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FIRST MERCHANTS CORP
Form 10-K/A
October 26, 2005

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

FORM 10-K/A

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

For the fiscal year ended December 31, 2004

Commission file number 0-17071

FIRST MERCHANTS CORPORATION
(Exact name of registrant as specified in its charter)

Indiana 35-1544218
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

200 East Jackson 47305-2814
Muncie, Indiana (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 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.

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

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 \$479,658,139 as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2004).

As of March 9, 2005 there were 18,543,441 outstanding common shares, without par value, of the registrant.

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DOCUMENTS INCORPORATED BY REFERENCE

| Documents | Part of Form 10-K Into Which Incorporated |
|--|---|
| Portions of the Registrant's Annual Report to Shareholders for the year ended December 31, 2004 | Part I (Item 1) Part II (Items 5, 6, 7, 7A, and 8) |
| Portions of the Registrant's Definitive Proxy Statement for Annual Meeting of Shareholders to be held April 14, 2005 | Part III (Items 10 through 14) |

FIRST MERCHANTS CORPORATION
200 EAST JACKSON
MUNCIE, INDIANA 47305-2814

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report on Form 10-K for the year ended December 31, 2004:

Exhibits:

- 23 Consent of independent registered accounting firm
- 28 Annual report on Form 11-K for First Merchants Corporation Employee Stock Purchase Plan (1999) and report of Plan's independent public accountants with respect to the financial statements

The above amendments are being filed to include the information required by Form 11-K.

FIRST MERCHANTS CORPORATION
(Registrant)

By /s/Mark K. Hardwick

Mark K. Hardwick
Chief Financial Officer

Date: October 26, 2005

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (File Number 33-28900) of our report dated September 1, 2005, on the

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audit of the financial statements of First Merchants Corporation Employee Stock Purchase Plan (2004) for the three year period ended June 30, 2005.

[OBJECT OMITTED]

BKD, LLP
Indianapolis, Indiana

October 24, 2005

EXHIBIT 28

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended June 30, 2005

FIRST MERCHANTS CORPORATION
EMPLOYEE STOCK PURCHASE PLAN (2004)
(Full title of the plan)

FIRST MERCHANTS CORPORATION
(Name of issuer of the securities held pursuant to the plan)

200 East Jackson Street
Muncie, Indiana 47305
(Address of principal executive office)

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Report of Independent Registered Public Accounting Firm

Compensation Committee of the
Board of Directors
First Merchants Corporation
Muncie, Indiana

We have audited the accompanying statements of financial condition of the First Merchants Corporation Employee Stock Purchase Plan (2004) (formerly, the 1999 Plan) as of June 30, 2005 and 2004, and the related statements of income and changes in plan equity for each of the three years in the period ended June 30, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the First Merchants Corporation Employee Stock Purchase Plan (2004) (formerly, the 1999 Plan) as of June 30, 2005 and 2004, and the results of its operations for each of the three years in the period ended June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
September 1, 2005

First Merchants Corporation
Employee Stock Purchase Plan (2004)

Statements of Financial Condition
June 30, 2005 and 2004

Assets

2005

Investments - interest-bearing deposits \$ 918,138

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Plan Equity \$ 918,138

See Notes to Financial Statements

First Merchants Corporation
Employee Stock Purchase Plan (2004)

Statements of Income and Changes in Plan Equity
Years Ended June 30, 2005, 2004 and 2003

| | 2005 | 2004 |
|--|------------|------------|
| | | |
| Investment income - interest | \$ 10,727 | \$ 10,352 |
| Participant contributions | 993,138 | 956,912 |
| | 1,003,865 | 967,264 |
| Withdrawals and terminations paid in cash | 91,101 | 63,930 |
| Purchase and distribution of stock | 902,624 | 819,656 |
| | 993,725 | 883,586 |
| Income and changes in Plan equity for the year | 10,140 | 83,678 |
| Plan equity at beginning of year | 907,998 | 824,320 |
| Plan equity at end of year | \$ 918,138 | \$ 907,998 |

See Notes to Financial Statements

First Merchants Corporation
Employee Stock Purchase Plan (2004)

Notes to Financial Statements
June 30, 2005 and 2004

Note 1: Summary of Significant Accounting Policies

Organization - The Plan was originally adopted by the Board of Directors of First Merchants Corporation (Corporation) in February 1989, and

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commenced operations in July 1989. Effective July 1, 1994, the Plan was amended by the adoption of the 1994 Employee Stock Purchase Plan (1994 Plan), and effective July 1, 1999, amended again by the adoption of the 1999 Employee Stock Purchase Plan (1999 Plan). The 1999 Plan was adopted by the Board of Directors of the Corporation in February 1999 and approved by Corporation stockholders in April 1999. In December 2003, the Compensation Committee of the Board of Directors approved a new Plan that was approved by Corporation stockholders in April 2004 to be effective July 1, 2004. A total of 400,000 shares of the Corporation's common stock are to be reserved for issuance pursuant to the 2004 Plan. The purpose of the Plan is to provide eligible employees of the Corporation and participating subsidiaries the opportunity to purchase Corporation common stock through annual offerings financed by payroll deductions.

Investments, consisting of interest-bearing deposit accounts at a subsidiary of the Corporation, are carried at cost which approximates current value.

Note 2: General Information

The Plan provides for the purchase of up to 400,000 shares of the Corporation's common stock by eligible employees through a maximum of five offerings of twelve month durations. Prior to each offering period, eligible employees elect to have up to 20 percent of their compensation deducted from their pay and accumulated with interest until the end of that offering period, but not to exceed \$25,000 per offering period.

At the end of each offering period, the balance of each participant's payroll deduction account is applied to the purchase of the largest number of full shares of the Corporation's common stock possible. The price at which the shares are deemed to have been purchased is determined by the Compensation Committee of the Corporation and is equal to 85 percent of the lesser of the fair market value of the Corporation's common stock at the beginning or at the end of that offering period. Shares to be purchased under the Plan may be obtained by the Corporation from its authorized but previously unissued shares, from open market transactions or from private sources.

In July 2005 and 2004, the Corporation issued 43,238 and 45,267 shares of its common stock for the offering period ended June 30, 2005 and 2004, at \$21.12 and \$19.94 per share.

At June 30, 2005 and 2004, the Plan had 463 and 478 participants.

First Merchants Corporation
Employee Stock Purchase Plan (2004)

Notes to Financial Statements
June 30, 2005 and 2004

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Note 3: Income Tax Status

The Plan is not and will not be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (Code). The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Code. Consequently, the difference between the purchase price and the fair market value of the stock purchased under the Plan is not includable in the participant's gross income for federal income tax purposes, unless a disqualifying distribution occurs.