

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  
 BRACKEN, FRANK A.  
 5150 PLANTATION DRIVE  
 INDIANAPOLIS, IN 46250
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  
 DECEMBER 31, 1998
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)  
 (X) Director ( ) 10% Owner ( ) Officer (give title below) ( ) Other  
 (specify below)
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. Transaction Code	4. Securities Acquired (A) or Disposed of (D) Amount	5. Amount of Securities Beneficially Owned at End of Month	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock	12-23-1998	G (1)	2,960	59,282.6019 (2)	D	
				4,170	I	Spouse
				58,966	I	Co-Trustee R.B.Bracken Irr. Trust

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) Amount	6. Date Exercisable and Expiration Date Date (Month/Day/Year)	7. Title and Amount of Underlying Securities Title and Number of Shares	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
Non-Employee Stock Option (Right to Buy)								3,600	D	

Explanation of Responses:

- (1) Gift by reporting person of 740 shares to each of his four (4) adult children.
- (2) Includes 4.5611 shares acquired in December 1998 under the First Merchants Corporation dividend reinvestment plan.

SIGNATURE OF REPORTING PERSON  
 Frank A. Bracken (Confirming Statement on File)  
 DATE  
 January 4, 1999