

Terre Haute First National Bank

Founded: 1834

Location:

Second State Bank line: Memorial Hall, south side of Ohio Street, Terre Haute (1834–67); Fifth Street and Wabash Avenue (1867–1927); 643–645 Wabash Avenue (United States Trust Company Building 1904–27) (1927–91); One First Financial Plaza (1991–)

Bank of Southern Indiana line: Rose Building, northwest corner of Second and Ohio Streets, Terre Haute (1854–63); Main and Fourth Streets (1863–94); McKeen Bank Building, Sixth and Main Streets (1876–1928); 511 Wabash Avenue (1894–1932)

On the eve of the twenty-first century, the Terre Haute First National Bank was the largest single institution held by First Financial Corporation, a Vigo County–based bank-holding company. First Financial managed assets in excess of \$1.85 billion and operated in four Indiana and five Illinois counties. Terre Haute First National had assets worth more than \$1.18 billion, employed 437 people, and expected to realize more than \$10 million in net profits for fiscal year 1999. Norman L. Lowery served as the president and chief executive officer of Terre Haute First National, a post he had held since 1996. The concern was created by the merger of two Terre Haute banking traditions, one begun in 1834 as the Terre Haute branch of the Second State Bank, and the other launched in 1854 under the name of the Bank of Southern Indiana. In 1932 the descendants of the two institutions merged to form the Terre Haute First National Bank.

The oldest ancestor of the current bank was founded in 1834 as one of the branches of the Second State Bank (for a more complete history of the Second State Bank see the Madison Bank & Trust Company entry). Twenty-nine citizens of Vigo and Parke Counties agreed to raise the \$80,000 necessary to establish the branch. They elected Demas Deming as the bank's first president and James Farrington as its first cashier.

Deming remained as president for eleven years before handing his duties to Curtis Gilbert. Deming later went into business with William R. McKeen, the branch bank's third cashier and later the founder of a financial institution that would become part of the Terre Haute First National Bank. The first bank building was reminiscent of a Greek temple and doubled as a residence for the cashier. When the Second State Bank's charter expired in 1856 all of the accounts were liquidated as the law dictated, and a new bank, in name only, opened the next day as the Bank of the State of Indiana. Levi Warren oversaw the transition of the institution and remained the firm's president until 1865.

With the passage of the national banking law during the Civil War, which required a tax of ten percent on all state and private banking notes, the branch bank surrendered its state charter for a national one and was renamed the National State Bank. Preston Hussey, who began his banking career at the branch of the Second State Bank in 1852, rose to the president's office and served from 1865 until 1912. In 1905 Hussey guided the institution as it again reorganized and was renamed the Terre Haute National Bank, a moniker it retained until its merger with the United States Trust Company in 1927. When Hussey retired from the Terre Haute National Bank in 1912, John Crawford took his place, remaining for almost a decade.

In 1927 the Terre Haute National Bank and the United States Trust Company merged to form the Terre Haute National Bank & Trust Company. Wilson Naylor Cox oversaw the merger and remained the company's president through its next merger, with the First McKeen National Bank, in 1932. Upon that merger the bank became known by its current name, the Terre Haute First National Bank. Cox, a Columbia University-educated attorney, practiced law for twenty years before turning in 1920 to a second

career in banking. Cox retired from Terre Haute First National in 1938, and Leonard Briggs Marshall took the top post at the financial institution, holding the seat until becoming the chairman of the board of directors in 1968. During Marshall's tenure assets of the institution increased from more than \$49 million to around \$100 million.

The second ancestor of the Terre Haute First National Bank began as the Bank of Southern Indiana in 1854 and was founded by brothers J. H. and S. F. Williams. Nine years later it received the forty-seventh federal charter granted. Its first office was in the Rose Building, at the northwest corner of Second and Ohio Streets. After the adoption of the national charter in 1863, its name changed to the First National Bank, and it moved to Main and Fourth Streets. By 1891 it had a capital stock of \$200,000. Demas Deming, Jr., the son of the first president of the Second State Bank branch, became so identified with First National that it was popularly referred to as Deming's Bank for some time. Demas Jr. started his banking career at the age of sixteen in 1857 as a teller in the McKeen & Tousey Bank. Eleven years later First National's board selected him as president, a title he continued to hold until his death in 1922. In 1928 First National merged with the McKeen National Bank, forming the First McKeen National Bank.

The heritage of the McKeen bank is almost as old as that of the Bank of Southern Indiana. William Riley McKeen was hired as a bookkeeper at the Second State Bank in 1848. For the next three years he was given greater responsibilities, and in 1851, at twenty-seven years of age, he stepped into the job of cashier. He resigned in 1854 to become a partner in the Tousey Brothers Bank. After Ralph Tousey retired, McKeen continued the business alone until forming a partnership with Demas Deming, Sr., in 1863. Before 1865 Deming retired from banking activities, and McKeen took Deloss W.

Minshall as a partner. When Minshall sold his interest in the private bank to McKeen, the business was renamed McKeen & Company, a title retained until 1905 when it received a national charter and became the McKeen National Bank. McKeen continued to steer the institution until his death in 1913. McKeen's son Frank rose to his father's post, then Frank's son S. Crawford McKeen took over in 1916. S. Crawford oversaw both the merger with the First National Bank in 1928 and the one with the Terre Haute National Bank & Trust Company four years later.

The 1920s were a boom time not only for America, but also for the Vigo County institutions that would merge in the early 1930s to become Terre Haute First National Bank. In the early 1920s the combined resources of the firms totaled more than \$21 million. The two banking traditions helped the united firm survive the Great Depression. The conservative financial strategy followed by both sets of banks during the 1920s and early 1930s gave the newly formed Terre Haute First National Bank the ability to open immediately after the bank holiday called by President Franklin Roosevelt ended.

The era of branch banking began for most banks in the 1950s. For Terre Haute First National, however, the old headquarters of the First McKeen National Bank became the first branch location for the institution in 1932, shortly after the merger between First McKeen and the Terre Haute National Bank & Trust Company was completed. The administrative offices of the new concern moved to the old United States Trust Company's building. As did other financial institutions around the nation, Terre Haute First National joined the building boom in the decade after World War II, opening a drive-up facility at the Medows Center in 1954. Because of the growth of the city, the firm opened another branch at the Southland Shopping Center in 1959. A merger with the

State Bank of West Terre Haute in 1960 and the opening of a branch in Seelyville in the mid-1960s added two new facilities to the Terre Haute First National group. The growth in branch building slowed with the cooling economy in the 1970s but picked up again in the 1980s and 1990s so that by 1993 the Vigo County financial institution had eight locations around the Terre Haute area.

After thirty years as president, Marshall retired in 1968, and Terre Haute First National's board of directors chose John J. Cleary as his successor. Donald E. Smith became the company's top executive in 1974, and under his watch the institution's fortunes continued to rise. In 1983 the board of directors formed a one-bank holding company, Terre Haute First Corporation, to take advantage of the opportunities made possible by deregulation. Two years later the holding company's name was changed to First Financial Corporation. By 1986 total assets topped half a billion dollars.