

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

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

DATE OF REPORT (Date of earliest event reported): November 14, 2019

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)

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.125 state value per share	FRME	NASDAQ

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

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

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

Emerging growth company

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

ITEM 7.01 REGULATION FD DISCLOSURE.

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

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits.

Exhibit 99.1 [First Merchants Corporation Investor Presentation](#)

SIGNATURES

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

First Merchants Corporation
(Registrant)

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

Dated: November 14, 2019



**First Merchants
Corporation**
NASDAQ: FRME

3rd Quarter Highlights

2019

Forbes 2019
**BEST BANKS
IN AMERICA**

First Merchants Bank
Ranked #2 in 2019



First Merchants Corporation } 200 E. Jackson St., P.O. Box 792, Muncie, IN 47305 } 765.747.1500

Forward-Looking Statement

This presentation contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to First Merchants’ goals, intentions and expectations; statements regarding the First Merchants’ business plan and growth strategies; statements regarding the asset quality of First Merchants’ loan and investment portfolios; and estimates of First Merchants’ risks and future costs and benefits. These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like First Merchants’ affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with the First Merchants’ business; and other risks and factors identified in each of First Merchants’ filings with the Securities and Exchange Commission. First Merchants undertakes no obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation or press release. In addition, the company’s past results of operations do not necessarily indicate its anticipated future results.

NON-GAAP FINANCIAL MEASURES

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, First Merchants Corporation has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

Why Invest in First Merchants?



First Merchants Bank
Ranked #2 in 2019

Company Profile

(as of September 30, 2019) (\$ in Thousands)

First Merchants

- First Merchants Bank formed in 1893, celebrating its 126th anniversary.
- First Merchants Corporation, organized in 1982, is the largest financial services holding company headquartered in Central Indiana

Financial Highlights

Assets	\$12,325,061
Loans, Net	\$8,226,599
Deposits	\$9,765,451
Tangible Common Equity	\$1,169,136
TCE/TA	9.95%
2019 Net Income – YTD	\$116,630
2019 ROAA – YTD	1.46%
2019 ROATCE - YTD	15.59%
NPAs/Loans + OREO	0.37%

Market Information

Common Shares Outstanding	55,345,1
Market Cap	\$2,083,1
Dividend Yield	2.5
Price/Tangible Book Value	1.
Price/LTM EPS	11
Price/2019 Est. EPS	11

Leadership Team

(Name, title, age)

Michael C. Rechin, President & CEO
Mark K. Hardwick, EVP, COO & CFO
Michael J. Stewart, EVP & Chief Banking Officer
John J. Martin, EVP & Chief Credit Officer
Michele M. Kawiecki, SVP, Director of Finance
Michael B. Joyce, SVP, President PWA
Carrie A. Valek, SVP, Director Consumer Banking

Our Franchise



Key Market Profiles		
Loans		Deposits
\$1,314M	Columbus	\$ 628M
798M	Fort Wayne	1,019M
2,646M	Indianapolis	1,893M
642M	Lafayette	1,218M
989M	Lakeshore	1,335M
735M	Michigan	1,096M
1,183M	Muncie	2,576M
\$8,307M	Total	\$9,765M

(as of September 30, 2019)

Mission Statement

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

County	Region/Type	Market Position	Market %	\$ Deposits
Delaware County, IN	Muncie (Established)	1	55.53%	\$ 1,5
Monroe, MI	Michigan (Established)	1	48.66%	1,0
Madison County, IN	Indianapolis (Growth)	1	26.62%	3
Jasper County, IN	Lafayette (Established)	1	34.43%	2
White County, IN	Lafayette (Established)	1	36.99%	1
Jay County, IN	Muncie (Established)	1	50.15%	1
Wells County, IN	Fort Wayne (Growth)	1	21.79%	1
Union County, IN	Muncie (Established)	1	41.35%	
Tippecanoe County, IN	Lafayette (Established)	2	20.83%	5
Henry County, IN	Muncie (Established)	2	36.92%	2
Shelby County, IN	Indianapolis (Growth)	2	16.20%	1
Wabash County, IN	Muncie (Established)	2	15.09%	
Clinton County, IN	Lafayette (Established)	2	12.36%	
Hendricks County, IN	Indianapolis (Growth)	3	11.68%	3
Adams County, IN	Muncie (Established)	3	15.48%	1
Huntington County, IN	Fort Wayne (Growth)	3	15.66%	
Randolph County, IN	Muncie (Established)	3	2.99%	
Hamilton County, IN	Indianapolis (Growth)	4	7.10%	8
Allen County, IN	Fort Wayne (Growth)	4	10.18%	6
Morgan County, IN	Indianapolis (Growth)	4	12.47%	1
Hancock County, IN	Indianapolis (Growth)	4	10.76%	1
Marshall County, IN	Fort Wayne (Growth)	4	6.29%	
Carroll County, IN	Lafayette (Established)	4	15.31%	
Miami County, IN	Muncie	4	8.23%	
Fayette County, IN	Muncie	5	9.45%	
Sub Total				\$7,128,853
First Merchants Total				\$9,611,598

First Merchants Strategy

“Service-driven alternative to super-regional bank competitors.
Deliver superior service with presence close to the customer for . . . ”

Commercial Banking

- › Business Banking
- › Commercial & Industrial
- › Agriculture
- › Sponsor Finance
- › Public Finance
- › Healthcare Services
- › Investment Real Estate
- › Treasury Management
- › Merchant Processing Services

Consumer Banking

- › Mortgage Banking

Private Wealth Advisory

- › Private Banking
- › Investment Management
- › Personal Trust
- › Brokerage
- › Retirement



“We specialize in our communities”

First Merchants Strategy

- › Commercial Bank Located in Prime Growth Commercial Banking Markets
 - › Indianapolis, Indiana
 - › Monroe, Michigan
 - › Columbus, Ohio
 - › Fort Wayne, Indiana
 - › Lafayette, Indiana
 - › Lakeshore - Northwest Indiana
- › Hire the Best Talent Supported with the Finest:
 - › Sales Management Process
 - › Credit and Treasury Services
 - › Revenue-Based Incentive System



First Merchants Strategy

- › Consumer Retail Bank
 - › Diverse Locations in Stable Rural and Growth Metro Markets
 - › Supported by:
 - › Talented Customer Service Oriented Banking Center and Call Center Professionals
 - › State-of-the-Art Systems
 - › Deposit and CRM Systems
 - › Online Banking System
 - › Mobile Banking System
 - › Customer Service and Relationship Growth-Oriented Incentive System



First Merchants Strategy

› Private Wealth Advisors

- › Comprehensive and coordinated approach to personal wealth management
- › Expertise in Investment Management, Private Banking, Fiduciary, Estate and Financial Planning
- › Strengthen commercial relationships with personal services for executives/owners and retirement plan services for companies
- › Partner with consumer bank to offer personal investment advice through First Merchants Investment Services

Line-of-Business Strategies

COMMERCIAL BANKING



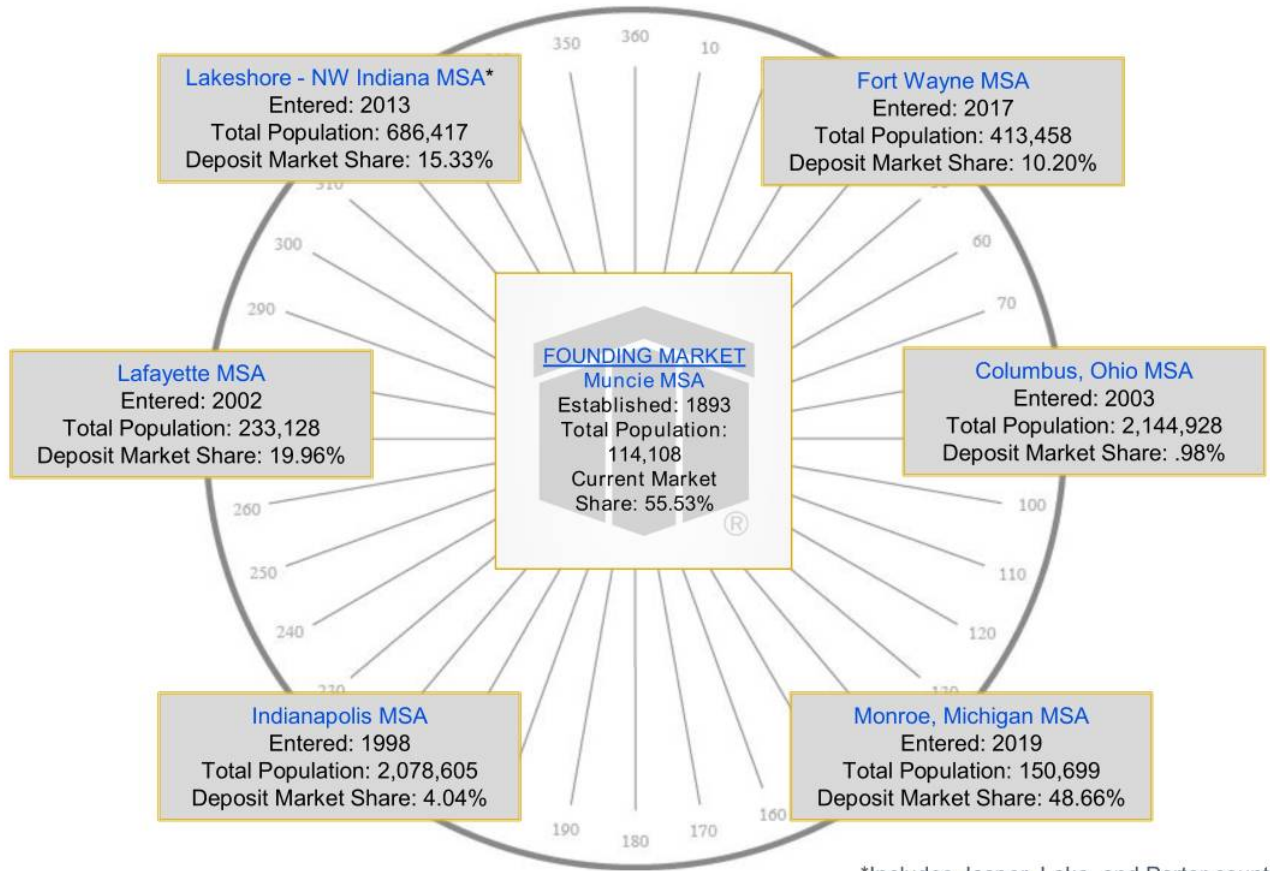
CONSUMER BANKING



WEALTH ADVISORY



Organic Growth Opportunities Exists in All Directions



Ranked Best in the Midwest for Business



- › AAA Credit Rating since 2008¹
- › Leading the Nation in Manufacturing Job Growth
- › 1st in Midwest and 5th Nationally for Best State for Doing Business
- › 1st Metro Area for Strong Job Opportunities with Affordable Housing
- › 1st Nationally for Highway Accessibility
- › 1st in the Midwest/8th Nationally for Low Taxes
- › 1st for Quality of Government and Government Administration³
- › 1st for Best Business Regulatory Climate⁴
- › Top 5 Nationally for Cost of Doing Business
- › 2nd in the Nation for Small Business Growth
- › 2nd Nationally for Availability of Skilled Labor
- › 2nd Best City in the Nation for Recent Graduates (Indianapolis)
- › 2nd Nationally for Top States for Business - Infrastructure
- › 2nd Largest Global Fed Ex Air Hub
- › 4th Nationally for Women in Tech and 10th in Overall Tech Job Growth

¹S&P, Moody's & Fitch
²Chief Executive Magazine 2017
³US News & World Reports 2017
⁴Forbes 2017
Unless otherwise noted, source IE

Muncie Market

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

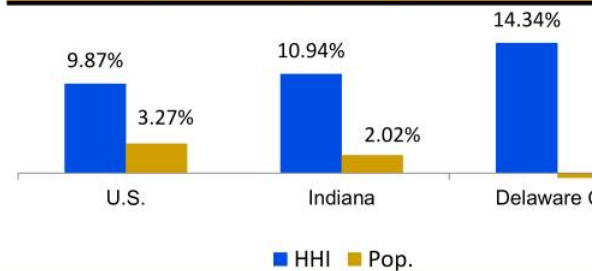
Delaware County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	First Merchants Corporation	9	\$1,522,233	55.53%
2	Mutual First Financial	7	653,442	23.84%
3	J.P. Morgan Chase	3	240,499	8.77%
4	Old National Bancorp	4	175,585	6.41%
5	Star Financial Group	3	148,707	5.42%
6	Woodforest Financial Group	1	833	0.03%
Market Total		27	\$ 2,741,299	

*SNL Financial FDIC Summary of Deposits as of June 30, 2019

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



Indianapolis Market

- Indianapolis metropolitan area includes four of the five fastest-growing counties in Indiana and 10 of the 11 fastest-growing cities and towns with populations of at least 5,000*
- The population data released by the U.S. Census Bureau show suburban Hamilton County's population grew 20.2% since 2010
- Indiana's population growth outpaced those of neighboring states Illinois, Kentucky, Michigan and Ohio*
- With 867,125 residents, Indianapolis was the nation's 17th largest city*

Indianapolis-Carmel-Anderson, IN MSA**

Rank		Branches	Deposits	Mkt. Share
1	JP Morgan Chase	66	\$10,832,171	19.98%
2	PNC Financial Services Group	61	7,585,010	13.99%
3	Fifth Third Bancorp	42	4,610,022	8.50%
4	Huntington Bancshares	40	3,579,245	6.60%
5	Bank of Montreal	36	3,446,760	6.36%
6	First Internet Bancorp	1	3,055,633	5.64%
7	KeyCorp	19	3,007,934	5.55%
8	Bank of America	3	2,528,339	4.66%
9	Merchants Bancorp	3	2,333,994	4.31%
10	First Merchants Corporation	33	2,192,200	4.04%
Market Total		526	\$54,224,982	

*IN.gov

**SNL Financial FDIC Summary of Deposits as of June 30, 2019

***Marion County, IN

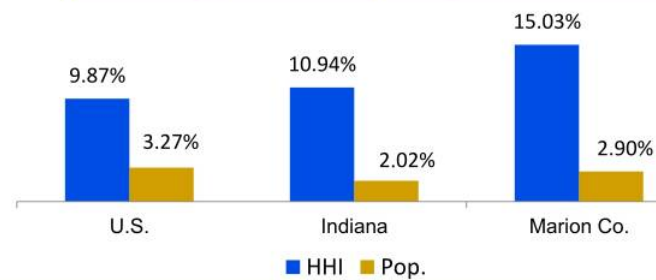
Notable Major Employers



CNO FINANCIAL GROUP



Projected HHI & Pop. Change 2020-2025



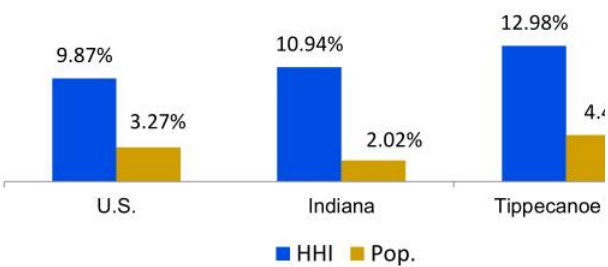
Lafayette Market

- Ranked #1, MSN Money, Fastest Growing Cities in the State of Indiana
- Ranked #2, Forbes Best Small Places for Business and Careers
- Ranked #2 in Indiana for STEM job density, with 13.6% of the workforce, topping the state's 10.9% & national average of 11.9% (Lafayette up 70.6% since 2001, with 4,850 new jobs)**
- Ranked among 24/7 Wall St., American City Adding the Most Jobs
- Home to Purdue University

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



Tippecanoe County, IN**				
Rank		Branches	Deposits	Mkt. Share
1	JPMorgan Chase & Co.	5	\$ 873,326	31.35%
2	First Merchants Corporation	8	580,077	20.83%
3	Regions Financial Corp	6	309,630	11.12%
4	Old National Bancorp	4	242,592	8.71%
5	Horizon Bancorp	5	210,728	7.57%
6	Huntington Bancshares, Inc.	3	161,359	5.79%
7	First Bancshares	5	122,206	4.39%
8	Fifth Third Bancorp	2	104,968	3.77%
9	1 st Source Corp	3	94,444	3.39%
10	Piper Holdings	3	25,631	.92%
Market Total		51	\$ 2,785,456	

*Indianapolis Business Journal

**SNL Financial FDIC Summary of Deposits as of June 30, 2019

Lakeshore Market

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

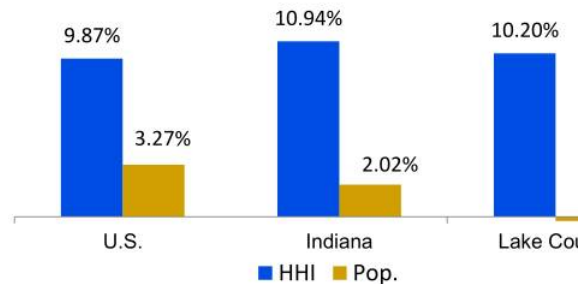
Lake County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	First Bancshares, Inc.	28	\$ 2,559,201	24.94%
2	JPMorgan Chase & Co.	19	2,055,209	20.03%
3	First Midwest Bancorp	14	1,103,746	10.76%
4	First Merchants Corporation	10	913,715	8.90%
5	Northwest Indiana Bancorp	15	823,788	8.03%
6	First Financial Bancorp	8	759,383	7.40%
7	Bank of Montreal	14	574,425	5.60%
8	Fifth Third Bancorp	11	499,095	4.86%
9	AMB Financial Corp	5	190,578	1.86%
10	PNC Financial Services Group	4	187,715	1.83%
Market Total		145	\$10,262,262	

*SNL Financial FDIC Summary of Deposits as of June 30, 2019
 **www.nwiforum.org/nwi-becoming-an-economic-powerhouse

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



Fort Wayne Market

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

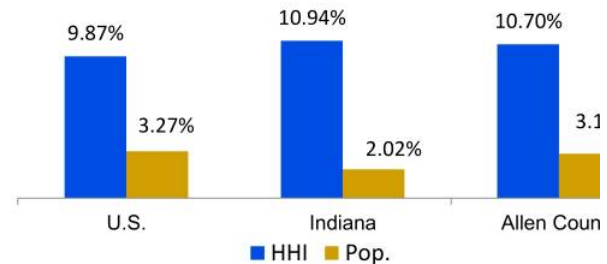
Allen County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	JP Morgan Chase & Co.	12	1,276,476	20.42%
2	Lakeland Financial Corp.	5	894,320	14.31%
3	PNC Financial Services Group	11	719,618	11.51%
4	First Merchants Corporation	8	635,312	10.16%
5	Flagstar Bancorp	13	527,350	8.44%
6	Old National Bancorp	5	514,046	8.22%
7	STAR Financial Group, Inc.	9	465,735	7.45%
8	1 st Source Corp.	8	393,564	6.30%
9	Fifth Third Bancorp	7	279,488	4.47%
10	First Defiance Financial	3	99,128	1.59%
Market Total		97	\$ 6,250,828	

*SNL Financial FDIC Summary of Deposits as of June 30, 2019

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



Columbus, Ohio Market

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

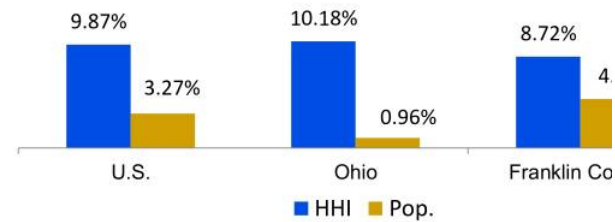
Franklin County, OH*				
Rank		Branches	Deposits	Mkt. Share
1	Huntington Bancshares	57	\$ 21,259,940	42.58%
2	JP Morgan Chares & Co	51	11,806,056	23.65%
3	PNC Financial Services Group	40	4,801,164	9.62%
4	Fifth Third Bancorp	38	4,692,684	9.40%
5	Key Corp	21	1,357,761	2.72%
6	U.S. Bancorp	33	1,224,166	2.45%
7	Heartland Bancorp	15	769,022	1.54%
8	First Merchants Corporation	9	607,718	1.22%
9	Wells Fargo & Co	1	579,729	1.16%
10	First Financial Bancorp	5	512,166	1.03%
Market Total		319	\$ 49,928,406	

*SNL Financial FDIC Summary of Deposits as of June 30, 2019
 **<http://jobs-ohio.com/manufacturing/>

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



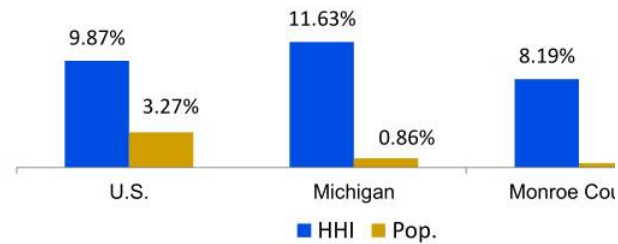
Monroe, Michigan Market

- Monroe is located on the western shore of Lake Erie, approximately 14 miles north of Toledo, Ohio and 25 miles south of Detroit
- Michigan is within 500 miles of nearly half the U.S. and Canadian population and commerce centers providing unparalleled access to market
- \$500 Million in trade crosses between Michigan and Canada daily via the Ambassador Bridge, the busiest border crossing in North America
- Michigan's cost of living is 10% below the national average and ranks as the fourth most affordable state in the country

Notable Major Employers



Projected HHI & Pop. Change 2020-2025



Monroe County, MI*				
Rank		Branches	Deposits	Mkt. Share
1	First Merchants Corporation	14	\$ 1,005,960	48.66%
2	Huntington Bancshares	4	366,202	17.71
3	Fifth Third Bancorp	3	243,611	11.78%
4	KeyCorp	3	164,865	7.97%
5	PNC Financial Services Group	2	163,628	7.91%
6	Old National Bancorp	1	64,881	3.14%
7	Flagstar Bancorp	1	38,283	1.85%
8	Citizens Financial Group	1	19,936	.96%
Market Total		29	\$ 2,067,366	

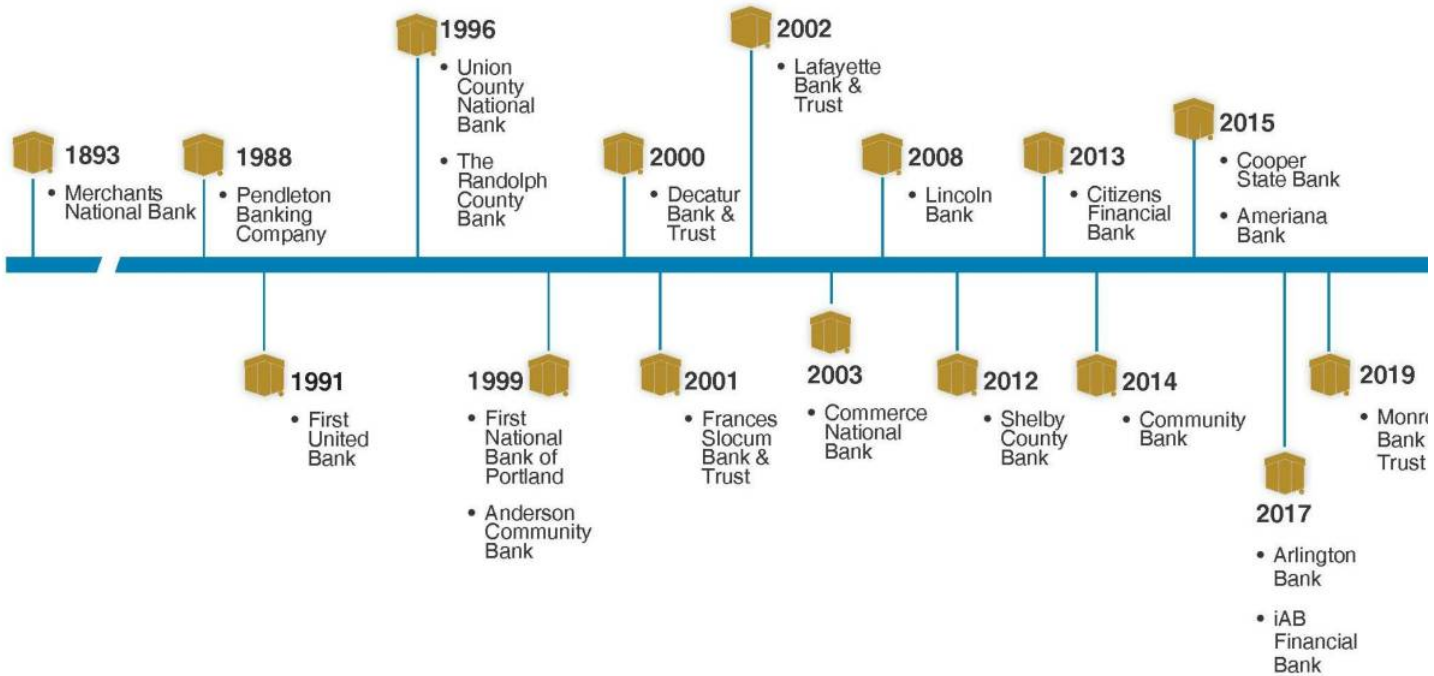
*SNL Financial FDIC Summary of Deposits as of June 30, 2019

Growth Through Acquisition

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



Acquisition Experience



First Merchants Acquisition Process

- › Continuous Relationship Building
- › Complete and Thorough Due Diligence Process
- › Demonstrated Pricing Discipline
- › Detailed Project Management
- › Integration Process
- › Scalable Technology and Operations Center
- › Achieve Announced Financial Return Targets

Process

Operational Delivery Highlights

- › Strategic differentiator in support of growth and scalability
- › Operational services execution “hub” focusing on value creation
- › Functional focus:
 - › Operations
 - › Technology
 - › Vendor Management
 - › Project Management
 - › Risk Management
 - › Credit Administration
- › Located on the interstate less than 30 minutes north of Indianapolis
- › 130,000+ square feet of flexible space



Strategic Vendor Partners



Operational Delivery Highlights

Customer, Digital Channel & Transaction Activity

Retail Households: 182,956

Online Banking/Digital Channel

- Consumer: 85K Users
- 1.5M logins monthly
- 14K bill pay users
- 90K bill payment transactions monthly (\$30M)
- Mobile: 53K Users
- 24.5 average logins per user, per month
- 14K mobile deposits per month
- Business: 9.9K Users
 - 13% use ACH/Wire/Positive Pay
- Total ATMS: 164 + 25,000 MoneyPass ATMs

Cash Management Annual Volume

- Automated Clearing House (ACH)
 - # Originated: 2.5M Items (\$8B)
 - # Received: 14M Items (\$23B)
- Domestic Wires
 - # Originated: 42K Items (\$21B)
 - # Received: 43K Items (\$27B)
- International Wires
 - # Originated: 1K Items (\$35M)
 - # Received: 159 Items (\$2.6M)

Total Debit Cards

- 199K active cards
- 3.5M monthly card swipes
- \$136M in monthly volume

Commercial Remote Deposit Capture

- 591 businesses using solution
- 143K deposits annually
- 1.7M items deposited annually
- \$3.7B in total deposits

3rd Quarter 2019 Highlights

- › Acquisition of MBT Financial Corporation Completed on September 1, 2019
- › \$36.8 Million of Net Income, or \$0.71 Per Share
- › Acquisition Expense Totaled \$11.2 Million, or \$0.17 Per Share
- › Total Assets of \$12.3 Billion; Grew by 25.9% over 3Q 2018
- › Annualized Organic Loan Growth of 3.1%
- › Annualized Organic Deposit Growth of 16.4%
- › \$21.26 TBV Per Share; 15% Annualized Increase since 4Q 2018

Total Assets

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'19</u>	<u>Q2-'19</u>	<u>Q3-'19</u>
1. Investments	\$1,561	\$1,633	\$ 1,863	\$ 2,093	\$ 2,489
2. Loans	6,758	7,229	7,303	7,517	8,307
3. Allowance	(75)	(81)	(81)	(81)	(81)
4. Goodwill & Intangibles	477	470	468	467	580
5. BOLI	224	225	226	226	287
6. Other	<u>422</u>	<u>409</u>	<u>432</u>	<u>516</u>	<u>743</u>
7. Total Assets	<u>\$9,367</u>	<u>\$9,885</u>	<u>\$10,211</u>	<u>\$10,738</u>	<u>\$12,325</u>

Annualized Asset Growth

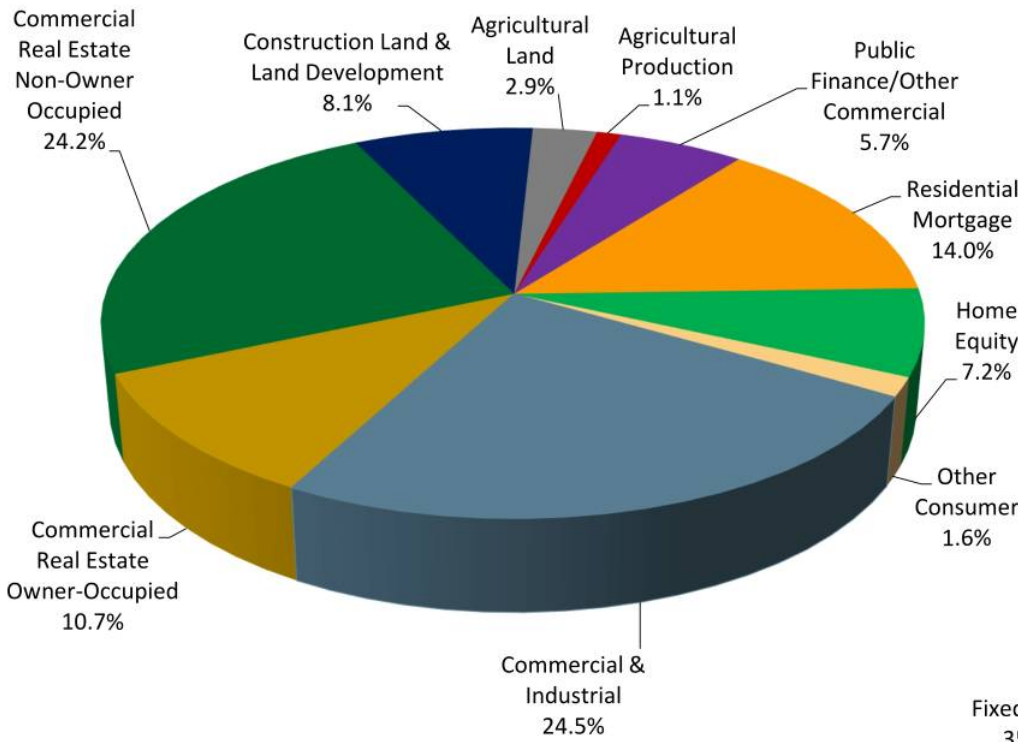
5.5%

32.9%

¹ Annualized from December 31, 2018

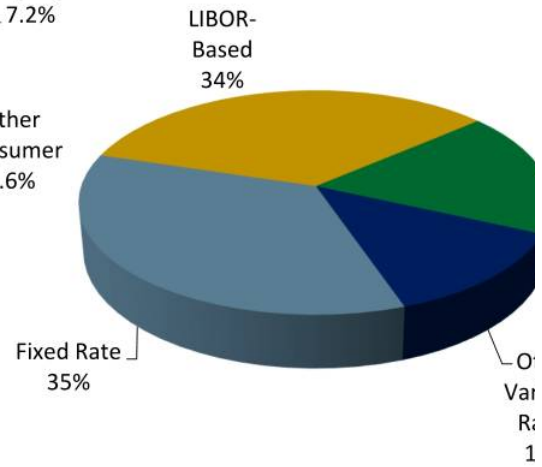
Loan Yield and Detail

(as of September 30, 2019)



QTD Yield	=	5.28
YTD Yield	=	5.30
Total Loans	=	\$8.3 Billic

Variable	=	\$5.4 Billic
Fixed	=	\$2.9 Billic



CRE Loan Concentration

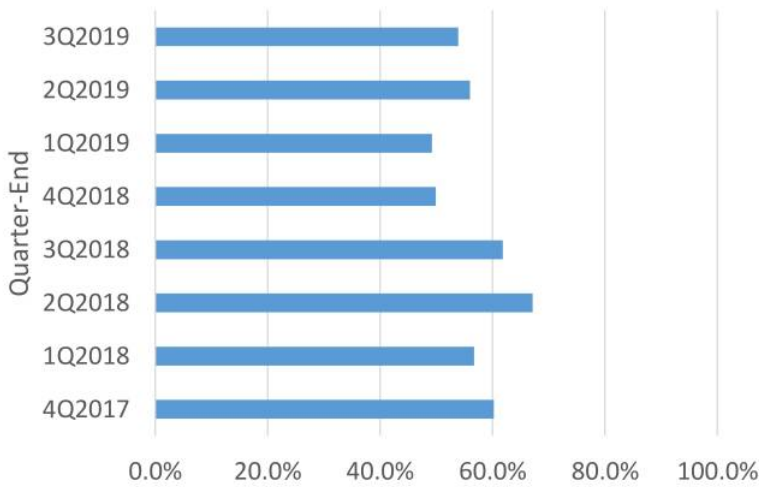
First Merchants Results in Relation to FDIC Guideline

FDIC GUIDELINES TO IDENTIFY INSTITUTIONS POTENTIALLY EXPOSED TO CRE RISK:

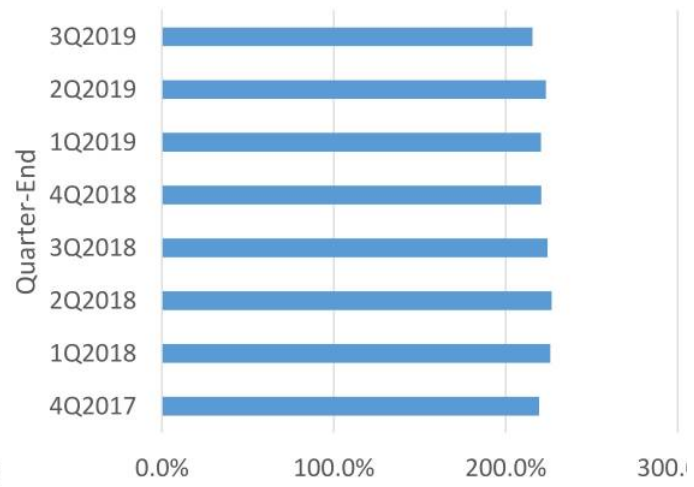
Guideline 1: Total loans for construction, land development, and other land representing 100% more of total capital

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

GUIDELINE #1

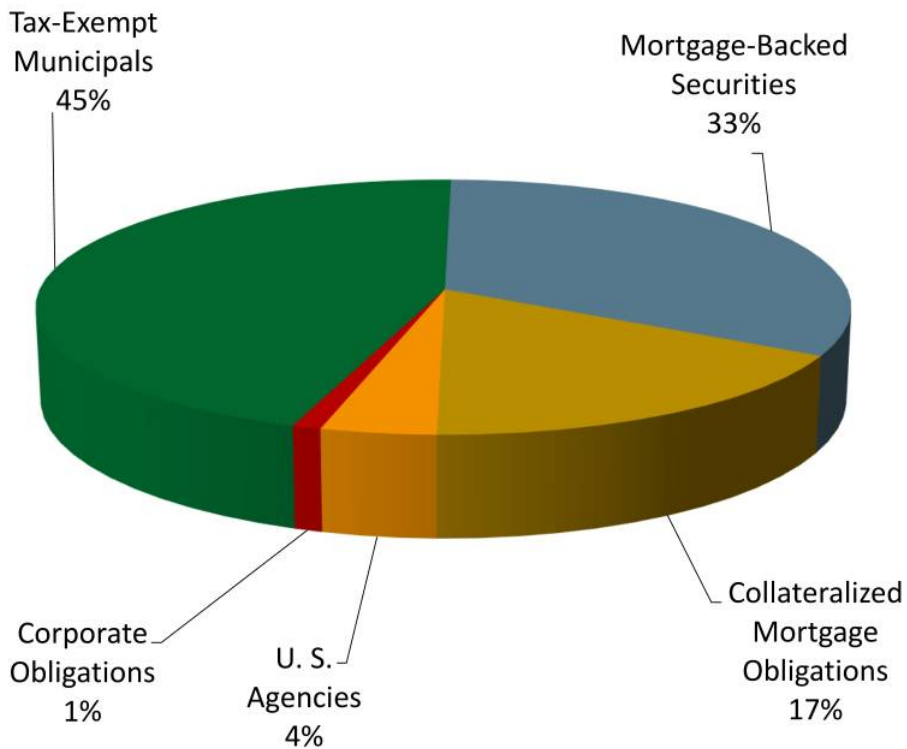


GUIDELINE #2



Investment Portfolio

(as of September 30, 2019)



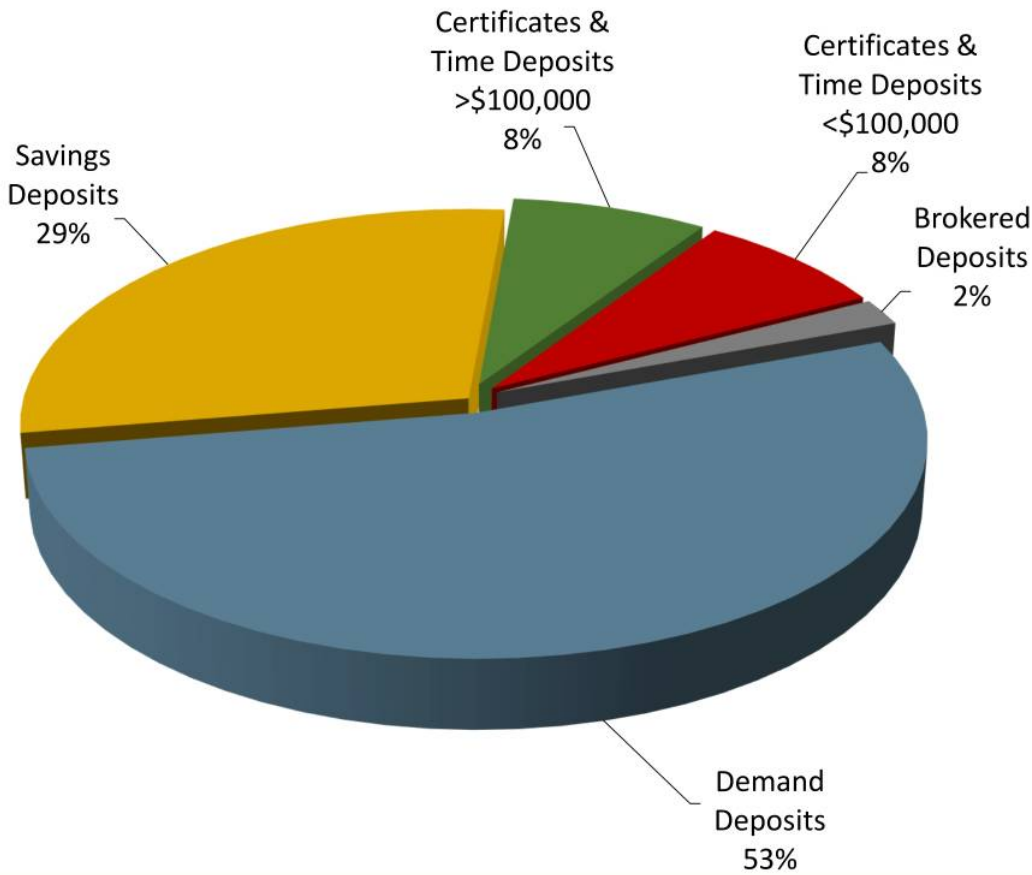
- › \$2.5 Billion Portfolio
- › Modified duration of 4.7 years
- › Tax equivalent yield of 3.22%
- › Net unrealized gain of \$75.8 Mill

Total Liabilities and Capital

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'19</u>	<u>Q2-'19</u>	<u>Q3-'19</u>
1. Customer Non-Maturity Deposits	\$5,741	\$6,268	\$ 6,439	\$ 6,668	\$ 7,993
2. Customer Time Deposits	1,051	1,241	1,375	1,450	1,543
3. Brokered Deposits	<u>381</u>	<u>246</u>	<u>234</u>	<u>201</u>	<u>229</u>
Total Deposits	7,173	7,755	8,048	8,319	9,765
4. Borrowings	701	538	481	659	551
5. Other Liabilities	57	51	92	124	126
6. Hybrid Capital	133	133	134	134	134
7. Common Equity	<u>1,303</u>	<u>1,408</u>	<u>1,456</u>	<u>1,502</u>	<u>1,749</u>
8. Total Liabilities and Capital	<u>\$9,367</u>	<u>\$9,885</u>	<u>\$10,211</u>	<u>\$10,738</u>	<u>\$12,325</u>

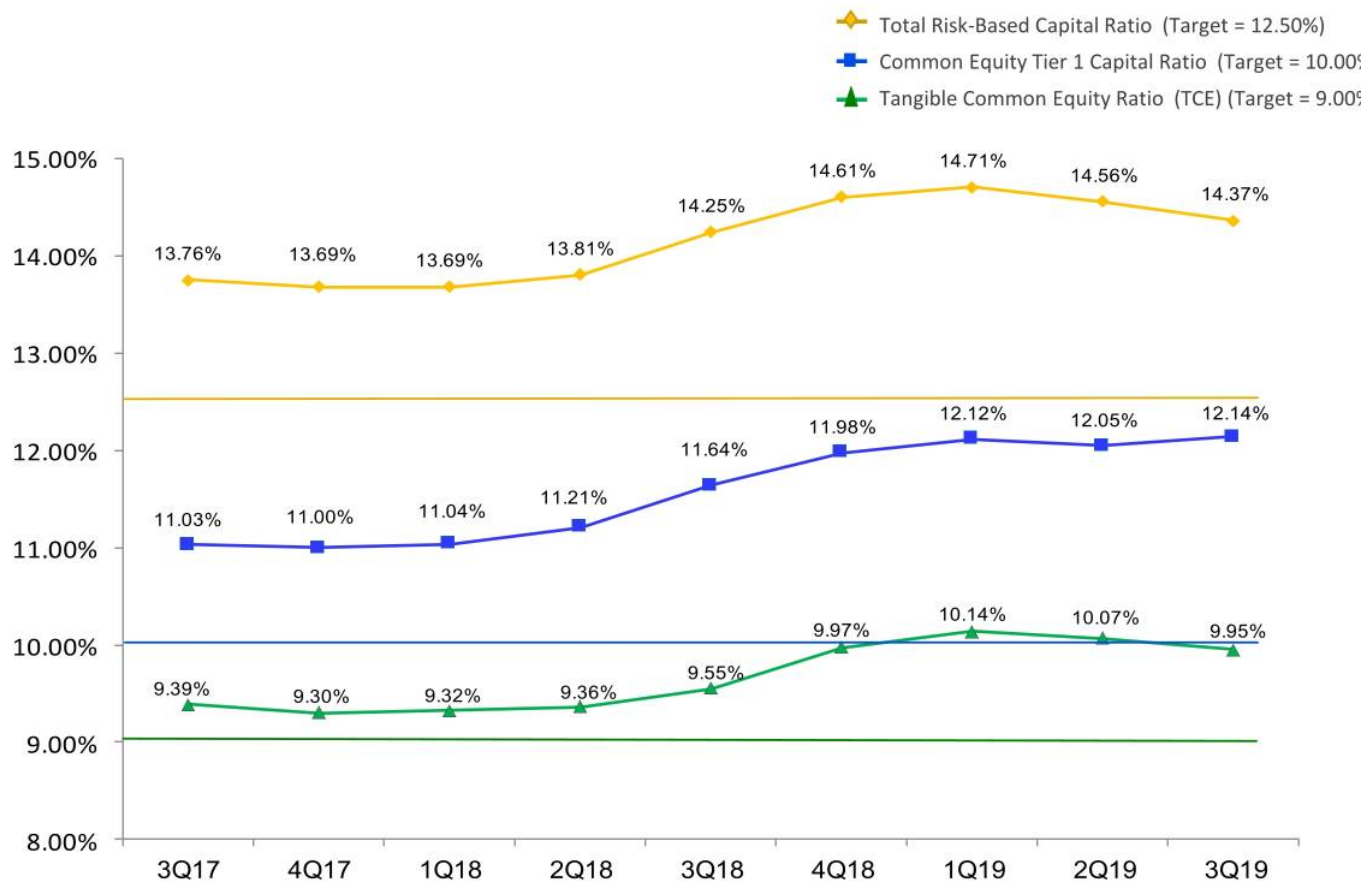
Deposit Detail

(as of September 30, 2019)



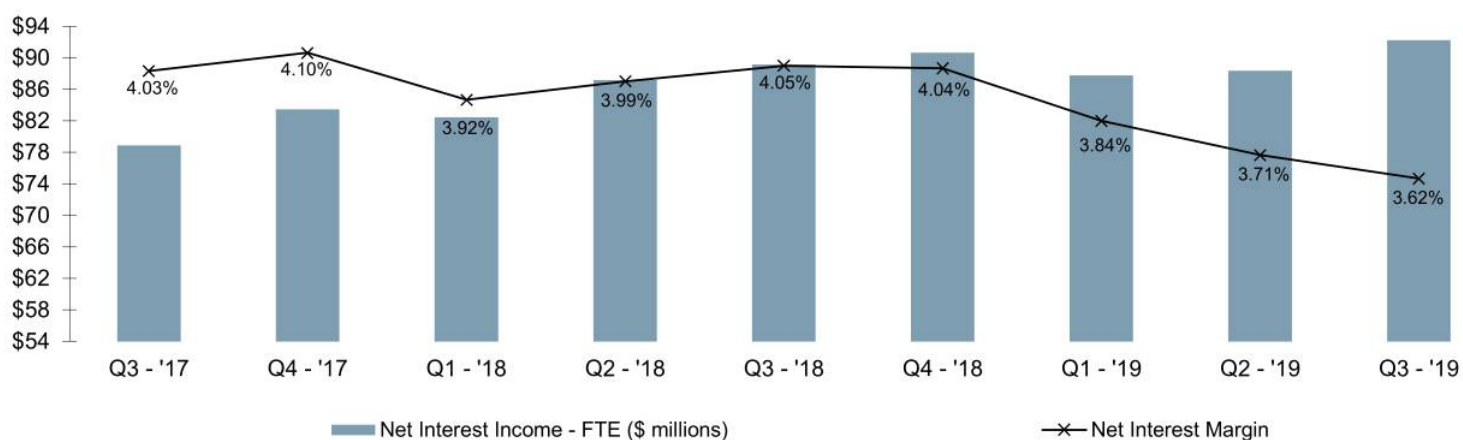
QTD Cost	=	1.33
YTD Cost	=	1.29
Total	=	\$9.8 Billio

Capital Ratios



Net Interest Margin

	Q3 - '17	Q4 - '17	Q1 - '18	Q2 - '18	Q3 - '18	Q4 - '18	Q1 - '19	Q2 - '19	Q3 - '19
Net Interest Income - FTE (\$ millions)	\$ 78.9	\$ 83.5	\$ 82.5	\$ 87.2	\$ 89.2	\$ 90.7	\$ 87.8	\$ 88.4	\$ 92.3
Fair Value Accretion	\$ 3.2	\$ 4.1	\$ 3.2	\$ 3.8	\$ 3.2	\$ 3.9	\$ 2.3	\$ 2.2	\$ 2.5
Tax Equivalent Yield on Earning Assets	4.56%	4.67%	4.57%	4.74%	4.88%	4.97%	4.89%	4.86%	4.77%
Interest Expense/Average Earning Assets	0.53%	0.57%	0.65%	0.75%	0.83%	0.93%	1.05%	1.15%	1.15%
Net Interest Margin	4.03%	4.10%	3.92%	3.99%	4.05%	4.04%	3.84%	3.71%	3.62%
Fair Value Accretion Effect	0.17%	0.20%	0.15%	0.18%	0.15%	0.17%	0.09%	0.09%	0.10%



Non-Interest Income

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'19</u>	<u>Q2-'19</u>	<u>Q3-'19</u>
1. Service Charges on Deposit Accounts	\$ 18.7	\$ 21.0	\$ 5.1	\$ 5.4	\$ 6.0
2. Wealth Management Fees	14.7	14.9	3.8	3.9	4.0
3. Card Payment Fees	16.1	18.0	4.8	4.9	5.0
4. Gains on Sales of Mortgage Loans	7.6	7.0	1.3	1.7	2.0
5. Derivative Hedge Fees	2.0	2.5	0.8	1.5	1.0
6. Other Customer Fees	1.7	1.9	0.5	0.3	0.5
7. Cash Surrender Value of Life Ins	6.6	4.2	1.0	0.9	1.0
8. Gains on Sales of Securities	2.6	4.3	1.1	1.9	0.5
9. Other	<u>1.0</u>	<u>2.7</u>	<u>0.3</u>	<u>1.1</u>	<u>0.5</u>
10. Total Non-Interest Income	<u>\$71.0</u>	<u>\$76.5</u>	<u>\$18.7</u>	<u>\$21.6</u>	<u>\$22.0</u>

Private Wealth Advisors

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

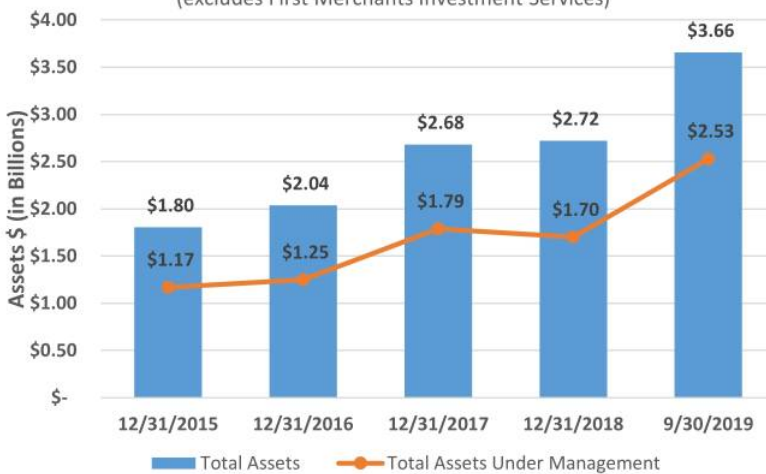
Business lines include:

- › Investment Management – Personal and Institutional
- › Retirement Plan Services
- › Fiduciary Administration
- › Private Banking
- › First Merchants Investment Services (not reflected below)

- › Integrated assets of Monroe Bank and Trust included asset levels – strong mix of Agency, IRA and Fiduciary business
- › Private Banking continuing to drive expansion of existing client relationships in established markets and new client acquisition in growth markets
- › Benefitting from business owner liquidity events as succession plans are executed
- › Expansion of advisory capabilities driving asset retention and expansion

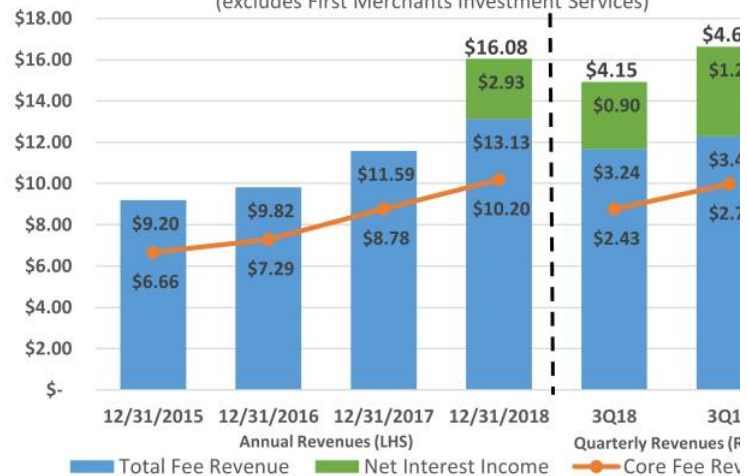
Total Assets

(excludes First Merchants Investment Services)



Total Revenue (in Millions \$)

(excludes First Merchants Investment Services)

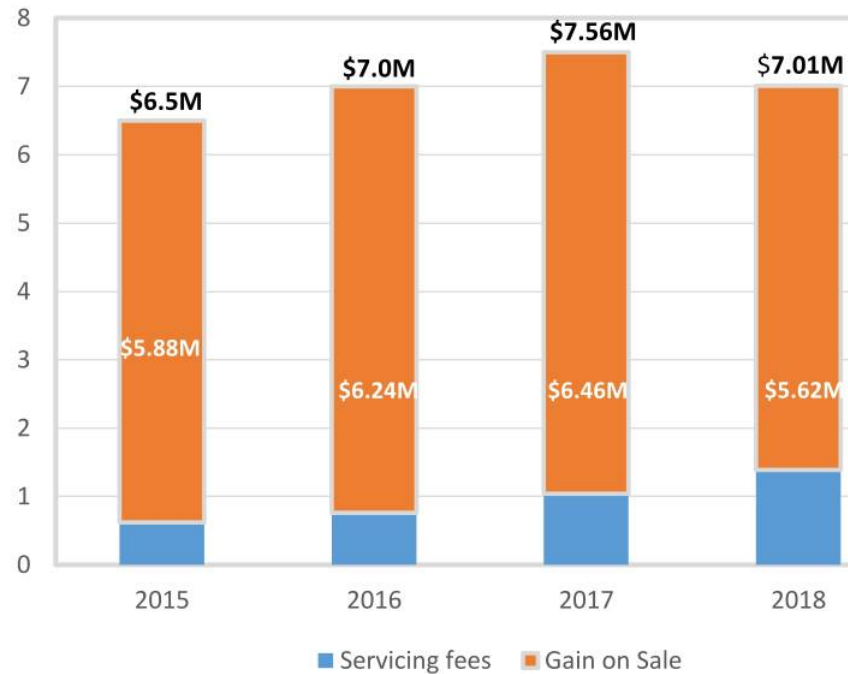


Mortgage Banking

Key component of Fee Income

-) Mortgage Production for sale and portfolio via commissioned and salaried loan originators
-) Strong loan origination teams in high-growth areas of Indianapolis and Columbus, OH
-) Centralized underwriting and processing
-) Strong connectivity with retail branches
-) Majority of the pipeline is driven by purchase business
-) 12/31/2018 YTD 1868 mortgages for \$357M in volume

Mortgage Banking Revenue



Non-Interest Expense

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'19</u>	<u>Q2-'19</u>	<u>Q3-'19</u>
1. Salary & Benefits	\$119.8	\$131.7	\$33.0	\$32.7	\$38.8
2. Premises & Equipment	30.1	32.7	8.7	8.6	8.6
3. Intangible Asset Amortization	5.6	6.7	1.5	1.5	1.5
4. Professional & Other Outside Services	12.8	8.2	1.9	2.4	8.2
5. OREO/Credit-Related Expense	1.9	1.5	1.2	0.9	0.9
6. FDIC Expense	2.6	2.9	0.7	0.7	(0.1)
7. Outside Data Processing	12.2	13.2	3.7	3.9	4.0
8. Marketing	3.7	4.7	1.1	2.7	1.1
9. Other	<u>16.9</u>	<u>18.4</u>	<u>4.8</u>	<u>4.2</u>	<u>4.2</u>
10. Total Non-Interest Expense	<u>\$ 205.6</u>	<u>\$ 220.0</u>	<u>\$56.6*</u>	<u>\$57.6*</u>	<u>\$67.6*</u>

*Includes acquisition-related expenses of \$0.2 in Q1-'19; \$0.5 in Q2-'19; and \$11.2 in Q3-'19

Earnings

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'19</u>	<u>Q2-'19</u>	<u>Q3-'19</u>
1. Net Interest Income	\$ 277.3	\$ 338.8	\$84.9	\$85.3	\$88.1
2. Provision for Loan Losses	<u>(9.1)</u>	<u>(7.2)</u>	<u>(1.2)</u>	<u>(0.5)</u>	<u>(0.1)</u>
3. Net Interest Income after Provision	268.2	331.6	83.7	84.8	88.0
4. Non-Interest Income	71.0	76.5	18.7	21.6	22.1
5. Non-Interest Expense	<u>(205.6)</u>	<u>(220.0)</u>	<u>(56.6)</u>	<u>(57.6)</u>	<u>(67.1)</u>
6. Income before Income Taxes	133.6	188.1	45.8	48.8	43.0
7. Income Tax Expense	<u>(37.5)</u>	<u>(29.0)</u>	<u>(6.9)</u>	<u>(7.7)</u>	<u>(6.1)</u>
8. Net Income Avail. for Distribution	<u>\$ 96.1</u>	<u>\$ 159.1</u>	<u>\$38.9</u>	<u>\$41.1</u>	<u>\$36.9</u>
9. EPS	\$ 2.12	\$ 3.22	\$0.78	\$0.83	\$0.77
10. Efficiency Ratio	54.56%	50.21%	51.18%	51.00%	57.60%

¹Acquisition-related expenses reduced EPS by \$0.17

²Acquisition-related expenses increased the Efficiency Ratio by 9.77%

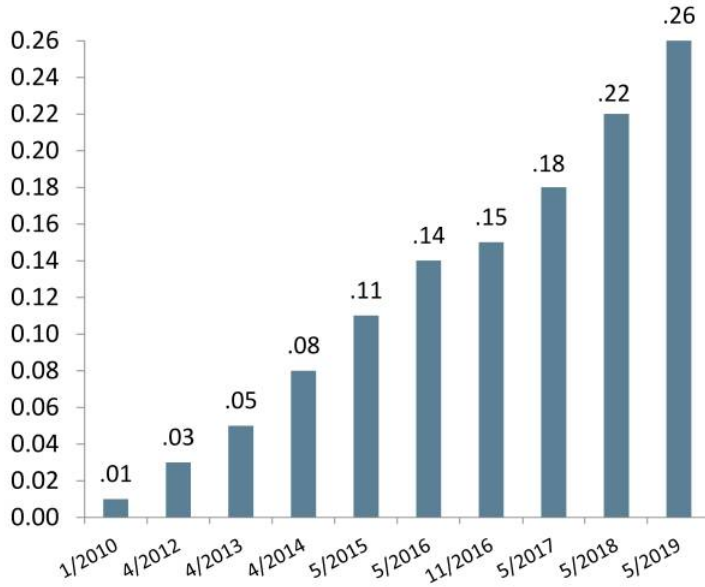
Per Share Results

<u>2018</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Earnings Per Share	\$.74	\$.80	\$.83	\$.85	\$ 3.22
2. Dividends	\$.18	\$.22	\$.22	\$.22	\$.84
3. Tangible Book Value	\$17.14	\$17.71	\$18.16	\$19.12	
<u>2019</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Earnings Per Share	\$.78	\$.83	\$.71 ¹	–	\$ 2.32
2. Dividends	\$.22	\$.26	\$.26	–	\$.74
3. Tangible Book Value	\$20.07	\$21.01	\$21.26		

¹Acquisition-related expenses reduced EPS by \$0.17

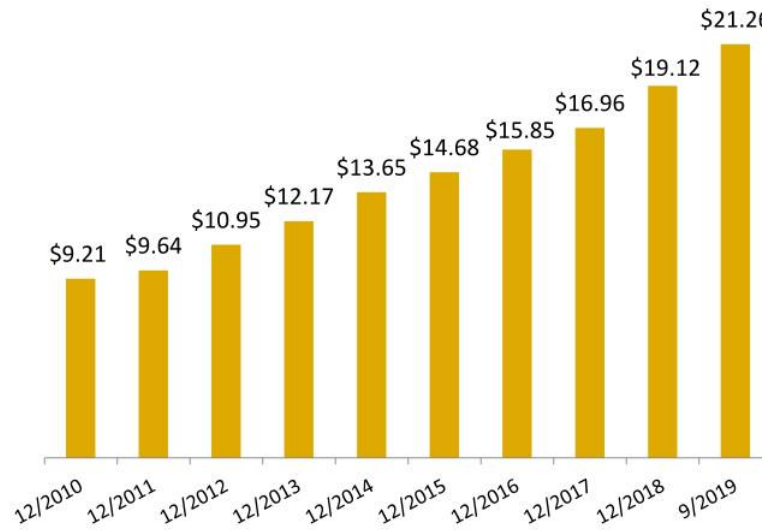
Dividends and Tangible Book Value

Quarterly Dividends



2.76% Forward Dividend Yield
Equals 31.9% Dividend Payout Ratio

Tangible Book Value



Compound Annual Growth Rate of 10.03%

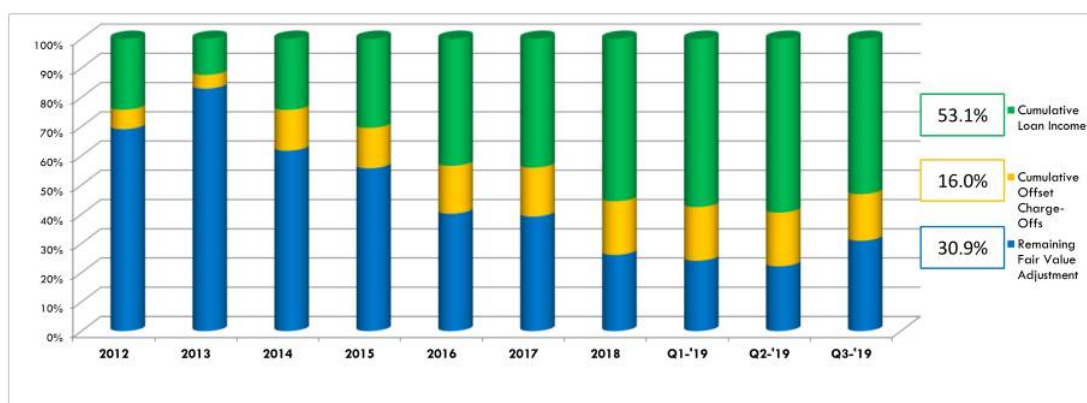
Asset Quality Summary

(\$ in Millions)	2017	2018	Q1-'19	Q2-'19	Q3-'19 ¹	MBT	FMB	Change	
							Q3-'19	\$ ¹	\$
1. Non-Accrual Loans	\$ 28.7	\$ 26.1	\$ 28.0	\$ 25.6	\$ 17.2	\$ 5.5	\$ 22.7	\$ (8.4)	\$ (2.9)
2. Other Real Estate	10.4	2.2	1.9	1.1	7.0	0.1	7.1	5.9	6.0
3. Renegotiated Loans	1.0	1.1	0.7	0.7	0.6	-	0.6	(0.1)	(0.1)
4. 90+ Days Delinquent Loans	0.9	1.9	0.1	0.2	0.1	-	0.1	(0.1)	(0.1)
5. Total NPAs & 90+ Days Delinquent	\$ 41.0	\$ 31.3	\$ 30.7	\$ 27.6	\$ 24.9	\$ 5.6	\$ 30.5	\$ (2.7)	\$ 2.9
6. Total NPAs & 90+ Days/Loans & ORE	0.6%	0.4%	0.4%	0.4%	0.3%	0.8%	0.4%		
7. Classified Assets	\$153.1	\$173.2	\$169.6	\$170.7	\$ 176.6	\$ 14.6	\$ 191.2	\$ 5.9	\$ 20.5

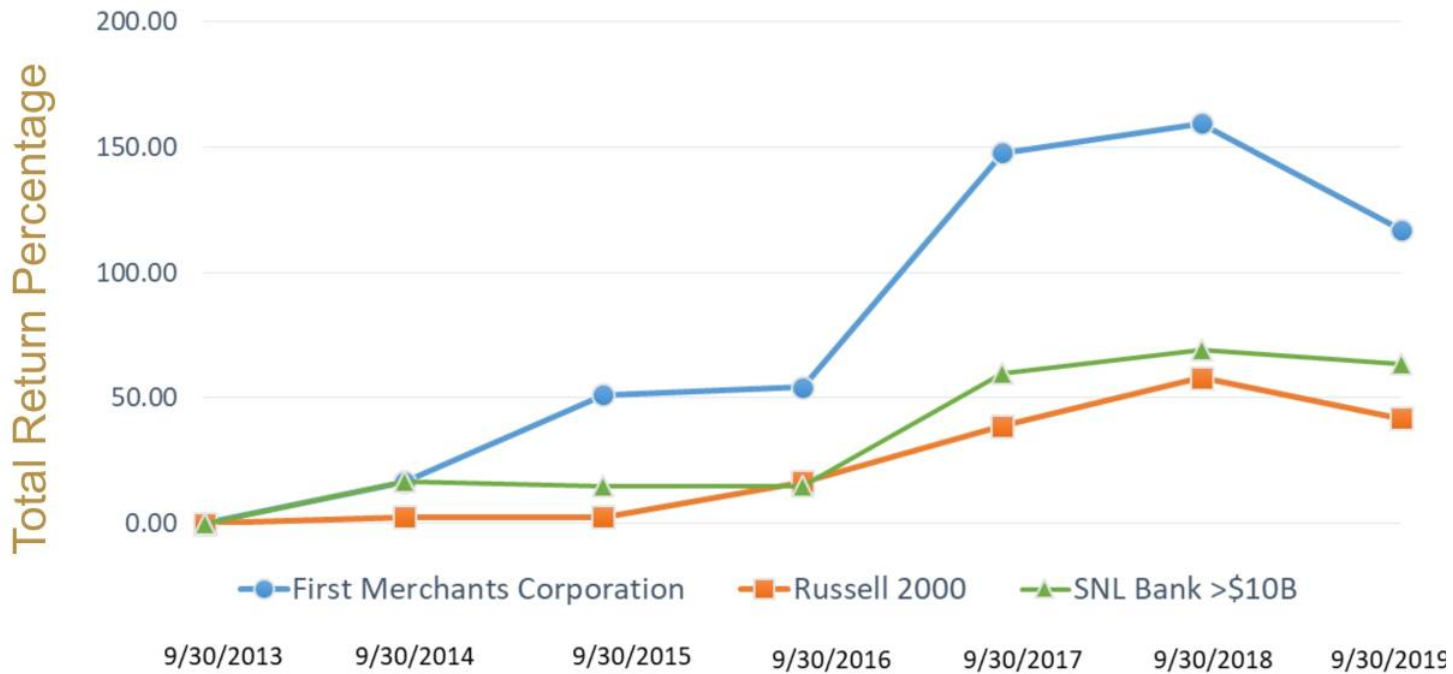
¹ Excludes acquired MBT loans

ALLL and Fair Value Summary

(\$ in Millions)	Q4-'18	Q1-'19	Q2-'19	Q3-'19
1. Beginning Allowance for Loan Losses (ALLL)	\$ 78.4	\$ 80.6	\$ 80.9	\$ 81.3
2. Less: Net Charge-offs (Recoveries)	(0.5)	0.9	0.1	1.3
3. Add: Provision Expense	<u>1.7</u>	<u>1.2</u>	<u>0.5</u>	<u>0.6</u>
4. Ending Allowance for Loan Losses (ALLL)	\$ 80.6	\$ 80.9	\$ 81.3	\$ 80.6
5. Specific Reserves	\$ 1.9	\$ 1.6	\$ 2.3	\$ 2.3
6. ALLL/Non-Accrual Loans	308.1%	289.5%	317.0%	354.5%
7. ALLL/Non-Purchased Loans	1.26%	1.24%	1.19%	1.16%
8. ALLL/Loans	1.11%	1.11%	1.08%	0.97%
9. Fair Value Adjustment (FVA)	\$ 30.0	\$ 27.8	\$ 25.6	\$ 41.3
10. Total ALLL plus FVA	110.6	108.7	106.8	121.9
11. Purchased Loans plus FVA	874.3	809.9	732.5	1,410.3
12. FVA/Purchased Loans plus FVA	3.44%	3.43%	3.49%	2.93%



Total Return Performance



Strategy and Tactics Overview

Looking Forward...

- › Integration of Monroe Bank & Trust in the 4Q 2019
- › Grow Net Interest Income, Despite Margin Pressure
- › Maintain Loan and Deposit Pricing Discipline
- › Leverage Balance Sheet Position. . . Liquidity and Capital Optimization
- › Sustain Organic Growth Protocol. Manage Market Presence, Core Banking Business Margin and Fee Generation
- › Expand Company-Wide Corporate Social Responsibility Program

Why Invest in First Merchants?

- › High Performance Financial Metrics
- › Attractive Long-Term Deposit Market Shares
- › Commercial Presence that Creates a Client Preference
- › Successful Acquisition and Integration Track Record
- › Focused on Providing Sustainable Shareholder Value



Research Coverage

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RAYMOND JAMES

 First Merchants Corporation



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

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nweaver@firstmerchants.com

Appendix

Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands):

	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	1,283,120	1,303,463	1,313,073	1,340,328	1,361,426	1,408,260	1,455,848	1,501,636	1,74
Adjust for Accumulated Other Comprehensive (Income) Loss	6,358	3,534	21,725	24,868	35,409	21,422	1,595	(14,602)	(2
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Add: Qualifying Capital Securities	65,864	65,919	65,975	66,030	66,086	66,141	66,197	66,252	6
Less: Tier 1 Capital Deductions	-	-	-	-	-	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(462,080)	(464,066)	(467,518)	(466,063)	(464,658)	(463,525)	(462,202)	(460,885)	(57
Less: Disallowed Deferred Tax Assets	-	-	(2,594)	(2,104)	(1,111)	-	(4,037)	(2,587)	(
Total Tier 1 Capital (Regulatory)	\$ 893,137	\$ 908,725	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,057,276	\$ 1,089,689	\$ 1,21
Qualifying Subordinated Debentures	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	6
Allowance for Loan Losses Includible in Tier 2 Capital	73,354	75,032	76,420	77,543	78,406	80,552	80,902	81,274	8
Total Risk-Based Capital (Regulatory)	\$ 1,031,491	\$ 1,048,757	\$ 1,071,956	\$ 1,105,477	\$ 1,140,433	\$ 1,177,725	\$ 1,203,178	\$ 1,235,963	\$ 1,36
Net Risk-Weighted Assets (Regulatory)	\$ 7,497,321	\$ 7,660,604	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,176,677	\$ 8,491,188	\$ 9,47
Total Risk-Based Capital Ratio (Regulatory)	13.76%	13.69%	13.69%	13.81%	14.25%	14.61%	14.71%	14.56%	1
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	\$ 893,137	\$ 908,725	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,057,276	\$ 1,089,689	\$ 1,21
Less: Qualified Capital Securities	(65,864)	(65,919)	(65,975)	(66,030)	(66,086)	(66,141)	(66,197)	(66,252)	(6
Add: Additional Tier 1 Capital Deductions	-	-	-	-	-	-	-	-	-
Common Equity Tier 1 Capital (Regulatory)	\$ 827,273	\$ 842,806	\$ 864,561	\$ 896,904	\$ 930,941	\$ 966,032	\$ 991,079	\$ 1,023,437	\$ 1,14
Net Risk-Weighted Assets (Regulatory)	\$ 7,497,321	\$ 7,660,604	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,176,677	\$ 8,491,188	\$ 9,47
Common Equity Tier 1 Capital Ratio (Regulatory)	11.03%	11.00%	11.04%	11.21%	11.64%	11.98%	12.12%	12.05%	1

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.

Appendix – Non-GAAP Reconciliation

TANGIBLE COMMON EQUITY RATIO (dollars in thousands):

	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Total Stockholders' Equity (GAAP)	\$ 1,283,120	\$ 1,303,463	\$ 1,313,073	\$ 1,340,328	\$ 1,361,426	\$ 1,408,260	\$ 1,455,848	\$ 1,501,636
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(478,558)	(476,503)	(474,777)	(473,059)	(471,409)	(469,784)	(468,256)	(466,736)
Tangible Common Equity (non-GAAP)	\$ 804,437	\$ 826,835	\$ 838,171	\$ 867,144	\$ 889,892	\$ 938,351	\$ 987,467	\$ 1,034,775
Total Assets (GAAP)	\$ 9,049,403	\$ 9,367,478	\$ 9,472,796	\$ 9,734,715	\$ 9,787,282	\$ 9,884,716	\$ 10,210,925	\$ 10,737,857
Less: Intangible Assets	(478,558)	(476,503)	(474,777)	(473,059)	(471,409)	(469,784)	(468,256)	(466,736)
Tangible Assets (non-GAAP)	\$ 8,570,845	\$ 8,890,975	\$ 8,998,019	\$ 9,261,656	\$ 9,315,873	\$ 9,414,932	\$ 9,742,669	\$ 10,271,121
Tangible Common Equity Ratio (non-GAAP)	9.39%	9.30%	9.32%	9.36%	9.55%	9.97%	10.14%	10.07%

TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Total Stockholders' Equity (GAAP)	\$ 454,408	\$ 514,467	\$ 552,236	\$ 634,923	\$ 726,827	\$ 850,509	\$ 901,657	\$ 1,303,463	\$ 1,313,073	\$ 1,340,328	\$ 1,361,426	\$ 1,408,260	\$ 1,455,848	\$ 1,501,636
Less: Preferred Stock	(67,880)	(90,783)	(90,908)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(154,019)	(150,471)	(149,529)	(202,767)	(218,755)	(259,764)	(258,866)	(476,503)	(474,777)	(473,059)	(471,409)	(469,784)	(468,256)	(466,736)
Tax Benefit	2,907	2,224	2,249	4,973	6,085	6,278	5,930	6,788	6,043	5,690	5,351	5,017	4,703	4,391
Tangible Common Equity, Net of Tax (non-GAAP)	\$ 235,416	\$ 275,437	\$ 314,048	\$ 437,004	\$ 514,032	\$ 596,898	\$ 648,596	\$ 833,623	\$ 844,214	\$ 872,834	\$ 895,243	\$ 943,368	\$ 992,170	\$ 1,039,166
Shares Outstanding	25,574,251	28,559,707	28,692,616	35,921,761	37,669,948	40,664,258	40,912,697	49,158,238	49,243,096	49,280,188	49,304,542	49,349,800	49,428,468	49,456,594
Tangible Common Equity per Share (non-GAAP)	\$ 9.21	\$ 9.64	\$ 10.95	\$ 12.17	\$ 13.65	\$ 14.68	\$ 15.85	\$ 16.96	\$ 17.14	\$ 17.71	\$ 18.16	\$ 19.12	\$ 20.07	\$ 21.01

Appendix – Non-GAAP Reconciliation

EFFICIENCY RATIO (dollars in thousands):

	<u>2017</u>	<u>2018</u>	<u>1Q19</u>	<u>2Q19</u>	<u>3Q19</u>
Non Interest Expense (GAAP)	\$ 205,556	\$ 219,951	\$ 56,621	\$ 57,587	\$ 67,354
Less: Intangible Asset Amortization	(5,647)	(6,719)	(1,528)	(1,520)	(1,356)
Less: OREO and Foreclosure Expenses	(1,903)	(1,470)	(1,165)	(903)	(294)
Adjusted Non Interest Expense (non-GAAP)	<u>198,006</u>	<u>211,762</u>	<u>53,928</u>	<u>55,164</u>	<u>65,704</u>
Net Interest Income (GAAP)	277,284	338,857	84,866	85,278	88,932
Plus: Fully Taxable Equivalent Adjustment	17,270	10,732	2,930	3,109	3,412
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	<u>294,554</u>	<u>349,589</u>	<u>87,796</u>	<u>88,387</u>	<u>92,344</u>
Non Interest Income (GAAP)	71,009	76,459	18,713	21,614	22,116
Less: Investment Securities Gains (Losses)	(2,631)	(4,269)	(1,140)	(1,843)	(393)
Adjusted Non Interest Income (non-GAAP)	<u>68,378</u>	<u>72,190</u>	<u>17,573</u>	<u>19,771</u>	<u>21,723</u>
Adjusted Revenue (non-GAAP)	<u>362,932</u>	<u>421,779</u>	<u>105,369</u>	<u>108,158</u>	<u>114,067</u>
Efficiency Ratio (non-GAAP)	54.56%	50.21%	51.18%	51.00%	57.60%

FORWARD DIVIDEND YIELD

	<u>3Q19</u>
Most recent quarter's dividend per share	\$ 0.26
Most recent quarter's dividend per share - Annualized	\$ 1.04
Stock Price at 9/30/19	\$ 37.64
Forward Dividend Yield	2.76%

DIVIDEND PAYOUT RATIO

	<u>2019 YTD</u>
Dividends per share	\$ 0.74
Earnings Per Share	\$ 2.32
Dividend Payout Ratio	31.9%

Appendix – Non-GAAP Reconciliation

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

	2017	2018	1Q19	2Q19	3Q19
Total Risk-Based Capital (Subsidiary Bank Only)					
Total Stockholders' Equity (GAAP)	\$ 1,404,303	\$ 1,456,220	\$ 1,487,947	\$ 1,513,662	\$ 1,764,062
Adjust for Accumulated Other Comprehensive (Income) Loss ¹	763	19,031	(908)	(17,357)	(28,403)
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	-	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(463,618)	(463,076)	(461,754)	(460,436)	(569,648)
Less: Disallowed Deferred Tax Assets	-	-	(4,119)	(2,429)	(2,917)
Total Tier 1 Capital (Regulatory)	941,323	1,012,050	1,021,041	1,033,315	1,162,969
Allowance for Loan Losses includible in Tier 2 Capital	75,032	80,552	80,902	81,274	80,571
Total Risk-Based Capital (Regulatory)	\$ 1,016,355	\$ 1,092,602	\$ 1,101,943	\$ 1,114,589	\$ 1,243,540
Construction, Land and Land Development Loans	\$ 612,219	\$ 545,729	\$ 542,501	\$ 624,548	\$ 670,138
Concentration as a % of the Bank's Risk-Based Capital	60%	50%	49%	56%	54%
Construction, Land and Land Development Loans	\$ 612,219	\$ 545,729	\$ 542,501	\$ 624,548	\$ 670,138
Investment Real Estate Loans	1,617,943	1,865,544	1,887,995	1,865,396	2,012,430
Total Construction and Investment RE Loans	\$ 2,230,162	\$ 2,411,273	\$ 2,430,496	\$ 2,489,944	\$ 2,682,568
Concentration as a % of the Bank's Risk-Based Capital	219%	221%	221%	223%	216%

¹ Includes net unrealized gains or losses on securities available for sale, net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans.

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

	4Q18	1Q19	2Q19	3Q19
Loans Held for Sale (GAAP)	\$ 4,778	\$ 3,330	\$ 5,854	\$ 7,910
Loans (GAAP)	7,224,467	7,299,320	7,511,370	8,299,260
Total Loans	7,229,245	7,302,650	7,517,224	8,307,170
Less: Purchased Loans	(844,224)	(782,114)	(706,916)	(1,369,063)
Non-Purchased Loans (non-GAAP)	\$ 6,385,021	\$ 6,520,536	\$ 6,810,308	\$ 6,938,107
Allowance for Loan Losses (GAAP)	\$ 80,552	\$ 80,902	\$ 81,274	\$ 80,571
Fair Value Adjustment (FVA) (GAAP)	30,054	27,768	25,545	41,265
Allowance plus FVA (non-GAAP)	\$ 110,606	\$ 108,670	\$ 106,819	\$ 121,836
Purchased Loans (GAAP)	\$ 844,224	\$ 782,114	\$ 706,916	\$ 1,369,063
Fair Value Adjustment (FVA) (GAAP)	30,054	27,768	25,545	41,265
Purchased Loans plus FVA (non-GAAP)	\$ 874,278	\$ 809,882	\$ 732,461	\$ 1,410,328
Allowance as a Percentage of Non-Purchased Loans (non-GAAP)	1.26%	1.24%	1.19%	1.16%
FVA as a Percentage of Purchased Loans plus FVA (non-GAAP)	3.44%	3.43%	3.49%	2.93%

