

COMMUNITY BANK TAKES ITS FINAL BOW

HC's last locally owned bank acquired by First Merchants Bank

By Shari Held

The 1980s was an era of great change: The Cold War wound down, the Internet was winding up, MTV launched and Pac-Man and Super Mario Bros. made their debuts. But many in Hamilton County will remember the 1980s as the time when the Ohio banks came courting.

Prior to 1985, six locally owned financial institutions existed in Hamilton County—American National Bank, Wainwright Bank and Hamilton Federal Savings & Loan in Noblesville, Union State Bank in Carmel, Hamilton County Bank in Cicero and American State Bank in Sheridan. Then legislation was passed that allowed banks to cross county lines and later go anywhere in the state.

More significantly, it allowed Indiana banks to be acquired by out-of-state banks. That's when the Ohio banks and other banks state-wide came courting, and Hamilton County lost all six locally owned financial institutions.

Keeping it local

"Nobody likes change, whether good or bad," says Charles Crow, CEO of Community Bank. "There was a lot of grumbling in the community when the Ohio banks bought the two Noblesville banks. "But that's what gave me the chance to start Community Bank."

Crow, who had worked in the banking industry in Hamilton County for 21 years at the time, approached 15

community members who were dissatisfied with the changes. It was an easy sell. Eleven agreed to become initial investors, raising \$1.5 million. In April, 1991, they purchased a bank in Summitville for \$1 million.

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- Charles Crow,
Community Bank CEO

"We saw it as an opportunity to buy it, move the charter to Noblesville, and then, we're back in business as a locally owned bank," Crow says. Aptly, the name was Community Bank.

Crow and Jim McKinnon, a local banker who had lost his position at American National Bank, were the bank's only two employees when it opened on the north side of the square in Noblesville.

"I had a card table, a card table chair and a telephone," Crow says. "The first day Jim and I were there, the phone never rang at all. We were thinking, oh my God, what did we do?"

But that soon changed. A month later, they purchased a savings and loan branch in Lapel, enabling them to start business with three branches. After two years Community Bank was growing so rapidly they got approval to issue \$3.5 million in bank stock.



Community Bank grand opening April 17, 1991 at 830 Logan St. in Noblesville. (left to right) James McKinnon, EVP; Mary Sue Rowland, 1991 Noblesville Mayor; Charles Crow, President & CEO; Warner Morgan, former owner of Summitville Bank & Trust Co.; Tom Ryan, Noblesville businessman.



840 Logan St. 2014



840 Logan St. 1991

1993 to 2002 were the bank's growth years. During that time, it opened four offices in Noblesville and one each in Cicero, Westfield, Alexandria and Fishers.

"For five or six years we were by far the fastest growing bank in Indiana," Crow says.

Community Bank continued to grow, reaching close to \$280 million in assets, up until the 2008 recession began.

Putting community at the forefront
From its inception Community Bank was all about "community". Employees were encouraged to participate

in local organizations, with the bank picking up the tab for dues and expenses and supporting employee-chosen organizations.

Over the years the bank has supported hundreds of Hamilton County organizations including numerous little league teams, the Boys and Girls Club, Riverview Health Foundation, Prevail, Noblesville Preservation Alliance, even the Fourth of July parade.

"If it's a worthwhile community project, we're going to get behind it and support it, not just in Noblesville, but in Cicero, Fishers, Westfield, Lapel, Summitville and Alexandria," Crow says.

First Merchants Bank, headquartered in Muncie, acquired Community Bank in November. That move made some people wonder if the community bank has gone the way of the dinosaurs.

"I don't think so," says Mike Rechin, president & CEO of First Merchants Corp. "There's between 6,500 and 7,000 banks in the country, and 5,000 of them are \$1 billion or less in assets. But it will be more difficult, certainly."

Community Bank was sold for a number of reasons. Competition is stiff and compliance with regulatory demands is costly and complex. More importantly, the original investors on the board were nearing or into their retirement years.

"It was important for us to figure out what would happen with our board,"

Crow says. "We decided it might be time to pass the baton."

Moving forward

First Merchants, the second largest bank in the state and the largest serving central Indiana, is taking great care to ensure changes will be as transparent to customers as possible, and that the spirit of the community bank remains intact.

The actual integration, including signage and identity, won't take place until late April, 2015, and customers will still see familiar faces behind the counters and in leadership positions. Crow will remain until he retires at the end of 2015 and Larry Riggs, president of Community Bank, will continue to run the Noblesville market.

First Merchants' philosophy on community involvement and commitment mirrors that of Community Bank—financial contributions follow employees' interests and involvement. Rechin, who lives in Carmel and is active in the community—including serving on the board of the Carmel Chamber of Commerce—is a great example of that.

First Merchants already had five offices in Hamilton County—two in Carmel, and one each in Noblesville, Westfield and Fishers—before acquiring Community Bank. It has roughly \$5.9 billion in assets and \$375 million in deposits, putting it in fourth place—behind JP Morgan Chase, PNC and Fifth Third—in Hamilton County market share (as measured by deposits).

"None of those companies are committed to this state," Rechin says. "None of them have to do well here in order for their company to be successful. It was different for Community Bank and it's different for First Merchants. Hamilton County is such a big part of our company already. We feel it's going to be a good cultural fit for what we already do." **HCBM**