

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: January 28, 2005

EXHIBIT INDEX

Exhibit No.

99.1

Description

Press Release, dated January 28, 2005, issued by
First Merchants Corporation.

First Merchants Corporation

Exhibit No. 99.1

Press Release, dated January 28, 2005

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

January 28, 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 29 PERCENT INCREASE IN FOURTH QUARTER EARNINGS PER SHARE

First Merchants Corporation (NASDAQ - FRME) has reported fourth quarter diluted earnings per share totaling \$.40, a 29 percent increase over \$.31 recorded in the fourth quarter of 2003. Net income during the period totaled \$7.5 million compared to \$5.8 million in 2003.

Quarterly net interest income after the provision for loan losses improved by \$1.6 million, or 6.7 percent and non-interest income rose by \$1.1 million, or 14.3 percent.

For the year ending December 31, 2004, diluted earnings per share equaled \$1.58 a 5.3 percent increase over \$1.50 recorded in 2003. Net income totaled \$29.4 million compared to \$27.6 million in 2003.

Net interest income for the year improved by \$6 million, or 6.4 percent. Gains from the sale of mortgage loans, reflecting lower refinancing activity, declined by \$2.8 million resulting in decreased non-interest income of \$1.3 million.

Total assets equaled \$3.2 billion at year-end, an increase of \$115 million, or 3.7 percent from December 31, 2003. Loans, investments and bank owned life insurance, the Corporation's three primary earning assets, totaled \$2.9 billion, an increase of \$143 million over the prior year.

Michael L. Cox, President and Chief Executive Officer, stated that, "Our fourth quarter and full year results are encouraging and reflect an improving environment for our banking services. Our banking activity continued to expand as evidenced by \$164 million growth in our commercial loan portfolio. Mortgage banking activity, while near historic high levels, continues to be volatile and impacting gain on sale income. Overall, we are pleased with the year-end, and look forward to continued growth in 2005."

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 2:30 p.m. Eastern Time on Friday, January 28, 2005. To participate dial (Toll Free) 877-407-8289 and reference First Merchants Corporation's fourth quarter earnings release. A replay will be available until January 31, 2005 at 11:59 p.m. 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 # 1628 and Conference ID # 136101.

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, Union County National Bank, The Randolph County 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>).

CONSOLIDATED BALANCE SHEETS

(in thousands)

	December 31,	
	2004	2003
Assets		
Cash and due from banks	\$ 69,960	\$ 77,112
Federal funds sold		32,415
	-----	-----
Cash and cash equivalents	69,960	109,527
Interest-bearing time deposits	9,343	8,141
Investment securities	421,535	356,797
Mortgage loans held for sale	3,367	3,043
Loans	2,428,051	2,353,503
Less: Allowance for loan losses	(22,548)	(25,493)
	-----	-----
Net Loans	2,405,503	2,328,010
Premises and equipment	38,254	39,639
Federal Reserve and Federal Home Loan Bank stock	22,858	15,502
Interest receivable	17,318	16,840
Core deposit intangibles and goodwill	141,284	142,723
Cash surrender value of life insurance	42,061	37,927
Other assets	20,185	18,663
	-----	-----
Total assets	\$ 3,191,668	\$ 3,076,812
	=====	=====
Liabilities		
Deposits		
Noninterest-bearing	\$ 330,685	\$ 338,201
Interest-bearing	2,077,465	2,023,900
	-----	-----
Total deposits	2,408,150	2,362,101
Borrowings	440,891	383,170
Interest payable	4,411	4,680
Other liabilities	23,613	22,896
	-----	-----
Total liabilities	2,877,065	2,772,847
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 - 18,573,997 and 18,512,834		
	2,322	2,314
Additional paid-in capital	150,862	150,310
Retained earnings	161,459	149,096
Accumulated other comprehensive income (loss)	(40)	2,245
	-----	-----
Total stockholders' equity	314,603	303,965
	-----	-----
Total liabilities and stockholders' equity	\$ 3,191,668	\$ 3,076,812
	=====	=====

FINANCIAL HIGHLIGHTS

(In thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2004	2003	2004	2003
NET CHARGE OFF'S	\$ 3,929	\$ 5,396	\$ 8,650	\$ 10,128
AVERAGE BALANCES				
Total Assets	\$3,184,109	\$3,070,523	\$3,109,104	\$2,906,195
Total Loans	2,409,170	2,349,536	2,369,017	2,281,614
Total Deposits	2,444,563	2,361,544	2,365,306	2,257,075
Total Stockholders' Equity	315,869	302,803	310,004	293,603
FINANCIAL RATIOS				
Return on Average Assets	.94%	.76%	.95%	.93%
Return on Avg. Stockholders' Equity	9.46	7.69	9.49	9.39
Avg. Earning Assets to Avg. Assets	91.38	90.19	90.28	89.99
Allowance for Loan Losses as % Of Total Loans	.93	1.08	.93	1.08
Net Charge Off's as % Of Avg. Loans (Annualized)	.65	.92	.37	.44
Dividend Payout Ratio	57.50	74.19	58.23	60.00
Avg. Stockholders' Equity to Avg. Assets	9.92	9.86	9.97	9.92
Tax Equivalent Yield on Earning Assets	5.74	5.62	5.72	5.98

Cost of Supporting Liabilities	1.89	1.84	1.84	1.97
Net Int. Margin (FTE) on Earning Assets	3.85	3.78	3.88	4.01

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2004	2003	2004	2003
Interest income				
Loans receivable				
Taxable	\$ 36,363	\$ 34,697	\$ 139,953	\$ 141,236
Tax exempt	138	195	581	707
Investment securities				
Taxable	2,224	1,484	8,371	6,105
Tax exempt	1,569	1,451	6,098	6,270
Federal funds sold	92	148	165	487
Deposits with financial institutions	167	22	555	76
Federal Reserve and Federal Home Loan Bank stock	297	39	1,251	649
Total interest income	----- 40,850	----- 38,036	----- 156,974	----- 155,530
Interest expense				
Deposits	9,288	8,303	33,844	34,858
Securities sold under repurchase agreements	183	248	517	1,521
Federal Home Loan Bank advances	2,418	2,362	9,777	9,439
Subordinated debentures, revolving credit and term loans	1,717	1,587	6,784	6,161
Other borrowings	126	233	663	409
Total interest expense	----- 13,732	----- 12,733	----- 51,585	----- 52,388
Net interest income	27,118	25,303	105,389	103,142
Provision for loan losses	1,233	1,047	5,705	9,477
Net interest income after provision for loan losses	----- 25,885	----- 24,256	----- 99,684	----- 93,665
Other income				
Fiduciary activities	1,897	1,603	7,632	6,736
Service charges on deposit accounts	2,924	2,717	11,638	11,105
Other customer fees	1,068	1,039	4,083	4,124
Net realized gains on sales of available-for-sale securities	456		1,188	950
Commission income	671	569	3,088	2,668
Earnings on cash surrender value of life insurance	439	446	1,798	1,347
Net gains and fees on sales of loans	801	770	3,629	6,388
Other income	415	443	1,498	2,584
Total other income	----- 8,671	----- 7,587	----- 34,554	----- 35,902
Other expenses				
Salaries and employee benefits	13,309	12,599	52,479	50,484
Net occupancy expenses	1,328	1,414	5,308	4,894
Equipment expenses	1,879	2,217	7,665	8,073
Marketing expense	521	538	1,709	1,797
Outside data processing fees	1,158	1,063	4,920	4,118
Printing and office supplies	397	466	1,580	1,706
Goodwill and core deposit amortization	802	923	3,373	3,704
Other expenses	4,272	4,623	14,608	16,503
Total other expenses	----- 23,666	----- 23,843	----- 91,642	----- 91,279
Income before income tax	10,890	8,000	42,596	38,288
Income tax expense	3,422	2,181	13,185	10,717
Net income	----- \$ 7,468 =====	----- \$ 5,819 =====	----- \$ 29,411 =====	----- \$ 27,571 =====
Per Share Data				
Basic Net Income	.41	.31	1.59	1.51
Diluted Net Income	.40	.31	1.58	1.50
Cash Dividends Paid	.23	.23	.92	.90

CONSOLIDATED BALANCE SHEETS

(in thousands)

	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
Assets					
Cash and due from banks	\$ 69,960	\$ 73,367	\$ 72,432	\$ 60,366	\$ 77,112
Federal funds sold		22,700			32,415
	-----	-----	-----	-----	-----
Cash and cash equivalents	69,960	96,067	72,432	60,366	109,527
Interest-bearing time deposits	9,343	12,204	20,424	10,674	8,141
Investment securities	421,535	420,645	411,140	376,974	356,797
Mortgage loans held for sale	3,367	2,715	4,001	3,883	3,043
Loans	2,428,051	2,395,306	2,365,380	2,320,103	2,353,503
Less: Allowance for loan losses	(22,548)	(25,243)	(25,510)	(26,459)	(25,493)
	-----	-----	-----	-----	-----
Net loans	2,405,503	2,370,063	2,339,870	2,293,644	2,328,010
Premises and equipment	38,254	38,170	38,437	38,972	39,639
Federal Reserve and Federal Home Loan Bank stock	22,858	22,750	22,494	21,956	15,502
Interest receivable	17,318	17,594	14,943	15,061	16,840
Core deposit intangibles and goodwill	141,284	140,186	141,014	141,867	142,723
Cash surrender value of life insurance	42,061	41,700	41,288	40,843	37,927
Other assets	20,185	19,268	22,247	20,901	18,663
	-----	-----	-----	-----	-----
Total assets	\$ 3,191,668	\$ 3,181,362	\$ 3,128,290	\$ 3,025,041	\$ 3,076,812
	=====	=====	=====	=====	=====
Liabilities					
Deposits					
Noninterest-bearing	\$ 330,685	\$ 373,548	\$ 334,018	\$ 303,694	\$ 338,201
Interest-bearing	2,077,465	2,083,271	2,038,092	2,009,726	2,023,900
	-----	-----	-----	-----	-----
Total deposits	2,408,150	2,456,819	2,372,110	2,313,420	2,362,101
Borrowings	440,891	379,922	422,885	372,356	383,170
Interest payable	4,411	5,706	4,216	4,542	4,680
Other liabilities	23,613	25,253	24,811	25,676	22,896
	-----	-----	-----	-----	-----
Total liabilities	2,877,065	2,867,700	2,824,022	2,715,994	2,772,847
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	2,322	2,320	2,310	2,317	2,314
Additional paid-in capital	150,862	148,993	149,194	150,679	150,310
Retained earnings	161,459	160,004	154,876	151,771	149,096
Accumulated other comprehensive income (loss)	(40)	2,345	(2,112)	4,380	2,245
	-----	-----	-----	-----	-----
Total stockholders' equity	314,603	313,662	304,268	309,147	303,965
	-----	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$ 3,191,668	\$ 3,181,362	\$ 3,128,290	\$ 3,025,141	\$ 3,076,812
	=====	=====	=====	=====	=====

NON-PERFORMING ASSETS

(in thousands)

	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
90 days past due	\$ 1,907	\$ 6,664	\$ 2,488	\$ 4,770	\$ 6,530
Non-accrual loans	15,355	16,852	17,702	19,914	19,453
Other real estate	1,650	1,546	1,653	1,571	1,399
	-----	-----	-----	-----	-----
Total non-performing assets	\$ 18,912	\$ 25,062	\$ 21,843	\$ 26,255	\$ 27,382
	=====	=====	=====	=====	=====
Average total loans for the quarter	\$2,409,170	\$2,383,942	\$2,343,270	\$2,339,080	\$ 2,349,536
Total non-performing assets as a percent of average total loans	.79%	1.05%	.93%	1.12%	1.17%
Restructured loans	\$ 2,019	\$ 2,169	\$ 926	\$ 957	\$ 641

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended				
	December 31, 2004	September 2004	30, June 30, 2004	March 31, 2004	December 31, 2003
Interest Income					
Loans receivable					
Taxable	\$ 36,363	\$ 35,342	\$ 34,021	\$ 34,227	\$ 34,697
Tax exempt	138	143	137	163	195
Investment securities					
Taxable	2,224	2,146	2,052	1,949	1,484
Tax exempt	1,569	1,679	1,420	1,430	1,451
Federal funds sold	92	18	37	18	148
Deposits with financial institutions	167	154	125	109	22
Federal Reserve and Federal Home Loan Bank stock	297	319	307	328	39
	-----	-----	-----	-----	-----
Total interest income	40,850	39,801	38,099	38,224	38,036
	-----	-----	-----	-----	-----
Interest expense					
Deposits	9,288	8,487	7,879	8,190	8,303
Securities sold under repurchase agreements	183	16	98	220	248
Federal Home Loan Bank advances	2,418	2,484	2,433	2,442	2,362
Subordinated debentures, revolving credit and term loans	1,717	1,822	1,635	1,610	1,587
Other borrowings	126	200	207	130	233
	-----	-----	-----	-----	-----
Total interest expense	13,732	13,009	12,252	12,592	12,733
	-----	-----	-----	-----	-----
Net interest income	27,118	26,792	25,847	25,632	25,303
Provision for loan losses	1,233	1,380	1,720	1,372	1,047
	-----	-----	-----	-----	-----
Net interest income after provision for loan losses	25,885	25,412	24,127	24,260	24,256
	-----	-----	-----	-----	-----
Other income					
Fiduciary activities	1,897	1,923	2,002	1,810	1,603
Service charges on deposit accounts	2,924	2,946	2,996	2,772	2,717
Other customer fees	1,068	979	966	1,070	1,039
Net realized gains on sales of available-for-sale securities	456	332	363	37	
Commission income	671	687	777	953	569
Earnings on cash surrender value of life insurance	439	448	482	429	446
Net gains and fees on sales of loans	801	675	1,352	801	770
Other income	415	421	318	344	443
	-----	-----	-----	-----	-----
Total other income	8,671	8,411	9,256	8,216	7,587
	-----	-----	-----	-----	-----
Other expenses					
Salaries and employee benefits	13,309	13,087	13,059	13,024	12,599
Net occupancy expenses	1,328	1,391	1,335	1,254	1,414
Equipment expenses	1,879	1,853	1,954	1,979	2,217
Marketing expense	521	363	385	440	538
Outside data processing fees	1,158	1,328	1,211	1,223	1,063
Printing and office supplies	397	397	388	398	466
Goodwill and core deposit amortization	802	827	852	892	923
Other expenses	4,272	3,544	3,438	3,354	4,623
	-----	-----	-----	-----	-----
Total other expenses	23,666	22,790	22,622	22,564	23,843
	-----	-----	-----	-----	-----
Income before income tax	10,890	11,033	10,761	9,912	8,000
Income tax expense	3,422	3,380	3,406	2,977	2,181
	-----	-----	-----	-----	-----
Net income	\$ 7,468	\$ 7,653	\$ 7,355	\$ 6,935	\$ 5,819
	=====	=====	=====	=====	=====
Per Share Data					
Basic Net Income	\$.41	\$.41	\$.40	\$.37	\$.31
Diluted Net Income	.40	.41	.40	.37	.31
Cash Dividends Paid	.23	.23	.23	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,721	18,658	18,633	18,646	18,666
FINANCIAL RATIOS					
Return on Average Assets	.94%	.98%	.96%	.91%	.76%
Return on Avg. Stockholders' Equity	9.46	9.88	9.56	9.05	7.69
Avg. Earning Assets to Avg. Assets	91.38	89.98	89.64	90.05	90.19
Allowance for Loan Losses as % Of Total Loans	.93	1.05	1.08	1.14	1.08

Net Charge Off's as % Of Avg. Loans (Annualized)	.65	.34	.46	.07	.92
Dividend Payout Ratio	57.50	56.10	57.50	62.16	74.19
Avg. Stockholders' Equity to Avg. Assets	9.92	9.89	10.00	10.08	9.86
Tax Equivalent Yield on Earning Assets	5.74	5.79	5.65	5.71	5.62
Cost of Supporting Liabilities	1.89	1.85	1.78	1.84	1.84
Net Int. Margin (FTE) on Earning Assets	3.85	3.94	3.87	3.87	3.78