

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: August 1, 1996

FIRST MERCHANTS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

INDIANA
(State of Incorporation)

0-17071
(SEC File No.)

35-1544218
(IRS Employer ID No.)

200 East Jackson Street
P.O. Box 792
Muncie, Indiana 47305-2814
(Address of Principal Executive Offices)

(317) 747-1500
(Registrant's Telephone Number)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Business Acquired. As referenced in the Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on August 15, 1996, it was impracticable for First Merchants Corporation to provide the Union National Bancorp financial statements as of and for the period ended June 30, 1996 at the time of the filing of the Current Report on Form 8-K. Accordingly, as provided by Item 7(a)(4) of Form 8-K, First Merchants Corporation hereby submits the following financial statements for Union National Bancorp:

- (vii) Consolidated Condensed Balance Sheet as of June 30, 1996 (unaudited)
- (viii) Consolidated Condensed Statement of Income for the six (6) months ended June 30, 1996 and 1995 (unaudited)
- (ix) Consolidated Condensed Statement of Changes in Stockholders' Equity for the six (6) months ended June 30, 1996 (unaudited)
- (x) Consolidated Condensed Statement of Cash Flows for the six (6) months ended June 30, 1996 and 1995 (unaudited)
- (xi) Notes to Consolidated Condensed Financial Statements (unaudited)

(b) Pro Forma Financial Information. As referenced in the Current Report on Form 8-K filed with the Commission on August 15, 1996, it was impracticable for First Merchants Corporation to provide the pro forma condensed combined financial information as of and for the period ended June 30, 1996 at the time of the filing of the Current Report on Form 8-K. Accordingly, as provided by Item 7(a)(4) and Item 7(b)(2) of Form 8-K, First Merchants Corporation hereby submits the following pro forma financial information:

- (ii) Pro Forma Condensed Combined Financial Information including Balance Sheet as of June 30, 1996 and Statement of Income for the six (6) months ended June 30, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 14, 1996.

FIRST MERCHANTS CORPORATION

By /s/ Larry R. Helms

Larry R. Helms
Senior Vice President

UNION NATIONAL BANCORP AND SUBSIDIARY
CONSOLIDATED CONDENSED BALANCE SHEET
(DOLLARS IN THOUSANDS)
(UNAUDITED)

June 30	1996
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ASSETS	
Cash and due from banks	\$ 3,627
Investment securities	
Available for sale	56,984
Held to maturity	3,025

Total investment securities	60,009
Loans	99,170
Allowance for loan losses	(1,047)

Net loans	98,123
Premises and equipment	3,021
Other assets	2,795

Total assets	\$167,575

LIABILITIES	
Deposits	
Noninterest bearing	\$ 8,636
Interest bearing	127,215

Total deposits	135,851
Short-term borrowings	5,274
Federal Home Loan Bank advances	9,000
Other liabilities	1,609

Total liabilities	151,734

COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY	
Common stock, \$5 stated value	
Authorized - 200,000 shares	
Issued and outstanding - 193,968	970
Paid-in capital	1,957
Retained earnings	12,800
Net unrealized gain on securities available for sale	114

Total stockholders' equity	15,841

Total liabilities and stockholders' equity	\$167,575

See notes to consolidated condensed financial statements.

UNION NATIONAL BANCORP AND SUBSIDIARY
CONSOLIDATED CONDENSED STATEMENT OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

Six Months Ended June 30	1996	1995
INTEREST INCOME		
Loans receivable	\$ 3,969	\$ 3,581
Investment securities		
Taxable	1,611	1,412
Tax exempt	400	467
Federal funds sold	13	38
	5,993	5,498
INTEREST EXPENSE		
Deposits	3,145	2,969
Short-term borrowings	80	45
Federal Home Loan Bank advances	242	234
	3,467	3,248
NET INTEREST INCOME	2,526	2,250
Provision for loan losses	170	211
	2,356	2,039
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES		
OTHER INCOME		
Service charges on deposit accounts	163	143
Net realized gains on sales of securities	24	22
Other income	52	30
	239	195
OTHER EXPENSES		
Salaries and employee benefits	888	802
Premises and equipment expenses	223	201
Data processing fees	101	89
Deposit insurance expense	1	136
Other expenses	233	127
	1,446	1,355
INCOME BEFORE INCOME TAX	1,149	879
Income tax expense	333	205
	816	674
NET INCOME	\$ 816	\$ 674
NET INCOME PER SHARE		
	\$ 4.21	\$ 3.47
Weighted Average Shares Outstanding	193,968	194,302

See notes to consolidated condensed financial statements.

UNION NATIONAL BANCORP AND SUBSIDIARY
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLAR AMOUNTS IN THOUSANDS)
(UNAUDITED)

	1996	1995
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Balances, January 1	\$ 15,741	\$ 13,409
Net income	816	674
Cash dividends	(135)	(136)
Stock redeemed		(26)
Net change in unrealized gain (loss) on securities available for sale	(581)	597
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Balances, June 30	\$ 15,841	\$ 14,518
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See notes to consolidated condensed financial statements.

UNION NATIONAL BANCORP AND SUBSIDIARY
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

Six Months Ended June 30	1996	1995
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OPERATING ACTIVITIES		
Net income	\$ 816	\$ 674
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	170	211
Depreciation and amortization	112	101
Investment securities amortization (accretion), net	(109)	14
Investment securities gains	(24)	(22)
Net change in		
Other assets	(165)	298
Other liabilities	401	13
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Net cash provided by operating activities	1,201	1,289
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INVESTING ACTIVITIES		
Purchase of securities available for sale	(7,644)	(9,612)
Proceeds from sales of securities available for sale	1,049	
Proceeds from maturities of securities available for sale	7,819	4,500
Purchase of securities held to maturity	(286)	(1,655)
Proceeds from sales of securities held to maturity		380
Proceeds from maturities of securities held to maturity	527	685
Net change in loans	(8,736)	(4,056)
Purchase of premises and equipment	(106)	(28)
Other investing activities	93	
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Net cash used by investing activities	(7,284)	(9,786)
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FINANCING ACTIVITIES		
Net change in		
Deposits	3,512	5,723
Short-term borrowings	1,872	2,395
FHLB advances	1,000	
Cash dividends	(135)	(136)
Stock redeemed		(26)
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Net cash provided by financing activities	6,249	7,956
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	166	(541)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,461	3,663
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,627	\$ 3,122
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See notes to consolidated condensed financial statements.

UNION NATIONAL BANCORP AND SUBSIDIARY
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1: General

The significant accounting policies followed by Union National Bancorp (Corporation) and its wholly owned subsidiary for interim financial reporting are consistent with the accounting polices followed for annual financial reporting. All adjustments which are in the opinion of management necessary for a fair statement of the results for the period reported have been included in the accompanying consolidated financial statements.

Note 2: Acquisition

On August 1, 1996, First Merchants Corporation of Muncie, Indiana (First Merchants) acquired all of the assets of the Corporation through the merger of the Corporation with and into First Merchants. Pursuant to the terms of the merger agreement, stockholders of the Corporation receive 4.86 shares of First Merchants common stock for each share of the Corporation common stock held.

PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed balance sheet as of June 30, 1996, and the pro forma combined condensed statement of income for the year ended June 30, 1996, give effect to the Merger based on the historical consolidated financial statements of First Merchants Corporation ("First Merchants") and its subsidiaries and the historical consolidated financial statements of Union National Bancorp ("Union National") and its subsidiary under the assumptions and adjustments set forth in the accompanying notes to the pro forma financial statements.

The pro forma financial statements have been prepared by the managements of First Merchants and Union National based upon their respective financial statements. These pro forma statements, which include results of operations as if the Merger had been consummated at the beginning of each period presented, may not be indicative of the results that actually would have occurred if the Merger had been in effect on the dates indicated or which may be obtained in the future.

The following pro forma combined condensed balance sheet and condensed statements of income include:

- (a) First Merchant's historical consolidated financial information.
- (b) Union National's historical consolidated financial information.
- (c) The combined statements of First Merchants and Union National, which have been designated herein as "First Merchants/Union National Pro Forma Combined."
- (d) Randolph County Bancorp's ("Randolph County") historical consolidated financial information, which has been designated herein as "Randolph County." On October 2, 1996, First Merchants acquired for shares of First Merchants common stock, all of the issued and outstanding common stock of Randolph County. The transaction will be accounted for as a pooling of interests; accordingly, historical financial data for Randolph County is included for all periods presented.
- (e) The combined statements of First Merchants, Union National and Randolph County which have been designated herein as "Pro Forma Combined."

PRO FORMA COMBINED CONDENSED BALANCE SHEET
 JUNE 30, 1996
 (UNAUDITED)
 (IN THOUSANDS)

	(a)	(b)	(c)	(d)	(e)	
	First Merchants	Union National	Pro Forma Adjustments Increase (Decrease)	First Merchants/ Union National Pro Forma Combined	Randolph County Pro Forma Adjustments Increase (Decrease)	Pro Forma Combined
Assets:						
Cash and due from banks	\$ 31,106	\$ 3,627		\$ 34,733	\$ 2,067	\$ 36,800
Federal funds sold	15,100			15,100		15,100
Interest-bearing deposits					107	107
Investment securities:						
Available for sale	145,992	56,984		202,976	24,271	227,247
Held to maturity	51,015	3,025		54,040		54,040
Total investment securities	197,007	60,009		257,016	24,271	281,287
Loans	439,926	99,170		539,096	44,829	583,925
Allowance for loan losses	(4,919)	(1,047)		(5,966)	(665)	(6,631)
Net loans	435,007	98,123		533,130	44,164	577,294
Premises and equipment	10,467	3,021		13,488	1,273	14,761
Goodwill	1,780			1,780		1,780
Other assets	13,742	2,795		16,537	1,415	17,952
Total Assets	\$ 704,209	\$167,575		\$871,784	\$ 73,297	\$ 945,081
Liabilities:						
Deposits	\$ 574,225	\$ 135,851		\$ 710,076	\$ 62,388	\$ 772,464
Short-term borrowings	41,611	5,274		46,885	1,500	48,385
Federal Home Loan Bank advances		9,000		9,000		9,000
Other liabilities	5,872	1,609		7,481	470	7,951
Total Liabilities	621,708	151,734		773,442	64,358	837,800
Stockholders' equity:						
Common stock	633	970	(852) (1)	751	2,756	(2,686) (2)
Additional paid-in capital	16,132	1,957	852 (1)	18,941	709	2,686 (2)
Retained earnings	65,971	12,800		78,771	5,593	84,364
Net unrealized gain (loss) on securities available for sale	(235)	114		(121)	(119)	(240)
Total Stockholders' Equity	82,501	15,841		98,342	8,939	107,281
Total Liabilities and Stockholders' Equity	\$ 704,209	\$ 167,575		\$ 871,784	\$ 73,297	\$ 945,081

See notes to pro forma combined condensed balance sheet.

NOTES TO PRO FORMA COMBINED CONDENSED BALANCE SHEET (Unaudited)

The following pro forma adjustments are necessary to record the Mergers.

[1] To reflect exchange of shares of Union National common stock for shares of First Merchants common stock, retaining the historical cost basis of assets, liabilities and equity through the treatment as a pooling of interest. A total of 942,685 shares of First Merchants common stock were issued at the exchange ratio of 4.86 shares of First Merchants common stock for each of the 193,968 issued and outstanding shares of Union National common stock as of June 30, 1996, resulting in a transfer from common stock to additional paid-in capital of \$852,000 to reflect the decrease in the aggregate par value of the issued and outstanding shares of First Merchants common stock relative to the aggregate par value of the currently outstanding shares of Union National common stock.

Common stock	\$ (852)
Additional paid-in capital	\$ 852

[2] To reflect exchange of shares of Randolph County common stock for shares of First Merchants common stock, retaining the historical cost basis of assets, liabilities and equity through the treatment as a pooling of interest. A total of 565,705 shares of First Merchants common stock were issued at the exchange ratio of 20.53 shares of First Merchants common stock for each of the 27,555 issued and outstanding shares of Randolph County common stock as of June 30, 1996, resulting in a transfer from common stock to additional paid-in capital of \$2,686,000 to reflect the decrease in the aggregate par value of the issued and outstanding shares of First Merchants common stock relative to the aggregate par value of the currently outstanding shares of Randolph County common stock.

Common stock	\$ (2,686)
Additional paid-in capital	\$ 2,686

PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
SIX MONTHS ENDED JUNE 30, 1996
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	(a)	(b)	Pro Forma Adjustments Increase (Decrease)	(c) First Merchants/ Union National Pro Forma Combined	(d) Randolph County	Pro Forma Adjustments Increase (Decrease)	(e) Pro Forma Combined
Interest income	\$ 25,376	\$ 5,993		\$ 31,369	\$ 2,645		\$ 34,014
Interest expense	11,176	3,467		14,643	1,249		15,892
Net interest income	14,200	2,526		16,726	1,396		18,122
Provision for loan losses	320	170		490	90		580
Net interest income after provision for loan losses	13,880	2,356		16,236	1,306		17,542
Total other income	3,610	239		3,849	120		3,969
Total other expenses	9,546	1,446		10,992	802		11,794
Income before income taxes	7,944	1,149		9,093	624		9,717
Income taxes	2,785	333		3,118	198		3,316
Net income	\$ 5,159	\$ 816		\$ 5,975	\$ 426		\$ 6,401
Net income per common share	\$ 1.02			\$ 1.00			\$ 0.97
Average Shares Outstanding	5,062,259			6,004,944			6,570,649