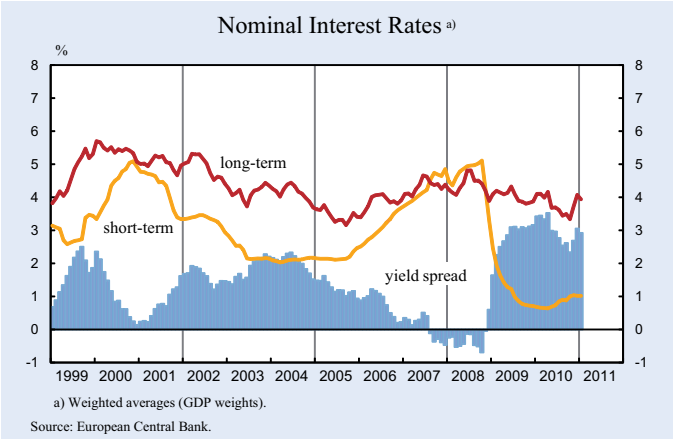
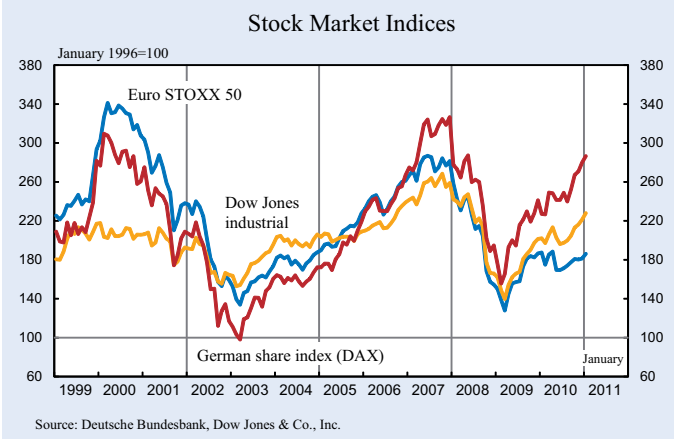


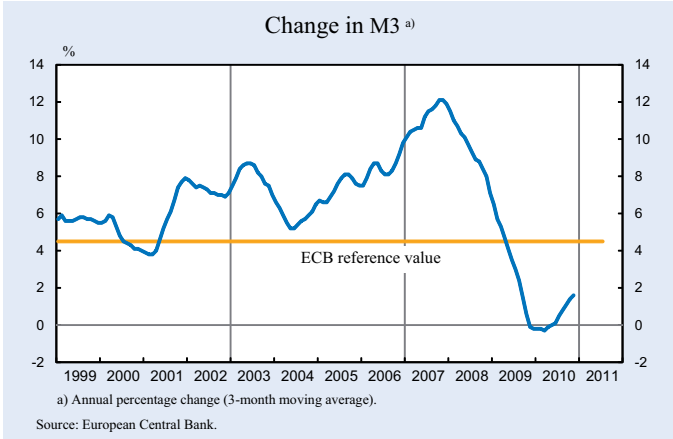
FINANCIAL CONDITIONS IN THE EURO AREA



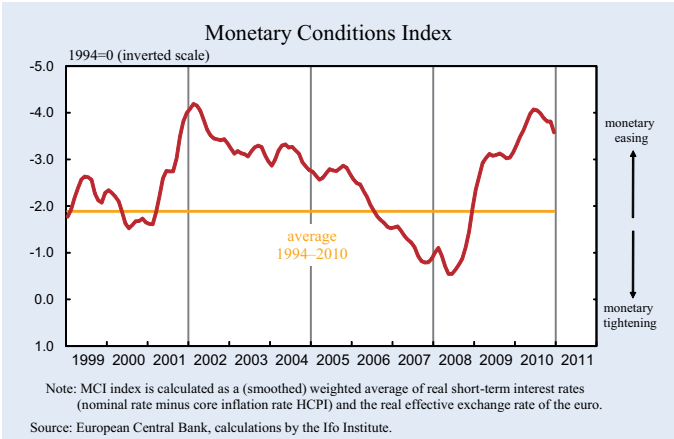
In the three-month period from November 2010 to January 2011 short-term interest rates decreased. The three-month EURIBOR rate declined slightly from an average 1.04% in November 2010 to 1.02% in January 2011. Yet the ten-year bond yields increased from 3.73% in November 2010 to 3.94% in January 2011. In the same period of time the yield spread increased from 2.69% (November 2010) to 2.92% (January 2011).



The German stock index DAX grew in January 2011, averaging 7,077 points compared to 6,914 points in December 2010. The Euro STOXX also increased from 2,826 in December 2010 to 2,901 in January 2011. The Dow Jones International grew as well, averaging 11,802 points in January 2011 compared to 11,465 points in December 2010.

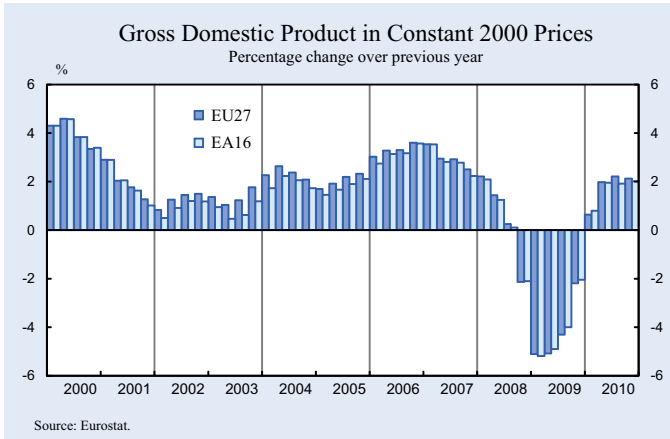


The annual growth rate of M3 decreased to 1.7% in December 2010, compared to 2.1% in November. The three-month average of the annual growth rate of M3 over the period from October to December 2010 rose to 1.6%, from 1.4% in the period from September to November 2010.

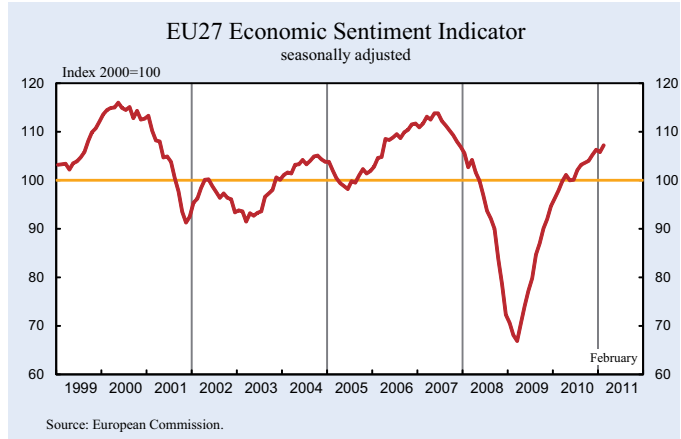


Between April and November 2009 the monetary conditions index remained rather stable after its rapid growth that had started in mid-2008. The index started to grow again since December 2009, signalling greater monetary easing and reached its peak in June 2010. In particular, this has been the result of decreasing real short-term interest rates. However, the index started to decline again since June 2010.

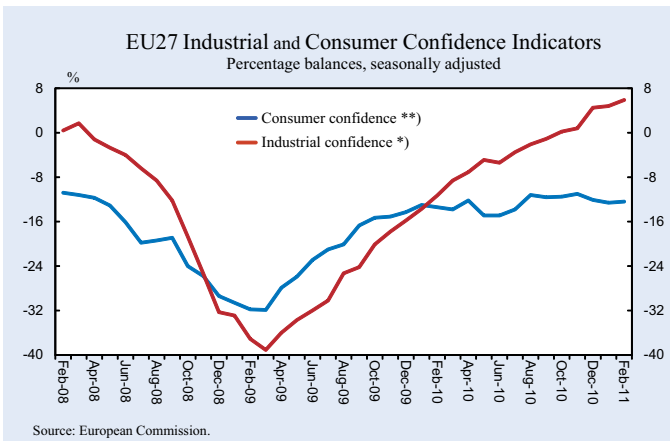
EU SURVEY RESULTS



According to the first Eurostat estimates, GDP increased by 0.3% in the euro area (EU16) and by 0.2% in the EU27 during the fourth quarter of 2010, compared to the previous quarter. In the third quarter of 2010 the growth rates were 0.3% in the euro area and 0.5% in the EU27. Compared to the fourth quarter of 2009, i.e. year over year, seasonally adjusted GDP increased by 2.0% in the euro area and by 2.1% in the EU27.



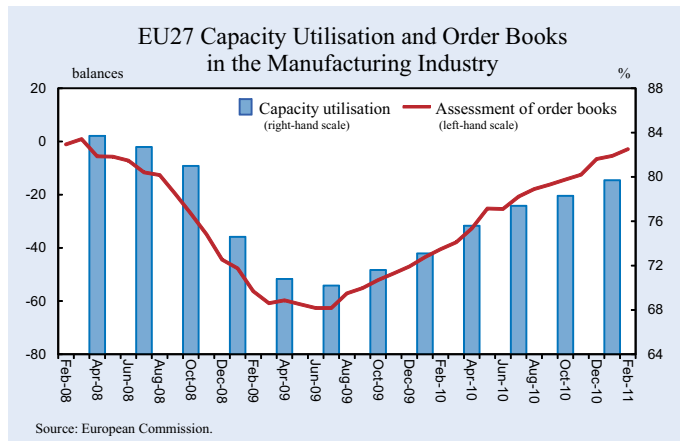
After pausing in January 2011, the Economic Sentiment Indicator (ESI) resumed its upward trend in February in both the EU27 and the euro area (EU16). The indicator increased by 1.4 points in the EU27 and by 1 point in the euro area, to 107.2 and 107.8 respectively. In both the EU27 and the euro area the ESI stands above its long-term average.



* The industrial confidence indicator is an average of responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

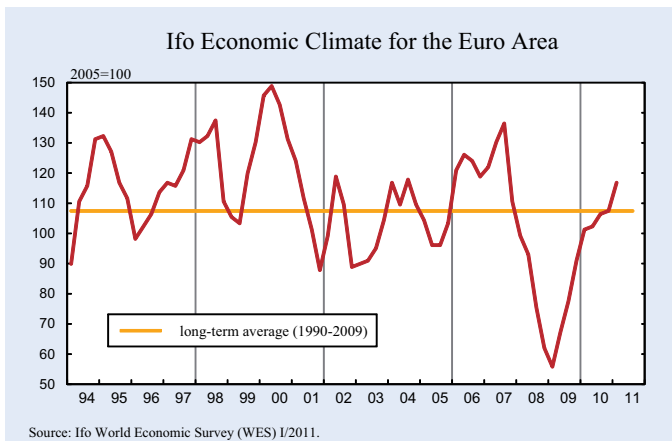
** New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

In February 2011, the *industrial confidence indicator* improved by 1.1 points in the EU27 and by 0.4 points in the euro area (EU16). On the other hand, the *consumer confidence indicator* increased more strongly by 1.2 points in the euro area, while it remained rather stable in the EU27.

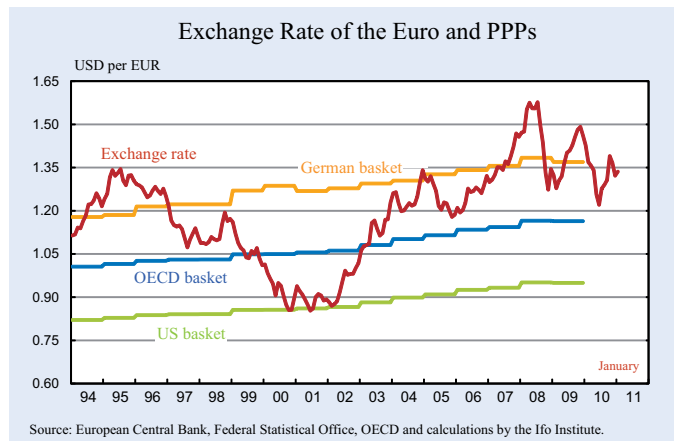


Managers' assessment of *order books* improved from - 5.4 in January 2011 to - 2.9 in February 2011. In November 2010 the indicator had reached - 12.5. *Capacity utilisation* increased to 79.7 in the first quarter of 2011, from 78.3 in the previous quarter.

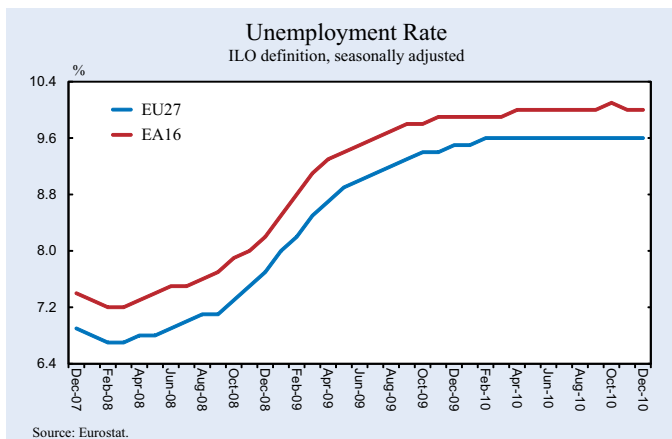
EURO AREA INDICATORS



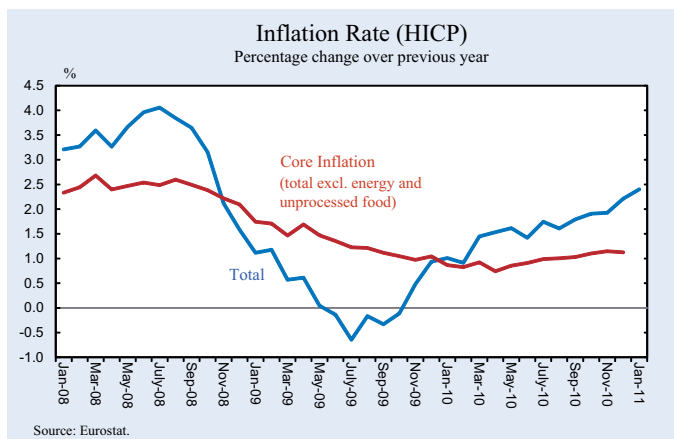
The Ifo indicator of the economic climate in the euro area (EU16) has risen clearly in the first quarter of 2011, surpassing its long-term average for the first time since the end of 2007. Especially the current economic situation, but also the expectations for the coming six months have been assessed more favourably than in the fourth quarter of 2010. These results indicate that the economic upswing will continue in the coming half year for the euro area on the whole.



The exchange rate of the euro against the US dollar averaged 1.34 \$/€ in January 2011, a decrease from 1.39 \$/€ in October 2010. (In September 2010 the rate had amounted to 1.31 \$/€.)



Euro area (EU16) unemployment (seasonally adjusted) amounted to 10.0% in December 2010, unchanged compared to November. It was 9.9% in December 2009. EU27 unemployment stood at 9.6% in December 2010, also unchanged compared to November. The rate was 9.5% in December 2009. In December 2010 the lowest rate was registered in the Netherlands (4.3%), Luxembourg (4.9%) and Austria (5.0%), while the unemployment rate was highest in Spain (20.2%) and Latvia and Lithuania (both 18.3% in the third quarter of 2010).



Euro area annual inflation (HICP) was 2.2% in December 2010, compared to 1.9% in November. A year earlier the rate had amounted to 0.9%. The EU27 annual inflation rate reached 2.6% in December 2010, up from 2.3% in November. A year earlier the rate had been 1.5%. An EU-wide HICP comparison shows that in December 2010 the lowest annual rates were observed in Slovakia (1.3%), the Netherlands (1.8%), Germany and Cyprus (both 1.9%), and the highest rates in Romania (7.9%), Estonia (5.4%) and Greece (5.2%). Year-on-year EU16 core inflation (excluding energy and unprocessed foods) rose to 1.13% in December 2010 from 1.10% in October.