

PROSPECTUS



DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

1,000,000 Common Shares

The Dividend Reinvestment and Stock Purchase Plan (the “Plan”) of First Merchants Corporation (“First Merchants” or the “Company”) provides existing holders of the Company’s Common Stock, no par value (the “Common Stock”), with a simple and convenient method of purchasing additional shares of Common Stock without acquisition fees of any kind. Any holder of record of the Corporation’s Common Stock is eligible to join the Plan.

By participating in the Plan, shareholders may elect to have their cash dividends on all or a portion of the shares held by the shareholder automatically reinvested in additional shares of Common Stock. In addition, shareholders may elect to make optional cash payments of not less than \$25 and up to an aggregate of \$5,000 per calendar quarter for the purchase of additional shares of Common Stock. Shareholders may elect to participate in the dividend reinvestment option, the cash payment option, or both.

The price at which shares of Common Stock will be credited to participant accounts under the Plan will be: (i) the average of the closing price for the Company’s Common Stock as reported on The NASDAQ Global Select Market for the five (5) consecutive trading days ending on the date of purchase for shares acquired from the Company and/or (ii) the average price paid for shares acquired on the open market. Dividends will be reinvested on a quarterly basis on the applicable dividend payment date. Shares will be purchased with optional cash payments received at least five (5) days before the end of the month, on a monthly basis on the first business day of the following month.

A shareholder may become a participant in the Plan by completing an Enrollment Form and returning it to American Stock Transfer & Trust Company, LLC (“American Stock Transfer” or the “Plan Administrator”). Shareholders who do not wish to participate in the Plan need do nothing and will continue to receive their cash dividends, if and when declared, as usual.

Our principal executive offices are located at 200 East Jackson Street, Muncie, Indiana 47305, and our telephone number at that address is (765) 747-1500.

Investing in the Common Stock involves risks. See “Risk Factors” on page 3 of this prospectus.

These securities will be our equity securities, will not be savings accounts, deposits or other obligations of any bank or savings association, and will not be insured by the Federal Deposit Insurance Corporation, the bank insurance fund or any other governmental agency or instrumentality.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is February 6, 2019.

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No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained or incorporated by reference in this prospectus. If given or made, such information must not be relied upon as having been authorized by First Merchants. This prospectus does not constitute an offer to sell, or solicitation of an offer to buy, the securities in any jurisdiction where or to any person to whom it is unlawful to make any such offer or solicitation. Neither the delivery of this prospectus nor any offer or sale made hereunder shall, under any circumstances, create an implication that there has not been a change in the facts set forth in this prospectus or in the affairs of First Merchants since the date hereof.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains or incorporates by reference forward-looking statements about First Merchants that are intended to be subject to the safe harbors created under U.S. federal securities laws. The use of words such as “may”, “will”, “anticipate”, “assume”, “should”, “indicate”, “would”, “believe”, “contemplate”, “expect”, “estimate”, “continue”, “plan”, “point to”, “pattern,” “project”, “would”, “should”, “could”, “can”, “might”, “intend”, “target”, and other similar words and expressions, generally identify forward-looking statements; however, these words are not the exclusive means of identifying such statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts.

By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. A number of factors could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. These factors include, but are not limited to, those which may be set forth under the heading “Risk Factors” in our periodic reports filed with the U.S. Securities and Exchange Commission (the “SEC”) that are incorporated by reference herein, and other factors described in our periodic reports filed from time to time with the SEC. Actual results, performance or achievement could differ materially from those contained in these forward-looking statements for a variety of reasons, including, without limitation, those discussed under “Risk Factors” in our periodic reports filed with the SEC. Other unknown or unpredictable factors also could have a material adverse effect on us and our business, financial condition and results of operations.

You should view forward-looking statements as our management’s strategic objectives rather than absolute forecasts of future performance. Forward-looking statements speak only as of the date they are made, and are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. We are not under any obligation to, or intend to, publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Please carefully review and consider the various disclosures made in this prospectus and in our other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, results of operations, financial condition or prospects.

THE COMPANY

First Merchants is a financial holding company headquartered in Muncie, Indiana and was organized in September 1982. First Merchants common stock is listed on The NASDAQ Global Select Market under the symbol “FRME.” First Merchants has one full-service Indiana commercial bank charter, First Merchants Bank, which opened for business in Muncie, Indiana, in March 1893. First Merchants Bank also operates First Merchants Private Wealth Advisors as a division of First Merchants Bank. First Merchants Bank includes over 116 banking locations in 31 Indiana, two Illinois and two Ohio counties. In addition to its traditional branch network, First Merchants offers comprehensive electronic and mobile delivery channels to its customers. First Merchants’ business activities are currently limited to one significant business segment, which is community banking.

First Merchants is registered as a bank holding company and has elected to be a financial holding company. We are subject to the supervision of, and regulation by the Board of Governors of the Federal Reserve under the Bank Holding Company Act of 1956, as amended. Bank holding companies are required to file periodic reports with and are subject to periodic examination by the Federal Reserve. As an Indiana state-chartered bank that is a member of the Federal Deposit Insurance Corporation (the “FDIC”), First Merchants Bank is subject to extensive supervision, examination and regulation by the Indiana Department of Financial Institutions (the Bank’s primary regulator) and the FDIC (the Bank’s primary federal regulator).

As of September 30, 2018, First Merchants had consolidated assets of \$9.8 billion, consolidated deposits of \$7.6 billion and shareholders’ equity of \$1.4 billion. As of December 31, 2017, First Merchants and its subsidiaries had 1,684 full-time equivalent employees.

References to “we,” “us,” “our,” “First Merchants” or the “Company” refer to First Merchants Corporation and its directly or indirectly owned subsidiaries, unless the context otherwise requires. The term “you” refers to a prospective investor.

RISK FACTORS

Investing in the Company's Common Stock involves risk. Prior to making any investment decision with respect to our Common Stock, prospective investors should carefully consider the specific factors set forth under the caption "Risk Factors" in our periodic reports filed with the SEC that are incorporated by reference herein, together with all of the other information appearing in this prospectus or incorporated by reference into this prospectus in light of their particular investment objectives and financial circumstances. Our business operations, our financial results, and the value of our Common Stock could also be impaired by risks and uncertainties not presently known to us or that we currently deem immaterial.

Risks Relating to Participation in the Plan

You will not know the price of the shares you are purchasing under the Plan at the time you authorize the investment or elect to have your subsequent dividends reinvested.

The price of our shares may fluctuate between the time you decide to purchase shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision, but you may not be able to change or cancel your purchase authorization.

You will not be able to direct the specific time or price at which your shares are sold under the Plan.

If you instruct the Plan Administrator to sell shares under the Plan, you will not be able to direct the time or price at which your shares are sold. The price of our shares may decline between the time you decide to sell shares and the time of actual sale.

THE DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The following is a question and answer statement of the provisions of the Dividend Reinvestment and Stock Purchase Plan (the “Plan”) for shareholders of the Company. Questions and Answers 1 through 33 both explain and constitute the Plan as amended and restated by action of the Board of Directors on February 5, 2019.

PURPOSE

1. What is the purpose of the Plan?

The purpose of the Plan is to provide existing holders of the Company’s Common Stock with a simple and convenient way to invest cash dividends and optional cash payments in shares of Common Stock of the Company without payment of brokerage commissions or service charges. Shares of Common Stock may be purchased from the Company or, in the discretion of the Company, may be purchased on the open market. The Company will receive additional funds for its general corporate purposes, including investments in or extensions of credit to its banking subsidiaries, for those shares purchased from the Company. The Company will not receive any funds from the purchase of shares of Common Stock which occur in open market transactions.

ADVANTAGES

2. What are the advantages of the Plan to Shareholders?

- Reinvestment of dividends on shares of Common Stock without any brokerage commissions or service charges;
- Investment of additional cash within specified limits in Common Stock without any brokerage commissions or service charges;
- Obtain full investment use of funds as the Plan provides for fractions of shares to be credited to participant accounts; and
- Avoid cumbersome safekeeping requirements and record keeping costs through the custodial service and reporting provisions of the Plan.

PARTICIPATION

3. Who is eligible to participate?

All existing holders of record of Common Stock are eligible to participate in the Plan. Owners of Common Stock whose shares are registered in the name of a broker, bank or other nominee and who wish to participate in the Plan must either (1) become a shareholder of record by having some or all of those shares transferred to his or her name or (2) coordinate participation in the Plan through the broker, bank or other nominee in whose name his or her shares of Common Stock are held.

4. How does an eligible shareholder participate?

An eligible holder of Common Stock may join the Plan at any time by completing the enclosed Enrollment Form and mailing the completed form to American Stock Transfer & Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560. Alternatively, eligible shareholders may download an Enrollment Form from the Company’s website at <https://www.firstmerchants.com> by first clicking on the “Investor Relations” link, then clicking on the “Dividend Reinvestment and Stock Purchase Plan” link under the “Stock Data” tab, and completing and mailing the Enrollment Form as described above. Enrollment Forms may also be obtained from American Stock Transfer, which is acting as the Plan administrator, by writing to American Stock Transfer at the address provided above or by telephoning them at (888) 401-4448. Further, shareholders may enroll online by visiting the American Stock Transfer website at <https://us.astfinancial.com/InvestOnline/Invest/AllPlan>. In order to access their accounts online, shareholders will need to know their ten (10) digit account number and social security number.

5. When may a shareholder join the Plan?

An eligible shareholder may join the Plan at any time. If an Enrollment Form specifying reinvestment of dividends is received by American Stock Transfer on or before the record date established for a particular dividend, reinvestment will commence with that dividend. The months in which the Company's usual dividend record dates for determining shareholders entitled to receive dividends are March, June, September and December of each year, while the related dividend payment dates typically occur on a subsequent date in each such March, June, September and December of each year. If the Enrollment Form is received after the record date established for a particular dividend, then the reinvestment of dividends will not begin until the dividend payment date following the next record date, as applicable. Optional cash payments are addressed in Question 11.

6. What does the Enrollment Form provide?

The Enrollment Form allows the shareholder to indicate how he or she wishes to participate in the Plan by checking the appropriate box. The options available to participating shareholders are:

TO PARTICIPATE IN FULL DIVIDEND REINVESTMENT ONLY

Reinvest dividends on all shares then or subsequently held.

TO PARTICIPATE IN PARTIAL DIVIDEND REINVESTMENT ONLY

Reinvest dividends on a designated portion of shares then or subsequently held.

TO MAKE OPTIONAL CASH PURCHASES ONLY

Permits optional cash payments, at any time, of not less than \$25 and up to an aggregate of \$5,000 per calendar quarter for the purchase of additional shares without reinvesting dividends on shares otherwise not in the Plan.

TO REINVEST DIVIDENDS AND TO MAKE OPTIONAL CASH PURCHASES

Reinvest dividends on all or a designated portion of shares then or subsequently held and also permits optional cash payments, at any time, of not less than \$25 and up to an aggregate of \$5,000 per calendar quarter.

Participants may elect the dividend option for all or a designated portion of shares then or subsequently held.

7. May a participant change his or her method of participation after enrollment?

A participant may elect to change his or her method of participation at any time after enrollment by requesting and executing a new Enrollment Form and returning it to American Stock Transfer. Changes in method of participation will be effective for dividend payment dates in the same manner as initial participation.

COSTS

8. Are there any expenses to participants in connection with purchases under the Plan?

No. Participants will incur no brokerage commissions or service charges for purchases made under the Plan. All costs of administration of the Plan will be paid by the Company. (See Question 24 and Question 25 for a discussion of payment by participants of brokerage costs and transfer taxes associated with termination of participation and sale of shares under the Plan.)

PURCHASES

9. How many shares of Common Stock will be purchased for participants?

The number of shares to be purchased depends on the amount of dividends and optional cash payments and the purchase price of Common Stock. Each participant's account will be credited with the number of shares, including fractions computed to four decimal places, equal to the total amount to be invested divided by the purchase price per share. There is no provision in the Plan for participants to purchase a specific number of shares.

10. When and at what price will shares of Common Stock be purchased under the Plan?

Purchases with reinvested dividends will be made on the dividend payment date. Purchases with optional cash payments, if timely received, will be made on the first business day of the month following the month in which the optional payment is received by American Stock Transfer (the "Investment Date"). Optional cash payments received at least five (5) business days before the Investment Date will be applied to the purchase of Common Stock for the account of the participant on such Investment Date.

The price at which shares of Common Stock will be credited to participant accounts under the Plan will be: (i) the average of the closing price of the Company's Common Stock as reported by the NASDAQ Global Select Market for the five (5) consecutive trading days ending on the date of purchase of shares acquired from the Company and/or (ii) the average price paid for shares acquired on the open market.

In making purchases for the participant's accounts, American Stock Transfer may commingle the participant's funds with those of other shareholders of the Company participating in the Plan. The price at which American Stock Transfer shall be deemed to have acquired shares for the participant's account shall be the average price of all shares purchased by it, as agent for the participants in the Plan, with the proceeds of a single cash dividend of the Company, together with any optional cash payments being concurrently invested or with the proceeds of any additional cash payments being invested at a time other than concurrently with a cash dividend. The Company may utilize an independent purchasing agent to assist it in the purchases of shares of Common Stock, other than the shares purchased from the Company.

OPTIONAL CASH PAYMENTS

11. Who will be eligible to make optional cash payments?

Shareholders who have submitted a signed Enrollment Form electing optional cash payments are eligible to make optional cash payments at any time.

Any shareholder who wants to make only optional cash payments (and not reinvest dividends on shares held outside the Plan), should check the "Optional Cash Purchases Only" box on the Enrollment Form. Unless shares acquired with optional cash payments are withdrawn from a Plan account, dividends paid on such shares will be reinvested.

An initial optional cash payment may be made by a participant when enrolling in the Plan by enclosing a check or money order with the Enrollment Form or by enrolling in the Plan's automatic monthly investment feature. Checks or money orders should be made payable to American Stock Transfer. Optional cash payments may thereafter be made at any time by sending a check or money order to American Stock Transfer for each purchase or by authorizing an individual automatic deduction from the participant's bank account. While optional cash payments may be made at any time, such payments should be sent so that they are received by American Stock Transfer not later than five (5) business days before the Investment Date. No interest will be paid on optional cash payments; consequently, a participant may wish to delay transmitting optional cash payment funds via check or money order until shortly before the Investment Date while still allowing enough time for American Stock Transfer to receive the funds five (5) business days prior to such date.

Alternatively, if a participant wishes to make regular monthly purchases, a participant may make optional cash payments by authorizing automatic monthly deductions from the participant's bank account. This feature enables a participant in the Plan to make ongoing investments without having to submit a check or money order. See Question 14 for more detailed information on the automatic monthly investment feature of the Plan.

12. What are the limitations on the amount of optional cash payments?

The same amount of money need not be sent each month and a participant is under no obligation to make an optional cash payment in any month or quarter. Any optional cash payment must be at least \$25 and may not aggregate more than \$5,000 in any calendar quarter. Only checks or money orders should be remitted unless a participant is using the automatic deduction features of the Plan.

13. Under what circumstances will optional cash payments be returned?

In the event that a participant's check or automatic investment is returned to American Stock Transfer for insufficient funds, American Stock Transfer will debit any uninvested amount from such participant's account. However, if the funds have already been invested, American Stock Transfer will sell the shares that have been purchased to satisfy full amount of the returned check or automatic investment. If the sale of the shares purchased is not sufficient to satisfy the full amount of the returned check or automatic investment, American Stock Transfer will sell additional shares from such participant's account to satisfy the full amount of the returned check or automatic investment. American Stock Transfer will also sell additional shares from such participant's account to cover the \$25 returned check fee.

Further, upon written request of a participant submitted to American Stock Transfer, optional cash payments received by American Stock Transfer will be returned to such participant at least two (2) business days prior to the Investment Date.

14. What is the automatic monthly investment feature of the Plan and how does it work?

A participant in the Plan may make optional cash payments of not less than \$25 per payment nor more than an aggregate total of \$5,000 during a calendar quarter by means of a monthly automatic electronic funds transfer from a predesignated account with a United States financial institution. Any automatic monthly investment will be treated as an initial cash investment or an optional cash purchase.

To initiate automatic monthly investments, a participant must complete and sign the automatic monthly deduction portion of the Enrollment Form and return it to American Stock Transfer with a voided blank check (checking account) or deposit slip (savings account) for the account from which funds are to be drawn. Elections to participate in the automatic monthly deduction feature of the Plan will be processed and will become effective as promptly as practicable following receipt by American Stock Transfer of the Enrollment Form.

Once automatic monthly investment is initiated, funds will be drawn from the participant's designated financial institution account on the tenth (10th) day of each month, or the preceding business day, and will be invested in Common Stock on the next Investment Date.

Each participant may change the amount of his or her automatic monthly investment or the designated account from which funds are drawn at any time by completing, signing and submitting to American Stock Transfer a new Enrollment Form containing the requested changes. To be effective with respect to the next Investment Date, however, the new Enrollment Form must be received by American Stock Transfer at least ten (10) business days preceding the Investment Date for which such change is to be effective. Otherwise, the change will not be effective until the following month's Investment Date. Any participant may terminate his or her automatic monthly investment at any time by notifying American Stock Transfer in writing.

ADMINISTRATION

15. Who administers the Plan for participants?

American Stock Transfer & Trust Company, LLC has been designated by the Company as the plan administrator to administer the Plan for participants, keep records, send statements of account to participants and perform other duties relating to the Plan. Shares of Common Stock purchased under the Plan will be registered in the name of American Stock Transfer, and credited to the account of the individual participants. American Stock Transfer also serves as Transfer Agent for the Common Stock. The Company may utilize an independent purchasing agent to assist it in the purchase of shares of Common Stock on the open market.

REPORTS TO PARTICIPANTS

16. What kind of reports will be sent to participants in the Plan?

Participants will receive a statement of account for the quarter in which a purchase or reinvestment is made. Each statement will contain the date of the purchase or reinvestment, the amount purchased or reinvested, the effective purchase price per share, the number of shares acquired and the number of shares held after such acquisition. These statements will provide a record of the cost of purchase of shares under the Plan and should be retained for tax purposes. In addition, as shareholders of record, participants will receive copies of the Company's annual and quarterly reports to shareholders, proxy statements and information for income tax reporting purposes.

DIVIDENDS

17. Will a participant be credited with dividends on shares held in his or her account under the Plan?

Yes. As the record holder for the shares held in the participant accounts under the Plan, American Stock Transfer will receive dividends for all Plan shares held on the dividend record date, will credit such dividends to such accounts on the basis of full and fractional shares held and will automatically reinvest such dividends in additional shares of Common Stock.

CERTIFICATES FOR SHARES

18. Will certificates be issued for shares of Common Stock purchased under the Plan?

Unless requested, certificates for shares of Common Stock purchased under the Plan will not be delivered to participants. Certificates for shares purchased under the Plan will be registered in the name of American Stock Transfer for participants in the Plan. The number of shares credited to the account of a participant under the Plan will be shown on his or her statement of account. This feature protects against loss, theft or destruction of stock certificates.

Certificates for any number of whole shares credited to the account of a participant will be issued without charge within thirty (30) days of receipt of a written request. Certificates representing fractional shares will not be issued under any circumstances.

A request for issuance of Plan shares, including issuance of all of the shares in a participant's account, does not constitute a termination of participation in the Plan by the participant. Termination may be effected only through the delivery to American Stock Transfer of a written notice of termination. (See Question 23.)

WITHDRAWAL OF SHARES ON PLAN ACCOUNTS

19. How may a participant withdraw shares purchased under the Plan?

A participant may withdraw all or a portion of the shares credited to his or her account under the Plan by notifying American Stock Transfer in writing that he or she wishes to withdraw shares and specifying the number of whole shares to be withdrawn. This notice should be mailed to American Stock Transfer. Certificates for the whole shares of Common Stock so withdrawn will be registered in the name of and issued to the participant within thirty (30) days of receipt of the written request. In no case will certificates representing fractional shares be issued. All future dividends paid on withdrawn shares will be credited to the participant's account.

20. What happens to any fractional share when a participant withdraws all shares from the Plan?

If a participant's account contains a fractional share and the participant has requested that all shares be withdrawn from his or her account including the fractional share, a cash payment equal to the closing price of the Common Stock as reported by the NASDAQ Global Select Market on such date multiplied by such fraction will be made. This cash payment, together with certificates for the whole shares, will be mailed directly to the withdrawing participant.

21. What happens to a participant's Plan account if all shares of Common Stock in the participant's own name are transferred or sold?

If a participant who has elected the dividend reinvestment option disposes of all shares of Common Stock registered in his or her own name, dividends on shares credited to his or her Plan account will continue to be reinvested until American Stock Transfer receives a written request for withdrawal from the Plan from the participant.

22. Will dividends on shares withdrawn from the Plan continue to be reinvested?

If a participant has elected the dividend reinvestment option, cash dividends with respect to shares withdrawn from the participant's account will continue to be reinvested until American Stock Transfer receives a written request for withdrawal from the Plan from the participant.

DISCONTINUATION OF DIVIDEND REINVESTMENT AND/OR OPTIONAL CASH PURCHASES

23. How does a participant discontinue the reinvestment of dividends and/or Optional Cash Purchases under the Plan?

A participant may discontinue the reinvestment of dividends under the Plan by notifying American Stock Transfer in writing to that effect except for Plan shares not withdrawn. Notice of discontinuance should be sent to American Stock Transfer. To prevent the reinvestment of dividends in accordance with the Plan, notice of termination must be received three (3) business days prior to the payment date for the next dividend to be paid. If the notice of termination is received less than three (3) business days from such payment date, the next dividend paid will be reinvested. However, dividends will be paid out in cash on all balances thereafter.

Participants who are discontinuing both dividend reinvestment and optional cash purchases, or the optional cash purchase feature only, should notify American Stock Transfer as stated above. If, at the time of notification, the participant has submitted an optional cash payment that has not yet been invested, American Stock Transfer will invest such cash payment, unless the notification received by American Stock Transfer included written instructions to discontinue optional cash purchases and return all uninvested cash. These instructions must reach American Stock Transfer at least two (2) business days prior to the Investment Date.

Participants need not discontinue the optional cash payment portion of the Plan when discontinuing the automatic dividend reinvestment portion.

24. What happens when a participant terminates participation in the Plan?

When a participant terminates participation in the Plan by providing American Stock Transfer with a written notice of termination, or upon termination of the Plan by the Company, certificates for whole shares credited to a participant's account will be issued to the participant and a cash payment will be made for any fractional share interests. However, in the participant's notice of termination of participation, the participant may direct American Stock Transfer to sell all full and fractional share interests held in the participant's Plan account. Within five (5) business days or as soon as practicable after receipt of notice of termination, such sales will be made through an independent brokerage organization. Any brokerage fees, transfer and other taxes and other transaction expenses in connection with such sales will be paid by the terminating participant. The proceeds of the sale, net of such expenses, will be sent to the participant. American Stock Transfer charges a commission of \$0.05 per share in connection with the sale of shares under the Plan.

SALE OF PLAN SHARES

25. May a participant's Plan shares be sold?

A participant may sell all or a part of the shares of Common Stock held in the Plan in either of two ways. First, the participant may request certificates for full shares and arrange for the sale of these shares through a securities broker of the participant's choice. Alternatively, within five (5) days after receipt of written instructions, American Stock Transfer will sell any portion or all of the shares held by American Stock Transfer for the participant. Such shares will be sold through independent securities brokers selected by American Stock Transfer in its sole discretion. The participant will be charged a commission of \$0.05 per share and any applicable transfer or other taxes, which amounts will be deducted from the cash proceeds paid to the participant. Shares being sold for the participant may be aggregated with those of other Plan participants who have requested sales. In that case, the participant will receive proceeds based on the average sales price of all shares sold, less a pro rata share of brokerage commissions and any applicable transfer or other taxes. A check representing the proceeds of the sale of shares will be forwarded to the participant as soon as practicable after settlement of the sale.

OTHER INFORMATION

26. Does participation in the Plan involve risk?

The risk to participants is the same as with any other investment in shares of the Company's Common Stock. Since purchase prices are established on the dividend payment date or the Investment Date, as applicable, a participant loses any advantage otherwise available from being able to select the timing of investments. Participants should recognize that neither the Company nor American Stock Transfer can assure a profit or protect against a loss on shares of Common Stock purchased under the Plan. See the "Risk Factors" section on Page 3 of this Prospectus.

27. What happens if the Company has a rights offering, issues a stock dividend or declares a stock split?

In the event that the Company should make available to its shareholders rights to purchase additional shares or other securities, American Stock Transfer will sell or direct the sale of the rights accruing to shares held in participant accounts and apply the net proceeds of such sales to the purchase of additional shares of Common Stock.

Any stock dividend or shares resulting from stock splits with respect to full shares and fractional shares credited to a participant's account will be added to the participant's account.

Transaction processing may either be curtailed or suspended until the completion of any stock dividend, stock split or corporate action.

28. How are a participant's shares voted at meetings of shareholder?

Participants will receive a proxy indicating the total number of shares of Common Stock held, including shares of Common Stock registered in the participant's name and shares of Common Stock credited to the participant's Plan account.

If the proxy is returned properly signed and marked for voting, all the shares covered by the proxy, including those shares registered in the participant's name and those shares credited to the participant's Plan account, will be voted as marked.

If the proxy is properly signed but with no instructions as to the manner in which the participant's shares are to be voted with respect to any item thereon, all of the participant's shares, including shares registered in the participant's name and shares credited to the participant's Plan account, will be voted in accordance with the recommendations of the Board of Directors of the Company. If the proxy is not returned or if it is returned unexecuted or improperly executed, the participant's shares will not be voted.

29. What are the federal income tax consequences of participation of the Plan?

Generally, a participant will be treated for federal income tax purposes as having received on the dividend payment date, either: (i) the cash dividend, if the shares are purchased on the open market, plus any brokerage costs paid by the Company; or (ii) a dividend equal to the fair market value on the dividend payment date of the shares purchased with reinvested dividends if the shares are purchased directly from the Company.

A participant who makes optional cash payments for the purchase of Common Stock under the Plan will be treated as having purchased shares, on the Investment Date, in an amount equal to the participant's purchase price per share.

If the participant is not subject to "backup" withholding of federal income tax, the full amount of dividends received will be used to purchase shares under the Plan. However, if the participant is subject to "backup" withholding, the amount of federal income tax withheld will reduce the amount available to purchase shares. A participant is subject to "backup" withholding if the participant fails to certify to the Company his or her Social Security number and that he or she is not subject to backup withholding. Each participant will be required to furnish Form W-9 to the Company which contains the required certifications in order to have dividends on shares enrolled in the Plan reinvested without withholding.

In the case of foreign shareholders whose taxable income under the Plan is subject to Federal income tax withholding, American Stock Transfer will make reinvestments net of the amount of tax required to be withheld. The withholding tax may be reduced or eliminated by treaty between the U.S. and the country in which the Plan participant resides, if the participant provides appropriate documentation to claim the benefit of the treaty. Regular statements of account confirming purchases made for foreign participants will indicate the amount of tax withheld.

The tax basis of any shares acquired through the Plan generally will be the fair market value as of the purchase date plus any brokerage costs paid by the Company on open market purchases. The holding period for shares acquired through the Plan will begin on the day after the date such shares are credited to the participant's account under the Plan.

A participant will not realize any taxable income upon receipt of certificates for whole shares credited to the participant's account under the Plan, either upon request for such certificates or upon withdrawal from the Plan. However, upon withdrawal from the Plan, a participant who received a cash payment for a fractional share held in the participant's account will, if the shares are held as a capital asset, realize a capital gain or loss measured by the difference between the amount of the cash received by the participant and the price at which such fraction was credited to the participant's account.

The preceding summary is general in nature, and is not a comprehensive summary of all tax considerations that may be relevant to a Plan participant. The summary may be rendered inaccurate by future legislative, administrative or judicial changes to the Federal income tax laws. Each participant in the Plan should discuss their specific tax consequences of participation in the Plan with their tax advisor.

30. What are the responsibilities of the Company and the Plan Administrator?

Neither the Company nor American Stock Transfer, in administering the Plan, will be liable for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon such a participant's death or adjudicated incompetency prior to receipt of written notice thereof, the prices at which shares are purchased for or sold from the participant's account, the times when purchases or sales are made, or fluctuations in the market value of the Common Stock.

The payment of dividends is at the discretion of the Board of Directors of the Company and will depend upon future earnings, the Company's financial condition and other factors. The Board of Directors may change the amount and timing of dividends at any time without notice.

Participants should recognize that neither the Company nor American Stock Transfer can provide any assurance of a profit or protection against a loss on any shares purchased or sold under the Plan.

31. How is the Plan interpreted and regulated?

The Company may interpret, regulate and take any action in connection with the Plan that it deems reasonably necessary in its sole discretion to carry out the Plan. As a participant in the Plan, you will be bound by any actions taken by the Company or the Plan Administrator.

32. Where should correspondence under the Plan be directed?

Unless otherwise directed elsewhere in this Prospectus, all correspondence regarding the Plan should be directed to American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, New York 11219 (Telephone: (888) 401-4448). For all transaction processing, shareholders should direct all correspondence to American Stock Transfer & Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, New York 10269-0560 (Telephone: (888) 401-4448), or shareholders should visit American Stock Transfer's website at <https://www.astfinancial.com>.

33. May the Plan be suspended, modified or terminated?

While the Plan is intended to continue indefinitely, the Company reserves the right to suspend or terminate the Plan at any time. The Company also reserves the right to make modifications to the Plan. Participants will be notified of any such suspension, termination or modification. If the Plan is terminated, any uninvested optional cash payments will be returned to participants, certificates for whole shares credited to Plan accounts will be issued and cash payments will be made for any fractional shares credited to such Plan accounts.

The Company intends to use its best efforts to maintain the effectiveness of the Registration Statement filed with the Commission covering the offer and sale of Common Stock under the Plan. However, the Company has no obligation to offer, issue or sell Common Stock to participants under the Plan if, at the time of the offer, issuance or sale, such Registration Statement is for any reason not effective. Also, the Company may elect not to offer or sell Common Stock under the Plan to participants residing in any jurisdiction or foreign country where, in the judgment of the Company, the burden of expense of compliance with applicable blue sky or securities laws make such offer or sale there impracticable or inadvisable. In any of these circumstances, dividends, if and when declared, will be paid in the usual manner to the shareholder and any optional cash payments received from such shareholder will be returned to him or her.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements, and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at <http://www.sec.gov> and on the investor relations page of our website at <https://www.firstmerchants.com>. Except for those SEC filings incorporated by reference in this prospectus, none of the other information on our website is part of this prospectus. You may also read and copy any document that we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information that we file with it, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference is an important part of this prospectus. Some information contained in this prospectus updates the information incorporated by reference, and information that we file in the future with the SEC will automatically modify, supersede or update this prospectus. In other words, in the case of a conflict or inconsistency between information in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

This prospectus incorporates by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act") (other than those "furnished" pursuant to Item 2.02 or Item 7.01 in any Current Report on Form 8-K or other information deemed to have been "furnished" rather than filed in accordance with the SEC's rules) after the initial filing of the registration statement related to this prospectus until the termination of the offering of the securities covered hereby:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2017;
- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018;
- Our Current Reports on Form 8-K filed on May 11, 2018 (Form 8-K/A amending that certain Current Report on Form 8-K filed on November 13, 2017), May 11, 2018, August 15, 2018 (Form 8-K/A amending that certain Current Report on Form 8-K filed on May 11, 2018) and October 10, 2018; and
- The description of First Merchants common shares set forth in the registration statement filed by First Merchants pursuant to Section 12 of the Exchange Act, including any amendment or report filed with the SEC for the purpose of updating such description.

Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules.

Upon written or oral request, we will provide, at no cost to the requester, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus. You may make a request by writing to or calling us at the following address or telephone number:

First Merchants Corporation
P.O. Box 792
Muncie, Indiana 47308-0792
Attention: Shareholder Relations
Phone Nos.: (765) 741-7278 or
(800) 262-4261, Ext. 27278

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is inconsistent with information contained in this document or any document incorporated by reference. This prospectus is not an offer to sell these securities in any state where the offer and sale of these securities is not permitted. The information in this prospectus is current as of its date, and not necessarily as of any later date. If any material change occurs during the period that this prospectus is required to be delivered, this prospectus will be supplemented or amended.

USE OF PROCEEDS

The net proceeds if any received by the Company from the sale of the Common Stock offered hereby will be added to the general funds of the Company and will be used for its continuing operations and general corporate purpose, including investments in or extensions of credit to its banking subsidiaries. The Company has no basis for estimating either the number of shares of Common Stock that will ultimately be sold pursuant to the Plan or the prices at which such shares will be sold. Moreover, the Company may direct that the Plan purchase shares for the account of Plan participants on the open market, through its designated independent purchasing agent, in which case the Company will not receive any funds.

PLAN OF DISTRIBUTION

Except to the extent that the Plan Administrator purchases our Common Stock on the open market, we will sell directly to you, through the Plan Administrator, the shares of Common Stock acquired under the Plan. The shares of Common Stock may be resold in market transactions on any national securities exchange on which shares of our common stock trade or in privately negotiated sale transactions. The Common Stock currently is listed on The NASDAQ Global Select Market under the trading symbol "FRME."

Subject to the availability of shares of Common Stock registered for issuance under the Plan, there is no total maximum number of shares of Common Stock that can be issued pursuant to the reinvestment of dividends and optional cash purchases. In connection with any reinvestment of dividends or optional cash purchases in which the Plan Administrator purchases shares of Common Stock on the open market, you will not pay any trading fees. However, you will have to pay any fees payable in connection with your voluntary sale of shares from your Plan account and/or withdrawal of shares from the Plan.

LEGAL MATTERS

The validity of the shares of Common Stock being offered by this prospectus will be passed upon for us by Bingham Greenebaum Doll LLP, Indianapolis, Indiana.

EXPERTS

The consolidated financial statements of First Merchants and its affiliates incorporated in this prospectus by reference to First Merchants' Annual Report on Form 10-K for the year ended December 31, 2017, were audited by BKD, LLP, an independent registered public accounting firm, whose report thereon contained in such Annual Report on Form 10-K is incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such report of BKD, LLP given upon the authority of such firm as experts in auditing and accounting.



DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

1,000,000 Common Shares
