

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
 GALLIHER, DAVID A.
 2500 WEST BERWYN ROAD
 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
 JANUARY 1997
5. If Amendment, Date of Original (Month/Year)
 JANUARY 1997
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	A/D	Price	5. Amount of Securities Beneficially Owned at End of Month	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock	01-01-1997	P	92.7342	A	26.15	3296.1343 (1)	D	
Common Stock						500	D	Self-Directed IRA
Common Stock	01-28-1997	P	305	A	29.00	605	I	Spouse-Agency Account

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	A/D	6. Date Exercisable and Expiration Date Date/Date	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 Director Stock Option (Right to Buy)									1,800	D	

Explanation of Responses:
 (1) Includes 29.6381 shares acquired in December 1996 under the First Merchants Corporation dividend reinvestment plan.
 SIGNATURE OF REPORTING PERSON
 David A. Galliher (Confirming Statement on File)
 DATE
 February 5, 1997