

Murphy Wants Lower General Bank Interest Rate

Mills succeeds Schwulst on National Bank board, Rockwell retires, Cotterman and Day continue

This page carries the balance sheet as of December 31 of the Philippine National Bank, considered one of the strongest central-bank balance sheets in the world today. At the stockholders' annual meeting Governor General Frank Murphy congratulated the officers and directors of the bank on its excellent position, emphasized the importance of keeping bank assets liquid with ample security behind every loan, also the importance of reducing non-liquid accounts and the advisability of lowering the general bank interest rate. Joseph E. Mills, financial adviser of Governor Murphy, was elected a director and the vice chairman of the board of directors succeeding E. B. Schwulst.

C. M. Hoskins and Benito Razon were elected directors of the bank. One directorship was not filled. By resignation, E. B. Schwulst, J. C. Rockwell and José de Leon retired from the board.

An interesting chapter in the progress of the bank is its adventure in furnishing the bulk of the capital some 15 years ago to build six large sugar centrals for corporations organized by Filipino planters. The early period of this venture was gloomy. The capital investment was large and supervision was not effective. But now the venture bears a different

and more favorable aspect. It is the basis of much profitable business of the bank, including exchange from a large bulk of sugar annually sold in New York.

In 1922 on October 31 the six centrals owed in principal to the bank P38,791,901. By October 31, 1926, this had mounted to P46,723,226. On June 30 this year it had been reduced to P14,141,963 on four centrals, two of the original six debtor centrals having pulled themselves out of the red side of the ledger some years ago, but remaining good customers of the bank still. In principal then, the centrals have repaid the bank P23,581,263.

There will be additional payments before the close of the sugar year October 31. One central that paid its debt some years ago and now pays yearly dividends of 20% to its stockholders, owed the bank in 1925 about P6,000,000; it has since practically doubled its capacity and now has an enviable cash position.

In interest the centrals of this group have paid the bank P16,500,000. This is about the price for which, ten years ago, there was a serious proposal to sell them under the hammer.

PHILIPPINE NATIONAL BANK Consolidated Statement of Condition December 31, 1932

RESOURCES		LIABILITIES	
Cash on Hand.....	P 4,005,320.06	Capital.....	P10,000,000.00
Due from Insular Treasurer—Circulation Reserve.....	2,500,000.00	Surplus.....	6,137,074.05
Due from Banks—		Reserve for Self-Insurance.....	246,635.40
U. S. and Foreign Banks.....	P 5,919,119.36	Reserve for Contingencies—	
Local Banks.....	226,625.83	Assets Acquired.....	P 2,169,833.48
Cheques and Other Cash Items.....	96,680.95	Other Assets.....	3,514,337.07
Total Cash and Exchange.....	P12,747,746.20	Unearned Discount.....	60,637.71
Bonds.....		Uncollected Interest on Loans.....	669,274.95
P. I. Government, U. S. Gov't. and other Prime		Uncollected Profit.....	1,858,702.64
Readily Marketable Bonds.....	27,627,908.52*	Deposits—	
Commercial Loans—		Government Deposits.....	P35,371,406.21
Bankers' Acceptances, Export and Import Bills		Individual Deposits.....	20,364,549.09
and other similar self-liquidating bills.....	10,706,925.07	Trust Deposits.....	3,575.28
Total primary and secondary reserves.....	P51,082,579.79	Sub-Total.....	P55,739,530.58
Loans and Discounts.....	40,045,701.59	Due to Banks—	
Real Estate, Furniture and Fixtures—		U. S. and Foreign Banks.....	P 137,999.82
Real Estate Owned.....	P 339,969.03	Local Banks.....	329,535.82
Furniture and Fixtures.....	115,370.01	Sub-Total.....	P 467,535.64
Miscellaneous Assets—		Total Deposits.....	56,207,066.22
Assets Acquired in Settlement of		Bank Notes in Circulation (Net).....	9,806,721.00
Loans.....	P 2,169,833.48	Real Estate Mortgage Bonds.....	1,200,000.00
Premium on Bonds.....	361,873.76*	Miscellaneous Liabilities.....	655,354.90
Other Assets.....	217,345.90	Reserve for Taxes.....	663,339.98
Undistributed Expenses—Agencies.....	1,644.73	Reserve for Gratuities.....	1,141,514.57
Sub-Total.....	P94,334,318.35	Inter-Branch Accounts (Net).....	
		Sub-Total.....	P94,334,318.35
		CONTINGENT ACCOUNTS	
Exchange Contracts.....	P 1,412,094.89	Exchange Contracts.....	P 1,412,094.89
Letters of Credit—Unused.....	1,817,340.04	Letters of Credit—Unused.....	1,817,340.04
Bills on Hand—Collection.....	682,087.25	Bills Received for Collection.....	682,087.25
Customers' Items for Safekeeping.....	1,244,539.85	Customers' Items for Safekeeping.....	1,244,539.85
Total.....	P99,490,380.38	Total.....	P99,490,380.38

*These bonds are carried at cost, but depreciation in the current market value is covered by reserves.

(Signed) GEO. W. PORTER, Auditor.
(Representative of the Insular Auditor).

(Signed) RAFAEL CORPUS,
President.

OFFICERS OF THE BANK

JUDGE RAFAEL CORPUS, *President.*
MIGUEL CUADERNO, *Vice-President.*
D. PEKSON, *Assistant to the President.*
J. FELIX, *Cashier.*
J. R. H. MASON, *Manager, Sugar Centrals Agency.*
S. A. WARNER, *Chief Accountant.*
ROMAN MABANTA, *Manager, Special Assets Department.*
SANTOS MARTINEZ, *Secretary.*
GEORGE W. PORTER, *Auditor.*

BOARD MEMBERS

VICENTE CARMONA, *Chairman.*
JOSEPH E. MILLS, *Vice-Chairman.*
JUDGE RAFAEL CORPUS.
C. M. COTTERMAN.
K. B. DAY.
SALVADOR LAGDAMEO.
C. M. HOSKINS.
BENITO RAZON.