

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.

First Merchants Corporation
(Registrant)

By: /s/ Mark K. Hardwick

Mark K. Hardwick
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Principal Accounting Officer)

Dated: April 19, 2006

EXHIBIT INDEX

Exhibit No.

99.1

Description

Press Release, dated April 19, 2006, issued by
First Merchants Corporation.

First Merchants Corporation

Exhibit No. 99.1

Press Release, dated April 19, 2006

N / E / W / S R / E / L / E / A / S / E

April 19, 2006

FOR IMMEDIATE RELEASE

For more information, contact:

Mark K. Hardwick, Executive Vice President/Chief Financial Officer, 765-751-1857
<http://firstmerchants.com>

SOURCE: First Merchants Corporation, Muncie, Indiana

FIRST MERCHANTS CORPORATION ANNOUNCES FIRST QUARTER EARNINGS PER SHARE INCREASE OF 17%

First Merchants Corporation (NASDAQ - FRME) has reported first quarter diluted earnings per share totaling \$.41, a 17.1 percent increase over \$.35 recorded in the first quarter of 2005. Net income during the period totaled \$7.5 million compared to \$6.6 million in 2005.

Quarterly net interest income improved \$647,000 and the provision for loan losses decreased \$941,000 improving net interest income after the provision for loan losses by \$1,588,000 or 6.5 percent. Total other income declined by \$449,000 and total other expenses declined by \$443,000.

As of March 31, 2006, non-performing loans totaled 80 basis points of average total loans and the allowance for loan losses as a percent of total loans equaled 1.03 percent.

Total assets equaled \$3.3 billion as of quarter-end, an increase of \$82 million from March 31, 2005. Loans, investments and bank owned life insurance, the Corporation's three primary earning assets, totaled \$3.0 billion, an increase of \$113 million over the prior year.

In order to resolve overlapping market issues and solidify sales efforts, the Corporation merged First United Bank, Middletown into First Merchants Bank, Muncie on January 1, 2006.

Michael L. Cox, President and Chief Executive Officer, stated that, "Management is pleased with the Corporation's improved quarterly earnings per share of 17 percent." Cox also stated that, "Given the inversion of the yield curve and resulting margin compression, continued focus on sales and expense management will be required to attain our Corporate financial goals for the year."

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 2:30 p.m. Eastern Daylight Time on Wednesday, April 19, 2006. To participate dial (Toll Free) 877-407-9210 and reference First Merchants Corporation's first quarter earnings release. A replay will be available until April 26, 2006. To access, US/Canada participants should dial (Toll Free) 877-660-6853 or for International participants, dial 201-612-7415. The replay will require the Account # 286 and Conference ID # 197638.

During the call we may make Forward Looking statements about our relative business outlook. These Forward Looking statements and all other statements made during the call that do not concern historical facts are subject to risks and uncertainties that may materially affect actual results.

Specific Forward Looking statements include but are not limited to any indications regarding the Financial Services industry, the economy and future growth of the balance sheet or income statement.

Detailed financial results are reported on the attached pages.

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. Subsidiaries of the Corporation include First Merchants Bank, NA, Madison Community Bank, United Communities National Bank, First National Bank, Decatur Bank & Trust Company, Frances Slocum Bank, Lafayette Bank & Trust Company, Commerce National Bank and Merchants Trust Company. The Corporation also operates First Merchants Insurance Services, a full-service property casualty, personal lines, and healthcare insurance agency, headquartered in Muncie, Indiana, and is a majority member of Indiana Title Insurance Company, LLC, a title insurance agency.

First Merchants Corporation's common stock is traded over-the-counter on the NASDAQ National Market System under the symbol FRME. Quotations are carried in daily newspapers and can be found on the company's Internet web page (<http://www.firstmerchants.com>).

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CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31,	
	2006	2005
Assets		
Cash and due from banks	\$ 59,176	\$ 67,904
Federal funds sold		22,075
	-----	-----
Cash and cash equivalents	59,176	89,979
Interest-bearing time deposits	9,104	10,737
Investment securities	441,651	409,820
Mortgage loans held for sale	5,170	3,084
Loans	2,491,488	2,414,099
Less: Allowance for loan losses	(25,623)	(24,488)
	-----	-----
Net loans	2,465,865	2,389,611
Premises and equipment	39,029	37,525
Federal Reserve and Federal Home Loan Bank stock	23,421	22,883
Interest receivable	19,035	16,606
Core deposit intangibles and goodwill	138,174	140,578
Cash surrender value of life insurance	43,964	42,426
Other assets	25,346	24,337
	-----	-----
Total assets	\$ 3,269,935	\$ 3,187,586
	=====	=====
Liabilities		
Deposits		
Noninterest-bearing	\$ 325,548	\$ 333,614
Interest-bearing	2,120,524	2,118,605
	-----	-----
Total deposits	2,446,072	2,452,219
Borrowings	469,002	391,193
Interest payable	6,412	6,562
Other liabilities	31,711	27,014
	-----	-----
Total liabilities	2,953,197	2,876,988
Stockholders' equity		
Preferred stock, no-par value		
Authorized and unissued -- 500,000 shares		
Common stock, \$.125 stated value		
Authorized -- 50,000,000 shares		
Issued and outstanding -- 18,440,316 and 18,497,462 shares	2,305	2,312
Additional paid-in capital	146,374	148,347
Retained earnings	177,975	163,761
Accumulated other comprehensive loss	(9,916)	(3,822)
	-----	-----
Total stockholders' equity	316,738	310,598
	-----	-----
Total liabilities and stockholders' equity	\$ 3,269,935	\$ 3,187,586
	=====	=====

FINANCIAL HIGHLIGHTS

(In thousands)	Three Months Ended	
	2006	2005
NET CHARGE OFF'S	\$ 1,291	\$ 727
AVERAGE BALANCES		
Total Assets	\$3,235,933	\$3,163,548
Total Loans	2,474,759	2,414,050
Total Deposits	2,407,646	2,418,910
Total Stockholders' Equity	316,629	315,326
FINANCIAL RATIOS		
Return on Average Assets	.93%	.83%
Return on Avg. Stockholders' Equity	9.49	8.33
Avg. Earning Assets to Avg. Assets	91.27	90.61
Allowance for Loan Losses as % Of Total Loans	1.03	1.01
Net Charge Off's as % Of Avg. Loans (Annualized)	.21	.12
Dividend Payout Ratio	56.10	65.71
Avg. Stockholders' Equity to Avg. Assets	9.78	9.97
Tax Equivalent Yield on Earning Assets	6.64	5.90
Cost of Supporting Liabilities	2.77	2.01
Net Int. Margin (FTE) on Earning Assets	3.87	3.89

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended March 31,	
	2006	2005
Interest income		
Loans receivable		
Taxable	\$ 43,079	\$ 36,822
Tax exempt	168	134
Investment securities		
Taxable	2,726	2,329
Tax exempt	1,647	1,553
Federal funds sold	17	27
Deposits with financial institutions	114	142
Federal Reserve and Federal Home Loan Bank stock	311	308
	-----	-----
Total interest income	48,062	41,315
	-----	-----
Interest expense		
Deposits	14,419	9,806
Federal funds purchased	489	
Securities sold under repurchase agreements	835	249
Federal Home Loan Bank advances	2,656	2,375
Subordinated debentures, revolving credit lines and term loans	1,991	1,789
Other borrowings	83	154
	-----	-----
Total interest expense	20,473	14,373
	-----	-----
Net interest income	27,589	26,942
Provision for loan losses	1,726	2,667
	-----	-----
Net interest income after provision for loan losses	25,863	24,275
	-----	-----
Other income		
Fiduciary activities	1,951	1,962
Service charges on deposit accounts	2,426	2,723
Other customer fees	1,355	1,085
Net realized gains on sales of available-for-sale securities	9	
Commission income	1,504	1,504
Earnings on cash surrender value of life insurance	423	401
Net gains and fees on sales of loans	554	677
Other income	375	694
	-----	-----
Total other income	8,597	9,046
	-----	-----
Other expenses		
Salaries and employee benefits	14,392	14,821
Net occupancy expenses	1,434	1,376
Equipment expenses	1,949	1,857
Marketing expense	400	415
Outside data processing fees	883	1,009
Printing and office supplies	304	337
Core deposit amortization	762	787
Other expenses	3,664	3,629
	-----	-----
Total other expenses	23,788	24,231
	-----	-----
Income before income tax	10,672	9,090
Income tax expense	3,163	2,523
	-----	-----
Net income	\$ 7,509	\$ 6,567
	=====	=====
Per Share Data		
Basic Net Income	.41	.35
Diluted Net Income	.41	.35
Cash Dividends Paid	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,526	18,697

CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Assets					
Cash and due from banks	\$ 59,176	\$ 70,417	\$ 81,310	\$ 71,498	\$ 67,904
Federal funds sold					22,075
	-----	-----	-----	-----	-----
Cash and cash equivalents	59,176	70,417	81,310	71,498	89,979
Interest-bearing time deposits	9,104	8,748	10,708	9,255	10,737
Investment securities	441,651	434,266	436,794	420,685	409,820
Mortgage loans held for sale	5,170	4,910	5,026	1,356	3,084
Loans	2,491,488	2,457,427	2,443,931	2,440,906	2,414,099
Less: Allowance for loan losses	(25,623)	(25,188)	(25,149)	(25,091)	(24,488)
	-----	-----	-----	-----	-----
Net loans	2,465,865	2,432,239	2,418,782	2,415,815	2,389,611
Premises and equipment	39,029	39,417	38,473	37,240	37,525
Federal Reserve and Federal Home Loan Bank stock	23,421	23,200	23,165	23,054	22,883
Interest receivable	19,035	19,690	19,561	16,950	16,606
Core deposit intangibles and goodwill	138,174	138,833	139,597	139,799	140,578
Cash surrender value of life insurance	43,964	43,579	43,230	42,827	42,426
Other assets	25,346	21,780	21,792	22,819	24,337
	-----	-----	-----	-----	-----
Total assets	\$ 3,269,935	\$ 3,237,079	\$ 3,238,438	\$ 3,201,298	\$ 3,187,586
	=====	=====	=====	=====	=====
Liabilities					
Deposits					
Noninterest-bearing	\$ 325,548	\$ 314,335	\$ 346,318	\$ 363,654	\$ 333,614
Interest-bearing	2,120,524	2,068,241	2,118,975	2,040,624	2,118,605
	-----	-----	-----	-----	-----
Total deposits	2,446,072	2,382,576	2,465,293	2,404,278	2,452,219
Borrowings	469,002	508,236	423,959	454,400	391,193
Interest payable	6,412	5,874	5,643	5,068	6,562
Other liabilities	31,711	26,997	25,153	24,194	27,014
	-----	-----	-----	-----	-----
Total liabilities	2,953,197	2,923,683	2,920,048	2,887,940	2,876,988
Stockholders' equity					
Preferred stock, no-par value					
Authorized and unissued -- 500,000 shares					
Common stock, \$.125 stated value					
Authorized -- 50,000,000 shares					
Issued and outstanding	2,305	2,302	2,313	2,302	2,312
Additional paid-in capital	146,374	145,682	148,004	146,057	148,347
Retained earnings	177,975	174,717	171,419	167,452	163,761
Accumulated other comprehensive loss	(9,916)	(9,305)	(3,346)	(2,453)	(3,822)
	-----	-----	-----	-----	-----
Total stockholders' equity	316,738	313,396	318,390	313,358	310,598
	-----	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$ 3,269,935	\$ 3,237,079	\$ 3,238,438	\$ 3,201,298	\$ 3,187,586
	=====	=====	=====	=====	=====

NON-PERFORMING ASSETS

(in thousands)

	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
90 days past due	\$ 5,188	\$ 3,965	\$ 3,560	\$ 3,696	\$ 1,948
Non-accrual loans	11,424	10,030	11,757	11,626	13,272
Other real estate	3,209	2,835	3,023	1,804	2,003
	-----	-----	-----	-----	-----
Total non-performing assets	\$ 19,821	\$ 16,830	\$ 18,340	\$ 17,126	\$ 17,223
	=====	=====	=====	=====	=====
Average total loans for the quarter	\$2,474,759	\$2,447,794	\$2,444,131	\$2,430,081	\$2,414,050
Total non-performing assets as a percent of average total loans	.80%	.69%	.75%	.70%	.71%
Restructured loans	\$ 114	\$ 310	\$ 454	\$ 531	\$ 337

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)	Three Months Ended				
	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Interest Income					
Loans receivable					
Taxable	\$ 43,079	\$ 41,930	\$ 40,853	\$ 38,831	\$ 36,822
Tax exempt	168	160	160	189	134
Investment securities					
Taxable	2,726	2,480	2,427	2,376	2,329
Tax exempt	1,647	1,672	1,595	1,554	1,553
Federal funds sold	17	74	51	112	27
Deposits with financial institutions	114	202	185	166	142
Federal Reserve and Federal Home Loan Bank stock	311	296	296	285	308
	-----	-----	-----	-----	-----
Total interest income	48,062	46,814	45,567	43,513	41,315
	-----	-----	-----	-----	-----
Interest expense					
Deposits	14,419	13,414	12,172	10,729	9,806
Federal funds purchased	489				
Securities sold under repurchase agreements	835	647	523	193	249
Federal Home Loan Bank advances	2,656	2,410	2,549	2,443	2,375
Subordinated debentures, revolving credit lines and term loans	1,991	1,910	1,894	1,839	1,789
Other borrowings	83	307	289	388	154
	-----	-----	-----	-----	-----
Total interest expense	20,473	18,688	17,427	15,592	14,373
	-----	-----	-----	-----	-----
Net interest income	27,589	28,126	28,140	27,921	26,942
Provision for loan losses	1,726	1,945	1,794	1,948	2,667
	-----	-----	-----	-----	-----
Net interest income after provision for loan losses	25,863	26,181	26,346	25,973	24,275
	-----	-----	-----	-----	-----
Other income					
Fiduciary activities	1,951	1,762	1,794	1,963	1,962
Service charges on deposit accounts	2,426	2,691	2,836	3,048	2,723
Other customer fees	1,355	1,432	1,389	1,188	1,085
Net realized gains (losses) on sales of available-for-sale securities	9	(24)	16	6	
Commission income	1,504	690	870	757	1,504
Earnings on cash surrender value of life insurance	423	386	441	439	401
Net gains and fees on sales of loans	554	676	770	779	677
Other income	375	516	664	582	694
	-----	-----	-----	-----	-----
Total other income	8,597	8,129	8,780	8,762	9,046
	-----	-----	-----	-----	-----
Other expenses					
Salaries and employee benefits	14,392	12,596	13,384	13,258	14,821
Net occupancy expenses	1,434	1,428	1,570	1,422	1,376
Equipment expenses	1,949	1,952	1,901	1,852	1,857
Marketing expense	400	625	446	526	415
Outside data processing fees	883	989	979	1,033	1,009
Printing and office supplies	304	400	328	304	337
Core deposit amortization	762	767	770	778	787
Other expenses	3,664	4,469	3,923	4,026	3,629
	-----	-----	-----	-----	-----
Total other expenses	23,788	23,226	23,301	23,199	24,231
	-----	-----	-----	-----	-----
Income before income tax	10,672	11,084	11,825	11,536	9,090
Income tax expense	3,163	3,553	3,605	3,615	2,523
	-----	-----	-----	-----	-----
Net income	\$ 7,509	\$ 7,531	\$ 8,220	\$ 7,921	\$ 6,567
	=====	=====	=====	=====	=====
Per Share Data					
Basic Net Income	\$.41	\$.41	\$.45	\$.43	\$.35
Diluted Net Income	.41	.41	.44	.43	.35
Cash Dividends Paid	.23	.23	.23	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,526	18,558	18,590	18,536	18,697
FINANCIAL RATIOS					
Return on Average Assets	.93%	.95%	1.03%	.99%	.83%
Return on Avg. Stockholders' Equity	9.49	9.49	10.38	10.13	8.33
Avg. Earning Assets to Avg. Assets	91.27	91.47	90.83	90.81	90.61
Allowance for Loan Losses as % Of Total Loans	1.03	1.02	1.03	1.03	1.01
Net Charge Off's as % Of Avg. Loans (Annualized)	.21	.31	.28	.22	.12
Dividend Payout Ratio	56.10	56.10	52.27	53.49	65.71
Avg. Stockholders' Equity to Avg. Assets	9.78	10.05	9.89	9.80	9.97
Tax Equivalent Yield on Earning Assets	6.64	6.62	6.40	6.14	5.90
Cost of Supporting Liabilities	2.77	2.59	2.40	2.15	2.01

LOANS

(in thousands)	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Commercial and industrial loans	\$ 486,411	\$ 461,102	\$ 476,010	\$ 463,002	\$ 447,552
Agricultural production financing and other loans to farmers	87,433	95,130	94,262	93,274	83,800
Real estate loans:					
Construction	175,784	174,783	171,667	166,367	170,498
Commercial and farmland	743,905	734,865	719,154	723,099	726,345
Residential	746,410	751,217	746,777	759,003	760,560
Individuals' loans for household and other personal expenditures	202,478	200,139	186,792	182,362	187,552
Tax exempt loans	13,656	8,263	12,439	14,135	10,592
Lease financing receivables, net of unearned income	8,193	8,713	9,538	10,533	10,704
Other loans	27,218	23,215	27,292	29,131	16,496
	-----	-----	-----	-----	-----
Allowance for loan losses	2,491,488 (25,623)	2,457,427 (25,188)	2,443,931 (25,149)	2,440,906 (25,091)	2,414,099 (24,488)
	-----	-----	-----	-----	-----
Total loans	\$2,465,865	\$2,432,239	\$2,418,782	\$2,415,815	\$2,389,611
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DEPOSITS

(in thousands)	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Demand deposits	\$ 671,027	\$ 690,923	\$ 697,597	\$ 720,263	\$ 686,695
Savings deposits	526,554	566,212	568,366	593,770	655,643
Certificates and other time deposits of \$100,000 or more	320,213	264,665	320,640	234,988	285,878
Other certificates and time deposits	928,278	860,776	878,690	855,257	824,003
	-----	-----	-----	-----	-----
	\$2,446,072	\$2,382,576	\$2,465,293	\$2,404,278	\$2,452,219
	=====	=====	=====	=====	=====