

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

( ) Check 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  
 RICHARDSON, MICHAEL G.  
 4804 NORTH ST. JAMES  
 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  
 JULY 1996
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person to Issuer (Check all applicable)  
 ( ) Director ( ) 10% Owner (X) Officer (give title below) ( ) Other  
 (specify below)  
 FIRST VICE PRESIDENT / FIRST MERCHANTS BANK, N.A.

Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security	2. Transaction Date	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D)			5. Amount of Securities Beneficially Owned at End of Year	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
			Amount	A/D	Price			
Common Stock						1,320	D	
						562	I	Spouse

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. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)			6. Date Exercisable and Expiration Date		7. Title and Amount of Underlying Securities	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
				Amount	A/D	Price	Exercise Date	Expiration Date					
Employee Stock Option (Right to Buy)	24.125	07-31-96	A	V	1,700	A	01-31-97	07-31-06	Common	1,700	5,412	D	

Explanation of Responses:  
 SIGNATURE OF REPORTING PERSON  
 MICHAEL G RICHARDSON (Confirming Statement on File)  
 DATE  
 August 1, 1996