

Edgar Filing: FIRST MERCHANTS CORP - Form 10-K

FIRST MERCHANTS CORP
Form 10-K
March 17, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
[Mark One]

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

For the fiscal year ended December 31, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 For the transition period from _____ to _____

Commission file number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of
incorporation or organization)

35-1544218
(I.R.S. Employer
Identification No.)

200 East Jackson
Muncie, Indiana

47305-2814
(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (765) 747-1500

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock, \$.125 stated value per share

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer,
as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports
pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant(1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

Edgar Filing: FIRST MERCHANTS CORP - Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer," and "smaller reporting company". Rule 12b-2 of the Exchange Act. Large accelerated filer [] Accelerated filer[X] Non-accelerated filer[] Smaller Reporting Company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [] No[X]

The aggregate market value (not necessarily a reliable indication of the price at which more than a limited number of shares would trade) of the voting stock held by non-affiliates of the registrant was \$439,397,000 as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2007).

As of February 20, 2008 there were 18,551,275 outstanding common shares, without par value, of the registrant.

DOCUMENTS INCORPORATED BY REFERENCE

Documents	Part of Form 10-K into which incorporated
Portions of the Registrant's Definitive Proxy Statement for Annual Meeting of Shareholders to be held April 29, 2008	Part III (Items 10 through 14)

Page 1

TABLE OF CONTENTS

FIRST MERCHANTS CORPORATION

Five-Year Summary of Selected Financial Data	3
Statement Regarding Forward-Looking Statements	4
 PART I	
Item 1. Business	5
Item 1A. Risk Factors	21
Item 1B. Unresolved Staff Comments	24
Item 2. Properties	25
Item 3. Legal Proceedings	25
Item 4. Submission of Matters to a Vote of Security Holders	25
Supplemental Information - Executive Officers of the Registrant	26
 PART II	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	27
Item 6. Selected Financial Data	29
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 7A. Quantitative and Qualitative Disclosure about Market Risk	41
Item 8. Financial Statements and Supplementary Data	42
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial	

Edgar Filing: FIRST MERCHANTS CORP - Form 10-K

	Disclosure	71
Item 9A.	Controls and Procedures	71
Item 9B.	Other Information	72
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	73
Item 11.	Executive Compensation	73
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	73
Item 13.	Certain Relationships and Related Transactions	73
Item 14.	Principal Accountant Fees and Services	73
PART IV		
Item 15.	Exhibits and Financial Statement Schedules	74

Page 2

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

(Dollars in Thousands, except share data)

	2007	2006	2005
Operations			
Net Interest Income			
Fully Taxable Equivalent (FTE) Basis	\$ 117,247	\$ 114,076	\$ 114,9
Less Tax Equivalent Adjustment	4,127	3,981	3,7
	-----	-----	-----
Net Interest Income	113,120	110,095	111,1
Provision for Loan Losses	8,507	6,258	8,3
	-----	-----	-----
Net Interest Income			
After Provision for Loan Losses	104,613	103,837	102,7
Total Other Income	40,551	34,613	34,7
Total Other Expenses	102,182	96,057	93,9
	-----	-----	-----
Income Before Income Tax Expense	42,982	42,393	43,5
Income Tax Expense	11,343	12,195	13,2
	-----	-----	-----
Net Income	\$ 31,639	\$ 30,198	\$ 30,2
	=====	=====	=====
Per Share Data			