

THE VZÁJOMNÁ POMOCNICA IN THE ROYAL BOROUGH OF BREZNO

In the second half of the 19th century, self-help societies with a financial orientation began to be formed in the territory of present-day Slovakia as the beginnings of the future co-operative and people's financial institutions. Although they originated under various designations, they had a common aim. They were intended to form a protective barrier against deterioration of the social and economic conditions of life. The societies were run on democratic principles, combining the basic co-operative principles of voluntariness, self-help and mutuality. Similar principles were also applied in the Breznianska Sporiteľnica (Brezno Savings Bank), founded on 4th October 1846 by townsmen of Slovak origin. The traditions of this institution were continued from the end of the 1860s by the founders of a further town self-help society, called the *Vzájomná Pomocnica* (Mutual Assistance Society) in the royal borough of Brezno. The initiators of its origin were again local citizens, headed by a landowner and advocate, but also by a founder member of the first committee of *Matica Slovenská*, Ján Čipko and Matej Lopušný the elder. The prospering assistance society in the nearby town of Revúca provided the conceptual basis and later also expert assistance with working out the statutes and running the official agenda. After completing the preparatory works, a meeting of 34 townsmen was held in the house of Matej Lopušný on 14th February 1869. By signing the statutes, they gave preliminary confirmation to the foundation of the *Vzájomná pomocnica* as a society. The meeting also appointed a temporary management composed of the chairman Matej Lopušný, deputy chairman Emil Göllner, treasurer Jonáš Jesenský and secretary Jozef Tesák. The greatest problem of the new financial institution was the statutes, which required official authorisation in accordance with the imperial patent on societies from November 1852. After endless discussions and repeated official interventions, they were revised and supplemented several times. The Ministry of Agriculture, Industry and Trade finally accepted them on 16th September 1872 and they could be published. The four years of disputes over confirmation of the statutes and so over the actual existence of the already operating society significantly restricted the development of its activity. The first signs of improvement began to appear only in

1872, in the course of which the number of members increased from 55 members with 73 shares to 69 members owning 109 shares. This shift appeared even more significantly in the value of its property, which amounted to almost 811 gulden at the end of 1871, but reached 1,500 gulden in the course of the following year.

On the basis of self-help, the society had to give some protection against usury, but also to satisfy the credit needs of its members. In this spirit, its main aim was to accumulate deposits and from the capital accumulated in this way, to provide its members with loans at an advantageous interest rate to support their activities in trade, craft, industry or agriculture.

According to the statutes confirmed by the government, the value of one share was set at 30 gulden and every member had to deposit 50 kreuzers in the society treasury at regular monthly intervals. A shareholder, who deposited in the treasury at least 4 gulden had the right to interest on this sum, which was paid on the basis of a resolution of the general meeting after the completion of the appropriate financial year. In the event of the society suffering financial losses, the members guaranteed obligations up to the level of their subscribed shares.

The *Vzájomná Pomocnica* did not have its own office premises. Financial operations were carried on in the treasurer's home, which had the result that whenever the treasurer changed or he moved to a new place of residence, the trading place of the society also changed. At first, the treasurer and other functionaries worked without pay, until the general meeting of 16th February 1875 set the first payments at 100 gulden per year for the treasurer, 25 gulden for the deputy chairman and secretary and 10 gulden for the auditor.

The society published its first annual report in printed form for the financial year 1875. It shows that the treasury achieved a profit of 334 gulden, while deposits from members exceeded 14,000 gulden. The treasury lent more than 13,000 gulden for bills and bonds and 3,839 gulden as reserves.

The society statutes were revised in 1876 in accordance with the provisions of the legislative article XXXVII from 1875. On the basis of this norm, the posts of chairman and deputy chairman were abolished and the management was composed of the ad-



administrator, deputy administrator, 12 ordinary and 6 substitute members of the administrative board and 3 members of the supervisory commission. The highest organ of the Pomocnica was the general meeting, which usually assembled once a year. Through it, the shareholders directly intervened in the economic life and general running of the institution. Every member had the right to participate and vote.

The society had the character of a co-operative credit institution, but of an urban type, since its original members and management were dominated mainly by richer property owning townsmen. Increasing capital brought an increased need to maximize its appreciation and profit began to have a decisive role for the society. In these circumstances, the unwieldy co-operative principles, by which the society was bound, became a brake on the business activities of

its management. Therefore, on 17th June 1910, the management of the Pomocnica adopted a resolution to change its legal form to that of a classic joint stock company. On 6th November 1910, the general meeting declared the dissolution of the Pomocnica as a society and its transformation into the „Pomocnica“ úverná banka („Assistance“ Credit Bank) joint stock company with its seat in Brezno.

The bank continued to operate in this form until December 1920, when five financial institutions active in central Slovakia formed the Národná banka (National Bank) joint stock company of Banská Bystrica. From 1st January 1921, it continued its activity under the name Národná banka joint stock company, Brezno branch.

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