

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: July 20, 2007

EXHIBIT INDEX

Exhibit No.	Description
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99.1	Press Release, dated July 20, 2007, issued by First Merchants Corporation.

First Merchants Corporation

Exhibit No. 99.1

Press Release, dated July 20, 2007

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

July 20, 2007

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 SECOND QUARTER EARNINGS PER SHARE

First Merchants Corporation (NASDAQ - FRME) has reported June 30, 2007 net income of \$13,979,000, a \$821,000 decrease over the \$14,800,000 earned in the first half of 2006. Diluted earnings per share totaled \$.76, a \$.04 decrease over 2006 first half earnings per share of \$.80.

Second quarter net income totaled \$6,208,000, down from the 2006 second quarter \$7,291,000. Diluted earnings per share totaled \$.34, a \$.05 decline from the second quarter of 2006.

Included in the second quarter and first half results were special charges related to the early redemption of the Corporation's subordinated debentures payable to First Merchants Capital Trust I and subsequent redemption by First Merchants Capital Trust I of its outstanding common and preferred fixed rate securities (NASDAQ-FRMEP) as reported on Form 8-K on April 26, 2007. The early redemption of the debentures required the Corporation to accelerate the recognition of the remaining unamortized underwriting fee of approximately \$1.8 million, or \$.06 per share, during the second quarter. Going forward, the Corporation's more favorable terms provide savings of \$1.2 million, or \$.04 per share annually.

Additionally, in a January 24, 2007 press release, the Corporation announced its plan to integrate the data operations of its Columbus, Ohio, bank into its corporate operations center. The company finalized the re-branding of four bank charters into First Merchants Bank on April 1, 2007. Of the four merged charters one data consolidation is complete. The expense related to these efforts was reported to cost just over \$1 million in 2007. As of June 30, 2007, the Corporation has expensed \$601,000, or \$.02 per share.

Total assets equaled \$3.67 billion at quarter-end, an increase of \$261 million, or 7.7 percent, from June 30, 2006. Loans and investments, the Corporation's primary earning assets, totaled \$3.29 billion, an increase of \$227 million, or 7.5 percent, over the prior period.

Non-interest income increased by \$2,562,000, or 15.1 percent, through June as service charges on deposits increased by \$777,000, earnings on cash surrender value of bank-owned life insurance increased by \$612,000, and insurance commission increased by \$457,000.

Second quarter net-Interest margin, when normalized for the recognition of the previously mentioned remaining unamortized underwriting fee totaling approximately \$1.8 million, or 22 basis points, equaled the first quarter net-interest margin of 3.50 percent.

Year-to-date operating expense, absent the \$601,000 related to operational conversions, increased by \$1,879,000, or 3.9 percent.

The allowance for loan losses increased during the last twelve months by \$1.7 million as non-performing loans totaled 1.39 basis points of average total loans and the allowance for loan losses as a percent of total loans equaled .98 percent.

Michael C. Rechin, President and Chief Executive Officer, stated that, "The Corporation's normalized earnings per share for the quarter totaled \$.42 per share and \$.84 for the first half of 2007, representing increases of 7.7 percent and 5.0 percent, respectively." Rechin also added, "The tactical execution of our 2007 plan continues to proceed as expected. The continued growth of our balance sheet and fee income combined with the refinance of our trust preferred securities, charter consolidation and tax management should prove to accelerate our performance into the second half of 2007."

CONFERENCE CALL

First Merchants Corporation will conduct a conference call at 2:30 p.m. Eastern Daylight Time on Friday, July 20, 2007. To participate, dial (Toll Free) 877-407-9210 and reference First Merchants Corporation's second quarter earnings. A replay will be available until July 27, 2007. To access replay, 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 # 247985.

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, N.A., First Merchants Bank of Central Indiana, N.A., Lafayette Bank & Trust Company, N.A., Commerce National Bank and First Merchants Trust Company, N.A. The Corporation also operates First Merchants Insurance Services, a full-service property casualty, personal lines, and healthcare insurance agency 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)

	June 30,	
	2007	2006
Assets		
Cash and due from banks	\$ 80,921	\$ 71,275
Interest-bearing time deposits	8,898	8,529
Investment securities	479,281	466,882
Mortgage loans held for sale	2,842	5,338
Loans	2,806,068	2,591,440
Less: Allowance for loan losses	(27,608)	(25,884)
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Net loans	2,778,460	2,565,556
Premises and equipment	44,126	41,122
Federal Reserve and Federal Home Loan Bank stock	23,822	23,889
Interest receivable	21,615	19,539
Core deposit intangibles and goodwill	137,056	137,429
Cash surrender value of life insurance	69,111	44,358
Other assets	23,383	24,346
	-----	-----
Total assets	\$ 3,669,515	\$ 3,408,263
	=====	=====
Liabilities		
Deposits		
Noninterest-bearing	\$ 362,083	\$ 340,046
Interest-bearing	2,357,518	2,195,354
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Total deposits	2,719,601	2,535,400
Borrowings	587,574	527,347
Interest payable	10,417	6,927
Other liabilities	24,543	25,585
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Total liabilities	3,342,135	3,095,259
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 -- 18,285,359 and 18,259,256 shares	2,286	2,282
Additional paid-in capital	143,317	142,037
Retained earnings	193,460	181,042
Accumulated other comprehensive loss	(11,683)	(12,357)
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Total stockholders' equity	327,380	313,004
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Total liabilities and stockholders' equity	\$ 3,669,515	\$ 3,408,263
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FINANCIAL HIGHLIGHTS

(In thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
NET CHARGE OFF'S	\$ 859	\$ 1,468	\$ 2,179	\$ 2,759
AVERAGE BALANCES				
Total Assets	\$3,601,473	\$3,321,852	\$3,562,122	\$3,279,130
Total Loans	2,764,209	2,534,675	2,733,840	2,504,886
Total Deposits	2,729,145	2,491,665	2,709,635	2,449,888
Total Stockholders' Equity	329,613	316,871	328,981	316,751
FINANCIAL RATIOS				
Return on Average Assets	.69%	.88%	.78%	.90%
Return on Avg. Stockholders' Equity	7.53	9.20	8.50	9.35
Avg. Earning Assets to Avg. Assets	90.96	91.21	91.04	91.24
Allowance for Loan Losses as % Of Total Loans	.98	1.00	.98	1.00
Net Charge Off's as % Of Avg. Loans (Annualized)	.12	.23	.16	.22
Dividend Payout Ratio	67.65	58.97	60.53	57.50
Avg. Stockholders' Equity to Avg. Assets	9.15	9.54	9.24	9.66
Tax Equivalent Yield on Earning Assets	7.09	6.87	7.05	6.76
Cost of Supporting Liabilities	3.81	3.07	3.66	2.92
Net Int. Margin (FTE) on Earning Assets	3.28	3.80	3.39	3.83

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Interest income				
Loans receivable				
Taxable	\$ 51,204	\$ 45,658	\$100,849	\$ 88,737
Tax exempt	249	231	450	399
Investment securities				
Taxable	3,394	3,082	6,676	5,808
Tax exempt	1,651	1,613	3,312	3,260
Federal funds sold	91	11	92	28
Deposits with financial institutions	120	132	243	246
Federal Reserve and Federal Home Loan Bank stock	299	320	627	631
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Total interest income	57,008	51,047	112,249	99,109
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Interest expense				
Deposits	22,390	16,914	44,196	31,333
Federal funds purchased	1,047	625	1,901	1,114
Securities sold under repurchase agreements	910	1,053	1,479	1,888
Federal Home Loan Bank advances	3,009	2,610	5,945	5,266
Subordinated debentures, revolving credit lines and term loans	3,808	2,020	5,809	4,011
Other borrowings		59		142
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Total interest expense	31,164	23,281	59,330	43,754
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Net interest income	25,844	27,766	52,919	55,355
Provision for loan losses	1,648	1,729	3,247	3,455
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Net interest income after provision for loan losses	24,196	26,037	49,672	51,900
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Other income				
Fiduciary activities	2,257	1,949	4,293	3,900
Service charges on deposit accounts	3,091	2,771	5,974	5,197
Other customer fees	1,535	1,389	3,026	2,744
Net realized gains on sales of available-for-sale securities		(9)	(1)	
Commission income	1,269	946	2,907	2,450
Earnings on cash surrender value of life insurance	782	432	1,467	855
Net gains and fees on sales of loans	611	511	1,143	1,065
Other income	221	422	761	797
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Total other income	9,766	8,411	19,570	17,008
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Other expenses				
Salaries and employee benefits	14,796	13,543	29,522	27,935
Net occupancy expenses	1,612	1,477	3,210	2,911
Equipment expenses	1,783	2,007	3,505	3,956
Marketing expense	653	438	1,140	838
Outside data processing fees	1,036	921	1,987	1,804
Printing and office supplies	388	424	687	728
Core deposit amortization	790	761	1,581	1,523
Other expenses	4,910	4,323	8,530	7,987
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Total other expenses	25,968	23,894	50,162	47,682
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Income before income tax	7,994	10,554	19,080	21,226
Income tax expense	1,786	3,263	5,101	6,426
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Net income	\$ 6,208	\$ 7,291	\$ 13,979	\$ 14,800
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Per Share Data				
Basic Net Income	.34	.39	.76	.80
Diluted Net Income	.34	.39	.76	.80
Cash Dividends Paid	.23	.23	.46	.46
Average Diluted Shares Outstanding (in thousands)	18,369	18,463	18,432	18,495

CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Assets					
Cash and due from banks	\$ 80,921	\$ 43,629	\$ 89,957	\$ 65,641	\$ 71,275
Interest-bearing time deposits	8,898	6,785	11,284	8,717	8,529
Investment securities	479,281	476,199	465,217	468,074	466,882
Mortgage loans held for sale	2,842	2,732	5,413	3,395	5,338
Loans	2,806,068	2,731,140	2,692,601	2,641,644	2,591,440
Less: Allowance for loan losses	(27,608)	(26,819)	(26,540)	(26,975)	(25,884)
Net loans	2,778,460	2,704,321	2,666,061	2,614,669	2,565,556
Premises and equipment	44,126	43,262	42,393	40,511	41,122
Federal Reserve and Federal Home Loan Bank stock	23,822	23,691	23,691	23,620	23,889
Interest receivable	21,615	21,941	24,345	23,946	19,539
Core deposit intangibles and goodwill	137,056	137,847	138,638	136,666	137,429
Cash surrender value of life insurance	69,111	68,360	64,213	63,539	44,358
Other assets	23,383	26,047	23,658	23,261	24,346
Total assets	\$ 3,669,515	\$ 3,554,814	\$ 3,554,870	\$ 3,472,039	\$ 3,408,263
Liabilities					
Deposits					
Noninterest-bearing	\$ 362,083	\$ 325,615	\$ 362,058	\$ 324,601	\$ 340,046
Interest-bearing	2,357,518	2,361,773	2,388,480	2,369,690	2,195,354
Total deposits	2,719,601	2,687,388	2,750,538	2,694,291	2,535,400
Borrowings	587,574	497,188	440,764	419,146	527,347
Interest payable	10,417	10,834	9,326	10,236	6,927
Other liabilities	24,543	30,756	26,917	26,075	25,585
Total liabilities	3,342,135	3,226,166	3,227,545	3,149,748	3,095,259
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	2,286	2,289	2,305	2,292	2,282
Additional paid-in capital	143,317	143,672	146,460	143,688	142,037
Retained earnings	193,460	191,476	187,965	184,555	181,042
Accumulated other comprehensive loss	(11,683)	(8,789)	(9,405)	(8,244)	(12,357)
Total stockholders' equity	327,380	328,648	327,325	322,291	313,004
Total liabilities and stockholders' equity	\$ 3,669,515	\$ 3,554,814	\$ 3,554,870	\$ 3,472,039	\$ 3,408,263

NON-PERFORMING ASSETS

(in thousands)

	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
90 days past due	\$ 5,203	\$ 4,554	\$ 2,870	\$ 4,253	\$ 8,818
Non-accrual loans	30,820	22,704	17,926	16,524	12,611
Other real estate	2,274	3,102	2,160	2,194	2,497
Total non-performing assets	\$ 38,297	\$ 30,360	\$ 22,956	\$ 22,971	\$ 23,926
Average total loans for the quarter	\$2,764,209	\$2,703,134	\$2,653,700	\$2,613,805	\$2,534,675
Total non-performing assets as a percent of average total loans	1.39%	1.12%	.87%	.87%	.94%
Restructured loans	\$ 58	\$ 59	\$ 84	\$ 93	\$ 111

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)	Three Months Ended				
	June 30, 2007	March 31, 2007	December 31, 2006	September 30 2006	June 30, 2006
Interest Income					
Loans receivable					
Taxable	\$ 51,204	\$ 49,645	\$ 49,293	\$ 48,738	\$ 45,658
Tax exempt	249	201	240	189	231
Investment securities					
Taxable	3,394	3,282	3,219	3,289	3,082
Tax exempt	1,651	1,661	1,660	1,645	1,613
Federal funds sold	91	1	332	13	11
Deposits with financial institutions	120	123	110	144	132
Federal Reserve and Federal Home Loan Bank stock	299	328	318	307	320
Total interest income	57,008	55,241	55,172	54,325	51,047
Interest expense					
Deposits	22,390	21,806	22,690	20,291	16,914
Federal funds purchased	1,047	854	93	635	625
Securities sold under repurchase agreements	910	569	488	852	1,053
Federal Home Loan Bank advances	3,009	2,936	2,672	2,796	2,610
Subordinated debentures, revolving credit lines and term loans	3,808	2,001	2,046	2,067	2,020
Other borrowings			67	60	59
Total interest expense	31,164	28,166	28,056	26,701	23,281
Net interest income	25,844	27,075	27,116	27,624	27,766
Provision for loan losses	1,648	1,599	1,245	1,558	1,729
Net interest income after provision for loan losses	24,196	25,476	25,871	26,066	26,037
Other income					
Fiduciary activities	2,257	2,036	1,862	1,863	1,949
Service charges on deposit accounts	3,091	2,883	3,010	3,055	2,771
Other customer fees	1,535	1,491	1,387	1,386	1,389
Net realized gains (losses) on sales of available-for-sale securities		(1)	(4)		(9)
Commission income	1,269	1,638	881	971	946
Earnings on cash surrender value of life insurance	782	685	712	719	432
Net gains and fees on sales of loans	611	532	613	493	511
Other income	221	540	309	348	422
Total other income	9,766	9,804	8,770	8,835	8,411
Other expenses					
Salaries and employee benefits	14,796	14,726	14,157	14,033	13,543
Net occupancy expenses	1,612	1,598	1,498	1,477	1,477
Equipment expenses	1,783	1,722	1,956	2,035	2,007
Marketing expense	653	487	508	586	438
Outside data processing fees	1,036	951	804	841	921
Printing and office supplies	388	299	401	367	424
Core deposit amortization	790	791	781	762	761
Other expenses	4,910	3,620	4,315	3,854	4,323
Total other expenses	25,968	24,194	24,420	23,955	23,894
Income before income tax	7,994	11,086	10,221	10,946	10,554
Income tax expense	1,786	3,315	2,562	3,207	3,263
Net income	\$ 6,208	\$ 7,771	\$ 7,659	\$ 7,739	\$ 7,291
Per Share Data					
Basic Net Income	\$.34	\$.42	\$.42	\$.42	\$.39
Diluted Net Income	.34	.42	.42	.42	.39
Cash Dividends Paid	.23	.23	.23	.23	.23
Average Diluted Shares Outstanding (in thousands)	18,369	18,497	18,498	18,381	18,463
FINANCIAL RATIOS					
Return on Average Assets	.69%	.88%	.88%	.90%	.88%
Return on Avg. Stockholders' Equity	7.53	9.47	9.39	9.72	9.20
Avg. Earning Assets to Avg. Assets	90.96	91.13	90.87	91.26	91.21
Allowance for Loan Losses as % Of Total Loans	.98	.98	.99	1.02	1.00
Net Charge Off's as % Of Avg. Loans (Annualized)	.23	.20	.25	.07	.23
Dividend Payout Ratio	67.65	54.76	56.10	54.76	58.97
Avg. Stockholders' Equity to Avg. Assets	9.15	9.32	9.32	9.30	9.54
Tax Equivalent Yield on Earning Assets	7.09	7.01	7.07	7.08	6.87

Cost of Supporting Liabilities	3.81	3.51	3.53	3.42	3.07
Net Int. Margin (FTE) on Earning Assets	3.28	3.50	3.54	3.66	3.80

LOANS

(in thousands)	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Commercial and industrial loans	\$ 590,345	\$ 557,304	\$ 537,305	\$ 497,280	\$ 501,238
Agricultural production financing and other loans to farmers	103,713	97,784	100,098	104,147	95,352
Real estate loans:					
Construction	172,247	151,782	169,491	175,753	178,254
Commercial and farmland	895,301	906,726	861,429	835,403	813,171
Residential	768,392	756,316	749,921	757,116	744,552
Individuals' loans for household and other personal expenditures	206,435	210,578	223,504	215,237	208,768
Tax exempt loans	23,181	15,306	14,423	16,550	13,656
Lease financing receivables, net of unearned income	7,906	7,648	8,010	8,543	8,589
Other loans	38,548	27,696	28,420	31,615	27,860
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Allowance for loan losses	2,806,068 (27,608)	2,731,140 (26,819)	2,692,601 (26,540)	2,641,644 (26,975)	2,591,440 (25,884)
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Total loans	\$2,778,460	\$2,704,321	\$2,666,061	\$2,614,669	\$2,565,556
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DEPOSITS

(in thousands)	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Demand deposits	\$ 855,458	\$ 787,538	\$ 883,294	\$ 743,154	\$ 758,132
Savings deposits	494,738	530,692	507,431	512,112	510,878
Certificates and other time deposits of \$100,000 or more	443,355	398,061	408,910	394,724	313,751
Other certificates and time deposits	926,050	971,097	950,903	1,044,301	952,639
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Total deposits	\$ 2,719,601	\$2,687,388	\$2,750,538	\$2,694,291	\$2,535,400
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