

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): May 3, 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	The NASDAQ Stock Market LLC

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.

(d) [\(99.1\) 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.

DATE: May 3, 2019

FIRST MERCHANTS CORPORATION

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



**First Merchants
Corporation**
NASDAQ: FRME

1st 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 March 31, 2019)

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	\$10,210,925
Loans, Net	\$7,218,418
Deposits	\$8,047,798
Tangible Common Equity	\$987,466
TCE/TA	10.14%
2019 Net Income – YTD	\$38,817
2019 ROAA – YTD	1.54%
2019 ROATCE - YTD	16.58%
NPAs/Loans + OREO	0.42%

Market Information

Common Shares Outstanding	49,428,466
Market Cap	\$1,821,430
Dividend Yield	2.39%
Price/Tangible Book Value	1.84
Price/LTM EPS	11.3
Price/2019 Est. EPS	10.7

Leadership Team

Name/Title

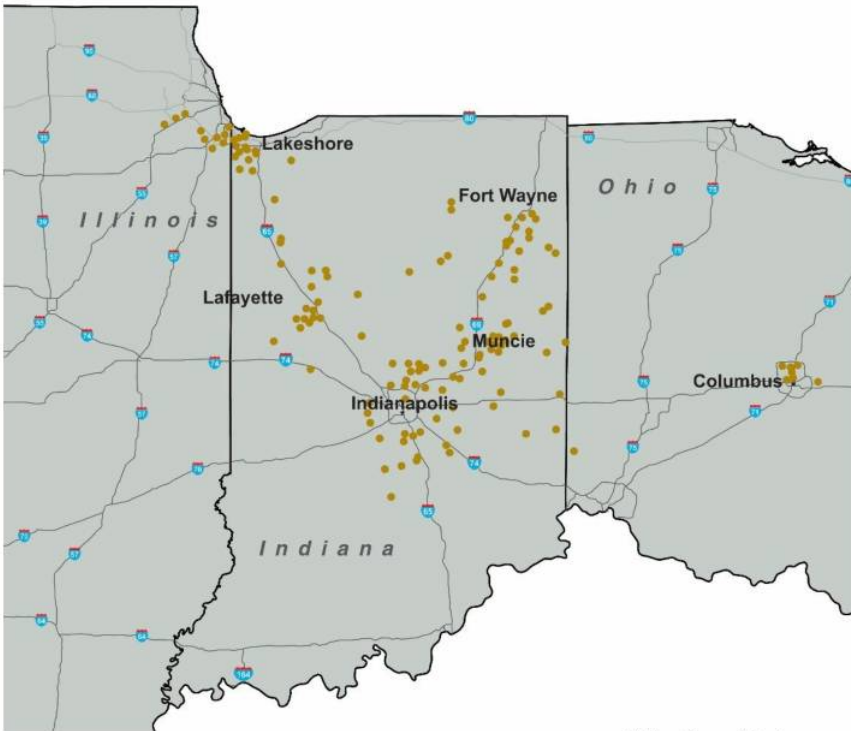
Michael C. Rechin, President & CEO

Mark K. Hardwick, EVP, Chief Operating Officer & Chief Financial Officer

Michael J. Stewart, EVP & Chief Banking Officer

John J. Martin, EVP & Chief Credit Officer

Our Franchise



Key Market Profiles		
Loans		Deposits
\$1,280M	Columbus	\$ 612M
767M	Fort Wayne	969M
2,537M	Indianapolis	1,662M
627M	Lafayette	1,100M
1,153M	Muncie	2,419M
939M	Lakeshore	1,286M
\$7,303M	Total	\$8,048M

(as of March 31, 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	53.48%	\$ 1,3
Jasper County, IN	Lafayette (Established)	1	33.64%	2
White County, IN	Lafayette (Established)	1	34.50%	1
Jay County, IN	Muncie (Established)	1	48.16%	1
Wells County, IN	Fort Wayne (Growth)	1	21.77%	1
Union County, IN	Muncie (Established)	1	41.72%	
Tippecanoe County, IN	Lafayette (Established)	2	19.96%	5
Madison County, IN	Indianapolis (Growth)	2	24.12%	3
Henry County, IN	Muncie (Established)	2	36.11%	2
Clinton County, IN	Lafayette (Established)	2	14.64%	
Wabash County, IN	Muncie (Established)	2	15.54%	
Hendricks County, IN	Indianapolis (Growth)	3	11.27%	2
Adams County, IN	Muncie (Established)	3	18.36%	1
Shelby County, IN	Indianapolis (Growth)	3	16.94%	
Randolph County, IN	Muncie (Established)	3	4.11%	
Hamilton County, IN	Indianapolis (Growth)	4	7.37%	7
Hancock County, IN	Indianapolis (Growth)	4	10.12%	1
Morgan County, IN	Indianapolis (Growth)	4	10.74%	1
Huntington County, IN	Fort Wayne (Growth)	4	15.63%	
Marshall County, IN	Fort Wayne (Growth)	4	7.37%	
Carroll County, IN	Lafayette (Established)	4	12.07%	
Brown County, IN	Indianapolis (Growth)	4	19.86%	
Allen County, IN	Fort Wayne (Growth)	5	7.76%	5
Fayette County, IN	Muncie (Established)	5	9.01%	
Miami County, IN	Muncie (Established)	5	8.00%	
Sub Total				\$5,549,143
First Merchants Total				\$7,541,282

First Merchants “Whole Bank” Strategy

- › Commercial Banking
- › Consumer Banking
- › Private Wealth Advisors
- › Growth Strategy
 - › Organic
 - › Merger/Acquisition



First Merchants Strategy

- › Commercial Bank
 - › Located in Prime Growth Commercial Banking Markets
 - › Indianapolis, Indiana
 - › Columbus, Ohio
 - › Fort Wayne, Indiana
 - › Lafayette, Indiana
 - › Lakeshore - Northwest Indiana
- › Hire the Best Talent Supported with the Finest:
 - › Sales Management Process
 - › Lending and Cash Management 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 Deposit and CRM Systems
 - › Highly Usable Online Banking System
 - › Widely Available 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.
 - › Strong legacy presence in Muncie, Lafayette and Fort Wayne
 - › Rapidly growing presence in Indianapolis, Columbus, OH and Lakeshore - Northwest Indiana

First Merchants Strategy

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

- › Consumer Banking
- › Mortgage Banking
- › Commercial Banking
 - › Business Banking
 - › Commercial & Industrial
 - › Agriculture
 - › Sponsor Finance
 - › Public Finance
 - › Healthcare Services
 - › Investment Real Estate
 - › Treasury Management and Merchant Processing Services
- › Private Wealth Advisory (private banking, investment management, personal trust brokerage, and retirement)



“We specialize in our communities.”

Line-of-Business Strategies



Indianapolis

Higher Growth

Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby Counties

Columbus, OH

Higher Growth

Franklin County, OH

Lafayette

Established

Carroll, Clinton, Jasper, Montgomery, Tippecanoe, White Counties

Muncie

Established

Delaware, Fayette, Henry, Jay, Madison, Randolph, Union, Wabash, Wayne Counties, IN
Butler County, OH

Lakeshore

Higher Growth

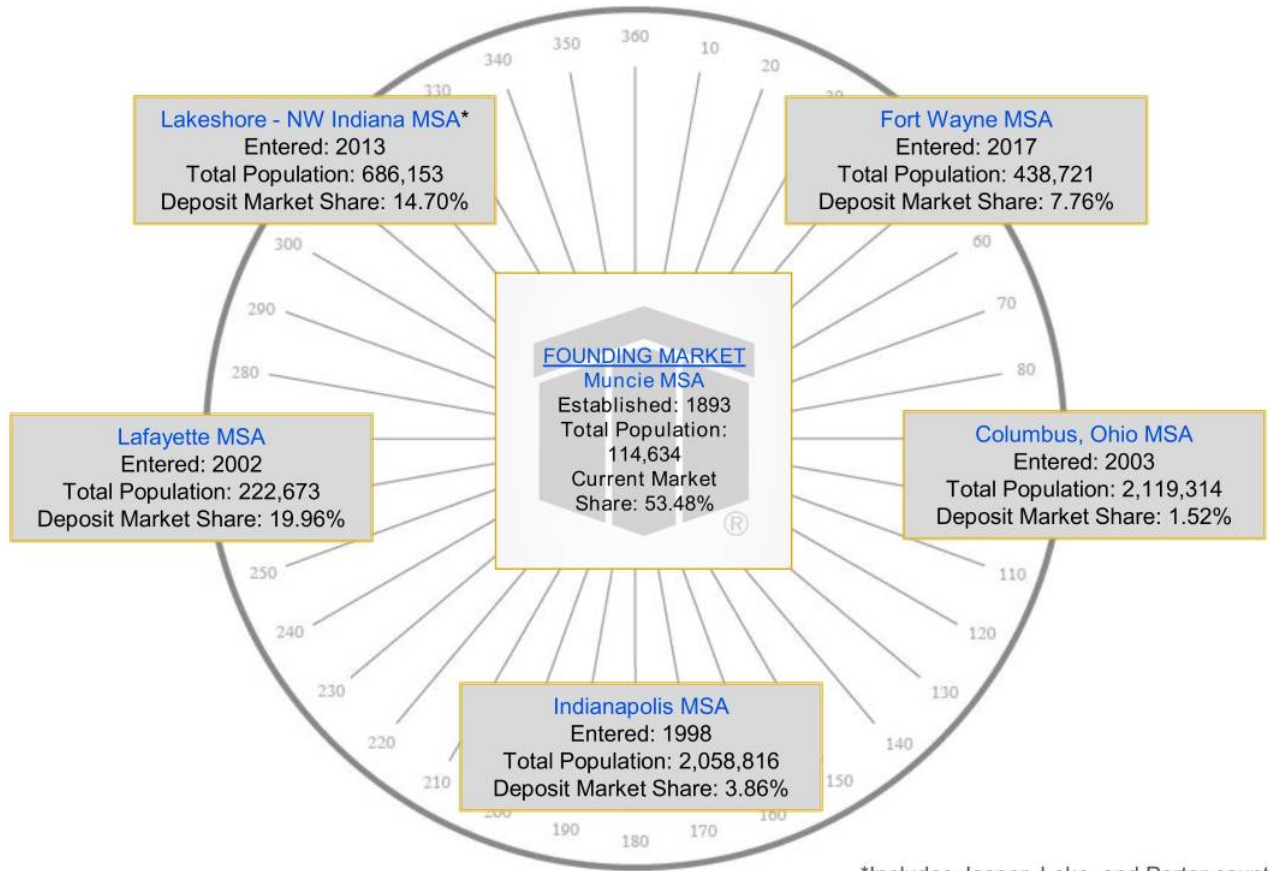
Lake & Porter, IN
Cook & DuPage, IL
Counties

Fort Wa

Higher G

Adams, A
Huntington, M
Miami, W
Countie

Organic Growth Opportunities Exists in All Directions



*Includes Jasper, Lake, and Porter counties

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	11	\$1,315,724	53.48%
2	Mutual First Financial	7	569,251	23.14%
3	J.P. Morgan Chase	3	248,004	10.08%
4	Old National Bancorp	4	186,150	7.57%
5	Star Financial Group	3	140,343	5.70%
6	Woodforest Financial Group	1	835	0.03%
Market Total		29	\$ 2,460,307	

*SNL Financial FDIC Summary of Deposits as of June 30, 2018

Notable Major Employers



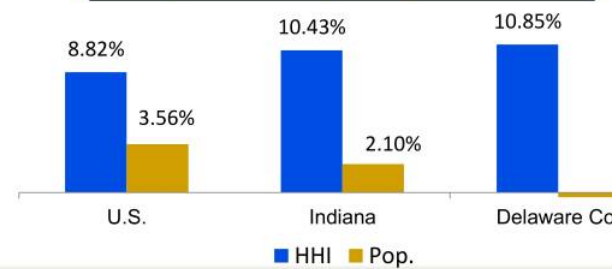
Ball Memorial Hospital & Physicians



ONTARIO SYSTEMS



Projected HHI & Pop. Change 2019-2024



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 2015 population estimates released by the U.S. Census Bureau show suburban Hamilton County's population grew 13% over the last five years*
- Indiana's population growth outpaced those of neighboring states Illinois, Kentucky, Michigan and Ohio*
- With 862,781 residents, Indianapolis was the nation's 14th largest city*

Hamilton County, IN**

Rank		Branches	Deposits	Mkt. Share
1	First Internet Bancorp	1	\$ 2,463,049	23.91%
2	JPMorgan Chase & Co.	15	1,703,502	16.54%
3	Merchants Bancorp	2	1,155,708	11.22%
4	First Merchants Corporation	11	758,934	7.37%
5	PNC Financial Services Group	11	636,309	6.18%
6	Lakeland Financial Corp	3	539,092	5.23%
7	Fifth Third Bancorp	6	517,384	5.02%
8	Huntington Bancshares	11	487,496	4.73%
9	Bank of Montreal	8	409,207	3.97%
10	KeyCorp	7	282,555	2.74%
Market Total		113	\$10,301,292	

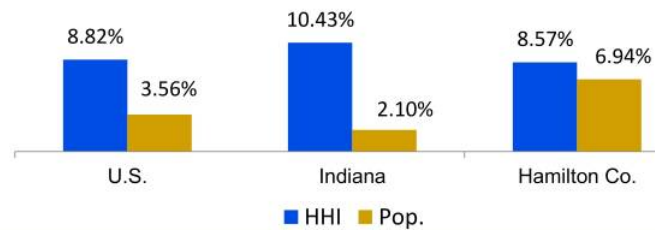
*IBJ.com

**SNL Financial FDIC Summary of Deposits as of June 30, 2018

Notable Major Employers



Projected HHI & Pop. Change 2019-2024



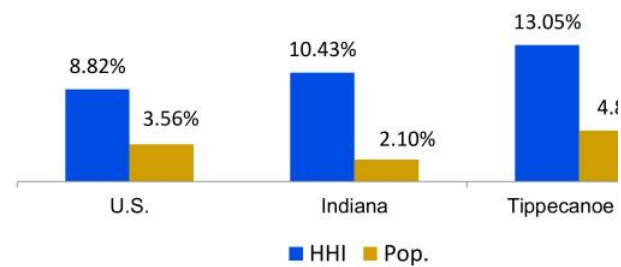
Lafayette Market

- 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 2019-2024



Tippecanoe County, IN**				
Rank		Branches	Deposits	Mkt. Share
1	JPMorgan Chase & Co.	6	\$ 840,529	31.18%
2	First Merchants Corporation	8	538,089	19.96%
3	Regions Financial Corp	6	310,753	11.53%
4	Old National Bancorp	4	254,827	9.45%
5	Horizon Bancorp	4	160,473	5.95%
6	Huntington Bancshares, Inc.	4	140,284	5.20%
7	First Bancshares, Inc.	5	123,522	4.58%
8	Fifth Third Bancorp	2	100,499	3.73%
9	1 st Source Corp	3	85,485	3.17%
10	Salin Bancshares	3	61,530	2.28%
Market Total		54	\$ 2,695,751	

*Indianapolis Business Journal

**SNL Financial FDIC Summary of Deposits as of June 30, 2018

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**

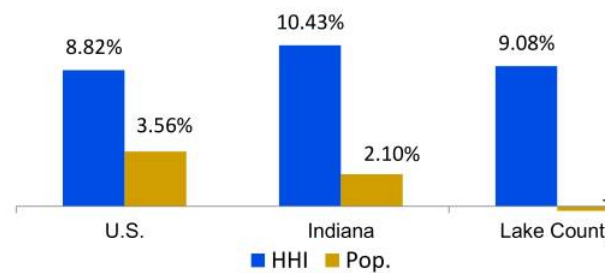
Lake County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	First Bancshares, Inc.	28	\$ 2,240,604	23.38%
2	JPMorgan Chase & Co.	21	2,046,673	21.36%
3	First Midwest Bancorp	16	1,056,052	11.02%
4	First Financial Bancorp	8	780,983	8.15%
5	Northwest Indiana Bancorp	15	779,420	8.13%
6	First Merchants Corporation	10	724,971	7.57%
7	Bank of Montreal	15	522,874	5.46%
8	Fifth Third Bancorp	12	466,003	4.86%
9	PNC Financial Services Group	4	204,691	2.14%
10	AMB Financial Corp	5	181,163	1.89%
Market Total		152	\$ 9,581,769	

*SNL Financial FDIC Summary of Deposits as of June 30, 2018
 **www.nwiforum.org/nwi-becoming-an-economic-powerhouse

Notable Major Employers



Projected HHI & Pop. Change 2019-2024



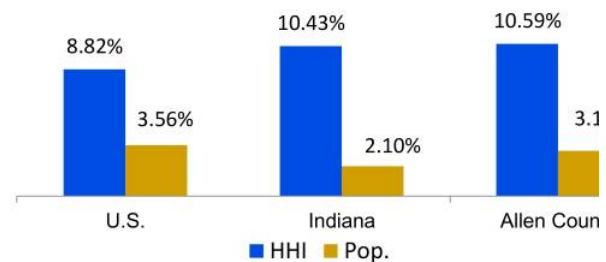
Fort Wayne Market

- 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)

Notable Major Employers



Projected HHI & Pop. Change 2019-2024



Allen County, IN*				
Rank		Branches	Deposits	Mkt. Share
1	Wells Fargo	13	\$ 1,825,786	25.93%
2	JP Morgan Chase & Co.	12	1,189,769	16.90%
3	Lakeland Financial Corp.	5	790,813	11.23%
4	PNC Financial Services Group	11	652,271	9.26%
5	First Merchants Corporation	11	546,373	7.76%
6	Old National Bancorp	5	497,783	7.07%
7	STAR Financial Group, Inc.	9	410,213	5.83%
8	1 st Source Corp.	8	409,186	5.81%
9	Fifth Third Bancorp	8	257,169	3.65%
10	First Defiance Financial	2	85,084	1.21%
Market Total		101	\$ 7,040,342	

*SNL Financial FDIC Summary of Deposits as of June 30, 2018

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

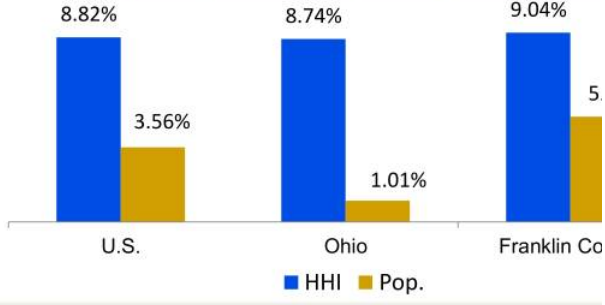
Franklin County, OH*				
Rank		Branches	Deposits	Mkt. Share
1	Huntington Bancshares	61	\$ 23,332,648	45.28%
2	JP Morgan Chares & Co	52	11,833,655	22.96%
3	PNC Financial Services Group	41	4,892,157	9.49%
4	Fifth Third Bancorp	41	4,543,334	8.82%
5	Key Corp	21	1,187,275	2.30%
6	U.S. Bancorp	33	1,185,746	2.30%
7	Heartland Bancorp	14	694,013	1.35%
8	Wells Fargo & Co	1	642,289	1.25%
9	First Merchants Corporation	9	557,734	1.08%
10	First Financial Bancorp	5	524,389	1.02%
Market Total		321	\$ 51,534,345	

*SNL Financial FDIC Summary of Deposits as of June 30, 2018
 **<http://jobs-ohio.com/manufacturing/>

Notable Major Employers



Projected HHI & Pop. Change 2019-2024

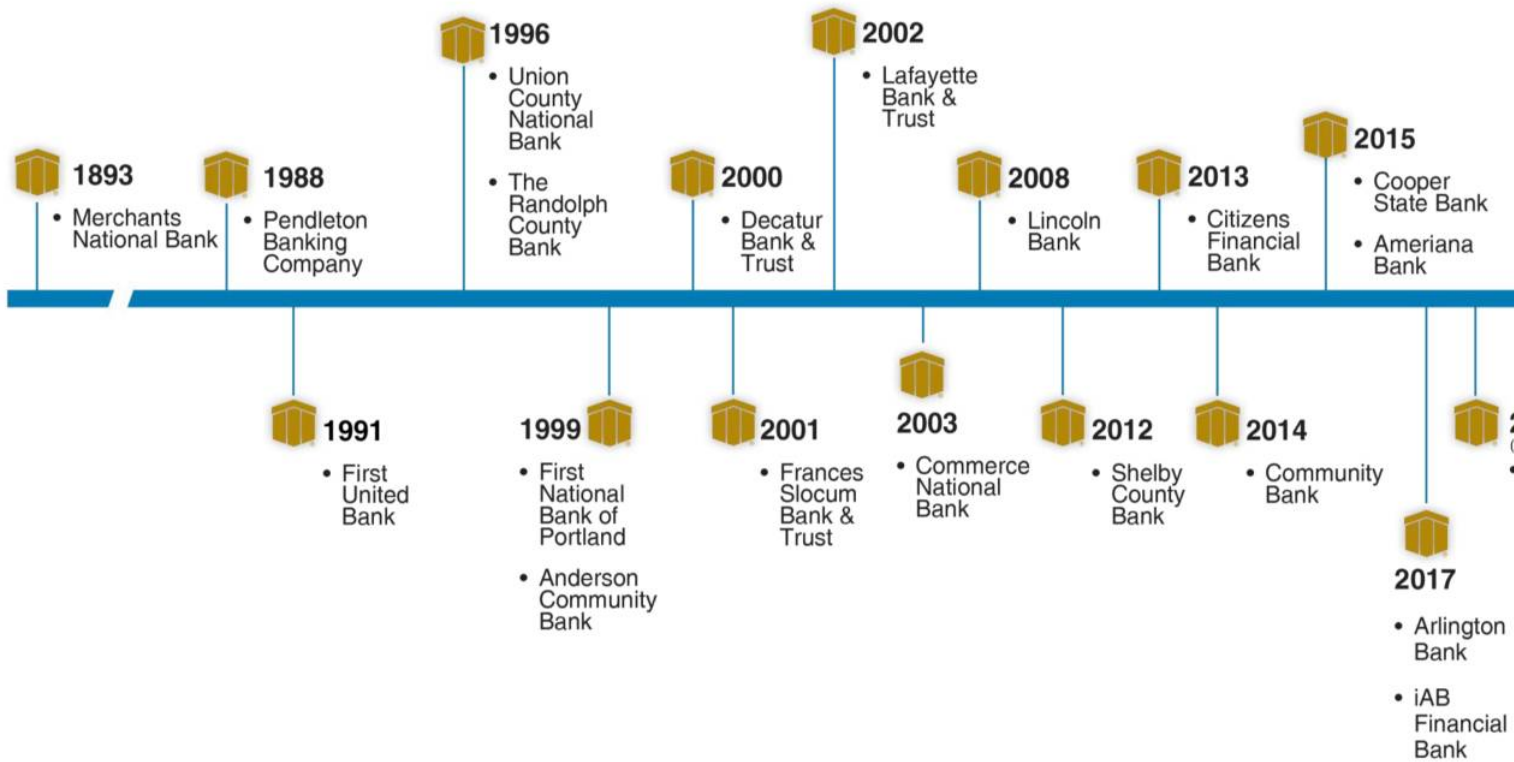


Growth Through Acquisition

- › 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
- › Single Charter Operating Environment
- › Scalable Technology and Operations Center

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: 177,800

) 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: 136 + 25,000 MoneyPass ATMs

) Total Debit Cards

- 161K active cards
- 3.5M monthly card swipes
- \$136M in monthly volume

) 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)

) Commercial Remote Deposit Capture

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

1st Quarter 2019 Highlights

- › Earnings Per Share of \$.78, a 5.4% Increase over 1Q2018
- › \$38.8 Million of Net Income, a 5.8% Increase over 1Q2018
- › Total Assets of \$10.2 Billion; Grew by 7.8% over 1Q2018
- › Organic Loan & Deposit Growth of 5.7% and 9.8%, respectively, over 1Q2018
- › 1.54% Return on Average Assets
- › 10.86% Return on Average Equity
- › 51.18% Efficiency Ratio

Total Assets

	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'19</u>
1. Investments	\$1,561	\$1,633	\$1,544	\$1,863
2. Loans	6,758	7,229	6,906	7,303
3. Allowance	(75)	(81)	(76)	(81)
4. Goodwill & Intangibles	477	470	475	468
5. BOLI	224	225	222	226
6. Other	<u>422</u>	<u>409</u>	<u>402</u>	<u>432</u>
7. Total Assets	<u>\$9,367</u>	<u>\$9,885</u>	<u>\$9,473</u>	<u>\$10,211</u>

Annualized Asset Growth

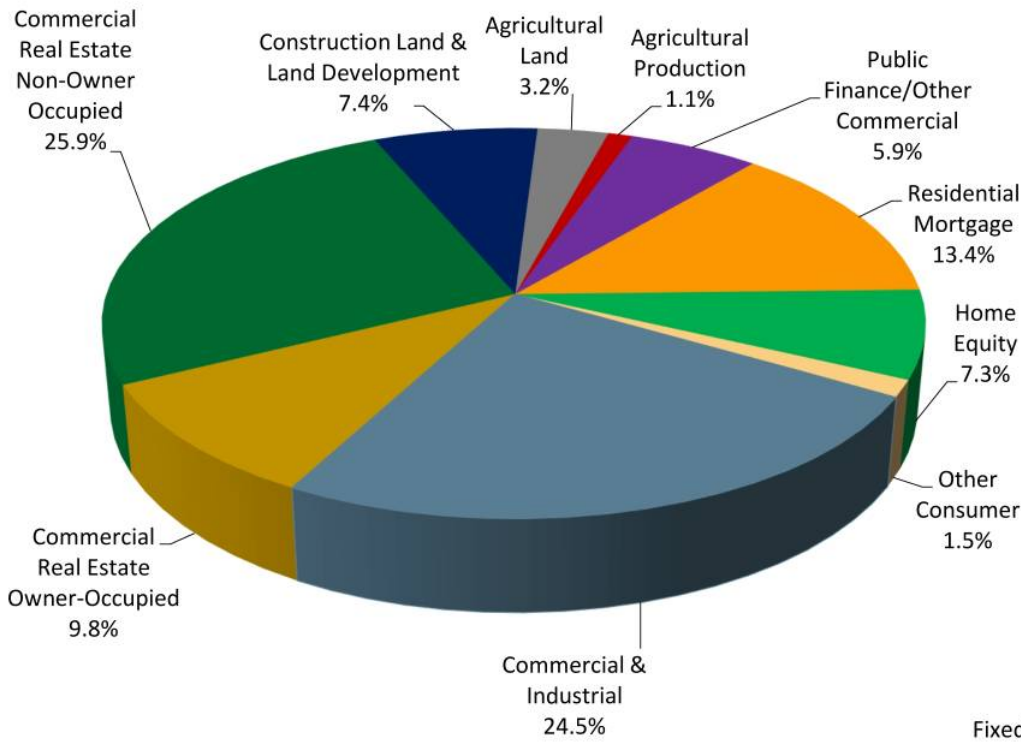
5.5%

13.2%

¹ Annualized from December 31, 2018

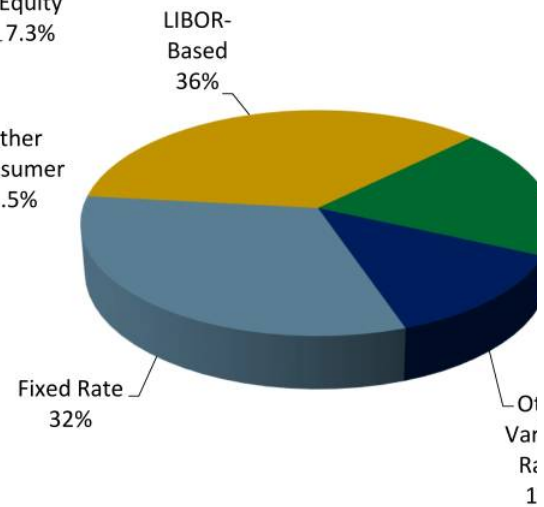
Loan Yield and Detail

(as of March 31, 2019)



YTD Yield	=	5.30
Total Loans	=	\$7.3 Billic

Variable	=	\$5.0 Billic
Fixed	=	\$2.3 Billic



CRE Loan Concentration

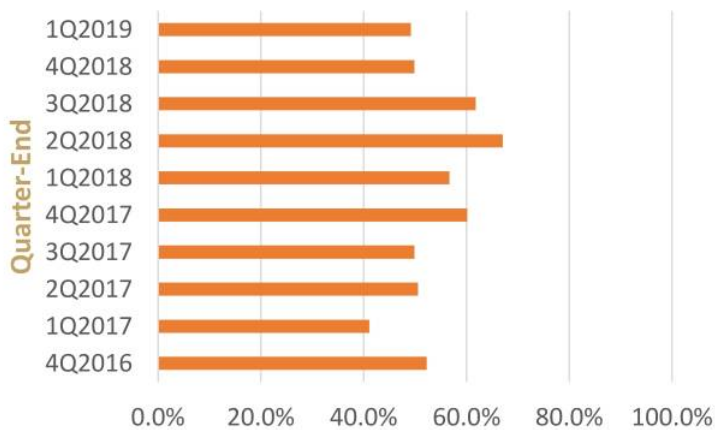
First Merchants Results in Relation to FDIC Guidelines

FDIC GUIDELINES TO IDENTIFY INSTITUTIONS POTENTIALLY EXPOSED TO CRE RISK:

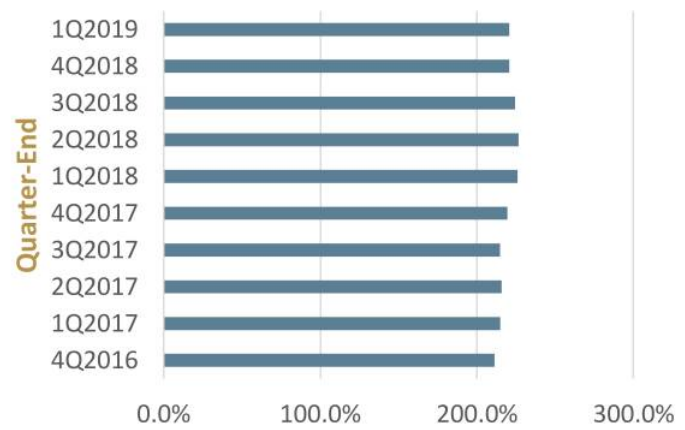
Guideline 1: Total loans for construction, land development, and other land representing 100% more of total capital

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

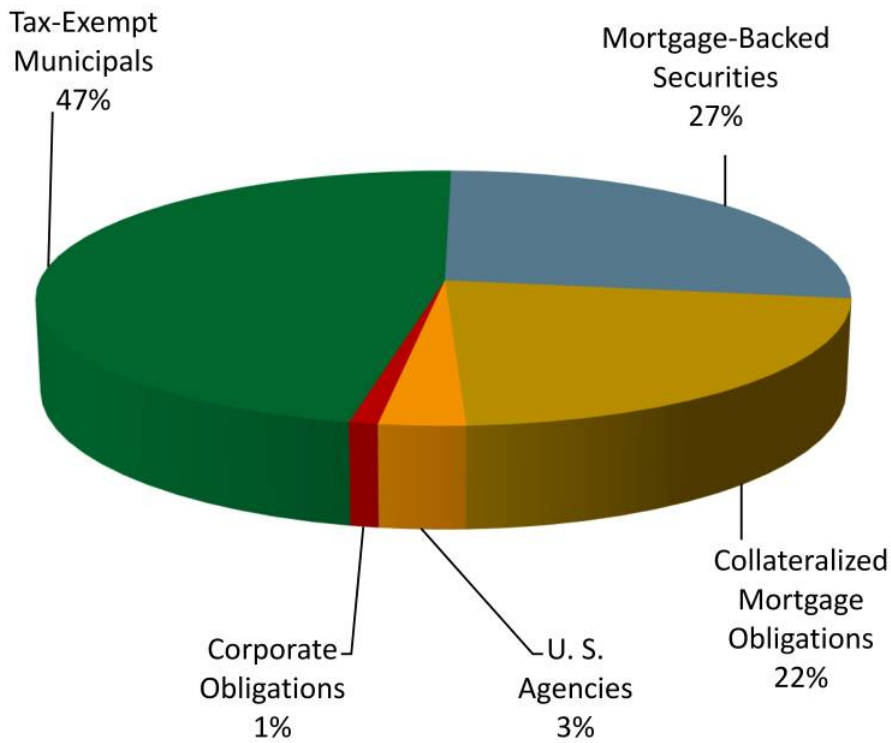


GUIDELINE #2



Investment Portfolio

(as of March 31, 2019)



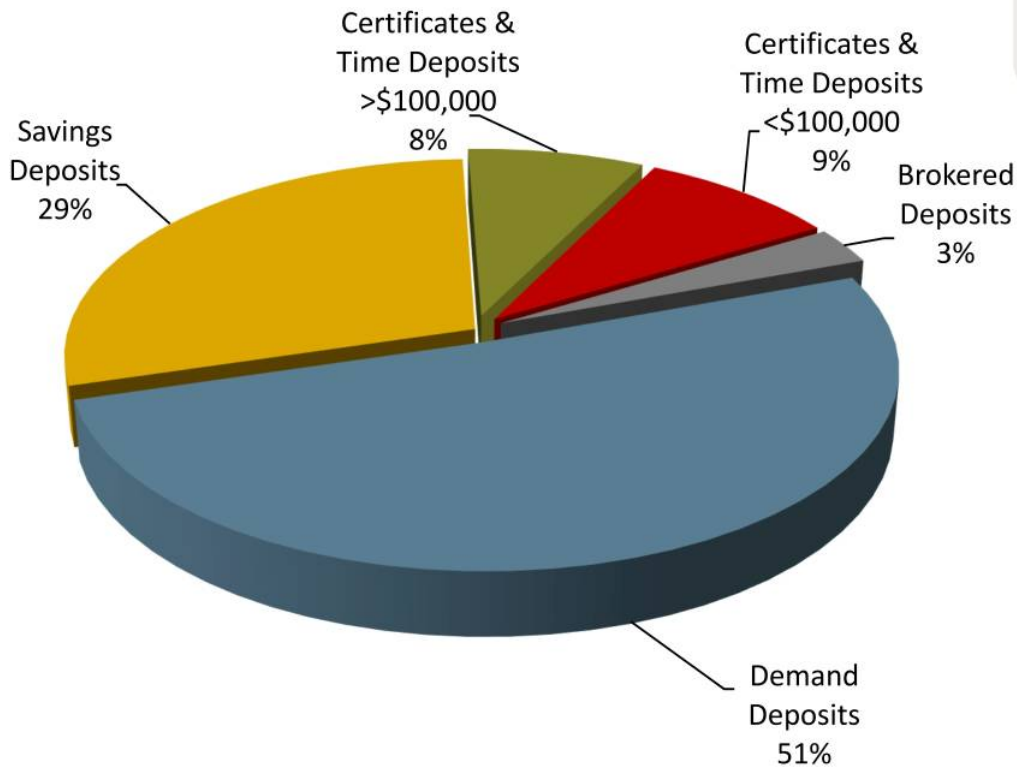
- › \$1.9 Billion Portfolio
- › Modified duration of 5.1 years
- › Tax equivalent yield of 3.49%
- › Net unrealized gain of \$26.1 Mil

Total Liabilities and Capital

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'19</u>
1. Customer Non-Maturity Deposits	\$5,741	\$6,268	\$5,850	\$6,439
2. Customer Time Deposits	1,051	1,241	1,137	1,375
3. Brokered Deposits	<u>381</u>	<u>246</u>	<u>341</u>	<u>234</u>
Total Deposits	7,173	7,755	7,328	8,048
4. Borrowings	701	538	644	481
5. Other Liabilities	57	51	55	92
6. Hybrid Capital	133	133	133	134
7. Common Equity	<u>1,303</u>	<u>1,408</u>	<u>1,313</u>	<u>1,456</u>
8. Total Liabilities and Capital	<u>\$9,367</u>	<u>\$9,885</u>	<u>\$9,473</u>	<u>\$10,211</u>

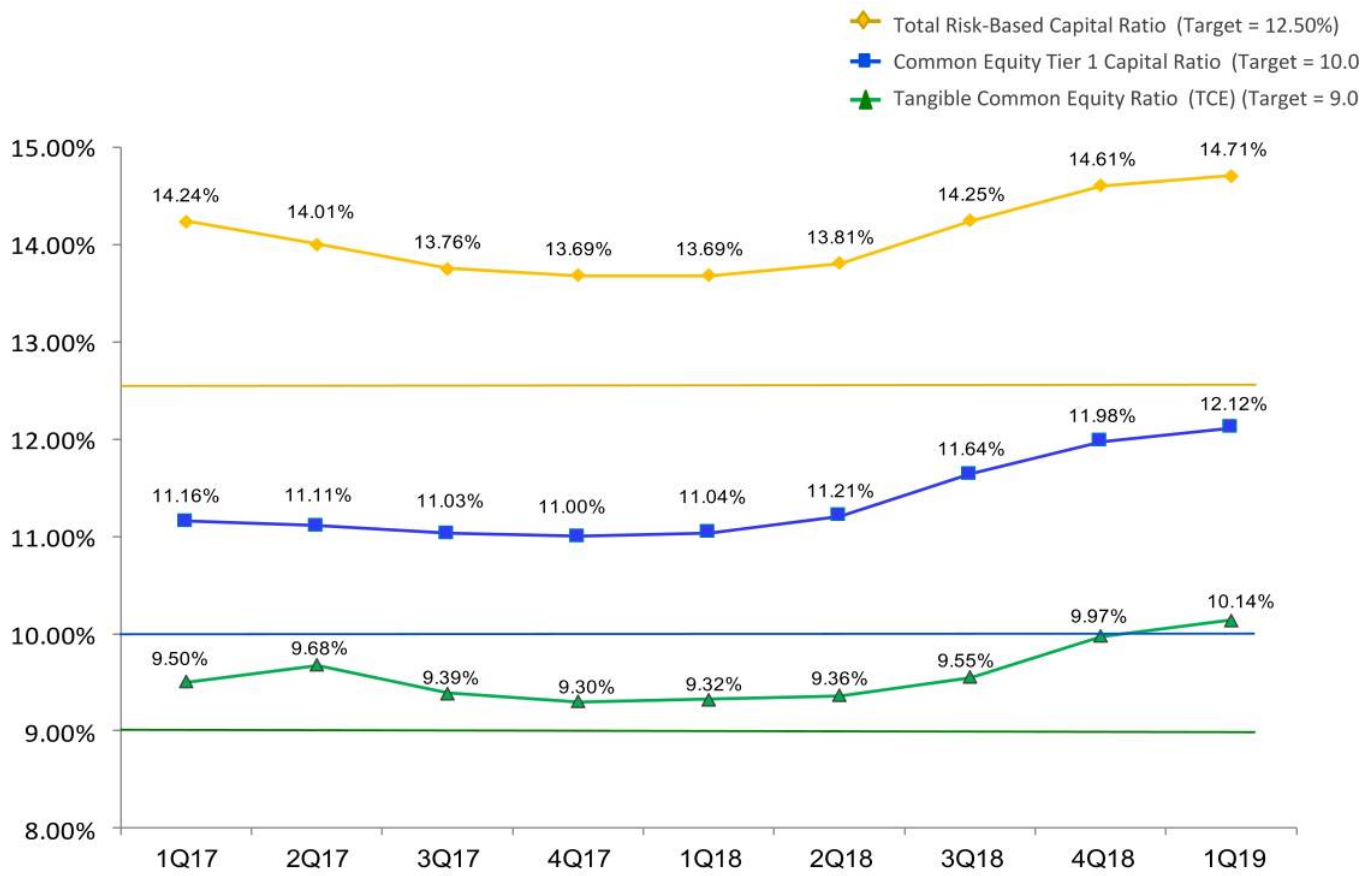
Deposit Detail

(as of March 31, 2019)



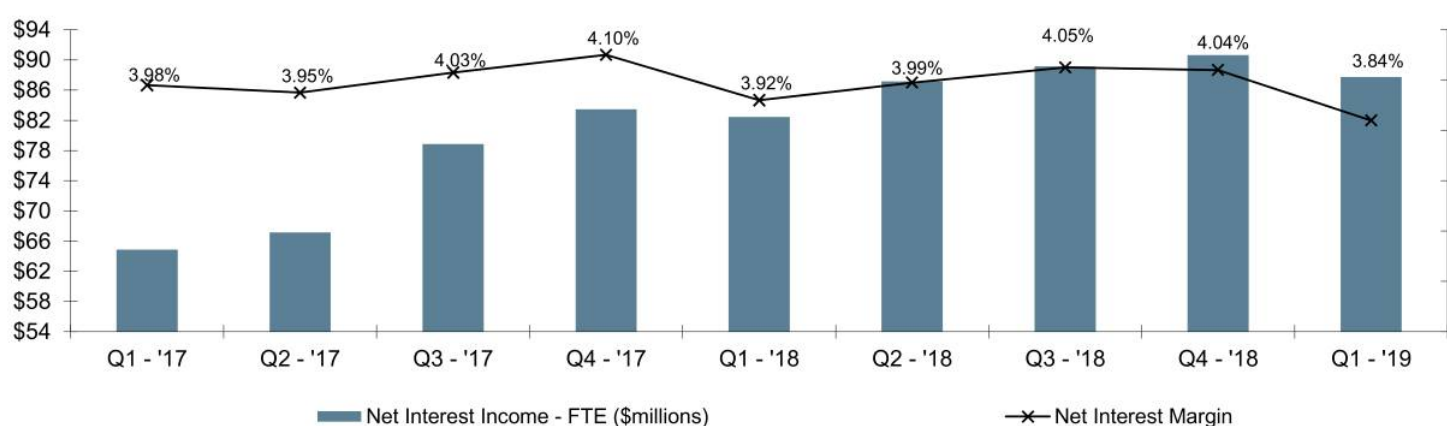
YTD Cost	=	1.20%
Total	=	\$8.0 Billion

Capital Ratios



Net Interest Margin

	Q1 - '17	Q2 - '17	Q3 - '17	Q4 - '17	Q1 - '18	Q2 - '18	Q3 - '18	Q4 - '18	Q1 - '19
Net Interest Income - FTE (\$millions)	\$ 64.9	\$ 67.2	\$ 78.9	\$ 83.5	\$ 82.5	\$ 87.2	\$ 89.2	\$ 90.7	\$ 87.8
Fair Value Accretion	\$ 4.3	\$ 2.3	\$ 3.2	\$ 4.1	\$ 3.2	\$ 3.8	\$ 3.2	\$ 3.9	\$ 2.3
Tax Equivalent Yield on Earning Assets	4.42%	4.44%	4.56%	4.67%	4.57%	4.74%	4.88%	4.97%	4.89%
Interest Expense/Average Earning Assets	0.44%	0.49%	0.53%	0.57%	0.65%	0.75%	0.83%	0.93%	1.05%
Net Interest Margin	3.98%	3.95%	4.03%	4.10%	3.92%	3.99%	4.05%	4.04%	3.84%
Fair Value Accretion Effect	0.26%	0.14%	0.17%	0.20%	0.15%	0.18%	0.15%	0.17%	0.09%



Non-Interest Income

	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'1</u>
1. Service Charges on Deposit Accounts	\$ 18.7	\$ 21.0	\$ 4.8	\$ 5.
2. Wealth Management Fees	14.7	14.9	3.8	3.
3. Card Payment Fees	16.1	18.0	4.6	4.
4. Gains on Sales of Mortgage Loans	7.6	7.0	1.8	1.
5. Derivative Hedge Fees	2.0	2.5	0.8	0.
6. Other Customer Fees	1.7	1.9	0.5	0.
7. Cash Surrender Value of Life Ins	6.6	4.2	1.2	1.
8. Gains on Sales of Securities	2.6	4.3	1.6	1.
9. Other	<u>1.0</u>	<u>2.7</u>	<u>0.5</u>	<u>0.</u>
10. Total Non-Interest Income	<u>\$71.0</u>	<u>\$76.5</u>	<u>\$19.6</u>	<u>\$18.</u>

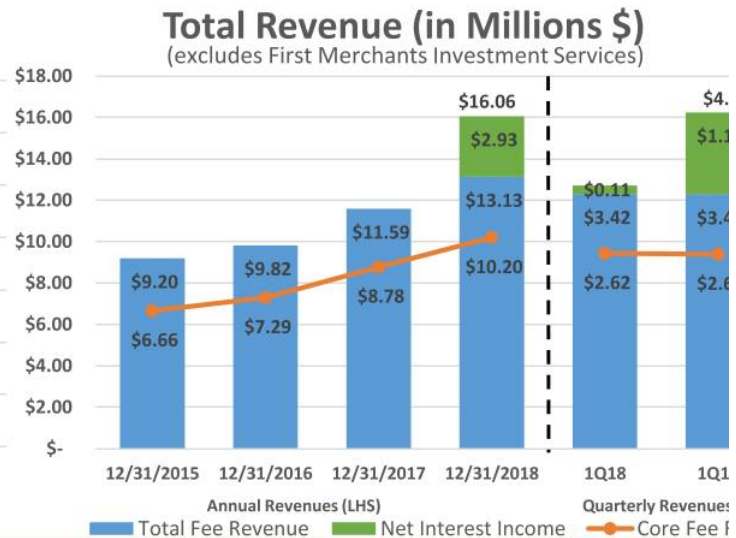
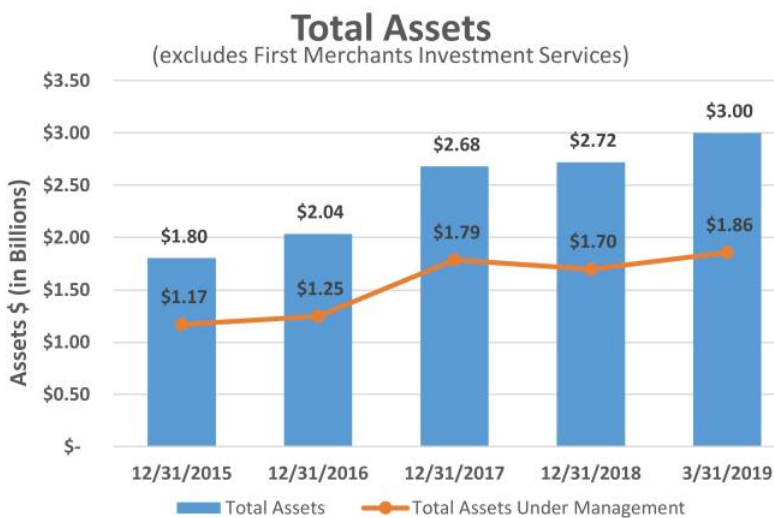
Private Wealth Advisors

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)

- › Asset levels for existing clients were under pressure in Q1 due to equity market volatility
- › Strong new client acquisition in Q1
- › Private Banking driving expansion of existing client relationships and new client acquisition
- › Strong partnership with Commercial and Retail line business in delivering whole-bank solutions for clients
- › Strong progress with First Merchants Investment Services migrating to an Advisory Fee Model

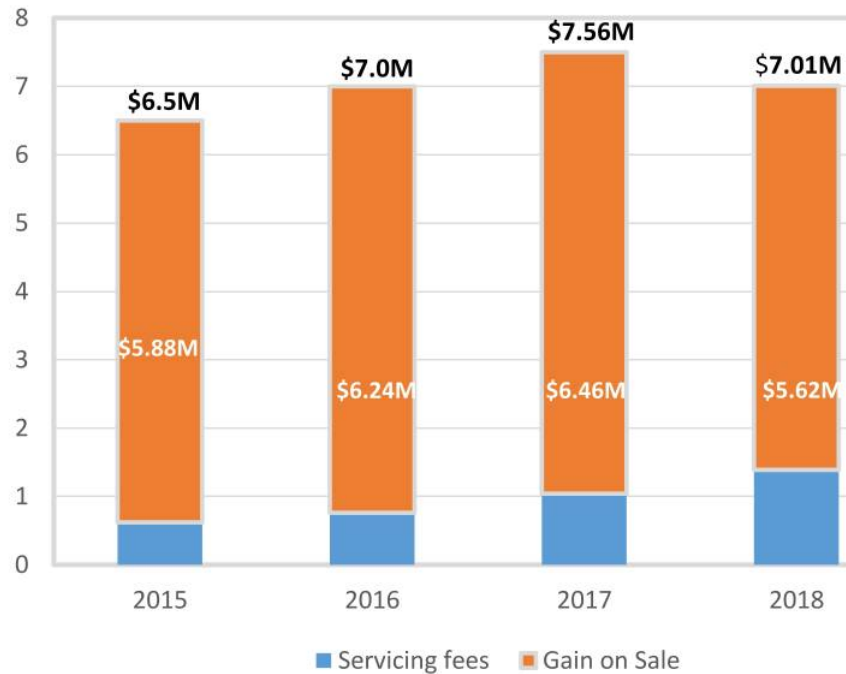


Mortgage Banking

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

	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'19</u>
1. Salary & Benefits	\$119.8	\$131.7	\$ 32.2	\$ 33.0
2. Premises & Equipment	30.1	32.7	8.4	8.7
3. Intangible Asset Amortization	5.6	6.7	1.7	1.5
4. Professional & Other Outside Services	12.8	8.2	1.5	1.9
5. OREO/Credit-Related Expense	1.9	1.5	0.4	1.2
6. FDIC Expense	2.6	2.9	0.7	0.7
7. Outside Data Processing	12.2	13.2	3.0	3.7
8. Marketing	3.7	4.7	0.9	1.1
9. Other	<u>16.9</u>	<u>18.4</u>	<u>4.9</u>	<u>4.8</u>
10. Total Non-Interest Expense	<u>\$ 205.6</u> ¹	<u>\$ 220.0</u>	<u>\$ 53.7</u>	<u>\$56.6</u>

¹2017 includes acquisition-related expenses of \$12.2 million

Earnings

(\$ in Millions)	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'17</u>
1. Net Interest Income	\$ 277.3	\$ 338.8	\$ 79.9	\$ 84.1
2. Provision for Loan Losses	<u>(9.1)</u>	<u>(7.2)</u>	<u>(2.5)</u>	<u>(1.1)</u>
3. Net Interest Income after Provision	268.2	331.6	77.4	83.0
4. Non-Interest Income	71.0	76.5	19.6	18.1
5. Non-Interest Expense	<u>(205.6)</u>	<u>(220.0)</u>	<u>(53.7)</u>	<u>(56.1)</u>
6. Income before Income Taxes	133.6	188.1	43.3	45.0
7. Income Tax Expense	<u>(37.5)</u> ¹	<u>(29.0)</u> ²	<u>(6.6)</u>	<u>(6.1)</u>
8. Net Income Avail. for Distribution	<u>\$ 96.1</u>	<u>\$ 159.1</u>	<u>\$ 36.7</u>	<u>\$ 38.9</u>
9. EPS	\$ 2.12 ³	\$ 3.22	\$ 0.74	\$ 0.77
10. Efficiency Ratio	54.56%	50.21%	51.33%	51.18%

¹2017 includes \$5.1 million of additional tax expense due to revaluing deferred taxes as a result of the Tax Cuts and Jobs Act

²2018 reflects \$1.8 million net reduction to income tax expense resulting from an increase in Indiana state tax liability offset by the release of a valuation allowance on state deferred tax assets

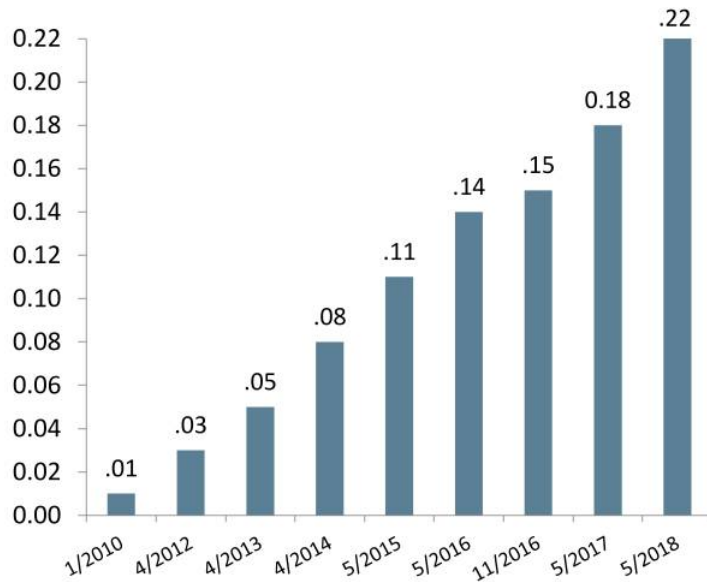
³Acquisition-related expenses, the impact of tax reform, and pension settlement accounting reduced EPS by \$0.30 for 2017

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	–	–	–	\$.78
2. Dividends	\$.22	–	–	–	\$.22
3. Tangible Book Value	\$20.07				

Dividends and Tangible Book Value

Quarterly Dividends



2.39% Forward Dividend Yield
Equals 28.2% Dividend Payout Ratio

Tangible Book Value



Compound Annual Growth Rate of 9.90%

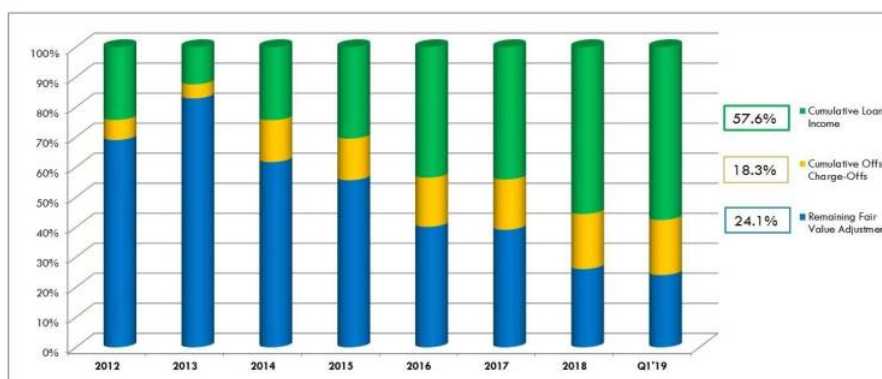
Asset Quality Summary

(\$ in Millions)

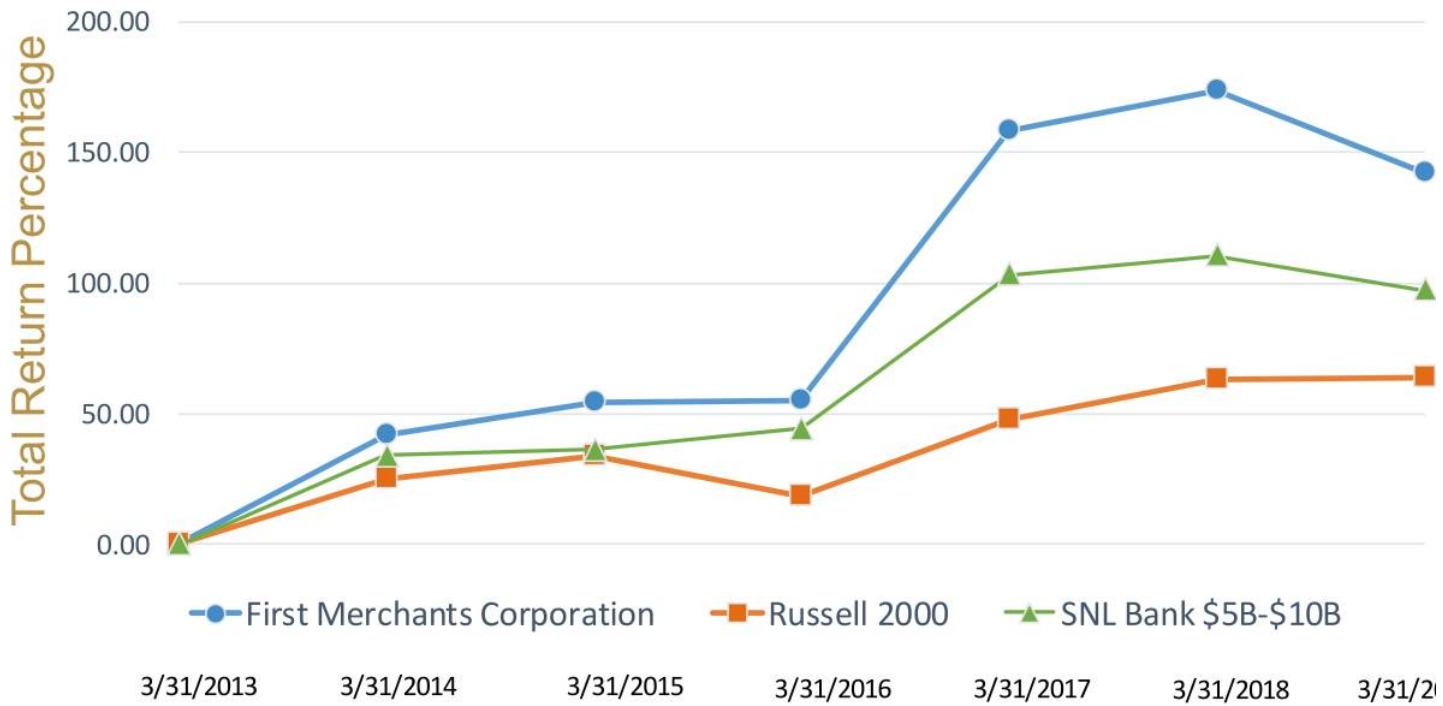
	<u>2017</u>	<u>2018</u>	<u>Q1-'18</u>	<u>Q1-'19</u>	Change		Change
					Linked Quarter		
					\$	%	\$
1. Non-Accrual Loans	\$ 28.7	\$ 26.1	\$ 27.5	\$ 28.0	\$ 1.9	7.3%	\$ 0.5
2. Other Real Estate	10.4	2.2	9.7	1.9	(0.3)	(13.6%)	(7.8)
3. Renegotiated Loans	1.0	1.1	0.6	0.7	(0.4)	(36.4%)	0.1
4. 90+ Days Delinquent Loans	0.9	1.9	0.7	0.1	(1.8)	(94.7%)	(0.6)
5. Total NPAs & 90+ Days Delinquent	\$ 41.0	\$ 31.3	\$ 38.5	\$ 30.7	\$ (0.6)	(1.9%)	\$ (7.8)
6. Total NPAs & 90+ Days/Loans & ORE	0.6%	0.4%	0.6%	0.4%			
7. Classified Assets	\$153.1	\$173.2	\$178.4	\$169.6	\$ (3.6)	(2.1%)	\$ (8.8)
8. Specific Reserves	\$ 1.6	\$ 1.9	\$ 1.3	\$ 1.6	\$ (0.3)	(15.8%)	\$ 0.3

ALLL and Fair Value Summary

(\$ in Millions)	Q2-'18	Q3-'18	Q4-'18	Q1-'19
1. Beginning Allowance for Loan Losses (ALLL)	\$ 76.4	\$ 77.5	\$ 78.4	\$ 80.6
2. Net Charge-offs (Recoveries)	0.6	0.5	(0.5)	0.9
3. Provision Expense	<u>1.7</u>	<u>1.4</u>	<u>1.7</u>	<u>1.2</u>
4. Ending Allowance for Loan Losses (ALLL)	\$ 77.5	\$ 78.4	\$ 80.6	\$ 80.9
5. ALLL/Non-Accrual Loans	385.0%	383.9%	308.1%	289.5%
6. ALLL/Non-Purchased Loans	1.28%	1.28%	1.26%	1.24%
7. ALLL/Loans	1.09%	1.11%	1.11%	1.11%
8. Fair Value Adjustment (FVA)	\$ 37.2	\$ 33.9	\$ 30.0	\$ 27.8
9. Total ALLL plus FVA	114.7	112.3	110.6	108.7
10. Purchased Loans plus FVA	1,059.1	979.2	874.3	809.9
11. FVA/Purchased Loans plus FVA	3.51%	3.46%	3.44%	3.43%



Total Return Performance

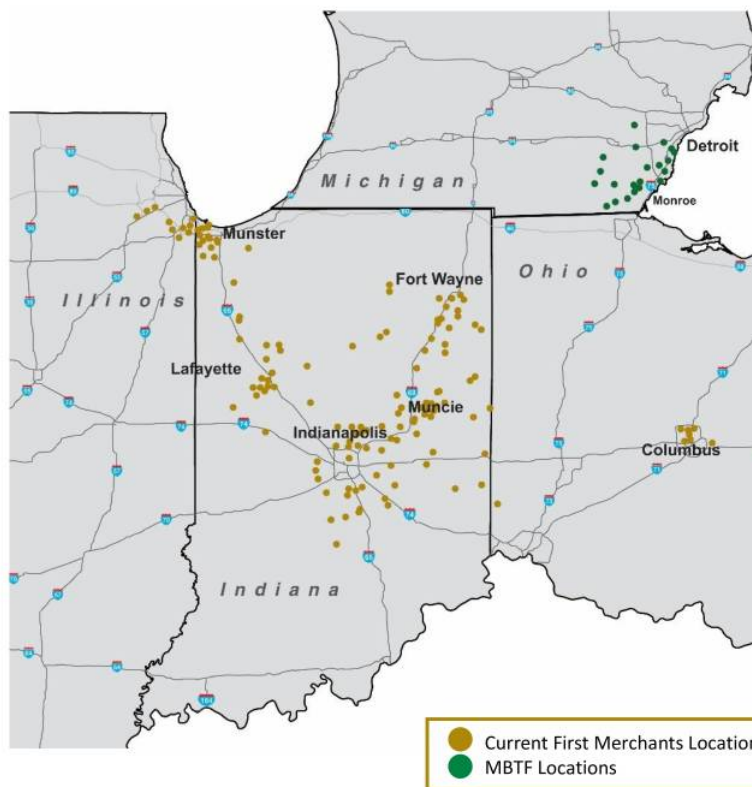


A Leading Midwest Banking Franchise

Crossing \$10 Billion with Strategic Entry into Michigan

Pro Forma Highlights¹

Ticker:	FRME
Headquarters:	Muncie, IN
Founded:	1893
Banking Centers:	134
Assets:	\$11.1 Billion
Loans:	\$7.8 Billion
Deposits:	\$8.7 Billion



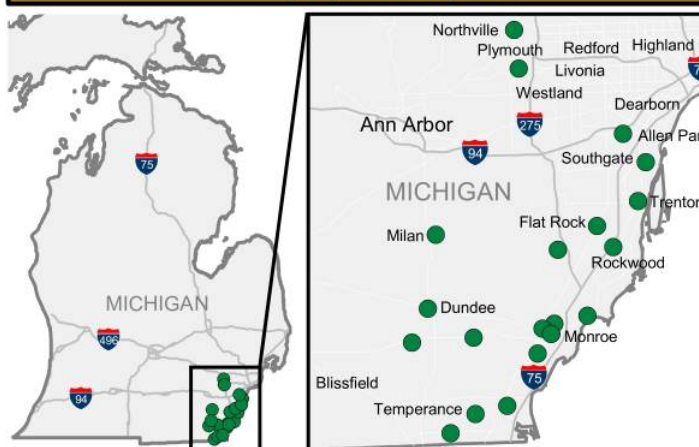
¹Balance sheet figures as of 6/30/18 and include any merger-related adjustments

Overview of MBT Financial Corporation

Company Highlights

- Headquartered in Monroe, Michigan
- Founded in 1858
- Operates 20 Banking Centers
- Balance Sheet as of June 30, 2018
 - Assets: \$1.3 Billion
 - Loans: \$741 Million
 - Deposits: \$1.1 Billion (89% non-maturity)
 - Loans / Deposits: 65%
 - 9.10% TCE/TA
 - 0.91% NPAs/Assets
- Income Statement for the quarter ending June 30, 2018
 - ROAA: 1.51% / ROATCE: 16.59%
 - Efficiency Ratio: 61.8%
 - Net Interest Margin: 3.63%
 - Cost of Interest Bearing Deposits: 0.18%

Geographic Footprint



Deposit Market Share by County

County	Market Rank	Branches	Deposits (\$000)	Mkt. Share (%)	% of Franchi
Monroe, MI	1	15*	\$998,139	50.1%	86.9%
Wayne, MI	14	6	\$150,913	0.3%	13.1%

Source: S&P Global Market Intelligence and FDIC Summary of Deposits as of June 30, 2018
 *Includes one non-banking center

FMC Strategy and Tactics Overview

- › Manage market presence and our core banking business. Continue organic growth protocol
- › Optimize our retail and commercial deposit strategy . . . products and pricing
- › Leverage balance sheet muscle . . . Liquidity, Capital, Credit
- › Market disruptions = Opportunity
- › Implement integration schedule and marketing plan for Michigan entry

Why Invest in First Merchants?

- › *Forbes* Magazine recognition as a Top 2 Ranking in “America’s Best Banks”
- › Performance Ranked Best among Indiana Banks by Bank Director Magazine
- › Attractive and Growing Earnings Stream
- › 2nd Largest Indiana Bank with an Energized and Experienced Management Team
- › Attractive Long-Term Deposit Market Shares
- › Commercial Presence that Creates a Client Preference
- › State-of-the-Art Technology and Operations Center
- › Successful Acquisition and Integration Track Record
- › Focused on Providing Sustainable Shareholder Value



Research Coverage

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 **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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765.521.7619
nweaver@firstmerchants.com

Appendix

Appendix – Non-GAAP Reconciliation

CAPITAL RATIOS (dollars in thousands):

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	
Total Risk-Based Capital Ratio									
Total Stockholders' Equity (GAAP)	929,470	1,035,116	1,283,120	1,303,463	1,313,073	1,340,328	1,361,426	1,408,260	1,45
Adjust for Accumulated Other Comprehensive (Income) Loss	3,722	(1,384)	6,358	3,534	21,725	24,868	35,409	21,422	
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	
Add: Qualifying Capital Securities	55,474	55,534	65,864	65,919	65,975	66,030	66,086	66,141	6
Less: Tier 1 Capital Deductions	(80)	(166)	-	-	-	-	-	-	
Less: Disallowed Goodwill and Intangible Assets	(250,493)	(300,307)	(462,080)	(464,066)	(467,518)	(466,063)	(464,658)	(463,525)	(46
Less: Disallowed Deferred Tax Assets	(320)	(665)	-	-	(2,594)	(2,104)	(1,111)	-	(
Total Tier 1 Capital (Regulatory)	\$ 737,648	\$ 788,003	\$ 893,137	\$ 908,725	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,05
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	68,225	70,471	73,354	75,032	76,420	77,543	78,406	80,552	8
Total Risk-Based Capital (Regulatory)	\$ 870,873	\$ 923,474	\$ 1,031,491	\$ 1,048,757	\$ 1,071,956	\$ 1,105,477	\$ 1,140,433	\$ 1,177,725	\$ 1,20
Net Risk-Weighted Assets (Regulatory)	\$ 6,114,112	\$ 6,592,710	\$ 7,497,321	\$ 7,660,604	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,17
Total Risk-Based Capital Ratio (Regulatory)	14.24%	14.01%	13.76%	13.69%	13.69%	13.81%	14.25%	14.61%	1
Common Equity Tier 1 Capital Ratio									
Total Tier 1 Capital (Regulatory)	\$ 737,648	\$ 788,003	\$ 893,137	\$ 908,725	\$ 930,536	\$ 962,934	\$ 997,027	\$ 1,032,173	\$ 1,05
Less: Qualified Capital Securities	(55,474)	(55,534)	(65,864)	(65,919)	(65,975)	(66,030)	(66,086)	(66,141)	(6
Add: Additional Tier 1 Capital Deductions	80	166	-	-	-	-	-	-	
Common Equity Tier 1 Capital (Regulatory)	\$ 682,254	\$ 732,635	\$ 827,273	\$ 842,806	\$ 864,561	\$ 896,904	\$ 930,941	\$ 966,032	\$ 99
Net Risk-Weighted Assets (Regulatory)	\$ 6,114,112	\$ 6,592,710	\$ 7,497,321	\$ 7,660,604	\$ 7,831,727	\$ 8,002,666	\$ 8,001,191	\$ 8,060,882	\$ 8,17
Common Equity Tier 1 Capital Ratio (Regulatory)	11.16%	11.11%	11.03%	11.00%	11.04%	11.21%	11.64%	11.98%	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):

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Total Stockholders' Equity (GAAP)	\$ 929,470	\$ 1,035,116	\$ 1,283,120	\$ 1,303,463	\$ 1,313,073	\$ 1,340,328	\$ 1,361,426	\$ 1,408,260
Less: Preferred Stock	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Less: Intangible Assets	(257,963)	(309,686)	(478,558)	(476,503)	(474,777)	(473,059)	(471,409)	(469,784)
Tangible Common Equity (non-GAAP)	\$ 671,382	\$ 725,305	\$ 804,437	\$ 826,835	\$ 838,171	\$ 867,144	\$ 889,892	\$ 938,351
Total Assets (GAAP)	\$ 7,326,193	\$ 7,805,029	\$ 9,049,403	\$ 9,367,478	\$ 9,472,796	\$ 9,734,715	\$ 9,787,282	\$ 9,884,716
Less: Intangible Assets	(257,963)	(309,686)	(478,558)	(476,503)	(474,777)	(473,059)	(471,409)	(469,784)
Tangible Assets (non-GAAP)	\$ 7,068,230	\$ 7,495,343	\$ 8,570,845	\$ 8,890,975	\$ 8,998,019	\$ 9,261,656	\$ 9,315,873	\$ 9,414,932
Tangible Common Equity Ratio (non-GAAP)	9.50%	9.68%	9.39%	9.30%	9.32%	9.36%	9.55%	9.97%

TANGIBLE COMMON EQUITY PER SHARE (dollars in thousands):

	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	1Q18	2Q18	3Q18	4Q18
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
Less: Preferred Stock	(67,880)	(90,783)	(90,908)	(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)
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
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
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
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

Appendix – Non-GAAP Reconciliation

EFFICIENCY RATIO (dollars in thousands):

	<u>2017</u>		<u>1Q18</u>		<u>2018</u>		<u>1Q19</u>
Non Interest Expense (GAAP)	\$ 205,556	\$	53,687	\$	219,951	\$	56,621
Less: Intangible Asset Amortization	(5,647)		(1,726)		(6,719)		(1,528)
Less: OREO and Foreclosure Expenses	(1,903)		(402)		(1,470)		(1,165)
Adjusted Non Interest Expense (non-GAAP)	<u>198,006</u>		<u>51,559</u>		<u>211,762</u>		<u>53,928</u>
Net Interest Income (GAAP)	277,284		79,916		338,857		84,866
Plus: Fully Taxable Equivalent Adjustment	17,270		2,584		10,732		2,930
Net Interest Income on a Fully Taxable Equivalent Basis (non-GAAP)	<u>294,554</u>		<u>82,500</u>		<u>349,589</u>		<u>87,796</u>
Non Interest Income (GAAP)	71,009		19,561		76,459		18,713
Less: Investment Securities Gains (Losses)	(2,631)		(1,609)		(4,269)		(1,140)
Adjusted Non Interest Income (non-GAAP)	<u>68,378</u>		<u>17,952</u>		<u>72,190</u>		<u>17,573</u>
Adjusted Revenue (non-GAAP)	<u>362,932</u>		<u>100,452</u>		<u>421,779</u>		<u>105,369</u>
Efficiency Ratio (non-GAAP)	54.56%		51.33%		50.21%		51.18%

FORWARD DIVIDEND YIELD

	<u>1Q19</u>
Most recent quarter's dividend per share	\$ 0.22
Most recent quarter's dividend per share - Annualized	\$ 0.88
Stock Price at 3/31/19	\$ 36.85
Forward Dividend Yield	2.39%

DIVIDEND PAYOUT RATIO

	<u>2019</u>
Dividends per share	\$ 0.22
Earnings Per Share	\$ 0.78
Dividend Payout Ratio	28.2%

Appendix – Non-GAAP Reconciliation

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

	2017	1Q18	2018	1Q19
Total Risk-Based Capital (Subsidiary Bank Only)				
Total Stockholders' Equity (GAAP)	\$ 1,404,303	\$ 1,414,109	\$ 1,456,220	\$ 1,487,947
Adjust for Accumulated Other Comprehensive (Income) Loss ¹	763	19,231	19,031	(908)
Less: Preferred Stock	(125)	(125)	(125)	(125)
Less: Tier 1 Capital Deductions	-	-	-	-
Less: Disallowed Goodwill and Intangible Assets	(463,618)	(467,070)	(463,076)	(461,754)
Less: Disallowed Deferred Tax Assets	-	(2,234)	-	(4,119)
Total Tier 1 Capital (Regulatory)	941,323	963,911	1,012,050	1,021,041
Allowance for Loan Losses includible in Tier 2 Capital	75,032	76,420	80,552	80,902
Total Risk-Based Capital (Regulatory)	\$ 1,016,355	\$ 1,040,331	\$ 1,092,602	\$ 1,101,943
Construction, Land and Land Development Loans	\$ 612,219	\$ 590,093	\$ 545,729	\$ 542,501
Concentration as a % of the Bank's Risk-Based Capital	60%	57%	50%	49%
Construction, Land and Land Development Loans	\$ 612,219	\$ 590,093	\$ 545,729	\$ 542,501
Investment Real Estate Loans	1,617,943	1,760,226	1,865,544	1,887,995
Total Construction and Investment RE Loans	\$ 2,230,162	\$ 2,350,319	\$ 2,411,273	\$ 2,430,496
Concentration as a % of the Bank's Risk-Based Capital	219%	226%	221%	221%

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):

	2Q18	3Q18	4Q18	1Q19
Loans Held for Sale (GAAP)	\$ 2,046	\$ 3,022	\$ 4,778	\$ 3,330
Loans (GAAP)	7,081,059	7,088,071	7,224,467	7,299,320
Total Loans	7,083,105	7,091,093	7,229,245	7,302,650
Less: Purchased Loans	(1,022,160)	(945,330)	(844,224)	(782,114)
Non-Purchased Loans (non-GAAP)	\$ 6,060,945	\$ 6,145,763	\$ 6,385,021	\$ 6,520,536
Allowance for Loan Losses (GAAP)	\$ 77,543	\$ 78,406	\$ 80,552	\$ 80,902
Fair Value Adjustment (FVA) (GAAP)	37,221	33,905	30,054	27,768
Allowance plus FVA (non-GAAP)	\$ 114,764	\$ 112,311	\$ 110,606	\$ 108,670
Purchased Loans (GAAP)	\$ 1,022,160	\$ 945,330	\$ 844,224	\$ 782,114
Fair Value Adjustment (FVA) (GAAP)	37,221	33,905	30,054	27,768
Purchased Loans plus FVA (non-GAAP)	\$ 1,059,381	\$ 979,235	\$ 874,278	\$ 809,882
Allowance as a Percentage of Non-Purchased Loans (non-GAAP)	1.28%	1.28%	1.26%	1.24%
FVA as a Percentage of Purchased Loans plus FVA (non-GAAP)	3.51%	3.46%	3.44%	3.43%

