



## ZVOLENSKÁ ĽUDOVÁ BANKA

The Zvolenská ľudová banka (Zvolen People's Bank) joint stock company was founded in Zvolen on 1st May 1902 with share capital of 100 thousand Austro-Hungarian crowns, after a whole year of preparatory work. The first meeting was held on 18th April 1901 at Turčiansky Sv. Martin, then the unofficial capital of Slovakia. It was initiated by dr. Ján Vesel, a Zvolen public notary, who saw the need to establish an ethnical Slovak financial institution in the old centre of the County of Zvolen. At that time it had only the Altsohler städtische Volkssparcasse, founded in 1872 and from 1876 operating as the Zólyomvárosi népies takarékpénztár as well as the Zvolenská sporiteľňa (Zvolen Savings Bank). Pavol Mudroň, Matúš Dula, Jozef Capko, Ján Vanovič, Ambro Pietor, Peter Kompíš, Jozef Fábry and Andrej Halaša also participated in the meeting. They were all leading national and banking figures, already engaged in other financial institutions. The meeting agreed that the bank would be founded and that its share capital would be 120,000 crowns.

Another meeting was held a month later on 12th 1901, but it was already less optimistic. They stated that the collection of larger capital was impossible and decided to ask the Tatra banka to establish a branch in Zvolen. Vesel's talks with the management of the Tatra banka were unsuccessful, and so on 1st December 1901, they "released" in Zvolen "the prospectus for the establishment of the Zvolenská ľudová banka joint stock company" with the target of selling 1000 "name bearing shares" for 100 crown each by the end of March 1902. When this aim was achieved, the founding general meeting could be held in the house of Ján Vesel in the presence of 39 shareholders representing 623 shares. The Zólyomvármegyei Hírlap and Národné noviny newspapers announced its holding. The participants in the general meeting also included the functionaries of the Tatra banka Ivan Daxner, Aurel Styk and Ján Cablk. The initiator Vesel was elected as the first and actually the only chief administrator of the bank.

The operations of the bank began on 15th June 1902 in the house of Mrs. Botošová at Môtovská street 230. They set the interest rate on loans at 6-7 % with mortgages about 1/4 per cent cheaper. The interest rate for deposits was 4.5%. The bank received 3,846 crowns in deposits in the first two weeks, with the first deposit of 200 crowns coming from the farmer Ján Paška of Slatina. It granted 19,895 crowns in

loans, made up of 17,055 crowns of loans covered by bills and 1,940 crowns of mortgage loans. Since the Zvolenská ľudová banka "served its clients in the Slovak language" as well as offering favourable conditions, the ranks of its clients increased.

In August 1902, the Zvolenská ľudová banka entered a credit connection with the Turčiansko-svätomartinská sporiteľňa, and according to V. Paulíny the Tatra banka also "put the Zvolenská ľudová banka on its feet by granting a large credit". Cooperation with the Makovickýs' Ružomberok Úverná banka and the Krupinská sporiteľňa was also important in this area. The Zvolenská ľudová banka also gradually gained credit resources from the Hungarian Commercial Bank of Pest, the Ústredňa českých sporitelní (Centre for Czech Savings Banks) in Prague and the Česká priemyselná banka (Czech Industrial Bank).

In 1905, the turnover of the bank reached 1,089,000 crowns and the profit was almost 21,000 crowns, which enabled the bank to pay dividends of 5%, that is of 5 crowns for each share. It also obtained its own building in 1906 for 34 thousand crowns. The bank also carried out meritorious charitable and support activity for hospitals and schools.

The Zvolenská ľudová banka gradually strengthened. Its share capital reached 500,000 crown in 1908, 1 million crowns in 1912, 3 million in 1919 and 12 million in 1920. It gradually penetrated into neighbouring communities. In January 1907 "the jubilee year" it established a branch in Detva, with its own building from 1910. It established branches at Banská Bystrica in May 1909, and later at Dobrá Niva and from 1913 in Slovenská Ľupča, as well as sub-branches in Veľká Slatina, Očová, Ľubietová and Horný Tisovník. Discounting of bills (loans covered by bills) was initially the most extensive activity of the bank, reaching almost 146 thousand crowns by the end of September 1902, representing almost 90% of all its lending activities. Deposits reached more than 3 million crowns in 1913, in 3,261 account books, which testifies to the small scale character of deposits. Their size reached 5 million crowns in 1918 and exceeded 11 million in 1920. The clients of the bank were mainly small and middle sized businesses and farmers. After 1918, the Zvolenská ľudová banka participated in various enterprises in the areas of commerce, the fruit trade, and production of timber, building materials and iron.

The bank devoted significant resources to supporting other Slovak financial institutions such as the



Breznianska Pomocnica, Všeobecná banka at Lučenec and Piešťanská úverná banka, and to solving the crisis at the Tatra banka by financial rehabilitation in connection with American deals in 1911, when Viliam Paulíny temporarily administered the Tatra banka for half a year. It also supported Slovak activities such as *Tranoscius*, *Slovenský denník*, *Slovenský peňažník* and *Národné noviny*. In 1912, the bank took over the main representation of the *Adria* insurance company.

The bank passed through difficult times during the First World War and after it in the time of the so-called Slovak Republic of Councils of 1919, when the bank was evacuated to Prague, where it operated in the premises of the *Mestská sporiteľňa pražská* (City Savings Bank of Prague).

The Zvolenská ľudová banka continued its activity until the end of 1920, when the *Breznianska Pomocnica – úverná banka* with capital of 2 million crowns, the *Meštianska banka* of Zvolen with capital of 500 thousand crowns, the *Krupinská sporiteľňa* with capital of 500 thousand crowns and the *Krupinská Ľudová banka* with capital of 120 thousand crowns merged with it. From 1st January 1921, the *Národná banka* (National Bank) joint stock company of *Banská Bystrica* headed by Viliam Paulíny became its successor. After 1939, this bank changed its name to *Stredoslovenská banka* (Central Slovakia Bank).

**Ing. Marián Tkáč, PhD.**