

FIRST MERCHANTS CORPORATION ANNOUNCES SALE OF FIRST MERCHANTS INSURANCE GROUP TO USI INSURANCE SERVICES**Deal Value: Approximately \$18 million**

Sandler O'Neill served as financial advisor to First Merchants Corporation in connection with this transaction. Overall, this represents Sandler O'Neill's 106th financial services transaction since January 1, 2014, more than any other investment bank during that time period.⁽¹⁾

Since January 1, 2012, Sandler O'Neill has advised on 19 insurance transactions, more than any other full-service investment bank during that time period.⁽²⁾

First Merchants Corporation (NASDAQ – FRME) announced the sale of First Merchants Insurance Group (FMIG), a licensed insurance agency affiliate of First Merchants Bank, N.A. to USI Insurance Services, effective June 12, 2015.

FMIG currently operates a full service property, casualty, personal lines and healthcare insurance agency, with four offices located in Delaware, Hamilton, Madison and Randolph counties of Indiana.

First Merchants entered the insurance business in 1998 and continued to grow organically while adding several smaller agencies through acquisition over the years. The Corporation's equity in FMIG totals \$9.6 million with intangible assets of \$9.2 million. The sale price of the business totaled approximately \$18 million. In connection with the sale transaction, First Merchants and USI have entered into a strategic marketing agreement to provide First Merchants' clients with continuing access to P&C insurance and employee group benefits products and services.

USI is a leader in the insurance brokerage and consulting business with more than 4,400 dedicated, experienced and innovative professionals throughout more than 140 offices across the United States with revenues in excess of one billion dollars.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2014. Excludes terminated transactions, self-advisory roles and managed care transactions.

(2) Source: SNL Financial. Full service investment banks defined as those with an average disclosed deal value of \$25 million or greater. Excludes terminated transactions, self-advisory roles and managed care insurance transactions.

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