Domain Steering Committee

Earnings Announcement Subcommittee

January 16, 2018
Agenda

• Structure & governance
• Background on earnings announcements
• Mission, objectives and scope
• Project phases
• Establish meeting time and next steps
Earnings Announcement Subcommittee
Structure & Governance

• Subcommittee of Domain Steering Committee (chaired by Scott Theis)
• Chair: Patrick Loughry
• Staff contact: Michelle Savage
• Member requirements
  • XBRL US members (individual or corporate)
  • Experience in earnings, data and/or XBRL
  • Commit to biweekly calls
  • Agree to participate in work produced
Earnings Announcement Subcommittee

**Objective:**
To help investors and other data consumers obtain market-moving information as quickly as possible.

**Rationale:**
XBRL is becoming more mainstream.
Regulators are considering other areas for structured data beyond corporate financials and footnotes.
Investment community has expressed support for tagging earnings announcements.
First Merchants Corporation Announces Third Quarter 2017 Results

October 26, 2017 10:13 AM Eastern Daylight Time

MUNCIE, Ind.—(BUSINESS WIRE)—First Merchants Corporation (NASDAQ: FRME) reported record third quarter 2017 net income of $24.4 million, compared to $21.1 million during the third quarter of 2016. Earnings per share for the period totaled $0.50 per share, which included $0.11 per share of acquisition expenses, compared to $0.51 during the same period in 2016. The acquisition expenses in the quarter totaled $7.0 million and were primarily related to the July 14, 2017 acquisition of Independent Alliance Banks, Inc.

Year-to-date net income totaled a record $71.7 million, compared to $59.8 million during the same period in 2016. Earnings per share for the nine months ended September 30, 2017 totaled $1.63 per share, an increase of $0.20 per share, or 14 percent, over the same period in 2016. In the first nine months of 2017, acquisition expenses related to the completion of The Arlington Bank and Independent Alliance Bank acquisitions, totaled $10.6 million, or $0.16 per share.

Michael C. Rechlin, President and Chief Executive Officer, stated, "First Merchants achieved outstanding financial results in a special quarter for our clients, teammates and shareholders. We had several accomplishments to include building the First Merchants franchise, adding capital strength and growing earnings power. The addition of Independent Alliance Bank into First Merchants establishes a significant presence in the Fort Wayne market led by strong local management. Our organic balance sheet growth throughout the company demonstrates our commitment in vibrant and growing communities. When coupled with a wider net interest margin, the company produced record net interest income."

Total assets reached a record $9.0 billion as of quarter-end and loans totaled a record $8.0 billion, compared to $7.1 billion and $8.0 billion, as of September 30, 2016 representing increases of 26.9 and 30.4 percent, respectively. Total deposits reached record levels as well, totaling $8.9 billion as of September 30, 2017, representing a 26.8 percent increase. Of the increase in total loans and total deposits, the acquisitions...
Earnings Announcements

• News release
  • Traditional media outlets, Associated Press, Dow Jones, Reuters, Bloomberg
  • Major Internet portals, search engines, web sites, financial services, databases, syndicators, as well as targeted industry, newspaper publications and websites

• Form 8-K
  • Publicly posted to EDGAR on sec.gov
  • Public Dissemination Service
Facebook Reports Second Quarter 2017 Results


"We had a good second quarter and first half of the year," said Mark Zuckerberg, Facebook founder and CEO. "Our community is now two billion people and we're focusing on bringing the world closer together."
Facebook Reports Second Quarter 2017 Results

MENLO PARK, Calif. – July 26, 2017 – Facebook, Inc. (NASDAQ: FB) today reported financial results for the quarter ended June 30, 2017.

"We had a good second quarter and first half of the year," said Mark Zuckerberg, Facebook founder and CEO. "Our community is now two billion people and we're focusing on bringing the world closer together."

Second Quarter 2017 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30</th>
<th>Year-over-Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>$9,164</td>
<td>$6,239</td>
</tr>
<tr>
<td>Payments and other fees</td>
<td>157</td>
<td>197</td>
</tr>
<tr>
<td>Total revenue</td>
<td>9,321</td>
<td>6,436</td>
</tr>
<tr>
<td>Total costs and expenses(1)</td>
<td>4,920</td>
<td>3,702</td>
</tr>
<tr>
<td>Income from operations(1)</td>
<td>$4,401</td>
<td>$2,734</td>
</tr>
<tr>
<td>Operating margin(1)</td>
<td>47%</td>
<td>42%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$594</td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Net income(1)</td>
<td>$3,894</td>
<td>$2,282</td>
</tr>
<tr>
<td>Diluted Earnings per Share (EPS)(1)</td>
<td>$1.32</td>
<td>$0.78</td>
</tr>
</tbody>
</table>

(1) In the fourth quarter of 2016, we elected early adoption of Accounting Standards Update No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvement to Employees Share-based Payment Accounting (ASU 2016-09). We were required to reflect any adoption adjustments as of January 1, 2016, the beginning of the annual period that included the initial period of adoption. As such, certain financial highlights data for the three months ended June 30, 2016 had been adjusted to reflect the impact of ASU 2016-09 adoption. See Note 1 — Summary of Significant Accounting Policies (Note 1) in the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016 for detailed adoption information.

Second Quarter 2017 Operational and Other Financial Highlights

- **Daily active users (DAUs)** – DAUs were 1.32 billion on average for June 2017, an increase of 17% year-over-year.
- **Monthly active users (MAUs)** – MAUs were 2.01 billion as of June 30, 2017, an increase of 17% year-over-year.
First Merchants Corporation Announces Third Quarter 2017 Results

October 28, 2017 10:13 AM Eastern Daylight Time

(MUNCIE, Ind.)—(BUSINESS WIRE)—First Merchants Corporation (NASDAQ:FRME) reported record third quarter 2017 net income of $24.4 million, compared to $21.1 million during the third quarter of 2016. Earnings per share for the period totaled $.50 per share, which included $.11 per share of acquisition expenses, compared to $.51 during the same period in 2016. The acquisition expenses in the quarter totaled $7.9 million and were related to the July 14, 2017 acquisition of Independent Alliance Banks, Inc.

Year-to-date net income totaled a record $71.7 million, compared to $58.8 million during the same period in 2016. Earnings per share for the nine months ended September 30, 2017 totaled $1.63 per share, an increase of $.20 per share, or 14 percent, over the same period in 2016. In the first nine months of 2017, acquisition expenses related to the completion of The Arlington Bank and Independent Alliance Bank acquisitions, totaled $10.8 million, or $.16 per share.

Michael C. Rechin, President and Chief Executive Officer, stated, “First Merchants achieved outstanding financial results in a special quarter for our clients, teammates and shareholders. We have several accomplishments to include building the First Merchants franchise, adding capital strength and growing earnings power. The addition of Independent Alliance Bank into First Merchants establishes a significant presence in the Fort Wayne market led by strong local management. Our organic balance sheet growth throughout the company demonstrates our commitment in vibrant and growing communities. When coupled with a wider net interest margin, the company produced record net interest income.”

Total assets reached a record $9.0 billion as of quarter-end and loans totaled a record $6.5 billion, compared to $7.0 billion and $5.0 billion, as of September 30, 2016 representing increases of 28.9 and 30.4 percent, respectively. Total deposits reached record levels as well, totaling $6.9 billion as of September 30, 2017, representing a 26.9 percent increase. Of the increase in total loans and total deposits, the acquisitions...
First Merchants Corporation Announces Third Quarter 2017 Results

About First Merchants Corporation

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. The Corporation has one full-service bank charter, First Merchants Bank. The Bank also operates as Lafayette Bank & Trust; iLAB Financial Bank; and First Merchants Private Wealth Advisors (each as a division of First Merchants Bank).

First Merchants Corporation’s common stock is traded on the NASDAQ Global Select Market System under the symbol FRME. Quotations are carried in daily newspapers and can be found on the company’s Internet web page (http://www.firstmerchants.com).

First Merchants and the Shield Logo are federally registered trademarks of First Merchants Corporation.

Forward-Looking Statements

This release contains 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”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These statements include statements of First Merchants’ goals, intentions and expectations; statements regarding the First Merchants’ business plan and growth strategies; statements regarding the asset quality of First Merchants’ loan and investment portfolio; and estimates of First Merchants’ risks and future costs and benefits. 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: 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 bank holding companies and banks like First Merchants’ affiliate bank; 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 the First Merchants’ business; and other risks and factors identified in each of First Merchants’ filings with the Securities and Exchange Commission. First Merchants does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this press release. In addition, First Merchants’ past results of operations do not necessarily indicate its anticipated future results.
### First Merchants Corporation Announces Third Quarter 2017 Results

**CONSOLIDATED BALANCE SHEETS**  
(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>September 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$146,607</td>
<td>$99,602</td>
</tr>
<tr>
<td>Interest-bearing time deposits</td>
<td>72,950</td>
<td>33,803</td>
</tr>
<tr>
<td>Investment securities</td>
<td>1,468,887</td>
<td>1,300,428</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>4,514</td>
<td>1,482</td>
</tr>
<tr>
<td>Loans</td>
<td>6,483,448</td>
<td>4,973,844</td>
</tr>
<tr>
<td>Less: Allowance for loan losses</td>
<td>(73,354)</td>
<td>(63,456)</td>
</tr>
<tr>
<td>Net loans</td>
<td>6,410,094</td>
<td>4,910,388</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>102,485</td>
<td>95,540</td>
</tr>
<tr>
<td>Federal Home Loan Bank stock</td>
<td>23,825</td>
<td>18,044</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>32,368</td>
<td>23,652</td>
</tr>
<tr>
<td>Goodwill and other intangibles</td>
<td>478,558</td>
<td>259,844</td>
</tr>
<tr>
<td>Cash surrender value of life insurance</td>
<td>222,437</td>
<td>201,856</td>
</tr>
<tr>
<td>Other real estate owned</td>
<td>11,912</td>
<td>10,242</td>
</tr>
<tr>
<td>Tax asset, deferred and receivable</td>
<td>36,024</td>
<td>31,779</td>
</tr>
<tr>
<td>Other assets</td>
<td>38,744</td>
<td>35,692</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$9,049,403</strong></td>
<td><strong>$7,022,352</strong></td>
</tr>
</tbody>
</table>
Sunshine Bancorp, Inc. Reports 3rd Quarter 2017 and Year to Date Results

October 26, 2017 04:45 PM Eastern Daylight Time

PLANT CITY, Fla. (BUSINESS WIRE)—Sunshine Bancorp, Inc. (the "Company") (NASDAQ: SBCH), the holding company for Sunshine Bank (the "Bank"), has released its unaudited consolidated financial results for the third quarter and nine months ended September 30, 2017.

Key Highlights from the 3rd Quarter 2017
- **Earnings per share**
- Total assets of $843.8 million
- Maintained top tier credit metrics with NPA ratio of 0.12%

The Company recognized net income of $31.1 million for the second quarter 2017 and net income of $91.2 million for the nine months ended September 30, 2017 compared to $47.7 million for the first nine months ended September 30, 2016.

First Merchants Corporation Announces Third Quarter 2017 Results

October 26, 2017 11:12 AM Eastern Daylight Time

NORCROSS, Ga.--Frist Merchants Corporation (NASDAQ:FRMA) reported record third quarter 2017 net income of $24.4 million, compared to $21.1 million during the third quarter of 2016. Earnings per share for the period totaled 30 cents per share, which included 8 cents per share of acquisition expenses, compared to 8 cents during the same period in 2016. The acquisition expenses related to the acquisition of Independent Alliance Banks, Inc.

Year-to-date net income totaled a record $71.7 million, compared to $58.8 million during the same period in 2016. Earnings per share for the nine months ended September 30, 2017 totaled $1.50 per share, as increase of 5.20 per share, or 49 percent, over the same period in 2016. In the first nine months of 2017, acquisition expenses related to the completion of The Arlington & independent Alliance Bank acquisitions, totaled $1.9 million, or 7 cents per share.

Michael C. Rechlin, President and Chief Executive Officer, said, "Our third quarter performance was exceptional, highlighting growing earnings power. Our focus is to further expand our presence in the Fort Wayne market by strong local management. Our organic balance sheet growth throughout the company demonstrates our commitment to maintaining strong capital and growing communities. When coupled with a wider net interest margin, the company produced record net interest income."

Total assets reached a record $48.0 billion as of quarter-end and loans totaled a record $6.5 trillion, compared to $7.0 billion and $5.0 billion, as of September 30, 2016 representing increases of 28.9 and 30.4 percent, respectively. Total deposits reached record levels as well, totaling $48.9 billion as of September 30, 2017, representing a 26.0 percent increase. Of the increase in total loans and total deposits, the acquisitions...
Regulations & Guidelines

**Timely Alert/Material News:**
Requires listed companies to promptly release to the public any news or information which might reasonably be expected to materially affect the market for its securities.
May disseminate news via a press release or any other Regulation FD-compliant method.

**NASDAQ MarketWatch:**
A Nasdaq-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions.
Regulations & Guidelines

Section 1 - Registrant’s Business and Operations

Section 2 – Financial Information

Section 3 – Securities and Trading Markets

Section 4 – Matters Related to Accountants and financial Statements

Section 5 – Corporate Governance and Management

Section 6 – Asset-Backed Securities

Section 7 – Regulation Fair Disclosure

Section 8 – Other Events

Source: https://www.sec.gov/fast-answers/answersform8khtm.html

Form 8-K

In addition to filing annual reports on Form 10-K and quarterly reports on Form 10-Q, public companies must report certain material corporate events on a more current basis. Form 8-K is the 'current report' companies must file with the SEC to announce major events that shareholders should know about.

The instructions for Form 8-K describe the types of events that trigger a public company’s obligation to file a current report, including any of the following:

Section 1 – Registrant’s Business and Operations
- Item 1.01 Entry into a Material Definitive Agreement
- Item 1.02 Termination of a Material Definitive Agreement
- Item 1.03 Bankruptcy or Receivership
- Item 1.04 Mine Safety - Reporting of Shutdowns and Patterns of Violations

Section 2 – Financial Information
- Item 2.01 Completion of Acquisition or Disposition of Assets
- Item 2.02 Results of Operations and Financial Condition
- Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant
- Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
- Item 2.05 Costs Associated with Exit or Disposal Activities
- Item 2.06 Material Impairments
Regulation FD provides that when an issuer discloses material nonpublic information to certain individuals or entities—generally, securities market professionals, such as stock analysts, or holders of the issuer’s securities who may well trade on the basis of the information—the issuer must make public disclosure of that information. In this way, Regulation FD aims to promote the full and fair disclosure.
Earnings Announcements

• Most companies distribute release and Form 8-K

• Announcement sequence:
  1. Earnings release issued over wire
  2. Form 8-K submitted to EDGAR
  3. Webcast conference call held
  4. 10K or 10Q submitted to EDGAR

same day
later
Earnings announcement timing makes it very valuable

Source: https://www.gsb.stanford.edu/insights/are-earnings-reports-obsolete
Why Earnings Announcements?

“Earnings releases and supplemental reporting packages are the documents that most often move markets. But data from earnings releases remain unstructured...

We believe that requiring companies to tag their earnings releases ... will be beneficial for investors.”

- CFA Institute, Data and Technology, June 2016
Why Earnings Announcements?

“The most important single improvement would be to require that earnings releases also be filed as structured filings. Requiring tagged data associated with earnings releases is an area that needs urgent attention if structured data are to provide investors with useful and timely information.”

- CFA Institute blog, May 26, 2017
Why Earnings Announcements?

Interviews with key data providers including Thomson Reuters, Calcbench, Intrinio, idaciti, S&P Market Intelligence, and Morningstar found unanimous support for XBRL tagging of earnings announcements.

“The accuracy and speed by which they [earnings releases] are disclosed is inherent to the value they garner in the marketplace making XBRL an ideal medium for transmission.”
Earnings Announcement Subcommittee

• **Mission:** To investigate possible XBRL tagging of corporate earnings announcements, given the timeliness and market-moving nature of the data provided in earnings announcements, and demand expressed by the investment community.

• **Objective:** To help investors and other data consumers obtain market-moving information as quickly as possible.

• **Scope and Activities:**
  • Research options on both news release and Form 8-Ks as corporate earnings announcements, as well as demand for tagged earnings announcements among the investment community
  • Develop a white paper
Project Phases

1. Exploration and feasibility
2. Lobby stakeholders and collect feedback
3. Identify costs and benefits
4. Determine risks
5. Investigate options
6. Create deliverables
   • Prepare white paper
   • Prepare and submit proposal to SEC for XBRL Earnings Announcement Taxonomy
1 – Exploration and Feasibility

Outlining the Project:

• The Subcommittee will begin by outlining the project and all of its facets
• The planned end result will be a report or ‘White Paper’ discussing the findings
• The White Paper will then be used to move to the next phase and as a basis for the entire project
A paramount aspect of the project is to identify all stakeholders and their respective requirements:

- Registrants/reporting Entities
- Exchanges
- Analysts
- Researchers
- Securities and Exchange Commission/Regulators
- Investors
- Data consumers
3 – Identify Costs and Benefits

• How would formatted and regimented earning data improve information flow?
• Examine how supplying earnings information will aid companies not presently supplying data
• Subcommittee to develop use cases, for example, how might automated data reduce costs for dissemination
• Stakeholder cost impact:
  • Registrants
  • Agents/preparers
  • Initial investment for data providers
4 – Determine Risks

• Identify potential error or failure points, for example:
  • Data quality issues which could be reported
  • Timing, “last minute” changes common
  • Additional work and cost for issuers
  • Variance in structure and content of announcements
  • Releases requires change in process/8-K requires change in regulatory rule
  • Changes to workflow and process controls
  • Impact of forthcoming Inline XBRL on project
  • Keeping pace with technical and regulatory challenges

• Explore potential steps and best practices to mitigate risk
5 – Investigate Options

• Explore data dissemination mechanics for XBRL:
  • Attached as Ex-101 document set to an 8-K
  • Include as part of an earning news release
  • Provide as a link to the registrant’s website
  • Other

• Issues to consider:
  • What data should be tagged?
  • Examine requirement level such as ‘must have’ items
  • Taxonomy governance - support, maintenance
  • Layer on US GAAP?
6 – Create Deliverables

• White paper
• Proposal to SEC
• Possible outline/draft taxonomy
Next steps

- Officially join the committee (email michelle.savage@xbrl.us)
- Committee call timing (2/Month)
(open discussion)