





First Merchants Corporation

Exhibit No. 99

Press Release, dated July 21, 2003

N / E / W / S      R / E / L / E / A / S / E

July 21, 2003

FOR IMMEDIATE RELEASE

For more information, contact:

Mark K. Hardwick, Senior Vice President/Chief Financial Officer

765-751-1857

<http://firstmerchants.com>

SOURCE: First Merchants Corporation

FIRST MERCHANTS ANNOUNCES RECORD QUARTER AS EARNINGS PER SHARE REACH \$.50

First Merchants Corporation (NASDAQ - FRME) has reported that second quarter 2003 diluted earnings per share increased 4.2% to \$.50, up from \$.48 in the prior year. Net income increased \$805,000, or 10.1%, from \$7,940,000 to \$8,745,000 during the same period.

Year-to-date diluted earnings reached \$.84 per share compared to \$.89 in 2002. Year-to-date net income increased \$990,000, or 7.4%, from \$13,413,000 to \$14,403,000.

Total assets reached \$3.1 billion as total loans outstanding reached \$2.3 billion, an increase of \$365 million, or 18.5%.

Michael L. Cox, President and Chief Executive Officer, commented that, "given a challenging economic environment, a record-low interest rate environment coupled with the Corporation's conservative asset sensitive interest rate risk position, earnings for the quarter are very positive." Cox also added, "Gains from the sale of fixed rate mortgage loans have exceeded all budget expectations for 2003 and has significantly aided the Corporation's earnings per share."

Total non-performing assets increased from .91% of total loans in the second quarter of 2002 to 1.30% as of June 30, 2003. The Corporation's allowance for loan losses also increased to 1.31% versus 1.11% during the same period last year. The increase in non-performing loans has caused the Corporation to increase the provision for loan and lease losses from \$2,476,000 in 2002 to \$6,724,000. The increase represents \$.15 per share.

Merchants Trust Company, in an effort to leverage the Corporation's current banking relationships, has expand into additional growth markets by opening offices in Indianapolis and Columbus, Ohio during the quarter.

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 3:30 p.m. Eastern Standard Time on Monday, July 21, 2003. To participate dial 888-710-8192 and reference First Merchants Corporation's second quarter earnings release. A digital recording will be available two hours after the completion of the conference from July 21, 2003, to July 23, 2003. To access, US/Canada guests should call 800-642-1687 or for International/Local guests, call 706-645-9291 and enter the Conference I.D. 1669081.

Detailed financial results are reported on the attached pages.

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. Subsidiaries of the Corporation include First Merchants Bank in Delaware and Hamilton Counties, Madison Community Bank in Madison County, First United Bank in Henry County, Union County National Bank (with offices in Union, Fayette, Wayne, and Butler (OH) Counties), The Randolph County Bank, First National Bank of Portland in Jay County, Decatur Bank & Trust Company in Adams County, and Frances Slocum Bank (with offices in Wabash, Howard, and Miami Counties) and Lafayette Bank & Trust Company (with offices in Carrol, Jasper, White, and Tippecanoe Counties). The Corporation also operates First Merchants Insurance Services, a full-service property casualty, personal lines, and healthcare insurance agency, headquartered in Muncie, Indiana, and is a majority member of Indiana Title Insurance Company, LLC, a title insurance agency.

First Merchants Corporation's common stock is traded over-the-counter on the NASDAQ National Market System under the symbol FRME and is rated A+ by Standard & Poor's Corporation. Quotations are carried in daily newspapers and can be found on the company's Internet web page (<http://www.firstmerchants.com>). Eleven brokerage firms make a market in First Merchants Corporation stock: Midwest Research First Tennessee; Keefe, Bruyette & Woods, Inc.; Knight Securities, L.P.; Herzog, Heine, Geduld, Inc.; Howe Barnes Investments, Inc.; Sandler O'Neill & Partners; NatCity Investments, Inc.; Sherwood Securities Corp.; Spear, Leeds & Kellogg; RBC Capital Markets; and Stifel, Nicolaus & Company, Inc.

\* \* \* \*

CONSOLIDATED BALANCE SHEETS

(in thousands)

June 30,

	2003	2002
<b>Assets</b>		
Cash and due from banks	\$ 89,126	\$ 93,420
Federal funds sold	14,150	43,587
	-----	-----
Cash and cash equivalents	103,276	137,007
Interest-bearing time deposits	8,777	14,577
Investment securities	363,103	361,076
Mortgage loans held for sale	15,151	203
Loans, net of allowance for loan losses of \$30,639 and \$21,963	2,293,937	1,952,211
Premises and equipment	39,313	39,292
Federal Reserve and Federal Home Loan Bank stock	13,933	11,036
Interest receivable	16,592	17,701
Core deposit intangibles and goodwill	144,663	106,622
Cash surrender value of life insurance	34,575	13,976
Other assets	23,641	10,283
	-----	-----
Total assets	\$ 3,056,961	\$ 2,663,984
	=====	=====
<b>Liabilities</b>		
Deposits		
Noninterest-bearing	\$ 324,735	\$ 259,353
Interest-bearing	1,988,593	1,797,188
	-----	-----
Total deposits	2,313,328	2,056,541
Borrowings	417,669	337,525
Interest payable	5,494	7,248
Other liabilities	19,460	11,240
	-----	-----
Total liabilities	2,755,951	2,412,554
<b>Stockholders' equity</b>		
Preferred stock, no-par value		
Authorized and unissued -- 500,000 shares		
Common stock, \$.125 stated value		
Authorized -- 50,000,000 shares		
Issued and outstanding - 17,531,597 and 16,209,538	2,191	2,026
Additional paid-in capital	148,406	114,064
Retained earnings	144,457	131,222
Accumulated other comprehensive income	5,956	4,118
	-----	-----
Total stockholders' equity	301,010	251,430
	-----	-----
Total liabilities and stockholders' equity	\$ 3,056,961	\$ 2,663,984
	=====	=====

FINANCIAL HIGHLIGHTS

(In thousands)	Three Months Ended		Six Months Ended	
	2003	2002	2003	2002
NET CHARGE OFF'S	\$ 1,217	\$ 1,351	\$ 2,229	\$ 2,556
<b>AVERAGE BALANCES</b>				
Total Assets	\$3,001,760	\$2,559,421	\$2,868,161	\$2,158,146
Total Loans	2,313,688	1,951,648	2,212,932	1,656,355
Total Deposits	2,278,743	1,991,318	2,179,316	1,690,418
Total Stockholders' Equity	297,214	247,652	285,143	214,754

FINANCIAL RATIOS

Return on Average Assets	1.17%	1.24%	1.00%	1.24%
Return on Avg. Stockholders' Equity	11.77	12.82	10.10	12.49
Avg. Earning Assets to Avg. Assets	90.14	90.46	90.15	91.63
Allowance for Loan Losses as % Of Total Loans	1.31	1.11	1.31	1.11
Net Charge Off's as % Of Avg. Loans (Annualized)	.21	.28	.20	.31
Dividend Payout Ratio	46.00	45.83	54.76	49.44
Avg. Stockholders' Equity to Avg. Assets	9.90	9.68	9.94	9.95
Tax Equivalent Yield on Earning Assets	5.99	7.02	6.23	6.96
Cost of Supporting Liabilities	2.01	2.52	2.06	2.51

Net Int. Margin (FTE) on Earning Assets

3.98

4.50

4.17

4.45

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest Income				
Loans receivable				
Taxable	\$ 35,759	\$ 34,875	\$ 70,932	\$ 59,142
Tax exempt	162	126	327	234
Investment securities				
Taxable	1,600	2,641	3,279	4,544
Tax exempt	1,626	1,670	3,257	2,657
Federal funds sold	177	84	290	265
Deposits with financial institutions	19	84	41	106
Federal Reserve and Federal Home Loan Bank stock	211	198	409	322
	-----	-----	-----	-----
Total interest income	39,554	39,678	78,535	67,269
	-----	-----	-----	-----
Interest expense				
Deposits	9,048	10,842	17,932	19,070
Securities sold under repurchase agreements	454	501	903	1,041
Federal Home Loan Bank advances	2,395	2,101	4,668	3,524
Trust preferred securities	1,259	962	2,465	962
Other borrowings	443	190	602	212
	-----	-----	-----	-----
Total interest expense	13,599	14,596	26,570	24,809
	-----	-----	-----	-----
Net interest income	25,955	25,082	51,965	42,460
Provision for loan losses	2,123	1,284	6,724	2,476
	-----	-----	-----	-----
Net interest income after provision for loan losses	23,832	23,798	45,241	39,984
	-----	-----	-----	-----
Other income				
Fiduciary activities	1,889	1,751	3,586	3,120
Service charges on deposit accounts	2,743	2,563	5,527	4,009
Other customer fees	1,036	1,064	2,124	1,968
Net realized gains on sales of available-for-sale securities	67	290	438	408
Commission income	707	518	1,461	1,060
Other income	4,711	865	6,303	1,650
	-----	-----	-----	-----
Total other income	11,153	7,051	19,439	12,215
	-----	-----	-----	-----
Other expenses				
Salaries and employee benefits	12,902	10,422	24,679	17,695
Net occupancy expenses	1,200	966	2,291	1,700
Equipment expenses	2,016	1,892	3,860	2,968
Marketing expense	411	356	845	664
Deposit insurance expense		75		147
Outside data processing fees	1,102	897	2,030	1,706
Printing and office supplies	432	429	839	767
Goodwill and core deposit amortization	991	815	1,819	1,053
Other expenses	3,881	3,086	8,013	5,242
	-----	-----	-----	-----
Total other expenses	22,935	18,938	44,376	31,942
	-----	-----	-----	-----
Income before income tax	12,050	11,911	20,304	20,257
Income tax expense	3,305	3,971	5,901	6,844
	-----	-----	-----	-----
Net income	\$ 8,745	\$ 7,940	\$ 14,403	\$ 13,413
	=====	=====	=====	=====
Per Share Data				
Basic Net Income	.50	.49	.84	.90
Diluted Net Income	.50	.48	.84	.89
Cash Dividends Paid	.23	.22	.46	.44

CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30,	March 31,	December 31,	September 30,	June 30,
	2003	2003	2002	2002	2002
<b>Assets</b>					
Cash and due from banks	\$ 89,126	\$ 81,789	\$ 87,638	\$ 73,223	\$ 93,420
Federal funds sold	14,150	54,925	31,400	8,750	43,587
<hr/>					
Cash and cash equivalents	103,276	136,714	119,038	81,973	137,007
Interest-bearing time deposits	8,777	5,170	3,568	10,222	14,577
Investment securities	363,103	333,692	342,062	345,452	361,076
Mortgage loans held for sale	15,151	13,558	21,545	14,089	6,518
Loans	2,324,576	2,291,178	2,004,377	1,994,038	1,967,859
Less: Allowance for loan losses	(30,639)	(29,733)	(22,417)	(22,147)	(21,963)
<hr/>					
Net loans	2,293,937	2,261,445	1,981,960	1,971,891	1,945,896
Premises and equipment	39,313	38,861	38,645	39,179	39,292
Federal Reserve and Federal Home Loan Bank stock	13,933	13,912	11,409	11,097	11,036
Interest receivable	16,592	16,789	17,346	18,622	17,701
Core deposit intangibles and goodwill	144,663	141,226	107,217	106,753	106,622
Cash surrender value of life insurance	34,575	14,567	14,309	14,143	13,976
Other assets	23,641	23,088	21,588	16,065	10,283
<hr/>					
Total assets	\$ 3,056,961	\$ 2,999,022	\$ 2,678,687	\$ 2,629,486	\$ 2,663,984
<hr/>					
<b>Liabilities</b>					
<b>Deposits</b>					
Noninterest-bearing	\$ 324,735	\$ 289,835	\$ 272,128	\$ 246,410	\$ 259,353
Interest-bearing	1,988,593	1,996,836	1,764,560	1,773,325	1,797,188
<hr/>					
Total deposits	2,313,328	2,286,671	2,036,688	2,019,735	2,056,541
Borrowings	417,669	388,821	356,927	328,933	337,525
Interest payable	5,494	5,694	6,019	6,813	7,248
Other liabilities	19,460	28,212	17,924	14,132	11,240
<hr/>					
Total liabilities	2,755,951	2,709,398	2,417,558	2,369,613	2,412,554
<hr/>					
<b>Stockholders' equity</b>					
Preferred stock, no-par value					
Authorized and unissued -- 500,000 shares					
Common stock, \$.125 stated value					
Authorized -- 50,000,000 shares					
Issued and outstanding	2,191	2,188	2,040	2,039	2,026
Additional paid-in capital	148,406	143,615	116,503	116,204	114,064
Retained earnings	144,457	139,743	138,110	135,266	131,222
Accumulated other comprehensive income	5,956	4,078	4,476	6,364	4,118
<hr/>					
Total stockholders' equity	301,010	289,624	261,129	259,873	251,430
<hr/>					
Total liabilities and stockholders' equity	\$ 3,056,961	\$ 2,999,022	\$ 2,678,687	\$ 2,629,486	\$ 2,663,984
<hr/>					

NON-PERFORMING ASSETS

(In thousands)

	June 30,	March 31,	December 31,	September 30,	June 30,
	2003	2003	2002	2002	2002
90 days past due	\$ 5,295	\$ 3,552	\$ 6,676	\$ 9,786	\$ 6,030
Non-accrual loans	22,532	19,747	14,134	13,285	10,911
Other real estate	2,351	1,841	1,691	868	898
<hr/>					
Total non-performing assets	\$ 30,178	\$ 25,140	\$ 22,501	\$ 23,939	\$ 17,839
<hr/>					
Average total loans for the quarter	\$2,313,688	\$2,111,056	\$ 2,066,616	\$ 1,984,323	\$1,951,648
<hr/>					
Total non-performing assets as a percent of average total loans	1.30%	1.19%	1.09%	1.21%	.91%
<hr/>					
Restructured loans	\$ 899	\$ 2,194	\$ 2,508	\$ 2,326	\$ 2,771

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)	Three Months Ended				
	June 30, 2003	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002
<b>Interest Income</b>					
Loans receivable					
Taxable	\$ 35,759	\$ 35,173	\$ 34,775	\$ 35,362	\$ 34,875
Tax exempt	162	165	235	169	126
Investment securities					
Taxable	1,600	1,679	2,100	2,442	2,641
Tax exempt	1,626	1,631	1,740	1,793	1,670
Federal funds sold	177	113	169	123	84
Deposits with financial institutions	19	22	38	53	84
Federal Reserve and Federal Home Loan Bank stock	211	198	208	206	198
	-----	-----	-----	-----	-----
Total interest income	39,554	38,981	39,265	40,148	39,67
	-----	-----	-----	-----	-----
<b>Interest expense</b>					
Deposits	9,048	8,884	9,934	10,696	10,842
Securities sold under repurchase agreements	454	449	502	517	501
Federal Home Loan Bank advances	2,395	2,273	2,359	2,283	2,101
Trust preferred securities	1,259	1,206	1,181	1,181	962
Other borrowings	443	159	154	143	190
	-----	-----	-----	-----	-----
Total interest expense	13,599	12,971	14,130	14,820	14,596
	-----	-----	-----	-----	-----
Net interest income	25,123	26,010	25,135	25,328	25,082
Provision for loan losses	2,123	4,601	2,877	1,821	1,284
	-----	-----	-----	-----	-----
Net interest income after provision for loan losses	23,832	21,409	22,258	23,507	23,798
	-----	-----	-----	-----	-----
<b>Other income</b>					
Fiduciary activities	1,889	1,697	1,487	1,651	1,751
Service charges on deposit accounts	2,743	2,784	2,695	2,626	2,563
Other customer fees	1,036	1,088	993	957	1,064
Net realized gains on sales of available-for-sale securities	67	371	169	162	290
Commission income	707	754	586	557	518
Other income	4,711	1,592	1,286	1,693	865
	-----	-----	-----	-----	-----
Total other income	11,153	8,286	7,216	7,646	7,051
	-----	-----	-----	-----	-----
<b>Other expenses</b>					
Salaries and employee benefits	12,902	11,777	10,849	10,606	10,422
Net occupancy expenses	1,200	1,091	933	999	966
Equipment expenses	2,016	1,844	1,861	1,880	1,892
Marketing expense	411	434	416	415	356
Deposit insurance expense			104	143	75
Outside data processing fees	1,102	928	940	1,018	897
Printing and office supplies	432	407	442	388	429
Goodwill and core deposit amortization	991	828	750	786	815
Other expenses	3,881	4,132	3,591	2,952	3,086
	-----	-----	-----	-----	-----
Total other expenses	22,935	21,441	19,886	19,187	18,938
	-----	-----	-----	-----	-----
Income before income tax	12,050	8,254	9,588	11,966	11,911
Income tax expense	3,305	2,596	2,998	4,139	3,971
	-----	-----	-----	-----	-----
Net income	\$ 8,745	\$ 5,658	\$ 6,590	\$ 7,827	\$ 7,940
	=====	=====	=====	=====	=====
<b>Per Share Data(1)</b>					
Basic Net Income	\$ .50	\$ .34	\$ .40	\$ .49	\$ .49
Diluted Net Income	.50	.34	.40	.48	.48
Cash Dividends Paid	.23	.23	.23	.23	.22

(1) Restated for a five percent (5%) stock dividend distributed September 2002.