FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
SEC Accession No. 0000711083-99-000003

FILER

MID AMERICA BANCORP/KY/
CIK:**711083**| IRS No.: **611012933** | State of Incorp.:**KY** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-10602** | Film No.: **99574122**
SIC: **6022** State commercial banks

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 1O-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________to ___________

Commission File Number 1-10602

_____________________MID-AMERICA BANCORP___________________

(Exact name of registrant as specified in its charter)

Kentucky (State or other jurisdiction of incorporation or organization)	61-1012933 (I.R.S. Employer Identification No.)
500 West Broadway Louisville, Kentucky	40202
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code:(502) 589-3351

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	AMEX

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

The aggregate market value of the voting stock held by non-affiliates (shareholders other than directors, executive officers and principal shareholders) of the registrant as of February 18, 1999 was approximately $214,707,000.

The number of shares outstanding of the registrant's common stock as of February 18, 1999 was 10,267,019.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's Annual Report to Shareholders for the year ended December 31, 1998, are incorporated by reference into Parts I and II.

Portions of Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held April 22, 1999, are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS OF MID-AMERICA BANCORP

Incorporated on May 7, 1982, Mid-America Bancorp (the "Company") is a Kentucky corporation registered as a bank holding company pursuant to the Bank Holding Company Act of 1956, as amended (the "BHC Act"). The Company is registered with, and subject to, the supervision of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board").

The Company's banking subsidiary, Bank of Louisville (the "Bank"), is the Company's primary subsidiary. The Bank was established as a Kentucky banking corporation on October 14, 1925, under the name "Morris Plan Industrial Bank". On July 2, 1946 the Bank's name was changed to "Bank of Louisville". The Bank merged with "Royal Bank and Trust Company" in 1963 under the name Bank of Louisville-Royal Bank and Trust Co. The Bank's name was changed to Bank of Louisville and Trust Company on March 26, 1980. On March 25, 1983, when the Bank became a wholly-owned subsidiary of the Company, the name was changed to Mid-America Bank of Louisville and Trust Company. On March 17, 1998, the name of the Bank was changed to Bank of Louisville.

The Bank is engaged in a wide range of commercial, trust, and personal banking activities including the usual acceptance of deposits for checking, savings and time deposit accounts; making of real estate, construction, commercial, home improvement and consumer loans; participating in small business loan and student loan programs; issuance of letters of credit; rental of safe deposit boxes; providing financial counseling for institutions and individuals; serving as executor of estates and as trustee under trusts and under various pension and employee benefit plans; and serving as escrow agent on bond issues.

The Company also operates a number of other subsidiaries, including Mid-America Bank, FSB, a federal savings bank ("Savings Bank"), which was organized and chartered during 1993. The Savings Bank is located in Pewee Valley and LaGrange, Kentucky, in Oldham County, and competes on the local level with other commercial banks and financial institutions in Oldham County, Kentucky for all types of deposits and loans. Another subsidiary, Mid-America Gift Certificate Company, is engaged in the issuance and sale of gift certificates throughout the United States. The gift certificate company took over this line of business when the Company sold its money order subsidiary in January 1998.

Competition

Competition for banking and related financial services is active in Jefferson County, Kentucky, and other geographic areas served by the Company's subsidiaries. The Company's subsidiaries compete with other financial institutions including savings and loan associations, finance companies, mortgage banking companies, credit unions, insurance companies, brokerage firms, mutual funds, and other commercial banks. In addition, large regional banks continue to increase competition in the Company's trade territories through the acquisition of local financial institutions, the establishment of loan production offices and the solicitation of customers for credit cards and related services. At present, both price and product range are critically important in maintaining and expanding financial relationships.

Employees

As of December 31, 1998, the Company and subsidiaries employed 580 persons on a full-time basis and 82 on a part-time basis.

Supervision And Regulation

The Company and its subsidiaries are subject to an extensive system of banking laws and regulations that are intended primarily for the protection of the customers and depositors of the Companys subsidiaries rather than shareholders of the Company. These laws and regulations govern such areas as permissible activities, reserves, loans and investments, and rates of interest that can be charged on loans. The Company and its subsidiaries also are subject to general U.S. federal laws and regulations and to the laws and regulations of the states in which they conduct their business. Set forth below are brief descriptions of selected laws and regulations applicable to the Company and its subsidiaries. The references are not intended to be complete and are qualified in their entirety by reference to the statutes and regulations. Changes in applicable law or regulation may have a material effect on the business of the Company.

The Company is a registered bank holding company under the BHC Act, and is subject to supervision, regulation and examination by the Federal Reserve Board. Under the BHC Act, a bank holding company is, with limited exceptions, prohibited from (i) acquiring direct or indirect ownership or control of any voting shares of any company which is not a bank or (ii) engaging in any activity other than managing or controlling banks. Notwithstanding this prohibition, a bank holding company may engage in or own shares of a company that engages solely in activities which the Federal Reserve Board has determined to be so closely related to banking, or managing or controlling banks, as to be a proper incident thereto.

As a registered bank holding company, the Company is required to file with the Federal Reserve Board annual reports and other information regarding its business operations and the business operations of its subsidiaries. It is also subject to examination by the Federal Reserve Board and is required to obtain Federal Reserve Board approval prior to merging with another bank holding company or acquiring, directly or indirectly, ownership or control of any voting shares of any bank, if, after such acquisition, it would own or control, directly or indirectly, more than five percent of the voting stock of such bank unless it already owns a majority of the voting stock of such bank.

The Bank is subject to regulation and supervision, of which regular bank examinations are a part, by the Kentucky Department of Financial Institutions, Division of Banking. The Federal Deposit Insurance Corporation ("FDIC") currently insures the deposits of the Bank to a maximum of $100,000 per depositor. For this protection, the Bank pays a semi-annual statutory assessment and is subject to the rules and regulations of the FDIC pertaining to deposit insurance. On July 13, 1989, the Bank became a member bank in the Federal Reserve System. The Federal Reserve Board directly supervises the Bank and its affiliates through periodic examinations, the expense of which is borne by the Bank.

The Savings Bank is subject to regulation and supervision, of which regular examinations are a part, by the OTS. The FDIC currently insures the deposits of the Savings Bank to a maximum of $100,000 per depositor.

Eton Life Insurance Company, a wholly-owned subsidiary of the Company, is regulated by the Kentucky Department of Insurance and is subject to Kentucky statutes and regulations governing domestic underwriters of credit life, accident, and health insurance.

Federal law imposes certain restrictions on transactions between the Company and its nonbank subsidiaries, on the one hand, and the Bank and the Savings Bank, on the other. With certain exceptions, federal law also imposes limitations on, and requires collateral for, extensions of credit by the Bank and the Savings Bank to their non-bank affiliates, including the Company.

Enacted in August 1989, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains a "cross-guarantee" provision under which an insured depository institution controlled by a holding company can be assessed for losses incurred by the FDIC in connection with assistance provided to, or the failure of, any other insured depository institution controlled by the same holding company. Also, under Federal Reserve Board policy, the Company is expected to act as a source of financial strength to the Bank and to commit resources to support the Bank in circumstances where it might not do so, absent such policy.

The Federal Deposit Insurance Corporation Improvement Act of 1991 (the "FDIC Improvement Act") dealt with the recapitalization of the Bank Insurance Fund, deposit insurance reform, including requiring the FDIC to establish a risk-based premium assessment system, and a number of other regulatory and supervisory matters. Among other things, federal banking regulators are required to take prompt corrective action in respect of depository institutions that do not meet minimum capital requirements. The FDIC Improvement Act identifies the following capital tiers for financial institutions: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. The FDIC Improvement Act imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the capital category in which an institution is classified. At December 31, 1998, the Bank and the Savings Bank were "well capitalized" under the applicable regulatory guidelines. A bank's capital category however, is determined solely for the purpose of applying the prompt corrective action rules and may not constitute an accurate representation of the bank's overall financial condition or prospects.

Now fully phased in, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Act") removed state law barriers to interstate bank acquisitions and permits the consolidation of interstate banking operations. Under the Act, effective September 29, 1995, adequately capitalized and managed bank holding companies may acquire banks in any state, subject to Community Reinvestment Act compliance, compliance with federal and state antitrust laws and deposit concentration limits, and subject to any state laws restricting the acquisition of a bank that has not been in existence for a minimum time period (up to five years). Effective September 29, 1995, the Act also permits any bank that is controlled by a bank holding company to act as agent for an affiliated financial institution in deposit and loan transactions, regardless of whether the institutions are located in the same or different states. The Act's interstate branching provisions became operative on June 1, 1997, subject to the right of any state, prior to that time, to adopt legislation to accelerate interstate branching or prohibit it completely. The Act's interstate branching provisions permit banks to merge across state lines and, if state laws permit de novo branching, to establish a new branch as its initial entry into a state. Kentucky banks are permitted to merge with out-of-state banks to create interstate branches inside or outside Kentucky. Kentucky banks are also permitted to acquire a branch in another state if permitted by law of the other state. Kentucky does not permit de novo branching by out-of-state banks into Kentucky, and it does not permit an out-of-state bank to acquire a bank in Kentucky that has been in existence less than five years. The Savings Bank is generally permitted to open a de novo branch in any state.

The following tables set forth selected statistical information with respect to the Company and should be read in conjunction with the Company's consolidated financial statements.

DISTRIBUTION OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY;
INTEREST RATES AND INTEREST DIFFERENTIAL

The schedule captioned "Average Balances and Yields/Rates Tax Equivalent Basis" included on page 16 of the Company's annual report to shareholders for the year ended December 31, 1998, which is incorporated herein by reference, shows, for each major category of interest earning asset and interest bearing liability, the average amount outstanding, the interest earned or expensed on such amount and the average rate earned or expensed for each of the years in the three-year period ended December 31, 1998. The schedule also shows the average rate earned on all interest earning assets and the average rate expensed on all interest bearing liabilities, the net interest spread and the net interest margin (net interest income divided by total average interest earning assets) for each of the years in the three-year period ended December 31, 1998. Nonaccrual loans outstanding were included in calculating the rate earned on loans. Total interest income includes the effects of taxable equivalent adjustments using a tax rate of 35%.

The changes in interest income and interest expense resulting from changes in volume and changes in rates for the years ended December 31, 1998 and 1997 are shown in the schedule captioned "Interest Income and Interest Expense Volume and Rate Changes for the Years 1998 and 1997 Tax Equivalent Basis" included on page 17 of the Company's annual report to shareholders for the year ended December 31, 1998, which is incorporated herein by reference.

<TABLE>
<CAPTION>
SECURITIES PORTFOLIO
BOOK VALUE
(In Thousands)

Securities Available for Sale	December 31 1998	1997	1996
<S>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies...	$160,415	$156,654	$148,300
Collateralized mortgage obligations..........	146,970	185,474	100,754
States and political subdivisions...........	54,738	53,272	41,604
Corporate obligations.......................	4,652	1,765	28,825
Equity securities	18,992	17,556	16,635
	$385,767	$414,721	$336,118

<CAPTION>

Securities Held to Maturity	December 31 1998	1997	1996
<S>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies...	$83,998	$108,078	$75,455
Corporate obligations.......................	--	100	100
	$83,998	$108,178	$75,555

</TABLE>

SECURITIES
MATURITY DISTRIBUTION AND WEIGHTED AVERAGE YIELDS
DECEMBER 31, 1998
<TABLE>
<CAPTION>

(Dollars In Thousands)	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years	
Securities Available for Sale	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies	$146,078	5.47%	$14,337	6.24%	--	--	--	--
Collateralized mortgage obligations	65,229	3.22%	81,741	4.95%	--	--	--	--
States and political subdivisions	3,003	6.94%	1,388	7.65%	9,687	8.09%	40,660	8.34%
Corporate obligations	3,130	5.50%	1,522	6.78%	--	--	--	--
Equity securities	--	--	--	--	--	--	18,992	6.83%
	$217,440	4.81%	$98,988	5.20%	$9,687	8.09%	$59,652	7.83%

<CAPTION>

Securities Held to Maturity	Within One Year Amount	Within One Year Yield	After One But Within Five Years Amount	After One But Within Five Years Yield	After Five But Within Ten Years Amount	After Five But Within Ten Years Yield	After Ten Years Amount	After Ten Years Yield
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies	$80,449	5.14%	$3,549	5.19%	--	--	--	--
	$80,449	5.14%	$3,549	5.19%	--	--	--	--

</TABLE>

The calculation of the weighted average yield is based on the average tax equivalent yield, weighted by the respective costs of the securities.

The weighted average yields on states and political subdivisions securities are computed on a tax equivalent basis using a marginal federal tax rate of 35% adjusted for the impact of disallowed interest expense.

LOAN PORTFOLIO
(In Thousands)
<TABLE>
<CAPTION>

	December 31 1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Commercial and financial	$457,682	$427,826	$386,647	$345,167	$299,375
Real estate - construction and development	77,349	65,513	55,738	61,398	61,083
Real estate - mortgage	336,365	329,086	294,746	284,074	291,198
Consumer	133,625	68,650	67,051	57,926	47,740
	$1,005,021	$891,075	$804,182	$748,565	$699,396

</TABLE>
The loan portfolio includes domestic loans only as the Company has no foreign loans. The Company has no other category of loans whose concentration exceeds 10% of total loans.

<TABLE>
<CAPTION>
SELECTED LOAN MATURITIES AND
SENSITIVITY TO INTEREST RATES
DECEMBER 31, 1998
(In Thousands)

	Loan Maturities: Within One Year	After One But Within Five Years	After Five Years	Total
<S>	<C>	<C>	<C>	<C>
Commercial and financial	$99,698	$163,014	$194,970	$457,682
Real estate - construction and development	23,808	43,809	9,732	77,349
Real estate - mortgage	143,127	93,782	99,456	336,365
Consumer	54,889	71,611	7,125	133,625
	$321,522	$372,216	$311,283	$1,005,021
Predetermined rates	$136,235	$242,200	$275,855	$654,290
Floating rates	185,287	130,016	35,428	350,731

$321,522	$372,216	$311,283	$1,005,021

</TABLE>
For amortizing loans, scheduled repayments are reported in the maturity category in which the payment is due. Demand loans and overdrafts are reported in the within one year category.

NON-PERFORMING LOANS

Information with respect to the Company's non-performing loans is included in the section captioned "Non-Performing Assets" and footnote E to the consolidated financial statements included on pages 9 and 31, respectively, of the Company's annual report to shareholders for the year ended December 31, 1998, which is incorporated herein by reference.

<TABLE>
<CAPTION>

SUMMARY OF LOAN LOSS EXPERIENCE
(Dollars In Thousands)

<S>	1998 <C>	1997 <C>	1996 <C>	1995 <C>	1994 <C>
Balance, beginning of year	$9,209	$9,167	$9,318	$7,045	$6,578
Charge-offs:					
Commercial and financial	646	296	661	569	115
Real estate - construction and development				2,888	28
Real estate - mortgage	289	98	115	305	139
Consumer	420	227	249	283	211
Total charge-offs	1,355	621	1,025	4,045	493
Recoveries:					
Commercial and financial	51	53	231	44	10
Real estate - construction and development					
Real estate - mortgage	33	225	120	61	125
Consumer	100	85	109	166	113
Total recoveries	184	363	460	271	248
Net charge-offs (recoveries)	1,171	258	565	3,774	245
Provision for loan losses	972	300	414	6,047	712
Balance, end of year	$9,010	$9,209	$9,167	$9,318	$7,045
Average loans, net of unearned income	$925,522	$817,262	$767,755	$707,898	$679,100
Net charge-offs (recoveries) to average loans, net of unearned income	0.13%	0.03%	0.07%	0.53%	0.04%

</TABLE>

The allowance for loan losses is maintained at a level adequate to absorb estimated probable credit losses. Management determines the adequacy of the allowance based upon reviews of individual credits, evaluation of the risk characteristics of the loan portfolio, including the impact of current economic conditions on the borrowers' ability to repay, past collection and loss experience and such other factors, which, in management's judgment, deserve current recognition. The allowance for loan losses is increased by charges to operating earnings and reduced by charge-offs, net of recoveries. See "Provision for Loan Losses and Allowance for Loan Losses" included on pages 5 and 6 of the Company's annual report to shareholders for the year ended December 31, 1998, incorporated herein by reference, for a discussion of factors affecting loan loss experience during 1998.

<TABLE>
<CAPTION>
ALLOCATION OF ALLOWANCE FOR LOAN LOSSES
(Dollars In Thousands)

1998		1997		1996		1995		1994	
Allocation Of Allowance For Loan	% Of Loans In Each Category To Total	Allocation Of Allowance For Loan	% Of Loans In Each Category To Total	Allocation Of Allowance For Loan	% Of Loans In Each Category To Total	Allocation Of Allowance For Loan	% Of Loans In Each Category To Total	Allocation Of Allowance For Loan	% Of Loans In Each Category To Total

	Losses	Loans	Losses	Loans	Losses	Loans	Losses	Loans	Losses	Loans
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Commercial and financial........	$5,020	45.53%	$5,926	47.75%	$6,068	48.08%	$5,022	46.11%	$3,651	42.80%
Real estate - construction and development..	588	7.70%	1,343	7.35%	1,576	6.93%	2,932	8.20%	1,773	8.73%
Real estate - mortgage.........	715	33.47%	654	36.93%	498	36.65%	437	37.95%	445	41.64%
Consumer..........	2,687	13.30%	1,286	7.97%	1,025	8.34%	927	7.74%	1,176	6.83%
	$9,010	100.00%	$9,209	100.00%	$9,167	100.00%	$9,318	100.00%	$7,045	100.00%

</TABLE>

The aggregate allocation of the allowance for loan losses for the commercial and financial, and real estate - construction and development categories of loans declined $1.7 million in 1998 to $5.6 million. The decline in the allowance allocated was attributed to improved local economic conditions, low risk loans being added to the portfolio, such as a $26 million loan to a major church organization, and a decline in the level of loans internally classified. As a result of the new volume and risks associated with the indirect loan concentration, arising from the Bank's expanded indirect automobile lending program, the allowance for loan losses allocated to consumer loans increased $1.4 million to $2.7 million at December 31, 1998.

<TABLE>
<CAPTION>
MATURITY SCHEDULE OF TIME DEPOSITS OF $100,000 AND OVER
DECEMBER 31, 1998
(In Thousands)

	Certificates Of Deposit	Other	Total
<S>	<C>	<C>	<C>
Three months or less..............................	$25,219	$22,136	$47,355
Over three through six months.....................	18,480	-	18,480
Over six through twelve months....................	13,301	-	13,301
Over twelve months................................	13,772	-	13,772
	$70,772	$22,136	$92,908

</TABLE>

RETURN ON EQUITY AND ASSETS

Selected ratios for the years 1998, 1997 and 1996 are included on the inside front cover of the Company's annual report to shareholders for the year ended December 31, 1998 and are incorporated herein by reference.

FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE
(Dollars In Thousands)

Federal funds purchased and securities sold under agreements to repurchase generally represent overnight borrowing transactions. The detail of these short-term borrowings for the years 1998, 1997 and 1996 follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Federal funds purchased:			
Balance at year end............................	$12,090	$ --	$4,000
Average during the year........................	8,534	1,595	4,249
Maximum amount outstanding at any month end.....	27,735	4,050	5,350
Weighted average rate during the year..........	5.20%	5.35%	5.34%
Weighted average rate on December 31...........	5.36%	--	6.94%

	1998	1997	1996
Securities sold under agreements to repurchase:			
Balance at year end............................	$276,454	$284,500	$285,948
Average during the year........................	246,585	257,149	252,577
Maximum amount outstanding at any month end.....	330,308	346,635	320,174
Weighted average rate during the year..........	4.99%	5.08%	5.01%

Weighted average rate on December 31...........	4.48%	5.33%	5.05%

</TABLE>

ITEM 2. PROPERTIES

The Bank maintains a main office, warehouse, operations center and 30 branches in Jefferson County, Kentucky. The Bank owns 21 branch offices, leases 7 branch offices, its operations center and the main office, and owns the buildings but leases the land with regard to 2 branches. The Bank also operates 40 automated teller machines, at various locations in its traditional customer base of Jefferson County, Kentucky. The Savings Bank owns its main office facility and its branch location and operates two automatic teller machines in Oldham County, Kentucky. See footnote G to the consolidated financial statements on page 32 of the Company's annual report to shareholders for the year ended December 31, 1998, which is incorporated herein by reference, for additional information on premises, equipment and lease commitments.

ITEM 3. LEGAL PROCEEDINGS

The information in footnote O to the Company's consolidated financial statements included on page 40 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

EXECUTIVE OFFICERS OF REGISTRANT

Listed below are the names and ages as of December 31, 1998, of the Company's executive officers, positions held, and the year from which held. The Company's executive officers are elected annually by the Board of Directors and each, except Bertram W. Klein, Paul E. Henry, Donald R. LaMar, David C. Meece, and Marlyn Y. Smith, is employed pursuant to an employment agreement.

Name	Age	Position Held	Year From Which Held
Bertram W. Klein	68	Chairman of the Board of the Company and the Bank. Member of the Bank Executive Committee.	1985
R. K. Guillaume	55	Vice Chairman, Chief Executive Officer and Director of the Company and the Bank. Member of the Bank Executive Committee.	1995
Orson Oliver	55	President and Director of the Company and the Bank. Member of the Bank Executive Committee.	1985
David N. Klein	42	Chief Operating Officer, and Executive Vice President of the Company and the Bank. Member of the Bank Executive Committee.	1998
Steven A. Small	45	Treasurer of the Company and Executive Vice President, Chief Financial Officer and member of the Executive Committee of the Bank.	1993
Paul E. Henry	63	Executive Vice President and member of the Executive Committee of the Bank.	1989
William J. Hornig	49	Executive Vice President and member of the Executive Committee of the Bank.	1995
Richard B. Klein	40	Executive Vice President and member of the Executive	1991

		Committee of the Bank.	
Donald R. LaMar	48	Executive Vice President and member of Executive Committee of the Bank and President of Mid-America Gift Certificate Company.	1995
David C. Meece	45	Executive Vice President and member of Executive Committee of the Bank.	1995
Gail W. Pohn	60	Executive Vice President and member of the Executive Committee of the Bank.	1993
Robert H. Sachs	58	Executive Vice President and member of the Executive Committee of the Bank until retirement on December 31, 1998.	1993
Marlyn Y. Smith	62	Executive Vice President and member of Executive Committee of the Bank.	1995

Mr. David Klein, Executive Vice President of the Bank since 1991, was named Chief Operating Officer and Executive Vice President of the Company and the Bank in 1998.

Mr. Guillaume joined the Company and the Company's subsidiary bank in October 1995. From 1993 to September 1995, Mr. Guillaume was a Director and the President of Liberty National Bank and Trust Company of Louisville and Liberty National Bancorp, Inc. (now Bank One, Kentucky). Prior to 1993, he was Executive Vice President of these entities.

Mr. Hornig joined the Company's subsidiary bank in April 1995 as Executive Vice President - Human Resources. From October 1992 to March 1995, Mr. Hornig was Senior Vice President - Human Resources of First Colonial Bank Shares Corporation, a non-affiliate of the Company. Prior to 1992, Mr. Hornig was Director of Human Resources for Arthur J. Gallagher & Company.

Mr. LaMar joined the Company's bank subsidiary in 1985. He was elected to his current position in 1995. From 1987 to 1994 he was Senior Vice President, Operations Support.

Mr. Meece joined the Company's subsidiary bank in 1985. He was elected to his current position in 1995. From 1992 to 1994 he was Senior Vice President, Advanced Systems Development. Prior to 1992, Mr. Meece was Vice President, Information System Support Services.

Ms. Smith joined the Company's subsidiary bank in 1965. She was elected to her current position in 1995. From 1987 to 1994 she was Senior Vice President, Loan Services.

All other executive officers have served the Company or the Bank in the executive officer capacities identified above for more than five years.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SECURITY HOLDER MATTERS

The information captioned "Market for MidAmerica Bancorp's Stock and Related Security Holder Matters" included on page 21 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information captioned "Summary of Financial Data" included on page 19 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Management's Discussion and Analysis of Financial Condition and Results of Operations included on pages 4 through 15 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information captioned "Interest Rate Sensitivity Management (Market Risk)" included on pages 12 and 13 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of the Company and report of independent auditors included on pages 22 through 46 in the Company's annual report to shareholders for the year ended December 31, 1998, are incorporated herein by reference:

Independent Auditors' Report
Consolidated balance sheets - December 31, 1998 and 1997
Consolidated statements of income -
     years ended December 31 1998, 1997 and 1996
Consolidated statements of changes in shareholders' equity -
     years ended December 31, 1998, 1997 and 1996
Consolidated statements of comprehensive income-
     years ended December 31, 1998, 1997 and 1996
Consolidated statements of cash flows -
     years ended December 31, 1998, 1997 and 1996
Notes to consolidated financial statements

The information captioned "Quarterly Financial Data" included on page 20 of the Company's annual report to shareholders for the year ended December 31, 1998, is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

The information appearing under the heading "EXECUTIVE OFFICERS OF REGISTRANT" appearing in Part I of this Form 10-K and the information appearing under the headings "PROPOSAL 1 - ELECTION OF DIRECTORS" and SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE in the Company's definitive Proxy Statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the Company's 1999 Annual Meeting of Shareholders to be held April 22, 1999, are incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing under the headings PROPOSAL 1 ELECTION OF DIRECTORS - INFORMATION CONCERNING THE BOARD OF DIRECTORS and "EXECUTIVE COMPENSATION" in the Company's definitive Proxy Statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the Company's 1999 Annual Meeting of Shareholders to be held April 22, 1999, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information appearing under the headings "PRINCIPAL SHAREHOLDERS" and "ELECTION OF DIRECTORS" in the Company's definitive Proxy Statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the Company's 1999 Annual Meeting of Shareholders to be held April 22, 1999, is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information appearing under the headings "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" and OTHER TRANSACTIONS in the Company's definitive Proxy Statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the Company's 1999 Annual Meeting of Shareholders to be held April 22, 1999, is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

a-l Financial Statements

See Part II, Item 8 for a listing of all financial statements and the report of independent auditors which is incorporated herein by reference.

a-2 Financial Statement Schedules

All schedules normally required by Form lO-K are omitted since they are either not applicable or the required information is shown in the financial statements or the notes thereto.

a-3 Exhibits

The exhibits filed as part of this report on Form 10-K are listed on the Exhibit Index appearing on pages 24 through 26 of this annual report on Form 10-K, which are incorporated herein by reference.

b Reports on Form 8-K

There were no reports filed on Form 8-K during the fourth quarter of 1998.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MID-AMERICA BANCORP

March 22, 1999 BY: /s/ Bertram W. Klein
Bertram W. Klein
Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated.

/s/ Bertram W. Klein Bertram W. Klein	Chairman of the Board	March 22, 1999
/s/ R.K. Guillaume R.K. Guillaume	Chief Executive Officer and Director	March 22, 1999
/s/ Orson Oliver Orson Oliver	President and Director	March 22, 1999
/s/ Steven A. Small Steven A. Small	Treasurer (Principal Accounting Officer)	March 22, 1999
/s/ Leslie D. Aberson Leslie D. Aberson	Director	March 22, 1999
/s/ Robert P. Adelberg Robert P. Adelberg	Director	March 22, 1999

/s/ William C. Ballard, Jr. William C. Ballard, Jr.	Director	March 22, 1999
/s/ James E. Cain James E. Cain	Director	March 22, 1999
/s/ Martha Layne Collins Martha Layne Collins	Director	March 22, 1999
/s/ Wendell H. Ford Wendell H. Ford	Director	March 22, 1999
/s/ David Jones, Jr. David Jones, Jr.	Director	March 22, 1999
/s/ Peggy Ann Markstein Peggy Ann Markstein	Director	March 22, 1999
/s/ Donald G. McClinton Donald G. McClinton	Director	March 22, 1999
/s/ Jerome J. Pakenham Jerome J. Pakenham	Director	March 22, 1999
/s/ John S. Palmore John S. Palmore	Director	March 22, 1999
/s/ Woodford R. Porter, Sr. Woodford R. Porter, Sr.	Director	March 22, 1999
/s/ Benjamin K. Richmond Benjamin K. Richmond	Director	March 22, 1999
/s/ Bruce J. Roth Bruce J. Roth	Director	March 22, 1999
/s/ Raymond L. Sales Raymond L. Sales	Director	March 22, 1999
/s/ Henry C. Wagner Henry C. Wagner	Director	March 22, 1999

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

EXHIBITS

filed with

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

Commission file number 1-10602

MIDAMERICA BANCORP

INDEX TO EXHIBITS

3(a) Restated Articles of Incorporation of MidAmerica Bancorp filed with the Secretary of State of Kentucky on May 4, 1989; as amended by Articles of Amendment filed with the Secretary of State of Kentucky on

April 19, 1993, March 13, 1995, March 5, 1998 and January 11, 1999.

(b) By-Laws of MidAmerica Bancorp are incorporated by reference to Exhibit 3(b) to the Companys annual report on Form 10-K for the year ended December 31, 1995.

4. Amended and Restated Articles of Incorporation, By-Laws, and Shareholder Rights Agreement, dated February 23, 1998, between MidAmerica Bancorp and Mid-America Bank of Louisville and Trust Company are incorporated by reference to Exhibit 3 (a) to this report, Exhibit 3 (b) to the Company's annual report on Form 10-K for the year ended December 31, 1995, and Exhibit 4 to the Companys report on Form 8-K dated February 23, 1998, respectively.

10. Material Contracts

10.(a) MidAmerica Bancorp Non-Employee Directors Deferred Compensation Plan incorporated by reference to Exhibit 10(a) to the Company's annual report on Form 10-K for the year ended December 31, 1994.(*)

10.(b) Employment Agreement between the Company and Orson Oliver incorporated by reference to Exhibit 10 (b) of the Company's annual report on form 10-K for the year ended December 31, 1995.(*)

10.(c) Employment Agreement between the Company and R. K. Guillaume incorporated by reference to Exhibit 10 (n)of the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1995. (*)

10.(d) Employment Agreement between the Company and David N. Klein incorporated by reference to Exhibit 10 (d) of the Company's annual report of Form 10-K for the year ended December 31, 1995.(*)

10.(e) Employment Agreement between the Company and Richard B. Klein incorporated by reference to Exhibit 10 (e) of the Company's annual report of Form 10-K for the year ended December 31, 1995.(*)

10.(f) Employment Agreement between the Company and Robert Sachs incorporated by reference to Exhibit 10 (f) of the Companys annual report on Form 10-K for the year ended December 31, 1995.(*)

10.(g) Employment Agreement between the Company and Gail Pohn incorporated by reference to Exhibit 10 (g) of the Company's annual report on Form 10-K for the year ended December 31, 1995.(*)

10.(h) Employment Agreement between the Company and Steven Small incorporated by reference to Exhibit 10 of the Company's quarterly report on Form 10-Q for the quarter ended June 30,1998.(*)

10.(i) Agreement and General Release between the Company and Stanley L. Atlas dated, October 26, 1993, incorporated by reference to Exhibit 10 (h) of the Company's annual report on Form 10-K for the year ended December 31, 1993.(*)

10.(j) Amended and Restated MidAmerica Bancorp Incentive Stock Option Plan is incorporated herein by reference to Post-Effective Amendment Number 1 to Form S-8 Registration Statement No. 2-92270.(*)

10.(k) MidAmerica Bancorp 1991 Incentive Stock Option

Plan is incorporated by reference to Exhibit 28 to Registration Statement No. 33-42989(*)

10.(l) MidAmerica Bancorp 1996 Management Incentive Compensation Plan incorporated by reference to Exhibit 10 (l) of the Company's annual report on Form 10-K for the year ended December 31, 1996.(*)

10.(m) Employment Agreement between the Company and William J. Hornig incorporated by reference to Exhibit 10 of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1998.(*)

10.(n) 1995 Incentive Stock Option plan of MidAmerica Bancorp incorporated by reference to Exhibit 10(m) of the Company's quarterly report on Form 10-Q for the quarter ended June 30, 1995.(*)

* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 14 of this report.

11. Statement re Computation of per share earnings.

13. Selected portions of the annual report to shareholders for the year ended December 31, 1998.

21. Subsidiaries of the Company.

23. Consent of independent auditors.

27. Financial Data Schedule.

99. Additional Exhibits

Form 11-K

OFFICER'S CERTIFICATE FOR ARTICLES OF AMENDMENT AND RESTATEMENT TO THE ARTICLES OF INCORPORATION OF MID-AMERICA BANCORP

I hereby certify that:

I. I am the duly elected and acting President of Mid-America Bancorp (the "Corporation").

II. The Corporation's Articles of Restatement of the Articles of Incorporation of Mid-America Bancorp (the "Restated Articles") are attached as Annex A to this Officer's Certificate and contain amendments to the Articles of Incorporation requiring shareholder approval.

III. As contemplated by KRS 271B.10-070(4)(b), the information required by KRS 271B.10-060 is as follows:

(A) The name of the Corporation is Mid-America Bancorp.

(B) The Restated Articles (1) delete the current Articles VII, VIII, and IX of the Corporation's Articles of Incorporation and (2) amend Articles VI, VII, and VIII of the Corporation's Articles of Incorporation. The texts of Articles VI, VII, and VIII, as hereby amended, are included as set out in Articles VI, VII, and VIII in the Restated Articles.

(C) None of the amendments provides for an exchange, reclassification, or cancellation of issued shares.

(D) The amendments were adopted by holders of the Corporation's common stock, the Corporation's sole class of issued and outstanding shares, at the Corporation's 1989 Annual Meeting of Shareholders (the "1989 Annual Meeting") on April 10, 1989. There were 5,318,720 shares of common stock issued, outstanding and entitled to vote at the 1989 Annual Meeting, of which 4,222,224 shares were indisputably represented at the 1989 Annual Meeting. The Amendments were approved by a vote of 4,114,510 shares of common stock cast in favor of, and 76,544 shares of common stock cast against, the amendments, with 31,170 shares abstaining.

IN WITNESS WHEREOF, I have signed this certificate on April 27, 1989.

/s/ Orson Oliver
Orson Oliver

President

ANNEX A

ARTICLES OF RESTATEMENT
OF
ARTICLES OF INCORPORATION
OF
MID-AMERICA BANCORP

Pursuant to KRS 271B.10-070(4), Articles of Restatement of Articles of Incorporation of Mid-America Bancorp (the "Corporation") are hereby adopted:

FIRST: The name of the Corporation is Mid-America Bancorp.

SECOND: The Corporation's Restated Articles of Incorporation are as follows:

ARTICLE I

The name of the Corporation is Mid-America Bancorp.

ARTICLE II

The purpose or purposes for which the Corporation is organized are, subject to the restrictions imposed upon it by applicable Federal and State laws and regulations governing bank holding companies, the following:

1. To engage in any or all lawful business for which corporations may be incorporated under the Kentucky Business Corporation Act, and to exercise any and all powers that corporations may now or hereafter exercise under the Kentucky Business Corporation Act, whether or not specifically enumerated herein.

2. To act as a bank holding company.

3. To purchase, take, receive, lease or otherwise acquire, own, hold, improve, use or otherwise deal in and with real and personal property, or any interest therein, wherever situated.

4. To sell, convey, mortgage, pledge, lease, exchange,

transfer and otherwise dispose of all or any part of its property and assets.

5. To act as agent, broker or attorney-in-fact for others for any purpose whatsoever.

6. To purchase, take, receive, subscribe for and otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, use and deal in and with, shares and other interests in, and promissory notes, bills of exchange, trade acceptances and other obligations of itself or other corporations (whether domestic or foreign), associations, partnerships or individuals, and direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality, or a governmental instrumentality.

7. To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the Corporation may determine, issue its notes, bonds and other obligations and secure them by mortgage or pledge of all or any of its property, franchises and income, and to issue its notes, bonds and other evidences of indebtedness convertible into common or preferred stock or other securities of the Corporation.

8. To apply for, obtain, register, purchase, lease or otherwise acquire, and to hold, use, pledge, lease, sell, assign or otherwise dispose of, formulas, secret processes, distinctive marks, improvements, processes, trade names, trademarks, copyrights, patents, licenses, concessions and the like, whether used in connection with or secured under letters or patents, or issued by any country or authority, or otherwise; and to issue, exercise, develop and grant licenses in respect thereof or otherwise turn them to account.

9. To purchase or otherwise acquire, hold, sell, pledge, transfer or otherwise dispose of, and to re-issue or cancel the shares of its own capital stock or any securities or other obligations of the Corporation in the manner and to the full extent now or hereafter permitted by the laws of the Commonwealth of Kentucky and applicable federal laws and regulations.

10. To pay pensions and establish pension plans, pension trusts, profit sharing plans, stock bonus plans, stock option plans, and other incentive plans for any or all of its directors, officers and employees.

11. To make donations for the public welfare and for charitable, scientific or educational purposes and in aid of the

United States government.

12. To lend its funds or credit from time to time to such extent, to such persons, firms, associations, corporations, governments or subdivisions thereof, and on such terms and on such security, if any, or without security, as the Board of Directors of the Corporation may determine and as may be lawful.

13. To conduct its business, carry on its operations, have offices and exercise its corporate powers in any state, territory, district and possession of the United States and in any foreign country.

14. To be a promoter, partner, limited partner, member, associate or manger of any partnership, limited partnership, joint venture, trust or other enterprise, and to do all things necessary or proper in connection therewith as a natural person might or could do.

15. To acquire, in whole or in part, the assets, property, rights and goodwill of any corporation, association, partnership or individual and to assume and agree to pay the whole or any part of the liabilities and obligations of the transferor.

16. To such extent as a corporation organized under the Kentucky Business Corporation Act may now or hereafter lawfully do, as principal or agent, along or in connection with other corporations, firms or individuals, to do all and everything necessary, suitable, convenient or proper for, or in connection with, or incident to, the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein enumerated, or designed directly or indirectly to promote the interests of the Corporation, or to enhance the value of its properties; and in general to do any and all things and exercise any and all powers, rights and privileges which a corporation may now or hereafter be organized to do, or to exercise under the Kentucky Business Corporation Act or under any laws amendatory thereof, supplemental thereto, or substituted therefor; and to do any or all of the things hereinabove set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed as powers, as well as objects and purposes, and the matters expressed in each clause shall, unless herein otherwise expressly provided, be in no wise limited by reference to or inference from the terms of any other clause, but shall be regarded as independent purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any manner the general powers of the Corporation nor the meaning of the general powers of the Corporation nor the meaning of the general terms used in describing any such purposes and powers; nor shall the expression of one thing be deemed to exclude another not expressed, although it be of like nature.

ARTICLE III

The period of duration of the Corporation shall be perpetual.

ARTICLE IV

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 10,750,000 shares which shall be divided into two classes as follows:

10,000,000 shares of Common Stock, having no par value per share and

750,000 shares of Preferred Stock, having no par value per share.

The designations, voting powers, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions of the above classes of stock shall be as follows:

(a) The Common Stock shall be without distinction as to powers, preferences and rights and such stock may be issued for such consideration as shall from time to time be fixed by the Board of Directors.

(b) Subject to the preferential rights of the Preferred Stock, the holders of the Common Stock shall be entitled to receive, to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors.

(c) Each holder of Common Stock shall have one vote in respect of each share of Common Stock held by such shareholder of record on the books of the Corporation on all matters voted upon by the stockholders except that at each election for directors, each holder of Common Stock entitled to vote at such election shall have the right to cast as many votes in the aggregate as equal the total number of shares of Common Stock held by such shareholder multiplied by the number of directors to be elected at such election; and each such shareholder may cast the whole number of votes for one candidate, or distribute such votes among two or more candidates.

(d) The Board of Directors of the Corporation is hereby expressly authorized to issue shares of Preferred Stock, from time to time, in such series, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors, and as are not stated or expressed in this Certificate of Incorporation or any amendment thereto including determination of any of the following:

(1) The rate of dividend;

(2) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption;

(3) The amount payable upon shares in event of voluntary or involuntary liquidation;

(4) Sinking fund provisions, if any, for the redemption or purchase of shares;

(5) The terms and conditions, if any, on which shares may be converted;

(6) Voting rights, if any;

(7) The stated value of the shares of each series;

(8) The distinctive serial designation and the number of shares constituting a series; and

(9) Any other preferences, privileges and powers, and relative, participating, or other special rights, and qualifications, limitations or restrictions of such series permitted by the laws of the Commonwealth of Kentucky, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of the Certificate of Incorporation.

ARTICLE V

The affairs of the Corporation shall be managed and conducted by a Board of Directors. The number of directors shall be fixed by resolutions of the stockholders at their annual meeting or by the By-Laws, but shall never be less than fifteen.

The Board of Directors of the Corporation may, from time to time, distribute to its stockholders out of capital surplus of the Corporation a portion of its assets in cash or property.

The Board of Directors of the Corporation, to the extent not prohibited by law, shall have the power to cause the Corporation to repurchase shares of its own Common Stock and Preferred Stock to the full extent of its unreserved and unrestricted capital surplus, or any other surplus, available therefor.

ARTICLE VI

Indemnification. Current and former directors and officers of the Corporation (and their heirs, executors and administrators) shall be indemnified to the maximum extent permitted or mandated by, and in accordance with, the Kentucky Business Corporation Act, as amended from time to time. The indemnification provided by this Article shall not be exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or who while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VII

Consideration of Certain Factors. The Board of Directors may base its response to any offer of another party to: (a) make a tender or exchange offer for any equity security of the Corporation, (b) merge or consolidate the Corporation with another corporation, or (c) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation (collectively, "Acquisition Proposals") upon an evaluation of the best interest of the Corporation and its shareholders. Relevant factors to be considered in such evaluation include, without limitation, the following:

(a) The consideration being offered in the Acquisition Proposal, not only in relation to the then current market value of the Corporation's stock, but also in relation to (i) the Board of Directors' then current estimate of the current or future value of the Corporation in a freely negotiated transaction, and (ii) the Board of Directors' then current estimate of the future value of the Corporation as an independent entity;

(b) The social, legal and economic effects upon employees, customers and other constituents of the Corporation and its subsidiaries;

(c) The social, legal and economic effects on the communities in which the Corporation and its subsidiaries operate or are located; and

(d) The competence, experience and integrity of the acquiring party or parties and its or their management.

ARTICLE VIII

Limitation on Director Liability. A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of duty as a director except for liability (i) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the Corporation or its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; (iii) under KRS 271B.8-330; and (iv) from any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article by the shareholders of the Corporation shall not adversely affect any limitation on the liability of a director of the Corporation with respect to matters arising before the time of such repeal or modification.

* * *

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
MID-AMERICA BANCORP

Pursuant to the provisions of KRS 271B.10-030 and KRS 271B.10-060, the following Articles of Amendment to the Articles of Incorporation of MID-AMERICA BANCORP, a Kentucky corporation (the "Corporation") are hereby adopted:

FIRST: The name of the Corporation is Mid-America Bancorp.

SECOND: Article V of the Corporation's Articles of Incorporation is deleted in its entirety and the following is inserted in lieu thereof:

ARTICLE V

Number and Authority of Directors

The Board of Directors shall consist of not fewer than 10 nor more than 21 individuals, with the exact number of individuals within such range to be determined by resolution of the Board of Directors from time to time. Except as otherwise set forth in the Kentucky Business Corporation Act, the Board of Directors shall have the authority to exercise all the corporate powers of the Corporation and shall manage all of the business and affairs of the Corporation."

THIRD: The above designated amendment does not provide for an exchange, reclassification or cancellation of issued shares of stock of the Corporation.

FOURTH: The designated amendment was adopted by the Corporation's Board of Directors on February 15, 1993, and submitted for approval by the Corporation's shareholders. The Corporation has 8,205,358 outstanding shares of common stock, without par value, each such share entitled to vote on the amendment. 6,687,515 shares of the common stock were indisputably represented at a shareholders' meeting held on April 13, 1993 duly called in accordance with the Kentucky Business Corporation Act, with 6,608,991 votes indisputably cast in favor of the designated amendment, such votes being sufficient for approval of the amendment.

Dated: April 14, 1993.

MID-AMERICA BANCORP

By: /s/ Orson Oliver
Orson Oliver, President

This instrument was prepared by:

/s/ Carmin Grandinetti
Carmin D. Grandinetti
GREENEBAUM DOLL & MCDONALD
3300 First National Tower
Louisville, Kentucky 40202
(502) 589-4200

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF MID-AMERICA BANCORP

Pursuant to the provisions of KRS 271B.10-030 and KRS 271B.10-060, the undersigned corporation executes these Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is MID-AMERICA BANCORP.

SECOND: The following amendments to the Articles of Incorporation of the corporation were adopted by the shareholders of the corporation in the manner prescribed by the Kentucky Business Corporation Act:

First Amendment. Article V of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE V

Number and Authority of Directors

The Board of Directors shall consist of not fewer than 10 nor more than 21 individuals, with the exact number of individuals within such range to be determined by resolution of the Board of Directors from time to time. The directors shall be divided into three classes as nearly equal in number as may be. At the annual meeting of share- holders in 1994, one class of five directors shall be elected for a one-year term, one class of six directors shall be elected for a two-year term, and one class of six directors shall be elected for a three-year term.

Commencing with the annual meeting of shareholders in 1995 and at each succeeding annual meeting, successors to the class of directors whose terms expire at such meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease in directors shall be apportioned among the classes so as to maintain the number of directors comprising each class as nearly equal as possible. Any additional directors of a class shall hold office for a term which will coincide with the remaining term of the other directors of the class. Except as otherwise set forth in the Kentucky Business Corporation Act, the Board of Directors shall have the authority to exercise all the corporate powers of the Corporation and shall manage all of the business and affairs of the Corporation.

Second Amendment. Article IV of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE IV

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 12,750,000 shares which shall be divided into two classes as follows:

12,000,000 shares of Common Stock, having no par value per share; and

750,000 shares of Preferred Stock, having no par value per share.

The designations, voting powers, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions of the above classes of stock shall be as follows:

(a) The Common Stock shall be without distinction as to powers, preferences and rights and such stock may be issued for such consideration as shall from time to time be fixed by the Board of Directors.

(b) Subject to the preferential rights of the Preferred Stock, the holders of the Common Stock shall be entitled to receive, to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors.

(c) Each holder of Common Stock shall have one vote in respect of each share of Common Stock held by such shareholder of record on the books of the Corporation on all matters voted upon by the stockholders except that at each election for directors, each holder of Common Stock entitled to vote at such election shall have the right to cast as many votes in the aggregate as equal the total number of shares of Common Stock held by such shareholder multiplied by the number of directors to be elected at such election; and each such shareholder may cast the whole number of votes for one candidate, or distribute such votes among two or more candidates.

(d) The Board of Directors of the Corporation is hereby expressly authorized to issue shares of Preferred Stock, from time to time, in such series, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors, and as are not stated or expressed in this Certificate of Incorporation or any amendment thereto including determination of any of the following:

(1) The rate of dividend;

(2) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption;

(3) The amount payable upon shares in event of voluntary or involuntary liquidation;

(4) Sinking fund provisions, if any, for the redemption or purchase of shares;

(5) The terms and conditions, if any, on which shares may be converted;

(6) Voting rights, if any;

(7) The stated value of the shares of each series;

(8) The distinctive serial designation and the number of shares constituting a series; and

(9) Any other preferences, privileges and

powers, and relative, participating, or other special rights, and qualifications, limitations or restrictions of such series permitted by the laws of the Commonwealth of Kentucky, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of the Certificate of Incorporation.

THIRD: Neither of the amendments provides for an exchange, reclassification or cancellation of issued shares.

FOURTH: The date of the adoption of each of the amendments was April 21, 1994.

FIFTH: The amendments were approved at a meeting of shareholders. The designation, number of outstanding shares, number of votes entitled to be cast by the sole voting group entitled to vote separately on each of the amendments and number of votes indisputably represented at the meeting are as follows:

Designation	Number of Outstanding Shares	Number of Votes Entitled to be Cast by Sole Voting Group	Number of Votes Indisputably Represented at the Meeting
Common Stock	8,518,866	8,518,866	7,416,226

SIXTH: The total number of votes cast for and against each of the amendments to the Articles of Incorporation by the sole voting group entitled to vote separately thereon is as follows:

For the amendment to Article V:

Votes Cast For	Votes Cast Against
6,073,763	575,060

For the amendment to Article IV:

Votes Cast For	Votes Cast Against
7,192,556	140,142

Dated this 10th day of March, 1995.

MID-AMERICA BANCORP

By /s/ Orson Oliver
Orson Oliver, President

THIS INSTRUMENT PREPARED BY:

/s/ Cynthia W. Young
Cynthia W. Young
WYATT, TARRANT & COMBS
Citizens Plaza
Louisville, Kentucky 40202
(502) 589-5235

ARTICLES OF AMENDMENT
TO THE
AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
MID-AMERICA BANCORP

Pursuant to KRS 271B.6-010(3) and KRS 271B.6-020(4), these Articles of Amendment to the Amended and Restated Articles of Incorporation of Mid-America Bancorp (the "Corporation") are being delivered to the Kentucky Secretary of State for filing. The information required by KRS271B.6-020(4) is as follows:

FIRST: The name of the Corporation is Mid-America Bancorp

SECOND: These Articles of Amendment amend current ARTICLE IV of the Corporation's Amended and Restated Articles of Incorporation by establishing a new Junior Participating Preferred Stock. As amended, a new subsection (e) shall be added to ARTICLE IV, which subsection (e) shall read in its entirety as follows:

"(e) Junior Participating Preferred Stock.

(1) Designation. The designation of the series of the Preferred Stock created by the Board of Directors shall be "1998A Junior Participating Preferred Stock (hereinafter called this "Series") and the number of shares constituting this Series one

hundred twenty thousand (120,000).

(2) Dividends.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of this Series with respect to dividends, the holders of shares of this Series shall be entitled to receive, when and as declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on March 31, June 30, September 30 and December 31 of each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of this Series, in an amount per share (rounded to the nearest cent) equal to the greater of (A) $1.00 or (B) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of this Series. If the Corporation shall at any time after March 13, 1998 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of this Series were entitled immediately before such event under clause (B) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately before such event (the "Adjustment Ratio").

(B) The Corporation shall declare a dividend or distribution on this Series as provided in clause (A) of the preceding paragraph (1) immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1.00 per share on this Series shall nevertheless be payable on such subsequent Quarterly Dividend

Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of this Series from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of this Series unless the date of issue of such shares is before the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of this Series entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of this Series in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of this Series entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days before the date fixed for the payment thereof.

(D) No full dividends shall be declared or paid or set apart for payment on the Preferred Stock of any series ranking. as to dividends. on a parity with or junior to this Series for any period unless full cumulative dividends have been or contemporaneously are declared and a sum sufficient for the payment thereof set apart for such payment on this Series for all dividend payment periods terminating on or prior to the date of payment of such full cumulative dividends. When dividends are not paid in full, as aforesaid, upon the shares of this Series and any other Preferred Stock ranking on a parity as to dividends with this Series, all dividends declared upon shares of this Series and any other Preferred Stock ranking on a parity as to dividends with this Series shall be declared pro rata so that the amount of dividends declared per share on this Series and such other Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of this Series and such other Preferred Stock bear to each other. Holders of shares of this Series shall not be entitled to any dividends, whether payable in cash- property or stock, in excess of full cumulative dividends, as herein provided, on this Series. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on this Series that may be in arrears.

(E) So long as any shares of this Series are outstanding no dividend (other than a dividend in Common Stock or in any other stock ranking junior to this Series as to dividends and upon liquidation and other than as provided in subsection (e)(2)(D) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other stock ranking junior to or on a parity with this Series as to dividends or upon liquidation. nor shall any Common Stock or any other stock of the Corporation ranking junior to or on a parity with this Series as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to this Series as to dividends and upon liquidation) unless, in each case, the full cumulative dividends on all outstanding shares of this Series shall have been paid for all past dividend payment periods.

(3) Conversion or Exchange. The holders of shares of this Series shall not have any rights to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation.

(4) Voting Rights. The holders of shares of a Series 1998A Junior Participating Preferred Stock shall have the following voting rights:

(A) Each share of Series 1998A Junior Participating Preferred Stock shall entitle the holder thereof to a number of votes equal to 100 multiplied by the Adjustment Ratio on all matters submitted to a vote of the stockholders of the Corporation.

(B) Except as required by law or the Corporation's Articles of Incorporation, holders of Series 1998A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are titled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

(5) Liquidation Rights.

(A) Upon the dissolution, liquidation (voluntary or otherwise), or winding up of the Corporation, the holders of the shares of this Series shall be entitled to receive out of the assets of the Corporation, before any payment of distribution shall be made on the Common Stock, or on any other class of stock ranking junior to the Preferred Stock upon liquidation, the amount of $7,500.00 per share, plus a sum equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution (the "Liquidation Preference"). Following the payment of the full amount of the Liquidation Preference, no additional distributions shall be made to the holders of shares of this Series unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subsection (e)(5)(B) below to reflect such events as stock splits. stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Junior Participating Preferred Stock and Common Stock, respectively, holders of this Series and holders of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) If the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding, Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately before such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately before such event.

(C) The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property and assets of the Corporation shall be deemed a voluntary, dissolution, liquidation or winding up of the Corporation for the purposes of this subsection (e)(5), but the merger or consolidation of the Corporation into or with another corporation or the merger or consolidation of any other corporation into or with the Corporation, shall not be deemed to be a dissolution, liquidation or winding up, voluntarily or involuntarily, for the purposes of this subsection (e)(5).

(D) After the payment to the holders of the shares of this Series of the full preferential amounts provided for in this subsection (e)(5), the holders of this Series as such shall have no right or claim to any of the remaining assets of the Corporation.

(E) If the assets of the Corporation available for distribution to the holders of shares of this Series upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to subsection (e)(5)(A), no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up. If, however, there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(6) Priority. For purposes of this resolution, any stock of any class or classes of the Corporation shall be deemed to rank:

(A) prior to the shares of this Series, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of this Series;

(B) on a parity with shares of this Series. either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Series, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or liquidation prices, Without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Series; and

(C) junior to shares of this Series, either as to dividends or upon liquidation, if the holders of shares of this Series shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be. in preference or priority to the holders of shares of such class or classes. "

THIRD: These Articles of Amendment were duly adopted by the Corporation's Board of Directors on February 23, 1998. Shareholder approval was not required.

/ S /
Bertram W. Klein
Chairman of the Board

Date: March 2, 1998

ARTICLES OF AMENDMENT TO THE AMENDED AND RESTATED ARTICLES OF INCORPORATION OF MID-AMERICA BANCORP

These Articles of Amendment to the Amended and Restated Articles of Incorporation of Mid-America Bancorp (the "Corporation") are being delivered to the Kentucky Secretary of State for filing pursuant to KRS 271B.10-060. The information required by KRS 271B.10-060 is as follows:

FIRST: The name of the Corporation is Mid-America Bancorp.

SECOND: These Articles of Amendment amend the Corporation's Amended and Restated Articles of Incorporation by adding new ARTICLES IX, X and XI (the "Amendments"), which read in their entirety as follows:

ARTICLE IX

Certain Voting Requirements

(a) In addition to any other requirements required by law or these Articles of Incorporation, except as specified in (b) below, a vote of the holders of at least seventy-five percent (75%) of the number of outstanding shares of each class of the capital stock of the Corporation shall be required to approve:

(i) The sale of all or substantially all of the assets of the Corporation;

(ii) The sale of all or substantially all of the assets of any Subsidiary;

(iii) The sale of all or part of the shares of any Subsidiary owned by the Corporation;

(iv) The distribution, by way of spinoff, dividend or other similar transaction of any shares of any Subsidiary or any assets thereof;

(v) Any merger or share exchange to which the Corporation or any Subsidiary is a party;

(vi) Any split-off or split-up of the Corporation; or

(vii) A plan of dissolution of the Corporation.

(b) The voting requirements of this Article shall not apply to a transaction specified in (a)(i) through (a)(vii) where:

(i) Any other provision of law or these Articles specifies a higher voting requirement, including, without limitation, Article X ["Business Combinations"] and KRS 271B.12-210; or

(ii) The proposed action has received the approval of a majority of the directors of the Corporation then holding office.

(c) For purposes of this Article, "Subsidiary" shall mean any corporation more than 50 % of whose outstanding stock having voting power in the election of directors is owned, directly or indirectly, by the Corporation or by a Subsidiary or by the Corporation and one or more Subsidiaries.

ARTICLE X

Business Combinations

The requirements of a shareholder vote and board approval in Section 271B.12-210 of the Kentucky Revised Statutes (the "Business Combinations Statute") shall apply only to any Business Combination of the Corporation with a person who becomes an Interested Shareholder of the Corporation at any time after the effective time of this Article X pursuant to KRS 271B. 1-230. For purposes of this Article X, "Business Combination" and "Interested Shareholder" shall have the meanings set forth in the Business Combinations

Statute; provided, however that a person who beneficially owns 10% or more of the voting power of outstanding voting stock of the Corporation at the effective time of this Article X shall not become an Interested Shareholder unless and until such time as such person shall become the beneficial owner of 24% or more of the voting power of outstanding voting stock of the Corporation solely as a result of such person's acquiring beneficial ownership of additional shares of voting stock of the Corporation (other than shares acquired as a result of the death of a parent or spouse or acquired pursuant to a profit-sharing, stock-based incentive compensation or other employee benefit plan maintained by the Corporation, to a dividend or distribution paid or made by the Corporation on the outstanding voting stock in shares of the same class of stock, or to a split or subdivision of the outstanding voting stock).

ARTICLE XI

Amendment or Repeal of Certain Articles

(a) Certain Definitions. For the purposes of this Article:

(i) A "Person" shall mean any individual, firm, trust, estate, corporation or business organization.

(ii) "Interested Shareholder" shall mean any Person (other than the Corporation or any Subsidiary) who or which:

(1) becomes the beneficial owner, directly or indirectly, of more than 15 % of the combined voting power of the then outstanding shares of Voting Stock after the date this Article takes effect; or

(2) beneficially owns, directly or indirectly, more than 15 % of the combined voting power of the then outstanding shares of Voting Stock at the date this Article takes effect, but only if, and at such time as, the Person becomes the beneficial owner of 24% or more of the outstanding shares of Voting Stock solely as a result of such Person's acquiring beneficial

ownership of additional shares of Voting Stock (other than shares acquired as a result of the death of a parent or spouse or acquired pursuant to a profit-sharing, stock-based incentive compensation or other employee benefit plan maintained by the Corporation, to a dividend or distribution paid or made by the Corporation on the outstanding Voting Stock in shares of the same class of stock, or to a split or subdivision of the outstanding Voting Stock); or

(3) is an Affiliate of the Corporation, became the beneficial owner (directly or indirectly) of more than 15 % of the combined voting power of the then outstanding shares of Voting Stock after the date this Article takes effect, and at any time within the two-year period immediately prior to the date in question was the beneficial owner (directly or indirectly) of 15 % or more of the combined voting power of the then outstanding shares of Voting Stock; or

(4) is an assignee of or has otherwise succeeded to the beneficial ownership of any shares of Voting Stock that were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(iii) A Person shall be a "beneficial owner" of any Voting Stock:

(1) which such Person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(2) which such Person or any of its Affiliates or Associates has (A) the right to acquire (whether such right is

exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (B) the right to vote or direct the vote pursuant to any agreement, arrangement or understanding; or

(3) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

(iv) For the purposes of determining whether a person is an Interested Shareholder pursuant to (a) (ii) of this Article, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of (a)(iii) of this Article but shall not include any other shares of Voting Stock that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(v) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on January 1, 1998

(vi) "Subsidiary" shall mean any corporation more than 50% of whose outstanding stock having ordinary voting power in the election of directors is owned, directly or indirectly, by the Corporation or by a Subsidiary or by the Corporation and one or more Subsidiaries; provided, however, that for the purposes of the definition of Interested Shareholder set forth in (a)(ii) of this Article, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

(vii)"Disinterested Director" shall mean (1) any member of the Board of Directors of the Corporation who is unaffiliated with, and not a nominee of, the Interested Shareholder and was a member of the Board prior to the time that the Interested Shareholder became an Interested Shareholder, or (2) any successor of a Disinterested Director who is unaffiliated with, and not a nominee of, the Interested Shareholder and who is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

(viii)"Voting Stock" shall mean the voting power of the then outstanding shares of all classes and series of the Corporation entitled to vote generally in the election of directors.

(b) Notwithstanding anything in these Articles of Incorporation to the contrary and in addition to any affirmative vote required by law, the affirmative vote of the Required Proportion (as defined below) of Voting Stock shall be required to alter, amend, or repeal Articles V [Number and Authority of Directors], VI [Indemnification], VII [Consideration of Certain Factors], VIII [Limitation of Director Liability], IX [Certain Voting Requirements], X [Business Combinations], or XI [Amendment or Repeal of Certain Articles] of these Articles of Incorporation or to adopt any provision inconsistent therewith.

(c) For purposes of paragraph (b) of this Article, the Required Proportion shall be calculated by dividing (i) the sum of (1) the number of shares of Voting Stock beneficially owned by any Interested Shareholder, directly or indirectly, plus (2) seventy percent (70%) of all the remaining shares of Voting Stock not beneficially owned by any Interested Shareholder, directly or indirectly, by (ii) the total number of shares of Voting Stock.

(d) A majority of the Disinterested Directors of the Corporation shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this

Article, including, without limitation, (i) whether a Person is an Interested Shareholder, (ii) the number of shares of Voting Stock beneficially owned by any Person, (iii) whether a Person is an Affiliate or Associate of another Person and whether a director is unaffiliated with an Interested Shareholder, and (iv) whether the requirements of paragraph (b) of this Article have been met with respect to any shareholder vote specified therein. The good faith determination of a majority of the Disinterested Directors on such matters shall be conclusive and binding for all purposes of this Article.

THIRD: None of the Amendments provides for an exchange, reclassification, or cancellation of issued shares.

FOURTH: The Amendments were adopted by holders of the Corporation's common stock, the Corporation's sole class of issued and outstanding shares, at the Corporation's 1998 Annual Meeting of Shareholders (the " 1998 Annual Meeting") on April 16, 1998. There were 9,890,490 shares of common stock issued, outstanding and entitled to vote at the 1998 Annual Meeting, of which 8,404,825 shares were indisputably represented at the 1998 Annual Meeting. The total number of shares of common stock cast for, against, abstaining from, or not voted upon the proposals to approve each of the Amendments at the 1998 Annual Meeting were as follows:

	For	Against	Abstain	Not Voted
ARTICLE IX	6,250,769	499,935	31,865	1,622,256
ARTICLE X	6,276,701	480,379	47,236	1,600,509
ARTICLE XI	6,243,756	508,445	30,368	1,622,256

- S -
Bertram W. Klein
Chairman of the Board

Date: January 5, 1999

- S -
Gail Mount
Secretary

Date: January 5, 1999

<TABLE>
<CAPTION>
Statements re computation of per share earnings   Exhibit 11
(In Thousands Except for Per Share Data)

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
BASIC NET INCOME PER SHARE			
Weighted average common stock outstanding.......	10,215	10,093	9,970
Net income.......................................	$20,213	$17,915	$15,029
Basic net income per share......................	$1.98	$1.78	$1.50
DILUTED NET INCOME PER SHARE			
Weighted average common stock outstanding.......	10,215	10,093	9,970
Common equivalent shares for stock options using the treasury stock method..................	210	176	72
Weighted average shares outstanding............	10,425	10,269	10,042
Net income.......................................	$20,213	$17,915	$15,029
Diluted net income per share....................	$1.94	$1.75	$1.50

</TABLE>
All share and per share information has been adjusted for the 3% stock dividend declared in November 1998.

Comparative Summary

<TABLE>
<CAPTION>

Dollars In Thousands, Except Per Share Amounts	1998	1997	1996
<S>	<C>	<C>	<C>
AT YEAR END			
Total assets	$1,594,763	$1,509,579	$1,420,933
Total deposits	953,924	878,829	825,257
Loans, net of unearned income	1,005,021	891,075	804,182
Total shareholders' equity	167,436	155,709	140,638
FOR THE YEAR			
Net income	$20,213	$17,915	$15,029
Cash dividends declared	8,345	7,441	6,491
PER SHARE DATA			
Book value	$16.34	$15.30	$14.07
Market value	27.13	32.63	17.88
Cash dividends declared	0.82	0.74	0.65
Basic net income	1.98	1.78	1.50
Diluted net income	1.94	1.75	1.50
SELECTED RATIOS			
Return on average total assets	1.40%	1.30%	1.14%
Return on average shareholders' equity	12.54	12.15	11.13
Efficiency ratio	61.17	61.30	64.70
Cash dividend payout ratio	41.41	41.57	43.33
Average shareholders' equity to average total assets	11.20	10.73	10.28
Allowance for loan losses to loans, net of unearned income	0.90	1.03	1.14

</TABLE>

MANAGEMENT'S DISCUSSION and ANALYSIS

OF FINANCIAL CONDITION and RESULTS OF OPERATIONS

This discussion analyzes the results of operations and financial condition for MidAmerica Bancorp and subsidiaries (the Company), including its primary subsidiary, Bank of Louisville (the Bank). It should be read in conjunction with the consolidated financial statements and related notes presented on pages 23 to 46.

1998 COMPARED TO 1997

Net income for 1998 was $20,213,000 or $1.94 on a diluted per share basis compared with $17,915,000 or $1.75 on a diluted per share basis for 1997. Basic net income per share was $1.98 in 1998 and $1.78 in 1997. For 1998, return on average total assets (ROA) was 1.40% and return on average equity (ROE) was 12.54%, compared with ROA of 1.30% and ROE of 12.15% in 1997. The efficiency ratio in 1998 was 61.17%, a slight improvement from 61.30% in 1997. The principal factors that contributed to the increase in net income in 1998 compared to 1997 included the following

*A non-recurring gain on the sale of the money order subsidiary of $4.6 million was recognized in 1998.

*An increase in net interest income on a tax equivalent basis of $2.2 million in 1998, with the benefit of increased average earning assets of $56 million offsetting the negative impact of lower interest rates.

*An increase of $1.8 million in the core sources of non-interest income, including trust revenue, deposit service charges, gift certificate fees and bank card fees.

*An increase in non-interest expenses of $7.5 million in 1998, considering the absence of expenses of the former money order subsidiary from the 1997 expense base. Approximately $3.4 million of the increase is attributed to three matters; incremental expenses associated with the Companys Year 2000 project, costs associated with the Companys new image campaign and legal costs related primarily to intensive discovery efforts in one ongoing litigation matter. Excluding these matters, other operating expenses increased 9.8% in 1998 compared to the adjusted 1997 expense base.

The discussion that follows explains in more detail the factors affecting 1998 operating results and changes in financial condition.

NET INTEREST INCOME

Net interest income is the difference between interest income on earning assets and interest expense incurred for funding sources used to support earning assets. Earning assets include primarily loans and securities. The primary sources used to fund these assets include deposits, purchased and borrowed funds, and capital. In 1998, net interest income on a tax equivalent basis increased $2,184,000 or 3.7% to $61,482,000. Net interest income was favorably impacted by the increase in average earning assets and the redeployment of earning assets from maturing securities to loans. The average prime rate in 1998 was 8.36% compared to 8.44% in 1997. The average rate on five year U.S. Treasury securities was 5.15% in 1998 compared to 6.21% in 1997. The impact of generally lower market interest rates in 1998 than in 1997 partially offset the benefits of earning asset growth. A significant result of lower rates was increased premium amortization on collateralized mortgage obligations (CMO), which corresponded to accelerated CMO prepayments experienced in the low mortgage rate environment in 1998. See Interest Income and Interest Expense Volume and Rate Changes For the Years 1998 and 1997 Tax Equivalent Basis.

The net interest spread is the difference between the average rate of interest earned on earning assets on a tax equivalent basis and the average rate of interest expensed on interest bearing liabilities. The net yield on earning assets is net interest income on a tax equivalent basis as a percent of the average balance of earning assets. The average yield on earning assets was 8.31% in 1998 compared to 8.35% in 1997, which was accompanied by a decline in the average rate on interest bearing liabilities from 4.80% in 1997 to 4.71% in 1998. The net interest spread was 3.60% in 1998 compared to 3.55% in 1997. The net yield on earning assets declined slightly in 1998 to 4.52% compared to 4.54% in 1997. Detailed information on the average balances of earning assets and funding sources, interest rates, and the net yield on earning assets is shown in the table on page 16.

Average earning assets increased approximately $56 million or 4.3% in 1998 to $1.364 billion. Average loans increased approximately $108 million or 13.2% to $926 million. Approximately $47 million of the average loan growth related to retail loans, with the vast majority of this growth being attributed to the Companys new indirect automobile lending program. Average commercial loans increased $61 million during 1998, despite substantial pay-offs arising from refinancing activities in 1998s lower fixed rate environment. There was a decrease in the average securities portfolio of approximately $50 million, as proceeds from maturing securities were used to fund loan growth.

The net growth in average earning assets was supported by a $57 million increase in average interest bearing deposits and a $6 million increase in average non-interest bearing sources of funds, which included gift certificates outstanding, demand deposits, and shareholders' equity. Average advances from the Federal Home Loan Bank (FHLB) increased approximately $5 million, as the addition of $20 million of convertible fixed rate advances exceeded scheduled payments. Repurchase agreements, a short-term higher yielding collateralized instrument used by individual and corporate customers with large amounts of investable funds, averaged $247 million during 1998, and continue to be a significant funding source. Average non-interest bearing deposits, other liabilities and capital were approximately 24% and 25% of average assets in 1998 and 1997, respectively.

The changes in interest income attributable to volume and rate changes are summarized in the table on page 17.

PROVISION FOR LOAN LOSSES AND ALLOWANCE FOR LOAN LOSSES

The provision for loan losses was $972,000 in 1998 compared to $300,000 for 1997. The provision for loan losses was determined with consideration given to the level of charge-off experience and non-performing loans, and the results of detailed loan review procedures and evaluations of the adequacy of the allowance for loan losses. During 1998, the Company had net charge-offs of $1,171,000 or 0.13% of average loans, compared to $258,000 or 0.03%

of average loans in 1997. Non-performing loans of $4.5 million at December 31, 1998, were 0.44% of total loans compared to $2.5 million and 0.28% at December 31, 1997.

The allowance for loan losses is maintained at a level adequate to absorb estimated probable credit losses in the loan portfolio, considering non-performing loans and overall economic conditions. In evaluating the allowance for loan losses, management considers its evaluation of the risk characteristics of the loan portfolio including the impact of current economic conditions on the borrowers' ability to repay, past collection experience and such other factors which, in management's judgment, deserve current recognition. The Companys loan review procedures include detailed reviews of loans in excess of $250,000 on an annual basis, and timely reviews of loans over $50,000 that become 30 days past due. Each loan reviewed is graded and assigned to a risk category and, if necessary, a specific allowance is established. Specific allowances for $3.6 million of impaired loans aggregated $1.2 million at December 31, 1998. Smaller loans in the consumer and real estate mortgage categories, are evaluated as a group considering historical loss experience, the level of delinquent loans, and changes in the risk characteristics of these homogeneous categories of loans. At December 31, 1998, the allowance for loan losses was 0.90% of loans outstanding and 202% of non-performing loans, compared to 1.03% of loans outstanding and 373% of non-performing loans at December 31 1997.

During 1998, the commercial and financial loan category increased $30 million or 7%. While these loans are generally larger, the Company limits its risk exposure for these, as well as other categories of loans, by following conservative underwriting practices. The Company's aggregate net loss for this category of loans over the last five years has been approximately $1.9 million. Real estate construction and development loans increased approximately $12 million since last year, while the underlying loan composition in this category remains diversified between residential and commercial properties. There have been no losses in this category of loans over the last three years. During 1998, the Company significantly expanded its involvement in the indirect automobile lending market. These loans are obtained through relationships with 43 local automobile dealers and are subject to underwriting guidelines which Management believes are appropriate for proper evaluation and identification of the risks associated with this type of lending. Retail loans, including indirect automobile loans, increased $72 million or 18% in 1998. Management believes that the indirect loan portfolio will grow significantly in 1999.

The table on page 5 is a summary of the Company's loan loss experience for each of the last three years.

<TABLE>
<CAPTION>

ALLOWANCE FOR LOAN LOSSES

Dollars In Thousands	1998	1997	1996
<S>	<C>	<C>	<C>
Balance, January 1	$9,209	$9,167	$9,318
Provision for loan losses	972	300	414
Net loan charge-offs	(1,171)	(258)	(565)
Balance, December 31	$9,010	$9,209	$9,167
Average loans	$925,522	$817,262	$767,755
Loans at year-end	1,005,021	891,075	804,182
Non-performing loans at year-end	4,466	2,466	4,349
Impaired loans at year-end	3,578	1,670	3,424
Provision for loan losses to average loans	0.11%	0.04%	0.05%
Net charge-offs to average loans	0.13	0.03	0.07
Allowance for loan losses to average loans	0.97	1.13	1.19
Allowance for loan losses to year-end loans	0.90	1.03	1.14

</TABLE>

NON-INTEREST INCOME

In 1998, the Company completed the sale of its money order subsidiary, MidAmerica Money Order Company, and recognized a gain of $4.6 million. As part of the agreement with the purchaser, the

Company was to provide data processing and other services to the purchaser for 4 years. These processing fees, included in other non-interest income, aggregated $1.3 million and when combined with $2.2 million of expense reductions and income related to investment of the sales proceeds, more than offset the absence of float revenue and $2.2 million of money order fees from 1998. In May, 1998, the purchaser of the money order subsidiary was acquired by another company in the money order business and a dispute arose about future processing services by the Company. In mid-January 1999, a settlement was reached whereby processing and other services would continue through May 1999 and the Company received a $2.1 million settlement payment. The settlement proceeds will be recognized in income in the second quarter of 1999, after all conditions of the settlement are completed.

Other non-interest income in 1998 also includes gains on sales of other real estate aggregating $1.2 million. See Non-Performing Assets.

The remaining core components of non-interest income, after excluding the above matters, aggregated $12.7 million in 1998 and increased $1.8 million or 16% over the aggregate of comparable items in 1997.

Service charges on deposit accounts, the largest component of non-interest income, were $5.5 million in 1998, an increase of 9% over 1997. During 1998, the Company's consumer transaction account product line was regularly promoted, along with image promotions, causing the retail customer account base to increase by approximately 4.7%, with a resultant favorable movement in local market share. This increase in retail volume and normal fee adjustments contributed to the increase in service charges on deposit accounts.

Trust income was approximately $2.5 million in 1998, an increase of $1.1 million or 81%, compared to 1997. The increase in trust income is primarily attributed to the business expansion activities of the Personal Trust and Investment Group, a new division, consisting of several locally recognized trust officers who joined the Company in May 1997. As of December 31, 1998, this new trust group had added approximately $291 million to trust assets under management since joining the Company. The Companys securities transfer operation, which generated fees of $168,000 in 1998, was discontinued in the fourth quarter of 1998. Considering the expenses attributed to this function, the absence of these fees is not anticipated to adversely impact future net income.

Gift certificate fees were $952,000 in 1998, a 75% increase compared to 1997. The Company retained the mall/retail gift certificate program of the former money order subsidiary and continued to develop this rapidly expanding business through its new subsidiary, MidAmerica Gift Certificate Company, in 1998. The gift certificate subsidiary is a nationwide provider of gift certificates, through an expanding network of 321 mall agents. In 1998, gift certificate volume increased 35% to 6.3 million items. The gift certificate fee increase is attributable to the increased volume, as well as increased service charge revenue on unpaid items.

The aggregate of the remaining components of other non-interest income was down slightly in 1998 compared to 1997. Net fees from the Company's debit and credit card products and merchant business increased 35% to $1.3 million in 1998, as the retail card base expanded and the merchant business was expanded to the gift certificate subsidiarys mall agent base. ATM fees of $656,000 in 1998, were relatively unchanged from the prior year level. Credit life and A & H insurance premiums and commissions decreased $276,000 or 27% as direct retail loan activity in 1998 declined. A new service in 1998, an investment management service for community banks, generated revenue of $240,000. Operating losses on low-income housing joint ventures increased $373,000 in 1998 to $407,000. These operating losses were expected and are offset by tax credits from these projects (See Income Taxes).

OTHER OPERATING EXPENSES

Other operating expenses increased $5.3 million in 1998 on a previous year base of $44 million. The 1997 expense base includes approximately $2.2 million of operating expenses related to the former money order subsidiary. Considering the absence of these 1997 expenses, 1998 operating expenses increased approximately $7.5 million. This increase in other operating expenses was significantly impacted by expenses attributed to three matters: Year 2000, the Companys new image campaign and legal costs.

Incremental expenses associated with the Companys Year 2000 project were approximately $1.1 million. See Year 2000. Advertising and marketing expenses increased $625,000 in 1998, as the Company supplemented its regular product promotions with the promotion of its new corporate image. Legal expenses increased $1.6 million in 1998 as the Company incurred legal costs for intensive discovery efforts in the ongoing litigation matter involving Kentucky Central Life Insurance Company (in Rehabilitation), the sale of the money order subsidiary and the dispute involving the money order processing agreement. In the aggregate, the above matters contributed $3.4 million to the increased level of other operating expenses. In addition to these expenses, the Companys remaining operating expenses increased $4.1 million or 9.8% in 1998, with a significant portion of the remaining increase attributed to the increased level of salaries and benefits.

Salaries and benefits, the largest component of other operating expenses, increased $2.6 million to $28.5 million in 1998. Excluding the 1997 salaries and benefits of the former money order subsidiary from the comparison, salaries and benefits increased $3.4 million. Included in the increase are incremental salaries and benefits related to the Year 2000 project of $826,000 and increases in employee benefits, discussed below, of $440,000. The remaining increase was $2.1 million, an increase of 8.6% over the adjusted 1997 base. Approximately one-half of this increase was attributed to annual salary merit increases, effective in April 1998, that averaged 5.2% and increases in certain incentive bonus plans. The remaining portion of the year-to-year comparison was impacted by the mid-year 1997 addition of senior level trust personnel and staff increases primarily for new or growing operating areas, such as the indirect lending function and gift certificate subsidiary. Personnel levels increased with average full-time equivalent (FTE) employees of 622 in 1998 and 603 in 1997. (19 former money order subsidiary employees are excluded from 1997 for comparability).

Excluding the impact of a $298,000 settlement loss arising from a lump sum payment to settle obligations of the Company's non-qualified excess benefit plan in 1997, pension costs increased $368,000 in 1998, as a result of a reduction in the actuarial discount rate and an increase in covered compensation. Health insurance costs increased $260,000 in 1998 as claims experience increased over the prior year level.

Occupancy and furniture and equipment expenses both reflected decreases in 1998 compared to 1997. Occupancy expense of $3.0 million decreased $87,000 in 1998 primarily as a result of subleasing the former money order subsidiarys location in 1998. Furniture and equipment expenses of $4.2 million declined $358,000 in 1998 compared to 1997. Excluding the impact of the former money order subsidiarys depreciation and maintenance in 1997, furniture and equipment expenses in 1998 would have reflected an increase of $419,000 or 10.9%. In 1998, depreciation expense increased as computer equipment was upgraded in connection with the Year 2000 project and the new branch automation system was completed. Management monitors and controls the level of capital expenditures and each significant capital project is subject to rigorous cost/benefit analysis.

The other expenses category of other operating expenses includes advertising and marketing, operating supplies, legal and professional fees, taxes other than income taxes and other expenses. The aggregate amount of other operating expenses increased $3.2 million in 1998 compared to 1997. Excluding other expenses of the former money order subsidiary from 1997, the increase would have been $3.7 million. The previously discussed matters related to Year 2000, Company image and legal costs contribute $2.3 million to this increase in other expenses. Advertising and marketing expenses of $2.2 million increased $625,000 or 40% in 1998 compared to 1997, as the Company continued its level of regular advertising for loan and deposit product promotions, which was supplemented with corporate image promotion subsequent to the unveiling of the Companys new logo and image at the end of the first quarter of 1998. Operating supplies expenses decreased $537,000 in 1998, with $305,000 of the decrease attributed to the absence of the former money order subsidiarys supplies expenses and $185,000 of the decrease attributed to the absence of 1997 expenses associated with forms and logo design for the Companys new image project. The professional fees component of legal and professional fees increased approximately $380,000 in 1998, primarily as a result of contractors and consultants for the Year 2000 project, market and branch studies and Web site development. Bank, property and other taxes decreased $117,000 in

1998, as a result of lower levels of other real estate owned and the absence of $49,000 of such expenses related to the former money order subsidiary. Aside from these issues, other operating expenses increased $1.4 million in 1998 compared to 1997. This increase related to several individually insignificant other expense components such as charitable contributions, bank card processing expenses, ATM processing expenses, dues and subscriptions, postage and similar general business expenses.

INCOME TAXES

The effective tax rates were 29.8% and 31.0% for 1998 and 1997, respectively. The difference between the statutory and the effective tax rates was principally attributable to tax-exempt interest income on obligations of states and political subdivisions and certain loans. In 1998, the Company recognized tax credits of $602,000, related to its investments in low-income housing joint ventures, which contributed to the decline in the effective tax rate.

BALANCE SHEET

Total assets were $1.595 billion at December 31, 1998, compared with $1.509 billion at the end of 1997. Total assets averaged $1.439 billion during 1998, an increase of approximately $65 million, or 4.7% over 1997. Average earning assets increased approximately $56 million or 4.3% to $1.364 billion in 1998. Increased loan volume accounted for the increase in earning assets.

SECURITIES

The Company's securities portfolio includes obligations of the U.S. Government and its agencies, CMO, obligations of various states and political subdivisions, corporate debt securities, and equity securities (Federal Reserve Bank and Federal Home Loan Bank stock). At December 31, 1998, securities available for sale totaled approximately $386 million. These securities had net unrealized holding losses of approximately $2.0 million that resulted in a decrease in shareholders' equity of approximately $1.3 million, net of income taxes, at December 31, 1998. During 1998, the average securities portfolio declined $50 million, as maturities and repayments were used to provide for loan funding requirements in excess of the growth in deposits and other funding sources. The CMO in the portfolio aggregate approximately $147 million at December 31, 1998 and have an estimated weighted average life of 1.4 years, based on current market prepayment conditions.

Securities classified as held to maturity were approximately $84 million at December 31, 1998, and had net unrealized gains of $15,000. These securities, with a weighted average life of 0.08 years, were purchased to invest funds available from seasonal gift certificate activity.

The securities portfolio is utilized for pledging requirements on securities sold under agreements to repurchase, and public and fiduciary deposits, and provides liquidity from scheduled maturities.

LOANS

Total loans, net of unearned income, were $1.005 billion at December 31, 1998, an increase of approximately $114 million or 12.8% compared to December 31, 1997. Average loans increased approximately $108 million or 13.2%, to $926 million in 1998 from $817 million in 1997.

Commercial and financial, and construction and development loans increased approximately $42 million or 8.5% to $535 million at December 31, 1998, as the Company continues to emphasize lending to businesses in the community. The significant categories of commercial and financial borrowers are health services, religious organizations, financial holding entities, general building contractors, and those requiring permanent financing on commercial real estate. Construction and development loans are principally for the development of residential housing tracts, office buildings and shopping centers.

Residential real estate mortgage loans were approximately $336 million at December 31, 1998, an increase of approximately $7 million or 2% from a year ago. The Company has historically emphasized home equity financing which contributes to this concentration in the loan portfolio. Real estate mortgages are principally in the metropolitan Louisville, Kentucky area. This geographic market has not experienced significant inflation or deflation in real estate prices over the past several years.

Consumer loans, excluding real estate mortgage loans, increased approximately $65 million or approximately 95% in 1998 to approximately $134 million. In late 1997, the Company started an indirect auto lending program and had approximately $4 million of indirect loans at December 31, 1997. In 1998, this program was significantly expanded to 43 area dealers and at December 31, 1998, the indirect loan portfolio was approximately $71 million. Throughout 1998, Management expanded the staffing and other resources devoted to the daily management of this portfolio of loans. Detailed policies and procedures regarding the approval and evaluation of these loans have been developed in acknowledgement of the unique risk attributes of these loans as compared to the remainder of the consumer loan portfolio.

The Company has no foreign loans and lends principally within the Louisville, Kentucky metropolitan area.

NON-PERFORMING ASSETS

Non-performing assets include non-accrual loans, loans 90 days or more past due and other real estate held for sale. At December 31, 1998, non-performing assets totaled $15,824,000 compared with $18,652,000 at December 31, 1997. Information with respect to non-performing loans and assets is presented in the table below.

The accrual of interest on loans is discontinued when it is determined that the collection of interest or principal is doubtful, or generally when a default of interest or principal has existed for 90 days or more, unless the loan is fully secured and in the process of collection.

The level of non-performing loans increased from $2.5 million at the end of 1997 to approximately $4.5 million at the end of 1998. Of these non-performing loans at December 31, 1998, $3.6 million are classified as impaired with a related allowance for loan losses of $1.2 million. At December 31, 1998, there were loans of approximately $3.8 million for which payments were current or less than 90 days past due where borrowers are currently experiencing financial difficulties. Management has carefully evaluated its risk, including consideration of underlying collateral values based on current market conditions, with respect to non-performing and potential problem loans. Significant losses are not expected from non-performing or potential problem loans as of December 31, 1998.

Other real estate held for sale at December 31, 1998, aggregated $11.3 million and was principally comprised of properties acquired in settlement of real estate development loans in 1996, and a completed condominium project acquired in settlement of loans in 1997. The carrying value of the real estate development property has been substantially reduced through sales from the original carrying value of $15.2 million in 1996, to $2.6 million at December 31, 1998. The Company has contracts for additional property sales expected to close in 1999, that are expected to reduce carrying value by $1.4 million and result in gains of approximately $.8 million. Aside from the property involved in anticipated 1999 closings, the Company will have 15 acres of commercial property remaining with a carrying value of $1.4 million. Sales efforts on the remaining commercial property are expected to accelerate now that a fronting highway was widened to four lanes. The condominium project involves 31 completed and readily marketable units and 7.5 acres of adjacent developed land. This riverfront development has a carrying value of $7.2 million, which is supported by the sales value of the units and appraised value of the land. Management intends to continue to provide for the orderly development and marketing of these properties in a manner designed to maximize the value thereof to the Company.

During 1998, other real estate acquired in settlement of loans aggregated $.7 million, and sales of other real estate aggregated $8.2 million.

<TABLE>
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NON-PERFORMING ASSETS

Dollars In Thousands
December 31

	1998	1997	1996	1995	1994

<S>	<C>	<C>	<C>	<C>	<C>
Loans accounted for on a non-accrual basis	$1,416	$1,678	$3,424	$14,301	$2,705
Loans contractually past due ninety days or more as to interest or principal payments	3,050	788	925	842	806
Total non-performing loans	4,466	2,466	4,349	15,143	3,511
Other real estate held for sale	11,358	16,186	9,577	1,085	2,385
Total non-performing assets	$15,824	$18,652	$13,926	$16,228	$5,896
Non-performing loans to total loans	0.44%	0.28%	0.54%	2.02%	0.50%
Non-performing assets to total assets	0.99	1.24	0.98	1.24	0.49
Allowance for loan losses to non-performing loans	201.75	373.44	210.78	61.53	200.66

</TABLE>

DEPOSITS

Total deposits increased approximately $75 million to $954 million on December 31, 1998, compared to $879 million on December 31, 1997. Deposits also increased on an average basis during 1998, increasing approximately $71 million or 8.7% to $890 million. In recent years, the Company has taken several measures to increase its deposit balances: consumer checking products were redesigned, simplified and repriced, commercial cash management services were enhanced and expanded, new high rate/high minimum balance transaction and savings account products were developed and product and rate advertising campaigns were consistently used. Average interest bearing deposits for the year increased $57 million or 8% from $711 million to $768 million. Sixty percent of the increase related to savings products that are priced to be competitive with broker money market rates. Average non-interest bearing deposits increased approximately 13% to $122 million, with commercial accounts providing for a significant portion of the increase. Large certificates of deposit increased on an average basis approximately 4% to $69 million during 1998. Other time deposits, primarily regular certificates of deposit, increased approximately $21 million or 6% to $363 million, with the increase attributed to regular advertising of competitive rates.

ADVANCES FROM THE FEDERAL HOME LOAN BANK

FHLB advances increased to $75 million at the end of 1998, from $63 million at the end of 1997. New convertible fixed rate advances of $20 million were borrowed during 1998. The Company has historically used this source of fixed rate funds to match its fixed rate mortgage loan products.

GIFT CERTIFICATES OUTSTANDING

Gift certificates outstanding at December 31, 1998, were $95 million, compared to $72 million at the end of 1997, an increase of 32%. This increase corresponds to the 35% increase in items issued in 1998 compared to 1997. The aggregate balance of gift certificates and money orders outstanding at December 31, 1997 includes $33 million of outstanding money orders of the former money order subsidiary. On an average basis, the combined gift certificate and money order balances decreased approximately $18 million in 1998 compared to 1997, with such decline attributed to the absence of the former money order company subsidiary. The average balance of gift certificates outstanding for 1998 increased approximately $14 million, to $38 million. Gift certificates outstanding will continue to be a significant source of non-interest bearing funds for the Company.

SHAREHOLDERS' EQUITY

Shareholders' equity increased approximately $12 million to $167.4 million at December 31, 1998. Average shareholders' equity increased approximately $14 million to $161 million and was 11.2% of average total assets for 1998. The Company's primary source of capital is net income, net of dividends paid. Shareholders' equity was impacted by unrealized holding losses on securities available for sale, which decreased shareholders' equity during 1998 by $1.3 million. Shareholders' equity was also increased $1.1 million in 1998 through proceeds and tax benefits from exercised stock options.

Bank regulators monitor capital adequacy under risk based capital guidelines which place assets and certain off-balance-sheet activities in various categories of risk with varying weights. Also, a minimum leverage ratio, based on shareholders' equity as a percentage of total assets, is required. As of December 31, 1998, the Company's capital ratios exceeded required minimums and placed the Company in the "Well Capitalized" category under applicable banking regulations. Refer to Note M to the consolidated financial statements for regulatory capital information.

YEAR 2000

Many computer systems (including those in non-information technology equipment and systems) currently record years in a two-digit format. If not addressed, such computer systems may be unable to properly interpret dates beyond the year 1999, which could lead to business disruptions in the U.S. and internationally (the Year 2000 issue). The potential costs and uncertainties associated with the Year 2000 issue will depend on a number of factors, including software, hardware and the nature of the industry in which a company operates. Additionally, companies must coordinate with other entities with which they electronically interact.

During 1998, the Company continued with its organization-wide program of preparing its systems for Year 2000 compliance and developed detailed plans to address the possible business exposures related to the Year 2000 issue. The Company has a formal Millennium Program Office, executive level sponsors, and several steering committees represented by all of the business units of the Company. A committee of the Board of Directors oversees the program.

The Company has reviewed its systems and programs to identify those that contain two-digit year codes, and is in the process of upgrading its infrastructure and corporate facilities to achieve Year 2000 compliance. In addition, the Company is actively working with its major external counterparties and suppliers to assess their compliance and remediation efforts and the Companys exposure to them. In addressing the Year 2000 issue, the Company has identified the following phases: In the Awareness phase, the Company defined the Year 2000 issue and obtained executive level support and funding. In the Assessment phase, the Company collected a comprehensive list of items that may be affected by Year 2000 compliance issues. Such items include facilities and related non-information technology systems (embedded technology), computer systems, hardware, and services and products provided by third parties. The Company then evaluated the items identified in the Assessment phase to determine which will function properly with the change to the new century, and ranked items which will need to be remediated based on their potential impact to the Company. The Renovation phase includes repair or replacement of non-compliant items. The Validation phase includes a thorough testing of all proposed repairs, including present and forward date testing which simulates dates in the Year 2000. The Implementation phase consists of placing all items that have been remediated and successfully tested into production.

As of December 31, 1998, the Company had completed the Awareness and Assessment phases. Renovation was complete on Information Technology (IT) applications and well underway on non-IT systems. As of December 31, 1998, the Company was also conducting the procedures associated with the Validation and Implementation phases. The Company expects that mission critical applications in the mainframe and distributed applications categories to be compliant (remediated, tested and implemented) by March 31, 1999. Mission critical PC applications will be remediated and tested by June 30, 1999, with the Implementation phase completed by September 30, 1999. The table below indicates the extent to which mission critical applications were compliant at December 31, 1998 and the estimated status at March 31, 1999.

MISSION CRITICAL APPLICATION SUMMARY

	Percent of Applications Year 2000 Compliant	
Category	12-31-98 (Actual)	3-31-99 (Estimated)
Mainframe applications	32%	100%
Distributed applications	50%	100%
PC applications	43%	86%

The Company has reviewed Year 2000 issues with its major business relationships, significant loan and deposit customers, counterparties, intermediaries and vendors with whom it has important financial and operational relationships to determine the extent to which they are vulnerable to Year 2000 issues. Based on this review (and assuming the accuracy of the responses and representations), as of December 31, 1998, the Company does not expect any material adverse impact from third-party Year 2000 non-compliance. In addition, the Company has communicated with its customer base and plans additional communications as necessary.

The Company has incurred internal staff costs as well as consulting, new hardware and software expenses, and other expenses related to this program. A significant portion of these costs are not incremental costs to the Company, but rather represent the redeployment of existing information technology and business unit resources. A summary of costs incurred on the project through December 31, 1998 and estimated future costs is set forth below.

In thousands	Costs Incurred Through December 31, 1998	Estimated Future Costs	Total
IT Personnel Resources	$1,360	$1,722	$3,082
Business Unit Personnel Resources	286	411	697
External Contractors / Consultants	68	138	206
Replacement Software	270	145	415
Replacement / Upgrade Hardware	980	214	1,194
Other Costs	24	28	52
	$2,988	$2,658	$5,646

Portions of the above costs relate to capital items that are depreciated over useful lives. Accordingly, the above cost summary is not representative of amounts being presently expensed. For the year ended December 31, 1998, $1.9 million of the Year 2000 costs were expensed, including $240,000 of depreciation and approximately $780,000 of costs for time spent by existing personnel devoted to this program.

Although the Company does not presently anticipate a material business interruption as a result of the Year 2000 issue, there are many risks associated with the Year 2000 issue, including the possibility of a failure of the Companys computer and non-information technology systems. Such failures could have a material adverse effect on the Company and may cause systems malfunctions, incorrect or incomplete transaction processing, the inability to reconcile accounting records, and the inability to reconcile balances with counterparties. In addition, even if the Company successfully remediates its Year 2000 issues, it could be materially and adversely affected by failures of third parties to remediate their own Year 2000 issues. The failure of third parties with which the Company has financial or operational relationships such as securities exchanges, clearing organizations, depositories, regulatory agencies, banks, clients, counterparties, vendors and utilities, to remediate their computer and non-information technology systems issues in a timely manner could result in a material financial risk to the Company. If the above mentioned risks are not remedied, the Company may experience business interruption, financial loss, regulatory actions, damage to its franchise and legal liability. While it is too early to predict with any reasonable accuracy what failures may occur, the Company believes that the continuance of sufficient planning, communication, coordination and testing will mitigate potential material disruption. The Company has business continuity plans in place that cover its current operations, and Year 2000 specific contingency planning has begun. The Company will complete the Year 2000 specific contingency plans during 1999 as part of its Year 2000 risk mitigation efforts.

The disclosure contained in this Annual Report is designated as a Year 2000 Readiness Disclosure as that term is used in the Year 2000 Information and Readiness Disclosure Act.

INTEREST RATE SENSITIVITY MANAGEMENT

The primary objective of interest rate risk management is to control the effects that interest rate fluctuations have on net interest income and net income. Interest rate risk is measured using net interest margin simulation and asset/liability sensitivity analyses.

Simulation tools serve as the primary means to quantify interest rate exposure and are a more relevant method of measuring interest rate risk than the static interest rate sensitivity gap table shown on page 18, which provides only the relationship between maturing and repricing assets and liabilities. Assumptions regarding the replacement of maturing assets and liabilities are made to simulate the impact of future changes in rates and/or changes in balance sheet composition. The effect of changes in future interest rates on the mix of assets and liabilities may cause actual results to differ from simulated results. Further, the simulation does not contemplate any actions the Company could undertake in response to changes in interest rates. In addition, certain financial instruments provide customers a certain degree of flexibility. For instance, customers have migrated from lower cost deposit products to higher cost products. Also, customers may choose to refinance fixed rate loans when interest rates decrease. While the Company's simulation analysis considers these factors, the extent to which customers utilize the ability to exercise their financial options may cause actual results to differ from the simulation.

The table below illustrates the simulation analysis of the impact of a 50 or 100 basis point (bp) upward or downward movement in interest rates on net interest income and earnings per share. This analysis was done assuming that interest-earning asset levels at December 31, 1998, adjusted to exclude the seasonally high volume of gift certificates outstanding and corresponding securities, remained constant and that the level of loan fees remains unchanged. The impact of the rate movements was developed by simulating the effect of rates changing immediately from the December 31, 1998, levels and remaining at those levels thereafter.

The results of the December 31, 1998 simulation analysis indicate that the Companys exposure to increased interest rates is not significantly adverse and that a reduction in interest rates would increase net interest income and net income. The impact of rate changes is not symmetrical across the rate change spectrum analyzed. There are many factors influencing these results, such as timing of repricing and the extent to which different assets and liability rates change as general market rates change. However, one situation involving time deposit costs illustrates the variance. In a rising rate environment, interest expense on time deposits would not increase in the same magnitude as the decrease in interest expense on time deposits when rates decline by a similar percentage. Rates on maturing time deposits currently exceed market interest rates and an increase in time deposit rates would not significantly increase existing costs. The benefit of decreased rates is more than the detriment of higher rates on time deposits, as lower rates would increase the favorable spread between existing low rates and maturing rates, and higher rates would move existing low rates towards maturing rates. Compared to the similar analysis at December 31, 1997, the Companys interest rate sensitivity at December 31, 1998 has generally improved.

The anticipated impact on net interest income under each of the above scenarios is generally consistent with the Company's cumulative liability-sensitive gap position at the one-year repricing period.

The interest rate sensitivity gap table on page 18, shows the repricing characteristics of the Company's interest-earning assets and supporting funds at December 31, 1998. The data is based on contractual repricing or maturities, except for CMO estimated cash flows, and where applicable, management's assumptions as to the estimated repricing characteristics of certain assets and supporting funds. At December 31, 1998, the Company had a liability-sensitive interest rate risk position at the one-year repricing period of $21 million or 1.29% of assets. The December 31, 1998 static interest rate sensitivity gap position differs from the normal position due to seasonal activity near the end of the year. Gift certificates outstanding at December 31, 1998, of $95 million, exceeded the average outstanding amount by $57 million. The cumulative one year gap averaged $73 million during the July 1998 to November 1998 period and would be approximately $62 million at December 31, 1998, if adjusted for seasonal year-end activity. Generally, a liability-sensitive gap indicates that rising interest rates could negatively affect net interest income, and falling rates could positively affect net interest income. Assets and liabilities with similar contractual repricing characteristics, however, may not reprice to the same degree. As a result, the Company's static interest rate sensitivity gap position does not quantify the impact of changes in general levels of interest rates on net interest income, as does the simulation analysis previously discussed.

Interest Rate Simulation Sensitivity Analysis

<TABLE>
<CAPTION>

	Movements in interest rates from December 31, 1998, rates

Simulated impact in the next 12 months compared with December 31, 1998:	+50 bp	+100 bp	-50 bp	-100 bp
<S>	<C>	<C>	<C>	<C>
Net interest income increase (decrease)(In thousands)	$489	($251)	$1,215	$1,684
Net income per share increase (decrease)	$0.03	($0.02)	$0.08	$0.11

</TABLE>

LIQUIDITY MANAGEMENT

Liquidity management represents the Company's ability to generate cash or otherwise obtain funds at a reasonable price to satisfy commitments to borrowers as well as the demands of depositors. Funds are available from a number of sources, including the securities portfolio, the core deposit and repurchase agreements base, FHLB advances and purchased funds. The Company's short-term investments, which include securities purchased under agreements to resell, and security maturities and cash flows within one year, are approximately 21% of total assets. These short-term investments are approximately 93% of non-core liabilities, which consist of securities sold under agreements to repurchase, federal funds purchased, and large certificates of deposit. The Company's net short-term non-core fund dependence, a measure of non-core liabilities, net of short-term investments, supporting loans and the securities portfolio, was approximately 2% at December 31, 1998, and averaged 11% during 1998. In the opinion of management, the Companys incremental funding sources are sufficient to meet known or reasonably anticipated funding requirements.

During 1998, financing and operating activities adequately supported the investing activities of the Company. Investing activities, primarily loans to customers, were funded by increased deposits, increased gift certificates outstanding, increased FHLB borrowings and operating activities.

The liquidity of the holding company is impacted primarily by the ability of its principal subsidiary, the Bank, to pay dividends. During 1998, it was not necessary for the Bank to pay dividends to the holding company to support its cash needs. The holding company had a significant cash balance available during 1998, primarily as a result of the receipt of proceeds from the sale of the money order subsidiary, and had approximately $13 million of cash available at December 31, 1998. Certain regulatory restrictions limit the amount of dividends the Bank may pay. As of January 1, 1999, the Bank could pay dividends of $32 million without prior regulatory approval. Additional information about these restrictions is contained in Note M to the consolidated financial statements.

1997 COMPARED TO 1996

Net income for 1997 was $17,915,000 or $1.75 on a diluted per share basis compared with $15,029,000 or $1.50 on a diluted per share basis for 1996. Basic net income per share was $1.78 in 1997 and $1.50 in 1996. For 1997, return on average total assets (ROA) was 1.30% and return on average equity (ROE) was 12.15%, compared with ROA of 1.14% and ROE of 11.13% in 1996.

NET INTEREST INCOME

In 1997, net interest income on a tax equivalent basis increased $4,921,000 or 9% to $59,298,000. Net interest income was primarily impacted by the increase in average earning assets. Slightly higher average interest rates in 1997, than in 1996, also contributed to the increase in net interest income. The average yield on earning assets increased from 8.25% in 1996 to 8.35% in 1997, which was accompanied by a constant overall average rate on interest bearing liabilities of 4.80% for both 1997 and 1996. The net interest spread was 3.55% in 1997 compared to 3.45% in 1996. The net yield on earning assets increased in 1997 to 4.54% compared to 4.39% in 1996. The net yield on earning assets in 1997 was favorably impacted by the redeployment of earning assets from lower yielding short-term instruments, to higher yielding loans and securities, and the majority of growth in funding sources being attributed to non-interest bearing liabilities, capital and savings deposits. The average prime rate in 1997 was 8.44% compared to 8.27% in 1996. The average rate on five year U.S. Treasury securities was 6.21% in 1997 compared to 6.17% in 1996.

Average earning assets increased approximately $68 million or 5.4% in 1997 to $1.308 billion. Average loans increased approximately $50 million or 6.4% to $817 million. Approximately two-thirds of the average loan growth related to retail loan products at promotional rates below 8%. The lower rate retail loan growth contributed to the decline in the average loan yield from 9.65% in 1996 to 9.56% in 1997. Also, there was an increase in the average securities portfolio of approximately $45 million and a shift in the composition of the securities portfolio to higher yielding obligations of states and political subdivisions and CMO.

The growth in average earning assets was supported by a $41 million increase in average interest bearing deposits and a $22 million increase in average non-interest bearing sources of funds, primarily gift certificates and money orders outstanding, demand deposits, and shareholders' equity. Average advances from the FHLB decreased approximately $6 million as there were no new advances in 1997. Repurchase agreements averaged $257 million during 1997, and continue to be a significant funding source. Average non-interest bearing deposits, other liabilities and capital were approximately 25% of average assets in 1997 and 1996.

The changes in interest income attributable to volume and rate changes are summarized in the table on page 17.

PROVISION FOR LOAN LOSSES AND ALLOWANCE FOR LOAN LOSSES

The provision for loan losses was $300,000 in 1997 compared to $414,000 for 1996. During 1997, the Company had net charge-offs of $258,000 or 0.03% of average loans, compared to $565,000 or 0.07% of average loans in 1996. The level of non-performing loans at December 31, 1997, 0.28% of total loans, was at its lowest level in five years. At December 31, 1997, the allowance for loan losses was 1.03% of loans outstanding and 373% of non-performing loans.

The table on page 5 is a summary of the Company's loan loss experience.

NON-INTEREST INCOME

Excluding the decline in gift certificate and money order fees and the money order agent base sale gain discussed below, non-interest income increased 17% in 1997. Two components of non-interest income, gift certificate and money order fees, and gain on sale of money order agent base, both declined in 1997 as a result of the sale of approximately one-third of the money order subsidiary's agent base in 1996 at a gain of $1.8 million. As a result of this sale, gift certificate and money order fees declined 28% or $1.1 million in 1997. The change in the aggregate level of non-interest income in 1997, a 9% decline, was impacted by these matters. Despite these declines there were positive growth trends in the core sources of non-interest income.

Service charges on deposit accounts were $5.1 million in 1997, an increase of 11% over 1996. During 1997, the Company's redesigned consumer transaction account product line was regularly promoted and the retail customer account base increased approximately 4%, with a resultant favorable movement in local market share. This increase in retail volume and fee adjustments contributed to the increase in service charges on deposit accounts.

Trust income was approximately $1.4 million in 1997, an increase of $212,000 or 18%, compared to 1996. Personal and corporate trust income increased 28% to $1.1 million and caused the overall increase in trust income, as the securities transfer portion of trust income declined 13% to $245,000 in 1997. The increase in personal and corporate trust income is primarily attributed to the expansion of the Personal Trust and Investment Group in May 1997. As of December 31, 1997, this new trust group had added approximately $180 million to trust assets under management.

Gift certificate and money order fees were $2.7 million in 1997, a 28% decline compared to 1996. The decline is attributed to the previously discussed agent base sale in 1996.

Other non-interest income in 1997, excluding the money order gain in 1996, increased $878,000. Income from the Company's debit and credit card products increased $137,000 or 16% in 1997 as a result of an expanded cardholder and merchant base. ATM fees increased $261,000 or 66% in 1997 as a result of non-customer surcharge fees that began in the fourth quarter of 1996. Credit life and A & H insurance premiums and commissions increased $251,000 or 32% as a result of the increase in direct retail loan activity.

Net securities gains of $59,000 in 1997 included gross securities gains of $146,000 and gross securities losses of $87,000. In connection with the Company's efforts to extend maturities, increase yields, and change the composition of its available for sale securities portfolio, numerous sales and reinvestment transactions were undertaken during 1997.

OTHER OPERATING EXPENSES

Other operating expenses declined $155,000 in 1997 on a previous year base of $44 million. The company-wide focus on expense control produced significant results in 1997, as the increased level of business activity was achieved with less overall cost. Some categories of expenses, such as advertising and printing and supply costs, associated with business expansion efforts did increase, but these increases were offset by decreased expenses in other areas.

Salaries and benefits, the largest component of other operating expenses, increased just $35,000 or 0.1% to $25,885,000 in 1997. The net change in salaries and benefits in 1997 is related to several factors. The salary component increased $305,000 or 1.5%. Annual salary merit increases that averaged 5% were effective in April, 1997. Lower personnel levels in 1997 offset the merit increase and increases attributed to higher paid new personnel. There was a decrease in average FTE employees from 658 during 1996 to 623 during 1997. The decrease in FTE employees relates to the Company's efforts to increase productivity, increase efficiency and reduce costs. Most of the decrease was accomplished through attrition, however some positions were eliminated with related severance costs of approximately $325,000 in 1996. Pension costs increased as a result of a $298,000 settlement loss. Health insurance costs decreased $448,000 in 1997 as claims experience was favorable.

Occupancy, and furniture and equipment expenses both reflected minor changes in 1997 compared to 1996. Occupancy expense of $3.1 million increased $143,000 in 1997 as a result of expenses associated with two banking center locations that opened in late 1996. Furniture and equipment expenses of $4.6 million declined $68,000 in 1997 compared to 1996. A portion of the decrease in furniture and equipment expenses in 1997 was related to depreciation and maintenance of the money order machines that were sold in late 1996.

The aggregate amount of other operating expenses decreased $265,000 in 1997 compared to 1996. Advertising and marketing expenses of $1,562,000 increased $300,000 or 24% in 1997 compared to 1996, as the Company continued to increase its level of regular advertising for loan and deposit product promotions in 1997. Operating supplies expenses increased $520,000 in 1997, which includes $185,000 of costs associated with forms and logo design in connection with the Company's image change program, along with costs associated with increased supplies usage for the larger customer base and increased promotional activity. Professional fees decreased $602,000 in 1997 compared to 1996 with consulting fees decreasing $751,000. In 1996, the Company was involved with a Bank-wide consulting project involving improved productivity, fee revenue maximization and expense reductions. Legal fees increased $100,000, as the level of legal fees associated with the disposition of other real estate owned increased. Bank, property and other taxes increased $104,000 in 1997 as a result of the increase in the basis for the Kentucky bank tax which increased the related expense approximately $140,000. Real estate taxes declined slightly as the level of other real estate owned declined. Other expenses, which decreased $587,000 in 1997 compared to 1996, included declines in money order losses and money order agent rebates of $436,000.

RECENTLY ISSUED ACCOUNTING STANDARD

Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (Statement 133) was issued by the Financial Accounting Standards Board in June 1998. Statement 133 standardizes the accounting for derivative instruments. Statement 133 currently applies to the Companys interest rate swap contracts. Under the standard, entities are required to carry all derivative instruments on the balance sheet at fair value. The accounting for changes in the fair value (i.e. gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so on the reason for holding it. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows, or foreign currencies. If the hedged exposure is a fair value exposure, the gain or loss on the derivative instrument is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness as well as the ineffective portion of the gain or loss is reported in earnings immediately.

The Company is in the process of determining the impact that Statement 133 will have on its financial statements and believes that such determination will not be meaningful until closer to the date of initial adoption (January 1, 2000). It can not be determined presently whether the Company will have any significant derivative instruments on the date of initial adoption. Depending on asset/liability management issues, market interest rates and other factors, the Companys current interest rate swap positions may be increased or reduced by the time Statement 133 is adopted.

FORWARD LOOKING STATEMENTS

The statements contained in this filing that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding the Companys expectations, hopes, beliefs, intentions or strategies regarding the future. All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statement. It is important to note that the Companys actual results could differ materially from those in such forward-looking statements. In addition to those addressed throughout this discussion, factors that could cause actual results to differ materially from those projected include, among others, the effects of Year 2000 software failures experienced by the Company or third parties; its customer concentration; cyclicality; fluctuation of interest rates; risk of business interruption; dependence on key personnel; and government regulation. Prospective purchasers of the Companys common stock should consult the risk factors listed from time to time in the Companys Reports on Form 10-Q, 8-K, 10-K, and Annual Reports to Shareholders.

<TABLE>
<CAPTION>

AVERAGE BALANCES AND YIELDS/RATES TAX EQUIVALENT BASIS

Dollars In Thousands	1998			1997			1996		
	Average Balance	Interest	Yields/ Rates	Average Balance	Interest	Yields/ Rates	Average Balance	Interest	Yields/ Rates
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
EARNING ASSETS:									
Securities:									
U.S. Treasury and government agencies	$72,131	$4,418	6.18%	$130,501	$8,146	6.27%	$197,404	$12,066	6.13%
States and political subdivisions	54,039	4,385	8.66	49,364	4,086	8.51	25,771	2,040	7.92
Collateralized mortgage obligations and other	197,021	11,169	5.65	192,927	12,104	6.31	104,688	6,414	6.14
Federal funds sold	9,508	526	5.53	19,261	1,071	5.56	31,294	1,700	5.43
Securities purchased under agreements to resell	105,310	5,789	5.50	98,342	5,399	5.49	113,110	6,059	5.36
Loans, net of unearned income	925,522	86,758	9.37	817,262	78,169	9.56	767,755	74,077	9.65
Total earning assets	1,363,531	113,045	8.31%	1,307,657	108,975	8.35%	1,240,022	102,356	8.25%
NON-EARNING ASSETS:									
Allowance for loan losses	(9,150)			(8,979)			(9,250)		
Cash and due from banks	30,688			26,010			30,708		
Other	53,719			49,058			52,858		
Total assets	$1,438,788			$1,373,746			$1,314,338		
INTEREST BEARING LIABILITIES:									
Deposits:									
Demand deposits	$194,920	4,858	2.49%	$196,705	5,739	2.92%	$201,053	5,940	2.95%
Savings deposits	140,444	5,136	3.66	105,199	3,525	3.35	81,854	2,221	2.71
Certificates of deposit									

$100,000 and over	69,433	4,105	5.91	66,927	4,056	6.06	65,319	4,044	6.19
Other time deposits	363,015	20,379	5.61	341,988	19,115	5.59	321,550	18,457	5.74
Total interest bearing deposits	767,812	34,478	4.49	710,819	32,435	4.56	669,776	30,662	4.58
Federal funds purchased and securities sold under agreements to repurchase	255,119	12,744	5.00	258,744	13,159	5.09	256,826	12,887	5.02
Advances from the Federal Home Loan Bank	71,792	4,341	6.05	66,359	4,083	6.15	72,303	4,430	6.13
Total interest bearing liabilities	1,094,723	51,563	4.71%	1,035,922	49,677	4.80%	998,905	47,979	4.80%
NON-INTEREST BEARING LIABILITIES:									
Demand deposits	121,964			107,955			103,000		
Other	60,953			82,440			77,348		
Total liabilities	1,277,640			1,226,317			1,179,253		
SHAREHOLDERS' EQUITY	161,148			147,429			135,085		
Total liabilities and shareholders' equity	$1,438,788			$1,373,746			$1,314,338		
NET INTEREST INCOME		$61,482			$59,298			$54,377	
NET INTEREST SPREAD			3.60%			3.55%			3.45%
NET YIELD ON EARNING ASSETS			4.52%			4.54%			4.39%

</TABLE>

Tax exempt income is calculated on a tax equivalent basis using a tax rate of 35%. The yields on securities are based on amortized historical cost, excluding FASB Statement No.115 adjustments to fair value. Non-accrual loans and loan fees are included in the computation of loan yields. The Company has no deposits from foreign depositors.

<TABLE>
<CAPTION>

INTEREST INCOME AND INTEREST EXPENSE
VOLUME AND RATE CHANGES FOR THE YEARS 1998 AND 1997 TAX EQUIVALENT BASIS

In Thousands	Net Change 1998/1997	Due to Volume	Due to Rate	Net Change 1997/1996	Due to Volume	Due to Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Increase (Decrease)						
Interest Income:						
Securities	($4,364)	($3,162)	($1,202)	$3,816	$2,805	$1,011
Federal funds sold	(545)	(540)	(5)	(629)	(668)	39
Securities purchased under agreements to resell	390	383	7	(660)	(808)	148
Loans, net of unearned income	8,589	10,175	(1,586)	4,092	4,740	(648)
Total interest income	4,070	6,856	(2,786)	6,619	6,069	550
Interest Expense:						
Deposits:						
Demand deposits	(881)	(52)	(829)	(201)	(127)	(74)
Savings deposits	1,611	1,266	345	1,304	715	589
Certificates of deposit $100,000 and over	49	150	(101)	12	98	(86)
Other time deposits	1,264	1,180	84	658	1,151	(493)
Federal funds purchased and securities sold under agreements to repurchase	(415)	(183)	(232)	272	97	175
Advances from the Federal Home Loan Bank	258	330	(72)	(347)	(366)	19
Total interest expense	1,886	2,691	(805)	1,698	1,568	130
Net Interest Income	$2,184	$4,165	($1,981)	$4,921	$4,501	$420

</TABLE>

The volume/rate variance is allocated to the volume and rate categories based upon the absolute value of volume and rate variances before the allocation.

<TABLE>
<CAPTION>

INTEREST RATE SENSITIVITY ANALYSIS

Dollars In Thousands Non-interest

December 31, 1998	0-90 Days	91-180 Days	181-365 Days	1-5 Years	Over 5 Years	Bearing Funds	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Assets							
Loans, net	$403,679	$36,103	$53,334	$280,490	$220,989	$1,416	$996,011
Securities	220,141	31,441	46,307	102,537	69,339		469,765
Securities purchased under agreements to resell	35,000						35,000
Other assets						93,987	93,987
Total assets	658,820	67,544	99,641	383,027	290,328	95,403	1,594,763
Sources of Funds							
Deposits:							
Demand deposits	58,456				136,393		194,849
Savings deposits	92,466				75,480		167,946
Time deposits	109,608	82,759	94,301	126,508	12,881		426,057
Securities sold under agreements to repurchase	288,544		0				288,544
Advances from the Federal Home Loan Bank	1,583	1,606	3,284	27,554	40,835		74,862
Other liabilities and non-interest bearing deposits						275,069	275,069
Shareholders' equity						167,436	167,436
Total sources of funds	550,657	84,365	97,585	154,062	265,589	442,505	1,594,763
Asset / liability gap	108,163	(16,821)	2,056	228,965	24,739	(347,102)	
Interest rate swap contracts	(114,000)						
INTEREST SENSITIVITY GAP	(5,837)	(16,821)	2,056	228,965	24,739	(347,102)	
CUMULATIVE INTEREST SENSITIVITY GAP	($5,837)	($22,658)	($20,602)	$208,363	$233,102		
CUMULATIVE INTEREST SENSITIVITY GAP AS A PERCENT OF TOTAL ASSETS	-0.37%	-1.42%	-1.29%	13.07%	14.62%		
RATE-SENSITIVE ASSETS TO RATE-SENSITIVE LIABILITIES	0.99X	0.80X	1.02X	2.49X	1.09X		

</TABLE>

<TABLE>
<CAPTION>

SUMMARY OF FINANCIAL DATA

In Thousands, Except Per Share Amounts
Years Ended December 31

	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Total interest income	$111,255	$107,196	$100,785	$90,595	$79,652
Total interest expense	51,563	49,677	47,979	42,451	34,593
Net interest income	59,692	57,519	52,806	48,144	45,059
Provision for loan losses	972	300	414	6,047	712
Net interest income after provision for loan losses	58,720	57,219	52,392	42,097	44,347
Non-interest income	19,789	13,173	14,527	11,191	11,599
Other operating expenses	49,715	44,422	44,577	41,844	37,592
Income before income taxes	28,794	25,970	22,342	11,444	18,354
Income tax expense	8,581	8,055	7,313	3,378	5,742
Net income	$20,213	$17,915	$15,029	$8,066	$12,612
Per common share:					
Net income:					
Basic	$1.98	$1.78	$1.50	$0.82	$1.27
Diluted	1.94	1.75	1.50	0.81	1.26
Cash dividends declared	0.82	0.74	0.65	0.57	0.55

<CAPTION>

December 31	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Loans, net of unearned income	$1,005,021	$891,075	$804,182	$748,565	$699,396

Total assets	1,594,763	1,509,579	1,420,933	1,313,987	1,213,990
Total deposits	953,924	878,829	825,257	784,957	732,620
Advances from the Federal Home Loan Bank	74,862	63,165	69,042	75,109	81,504
Total shareholders' equity	167,436	155,709	140,638	132,950	125,052

</TABLE>

<TABLE>
<CAPTION>

QUARTERLY FINANCIAL DATA

In Thousands, Except Per Share Amounts	1998				1997				1996			
	First	Second	Third	Fourth	First	Second	Third	Fourth	First	Second	Third	Fourth
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total interest income	$28,016	$27,541	$28,021	$27,677	$26,391	$26,620	$26,606	$27,579	$24,559	$25,023	$25,307	$25,896
Total interest expense	13,293	12,798	12,908	12,564	12,497	12,384	12,162	12,634	11,728	11,942	11,908	12,401
Provision for loan losses	---	500	---	472	---	---	---	300	---	104	303	7
Net interest income after provision for loan losses	14,723	14,243	15,113	14,641	13,894	14,236	14,444	14,645	12,831	12,977	13,096	13,488
Non-interest income	4,317	7,360	3,525	4,587	3,348	3,020	3,236	3,569	4,221	3,031	3,971	3,304
Other operating expenses	11,746	12,546	12,436	12,987	10,692	10,586	11,348	11,796	10,684	10,433	11,789	11,671
Income before income taxes	7,294	9,057	6,202	6,241	6,550	6,670	6,332	6,418	6,368	5,575	5,278	5,121
Income taxes	2,169	2,749	1,792	1,871	2,033	2,065	2,007	1,950	2,051	1,868	1,800	1,594
Net income	$5,125	$6,308	$4,410	$4,370	$4,517	$4,605	$4,325	$4,468	$4,317	$3,707	$3,478	$3,527
Per common share												
Net income												
Basic	$0.50	$0.62	$0.43	$0.43	$0.45	$0.46	$0.43	$0.44	$0.43	$0.37	$0.35	$0.35
Diluted	0.49	0.60	0.42	0.42	0.45	0.45	0.42	0.43	0.43	0.37	0.35	0.35

</TABLE>

MARKET FOR MIDAMERICA BANCORP'S STOCK AND
RELATED SECURITY HOLDER MATTERS

MidAmerica Bancorp's common stock is traded on the American Stock Exchange (AMEX) under the symbol MAB. As of December 31, 1998, the total number of registered holders of the Company's common stock was 971 and the closing price of the Company's common stock was $ 27.125.

Reliance Trust Company is the stock transfer agent, dividend disbursing agent, and registrar for the common stock of the Company.

The tables below represent the high and low market prices for MidAmerica Bancorp's common stock as reported by AMEX and the cash dividends declared on common stock, in each quarter of the last two years. Per share data has been adjusted to reflect the effect of stock dividends during the periods presented.

<TABLE>
<CAPTION>

		Market Price	
1998	Cash Dividends Declared	High	Low
<S>	<C>	<C>	<C>
1st Quarter	$ .205	$32.75	$30.00
2nd Quarter	.205	34.00	30.06
3rd Quarter	.205	32.50	23.69
4th Quarter	.205	29.13	22.25

<CAPTION>

		Market Price	
1997	Cash Dividends Declared	High	Low

<S>	<C>	<C>	<C>
1st Quarter	$ .18	$19.81	$17.44
2nd Quarter	.18	24.38	18.63
3rd Quarter	.18	31.13	21.89
4th Quarter	.20	34.69	27.81

</TABLE>

Management's Statement on Financial Reporting

The Management of the Company is responsible for the integrity and objectivity of the financial information presented in this Annual Report. Management has prepared the consolidated financial statements in accordance with generally accepted accounting principles, which involve the use of estimates and judgments where appropriate.

To meet its responsibility, Management maintains a comprehensive system of internal control to assure proper authorization of transactions, safeguarding of assets and reliability of financial records. This system can provide only reasonable, not absolute, assurance that errors and irregularities can be prevented or detected. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control must be related to the benefits derived.

The Audit Committee of the Board of Directors reviews the systems of internal control and financial reporting. The Committee meets and consults regularly with Management, the internal auditors, and the independent auditors to review the scope and results of their work.

The accounting firm of KPMG LLP has performed an independent audit of the Company's consolidated financial statements. The firm's report appears on the following page.

/s/Bertram W. Klein	/s/R. K. Guillaume	/s/Steven A. Small
Bertram W. Klein	R. K. Guillaume	Steven A. Small
Chairman of the Board	Chief Executive Officer	Chief Financial Officer and Executive Vice President

Independent Auditors' Report

The Board of Directors and Shareholders
MidAmerica Bancorp:

We have audited the accompanying consolidated balance sheets of MidAmerica Bancorp and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, changes in shareholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MidAmerica Bancorp and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/KPMG Peat Marwick LLP

Louisville, Kentucky
January 22, 1999

<TABLE>
<CAPTION>

CONSOLIDATED BALANCE SHEETS

In Thousands, Except Share and Per Share Amounts
December 31

<S>	1998 <C>	1997 <C>
ASSETS		
Cash and due from banks	$39,644	$29,002
Federal funds sold	-	16,900
Securities purchased under agreements to resell	35,000	-
Securities available for sale, amortized cost of $382,580 (1998) and $409,497 (1997)	385,767	414,721
Securities held to maturity, market value of $84,013 (1998) and $108,321 (1997)	83,998	108,178
Loans, net of unearned income	1,005,021	891,075
Allowance for loan losses	(9,010)	(9,209)
Loans, net	996,011	881,866
Premises and equipment	21,854	21,757
Other assets	32,489	37,155
Total assets	$1,594,763	$1,509,579
LIABILITIES		
Deposits:		
Non-interest bearing	$165,072	$140,092
Interest bearing	788,852	738,737
Total deposits	953,924	878,829
Securities sold under agreements to repurchase	276,454	284,500
Federal funds purchased	12,090	-
Advances from the Federal Home Loan Bank	74,862	63,165
Gift certificates and money orders outstanding	95,127	104,609
Accrued expenses and other liabilities	14,870	22,767
Total liabilities	1,427,327	1,353,870
SHAREHOLDERS' EQUITY		
Preferred stock, no par value; authorized-750,000 shares; none issued	----	----
Common stock, no par value; stated value $2.77 per share; authorized-12,000,000 shares; issued and outstanding - 10,246,157 shares (1998); 9,878,803 shares (1997)	28,416	27,399
Additional paid-in capital	123,905	115,182
Retained earnings	13,043	9,773
Accumulated other comprehensive income	2,072	3,355
Total shareholders' equity	167,436	155,709
Total liabilities and shareholders' equity	$1,594,763	$1,509,579

See notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF INCOME

In Thousands, Except Per Share Amounts
Years Ended December 31

<S>	1998 <C>	1997 <C>	1996 <C>
INTEREST INCOME			
Interest and fees on loans	$86,503	$77,820	$73,220
Interest and dividends on:			
Taxable securities	15,587	20,249	18,480
Tax exempt securities	2,850	2,656	1,326
Interest on federal funds sold	526	1,072	1,700
Interest on securities purchased under agreements to resell	5,789	5,399	6,059
Total interest income	111,255	107,196	100,785
INTEREST EXPENSE			

Interest on deposits	34,478	32,434	30,662
Interest on federal funds purchased and securities sold under agreements to repurchase	12,744	13,160	12,887
Interest on Federal Home Loan Bank advances	4,341	4,083	4,430
Total interest expense	51,563	49,677	47,979
NET INTEREST INCOME	59,692	57,519	52,806
PROVISION FOR LOAN LOSSES	972	300	414
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	58,720	57,219	52,392
NON-INTEREST INCOME			
Income from trust department	2,465	1,363	1,151
Service charges on deposit accounts	5,541	5,078	4,582
Gift certificate and money order fees	952	2,709	3,782
Securities gains	40	59	129
Gain on sale of money order subsidiary (1998); agent base (1996)	4,588	-	1,797
Other	6,203	3,964	3,086
Total non-interest income	19,789	13,173	14,527
OTHER OPERATING EXPENSES			
Salaries and employee benefits	28,447	25,885	25,850
Occupancy expense	3,013	3,100	2,957
Furniture and equipment expenses	4,249	4,607	4,675
Other	14,006	10,830	11,095
Total other operating expenses	49,715	44,422	44,577
INCOME BEFORE INCOME TAXES	28,794	25,970	22,342
INCOME TAX EXPENSE	8,581	8,055	7,313
NET INCOME	$20,213	$17,915	$15,029
Weighted average shares outstanding			
BASIC	10,215	10,093	9,970
DILUTED	10,425	10,269	10,042
NET INCOME PER COMMON SHARE			
BASIC	$1.98	$1.78	$1.50
DILUTED	1.94	1.75	1.50

See notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

In Thousands, Except Share and Per Share Amounts
Years Ended December 31, 1998, 1997 and 1996

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Income	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1996	9,091,642	$25,218	$99,991	$4,554	$3,187	$132,950
Net income				15,029		15,029
Cash dividends declared, ($0.65 per share)				(6,491)		(6,491)
Stock dividend declared	273,935	759	4,240	(4,999)		---
Stock options exercised, including related tax benefits	60,226	167	701			868
Change in accumulated other comprehensive income					(1,718)	(1,718)
Balance, December 31, 1996	9,425,803	26,144	104,932	8,093	1,469	140,638
Net income				17,915		17,915
Cash dividends declared, ($0.74 per share)				(7,441)		(7,441)
Stock dividend declared	287,159	795	7,999	(8,794)		---
Stock options exercised, including related tax benefits	165,841	460	2,251			2,711
Change in accumulated other comprehensive income					1,886	1,886
Balance, December 31, 1997	9,878,803	27,399	115,182	9,773	3,355	155,709
Net income				20,213		20,213
Cash dividends declared,						

($0.82 per share)				(8,345)		(8,345)
Stock dividend declared	297,785	824	7,774	(8,598)		---
Stock options exercised, including related tax benefits	69,569	193	949			1,142
Change in accumulated other comprehensive income					(1,283)	(1,283)
Balance, December 31, 1998	10,246,157	$28,416	$123,905	$13,043	$2,072	$167,436

See notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In thousands
Years Ended December 31

<S>	1998 <C>	1997 <C>	1996 <C>
Net Income	$20,213	$17,915	$15,029
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses)			
on securities available for sale:			
Unrealized holding gains (losses) arising during the period	(1,297)	1,848	(1,519)
Less reclassification adjustment for gains included in net income	(26)	(38)	(83)
	(1,323)	1,810	(1,602)
Pension liability adjustment	40	76	(116)
Other comprehensive income (loss)	(1,283)	1,886	(1,718)
COMPREHENSIVE INCOME	$18,930	$19,801	$13,311

See notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands
Years Ended December 31

<S>	1998 <C>	1997 <C>	1996 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$20,213	$17,915	$15,029
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion, net	5,805	4,256	3,408
Provision for loan losses	972	300	414
Federal Home Loan Bank stock dividends	(1,139)	(1,060)	(962)
Securities gains	(40)	(59)	(129)
Gain on sale of money order subsidiary(1998); agent base(1996)	(4,588)	---	(1,797)
Gain on sales of other real estate	(1,172)	(74)	(234)
Deferred taxes	(315)	580	217
Decrease (increase) in interest receivable	(2,222)	(524)	218
Decrease (increase) in other assets	(4,294)	959	1,435
Increase (decrease) in accrued expenses	(887)	1,231	4,413
Net cash provided by operating activities	12,333	23,524	22,012
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of securities available for sale	(197,212)	(212,434)	(182,245)
Proceeds from maturities of securities available for sale	206,160	96,250	58,022
Proceeds from sales of securities available for sale	10,206	45,181	82,726
Purchases of securities held to maturity	(83,724)	(106,781)	(63,403)
Proceeds from maturities of securities held to maturity	77,500	70,000	57,325
Proceeds from sale of money order subsidiary (1998); agent base (1996)	8,134	---	1,797
Proceeds from sales of premises and equipment	119	257	904

Purchases of premises and equipment	(3,676)	(3,407)	(4,909)
Proceeds from sales of other real estate	8,226	3,570	7,924
Net increase in loans	(115,795)	(96,540)	(68,652)
Net cash used in investing activities	(90,062)	(203,904)	(110,511)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in deposits	75,095	53,572	40,300
Net increase (decrease) in securities sold under agreements to repurchase	(8,046)	(1,448)	58,782
Net increase (decrease) in federal funds purchased	12,090	(4,000)	950
Advances from the Federal Home Loan Bank	26,216	---	---
Repayment of advances from the Federal Home Loan Bank	(14,519)	(5,877)	(6,067)
Increase (decrease) in gift certificates and money orders outstanding	23,036	28,076	(2,876)
Stock options exercised	944	2,316	823
Dividends paid	(8,345)	(7,441)	(6,491)
Net cash provided by financing activities	106,471	65,198	85,421
Net increase (decrease) in cash and cash equivalents	28,742	(115,182)	(3,078)
Cash and cash equivalents at beginning of year	45,902	161,084	164,162
Cash and cash equivalents at end of year	$74,644	$45,902	$161,084

See notes to consolidated financial statements.

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MidAmerica Bancorp is a bank and savings and loan holding company whose primary subsidiary is Bank of Louisville (the Bank). Other subsidiaries include MidAmerica Bank, FSB and MidAmerica Gift Certificate Company. The Company is primarily engaged in commercial and personal banking activities and trust services. Banking activities are conducted predominantly in Jefferson County, Kentucky and surrounding communities.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation -- The consolidated financial statements include the accounts of MidAmerica Bancorp and its wholly-owned subsidiaries (the Company). Significant intercompany accounts have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform with current classifications.

Securities -- Debt securities are classified as securities held to maturity and carried at amortized cost if management has the positive intent and ability to hold the securities to maturity. Securities purchased with the intention of recognizing short-term profits are placed in a trading account and are carried at market value with unrealized gains or losses reported in income. Securities not classified as securities held to maturity or trading and which may be sold in response to or in anticipation of changes in interest rates or based on other factors are designated as securities available for sale and are carried at fair value with unrealized holding gains or losses, net of tax effects, reflected in shareholders' equity. Amortization of premiums and accretion of discounts are recorded on the interest method. The specific identification method is used in determining gains and losses on the sale of securities.

Loans and Allowance for Loan Losses -- Loans are reported at the principal balance outstanding, net of unearned income and deferred loan fees. Interest on loans and amortization of unearned income and deferred loan fees are computed by methods which result in level rates of return. Generally, the accrual of interest on loans, including impaired loans, is discontinued when it is determined that the collection of interest or principal is doubtful, or when a default of interest or principal has existed for 90 days or more, unless such loan is well secured and in the process of collection. Cash payments received on nonaccrual loans generally are applied against principal, and interest income is only recorded once principal recovery is reasonably assured. Loans are not reclassified as accruing until principal and interest payments are brought current and future payments appear reasonably certain.

The allowance for loan losses is maintained at a level adequate to absorb estimated probable credit losses. Management determines the adequacy of the allowance based upon reviews of individual credits, evaluation of the risk characteristics of the loan portfolio, including the impact of current economic conditions on the borrowers' ability to repay, past collection and loss experience and such other factors, which, in management's judgment, deserve current recognition. The allowance for loan losses is increased by charges to operating earnings and reduced by charge-offs, net of recoveries.

Loans are classified as impaired when it is probable that the Company will be unable to collect contractual interest and principal according to the terms of the loan agreement. The allowance for loan losses related to impaired loans is based on discounted cash flows at the loan's initial effective interest rate or the fair value of collateral for collateral dependent loans. Generally, impaired loans are also in non-accrual status. In certain instances, however, the Company may continue to accrue interest on an impaired loan. The Company does not apply the impairment criteria to individual loans which are part of a large group of smaller-balance homogeneous loans, such as residential and consumer loans. Such loans are collectively evaluated for impairment.

Premises and Equipment -- Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed over the estimated useful lives of the assets or lease term, if shorter, on the straight line method.

Other Assets -- Included in other assets is real estate acquired in settlement of loans which is carried at the lower of cost or fair value minus estimated disposition costs. Any write-downs at the date of acquisition are charged to the allowance for loan losses. Expenses incurred in maintaining assets, subsequent write-downs to reflect declines in value, and realized gains or losses are reflected in operations.

Income Taxes -- The Company utilizes the asset and liability method of accounting for income taxes. The amounts provided for income taxes are based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as measured by the provisions of enacted laws and tax rates.

Interest Rate Swap Contracts -- The Company uses interest rate swap contracts to manage its sensitivity to interest rate risk. Interest income is accrued over the life of the swap agreements. The fair market value of these instruments is not included in the consolidated financial statements.

Net Income Per Common Share -- Basic net income per common share is determined by dividing net income by the weighted average number of shares of common stock outstanding. Diluted net income per share is determined by dividing net income by the weighted average number of shares of common stock outstanding plus the weighted average number of shares that would be issued upon exercise of dilutive options assuming proceeds are used to repurchase shares pursuant to the treasury stock method.

Recently Issued Financial Accounting Standards -- Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (Statement 133) was issued by the Financial Accounting Standards Board in June 1998. Statement 133 standardizes the accounting for derivative instruments and will be effective for the Company on January 1, 2000. Statement 133 currently would apply to the Company's interest rate swap contracts. Under the standard, entities are required to carry all derivative instruments on the balance sheet at fair value. The accounting for changes in the fair value (i.e. gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so on the reason for holding it. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows, or foreign currencies. If the hedged exposure is a fair value exposure, the gain or loss on the derivative instrument is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness as well as the ineffective portion of the gain or loss is reported in earnings immediately. Accounting for foreign currency hedges is similar to the accounting for fair value and cash flow hedges. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

B. CASH FLOWS

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, amounts due from banks, federal funds sold and securities purchased under agreements to resell. Certain activities of the Company, such as the acquisition of property in exchange for release of indebtedness, do not result in cash receipts or payments and, therefore, are not presented in the consolidated statements of cash flows.

During 1998, 1997 and 1996, cash paid for income taxes amounted to $8.4 million, $5.7 million and $8.1 million, respectively, and cash paid for interest was $53 million, $50 million and $47 million, respectively. Loans transferred to other assets were $678,000 in 1998, $9.4 million in 1997, and $12.5 million in 1996.

C. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

The Company enters into purchases of U.S. Treasury and U.S. government agency securities under agreements to resell such securities. The amounts advanced under these agreements represent short-term loans and are reflected as a receivable on the consolidated balance sheets. The securities are delivered to third-party custodians' accounts designated by the Company under a written custodial agreement that explicitly recognizes the Company's interest in these securities. Securities purchased under agreements to resell averaged $105,310,000 during 1998 with an average yield of 5.50% and averaged $98,342,000 during 1997 with an average yield of 5.49%. The maximum month-end balance outstanding during 1998 and 1997 was $178 million and $140 million, respectively.

D. SECURITIES

The amortized cost and market value of securities available for sale follows:

<TABLE>
<CAPTION>

In Thousands	December 31, 1998				December 31, 1997			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies	$159,821	$595	$1	$160,415	$156,040	$647	$33	$156,654
Collateralized mortgage obligations	148,524	675	2,229	146,970	183,792	2,008	326	185,474
States and political subdivisions	50,609	4,129	--	54,738	50,352	2,920	--	53,272
Corporate obligations	4,634	18	--	4,652	1,757	8	--	1,765
Equity securities	18,992	--	--	18,992	17,556	--	--	17,556
	$382,580	$5,417	$2,230	$385,767	$409,497	$5,583	$359	$414,721

</TABLE>

<TABLE>
<CAPTION>

The amortized cost and market value of securities held to maturity follows:

In Thousands	December 31, 1998				December 31, 1997			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. government agencies	$83,998	$22	$7	$84,013	$108,078	$148	$5	$108,221
Corporate obligations	--	--	--	--	100	--	--	100
	$83,998	$22	$7	$84,013	$108,178	$148	$5	$108,321

</TABLE>

A summary of debt securities at December 31, 1998 based on scheduled maturities is shown in the table below. Actual maturities may differ from scheduled maturities because issuers may have the right to call or prepay obligations with or without prepayment penalties. Collateralized mortgage obligations are assigned to maturity categories based on expected cash flows.

In Thousands	Securities Available for Sale Amortized Cost	Securities Available for Sale Market Value	Securities Held to Maturity Amortized Cost	Securities Held to Maturity Market Value
Due within one year	$218,158	$217,440	$80,449	$80,450
Due after one year through five years	99,117	98,988	3,549	3,563
Due after five years through ten years	9,066	9,687	--	--
Due after ten years	37,247	40,660	--	--
	$363,588	$366,775	$83,998	$84,013

Gross realized gains and losses on sales of securities available for sale were $40,000 and $0, respectively, in 1998, $146,000, and $87,000, respectively, in 1997, and $1,241,000 and $1,112,000, respectively, in 1996. Securities with a book value of $300,559,000 and $332,415,000 at December 31,1998 and 1997, respectively, were pledged to secure public and trust deposits, repurchase agreements and for other purposes.

E. LOANS

The composition of loans follows:

In Thousands December 31	1998	1997
Commercial and financial	$457,682	$427,826
Real estate - construction and development	77,349	65,513
Real estate - residential mortgages	336,365	329,086
Consumer	133,625	68,650
	$1,005,021	$891,075

Loans outstanding and unfunded commitments are primarily concentrated in the Company's market area which encompasses Jefferson County, Kentucky and surrounding communities. The Company's credit exposure is diversified, with secured and unsecured loans to consumers, small businesses and large corporations. Although the Company has a diversified loan portfolio, the ability of customers to honor loan commitments is based, in part, on the economic stability of the geographic region and/or industry in which they do business.

At December 31, 1998 and 1997, the recorded investment in impaired loans was $3.578 and $1.670 million, respectively. Included in impaired loans at December 31, 1998 is $3.022 million of impaired loans for which the related allowance for loan losses is $1.210 million. Included in impaired loans at December 31, 1997 were $766,000 of impaired loans for which the related allowance for loan losses was $150,000. The average recorded investment in impaired loans during 1998 and 1997 was approximately $2.448 and $2.617 million, respectively. For the years ended December 31, 1998, 1997 and 1996, the Company recognized interest income on impaired loans of $119,000, $129,000 and $109,000, respectively, using the cash basis method of income recognition. Interest income of $284,000, $198,000 and $330,000 would have been recognized on impaired loans in 1998, 1997 and 1996, respectively, if these loans were performing under original terms.

F. ALLOWANCE FOR LOAN LOSSES

Activity in the allowance for loan losses follows:

<TABLE>
<CAPTION>
In Thousands

<S>	1998 <C>	1997 <C>	1996 <C>
Balance, January 1	$9,209	$9,167	$9,318
Loans charged-off	(1,355)	(621)	(1,025)
Recoveries	184	363	460
Net loans charged-off	(1,171)	(258)	(565)
Provision for loan losses	972	300	414
Balance, December 31	$9,010	$9,209	$9,167

</TABLE>

G. PREMISES AND EQUIPMENT AND LEASE COMMITMENTS

A summary of premises and equipment follows:

<TABLE>
<CAPTION>
In Thousands
December 31

<S>	1998 <C>	1997 <C>
Land	$4,872	$4,872
Buildings and leasehold improvements	14,094	13,410
Furniture and equipment	19,050	23,370
	38,016	41,652
Less accumulated depreciation and amortization	16,162	19,895
	$21,854	$21,757

</TABLE>

At December 31, 1998, the Company was obligated under long-term operating leases covering various premises and equipment. The Company's main office and most branch office lease agreements contain renewal options.

Rental expense was $1,059,000, $1,145,000, and $1,134,000 for 1998, 1997 and 1996, respectively.

Minimum rental commitments under noncancelable leases in future years are as follows:
<TABLE>
<CAPTION>
In Thousands
Year Ending December 31

<S>	<C>
1999	$1,149
2000	1,062
2001	1,056
2002	1,052
2003	1,001
Thereafter	3,025

</TABLE>

H. INCOME TAXES

The provision for income taxes consists of the following:

<TABLE>
<CAPTION>

In Thousands
Years ended December 31

<S>	1998 <C>	1997 <C>	1996 <C>
Income taxes applicable to operations:			
Current:			

Federal	$8,313	$7,196	$6,848
State	583	279	248
	8,896	7,475	7,096
Deferred	(315)	580	217
Total applicable to operations	8,581	8,055	7,313
Charged (credited) to components of shareholders' equity:			
Net unrealized securities gains (losses)	(713)	976	(863)
Stock options exercised	(198)	(395)	(48)
Pension liability adjustment	21	41	(63)
Total income taxes	$7,691	$8,677	$6,339

</TABLE>

The provision for income taxes in the consolidated statements of income is reconciled to the federal statutory rate as follows:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Tax at federal statutory rate	35.0%	35.0%	35.0%
Tax exempt interest income	(4.0)	(4.5)	(4.6)
Non-deductible expenses	0.6	0.6	1.5
Other, net	(1.8)	(0.1)	0.8
	29.8%	31.0%	32.7%

</TABLE>

Other liabilities include deferred income taxes of $1,066,000 and $2,064,000 at December 31, 1998 and 1997, respectively. The principal types of basis differences between assets and liabilities for financial reporting and tax return purposes which give rise to deferred taxes relate to the following:

<TABLE>
<CAPTION>

In Thousands
December 31

<S>	1998 <C>	1997 <C>
Deferred tax liabilities:		
Lease accounting	$1,739	$1,703
Depreciation	983	1,173
Mark-to-market adjustments related to securities	1,004	1,709
Federal Home Loan Bank stock dividends	1,866	1,468
Other	387	479
Total deferred tax liabilities	5,979	6,532
Deferred tax assets:		
Allowance for loan losses	3,161	3,295
Deferred compensation	383	264
Pension	509	356
Other	860	553
Total deferred tax assets	4,913	4,468
Net deferred tax liability	$1,066	$2,064

</TABLE>

Based upon historical and projected levels of taxable income, management believes it is more likely than not that the Company will realize the income tax benefits of its deductible temporary differences. Accordingly, no valuation allowance for deferred tax assets was recorded at December 31, 1998 and 1997.

I. DEPOSITS

A summary of deposits follows:

<TABLE>
<CAPTION>

In thousands
December 31

	1998	1997
<S>	<C>	<C>
Interest bearing demand deposits	$194,849	$192,063
Savings deposits	145,021	102,557
Time and savings deposits $100,000 and over	92,908	77,163
All other time deposits	356,074	366,954
Total interest bearing deposits	788,852	738,737
Non-interest bearing deposits	165,072	140,092
Total deposits	$953,924	$878,829

Maturities of certificates of deposits at December 31, 1998, were $289 million less than one year, $124 million 1 - 5 years and $13 million over 5 years.

</TABLE>

J. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

The Company enters into sales of securities under agreements to repurchase which are treated as financings. The obligation to repurchase securities sold is reflected as a liability and the assets underlying the agreements remain in the respective securities account. Information concerning securities sold under agreements to repurchase is summarized as follows:

<TABLE>
<CAPTION>

Dollars In Thousands	December 31, 1998				December 31, 1997			
	Asset Sold		Repurchase Liability		Asset Sold		Repurchase Liability	
Maturity/Type of Asset	Carrying Amount	Market Value	Amount	Weighted Average Interest Rate	Carrying Amount	Market Value	Amount	Weighted Average Interest Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Overnight to 30 Days								
U.S. Treasury and government agencies	$269,401	$270,930	$268,239	4.45%	$276,570	$280,292	$278,071	5.32%
Over 90 Days								
U.S. Treasury and government agencies	8,975	9,053	8,215	0	6,993	7,001	6,429	5.52%
	$278,376	$279,983	$276,454	4.48%	$283,563	$287,293	$284,500	5.33%

</TABLE>

	1998	1997
Average balance during the year	$246,585	$257,149
Average interest rate during the year	4.99%	5.08%
Maximum month-end balance during the year	$330,308	$346,635

K. ADVANCES FROM THE FEDERAL HOME LOAN BANK

The Bank is a member of the Federal Home Loan Bank of Cincinnati (FHLB) and, accordingly, is eligible to borrow from the FHLB. The Bank pledges certain first mortgage loans as collateral for these advances. The aggregate balance in these mortgages must equal 150% of the advances outstanding. At December 31, 1998, the Company's eligible collateral provided a borrowing limit of approximately $106 million. Certain information with respect to outstanding advances from the FHLB is summarized below:

<TABLE>
<CAPTION>

Dollars In Thousands

Year of Maturity	Amount	Weighted Average Interest Rate

2000	$191	5.77 %
2002 - 2007	25,567	5.78
2008 - 2012	44,961	5.92
2013 - 2014	4,143	7.10
	$74,862	5.94 %

Scheduled principal repayments on advances from the FHLB are $6,473,000, $7,018,000, $7,254,000, $7,402,000, and $5,880,000 for 1999 through 2003, respectively, and $40,835,000 thereafter.

L. EMPLOYEE BENEFIT PLANS

The Company has a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded non-qualified excess benefit plan covering certain executive officers.

The following table sets forth the plans' funded status and amounts recognized in the Company's consolidated balance sheets:

In Thousands
December 31

	1998	1997
Change in benefit obligation:		
Benefit obligation at beginning of year	$11,977	$12,940
Service cost	912	696
Interest cost	900	896
Settlement	---	(1,096)
Actuarial loss	1,686	924
Benefits paid	(748)	(2,383)
Benefit obligation at end of year	14,727	11,977
Change in plan assets:		
Fair value of plan assets at beginning of year	10,012	10,880
Actual return on plan assets	807	1,500
Company contributions	618	1,111
Settlement	---	(1,096)
Benefits paid	(748)	(2,383)
Fair value of plan assets at end of year	10,689	10,012
Funded status	(4,038)	(1,965)
Unrecognized actuarial loss	2,960	1,489
Unrecognized prior service cost	100	114
Unrecognized net asset at transition	(476)	(657)
Accrued pension cost	($1,454)	($1,019)
Weighted average assumptions as of December 31:		
Discount rate	6.75%	7.00%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	4.25%	4.25%

Net pension expense for 1998, 1997, and 1996 included the following components:

In Thousands
Years ended December 31

	1998	1997	1996
Service cost-benefits earned during the period	$(912)	$(696)	$(766)
Interest cost on projected benefit obligation	(900)	(896)	(914)
Expected return on plan assets	694	745	852
Amortization of prior service cost, transition asset, and actuarial loss	63	153	61
Net pension expense	$(1,055)	$(694)	$(767)

==================================

</TABLE>

The projected benefit obligation and accumulated benefit obligation for the unfunded non-qualified excess plan were $1,098,000 and $540,000 as of December 31, 1998, respectively and $414,000 and $149,000, respectively as of December 31, 1997.

In 1997, a portion of the unfunded plan's obligations were settled by a lump sum payment of $1.1 million resulting in the recognition of a settlement loss of $298,000.

The Company does not have a significant commitment to pay post-retirement or post-employment benefits other than pension benefits.

The Company also offers a defined contribution employee stock ownership plan. The Company's contributions to this plan were $652,000, $585,000, and $560,000 for 1998, 1997, and 1996, respectively.

The Company has incentive stock option plans under which shares of common stock have been reserved for the granting of stock options to certain key employees of the Company. The Company applies APB Opinion No.25 and related Interpretations in accounting for these plans. No compensation expense has been recognized for these fixed stock option plans. Had compensation cost for the Company's stock options granted in 1998, 1997 and 1996 been determined under the fair value approach described in FASB Statement No. 123, "Accounting for Stock-Based Compensation", the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

<TABLE>
<CAPTION>

In Thousands, Except Per Share Amounts
Years ended December 31

		1998	1997	1996
<S>		<C>	<C>	<C>
Net income	As Reported	$20,213	$17,915	$15,029
	Pro forma	19,899	17,841	14,978
Basic net income per share	As Reported	$1.98	$1.78	$1.50
	Pro forma	1.95	1.77	1.50
Diluted net income per share	As Reported	$1.94	$1.75	$1.50
	Pro forma	1.91	1.74	1.50

</TABLE>

The fair values of the option grants are estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1998, 1997 and 1996, respectively: dividend yields of 2.56%, 3.63% and 3.89%; expected volatility of 21%, 16% and 16%; risk-free interest rates of 5.59%, 6.64% and 6.09%; and expected lives of 6.50, 6.50 and 6.50 years.

The plans provide that the option price shall not be less than the fair market value of the stock at the effective date the options are granted, and that the term of the options shall not be more than ten years from the date of the grant. Options are exercisable ratably over a four year period. Options granted under the plans prior to 1997 were exercisable one year after the date of the grant. Shares available for future grants were 777,269 at December 31, 1998.

A summary of the status of the Company's incentive stock option plans as of December 31, 1998, 1997, and 1996 and changes during the years ended on those dates is presented below:

<TABLE>
<CAPTION>

	1998		1997		1996	
	Shares	Weighted Average Price	Shares	Weighted Average Price	Shares	Weighted Average Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at January 1	686,608	$14.88	747,772	$13.78	791,070	$13.59
Granted	199,439	31.33	124,061	19.51	27,319	
Expired	(9,704)	24.07	(5,094)	14.96	(7,414)	15.06
Exercised	(75,544)	14.17	(180,131)	13.50	(63,203)	12.49
Outstanding at December 31	800,799	$18.92	686,608	$14.88	747,772	$13.78

Exercisable at December 31	517,321	562,547	720,453
Weighted-average fair value of options granted	$7.69	$3.70	$3.00

</TABLE>

The following table summarizes information about incentive stock options outstanding at December 31, 1998:

<TABLE>
<CAPTION>

Range of Exercise Prices	Options Outstanding: Shares	Options Outstanding: Weighted-Average Remaining Life	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Shares	Options Exercisable: Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$ 9.12 to 13.00	111,293	1.9 years	$10.44	111,293	$10.44
13.01 to 18.00	377,383	5.2 years	14.81	377,383	14.81
18.01 to 23.00	117,239	7.7 years	19.53	28,645	19.53
23.01 to 34.04	194,884	8.6 years	31.34	--	--
$ 9.12 to 34.04	800,799	5.9 years	$18.92	517,321	$14.13

</TABLE>

Common stock received through the exercise of incentive stock options which is sold by the optionee within two years of grant or one year of exercise results in a tax deduction for the Company equivalent to the taxable gain recognized by the optionee. For financial reporting purposes, the tax effect of this deduction is accounted for as an increase in additional paid-in capital rather than as a reduction of income tax expense.

M. REGULATORY RESTRICTIONS ON DIVIDENDS AND CASH AND OTHER REGULATORY MATTERS

Under the Federal Reserve Act, prior approval of the Federal banking authorities is required if dividends declared by the Company's banking subsidiary in any year exceed its net profits for that year, as defined, combined with retained net profits, as defined, for the two preceding years. As of January 1, 1999, the aggregate amount of retained earnings available for distribution to the Company by subsidiaries without prior approval was approximately $32 million. In addition to restrictions on the payment of dividends, the Federal Reserve and the Commonwealth of Kentucky place certain cash reserve requirements on deposits. The reserve requirements, which were $10.8 million at December 31, 1998, are met by holding a percentage of deposits in vault cash or maintaining a balance directly with the Federal Reserve. The Company was in compliance with all cash reserve requirements at December 31, 1998.

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material impact on the Company's and the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company's and the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios of total and Tier I Capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I Capital (as defined) to average assets (as defined). Management believes, as of December 31, 1998, that the Company and the Bank meet all capital adequacy requirements to which they are subject.

As of December 31, 1998, the most recent notification from the Federal Reserve Bank categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table.

There are no conditions or events since that notification that management believes have changed the institution's category.

The Company's and the Bank's actual capital amounts and ratios are presented in the following table.

Dollars In Thousands

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 1998:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$174,374	15.0%	$92,883	> 8.0 %	$116,104	>10.0 %
Bank	$144,624	12.7%	$90,883	> 8.0 %	$113,603	>10.0 %
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$165,364	14.2%	$46,442	> 4.0 %	$69,662	> 6.0 %
Bank	$135,667	11.9%	$45,441	> 4.0 %	$68,162	> 6.0 %
Tier I Capital (to Average Assets)						
Consolidated	$165,364	11.5%	$57,552	> 4.0 %	$71,939	> 5.0 %
Bank	$135,667	9.6%	$56,718	> 4.0 %	$70,898	> 5.0 %
As of December 31, 1997:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$161,484	14.7%	$88,142	> 8.0 %	$110,178	>10.0 %
Bank	$126,624	11.9%	$85,158	> 8.0 %	$106,448	>10.0 %
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$152,275	13.8%	$44,071	> 4.0 %	$66,107	> 6.0 %
Bank	$117,468	11.0%	$42,579	> 4.0 %	$63,869	> 6.0 %
Tier I Capital (to Average Assets)						
Consolidated	$152,275	11.1%	$54,950	> 4.0 %	$68,687	> 5.0 %
Bank	$117,468	8.8%	$53,439	> 4.0 %	$66,798	> 5.0 %

N. NET INCOME PER SHARE AND COMMON STOCK DIVIDENDS

The following are the numerators and denominators for the basic and diluted net income per share computations:

In Thousands, Except Per Share Amounts

	1998			1997			1996		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS	$20,213	10,215	$1.98	$17,915	10,093	$1.78	$15,029	9,970	$1.50
Effect of dilutive securities	---	210		---	176		---	72	
Diluted EPS	$20,213	10,425	$1.94	$17,915	10,269	$1.75	$15,029	10,042	$1.50

The following table sets forth the Company's stock dividends to common shareholders:

<TABLE>
<CAPTION>

Declaration Date	Record Date	Payable Date	Stock Dividend Percentage
November 16, 1998	December 2, 1998	December 18, 1998	3.0
November 17, 1997	December 1, 1997	December 12, 1997	3.0
November 18, 1996	December 3, 1996	December 13, 1996	3.0

Per share information in the consolidated financial statements reflects the adjusted number of shares resulting from these stock dividends.

O. COMMITMENTS AND CONTINGENCIES

In the normal course of business, in order to meet the financing needs of customers, the Company has outstanding commitments and contingent liabilities. At December 31, 1998, the Company had $333 million of commitments to extend credit (of which $113 million relates to floating rate home equity lines of credit), which are not reflected in the consolidated financial statements. The Company's exposure to credit loss in the event of nonperformance by the other party to these commitments is represented by the contractual amount of those instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, real estate and income-producing commercial properties.

Standby letters of credit and financial guarantees written, aggregating $19.7 million at December 31, 1998, are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing and similar transactions.

At December 31, 1998, there were various pending legal actions in which claims for damages were asserted. In one such matter, the Bank is one of 13 defendants named in a lawsuit filed on December 10, 1993, by Kentucky Central Life Insurance Company (in Rehabilitation) involving certain real estate loans. Management, after discussion with legal counsel concerning the adequacy of the Company's defenses, believes that this and other legal actions will not have a material adverse effect upon the financial condition or results of operations of the Bank or the Company.

P. OTHER NON-INTEREST INCOME AND OPERATING EXPENSES

Significant components of other non-interest income and other operating expenses are set forth below:

In Thousands
Years Ended December 31

	1998	1997	1996
Other non-interest income:			
Gain on sale of other real estate	$1,172	$74	$234
Merchant and bank card fees	1,317	977	840
Money order processing fees	1,302	---	---
Other	2,412	2,913	2,012
	$6,203	$3,964	$3,086

	1998	1997	1996
Other operating expenses:			
Advertising and marketing	$2,187	$1,562	$1,262

Operating supplies	1,584	2,121	1,601
Legal and professional fees	3,582	1,610	2,212
Taxes-Bank, property and other	1,624	1,741	1,637
Other	5,029	3,796	4,383
	$14,006	$10,830	$11,095

</TABLE>

Q. RELATED PARTY TRANSACTIONS

Loans to directors, executive officers and principal holders of the Company's common stock and associates of such persons are presented below:

<TABLE>
<CAPTION>

In Thousands

<S>	<C>
Balance, January 1, 1998	$16,122
New loans and advances on lines of credit	8,285
Repayments	(5,489)
Balance, December 31, 1998	$17,883

</TABLE>

The above transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for other customers in the ordinary course of business.

R. FINANCIAL INSTRUMENTS - INTEREST RATE SWAP CONTRACTS

The Company manages its exposure to market risk, in part, by using interest rate swap contracts to modify the existing interest rate characteristics of its floating rate loan portfolio. The notional amount of the interest rate swap contracts represents only an agreed-upon amount on which calculations of interest payments to be exchanged are based, and is significantly greater than the amount at risk. Credit risk is measured as the cost of replacing, at current market rates, contracts in an unrealized gain position. Although the Company is exposed to credit-related losses in the event of nonperformance by the counterparty, based on management's assessment, as of December 31, 1998, the counterparty was expected to meet its obligations. In addition, the Company deals exclusively with counterparties with high credit ratings, enters into bilateral collateral arrangements and arranges master netting agreements. These agreements include legal rights of setoff that provide for the net settlement of the subject contracts with the same counterparty in the event of default.

At December 31, 1998, the Company had entered into interest rate swap contracts with notional amounts totaling $114 million, with a weighted average maturity of 1.67 years. Under these contracts the Company receives or pays the difference between the floating prime rate and fixed rates stated in the contracts. At December 31, 1998, the floating prime rate to be paid by the Company was 7.75% and the weighted average fixed rate to be received by the Company was 8.60%. At December 31, 1997 the Company had interest rate swap contracts of $150 million, with a weighted average fixed rate to be received by the Company of 8.56%. Interest rate swap contracts increased net interest income by $264,000 in 1998, $176,000 in 1997 and $450,000 in 1996. At December 31, 1998 and 1997, the aggregate fair value of interest rate swap contracts, determined through market quotes, was approximately $1,600,000 and $1,000, respectively.

S. DISCLOSURES ABOUT SEGMENTS

The Company, through the branch network of its subsidiary banks, provides a broad range of financial services to individuals and businesses in and around Jefferson County, Kentucky. These services include demand, time and savings deposits; lending and lease financing; credit cards; ATMs; cash management; and trust services. While the Company's chief decision makers monitor the revenue streams of the various banking products and services, operations are managed and financial performance is evaluated on a bank-wide basis. Accordingly, all of the Company's banking operations are considered by management to be aggregated in one reportable operating segment. The other catagory includes the aggregate of other activities, which individually are not significant. These activities include the gift certificate operation, a captive data processing subsidiary, an insurance subsidiary that sells insurance products on loans made by the banks, and subsidiaries holding foreclosed real estate.

The measurement of the performance of the business segments is based on the management stucture of the Company and is not necessarily comparable with similar information for any other financial institution. The information presented is also not necessarily indicative of the segments' financial condition and results of operations if they were independent entries.

Selected financial information by business segment for 1998, 1997 and 1996 follows:

<TABLE>
<CAPTION>

In thousands

<S>	1998 <C>	1997 <C>	1996 <C>
Net interest income			
Banking	$56,316	$53,256	$49,218
Other	3,382	4,269	3,603
Eliminations	(6)	(6)	(15)
Total	$59,692	$57,519	$52,806
Non-interest income			
Banking	$13,932	$10,775	$9,294
Other (a)(b)	12,289	8,332	10,862
Eliminations (a)	(6,432)	(5,934)	(5,629)
Total	$19,789	$13,173	$14,527
Net income			
Banking	$16,802	$16,356	$13,156
Other	3,356	1,565	2,233
Eliminations	55	(6)	(360)
Total	$20,213	$17,915	$15,029
Assets			
Banking	$1,507,101	$1,393,632	$1,334,124
Other	123,448	136,078	107,158
Eliminations	(35,786)	(20,132)	(20,349)
Total	$1,594,763	$1,509,578	$1,420,933

(a) Data processing revenues, for services provided to the banking segment and certain other operating areas by the data processing subsidiary, are eliminated in the consolidated statement of income.

(b) The primary external source of other non-interest income is fees related to the gift certificate and former money order operations. In 1998 and 1996, other non-interest income also includes a gain on the sale of the money order subsidiary and a gain on the sale of the money order agent base, respectively.

</TABLE>

T. SHAREHOLDER RIGHTS PLAN

On February 23, 1998, the Board of Directors of the Company adopted a shareholder rights plan. Pursuant to the Plan, the Board declared a dividend distribution of one right for each outstanding share of the Company's common stock. Under certain conditions, each right entitles the registered holder to purchase from the Company a unit consisting of one-hundredth of a share of Junior Participating Preferred Stock at a purchase price of $75.00 per unit, subject to adjustment. The Company can redeem the rights for $0.01 per right at any time prior to their becoming exercisable. The Rights expire on March 13, 2008, unless earlier redeemed by the Company.

The rights become exercisable upon the earlier of (i) the tenth day following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of common stock of the Company or (ii) the tenth business day following the commencement of the tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of such outstanding shares of common stock of the Company.

After an Acquiring Person acquires 15% or more of the common stock of the Company, (i) each right not owned by an Acquiring Person will become a right to receive, upon exercise, common stock of the Company having a value equal to two times the exercise price of the right; and (ii) all rights that are owned by any Acquiring Person will be null and void.

If the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving corporation or 50% or more of the Company's assets or earning power is sold or transferred, each holder of a right shall thereafter have the right to recieve, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the right.

U. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Company's financial instruments are as follows:

<TABLE>
<CAPTION>

In Thousands

	December 31, 1998		December 31, 1997	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Financial assets:				
Cash and short-term investments	$74,644	$74,644	$45,902	$45,902
Securities	469,765	469,780	522,899	523,042
Loans, net of allowance for loan losses	996,011	1,012,572	881,866	886,708
Financial liabilities:				
Deposits	953,924	958,752	878,829	881,122
Short-term borrowings	288,544	288,544	284,500	284,500
Advances from the Federal Home Loan Bank	74,862	82,361	63,165	62,360
Gift certificates and money orders outstanding	95,127	95,127	104,609	104,609
Off-balance sheet financial instruments				
Interest rate swaps	---	1,599	---	1

</TABLE>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash, Short-Term Investments, and Short-Term Borrowings--For those short-term instruments, the carrying amount is a reasonable estimate of fair value.

Securities--For securities, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities or dealer quotes.

Loans--The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities, reduced by the allowance for loan losses which represents the estimated credit losses in the loan portfolio.

Deposits--The fair value of demand deposits, savings accounts, and money market deposits is the amount payable on demand at the reporting date. The fair value of certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

Advances from the Federal Home Loan Bank--Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Gift certificates and money orders outstanding--The fair value of these instruments, payable upon demand, is carrying value.

Interest Rate Swaps--The fair value of interest rate swaps is the estimated amount, based on market quotes, that the Company would receive or pay to terminate the agreement at the reporting date, taking into account current interest rates and the remaining term of the agreements.

Commitments--The fair value of commitments to extend credit is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. There are no significant fair value adjustments for commitments.

Limitations--The fair value estimates are made at a discrete point in time based on relevant market information about the financial instruments. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

V. CONDENSED FINANCIAL INFORMATION - PARENT COMPANY ONLY

<TABLE>
<CAPTION>

Condensed Balance Sheets

In Thousands
December 31

	1998	1997
<S>	<C>	<C>
Assets:		
Cash on deposit with bank subsidiary	$12,857	$2,501
Investment in bank and thrift subsidiaries	139,937	124,364
Investment in other subsidiaries	13,422	22,470
Other assets	1,292	1,874
Total assets	$167,508	$155,724
Liabilities and shareholders' equity:		
Other liabilities	$72	$15
Shareholders' equity	167,436	155,709
Total liabilities and shareholders' equity	$167,508	$155,724

</TABLE>

<TABLE>
<CAPTION>

Condensed Statements of Income

In Thousands
Years Ended December 31

	1998	1997	1996
<S>	<C>	<C>	<C>
Cash dividends from bank subsidiary	$ ---	$2,550	$19,300
Gain on sale of money order subsidiary	4,588	---	---
Interest income and other income	892	697	300
Other expenses	(1,159)	(233)	(117)
Income before income taxes and equity in undistributed earnings of subsidiaries	4,321	3,014	19,483
Applicable income tax expense	(1,833)	(167)	(168)
Income before equity in undistributed earnings of subsidiaries	2,488	2,847	19,315
Equity in undistributed earnings of subsidiaries	17,725	15,068	(4,286)
Net income	$20,213	$17,915	$15,029

</TABLE>

V. CONDENSED FINANCIAL INFORMATION - PARENT COMPANY ONLY (CONTINUED)

<TABLE>
<CAPTION>

Condensed Statements of Cash Flows

In Thousands
Years Ended December 31

<S> <C> <C> <C>

	1998	1997	1996
Cash flows from operating activities:			
Net income	$20,213	$17,915	$15,029
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Equity in undistributed earnings of subsidiaries	(17,725)	(15,068)	4,286
Gain on sale of money order subsidiary	(4,588)	---	---
Decrease (increase) in other assets	780	2,008	(3,077)
Increase (decrease) in other liabilities	57	(9)	58
Net cash provided by (used in) operating activities	(1,263)	4,846	16,296
Cash flows from investing activities:			
Investment in subsidiaries	(125)	(5,000)	(200)
Proceeds from sale of money order subsidiary	14,630	---	---
Net cash provided by (used in) investing activities	14,505	(5,000)	(200)
Cash flows used in financing activities:			
Dividends paid	(8,345)	(7,441)	(6,491)
Stock options exercised	944	2,316	823
Net cash used in financing activities	(7,401)	(5,125)	(5,668)
Net increase (decrease) in cash and cash equivalents	5,841	(5,279)	10,428
Cash and cash equivalents at beginning of year	7,016	12,295	1,867
Cash and cash equivalents at end of year	$12,857	$7,016	$12,295

</TABLE>

SUBSIDIARIES OF REGISTRANT Exhibit 21

The subsidiaries of MidAmerica Bancorp are listed below. Each of the companies with the exception of MidAmerica Bank, F.S.B., which is a Federal Savings Bank organized under laws of the United States, is incorporated in the state of Kentucky.

Bank of Louisville

MidAmerica Gift Certificate Company

Eton Life Insurance Company

MidAmerica Data Processing Inc.

MidAmerica Property Management Company

MABC Leasing Company

MidAmerica Bank, F.S.B.

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Mid-America Bancorp:

We consent to incorporation by reference in the Registration Statements No. 2-92270, No. 2-99495, No. 33-42989, and No. 333-45091 on Forms S-8 of Mid-America Bancorp of our report dated January 22, 1999, relating to the consolidated balance sheets of Mid-America Bancorp and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, changes in shareholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 1998, which report appears in the 1998 annual report to shareholders, which is incorporated by reference in the December 31, 1998 annual report on Form 10-K of Mid-America Bancorp.

Louisville, Kentucky /s/ KPMG LLP
March 24,1999

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ADDITIONAL EXHIBITS Exhibit 99

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

X ANNUAL REPORT PURSUANT TO SECTION 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 1-10602

A. Full title of the plan and the address of the plan, if different from that of the issuer name below.

The Bank of Louisville Employee Stock Ownership Plan

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office.

Mid-America Bancorp
500 West Broadway
Louisville, Kentucky 40202

REQUIRED INFORMATION

Financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA will be filed in paper, as permitted by Rule 101 (6) (3) of Regulation S-T within 180 days of the Plan's year-end (December 31, 1998).