

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

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

DATE OF REPORT (Date of earliest event reported): November 12, 2013

Commission File Number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

INDIANA	35-1544218
(State or other jurisdiction of incorporation)	(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))**

EXPLANATORY NOTE

On November 12, 2013, First Merchants Corporation (“First Merchants”) completed its acquisition of all of the assets of CFS Bancorp, Inc. (“CFS”) through the merger of CFS with and into First Merchants (the “Merger”). The Merger was consummated pursuant to the Agreement of Reorganization and Merger dated May 13, 2013 (the “Merger Agreement”) between First Merchants and CFS. As a result of the Merger, CFS’ separate corporate existence ceased and First Merchants continued as the surviving corporation. Immediately following the Merger, Citizens Financial Bank, a wholly owned subsidiary of CFS, merged with and into First Merchants Bank, National Association, a wholly owned subsidiary of First Merchants, with First Merchants Bank, National Association surviving the merger and continuing its corporate existence under its current name.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On November 12, 2013, we filed a Current Report on Form 8-K (the “Original Report”) announcing the completion of the acquisition of CFS. This Current Report on Form 8-K/A amends the Original Report to provide the historical financial statements of CFS described in Item 9.01(a) below and the unaudited pro forma financial information described in Item 9.01(b) below.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The financial statements required by Item 9.01(a) of Form 8-K are included as Exhibit 99.1 and Exhibit 99.2 to this amended Current Report on Form 8-K. The audited financial statements of CFS as of December 31, 2012 and 2011 and for the fiscal years ended December 31, 2012, 2011 and 2010 as well as the accompanying notes thereto are filed as Exhibit 99.1 and incorporated herein by reference.

The unaudited financial statements of CFS as of June 30, 2013 and for the three months ended June 30, 2013 and June 30, 2012 and for the six months ended June 30, 2013 and June 30, 2012 as well as the accompanying notes thereto, are filed as Exhibit 99.2 and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma combined consolidated condensed financial information required by Item 9.01(b) of Form 8-K is included as Exhibit 99.3 to this amended Current Report on Form 8-K/A and incorporated herein by reference.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
23.1	Consent of Independent Certified Public Accountant.
99.1	Audited financial statements of CFS as of December 31, 2012 and December 31, 2011 and for the fiscal years ended December 31, 2012, 2011 and 2010 (incorporated by reference to CFS' Annual Report on Form 10-K filed on March 4, 2013).
99.2	Unaudited financial statements of CFS as of June 30, 2013 and for the three months ended June 30, 2013 and June 30, 2012 and for the six months ended June 30, 2013 and June 30, 2012 (incorporated by reference to CFS' Quarterly Report on Form 10-Q filed on August 12, 2013).
99.3	Unaudited pro forma combined consolidated condensed financial statements.

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.

DATE: January 28, 2014

FIRST MERCHANTS CORPORATION

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

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Current Report on Form 8-K/A of First Merchants Corporation of our report dated March 4, 2013, on the consolidated financial statements of CFS Bancorp, Inc. as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, which report is included in the Annual Report on Form 10-K of CFS Bancorp, Inc. for the year ended December 31, 2012.

/s/ BKD, LLP

Indianapolis, Indiana
January 28, 2014

**UNAUDITED PRO FORMA COMBINED
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

The following unaudited pro forma combined consolidated condensed financial information and explanatory notes show the impact on the historical financial positions and results of operations of First Merchants Corporation (“First Merchants”) and CFS Bancorp, Inc. (“CFS”) and have been prepared to illustrate the effects of the merger involving First Merchants and CFS under the acquisition method of accounting with First Merchants treated as the acquirer (the “Merger”). (Please see the “EXPLANATORY NOTE” included in the beginning of this Current Report on Form 8-K/A.)

Under the acquisition method of accounting, the assets and liabilities of CFS, as of the effective date of the Merger, were recorded by First Merchants at their respective fair values and the excess of the Merger consideration over the fair value of CFS’ net assets was allocated to goodwill. The unaudited pro forma combined consolidated condensed balance sheet as of June 30, 2013 is presented as if the Merger with CFS had occurred on June 30, 2013. The unaudited pro forma combined consolidated condensed income statements for the fiscal year ended December 31, 2012 and the six months ended June 30, 2013 are presented as if the Merger had occurred on January 1, 2012. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the Merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma combined consolidated condensed financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma combined consolidated condensed financial statements are preliminary and may be revised. The unaudited pro forma combined consolidated condensed financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited pro forma combined consolidated condensed financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma combined consolidated condensed financial information is subject to adjustment. Adjustments may include, but not be limited to, changes in (i) total merger-related expenses if implementation costs vary from currently estimated amounts; (ii) the underlying values of assets and liabilities if market conditions differ from current assumptions; or (iii) if information unknown as of the completion of the Merger becomes known.

The unaudited pro forma combined consolidated condensed financial information is provided for informational purposes only. The unaudited pro forma combined consolidated condensed financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined consolidated condensed financial information and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined consolidated condensed financial statements should be read together with:

- The accompanying notes to the unaudited pro forma combined consolidated condensed financial information;
- First Merchants’ separate audited historical consolidated financial statements and accompanying notes as of and for the fiscal year ended December 31, 2012 and 2011, included in First Merchants’ Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and 2011;
- CFS’ separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2012 and 2011 included in CFS’ Annual Report on Form 10-K for the year ended December 31, 2012 and 2011;
- First Merchants’ separate unaudited historical consolidated condensed financial statements and accompanying notes as of and for the three and six months ended June 30, 2013 and three and six months ended June 30, 2012 included in First Merchants’ Quarterly Report on Form 10-Q for the quarter ended June 30, 2013;
- CFS’ separate unaudited historical consolidated condensed financial statements and accompanying notes as of and for the three and six months ended June 30, 2013 and three and six months ended June 30, 2012 included in CFS’ Quarterly Report on Form 10-Q for the quarter ended June 30, 2013; and
- The amended Form S-4 related to the Merger.

UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED BALANCE SHEET
AS OF JUNE 30, 2013
(Dollars In Thousands)

	First Merchants	CFS	Pro forma Adjustments	Pro forma Combined
Assets				
Cash and due from banks	\$ 69,404	\$ 16,697	\$ —	\$ 86,101
Interest bearing deposits		132,929	—	132,929
Fed funds sold			—	—
Cash and cash equivalents	69,404	149,626	—	219,030
Interest-bearing time deposits	59,898		—	59,898
Investment securities				
Available for sale	584,593	219,931	(17) (2)	804,507
Held to maturity	324,399	12,984	—	337,383
Total investment securities	908,992	232,915	(17)	1,141,890
Mortgage loans held for sale	14,531	1,620	—	16,151
Loans	2,920,080	660,072	(26,181) (2)	3,543,674
Allowance for loan losses	(68,202)	(12,660)	12,660 (5)	(68,202)
Net loans	2,866,409	649,032	(23,818)	3,491,623
Premises and equipment	54,165	15,293	4,609 (4)	74,067
Federal Reserve and FHLB stock	32,790	6,188	—	38,978
Interest receivable	15,186	2,470	—	17,656
Core deposit intangible	7,384		7,312 (6)	14,696
Goodwill	141,375		44,938 (3)	186,313
Cash surrender value of life insurance	126,710	36,367	—	163,077
Other real estate owned	11,765	21,878	(7,847) (4)	25,796
Deferred tax asset	30,959	12,375	11,681 (7)	55,015
Other assets	13,227	5,404	(753) (10)	17,878
Total Assets	\$ 4,338,264	\$ 1,131,548	\$ 36,105	\$ 5,505,917
Liabilities				
Deposits				
Noninterest-bearing	\$ 741,095	\$ 110,724	\$ —	\$ 851,819
Interest-bearing	2,591,698	851,221	865 (2)	3,443,784
Total deposits	3,332,793	961,945	865	4,295,603
Borrowings	423,385	49,306	—	472,691
Interest payable	1,150		—	1,150
Other liabilities	41,643	9,085	7,546 (1)	61,538
Total Liabilities	3,798,971	1,020,336	11,675 (10)	4,830,982
Stockholder' Equity				
Preferred Stock	68,087		—	68,087
Cumulative Preferred Stock	125		—	125
Common stock	3,600	234	885 (9)	4,485
Additional paid in capital	257,626	187,207	134,757 (9)	392,383
Retained earnings	225,034	78,033	(78,033) (8)	225,034
Treasury stock		(154,443)	154,443 (8)	—
Accumulated comprehensive income	(15,179)	181	(181) (8)	(15,179)
Total Stockholders' Equity	539,293	111,212	24,430	674,935
Total Liabilities and Stockholders' Equity	\$ 4,338,264	\$ 1,131,548	\$ 36,105	\$ 5,505,917

UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED STATEMENT OF INCOME
For The Year Ended December 31, 2012
(Dollars and Share Amounts In Thousands)

	First		Pro forma		Pro forma
	Merchants	CFS	Adjustments		Combined
Interest Income					
Loans receivable	\$ 147,225	\$ 33,049	\$ 1,872 (11)		\$ 182,146
Investment securities	27,216	7,889	—		35,105
Other	1,508	394	—		1,902
Total Interest Income	175,949	41,332	1,872		219,153
Interest Expense					
Deposits	14,800	4,794	(157) (11)		19,437
Fed funds purchased	69	—	—		69
Securities sold under repurchase agreements	907	—	—		907
Borrowings	7,837	1,180	—		9,017
Total Interest Expense	23,613	5,974	(157)		29,430
Net Interest Income	152,336	35,358	2,029		189,723
Provision for loan losses	18,534	4,210	—		22,744
Net Interest Income after Provision for Loan Losses	133,802	31,148	2,029		166,979
Other Income					
Service charges on deposit accounts	11,587	6,355	—		17,942
Fiduciary activities	7,891	—	—		7,891
Other customer fees	11,233	—	—		11,233
Commission income	6,224	—	—		6,224
Earnings on cash surrender value of life insurance	3,418	1,080	—		4,498
Net gains and fees on sales of loans	10,628	1,071	—		11,699
Net realized gains/(losses) on sales of available for sale securities	2,389	1,509	—		3,898
Gain on FDIC modified whole bank transaction	9,124	—	—		9,124
Other income	1,808	1,994	—		3,802
Total Other Income	64,302	12,009	—		76,311
Other Expenses					
Salaries and benefits	79,398	17,677	—		97,075
Net occupancy	10,186	2,756	230 (13)		13,172
Equipment expenses	7,201	1,778	—		8,979
Marketing	2,158	1,362	—		3,520
Outside data processing fees	5,656	1,828	—		7,484
Printing and office supplies	1,169	—	—		1,169
Core deposit amortization	1,927	—	1,329 (12)		3,256
FDIC expense	3,509	1,927	—		5,436
Other real estate and credit-related expenses	8,178	2,510	—		10,688
Other expense	17,733	6,962	—		24,695
Total Other Expenses	137,115	36,800	1,560		175,475
Income before Income Tax	60,989	6,357	470		67,816
Income tax expense	15,867	1,692	164 (14)		17,723
Net Income	45,122	4,665	305		50,092
Preferred Stock dividends and discount accretion	(4,539)	—	—		(4,539)
Net Income Available to Common Stockholders	\$ 40,583	\$ 4,665	\$ 305		\$ 45,553
Per Share Data					
Basic earnings per common share	\$ 1.42	\$ 0.43			\$ 1.28
Diluted earnings per common share	\$ 1.41	\$ 0.43			\$ 1.27
Average common shares-basic	28,633	10,738	7,079		35,712
Average common shares-diluted	28,847	10,795	7,088		35,935

UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED STATEMENT OF INCOME
For The Six Months Ended June 30, 2013
(Dollars and Share Amounts In Thousands)

	First Merchants	CFS	Pro forma Adjustments	Pro forma Combined
Interest Income				
Loans receivable	\$ 71,407	\$ 15,195	\$ 936 (11)	\$ 87,538
Investment securities	12,164	3,324	—	15,488
Other	820	245	—	1,065
Total Interest Income	84,391	18,764	936	104,091
Interest Expense				
Deposits	5,490	1,759	(79) (11)	7,170
Fed funds purchased	12	—	—	12
Securities sold under repurchase agreements	402	—	—	402
Borrowings	2,379	571	—	2,950
Total Interest Expense	8,283	2,330	(79)	10,534
Net Interest Income	76,108	16,434	1,015	93,557
Provision for loan losses	4,099	1,586	—	5,685
Net Interest Income after Provision for Loan Losses	72,009	14,848	1,015	87,872
Other Income				
Service charges on deposit accounts	5,641	3,168	—	8,809
Fiduciary activities	4,371	—	—	4,371
Other customer fees	5,596	—	—	5,596
Commission income	3,920	—	—	3,920
Earnings on cash surrender value of life insurance	1,310	464	—	1,774
Net gains and fees on sales of loans	4,835	569	—	5,404
Net realized gains/(losses) on sales of available for sale securities	487	376	—	863
Other income	1,776	83	—	1,859
Total Other Income	27,936	4,660	—	32,596
Other expenses				
Salaries and benefits	41,327	8,788	—	50,115
Net occupancy	4,869	1,319	115 (13)	6,303
Equipment expenses	3,516	801	—	4,317
Marketing	1,002	584	—	1,586
Outside data processing fees	2,871	1,057	—	3,928
Printing and office supplies	642	—	—	642
Core deposit amortization	770	—	665 (12)	1,435
FDIC expense	1,418	960	—	2,378
Other real estate and credit related expenses	3,345	364	—	3,709
Other expense	8,682	4,046	—	12,728
Total Other Expenses	68,442	17,919	780	87,141
Income before Income Tax	31,503	1,589	235	33,327
Income tax expense	8,823	254	82 (14)	9,159
Net Income	22,680	1,335	153	24,168
Preferred stock dividends and discount accretion	(1,709)	—	—	(1,709)
Net Income Available to Common Stockholders	\$ 20,971	\$ 1,335	\$ 153	\$ 22,459
Per Share Data				
Basic earnings per common share	\$ 0.73	\$ 0.12	\$ —	\$ 0.63
Diluted earnings per common share	\$ 0.72	\$ 0.12	\$ —	\$ 0.62
Average common shares-basic	28,750	10,765	7,079	35,829
Average common shares-diluted	28,997	10,840	7,088	36,085

Note 1 - Basis of Presentation

First Merchants has agreed to acquire CFS for a fixed exchange ratio of .65 share of First Merchants stock for each CFS share. The acquisition will be accounted for under the acquisition method of accounting and, accordingly, the assets and liabilities of CFS have been marked to estimated fair value upon conditions as of June 30, 2013. Since these are pro forma statements, we cannot assure that the amounts reflected in these financial statements would have been representative of the actual amounts earned had the companies been combined at the time.

Note 2 - Pro forma Adjustments Footnotes

(1) To record accrual by CFS for estimated transaction costs of \$ 7,546,000, net of tax, which includes \$3,895,000 (net of tax) related to eliminating the CFS pension plan, \$1,055,000 (net of tax) in change of control agreements and \$2,596,000 (net of tax) in acquisition costs.

(2) To adjust interest-earning assets and interest-bearing liabilities of CFS to approximate fair value. Adjustment to loans of \$36,478,000, investment securities of \$17,000 and deposits of \$865,000.

(3) To record goodwill generated from the acquisition

Purchase Price:

CFS outstanding shares	10,891,472
Conversion ratio	65%
Shares of First Merchants stock issued	<u>7,079,457</u>
First Merchants stock price	<u>\$ 19.16</u>
Total Purchase Price	<u>\$ 135,642,392</u>

(Dollars in thousands)

Total Purchase Price	<u>\$ 135,642</u>
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Allocated to:

Historical book value of CFS assets and liabilities	\$ 111,212
CFS estimated transaction costs, net of tax	(5,047)
Record Pension liability, net of tax	(2,499)
Allowance for Loan Loss write-off	<u>12,660</u>
Adjusted book value of CFS	<u>\$ 116,326</u>

Adjustments to record assets and liabilities at fair value:

Loans, credit mark	\$ (26,181)
Loans, interest rate mark	(10,297)
Securities	(17)
Premises and equipment	4,609
Investment in low income housing tax credits	(753)
Core deposits intangible	7,312
Other real estate owned	(7,847)
Deferred taxes	11,681
Deposits	(865)
Letters of Credit	<u>(3,264)</u>
Total allocation	<u>\$ (25,622)</u>
Goodwill	<u>\$ 44,938</u>

Note 2 - Pro forma Adjustments Footnotes continued:

- (4) To record fair value adjustment to premises and equipment of \$4,609,000 and other real estate owned of \$7,847,000.
- (5) To eliminate CFS allowance for loan loss of \$12,660,000.
- (6) To record core deposit intangible of \$7,312,000.
- (7) To record deferred taxes on the purchase accounting adjustments and valuation adjustments of \$11,681,000 using an estimated tax rate of 35%.
- (8) To eliminate CFS equity accounts of \$111,212,000.
- (9) To record issuance of 7,079,457 shares of First Merchants stock.

	(Dollars in thousands)
Common Stock (7,079,457 shares at stated value of \$0.125 per share)	\$ 885
Additional Paid in Capital (7,079,457 shares at \$17.025 per share)	134,757
Total stock issued (7,079,457 shares at \$19.16 per share)	<u>\$ 135,642</u>

- (10) To record fair value adjustment to the investment in low-income housing projects of \$753,000 and letters of credit of \$3,264,000
- (11) To record effect of amortization of purchase accounting adjustments of \$10,297,000 in loans (interest rate mark only) and \$865,000 in deposits in a manner that approximates the level yield method.
- (12) To record amortization of core deposit premium utilizing an accelerated method over 10 years.
- (13) To record annual amortization of purchase accounting related to premises and equipment over the estimated life of related assets.
- (14) To record tax effect of purchase accounting adjustments at an effective rate of 35%.