

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): April 26, 2016

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))**

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 26, 2016 First Merchants Corporation issued a press release to report its financial results for the first quarter ended March 31, 2016. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit No. 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section. The information in this Current Report shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit 99.1 Press Release, dated April 26, 2016, issued by First Merchants Corporation

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.

First Merchants Corporation
(Registrant)

By: /s/ Mark K. Hardwick
Mark K. Hardwick
Executive Vice President and Chief Financial Officer
(Principal Financial and Principal Accounting Officer)

Dated: April 26, 2016

EXHIBIT INDEX

Exhibit No. Description

99.1 Press Release, dated April 26, 2016, issued by First Merchants Corporation

April 26, 2016

FOR IMMEDIATE RELEASE

For more information, contact:

David L. Ortega, First Vice President/Director of Investor Relations

765-378-8937

<http://www.firstmerchants.com>

SOURCE: First Merchants Corporation, Muncie, Indiana

FIRST MERCHANTS CORPORATION ANNOUNCES FIRST QUARTER 2016 EARNINGS PER SHARE

First Merchants Corporation (NASDAQ - FRME) has reported first quarter 2016 net income of \$17.7 million, compared to \$16.2 million during the same period in 2015. Earnings per share for the period totaled \$.43 per share, equaling the first quarter of 2015. Integration expenses related to the acquisition of Ameriana Bank totaling \$1.9 million, or \$.03 per share, were recorded during the first quarter of 2016.

Total assets equaled \$6.8 billion as of quarter-end and loans were \$4.7 billion. The Corporation's loan portfolio increased, by \$744 million, during the past twelve months. Of the increase, \$316 million or 8.0 percent was the result of organic growth and \$428 million resulted from the acquisition of Cooper State Bank in Columbus, Ohio in April of 2015 and Ameriana Bank in December of 2015. Total deposits equaled \$5.3 billion at quarter-end and increased by \$663 million. Organic deposit growth totaled \$174 million, or 3.7 percent, and \$489 million resulted from acquisition activity in 2015.

Michael C. Rechin, President and Chief Executive Officer, stated, "We are excited about our progress in 2016 and the foundation it provides for the balance of the year. We successfully integrated Ameriana bank just prior to quarter end which was our fastest acquisition integration ever and we are now serving their clients our wider core product offerings. With recent merger expenses behind us, next quarter will demonstrate the lower operating expense levels we've targeted. Our net interest margin expanded and in combination with our larger balance sheet, produced a nice lift in net interest income and net income. Looking forward we intend for our commercial loan pipeline to continue our sequential net interest income growth and provide an even stronger base for non-interest income."

Net-interest income totaled \$54.5 million for the quarter, an increase of \$7.5 million. Net-interest margin improved over last year by 5 basis points totaling 3.83 percent, as yields on earning assets totaled 4.28 percent and the cost of supporting liabilities totaled .45 percent. When adjusted for fair value accretion, core net-interest margin also increased over last year by 5 basis points totaling 3.66 percent.

Non-interest income totaled \$16.3 million for the quarter, an increase of \$89,000 from the first quarter of 2015. The sale of our insurance business in 2015 resulted in a year-over-year decline of \$2.3 million. Core performance and acquisition activity improved core banking fee income to account for the increase.

Non-interest expense totaled \$46.9 million, an increase of \$5.7 million over the prior year. The sale of our insurance business saved \$1.5 million of expense but investments in our core business primarily through bank acquisitions drove the increase. Nonrecurring expenses totaled \$1.9 million, and when excluded from the quarter's results, produce an efficiency ratio of 58.8 percent.

The Corporation's provision expense totaled \$550,000 during the quarter, as net charge-offs totaled \$917,000. The allowance for loan losses totaled \$62.1 million, or 1.32 percent of total loans and 2.29 percent of non-purchased loans. Non-performing assets totaled \$53.4 million as of quarter-end, down from \$64.7 million a year ago.

As of March 31, 2015, the Corporation's total risk-based capital equaled 14.79 percent, Tier 1 common risk-based capital equaled 11.42 percent, and tangible common equity ratio totaled 9.35 percent.

CONFERENCE CALL

First Merchants Corporation will conduct a first quarter earnings conference call and web cast at 2:30 p.m. (ET) on Tuesday, April 26, 2016.

To participate, dial (Toll Free) 877-507-0578 and reference First Merchants Corporation's first quarter earnings release. International callers please call +1 412-317-1073. A replay of the call will be available until May 26, 2016. To access a replay of the call, US participants should dial (Toll Free) 877-344-7529 or for International participants, dial +1 412-317-0088. The replay passcode is 10083247.

In order to view the web cast and presentation slides, please go to <http://services.choruscall.com/links/frme160426.html> during the time of the call. A replay of the web cast will be available until April 26, 2017.

During the call, Forward-Looking Statements about the relative business outlook may be made. These Forward-Looking Statements and all other statements made during the call that do not concern historical facts, are subject to risks and uncertainties that may materially affect actual results.

Specific Forward-Looking Statements include, but are not limited to, any indications regarding the Financial Services industry, the economy and future growth of the balance sheet or income statement.

Detailed financial results are reported on the attached pages.

About First Merchants Corporation

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. The Corporation is comprised of First Merchants Bank, N.A., which also operates as Lafayette Bank & Trust and First Merchants Trust Company as divisions of First Merchants Bank, N.A.

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

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

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CONSOLIDATED BALANCE SHEETS

(Dollars In Thousands)

| | March 31, | |
|---|---------------------|---------------------|
| | 2016 | 2015 |
| ASSETS | | |
| Cash and cash equivalents | \$ 85,738 | \$ 89,243 |
| Interest-bearing time deposits | 77,453 | 83,228 |
| Investment securities | 1,270,777 | 1,189,473 |
| Loans held for sale | 3,628 | 6,392 |
| Loans | 4,709,907 | 3,965,532 |
| Less: Allowance for loan losses | (62,086) | (62,801) |
| Net loans | 4,647,821 | 3,902,731 |
| Premises and equipment | 96,494 | 77,468 |
| Federal Reserve and Federal Home Loan Bank stock | 37,553 | 41,273 |
| Interest receivable | 22,836 | 19,557 |
| Core deposit intangibles and goodwill | 261,799 | 218,034 |
| Cash surrender value of life insurance | 200,549 | 170,172 |
| Other real estate owned | 15,626 | 19,073 |
| Tax asset, deferred and receivable | 47,982 | 38,695 |
| Other assets | 30,283 | 22,182 |
| TOTAL ASSETS | \$ 6,798,539 | \$ 5,877,521 |
| LIABILITIES | | |
| Deposits: | | |
| Noninterest-bearing | \$ 1,282,462 | \$ 1,100,397 |
| Interest-bearing | 4,028,608 | 3,547,678 |
| Total Deposits | 5,311,070 | 4,648,075 |
| Borrowings: | | |
| Federal funds purchased | 602 | |
| Securities sold under repurchase agreements | 150,134 | 134,023 |
| Federal Home Loan Bank advances | 263,588 | 166,326 |
| Subordinated debentures and term loans | 127,523 | 126,875 |
| Total Borrowings | 541,847 | 427,224 |
| Interest payable | 3,910 | 3,685 |
| Other liabilities | 74,449 | 58,879 |
| Total Liabilities | 5,931,276 | 5,137,863 |
| STOCKHOLDERS' EQUITY | | |
| Cumulative Preferred Stock, \$1,000 par value, \$1,000 liquidation value: | | |
| Authorized -- 600 shares | | |
| Issued and outstanding - 125 shares | 125 | 125 |
| Common Stock, \$.125 stated value: | | |
| Authorized -- 50,000,000 shares | | |
| Issued and outstanding - 40,749,340 and 37,781,488 shares | 5,094 | 4,723 |
| Additional paid-in capital | 504,661 | 431,199 |
| Retained earnings | 355,317 | 305,526 |
| Accumulated other comprehensive income (loss) | 2,066 | (1,915) |
| Total Stockholders' Equity | 867,263 | 739,658 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 6,798,539 | \$ 5,877,521 |

CONSOLIDATED STATEMENTS OF INCOME
(Dollars In Thousands, Except Per Share Amounts)

Three Months Ended
March 31,

| | 2016 | 2015 |
|---|------------------|------------------|
| INTEREST INCOME | | |
| Loans receivable: | | |
| Taxable | \$ 50,489 | \$ 43,551 |
| Tax-exempt | 1,315 | 248 |
| Investment securities: | | |
| Taxable | 4,328 | 4,723 |
| Tax-exempt | 4,509 | 3,835 |
| Deposits with financial institutions | 106 | 37 |
| Federal Reserve and Federal Home Loan Bank stock | 480 | 550 |
| Total Interest Income | 61,227 | 52,944 |
| INTEREST EXPENSE | | |
| Deposits | 4,063 | 3,516 |
| Federal funds purchased | 28 | 23 |
| Securities sold under repurchase agreements | 100 | 78 |
| Federal Home Loan Bank advances | 796 | 691 |
| Subordinated debentures and term loans | 1,785 | 1,660 |
| Total Interest Expense | 6,772 | 5,968 |
| NET INTEREST INCOME | 54,455 | 46,976 |
| Provision for loan losses | 550 | |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 53,905 | 46,976 |
| OTHER INCOME | | |
| Service charges on deposit accounts | 4,145 | 3,548 |
| Fiduciary activities | 2,494 | 2,507 |
| Other customer fees | 5,059 | 3,667 |
| Commission income | | 2,328 |
| Earnings on cash surrender value of life insurance | 1,476 | 747 |
| Net gains and fees on sales of loans | 1,460 | 1,489 |
| Net realized gains (losses) on sales of available for sale securities | 997 | 1,025 |
| Other income | 690 | 921 |
| Total Other Income | 16,321 | 16,232 |
| OTHER EXPENSES | | |
| Salaries and employee benefits | 27,337 | 24,541 |
| Net occupancy | 4,022 | 3,790 |
| Equipment | 3,238 | 2,566 |
| Marketing | 737 | 780 |
| Outside data processing fees | 2,069 | 1,717 |
| Printing and office supplies | 364 | 364 |
| Core deposit amortization | 978 | 721 |
| FDIC assessments | 950 | 863 |
| Other real estate owned and foreclosure expenses | 1,235 | 1,229 |
| Professional and other outside services | 2,162 | 1,491 |
| Other expenses | 3,867 | 3,140 |
| Total Other Expenses | 46,959 | 41,202 |
| INCOME BEFORE INCOME TAX | 23,267 | 22,006 |
| Income tax expense | 5,574 | 5,834 |
| NET INCOME AVAILABLE TO COMMON STOCKHOLDERS | \$ 17,693 | \$ 16,172 |
| Per Share Data: | | |
| Basic Net Income Available to Common Stockholders | \$ 0.43 | \$ 0.43 |
| Diluted Net Income Available to Common Stockholders | \$ 0.43 | \$ 0.43 |
| Cash Dividends Paid | \$ 0.11 | \$ 0.08 |
| Average Diluted Shares Outstanding (in thousands) | 40,917 | 38,000 |

FINANCIAL HIGHLIGHTS

(Dollars in thousands)

Three Months Ended

March 31,

| | 2016 | | 2015 | |
|---|------|-----------|------|-----------|
| NET CHARGE OFF'S | \$ | 917 | \$ | 1,163 |
| AVERAGE BALANCES: | | | | |
| Total Assets | \$ | 6,743,315 | \$ | 5,821,074 |
| Total Loans | | 4,669,568 | | 3,936,814 |
| Total Earning Assets | | 6,020,317 | | 5,204,981 |
| Total Deposits | | 5,297,289 | | 4,605,138 |
| Total Stockholders' Equity | | 861,652 | | 734,511 |
| FINANCIAL RATIOS: | | | | |
| Return on Average Assets | | 1.05% | | 1.11% |
| Return on Average Stockholders' Equity | | 8.21 | | 8.81 |
| Return on Average Common Stockholders' Equity | | 8.21 | | 8.81 |
| Average Earning Assets to Average Assets | | 89.28 | | 89.42 |
| Allowance for Loan Losses as % of Total Loans | | 1.32 | | 1.58 |
| Net Charge Off's as % of Average Loans (Annualized) | | 0.08 | | 0.12 |
| Average Stockholders' Equity to Average Assets | | 12.78 | | 12.62 |
| Tax Equivalent Yield on Earning Assets | | 4.28 | | 4.24 |
| Cost of Supporting Liabilities | | 0.45 | | 0.46 |
| Net Interest Margin (FTE) on Earning Assets | | 3.83 | | 3.78 |
| Tangible Book Value Per Share | \$ | 15.02 | \$ | 13.96 |

NON-PERFORMING ASSETS

(Dollars In Thousands)

| | March 31, | December 31, | September 30, | June 30, | March 31, |
|---|-----------|--------------|---------------|-----------|-----------|
| | 2016 | 2015 | 2015 | 2015 | 2015 |
| Non-Accrual Loans | \$ 36,719 | \$ 31,389 | \$ 32,597 | \$ 37,713 | \$ 44,321 |
| Renegotiated Loans | 1,015 | 1,923 | 3,823 | 885 | 1,326 |
| Non-Performing Loans (NPL) | 37,734 | 33,312 | 36,420 | 38,598 | 45,647 |
| Other Real Estate Owned | 15,626 | 17,257 | 14,809 | 19,242 | 19,073 |
| Non-Performing Assets (NPA) | 53,360 | 50,569 | 51,229 | 57,840 | 64,720 |
| 90+ Days Delinquent | 963 | 907 | 1,947 | 632 | 1,655 |
| NPAs & 90 Day Delinquent | \$ 54,323 | \$ 51,476 | \$ 53,176 | \$ 58,472 | \$ 66,375 |
| Loan Loss Reserve | \$ 62,086 | \$ 62,453 | \$ 62,861 | \$ 62,550 | \$ 62,801 |
| Quarterly Net Charge-offs | 917 | 408 | (311) | 668 | 1,163 |
| NPAs / Actual Assets % | 0.78% | 0.75% | 0.83 % | 0.94% | 1.10% |
| NPAs & 90 Day / Actual Assets % | 0.80% | 0.76% | 0.86 % | 0.95% | 1.13% |
| NPAs / Actual Loans and OREO % | 1.13% | 1.07% | 1.18 % | 1.36% | 1.62% |
| Loan Loss Reserves / Actual Loans (%) | 1.32% | 1.33% | 1.45 % | 1.47% | 1.58% |
| Net Charge Off's as % of Average Loans (Annualized) | 0.08% | 0.04% | (0.03)% | 0.06% | 0.12% |

CONSOLIDATED BALANCE SHEETS

(Dollars In Thousands)

| | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|---|---------------------|----------------------|-----------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 85,738 | \$ 102,170 | \$ 84,677 | \$ 105,928 | \$ 89,243 |
| Interest-bearing time deposits | 77,453 | 32,315 | 27,111 | 26,669 | 83,228 |
| Investment securities | 1,270,777 | 1,276,999 | 1,208,793 | 1,212,516 | 1,189,473 |
| Loans held for sale | 3,628 | 9,894 | 1,943 | 8,295 | 6,392 |
| Loans | 4,709,907 | 4,693,822 | 4,321,715 | 4,238,205 | 3,965,532 |
| Less: Allowance for loan losses | (62,086) | (62,453) | (62,861) | (62,550) | (62,801) |
| Net loans | 4,647,821 | 4,631,369 | 4,258,854 | 4,175,655 | 3,902,731 |
| Premises and equipment | 96,494 | 97,648 | 83,457 | 84,841 | 77,468 |
| Federal Reserve and Federal Home Loan Bank stock | 37,553 | 37,633 | 34,498 | 34,630 | 41,273 |
| Interest receivable | 22,836 | 24,415 | 22,048 | 19,880 | 19,557 |
| Core deposit intangibles and goodwill | 261,799 | 259,764 | 219,503 | 220,196 | 218,034 |
| Cash surrender value of life insurance | 200,549 | 200,539 | 171,530 | 170,813 | 170,172 |
| Other real estate owned | 15,626 | 17,257 | 14,809 | 19,242 | 19,073 |
| Tax asset, deferred and receivable | 47,982 | 46,977 | 38,339 | 39,622 | 38,695 |
| Other assets | 30,283 | 24,023 | 24,235 | 22,021 | 22,182 |
| TOTAL ASSETS | \$ 6,798,539 | \$ 6,761,003 | \$ 6,189,797 | \$ 6,140,308 | \$ 5,877,521 |
| LIABILITIES | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing | \$ 1,282,462 | \$ 1,266,027 | \$ 1,110,905 | \$ 1,122,688 | \$ 1,100,397 |
| Interest-bearing | 4,028,608 | 4,023,620 | 3,703,684 | 3,666,889 | 3,547,678 |
| Total Deposits | 5,311,070 | 5,289,647 | 4,814,589 | 4,789,577 | 4,648,075 |
| Borrowings: | | | | | |
| Federal funds purchased | 602 | 49,721 | 52,896 | 40,748 | |
| Securities sold under repurchase agreements | 150,134 | 155,325 | 153,822 | 137,240 | 134,023 |
| Federal Home Loan Bank advances | 263,588 | 235,652 | 237,856 | 247,687 | 166,326 |
| Subordinated debentures and term loans | 127,523 | 127,846 | 121,936 | 126,882 | 126,875 |
| Total Borrowings | 541,847 | 568,544 | 566,510 | 552,557 | 427,224 |
| Interest payable | 3,910 | 3,092 | 3,710 | 3,211 | 3,685 |
| Other liabilities | 74,449 | 49,211 | 38,004 | 45,008 | 58,879 |
| Total Liabilities | 5,931,276 | 5,910,494 | 5,422,813 | 5,390,353 | 5,137,863 |
| STOCKHOLDERS' EQUITY | | | | | |
| Cumulative Preferred Stock, \$1,000 par value, \$1,000 liquidation value: | | | | | |
| Authorized -- 600 shares | | | | | |
| Issued and outstanding | 125 | 125 | 125 | 125 | 125 |
| Common Stock, \$.125 stated value: | | | | | |
| Authorized -- 50,000,000 shares | | | | | |
| Issued and outstanding | 5,094 | 5,083 | 4,734 | 4,728 | 4,723 |
| Additional paid-in capital | 504,661 | 504,530 | 433,577 | 432,294 | 431,199 |
| Retained earnings | 355,317 | 342,133 | 332,162 | 319,298 | 305,526 |
| Accumulated other comprehensive income (loss) | 2,066 | (1,362) | (3,614) | (6,490) | (1,915) |
| Total Stockholders' Equity | 867,263 | 850,509 | 766,984 | 749,955 | 739,658 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 6,798,539 | \$ 6,761,003 | \$ 6,189,797 | \$ 6,140,308 | \$ 5,877,521 |

CONSOLIDATED STATEMENTS OF INCOME

(Dollars In Thousands, Except Per Share Amounts)

| | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|---|-------------------|----------------------|-----------------------|------------------|-------------------|
| INTEREST INCOME | | | | | |
| Loans receivable: | | | | | |
| Taxable | \$ 50,489 | \$ 45,897 | \$ 46,037 | \$ 45,320 | \$ 43,551 |
| Tax-exempt | 1,315 | 1,285 | 1,190 | 736 | 248 |
| Investment securities: | | | | | |
| Taxable | 4,328 | 4,363 | 4,374 | 4,425 | 4,723 |
| Tax-exempt | 4,509 | 4,444 | 4,412 | 4,231 | 3,835 |
| Deposits with financial institutions | 106 | 67 | 25 | 31 | 37 |
| Federal Reserve and Federal Home Loan Bank stock | 480 | 458 | 500 | 459 | 550 |
| Total Interest Income | 61,227 | 56,514 | 56,538 | 55,202 | 52,944 |
| INTEREST EXPENSE | | | | | |
| Deposits | 4,063 | 3,938 | 3,715 | 3,686 | 3,516 |
| Federal funds purchased | 28 | 5 | 27 | 19 | 23 |
| Securities sold under repurchase agreements | 100 | 104 | 96 | 90 | 78 |
| Federal Home Loan Bank advances | 796 | 728 | 711 | 706 | 691 |
| Subordinated debentures and term loans | 1,785 | 1,665 | 1,666 | 1,670 | 1,660 |
| Total Interest Expense | 6,772 | 6,440 | 6,215 | 6,171 | 5,968 |
| NET INTEREST INCOME | 54,455 | 50,074 | 50,323 | 49,031 | 46,976 |
| Provision for loan losses | 550 | | | 417 | |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 53,905 | 50,074 | 50,323 | 48,614 | 46,976 |
| OTHER INCOME | | | | | |
| Service charges on deposit accounts | 4,145 | 4,118 | 4,445 | 4,090 | 3,548 |
| Fiduciary activities | 2,494 | 2,138 | 2,242 | 2,309 | 2,507 |
| Other customer fees | 5,059 | 4,534 | 4,156 | 4,602 | 3,667 |
| Commission income | | | 4 | 1,815 | 2,328 |
| Earnings on cash surrender value of life insurance | 1,476 | 822 | 710 | 640 | 747 |
| Net gains and fees on sales of loans | 1,460 | 1,308 | 1,905 | 1,781 | 1,489 |
| Net realized gains (losses) on sales of available for sale securities | 997 | 623 | 1,115 | (93) | 1,025 |
| Gain on sale of insurance subsidiary | | | | 8,265 | |
| Other income | 690 | 1,224 | 2,322 | 1,224 | 921 |
| Total Other Income | 16,321 | 14,767 | 16,899 | 24,633 | 16,232 |
| OTHER EXPENSES | | | | | |
| Salaries and employee benefits | 27,337 | 25,796 | 25,137 | 26,434 | 24,541 |
| Net occupancy | 4,022 | 3,649 | 3,726 | 3,503 | 3,790 |
| Equipment | 3,238 | 2,683 | 2,698 | 2,840 | 2,566 |
| Marketing | 737 | 915 | 847 | 951 | 780 |
| Outside data processing fees | 2,069 | 1,632 | 1,992 | 1,768 | 1,717 |
| Printing and office supplies | 364 | 343 | 343 | 303 | 364 |
| Core deposit amortization | 978 | 692 | 693 | 729 | 721 |
| FDIC assessments | 950 | 939 | 958 | 895 | 863 |
| Other real estate owned and foreclosure expenses | 1,235 | 1,701 | 1,835 | 1,372 | 1,229 |
| Professional and other outside services | 2,162 | 3,544 | 1,686 | 3,134 | 1,491 |
| Other expenses | 3,867 | 4,352 | 3,683 | 4,494 | 3,140 |
| Total Other Expenses | 46,959 | 46,246 | 43,598 | 46,423 | 41,202 |
| INCOME BEFORE INCOME TAX | 23,267 | 18,595 | 23,624 | 26,824 | 22,006 |
| Income tax expense | 5,574 | 4,418 | 6,557 | 8,856 | 5,834 |
| NET INCOME AVAILABLE TO COMMON STOCKHOLDERS | \$ 17,693 | \$ 14,177 | \$ 17,067 | \$ 17,968 | \$ 16,172 |
| Per Share Data: | | | | | |
| Basic Net Income Available to Common Stockholders | \$ 0.43 | \$ 0.37 | \$ 0.46 | \$ 0.47 | \$ 0.43 |
| Diluted Net Income Available to Common Stockholders | \$ 0.43 | \$ 0.37 | \$ 0.45 | \$ 0.47 | \$ 0.43 |
| Cash Dividends Paid | \$ 0.11 | \$ 0.11 | \$ 0.11 | \$ 0.11 | \$ 0.08 |
| Average Diluted Shares Outstanding (in thousands) | 40,917 | 38,191 | 38,118 | 38,043 | 38,000 |
| FINANCIAL RATIOS: | | | | | |
| Return on Average Assets | 1.05% | 0.90% | 1.11% | 1.19% | 1.11% |
| Return on Average Stockholders' Equity | 8.21 | 7.32 | 8.99 | 9.63 | 8.81 |

| | | | | | |
|---|----------|----------|----------|----------|----------|
| Return on Average Common Stockholders' Equity | 8.21 | 7.32 | 8.99 | 9.63 | 8.81 |
| Average Earning Assets to Average Assets | 89.28 | 90.11 | 89.99 | 89.63 | 89.42 |
| Allowance for Loan Losses as % of Total Loans | 1.32 | 1.33 | 1.45 | 1.47 | 1.58 |
| Net Charge Off's as % of Average Loans (Annualized) | 0.08 | 0.04 | (0.03) | 0.06 | 0.12 |
| Average Stockholders' Equity to Average Assets | 12.78 | 12.29 | 12.34 | 12.31 | 12.62 |
| Tax Equivalent Yield on Earning Assets | 4.28 | 4.20 | 4.30 | 4.26 | 4.24 |
| Cost of Supporting Liabilities | 0.45 | 0.45 | 0.45 | 0.45 | 0.46 |
| Net Interest Margin (FTE) on Earning Assets | 3.83 | 3.75 | 3.85 | 3.81 | 3.78 |
| Tangible Book Value Per Share | \$ 15.02 | \$ 14.68 | \$ 14.59 | \$ 14.15 | \$ 13.96 |

LOANS

(Dollars In Thousands)

| | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|--|---------------------|----------------------|-----------------------|---------------------|---------------------|
| Commercial and industrial loans | \$ 1,060,559 | \$ 1,057,075 | \$ 999,195 | \$ 984,223 | \$ 938,937 |
| Agricultural production financing and other loans to farmers | 92,137 | 97,711 | 91,354 | 93,695 | 95,652 |
| Real estate loans: | | | | | |
| Construction | 391,621 | 366,704 | 298,250 | 256,082 | 237,036 |
| Commercial and farmland | 1,806,395 | 1,802,921 | 1,695,703 | 1,705,647 | 1,646,418 |
| Residential | 769,592 | 786,105 | 677,767 | 689,621 | 640,451 |
| Home Equity | 353,946 | 348,613 | 318,949 | 302,403 | 286,914 |
| Individuals' loans for household and other personal expenditures | 73,622 | 74,717 | 71,893 | 62,785 | 70,223 |
| Lease financing receivables, net of unearned income | 461 | 588 | 614 | 742 | 853 |
| Other commercial loans | 161,574 | 159,388 | 167,990 | 143,007 | 49,048 |
| Loans | 4,709,907 | 4,693,822 | 4,321,715 | 4,238,205 | 3,965,532 |
| Allowance for loan losses | (62,086) | (62,453) | (62,861) | (62,550) | (62,801) |
| NET LOANS | \$ 4,647,821 | \$ 4,631,369 | \$ 4,258,854 | \$ 4,175,655 | \$ 3,902,731 |

DEPOSITS

(Dollars In Thousands)

| | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|---|---------------------|----------------------|-----------------------|---------------------|---------------------|
| Demand deposits | \$ 2,590,603 | \$ 2,576,283 | \$ 2,244,848 | \$ 2,211,154 | \$ 2,116,135 |
| Savings deposits | 1,549,304 | 1,518,722 | 1,460,244 | 1,439,255 | 1,402,421 |
| Certificates and other time deposits of \$100,000 or more | 304,559 | 323,698 | 286,988 | 295,159 | 283,313 |
| Other certificates and time deposits | 536,120 | 556,476 | 499,286 | 517,153 | 516,500 |
| Brokered deposits | 330,484 | 314,468 | 323,223 | 326,856 | 329,706 |
| TOTAL DEPOSITS | \$ 5,311,070 | \$ 5,289,647 | \$ 4,814,589 | \$ 4,789,577 | \$ 4,648,075 |

NET INTEREST INCOME
(Dollars in Thousands)

For the Three Months Ended

| | March 31, 2016 | | | March 31, 2015 | | |
|--|---------------------|---------------------------|--------------|---------------------|---------------------------|--------------|
| | Average Balance | Interest Income / Expense | Average Rate | Average Balance | Interest Income / Expense | Average Rate |
| Assets: | | | | | | |
| Interest-bearing time deposits | \$ 75,709 | \$ 106 | 0.56% | \$ 56,907 | \$ 36 | 0.25% |
| Federal Reserve and Federal Home Loan Bank stock | 37,632 | 480 | 5.10 | 41,351 | 550 | 5.32 |
| Investment Securities: ⁽¹⁾ | | | | | | |
| Taxable | 716,486 | 4,328 | 2.42 | 736,378 | 4,723 | 2.57 |
| Tax-Exempt ⁽²⁾ | 520,922 | 6,937 | 5.33 | 433,531 | 5,899 | 5.44 |
| Total Investment Securities | 1,237,408 | 11,265 | 3.64 | 1,169,909 | 10,622 | 3.63 |
| Loans held for sale | 6,247 | 122 | 7.81 | 4,927 | 110 | 8.93 |
| Loans: ⁽³⁾ | | | | | | |
| Commercial | 3,449,451 | 38,864 | 4.51 | 3,041,242 | 34,169 | 4.49 |
| Real Estate Mortgage | 575,266 | 6,394 | 4.45 | 459,794 | 4,849 | 4.22 |
| Installment | 456,654 | 5,109 | 4.48 | 394,063 | 4,424 | 4.49 |
| Tax-Exempt ⁽²⁾ | 181,950 | 2,023 | 4.45 | 36,788 | 382 | 4.15 |
| Total Loans | 4,669,568 | 52,512 | 4.50 | 3,936,814 | 43,934 | 4.46 |
| Total Earning Assets | 6,020,317 | 64,363 | 4.28 | 5,204,981 | 55,142 | 4.24 |
| Net unrealized gain on securities available for sale | 10,005 | | | 14,480 | | |
| Allowance for loan losses | (63,213) | | | (63,429) | | |
| Cash and cash equivalents | 101,913 | | | 98,791 | | |
| Premises and equipment | 96,698 | | | 77,707 | | |
| Other assets | 577,595 | | | 488,544 | | |
| Total Assets | \$ 6,743,315 | | | \$ 5,821,074 | | |
| Liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| Interest-bearing NOW deposits | \$ 1,300,266 | \$ 544 | 0.17% | \$ 1,030,433 | \$ 252 | 0.10% |
| Money market deposits | 865,932 | 491 | 0.23 | 823,761 | 412 | 0.20 |
| Savings deposits | 689,305 | 135 | 0.08 | 571,751 | 159 | 0.11 |
| Certificates and other time deposits | 1,186,458 | 2,893 | 0.98 | 1,126,098 | 2,693 | 0.96 |
| Total Interest-bearing Deposits | 4,041,961 | 4,063 | 0.40 | 3,552,043 | 3,516 | 0.40 |
| Borrowings | 520,087 | 2,709 | 2.08 | 437,864 | 2,452 | 2.24 |
| Total Interest-bearing Liabilities | 4,562,048 | 6,772 | 0.59 | 3,989,907 | 5,968 | 0.60 |
| Noninterest-bearing deposits | 1,255,328 | | | 1,053,095 | | |
| Other liabilities | 64,287 | | | 43,561 | | |
| Total Liabilities | 5,881,663 | | | 5,086,563 | | |
| Stockholders' Equity | 861,652 | | | 734,511 | | |
| Total Liabilities and Stockholders' Equity | \$ 6,743,315 | 6,772 | 0.45 | \$ 5,821,074 | 5,968 | 0.46 |
| Net Interest Income | | \$ 57,591 | | | \$ 49,174 | |
| Net Interest Margin | | | 3.83% | | | 3.78% |

⁽¹⁾ Average balance of securities is computed based on the average of the historical amortized cost balances without the effects of the fair value adjustments.

⁽²⁾ Tax-exempt securities and loans are presented on a fully taxable equivalent basis, using a marginal tax rate of 35 percent for 2016 and 2015. These totals equal \$3,136 and \$2,198 for the three months ended March 31, 2016 and 2015, respectively.

⁽³⁾ Non accruing loans have been included in the average balances.