

FIRST MERCHANTS CORP
Form 10-Q
August 09, 2013

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

For the quarterly period ended June 30, 2013
OR

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

For the Transition Period from _____ to _____

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 (I.R.S. Employer
incorporation or organization) Identification No.)

200 East Jackson Street, Muncie, IN 47305-2814
(Address of principal executive offices) (Zip code)

(Registrant's telephone number, including area code): (765) 747-1500

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2013, there were 28,807,341 outstanding common shares of the registrant.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

(table dollar amounts in thousands, except share data)

CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Cash and cash equivalents	\$69,404	\$101,460
Interest-bearing time deposits	59,898	38,443
Investment securities available for sale	584,593	513,343
Investment securities held to maturity (fair value of \$331,765 and \$378,174)	324,399	361,020
Mortgage loans held for sale	14,531	22,300
Loans, net of allowance for loan losses of \$68,202 and \$69,366	2,851,878	2,832,843
Premises and equipment	54,165	52,749
Federal Reserve and Federal Home Loan Bank stock	32,790	32,785
Interest receivable	15,186	16,367
Core deposit intangibles	7,384	8,154
Goodwill	141,375	141,375
Cash surrender value of life insurance	126,710	125,397
Other real estate owned	11,765	13,263
Tax asset, deferred and receivable	30,959	30,867
Other assets	13,227	14,455
TOTAL ASSETS	\$4,338,264	\$4,304,821
LIABILITIES		
Deposits:		
Noninterest-bearing	\$741,095	\$801,597
Interest-bearing	2,591,698	2,544,786
Total Deposits	3,332,793	3,346,383
Borrowings:		
Federal funds purchased	57,085	18,862
Securities sold under repurchase agreements	161,779	141,828
Federal Home Loan Bank advances	92,743	94,238
Subordinated debentures and term loans	111,778	112,161
Total Borrowings	423,385	367,089
Interest payable	1,150	1,841
Other liabilities	41,643	37,272
Total Liabilities	3,798,971	3,752,585
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' EQUITY		
Preferred Stock, no-par value, \$1,000 liquidation value:		
Authorized - 500,000 shares		
Senior Non-Cumulative Perpetual Preferred Stock, Series B		
Issued and outstanding - 68,087 and 90,782.94 shares	68,087	90,783
Cumulative Preferred Stock, \$1,000 par value, \$1,000 liquidation value:		
Authorized - 600 shares		
Issued and outstanding - 125 shares	125	125

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Common Stock, \$.125 stated value:

Authorized - 50,000,000 shares

Issued and outstanding - 28,801,848 and 28,692,616 shares

Additional paid-in capital

Retained earnings

Accumulated other comprehensive loss

Total Stockholders' Equity

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

3,600

257,626

225,034

(15,179

539,293

\$4,338,264

3,587

256,843

206,397

) (5,499)

552,236

\$4,304,821

See notes to consolidated condensed financial statements.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

(table dollar amounts in thousands, except share data)

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
INTEREST INCOME				
Loans receivable:				
Taxable	\$34,018	\$36,652	\$71,177	\$72,500
Tax exempt	113	123	230	240
Investment securities:				
Taxable	3,577	4,468	7,195	9,042
Tax exempt	2,515	2,551	4,969	5,113
Deposits with financial institutions	62	28	81	53
Federal Reserve and Federal Home Loan Bank stock	368	347	739	690
Total Interest Income	40,653	44,169	84,391	87,638
INTEREST EXPENSE				
Deposits	2,599	3,939	5,490	