

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): November 14, 2017

Commission File Number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

INDIANA	35-1544218
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

**200 East Jackson Street
P.O. Box 792
Muncie, IN 47305-2814**

(Address of principal executive offices, including zip code)

(765) 747-1500

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

The executive officers of First Merchants Corporation intend to use the material filed herewith, in whole or in part, in one or more meetings with investors and analysts. A copy of the investor presentation is attached hereto as Exhibit 99.1.

First Merchants Corporation does not intend for this Item 7.01 or Exhibit 99.1 to be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) [\(99.1\) First Merchants Corporation Investor Presentation](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: November 14, 2017

FIRST MERCHANTS CORPORATION

By: /s/ Mark K. Hardwick
Mark K. Hardwick
Executive Vice President,
Chief Financial Officer and Chief Operating Officer



First Merchants Corporation

THE STRENGTH OF BIG THE SERVICE OF SMALL

Sandler O'Neill + Partners, L.P.
**2017 East Coast Financial
Services Conference**
November 15-17, 2017



Michael C. Rechin
President
Chief Executive Officer

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

Michael J. Stewart
Executive Vice President
Chief Banking Officer

John J. Martin
Executive Vice President
Chief Credit Officer

NASDAQ: FRME

Forward-Looking Statements

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.

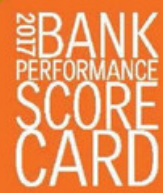
NON-GAAP FINANCIAL MEASURES

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.

Why Invest in First Merchants?



**First Merchants
Ranked 1st
among Indiana
Banks in \$5
Billion to \$50
Billion Category**



Bank Director Magazine

(\$ in Thousands)

Market Information

Common Shares Outstanding	49,140,594
Market Cap	\$2,109,606
Dividend Yield	1.54%
Price/Tangible Book Value	2.58x
Price/LTM EPS	19.7x
Price/2017 Est. EPS	18.5x

Financial Highlights

Assets	\$9,049,403
Loans, Net	\$6,410,094
Deposits	\$6,911,019
Tangible Common Equity	\$ 804,436
TCE/TA	9.39%
2017 Net Income – YTD	\$ 71,687
2017 ROAA – YTD	1.22%
2017 ROATCE - YTD	13.64%
NPAs/Loans + OREO	0.69%

Company Profile (as of 9/30/2017)

First Merchants

- First Merchants Bank, formed in 1893, celebrating its 124th anniversary.
- First Merchants Corporation, organized in 1982, is the largest financial services holding company headquartered in Central Indiana

Leadership Team – First Merchants

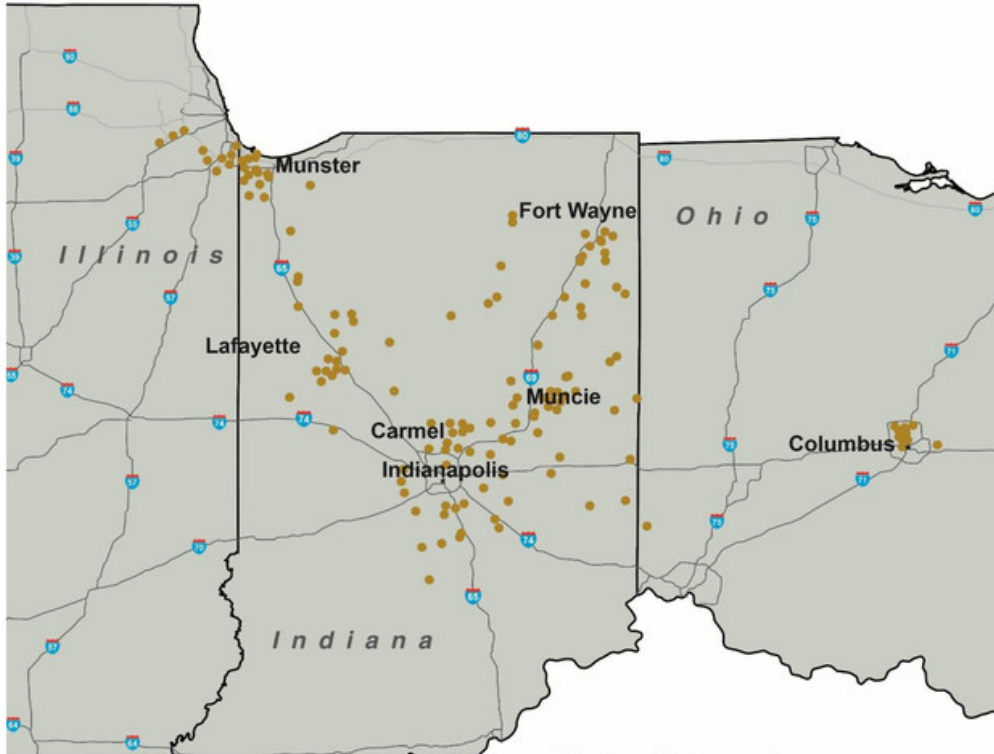
Name/Title

Michael C. Rechin, President & CEO

Mark K. Hardwick, EVP, Chief Operating Officer & Chief Financial Officer

Michael J. Stewart, EVP & Chief Banking Officer

John J. Martin, EVP & Chief Credit Officer



Our Franchise

Key Market Profiles		
Loans		Deposits
\$1,036M	Columbus	\$ 601M
742M	Fort Wayne	844M
2,444M	Indianapolis	1,699M
583M	Lafayette	1,012M
919M	Muncie	1,704M
759M	Munster	1,051M
\$6,483M	Total	\$6,911M

(as of September 30, 2017)

Mission Statement

To be the most responsive, knowledgeable and high-performing bank for our clients, teammates and shareholders.

County	Region/Type	Market Position	Market %	\$ Deposits
Delaware County, IN	Muncie (Established)	1	48.98%	\$ 1,068,364
Jasper County, IN	Lafayette (Established)	1	31.54%	205,997
White County, IN	Lafayette (Established)	1	33.69%	158,748
Wells County, IN	Fort Wayne (Growth)	1	26.35%	119,473
Jay County, IN	Muncie (Established)	1	43.22%	90,907
Union County, IN	Muncie (Established)	1	40.54%	43,439
Tippecanoe County, IN	Lafayette (Established)	2	19.47%	504,153
Henry County, IN	Muncie (Established)	2	37.32%	227,295
Clinton County, IN	Lafayette (Established)	2	14.11%	59,950
Wabash County, IN	Muncie (Established)	2	14.07%	57,158
Madison County, IN	Indianapolis (Growth)	3	23.21%	314,515
Adams County, IN	Muncie (Established)	3	16.19%	109,619
Shelby County, IN	Indianapolis (Growth)	3	16.62%	91,243
Randolph County, IN	Muncie (Established)	3	5.88%	72,162
Hendricks County, IN	Indianapolis (Growth)	4	9.88%	234,216
Morgan County, IN	Indianapolis (Growth)	4	10.69%	97,943
Huntington County, IN	Fort Wayne (Growth)	4	16.55%	95,330
Hancock County, IN	Indianapolis (Growth)	4	8.66%	87,632
Marshall County, IN	Fort Wayne (Growth)	4	8.74%	65,252
Carroll County, IN	Lafayette (Established)	4	11.30%	33,052
Brown County, IN	Indianapolis (Growth)	4	18.32%	19,620
Hamilton County, IN	Indianapolis (Growth)	5	6.51%	594,976
Allen County, IN	Fort Wayne (Growth)	5	8.68%	585,513
Johnson County, IN	Indianapolis (Growth)	5	7.88%	169,017
Fayette County, IN	Muncie (Established)	5	8.25%	27,006
Miami County, IN	Muncie (Established)	5	7.97%	31,250
Sub Total				\$5,163,830
First Merchants Total				\$6,913,176

First Merchants “Whole Bank” Strategy

- Commercial Banking
- Consumer Banking
- Private Wealth Advisors
- Growth Strategy
 - Organic
 - Merger/Acquisition



First Merchants Strategy

➤ Commercial Bank

- Located in Prime Growth Commercial Banking Markets
 - Indianapolis, Indiana
 - Columbus, Ohio
 - Fort Wayne, Indiana
 - Lafayette, Indiana
 - Northwest Indiana
- Hire the Best Talent Supported with the Finest:
 - Sales Management Process
 - Lending and Cash Management Services
 - Revenue-Based Incentive System



First Merchants Strategy

➤ Consumer Retail Bank

- Diversely Located in Stable Rural and Growth Metro Markets
- Supported by:
 - Talented Customer Service Oriented Banking Center and Call Center Professionals
 - State-of-the-Art Deposit and CRM Systems
 - Highly Usable Online Banking System
 - Widely Available Mobile Banking System
 - Customer Service and Relationship Growth-Oriented Incentive System



First Merchants Strategy

“Service-driven alternative to super-regional bank competitors.

Deliver superior service with presence close to the customer for . . .”

- Retail Banking
- Mortgage Banking
- Commercial Banking
 - Business Banking
 - Commercial & Industrial
 - Agriculture
 - Specialty Finance
 - Healthcare Services
 - Real Estate
 - Treasury Management Services
- Private Wealth Advisory (private banking, investment management, personal trust, brokerage, and retirement)



“We specialize in our communities”

How We Deliver

First Merchants Corporation

Supported by LOB Strategies



Indianapolis

Higher Growth

Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby Counties

Columbus, OH

Higher Growth

Franklin County, OH

Lafayette

Established

Carroll, Clinton, Jasper, Montgomery, Tippecanoe, White Counties

Muncie

Established

Delaware, Fayette, Henry, Jay, Madison, Randolph, Union, Wabash, Wayne Counties, IN
Butler, County, OH

Munster

Higher Growth

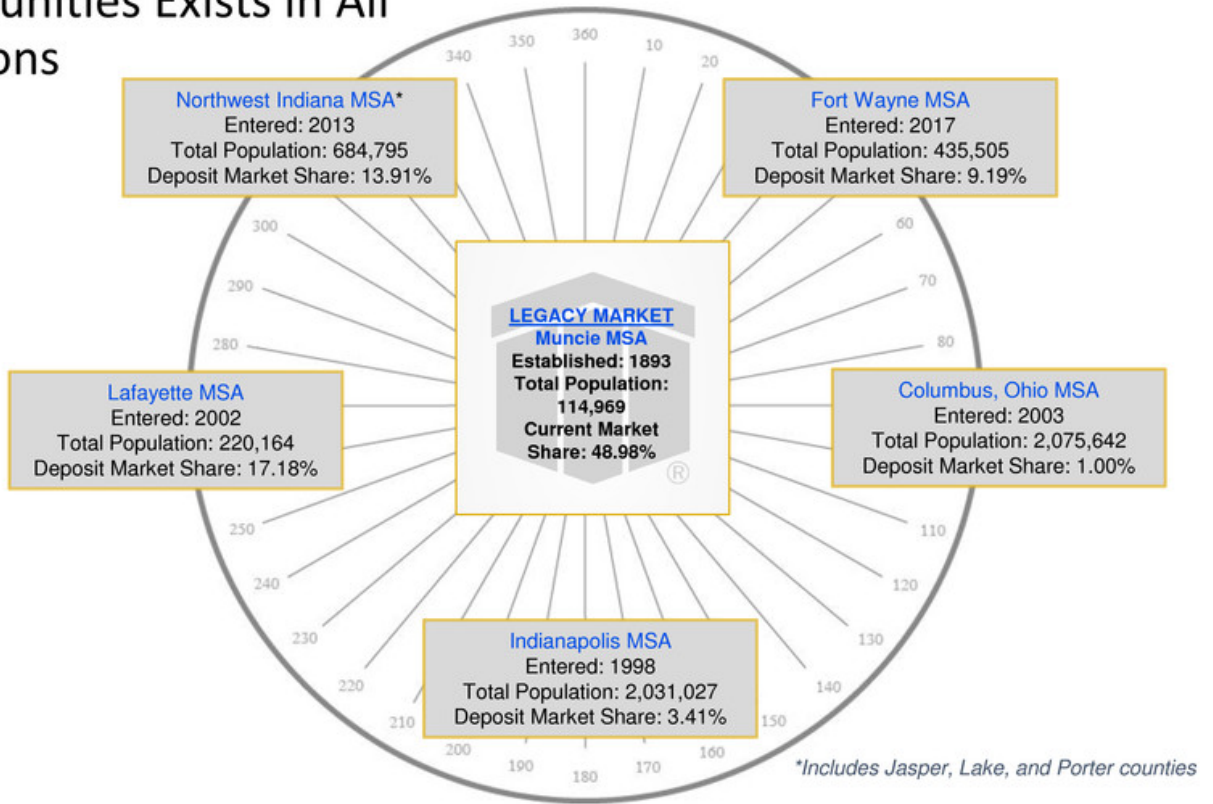
Lake & Porter, IN
Cook & DuPage, IL

Fort Wayne

Higher Growth

Adams, Allen, Huntington, Marshall, Miami, Wells Counties

Organic Growth Opportunities Exists in All Directions



Ranked Best in the Midwest for Business*



- AAA Credit Rating**
- 1st in Midwest and 5th Nationally for Best State for Doing Business***
- 1st in the Nation for Small Business Growth
- 1st Nationally for Cost of Doing Business
- 1st Nationally for Highway Accessibility
- 1st in the Midwest/8th Nationally for Low Taxes
- 1st in Government****
- Leading the Nation in Manufacturing Job Growth
- 2nd Nationally for Availability of Skilled Labor
- 2nd Best City in the Nation for Recent Graduates (Indianapolis)
- Home to the 2nd Largest Global Fed Ex Air Hub
- Regulatory Climate Ranks 2nd in the Nation
- 4th Nationally for Cost of Living
- Indiana's 3 Maritime Ports Rank 6th in Waterborne Shipping

*IEDC
**S&P, Moody's & Fitch
***Chief Executive Magazine
****US News & World Reports

Muncie Market

- Located 58 miles northeast of Indianapolis in the east central portion of the state
- Described by several national studies as a typical American community, Delaware County offers the advantages of larger cities without the hassles and costs associated with living in major metropolitan areas.
- Easy access to the top 100 markets in the country, Muncie-Delaware County has a diverse economic landscape
- Ranked #27, Forbes Best Small Places for Business and Careers
- Workforce experienced in life science, advanced manufacturing, 21st century logistics and information technology
- Home to Ball State University

Delaware County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	First Merchants Corporation	11	\$ 1,068,364	48.98%
2	Mutual First Financial	7	537,800	24.66%
3	J.P. Morgan Chase	4	238,666	10.94%
4	Old National Bancorp	4	199,567	9.15%
5	Star Financial Group	3	135,667	6.22%
6	Woodforest Financial Group	1	957	0.04%
Market Total		30	\$ 2,181,021	

*SNL Financial FDIC Summary of Deposits as of June 30, 2017

Notable Major Employers



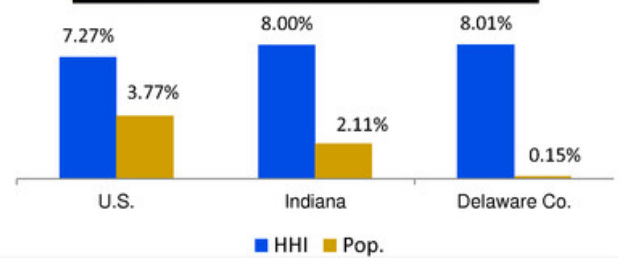
Ball Memorial Hospital & Physicians



ONTARIO SYSTEMS



Projected HHI & Pop. Change 2017-2022



Indianapolis Market

- Indianapolis metropolitan area includes four of the five fastest-growing counties in Indiana and 10 of the 11 fastest-growing cities and towns with populations of at least 5,000*
- The 2015 population estimates released by the U.S. Census Bureau show suburban Hamilton County's population grew 13% over the last five years*
- Indiana's population has grown 2% since 2010*
- Indiana's population growth outpaced those of neighboring states Illinois, Kentucky, Michigan and Ohio*
- With 862,781 residents, Indianapolis was the nation's 14th largest city*

Hamilton County, IN**

Rank		Branches	Deposits	Mkt. Share
1	First Internet Bancorp	1	\$ 1,746,030	19.11%
2	JPMorgan Chase & Co.	15	1,558,738	17.06%
3	Merchants Bancorp	2	1,254,403	13.73%
4	PNC Financial Services Group	12	614,405	6.72%
5	First Merchants Corporation	11	594,976	6.51%
6	Lakeland Financial Corp	3	518,183	5.67%
7	Fifth Third Bancorp	6	492,718	5.39%
8	Huntington Bancshares	11	432,562	4.73%
9	Bank of Montreal	9	373,205	4.08%
10	KeyCorp	7	273,681	3.00%
Market Total		117	\$ 9,136,439	

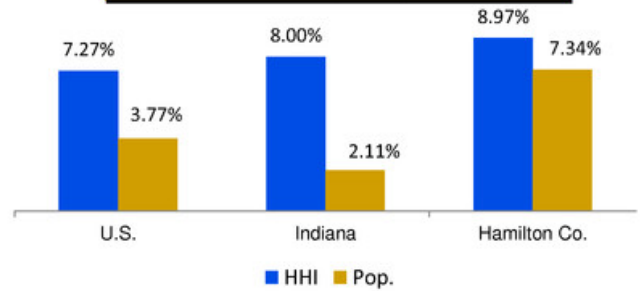
*IBJ.com

**SNL Financial FDIC Summary of Deposits as of June 30, 2017

Notable Major Employers



Projected HHI & Pop. Change 2017-2022



Lafayette Market

- Ranked #1 in Indiana and #8 nationally, Fortune, Best Place for Small Business, based on cost of business, jobs growth, educational achievements
- Ranked #2, Forbes Best Small Places for Business and Careers
- Ranked #2 in Indiana for STEM job density, with 13.6% of the workforce, topping the state's 10.9% & national average of 11.9% (Lafayette up 70.6% since 2001, with 4,850 new jobs)**
- Ranked #17 of 200, New Geography, Best Cities for Manufacturing
- Home to Purdue University

Tippecanoe County, IN**

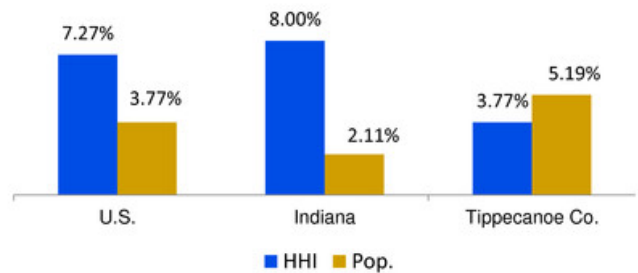
Rank		Branches	Deposits	Mkt. Share
1	JPMorgan Chase & Co.	6	\$ 824,748	31.85%
2	First Merchants Corporation	9	504,153	19.47%
3	Regions Financial Corp	6	311,047	12.01%
4	Old National Bancorp	5	259,975	10.04%
5	Horizon Bancorp	4	147,379	5.69%
6	Huntington Bancshares, Inc.	4	129,307	4.99%
7	First Bancshares, Inc.	6	119,618	4.62%
8	Fifth Third Bancorp	3	90,997	3.51%
9	1 st Source Corp	3	70,529	2.72%
10	Salin Bancshares	3	52,512	2.03%
Market Total		58	\$ 2,589,317	

*SNL Financial FDIC Summary of Deposits as of June 30, 2017
 **Indianapolis Business Journal

Notable Major Employers



Projected HHI & Pop. Change 2017-2022



Northwest Indiana Market

- Indiana's second-most populous market
- Benefit from its Chicago proximity
- Continue to produce finest steels, refine the cleanest fuels and deliver the best products to the Midwest**
- New investments by world-class companies like BP, Pratt Industries, Alcoa Howmet, Urschel Labs and Monosol**
- Lakefront being revitalized through the Marquette Plan and assistance of the Regional Development Authority**

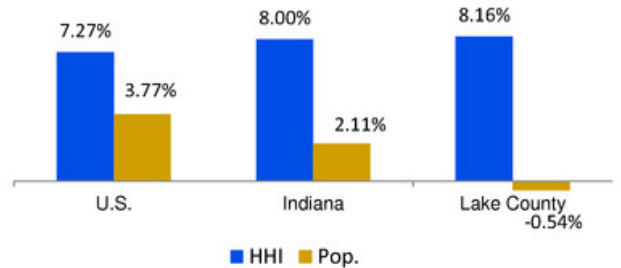
Lake County, IN*			
Rank	Branches	Deposits	Mkt. Share
1	JPMorgan Chase & Co.	\$ 1,947,270	21.89%
2	First Bancshares, Inc.	1,853,302	20.83%
3	First Midwest Bancorp	1,011,308	11.37%
4	First Financial Bancorp	776,948	8.76%
5	Northwest Indiana Bancorp	762,955	8.58%
6	First Merchants Corporation	703,991	7.91%
7	Fifth Third Bancorp	477,393	5.37%
8	BMO Financial Corp	476,600	5.36%
9	AMB Financial Corp	178,837	2.01%
10	PNC Financial Services Group	171,860	1.93%
Market Total		158	\$ 8,895,310

*SNL Financial FDIC Summary of Deposits as of June 30, 2017
 **www.nwforum.org/nwi-becoming-an-economic-powerhouse

Notable Major Employers



Projected HHI & Pop. Change 2017-2022



Fort Wayne Market

- 2nd Largest MSA in the State of Indiana
- Diversified economy (manufacturing, health care, retail trade, food services)
- Attractive location for businesses to locate and expand – located between the Chicago, Detroit, Dayton, Toledo and Indianapolis metro areas
- Fort Wayne-Allen County economic engine of the Northeast Indiana region
- #1 place to raise a family (2017, SmartAsset.com)

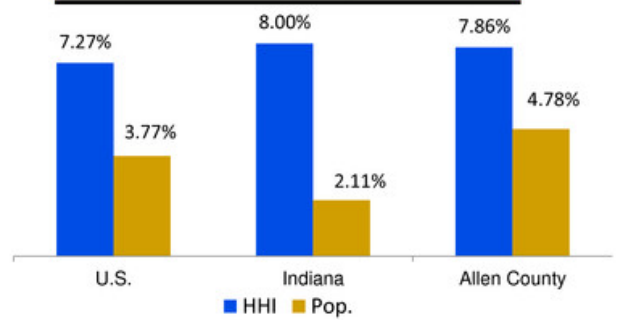
Allen County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	Wells Fargo	13	\$ 1,860,166	27.59%
2	JP Morgan Chase & Co.	12	1,144,376	16.97%
3	Lakeland Financial Corp.	5	707,704	10.50%
4	PNC Financial Services Group	11	654,070	9.70%
5	First Merchants Corporation	8	585,513	8.68%
6	Old National Bancorp	5	489,317	7.26%
7	STAR Financial Group, Inc.	9	357,447	5.30%
8	1 st Source Corp.	8	294,082	4.36%
9	Fifth Third Bancorp	8	236,108	3.50%
10	G.S.B. Financial Corp.	1	69,199	1.03%
Market Total		102	\$ 6,741,959	

*SNL Financial FDIC Summary of Deposits as of June 30, 2017

Notable Major Employers



Projected HHI & Pop. Change 2017-2022



Columbus, Ohio Market

- Second-most populous county in Ohio
- Within 600 miles of 60% of All U.S. and Canadian Population
- Ranked 2nd in CNBC's 2010 study of state transportation systems for its infrastructure, vitality, quality roads, and ability to cost-effectively ship goods by land, air, and water**
- Home to Ohio State University

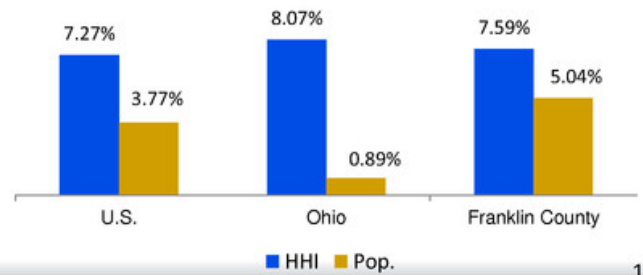
Franklin County, OH*				
Rank		Branches	Deposits	Mkt. Share
1	Huntington Bancshares	63	\$ 21,024,114	41.96%
2	JP Morgan Chares & Co	48	12,503,686	24.95%
3	PNC Financial Services Group	42	5,001,589	9.98%
4	Fifth Third Bancorp	41	4,365,885	8.71%
5	Key Corp	21	1,411,859	2.82%
6	U.S. Bancorp	33	1,149,694	2.29%
7	Wells Fargo & Co	1	796,395	1.59%
8	First Merchants Corporation	10	609,366	1.22%
9	Heartland Bancorp	12	570,458	1.14%
10	First Financial Bancorp	6	527,051	1.05%
Market Total		321	\$ 50,106,324	

*SNL Financial FDIC Summary of Deposits as of June 30, 2017
 **<http://jobs-ohio.com/manufacturing/>

Notable Major Employers



Projected HHI & Pop. Change 2017-2022



Growth Through Acquisition

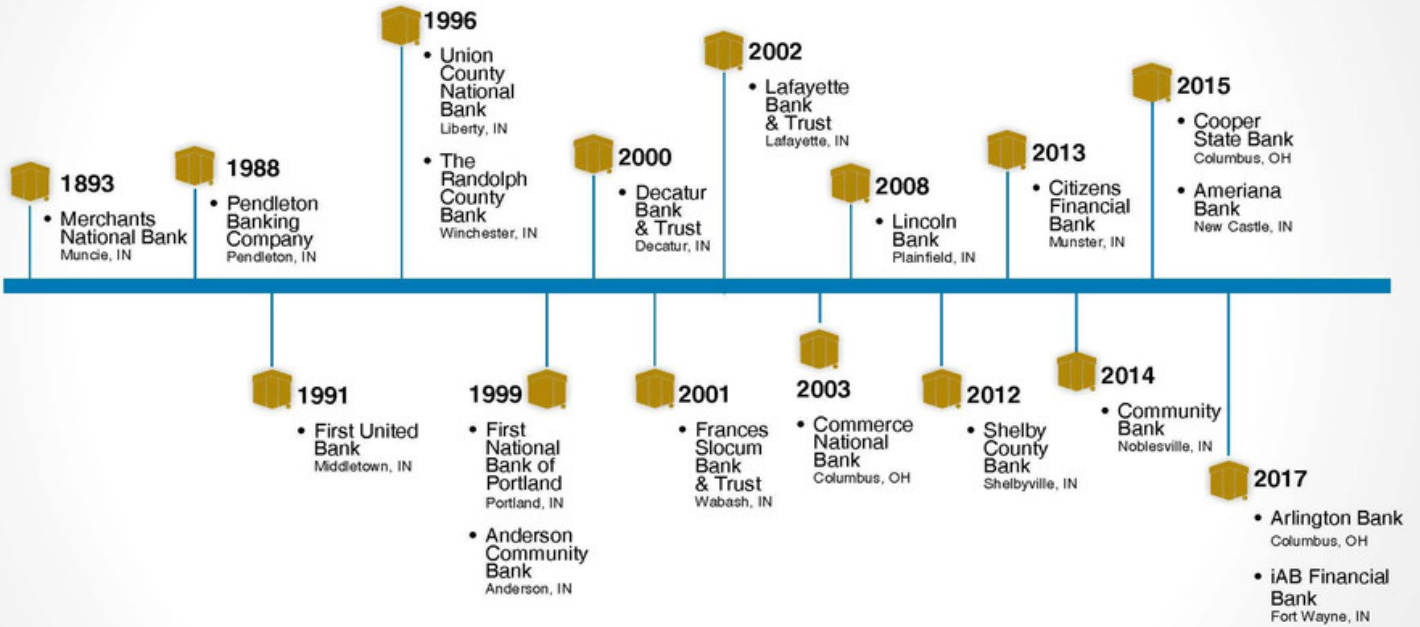
- Experienced Acquirer
- Expand in Current High-Growth Markets
- Extend into Additional High-Growth Markets
- Add to Franchise with Stable Deposit Gathering Markets



FIRST MERCHANTS

ACQUISITION EXPERIENCE

1893-2017



First Merchants Acquisition Process

- Continuous Relationship Building
- Complete and Thorough Due Diligence Process
- Demonstrated Pricing Discipline
- Detailed Project Management
- Integration Process
- Single Charter Operating Environment
- Scalable Technology and Operations Center



Operational Delivery Highlights

Daleville Operations Facility

- Strategic differentiator in support of growth and scalability
- Operational services execution “hub” focusing on value creation
- Functional focus:

<ul style="list-style-type: none"> • Operations 	<ul style="list-style-type: none"> • Credit Administration
<ul style="list-style-type: none"> • Risk Management 	<ul style="list-style-type: none"> • Technology
<ul style="list-style-type: none"> • Project Management 	<ul style="list-style-type: none"> • Vendor Management
- Located off interstate, less than an hour north of Indianapolis, IN
- 60,000+ square feet of flexible space



Strategic Vendor Partners



Operational Delivery Highlights

Customer, Digital Channel & Transaction Activity

➤ Retail Households: 175K	
➤ Online Banking/Digital Channel <ul style="list-style-type: none"> • Consumer: 66K Users • 970K logins monthly • 12K bill pay users • 80K payments monthly 	➤ Cash Management Annual Volume <ul style="list-style-type: none"> • Automated Clearing House (ACH) <ul style="list-style-type: none"> • # Originated: 2M Items (\$7B) • # Received: 13M Items (\$20B)
<ul style="list-style-type: none"> • Mobile: 30K Users • 23 average logins per month • 8K mobile deposits per month 	<ul style="list-style-type: none"> • Domestic Wires <ul style="list-style-type: none"> • # Originated: 37K Items (\$11.2B) • # Received: 37K Items (\$18.2B)
<ul style="list-style-type: none"> • Business: 9.9K Users <ul style="list-style-type: none"> • 13% use ACH/Wire/Positive Pay 	<ul style="list-style-type: none"> • International Wires <ul style="list-style-type: none"> • # Originated: 1K Items (\$43.67M) • # Received: 243 Items (\$4.4M)
<ul style="list-style-type: none"> • Total ATMS: 124 + 25,000 MoneyPass ATMs 	
➤ Total Debit Cards <ul style="list-style-type: none"> • 146K active cards • 2.5M monthly card swipes • \$100M in monthly volume 	➤ Commercial Remote Deposit Capture <ul style="list-style-type: none"> • 498 businesses using solution • 135K deposits annually • 1.6M items deposited annually • \$3.1B in total deposits

3rd Quarter 2017 Financial Highlights

- ▶ Earnings Per Share of \$.50
- ▶ \$24.4 Million of Net Income, a 15.7% Increase over 3Q2016
- ▶ Includes \$7.9 Million in Acquisition Expenses, or \$.11 Per Share
- ▶ Total Assets of \$9.0 Billion, Grew by 28.9% over 3Q2016
- ▶ \$16.62 Tangible Book Value Per Share, a 6.5% Annualized Increase from December 31, 2016



3rd Quarter 2017 Performance Highlights

- Winning Market Strategy Delivering Consistent Organic Growth:
 - Organic Loan Growth of \$145 Million, a 9.2% Annualized Growth Rate
 - Organic Non-Brokered Deposit Growth of \$75 Million, a 4.6% Annualized Growth Rate
- Grew Net-Interest Income to \$74.4 Million, a 29% Increase over 3Q2016
- Completed Acquisition of Independent Alliance Banks, Inc. on July 14, 2017
- Completed Integration of The Arlington Bank on August 18, 2017



Total Assets

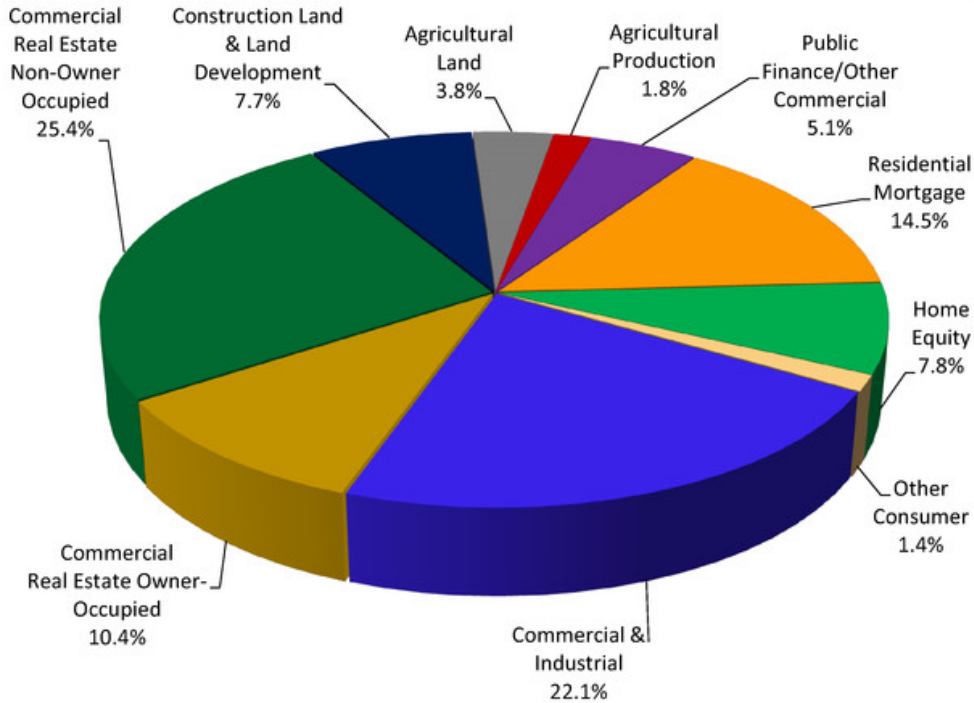
	<u>2015</u>	<u>2016</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Investments	\$1,277	\$1,305	\$1,327	\$1,343	\$1,469
2. Loans Held for Sale	10	3	1	4	5
3. Loans	4,694	5,140	5,275	5,613	6,483
4. Allowance	(62)	(66)	(68)	(70)	(73)
5. Goodwill & Intangibles	260	259	258	310	479
6. BOLI	201	202	203	200	222
7. Other	<u>381</u>	<u>369</u>	<u>330</u>	<u>405</u>	<u>464</u>
8. Total Assets	<u>\$6,761</u>	<u>\$7,212</u>	<u>\$7,326</u>	<u>\$7,805</u>	<u>\$9,049</u>
Annualized Asset Growth		6.7%			34.0%*

*Annualized from 12.31.2016

Loan and Yield Detail

(as of 9/30/2017)

QTD Yield = 4.81%
 YTD Yield = 4.70%
 Total Loans = \$6.5 Billion



CRE Loan Concentration

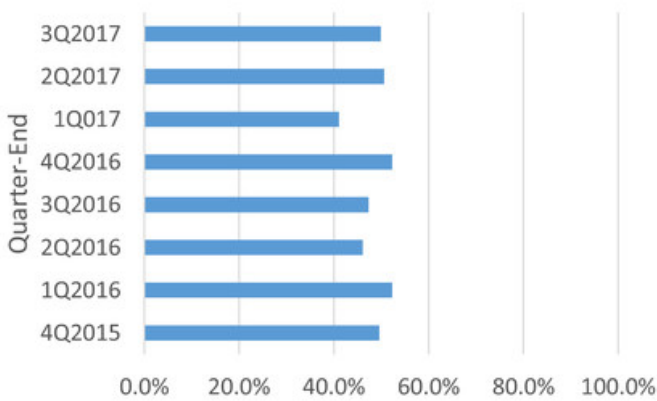
First Merchants Results in Relation to FDIC Guidelines

FDIC GUIDELINES TO IDENTIFY INSTITUTIONS POTENTIALLY EXPOSED TO CRE RISK:

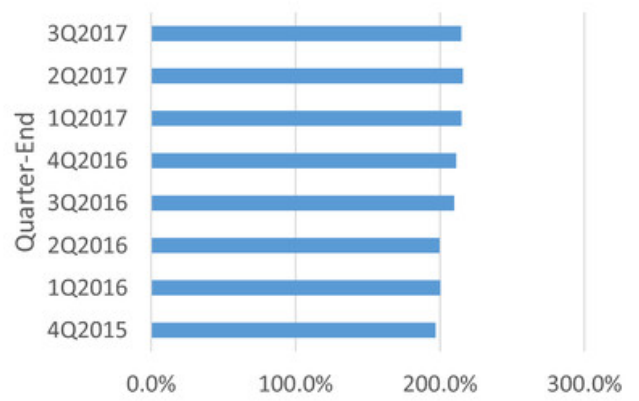
Guideline 1: Total loans for construction, land development, and other land representing 100% or more of total capital

Guideline 2: Total CRE loans representing 300% or more of total capital AND a CRE portfolio that has increased 50% or more during the prior 36 months

GUIDELINE #1

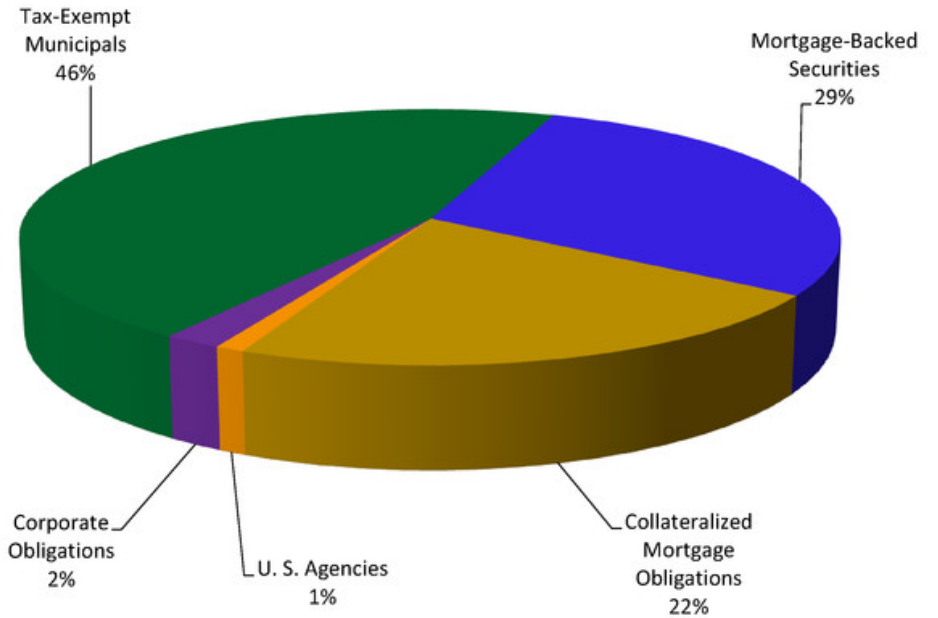


GUIDELINE #2



Investment Portfolio

(as of 9/30/2017)



- \$1.5 Billion Portfolio
- Modified duration of 4.9 years
- Tax equivalent yield of 3.88%
- Net unrealized gain of \$23.4 Million

Total Liabilities and Capital

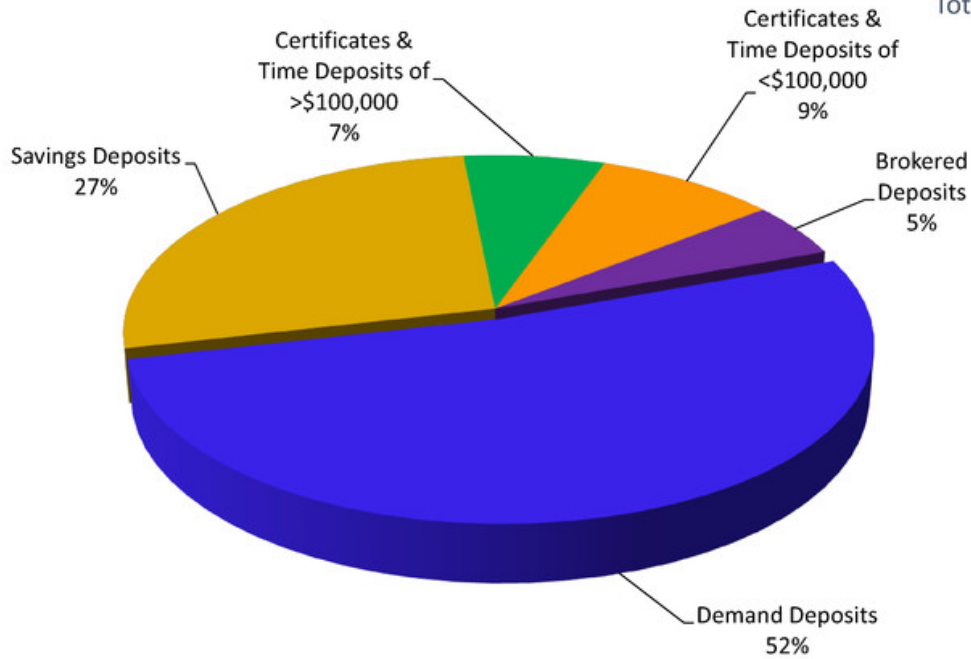
(\$ in Millions)

	<u>2015</u>	<u>2016</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Customer Non-Maturity Deposits	\$4,096	\$4,428	\$4,426	\$4,724	\$5,448
2. Customer Time Deposits	880	747	789	875	1,088
3. Brokered Deposits	314	381	420	418	375
4. Borrowings	446	572	587	581	656
5. Other Liabilities	51	60	53	49	66
6. Hybrid Capital	123	122	122	123	133
7. Common Equity	<u>851</u>	<u>902</u>	<u>929</u>	<u>1,035</u>	<u>1,283</u>
8. Total Liabilities and Capital	<u>\$6,761</u>	<u>\$7,212</u>	<u>\$7,326</u>	<u>\$7,805</u>	<u>\$9,049</u>

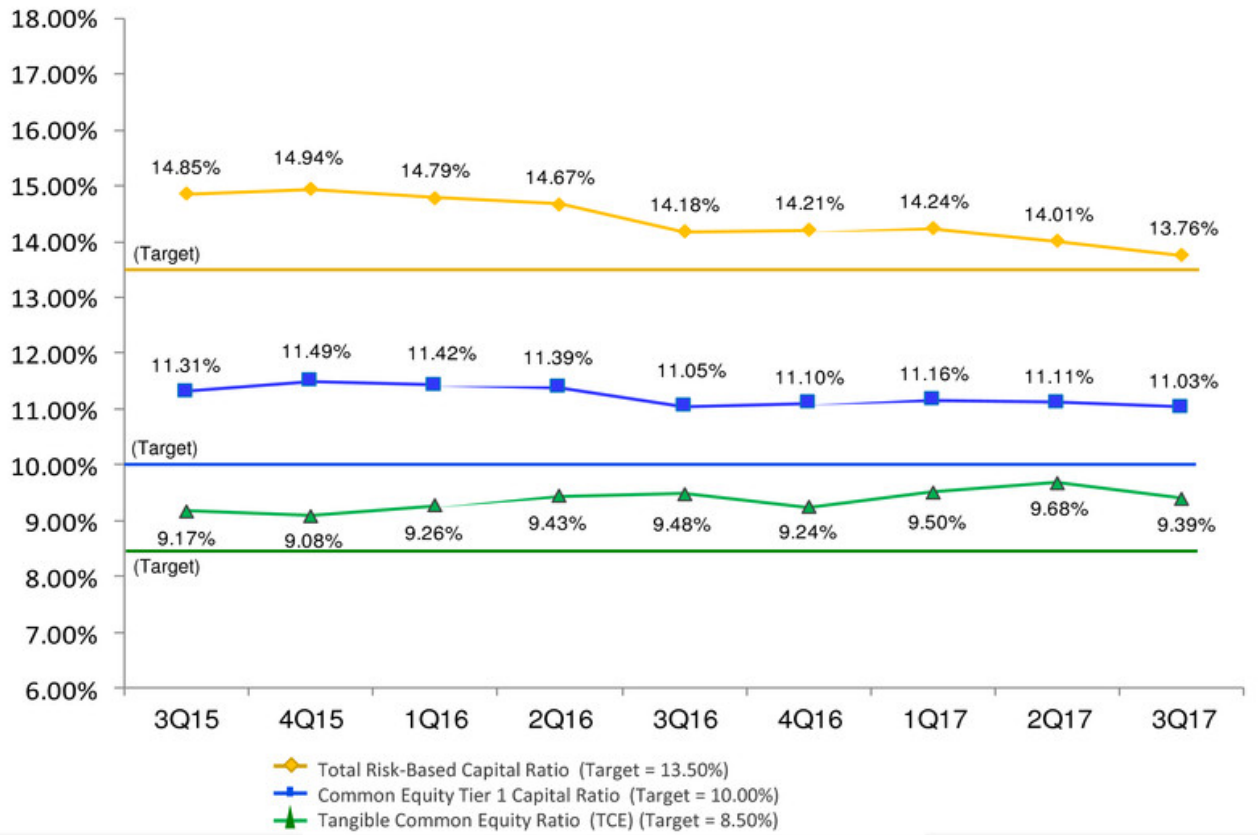
Deposit Detail

(as of 9/30/2017)

QTD Cost	=	.52%
YTD Cost	=	.46%
Total	=	\$6.9 Billion



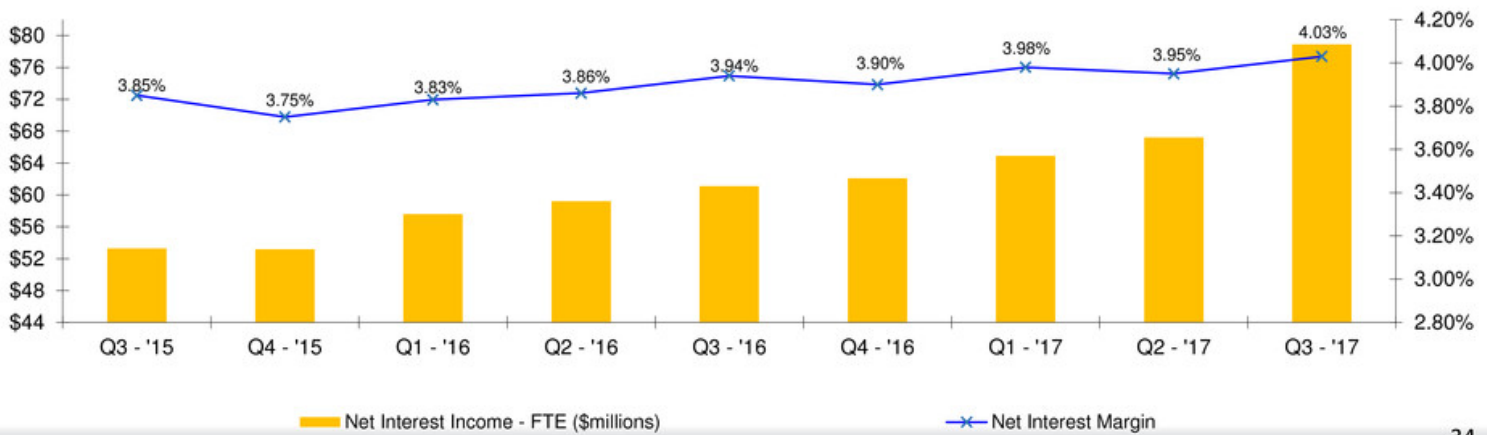
Capital Ratios



Net Interest Margin

NET INTEREST MARGIN

	<u>Q3 - '15</u>	<u>Q4 - '15</u>	<u>Q1 - '16</u>	<u>Q2 - '16</u>	<u>Q3 - '16</u>	<u>Q4 - '16</u>	<u>Q1 - '17</u>	<u>Q2 - '17</u>	<u>Q3 - '17</u>
Net Interest Income - FTE (\$millions)	\$ 53.3	\$ 53.2	\$ 57.6	\$ 59.2	\$ 61.1	\$ 62.1	\$ 64.9	\$ 67.2	\$ 78.9
Fair Value Accretion	\$ 2.0	\$ 1.9	\$ 2.5	\$ 3.2	\$ 3.8	\$ 2.9	\$ 4.3	\$ 2.3	\$ 3.2
Tax Equivalent Yield on Earning Assets	4.30%	4.20%	4.28%	4.30%	4.37%	4.32%	4.42%	4.44%	4.56%
Cost of Supporting Liabilities	0.45%	0.45%	0.45%	0.44%	0.43%	0.42%	0.44%	0.49%	0.53%
Net Interest Margin	3.85%	3.75%	3.83%	3.86%	3.94%	3.90%	3.98%	3.95%	4.03%
Fair Value Accretion Effect	0.14%	0.13%	0.17%	0.21%	0.24%	0.18%	0.26%	0.14%	0.17%

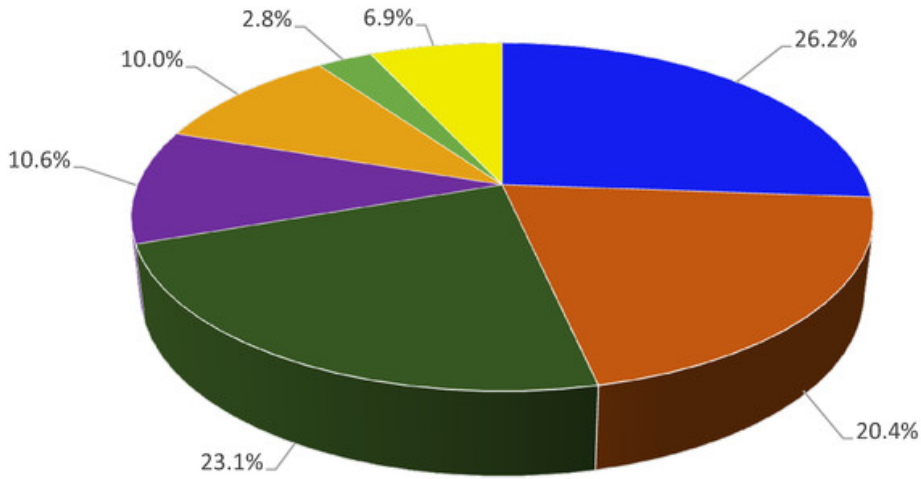


Non-Interest Income

(\$ in Millions)	<u>2015</u>	<u>2016</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Service Charges on Deposit Accounts	\$16.2	\$17.8	\$ 4.2	\$ 4.4	\$ 5.0
2. Wealth Management Fees	11.3	12.6	3.4	3.4	3.8
3. Insurance Commission Income	4.1	–	–	–	–
4. Card Payment Fees	13.4	15.0	3.7	4.2	4.1
5. Cash Surrender Value of Life Ins	2.9	4.3	0.9	3.0	1.6
6. Gains on Sales Mortgage Loans	6.5	7.1	1.3	1.6	2.3
7. Securities Gains/Losses	2.7	3.4	0.6	0.6	0.3
8. Gain on Sale of Insurance Subsidiary	8.3	–	–	–	–
9. Gain on Cancellation of Trust Preferred Debt	1.3	–	–	–	–
10. Other	<u>3.1</u>	<u>5.0</u>	<u>0.8</u>	<u>1.2</u>	<u>1.6</u>
11. Total	<u>\$69.8</u>	<u>\$65.2</u>	<u>\$14.9</u>	<u>\$18.4</u>	<u>\$18.7</u>

Non-Interest Income YTD 9/30/2017

(\$ in Millions)



- Service Charges on Deposit Accounts - \$13.6
- Wealth Management Fees - \$10.6
- Card Payment Fees - \$12.0
- Cash Surrender Value of Life Ins - \$5.5
- Gains on Sales Mortgage Loans - \$5.2
- Securities Gains/Losses - \$1.5
- Other - \$3.6
- Total - \$52.0

Private Wealth Advisors

Delivers broad advisory capabilities and expertise through local, engaged and empowered leaders

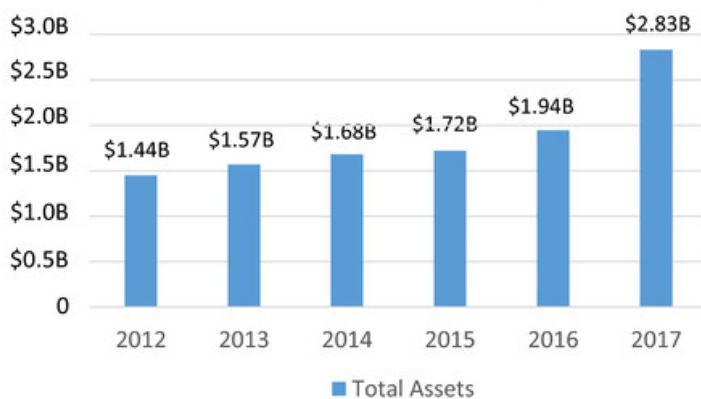
Business lines include:

- Investment Management – Personal and Institutional
- Retirement Plan Services
- Trust Administration
- Private Banking
- Retail Brokerage (not reflected below)

Record quarterly revenue and assets under management

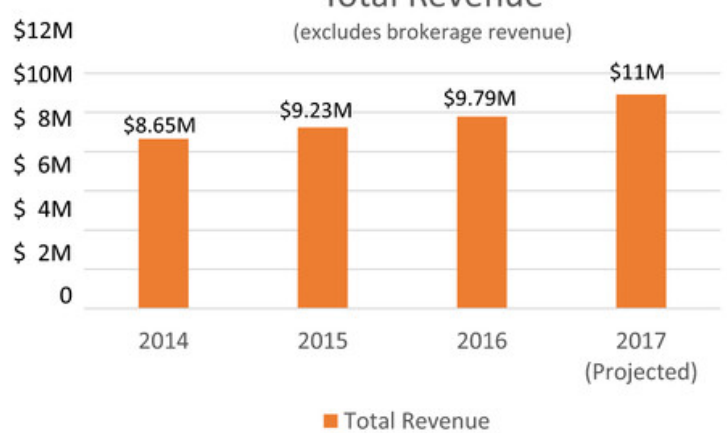
- Key contributor to pre-tax income
- Double-digit growth in Investment Management/Agency and IRAs in 2017
- Average Individual/Family relationship over \$1.3mm
- Average Retirement Plan over \$2.4mm
- Personal Trust/Fiduciary represents over 36% of total assets under management

Total Assets under Management



Total Revenue

(excludes brokerage revenue)

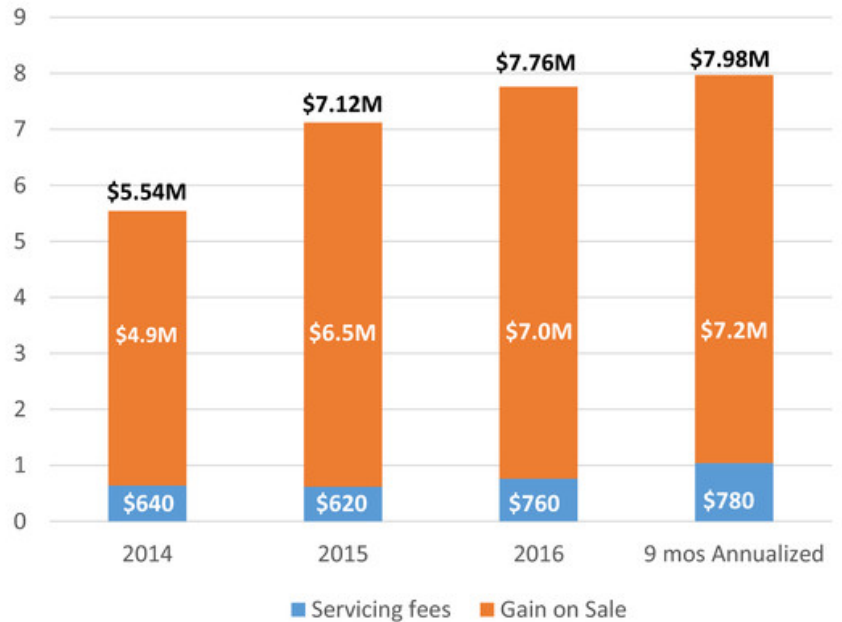


Mortgage Banking

Key component of Fee Income

- Mortgage Production for sale and portfolio via commissioned and salaried loan originators
- Strong loan origination teams in high-growth areas of Indianapolis and Columbus, OH
- Centralized underwriting and processing
- Strong connectivity with retail branches
- Majority of the pipeline is driven by purchase business
- 9/30/2017 YTD 1,555 mortgages for \$278M in volume

Mortgage Banking Revenue



Non-Interest Expense

(\$ in Millions)	<u>2015</u>	<u>2016</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Salary & Benefits	\$101.9	\$102.6	\$ 25.7	\$ 27.1	\$ 33.2
2. Premises & Equipment	25.5	29.5	7.0	6.9	7.9
3. Intangible Asset Amortization	2.8	3.9	0.9	1.0	1.7
4. Professional & Other Outside Services	9.9	6.5	1.7	3.3	5.8
5. OREO/Credit-Related Expense	3.9	2.9	0.5	0.7	0.3
6. FDIC Expense	3.7	3.0	0.6	0.6	0.7
7. Outside Data Processing	7.1	9.2	2.6	3.1	3.2
8. Marketing	3.5	3.0	0.6	0.8	1.0
9. Other	<u>16.5</u>	<u>16.7</u>	<u>3.5</u>	<u>3.8</u>	<u>4.9</u>
10. Non-Interest Expense	<u>\$174.8</u>	<u>\$177.3</u>	<u>\$43.1*</u>	<u>\$47.3*</u>	<u>\$58.7*</u>

*Includes acquisition-related expenses of \$0.4 in Q1-'17; \$2.5 in Q2-'17; and \$7.9 in Q3-'17

Earnings

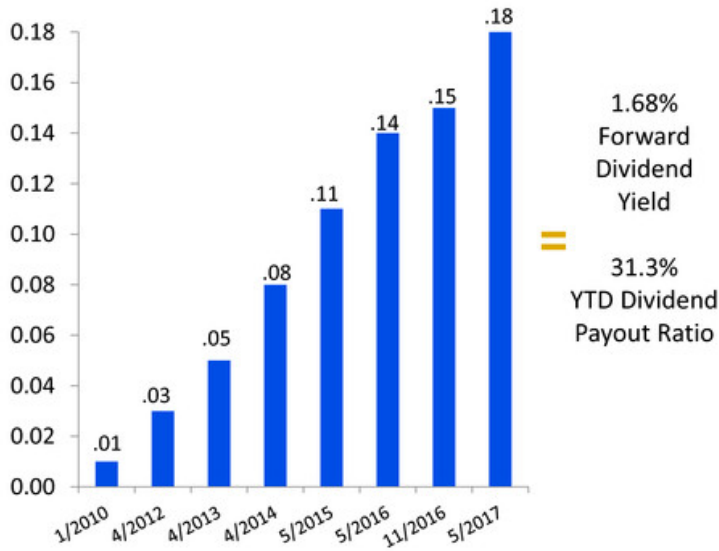
(\$ in Millions)	<u>2015</u>	<u>2016</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Net Interest Income	\$196.4	\$226.5	\$ 61.0	\$ 63.1	\$ 74.4
2. Provision for Loan Losses	<u>(0.4)</u>	<u>(5.7)</u>	<u>(2.4)</u>	<u>(2.9)</u>	<u>(2.1)</u>
3. Net Interest Income after Provision	196.0	220.8	58.6	60.2	72.3
4. Non-Interest Income	69.8	65.2	14.9	18.4	18.7
5. Non-Interest Expense	<u>(174.8)</u>	<u>(177.3)</u>	<u>(43.1)</u>	<u>(47.3)</u>	<u>(58.7)</u>
6. Income before Income Taxes	91.0	108.7	30.4	31.3	32.3
7. Income Tax Expense	<u>(25.6)</u>	<u>(27.6)</u>	<u>(7.2)</u>	<u>(7.2)</u>	<u>(7.9)</u>
8. Net Income Avail. for Distribution	<u>\$ 65.4</u>	<u>\$ 81.1</u>	<u>\$ 23.2</u>	<u>\$ 24.1</u>	<u>\$ 24.4</u>
9. EPS	\$ 1.72	\$ 1.98	\$ 0.56	\$ 0.57	\$ 0.50
10. Efficiency Ratio	61.19%	56.51%	52.61%	53.61%	58.30%

Per Share Results

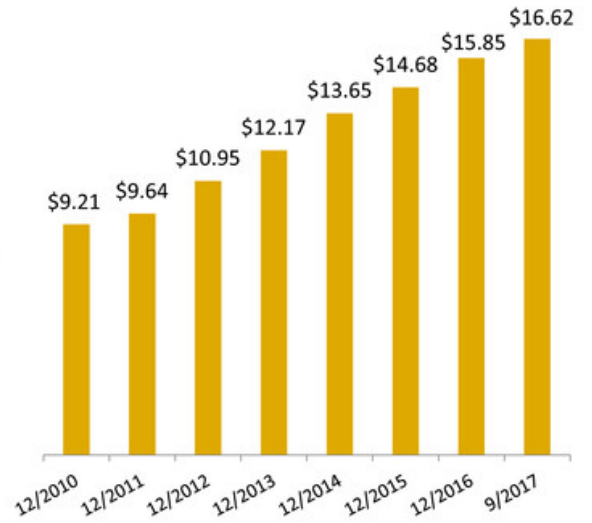
<u>2016</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Earnings Per Share	\$.43	\$.49	\$.51	\$.55	\$ 1.98
2. Dividends	\$.11	\$.14	\$.14	\$.15	\$.54
3. Tangible Book Value	\$15.02	\$15.53	\$15.86	\$15.85	
<u>2017</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Earnings Per Share	\$.56	\$.57	\$.50	–	\$ 1.63
2. Dividends	\$.15	.18	.18	–	\$.51
3. Tangible Book Value	\$16.49	\$16.97	\$16.62	–	

Dividends and Tangible Book Value

Quarterly Dividends



Tangible Book Value



Asset Quality Summary

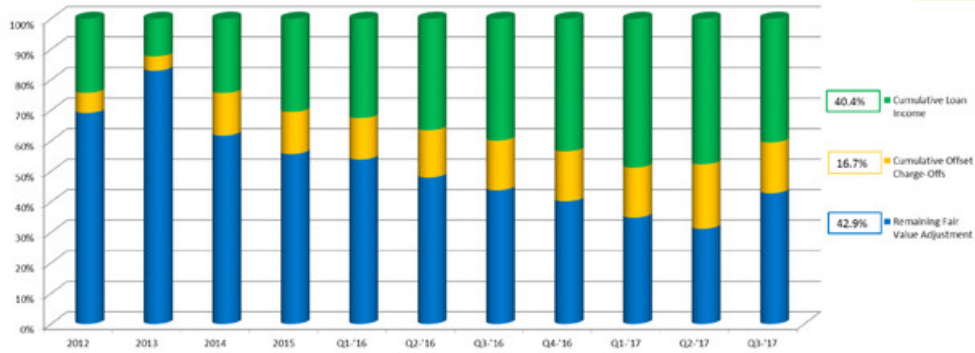
(\$ in Millions)

	2015	2016	Q1-'17	Q2-'17	Q3-'17 ¹	iAB	FMB	Change Linked Quarter		
							Q3-'17	\$ ¹	\$	%
1. Non-Accrual Loans	\$ 31.4	\$ 30.0	\$ 27.9	\$ 27.4	\$ 26.8	\$ 5.5	\$ 32.3	\$ (0.6)	\$ 4.9	17.9%
2. Other Real Estate	17.3	9.0	8.3	11.9	11.9	-	11.9	-	-	0.0%
3. Renegotiated Loans	1.9	4.7	0.9	0.4	0.6	-	0.6	0.2	0.2	50.0%
4. 90+ Days Delinquent Loans	0.9	0.1	0.1	0.6	0.3	0.1	0.4	(0.3)	(0.2)	(33.3%)
5. Total NPAs & 90+ Days Delinquent	\$ 51.5	\$ 43.8	\$ 37.2	\$ 40.3	\$ 39.6	\$ 5.6	\$ 45.2	\$ (0.7)	\$ 4.9	12.2%
6. Total NPAs & 90+ Days/Loans & ORE	1.1%	0.9%	0.7%	0.7%	0.7%	0.8%	0.7%			
7. Classified Assets	\$ 171.8	\$ 174.1	\$ 173.9	\$ 148.8	\$ 127.2	\$ 42.4	\$ 169.6	\$ (21.6)	\$ 20.8	14.0%
8. Specific Reserves	\$ 1.8	\$ 0.9	\$ 1.2	\$ 1.2	\$ 1.8		\$ 1.8	\$ 0.6	\$ 0.6	50.0%

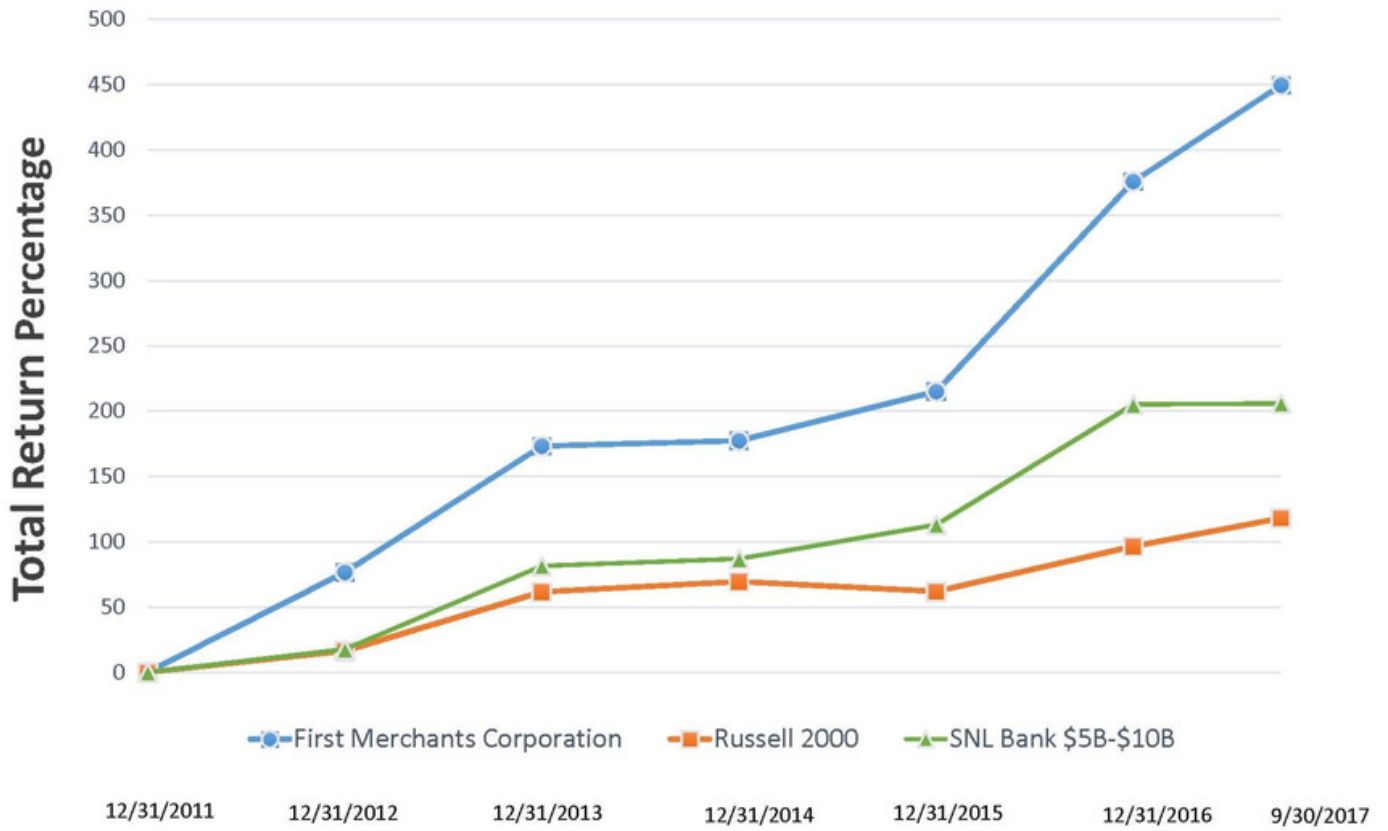
¹ Excludes acquired iAB loans

ALLL and Fair Value Summary

(\$ in Millions)	<u>Q4-'16</u>	<u>Q1-'17</u>	<u>Q2-'17</u>	<u>Q3-'17</u>
1. Beginning Allowance for Loan Losses (ALLL)	\$ 63.5	\$ 66.0	\$ 68.2	\$ 70.5
2. Net Charge-offs (Recoveries)	(0.1)	0.2	0.6	(0.8)
3. Provision Expense	<u>2.4</u>	<u>2.4</u>	<u>2.9</u>	<u>2.1</u>
4. Ending Allowance for Loan Losses (ALLL)	66.0	68.2	70.5	73.4
<hr/>				
5. ALLL/Non-Accrual Loans	220.1%	244.4%	257.7%	227.4%
6. ALLL/Non-Purchased Loans	1.47%	1.46%	1.45%	1.44%
7. ALLL/Loans	1.28%	1.29%	1.25%	1.13%
<hr/>				
8. Fair Value Adjustment (FVA)	\$ 34.9	\$ 30.6	\$ 29.7	\$ 50.4
9. Total ALLL plus FVA	100.9	98.8	100.2	123.8
10. Purchased Loans plus FVA	700.4	639.3	792.6	1,445.8
11. FVA/Purchased Loans plus FVA	4.99%	4.79%	3.74%	3.49%



Total Return Performance



Looking Forward . . .

- Complete Independent Alliance Bank integration and gain synergies and market expansion opportunities that Arlington Bank and Independent Alliance Bank acquisitions offer; continue to evaluate M&A opportunities for strategic fit
- Win in all our markets, in all lines of business; Commercial and Consumer Lending, Deposit Gathering, Payments, Mortgage, and Private Wealth Management; be the service-driven alternative to super-regional bank competitors
- Expand specialty finance businesses in asset-based lending, sponsor finance, and public finance
- Leverage asset-sensitive balance sheet as interest rates rise
- Complete checking account migration to new product set and streamline front and back-office processes; continue implementation of workflow technologies and automation agents for back-office efficiency and operating leverage
- Persistently focus on banking center optimization in alignment with digital channels migration
- Prepare to successfully cross \$10 Billion asset level

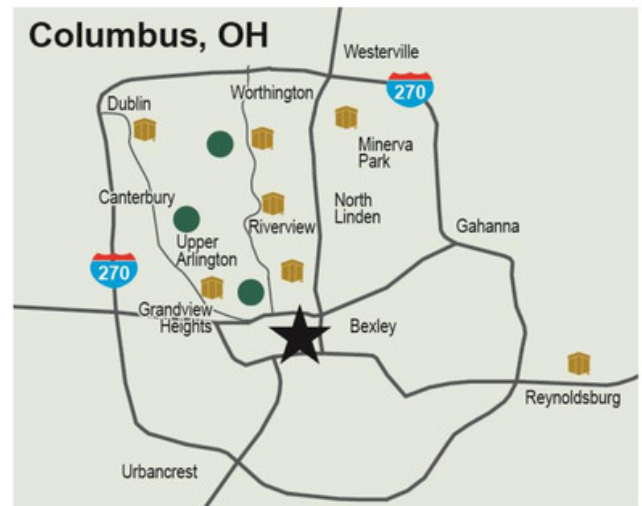
“Responsive, Knowledgeable, High-Performing”

Recent Acquisition Announcements



The Arlington Bank Summary

- Acquisition Completed on May 19, 2017
- Headquartered in Columbus, Ohio
- Founded in 1998
- As of Sept. 30, 2017,
 - \$229 Million in Loans
 - \$249 Million in Deposits
- 3rd Quarter 2017 Integration



The Arlington Bank Transaction Rationale

Strategic Opportunity

- Columbus Ohio Market Expansion
 - Adds Three, Full-Service Banking Centers to our Seven; Creating a Columbus Banking Presence with Nearly \$1 Billion in Loans
 - Banking Centers Average More than \$80 Million in Deposits Per Location of which 92% are Core
 - Improves First Merchants' Deposit Market Position from #12 to #8
 - Columbus is One of the Fastest Growing Cities in the Midwest
 - Arlington Bank is the 9th Largest Originator of Residential Mortgages in the Columbus, Ohio Area
-

Financially Attractive

- Accretive to EPS During 2017
 - Tangible Book Value Earn-Back in Three Years
 - Significant Operating Efficiencies – Approximately 35% in Cost Savings
-

Attractive Risk Profile

- Cultural Fit, Retention of Key Management Members
- Due Diligence Process Completed
- Experienced Acquirer, Core Competency in Integration Processes

Independent Alliance Banks, Inc. Summary

- Acquisition Completed on July 14, 2017
- Headquartered in Fort Wayne, Indiana
- Founded in 2005 in a combination of two 70-year old companies; Grabill Bank and MarkleBank
- As of Sept. 30, 2017,
 - \$719 Million in Loans
 - \$844 Million in Deposits
- 4th Quarter 2017 Integration



*as of February 16, 2017

Independent Alliance Banks, Inc. Transaction Rationale

Strategic Opportunity

- Contiguous Market Expansion
 - Significant Entry into Fort Wayne MSA, Indiana's 2nd Largest MSA, with \$646 Million in Deposits and #5 Market Share Position
 - #1 Market Share in Wells County with Two County Seat Locations
- Market Opportunity
 - Leverage Successful First Merchants Model into Northeast Indiana Markets
 - Diverse Loan Portfolio with Significant Opportunities to Expand
 - Bridge to Significant Markets in North Western Ohio and Southern Michigan

Financially Attractive

- Strong and Growing Core Earnings, Acquisition Accretive to EPS by 2% in 2017 and 5% annually thereafter
- Tangible Book Value Earn Back of 3.75 Years
- Significant and Stable Core Deposits, 91% of Deposits
- Maintains a Healthy Capital Position

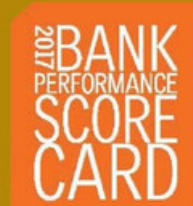
Attractive Risk Profile

- Comprehensive Due Diligence Process Completed
- Cultural Fit and Retention of Key Management Members including Mike Marhenke and Will Thatcher in Leadership Roles
- Experienced Acquirer, Core Competency in Integration Processes

Why Invest in First Merchants?

- Performance Ranked Best among Indiana Banks by Bank Director Magazine
- Attractive and Growing Earnings Stream
- 2nd Largest Indiana Bank with an Energized and Experienced Management Team
- Attractive Long-Term Deposit Market Shares
- Commercial Presence that Creates a Client Preference
- State-of-the-Art Technology and Operations Center
- Successful Acquisition and Integration Track Record
- Focused on Providing Sustainable Shareholder Value

**First Merchants
Ranked 1st
among Indiana
Banks in \$5
Billion to \$50
Billion Category**



Bank Director Magazine

Research Coverage

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Stephens



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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

Investor inquiries:

David L. Ortega

Investor Relations

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First Merchants Corporation

THE STRENGTH OF BIG THE SERVICE OF SMALL

Appendix



NASDAQ: FRME

FIRST MERCHANTS CORPORATION | 200 E. Jackson St., P.O. Box 792, Muncie, IN 47305-2814 | 1.785.747.1500

Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands):

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	766,984	850,509	867,263	887,550	900,865	901,657	929,470	1,035,116	1,283,120
Adjust for Accumulated Other Comprehensive (Income) Loss*	3,614	1,362	(2,066)	(7,035)	(3,924)	13,581	3,722	(1,384)	6,358
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Add: Qualifying Capital Securities	51,827	55,776	55,236	55,296	55,355	55,415	55,474	55,534	65,864
Less: Tier 1 Capital Deductions	(3,418)	(2,516)	(1,999)	(1,828)	(1,440)	(376)	(80)	(166)	-
Less: Disallowed Goodwill and Intangible Assets	(208,749)	(247,006)	(250,367)	(249,932)	(249,541)	(249,104)	(250,493)	(300,307)	(462,080)
Less: Disallowed Deferred Tax Assets	(1,144)	(1,677)	(2,998)	(2,743)	(2,161)	(564)	(320)	(665)	-
Total Tier 1 Capital (Regulatory)	\$ 608,989	\$ 656,323	\$ 664,944	\$ 681,183	\$ 699,029	\$ 720,484	\$ 737,648	\$ 788,003	\$ 893,137
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	62,012	62,453	62,086	62,186	63,456	66,037	68,225	70,471	73,354
Total Risk-Based Capital (Regulatory)	\$ 736,001	\$ 783,776	\$ 792,030	\$ 808,369	\$ 827,485	\$ 851,521	\$ 870,873	\$ 923,474	\$ 1,031,491
Net Risk-Weighted Assets (Regulatory)	\$ 4,956,737	\$ 5,247,617	\$ 5,355,827	\$ 5,511,557	\$ 5,836,806	\$ 5,993,381	\$ 6,114,112	\$ 6,592,710	\$ 7,497,321
Total Risk-Based Capital Ratio (Regulatory)	14.85%	14.94%	14.79%	14.67%	14.18%	14.21%	14.24%	14.01%	13.76%
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	\$ 608,989	\$ 656,323	\$ 664,944	\$ 681,183	\$ 699,029	\$ 720,484	\$ 737,648	\$ 788,003	\$ 893,137
Less: Qualified Capital Securities	(51,827)	(55,776)	(55,236)	(55,296)	(55,355)	(55,415)	(55,474)	(55,534)	(65,864)
Add: Additional Tier 1 Capital Deductions	3,418	2,516	1,999	1,828	1,440	376	80	166	-
Common Equity Tier 1 Capital (Regulatory)	\$ 560,580	\$ 603,063	\$ 611,707	\$ 627,715	\$ 645,114	\$ 665,445	\$ 682,254	\$ 732,635	\$ 827,273
Net Risk-Weighted Assets (Regulatory)	\$ 4,956,737	\$ 5,247,617	\$ 5,355,827	\$ 5,511,557	\$ 5,836,806	\$ 5,993,381	\$ 6,114,112	\$ 6,592,710	\$ 7,497,321
Common Equity Tier 1 Capital Ratio (Regulatory)	11.31%	11.49%	11.42%	11.39%	11.05%	11.10%	11.16%	11.11%	11.03%

* 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):

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total Stockholders' Equity (GAAP)	\$ 766,984	\$ 850,509	\$ 867,263	\$ 887,550	\$ 900,865	\$ 901,657	\$ 929,470	\$ 1,035,116	\$ 1,283,120
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(219,503)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)	(257,963)	(309,686)	(478,558)
Tangible Common Equity (non-GAAP)	\$ 547,356	\$ 590,620	\$ 605,339	\$ 626,603	\$ 640,896	\$ 642,666	\$ 671,382	\$ 725,305	\$ 804,437
Total Assets (GAAP)	\$ 6,189,797	\$ 6,761,003	\$ 6,798,539	\$ 6,906,418	\$ 7,022,352	\$ 7,211,611	\$ 7,326,193	\$ 7,805,029	\$ 9,049,403
Less: Intangible Assets	(219,503)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)	(257,963)	(309,686)	(478,558)
Tangible Assets (non-GAAP)	\$ 5,970,294	\$ 6,501,239	\$ 6,536,740	\$ 6,645,596	\$ 6,762,508	\$ 6,952,745	\$ 7,068,230	\$ 7,495,343	\$ 8,570,845
Tangible Common Equity Ratio (non-GAAP)	9.17%	9.08%	9.26%	9.43%	9.48%	9.24%	9.50%	9.68%	9.39%

TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total Stockholders' Equity (GAAP)	\$ 454,408	\$ 514,467	\$ 552,236	\$ 634,923	\$ 726,827	\$ 850,509	\$ 867,263	\$ 887,550	\$ 900,865	\$ 901,657	\$ 929,470	\$ 1,035,116	\$ 1,283,120
Less: Preferred Stock	(67,880)	(90,783)	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(154,019)	(150,471)	(149,529)	(202,767)	(218,755)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)	(257,963)	(309,686)	(478,558)
Tax Benefit	2,907	2,224	2,249	4,973	6,085	6,278	6,753	6,453	6,204	5,930	5,659	6,941	12,510
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 235,416	\$ 275,437	\$ 314,048	\$ 437,004	\$ 514,032	\$ 596,898	\$ 612,092	\$ 633,056	\$ 647,100	\$ 648,596	\$ 677,041	\$ 732,246	\$ 816,947
Shares Outstanding	25,574,251	28,559,707	28,692,616	35,921,761	37,669,948	40,664,258	40,749,340	40,772,896	40,799,025	40,912,697	41,047,543	43,153,509	49,140,594
Tangible Common Equity per Share (non-GAAP)	\$ 9.21	\$ 9.64	\$ 10.95	\$ 12.17	\$ 13.65	\$ 14.68	\$ 15.02	\$ 15.53	\$ 15.86	\$ 15.85	\$ 16.49	\$ 16.97	\$ 16.62

Appendix – Non-GAAP Reconciliation

EFFICIENCY RATIO (dollars in thousands):

	2015	2016	1Q17	2Q17	3Q17
Non Interest Expense (GAAP)	\$ 174,806	\$ 177,359	\$ 43,099	\$ 47,316	\$ 58,708
Less: Intangible Asset Amortization	(2,835)	(3,910)	(903)	(991)	(1,698)
Less: OREO and Foreclosure Expenses	(3,956)	(2,877)	(531)	(731)	(330)
Adjusted Non Interest Expense (non-GAAP)	168,015	170,572	41,665	45,594	56,680
Net Interest Income (GAAP)	196,404	226,473	60,999	63,100	74,420
Plus: Fully Taxable Equivalent Adjustment	10,975	13,541	3,950	4,083	4,472
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	207,379	240,014	64,949	67,183	78,892
Non Interest Income (GAAP)	69,868	65,203	14,846	18,434	18,668
Less: Investment Securities Gains (Losses)	(2,670)	(3,389)	(598)	(567)	(332)
Adjusted Non Interest Income (non-GAAP)	67,198	61,814	14,248	17,867	18,336
Adjusted Revenue (non-GAAP)	274,577	301,828	79,197	85,050	97,228
Efficiency Ratio (non-GAAP)	61.19%	56.51%	52.61%	53.61%	58.30%

FORWARD DIVIDEND YIELD

	3Q17
Most recent quarter's dividend per share	\$ 0.18
Most recent quarter's dividend per share - Annualized	\$ 0.72

Stock Price at 9/30/17	\$ 42.93
Forward Dividend Yield	1.68%

DIVIDEND PAYOUT RATIO

	2017 YTD
Dividends per share	\$ 0.51
Earnings Per Share	\$ 1.63
Dividend Payout Ratio - YTD	31.3%

Appendix – Non-GAAP Reconciliation

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

	4Q2015	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017	3Q2017
Total Risk-Based Capital (Subsidiary Bank Only)								
Total Stockholders' Equity (GAAP)	\$ 927,774	\$ 945,283	\$ 967,099	\$ 972,182	\$ 973,641	\$ 993,130	\$ 1,099,762	\$ 1,384,867
Adjust for Accumulated Other Comprehensive (Income) Loss ¹	(579)	(4,566)	(9,699)	(6,332)	9,701	8,226	3,830	3,170
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	(1,903)	(1,805)	(1,427)	(889)	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(246,558)	(249,919)	(249,484)	(249,093)	(248,656)	(250,047)	(299,859)	(461,632)
Less: Disallowed Deferred Tax Assets	(1,269)	(2,708)	(2,141)	(1,334)	-	-	-	-
Total Tier 1 Capital (Regulatory)	677,340	686,160	704,223	714,409	734,561	751,184	803,608	926,280
Allowance for Loan Losses includible in Tier 2 Capital	62,453	62,086	62,186	63,456	66,037	68,225	70,471	73,354
Total Risk-Based Capital (Regulatory)	\$ 739,793	\$ 748,246	\$ 766,409	\$ 777,865	\$ 800,598	\$ 819,409	\$ 874,079	\$ 999,634
Construction, Land and Land Development Loans	\$ 366,704	\$ 391,621	\$ 352,980	\$ 368,241	\$ 418,703	\$ 336,931	\$ 442,389	\$ 498,862
Concentration as a % of the Bank's Risk-Based Capital	50%	52%	46%	47%	52%	41%	51%	50%
Construction, Land and Land Development Loans	\$ 366,704	\$ 391,621	\$ 352,980	\$ 368,241	\$ 418,703	\$ 336,931	\$ 442,389	\$ 498,862
Investment Real Estate Loans	1,090,573	1,107,288	1,178,660	1,264,304	1,272,415	1,423,792	1,443,576	1,647,797
Total Construction and Investment RE Loans	\$ 1,457,277	\$ 1,498,909	\$ 1,531,640	\$ 1,632,545	\$ 1,691,118	\$ 1,760,723	\$ 1,885,965	\$ 2,146,659
Concentration as a % of the Bank's Risk-Based Capital	197%	200%	200%	210%	211%	215%	216%	215%

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):

	4Q16	1Q17	2Q17	3Q17
Loans Held for Sale (GAAP)	\$ 2,929	\$ 1,262	\$ 4,036	\$ 4,514
Loans (GAAP)	\$ 5,139,645	\$ 5,274,909	\$ 5,613,144	\$ 6,483,448
Total Loans	5,142,574	5,276,171	5,617,180	6,487,962
Less: Purchased Loans	(665,417)	(608,724)	(762,893)	(1,395,368)
Non-Purchased Loans (non-GAAP)	\$ 4,477,157	\$ 4,667,447	\$ 4,854,287	\$ 5,092,594
Allowance for Loan Losses (GAAP)	\$ 66,037	\$ 68,225	\$ 70,471	\$ 73,354
Fair Value Adjustment (FVA) (GAAP)	34,936	30,623	29,664	50,434
Allowance plus FVA (non-GAAP)	\$ 100,973	\$ 98,848	\$ 100,135	\$ 123,788
Purchased Loans	\$ 665,417	\$ 608,724	\$ 762,893	\$ 1,395,368
Fair Value Adjustment (FVA) (GAAP)	34,936	30,623	29,664	50,434
Purchased Loans plus FVA (non-GAAP)	\$ 700,353	\$ 639,347	\$ 792,557	\$ 1,445,802
Allowance as a Percentage of Non-Purchased Loans (non-GAAP)	1.47%	1.46%	1.45%	1.44%
FVA as a Percentage of Purchased Loans plus FVA (non-GAAP)	4.99%	4.79%	3.74%	3.49%

