UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): April 19, 2006

FIRST MERCHANTS CORPORATION (Exact name of registrant as specified in its charter)

INDIANA 0-17071 35-1544218 (State or other jurisdiction (Commission file number) (IRS Employer of incorporation) Identification No.)

200 East Jackson Street P.O. Box 792 Muncie, IN 47305-2814 (Address of principal executive offices, including zip code)

(765) 747-1500 (Registrant's telephone number, including area code)

Not Applicable (Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Page 1 of 11

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 19, 2006, First Merchants Corporation issued a press release to report its financial results for the first quarter ended March 31, 2006. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit No. 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section. The information in this Current Report shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Not applicable.
- (b) Not applicable.
- (C) Exhibits.

Exhibit 99.1 Press Release, dated April 19, 2006, issued by First Merchants Corporation

Page 2 of 11

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

Page 3 of 11

EXHIBIT INDEX

Exhibit No.

99.1

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

Page 4 of 11

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."

Page 5 of 11

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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Page 6 of 11

CONSOLIDATED BALANCE SHEETS

(in thousands)	Marcl	ı 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 10,737
Interest-bearing time deposits	9,104	10,737
Investment securities	441,051	409,820
Mortgage loans held for sale	5,170	3,084
Loans	2,491,488	2,414,099
Less: Allowance for loan losses	(23,023)	(24,400)
Net loans		2,389,611
Premises and equipment	2,465,865 39,029	37,525
Federal Reserve and Federal Home Loan Bank stock	23,421	37,525 22,883
Interest receivable	19,035	16,606
Core deposit intangibles and goodwill	138,174	16,606 140,578
Cash surrender value of life insurance	43,964	42,426
Other assets	25,346	24,337
Total assets	43,964 25,346 \$ 3,269,935	 Ф 2 197 БОС
TOLAL ASSELS	\$ 3,209,935 ========	\$ 3,107,500
Liabilities		
Deposits		
Noninterest-bearing	\$ 325.548	\$ 333.614
Interest-bearing	2,120,524	2.118.605
	\$ 325,548 2,120,524	
Total deposits	2,446,072	2,452,219
Borrowings	469,002	391, 193
Interest payable	6,412	6,562
Other liabilities	31,711	2,452,219 391,193 6,562 27,014
Total liabilities	2,953,197	2,876,988
Stockholders' equity	2,955,197	2,070,900
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	4 4 0 0 7 4	1 10 017
Retained earnings		148,347 163,761
Accumulated other comprehensive loss	(9,916)	163,761 (3,822)
Total stockholders' equity	316,738	310,598
	316,738	
Total liabilities and stockholders' equity	\$ 3,269,935 ======	\$ 3,187,586 =======

FINANCIAL HIGHLIGHTS

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

Page 7 of 11

CONSOLIDATED STATEMENTS OF INCOME

CONSULIDATED STATEMENTS OF INCOME					
(in thousands, except share data)	Three Months Ended				
		:h 31,			
	2006	2005			
Interest income					
Loans receivable Taxable	\$ 13 070	\$ 26 822			
Tax exempt	168	\$ 36,822 134			
Investment securities					
Taxable	2,726	2,329 1,553			
Tax exempt	2,726 1,647 17 114	1,553			
Federal funds sold	17	27 142			
Deposits with financial institutions Federal Reserve and Federal Home Loan Bank stock	114 311	742			
Federal Reserve and Federal nome Loan bank Stock					
Total interest income	48,062	41,315			
Interest expense					
Deposits Fodoral funda nurohacad	14,419 489	9,806			
Federal funds purchased Securities sold under repurchase agreements		249			
Federal Home Loan Bank advances	2,656	249 2,375			
Subordinated debentures, revolving credit lines					
and term loans	1,991	1,789 154			
Other borrowings					
Total interest synamos					
Total interest expense	20,473				
Net interest income	27.589	26,942			
Provision for loan losses	1,726	2,667			
Net interest income	05 000	04 075			
after provision for loan losses	25,863	24,275			
Other income					
Fiduciary activities	1,951	1,962			
Service charges on deposit accounts	2,426	1,962 2,723			
Other customer fees	1,355	1,085			
Net realized gains on					
sales of available-for-sale securities Commission income	9	1 504			
Earnings on cash surrender value	1,504	1,504			
of life insurance	423	401			
Net gains and fees on sales of loans	554				
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				
Marketing expense	400	415			
Outside data processing fees Printing and office supplies	883 304	1,009 337			
Core deposit amortization	762	787			
Other expenses	3,664	3,629			
Total other expenses	23,788	24,231			
Income hefere income tax	10 670	0 000			
Income before income tax Income tax expense	10,672 3,163	9,090 2,523			
	3,103	2,525			
Net income	\$ 7,509	\$ 6,567			
	=======	=======			
Per Share Data					
Basic Net Income	/1	.35			
Diluted Net Income	.41 .41				
Cash Dividends Paid	.23				
Average Diluted Shares	0				
Outstanding (in thousands)	18,526	18,697			

CONSOLIDATED BALANCE SHEETS

(in thousands)	March 31, 2006	'	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 8,748 434,266	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
Moregage roans nero for sare	5,1/0	4,910	5,020	1,350	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	39,417 23,200 19,690 138,833	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	43,579 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		\$ 314,335			
Interest-bearing	2,120,524	2,068,241	2,118,975	2,040,624	2,118,605
Total deposits Borrowings Interest payable Other liabilities	2,446,072 469,002 6,412 31,711	2,382,576 508,236 5,874 26,997	2,465,293 423,959 5,643 25,153	2,404,278 454,400 5,068 24,194	2,452,219 391,193 6,562 27,014
other madimites	51,711	20,997	23,133	24,194	27,014
Total liabilities Stockholders' equity Preferred stock, no-par value Authorized and unissued 500,000 shares Common stock, \$.125 stated value Authorized 50,000,000 shares	2,953,197	2,923,683	2,920,048	2,887,940	2,876,988
Issued and outstanding	2 305	2,302	2.313	2.302	2.312
Additional naid-in capital	146.374	145,682	148.004	146.057	148.347
Retained earnings	177.975	174 717	171 419	167 452	163 761
Additional paid-in capital Retained earnings 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 =======			

NON-PERFORMING ASSETS

(in thousands)		arch 31, 2006	Deo	cember 31, 2005	Sept	tember 30, 2005		June 30, 2005	Ma	arch 31, 2005
90 days past due Non-accrual loans Other real estate	\$	5,188 11,424 3,209	\$	3,965 10,030 2,835	\$	3,560 11,757 3,023	\$	3,696 11,626 1,804	\$	1,948 13,272 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

CONSOLIDATED STATEMENTS OF INCOME		T b	Mantha Fuel	1	
(in thousands, except share data)	March 31, 2006		ee Months End September 30 2005		March 31, 2005
Interest Income					
Loans receivable					
Taxable	\$ 43,079	\$ 41,930	\$ 40,853	\$ 38,831	\$ 36,822
Tax exempt Investment securities	168	160	160	189	134
Taxable	2,726	2,480	2,427	2,376	2,329
Tax exempt Federal funds sold	1,647 17	1,672 74	1,595 51	1,554 112	1,553 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 Federal funds purchased	14,419 489	13,414	12,172	10,729	9,806
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 interact expense	20,473	18,688	17 407	15 502	14 272
Total interest expense	20,473	10,000	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		1,962
Service charges on deposit accounts Other customer fees	2,426 1,355	2,691	2,836	3,048	2,723
Net realized gains (losses) on sales of	1,355	1,432	1,389	1,188	1,085
available-for-sale securities	9	(24)	16	6	
Commission income Earnings on cash surrender value	1,504	690	870	757	1,504
of life insurance	423	386	441	439	401
Net gains and fees on sales of loans Other income	554 375	676 516	770 664	779 582	677 694
other income					
Total other income	8,597	8,129	8,780	8,762	9,046
Other expenses					
Salaries and employee benefits Net occupancy expenses	14,392 1,434	12,596 1,428	13,384 1,570	13,258 1,422	14,821 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 Printing and office supplies	883 304	989 400	979 328	1,033 304	1,009 337
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	• • • •	• • • •	ф	• • • •	ф о-
Basic Net Income Diluted Net Income	\$.41 .41	\$.41 .41	\$.45 .44	\$.43 .43	\$.35 .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) Dividend Payout Ratio	.21 56.10	.31 56.10	.28 52.27	.22 53.49	.12 65.71
Avg. Stockholders' Equity to Avg. Assets	9.78	10.05	9.89	9.80	9.97
Tax Equivalent Yield on Earning Assets Cost of Supporting Liabilities	6.64 2.77	6.62 2.59	6.40 2.40	6.14 2.15	5.90 2.01
COSE OF Supporting LIADILLES	2.11	2.09	2.40	2.13	2.01

Page 10 of 11

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
	2,491,488	2,457,427	2,443,931	2,440,906	2,414,099
Allowance for loan losses	(25,623)	(25,188)	(25,149)	(25,091)	(24,488)
Total loans	\$2,465,865	\$2,432,239	\$2,418,782	\$2,415,815	\$2,389,611
	=========	==========	=========	=========	==========

DEPOSITS

(in thousands)	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Demand deposits Savings deposits Certificates and other time deposits of	\$ 671,027 526,554	\$ 690,923 566,212	\$ 697,597 568,366	\$ 720,263 593,770	\$ 686,695 655,643
\$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 ======

Page 11 of 11