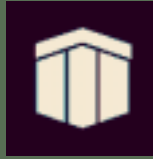


*service...it's that simple*



**First Merchants Corporation**



## OUR MISSION

*It is the mission of First Merchants Corporation to be the financial services provider of choice in east central Indiana by consistently:*

- producing customer 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 customer needs, to exercise initiative in developing sales and service opportunities, and to serve customer needs in a personal, reliable and professional manner.*

## OUR OPERATING PHILOSOPHY

*To achieve our mission, we seek to implement four objectives which define the way we conduct our business.*

*We strive to be . . .*

### *Customer Focused*

*placing our customers' needs and superior customer 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;*

### *Managed for Achievers*

*creating a personal growth environment which encourages and allows all of our employees to reach their highest level of achievement.*

# 2000

## FINANCIAL HIGHLIGHTS

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

	2000	1999
<b>AT YEAR END</b>		
Total Assets .....	\$1,621,063	\$1,474,048
Stockholders' Equity .....	156,063	126,296
Total Loans .....	1,175,586	998,895
Securities .....	307,963	343,971
Total Deposits .....	1,288,299	1,147,203
Trust Accounts at Market Value (not included in banking assets) .....	1,395,000	1,423,000
<b>FOR THE YEAR</b>		
Interest Income .....	\$ 116,528	\$ 100,463
Interest Expense .....	60,546	46,898
Net Interest Income .....	55,982	53,565
Total Other Income .....	16,634	14,573
Total Other Expenses .....	40,083	36,710
Net Income .....	19,940	19,088
<b>PER SHARE <sup>(1)</sup></b>		
Basic Net Income .....	\$ 1.76	\$ 1.59
Diluted Net Income .....	1.75	1.58
Cash Earnings <sup>(2)</sup> .....	1.81	1.60
Cash Dividends .....	.90	.84
Book Value .....	13.44	11.55
Market Value (Dec. 31 Bid Price) .....	22.63	25.56

### AVERAGES DURING THE YEAR

Total Assets .....	\$1,532,691	\$1,397,230
Total Loans .....	1,104,013	935,716
Securities .....	325,762	372,983
Total Deposits .....	1,209,015	1,073,074

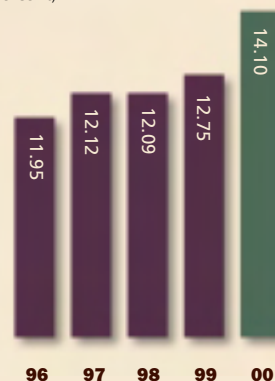
### DILUTED NET INCOME PER SHARE <sup>(1)</sup>

(in dollars)



### RETURN ON AVERAGE EQUITY

(percent)



### AVERAGE ASSETS

(in millions of dollars)



<sup>(1)</sup> Restated for 3-for-2 stock split distributed October, 1998.

<sup>(2)</sup> Diluted Net Income plus amortization of purchase accounting adjustments and goodwill.