

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 20, 2005

FIRST MERCHANTS CORPORATION
(Exact name of registrant as specified in its charter)

INDIANA (State or other jurisdiction of incorporation)	0-17071 (Commission file number)	35-1544218 (IRS Employer Identification No.)
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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))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 20, 2005, First Merchants Corporation issued a press release to report its financial results for the first quarter ended March 31, 2005. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit No. 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section. The information in this Current Report shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

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

Exhibit 99.1 Press Release, dated April 20, 2005, issued 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
Senior Vice President and
Chief Financial Officer
(Principal Financial and Chief
Accounting Officer)

Dated: April 20, 2005

EXHIBIT INDEX

Exhibit No.

99.1

Description

Press Release, dated April 20, 2005, issued by
First Merchants Corporation.

First Merchants Corporation

Exhibit No. 99.1

Press Release, dated April 20, 2005

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

April 20, 2005

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, Muncie, Indiana

FIRST MERCHANTS CORPORATION ANNOUNCES FIRST QUARTER EARNINGS PER SHARE OF \$.35

First Merchants Corporation (NASDAQ - FRME) has reported first quarter diluted earnings per share totaling \$.35, a 4.6 percent decrease over \$.37 recorded in the first quarter of 2004. Net income during the period totaled \$6.6 million compared to \$6.9 million in 2004.

Quarterly net interest income improved by \$1.3 million, or 5.1 percent and non-interest income improved by \$830,000, or 10.1 percent. Core operating expenses remained flat compared to the prior quarter. However, as reported in the Corporation's 8-K filing of February 16, 2005, a \$1.6 million expense related to the curtailment of the Corporation's defined benefit pension plan resulted in increased operating expenses of \$1.7 million. The earnings per share impact of the curtailment expense totaled \$.05 per share.

The provision for loan losses increased by \$1.3 million based on the Corporation's allowance for loan loss methodology. As of March 31, 2005, non-performing loans totaled 71 basis points of average total loans and the allowance for loan losses as a percent of total loans equaled 1.01 percent.

Total assets equaled \$3.2 billion at quarter-end, an increase of \$162 million, or 5.4 percent from March 31, 2004. Loans, investments and bank owned life insurance, the Corporation's three primary earning assets, totaled \$2.9 billion, an increase of \$129 million over the prior year.

On January 1, 2005, the Corporation combined Randolph County Bank and Union County National Bank and renamed the combined entity United Communities National Bank. The data conversions are complete and the related expenses are reflected in first quarter results.

Michael L. Cox, President and Chief Executive Officer, stated that, "Management was pleased with core earnings before the increased provision expense and the curtailment expense approximating \$.10 per share. To have the burden of a volatile defined benefit pension plan behind us and our allowance for loan losses equal to 1.01 percent of loans positions our earnings well for the remainder of the year."

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 2:30 p.m. Eastern Standard Time/3:30 p.m. Eastern Daylight Time on Wednesday, April 20, 2005. To participate dial (Toll Free) 877-407-9210 and reference First Merchants Corporation's first quarter earnings release. A replay will be available until April 27, 2005. To access, US/Canada participants should dial (Toll Free) 877-660-6853 or for International participants, dial 201-612-7415. The replay will require the Account # 286 and Conference ID # 148455.

During the call we may make Forward Looking statements about our relative business outlook. These Forward Looking statements and all other statements made during the call 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.

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, NA, Madison Community Bank, First United Bank, United Communities National Bank, First National Bank, Decatur Bank & Trust Company, Frances Slocum Bank, Lafayette Bank & Trust Company, Commerce National Bank and Merchants Trust Company. 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. Quotations are carried in daily newspapers and can be found on the company's Internet web page (<http://www.firstmerchants.com>).

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CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31,	
	2005	2004
Assets		
Cash and due from banks	\$ 67,904	\$ 60,366
Federal funds sold	22,075	0
	-----	-----
Cash and cash equivalents	89,979	60,366
Interest-bearing time deposits	10,737	10,674
Investment securities	409,820	376,974
Mortgage loans held for sale	3,084	3,883
Loans	2,414,099	2,320,103
Less: Allowance for loan losses	(24,488)	(26,459)
	-----	-----
Net loans	2,389,611	2,293,644
Premises and equipment	37,525	38,972
Federal Reserve and Federal Home Loan Bank stock	22,883	21,956
Interest receivable	16,606	15,061
Core deposit intangibles and goodwill	140,578	141,867
Cash surrender value of life insurance	42,426	40,843
Other assets	24,337	20,901
	-----	-----
Total assets	\$ 3,187,586	\$ 3,025,141
	=====	=====
Liabilities		
Deposits		
Noninterest-bearing	\$ 333,614	\$ 303,694
Interest-bearing	2,118,605	2,009,726
	-----	-----
Total deposits	2,452,219	2,313,420
Borrowings	391,193	372,356
Interest payable	6,562	4,542
Other liabilities	27,014	25,676
	-----	-----
Total liabilities	2,876,988	2,715,994
Stockholders' equity		
Preferred stock, no-par value		
Authorized and unissued -- 500,000 shares		
Common stock, \$.125 stated value		
Authorized -- 50,000,000 shares		
Issued and outstanding -- 18,497,462 and 18,532,769 shares	2,312	2,317
Additional paid-in capital	148,347	150,679
Retained earnings	163,761	151,771
Accumulated other comprehensive income	(3,822)	4,380
	-----	-----
Total stockholders' equity	310,598	309,147
	-----	-----
Total liabilities and stockholders' equity	\$ 3,187,586	\$ 3,025,141
	=====	=====

FINANCIAL HIGHLIGHTS

(In thousands)	Three Months Ended	
	March 31,	
	2005	2004
NET CHARGE OFF'S	\$ 727	\$ 406
AVERAGE BALANCES		
Total Assets	\$3,163,548	\$3,041,837
Total Loans	2,414,050	2,339,080
Total Deposits	2,418,910	2,312,708
Total Stockholders' Equity	315,326	306,592
FINANCIAL RATIOS		
Return on Average Assets	.83%	.91%
Return on Avg. Stockholders' Equity	8.33	9.05
Avg. Earning Assets to Avg. Assets	90.61	90.05
Allowance for Loan Losses as % Of Total Loans	1.01	1.14
Net Charge Off's as % Of Avg. Loans (Annualized)	.12	.07
Dividend Payout Ratio	65.71	62.16
Avg. Stockholders' Equity to Avg. Assets	9.97	10.08
Tax Equivalent Yield on Earning Assets	5.90	5.71
Cost of Supporting Liabilities	2.01	1.84
Net Int. Margin(FTE) on Earning Assets	3.89	3.87

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

Three Months Ended
March 31,
2005 2004

Interest income		
Loans receivable		
Taxable	\$ 36,822	\$ 34,227
Tax exempt	134	163
Investment securities		
Taxable	2,329	1,949
Tax exempt	1,553	1,430
Federal funds sold	27	18
Deposits with financial institutions	142	109
Federal Reserve and Federal Home Loan Bank stock	308	328
	-----	-----
Total interest income	41,315	38,224
	-----	-----
Interest expense		
Deposits	9,806	8,190
Securities sold under repurchase agreements	249	220
Federal Home Loan Bank advances	2,375	2,442
Subordinated debentures, revolving credit and term loans	1,789	1,234
Other borrowings	154	506
	-----	-----
Total interest expense	14,373	12,592
	-----	-----
Net interest income	26,942	25,632
Provision for loan losses	2,667	1,372
	-----	-----
Net interest income after provision for loan losses	24,275	24,260
	-----	-----
Other income		
Fiduciary activities	1,962	1,810
Service charges on deposit accounts	2,723	2,772
Other customer fees	1,085	1,070
Net realized gains on sales of available-for-sale securities		37
Commission income	1,504	953
Earnings on cash surrender value of life insurance	401	429
Net gains and fees on sales of loans	677	801
Other income	694	344
	-----	-----
Total other income	9,046	8,216
	-----	-----
Other expenses		
Salaries and employee benefits	14,821	13,024
Net occupancy expenses	1,376	1,254
Equipment expenses	1,857	1,979
Marketing expense	415	440
Outside data processing fees	1,009	1,223
Printing and office supplies	337	398
Goodwill and core deposit amortization	787	892
Other expenses	3,629	3,354
	-----	-----
Total other expenses	24,231	22,564
	-----	-----
Income before income tax	9,090	9,912
Income tax expense	2,523	2,977
	-----	-----
Net income	\$ 6,567	\$ 6,935
	=====	=====
Per Share Data		
Basic Net Income	.35	.37
Diluted Net Income	.35	.37
Cash Dividends Paid	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,697	18,646

CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
Assets					
Cash and due from banks	\$ 67,904	\$ 69,960	\$ 73,367	\$ 72,432	\$ 60,366
Federal funds sold	22,075		22,700		
Cash and cash equivalents	89,979	69,960	96,067	72,432	60,366
Interest-bearing time deposits	10,737	9,343	12,204	20,424	10,674
Investment securities	409,820	421,535	420,645	411,140	376,974
Mortgage loans held for sale	3,084	3,367	2,715	4,001	3,883
Loans	2,414,099	2,428,051	2,395,306	2,365,380	2,320,103
Less: Allowance for loan losses	(24,488)	(22,548)	(25,243)	(25,510)	(26,459)
Net loans	2,389,611	2,405,503	2,370,063	2,339,870	2,293,644
Premises and equipment	37,525	38,254	38,170	38,437	38,972
Federal Reserve and Federal Home Loan Bank stock	22,883	22,858	22,750	22,494	21,956
Interest receivable	16,606	17,318	17,594	14,943	15,061
Core deposit intangibles and goodwill	140,578	141,284	140,186	141,014	141,867
Cash surrender value of life insurance	42,426	42,061	41,700	41,288	40,843
Other assets	24,337	20,185	19,268	22,247	20,901
Total assets	\$ 3,187,586	\$ 3,191,668	\$ 3,181,362	\$ 3,128,290	\$ 3,025,041
Liabilities					
Deposits					
Noninterest-bearing	\$ 333,614	\$ 330,685	\$ 373,548	\$ 334,018	\$ 303,694
Interest-bearing	2,118,605	2,077,465	2,083,271	2,038,092	2,009,726
Total deposits	2,452,219	2,408,150	2,456,819	2,372,110	2,313,420
Borrowings	391,193	440,891	379,922	422,885	372,356
Interest payable	6,562	4,411	5,706	4,216	4,542
Other liabilities	27,014	23,613	25,253	24,811	25,676
Total liabilities	2,876,988	2,877,065	2,867,700	2,824,022	2,715,994
Stockholders' equity					
Preferred stock, no-par value					
Authorized and unissued -- 500,000 shares					
Common stock, \$.125 stated value					
Authorized -- 50,000,000 shares					
Issued and outstanding	2,312	2,322	2,320	2,310	2,317
Additional paid-in capital	148,347	150,862	148,993	149,194	150,679
Retained earnings	163,761	161,459	160,004	154,876	151,771
Accumulated other comprehensive income (loss)	(3,822)	(40)	2,345	(2,112)	4,380
Total stockholders' equity	310,598	314,603	313,662	304,268	309,147
Total liabilities and stockholders' equity	\$ 3,187,586	\$ 3,191,668	\$ 3,181,362	\$ 3,128,290	\$ 3,025,141

NON-PERFORMING ASSETS

(in thousands)

	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
90 days past due	\$ 1,948	\$ 1,907	\$ 6,664	\$ 2,488	\$ 4,770
Non-accrual loans	13,272	15,355	16,852	17,702	19,914
Other real estate	2,003	1,650	1,546	1,653	1,571
Total non-performing assets	\$ 17,223	\$ 18,912	\$ 25,062	\$ 21,843	\$ 26,255
Average total loans for the quarter	\$2,414,050	\$2,409,170	\$2,383,942	\$2,343,270	\$2,339,080
Total non-performing assets as a percent of average total loans	.71%	.79%	1.05%	.93%	1.12%
Restructured loans	\$ 337	\$ 2,019	\$ 2,169	\$ 926	\$ 957

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended				
	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
Interest Income					
Loans receivable					
Taxable	\$ 36,822	\$ 36,363	\$ 35,342	\$ 34,021	\$ 34,227
Tax exempt	134	138	143	137	163
Investment securities					
Taxable	2,329	2,224	2,146	2,052	1,949
Tax exempt	1,553	1,569	1,679	1,420	1,430
Federal funds sold	27	92	18	37	18
Deposits with financial institutions	142	167	154	125	109
Federal Reserve and Federal Home Loan Bank stock	308	297	319	307	328
	-----	-----	-----	-----	-----
Total interest income	41,315	40,850	39,801	38,099	38,224
	-----	-----	-----	-----	-----
Interest expense					
Deposits	9,806	9,288	8,487	7,879	8,190
Securities sold under repurchase agreements	249	183	16	98	220
Federal Home Loan Bank advances	2,375	2,418	2,484	2,433	2,442
Subordinated debentures, revolving credit and term loans	1,789	1,717	1,822	1,635	1,610
Other borrowings	154	126	200	207	130
	-----	-----	-----	-----	-----
Total interest expense	14,373	13,732	13,009	12,252	12,592
	-----	-----	-----	-----	-----
Net interest income	26,942	27,118	26,792	25,847	25,632
Provision for loan losses	2,667	1,233	1,380	1,720	1,372
	-----	-----	-----	-----	-----
Net interest income after provision for loan losses	24,275	25,885	25,412	24,127	24,260
	-----	-----	-----	-----	-----
Other income					
Fiduciary activities	1,962	1,897	1,923	2,002	1,810
Service charges on deposit accounts	2,723	2,924	2,946	2,996	2,772
Other customer fees	1,085	1,068	979	966	1,070
Net realized gains on sales of available-for-sale securities		456	332	363	37
Commission income	1,504	671	687	777	953
Earnings on cash surrender value of life insurance	401	439	448	482	429
Net gains and fees on sales of loans	677	801	675	1,352	801
Other income	694	415	421	318	344
	-----	-----	-----	-----	-----
Total other income	9,046	8,671	8,411	9,256	8,216
	-----	-----	-----	-----	-----
Other expenses					
Salaries and employee benefits	14,821	13,309	13,087	13,059	13,024
Net occupancy expenses	1,376	1,328	1,391	1,335	1,254
Equipment expenses	1,857	1,879	1,853	1,954	1,979
Marketing expense	415	521	363	385	440
Outside data processing fees	1,009	1,158	1,328	1,211	1,223
Printing and office supplies	337	397	397	388	398
Goodwill and core deposit amortization	787	802	827	852	892
Other expenses	3,629	4,272	3,544	3,438	3,354
	-----	-----	-----	-----	-----
Total other expenses	24,231	23,666	22,790	22,622	22,564
	-----	-----	-----	-----	-----
Income before income tax	9,090	10,890	11,033	10,761	9,912
Income tax expense	2,523	3,422	3,380	3,406	2,977
	-----	-----	-----	-----	-----
Net income	\$ 6,567	\$ 7,468	\$ 7,653	\$ 7,355	\$ 6,935
	=====	=====	=====	=====	=====
Per Share Data					
Basic Net Income	\$.35	\$.41	\$.41	\$.40	\$.37
Diluted Net Income	.35	.40	.41	.40	.37
Cash Dividends Paid	.23	.23	.23	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,697	18,721	18,658	18,633	18,646
FINANCIAL RATIOS					
Return on Average Assets	.83%	.94%	.98%	.96%	.91%
Return on Avg. Stockholders' Equity	8.33	9.46	9.88	9.56	9.05
Avg. Earning Assets to Avg. Assets	90.61	91.38	89.98	89.64	90.05
Allowance for Loan Losses as % Of Total Loans	1.01	.93	1.05	1.08	1.14
Net Charge Off's as % Of Avg. Loans (Annualized)	.12	.65	.34	.46	.07
Dividend Payout Ratio	65.71	57.50	56.10	57.50	62.16
Avg. Stockholders' Equity to Avg. Assets	9.97	9.92	9.89	10.00	10.08

Tax Equivalent Yield on Earning Assets	5.90	5.74	5.79	5.65	5.71
Cost of Supporting Liabilities	2.01	1.89	1.85	1.78	1.84
Net Int. Margin (FTE) on Earning Assets	3.89	3.85	3.94	3.87	3.87