

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

( ) Check box if no longer subject to Section 16.  
 Form 4 or Form 5 obligations may continue. See Instructions 1(b).

1. Name and Address of Reporting Person  
 GILCREST, ROGER W.  
 4011 WEST RIVERSIDE AVENUE  
 MUNCIE, IN 47304
2. Issuer Name and Ticker or Trading Symbol  
 FIRST MERCHANTS CORPORATION  
 FRME
3. IRS or Social Security Number of Reporting Person (Voluntary)  
 ###-##-####
4. Statement for Month/Year  
 JULY 1996
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person to Issuer (Check all applicable)  
 Director ( ) 10% Owner  Officer (give title below) ( ) Other  
 (specify below)  
 DIRECTOR & EXECUTIVE VICE PRESIDENT / FIRST MERCHANTS BANK, N.A.

Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security	2. Transaction Date	3. Code	4. Securities Acquired (A) or Disposed of (D)		5. Amount of Securities Beneficially Owned at End of Year	6. Dir (D) or Indir (I)	7. Nature of Indirect Beneficial Ownership
			Amount	A/D			
Common Stock					2,665	D	
					15,000	D	Self-Directed IRA
					3,000	I	Spouse

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date	4. Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Dir (D) or Indir (I)	11. Nature of Indirect Beneficial Ownership
Employee Stock Option (Right to Buy)	24.125	07-31-96	A	2,300	01-31-97	Common	2,300	20,000	D	

Explanation of Responses:  
 SIGNATURE OF REPORTING PERSON  
 ROGER W GILCREST (Confirming Statement on File)  
 DATE  
 August 1, 1996