

November 13, 2013

Dear CFS Bancorp Shareholder:

As you are aware, CFS Bancorp, Inc. ("CFS") entered into an Agreement of Reorganization and Merger with First Merchants Corporation ("First Merchants") dated May 13, 2013 (the "Agreement"), whereby CFS would merge with and into First Merchants. The full text of the Agreement was included in the joint proxy statement-prospectus dated September 27, 2013, and first mailed to CFS shareholders on or about September 27, 2013. The merger of CFS with and into First Merchants was approved by the CFS shareholders at CFS' Special Meeting of Shareholders on October 29, 2013. Effective November 12, 2013, CFS merged with and into First Merchants.

Pursuant to the terms of the Agreement, each of your CFS common shares now represents the right to receive 0.65 shares of First Merchants common stock. First Merchants will not issue certificates for fractional shares of common stock arising from the exchange ratio. As a result, if you are entitled to a fractional share of First Merchants common stock based on the exchange ratio, you will receive a cash payment in lieu of such fractional share. Your CFS common shares no longer represent equity ownership of CFS, including the right to vote at shareholder meetings or the right to receive CFS dividends. Further, any dividends or other distributions payable with regard to the First Merchants common shares to which you are entitled will be held by First Merchants until you submit a properly completed Letter of Transmittal along with your CFS share certificates.

In order to receive the shares of First Merchants common stock to which you are entitled or any cash payment in lieu of a fractional share, you must first surrender your CFS share certificate(s), along with the completed Letter of Transmittal enclosed herewith, to American Stock Transfer & Trust Company. We encourage you to take this action quickly. Please follow the instructions on the enclosed Letter of Transmittal. If you have any questions, please contact American Stock Transfer & Trust Company, Shareholder Services Department at 1-877-248-6417 or 1-718-921-8317.

Very truly yours,



Michael C. Rechin
President and Chief Executive Officer