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Subject Company: The Arlington Bank
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FIRST MERCHANTS CORPORATION

4th Quarter 2016
Earnings Highlights
January 26, 2017

NASDAQ: FRME

Michael C. Rechin
President
Chief Executive Officer

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

John J. Martin
Executive Vice President
Chief Credit Officer

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 the expected timing and benefits of the proposed merger (the “Merger”) between First Merchants Corporation (“First Merchants”) and The Arlington Bank, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other 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 portfolios; and estimates of First Merchants’ risks and future costs and benefits, whether with respect to the Merger or otherwise. 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: the risk that the businesses of First Merchants and The Arlington Bank will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required governmental and shareholder approvals, and the ability to complete the Merger on the expected timeframe; 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. Neither First Merchants nor The Arlington Bank undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation or press release. In addition, First Merchants’ and The Arlington Bank’s past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

Forward-Looking Statements

ADDITIONAL INFORMATION

Communications in this press release do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed merger will be submitted to The Arlington Bank shareholders for their consideration. In connection with the proposed merger, it is expected that The Arlington Bank will provide its shareholders with a Proxy Statement, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS CONCERNING THE PROPOSED TRANSACTION, TOGETHER WITH ALL AMENDMENTS OR SUPPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION.

The Arlington Bank and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of The Arlington Bank in connection with the proposed Merger. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement regarding the proposed merger when it becomes available.

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 2016 Performance

- **Full-Year Highlights**
  - Record Net Income of $81.1 Million, a 24% Increase over 2015
  - Earnings Per Share of $1.98, a 15.1% Increase over 2015; Highest in Company's History
  - Total Assets of $7.2 Billion; Grew by 6.7% over 2015
  - $446 Million of Organic Loan Growth for the Year Reflects a 9.5% Growth Rate
- **4th Quarter Highlights**
  - Net Interest Margin Stays Strong at 3.90%
  - 1.26% Return on Average Assets
  - Efficiency Ratio of 52.18%

"Record Level Results"

Mark K. Hardwick

Executive Vice President
Chief Financial Officer
and Chief Operating Officer

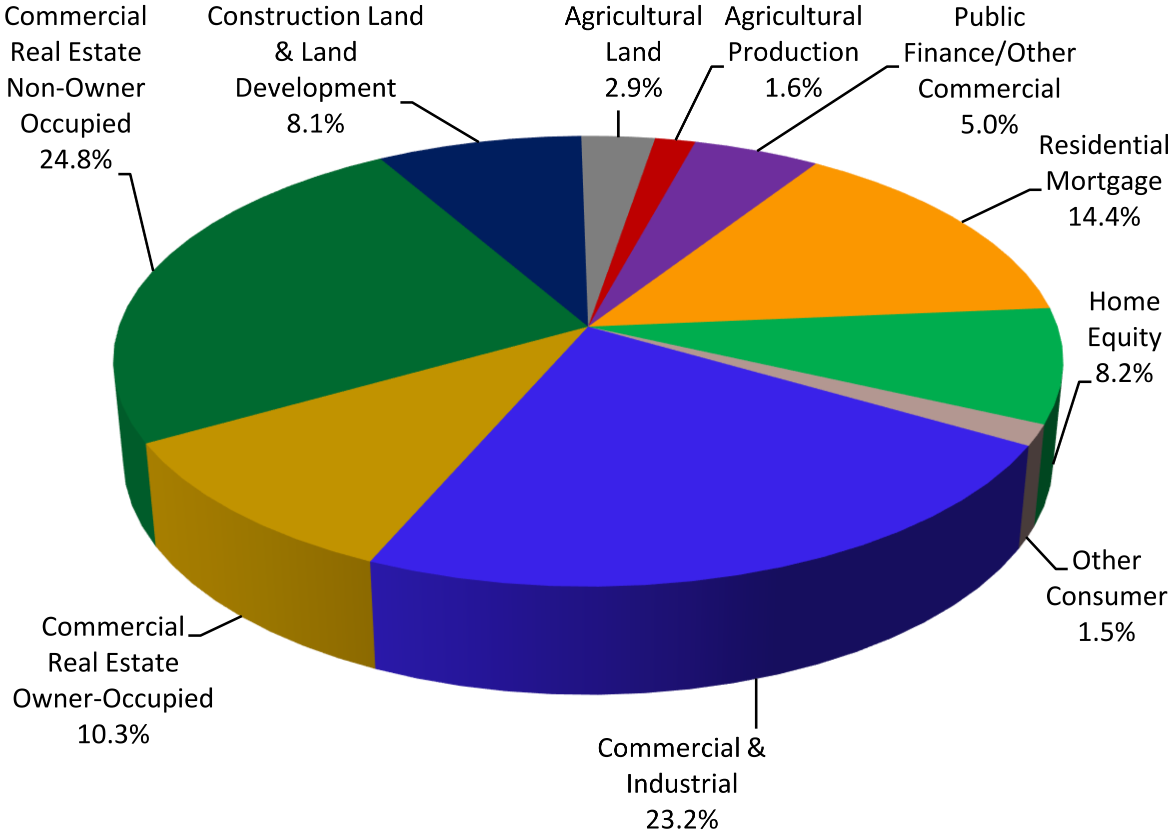
Total Assets

($ in Millions)		2014	2015	2016
1.	Investments	$1,181	$1,277	$1,305
2.	Loans Held for Sale	7	10	3
3.	Loans	3,925	4,694	5,140
4.	Allowance	(64)	(62)	(66)
5.	CD&I & Goodwill	219	260	259
6.	BOLI	169	201	202
7.	Other	387	381	369
8.	Total Assets	$5,824	$6,761	$7,212
	Annualized Asset Growth	7.1%	16.1%	6.7%

Loan and Yield Detail

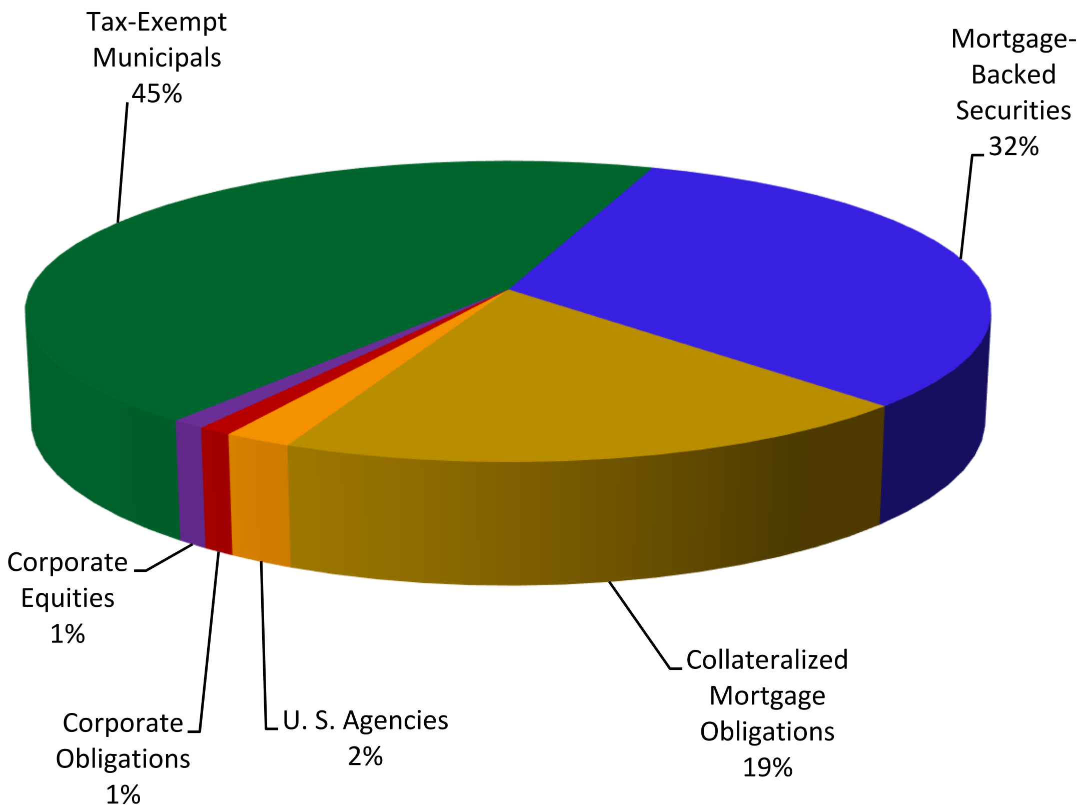
(as of 12/31/2016)

QTD Yield	=	4.56%
YTD Yield	=	4.58%
Total Loans	=	$5.1 Billion



Investment Portfolio

(as of 12/31/2016)



- $1.3 Billion Portfolio
- Modified duration of 4.9 years
- Tax equivalent yield of 3.78%
- Net unrealized gain of $9.1 Million

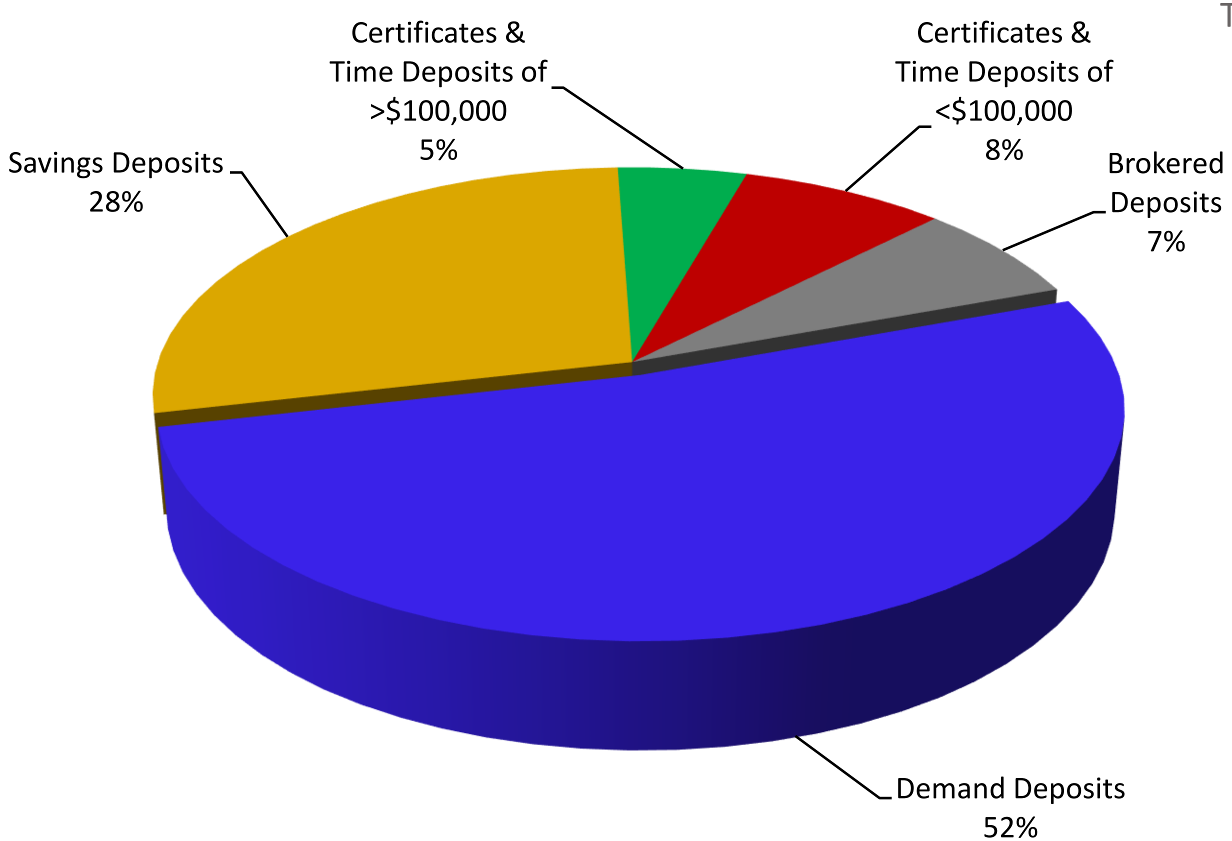
Total Liabilities and Capital

($ in Millions)		2014	2015	2016
1.	Customer Non-Maturity Deposits	$3,523	$4,096	$4,428
2.	Customer Time Deposits	784	880	747
3.	Brokered Deposits	334	314	381
4.	Borrowings	290	446	572
5.	Other Liabilities	44	51	60
6.	Hybrid Capital	122	123	122
7.	Common Equity	727	851	902
8.	Total Liabilities and Capital	$5,824	$6,761	$7,212

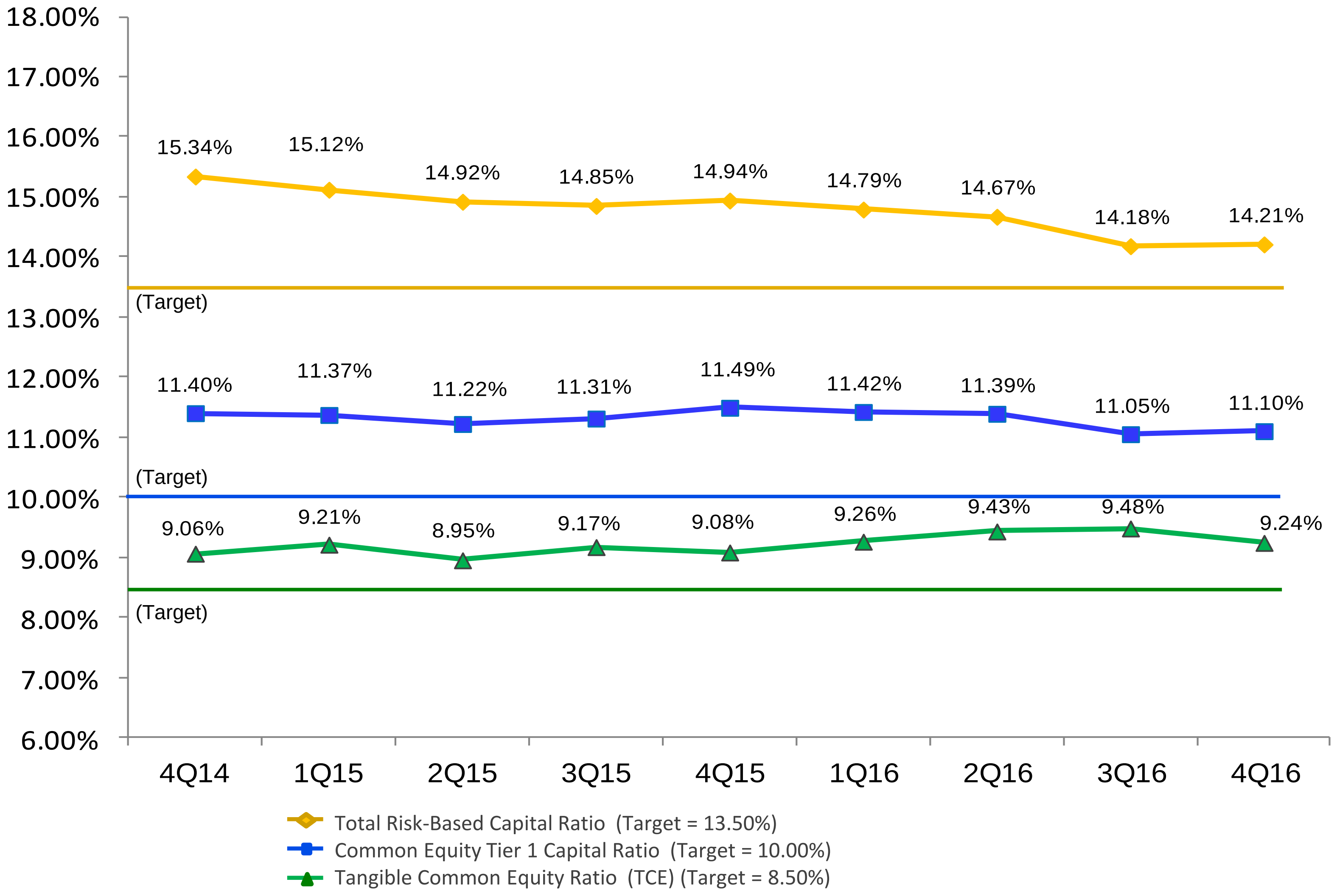
Deposit Detail

(as of 12/31/2016)

QTD Cost	=	.37%
YTD Cost	=	.38%
Total	=	$5.6 Billion



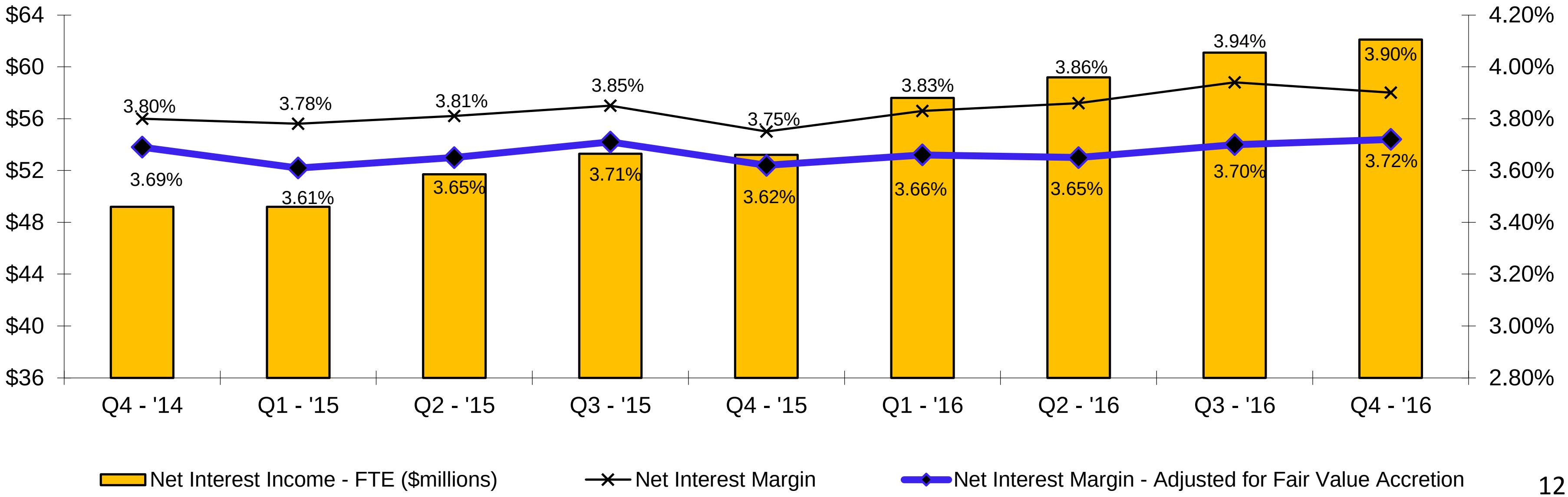
Capital Ratios



Net Interest Margin

($ in Millions)

	Q4 - '14	Q1 - '15	Q2 - '15	Q3 - '15	Q4 - '15	Q1 - '16	Q2 - '16	Q3 - '16	Q4 - '16
Net Interest Income - FTE ($millions)	$ 49.2	$ 49.2	$ 51.7	$ 53.3	$ 53.2	$ 57.6	$ 59.2	$ 61.1	$ 62.1
Fair Value Accretion	$ 1.4	$ 2.2	$ 2.2	$ 2.0	$ 1.9	$ 2.5	$ 3.2	$ 3.8	$ 2.9
Tax Equivalent Yield on Earning Assets	4.26%	4.24%	4.26%	4.30%	4.20%	4.28%	4.30%	4.37%	4.32%
Cost of Supporting Liabilities	0.46%	0.46%	0.45%	0.45%	0.45%	0.45%	0.44%	0.43%	0.42%
Net Interest Margin	3.80%	3.78%	3.81%	3.85%	3.75%	3.83%	3.86%	3.94%	3.90%



Non-Interest Income

	($ in Millions)	2014	2015	2016
1.	Service Charges on Deposit Accounts	$15.7	$16.2	$17.8
2.	Wealth Management Fees	11.7	11.3	12.6
3.	Insurance Commission Income	7.4	4.1	–
4.	Card Payment Fees	11.8	13.4	15.0
5.	Cash Surrender Value of Life Ins	3.7	2.9	4.3
6.	Gains on Sales Mortgage Loans	4.9	6.5	7.1
7.	Securities Gains/Losses	3.6	2.7	3.4
8.	Gain on Sale of Insurance Subsidiary	–	8.3	–
9.	Gain on Cancellation of Trust Preferred Debt	–	1.3	–
10.	Other	3.0	3.1	5.0
11.	Total	$61.8	$69.8	$65.2

Non-Interest Expense

	($ in Millions)	2014	2015	2016
1.	Salary & Benefits	$ 96.5	$101.9	$102.6
2.	Premises & Equipment	23.2	25.5	29.5
3.	Core Deposit Intangible Amortization	2.4	2.8	3.9
4.	Professional & Other Outside Services	8.1	9.9	6.5
5.	OREO/Credit-Related Expense	3.4	3.9	2.9
6.	FDIC Expense	3.7	3.7	3.0
7.	Outside Data Processing	7.3	7.1	9.2
8.	Marketing	3.5	3.5	3.0
9.	Other	15.8	16.5	16.7
10.	Non-Interest Expense	$163.9	$174.8	$177.3

Earnings

($ in Millions)		2014	2015	2016
1.	Net Interest Income	$ 187.0	$ 196.4	$ 226.5
2.	Provision for Loan Losses	(2.6)	(0.4)	(5.7)
3.	**Net Interest Income after Provision**	**184.4**	**196.0**	**220.8**
4.	Non-Interest Income	61.8	69.8	65.2
5.	Non-Interest Expense	(163.9)	(174.8)	(177.3)
6.	**Income before Income Taxes**	**82.3**	**91.0**	**108.7**
7.	Income Tax Expense	(22.1)	(25.6)	(27.6)
8.	**Net Income Avail. for Distribution**	**$ 60.2**	**$ 65.4**	**$ 81.1**
9.	**EPS**	**$ 1.65**	**$ 1.72**	**$ 1.98**
10.	**Efficiency Ratio**	**62.44%**	**61.19%**	**56.51%**

Quarterly Earnings

($ in Millions)		Q1-'16	Q2-'16	Q3-'16	Q4-'16
1.	Net Interest Income	$ 54.5	$ 56.0	$ 57.7	$ 58.3
2.	Provision for Loan Losses	(0.6)	(0.8)	(1.9)	(2.4)
3.	**Net Interest Income after Provision**	**53.9**	**55.2**	**55.8**	**55.9**
4.	Non-Interest Income	15.8	16.4	16.9	16.1
5.	Non-Interest Expense	(46.4)	(44.9)	(44.1)	(41.9)
6.	**Income before Income Taxes**	**23.3**	**26.7**	**28.6**	**30.1**
7.	Income Tax Expense	(5.6)	(6.7)	(7.5)	(7.8)
8.	**Net Income Avail. for Distribution**	**$ 17.7**	**$ 20.0**	**$ 21.1**	**$ 22.3**
9.	**EPS**	**$ 0.43**	**$ 0.49**	**$ 0.51**	**$ 0.55**
10.	**Efficiency Ratio**	**61.78%**	**57.33%**	**55.12%**	**52.18%**

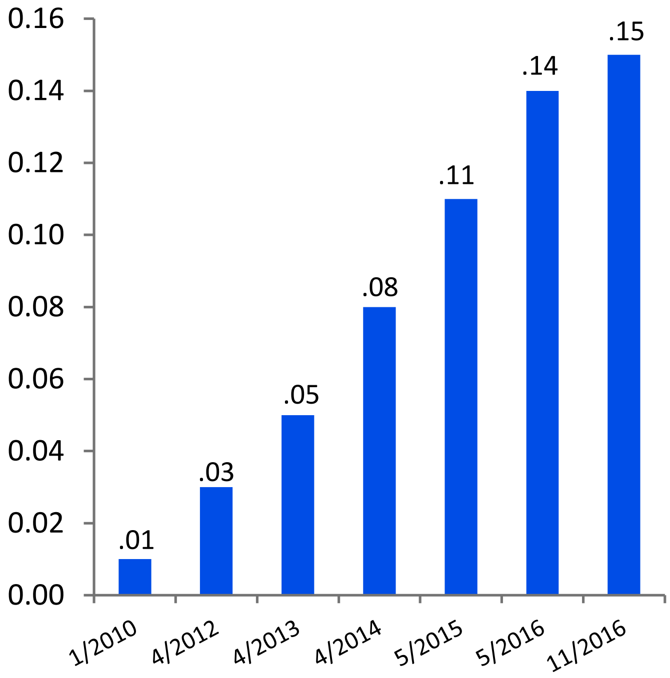
Per Share Results

2015	Q1	Q2	Q3	Q4	Total
1. Earnings Per Share	$ .43	$ .47	$ .45	$ .37	$ 1.72
2. Dividends	$ .08	$ .11	$ .11	$ .11	$ .41
3. Tangible Book Value	$13.96	$14.15	$14.59	$ 14.68	

2016	Q1	Q2	Q3	Q4	Total
1. Earnings Per Share	$ .43	$ .49	$ .51	$ .55	$ 1.98
2. Dividends	$ .11	$ .14	$ .14	$ .15	$ .54
2. Tangible Book Value	$15.02	$15.53	$15.86	$15.85	

Dividends and Tangible Book Value

Quarterly Dividends



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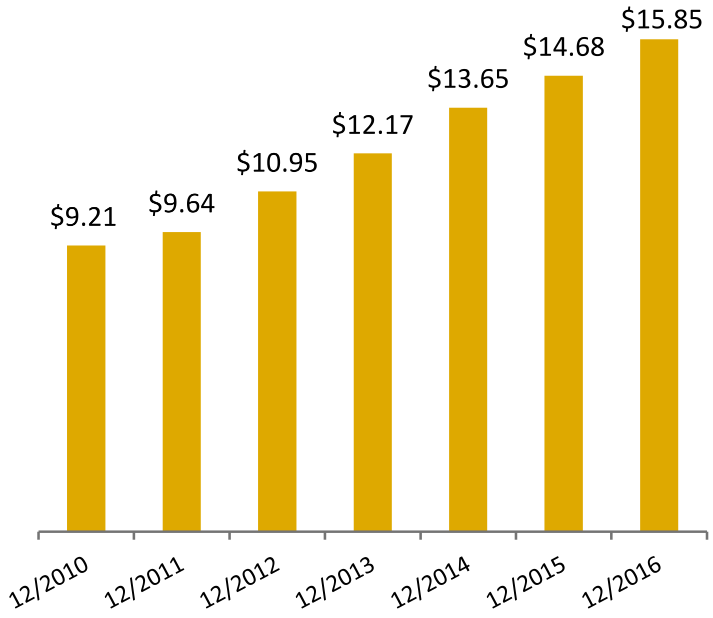
1.59%
Forward
Dividend
Yield

27.3%
Dividend
Payout Ratio

Tangible Book Value



John J. Martin

Executive Vice President
and Chief Credit Officer

Loan Portfolio Trends

($ in Millions)	2014	2015	Q3-'16	2016	Change From Q3-'16 $	Change From Q3-'16 %	Change From 2015 $	Change From 2015 %
1. Commercial & Industrial	$ 897	$ 1,057	$ 1,147	$ 1,195	$ 48	4.2%	$ 138	13.1%
2. Construction, Land and Land Development	207	367	368	419	51	13.9%	52	14.2%
3. CRE Non-Owner Occupied	976	1,090	1,264	1,272	8	0.6%	182	16.7%
4. CRE Owner Occupied	535	554	524	531	7	1.3%	(23)	(4.2%)
5. Agricultural Production	105	98	93	80	(13)	(14.0%)	(18)	(18.4%)
6. Agricultural Land	162	158	153	149	(4)	(2.6%)	(9)	(5.7%)
7. Residential Mortgage	647	786	740	739	(1)	(0.1%)	(47)	(6.0%)
8. Home Equity	287	349	399	419	20	5.0%	70	20.1%
9. Public Finance/Other Commercial	36	160	209	258	49	23.4%	98	61.3%
10. Other Consumer	73	75	77	78	1	1.3%	3	4.0%
11. Total Loans	$ 3,925	$ 4,694	$ 4,974	$ 5,140	$ 166	3.3%	$ 446	9.5%
12. Construction Concentration[1]		49.6%	47.3%	52.3%				
13. Investment RE Concentration[1]		197.0%	209.9%	211.2%				

[1]As a % of Risk Based Capital

Asset Quality Summary

($ in Millions)	2014	2015	Q3-'16	2016	Change From Q3-'16 $	Change From Q3-'16 %	Change From 2015 $	Change From 2015 %
1. Non-Accrual Loans	$ 48.8	$ 31.4	$ 34.1	$ 30.0	$ (4.1)	(12.0%)	$ (1.4)	(4.5%)
2. Other Real Estate	19.3	17.3	10.2	9.0	(1.2)	(11.8%)	(8.3)	(48.0%)
3. Renegotiated Loans	2.0	1.9	4.0	4.7	0.7	17.5%	2.8	147.4%
4. 90+ Days Delinquent Loans	4.6	0.9	1.6	0.1	(1.5)	(93.8%)	(0.8)	(88.9%)
5. **Total NPAs & 90+ Days Delinquent**	**$ 74.7**	**$ 51.5**	**$ 49.9**	**$ 43.8**	**$ (6.1)**	**(12.2%)**	**$ (7.7)**	**(15.0%)**
6. Total NPAs & 90+ Days/Loans & ORE	1.9%	1.1%	1.0%	0.9%				
7. **Classified Assets**	**$ 191.8**	**$ 171.8**	**$ 173.4**	**$ 174.1**	**$ 0.7**	**0.4%**	**$ 2.3**	**1.3%**
8. **Criticized Assets (includes Classified)**	**$ 253.6**	**$ 275.0**	**$ 305.8**	**$ 292.6**	**$ (13.2)**	**(4.3%)**	**$ 17.6**	**6.4%**

Non-Performing Asset Reconciliation

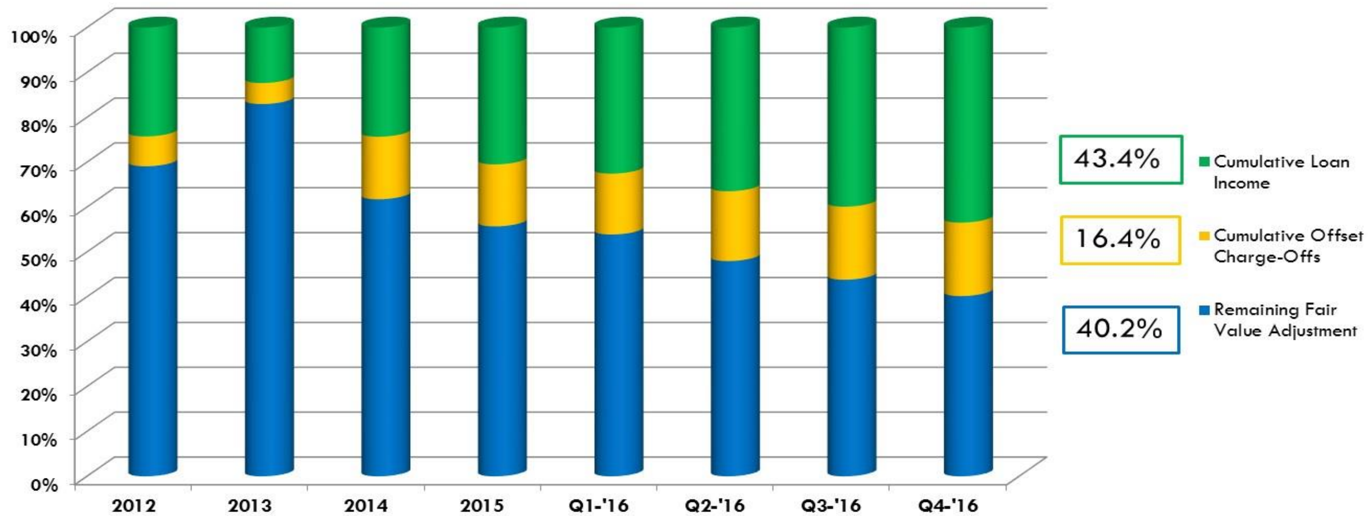
($ in Millions)

		2014	2015	2016
1.	**Beginning Balance NPAs & 90+ Days Delinquent**	**$ 83.0**	**$ 74.7**	**$ 51.5**
	Non-Accrual			
2.	Add: New Non-Accruals	46.8	20.0	24.6
3.	Less: To Accrual/Payoff/Renegotiated	(32.4)	(24.1)	(17.0)
4.	Less: To OREO	(4.6)	(5.0)	(1.6)
5.	Less: Charge-offs	(17.4)	(8.3)	(7.4)
6.	**Increase / (Decrease): Non-Accrual Loans**	**(7.6)**	**(17.4)**	**(1.4)**
	Other Real Estate Owned (ORE)			
7.	Add: New ORE Properties	11.3	10.7	1.6
8.	Less: ORE Sold	(10.2)	(10.3)	(8.2)
9.	Less: ORE Losses (write-downs)	(4.0)	(2.4)	(1.7)
10.	**Increase / (Decrease): ORE**	**(2.9)**	**(2.0)**	**(8.3)**
11.	**Increase / (Decrease): 90+ Days Delinquent**	**3.3**	**(3.7)**	**(0.8)**
12.	**Increase / (Decrease): Renegotiated Loans**	**(1.1)**	**(0.1)**	**2.8**
13.	**Total NPAs & 90+ Days Delinquent Change**	**(8.3)**	**(23.2)**	**(7.7)**
14.	**Ending Balance NPAs & 90+ Days Delinquent**	**$ 74.7**	**$ 51.5**	**$ 43.8**

ALLL and Fair Value Summary

($ in Millions)	Q4-'15	Q1-'16	Q2-'16	Q3-'16	Q4-'16
1. Allowance for Loan Losses (ALLL)	$ 62.5	$ 62.1	$ 62.2	$ 63.5	$ 66.0
2. Fair Value Adjustment (FVA)	47.0	47.1	42.3	37.9	34.9
3. Total ALLL plus FVA	$ 109.5	$ 109.2	$ 104.5	$ 101.4	$ 100.9
4. Specific Reserves	$ 1.8	$ 1.4	$ 2.1	$ 1.6	$ 0.9
5. Purchased Loans plus FVA	965.4	917.6	863.4	771.6	700.4
6. ALLL/Non-Accrual Loans	199.0%	169.1%	185.3%	186.1%	220.1%
7. ALLL/Non-purchased Loans	**1.65%**	**1.62%**	**1.56%**	**1.50%**	**1.47%**
8. ALLL/Loans	1.33%	1.32%	1.29%	1.28%	1.28%
9. ALLL & FVA/Total Loan Balances plus FVA[1]	**2.31%**	**2.29%**	**2.15%**	**2.02%**	**1.95%**

[1] Management uses this Non-GAAP measure to demonstrate coverage and credit risk



Asset Quality & Portfolio Summary

- Strong quarterly and YOY loan growth led by C&I, Public Finance, CRE and Home Equity.

- Construction and CRE portfolios are 52% and 211% of risk-based capital, respectively; well beneath regulatory guidelines.

- Total NPAs & 90 days decreased $39.2 million over the last three years dropping to .9% of loans and ORE.

- Provision expense of $5.7 million exceeded net charge-offs of $2.1 million in order to support loan growth.

- ALLL to non-purchased loans of 1.47%. With fair value adjustments included, the ratio increases to 1.95% on loans.

Michael C. Rechin

President and Chief Executive Officer

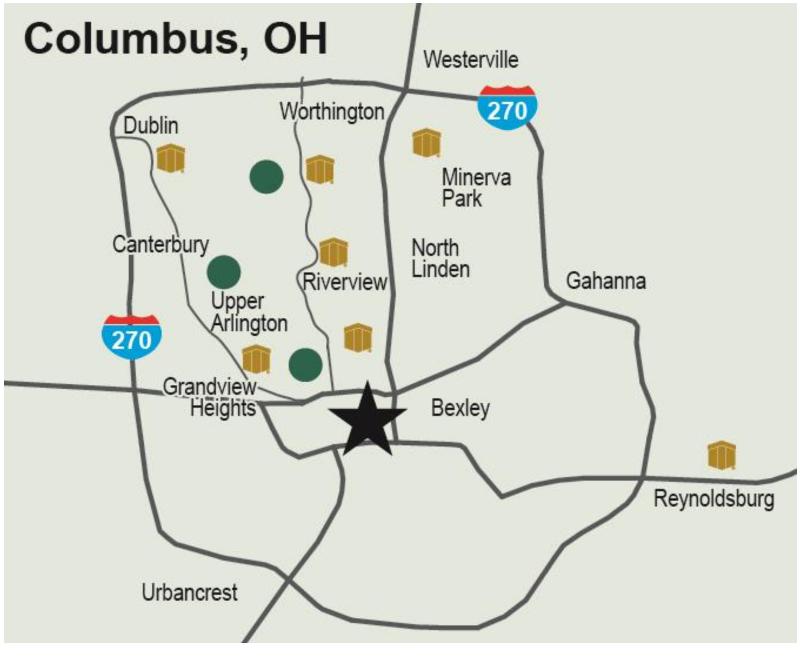
Looking Forward . . .

- Continue to Win in our Markets – Geographic Community-Based Banking Model
- Increase Focus on Treasury Management Services for Deposit and Fee Generation
- Exploit Back-Office Infrastructure for Efficiency and Operating Leverage
- Build Out Specialty Finance Businesses and Lending Verticals
- Persistent Focus on Banking Center Optimization in Alignment with Digital Channels Migration
- Mergers and Acquisitions Continuous Opportunity


The
Arlington Bank
First Merchants
Bank

The Arlington Bank Summary

- Definitive Agreement Signed January 25, 2017
- Headquartered in Columbus, Ohio
- Founded in 1998
- Balance Sheet as of September 30, 2016
  - $305 Million in Assets
  - $244 Million in Loans
  - $260 Million in Deposits
- Income Statement for Nine Months Ending September 30, 2016
  - Net Income of $3.1 Million
  - Net Interest Margin of 3.80%
- Excellent Credit Quality and Highly Profitable
  - NPAs / Assets of 0.67%
  - 1.35% ROAA LTM and 11.93% ROAE LTM



Financial Overview

Transaction Value:	$75.8 Million*
Consideration:	100% Stock with Fixed Exchange Ratio of 2.7245
Required Approvals:	Regulatory and The Arlington Bank Shareholders Voting Agreements for 36.40% of Shares Outstanding
Key Assumptions:	Cost Savings Estimated to be 35%, or $3.5 Million Estimated One-Time Transaction Costs of $6.8 Million Credit and Interest Rate Marks of $7.8 Million
Financial Impact:	Accretive to EPS During 2017 Tangible Book Value Earn-Back in Three Years Minimal Impact to Capital Ratios
Termination Fee:	$3.0 Million
Anticipated Closing:	Mid-Year 2017

*Based on First Merchants' January 24, 2017 closing price of $36.46 Per Share

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

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

Telephone: 765.378.8937

dortega@firstmerchants.com

Appendix

Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands):

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	726,827	739,658	749,955	766,984	850,509	867,263	887,550	900,865	901,657
Adjust for Accumulated Other Comprehensive (Income) Loss [a]	1,630	1,915	6,490	3,614	1,362	(2,066)	(7,035)	(3,924)	13,581
Less: Preferred Stock		(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Add: Qualifying Capital Securities	55,000	56,827	56,827	51,827	55,776	55,236	55,296	55,355	55,415
Less: Tier 1 Capital Deductions		(4,381)	(2,371)	(3,418)	(2,516)	(1,999)	(1,828)	(1,440)	(376)
Less: Disallowed Goodwill and Intangible Assets	(218,755)	(205,818)	(208,980)	(208,749)	(247,006)	(250,367)	(249,932)	(249,541)	(249,104)
Less: Disallowed Servicing Assets	(167)								
Less: Disallowed Deferred Tax Assets		(1,786)	(1,581)	(1,144)	(1,677)	(2,998)	(2,743)	(2,161)	(564)
Total Tier 1 Capital (Regulatory)	$ 564,535	$ 586,290	$ 600,215	$ 608,989	$ 656,323	$ 664,944	$ 681,183	$ 699,029	$ 720,484
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	55,972	58,688	60,865	62,012	62,453	62,086	62,186	63,456	66,037
Total Risk-Based Capital (Regulatory)	$ 685,507	$ 709,978	$ 726,080	$ 736,001	$ 783,776	$ 792,030	$ 808,369	$ 827,485	$ 851,521
Net Risk-Weighted Assets (Regulatory)	$ 4,469,765	$ 4,695,073	$ 4,865,157	$ 4,956,737	$ 5,247,617	$ 5,355,827	$ 5,511,557	$ 5,836,806	$ 5,993,381
Total Risk-Based Capital Ratio (Regulatory)	**15.34%**	**15.12%**	**14.92%**	**14.85%**	**14.94%**	**14.79%**	**14.67%**	**14.18%**	**14.21%**
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	$ 564,535	$ 586,290	$ 600,215	$ 608,989	$ 656,323	$ 664,944	$ 681,183	$ 699,029	$ 720,484
Less: Qualified Capital Securities	(55,000)	(56,827)	(56,827)	(51,827)	(55,776)	(55,236)	(55,296)	(55,355)	(55,415)
Add: Additional Tier 1 Capital Deductions		4,381	2,371	3,418	2,516	1,999	1,828	1,440	376
Less: Preferred Stock	(125)								
Common Equity Tier 1 Capital (Regulatory)	$ 509,410	$ 533,844	$ 545,759	$ 560,580	$ 603,063	$ 611,707	$ 627,715	$ 645,114	$ 665,445
Net Risk-Weighted Assets (Regulatory)	$ 4,469,765	$ 4,695,073	$ 4,865,157	$ 4,956,737	$ 5,247,617	$ 5,355,827	$ 5,511,557	$ 5,836,806	$ 5,993,381
Common Equity Tier 1 Capital Ratio (Regulatory)	**11.40%**	**11.37%**	**11.22%**	**11.31%**	**11.49%**	**11.42%**	**11.39%**	**11.05%**	**11.10%**

[a] 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):

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Stockholders' Equity (GAAP)	$ 726,827	$ 739,658	$ 749,955	$ 766,984	$ 850,509	$ 867,263	$ 887,550	$ 900,865	$ 901,657
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(218,755)	(218,033)	(220,196)	(219,503)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)
Tangible Common Equity (non-GAAP)	$ 507,947	$ 521,500	$ 529,634	$ 547,356	$ 590,620	$ 605,339	$ 626,603	$ 640,896	$ 642,666
Total Assets (GAAP)	$ 5,824,127	$ 5,877,521	$ 6,140,308	$ 6,189,797	$ 6,761,003	$ 6,798,539	$ 6,906,418	$ 7,022,352	$7,211,611
Less: Intangibles Assets	(218,755)	(218,033)	(220,196)	(219,503)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)
Tangible Assets (non-GAAP)	$ 5,605,372	$ 5,659,488	$ 5,920,112	$ 5,970,294	$ 6,501,239	$ 6,536,740	$ 6,645,596	$ 6,762,508	$6,952,745
Tangible Common Equity Ratio (non-GAAP)	**9.06%**	**9.21%**	**8.95%**	**9.17%**	**9.08%**	**9.26%**	**9.43%**	**9.48%**	**9.24%**

TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Stockholders' Equity (GAAP)	$ 454,408	$ 514,467	$ 552,236	$ 634,923	$ 726,827	$ 739,658	$ 749,955	$ 766,984	$ 850,509	$ 867,263	$ 887,550	$ 900,865	$ 901,657
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)	(218,033)	(220,196)	(219,503)	(259,764)	(261,799)	(260,822)	(259,844)	(258,866)
Tax Benefit	2,907	2,224	2,249	4,973	6,085	5,849	5,619	5,388	6,278	6,753	6,453	6,204	5,930
Tangible Common Equity, Net of Tax (non-GAAP	$ 235,416	$ 275,437	$ 314,048	$ 437,004	$ 514,032	$ 527,349	$ 535,253	$ 552,744	$ 596,898	$ 612,092	$ 633,056	$ 647,100	$ 648,596
Shares Outstanding	25,574,251	28,559,707	28,692,616	35,921,761	37,669,948	37,781,488	37,824,649	37,873,921	40,664,258	40,749,340	40,772,896	40,799,025	40,912,697
Tangible Common Equity per Share (non-GAAP)	**$ 9.21**	**$ 9.64**	**$ 10.95**	**$ 12.17**	**$ 13.65**	**$ 13.96**	**$ 14.15**	**$ 14.59**	**$ 14.68**	**$ 15.02**	**$ 15.53**	**$ 15.86**	**$ 15.85**

Appendix – Non-GAAP Reconciliation

EFFICIENCY RATIO (dollars in thousands):

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016
Non Interest Expense (GAAP)	$ 164,008	$ 174,806	$ 46,475	$ 44,835	$ 44,115	$ 41,934	$ 177,359
Less: Core Deposit Intangible Amortization	(2,445)	(2,835)	(978)	(977)	(978)	(977)	(3,910)
Less: OREO and Foreclosure Expenses	(3,462)	(3,956)	(751)	(915)	(637)	(574)	(2,877)
Adjusted Non Interest Expense (non-GAAP)	158,101	168,015	44,746	42,943	42,500	40,383	170,572
Net Interest Income (GAAP)	187,037	196,404	54,455	55,962	57,682	58,374	226,473
Plus: Fully Taxable Equivalent Adjustment	7,921	10,975	3,136	3,256	3,402	3,747	13,541
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	194,958	207,379	57,591	59,218	61,084	62,121	240,014
Non Interest Income (GAAP)	61,816	69,868	15,837	16,385	16,861	16,120	65,203
Less: Investment Securities Gains (Losses)	(3,581)	(2,670)	(997)	(706)	(839)	(847)	(3,389)
Adjusted Non Interest Income (non-GAAP)	58,235	67,198	14,840	15,679	16,022	15,273	61,814
Adjusted Revenue (non-GAAP)	253,193	274,577	72,431	74,897	77,106	77,394	301,828
Efficiency Ratio (non-GAAP)	**62.44%**	**61.19%**	**61.78%**	**57.33%**	**55.12%**	**52.18%**	**56.51%**

FORWARD DIVIDEND YIELD

	4Q16
Most recent quarter's dividend per share	$ 0.15
Most recent quarter's dividend per share - Annualized	0.60
Stock Price at 12/31/16	37.65
Forward Dividend Yield	**1.59%**

DIVIDEND PAYOUT RATIO

	2016
Dividends per share	$ 0.54
Earnings Per Share	1.98
Dividend Payout Ratio	**27.3%**

Appendix – Non-GAAP Reconciliation

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

	4Q15	1Q16	2Q16	3Q16	4Q16
Loans Held for Sale (GAAP)	$ 9,894	$ 3,628	$ 18,854	$ 1,482	$ 2,929
Loans (GAAP)	4,693,822	4,709,907	4,791,429	4,973,844	5,139,645
Total Loans	4,703,716	4,713,535	4,810,283	4,975,326	5,142,574
Less: Purchased Loans	(917,589)	(870,507)	(821,158)	(733,715)	(665,417)
Non-Purchased Loans (non-GAAP)	$ 3,786,127	$ 3,843,028	$ 3,989,125	$ 4,241,611	$ 4,477,157
Allowance for Loan Losses (GAAP)	$ 62,453	$ 62,086	$ 62,186	$ 63,456	$ 66,037
Fair Value Adjustment (FVA) (GAAP)	47,057	47,104	42,291	37,898	34,936
Allowance plus FVA (non-GAAP)	$ 109,510	$ 109,190	$ 104,477	$ 101,354	$ 100,973
Total Loans	$ 4,703,716	$ 4,713,535	$ 4,810,283	$ 4,975,326	$ 5,142,574
Fair Value Adjustment (FVA) (GAAP)	47,057	47,104	42,291	37,898	34,936
Total Loans plus FVA (non-GAAP)	$ 4,750,773	$ 4,760,639	$ 4,852,574	$ 5,013,224	$ 5,177,510
Allowance as a Percentage of Non-Purchased Loans (non-GAAP)	**1.65%**	**1.62%**	**1.56%**	**1.50%**	**1.47%**
Allowance plus FVA as a Percentage of Total Loans plus FVA (non-GAAP)	**2.31%**	**2.29%**	**2.15%**	**2.02%**	**1.95%**

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

	2015	3Q16	2016
Total Risk-Based Capital (Subsidiary Bank Only)			
Total Stockholders' Equity (GAAP)	$ 927,774	$ 972,182	$ 973,641
Adjust for Accumulated Other Comprehensive (Income) Loss [1]	(579)	(6,332)	9,701
Less: Preferred Stock	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	(1,903)	(889)	-
Less: Disallowed Goodwill and Intangible Assets	(246,558)	(249,093)	(248,656)
Less: Disallowed Deferred Tax Assets	(1,269)	(1,334)	-
Total Tier 1 Capital (Regulatory)	677,340	714,409	734,561
Allowance for Loan Losses includible in Tier 2 Capital	62,453	63,456	66,037
Total Risk-Based Capital (Regulatory)	$ 739,793	$ 777,865	$ 800,598
Construction, Land and Land Development Loans	$ 366,704	$ 368,241	$ 418,703
Concentration as a % of the Bank's Risk-Based Capital	**49.6%**	**47.3%**	**52.3%**
Construction, Land and Land Development Loans	$ 366,704	$ 368,241	$ 418,703
Investment Real Estate Loans	1,090,573	1,264,304	1,272,415
Total Construction and Investment RE Loans	$ 1,457,277	$ 1,632,545	$ 1,691,118
Concentration as a % of the Bank's Risk-Based Capital	**197.0%**	**209.9%**	**211.2%**

[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.