

PRIEVIDZSKÁ GAZDOVSKÁ BANKA

A project to establish a new bank in the town of Prievidza was started a hundred years ago. Its initiator and largest shareholder was Koloman Bresztyenszky, at that time a member of the Hungarian Parliament and owner of various agricultural properties in the Prievidza district. The share capital of 100,000 crowns was divided into 2000 bearer shares with a nominal value of 50 crowns each. Citizens of Prievidza, Nemecké (Nitrianske) Pravno, Veľká Lehota, Nespály, Nováky, Malá Čausa and Ráztočno.

The founding general meeting was held on 17th January 1906. It approved the statutes, elected the board of the bank, the supervisory committee and the directors. The board had 3 to 12 members elected by the general meeting for three years from among the shareholders. The supervisory committee had 7 members elected for a three-year period. Koloman Bresztyenszky became the director of the bank, Alexander Kalina the chief accountant, Štefan Kmetko the treasurer and Dr. Dezider Haitsch the legal representative. The founders of the bank also included Valentín Vavro, Teodor Móser, Matej Soóska and Ernest Sporzon.

The name Privigyei Gazdasági Bank Részvénytársaság, that is Prievidza Agricultural Joint Stock Bank, was used until the First World War, when the incorrect name Prievidzská gazdovská banka (Prievidza Agricultural Bank) began to be used.

The territorial activity of the bank was more or less confined to the district between Nemecké Pravno, Nováky and Veľká Lehota, and in the east it reached Handlová. It was added to the register of companies on 26th February 1906 and began its activities from that date. A year later, on the basis of demand from the public, it established its first and only branch at Nemecké Pravno. The bank was successful from the beginning. The size of deposits and net profit increased, which inevitably led to increasing of the share capital in 1912, from 100,000 to 200,000 crowns. The demand for loans also increased. The four years of war did not have much negative effect on the business of the bank.

After the establishment of Czechoslovakia and especially in the 1920s, the bank profitted mainly thanks to a well thought out credit policy and increased deposits, but also thanks to investment in industrial companies, by which it strengthened its position

in the financial market. The share capital of the bank reached 1,200,000 crowns in 1943.

The general economic crisis at the end of the 1920s and beginning of the 1930s was reflected in a decline of deposits and difficulties with the repayment of loans. Therefore, the management began to enforce loans more vigorously by means of auctions. However, this difficult period did not threaten its independence and after overcoming the crisis, there was a moderate revival. The credit activity of the bank was directed mainly towards the agricultural sector with loans to small farmers, the Bojnice estate, Kuzmice Water Cooperative and Topoľčany Small Farmers' Storage Cooperative, but it also provided loans to other financial institutions: Chynoranská ľudová banka, Živnostenský úverový ústav, invested in the timber processing industry (Drevopriemysel Prievidza, Drevársky účastinársky spolok in Bratislava) and in the First Prievidza Alcohol Works, Carpathia, the chemical industry in Prievidza and the Baťa's Works at Šimovany. It participated in financing the electrification of Bojnice and Nemecké Pravno and granted loans to the district administration of Prievidza.

From the point of view of confessional allegiance, it was always a purely Catholic bank. In the period of the First Czechoslovak Republic and Slovak State, it was closely connected with Hlinka's Slovak People's Party. Precisely this was the reason for its success in delaying merging with another financial institution in the framework of the process of concentration, decreed by the Slovak government in 1939. In December 1939, the Ministry of Finance already decreed the merging of the Prievidzská gazdovská banka with the Ľudová banka in Ružomberok. However, the merger did not happen through the fault of the Ľudová banka. After a time, the ministry issued a new decree, this time ordering a merger with the Tatra banka of Turčiansky Svätý Martin by 1st January 1941. These decrees provoked great outrage in the management of the bank, which attempted to avoid this process by sending requests to the president, prime minister and minister of finance. They argued on the basis of the tradition of the bank and especially the needs of the upper Nitra region, and proposed to solve the situation only by merging the Prievidzská gazdovská banka with the Prvá prievidzská banka, which would preserve a strong local fi-



nancial institution. The ministry decree was submitted to the Supreme Administrative Court, which resulted in the temporary suspension of its implementation. However, in 1943, the ministry confirmed the original decision and the Prievidzská gazdovská banka was forced to discuss the conditions for merging with the Tatra banka. The talks resulted in an agreement by which the Tatra banka took over the Prievidzská gazdovská banka with all its assets and liabilities on 31st December 1943. The headquarters of the bank merged with the Prievidza branch of the Tatra banka, while the Nemecké Pravno branch became a sub-branch of the Tatra banka. The members of the board

and supervisory committee residing in Prievidza became members of the local committee of the branch of the Tatra banka, while the officials outside the town became its trustees. The Tatra banka committed itself to accept all active employees of the Prievidza bank into its service. These conditions were finally favourable to the Prievidzská gazdovská banka. The merger agreement became valid after approval by the Ministry of Finance on 4th April 1944 by directive no.4351/44-VI/16 and was implemented on 17th April 1944.

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