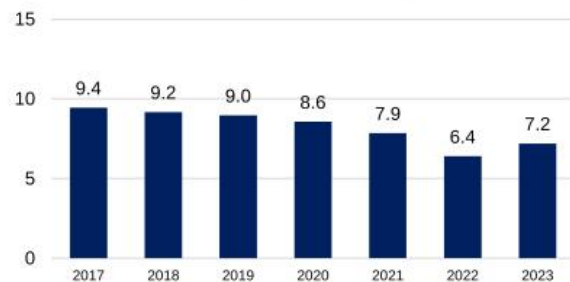
(\$M except per share data)

<u>Asset Quality:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
NPAs / Assets	0.29%	0.32%	0.21%	0.11%	0.08%	0.11%
NPAs / Loans + OREO	0.38%	0.42%	0.32%	0.18%	0.12%	0.15%
Reserves / Total Loans	0.96%	0.96%	1.30%	1.63%	1.51%	1.44%
NCOs / Avg. Loans	(0.03%)	(0.02%)	0.11%	(0.07%)	0.00%	0.01%

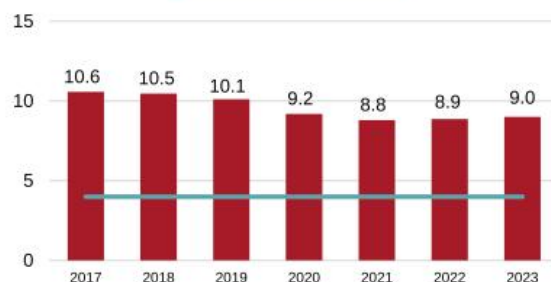
Strong Capital Position

16

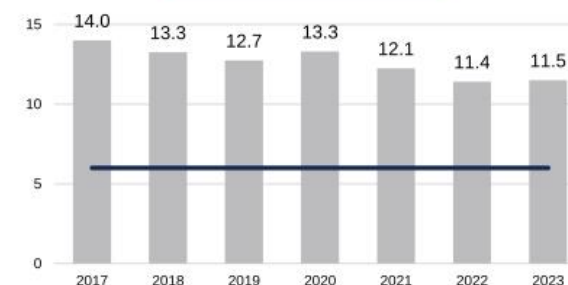
TCE / TA (%)



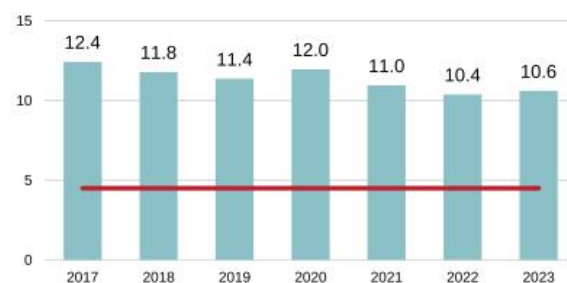
Leverage Ratio (%)



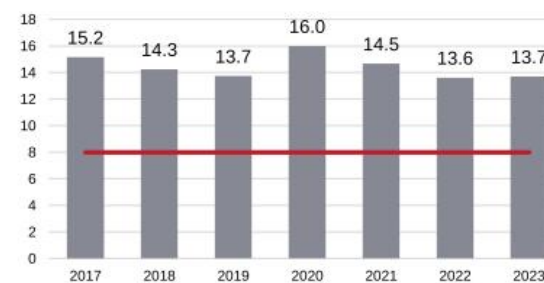
Tier 1 Capital Ratio (%)



CET1 Ratio (%)



Total RBC Ratio (%)



Recognized for our Efforts

17



Independent Bank Named
One of the Best-in-State Banks
By Forbes 2023



Independent Bank
Named a Certified Great
Place to Work in 2023!



Independent Bank Awarded the
Spirit of Achievement Award
from Junior Achievement!



Growth



**Process Improvement
& Cost Controls**



**Talent
Management**



**Risk
Management**

2024 Annual Shareholders Meeting

Voting Results

- Shares entitled to vote: 21,082,873
- Proposal #1 – Election of Directors
- Proposal #2 – Ratification of Auditors
- Proposal #3 – Advisory (Non-Binding) Vote on Executive Compensation

Thank you for attending!

Appendix

Reconciliation of Non-GAAP Financial Measures

22

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
	(Dollars in thousands)					
Net interest income	\$ 156,329	\$ 149,561	\$ 129,765	\$ 123,612	\$ 122,581	\$ 113,282
Non-interest income	50,676	61,909	76,643	80,745	47,736	44,815
Non-interest expense	127,119	128,341	131,023	122,413	111,733	107,461
Pre-Tax, Pre-Provision Income	79,886	83,129	75,385	81,944	58,584	50,636
Provision for credit losses	6,210	5,341	(1,928)	12,463	824	1,503
Income tax expense	14,609	14,437	14,418	13,329	11,325	9,294
Net income	<u>\$ 59,067</u>	<u>\$ 63,351</u>	<u>\$ 62,895</u>	<u>\$ 56,152</u>	<u>\$ 46,435</u>	<u>\$ 39,839</u>
Average total assets	<u>\$ 5,115,624</u>	<u>\$ 4,825,723</u>	<u>\$ 4,465,577</u>	<u>\$ 3,933,655</u>	<u>\$ 3,440,232</u>	<u>\$ 3,131,936</u>
Performance Ratios						
Return on average assets	<u>1.15%</u>	<u>1.31%</u>	<u>1.41%</u>	<u>1.43%</u>	<u>1.35%</u>	<u>1.27%</u>
Pre-tax, Provision return on average assets	<u>1.56%</u>	<u>1.72%</u>	<u>1.69%</u>	<u>2.08%</u>	<u>1.70%</u>	<u>1.62%</u>

Reconciliation of Non-GAAP Financial Measures

23

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
	(Dollars in thousands)					
Net Interest Margin, Fully Taxable Equivalent ("FTE")						
Net interest income	\$ 156,329	\$ 149,561	\$ 129,765	\$ 123,612	\$ 122,581	\$ 113,282
Add: taxable equivalent adjustment	900	1,878	1,866	823	423	510
Net interest income - taxable equivalent	\$ 157,229	\$ 151,439	\$ 131,631	\$ 124,435	\$ 123,004	\$ 113,792
Net interest margin (GAAP)	3.24%	3.28%	3.05%	3.32%	3.79%	3.85%
Net interest margin (FTE)	3.26%	3.32%	3.10%	3.34%	3.80%	3.88%

Reconciliation of Non-GAAP Financial Measures

24

Tangible Common Equity

	Year Ended December 31,						
	2023	2022	2021	#	2020	2019	2018
	(Dollars in thousands)						
Common shareholders' equity	\$ 404,449	\$ 347,596	\$ 398,484		\$ 389,522	\$ 350,169	\$ 338,994
Less:							
Goodwill	28,300	28,300	28,300		28,300	28,300	28,300
Other intangibles	2,004	2,551	3,336		4,306	5,326	6,415
Tangible common equity	\$ 374,145	\$ 316,745	\$ 366,848		\$ 356,916	\$ 316,543	\$ 304,279

Be Independent 