



EXPECTED MACROECONOMIC DEVELOPMENT IN SLOVAKIA

Economic and Monetary Analyses Department
Národná banka Slovenska

The Slovak economy increased quarter on quarter by 0.6% in the last quarter of 2014, broadly in line with projections. Economic growth was driven by both external demand and domestic demand. In 2015 growth should remain balanced, accelerating to 3.2%. Later, a sharper rise in foreign demand is anticipated, which should be reflected in the economy growing up to 3.8% in 2016. Projected GDP growth for 2017 stands at 3.5%. Over the whole forecast horizon, Slovak economic growth is assumed to be supported by positive effects of the ECB's extended asset purchase programme. The relatively strong domestic demand should further boost a rise in employment. Looking ahead, employment growth will be slightly slower against a backdrop of negative demographic developments. Prices are expected to decline as a result of a fall in energy and commodity prices. This effect should, however, gradually fade away allowing inflation to rise. (p. 2)

ANALYSIS OF TRENDS AND RISKS IN THE SLOVAK FINANCIAL SECTOR IN 2014

Pavol Latta
Národná banka Slovenska

The article describes the trends and risks observed in the Slovak financial sector during the year 2014. It starts with an overview of the macroeconomic situation followed by an integrated overview of the financial sector. The largest part is dedicated to the subsectors of banks, insurers and others. The analyses are based on NBS's Analysis of the Slovak Financial Sector for 2014. (p. 15)

PARTICIPATION OF DOMESTIC BANKS IN THE ECB'S MONETARY POLICY OPERATIONS IN 2014

Roman Kostelný
Národná banka Slovenska

The article summarises the activities of Slovak banks six years after the country's accession to the euro area. In their activities the banks make use of a wide range of the ECB's monetary policy operations and trade on the euro area money market. In addition to assessing the participation of national entities in these programmes, the article also mentions the main decisions of the ECB and describes the response of euro area banks reflected in their liquidity management operations on the interbank market and participation in deposit facilities and refinancing operations. (p. 10)

ARE INDEBTED HOUSEHOLDS POORER?

Tibor Zavadil
Národná banka Slovenska

This article analyses the impact of household indebtedness on household net wealth, using data concerning

Slovakia from the first wave of the Household Finance and Consumption Survey (HFCS). We have identified two different effects of household indebtedness on wealth – a highly negative impact of non-mortgage debt and a neutral effect of mortgage debt. Furthermore, we have found that households living in bigger municipalities and more developed regions are both wealthier and more indebted, which confirms the fact that higher net wealth tends to be associated with more debt and leverage. (p. 16)

RESOLUTION OF FINANCIAL CORPORATIONS OTHER THAN BANKS

Tomáš Tózsér
Národná banka Slovenska

The introductory article on resolution of non-bank financial corporations is aimed at shedding some light on the current state of preparation of the resolution framework at the global and European levels. It also includes the progress made in the banks and investment companies resolution framework. (p. 22)

AUTOMATIC EXCHANGE OF TAX INFORMATION – DISASTER FOR FINANCIAL INSTITUTIONS OR SALVATION FOR PUBLIC FINANCE?

Milan Kubinec
Deloitte Audit, s. r. o.

Recently, countries have focussed on the effective collection of taxes, mainly by combating tax evasion. The latest cases have revealed that a good share of tax evasion is connected with hiding financial assets in financial institutions located (not only) in tax haven territories. Governments have thus decided to address this problem. The article monitors activities undertaken in this area by the United States and the European Union and their reflection in legislation. (p. 25)

MORTGAGE AND MUNICIPAL BONDS IN THE ARCHIVES OF NBS AS A MEMORY OF MORTGAGE AND INVESTMENT BANKING UNTIL 1948

Andrea Leková
Národná banka Slovenska

The mortgage bonds and municipal bonds started to be issued in our country during the first Czechoslovak Republic. This activity related to the land reform which was initiated immediately after the formation of the republic. This way of lending, promoted by the state, continued also during the Second World War when the Slovak State was established, and encouraged the extraordinary urban and rural development. The article briefly describes this process and mentions institutions in Slovakia involved in the provision of mortgage and municipal loans and the issue of related bonds. The pictures are from the archival collections of Národná banka Slovenska, which include securities collections and archival fonds of Slovenská hypotečná a komunálna banka and the Bratislava branch of Hypoteční banka česká. (p. 28)