

BANKA ČESKOSLOVENSKÝCH LÉGIÍ AND ITS SLOVAK BRANCHES

One of the Czech banks, which significantly influenced banking in Slovakia in the period of the First Czechoslovak Republic, was the Banka československých légií (BČL – Bank of the Czechoslovak Legions). The founding general meeting of the BČL was held on 29th June 1921 and its share capital amounted to 70 million Czechoslovak crowns (Kč), but its commercial activity actually began in 1920. The only Slovak, with a position in the top management of the bank was Pavel Varsík. At first he was entrusted with running the Bratislava branch. In 1924, he became a member of the board of directors of the Prague headquarters, responsible for matters connected with Slovakia and Sub-Carpathian Ruthenia, and on 1st July 1939 he was appointed chief director of the Slovenská všeobecná úverná banka (Slovak General Credit Bank) in Bratislava. The most important enterprises of the BČL in Slovakia included Legiolom Bratislava; Komenský Bratislava, publishing and literary company; Slovenka, factory for woven and textile goods of Turčiansky Svätý Martin; Tatranská elektrická vicinálna dráha (Tatran Electric Local Railway) of Starý Smokovec; and the Československá plavebná a.s. dunajská (Czechoslovak Danubian Shipping joint stock company) of Bratislava. In the mid 1920s, the bank began to be more actively involved in Slovakia, where it also pursued the nationalization of the existing banks. By taking over and liquidating financial institutions, it created a network of branches and affiliates. Unfortunately, only fragmentary information has survived from the actual activity of the Slovak branches.

The oldest and most important Slovak branch was in Bratislava, officially founded on 6th September 1921. Its first board of directors included Jozef Gregor-Tajovský, Ignác Gessay and Pavel Varsík, who was also its director in 1922-1923. The financial operations connected with the activity of the industrial section already began in spring 1921. In 1930, the organization of the branch was already divided into deposit, cash desk, foreign currency, discounting, share-dealing and shipping departments. It is possible to say that this branch was in a superior position in relation to the other Slovak branches. The second oldest Slovak branch was the sub-branch in Piešťany, founded in May 1921. From 6th August 1925, it operated as a full branch and not only secured contacts with foreign clients, but also supported legionaries in the surrounding area and local commercial and industrial circles. A sub-branch at Nové Mesto nad Váhom was created in 1922, especially for the purpose of fi-

nancing the Americko-slovenská drevospracujúca spoločnosť (American-Slovak Timber Processing Company). It was transformed into a full branch in 1924 and mainly financed the construction of the railway line from Nové Mesto nad Váhom to Veselí nad Moravou, the Americko-slovenské krajčírské družstvo (American-Slovak Tailor's Cooperative) and the Krulich building firm. After Czechoslovakization of the Tatran Electric Local Railway in 1922, in which the BČL soon gained a majority, a sub-branch was opened in Poprad in 1923, and in 1925 a full branch. At first its primary role was to finance the Tatran railway and other activities of the bank in the Vysoké Tatry; construction of the Hotel Šport at Hrebienok and the cable car to Lomnický štít. It also operated seasonal exchange offices in Poprad, Sliač, Starý Smokovec, Štrbské pleso and Tatranská Lomnica. In 1925, the Košická úverná banka (Košice Credit Bank) became affiliated to the BČL and a year later it became a branch. In relation to its existing wide clientele of small farmers and craftsmen, considerable growth was expected from it. However, the desired results did not come as a result of unfavourable economic conditions and strong competition. The Ministry of Finance authorized the establishment of a branch in Zvolen in 1924, but its activity appears to have begun only in 1926. This branch built up a strong position. In October 1925, an affiliation agreement was signed between the Michalovská eskontná banka (Michalovce Discounting Bank) and the BČL. After the merging of the Zemplínska ľudová banka (Zemplín People's Bank) with the Michalovská eskontná banka, the Zemplínska eskontná a ľudová banka of Michalovce was formed. In 1933, this was transformed into a branch of the BČL. The Komárňanská korunová banka (Komárno Crown Bank), the most sought after financial institution in Komárno, went bankrupt at the end of 1926. It concluded an affiliation agreement with the BČL, which took over the majority of its shares and the running of the bank. A branch of the BČL was formed here in 1932. The Zlatomoravecká agrárna banka of Zlaté Moravce got into a difficult position and was threatened with bankruptcy as a result of bad business practices and fraud in one of its branches. It was rescued by the BČL, which bought the majority of its share capital in 1929. Since this bank was under Hungarian management until then, the BČL considered that its take over in 1933 was important from the nationality as well as the commercial and national-economic points of view. The Žilinská obchodná banka (Žilina Commer-



cial Bank) operated in 1931 as an affiliated institution of the BČL. On the initiative of the Ministry of Finance, an agreement was concluded in 1932 with the Úverná banka (Credit Bank) in Žilina about the settlement and liquidation of this bank. This was a condition for permission to establish a branch of the BČL in Žilina, as was done in the same year. The Ružomerská všeobecná banka (Ružomberok General Bank) already established a close connection with the BČL in 1930, when the BČL acquired the majority of its shares, and in the following year it became an affiliate. In March 1933, the BČL agreed to take over this bank and at the end of the same year to create a branch. In this period, the bank considered further extension of its influence in southern Slo-

vakia by creating two branches, one from the affiliated Ústredná ľudová banka Žitného ostrova (Central People's Bank of Žitný Ostrov) of Dunajská Streda and the other a new establishment in Levice. However, this did not happen.

In 1939, the bank was renamed the Legiobanka and a year later the Českomoravská banka. Its liquidation in Slovakia began on 1st July 1941. The Legiobanka was revived after 1945, but it disappeared at the end of 1947 by merging with the Živnobanka. It was removed from the register of companies on 1st December 1953.

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