

## **Amsterdamsche Bank, 1871-1965**

### **An (over)ambitious start, 1871-1910**

Amsterdamsche Bank (AB) was established in Amsterdam on December 5, 1871 by a group of mainly German banks led by Bank für Handel und Industrie of Darmstadt. Germany wanted to invest abroad some of the enormous financial muscle it had obtained through French reparations after the Franco-Prussian war of 1870/1871. AB's founders sought to create a Dutch bank which would be instrumental in bonding the Dutch and German money markets. AB maintained close ties with the Amsterdam diamond trade. Other strong points were stockbroking and new issues. Later the bank's international operations also developed into a major activity.

The early years were far from easy for the bank because its initial capital was too large for the prevailing needs of Dutch trade and industry. Moreover, the bank had to weather the great depression of 1873. International price levels remained low for a prolonged period before bottoming out around 1885. The bank was also dogged by the blind faith of many Dutch investors in American railroad shares, a prized possession among the speculators of the day. In the event it transpired that many railroads in the 1881-1884 period were less solid than had been thought and their shares became virtually worthless. The bank's ambitions suffered a further blow by the 1884 Java sugar crisis which caused great market unrest.

### **Controlled growth, 1910-1945**

AB survived all of these difficulties but remained cautious when it established Amsterdamsch Wisselkantoor in 1901. Although officially a separate company, in reality it was AB's first branch. Between 1901 and 1908, Amsterdamsch Wisselkantoor opened branches in the cities of Utrecht, Eindhoven, Almelo and Enschede. It was then closed down and its branches turned into AB branches.

AB acquired interests in various provincial banks such as Helmondsche Bank and Heerlener Bank. From 1911 onwards, when it found it had no option but to follow the example of Rotterdamsche Bankvereeniging (Robaver), AB took over a number of local banks and turned them into branches. After this expansion and concentration – characteristic of the entire Dutch banking industry around this time – a period of consolidation began for AB.

On July 21, 1939 AB and Robaver reached agreement on far-reaching co-operation but shelved the plans on October 7, 1939 when Dutch involvement in the Second World War seemed inevitable. At the start of 1940, AB took over Noordhollandsch Landbouwcrediet (est. 1887) of Alkmaar, a bank of which AB had been one of the founders.

In order to finance the local diamond industry, AB set up a Belgian subsidiary in Antwerp in 1937 called Amsterdamsche Bank voor België.

### **New partners, 1945-1964**

Anticipating later developments, Amsterdamsche Bank and three other major European banks started working together in an interbank consultative platform in 1958, the European Advisory Committee and saw it develop into the Brussels-based Banque Européenne de Crédit à Moyen Terme in 1967.

With the revival of banking after the Second World War, there were renewed moves towards concentration. Amsterdamsche Bank and Incasso-Bank signed an agreement in October 1947 under which the two banks merged. This considerably expanded AB's branch network.

In 1964 the time finally came for the merger of AB and Rotterdamsche Bank which created Amsterdam-Rotterdam Bank (Amro Bank), with registered office in Amsterdam.