

= Girdap =

Girdap or Ghirdap (Bulgarian : ?????) was the first privately owned Bulgarian bank . Established in Ruse in 1881 , until its closure in 1925 it was one of the two large Bulgarian banks which relied on capital that was both private and local , along with the Bulgarian Commercial Bank . Prior to the Balkan Wars and World War I , Girdap was among the six largest banks in Bulgaria , and during the wars its financial group was the most influential in the country .

= = History = =

= = = Early years = = =

Girdap 's constituent assembly was held on 1 December 1881 , less than four years after the Liberation of Bulgaria from Ottoman rule and the establishment of the Principality of Bulgaria . At the time , the northeastern Bulgarian city of Ruse was a major economic hub . Ruse prospered due to its role as a major port on the Danube , its rapid industrial development and its well @-@ established ties with Central Europe along that river . Banking , however , was a new concept , as most people employed the services of money lenders and entrusted their savings to people they knew personally . The founders of Girdap sought to " liberate the population of money lenders " , in the words of later bank director Boncho Boev . Due to an overall lack of capital in the country , interest rates of loans given by Girdap were nonetheless high : 15 ? 18 % as compared to the over 20 ? 30 % interest rate of money lenders . The bank officially commenced operations on 1 January 1882 . It took its name from the Girdap neighbourhood of Ruse where the constituent assembly was held .

The capital of Girdap at the time of its foundation amounted to 1 @,@ 380 Bulgarian gold leva , though by the end of 1882 it had increased fivefold to 6 @,@ 900 gold leva . In 1886 , the capital of Girdap amounted to 70 @,@ 300 leva ; in that year , the bank hired a clerk for the first time . In the year of the company 's 10th anniversary , 1891 , it disposed of 300 @,@ 000 leva , and in 1894 its capital had increased to 1 @,@ 000 @,@ 000 leva . Founded as a depositor 's company , it was transformed into a joint @-@ stock credit company in 1894 . In 1898 , Girdap 's capital was 1 @,@ 500 @,@ 000 leva and a new company statute was approved , which extended the board of managers to 12 members . These included Ruse 's wealthiest and most eminent people , most notably the chairman Stefan Simeonov . In the autumn of 1902 , Girdap opened its first branch offices outside Ruse : in the port of Varna on the Black Sea coast , in the Dobrujan city of Dobrich and in Istanbul (Constantinople) , the capital of the Ottoman Empire and largest city of the Balkans . In Istanbul , the bank was known under a French name , Société de Crédit Ghirdap , though the branch only existed for 18 months and was closed down due to political pressure . An office in Silistra was opened on 1 August 1910 .

Ever since its establishment Girdap served political interests , and it was later tied to the Popular Liberal Party of Stefan Stambolov . On the other hand , the Bulgarian Commercial Bank (Balgarska targovska banka) , which was also founded in Ruse in 1885 , was close to the Popular Party . The two banks competed for lending municipal loans and regularly used their political ties in their competition . These relations were often damaging to the Bulgarian treasury , as politicians who were also bank shareholders or somehow related to Girdap awarded contracts based on their personal interest rather than that of the state . As the Bulgarian economy consolidated in the first decade of the 20th century and the emerging industry required increasing funds , local banks grew in importance . In 1911 Girdap had a capital of 2 million leva and by 1912 it was the third @-@ largest private bank in the Kingdom of Bulgaria after the Bulgarian Commercial Bank and the Deutsche Bank @-@ related Credit Bank (Kreditna banka) . However , Bulgaria 's privately owned banking sector remained comparatively small .

= = = Heyday and bankruptcy = = =

Girdap 's heyday was during the Balkan Wars and World War I (1912 ? 1918) , when it became the leading financial group in the kingdom and remained close to the government . It controlled some 83 @. @ 97 million leva of invested capital , which put it ahead of the General Credit Society , the Balkan Bank and the Bulgarian Commercial Bank financial group . During the wars , Bulgarian banks established filial companies or invested in new enterprises . Girdap was no exception to that trend .

One of Girdap 's notable enterprises was the international transport company Transbalkania which had a capital of 100 @, @ 000 leva . Of the company 's 500 shares , 200 were owned by Girdap and another 170 were owned by three of the bank 's managers or employees . Liquidated after World War I , Transbalkania was active as a carrier from Bulgaria to Edirne , Alexandroupoli , Thessaloniki and Ni? and along the Danube . During the wars , Girdap was involved in tobacco trade and had warehouses in modern Dupnitsa , Blagoevgrad and Xanthi . This led to the establishment of another Girdap venture , the Bulgarian Macedonian Bank (Balgarska makedonska banka) , on 21 May 1916 . The Bulgarian Macedonian Bank was mostly active as a commercial bank , which is indicated by its capital of 46 @. @ 95 million leva as opposed to only 13 @. @ 31 million leva of deposits . Other banks more or less related to Girdap included the Sofia Bank (Sofiyska banka , established in 1906) , the Bulgarian Forest Commercial Bank (Balgarska gorsko @- @ trgovska banka , established in 1917) , and the Bulgarian Surety Bank (Balgarska garantsionna banka , established in 1912) . The Pleven @- @ based Lev cement factory was founded in 1917 with Girdap board of managers member Ivan Kovachev as chief shareholder . Ninety percent of the capital of the Kurilo mine in the Iskar Gorge was controlled by Girdap or its head figures Ivan Kovachev and Boncho Boev . Despite Girdap 's active involvement in assistance to national industry , it failed to make a significant contribution and gradually minimized its participation due to insufficient profits .

After World War I , Girdap was deprived of its government protections , as it had no links to the new agrarian government of Aleksandar Stamboliyski . In 1919 Boncho Bonev was imprisoned in Berkovitsa for eight months before he was acquitted , Ivan Kovachev was put on trial , and the bank 's funds were sealed . In 1922 , the Bulgarian National Bank closed Girdap 's account , causing 38 million leva of deposits in Girdap to be withdrawn by 1923 and its debtors (including members of Girdap 's management) to protest their bills . While at the time the Bulgarian National Bank , Girdap 's most important creditor , was opposed to Girdap 's declaration of bankruptcy , it reversed its stance two years later . Girdap was declared bankrupt on 3 February 1925 and its managers Boncho Boev , Ivan Kovachev and Nikola Kovachev were arrested .

= = Headquarters in Ruse = =

Girdap 's central office in Ruse was located in a historic edifice at 2 Aleksandrovska Street that takes up 260 square metres (2 @, @ 800 sq ft) . It was finished in 1896 and designed either by Stoyan Zolotov and Udo Ribau (architect of what is known as Ruse 's Old High School of Music) or by Samuil Danailov , at the time still an architecture student . Together with the opposing building owned by wine merchant Petar Petrov and built in 1897 under Viennese architect Georg Lang , the Girdap headquarters are part of an architectural ensemble highlighting the entrance to Ruse 's commercial street from Liberty Square , the location of the Monument of Liberty .

The building 's attic was damaged in a fire in 1913 . An additional storey was constructed in 1935 under the engineer Todor Tonev , turning the headquarters into a three @- @ storey edifice . The trademark clock was added in the late 19th century . In 1964 ? 1967 , the building 's interior was refurbished so it could accommodate the City People 's Council . Today , it houses the administration of Ruse 's Chamber of Control .