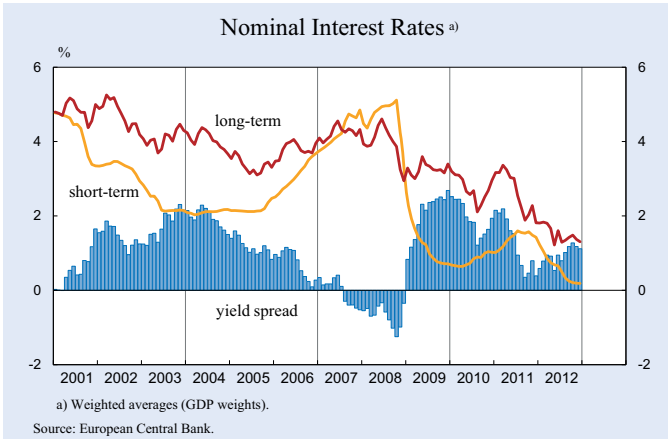
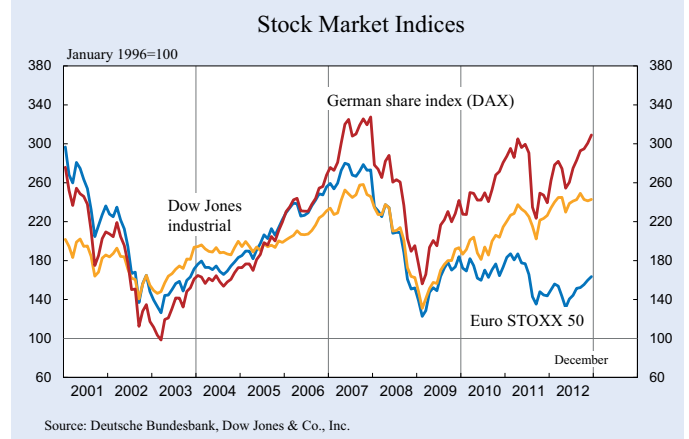


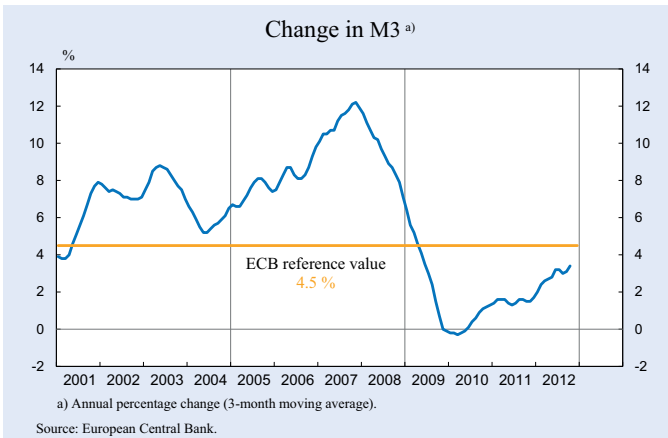
# FINANCIAL CONDITIONS IN THE EURO AREA



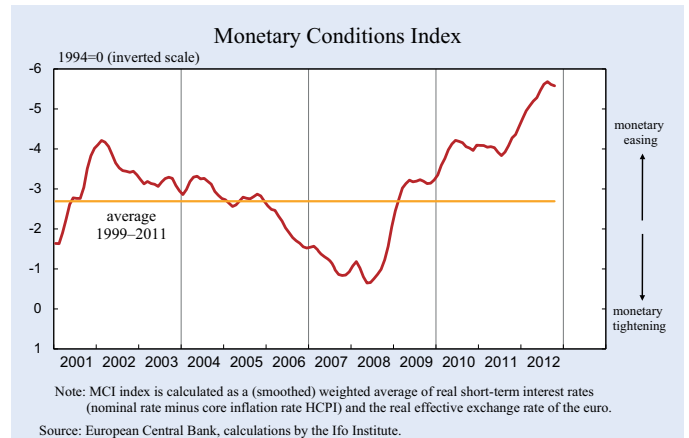
In the three-month period from October to December 2012 short-term interest rates decreased. The three-month EURIBOR rate declined from an average 0.21% in October 2012 to 0.19% in December 2012. The ten-year bond yields also decreased from 1.49% to 1.31% in the same period of time. Furthermore the yield spread declined from 1.28% in October 2012 to 1.12% in December 2012.



The German stock index DAX increased in December 2012, averaging 7,612 points compared to 7,406 points in November 2012. The Euro STOXX also grew from 2,575 to 2,636 in the same period of time. Moreover, the Dow Jones International increased, averaging 13,104 points in December 2012 compared to 13,026 points in November 2012.

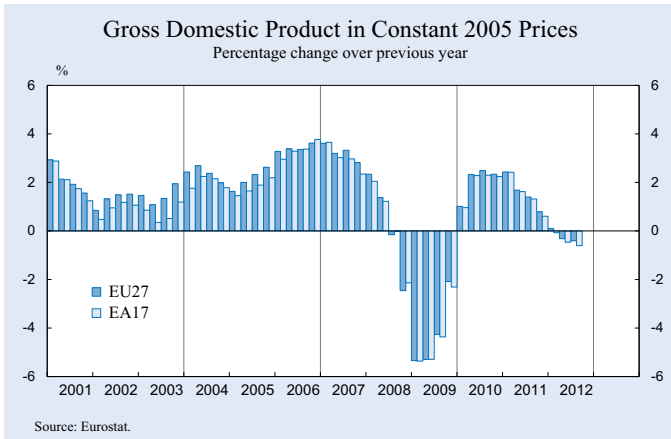


The annual growth rate of M3 decreased to 3.8% in November 2012, compared to 3.9% in October. The three-month average of the annual growth rate of M3 over the period from September 2012 to November 2012 increased to 3.4%, from 3.1% in the period from August 2012 to October 2012.

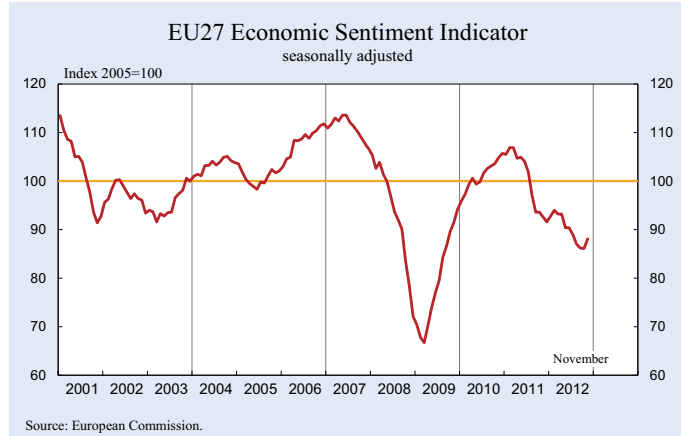


Between April 2010 and July 2011 the monetary conditions index remained rather stable. This index then continued its fast upward trend since August 2011 and reached its peak in July 2012, signalling greater monetary easing. In particular, this was the result of decreasing real short-term interest rates. In October 2012 the index continued its downward trend, initiated in August 2012.

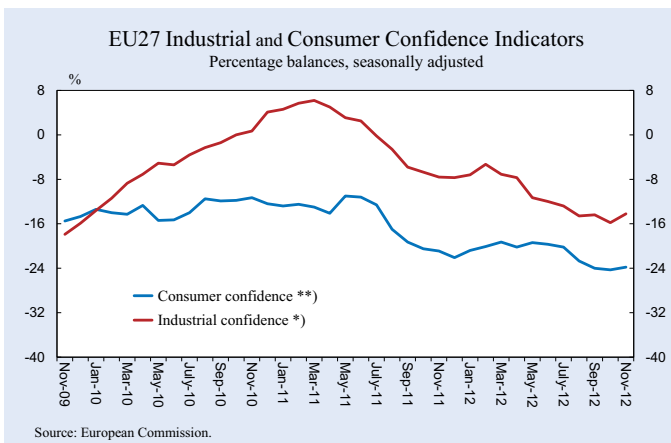
## EU SURVEY RESULTS



According to the second Eurostat estimates, GDP decreased by 0.1% in the euro area (EA17) and increased by 0.1% in the EU27 during the third quarter of 2012, compared to the previous quarter. In the second quarter of 2012 the growth rates were -0.2% in both zones. Compared to the third quarter of 2011, i.e. year over year, seasonally adjusted GDP decreased by 0.6% in the euro area and by 0.4% in the EU27.



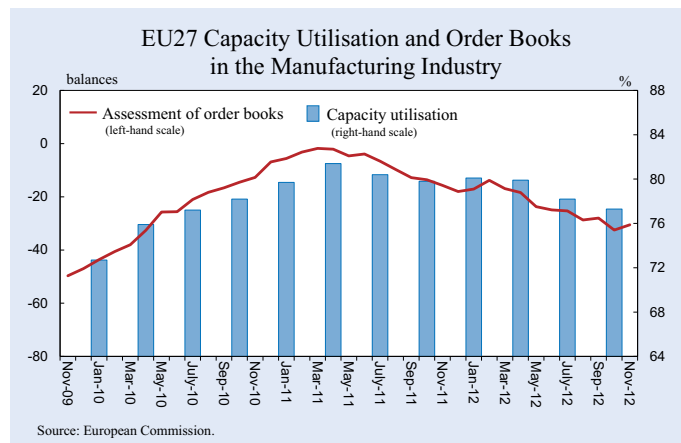
In November 2012 the Economic Sentiment Indicator (ESI) increased by 2.0 points in the EU27, to 88.1, and by 1.4 points in the euro area (EA17), to 85.7. In both the EU27 and the euro area the ESI stands below its long-term average.



\* 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).

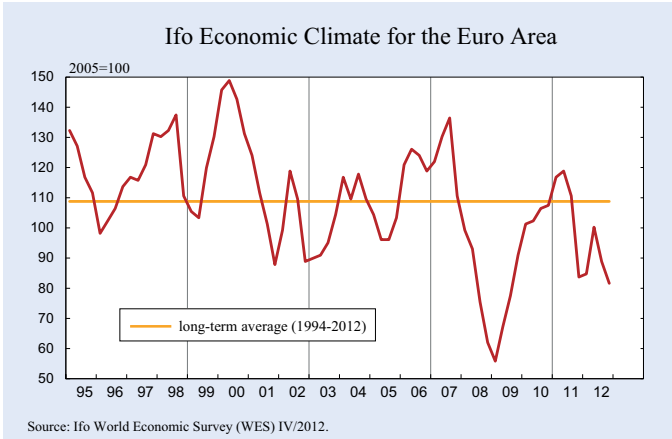
\*\* New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

In November 2012, the *industrial confidence indicator* significantly increased by 1.6 in the EU27 and by 3.2 in the euro area. The *consumer confidence indicator* improved in the EU27 by 0.5 but dropped in the euro area by 1.2.

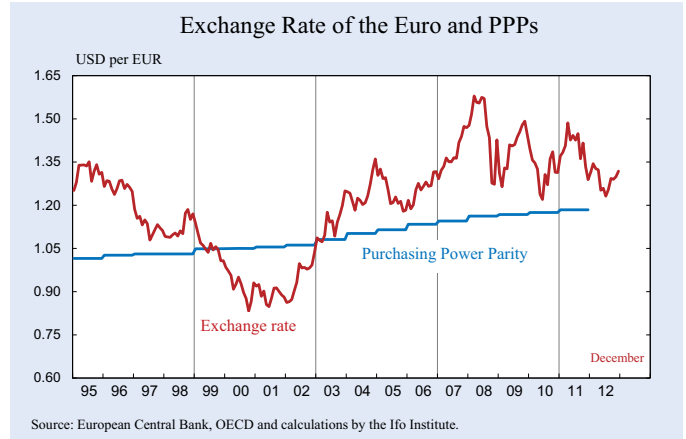


Managers' assessment of *order books* worsened from -28.0 in September to -30.5 in November 2012. In August 2012 the indicator had reached -28.7. *Capacity utilisation* also decreased to 77.3 in the fourth quarter of 2012, from 78.2 in the previous quarter.

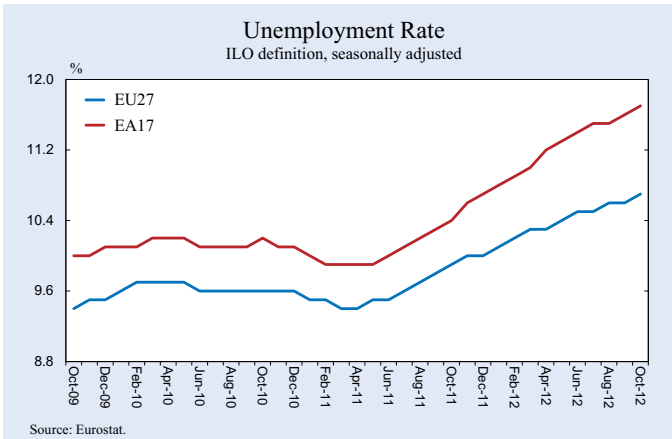
# EURO AREA INDICATORS



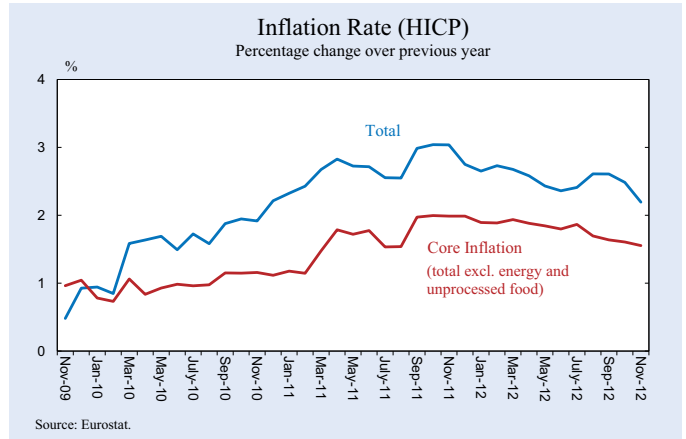
The Ifo Economic Climate Indicator for the euro area (EA17) continued to fall in the fourth quarter of 2012. While assessments of the current economic situation deteriorated only slightly, the six-month economic outlook was significantly more negative. There are no signs of an economic recovery on the horizon yet.



The exchange rate of the euro against the US dollar averaged approximately 1.30 \$/€ between October and December 2012. (In September 2012 the rate had amounted to around 1.29 \$/€.)



Euro area (EA17) unemployment (seasonally adjusted) amounted to 11.7% in October 2012, up from 11.6% in September. EU27 unemployment stood at 10.7% in October 2012, up from 10.6 in September. In both zones, rates have risen markedly compared to October 2011, when they were 10.4% and 9.9%, respectively. In October 2012 the lowest unemployment rate was registered in Austria (4.3%), Luxembourg (5.1%), Germany (5.4%) and the Netherlands (5.5%), while the rate was highest in Spain (26.2%).



Euro area annual inflation (HICP) was 2.2% in November 2012, down from 2.5% in October. A year earlier the rate had amounted to 3.0%. The EU27 annual inflation rate reached 2.4% in November 2012, down from 2.6% in October. A year earlier the rate had been 3.3%. An EU-wide HICP comparison shows that in November 2012 the lowest annual rates were observed in Greece (0.4%), Sweden (0.8%) and Cyprus (1.4%), and the highest rates in Hungary (5.3%), Estonia (4.3%) and Poland (3.9%). Year-on-year EA17 core inflation (excluding energy and unprocessed foods) decreased to 1.55% in November 2012, from 1.64% in September.