

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 23, 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 Thursday, April 23, 2015, First Merchants Corporation will conduct a first 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 April 23, 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.

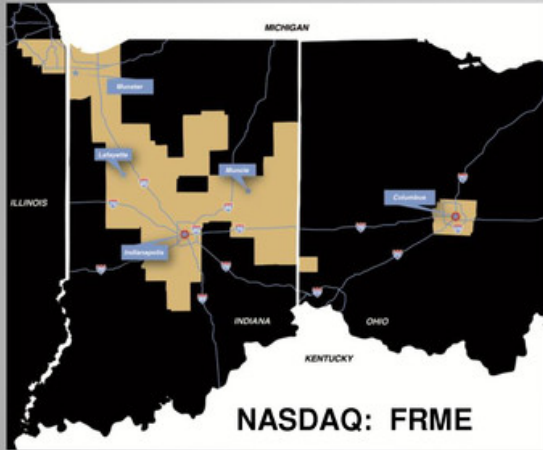
First Merchants Corporation  
(Registrant)

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

Dated: April 23, 2015

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide presentation, utilized April 23, 2015, during conference call and web cast by First Merchants Corporation



# First Merchants Corporation

**1<sup>st</sup> QUARTER 2015**

**Earnings Highlights**

**April 23, 2015**

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

The Corporation may make forward-looking statements about its relative business outlook. These forward-looking statements and all other statements made during this meeting 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. Please refer to our press releases, Form 10-Qs and 10-Ks concerning factors that could cause actual results to differ materially from any forward-looking statements.

## 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.



# 1<sup>st</sup> Quarter 2015 Highlights

## **1<sup>st</sup> Quarter Highlights**

- Earnings Per Share of \$ .43, a 13% increase over 1Q2014
- \$16.2 Million of Net Income, a 19% increase over 1Q2014
- \$16.2 Million of Non-Interest Income, a 5% increase over 1Q2014
- Non-Interest Expense of \$41.2 Million, a 4% decrease from 1Q2014
- 1.11% Return on Average Assets

## **Additional Items of Note**

- Completed acquisition of Cooper State Bank in Columbus, Ohio – April 17, 2015
- 1<sup>st</sup> quarter results include acquisition expenses of \$549,000
- Community Bank of Noblesville integration plan on target
- Asset quality improvement preserves credit leverage



# **Mark K. Hardwick**

Executive Vice President  
and Chief Financial Officer





## Total Assets

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>
1. Investments	\$ 1,096	\$1,181	\$1,150	\$1,189
2. Loans Held for Sale	5	7	7	6
3. Loans	3,633	3,925	3,617	3,966
4. Allowance	(68)	(64)	(70)	(63)
5. CD&I & Goodwill	203	219	202	218
6. BOLI	165	169	165	170
7. Other	<u>403</u>	<u>387</u>	<u>382</u>	<u>392</u>
8. Total Assets	<u>\$5,437</u>	<u>\$5,824</u>	<u>\$5,453</u>	<u>\$5,878</u>

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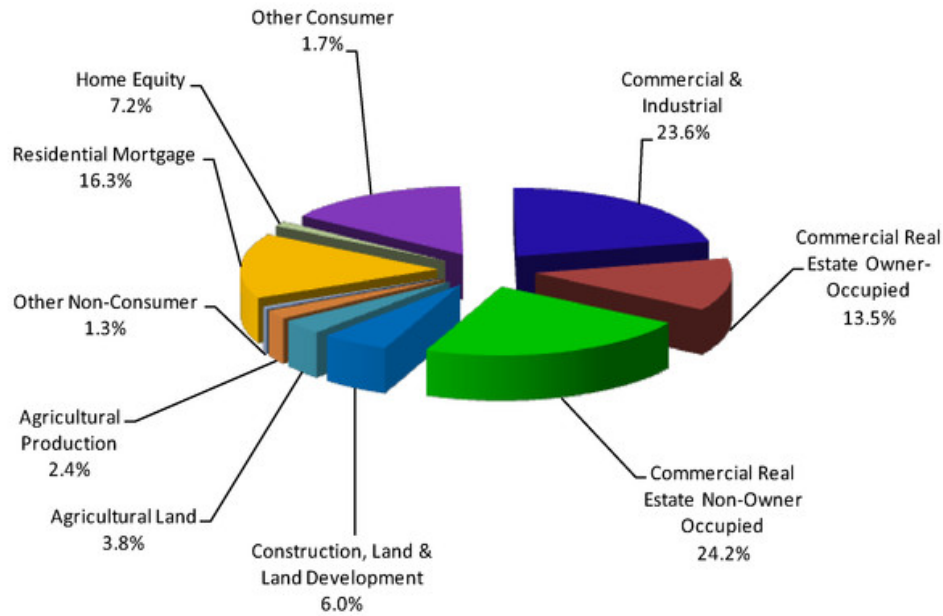


# Loan and Yield Detail

(as of 3/31/2015)

YTD Yield = 4.48%

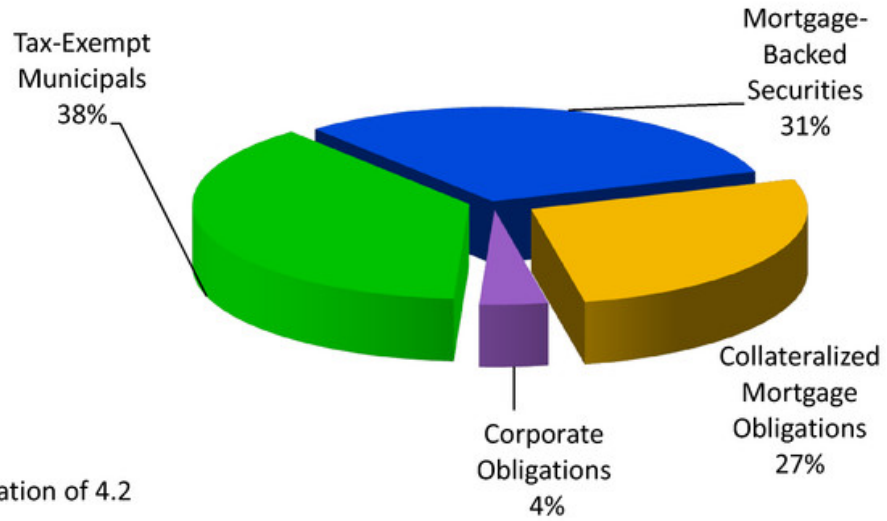
Total Loans = \$4.0 Billion





## Investment Portfolio

(as of 3/31/2015)



- \$1.2 Billion
- Modified duration of 4.2
- Tax equivalent yield of 3.94%
- Net unrealized gain of \$45.1 Million



## Total Liabilities and Capital

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>
1. Customer Non-Maturity Deposits	\$3,276	\$3,523	\$3,249	\$3,518
2. Customer Time Deposits	868	784	834	800
3. Brokered Deposits	87	334	200	330
4. Borrowings	401	290	362	305
5. Other Liabilities	48	44	34	63
6. Hybrid Capital	122	122	122	122
7. Common Equity	<u>635</u>	<u>727</u>	<u>652</u>	<u>740</u>
8. Total Liabilities and Capital	<u>\$5,437</u>	<u>\$5,824</u>	<u>\$5,453</u>	<u>\$5,878</u>
9. Tangible Book Value Per Share	\$12.17	\$13.65	\$12.63	\$13.96
Percentage Change		12.2%		10.5%

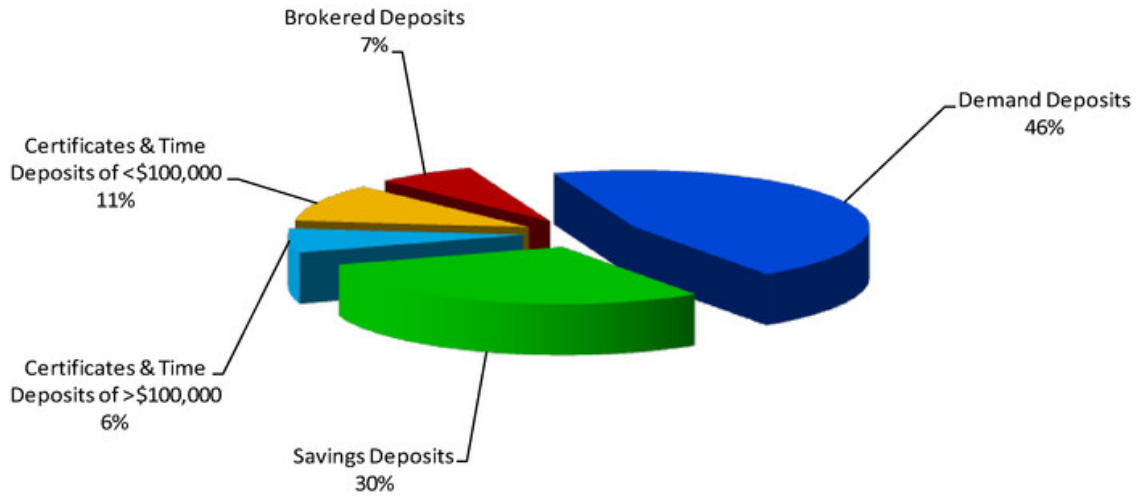


# Deposits and Cost of Funds Detail

(as of 03/31/2015)

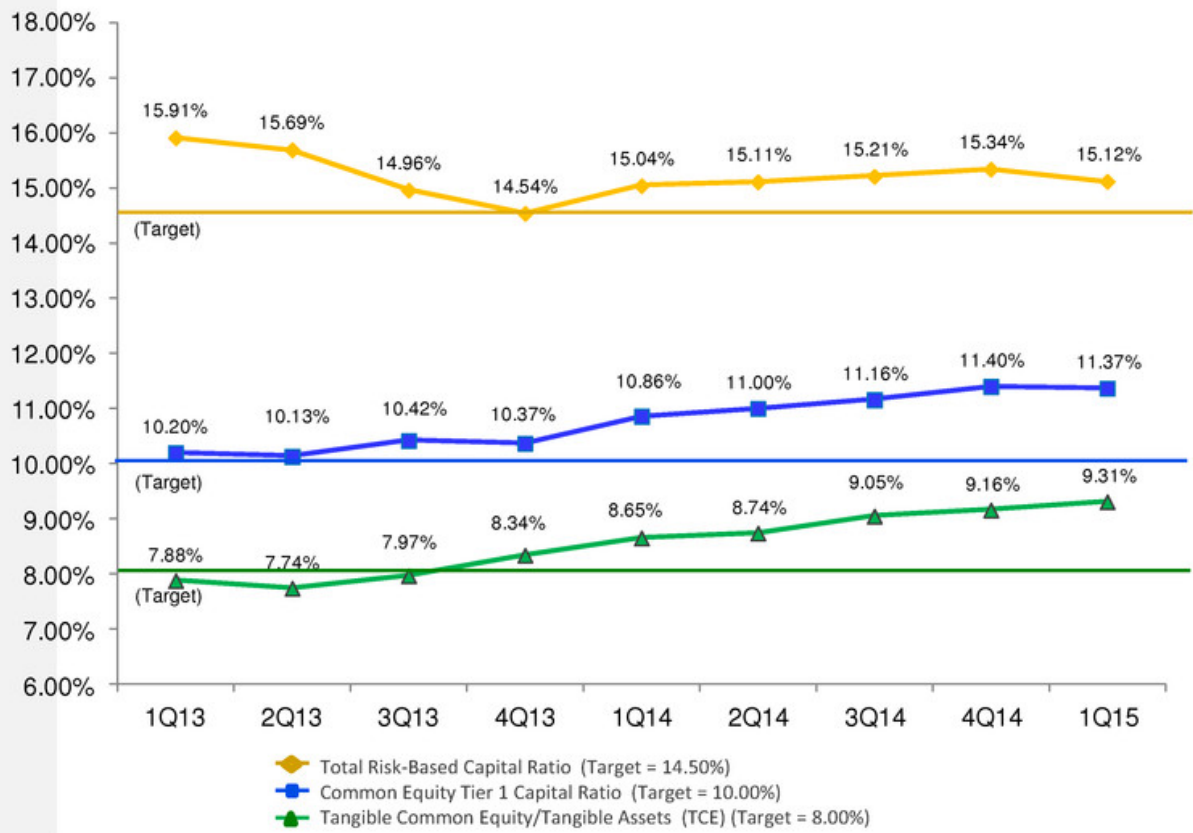
YTD Cost = .40%

Total = \$4.6 Billion





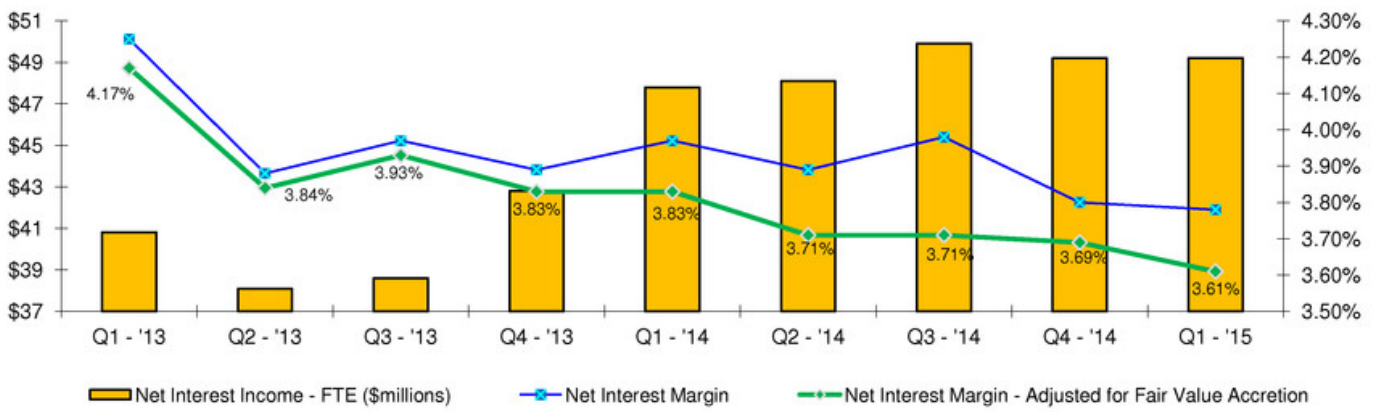
# Capital Ratios





# Net Interest Margin

	Q1 - '13	Q2 - '13	Q3 - '13	Q4 - '13	Q1 - '14	Q2 - '14	Q3 - '14	Q4 - '14	Q1 - '15
Net Interest Income - FTE (\$millions)	\$ 40.8	\$ 38.1	\$ 38.6	\$ 42.8	\$ 47.8	\$ 48.1	\$ 49.9	\$ 49.2	\$ 49.2
Fair Value Accretion	\$ 0.8	\$ 0.4	\$ 0.4	\$ 0.6	\$ 1.8	\$ 2.2	\$ 3.5	\$ 1.4	\$ 2.2
Tax Equivalent Yield on Earning Assets	4.70%	4.29%	4.35%	4.30%	4.40%	4.33%	4.41%	4.26%	4.24%
Cost of Supporting Liabilities	0.45%	0.41%	0.38%	0.41%	0.43%	0.44%	0.43%	0.46%	0.46%
Net Interest Margin	4.25%	3.88%	3.97%	3.89%	3.97%	3.89%	3.98%	3.80%	3.78%





## Non-Interest Income

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>
1. Service Charges on Deposit Accounts	\$12.4	\$15.7	\$ 3.6	\$ 3.5
2. Trust Fees	8.6	9.0	2.2	2.5
3. Insurance Commission Income	7.1	7.4	2.3	2.3
4. Electronic Card Fees	7.5	9.7	2.3	2.5
5. Cash Surrender Value of Life Ins	2.6	3.7	0.7	0.7
6. Gains on Sales Mortgage Loans	7.5	4.9	0.7	1.5
7. Securities Gains/Losses	0.5	3.6	0.6	1.0
8. OREO Gains/Rental Income	4.1	4.6	1.4	0.8
9. Other	<u>5.7</u>	<u>7.8</u>	<u>1.6</u>	<u>1.4</u>
10. Total	<u>\$56.0</u>	<u>\$66.4</u>	<u>\$15.4</u>	<u>\$16.2</u>
11. Adjusted Non-Interest Income <sup>1</sup>	\$55.5	\$62.8	\$14.8	\$15.2

<sup>1</sup>Adjusted for Bond Gains & Losses





## Non-Interest Expense

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>
1. Salary & Benefits	\$ 85.4	\$ 96.5	\$ 25.3	\$ 24.5
2. Premises & Equipment	18.0	23.2	6.6	6.4
3. Core Deposit Intangible	1.6	2.4	0.6	0.7
4. Professional & Other Outside Services	8.3	8.1	1.4	1.5
5. OREO/Credit-Related Expense	6.7	8.0	1.8	1.2
6. FDIC Expense	2.9	3.7	1.1	0.9
7. Outside Data Processing	5.6	7.3	1.8	1.7
8. Marketing	2.2	3.5	0.8	0.8
9. Other	<u>12.5</u>	<u>15.8</u>	<u>3.7</u>	<u>3.5</u>
10. Non-Interest Expense	<u>\$143.2</u>	<u>\$168.5</u>	<u>\$ 43.1</u>	<u>\$ 41.2</u>



## Earnings

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>
1. Net Interest Income	\$154.3	\$187.0	\$ 45.9	\$ 47.0
2. Provision for Loan Losses	<u>(6.6)</u>	<u>(2.6)</u>	—	—
3. <b>Net Interest Income after Provision</b>	<b>147.7</b>	<b>184.4</b>	<b>45.9</b>	<b>47.0</b>
4. Non-Interest Income	56.0	66.4	15.4	16.2
5. Non-Interest Expense	<u>(143.2)</u>	<u>(168.5)</u>	<u>(43.1)</u>	<u>(41.2)</u>
6. <b>Income before Income Taxes</b>	<b>60.5</b>	<b>82.3</b>	<b>18.2</b>	<b>22.0</b>
7. Income Tax Expense	(15.9)	(22.1)	(4.6)	(5.8)
8. Preferred Stock Dividend	<u>(2.4)</u>	—	—	—
9. <b>Net Income Avail. for Distribution</b>	<b><u>\$ 42.2</u></b>	<b><u>\$ 60.2</u></b>	<b><u>\$13.6</u></b>	<b><u>\$16.2</u></b>
10. EPS	\$ 1.41	\$ 1.65	\$0.38	\$0.43



## Earnings Per Share

<b><u>2014</u></b>	<b><u>Q1</u></b>	<b><u>Q2</u></b>	<b><u>Q3</u></b>	<b><u>Q4</u></b>	<b><u>Total</u></b>
1. Reported	\$ .38	\$ .41	\$ .45	\$ .41	\$ 1.65
2. FV Accretion EPS Impact	\$ .03	\$ .04	\$ .06	\$ .03	\$ .16
<b><u>2015</u></b>	<b><u>Q1</u></b>	<b><u>Q2</u></b>	<b><u>Q3</u></b>	<b><u>Q4</u></b>	<b><u>Total</u></b>
1. Reported	\$ .43	–	–	–	\$ .43
2. FV Accretion EPS Impact	\$ .04	–	–	–	\$ .04



# **John J. Martin**

Executive Vice President  
and Chief Credit Officer



## Loan Portfolio Trends

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>	Change			
					Linked Quarter		Year Over Year	
					\$	%	\$	%
1. Commercial & Industrial	\$ 761.7	\$ 896.7	\$ 787.4	\$ 938.9	\$42.2	4.7%	\$ 151.5	19.2%
2. Construction, Land and Land Development	177.1	207.3	155.1	237.0	29.7	14.3%	81.9	52.8%
3. CRE Non-Owner Occupied	963.4	975.7	954.9	960.2	(15.5)	(1.6%)	5.3	0.6%
4. CRE Owner Occupied	501.1	534.7	503.0	537.2	2.5	0.5%	34.2	6.8%
5. Agricultural Production	114.3	104.9	99.2	95.7	(9.2)	(8.8%)	(3.5)	(3.5%)
6. Agricultural Land	147.3	162.3	148.9	149.0	(13.3)	(8.2%)	0.1	0.1%
7. Residential Mortgage	616.4	647.3	626.2	640.5	(6.8)	(1.1%)	14.3	2.3%
8. Home Equity	255.2	286.5	256.8	286.9	0.4	0.1%	30.1	11.7%
9. Other Commercial	26.1	36.1	23.4	49.9	13.8	38.2%	26.5	113.2%
10. Other Consumer	<u>69.8</u>	<u>73.4</u>	<u>61.7</u>	<u>70.2</u>	<u>(3.2)</u>	(4.4%)	<u>8.5</u>	13.8%
<b>11. Loans</b>	<b>\$3,632.4</b>	<b>\$3,924.9</b>	<b>\$3,616.6</b>	<b>\$3,965.5</b>	<b>\$40.6</b>	<b>1.0%</b>	<b>\$ 348.9</b>	<b>9.6%</b>



## Asset Quality Summary

(\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>Q1-'14</u>	<u>Q1-'15</u>	Change			
					Linked Quarter		Year over Year	
					\$	%	\$	%
1. Non-Accrual Loans	\$ 56.4	\$ 48.8	\$ 55.7	\$ 44.3	\$ (4.5)	(9.2%)	\$ (11.4)	(20.5%)
2. Other Real Estate	22.2	19.3	21.1	19.1	(0.2)	(1.0%)	(2.0)	(9.5%)
3. Renegotiated Loans	3.0	2.0	0.4	1.3	(0.7)	(35.0%)	0.9	225.0%
4. 90+ Days Delinquent Loans	<u>1.4</u>	<u>4.6</u>	<u>1.7</u>	<u>1.7</u>	<u>(2.9)</u>	(63.0%)	-	0.0%
5. Total NPA's & 90+ Days Delinquent	\$ 83.0	\$ 74.7	\$ 78.9	\$ 66.4	\$ (8.3)	(11.1%)	\$ (12.5)	(15.8%)
6. NPA's & 90+ Days/Loans & ORE	2.3%	1.9%	2.2%	1.7%				
<hr/>								
7. Classified Assets	\$ 191.9	\$ 191.8	\$ 217.0	\$ 166.4	\$ (25.4)	(13.2%)	\$ (50.6)	(23.3%)
8. Criticized Assets (includes Classified)	\$ 263.5	\$ 253.6	\$ 281.4	\$ 249.1	\$ (4.5)	(1.8%)	\$ (32.3)	(11.5%)



## Non-Performing Asset Reconciliation

(\$ in Millions)	<u>Q2-'14</u>	<u>Q3-'14</u>	<u>Q4-'14</u>	<u>Q1-'15</u>
<b>1. Beginning Balance NPA's &amp; 90+ Days Delinquent</b>	<b>\$ 78.9</b>	<b>\$ 72.4</b>	<b>\$ 65.6</b>	<b>\$ 74.7</b>
Non-Accrual				
2. Add: New Non-Accruals	8.3	18.3	11.1	7.8
3. Less: To Accrual/Payoff/Renegotiated	(8.5)	(11.3)	(5.7)	(8.0)
4. Less: To OREO	(1.8)	(1.1)	(0.7)	(2.1)
5. Less: Charge-offs	<u>(2.4)</u>	<u>(8.1)</u>	<u>(5.0)</u>	<u>(2.2)</u>
<b>6. Increase / (Decrease): Non-Accrual Loans</b>	<b>(4.4)</b>	<b>(2.2)</b>	<b>(0.3)</b>	<b>(4.5)</b>
Other Real Estate Owned (ORE)				
7. Add: New ORE Properties	1.8	1.1	7.4	2.1
8. Less: ORE Sold	(2.7)	(3.7)	(2.3)	(2.1)
9. Less: ORE Losses (write-downs)	<u>(1.6)</u>	<u>(1.5)</u>	<u>(0.3)</u>	<u>(0.2)</u>
10. Increase / (Decrease): ORE	(2.5)	(4.1)	4.8	(0.2)
11. Increase / (Decrease): 90+ Days Delinquent	(0.6)	(0.3)	3.8	(2.9)
12. Increase / (Decrease): Restructured Loans	<u>1.0</u>	<u>(0.2)</u>	<u>0.8</u>	<u>(0.7)</u>
<b>13. Total NPA's &amp; 90+ Days Delinquent Change</b>	<b><u>(6.5)</u></b>	<b><u>(6.8)</u></b>	<b><u>9.1</u></b>	<b><u>(8.3)</u></b>
<b>14. Ending Balance NPA's &amp; 90+ Days Delinquent</b>	<b>\$ 72.4</b>	<b>\$ 65.6</b>	<b>\$ 74.7</b>	<b>\$ 66.4</b>

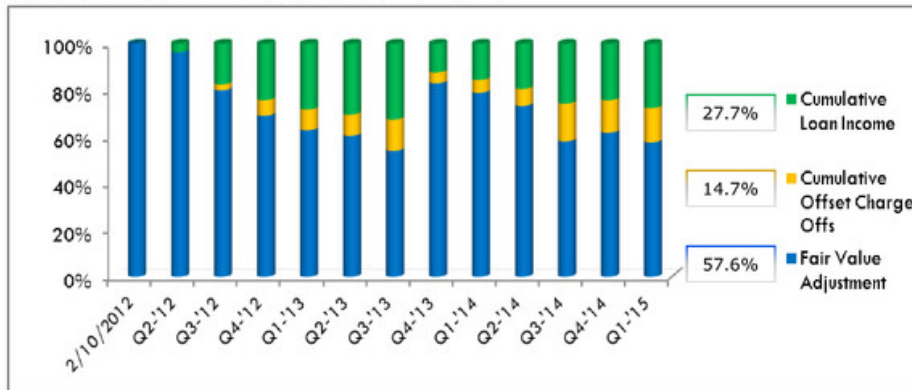


# ALLL and Fair Value Summary

(\$ in Millions)

	<u>Q1-'14</u>	<u>Q2-'14</u>	<u>Q3-'14</u>	<u>Q4-'14</u>	<u>Q1-'15</u>
1. Allowance for Loan Losses (ALLL)	\$ 69.6	\$ 68.4	\$ 65.6	\$ 64.0	\$ 62.8
2. Fair Value Adjustment (FVA)	<u>47.2</u>	<u>43.9</u>	<u>35.5</u>	<u>43.2</u>	<u>40.6</u>
3. Total ALLL plus FVA	116.8	112.3	101.1	107.2	103.4
4. Specific Reserves	1.8	1.7	3.4	2.8	4.6
5. Purchased Loans plus FVA	663.9	638.0	596.3	701.7	655.4
6. ALLL/Non-Accrual Loans	125.0%	133.3%	133.6%	131.1%	141.7%
7. ALLL/Non-purchased Loans	2.31%	2.18%	2.04%	1.95%	1.87%
8. ALLL/Loans	1.92%	1.83%	1.74%	1.63%	1.58%
9. ALLL & FVA/Total Loan Balances plus FVA <sup>1</sup>	<b>3.19%</b>	<b>2.98%</b>	<b>2.65%</b>	<b>2.70%</b>	<b>2.58%</b>

<sup>1</sup> Management uses this Non-GAAP measure to demonstrate coverage and credit risk







## Portfolio Perspective

- Continued strong demand in the construction portfolio
- Opportunities in the Public Finance sector
- Consumer lending demand improving following lower regional unemployment
- Cooper State Bank portfolio has no impact on overall credit profile



# Michael C. Rechin

President  
and Chief Executive Officer



## FMC Strategy and Tactics Overview

### **Focus on the Customer Experience**

- Complete mobile and online banking upgrade in 3<sup>rd</sup> Quarter 2015
- Achieve organic growth throughout the franchise
- Develop and retain outstanding talent for market share growth

### **Realize Acquisition Synergies**

- Fully integrate the Community Bank of Noblesville and Cooper State Bank acquisitions
- Leverage our expanded platform and sell more deeply into acquired clients
- Continue branch rationalization

### **Assess Acquisition Opportunities in Our Marketplace**

- Manage execution risk in building franchise
- Expand in current growth areas
- Extend into new growth markets



## 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](http://www.firstmerchants.com)**

**Investor inquiries:**

**David L. Ortega**

**Investor Relations**

**Telephone: 765.378.8937**

**[dortega@firstmerchants.com](mailto:dortega@firstmerchants.com)**



# Appendix



## Appendix – Non-GAAP Reconciliation

### CAPITAL RATIOS (dollars in thousands)

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
<b>Total Risk-Based Capital Ratio</b>									
Total Stockholders' Equity (GAAP)	538,558	539,293	513,469	634,923	652,111	670,596	684,553	726,827	739,658
Adjust for Accumulated Other Comprehensive (Income) Loss <sup>a</sup>	6,748	15,179	16,198	6,410	1,016	(4,210)	(4,150)	1,630	1,915
Less: Preferred Stock									(125)
Add: Qualifying Capital Securities	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	56,827
Less: Tier 1 Capital Deductions									(4,381)
Less: Disallowed Goodwill and Intangible Assets	(149,142)	(148,759)	(148,376)	(202,767)	(202,175)	(201,583)	(200,992)	(218,755)	(205,818)
Less: Disallowed Servicing Assets	(105)	(110)	(105)	(186)	(177)	(171)	(166)	(167)	(1,786)
Less: Disallowed Deferred Tax Assets				(10,194)	(4,677)	(1,357)			
Total Tier 1 Capital (Regulatory)	\$ 451,059	\$ 460,603	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535	\$ 586,290
Qualifying Subordinated Debentures	20,000	20,000	20,000	65,000	65,000	65,000	65,000	65,000	65,000
Allowance for Loan Losses includible in Tier 2 Capital	40,538	42,007	41,936	51,780	51,556	52,809	53,803	55,972	58,688
Total Risk-Based Capital (Regulatory)	\$ 511,597	\$ 522,610	\$ 498,122	\$ 599,966	\$ 617,654	\$ 636,084	\$ 653,048	\$ 685,507	\$ 709,978
Net Risk-Weighted Assets (Regulatory)	\$ 3,215,063	\$ 3,331,374	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765	\$ 4,695,073
<b>Total Risk-Based Capital Ratio (Regulatory)</b>	<b>15.91%</b>	<b>15.69%</b>	<b>14.96%</b>	<b>14.54%</b>	<b>15.04%</b>	<b>15.11%</b>	<b>15.21%</b>	<b>15.34%</b>	<b>15.12%</b>
<b>Common Equity Tier 1 Capital Ratio</b>									
Total Tier 1 Capital (Regulatory)	\$ 451,059	\$ 460,603	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535	\$ 586,290
Less: Qualified Capital Securities	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(56,702)
Add: Additional Tier 1 Capital Deductions									4,381
Less: Preferred Stock	(68,212)	(68,212)	(34,168)	(125)	(125)	(125)	(125)	(125)	(125)
Common Equity Tier 1 Capital (Regulatory)	\$ 327,847	\$ 337,391	\$ 347,018	\$ 428,061	\$ 445,973	\$ 463,150	\$ 479,120	\$ 509,410	\$ 533,844
Net Risk-Weighted Assets (Regulatory)	\$ 3,215,063	\$ 3,331,374	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765	\$ 4,695,073
<b>Common Equity Tier 1 Capital Ratio (Regulatory)</b>	<b>10.20%</b>	<b>10.13%</b>	<b>10.42%</b>	<b>10.37%</b>	<b>10.86%</b>	<b>11.00%</b>	<b>11.16%</b>	<b>11.40%</b>	<b>11.37%</b>

<sup>a</sup> 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)

<b>Tangible Common Equity/Tangible Assets (non-GAAP)</b>	<b>1Q13</b>	<b>2Q13</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>1Q15</b>
Total Stockholders' Equity (GAAP)	\$ 538,557	\$ 539,293	\$ 513,469	\$ 634,923	\$ 652,111	\$ 670,596	\$ 684,553	\$ 726,827	\$ 739,658
Less: Preferred Stock	(68,212)	(68,212)	(34,168)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets, net of tax	(146,872)	(146,467)	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)	(212,184)
<b>Tangible Common Equity (non-GAAP)</b>	<b>\$ 323,473</b>	<b>\$ 324,614</b>	<b>\$ 333,317</b>	<b>\$ 437,004</b>	<b>\$ 454,693</b>	<b>\$ 473,690</b>	<b>\$ 488,113</b>	<b>\$ 514,033</b>	<b>\$ 527,349</b>
Total Assets (GAAP)	\$ 4,252,829	\$ 4,338,264	\$ 4,325,911	\$ 5,437,262	\$ 5,452,936	\$ 5,615,120	\$ 5,591,383	\$ 5,824,127	\$ 5,877,521
Less: Intangibles, net of tax	(146,872)	(146,467)	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)	(212,184)
<b>Tangible Assets (non-GAAP)</b>	<b>\$ 4,105,957</b>	<b>\$ 4,191,797</b>	<b>\$ 4,179,927</b>	<b>\$ 5,239,468</b>	<b>\$ 5,255,643</b>	<b>\$ 5,418,339</b>	<b>\$ 5,395,068</b>	<b>\$ 5,611,458</b>	<b>\$ 5,665,337</b>
<b>Tangible Common Equity/Tangible Assets (non-GAAP)</b>	<b>7.88%</b>	<b>7.74%</b>	<b>7.97%</b>	<b>8.34%</b>	<b>8.65%</b>	<b>8.74%</b>	<b>9.05%</b>	<b>9.16%</b>	<b>9.31%</b>
Shares Outstanding	28,780,609	28,801,848	28,825,465	35,921,761	36,014,083	36,052,209	36,074,246	37,669,948	37,781,488
<b>Tangible Common Book Value per Share (non-GAAP)</b>	<b>\$ 11.24</b>	<b>\$ 11.27</b>	<b>\$ 11.56</b>	<b>\$ 12.17</b>	<b>\$ 12.63</b>	<b>\$ 13.14</b>	<b>\$ 13.53</b>	<b>\$ 13.65</b>	<b>\$ 13.96</b>



## Appendix – Non-GAAP Reconciliation

### ALLOWANCE RATIOS (dollars in thousands)

	<u>1Q14</u>	<u>2Q14</u>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>
<b><u>Allowance as a Percentage of Non-Purchased Loans</u></b>					
Loans Held for Sale (GAAP)	\$ 6,586	\$ 7,370	\$ 6,423	\$ 7,235	\$ 6,392
Loans (GAAP)	3,616,627	3,722,733	3,772,467	3,924,865	3,965,532
Total Loans	3,623,213	3,730,103	3,778,890	3,932,100	3,971,924
Less: Purchased Loans	(616,739)	(593,996)	(560,806)	(658,471)	(614,843)
Non-Purchased Loans (non-GAAP)	\$ 3,006,474	\$ 3,136,107	\$ 3,218,084	\$ 3,273,629	\$ 3,357,081
Allowance for Loan Losses	\$ 69,583	\$ 68,367	\$ 65,596	\$ 63,964	\$ 62,801
<b>Allowance as a Percentage of Non-Purchased Loans</b>	<b>2.31%</b>	<b>2.18%</b>	<b>2.04%</b>	<b>1.95%</b>	<b>1.87%</b>



