

# The Nederlands Indische Handelsbank, N. V.

(The Netherlands India Commercial Bank)

Established through a Royal Charter in 1863, "to fill the banking needs of Netherlands India", this international commercial bank has kept pace with the growth in importance of the Dutch East Indies to the world's commerce. The bank has grown from a small enterprise (1,500,000 florins capital) with a single banking office at Batavia, to an integrated banking organization which blankets Holland's colony with no less than 22 branches, and spreads out all over the Far East. Paid-up capital is now 33,000,000 florins—about P37,000,000—and a reserve fund has been built up to 13,200,000 florins (P14,800,000).

These figures seem to be small change when compared with the enormous resources at the command of some of the big banks, such as the National City Bank of New York, the Bank of America National Trust and Savings Association, or the Chase National Bank, but the importance of the Netherlands India Commercial Bank is not measured by the size of its paid-up capital. The thriving and

growing trade of the Dutch East Indies is helped along enormously by the facilities offered by the bank and its branches. Twenty-two branches in the East Indies alone, two in British India—Bombay and Calcutta; one each at Kobe and Tokyo; three on the China coast—Amoy, Hongkong and Shanghai; one at Singapore, and, since last year, one here at Manila. This bespeaks a multitude of services; small banking offices, small staffs, familiar with conditions in their respective localities—in short, personalized banking.

The bank had rough going at first. The "banking needs of Netherlands India" had, prior to the bank's organization, been filled, after a fashion by a few merchant-bankers, i.e. merchants who loaned money on the side against crops and shipments. These gentry had a pretty good thing of it—the sky was the limit on interest rates—and they felt an understandable resentment at the advent of a bank satisfied to receive a normal return from loans. However, the new bank ignored the vested interests and their vested interest rates, and it was not long before it was firmly established and respected throughout the colony. The merchants had, perforce to revert to their business of merchandising, and the bank, on its part, has never bought and sold merchandise.

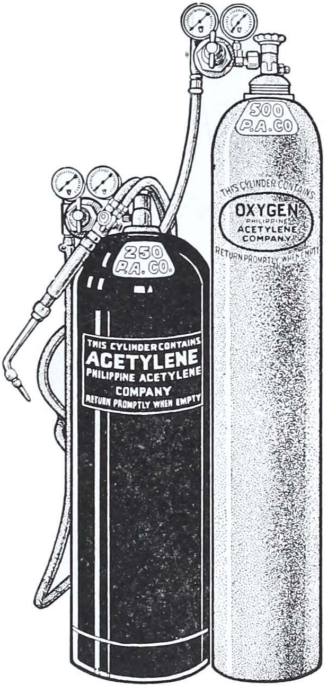
Although the bank had long been represented in India, Japan, China, and the Straits Settlements, it was not until last year that the governors

at Amsterdam decided a branch in Manila would be desirable. *E. M. Nikkels* is the manager of the local office, assisted by *D. A. ten Groen-hius, Jr.*, as general proxy (assistant manager, to you), and two young Hollanders, Messrs. *Wilmer* and *Nutbey*.

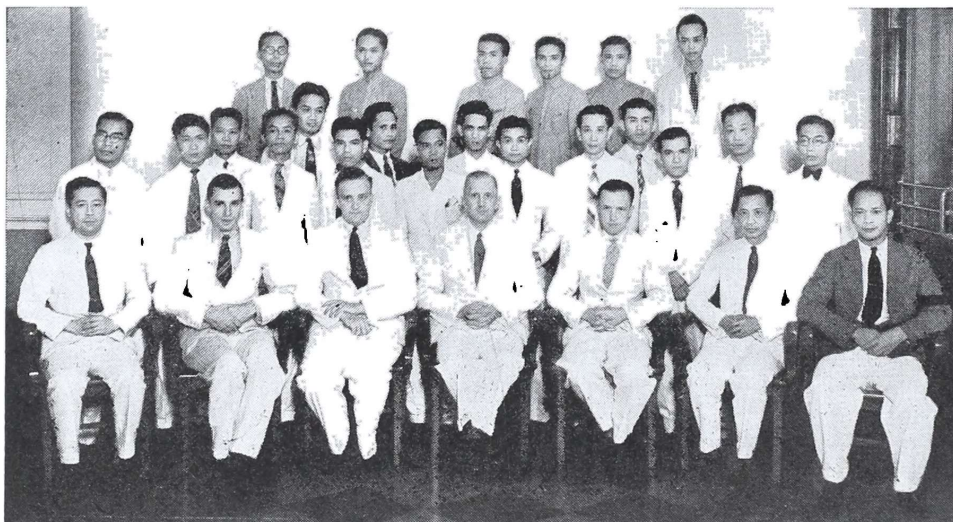
We asked Mr. Grotenhous how the various branch offices of the bank are staffed, and were told that the demand is filled by shipments of apple-cheeked young Dutchmen from home. They come out for an initial period of seven years, after which they get an eight-months' furlough. The next stretch is usually for about five years, and the periods between furloughs become successively shorter thereafter. Retirement comes at about 45 or 50 years of age. This seems to us to be a very early age at which to call it a day, but the Dutch may have the right of it. Certainly we would not turn down a retirement and a chance to see snow again if it were offered to us at 45, or even 35. If that mining stock we've got in the sock ever gets to be worth something

## THE PHILIPPINE BANK OF COMMERCE

Opening of this bank at a time when local capital seemed definitely apathetic to investments in any form, and during the period of transition of the Philippines from the Commonwealth to the Republic seemed to be a courageous, if not an audacious, move. Yet the bank already appears to have made important progress. This article is written on September 7th, just two months to the day when the Philippine Bank of Commerce first opened its doors, and a balance



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The local staff of the Netherlands India Commercial Bank.

sheet submitted to us by the bank's officials as of this day shows that deposits already amount to P800,000.

The new bank is an exclusively Filipino enterprise, Filipino financed and managed. *Dr. Nicanor Jacinto*, a wealthy real estate owner, and rice and sugar producer, is the Chairman of the Board. *Jose Cojuangco*, also a director, is listed as Treasurer. Mr. Cojuangco comes from the wealthy Cojuangco family of Tarlac, one of the largest palay producers of Central Luzon, operating a number of rice mills in Tarlac, Nueva Ecija and Pangasinan. He is also the general manager of the Paniqui Sugar Mills, Inc., which is exclusively Cojuangco-owned. *Antonio Cojuangco*, brother of Jose, is another director. *Ernesto and Vicente Rufino* are also members of the board. *Ernesto D. Rufino* is assistant treasurer. The Rufinos are owners and operators of the State and Grand theaters in Manila, and also operate a number of smaller picture houses in the city. They are now constructing an eight-story building on Rizal Avenue, which will house a hotel, and also what will probably be the largest motion-picture house in the Orient.

*Arsenio J. Jison*, another board member, is a sugar hacendero from Occidental Negros. He was for many years a ranking officer of the Philippine National Bank. *Miguel Cuaderno*, president, is one of the best-known figures of Cosmopolitan Manila. He was formerly vice-president of the Philippine National Bank, and in recent years has devoted his time to the brokerage business. *Alfonso Calalang*, vice-president, has long been associated with Mr. Cuaderno in his various enterprises. *Lorenzo Sumulong*, cashier, is a practising attorney.

The bank occupies a portion of the lower floor of the new Calvo Building on the Escolta. The premises are unpretentious, yet dignified and obviously planned for maximum efficiency. The vault occupies the center of the bank premises, placing the tellers' counters and the customers' lobby and the foreign department on the Escolta side of the building. The other half, facing the Muelle del Banco Nacional is taken up by the offices of the personnel, directors' room and the loan department. The entire premises was obviously carefully planned by a banker to secure adequate supervision and efficient operation with a minimum of personnel.

Nearly every bank in the Philippines occupies some unique position.

That is to say, most of the local banks specialize, to a greater or lesser degree, in some particular activity. So with the Philippine Bank of Commerce which, according to its organizers, will pay special attention to the granting of loans at moderate rates



MIGUEL CUADERNO  
President, Philippine Bank of Commerce

of interest to planters of palay in the principal palay-producing provinces of Luzon, so as to enable them to market their produce at the proper time, and not be forced to pay advances made to them by local money lenders in palay immediately after harvest, at which time the price of that commodity is usually low. This does not mean, however, that other

fields of activity will be neglected, for the new bank is fully equipped to engage in every department of modern banking. It has correspondents in every important city in the world.

The Nationalistic character of the enterprise is evidenced by the following statement, made by Dr. Nicanor Jacinto, at the time of the opening of the bank two months ago: "Very few of us perhaps realize the seemingly unbelievable fact that hardly 20% of the total imports and exports of the country is financed by domestic banks. This is indeed anomalous, for under this state of affairs we cannot hope to have a larger share of the commerce of the country".

### Monte de Piedad y Caja de Ahorros de Manila ("Monte de Piedad").

This bank, to the same extent as the old Banco de las Islas Filipinas, has a most interesting history, and, in a way, furnishes a link between the old banking system which existed here during Spanish times, and the banking institutions carrying on today. A free translation of the official name is "The Institution for the Loaning of Money to the Poor, and Depository of Thrift of Manila." Montes de Piedad are a familiar Latin institution. Strictly speaking, they are pawnshops, loaning money principally to the poor, and with interest rates kept within certain bounds. The civil code of Spain and the old Spanish code of commerce—both in force here—contain special

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