

FIRST MERCHANTS CORPORATION

	CPP Disbursement Date 02/20/2009	RSSD (Holding Company) 1208559	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items				
	2008 \$ millions	2009 \$ millions	%chg from prev	
Assets	\$4,789	\$4,449	-7.1%	
Loans	\$3,726	\$3,278	-12.0%	
Construction & development	\$252	\$159	-37.1%	
Closed-end 1-4 family residential	\$812	\$695	-14.4%	
Home equity	\$149	\$155	4.1%	
Credit card	\$1	\$0	-86.5%	
Other consumer	\$196	\$149	-23.9%	
Commercial & Industrial	\$905	\$676	-25.3%	
Commercial real estate	\$945	\$992	4.9%	
Unused commitments	\$794	\$687	-13.5%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$270	\$289	7.2%	
Asset-backed securities	\$0	\$0	-42.9%	
Other securities	\$210	\$272	29.4%	
Cash & balances due	\$121	\$150	24.3%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$24	\$48	97.9%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$24	\$65	175.4%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$4,279	\$3,924	-8.3%	
Deposits	\$3,742	\$3,571	-4.6%	
Total other borrowings	\$511	\$334	-34.5%	
FHLB advances	\$360	\$130	-64.0%	
Equity				
Equity capital at quarter end	\$510	\$525	3.1%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$1	\$12	NA	
Performance Ratios				
Tier 1 leverage ratio	7.9%	8.7%	--	
Tier 1 risk based capital ratio	9.2%	11.1%	--	
Total risk based capital ratio	10.4%	12.4%	--	
Return on equity ¹	-6.3%	-5.3%	--	
Return on assets ¹	-0.7%	-0.6%	--	
Net interest margin ¹	3.6%	4.0%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	53.0%	75.3%	--	
Loss provision to net charge-offs (qtr)	212.9%	125.1%	--	
Net charge-offs to average loans and leases ¹	0.8%	2.5%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2008	2009	2008	2009
Construction & development	7.8%	13.3%	1.0%	3.3%
Closed-end 1-4 family residential	2.3%	3.0%	0.3%	0.4%
Home equity	0.4%	0.5%	0.1%	0.2%
Credit card	0.0%	0.0%	1.7%	2.8%
Other consumer	0.2%	0.1%	0.6%	0.5%
Commercial & Industrial	1.8%	5.5%	0.3%	1.3%
Commercial real estate	3.4%	3.4%	0.0%	0.6%
Total loans	2.5%	3.7%	0.3%	0.8%