

A tradition of successful partnerships

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(table dollar amounts in thousands, except per share data)

Our Mission

IT IS THE MISSION OF FIRST MERCHANTS CORPORATION TO BE THE FINANCIAL SERVICES PROVIDER OF CHOICE BY CONSISTENTLY:

- PRODUCING CLIENT SATISFACTION THROUGH DELIVERING QUALITY PRODUCTS AND SUPERIOR QUALITY SERVICE;
- PROVIDING EMPLOYEES WITH GROWTH OPPORTUNITIES FOR PERSONAL ACHIEVEMENT, CAREER SATISFACTION AND TEAMWORK;
- ACHIEVING A SUPERIOR RETURN ON OUR STOCKHOLDERS' INVESTMENT.

WE WILL TAKE THE EXTRA STEP TO RECOGNIZE CLIENT NEEDS, TO EXERCISE INITIATIVE IN DEVELOPING SALES AND SERVICE OPPORTUNITIES, AND TO SERVE CLIENTS IN A PERSONAL, RELIABLE AND PROFESSIONAL MANNER.

Our Operating Philosophy

TO ACHIEVE OUR MISSION, WE SEEK TO IMPLEMENT FIVE OBJECTIVES WHICH DEFINE THE WAY WE CONDUCT OUR BUSINESS.

WE STRIVE TO BE . . .

- *Client Focused*
PLACING OUR CLIENTS' NEEDS AND SUPERIOR CLIENT SERVICE AS OUR HIGHEST PRIORITY;
- *Value Driven*
PROVIDING PRODUCTS AND SERVICES OF HIGH VALUE AT COMPETITIVELY FAIR PRICES;
- *Plan Disciplined*
ACHIEVING MARKET INITIATIVE AND SUPERIOR FINANCIAL RESULTS THROUGH PLANNING;
- *Committed to Recruiting and Retaining Achievers*
CREATING AN ENVIRONMENT OF PERSONAL GROWTH, TRUST AND TEAM WORK WHICH ENCOURAGES AND ALLOWS ALL OF OUR EMPLOYEES TO REACH THEIR HIGHEST LEVEL OF ACHIEVEMENT;
- *Decisive Leaders*
DOING THE RIGHT THINGS IN ALL THAT WE DO, COMMUNICATING OUR POSITION AND ACTING ON IT.

	2001	2000
At Year End		
Total Assets	\$1,787,035	\$1,621,063
Stockholders' Equity	179,128	156,063
Total Loans	1,359,893	1,175,586
Securities	240,322	307,963
Total Deposits	1,421,251	1,288,299
Trust Accounts at Market Value (not included in banking assets)	1,374,026	1,395,000

For the Year		
Interest Income	\$ 120,435	\$ 116,528
Interest Expense	56,074	60,546
Net Interest Income	64,361	55,982
Total Other Income	18,543	16,634
Total Other Expenses	45,195	40,083
Net Income	22,209	19,940

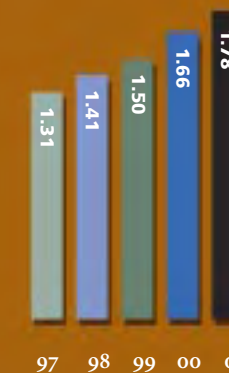
Per Share ⁽¹⁾		
Basic Net Income	\$ 1.79	\$ 1.67
Diluted Net Income	1.78	1.66
Cash Earnings ⁽²⁾	1.86	1.73
Cash Dividends92	.86
Book Value	14.14	12.80
Market Value (Dec. 31 Bid Price)	24.01	21.55

Averages During the Year		
Total Assets	\$1,689,694	\$1,532,691
Total Loans	1,270,555	1,104,013
Securities	292,901	325,762
Total Deposits	1,331,631	1,209,015

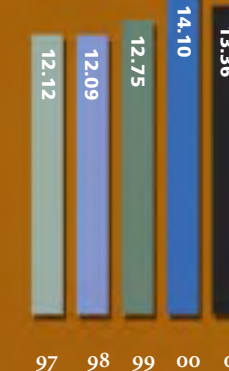
⁽¹⁾ Restated for a five percent (5%) stock dividend distributed September 2001.

⁽²⁾ Diluted Net Income plus amortization of purchase accounting adjustments and goodwill.

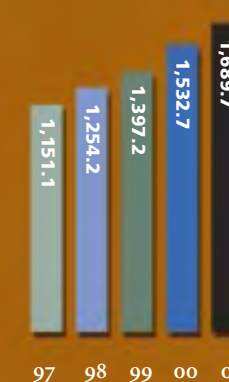
Diluted Net Income Per Share⁽¹⁾
(in dollars)



Return on Average Equity
(percent)



Average Assets
(in millions of dollars)





To consistently achieve profit improvements over the past 26 years, we have focused on...

- deepening and enhancing our relationships with clients
- growing our financial holding company by bringing new community banks and other related businesses into the First Merchants family, and
- setting high expectations for our staff at all levels.

• It is always a privilege and a pleasure when we can report to shareholders the results of another fine year of operations. For the 26th consecutive year, the earnings of First Merchants Corporation have increased. It is a year appropriately characterized by the theme of this annual report, *A Tradition of Successful Partnerships*. To consistently achieve profit improvements over the past 26 years, we have focused on deepening and enhancing our relationships with clients, growing our financial holding company by bringing new community banks and other related businesses into the First Merchants family, and setting high expectations for our staff at all levels.

• **Corporate earnings continue to compare favorably**

In 2001, our corporate operating earnings grew to \$22,209,000. As we anticipated in last year's report, the Financial Accounting Standards Board did, in fact, revise the way in which corporations will report earnings in the future. Beginning in 2002, the amortization of purchased goodwill (resulting from acquisitions) will no longer be deducted from GAAP earnings. We believe this is a more accurate way of measuring corporate performance and began reporting both methods to you last year, in anticipation of the transition. Adopting this method results in operating or cash earnings per share of \$1.86, compared to \$1.73 the prior year, a 7.5% improvement.

Recognizing that the accounting profession is transitioning to this new standard, our GAAP earnings per share were \$1.78 versus the previously reported \$1.66 in 2000. These earnings were achieved from an average asset base of \$1,690,000,000, a \$157,000,000 increase year over year, and representing a 1.31% return, which compares very favorably to our industry peer group.

• **Common stock garners Standard & Poor's highest rating...again**

First Merchants Corporation's common stock continued to enjoy an A+ rating by Standard & Poor's, its highest rating. Without question, our A+ rating is due, in large part, to our operating philosophy that emphasizes balanced attention to efficiency, growth, and asset quality.

• **Robust loan growth**

Net interest margin stabilized and improved slightly throughout the year, despite 11 interest rate reductions by the Federal Reserve Board. Uncertainties in our national economy continued, but economic activity in our markets remained relatively stable. Loan growth, particularly in commercial and mortgage lending, was robust. Commercial loans grew by 32% to \$693,194,000, aided by a strong lending team that commits itself to supporting regional economic endeavors. Mortgage lending to single-family homeowners was at one of the highest levels in recent years. Mortgage loan originations grew by nearly 50%, and revenues from mortgage banking activities grew by 97.9% to \$1,235,000. This growth was clearly spurred by unprecedented low interest rates, but also by healthy demand for new residential housing.

• **FMB Trust & Investment Management Division launched full-service brokerage office**

Another consistent contributor to earnings was First Merchants Bank's Trust and Investment Management Division. Even in light of two consecutive years of declines in securities prices, total revenue grew by 9.2% to \$5,479,000 and provided First Merchants Corporation with its largest source of non-interest income. In September, the Division launched a full-service brokerage office, the First Merchants Investment Center, in partnership with PrimeVest® Financial Services, Inc., an independent, registered broker/dealer. Building on the book of business that had been developed through our efforts with PrimeVest's discount brokerage service over several years, we recognized the need to offer broader investment options and advice. We look for ambitious business growth through the Investment Center as its visibility and client familiarity increase.

• **Committed to growth & development of community banking through multi-charter architecture**

Banking, and particularly community banking, is being practiced in many fashions today. Your Corporation has committed itself to growth and development through a multi-chartered architecture – meaning each of its wholly owned affiliate banks retains its individual enabling charter – whether Federal or State. The financial markets have endured a 2+ year period where the *safety* of an investment is every bit as important as the *prospects* of the investment. We believe our structure speaks volumes about the former, i.e. *safety and soundness*. By retaining their individual charters, each of our banks must undergo routine regulatory examinations of their asset quality, internal operating controls, liquidity, and management soundness. These examinations, while often time-consuming and exhaustive, are welcomed by your management team. They, along with our external audit and loan review engagements, provide assurance to you – our investors – that your Corporation is operated at the highest levels of safety and soundness. We pledge to continue providing you with these assurances, which are in addition to our internal oversight activities.

• **Further growth through affiliation**

Perhaps our adherence to these principles led to even further growth through affiliation in 2001:

• **Frances Slocum Bank**

In February, we welcomed **Frances Slocum Bank**, headquartered in Wabash, Indiana, to First Merchants Corporation. Led by Jerry M. Ault, this exemplary community bank serves four attractive markets in north central Indiana – Wabash, North Manchester, Peru, and Kokomo – and has virtually no overlap with the other First Merchants Corporation service areas. Supporting Frances Slocum's role as a pre-eminent community bank was its selection as "*People's Choice for Banking*" in Miami County in April, 2000. It is worthy of noting, too, that Jerry Ault is currently serving as Chairman of the Indiana Bankers Association and as a member of the American Banking Association's Government Relations Committee. His is a key voice at the Indiana Statehouse and in Washington D.C. regarding laws impacting the banking industry.

In partnering with PrimeVest® Financial Services, Inc., the ability to offer broader investment options and advice was realized. Ambitious business growth through the First Merchants Investment Center is expected as visibility and client familiarity increase.

The operation of your Corporation at the highest levels of safety and soundness is assured by our commitment to a multi-chartered structure which requires:

- Routine regulatory examinations of each of our wholly owned affiliate banks;
- External audits;
- Loan review engagements.

In the second quarter of 2002, Lafayette Bank & Trust Company will merge with First Merchants. We are confident that it will become a strong, strategic contributor to our Corporate family.

With ITI's ability to generate both residential and commercial mortgages, it promises to function as a strategic adjunct to our lending activities.

Sharing goals, acting on promising ideas, and working together allows us to achieve more than any of us could alone.

- Lafayette Bancorporation & Lafayette Bank & Trust Company**
 In August, we were especially pleased to announce that a definitive agreement had been reached to merge Lafayette Bancorporation – and its single affiliate, Lafayette Bank & Trust Company – with First Merchants. A \$770,000,000 community bank headquartered in Tippecanoe County, this high-performing bank has operations in four counties of north central Indiana. As the largest community bank in this robust market area, it will become a strong, strategic contributor to our family. All regulatory filings are proceeding as scheduled, and completion is expected in the second quarter of 2002.
- Indiana Title Insurance Company, LLC**
 In November, First Merchants structured a joint venture to enter the title services business by acquiring the stock of Delaware County Abstract Company and Beebe & Smith Title Company, the two largest title companies in Delaware County. First Merchants is partnering with Mutual First Financial, Inc. and Ameriana Bancorp to become members of the Indiana Title Insurance Company, LLC, that will operate our title insurance business. With all three financial companies generating residential and commercial mortgages, the new title insurance business will be a strategic adjunct to our lending activities.

These opportunities have been embraced with enthusiasm and will serve to enhance the value of our investment over time. No doubt, other attractive opportunities will present themselves in the future as the value of partnering with First Merchants is appreciated in the financial services arena. Your Board of Directors and Management will continue to evaluate each growth step with the test of shareholder value utmost in mind.

2001 has been an eventful year, not only for your Corporation, but the world as a whole. We have endured shock and disbelief and mourned great losses. The tragic events of September 11th have strengthened our resolve to be good Americans, to fight for our freedoms, and to be vigilant stewards of the bountiful resources we are given.

In conclusion, we want to acknowledge and again reinforce the value of developing long-term relationships – not only with our clients, but also with our employees, our shareholders, and our communities. Building *A Tradition of Successful Partnerships* is always foremost in our thoughts. Sharing goals, acting on promising ideas, and working together allows us to achieve more than any of us could alone. With great appreciation, we thank you for placing your trust and confidence in us.



Michael L. Cox
 President and Chief Executive Officer

A tradition of successful partnerships

2 0 0 1 A N N U A L R E P O R T



 First Merchants Corporation

A tradition of successful partnerships

R E C O G N I Z I N G T H E V A L U E O F S Y N E R G Y B U I L D I N G L O N G - T E R M R E L A T I O N S H I P S

First Merchants Corporation recognizes the value of synergy, as well. Our success is defined – in great part – by the long-term relationships we develop with our clients, our employees, and our shareholders. In all of our communities, we thrive by building A Tradition of Successful Partnerships.

Some things just seem to naturally go together. And more often than not, they're better together than they are alone: ice cream and hot fudge...a pencil and an eraser...a hot dog and a bun...the keys on a piano. The principle of *synergy*, where the combination is better than the sum of the individual parts, is readily apparent in these examples.

First Merchants Corporation recognizes the value of synergy, as well. Our success is defined – in great part – by the long-term relationships we develop with our clients, our employees, and our shareholders. In all of our communities, we thrive by building *A Tradition of Successful Partnerships*. We want to share some of these success stories with you here.

Among the strategic operating and growth principles to which we commit our resources, and which speak to the theme of *A Tradition of Successful Partnerships*, these principles were particularly dominant during 2001:

- Being a community partner participating actively in meeting the needs of the communities we serve
- Differentiating ourselves on the basis of superior *Extra Step* service and maintenance of strong personal relationships with clients
- Growing and managing loan portfolios in a manner which maintains high asset-quality standards
- Operating affiliate banks in a manner which preserves local identity and fosters local decision-making by affiliate Boards and management, but utilizes common data processing, uniform employee benefits, general identity of product lines and marketing programs, and common loan, ALCO, and compliance policies
- Utilizing our present client base to build growth in new revenues, deposits, and loans; expecting cross-selling efforts in all client contact relationships
- Emphasizing investment in technology and systems which enhance productivity and reduce costs per transaction; working with strong and technologically proficient vendor partners
- Expanding our activities in banking by acquiring community banks and enlarging our product line through establishing or acquiring non-banking businesses



The First Merchants Corporation model of community banking seeks to consolidate many of the “back room” activities and put more bankers in position to focus on client service and new business development. This strategy has led to deeper relationships and many positive developments in the communities we serve.

Operations Excellence was a comprehensive 4-month project to improve service quality and productivity through the completion of 15 high-priority initiatives. Employee teams from all affiliates were involved to determine the scope of operational issues to be addressed, an analysis of best practices, and recommended solutions, policies, and procedures.

Other major events in our Operations and Technology Division included:

- Expanding server connection bandwidth across all banking affiliates, increasing the speed of transaction processing and information retrieval
- Sending check images with monthly statements, providing clients greater storage convenience while eliminating the expense of returning cancelled checks
- Establishing a Change Control group to more effectively evaluate and structure future projects requiring sizable operational resources
- Consolidating the proof operations of Randolph County Bank and Union County National Bank to First Merchants’ operations and technology center
- Moving the Corporation’s ATM and merchant card processing to our current debit card processing vendor to provide superior feature functionality and cost savings
- Establishing the first of two call centers to field client inquiries from all First Merchants Corporation affiliates

In a year marked by such growth and change, the employees of First Merchants Corporation continued to act upon the most basic, timeless fundamentals to make a difference in the neighborhoods we call *home*. We treated our clients and our fellow employees with respect and care...seeking to exceed their expectations at every opportunity. By doing so, and by embracing a commitment to excellence, we help ensure continued success in a future sure to bring more challenges and more change. We are able to perpetuate *A Tradition of Successful Partnerships*.

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I'd rather be biking - or is that banking?

COMMITTED TO THE SPIRIT OF COMMUNITY BANKING



Jerry spends a lot of time in the communities that Frances Slocum serves. He knows all the elected folks in those communities on a personal level, and they will frequently call him and ask his opinion on things.

— JIM COUSINS
President & CEO
Indiana Bankers Association



I'd also have to say that one of the best things that's happened to me – and to Frances Slocum Bank – is to join First Merchants. We gain success because we treat people differently than the bigger banks. The model that First Merchants has implemented – in establishing a network of community banks throughout the state to serve the people – will ensure that Indiana-based community banks survive.

— JERRY AULT
President & CEO
Frances Slocum Bank

Jerry Ault, in his role as Chairman of the Indiana Bankers Association, presents a check to Bill Hartley, American Bankers Association BankPac Chairman.



• Spend a little time with Jerry Ault and you'll soon discover that he lives each day involved in activities for which he has joy and passion. As President and CEO of Frances Slocum Bank, First Merchants Corporation's newest affiliate bank, Jerry says his biggest reward is "seeing customers succeed. You make loans to people, and you see them grow and succeed. It's a reaffirmation of the decision you made to help someone.

"I'd also have to say that one of the best things that's happened to me – and to Frances Slocum Bank – is to join First Merchants. As bigger, out-of-state banks have come into our markets, to compete with all the different products they bring in is very tough. We gain success because we treat people differently than the bigger banks. The model that First Merchants has implemented – in establishing a network of community banks throughout the state to serve the people – will ensure that Indiana-based community banks survive. One of my goals is to help that model grow."



And even though his preference of community banks is evident, Jerry truly works to help all banks succeed. He currently serves as Chairman of the Indiana Bankers Association and as a member of the American Bankers Association's Government Relations Committee, "What I enjoy most is the opportunity to interact with other bankers, but also to attempt to improve the laws and regulations that we operate under – we lobby for laws that are favorable to banking and against unfavorable legislation. There is a lot of unfavorable legislation that hampers banking from competing on a level playing field. This little bank here paid a million dollars in tax last year. That helps buy some airplanes, some tanks, and pays some soldiers' salaries. Credit unions pay zero in federal tax. If all companies were like credit unions, we wouldn't be able to have an Army, we wouldn't be able to buy tanks, we wouldn't be able to buy airplanes, and we wouldn't be able to protect the United States."

Jim Cousins, President and CEO of the Indiana Bankers Association, had this to say about Jerry's leadership: "Among all the bankers I've ever worked with in any capacity, Jerry has probably the keenest political instincts. He really has a natural sense of the political dynamics and how issues evolve. And he doesn't approach issues just from the standpoint of Frances Slocum Bank. He looks at the banking industry as a whole, how it's integral to an economy and a society, and how that needs to be enhanced. He takes a very broad view of the issues we're dealing with and how they're going to impact the business in general. He's just as concerned about something that's going to affect the customers of the bank as he is if it was a direct impact on the bank.

"Jerry spends a lot of time in the communities that Frances Slocum serves. He knows all the elected folks in those communities on a personal level, and they will frequently call him and ask his opinion on things. He's also in Indianapolis at the Statehouse for a variety of community-based reasons, not just banking. But he goes along with our staff to visit the public officials there to explain, in a very detailed way, what the impact of an issue is on a community bank, and Jerry is very comfortable in that role."

And speaking of comfort, Jerry is perhaps most comfortable on top of one of his Harley Davidson motorcycles. "One of the challenges when you ride a Harley is to see how 'bad' you can look. Of course, riding in groups and interacting with the people is another fun thing. Our local Harley Owners' Group has an annual charity event, and this year we also had 450 bikes in our Waldo Brandt Memorial Caravan. My wife Christina and I participated in Harley's national 95th Anniversary Ride, and we'll be going on the 100th Anniversary Ride in 2003. And did I mention that we finance a lot of Harleys, too?"

Buy low...sell high

EDUCATING YOUNG PEOPLE ABOUT THE IMPORTANCE OF FINANCIAL PLANNING



First Merchants, by sponsoring The Stock Market Game, joins us as 'Partners for Literacy.'

— JEANNINE LEE LAKE
Newspapers in Education
Coordinator for *The Star Press*



Participants in the Delta High School Stock Market Game (from left to right):
Jeannine Lee Lake of *The Star Press*, Jordan Burt, economics teacher Pat Ervin, Danielle DeVoe, Chris Green, Brandon Straub.

I talk with my Dad about stocks. He's really into getting me prepared for my future when I'm on my own. He does a lot with the stock market, and I want to know more about it, so I think The Stock Market Game is going to be really exciting. Hopefully, we'll all learn and benefit from it once we're out of college and able to do our own thing.

— JORDAN BURT
Senior

I only know the bare basics – what a stock is, how to buy stock. I hope to learn a lot so maybe when I get into college or after college I can do it on my own with some *real* money.

— DANIELLE DEVOE
Senior

People talk about the stock market or you hear about it on the news, but right now it's pretty confusing to me. I know I can pick up quite a few things, so it won't be confusing any more.

— CHRIS GREEN
Sophomore

The simulation is a real learning experience for all the kids that play because – within the game's 10-week timeframe – they're going to be assuming that they need to find a stock that is high-risk or very aggressive. They want to go for that first...but all too often they'll find that's not going to be the winner for them...it may even be a big loser for them. It gets them thinking what's going to be a winner long-term.

— BRANDON STRAUB
Senior

•
Sherri Beabout isn't afraid of new challenges. She and her husband moved to Muncie from the southern Indiana city of Vincennes in late August, so she could head up the new First Merchants Investment Center. "Keep in mind that only a couple of weeks after I came here, the September 11th tragedy happened. It affected securities companies far and wide. It was just a very bad time to be trying to open a full-service investment center," she said. But backed by direct mail efforts, newspaper advertising, a seminar for women, and referrals from other First Merchants employees, Sherri began developing new business and building on our existing discount brokerage relationships. "Initially clients think, 'Oh...I can do my stock trades here,' but then they find that we truly have a financial planning environment, and I can assist them in setting retirement goals or other specific goals they have. They can see if they stick to a plan, they can achieve whatever goals they set."

For a number of years, First Merchants has been a financial sponsor of *The Stock Market Game*, organized by the Indiana Council for Economic Education and administered in east central Indiana schools by *The Star Press*. "Over 30 schools and over 200 teams of students participate each semester. Each team starts with \$100,000 in 'simulated' money to invest in stocks over 10 weeks. Obviously, the object of the game is to see how much money you can make during that time," said Jeannine Lee Lake, Newspapers in Education Coordinator for *The Star Press*. "First Merchants, by sponsoring *The Stock Market Game*, joins us as 'Partners for Literacy.' We know that by going through this, kids will turn to more than just comics and sports in the newspaper – they'll start reading stories on the financial pages and about world events."

Working with Jeannine, Sherri hosted teacher training this fall for *The Stock Market Game*. "I told the teachers how wonderful I thought it was that they were taking such an interest in the classroom to teach their students about investments. It's definitely a big first step in educating young people about the importance of having a financial plan."

Pat Ervin, an economics teacher at Delta High School, north of Muncie, agreed. "It's a fun way to learn about a topic that might be kind of dry if it was just in a book. This is a game, it's competitive, and the students are really enthusiastic about it. It's very individualized – they can follow stocks that interest them. The game sparks an interest that can carry on out into their adult lives. I hope it becomes a life-long learning experience for them. It can truly impact the quality of life they have."

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— SHERRI BEABOUT
Investment Consultant
First Merchants Investment Center



A model of health care excellence

I N V E S T I N G I N T H E C O M M U N I T Y

When we bring in visitors from a prospective industry and they see that we have a new, state-of-the-art hospital, they know that someone else has made that investment in the community.

— JIM MEINERDING
President & CEO
Randolph County Bank



It's been a joy working with Brian. We have a nice give-and-take relationship. He's been very open to change and innovation here. He's created an atmosphere where I feel very comfortable and my staff feels supported in developing innovative programs.



— JIM FULL
Administrator
St. Vincent Randolph Hospital

Brian Edwards,
Executive Vice President,
Randolph County Bank,
with St. Vincent's Jim Full.

November, 2001 marked the opening of St. Vincent Randolph Hospital in Winchester. It has made a big impact on this small east central Indiana town. Jim Meinerding, President and CEO of Randolph County Bank, knows how important its arrival is from an economic development perspective. "When we bring in visitors from a prospective industry and they see that we have a new, state-of-the-art hospital, they know that someone else has made that investment in the community. Medical care is very important to a family thinking about moving here.

"What St. Vincent Randolph Hospital has done for Winchester and Randolph County is just tremendous. It brings quality health care here, it's creating new professional jobs – and we also think it means our older residents will stay in the community because they will have access to quality medical care close to where they live."

Brian Edwards, Executive Vice President & Cashier of Randolph County Bank and Shareholder Relations Officer for First Merchants Corporation, has served on the Board of Directors of the hospital for 15 years and has been Chairman of the Board for the past 7 years. "Our old building was deteriorating and we were losing money. Fortunately, the Board brought in a professional management service about 10 years ago, and we started making a turn-around. And now, by partnering with St. Vincent's and opening our new hospital, our market share is increasing. I couldn't be happier."



Day-to-day leadership of St. Vincent Randolph Hospital is in the capable hands of Jim Full, Administrator. Duly proud of his new medical facility, Jim was also full of praise for Brian Edwards and Randolph County Bank. "It's been a joy working with Brian. We have a nice give-and-take relationship. He's been very open to change and innovation here. He's created an atmosphere where I feel very comfortable and my staff feels supported in developing innovative programs. St. Vincent Randolph has been nationally recognized as a 'model hospital' for our experiences in developing innovative programs and community collaborations. That's what makes us unique – we're out here developing partnerships with communities and the different organizations and businesses. That allows us to develop new services and address the health care needs in our communities.

"Long before we became St. Vincent's, Randolph County Bank was very accommodating with loans to purchase new equipment in the old hospital, and it allowed us to position ourselves to be a potential merger partner with St. Vincent's. The Bank also has the loan on our Medical Pavilion that we built 5 years ago and was a major contributor to our capital campaign. If it hadn't been for the partnership with the Bank, we never would have been in a position to be as attractive to St. Vincent's. And in terms of physician recruitment, the Bank has always been very helpful in working out mortgage loans when we want to bring new doctors here.

"It's nice to go into the Bank and they know you by your first name. You can walk into the President's office or anyone else's, and you're treated like a buddy. That's unique."



All in the family

2001...A YEAR OF RESTRUCTURING & OPERATIONAL CONSOLIDATION

If we want to be the financial service provider of choice, we have to give exceptional customer service. The larger we get, the harder that is to deliver across the board. But there isn't any problem we can't solve if we take the time to find the right answers – and follow-up, follow-up, follow-up! That doesn't happen enough in today's world."

— PAM HAAGER
Vice President & Manager
First Merchants' Call Centers



It's very important to us that our new affiliate banks know that First Merchants is a company that holds significant value in people and communities. That's what we're all about. We are a collection of community banks.

— STEPHAN FLUHLER
Assistant Vice President
Change Management
First Merchants Corporation



We're a team...we're working together.

— BRENDA LITTLEJOHN
Manager
Decatur Call Center

2001 will be looked on as a year of restructuring and operational consolidation. Many First Merchants Bank employees in divisions that served all affiliate banks 'changed hats' and became First Merchants Corporation employees. A number of employees at affiliate banks made this change, as well. The restructuring was clearly intended to recognize the efficiencies gained through combining resources, but also to reinforce the goal of providing superior support service to all.

Stephan Fluhler, Assistant Vice President, Change Management, has been involved in several projects involving transition. "As First Merchants Corporation continues to grow, it takes a collaborative effort to ensure that we can appropriately leverage the strengths of the organization to put the right people in the right places. Throughout the integration process of bringing in a new affiliate bank, for example, we work collaboratively with that bank—not only with the 'hard' stuff of deploying a smooth event, but also ensuring the people who are being affected are well informed in terms of what can they expect and when can they expect it."

Consolidation has not meant a loss of jobs at affiliate banks. First Merchants' strategy of establishing decentralized operational support shifted activities from the Corporate operations and technology center or affiliate banks to those facilities that had capacity to handle specific functions.

Randolph County Bank, for example, is now processing proof work for its own bank, plus Union County National Bank, First National Bank of Portland, and Decatur Bank & Trust Company. Frances Slocum Bank will handle all affiliates' research work. Union County National Bank is the site of the first of two customer service call centers to handle inquiries and follow-up work. A second call center will go into operation at Decatur Bank & Trust Company in 2002. Consolidating the customer service functions is a big step forward, according to Pam Haager, Vice President and Manager of First Merchants' call centers. "All of us put up with bad customer service every day. I have an opportunity to change one piece of that in the world, and that's for First Merchants Corporation and our affiliate banks. And I think I have the ability, the right staff, and the support of senior management to make that change."

Brenda Littlejohn is moving from Muncie to Decatur to start the call center there. "Not only will we be better able to assist our customers, but we'll be better able to assist our fellow employees, as well. We'll have the resources to get answers right away or follow-up with customer requests. Tellers and other contact employees are working with customers face-to-face, but they get phone calls, too. And that's where we can help. When they're busy with someone, we want them to feel good about forwarding a call to us. *We're a team...we're working together.*"

Each day, the call center staff members send out thank you cards to two people they've talked to that day, telling them we appreciate their business, thanking them for calling us, and reminding them if they have any additional questions to be sure to call us. Special touches like that are bound to continue.

Pam is excited about what's ahead. "I really believe our call centers are going to be successful, because – one – I want them to be, and I have good people in both places – good people who have served customers for a long time. Two – they're being trained to follow-up, and they're being rewarded for following up. They're being rewarded for quality service."



About his partnership with First United Bank, Keith said, "John Finnerty (President and CEO of First United Bank) is a special guy – he's been a super friend. I've really appreciated his advice. He's taken a lot of time to talk with me and help me as we go through some things. He and Chris Allen are awfully good people. It's been a good relationship."

— KEITH PRITCHETT
Owner
Pritchett's Back Hoe Service
& Poor Boy Enterprises

Chris Allen,
Senior Vice President,
First United Bank,
with Keith Pritchett.

Can we dig It? Yes, we can!

S U P P O R T I N G C O M M E R C I A L A C H I E V E R S

At the work site of an 83-acre commercial development on the north side of New Castle, Keith Pritchett, owner of Pritchett's Back Hoe Service, feels right at home. Four of his workmen are operating heavy machinery and moving lots of earth. "This is Jeff Smiley's Northfield Park Project. Back over there," he points, "there's going to be the new YMCA. Over here, there's going to be a new car dealership. With a new restaurant and a park, too, this is going to be a very nice addition to New Castle."

Keith's business started about 10 years ago as a small back hoe service, primarily digging foundations for houses and septic systems. Now Keith has several more related businesses, but he is quick to give credit to those involved in the day-to-day management of them. "Jeremy Morrison runs the mechanics' shop, Joe Wiley runs the heavy equipment sales lot, the 'dirt crew' (excavating) is headed up by Mark Walker, and Todd Anson is CEO of our flooring company – Poor Boy Enterprises. We do business in about a 100-mile radius, but for the most part, our jobs come from Henry County. It's great to feel like we've had a part in the county's growth and change."

Chris Allen, Senior Vice President at First United Bank, has worked with Keith and watched his business grow. "Keith has always been a go-getter in this area. He was an up-and-comer, always doing good work. It wasn't any surprise to us that he outgrew his first location. When the implements store in Sulphur Springs came up at auction a couple of years ago, we helped him buy it. That's given him some room to grow."

Good folks, good food, good fun

A PICNIC OF APPRECIATION...AN AFTERNOON OF ENTERTAINMENT

When the staff of WBST, Muncie's public radio station, wanted to find a unique way to thank major donors and underwriters for their support, they took the opportunity to partner with the Muncie Symphony Orchestra. By hosting a gourmet picnic at *Symphony on the Green*, MSO's popular annual outdoor concert, WBST piggy-backed on what is – without question – one of Muncie's best summertime events.

WBST – which is now part of Indiana Public Radio, a group of five public radio stations serving fifteen east central Indiana counties and touching into Ohio – has also partnered with First Merchants Bank for the past three years to sponsor its picnic at *Symphony on the Green*. Set on the grounds of the Fine Arts Plaza at Ball State University, "It's a venue that's very different than Emens Auditorium, MSO's home," said Cindy McCabe, an Underwriting Advisor with Indiana Public Radio. "It's available easily to everyone, and it appeals to a much broader group of people than a typical symphony audience. If you have extra folks in town visiting, you don't need to buy tickets – and – you can bring your kids and let them wander around...if they spill their food, it doesn't matter. It's just a wonderful family event!"

"Our picnic at *Symphony on the Green* lets us reach a lot of our members and underwriters and tell them how much we appreciate them and their support throughout the year. We count on those dollars to help us buy the quality programs we air – both music and news – and help us with our operational costs. That's why we appreciate First Merchants Bank's involvement, because there's no way we could afford to take the expense of the picnic out of our budget," added Cindy. "Our listeners count on us to be there with programming they can't find elsewhere – for so many, we're a constant companion."

"Sponsoring IPR's picnic at *Symphony on the Green* certainly shows our clients that we're committed to organizations that are very special parts of our community," noted Karen Akin, Vice President of First Merchants' Trust and Investment Management Division. "So many of our interactions with clients are perceived as serious and 'all business'. This is a classy, yet fun, event that we can share with them. It's great when they join us for something that's no suits, no ties...and we can simply enjoy our time together."



Karen Akin and Cindy McCabe

Sponsoring IPR's picnic at Symphony on the Green certainly shows our clients that we're committed to organizations that are very special parts of our community.

— KAREN AKIN
Vice President
Trust & Investment
Management Division
First Merchants Bank



Kris Laughlin, Vice President,
Sales & Marketing, First Merchants
Corporation, with daughters,
Adrian and Katie.

It's just a wonderful family event!

— CINDY MCCABE
IPR Underwriting Advisor





ABOVE: Campus Life kids frolicking after a rousing game of football.



RIGHT: Campus Life directors, John Warner & Denny Cochran, with Bluffton High School seniors, Josh Branyan & Lindsey Shafer.



Denny Bieberich and Dave Fox, Executive Director of Youth for Christ.

Show me the way

PARTNERING TO CREATE POSITIVE ALTERNATIVES FOR YOUTH

Denny Bieberich, President and CEO of Decatur Bank & Trust Company, serves on the Board of Directors of Youth for Christ, an organization that works with students in Adams, Wells, and Jay counties. "In today's world, there are so many challenges, and there are too many kids that don't go to church. Youth for Christ gives kids an alternative to be active and have fun. When we had the fundraiser to buy this building, the Directors were asked to help raise some money. So in addition to the Bank making a contribution, I had some other contacts I helped develop. What we didn't raise, the Bank loaned to make the final acquisition."

There are 250 Youth for Christ chapters across the country. *Campus Life* is the high school ministry for Youth for Christ. "We have one *Campus Life* director for each of the schools in Adams, Wells, and Jay counties. We know the administrators at all the schools, and we help out by volunteering to work the lunch rooms, taking tickets at athletic events, and so on," said Dave Fox, Executive Director of Youth for Christ. "In the rural communities we serve, over the course of a year we'll have participation by over 50% of the kids. In some schools it's much higher than that. Most of our student leaders are very active in their own church groups, but they know *Campus Life* is an easy way to spend time with their non-church friends and introduce them to Christ.

"We go where the kids are. We go to basketball games, wrestling matches, swim meets – places where they like to be. During the summer, we plan pond parties and camp-outs or go to the parks and play basketball with them. Our staff members spend about half their time planning non-traditional, 'out front' events for kids. We want the kids to experience something they may not ever get to experience somewhere else. This creativity keeps them guessing what will happen next and brings them back week after week.

"It's important for the kids to talk about what's relevant in their lives – their friends, their families – and to share their experiences with others in the group. There can be great comfort in that alone. And certainly, as a Christian organization, we can generally turn to something spiritual from the Bible and share a story that addresses the same topic. Because the kids have such a good relationship with our staff, they know where we're coming from and that we're real. So we share with them about our relationship with God and how they can have a relationship with God, as well."

We're bringing kids to Christ – but we're doing it in unique and often zany ways. Our staff members are such high-quality people, and they know how to relate to kids. They're not preaching to kids, but they're definitely reaching them.

— DENNY BIEBERICH
President & CEO
Decatur Bank & Trust Company

Investor Summary / Corporate Review

2001 represents another fine year of operations for First Merchants Corporation, with earnings growth for the 26th consecutive year.



years of consecutive growth

First Merchants Corporation
common stock continues
to receive an "A+" rating
from Standard and Poor's.

(in thousands, except share data)

Operations

	2001	2000	1999	1998	1997
Net Interest Income					
Fully Taxable Equivalent (FTE) Basis	\$ 66,806	\$ 58,619	\$ 56,513	\$ 52,463	\$ 49,403
Less Tax Equivalent Adjustment	2,445	2,637	2,948	2,767	2,611
Net Interest Income	64,361	55,982	53,565	49,696	46,792
Provision for Loan Losses	3,576	2,625	2,241	2,372	1,735
Net Interest Income					
After Provision for Loan Losses	60,785	53,357	51,324	47,324	45,057
Total Other Income	18,543	16,634	14,573	12,880	10,146
Total Other Expenses	45,195	40,083	36,710	32,741	30,016
Income Before Income Tax Expense	34,133	29,908	29,187	27,463	25,187
Income Tax Expense	11,924	9,968	10,099	9,556	8,704
Net Income	\$ 22,209	\$ 19,940	\$ 19,088	\$ 17,907	\$ 16,483

Per Share Data ⁽¹⁾

	2001	2000	1999	1998	1997
Diluted Cash Earnings Per Share ⁽²⁾	\$ 1.86	\$ 1.73	\$ 1.52	\$ 1.43	\$ 1.32
Basic Net Income	1.79	1.67	1.51	1.43	1.33
Diluted Net Income	1.78	1.66	1.50	1.41	1.31
Cash Dividends Paid ⁽³⁾	.92	.86	.80	.73	.66
December 31 Book Value	14.14	12.80	11.00	12.24	11.38
December 31 Market Value (Bid Price)	24.01	21.55	24.34	24.76	23.17

Average Balances

	2001	2000	1999	1998	1997
Total Assets	\$1,689,694	\$1,532,691	\$1,397,230	\$1,254,223	\$1,151,081
Total Loans	1,270,555	1,104,013	935,716	870,317	799,430
Total Deposits	1,331,631	1,209,015	1,073,074	1,016,629	825,808
Securities Sold Under Repurchase Agreements					
(long-term portion)	44,416	68,732	62,686	37,238	
Total Federal Home Loan Bank Advances	103,941	80,008	57,062	30,742	19,746
Total Stockholders' Equity	166,232	141,446	149,727	148,052	135,958

Year-end Balances

	2001	2000	1999	1998	1997
Total Assets	\$1,787,035	\$1,621,063	\$1,474,048	\$1,362,527	\$1,181,359
Total Loans	1,359,893	1,175,586	998,895	890,356	838,658
Total Deposits	1,421,251	1,288,299	1,147,203	1,085,952	976,972
Securities Sold Under Repurchase Agreements					
(long-term portion)	32,500	32,500	35,000	48,836	
Total Federal Home Loan Bank Advances	103,499	93,182	73,514	47,067	25,500
Total Stockholders' Equity	179,128	156,063	126,296	153,891	141,794

Financial Ratios

	2001	2000	1999	1998	1997
Return on Average Assets	1.31%	1.30%	1.37%	1.43%	1.43%
Return on Average Stockholders' Equity ⁽⁴⁾	13.36	14.10	12.75	12.09	12.12
Average Earning Assets to Total Assets	93.29	94.85	94.77	94.80	94.62
Allowance for Loan Losses as % of Total Loans	1.11	1.06	1.01	1.03	1.01
Dividend Payout Ratio	51.69	51.81	53.33	51.77	50.38
Average Stockholders' Equity to Average Assets ⁽⁵⁾	9.84	9.23	10.72	11.80	11.81
Tax Equivalent Yield on Earning Assets ⁽⁶⁾	7.80	8.19	7.81	8.15	8.34
Cost of Supporting Liabilities	3.56	4.16	3.54	3.74	3.80
Net Interest Margin on Earning Assets	4.24	4.03	4.27	4.41	4.54

⁽¹⁾ Restated for a five percent (5%) stock dividend distributed September, 2001.

⁽²⁾ Net income excluding goodwill and core deposit intangible amortization.

⁽³⁾ Dividends per share is for First Merchants Corporation only, not restated for pooling transactions.

⁽⁴⁾ Average stockholders' equity is computed by averaging the last five quarters ending balance.

⁽⁵⁾ Reflects repurchase of 306,600 shares in 2000, and 1,202,952 in 1999.

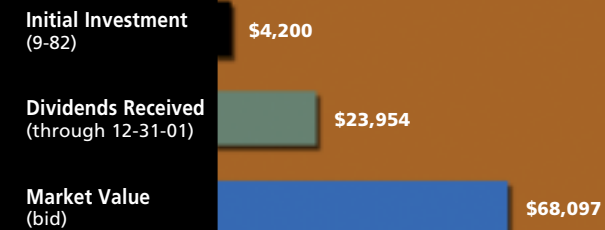
⁽⁶⁾ Average earning assets include the average balance of securities classified as available for sale, computed based on the average of the historical amortized cost balances without the effects of the fair value adjustment.

1975-2001 26 Years of Consecutive Growth



First Merchants Corporation common stock continues to receive an "A+" rating from Standard and Poor's.

Stock Performance



A purchase of 100 shares in September, 1982, when the holding company was organized, would have cost \$4,200. Through three 2-for-1 stock splits, three 3-for-2 splits, and a five percent (5%) stock dividend, the number of shares held as of December 31, 2001, would be 2,835 with a market value of \$68,097. In addition, dividends in the amount of \$23,954 would have been paid on the initial investment of \$4,200.

Listed on NASDAQ/NMS on June 20, 1989

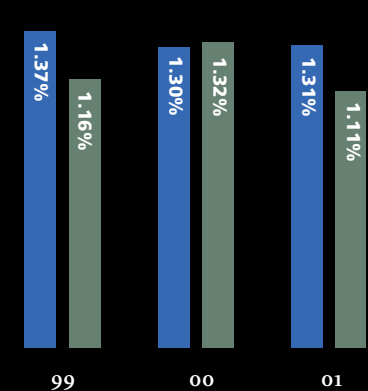
Trading Symbol: FRME
2001 Stock Price Range:
High \$24.97
Low \$19.94

Current bid price as of date of this publication, 12/31/01: \$24.01

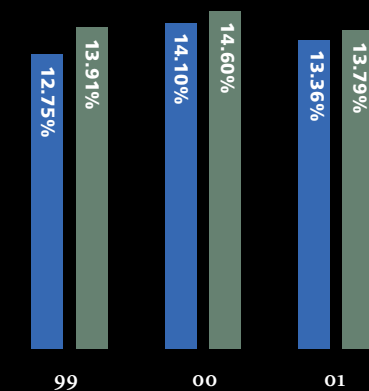
2001 NASDAQ Trading Volume: 3,468,914 shares

December 31, 2001 Shares outstanding: 12,670,307

Return on Assets

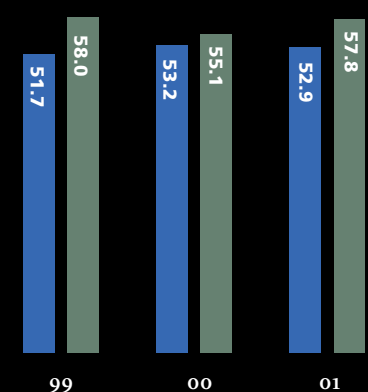


Return on Equity



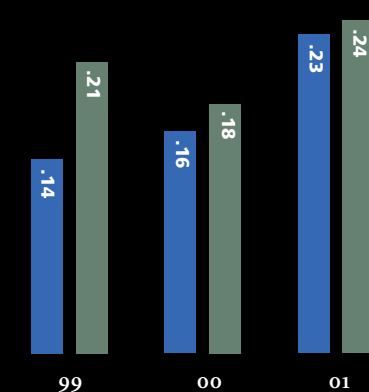
Efficiency Ratio ⁽²⁾

(indicates the cost to produce a dollar of revenue)



Loan Losses

(as a percent of average loans)



■ First Merchants ■ SNL Securities Peer Group ⁽¹⁾

⁽¹⁾ Bank holding companies with assets from \$1 billion to \$5 billion. 2001 peer data reflects results through September 30, 2001.

⁽²⁾ A lower ratio is desirable as an indicator for reduced costs in generating revenue.

Stock Price & Dividend Information

Price per share

QUARTER	HIGH		LOW		DIVIDENDS DECLARED	
	2001	2000	2001	2000	2001	2000
First Quarter	\$24.05	\$25.36	\$19.94	\$18.93	\$.230	\$.209
Second Quarter	22.79	21.79	20.71	17.62	.230	.209
Third Quarter	24.75	21.90	20.96	18.33	.230	.219
Fourth Quarter	24.97	22.74	22.65	20.71	.230	.219

The table above lists per share prices and dividend payments during 2001 and 2000. Prices are as reported by the National Association of Securities Dealers. Automated Quotation – National Market System. Numbers rounded to nearest cent when applicable. Restated for a five percent (5%) stock dividend distributed September, 2001.

General stockholder inquiries

Stockholders and interested investors may obtain information about the Corporation upon written request or by calling:

Mr. Brian A. Edwards
Shareholder Relations Officer
First Merchants Corporation
P. O. Box 792
Muncie, Indiana 47308-0792
765.741.7278
1.800.262.4261 Ext. 7278
bedwards@firstmerchants.com

Stock transfer agent and registrar

First Merchants Bank, N.A.
Corporate Trust Department
P. O. Box 792
Muncie, Indiana 47308-0792

Form 10-k and financial information

First Merchants Corporation, upon request and without charge, will furnish stockholders, security analysts and investors a copy of Form 10-K filed with the Securities and Exchange Commission.

Market makers

The following firms make a market in First Merchants Corporation stock:

Midwest Research First Tennessee

Keefe, Bruyette & Woods, Inc.

Knight Securities, L.P.

Herzog, Heine, Geduld, Inc.

Howe Barnes Investments, Inc.

Sandler O'Neill & Partners

NatCity Investments, Inc.

Sherwood Securities Corp.

Spear, Leeds & Kellogg

Daine Rauscher, Inc.

Stifel, Nicolaus & Company, Inc.

Please contact:

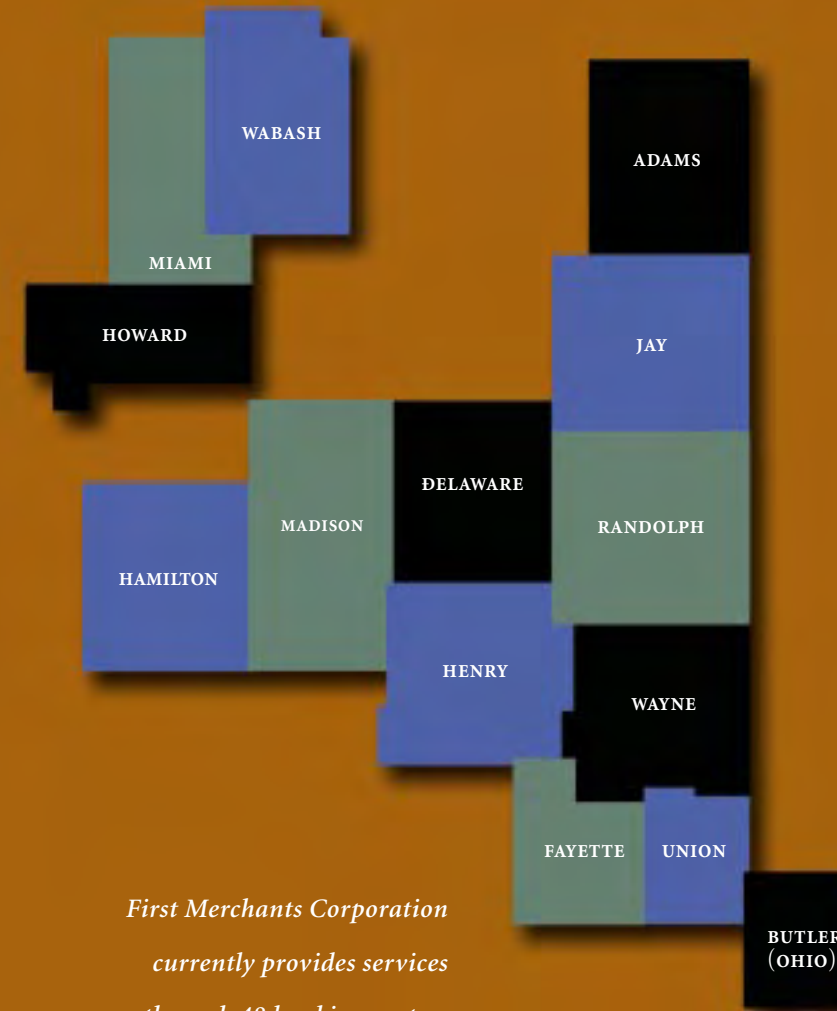
Mr. James Thrash
Senior Vice President
and Chief Financial Officer
First Merchants Corporation
P. O. Box 792
Muncie, Indiana 47308-0792
765.747.1390
1.800.262.4261 Ext. 1390

Stock Information

Common Stock Listing

First Merchants Corporation common stock is traded over-the-counter on the NASDAQ National Market System. Quotations are carried in many daily papers.

The NASDAQ symbol is FRME (Cusip #320817-10-9). At the close of business on December 31, 2001, the number of shares outstanding was 12,670,307. There were 2,483 stockholders of record on that date.



First Merchants Corporation currently provides services through 48 banking centers located in Delaware, Adams, Fayette, Hamilton, Henry, Howard, Jay, Madison, Miami, Wabash, Wayne, Randolph and Union Counties in Indiana and Butler County in Ohio.



Indiana

DELAWARE COUNTY (12)
Corporate Office • Muncie
Albany
Eaton
Daleville
ADAMS COUNTY (4)
Decatur
FAYETTE COUNTY (2)
Connersville
HAMILTON COUNTY (6)
Carmel
Fishers
Noblesville
Westfield
HENRY COUNTY (3)
Middletown
Mooreland
Sulphur Springs
HOWARD COUNTY (1)
Kokomo
JAY COUNTY (2)
Portland
MADISON COUNTY (9)
Anderson
Edgewood
Ingalls
Lapel
Markleville
Pendleton
MIAMI COUNTY (2)
Peru
RANDOLPH COUNTY (1)
Winchester
UNION COUNTY (1)
Liberty
WABASH COUNTY (3)
North Manchester
Wabash
WAYNE COUNTY (1)
Richmond

Ohio

BUTLER COUNTY (1)
Oxford

* () Number of banking offices/county



First Merchants Corporation

Corporate Office

200 East Jackson Street
Muncie, Indiana 47305

765.747.1500

<http://www.firstmerchants.com>

Annual Meeting

The Annual Meeting of Stockholders
of First Merchants Corporation
will be held...

Thursday, April 11, 2002 • 3:30 p.m.

Horizon Convention Center
401 South High Street
Muncie, Indiana

First Merchants Corporation, a financial holding company based in Muncie, Indiana, was organized in September, 1982, as the bank holding company for Merchants National Bank of Muncie, now First Merchants Bank, N.A. Since its organization, First Merchants Corporation has grown to include eight affiliate banks and a multi-line insurance agency with 48 locations in 13 Indiana counties and one Ohio county.

Banking affiliates include First Merchants Bank in Delaware County and Hamilton County, Madison Community Bank in Madison County, First United Bank in Henry County, The Randolph County Bank, First National Bank of Portland in Jay County, Union County National Bank – with offices in Union County, Fayette County, Wayne County and Oxford (OH) County, Decatur Bank & Trust Company in Adams County, and Frances Slocum Bank – with offices in Wabash County, Howard County, and Miami County. First Merchants Insurance Services is headquartered at the Corporate offices in Muncie, Indiana.

Banking affiliates conduct a full range of banking services – including commercial, industrial, consumer, and real estate lending, deposit and investment services, online banking, and other related services.

The Corporation's Trust and Investment Management Division, which operates through First Merchants Bank, is one of the largest trust divisions in Indiana, with fiduciary assets in excess of \$1.3 billion dollars at market value through year-end 2001.

First Merchants Corporation completed its 26th consecutive year of increased earnings at the end of 2001. In addition, the Corporation continues to receive an A+ rating from Standard & Poor's for its common stock (NASDAQ symbol FRME).

First Merchants Corporation is committed to the sound management of its affiliates. The Corporation's operating philosophy is to be client focused, value driven, plan disciplined, committed to recruiting and retaining achievers, and to be decisive leaders.

First Merchants Corporation

Stefan S. Anderson
Chairman of the Board

Robert M. Smitson
Vice Chairman of the Board
Maxon Corporation
Chairman of the Board

Michael L. Cox
First Merchants Corporation
President
Chief Executive Officer

Roger M. Arwood
First Merchants Bank
President
Chief Executive Officer

James F. Ault
Madison Community Bank
Chairman of the Board

Jerry M. Ault
Frances Slocum Bank
Chairman of the Board
President
Chief Executive Officer

Dennis A. Bieberich
Decatur Bank & Trust Company
President
Chief Executive Officer

Frank A. Bracken, Esq.
Bingham McHale, LLP
Attorney
Retired

Dr. Blaine A. Brownell
Ball State University
President

Thomas B. Clark
Alltrista Corporation
Chairman of the Board
President
Chief Executive Officer
Retired

Barry J. Hudson
First National Bank
Chairman of the Board

Norman M. Johnson
Stein Roe & Farnham
Executive Vice President
Retired

George A. Sissel
Ball Corporation
Chairman of the Board

Dr. John E. Worthen
Ball State University
President
Retired

Secretary to the Board

Larry R. Helms
First Merchants Corporation
Senior Vice President

Assistant Secretary to the Board

C. Ronald Hall
First Merchants Corporation
Vice President

Decatur Bank & Trust Company

Paul E. Strickler
Chairman of the Board

Philip H. Barger
Barger Farms, Inc.

Dennis A. Bieberich
Decatur Bank & Trust Company
President
Chief Executive Officer

Richard T. Doermer
Avis Industrial Corporation
Vice Chairman

Gregory A. Fleming
Fleming Excavating, Inc.
President

L. Dale Gagle
Secretary to the Board

Wayne M. Porter
Thunderbird Products
Vice President of Sales

John L. Schultz
Baker & Schultz, Inc.
President

First Merchants Bank, N.A.

Stefan S. Anderson
Chairman of the Board

Robert M. Smitson
Vice Chairman of the Board
Maxon Corporation
Chairman of the Board

Michael L. Cox
First Merchants Corporation
President
Chief Executive Officer

Roger M. Arwood
First Merchants Bank
President
Chief Executive Officer

Ronald K. Fauquher
Ontario Corporation
Senior Vice President

Thomas K. Gardiner, MD, FACP
Cardinal Health System, Inc.
Executive Vice President

Roger W. Gilcrest
First Merchants Bank
Executive Vice President

Suzanne L. Gresham, PhD
Comprehensive Mental
Health Services, Inc.
President
Chief Executive Officer

John W. Hartmeyer
Al Pete Meats, Inc.
President

Nelson W. Heinrichs
Centennial Packaging, Inc.
Chairman of the Board

Jon H. Moll
DeFur, Voran, Hanley,
Radcliff & Reed
Partner

Joseph E. Wilson
Muncie Power Products, Inc.
Chairman of the Board
Chief Executive Officer

Secretary to the Board

Cynthia G. Holaday
First Merchants Bank
Executive Administrative Officer

Chairman Emeritus

William P. Givens

Directors Emeriti

Clell W. Douglass

Hurley C. Goodall

Betty J. Kendall

Hamer D. Shafer

First National Bank of Portland

Barry J. Hudson
Chairman of the Board

Robert G. Bell
First National Bank of Portland
President
Chief Executive Officer

John F. Brigham
Mutual Security, Inc.
Chief Executive Officer
Retired

Bonnie R. Maitlen, PhD
Training & Development
Specialist-Consultant

Greg A. Moser
Moser Engineering
President

Stephen R. Myron, MD
Preferred Medical Providers
President

Samuel P. Shoemaker
John Jay Center for Learning
Executive Director

Gary L. Whitenack
Whitenack Farm & Supply Co.
Farmer

First United Bank

William D. Cronk
Chairman of the Board
Farmer

Ted S. Doles, MD
Physician

Daniel Eichhorn, DVM
Veterinarian

John M. Finnerty
First United Bank
President
Chief Executive Officer

Larry R. Helms
First Merchants Bank
Executive Vice President

Mary Wisehart Phillips
Wisehart & Wisehart
Attorney

Frances Slocum Bank

Jerry M. Ault
Chairman of the Board
Frances Slocum Bank
President
Chief Executive Officer

Richard T. Doermer
Growth Capital Company
President

John W. Forrester
Wabash Electric Supply, Inc.
President

Robert R. Halderman
Halderman Farm Management, Inc.
President

Arthur W. Jasen
B. Walter & Company
Executive Vice President
Walter Dimension Co.
President

Terry Agness
Ford Meter Box Co., Inc.
President
Retired

Charles R. Tiede
Tiede, Metz & Downs PC
Attorney

Madison Community Bank

James F. Ault
Chairman of the Board

George R. Likens
Vice Chairman of the Board
Farmer

Michael L. Baker
Madison Community Bank
President
Chief Executive Officer

Edward L. Foggs
Church of God
Minister-at-Large
Interchurch Relations

Larry R. Helms
First Merchants Bank
Executive Vice President

Donald E. Henderson
Farm Bureau Insurance
Retired

Jeffrey A. Jenness
Church of God
Executive Secretary & Treasurer
Board of Pension

Joseph R. Kilmer
Attorney at Law

C. David Kleinhenn
Kleinhenn Company
President

Herbert G. Likens

Farmer

G. Douglass Owens
Attorney at Law

Robert J. Pensec

Carbide Grinding Company
President

Eric R. Retrum, MD
Radiologist

Stephen D. Skaggs
Perfecto Tool & Engineering Co., Inc.
Vice President

Curtis L. Stephenson
Pendleton Insurance Company, Inc.
Owner

Leland Symonds
Emge Packing Company
Retired

The Randolph County Bank

Michael D. Wickersham
Chairman of the Board
Wick's Pies, Inc.
President

Thomas E. Chalfant

Farmer
Registered Representative
Lincoln Financial Advisors

Errol Klem
Klem Golf, Inc.
President

Martha Mathias
Frank Miller Lumber Co., Inc.
President
Chief Executive Officer

James A. Meinerding
The Randolph County Bank
President
Chief Executive Officer
Trust Officer

Union County National Bank

Norman Locke
Union County National Bank
President
Chief Executive Officer

Larry R. Helms
First Merchants Bank
Executive Vice President

Norman M. Johnson
Stein, Roe & Farnham
Executive Vice President
Retired

Gerald S. Paul
Medreco, Inc.
President

Jan S. Williams
Williams, Keckler & Ratcliffe, LLC
Certified Public Accountant

*First Merchants Corporation
Executive Officers*

Michael L. Cox President Chief Executive Officer	Roger M. Arwood Executive Vice President	Larry R. Helms Senior Vice President General Counsel	James L. Thrash Senior Vice President Chief Financial Officer	Roy A. Eon Senior Vice President Operations & Technology
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*First Merchants Corporation
Senior Officers*

Robert C. Rhoades First Vice President	Pam S. Haager Vice President	L. Kristina Laughlin Vice President	Gary D. Marshall Vice President	Jennie A. Sobecki Vice President
Brian A. Edwards Vice President	C. Ronald Hall Vice President	Sharon K. Linder Vice President	Larry J. Moore Vice President	Carol A. Lambert Senior Staff Auditor
Kimberly J. Ellington Vice President	Mark K. Hardwick Vice President	Jeffrey B. Lorentson Vice President	Brenda G. Nivens Vice President	Jeffrey A. Whetstone Accounting Manager
Karen J. Evens Vice President				

*Decatur Bank & Trust Company
Senior Officers*

Dennis A. Bieberich
President
Chief Executive Officer

David R. Lengerich
Vice President

Rosalyn M. Neuenschwander
Vice President

*First Merchants Bank
Senior Officers*

Roger M. Arwood
President
Chief Executive Officer

Jack L. Demaree
Executive Vice President

Roger W. Gilcrest
Executive Vice President

Larry R. Helms
Executive Vice President

Thomas E. Buczek
Senior Vice President

Mark A. Collison
Senior Vice President

Karen T. Akin
Vice President

William J. Bittermann
Vice President

Terry L. Blaker
Vice President

Brent P. Brandon
Vice President

Merrill V. Clevenger
Vice President

Kevin E. Farrell
Vice President

Paul A. Fish
Vice President

David L. Forbes
Vice President

Barry A. Grossman
Vice President

Michael L. Hauk
Vice President

Patricia Hudson
Vice President

Julie M. Kern
Vice President

Charles L. LaBolt
Vice President

Susan R. Laverty
Vice President

Caroldon S. Merchand
Vice President

Chris B. Parker
Vice President

Jeffrey M. Parsons
Vice President

Sharon L. Powell
Vice President

Terri L. Robertson
Vice President

N. Jane Smith
Vice President

Thomas E. Wiley
Vice President

Teresa D. Willman
Vice President

Brad C. Wise
Vice President

John A. Wood
Vice President

*First National Bank
of Portland
Senior Officers*

Robert G. Bell
President
Chief Executive Officer
Investment Officer

Richard L. Huffman
Executive Vice President
Chief Operations Officer
Chief Trust & Investment Officer

Duane D. Sautbine
Senior Vice President
Lending

Theresa T. Bollenbacher
Vice President
Lending Operations

Janice E. Ferrell
Vice President
Deposit Operations
Branch Administration

Carl Walker
Vice President
Lending

*First United Bank
Senior Officers*

John M. Finnerty
President
Chief Executive Officer

Jean E. Real
Executive Vice President

Christopher J. Allen
Senior Vice President

Joyce D. Dick
Senior Vice President

Marjorie E. Phillips
Senior Vice President

Rebecca I. Black
Vice President

Sue E. Goodman
Vice President

*Frances Slocum Bank
Senior Officers*

Jerry M. Ault
President
Chief Executive Officer

Tony Millsbaugh
Senior Vice President

Roger D. Dyson
Vice President

Sondra T. Kaselonis
Vice President

Michael J. Weller
Vice President

*Madison Community Bank
Senior Officers*

Michael L. Baker
President
Chief Executive Officer

Michael E. Stephens
Senior Vice President

Elke U. Baltimore
Vice President

Gene Crye
Vice President

Richard K. Fulaytar
Vice President

MaryAnn Gardner
Vice President

Sherry Hazelbaker
Vice President

Kirk A. Klabunde
Vice President

John L. May
Vice President

Gretchen D. Patterson
Vice President

*The Randolph County Bank
Senior Officers*

James A. Meinerding
President
Chief Executive Officer
Trust Officer

Brian A. Edwards
Executive Vice President
& Cashier

Chad S. Guggenbiller
Vice President

Rick D. Tudor
Vice President

*Union County National Bank
Senior Officers*

Norman Locke
President
Chief Executive Officer

Diane M. Bolser
Executive Vice President

Dale A. Cummins
Executive Vice President

Kurt A. Kinzler
Senior Vice President

Barbara J. Brown
Vice President

Lee M. Elzemeyer
Vice President

*First Merchants
Insurance Services
Senior Officer*

Dan Van Treese
President
Chief Executive Officer

The greater part of progress is the desire to progress.

— SENECA