

## ŽILINSKÁ POMOCNICA

The Žilinská pomocnica (Žilina Assistance) was founded in 1873 as a shareholders' cooperative under the name *Vzájomná pomocnica v Žiline* (Mutual Assistance in Žilina). Its founder and first director was the local advocate Ján Milec. According to the new commercial act from 1875, a general meeting was held on 16th February 1876 to approve new statutes. The aim of the society was: "to support agriculture, industry and trade by granting credit, to encourage thrift in the community, to assist commercial and financial activities, receive cash deposits for interest and grant loans". The Royal County Court in Žilina approved the statutes on 1st April 1876.

The Žilinská pomocnica headed by Ján Milec actively participated in founding the two most important Slovak banks: the *Ružomerský úverkový účastinársky spolok* (Ružomberok Credit Joint Stock Company) in 1879, from 1904 called the *Úverná banka* (Credit Bank) and from 1919 the *Slovenská banka*, and the *Tatra hornouhorská banka* (Tatra Upper Hungary Bank) founded at Martin in 1884.

The general meeting in 1894 changed the name of the company and its legal form. It became the Žilinská pomocnica joint stock company with share capital of 80,000 gulden, divided into 2000 shares of 40 gulden. Ján Milec was again appointed as the chief director, and Jozef Gyuris became his deputy.

At the beginning of the 1890s, the Žilinská pomocnica began to participate in founding, managing and providing credit for industrial companies, together with the *Tatra banka*, *Turčiansko-sväto-martinská sporiteľňa* and *Úverná banka* of Ružomberok. In December 1893, it participated in founding the *Helios* mechanical and electro-technical joint stock company in Žilina. From 1901, together with the *Tatra banka* and *Úverná banka* of Ružomberok, it participated in the financial rehabilitation of *Helios* by registration of share capital for 200,000 crowns and granting an advantageous loan. The financial rehabilitation continued in 1903 by increasing share capital with the issue of priority shares to an amount of 100,000 crowns. The company became dependent on the above mentioned banks, which forced it to change its statutes and include their representatives in its management. The Žilinská pomocnica was represented by Rudolf Krupec. However, the consortium broke up in 1908. The Žilinská pomocnica also had smaller representation in the Hungarian Factory for woolen

goods, military cloth and blankets joint stock company of Žilina, but in 1901 it came entirely into the hands of Hungarian capital with a new headquarters in Budapest.

During the economic crisis of 1900, the Žilinská pomocnica participated in establishing the Žilina Cement and Lime Works with share capital of 350,000 crowns. The cement works gradually came under the control of the Žilinská pomocnica, *Tatra banka* and *Úverná banka* of Ružomberok, which gave it a joint loan of 40,000 crowns in 1902 with the condition that they would be represented in its board of directors. However, the banks lost their position in this company in 1906.

The statutes of the Žilinská pomocnica were changed in 1903, the share capital was recalculated in the new crown currency with share capital of 160,000 crowns divided into 2000 shares of 80 crowns each, and the range of bank deals was widened. The aim of the company was: „on one side to support agriculture, industry and trade by granting credit, and on the other to give the community the opportunity to deposit their money and earn interest. The company can participate in establishing various industrial and commercial companies and is authorized to carry out all bank deals“. After the death of Ján Milec in 1901, Rudolf Krupec became director of the company.

The Žilinská pomocnica participated in founding the Žilina cellulose works in 1905 in accordance with the new statutes. It also granted credit to other industrial companies in the Žilina district, for example, the Žilina brick works, which received a loan of 60,000 crowns at an interest rate of 5% in 1909. The board of directors of the pomocnica usually set the debit interest rate at 2% above the official rate of the Austro-Hungarian Bank, and demanded 1-2% provision depending on the type of loan. It provided the loans to the Žilina brick works jointly with the *Turčiansko-sväto-martinská sporiteľňa*. The chairmanship of Ľudovít Vanovič as representative of the *Martinská sporiteľňa* in the supervisory committee of the Žilinská pomocnica also testifies to the close commercial relationship between the Žilinská pomocnica and the *Martinská sporiteľňa*. We learn about the economic activity of the Žilinská pomocnica from the *Slovenský peňažník* (Slovak Financier) magazine from 1909, which published an extract from the annual report for 1908. The bank still operated with share capital of



160,000 crowns, it had created a reserve fund of 79,042 crowns, and it held deposits of 2,389,303 crowns. It achieved a net profit of 8,317 crowns and paid a dividend of 4 crowns for each share. It had also established cooperation with Czech banks, especially with the Živnostenská banka and Česká priemyselná banka of Prague, which granted it rediscounting credit.

In 1920, its name was changed to Žilinská pomocnica, účastinárska banka (Žilina Assistance, Joint Stock Bank) and its share capital was increased to 500,000 crowns. Štefan Tvrdý became director of the bank with Ján Obuch as his deputy. By the end of the same year, the Žilinská pomocnica merged with the Tatra banka of Martin under the following conditions:

shareholders of the Žilinská pomocnica received one share in the Tatra banka for two share in the pomocnica, the Žilinská pomocnica became the Žilina branch of the Tatra banka, and the board of the pomocnica continued as the local committee of the branch.. The Žilinská pomocnica was removed from the register of companies in 1921.

After its activity for more than 47 years, we can describe the Žilinská pomocnica as a smaller, but solid institution with a Slovak management, which, in spite of the risk of loss, was not afraid to participate in building up Slovak joint stock industry in cooperation with larger banks.

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