

FIRST MERCHANTS CORP

Form S-4/A

October 02, 2015

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As filed with the Securities and Exchange Commission on October 2, 2015

Registration Statement No. 333-206591

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

Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

INDIANA (State or other jurisdiction of incorporation or organization)	6712 (Primary Standard Industrial Classification Code Number) 200 East Jackson Street	35-1544218 (I.R.S. Employer Identification No.)
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Muncie, Indiana 47305

(765) 747-1500

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

Mark K. Hardwick

Executive Vice President

Chief Financial Officer

First Merchants Corporation

200 East Jackson Street

Muncie, Indiana 47305

(765) 747-1500

(Name, address, including Zip Code, and telephone number, including area code, of agent for service)

With copies to:

David R. Prechtel, Esq.

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Indianapolis, Indiana 46204

Washington, DC 20005

(317) 635-8900

(202) 508-5800

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement and upon the effective time of the merger described in the accompanying proxy statement and prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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 in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
 Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price	Proposed Maximum Aggregate	Amount of Registration Fee (3)(4)
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		Per Share	Offering Price (2)	
Common Stock, no par value	Up to 2,794,498 shares	N/A	\$70,906,072	\$8,200

- (1) This represents the maximum number of shares of First Merchants Corporation common stock estimated to be issuable upon completion of the merger described herein. This number is based on the number of shares of Ameriana Bancorp common stock and options outstanding as of September 21, 2015, and the exchange of each such shares of Ameriana Bancorp common stock for 0.9037 shares of First Merchants Corporation common stock, pursuant to the terms of the Agreement and Plan of Reorganization and Merger, dated as of June 26, 2015 (the Merger Agreement), by and between First Merchants Corporation and Ameriana Bancorp, which is attached to the proxy statement and prospectus as Annex A. In accordance with the Merger Agreement, all holders will receive First Merchants Corporation common stock and no cash in exchange for their Ameriana Bancorp common stock (the securities to be canceled in the merger).
- (2) The maximum offering price is based on an estimate solely for the purpose of calculating the registration fee and has been calculated in accordance with Rule 457(f)(1) under the Securities Act of 1933, as amended, using the average of the high and low prices of the Ameriana Bancorp common shares as reported on The NASDAQ Capital Market on September 30, 2015 (\$22.93) for all 3,092,284 Ameriana Bancorp common shares (or options) which could be exchanged in the merger. This amount is the maximum offering price.
- (3) The registration fee of \$8,200 for the securities registered hereby has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended, by adding the original registration fee of \$7,947 to \$253 which represents the increase in maximum offering price since the initial registration statement multiplied by .0001007.
- (4) \$7,947 of filing fee was previously paid on August 26, 2015.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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THE INFORMATION IN THIS PROXY STATEMENT AND PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS PROXY STATEMENT AND PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROXY STATEMENT AND PROSPECTUS

DATED OCTOBER 2, 2015 SUBJECT TO COMPLETION

FIRST MERCHANTS CORPORATION

AMERIANA BANCORP

YOUR VOTE IS VERY IMPORTANT

PROSPECTUS OF FIRST MERCHANTS CORPORATION FOR UP TO

2,794,498 SHARES OF COMMON STOCK AND

PROXY STATEMENT OF AMERIANA BANCORP

The Board of Directors of First Merchants Corporation (First Merchants) and the Board of Directors of Ameriana Bancorp have approved an Agreement and Plan of Reorganization and Merger (the Merger Agreement), pursuant to which Ameriana Bancorp will merge with and into First Merchants (the Merger). This proposed strategic business combination will expand the second largest bank holding company headquartered in the State of Indiana. Following the Merger, the combined company will have one hundred twenty-two (122) banking offices in twenty-seven (27) Indiana counties, as well as two (2) counties in both Ohio and Illinois, and have assets of approximately \$6.6 billion, \$4.6 billion in loans, \$5.2 billion in deposits, and total shareholders equity of \$0.8 billion.

If the Merger Agreement is approved by a majority of the shareholders of Ameriana Bancorp and the Merger is subsequently completed, the shares of Ameriana Bancorp common stock owned by each Ameriana Bancorp shareholder will be converted into 0.9037 shares (the Exchange Ratio) of First Merchants common stock. The number of shares of First Merchants Common Stock issuable to each Ameriana Bancorp shareholder shall be rounded to the nearest thousandth of a share. The Exchange Ratio is subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions, or as otherwise described in the Merger Agreement. Immediately prior to the Merger, each outstanding stock option to purchase Ameriana Bancorp common stock will be converted into the right to receive cash in an amount equal to the average closing price of Ameriana Bancorp common stock for the ten (10) trading days preceding the fourth calendar day prior to the date of the Merger less the applicable exercise price.

We cannot complete the Merger unless a majority of the issued and outstanding shares of common stock of Ameriana Bancorp vote to approve the Merger Agreement. Ameriana Bancorp will hold a special meeting of its shareholders to vote on this merger proposal. **Your vote is very important.** Whether or not you plan to attend the shareholder meeting, please take the time to vote by completing the enclosed proxy card and mailing it in the enclosed envelope. **If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the Merger Agreement. Not returning your card will have the same effect as a vote against the Merger Agreement.**

The date, time and place of the meeting are as follows:

December 7, 2015, 1:00 p.m., local time

Ameriana Bank Greenfield Banking Center

1810 North State Street

Greenfield, Indiana 46140

This proxy statement and prospectus provides you with detailed information about the special meeting and the proposed Merger. It also contains or references information about Ameriana Bancorp and First Merchants. You can also get information about First Merchants and Ameriana Bancorp from publicly available documents that have been filed with the Securities and Exchange Commission. First Merchants common stock is listed on The NASDAQ Global Select Market under the symbol FRME. Ameriana Bancorp common stock is listed on The NASDAQ Capital Market under the symbol ASBI.

We strongly support the Merger of our companies. **The Board of Directors of Ameriana Bancorp unanimously recommends that you vote in favor of the Merger Agreement.**

/s/ Michael C. Rechin

President and Chief Executive Officer

FIRST MERCHANTS CORPORATION

/s/ Jerome J. Gassen

President and Chief Executive Officer

AMERIANA BANCORP

For a discussion of certain risk factors which you should consider in evaluating the Merger, see Risk Factors beginning on page 27. We encourage you to read this entire document carefully.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued pursuant to this proxy statement and prospectus or determined if this proxy statement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

These securities are not savings or deposit accounts or other obligation of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency.

Proxy statement and prospectus dated [], 2015, and first mailed to Ameriana Bancorp shareholders on or about [], 2015.

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ADDITIONAL INFORMATION

This document incorporates important business and financial information about First Merchants from other documents filed by First Merchants with the Securities and Exchange Commission (SEC) that are not delivered with or included in this document. This information (including the documents incorporated herein by reference) is available to you without charge upon your written or oral request. You may request these documents in writing or by telephone at the following addresses and telephone numbers:

First Merchants Corporation

200 East Jackson Street

Muncie, Indiana 47305

Attention: David L. Ortega,

Corporate Secretary

Telephone: (765) 747-1500

To ensure timely delivery, shareholders must request the documents containing the information described above no later than five (5) business days prior to the date of the special meeting of the Ameriana Bancorp shareholders. Accordingly, if you would like to make such a request, please do so by November 27, 2015, in order to receive the requested information before the meeting.

You can also obtain copies of the documents incorporated by reference in this document through the SEC's website at www.sec.gov. See WHERE YOU CAN FIND ADDITIONAL INFORMATION on page 123.

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AMERIANA BANCORP

2118 Bundy Avenue

New Castle, Indiana 47362

NOTICE OF SPECIAL MEETING OF

SHAREHOLDERS TO BE HELD ON

December 7, 2015

To Our Shareholders:

We will hold a special meeting of the shareholders of Ameriana Bancorp on December 7, 2015, at 1:00 p.m. local time, at Ameriana Bank Greenfield Banking Center, 1810 North State Street, Greenfield, Indiana 46140.

The purposes of the special meeting are the following:

1. *Merger Proposal.* To consider and vote upon a proposal to approve the Agreement and Plan of Reorganization and Merger, dated June 26, 2015 (the *Merger Agreement*), between First Merchants Corporation (*First Merchants*) and Ameriana Bancorp, and to approve the transactions contemplated thereby (the *Merger Proposal*). Pursuant to the Merger Agreement, Ameriana Bancorp will merge with and into First Merchants (the *Merger*) and, immediately thereafter, Ameriana Bank will merge with and into First Merchants Bank, National Association (*First Merchants Bank*), a wholly-owned banking subsidiary of First Merchants (the *Bank Merger*).
2. *Adjournment Proposal.* To approve one (1) or more adjournments of the Ameriana Bancorp special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (the *Adjournment Proposal*).
3. *Merger-Related Compensation Proposal.* To vote on a proposal, on an advisory (non-binding) basis, of compensation that may become payable to certain executive officers of Ameriana Bancorp in connection with the Merger (the *Merger-Related Compensation Proposal*).
4. *Other Matters.* To vote upon such other matters which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. Ameriana Bancorp's Board of Directors is not aware of any such other matters.

The proxy statement and prospectus describes the Merger Agreement and the proposed Merger in detail and includes, as Annex A, the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed Merger. **In particular, you should carefully read the section captioned *Risk Factors* beginning on page 27 of the accompanying proxy statement and prospectus for a discussion of certain risk factors relating to the Merger.**

The Board of Directors of Ameriana Bancorp has fixed the close of business on October 7, 2015, as the record date for determining those shareholders who are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting. Approval of the Merger Proposal requires the affirmative vote of at least a majority of the outstanding shares of Ameriana Bancorp common stock. Approval of the Adjournment Proposal and Merger-Related Compensation Proposal only requires the affirmative vote of at least a majority of the shares of Ameriana Bancorp common stock voting at the meeting, in person or by proxy, so long as a quorum is present.

The Ameriana Bancorp Board of Directors unanimously recommends that you vote FOR (1) approval of the Merger Proposal; (2) approval of the Adjournment Proposal; and (3) approval of the Merger-Related Compensation Proposal; and (4) approval of such other business which may properly come before the meeting.

Whether or not you plan to attend the special meeting in person, please submit your proxy by completing, signing, and dating the enclosed proxy card and returning it as soon as possible using the

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enclosed postage-prepaid envelope. If you attend the special meeting, you may vote in person if you wish, even if you have previously submitted your proxy. Not submitting your proxy will have the same effect as a vote against the Merger Proposal.

Michael E. Kent
Chairman

By Order of the Board of Directors

Jerome J. Gassen
President and Chief Executive Officer

[], 2015
New Castle, Indiana

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FORWARD-LOOKING STATEMENTS

This document, and the information included or incorporated by reference into it, contain forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like believe, continue, pattern, estimate, project, intend, anticipate, expect and similar expressions, or future or conditional verbs such as will, should, could, might, can, may, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the benefits of the proposed Merger between First Merchants and Ameriana Bancorp, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of First Merchants' goals, intentions and expectations; statements regarding First Merchants' business plan and growth strategies; statements regarding the asset quality of First Merchants' loan and investment portfolios; and estimates of First Merchants' risks and future costs and benefits, whether with respect to the Merger or otherwise.

These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of the First Merchants and Ameriana Bancorp will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required regulatory and shareholder approvals, and the ability to complete the Merger on the expected time frame; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to banks and bank holding companies; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with the First Merchants' and Ameriana Bancorp's business; and other risks and factors identified in First Merchants' filings with the SEC.

Neither First Merchants nor Ameriana Bancorp undertakes any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed herein unless required to under the federal securities laws. In addition, First Merchants' and Ameriana Bancorp's past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SHAREHOLDER MEETING

Q: What am I voting on?

A: You are being asked to vote to approve the Merger Agreement, pursuant to which Ameriana Bancorp will merge with and into First Merchants. First Merchants would be the surviving entity in the Merger, and Ameriana Bancorp would no longer be a separate company.

You are also being asked to vote on three additional proposals; completion of the Merger is not conditioned upon approval of any of these additional proposals:

a proposal to adjourn the Ameriana Bancorp special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (which we refer to as the Adjournment Proposal);

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Ameriana Bancorp may receive that is based on or otherwise relates to the Merger (which we refer to as the Merger-Related Compensation Proposal); and

to vote on such other matters that may be properly presented at the special meeting or any adjournment or postponement of the special meeting. Ameriana Bancorp's Board is not aware of any such other matters.

Q: Why are First Merchants and Ameriana Bancorp proposing to merge?

A: We believe the Merger is in the best interests of both companies and our respective shareholders. Ameriana Bancorp and First Merchants believe that the Merger will bring together two (2) complementary institutions to create a strategically, operationally and financially strong company that is positioned for further growth. The Merger will give the combined company greater scale and geographic diversity, not only for serving existing customers more efficiently, but also for future expansion. The combination will expand the second largest bank holding company based in the State of Indiana. We believe the Merger will enhance our capabilities to provide banking and financial services to our customers and strengthen the competitive position of the combined organization.

You should review the background of and reasons for the Merger described in greater detail beginning on page 40.

Q: What will Ameriana Bancorp shareholders receive in the Merger?

A: If the Merger Agreement is approved by the shareholders of Ameriana Bancorp and the Merger is subsequently completed, the shares of Ameriana Bancorp common stock owned by each Ameriana Bancorp shareholder will be converted into 0.9037 shares (the Exchange Ratio) of First Merchants common stock (the Merger Consideration). The number of shares of First Merchants common stock issuable to each Ameriana Bancorp shareholder shall be rounded to the nearest thousandth of a share. The Exchange Ratio is subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions, or as otherwise described in the Merger Agreement. Immediately prior to the Merger, each outstanding in-the-money stock option to purchase Ameriana Bancorp common stock will be converted into the right to receive cash in an amount per share equal to the average closing price of Ameriana Bancorp common stock for the ten (10) trading days preceding the fourth calendar day prior to the date of the Merger less the applicable exercise price. Any out-of-the-money stock options granted by Ameriana Bancorp will be cancelled and no consideration will be provided.

Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments), if you receive First Merchants common stock as consideration for all or a portion of your shares of Ameriana Bancorp common stock, the implied value of the stock consideration that you will receive will depend on the market price of

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First Merchants common stock when you receive your shares of First Merchants common stock. The value of the stock consideration per share of Ameriana Bancorp common stock, based upon First Merchants' closing stock price on September 30, 2015, the most recent practicable trading day before this proxy statement and prospectus was finalized, was \$23.70 per share. **No assurance can be given that the current market price of First Merchants common stock will be equivalent to the market price of First Merchants common stock on the date that shares of First Merchants common stock are received by an Ameriana Bancorp shareholder or at any other time. At the time of completion of the Merger, the market price of the stock consideration could be greater or less than the value of the cash consideration due to fluctuations in the market price of First Merchants common stock.** You should obtain current market prices for shares of First Merchants common stock which is listed on The NASDAQ Global Select Market under the symbol FRME.

Q: What risks should I consider before I vote on the Merger Proposal?

A: You should carefully review the section captioned RISK FACTORS beginning on page 27.

Q: Will First Merchants shareholders receive any shares or cash as a result of the Merger?

A: No. After the Merger, First Merchants shareholders will continue to own the same number of First Merchants shares they owned before the Merger.

Q: When is the Merger expected to be completed?

A: We are working to complete the Merger as quickly as possible. We must first obtain the necessary regulatory approvals and the approval of Ameriana Bancorp shareholders at the special meeting. We currently expect to complete the Merger during the fourth quarter of 2015 or the first quarter of 2016.

Q: What are the tax consequences of the Merger to me?

A: The Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). A U.S. Holder (as defined in the section captioned MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 70) who exchanges all of its shares of Ameriana Bancorp common stock solely for shares of First Merchants common stock pursuant to the Merger will not recognize any gain or loss on the exchange for federal income tax purposes. At the closing of the Merger, Ameriana Bancorp and First Merchants will each receive an opinion from their tax advisors confirming these tax consequences. See MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 70. **Your individual tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the Merger to you.**

Q: Will I have dissenters' rights?

A: The shareholders of Ameriana Bancorp are not entitled to dissenters' rights under Indiana Code Section 23-1-44, as amended, because the shares of Ameriana Bancorp common stock are traded on The NASDAQ Capital Market.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this document and any information incorporated herein by reference. Then, please submit your proxy by completing, signing, and dating the enclosed proxy card and returning it as soon as possible using the enclosed postage-prepaid envelope so that your shares can be voted at the special shareholder meeting. If a returned proxy card is signed but does not specify how you wish to vote your shares, your proxy will be voted **FOR** the: (1) approval of the Merger

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Proposal; (2) approval of the adjournment of the meeting, if necessary, to solicit additional proxies if enough votes have not been cast to approve the Merger Proposal at the time of the meeting; (3) approval of the Merger-Related Compensation Proposal; and (4) approval of such other business as may properly come before the meeting including at an adjournment or postponement of the meeting.

Q: What if I don't vote or I abstain from voting?

A: If you do not vote or you abstain from voting, your abstention will count as a vote **AGAINST** the Merger Proposal. The advisory vote on the Merger-Related Compensation Proposal regarding merger-related compensation payable to Ameriana Bancorp's named executive officers only requires that there be more votes in favor than against. As a result, abstentions and broker non-votes will have no effect on such proposal.

Q: If my shares are held by my broker in street name, will my broker vote my shares for me?

A: Your broker will vote any shares you hold in street name only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker to vote your shares. If you do not provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares, which will have the effect of a vote **AGAINST** the Merger and will not be counted for purposes of the advisory vote on Merger-Related Compensation Proposal.

Q: How do I vote my shares of Ameriana Bancorp common stock held in the 401(k) Plan?

A: If you invest in Ameriana common stock through the 401(k) Plan, you will receive a voting instruction card that reflects all shares that you may direct the trustee to vote on your behalf under the plan. Under the terms of the 401(k) Plan, a participant is entitled to direct the trustee how to vote the shares of Company common stock credited to his or her account under the 401(k) Plan. If the 401(k) Plan trustee does not receive timely voting instructions for the shares of Company common stock held in the 401(k) Plan, the shares for which the trustee does not receive timely instructions will be voted in a manner calculated to most accurately reflect the instructions received from other 401(k) Plan participants.

Q: Why am I being asked to cast an advisory (non-binding) vote to approve the compensation payable to certain Ameriana Bancorp officers in connection with the Merger?

A: The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, has adopted rules that require Ameriana Bancorp to seek an advisory (non-binding) vote with respect to certain payments that are payable to Ameriana Bancorp's named executive officers in connection with the Merger.

Q: What will happen if Ameriana Bancorp's shareholders do not approve such compensation at the special meeting?

- A.** Ameriana Bancorp shareholder approval of the compensation payable to certain of Ameriana Bancorp's executive officers in connection with the Merger is not a condition to completion of the Merger. The vote with respect to such compensation is an advisory vote and will not be binding on Ameriana Bancorp (or First Merchants after the Merger) regardless of whether the Merger Agreement is approved. Accordingly, because the compensation to be paid to certain Ameriana Bancorp executive officers in connection with the Merger is contractual, such compensation will be payable if the Merger is completed regardless of the outcome of the advisory vote.

Q: May I change my vote after I have submitted my proxy?

- A:** Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one (1) of three (3) ways. First, you can send a written notice stating that you revoke your proxy.

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Second, you can complete and submit a new proxy, dated at a date later than your most recent proxy. Please submit your notice of revocation and/or new proxy card to Ameriana Bancorp, 2118 Bundy Avenue, New Castle, Indiana 47362, Attention: Nicole M. Weaver, Corporate Secretary. Third, you may attend the special meeting and vote in person. Simply attending the special meeting, however, will not revoke your proxy. You must request a ballot and vote the ballot at the meeting.

Q: What constitutes a quorum?

A: The presence, in person or by proxy, of shareholders holding at least a majority of the issued and outstanding shares of Ameriana Bancorp entitled to vote as of October 7, 2015, the record date for the special meeting, will constitute a quorum for the special meeting. On August 7, 2015, there were 3,030,162 shares of Ameriana Bancorp common stock outstanding and entitled to vote at the special meeting.

Q: Should I send in my stock certificate(s) now?

A: No. After the Merger is completed, Ameriana Bancorp shareholders will receive written instructions from First Merchants for exchanging their stock certificates for shares of First Merchants common stock to be received by them in the Merger. Any shares of Ameriana Bancorp common stock held in book-entry form will be automatically exchanged for shares of First Merchants common stock. If you are a First Merchants shareholder, you should retain your certificates, as you will continue to hold the First Merchants shares you currently own.

Q: Whom should I contact if I have other questions about the Merger Agreement or the Merger?

A: You may contact Laurel Hill Advisory Group, LLC, the Information Agent for the Merger at 2 Robbins Lane, Suite 201, Jericho, New York 11753 or by telephone at 888-742-1305. Banks and brokerage firms should also call Laurel Hill Advisory Group, LLC at 516-933-3100.

Ameriana Bancorp shareholders may also contact:

Ameriana Bancorp

2118 Bundy Avenue

New Castle, Indiana 47362

Attention: Nicole Weaver,

Corporate Secretary

Telephone (765) 529-2230

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SUMMARY

This summary highlights selected information from this proxy statement and prospectus. Because this is a summary, it does not contain all of the information that is important to you. You should carefully read this entire document, including the documents incorporated herein by reference, and the other documents to which we have referred you before you decide how to vote. See WHERE YOU CAN FIND ADDITIONAL INFORMATION on page 123 for a description of documents that we incorporate by reference into this document. Each item in this summary includes a page reference that directs you to a more complete description in this document of the topic discussed.

The Companies (page 72)

First Merchants Corporation

200 East Jackson Street

Muncie, Indiana 47305

(765) 747-1500

First Merchants is a financial holding company headquartered in Muncie, Indiana and was organized in September 1982. First Merchants common stock is listed on The NASDAQ Global Select Market under the symbol FRME. First Merchants has one (1) full-service bank charter, First Merchants Bank which opened for business in Muncie, Indiana, in March 1893. First Merchants Bank also operates Lafayette Bank and Trust, Commerce National Bank and First Merchants Trust Company as divisions of First Merchants Bank. First Merchants Bank includes over one hundred (100) banking locations in twenty-six (26) Indiana counties and two (2) counties in both Ohio and Illinois. First Merchants Bank's business activities are currently limited to one (1) significant business segment, which is community banking.

As of June 30, 2015, First Merchants had consolidated assets of \$6.1 billion, consolidated deposits of \$4.8 billion and shareholders' equity of \$750 million. As of June 30, 2015, First Merchants and its subsidiaries had 1,464 full-time equivalent employees. See DESCRIPTION OF FIRST MERCHANTS on page 72.

Ameriana Bancorp

2118 Bundy Avenue

New Castle, Indiana 47362

(765) 529-2230

Ameriana Bancorp is a registered bank holding company under the Bank Holding Company Act of 1956, as amended, incorporated under Indiana law and headquartered in New Castle, Indiana. Ameriana Bancorp's wholly-owned bank subsidiary is Ameriana Bank, an Indiana state bank. Ameriana Insurance Agency, Inc. and Ameriana Financial Services, Inc. are wholly-owned subsidiaries of Ameriana Bank. Ameriana Bank has been operating in East Central Indiana since 1890. Ameriana Bank has thirteen (13) banking centers located in Hamilton, Hancock, Hendricks, Henry, Madison, and Shelby Counties in Indiana. Ameriana Bancorp and Ameriana Bank employed 143 full-time equivalent employees at June 30, 2015. Ameriana Bancorp holds all of the common securities of Ameriana Capital Trust I.

At June 30, 2015, on a consolidated basis, Ameriana Bancorp had assets of approximately \$481 million, deposits of approximately \$389 million, and shareholders' equity of approximately \$41 million.

The Merger (page 39)

We have attached a copy of the Merger Agreement to this document as Annex A. Please read the Merger Agreement in its entirety. It is the legal document that governs the Merger.

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The Merger Agreement provides that, if all of the conditions are satisfied or waived, Ameriana Bancorp will be merged with and into First Merchants and, immediately thereafter, Ameriana Bancorp will cease to exist. Immediately following the Merger, Ameriana Bank will be merged with and into First Merchants Bank and Ameriana Bank will cease to exist. We expect to complete the Merger during the fourth quarter of 2015 or the first quarter of 2016.

Reasons for the Merger (pages 44)

First Merchants. First Merchants' Board of Directors considered a number of financial and nonfinancial factors in making its decision to merge with Ameriana Bancorp, including its respect for the ability and integrity of the Ameriana Bancorp's Board of Directors, management and staff. The Board believes that expanding First Merchants operations in the market areas where Ameriana Bancorp operates offers financial and strategic benefits to First Merchants and Ameriana Bancorp as a combined company.

Ameriana Bancorp. In considering the Merger with First Merchants, Ameriana Bancorp's Board of Directors collected and evaluated a variety of economic, financial and market information regarding First Merchants and its subsidiaries, their respective businesses and First Merchants' reputation and future prospects. In the opinion of Ameriana Bancorp's Board of Directors, favorable factors included First Merchants' strong earnings and stock performance, its management, the compatibility of its markets to those of Ameriana Bancorp, the likelihood of regulatory approvals of the Merger, and the attractiveness of First Merchants' offer from a financial perspective. In addition, the Board of Directors considered the fairness opinion of River Branch Capital LLC (River Branch), described below.

Opinion of River Branch Capital LLC (page 47)

Ameriana Bancorp's Board of Directors retained River Branch to render a fairness opinion in connection with the proposed Merger. At the meeting of Ameriana Bancorp's Board of Directors on June 26, 2015, River Branch delivered to Ameriana Bancorp's Board of Directors an oral opinion, which was confirmed by delivery of a written opinion, dated June 26, 2015, to the effect that, as of the date of the opinion and based upon and subject to the conditions, limitations, qualifications and assumptions set forth in the opinion, the Merger Consideration to be received in the Merger by the holders of Ameriana Bancorp common stock was fair, from a financial point of view, to such holders of Ameriana Bancorp common stock.

The full text of the written opinion of River Branch, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion of River Branch, is attached as Annex B to this proxy statement and prospectus and is incorporated herein by reference. Ameriana Bancorp shareholders are urged to read River Branch's written opinion carefully and in its entirety. River Branch's opinion is limited solely to the fairness, from a financial point of view, of the Merger Consideration to be received in the Merger by the holders of Ameriana Bancorp common stock and does not address Ameriana Bancorp's underlying business decision to effect the Merger or the relative merits of the Merger as compared to any alternative business strategies or transactions that might be available with respect to Ameriana Bancorp. River Branch's opinion does not constitute a recommendation to any shareholder of Ameriana Bancorp as to how such shareholder should vote or act with respect to any matter relating to the Merger or otherwise.

What Ameriana Bancorp Shareholders Will Receive (page 39)

If the Merger Agreement is approved and the Merger is subsequently completed, each outstanding share of Ameriana Bancorp common stock will be converted into the right to receive 0.9037 shares (the Exchange Ratio) of First Merchants common stock. The number of shares of First Merchants Common Stock issuable to each Ameriana

Bancorp shareholder shall be rounded to the nearest thousandth of a share. The Exchange Ratio is

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subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions, or as otherwise described in the Merger Agreement. Immediately prior to the Merger, each outstanding stock option to purchase Ameriana Bancorp common stock will be converted into the right to receive cash in an amount equal to the average closing price of Ameriana Bancorp common stock for the ten (10) trading days preceding the fourth calendar day prior to the date of the Merger less the applicable exercise price.

Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments), if you receive First Merchants common stock as consideration for all or a portion of your shares of Ameriana Bancorp common stock, the implied value of the stock consideration that you will receive will depend on the market price of First Merchants common stock when you receive your shares of First Merchants common stock. The value of the stock consideration per share of Ameriana Bancorp common stock, based upon First Merchants' closing stock price on September 30, 2015, the most recent practicable trading day before this proxy statement and prospectus was finalized, was \$23.70 per share. **No assurance can be given that the current market price of First Merchants common stock will be equivalent to the market price of First Merchants common stock on the date that shares of First Merchants common stock are received by an Ameriana Bancorp shareholder or at any other time. At the time of completion of the Merger, the market price of the stock consideration could be greater or less than the value of the cash consideration due to fluctuations in the market price of First Merchants common stock.**

Within three (3) business days following the effective date of the Merger, First Merchants will mail a letter of transmittal to each person who was, immediately prior to the effective time of the Merger, a holder of record of Ameriana Bancorp common stock. The letter of transmittal will contain instructions for use in effecting the surrender of Ameriana Bancorp stock certificates (or shares held in book-entry form) in exchange for the consideration to which such person may be entitled pursuant to the Merger Agreement.

What First Merchants Shareholders Will Receive (page 40)

First Merchants shareholders will not receive any consideration in the Merger. After the Merger, First Merchants shareholders will continue to own the same number of First Merchants shares owned before the Merger.

The Ameriana Bancorp Special Shareholders Meeting (page 33)

The special meeting of Ameriana Bancorp shareholders will be held on December 7, 2015, at 1:00 p.m. local time, at Ameriana Bank Greenfield Banking Center, 1810 North State Street, Greenfield, Indiana 46140.

At the special meeting, Ameriana Bancorp shareholders will be asked:

1. *Merger Proposal.* To consider and vote upon a proposal to approve the Merger Agreement and to approve the transactions contemplated thereby. Pursuant to the Merger Agreement, Ameriana Bancorp will merge with and into First Merchants and, immediately thereafter, Ameriana Bank will merge with and into First Merchants Bank.
2. *Adjournment Proposal.* To approve one (1) or more adjournments of the Ameriana Bancorp special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.

3. *Merger-Related Compensation Proposal.* To vote on a proposal, on an advisory (non-binding) basis, of compensation that may become payable to certain executive officers of Ameriana Bancorp in connection with the Merger.
4. *Other Matters.* To vote upon such other matters which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. The Board of Directors is not aware of any such other matters.

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Ameriana Bancorp Recommendation to Shareholders (page 47)

Ameriana Bancorp's Board of Directors unanimously approved and adopted the Merger Agreement and approved and authorized the proposed Merger. Ameriana Bancorp's Board of Directors concluded that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement are in the best interest of Ameriana Bancorp and the Ameriana Bancorp shareholders. Ameriana Bancorp's Board of Directors unanimously recommends that Ameriana Bancorp shareholders vote **FOR** the: (1) approval of the Merger Proposal; (2) approval of the Adjournment Proposal; (3) approval of Merger-Related Compensation Proposal; and (4) approval of such other business which may properly come before the meeting. In reaching its determination, Ameriana Bancorp Board of Directors considered a number of factors, which are described in the section captioned *The Merger Ameriana Bancorp's Reasons for the Merger* beginning on page 45. Because of the wide variety of factors considered, Ameriana Bancorp's Board of Directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

Ameriana Bancorp Special Meeting Record Date; Vote Required (page 33)

Only Ameriana Bancorp shareholders of record as of the close of business on October 7, 2015, are entitled to notice of, and to vote at, the Ameriana Bancorp special meeting and any adjournments or postponements of the special meeting. As of the record date, there were [] shares of Ameriana Bancorp common stock outstanding. Approval of the Merger Proposal requires the affirmative vote of holders of at least a majority of the outstanding shares of Ameriana Bancorp common stock entitled to vote. The approval of adjournment of the special meeting to allow extra time to solicit proxies, if necessary or appropriate, approval of the advisory vote on the Merger-related compensation payable to certain executive officers, and the approval of the transaction of any other business that may properly come before the special meeting each require more votes to be cast in favor of the proposal than are cast against it. You can vote your shares by attending the Ameriana Bancorp special meeting and voting in person, or you can vote by proxy by marking the enclosed proxy card with your vote, signing it and mailing it in the enclosed return envelope. You can revoke your proxy at any time before the special meeting by sending a written notice of revocation, submitting a new proxy or by attending the special meeting and voting in person.

No approval by First Merchants shareholders is required.

Voting Agreement (page 69)

As of June 26, 2015, each member of the Board of Directors of Ameriana Bancorp and certain executive officers entered into a voting agreement with First Merchants to cause all Ameriana Bancorp common stock owned by each of them of record or beneficially on such date to be voted in favor of the Merger Proposal. See *THE MERGER AGREEMENT Voting Agreement* on page 69. As of the record date, the members of Ameriana Bancorp's Board of Directors and their affiliates had power to vote, or caused to be voted, an aggregate of [] shares of Ameriana Bancorp common stock outstanding, representing []% of the outstanding shares on that date.

What We Need to Do to Complete the Merger (page 64)

Completion of the Merger depends on a number of conditions being met or waived. In addition to our compliance with the Merger Agreement, these conditions include among others:

the approval of the Merger Agreement at the special meeting by a majority of the issued and outstanding shares of Ameriana Bancorp common stock;

the approval of the Merger and the Bank Merger by certain regulatory agencies and the expiration of any regulatory waiting periods;

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the representations and warranties made by the parties in the Merger Agreement must be true, accurate and correct in all material respects on and as of the effective date of the Merger, except that representations and warranties that are qualified by materiality or a Material Adverse Effect (as defined below in THE MERGER AGREEMENT Conditions to Completion of the Merger) must be true and correct in all respects, and provided that for those representations and warranties which address matters only as of an earlier date, then they shall be tested as of such earlier date;

the covenants made by the parties must have been complied with in all material respects from the date of the Merger Agreement through and as of the effective date of the Merger;

Ameriana Bancorp must have received an opinion of Kilpatrick Townsend & Stockton LLP that, for U.S. federal income tax purposes, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and that no gain or loss will be recognized in the Merger by a U.S. Holder to the extent the U.S. Holder receives shares of First Merchants common stock as the sole consideration for the U.S. Holder's shares of Ameriana Bancorp common stock, except that gain or loss will be recognized with respect to any cash received;

First Merchants must have received an opinion of Bingham Greenebaum Doll LLP that, for U.S. federal income tax purposes, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

the Registration Statement on Form S-4, of which this proxy statement and prospectus is a part, relating to the First Merchants shares to be issued pursuant to the Merger Agreement, must have become effective under the Securities Act of 1933, as amended (the Securities Act), and no stop order suspending the effectiveness of the Registration Statement shall have been issued or threatened by the SEC;

the shares of First Merchants common stock to be issued in the Merger shall have been listed for trading on The NASDAQ Global Select Market (subject to official notice of issuance);

there must be no order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger or the Bank Merger; and

other customary conditions and obligations of the parties set forth in the Merger Agreement.

Regulatory Approvals (page 59)

The Merger cannot be completed until First Merchants receives necessary regulatory approvals, which include the approval of the Board of Governors of the Federal Reserve System (the Federal Reserve Board) as to the Merger and the Office of the Comptroller of the Currency (the OCC) as to the Bank Merger. First Merchants has filed applications with the OCC and the Federal Reserve Board for approval of the Bank Merger and the Merger, respectively. First Merchants cannot be certain when such approvals will be obtained or if they will be obtained.

Conduct of Business Pending Merger (page 66)

Under the terms of the Merger Agreement, Ameriana Bancorp and First Merchants must carry on their business in the ordinary course and, subject to certain limited exceptions, may not take certain extraordinary actions without first obtaining the other party's consent.

We have agreed that Ameriana Bancorp will continue to pay quarterly dividends at no more than the current rate of \$0.04 per share until the Merger closes. We will each cooperate to insure that Ameriana Bancorp shareholders will receive only one (1) quarterly dividend for the quarter in which the Merger closes, and not a separate dividend from both First Merchants and Ameriana Bancorp.

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Agreements of First Merchants (pages 59 and 68)

In the Merger Agreement, First Merchants has agreed, among other matters, to:

Proceed and use its reasonable and diligent efforts to obtain any consents and approvals for the Merger. See THE MERGER Regulatory Approvals on page 59.

Take action as may be necessary to allow Ameriana Bancorp and its subsidiaries employees, no later than the effective date of the Merger, to participate in benefit plans First Merchants maintains for its employees. See THE MERGER AGREEMENT Employee Benefit Plans on page 68.

Provide, or allow for, director and officer liability insurance and indemnification. See THE MERGER AGREEMENT Indemnification and Insurance of Ameriana Bancorp Directors and Officers on page 68.

Dissenters Rights (page 58)

The shareholders of Ameriana Bancorp are not entitled to dissenters rights under Indiana Code Section 23-1-44, as amended, because the shares of Ameriana Bancorp common stock are traded on The NASDAQ Capital Market.

Management and Operations After the Merger (page 68)

Ameriana Bancorp's corporate existence will cease after the Merger. Accordingly, except as otherwise described herein, directors and officers of Ameriana Bancorp will not serve in such capacities after the effective date of the Merger. Upon completion of the Merger, the current officers and directors of First Merchants will continue to serve in such capacities.

Interests of Directors and Officers in the Merger That Are Different From Your Interests (page 61)

You should be aware that some of directors and executive officers of Ameriana Bancorp and Ameriana Bank may have interests in the Merger that are different from, or in addition to, their interests as shareholders. Both Ameriana Bancorp's Board of Directors and First Merchants' Board of Directors were aware of these interests and took them into consideration in approving the Merger Agreement and the Merger. These interests are as follows:

Directors and officers of Ameriana Bancorp held stock options that entitled them to purchase, in the aggregate, up to [] shares of Ameriana Bancorp's common stock as of October 7, 2015. Options for [] of these shares would not be exercisable but for the Merger. Immediately prior to the Merger, each outstanding stock option to purchase Ameriana Bancorp common stock will be converted into the right to receive cash in an amount equal to the average closing price of Ameriana Bancorp common stock for the ten (10) trading days preceding the fourth calendar day prior to the date of the Merger less the applicable exercise price.

Certain executive officers of Ameriana Bancorp and Ameriana Bank currently have salary retention agreements, change in control agreements or employment agreements that provide for the executive to

receive, following both a change in control of Ameriana Bancorp and an actual or constructive termination of their employment, continuing payments following the transaction, subject to certain limitations. Under these agreements, three (3) of such executive officers would be entitled to receive an aggregate of approximately \$1,625,125. See THE MERGER Merger-Related Compensation payable to Ameriana Bancorp's Named Executive Officers.

First Merchants has agreed that for a period of six (6) years after the effective time of the Merger, it will maintain directors' and officers' liability insurance in force covering directors and officers of Ameriana Bancorp and Ameriana Bank, subject to certain conditions set forth in the Merger Agreement.

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Termination of the Merger (page 65)

Both First Merchants and Ameriana Bancorp can mutually agree to terminate the Merger Agreement before we complete the Merger. In addition, either Ameriana Bancorp or First Merchants acting alone can terminate the Merger Agreement under the circumstances described on page 65.

Ameriana Bancorp has agreed to pay First Merchants a termination fee of \$1,500,000 if:

Ameriana Bancorp's Board of Directors terminates the Merger Agreement in the exercise of its fiduciary duties after receipt of an unsolicited acquisition proposal from a third party;

First Merchants terminates the Merger Agreement because Ameriana Bancorp's Board of Directors withdraws or modifies its recommendation to Ameriana Bancorp's shareholders to vote for the Merger following receipt of a written proposal for an acquisition from a third party; or

First Merchants terminates the Merger Agreement because Ameriana Bancorp fails to give First Merchants written notice that it intends to furnish information to or enter into discussions or negotiations with a third party relating to a proposed acquisition of Ameriana Bancorp, or if Ameriana Bancorp, within sixty (60) days after giving such notice, does not terminate such discussions or negotiations.

Material U.S. Federal Income Tax Consequences (page 70)

It is a condition to the closing of the Merger that Kilpatrick Townsend & Stockton LLP and Bingham Greenebaum Doll LLP deliver opinions, effective as of the date of the Merger, to Ameriana Bancorp and First Merchants, respectively, substantially to the effect that, for United States federal income tax purposes, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. These opinions will not, however, bind the Internal Revenue Service (the IRS) which could take a different view.

Determining the actual tax consequences of the Merger to you can be complicated. We suggest you consult with your own tax advisors with respect to the tax consequences of the Merger to you.

For a more detailed description of the material federal income tax consequences of the Merger to First Merchants and Ameriana Bancorp shareholders, see MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES on page 70.

Accounting Treatment (page 60)

The Merger will be accounted for as an acquisition transaction for accounting and financial reporting purposes. As a result, Ameriana Bancorp's assets, including identified intangible assets, and liabilities will be recorded by First Merchants on its books at their fair values and added to those of First Merchants. Any excess payment by First Merchants over the fair value of the net assets and identifiable intangibles of Ameriana Bancorp will be recorded as goodwill on the financial statements of First Merchants. Conversely, any excess of the fair value of the net assets acquired over the payment made by First Merchants will be allocated as a reduction of all assets.

Comparative Rights of First Merchants and Ameriana Bancorp Shareholders (page 114)

The rights of shareholders of First Merchants and Ameriana Bancorp differ in some respects. The rights of holders of First Merchants common stock are governed by the laws of the State of Indiana, including the Indiana Business Corporation Law, and First Merchants' Articles of Incorporation and Bylaws. The rights of holders of Ameriana Bancorp common stock are governed by the laws of the State of Indiana, including the Indiana Business Corporation Law, and Ameriana Bancorp's Articles of Incorporation and Bylaws. Upon completion of the Merger, Ameriana Bancorp shareholders who receive First Merchants common stock will take such stock subject to First Merchants Articles of Incorporation and Bylaws.

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Authorized But Unissued Shares

First Merchants

First Merchants' Articles of Incorporation authorize the issuance of 50,000,000 shares of common stock, no par value, of which 37,824,649 shares were outstanding as of June 30, 2015. First Merchants' Board of Directors may authorize the issuance of additional shares of common stock up to the amounts authorized in First Merchants' Articles of Incorporation without shareholder approval, subject only to the restrictions of the Indiana Business Corporation Law and the Articles of Incorporation. First Merchants has 500,000 shares of preferred stock authorized. First Merchants has designated 116,000 of those preferred shares as Fixed Rate Cumulative Perpetual Preferred Stock, Series A, \$1,000 per share liquidation amount, no shares of which are currently outstanding. First Merchants has designated 90,823.23 of the preferred shares as Senior Non-Cumulative Perpetual Preferred Stock, Series B, \$1,000 per share liquidation amount, no shares of which are currently outstanding. The preferred shares are available to be issued, without prior shareholder approval, in classes with the rights, privileges and preferences determined for each class by the Board of Directors of First Merchants.

As of September 20, 2015, First Merchants had 316,465 shares of its common stock reserved and remaining available for issuance under its 2009 Long-term Equity Incentive Plan and 76,486 shares of its common stock reserved and remaining available for issuance under its Dividend Reinvestment and Stock Purchase Plan. In addition, as of September 20, 2015, First Merchants had no options granted but unexercised under its 1994 Stock Option Plan, 320,062 options granted but unexercised under its 1999 Long-term Equity Incentive Plan, and 137,811 options granted but unexercised under its 2009 Long-term Equity Incentive Plan, with shares reserved and remaining available equal to the outstanding options under each plan.

The issuance of additional shares of First Merchants common stock or the issuance of additional First Merchants

Ameriana Bancorp

The Articles of Incorporation of Ameriana Bancorp authorize the issuance of 15,000,000 shares of common stock, \$1.00 par value. As of October 7, 2015, there were [] shares of common stock outstanding. Ameriana Bancorp's Board of Directors may authorize the issuance of additional shares of common stock up to the amounts authorized in Ameriana Bancorp's Articles of Incorporation, without shareholder approval, subject only to the restrictions of the Indiana Business Corporation Law, the Articles of Incorporation, and the rules of a national securities exchange, if applicable. As of the date of this proxy statement and prospectus, Ameriana Bancorp had 5,000,000 shares of serial preferred stock, no par value, authorized, none of which is issued and outstanding.

preferred stock may adversely affect the interests of First Merchants shareholders by diluting their voting and ownership interests.

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Restrictions on Transfer of Shares

First Merchants

The holders of First Merchants common stock are generally not restricted on sales of their shares. The shares are also registered under Section 12 of the Securities and Exchange Act of 1934 (the Exchange Act) and listed for exchange on The NASDAQ Global Select Market. As a result, a public market exists for the shares of common stock.

Ameriana Bancorp

The holders of Ameriana Bancorp common stock are generally not restricted on sales of their shares. The shares are also registered under Section 12 of the Exchange Act and listed for exchange on The NASDAQ Capital Market. As a result, a public market exists for the shares of common stock.

Dividend Rights

First Merchants

The holders of First Merchants common stock are entitled to dividends and other distributions when, as and if declared by its Boards of Directors.

Generally, First Merchants ***may not*** pay a dividend if, after giving effect to the dividend:

First Merchants would not be able to pay its debts as they become due in the usual course of business; or

First Merchants' total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy preferential rights of shareholders payable upon dissolution.

The amount of dividends, if any, that may be declared by First Merchants in the future will necessarily depend upon many factors, including, among other things, future earnings, capital requirements, business conditions and capital levels of subsidiaries (since First Merchants is primarily dependent upon dividends paid by its subsidiaries for revenues), the discretion of First Merchants' Board of

Ameriana Bancorp

The holders of Ameriana Bancorp common stock are entitled to dividends and other distributions when, as and if declared by its Boards of Directors. Dividends may be paid in cash, in property or in Ameriana Bancorp's stock.

Generally, Ameriana Bancorp ***may not*** pay a dividend if, after giving effect to the dividend:

Ameriana Bancorp would not be able to pay its debts as they become due in the usual course of business; or

Ameriana Bancorp's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy preferential rights of shareholders payable upon dissolution.

Directors and other factors that may be appropriate in determining dividend policies.

First Merchants Bank may pay cash dividends to First Merchants on its common stock only out of adjusted retained net profits for the year in which the dividend is paid and the two preceding years.

First Merchants Bank will ordinarily be restricted to paying dividends in a lesser amount to First Merchants than is legally permissible because of the need for the banks to maintain adequate capital consistent with the capital adequacy guidelines promulgated by the banks

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principal federal regulatory authorities. If a bank's capital levels are deemed inadequate by the regulatory authorities, payment of dividends to its parent holding company may be prohibited. First Merchants Bank is not currently subject to such a restriction.

Completion of the Merger (page 59)

The Merger will become effective when we file Articles of Merger with the Secretary of the State of Indiana, or at such later date and time as may be set forth in the Articles of Merger. We expect the Merger to become effective during the fourth quarter of 2015 or the first quarter of 2016.

Comparative Market Price Information

Shares of First Merchants common stock are listed on The NASDAQ Global Select Market under the symbol FRME. Shares of Ameriana Bancorp common stock are listed on The NASDAQ Capital Market under the symbol ASBI. The following table presents quotation information for First Merchants common stock and for Ameriana Bancorp common stock on June 26, 2015, the business day before the Merger was publicly announced, and September 30, 2015, the last practicable trading day for which information was available prior to the date of this proxy statement and prospectus.

	First Merchants Common Stock			Ameriana Bancorp Common Stock		
	High	Low	(Dollars Per Share) Close	High	Low	Close
June 26, 2015	\$ 25.29	\$ 24.90	\$ 25.13	\$ 15.68	\$ 15.68	\$ 15.68
September 30, 2015	\$ 26.24	\$ 25.81	\$ 26.22	\$ 23.10	\$ 22.75	\$ 23.00

The market value of the aggregate consideration that Ameriana Bancorp shareholders will receive in the Merger is approximately \$68.8 million (or \$22.71 per Ameriana Bancorp common share) based on 3,029,662 Ameriana Bancorp common shares outstanding and First Merchants' closing stock price of \$25.13 per share on June 26, 2015, the business day before the Merger was publicly announced.

The market value of the aggregate consideration that Ameriana Bancorp shareholders will receive in the Merger is approximately \$72.1 million (or \$23.70 per Ameriana Bancorp common share) based on 3,043,262 Ameriana Bancorp common shares outstanding and First Merchants' closing stock price of \$26.22 per share on September 30, 2015, the last practicable trading day prior to the date of this proxy statement and prospectus.

Also set forth below for the closing price of First Merchants common stock on June 26, 2015, and September 30, 2015, is the equivalent pro forma price of Ameriana Bancorp common stock, which we determined by multiplying the applicable price of First Merchants common stock by the number of shares of First Merchants common stock we are issuing for each share of Ameriana Bancorp common stock in the Merger, which is the Exchange Ratio of 0.9037. The equivalent pro forma price of Ameriana Bancorp common stock shows the implied value to be received in the Merger by Ameriana Bancorp shareholders who receive First Merchants common stock in exchange for a share of Ameriana Bancorp common stock on these dates.

	First Merchants Common Stock	Ameriana Bancorp Common Stock	Ameriana Bancorp Equivalent Pro Forma
June 26, 2015	\$ 25.13	\$ 15.68	\$ 22.71
September 30, 2015	\$ 26.22	\$ 23.00	\$ 23.70

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We suggest you obtain a current market quotation for First Merchants common stock. We expect that the market price of First Merchants common stock will fluctuate between the date of this document and the date on which the Merger is completed and thereafter. Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments) and the market price of First Merchants common stock is subject to fluctuation, the value of the shares of First Merchants common stock that Ameriana Bancorp shareholders will receive in the Merger may increase or decrease prior to and after the Merger.

Comparative Per Share Data

The following table shows historical information about our companies' earnings per share, dividends per share and book value per share, and similar information reflecting the Merger, which we refer to as pro forma information. In presenting the comparative pro forma information, we have assumed that the two (2) companies had been combined throughout the periods shown in the table. The pro forma information reflects the acquisition method of accounting. The financial information presented under Pro Forma was compiled assuming 2,737,906 shares of First Merchants common shares are issued to Ameriana Bancorp shareholders which assumes 3,029,662 shares of Ameriana Bancorp common stock are outstanding at the time of closing (the number outstanding on June 26, 2015).

First Merchants and Ameriana Bancorp present this information to reflect the value of shares of First Merchants common stock that Ameriana Bancorp shareholders will receive in the Merger for each share of Ameriana Bancorp common stock exchanged.

We expect that we will incur reorganization and restructuring expenses as a result of combining our two companies. We also anticipate that the Merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company, does not take into account these expected expenses or these anticipated financial benefits, and does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the merged company would have been had our companies been merged during the periods presented.

The information in the following table is based on historical financial information of Ameriana Bancorp and First Merchants. The information with respect to First Merchants and Ameriana Bancorp are included in their respective annual and quarterly reports previously filed with the SEC. Certain historical financial information of First Merchants has been incorporated into this document by reference. See WHERE YOU CAN FIND ADDITIONAL INFORMATION on page 123 for a description of documents that we incorporate by reference into this document and how to obtain copies of them. The historical financial information of Ameriana Bancorp is included in this document beginning on page F-1.

Table of Contents**FIRST MERCHANTS AND AMERIANA BANCORP****HISTORICAL AND PRO FORMA PER SHARE AND CAPITAL RATIO DATA**

	First Merchants Historical	Ameriana Bancorp Historical	Pro forma (1)(2)
Net income per share			
Six months ended June 30, 2015 (unaudited)			
Basic	\$ 0.90	\$ 0.23	\$ 0.87
Diluted	\$ 0.90	\$ 0.23	\$ 0.86
Twelve months ended December 31, 2014			
Basic	\$ 1.66	\$ 0.79	\$ 1.61
Diluted	\$ 1.65	\$ 0.79	\$ 1.60
Cash dividends per share			
Six months ended June 30, 2015	\$ 0.19	\$ 0.08	\$ 0.19
Twelve months ended December 31, 2014	\$ 0.29	\$ 0.08	\$ 0.29
Book Value per share			
At June 30, 2015	\$ 19.83	\$ 13.68	\$ 20.13
At December 31, 2014	\$ 19.29	\$ 13.59	\$ 19.64
Tangible Capital Ratio			
At June 30, 2015	9.03%	8.41%	8.81%
At December 31, 2014	9.16%	8.45%	8.92%

(1) See Note (1) in Notes to Unaudited Pro Forma Summary of Selected Consolidated Financial Data on page 26.

(2) See Note (2) in Notes to Unaudited Pro Forma Summary of Selected Consolidated Financial Data on page 26.

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SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth certain summary historical consolidated financial data for each of our companies. First Merchants and Ameriana Bancorp's balance sheet and income statement data as of and for the five (5) years in the period ended December 31, 2014 are taken from each of First Merchants and Ameriana Bancorp's respective audited consolidated financial statements. First Merchants and Ameriana Bancorp's balance sheet data and income statement data as of and for the six (6) months ended June 30, 2015 and 2014 are taken from our respective unaudited consolidated financial statements. Results for the six (6) months ended June 30, 2015 do not necessarily indicate results expected or anticipated for the entire year.

The following tables also set forth certain summary unaudited pro forma consolidated financial information for First Merchants and Ameriana Bancorp reflecting the Merger. The income statement information presented gives effect to the Merger as if it occurred on the first day of each period presented. The balance sheet information presented gives effect to the Merger as if it occurred on June 30, 2015. The financial information was compiled assuming 2,737,906 shares of First Merchants common shares are issued to Ameriana Bancorp shareholders which assumes 3,029,662 shares of Ameriana Bancorp common stock are outstanding upon closing of the Merger (the number outstanding on June 26, 2015).

The pro forma information reflects the acquisition method of accounting, with Ameriana Bancorp's assets and liabilities recorded at their estimated fair values as of June 30, 2015. The actual fair value adjustments to the assets and the liabilities of Ameriana Bancorp will be made on the basis of appraisals and evaluations that will be made as of the date the Merger is completed. Thus, the actual fair value adjustments may differ significantly from those reflected in these pro forma financial statements. In the opinion of First Merchants management, the estimates used in the preparation of these pro forma financial statements are reasonable under the circumstances.

We expect that we will incur reorganization and restructuring expenses as a result of combining our companies. We also anticipate that the Merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information does not take into account these expected expenses or anticipated financial benefits, and does not attempt to predict or suggest future results.

This selected financial data is only a summary and you should read it in conjunction with First Merchants and Ameriana Bancorp's consolidated financial statements and related notes either incorporated into this document by reference or included herewith. See **WHERE YOU CAN FIND ADDITIONAL INFORMATION** on page 123 for a description of documents that we incorporate by reference into this document and how to obtain copies of such documents.

Table of Contents**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED BALANCE SHEET****AS OF JUNE 30, 3015****(Dollars In Thousands)**

	First Merchants	Ameriana	Pro forma Adjustments		Pro forma Combined
Assets					
Cash and due from banks	\$ 105,928	\$ 21,487	\$		\$ 127,415
Interest-bearing deposits					
Fed funds sold					
Cash and cash equivalents	105,928	21,487			127,415
Interest-bearing time deposits	26,669	3,916	(668)	(11)	29,917
Investment securities					
Available for sale	575,415	47,820			623,235
Held to maturity	637,101	17,141			654,242
Total investment securities	1,212,516	64,961			1,277,477
Loans held for sale	8,295	339			8,634
Loans	4,238,205	331,326	(11,254)	(3)	4,558,277
Allowance for loan losses	(62,550)	(3,904)	3,904	(7)	(62,550)
Net loans	4,183,950	327,761	(7,350)		4,504,361
Premises and equipment	84,841	15,896	(2,250)	(6)	98,487
Federal Reserve and FHLB stock	34,630	2,693			37,323
Interest receivable	19,880				19,880
Core deposit and other intangible	14,820	540	3,200	(4)	18,020
			(540)	(9)	
Goodwill	205,376	656	36,441	(5)	241,817
			(656)	(9)	
Cash surrender value of life insurance	170,813	27,824			198,637
Other real estate owned	19,242	6,682	(1,000)	(6)	24,924
Deferred tax asset	39,622		1,869	(8)	41,491
Other assets	22,021	8,283			30,304
Total Assets	\$ 6,140,308	\$ 480,699	\$ 29,046		\$ 6,650,053
Liabilities					
Deposits					
Noninterest-bearing	\$ 1,122,688	\$ 67,711	\$		\$ 1,190,399
Interest-bearing	3,666,889	321,692			3,988,581
Total deposits	4,789,577	389,403			5,178,980
Borrowings	552,557	42,810	(2,600)	(3)	592,767

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Interest payable	3,211				3,211
Other liabilities	45,008	7,047	4,282	(1)	58,540
			2,203	(2)	
Total Liabilities	5,390,353	439,260	3,885		5,833,498
Stockholder Equity					
Cumulative Preferred Stock	125				125
Common stock	4,728	3,254	342	(11)	5,070
			(3,254)	(10)	
Additional paid in capital	432,294	1,816	68,461	(11)	500,755
			(1,816)	(10)	
Retained earnings	319,298	39,233	(34,951)	(10)	317,095
			(4,282)	(1)	
			(2,203)	(2)	
Treasury stock		(2,998)	2,998	(10)	
Accumulated comprehensive income	(6,490)	134	(134)	(10)	(6,490)
Total Stockholders Equity	749,955	41,439	25,161		816,555
Total Liabilities and Stockholders Equity	\$ 6,140,308	\$ 480,699	\$ 29,046		\$ 6,650,053

Table of Contents**UNAUDITED PROFORMA COMBINED CONSOLIDATED CONDENSED STATEMENT OF INCOME****FOR THE SIX MONTHS ENDED JUNE 30, 2015****(Dollars and Share Amounts In Thousands)**

	First Merchants	Ameriana	Proforma Adjustments		Proforma Combined
Interest Income					
Loans receivable	\$ 89,855	\$ 7,651	\$ 651	(12)	\$ 98,157
Investment securities	17,214	664			17,878
Other	1,077	132			1,209
Total Interest Income	108,146	8,447	651		117,244
Interest Expense					
Deposits	7,202	741			7,943
Fed funds purchased	42				42
Securities sold under repurchase agreements	168				168
Borrowings	4,727	536	65	(12)	5,328
Total Interest Expense	12,139	1,277	65		13,481
Net Interest Income	96,007	7,170	586		103,763
Provision for loan losses	417	105			522
Net Interest Income after Provision for Loan Losses	95,590	7,065	586		103,241
Other Income					
Service charges on deposit accounts	7,638	1,331			8,969
Fiduciary activities	4,816				4,816
Other customer fees	8,269				8,269
Commission income	4,143	932			5,075
Earnings on cash surrender value of life insurance	1,387	359			1,746
Net gains and fees on sales of loans	3,270	180			3,450
Net realized gains/(losses) on sales of available for sale securities	932				932
Gain on sale of insurance subsidiary	8,265				8,265
Other income	2,145	270			2,415
Total Other Income	40,865	3,072			43,937
Other Expenses					
Salaries and benefits	50,975	4,826			55,801
Net occupancy	7,293	793	(56)	(14)	8,030
Equipment expenses	5,406	428			5,834

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Marketing	1,731	205		1,936
Outside data processing fees	3,485	581		4,066
Printing and office supplies	667	155		822
Core deposit amortization	1,450		291 (13)	1,741
FDIC Expense	1,758	185		1,943
Other real estate and foreclosure expenses	2,601	245		2,846
Professional and other outside services	4,625	847		5,472
Other expense	7,634	908		8,542
Total Other Expenses	87,625	9,173	235	97,033
Income before Income Tax	48,830	964	351	50,145
Income tax expense	14,690	274	123 (15)	15,087
Net Income Available to Common Stockholders	\$ 34,140	\$ 690	\$ 228	\$ 35,058
Per Share Data				
Basic earnings per common share	\$ 0.90	\$ 0.23		\$ 0.87
Diluted earnings per common share	\$ 0.90	\$ 0.23		\$ 0.86
Average common shares-basic	37,752	3,024	2,738	40,490
Average common shares-diluted	38,022	3,039	2,738	40,760

Table of Contents**UNAUDITED PRO FORMA COMBINED CONSOLIDATED CONDENSED STATEMENT OF INCOME****FOR THE YEAR ENDED DECEMBER 31, 2014****(Dollars and Share Amounts In Thousands)**

	First Merchants	Ameriana	Pro forma Adjustments		Pro forma Combined
Interest Income					
Loans receivable	\$ 172,366	\$ 16,628	\$ 1,301	(12)	\$ 190,295
Investment securities	34,265	1,202			35,467
Other	2,248	316			2,564
Total Interest Income	208,879	18,146	1,301		228,326
Interest Expense					
Deposits	11,678	1,646			13,324
Fed funds purchased	177				177
Securities sold under repurchase agreements	529				529
Borrowings	9,458	1,351	130	(12)	10,939
Total Interest Expense	21,842	2,997	130		24,969
Net Interest Income	187,037	15,149	1,171		203,357
Provision for loan losses	2,560	322			2,882
Net Interest Income after Provision for Loan Losses	184,477	14,827	1,171		200,475
Other Income					
Service charges on deposit accounts	15,747	2,679			18,426
Fiduciary activities	8,966				8,966
Other customer fees	15,699				15,699
Commission income	7,411	1,583			8,994
Earnings on cash surrender value of life insurance	3,659	716			4,375
Net gains and fees on sales of loans	4,899	170			5,069
Net realized gains/(losses) on sales of available for sale securities	3,581				3,581
Other income	5,705	469			6,174
Total Other Income	65,667	5,617			71,284
Other Expenses					
Salaries and benefits	96,499	9,342			105,841
Net occupancy	13,831	1,469	(113)	(14)	15,187
Equipment expenses	9,337	778			10,115

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Marketing	3,464	529		3,993
Outside data processing fees	7,315	1,007		8,322
Printing and office supplies	1,565	284		1,849
Core deposit amortization	2,445		582 (13)	3,027
FDIC expense	3,738	381		4,119
Other real estate and foreclosure expenses	8,043	277		8,320
Professional and other outside services	8,116	723		8,839
Other expense	14,239	2,421		16,660
Total Other Expenses	168,592	17,211	469	186,272
Income before Income Tax	81,552	3,233	702	85,487
Income tax expense	21,390	867	246 (15)	22,503
Net Income Available to Common Stockholders	\$ 60,162	\$ 2,366	\$ 456	\$ 62,984
Per Share Data				
Basic earnings per common share	\$ 1.66	\$ 0.79		\$ 1.61
Diluted earnings per common share	\$ 1.65	\$ 0.79		\$ 1.60
Average common shares-basic	36,266	2,997	2,738	39,004
Average common shares-diluted	36,555	3,003	2,738	39,293

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED BALANCE SHEET
AND STATEMENT OF INCOME**

(Dollars in Thousands, Except Per Share Amounts)

Note 1 Basis of Presentation

First Merchants has agreed to acquire Ameriana Bancorp for a fixed exchange ratio of 0.9037 per share of First Merchants common stock for each Ameriana Bancorp share of common stock. The acquisition will be accounted for under the acquisition method of accounting and, accordingly, the assets and liabilities of Ameriana have been marked to estimated fair value upon conditions as of June 30, 2015 and as if the transaction had been effective on January 1, 2014 for statement of income data. Since these are pro forma statements, we cannot assure that the amounts reflected in these financial statements would have been representative of the actual amounts earned had the companies been combined at that time.

Note 2 Pro forma Adjustments Footnotes

- (1) To record an accrual by Ameriana Bancorp for estimated transaction costs of \$4,282,000 (net of tax) which includes \$2,061,000 (net of tax) in change of control and employment agreement payouts, \$1,300,000 (net of tax) related to eliminating the Ameriana Bancorp pension plan and \$921,000 (net of tax) in professional fees related to the acquisition.
- (2) To record an accrual by First Merchants for estimated transaction costs of \$2,203,000 (net of tax) which includes \$423,000 (net of tax) in professional fees related to the acquisition, \$444,000 (net of tax) in contract termination costs, \$215,000 (net of tax) in estimated data integration expenses, and \$1,121,000 (net of tax) in severance and retention expenses.
- (3) To adjust interest-earning assets and interest-bearing liabilities of Ameriana Bancorp to approximate fair value. Adjustment to loans of \$11,254,000 and borrowings of \$2,600,000.
- (4) To record core deposit intangible of \$3,200,000.
- (5) To record goodwill generated from the acquisition.

Purchase Price:	
Ameriana Bancorp shares outstanding	3,029,662
Conversion ratio	0.9037
First Merchants stock issued	2,737,906
First Merchants stock price at 6/26/2015	\$ 25.13

Purchase Price	\$ 68,803,578
Outstanding employee stock options	62,622
Average Ameriana Bancorp stock price less exercise price	\$ 10.66
Cash paid for employee stock options	\$ 667,551
Total Purchase Price	\$ 69,471,129

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	(Dollars in thousands)
Total Purchase Price	\$ 69,471
Allocated to:	
Historical book value of Ameriana Bancorp's assets and liabilities	41,439
Ameriana Bancorp's estimated transaction costs, net of tax	(4,282)
Adjusted book value of Ameriana Bancorp	\$ 37,157
Adjustments to record assets and liabilities at fair value:	
Loans, fair value mark	\$ (4,096)
Loans, interest rate mark	(7,158)
Eliminate Ameriana Bancorp's allowance for losses	3,904
Premises and equipment	(2,250)
Core deposits intangible	3,200
Other real estate owned	(1,000)
Eliminate Ameriana Bancorp's goodwill	(656)
Eliminate Ameriana Bancorp's intangibles	(540)
Deferred taxes	1,869
Borrowings	2,600
Total allocation	\$ (4,127)
Goodwill	\$ 36,441

Proforma adjustments related to the proforma condensed income statement have been computed assuming the transaction was consummated at the beginning of the fiscal year presented and gives effect to events that are (i) directly attributable to the transaction, (ii) expected to have a continuing impact on First Merchants, and (iii) factually supportable. Proforma adjustments related to the proforma balance sheet are computed assuming the transaction was consummated at June 30, 2015.

- (6) To record fair value adjustment to premises and equipment of \$2,250,000 and other real estate owned of \$1,000,000.
- (7) To eliminate Ameriana Bancorp's allowance for loan loss of \$3,904,000.
- (8) To record deferred taxes on the purchase accounting adjustments using an estimated tax rate of 35%.
- (9) To eliminate Ameriana Bancorp's goodwill of \$656,000 and intangibles of \$540,000.
- (10) To eliminate Ameriana Bancorp's equity accounts of \$41,439,000.

(11) To record issuance of 2,737,906 shares of First Merchants stock and cash of \$667,551.

	(Dollars in thousands)
Common Stock (2,737,906 shares at stated value of \$0.125 per share)	\$ 342
Additional Paid in Capital (2,737,906 shares at \$25.005 per share)	68,461
Total stock issued (2,737,906 shares at \$25.13 per share)	\$ 68,803

Cash paid for outstanding stock options is calculated as the First Merchants stock price on June 26, 2015 (\$25.13) multiplied by the conversion rate defined in the Merger Agreement (0.9037), minus the average exercise price of the outstanding options (\$12.05), multiplied by the number of outstanding stock options (62,622) on June 26, 2015.

(12) To record the accretion effect of purchase accounting adjustments on loans (interest rate mark only) and purchase accounting amortization on borrowings in a manner that approximates the level yield method.

(13) To record amortization of core deposit premium utilizing an accelerated method over 10 years.

(14) To record annual amortization of purchase accounting adjustments related to premises and equipment over the estimated life of related assets.

(15) To record tax effect of purchase accounting adjustments at an effective rate of 35%.

Table of Contents**FIRST MERCHANTS****FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

(Dollars in Thousands, Except Per Share Amounts)

	For the Six Months Ended June 30			For the Years Ended December 31,			
	2015	2014	2014	2013	2012	2011	2010
	(unaudited)						
Summary of Operations							
Interest Income	\$ 108,146	\$ 102,536	\$ 208,879	\$ 170,834	\$ 175,949	\$ 181,245	\$ 199,578
Interest Expense	12,139	10,525	21,842	16,569	23,613	37,890	56,009
Net Interest Income	96,007	92,011	187,037	154,265	152,336	143,355	143,569
Provision for loan losses	417		2,560	6,648	18,534	22,630	46,483
Net interest income after provision	95,590	92,011	184,477	147,617	133,802	120,725	97,086
Noninterest Income	40,865	31,613	65,667	54,809	64,302	49,120	48,544
Noninterest Expense	87,625	84,339	168,592	143,219	137,115	135,938	142,311
Net income before income tax	48,830	39,285	81,552	59,207	60,989	33,907	3,319
Income tax expense (benefit)	14,690	10,505	21,390	14,677	15,867	8,655	(3,590)
Net Income	34,140	28,780	60,162	44,530	45,122	25,252	6,909
Preferred stock dividends and discount accretion				(2,380)	(4,539)	(3,981)	(5,239)
Loss on extinguishment of trust preferred securities						(10,857)	

Loss on CPP unamortized discount							(1,401)	(1,301)
Gain on exchange of preferred stock for trust preferred debt								11,353

**Net Income
Available to
Common
Shareholders**

\$	34,140	\$	28,780	\$	60,162	\$	42,150	\$	40,583	\$	9,013	\$	11,722
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**Per Share
Data (1)**

Net income														
Basic	\$	0.90	\$	0.80	\$	1.66	\$	1.42	\$	1.42	\$	0.34	\$	0.48
Diluted	\$	0.90	\$	0.79	\$	1.65	\$	1.41	\$	1.41	\$	0.34	\$	0.48
Cash Dividends														
(2)	\$	0.19	\$	0.13	\$	0.29	\$	0.18	\$	0.10	\$	0.04	\$	0.04

**Balance End of
Period**

Total assets	\$ 6,140,308	\$ 5,615,120	5,824,127	\$ 5,437,262	\$ 4,304,821	\$ 4,173,076	\$ 4,170,848
Total loans	4,246,500	3,730,103	3,932,100	3,637,740	2,924,509	2,731,279	2,857,152
Total deposits	4,789,577	4,329,610	4,640,694	4,231,468	3,346,383	3,134,655	3,268,880
Fed funds purchased	40,748	100,000	15,381	125,645	18,862		
Securities sold under repurchase agreements	137,240	133,137	124,539	148,672	141,828	156,305	109,871
Federal Home Loan Bank advances	247,687	220,765	145,264	122,140	94,238	138,095	82,684
Total subordinated debentures, revolving credit lines, term loans and other	126,882	126,874	126,810	126,807	112,161	194,974	226,440
Stockholders equity	749,955	670,596	726,827	634,923	552,236	514,467	454,408

Selected Ratios

Return on average assets	1.15%	1.05%	1.08%	0.95%	0.96%	0.22%	0.27%
Return on average equity	9.22%	8.80%	8.91%	7.80%	7.58%	1.88%	2.49%

- (1) Restated for all stock dividends and splits
- (2) Dividends per share are for First Merchants only, not restated for pooling transactions

Table of Contents**AMERIANA BANCORP****FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

(Dollars in Thousands, Except Per Share Amounts)

	For the Six Months Ended June 30			For the Years Ended December 31,			
	2015	2014	2014	2013	2012	2011	2010
	(unaudited)						
Summary of Operations							
Interest Income	\$ 8,447	\$ 8,859	\$ 18,146	\$ 16,980	\$ 18,032	\$ 18,794	\$ 19,985
Interest Expense	1,277	1,513	2,997	3,003	3,845	4,870	6,574
Net Interest Income	7,170	7,346	15,149	13,977	14,187	13,924	13,411
Provision for loan losses	105	300	322	755	1,145	1,385	1,933
Net interest income after provision	7,065	7,046	14,827	13,222	13,042	12,539	11,478
Noninterest Income	3,072	2,747	5,617	5,801	5,181	5,628	5,650
Noninterest Expense	9,173	7,954	17,211	16,095	15,827	17,004	16,817
Net income before income tax	964	1,839	3,233	2,928	2,396	1,163	311
Income tax expense (benefit)	274	507	867	741	556	21	(242)
Net Income	\$ 690	\$ 1,332	\$ 2,366	\$ 2,187	\$ 1,840	\$ 1,142	\$ 553
Per Share Data (1)							
Net income							
Basic	\$ 0.23	\$ 0.45	\$ 0.79	\$ 0.73	\$ 0.62	\$ 0.38	\$ 0.19
Diluted	\$ 0.23	\$ 0.45	\$ 0.79	\$ 0.73	\$ 0.62	\$ 0.38	\$ 0.19
Cash Dividends (2)	\$ 0.08	\$ 0.04	\$ 0.08	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Balance End of Period							
Total assets	\$ 480,699	\$ 474,440	\$ 472,818	\$ 458,604	\$ 445,763	\$ 429,791	\$ 429,657
Total loans	331,665	316,919	320,348	316,028	318,241	316,893	317,018
Total deposits	389,403	377,235	378,947	362,701	356,703	337,250	337,978
Fed funds purchased	7,500	7,500	7,500	7,500	7,500	7,500	7,500

Securities sold
under repurchase
agreements

Federal Home Loan

Bank advances	25,000	33,000	28,000	33,000	28,000	32,000	34,000
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Total subordinated

debentures,

revolving credit

lines and term loans	10,310	10,310	10,310	10,310	10,310	10,310	10,310
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Stockholders equity \$	41,439	\$ 39,576	\$ 41,052	\$ 37,713	\$ 36,546	\$ 34,505	\$ 33,251
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Selected Ratios

Return on average assets	0.29%	0.56%	0.50%	0.49%	0.41%	0.26%	0.13%
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Return on average equity	3.35%	6.73%	6.04%	5.91%	5.18%	3.38%	1.66%
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(1) Restated for all stock dividends and splits

(2) Dividends per share are for Ameriana Bancorp only, not restated for pooling transactions

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	For the Six Months Ended June 30, 2015 (unaudited)	For the Year Ended December 31, 2014
Summary of Operations		
Interest income	\$ 117,244	\$ 228,326
Interest expense	13,481	24,969
Net interest income	103,763	203,357
Provision for loan losses	522	2,882
Net interest income after provision	103,241	200,475
Noninterest income	43,937	71,284
Noninterest expense	97,033	186,272
Net income before income tax	50,145	85,487
Income tax expense	15,087	22,503
Net Income Available to Common Shareholders	\$ 35,058	\$ 62,984
Per Share Data (1)		
Net income		
Basic	\$ 0.87	\$ 1.61
Diluted	\$ 0.86	\$ 1.60
Cash Dividends	\$ 0.19	\$ 0.29
Tangible Capital Ratio	8.81%	8.92%
Balance End of Period		
Total assets	\$ 6,650,053	
Earning assets	5,911,628	
Investment securities	1,277,477	
Loans, net	4,566,911	
Total deposits	5,178,980	
Borrowings	592,767	
Shareholders' equity	816,555	
Allowance for loan losses	62,500	

(1) See Note 1 in Notes to Unaudited Pro Forma Summary of Selected Consolidated Financial Data on page 26.

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**NOTES TO UNAUDITED PRO FORMA SUMMARY OF SELECTED
CONSOLIDATED FINANCIAL DATA**

(Dollars in Thousands, Except Per Share Amounts)

- (1) This table assumes the issuance of 2,737,906 shares of First Merchants common stock, which represents an assumed 3,029,662 shares of Ameriana Bancorp common stock outstanding (the number outstanding on June 26, 2015) multiplied by the conversion ratio of 0.9037.

(2)

To record goodwill generated from the acquisition.	
Purchase Price:	
Ameriana Bancorp shares outstanding	3,029,662
Conversion ratio	0.9037
First Merchants stock issued	2,737,906
First Merchants stock price at 6/26/2015	\$ 25.13
Purchase Price	\$ 68,803,578
Outstanding employee stock options	62,622
Average Ameriana Bancorp stock price less exercise price	\$ 10.66
Cash paid for employee stock options	\$ 667,551
Total Purchase Price	\$ 69,471,129

	(Dollars in thousands)
Total Purchase Price	\$ 69,471
Allocated to:	
Historical book value of Ameriana Bancorp's assets and liabilities	41,439
Ameriana Bancorp's estimated transaction costs, net of tax	(4,282)
Adjusted book value of Ameriana Bancorp	\$ 37,157
Adjustments to record assets and liabilities at fair value:	
Loans, fair value mark	\$ (4,096)
Loans, interest rate mark	(7,158)
Eliminate Ameriana Bancorp's allowance for loan losses	3,904
Premises and equipment	(2,250)
Core deposits intangible	3,200
Other real estate owned	(1,000)

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Eliminate Ameriana Bancorp s goodwill		(656)
Eliminate Ameriana Bancorp s intangibles		(540)
Deferred taxes		1,869
Borrowings		2,600
Total allocation	\$	(4,127)
Goodwill	\$	36,441

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement and prospectus, including the matters addressed under the section FORWARD-LOOKING STATEMENTS, you should carefully consider the following risk factors in deciding how to vote for the Merger Proposal presented in this proxy statement and prospectus. You should also consider the other information in this proxy statement and prospectus and the other documents incorporated by reference into this proxy statement and prospectus. See WHERE YOU CAN FIND ADDITIONAL INFORMATION on page 123.

Risk Factors Relating to the Merged Company and Its Industry

Combining the two (2) companies may be more difficult, costly or time consuming than expected and the anticipated benefits and costs savings of the Merger may not be realized.

Even though First Merchants has acquired other financial services businesses in the past, the success of the Merger with Ameriana Bancorp will depend on a number of factors, including, but not limited to, the merged company's ability to:

integrate Ameriana Bancorp's operations with the operations of First Merchants;

maintain existing relationships with First Merchants' depositors and Ameriana Bancorp's depositors to minimize withdrawals of deposits subsequent to the acquisition;

maintain and enhance existing relationships with borrowers of First Merchants and Ameriana Bancorp;

achieve projected net income of First Merchants Bank and expected cost savings and revenue enhancements from the merged company;

control the incremental non-interest expense to maintain overall operating efficiencies;

retain and attract key and qualified management, lending and other banking personnel; and

compete effectively in the communities served by First Merchants and Ameriana Bancorp, and in nearby communities.

First Merchants' failure to successfully integrate Ameriana Bancorp into its business may adversely affect its financial condition and results of operations.

The value of the consideration to be received by Ameriana Bancorp shareholders in the Merger will fluctuate.

If the Merger is completed, Ameriana Bancorp shareholders will receive a number of shares of First Merchants common stock based on a fixed Exchange Ratio of 0.9037 shares of First Merchants common stock for each share of Ameriana Bancorp common stock. Because the market value of First Merchants common stock may (and likely will) fluctuate, the value of the stock consideration you receive for your shares may also fluctuate. The market value of First Merchants common stock could fluctuate for any number of reasons, including those specific to First Merchants and those that influence trading prices of equity securities generally. As a result, you will not know the exact value of the shares of First Merchants common stock you will receive at the time you must vote your shares. The value of First Merchants common stock on the closing date of the Merger may be greater or less than the market price of First Merchants common stock on the record date, on the date of this proxy statement and prospectus or on the date of the special meeting. Moreover, the fairness opinion of River Branch is dated June 26, 2015. Changes in the operations and prospects of First Merchants and Ameriana Bancorp, general market and economic conditions and other factors which are both within and outside of the control of First Merchants and Ameriana Bancorp, on which the fairness opinion is based, may alter the relative value of the companies. Therefore, the fairness opinion does not address the fairness of the Exchange Ratio at the time the Merger will be completed.

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We encourage you to obtain a current market quotation for First Merchants common stock because the value of any First Merchants shares you receive may be more or less than the value of such shares as of the date of this document.

The merged company's allowance for loan losses may not be adequate to cover actual loan losses.

The merged company's loan customers may not repay their loans according to their terms, and the customers' collateral securing the payment of their loans may be insufficient to assure repayment. As of June 30, 2015, approximately 65% of the merged company's loans are comprised of commercial real estate and commercial lines of credit and term and development loans, which can result in higher loan loss experience than residential loans in economic downturns. The underwriting, review and monitoring that will be performed by the merged company's officers and directors cannot eliminate all of the risks related to these loans.

Each of First Merchants and Ameriana Bancorp make various assumptions and judgments about the collectability of their respective loan portfolios and provide an allowance for loan losses based on a number of factors. If the assumptions are wrong or the facts and circumstances subsequently and materially change, the allowance for loan losses and Merger-related credit marks may not be sufficient to cover the merged company's loan losses. The merged company may have to increase its allowance for loan losses in the future, which could decrease its net income.

Deterioration in loan quality will adversely affect the merged company's results of operations and financial condition.

Each of First Merchants and Ameriana Bancorp seek to mitigate the risks inherent in their respective loan portfolios by adhering to sound underwriting practices. Their lending strategies also include emphasizing diversification on a geographic, industry and customer level, regular credit quality reviews and management reviews of large credit exposures and loans experiencing deterioration of credit quality. There is continuous review of their loan portfolios, including internally administered loan watch lists and independent loan reviews. These evaluations take into consideration identified credit problems, as well as the possibility of losses inherent in the loan portfolio that are not specifically identified. Although First Merchants and Ameriana Bancorp believe their underwriting and loan review procedures are appropriate for the various kinds of loans they make, the merged company's results of operation and financial condition will be adversely affected in the event the quality of their respective loan portfolios deteriorates. As of June 30, 2015, First Merchants had \$38.6 million and Ameriana Bancorp had \$4.5 million in non-performing loans. As of December 31, 2014, First Merchants had \$50.8 million and Ameriana Bancorp had \$4.4 million in non-performing loans.

Changes in interest rates may reduce the merged company's net interest income.

Like other financial institutions, the merged company's net interest income is its primary revenue source. Net interest income is the difference between interest earned on loans and investments and interest expense incurred on deposits and other borrowings. The merged company's net interest income will be affected by changes in market rates of interest, the interest rate sensitivity of its assets and liabilities, prepayments on its loans and investments and limits on increases in the rates of interest charged on its residential real estate loans.

The merged company will not be able to predict or control changes in market rates of interest. Market rates of interest are affected by regional and local economic conditions, as well as monetary policies of the Federal Reserve Board. The following factors also may affect market interest rates:

inflation;

slow or stagnant economic growth or recession;

unemployment;

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money supply;

international disorders;

instability in domestic and foreign financial markets; and

other factors beyond the merged company's control.

Each of First Merchants and Ameriana Bancorp has policies and procedures designed to manage the risks from changes in market interest rates; however, despite risk management, changes in interest rates could adversely affect the merged company's results of operations and financial condition.

Changes in economic conditions and the geographic concentration of the merged company's markets could adversely affect the merged company's financial condition.

The merged company's success will depend to a great extent upon the general economic conditions of the Central and Eastern Indiana areas. Unlike larger banks that are more geographically diversified, the merged company will provide banking and financial services to customers primarily located in these areas. Favorable economic conditions may not exist in the merged company's markets.

A continued economic slowdown could have the following consequences:

loan delinquencies may increase;

problem assets and foreclosures may increase;

demand for the products and services of Ameriana Bancorp and First Merchants may decline; and

collateral for loans made by Ameriana Bancorp and First Merchants may decline in value, in turn reducing customers' borrowing power, and reducing the value of assets and collateral associated with existing loans.

Anti-takeover defenses may delay or prevent future mergers.

Provisions contained in First Merchants' Articles of Incorporation and Bylaws and certain provisions of Indiana law could make it more difficult for a third party to acquire First Merchants, even if doing so might be beneficial to First Merchants shareholders. See "COMPARISON OF COMMON STOCK Anti-Takeover Provisions" on page 119. These provisions could limit the price that some investors might be willing to pay in the future for shares of First Merchants common stock and may have the effect of delaying or preventing a change in control.

If the Merger is not completed, the parties will have incurred substantial expenses without realizing the expected benefits.

First Merchants and Ameriana Bancorp have incurred substantial expenses in connection with the transactions described in this proxy statement and prospectus. The completion of the Merger depends on the satisfaction of several conditions. We cannot guarantee that these conditions will be met. Ameriana Bancorp expects to incur approximately \$1,650,000 in Merger-related expenses and First Merchants expects to incur approximately \$650,000 in Merger-related expenses, which include legal, accounting and financial advisory expenses and which excludes any termination fees, if applicable. These expenses could have a material adverse impact on the financial condition of First Merchants and Ameriana Bancorp because they would not have realized the expected benefits of the Merger. There can be no assurance that the Merger will be completed.

The Merger Agreement may be terminated in accordance with its terms and the Merger may not be completed, which could have a negative impact on Ameriana Bancorp.

The Merger Agreement with First Merchants is subject to a number of conditions which must be fulfilled in order to close. Those conditions include: Ameriana Bancorp shareholder approval, regulatory approvals, the

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continued accuracy of certain representations and warranties by both parties and the performance by both parties of certain covenants and agreements. There can be no assurance that the Merger will be completed.

In addition, certain circumstances exist where Ameriana Bancorp may choose to terminate the Merger Agreement, including the acceptance of a superior acquisition proposal. See **THE MERGER Exchange of Ameriana Bancorp Common Stock** for a more complete discussion of the consideration to be paid in the Merger and **THE MERGER AGREEMENT Termination; Waiver; Amendment** for a more complete discussion of the circumstances under which the Merger Agreement could be terminated. There can be no assurance that the conditions to closing the Merger will be fulfilled or that the Merger will be completed.

If the Merger Agreement is terminated, there may be various consequences to Ameriana Bancorp, including:

Ameriana Bancorp's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Merger, without realizing any of the anticipated benefits of completing the Merger; and

Ameriana Bancorp will have incurred substantial expenses in connection with the Merger, without realizing any of the anticipated benefits of completing the Merger.

If the Merger Agreement is terminated by Ameriana Bancorp due to its acceptance of a superior acquisition proposal or by First Merchants due to the failure of Ameriana Bancorp's Board of Directors to recommend approval of the Merger Agreement to its shareholders by reason of a superior acquisition proposal or for certain related reasons, then Ameriana Bancorp has agreed pay to First Merchants a \$1,500,000 termination fee. The payment of the termination fee could have a material adverse effect on Ameriana Bancorp's financial condition, and there can be no assurance that Ameriana Bancorp would be able to complete a transaction with a party willing to pay an equivalent or more attractive price than the price First Merchants has agreed to pay in the Merger.

The termination fee and the restrictions on solicitation contained in the Merger Agreement may discourage other companies from trying to acquire Ameriana Bancorp.

Until the completion of the Merger, with some exceptions, Ameriana Bancorp is prohibited from soliciting, initiating, encouraging or participating in any discussion of or otherwise considering any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person other than First Merchants. In addition, Ameriana Bancorp has agreed to pay a termination fee of \$1,500,000 to First Merchants if the Ameriana Bancorp Board of Directors does not recommend approval of the Merger Agreement to the Ameriana Bancorp shareholders by reason of a superior acquisition proposal. These provisions could discourage other companies from trying to acquire Ameriana Bancorp even though such other companies might be willing to offer greater value to Ameriana Bancorp's shareholders than First Merchants has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on Ameriana Bancorp's financial condition.

The market price of First Merchants common stock after the Merger may be affected by factors different from those affecting the shares of Ameriana Bancorp or First Merchants currently.

Upon completion of the Merger, holders of Ameriana Bancorp common stock will become holders of First Merchants common stock. First Merchants' business differs in important respects from that of Ameriana Bancorp, and, accordingly, the results of operations of the combined company and the market price of First Merchants common

stock after the completion of the Merger may be affected by factors different from those currently affecting the independent results of operations of each of First Merchants and Ameriana Bancorp. First Merchants is, and will continue to be, subject to the risks described in First Merchants' Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement and prospectus. See the documents incorporated by reference in this proxy statement and prospectus and referred to under "WHERE YOU CAN FIND ADDITIONAL INFORMATION" on page 123.

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Ameriana Bancorp shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management.

Ameriana Bancorp's shareholders currently have the right to vote in the election of the Ameriana Bancorp Board of Directors and on other matters affecting Ameriana Bancorp. When the Merger occurs, each Ameriana Bancorp shareholder will become a shareholder of First Merchants with a percentage ownership of the combined organization that is smaller than the shareholder's percentage ownership of Ameriana Bancorp. Because of this, Ameriana Bancorp's shareholders will have less influence over the management and policies of First Merchants than they now have over the management and policies of Ameriana Bancorp.

Risk Factors Relating to the Merger

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the Merger.

The transactions contemplated in the Merger Agreement cannot be completed until First Merchants receives necessary regulatory approvals, which include the approval of the Federal Reserve Board and the OCC. In determining whether to grant these approvals, the regulators consider a variety of factors, including the regulatory standing of each party and the factors described under THE MERGER Regulatory Approvals. An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay its receipt. These regulators may impose conditions on the completion of the Merger or the Bank Merger or require changes to the terms of the Merger or the Bank Merger. Such conditions or changes could have the effect of delaying or preventing completion of the Merger or the Bank Merger or imposing additional costs on or limiting the revenues of the combined company following the Merger and the Bank Merger, any of which might have an adverse effect on the combined company following the Merger. Regulatory approvals could also be impacted based on the status of any ongoing investigation of either party or its customers, including subpoenas to provide information or investigations, by a federal, state or local governmental agency.

Certain of Ameriana Bancorp's directors and executive officers have interests in the Merger that may differ from the interests of Ameriana Bancorp's shareholders.

Ameriana Bancorp shareholders should be aware that some of Ameriana Bancorp's executive officers and directors have interests in the Merger and have arrangements that are different from, or in addition to, those of Ameriana Bancorp shareholders generally. Ameriana Bancorp's Board of Directors was aware of and considered these interests, among other matters, when making its decision to approve and adopt the Merger Agreement, and in recommending that Ameriana Bancorp shareholders vote in favor of approving the Merger Agreement.

For a more complete description of these interests, see THE MERGER Interests of Certain Persons in the Merger on page 60.

Ameriana Bancorp and First Merchants will be subject to business uncertainties and contractual restrictions while the Merger is pending.

Uncertainty about the effect of the Merger on employees and customers may have an adverse effect on Ameriana Bancorp or First Merchants. These uncertainties may impair Ameriana Bancorp's or First Merchants' ability to attract, retain and motivate key personnel until the Merger is completed, and could cause customers and others that deal with Ameriana Bancorp or First Merchants to seek to change existing business relationships with Ameriana Bancorp or First Merchants. Retention of certain employees by Ameriana Bancorp or First Merchants may be challenging while

the Merger is pending, as certain employees may experience uncertainty about their future roles with Ameriana Bancorp or First Merchants. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Ameriana Bancorp or First Merchants,

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Ameriana Bancorp's and/or First Merchants' business could be harmed. In addition, subject to certain exceptions, each of Ameriana Bancorp and First Merchants has agreed to operate its business in the ordinary course prior to closing. See THE MERGER AGREEMENT Restrictions Affecting the Parties Prior to Completion of the Merger on page 66 for a description of the restrictive covenants applicable to Ameriana Bancorp and First Merchants while the Merger is pending.

The shares of First Merchants common stock to be received by Ameriana Bancorp shareholders as a result of the Merger will have different rights from the shares of Ameriana Bancorp common stock.

Upon completion of the Merger, Ameriana Bancorp shareholders will become First Merchants shareholders and their rights as shareholders will be governed by the First Merchants Articles of Incorporation and Bylaws. The rights associated with Ameriana Bancorp common stock may be different from the rights associated with First Merchants common stock. Please see COMPARISON OF COMMON STOCK beginning on page 114 for a discussion of the different rights associated with First Merchants common stock.

The Merger may fail to qualify as a tax-free reorganization for federal tax purposes, resulting in your recognition of taxable gain or loss in respect of your shares of Ameriana Bancorp common stock.

Ameriana Bancorp intends the Merger to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Although the IRS will not provide a ruling on the matter, First Merchants and Ameriana Bancorp will, as a condition to closing, each obtain an opinion from their respective legal counsel that the Merger will constitute a reorganization for federal tax purposes. These opinions do not bind the IRS or prevent the IRS from adopting a contrary position. If the Merger fails to qualify as a reorganization, you generally would recognize gain or loss on each share of Ameriana Bancorp common stock surrendered in an amount equal to the difference between your adjusted tax basis in that share and the fair market value of the Merger Consideration received in exchange for that share upon completion of the Merger. Furthermore, if the Merger fails to qualify as a reorganization, there may be additional tax consequences Ameriana Bancorp and its shareholders associated with the deemed sale by Ameriana Bancorp of its assets to First Merchants, which could result in corporate level gains and associated taxes.

Pending litigation against First Merchants and Ameriana Bancorp could result in an injunction preventing the completion of the merger or a judgment resulting in the payment of damages.

In connection with the Merger, an Ameriana Bancorp shareholder has filed a putative shareholder class action lawsuit against Ameriana Bancorp, the members of the Ameriana Bancorp board of directors and First Merchants. Among other remedies, the plaintiff seeks to enjoin the merger. The outcome of any such litigation is uncertain. If the case is not resolved, the lawsuit could prevent or delay completion of the Merger and result in substantial costs to Ameriana Bancorp and First Merchants, including any costs associated with the indemnification of directors and officers. Additional lawsuits may be filed against Ameriana Bancorp, First Merchants and/or the directors and officers of either company in connection with the Merger. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is completed may adversely affect Ameriana Bancorp's and First Merchants' business, financial condition, results of operations and cash flows. See THE MERGER Litigation Relating to the Merger.

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THE AMERIANA BANCORP SPECIAL MEETING

Special Meeting of Shareholders of

Ameriana Bancorp

General Information

We are furnishing this document to the shareholders of Ameriana Bancorp in connection with the solicitation by the Board of Directors of Ameriana Bancorp of proxies for use at the Ameriana Bancorp special meeting of shareholders to be held on December 7, 2015, at 1:00 p.m., local time, at Ameriana Bank Greenfield Banking Center, 1810 North State Street, Greenfield, Indiana 46140. This document is first being mailed to Ameriana Bancorp shareholders on [], 2015, and includes the notice of Ameriana Bancorp special meeting, and is accompanied by a form of proxy.

Matters To Be Considered

The purposes of the special meeting are as follows:

1. *Merger Proposal.* To consider and vote upon a proposal to approve the Merger Agreement, pursuant to which Ameriana Bancorp will merge with and into First Merchants and, immediately thereafter, Ameriana Bank will merge with and into First Merchants Bank.
2. *Adjournment Proposal.* To approve one (1) or more adjournments of the Ameriana Bancorp special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.
3. *Merger-Related Compensation Proposal.* To vote on a proposal, on an advisory (non-binding) basis, of compensation that may become payable to certain executive officers of Ameriana Bancorp in connection with the Merger (the Merger-Related Compensation Proposal).
4. *Other Matters.* To vote upon such other matters which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. The Board of Directors is not aware of any such other matters.

Pursuant to the Merger Agreement, Ameriana Bancorp will merge into First Merchants. The Merger Agreement is attached to this document as Annex A and is incorporated in this document by reference. For a description of the Merger Agreement, see THE MERGER AGREEMENT, beginning on page 63.

Vote Required

Approval of the Merger Proposal requires the affirmative vote of at least a majority of the outstanding shares of Ameriana Bancorp common stock. Approval of the Adjournment Proposal only requires the affirmative vote of at least a majority of the shares of Ameriana Bancorp common stock voting at the meeting, in person or by proxy, so long as a quorum is present. Ameriana Bancorp has fixed October 7, 2015, as the record date for determining those Ameriana Bancorp shareholders entitled to notice of, and to vote at, the special meeting. Accordingly, if you were an

Ameriana Bancorp shareholder of record at the close of business on October 7, 2015, you will be entitled to notice of and to vote at the special meeting. Each share of Ameriana Bancorp common stock you own on the record date entitles you to one (1) vote on each matter presented at the special meeting. At the close of business on the record date of October 7, 2015, there were [] shares of Ameriana Bancorp common stock outstanding held by approximately [] shareholders of record.

Voting Agreement

As of the record date, Ameriana Bancorp's Board of Directors and certain executive officers had voting power with respect to an aggregate of [] shares of Ameriana Bancorp common stock outstanding, representing []% of the outstanding shares on that date. Such executive officers and each member of the Board of Directors of Ameriana Bancorp entered into a voting agreement with First Merchants to cause all shares of Ameriana Bancorp common stock owned by them of record or beneficially to be voted in favor of the Merger Proposal. See THE MERGER AGREEMENT Voting Agreement on page 69.

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Proxies

If you are an Ameriana Bancorp shareholder, you should have received a proxy card for use at the Ameriana Bancorp special meeting with this proxy statement and prospectus. The accompanying proxy card is for your use in voting at the special meeting if you are unable or do not wish to attend the special meeting in person. The shares represented by proxies properly signed and returned will be voted at the special meeting as instructed by the Ameriana Bancorp shareholder giving the proxies. Proxy cards that are properly signed and returned but do not have voting instructions will be voted **FOR** approval of the Merger Proposal, **FOR** approval of the proposal to adjourn the special meeting to allow extra time to solicit proxies, if necessary or appropriate, **FOR** approval of the Merger-Related Compensation Proposal, and **FOR** such other business which may properly be presented at the special meeting or any adjournment or postponement of the special meeting.

If you deliver a properly signed proxy card, you may revoke your proxy at any time before it is exercised by:

delivering to the Corporate Secretary of Ameriana Bancorp at or prior to the special meeting a written notice of revocation addressed to Ameriana Bancorp, 2118 Bundy Avenue, New Castle, Indiana 47362, Attention: Nicole Weaver, Corporate Secretary; or

delivering to Ameriana Bancorp at or prior to the special meeting a properly completed proxy card having a later date; or

voting in person by ballot at the special shareholders meeting.

Because approval of the Merger Proposal requires the affirmative vote of at least a majority of the outstanding shares of Ameriana Bancorp common stock, abstentions will have the same effect as voting AGAINST approval of the Merger Proposal. Accordingly, your Board of Directors urges all Ameriana Bancorp shareholders to vote by proxy by completing, dating and signing the accompanying proxy and returning it promptly in the enclosed postage-paid envelope. Abstentions and broker non-votes will have no effect on the Adjournment Proposal or the Merger-Related Compensation Proposal since they only require a majority of the shares of Ameriana Bancorp common stock voting at the meeting. You should not send stock certificates with your proxy card.

Solicitation of Proxies

Ameriana Bancorp will bear the entire cost of soliciting proxies from and mailing proxies to its shareholders in connection with the Ameriana Bancorp special meeting. In addition to solicitation of proxies by mail, proxies may be solicited personally or by telephone by directors, officers and certain employees of Ameriana Bancorp, who will not be specially compensated for such soliciting.

In soliciting proxies, no one has any authority to make any representations and warranties about the Merger or the Merger Proposal in addition to or contrary to the provisions stated in this document. No statement regarding the Merger, the Merger Agreement or the Merger Proposal should be relied upon except as expressly stated in this document.

Recommendation of the Ameriana Bancorp Board of Directors

Ameriana Bancorp's Board of Directors has unanimously approved the Merger Agreement. Ameriana Bancorp's Board of Directors believes that the Merger is fair to and in the best interests of Ameriana Bancorp and its shareholders. The Board unanimously recommends that the Ameriana Bancorp shareholders vote **FOR** approval of the Merger Proposal, **FOR** approval of the proposal to adjourn the special meeting to allow extra time to solicit proxies, if necessary or appropriate, **FOR** approval of the Merger-Related Compensation Proposal, and **FOR** such other business which may properly be presented at the special meeting or any adjournment or postponement of the special meeting. See THE MERGER Ameriana Bancorp's Reasons for the Merger on page 45.

Table of Contents**Other Matters**

The special meeting of Ameriana Bancorp shareholders has been called for the purposes set forth in the Notice to Ameriana Bancorp shareholders included in this document. Your Board of Directors is unaware of any matter for action by shareholders at the special meeting other than as stated in the Notice or in this proxy statement and prospectus. However, the enclosed proxy will give discretionary authority to the persons named in the proxy with respect to matters which are not known to your Board of Directors as of the date hereof and which may properly come before the special meeting. It is the intention of the persons named in the proxy to vote with respect to such matters in accordance with the recommendations of the Board of Directors of Ameriana Bancorp or, if no recommendations are given, in their best judgment. The approval of the transaction of any other business that may properly come before the special meeting generally requires more votes to be cast in favor of the proposal than are cast against it.

Beneficial Ownership of Ameriana Bancorp Common Stock by Certain Shareholders

The following table shows, as of August 7, 2015, the beneficial ownership of Ameriana Bancorp common stock of each person who beneficially owns more than five percent (5%) of Ameriana Bancorp's outstanding common stock, each Ameriana Bancorp director, each of the executive officers of Ameriana Bancorp and/or Ameriana Bank and all of the directors and executive officers as a group. Unless otherwise indicated, each person has sole voting and investment power with respect to the shares set forth in the following table.

Beneficial Owner	Number of Shares Owned (excluding options)	Number of Shares That May be Acquired Within 60 Days by Exercising Options	Percent of Common Stock (1)
<i>Directors</i>			
Michael E. Bosway	4,281		*
Jennifer P. Bott	200	100	*
Jerome J. Gassen	39,979	6,500	1.3%
R. Scott Hayes	30,632	1,800	1.0%
Charles R. Haywood		300	*
Richard E. Hennessey	14,732	5,300	*
Michael E. Kent	34,532		1.1%
William F. McConnell, Jr.	1,000	300	*
Ronald R. Pritzke	28,854	5,300	*
Michael W. Wells		300	*
<i>Named Executive Officers Who Are Not Also Directors</i>			
John J. Letter	10,655	3,100	*
Deborah C. Robinson	2,756	4,100	*
All Directors and Executive Officers as a Group (14 persons)	170,907	29,200	5.6%

Financial Edge Fund, L.P.	287,762 (2)	9.5%
Financial Edge-Strategic Fund, L.P.		
PL Capital/Focused Fund, L.P.		
PL Capital, LLC		
PL Capital Advisors, LLC		
Goodbody/PL Capital, L.P.		
Goodbody/PL Capital, LLC		
John W. Palmer		
Richard J. Lashley		
20 East Jefferson Avenue, Suite 22		
Naperville, Illinois 60540		
Jeffrey L. Gendell	227,824 (3)	7.5%
Tontine Financial Partners, L.P.		
Tontine Management, L.L.C.		
55 Railroad Avenue, 3 rd Floor		
Greenwich, Connecticut 06830		

(footnotes appear on following page)

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* Less than 1% of shares outstanding.

- (1) Based upon 3,043,262 shares of Company common stock outstanding, plus, for each individual or group, the number of shares of Company common stock that each individual or group may acquire through the exercise of options within 60 days of October 1, 2015.
- (2) Based on information contained in a Schedule 13D/A filed with the SEC on March 27, 2013, which indicates beneficial ownership of: 151,610,29,438 and 33,261 shares by Financial Edge Fund, L.P., PL Capital/Focused Fund, L.P. and Financial Edge-Strategic Fund, L.P., respectively, whose general partner is PL Capital, LLC of which Messrs. Palmer and Lashley are the managing members and share voting and dispositive power with Financial Edge Fund and Financial Edge-Strategic Fund over such shares; and 53,453 shares held by Goodbody/PL Capital, L.P. whose general partner is Goodbody/PL Capital, LLC of which Messrs. Palmer and Lashley are the managing members and share voting and dispositive power with Goodbody/PL Capital, LLC over such shares. Mr. Palmer and Mr. Lashley are also the managing members of PL Capital Advisors, LLC, which holds shared voting and dispositive power over 287,762 shares, the investment advisor to Financial Edge Fund, L.P., PL Capital/Focused Fund, L.P., Financial Edge-Strategic Fund, L.P. and Goodbody/PL Capital, L.P.
- (3) Based on information contained in a Schedule 13G/A filed with the SEC on February 13, 2015.

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MERGER PROPOSAL

Ameriana Bancorp is asking its shareholders to approve the Merger Proposal. Holders of Ameriana Bancorp common stock should read this proxy statement and prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the Merger Agreement and the Merger. A copy of the Merger Agreement is attached to this proxy statement and prospectus as Annex A.

After careful consideration, the Board of Directors of Ameriana Bancorp unanimously approved and adopted the Merger Agreement and determined it to be advisable and in the best interest of Ameriana Bancorp and its shareholders. See THE MERGER Ameriana Bancorp's Reasons for the Merger; Recommendation of Ameriana Bancorp's Board of Directors included elsewhere in this proxy statement and prospectus for a more detailed discussion of the Ameriana Bancorp Board of Directors' recommendation.

For the reasons discussed in this proxy statement and prospectus, the Board of Directors of Ameriana Bancorp unanimously determined that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable and in the best interests of Ameriana Bancorp and its shareholders, and unanimously adopted and approved the Merger Agreement. The Board of Directors of Ameriana Bancorp unanimously recommends that Ameriana Bancorp shareholders vote FOR approval of the Merger Proposal.

ADJOURNMENT PROPOSAL

The Ameriana Bancorp special meeting may be adjourned to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Ameriana Bancorp special meeting to approve the Merger Proposal.

If, at the Ameriana Bancorp special meeting, the number of shares of Ameriana Bancorp common stock present or represented and voting in favor of the Merger Proposal is insufficient to approve the Merger Proposal, Ameriana Bancorp intends to move to adjourn the Ameriana Bancorp special meeting in order to enable the Board of Directors of Ameriana Bancorp to solicit additional proxies for approval of the Merger Proposal. In that event, Ameriana Bancorp will ask its shareholders to vote upon the Adjournment Proposal, but not the Merger Proposal.

In this Adjournment Proposal, Ameriana Bancorp is asking its shareholders to authorize the holder of any proxy solicited by the Board of Directors of Ameriana Bancorp, on a discretionary basis, to vote in favor of adjourning the Ameriana Bancorp special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Ameriana Bancorp shareholders who have previously voted.

The Board of Directors of Ameriana Bancorp unanimously recommends a vote FOR the Adjournment Proposal.

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MERGER-RELATED COMPENSATION PROPOSAL

In accordance with Section 14A of the Exchange Act, Ameriana Bancorp is providing its shareholders with the opportunity to cast an advisory (non-binding) vote on certain compensation that may become payable to its named executive officers that is based on or otherwise relates to the Merger, the value of which is set forth in the table included in the section of this proxy statement and prospectus entitled **THE MERGER Merger-Related Compensation for Ameriana Bancorp's Named Executive Officers**. As required by Section 14A of the Exchange Act, and the applicable SEC rules issued thereunder, Ameriana Bancorp is asking its shareholders to vote on the approval of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to Ameriana Bancorp's named executive officers that is based on or otherwise relates to the Merger, as disclosed in the table and associated narrative discussion in the section of the proxy statement and prospectus entitled **THE MERGER Merger-Related Compensation for Ameriana Bancorp's Named Executive Officers**, is hereby APPROVED.

The affirmative vote of the holders of a majority of the votes cast on the Ameriana Bancorp compensation proposal is required to approve the Ameriana Bancorp compensation proposal. The vote on named executive officer Merger-related compensation is a vote separate and apart from the vote on the Merger Proposal. Accordingly, an Ameriana Bancorp shareholder may vote to approve the Merger Proposal and vote not to approve the Merger-Related Compensation Proposal and vice versa.

Because the vote on named executive officer Merger-related compensation is advisory in nature only, it will not be binding on either Ameriana Bancorp or First Merchants. Accordingly, because Ameriana Bancorp is contractually obligated to pay the compensation described in the section of this proxy statement and prospectus entitled **THE MERGER Merger-Related Compensation for Ameriana Bancorp's Named Executive Officers**, such compensation will be payable, subject only to the conditions applicable thereto, if the Merger is approved and the Merger is completed, regardless of the outcome of the advisory vote.

The Board of Directors of Ameriana Bancorp unanimously recommends a vote FOR the Merger-Related Compensation Proposal.

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THE MERGER

At the special meeting, the shareholders of Ameriana Bancorp will consider and vote upon approval of the Merger Agreement. The following summary highlights certain information about the Merger. To understand the Merger, you should read carefully this entire proxy statement and prospectus, including the Merger Agreement, which is attached to this document as Annex A.

Description of the Merger

Under the terms and subject to the conditions of the Merger Agreement unanimously approved by each of Ameriana Bancorp's and First Merchants' Boards of Directors, Ameriana Bancorp will merge with and into First Merchants and the separate corporate existence of Ameriana Bancorp will cease. Immediately following the Merger, Ameriana Bank will merge with and into First Merchants Bank and Ameriana Bank will cease to exist as a separate entity. The Articles of Incorporation and Bylaws of First Merchants, as in effect prior to the Merger, will be the Articles of Incorporation and Bylaws of First Merchants after the Merger.

Exchange of Ameriana Bancorp Common Stock

The Merger Agreement provides that Ameriana Bancorp shareholders will have the right, with respect to each of their shares of Ameriana Bancorp common stock, to receive, without interest, 0.9037 shares (the Exchange Ratio) of First Merchants common stock. The number of shares of First Merchants Common Stock issuable to each Ameriana Bancorp shareholder shall be rounded to the nearest thousandth of a share.

If First Merchants changes the number of outstanding shares of First Merchants common stock before the Merger through any stock split, stock dividend, recapitalization or similar transaction, then the Exchange Ratio will be proportionately adjusted so that Ameriana Bancorp shareholders will receive such number of shares of First Merchants common stock as represents the same percentage of outstanding shares of First Merchants common stock at the effective date of the Merger as would have been represented by the number of shares of First Merchants common stock such shareholder would have received if the recapitalization had not occurred.

Immediately prior to the Merger, each outstanding stock option to purchase Ameriana Bancorp common stock will be converted into the right to receive cash in an amount equal to the average closing price of Ameriana Bancorp common stock for the ten (10) trading days preceding the fourth calendar day prior to the date of the Merger less the applicable exercise price.

If you are an Ameriana Bancorp shareholder and you receive First Merchants common stock as Merger Consideration for your shares of Ameriana Bancorp common stock, the implied value of the consideration that you will receive in the Merger will depend on the market price of First Merchants common stock when you receive your shares of First Merchants common stock. The per share value of the stock consideration, based upon First Merchants' closing stock price on September 30, 2015, the most recent practicable trading day before this proxy statement and prospectus was finalized, was \$23.70 per share. **No assurance can be given (and it is not likely) that the current market price of First Merchants common stock will be equivalent to the market price of First Merchants common stock on the date that shares of First Merchants common stock are received by an Ameriana Bancorp shareholder or at any other time.**

On or prior to the effective date of the Merger, First Merchants will deposit with American Stock Transfer, as exchange agent, shares in book entry form of First Merchants common stock, each to be given to the holders of Ameriana Bancorp common stock in exchange for old certificates (or shares in book entry form) representing shares

of Ameriana Bancorp common stock. Within three (3) business days following the effective date of the Merger, First Merchants will mail a letter of transmittal to each person who was, immediately prior to the effective time of the Merger, a holder of record of Ameriana Bancorp common stock. The letter of transmittal will contain instructions for use in effecting the surrender of Ameriana Bancorp stock certificates (or shares in

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book entry form) in exchange for the consideration to which such person may be entitled pursuant to the Merger Agreement. Within five (5) business days following the later of the effective date of the Merger or the surrender to American Stock Transfer of the old certificate(s) representing shares of Ameriana Bancorp common stock for cancellation, together with such letter of transmittal duly executed and completed, the holder of such old certificate(s) (or shares in book entry form) will be provided evidence of shares in book entry form representing shares of First Merchants common stock, and the old certificate will be canceled.

Until you surrender your Ameriana Bancorp stock certificates (or shares in book entry form) for exchange, you will accrue, but will not be paid, any dividends or other distributions declared after the effective time of the Merger with respect to First Merchants common stock into which any of your shares may have been converted. When you surrender your Ameriana Bancorp stock certificates (or shares in book entry form), First Merchants will pay any unpaid dividends or other distributions, without interest. After the completion of the Merger, there will be no transfers on the stock transfer books of Ameriana Bancorp of any shares of Ameriana Bancorp common stock.

If a certificate for Ameriana Bancorp common stock has been lost, stolen or destroyed, First Merchants will issue the consideration properly payable under the Merger Agreement to the registered owner of such certificate upon receipt of an affidavit of lost stock certificate, in form and substance satisfactory to First Merchants, and upon compliance by the Ameriana Bancorp's shareholder with all procedures historically required by Ameriana Bancorp in connection with lost, stolen or destroyed certificates.

Effect of the Merger on First Merchants Shareholders

The approval of the First Merchants shareholders of the Merger Agreement is not required in order to complete the Merger. First Merchants shareholders will also not be entitled to exchange their shares of First Merchant common stock for any consideration as a result of the Merger. After the Merger, First Merchants shareholders will continue to own the same number of First Merchants shares they owned before the Merger.

Background of the Merger

The management and Board of Directors of Ameriana Bancorp have regularly reviewed Ameriana Bancorp's strategic and financial prospects, and have, from time to time, considered various opportunities for increasing the long-term value for its shareholders. In connection with such consideration, in November 2013, the management and the Board of Directors of Ameriana Bancorp requested that River Branch Capital LLC (River Branch) make a presentation covering various topics, including the market for bank stocks, the operating environment and the market for mergers and acquisitions, in each case with a specific focus on the Indiana marketplace.

River Branch made an additional presentation to Ameriana Bancorp's Board of Directors in June 2014. River Branch updated Ameriana Bancorp's Board of Directors on recent stock market and bank performance, with a focus on peer banks in Indiana. River Branch updated Ameriana Bancorp's Board of Directors on the merger market, including a discussion of a recently announced bank transaction in Indiana. The presentation outlined potential targets for Ameriana Bancorp to consider acquiring and likely acquirers for Ameriana Bancorp.

On August 8, 2014, Jerome J. Gassen, President and Chief Executive Officer of Ameriana Bancorp, met with the chief executive officer of Company A, a larger bank holding company headquartered outside of Indianapolis. The purpose of this meeting was to discuss each company's operations, strategy and the merger and acquisition environment.

During August 2014, the management and the Board of Directors of Ameriana Bancorp received a written presentation from one (1) of its larger institutional shareholders that summarized the state of the banking industry,

Ameriana Bancorp's operating results and stock price performance, the merger and acquisition landscape for banks and potential strategic alternatives for Ameriana Bancorp to consider.

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On August 24, 2014, Ameriana Bancorp entered into a written engagement letter with River Branch to act as its financial adviser to explore the potential sale of the company.

On August 25, 2014, Ameriana Bancorp's Board of Directors met to discuss the information that had been presented by River Branch and the written materials submitted by its shareholder. Ameriana Bancorp's Board of Directors considered: (1) the advantages and disadvantages of continuing to implement its current business strategy and remaining independent; (2) the opportunities for Ameriana Bancorp to expand its operations through acquisitions (noting two (2) recent merger announcements for smaller Indiana institutions, acknowledging the growing scarcity of attractive acquisition candidates); and (3) seeking indications of interest from potential acquirers. Ameriana Bancorp's Board of Directors determined to engage River Branch to assist in the process for identifying potential acquirers and obtaining non-binding indications of interest.

On September 8, 2014, Ameriana Bancorp entered into a confidentiality agreement with Company A and on September 16, 2014, Company A was provided access to a virtual data room and Company A began to conduct its due diligence.

On October 20, 2014, Company A verbally indicated a willingness to acquire Ameriana Bancorp in exchange for a mixed consideration of cash and stock with a range of value of \$20.00 – \$21.00 per share.

On October 27, 2014, Ameriana Bancorp's Board of Directors met with River Branch to receive an update on the bank stock market and the merger and acquisition market. The presentation included an in depth analysis of the two (2) recent merger announcements for smaller Indiana institutions. River Branch provided a list of thirteen (13) potential acquisition partners for Ameriana Bancorp, but noted that four (4) of them (including Company A and First Merchants) were most likely to complete a transaction with Ameriana Bancorp. Each of the four (4) institutions was discussed in detail, including an overview of their business, branch franchise, loan composition, management, financial and stock performance and shareholder base. River Branch estimated, based on publicly available information, how much it believed each party could pay to acquire Ameriana Bancorp and how such prices compared to the pricing metrics against the two (2) recently announced Indiana transactions. River Branch explained the estimated timing for a transaction. The Board instructed Mr. Gassen to continue discussions with the management of Company A.

On November 20, 2014, Company A sent a written indication of interest, indicating a willingness to acquire Ameriana Bancorp in exchange for a mixed consideration of eighty percent (80%) stock and twenty percent (20%) cash at a value of \$22.00 per share. The indication of interest also included that one (1) representative from Ameriana would serve on Company A's holding company and bank boards of directors. On November 25, 2014, Ameriana Bancorp's Board of Directors met to discuss the terms of the indication of interest, including Company A's request for an exclusive period of negotiations. As part of the Ameriana Bancorp's Board of Directors' consideration, River Branch presented the Ameriana Bancorp's Board of Directors with a list of nine (9) other potential acquisition partners noting their capacity to pay based on similar estimates as used by Company A and their potential interest in Ameriana Bancorp and likely willingness to enter into a transaction. Legal counsel discussed with Ameriana Bancorp's Board of Directors its fiduciary duties under Indiana law in the context of a change in control. Ameriana Bancorp's Board of Directors authorized management to negotiate a 30-day exclusivity agreement with Company A, which was executed by the parties on November 28, 2014. During this time, Company A continued to conduct its due diligence.

On December 3, 2014, a draft of the merger agreement was provided by Company A. On December 10, 2014, Company A lowered its offer to \$21.14 per share.

On December 15, 2014, Ameriana Bancorp's Board of Directors met to discuss the revised offer. River Branch discussed four (4) other parties that were potential suitors, two (2) of which (including First Merchants) were the most likely to be interested in pursuing a transaction and had the capacity to pay a competitive price. River Branch provided an analysis of the price that it estimated, based on publicly available information, each of

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the four (4) potential bidders could offer for Ameriana Bancorp. Ameriana Bancorp's Board of Directors decided that, based on the revised offer, it did not want to proceed exclusively with Company A and advised River Branch that, following the expiration of the exclusivity agreement on December 27, 2014, to contact the two (2) additional parties identified at the meeting that were most likely to have an interest.

In early January 2015, River Branch contacted Company B, a larger regional bank holding company, and First Merchants about their interest in pursuing a transaction with Ameriana Bancorp. Both parties were interested and executed confidentiality agreements in January 2015.

On February 13, 2015, Company B verbally indicated a willingness to acquire Ameriana Bancorp with a range of value of \$19.00 – \$20.00 per share.

On February 27, 2015, First Merchants verbally indicated a willingness to acquire Ameriana Bancorp with a range of value of \$21.50 – \$23.00 per share.

During this time period, the management of Company A and Ameriana Bancorp had continued discussions and on March 17, 2015, Company A submitted a revised indication of interest increasing the exchange ratio in the transaction such that the value of its offer increased to \$21.41 per share.

On March 25, 2015, First Merchants narrowed its range to \$21.00 – \$22.00 per share. Following conversations between the parties' financial advisors, on March 29, 2015, First Merchants revised its proposal to \$21.50 – \$22.50 per share.

Ameriana Bancorp's Board of Directors met on March 30, 2015 to discuss the revised offer it had received from Company A and the offers from First Merchants and Company B. Following the meeting, at which the offers and the companies and their currencies were discussed in detail with River Branch, Ameriana Bancorp's Board of Directors instructed River Branch to contact Company A and First Merchants to clarify certain aspects of their offers. Based on those conversations, First Merchants offered to pay Ameriana Bancorp shareholders a price of \$22.25 per share, seventy percent (70%) of which would consist of stock and thirty percent (30%) of which would be paid in cash. Company A proposed a mechanism under which Ameriana Bancorp shareholders would receive no less than \$21.50 per share at the time of the signing of the merger agreement either by increasing the cash or stock consideration if necessary.

Ameriana Bancorp's Board of Directors met on April 2, 2015 to discuss the two (2) proposals. At the time of the meeting, the implied value of the proposal by Company A was \$21.88 per share, based upon Company A's stock price. While noting the nominal difference between the two (2) proposals, Ameriana Bancorp's Board of Directors evaluated, among other things, the greater dividend accretion from Company A, the advantages of partnering with an out of market acquirer who was committed to utilizing Ameriana Bancorp's franchise as a building block to increase its investment in Indianapolis, the ability of Company A, which had already completed its diligence, to move quicker towards announcement and the inclusion of Board representation with Company A. Ameriana Bancorp's Board of Directors decided to proceed with Company A towards negotiation of a definitive merger agreement.

A revised merger agreement was provided by Company A on April 9, 2015. The parties negotiated the agreement and each of the parties completed their diligence during April 2015, with the intention of signing and announcing the execution of the merger agreement on May 4, 2015. However, on May 1, 2015, Company A notified Ameriana Bancorp that it could no longer provide a value to Ameriana Bancorp shareholders of \$21.50 per share. Company A provided a revised exchange ratio, which resulted in an implied value of \$20.52 per share.

On May 4, 2015, at the special meeting of Ameriana Bancorp's Board of Directors, Ameriana Bancorp's Board of Directors voted not to proceed with Company A.

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On May 7, 2015, Michael C. Rechin, the President and Chief Executive Officer of First Merchants, met with one (1) of the directors of Ameriana Bancorp with whom he had a previous relationship to gauge Ameriana Bancorp's Board of Directors' receptivity to engaging in strategic discussions with First Merchants.

On May 11, 2015, Company A sent a letter to Ameriana Bancorp formally terminating negotiations.

On that same date, First Merchants delivered a written indication of interest, indicating a willingness to acquire Ameriana Bancorp in exchange for 0.6624 shares of First Merchants common stock and \$6.68 for each share of Ameriana Bancorp common stock, equating to a mixed consideration of seventy percent (70%) stock and thirty percent (30%) cash. The implied value of the offer at the time of the indication of interest was \$22.25 per share.

On May 12, 2015, access to Ameriana Bancorp's virtual data room was provided to First Merchants.

On May 15, 2015, the parties entered into an agreement to engage in exclusive negotiations for thirty (30) days (which would automatically be extended to forty-five (45) days if a merger agreement draft was provided within the initial 30-day period).

An initial draft of the Merger Agreement was provided on June 4, 2015. Ameriana Bancorp and its advisors reviewed and negotiated the terms of the Merger Agreement and related documents with First Merchants and its advisors over the next few weeks.

On June 17, 2015, First Merchants delivered a revised written indication of interest, indicating a willingness to acquire Ameriana Bancorp in an all-stock transaction at an exchange ratio of 0.9037 shares of First Merchants common stock for each share of Ameriana Bancorp common stock. The implied value of the offer at the time of the indication of interest was \$22.06 per share.

On June 22, 2015, Mr. Gassen and representatives of Ameriana Bancorp's financial advisor conducted an interview with Michael C. Rechin, the President and Chief Executive Officer of First Merchants, and Mark K. Hardwick, the Executive Vice President and Chief Financial Officer of First Merchants, regarding First Merchant's historical and expected financial results.

On June 24, 2015, Ameriana Bancorp's Board of Directors met via telephone to review presentations by its legal counsel and River Branch, which included, among other matters, financial and corporate information on First Merchants and Ameriana Bancorp, each entity's historical stock price and performance, and valuation methodologies and analyses of the consideration offered by First Merchants. Also, Ameriana Bancorp's legal counsel presented the Merger Agreement and ancillary documents in detail. Following the presentations, Ameriana Bancorp's Board of Directors engaged in discussions about the proposed transaction, the proposed Merger Agreement and other transaction documents and the effect of the transaction on the shareholders, customers and employees of Ameriana Bancorp. Also at this meeting, River Branch reviewed with Ameriana Bancorp's Board of Directors its financial analysis of the Merger Consideration and indicated to Ameriana Bancorp's Board of Directors to the effect that, subject to various assumptions and limitations to be described in its opinion, the Merger Consideration provided for in the Merger was fair, from a financial point of view, to the shareholders of Ameriana Bancorp. Members of the Ameriana Bancorp's Board of Directors asked questions of Ameriana Bancorp's outside legal and financial advisors about the proposed transaction and their fiduciary duties to shareholders. No action was taken at this meeting. Rather, Ameriana Bancorp's Board of Directors agreed to meet at the end of the week to further discuss the transaction and, if appropriate, to vote on the Merger Agreement.

On June 25, 2015, Ameriana Bancorp and its legal and financial advisors finalized its reverse due diligence on First Merchants.

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On June 26, 2015, the Ameriana Bancorp's Board of Directors met. Ameriana Bancorp's Board of Directors engaged in discussions about the proposed transaction, the proposed Merger Agreement and other transaction documents and the effect of the transaction on the shareholders, customers and employees of Ameriana Bancorp. Also at this meeting, River Branch reviewed with Ameriana Bancorp's Board of Directors its financial analysis of the Merger Consideration and delivered to Ameriana Bancorp's Board of Directors both an oral and a written opinion dated June 26, 2015, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the Merger Consideration provided for in the Merger was fair, from a financial point of view, to the shareholders of Ameriana Bancorp. Members of the Ameriana Bancorp's Board of Directors asked questions of Ameriana Bancorp's outside legal and financial advisors about the proposed transaction and their fiduciary duties to shareholders. After further reviewing the consideration per share offered by First Merchants and after giving consideration to the other factors described under THE MERGER Ameriana Bancorp's Reasons for the Merger, the members of the Board of Directors of Ameriana Bancorp unanimously voted to approve the Merger Agreement. At the close of business on June 26, 2015, the value of the transaction to Ameriana Bancorp shareholders was \$22.71 per share.

The transaction was announced before the open of the stock markets on June 29, 2015.

See THE MERGER Information about River Branch Capital LLC for a description of the fees River Branch will receive for its services to Ameriana Bancorp in connection with the Merger.

First Merchants' Reasons for the Merger

In reaching its decision to adopt and approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the First Merchants Board of Directors consulted with First Merchants management and considered a number of factors, including the following material factors:

each of First Merchants' and Ameriana Bancorp's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the First Merchants Board of Directors considered that the Merger (1) will expand First Merchants' business within demographically attractive markets in Central Indiana; (2) will increase First Merchants' core deposit base, an important funding source; (3) will provide First Merchants with an experienced management team and quality bank branches in and around Central Indiana; and (4) will provide First Merchants with the opportunity to sell First Merchants' broad array of products to Ameriana Bancorp's client base;

its understanding of the current and prospective environment in which First Merchants and Ameriana Bancorp operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on First Merchants both with and without the proposed transaction;

its review and discussions with First Merchants' management concerning the due diligence examination of Ameriana Bancorp;

the complementary nature of the cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

the financial and other terms of the Merger Agreement, including the fixed Exchange Ratio, tax treatment and deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors;

the potential risk of diverting management attention and resources from the operation of First Merchants business towards the completion of the Merger; and

the regulatory and other approvals required in connection with the Merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

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The foregoing discussion of the information and factors considered by the First Merchants Board of Directors is not intended to be exhaustive, but includes the material factors considered by the First Merchants Board of Directors. In reaching its decision to approve and adopt the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the First Merchants Board of Directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The First Merchants Board of Directors considered all these factors as a whole, including discussions with, and questioning of, First Merchants management and First Merchants financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the First Merchants Board of Directors unanimously determined that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable and in the best interests of First Merchants and its shareholders, and unanimously approved and adopted the Merger Agreement.

Ameriana Bancorp's Reasons for the Merger

In reaching the conclusion that the Merger Agreement is in the best interests of and advisable for Ameriana Bancorp and its shareholders, and in approving the Merger Agreement, Ameriana Bancorp's Board of Directors consulted with senior management, its legal counsel and its financial advisor and considered a number of factors, including, among others, the following, which are not presented in order of priority:

the business strategy and strategic plan of Ameriana Bancorp, its prospects for the future and projected financial results;

the consideration offered by First Merchants, which represents: 168.8% of Ameriana Bancorp's tangible book value; 31.3x of Ameriana Bancorp's trailing twelve (12) month earnings; and a 42.6% premium over the market value of Ameriana Bancorp's common stock as of the day prior to the date of the Merger Agreement;

the understanding of Ameriana Bancorp's Board of Directors of the strategic options available to Ameriana Bancorp and the Board of Directors' assessment of those options with respect to the prospects and estimated results of the execution by Ameriana Bancorp of its business plan as an independent entity under various scenarios and the determination that none of those options or the execution of the business plan were more likely to create greater present value for Ameriana Bancorp's shareholders than the value to be paid by First Merchants;

the challenges facing Ameriana Bancorp's management to grow Ameriana Bancorp's franchise and enhance shareholder value given current market conditions, increased operating costs resulting from regulatory initiatives and compliance mandates, interest rate pressure and competition;

the Merger Consideration offered by First Merchants equaled or exceed the consideration that could reasonably be expected from other potential acquirers with apparent ability to consummate the acquisition of Ameriana Bancorp;

the ability of First Merchants to pay the Merger Consideration and the strength and recent performance of the First Merchants currency;

the ability of First Merchants to execute a merger transaction from a financial and regulatory perspective and its recent history of being able to successfully integrate merged institutions into its existing franchise;

the geographic fit and increased customer convenience of the expanded branch network of First Merchants;

First Merchants' business, operations, financial condition, asset quality, earnings and prospects, taking into account the results of Ameriana Bancorp's due diligence review of First Merchants, and information provided by Ameriana Bancorp's financial advisor;

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the historical stock market performance for Ameriana Bancorp and First Merchants common stock;

the greater market capitalization, increased dividend rate and significantly increased trading liquidity of the common stock of First Merchants;

the terms of the Merger Agreement, including the representations and warranties of the parties, the covenants, the consideration, the benefits to Ameriana Bancorp's employees and the absence of burdensome contingencies in the Merger Agreement;

the financial analysis presented by River Branch to the Ameriana Bancorp's Board of Directors, and the opinion delivered to the Ameriana Bancorp's Board of Directors by River Branch to the effect that, as of the date of the opinion, and subject to and based on the qualifications and assumptions set forth in the opinion, the Merger Consideration to be received by the holders of common stock of Ameriana Bancorp in the Merger is fair, from a financial point of view, to such shareholders;

the likelihood of expeditiously obtaining the necessary regulatory approval without unusual or burdensome conditions; and

the long-term and short-term interests of Ameriana Bancorp and its shareholders, the interests of the employees, customers, creditors and suppliers of Ameriana Bancorp, and community and societal considerations, including those of the communities in which Ameriana Bancorp maintains offices;

the wider array of financial products and services that would be available to customers of Ameriana Bancorp and the communities served by Ameriana Bancorp; and

the Merger will generally allow shareholders to defer recognition of taxable gain, to the extent they receive First Merchants common stock.

The Ameriana Bancorp Board of Directors also considered a number of potential risks and uncertainties associated with the Merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

the potential risk of diverting management attention and resources from the operation of Ameriana Bancorp's business and towards the completion of the Merger;

the restrictions on the conduct of Ameriana Bancorp's business prior to the completion of the merger, which are customary for public company merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent Ameriana Bancorp from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of Ameriana Bancorp

absent the pending Merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Ameriana Bancorp's business, operations and workforce with those of First Merchants;

the Merger-related costs;

the larger number of potentially terminated employees due to entering into a transaction with an in-market financial institution with significant branch overlap;

the fact that the interests of certain of Ameriana Bancorp's directors and executive officers may be different from, or in addition to, the interests of Ameriana Bancorp's other shareholders as described under the heading **THE MERGER** Interests of Ameriana Bancorp's Directors and Executive Officers in the Merger ;

that, while Ameriana Bancorp expects that the Merger will be consummated, there can be no assurance that all conditions to the parties' obligations to complete the Merger Agreement will be satisfied, including the risk that necessary regulatory approvals or the Ameriana Bancorp shareholder approval might not be obtained and, as a result, the Merger may not be consummated;

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the risk of potential employee attrition and/or adverse effects on business and customer relationships as a result of the pending Merger;

the fact that: (1) Ameriana Bancorp would be prohibited from affirmatively soliciting acquisition proposals after execution of the Merger Agreement; and (2) Ameriana Bancorp would be obligated to pay to First Merchants a termination fee if the Merger Agreement is terminated under certain circumstances, which may discourage other parties potentially interested in a strategic transaction with Ameriana Bancorp from pursuing such a transaction; and

the other risks described under the heading **RISK FACTORS**.

The foregoing discussion of the information and factors considered by the Board of Directors of Ameriana Bancorp is not intended to be exhaustive, but includes the material factors considered by the Board of Directors of Ameriana Bancorp. In reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the Board of Directors of Ameriana Bancorp did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Board of Directors of Ameriana Bancorp considered all these factors as a whole, including discussions with, and questioning of Ameriana Bancorp's management and Ameriana Bancorp's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

The Board of Directors of Ameriana Bancorp unanimously approved the Merger Agreement and recommends that Ameriana Bancorp's shareholders vote **FOR** the approval of the Merger Proposal, **FOR** the Adjournment Proposal and **FOR** the Merger-Related Compensation Proposal. Ameriana Bancorp shareholders should be aware that Ameriana Bancorp's directors and executive officers have interests in the Merger that are different from, or in addition to, those of other Ameriana Bancorp shareholders. The Board of Directors of Ameriana Bancorp was aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement, and in recommending that the Merger Proposal be approved by the shareholders of Ameriana Bancorp. See **Interests of Ameriana Bancorp's Directors and Executive Officers in the Merger**.

This summary of the reasoning of the Board of Directors of Ameriana Bancorp and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading **FORWARD-LOOKING STATEMENTS**.

Opinion of River Branch Capital LLC

Opinion of Ameriana Bancorp's Financial Advisor

By letter dated August 24, 2014, Ameriana Bancorp retained River Branch to render financial advisory and investment banking services in connection with general financial strategy and planning and to act as the exclusive financial advisor to Ameriana Bancorp in connection with a potential strategic combination. In its capacity as financial advisor, River Branch provided a fairness opinion (the **River Branch Opinion**) to the Board of Directors of Ameriana Bancorp (the **Ameriana Board**) in connection with the Merger. At the meeting of the Ameriana Board on June 26, 2015, River Branch rendered its oral opinion to the Ameriana Board (which was subsequently confirmed in writing by delivery of River Branch's written opinion dated the same date) that, based upon and subject to the various factors, assumptions and limitations set forth in such opinion, River Branch representatives' experience as investment bankers, River Branch's work as described in such opinion and other factors River Branch deemed relevant, as of such date, the Merger Consideration set forth in the Merger Agreement was fair, from a financial point of view, to the holders of

Ameriana Bancorp common stock. The River Branch written opinion, dated June 26, 2015, is sometimes referred to herein as the River Branch Opinion.

The full text of the River Branch Opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in rendering its opinion, is

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attached as Annex B to this proxy statement/prospectus and is incorporated herein by reference. The summary of the River Branch Opinion set forth herein is qualified in its entirety by reference to the full text of the opinion. Ameriana Bancorp common shareholders should read the full text of the opinion carefully and in its entirety. The River Branch Opinion is addressed to the Ameriana Board, is directed only to the fairness, from a financial point of view, of the Merger Consideration to the holders of Ameriana Bancorp common stock, and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the Merger. The River Branch Opinion was reviewed and approved by the fairness opinion committee of River Branch. River Branch provided its opinion to the Ameriana Board on June 26, 2015 in connection with and for the purposes of the Ameriana Board's evaluation of the Merger. The River Branch Opinion addressed only the fairness, from a financial point of view, as of June 26, 2015, of the Merger Consideration to the holders of Ameriana Bancorp common stock. River Branch expressed no view or opinion as to any of the legal, accounting and tax matters relating to the Merger and any other transactions contemplated by the Merger Agreement or any terms or other aspects of the Merger Agreement, the Merger or any such other transactions. River Branch expressed no opinion as to the fairness of any consideration paid in connection with the Merger to the holders of any other class of securities, creditors or other constituencies of Ameriana Bancorp or as to the underlying decision by Ameriana Bancorp to engage in the Merger or enter into the Merger Agreement. River Branch did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the Merger by Ameriana Bancorp officers, directors or employees, or class of such persons, relative to the compensation to be received in the Merger by the holders of Ameriana Bancorp common stock.

In arriving at River Branch's opinion, River Branch has, among other things:

- (i) reviewed a draft dated June 23, 2015 of the Merger Agreement;
- (ii) held discussions with certain senior officers, directors and other representatives and advisors of Ameriana Bancorp and certain senior officers and other representatives and advisors of First Merchants regarding certain aspects of the Merger and the past and current businesses, operations, regulatory relations, financial condition and future prospects of Ameriana Bancorp and First Merchants and the effects of the Merger thereon, and such other matters as River Branch believed necessary or appropriate to River Branch's inquiry;
- (iii) reviewed certain publicly available business and financial information relating to Ameriana Bancorp and First Merchants as well as certain financial forecasts and other information and data relating to Ameriana Bancorp and First Merchants, which were provided to and/or discussed with River Branch by management of Ameriana Bancorp and First Merchants, respectively, including information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by management of Ameriana Bancorp and First Merchants to result from the Merger;
- (iv) reviewed the financial terms of the Merger as set forth in the Merger Agreement in relation to, among other things: current and historical market prices and trading volumes of Ameriana Bancorp common stock and First Merchants common stock, the historical and projected earnings and other operating data of Ameriana Bancorp and First Merchants, and the capitalization and financial condition of Ameriana Bancorp and First

Merchants;

- (v) compared the financial and operating performance of Ameriana Bancorp and First Merchants with publicly available information concerning certain other companies River Branch deemed relevant and reviewed the current and historical market prices of Ameriana Bancorp common stock and First Merchants common stock and certain publicly traded securities of such other companies;
- (vi) considered, to the extent publicly available, the financial terms of certain other transactions that River Branch considered relevant in evaluating the Merger and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations River Branch considered relevant in evaluating those of Ameriana Bancorp and First Merchants;

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(vii) reviewed certain estimated potential pro forma financial effects of the Merger on First Merchants, including the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the Merger (the Synergies) as prepared by management of First Merchants;

(viii) considered the current market environment generally and the commercial banking environment in particular; and

(ix) conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as River Branch deemed appropriate for purposes of its opinion.

In rendering its opinion, River Branch assumed and relied upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with River Branch. River Branch was not asked to and did not undertake an independent verification of any such information and River Branch did not assume any responsibility or liability for the accuracy or completeness thereof. In relying on financial analyses and forecasts provided to River Branch or derived there from, including the Synergies, River Branch assumed that such forecasts were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Ameriana Bancorp and First Merchants to which such analyses or forecasts relate. River Branch did not express a view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. River Branch assumed, with the Ameriana Board's consent, that the financial results (including the potential strategic implications, Synergies and operational benefits anticipated to result from the Merger) reflected in such forecasts and other information and data will be realized in the amounts and at the times projected.

River Branch did not make any independent evaluation or appraisal of the specific assets, the collateral securing assets, or the liabilities (contingent or otherwise) of Ameriana Bancorp or First Merchants or any of their subsidiaries, or the collectability of any such assets, nor was River Branch furnished with such evaluations or appraisals. River Branch representatives are not experts in the independent verification of loan and lease losses and did not make an independent evaluation of the adequacy of allowances for loan and lease losses of Ameriana Bancorp or First Merchants, nor did River Branch review any individual credit files relating to Ameriana Bancorp or First Merchants or evaluate the solvency, financial capability or fair value of Ameriana Bancorp or First Merchants under any state or federal laws relating to bankruptcy, insolvency or similar matters. River Branch assumed, with the Ameriana Board's consent and without independent verification, that the respective allowances for loan and lease losses for both Ameriana Bancorp and First Merchants are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. River Branch representatives are not accountants and as such relied upon the reports of the independent registered public accounting firms for each of Ameriana Bancorp and First Merchants for the accuracy and completeness of the audited financial statements made available to River Branch. River Branch representatives are not legal, regulatory or tax experts and as such relied on the assessments made by advisors to Ameriana Bancorp with respect to such issues, and River Branch assumed that Ameriana Bancorp relied upon the advice of its legal counsel and other advisors as to all legal, regulatory and tax matters with respect to Ameriana Bancorp, First Merchants, the Merger and the other transactions contemplated by the Merger Agreement. River Branch assumed, with the Ameriana Board's consent, that the Merger and all related transactions will be consummated in accordance with the terms set forth in the Merger Agreement, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Ameriana Bancorp, First Merchants or on the future results of operations or financial condition of the combined entity or the contemplated benefits of the Merger, including without limitation the cost savings, revenue enhancements and related expenses expected to result from the Merger.

Representatives of Ameriana Bancorp advised River Branch, and River Branch further assumed, that the final terms of the Merger Agreement would not vary materially from those set forth in the draft reviewed by River Branch. Other than the sale of First Merchants Insurance Group effective June 12, 2015, the effects of

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which were conveyed to River Branch by First Merchants management, River Branch also assumed that there were no material changes in Ameriana Bancorp's or First Merchants' assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to River Branch. River Branch assumed in all respects material to River Branch's analysis that Ameriana Bancorp and First Merchants will remain as going concerns for all periods relevant to River Branch's analyses, that all of the representations and warranties contained in the Merger Agreement and all related agreements are and will be true and correct, and that each party to such agreements will perform all of the covenants and agreements required to be performed by such party under such agreements. River Branch also assumed, with the Ameriana Board's consent, that the Merger will qualify as a tax-free reorganization for federal income tax purposes.

The River Branch Opinion relates only to the fairness, from a financial point of view, as of the date of such opinion, to holders of Ameriana Bancorp common stock of the Merger Consideration to be received by the holders of Ameriana Bancorp common stock. River Branch did not express any opinion as to what the value of First Merchants common stock actually will be when issued pursuant to the Merger or the price or volume at which First Merchants common stock or Ameriana Bancorp will trade at any time. The River Branch Opinion did not address the relative merits of the Merger as compared to any alternative business strategies that might exist or may have been available to or considered by Ameriana Bancorp or the effect of any other transaction in which Ameriana Bancorp might engage.

The River Branch opinion was necessarily based upon information available to River Branch, and financial, economic, regulatory, market and other conditions and circumstances existing, as of the date of the opinion. Events occurring after the date hereof could materially affect the opinion. River Branch has not undertaken to and has no obligation to update, revise, reaffirm, or withdraw its opinion or otherwise comment upon events occurring after the date of the opinion.

In accordance with customary investment banking practice, River Branch employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses undertaken by River Branch in connection with rendering the River Branch Opinion. The following summary, however, does not purport to be a complete description of the financial analysis performed by River Branch. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by River Branch, the tables must be read together with the full text of each summary. Considering the data set forth herein without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of River Branch's financial analyses.

Summary of Proposal

River Branch reviewed the financial terms of the Merger. Using an exchange ratio of 0.9037 shares of First Merchants common stock for every one share of Ameriana Bancorp common stock and based on a First Merchants closing stock price on June 25, 2015 of \$24.94, River Branch calculated an approximate aggregate transaction value of \$68.9 million, or \$22.54 per share (the Per Share Consideration). Based on Ameriana Bancorp's most recent publicly filed financial statements as of March 31, 2015, River Branch calculated the following Per Share Consideration multiples:

Price / LTM EPS	31.3x
Price / 2015 EPS(1)	28.6x
Price / 2016 EPS(2)	22.0x
Price / Book	163.9%

Price / TBV	168.8%
One Day Premium(3)	42.6%

(1) Based on Ameriana Bancorp management projections.

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(2) Based on Ameriana Bancorp management projections.

(3) Based on Ameriana Bancorp's stock price of \$15.81 per share, on June 25, 2015.

First Merchants Trading Range

River Branch reviewed certain historical stock price information for First Merchants and calculated the implied transaction value per share of Ameriana Bancorp common stock, based on the volume weighted average stock price of First Merchants calculated over different periods of time, ranging from five days preceding the date of the announcement of the Merger to 180 days preceding the date of the announcement of the Merger, as shown in the following table:

Time Period	First Merchants Stock Price	Implied Transaction Value
5 Days	\$ 24.61 (1)	\$ 22.24
10 Days	\$ 24.44 (1)	\$ 22.09
20 Days	\$ 24.16 (1)	\$ 21.83
30 Days	\$ 23.92 (1)	\$ 21.61
60 Days	\$ 23.55 (1)	\$ 21.28
90 Days	\$ 23.43 (1)	\$ 21.18
180 Days	\$ 22.67 (1)	\$ 20.49

Source: SNL Financial.

(1) Based on volume-weighted average prices.

Ameriana Bancorp Comparable Public Company Analysis

Using publicly available information, River Branch compared selected financial and market data of Ameriana Bancorp with similar data for companies River Branch deemed comparable to Ameriana Bancorp. The comparable group consisted of Midwest exchange traded banks with assets, as of the most recently reported period, less than \$1.5 billion and for which 2015 estimated earnings were available. The group was comprised of the following companies and is referred to herein as the Ameriana Comparable Group:

BankFinancial Corporation	Farmers National Banc Corp.	HopFed Bancorp, Inc.
Pulaski Financial Corp.	LCNB Corp.	Guaranty Federal Bancshares, Inc.
MutualFirst Financial, Inc.	Baylake Corp.	
Civista Bancshares, Inc. (formerly First Citizens Banc Corp.)	First Internet Bancorp	

In all instances, multiples were based on closing stock prices on June 25, 2015. For each of the following analyses performed by River Branch, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' filings with the SEC and information River Branch obtained from SNL Financial and S&P CapitalIQ. The multiples and ratios for each of the selected companies were based on the most recent publicly available information. Throughout River Branch's analysis the high and the low bounds of the ranges presented represented the 80th and 20th percentile values, respectively.

With respect to the Ameriana Comparable Group table below, the information River Branch presented included the following:

net income divided by average assets, or ROAA;

net income divided by average equity, or ROAE;

non-interest income divided by operating revenue, or Efficiency Ratio;

non-performing assets divided by total assets, or NPAs / Assets;

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multiple of price to book value, or Price / Book;

multiple of price to tangible book value, or Price / TBV;

multiple of price to last twelve months earnings per share, or Price / LTM EPS;

multiple of price to estimated 2015 earnings per share, or Price / 2015E EPS; and

multiple of price to estimated 2016 earnings per share, or Price / 2016E EPS.

Results of River Branch's analysis were presented for the Ameriana Comparable Group, as shown in the following table:

Ameriana Comparable Group

	Ameriana	Per Share			
	6/25/15	Consideration	High	Median	Low
ROAA	0.45%	n/a	0.96%	0.86%	0.76%
ROAE	5.3%	n/a	9.8%	9.0%	7.1%
Efficiency Ratio	84%	n/a	65%	71%	73%
NPAs / Assets	3.6%	n/a	1.0%	1.4%	1.7%
TCE / TA	8.4%	n/a	10.3%	9.3%	8.7%
Price / Book Value	n/a	1.64x	1.21x	1.16x	1.01x
Price / TBV	n/a	1.69x	1.34x	1.17x	1.15x
Price / LTM EPS	n/a	31.3x	17.4x	13.2x	11.7x
Price / 2015 EPS	n/a	28.6x	17.9x	12.8x	11.9x
Price / 2016 EPS	n/a	22.0x	18.4x	11.5x	10.6x

Based on the analysis above, River Branch then applied the range of multiples to the applicable metrics of Ameriana Bancorp. The analysis indicated the following equity values per share of Ameriana Bancorp common stock, as compared to the Per Share Consideration:

Ameriana Comparable Group Indicated Value Range

	Low	High
Price / Book	\$ 13.82 - \$16.59	
Price / TBV	\$ 15.35 - \$17.87	
Price / LTM EPS	\$ 8.42 - \$12.50	
Price / 2015 EPS	\$ 9.40 - \$14.14	
Price / 2016 EPS	\$ 10.85 - \$18.84	

Ameriana Bancorp Precedent Transaction Analysis

Using publicly available information, River Branch compared the proposed financial terms of the Merger to publicly available financial terms of a group of transactions selected by River Branch involving companies in the depository industry.

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The transactions group included 39 nationwide transactions announced since January 1, 2014 with announced target total assets between \$300 million and \$600 million and with target non-performing assets-to-total assets less than 5.0%. The group was comprised of the following transactions and is referred to herein as the Ameriana Precedent Group:

Buyer / Seller

Bear State Financial / Metropolitan National Bank
 Home Bancorp / Louisiana Bancorp
 Home BancShares / Florida Business BancGroup
 Liberty Bank / Naugatuck Valley Financial
 Southwest Bancorp / First Commercial Bancshares
 Bank of the Ozarks / Bank of the Carolinas
 Pinnacle Financial Partners, Inc./ Magna Bank
 Heritage Commerce Corp/ Focus Business Bank
 First Financial Bankshares / FBC Bancshares
 WSFS Financial / Alliance Bancorp, Inc. of Pennsylvania
 Wintrust Financial / Community Financial Shares
 Ameris Bancorp / Merchants & Southern Banks of Florida
 Farmers National Banc / National Bancshares
 United Community Banks / MoneyTree
 Cathay General Bancorp / Asia Bancshares
 Stupp Bros., Inc / Southern Bancshares
 ESB Bancorp MHC/ Citizens National Bancorp
 Heartland Financial USA / Community Banc-Corp. of Sheboygan
 Pacific Premier Bancorp / Independence Bank
 First Horizon National / TrustAtlantic Financial
 IBERIABANK / Florida Bank Group
 Cape Bancorp / Colonial Financial Services
 Old National Bancorp/ Founders Financial
 Business First Bancshares / American Gateway Financial
 Magnolia Banking / First National Bancshares of Hempstead County
 First Midwest Bancorp / Great Lakes Financial Resources
 State Bank Financial / Georgia-Carolina Bancshares
 Univest Corporation of Pennsylvania / Valley Green Bank
 BNC Bancorp / Harbor Bank Group
 Independent Bank Group / Houston City Bancshares
 Glacier Bancorp / FNBR Holding
 Green Bancorp / SP Bancorp
 Home BancShares / Florida Traditions Bank
 CB Financial Services / FedFirst Financial
 F.N.B. Corporation / OBA Financial Services
 Simmons First National / Delta Trust & Banking
 CVB Financial / American Security Bank
 IBERIABANK Corporation/ First Private Holdings
 HomeTrust Bancshares / Jefferson Bancshares

With respect to the Ameriana Precedent Group, the information River Branch presented included the following:

ROAA;

ROAE;

Efficiency Ratio;

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NPAs / Assets;

Price / Book;

Price / TBV;

Price / LTM EPS;

deal value premium over tangible common equity as a % of core deposits, or Core Deposit Premium; and

Per Share Consideration as a premium to target's stock price one day prior to announcement, or One Day Premium.

Results of River Branch's analysis were presented for the Ameriana Precedent Group, as shown in the following table:

Ameriana Precedent Group

	Ameriana	Per Share			
	6/25/15	Consideration	High	Median	Low
ROAA	0.45%	n/a	1.10%	0.73%	0.41%
ROAE	5.3%	n/a	11.0%	6.4%	3.8%
Efficiency Ratio	84%	n/a	66%	75%	83%
NPAs / Assets	3.6%	n/a	0.6%	1.3%	2.4%
TCE / TA	8.4%	n/a	12.2%	10.7%	9.0%
Price / Book Value	n/a	1.64x	1.70x	1.40x	1.20x
Price / TBV	n/a	1.69x	1.70x	1.42x	1.30x
Price / LTM EPS	n/a	31.3x	28.6x	20.2x	15.3x
Core Deposit Premium	n/a	8.0%	11.4%	7.0%	4.7%
One Day Premium	n/a	42.6%	51.7%	25.1%	10.4%

Based on the analysis above, River Branch then applied the range of multiples to the applicable metrics of Ameriana Bancorp. The analysis indicated the following equity values per share of Ameriana Bancorp common stock, as compared to the Per Share Consideration:

Ameriana Precedent Group Indicated Value Range

	Low - High
Price / Book Value	\$ 16.50 - \$23.32
Price / TBV	\$ 17.40 - \$22.64
Price / LTM EPS	\$ 11.00 - \$20.60

Core Deposit Premium	\$ 18.68 - \$26.38
One Day Premium	\$ 17.45 - \$23.98

Ameriana Discounted Cash Flow Analysis

River Branch calculated a range of implied values for Ameriana Bancorp common stock by estimating the present value of cash flows Ameriana Bancorp could provide to equity holders through 2019 and a terminal value utilizing the following assumptions, among others:

financial projections from 2015 – 2019 provided by Ameriana Bancorp management;

maintenance of an 8.00% tangible common equity-to-tangible asset ratio;

discount rates from 14.5% to 16.5%;

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annual budget variance of (10%) to 10%; and

perpetual cash flow growth of 4.0% beginning in 2020 to calculate terminal value using the Gordon Growth Model.

The calculations resulted in a range of implied values of \$7.85 to \$14.91 per share of Ameriana Bancorp common stock as compared to the Per Share Consideration, as indicated in the following table:

Discount

Rate	Percentage of Management Forecasted Net Income Achieved				
	90%	95%	100%	105%	110%
14.5%	\$9.82	\$11.01	\$12.26	\$13.56	\$14.91
15.5%	\$8.74	\$9.81	\$10.93	\$12.09	\$13.30
16.5%	\$7.85	\$8.82	\$9.82	\$10.87	\$11.95

The discounted cash flow analysis is a widely used valuation methodology that relies on numerous assumptions, including asset growth rates, perpetual growth rates and discount rates, and the results of such methodology are highly dependent on these assumptions. The analysis does not purport to be indicative of the actual values or expected values of Ameriana Bancorp. In addition, the analysis relates only to the potential value achieved by Ameriana Bancorp as a stand-alone entity based on assumptions described herein. In addition, the analysis is not intended to, and does not purport to, reflect values achieved on a post-Merger basis with First Merchants.

Contribution Analysis

River Branch analyzed the relative contribution of certain balance sheet and income statement items of Ameriana Bancorp and First Merchants and compared those relative contributions to the pro forma ownership of Ameriana Bancorp and First Merchants common shareholders based on the Exchange Ratio. This analysis excluded any acquisition related accounting adjustments or cost synergies projected to be achieved through the Merger and was based on Ameriana Bancorp's and First Merchants' common stock prices as of June 25, 2015. The income statement items were based on historical financial information for the twelve month period ended March 31, 2015. The results of River Branch's analysis are set forth in the following table:

	First Merchants as % of Total	Ameriana as % of Total
Total Assets	92.4%	7.6%
Gross Loans	92.4%	7.6%
Total Deposits	92.2%	7.8%
Tangible Common Equity	92.8%	7.2%
Reported Net Income (LTM)	96.7%	3.3%
2015 Estimated Net Income (1)	96.6%	3.4%
Pro Forma Ownership at Proposed Exchange Ratio	93.3%	6.7%

(1) Based on Ameriana Bancorp management projections.

Pro Forma Financial Impact Analysis

River Branch performed pro forma merger analyses combining projected income statement and balance sheet information for Ameriana Bancorp and First Merchants. Assumptions regarding the accounting treatment, acquisition related adjustments, and cost synergies were used to evaluate the pro forma financial impact the Merger would have on both Ameriana Bancorp and First Merchants. In the course of this analysis, River Branch used financial projections provided by Ameriana Bancorp management and consensus EPS estimates sourced from available research analyst reports. The analysis indicated the Merger is expected to be accretive to Ameriana Bancorp and First Merchants estimated earnings per share in 2016, along with 149% dividend accretion to Ameriana Bancorp shareholders.

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First Merchants Comparable Public Company Analysis

Using publicly available information, River Branch compared financial and market data of First Merchants with similar data for a group of peer banks which First Merchants identified in its most recent proxy statement for its annual meeting of shareholders, filed March 4, 2015, consisting of Midwest financial institutions of relatively similar size to First Merchants. The group was comprised of the following companies and is referred to herein as the First Merchants Comparable Group:

1st Source Corporation	First Commonwealth Financial	MainSource Financial Group, Inc.
Chemical Financial Corporation	First Financial Corporation	MB Financial Inc.
Community Trust Bancorp, Inc	First Midwest Bancorp, Inc.	National Penn Bancshares, Inc
F. N. B. Corporation	Heartland Financial USA, Inc	Old National Bancorp
First Busey Corporation	Independent Bank Corporation	Park National Corporation
Pinnacle Financial Partners, Inc	Republic Bancorp, Inc.	S & T Bancorp, Inc.
Stock Yards Bancorp, Inc.		