

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): October 22, 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, October 22, 2015, First Merchants Corporation will conduct a third 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) Not applicable.

(d) Exhibits.

Exhibit 99.1 Slide presentation, utilized October 22, 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.

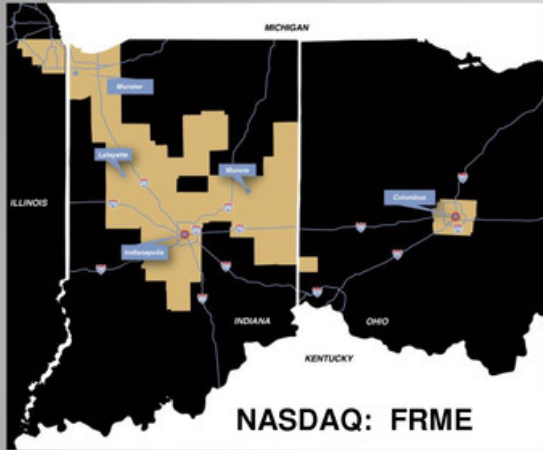
First Merchants Corporation
(Registrant)

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

Dated: October 22, 2015

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide presentation, utilized October 22, 2015, during conference call and web cast by First Merchants Corporation



Filed by First Merchants Corporation pursuant to Rule 425 under the Securities Act of 1933
Subject Company: Ameriana Bancorp Commission Securities Exchange Act File No: 000-18392



First Merchants Corporation

3rd QUARTER 2015

Earnings Highlights

October 22, 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

This presentation contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like "believe", "continue", "pattern", "estimate", "project", "intend", "anticipate", "expect" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "might", "can", "may", or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the proposed merger (the "Merger") between First Merchants Corporation ("First Merchants") and Ameriana Bancorp ("Ameriana Bancorp"), 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 First Merchants' business plan and growth strategies; statements regarding the asset quality of First Merchants' loan and investment portfolios; and estimates of First Merchants' risks and future costs and benefits, whether with respect to the Merger or otherwise.

These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of First Merchants and Ameriana Bancorp 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 regulatory 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 creditworthiness 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 First Merchants' business; and other risks and factors identified in First Merchants' filings with the Securities and Exchange Commission.



Forward-Looking Statement

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 Ameriana Bancorp's past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

ADDITIONAL INFORMATION

Communications in this presentation do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed Merger will be submitted to Ameriana Bancorp's shareholders for their consideration. In connection with the proposed Merger, First Merchants will file with the SEC a Registration Statement on Form S-4 that will include a Proxy Statement for Ameriana Bancorp and a Prospectus of First Merchants, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE CORRESPONDING PROXY STATEMENT-PROSPECTUS REGARDING THE MERGER WHEN THEY BECOME AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, TOGETHER WITH ALL AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION. Once filed, you may obtain a free copy of the Proxy Statement- Prospectus, when it becomes available, as well as other filings containing information about First Merchants and Ameriana Bancorp, at the SEC's website (<http://www.sec.gov>). You may also obtain these documents, free of charge, by accessing First Merchants' website (<http://www.firstmerchants.com>) under the tab "Investors," then under the heading "Financial Information," and finally under the link "SEC Filings," or by accessing Ameriana Bancorp's website (<http://www.ameriana.com>) under the "Investor Relations" tab, then under the link "Documents".

Ameriana Bancorp and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Ameriana Bancorp in connection with the proposed Merger. Information about the directors and executive officers of First Merchants is set forth in the proxy statement for First Merchants' 2015 annual meeting of stockholders, as filed with the SEC on a Schedule 14A on March 25, 2015. Information about the directors and executive officers of Ameriana Bancorp is set forth in the proxy statement for Ameriana Bancorp's 2015 annual meeting of stockholders, as filed with the SEC on a Schedule 14A on April 17, 2015. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement-Prospectus regarding the proposed Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.



Forward-Looking Statement

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.



3rd Quarter 2015 Highlights

3rd Quarter Financial Results

- Earnings Per Share of \$0.45
- \$17.1 Million of Net Income, a 5.9% Increase Over 3Q2014
- 1.11% Return on Average Assets
- \$4.26 Billion in Net Loans, a 14.9% Increase Over 3Q2014
- Maintained a Strong Net Interest Margin of 3.85% with 3% Net Interest Income Growth
- Non-Performing Assets Down 21% from 3Q2014

Growth Plan Updates

- Online Banking Investment/Upgrade Completed in July
- Cooper State Bank to Integrate and Rebrand on October 24, 2015
- Ameriana Acquisition On-Track for a 4th Quarter Closing



Mark K. Hardwick

Executive Vice President
and Chief Financial Officer



Total Assets

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Investments	\$1,096	\$1,181	\$1,189	\$1,213	\$1,209
2. Loans Held for Sale	5	7	6	8	2
3. Loans	3,633	3,925	3,966	4,238	4,322
4. Allowance	(68)	(64)	(63)	(63)	(63)
5. CD&I & Goodwill	203	219	218	220	220
6. BOLI	165	169	170	171	172
7. Other	<u>403</u>	<u>387</u>	<u>392</u>	<u>353</u>	<u>328</u>
8. Total Assets	<u>\$5,437</u>	<u>\$5,824</u>	<u>\$5,878</u>	<u>\$6,140</u>	<u>\$6,190</u>

7



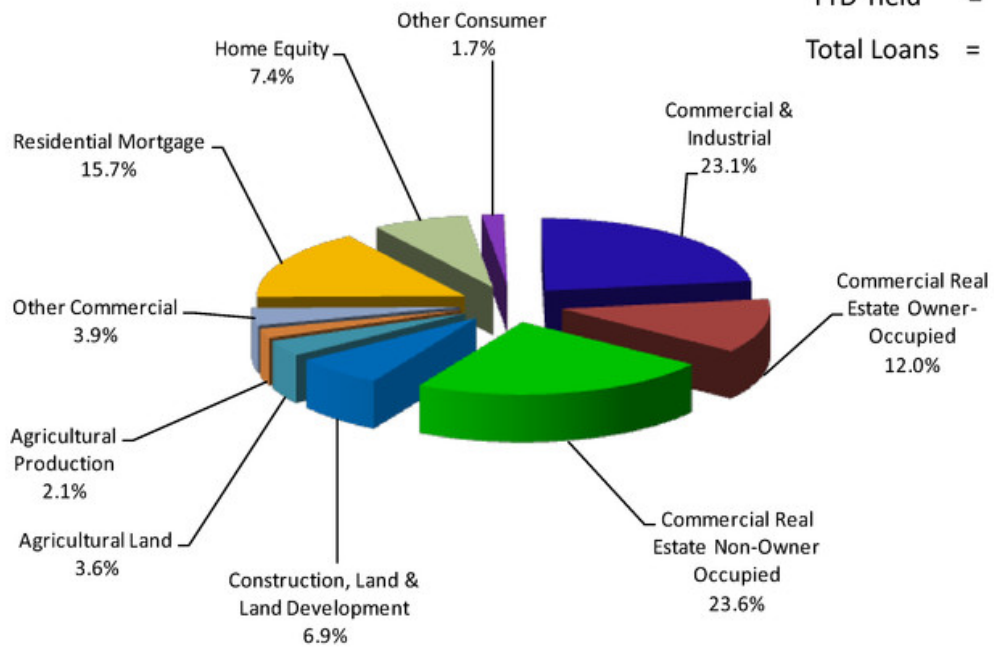
Loan and Yield Detail

(as of 9/30/2015)

QTD Yield = 4.41%

YTD Yield = 4.45%

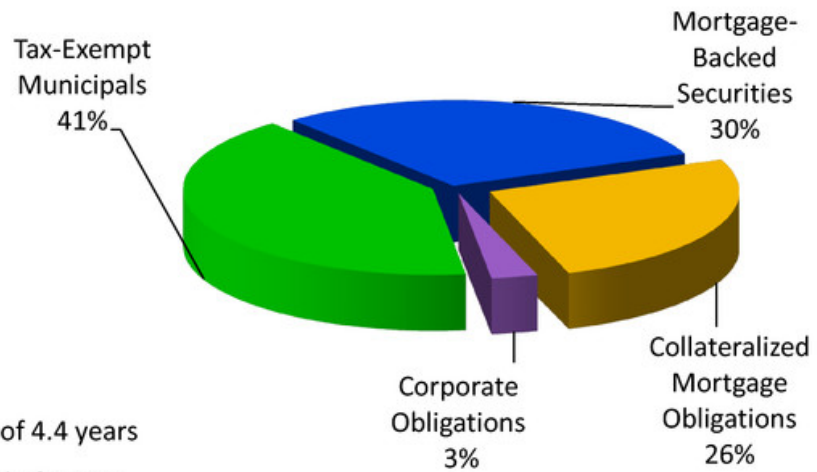
Total Loans = \$4.3 Billion





Investment Portfolio

(as of 9/30/2015)



- \$1.2 Billion
- Modified duration of 4.4 years
- Tax equivalent yield of 3.97%
- Net unrealized gain of \$39.9 Million



Total Liabilities and Capital

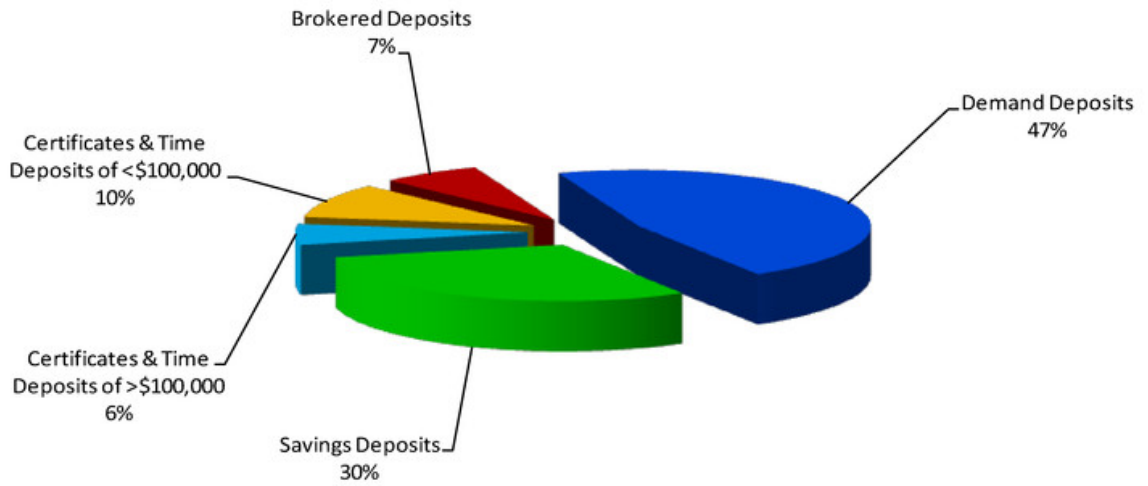
(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Customer Non-Maturity Deposits	\$3,276	\$3,523	\$3,518	\$3,651	\$3,705
2. Customer Time Deposits	868	784	800	812	786
3. Brokered Deposits	87	334	330	327	323
4. Borrowings	401	290	305	431	450
5. Other Liabilities	48	44	63	47	42
6. Hybrid Capital	122	122	122	122	117
7. Common Equity	<u>635</u>	<u>727</u>	<u>740</u>	<u>750</u>	<u>767</u>
8. Total Liabilities and Capital	<u>\$5,437</u>	<u>\$5,824</u>	<u>\$5,878</u>	<u>\$6,140</u>	<u>6,190</u>
9. Tangible Book Value Per Share	\$12.17	\$13.65	\$13.96	\$14.15	\$14.59
Percentage Change From Year-End		12.2%			6.9%



Deposits and Cost of Funds Detail

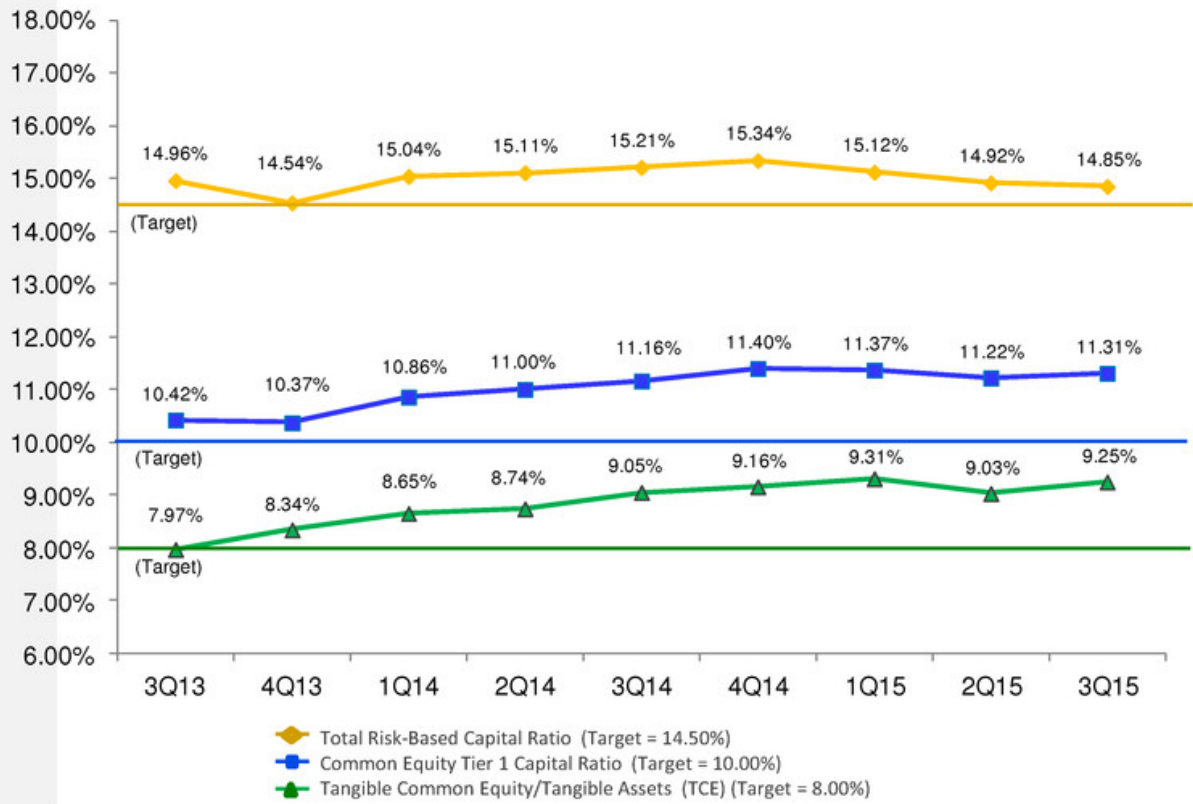
(as of 09/30/2015)

QTD Cost = .40%
YTD Cost = .40%
Total = \$4.8 Billion





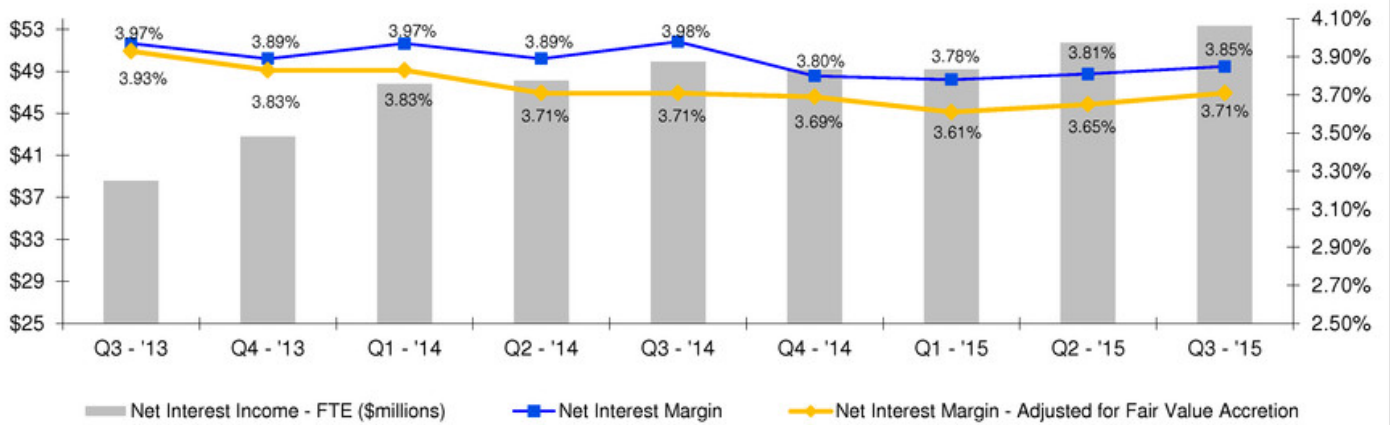
Capital Ratios





Net Interest Margin

	Q3 - '13	Q4 - '13	Q1 - '14	Q2 - '14	Q3 - '14	Q4 - '14	Q1 - '15	Q2 - '15	Q3 - '15
Net Interest Income - FTE (\$millions)	\$ 38.6	\$ 42.8	\$ 47.8	\$ 48.1	\$ 49.9	\$ 49.2	\$ 49.2	\$ 51.7	\$ 53.3
Fair Value Accretion	\$ 0.4	\$ 0.6	\$ 1.8	\$ 2.2	\$ 3.5	\$ 1.4	\$ 2.2	\$ 2.2	\$ 2.0
Tax Equivalent Yield on Earning Assets	4.35%	4.30%	4.40%	4.33%	4.41%	4.26%	4.24%	4.26%	4.30%
Cost of Supporting Liabilities	0.38%	0.41%	0.43%	0.44%	0.43%	0.46%	0.46%	0.45%	0.45%
Net Interest Margin	3.97%	3.89%	3.97%	3.89%	3.98%	3.80%	3.78%	3.81%	3.85%





Non-Interest Income

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Service Charges on Deposit Accounts	\$12.4	\$15.7	\$ 3.5	\$ 4.1	\$ 4.4
2. Trust Fees	8.6	9.0	2.5	2.3	2.2
3. Insurance Commission Income	7.1	7.4	2.3	1.8	—
4. Electronic Card Fees	7.5	9.7	2.5	3.0	2.8
5. Cash Surrender Value of Life Ins	2.6	3.7	0.7	0.6	0.7
6. Gains on Sales Mortgage Loans	7.5	4.9	1.5	1.8	1.9
7. Securities Gains/Losses	0.5	3.6	1.0	(0.1)	1.1
8. Gain on Sale of Insurance Subsidiary	—	—	—	8.3	—
9. OREO Gains/Rental Income	4.1	4.6	0.8	0.5	0.2
10. Other	<u>5.7</u>	<u>7.8</u>	<u>1.4</u>	<u>2.3</u>	<u>3.6</u>
11. Total	<u>\$56.0</u>	<u>\$66.4</u>	<u>\$16.2</u>	<u>\$24.6</u>	<u>\$16.9</u>
12. Adjusted Non-Interest Income ¹	\$55.5	\$62.8	\$15.2	\$16.4	\$15.8

¹Adjusted for Bond Gains & Losses and Gain on Sale of Insurance Subsidiary



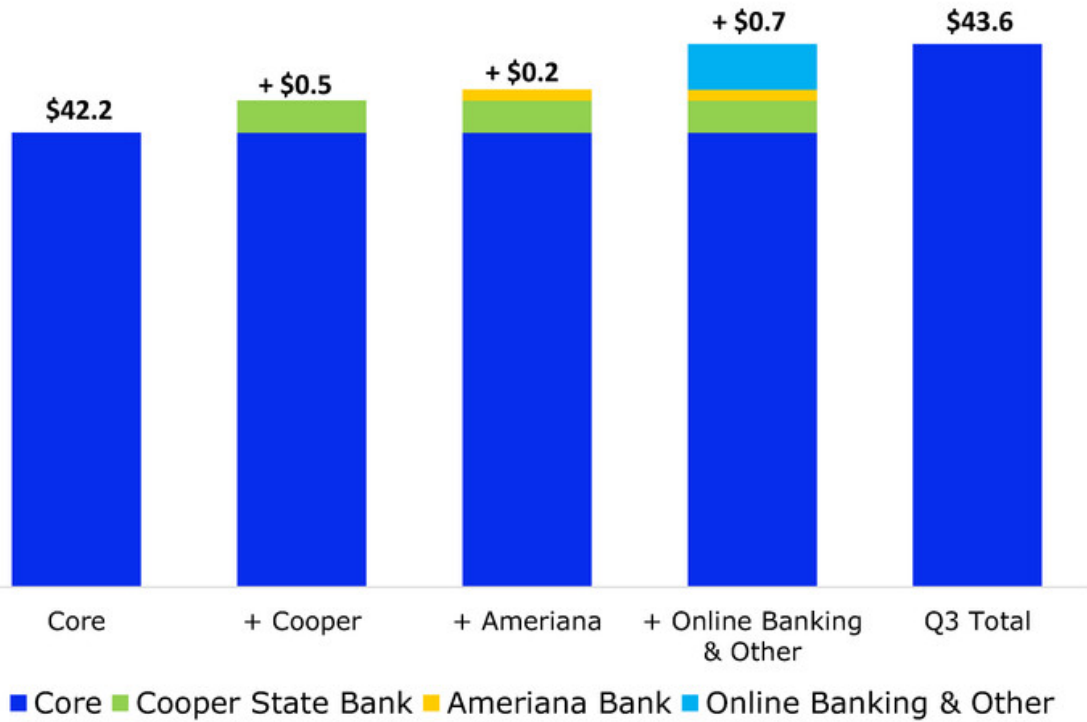
Non-Interest Expense

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Salary & Benefits	\$ 85.4	\$ 96.5	\$ 24.5	\$26.4	\$25.1
2. Premises & Equipment	18.0	23.2	6.4	6.3	6.4
3. Core Deposit Intangible	1.6	2.4	0.7	0.7	0.7
4. Professional & Other Outside Services	8.3	8.1	1.5	3.1	1.7
5. OREO/Credit-Related Expense	6.7	8.0	1.2	1.4	1.8
6. FDIC Expense	2.9	3.7	0.9	0.9	1.0
7. Outside Data Processing	5.6	7.3	1.7	1.8	2.0
8. Marketing	2.2	3.5	0.8	1.0	0.8
9. Other	<u>12.5</u>	<u>15.8</u>	<u>3.5</u>	<u>4.8</u>	<u>4.1</u>
10. Non-Interest Expense	<u>\$143.2</u>	<u>\$168.5</u>	<u>\$ 41.2</u>	<u>\$46.4</u>	<u>\$43.6</u>



Non-Interest Expense – Core vs. Non-Recurring

(\$ In Millions)





Earnings

(\$ in Millions)	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Net Interest Income	\$154.3	\$187.0	\$ 47.0	\$ 49.0	\$ 50.3
2. Provision for Loan Losses	<u>(6.6)</u>	<u>(2.6)</u>	—	<u>(0.4)</u>	—
3. Net Interest Income after Provision	147.7	184.4	47.0	48.6	50.3
4. Non-Interest Income	56.0	66.4	16.2	24.6	16.9
5. Non-Interest Expense	<u>(143.2)</u>	<u>(168.5)</u>	<u>(41.2)</u>	<u>(46.4)</u>	<u>(43.6)</u>
6. Income before Income Taxes	60.5	82.3	22.0	26.8	23.6
7. Income Tax Expense	(15.9)	(22.1)	(5.8)	(8.8)	(6.5)
8. Preferred Stock Dividend	<u>(2.4)</u>	—	—	—	—
9. Net Income Avail. for Distribution	<u>\$ 42.2</u>	<u>\$ 60.2</u>	<u>\$16.2</u>	<u>\$18.0</u>	<u>\$17.1</u>
10. EPS	\$ 1.41	\$ 1.65	\$0.43	\$0.47	\$0.45



Earnings Per Share

<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
<u>2015</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.43	\$.47	\$.45	–	\$ 1.35
2. FV Accretion EPS Impact	\$.04	\$.04	\$.03	–	\$.11



John J. Martin

Executive Vice President
and Chief Credit Officer



Loan Portfolio Trends

(\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>	<u>Change Linked Quarter</u>	
1. Commercial & Industrial	\$ 761.7	\$ 896.7	\$ 938.9	\$ 984.2	\$ 999.2	\$ 15.0	1.5%
2. Construction, Land and Land Development	177.1	207.3	237.0	256.1	298.2	42.1	16.4%
3. CRE Non-Owner Occupied	963.4	975.7	960.2	1,014.0	1,018.8	4.8	0.5%
4. CRE Owner Occupied	501.1	534.7	537.2	541.7	520.5	(21.2)	(3.9%)
5. Agricultural Production	114.3	104.9	95.7	93.7	91.4	(2.3)	(2.5%)
6. Agricultural Land	147.3	162.3	149.0	149.9	156.4	6.5	4.3%
7. Residential Mortgage	616.4	647.3	640.5	689.6	677.8	(11.8)	(1.7%)
8. Home Equity	255.2	286.5	286.9	302.4	318.9	16.5	5.5%
9. Other Commercial	26.1	36.1	49.9	143.8	168.6	24.8	17.2%
10. Other Consumer	<u>69.8</u>	<u>73.4</u>	<u>70.2</u>	<u>62.8</u>	<u>71.9</u>	<u>9.1</u>	14.5%
11. Loans	\$3,632.4	\$3,924.9	\$3,965.5	\$ 4,238.2	\$ 4,321.7	\$ 83.5	2.0%



Asset Quality Summary

(\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>	Change	
						<u>Linked Quarter</u>	
1. Non-Accrual Loans	\$ 56.4	\$ 48.8	\$ 44.3	\$ 37.7	\$ 32.6	\$ (5.1)	(13.5%)
2. Other Real Estate	22.2	19.3	19.1	19.3	14.8	(4.4)	(22.8%)
3. Renegotiated Loans	3.0	2.0	1.3	0.9	3.8	2.9	322.2%
4. 90+ Days Delinquent Loans	<u>1.4</u>	<u>4.6</u>	<u>1.7</u>	<u>0.6</u>	<u>1.9</u>	<u>1.3</u>	216.7%
Total NPAs & 90+ Days							
5. Delinquent	<u>\$ 83.0</u>	<u>\$ 74.7</u>	<u>\$ 66.4</u>	<u>\$ 58.5</u>	<u>\$ 53.1</u>	<u>\$ (5.3)</u>	<u>(9.1%)</u>
Total NPAs & 90+ Days/Total							
6. Loans & ORE	2.3%	1.9%	1.7%	1.4%	1.2%		
<hr/>							
7. Classified Assets	\$ 191.9	\$ 191.8	\$ 166.4	\$ 166.0	\$ 153.1	\$ (12.9)	(7.8%)
8. Criticized Assets (includes Classified)	\$ 263.5	\$ 253.6	\$ 249.1	\$ 238.4	\$ 228.2	\$ (10.2)	(4.3%)



Non-Performing Asset Reconciliation

(\$ in Millions)

	Q3-'14	Q4-'14	Q1-'15	Q2-'15	Q3-'15
1. Beginning Balance NPAs & 90+ Days Delinquent	\$ 72.4	\$ 65.6	\$ 74.7	\$ 66.4	\$ 58.5
Non-Accrual					
2. Add: New Non-Accruals	18.3	11.1	7.8	4.4	3.9
3. Less: To Accrual/Payoff/Renegotiated	(11.3)	(5.7)	(8.0)	(6.9)	(6.8)
4. Less: To OREO	(1.1)	(0.7)	(2.1)	(2.0)	(0.1)
5. Less: Charge-offs	<u>(8.1)</u>	<u>(5.0)</u>	<u>(2.2)</u>	<u>(2.1)</u>	<u>(2.1)</u>
6. Increase / (Decrease): Non-Accrual Loans	(2.2)	(0.3)	(4.5)	(6.6)	(5.1)
Other Real Estate Owned (ORE)					
7. Add: New ORE Properties	1.1	7.4	2.1	2.0	0.1
8. Less: ORE Sold	(3.7)	(2.3)	(2.1)	(1.1)	(3.4)
9. Less: ORE Losses (write-downs)	<u>(1.5)</u>	<u>(0.3)</u>	<u>(0.2)</u>	<u>(0.7)</u>	<u>(1.1)</u>
10. Increase / (Decrease): ORE	(4.1)	4.8	(0.2)	0.2	(4.4)
11. Increase / (Decrease): 90+ Days Delinquent	(0.3)	3.8	(2.9)	(1.1)	1.3
12. Increase / (Decrease): Restructured Loans	<u>(0.2)</u>	<u>0.8</u>	<u>(0.7)</u>	<u>(0.4)</u>	<u>2.9</u>
13. Total NPAs & 90+ Days Delinquent Change	<u>(6.8)</u>	<u>9.1</u>	<u>(8.3)</u>	<u>(7.9)</u>	<u>(5.3)</u>
14. Ending Balance NPAs & 90+ Days Delinquent	\$ 65.6	\$ 74.7	\$ 66.4	\$ 58.5	\$ 53.2

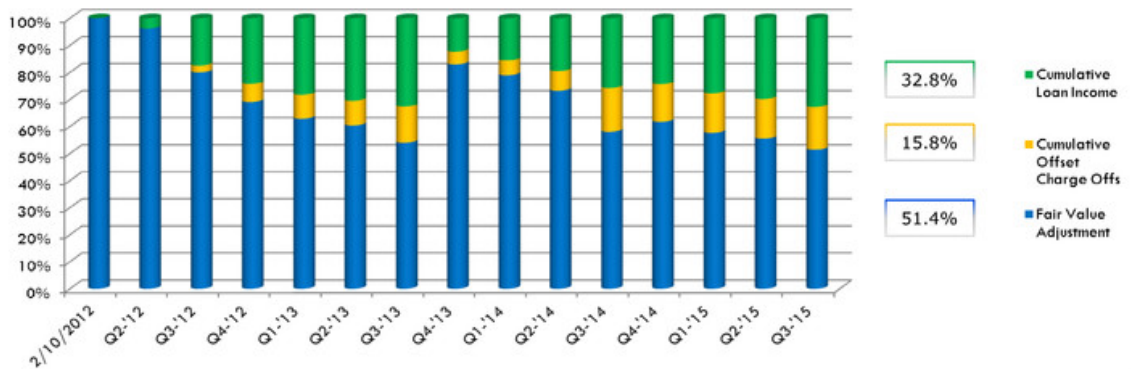
26.5% decline



ALLL and Fair Value Summary

(\$ in Millions)	<u>Q3-'14</u>	<u>Q4-'14</u>	<u>Q1-'15</u>	<u>Q2-'15</u>	<u>Q3-'15</u>
1. Allowance for Loan Losses (ALLL)	\$ 65.6	\$ 64.0	\$ 62.8	\$ 62.6	\$ 62.9
2. Fair Value Adjustment (FVA)	<u>35.5</u>	<u>43.2</u>	<u>40.6</u>	<u>40.7</u>	<u>37.9</u>
3. Total ALLL plus FVA	101.1	107.2	103.4	103.3	100.8
4. Specific Reserves	3.4	2.8	4.6	3.1	2.0
5. Purchased Loans plus FVA	596.3	701.7	655.4	727.8	674.5
6. ALLL/Non-Accrual Loans	133.6%	131.1%	141.7%	165.9%	192.8%
7. ALLL/Non-purchased Loans	2.04%	1.95%	1.87%	1.76%	1.70%
8. ALLL/Loans	1.74%	1.63%	1.58%	1.47%	1.45%
9. ALLL & FVA/Total Loan Balances plus FVA¹	2.65%	2.70%	2.58%	2.41%	2.31%

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





Portfolio Perspective

- Organic loan growth driven by construction, commercial & industrial, and public finance
- Non-Performing Assets plus 90+ day delinquent loans continue to trend favorably
- Allowance for Loan Loss remains directionally consistent with asset quality improvement
- Combined Allowance for Loan Loss and Loan Marks to Total Loans and Loan Marks strong at 2.31%



Michael C. Rechin

President
and Chief Executive Officer

25



FMC Strategy and Tactics Overview

Focus on our Clients and Performance

- Leverage 3rd Quarter mobile and online banking upgrade for additional revenue and product penetration
- Continue organic growth throughout the franchise
- Develop and retain outstanding talent for market share growth

Realize Acquisition Synergies and Improve Efficiency

- Fully integrate Cooper State Bank into the Ohio Region with product and service expansion
- Formalize market coverage plan for Ameriana integration scheduled for March 2016
- Continue banking center optimization
- Fully implement workflow technologies to enhance customer experience and improve efficiency



Contact Information

**First Merchants Corporation common stock is
traded on the NASDAQ Global Select Market
under the symbol FRME.**

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Appendix



Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands)

	<u>3Q13</u>	<u>4Q13</u>	<u>1Q14</u>	<u>2Q14</u>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	513,469	634,923	652,111	670,596	684,553	726,827	739,658	749,955	766,984
Adjust for Accumulated Other Comprehensive (Income) Loss ^a	16,198	6,410	1,016	(4,210)	(4,150)	1,630	1,915	6,490	3,614
Less: Preferred Stock							(125)	(125)	(125)
Add: Qualifying Capital Securities	55,000	55,000	55,000	55,000	55,000	55,000	56,827	56,827	51,827
Less: Tier 1 Capital Deductions							(4,381)	(2,371)	(3,418)
Less: Disallowed Goodwill and Intangible Assets	(148,376)	(202,767)	(202,175)	(201,583)	(200,992)	(218,755)	(205,818)	(208,980)	(208,749)
Less: Disallowed Servicing Assets	(105)	(186)	(177)	(171)	(166)	(167)	(1,786)	(1,581)	(1,144)
Less: Disallowed Deferred Tax Assets		(10,194)	(4,677)	(1,357)					
Total Tier 1 Capital (Regulatory)	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535	\$ 586,290	\$ 600,215	\$ 608,989
Qualifying Subordinated Debentures	20,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Allowance for Loan Losses includible in Tier 2 Capital	41,936	51,780	51,556	52,809	53,803	55,972	58,688	60,865	62,012
Total Risk-Based Capital (Regulatory)	\$ 498,122	\$ 599,966	\$ 617,654	\$ 636,084	\$ 653,048	\$ 685,507	\$ 709,978	\$ 726,080	\$ 736,001
Net Risk-Weighted Assets (Regulatory)	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765	\$ 4,695,073	\$ 4,865,157	\$ 4,956,737
Total Risk-Based Capital Ratio (Regulatory)	14.96%	14.54%	15.04%	15.11%	15.21%	15.34%	15.12%	14.92%	14.85%
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	\$ 436,186	\$ 483,186	\$ 501,098	\$ 518,275	\$ 534,245	\$ 564,535	\$ 586,290	\$ 600,215	\$ 608,989
Less: Qualified Capital Securities	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(56,702)	(56,702)	(51,702)
Add: Additional Tier 1 Capital Deductions							4,381	2,371	3,418
Less: Preferred Stock	(34,168)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Common Equity Tier 1 Capital (Regulatory)	\$ 347,018	\$ 428,061	\$ 445,973	\$ 463,150	\$ 479,120	\$ 509,410	\$ 533,844	\$ 545,759	\$ 560,580
Net Risk-Weighted Assets (Regulatory)	\$ 3,330,623	\$ 4,126,337	\$ 4,106,423	\$ 4,209,145	\$ 4,292,495	\$ 4,469,765	\$ 4,695,073	\$ 4,865,157	\$ 4,956,737
Common Equity Tier 1 Capital Ratio (Regulatory)	10.42%	10.37%	10.86%	11.00%	11.16%	11.40%	11.37%	11.22%	11.31%

^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)	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Total Stockholders' Equity (GAAP)	\$ 513,469	\$ 634,923	\$ 652,111	\$ 670,596	\$ 684,553	\$ 726,827	\$ 739,658	\$ 749,955	\$ 766,984
Less: Preferred Stock	(34,168)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets, net of tax	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)	(212,184)	(214,577)	(214,115)
Tangible Common Equity (non-GAAP)	\$ 333,317	\$ 437,004	\$ 454,693	\$ 473,690	\$ 488,113	\$ 514,033	\$ 527,349	\$ 535,253	\$ 552,744
Total Assets (GAAP)	\$ 4,325,911	\$ 5,437,262	\$ 5,452,936	\$ 5,615,120	\$ 5,591,383	\$ 5,824,127	\$ 5,877,521	\$ 6,140,308	\$ 6,189,797
Less: Intangibles, net of tax	(145,984)	(197,794)	(197,293)	(196,781)	(196,315)	(212,669)	(212,184)	(214,577)	(214,115)
Tangible Assets (non-GAAP)	\$ 4,179,927	\$ 5,239,468	\$ 5,255,643	\$ 5,418,339	\$ 5,395,068	\$ 5,611,458	\$ 5,665,337	\$ 5,925,731	\$ 5,975,682
Tangible Common Equity/Tangible Assets (non-GAAP)	7.97%	8.34%	8.65%	8.74%	9.05%	9.16%	9.31%	9.03%	9.25%
Shares Outstanding	28,825,465	35,921,761	36,014,083	36,052,209	36,074,246	37,669,948	37,781,488	37,824,649	37,873,921
Tangible Common Book Value per Share (non-GAAP)	\$ 11.56	\$ 12.17	\$ 12.63	\$ 13.14	\$ 13.53	\$ 13.65	\$ 13.96	\$ 14.15	\$ 14.59

ALLOWANCE RATIOS (dollars in thousands)

Allowance as a Percentage of Non-Purchased Loans	3Q14	4Q14	1Q15	2Q15	3Q15
Loans Held for Sale (GAAP)	\$ 6,423	\$ 7,235	\$ 6,392	\$ 8,295	\$ 1,943
Loans (GAAP)	3,772,467	3,924,865	3,965,532	4,238,205	4,321,715
Total Loans	3,778,890	3,932,100	3,971,924	4,246,500	4,323,658
Less: Purchased Loans	(560,806)	(658,471)	(614,843)	(687,096)	(636,581)
Non-Purchased Loans (non-GAAP)	\$ 3,218,084	\$ 3,273,629	\$ 3,357,081	\$ 3,559,404	\$ 3,687,077
Allowance for Loan Losses	\$ 65,596	\$ 63,964	\$ 62,801	\$ 62,550	\$ 62,861
Allowance as a Percentage of Non-Purchased Loans	2.04%	1.95%	1.87%	1.76%	1.70%

30

