

## First Merchants Corporation Announces CEO Transition and Structure Change

January 24, 2007

MUNCIE, Ind.--(BUSINESS WIRE)--

First Merchants Corporation (NASDAQ:FRME) today announced that Michael C. Rechin will become President and CEO upon the retirement of Michael L. Cox. The change will become effective at the corporation's annual meeting, to be held April 24, 2007.

Rechin, who is currently serving as chief operating officer, joined First Merchants Corporation 15 months ago. Since that time, he has worked closely with the affiliate bank presidents in local communities to reinforce the brand and identify growth opportunities in served markets.

Robert M. Smitson, Chairman of the Board said, "On behalf of the entire board of directors, I want to express our great appreciation to Mike Cox for his many contributions to First Merchants Corporation. Mike assumed the role of CEO in April, 1999, and under his leadership, the corporation's total assets have more than doubled in size."

"The board is pleased to have someone of Mike Rechin's background and experience to succeed Mike Cox. Rechin has been a driving force in the development of the 2007 business plan, and we are confident he will successfully implement the plan and build upon the strong foundation that has been established," Smitson said.

Before joining First Merchants, Rechin was Executive Vice President of corporate banking for National City Bank, managing its Indiana operations. He began his career with BancOhio National Bank in Columbus, Ohio, in 1983 as a corporate banking trainee and joined National City upon the acquisition of BancOhio in 1984. Rechin holds an undergraduate degree and an MBA in finance from Miami University of Ohio.

"It has been a pleasure to serve First Merchants Corporation as CEO for the past eight years and as a director since 1984. I am proud of our accomplishments and believe the corporation is positioned for even greater success. In meeting with our local bank boards over the past few weeks, I've seen how fully supportive they are of the 2007 initiatives. It has been a pleasure to work closely with Mike Rechin, and I have every confidence that this will be a smooth transition," Cox said.

"I sincerely appreciate the confidence the First Merchants board has placed in me, as well as the solid foundation Mike Cox helped build over the past several years. We are positioned well for the future," Rechin said.

Structural change to reduce number of bank charters to four

The corporation further announced that a key 2007 initiative will be the combination of five of its bank charters into one. Subject to the approval of the Office of the Comptroller of the Currency (OCC), Frances Slocum Bank & Trust Company, Decatur Bank & Trust, First National Bank, and United Communities National Bank will combine with First Merchants Bank. This will create the largest bank holding company headquartered in Central Indiana. The anticipated effective date of the combinations is April 2, 2007.

In addition, the corporation plans to pursue the approval of the OCC to combine the Hamilton County, Indiana, offices of First Merchants Bank and Madison Community Bank under the name of First Merchants Bank of Central Indiana. The two other First Merchants Corporation banks, Lafayette Bank & Trust Company as well as Commerce National Bank, will retain their names and charters. As a result, First Merchants Corporation will hold four bank charters: First Merchants Bank, First Merchants Bank of Central Indiana, Lafayette Bank & Trust Company, and Commerce National Bank.

"Four strong charters will allow us to better build our brand in our four served regions. Each bank will be able to expand its market position and continue its focus on customer needs. For our local communities, there will be little change. Each bank will retain its local leadership, and regional presidents will continue to focus on serving customers, growing new relationships, and providing greater profit contributions to the corporation," said CEO Cox.

"This is a positive step toward higher performance that will take advantage of increased efficiencies. Each of the banks already shares products, infrastructure and common systems. In so many ways, we're already one bank. Over the past five years, through diligent effort, we've moved to centralized departments for operations, HR, marketing, risk management and finance. Reducing the numbers of charters and names is simply the next, critical step in the journey to increased efficiency and continued improvements to our performance," said Rechin, who currently oversees banking operations.

James Meinerding, current President and CEO of United Communities National Bank, will become President and CEO of the newly combined First Merchants Bank. Michael Baker, currently President and CEO of Madison Community Bank, will become President and CEO of First Merchants Bank of Central Indiana. Leadership at Lafayette Bank & Trust and Commerce National Bank will remain unchanged.

"Jim and Mike are proven leaders and a critical part of the team that will drive higher performance. As an Indiana-based company, we place a high value on relationships with our customers and our communities, and each of our CEOs and regional presidents is committed to further strengthening our local impact," Rechin said.

Leadership for the four First Merchants Corporation banks is anticipated to be as follows:

First Merchants Bank

- Jim Meinerding - President and CEO - Randolph, Union, Fayette and Wayne counties in Indiana; Butler County, OH
- Jack Demaree - Regional President - Delaware and Henry

counties, IN

-- Ron Kerby - Regional President - Wabash, Miami and Howard counties, IN

-- Steve Bailey - Regional President - Adams County, IN

-- Bob Bell - Regional President - Jay County, IN First Merchants Bank of Central Indiana

-- Mike Baker - President and CEO

-- Bill Redman - Indianapolis Market Executive

Lafayette Bank & Trust

-- Tony Albrecht - President and CEO

Commerce National Bank

-- Tom McAuliffe - Chairman of the Board and CEO

-- John Romelfanger - President and COO

Conference call

First Merchants Corporation will conduct a conference call at 2:30 p.m. (EDT) today, Wednesday, January 24, 2007. To participate dial (Toll Free) 877-407-9210 and reference First Merchants Corporation's fourth quarter earnings release. A replay will be available until January 31, 2007. To access replay, US/Canada participants should dial (Toll Free) 877-660-6853. The replay will require the Account # 286 and Conference ID # 226600.

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.

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>).

Source: First Merchants Corporation

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