

Department of Financial Institutions



**Charles W. Phillips
Director**

**Annual Report
Year Ended December 31, 2000**

State of Indiana

**Frank O'Bannon
Governor**

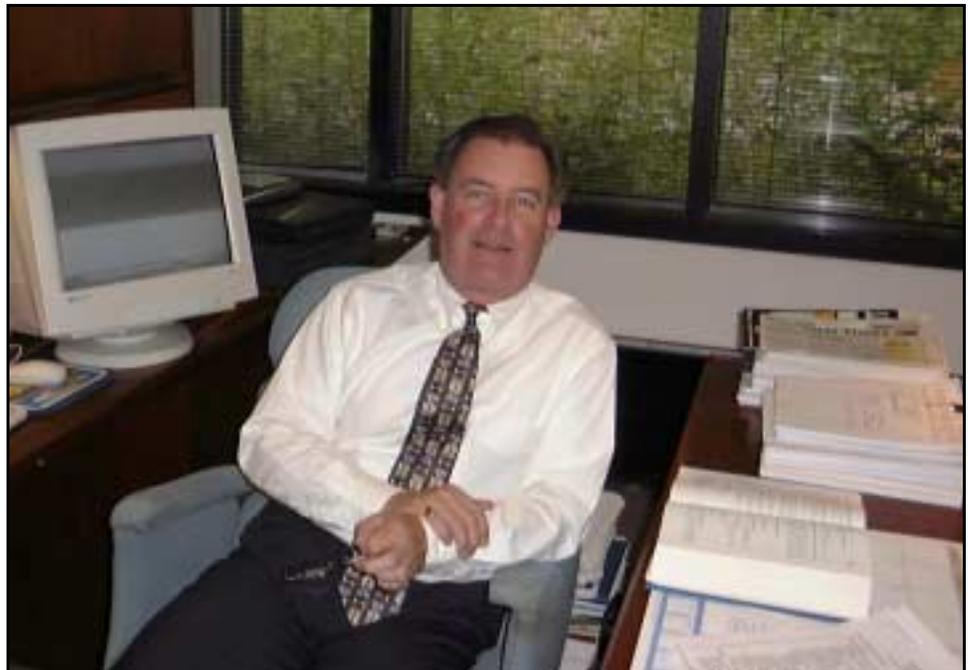
**Joseph Kernan
Lieutenant Governor**

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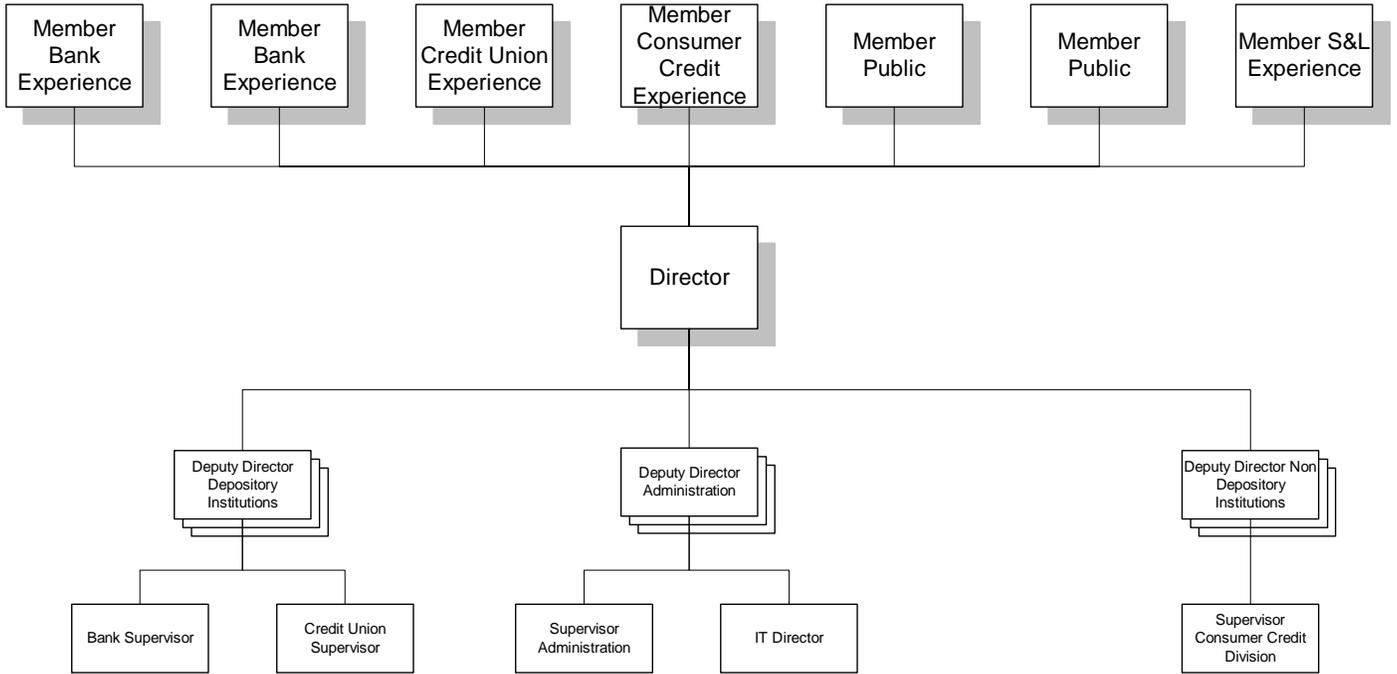


Jan Rilenge
Administration Division



Randy Rowe
Bank Supervisor

Department of Financial Institutions



DEPARTMENT OF FINANCIAL INSTITUTIONS

DIRECTORS (1933 - 2000)

| DIRECTOR | FROM | | TO | |
|---------------------|-------------|------|-----------|---------|
| Richard McKinley | January | 1933 | November | 1939 |
| Ross H. Wallace | January | 1940 | June | 1943 |
| A.J. Stevenson | July | 1943 | December | 1944 |
| Joseph McCord | January | 1945 | September | 1965 |
| Donald H. Sauer | October | 1965 | June | 1969 |
| James Faris | July | 1969 | June | 1980 |
| William T. Ray | July | 1980 | June | 1983 |
| Ruth D. Harrison | July | 1983 | May | 1989 |
| Charles W. Phillips | June | 1989 | | Present |



MEMBERS OF THE DEPARTMENT

Norman L. Lowery, Chairman
Terre Haute
Member At Large

Gary M. Smith, Vice Chairman
Evansville
Consumer Credit Member

David D. Baer
Bloomington
Banking Member

Loretta M. Burd
Columbus
Credit Union Member

Ronald E. DePasse
Terre Haute
Savings Bank Member

James L. Saner Sr.
Greensburg
Banking Member

Anthony J. Zaleski, Jr.
Munster
Member At Large

MEMBERS PROFILE

Name: Norman Lowery

Business Address: Terre Haute First National Bank
P.O. Box 540
Terre Haute, IN 47808-0540

Business Title: President, Chief Executive Officer and Board Member,
Terre Haute First National Bank;
Vice Chairman, First Financial Corporation

Professional/Civic Affiliations: Wabash Valley Community Foundation – Board Member;
Indiana State University Foundation – Board Member

Education: Indiana State University
Indiana University
Doctor of Jurisprudence, Magna Cum Laude, 1972

PROFILE

Name: Gary Smith

Business Address: Sears Roebuck and Company
503 West Roscoe Street, Unit 1W
Chicago, IL 60657

Business Title: Assistant General Counsel—Consumer Credit

Professional/Civic Affiliations: National Alumni Schools Committee
The John Hopkins University

Education: The John Hopkins University
The George Washington University Law School

MEMBERS' PROFILES

Name: Dave Baer

Business Address: Monroe County Bank
210 East Kirkwood
Bloomington, IN 47408

Business Title: Chairman of the Board, Monroe Bancorp

Professional/Civic Affiliations: Aviation Board for the Monroe County Airport
Navy flight training program/Atomic Weapons Delivery
Past Chairman of the Indiana Bankers Association

Education: University of Iowa

PROFILE

Name: Loretta Burd

Business Address: Centra Credit Union
1430 National Road
Columbus, IN 47201

Business Title: President/CEO Centra Credit Union

Professional/Civic Affiliations: Chairman of Indiana Corporate Credit Union Board of Directors
Vice Chairman of Credit Union Centers of Indianapolis Board of Directors
Chairman of the Columbus Chamber of Commerce Board of Directors

Education: University of Wisconsin
College of Financial Planning
University of Indianapolis

MEMBERS PROFILE

Name: Ronald E. Depasse

Business Address: Terre Haute Savings Bank
6th & Ohio
Terre Haute, IN 47808

Business Title: Chairman of the Board, President, Treasurer and Trust Officer
Terre Haute Savings Bank

Professional/Civic Affiliations: Board Member of the Alliance for Growth and Progress of Terre Haute
United States Air Force, 1956 – 1960; Wiesbaden Germany, 1957 - 1960

Education: Graduate School of Banking
Madison, Wisconsin

PROFILE

Name: James L. Saner Sr.

Business Address: Indiana United Bancorp
201 North Broadway
Greensburg, IN 47240

Business Title: President & CEO of Indiana United Bancorp

Professional/Civic Affiliations: Past Chairman – Community Bankers Association of Indiana
Sagamore of the Wabash

Education: Thomas More College
University of West Virginia

MEMBERS PROFILE

Name: Tony Zaleski

Business Address: Tony Zaleski and Associates
3026 45th Street
Highland, IN 48322

Business Title: Real Estate Broker and Appraiser

Professional/Civic Affiliations: Northwest Indiana Board of Realtors, Board of Directors
Member of the Indiana General Assembly 1968 – 1982

Education: Indiana University



DFI Office Staff

CHARLES W. PHILLIPS, DIRECTOR PROFILE

Business Address: Indiana Department of Financial Institutions
402 West Washington Street, Room W066
Indianapolis, IN 46204

Business Title: Director 1989—Present

Volunteer/Service Boards: Member, Board of Advisors, Indiana University Southeast
Member, Board of Overseers, WKPC Channel 15
Numerous Metro United Way Assignments

Corporation Affiliations: 2000 - Conference of State Bank Supervisors – District
II Chairman & Member, Board of Directors

Professional/Civic Affiliations: 1950 – 1954 FDIC Assistant Examiner, St. Louis
District
1954 – 1957 FDIC Examiner, St. Louis District
1958 – 1962 Executive Vice-President, Floyd County
Bank, New Albany
1962 – 1985 President, Floyd County Bank, New Albany, Indiana
1986 – 1988 Retired
1989 – 2000 Appointed Director, Indiana Department of Financial Institu-
tions
1992 – 1999 Conference of State Bank Supervisors – District II Vice
Chairman
1963 – 1964 Member, Indiana Bank Law Study
Commission
1965 – 1966 Member, American Bankers Association State Banking Law
Steering Committee
1965 – 1968 Chairman of the Members, Indiana Department of Financial
Institutions
1970 – 1984 Various other American Bankers Association and Indiana
Bankers Association activities
1972 Chairman, Indiana Bankers Association Senior Manage-
ment Committee
1976 – 1982 Chairman, Board of Escot, Indiana University Southeast
1978 – 1981 Charter Director, Leadership Louisville
1980 – 1982 American Bankers Association Leadership Council
1980 – 1985 Director, WKPC Channel 15 (PBS), Louisville
1960 – 1988 Three 3-Year terms as Chairman of Church Finance Com-
mittee
1994 Chancellor's Medallion for Distinguished Service, Indiana
University Southeast

Education: University of Kentucky - BS Degree 1950

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
Tracy L. Baker, 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

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 – I
Marc A. Ward – I

Chad L. Kozuch – II
Vernita L. Early – III
Thomas Fite – III
Dee Gloy – III
Rod A. Klingler – III

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 – I

Robin R. Upchurch – II
Randall B. Allen – III
Andrea Hemmig – III
Janelle Wiggins – III
D. Scott Shelton – III

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

Lisa A. Shirar – I
Mark A. Walters – II

John Sigman – III
Jon Bell – III

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

DISTRICT 2

Robert W. Benbow, Field Supervisor
Edward J. Lay – WLII
LeRoy H. Janz, Jr. – II
Kent D. Sager – II
Scott Imbus – II

Roman Numerals denote field examiner grade level.

LEGAL DIVISION

J. Philip Goddard, Chief Counsel
Christopher McKay, Law Clerk

DIVISION OF ADMINISTRATION

Charles T. Stumpf, Jr., C.P.A. – Deputy Director
John J. Schroeder – Supervisor, Administration
P. David Larson – Senior Systems Analyst
Lisa Ho – Software Specialist
Virginia M. Stowers – UCCC Filing Supervisor
Beth A. Risacher – Travel/Supply Coordinator
Janice L. Davis – Personnel Assistant
Jan L. Rilenge – Accountant

OFFICE SUPPORT STAFF

Donetta J. Cooke, Administration Division
Judy C. Jones, Administration Division
Renita D. Stubbs, Administration Division
Phyllis A. Brouse, Bank Division
Barbara J. Cole, Bank Division
Mary L. Harris, Consumer Credit and
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 cashers, 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 building and loan 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 represen-

tation 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 activities 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.

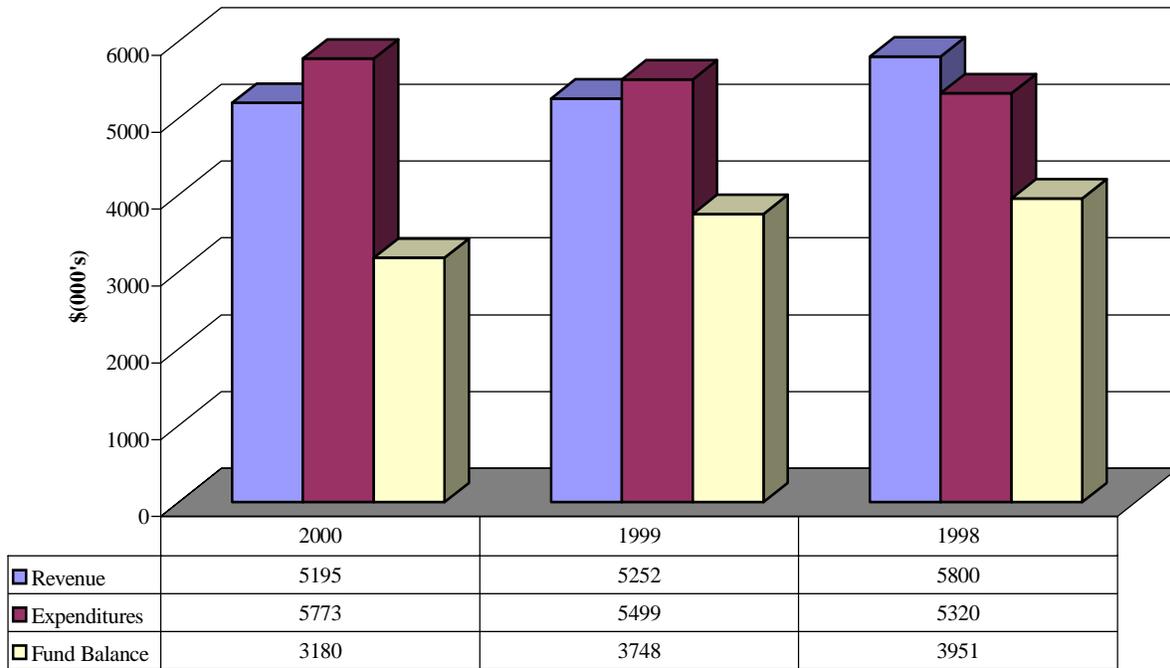
The Department's revenue is derived solely from supervision, examination, and license fees that are assessed to those financial institutions that are regulated by the Department.



REVENUE AND EXPENDITURES

| <u>REVENUE</u> | 2000 | 1999 | 1998 |
|--|--------------------|--------------------|--------------------|
| BANK FEES | \$2,146,500 | \$2,286,117 | \$2,285,683 |
| BUILDING & LOAN EXAMINATION FEES | 48,003 | 66,140 | 77,017 |
| CREDIT UNION EXAMINATION FEES | 534,883 | 517,544 | 495,214 |
| PAWNBROKING LICENSING FEES | 85,115 | 64,100 | 73,005 |
| APPLICATION FEES | 78,284 | 99,650 | 131,347 |
| BUDGET SERVICE COMPANY FEES | 300 | 1,500 | 400 |
| UCCC FEES | 2,245,081 | 2,162,517 | 2,686,633 |
| RENTAL/PURCHASE LICENSE | 32,600 | 31,000 | 29,100 |
| MONEY TRANSMITTER FEES | 12,190 | 13,922 | 11,880 |
| CHECK CASHERS FEES | 12,200 | 9,800 | 10,050 |
| TOTAL REVENUE | \$5,195,156 | \$5,252,290 | \$5,800,329 |
| | | | |
| <u>EXPENDITURES</u> | | | |
| PERSONNEL COSTS | \$4,800,304 | \$4,150,591 | \$4,031,702 |
| UTILITIES, POSTAGE, AND SUBSCRIPTIONS | 158,935 | 163,768 | 135,522 |
| CONTRACT SERVICES | 111,687 | 152,135 | 47,699 |
| OFFICE SUPPLIES | 34,502 | 33,335 | 39,379 |
| EQUIPMENT/EDP DEVELOPMENT/SOFTWARE | 39,292 | 273,724 | 313,603 |
| TRAVEL IN-STATE | 484,384 | 515,369 | 556,605 |
| TRAVEL OUT-OF-STATE | 11,375 | 19,356 | 11,425 |
| PERSONNEL DEVELOPMENT & RELATED TRAVEL | 132,937 | 190,689 | 183,836 |
| TOTAL EXPENDITURES | \$5,773,416 | \$5,498,967 | \$5,319,771 |
| | | | |
| NET REVENUE (EXPENDITURES) | (578,260) | (246,677) | \$480,558 |
| CASH BALANCE, JULY 1 | 3,763,445 | 4,010,122 | 3,529,564 |
| CASH BALANCE, JUNE 30 | 3,185,185 | 3,763,445 | 4,010,122 |
| LESS ENCUMBRANCES | 5,333 | 15,255 | 59,278 |
| FUND BALANCE, JUNE 30 | \$3,179,852 | \$3,748,190 | \$3,950,844 |

Revenue & Expenditures





Renita Stubbs
Administration Division



Donna Kaye
Consumer Credit Division

DEPOSITORY DIVISION

During the calendar year of 2000 the number of state-chartered commercial banks, stock and mutual savings banks, and active industrial authorities declined in number from 131 to 128. State chartered commercial banks have steadily declined in number from 163 as of December 31, 1996, due to the industry consolidation. National banks in Indiana have also declined from 51 commercial banks as of December 31, 1996, to the present level of 31. The pace of the consolidation has slowed over the past two years. During the same period total state chartered supervised assets have remained at about the same level with a high of \$26.5 billion at year-end 1996, and a low of \$25.4 billion at year-end 1998. During the calendar year 2000, assets increased from \$25.6 billion to \$26.1 billion. The supervised assets of national banks have increased from \$41.6 billion as of December 31, 1996, to \$59.5 billion as of December 31, 2000. National bank assets significantly increased from \$40.4 billion to \$59.5 billion in the calendar year 2000; however, this increase is due mainly to a restructuring of one institution and a relocation back to Indiana for another institution. As of December 31, 2000, state-chartered commercial banks represented 31% of total Indiana bank assets (state and national). In contrast, state-chartered commercial banks represented 81% of the total number of such banks in the state of Indiana.

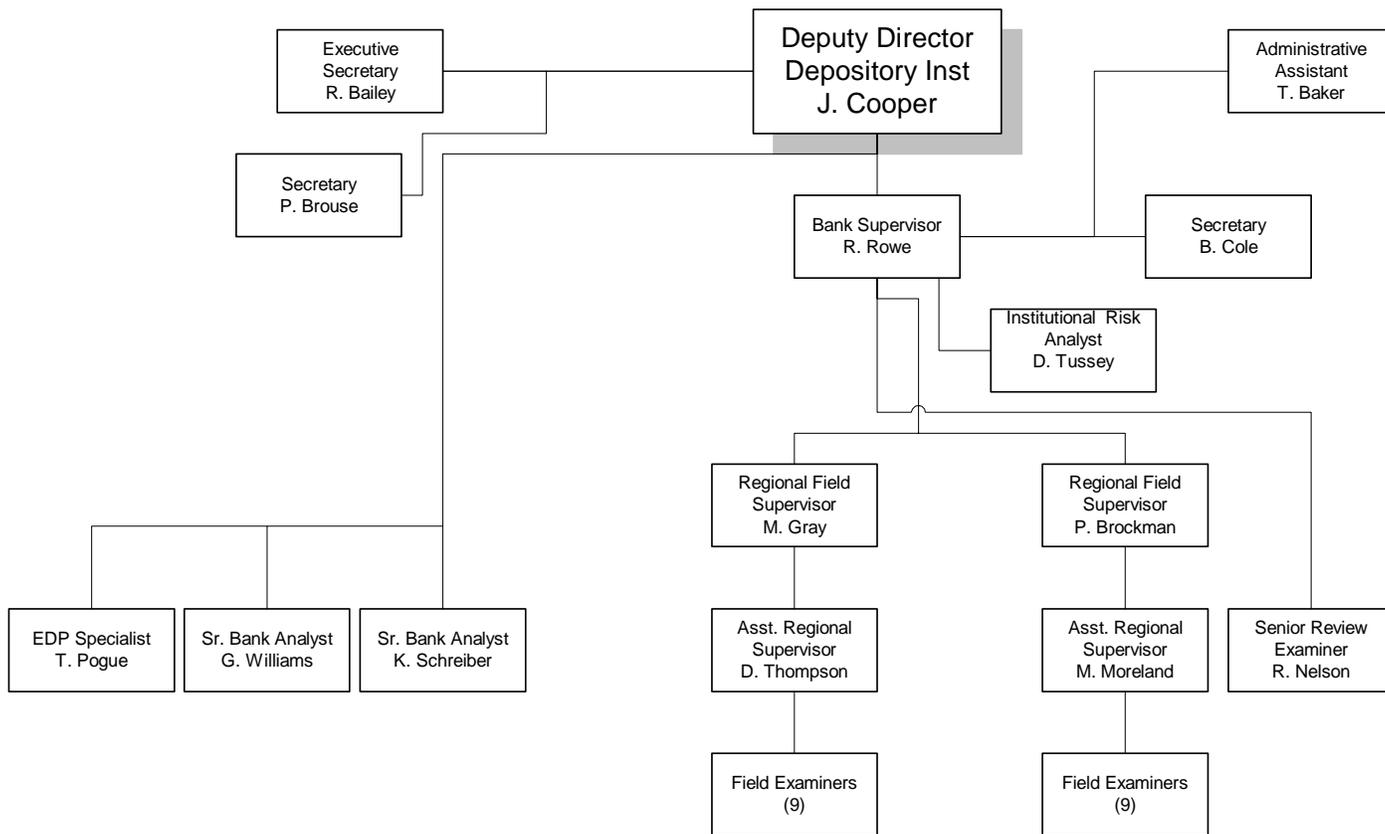
During 2000, three new state-chartered commercial banks officially opened for business. Six state bank charters were eliminated through mergers with other state or national banks. Indiana state-chartered financial institutions remained stable in financial condition and performance during the 2000 calendar year. Net income of \$285 million increased slightly from \$284 million recorded during the 1999 calendar year. Over the last five years net income for state chartered banks has remained consistent with a range between \$284 million in 1996 to a high of \$304 million in 1997. Net income as a percentage of assets (in the aggregate) decreased slightly from 1.19% in 1999 to 1.17% in 2000. In 1996, state chartered commercial banks had an aggregate ROA of 1.13% compared to a high of 1.26% at year-end 1998. The net income for national banks in Indiana over the past five years starting with 1996 is \$626 million, \$555 million, \$632 million, \$730 million and \$413 million respectively. The aggregate ROA for national banks over the same period has ranged from 1.58% in 1996 to a high of 1.85 in 1999 and a low of 0.80% in 2000. Both state and national banks have had very stable performance over the last five years. The significant decrease in net income for national banks during the calendar year 2000 is attributed to large charge offs due to business restructuring by one of the larger national institutions. The sustained profitability measure is attributed to strong loan growth and maintenance of sound credit quality.

The aggregate allowance for loan and lease losses for Indiana state chartered banks continues to decrease from 1.42% of total loans in 1996 to 1.26% of total loans in 2000 due to the continued loan growth outpacing provision expense. The aggregate allowance for loan and lease losses for national banks in Indiana ranges from 1.50% in 1996, to a high of 1.65% in 1999, and a low of 1.39% in both 1998 and 2000. Net charge offs to total loans for both the state and national banks have remained very consistent over the last five years. Net charge offs for state banks for the 2000 calendar year increased to 0.17% from 0.13% compared to 1999. Net charge offs for national banks slightly decreased from 0.44% in 1999 to 0.43% for calendar year 2000.

Total equity capital for Indiana state chartered banks has increased from \$2.41 billion as of December 31, 1996, to \$2.51 billion as of December 31, 2000 or a 3.73%. Total equity capital for national banks in Indiana has increased from \$3.59 billion in 1996 to \$5.23 billion as of year-end 2000 or a 45.68% increase. Consolidation of state banks into larger national banks accounted for the disparity. The ratio of total equity capital to total assets has increased from 9.12% to 9.63% for state chartered institutions and from 8.66% to 8.78% for national banks during the same time period. The ratio of loans to deposits has continued to increase over the last five years for both Indiana state chartered banks and national banks. Total loans for state banks have gradually increased from \$17.4 billion in 1996 to \$18.1 billion for calendar year 2000. In contrast, total deposits have declined from \$21.7 billion to \$20.6 billion during the same time frame. Total loans for national banks in Indiana have increased from \$29.1 billion in 1996 to \$40.4 billion as of December 31, 2000. Total deposits for national banks increased from \$31.4 billion to \$34.8 billion during the same time frame. Again, consolidations produced the disparities.

The ratio of total deposits to total liabilities by both the state and national banks in Indiana have decreased over the past five years as banks continue to increase their reliance on wholesale funding. The ratio for state banks deposits to liabilities decreased from 90.34% in 1996 to 85.2% in 1999. However, the ratio did increase to 87.16% during the calendar year 2000. In contrast, the ratio for national banks in Indiana decreased each year from 83.00% as of December 31, 1996, to 64.67% as of December 31, 2000 reflecting an increased dependence on non-deposit funding sources.

BANK DIVISION



AGGREGATE SUPERVISED INSTITUTIONS RECONCILIATION

| ACCOUNT DESCRIPTIONS (In Millions of \$) (for the period 1/1/00—12/31/00) | Beginning Balance 1/1/00 | 6 State Banks Removed From State Regulation | 3 State Banks Added to State Regulation* | Adjusted Beginning Balance 1/1/00 | Ending Balance 12/31/00 | % Change |
|---|-----------------------------|--|--|--|-------------------------------|-------------|
| Assets | 25,575 | 2,689 | 0 | 22,886 | 26,120 | 14.13% |
| Deposits | 19,802 | 1,729 | 0 | 18,073 | 20,575 | 13.84% |
| Common Equity Capital | 2,386 | 203 | 0 | 2,183 | 2,511 | 15.03% |
| Tier 1 Capital | 2,300 | 198 | 0 | 2,102 | 2,406 | 14.46% |
| LVR | 237 | 27 | 0 | 210 | 228 | 8.57% |
| Total Capital | 2,537 | 225 | 0 | 2,312 | 2,634 | 13.93% |
| Total Charge-offs | 39 | 8 | 0 | 31 | 42 | 35.48% |
| Total Recoveries | 16 | 2 | 0 | 14 | 12 | -14.29% |
| Total Loans | 17,613 | 1,932 | 0 | 15,681 | 18,129 | 15.61% |
| Securities | 6,036 | 576 | 0 | 5,460 | 5,877 | 7.64% |
| Fed Funds Sold | 409 | 40 | 0 | 369 | 544 | 47.43% |
| Time CDS in Other Banks | 130 | 3 | 0 | 127 | 146 | 14.96% |
| Trading Account Securities | 58 | 0 | 0 | 58 | 146 | 151.72% |
| Total Earning Assets | 23,412 | 2,480 | 0 | 21,695 | 23,778 | 9.60% |
| Total Interest Income | 1,759 | 149 | 0 | 1,610 | 1,901 | 18.07% |
| Total Interest Expense | 799 | 66 | 0 | 733 | 949 | 29.47% |
| Net Interest Income | 960 | 83 | 0 | 877 | 952 | 8.55% |
| Total Non-interest Income | 237 | 20 | 0 | 217 | 375 | 72.81% |
| Loan Provisions | 46 | 8 | 0 | 38 | 55 | 44.74% |
| Total Non-Interest Expense | 689 | 47 | 0 | 642 | 816 | 27.10% |
| Net Income | 284 | 29 | 0 | 255 | 285 | 11.76% |

* Banks added during 2000. On 1/1/2000 these banks were not in existence.

| ACCOUNT DESCRIPTIONS | State | National | State | National |
|-----------------------------|----------|----------|----------|----------|
| (IN MILLIONS OF \$) | 12/31/00 | 12/31/00 | 12/31/99 | 12/31/99 |
| Number of Banks | 128 | 31 | 131 | 33 |

Consolidated Balance Sheet

| | | | | |
|--------------------------------------|--------|--------|--------|--------|
| Trading Accounts | 146 | 446 | 58 | 2 |
| Interest Bearing Balances | 146 | 272 | 130 | 250 |
| Fed Funds Sold/Repurchase Agreements | 544 | 1,027 | 409 | 719 |
| Total Securities | 5,877 | 11,695 | 6,036 | 9,145 |
| Total Loans | 18,129 | 40,408 | 17,613 | 25,562 |
| Total Earning Assets | 23,778 | 51,719 | 23,412 | 40,391 |
| Total Assets | 26,120 | 59,511 | 25,575 | 40,391 |
| Average Assets | 24,322 | 51,893 | 23,880 | 39,527 |
| | | | | |
| Total Deposits | 20,575 | 34,807 | 19,802 | 26,313 |
| Total Liabilities | 23,605 | 53,826 | 23,241 | 36,115 |
| | | | | |
| Total Equity Capital | 2,515 | 5,227 | 2,334 | 3,753 |
| Loan Valuation Reserves | 228 | 560 | 237 | 423 |
| Total Equity Capital & Reserves | 2,743 | 5,787 | 2,571 | 4,176 |
| | | | | |
| Total Other Real Estate | 14 | 33 | 9 | 22 |
| | | | | |
| Total Charge-Offs | 42 | 225 | 39 | 180 |
| Total Recoveries | 12 | 52 | 16 | 68 |
| Net Charge-Offs | 30 | 173 | 23 | 112 |

| ACCOUNT DESCRIPTIONS | State | National | State | National |
|-----------------------------|----------|----------|----------|----------|
| (IN MILLIONS OF \$) | 12/31/00 | 12/31/00 | 12/31/99 | 12/31/99 |
| Number of Banks | 128 | 31 | 131 | 33 |

Consolidated Income Statement

| | | | | |
|----------------------------|-------|-------|-------|-------|
| Total Interest Income | 1,901 | 3,958 | 1,759 | 2,739 |
| Total Interest Expense | 949 | 2,063 | 799 | 1,201 |
| Net Interest Income | 952 | 1,895 | 960 | 1,538 |
| Total Non Interest Income | 375 | 1,217 | 237 | 1,532 |
| Loan Provisions | 55 | 186 | 46 | 120 |
| Total Non Interest Expense | 816 | 2,220 | 689 | 1,805 |
| Net Income | 285 | 413 | 284 | 730 |

Ratio Analysis

| | | | | |
|--|--------|---------|--------|--------|
| Net Income to Average Assets | 1.17% | 0.80% | 1.19% | 1.85% |
| Net Income to Year End Total Equity | 11.33% | 7.90% | 12.17% | 19.45% |
| Net Interest Income to Average Assets | 3.91% | 3.65% | 4.02% | 3.89% |
| Total Loans to Total Deposits | 88.11% | 116.09% | 88.95% | 97.15% |
| Loan Loss Provisions to Total Loans | 0.30% | 0.46% | 0.26% | 0.47% |
| Loan Loss Reserves to Total Loans | 1.26% | 1.39% | 1.35% | 1.65% |
| Net Charge-Offs to Total Loans | 0.17% | 0.43% | 0.13% | 0.44% |
| Total Equity Capital to Total Assets | 9.63% | 8.78% | 9.13% | 9.29% |
| Total Equity Capital and Reserves to Total Assets and Reserves | 10.41% | 9.63% | 9.96% | 10.23% |

| ACCOUNT DESCRIPTIONS | State | National | ALL | ALL | % |
|-----------------------------|----------|----------|----------|----------|--------|
| (IN MILLIONS OF \$) | 12/31/00 | 12/31/00 | 12/31/00 | 12/31/99 | CHANGE |
| Number of Banks | 128 | 31 | 159 | 164 | |

Combined Statement of Condition

| | | | | | |
|--------------------------------------|--------|--------|--------|--------|---------|
| Trading Accounts | 146 | 446 | 592 | 60 | 886.67% |
| Interest Bearing Balances | 146 | 272 | 418 | 380 | 10.00% |
| Fed Funds Sold/Repurchase Agreements | 544 | 1,027 | 1,571 | 1,128 | 39.27% |
| Total Securities | 5,877 | 11,695 | 17,572 | 15,181 | 15.75% |
| Total Loans | 18,129 | 40,408 | 58,537 | 43,175 | 35.58% |
| Total Earning Assets | 23,778 | 51,719 | 75,497 | 63,803 | 18.33% |
| Total Assets | 26,120 | 59,511 | 85,631 | 65,966 | 29.81% |
| Average Assets | 24,322 | 51,893 | 76,215 | 63,407 | 20.20% |
| | | | | | |
| Total Deposits | 20,575 | 34,807 | 55,382 | 46,115 | 20.10% |
| Total Liabilities | 23,605 | 53,826 | 77,431 | 59,356 | 30.45% |
| | | | | | |
| Total Equity Capital | 2,515 | 5,227 | 7,742 | 6,087 | 27.19% |
| Loan Valuation Reserves | 228 | 560 | 788 | 660 | 19.39% |
| Total Equity Capital & Reserves | 2,743 | 5,787 | 8,530 | 6,747 | 26.43% |
| | | | | | |
| Total Other Real Estate | 14 | 33 | 47 | 31 | 51.61% |
| | | | | | |
| Total Charge-Offs | 42 | 225 | 267 | 219 | 21.92% |
| Total Recoveries | 12 | 52 | 64 | 84 | -23.81% |
| Net Charge-Offs | 30 | 173 | 203 | 135 | 50.37% |

RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2000 VS 1999

| | 2000 | | | 1999 | | |
|--------------|------|-----------------|---------------|------|-----------------|---------------|
| | NO. | TOTAL ASSETS | NET INCOME | NO. | TOTAL ASSETS | NET INCOME |
| ROA (%) | | | | | | |
| OVER 1% | 68 | 18,148 | 238 | 69 | 17,703 | 229 |
| .75% TO .99% | 26 | 3,929 | 34 | 25 | 4,912 | 45 |
| .50% TO .74% | 15 | 2,589 | 16 | 25 | 2,173 | 13 |
| BELOW .50% | 19 | 1,454 | (3) | 12 | 787 | (3) |
| | 128 | 26,120 | 285 | 131 | 25,575 | 284 |

RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2000 VS 1999

| | 2000 | | | 1999 | | |
|--------------|------|-----------------|---------------|------|-----------------|---------------|
| | NO. | TOTAL ASSETS | NET INCOME | NO. | TOTAL ASSETS | NET INCOME |
| ROA (%) | | | | | | |
| OVER 1% | 15 | 8,695 | 110 | 19 | 37,990 | 714 |
| .75% TO .99% | 11 | 13,676 | 103 | 7 | 1,180 | 11 |
| .50% TO .74% | 4 | 37,126 | 200 | 3 | 590 | 3 |
| BELOW .50% | 1 | 14 | 0 | 4 | 631 | 2 |
| | 31 | 59,511 | 413 | 33 | 40,391 | 730 |

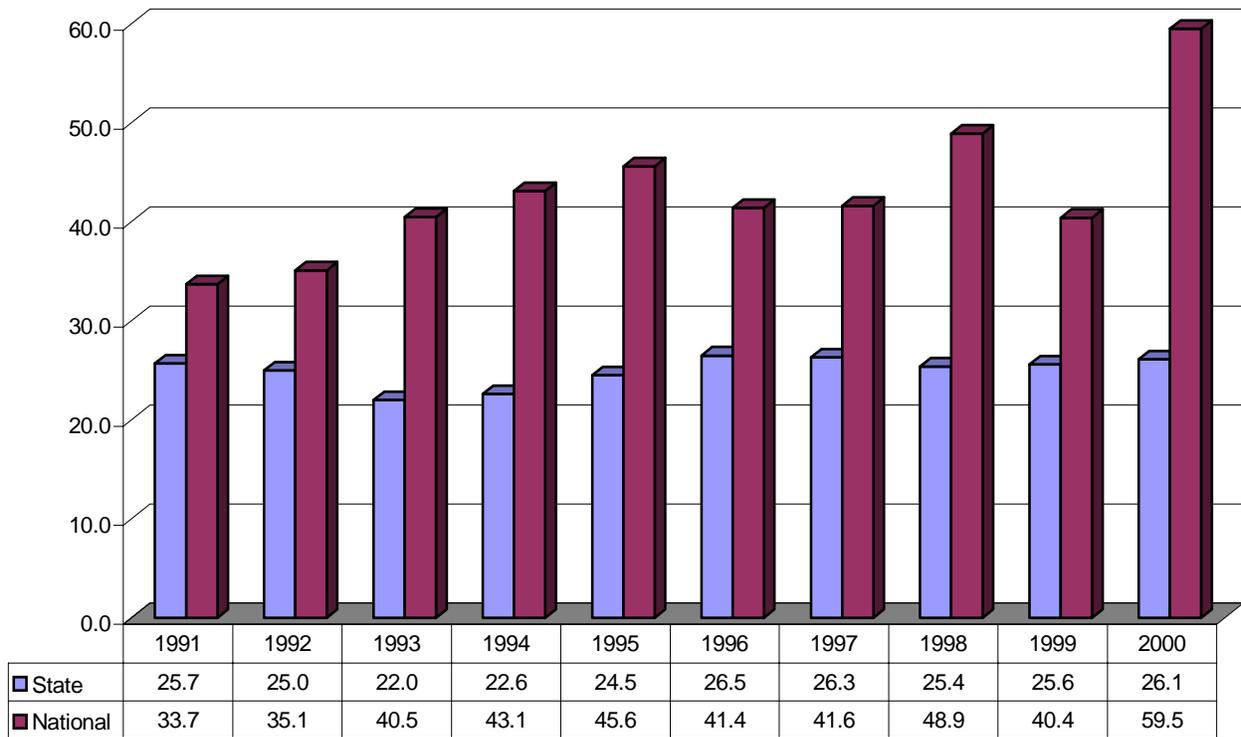
HOLDING COMPANY OWNERSHIP ANALYSIS

| DATA AS OF 12/31/00 | | | TOTAL ASSETS (000's) | ASSETS % | TOTAL DEPOSITS (000's) | DEPOSITS % |
|--|-------|------|----------------------------|-------------|------------------------------|---------------|
| | BANKS | HC'S | | | | |
| INDEPENDENT BANKS | | | | | | |
| State Banks w/o HC | 19 | 0 | 1,413,253 | 1.65% | 1,117,763 | 2.02% |
| IN HC W/One State Bank | 78 | 78 | 19,697,363 | 23.00% | 15,509,235 | 28.00% |
| National Banks w/o HC | 1 | 0 | 146,457 | 0.17% | 127,927 | 0.23% |
| IN HC w/One National Bank | 19 | 19 | 8,952,272 | 10.45% | 6,367,448 | 11.50% |
| TOTALS | 117 | 97 | 30,209,345 | 35.28% | 23,122,373 | 41.75% |
| INDIANA MULTI-BK HOLDING CO. | | | | | | |
| IN HC w/One or More State Banks | 20 | 7 | 3,422,368 | 4.00% | 2,688,664 | 4.85% |
| IN HC w/One or More National Banks | 5 | 3 | 11,044,892 | 12.90% | 8,196,862 | 14.80% |
| Sub Total | 25 | 10 | | | | |
| Holding Company Duplications | 0 | -2 | | | | |
| TOTALS | 25 | 8 | 14,467,260 | 16.89% | 10,885,526 | 19.66% |
| OUT OF STATE MULTI-BK HOLDING CO. | | | | | | |
| O-ST HC w/One or More State Banks | 11 | 4 | 1,587,306 | 1.85% | 1,258,942 | 2.27% |
| O-ST HC w/One or More National Banks | 6 | 5 | 39,367,369 | 45.97% | 20,114,586 | 36.32% |
| Sub Total | 17 | 9 | | | | |
| Holding Company Duplications | 0 | -2 | | | | |
| TOTALS | 17 | 7 | 40,954,675 | 47.83% | 21,373,528 | 38.59% |
| GRAND TOTALS | 159 | 112 | 85,631,280 | 100.00% | 55,381,427 | 100.00% |

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 | 19 | 0 | 1,297,261 | 1.97% | 1,045,738 | 2.27% |
| IN HC W/One State Bank | 78 | 78 | 17,073,973 | 25.88% | 13,572,726 | 29.43% |
| National Banks w/o HC | 2 | 0 | 205,139 | 0.31% | 178,956 | 0.39% |
| IN HC w/One National Bank | 18 | 18 | 4,669,300 | 7.08% | 3,576,918 | 7.76% |
| TOTALS | 117 | 96 | 23,245,673 | 35.24% | 18,374,338 | 39.84% |
| INDIANA MULTI-BK HOLDING CO. | | | | | | |
| IN HC w/One or More State Banks | 24 | 9 | 3,648,413 | 5.53% | 2,810,489 | 6.09% |
| IN HC w/One or More National Banks | 8 | 6 | 4,702,577 | 7.13% | 3,370,120 | 7.31% |
| Sub Total | 32 | 15 | | | | |
| Holding Company Duplications | 0 | -5 | | | | |
| TOTALS | 32 | 10 | 8,350,990 | 12.66% | 6,180,609 | 13.40% |
| OUT OF STATE MULTI-BK HOLDING CO. | | | | | | |
| O-ST HC w/One or More State Banks | 10 | 4 | 3,555,242 | 5.39% | 2,373,046 | 5.15% |
| O-ST HC w/One or More National Banks | 5 | 4 | 30,814,249 | 46.71% | 19,187,399 | 41.61% |
| Sub Total | 15 | 8 | | | | |
| Holding Company Duplications | 0 | -2 | | | | |
| TOTALS | 15 | 6 | 34,369,491 | 52.10% | 21,560,445 | 46.75% |
| GRAND TOTALS | 164 | 112 | 65,966,154 | 100.00% | 46,115,392 | 100.00% |

Total Assets - State & National Banks



| Year | State Banks Total Assets (Billions) | % | National Banks Total Assets (Billions) | % |
|------|---|-------|--|-------|
| 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% |
| 1999 | 25.6 | 38.8% | 40.4 | 61.2% |
| 2000 | 26.1 | 30.5% | 59.5 | 69.5% |
| | | | | |
| | | | | |

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2000

| Name | City | Address | City | Opened |
|-------------------------------------|--------------|-----------------------------------|-------------------|------------|
| FIRST STATE BANK OF MIDDLEBURY | MIDDLEBURY | 1515 COBBLESTONE BLVD | ELKHART | 01/06/2000 |
| THE LAPORTE SAVINGS BANK | LAPORTE | 1222 STATE ROAD 2 WEST | LAPORTE | 01/17/2000 |
| FIRST COMMUNITY BANK AND TRUST | BARGERSVILLE | 3880 PRESIDENTIAL WAY | EDINBURGH | 01/17/2000 |
| THE CAMPBELL & FETTER BANK | NAPOLEON | 229 WEST BERRY ST. SUITE 200 | FT. WAYNE | 01/24/2000 |
| FIRST BANK | MORGANTOWN | 250 N STATE ROAD 135 | BARGERSVILLE | 01/26/2000 |
| SALIN BANK AND TRUST COMPANY | INDIANAPOLIS | 8455 KEYSTONE CROSSING (MOBILE) | INDIANAPOLIS | 02/01/2000 |
| MONROE COUNTY BANK | BLOOMINGTON | 2455 TAMARACK TRAIL | BLOOMINGTON | 02/03/2000 |
| METRO BANK | INDIANAPOLIS | 11815 ALLISONVILLE ROAD | FISHERS | 02/10/2000 |
| FREEDOM BANK | HUNTINGBURG | 10 EAST MEDCALF STREET | DALE | 02/22/2000 |
| CIB BANK | INDIANAPOLIS | 8906 ROCKVILLE ROAD | INDIANAPOLIS | 03/08/2000 |
| THE PEOPLES STATE BANK | ELLETTSVILLE | 525 CLARIZZ BLVD. | BLOOMINGTON | 03/10/2000 |
| FIRST BANK OF BERNE | BERNE | 185 INDUSTRIAL DRIVE | PORTLAND | 03/13/2000 |
| THE NAPOLEON STATE BANK | NAPOLEON | 910 SOUTH BUCKEYE | OSGOOD | 03/13/2000 |
| LAFAYETTE BANK & TRUST CO. | LAFAYETTE | 1088 WEST BROADWAY | MONTICELLO | 03/15/2000 |
| WEST END SAVINGS BANK | RICHMOND | 45 SOUTH 7TH STREET | RICHMOND | 04/10/2000 |
| TOWER BANK & TRUST COMPANY | FORT WAYNE | 1545 WEST DUPONT ROAD | FORT WAYNE | 05/01/2000 |
| THE PEOPLES STATE BANK | ELLETTSVILLE | 3400 WEST 3RD STREET | BLOOMINGTON | 05/12/2000 |
| WEST END SAVINGS BANK | RICHMOND | 4677 E. NATIONAL ROAD | RICHMOND | 05/15/2000 |
| FRANCES SLOCUM BANK & TRUST | WABASH | 1306 GANO STREET | KOKOMO | 05/25/2000 |
| IRWIN UNION BANK & TRUST COMPANY | COLUMBUS | 880 MUNSON DRIVE, SUITE A | TRAVERSE CITY, MI | 05/26/2000 |
| HEARTLAND COMMUNITY BANK | FRANKLIN | 507 THREE NOTHCH LANE | BARGERSVILLE | 06/12/2000 |
| THE FOUNTAIN TRUST CO. | COVINGTON | 208 S. VINE STREET | WINGATE | 06/26/2000 |
| UNITED COMMERCE BANK | BLOOMINGTON | 211 S. COLLEGE AVE.(MOBILE) | BLOOMINGTON | 06/30/2000 |
| PEOPLES BANK AND TRUST COMPANY | SUNMAN | 616 MAIN STREET | BROOKVILLE | 07/21/2000 |
| LAFAYETTE BANK & TRUST CO. | LAFAYETTE | 4205 COMMERCE DRIVE | LAFAYETTE | 07/21/2000 |
| PEOPLES BANK AND TRUST COMPANY | SUNMAN | 630 CENTRAL AVE. | CONNERSVILLE | 07/21/2000 |
| HEARTLAND COMMUNITY BANK | FRANKLIN | 800 U.S. 31 SOUTH | GREENWOOD | 08/07/2000 |
| CIB BANK | INDIANAPOLIS | 12813 E. NEW MARKET ST. SUITE 107 | CARMEL | 08/21/2000 |
| IN TRUST & INVESTMENT MANAGEMENT CO | MISHAWAKA | 1106 MERIDIAN PLAZA, SUITE 340 | ANDERSON | 08/31/2000 |
| SALIN BANK AND TRUST COMPANY | INDIANAPOLIS | 605 N. DIXON ROAD | KOKOMO | 08/31/2000 |
| UNION BANK AND TRUST COMPANY OF IN | GREENSBURG | 1211 EAST STOP 11 ROAD | INDIANAPOLIS | 09/08/2000 |
| UNION BANK AND TRUST COMPANY OF IN | GREENSBURG | 5249 EAST THOMPSON ROAD | INDIANAPOLIS | 09/11/2000 |
| STAR FINANCIAL BANK | ANDERSON | 6230 BLUFFTON ROAD | FT. WAYNE | 09/18/2000 |
| TERRE HAUTE SAVINGS BANK | TERRE HAUTE | 4729 SOUTH U.S. HIGHWAY 41 | TERRE HAUTE | 09/25/2000 |
| LAKE CITY BANK | WARSAW | 10429 ILLINOIS ROAD | FT. WAYNE | 10/06/2000 |
| SAND RIDGE BANK | HIGHLAND | 2611 HIGHWAY AVE.(MOBILE) | HIGHLAND | 10/20/2000 |
| THE FRIENDSHIP STATE BANK | FRIENDSHIP | 430 WEST U.S. 50 | VERSAILLES | 10/30/2000 |
| GRABILL BANK | GRABILL | 11075 ISABELLE DRIVE | NEW HAVEN | 10/30/2000 |
| IRWIN UNION BANK & TRUST COMPANY | COLUMBUS | 4250 CHICAGO DRIVE S.W. | GRANDVILLE, MI | 10/30/2000 |
| SAND RIDGE BANK | HIGHLAND | 9632 CLINE AVE. | HIGHLAND | 11/06/2000 |
| PEOPLES BANK SB | MUNSTER | 1501 LAKE PARK AVENUE | HOBART | 11/10/2000 |
| PEOPLES TRUST & SAVINGS BANK | BOONVILLE | 2922 STATE ROAD HIGHWAY 26 | NEWBURGH | 11/13/2000 |
| CENTIER BANK | WHITING | 9716 WHITE OAD AVENUE | MUNSTER | 12/04/2000 |
| SPRINGS VALLEY BANK & TRUST CO | FRENCH LICK | 241 U.S. 231 SOUTH | JASPER | 12/11/2000 |

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2000

| Name | City | Address | City | Closed |
|------------------------------|---------------|-----------------------|--------------|------------|
| SALIN BANK AND TRUST COMPANY | INDIANAPOLIS | 1604 E. TIPTON STREET | SEYMOUR | 01/15/2000 |
| PACESETTER BANK | HARTFORD CITY | 255 N. UNION STREET | PENNVILLE | 02/18/2000 |
| PACESETTER BANK | HARTFORD CITY | 4100 N. WHEELING AVE. | MUNCIE | 04/14/2000 |
| INDEPENDENCE BANKNEW | ALBANY | 6949 S. STATE ROAD 66 | CAREFREEO | 5/01/2000 |
| LAKE CITY BANK | WARSAW | 113 NORTH MAIN STREET | KENDALLVILLE | 05/01/2000 |
| LAKE CITY BANK | WARSAW | 1940 S. WABASH STREET | WABASH | 05/01/2000 |
| FARMERS STATE BANK (THE) | LIBERTY | MAIN STREET | MAYS | 06/30/2000 |
| CENTIER BANK | WHITING | 129 WASHINGTON STREET | LOWELL | 08/02/2000 |
| 1ST SOURCE BANK | SOUTH BEND | 66626 STATE ROAD 331 | WYATT | 08/11/2000 |
| CITIZENS BANK | MOORESVILLE | 350 N. MONROE STREET | MOORESVILLE | 09/30/2000 |
| GERMAN AMERICAN BANK (THE) | JASPER | 2065 MAIN STREET | FERDINAND | 10/13/2000 |
| FARMERS STATE BANK | MENTONE | CORNER MAIN & WALNUT | BURKET | 12/29/2000 |

CONVERSIONS

| NAME | CITY | CONVERTED NAME | CITY | CONSUMMATED |
|--|-------------|--------------------------|-------------|-------------|
| TERRE HAUTE SAVINGS BANK State Mutual Savings Bank to a State Stock Savings Bank | TERRE HAUTE | TERRE HAUTE SAVINGS BANK | TERRE HAUTE | 08/31/2000 |

NEW STATE BANK SUBSIDIARIES IN 2000

| SUBSIDIARY NAME | BANK NAME | CITY | PURPOSE | ESTABLISHED |
|---|---|---------------|-------------------------------------|-------------|
| FRIENDSHIP FINANCIAL SERVICES, LLC | FRIENDSHIP STATE BANK (THE) | FRIENDSHIP | INSURANCE AGENCY | 02/29/2000 |
| FIFTH THIRD COMPANY | FIFTH THIRD BANK, INDIANA | INDIANAPOLIS | REAL ESTATE HOLDING COMPANY | 03/14/2000 |
| CITY SAVINGS FINANCIAL SERVICES, INC. | MICHIGAN CITY SAVINGS AND LOAN ASSOCIATION | MICHIGAN CITY | INSURANCE AGENCY | 03/31/2000 |
| SOLYOM INSURANCE AGENCY | 1ST SOURCE BANK | SOUTH BEND | INSURANCE AGENCY | 03/31/2000 |
| CB INVESTMENTS | CENTIER BANK | WHITING | INVESTMENT PORTFOLIO MANAGEMENT | 04/10/2000 |
| SALIN INSURANCE AGENCY, INC. | SALIN BANK AND TRUST COMPANY | INDIANAPOLIS | INSURANCE AGENCY | 04/25/2000 |
| IRWIN FUNDING CORP. II | IRWIN UNION BANK AND TRUST COMPANY | COLUMBUS | ACQUIRE ASSETS TO BE SECURITIZED | 06/07/2000 |
| GALAXY FINANCIAL, INC. | STAR FINANCIAL BANK | ANDERSON | INVESTMENT PORTFOLIO MANAGEMENT | 07/01/2000 |
| TITAN ENTERPRISES, INC. | STAR FINANCIAL BANK | ANDERSON | INVESTMENT PORTFOLIO MANAGEMENT | 07/01/2000 |
| PEGASUS INVESTMENTS, LIMITED PARTNERSHIP | STAR FINANCIAL BANK | ANDERSON | INVESTMENT PORTFOLIO MANAGEMENT | 07/01/2000 |
| IRWIN INTERNATIONAL CORP. | IRWIN UNION BANK AND TRUST COMPANY | COLUMBUS | COMMERCIAL LEASING | 07/14/2000 |
| ONSET CAPITAL CORP. | IRWIN UNION BANK AND TRUST COMPANY | COLUMBUS | COMMERCIAL LEASING | 07/14/2000 |
| ONB INSURANCE GROUP | ORANGE COUNTY BANK | PAOLI | INSURANCE AGENCY | 07/27/2000 |
| PEOPLES INVESTMENT COMPANY | PEOPLES TRUST COMPANY | BROOKVILLE | INVESTMENT PORTFOLIO MANAGEMENT | 9/1/2000 |
| UNION INVESTMENT COMPANY | UNION BANK & TRUST COMPANY OF INDIANA | GREENSBURG | INVESTMENT PORTFOLIO | 9/1/2000 |
| WOLFORD CANNON HOEKER INSURANCE AGENCY, INC. | ORANGE COUNTY BANK | PAOLI | INSURANCE AGENCY | 11/01/2000 |
| STAR INSURANCE AGENCY | STAR FINANCIAL BANK | ANDERSON | INSURANCE AGENCY | 11/01/2000 |

MAIN OFFICE RELOCATIONS

| Name | From/To Address | From/To City | Moved |
|----------------------------------|---|----------------------|--------------|
| BANK OF MITCHELL (THE) | 602 WEST MAIN STREET 1494 WEST MAIN STREET | MITCHELL MITCHELL | 03/20/2000 |
| COMMUNITY STATE BANK - AVILLA | 108 SOUTH MAIN STREET 802 EAST ALBION STREET | AVILLA AVILLA | 10/17/2000 |

BRANCH OFFICE RELOCATIONS

| Name | City | From/To Address | From/To City | Moved |
|------------------------------------|--------------|---|------------------------------|--------------|
| FIFTH THIRD BANK, INDIANA | INDIANAPOLIS | 9245 N. MERIDIAN STREET 8549 NORTH COLLEGE AVENUE | INDIANAPOLIS INDIANAPOLIS | 03/17/2000 |
| FIFTH THIRD BANK, INDIANA | INDIANAPOLIS | 112 FRANKLIN STREET 843 NORTH WARPATH DRIVE | MILAN MILAN | 03/17/2000 |
| FIFTH THIRD BANK, INDIANA | INDIANAPOLIS | 648 TREYBOURNE DRIVE 106 STATE ROAD 135 | GREENWOOD GREENWOOD | 03/17/2000 |
| FARMERS & MERCHANTS BANK | LAOTTO | 4084 N. U.S. 33, SUITE B 9309 E. COMMERCE DRIVE | CHURUBUSCO CHURUBUSCO | 07/05/2000 |
| FIRST COMMUNITY BANK AND TRUST | BARGERSVILLE | 150 WEST JEFFERSON STREET 34 WEST JEFFERSON STREET | FRANKLIN FRANKLIN | 08/07/2000 |
| PEOPLES TRUST COMPANY - BROOKVILLE | BROOKVILLE | 1542 N. MAIN STREET 157 W. FOSTER HEIGHTS ROAD | RUSHVILLE | 12/21/2000 |

MERGERS/CONSOLIDATIONS OF STATE BANKS IN 2000

| SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED | City | SURVIVING INSTITUTION NAME | City | Consummated |
|--|--------------------------------|--------------------------------------|----------------|-------------|
| FIRST FEDERAL BANK, A FSB HARRISON COUNTY BANK | CORYDON PALMYRA | FIRST HARRISON BANK | CORYDON | 01/12/2000 |
| CIVITAS BANK FIFTH THIRD BANK, INDIANA | ST. JOSEPH, MI INDIANAPOLIS | FIFTH THIRD BANK, INDIANA | ST. JOSEPH, MI | 03/17/2000 |
| NATIONAL CITY BANK OF EVANSVILLE (THE) BANK OF MITCHELL | EVANSVILLE MITCHELL | INTEGRA BANK NATIONAL ASSOCIATION | EVANSVILLE | 05/19/2000 |
| NATIONAL CITY BANK OF EVANSVILLE (THE) FIRST BANK OF HUNTINGBURG | EVANSVILLE HUNTINGBURG | INTEGRA BANK NATIONAL ASSOCIATION | EVANSVILLE | 05/19/2000 |
| OLD NATIONAL BANK PEOPLES LOAN & TRUST COMPANY | EVANSVILLE WINCHESTER | OLD NATIONAL BANK | EVANSVILLE | 08/17/2000 |
| INTERGA BANK NATIONAL ASSOCIATION RIPLEY COUNTY BANK | EVANSVILLE OSGOOD | INTERGA BANK NATIONAL ASSOCIATION | EVANSVILLE | 09/15/2000 |
| THE GERMAN AMERICAN BANK HOLLAND NATIONAL BANK | JASPER HOLLAND | THE GERMAN AMERICAN BANK | JASPER | 10/01/2000 |

HOLDING COMPANY ACQUISITIONS
IN 2000

| <u>Holding Company Name</u> | <u>City</u> | <u>Target Name</u> | <u>City</u> | <u>Consummated</u> |
|-----------------------------|-------------|-------------------------|-------------|--------------------|
| OLD NATIONAL BANCORP | EVANSVILLE | ANB CORPORATION | MUNCIE | 03/10/2000 |
| FIRST MERCHANTS CORP | MUNCIE | DECATUR FINANCIAL, INC. | DECATUR | 05/31/2000 |
| CAPITOL BANCORP LTD | LANSING | GOSHEN COMMUNITY BANK | GOSHEN | 09/29/2000 |

FORMATIONS IN 2000

| <u>Incorporator</u> | <u>Proposed Name</u> | <u>City</u> | <u>Opened</u> |
|---------------------|--------------------------|-------------|---------------|
| DONALD ADAMS | UNITED COMMERCE BANK | BLOOMINGTON | 01/31/2000 |
| DOUGLAS JOHNSTON | GOSHEN COMMUNITY BANK | ELKHART | 09/29/2000 |
| DAVID ZIMMERMAN | LAFAYETTE COMMUNITY BANK | LAFAYETTE | 10/30/2000 |



ADDITIONS & DELETIONS IN 2000

| NAME | CITY | ACTIVITY | EFFECTIVE DATE |
|---------------------------|--------------|---|-----------------------|
| HARRISON COUNTY BANK | PALMYRA | MERGED WITH FIRST FEDERAL BANK, A FSB, CORYDON | 01/12/2000 |
| UNITED COMMERCE BANK | BLOOMINGTON | FORMATION OF STATE COMMERCIAL BANK | 01/31/2000 |
| FIFTH THIRD BANK, INDIANA | INDIANAPOLIS | MERGED WITH CIVITAS BANK, ST. JOSEPH, MICHIGAN | 03/17/2000 |
| BANK OF MITCHELL (THE) | MITCHELL | MERGED WITH NATIONAL CITY BANK OF EVANSVILLE (THE), EVANSVILLE | 05/19/2000 |
| FIRST BANK OF HUNTINGBURG | HUNTINGBURG | MERGED WITH NATIONAL CITY BANK OF EVANSVILLE (THE), EVANSVILLE | 05/19/2000 |
| PEOPLES LOAN & TRUST CO | WINCHESTER | MERGED WITH OLD NATIONAL BANK, EVANSVILLE | 08/17/2000 |
| RIPLEY COUNTY BANK (THE) | OSGOOD | MERGED WITH NATIONAL CITY BANK OF EVANSVILLE (THE), EVANSVILLE | 09/15/2000 |
| GOSHEN COMMUNITY BANK | GOSHEN | FORMATION OF STATE COMMERCIAL BANK BANK | 10/01/2000 |
| LAFAYETTE COMMUNITY BANK | LAFAYETTE | FORMATION OF STATE COMMERCIAL BANK | 10/30/2000 |

ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 12/31/00

| DFIID | NAME | CITY |
|--------------|---------------------------------------|----------------|
| 162 | MADISON 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 |
| 8857 | UNITED COMMERCE 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 |
| 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 |
| 8821 | ELKHART COMMUNITY BANK | ELKHART |
| 245 | PEOPLES STATE BANK (THE) | ELLETTSVILLE |
| 204 | ENGLISH STATE BANK | ENGLISH |
| 8 | CITIZENS EXCHANGE BANK | FAIRMOUNT |
| 30 | FAIRMOUNT STATE BANK (THE) | FAIRMOUNT |
| 8587 | TOWER BANK AND TRUST COMPANY | FORT WAYNE |
| 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 |
| 9158 | GOSHEN COMMUNITY BANK | GOSHEN |
| 285 | GRABILL BANK | GRABILL |

ACTIVE STATE COMMERCIAL INSTITUTIONS 12/31/00

| DFIID | NAME | CITY |
|--------------|--|----------------|
| 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 |
| 298 | SAND RIDGE BANK | HIGHLAND |
| 8800 | FREEDOM BANK | HUNTINGBURG |
| 38 | BIPPUS STATE BANK (THE) | HUNTINGTON |
| 7849 | CIB BANK | INDIANAPOLIS |
| 7650 | FIRST INTERNET BANK OF INDIANA | INDIANAPOLIS |
| 309 | METRO BANK | INDIANAPOLIS |
| 179 | SALIN BANK AND TRUST COMPANY | INDIANAPOLIS |
| 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 |
| 9033 | LAFAYETTE COMMUNITY BANK | 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 |
| 187 | CITIZENS BANK | MOORESVILLE |
| 188 | FIRST BANK | 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 |

ACTIVE STATE COMMERCIAL INSTITUTIONS 12/31/00

| DFIID | NAME | CITY |
|-------|--|------------------|
| 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 |
| 33 | OSSIAN STATE BANK | OSSIAN |
| 257 | STATE BANK OF OXFORD | OXFORD |
| 12 | ORANGE COUNTY BANK | PAOLI |
| 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 |
| 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 |
| 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 |
| 270 | CENTREBANK | VEEDERSBURG |
| 152 | VEVAY DEPOSIT BANK | VEVAY |
| 294 | FRANCES SLOCUM BANK & TRUST | WABASH |
| 222 | LAKE CITY BANK | WARSAW |
| 236 | MERCHANTS BANK & TRUST CO (THE) | WEST HARRISON |
| 220 | AMERICAN TRUST AND SAVINGS BANK | WHITING |
| 215 | CENTIER BANK | WHITING |
| 276 | RANDOLPH COUNTY BANK (THE) | WINCHESTER |
| 282 | BANK OF WOLCOTT | WOLCOTT |

DIVISION OF SAVINGS ASSOCIATIONS

As of December 31, 2000, there were six active savings and loan associations operating under Indiana state charter. The number of active savings and loan associations remained the same as year-end 1998 and 1999. All active institutions submit a semi-annual statement of condition and a report of earnings to the Department.

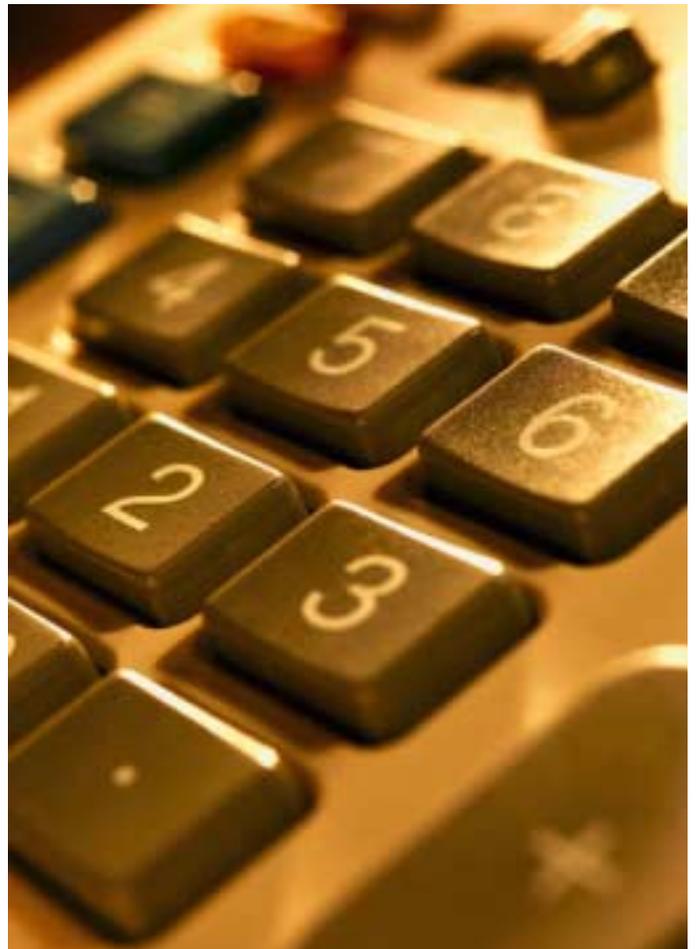
Total assets held by state-chartered associations increased by \$4 million over the last year to a total level of \$422 million as of December 31, 2000. Total assets of savings associations under supervision since 1996 have ranged from \$419 million as of December 31, 1996, with a low of \$397 million as of year-end 1998 to its present high level of \$422 million. The associations over the past five years held total net loans and leases in the amount of \$326 million, \$304 million, \$311 million, \$324 million and \$343 million respectively. As of December 31, 2000, \$343 million total net loans and leases comprised 81% of total assets.

Total deposits of savings associations have gradually declined over the past five years from a high of \$341.3 million in 1996, to its present level of \$316.6 million or a 7.8% decline in deposits over that time frame.

Total deposits decreased by \$5.5 million, from \$322.1 million as of December 31, 1999, to \$316.6 million as of December 31, 2000.

Total equity capital for the savings associations has remained stable during the past five years. With the exceptions of a slight decrease in equity capital in 1997, mainly due to a reduction in the number of savings institutions, total equity capital has increased over the past three years. Total equity capital increased by approximately \$3.3 million during 2000, from \$53.5 million to \$56.8 million or a 6.2% increase. Total equity capital represented 13.44% of total assets as of December 31, 2000.

Total net income during the last five years for the savings associations have fluctuated from \$2.2 million in 1996, \$3.4 million in 1997 and 1998, \$2.2 million in 1999, and \$2.7 million as of year-end 2000. Net income represents 0.53%, 0.85%, 0.86%, 0.53% and 0.64% of total assets respectively during the same period.



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

Schedule A
(\$ in Thousands)

| ASSETS | December 31, 2000 | December 31, 1999 |
|---|-------------------|-------------------|
| Cash and Due From Depository Institutions | 22,031 | 10,126 |
| Securities | 42,735 | 72,637 |
| Federal Funds Sold and Repurchase Agreements | 0 | 0 |
| Gross Loans and Leases | 344,022 | 324,867 |
| Loan Loss Allowance | 1,415 | 1,220 |
| Net Loans and Leases | 342,607 | 323,647 |
| Trading Accounts | 0 | 0 |
| Premises and Equipment | 5,922 | 5,718 |
| Other Real Estate Owned | 544 | 428 |
| Goodwill and Other Intangibles | 104 | 0 |
| All other Assets | 8,258 | 5,729 |
| Total Assets | 422,201 | 418,285 |
| LIABILITIES: | | |
| Deposits | 316,643 | 322,132 |
| Federal Funds Purchased & Repurchase Agreements | 0 | 0 |
| Demand Notes Issued to U.S. Treasury | 0 | 0 |
| Trading Liabilities | 0 | 0 |
| Other Borrowed Funds | 45,218 | 39,293 |
| Subordinated Debt | 0 | 0 |
| Other Liabilities | 3,576 | 3,351 |
| Total Liabilities | 365,437 | 364,776 |
| 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 | 59 |
| Retained Earnings(Deficit) | 56,764 | 53,450 |
| Total Equity Capital | 56,764 | 53,509 |
| Total Liabilities & Equity Cap | 422,201 | 418,285 |

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

Schedule B
(\$'s in Thousands)

| | December 31, 2000 | December 31, 1999 |
|---|-------------------|-------------------|
| Interest Income | 30,086 | 28,582 |
| Interest Expense | 17,776 | 16,595 |
| Net Interest Inc Before Allow for Loan & Lease Losses | 12,310 | 11,987 |
| Provision for Credit Losses | 342 | 332 |
| Net Interest Inc After Provision | 11,968 | 11,655 |
| | | |
| Noninterest Income | 1,674 | 1,256 |
| Noninterest Expense | 9,308 | 8,616 |
| Inc Bef Gn(Ls) on Sale of Assts | 4,334 | 4,295 |
| | | |
| Gain on Sale of Assets | 88 | (1) |
| Loss on Sale of Assets | 4 | 0 |
| Operating Inc Before Taxes & Extra Items | 4,418 | 4,294 |
| | | |
| Total Income Taxes | 1,717 | 2,092 |
| Income(Loss) Before Extraord Items | 2,701 | 2,202 |
| Extraordinary Items, Net of Tax | 0 | 0 |
| | | |
| Net Income(Loss) | 2,701 | 2,202 |

LIST OF STATE CHARTERED BUILDING AND LOAN ASSOCIATIONS

(Assets in Thousands of \$)
Schedule C

| City | Institution Name | Total Assets 2000 | Total Assets 1999 |
|----------------------|---|-------------------|-------------------|
| Boonville | Warrick Loan & Savings Association | 1,033 | 1,027 |
| Connersville | Union Savings & Loan Association | 98,148 | 98,086 |
| Martinsville | Home Bank SB | 168,246 | 172,473 |
| Michigan City | Michigan City Savings & Loan Association | 62,022 | 53,470 |
| Monticello | Peoples Savings & Loan Association-Monticello | 42,700 | 42,719 |
| Scottsburg | Scottsburg Building & Loan Association | 50,052 | 50,510 |
| | Total Assets for State Chartered Associations: | 422,201 | 418,285 |

DIVISION OF CREDIT UNIONS

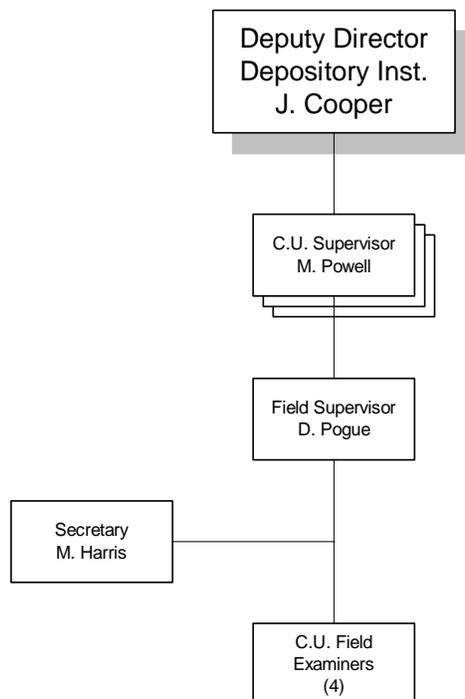
A credit union is a cooperative, non-profit association incorporated under the laws of the state for the purpose of educating its members in the concept of thrift and encouraging thrift among its members. Credit unions are composed of and owned by groups of people with some type of common bond (i.e. persons having a common bond of occupation, trade or professional association, members of a labor organization, members of a church, or persons engaged in a common trade or profession within a well defined geographical location) that serves to define the group.

As of December 31, 2000 there were 59 active state chartered credit unions. The combined total assets of these 59 credit unions as of December 31, 2000 were \$4,075M. an increase of \$223M. over December 31, 1999.

This translates to a 5.7% increase in the total assets of all state-chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$3,345M. as of December 31, 1999 to \$3,507M. as of December 31, 2000 this represents a growth in deposits of 4.8%. Member loans made by Indiana credit unions increased from \$2,625M. as of December 31, 1999 to \$2,769M. as of December 31, 2000. This represents an increase of 6.5% in loans to members.

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

Clark County Farm Bureau Credit Union, Sellersburg
Mutual Insurance Credit Union, Indianapolis



CREDIT UNION ANNUAL REPORT 12/31/2000
BALANCE SHEET
Schedule A

| ACCOUNT DESCRIPTIONS (In Millions of \$) | 12/31/00 | 12/31/99 |
|--|--------------|--------------|
| ASSETS | | |
| Loans | 2791 | 2625 |
| Allowance for Loan Loss | (22) | (25) |
| Cash & Cash Equivalents | 317 | 284 |
| U.S. Government Obligations | 441 | 353 |
| Banks, Savings & Loan & Mutual Savings Banks | 203 | 199 |
| Other Investments | 198 | 302 |
| Other Assets | 147 | 114 |
| TOTAL ASSETS | 4,075 | 3,852 |
| LIABILITIES | | |
| Shares | 3,507 | 3,345 |
| Total Borrowings | 83 | 80 |
| Dividends | 2 | 1 |
| Accounts Payable & Other Liabilities | 21 | 17 |
| TOTAL LIABILITIES | 3,613 | 3,443 |
| EQUITY | | |
| Regular Reserve | 174 | 151 |
| Other Reserves | 12 | 11 |
| Accumulated Unrealized Gain/Loss | | (3) |
| Undivided Earnings | 276 | 250 |
| TOTAL EQUITY | 462 | 409 |
| TOTAL LIABILITIES & EQUITY | 4,075 | 3,852 |

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

| | 12/31/00 | 12/31/99 | Increase/Decrease |
|--------------------|----------|----------|-------------------|
| ASSETS | 4,075 | 3,852 | 223 |
| SHARES | 3,507 | 3,345 | 162 |
| LOANS | 2,769 | 2,600 | 169 |
| INVESTMENTS | 842 | 854 | (12) |

INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/2000
INCOME STATEMENT
Schedule B (In Millions of \$)

| | |
|--|------------|
| INCOME: | |
| Interest on loans | 227 |
| Less Interest Refunds | - |
| Income from Investments | 63 |
| Other Income | 49 |
| TOTAL INCOME | <u>339</u> |
| EXPENSES: | |
| Employee Compensation & Benefits | 66 |
| Travel & Conference | 2 |
| Office Occupancy | 10 |
| Office Operations | 29 |
| Educational & Promotional | 7 |
| Loan Servicing | 5 |
| Professional & Outside | 15 |
| Provision for Loan Losses | 10 |
| Members Insurance | - |
| Operating Fees | - |
| Interest on Borrowed Money | 4 |
| Other Expenses | 4 |
| TOTAL EXPENSES | <u>152</u> |
| NET INCOME | <u>187</u> |
| DISTRIBUTION OF NET INCOME | |
| Transfer to Regular Reserve | 25 |
| Transferred to Undivided Earnings or Other Reserves | 23 |
| TOTAL DISTRIBUTIONS | <u>48</u> |
| DIVIDENDS TO MEMBERS | <u>139</u> |

| LOCATION | NAME OF ASSOCIATION | TOTAL ASSETS |
|--------------|---|--------------|
| Anderson | Anderson Post Office Credit Union | 2,074,214 |
| Auburn | Dekalb Financial Credit Union | 62,982,300 |
| Bedford | Hoosier Hills Credit Union | 137,849,190 |
| Bluffton | Franklin Electric Employees Credit Union | 1,909,155 |
| Brazil | Clay County Farm Bureau Co-op Credit Union | 3,440,824 |
| Chrisney | Spencer County Cooperative Credit Union | 2,708,937 |
| Columbus | Centra Credit Union | 364,505,227 |
| Crown Point | Tech Credit Union | 177,016,418 |
| East Chicago | East Chicago Firemen's Credit Union | 1,175,167 |
| Fishers | Forum Credit Union | 449,943,467 |
| Fort Wayne | General Credit Union | 63,170,483 |
| Fort Wayne | Indiana Postal & Federal Empl. Credit Union | 19,241,586 |
| Fort Wayne | Public Service Employees Credit Union | 24,240,718 |
| Fort Wayne | Tokheim Employees Credit Union | 3,580,626 |
| Frankfort | Nickel Plate Industrial Credit Union | 6,447,663 |
| Franklin | Arvin G & F Credit Union | 3,567,257 |
| Goshen | Elkhart County Farm Bureau Credit Union | 244,752,408 |
| Goshen | Penn Credit Union | 16,723,981 |
| Hagerstown | Perfect Circle Credit Union | 39,950,595 |
| Hammond | Hammond Firefighters Association Credit Union | 1,158,584 |
| Huntington | Huntington County Farm Bureau Credit Union | 16,383,223 |
| Indianapolis | Capital Plus Credit Union | 20,289,290 |
| Indianapolis | Citizens Gas Utility Credit Union | 12,628,967 |
| Indianapolis | Double Eleven Credit Union | 54,451,377 |
| Indianapolis | Dow Employees Credit Union | 32,806,447 |
| Indianapolis | Family Horizons Credit Union | 63,305,528 |
| Indianapolis | Greater Indianapolis Firefighters CU | 40,819,500 |
| Indianapolis | Hoosier Farm Bureau Credit Union | 5,605,349 |
| Indianapolis | Indiana Members Credit Union | 562,631,769 |
| Indianapolis | Indianapolis Hebrew Credit Union | 401,707 |
| Indianapolis | Indianapolis Police Department Credit Union | 24,741,107 |
| Indianapolis | Indianapolis Post Office Credit Union | 44,425,715 |
| Indianapolis | Indianapolis Railroad Employees Credit Union | 4,319,179 |
| Indianapolis | IPALCO Credit Union | 18,544,604 |
| Indianapolis | Jet Credit Union | 39,578,585 |
| Indianapolis | KEMBA (Indianapolis) Credit Union | 45,374,132 |
| Indianapolis | Richardson Employees Credit Union | 144,866 |
| Indianapolis | State Merit Service Credit Union | 4,899,765 |

| LOCATION | NAME OF ASSOCIATION | TOTAL ASSETS |
|---|--|---------------|
| Kokomo | Kokomo Post Office Credit Union | 1,356,879 |
| La Porte | Municipal Employees Credit Union | 885,481 |
| Lawrenceburg | Seagram Employees Credit Union | 11,852,620 |
| Logansport | Cass County Farm Bureau Co-Op Credit Union | 3,226,749 |
| Logansport | G.T.C. (Logansport) Credit Union | 91,055 |
| Loogootee | Martin County Farm Bureau Co-Op Credit Union | 3,715,429 |
| Merrillville | Federal Employees Credit Union | 5,368,099 |
| Michigan City | Members Advantage Credit Union | 41,338,013 |
| Mishawaka | Taper Lock Credit Union | 27,055,006 |
| Monroe | Adams County Farm Bureau Co-Op Credit Union | 7,274,626 |
| Muncie | Muncie Post Office Credit Union | 1,206,543 |
| New Albany | New Albany Schools Credit Union | 8,147,087 |
| Richmond | NATCO Credit Union | 30,660,162 |
| Richmond | Richmond State Hospital Emp. Credit Union | 1,610,259 |
| Seymour | Jackson County Co-Op Credit Union | 8,741,162 |
| South Bend | South Bend Post Office Credit Union | 11,768,674 |
| South Bend | Teachers Credit Union | 918,812,584 |
| Sullivan | Sullivan County Farm Bureau Credit Union | 4,188,050 |
| Terre Haute | Terre Haute Post Office Credit Union | 1,145,657 |
| Wabash | Wabash County Farm Bureau Credit Union | 361,138,006, |
| Warsaw | United Credit Union | 7,236,626 |
| Net Assets – Includes Allowance for Loan Losses | | 4,074,608,677 |



Janelle Wiggins
Financial Institutions Examiner—Depository Division



John Schroeder
Supervisor—Administration

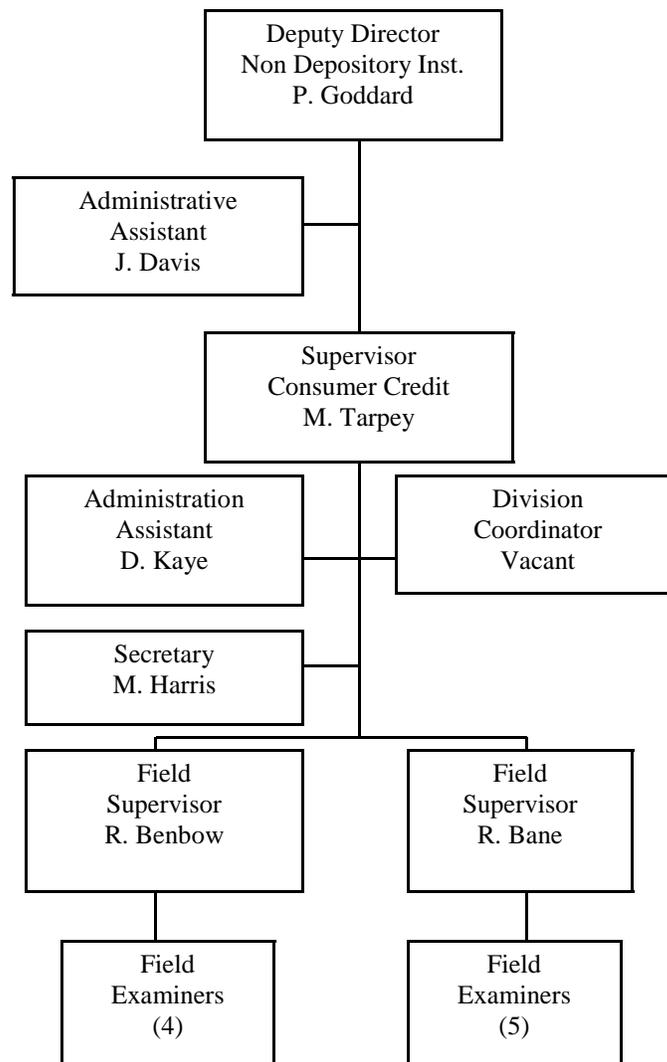
DIVISION OF NON-DEPOSITORY INSTITUTIONS

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.

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.

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



CONSUMER CREDIT

INDIANA UNIFORM CONSUMER CREDIT CODE

Indiana became one of six states which adopted a version of the Uniform Consumer Credit Code developed by the National Conference of Commissioners on Uniform State Laws (NCCUSL) with the passage of the Indiana Uniform Consumer Credit Code (Code) in the 1971 Session of the General Assembly. Since that time, ten other states have adopted their own versions of the Uniform Consumer Credit Code.

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.

The primary transactions covered by the various provisions of the Indiana Uniform Consumer Credit Code are those involving consumer credit sales, consumer leases, consumer loans, consumer related sales, consumer related loans, credit related insurance, and limitations of creditors' remedies.

The Code regulates all persons or entities regularly extending credit to individuals for a personal, family, or household purpose in which either the amount financed does not exceed \$50,000 or the debt is secured by an interest in land or by personal property used or expected to be used as the principal dwelling of the debtor. The debt is payable in more than four installments or a finance charge is imposed.

The Act also regulates all persons or entities regularly making leases of goods to individuals for a personal, family, or household purposes in which the total amount payable under the lease does not exceed \$50,000 and the original lease term exceeds four months.

The Act does not regulate agriculture, business, or commercial transactions.

The Indiana Uniform Consumer Credit Code Establishes:

- Purposes and Rules of Construction
- Territorial Application
- General Definitions
- Maximum and Minimum Charges
- Delinquency and Deferral Charges
- Additional Charges
- Prepayment Penalties
- Rebate of Finance Charges upon Prepayment
- Limitations on Agreements and Practices
- Lender Licensing Requirements
- Consumer Credit Insurance
- Credit Related Property and Liability Insurance
- Limitations on Creditor's Remedies
- Debtors' Remedies

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 on the Internet.

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

In 1935 Indiana became the first state in the nation to provide for regular examinations of certain holders of consumer credit sales. The 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 the 193 state-chartered banks, credit unions, and savings institutions and their 582 branches for compliance with lending statutes.

There were **1,130** examinations made in 2000 covering all of the statutes we administer. A total of **18,189** refundable violations were cited and refunds made to consumers totaling **\$1,521,719.89**. There were **487** non-refundable violations cited.

The Division also handles complaints in relation to the statutes we administer. Refunds were made on consumer complaints in 2000 for **\$1,633.03**. There were violations on 35% of the complaints; no violations on 53%; and 12% of the complaints we had no jurisdiction over.

BUDGET SERVICE COMPANIES ACT

Budget service companies are licensed to provide services 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 five licensed budget service companies in Indiana, with nine locations. 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 83 licensed pawnbrokers as of December 31, 2000 with 70 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 25 money transmitter licensees with 5,520 agents 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

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 were 76 registrants with 323 branches who regularly engaged in "Rent to Own" transactions as of December 31, 2000.

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 as long as the cost to the consumer does not exceed the greater of 1% of the face amount of the check or \$1.00.

There were 60 licensed check cashers with 130 branches in Indiana as of December 31, 2000.

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

LEGISLATIVE CHANGES:

2000 LEGISLATIVE ADDITIONS OR AMENDMENTS BY Acts 2000, P.L.23 EFFECTIVE UPON PASSAGE OR JULY 1, 2000

IC 24-4.5 INDIANA UNIFORM CONSUMER CREDIT CODE

section 1-102(4) – Effective upon passage. – Updated reference to federal law in IC 24-4.5 as the law that is in effect December 31, 1999.

Section 1-301(21) – Effective July 1, 2000. – Added new section defining "Mortgage servicer" means the last person to whom a mortgagor or the mortgagor's successor in interest has been instructed by a mortgagee to send payments on a loan secured by a mortgage.

Section 2-104(2)(b) – Effective July 1, 2000. – Added "providing payoff amounts (IC24-4.5-2-209)"; making that section apply to first lien transactions.

Section 3-105 – Effective July 1, 2000. – Added "providing payoff amounts (IC24-4.5-3-209)"; making that section apply to first lien transactions.

Section 2-209 and 3-209– Effective July 1, 2000. - Add new subsections: (2) Clarifies that the maximum rate of interest cannot be exceeded upon prepayment for the period the credit sale/loan was in effect for a simple interest transaction that includes prepaid credit service charges/finance charges.

(3) Requires a creditor to give the debtor an accurate payoff of their account. If the payoff is not given within 10 business days from receipt of the written request from the debtor, the creditor or mortgage servicer is liable for (A) One hundred dollars (\$100) if an accurate consumer credit sale/loan payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's first written request; and (B) the greater of: (i) one hundred dollars (\$100); or (ii) the credit service charge that accrues on the sale/loan from the date the creditor or mortgage servicer receives the first written request until the date on which the accurate consumer credit sale payoff amount is provided; if an accurate consumer credit sale/loan payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's second written request, and the creditor or mortgage servicer failed to comply with clause(A). A liability under this subsection is an excess charge under IC 24-4.5-5-202.

Section 3-502 – Effective July 1, 2000. - Clarifies section to cover "regularly" engaged lenders and that the three (3) month's window to operate without an approved license is strictly applicable to lenders who take assignment of loans.

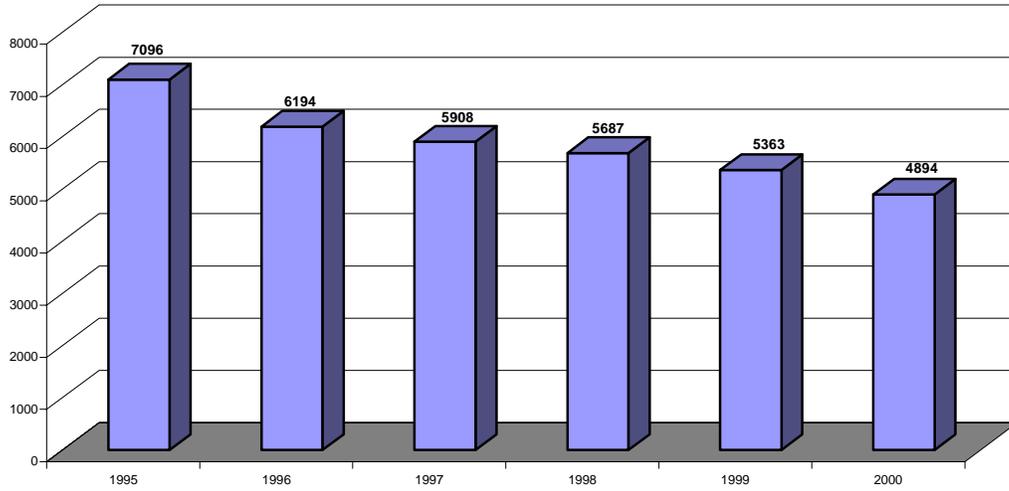
Section 3-503(2) – Effective July 1, 2000. - Adds a sentence that evidence of compliance for a loan license includes but is not limited to a report of criminal activity of the applicant from the state in which the applicant resides. Some states require that the provision for a criminal history be in the requesting state's law before they will issue a criminal history. This addition will enable us to secure criminal histories from those states.

Section 3-503(6) – Effective July 1, 2000. -Adds subsection clarifying that licenses are not assignable or transferable.

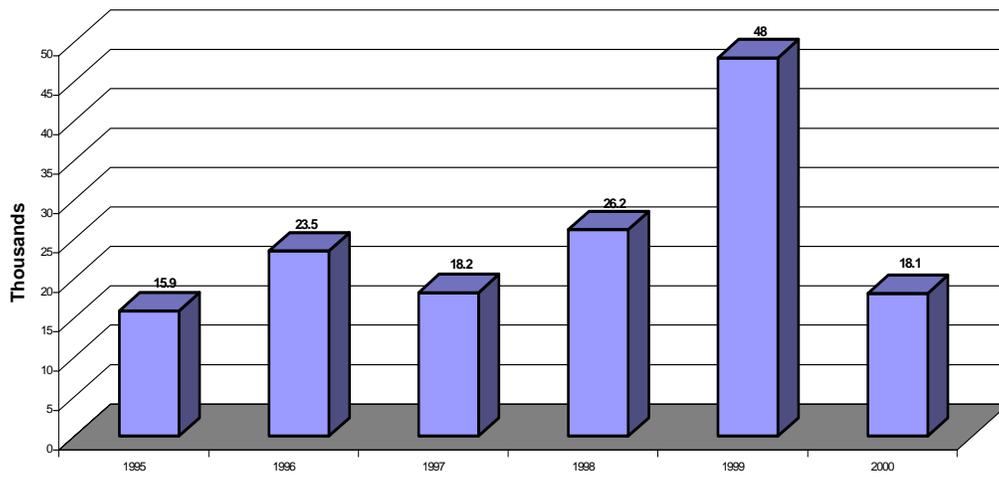
Section 5-204 – Effective July 1, 2000. - Add section (2) requiring a creditor to make available for disbursement the proceeds of a transaction subject to subsection (1) on the later of: (A) the date the creditor is reasonably satisfied that the consumer has not rescinded the transaction; or (B) the first business day after the expiration of the rescission period under subsection (1).



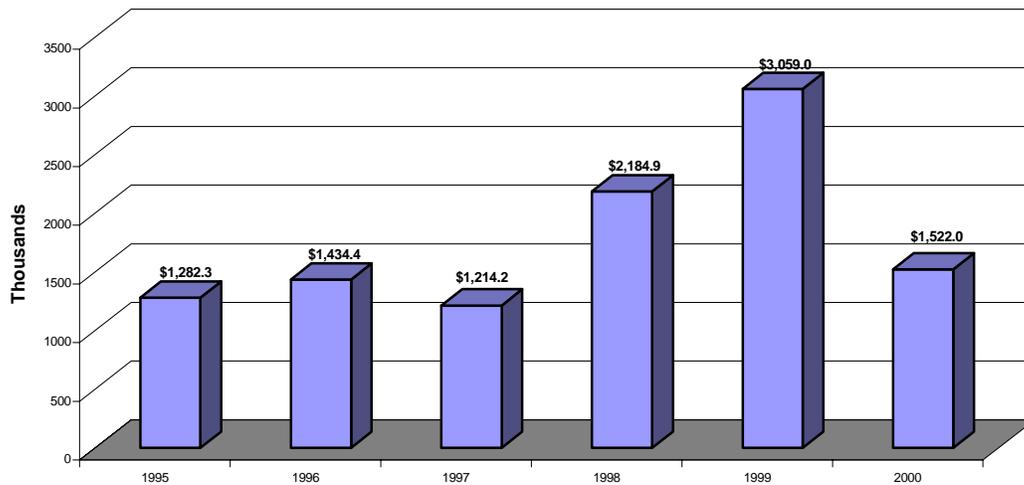
IUCC FILERS / LICENSEES



COMPLIANCE EXAM VIOLATIONS



COMPLIANCE REFUNDS



NEW NON-DEPOSITORY DIVISION LICENSES ISSUED IN 2000

LICENSED LENDERS

| NO. | NAME | CITY | DATE |
|------|--|------------------|----------|
| 7666 | FIRST CHESAPEAKE FUNDING CORP / FIRST CHESAPEAKE ACQUISITION CORP | PLANTATION | 1/27/00 |
| 7826 | MORTGAGE MATE INC / MORTGAGE CAPITAL | | |
| 7827 | ACCEPTANCE CORP/ MORTGAGE CAPITAL ASSOC | LOS ANGELES | 1/27/00 |
| 7829 | MAPLETON FALL CREEK DEVELOPMENT CORP | INDIANAPOLIS | 1/27/00 |
| 7834 | FINANCE AMERICA LLC | IRVINE | 1/27/00 |
| 7836 | TEMPLE-INLAND MORTGAGE CORPORATION | AUSTIN | 1/27/00 |
| 7838 | CITIMORTGAGE INC | ST LOUIS | 1/27/00 |
| 7856 | CRESLEIGH BANCORP / CRESLEIGH FINANCIAL SERVICES LLP | CARMEL | 1/27/00 |
| 7871 | CHECK N GO MTG SERV /RESIDENTIAL CREDIT CORP | WESTMINSTER | 1/27/00 |
| 7875 | G V C MORTGAGE INC | PENDLETON | 11/16/00 |
| 7882 | WESTERN HOME MORTGAGE CORPORATION | IRVINE | 3/21/00 |
| 7890 | ALL FUND MORTGAGE / AMERIFUND FINANCIAL INC | TACOMA | 3/21/00 |
| 7909 | FIRST NLC FINANCIAL SERVICES LLC | DEERFIELD BEACH | 3/21/00 |
| 7913 | AMERICAN NATIONWIDE MORTGAGE CO | TAMPA | 3/21/00 |
| 7922 | NOVASTAR MORTGAGE INC | WESTWOOD | 3/21/00 |
| 7923 | A.N.H.M./ AMERICAN NATIONAL HOME MTG INC | NASHVILLE | 5/1/00 |
| 7925 | AMERICAN PIONEER FINANCIAL SERVICES INC | OREM | 5/1/00 |
| 7926 | MORTGAGE BANKERS SERVICE CORP | LOMBARD | 6/29/00 |
| 7927 | T C D MORTGAGE CORP | OAK BROOK | 5/1/00 |
| 7928 | C F S OF INDIANAPOLIS NORTH LLC | WAUKEGAN | 3/15/00 |
| 7931 | UNIVERSAL FINANCIAL GROUP INC | PALOS HEIGHTS | 6/29/00 |
| 7936 | SUMMIT MORTGAGE CORPORATION | IRVINE | 5/1/00 |
| 7937 | WEBSTAR MORTGAGE / PROVIDENT FUNDING GROUP INC | BURLINGAME | 5/1/00 |
| 7942 | ANYLOAN COMPANY (THE) | IRVINE | 5/1/00 |
| 7948 | BOMBARDIER CAPITAL / BOMBARDIER CAPITAL INC | JACKSONVILLE | 8/15/00 |
| 7949 | P S P DIRECT / PSP FINANCIAL SERVICES INC | IRVINE | 5/1/00 |
| 7950 | E-LOAN INC | INC DUBLIN | 5/1/00 |
| 7957 | WORTH FUNDING INCORPORATED | CALABASAS | 6/29/00 |
| 8003 | N C S MORTGAGE LENDING COMPANY | NORCROSS | 8/15/00 |
| 8031 | MONEY MART (THE) / SJ AND LW BEDWELL | LINTON | 11/16/00 |
| 8032 | M/I FINANCIAL CORP | COLUMBUS | 8/15/00 |
| 8033 | M I T LENDING/ MORTGAGEIT INC | NEW YORK | 8/15/00 |
| 8034 | DOT.COM LENDING SERVICES LLC | NORCROSS | 11/16/00 |
| 8093 | R B M G INC | COLUMBIA | 11/16/00 |
| 8094 | REPUBLIC BANC MORTGAGE CORPORATION | FARMINGTON HILLS | 11/16/00 |

PAWNBROKERS

| | | | |
|------|----------------------------------|----------------|---------|
| 7877 | ADVANTAGE PAWNERS & JEWELERS LLC | HAMMOND | 3/21/00 |
| 7976 | MR PAYDAY INC LL1373 | JEFFERSONVILLE | 8/15/00 |

MONEY TRANSMITTERS

| | | | |
|------|---------------------------------|-------------|---------|
| 7876 | ASSOCIATED FOREIGN EXCHANGE INC | ENCINO | 1/27/00 |
| 8047 | SERVIMEX INC | MIAMI LAKES | 8/15/00 |

CHECK CASHERS

| | | | |
|------|---|--------------|---------|
| 7930 | UNITED CHECK CASHING /CLARITY INC | INDIANAPOLIS | 3/21/00 |
| 7961 | PRONTO CHECK CASHING / G SALINAS & R CASTRO | INDIANAPOLIS | 5/1/00 |
| 8023 | HIGHLAND CURRENCY EXCHANGE INC | HIGHLAND | 8/15/00 |
| 8046 | A-1 PAYDAY LOANS / GRT INC | INDIANAPOLIS | 8/15/00 |

BUDGET SERVICE COMPANIES

| | | | |
|------|---|------------|---------|
| 8011 | ASSISTED DEBT MANAGEMENT LLC | HOBART | 6/29/00 |
| 8012 | PIONEER CREDIT & DEBT CONSOLIDATION / BLACK HILLS CHILDRENS RANCH INC | RAPID CITY | 6/29/00 |

LICENSEES AND REGISTRANTS

As of December 31, 2000

| TYPE | NUMBER REGISTERED | NUMBER BRANCH LOCATIONS |
|--------------------------|-------------------|-------------------------|
| LOAN LICENSES | 433 | 940 |
| General Finance | 68 | 275 |
| Payday Lender | 119 | 463 |
| Second Mortgage Lenders | 246 | 202 |
| | | |
| PAWNBROKERS | 83 | 70 |
| CHECK CASHERS | 60 | 130 |
| MONEY TRANSMITTERS | 25 | 1 |
| BUDGET SERVICE COMPANIES | 5 | 4 |
| NON-LENDERS | 3,958 | 2,050 |
| FINANCIAL INSTITUTIONS | 254 | 1,108 |
| RENTAL PURCHASE | 76 | 323 |
| TOTALS | 4,894 | 4,626 |



Judy Jones
Voice of DFI

DIVISION OF ADMINISTRATION

The Department of Financial Institutions is a self-funded (dedicated-funds) agency that is entirely supported by fees paid by the institutions that 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 costs 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, the Indiana Multicultural Job Fair, as well as other college fairs and special events. In addition, the agency has had limited success in attracting employment candidates with prior financial industry experience.

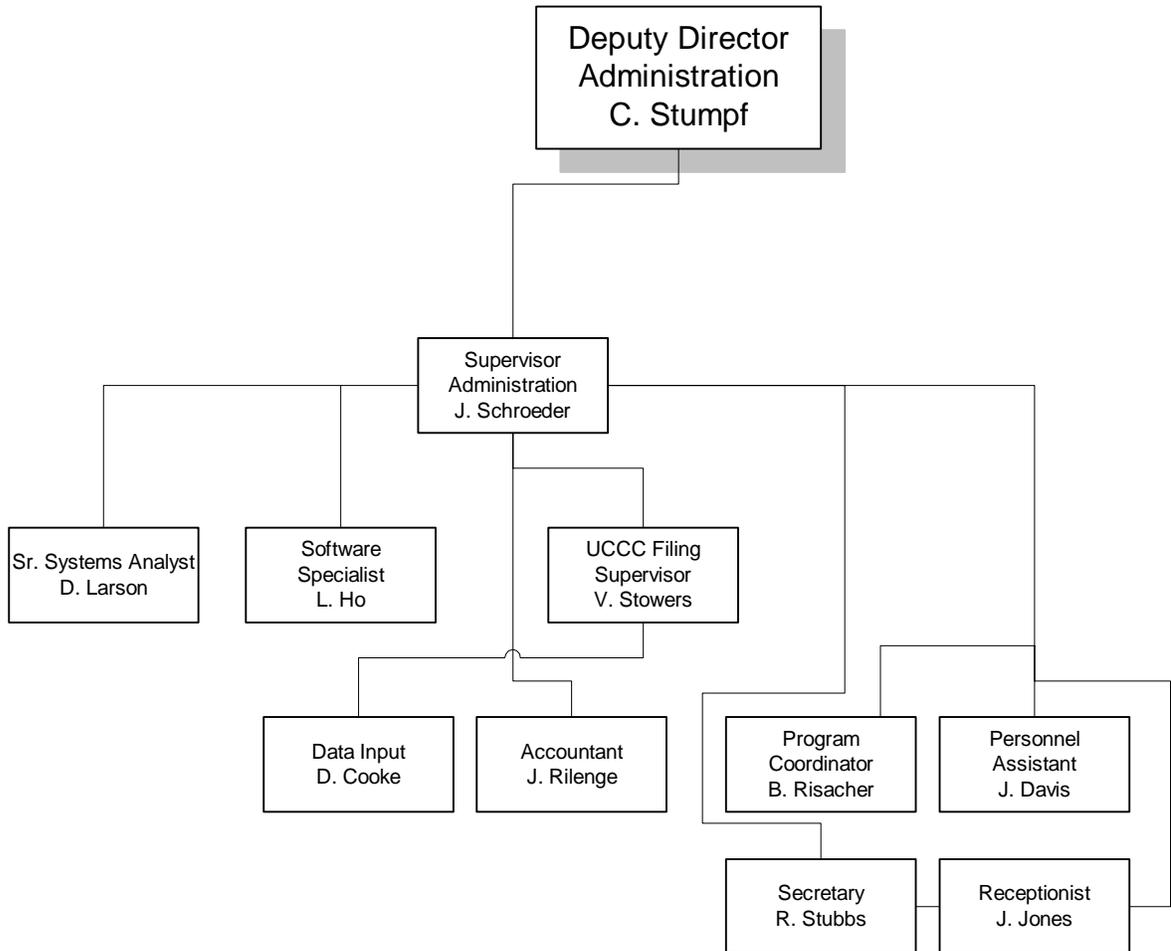
Examiner turnover in 2000 was under 7%. This was a dramatic improvement from 17% in 1999, and 24% in 1998. In 1999, the agency adopted a new compensation plan that provided an increased base salary, together with the availability of skill-based pay for the attainment of various certification levels. Agency management believes the compensation plan solidifies the examiner position as a viable career option for many people.

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 endeavored to refine its internal information management systems. Also, through the Conference of State Bank Supervisors, the Department continues to participate with federal regulators in the use and refinement of automated examination software that provides for a more efficient, less intrusive, examination process. The Department continues to maintain effective inter-agency communications and information sharing through its Wide Area Network. Finally, the Department is in the process of a major revision to its own home page on the Internet. The WEB site address is <http://www.dfi.state.in.us>, and is 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 promote a seasoned, informed staff and to ensure complete and accurate examination reports. 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 2000, all Department staff members participated in professional enrichment opportunities. Both externally and internally sponsored programs were employed.

External training programs conducted by the following sponsors were utilized: 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 for Supervisory Education; the National Credit Union Administration, and the National Association of State Credit Union Supervisors. These programs supplement internal training. These external programs provide excellent individual technical instruction, and this information is then 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 E-banking, Capital Markets, and Information Systems & Technology Conferences. As these needs develop, the Department works with other regulatory agencies to identify and coordinate the necessary training.

In 2000, the Department continued its traditional use of the graduate schools. The agency had a new graduate from Graduate School of Banking at Colorado.

Also, in 2000 the agency learned that a second DFI examiner had been selected as the recipient of the EFSBS graduate school scholarship. He will enter the American Bankers Association National Graduate Trust School in 2001, while two employees continue through graduate banking schools. This continues the tradition of the Department enrolling new students in graduate programs annually.

Additionally, multiple agency employees took advantage of the Department's tuition reimbursement program in 2000. The benefit is intended to encourage employees to continue their formal educations through evening and weekend programs. Courses of study included MBA programs, undergraduate business programs, and legal education.

While the use of structured internal and external training opportunities is essential, the primary method of examiner professional development remains on-the-job training. Newer examiners are assigned mentors to ensure consistent and effective exposure to examination processes and techniques.

The agency's support staff continued its practice of participating in semi-annual professional development seminars. Support staff members are also taking advantage of the agency's tuition reimbursement program.

Training is the foundation of a qualified staff. The Department is committed to developing and maintaining a knowledgeable and efficient examination force. Agency management is convinced that this high level of competence is necessary to promote a safe and sound financial institutions industry in the State of Indiana.