

Peoples Bank & Trust Company

Founded: 1891

Location: 122 East Market Street, Indianapolis (1891–1905); 130 East Market Street (1905–)

Peoples Bank & Trust Company, the oldest state bank in Indianapolis, was founded by Felix Tony McWhirter, a professor, businessman, and politician. McWhirter, born in Lynchburg, Tennessee, in 1853, was the son of a physician and grandson of a planter and educator. McWhirter was a peripatetic man of wide-ranging interests and ambitions. While attending East Tennessee Wesleyan University in Athens, Tennessee, McWhirter edited the small town's newspaper and, upon graduation, served as its mayor. While in Tennessee, he met Luella Frances Smith, daughter of a pioneer Indiana family, and they were married in Greencastle, Indiana, in 1878. Shortly thereafter the couple moved to Indianapolis, where McWhirter operated a pharmacy at the Bates House. From 1884 McWhirter taught rhetoric and English at DePauw University, eventually earning his Ph.D. there. In 1888 McWhirter resigned from DePauw and purchased a newspaper in Chattanooga, Tennessee. He sold the newspaper in 1891 and returned to Indianapolis. He became active in the Prohibition party, which nominated him for mayor of Indianapolis in 1894 and governor of Indiana in 1904. Luella McWhirter attained citywide prominence in the woman's club and suffrage movements and as president of the Indiana chapter of the Woman's Christian Temperance Union.

McWhirter established a real estate business in Indianapolis in 1891 and provided banking services for his clients who were awaiting real estate transactions. In 1900 McWhirter and four others, including his wife and Charles and Sallie Lemon, obtained a

state charter for the Peoples Deposit Bank. (Both Luella McWhirter and Sallie Lemon served on the bank's board of directors, a first in Indiana.) The bank was located in the Union Trust Building at 122 East Market Street. McWhirter bicycled to work downtown and, when spotting someone new to the city, would extend a welcome, at the same time soliciting accounts for the bank. By 1902 the bank had deposits of more than \$91,000. In 1905 the bank moved down the block to the Law Building, which it purchased in 1920. In 1906 the name of the bank was changed to Peoples State Bank.

The McWhirter family has maintained a controlling interest in the bank throughout its history. (Charles Lemon sold his holdings in the bank to McWhirter in 1908.) After Felix T. McWhirter's death in 1915, his twenty-nine-year-old son, Felix Marcus, succeeded him as president. Felix Marcus was president of the bank for forty-four years and served another twelve as chairman of the board. McWhirter followed a conservative banking philosophy, maintaining the company's focus on basic banking services, accumulating capital from savings, preferring steady growth over great gains in size, and refraining from acquiring smaller banks. McWhirter's policies provided Peoples State Bank with a stability that helped it survive the Great Depression intact. Indeed, 1933 was the first year since incorporation that the bank did not pay dividends on its stock. From March 1929 to December 1933, money on deposit shrank from slightly more than \$3 million to about \$1.4 million; loans fell from \$2.3 million to \$970,000. During the depression, Peoples State Bank renegotiated the loans of distressed customers rather than foreclose. Peoples State Bank was one of the first banks to open after the bank holiday declared by President Franklin D. Roosevelt in March 1933. By 1938 total deposits were \$2.3 million.

Under Felix Marcus McWhirter, the bank opened a trust department and in 1931 began operating a drive-up window. In the 1950s the bank developed the Hopalong Cassidy Savings Club in which children, with the deposit of \$2.00, received various paraphernalia, including a bank, tenderfoot badge, secret code, and welcoming letter from Hopalong. The bank was renamed Peoples Bank & Trust Company in 1954. Upon Felix Marcus's retirement in 1959, his son, Felix Tony McWhirter (named for his grandfather), became president. Felix Tony's son William E. McWhirter became president in 1984. During the 1980s, after the state loosened the laws governing the merger and acquisition of banks, Peoples Bank & Trust Company was the only small Indianapolis bank to reject buyout offers from Ohio and Michigan banks. Peoples Bank & Trust Company, the only locally based commercial bank, marketed its services to professionals and small and medium-sized businesses. By the 1990s the bank had assets exceeding \$350 million, 13 Indianapolis locations, and about 250 employees; it accounted for about 4 percent of the city's banking market.

The institution continued to attract customers through sound business decisions and advertisements that highlighted its Indiana roots. In 1997 William E. McWhirter accepted the post of chairman of the board, succeeding his father. Gerald R. Francis was then named the company's president and chief executive officer. By the end of the year the company boasted assets in excess of \$488 million. In July 1999 Peoples Bank agreed to a \$227 million acquisition offer by Fifth Third Bank, based in Cincinnati. After buying Peoples Bank, Fifth Third became the third largest bank operating in Indiana, with \$7.4 billion in assets and 148 locations in the Hoosier State.