

FIRSTMERIT Corporation

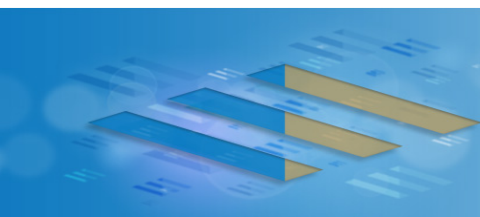
Fourth Quarter 2014 Earnings Conference Call
Supplemental Information

January 27, 2015



Forward-Looking Statements Disclosure

- This presentation may contain forward-looking statements relating to present or future trends or factors affecting the banking industry, and specifically the financial condition and results of operations, including without limitation, statements relating to the earnings outlook of the Corporation, as well as its operations, markets and products. Actual results could differ materially from those indicated. Among the important factors that could cause results to differ materially are interest rate changes, continued softening in the economy, which could materially impact credit quality trends and the ability to generate loans, changes in the mix of the Corporation's business, competitive pressures, changes in accounting, tax or regulatory practices or requirements, the Corporation's ability to realize the synergies and benefits contemplated by the acquisition of Citizens, such as it being accretive to earnings and expanding the Corporation's geographic presence, in the time frame anticipated or at all, and those risk factors detailed in the Corporation's periodic reports filed with the Securities and Exchange Commission. The Corporation undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this presentation.
- 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, FirstMerit Corporation has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.



Q4 2014 Highlights

- 63rd consecutive quarter of profitability
- Net income of \$61.1 million/\$0.36 per diluted common share
 - Return on average assets of 0.98%
 - Return on average equity of 8.50%
- Dividend of \$0.16 per common share
- Solid asset quality results
 - NCO ratio at 0.12%
 - NPA ratio at 0.44%
- Robust tangible common equity ratio of 7.98% at December 31, 2014

Income Statement Highlights

| <i>(dollars in thousands except per share data)</i> | | | | Change 4Q14 vs. | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------|-----------------|
| | 2014 4 th Qtr | 2014 3 rd Qtr | 2013 4 th Qtr | 2014 3rd Qtr | 2013 4th Qtr |
| Net interest income FTE ^(a) | \$ 196,509 | \$ 197,644 | \$ 202,145 | (0.57)% | (2.79)% |
| FTE adjustment ^(a) | 3,998 | 4,066 | 4,077 | (1.67) | (1.94) |
| Provision for originated loan losses | 8,662 | 4,862 | 1,552 | 78.16 | 458.12 |
| Provision for acquired loan losses | 3,407 | 4,411 | 5,515 | (22.76) | (38.22) |
| Provision/(recapture) for covered loan losses | 1,228 | (81) | 2,983 | N/M | (58.83) |
| Noninterest income | 71,960 | 69,733 | 72,420 | 3.19 | (0.64) |
| Noninterest expense | 165,041 | 163,145 | 178,620 | 1.16 | (7.60) |
| Net income | 61,079 | 63,898 | 57,174 | (4.41) | 6.83 |
| Diluted EPS | 0.36 | 0.37 | 0.33 | (2.70) | 9.09 |

N/M - Not meaningful

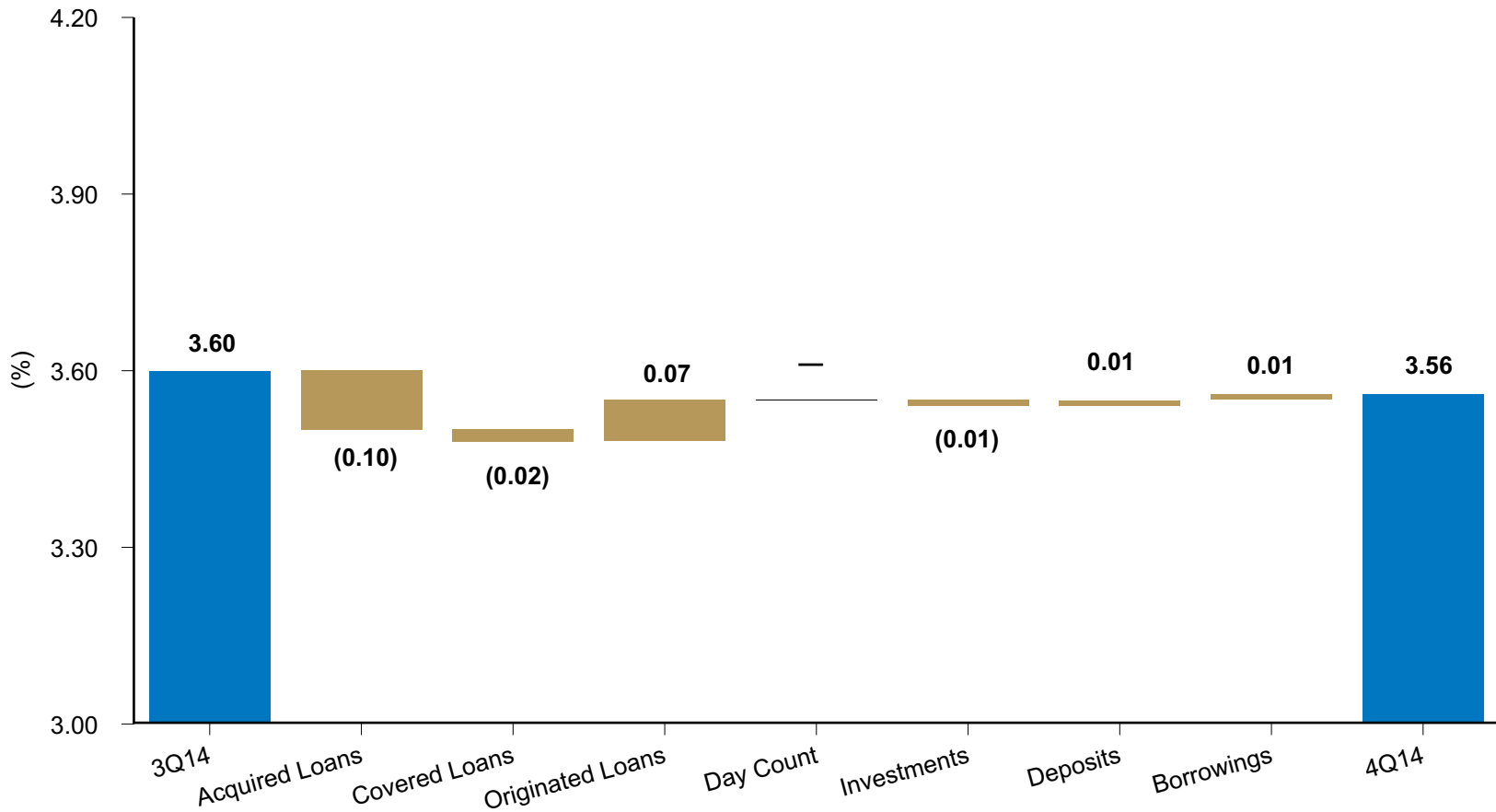
^(a) The interest income earned on certain earning assets is completely or partially exempt from federal and/or state income taxes. As such, these tax-exempt securities typically yield lower returns than taxable securities. To provide more meaningful comparisons of net interest margins for all earning assets, net interest income on a taxable-equivalent basis (TE) is used in calculating net interest margin by increasing the interest earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under generally accepted accounting principles in the Consolidated Statements of Income. Net interest income was \$192.5 million, \$193.6 million and \$198.1 million for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013, respectively. The taxable-equivalent adjustment to net interest income was \$4.0 million, \$4.1 million and \$4.1 million for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013, respectively.

Asset Yields / Liability Costs*

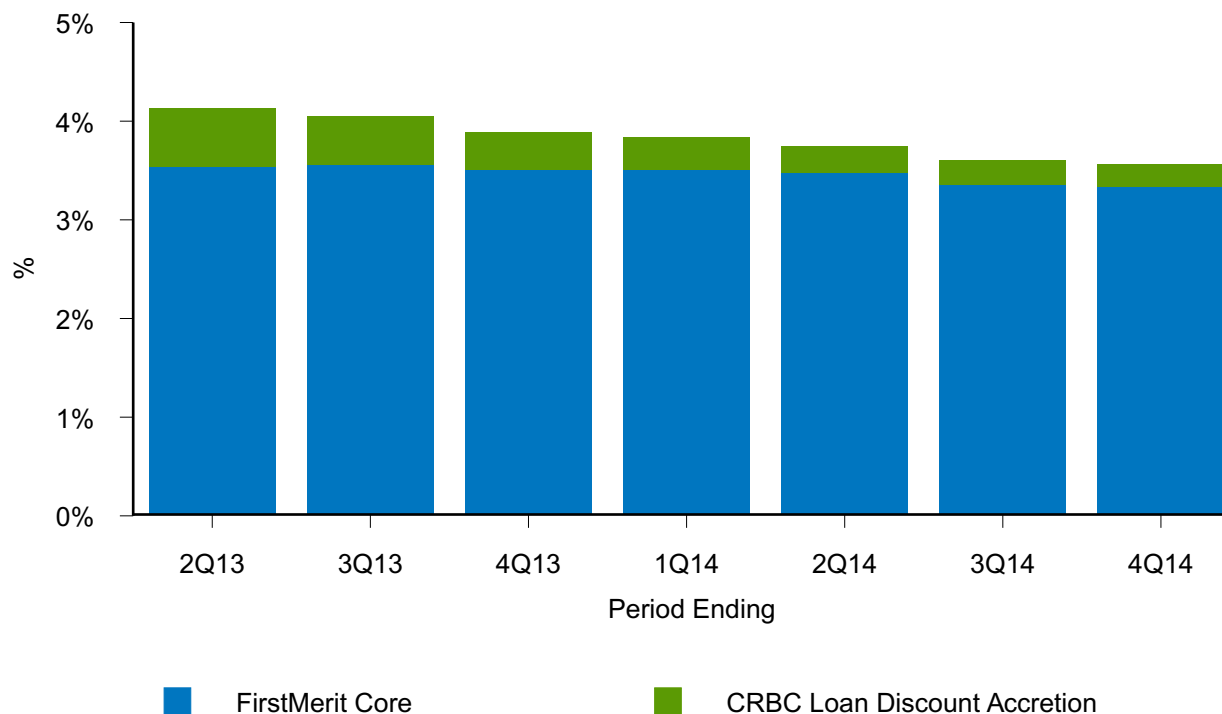
| (dollars in thousands) | Q4 2014 | | Q3 2014 | | Q4 2013 | |
|--|--------------|-------|--------------|-------|--------------|-------|
| Total investment securities and federal funds sold | \$ 6,614,291 | 2.44% | \$ 6,638,710 | 2.44% | \$ 6,301,642 | 2.47% |
| Originated loans | 12,306,171 | 3.55% | 11,814,314 | 3.55% | 9,988,587 | 3.80% |
| Acquired loans | 2,599,622 | 8.09% | 2,888,074 | 8.03% | 3,669,292 | 7.50% |
| Covered loans | 384,097 | 5.52% | 445,712 | 5.77% | 623,981 | 7.31% |
| Total loans | 15,289,890 | 4.39% | 15,148,100 | 4.49% | 14,281,860 | 4.92% |
| Total earning assets | 21,920,889 | 3.80% | 21,804,243 | 3.86% | 20,593,750 | 4.17% |
| Demand – non interest bearing | \$ 5,706,631 | —% | \$ 5,603,104 | —% | \$ 5,546,316 | —% |
| Demand – interest bearing | 3,021,188 | 0.10% | 3,100,904 | 0.10% | 2,875,375 | 0.10% |
| Savings and money market accounts | 8,381,548 | 0.26% | 8,492,172 | 0.26% | 8,544,097 | 0.28% |
| Certificates and other time deposits | 2,341,280 | 0.43% | 2,335,620 | 0.48% | 2,551,688 | 0.39% |
| Total deposits | 19,450,647 | 0.18% | 19,531,800 | 0.19% | 19,517,476 | 0.19% |
| Borrowings | 2,043,070 | 0.94% | 1,941,835 | 1.11% | 1,474,007 | 1.38% |
| Total interest bearing liabilities | 15,787,086 | 0.34% | 15,870,531 | 0.37% | 15,445,167 | 0.37% |

(*) The interest income earned on certain earning assets is completely or partially exempt from federal and/or state income taxes. As such, these tax-exempt securities typically yield lower returns than taxable securities. To provide more meaningful comparisons of net interest margins for all earning assets, net interest income on a taxable-equivalent basis (TE) is used in calculating net interest margin by increasing the interest earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. This adjustment is not permitted under generally accepted accounting principles in the Consolidated Statements of Income. Net interest income was \$192.5 million, \$193.6 million and \$198.1 million for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013, respectively. The taxable-equivalent adjustment to net interest income was \$4.0 million, \$4.1 million and \$4.1 million for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013, respectively.

Net Interest Margin

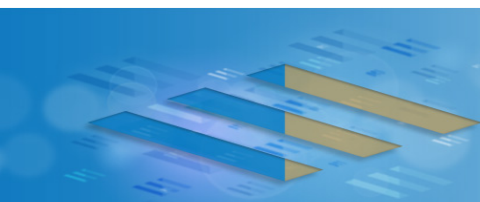
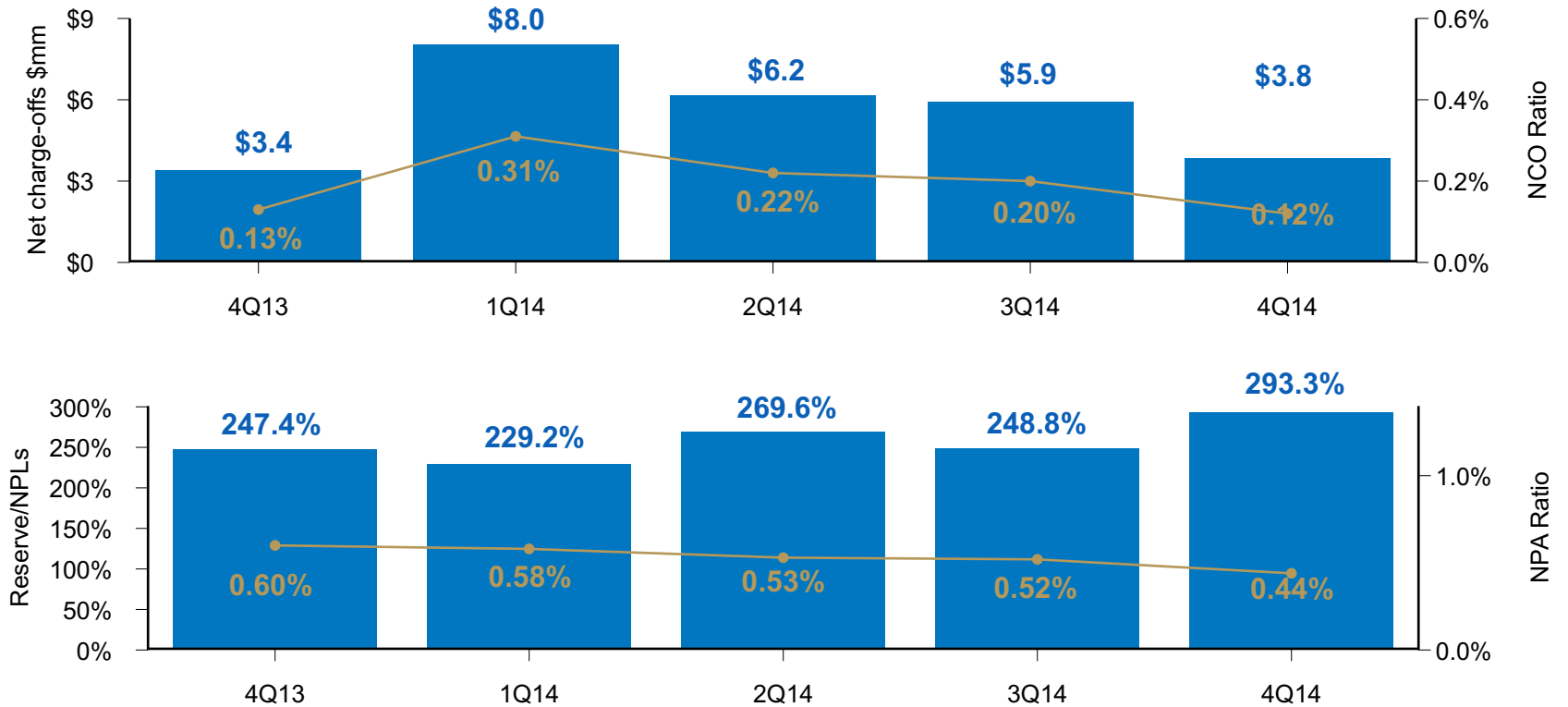


Total and Core Net Interest Margin



| Net interest margin | 2Q13 | 3Q13 | 4Q13 | 1Q14 | 2Q14 | 3Q14 | 4Q14 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|
| 4Q 2014 | 4.12% | 4.05% | 3.89% | 3.84% | 3.75% | 3.60% | 3.56% |
| FirstMerit Core | 3.54% | 3.56% | 3.51% | 3.51% | 3.48% | 3.35% | 3.33% |
| CRBC Loan Discount Accretion | 0.59% | 0.49% | 0.38% | 0.33% | 0.27% | 0.25% | 0.23% |

Credit Results – Originated Loans



Fee Income

| <i>(dollars in thousands)</i> | Change 4Q14 vs. | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------|-----------------|
| | 2014 4 th Qtr | 2014 3 rd Qtr | 2013 4 th Qtr | 2014 3rd Qtr | 2013 4th Qtr |
| Trust department income | \$ 9,831 | \$ 10,300 | \$ 10,255 | (4.55)% | (4.13)% |
| Service charges on deposits | 17,597 | 18,684 | 19,084 | (5.82) | (7.79) |
| Credit card fees | 13,305 | 13,754 | 12,414 | (3.26) | 7.18 |
| ATM and other service fees | 6,181 | 6,182 | 5,659 | (0.02) | 9.22 |
| Bank owned life insurance income | 7,337 | 4,218 | 4,037 | 73.94 | 81.74 |
| Investment services and insurance | 4,171 | 3,606 | 3,530 | 15.67 | 18.16 |
| Investment securities gains/(losses), net | 16 | 14 | — | 14.29 | N/M |
| Loan sales and servicing income | 3,112 | 4,740 | 3,577 | (34.35) | (13.00) |
| Other operating income | 10,410 | 8,235 | 13,864 | 26.41 | (24.91) |
| Total noninterest income | \$ 71,960 | \$ 69,733 | \$ 72,420 | 3.19 % | (0.64)% |

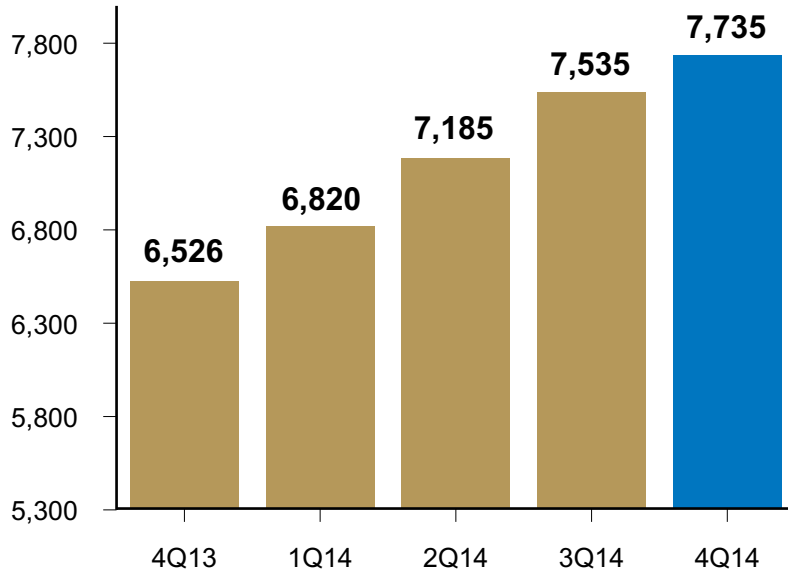
N/M - Not meaningful

Noninterest Expense

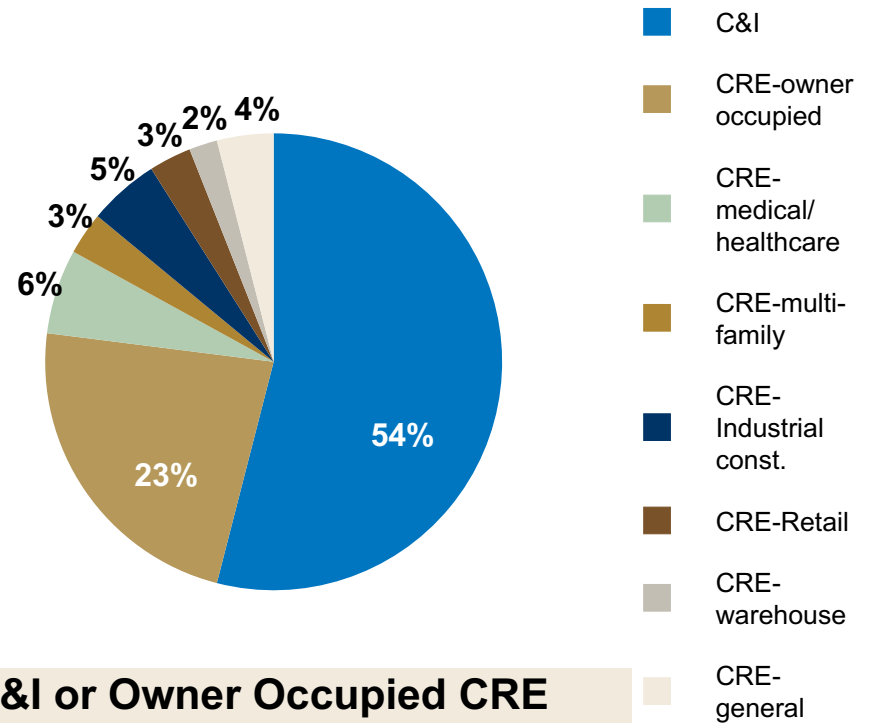
| <i>(dollars in thousands)</i> | | | | Change 4Q14 vs. | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------|-----------------|
| | 2014 4 th Qtr | 2014 3 rd Qtr | 2013 4 th Qtr | 2014 3rd Qtr | 2013 4th Qtr |
| Salaries and wages | \$ 71,638 | \$ 71,769 | \$ 76,685 | (0.18)% | (6.58)% |
| Pension and employee benefits | 18,261 | 18,824 | 16,936 | (2.99) | 7.82 |
| Net occupancy expense | 14,188 | 13,887 | 14,066 | 2.17 | 0.87 |
| Equipment expense | 12,133 | 12,188 | 13,177 | (0.45) | (7.92) |
| Taxes, other than federal income taxes | 1,661 | 1,286 | 2,618 | 29.16 | (36.55) |
| Stationary, supplies and postage | 3,767 | 3,723 | 4,895 | 1.18 | (23.04) |
| Bankcard, loan processing and other costs | 11,830 | 11,151 | 10,886 | 6.09 | 8.67 |
| Advertising | 3,586 | 3,942 | 4,855 | (9.03) | (26.14) |
| Professional services | 6,440 | 5,270 | 8,358 | 22.20 | (22.95) |
| Telephone | 2,779 | 2,831 | 3,427 | (1.84) | (18.91) |
| Amortization of intangibles | 2,933 | 2,933 | 2,692 | — | 8.95 |
| FDIC expense | 5,989 | 2,988 | 5,106 | 100.44 | 17.29 |
| Other operating expenses | 9,836 | 12,353 | 14,919 | (20.38) | (34.07) |
| Total noninterest expense | \$ 165,041 | \$ 163,145 | \$ 178,620 | 1.16 % | (7.60)% |

Originated Commercial Loan Portfolio*

Average Originated Commercial Loans
\$ in millions



Average Originated Commercial Loan
Composition



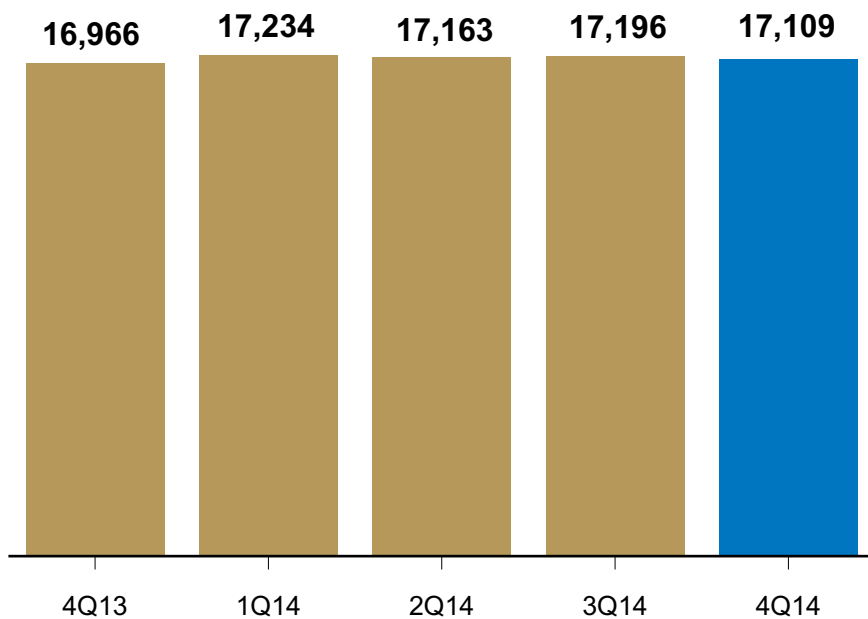
**77% of Average Originated Loans are C&I or Owner Occupied CRE
Total Average Commercial Loan Portfolio is \$9.1 billion**

(*) Excludes acquired loans from Citizens and loans covered by loss sharing agreements with the FDIC.

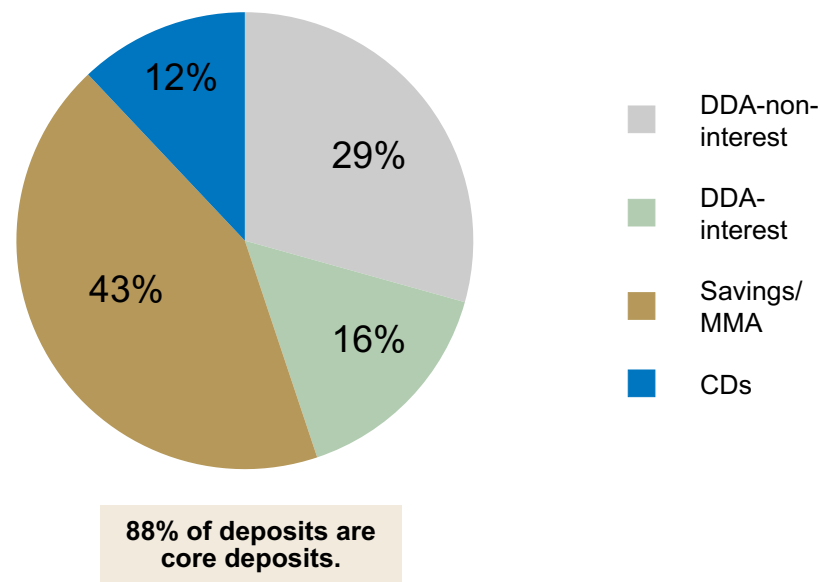
Deposits*

Average Core Deposits*

\$ in millions



Average Total Deposits



(*) Core deposits include all deposits less certificates of deposit.

Capital Position

| (dollars in thousands) | December 31, 2014 | | September 30, 2014 | | December 31, 2013 | |
|---|-------------------|--------|--------------------|--------|-------------------|--------|
| Consolidated | | | | | | |
| Total equity | \$2,834,281 | 11.38% | \$2,820,431 | 11.46% | \$2,702,894 | 11.30% |
| Common equity ^(a) | 2,734,281 | 10.98% | 2,720,431 | 11.05% | 2,602,894 | 10.89% |
| Tangible common equity ^{(a) (c)} | 1,921,521 | 7.98% | 1,904,738 | 8.01% | 1,778,399 | 7.70% |
| Tier 1 capital ^{(a) (b) (c)} | 2,004,461 | 11.42% | 1,947,161 | 11.17% | 1,880,804 | 11.52% |
| Total risk-based capital ^{(a) (b) (c)} | 2,659,149 | 15.15% | 2,344,137 | 13.45% | 2,279,891 | 13.97% |
| Tier 1 leverage ^{(b) (c)} | 2,004,461 | 8.43% | 1,947,161 | 8.22% | 1,880,804 | 8.14% |

^(a) See Reconciliation of Non-GAAP Measures.

^(b) December 31, 2014 data is estimated.

^(c) December 31, 2013 data reflects purchase accounting adjustments which resulted in an increase to goodwill of approximately \$1.9 million from that previously reported.

Acquired Loans

| (Dollars in thousands) | Impaired Acquired Loans | Nonimpaired Acquired Loans | Total Acquired Loans |
|---|----------------------------|-------------------------------|-------------------------|
| As of Acquisition Date, April 12, 2013 | | | |
| Loan balance ⁽¹⁾ | \$ 946,465 | \$ 4,017,304 | \$ 4,963,769 |
| Fair value mark | 126,750 | 220,015 | 346,765 |
| Total fair value of loans acquired | 819,715 | 3,797,289 | 4,617,004 |
| Discount at Acquisition Date | 13.39% | 5.48% | 6.99% |
| Previous Five Quarters | | | |
| December 31, 2013 | | | |
| Loan balance | \$ 712,016 | \$ 3,042,881 | \$ 3,754,897 |
| Remaining loan mark | 111,016 | 147,683 | 258,699 |
| Recorded investment | 601,000 | 2,895,198 | 3,496,198 |
| Discount | 15.59% | 4.85% | 6.89% |
| March 31, 2014 | | | |
| Loan balance | \$ 656,357 | \$ 2,816,436 | \$ 3,472,793 |
| Remaining loan mark | 99,158 | 133,653 | 232,811 |
| Recorded investment | 557,199 | 2,682,783 | 3,239,982 |
| Discount | 15.11% | 4.75% | 6.70% |
| June 30, 2014 | | | |
| Loan balance | \$ 615,365 | \$ 2,622,093 | \$ 3,237,458 |
| Remaining loan mark | 96,115 | 119,132 | 215,247 |
| Recorded investment | 519,250 | 2,502,961 | 3,022,211 |
| Discount | 15.62% | 4.54% | 6.65% |
| September 30, 2014 | | | |
| Loan balance | \$ 569,848 | \$ 2,368,365 | \$ 2,938,213 |
| Remaining loan mark | 90,798 | 105,092 | 195,890 |
| Recorded investment | 479,050 | 2,263,273 | 2,742,323 |
| Discount | 15.93% | 4.44% | 6.67% |
| December 31, 2014 | | | |
| Loan balance | \$ 506,500 | \$ 2,142,390 | \$ 2,648,890 |
| Remaining loan mark | 83,291 | 92,210 | 175,501 |
| Recorded investment | 423,209 | 2,050,180 | 2,473,389 |
| Discount | 16.44% | 4.30% | 6.63% |

¹ The outstanding balance of impaired and nonimpaired acquired loans at the Acquisition Date were \$1.1 billion and \$4.0 billion, respectively. The outstanding balance represents the undiscounted sum of all amounts, including principal, interest, fees and penalties, owed to the investor at the reporting date, whether or not currently due or charged-off.

Acquired Loans

Nonimpaired Acquired Loans - Purchase Discount

| (Dollars in thousands) | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|------------|------------|------------|------------|------------|
| Beginning balance | \$ 107,538 | \$ 121,736 | \$ 136,526 | \$ 153,925 | \$ 174,350 |
| Scheduled accretion | (7,395) | (8,384) | (9,020) | (10,552) | (13,288) |
| Pay-offs | (3,820) | (4,129) | (3,578) | (4,661) | (3,832) |
| Accelerated prepayments | (1,598) | (1,401) | (1,794) | (1,767) | (2,749) |
| Total Income | (12,813) | (13,914) | (14,392) | (16,980) | (19,870) |
| Charge offs | (182) | (284) | (398) | (419) | (556) |
| Ending balance | \$ 94,543 | \$ 107,538 | \$ 121,736 | \$ 136,526 | \$ 153,925 |
| Muni loans mark, classified as investments | \$ 2,333 | \$ 2,446 | \$ 2,604 | \$ 2,873 | \$ 6,242 |
| Loans mark, classified as loans | 92,210 | 105,092 | 119,132 | 133,653 | 147,683 |
| Total mark on loans, above | \$ 94,543 | \$ 107,538 | \$ 121,736 | \$ 136,526 | \$ 153,925 |

Nonimpaired Acquired Loans - Allowance

| (Dollars in thousands) | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|---------------------------|---------|---------|---------|---------|---------|
| Beginning balance | \$ — | \$ — | \$ — | \$ — | \$ — |
| Charge offs | (3,249) | (4,893) | (5,278) | (6,130) | (5,617) |
| Recoveries | 1,092 | 1,711 | 1,466 | 537 | 843 |
| Provision for loan losses | 2,157 | 3,182 | 3,812 | 5,593 | 4,774 |
| Ending balance | \$ — | \$ — | \$ — | \$ — | \$ — |

An allowance for nonimpaired acquired loans is estimated using a methodology similar to that used for originated loans. The allowance determined for each nonimpaired acquired loan is compared to the remaining fair value discount for that loan. If the computed allowance is greater, the excess is added to the allowance through a provision for loan losses. If the computed allowance is less, no additional allowance is recognized. Charge-offs and actual losses first reduce any remaining fair value discount for the loan and once the discount is depleted, losses are applied against the allowance established for that loan. Actual losses first reduce any remaining fair value discount for the loan. Once the discount is fully depleted, losses are applied against the allowance established for that loan.

During the three months ended December 31, 2014, provision, equal to net charge-offs, of \$2.2 million was recorded on nonimpaired acquired loans. These charged-off loans were mainly consumer loans that were written off in accordance with the Corporation's credit policies based on a predetermined number of days past due. As of December 31, 2014, the fair value discount on acquired nonimpaired loans was greater than the required allowance, therefore, no allowance for acquired nonimpaired loan losses was recorded.

Acquired Loans

Impaired Acquired Loans - Accretable Yield and Carrying Amount

| (Dollars in thousands) | Q4 2014 | | Q3 2014 | | Q2 2014 | | Q1 2014 | | Q4 2013 | |
|---|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount |
| Beginning balance | \$ 126,424 | \$ 479,050 | \$ 137,442 | \$ 519,250 | \$ 142,284 | \$ 557,199 | \$ 136,646 | \$ 601,000 | \$ 106,607 | \$ 670,867 |
| Additions | — | — | — | — | — | — | — | — | — | — |
| Accretion | (11,834) | 11,834 | (12,950) | 12,950 | (12,746) | 12,746 | (11,741) | 11,741 | (9,140) | 9,140 |
| Net Reclassifications from non-accretable to accretable | 9,165 | — | 6,646 | — | 10,499 | — | 19,514 | — | 46,361 | — |
| Payments, received, net | — | (67,675) | — | (53,150) | — | (50,695) | — | (55,542) | — | (79,007) |
| Disposals | (4,305) | — | (4,714) | — | (2,595) | — | (2,135) | — | (7,182) | — |
| Ending balance | \$ 119,450 | \$ 423,209 | \$ 126,424 | \$ 479,050 | \$ 137,442 | \$ 519,250 | \$ 142,284 | \$ 557,199 | \$ 136,646 | \$ 601,000 |

Impaired Acquired Loans - Allowance

| (Dollars in thousands) | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|---------------------------|----------|----------|----------|----------|---------|
| Beginning balance | \$ 6,206 | \$ 4,977 | \$ 2,974 | \$ 741 | \$ — |
| Charge offs | — | — | — | — | — |
| Recoveries | — | — | — | — | — |
| Provision for loan losses | 1,251 | 1,229 | 2,003 | 2,233 | 741 |
| Ending balance | \$ 7,457 | \$ 6,206 | \$ 4,977 | \$ 2,974 | \$ 741 |

The allowance for acquired impaired loans is determined by comparing the present value of the cash flows expected to be collected to the carrying amount for a given pool of loans. Management reforecasts the estimated cash flows expected to be collected on acquired impaired loans on a quarterly basis. If the present value of expected cash flows for a pool is less than its carrying value, impairment is recognized by an increase in the allowance and a charge to the provision for loan losses. If the present value of expected cash flows for a pool is greater than its carrying value, any previously established allowance is reversed and any remaining difference increases the accretable yield which will be taken into interest income over the remaining life of the loan pool.

The first re-estimation of cash flows on the impaired loans since acquisition was completed in Q4 2013. The re-estimation performed in Q4 2014 resulted in impairment of \$1.3 million.

Covered Loans

Impaired Covered Loans - Accretable Yield and Carrying Amount

| (Dollars in thousands) | Q4 2014 | | Q3 2014 | | Q2 2014 | | Q1 2014 | | Q4 2013 | |
|---|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount | Accretable Yield | Carrying Amount |
| Beginning balance | \$ 51,945 | \$ 284,566 | \$ 53,655 | \$ 316,481 | \$ 63,003 | \$ 364,488 | \$ 67,282 | \$ 403,692 | \$ 79,138 | \$ 447,799 |
| Accretion | (7,723) | 7,723 | (9,683) | 9,683 | (12,139) | 12,139 | (12,616) | 12,616 | (13,201) | 13,201 |
| Net Reclassifications from non-accretable to accretable | (3,449) | — | 8,684 | — | 5,549 | — | 6,057 | — | 6,238 | — |
| Payments, received, net | — | (59,837) | — | (41,598) | — | (60,146) | — | (51,820) | — | (57,308) |
| Disposals | (3,262) | — | (711) | — | (2,758) | — | 2,280 | — | (4,893) | — |
| Ending balance | \$ 37,511 | \$ 232,452 | \$ 51,945 | \$ 284,566 | \$ 53,655 | \$ 316,481 | \$ 63,003 | \$ 364,488 | \$ 67,282 | \$ 403,692 |

Impaired Covered Loans - Allowance

| (Dollars in thousands) | Q4 2014 | | Q3 2014 | | Q2 2014 | | Q1 2014 | | Q4 2013 | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beginning balance | \$ 42,988 | \$ 42,988 | \$ 45,109 | \$ 45,109 | \$ 49,970 | \$ 49,970 | \$ 44,027 | \$ 44,027 | \$ 45,544 | \$ 45,544 |
| Net provision/(recapture) | 313 | 313 | 2,827 | 2,827 | (451) | (451) | 7,879 | 7,879 | 4,883 | 4,883 |
| Net recapture/(provision) from FDIC loss share | 915 | 915 | (2,908) | (2,908) | 3,897 | 3,897 | (4,824) | (4,824) | (1,900) | (1,900) |
| Net provision for covered loan losses | 1,228 | 1,228 | (81) | (81) | 3,446 | 3,446 | 3,055 | 3,055 | 2,983 | 2,983 |
| Increase/(decrease) in loss share receivable | (915) | (915) | 2,908 | 2,908 | (3,897) | (3,897) | 4,824 | 4,824 | 1,900 | 1,900 |
| Loans charged-off | (2,805) | (2,805) | (4,948) | (4,948) | (4,410) | (4,410) | (1,936) | (1,936) | (6,400) | (6,400) |
| Ending balance | \$ 40,496 | \$ 40,496 | \$ 42,988 | \$ 42,988 | \$ 45,109 | \$ 45,109 | \$ 49,970 | \$ 49,970 | \$ 44,027 | \$ 44,027 |

Loss Share Receivable

| (Dollars in thousands) | Q4 2014 | | Q3 2014 | | Q2 2014 | | Q1 2014 | | Q4 2013 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beginning balance | \$ 30,746 | \$ 30,746 | \$ 43,981 | \$ 43,981 | \$ 54,748 | \$ 54,748 | \$ 61,827 | \$ 61,827 | \$ 69,986 | \$ 69,986 |
| Accretion | (3,963) | (3,963) | (6,932) | (6,932) | (4,185) | (4,185) | (5,863) | (5,863) | (4,979) | (4,979) |
| Net recapture of /(provision from) impairment | (915) | (915) | 2,908 | 2,908 | (3,897) | (3,897) | 4,824 | 4,824 | 1,900 | 1,900 |
| FDIC reimbursement | (4,507) | (4,507) | (7,006) | (7,006) | (1,237) | (1,237) | (5,087) | (5,087) | (4,004) | (4,004) |
| Covered loans paid in full | 672 | 672 | (2,205) | (2,205) | (1,448) | (1,448) | (953) | (953) | (1,076) | (1,076) |
| Ending balance | \$ 22,033 | \$ 22,033 | \$ 30,746 | \$ 30,746 | \$ 43,981 | \$ 43,981 | \$ 54,748 | \$ 54,748 | \$ 61,827 | \$ 61,827 |

Reconciliation of Non-GAAP Measures: Tangible common equity and total assets

The table below presents computations of tangible common equity, tangible assets and the tangible common equity to tangible assets ratio, which are all considered non-GAAP measures. The table below also reconciles the U.S. GAAP performance measures to the corresponding non-GAAP measures. Management uses these non-GAAP financial measures to assess the quality of capital and believes that investors may find them useful in their analysis of the Corporation. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. Although these non-GAAP financial measures are frequently used by investors to evaluate a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of results as reported under GAAP. These non-GAAP measures are not necessarily comparable to similar measures that may be represented by other companies.

| <i>(Dollars in thousands)</i> | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|---|----------------|----------------|----------------|----------------|----------------|
| Shareholders' equity (GAAP) | \$ 2,834,281 | \$ 2,820,431 | \$ 2,791,738 | \$ 2,742,966 | \$ 2,702,894 |
| Less: Preferred stock | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Common shareholders' equity (non-GAAP) | 2,734,281 | 2,720,431 | 2,691,738 | 2,642,966 | 2,602,894 |
| Less: Intangible assets | 71,020 | 73,953 | 76,886 | 79,819 | 82,755 |
| Goodwill ^(a) | 741,740 | 741,740 | 741,740 | 741,740 | 741,740 |
| Tangible common equity (non-GAAP) | 1,921,521 | 1,904,738 | 1,873,112 | 1,821,407 | 1,778,399 |
| Total assets (GAAP) | \$ 24,902,347 | \$ 24,608,207 | \$ 24,564,431 | \$ 24,498,661 | \$ 23,912,028 |
| Less: Intangible assets | 71,020 | 73,953 | 76,886 | 79,819 | 82,755 |
| Goodwill ^(a) | 741,740 | 741,740 | 741,740 | 741,740 | 741,740 |
| Tangible assets (non-GAAP) | \$ 24,089,587 | \$ 23,792,514 | \$ 23,745,805 | \$ 23,677,102 | \$ 23,087,533 |
| Tangible common equity to tangible assets ratio (non-GAAP) ^(b) | 7.98% | 8.01% | 7.89% | 7.69% | 7.70% |

^(a) December 31, 2013 data reflects purchase accounting adjustments which resulted in an increase to goodwill of approximately \$1.9 million from previously reported.



Reconciliation of Non-GAAP Measures: Tier 1 common equity

The following table provides calculations of Tier 1 capital (regulatory) and Tier 1 common equity (non-GAAP). Traditionally, the Federal Reserve and other banking regulatory bodies have assessed a bank's capital adequacy based on Tier 1 capital, the calculation of which is prescribed in amount by federal banking regulations. These regulators are supplementing their assessment of the capital adequacy of a bank based on a variation of Tier 1 capital, known as Tier 1 common equity. While not prescribed in amount by federal banking regulations (under Basel I), analysts and banking regulators have assessed the Corporation's capital adequacy using the Tier 1 common equity measure. Because Tier 1 common equity is not formally defined by U.S. GAAP or prescribed in any amount by federal banking regulations (under Basel I), this measure is currently considered to be a non-GAAP financial measure and other entities may calculate it differently than the Corporation's disclosed calculations. Since analysts and banking regulators may assess the Corporation's capital adequacy using Tier 1 common equity, Management believes that it is useful to provide investors the ability to assess the Corporation's capital adequacy on this same basis.

Tier 1 common equity is often expressed as a percentage of risk-weighted assets. Under the risk-based capital framework, a company's balance sheet assets and credit equivalent amounts of off-balance sheet items are assigned to one of four broad risk categories. The aggregated dollar amount in each category is then multiplied by the risk-weighted category. The resulting weighted values from each of the four categories are added together and this sum is the risk-weighted assets total that, as adjusted, comprises the denominator of certain risk-based capital ratios. Tier 1 capital is then divided by this denominator (risk-weighted assets) to determine the Tier 1 capital ratio. Adjustments are made to Tier 1 capital to arrive at Tier 1 common equity (non-GAAP). Tier 1 common equity (non-GAAP) is also divided by the risk-weighted assets to determine the Tier 1 common equity ratio (non-GAAP). The amounts disclosed as risk weighted assets are calculated consistent with banking regulatory requirements.

| <i>(Dollars in thousands)</i> | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|--------------|--------------|--------------|--------------|--------------|
| Shareholders' equity (GAAP) | \$ 2,834,281 | \$ 2,820,431 | \$ 2,791,738 | \$ 2,742,966 | \$ 2,702,894 |
| Plus: Net unrealized (gains) losses on available-for-sale securities | 5,547 | 14,612 | 3,702 | 17,925 | 29,297 |
| Defined benefit postretirement plan losses in accumulated other comprehensive income | 66,345 | 34,971 | 35,805 | 37,579 | 37,579 |
| Trust preferred securities | — | — | 74,502 | 74,501 | 74,500 |
| Less: Intangible assets | 71,020 | 73,953 | 76,886 | 79,819 | 82,755 |
| Goodwill ^(a) | 741,740 | 741,740 | 741,740 | 741,740 | 741,740 |
| Disallowed deferred tax asset ^(c) | 87,001 | 105,483 | 107,090 | 129,200 | 137,027 |
| Other adjustments ^(b) | 1,951 | 1,677 | 1,798 | 1,774 | 1,944 |
| Tier 1 capital (regulatory) ^(c) | 2,004,461 | 1,947,161 | 1,978,233 | 1,920,438 | 1,880,804 |
| Less: Preferred stock | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Trust preferred securities | — | — | 74,502 | 74,501 | 74,500 |
| Tier 1 common equity (non-GAAP) ^(c) | 1,904,461 | 1,847,161 | 1,803,731 | 1,745,937 | 1,706,304 |
| Risk-weighted assets (regulatory) ^(c) | 17,555,000 | 17,433,132 | 17,104,892 | 16,687,071 | 16,320,833 |
| Tier 1 common equity ratio (non-GAAP) ^(c) | 10.85% | 10.60% | 10.55% | 10.46% | 10.45% |

^(a) December 31, 2013 data reflects purchase accounting adjustments which resulted in an increase to goodwill of approximately \$1.9 million from previously reported.

^(b) These include adjustments to other comprehensive income related to threshold deductions and other adjustments.

^(c) December 31, 2014 data is estimated.

Reconciliation of Non-GAAP Measures: Basel III Common Equity Ratio

The following table provides calculations of Tier 1 common equity, based on the Corporation's current understanding of the Final Basel III requirements, released in July 2013. The Corporation currently calculates its risk-based capital ratios under guidelines adopted by the Federal Reserve based on the 1988 Capital Accord ("Basel I") of the Basel Committee on Banking Supervision (the "Basel Committee"). In December 2010, the Basel Committee released its final framework for Basel III, which will strengthen international capital and liquidity regulation. In June 2012, U.S. Regulators released three separate Notices of Proposed Rulemaking covering U.S. implementation of the Basel III framework. In July 2013, U.S. Regulators released final rules covering the U.S. implementation of the Basel III framework, which will change capital requirements and place greater emphasis on common equity. For the Corporation, the Basel III framework will be phased in beginning in 2015 with full implementation complete beginning in 2019. The calculations provided below are estimates, based on the Corporation's current understanding of the final framework, including the Corporation's interpretation of the requirements, and informal feedback received through the regulatory process. The Corporation's understanding of the framework is evolving and will likely change as analysis and discussions with regulators continue. Because the Basel III implementation regulations are not formally defined by GAAP, these measures are considered to be non-GAAP financial measures, and other entities may calculate them differently from the Corporation's disclosed calculations. Since analysts and banking regulators may assess the Corporation's capital adequacy using the Basel III framework, we believe that it is useful to provide investors the ability to assess the Corporation's capital adequacy on the same basis.

| <i>(Dollars in thousands)</i> | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|--------------|--------------|--------------|--------------|--------------|
| Shareholders' equity (GAAP) | \$ 2,834,281 | \$ 2,820,431 | \$ 2,791,738 | \$ 2,742,966 | \$ 2,702,894 |
| Plus: Net unrealized (gains) losses on available-for-sale securities | 5,547 | 14,612 | 3,702 | 17,925 | 29,297 |
| Defined benefit postretirement plans in accumulated other comprehensive income | 66,345 | 34,971 | 35,805 | 37,579 | 37,579 |
| Less: Non-qualifying goodwill ^(a) | 741,740 | 741,740 | 741,740 | 741,740 | 741,740 |
| Non-qualifying intangible assets ^(b) | 71,020 | 73,953 | 76,886 | 79,819 | 82,755 |
| Other fully phased-in adjustments ^{(c) (d)} | 174,990 | 174,716 | 174,837 | 174,813 | 207,906 |
| Basel III tier 1 capital (regulatory) ^(d) | 1,918,423 | 1,879,605 | 1,837,782 | 1,802,098 | 1,737,369 |
| Less: Preferred stock | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Basel III tier 1 common equity (regulatory) ^(d) | 1,818,423 | 1,779,605 | 1,737,782 | 1,702,098 | 1,637,369 |
| Basel I risk-weighted assets (regulatory) ^(d) | 17,555,000 | 17,433,132 | 17,104,892 | 16,687,071 | 16,320,833 |
| Basel III risk-weighted assets (regulatory) ^(d) | 18,313,614 | 18,191,746 | 17,863,506 | 17,445,685 | 17,114,143 |
| Basel III tier 1 common equity ratio (non-GAAP) ^(d) | 9.93% | 9.78% | 9.73% | 9.76% | 9.57% |

^(a) December 31, 2013 data reflects purchase accounting adjustments which resulted in an increase to goodwill of approximately \$1.9 million from previously reported.

^(b) Under Basel III, regulatory capital must be reduced by purchased credit card relationship intangible assets on a phased in basis with a 40% reduction beginning January 1, 2015 with a 100% reduction beginning January 1, 2018. These assets are partially allowed in Basel I capital.

^(c) Estimates of fully phased-in adjustments for disallowed deferred tax assets, other comprehensive income related to threshold deductions and other fully phased-in adjustments.

^(d) December 31, 2014 data is estimated.



Reconciliation of Non-GAAP Measures: Adjusted net income

The following table presents net income as reported (GAAP) excluding the impact of acquisition related costs incurred during 2014 and 2013 to arrive at adjusted net income. Management believes these adjustments increase comparability of period-to-period results and uses these measures to assess performance and believes investors may find them useful in their analysis of the Corporation. It is possible that the activities related to the adjustments may recur; however, Management does not consider the activities related to the adjustments to be indications of ongoing operations. Return on average tangible common shareholders' equity is a non-GAAP measure that calculates the return on average common shareholders' equity excluding goodwill and intangible assets. This measure is useful for evaluating the performance of a business consistently, whether acquired or developed internally. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. Although these non-GAAP financial measures are frequently used by investors to evaluate a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of results as reported under GAAP. These non-GAAP measures are not necessarily comparable to similar measures that may be represented by other companies.

| <i>(Dollars in thousands)</i> | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|---|----------------|----------------|----------------|----------------|----------------|
| Net income (GAAP) | \$ 61,079 | \$ 63,898 | \$ 59,519 | \$ 53,455 | \$ 57,174 |
| Net income adjustments | | | | | |
| Plus: Restructure expenses, net of taxes | 564 | — | — | — | — |
| Acquisition related expenses, net of taxes | — | — | 78 | 628 | 3,874 |
| Branch closure costs, net of taxes | — | — | 2,568 | — | 676 |
| <i>Adjusted net income (non-GAAP)</i> | <i>61,643</i> | <i>63,898</i> | <i>62,165</i> | <i>54,083</i> | <i>61,724</i> |
| Annualized net income (GAAP) | 242,324 | 253,508 | 238,730 | 216,790 | 226,832 |
| <i>Annualized adjusted net income (non-GAAP)</i> | <i>244,562</i> | <i>253,508</i> | <i>249,343</i> | <i>219,337</i> | <i>244,883</i> |
| Average assets (GAAP) | 24,664,987 | 24,583,776 | 24,291,276 | 24,144,570 | 24,034,846 |
| Average equity (GAAP) | 2,849,618 | 2,807,886 | 2,768,352 | 2,733,226 | 2,673,635 |
| Average tangible common equity (non-GAAP) | 1,935,435 | 1,890,760 | 1,848,299 | 1,810,234 | 1,749,754 |
| Return on average assets (GAAP) | 0.98% | 1.03% | 0.98% | 0.90% | 0.94% |
| <i>Adjusted return on average assets (non-GAAP)</i> | <i>0.99%</i> | <i>1.03%</i> | <i>1.03%</i> | <i>0.91%</i> | <i>1.02%</i> |
| Return on average equity (GAAP) | 8.50% | 9.03% | 8.62% | 7.93% | 8.48% |
| <i>Adjusted return on average equity (non-GAAP)</i> | <i>8.58%</i> | <i>9.03%</i> | <i>9.01%</i> | <i>8.02%</i> | <i>9.16%</i> |
| Return on average tangible common equity (non-GAAP) | 12.52% | 13.41% | 12.92% | 11.98% | 12.96% |
| <i>Adjusted return on average tangible common equity (non-GAAP)</i> | <i>12.64%</i> | <i>13.41%</i> | <i>13.49%</i> | <i>12.12%</i> | <i>14.00%</i> |

Reconciliation of Non-GAAP Measures: Non-operating items

The table below presents non-interest income and noninterest expense (GAAP) excluding certain adjustments to arrive at adjusted noninterest income and noninterest expense (non-GAAP). The Corporation believes that the exclusion of these adjustments provides a meaningful base for period-to-period comparisons, which Management believes will assist investors in analyzing the operating results of the Corporation. These non-GAAP financial measures are also used by Management to assess the performance of the Corporation's business. It is possible that the activities related to the adjustments may recur; however, Management does not consider the activities related to the adjustments to be indications of ongoing operations. The Corporation believes that presentation of these non-GAAP financial measures will permit investors to assess the performance of the Corporation on the same basis as that applied by Management.

| <i>(Dollars in thousands)</i> | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|---|------------|------------|------------|------------|------------|
| Net interest income (TE) (non-GAAP) | \$ 196,509 | \$ 197,644 | \$ 199,666 | \$ 197,854 | \$ 202,145 |
| Noninterest income (GAAP) | 71,960 | 69,733 | 72,560 | 67,270 | 72,420 |
| <i>Noninterest income adjustments:</i> | | | | | |
| Gains (losses) on sales of securities | 16 | 14 | 80 | 56 | — |
| Branch closure costs | — | — | 3,951 | — | 1,040 |
| Adjusted noninterest income (non-GAAP) | 71,944 | 69,719 | 76,431 | 67,214 | 73,460 |
| Adjusted total revenue, TE excluding securities gains (losses) (non-GAAP) | 268,453 | 267,363 | 276,097 | 265,068 | 275,605 |
| Noninterest expense (GAAP) | 165,041 | 163,145 | 167,400 | 169,331 | 178,620 |
| <i>Noninterest expense adjustments:</i> | | | | | |
| Less: Amortization of intangible assets | 2,933 | 2,933 | 2,933 | 2,936 | 2,692 |
| Restructure expenses | 868 | — | — | — | — |
| Branch closures costs and acquisition related expenses | — | — | 120 | 966 | 5,960 |
| Adjusted noninterest expense (non-GAAP) | 161,240 | 160,212 | 164,347 | 165,429 | 169,968 |
| Fee income ratio, as reported (non-GAAP) | 26.80% | 26.08% | 26.63% | 25.36% | 26.38% |
| Efficiency ratio, as reported, excluding amortization of intangible assets and securities gains (losses) (non-GAAP) | 60.39% | 59.92% | 60.43% | 62.77% | 64.08% |
| Efficiency ratio, as adjusted (non-GAAP) | 60.06% | 59.92% | 59.53% | 62.41% | 61.67% |



FIRSTMERIT Corporation

Fourth Quarter 2014 Earnings Conference Call
Supplemental Information

January 27, 2015

