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# Annual Report 1955

PEOPLES NATIONAL BANK OF WASHINGTON



## DIRECTORS

JOSHUA GREEN, *Chairman of the Board*

P. A. STRACK, *Chairman Executive Committee*

1 1 1

BENNETT BALDY

*President, Monte Cristo Investment Co.*

WARREN H. BEAN

*Partner, Lewis-Bean Company*

E. L. BLAINE, JR.

*Senior Vice-President*

LOUIS K. BYE

*General Manager  
Sears, Roebuck & Co.*

C. H. CARLANDER

*President, Puget Sound Freight Lines*

KENNETH B. COLMAN

*President, Smith-Gandy  
Corporation*

GEORGE K. COMSTOCK

*President, Electrical Products  
Consolidated*

GEORGE S. DOUGLAS

*Vice-President, Western  
Printing Co.*

F. S. FOSTER

*President, F. G. Foster Co.*

EDW. I. GARRETT

*Chairman of the Board  
Garrett & Shafer Engineering Works*

J. A. GREEN

*Chairman, Executive Committee  
Pacific American Fisheries*

JOSHUA GREEN, JR.

*President*

HOWARD H. HANSEN

*Senior Vice-President*

E. R. HINTON

*President and Chairman of the Board,  
Olympic Steel Works*

CECIL E. JENKS

*Senior Vice-President*

PHILIP D. MACBRIDE

*Attorney at Law*

VINCENT D. MILLER

*President, Vincent D. Miller  
Company*

CARL A. SCHAFER

*Montesano*

EMIL SICK

*Chairman of the Board,  
Sicks' Brewery Enterprises, Inc.*

C. L. YOST

*Executive Vice-President*

THOMAS H. YOEUELL

*President, Youell, Inc.*

*Member Federal Reserve System*



## ADMINISTRATIVE COMMITTEE

JOSHUA GREEN . <i>Chairman of Board</i>	P. A. STRACK . . . <i>Chmn. Exec. Com.</i>
JOSHUA GREEN, JR. . . . <i>President</i>	C. L. YOST . . . <i>Exec. Vice-President</i>

## SENIOR VICE-PRESIDENTS

E. L. BLAINE, JR.	HOWARD H. HANSEN	J. A. GREEN	C. E. JENKS
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## MAIN OFFICE

1414 Fourth Avenue, Seattle (11)

ARTHUR W. BUSCH . . . <i>Vice-President</i>	R. D. ZIMMERMAN . <i>Asst. Vice-President</i>
PAUL L. DANFORTH . . . <i>Vice-President</i>	D. L. McMILLAN . . . . <i>Auditor</i>
F. B. DONALDSON . . . <i>Vice-President</i>	V. E. HANSON . . . <i>Assistant Auditor</i>
J. F. EDDY . . . . . <i>Vice-President</i>	JOHN BAIN . . . . <i>Assistant Cashier</i>
M. C. GEDDES . . . . <i>Vice-President</i>	R. A. COOK . . . . <i>Assistant Cashier</i>
R. G. PERRY . . <i>Vice-President &amp; Cashier</i>	ROBERT HARRIS . . . <i>Assistant Cashier</i>
A. R. BERGMAN . . <i>Asst. Vice-President</i>	J. C. LAWSON . . . . <i>Assistant Cashier</i>
WOOLSEY BINGAY . <i>Asst. Vice-President</i>	M. R. MASTRO . . . <i>Assistant Cashier</i>
QUENTIN H. ELLIS . <i>Asst. Vice-President</i>	R. B. SMOCK . . . . <i>Assistant Cashier</i>
F. L. HARFORD . . <i>Asst. Vice-President</i>	MATT TOMAC . . . . <i>Assistant Cashier</i>
FRANK VIRANT . . <i>Asst. Vice-President</i>	M. F. WHITE . . . . <i>Assistant Cashier</i>

## TRUST DEPARTMENT

VICTOR R. GRAVES . <i>Vice-Pres. &amp; Tr. Off.</i>	LYLE M. AMUNDSON . <i>Asst. Trust Officer</i>
EDWIN R. MACKAY . . . <i>Trust Officer</i>	WALTER T. BAGNALL . <i>Asst. Trust Officer</i>
HAROLD ROGERS . . . . <i>Trust Officer</i>	

## INVESTMENT DEPARTMENT

HARRY J. MARKEY . . . *Vice-President*

## REAL ESTATE DEPARTMENT

C. A. BERG . . . . . <i>Vice-President</i>
ROBERT GASTON . . . . <i>Asst. Cashier</i>

## INSTALLMENT LOAN DEPARTMENT

W. L. BOATMAN . . . *Assistant Cashier*



## *The President's Letter*

During the past year, the bank's sixty-sixth, very satisfactory progress has been made in every phase of our activities. We are attempting this year to submit a slightly different form of annual report in the hope that it may be of interest to our stockholders and friends and that a more complete description of our assets and liabilities will provide a graphic picture of the bank's situation. Before submitting this type of statement, I would like to make a few comments on phases of the bank's activities which it does not cover. The following figures show a comparison of certain assets and liabilities between the year-ends 1955 and 1954.

	<b>December 31, 1954</b>	<b>December 31, 1955</b>	<b>% Increase</b>
<b>Total Resources</b>	<b>\$175,917,442.00</b>	<b>\$183,153,871.00</b>	<b>4.11</b>
<b>Demand Deposits</b>	<b>115,917,798.00</b>	<b>118,660,765.00</b>	<b>2.37</b>
<b>Time Deposits</b>	<b>46,054,805.00</b>	<b>50,947,332.00</b>	<b>10.62</b>
<b>Total Deposits</b>	<b>161,972,603.00</b>	<b>169,608,097.00</b>	<b>4.71</b>
<b>Commercial Loans</b>	<b>35,224,242.00</b>	<b>37,203,910.00</b>	<b>5.62</b>
<b>Installment Loans</b>	<b>12,755,700.00</b>	<b>15,347,640.00</b>	<b>20.32</b>
<b>Mortgage Loans</b>	<b>20,786,279.00</b>	<b>23,734,093.00</b>	<b>14.18</b>
<b>Total Loans</b>	<b>68,766,221.00</b>	<b>76,285,643.00</b>	<b>10.93</b>

The gross income of your bank during 1955 was the largest in its history. Costs also increased, particularly because of the larger savings interest rate paid (this was increased from 1½% on a graduated scale of balances to 2% without limitation as to amount) and there was an allocation of \$186,000.00 to our Reserve for Losses on Loans. This allocation was greater than 1954 by \$106,000.00 and was permitted by a liberalization in the regulations of the Internal Revenue Bureau applying to this type of reserve. In spite of this increase in costs, of which these two are the largest items, our net earnings, as enumerated in the following report, were in excess of those in 1954.



	1954	1955
Gross Income	\$5,562,909.33	\$ 6,508,508.84
Gross Costs	3,796,446.48	4,539,529.93
Gross Earnings	1,766,462.85	1,968,978.91
Additions to Reserve for Bad Debts	80,000.00	186,000.00
Reserve for income tax	675,000.00	762,500.00
Net Earnings	1,011,462.85	1,020,478.91
Earnings per share	6.74*	5.10*
Dividends per share	1.50	1.50
Total dividends paid	225,000.00	237,500.00
New Capital funds subscribed	0	1,000,000.00
Total Capital funds	9,969,636.76	11,692,831.35

\*1954 figure is based on 150,000 shares and the 1955 figure on 200,000 shares

Due to the increasing traffic congestion in our rapidly growing city, the bank has been giving a great deal of thought to furnishing convenient banking offices and parking service for the various communities. With this thought in mind, we are currently constructing a new building for the First Hill Branch which will have adequate, convenient parking facilities at Madison Street and Minor Avenue, just across the street from our present location. We are also constructing a Motor-in-Branch in West Seattle on the northwest corner of 42nd S. W. and West Edmunds Street. This corner is in the same block as our present West Seattle Branch and will provide 34-car parking with a very modern and convenient banking office. It will also furnish a complete deposit service *augmenting the existing services* in our present West Seattle Branch. During the year we opened the Ballard Branch at 5602-15th Avenue, N. W., with parking for 32 cars and were able to acquire parking space for our North Seattle Branch at East 63rd and Roosevelt Way. The new building at Renton with 45-car parking is another step in this program. It is our hope that our customers now will find a convenient parking location to do their banking on each of the main arterials leading to and from our city center. May I call your attention to the map on the last page of this report showing the locations of our city branches.

This past year our Trust Department continued its growth at an accelerated rate in both assets and earnings. Due to changes in the Internal Revenue Bureau laws and regulations, we were able to furnish added services through this department which are proving to be of real value to our customers.

The management of the bank is particularly grateful for the excellent support it has had from stockholders, directors, customers and employees. This support has made possible our gratifying growth during the past year.

*John Green Jr.*



# *Resources*

## **CASH ASSETS .....\$ 39,649,222.87**

Cash on hand .....	\$ 2,308,157.92
Deposits in Federal Reserve Bank as	
Legal Reserve .....	19,700,809.92
Deposits in and amounts due from other	
banks .....	3,216,030.48
Cash items in process of collection.....	14,424,224.55

## **U. S. GOVERNMENT SECURITIES.....\$ 48,890,428.76**

(Includes \$19,578,624.70 pledged to secure  
public deposits or trust funds)

### **Maturity Distribution**

Under one year.....	\$21,697,553.04
One to five years.....	11,925,433.56
Five to ten years.....	15,235,003.31
Over ten years.....	32,438.85

## **SECURITIES, OTHER THAN U. S. GOV'T.....\$ 15,105,257.42**

(Includes \$1,717,123.79 pledged to secure  
public deposits or trust funds)

State and Municipal Securities.....	\$12,568,340.54
All other bonds.....	2,536,916.88

## **FEDERAL RESERVE BANK STOCK.....\$ 270,000.00**

## **TIME AND DEMAND LOANS .....\$ 37,203,909.91**

Business and industrial loans.....	\$29,419,459.86
Loans to farmers guaranteed by Commodity	
Credit Corporation.....	1,551,982.66
Crop, livestock and other loans to farmers.....	1,761,770.55
Loans on securities to brokers, dealers	
and others.....	1,717,397.17
All other loans.....	2,753,299.67



**CONSUMER INSTALLMENT LOANS.....\$ 15,347,640.44**

These consist of:

4,796 personal loans.....	\$ 1,839,192.03
16,102 automobile and equipment loans.....	11,310,207.70
3,981 FHA Improvement loans.....	2,198,240.71

**REAL ESTATE MORTGAGES .....\$ 23,734,093.01**

These are all arranged on monthly payment terms and represent original advances of not over 60% of conservative appraisals except where covered by guarantee of F. H. A. or V. A. They consist of:

1,679 residential bank loans totaling.....	\$ 7,346,053.91
1,009 residential F. H. A. loans totaling....	7,358,992.23
430 G. I. real estate loans totaling.....	2,642,291.55
456 industrial and commercial loans totaling.....	6,386,755.32

(Not included in the above loan totals is a bad debt reserve of **\$824,942.87** which is the maximum permitted under regulations of the Commissioner of Internal Revenue. Such reserve has been deducted from the totals shown for the three loan classifications.)

**BANKING HOUSE AND EQUIPMENT.....\$ 2,388,816.63**

This includes land and buildings occupied by twelve of our nineteen offices at.....	\$ 1,627,329.42
and equipment in all nineteen offices at.....	761,487.21

**CUSTOMERS' LIABILITY ON ACCEPTANCES  
AND LETTERS OF CREDIT.....\$ 310,026.87**

**OTHER RESOURCES .....\$ 254,474.73**

This consists principally of prepaid expenses, other real estate and Canadian funds acquired in our regular banking operations.

**TOTAL RESOURCES.....\$183,153,870.64**



# *Liabilities*

**DEPOSITS** ..... **\$169,608,097.26**

The principal liability of a bank is its obligations to pay out deposits when requested by the depositors. A wide diversification of deposits is desirable since it reduces the likelihood of a heavy drain from a few large withdrawals. We are consequently pleased with the showing of wide diversification in the following analysis of our deposits:

**DEMAND DEPOSITS** ..... **\$118,660,765.35**

33,740 Commercial  
checking accounts \$92,297,249.27

38,543 CheckMaster  
checking accounts 7,014,826.32

62 Country Bank  
accounts..... 6,624,865.58

50 State and Municipal  
accounts..... 6,221,792.47

U. S. Government  
account..... 2,055,815.75

Other demand deposits:  
(Cashier, Certified  
Checks, etc.) ..... 4,446,215.96

**TIME DEPOSITS** ..... **\$ 50,947,331.91**

63,999 Savings accounts. \$50,203,275.76

16 Time certificates of  
deposit and time  
deposit open accounts 744,056.15

**RESERVE FOR TAXES** ..... **\$ 936,520.65**

**RESERVE FOR DIVIDENDS** ..... **200,000.00**

**LIABILITY UNDER ACCEPTANCES & LETTERS OF CREDIT** ..... **310,026.87**

**INTEREST COLLECTED, UNEARNED** ..... **406,394.51**

**CAPITAL** ..... **4,000,000.00**

**SURPLUS** ..... **5,000,000.00**

**UNDIVIDED PROFITS** ..... **2,692,831.35**

**TOTAL LIABILITIES** ..... **\$183,153,870.64**



## *Building Capital Funds to Provide for a Growing Bank*

1889.....	\$ 60,000.00
1919.....	266,149.02
1929.....	932,740.19
1939.....	2,241,534.82
1949.....	7,000,642.38
1950.....	7,516,696.11
1951.....	8,007,571.11
1952.....	8,549,431.61
1953.....	9,170,970.21
1954.....	9,969,636.76
1955.....	11,692,831.35

During 1955 the capital stock of the bank was increased from 150,000 shares to 200,000 shares. 25,000 shares were purchased with undivided profits and distributed as a stock dividend and stockholders purchased another 25,000 shares. At the same time \$1,500,000.00 was transferred from undivided profits to surplus.

### *The Present Capital Funds are:*

200,000 shares @ \$20 par.....	\$ 4,000,000.00
Surplus .....	5,000,000.00
Undivided Profits .....	2,692,831.35
	<hr/>
Total .....	\$11,692,831.35



## *Scope of Service*

A true test of the effectiveness and necessity of any institution is found in the number of people it serves. The following figures cover some of the many services we perform and indicate how widespread is that service. At the close of the year we were actively serving:

33,740	Commercial checking accounts
38,543	CheckMaster checking accounts
63,999	Savings accounts
16,018	Safe Deposit Box Renters
1,018	Trust and estate beneficiaries
5,479	Corporate security holders as registrar or transfer agent
3,699	Commercial Loan customers
24,879	Installment Loan customers
3,674	Mortgage Loan customers
1,905	Contracts for collection for customers

The vital force which this bank plays in facilitating and financing the business of its territory is shown by these additional figures of transactions handled during the year:

12,418,884	Checks paid for customers	
17,335,224	Checks collected for customers	
241,272	Savings transactions handled	
147,926	Bank drafts and cashier's checks issued	
63,889	Contract and other collection payments handled	
45,312	Utility bills paid through our offices	
13,914	Commercial loans made for a total of.....	\$159,353,697.70
23,101	Automobile, personal, and home improvement loans made for a total of.....	19,132,129.06
1,241	Real estate mortgage loans made for a total of .....	10,743,733.75
27,456	Savings bonds sold to customers	
166,632	Savings bonds redeemed for customers	



# *A Record of Expenditures*

The public generally has little conception of the substantial cost involved in rendering a modern banking service. To illustrate that the interest paid us on loans and the service charges collected are not all profit and that most of this income flows immediately back into the community we submit the following record for 1955:

Salaries to 577 employees and officers.....	\$2,311,785.15
Interest paid to 63,999 savings depositors.....	868,552.98
Examiners' fees and taxes to municipal, state and federal governments .....	896,441.94
Rent, maintenance and depreciation of quarters and equipment .....	299,400.79
Insurance and F. D. I. C. Assessments.....	91,274.33
Utility services, postage, telephone and telegraph.....	157,294.63
Credit, legal and specialized banking services.....	137,219.63
Supplies such as checks and forms.....	189,003.21
Publication of quarterly statements and advertising.....	94,327.38
Allocation to bad debt reserve as permitted by regulations of the Commissioner of Internal Revenue .....	186,000.00
Other miscellaneous expenses, contributions, etc.....	185,994.16
Operating costs .....	<u>\$5,417,294.20</u>
* Contributed to Employees Profit Sharing Plan.....	95,218.13
Dividends declared to 500 stockholders.....	287,500.00
Added to capital funds as further protection to depositors .....	723,194.59

\* The Employees Profit Sharing Fund is created entirely from contributions by the bank from its earnings and is designed to provide retirement benefits for employees. This fund now amounts to \$628,298.73.



## SEATTLE BRANCHES

### BALLARD BRANCH

G. C. TROTTER, *Manager*  
HARRY MEANS, *Assistant Manager*

### DEXTER AND BROAD STREET BRANCH

J. H. RECKERS, *Manager*  
S. L. BIDDLE, *Assistant Manager*  
EARL A. CRANDALL, *Assistant Manager*  
A. N. CURRIER, *Assistant Manager*

### FIRST AVENUE BRANCH

H. S. GOODFELLOW, *Vice-Pres. & Mgr.*  
D. GREENFIELD, *Assistant Vice-President*  
C. H. AITKEN, *Assistant Cashier*  
E. M. ANDERSON, *Assistant Cashier*  
ROLAND P. DIDDAMS, *Assistant Cashier*  
WM. HARISBERGER, *Assistant Cashier*  
WM. MALOY, *Assistant Cashier*

### SOUTH SEATTLE BRANCH

JOHN KING, *Manager*  
VIRGIL A. GAMLEM, *Assistant Manager*  
R. L. SOURS, *Assistant Manager*

### FIRST HILL BRANCH

M. S. DUNN, *Manager*  
W. F. BREITEN, *Assistant Manager*  
ALBERT GREEN, JR., *Assistant Manager*

### MAGNOLIA BRANCH

J. E. TONERI, *Manager*  
H. J. KNOX, *Assistant Manager*

### NORTH SEATTLE BRANCH

J. C. LAUGHLIN, *Manager*  
T. FROULA, *Assistant Manager*  
D. E. BROWN, *Assistant Manager*

### WEST SEATTLE BRANCH

F. T. LINDE, *Manager*  
G. A. GUNDERSON, *Assistant Manager*  
OTTO KRUEGER, *Assistant Manager*  
E. C. SCHMAD, *Assistant Manager*

## WESTERN WASHINGTON BRANCHES

### ANACORTES BRANCH

F. G. CARTWRIGHT, *Manager*  
E. V. OLSON, *Assistant Manager*

### BREMERTON BRANCH

H. SELVIDGE, *Manager*  
R. A. NOYES, *Assistant Vice-President*  
A. G. GUNSTEN, *Assistant Manager*  
RON PATTEN, *Assistant Manager*

### EVERETT BRANCH

J. A. GREEN, *Senior Vice-President*  
J. C. WALSH, *Asst. Vice-President & Mgr.*  
HUBERT G. BEILFUS, *Assistant Manager*  
BRUCE BROUGHTON, *Assistant Manager*  
E. L. ZINDORF, *Assistant Manager*

### HOQUIAM BRANCH

R. W. JACKSON, *Manager*  
R. E. JOHNSON, *Assistant Manager*

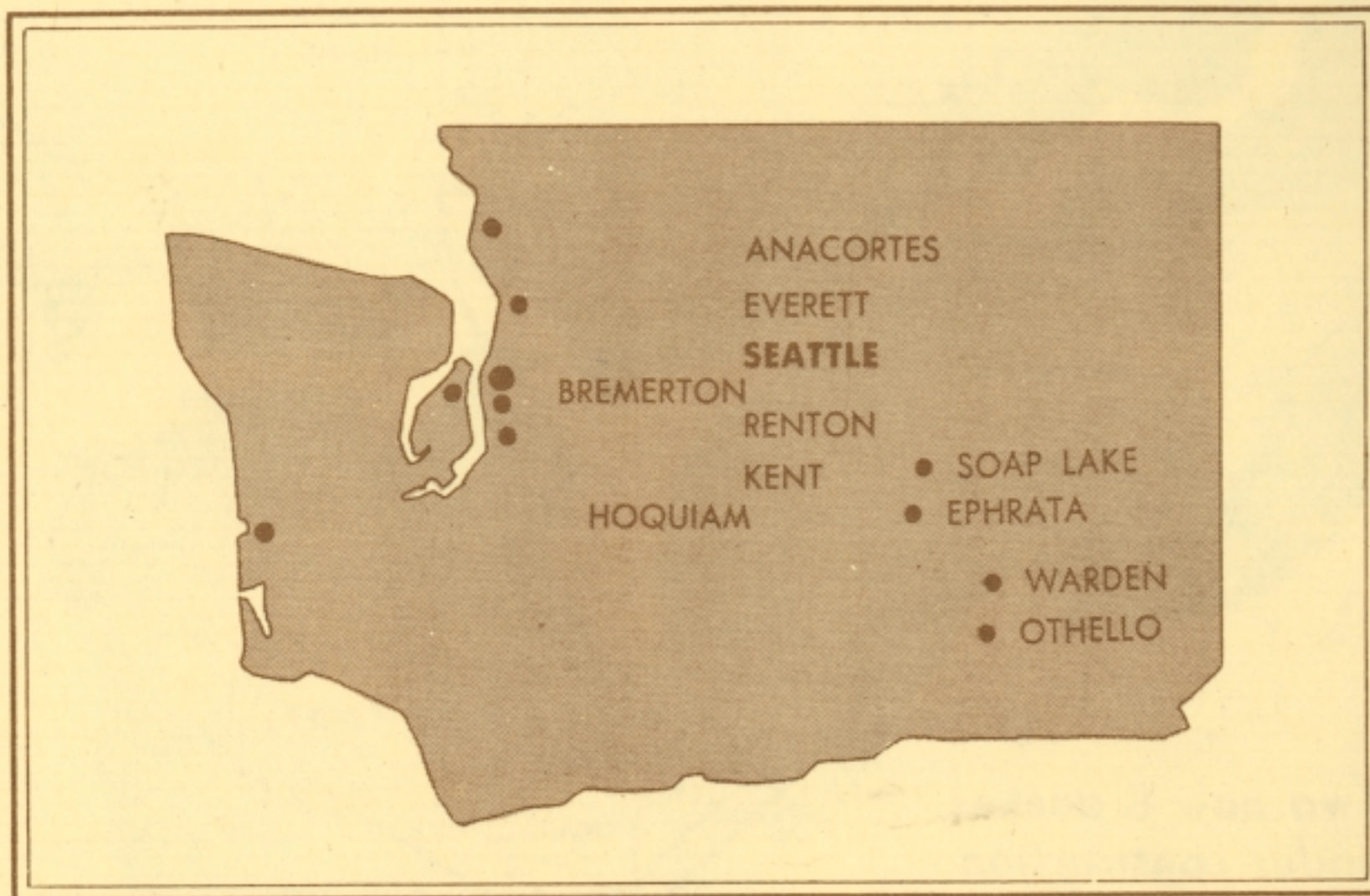
### KENT BRANCH

A. GIGLI, *Manager*  
LYLE SANDELIUS, *Assistant Manager*

### RENTON BRANCH

B. G. MORRISON, *Vice-President & Mgr.*  
D. O. BECK, *Assistant Manager*  
LEO BRIDGE, *Assistant Manager*  
HELEN NELSEN, *Assistant Manager*  
W. STOREY, *Assistant Manager*





## CENTRAL WASHINGTON BRANCHES

### GRANT COUNTY BRANCH Ephrata, Washington

V. A. CROSBY, *Manager*  
B. J. HAMM, *Assistant Manager*  
R. S. JONES, *Assistant Manager*  
C. LOCHMILLER, *Assistant Manager*  
H. A. TROUT, *Assistant Manager*

### SOAP LAKE BRANCH Soap Lake, Washington

W. C. SCOTT, *Manager*

### WARDEN BRANCH Warden, Washington

ROY E. RICHARDSON, *Manager*

### OTHELLO BRANCH Othello, Washington

E. J. LIVINGSTON, *Manager*  
G. E. SCHNEIDER, *Assistant Manager*





Two new Branches  
under construction

First Hill Branch

Minor Avenue at Madison St.

West Seattle Motor in Branch

42nd S.W. & W. Edmunds