



### THE WORK OF PROFESSOR KARVAŠ AND THE CURRENT ECONOMIC SITUATION

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*As an economist, lawyer, university professor, publicist, internationally-recognised expert, and committed humanist and patriot, Professor Imrich Karvaš was a Slovak who reached a high level in international terms. The article by Jozef Makúch, the NBS Governor, points out that although professor Karvaš studied and lived in economic and political conditions that were very different from those of today, the views that he presented and advanced remain to a large extent valid in the contemporary world. (p. 2)*

### SLOVAKIA VERSUS CZECH REPUBLIC: 20 YEARS ON FROM THE DIVORCE

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*Since the "Velvet Divorce", both Slovakia and the Czech Republic have had a mixed record in economic development, although the Slovak economy has grown relatively faster. Any comparative assessment of the two economies must take into account the far worse starting position of Slovakia in 1993 and therefore the impact of its catch-up development. On the other hand, however, the Slovakia's relative success may also have been driven by its more active approach to fundamental changes in the economy, beginning with structural reforms taken shortly before the country's accession to the EU and culminating with the introduction of the euro. Although Slovakia has caught up fast with its western neighbours in a number of indicators, it still lags behind in terms of standard of living, quality of education, health care, and the technological level of industry. (p. 5)*

### DETERMINANTS OF THE SAVINGS RATE IN SLOVAKIA (WITH A FOCUS ON THE CRISIS YEAR 2009)

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*The answer to the basic question of whether to consume „today“ or „tomorrow“ has a significant impact on economic growth, since household consumption in most countries represents more than 50% of GDP. Slovakia, like most EU countries, recorded a fall in production, employment and real income in 2009. Nevertheless, households saved more of their disposable income than in the previous year. It is generally assumed that households save in the „good“ times, while conversely, in the „bad“ times, they draw on their savings in order to avoid excessive fluctuations in their living standards. The post-crisis development further suggests that uncertainty and negative expectations about future income forced Slovak households to save more and caused an even bigger drop in their living standards. The aim of the article is to explain the evolution of saving rates in Slovakia with particular emphasis on the crisis in 2009. (p. 10)*

### LIQUIDITY MANAGEMENT UNDER THE NEW EUROPEAN REGULATORY REGIME

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*The financial crisis drew attention back to the complexity of the banking sector's liquidity risk management vis-à-vis the financial market and the negative impact of this complexity on both individual institutions and the whole financial system. This article deals with the topic of liquidity management and liquidity risk in the context of the new European regulatory regime based on the draft CRR regulation and CRD IV directive, and looks at the terminological definitions contained in the Basel Committee's proposals on liquidity. It focuses on the situation and developments in the draft implementing standards, which should explain the application of certain articles in the sixth part of the CRR concerning liquidity requirements. At the same time, it clarifies the possibilities for using national requirements during the transition period until the liquidity ratio is fully in force. (p. 14)*

### HOUSING AFFORDABILITY DYNAMICS IN SLOVAKIA AND ITS REGIONS IN THE BACKGROUND OF MACROECONOMIC DEVELOPMENTS

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*The current financial and economic crisis has confirmed the general importance of housing market developments to overall macroeconomic and financial trends. The Slovak housing market's relative importance is one of the highest within the euro area. Housing loans in Slovakia account for more than 70% of total household debt, while private ownership of homes is the highest of all the euro area countries. Moreover, housing loans are the fastest growing item on banks' balance sheets. Finally, in Slovakia there is no other market with similar depth and liquidity that could provide reasonable information about asset price developments. Consequently, the housing market in Slovakia is not only crucial to households and banks, but it also gives unique signals about macroeconomic developments. It is therefore crucial to analyse this market in greater depth, and one of the analytical channels in this regard could be the calculation of the housing affordability index. (p. 18)*

### THE NEW CIVIL CODE AND RELATED CHANGES TO SECURITIES IN THE CZECH REPUBLIC

Zdeněk Husták, Tomáš Sedláček, Matěj Manderla

*The Czech Republic's new Civil Code, due to enter into force on 1 January 2014, brings numerous amendments to the legal system in the Czech Republic; this includes changes to the securities regime under Czech law, principally the introduction of a legal definition of securities and clarification of the distinction between paper securities and book-entry securities, the latter being electronically recorded securities which have the potential to be transformed into paper securities by the issuance of a certificate. The new law also amends the process of issuing securities and provides for the issuance of anonymous types of securities, thus establishing a clear legal footing for the issuance of various types of investment certificates and structured notes. In addition, rules governing securities contracts have been modified to make the contractual regime more flexible. (p. 22)*