

## **Nederlandsche Handel-Maatschappij, 1824-1964**

### **Trading roots, 1824-1874**

Nederlandsche Handel-Maatschappij (Netherlands Trading Society/NTS) was founded on the initiative of the Merchant Monarch, King William I, in The Hague on March 29, 1824. The object was to resuscitate national trade and industry in the wake of the period of French rule (1795-1813). NTS was an import/export company set up to expand existing trade relations and open up new channels.

Through its close ties with the Dutch government, NTS played a major role in developing trade between the Netherlands and the Dutch East Indies. From 1826 onwards its activities in the East Indies were co-ordinated by the branch in Batavia (present day Jakarta, known locally as "De Factorij"). In 1830 the Dutch Governor Johannes van den Bosch introduced the 'Plantation System' under which the native population was compelled to pay taxation in kind (chiefly tea, coffee, sugar and rubber). NTS acted as state banker, merchant and shipping agent. It sold and shipped the products the Dutch Government obtained through the Plantation System. NTS did this so successfully and attracted so much business that it acquired the nickname *Kompenie Ketjil*, or "Little Company", after the older and famous Dutch East India Company.

After 1830 when the Netherlands and Belgium became separate states, NTS also provided risk and loan capital to industrial enterprises, especially in the textile industry in the Twente region of the Netherlands. In 1850 NTS began to finance companies operating plantations in the Dutch East Indies. NTS even owned a number of plantations itself. As part of this policy a branch was opened in Singapore in 1858. Its successor is now the oldest bank in Singapore.

### **Into banking, 1874-1945**

At this time the company had not yet developed into a bank in the present sense. But the advent of a less protectionist policy on the East Indies and the gradual abolition of the Plantation System forced the bank to turn its attention towards banking. The ban on trading in bills and securities was lifted in 1874 and "De Factorij" embarked in 1882 on business such as credits, time deposits and securities orders. NTS Director Balthazar Heldring, who later became President, played an important role in this change of policy.

The issue of banknotes was another activity NTS was involved in during its rich history. Faced with the precarious financial and economic situation in Shanghai where it had opened a branch in 1903, and with the absence of a Chinese central bank, NTS put "Shanghai dollars" into circulation which remained legal tender

until 1946. Similarly, its subsidiary Surinaamsche Bank issued banknotes in the former Dutch colony of Surinam until 1957.

The sugar crisis in the East Indies in the late 1920s and early 1930s forced NTS to change its policy in the Netherlands. For many years the bank's only establishments in the Netherlands had been its head office in Amsterdam and a branch in Rotterdam. The numerous branches in the Dutch East Indies and the Far East had been the bank's cornerstones.

The branch network in the Netherlands was not significantly expanded until 1936 when NTS took over Geldersche Credietvereniging, with which an alliance had existed since 1916.

### **Post-war readjustments, 1945-1964**

After the Second World War, NTS opened a large number of branches, both in the Netherlands where the number of branches was doubled to 153, and abroad. Its plantations in Indonesia were nationalised in 1959 and the same fate befell its banking business in the former Dutch colony just one year later.

The growing concentration of banking in the Netherlands reached a climax in October 1964 when NTS and Twentsche Bank merged to become Algemene Bank Nederland (ABN Bank).