

1ST SOURCE CORP
Form 11-K
June 13, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

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

For the transition period from _____ to _____

Commission file number: 0-6233

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

1st SOURCE CORPORATION EMPLOYEE STOCK OWNERSHIP AND PROFIT SHARING PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

1st Source Corporation
100 N. Michigan Street
South Bend, Indiana 46601

1st Source Corporation
Employee Stock Ownership and Profit Sharing Plan

Financial Statements and Supplemental Schedules

December 31, 2015 and 2014, and the Year Ended December 31, 2015

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Report of Independent Registered Public Accounting Firm

Audit Committee and Board of Directors
1st Source Corporation

We have audited the accompanying statement of net assets available for benefits of 1st Source Corporation Employee Stock Ownership and Profit Sharing Plan (Plan) as of December 31, 2014. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of 1st Source Corporation Employee Stock Ownership and Profit Sharing Plan as of December 31, 2015, and the changes in its net assets available for benefits for then year ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedules of delinquent participant contributions for the the year ended December 31, 2015, and assets (held at end of year) as of December 31, 2015, have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BKD, LLP
Fort Wayne, Indiana
June 13, 2016

Report of Independent Registered Public Accounting Firm

Audit Committee of the Board of Directors
1st Source Corporation

We have audited the accompanying statement of net assets available for benefits of 1st Source Corporation Employee Stock Ownership and Profit Sharing Plan (the Plan) as of December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of 1st Source Corporation Employee Stock Ownership and Profit Sharing Plan at December 31, 2014, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP
Chicago, Illinois
June 15, 2015

1st Source Corporation
Employee Stock Ownership and Profit Sharing Plan
Statements of Net Assets Available for Benefits

	December 31	
	2015	2014
Assets		
Noninterest-bearing cash	\$12,736	\$182,164
Investments at fair value:		
Mutual funds	103,612,566	105,805,210
1st Source Corporation common stock	41,881,792	44,878,887
1st Source Bank common trust funds	25,829,974	27,213,042
Total investments at fair value	171,324,332	177,897,139
Receivables:		
Notes receivable from participants	1,261,595	1,170,034
Employer contributions	4,541,132	4,342,672
Total receivables	5,802,727	5,512,706
Total assets	177,139,795	183,592,009
Liabilities		
Excess contributions payable	32,540	37,376
Trade payables	22,997	173,036
Total liabilities	55,537	210,412
Net assets available for benefits	\$177,084,258	\$183,381,597
See accompanying notes to the financial statements.		

1st Source Corporation
 Employee Stock Ownership and Profit Sharing Plan
 Statement of Changes in Net Assets Available for Benefits
 Year Ended December 31, 2015

Additions	
Investment income:	
Net depreciation in fair value of investments	\$(1,979,805)
Interest and dividends	2,727,182
	747,377
Interest income on notes receivable from participants	59,717
Contributions:	
Employer – cash	3,741,149
Employer – noncash	799,983
Participants	4,879,379
Rollover	698,111
	10,118,622
Total additions	10,925,716
Deductions	
Benefits paid to participants	17,086,458
Administrative expenses	136,597
Total deductions	17,223,055
Net decrease in net assets available for benefits	(6,297,339)
Net assets available for benefits:	
Beginning of year	183,381,597
End of year	\$177,084,258

See accompanying notes to the financial statements.

Notes to Financial Statements

Note 1. Description of the Plan

The following description of the 1st Source Corporation Employee Stock Ownership and Profit Sharing Plan (the Plan) provides general information about the Plan's provisions. Participants should refer to the plan document and summary plan description for a more complete description of the Plan's provisions, copies of which may be obtained from the plan sponsor.

General

The Plan is a defined contribution plan offered to all employees of 1st Source Corporation (1st Source) and its subsidiaries who have at least 90 consecutive days of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Executive Compensation and Human Resources Committee is responsible for the general administration of the Plan. 1st Source Corporation Retirement Plan Committee is the Plan Administrator. 1st Source Bank is the trustee of the Plan. Swerdlin & Company is the record-keeper of the Plan.

Eligible participants are automatically enrolled in the Plan once they have completed 90 consecutive days of service unless they affirmatively decline to participate. The Plan has an automatic pre-tax deferral of 6% of compensation if a participant does not elect a different compensation deferral percentage.

Contributions

Participants are permitted to defer, through salary deduction, up to 100% of their annual eligible compensation on a pre-tax basis, up to \$18,000, as defined by Internal Revenue Service (IRS) limits. In addition, participants age 50 or older may elect to defer up to an additional \$6,000, called catch-up contributions. Participants direct their contributions into various investment options offered by the Plan. The Plan currently offers 10 different fund options, one of which is 1st Source common stock.

The Plan provides for the following 1st Source contributions:

Matching Contribution — contribution is discretionary. The first 4% of a participant's eligible compensation contributed to the Plan is matched 100%, and the next 2% of a participant's eligible compensation contributed to the Plan is matched 50%.

2% Employer Contribution — an eligible participant will receive 2% of their eligible annual compensation.

Discretionary Profit Sharing Contribution — 1% of 1st Source's net profit is awarded to eligible participants and determined annually by the Board of Directors.

Regular Contribution — contribution is discretionary and determined annually by the Board of Directors.

All 1st Source contributions may be made in either cash or shares of 1st Source common stock. Cash contributions are invested in a diversified portfolio of funds as directed by the 1st Source Retirement Plan Committee.

Participant Accounts

The Plan provides participants with an Employee Stock Ownership Plan (ESOP) account and a 401(k) account. The ESOP account is made up of participant and 1st Source contributions invested in 1st Source common stock and cash not yet invested in common stock. The 401(k) account consists of participant and 1st Source contributions not invested in 1st Source common stock, including amounts previously included in the ESOP account that a participant elected to diversify. Participants may elect to have dividends paid on the 1st Source common stock held in their ESOP account either in cash or remain in the Plan and be reinvested in additional shares of 1st Source common stock.

Each participant's account is credited with the participant's contribution and an allocation of (a) 1st Source's contribution and (b) the Plan's earnings. Allocations are based on participant compensation, deferred percentage and account balances, as defined. A participant is entitled to the benefit that can be provided from the participant's vested account balance.

Vesting

Vesting of the 1st Source Employer Contributions, including match, 2% employer contribution, discretionary profit sharing, and regular contributions, is based on years of credited service. A credited year of service is at least 1,000 hours worked in a 12-month period. A participant is 10%, 20%, 40%, 60%, or 100% vested after completing one, two, three, four, or five or more years of credited service, respectively. A participant can also become 100% vested upon reaching early retirement age, normal retirement age, death or disability.

Forfeitures

Upon termination of employment, participants with less than five years of credited service will forfeit their non-vested balances. Forfeitures of non-vested terminated participants' accounts are used to pay plan expenses and offset employer contributions. Unallocated forfeitures amounted to \$69,779 and \$103,654 as of December 31, 2015 and 2014, respectively. Forfeitures were used to pay Plan expenses for 2015.

Notes Receivable from Participants

Participants may borrow from the Plan amounts not to exceed the lesser of one-half of the participant's vested balance from his or her 401(k) account or \$50,000. The loans are collateralized by the participant's vested account balance and bear interest at fixed rates of 1% above 1st Source Bank's (a wholly owned subsidiary of 1st Source) prime rate. The loans are repayable over five years except for loans used to acquire or construct a participant's principal residence, in which case the repayment term may exceed five years but no more than fifteen years.

Payment of Benefits

On termination of service, a participant generally receives a lump-sum amount equal to the value of his or her vested account balance.

As a result of the Economic Growth and Tax Relief Reconciliation Act of 2001, contributions by employees and the employer were closed to the Money Purchase Account and benefits became and remain subject to joint survivor and annuity requirements.

Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the IRS, and a participant must exhaust all available loan options prior to requesting a hardship withdrawal.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. Administrative expenses paid by the Plan include record-keeping fees. Expenses relating to purchases, sales, or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate.

Plan Termination

Although it has not expressed any intention to do so, 1st Source has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become fully vested in their accounts.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The financial statements of the Plan are prepared in conformity with United States generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect amounts in the financial statements, accompanying notes, and supplemental schedule. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Notes Receivable From Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. Interest income on notes receivable from participants is recorded when it is earned. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. If a terminated participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the terminated participant's vested balance is reduced and a benefit payment is recorded.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the excess contributions to the applicable participants prior to March 15, 2016.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

U.S. GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used in the measurement are observable or unobservable. Observable inputs reflect market-driven or market-based information obtained from independent sources, while unobservable inputs reflect estimates about market data. The degree of management judgment involved in determining the fair value of a financial instrument is dependent upon the availability of quoted market prices or observable market data.

The hierarchy established gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Plan's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement.

The three levels of the fair value hierarchy and its applicability to the Plan's investments are described below:

• Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

• Level 2 - Quoted prices for similar assets or liabilities or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.

• Level 3 - Pricing inputs are unobservable for the asset or liability. That is, inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Level 3 includes private portfolio investments that are supported by little or no market activity.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-12 “Plan Accounting: Defined Benefit Contribution Pension Plans (Topic 962) I. Fully Benefit Responsive Investment Contracts, II. Plan Investment Disclosures and III. Measurement Date Practical Expedient.” ASU 2015-12 eliminates the requirement that employee benefit plans measure the fair value of fully benefit-responsive investment contracts (FBRICs) and provide the related fair value disclosures. The guidance also clarifies that indirect investments in FBRICs should not be reflected as FBRICs and, therefore, should be reported at fair value. Concurrent with the Plan's implementation of ASU 2015-12, the statements of net assets available for benefits for all periods presented no longer reflect the common trust funds as a FBRIC and as such the investment is now measured at fair value without an adjustment to contract value. The guidance also requires plans to disaggregate their investments measured using fair value by general type, either on the face of the financial statements or in the notes, and self-directed brokerage accounts are one general type. Additionally, plans are no longer required to disclose the net appreciation/depreciation in fair value of investments by general type or individual investments equal to greater than 5% of net assets available for benefit. The guidance is effective for years beginning after December 15, 2015 and is to be applied retrospectively. Early adoption is permitted. The Plan early adopted ASU No. 2015-12 for the 2015 plan year and the effect of applying this standard is reflected in the 2015 financial statements on a retrospective basis.

In May 2015, the FASB issued ASU No. 2015-07 “Fair Value Measurement (Topic 820) — Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent).” The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments that fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset per share practical expedient. The amendments should be applied retrospectively to all periods presented and is effective for fiscal years beginning after December 15, 2015. Early Adoption is permitted. The Plan early adopted ASU 2015-07 for the 2015 plan year and the effect of applying this standard is reflected in the Statement of Net Assets Available for Benefits, Note 4 — Fair Value Measurements, and Note 5 — Reconciliation of Financial Statements to the Form 5500 on a retrospective basis.

Note 3. Nonparticipant-Directed Investments

Nonparticipant-directed investments are put into participants’ accounts by the employer (match, profit sharing, and 2%). Employees do not get to select or direct into which funds or investments the employer contributions are deposited.

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

	December 31,	
	2015	2014
Net assets		
Mutual funds	\$36,605,312	\$35,564,735
1st Source Bank common trust funds	6,567,533	7,234,802
Total net assets - nonparticipant-directed investments	\$43,172,845	\$42,799,537
		Year Ended
		December 31,
		2015
Changes in net assets		
Investment income		\$ 1,379,010
Contributions		3,842,692
Net depreciation in fair value of investments	(648,517)
Benefits paid to participants	(4,199,877)
Total changes in net assets - nonparticipant-directed investments	\$ 373,308	

Note 4. Fair Value Measurements

Securities traded on a national securities exchange, securities traded in the over-the-counter market, and listed securities are valued on a daily basis at the last reported closing price. The fair value of mutual funds is stated at the net asset value (NAV) as reported by the funds on the last business day of the plan year. Common trust funds are valued using the NAV as the practical expedient. The 1st Source Bank Employee Low Risk Fund is designed to deliver safety and stability by preserving principal and accumulating earnings. The 1st Source Bank Employee Benefit International Equity Fund is designed to provide a diversified portfolio of international equity investments which are subject to equity market risk, currency risk, and other risks associated with foreign investments.

Participant-directed redemptions have no restrictions. The fair value of these funds has been estimated based on the fair value of the underlying investments as reported by the issuer of the funds.

The following table summarizes the Plan's investments that are measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
1st Source Corporation common stock	\$41,881,792	\$ —	—\$	—\$41,881,792
Mutual funds:				
U.S. equities	103,612,566	—	—	103,612,566
Total assets in the fair value hierarchy	145,494,358	—	—	145,494,358
Common trust funds measured at net asset value ⁽¹⁾	—	—	—	25,829,974
Balance at December 31, 2015	\$145,494,358	\$ —	—\$	—\$171,324,332
1st Source Corporation common stock	\$44,878,887	\$ —	—\$	—\$44,878,887
Mutual funds:				
U.S. equities	105,805,091	—	—	105,805,091
International equities	119	—	—	119
Total assets in the fair value hierarchy	150,684,097	—	—	150,684,097
Common trust funds measured at net asset value ⁽¹⁾	—	—	—	27,213,042
Balance at December 31, 2014	\$150,684,097	\$ —	—\$	—\$177,897,139

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

No transfers between levels occurred during 2015 or 2014.

Note 5. Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31,	
	2015	2014
Net assets available for benefits per the financial statements	\$177,084,258	\$183,381,597
Less: Amounts allocated to withdrawing participants	(23,100)	(5,784)
Net assets available for benefits per the Form 5500	\$177,061,158	\$183,375,813

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2015 to the Form 5500:

Benefits paid to participants per the financial statements	\$17,086,458
Add: Amounts allocated to withdrawing participants at December 31, 2015	23,100
Less: Amounts allocated to withdrawing participants at December 31, 2014	(5,784)
Benefits paid to participants per the Form 5500	\$17,103,774

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit payments that have been processed and approved for payment prior to year-end but not paid as of that date.

Note 6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 7. Related-Party Transactions

The Plan holds units of common/collective trust funds managed by 1st Source Bank, the trustee of the Plan. The Plan also invests in the common stock of 1st Source. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2015, the Plan received \$942,265 in common stock cash dividends from 1st Source.

Note 8. Tax Status

The Plan has received a determination letter from the IRS dated May 2, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes that the Plan is no longer subject to income tax examinations for years prior to 2012.

Note 9. Nonexempt Transactions

Defined contribution plans are required to remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets, but no later than the 15th business day of the month following in which participant contributions are withheld by the employer, unless it can reasonably be done sooner. While 1st Source remitted all employee contributions to the Plan, contributions of \$411 were not remitted within the required time period for the year ended December 31, 2015.

Supplemental Schedules

1st Source Corporation
Employee Stock Ownership and Profit Sharing Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2015

EIN: 35-1068133 Plan Number: 003

Total that Constitute Nonexempt Prohibited Transactions				Total Fully Corrected
Participant Contributions Transferred Late to the Plan	Contributions Corrected Not Outside VFCP	Contributions Pending Correction in VFCP	Contributions Corrected Under VFCP and PTE 2002-51	
\$411	\$ -	1	\$ -	—

1st Source Corporation
Employee Stock Ownership and Profit Sharing Plan

Schedule H, Line 4i - Schedule of Assets
(Held at End of Year)

EIN: 35-1068133 Plan Number: 003

December 31, 2015

Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value
Common stock			
* 1st Source Corporation	1,356,715 shares	\$23,869,343	\$41,881,792
Mutual funds			
Wasatch-1st Source Income Fund	2,391,835 shares	24,242,277	24,109,702
Boston Partners All Cap Value Instl	1,000,819 shares	17,666,996	21,257,401
Vanguard 500 Index Fund	102,749 shares	15,109,782	19,366,178
Fidelity Contrafund	161,172 shares	12,615,637	15,947,929
Vanguard Wellington Admiral Fund	219,408 shares	13,598,784	13,941,176
Sterling Capital Stratton Small Cap Value Fund - I	92,618 shares	5,257,211	6,473,073
Wasatch Long/Short Fund	223,743 shares	2,851,211	2,517,107
		91,341,898	103,612,566
Common trust funds			
* 1st Source Bank Employee Benefit International Equity Fund	405,168 units	12,260,090	12,915,498
* 1st Source Bank Employee Benefit Low Risk Fund	420,561 units	12,363,018	12,914,476
		24,623,108	25,829,974
* Loans to participants	Varying maturity dates through 2030 with interest rates ranging from 5.25% to 7.00%.	—	1,261,595
		\$139,834,349	\$172,585,927

*Indicates party-in-interest to the Plan.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

1st SOURCE CORPORATION EMPLOYEE STOCK OWNERSHIP AND PROFIT SHARING
PLAN

By the Plan Administrator 1st Source Corporation

DATE June 13,
2016

/s/ DAN H. LIFFERTH

Dan H. Lifferth, Senior Vice President