

John O'Donnell:

Meeting Banking Needs and a Whole Lot More

By Tom Schuman

First National Bank & Trust occupies a six-story home in the heart of downtown Kokomo.



First National Bank of Kokomo has been a community fixture for 60 years. An ownership change in 1976 (the Hasten family purchased controlling interest) led to consolidations with banks in Sullivan, Brazil, Tipton and Martinsville and the eventual formation of First National Bank & Trust.

John O'Donnell brought 12 years of previous banking experience with him when he joined the company in 1985. He served in leadership roles in the trust, brokerage and retail operations before being named president of the Kokomo bank in 2004.

Today, First National Bank & Trust has 27 locations in 20 cities with assets of approximately \$1.3 billion. O'Donnell says the independently owned bank has the largest market share in Howard County and is the 12th largest bank in the state.

BizVoice®: What is the banking climate like in the Kokomo area?

John O'Donnell: "With the industrial base, credit unions have got a pretty good presence. There are six credit unions and 15 banks in Howard County with a major presence. We are one of the leading banks in mortgage lending and commercial real estate lending."

BV: Kokomo has been a national leader in recent years for housing affordability. How does that impact your business?

JO: "One of the things that has happened is the industrial base has provided good salaries. The housing prices here have not gone up as rapidly as in some other communities."

BV: What are some of the other ways in which the bank tries to distinguish itself?

JO: "In a local newspaper ranking, we received the most votes for the best bank in Kokomo. We have a good array of services, particularly in the technology area. ATMs, online services, bill payment, debit cards ... we have all that and more."

BV: How are banking customers different today than when you entered the business?

JO: "They're looking at the conveniences of banking. The key for us is how to maintain a 24/7 presence for our customers. It's at the people's convenience, not the bank's convenience. It presents a challenge to have the right hours, the right services to meet their needs."

BV: What are the things that worry you about the business?

JO: “Obviously, when loan management is one of your big areas of focus, loan quality is a consideration. You’re always concerned with those decisions after you make them. Then there is the funding that the loans are based on. Is it going to grow large enough?”

BV: Banks are often a natural source of community leadership. What are some of the ways First National is involved in Kokomo?

JO: “We encourage all of our management to participate in the community. I serve on six or seven local boards. We not only encourage our employees to participate, but oftentimes we follow up with a financial commitment. We recently won a United Way award as a top supporter. That comes from the philosophy of our owners of being involved and giving back.”

BV: On a personal level, what are some of the special involvements you have?

JO: “I’ve lived in Kokomo virtually all my life, except for college and military service. I want to see the community do well. It’s important, not only from a personal aspect, but a business aspect – to help this organization grow and prosper.

“From a business standpoint, the local chamber and the Howard County Development Corporation are important in helping this community develop and grow. On a personal level, I’m president of the Kokomo YMCA board, and that organization does a great job, particularly helping younger people. In education, I serve on the Ivy Tech regional development board.”

BV: First National moved a few blocks to its current location on the courthouse square in 1999. (The owners donated the previous building, which has become a behavioral health center, to the community). What are some of the issues facing downtown Kokomo?

JO: “The challenge for downtown Kokomo is the predominance of U.S. 31. There are 30,000 to 35,000 cars a day on some portions of U.S. 31, but a lot of people go around downtown Kokomo. The financial institutions remain downtown and the government services. We’d like to see some retail, but it’s difficult. It’s a different kind of challenge.”

BV: A new U.S. 31 bypass is on the drawing board. What do you think will be the impact?

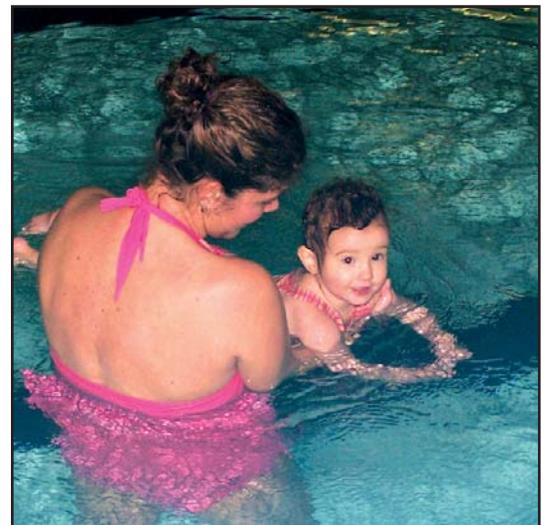
JO: “That will present advantages and disadvantages. There will more economic development east of Kokomo, but people on the (current) bypass may not see as much traffic. It’s difficult to say there will be any positive impact on downtown, but you can’t say it would be negative either.”

BV: What do you envision for the economic climate in the community five or seven years down the road?

JO: “We’ll have a resolution of the Delphi situation. The plants and equipment here are very modern, and the knowledge base is very good. I’m optimistic Delphi will have a presence here in some form. DaimlerChrysler has made a true commitment to Kokomo. I think they will maybe look at further opportunities in the future. It’s also important for the community to look for other opportunities as they develop.”



John O’Donnell spent his early days at the bank in the trust and brokerage departments.



O’Donnell is board chairman for the local YMCA, which offers a variety of programs for all ages.

INFORMATION LINK

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