

Department of Financial Institutions



Charles W. Phillips
Director

Annual Report
Year Ended December 31, 1998

State of Indiana

Frank O'Bannon
Governor

Joseph Kernan
Lieutenant Governor

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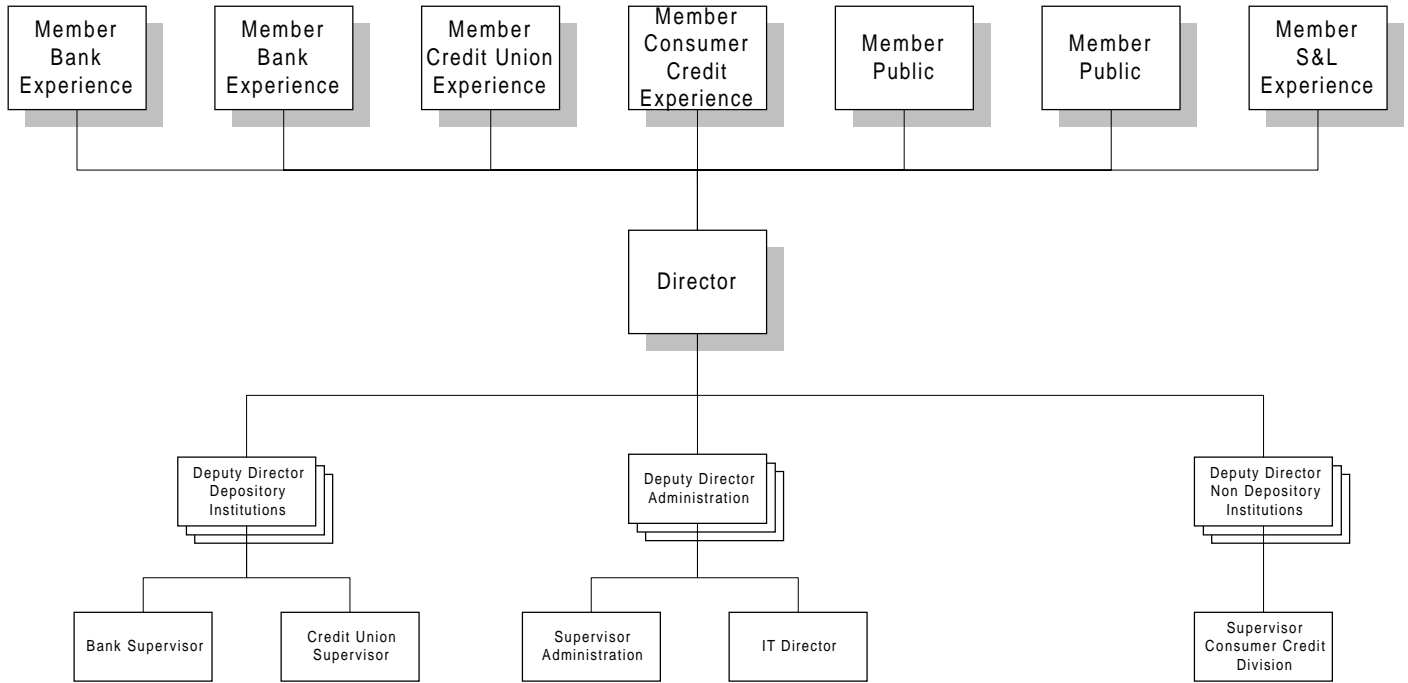


Christopher McKay
Legal Assistant



Ronda Bailey
Bank Division

Department of Financial Institutions



DEPARTMENT OF FINANCIAL INSTITUTIONS

MEMBERS OF THE DEPARTMENT

Norman L. Lowery, Chairman
Terre Haute
Member At Large

Anthony J. Zaleski, Jr.
Munster
Member At Large

David D. Baer
Bloomington
Banking Member

James L. Saner Sr.
Greensburg
Banking Member

Ronald E. DePasse
Terre Haute
Savings Bank Member

Loretta M. Burd
Columbus
Credit Union Member

Gary M. Smith, Vice Chairman
Evansville
Consumer Credit Member

DEPARTMENT PERSONNEL

Charles W. Phillips, Director

DIVISION OF BANKS AND TRUST COMPANIES DIVISION OF SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS

James M. Cooper, Deputy Director
Randall L. Rowe, Bank Supervisor
Lisette L. Drummond, Administrative Assistant
Ronda K. Bailey, Executive Secretary

SPECIAL ACTIONS

Kirk J. Schreiber, Senior Bank Analyst
Gina R. Williams, Senior Bank Analyst
Troy D. Pogue, EDP Specialist

REGULATION & SUPERVISION

Douglas H. Tussey, Institutional Risk Analyst
Richard C. Nelson, Senior Review Examiner
Lisa A. Shirar, Senior Review Examiner

BANK DIVISION EXAMINATION STAFF

DISTRICT 1

Mark T. Gray, Regional Field Supervisor
J. Deron Thompson, Assistant Regional Field Supervisor

David H. Hoeferkamp – I
Francis J. Tata – I
Jacob P. Swanson – II
Marc A. Ward – II
Chad L. Kozuch – III

Vernita L. Early – III
Amanda K. Brandt – III
Thomas Fite – IV
Duane Burton – IV
James McEachern – IV

DISTRICT 2

Paul G. Brockman, Regional Field Supervisor
Mark A. Moreland, Assistant Regional Field Supervisor

Lee T. Reid – I
Eric S. Neal – I
Stacey L. Bostock – I
Steven R. Wachter – II
Robin R. Upchurch – II

Randall B. Allen – III
Sarah A. Ziliak – III
Andrea Hemmig – IV
Patrick Gilbrech – IV
Janelle Wiggins – IV

Roman numerals denote field examiner grade level.

DIVISION OF CREDIT UNIONS

James M. Cooper, Deputy Director
Mark K. Powell, Supervisor
David D. Pogue, Field Supervisor

Mark A. Walters – II
Elizabeth A. Brown – III
David Brown – IV

Scott Armstrong – IV
Jon Bell – IV
Kyle Tierney – IV

DIVISION OF NON-DEPOSITORY INSTITUTIONS

J. Philip Goddard, Deputy Director
Mark B. Tarpey, Supervisor-Consumer Credit Division
Donna R. Kaye, Administrative Assistant to the Supervisor

CONSUMER CREDIT EXAMINATION STAFF

DISTRICT 1

Rick A. Bane, Field Supervisor
James D. Harrell – WLII
Charles L. Murray – II
John D. Heckard – II
Ned W. Brown – II
George M. Hicks – II
D. Scott Shelton – III

DISTRICT 2

Robert W. Benbow, Field Supervisor
Edward J. Lay – WLII
LeRoy H. Janz, Jr. – II
Kent D. Sager – II
Scott Imbus – II
John N. Sigman – III
Dee A. Gloy - III
Rod A. Klingler – III

Roman Numerals denote field examiner grade level.

LEGAL DIVISION

J. Philip Goddard, Chief Counsel

DIVISION OF ADMINISTRATION

Charles T. Stumpf, Jr., C.P.A. – Deputy Director

John J. Schroeder – Supervisor, Administration

Daniel T. Burkman – IT Director

P. David Larson – Senior Systems Analyst

Kenneth H. Granger – Software Specialist

Lisa Ho – Software Specialist

Virginia M. Stowers – UCCC Filing Supervisor

Beth A. Risacher – Travel/Supply Coordinator

Janice L. Davis – Administrative Assistant

Jan L. Rilenge – Bookkeeper

OFFICE SUPPORT STAFF

Donetta J. Cooke, Administration Division

Phyllis A. Brouse, Bank Division

Janet Seelmaer, Administration Division

Renita D. Stubbs, Administration Division

Lisette Drummond, Bank Division

Tracy L. Baker, Bank Division

Mary L. Harris, Consumer Credit/Credit Union Divisions

DEPARTMENT OVERVIEW

The Department of Financial Institutions was created by the Indiana Financial Institutions Act of 1933. This act commissioned the Department with the responsibility for supervising commercial banks, trust companies, private banks, savings banks, building and loan associations, credit unions, and finance companies incorporated under the laws of the State of Indiana. Since that time the scope of the regulatory responsibilities with which the Department has been charged has been broadened to include the supervision of pawnbrokers, licensees under the Uniform Consumer Credit Code, industrial loan and investment companies, money transmitters, check cashiers, budget service companies, and rental-purchase agreement companies.

The policy making power of the Department is vested in a bipartisan board of seven Members who are appointed by the Governor. Indiana law requires that two of the Members shall be persons of practical experience at the executive level of a state chartered bank; one Member shall be a person of practical experience at the executive level of a state chartered savings bank or association; one Member shall be a person of practical experience at the executive level of a lender licensed under I.C. 24-4.5; and one member shall be a person of practical experience at the executive level of a state chartered credit union. In the appointment of the other two Members of the Department, the Governor shall

have due regard to a fair representation of the consumer, agricultural, industrial, and commercial interests of the state.

The chief executive and administrative officer of the Department is the Director. The Director is responsible for the administration of the policies established by the Members and all applicable legislative actions or policies. The Director exercises managerial control over the work of the Department, including its staff of deputies, supervisors, examiners and administrative personnel.

The Department works directly with the institutions it regulates, and through examination and supervisory activity endeavors to assure the public of adequate and proper services from such institutions. It seeks to assure the protection of the interests of depositors, borrowers, shareholders, and consumers.

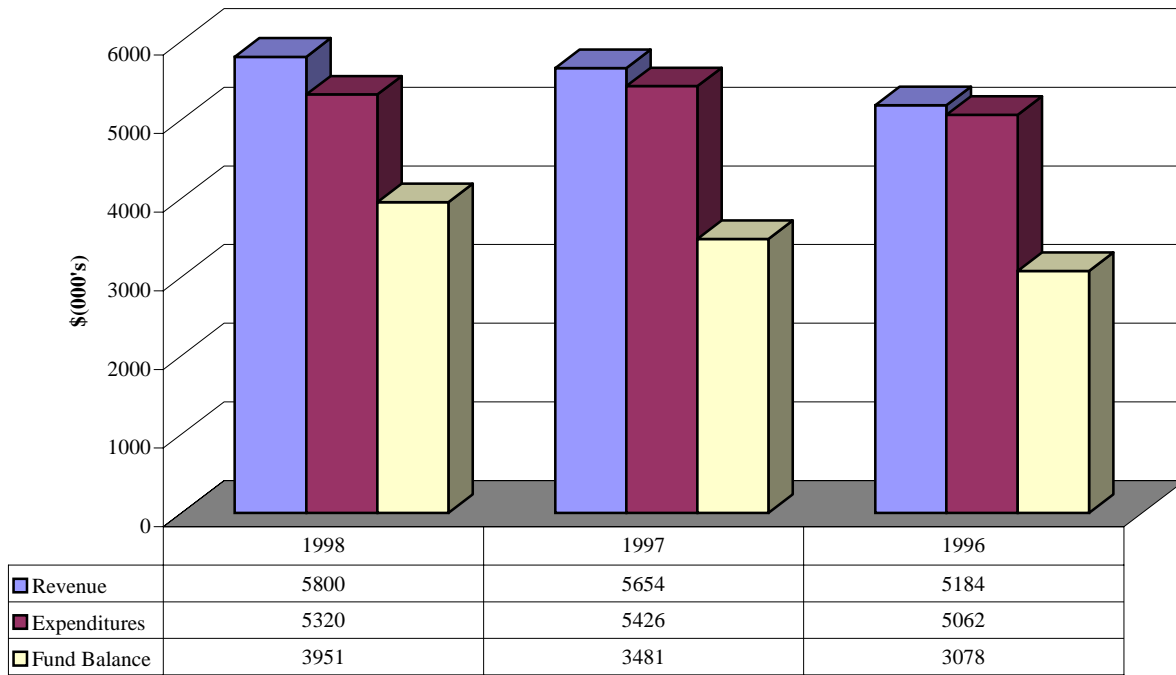
Within the Department there are six divisions, each under the direct control of a deputy or supervisor. These are the Division of Banks and Trust Companies, Division of Building and Loan Associations, Division of Consumer Credit, Division of Credit Unions, Division of Administration, and the Legal Division.

The Department's revenue is derived solely from supervision, examination, and license fees which are assessed to those financial institutions which are regulated by the Department.

REVENUE AND EXPENDITURES

<u>REVENUE</u>	1998	1997	1996
BANK FEES	\$2,285,683	\$2,277,454	\$2,242,112
BUILDING & LOAN EXAMINATION FEES	77,017	52,562	35,014
CREDIT UNION EXAMINATION FEES	495,214	430,687	321,438
PAWNBROKING LICENSING FEES	73,005	77,245	72,500
APPLICATION FEES	131,347	125,438	111,229
BUDGET SERVICE COMPANY FEES	400	800	1,350
UCC FEES	2,686,633	2,729,359	2,351,989
RENTAL/PURCHASE LICENSE	29,100	29,200	30,299
MONEY TRANSMITTER FEES	11,880	12,605	11,570
CHECK CASHERS FEES	10,050	9,000	6,065
TOTAL REVENUE	\$5,800,329	\$5,654,350	\$5,183,566
<u>EXPENDITURES</u>			
PERSONNEL COSTS	\$4,031,702	\$4,037,747	\$3,968,966
UTILITIES, POSTAGE, AND SUBSCRIPTIONS	135,522	136,845	112,292
CONTRACT SERVICES	47,699	142,118	155,317
OFFICE SUPPLIES	39,379	39,828	29,540
EQUIPMENT/EDP DEVELOPMENT/SOFTWARE	313,603	354,745	103,232
TRAVEL IN-STATE	556,605	569,262	568,381
TRAVEL OUT-OF-STATE	11,425	8,110	16,872
PERSONNEL DEVELOPMENT & RELATED TRAVEL	183,836	137,133	107,547
TOTAL EXPENDITURES	\$5,319,771	\$5,425,788	\$5,062,147
NET REVENUE	\$480,558	\$228,562	\$121,419
CASH BALANCE, JULY 1	3,529,564	3,301,002	3,179,583
CASH BALANCE, JUNE 30	4,010,122	3,529,564	3,301,002
LESS ENCUMBRANCES	59,278	48,352	223,165
FUND BALANCE, JUNE 30	\$3,950,844	\$3,481,212	\$3,077,837

Revenue & Expenditures





Beth Risacher
Administration



John Schroeder
Supervisor, Administration

DEPOSITORY DIVISION

During the calendar year of 1998 the number of state-chartered commercial banks, stock and mutual savings banks, and active industrial authorities declined in number from 152 to 138. During the same period total supervised assets decreased from \$26.3 billion to \$25.4 billion. As of December 31, 1998, state-chartered commercial banks represented 34% of total Indiana bank assets (state and national). In contrast, state-chartered commercial banks represented 78% of the total number of such banks in the state of Indiana. As of December 31, 1998, there were 38 national and 138 state-chartered banks in Indiana.

During 1998, three new state-chartered commercial banks officially opened for business. Sixteen state bank charters were eliminated through mergers with other state or national banks. One state-chartered mutual savings bank converted to a national bank.

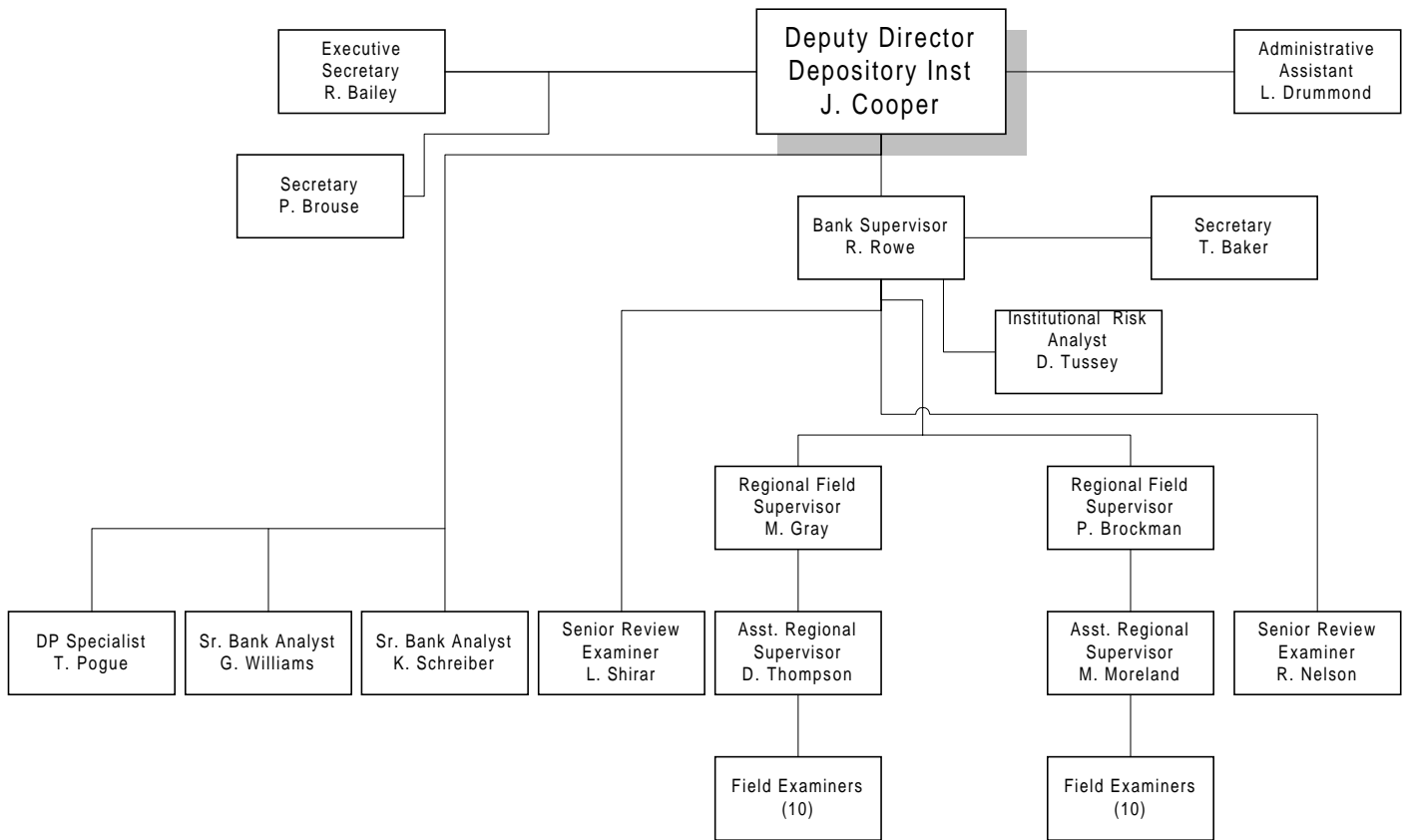
Indiana state-chartered financial institutions reflected continued improvement in financial condition and performance during the 1998 calendar year. Net income of \$298 million declined slightly from \$304 million recorded during the 1997 calendar year. Net income as a percentage of assets (in the aggregate) slightly increased from 1.25% in 1997 to 1.26% in 1998. Improvement in this profitability measure is attributed to strong loan growth and maintenance of sound credit quality. The aggregate loan and lease loss allowance decreased from 1.39% of total loans in 1997 to 1.37% of total loans in 1998 due to loan growth outpacing provision expense. Net charge offs for the 1998 calen-

dar year increased slightly from .20% to .21% of total loans compared to 1997. Equity capital decreased from 9.41% of total assets at year end 1997 to 9.16% of total assets at year end 1998.

During 1998 staff resources were diverted from scheduled safety and soundness examination activity to assess supervised institutions preparedness for the year 2000. An FFIEC Interagency Statement issued May 5, 1997 outlined five segments of the Year 2000 Project Management Process. These segments are: awareness, assessment, renovation, validation, and implementation. As of December 31, 1998, all institutions were required to have completed the renovation phase for mission critical applications and to have commenced the validation or testing phase. Year 2000 assessments covered by staff examiners indicates that satisfactory progress is being made by each supervised institution to adequately address informational processing into the new millennium.

On-site safety and soundness examinations conducted during 1998 continue to confirm the publicly reported financial strength of the banking industry in general and state-chartered banking specifically. With very few exceptions, most financial institutions supervised and regulated by the Department have been assigned CAMELS composite ratings of either 1 or 2. A CAMELS composite rating of 1 or 2 denotes satisfactory to above average condition and performance.

BANK DIVISION



AGGREGATE SUPERVISED INSTITUTIONS RECONCILIATION

ACCOUNT DESCRIPTIONS (In Millions of \$) (for the period 1/1/98—12/31/98)	Beginning Balance 1/1/98	17 State banks Removed From State Regulation	3 State banks Added to State Regulation	Adjusted Beginning Balance 1/1/98	Ending Balance 12/31/98	% Change
Assets	26,324	3,602	0	22,722	25,407	11.82%
Deposits	21,320	2,783	0	18,537	20,437	10.25%
Common Equity Capital	2,443	339	0	2,104	2,296	9.13%
Tier 1 Capital	2,336	276	0	2,060	2,244	8.93%
LVR	246	26	0	220	232	5.45%
Total Capital	2,582	302	0	2,280	2,476	8.60%
Total Charge-offs	51	10	0	41	52	26.83%
Total Recoveries	16	2	0	14	17	21.43%
Total Loans	17,732	2,288	0	15,444	16,931	9.63%
Securities	5,847	820	0	5,027	5,572	10.84%
Fed Funds Sold	739	222	0	517	737	42.55%
Time CDS in Other Banks	155	14	0	141	168	19.15%
Trading Account Securities	26	0	0	26	20	0.00%
Total Earning Assets	24,499	3,344	0	21,155	23,428	10.74%
Total Interest Income	1,910	264	0	1,646	1,780	8.14%
Total Interest Expense	918	135	0	783	850	8.56%
Net Interest Income	992	129	0	863	929	7.65%
Total Non-interest Income	212	32	0	180	233	29.44%
Loan Provisions	55	8	0	47	55	17.02%
Net Income	303	42	0	261	298	14.18%

*Two (2) active state chartered banks were eliminated due to mergers, but those assets still remain under state regulation.

ACCOUNT DESCRIPTIONS	State	National	State	National
(IN MILLIONS OF \$)	12/31/98	12/31/98	12/31/97	12/31/97
Number of Banks	138	38	152	42

Consolidated Balance Sheet

Trading Accounts	20	8	26	48
Interest Bearing Balances	168	495	155	257
Fed Funds Sold/Repurchase Agreements	737	1,512	739	1,914
Securities Held to Maturity	1,189	196	1,450	337
Securities Available for Sale	4,383	6,226	4,397	6,422
Total Securities	5,572	6,422	5,847	6,759
Total Loans	16,931	34,263	17,732	28,569
Total Earning Assets	23,428	42,700	24,499	37,547
Total Assets	25,407	48,881	26,324	41,562
Average Assets	23,614	40,028	24,332	39,117
Total Deposits	20,437	34,876	21,320	30,643
Total Liabilities	23,079	44,638	23,846	38,392
Total Equity Capital	2,327	4,243	2,477	3,169
Loan Valuation Reserves	232	476	246	436
Total Equity Capital & Reserves	2,559	4,719	2,723	3,605
Total Other Real Estate	9	19	9	12
Total Charge-Offs	52	190	51	185
Total Recoveries	17	60	16	65
Net Charge-Offs	35	130	35	120

ACCOUNT DESCRIPTIONS	State	National	State	National
(IN MILLIONS OF \$)	12/31/98	12/31/98	12/31/97	12/31/97
Number of Banks	138	38	152	42

Consolidated Income Statement

Total Interest Income	1,780	3,121	1,910	2,986
Total Interest Expense	850	1,470	918	1,328
Net Interest Income	929	1,650	992	1,658
Total Non Interest Income	233	1,052	212	531
Loan Provisions	55	141	55	125
Total Non Interest Expense	661	1,632	690	1,228
Net Income	298	632	304	555

Ratio Analysis

Net Income to Average Assets	1.26%	1.58%	1.25%	1.42%
Net Income to Year End Total Equity	12.81%	14.90%	12.23%	17.51%
Net Interest Income to Average Assets	3.93%	4.12%	4.08%	4.24%
Total Loans to Total Deposits	82.84%	98.24%	83.17%	93.23%
Loan Loss Provisions to Total Loans	0.32%	0.41%	0.31%	0.44%
Loan Loss Reserves to Total Loans	1.37%	1.39%	1.39%	1.53%
Net Charge-Offs to Total Loans	0.21%	0.38%	0.20%	0.42%
Total Equity Capital to Total Assets	9.16%	8.68%	9.41%	7.62%
Total Equity Capital and Reserves to Total Assets and Reserves	9.98%	9.56%	10.25%	8.58%

ACCOUNT DESCRIPTIONS	State	National	ALL BANKS	ALL BANKS	%
(IN MILLIONS OF \$)	12/31/98	12/31/98	12/31/98	12/31/97	CHANGE
Number of Banks	138	38	176	194	
Combined Statement of Condition					
Trading Accounts	20	8	28	74	-62.16%
Interest Bearing Balances	168	495	663	412	60.92%
Fed Funds Sold/Repurchase Agreements	737	1,512	2,249	2,653	-15.23%
Securities Held to Maturity	1,189	196	1,385	1,787	-22.50%
Securities Available for Sale	4,383	6,226	10,609	10,819	-1.94%
Total Securities	5,572	6,422	11,994	12,606	-4.85%
Total Loans	16,931	34,263	51,194	46,301	10.57%
Total Earning Assets	23,428	42,700	66,128	62,046	6.58%
Total Assets	25,407	48,881	74,288	67,886	9.43%
Average Assets	23,614	40,028	63,642	63,449	0.30%
Total Deposits	20,437	34,876	55,313	51,963	6.45%
Total Liabilities	23,079	44,638	67,717	62,238	8.80%
Total Equity Capital	2,327	4,243	6,570	5,646	16.37%
Loan Valuation Reserves	232	476	708	682	3.81%
Total Equity Capital & Reserves	2,559	4,719	7,278	6,328	15.01%
Total Other Real Estate	9	19	28	21	33.33%
Total Charge-Offs	52	190	242	236	2.54%
Total Recoveries	17	60	77	81	-4.94%
Net Charge-Offs	35	130	165	155	6.45%

RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 1998 VS 1997

	1998			1997		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	80	20,166	265	102	21,686	271
.75% TO .99%	25	3,342	28	21	3,094	26
.50% TO .74%	17	975	6	16	909	6
BELOW .50%	16	924	(1)	13	635	1
	138	25,407	298	152	26,324	304

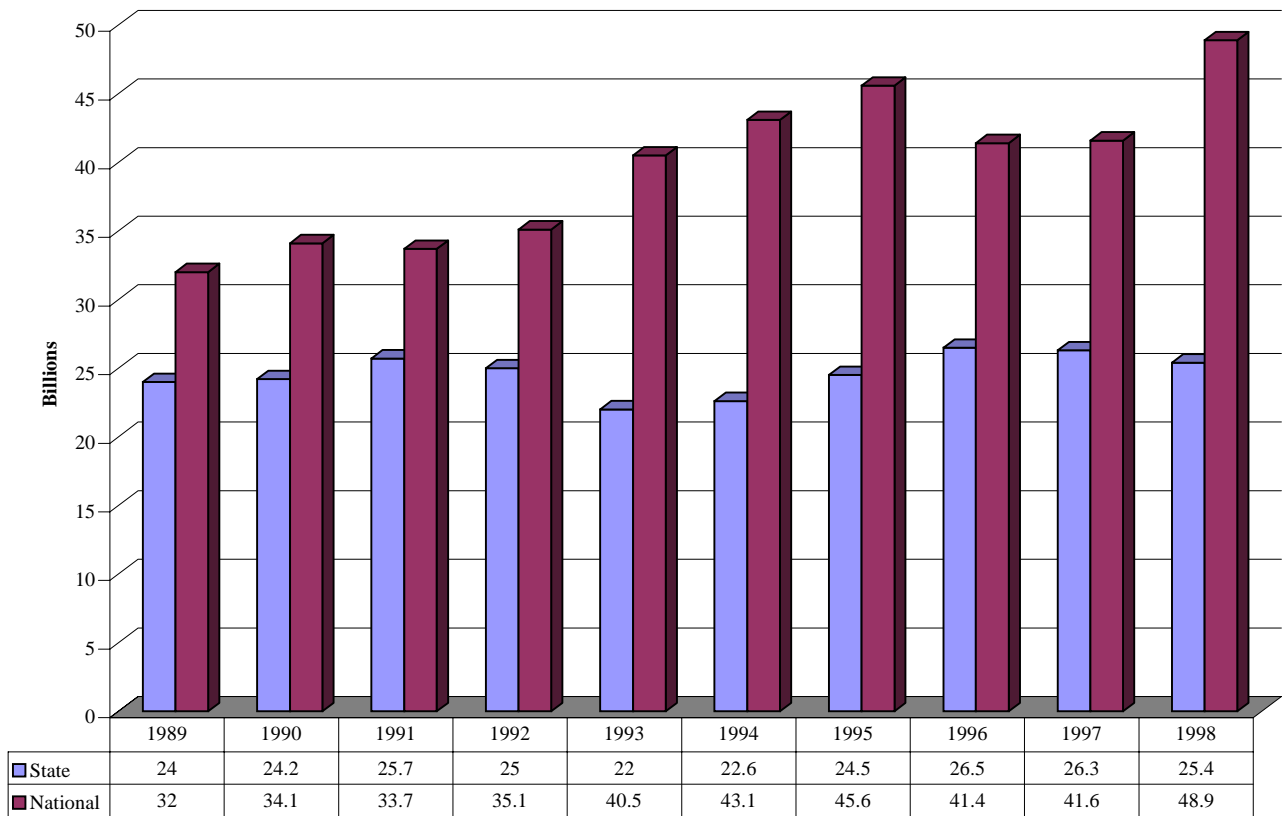
RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 1998 VS 1997

	1998			1997		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	23	43,808	596	30	39,930	541
.75% TO .99%	6	3,517	29	6	1,195	11
.50% TO .74%	5	1,054	6	3	370	2
BELOW .50%	4	502	1	3	67	(1)
	38	48,881	632	42	41,562	553

HOLDING COMPANY OWNERSHIP ANALYSIS

DATA AS OF 12/31/98			TOTAL ASSETS (000's)	ASSETS %	TOTAL DEPOSITS (000's)	DEPOSITS %
	BANKS	HC'S				
INDEPENDENT BANKS						
State Banks w/o HC	20	0	1,291,702	1.74%	1,067,741	1.93%
IN HC W/One State Bank	78	78	16,873,074	22.71%	13,854,325	25.05%
National Banks w/o HC	2	0	180,939	0.24%	159,943	0.29%
IN HC w/One National Bank	19	19	4,369,227	5.88%	3,503,387	6.33%
TOTALS	119	97	22,714,942	30.58%	18,585,396	33.60%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	29	10	4,217,658	5.68%	3,500,656	6.33%
IN HC w/One or More National Banks	10	7	7,788,210	10.48%	5,612,211	10.15%
Sub Total	39	17				
Holding Company Duplications	0	-6				
TOTALS	39	11	12,005,868	16.16%	9,112,867	16.47%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	11	5	3,024,775	4.07%	2,015,214	3.64%
O-St HC w/One or More National Banks	7	5	36,542,965	49.19%	25,600,921	46.28%
Sub Total	18	10				
Holding Company Duplications	0	-3				
TOTALS	18	7	39,567,740	53.26%	27,616,135	49.93%
GRAND TOTALS	176	115	74,288,550	100.00%	55,314,398	100.00%
DATA AS OF 12/31/97			TOTAL ASSETS (000's)	ASSETS %	TOTAL DEPOSITS (000's)	DEPOSITS %
	BANKS	HC'S				
INDEPENDENT BANKS						
State Banks w/o HC	24	0	1,977,725	2.91%	1,577,441	3.04%
IN HC W/One State Bank	82	82	15,522,807	22.87%	12,900,146	24.82%
National Banks w/o HC	2	0	165,327	0.24%	142,058	0.27%
IN HC w/One National Bank	17	17	3,517,336	5.18%	2,891,403	5.56%
TOTALS	125	99	21,183,195	31.20%	17,511,048	33.70%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	35	12	6,069,192	8.94%	4,897,414	9.42%
IN HC w/One or More National Banks	16	10	10,740,773	15.82%	7,631,274	14.69%
Sub Total	51	22				
Holding Company Duplications	0	-9				
TOTALS	51	13	16,809,965	24.76%	12,528,688	24.11%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	11	5	2,754,533	4.06%	1,945,978	3.74%
O-St HC w/One or More National Banks	7	6	27,139,100	39.98%	19,979,122	38.45%
Sub Total	18	11				
Holding Company Duplications	0	-3				
TOTALS	18	8	29,893,633	44.03%	21,925,100	42.19%
GRAND TOTALS	194	120	67,886,793	100.00%	51,964,836	100.00%

Total Assets - State & National Banks



Year	State Banks Total Assets (Billions)	%	National Banks Total Assets (Billions)	%
1989	24.0	42.9%	32.0	57.1%
1990	24.2	41.5%	34.1	58.5%
1991	25.7	43.3%	33.7	56.7%
1992	25.0	41.6%	35.1	58.4%
1993	22.0	35.2%	40.5	64.8%
1994	22.6	34.4%	43.1	65.6%
1995	24.5	35.0%	45.6	65.0%
1996	26.5	39.0%	41.4	61.0%
1997	26.3	38.7%	41.6	61.3%
1998	25.4	34.2%	48.9	65.8%

SUMMARY OF STATE BANK BRANCH OPENINGS IN 1998

Name	City	Address	City	Opened
HERITAGE BANK OF SOUTHERN INDIANA	JEFFERSONVILLE	5112 HIGHWAY 62	JEFFERSONVILLE	1/5/98
IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	1680 WEST MAIN STREET	GREENWOOD	1/27/98
METRO BANK	INDIANAPOLIS	NW CORNER SR 37 & STONE CREEK RD.	NOBLESVILLE	2/11/98
1ST SOURCE BANK	SOUTH BEND	5631 CLEVELAND AVENUE	STEVENSVILLE, MI	2/16/98
FRIENDSHIP STATE BANK (THE)	FRIENDSHIP	401 MAIN STREET	RISING SUN	2/19/98
LAKE CITY BANK	WARSAW	2 NORTH BROADWAY	PERU	2/23/98
LAKE CITY BANK	WARSAW	520 WEST MAIN	GREENTOWN	2/23/98
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	6002 ST. JOE CENTER ROAD	FORT WAYNE	3/4/98
CITIZENS BANK OF CENTRAL IN	GREENWOOD	SW CORNER INDIANA & KIRKWOOD	BLOOMINGTON	3/5/98
IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	10080 EAST U.S. 36, BUILDING C	AVON	3/9/98
1ST SOURCE BANK	SOUTH BEND	100 WEST MAIN STREET	WINAMAC	3/9/98
CENTIER BANK	WHITING	129 WASHINGTON STREET	LOWELL	3/18/98
LAFAYETTE BANK & TRUST CO.	LAFAYETTE	1803 EAST 350 SOUTH	LAFAYETTE	3/23/98
COMMUNITY TRUST AND INVESTMENT CO.	GREENCASTLE	1551 WIN HENSHELL BLVD	WEST LAFAYETTE	3/30/98
JACKSON COUNTY BANK	SEYMOUR	400 WASHINGTON STREET	COLUMBUS	4/1/98
FIRST FARMERS BANK AND TRUST COMPANY	CONVERSE	112 SOUTH CAROLINA	GALVESTON	4/3/98
LAKE CITY BANK	WARSAW	862 EAST JEFFERSON STREET	PLYMOUTH	4/15/98
UNION BANK & TRUST CO.	NORTH VERNON	426 WASHINGTON STREET	COLUMBUS	5/4/98
FIFTH THIRD BANK OF CENTRAL INDIANA	INDIANAPOLIS	5025 WEST 71ST STREET	INDIANAPOLIS	5/13/98
HEARTLAND COMMUNITY BANK	FRANKLIN	489 SOUTH SR 135	GREENWOOD	5/18/98
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	218 EAST PETTIT	FORT WAYNE	5/18/98
FARMERS STATE BANK - NEW ROSS	NEW ROSS	1661 US 231 SOUTH	CRAWFORDSVILLE	6/9/98
FARMERS BANK (THE)	FRANKFORT	12 SOUTH MAIN STREET (TRUST)	FRANKFORT	6/24/98
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	2821 SOUTH WASHINGTON STREET	KOKOMO	7/6/98
UNION BANK&TRUST COMPANY OF INDIANA	GREENSBURG	202 NORTH HARRISON STREET	ALEXANDRIA	7/20/98
UNION BANK&TRUST COMPANY OF INDIANA	GREENSBURG	707 SOUTH SCATTERFIELD ROAD	ANDERSON	7/20/98
UNION BANK&TRUST COMPANY OF INDIANA	GREENSBURG	325 SOUTH MAIN STREET	FORTVILLE	7/20/98
FIFTH THIRD BANK OF CENTRAL INDIANA	INDIANAPOLIS	905 NORTH GREEN STREET	BROWNSBURG	8/5/98
IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	1175 COLLEGE MALL ROAD	BLOOMINGTON	8/10/98
FIRST COMMUNITY BANK AND TRUST	BARGERSVILLE	521 NORTH STATE STREET	NORTH VERNON	9/1/98
BANK OF WOLCOTT	WOLCOTT	116 N. 6TH STREET	MONTICELLO	9/1/98
CIB BANK	INDIANAPOLIS	5435 NORTH EMERSON WAY	INDIANAPOLIS	9/21/98
OWEN COMMUNITY BANK S.B.	SPENCER	102 SOUTH MAIN STREET	CLOVERDALE	10/2/98
HEARTLAND COMMUNITY BANK	FRANKLIN	420 NORTH MORTON STREET (MOBILE)	FRANKLIN	10/8/98
OSSIAN STATE BANK	OSSIAN	111 E. OAK FOREST DRIVE	BLUFFTON	10/26/98
FIRST BANK OF BERNE	BERNE	404 NORTH MAIN STREET	BLUFFTON	11/2/98
HARBOUR TRUST & INVESTMENT MANAGEMENT COMPANY	MICHIGAN CITY	3001 LEONARD DR. SUITE 101 (TRUST)	VALPARAISO	11/16/98
STATE BANK OF MARKLE	MARKLE	1000 NORTH HUNTINGTON AVENUE	WARREN	11/16/98
IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	528 SOUTH COLLEGE AVENUE	BLOOMINGTON	11/23/98
FIFTH THIRD BANK OF CENTRAL INDIANA	INDIANAPOLIS	5718 CRAWFORDSVILLE ROAD	INDIANAPOLIS	11/24/98
CENTIER BANK	WHITING	6110 BROADWAY	MERRIVILLE	12/2/98
STOCK YARDS BANK AND TRUST COMPANY	AUSTIN	305 EAST HIGHWAY 131	CLARKSVILLE	12/8/98
AMERICAN STATE BANK	LAWRENCEBURG	131 WALNUT STREET (COURIER)	LAWRENCEBURG	12/14/98
STONE CITY BANK (THE)	BEDFORD	2606 16TH STREET	BEDFORD	12/14/98
SCOTT COUNTY STATE BANK (THE)	SCOTTSBURG	57 N. MICHAEL DRIVE	SCOTTSBURG	12/14/98
NEW WASHINGTON STATE BANK (THE)	NEW WASHINGTON	402 EAST MAIN STREET	SELLERSBURG	12/15/98
FIRST CITIZENS STATE BANK	NEWPORT	1775 EAST STATE ROAD 163	CLINTON	12/31/98

SUMMARY OF BRANCH CLOSINGS

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 1998

Name	City	Address	City	Closed
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	436 WASHINGTON STREET	COLUMBUS	1/5/98
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	132 WEST MAIN STREET	CAMDEN	3/20/98
PEOPLES TRUST COMPANY	BROOKVILLE	2105 N. SR 3	GREENSBURG	6/30/98
AMERICAN STATE BANK	LAWRENCEBURG	434 BELLEVUE	GREENDALE	6/30/98
CITIZENS STATE BANK	PETERSBURG	9 MAIN STREET	PETERSBURG	10/7/98
CITIZENS BANK OF WESTERN INDIANA	TERRE HAUTE	1120 EAST DAVIS, SUITE 825	TERRE HAUTE	11/23/98

CONVERSIONS

Name	City	Converted Name	City	Consummated
PEOPLES BUILDING & LOAN ASSOCIATION State Mutual Savings & Loan to a Federal Mutual Savings & Loan	TELL CITY	PEOPLES BUILDING & LOAN ASSOC.	TELL CITY	2/25/98
NEWTON COUNTY LOAN & SAVINGS ASSOCIATION OF INDIANA State Mutual Savings & Loan to a Federal Mutual Savings & Loan	GOODLAND	NEWTON COUNTY LOAN & SAVINGS ASSOCIATION OF INDIANA	GOODLAND	5/15/98
FIRST BANK RICHMOND SB State Mutual Savings Bank to National Bank	RICHMOND	FIRST BANK RICHMOND, NA	RICHMOND	6/1/98

NEW STATE BANK SUBSIDIARIES IN 1998

SUBSIDIARY NAME	BANK NAME	CITY	PURPOSE	ESTABLISHED
NORTH JORDAN, INC.	MONROE COUNTY BANK	BLOOMINGTON	Purchase real estate at Sheriff's sale that is subject to a mortgage held by the bank.	1/27/98
FIRST MERCHANTS INSURANCE SERVICES	PENDLETON BANKING CO.	PENDLETON	To operate as a general lines insurance agency.	4/2/98
IRWIN FUNDING CORPORATION	IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	To acquire assets from the bank that are in the process of being securitized.	6/10/98
1ST SOURCE FUNDING CORP.	1ST SOURCE BANK	SOUTH BEND	To acquire assets from the bank that are in the process of being securitized.	6/12/98
IRWIN UNION ADVISORY SERVICES, INC.	IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	Financial planning and asset management.	7/1/98
PIC LTD	PEOPLES BANK & TRUST CO.	INDIANAPOLIS	Own and manage a portfolio of investment securities.	11/9/98
IRWIN REINSURANCE CORPORATION	IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	Reinsurance of mortgage guaranty insurance.	12/17/98

MAIN OFFICE RELOCATIONS

Name	From/To Address	From/To City	Moved
FOUNTAIN SQUARE BANK OF SOUTHERN INDIANA, INC.	930 SOUTH INDIANA 521 EAST HIGHWAY 131	SELLERSBURG CLARKSVILLE	4/23/98
CITIZENS BANK OF JASPER	305 HIGHWAY 231 SOUTH 601 MAIN STREET	JASPER TELL CITY	9/11/98

BRANCH OFFICE RELOCATIONS

Name	City	From/To Address	From/To City	Moved
IRWIN UNION BANK & TRUST COMPANY	COLUMBUS	709 EAST SR 44 & 29 PUBLIC SQ. 1027 E. STATE ROAD 44	SHELBYVILLE SHELBYVILLE	3/2/98
STAR FINANCIAL BANK, NEW CASTLE	NEW CASTLE	4009 N. WHEELING AVENUE 3300 N. EVERBROOK LANE	MUNCIE MUNCIE	3/17/98
MONROE COUNTY BANK	BLOOMINGTON	2850 BUICK CADILLAC BLVD. 2801 BUICK CADILLAC BLVD.	BLOOMINGTON BLOOMINGTON	5/11/98
FIRST FARMERS BANK AND TRUST CO.	CONVERSE	36 WEST FIFTH STREET, SUITE 3 122 SOUTH BROADWAY	PERU PERU	8/24/98
UNION BANK AND TRUST COMPANY OF IN.	GREENSBURG	209 EAST MAIN STREET 102 UNDERWOOD DRIVE	WESTPORT WESTPORT	8/27/98
SALIN BANK AND TRUST COMPANY	INDIANAPOLIS	HIGHWAY 421 WEST 102 SOUTH MARKET STREET	DELPHI DELPHI	12/1/98

MERGERS/CONSOLIDATIONS OF STATE BANKS IN 1998

SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED	City	SURVIVING INSTITUTION NAME	City	Consummated
FIRST NATIONAL BANK KOKOMO FIRST BANK AND TRUST	KOKOMO SULLIVAN	FIRST NATIONAL BANK KOKOMO	KOKOMO	3/16/98
FOUNTAIN SQUARE BANK OF SOUTHERN IN, INC. FIFTH THIRD BANK OF CENTRAL KENTUCKY, INC.	CLARKSVILLE PARIS, KY	FOUNTAIN SQUARE BANK OF SOUTHERN IN, INC.	CLARKSVILLE	4/24/98
FIFTH THIRD BANK OF KENTUCKY, INC. FOUNTAIN SQUARE BANK OF SOUTHERN IN, INC	LOUISVILLE, KY CLARKSVILLE	FIFTH THIRD BANK OF KENTUCKY, INC	LOUISVILLE, KY	4/24/98
INDIANA COMMUNITY BANK SB UF INTERIM SAVINGS BANK	LEBANON INDIANAPOLIS	INDIANA COMMUNITY BANK SB	LEBANON	4/30/98
UNION FEDERAL SB OF INDIANAPOLIS INDIANA COMMUNITY BANK SB	INDIANAPOLIS LEBANON	UNION FEDERAL SB OF INDIANAPOLIS	INDIANAPOLIS	5/1/98
STOCK YARDS BANK & TRUST COMPANY STOCK YARDS BANK & TRUST COMPANY	LOUISVILLE, KY AUSTIN	STOCKYARDS BANK & TRUST COMPANY	LOUISVILLE, KY	5/29/98
COMMUNITY TRUST BANK FSB BANK	OTWELL FRANCISCO	COMMUNITY TRUST BANK	OTWELL	6/1/98
CITIZENS STATE BANK OF PETERSBURG (THE) COMMUNITY TRUST BANK	PETERSBURG OTWELL	CITIZENS STATE BANK	PETERSBURG	6/1/98
CITIZENS BANK OF JASPER TCB BANK	JASPER TELL CITY	CITIZENS BANK OF SOUTHERN INDIANA	TELL CITY	9/11/98
NATIONAL CITY BANK, EVANSVILLE LINCOLNLAND BANK PIKE COUNTY BANK ALLIANCE BANK	EVANSVILLE DALE PETERSBURG VINCENNES	NATIONAL CITY BANK, EVANSVILLE	EVANSVILLE	10/16/98 11/6/98 11/13/98
BUSEY BANK BUSEY BUSINESS BANK	URBANA, IL INDIANAPOLIS	BUSEY BANK	URBANA, IL	10/30/98
NATIONAL CITY BANK OF INDIANA CHURUBUSCO STATE BANK VALLEY AMERICAN BANK AND TRUST COMPANY AUBURN STATE BANK	INDIANAPOLIS CHURUBUSCO SOUTH BEND AUBURN	NATIONAL CITY BANK OF INDIANA	INDIANAPOLIS	11/20/98
PINNACLE BANK CITIZENS BANK OF SOUTHERN INDIANA CITIZENS BANK OF CENTRAL INDIANA CITIZENS BANK OF WESTERN INDIANA	ST JOSEPH, MI TELL CITY GREENWOOD TERRE HAUTE	CITIZENS BANK OF MID AMERICA ST.	JOSEPH, MI	12/31/98

**HOLDING COMPANY ACQUISITIONS IN
1998**

<u>Holding Company Name</u>	<u>City</u>	<u>Target Name</u>	<u>City</u>	<u>Consummated</u>
FIRST BUSEY CORPORATION, INC.	URBANA	BUSEY BUSINESS BANK	INDIANAPOLIS	1/12/98
CENTRAL ILLINOIS BANCORP, INC.	SIDNEY	CIB BANK	INDIANAPOLIS	3/23/98
NATIONAL CITY CORPORATION	CLEVELAND	FORT WAYNE NATIONAL CORP.	FORT WAYNE	3/30/98
FIFTH THIRD BANCORP	CINCINNATI	FOUNTAIN SQUARE BANK OF SOUTHERN IN, INC.	CLARKSVILLE	4/24/98
INDIANA UNITED BANCORP	GREENSBURG	P.T.C. BANCORP	BROOKVILLE	4/30/98
CNB BANCSHARES, INC.	EVANSVILLE	NATIONAL BANCORP	TELL CITY	8/3/98
NATIONAL CITY BANCSHARES, INC.	EVANSVILLE	HOOSIER HILLS FINANCIAL CORP.	OSGOOD	10/1/98
BANK ONE CORPORATION, DE	COLUMBUS	FIRST CHICAGO NBD CORP.	DETROIT	10/2/98

FORMATIONS IN 1998

<u>Incorporator</u>	<u>Proposed Name</u>	<u>City</u>	<u>Opened</u>
LOUIS S. HENSLEY III	BUSEY BUSINESS BANK	INDIANAPOLIS	1/12/98
JERRY D. VON DEYLEN	UF INTERIM SAVINGS BANK, SB	INDIANAPOLIS	2/17/98
DAVID MARAMAN	CIB BANK	INDIANAPOLIS	3/30/98
MARY L. RENN	FOUNTAIN SQUARE BANK OF SOUTHERN INDIANA, INC.	CLARKSVILLE	4/23/98
DAVID B. BECKER	FIRST INTERNET BANK OF INDIANA	INDIANAPOLIS	12/30/98

ADDITIONS & DELETIONS IN 1998

NAME	CITY	ACTIVITY	EFFECTIVE DATE
BUSEY BUSINESS BANK	INDIANAPOLIS	FORMATION OF STATE COMMERCIAL BANK	1/12/98
UF INTERIM SAVINGS BANK, SB	INDIANAPOLIS	FORMATION OF STATE INTERIM SAVINGS BANK	2/17/98
FIRST BANK AND TRUST	SULLIVAN	MERGED WITH FIRST NATIONAL BANK KOKOMO, KOKOMO	3/16/98
CIB BANK	INDIANAPOLIS	FORMATION OF STATE COMMERCIAL BANK	3/30/98
FOUNTAIN SQUARE BANK OF SOUTHERN INDIANA, INC.	CLARKSVILLE	FORMATION OF STATE COMMERCIAL BANK	4/23/98
FOUNTAIN SQUARE BANK OF SOUTHERN IN., INC.	CLARKSVILLE	MERGED WITH FIFTH THIRD BANK OF KENTUCKY, INC. (THE), LOUISVILLE	4/24/98
UF INTERIM SAVINGS BANK	INDIANAPOLIS	MERGED WITH INDIANA COMMUNITY BANK SB, LEBANON	4/30/98
INDIANA COMMUNITY BANK SB	LEBANON	MERGED WITH UNION FEDERAL SB OF INDIANAPOLIS, INDIANAPOLIS	5/1/98
STOCK YARDS BANK AND TRUST COMPANY	AUSTIN	MERGED WITH STOCK YARDS BANK & TRUST COMPANY, LOUISVILLE	5/29/98
FSB	FRANCISCO	MERGED WITH COMMUNITY TRUST BANK, OTWELL	6/1/98
COMMUNITY TRUST BANK	OTWELL	MERGED WITH CITIZENS STATE BANK OF PETERSBURG (THE), PETERSBURG	6/1/98
FIRST BANK RICHMOND SB	RICHMOND	CONVERTED FROM A STATE MUTUAL SAVINGS BANK TO A NATIONAL BANK	6/1/98
TCB BANK	TELL CITY	MERGED WITH CITIZENS BANK OF JASPER, JASPER	9/11/98
ALLIANCE BANK	VINCENNES	MERGED WITH NATIONAL CITY BK-EVANSVILLE, EVANSVILLE	10/16/98
LINCOLNLAND BANK	DALE	MERGED WITH NATIONAL CITY BK-EVANSVILLE, EVANSVILLE	10/16/98
PIKE COUNTY BANK	PETERSBURG	MERGED WITH NATIONAL CITY BK-EVANSVILLE, EVANSVILLE	10/16/98
BUSEY BUSINESS BANK	INDIANAPOLIS	MERGED WITH BUSEY BANK, URBANA	10/30/98
CHURUBUSCO STATE BANK	CHURUBUSCO	MERGED WITH NATIONAL CITY BANK OF INDIANA, INDIANAPOLIS	11/20/98
VALLEY AMERICAN BANK AND TRUST COMPANY	SOUTH BEND	MERGED WITH NATIONAL CITY BANK OF INDIANA, INDIANAPOLIS	11/20/98
AUBURN STATE BANK (THE)	AUBURN	MERGED WITH NATIONAL CITY BANK OF INDIANA, INDIANAPOLIS	11/20/98
FIRST INTERNET BANK OF INDIANA	INDIANAPOLIS	FORMATION OF STATE COMMERCIAL BANK	12/30/98
CITIZENS BANK OF SOUTHERN INDIANA	TELL CITY	MERGED WITH PINNACLE BANK, ST JOSEPH	12/31/98
CITIZENS BANK OF CENTRAL INDIANA	GREENWOOD	MERGED WITH PINNACLE BANK, ST JOSEPH	12/31/98
CITIZENS BANK OF WESTERN INDIANA	TERRE HAUTE	MERGED WITH PINNACLE BANK, ST JOSEPH	12/31/98

ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 12/31/98

DFIID	NAME	CITY
742	ANDERSON COMMUNITY BANK	ANDERSON
310	STAR FINANCIAL BANK	ANDERSON
263	COMMUNITY STATE BANK - AVILLA	AVILLA
316	FIRST COMMUNITY BANK AND TRUST	BARGERSVILLE
161	BATH STATE BANK	BATH
113	STONE CITY BANK (THE)	BEDFORD
182	FIRST BANK OF BERNE	BERNE
280	BLOOMFIELD STATE BANK	BLOOMFIELD
212	MONROE COUNTY BANK	BLOOMINGTON
229	PEOPLES TRUST & SAVINGS BANK	BOONVILLE
37	FARMERS & MERCHANTS BANK (THE)	BOSWELL
226	FIRST STATE BANK (THE)	BOURBON
306	FIRST STATE BANK - BRAZIL	BRAZIL
171	COMMUNITY STATE BANK - BROOK	BROOK
284	FARMERS STATE BANK (THE) (BROOKSTON)	BROOKSTON
143	PEOPLES TRUST COMPANY - BROOKVILLE	BROOKVILLE
227	HENDRICKS COUNTY BANK & TRUST COMPANY	BROWNSBURG
149	PEOPLES BANK (THE)	BROWNSTOWN
244	STATE BANK OF BURNETTSVILLE	BURNETTSVILLE
39	WAYNE BANK AND TRUST CO.	CAMBRIDGE CITY
193	IRWIN UNION BANK & TRUST COMPANY	COLUMBUS
209	FIRST FARMERS BANK AND TRUST COMPANY	CONVERSE
320	PEOPLES TRUST BANK COMPANY	CORYDON
208	BANK OF WESTERN INDIANA	COVINGTON
144	FOUNTAIN TRUST CO (THE)	COVINGTON
168	CSB STATE BANK	CYNTHIANA
255	HERITAGE BANK & TRUST COMPANY	DARLINGTON
297	DECATUR BANK AND TRUST COMPANY	DECATUR
281	DEMOTTE STATE BANK	DEMOTTE
258	DUPONT STATE BANK	DUPONT
223	ELBERFELD STATE BANK (THE)	ELBERFELD
266	NBD BANK	ELKHART
245	PEOPLES STATE BANK (THE)	ELLETTSVILLE
204	ENGLISH STATE BANK	ENGLISH
8	CITIZENS EXCHANGE BANK	FAIRMOUNT
30	FAIRMOUNT STATE BANK (THE)	FAIRMOUNT
28	FOWLER STATE BANK	FOWLER
9	PEOPLES STATE BANK	FRANCESVILLE
205	FARMERS BANK (THE)	FRANKFORT
7806	HEARTLAND COMMUNITY BANK	FRANKLIN
14	MUTUAL SAVINGS BANK	FRANKLIN
132	SPRINGS VALLEY BANK & TRUST CO	FRENCH LICK
233	FRIENDSHIP STATE BANK (THE)	FRIENDSHIP
172	GARRETT STATE BANK (THE)	GARRETT
146	BANK OF GENEVA	GENEVA
285	GRABILL BANK	GRABILL
178	FIRST CITIZENS BANK & TRUST CO	GREENCASTLE
277	GREENFIELD BANKING COMPANY	GREENFIELD
671	UNION BANK AND TRUST COMPANY OF INDIANA	GREENSBURG
78	GRIFFITH SAVINGS BANK	GRIFFITH
151	CITIZENS FIRST STATE BANK	HARTFORD CITY
296	PACESETTER BANK	HARTFORD CITY

ACTIVE STATE COMMERCIAL INSTITUTIONS 12/31/98

DFIID	NAME	CITY
298	SAND RIDGE BANK	HIGHLAND
120	FIRST BANK OF HUNTINGBURG	HUNTINGBURG
38	BIPPUS STATE BANK (THE)	HUNTINGTON
7849	CIB BANK	INDIANAPOLIS
210	FIFTH THIRD BANK, INDIANA	INDIANAPOLIS
7650	FIRST INTERNET BANK OF INDIANA	INDIANAPOLIS
309	METRO BANK	INDIANAPOLIS
218	PEOPLES BANK & TRUST CO	INDIANAPOLIS
179	SALIN BANK AND TRUST COMPANY	INDIANAPOLIS
202	DUBOIS COUNTY BANK	JASPER
291	GERMAN AMERICAN BANK (THE)	JASPER
826	HERITAGE BANK OF SOUTHERN INDIANA	JEFFERSONVILLE
289	CAMPBELL & FETTER BANK (THE)	KENDALLVILLE
240	KENTLAND BANK	KENTLAND
286	LAFAYETTE BANK & TRUST CO.	LAFAYETTE
253	FARMERS STATE BANK - LAGRANGE	LAGRANGE
206	FARMERS STATE BANK(THE) - LANESVILLE	LANESVILLE
238	FARMERS & MERCHANTS BANK	LAOTTO
184	LAPORTE SAVINGS BANK (THE)	LAPORTE
186	AMERICAN STATE BANK	LAWRENCEBURG
271	FARMERS STATE BANK (THE)	LIBERTY
273	LINDEN STATE BANK	LINDEN
232	PEOPLES TRUST COMPANY	LINTON
31	STATE BANK OF LIZTON	LIZTON
166	GREENSFORK TOWNSHIP STATE BANK (SPARTANBURG)	LYNN
122	MADISON BANK & TRUST COMPANY (THE)	MADISON
200	MARENGO STATE BANK	MARENGO
288	STATE BANK OF MARKLE	MARKLE
252	STATE BANK OF MEDORA	MEDORA
183	FARMERS STATE BANK	MENTONE
175	FIRST STATE BANK OF MIDDLEBURY	MIDDLEBURY
11	FIRST UNITED BANK	MIDDLETOWN
1169	ST JOSEPH CAPITAL BANK	MISHAWAKA
196	BANK OF MITCHELL (THE)	MITCHELL
187	CITIZENS BANK	MOORESVILLE
188	FIRST STATE BANK -MORGANTOWN	MORGANTOWN
649	PEOPLES BANK SB	MUNSTER
194	NAPOLEON STATE BANK (THE)	NAPOLEON
50	COMMUNITY BANK OF SOUTHERN INDIANA	NEW ALBANY
224	CITIZENS STATE BANK-NEW CASTLE	NEW CASTLE
198	FARMERS STATE BANK - NEW ROSS	NEW ROSS
235	NEW WASHINGTON STATE BANK (THE)	NEW WASHINGTON
181	FIRST CITIZENS STATE BANK	NEWPORT
234	COMMUNITY BANK	NOBLESVILLE
231	INDIANA LAWRENCE BANK & TRUST CO	NORTH MANCHESTER
170	NORTH SALEM STATE BANK (THE)	NORTH SALEM
197	UNION BANK & TRUST CO.	NORTH VERNON
191	RIPLEY COUNTY BANK (THE)	OSGOOD
33	OSSIAN STATE BANK	OSSIAN
257	STATE BANK OF OXFORD	OXFORD
275	HARRISON COUNTY BANK	PALMYRA
12	ORANGE COUNTY BANK	PAOLI
162	PENDLETON BANKING COMPANY	PENDLETON
201	CITIZENS STATE BANK	PETERSBURG
207	FIRST STATE BANK OF PORTER	PORTER
314	WEST END SAVINGS BANK	RICHMOND
16	TRI-COUNTY BANK & TRUST CO.	ROACHDALE
35	COMMUNITY STATE BANK - ROYAL CENTER	ROYAL CENTER
287	CENTRAL BANK	RUSSIAVILLE
153	SPENCER COUNTY BANK	SANTA CLAUS
199	SCOTT COUNTY STATE BANK (THE)	SCOTTSBURG

ACTIVE STATE COMMERCIAL INSTITUTIONS 12/31/98

DFIID	NAME	CITY
189	FIRST PARKE STATE BANK	ROCKVILLE
35	COMMUNITY STATE BANK - ROYAL CENTER	ROYAL CENTER
287	CENTRAL BANK	RUSSIAVILLE
153	SPENCER COUNTY BANK	SANTA CLAUS
199	SCOTT COUNTY STATE BANK (THE)	SCOTTSBURG
225	JACKSON COUNTY BANK	SEYMOUR
176	1ST SOURCE BANK	SOUTH BEND
311	OWEN COMMUNITY BANK SB	SPENCER
228	OWEN COUNTY STATE BANK	SPENCER
292	FIRST FARMERS STATE BANK	SULLIVAN
177	PEOPLES BANK AND TRUST COMPANY	SUNMAN
278	GRANT COUNTY STATE BANK	SWAYZEE
147	FARMERS STATE BANK (THE)	SWEETSER
648	FIRST STATE BANK, SOUTHWEST INDIANA	TELL CITY
317	MORRIS PLAN COMPANY OF TERRE HAUTE (THE)	TERRE HAUTE
293	TERRE HAUTE SAVINGS BANK	TERRE HAUTE
154	UNION TRUST BANK	UNION CITY
270	CENTREBANK	VEEDERSBURG
152	VEVAY DEPOSIT BANK	VEVAY
274	SECURITY BANK & TRUST CO.	VINCENNES
294	FRANCES SLOCUM BANK & TRUST	WABASH
222	LAKE CITY BANK	WARSAW
192	UNITED SOUTHWEST BANK	WASHINGTON
236	MERCHANTS BANK & TRUST CO (THE)	WEST HARRISON
220	AMERICAN TRUST AND SAVINGS BANK	WHITING
215	CENTIER BANK	WHITING
211	PEOPLES LOAN & TRUST CO	WINCHESTER
276	RANDOLPH COUNTY BANK (THE)	WINCHESTER
282	BANK OF WOLCOTT	WOLCOTT

DIVISION OF SAVINGS ASSOCIATIONS

As of December 31, 1998, there were six active savings and loan associations operating under Indiana state charter. The number of active savings and loan associations reduced by two from year-end 1997. Peoples Building and Loan Association, Tell City converted to a Federal stock savings and loan association and Newton County Loan and Savings Association, Goodland converted to a Federal mutual savings and loan association. All active institutions submit a semi-annual statement of condition and a report of earnings to the Department.

Total assets held by state-chartered associations decreased by \$3.3 million to a total level of \$397 million as of December 31, 1998. Net loans and leases

in the amount of \$311 million were held by the associations and comprised 78% of total assets.

Total deposits decreased by \$5.1 million, from \$327.9 million as of December 31, 1997, to \$322.8 million as of December 31, 1998. Total equity capital increased by approximately \$600 thousand during 1998, from \$51.4 million to \$52.0 million. Total equity capital represented 13.11% of total assets as of December 31, 1998. Net income for the year ending December 31, 1998, was \$3.4 million and represented .86% of total assets.



Barb Cole
Bank Division

**STATE CHARTERED BUILDING AND LOAN ASSOCIATIONS
COMPARATIVE STATEMENT OF CONDITION (CONSOLIDATED)**

Schedule A
(\$ in Thousands)

ASSETS	December 31, 1998	December 31, 1997
Cash and Due From Depository Institutions	26,718	30,925
Securities	41,548	50,118
Federal Funds Sold and Repurchase Agreement	0	0
Gross Loans and Leases	312,852	304,894
Loan Loss Allowance	1,632	802
Net Loans and Leases	311,220	304,092
Trading Accounts	5,793	3,117
Premises and Equipment	5,149	5,602
Other Real Estate Owned	238	321
Goodwill and Other Intangibles	14	16
All Other Assets	6,365	6,114
Total Assets	397,045	400,305
LIABILITIES		
Deposits	322,819	327,948
Federal Funds Purchased & Repurchase Agreements	0	0
Demand Notes Issued to U.S. Treasury	0	0
Trading Liabilities	0	0
Other Borrowed Funds	18,913	17,822
Subordinated Debt	0	0
Other Liabilities	3,296	3,176
Total Liabilities	345,028	348,946
EQUITY CAPITAL		
Perpetual Preferred Stock	0	0
Common Stock:		
Par Value	0	0
Paid in Excess of Par	0	0
Total Common Stock	0	0
Unrealized Gains (Losses) Available Sale Securities	0	0
Retained Earnings (Deficit)	52,017	51,359
Total Equity Capital	52,017	51,359
Total Liabilities & Equity Capital	397,045	400,305

**STATE CHARTERED BUILDING AND LOAN ASSOCIATIONS
CONSOLIDATED STATEMENT OF OPERATIONS**

Schedule B
(\$'s in Thousands)

	December 31, 1998	December 31, 1997
Interest Income	28,725	28,612
Interest Expense	16,444	16,264
Net Interest Inc Before Allow for Loan and Lease Losses	12,281	12,348
Provision for Credit Losses	1,027	246
Net Interest Inc After Provision	11,254	12,102
Noninterest Income	2,102	1,363
Noninterest Expense	8,139	8,126
Inc Before Gains (Losses) on Sale of Assets	5,219	5,339
Gain on Sale of Assets	3	0
Loss on Sale of Assets	0	0
Operating Inc Before Taxes & Extra Items	5,222	5,339
Total Income Taxes	1,815	1,971
Income (Loss) Before Extraord Items	3,407	3,368
Extraordinary Items, Net of Tax	0	0
Net Income (Loss)	3,407	3,368

LIST OF STATE CHARTERED BUILDING AND LOAN ASSOCIATIONS

(Assets in Thousands of \$)
Schedule C

City	Institution Name	Total Assets 1998
Boonville	Warrick Loan & Savings Association	998
Connersville	Union Savings & Loan Association	92,438
Martinsville	Home Bank SB	155,071
Michigan City	Michigan City Savings & Loan Association	50,743
Monticello	Peoples Savings & Loan Association-Monticello	45,103
Scottsburg	Scottsburg Building & Loan Association	52,692
Total Assets for State Chartered Associations		397,045

DIVISION OF CREDIT UNIONS

A credit union is a cooperative, non-profit association incorporated under the laws of the state for the purpose of educating its members in the concept of thrift and encouraging thrift among its members. Credit unions are composed of and owned by groups of people with some type of common bond; that is, some similar interest that serves to define the group.

As of December 31, 1998 there were 63 active state chartered credit unions. The combined total assets of these 63 credit unions as of December 31, 1998 was \$3,647,684,118 an increase of \$338,000,000 over December 31, 1997. This translates to a 10.2% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$2,863,000,000 as of December 31, 1997 to \$3,220,000,000. as of December 31, 1998 this represents a growth in deposits of 12.5%. Member loans

made by Indiana credit unions increased from \$2,360,000,000 as of December 31, 1997 to \$2,432,000,000 as of December 31 1998. This represents an increase of 3.1% in loans to members.

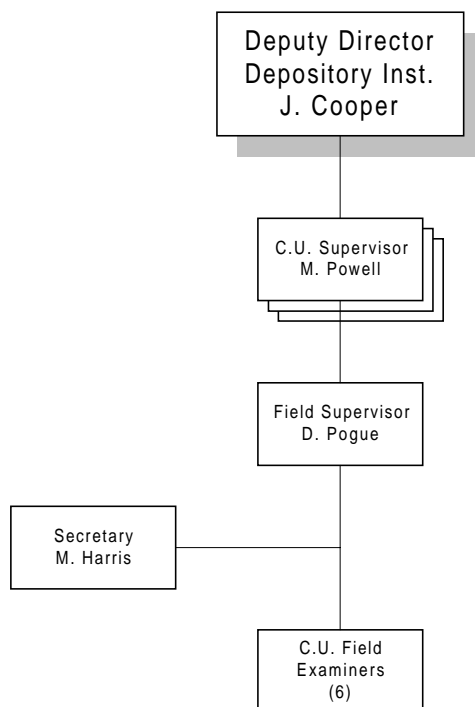
The following credit unions have been merged into another credit union since the last annual report:

New Castle State Development Center Credit Union,
New Castle

Golden Foundry Employees Credit Union, Columbus.

The following credit union has converted from federal to Indiana state charter since the last annual report:

General Credit Union, (\$64,903,543.) Fort Wayne



CREDIT UNION ANNUAL REPORT 12/31/98
BALANCE SHEET
Schedule A

ACCOUNT DESCRIPTIONS (In Millions of \$)	12/31/98	12/31/97
ASSETS		
Loans	2,432	2,360
Cash & Cash Equivalents	80	81
U.S. Government Obligations	291	54
Banks, Savings & Loan & Mutual Savings Banks	54	220
Other Investments	93	502
Other Assets	698	94
TOTAL ASSETS	<u>3,648</u>	<u>3,310</u>
LIABILITIES		
Shares	3,220	2,863
Total Borrowings	33	64
Dividends	125	1
Accounts Payable & Other Liabilities	(133)	13
TOTAL LIABILITIES	3,245	2,941
EQUITY		
Regular Reserve	133	114
Allowance for Loan Losses	24	22
Other Reserves	12	12
Accumulated Unrealized Gain/Loss	-	(1)
Undivided Earnings	234	222
TOTAL EQUITY	403	369
TOTAL LIABILITIES & EQUITY	<u>3,648</u>	<u>3,310</u>

STATEMENT OF CONDITION: STATISTICAL HIGHLIGHTS—(In Millions of \$)

	12/31/98	12/31/97	Increase/Decrease
ASSETS	3,648	3,310	338
SHARES	3,220	2,863	357
LOANS	2,432	2,360	72
INVESTMENTS	438	776	(338)

One Federal Credit Union converted to a State Charter as of 12/31/98

INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/98
INCOME STATEMENT
Schedule B (In Millions of \$)

INCOME:

Interest on Loans	210
Less Interest Refunds	(1)
Income from Investments	52
Other Income	35
TOTAL INCOME	<u>296</u>

EXPENSES:

Employee Compensation & Benefits	55
Travel & Conference	1
Office Occupancy	8
Office Operations	28
Educational & Promotional	4
Loan Servicing	4
Professional & Outside	12
Provision for Loan Losses	22
Members Insurance	-
Operating Fees	1
Interest on Borrowed Money	3
Other Expenses	3
TOTAL EXPENSES	<u>141</u>

NET INCOME

155

DISTRIBUTION OF NET INCOME

Transferred to Regular Reserve	24
Transferred to Undivided Earnings or Other Reserves	6
TOTAL DISTRIBUTIONS	<u>30</u>

DIVIDENDS TO MEMBERS

125

LOCATION	NAME OF ASSOCIATION	TOTAL ASSETS
Anderson	Anderson Post Office Credit Union	2,437,653
Auburn	DeKalb Co. Farm Bureau Co-op Credit Union	54,580,159
Bedford	Hoosier Hills Credit Union	123,924,822
Bluffton	Franklin Electric Employees Credit Union	1,856,330
Brazil	Clay Co. Farm Bureau Co-Op Credit Union	3,054,628
Chrisney	Spencer Co. Co-op Credit Union	2,965,009
Columbus	Centra Credit Union	350,399,140
Columbus	Golden Foundry Employees Credit Union	746,962
Crown Point	Tech Credit Union	174,609,445
East Chicago	East Chicago Firemen's Credit Union	1,192,689
Fishers	Indiana Telco Credit Union	371,015,633
Fort Wayne	General Credit Union	64,903,543
Fort Wayne	Indiana Postal & Federal Empl. Credit Union	14,530,688
Fort Wayne	Public Service Employees Credit Union	22,591,896
Fort Wayne	Tokheim Employees Credit Union	3,499,490
Frankfort	Nickel Plate Industrial Credit Union	5,378,636
Franklin	Arvin G & F Credit Union	4,008,678
Goshen	Elkhart County Farm Bureau Credit Union	209,160,355
Goshen	Penn Credit Union	17,878,508
Hagerstown	Perfect Circle Credit Union	39,646,474
Hammond	Hammond Firefighters Association Credit Union	1,264,713
Huntington	Huntington County Farm Bureau Credit Union	16,075,157
Indianapolis	Brylane Associates Credit Union	4,001,502
Indianapolis	Capital Plus Credit Union	18,797,605
Indianapolis	Citizens Gas Utility Credit Union	12,320,300
Indianapolis	Double Eleven Credit Union	48,328,644
Indianapolis	Dow Employees Credit Union	23,587,365
Indianapolis	Greater Indianapolis Firefighters CU	34,016,489
Indianapolis	Hoosier Farm Bureau Credit Union	5,008,257
Indianapolis	Indiana Members Credit Union	489,002,605
Indianapolis	Indianapolis Hebrew Credit Union	484,157
Indianapolis	Indianapolis Police Department Credit Union	23,178,923
Indianapolis	Indianapolis Post Office Credit Union	45,460,720
Indianapolis	Indianapolis Railroad Employees Credit Union	5,068,885
Indianapolis	IPALCO Credit Union	17,977,549
Indianapolis	Jet Credit Union	40,348,221
Indianapolis	Kemba Employees Credit Union	40,997,216
Indianapolis	Mutual Insurance Credit Union	373,625
Indianapolis	Naval Avionics Employees Credit Union	58,034,681
Indianapolis	Richardson Employees Credit Union	299,281
Indianapolis	State Merit Service Credit Union	4,912,993
Kokomo	Kokomo Post Office Credit Union	1,048,712
LaPorte	Municipal Employees Credit Union	858,550
Lawrenceburg	Seagram Employees Credit Union	11,322,484
Logansport	Cass Co. Farm Bureau Co-Op Credit Union	3,560,579
Logansport	G.T.C. (Logansport) Credit Union	108,424
Loogootee	Martin Co. Farm Bureau Co-Op Credit Union	3,867,810
Merrillville	Federal Employees Credit Union	6,350,871
Michigan City	Members Advantage Credit Union	34,993,917

LOCATION	NAME OF ASSOCIATION	TOTAL ASSETS
Mishawaka	Taper Lock Credit Union	25,883,691
Monroe	Adams Co. Farm Bureau Co-Op Credit Union	7,078,835
Muncie	Muncie Post Office Credit Union	1,060,514
New Albany	New Albany Schools Credit Union	6,581,617
Richmond	NATCO Credit Union	27,786,327
Richmond	Richmond State Hospital Emp. Credit Union	1,666,191
Sellersburg	Clark County Co-Op Credit Union	1,258,406
Seymour	Jackson County Co-Op Credit Union	8,387,024
South Bend	South Bend Post Office Credit Union	12,183,977
South Bend	Teachers Credit Union	810,872,020
Sullivan	Sullivan Co. Farm Bureau Co-Op Credit Union	3,554,423
Terre Haute	Terre Haute Post Office Credit Union	1,218,397
Wabash	Wabash County Farm Bureau Credit Union	313,667,970
Warsaw	United Credit Union	6,453,753
	Gross Assets – Includes Allowance for Loan Losses	<hr/> 3,647,684,118



Mark Powell
Supervisor—Credit Unions



Janice Davis
Administration

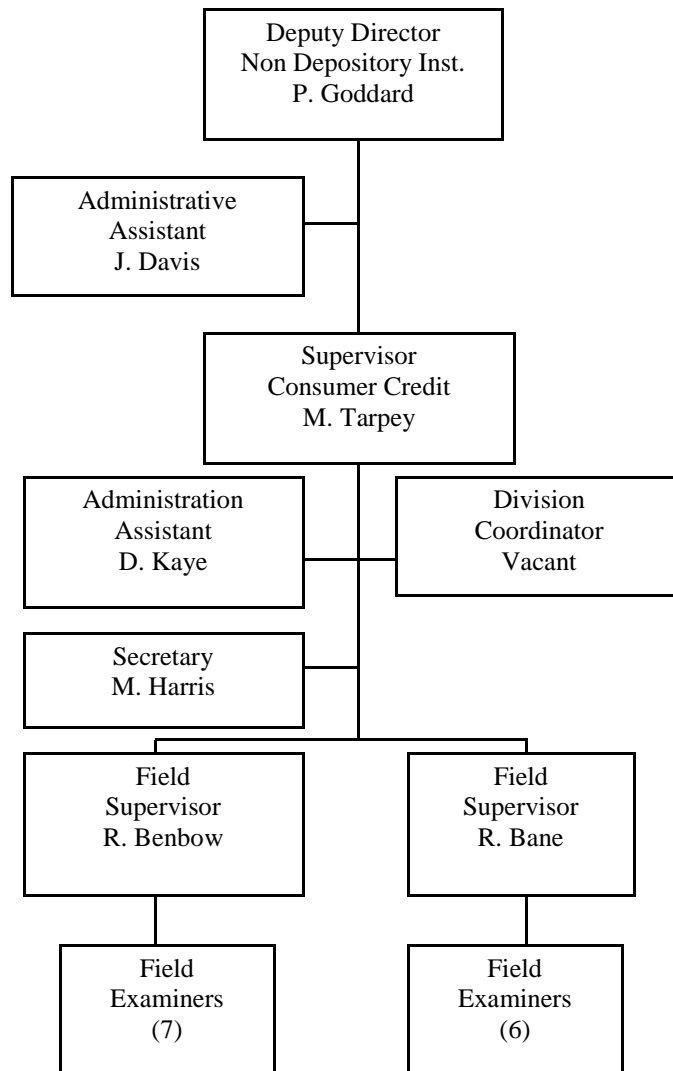
DIVISION OF NON-DEPOSITORY INSTITUTIONS

The Non-Depository Institutions Division administers the Indiana Uniform Consumer Credit Code (IC 24-4.5), Rent to Purchase Act (IC 24-7), Budget Service Company Act (IC 28-1-29), Indiana Pawnbroking Act (IC 28-7-5), Indiana Money Transmitter Act (IC 28-8-4), and the Check Cashing Act (IC 28-8-5). The Division acts on complaints and inquiries from consumers on these statutes.

Examinations of licensees and creditors are performed for compliance with the statutes they operate under.

When violations are discovered, the cause is determined and assurance is obtained from the licensee or creditor that future transactions will be in compliance. What is prevented is held more significant than what is remedied.

The Department continually reviews methods, policies, and philosophy in order to improve achievement of its goals to represent and serve the credit consumer and non-depository financial industry.



CONSUMER CREDIT

UNIFORM CONSUMER CREDIT CODE

The Indiana Uniform Consumer Credit Code (IC 24-4.5) regulates consumer credit sales, consumer leases, consumer related sales, consumer loans, and consumer related loans.

The statute sets:

Purposes, Rules of Construction
Territorial Application
General Definitions
Maximum and Minimum Charges
Delinquency and Deferral Charges
Additional Charges
Rebate upon Prepayment of Finance Charges
Limitations on Agreements and Practices
Lender Licensing Requirements
Insurance in General
Consumer Credit Insurance
Property and Liability Insurance
Limitations on Creditor's Remedies
Debtors' Remedies
Criminal Penalties
Powers and Functions of Administrator
Notification and Fees

The Indiana Uniform Consumer Credit Code was designed to:

- ◆ simplify, clarify, and modernize consumer credit laws;
- ◆ provide rate ceilings sufficient to assure an adequate supply of credit to consumers;
- ◆ further consumer understanding of the terms of credit transactions;
- ◆ foster competition among the various suppliers of consumer credit so that consumers may obtain credit at a reasonable cost;
- ◆ protect consumers from unfair practices arising from consumer credit transactions having due regard for the interests of legitimate and scrupulous creditors;
- ◆ permit and encourage the development of fair and economically sound consumer credit practices; and
- ◆ conform the regulation of consumer credit transactions to the policies of the Federal Consumer Credit Protection Act.

In 1935 Indiana became the first state in the nation to provide for regular examinations of certain holders of

consumer credit sales. This Division has under its administrative and regulatory jurisdiction 552 licensed entities with 1010 locations in the state. There are 4593 credit sellers registered with the Department. There was an increase of 95 licensed lenders in 1998 due to the growth of second mortgage originators based out-of-state and pay-day lenders.

The Division also has the responsibility to educate Indiana consumers in matters of credit as prescribed by the Indiana Uniform Consumer Credit Code. Consumer credit educational study units and mini-lessons have been developed and are available on the Internet at our Web Site, <http://www.dfi.state.in.us>, under "Consumer Credit." Study units are also available in Word and Power Point on disk or hard copies. There are also numerous credit topics on the Internet. Brochures on some of the topics can be printed from the Internet.

All of the Division's licensing and registration forms are now also available on the Internet.

Uniform Consumer Credit Code in 1971 made Indiana the only state authorized to regularly examine all consumer credit transactions from their inception.

The Division assists the Depository Division in examinations of state-chartered banks, credit unions, and savings institutions for their compliance with lending statutes.

There were 1,127 examinations made in 1998 covering all of the statutes administered by the Division. A total of 26,219 refundable violations were cited and refunds made to consumers totaling \$2,184,897.36. There were 725 non-refundable violations cited.

The Division also handles complaints in relation to the statutes administered by the Division. Refunds were made to consumers on 33% of the 1998 complaints for \$7,983.70. There were no violations on 48% of the complaints; 4% were referred to other agencies; 3% of the consumers did not return the complaint; and 11% of the complaints involved issues that were out of the agency's jurisdiction.

BUDGET SERVICE COMPANIES ACT

Budget service companies are licensed to provide ser-

VICES and assistance to individuals who seek counsel on the management of their debts. These companies make arrangements with creditors of a debtor to handle the disbursement of the debtor's money so that all creditors may be paid in the most expeditious manner. For these services, the companies are allowed to contract with the debtor to receive a fee regulated by the Budget Service Companies Act (IC 28-1-29).

There are three licensed budget service companies in Indiana, with six branches. Each is subject to an annual examination by Division examiners to ascertain compliance with the statute.

PAWNBROKERS

One of the oldest types of lending institutions is the pawnbroker. They were the first type of lenders and made small loans to individuals in small amounts based on a pledge of personal property.

Pawnbrokers' peak business time appears to be during recessions. They are a resource for persons who need small amounts of money for short periods of time.

All licensed pawnbrokers are examined periodically to ascertain their compliance with the Indiana Pawnbroking Law (IC 28-7-5). There were 93 licensed pawnbrokers as of December 31, 1998 with 66 branches in Indiana.

MONEY TRANSMITTER ACT

The Money Transmitters Act (IC 28-8-4) became effective January 1, 1994, and regulates institutions that sell checks or other instruments of payment to the public. There are 26 money transmitter licensees operating under the provisions of the act.

Though the Division is not mandated by statute to examine licensees, it does have the authority to do so when deemed appropriate.

RENTAL PURCHASE AGREEMENT ACT

The Rental Purchase Agreement Act (IC 24-7-1) regulates transactions of businesses who rent merchandise to Indiana consumers with the right to purchase the merchandise if the consumers so desire. The Act offers broad protection for the consumer as well as requiring all entities engaging in the business to conform and use set standards.

Entities desiring to transact such business must be registered with the Department and are examined to ascertain their compliance with the statute. There are 71 registered under this act with total locations of 309.

CHECK CASHING ACT

The Check Cashing Act (IC 28-8-5) became effective January 1, 1994. The statute requires check cashing businesses to obtain a license from the Department and regulates check cashing requirements, fee limitations, and record keeping. Retail businesses cashing checks incidental to the retail sale of goods or services are exempt from the act.

There are 56 licensed check cashers with 85 branches in Indiana as of December 31, 1998.

The Department may examine the books, accounts, and records of a licensee and may make investigations to determine compliance with the act.

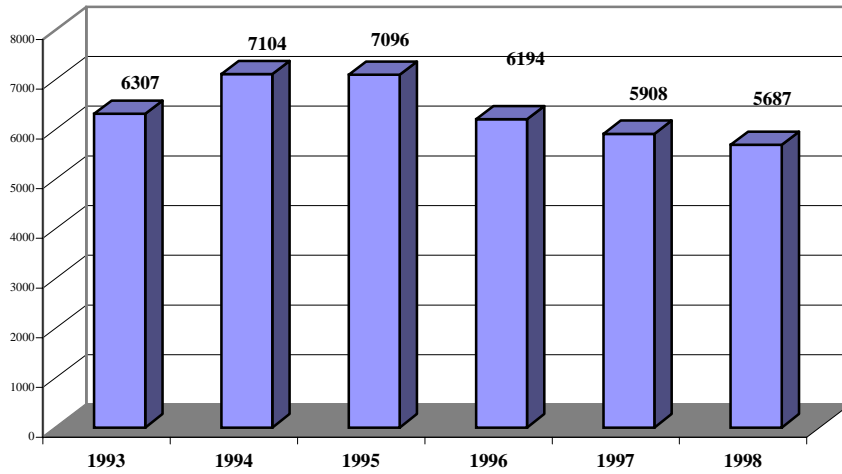
LEGISLATIVE CHANGES

The 1998 General Assembly amended the Indiana Uniform Consumer Credit Code and other Acts regulated by the Department by Acts 1998, P.L. 80. as follows

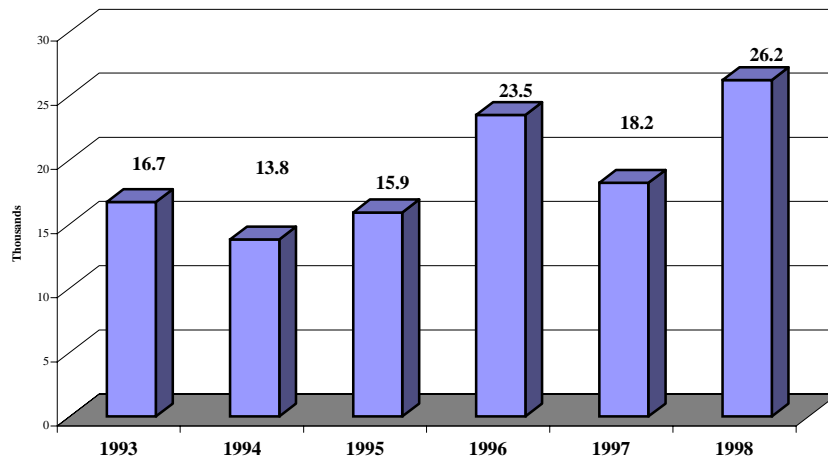
- IC 24-4.5-2-201(4) Changed 10 days to 30 days with exceptions for commencing imposing finance charge on delayed delivery.
- IC 24-4.5-2-202(c)/ 3-202(e) Added "Notwithstanding provisions of the Federal Consumer Credit Protection Act concerning disclosure."
- IC 24-4.5-3-503(2) Added "The director is entitled to request evidence of compliance with this section."
- IC 24-4.5-3-504(8) Added subsection (8) allowing director to revoke license under IC-4-21.5-3-6 in emergency.
- IC 24-4.5-6-103.5 New section to define director.
- IC 28-1-29-4(e) Added Subsection (8) allowing director to revoke license under IC 4-21.5-3-6 in an emergency.

- IC 28-1-29-5(1)(2) Added requirement for financial responsibility, character, and fitness. Deleted specific information required and added department is entitled to request evidence of fitness, etc.
- IC 28-7-5-5 Deleted \$75,000 financial requirement; department will determine financial requirements.
- IC 28-7-5-8 Added director is entitled to request evidence of compliance with the requirements of section by the licensee.
- IC 28-7-5-13(b) Added Subsection (b) allowing director to revoke license under IC 4-21.5-3-6 in emergency.
- IC 28-7-5-16(b)(7) Require date of birth on bill of sale.
- IC 28-7-5-19(a)(1) Require date of birth of pledger or principal and agent on pawn records.
- IC 28-7-5-21(a)(11) Require date of birth pledger on pawn ticket.
- IC 28-7-5-30 Added “A notice of pending sale mailed to a pledger under this section must be separate from other materials mailed.
- IC 28-8-4-48(b) Added subsection (b) allowing director to revoke license under IC 4-21.5-3-6 in emergency.
- IC 28-8-5-2.5 Added new section: “As used in this chapter, ‘check cashing transaction’ means a transaction under this chapter in which there is no written or implied agreement to hold the check for more than three (3) business days.
- IC 28-8-5-12(a)-(c) Dept. shall determine the financial responsibility, etc. before issuing the license. Changed (c) to (b) and added (c): director is entitled to request evidence of compliance with the requirements of the section by the licensee.
- IC 28-8-5-17 Added: “Except as provided in this chapter, a licensee or the licensee’s agent may not accept multiple checks from a person; person’s spouse; or person’s agent drawn on the person’s account with the intent that the licensee may collect multiple or increased fees for cashing the checks.
- IC 28-8-5-18.5 Added new section: the check must be drawn on a valid, open, and active account and must be deposited by the licensee into a financial institution with the intent to draw the funds of that check.
- IC 28-8-5 12(b) Added Subsection (b) allowing director to revoke license under IC 4-21.5-3-6 in emergency.

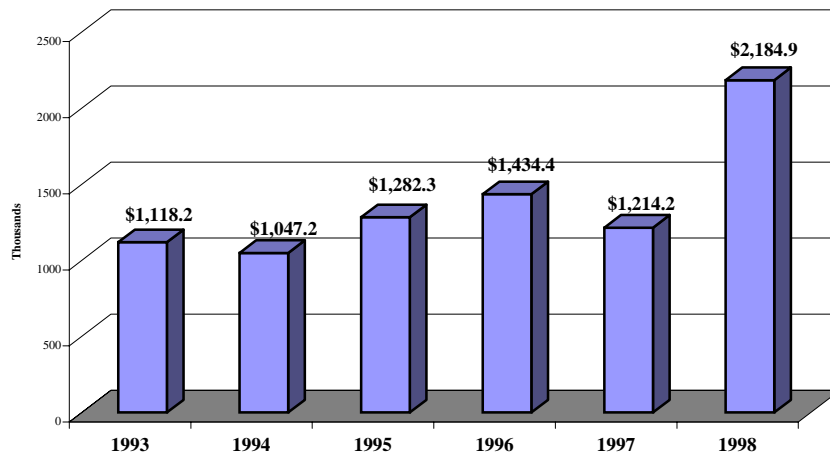
IUCC FILERS / LICENSEES



COMPLIANCE EXAM VIOLATIONS



COMPLIANCE REFUNDS



NEW NON-DEPOSITORY DIVISION LICENSES ISSUED IN 1998

LICENSED LENDERS

NO.	NAME	CITY	DATE
1664	ACCUBANC MORTGAGE CORPORATION	DALLAS	1/15/98
1665	AMAXIMIS LENDING, LIMITED PARTNERSHIP	FORT WORTH	1/15/98
1666	CHAMPION MORTGAGE CO INC	PARSIPPANY	1/15/98
1667	COMMUNITY HOME MORTGAGE CORPORATION	MELVILLE	1/15/98
1668	COMMUNITY LOAN AGENCY	MIAMI	1/15/98
1669	DREAM HOUSE MORTGAGE CORPORATION	PROVIDENCE	1/15/98
1670	E-Z CASH ADVANCE INC	RICHMOND	1/15/98
1671	CHECKS USA / LARRY HOUT	FORT WAYNE	1/15/98
1672	UNITED ALLIANCE MTG BANKERS & CONS DIR FUND INC / LOAN LINK FINANCIAL	ALISO VIEJO	1/15/98
1673	MISSION HILLS MORTGAGE CORPORATION	SANTA ANA	1/15/98
1674	MORTGAGE LENDERS ACCEPTANCE CORPORATION	LAGUNA HILLS	1/15/98
1675	OLD KENT MORTGAGE COMPANY	GRAND RAPIDS	1/15/98
1676	SENATE FINANCIAL CORPORATION	SANTA ANA	1/15/98
1677	S M C FUNDING INC / NORWEST HOME IMPROVEMENT INC	BIRMINGHAM	1/15/98
1678	AMERICAN RESIDENTIAL MORTGAGE INC	ANAHEIM	2/19/98
1679	EQUITYSTARS INC	WARWICK	2/19/98
1680	DIRECT MORTGAGE PARTNERS INC	WEST PALM BEACH	2/19/98
1681	IVY MORTGAGE CORP	BRANCHBURG	2/19/98
1682	LOANS TIL PAYDAY INC	MERRILLVILLE	2/19/98
1683	METROPOLITAN FINANCIAL INC	ORANGE	2/19/98
1684	MIDWEST MORTGAGE BANC / MIDWEST NATIONAL MORTGAGE BANC INC	CINCINNATI	2/19/98
1685	MONEY NOW / CARL HARMON & TONI HARMON)	ROCKPORT	2/19/98
1686	MORTGAGE INVESTORS CORPORATION	ST PETERSBURG	2/19/98
1687	OCEAN WEST ENTERPRISES INC	TUSTIN	2/19/98
1688	ONLINE CAPITAL / FIRST MORTGAGE NETWORK INC / AMERICAN FINANCE & INVESTM	PLANTATION	2/19/98
1689	RESIDENTIAL MORTGAGE CORPORATION (IMC) INC)	CRANSTON	2/19/98
1690	SEBRING CAPITAL CORPORATION	DALLAS	2/19/98
1691	STONE CASTLE HOME LOANS /STONE CASTLE FIN INC	SHERMAN OAKS	2/19/98
1692	TRANSAMERICA MORTGAGE COMPANY	DALLAS	2/19/98
1693	TRUST ONE MORTGAGE CORPORATION	IRVINE	2/19/98
1694	AMERICAN LOAN CENTERS / WMC MORTGAGE CORPORATION	WOODLAND HILLS	2/19/98
1695	AMERICA'S LOAN SOURCE INC	ALPHARETTA	3/20/98
1696	BANKERS WHOLESALE MORTGAGE	WAUWATOSA	3/20/98
1697	CASH IN HAND INC	EVANSVILLE	3/20/98
1698	HOLIDAY CHECK ADVANCE/D GARNER & C SMITH	EVANSVILLE	3/20/98
1699	H M C FUNDING / NORTH COUNTY REAL ESTATE INC	OCEANSIDE	3/20/98
1700	MIDSTATE FINANCIAL SERVICES INC	FAYETTEVILLE	3/20/98
1701	MORTGAGELINK FINANCIAL INC	IRVINE	3/20/98
1702	DANA CAPITAL GROUP INC	LAKEFOREST	3/20/98
1703	PRIME FINANCIAL NETWORK INC	LA JOLLA	3/20/98
1704	REAL ESTATE MORTGAGE ACCEPTANCE CO	LOS ANGELES	3/20/98
1705	SALEM FAST CASH / JACK & DAVID DILLON	SALEM	3/20/98
1706	NEW STATE MORTGAGE COMPANY / NEW STATE MORTGAGE LLC	MERRILLVILLE	3/20/98
1707	TRICOR FINANCIAL GROUP	HUNTINGTON BEACH	3/20/98
1708	AMERICAN MORTGAGE SOLUTIONS	SCHAUMBURG	4/28/98
1709	PAWN KING / AMERICAN TRADERS INC	PORTAGE	4/28/98
1710	CASH TODAY / CHARLES EDWARD SCHAFER	GREENFIELD	4/28/98
1711	CHECK WITH US / RITA ANN KIRKMAN	WHITELAND	4/28/98
1712	CHOICE MORTGAGE CORPORATION USA	NASHUA	4/28/98
1713	G B HOME QUITTY / GUARANTY HOME EQUITY CORPORATION	MILWAUKEE	4/28/98
1714	HOOSIER CHECK CASHER NOW INC	TERRE HAUTE	4/28/98
1715	MAGELLAN HOME LOANS LTD	WHITE PLAINS	4/28/98
1716	MALONE MORTGAGE COMPANY	DALLAS	4/28/98
1717	PLATINUM USA HOME LOAN INC	LAS VEGAS	4/28/98
1718	RESIDENTIAL EQUITY FUNDING INC	INDIANAPOLIS	4/28/98
1719	VANDERBILT MORTGAGE AND FINANCE INC	MARYVILLE	4/28/98
1720	A A A CASH ADVANCE	MUNCIE	5/29/98
1721	C M A MORTGAGE INC 21)	PENDLETON	5/29/98
1722	FREEDOM HOME MORTGAGE CORP / FREEDOM MORTGAGE CORP	MT LAUREL	5/29/98
1723	STERLING MORTGAGE AND INVESTMENT COMPANY	FARMINGTON HILLS	5/29/98
1724	LEE'S CASH & GO / LEE'S PACKAGE LIQUOR INC	INDIANAPOLIS	5/29/98
1725	NATIONAL CITY MORTGAGE CO	MIAMISBURG	5/29/98
1726	KRUGER FINANCIAL GROUP INC	LOUISVILLE	5/29/98
1727	A B C CREDIT CORPORATION	EVANSVILLE	6/30/98
1728	ADVANCE AMERICA / CASH ADVANCE CENTERS OF INDIANA INC	HAMMOND	6/30/98
1729	CASH MART / CMM OF INDIANA LLC	NEW ALBANY	6/30/98

No.	NAME	CITY	DATE
1730	C R SERVICES / ROBERT J ARNOLD	LAFAYETTE	6/30/98
1731	FIRST FINANCIAL FUNDING GROUP INC	MISSION VIEJO	6/30/98
1732	AMERILoAN / FIRST STREET MORTGAGE CORP	JACKSONVILLE	6/30/98
1733	FRANKLIN MORTGAGE FUNDING INC / MICHIGAN FIDELITY ACCEPTANCE CORP	SOUTHFIELD	6/30/98
1734	GREATER ACCEPTANCE MORTGAGE CORP	ORANGE	6/30/98
1735	GREENPOINT CREDIT CORPORATION	SAN DIEGO	6/10/98
1736	PACIFIC SHORE FUNDING	LAKE FOREST	6/30/98
1737	PAY DAY TODAY / ROBERT J MATIJEVICH	HOBART	6/30/98
1738	PEOPLES MTG CO / LAHSER CENTER MTG CO/ HOME FIN SERV INC/ HOMESTEAD F	SOUTHFIELD	6/30/98
1739	MONEY MARKET (THE) / MONEY MARKET IN. (THE)	NEW ALBANY	6/30/98
1740	TRIPLE S PAWN SHOP / J N H STEVENS	GREENCASLE	6/30/98
1741	AMERIFUND GROUP INC	WINTER PARK	8/6/98
1742	AMERUS HOME EQUITY INC	INDIANAPOLIS	8/6/98
1743	CHADWICK MORTGAGE INC	HOUSTON	8/6/98
1744	FRANKLIN FINANCIAL & GOLD COAST REALITY / CHRISTOPHER E HOBSON INC	CORONA DEL MAR	8/6/98
1745	FIRST RESIDENTIAL MORTGAGE NETWORK INC	LOUISVILLE	8/6/98
1746	FIRST NATION'S CASH INC	EVANSVILLE	8/6/98
1747	LENDERS SPECTRUM MORTGAGE INC	LAKE FOREST	8/6/98
1748	LONDON FINANCIAL GROUP	IRVINE	8/6/98
1749	SAME DAY CASH ADVANCE / RANDY JONES	INDIANAPOLIS	8/6/98
1750	UNIVERSAL LENDING GROUP INC II	BILTOMORE	8/6/98
1751	CASH N A FLASH/ M O S AND ASSOCIATES INC	RICHMOND	8/6/98
1752	WESTMARK MORTGAGE CORPORATION	BOCA RATON	8/6/98
1753	HOMEFREE MORTGAGE COMPANY LLC	CHARLOTTE	9/23/98
1754	MERITAGE MORTGAGE CORPORATION	LAKE OSWEGO	9/23/98
1755	ONE STOP MORTGAGE INC	INDIANAPOLIS	9/23/98
1756	PAY DAY LOANS INC	INDIANAPOLIS	9/23/98
1757	P M MORTGAGE CORPORATION	GLEN ELLYN	9/23/98
1758	QUICK CASH OF INDIANA L L C	KOKOMO	9/23/98
7431	ACE C C INC	INDIANAPOLIS	11/12/98
7436	LOANSUM PAWN INC	ST JOHN	11/12/98
7459	MR PAYDAY / PALM FINANCIAL, LLC	INDIANAPOLIS	11/12/98
7460	PAWN MART / R & R PAWN INC	INDIANAPOLIS	11/12/98
7461	BOTTOMLINE MORTGAGE INC	ALHAMBRA	11/12/98
7462	WESTERN LENDING CORP	MISSION VIEJO	11/12/98
7479	PROTOFUND MORTGAGE CORPORATION	WEST HILLS	11/12/98
7485	A C G FINANCIAL SERVICES (IMC) INC	DALLAS	11/12/98
7489	P S B LENDING CORP	CARLSBAD	11/12/98
7499	HOOSIER PAWNBROKERS INC	SEYMOUR	11/12/98
7500	PRINCIPAL RESIDENTIAL MORTGAGE INC	DES MOINES	11/12/98
7501	CHECKS TO CASH INC	INDIANAPOLIS	11/12/98

PAWNBROKERS

282	AGAPE PAWN / ANGELHEART ENTERPRISE LTD	MICHIGAN CITY	2/11/98
286	A J'S JEWELRY & LOAN INC	LOUISVILLE	1/15/98
287	PAWN KING / AMERICAN TRADERS INC	PORTAGE	4/28/98
288	CHECK SMART / HOOSIER CHECK CASHING OF OHIO	DUBLIN	4/28/98
289	AMERICAN PAWN / D-MAN CORPORATION	FORT WAYNE	6/30/98
7425	ALL AMERICAN PAWN INC	RICHMOND	11/12/98

MONEY TRANSMITTERS

229	61ST & BROADWAY CURR EXCH/ BONNYS MONEY TRANSMITTING INC	MERRILLVILLE	1/15/98
230	ORLANDI VALUTA INCORPORATED	LOS ANGELES	4/28/98

CHECK CASHERS

69	61ST & BROADWAY CURR EXCH/ BONNYS MONEY TRANSMITTING INC)	MERRILLVILLE	1/15/98
70	KOCOLENE MARKETING CORPORATION	SEYMOUR	1/15/98
71	PAL CHECK CASHING / CREDIT ONE COMPANY	NO RANDALL	4/28/98
72	HOOSIER CHECK CASHER NOW INC	TERRE HAUTE	4/28/98
73	CHECK WITH US / RITA ANN KIRKMAN	WHITELAND	4/28/98
74	PAYDAY CASH ADVANCE / WEST COAST SERVICES INC	LARGO	4/28/98

LICENSEES AND REGISTRANTS

As of December 31, 1998

TYPE	NUMBER REGISTERED	NUMBER BRANCH LOCATIONS
LOAN LICENSES	552	1010
PAWNBROKERS	93	66
CHECK CASHERS	56	85
MONEY TRANSMITTERS	26	N/A
BUDGET SERVICE COMPANIES	3	6
NON-LENDERS	4,593	2,626
FINANCIAL INSTITUTIONS	294	1,627
RENTAL PURCHASE	71	309
TOTALS	5,687	5,729



Ned Brown
Consumer Credit Division

DIVISION OF ADMINISTRATION

The Department of Financial Institutions is a self-funded (dedicated) agency that is entirely supported by fees paid by the institutions which are regulated and supervised by the Department. Each year, the Department adopts a schedule of fees to cover operating costs, as stipulated in I.C. 28-11-3-5.

The two largest expenditure items are personnel and travel reimbursement. These two items account for approximately 94% of the Department budget. The salaries are established through the legislative and budget process with concurrence of the State Personnel Department. Even though the agency is self-funded, the Department adheres to the same procedures as tax-supported agencies. State travel reimbursement limits are also set by the legislature through the budget process.

The Department attempts to maintain a full staff of well-qualified examiners. Recruiting is conducted at Indiana University, Bloomington; Indiana University-Purdue University, Indianapolis; Butler University, Indianapolis; Purdue University, West Lafayette; Ball State University, Muncie; Indiana State University, Terre Haute; and through a consortium of smaller, private institutions. Additional recruiting is conducted through the Indiana Black Expo in Indianapolis as well as other college fairs and special events. In addition, we have had limited success in attracting employment candidates with prior financial industry experience.

Examiner turnover, which had been moderate in prior years, increased sharply in 1998. The improved economy, and a strong demand for finance professionals, has hindered the agency's ability to retain personnel. The Department continues to work with the State Personnel Department and the State Budget Agency in attempts to provide an improved career path for the staff.

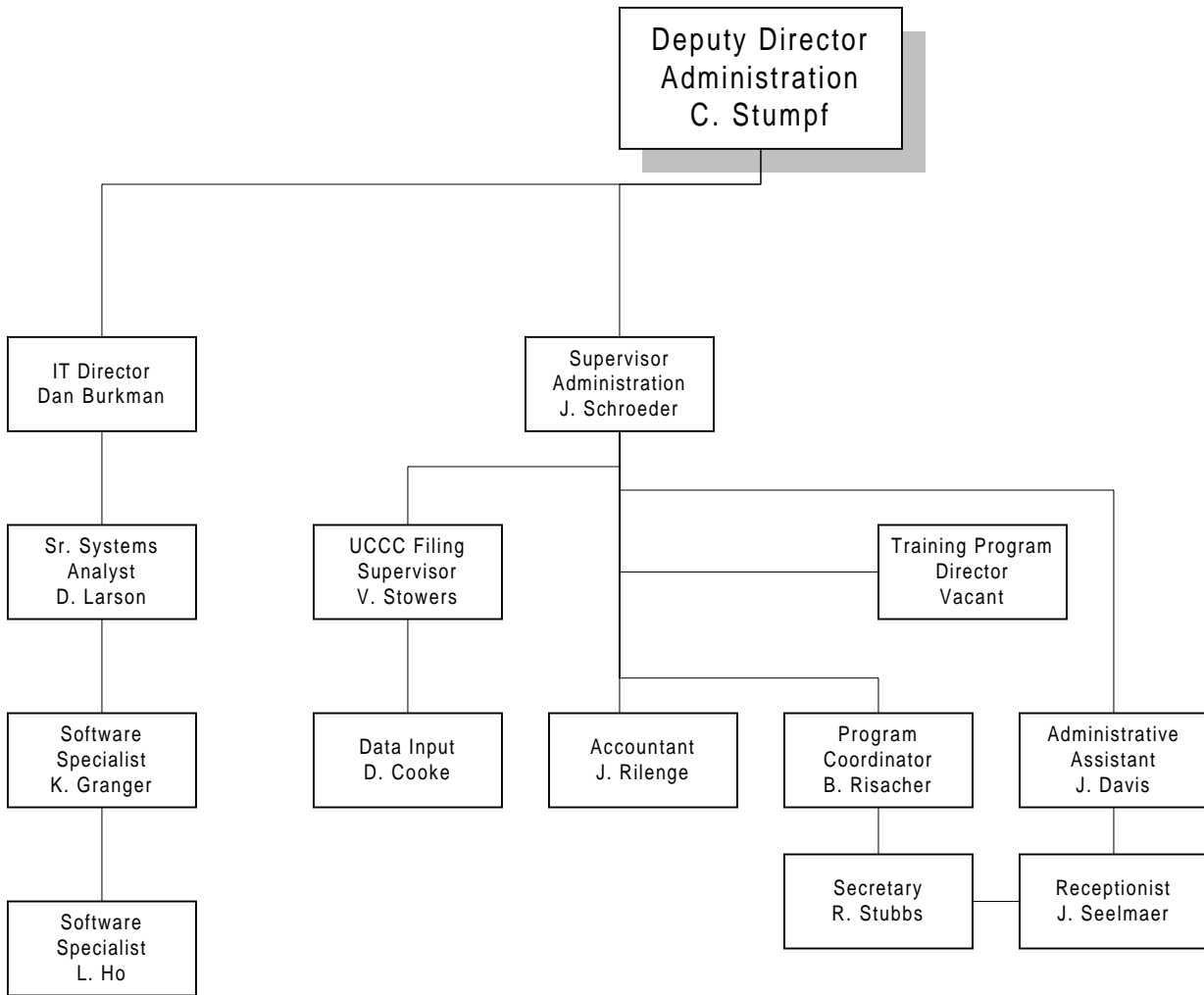
In an ongoing effort to increase efficiency, the Department has continued its significant commitment to information technology initiatives. The agency is taking increased advantage of both Internet and Intranet capabilities as a means of compiling, managing, and sharing data. This has been particularly fruitful with respect to

the Department's information sharing with its federal counterpart agencies. In addition, the agency has continued its development of internal information management systems with the assistance of contract developers. In addition, through the Conference of State Bank Supervisors, the Department has actively participated with federal regulators in the design and development of an automated examination software that will allow for a more efficient, less intrusive, examination process. The application is targeted for implementation in early 1999. The Department has also committed to improve its remote communications capabilities for the field staff through the installation of a Wide Area Network. Finally, the Department continues to maintain and update its own home page on the Internet. The WEB site address is <http://www.dfi.state.in.us>, and will be used to distribute this annual report along with application forms, Department structure and contact information, links to federal regulators, and other helpful information.

Training plays an important role in this agency, and the Department understands the importance of effective and timely training. We utilize an aggressive professional development program designed to ensure complete and accurate examination reports, and a seasoned, informed staff. Good training is necessary for the staff to make proper evaluations and sound analysis of examination information in determining the solvency and compliance of each financial institution. The Department utilizes a myriad of continuing professional education programs.

Located elsewhere in this report is the Report of Revenue and Expenditures of the Department of Financial Institutions. An examination of those figures will provide a review of the Department's overall fiscal operation.

DIVISION OF ADMINISTRATION



TRAINING

The continued development and maintenance of a qualified examination staff are major priorities of the Department. An effective training program is required to address this objective. To ensure value, the Department's training needs, policies, and procedures are annually assessed.

During 1998, all Department staff members participated in professional enrichment opportunities. Both externally and internally sponsored programs were employed.

External training programs included the following sponsors: the Education Foundation of State Bank Supervisors; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; the Federal Financial Institutions Examination Council; the National Association of Consumer Credit Administrators; the Institute of Supervisory Education; and the National Association of State Credit Union Supervisors. These programs supplement internal training. Besides providing individual technical instruction, information is shared with other examiners and office staff.

Adequate financial analysis in a changing and more complex environment creates the need for specialized programs, such as the Capital Markets and Information Systems and Technology Conferences.

In 1998, the third Department examiner graduated from the American Bankers Association's National Graduate Trust School. One examiner was attending Graduate School of Banking, held in Madison, Wisconsin and two examiners were attending the Graduate school of Banking at Colorado ("GSBC"). One of the two GSBC students was the first Department employee to win the

EFSBS graduate school scholarship. This continues the tradition of the Department enrolling new students in graduate programs annually.

The Bank Division training committee continued to work for consensus regarding training needs. Further development of internal programs met more advanced requirements. Year 2000 seminars were held to address the upcoming century date-change issue. Software training continued with shifts in application programs. Also, an outside consultant provided written communication training.

Ten new examiners and one secretary began employment with the Department in 1998. Continuing training processes included orientation, PC software, cross-training with bank, trust, and information systems examinations, and testing. Tests were reformatted to provide tailoring with examiner skill progress. Trainees are also exposed to formal training for serving as Examiner-In-Charge, and attend operations, financial analysis, credit analysis and examination management schools.

Training is the foundation of a qualified staff. The Department is committed to this improvement through enhancement of the training program. These benefits are incalculable to the citizens of Indiana, the financial institutions industry, and the Department.