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Press Release, dated February 9, 2009

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First Merchants Corporation Selected to Participate in Voluntary Capital Purchase Program

(Muncie, Ind., February 9, 2009) First Merchants Corporation (NASDAQ: FRME) today announced that it has received preliminary approval for \$116 million from the U.S. Treasury Department to participate in the Capital Purchase Program (CPP).

Mark K. Hardwick, Chief Financial Officer stated, "Receiving preliminary approval for this preferred stock investment is a strong vote of confidence in First Merchants and if deployed, would enhance our capital position. We believe the Treasury's plan of providing additional capital for high performing financial institutions to deploy in their local market is an effective way to stimulate the U.S. economy and strengthen confidence in the U.S. banking system."

"As a company with a record of strong performance, the strengthening of our capital position would enable us to retain our role as active lenders to our Indiana and Ohio customers. Our first priority for the use of these funds would be to continue the investment in our markets, lending to qualified borrowers," stated Michael C. Rechin, President and Chief Executive Officer.

"We continue to focus on what has served us best. The board is committed to our model of local banking focused on local customers in our community markets, providing exceptional service by developing comprehensive financial relationships. Our company is strong, well capitalized and focused on the acceleration of our strategic plan of growth and profitability. Our bank subsidiaries, First Merchants Bank, First Merchants Bank of Central Indiana, Lincoln Bank, Lafayette Bank & Trust and Commerce National Bank each have targeted plans for capital deployment opportunities within each of their served markets."

About First Merchants Corporation

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. Subsidiaries of the Corporation include First Merchants Bank, N.A., First Merchants Bank of Central Indiana, N.A., Lafayette Bank & Trust Company, N.A., Commerce National Bank, Lincoln Bank and First Merchants Trust Company, N.A. The Corporation also operates First Merchants Insurance Services, a full-service property casualty, personal lines, and healthcare insurance agency.

First Merchants Corporation's common stock is traded over-the-counter on the NASDAQ National Market System under the symbol FRME. Quotations are carried in daily newspapers and can be found on the company's Internet web page (<http://www.firstmerchants.com>).

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