First Merchants Corporation

NASDAQ: FRME

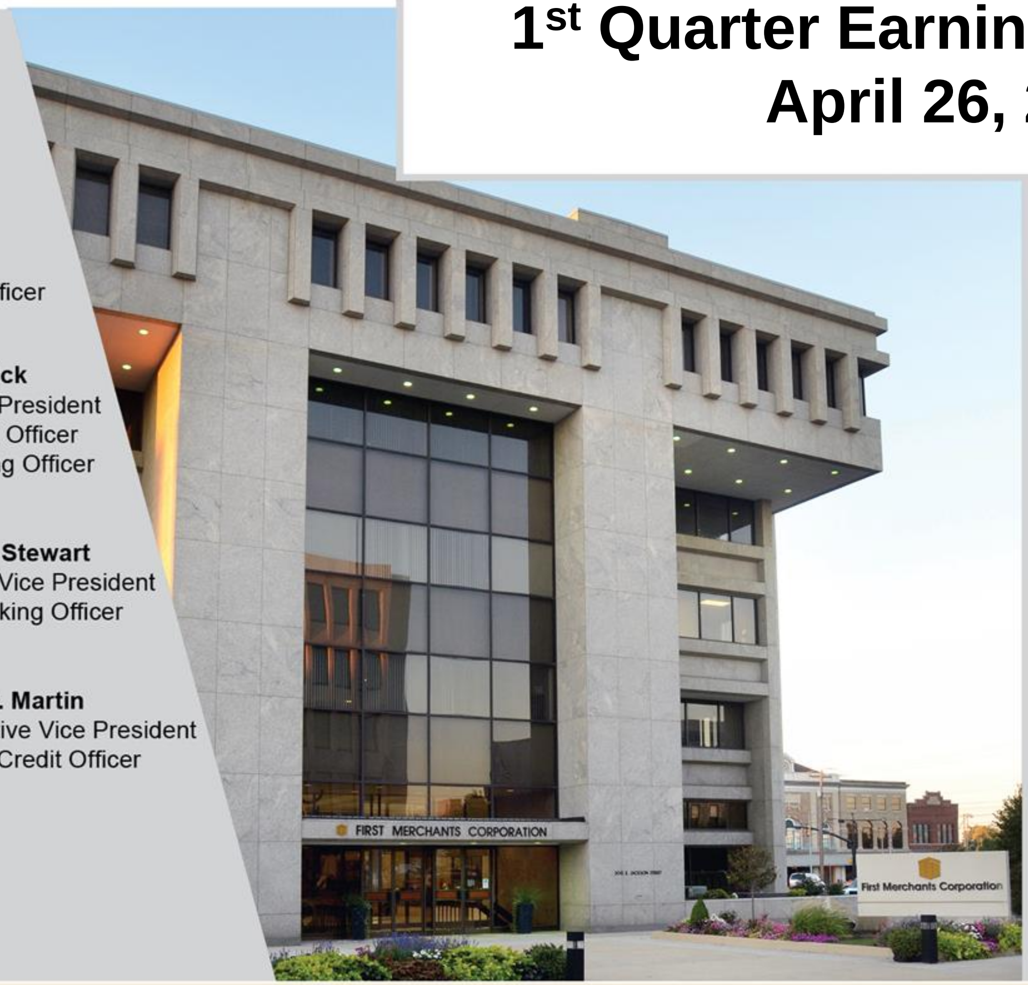
1st Quarter Earnings Highlights
April 26, 2018

Michael C. Rechin
President
Chief Executive Officer

Mark K. Hardwick
Executive Vice President
Chief Financial Officer
Chief Operating Officer

Michael J. Stewart
Executive Vice President
Chief Banking Officer

John J. Martin
Executive Vice President
Chief Credit Officer



Forbes 2018 BEST BANKS IN AMERICA

FIRST MERCHANTS BANK RANKED #4 IN 2018

BEST PLACES TO WORK IN INDIANA 2018

Best Employers in Ohio 2018

Best Places to Work in IL 2018

A workplace analysis and competition

First Merchants 1893 125 Anniversary 2018

Forward-Looking Statement

This presentation 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 forward-looking statements include, but are not limited to, statements relating to 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 portfolios; 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 economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; 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 undertakes no obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation or press release. In addition, the company’s past results of operations do not necessarily indicate its anticipated future results.

NON-GAAP FINANCIAL MEASURES

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, First Merchants Corporation has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

First Merchants Corporation

1st Quarter 2018 Highlights

- Earnings Per Share of $ .74, a 32.1% Increase over 1Q2017
- $36.7 Million of Net Income, a 58.1% Increase over 1Q2017
- Total Assets of $9.5 Billion Grew by 29.3% over 1Q2017
- Annualized Organic Loan & Deposit Growth of Nearly 9%
- 1.57% Return on Average Assets; 11.21% Return on Average Equity
- 51.33% Efficiency Ratio

Mark K. Hardwick

EXECUTIVE VICE PRESIDENT

CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER

Total Assets

($ in Millions)

		2016	2017	Q1-'17	Q1-'18
1.	Investments	$1,305	$1,561	$1,327	$1,544
2.	Loans	5,143	6,758[1]	5,276	6,906
3.	Allowance	(66)	(75)	(68)	(76)
4.	Goodwill & Intangibles	259	477	258	475
5.	BOLI	202	224	203	222
6.	Other	369	422	330	402
7.	Total Assets	$7,212	$9,367	$7,326	$9,473
	Annualized Asset Growth		**29.9%**		**4.5%[2]**

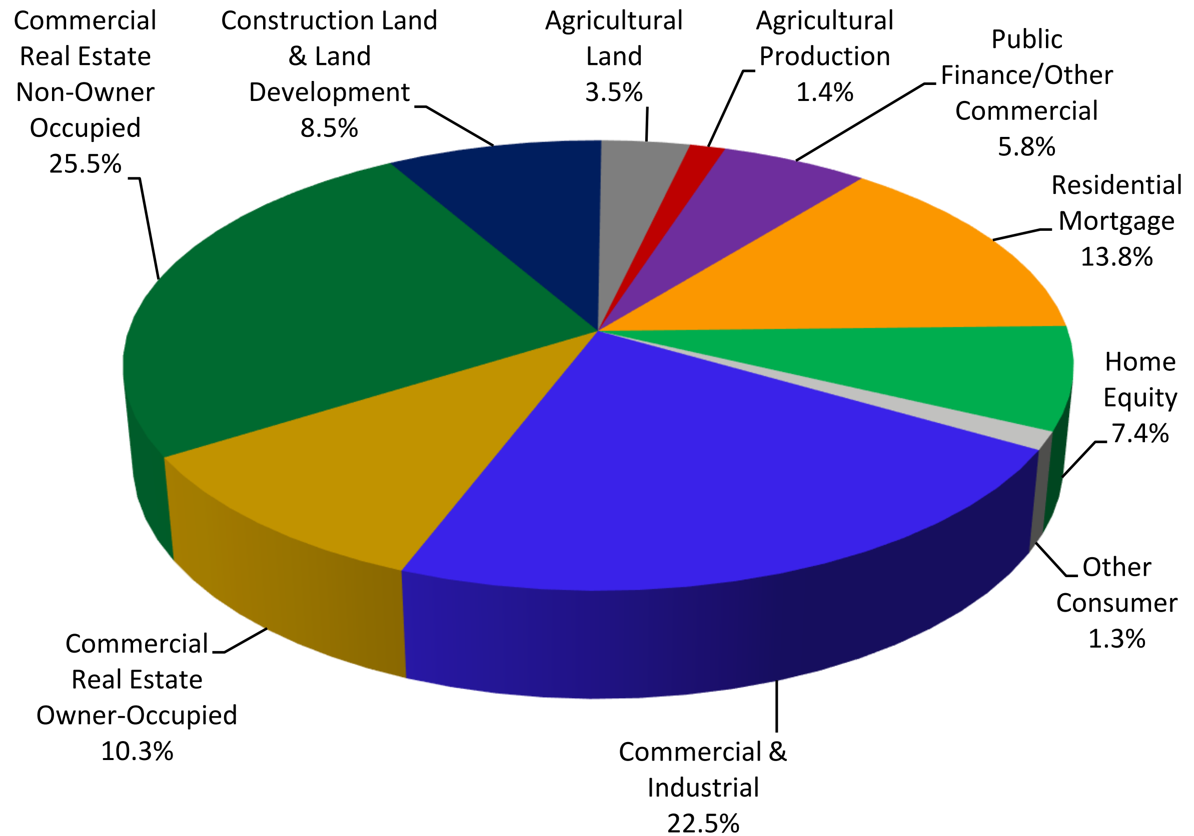
[1] 2017 Loans include acquired loans of $225 from The Arlington Bank and $725 from Independent Alliance Banks
[2] Annualized from 12.31.2017

Loan and Yield Detail

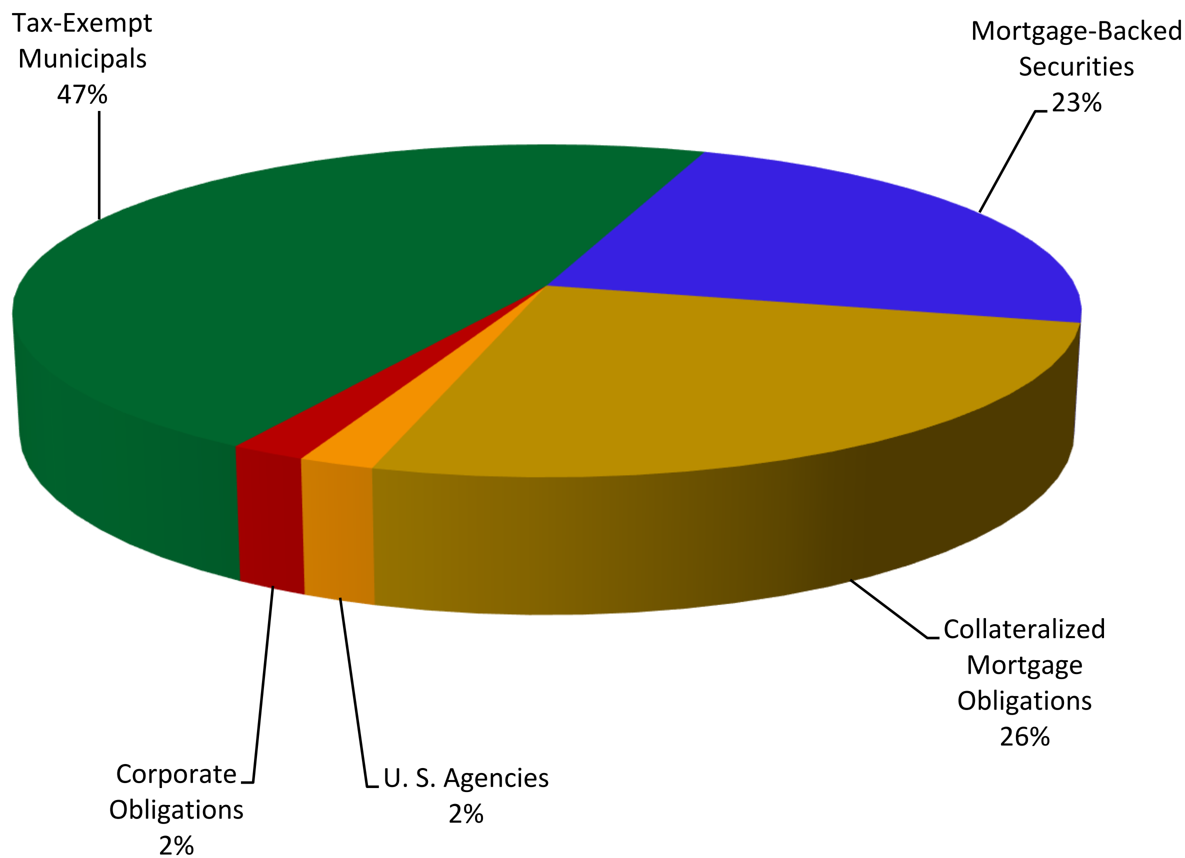
(as of 3/31/2018)

YTD Yield = 4.86%

Total Loans = $6.9 Billion



Investment Portfolio
(as of 3/31/2018)



- $1.5 Billion Portfolio
- Modified duration of 5.5 years
- Tax equivalent yield of 3.47%
- Net unrealized loss of $10.3 Million

Total Liabilities and Capital

($ in Millions)

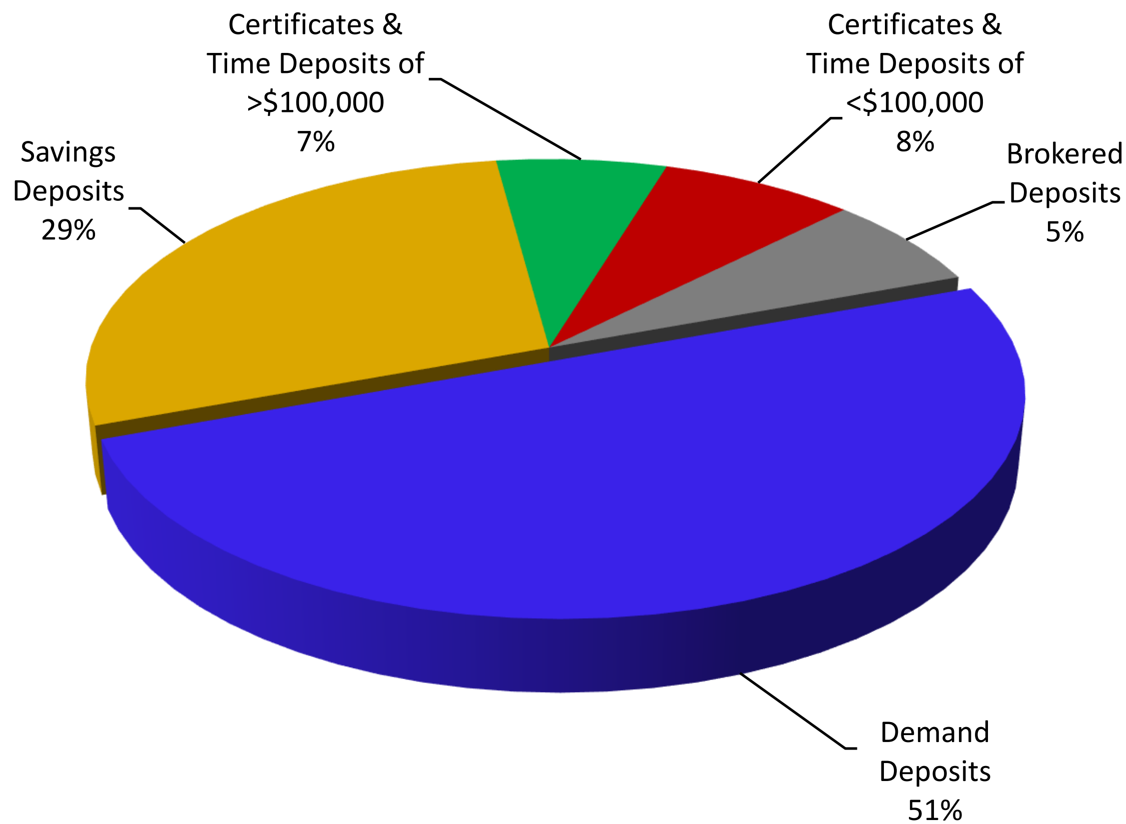
		2016	2017	Q1-'17	Q1-'18
1.	Customer Non-Maturity Deposits	$4,428	$5,741[1]	$4,426	$5,850
2.	Customer Time Deposits	747	1,051[2]	789	1,137
3.	Brokered Deposits	381	381	420	341
4.	Borrowings	572	701	587	644
5.	Other Liabilities	60	57	53	55
6.	Hybrid Capital	122	133	122	133
7.	Common Equity	902	1,303	929	1,313
8.	Total Liabilities and Capital	$7,212	$9,367	$7,326	$9,473

[1] 2017 includes acquired Non-Maturity Deposits of $169 from The Arlington Bank and $719 from Independent Alliance Banks

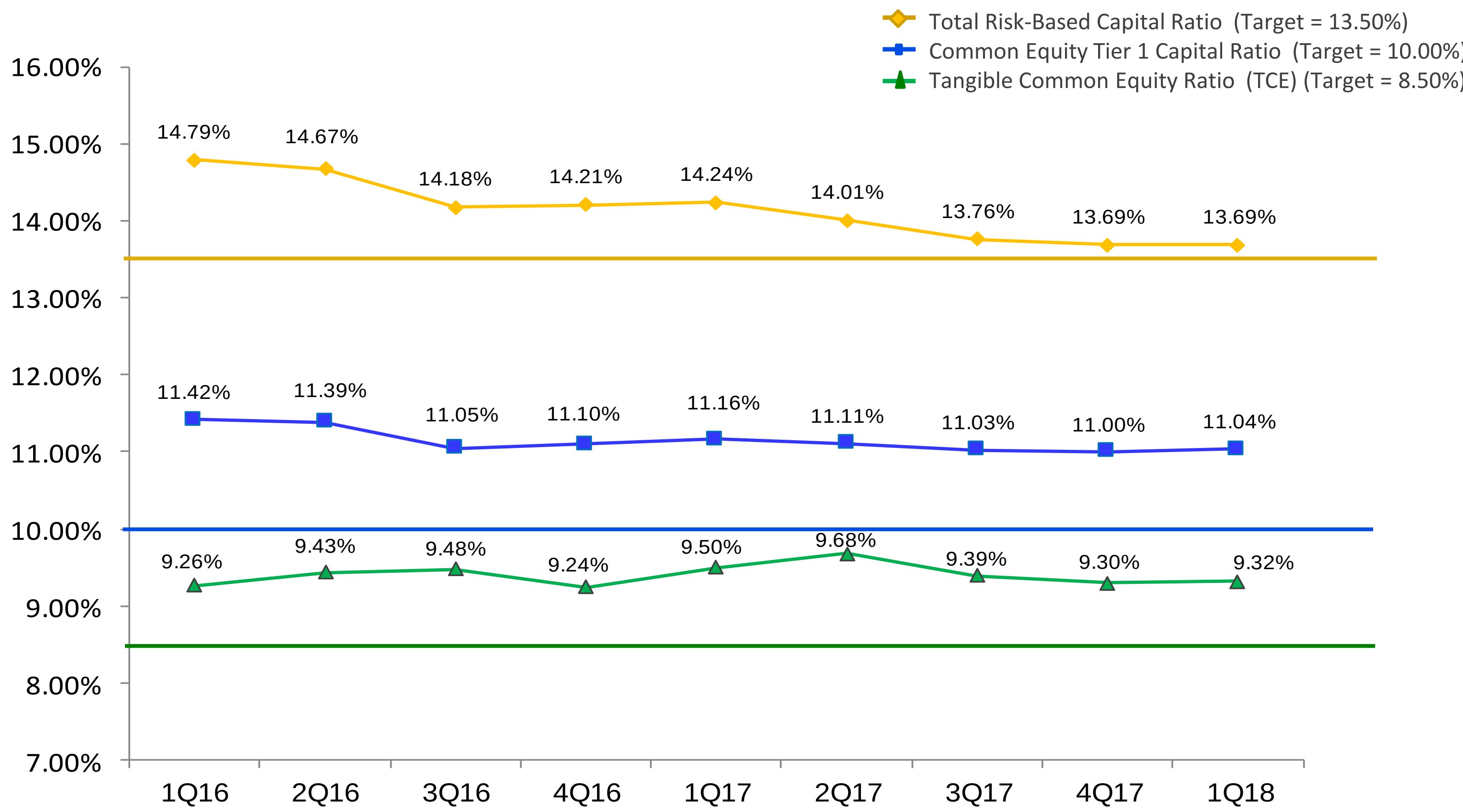
[2] 2017 includes acquired Time Deposits of $84 from The Arlington Bank and $143 from Independent Alliance Banks

Deposit Detail
(as of 3/31/2018)

YTD Cost	=	.65%
Total	=	$7.3 Billion

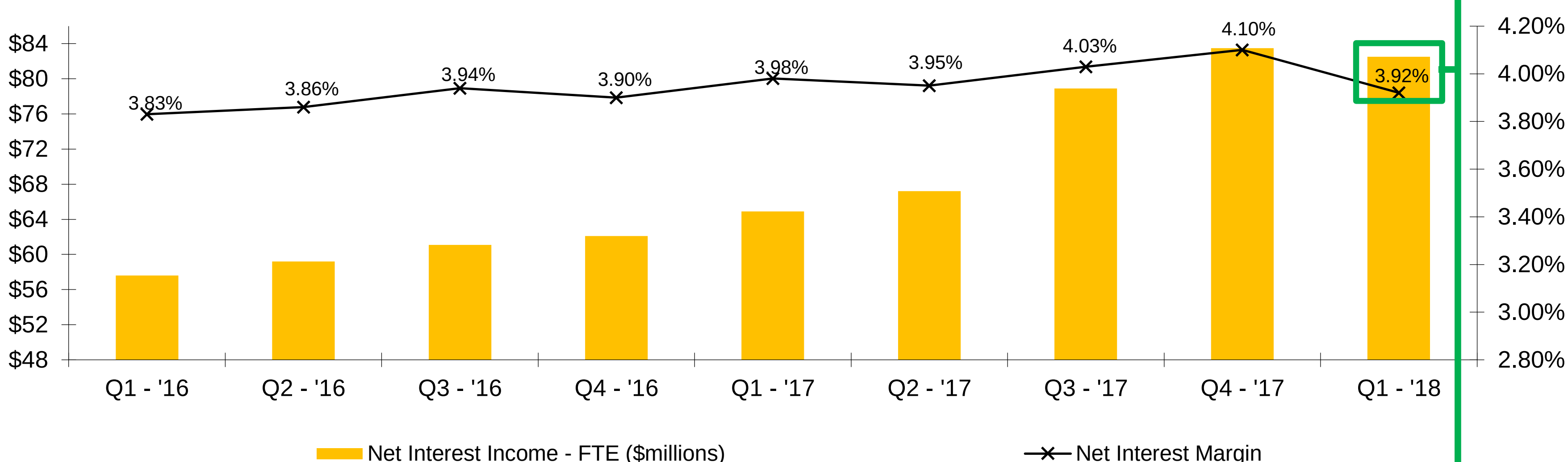


Capital Ratios



Net Interest Margin

	Q1 - '16	Q2 - '16	Q3 - '16	Q4 - '16	Q1 - '17	Q2 - '17	Q3 - '17	Q4 - '17	Q1 - '18
Net Interest Income - FTE ($millions)	$ 57.6	$ 59.2	$ 61.1	$ 62.1	$ 64.9	$ 67.2	$ 78.9	$ 83.5	$ 82.5
Fair Value Accretion	$ 2.5	$ 3.2	$ 3.8	$ 2.9	$ 4.3	$ 2.3	$ 3.2	$ 4.1	$ 3.2
Tax Equivalent Yield on Earning Assets	4.28%	4.30%	4.37%	4.32%	4.42%	4.44%	4.56%	4.67%	4.57%
Cost of Supporting Liabilities	0.45%	0.44%	0.43%	0.42%	0.44%	0.49%	0.53%	0.57%	0.65%
Net Interest Margin	3.83%	3.86%	3.94%	3.90%	3.98%	3.95%	4.03%	4.10%	3.92%
Fair Value Accretion Effect	0.17%	0.21%	0.24%	0.18%	0.26%	0.14%	0.17%	0.20%	0.15%



Reflects 13 bps impact of Tax Cuts and Jobs Act

Non-Interest Income

($ in Millions)	2016	2017	Q1-'17	Q1-'18
1. Service Charges on Deposit Accounts	$17.8	$ 18.7	$ 4.2	$ 4.8
2. Wealth Management Fees	12.6	14.7	3.4	3.8
3. Card Payment Fees	15.0	16.1	3.7	4.6
4. Cash Surrender Value of Life Ins	4.3	6.6	0.9	1.2
5. Gains on Sales of Mortgage Loans	7.1	7.6	1.3	1.8
6. Gains on Sales of Securities	3.4	2.6	0.6	1.6
7. Other	5.0	4.7	0.8	1.8
8. Total Non-Interest Income	$65.2	$71.0	$14.9	$19.6

Non-Interest Expense

($ in Millions)

		2016	2017	Q1-’17	Q1-’18
1.	Salary & Benefits	$102.6	$119.8	$ 25.7	$ 32.2
2.	Premises & Equipment	29.5	30.1	7.0	8.4
3.	Intangible Asset Amortization	3.9	5.6	0.9	1.7
4.	Professional & Other Outside Services	6.5	12.8	1.7	1.5
5.	OREO/Credit-Related Expense	2.9	1.9	0.5	0.4
6.	FDIC Expense	3.0	2.6	0.6	0.7
7.	Outside Data Processing	9.2	12.2	2.6	3.0
8.	Marketing	3.0	3.7	0.6	0.9
9.	Other	16.7	16.9	3.5	4.9
10.	Total Non-Interest Expense	$177.3	$ 205.6[1]	$ 43.1	$ 53.7

[1] 2017 includes acquisition-related expenses of $12.2 million, reflected in ($ in Millions): $3.9 Salaries & Benefits, $0.6 Premises & Equipment, $6.3 Professional & Other Outside Services, $0.5 Outside Data Processing, $0.3 Marketing and $0.6 Other

Earnings

($ in Millions)	2016	2017	Q1-'17	Q1-'18
1. Net Interest Income	$226.5	$ 277.3	$ 61.0	$ 79.9
2. Provision for Loan Losses	(5.7)	(9.1)	(2.4)	(2.5)
3. **Net Interest Income after Provision**	**220.8**	**268.2**	**58.6**	**77.4**
4. Non-Interest Income	65.2	71.0	14.9	19.6
5. Non-Interest Expense	(177.3)	(205.6)	(43.1)	(53.7)
6. **Income before Income Taxes**	**108.7**	**133.6**	**30.4**	**43.3**
7. Income Tax Expense	(27.6)	(37.5)[1]	(7.2)	(6.6)
8. **Net Income Avail. for Distribution**	**$ 81.1**	**$ 96.1**	**$ 23.2**	**$ 36.7**
9. **EPS**	**$ 1.98**	**$ 2.12**[2]	**$ 0.56**	**$ 0.74**
10. **Efficiency Ratio**	**56.51%**	**54.56%**[3]	**52.61%**	**51.33%**[4]

[1] 2017 includes $5.1 million of additional tax expense due to revaluing deferred taxes as a result of the Tax Cuts and Jobs Act
[2] Acquisition-related expenses, the impact of tax reform, and pension settlement accounting reduced EPS by $0.30 for 2017
[3] Acquisition-related expenses and pension settlement accounting added 3.57% to the Efficiency Ratio
[4] Impact of Tax Cuts and Jobs Act was 1.32 bps in Q1-'18

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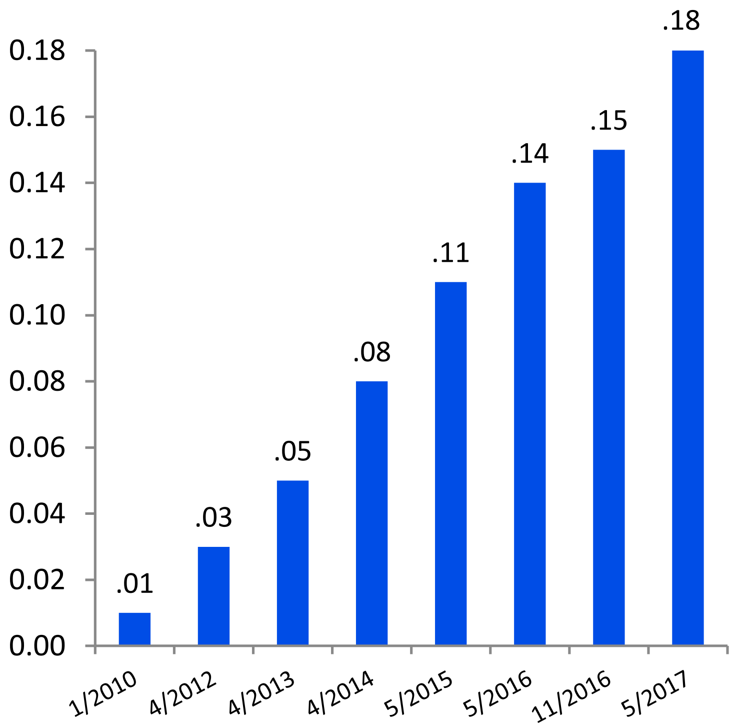
Per Share Results

2017	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
1. Earnings Per Share	$ .56	$ .57	$ .50	$ .49	$ 2.12
2. Dividends	$ .15	$ .18	$ .18	$ .18	$ .69
3. Tangible Book Value	$16.49	$16.97	$16.62	$16.96	

2018	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
1. Earnings Per Share	$ .74	–	–	–	$ .74
2. Dividends	$ .18	–	–	–	$ .18
3. Tangible Book Value	$17.14	–	–	–	

Dividends and Tangible Book Value

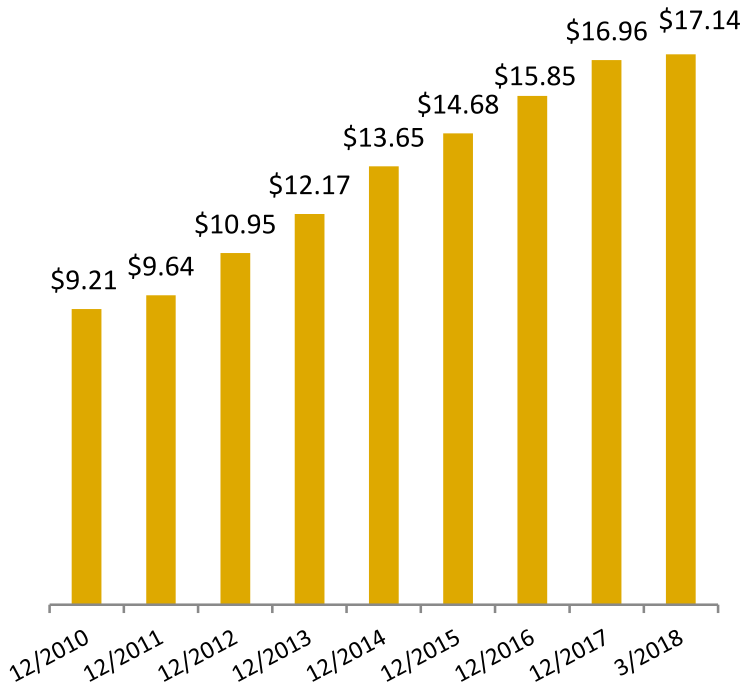
Quarterly Dividends



1.73%
Forward
Dividend
Yield

24.3%
Dividend
Payout Ratio

Tangible Book Value



John J. Martin

EXECUTIVE VICE PRESIDENT AND CHIEF CREDIT OFFICER

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Loan Portfolio Trends

($ in Millions)	2016	2017	Q1-'17	Q1-'18	Change Linked Quarter $	Change Linked Quarter %	Change Q1 2018 Over 2017 $	Change Q1 2018 Over 2017 %
1. Commercial & Industrial	$ 1,195	$ 1,494	$ 1,259	$ 1,554	$ 60	4.0%	$ 295	23.4%
2. Construction, Land and Land Development	419	612	337	590	(22)	(3.6%)	253	75.1%
3. CRE Non-Owner Occupied	1,272	1,618	1,423	1,760	142	8.8%	337	23.7%
4. CRE Owner Occupied	531	700	549	709	9	1.3%	160	29.1%
5. Agricultural Production	80	122	77	98	(24)	(19.7%)	21	27.3%
6. Agricultural Land	149	244	146	245	1	0.4%	99	67.8%
7. Residential Mortgage	742	970	739	953	(17)	(1.8%)	214	29.0%
8. Home Equity	419	514	424	511	(3)	(0.6%)	87	20.5%
9. Public Finance/Other Commercial	258	397	244	398	1	0.3%	154	63.1%
10. Other Consumer	78	87	78	88	1	1.1%	10	12.8%
11. **Total Loans**	**$ 5,143**	**$ 6,758**	**$ 5,276**	**$ 6,906**	**$ 148**	**2.2%**	**$ 1,630**	**30.9%**
12. Construction Concentration[1]	52%	60%	41%	57%				
13. Investment RE Concentration[1]	211%	219%	215%	226%				

[1]As a % of Risk Based Capital

Asset Quality Summary

($ in Millions)

	2016	2017	Q1-'17	Q1-'18	Change Linked Quarter $	Change Linked Quarter %	Change Q1 2018 Over 2017 $	Change Q1 2018 Over 2017 %
1. Non-Accrual Loans	$ 30.0	$ 28.7	$ 27.9	$ 27.5	$ (1.2)	(4.2%)	$ (0.4)	(1.4%)
2. Other Real Estate	9.0	10.4	8.3	9.7	(0.7)	(6.7%)	1.4	16.9%
3. Renegotiated Loans	4.7	1.0	0.9	0.6	(0.4)	(40.0%)	(0.3)	(33.3%)
4. 90+ Days Delinquent Loans	0.1	0.9	0.1	0.7	(0.2)	(22.2%)	0.6	600.0%
5. **Total NPAs & 90+ Days Delinquent**	**$ 43.8**	**$ 41.0**	**$ 37.2**	**$ 38.5**	**$ (2.5)**	**(6.1%)**	**$ 1.3**	**3.5%**
6. Total NPAs & 90+ Days/Loans & ORE	0.9%	0.6%	0.7%	0.6%				
7. **Classified Assets**	**$ 174.1**	**$ 153.1**	**$ 173.9**	**$ 178.4**	**$ 25.3**	**16.5%**	**$ 4.5**	**2.6%**
8. **Specific Reserves**	**$ 0.9**	**$ 1.6**	**$ 1.2**	**$ 1.3**	**$ (0.3)**	**(18.8%)**	**$ 0.1**	**8.3%**

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Non-Performing Asset Reconciliation

($ in Millions)	Q2-'17	Q3-'17	Q4-'17	Q1-'18
1. **Beginning Balance NPAs & 90+ Days Delinquent**	**$ 37.2**	**$ 40.3**	**$ 45.2**	**$ 41.0**
Non-Accrual				
2. Add: New Non-Accruals	10.0	12.7	4.9	4.8
3. Less: To Accrual/Payoff/Renegotiated	(2.3)	(6.1)	(7.3)	(4.1)
4. Less: To OREO	(6.8)	(0.6)	(0.2)	(0.1)
5. Less: Charge-offs	(1.4)	(1.1)	(1.0)	(1.8)
6. **Increase / (Decrease): Non-Accrual Loans**	**(0.5)**	**4.9**	**(3.6)**	**(1.2)**
Other Real Estate Owned (ORE)				
7. Add: New ORE Properties	6.8	0.6	0.2	0.1
8. Less: ORE Sold	(2.8)	(0.3)	(1.5)	(0.7)
9. Less: ORE Losses (write-downs)	(0.4)	(0.3)	(0.2)	(0.1)
10. **Increase / (Decrease): ORE**	**3.6**	**0.0**	**(1.5)**	**(0.7)**
11. **Increase / (Decrease): 90+ Days Delinquent**	**0.5**	**(0.2)**	**0.5**	**(0.2)**
12. **Increase / (Decrease): Renegotiated Loans**	**(0.5)**	**0.2**	**0.4**	**(0.4)**
13. **Total NPAs & 90+ Days Delinquent Change**	**3.1**	**4.9**	**(4.2)**	**(2.5)**
14. **Ending Balance NPAs & 90+ Days Delinquent**	**$ 40.3**	**$ 45.2**	**$ 41.0**	**$ 38.5**

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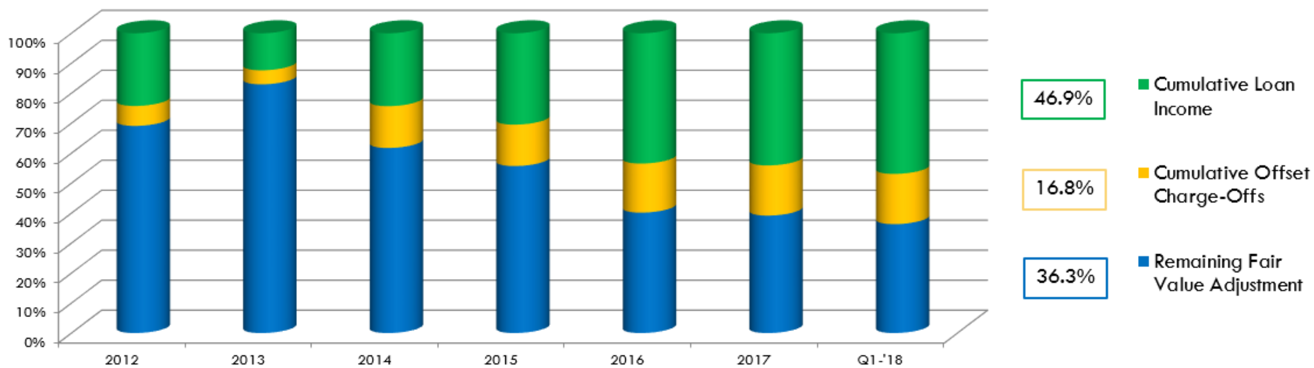
ALLL and Fair Value Summary

($ in Millions)	Q2-'17	Q3-'17	Q4-'17	Q1-'18
1. Beginning Allowance for Loan Losses (ALLL)	$ 68.2	$ 70.5	$ 73.4	$ 75.0
2. Net Charge-offs (Recoveries)	0.6	(0.8)	0.2	1.1
3. Provision Expense	2.9	2.1	1.8	2.5
4. Ending Allowance for Loan Losses (ALLL)	$ 70.5	$ 73.4	$ 75.0	$ 76.4
5. ALLL/Non-Accrual Loans	257.7%	227.4%	261.2%	277.9%
6. ALLL/Non-Purchased Loans	1.45%	1.44%	1.36%	1.32%
7. ALLL/Loans	1.25%	1.13%	1.11%	1.11%
8. Fair Value Adjustment (FVA)	$ 29.7	$ 50.4	$ 46.3	$ 43.1
9. Total ALLL plus FVA	100.2	123.8	121.3	119.5
10. Purchased Loans plus FVA	792.6	1,445.8	1,304.7	1,179.8
11. FVA/Purchased Loans plus FVA	3.74%	3.49%	3.55%	3.65%



Portfolio Summary

- Strong quarterly loan growth of $148 million, led by CRE and C&I loans
- Construction and CRE portfolios are 57% and 226% of risk-based capital, respectively; well beneath regulatory guidelines
- Non-Accrual Loans and ORE both declined for the quarter, while Total NPAs & 90+ Days remained low at 0.6% of Loans and ORE
- Classified Assets increased to $178.4 million, at a historically consistent level
- Net charge-offs were $1.1 million for the quarter with provision expense of $2.5 million
- ALLL to Loans of 1.11% and to Non-Purchased Loans of 1.32%

Michael C. Rechin

PRESIDENT AND CHIEF EXECUTIVE OFFICER

FMC Strategy and Tactics Overview

Looking Forward . . .

- Build market presence and cultivate the First Merchants' Brand in former Arlington Bank and Independent Alliance Bank communities
- Capitalize on talent opportunities from performance and preferred employer recognitions
- Build out of specialty finance businesses in sponsor finance, public finance, asset-based lending, and loan syndications
- Complete checking account migration to new product set and streamline front and back-office processes; continue implementation of workflow technologies for operating leverage
- Manage net-interest margin upside with next interest rate moves
- Assess M&A opportunities for strategic fit as we prepare to cross the $10 Billion asset level

"Responsive, Knowledgeable, High-Performing"

First Merchants Corporation

Contact Information

First Merchants Corporation common stock is traded on the NASDAQ Global Select Market under the symbol FRME.

Additional information can be found at

www.FIRSTMERCHANTS.COM

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Appendix

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Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands):

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	867,263	887,550	900,865	901,657	929,470	1,035,116	1,283,120	1,303,463	1,313,073
Adjust for Accumulated Other Comprehensive (Income) Loss	(2,066)	(7,035)	(3,924)	13,581	3,722	(1,384)	6,358	3,534	21,725
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Add: Qualifying Capital Securities	55,236	55,296	55,355	55,415	55,474	55,534	65,864	65,919	65,975
Less: Tier 1 Capital Deductions	(1,999)	(1,828)	(1,440)	(376)	(80)	(166)	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(250,367)	(249,932)	(249,541)	(249,104)	(250,493)	(300,307)	(462,080)	(464,066)	(467,518)
Less: Disallowed Servicing Assets									
Total Tier 1 Capital (Regulatory)	$ 664,944	$ 681,183	$ 699,029	$ 720,484	$ 737,648	$ 788,003	$ 893,137	$ 908,725	$ 930,536
Qualifying Subordinated Debentures	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Allowance for Loan Losses includible in Tier 2 Capital	62,086	62,186	63,456	66,037	68,225	70,471	73,354	75,032	76,420
Total Risk-Based Capital (Regulatory)	$ 792,030	$ 808,369	$ 827,485	$ 851,521	$ 870,873	$ 923,474	$ 1,031,491	$ 1,048,757	$ 1,071,956
Net Risk-Weighted Assets (Regulatory)	$ 5,355,827	$ 5,511,557	$ 5,836,806	$ 5,993,381	$ 6,114,112	$ 6,592,710	$ 7,497,321	$ 7,660,604	$ 7,831,727
Total Risk-Based Capital Ratio (Regulatory)	**14.79%**	**14.67%**	**14.18%**	**14.21%**	**14.24%**	**14.01%**	**13.76%**	**13.69%**	**13.69%**
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	$ 664,944	$ 681,183	$ 699,029	$ 720,484	$ 737,648	$ 788,003	$ 893,137	$ 908,725	$ 930,536
Less: Qualified Capital Securities	(55,236)	(55,296)	(55,355)	(55,415)	(55,474)	(55,534)	(65,864)	(65,919)	(65,975)
Add: Additional Tier 1 Capital Deductions	1,999	1,828	1,440	376	80	166	-	-	-
Less: Preferred Stock									
Net Risk-Weighted Assets (Regulatory)	$ 5,355,827	$ 5,511,557	$ 5,836,806	$ 5,993,381	$ 6,114,112	$ 6,592,710	$ 7,497,321	$ 7,660,604	$ 7,831,727
Common Equity Tier 1 Capital Ratio (Regulatory)	**11.42%**	**11.39%**	**11.05%**	**11.10%**	**11.16%**	**11.11%**	**11.03%**	**11.00%**	**11.04%**

[1] Includes net unrealized gains or losses on securities available for sale, net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans.

Appendix – Non-GAAP Reconciliation

TANGIBLE COMMON EQUITY RATIO (dollars in thousands):

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Total Stockholders' Equity (GAAP)	$ 867,263	$ 887,550	$ 900,865	$ 901,657	$ 929,470	$ 1,035,116	$ 1,283,120	$ 1,303,463	$ 1,313,073
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(261,799)	(260,822)	(259,844)	(258,866)	(257,963)	(309,686)	(478,558)	(476,503)	(474,777)
Tangible Common Equity (non-GAAP)	$ 605,339	$ 626,603	$ 640,896	$ 642,666	$ 671,382	$ 725,305	$ 804,437	$ 826,835	$ 838,171
Total Assets (GAAP)	$ 6,798,539	$ 6,906,418	$ 7,022,352	$ 7,211,611	$ 7,326,193	$ 7,805,029	$ 9,049,403	$ 9,367,478	$ 9,472,796
Less: Intangible Assets	(261,799)	(260,822)	(259,844)	(258,866)	(257,963)	(309,686)	(478,558)	(476,503)	(474,777)
Tangible Assets (non-GAAP)	$ 6,536,740	$ 6,645,596	$ 6,762,508	$ 6,952,745	$ 7,068,230	$ 7,495,343	$ 8,570,845	$ 8,890,975	$ 8,998,019
Tangible Common Equity Ratio (non-GAAP)	**9.26%**	**9.43%**	**9.48%**	**9.24%**	**9.50%**	**9.68%**	**9.39%**	**9.30%**	**9.32%**

TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Total Stockholders' Equity (GAAP)	$ 454,408	$ 514,467	$ 552,236	$ 634,923	$ 726,827	$ 850,509	$ 901,657	$ 929,470	$ 1,035,116	$ 1,283,120	$ 1,303,463	$ 1,313,073
Less: Preferred Stock	(67,880)	(90,783)	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(154,019)	(150,471)	(149,529)	(202,767)	(218,755)	(259,764)	(258,866)	(257,963)	(309,686)	(478,558)	(476,503)	(474,777)
Tax Benefit	2,907	2,224	2,249	4,973	6,085	6,278	5,930	5,659	6,941	12,510	6,788	6,043
Tangible Common Equity, Net of Tax (non-GAAP)	$ 235,416	$ 275,437	$ 314,048	$ 437,004	$ 514,032	$ 596,898	$ 648,596	$ 677,041	$ 732,246	$ 816,947	$ 833,623	$ 844,214
Shares Outstanding	25,574,251	28,559,707	28,692,616	35,921,761	37,669,948	40,664,258	40,912,697	41,047,543	43,153,509	49,140,594	49,158,238	49,243,096
Tangible Common Equity per Share (non-GAAP)	**$ 9.21**	**$ 9.64**	**$ 10.95**	**$ 12.17**	**$ 13.65**	**$ 14.68**	**$ 15.85**	**$ 16.49**	**$ 16.97**	**$ 16.62**	**$ 16.96**	**$ 17.14**

Appendix – Non-GAAP Reconciliation

EFFICIENCY RATIO (dollars in thousands):

	2016	1Q17	2017	1Q18
Non Interest Expense (GAAP)	$ 177,359	$ 43,099	$ 205,556	$ 53,687
Less: Intangible Asset Amortization	(3,910)	(903)	(5,647)	(1,726)
Less: OREO and Foreclosure Expenses	(2,877)	(531)	(1,903)	(402)
Adjusted Non Interest Expense (non-GAAP)	170,572	41,665	198,006	51,559
Net Interest Income (GAAP)	226,473	60,999	277,284	79,916
Plus: Fully Taxable Equivalent Adjustment	13,541	3,950	17,270	2,584
Net Interest Income on a Fully Taxable Equivalent Basis (non-GA	240,014	64,949	294,554	82,500
Non Interest Income (GAAP)	65,203	14,846	71,009	19,561
Less: Investment Securities Gains (Losses)	(3,389)	(598)	(2,631)	(1,609)
Adjusted Non Interest Income (non-GAAP)	61,814	14,248	68,378	17,952
Adjusted Revenue (non-GAAP)	301,828	79,197	362,932	100,452
Efficiency Ratio (non-GAAP)	**56.51%**	**52.61%**	**54.56%**	**51.33%**

FORWARD DIVIDEND YIELD

	1Q18
Most recent quarter's dividend per share	$ 0.18
Most recent quarter's dividend per share - Annualized	$ 0.72
Stock Price at 3/31/18	$ 41.70
Forward Dividend Yield	**1.73%**

DIVIDEND PAYOUT RATIO

	2018
Dividends per share	$ 0.18
Earnings Per Share	$ 0.74
Dividend Payout Ratio	**24.3%**

Appendix – Non-GAAP Reconciliation

CONSTRUCTION AND INVESTMENT REAL ESTATE CONCENTRATIONS (dollars in thousands):

	2016	1Q17	2017	1Q18
Total Risk-Based Capital (Subsidiary Bank Only)				
Total Stockholders' Equity (GAAP)	$ 973,641	$ 993,130	$ 1,404,303	$ 1,414,109
Adjust for Accumulated Other Comprehensive (Income) Loss [1]	9,701	8,226	763	19,231
Less: Preferred Stock	(125)	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(248,656)	(250,047)	(463,618)	(467,070)
Less: Disallowed Deferred Tax Assets	-	-	-	(2,234)
Total Tier 1 Capital (Regulatory)	734,561	751,184	941,323	963,911
Allowance for Loan Losses includible in Tier 2 Capital	66,037	68,225	75,032	76,420
Total Risk-Based Capital (Regulatory)	$ 800,598	$ 819,409	$ 1,016,355	$ 1,040,331
Construction, Land and Land Development Loans	$ 418,703	$ 336,931	$ 612,219	$ 590,093
Concentration as a % of the Bank's Risk-Based Capital	**52%**	**41%**	**60%**	**57%**
Construction, Land and Land Development Loans	$ 418,703	$ 336,931	$ 612,219	$ 590,093
Investment Real Estate Loans	1,272,415	1,423,792	1,617,943	1,760,226
Total Construction and Investment RE Loans	$ 1,691,118	$ 1,760,723	$ 2,230,162	$ 2,350,319
Concentration as a % of the Bank's Risk-Based Capital	**211%**	**215%**	**219%**	**226%**

[1] Includes net unrealized gains or losses on securities available for sale, net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans.

ALLOWANCE AS A PERCENTAGE OF NON-PURCHASED LOANS (dollars in thousands):

	2Q17	3Q17	4Q17	1Q18
Loans Held for Sale (GAAP)	$ 4,036	$ 4,514	$ 7,216	$ 4,469
Loans (GAAP)	5,613,144	6,483,448	6,751,199	6,901,696
Total Loans	5,617,180	6,487,962	6,758,415	6,906,165
Less: Purchased Loans	(762,893)	(1,395,368)	(1,258,386)	(1,136,711)
Non-Purchased Loans (non-GAAP)	$ 4,854,287	$ 5,092,594	$ 5,500,029	$ 5,769,454
Allowance for Loan Losses (GAAP)	$ 70,471	$ 73,354	$ 75,032	$ 76,420
Fair Value Adjustment (FVA) (GAAP)	29,664	50,434	46,304	43,121
Allowance plus FVA (non-GAAP)	$ 100,135	$ 123,788	$ 121,336	$ 119,541
Purchased Loans (GAAP)	$ 762,893	$ 1,395,368	$ 1,258,386	$ 1,136,711
Fair Value Adjustment (FVA) (GAAP)	29,664	50,434	46,304	43,121
Purchased Loans plus FVA (non-GAAP)	$ 792,557	$ 1,445,802	$ 1,304,690	$ 1,179,832
Allowance as a Percentage of Non-Purchased Loans (non-GAAP)	**1.45%**	**1.44%**	**1.36%**	**1.32%**
FVA as a Percentage of Purchased Loans plus FVA (non-GAAP)	**3.74%**	**3.49%**	**3.55%**	**3.65%**