

KOSCIUSKO COUNTY BANK AND
SAVINGS AND LOAN DIRECTORY

1987 KOSCIUSKO COUNTY
LEADERSHIP ACADEMY PROJECT

JANET ANDERSON
DAVID A. BICKEL

No
Record

INTRODUCTION

PURPOSE

The purpose behind this KLA project was to provide a directory of banks and savings and loans which would be available to business, industry, and their employees as they consider Kosciusko County for relocation or new business start up.

METHOD AND FORMAT

A survey form was submitted to each institution for their completion. In addition, a fourth quarter statement for 1986 was requested. We have elected not to summarize financial statements, operating under the assumption that the format provided reflects the various institutions' reporting preference.

The Directory has been divided into two sections. The first section lists banks operating in Kosciusko County and the second section lists savings and loans operating in Kosciusko County. Both sections list institutions in alphabetical order.

Institutions purchased and branch office information was limited to Kosciusko County.

KOSCIUSKO COUNTY BANKS

THE CAMPBELL AND FETTER BANK

The Campbell and Fetter Bank was incorporated in 1863. The institution is publicly owned.

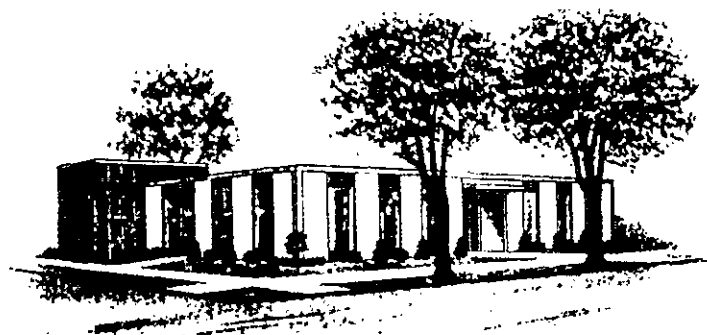
Key officers are as follows:

President	William T. Doyle
Executive Vice President	Lawrence M. Doyle
Supervisor of Branch Administration	William T. Doyle
Supervisor of Commercial Loans	Lawrence M. Doyle
Business Development and Marketing	Lawrence M. Doyle
Supervisor of Trust Department	Linda Poyser
Supervisor of Consumer Loans	James D. Hooley, Vice President
Supervisor of Operations	Roy J. Linn, Vice President
Supervisor of Personnel	Roy J. Linn, Vice President
Cashier	Roy J. Linn, Vice President
Controller	Roy J. Linn, Vice President
Supervisor of Bookkeeping	Suzie Conrad, Assistant Cashier
Auditor	Diane Peachy
Supervisor of Mortgage Loans	James D. Hooley, Vice President

The main office of Campbell and Fretter Bank is located at the corner of Williams and Orchard Streets, Kendallville, Indiana 46755. The Campbell and Fretter Bank has one branch office located in Kosciusko County.

Kosciusko County branch information is as follows:

Warsaw	Sandra Laughlin
Phone: (219) 267-3311	



CAMPBELL & FETTER BANK

ESTABLISHED IN 1863

CORNER OF WILLIAMS AND ORCHARD STREETS
KENDALLVILLE, INDIANA 46755

December 31, 1986

ASSETS	1985	1986
Cash and Due from Banks	3,865,165	5,347,790
Interest Bearing Balances with Banks	8,899,000	10,975,000
Federal Funds Sold	1,625,000	7,775,000
Investment Securities: (Approximate market value of \$28,370,000 in 1986 and \$27,649,000 in 1985)	26,749,218	26,199,098
Loans:		
Total Loans	34,533,279	39,631,923
Less Unearned Income	(733,064)	(566,383)
Less Allowance for Loan Losses	(413,773)	(413,773)
Net Loans	33,386,442	38,651,767
Bank Premises and Equipment-Net	1,370,911	1,802,724
Accrued Interest Receivable	1,010,133	893,152
Other Assets	544,520	368,076
Total Assets	77,450,389	92,012,607

LIABILITIES

Deposits:		
Non-interest Bearing Demand	6,732,732	8,198,638
Interest Bearing Demand	14,481,293	18,748,205
Savings	8,139,465	12,294,096
Time Deposits:		
Denominations under \$100,000	35,019,468	36,416,542
Denominations of \$100,000 or more ...	5,320,834	8,054,547
Total Deposits	69,693,792	83,712,028
Securities Sold Under Agreements to Repurchase	1,125,668	1,229,040
Accrued Interest Payable	720,003	645,810
Other Liabilities	254,713	242,023
Total Liabilities	71,994,176	85,828,901

SHAREHOLDERS' EQUITY

Common Stock, \$10 Par Value: Shares Authorized, Issued and Outstanding: 65,080	650,800	650,800
Surplus	3,372,022	3,850,000
Undivided Profits	1,633,391	1,682,906
Total Shareholders' Equity	5,656,213	6,183,706
Total Liabilities & Shareholders' Equity	77,450,389	92,012,607

COUNTING HOUSE BANK

Counting House Bank was incorporated on August 19, 1916. The institution is publicly owned.

Key officers are as follows:

President	Joel A. Massey
Executive Vice President	Ronald T. Gilbert
Executive Vice President	Paul Reith
Supervisor of Commercial Loans	Joel A. Massey, President
Supervisor of Consumer Loans	Carl Likens, Assistant Vice President
Business Development	Joel A. Massey, President
Supervisor of Mortgage Loans	Kay Andrews, Vice President
Supervisor of Trust Department	Ronald T. Gilbert, Executive Vice President & Cashier
Operations Supervisor	Roberta L. Schopf, Assistant Cashier
Personnel Supervisor	Roberta L. Schopf, Assistant Cashier
Supervisor of Branch Administration	Joel A. Massey, President
Cashier	Ronald T. Gilbert, Executive Vice President & Cashier
Bookkeeping Supervisor	Debra A. Dugan, Assistant Cashier
Marketing Supervisor	Joel A. Massey, President
Auditor	Ronald T. Gilbert, Executive Vice President & Cashier

The main office of Counting House Bank is located at 120 South Lake Street, Warsaw, Indiana 46580 (mailing address - P.O. Box 528). The main office phone number is (219) 269-1700. Counting House bank operates two branches.

Kosciusko County branch information is as follows:

North Webster Kay Andrews, Vice President
Phone: (219) 834-2831

PUBLICATION COPY
CONSOLIDATED REPORT OF CONDITION (Including Domestic and Foreign Subsidiaries)
 (Dollar Amounts in Thousands)

LEGAL TITLE OF BANK				STATE BANK NO.		
COUNTING HOUSE BANK				477		
				FEDERAL RESERVE DISTRICT NO.		
				7		
CITY	COUNTY	STATE	ZIP CODE	CLOSE OF BUSINESS DATE		
WARSAW	KOSCIUSKO	INDIANA	46580	12-31-86		
Dollar Amounts in Thousands				Bill	Mill	Thou
ASSETS						
1. Cash and balances due from depository institutions:						
a. Noninterest-bearing balances and currency and coin						
						758 1.a.
b. Interest-bearing balances						
						500 1.b.
2. Securities						
						1,023 2.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs						
						1,000 3.
4. Loans and lease financing receivables:						
a. Loans and leases, net of unearned income						
		14	727			4.a.
b. LESS: Allowance for loan and lease losses						
			292			4.b.
c. LESS: Allocated transfer risk reserve						
			-0-			4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)						
					14	435 4.d.
5. Assets held in trading accounts						
						-0- 5.
6. Premises and fixed assets (including capitalized leases)						
						465 6.
7. Other real estate owned						
						1,355 7.
8. Investments in unconsolidated subsidiaries and associated companies						
						-0- 8.
9. Customers' liability to this bank on acceptances outstanding						
						-0- 9.
10. Intangible assets						
						-0- 10.
11. Other assets						
						454 11.
12. Total assets (sum of items 1 through 11)						
						19,990 12.
LIABILITIES						
13. Deposits:						
a. In domestic offices						
(1) Noninterest-bearing						
		1	391			13.a.(1)
(2) Interest-bearing						
			17,858			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs						
						-0- 13.b
(1) Noninterest-bearing						
			-0-			13.b.(1)
(2) Interest-bearing						
			-0-			13.b.(2)
14. Federal funds purchased and securities sold under agreement to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs						
						-0- 14.
15. Demand notes issued to the U.S. Treasury						
						-0- 15.
16. Other borrowed money						
						-0- 16.
17. Mortgage indebtedness and obligations under capitalized leases						
						408 17.
18. Bank's liability on acceptances executed and outstanding						
						-0- 18.
19. Notes and debentures subordinated to deposits						
						-0- 19.
20. Other liabilities						
						145 20.
21. Total liabilities (sum of items 13 through 20)						
						19,802 21.
22. Limited-life preferred stock						
						-0- 22.
EQUITY CAPITAL						
23. Perpetual preferred stock (No. of shares outstanding)						
						-0- 23.
24. Common stock (No. of shares a. Authorized						
			45,000			
b. Outstanding						
			37,400			374 24.
25. Surplus						
						1,172 25.
26. Undivided profits and capital reserves						
						(1,358) 26.
27. Cumulative foreign currency translation adjustments						
28. Total equity capital (sum of items 23 through 27)						
						188 28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)						
						19,990 29.
MEMORANDA: Amounts outstanding as of Report Date:						
1.a Standby letters of credit, Total						
						5 1.a
1.b Amount of Standby letters of credit in memo 1.a conveyed to others through participations						
						-0- 1.b

NOTE: This report must be signed by an authorized officer(s) and attested by not less than three directors other than the officer(s) signing the report.

I/We, the undersigned officer(s), do hereby declare that this Report of Condition has been prepared in conformance with official instructions and is true to the best of my knowledge and belief.

SIGNATURE OF OFFICER(S) AUTHORIZED TO SIGN REPORT	DATE SIGNED
<i>Ronald T. Gilbert</i>	January 28, 1987
NAME AND TITLE OF OFFICER(S) AUTHORIZED TO SIGN REPORT	AREA CODE/PHONE NO.
Ronald T. Gilbert, Executive Vice-President & Cashier	219-269-1700

We, the undersigned directors, attest the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with official instructions and is true and correct.

SIGNATURE OF DIRECTOR	SIGNATURE OF DIRECTOR	SIGNATURE OF DIRECTOR
<i>Janet M. ...</i>	<i>James ...</i>	<i>John ...</i>
State of Indiana	County of Kosciusko	ss.
Sworn to and subscribed before me this 28th day of JANUARY, 1987		
and I hereby certify that I am not an officer or director of this bank.		
My commission expires Sept. 16, 1988		
		<i>Dawn S. Felton</i> Signature Notary Public

FARMERS STATE BANK

Farmers State Bank was incorporated in 1892. The institution is publicly owned.

Key officers are as follows:

President Forrest D. Miner
Supervisor of Commercial Loans Jack P. Gillotti, Vice President
Supervisor of Mortgage Loans Jack P. Gillotti, Vice President
Supervisor of Consumer Loans Gail Law, Assistant Vice President
Business Development Jack P. Gillotti, Vice President
Supervisor of Trust Department Larry D. Pyle, Vice President
and Trust Officer
Investment Officer Forrest D. Miner, President
Operations Supervisor M. Jack Crandell, Cashier/Controller
Personnel Supervisor Larry D. Pyle, Vice President
and Trust Officer
Cashier M. Jack Crandell, Cashier/Controller
Bookkeeping Supervisor Mary L. Boggs, Assistant Vice President
Auditor Kirk Tolliver, Auditor
Controller M. Jack Crandell, Cashier/Controller

The main office of Farmers State Bank is located at the corner of Main and Broadway, Mentone, Indiana 46539 (mailing address - P.O. Box 455). In addition to the main office, Farmers State Bank has three branch offices. The main office phone number is (219) 353-7521.

Kosciusko County branch information is as follows:

Warsaw - Northgate Jack P. Gillotti, Vice President
Phone: (219) 269-2408
Warsaw - East Center Betty Jones, Assistant Cashier
Phone: (219) 269-4077
Burket Norma Jamison, Manager
Phone: (219) 491-5415

FARMERS STATE BANK

MENTONE, INDIANA

DECEMBER 31, 1986

ASSETS

Loans and Discounts	\$22,822,635.40
Less: Valuation Reserve	(317,507.63)
Less: Unearned Discount	(4,388.65)
Net Loans and Discounts	\$22,500,739.12
Federal Funds Sold	6,380,000.00
U.S. Government Bonds	5,920,229.78
State and Municipal Bonds	<u>1,196,018.77</u>
Total Investments	
Cash and Due from Banks	
Non Interest Bearing	
Interest Bearing	
Banking House and Equipment	
Other Assets	

\$35,996,987.67

2,148,978.17

3,500,000.00

979,969.15

657,494.85\$43,283,429.84**LIABILITIES & CAPITAL**

Deposits	
Interest Bearing	\$34,098,518.03
Non Interest Bearing	<u>2,797,509.88</u>
Total Deposits	
Securities Sold Under Agreement to Repurchase	
Interest Bearing Demand Note	
Capital Stock	\$ 200,000.00
Surplus	1,500,000.00
Undivided Profit	<u>1,437,717.66</u>
Total Capital	
EDC Bonds Payable	
Reserve for Taxes	
Other Liabilities	
TOTAL LIABILITIES & CAPITAL	

\$36,896,027.91

2,033,743.41

434,369.16

\$ 3,137,717.66

\$ 290,000.00

110,200.00

381,371.70\$43,283,429.84

Officers & Directors

**Over Ninety-Five Years
of****Continuous Safe Banking**Member Federal Deposit
Insurance Corporation**OFFICERS**

FORREST D. MINER.....President
 LARRY D. PYLE.....Vice President & Trust Officer
 M. JACK CRANDELL.....Controller & Cashier
 MARY L. BOGGS.....Asst. Vice President
 FREEDA WITHAM.....Asst. Vice President
 KIRK TOLLIVER.....Auditor

MENTONE OFFICE

HOWARD E. LIGGETT.....Asst. Vice President
 GAIL LAW.....Asst. Vice President

WARSAW-NORTHGATE

JACK P. GILLOTTI.....Vice President

WARSAW-EAST CENTER

BETTY JONES.....Asst. Cashier

BURKET OFFICE

NORMA JAMISON.....Manager

DIRECTORS

FORREST D. MINER
 O. L. MCFADDEN, DVM
 DONALD D. POULSON
 RICHARD B. MANWARING
 WYMOND B. WILSON, MD
 CHARLES M. TUCKER

FIRST NATIONAL BANK

First National Bank was incorporated in 1842. The institution is owned by AmeriTrust Corporation of Cleveland, Ohio.

Key officers are as follows:

President	Jonathan W. Housand, Jr.
Supervisor of Commercial Loans	Rudolph Reiners, Senior Vice President
Supervisor of Consumer Loans	Harry A. Southworth, Senior Vice President
Supervisor of Mortgage Loans	John W. Herrmann, Vice President
Supervisor of Trust Department	George Freese, Senior Vice President
Supervisor of Investments	William E. Douglas, Vice President
Supervisor of Business Development	Leo Vinson, Vice President
Supervisor of Operations	David E. Howard, Senior Vice President
Supervisor of Personnel	Barbara Barnhart, Assistant Vice President
Cashier	William E. Goodsene, Senior Vice President & Secretary
Supervisor of Branch Administration	James E. Pettit, Senior Vice President
Supervisor of Bookkeeping	William E. Goodsene, Senior Vice President & Secretary
Supervisor of Marketing	Robert A. Raymond, Vice President
Auditor	Lynn E. Trittipo, Vice President
Controller	William E. Goodsene, Senior Vice President & Secretary

The main office of First National Bank is located at 301 South Main Street, Elkhart, Indiana 46516. The main office phone number is 1-800-854-7715. In addition to the main office, First National Bank has thirteen branch offices.

Kosciusko County branch information is as follows:

119-23 East Center Street
Warsaw, Indiana 46580
Phone: (219) 269-1626

First National Bank has one ATM located at 119-23 East Center Street, Warsaw. First National Bank is a member of the CIRRUS ATM network.

Balance Sheet

First National Bank ■ Elkhart, Indiana

December 31, 1985

Assets		
Cash and Due from Banks	\$ 78,765,885	\$ 74,235,595
Interest Bearing Balances	5,013,372	3,007,229
Investment Securities:		
U.S. Treasury	53,984,034	41,990,074
U.S. Government Agencies and Corporations	1,027,485	12,096,831
Obligations of States and Political Subdivisions	70,571,915	81,856,492
Other Securities	13,360,570	2,586,518
Total Securities	<u>138,944,014</u>	<u>138,528,915</u>
Federal Funds Sold and Securities Purchased Under Resale Agreements	251,100,000	32,000,000
Loans:		
Loans, Gross	461,659,046	433,355,451
Less: Unearned Income on Loans	(3,021,106)	(4,829,510)
Less: Allowances for Possible Loan Losses	(4,644,690)	(4,286,645)
Loans, Net	<u>453,993,250</u>	<u>424,239,296</u>
Bank Premises and Equipment, Net	12,512,101	12,632,652
Accrued Income	5,224,644	6,296,412
Prepaid Expenses and Other Assets	4,048,772	4,564,950
Customers' Liability on Acceptances	940,014	1,714,746
Total Assets	<u>\$950,540,052</u>	<u>\$697,219,795</u>
Liabilities		
Deposits:		
Non Interest Bearing	\$143,033,153	\$111,789,885
Interest Bearing	678,100,358	495,665,862
Total Deposits	821,133,511	607,455,747
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	42,272,844	15,330,400
Interest Bearing Demand Notes Issued to U.S. Treasury	29,990,520	24,999,905
Long Term Borrowings	1,750,000	1,750,000
Subordinated Notes	2,435,800	2,435,800
Accrued Expenses and Other Liabilities	940,014	1,714,746
Total Liabilities	<u>905,328,475</u>	<u>659,275,559</u>
Shareholder's Equity		
Common Capital Stock	4,149,240	4,149,240
Additional Paid-In Capital	6,148,336	6,148,336
Retained Earnings	34,913,001	27,646,660
Total Shareholder's Equity	<u>45,210,577</u>	<u>37,944,236</u>
Total Liabilities and Shareholder's Equity	<u>\$950,540,052</u>	<u>\$697,219,795</u>

Statement of Income

First National Bank ■ Elkhart, Indiana

Years Ended December 31, 1985

Interest Income		
Interest and Fees on Loans:	\$49,142,801	\$46,062,997
Taxable	66,141	35,448
Tax-exempt	339,370	280,319
Interest Bearing Balances	1,901,761	1,117,042
Interest on Federal Funds Sold and Securities Purchased Under Resale Agreements	4,327,348	5,412,456
Interest on Investment Securities:		
U.S. Treasury	4,346,486	1,385,571
U.S. Government Agencies and Corporations	6,113,668	5,124,821
Obligations of States and Political Subdivisions	441,980	225,769
Other Securities	<u>62,679,555</u>	<u>59,654,223</u>
Total Interest Income	33,466,236	32,051,651
Interest Expense		
Interest on Deposits	2,118,144	2,125,554
Interest on Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,019,015	1,063,726
Interest on Demand Notes Issued to U.S. Treasury	336,284	327,483
Interest on Long Term Borrowings	36,939,659	35,568,414
Total Interest Expense	25,739,896	24,085,809
Net Interest Income	2,490,000	2,914,000
Provision for Loan Losses	23,259,896	21,171,809
Net Interest Income after Provision for Loan Losses		
Other Operating Income		
Service Charges on Deposit Accounts	1,472,955	1,056,258
Other Service Charges, Commissions and Fees	1,686,284	1,113,534
Trust Department Income	1,750,618	1,552,536
Investment Securities Gains/(Losses)	160,215	(60,820)
Total Other Operating Income	5,070,272	3,661,508
Other Operating Expense		
Salaries	7,765,417	6,803,321
Pension and Other Employee Benefits	1,641,076	1,543,136
Occupancy Expense of Bank Premises, Net	1,387,581	1,227,012
Equipment Expense and Data Processing Services	2,384,807	2,384,807
Other Expense	5,499,516	4,929,517
Total Other Operating Expense	18,932,427	16,887,793
Income Before Federal Income Taxes	9,397,541	7,945,524
Income Taxes on:		
Income Excluding Securities Transactions	2,057,501	1,520,877
Securities Transactions	73,699	(27,977)
Total	<u>2,131,200</u>	<u>1,492,900</u>

FIRST NATIONAL BANK OF WARSAW

First National Bank of Warsaw was incorporated on May 17, 1937. The institution is publicly owned.

Key officers are as follows:

President Neal M. Carlson
Supervisor of Commercial Loans Willis E. Alt, Jr., Senior Vice President
Supervisor of Branch Administration Willis E. Alt, Jr., Senior Vice President
Supervisor of Consumer Loans Ray A. Meyer, Vice President
Supervisor of Trust Department John W. Elliott, Senior Vice President
Investment Officer Neil M. Donahoe, Assistant Vice President
Supervisor of Operation Frederick E. Harbold, Senior Vice President
Controller Frederick E. Harbold, Senior Vice President
Supervisor of Business Development Barry Van Dyck, Marketing Director
and Marketing
Supervisor of Personnel David H. Simpson, Assistant Vice President
Supervisor of Bookkeeping Louise Gillum, Assistant Cashier
Auditor James Norwak, Auditor
Supervisor of Mortgage Loans Richard Snodgrass, Vice President

The main office of First National Bank of Warsaw is located at 102 South Buffalo Street, Warsaw, Indiana 46580 (mailing address - P.O. Box 1447). In addition to the main office, First National of Warsaw has 9 branch offices. The main office phone number is (219) 267-3271.

Kosciusko County branch information is as follows:

Atwood Frank Hoffer, Assistant Vice President
Phone: (219) 858-2251
Claypool John W. Clay, Assistant Vice President
Phone: (219) 566-2855
Etna Green Jack E. Warner, Vice President
Phone: (219) 858-2591
Grace Village Carol Carlin
Phone: (219) 267-9692
Leesburg J.W. Heierman, Assistant Vice President
Phone: (219) 453-3181
Milford Dennis C. Schori, Assistant Vice President
Phone: (219) 658-4151
Pierceton Edward R. Likens, Vice President
Phone: (219) 594-2122
East 30 Barbara Bonner, Assistant Cashier
Phone: (219) 267-9670
Auto Bank Rita Laird, Assistant Cashier
Phone: (219) 267-9639

First National Bank of Warsaw has ATMs located at the Main office, Milford office, and the East 30 office in Warsaw. First National Bank of Warsaw is a member of the CIRRUS ATM network. In the summer of 1987, they will be using the Owl ATM network.

First National Bank of Warsaw has purchased the following 5 Kosciusko County financial institutions to date:

Citizens State Bank of Milford in 1958

Peoples State Bank of Claypool in 1960

Pierceton State Bank in 1984

Etna Bank in 1986

Peoples State Bank of Leesburg in 1986

**FN BANCORP
CONSOLIDATED BALANCE SHEETS**

	December 31	
	1986	1985
	(Dollars in thousands)	
ASSETS		
Cash and Due from Banks	\$ 12,890	\$ 10,852
Interest Bearing Deposits with Banks	4,147	647
Investment Securities	68,549	49,575
Federal Funds Sold	18,275	7,252
Loans - Net	141,830	111,774
Premises and Equipment	3,078	2,205
Other Assets	6,458	5,155
Total Assets	<u>\$255,227</u>	<u>\$187,460</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:		
Non-interest Bearing	\$ 28,641	\$ 19,768
Interest Bearing	196,759	147,486
Total Deposits	225,400	167,254
Securities Sold under Agreements to Repurchase	7,408	3,529
Short-term Borrowings	2,519	1,725
Other Liabilities	2,602	1,487
Long-term Debt	2,000	-
Total Liabilities	239,929	173,995
Shareholders' Equity:		
Common Stock	2,860	2,860
Capital Surplus	2,500	2,500
Retained Earnings	9,938	8,105
Total Shareholders' Equity	15,298	13,465
Total Liabilities and Shareholders' Equity	<u>\$255,227</u>	<u>\$187,460</u>

(Unaudited)

**FN BANCORP
CONSOLIDATED STATEMENTS OF INCOME**

	Year Ended December 31	
	1986	1985
	(Dollars in thousands except per share)	
INTEREST INCOME:		
Interest and Fees on Loans	\$13,606	\$13,018
Interest and Dividends on Investment Securities:		
Taxable	1,689	2,859
Tax Exempt	2,705	1,947
Interest on Federal Funds Sold	762	712
Interest on Deposits with Banks	163	59
Total Interest Income	<u>18,905</u>	<u>18,595</u>
INTEREST EXPENSE:		
Interest on Deposits	11,107	11,746
Interest on Securities Sold under Agreements to Repurchase	364	234
Interest on Borrowings	87	62
Total Interest Expense	<u>11,558</u>	<u>12,042</u>
Net Interest Income	7,347	6,553
Provision for Possible Loan Losses	910	540
Net Interest Income after Provision for Possible Loan Losses	6,437	6,013
OTHER INCOME:		
Trust Department Income	403	283
Security Gains (Losses)	(1)	(353)
Other Operating Income	602	550
Total Other Operating Income	<u>1,004</u>	<u>490</u>
OTHER EXPENSE:		
Salaries and Employee Benefits	2,879	2,563
Net Occupancy Expense	366	309
Furniture and Equipment Expense	329	291
Other Operating Expense	1,859	1,522
Total Other Operating Expense	<u>5,433</u>	<u>4,685</u>
Income before Federal Income Taxes	2,008	1,818
Applicable Federal Income Taxes (Credits)	(260)	(103)
Net Income	<u>\$2,268</u>	<u>\$1,921</u>
Per Share of Common Stock (based on average shares outstanding of 571,928)	<u>\$ 3.97</u>	<u>\$ 3.36</u>

(Unaudited)

LAKE CITY BANK

Lake City Bank was incorporated on May 14, 1872. The institution is publicly owned.

Key officers are as follows:

President R. Douglas Grant
Executive Vice President Richard G. Adams
Supervisor of Commercial LoansPaul S. Siebenmorgen, Senior Vice President
Supervisor of Consumer Loans/Mortgage Loans. . .William A. Henthorn, Vice President
Supervisor of Trust Department Robert E. Gephart, Senior Vice President
Investment Officer Charles A. Ker, Senior Vice President
Operations Supervisor. E. Ray Younce, Vice President
Personnel Supervisor & Branch Administration . .Gary G. Lyon, Senior Vice President
Cashier. Hal R. Strong, Vice President and Cashier
Bookkeeping Supervisor Ruth A. Hutcherson, Assistant Vice President
Marketing Supervisor D. Jean Northenor, Senior Vice President
Auditor. Betty L. McHenry, Senior Vice President
Controller Richard D. Mackey, Senior Vice President and Controller
Business Development Charles D. Smith, Vice President

The main office of Lake City Bank is located at 202 East Center Street, Warsaw, Indiana 46580 (mailing address - P.O. Box 1387). In addition to the main office, Lake City Bank has ten branch offices. The main office phone number is (219) 267-6144.

Kosciusko County branch office information is as follows:

Winona Lake. Allan L. Disbro, Vice President
Phone: (219) 267-9150

Syracuse Henry L. Smith, Vice President
Phone: (219) 457-5791

Milford. Henry L. Smith, Vice President
Phone: (219) 658-9471

Pierceton. H. Max Jones, Assistant Vice President
Phone: (219) 594-5551

Silver Lake. Deborah A. Lotz, Assistant Vice President
Phone: (219) 352-2124

North Webster. Jeanne G. Thomas, Assistant Vice President
Phone: (219) 834-2868

Mentone. Philip M. See, Manager
Phone: (219) 353-7661

West Lake. Pat Huffer
Phone: (219) 267-9140

Lake City Bank has ATMs located at the Main office, at 2100 East Center Street, Warsaw, and at the Syracuse office. Lake City Bank is a member of the CIRRUS ATM network.

Lake City Bank purchased the Commercial State Bank, Silver Lake, Kosciusko County, Indiana in 1966.



Lakeland Financial Corporation

WARSAW, INDIANA 46580

Branches at: Warsaw, Winona Lake, Silver Lake, North Webster,
Syracuse, Memtone, Millford, Pierceton, Roann, Wabash

DIRECTORS

Richard G. Adams
W. E. Creighton
Donald E. Frantz
R. Douglas Grant, President
Jerry L. Helvey
Dr. Homer A. Kent

J. Alan Morgan
Joseph P. Prout
Robert L. Rasor, Chairman
Phillip G. Spear
G. L. White

CONSOLIDATED BALANCE SHEET (Unaudited)

	December 31	
	1986	1985
ASSETS:		
Cash and noninterest bearing deposits	\$ 10,376,000	\$ 8,424,000
Interest bearing deposits	18,309,000	8,359,000
Total deposits	28,685,000	16,783,000
Federal funds sold	2,330,000	10,460,000
Mortgage loans (net) held for sale	2,898,000	2,825,000
U.S. Government and agency securities	14,220,000	15,540,000
State and municipal securities	9,518,000	11,424,000
Other securities	3,745,000	3,758,000
Total investment securities	27,483,000	30,722,000
Loans	132,103,000	130,191,000
Less: allowance for loan loss	1,705,000	1,267,000
Net loans	130,398,000	128,924,000
Bank premises and equipment (net)	3,986,000	4,164,000
Other assets	5,781,000	5,354,000
Total assets	201,561,000	199,262,000
LIABILITIES:		
Noninterest bearing deposits	\$ 22,237,000	\$ 20,471,000
Interest bearing deposits	149,952,000	150,213,000
Total deposits	172,189,000	170,684,000
Purchased funds	13,333,000	12,351,000
Other liabilities	2,730,000	4,195,000
Subordinated capital notes	336,000	330,000
Total liabilities	188,588,000	187,500,000
STOCKHOLDERS' EQUITY:		
Common stock	\$ 654,000	\$ 654,000
Surplus	6,129,000	6,129,000
Retained earnings	6,190,000	4,919,000
Total stockholders' equity	12,973,000	11,702,000
Total liabilities and stockholders' equity	201,561,000	199,262,000

CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Year Ended December 31	
	1986	1985
NET INTEREST INCOME:		
Interest income:		
Interest and fees on loans	\$14,589,000	\$14,260,000
Interest federal funds sold	256,000	94,000
Interest bearing deposits	1,369,000	1,511,000
Interest investments	2,411,000	3,249,000
Total interest income	18,635,000	19,114,000
Interest expense:		
Interest on deposits	\$10,712,000	\$11,824,000
Interest on borrowed funds	640,000	733,000
Total interest expense	11,352,000	12,557,000
NET INTEREST INCOME	\$ 7,283,000	\$ 6,557,000
Provision for loan losses	985,000	300,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 6,298,000	\$ 6,257,000
NONINTEREST INCOME:		
Service charges on deposit accounts	\$ 695,000	\$ 579,000
Other income	1,891,000	1,190,000
Security gains	557,000	371,000
Total noninterest income	3,143,000	2,140,000
NONINTEREST EXPENSE:		
Salaries and employee benefits	\$ 3,397,000	\$ 3,178,000
Occupancy and equipment expenses	1,063,000	1,068,000
Other expenses	3,033,000	2,920,000
Total noninterest expense	7,523,000	7,166,000
INCOME BEFORE FEDERAL INCOME TAX:	\$ 1,918,000	\$ 1,231,000
Income tax expense (credits)	215,000	(106,000)
NET INCOME:	\$ 1,703,000	\$ 1,337,000
EARNINGS PER COMMON SHARE	\$ 2.60	\$ 2.05
AVERAGE SHARES OUTSTANDING	653,922	653,128

SALEM BANK AND TRUST COMPANY

Salem Bank and Trust Company was incorporated in 1854. The institution is owned by St. Joseph Bancorporation.

Key officers are as follows:

President	Edward A. Mangone
Executive Vice President	Lloyd G. Stump
Supervisor of Commercial Loans	George E. Marlow, Senior Vice President
Supervisor of Mortgage Loans	Stanley Yoder, Vice President
Supervisor of Consumer Loans	David A. Magner, Vice President
Business Development	Andrea J. Bowen, Marketing Officer
Supervisor of Trust Department	Hal E. Cleavinger, Vice President
Investment Officer	Thomas Stark, Vice President
Operations Supervisor	Clarence J. Yoder, Senior Vice President
Personnel Supervisor	Leslie V. Yoder, Personnel Officer
Supervisor of Branch Administration	Jane E. Miller, Vice President
Bookkeeping Supervisor	Jean M. Bigler, Customer Records Officer
Marketing Supervisor	Andrea J. Bowen, Marketing Officer
Auditor	Darlene K. Bontrager, Assistant Auditor
Controller	Evan J. Roth, Assistant Controller

The main office of Salem Bank and Trust Company is located at 101 South Main Street, Goshen, Indiana. In addition to the main office, Salem Bank and Trust Company operates eight branch offices.

Kosciusko County branch information is as follows:

Warsaw David W. Parsons, Assistant Vice President & Manager
3131 East Center Street
P.O. Box 1356
Phone: (219) 267-2333

CONSOLIDATED FINANCIAL STATEMENT
FOR SALEM FINANCIAL CORPORATION
(Includes Salem Bank - Salem Insurance Agency
& Salem Financial Life Insurance Company)

REPORT OF CONDITION

December 31, 1986

December 31, 1985

ASSETS

Cash and Due From Banks	\$ 16,102,765	\$ 24,092,664
Interest Bearing Balances with Banks	8,058,123	6,100,000
Investment Securities		
U.S. Treasury	28,379,993	11,306,677
U.S. Government Agencies	9,356,900	6,596,313
States and Political Subdivisions	15,722,907	18,068,963
Other Investments	<u>92,400</u>	<u>92,400</u>
Total Investment Securities	\$ 53,552,200	\$ 36,064,353
Loans:		
Loans	150,150,840	152,727,691
Less: Unearned Income on Loans	1,397,524	2,687,677
Less: Reserve for Possible Loan Losses	<u>1,525,994</u>	<u>1,411,836</u>
Net Loans	\$147,227,322	\$148,628,178
Federal Funds Sold	800,000	20,900,000
Land, Premises and Equipment (Net)	5,164,578	5,117,927
Other Assets	<u>3,879,682</u>	<u>4,463,845</u>
TOTAL ASSETS	<u>\$234,784,670</u>	<u>\$245,366,967</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:		
Demand	\$ 30,783,411	\$ 50,894,660
Savings	80,704,277	57,480,536
Time	<u>96,006,033</u>	<u>108,570,662</u>
Total Deposits	\$207,493,721	\$216,945,858
Short Term Borrowings	4,151,932	4,950,772
Other Liabilities	<u>3,154,701</u>	<u>4,540,389</u>
Total Liabilities	\$214,800,354	\$226,437,019
Stockholders' Equity:		
Common Stock (Based on 207,152 shares outstanding)	\$ 207,152	\$ 207,152
Surplus	7,868,400	7,868,400
Undivided Profits	<u>11,908,764</u>	<u>10,854,396</u>
Total Stockholders' Equity	\$ 19,984,316	\$ 18,929,948

TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY

\$234,784,670

\$245,366,967

STATE BANK OF SYRACUSE

State Bank of Syracuse was incorporated in 1928. The institution is owned by Ameri Trust Corporation.

Key officers are as follows:

President	James E. Caskey
Supervisor of Commercial Loans	Dennis Hively, Vice President
Supervisor of Consumer Loans	Robert G. Sloop, Assistant Vice President
Supervisor of Operations	J. Michael Mangas, Vice President
Supervisor of Personnel	J. Michael Mangas, Vice President
Supervisor of Branch Administration	J. Michael Mangas, Vice President
Cashier	J. Michael Mangas, Vice President
Controller	J. Michael Mangas, Vice President
Supervisor of Bookkeeping	Sonya K. Shock, Assistant Cashier
Supervisor of Marketing	Jeanne Gardiner, Marketing Officer
Auditor	Steven C. Smith, Auditor
Supervisor of Mortgage Loans	Robert L. Owen, Vice President

The main office of State Bank of Syracuse is located at 100 East Main Street, Syracuse, Indiana 46567. The main office phone number is (219) 457-3165. In addition to the main office, the State Bank of Syracuse has three branch offices in Kosciusko County.

Kosciusko County branch information is as follows:

Wawasee Village Branch Mildred Ginger, Assistant Vice President
Phone: (219) 457-3165

Fish Hatchery Branch Kathleen Mock, Assistant Cashier
Phone: (219) 856-2191

Warsaw Branch Donald L. Denney, Vice President
Phone: (219) 267-2420

State Bank of Syracuse has one ATM located at the Warsaw Branch at 119 East Center Street, Warsaw, Indiana 46580. State Bank of Syracuse is a member of the CIRBUS ATM network.

STATEMENT OF INCOME

	<u>1986</u>	<u>1985</u>
INTEREST INCOME		
Interest and Fees on Loans	\$16,047,175	\$16,969,606
Interest on Balances with Banks	141,199	185,358
Interest on Federal Funds Sold	1,142,127	719,776
Interest on Investment Securities		
U.S. Treasury	1,552,267	2,039,844
U.S. Government Agencies	634,915	892,506
States and Political Subdivisions	<u>1,077,866</u>	<u>832,362</u>
TOTAL INTEREST INCOME	<u>\$20,595,549</u>	<u>\$21,639,452</u>
INTEREST EXPENSE		
Interest on Deposits	\$12,288,060	\$12,722,563
Interest on Borrowed Funds	<u>276,869</u>	<u>278,665</u>
TOTAL INTEREST EXPENSE	<u>\$12,564,929</u>	<u>\$13,001,228</u>
NET INTEREST INCOME	\$ 8,030,620	\$ 8,638,224
Provision for Possible Loan Losses	<u>1,080,000</u>	<u>600,000</u>
NET INTEREST INCOME AFTER PROVISIONS FOR POSSIBLE LOAN LOSSES	<u>\$ 6,950,620</u>	<u>\$ 8,038,224</u>
OTHER OPERATING INCOME		
Trust Division Income	\$ 504,295	\$ 327,627
Service Charges on Deposit Accounts	469,366	249,468
Other Service Charges	621,251	744,683
Other Operating Income	2,026,774	1,814,623
Security Gains (Losses)	<u>0</u>	<u>(8,293)</u>
TOTAL OTHER INCOME	<u>\$ 3,621,686</u>	<u>\$ 3,128,108</u>
OTHER EXPENSES		
Salaries, Wages, and Employee Benefits	\$ 5,263,918	\$ 4,898,852
Occupancy Expenses of Bank Premises	558,172	548,372
Furniture and Equipment Expense	723,572	688,945
Other Operating Expenses	<u>2,625,720</u>	<u>2,259,065</u>
TOTAL OPERATING EXPENSES	<u>\$ 9,171,382</u>	<u>\$ 8,395,234</u>
INCOME BEFORE FEDERAL INCOME TAXES	\$ 1,400,924	\$ 2,771,098
Applicable Income Taxes	<u>(57,377)</u>	<u>621,680</u>
NET INCOME	<u>\$ 1,458,301</u>	<u>\$ 2,149,418</u>
EARNINGS PER SHARE BASED ON 207,152 SHARES OUTSTANDING	<u>7.04</u>	<u>10.38</u>

Balance Sheet

State Bank of Syracuse • Syracuse, Indiana

	December 31,	
	1986	1985
Assets		
Cash and Due from Banks	\$ 3,149,628	\$ 1,617,859
Interest Bearing Balances	0	505,321
Investment Securities:		
U.S. Treasury	0	2,501,356
U.S. Government Agencies & Corporations	4,590,411	5,122,408
Obligations of States & Political Subdivisions	1,668,287	1,909,088
Other Securities	1,280,234	2,005,868
Total Securities	<u>7,538,932</u>	<u>11,538,720</u>
Federal Funds Sold & Securities Purchased		
Under Resale Agreements	2,020,000	3,780,000
Loans:		
Loans, Gross	37,338,150	28,296,709
Less: Unearned Income on Loans	918,768	878,880
Less: Allowance for Possible Loan Losses	409,029	355,411
Loans, Net	<u>36,010,353</u>	<u>27,062,418</u>
Bank Premises & Equipment, Net	486,242	216,040
Accrued Income	439,293	410,548
Prepaid Expenses & Other Assets	312,452	291,690
Total Assets	<u>49,956,900</u>	<u>45,422,596</u>
Liabilities		
Deposits:		
Non-Interest Bearing	6,163,782	4,689,117
Interest Bearing	39,577,144	35,130,660
Total Deposits	45,740,926	39,819,777
Federal Funds Purchased & Securities Sold		
Under Repurchase Agreements	0	1,796,977
Subordinated Notes	100,000	150,000
Accrued Expenses & Other Liabilities	762,369	521,518
Total Liabilities	<u>46,603,295</u>	<u>42,288,272</u>
Shareholder's Equity		
Preferred Stock	0	600,000
Common Capital Stock	100,000	213,330
Additional Paid-In Capital	2,226,170	1,512,840
Retained Earnings	1,027,435	808,154
Total Shareholder's Equity	<u>3,353,605</u>	<u>3,134,324</u>
Total Liability & Shareholder's Equity	<u>49,956,900</u>	<u>45,422,596</u>

KOSCIUSKO COUNTY SAVINGS AND LOANS

AMERICAN TRUST FEDERAL SAVINGS BANK

American Trust Federal Savings Bank was first incorporated in 1886. The institution is publicly owned.

Key officers are as follows:

PresidentLewis M. Chalkley
Executive Vice President	D.H. Metzger
Supervisor of Commercial Loans	D.H. Metzger
Supervisor of Consumer LoansDon Craig
Supervisor of Mortgage Loans	D.H. Metzger
Supervisor of Trust DepartmentBruce Borst
Investment OfficerLewis M. Chalkley
Operations Supervisor.Lewis M. Chalkley
Personnel SupervisorSharon Rush
Supervisor of Branch Administration.	D.H. Metzger
Bookkeeping SupervisorBruce Borst
ControllerBruce Borst

The main office of American Trust Federal Savings Bank is located at 20 West Fifth Street, Peru, Indiana 46970. In addition to the main office, American Trust Federal Savings Bank has three branch offices.

Kosciusko County branch information is as follows:

WarsawBarton L. Brugh
322 South Detroit Street	
Phone: (219) 269-2311	

A complete financial statement was not provided.

Total Deposits - December, 1986.	\$54,424,403.34
Total Loans - January, 1987	\$29,783,924.44

FIRST FEDERAL OF WABASH

First Federal of Wabash was incorporated in 1906. The institution is mutually owned.

Key officers are as follows:

President.Nick George
Supervisor of Commercial Loans Nick George, President
Supervisor of Consumer Loans Nick George, President
Branch Administration. Nick George, President
Supervisor of Marketing. Nick George, President
Supervisor of Bookkeeping. Shirley Ross

The main office of First Federal of Wabash is located on Cass Street, Wabash, Indiana 46992. First Federal of Wabash has one branch office in Kosciusko County.

Kosciusko County branch information is as follows:

Syracuse Dick Conroy
Phone: (219) 457-4411

FIRST FEDERAL SAVINGS and LOAN ASSOCIATION of Wabash, Indiana
STATEMENT OF CONDITION — JUNE 30, 1986

ASSETS

Mortgage Loans	\$ 29,973,775
Cash On Hand and In Banks	4,038,166
Investments and Securities	8,377,841
Other Loans	8,587,608
Properties Sold on Contract	20,470
Real Estate Owned	0
Fixed Assets Less Depreciation	1,040,934
Deferred Charges and Other Assets	<u>1,207,464</u>
TOTAL ASSETS	\$ 53,246,258

LIABILITIES

Savings Accounts	\$ 46,592,225
Advances from Federal Home Loan Bank	0
Other Borrowed Funds	2,574,000
Loans in Process	50,001
Other Liabilities	<u>368,739</u>
TOTAL LIABILITIES	\$ 49,584,965
RESERVES and SURPLUS	<u>3,661,293</u>
TOTAL LIABILITIES RESERVES and SURPLUS	\$ 53,246,258

MUTUAL FEDERAL SAVINGS BANK

Mutual Federal Savings Bank was incorporated in 1889. The institution is mutually owned.

Key officers are as follows:

President	R. Donn Roberts
Supervisor of Commercial Loans	Steven R. Campbell, Vice President
Supervisor of Consumer Loans	Stephen Cartwright, Consumer Loan Manager
Supervisor of Operations	Stephen Selby, Vice President
Supervisor of Branch Administration	Stephen Selby, Vice President
Supervisor of Personnel	David W. Heeter, Manager
Supervisor of Mortgage Loans	Jeanne Beatson, Manager
Supervisor of Bookkeeping	Kathy Seats, Accounting Manager & Assistant Treasurer
Supervisors of Marketing	Jack Demaree, Vice President Troy Van Vleet, Vice President
Auditor	Harold Grile, Auditor
Treasurer	Timothy J. McArdle, Treasurer

The main office of Mutual Federal Savings Bank is located at 110 East Charles Street, Muncie, Indiana 47305. Mutual Federal Savings Bank has two branch offices in Kosciusko County.

Kosciusko County branch information is as follows:

Warsaw	Max A. Courtney, Vice President
Phone: (219) 267-8186	
North Webster	Max A. Courtney, Vice President
Phone: (219) 834-2879	

Mutual Federal Savings Bank has one ATM located at the Warsaw office at 219 West Market Street, Warsaw, Indiana 46580. They are a member of the Plus ATM network.



STATEMENT OF CONDITION

December 31, 1986

ASSETS:

Cash and Securities—	
Cash in Offices and Banks	\$4,722,725.94
U.S. Treasury Obligations	8,536,938.84
U.S. Government Agency Obligations	17,368,560.67
Other Investments	8,238,306.23
	<u>\$38,866,531.68</u>
Loans—	
On First Mortgage	\$185,186,869.76
On Real Estate Contracts	2,677,786.67
U.S. Government Agency Backed Mortgages	32,827,009.65
Economic Development Revenue Bonds	1,231,728.69
On Passbook Security	1,787,591.48
Home Improvement, Mobile Home, Education and Consumer Loans	32,661,765.79
	<u>\$256,372,452.05</u>
Real Estate—	
Office Buildings and Drive-Up Facilities	\$3,502,023.51
Parking Lots	256,284.75
Real Estate Owned For Investment	199,710.71
Other Real Estate Owned & Real Estate in Judgement	1,409,327.73
	<u>\$5,367,346.70</u>
Miscellaneous—	
Federal Home Loan Bank Stock	\$2,220,300.00
Prepayment To Secondary Reserve To F.S.L.I.C.	310,668.16
Furniture, Fixtures & Equipment	669,513.40
Investment in Service Corporations	906,314.61
Accrued Interest/Investment Securities and Contracts	3,628,614.63
Other Assets	5,488,597.70
	<u>\$13,224,009.50</u>
TOTAL ASSETS	<u>\$313,830,339.93</u>

LIABILITIES:

To Investing Members —	
Savings Accounts	\$288,186,860.62
Miscellaneous—	
Deferred Income	178,680.73
Specific Reserves	665,844.69
Accrued Expenses	2,176,688.25
Advances From Federal Home Loan Bank	.00
Other Borrowed Money	1,184,152.71
Other Liabilities	4,907,941.54
	<u>\$9,113,307.92</u>
RESERVES —	
Undivided Profits	\$7,344,396.75
General Reserves	9,185,774.64
	<u>\$16,530,171.39</u>
TOTAL LIABILITIES AND RESERVES	<u>\$313,830,339.93</u>

