

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): January 27, 2015

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 Tuesday, January 27, 2015, First Merchants Corporation will conduct a fourth quarter earnings conference call and web cast at 2:30 p.m. (ET). A copy of the slide presentation utilized on the conference call is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits.

Exhibit 99.1 Slide presentation, utilized January 27, 2015, during conference call and web cast 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)

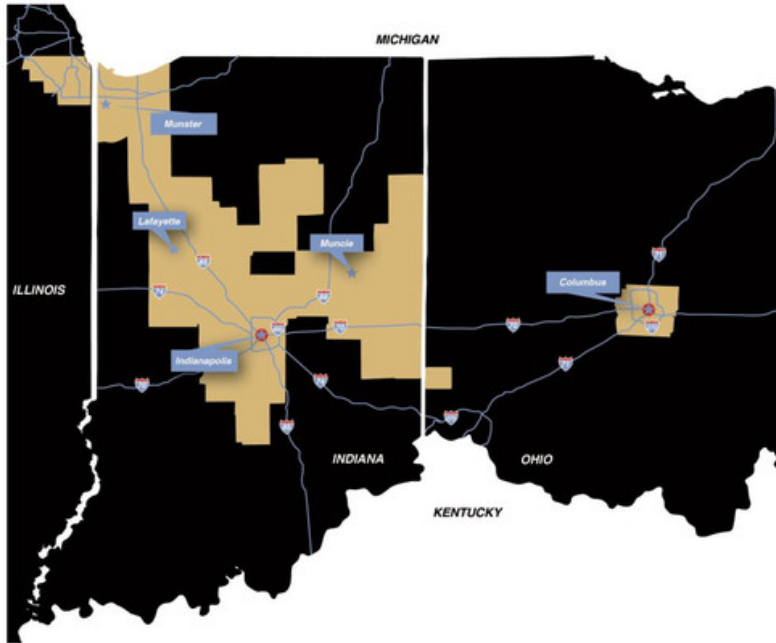
Dated: January 27, 2015

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide presentation, utilized January 27, 2015, during conference call and web cast by First Merchants Corporation



First Merchants Corporation



4th QUARTER 2014

EARNINGS CALL

January 27, 2015

NASDAQ: FRME

Michael C. Rechin
President
Chief Executive Officer

Mark K. Hardwick
Executive Vice President
Chief Financial Officer

John J. Martin
Executive Vice President
Chief Credit Officer



Forward-Looking Statement

This filing and the exhibits hereto contain 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 C Financial Corporation (“C Financial”), 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 the First Merchants and C Financial 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.

First Merchants does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this filing. In addition, First Merchants’ and C Financial’s past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.



Additional Information

This communication does 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 Merger Agreement will be submitted to C Financial's shareholders for their consideration. In connection with the proposed merger, it is expected that C Financial 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 SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION.**

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 2014 Performance

Full-Year Highlights

- \$60.2 Million of Record Net Income Available to Common Stockholders
- Earnings Per Share of \$1.65, a 17% increase over FY 2013
- Return on Average Assets of 1.08%
- Return on Average Tangible Common Equity of 12.94%
- Successful Integration and First Full Year of Citizens Financial Bank Acquisition

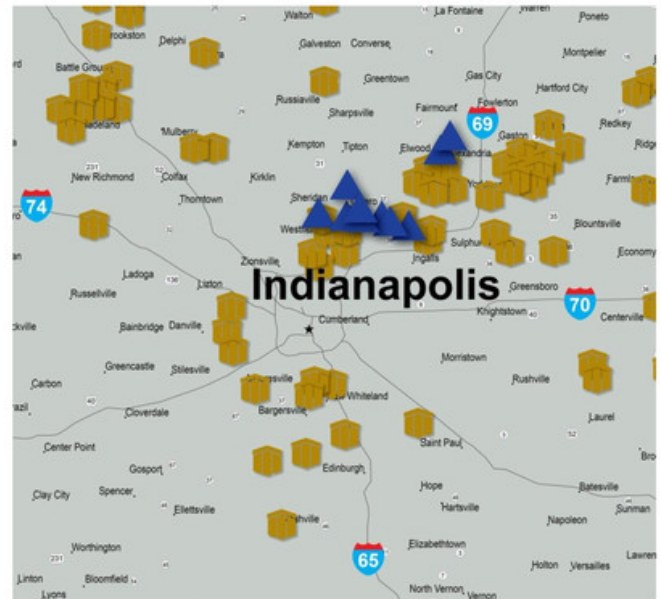
4th Quarter Highlights

- \$15.3 Million of Net Income, or \$.41 Earnings Per Share
- Community Bank of Noblesville Acquisition Completed November 7
- Acquisition Expenses of \$1.9 Million, or \$.03 per share



Community Bank of Noblesville Overview

- Headquartered in Noblesville, Indiana
- Founded in 1991
- Acquisition Completed: November 7, 2014
 - Loans Acquired Net of Fair Value Marks: \$145.1 Million
 - Deposits Acquired: \$228.4 Million
- Transaction Value: \$49.2 Million
- Consideration: 71% Stock, 29% Cash
- Anticipated Integration Date: April 24, 2015





Post-Closing Observations

Indianapolis Market Expansion

- 9 Full-Service Banking Centers with \$228.4M in deposits
- Adds 7 locations in Hamilton County, the fastest growing Indiana Market
- Improves FMC Market Share Position from #8 to #4 in Hamilton County
- Significant Operating Efficiencies, including Banking Center Consolidation Opportunities
- Cost Savings Estimated to be 40%, or \$2.8 Million Post-Integration
- Accretive to EPS Beginning in 2015
- 4th Quarter Transaction Expense of \$1.9 Million
- Credit, OREO and Interest Rate Marks of \$11.6 Million
- 3-Year Tangible Book Value Earn-Back





Mark K. Hardwick

Executive Vice President
and Chief Financial Officer



Total Assets

(\$ in Millions)	<u>2012</u>	<u>2013</u>	<u>2014</u>
1. Investments	\$ 874	\$1,096	\$1,181
2. Loans Held for Sale	22	5	7
3. Loans	2,902	3,633	3,925
4. Allowance	(69)	(68)	(64)
5. CD&I & Goodwill	150	203	219
6. BOLI	125	165	169
7. Other	<u>301</u>	<u>403</u>	<u>387</u>
8. Total Assets	<u>\$4,305</u>	<u>\$5,437</u>	<u>\$5,824</u>



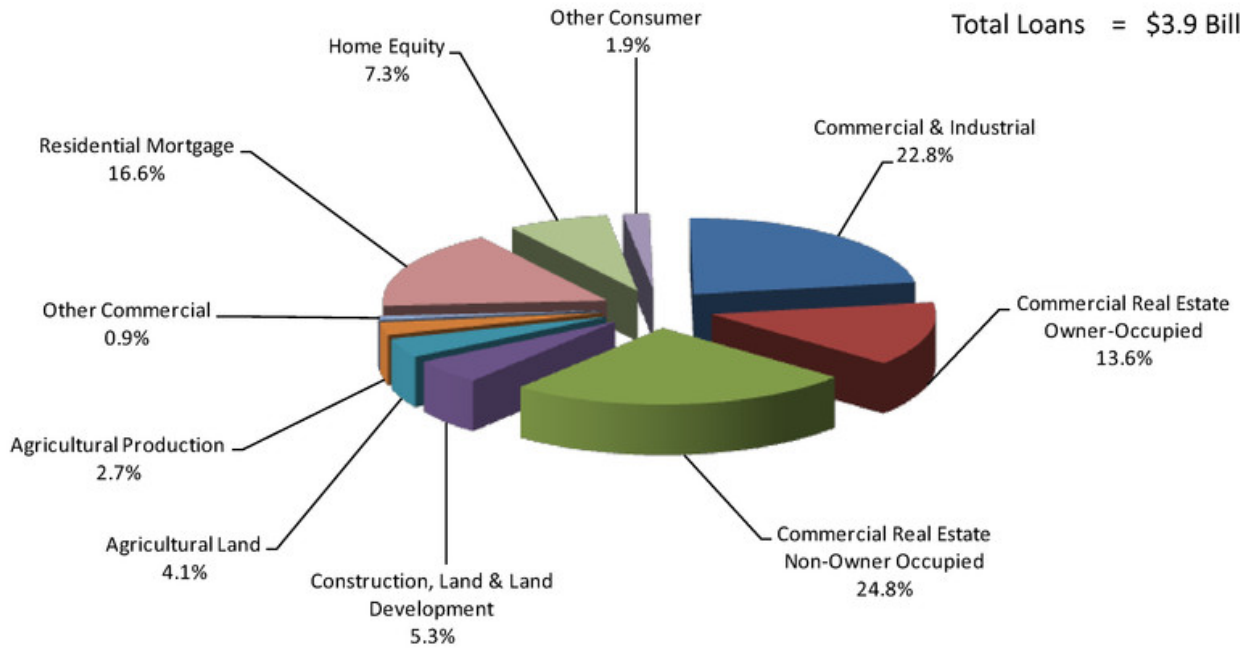
Loan and Yield Detail

(as of 12/31/2014)

QTD Yield = 4.46%

YTD Yield = 4.58%

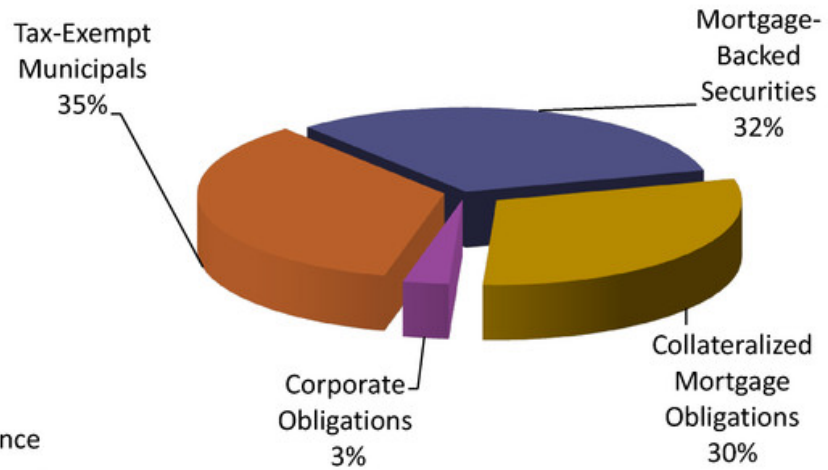
Total Loans = \$3.9 Billion





Investment Portfolio

(as of 12/31/2014)



- \$1.2 billion balance
- Average duration of 4.2 years
- Tax equivalent yield of 3.89%
- Net unrealized gain of \$42.4 million



Total Liabilities and Capital

(\$ in Millions)	<u>2012</u>	<u>2013</u>	<u>2014</u>
1. Customer Non-Maturity Deposits	\$2,479	\$3,276	\$3,523
2. Customer Time Deposits	739	868	784
3. Brokered Deposits	128	87	334
4. Borrowings	260	401	290
5. Other Liabilities	39	48	44
6. Hybrid Capital	107	122	122
7. Preferred Stock (SBLF)	91	—	—
8. Common Equity	<u>462</u>	<u>635</u>	<u>727</u>
9. Total Liabilities and Capital	<u>\$4,305</u>	<u>\$5,437</u>	<u>\$5,824</u>
10. Tangible Common Book Value Per Share	\$10.95	\$12.17	\$13.65
Percentage Change	13.6%	11.1%	12.2%



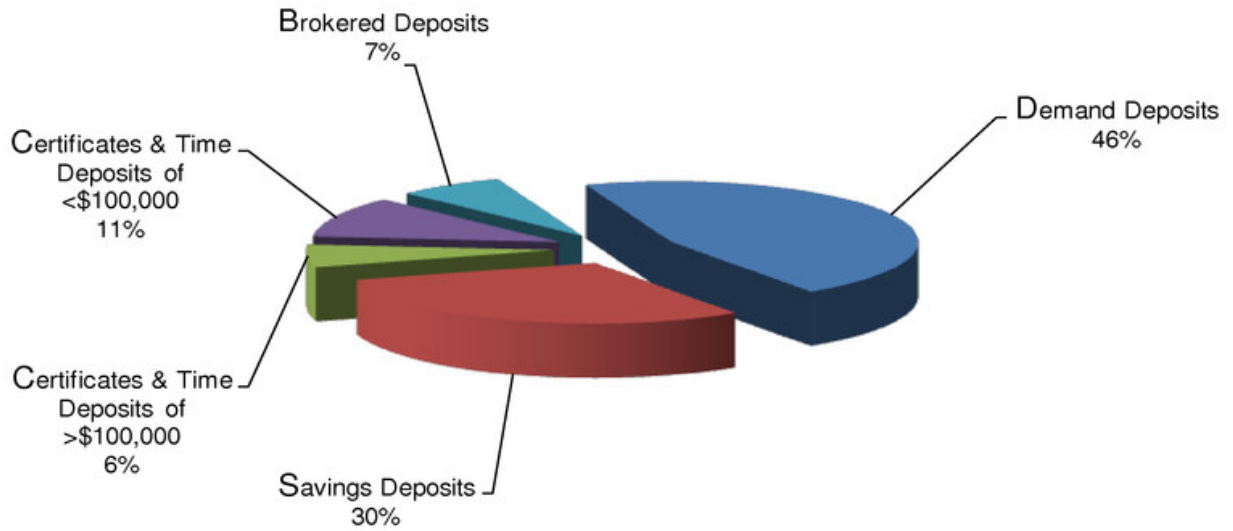
Deposits and Cost of Funds Detail

(as of 12/31/2014)

QTD Cost = .38%

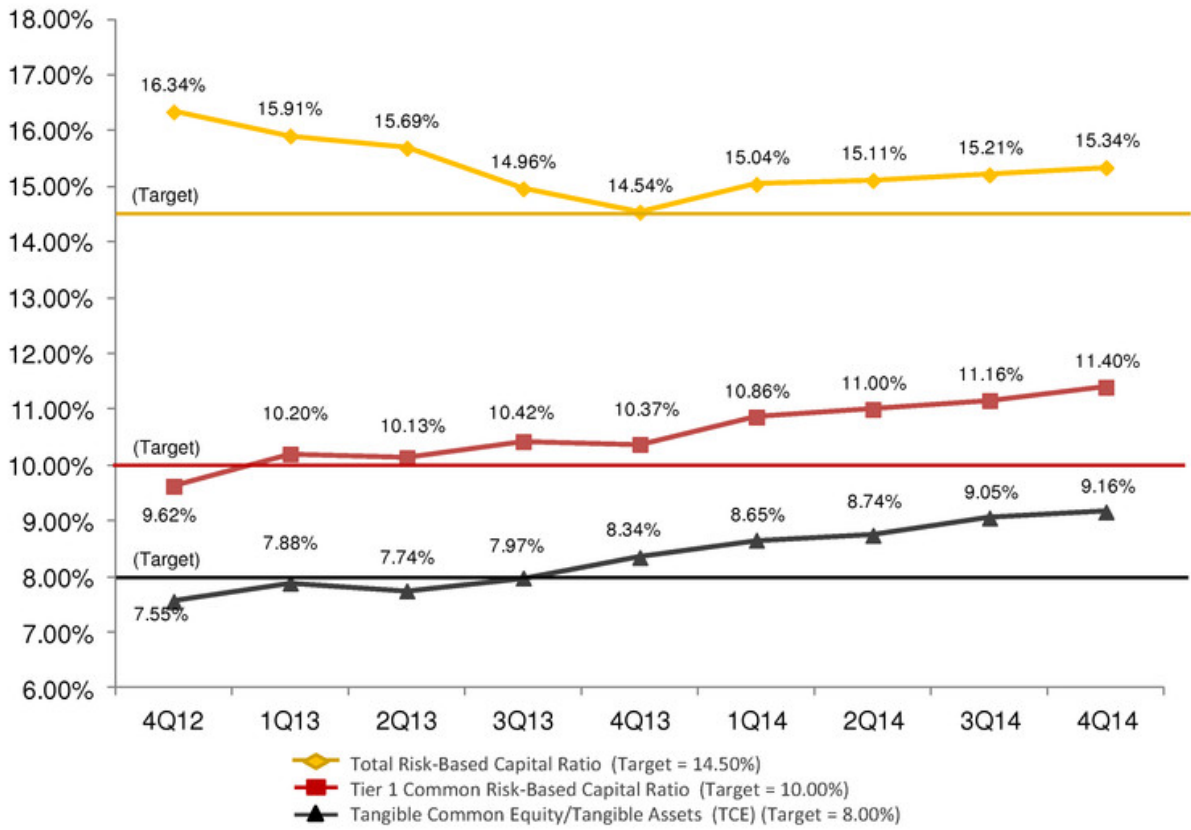
YTD Cost = .34%

Total Deposits = \$4.6 Billion





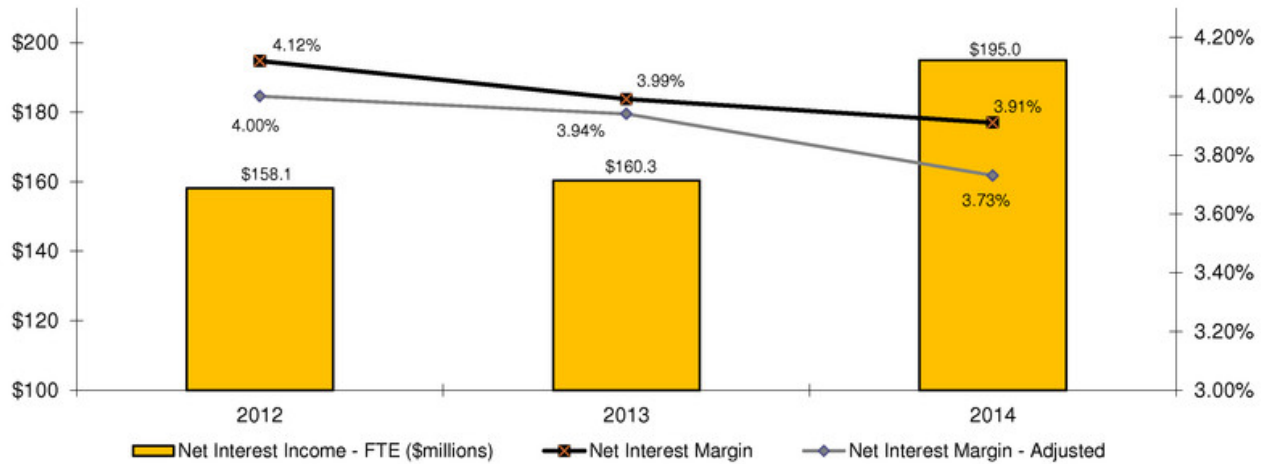
Capital Ratios





Net Interest Margin

	2012	2013	2014
Net Interest Income-FTE (\$millions)	\$ 158.1	\$ 160.3	\$ 195.0
Fair Value Accretion (\$millions)	\$ 4.6	\$ 2.2	\$ 8.9
Tax Equivalent Yield on Earning Assets	4.74%	4.40%	4.35%
Cost of Supporting Liabilities	0.62%	0.41%	0.44%
Net Interest Margin	4.12%	3.99%	3.91%





Non-Interest Income

(\$ in Millions)	<u>2012</u>	<u>2013</u>	<u>2014</u>
1. Service Charges on Deposit Accounts	\$11.6	\$12.4	\$15.7
2. Trust Fees	7.9	8.6	9.0
3. Insurance Commission Income	6.2	7.1	7.4
4. Electronic Card Fees	7.3	7.5	9.7
5. Cash Surrender Value of Life Ins	3.4	2.6	3.7
6. Gains on Sales Mortgage Loans	10.6	7.5	4.9
7. Securities Gains/Losses	2.4	0.5	3.6
8. Gain on FDIC Transaction	9.1	—	—
9. Other	<u>5.8</u>	<u>8.6</u>	<u>11.7</u>
10. Total	<u>\$64.3</u>	<u>\$54.8</u>	<u>\$65.7</u>
11. Adjusted Non-Interest Income ¹	\$52.8	\$54.3	\$62.1

¹Adjusted for Bond Gains & Losses and Gain on FDIC-Modified Whole-Bank Transaction



Non-Interest Expense

(\$ in Millions)	<u>2012</u>	<u>2013</u>	<u>2014</u>
1. Salary & Benefits	\$ 79.4	\$ 85.4	\$ 96.5
2. Premises & Equipment	17.4	18.0	23.2
3. Core Deposit Intangible	1.9	1.6	2.4
4. Professional & Other Outside Services	6.2	8.3	8.1
5. OREO/Foreclosure Expense	8.2	6.7	8.0
6. FDIC Expense	3.5	2.9	3.7
7. Outside Data Processing	5.7	5.6	7.3
8. Marketing	2.2	2.2	3.5
9. Other	<u>12.6</u>	<u>12.5</u>	<u>15.8</u>
10. Non-Interest Expense	<u>\$137.1</u>	<u>\$143.2</u>	<u>\$168.5</u>



Earnings

(\$ in Millions)	<u>2012</u>	<u>2013</u>	<u>2014</u>
1. Net Interest Income	\$152.3	\$154.3	\$187.0
2. Provision for Loan Losses	<u>(18.5)</u>	<u>(6.6)</u>	<u>(2.6)</u>
3. Net Interest Income after Provision	133.8	147.7	184.4
4. Non-Interest Income	64.3	54.8	65.7
5. Non-Interest Expense	<u>(137.1)</u>	<u>(143.2)</u>	<u>(168.5)</u>
6. Income before Income Taxes	61.0	59.3	81.6
7. Income Tax Expense	(15.9)	(14.7)	(21.4)
8. Preferred Stock Dividend	<u>(4.5)</u>	<u>(2.4)</u>	<u>—</u>
9. Net Income Avail. for Distribution	<u>\$ 40.6</u>	<u>\$ 42.2</u>	<u>\$ 60.2</u>
10. EPS	\$ 1.41	\$ 1.41	\$ 1.65



Earnings Per Share

<u>2012</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.46	\$.28	\$.35	\$.32	\$ 1.41
2. FV Accretion EPS Impact	—	\$.02	\$.06	\$.03	\$.11
3. Gain on FDIC Transaction	\$.21	—	—	—	\$.21
<u>2013</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.38	\$.34	\$.35	\$.34	\$ 1.41
2. FV Accretion EPS Impact	\$.02	\$.01	\$.01	\$.01	\$.05
<u>2014</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.38	\$.41	\$.45	\$.41	\$ 1.65
2. FV Accretion EPS Impact	\$.03	\$.04	\$.06	\$.03	\$.16



John J. Martin

Executive Vice President
and Chief Credit Officer



Loan Portfolio Trends

(\$ in Millions)	2013	Q3-'14	2014 ¹	CBN	FMB 2014	Change Linked Quarter			Change Year Over Year		
						\$	% ¹	%	\$	% ¹	%
1. Commercial & Industrial	\$ 761.7	\$ 901.0	\$ 888.3	\$ 8.4	\$ 896.7	\$ (4.3)	(1.4%)	(0.5%)	\$ 135.0	16.6%	17.7%
2. Construction, Land and Land Development	177.1	178.2	186.1	21.2	207.3	29.1	4.4%	16.3%	30.2	5.1%	17.1%
3. CRE Non-Owner Occupied	963.4	953.2	934.5	41.2	975.7	22.5	(2.0%)	2.4%	12.3	(3.0%)	1.3%
4. CRE Owner Occupied	501.1	492.9	513.1	21.6	534.7	41.8	4.1%	8.5%	33.6	2.4%	6.7%
5. Agricultural Production	114.3	99.7	103.8	1.1	104.9	5.2	4.1%	5.2%	(9.4)	(9.2%)	(8.2%)
6. Agricultural Land	147.3	157.6	153.9	8.4	162.3	4.7	(2.3%)	3.0%	15.0	4.5%	10.2%
7. Residential Mortgage	616.4	625.6	619.8	27.5	647.3	21.7	(0.9%)	3.5%	30.9	0.6%	5.0%
8. Home Equity	255.2	270.0	276.6	9.9	286.5	16.5	2.4%	6.1%	31.3	8.4%	12.3%
9. Other Commercial	26.1	27.5	35.6	0.5	36.1	8.6	29.5%	31.3%	10.0	36.4%	38.3%
10. Other Consumer	69.8	66.8	71.9	1.5	73.4	6.6	7.6%	9.9%	3.6	3.0%	5.2%
11. Loans	\$3,632.4	\$3,772.5	\$3,783.6	\$ 141.3	\$3,924.9	\$152.4	0.3%	4.0%	\$292.5	4.2%	8.1%

¹ excluded acquired CBN loans



Asset Quality Summary

(\$ in Millions)			<u>2014</u> ¹	<u>CBN</u>	<u>FMB</u>	<u>Year over Year</u>	
	<u>2012</u>	<u>2013</u>			<u>2014</u>	<u>%</u>	<u>%</u> ¹
1. Non-Accrual Loans	\$ 53.4	\$ 56.4	\$ 43.1	\$ 5.7	\$ 48.8	(13.5%)	(23.6%)
2. Other Real Estate	\$ 13.3	\$ 22.2	\$ 12.6	\$ 6.7	\$ 19.3	(13.1%)	(43.2%)
3. Renegotiated Loans	\$ 12.7	\$ 3.0	\$ 2.0	\$ -	\$ 2.0	(33.3%)	(33.3%)
4. 90+ Days Delinquent Loans	\$ 2.0	\$ 1.4	\$ 4.6	\$ 0.1	\$ 4.7		
5. NPAs/Loans and ORE	2.70%	2.23%	1.64%	8.44%	1.77%		
6. Classified Assets	\$ 184.4	\$ 191.9	\$ 172.1	\$ 19.7	191.8	(0.1%)	(10.3%)
7. Criticized Assets (includes Classified)	\$ 250.2	\$ 263.5	\$ 224.8	\$ 28.8	\$ 253.6	(3.8%)	(14.7%)
8. Specific Reserves	\$ 4.2	\$ 1.6	\$ 2.8	\$ -	\$ 2.8	75.0%	75.0%
9. Allowance for Loan and Lease Losses	\$ 69.4	\$ 67.9	\$ 64.0	\$ -	\$ 64.0	(5.7%)	(5.7%)
10. ALLL/Non-Accrual Loans	129.9%	120.4%	148.5%		131.1%		

¹ excluded acquired CBN loans



Non-Performing Asset Reconciliation

(\$ in Millions)

	2013	Q1-Q3 2014	Q4-'14 ¹	CBN	2014
1. Beginning Balance NPA's & 90+ Days Delinquent	\$ 81.4	\$ 83.0	\$ 65.6		\$ 83.0
Non-Accrual					
2. Add: New Non-Accruals	45.7	35.7	5.4	\$ 5.7	46.8
3. Less: To Accrual/Payoff/Renegotiated	(17.0)	(26.7)	(5.7)		(32.4)
4. Less: To OREO	(7.6)	(3.9)	(0.7)		(4.6)
5. Less: Charge-offs	(18.1)	(12.4)	(5.0)		(17.4)
6. Increase / (Decrease): Non-Accrual Loans	3.0	(7.3)	(6.0)	5.7	(7.6)
Other Real Estate Owned (ORE)					
7. Add: New ORE Properties	20.5	3.9	0.7	6.7	11.3
8. Less: ORE Sold	(8.6)	(7.9)	(2.3)		(10.2)
9. Less: ORE Losses (write-downs)	(2.9)	(3.7)	(0.3)		(4.0)
10. Increase / (Decrease): ORE	9.0	(7.7)	(1.9)	6.7	(2.9)
11. Increase / (Decrease): 90+ Days Delinquent	(0.8)	(0.5)	3.7	0.1	3.3
12. Increase / (Decrease): Restructured Loans	(9.6)	(1.9)	0.8		(1.1)
13. Total NPA Change	1.6	(17.4)	(3.4)	12.5	(8.3)
14. Ending Balance NPA's & 90+ Days Delinquent	\$ 83.0	\$ 65.6	\$ 62.2	\$ 12.5	\$ 74.7

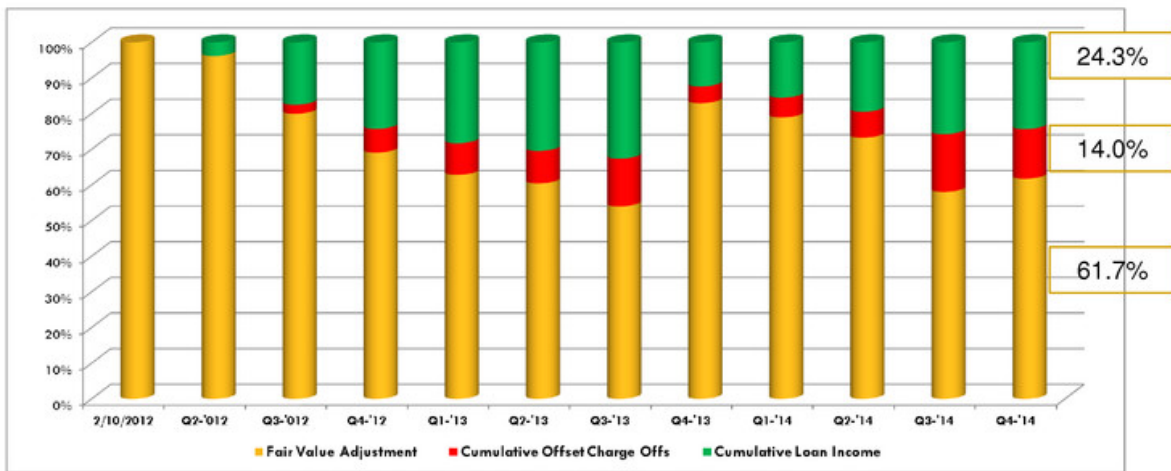
¹ excluded acquired CBN loans



ALLL and Fair Value Summary (as of 12/31/2014)

(\$ in Millions)	<u>Q4-'13</u>	<u>Q1-'14</u>	<u>Q2-'14</u>	<u>Q3-'14</u>	<u>Q4-'14</u>
1. Allowance for Loan Losses (ALLL)	\$ 67.9	\$ 69.6	\$ 68.4	\$ 65.6	\$ 64.0
2. Fair Value Adjustment (FVA)	<u>49.4</u>	<u>47.2</u>	<u>43.9</u>	<u>35.5</u>	<u>43.2</u>
3. Total ALLL plus FVA	117.3	116.8	112.3	101.1	107.2
4. Purchased Loan Balances plus FVA	\$ 685.6	\$ 663.9	\$ 638.0	\$ 596.3	\$ 701.7
5. ALLL/Loans	1.87%	1.92%	1.83%	1.74%	1.63%
6. ALLL & FVA/Total Loan Balances plus FVA¹	3.19%	3.19%	2.98%	2.65%	2.70%

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





Michael C. Rechin

President and
Chief Executive Officer



Strategy and Tactics Overview

Focus on the Customer Experience

- Continue to advance our loan process for speed and accuracy
- Evaluate and enhance our technology platforms
- Invest in mobile and online banking

Intensify Revenue-Generating Activities

- Achieve organic growth throughout the franchise
- Develop and retain outstanding talent
- Leverage our Centers of Influence and Regional Board relationships

Improve Efficiency

- Fully integrate the Community Bank of Noblesville acquisition
- Continue branch rationalization
- Line of business optimization

Assess Acquisition Opportunities in Our Marketplace

- Announced Definitive Agreement with C Financial Corporation and Cooper State Bank in Columbus, Ohio
- Targeting a 2nd quarter close and 4th quarter integration



Cooper State Bank Summary

- Definitive Agreement Signed January 5, 2015
- Headquartered in Columbus, Ohio
- Founded in 2004
- Balance Sheet as of September 30, 2014
 - \$135 Million in Assets
 - \$115 Million in Loans
 - \$102 Million in Deposits
- Income Statement for Quarter-End September 30, 2014
 - Net Income of \$170,000
 - Net Interest Margin of 4.08%
- Sub S Ownership





Financial Overview

Transaction Value	\$14.5 Million
Consideration	100% Cash
Required Approvals	Regulatory and C Financial Corporation Shareholders
Key Assumptions	Cost Savings Estimated to be 30%, or \$2.0 Million Estimated One-Time Transaction Costs of \$1.3 Million Credit and Interest Rate Marks of Approximately \$2.8 Million
Capital Impact:	Accretive to EPS Beginning in 1 st Full Year Tangible Book Value Earn-Back Within Four Years Minimal Impact to Capital Ratios
Termination Fee:	\$1.0 Million
Anticipated Closing:	2nd Quarter 2015



Transaction Rationale

Strategic
Opportunity

- Columbus Ohio Market Expansion
 - Adds 6 Full-Service Banking Centers to our \$500M Commercial Banking Presence
 - Banking Centers situated in Prime Columbus, Ohio locations
 - Improves FMC's Market Position from #13 to #12
- Market Opportunity
 - Attractive and Growing Market
 - One of the fastest growing Cities in America

Financially
Attractive

- Accretive to EPS Beginning in 2016
- Tangible Book Value Earn-Back within 4 Years
- Significant Operating Efficiencies – Approximately 30% Cost Saves

Attractive
Risk Profile

- Due Diligence Process Completed
- Cultural Fit, Retention of Key Management Members
- 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

TANGIBLE CAPITAL (dollars in thousands)

	<u>2014</u>
Return on Average Tangible Equity	
Average Stockholders' Equity (GAAP)	\$ 675,295
Less: Average Preferred Stock	(125)
Less: Average Intangible Assets, net of tax	<u>(199,354)</u>
Average Tangible Equity (non-GAAP)	475,816
Net Income Available to Common Shareholders	\$ 60,162
Add: Intangible Amortization, net of tax	<u>1,395</u>
Tangible Net Income	\$ 61,557
Return on Average Tangible Equity (non-GAAP)	12.94%



Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands)

	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	\$ 552,236	538,558	539,293	513,469	634,923	652,111	670,596	684,553	726,827
Less: Accumulated Other Comprehensive Income (Loss) ^a	5,499	6,748	15,179	16,198	6,410	1,016	(4,210)	(4,150)	1,629
Add: Qualifying Capital Securities	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Less: Disallowed Goodwill	(149,529)	(149,142)	(148,759)	(148,376)	(202,767)	(202,175)	(201,583)	(200,992)	(218,755)
Less: Disallowed Servicing Assets	(99)	(105)	(110)	(105)	(186)	(177)	(171)	(166)	(166)
Less: Disallowed Deferred Tax Assets	(6,975)				(10,194)	(4,677)	(1,357)		
Total Tier I Capital (Regulatory)	\$ 456,132	\$ 451,059	\$ 460,603	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535
Qualifying Subordinated Debentures	30,000	20,000	20,000	20,000	65,000	65,000	65,000	65,000	65,000
Allowance for Loan Losses Includible in Tier 2 Capital	40,660	40,538	42,007	41,936	51,780	51,556	52,809	53,803	55,972
Total Risk-Based Capital (Regulatory)	\$ 526,792	\$ 511,597	\$ 522,610	\$ 498,122	\$ 599,966	\$ 617,654	\$ 636,084	\$ 653,048	\$ 685,507
Net Risk-Weighted Assets (Regulatory)	\$ 3,224,088	\$ 3,215,063	\$ 3,331,374	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765
Total Risk-Based Capital Ratio (Regulatory)	16.34%	15.91%	15.69%	14.96%	14.54%	15.04%	15.11%	15.21%	15.34%
Tier I Common Risk-Based Capital Ratio									
Total Tier I Capital (Regulatory)	\$ 456,132	\$ 451,059	\$ 460,603	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535
Less: Qualified Capital Securities	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)
Less: Preferred Stock	(90,908)	(68,212)	(68,212)	(34,168)	(125)	(125)	(125)	(125)	(125)
Total Tier I Common Capital (non-GAAP)	\$ 310,224	\$ 327,847	\$ 337,391	\$ 347,018	\$ 428,061	\$ 445,973	\$ 463,150	\$ 479,120	\$ 509,410
Net Risk-Weighted Assets (Regulatory)	\$ 3,224,088	\$ 3,215,063	\$ 3,331,374	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765
Tier I Common Risk-Based Capital Ratio (non-GAAP)	9.62%	10.20%	10.13%	10.42%	10.37%	10.86%	11.00%	11.16%	11.40%

^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 EQUITY AND TANGIBLE RATIOS (dollars in thousands)

Tangible Common Equity/Tangible Assets (non-GAAP)	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Total Stockholders' Equity (GAAP)	\$ 552,236	\$ 538,557	\$ 539,293	\$ 513,469	\$ 634,923	\$ 652,111	\$ 670,596	\$ 684,553	\$ 726,827
Less: Preferred Stock	(90,908)	(68,212)	(68,212)	(34,168)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets, net of tax	(147,280)	(146,872)	(146,467)	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)
Tangible Common Equity (non-GAAP)	\$ 314,048	\$ 323,473	\$ 324,614	\$ 333,317	\$ 437,004	\$ 454,693	\$ 473,690	\$ 488,113	\$ 514,033
Total Assets (GAAP)	\$ 4,304,821	\$ 4,252,829	\$ 4,338,264	\$ 4,325,911	\$ 5,437,262	\$ 5,452,936	\$ 5,615,120	\$ 5,591,383	\$ 5,824,127
Less: Intangibles, net of tax	(147,280)	(146,872)	(146,467)	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)
Tangible Assets (non-GAAP)	\$ 4,157,541	\$ 4,105,957	\$ 4,191,797	\$ 4,179,927	\$ 5,239,468	\$ 5,255,643	\$ 5,418,339	\$ 5,395,068	\$ 5,611,458
Tangible Common Equity/Tangible Assets (non-GAAP)	7.55%	7.88%	7.74%	7.97%	8.34%	8.65%	8.74%	9.05%	9.16%
Shares Outstanding	28,692,616	28,780,609	28,801,848	28,825,465	35,921,761	36,014,083	36,052,209	36,074,246	37,669,948
Tangible Common Book Value per Share (non-GAAP)	\$ 10.95	\$ 11.24	\$ 11.27	\$ 11.56	\$ 12.17	\$ 12.63	\$ 13.14	\$ 13.53	\$ 13.65

