DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
MAY 13, 2004

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Attending the meeting from the Department were: Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Chuck T. Stumpf, Deputy Director, Administration Division; Mark Tarpey, Supervisor**,** Consumer Credit Division; Mark Powell, Supervisor, Credit Union Division; John Schroeder, Supervisor, Administration Division and Ronda Bailey, Administrative Assistant. Representing the Mutual Savings Bank, Franklin, was Claudia Swhier of Barnes & Thornburg. Also attending was Michael R. Brown, Vice President of Executive Media.

I. PUBLIC SESSION

A.) Members Present: Loretta Burd, Vice Chairman; Tony Zaleski, David Baer, Briget Polichene, Michael Davis and Joseph Pierce. Chairman David Bochnowski was absent.

B.) Date of next meeting: June 10, 2004 @ 9:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

C.) A motion was made for approval of the minutes of the meeting held April 22, 2004 by Mr. Zaleski and was seconded by Mr. Pierce. The minutes were unanimously approved.

II. BANK AND TRUST DIVISION:

1.) Mutual Savings Bank, Franklin, Johnson County, Indiana

Mr. Kirk Schreiber, Senior Bank Analyst, presented the application. Mr. Schreiber introduced Attorney Ms. Claudia Swhier of Barnes & Thornburg representing the applicant.

Mutual Savings Bank (the "Bank") has applied to the Department for approval of a Plan of Charter Conversion pursuant to IC 28-1-21.9. The Bank is an Indiana state chartered mutual savings bank that intends to convert to an Indiana state chartered stock savings bank. The Bank will not change its name as a result of the conversion.

Upon completion of the conversion, the Bank will become a wholly owned subsidiary of Third Century Bancorp, (the "Holding Company") Franklin, Johnson County, Indiana, a newly formed holding company. The Holding Company was formed March 15, 2004. Approval of the Holding Company by the Federal Reserve Bank of Chicago is expected next week.

As of December 31 the Bank had total assets of $106 million, total deposits of $78 million and total equity capital of $8 million. On March 12, 2004, the Bank's board adopted a resolution for a Plan of Conversion.

Mr. Schreiber informed the Members that the Holding Company is offering for sale up to 1,653,125 shares of common stock at a price of $10.00 per share in a subscription offering to the following persons in the following order of priority: (1) Eligible Account Holders, defined as deposit account holders as of December 31, 2002, with aggregate deposits at the close of business of not less than $50.00; (2) The Holding Company's tax qualified ESOP permitted to subscribe up to 10% of the aggregate number of shares of common stock sold in the conversion; (3) Supplemental Eligible Account Holders, defined as deposit account holders other than Eligible Account Holders, as of the Supplemental Eligibility Record Date, which is defined as the close of business of March 31, 2004, with aggregate deposits at the close of business of not less than $50.00; (4) Depositor and Borrower members as of the Voting Record Date for the Special Meeting, who are not Eligible Account Holders or Supplemental Eligible Account Holders; and (5) If necessary, to the general public with preference given to Johnson County residents.

The appraisal of the Bank and the Holding Company was prepared by Keller & Company, Inc. ("Keller") of Dublin, Ohio as of February 27, 2004. In making the evaluation, Keller reviewed the economic and demographic characteristics of the primary market area of Johnson County and compared the Bank's performance to selected publicly traded thrift institutions. As of February 27, 2004, Keller estimated a pro forma market value of the Holding Company to be $12,500,000, with a range from 10,650,000 or 85% of the appraised value to a super maximum of 14,375,500 or 132% of the appraised value. It is expected that the subscription offering will begin May 21, 2004 and run through June 14, 2004.

Each person subscribing for stock in the conversion must subscribe for at least 25 shares of the common stock. The maximum aggregate number of shares which any person or entity, either alone or in concert, could purchase, with the exception of the ESOP, is 15,000 shares. The directors and officers of the Bank and the Holding Company anticipate subscribing for common stock in the aggregate amount of $1,580,000 for a total of 158,000 shares or 12.6% of the estimated midpoint valuation range.

The Plan of Conversion must be submitted to a special meeting of the voting members of the Bank. The sale of shares of common stock in the conversion is conditioned upon approval of the Plan of Conversion of the Bank by the majority of the votes eligible to be cast by the Bank's members.

The Department in January 2003 conducted the most recent examination of the Bank. Overall the Bank was considered fundamentally sound and received a satisfactory CAMELS rating.

The FDIC in Washington D.C. approved this conversion on May 11, 2004.

Mr. Schreiber concluded that it was the staff's opinion that the Bank is operated in a safe, sound and prudent manner. Management is considered competent and qualified. The Bank maintains adequate capital and is profitable. The proposed mutual to stock

conversion will not jeopardize the interests of the depositors, creditors or the public. Based on these findings, it is recommended that the Plan of Conversion, whereby Mutual Savings Bank will convert from a state chartered mutual savings bank to a state chartered stock savings bank be approved. **After a brief discussion, a motion for approval of the application was made by Mr. Baer and seconded by Mr. Pierce. The application was unanimously approved.**

2.) Kirk Schreiber reviewed de novo bank performance trends over the last ten years for thirteen active state chartered de novo commercial banks. Information regarding total assets, total equity capital, net income and return on assets for these institutions were presented in graphical form to the Members. The information provided by Mr. Schreiber was an effort to keep the Members informed of the institutions the Department regulates. **This item was for informational purposes only.**

III. DIRECTOR'S COMMENTS :

1.) James Cooper, Deputy Director, asked the Members to delegate to the Director the authority to enter into a consent to a final cease and desist order pursuant under IC 28-11-4-5 on behalf of the Department of Financial Institutions. **A motion was made by Ms. Polichene and seconded by Mr. Baer. The motion was unanimously approved**.

2.) Deputy Director Phil Goddard updated the Members on litigation that the Department has pending against people who were offering internet services with an instant rebate. **This item was for informational purposes only.**

IV. DIRECTOR'S DELEGATED ACTIONS:

1.) **FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**
The credit union filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership). This amendment placed the following organizations into the field of membership of the credit union:

TP Mechanical Contractors – Cincinnati/Columbus, OH – 450 members (common bond of occupation as defined by 28-7-1-10).
Allen Automotive, Inc. – Indianapolis - 10 members (common bond of occupation as defined by 28-7-1-10).
Express Service Print – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on April 22, 2004, under delegated authority.**

2.) **IPALCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership). This amendment placed the following organizations into the field of membership of the credit union:

Wright Tree Service, Inc. – Indianapolis – 250 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on May 3, 2004, under delegated authority.**

3.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following persons into the field of membership of the credit union:

Persons who work or reside in the following Indiana Counties:

Morgan County
Allen County
Whitley County

The Director approved this on June 2, 2004, under delegated authority.

APPROVED: **ATTEST:**

Loretta M. Burd, Vice Chairman **J. Philip Goddard, Secretary**