

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): April 25, 2013

Commission File Number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

INDIANA	35-1544218
(State or other jurisdiction of incorporation)	(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)

Not Applicable

(Former name or former address, if changed since last report)

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))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On April 25, 2013, First Merchants Corporation will conduct a fourth quarter earnings conference call and web cast on Thursday, April 25, 2013 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 April 25, 2013, during conference call and web cast by First Merchants Corporation

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)

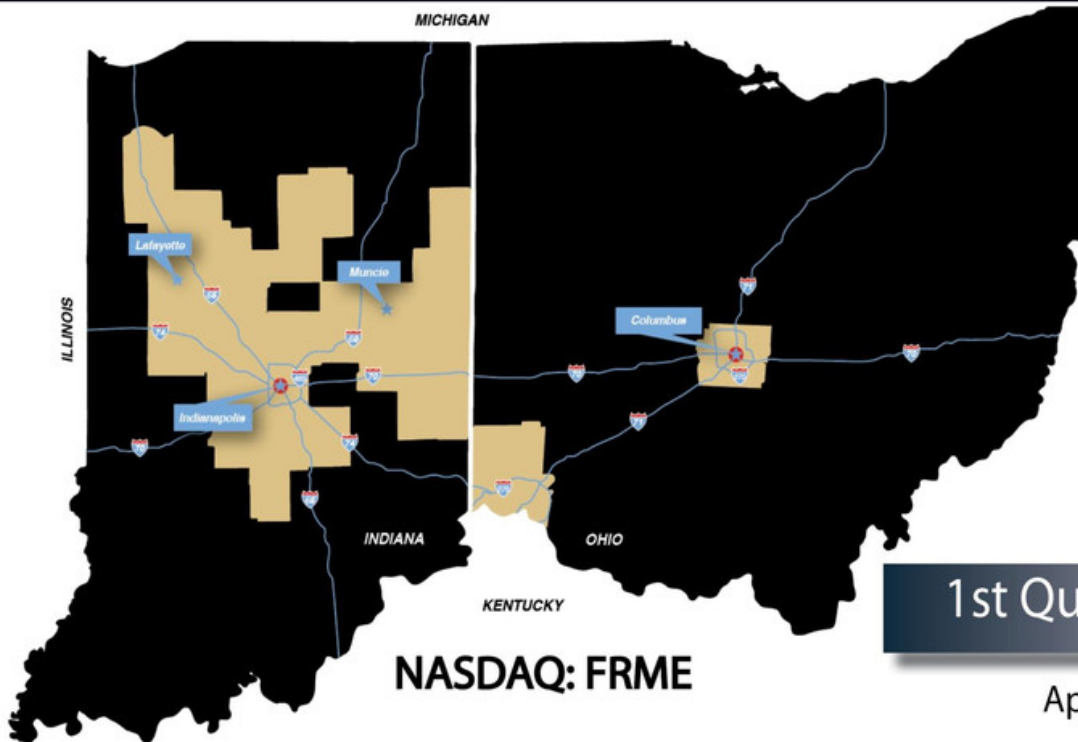
Dated: April 25, 2013

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide presentation, utilized April 25, 2013, during conference call and web cast by First Merchants Corporation



First Merchants Corporation



1st Quarter 2013

April 25, 2013

Michael C. Rechin
President
Chief Executive Officer

Mark K. Hardwick
Executive Vice President
Chief Financial Officer

John J. Martin
Executive Vice President
Chief Credit Officer

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.



1st Quarter 2013 Highlights

- **\$0.38 1st Quarter EPS**
- **Revenue Momentum Throughout Results**
- **Asset Quality Improvement Continues**
- **Partial SBLF Repayment**
- **Increased Common Dividend Announced**



Mark K. Hardwick

Executive Vice President
and Chief Financial Officer



Total Assets

(\$ in Millions)	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Investments	\$ 946	\$ 874	\$ 960	\$ 870
2. Loans Held for Sale	18	22	22	27
3. Loans	2,713	2,902	2,793	2,880
4. Allowance	(71)	(69)	(70)	(69)
5. CD&I & Goodwill	150	150	150	149
6. BOLI	124	125	123	126
7. Other	<u>293</u>	<u>301</u>	<u>258</u>	<u>270</u>
8. Total Assets	\$4,173	\$4,305	\$4,236	\$4,253

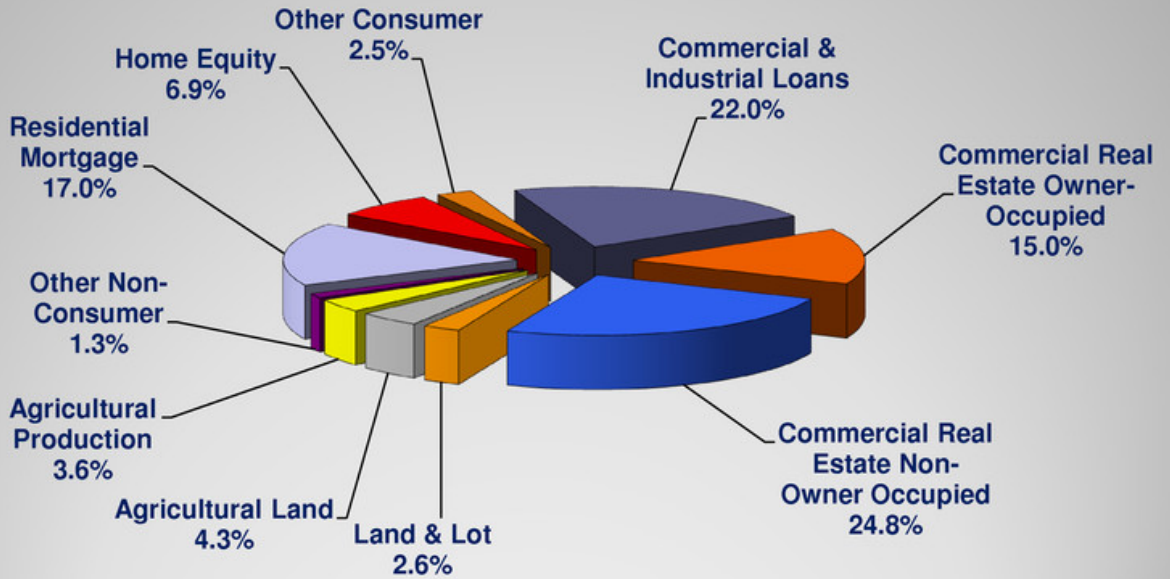


Loan and Yield Detail

(as of 3/31/2013)

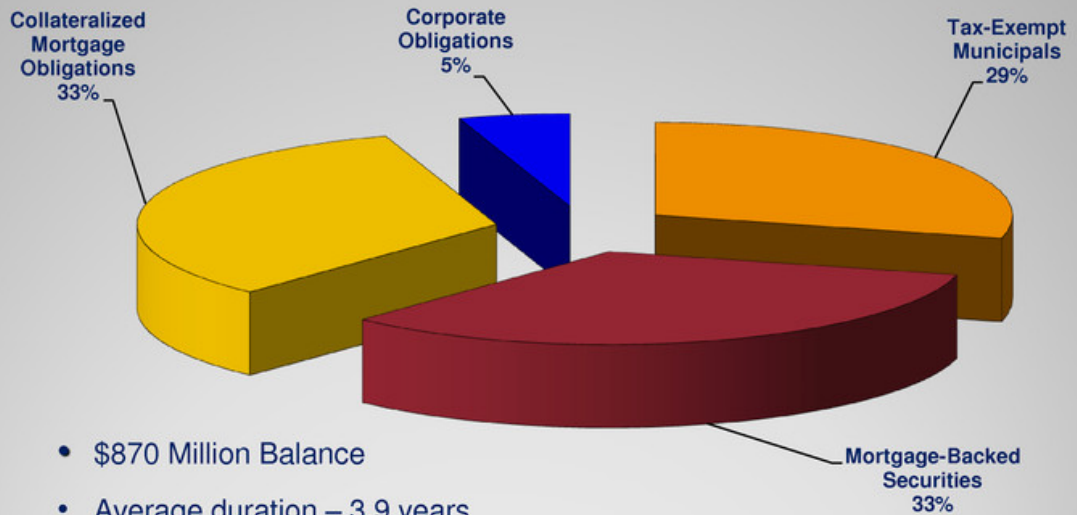
YTD Yield = 5.15%

Total = \$2.9B



Investment Portfolio

(as of 3/31/2013)



- \$870 Million Balance
- Average duration – 3.9 years
- Tax equivalent yield of 3.69%
- Net unrealized gain of \$33.8 million



Total Liabilities and Capital

(\$ in Millions)	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Customer Non-Maturity Deposits	\$2,196	\$2,479	\$2,273	\$2,482
2. Customer Time Deposits	816	739	836	706
3. Brokered Deposits	123	128	170	123
4. Borrowings	378	260	287	260
5. Other Liabilities	34	39	31	37
6. Hybrid Capital	111	107	111	107
7. Preferred Stock (SBLF)	91	91	91	68
8. Common Equity	<u>424</u>	<u>462</u>	<u>437</u>	<u>470</u>
9. Total Liabilities and Capital	\$4,173	\$4,305	\$4,236	\$4,253

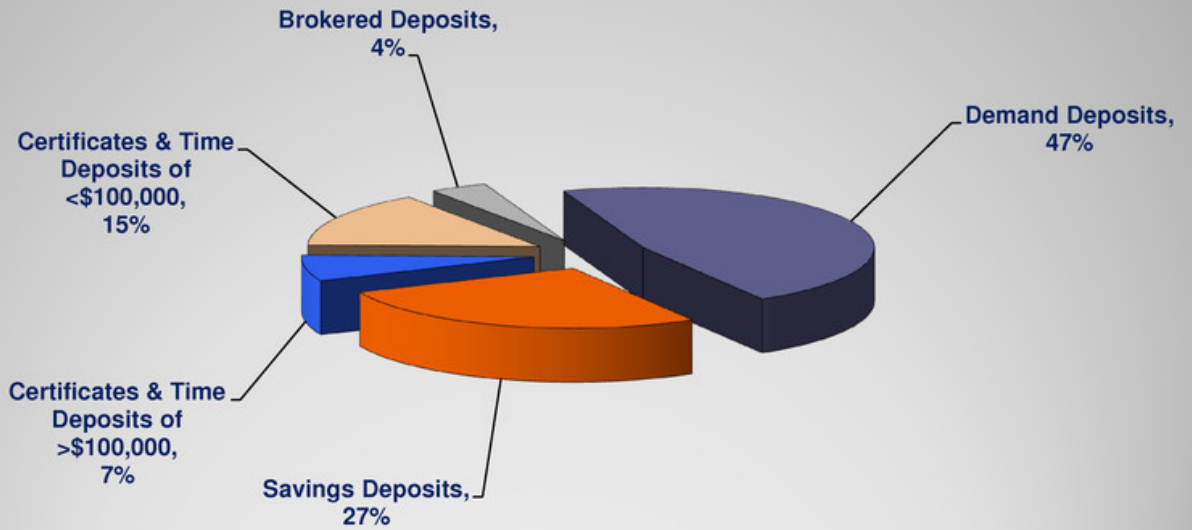


Deposits and Cost of Funds Detail

(as of 03/31/2013)

YTD Cost = .46%

Total = \$3.3B



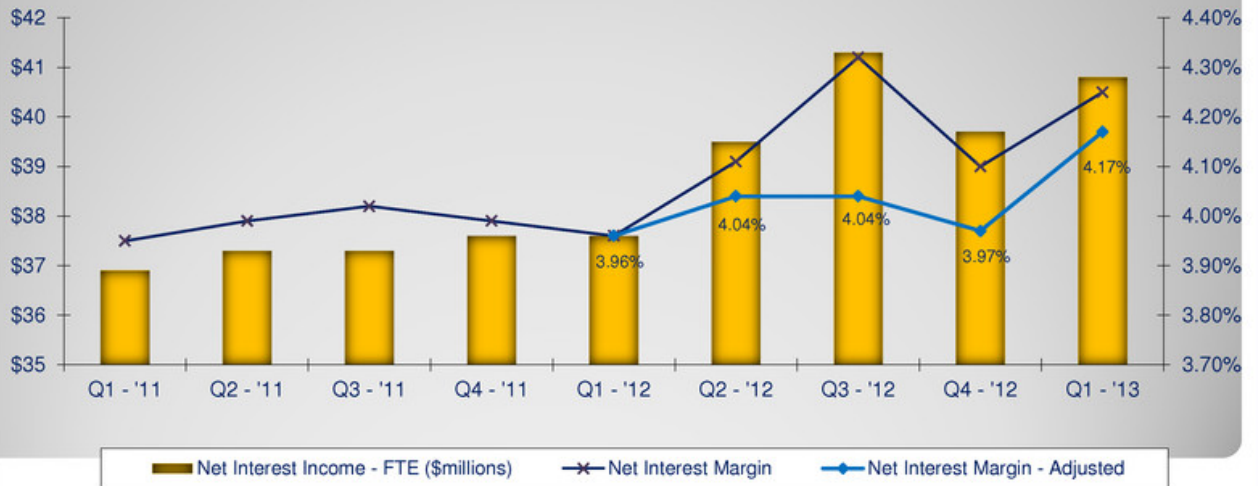
Capital Ratios

	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Total Risk-Based Capital Ratio	16.54%	16.34%	16.39%	15.91%
2. Tier 1 Risk-Based Capital Ratio	13.92%	14.15%	14.14%	14.03%
3. Leverage Ratio	10.17%	11.03%	10.61%	11.00%
4. Tier 1 Common Risk-Based Capital Ratio	8.83%	9.62%	9.20%	10.20%
5. TCE/TCA	6.84%	7.55%	7.07%	7.88%



Net Interest Margin

	Q1 - '11	Q2 - '11	Q3 - '11	Q4 - '11	Q1 - '12	Q2 - '12	Q3 - '12	Q4 - '12	Q1 - '13
Net Interest Income - FTE (\$millions)	\$ 36.9	\$ 37.3	\$ 37.3	\$ 37.6	\$ 37.6	\$ 39.5	\$ 41.3	\$ 39.7	\$ 40.8
Tax Equivalent Yield on Earning Assets	5.11%	5.04%	5.01%	4.83%	4.74%	4.75%	4.89%	4.58%	4.70%
Cost of Supporting Liabilities	1.16%	1.05%	0.99%	0.84%	0.78%	0.64%	0.57%	0.48%	0.45%
Net Interest Margin	3.95%	3.99%	4.02%	3.99%	3.96%	4.11%	4.32%	4.10%	4.25%



Non-Interest Income

(\$ in Millions)	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Service Charges on Deposit Accounts	\$12.0	\$11.6	\$ 2.8	\$ 2.7
2. Trust Fees	7.7	7.9	2.0	2.1
3. Insurance Commission Income	5.7	6.2	1.7	2.2
4. Electronic Card Fees	6.5	7.3	1.7	1.8
5. Cash Surrender Value of Life Ins	2.6	3.4	1.4	0.7
6. Gains on Sales Mortgage Loans	7.4	10.6	2.0	2.4
7. Securities Gains/Losses	2.0	2.4	0.8	0.2
8. Gain on FDIC-Modified Whole-Bank Transaction	–	9.1	9.1	–
9. Other	<u>5.2</u>	<u>5.8</u>	<u>1.2</u>	<u>1.8</u>
10. Total	\$49.1	\$64.3	\$22.7	\$13.9
11. Adjusted Non-Interest Income ¹	\$47.1	\$52.8	\$12.8	\$13.7

¹Adjusted for Bond Gains & Losses and Gain on FDIC-Modified Whole-Bank Transaction

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Non-Interest Expense

(\$ in Millions)	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Salary & Benefits	\$ 74.7	\$ 79.4	\$19.4	\$20.8
2. Premises & Equipment	16.9	17.4	4.4	4.4
3. Core Deposit Intangible	3.5	1.9	0.5	0.4
4. Professional Services	2.2	2.3	0.7	0.6
5. OREO/Credit-Related Expense	10.6	8.2	2.2	1.9
6. FDIC Expense	5.5	3.5	1.1	0.7
7. Outside Data Processing	5.7	5.7	1.4	1.5
8. Marketing	2.0	2.2	0.4	0.5
9. Other	<u>14.8</u>	<u>16.5</u>	<u>3.9</u>	<u>3.9</u>
10. Non-Interest Expense	\$135.9	\$137.1	\$34.0	\$34.7



Earnings

(\$ in Millions)	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>
1. Net Interest Income-FTE ¹	\$149.1	\$153.5	\$ 37.6	\$ 40.0
2. Non Interest Income ²	47.1	52.8	12.8	13.7
3. Non Interest Expense	(135.9)	(137.1)	(34.0)	(34.7)
4. Pre-Tax Pre-Provision Earnings	\$ 60.3	\$ 69.2	\$ 16.4	\$ 19.0
5. Provision	(22.6)	(18.5)	(4.9)	(2.1)
6. Adjustments ^{1, 2}	2.0	16.1	9.9	1.0
7. Taxes – FTE	(14.4)	(21.7)	(7.1)	(6.0)
8. Gain/(Loss) on CPP/Trust Preferred	(12.3)	–	–	–
9. Preferred Stock Dividend	(4.0)	(4.5)	(1.1)	(0.9)
10. Net Income Avail. for Distribution	\$ 9.0	\$ 40.6	\$ 13.2	\$ 11.0
11. EPS	\$ 0.34	\$ 1.41	\$ 0.46	\$ 0.38

¹Adjusted for Fair Market Value Accretion

²Adjusted for Bond Gains & Losses and Gain on FDIC-Modified Whole-Bank Transaction

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Earnings Per Share

<u>2011</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.17	\$.18	(\$.25)	\$.24	\$.34
2. Adjusted	\$.17	\$.18	\$.21 ¹	\$.24	\$.80
<u>2012</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.46	\$.28	\$.35	\$.32	\$1.41
2. Adjusted ²	\$.25	\$.26	\$.29	\$.29	\$1.09
<u>2013</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Reported	\$.38	—	—	—	\$.38
2. Adjusted ²	\$.36	—	—	—	\$.36

¹Adjusted for gains and losses on CPP/Trust Preferred refinance and repayment net of taxes (Line 8 on slide 15)

²Adjusted for gain on FDIC-Modified Whole-Bank Transaction and Fair Market Value Accretion

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John J. Martin

Executive Vice President
and Chief Credit Officer



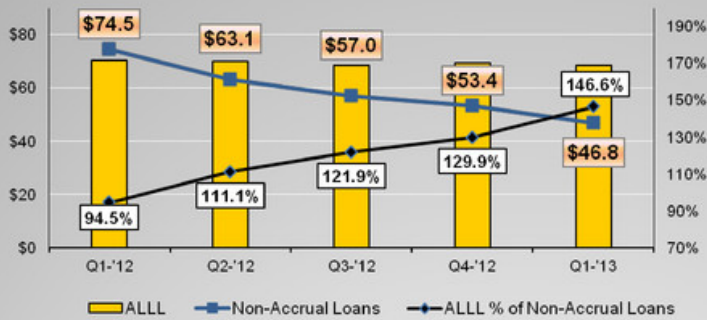
Asset Quality Summary

(\$ in Millions)

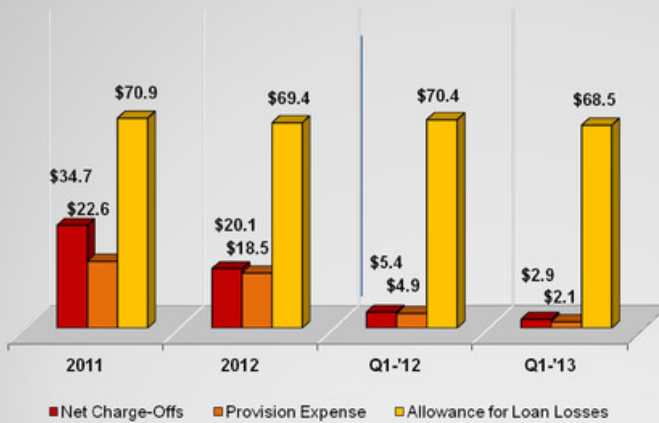
	<u>2011</u>	<u>2012</u>	<u>Q1-'12</u>	<u>Q1-'13</u>	<u>Change Linked Qtr.</u>	<u>% Change Year over Year</u>
1. Non-Accrual Loans	\$ 69.6	\$ 53.4	\$ 74.5	\$ 46.8	(12.4%)	(37.2%)
2. Other Real Estate	16.3	13.3	15.6	13.1	(1.5%)	(16.0%)
3. Renegotiated Loans	14.3	12.7	6.7	5.4	(57.5%)	(19.4%)
4. 90+ Days Delinquent Loans	0.6	2.0	0.2	1.0	(50.0%)	400.0%
5. Specific Reserves	7.6	4.2	5.9	3.6	(14.3%)	(39.0%)
6. Allowance for Loan and Lease Losses	70.9	69.4	70.4	68.5	(1.3%)	(2.7%)
7. ALLL/Non-Accrual Loans	101.9%	129.9%	94.5%	146.6%	12.9%	55.1%
8. Classified Assets	\$227.2	\$184.4	\$225.2	\$172.7	(6.4%)	(23.3%)
9. Criticized Assets (includes Classified)	\$319.2	\$250.2	\$341.2	\$242.7	(3.0%)	(28.9%)



Net Charge-Offs, Provision & Allowance



Allowance coverage of non-accrual loans increases to 146.6%



Allowance to loans at 2.36%

Q1 gross charge-offs \$6.6MM offset by recoveries of \$3.7MM



Non-Performing Asset Reconciliation

(\$ in Millions)	Q2-'12	Q3-'12	Q4-'12	Q1-'13
1. Beginning Balance NPA's & 90+ Days Delinquent	\$97.0	\$81.9	\$79.6	\$81.4
Non-Accrual				
2. Add: New Non-Accruals	6.6	8.3	6.8	6.9
3. Less: To Accrual/Payoff/Renegotiated	(9.2)	(5.1)	(3.2)	(3.7)
4. Less: To OREO	(1.1)	(1.5)	(1.6)	(3.2)
5. Less: Charge-offs	<u>(7.6)</u>	<u>(7.8)</u>	<u>(5.6)</u>	<u>(6.6)</u>
6. Increase / (Decrease): Non-Accrual Loans	(11.3)	(6.1)	(3.6)	(6.6)
Other Real Estate Owned (ORE)				
7. Add: New ORE Properties	1.1	1.5	1.6	3.2
8. Less: ORE Sold	(1.6)	(1.1)	(1.4)	(2.3)
9. Less: ORE Losses (write-downs)	<u>(0.9)</u>	<u>(0.8)</u>	<u>(0.7)</u>	<u>(1.0)</u>
10. Increase / (Decrease): ORE	(1.4)	(0.4)	(0.5)	(0.1)
11. Increase / (Decrease): 90+ Days Delinquent	0.4	1.3	0.1	(1.1)
12. Increase / (Decrease): Restructured Loans	<u>(2.8)</u>	<u>2.9</u>	<u>5.8</u>	<u>(7.3)</u>
13. Total NPA Change	<u>(15.1)</u>	<u>(2.3)</u>	<u>1.8</u>	<u>(15.1)</u>
14. Ending Balance NPA's & 90+ Days Delinquent	<u>\$81.9</u>	<u>\$79.6</u>	<u>\$81.4</u>	<u>\$66.3</u>



Loan Portfolio Trends

(\$ in Millions)

	2011	2012	Q1-'12	Q1-'13	Change		Year over Year \$	Year over Year %
					Linked Quarter \$	Linked Quarter %		
1. Commercial & Industrial	\$532.5	\$622.6	\$ 546.3	\$638.0	\$ 15.4	2.5%	\$ 91.7	16.8%
2. Construction (land and land development)	81.8	98.6	92.7	75.9	(22.7)	(23.0%)	(16.8)	(18.1%)
3. CRE Non-Owner Occupied	598.1	706.3	632.7	722.1	15.8	2.2%	89.4	14.1%
4. CRE Owner Occupied	464.7	434.2	466.3	434.5	0.3	0.1%	(31.8)	(6.8%)
5. Agricultural Production	104.5	112.5	97.2	104.3	(8.2)	(7.3%)	7.1	7.3%
6. Agricultural Land	131.4	126.2	130.1	123.9	(2.3)	(1.8%)	(6.2)	(4.8%)
7. Residential Mortgage	499.4	495.8	520.5	494.2	(1.6)	(0.3%)	(26.3)	(5.1%)
8. Home Equity	191.6	203.5	210.6	201.8	(1.7)	(0.8%)	(8.8)	(4.2%)
9. Other Non-Consumer	39.5	46.5	36.9	38.1	(8.4)	(18.1%)	1.2	3.3%
10. Other Consumer	87.8	78.3	81.8	73.3	(5.0)	(6.4%)	(8.5)	(10.4%)
11. Total Loans	\$2,731.3	\$2,924.5	\$ 2,815.1	\$ 2,906.1	\$(18.4)	(0.6%)	\$ 91.0	3.2%



Michael C. Rechin

President
and Chief Executive Officer



www.firstmerchants.com

THE STRENGTH OF BIG. THE SERVICE OF SMALL.

FMC Strategy

“Service-driven alternative to super-regional bank competitors.
Deliver superior service with presence close to the customer for . . .”

- Retail Banking
- Commercial Banking
 - Middle Market
 - Agriculture
 - Healthcare Services
 - Real Estate
- Business Banking
- Cash Management
- Mortgage Banking
- Trust Services (Fiduciary, Custody)
- Insurance Products

“We specialize in our communities”

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2013 Recap and Outlook

- Building on Our 120-Year History
- Specific Key Projects for Compliance, Revenue and Efficiency
- Promoted Chief Credit Officer to Executive Vice President
- Continue to Assess M&A Environment Opportunities
- Evaluate Hybrid Capital Structure Alternatives



“The Strength of Big. The Service of Small.”

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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

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David L. Ortega

Investor Relations

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