

MYJAVSKÁ BANKA

The Myjavská banka, joint stock company, with its seat in Myjava, was established at a founding general meeting on 23rd March 1893. It originated as a purely Slovak financial institution with share capital of 60 000 gulden divided into 600 bearer shares of the nominal value 100 gul-

den each. It started commercial activity after three months of preparation, at the end of June of the same year, but it remained a bank with limited regional activity until its dissolution. Its foundation involved leading personalities in the national and public life of Myjava and district, such as Dr. Ján Krno and Samuel Jurenka, who headed this institution for almost thirty two years as its director. The aim of the bank was similar to that of other Slovak financial institutions of this type. In accordance with its internal regulation and statutes, which defined the range of its commercial activities, it provided loans for bills, mortgages and reserves, accepted deposits and according to need also carried out other banking operations.

The first years of its activity were marked by shortage of its own financial resources, as a result of which its lending activity was reduced to provision of small mostly short-term bill loans, approved by the supervisory committee on the basis of recommendations from trustworthy people from neighbouring communities. Since demand for loans grew more quickly than the inflow of deposited savings, the bank had to be helped with rediscounting in financial institutions with more capital. This situation lasted until 1900, when growth of its own and deposited resources enabled it to pay back its rediscounting obligations and become in later years a rediscounting place for many other financial institutions. Provision of loans had the dominant position in the commercial activities of this financial institution during almost the whole period of its existence. The income from loans formed up to 96% of the total gross profit. After deducting interest on deposits and rediscounting, it was enough not only to pay all expenses, depreciations and taxes, but to produce a net profit for the bank, which grew from year to year. The bank provi-



ded significant resources for social purposes and to support national aims out of the profits from its commercial activity.

With time, its growing financial capital enabled the bank to extend the area of its business into the industrial sphere by buying shares and

by direct capital participation in establishing new companies. In the period 1900 – 1905, it gained shares in the Rajecká Dolina Cement Works, the Cellulose Works at Turčiansky Svätý Martin, the Company for Publishing Magazines at Zvolen, the Žilina Cellulose Works and the Belt Factory at Liptovský Svätý Mikuláš. Its functionaries initiated the formation of a Cattle Breeders Cooperative at Myjava, and in April 1903, it established a Consortium for building a round brickworks at Brezová pod Bradlom. Later, it also gained influence in other joint stock companies, but it did not engage more significantly in this type of business, since the management of this institution gave priority to the liquidity of the bank and the security of deposited resources over the pursuit of profit.

In 1909, the bank passed through an internal crisis in connection with the election of a new deputy director and as a result of differences of view on prepared changes in the statutes. Personal quarrels between shareholders culminated in the departure of a group of shareholders, who immediately founded a competing institution, the Nová banka (New Bank) joint stock company of Myjava. This and other factors had an unfavourably impact on the economic results of the Myjavská banka, in the form of an outflow of deposits and a significant decline of loans. Therefore, the management of the institution was forced to seek the possibility of compensation for these losses, both by means of rediscounting loans for newly established Slovak financial institutions and by enlarging the area of activity of the bank. In November 1909, the bank opened a branch at Nové Mesto nad Váhom. In 1941, in the framework of the concentration process in Slovak finance, two financial institutions: the Hospodárska úverná banka (Economic Credit Bank) joint stock company of Brezová pod



Bradlom and the Prvá senická banka (First Senica Bank) joint stock company of Senica merged with the Myjavská banka. It gained branches in Brezová pod Bradlom, Senica and Vrbové from this merger. The bank's own resources increased at the same time from the original 3.5 million crowns to more than 5.7 million crowns. The amount in deposit and current accounts grew to almost 44.67 million crowns.

The final chapter of more than half a century of history of the bank was concluded by events after 1945, which had the same impact on this relatively stable rural bank as on other financial institutions. On the

basis of a nationalization decree, its legal form was changed from joint stock company to national enterprise, and three years later it finally lost the status of an independent financial institution. A decision of the Ministry of Finance decreed its merging with the Slovenská banka national enterprise of Bratislava. Soon after, the Slovenská banka merged with the Tatra banka to form the Slovenská Tatra banka national enterprise with its headquarters in Bratislava and the former Myjavská banka became its branch.

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