

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

() Check this 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
 HELMS, LARRY R.
 4905 NORTH TILLOTSON 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
 May 1997
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 () Director () 10% Owner (X) Officer (give title below) () Other
 (specify below)
 SENIOR VICE PRESIDENT AND GENERAL COUNSEL
7. Individual or Joint/Group Filing (Check Applicable Line)
 (X) Form filed by One Reporting Person
 () Form filed by More than One Reporting Person

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 Month	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
			Amount	Price			
Common Stock	05-23-1997	M	3,150	A	10.7778		
Common Stock	05-23-1997	M	2,700	A	9.1111		
Common Stock	05-23-1997	M	2,475	A	11.3333		
Common Stock	05-23-1997	F	2,985	D	29.00	8,412	D

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 Month	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
Employee Stock Option (Right to Buy)	10.7778	05-23-97	M	3,150	D 12-31-89 06-30-99	Common Stock	3,150			
	9.1111	05-23-97	M	2,700	D 04-03-91 10-03-00	Common Stock	2,700			
	11.3333	05-23-97	M	2,475	D 01-30-92 07-30-01	Common Stock	2,475	11,675	D	

Explanation of Responses:
 Reporting person submitted shares of common stock and cash in the amount of \$34.96 to exercise the options indicated.

SIGNATURE OF REPORTING PERSON
 Larry R. Helms
 DATE
 May 27, 1997