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): January 27, 2006

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

TNDTANA 0-17071

35-1544218 (State or other jurisdiction (Commission file number) (IRS Employer of incorporation) 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))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 27, 2006, First Merchants Corporation issued a press release to report its financial results for the fourth quarter ended December 31, 2005 and year to date results for the period ending December 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.

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

Exhibit 99.1 Press Release, dated January 27, 2006, 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: January 27, 2006

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EXHIBIT INDEX

Exhibit No.

99.1 Description

Press Release, dated January 27, 2006, issued by First Merchants Corporation.

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First Merchants Corporation

Exhibit No. 99.1

Press Release, dated January 27, 2006

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

January 27, 2006

FOR IMMEDIATE RELEASE

For more information, contact:

Mark K. Hardwick, Executive Vice President/Chief Financial Officer, 765-751-1857 http://firstmerchants.com

SOURCE: First Merchants Corporation, Muncie, Indiana

FIRST MERCHANTS CORPORATION ANNOUNCES INCREASE IN 2005 EARNINGS PER SHARE

First Merchants Corporation (NASDAQ - FRME) has reported fourth-quarter diluted earnings per share of \$.41, a 2.5 percent increase over \$.40 recorded in the fourth quarter of 2004. Net income during the quarter totaled \$8.2 million compared to \$7.7 million in 2004.

Full-year 2005 diluted earnings per share totaled \$1.63, a 3.2 percent increase over \$1.58 recorded in 2004. Net income totaled \$30.2 million compared to \$29.4 million in 2004.

2005 net-interest income improved by \$5.7 million, or 5.4 percent, as net-interest margin improved to 3.97 percent, a 9-basis point increase over 2004. Core non-interest income also increased by \$1,353,000, or 4.1 percent, after discounting nonrecurring gains from the sale of securities of \$1.2 million taken in 2004.

The allowance for loan losses improved to 1.02 percent of total loans on December 31, 2005, a 9-basis point improvement over 2004. The improvement in the allowance is reflective of increased provisions of \$2.6 million during 2005. Additionally, non-performing assets declined from 79-basis points in 2004 to 69 basis points in 2005, a \$2 million dollar improvement.

Operating expenses increased by \$2.3 million, or 2.5 percent in 2005. However, as reported in the Corporation's 8-K filing of February 16, 2005, a \$1.6 million charge related to the curtailment of the Corporation's defined benefit pension plan is included in the increase. Absent the curtailment charge, operating expenses increased by just .7 percent.

Total assets equaled \$3.2 billion at year-end, an increase of \$45 million, or 1.4 percent from December 31, 2004. Loans, investments and bank-owned life insurance, the Corporation's three primary earning assets, totaled \$2.9 billion, an increase of \$44 million over the prior year.

Michael L. Cox, President and Chief Executive Officer, stated that, "Given the many extraordinary events of the year, including our voluntary increase in the allowance for loan losses, the absence of non-recurring gains from the sale of securities and the pension curtailment expense, 2005 represents a good improvement in the overall run rate and financial condition of the Corporation. First Merchants' earnings have now increased in 29 of the past 30 years."

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 2:30 p.m. (ET) today, Friday, January 27, 2006. To participate dial (Toll Free) 877-407-9210 and reference First Merchants Corporation's fourth quarter earnings release. A replay will be available until February 3, 2006. 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 # 186821.

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, Madison Community 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).

* * * *

CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31,		
,	2005		
Acceta			
Assets Cash and due from banks	\$ 70,417	\$ 69,960	
Interest-bearing time deposits			
Investment securities	434 266	9,343 421,535	
Mortgage loans held for sale	4 910	3.367	
Loans	2.457.427	2.428.051	
Less: Allowance for loan losses	(25.188)	(22.548)	
20001 /1220101100 101 20011 20000			
Net Loans	2,432,239	9,343 421,535 3,367 2,428,051 (22,548) 2,405,503	
Premises and equipment	39,417	38,254	
Federal Reserve and Federal Home Loan Bank stock	23,200	22,858	
Interest receivable	19,690	22,858 17,318	
Core deposit intangibles and goodwill	138,833	141,284 42,061	
Cash surrender value of life insurance	43,579	42,061	
Other assets	21,780	20, 185 	
Total assets	\$ 3,237,079		
	========	========	
Liabilities			
Deposits			
Noninterest-bearing	\$ 314,335	\$ 330,685	
Interest-bearing	2,068,241	2,077,465	
Total danagita			
Total deposits	2,382,570	2,408,150	
Borrowings Interest payable	508,236 5,874	440,891 4,411	
Other liabilities	26 007	22 612	
Other Habilities	20,991	23,613	
Total liabilities		2,877,065	
Stockholders' equity	2,020,000	2,011,000	
Preferred stock, no-par value			
Authorized and unissued 500,000 shares			
Common stock, \$.125 stated value			
Authorized 50,000,000 shares			
Issued and outstanding - 18,416,714 and 18,573,997	2,302	2,322	
Additional paid-in capital	145,682	150,862	
Retained earnings	174,717	161, 459	
Accumulated other comprehensive loss	(9,305)	150,862 161,459 (40)	
Total stockholders' equity	313,396	314,603	
' '			
Total liabilities and stockholders' equity	\$ 3,237,079		
	=========	========	

FINANCIAL HIGHLIGHTS

(In thousands)		ths Ended er 31, 2004	Year En Decembe 2005	
NET CHARGE OFF'S	\$ 1,906	\$ 3,929	\$ 5,714	\$ 8,650
AVERAGE BALANCES Total Assets Total Loans Total Deposits Total Stockholders' Equity	\$3,160,619	\$3,184,109	\$3,179,464	\$3,109,104
	2,447,794	2,409,170	2,434,134	2,369,017
	2,414,251	2,444,563	2,418,752	2,365,306
	317,510	315,869	315,525	310,004
FINANCIAL RATIOS Return on Average Assets Return on Avg. Stockholders' Equity Avg. Earning Assets to Avg. Assets Allowance for Loan Losses as % Of Total Loans Net Charge Off's as % Of Avg. Loans (Annualized) Dividend Payout Ratio Avg. Stockholders' Equity to Avg. Assets Tax Equivalent Yield on Earning Assets Cost of Supporting Liabilities Net Int. Margin (FTE) on Earning Assets	.95%	.94%	.95%	.95%
	9.49	9.46	9.58	9.49
	91.47	91.38	90.93	90.28
	1.02	.93	1.02	.93
	.31	.65	.23	.37
	56.10	57.50	56.44	58.23
	10.05	9.92	9.92	9.97
	6.62	5.74	6.26	5.72
	2.59	1.89	2.29	1.84
	4.03	3.85	3.97	3.88

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)	Three Months Ended December 31, 2005 2004		Dece	r Ended mber 31,
	2005	2004	2005	2004
Interest income				
Loans receivable				
Taxable	\$ 41,930			\$ 139,953
Tax exempt Investment securities	160	138	643	581
Taxable	2,480	2,224	9,612	8,371
Tax exempt	1,672	1,569	9,612 6,374 264	6,098
Federal funds sold	74	92	264	165
Deposits with financial institutions Federal Reserve and Federal Home Loan Bank stock	202 296	167	695 1,185	555
rederal Reserve and rederal Home Loan Bank Stock	290	297	1,185	1,251
Total interest income	46,814	40,850	177,209	156,974
Interest expense				
Deposits	13,414	9,288	46,121	33,844
Securities sold under repurchase agreements	647	183	46,121 1,612 9,777	517
Federal Home Loan Bank advances Subordinated debentures, revolving	2,410	2,418	9,777	9,777
credit lines and term loans	1.910	1.717	7.432	6.784
Other borrowings	307	126	7,432 1,138	663
•				
Total interest expense	18,688		66,080	
Net interest income	28,126	27,118	111,129	105,389
Provision for loan losses	1,945	1,233	111,129 8,354	5,705
Net interest income				
after provision for loan losses	26,181	25,885	102,775	99,684
Other income				
Other income Fiduciary activities	1 762	1 807	7 /181	7 632
Service charges on deposit accounts	2,691	2,924	11,298	11,638
Other customer fees	1,432	1,068	7,481 11,298 5,094	4,083
Net realized gains (losses) on				
sales of available-for-sale securities	(24)	456	(2) 3,821	1,188
Commission income Earnings on cash surrender value	690	6/1	3,821	3,088
of life insurance	386	439	1,667	1,798
Net gains and fees on sales of loans	676	801	2,902 2,456	3,629
Other income	516	415	2,456	1,498
Total other income	8,129	8,671	34,717	34,554
TOTAL OTHER INCOME			34,717	
Other expenses				
Salaries and employee benefits	12,596	13,309		52,479
Net occupancy expenses Equipment expenses	1,428 1,952	1,328 1 879	5,796 7,562	5,308 7,665
Marketing expense	625	521	7,562 2,012	1,709
Outside data processing fees	989	1,158	4,010 1,369	4,920
Printing and office supplies	400		1,369	1,580
Core deposit amortization Other expenses	767 4,469	802	3,102	3,375
other expenses	4,409	4,212	16,047	
Total other expenses	23,226	23,666		
Income before income tax	11,084	10 900	43,535	42,596
Income tax expense	3,553			
211001110 Carl Original			13,296	
Net income	\$ 7,531		\$ 30,239	
	=======	======	======	======
Per Share Data				
Basic Net Income	.41	.41		
Diluted Net Income Cash Dividends Paid	. 41 . 23	. 40 . 23		
Average Diluted Shares	. 23	. 23	.92	.92
Outstanding (in thousands)	18,558	18,721	18,596	18,667
	•		•	•

CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31, 2005	September 30 2005	, June 30, 2005	March 31, 2005	December 31, 2004
Assets					
	\$ 70,417	\$ 81,310	\$ 71,498	\$ 67,904 22,075	\$ 69,960
reactar rands sora					
Cash and cash equivalents	70,417	81,310	71,498	89,979	69,960
Interest-bearing time deposits	8,748	10,708 436,794 5,026 2,443,931	9,255	10,737	9,343
Investment securities	434, 266	436,794	420,685	409,820	421,535
Mortgage loans held for sale	4,910	5,026	1,356	3,084	3,367
Loans	2,457,427	2,443,931	2,440,906	2,414,099	2,428,051
Less: Allowance for loan losses	(25, 188)		(25,091)	(24, 488)	(22,548)
Net loans	2,432,239		2,415,815	2,389,611	2,405,503
Premises and equipment	39,417	38,473	37,240	37,525	38,254
Federal Reserve and Federal Home Loan Bank stoo	ck 23,200	23,165	23,054	22,883	22,858
Interest receivable	19,690	19,561	16,950	16,606	17,318
Core deposit intangibles and goodwill	138,833	139,597	139,799	140,578	141,284
Cash surrender value of life insurance	43,579	43,230	42,827	42,426	42,061
Other assets	21,780	23,165 19,561 139,597 43,230 21,792	22,819	24,337	20,185
Total assets	\$ 3,237,079	\$ 3,238,438	\$ 3,201,298	\$ 3,187,586 =======	\$ 3,191,668
Liabilities					
Deposits					
· · · · · · · · · · · · · · · · · · ·	\$ 314,335			\$ 333,614	
Interest-bearing	2,068,241	2,118,975		2,118,605	
Total deposits	2.382.576	2.465.293	2.404.278	2.452.219	2.408.150
Borrowings	508,236	423,959	454,400	391,193	440,891
Interest payable	5,874	5,643	5,068	6,562	4,411
Other liabilities	26,997	423, 959 5, 643 25, 153	24,194	27,014	23,613
Total liabilities	2,923,683	2,920,048	2,887,940	2,876,988	2,877,065
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	2,302	2,313	2,302	2,312	2,322
Additional paid-in capital	145,682	148,004	146,057	148,347	150,862
Retained earnings	174,717	171,419	167,452	163,761	161,459
Accumulated other comprehensive loss	(9,305)	2,313 148,004 171,419 (3,346)	(2,453)	(3,822)	(40)
Total stockholders' equity	313,396	318,390	313,358	310,598	314,603
Total liabilities and stockholders' equity		\$ 3,238,438	\$ 3,201,298		

NON-PERFORMING ASSETS

(in thousands)	Dec	cember 31, 2005	Sept	tember 30, 2005		June 30, 2005	Ma	arch 31, 2005	Dec	ember 31, 2004
90 days past due Non-accrual loans Other real estate	\$	3,965 10,030 2,835	\$	3,560 11,757 3,023	\$	3,696 11,626 1,804	\$	1,948 13,272 2,003	\$	1,907 15,355 1,650
Total non-performing assets	\$	16,830	\$ ==:	18,340 ======	\$ ==	17,126 ======	\$	17,223 ======	\$	18,912
Average total loans for the quarter	\$2,	447,794	\$2,	, 444, 131	\$2	,430,081	\$2	,414,050	\$2,	409,170
Total non-performing assets as a percent of average total loans		. 69%		. 75%		.70%		.71%		. 79%
Restructured loans	\$	310	\$	454	\$	531	\$	337	\$	2,019

CONSOLIDATED STATEMENTS OF INCOME

Interest Income								
Taxable	(in thousands, except share data)	•	September 3	0, June 30,	March 31,	•		
Taxable	Interest Income							
Tax exempt	Loans receivable							
Transition		•	•	•	•	•		
Tax exempt Federal Tugos sold Federal Tugos sold Federal Tugos sold Federal Tugos sold Tax exempt Total interest income ### Automated Total Institutions Total interest income ### Automated Total Institutions Deposits Deposi	•	160	100	109	134	130		
Federal funds sold 74	Taxable	·				·		
Deposits with francial institutions 202 185 166 142 107 Federal Reserve and Federal Reme Loan Bank stock 206 209 208 308 207 208 308 207 208 308 207 208	•	•	·	•	•	•		
Total Interest Income								
Total interest income 46,814 45,877 43,513 41,315 48,898								
Interest expense	Total interest income	46,814	45,567	43,513	41,315	40,850		
Deposits Securities sold under repurchase agreements Setar Set	Interest expense							
Federal Home Lons Bank advances 2,419 2,549 2,443 2,375 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,418 2,105 2,	Deposits	13,414	12,172	10,729	9,806	9,288		
Subordinated dehentures, revolving credit Lines and term loans 1,910 1,894 1,839 1,789 1,717 1710 1710 1710 1711 1710 1711			523	193	249			
Chiese berorowings 1,910 1,894 1,839 1,789 1,712		2,410	2,549	2,443	2,375	2,418		
Total interest expense 18,688 17,427 15,592 14,373 13,732 Net interest income		1,910	1,894	1,839	1,789	1,717		
Net interest income 28,126 28,146 27,921 26,942 27,118 Provision for loan losses 1,945 1,745 1,748 1,948 2,667 1,233 1,320 Net interest income 28,126 28,146 27,921 26,942 27,118 Provision for loan losses 26,181 26,346 25,973 24,275 25,885 Net interest income 26,181 26,346 25,973 24,275 25,885 Other income Fiduciary activities 1,762 1,794 1,963 1,962 1,897 Service charges on deposit accounts 2,691 2,836 3,048 2,723 2,924 0ther customer fees 1,432 1,389 1,188 1,885 1,685 1,686 Net realized gains (losses) on sales of available-for-sale securities 690 879 757 1,564 671	Other borrowings							
Net interest income	Total interest expense	18,688	17,427	15,592	14,373	13,732		
Net interest income after provision for loan losses 1,945 1,794 1,948 2,667 1,233 Net interest income after provision for loan losses 26,181 26,346 25,973 24,275 25,885 Other income	Net interest income							
Net interest income after provision for loan losses			1,794	,	•	•		
### Control of the income representation representat						·		
### Control of the income representation representat	Not interest income							
Cher income		26,181	26,346	25,973	24,275	25,885		
Fiduciary activities 1,762 1,794 1,963 1,962 1,897	p			•		•		
Service charges on deposit accounts 2,691 2,836 3,648 2,723 2,924 Other customer fees 1,432 1,389 1,188 1,085 1,668 Net realized gains (losses) on sales of available-for-sale securities 690 870 757 1,504 671 Earnings on cash surrender value of life insurance 386 441 439 461 449 Net gains and fees on sales of loans 676 770 779 677 801 Other income 516 664 582 694 415 Total other income 8,129 8,780 8,762 9,046 8,671 Other expenses 1,256 13,384 13,258 14,821 13,389 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,952 1,991 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 979 1,633 1,099 1,158 Printing and office supplies 408 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 2,226 23,301 23,199 24,231 22,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468		. 700						
Other customer fees 1,432 1,389 1,188 1,085 1,086 Net realized gains (losses) on sales of available-for-sale securities (24) 16 6 456 Commission income 690 870 757 1,504 671 Earnings on cash surrender value 386 441 439 401 439 Net gains and fees on sales of loans 676 770 779 677 801 Other income 8,129 8,780 8,762 9,046 8,671 Total other income 8,129 8,780 8,762 9,046 8,671 Other expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 625 446 526 415 521 Outside data processing fees 989 979 1,033 1,009 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 2,3226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Easic Net Income \$4,11 444 443 35 440 Cash Dividends Paid 2,23 2,23 2,23 2,23 2,23 Outside Parallel Net Income 3,41 4,44 4,43 35 4,40 Cash Dividends Paid 2,23 2,23 2,23 2,23 2,23 2,23 Outsidends Paid 3,958 18,596 18,536 18,697 18,721 FINANCIAL RATIOS Return on Average Assets 9,47 90,83 90,81 90,61 91,38 Allowance for Loan Losses as %								
Available-for-sale securities (24) 16 6 456 456 6 6 6 6 6 6 6 6 6	· ·	·			•	·		
Commission income			•	·		•		
Earnings on cash surrender value of life insurance of life insuran		` '			1 504			
of life insurance 386 441 439 401 439 Net gains and fees on sales of loans 676 770 779 677 801 Other income 5.16 664 582 694 415 Total other income 8,129 8,780 8,762 9,046 8,671 Other expenses 1 596 13,384 13,258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,952 1,901 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 979 1,033 1,099 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666		690	070	757	1,504	671		
Other income 516 664 582 694 415 Total other income 8,129 8,780 8,762 9,046 8,671 Other expenses 1 8,129 8,780 8,762 9,046 8,671 Other expenses 1 1,570 1,3258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,3309 Net occupancy expenses 1,952 1,961 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 979 1,033 1,099 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,899 <td>of life insurance</td> <td></td> <td>441</td> <td></td> <td>401</td> <td>439</td>	of life insurance		441		401	439		
Total other income Ra,129 Ra,780 Ra,762 Ra,601 Ra,671 Ra,671 Ra,672 Ra,672 Ra,673								
Other expenses Salaries and employee benefits 12,596 13,384 13,258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 6,52 4,91 1,852 1,857 1,879 Marketing expenses 6,625 4,46 526 415 521 Outside data processing fees 989 979 1,033 1,009 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 776 778 778 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Equipment expenses .41 \$.44 <t< td=""><td>Uther income</td><td>516</td><td>664</td><td></td><td></td><td></td></t<>	Uther income	516	664					
Other expenses Salaries and employee benefits 12,596 13,384 13,258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,952 1,961 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 979 1,033 1,009 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 788 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,665 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Per Share Data Basic Net Income	Total other income	8,129	8,780	8,762	9,046	8,671		
Salaries and employee benefits 12,596 13,384 13,258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,952 1,961 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 999 1,033 1,009 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,665 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Basic Net Income \$41 \$45 \$43 \$35 \$41 <								
Salaries and employee benefits 12,596 13,384 13,258 14,821 13,309 Net occupancy expenses 1,428 1,570 1,422 1,376 1,328 Equipment expenses 1,952 1,961 1,852 1,857 1,879 Marketing expense 625 446 526 415 521 Outside data processing fees 989 999 1,033 1,009 1,158 Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,665 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Basic Net Income \$41 \$45 \$43 \$35 \$41 <	Other eynenses							
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Marketing expense Outside data processing fees 625 446 526 415 521				•				
Outside data processing fees Printing and office supplies Core deposit amortization 989 979 1,033 1,009 1,158 Printing and office supplies Core deposit amortization 767 777 778 787 802 Other expenses 4,469 3,923 4,026 3,629 4,272 Total other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 ======= ======= ======= ======= ======== Per Share Data \$1,41 \$45 \$43 \$35 \$41 Basic Net Income \$4,41 \$45 \$43 \$35 \$41 Diluted Net Income \$4,41 \$44 \$43 35 \$40 Cash Dividends Paid \$23 \$23 \$23 \$23		·	·	,		·		
Printing and office supplies 400 328 304 337 397 Core deposit amortization 767 770 778 787 802 Other expenses 4,469 3,923 4,026 3,629 4,272 Total other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 ======= ======= ======= ============ Per Share Data \$1,41 \$45 \$1,43 \$35 \$41 Basic Net Income \$4,41 \$45 \$43 \$35 \$41 Cash Dividends Paid 23 23 23 23 23 23 23 23 23 23 23 23 23 23 23 23 23 23 <td>• I</td> <td></td> <td></td> <td></td> <td></td> <td></td>	• I							
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Total other expenses 23,226 23,301 23,199 24,231 23,666 Income before income tax 11,084 11,825 11,536 9,090 10,890 Income tax expense 3,553 3,605 3,615 2,523 3,422 Net income \$7,531 \$8,220 \$7,921 \$6,567 \$7,468 Income Income \$1.41 \$.45 \$1.43 \$.35 \$1.41 \$1.45 \$1.43 \$1.35 \$1.40 \$1.41 \$1.44 \$1.43 \$1.45 \$1.43 \$1.45 \$1.44 \$1.44 \$1.45 \$1.4	·							
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Tincome tax expense 3,553 3,605 3,615 2,523 3,422	Income hefore income tax	11 084	11 825	11 536	9 090	10 890		
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Per Share Data Basic Net Income								
Basic Net Income \$.41 \$.45 \$.43 \$.35 \$.41 Diluted Net Income	Net income					•		
Basic Net Income \$.41 \$.45 \$.43 \$.35 \$.41 Diluted Net Income	Day Chara Data							
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Average Diluted Shares Outstanding (in thousands) 18,558 18,590 18,536 18,697 18,721 FINANCIAL RATIOS Return on Average Assets Return on Avg. Stockholders' Equity Avg. Earning Assets to Avg. Assets Allowance for Loan Losses as %								
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FINANCIAL RATIOS Return on Average Assets Return on Avg. Stockholders' Equity Avg. Earning Assets to Avg. Assets Allowance for Loan Losses as % 95% 1.03% 99% 1.03% 1.03% 1.03% 99% 1.03% 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03	· · · · · · · · · · · · · · · · · · ·	18,558	18,590	18,536	18,697	18,721		
Return on Average Assets .95% 1.03% .99% .83% .94% Return on Avg. Stockholders' Equity 9.49 10.38 10.13 8.33 9.46 Avg. Earning Assets to Avg. Assets 91.47 90.83 90.81 90.61 91.38 Allowance for Loan Losses as %		-,	-,	-,	-,	-,		
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Allowance for Loan Losses as %	Avg. Earning Assets to Avg. Assets							
UT LOTAL LOADS 1.02 1.03 1.03 1.01 .93	Allowance for Loan Losses as %							
2.02 2.00 2.00	Of Total Loans	1.02	1.03	1.03	1.01	. 93		

(Annualized)	.31	. 28	. 22	.12	. 65
Dividend Payout Ratio	56.10	52.27	53.49	65.71	57.50
Avg. Stockholders' Equity to Avg. Assets	10.05	9.89	9.80	9.97	9.92
Tax Equivalent Yield on Earning Assets	6.62	6.40	6.14	5.90	5.74
Cost of Supporting Liabilities	2.59	2.40	2.15	2.01	1.89
Net Int. Margin (FTE) on Earning Assets	4.03	4.00	3.99	3.89	3.85

LOANS

(in thousands)	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Commercial and industrial loans Agricultural production financing and	\$ 461,102	\$ 476,010	\$ 463,002	\$ 447,552	\$ 451,227
other loans to farmers Real estate loans:	95,130	94,262	93,274	83,800	98,902
Construction	174,783	171,667	166,367	170,498	164,738
Commercial and farmland	734,865	719,154	723,099	726,345	709,163
Residential Individuals' loans for household and other	751, 217	746,777	759,003	760,560	761,163
personal expenditures	200,139	186,792	182,362	187,552	198,532
Tax exempt loans	8,263	12,439	14,135	10,592	8,203
Lease financing receivables, net of unearned income	•	9,538	10,533	10,704	11,311
Other loans	23,215	27,292	29,131	16,496	24,812
	2,457,427	2,443,931	2,440,906	2,414,099	2,428,051
Allowance for loan losses	(25,188)	(25,149)	(25,091)	(24,488)	(22,548)
Total loans	\$2,432,239 =======	\$2,418,782 =======	\$2,415,815 =======	\$2,389,611 =======	\$2,405,503 =======
DEPOSITS					
(in thousands)	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Demand deposits	\$ 690,923	\$ 697,597	\$ 720,263	\$ 686,695	\$ 703,989
Savings deposits Certificates and other time deposits of	566,212	568,366	593,770	655,643	634,132
\$100,000 or more	264,665	320,640	234,988	285,878	258,362
Other certificates and time deposits	860,776	878,690	855,257	824,003	811,667
	\$2,382,576	\$2,465,293	\$2,404,278	\$2,452,219	\$2,408,150
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