Marquette National Corporation and Subsidiary
Consolidated Financial Statements
(Unaudited)
March 31, 2015

Marquette National Corporation and Subsidiary
Financial Highlights
(Unaudited)

(in thousands, except share and per share data)

Balance Sheet

	3/31/15	12/31/14	Percent Change
Total assets	$1,551,835	$1,528,869	2%
Total loans, net	919,801	926,347	-1%
Total deposits	1,302,588	1,280,748	2%
Common stockholders' equity	131,034	128,877	2%
Common shares outstanding	1,024,522	1,025,109	0%
Common equity per share	$127.90	$125.72	2%
Tangible common equity per share	$93.35	$91.17	2%

Operating Results

	Three Months Ended March 31,		Percent
	2015	2014	Change
Net interest income	$11,271	$12,027	-6%
Credit for loan losses	(599)	(4)	*
Net gain on sales of securities	-	5	*
Other income	3,819	3,914	-2%
Other expense	13,982	14,043	0%
Net income	1,072	1,422	-25%
Net income applicable to common shares	1,072	1,164	-8%
Basic income per common share	$1.05	$1.14	-8%
Weighted average common shares outstanding	1,025,083	1,024,438	0%
Cash dividends declared per common share	$0.375	$0.250	50%
Comprehensive income	$2,582	$4,688	-45%

** Not meaningful*

Marquette National Corporation and Subsidiary
Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	3/31/15	12/31/14
Assets		
Cash and due from banks	$ 27,389	$ 35,153
Interest-bearing deposits with banks	105,330	54,319
Total cash and cash equivalents	132,719	89,472
Securities available for sale, at fair value	319,359	336,455
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	9,018	9,445
Loans held for sale	11,476	7,525
Loans	933,567	940,482
Less: Allowance for loan losses	(13,766)	(14,135)
Loans, net	919,801	926,347
Premises and equipment, net	55,746	56,314
Bank owned life insurance	39,349	39,023
Goodwill	35,348	35,348
Other intangible assets, net	47	72
Other real estate owned	9,206	8,017
Accrued interest receivable and other assets	19,766	20,851
Total assets	$ 1,551,835	$ 1,528,869
Liabilities		
Deposits		
Noninterest-bearing	$ 230,483	$ 213,689
Interest-bearing	1,072,105	1,067,059
Total deposits	1,302,588	1,280,748
Securities sold under agreements to repurchase	46,384	46,784
Borrowed funds	2,200	3,200
Junior subordinated notes issued to capital trusts	56,702	56,702
Accrued interest payable and other liabilities	12,927	12,558
Total liabilities	1,420,801	1,399,992
Stockholders' Equity		
Preferred stock - $.01 par value; shares authorized: 150,000; shares issued: none in 2015 and 2014	-	-
Common stock $.01 par value; shares authorized: 2,000,000; shares issued: 1,024,522 in 2015 and 1,025,109 in 2014	10	10
Surplus	25,818	25,530
Retained earnings	101,404	101,045
Deferred compensation	1,522	1,606
Accumulated other comprehensive income, net of tax	3,802	2,292
Less: Treasury stock, at cost, 9,099 shares in 2015 and 11,309 shares in 2014	(1,522)	(1,606)
Total stockholders' equity	131,034	128,877
Total liabilities and stockholders' equity	$ 1,551,835	$ 1,528,869

See accompanying notes to unaudited consolidated financial statements.

Marquette National Corporation and Subsidiary
Consolidated Statements of Income
(Unaudited)

(in thousands, except share and per share data)

	Three Months Ended March 31,	
Interest and Dividend Income	**2015**	**2014**
Loans, including fees:		
Taxable	$ 10,214	$ 10,509
Exempt from federal income tax	175	240
Securities available for sale:		
Taxable	1,452	1,897
Exempt from federal income tax	62	64
Dividends	95	95
Federal Home Loan Bank and Federal Reserve Bank stock	58	54
Federal funds sold and interest-bearing deposits with banks	45	52
Total interest income and dividends	12,101	12,911
Interest Expense		
Deposits	541	616
Securities sold under agreements to repurchase	37	15
Borrowed funds	20	22
Subordinated notes issued to capital trusts	232	231
Total interest expense	830	884
Net interest income	11,271	12,027
Credit for loan losses	(599)	(4)
Net interest income after credit for loan losses	11,870	12,031
Other Income		
Service charges on deposit accounts	1,319	1,363
Income from trust services	433	398
Mortgage banking revenue, net	618	435
Wealth management product fees	334	453
Income from bank owned life insurance	326	321
Other operating income	789	944
Net gain on sales of securities	-	5
Total other income	3,819	3,919
Other Expense		
Salaries and employee benefits	7,017	6,961
Net occupancy expense	2,008	2,112
Equipment expense	386	391
Other real estate owned (income) expense, net	(232)	362
Data processing expense	975	895
Professional and legal services	549	589
Advertising and promotion expenses	316	290
FDIC insurance premiums	504	508
Amortization of intangible assets	25	50
Other operating expenses	2,434	1,885
Total other expense	13,982	14,043
Income before income taxes	1,707	1,907
Income tax expense	635	485
Net income	1,072	1,422
Preferred stock dividends and discount accretion	-	(258)
Net income applicable to common shares	$ 1,072	$ 1,164
Basic income per common share	$ 1.05	$ 1.14
Weighted average common shares outstanding	1,025,083	1,024,438

See accompanying notes to unaudited consolidated financial statements.

Consolidated Statements of Comprehensive Income
(Unaudited)

(in thousands)

	Three Months Ended March 31, 2015
Net income	$ 1,072
Other comprehensive income:	
Unrealized holding gains on available for sale securities arising during the year:	
Increase in net unrealized securities gains	2,441
Related income tax expense	(931)
Other comprehensive income, net of tax	1,510
Comprehensive income	$ 2,582

See accompanying notes to unaudited consolidated financial statements.

Marquette National Corporation and Subsidiary
Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)

	Three Months Ended March 31, 2015
Operating Activities	
Net income	$ 1,072
Adjustments to reconcile net income to net cash provided by operating activities:	
Deferred loan fees and costs, net	88
Premium amortization on securities, net	1,141
Credit for loan losses	(599)
Origination of loans for sale	(42,254)
Proceeds from sale of loans originated for sale	38,921
Gain on sale of loans originated for sale	(618)
Earnings on bank owned life insurance	(326)
Net loss (gain) on sale of securities	-
Depreciation and amortization	792
Amortization of intangible assets	25
Gain on sales of other real estate owned	(344)
Deferred income tax benefit	(617)
Decrease in accrued interest receivable and other assets	1,702
Decrease in accrued interest payable and other liabilities	(323)
Net cash used in operating activities	(1,340)
Investing Activities	
Securities available for sale:	
Proceeds from maturities, pay downs and calls	18,404
Proceeds from sales	712
Purchases	(720)
Redemption of Federal Reserve Bank stock	427
Net decrease in loans	4,245
Purchases of premises and equipment	(242)
Proceeds from sales of other real estate owned	1,966
Net cash provided by investing activities	24,792
Financing Activities	
Net increase in deposits	21,840
Net decrease in securities sold under agreements to repurchase	(400)
Repayment of borrowed funds	(1,000)
Dividends paid on common stock	(256)
Issuance of common stock	399
Repurchase of common stock	(788)
Net cash provided by financing activities	19,795
Net increase in cash and cash equivalents	43,247
Cash and cash equivalents at beginning of year	89,472
Cash and cash equivalents at end of year	$ 132,719
Supplemental disclosures:	
Interest paid	$ 825
Income taxes (refunded) paid	-
Supplemental schedule of non-cash investing and financing activities:	
Loans transferred to other real estate owned	2,812
Common stock dividends declared and unpaid	385

See accompanying notes to unaudited consolidated financial statements.

NOTE 1 – GENERAL

These unaudited consolidated financial statements of Marquette National Corporation and Subsidiary (the "Company") have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for annual year-end financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation, have been included and are of a normal, recurring nature. The Balance Sheet as of December 31, 2014 has been derived from the audited financial statements at that date. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company’s Consolidated Financial Statements for the year ended December 31, 2014. Operating results for the three months ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

NOTE 2 – STOCK REPURCHASE PROGRAM

On February 13, 2015, the Company announced that its Board of Directors has authorized the repurchase of up to $500,000 of its outstanding common stock at prevailing market prices through open market or negotiated transactions. During the three months ended March 31, 2015, the Company repurchased 3,544 shares of common stock for $384,500, or an average price of $98.33 per share.