

The Indiana Bankers Association: A century of progress and change

When songwriter Billy Joel penned a popular song in the 1980s, he wrote, "Only the good die young." How wrong can one be? Here we are, in 1997, celebrating the Centennial of the Indiana Bankers Association. The celebration marks 100 years of serving the banking industry in the state of Indiana!

For perspective consider that 90 percent of all new businesses fail within the first five years. More than 30 percent of all of the top Fortune 500 firms from 30 years ago do not exist today as separate companies. Since 1985 14 of the largest 25 banking institutions in Indiana are owned by out-of-state bank holding companies.

Two Indiana bankers in 1891 formed the original IBA. The bankers, R.E. Niven, First National Bank of Thorntown, and C.S. Andrews, First National Bank of Brazil, organized the first IBA meeting at the Grand Hotel in Indianapolis, with 100 bankers in attendance. The goal was to provide an avenue for the free discussion and exchange of ideas for the promotion of the general welfare of the commercial banks in Indiana.

by Dr. DOUGLAS V. AUSTIN
president
with research and assistance from
DAVID D. AUSTIN
vice president
Austin Financial Services Inc.
Toledo, Ohio

An early success, the Indiana Bankers Association held its second annual meeting in West Baden in 1892. However, according to Niven, the IBA was "lost in the shuffle" during the Financial Panic of 1893 and disbanded.

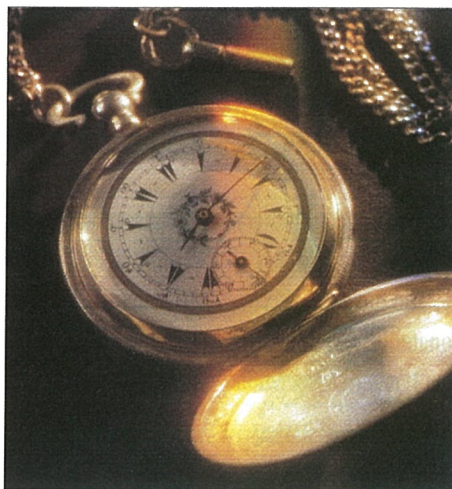
In 1896 J.E. Shirk called again for the creation of an Indiana

Bankers Association where bankers, banks and trust companies could become members for \$5 per year.

In 1897 a group of Indiana bankers — led by A.M. Fletcher, Fletcher Bank, C.T. Lindsey, Citizens National Bank, South Bend, E.L. McKee, Indiana National Bank and Mord Carter, First National Bank, Danville — attended the American Bankers Association convention in Detroit. Afterward the present-day IBA began to take form.

The IBA corporate mission of 1897 expressed the Association's role: "In order to promote the general welfare and usefulness of banks and banking institutions and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance, and from the discussion of subjects of importance to the banking and commercial interests of country and especially in order to secure the proper consideration of questions relating to the financial and commercial usages, customs and laws which affect the banking interests of the state of Indiana, and for protection against loss by crime, we, the members of the

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Organizers of Farmers and Mechanics Bank, Madison

D. Blackmore
C. Harrison
N. Hurst

John Paul
Henry Ristine
John Ritchie

Organizers of the branches of Vincennes Bank

Brookville
W. Eads
J. Jacobs
R. John

Corydon
D. Craig
M. Davis
A. Thom

Vevay
D. Dufour
J. Gilliland
L. Nichol

A century of progress

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Indiana Bankers Association, appreciating the importance of concert in action, do hereby agree to be governed by the following Constitution and By-Laws ...”

The success of the IBA under Fletcher’s leadership was immediate. By 1898 the IBA had 152 member institutions, representing roughly 50 percent of the banks in Indiana. The membership has changed dramatically during the last 100 years, but the IBA maintains its focus as an agency of

Indiana bankers, helping Indiana bankers.

History of Indiana banking

Commercial banking commenced in Indiana in 1814. The industry has changed phenomenally during the past 183 years.

Changing economic conditions and banking rules and regulations have affected banking in Indiana, both positively and adversely. The state of Indiana, the Indiana Bankers Association and Indiana bankers form a microcosm of our economic

development during the past 200 years.

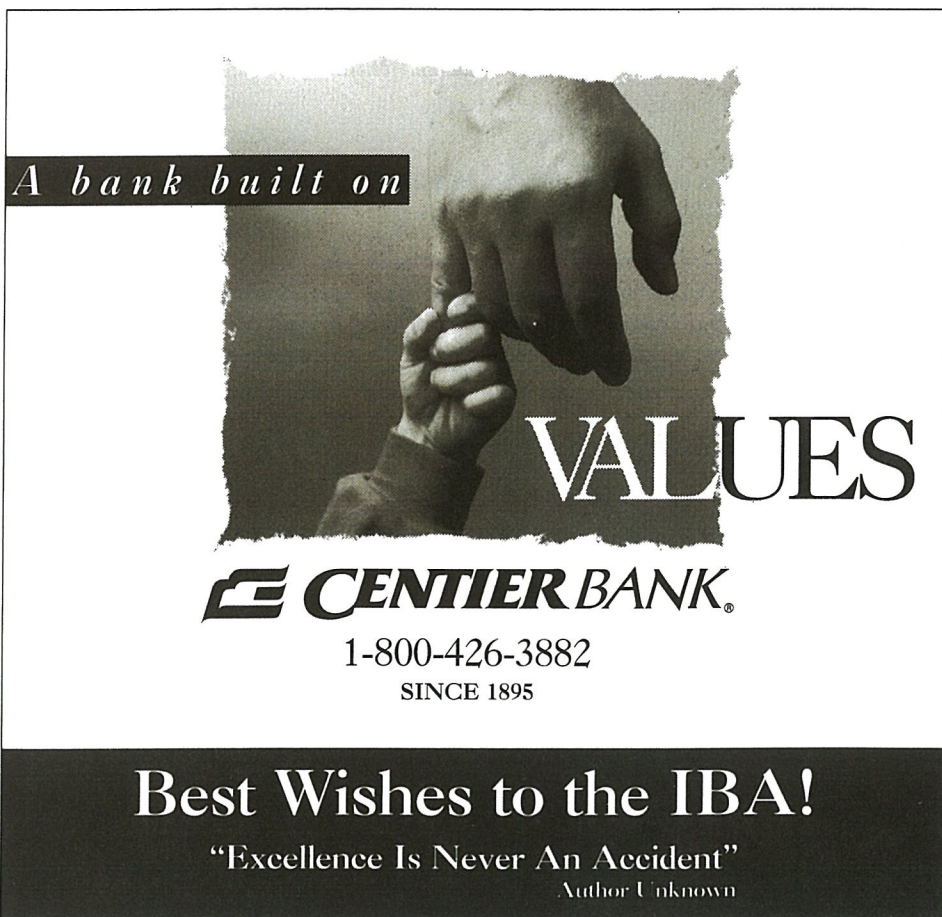
Indiana was settled from the Ohio River northward. The first territorial capital was in Corydon, just north of the Ohio River.

Commercial banking started in Indiana two years before Indiana was admitted to the Union. In the summer of 1814, the Indiana Territorial Legislature ordered the formation of Vincennes Bank. Three days later the Legislature awarded a second charter to Farmers and Mechanics Bank, Madison.

These charters were enacted into state law in 1816 when Indiana joined the United States of America and formed a state government. Unfortunately both of these banks were short-lived.

Farmers and Mechanics Bank operated from 1814 until it closed its doors in 1824, driven out of business by the Second Bank of the United States. Headquartered in Philadelphia, the Second Bank of the United States refused to exchange the notes of Farmers and Mechanics Bank at its offices in Cincinnati and Louisville, Ky. This policy hastened the demise of the Indiana bank.

Vincennes Bank was chartered with an original listing of 14 branch sites, representing banking districts, but it only established branches in Brookville, Vevay and Corydon. Due to unsafe and insolvent banking practices and lack of cooperation by Farmers and Mechanics Bank, Vincennes Bank closed in 1821, when its president declared it insolvent. Thus the first two Indiana commercial banks of permanent nature were tempo-



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rary in existence and failed ignominiously within a decade of their establishment.

The period from 1824 to 1834 in Indiana saw "wildcat banking." Redemption of bank notes occurred where only the wildcats roamed. There were no permanent banks in Indiana, and the medium of exchange arose from specie being circulated by the Second Bank of the United States.

The election of President Andrew Jackson in 1832 signaled the death of the Second Bank of the United States. In January 1834 the Indiana Legislature established the Second State Bank of Indiana, of which the state of Indiana was a major stockholder.

Initially there were to be 10 branches of the Second State Bank — in Indianapolis, Lawrenceburg, Richmond, Madison, New Albany, Evansville, Vincennes, Bedford, Terre Haute and Lafayette. Although headquartered in Indianapolis, there was no parent bank, and all branches had equality. Expenses allocated for the opening of each branch were \$614.25 (excluding the salaries for the president and manager/secretary of each branch). The bank was not to deal in real estate, and branches were to be established throughout Indiana as economic development demanded.

The Indiana General Assembly left the impression that the state would help to regulate the safety and solvency of the Second State Bank. The Assembly elected the president of the Second State

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**Principals of the
Second State Bank**

President — Samuel Merrill
Cashier — James Ray
Directors — C. Fletcher,
R. Morrison, S.W. Norris,
L.H. Scott

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Bank for a five-year term. It also chose the directors for the bank and selected one director per branch.

The Indiana Legislature also established a bank board of four individuals, which was expanded later to six and still exists. The bank board's role was to carry out examinations, to request call reports on an unscheduled basis and to present an annual report to the Indiana Assembly.

The Second State Bank was capitalized for \$1.6 million, with 50 percent of the stock being purchased by the state of Indiana. In order to achieve wide diversity of shareholders for the remaining capital, the Indiana state government assisted shareholders in purchasing shares in the Second Indiana Bank by permitting them to borrow from the state, using real estate holdings as collateral.

The bank operated honorably and survived the financial panic of 1837. It also supplied funds to Indiana during the Mexican War in 1848 and again during the Civil War, when bankruptcy loomed.

The Second Bank of Indiana was progressive. Presidents of the branches earned \$1,200 per year, and secretaries earned \$1,000. Even bank directors were paid exorbitant fees: an annual fee of \$288, plus \$150 for mileage. On a present-value basis, utilizing a compound annual growth rate of 3.1 percent, the presidents' salaries in 1997 dollars would be \$173,917, and annual fees for the board of directors would be \$62,755.

Regulatory requirements governing the Second State Bank were strict following the era of wildcat banking. Many of the regulations sound familiar:

1. Thirty-day notices were posted in local newspapers an-

nouncing annual meetings of stockholders for board-of-director elections;

2. Directors received weekly reports on the condition of the branch;

3. State boards received quarterly summary reports;

4. Audit committees reviewed branch books quarterly;

5. Books were balanced on May 1 and Nov. 1, identifying all bad debt and charge-offs; and

6. Free and immediate access to any bank examiner was granted unconditionally.

Because of the success of the Second State Bank, legislators bowed to pressure and allowed the addition of competitive institutions. The Indiana Legislature ushered in the state's "free banking" era in 1852 by passing the General Bank Act, which established multiple private commercial banks.

Rapid growth in the issuance of bank notes characterized this era of free banking. The result was chaotic and unsafe banking conditions throughout the 1850s. Unlike the Second State Bank, the free banks were huge failures, with large losses to depositors.

By 1855 the Second State Bank started to call in its notes in circulation, because its charter was to expire in 1859. Anticipating this deadline the Indiana Legislature established the Third



Hugh McCulloch

Principals of the Third State Bank

President — Hugh McCulloch

Cashier — James Ray

State Bank of Indiana in 1855. Unlike the Second State Bank, the state had no shareholdings.

The first president of the Third Bank of Indiana was Hugh McCulloch, more famous for being the first Comptroller of the Currency and later secretary of the Treasury under Presidents Andrew Johnson, Ulysses S. Grant and Chester A. Arthur. The first secretary of the Third State Bank of Indiana was James M. Ray, who had been secretary of the Second State Bank of Indiana.

The Third State Bank lasted until the National Banking System was established during the Civil War, which drove it out of business in 1865. Most of its branches — Lima, LaPorte, Plymouth, South Bend, Fort Wayne, Lafayette, Logansport, Indianapolis, Richmond, Connersville, Rushville, Madison, Jeffersonville, New Albany, Bedford, Vincennes, Terre Haute, Muncie and Lawrenceburg — converted to national banks.

The Third State Bank of Indiana was the last statewide branching, commercial bank system until July 1, 1985. It has taken us 100 years to get back to where we were before!

An act of the Indiana General Assembly in 1869 allowed for the establishment of mutual savings banks. Savings banks never grew in popularity because of tight operating restrictions. Directors and officers had limited salaries, and all earnings, except additions to reserves, had to be turned over to the customers.

Although amended repeatedly through 1919, only 10 savings banks were established under this act. Only within the last

decade have stock savings banks become more popular.

By far the most important bank act in Indiana in the 19th century was the Discount and Deposit Act of 1873. This legislation arose out of the monopolization of note issuance by national banks following the Civil War and the unequal competitive position of state banks. The Indiana Legislature instated the act to bring parity to the banking environment in Indiana.

The act stipulated that, with a minimum of five incorporators wanting to establish a state bank, the secretary of state had no discretion in whether the bank could be chartered, if more than 50 percent of the capital funds were raised. Furthermore all such state banks were able to carry on general banking business and could act as trustees (which today is carried forward with state banks' having trust powers built into their charters). The auditor of the state of Indiana was the supervisor of the state commercial banking system from 1873 until the Southworth-Symons Act of 1919, which established a precursor of the present-day Department of Financial Institutions (DFI).

In the latter 1800s and early 1900s, two other types of banking organizations flourished in Indiana. In 1893 the Indiana Legislature permitted the establishment of trust companies, which could not only act as fiduciaries, but also could carry on general banking business. These institutions proved to be extremely competitive to banks chartered under the Discount and Deposit Act of 1873.

In addition private banks (*i.e.*, partnerships and proprietorships not within the ambit of the Indiana state government) were created in Indiana upon enactment of the Private Banking Act of 1907. In 1915 these private banks also received trust powers.

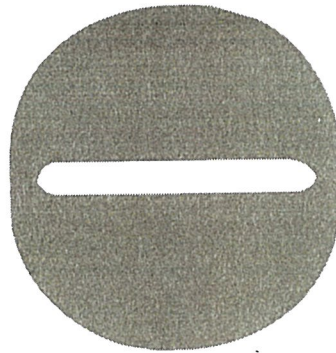
Since 1915 all state-chartered banks have been able to provide a full range of banking services, including trust. This range of abilities has permitted Indiana banks to remain competitive with national banks.

The proliferation of state banks, trust companies and private banks called for increased supervision. With the passage of the Southworth-Symons Act in 1919, the Department of Banking

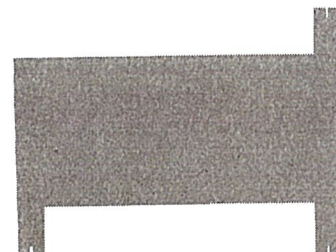
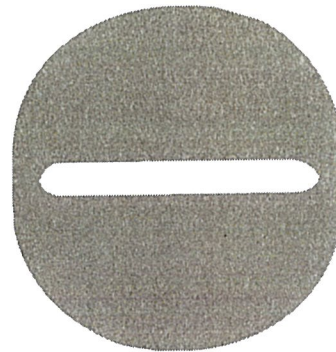
became effective, replacing the banking division of the auditor of the state of Indiana.

Although the 1920s were unsettled times in Indiana, the Department of Banking stabilized banking conditions and created laws to enhance the safety and solvency of Indiana banks. Such legislation included a limitation on the borrowings of any single borrower and the liability of

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shareholders and bank holding companies owning bank stock.

The Charter Act of 1915 also assisted in maintaining the safety and soundness of banking institutions by permitting banking authorities, for the first time, to evaluate the incorporators of charter banks in formation and to deny such chartering if the incorporators were unsuitable. Chartering promoters also had to pass a public necessity test — *i.e.*, whether the establishment of the bank would be in the public interest, and whether such charter would meet the needs and conveniences of the public.

The latter half of the decade of the 1920s saw substantial numbers of bank failures in Indiana. State banks failed more than national banks, and banks in the Northeast and Northwest sections of Indiana failed in greater numbers and percentages than in other areas.

In 1921 there were 1,113 banks in Indiana. By contrast, as of year-end 1996, there were only 210 Indiana commercial banks.

Failures of Indiana banks also correlate with the collapse of the national economy. The situation prompted a study commission in 1931. After two years of analysis, the study commission presented to the Indiana General Assembly



Herman B Wells

recodification of Indiana banking laws, covering not only commercial banks but building and loan societies, mutual savings banks, small loan companies, pawn shops, etc. The DFI also was established in 1933.

Indiana University graduates may recall that the secretary of the study commission was a gentleman by the name of Herman B Wells. After enactment of the legislation in 1933, Wells became the first DFI commissioner. In 1935 he resigned from the DFI to become dean of the IU School of Business Administration — at the age of 32. Three years later Wells was named president of the university.

This author can still remember the Sunday drives that President Wells and his mother took through campus. Students and faculty members alike blocked streets to show the president what needed to be fixed next. I also remember that it took an 18-wheeler to move the legendary Wells wine cellar out of the president's house after his retirement in 1962.

One final note concerning Dr. Wells — he was part-time field secretary for the Indiana Bankers Association from 1928 to 1932, prior to his post as secretary of the bank study commission in the early '30s. Herman B Wells has had a long, illustrious career in Indiana banking as well as at Indiana University, where he now serves as chancellor.

The decade of the 1930s saw a massive adjustment for state banks in Indiana through the advent of the Reconstruction Finance Corp. and the establishment of the Federal Deposit Insurance Corp. (FDIC) in 1935. State banks, unless they were members of the Federal Reserve System, had to undergo stringent examinations in order to become FDIC-insured.

The Great Depression, followed quickly by World War II, influ-

enced significantly the balance sheets and income statements of Indiana banks. In essence Indiana banks became depositories during the second World War, with lending almost eliminated. When the United States came out of World War II, banks had high levels of investments and few loans, and they participated in the sale of war bonds.

In fact in 1944, this author won an engraved Schaffer fountain pen in a local war bond sales contest in Hagerstown, Ind. The then Second National Bank of Richmond (later presided over by IBA's Bill King) sponsored the contest. I sold 100 war bonds of \$50 each, which was 75 war bonds more than any other child in Hagerstown sold. In all honesty I should note that I sold 99 bonds to one doctor in town — and the other one to my mom and dad.

The decades of the '50s, '60s and '70s were relatively quiet for Indiana banking. Research into the activities of the Indiana Legislature reveal few historic battles over banking legislation during that time.

One issue was that of "escheat" laws, which impacted significantly on who had control over dormant funds at financial institutions. The changes in this law were a direct result of the rise of technology in banking. As computers became mainstream in financial institutions, the tracking of funds in dormant accounts became less of a burden, thus affecting the control and distribution of funds to the state.

From a structural standpoint, Indiana fell behind adjacent states during this time. Ohio established laws governing multibank holding companies in 1929. By 1970 Ohio banks could branch into contiguous counties and expand through holding companies statewide.

In Michigan, as of 1970, multibank holding companies

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A century of progress

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were permitted — even though there was restrictive branching. Several significant statewide bank holding companies were born: NBD Bancorporation, Comerica, Michigan National Corp., Manufacturer's National Corp., First of America and Old Kent Financial Corp. Kentucky's laws also expanded banking operations by permitting statewide bank holding companies and contiguous county branching.

Recognizing these events the Indiana Legislature developed Senate Bill 1 (SB1), which would change the state's banking structure forever. Change did not take place overnight. Forces marched to and fro on the Indiana landscape for almost half a decade prior to the passage of SB1. The IBA in 1983-1984 shifted from a position of neutrality to that of supporting changes in banking structure.

Conversely the former Independent Bankers Association of Indiana, now the Community Bankers Association of Indiana, fought forcefully for the status quo. The League of Economic Development, dominated by the major Indianapolis banks, fought for banking structural change. The forces were set for a battle, which in 1985 resulted in SB1.

The most significant banking legislation in Indiana's modern-day history was the passage of SB1, effective July 1, 1985. This bill approved both the expansion of bank holding companies across county lines (*i.e.*, the establishment of multibank holding companies) and branching into contiguous counties. SB1 also approved interstate banking, a phenomenon of vast repercussions.

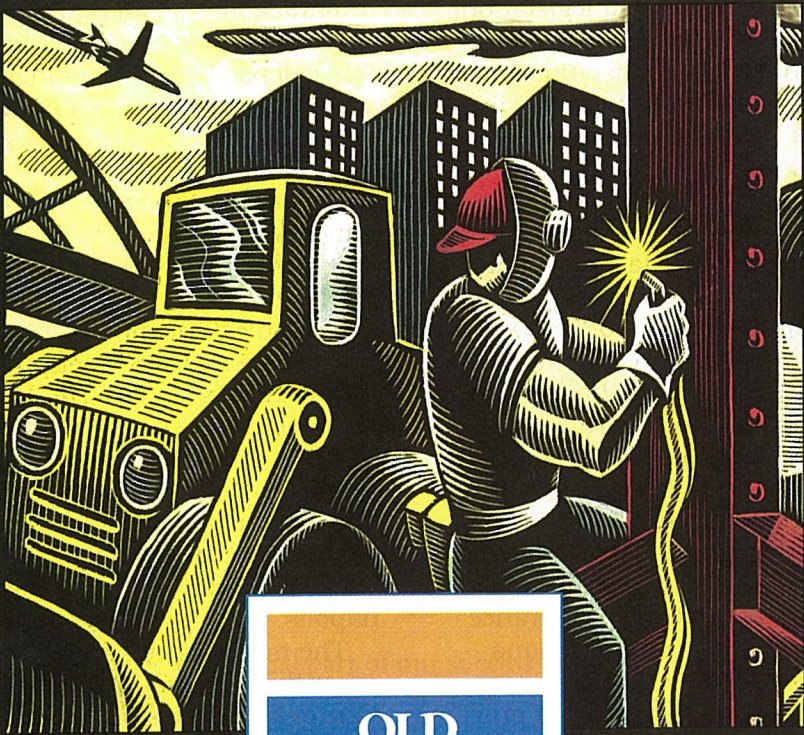
As of July 1, 1985, the largest three banks headquartered in Indiana were American Fletcher

National Bank, Merchants National Bank and Indiana National Bank. As a direct result of SB1, all of these financial institutions have been acquired by out-of-state bank holding companies (Banc One Corp., National City Corp. and First Chicago/NBD Corp., respectively). Only the three major banks in Evansville, Fort Wayne National Corp. and 1st Source Corp., South Bend, remain as multibillion dollar bank

holding companies not affected by interstate banking.

Interstate banking has also seen the entrance of Huntington Bancshares, First of America, Star Bancorporation, Fifth Third Bancorporation, PNC Corp., KeyBank, and others. The aggregate effect of SB1 is indicated by the decrease in the number of independent banks in Indiana. As of July 1, 1985, there were more

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At the core of it all.

With \$5.4 billion in assets, Old National is the largest independent bank holding company headquartered in Indiana.

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than 375 independent commercial banks operating in Indiana. By Dec. 31, 1996, the number of charters had dropped to 210.

What nobody heeded in the mid-1980s was that, because of Indiana's history of restrictive branching and holding company structure, banks in Ohio and Michigan were better-positioned than Hoosier banks to install their holding company affiliates in Indiana. In 1995 the Indiana Legislature approved legislation which permitted interstate branching. This legislation permits Indiana bank holding companies to operate in surrounding states, and at the same time permits out-of-state bank holding companies to change their holding company affiliates in Indiana into massive branch networks.

What started in 1985 as a small landslide became an avalanche. Commercial bank holding companies, headquartered out-of-state, entered Indiana banking.

Structure is not the only change in banking laws. This year, through the efforts of the IBA, Indiana law permits commercial banks to sell insurance throughout the state. Indiana banks will be permitted to own insurance agencies and to provide full-service insurance sales and



Andrew Smith

<u>Year</u>	<u>Total resources</u>	<u># banks</u>	<u># branches</u>
1970	\$12,791,606,651	409	
1975	21,608,406,010	410	821
1980	33,515,619,537	411	1,088
1985	46,149,557,703	377	1,261
1990	58,311,909,712	301	1,494
1995	69,821,486,015	220	1,666
1996	71,212,238,314	214	1,693

service in direct competition with the insurance industry. This change is an indication of the types of products and services Indiana commercial banks will offer in direct competition with other depository and nondepository financial intermediaries into the future.

History of the Indiana Bankers Association

The Indiana Bankers Association established its own office in 1905 when Andrew Smith, its first long-term secretary, commenced operations in an office in the Commercial Club. Not until 1996, a full 99 years after its formation, did the IBA purchase an office building at 3135 N. Meridian Street, Indianapolis.

The new facility houses the IBA executive and staff offices and the Center for Professional Development, the site of frequent banker training sessions. As of July 10, the Indiana League of Savings Institutions has been operating its headquarters out of the building as well.

During the first decade of the IBA, the secretary (later called executive vice president, now president) was usually a member of the staff of the volunteer president's bank. The first four IBA secretaries were Mord Carter, First National Bank, Danville; Samuel A. Morrison, Fletcher National Bank, Indianapolis; Orlando M. Packard, Indianapolis

(bank affiliation unknown); and Charles L. Farrell, Capital National Bank, Indianapolis.

Andrew Smith served as secretary from 1903 to 1924. He joined the IBA on a part-time basis, maintaining his position as vice president of Capital National Bank, Indianapolis, which later merged with Indiana National Bank of Indianapolis. Under Smith's supervision IBA membership grew from 300 banking institutions in 1903 to more than 1,100 in 1924. During his tenure the legislative influence of the IBA also grew. The Association formed legislative committees and legal and protective departments.

Ill health forced Smith to resign in 1924. The IBA Council of Administration bestowed upon him the honorary title of secretary emeritus. He died shortly after his resignation.

Forba McDaniel became secretary upon Smith's retirement. She originally joined the IBA in 1910 as Smith's assistant after prior experience as a switchboard operator at Russiaville State Bank.

Before taking on responsibilities as secretary, McDaniel founded *Hoosier Banker*. In January 1916 she published the first issue, a bulletin of four pages. In less than two years the publication grew to 48 pages.

In 1933 McDaniel resigned from the IBA to join an investment firm, and later became executive secretary to Herman B

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A century of progress

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Wells, then president of Indiana University. She subsequently served as secretary of the Chicago District Bankers Association and returned to Indianapolis to work for a stock brokerage firm. She died in 1970.

While serving as IBA secretary, McDaniel was instrumental in developing the Association's bank guard program — the precursor of the Indiana State Police — and the warning card system. The *Hoosier Banker* lent \$1,000 to the IBA in 1925 to assist with the bank guard program.



Forba McDaniel

In the 1920s armed bank robberies were becoming increasingly prevalent. The IBA spearheaded an attempt to foil robbers. Today's Protective Bulletin, sent to Indiana bankers, established its roots from this time period, when the IBA sent warning cards to bankers, notifying them of suspicious characters.

In addition the IBA formed vigilante groups of armed bank guards, made up of the bankers themselves, to protect the Indiana institutions. In 1925 the IBA issued 886 rifles, 1,210 revolvers and 2,000 shotguns to bankers for the protection of their institutions. At one time the IBA had more than 3,000 deputy bank guards, but only 1,113 members.

From 1926 to 1942, the IBA hosted an annual "shoot" at Ft. Benjamin Harrison to reward bankers for their participation. In 1926 the IBA also sponsored a bill which established the Indiana Bureau of Identification and Investigation. This bureau was enlarged in 1932, through the financial support of the IBA, into the Department of Public Safety, which includes the Indiana State Police.

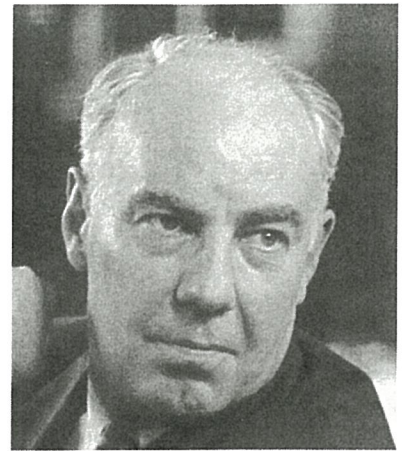
Don E. Warrick took over Forba McDaniel's position as IBA secretary when she resigned in 1933. His 34-year career with the IBA encompasses one-third of the Association's history. During his term the IBA experienced dramatic growth. The Association began sending out availability slips for persons looking for employment, encouraged member banks to set up retirement programs, sponsored the first group insurance program for member banks, set up the first Agricultural Clinic at Purdue University and held the first consumer credit conference.

Originally Warrick began his career as a teacher. He later became a bank examiner for the Indianapolis Clearing House. Warrick attended Central Normal College and the Benjamin Harrison Law School. He retired as executive manager of the IBA in 1967 and died in 1987.

Robert C. Nelson joined the IBA in 1954, was named secretary in 1957 and became executive manager in 1967, when Warrick retired. Though he retired in 1988, he remains committed to the banking industry. He is a frequent presence at IBA events and conferences.

For six years after his retirement, Nelson was a part-time member relations consultant for the American Bankers Association liaison. He now fills the same position for the IBA.

Nelson's career began with LaPorte Bank and Trust Com-

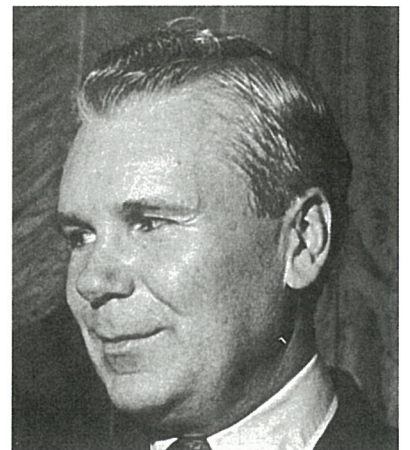


Don E. Warrick

pany. During World War II he served in the finance department of the U.S. Army Air Corps in Europe. He also was employed by Associates Investment Company, South Bend, for five years. A graduate of the Indiana University School of Business, Nelson attended Oxford University while stationed in England.

William H. King has been president of the IBA since 1988, when Nelson retired. King joined the IBA as executive vice president in 1987 after serving as chairman of the board of Second National Bank of Richmond. He was instrumental in the development of the 1985 Indiana Bank Legislation.

A veteran banker, King's career began in 1957 with Terre Haute First National Bank. He is a graduate of Indiana State University. King represents only the fifth



Robert C. Nelson

lead executive of the IBA since 1903. This committed leadership is one reason the IBA is strong and vibrant today.

Another strength of the IBA over the years has been the family relationships which have assisted its leadership. Burr S. Swezey Jr. became volunteer president of the IBA in 1964-65, following in the



William H. King

**Past leadership:
Top IBA executives**

1897-1898	Mord Carter
1898-1899	Samuel A. Morrison
1899-1900	Orlando M. Packard
1900-1903	Charles L. Farrell
1903-1924	Andrew Smith
1924-1933	Forba McDaniel
1933-1967	Don E. Warrick
1967-1988	Robert C. Nelson
1988-present	William H. King

footsteps of his father, who served in the same position for the period 1943-44.

Another father-son team was L.S. Armstrong (1956-57) and Jon S. Armstrong (1986-1987) who served as IBA volunteer leaders. (The elder Armstrong held the position of "president"; his son was "chairman.")* Two sets of brothers (J.P. Frenzel Jr., president in 1914-15 and Otto M.

Frenzel, president in 1944-45; and James M. Givens, president in 1953-54 and William P. Givens, president in 1962-63) also wove family ties through the history of IBA presidents.

The famous have also represented the IBA and Indiana bankers through the years. Carl D. Erskine, former Dodgers pitcher and chairman of the IBA in 1991-92, has been a banker far longer than he was a major league pitcher. Another athlete to excel in banking was Frank McKinney Jr., chairman of American Fletcher National Bank. McKinney was an Olympic swimming champion in his pre-banking days.

Banker/politicians have also played a role in Indiana's banking

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* In 1987 the title of the head volunteer banker of the IBA was changed from "president" to "chairman," and the title of the IBA state executive was changed from "executive vice president" to "president."

Congratulations to the
Indiana Bankers Association
on 100 years of helping
Indiana banks prosper.



Noblesville — Cicero — Westfield
Lapel — Summitville — Alexandria


A century of progress

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history. The first IBA president, A.M. Fletcher, completed his banking career, moved to Vermont and later was elected governor of that state. Matthew E. Welsh, former director of Security Bank, Vincennes, was Indiana governor from 1960 to 1964. Another director, Roger D. Branigin, Lafayette National Bank, followed Welsh into the governor's seat in 1964, serving until 1968. Indiana banking history has been blessed with strong and famous leadership.

Indiana bankers have been important in the management of the Department of Financial Institutions. In 1983, Ruth D. Harrison, former vice president of Irwin Union Bank, Columbus, became the first female director of the DFI. Donald E. Husk, formerly with English State Bank,

The authors



Douglas V. Austin is president and chief executive officer of Austin Financial Services Inc., Toledo, Ohio. He also serves as professor emeritus at the University of Toledo. A native of Hagerstown, Ind., Dr. Austin is a nationally known speaker and has written 13 books and more than 500 articles on banking and other related financial topics. He is a featured speaker at the Indiana Bankers Association Centennial Celebration, French Lick, Ind., in October.



David D. Austin is vice president and regional marketing manager of the firm. He is responsible for promotion and service development in the Midwest territory, including Indiana. David has 10 years of sales and marketing experience with Rollex Corp. and Biomet Inc. A graduate of Indiana University, he is a co-speaker at the IBA's Centennial Celebration.

Austin Financial Services Inc. is an IBA associate member.

retired in 1994 as deputy director of the DFI after serving in that capacity for 41 years. Currently

Charles W. Phillips, former president of Floyd County Bank, New Albany, serves as DFI director.



Indiana Gov. **Matthew E. Welsh**, a former director of Security Bank, Vincennes, signs a proclamation recognizing 100 years of commercial banking. Witnessing the signing are IBA representatives (left to right): **S. Edgar Lauther**, Columbus; **William P. Givens**, Muncie; **Jan N. Zigler**, IBA staff; **Robert C. Nelson**, IBA secretary; **James M. Givens**, Indianapolis; and **Don E. Warrick**, IBA executive manager. The year was 1963.

Indiana bankers also have risen to leadership positions within the American Bankers Association. Two Indiana bankers have served as ABA presidents: Rome C. Stephenson in 1930 (president of St. Joseph's County Bank, South Bend) and Evans Woollen Jr. in 1948 (chairman, Fletcher Trust Company, Indianapolis — later American Fletcher National Bank, now Banc One Indiana).

Education and cooperation

During the past century, the IBA has emphasized the importance of banker education. The advent and growth of the Annual MEGA Conference, which completed its sixth year in June, reflects the IBA's commitment to education. A decade ago the Annual Conference rotated

between French Lick and Indianapolis. Education was centered around large meetings geared toward presidents and boards of directors.

Today the Annual MEGA Conference and a new educational package have replaced the old emphasis. The MEGA Conference, with more than 1,000 attendees, addresses 10 different tracks, including operations, auditing, marketing, technology, etc. The IBA also sponsors in excess of 80 educational sessions throughout the year, reaching 3,000 bankers annually.

From an educational standpoint, regional cooperation has become crucial in the last decade. With only 210 Indiana banks remaining, and many of the larger banks' offering in-house training, coordination with other state trade associations is essential.

The IBA co-sponsors the Midwest Trust Schools, held at Ohio University in Athens, Ohio. Other co-sponsors are the Ohio, West Virginia, Minnesota and Michigan bankers associations.

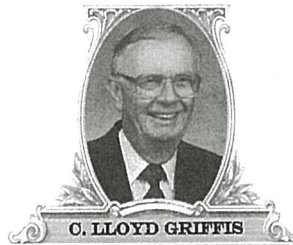
The IBA also participates in the Robert Perry School of Banking, headquartered at Central Michigan University, Mt. Pleasant, Mich. Rather than duplicate educational services, the IBA works in conjunction with the Michigan, Ohio, West Virginia and Kentucky bankers associations to develop regional programs.

Many factors have contributed to the stamina and success of the Indiana Bankers Association. Foresight, planning and dedication on the part of Indiana bankers and IBA leadership will propel the Association into its next 100 years with purpose and vigor. ■

Celebrating the Indiana Bankers Association's rich history and remembering a bit of our own.



RUSSELL M. DAANE
Fort Wayne National Bank
IBA President 1967-68



C. LLOYD GRIFFIS
Old-First National Bank in Bluffton
IBA President 1975-76



PAUL E. SHAFFER
Fort Wayne National Bank
IBA President 1978-79



JACKSON R. LEHMAN
Fort Wayne National Bank
IBA President 1995-96

Congratulations on your 100th Anniversary.
From your friends at Fort Wayne National Corporation.

The Indiana Bankers Association has been providing banking professionals the support they need to become more successful for 100 years now. And at Fort Wayne National Corporation we're proud to have been a part of that rich heritage with four of our bank presidents serving as presidents of the IBA. It's just one way we support the great service the Indiana Bankers Association provides to everyone in the banking industry.

FORT WAYNE NATIONAL CORPORATION

The Auburn State Bank • Churubusco State Bank • First National Bank of Huntington • First National Bank of Warsaw
Fort Wayne National Bank • Old-First National Bank in Bluffton • Valley American Bank

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