

## BANKS AND FINANCIAL INSTITUTIONS IN SLOVAKIA

*The series „Banking Personalities“ will be replaced in the pages of Biatec by a new series, which we call „From the Archives of the National Bank of Slovakia“. For six years, we have published brief biographies or portraits of no longer living personalities from Slovak banking, beginning with the earliest times. We started in 1997 with Juraj Thurzo from the end of the 15th century, who cooperated with Jakub Fugger from Bavaria in founding a company to process copper from Banská Bystrica and a banking house. Now, we would like to bring our readers information about the histories of individual banks and financial institutions in Slovakia. We are able to do this because the documents on the activities of almost all the joint stock company banks and other financial institutions of the people's type (cooperatives, savings banks, assistance, treasuries and so on) active in Slovakia up to 1950, are situated in the Archive of the National Bank of Slovakia. Almost 160 archive collections of varying size are deposited in a building on Cukrová ulica, while the documents from the activities of our central bank and its predecessor the State Bank of Czechoslovakia are concentrated on three underground floors in the building on I. Karvaša Street.*

*You may be interested to learn how the documents of the former commercial banks reached the archive of our central bank. It is connected with the strong centralization of banking in the territory of former Czechoslovakia after the Second World War, leading to the creation of a single united state bank and the dissolution of the commercial banks. Following the example of the Soviet Gosbanka, the State Bank of Czechoslovakia (SBCS) fulfilled the roles of both the*

*central bank and of the commercial banks. It was the successor, not only of the National Bank of Czechoslovakia, but also of all the commercial banks. This was why their archive documents were concentrated in the regional archive centres of the SBCS at Mari-anka, Ružomberok and Košice. When the National Bank of Slovakia replaced the state bank on 1st January 1993, the historical archive collections were concentrated in our archive on Krajná Street in Bratislava.*

*The archive also includes a library of books, professional publications and bank calendars, some of them from dissolved banking institutions. The oldest example is the annual Compass in Hungarian from 1881. The first and only copy of Slovak Kompas was published in 1912. It is a source of unique information about the institutions of Slovak finance. The archive library also has all the issues of the monthly magazine Slovenský peňažník (The Slovak Financier), published from 1909 to 1914 and 1920 to 1922. It was the first Slovak professional magazine devoted to questions of finance and economics. It reported and evaluated all the more important events of the period in the development of the Slovak banking and credit system. A further banking magazine with the title Sami sebe (By Ourselves) was published from 1946 by the Slovenská banka. It was followed by the Hlas banky (Voice of the Bank) and from the 1990 to 1992 the magazine Československé banky.*

*These are all sources, from which the staff of the Archive of the NBS will draw information to write about the histories of dissolved Slovak banks.*

Ing. Marián Tkáč, PhD.

## THE BRATISLAVA SAVINGS BANK

The Bratislava Savings Bank was the first independent financial institution in the territory of Slovakia. It was founded by a general meeting on 10th October 1841 under the name Pressburger Sparcassa. It was established as a joint stock company of banking character with share capital of 40,000 gulden.

Its conceptual founder was the Bratislava city councillor Paul Ballus, who published a detailed „Projekt einer Sparkassa in Pressburg“ (Project for a Savings Bank in Bratislava) in the Pressburger Zeitung on 16th August 1839. He drew inspiration from two sources: the statutes of the Viennese First Austrian



Savings Bank, but especially from information about the activity of the London commercial banks, obtained from the London businessman Anton Jurenák, who originated from Bratislava. After fulfillment of all the unavoidable legal matters and securing the material, technical and personal requirements, the savings bank started its commercial activity on 2nd January 1842 by opening a deposit office. The first statutes defining its activities, organizational form and the legal powers of its administrative bodies were approved



a year later. In accordance with these statutes, a 24 member committee dealt with the administrative agenda, while one of its members, with the function of guarantor and controller, always secured the everyday running. The highest statutory representative was the chairman, elected by the general meeting for a three year period. The chairman of the Bratislava bill of exchange court Count Francis Zichy junior held this post until 1875. At first the management worked without claim to reward, but after 1870 they began to be paid directors' fees, which were since 1983 10 per cent of net profit.

The Bratislava Savings Bank was rather cautious or restrained in its commercial policy and territorial range during the first years of its activity. The founders did not want large scale transactions, their main idea was to spread the spirit of thrift and to free Bratislava trade and industry from usury and assist its development with cheap credit. In accordance with these aims, its business activity was mainly limited to mortgage loans, lombard and secured deals and discounting of bills of exchange, but it placed the greatest emphasis on the collection of monetary savings as a basis for credit activity. Later, as a result of the rapid development of trade, industry and craft, but also under the influence of growing competitive pressure, the management had to react to the changed needs of the market by gradually extending its banking services and opening up new areas of business. The ever greater surplus of its own financial resour-

ces had some influence on this. It also created space for investments of a greater extent and enabled the savings bank to participate in financing not only the needs of the city, but also of its wider region. In 1921, under the influence of the provisions of the savings bank act, the management changed its name to the Bratislavská I. sporivá banka (First Bratislava Savings Bank), which also gave it the formal status of a commercial bank. At the same time, its share capital was increased to five million crowns, which further

strengthened its position in the financial market. It also became an important factor in supporting smaller financial institutions under Hungarian management.

Strengthening its capital potential both provided the bank with resources to satisfy the credit requirements of its clients and gave it a solid basis for its active participation in providing for the various social, cultural and general needs of the city. The savings bank made regular contributions for these purposes from 1856, their size depending on its prosperity at the time. Its activities included significant participation in the construction of the Bratislava – Trnava railway, and the erection of the Ganymede fountain in front of the City Theatre.

Although it originated as a mixed Hungarian and German financial institution, it gradually gained the character of a bank promoting mainly the interests of traders and businessmen of Hungarian nationality. As a result of this, an international agreement between Slovakia and Hungary in 1941 recognized it as the representative financial institution of the Hungarian minority in Slovakia. In the same year, it became closely connected with the Hungarian General Credit Bank, a leading Hungarian financial institution, and on this basis its share capital was increased to 15 million crowns. This close connection enabled the bank to participate to a significant degree in transactions connected with the exchange of goods between the two states, including clearing settlements.



The final stage of its activity began to develop in April 1945, when the so-called Trophy Commission of the Second Ukrainian Front of the Red Army declared it a trophy of war because of its Hungarian character. As a result, on 5th April it was assigned to trophy commissioners, who took over 127 million Kčs from its balances. Part of its cash, safes, securities, bills of exchange, receivables, office equipment and the majority of bank facilities came under their control. From this moment, the commission regarded the bank as liquidated and its property as the property of the Red Army. In spite of this, a temporary administration of the bank was appointed thanks to the intervention of the Slovak National Bank and the Commission for Finance. This was later replaced by a national administration, which took over the legal powers of the former elected statutory bodies of the bank. However, the bank ceased to be a trophy of the Red Army only in the second half of 1946

on the basis of an agreement between the prime ministers of the interested countries. Its gradual liquidation was already occurring at this time on the basis of a decree of the Commission for Finance from 12th July 1946. Liquidators were appointed and from October 1947, a liquidation management. After various organizational changes, the Slovenská Tatra banka national enterprise of Bratislava finally took over the liquidation of the bank. The Ministry of Finance in Prague issued the final verdict on the financial institution, which had operated for more than a century. Decree no.265/50 Úr.v. ordered its merging with the Slovenská všeobecná úverová banka national enterprise in liquidation with effect from 1st January 1949. After this act, it was removed from the register of companies. Its branches in Bratislava, Nitra and Malacky were removed from the register at the same time.

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