



### **THE MIDDLE INCOME TRAP AND OTHER CURRENT DEVELOPMENTS IN THE REAL CONVERGENCE OF THE SLOVAK ECONOMY**

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*The year-on-year acceleration in Slovakia's economic growth has coincided with improving developments in the EU as a whole. Hence the country's catch-up with the EU average in performance and productivity has been only moderate, and this in turn gives rise to reflections on whether Slovakia may be caught in the middle income trap. The outlook for the Slovak economy in the years ahead indicates a partial increase in the pace of catch-up, with slight changes in the relative price level. Although Slovakia faces other challenges, too, insufficient progress in structural reforms constitutes a particular risk to further catch-up. This contribution summarises the main findings of the latest Slovak Economy Convergence Analysis (2015) in terms of real and nominal convergence. (p. 2)*

### **T2S – THE EUROSISTEM'S SECURITIES SETTLEMENT SERVICE**

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*The TARGET2-Securities (T2S) project has already been examined in Biatic issue nos 2/2010 and 5/2011. This article aims to follow up on these contributions and to describe the current status of the T2S platform, with a focus on the cash side of T2S settlements. Although this project is highly complex, the Eurosystem believes that its designers will succeed in fulfilling users' expectations. It is hoped that T2S operation will support the harmonisation and integration of financial markets in the field of securities settlement, and thus help to fulfil the T2S objective of smooth cross-border settlement of securities transactions on a single European platform. (p. 9)*

### **INTEREST RATE SETTING BY SELECTED CENTRAL BANKS AND THEIR NON-STANDARD MONETARY POLICY MEASURES AS A RESPONSE TO THE GLOBAL ECONOMIC CRISIS**

Daniel Novota, Technical University of Košice

*This contribution aims to compare how different monetary authorities responded to the Great Recession. Two periods – before and after the crisis – are observed. In its first part, the article analyses interest rate changes made by central banks in response to the economic developments. The second part deals with the banks' non-standard policy responses to the financial crisis. Theoretical aspects of the non-standard measures are also examined. (p. 11)*

### **THE IMF'S FINANCIAL STRUCTURE AND OPERATIONS: RESOURCES, ASSISTANCE FOR LOW INCOME COUNTRIES, THE SDR ALLOCATION**

Silvia Glesková, Oľga Kucejová, Národná banka Slovenska

*The article outlines the basic financial structure of the International Monetary Fund (IMF, the Fund), which consists of three separate channels: regular (non-concessional) lending from the General Resources Account (GRA), concessional lending from the Poverty Reduction*

*and Growth Trust (PRGT), and the allocation of the SDR Department. Unlike other international financial institutions such as the World Bank or regional development banks, the IMF is not technically a lending institution. Instead, the IMF is a repository of members' currencies and a portion of their foreign exchange reserves. The Fund uses this pool of currencies and reserve assets to extend credit to member countries facing balance of payment problems. The authors also discuss the IMF's resources and the participation of Slovakia in IMF financial operations. (p. 16)*

### **RISK-BASED APPROACH TO RESOLUTION AND DEPOSIT GUARANTEE FUNDS: HOW IS RISKINESS MEASURED?**

Lucia Országhová, Martina Mišková

*Following the financial crisis, the European lawmakers have introduced a multi-layer safety net for the financial sector. At its core stand two complementary threads - the resolution fund and the deposit guarantee fund, which are to be activated in case everything else fails. One of their prominent features is a risk-adjusted premia for individual contributions. Building on previous work (Orszaghova and Miskova, 2015a), this article provides rationale for ex-ante funding as well as insight into the methodology for the calculation of risk-weighted contributions. It argues that accurately calibrated risk-adjusted premia for individual credit institutions would reduce their moral hazard and thus restore the stability of the financial sector in the long-term perspective. (p. 21)*

### **GOLD COIN FINDS FROM SPIŠ**

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*During the Late Iron Age (La Tène culture), gold was elevated to a value equivalent. Nevertheless, only a few gold coins of either this period or the subsequent Roman period originated in the territory of Slovakia. The situation changed in the High Middle Ages, during the first half of the 14<sup>th</sup> century. With the consolidation of the political situation in the Kingdom of Hungary, Charles I of Anjou managed to implement a whole range of mining, financial and coin reforms between 1323 and 1342. One of the new measures was the mintage of gold coins. From 1325 to 1353 the coins were imitation of florins, and from 1354 they began to include national symbols and became ducats. Hungarian ducats were widely used in trade, but being made of precious metal they were eventually hoarded, rather than used for payment, and so rarely turn up in finds. The most numerous ducats found in Slovakia are those of Sigismund of Luxembourg. This article deals in greater detail with the presence of gold coins at Spiš from the time of the Celts to the modern period. (p. 26)*