

A HISTORY OF SLOVENSKÁ TATRA BANKA (1948 – 1991)

In Slovak commercial banking after 1945 the processes of concentration and specialisation reached their peak. Three banks operated with nationwide coverage, Slovenská banka, úč. spol. (shareholding company), Bratislava, Tatra banka, úč. spol. with its registered office in the town of Martin and its administrative offices in Bratislava and Sedliacka banka, úč. spol., Bratislava. Besides these, three other regional institutions operated, Stredoslovenská banka, úč. spol., in Banská Bystrica, Ludová banka, úč. spol., in Ružomberok and Myjavská banka, úč. spol., in Myjava. The others, largely German and Hungarian banks went into liquidation. The first step towards a far-reaching chan-

ge in the banking system in Slovakia was the presidential decree no. 102 of 20 October, 1945 on the nationalisation of shareholding banks. According to this decree on the day of its declaration shareholding banks were nationalised by the state and converted into national enterprises. Similarly as in the Czech lands, political parties in Slovakia affiliated to the Slovak National Front decided in the years 1946 to 1947 and following negotiations with representatives of Slovak banking circles that the two oldest banks – Slovenská banka and Tatra Banka would remain the basis of the Slovak banking system. Through a government resolution of 16 January 1948 on the concentration and specialisation of banks, already national enterprises, there was ordered the merger of Myjavská banka, Sedliacka banka and Ludová banka in Ružomberok with Slovenská banka. Stredoslovenská banka in Banská Bystrica was the only one to be incorporated into Tatra banka, since Tatra banka had also taken over the business of the cancelled branch offices of two Czech banks, Živnostenská banka and Moravská banka. On 4 February the Ministry of Finance instructed Tatra banka to transfer its registered office from Martin to Bratislava and by an order on 24 February 1948 imposed national administration in Slovenská banka, with Arnošt Bella at its head, and similarly in Tatra banka with Samuel Takáč at its head. The specialisation of each of the banks was, however, to be decided later. The concentration of banks – national enterprises – was performed so as that all rights and obligations, i.e. all assets and liabilities of the expiring banks passed with effect as of 1 January 1948 through universal succession without liquidation to the receiving bank.

The upheavals of February 1948 enabled the Czechoslovak Communist Party (CCP) to quicken the pace of realising its aims for its organisation of the banking sector. Czech representatives of the CCP tried to create a single bank for the whole of Czechoslovakia, a function that should have been fulfilled by Živnostenská banka, a national enterprise (n. p.) in Prague. In the end however a compromise was made, when through a government resolution of 25 March 1945 and instruction of the Slovak Office of Finance no. 76383/48-III/5 of 15 April 1948 there was ordered the merger of Slovenská banka, n. p., Bratislava and Tatra banka, n. p., Bratislava, whereby the Slovenská Tatra banka, n. p., Bratislava (STB) was created as an operating bank for Slovakia. Živnostenská banka, n. p., Prague remained an operating bank only for the Czech lands and Moravia. The main role of STB was to provide short-term operating loans to national enterprises and their



Slovenská banka in Bratislava

The interior of the Slovenská Tatra banka at SNP square in Bratislava





auditing, as well as operating the domestic system of payments. The Ministry of Finance through its decision of 23 April 1948 appointed a five-member national administration board for this merged institution, with Július Bránik appointed as its chairman. Ludovít Kováčik was appointed as director general of STB, and Tomáš Cipciar as his representative. The new bank inherited a wide branch network (84) from its predecessors, which it gradually reduced through the liquidation of small and unprofitable units, and with their business being handed over to the local public banking office. In 1948 STB was entrusted with the liquidation of 29 former banking institutions in Slovakia. It was engaged in this activity up until 31 May 1950, when it was assigned to the Liquidators' Board of Slovenská všeobecná úverová banka, n. p. in liquidation, Bratislava.

Slovenská Tatra banka performed its operating activity only up until 1 July 1950 and during this short time it underwent a wide ranging internal reorganisation so as to be able to better adapt to the new conditions and needs of the so-called socialist economy and banking. Leading representatives of the state however in 1948 decided to realise their ambitions to create a single state bank in Czechoslovakia, this to be both an issuing and operating bank according to the Soviet model. So on the basis of Act No. 31/1950 Zb. of 9 March 1950 the Štátna banka československá (State bank of Czechoslovakia – SBCS), Prague was established. This was to have assumed all rights and obligations of the National Bank of Czechoslovakia, Živnostenská banka, Poštová sporiteľňa and Slovenská Tatra banka.

Shortly after its establishment the SBCS moved towards liquidation of the balance sheet assets of STB. Over the course of 1951 it gradually transferred tied as well as free deposits in current and checking accounts and deposit books of STB from the SBCS to the public banking offices, which at that time were district savings banks and cash offices. In 1951 the District Court in Bratislava deleted from its business register the branches, sub-branches and exchange offices of STB and in 1954 also the authorised managers of STB branches.

STB should according to act no. 31/1950 Zb. on SBCS have lapsed following the transfer of its rights and obligations to the SBCS on a date to have been set by the Minister of Finance through a regulation in the codex of laws. However various complications arose, in particular in the case of recovering receivables of STB in respect of foreign partners, because foreign banks in Western Europe and the USA did not recognise the transfer of the assets of STB to the SBCS. Therefore the Ministry of Finance never made the step towards a legal termination of STB's activities and the legal capacity of STB was preserved even following the establishment of the SBCS. In 1954 The STB was transferred from the business register into the enterprise register and although the bank did not perform any active business activity, there bank's administration was repre-



Tomáš Cipciar (left) and Ján Uhrík, who worked for a time in the management of Slovenská Tatra banka

sented externally by the board of directors, with Miloš Hrušovský at its head. The authorised managers also remained entered in the enterprise register and were authorised to sign for STB: Chief Director Ludovít Kováčik, Deputy Chief Director Tomáš Cipciar, Ján Uhrík, Dr. Ján Spišiak and others.

Since certain foreign financial institutions did not recognise the legal succession of the SBCS, the need arose to reactivate the accounting and balance sheet work of STB. Moreover certain disputes abroad such as that against M.C. Wooster in France over a sum of approximately CZK 8 million, could be led only under the name of STB. The regional liquidator in Bratislava, who on the basis of a mandate by the Ministry of Finance, took over the recovery of receivables abroad, in 1953 requested that he may use the firm STB for correspondence with abroad. On 21 August 1958 the collegium of the Minister of Finance decided that the SBCS would reclaim from its asset balance all receivables in respect of the private sector for the former commercial banks. The business of domestic loans in liquidation as well as all other receivables in respect of private sector domestic debtors passed in 1958 and 1959 from the SBCS to the state savings banks. Foreign loans in liquidation from the Czech lands and Moravia or were consolidated in Živnostenská banka, foreign loans in Slovakia however, continued to be administered by the SBCS, the Bratislava city branch. The head office of the SBCS in Prague therefore proposed that receivables in respect of foreign debtors from Slovakia be consolidated in the STB and where necessary be recovered abroad in its name.

In connection with this in 1959 the Minister of Finance through his decision of 20 March 1959 recalled the management of STB and appointed Klement Donoval as director and a new board of directors with Ján Uhrík at the helm. In order that the necessary steps were taken in the process of recovering receivables abroad the board of directors of STB requested on 9 January 1961 the restoration of liquidation activities. On the basis of an opinion of the Attorney's Office no. 1 in Prague the STB requested approval of its chart of accounts for drawing up the balance sheet of STB, determining the level of STB's registered

capital in the amount of CZK 12 million, the asset transfer of values of STB and former commercial banks having a relationship abroad from the SBCS to the STB, the approval of basic principles of contract, by which the SBCS and STB would arrange their relations. The STB should have transferred from the SBCS the whole business that the SBCS had up to then been performing after the former commercial banks in Slovakia. STB's business would be performed by SBCS employees. The state bank was also to ensure the personnel and material costs of STB. Although the Ministry of Finance approved this proposal with certain amendments, at the end of 1961 most of the accounting items (domestic receivables, receivables and liabilities in respect of foreign banks, etc) were nevertheless again removed from the STB balance sheet and their balances transferred to the SBCS, Bratislava city branch. The balance sheet for 1961 was limited solely to receivables in Czechoslovak koruna in respect of foreign debtors and the bank's own securities accounts.

A new proposal for renewing the liquidation activity of STB was submitted by its supervisory board for negotiation by the advisory committee of the Ministry of Finance for foreign disputes on 11 January 1963. It requested again the transfer of assets and liabilities of STB, as well as those of liquidated banks in Slovakia into the direct administration of STB. It also considered it necessary that STB's business be not performed by SBCS employees, but rather by STB employees, who would be transferred from SBCS, Bratislava city branch. The final objective of the board of directors of STB was to change the legal standing of STB into a form as had happened in the case of Živnostenská banka, n. p., in Prague, whose operating activity was restored by a government resolution of 1 August 1956. Živnostenská banka was "left in an unaltered legal form as a financial institution with special focus on bank services for a private foreign clientele". The Ministry of Finance however rejected the STB's proposals, stating that any possible "government decision as to the restoration of the (liquidation) activity of STB would not remove potential objections in respect of its procedural legitimacy". Since STB continued to remain without employees, a special agreement was adopted as a way out of the situation between STB and the SBCS on the execution of the liquidation business. Through this agreement of 1 April 1963 STB authorised the SBCS, Bratislava city branch to perform the liquidation process of loans on its behalf, as well as performing the accelerated recovery of loans in respect of foreign debtors in "foreign capitalist countries". Complications that arose in disputes with foreign partners through the transfer of rights and obligations of STB to the SBCS led also to a further amendment being made to the Act on the SBCS no. 117/1965 Zb. in § 22 with a provision in the wording "Rights and obligations of institutions stated in § 2 of Act no. 31/1950 Zb. which according to the declaration of the Ministry of Finance no. 380/1950 U. 1. and no. 383/1950 U. 1. that ha-

ve as yet not been transferred to the bank shall not be transferred to it".

In connection with the economic reform in the years 1966 – 1969 experts in the banking field considered the establishment of an institutionally separate commercial and issuing banking sector. The board of directors of STB saw in the plans for an overhaul of the Czechoslovak banking system the possibility for a restoration of STB's activity. Therefore on 14 November 1967 it submitted to the Ministry of Finance a proposal for an arrangement of STB's operations in which it requested a restoration of the bank's activity in a wider scope in order that the legal existence of STB would be supported by an actual operating activity. The proposers' idea was to use STB for the final settlement of the foreign receivables and liabilities of STB, as well as those of other former commercial banks in Slovakia. Besides this, the bank in consequence of the development of tourism could operate a currency exchange activity in Slovakia, tie up special-purpose bank connections with Viennese banks, and administer "TUZEX" accounts for recipients of payments from abroad with domicile in Slovakia. The management of STB held great hopes on the act under preparation on the organisation of the financial sector in 1969, which should have enabled the restoration of its activity. The act however as a result of rising normalisation was not adopted. It is necessary however to mention that the unitary Ministry of Finance as well as the SBCS head office in Prague was not too inclined to the idea of a restoration of STB's activity, especially in the field of foreign currency services to citizens. Preference rather was given to the establishment of branches of Československá obchodná banka (ČSOB), úč. spol., and Živnostenská banka, n. p., Prague in Bratislava. ČSOB, which from 1965 provided banking services to enterprises in connection with foreign trade, set up its Bratislava branch its 1967. The project of opening a branch of Živnostenská banka in Bratislava was, despite the bank's activities at the start of 1968, not in the end realised. In 1971 a special agreement was signed (11 August 1971) between the Minister of Finance of the Czechoslovak Socialist Republic and the Minister of the Finance of the Slovak Socialist Republic, on the basis of which the Federal Ministry of Finance on 1 January 1971 took over competence in issues of the material and legal affairs of STB, n. p., Bratislava.

Up until the fall of the communist regime STB's legal standing did not, despite the proposals of its board of directors for the restoration of its activity, change at all from 1972 onwards. STB operated as a "financial institution at rest". Gradually only a few organisational changes were made. In 1979 a new agreement was concluded between the SBCS and STB, on the basis of which on 1 January 1980 the liquidation business of STB was entrusted to the SBCS, operative administration, securities department, Bratislava. In 1990 the liquidation of receivables of STB was taken over by Všeobecná úverová banka, services de-



partment, Bratislava. The Minister of Finance of the Czechoslovak Socialist Republic through his decision of 6 May 1981 recalled the members of the STB management and appointed new officials. Ing. Jozef Lupták became the director of STB and Ing. Dominik Udžan, chairman. Teodor Peller was appointed chairman of the supervisory board of STB. According to the last published balance sheet of STB for 1989 the business of STB, which was being performed on its behalf by the SBCS, comprised the liquidation of receivables in respect of foreign debtors, asset-legal settlement of real estate property entered on behalf of the former commercial banks in Slovakia, the issuing of confirmations on the lapsing of receivables entered in the property register in favour of former banks.

The adoption of act no. 158/1989 Zb. on banks and savings banks brought the possibility of a restoration of STB's activity. The plan for the restoration of the bank's functions was prepared in 1989 by its new management appointed on the basis of a decision by the Federal Ministry of Finance of 5 December 1988. Ing. Jozef Rakús became the new director, Ing. Jozef Lupták the chairman and Ing. Rudolf Špalek the chairman of the supervisory board. In the newly-forming system of commercial banks and savings banks STB's business activities were to be focused on providing loans primarily to small and medium-sized business subjects in the production sector, and in particular to organisations and people in the tertiary sector, mainly in the field of services, tourism and spas. STB in its new activity was to be organised as a shareholding company with foreign capital participation. A specific

problem of the new legal arrangement was however the termination of the activity and existence of STB as a state financial institution at rest and the establishment of a shareholding company with the same business name. It was therefore necessary to resolve the issue of the transfer, or non-transfer of the activity, receivables and liabilities of STB at that time. However from negotiations at the Ministry of Finance SR and the SBCS at the start of 1990 it followed that the conversion of the bank into a joint-stock company was not possible. Therefore a decision was made on the establishment of a new legal subject with the name Tatra banka, Bratislava as a joint-stock company with foreign capital participation, and which would not be the legal successor to STB.

The question of the further operation of STB was concluded by a decision of the Ministry of Finance SR no. 7/1991 of 15 March 1991 on the change in the name of Slovenská Tatra banka, state financial institution, Bratislava into the Slovenská záručná banka, š.p.u. (Slovak Guarantee Bank, state financial institution), Bratislava with a focus on the support of small and medium-sized businesses. The Ministry of Finance on 3 June 1991 issued its consent that the "rights and obligations of STB, n. p. that passed to the SBCS in accordance with § 2 of act no. 31/1950 Zb. and were enforced on behalf of the SBCS and documents signed in this course by employees of the SBCS, will be in accordance with the legal code".

Mgr. František Chudják, Archives of the NBS