

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): November 3, 2009

FIRST MERCHANTS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

INDIANA	0-17071	35-1544218
(State or other jurisdiction of incorporation)	(Commission File Number)	(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)

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))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 3, 2009, First Merchants Corporation will conduct a third quarter earnings conference call and web cast on Tuesday, November 3, 2009 at 2:30 p.m. (ET). A copy of the slide presentation utilized on the conference call is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

Exhibit 99.1	Slide presentation, utilized November 3, 2009, during conference call and web cast by First Merchants Corporation
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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.

First Merchants Corporation
(Registrant)

By: /s/ Mark K. Hardwick

Mark K. Hardwick

Executive Vice President and Chief Financial Officer

(Principal Financial and Principal Accounting Officer)

Dated: November 03, 2009

EXHIBIT INDEX

Exhibit No.

99.1

Description

Slide presentation, utilized November 3, 2009, during conference call and web cast by First Merchants Corporation



PREPARED TO MEET TODAY'S CHALLENGES

First Merchants Corporation
3rd Quarter 2009
Earnings Call

November 3, 2009



Michael C. Rechin

President
and Chief Executive Officer



Forward-looking Statement

The Corporation may make forward-looking statements about its relative business outlook. These forward-looking statements and all other statements made during this meeting that do not concern historical facts are subject to risks and uncertainties that may materially affect actual results.

Specific forward-looking statements include, but are not limited to, any indications regarding the financial services industry, the economy and future growth of the balance sheet or income statement.

Please refer to our press releases, Form 10-Qs and 10-Ks concerning factors that could cause actual results to differ materially from any forward-looking statements.



Key Points for 3rd Quarter

- Loss of \$.30 per diluted share for the quarter ended September 30, 2009, reflects the company's focused efforts to build appropriate allowance for loan loss reserve, maximize net interest margin and preserve capital.
- Allowance for loan losses increased to 2.54% of loans, "well reserved", with year-to-date provision for loan losses exceeding net charge-offs by \$35MM. Quarter-to-date net loan charge-offs of \$14MM for an annualized net charge offs of 1.64%.
- Year-to-date net loan charge-offs totaled \$61 million, or an annualized 2.24%, of average loans. Non-performing loans are up 11% and loan loss reserve coverage of non-accruing loans increased to 70%.
- Improved regulatory capital levels soundly in excess of "well capitalized" thresholds.



“Well Positioned”

- Charter combination completion to First Merchants Bank, N. A. provides efficiency in capital, liquidity, and risk management.
- Net Interest Margin strength provided by active balance sheet management strategies.
- Revenue growth and expense control produce pre-tax, pre-provision run-rate averaging ~ \$17 million per quarter.



Mark K. Hardwick

Executive Vice President
and Chief Financial Officer



Financial Performance



Total Assets

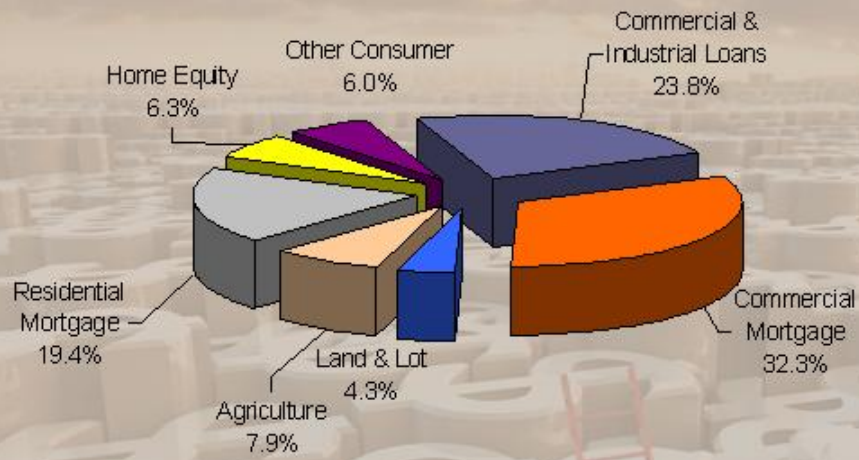
(Millions \$)

	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
1. Investments	\$ 451	\$ 482	\$ 446	\$ 631	\$ 489
2. Loans	2,877	3,722	3,654	3,554	3,399
3. Allowance	(28)	(50)	(59)	(77)	(87)
4. CD&I & Goodwill	136	166	163	161	160
5. BOLI	71	93	94	94	94
6. Other	<u>275</u>	<u>371</u>	<u>589</u>	<u>354</u>	<u>421</u>
7. Total Assets	\$3,782	\$4,784	\$4,887	\$4,717	\$4,476



Loan Composition as of 9/30/09

Yield = 5.92%





\$489 Million Balance

- Average duration - 4.3 years
- Tax equivalent yield of 5.10%
- No private label MBS exposure
- Trust Preferred Pools with book balance of \$9.9 million and a market value of \$3.7 million
- Net unrealized gain of the entire portfolio totals \$9.0 million



Total Liabilities and Capital

(\$ in Millions)	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
1. Customer Deposits*	\$2,605	\$3,242	\$3,275	\$3,278	\$3,199
2. Brokered Deposits	239	477	410	313	313
3. Bank-Level Borrowings	483	507	485	483	339
4. Other Liabilities	29	51	98	59	38
5. Hybrid Capital	86	111	111	111	111
6. Preferred Stock (CPP)	0	0	112	112	112
7. Common Equity	<u>340</u>	<u>396</u>	<u>396</u>	<u>361</u>	<u>364</u>
8. Total Liabilities and Capital	\$3,782	\$4,784	\$4,887	\$4,717	\$4,476

* Total deposits less brokered deposits



Deposits as of 9/30/09

Cost of Funds = 1.95%



- Demand Deposits - 33%
- Savings Deposits - 21%
- Certificates & Time Deposits of >\$100,000 - 14%
- Certificates & Time Deposits of <\$100,000 - 23%
- Brokered Deposits - 9%

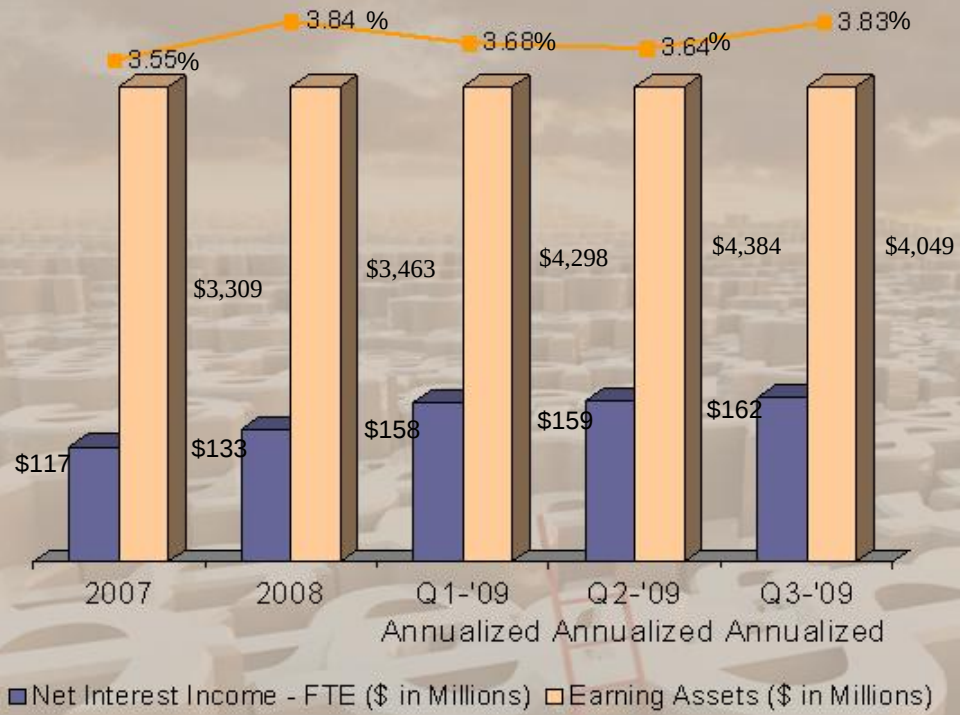


Capital Ratios

	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
1. Total Risk-Based Capital Ratio	10.55%	10.24%	12.97%	12.56%	13.08%
2. Tier 1 Risk-Based Capital Ratio	8.75%	7.71%	10.47%	10.01%	10.44%
3. Leverage Ratio	7.19%	8.16%	9.17%	8.31%	8.47%
4. TCE/TCA	5.72%	5.01%	4.89%	4.42%	4.75%

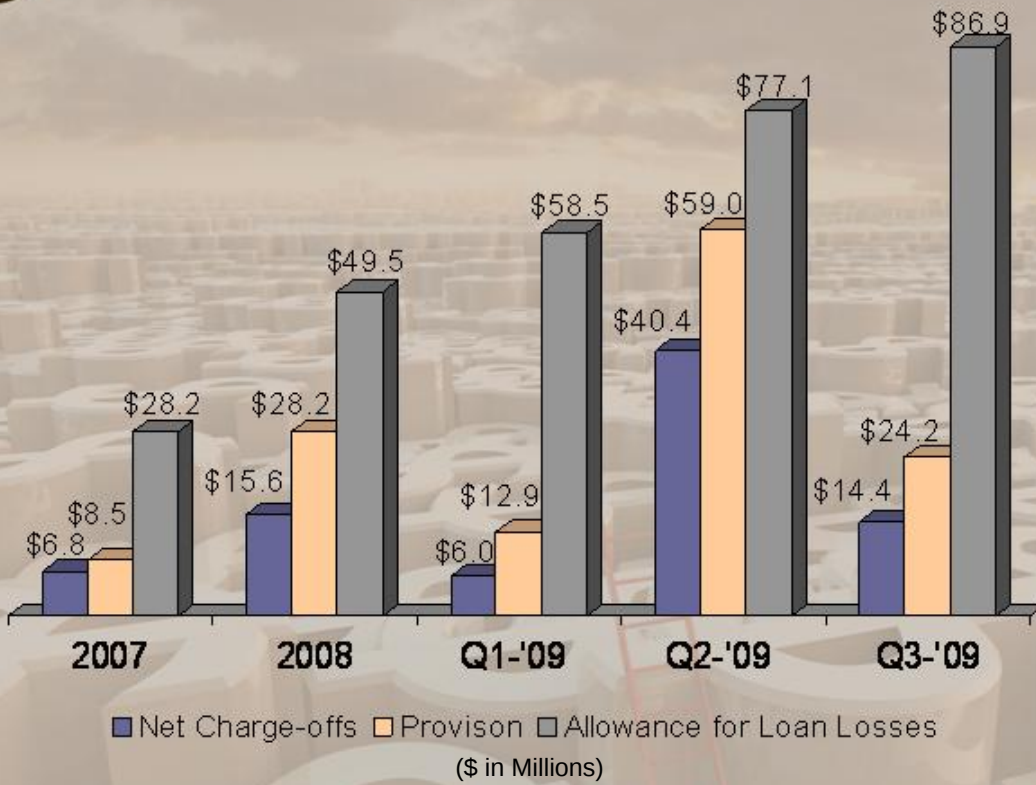


Net Interest Margin





Costs of Credit





Non-Interest Income

(\$ in Millions)

	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
1. Service Charges on Deposit Accounts	\$12.4	\$13.0	\$3.5	\$3.9	\$4.0
2. Trust Fees	8.4	8.0	2.1	1.7	1.8
3. Insurance Comm. Income	5.1	5.8	2.1	1.7	1.5
4. Cash Surrender Value of Life Ins.	3.7	(0.3)	0.3	0.3	0.4
5. Gains on Sales Mortgage Loans	2.4	2.5	1.4	1.7	2.0
6. Securities Gains/Losses	0	(2.1)	2.3	(0.9)	4.0
7. Other	<u>8.6</u>	<u>9.5</u>	<u>2.8</u>	<u>3.1</u>	<u>2.0</u>
8. Total	\$40.6	\$36.4	\$14.5	\$11.5	\$15.7



Non-Interest Expense

	(\$ in Millions)	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
1.	Salary & Benefits	\$58.8	\$63.0	\$20.0	\$19.7	\$17.9
2.	Premises & Equipment	13.4	14.4	4.4	4.4	4.3
3.	Core Deposit Intangible	3.2	3.2	1.3	1.3	1.3
4.	Professional Services	2.0	2.6	1.1	.9	.7
5.	OREO Expense	1.0	2.8	0.5	1.6	3.6
6.	FDIC Expense	1.5	1.7	0.8	3.7	3.1
7.	FHLB Prepayment Penalties	0	0	0	0	1.9
8.	Other	<u>22.3</u>	<u>21.1</u>	<u>6.6</u>	<u>6.6</u>	<u>6.2</u>
	Total	\$102.2	\$108.8	\$34.7	\$38.2	\$39.0



Earnings

	<u>2007</u>	<u>2008</u>	<u>Q1-'09</u>	<u>Q2-'09</u>	<u>Q3-'09</u>
(\$ in Millions)					
1. Net Interest Income-FTE	\$117.2	\$133.1	\$39.6	\$39.8	\$40.5
2. Non Interest Income ¹	40.6	38.5	12.2	12.4	11.3
3. Non Interest Expense ²	101.2	108.6	34.2	33.6	32.8
4. Pre-Tax Pre-Provision Earnings	\$52.5	\$61.9	\$16.5	\$17.2	\$19.0
5. Provision	8.5	28.2	12.9	59.0	24.2
6. Adjustments	1.1	5.0	(1.7)	5.4	1.9
7. Taxes - FTE	15.4	11.8	2.3	(16.1)	(2.2)
8. CPP Dividend	<u>0</u>	<u>0</u>	<u>.6</u>	<u>1.5</u>	<u>1.5</u>
9. Net Income Avail. for Distribution	\$31.6	\$20.6	\$3.5	(\$31.2)	(\$6.4)
10. EPS	\$1.73	\$1.14	\$0.17	(\$1.49)	(\$0.30)

¹Adjusted for Bond Gains & Losses and one-time mortgage sale

²Adjusted for the FDIC Special Assessment, FHLB Prepayment Penalties & OREO Expense & Credit-Related Professional Services



John J. Martin

Senior Vice President
Chief Credit Officer



Quarterly Highlights

- Non-performing assets increased to \$151 million, or 3.37% of assets for the quarter. This compares to \$137 million as of June 30, 2009 and \$131 million as of March 31, 2009.
- Other Real Estate Owned totaled to \$21.8 million compared to \$20.2 million as of June 30, 2009 and \$22.1 million as of March 31, 2009.
- 90 days delinquent loans totaled \$5.4 million compared to \$3.6 million as of June 30, 2009 and \$7.7 million as of March 31, 2009.
- Restructured loans increased \$5.6 million compared to \$4.2 prior quarter.
- Total construction and development loans outstanding declined to \$147 million from \$163 million as of June 30, 2009 and \$208 million as of March 31, 2009.
- Impaired loan portfolio is marked by 30% (specific impairment reserves and charge-offs).



Quarterly Review

- 3rd quarter net charge-offs totaled \$14.4 million and provision expense totaled \$24.2 million.
- 5 customers with charge-offs comprise \$7.75 million of the 3rd quarter charge-offs.

(\$000)	C & I	Commercial Mortgage	Land and Lot	Ag	Total Commercial
# of Loan	2	5	1	0	8
(\$000)	\$ 3,990	\$ 3,140	\$ 626	\$ -	\$ 7,755

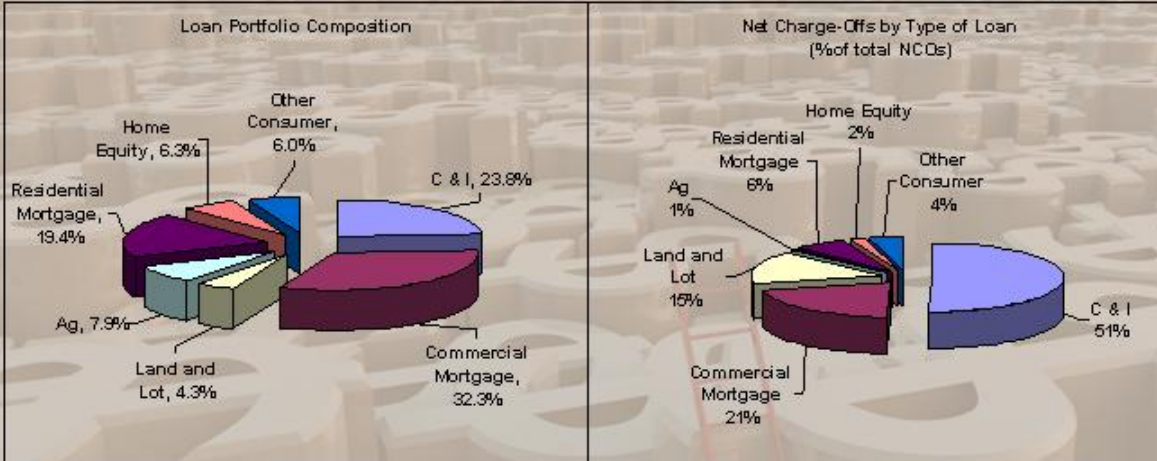
- A \$4.2 million charge-off relating to one commercial customer, broken out between \$3.2 million of commercial and industrial and \$1 million of commercial mortgage, is ~29% of total charge-offs.



YTD Charge-Off Composition as of 9/30/09

(\$000)	C & I	Commercial Mortgage	Land and Lot	Ag	Total Commercial	Residential Mortgage	Home Equity	Other Consumer	Total Consumer	Total Consumer and Commercial
Loan Balances	\$ 814,086	\$ 1,107,197	\$ 147,343	\$ 270,233	\$ 2,338,859	\$ 664,294	\$ 216,810	\$ 203,932	\$ 1,085,036	\$ 3,423,895
% of total	23.8%	32.3%	4.3%	7.9%	68.3%	19.4%	6.3%	6.0%	31.7%	
Net Charge-offs YTD	\$ 30,731	\$ 12,850	\$ 9,242	\$ 393	\$ 53,216	\$ 3,880	\$ 1,181	\$ 2,544	\$ 7,605	\$ 60,821
Net Charge-off ratio*	5.03%	1.55%	8.36%	0.19%	3.03%	0.78%	0.73%	1.66%	0.93%	2.37%

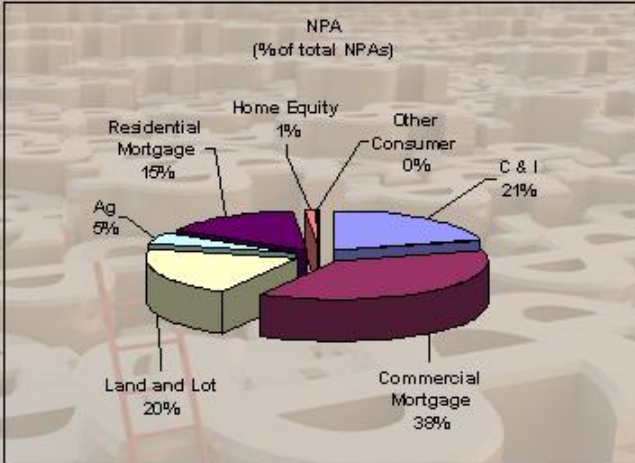
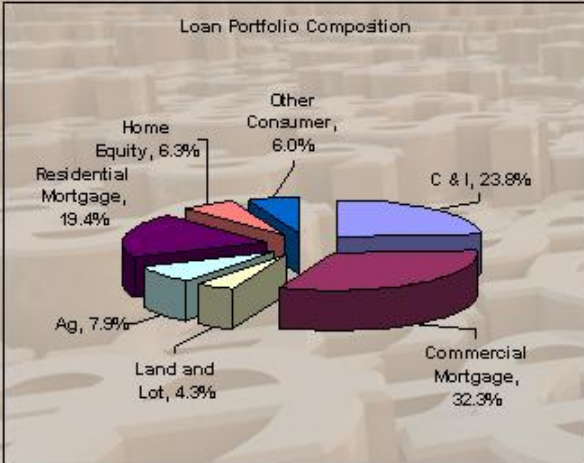
*Annualized based on ending balances





Non-Performing Asset Composition as of 9/30/09

(\$000)	C & I	Commercial Mortgage	Land and Lot	Ag	Total Commercial	Residential Mortgage	Home Equity	Other Consumer	Total Consumer	Total Consumer and Commercial
Loan Balances	\$ 814,086	\$ 1,107,197	\$ 147,343	\$ 270,233	\$ 2,338,859	\$ 664,294	\$ 216,810	\$ 203,932	\$ 1,085,036	\$ 3,423,895
% of total	23.8%	32.3%	4.3%	7.9%	68.3%	19.4%	6.3%	6.0%	31.7%	
NPAs (including 90+ DPD)	\$ 32,732	\$ 58,466	\$ 31,741	\$ 7,570	\$ 130,509	\$ 23,214	\$ 1,800	\$ 562	\$ 25,576	\$ 156,085
NPA Ratio	4.02%	5.28%	21.54%	2.80%	5.58%	3.49%	0.83%	0.28%	2.36%	4.56%





Top New Non-Performing Loans

(Book)

Balance

Industry

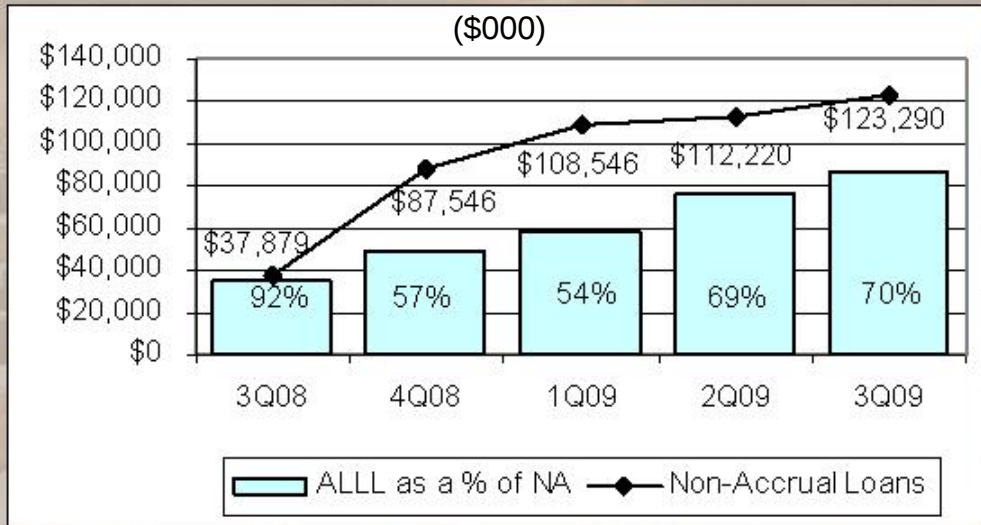
\$3,450	New single family real estate construction
3,200	Residential real estate lessors and developers
2,250	Hospitality
1,910	Manufacturing - custom compounding of plastic resin
1,370	Civic/social club

\$12,180



Allowance Coverage to Non-Accrual Loans

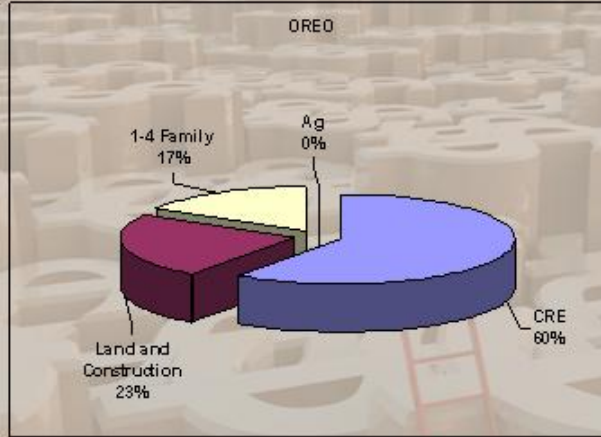
Allowance as a % of Non-Accrual Loans





OREO Composition as of 9/30/09

(\$000)	CRE	Land and Construction	1-4 Family	Ag	Total
Book Balance	\$ 13,069	\$ 5,089	\$ 3,620	\$ -	\$ 21,778
% of ORE	60%	23%	17%	0%	100%





Michael C. Rechin

President
and Chief Executive Officer



Tactical Action Plan and Business Update

- Continue Focus on Asset Quality Improvement
- Capital Preservation Plan
 - Margin Expansion Opportunity Continues
 - Non-Strategic Asset Class Reductions
- Successful Charter Consolidation Allows Efficiency Gains

“Well Capitalized – Well Reserved – Well Positioned”



Shareholders

Communities

Customers



Employees



Contact Information

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

Investor inquiries:

Mark K. Hardwick

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