

## National City Bank, Southern Indiana

Founded: 1889

Location: Lanning Building, south side of public square, Salem (1889–1917); room number 1, Lyon Block, north corner of West Market Street on public square (1917– )

The Citizens Bank of Salem was established in October 1889, with H. M. Henderson serving as the organization's first president and Azariah Lanning as the cashier. The bank occupied a building on the south side of the square in Salem, a space subsequently inhabited by Sanders Pharmacy, which used the old bank vault to house medications. The bank's total assets by April 1890 amounted to \$38,810.61, a miniscule amount compared to the millions the concern would amass by the time of its centennial celebration.

In 1931 the Citizens State Bank merged with the Farmers State Bank, forming Farmers Citizens State Bank. Unlike most bank mergers in the early 1930s, this one was not forced by either the state or the federal government. The officers of both institutions realized that if the banks were to survive, the best way to do so was to combine their small holdings. The resources of the newly merged firm amounted to more than \$483,000 in 1931. Theodore Wilson retired as president of the Citizens State Bank as the merger took place. John T. J. Graves was elected president of the new institution. Graves had helped organize the Farmers State Bank in 1909 and became its only president. Before becoming president of the combined bank, he had also operated two hardware stores, a bank in Paoli, and a canning factory in Pekin. Before his death in 1949, assets at the Farmers Citizens State Bank topped \$2.8 million.

Paul A. Graves, John's son, took over the bank in February 1949, serving as president until his death in 1954. Like his father, Paul was a native of Washington County. He did not intend to necessarily pursue a career in banking. During his senior year at Indiana University he opened a sporting goods store in Bloomington. The store proved somewhat successful, but a fire in 1932 made it unprofitable to continue. He moved back to Salem and found a job in the bank. During his short tenure as president, assets grew to more than \$4 million.

Andrew B. Rose succeeded Paul Graves as president and served until August 1962. Under Rose an extensive remodeling project in 1954 enlarged the bank, and the institution bought the Campbellsburg State Bank eight years later. A motor bank also opened in 1961 at the northwest corner of Market and Water Streets in Salem. Deposits at the bank soared to around \$8 million by the time Rose stepped down as president.

James Turner replaced Rose in 1963; Kent Simpson then became president later that year and served until January 1989. Simpson led Farmers Citizens as it bought out the Citizens Bank of Pekin in 1964 and established a second branch in Salem in 1973. Farmers Citizens followed the example of other banks in town by closing on Mondays in the early 1960s and extending Friday hours in the late 1960s. By 1970 the bank had amassed more than \$23.7 million in assets, and by 1980 the bank's total assets had increased to \$63.6 million. To keep up with the competition the bank began issuing credit cards in 1984, but it did not add an ATM until after 1992. In 1988 First Kentucky National Corporation, a subsidiary of National City Bank, acquired Farmers Citizens, and Simpson became the chairman of the board of the Salem bank, handing the president's post to D. Jack Mahuron in January 1989. Mahuron had served as the interim president in

1962–63. He had started at the bank as a filing clerk in 1946, fresh out of the United States military. He later rose to chairman of the board.

Mahuron served as president through December 1991. From January 1992 until the internal merger with National City Bank, Southern Indiana, was completed, P. Steven Risen presided over the bank. The name of the Salem bank was changed to that of its parent institution. After the merger, Risen became the regional president for National City Bank. Net income for the Salem institution before the merger had risen to \$1.2 million a year, and total assets topped \$120 million. In 1999 National City Corporation had more than \$86 billion in total assets.