

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): April 26, 2012

Commission File Number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

INDIANA
(State or other jurisdiction of
incorporation)

35-1544218
(IRS Employer 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 April 26, 2012, First Merchants Corporation will conduct a first quarter earnings conference call and web cast on Thursday, April 26, 2012 at 2:30 p.m. (ET). A copy of the slide presentation utilized on the conference call is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

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

Exhibit 99.1 Slide presentation, utilized April 26, 2012, during conference call and web cast by First Merchants Corporation

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.

Financial Officer
Accounting Officer)

First Merchants Corporation
(Registrant)

By: /s/ Mark K. Hardwick
Mark K. Hardwick
Executive Vice President and Chief

(Principal Financial and Principal

Dated: April 26, 2012

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide presentation, utilized April 26, 2012, during conference call and web cast by First Merchants Corporation



First Merchants Corporation 1st Quarter 2012 Earnings Call

April 26,
2012

THE STRENGTH OF BIG.
THE SERVICE OF SMALL.



Michael C. Rechin

President
and Chief Executive Officer

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FORWARD-LOOKING STATEMENT

The Corporation may make forward-looking statements about its relative business outlook. These forward-looking statements and all other statements made during this meeting 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.

Please refer to our press releases, Form 10-Qs and 10-Ks concerning factors that could cause actual results to differ materially from any forward-looking statements.

1st QUARTER 2012 HIGHLIGHTS

- EPS
 - \$.46 per share (171% year-over-year growth)
 - Core EPS: \$.25 per share (47% year-over-year growth)
 - SCB bargain purchase gain of \$.21 per share
- SCB FDIC-Modified Whole-Bank Transaction
- Core Revenue Growth
 - \$1.7M increase year-over-year
- Balance Sheet Well Positioned for Growth
 - Strong Core Funding Base
 - Tangible Common Equity: 7.07%
 - Tier 1 Common: 9.20%
 - Lower Risk Profile



Mark K. Hardwick

Executive Vice President
and Chief Financial Officer

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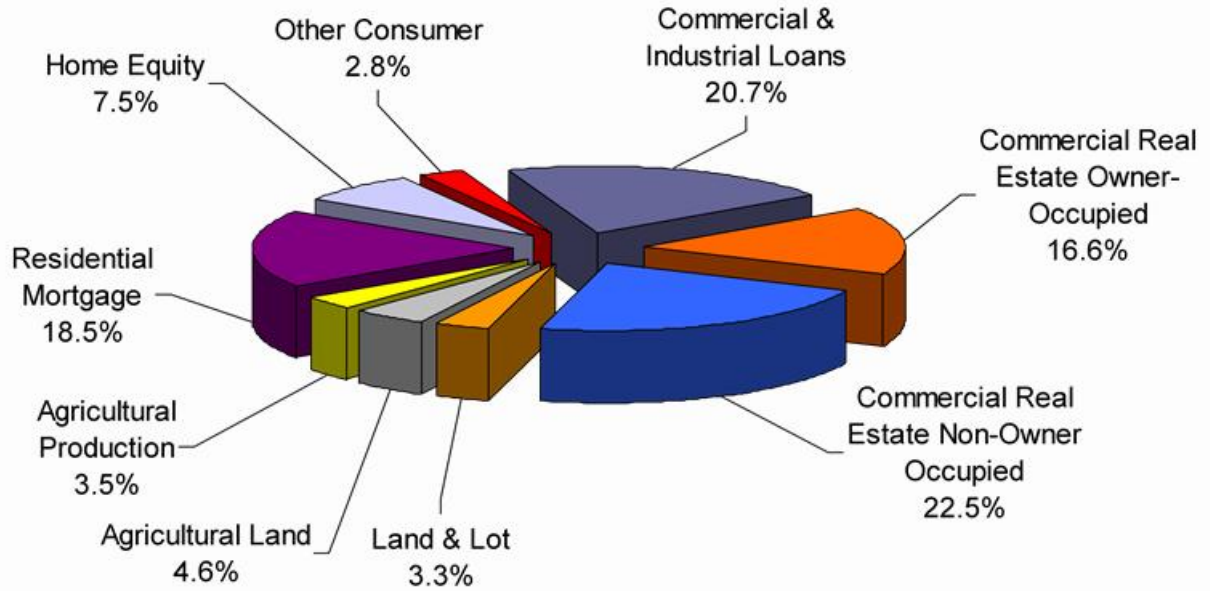
TOTAL ASSETS

(\$ in Millions)	<u>2010</u>	<u>2011</u>	<u>Q1-'11</u>	<u>Q1-'12</u>
1. Investments	\$ 827	\$ 946	\$ 886	\$ 960
2. Loans	2,857	2,731	2,766	2,815
3. Allowance	(83)	(71)	(81)	(70)
4. CD&I & Goodwill	154	150	153	150
5. BOLI	97	124	102	123
6. Other	<u>319</u>	<u>293</u>	<u>291</u>	<u>258</u>
7. Total Assets	\$4,171	\$4,173	\$4,117	\$4,236

LOAN AND CREDIT DETAIL

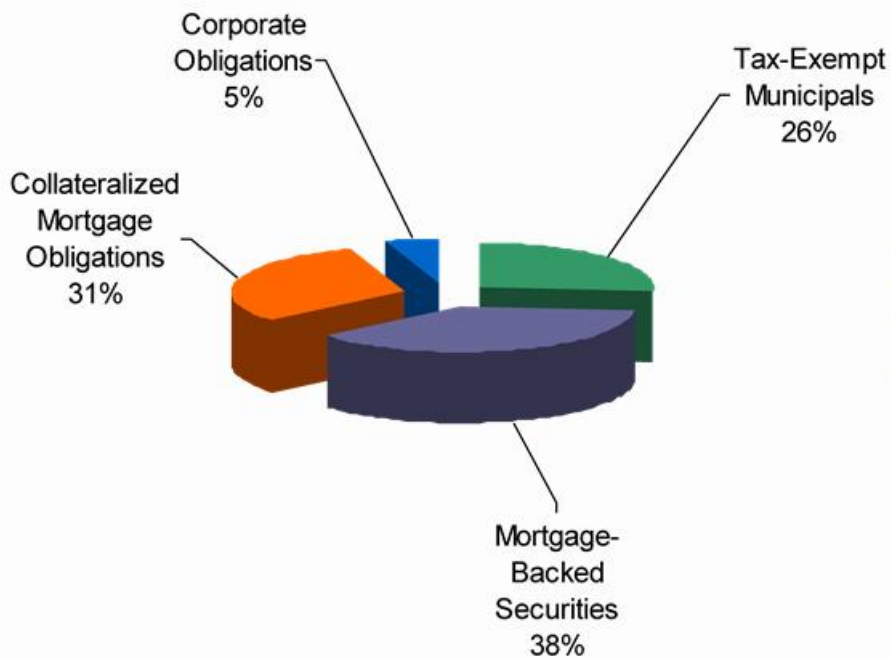
Loan Composition (as of 3/31/12)

YTD Yield = 5.17%
Total = \$2.8B



INVESTMENT PORTFOLIO

(as of 3/31/12)



- \$960 Million Balance
- Average duration - 4.1 years
- Tax equivalent yield of 3.78%
- Net unrealized gain of \$29.3 million

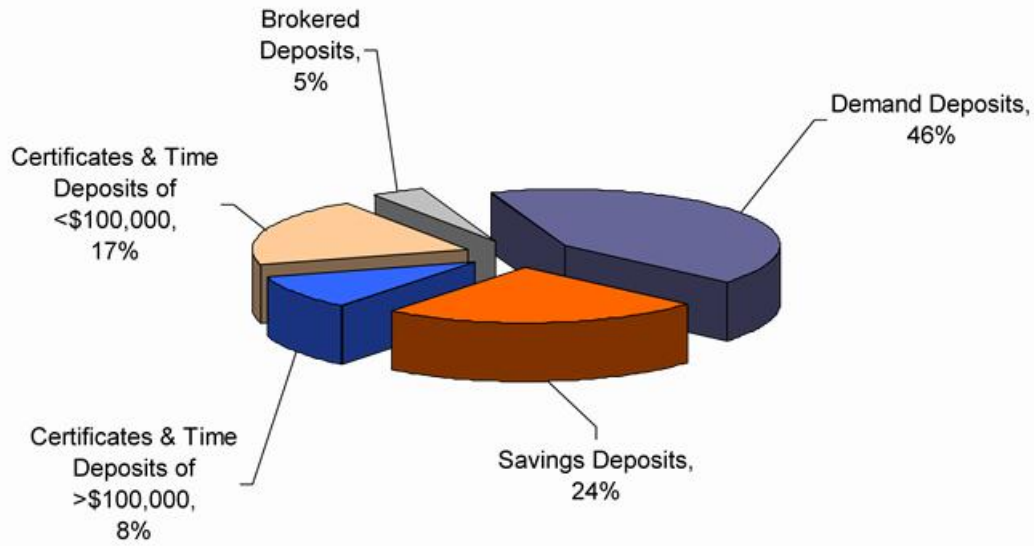
TOTAL LIABILITIES AND CAPITAL

(\$ in Millions)	<u>2010</u>	<u>2011</u>	<u>Q1-'11</u>	<u>Q1-'12</u>
1. Customer Non-Maturity Deposits	\$2,127	\$2,196	\$2,083	\$2,273
2. Customer Time Deposits	996	816	943	836
3. Brokered Deposits	146	123	126	170
4. Borrowings	277	378	305	287
5. Other Liabilities	28	34	56	31
6. Hybrid Capital	142	111	142	111
7. Preferred Stock (CPP)	68	-	68	-
8. Preferred Stock (SBLF)	-	91	-	91
9. Common Equity	<u>387</u>	<u>424</u>	<u>394</u>	<u>437</u>
10. Total Liabilities and Capital	\$4,171	\$4,173	\$4,117	\$4,236

DEPOSITS

(as of 3/31/12)

YTD Cost = .66%
Total = \$3.3B

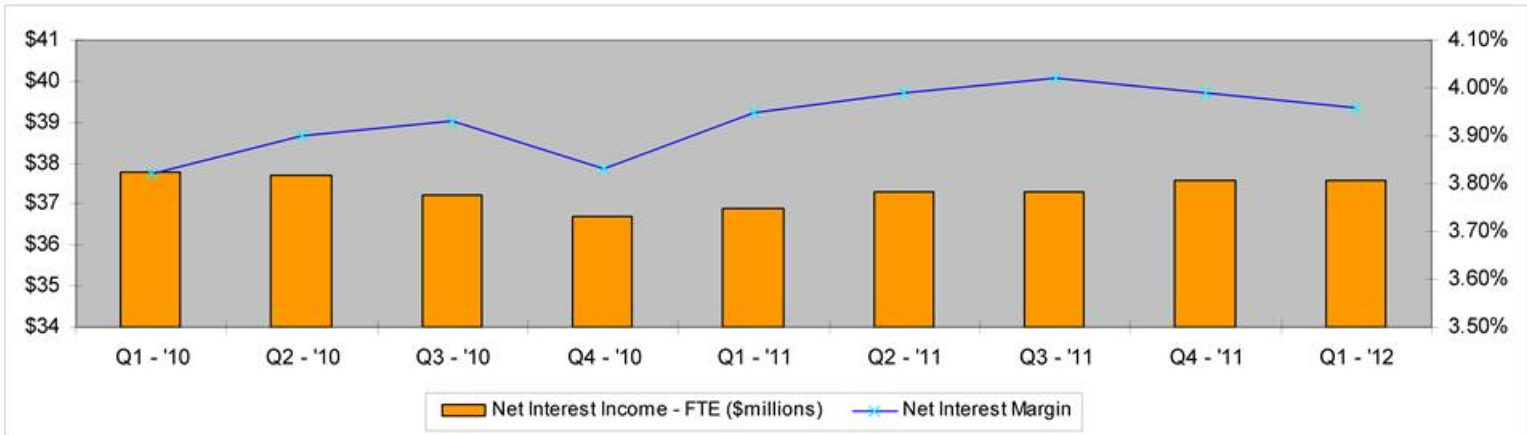


CAPITAL RATIOS

	<u>2010</u>	<u>2011</u>	<u>Q1-'11</u>	<u>Q1-'12</u>
1. Total Risk-Based Capital Ratio	15.74%	16.54%	15.66%	16.39%
2. Tier 1 Risk-Based Capital Ratio	12.82%	13.92%	13.05%	14.14%
3. Leverage Ratio	9.50%	10.17%	9.80%	10.61%
4. Tier 1 Common Risk-Based Capital Ratio	7.64%	8.83%	7.75%	9.20%
5. TCE/TCA	5.86%	6.84%	6.16%	7.07%

NET INTEREST MARGIN

	Q1 - '10	Q2 - '10	Q3 - '10	Q4 - '10	Q1 - '11	Q2 - '11	Q3 - '11	Q4 - '11	Q1 - '12
Net Interest Income - FTE (\$ in millions)	\$37.8	\$37.7	\$37.2	\$36.7	\$36.9	\$37.3	\$37.3	\$37.6	\$37.6
Tax Equivalent Yield on Earning Assets	5.39%	5.38%	5.38%	5.13%	5.11%	5.04%	5.01%	4.83%	4.74%
Cost of Supporting Liabilities	1.57%	1.48%	1.45%	1.30%	1.16%	1.05%	0.99%	0.84%	0.78%
Net Interest Margin	3.82%	3.90%	3.93%	3.83%	3.95%	3.99%	4.02%	3.99%	3.96%



NON-INTEREST INCOME

(\$ in Millions)		<u>2010</u>	<u>2011</u>	<u>Q1-'11</u>	<u>Q1-'12</u>
1.	Service Charges on Deposit Accounts	\$13.3	\$12.0	\$	
2.8	Trust Fees	7.7	7.7		2.0
3.	Insurance Commission Income	6.2	5.7		
4.	Electronic Card Fees	6.1			
5.	Cash Surrender Value of Life Ins ¹	2.1	2.6		
6.	Gains on Sales Mortgage Loans	6.8	7.4		
7.	Securities Gains/Losses	1.9	2.0	0.1	0.8
8.	Gain on FDIC-Modified Whole-Bank Transaction	-	-	-	9.1
9.	Other	<u>4.4</u>	<u>5.2</u>	<u>1.1</u>	<u>1.2</u>
10.	Total	\$48.5	\$49.1	\$11.9	\$22.7
11.	Adjusted Non-Interest Income ¹	\$46.6	\$47.1	\$11.8	\$12.8

¹Adjusted for Bond Gains & Losses and Gain on FDIC-Modified Whole-Bank Transaction

NON-INTEREST EXPENSE

	(\$ in Millions)					
	<u>Q1-'11</u>	<u>Q1-'12</u>	<u>2010</u>	<u>2011</u>		
1. Salary & Benefits			\$73.3	\$74.7	\$17.2	\$19.4
2. Premises & Equipment						
3. Core Deposits Intangible	4.5	4.5	4.4	4.7	3.5	1.1
4. Professional Services			1.4	2.2	0.6	0.7
5. OREO/Credit-Related Expense			14.6			
6. FDIC Expense	10.6	3.2	2.2			
7. Outside Data Processing	8.1	5.5	5.1	5.7	2.1	1.4
8. Marketing			2.0	2.0	0.4	0.4
9. Other			<u>15.9</u>	<u>14.8</u>	<u>3.4</u>	<u>3.9</u>
10. Total			\$142.3	\$135.9	\$33.9	\$34.0

EARNINGS

(\$ in Millions)	<u>2010</u>	<u>2011</u>	<u>Q1-'11</u>	<u>Q1-'12</u>
1. Net Interest Income-FTE	\$149.4	\$149.1	\$36.9	\$37.6
2. Non Interest Income ¹	46.6	47.1	11.8	12.8
3. Non Interest Expense	(142.3)	(135.9)	(33.9)	(34.0)
4. Pre-Tax Pre-Provision Earnings	\$53.7	\$60.3	\$14.8	\$16.4
5. Provision	(46.5)	(22.6)	(5.6)	(4.9)
6. Adjustments ¹	1.9	2.0	0.1	9.9
7. Taxes - FTE	(2.3)	(14.4)	(3.8)	(7.1)
8. Gain/(Loss) on CPP/Trust Preferred	10.1	(12.3)	—	—
9. Preferred Stock Dividend	(5.2)	(4.0)	(1.0)	(1.1)
10. Net Income Avail. for Distribution	\$11.7	\$ 9.0	\$ 4.5	\$13.2
11. EPS	\$0.48	\$0.34	\$0.17	\$0.46

¹Adjusted for Bond Gains & Losses and Gain on FDIC-Modified Whole-Bank Transaction

EARNINGS PER SHARE

<u>2010</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
1. Actual	\$.01	\$.35	\$.02	\$.10	\$.48
2. Adjusted	\$.01	(\$.05) ¹	\$.02	\$.10	\$.08
<u>2011</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
3. Actual	\$.17	\$.18	(\$.25)	\$.24	\$.34
4. Adjusted	\$.17	\$.18	\$.21 ¹	\$.24	\$.80
<u>2012</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
5. Actual	\$.46	-	-	-	\$.46
6. Adjusted	\$.25 ²	-	-	-	\$

¹Adjusted for gains and losses on CPP/Trust Preferred refinance and repayment net of taxes (Line 8 on slide 15)

²Adjusted for Gain on FDIC-Modified Whole-Bank Transaction



John J. Martin

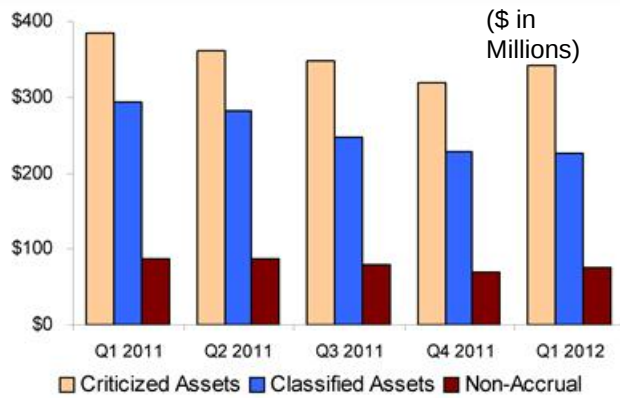
Senior Vice President
and Chief Credit Officer

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ASSET QUALITY SUMMARY

(\$ in Millions)	2010	2011	Q1-'11	Q1-'12 Core	FV Port.	Q1-'12
1. Non-Accrual Loans	\$ 90.6	\$ 69.6	\$ 87.7	\$ 69.6	\$ 4.9	\$ 74.5
2. Other Real Estate	20.9	16.3	17.0	15.6		15.6
3. Restructured Loans	7.1	14.3	2.1	6.7		6.7
4. 90-Day Delinquent Loans	1.3	0.6	0.8	0.1	0.1	0.2
5. Impaired Loans	116.2	79.8	116.8	78.9	15.4	94.3
6. Specific Reserves	13.9	7.6	15.8	5.9		5.9
7. Allowance for Loan and Lease Losses	83.0	70.9	80.9	70.4		70.4
8. ALLL % of Non-Accrual Loans	91.6%	101.9%	92.3%	101.2%		94.5%
9. Classified Assets	\$ 313.0	\$ 227.2	\$ 293.8	\$ 216.2	\$ 9.0	\$ 225.2
10. Criticized Assets (includes Classified)	\$ 393.0	\$ 319.2	\$ 383.7	\$ 324.6	\$ 16.6	\$ 341.2

CREDIT METRICS AND ALL COVERAGE

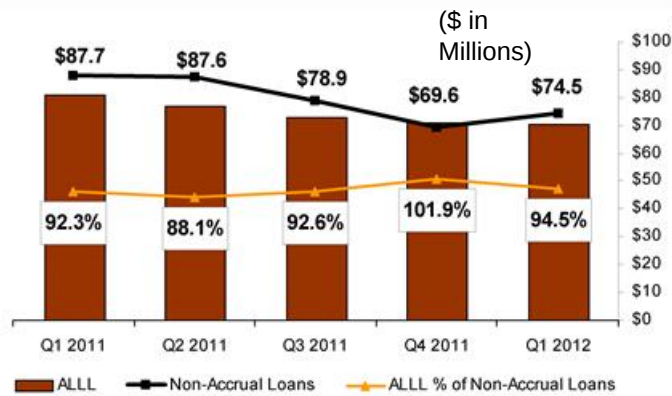


Criticized Assets down 11.1% Q1-'12 compared to Q1-'11 and up 6.9% linked quarter

Classified Assets down 23.3% Q1-'12 compared to Q1-'11 and down .9% linked quarter

Non-Accrual Loans down 15.1% Q1-'12 compared to Q1-'11 and up 7.0% linked quarter

*Q1 2012 includes loans acquired at Fair Value



Allowance for Loan and Lease Losses as a % of Non-Accrual Loans reduced to 94.5%

Acquired Fair Value portfolio with \$4.9M in newly identified Non-Accruals; Core Non-Accruals flat for quarter.

NON-PERFORMING ASSET RECONCILIATION

(\$ in millions)

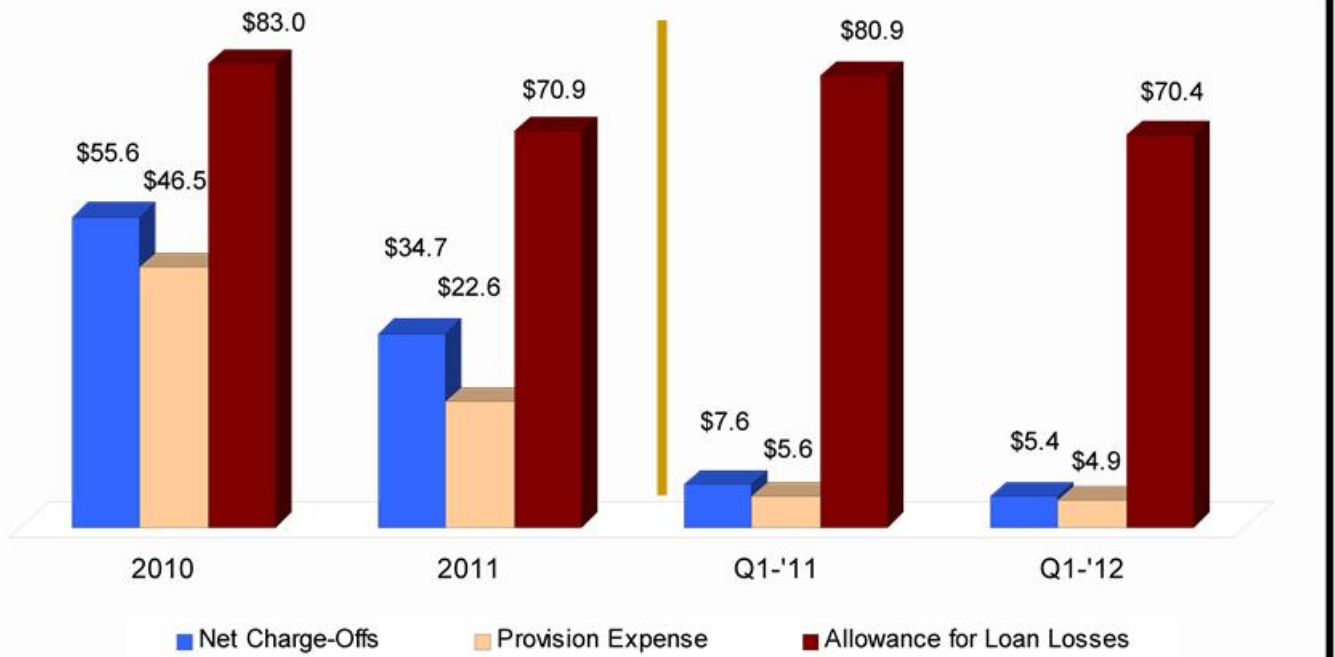
	Q4-'10	Q1-'11	Q2-'11	Q3-'11	Q4-'11	Q1-'12*
1. Beginning Balance NPAs & 90+ Days Delinquent	\$ 130.8	\$ 120.0	\$ 107.6	\$ 109.5	\$ 106.7	\$ 100.8
Non-Accrual						
2. Add: New Non-Accruals*	27.4	11.7	26.7	21.4	10.2	16.4
3. Less: To Accrual/Payoff/Restructured	(14.5)	(3.2)	(8.3)	(8.7)	(7.6)	(2.7)
4. Less: To OREO	(7.0)	(2.0)	(1.6)	(9.7)	(1.2)	(2.5)
5. Less: Charge-offs*	(13.9)	(9.4)	(16.9)	(11.6)	(10.7)	(6.3)
6. Increase /(Decrease): Non-Accrual Loans	(8.0)	(2.9)	(.1)	(8.6)	(9.3)	4.9
Other Real Estate Owned (ORE)						
7. Add: New ORE Properties	7.2	2.2	1.6	9.7	1.2	2.5
8. Less: ORE Sold	(4.2)	(3.6)	(1.6)	(5.0)	(3.3)	(1.8)
9. Less: ORE Losses (write-downs)	(3.6)	(2.5)	(1.6)	(0.7)	(1.1)	(1.4)
10. Increase /(Decrease): ORE	(.6)	(3.9)	(1.6)	4.0	(3.2)	(.7)
11. Increase /(Decrease): 90 Days Delinquent*	(4.0)	(0.6)	(0.5)	1.4	(1.0)	(0.4)
12. Increase /(Decrease): Restructured Loans	1.8	(5.0)	4.1	.4	7.6	(7.6)
13. Total NPA Change	(10.8)	(12.4)	1.9	(2.8)	(5.9)	(3.8)
14. Ending Balance NPAs & 90+ Days Delinquent	\$ 120.0	\$ 107.6	\$ 109.5	\$ 106.7	\$ 100.8	\$ 97.0

25.8%

*Q1-'12 Includes FV portfolio loans acquired.

NET CHARGE-OFFS, PROVISION AND ALLOWANCE

(\$ in Millions)



Credit Summary

- Asset quality trends continue to improve
- Decrease in Restructured Loans following their return to market terms, demonstrated performance and loss recognition
- Charge-offs and provision expense lower and in line with improvement in credit quality
- Total loan pipeline improving driven by mortgage and commercial loans
- Fair Value portfolio of \$89.7M with a composition similar to core portfolio



Michael C. Rechin

President
and Chief Executive Officer

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Overview of 2012 Strategy and Tactics

“Growth and Top-Tier Performance”

- Shelby County Bank integration
- Grow revenue by intensifying revenue-generating activity:
 - Market coverage tactics . . . including SCB
 - Additional investment in business banking professionals in key markets
 - Retail CRM and sales management system
- Implement systems and processes to improve efficiency:
 - Banking center rationalization
 - Enhance systems in consumer collections, human resources and finance
- Seek non-organic growth opportunities

CONTACT INFORMATION

**First Merchants Corporation common stock is
traded on the NASDAQ Global Select Market
under the symbol FRME.**

Additional information can be found at

www.firstmerchants.com

Investor inquiries:

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Investor Relations

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