

Peoples National Bank of Washington  
1954

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# *Annual Report 1954*

PEOPLES NATIONAL BANK  
OF WASHINGTON



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1889

ANNUAL REPORT



**PEOPLES  
NATIONAL BANK**  
OF WASHINGTON





# *Peoples National Bank of Washington*

## DIRECTORS

JOSHUA GREEN, *Chairman of the Board*  
*Director, Chicago, Milwaukee, St. Paul & Pacific Railroad Co.*

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.  
*Vice-President*

ALBERT BRYGGER  
*President, Commerce Mortgage Company*

LOUIS K. BYE  
*General Manager,  
Sears, Roebuck and 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  
*Vice-President*

OLIVER H. HASKELL  
*Vice-President*

E. R. HINTON  
*President and Chairman of the Board,  
Olympic Steel Works*

CECIL E. JENKS  
*Vice-President*

PHILIP D. MACBRIDE  
*Attorney at Law*

VINCENT D. MILLER  
*President, Vincent D. Miller Company*

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  
Member Federal Deposit Insurance Corporation*



## 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>

## MAIN OFFICE

E. L. BLAINE, JR., *Vice-President*

ARTHUR W. BUSCH . . . <i>Vice-President</i>	R. D. ZIMMERMAN . <i>Asst. Vice-President</i>
F. B. DONALDSON . . . <i>Vice-President</i>	JOHN BAIN . . . . <i>Assistant Cashier</i>
M. C. GEDDES . . . . <i>Vice-President</i>	R. A. COOK . . . . <i>Assistant Cashier</i>
O. H. HASKELL . . . . <i>Vice-President</i>	J. C. LAWSON . . . . <i>Assistant Cashier</i>
C. E. JENKS . . . . . <i>Vice-President</i>	MICHAEL R. MASTRO . <i>Assistant Cashier</i>
QUENTIN H. ELLIS . <i>Asst. Vice-President</i>	SELMA F. WELCH . . <i>Assistant Cashier</i>
F. L. HARFORD . . . <i>Asst. Vice-President</i>	M. F. WHITE . . . . <i>Assistant Cashier</i>

## CASHIERS DEPARTMENT

R. G. PERRY . . . . . *Cashier*  
MATT TOMAC . . . . *Assistant Cashier*

## AUDITING DEPARTMENT

V. E. HANSON . . . . *Assistant Auditor*  
D. L. MCMILLAN . . . *Assistant Auditor*

## BRANCH SUPERVISION

HOWARD H. HANSEN . . *Vice-President*  
A. R. BERGMAN . . . *Asst. Vice-President*  
WOOLSEY BINGAY . . . *Assistant Cashier*  
ROBERT HARRIS . . . *Assistant Cashier*

## PUBLIC RELATIONS DEPT.

PAUL L. DANFORTH . . *Vice-President*  
R. B. SMOCK . . . . *Assistant Cashier*

## TRUST DEPARTMENT

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

## INVESTMENT DEPARTMENT

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

## REAL ESTATE DEPARTMENT

C. A. BERG . . . . . *Vice-President*  
ROBERT GASTON . . . *Assistant Cashier*

## FOREIGN EXCHANGE DEPT.

J. F. EDDY . . . . . *Vice-President*

## PERSONNEL

FRANK VIRANT . . . . *Assistant Cashier*

## INSTALLMENT LOAN DEPARTMENT

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





## *President's Letter to Stockholders*

**Y**OUR BANK, in its sixty-fifth year of operation, registered gains in every important phase of its activities. The following table furnishes a concise picture of this progress.

	<i>December 31, 1953</i>	<i>December 31, 1954</i>	<i>% Increase</i>
Total Resources	\$154,581,332.00	\$175,917,442.00	13.80
Demand Deposits	101,059,243.00	115,917,798.00	14.70
Time Deposits	41,501,455.00	46,054,805.00	10.97
Total Deposits	142,560,698.00	161,972,603.00	13.62
Commercial Loans	27,925,719.00	35,224,242.00	26.14
Installment Loans	10,997,255.00	12,755,700.00	15.99
Mortgage Loans	18,230,059.00	20,786,279.00	14.02
Total Loans	57,153,033.00	68,766,221.00	20.32
Number of Depositors	121,080	132,333	
Number of Offices	13	18	
Number of Employees	496	546	

The management of the bank naturally takes pride in this growth but is fully conscious that it is due, in part, to the inflationary nature of the economy. We are, therefore, aware of the need for sound and careful decisions in



every phase of our expanding operations and we are continuing our policy of seeing that the assets of the bank, despite their rapid growth, continue to be of the soundest quality.



The pace of business in the Pacific Northwest began to step up fairly early in the year and the momentum increased steadily to provide us with what has proven to be a very substantial increase in holiday business. There are no serious clouds in sight as we look forward to 1955 and it seems reasonable to anticipate that business will continue on a strong base well into the next year. Even though the pace may slacken somewhat as the year progresses, there is good ground for expecting that the 1955 business volume will equal or exceed the results of the year just closed. We are, however, aware that the American economy is prone to fluctuation and that, despite the favorable outlook for 1955, care must influence our optimism at all times.



In the field of banking the decision made just before the end of the year to increase the rate of interest on savings accounts to 2% presents a definite and interesting challenge for 1955. It is our earnest hope that this raise in interest rates, coupled with the liquidity and standing of a banking institution, will encourage thrift and make it unnecessary for the residents of this area to seek other outlets for their savings funds. It, nevertheless, means that the interest paid by the bank will be substantially increased in 1955 and, unless this increased expense can be offset by greater earnings or lower costs, it is bound to reduce the bank's net profits in the coming year. There could easily be a temptation to lower standards of investment in order to obtain higher yields, to meet this increased cost. Your management is determined not to sacrifice the quality of loans or bonds, even though it may mean an acceptance of slightly lower net earnings.



There has been a definite trend in our state to provide convenience in banking services for present and prospective customers. Your bank has tried to keep pace in this respect and during the year established new branches at Ephrata, Soap Lake, Warden and Othello, in the rapidly



growing Columbia Basin area of Central Washington, together with a new branch in the well-developed Magnolia residential district of Seattle. The move to extend our services east of the Cascades resulted from lengthy study of the needs and possibilities of that area of the state. In addition to these new branches, we carried on an extensive modernization program to provide larger and more efficient facilities in our Main Office, Anacortes and West Seattle Branches, and construction has been started on a completely new office for the Renton Branch. In making these expenditures we have constantly sought to provide efficiency and utility without extravagance.



In keeping with the saying that "if you don't blow your own horn nobody will," we have continued the promotion of our public relations through the accepted advertising media. We feel this is particularly important where so many new citizens are establishing themselves and are not familiar with the helpful service which Peoples National Bank of Washington has provided for the individual and the business firms of this area during the past 65 years.



EPHRATA BRANCH



SOAP LAKE BRANCH

WARDEN BRANCH



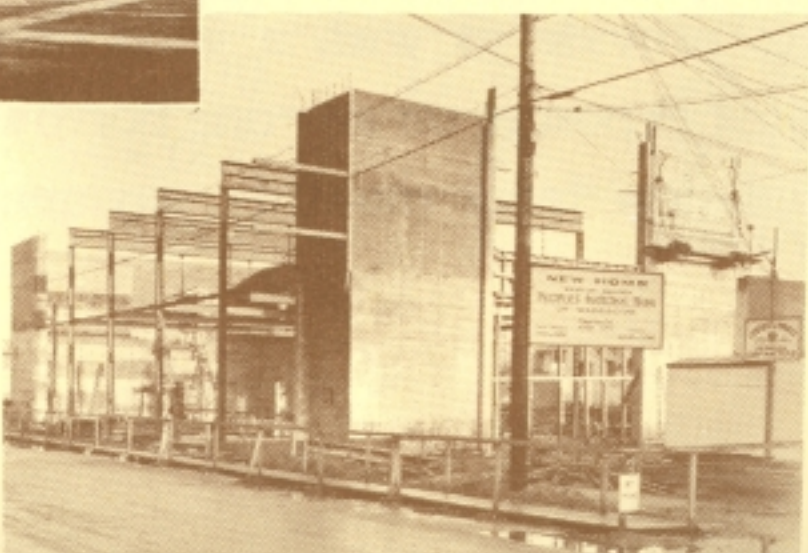
OTHELLO BRANCH

MAGNOLIA BRANCH  
SEATTLE



ANACORTES BRANCH

RENTON BRANCH  
Under Construction





A program within the bank to enlist the interest and activity of all employees in inviting present customers as well as others to make greater use of our many services has continued. During the year 314 employees, representing 61% of our total staff, have been directly responsible for specific items of new business for the bank.

Your bank has always led in the introduction of new services for the people of this region. In keeping with this policy, we added the convenience of Registered Checks during the past year. These provide a more economical, convenient and personal alternative to money orders, cashier's checks or bank drafts as a means of transferring funds. During the year we worked out a new cooperative plan for financing much-needed dental service on an installment payment basis. The public desire for such arrangements is proven by the large number of loans which have been arranged in the four months the plan has been in operation. Other new services are being carefully studied.

The bank's growth in total resources required the investment of substantial additional amounts of money. Some of this went into commercial, installment and mortgage loans to assist new customers and to aid the expanding business of present customers. High standards of credit appraisal were applied in the acceptance of such loans and we believe they represent a desirable investment for bank funds. The installment loans and real estate mortgages provide us with a wide diversification of risk and limited exposure on any one borrower together with steady liquidation from monthly payments. The rate of delin-



quency on these loans has been extremely low and reflects the generally healthy condition of the economy of the section. We are particularly pleased that charges to our Reserve for Bad Debts were nominal, although we charged off every item which we, or the examining authorities, felt to be even slightly questionable.

Under recent regulations of the Bureau of Internal Revenue we were able to again add to our Reserve for Bad Debts which now stands at \$645,000. We find this most reassuring since it means that loan losses, if they should be encountered, can be absorbed without affecting the bank's current earnings or surplus funds.

The remainder of the added funds, after adequate additions to the bank's cash reserve, were invested in United States government obligations and the highest grade municipal bonds. Our conservative policy in these investments provides a heavy concentration in short maturities as is revealed in the following table of maturities:

<i>Year</i>	<i>Amount</i>	<i>Percent</i>	<i>Cumulative</i>
1955	\$16,843,092	26.81	26.81
1956	5,456,450	8.69	35.50
1957	6,663,450	10.61	46.11
1958	3,792,550	6.04	52.15
1959	8,708,250	13.86	66.01
1960	5,091,250	8.10	74.11
1961	3,124,000	4.97	79.08
1962	867,600	1.38	80.46
1963	11,145,000	17.74	98.20
1964	598,000	.95	99.15
Over 10 years	535,000	.85	100.00



The activities of the bank's Trust Department continue to grow and the record of its service to clients is most gratifying. We look for accelerated growth in this department as its services become more widely understood and appreciated. This part of the bank's activities provides your management with a great deal of satisfaction because of the assistance we can offer in the intimate and human problems of our customers. These services are available to those who seek investment aid and supervision, through a living trust, or experienced and sympathetic administration of the affairs of their beneficiaries in the future.

The gross income of the bank during 1954 was the largest in its history. Costs also increased, due to the larger volume of transactions, but we are pleased to report that the net earnings showed a healthy gain. Some of the pertinent figures from our operations are shown in the following table:

	1953	1954
Gross income	\$4,755,554.12	\$5,562,909.33
Gross costs	3,383,439.27	3,796,446.48
Gross earnings	1,372,114.85	1,766,462.85
Additions to Reserve for Bad Debts		80,000.00
Reserve for income tax	545,000.00	675,000.00
Net earnings	827,114.85	1,011,462.85
Earnings per share	5.52	6.74
Dividends per share	1.50	1.50
Total dividends paid	225,000.00	225,000.00
Capital funds	9,170,970.21	9,969,635.76

During the year a total of \$93,872.42 was added to the employees' Profit-Sharing Plan and this represents the largest annual contribution made to that Plan. The funds



so accumulated establish a degree of security for the bank's loyal employees since, upon retirement, their individual credit in the Plan is paid to them in installments and will substantially supplement other income and Social Security benefits.

The management of the bank is genuinely grateful for the wonderful support it has had from employees, Directors and the people we serve. In return your management pledges itself to continue the administration of the bank in a manner to provide sound, conservative but helpful service.

Joshua Green Jr.



## SEATTLE BRANCHES

### DEXTER AND BROAD STREET BRANCH

525 Dexter Avenue (9)

J. H. RECKERS, *Manager*  
A. N. CURRIER, *Assistant Manager*  
G. C. TROTTER, *Assistant Manager*  
G. E. SCHNEIDER, *Pro. Manager*

### FIRST AVENUE BRANCH

801 First Avenue (4)

H. S. GOODFELLOW, *Vice-Pres. & Mgr.*  
D. GREENFIELD, *Assistant Vice-President*  
C. H. AITKEN, *Assistant Cashier*  
E. M. ANDERSON, *Assistant Cashier*  
EARL A. CRANDALL, *Assistant Cashier*  
WM. HARISBERGER, *Assistant Cashier*

### SOUTH SEATTLE BRANCH

6520 Fourth Avenue South (8)

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

### FIRST HILL BRANCH

1201 Madison Street (4)

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

### MAGNOLIA BRANCH

2426 32nd Avenue West (99)

J. E. TONERI, *Manager*  
H. J. KNOX, *Assistant Manager*  
C. H. CASPER, *Pro. Manager*

### NORTH SEATTLE BRANCH

6300 Roosevelt Way (5)

J. C. LAUGHLIN, *Manager*  
T. FROULA, *Assistant Manager*  
HARRY MEANS, *Assistant Manager*

### WEST SEATTLE BRANCH

4213 West Alaska Street (6)

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

## WESTERN WASHINGTON BRANCHES

### ANACORTES BRANCH

502 Commercial Avenue  
Anacortes, Washington

F. G. CARTWRIGHT, *Manager*  
E. V. OLSON, *Assistant Manager*  
FERRIS N. ANDERSON, *Pro. Manager*  
EUGENE R. STORME, *Pro. Manager*

### BREMERTON BRANCH

202 Pacific Avenue  
Bremerton, Washington

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

### EVERETT BRANCH

2927 Colby Avenue  
Everett, Washington

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

### HOQUIAM BRANCH

727 Simpson Avenue  
Hoquiam, Washington

R. W. JACKSON, *Manager*  
R. E. JOHNSON, *Assistant Manager*  
H. A. TROUT, *Assistant Manager*  
EMMA D. EDINGER, *Pro. Manager*

### KENT BRANCH

317 West Meeker Street  
Kent, Washington

A. GIGLI, *Manager*  
J. W. GREGGS, *Assistant Manager*  
LYLE SANDELIUS, *Assistant Manager*

### RENTON BRANCH

800 Third Avenue  
Renton, Washington (1)

B. G. MORRISON, *Vice-Pres. and Manager*  
D. O. BECK, *Assistant Manager*  
LEO BRIDGE, *Assistant Manager*  
W. STOREY, *Assistant Manager*  
H. NELSEN, *Pro. Manager*

## CENTRAL WASHINGTON BRANCHES

### GRANT COUNTY BRANCH

Ephrata, Washington

V. A. CROSBY, *Manager*  
R. E. POLACHEK, *Asst. Vice-President*  
B. J. HAMM, *Assistant Manager*  
R. S. JONES, *Assistant Manager*

### SOAP LAKE BRANCH

Soap Lake, Washington

E. J. LIVINGSTON, *Manager*  
JUANITA BECKSTROM, *Pro. Manager*

### WARDEN BRANCH

Warden, Washington

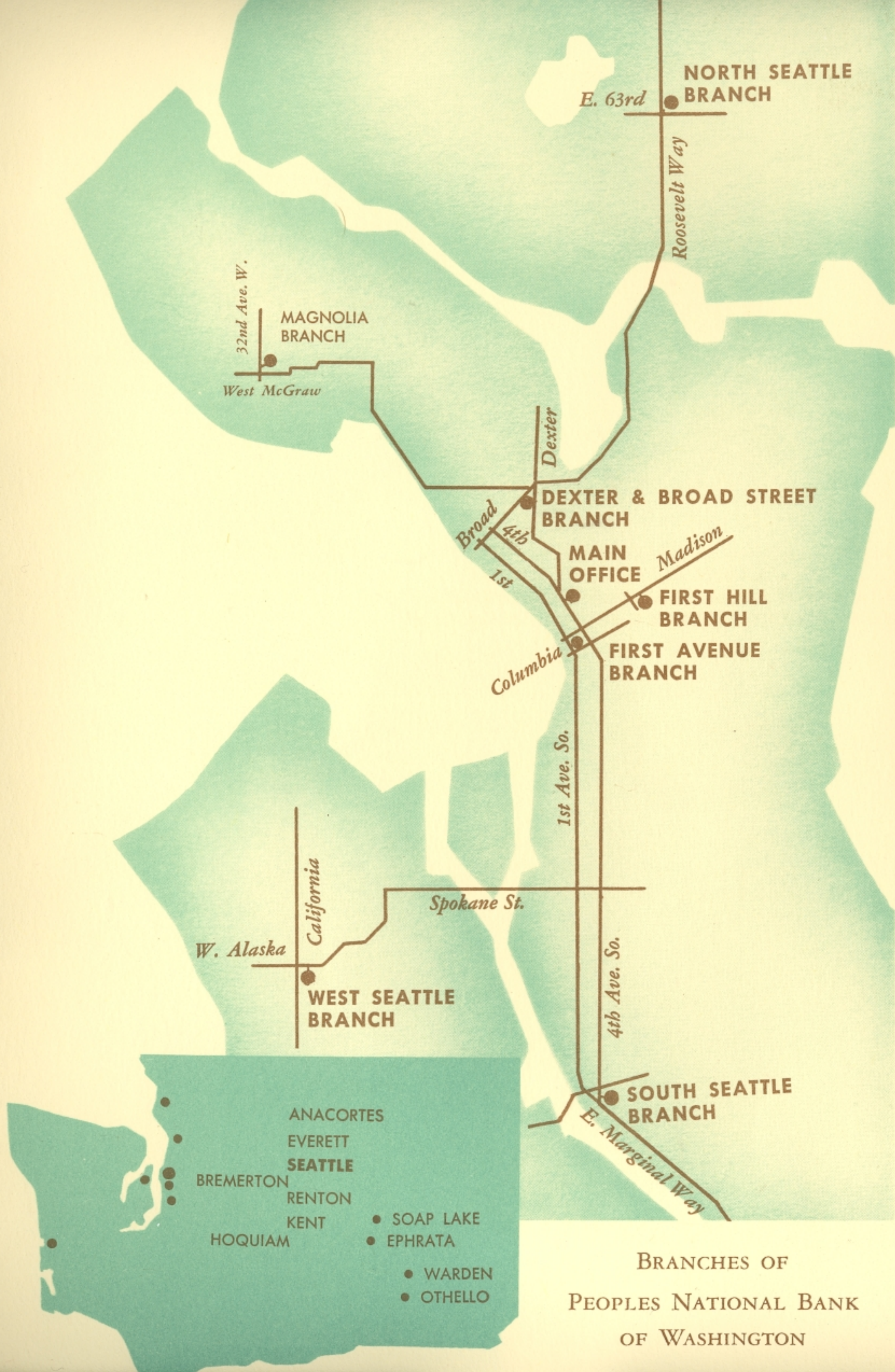
ROY E. RICHARDSON, *Manager*  
BLANCHE STRANG, *Pro. Manager*

### OTHELLO BRANCH

Othello, Washington

H. G. MUNYON, *Manager*  
CARL CURTIS, *Assistant Manager*





BRANCHES OF  
PEOPLES NATIONAL BANK  
OF WASHINGTON