

|   |   |
|---|---|
| 1. T-Bills auctions .....   | 1 |
| 2. T-Bills outstanding .....  | 1 |
| 3. Government bonds auction .....   | 1 |
| 4. Government debt securities buybacks .....  | 2 |
| 5. Government bond lines available for tapping .....                                | 2 |
| 6. Government loans .....   | 2 |
| 7. State financial liabilities .....  | 2 |
| 8. State budget balance .....   | 2 |
| 9. Outlook for March 2018 .....   | 3 |
| 10. State debt securities ownership – share of domestic and foreign investors ..... | 3 |
| 11. Secondary market of the Slovak government bonds at the MTS Slovakia .....       | 3 |
| 12. Other information .....   | 4 |

## 1. T-Bills auctions

There was no auction of T-Bills in the current month.

## 2. T-Bills outstanding

There were no T-Bills issued as of the end of the month.

## 3. Government bonds auction

Since the beginning of the year, the sum of nominal amounts of issued government bonds via auctions and the syndicated sale reached EUR 361.0 million.

In February, the competitive multiple price (American type) part of the auction of 2 government bonds 229 and 233 took place. The non-competitive part of both bonds with the offered amount up to 20% of accepted amount (coefficient 0.20) followed the competitive part.

Overview of government bonds sales in February:

| Bond         | ISIN         | Settlement date | Maturity   | Coupon % p.a. | Nominal amount (EUR million) |              | Accepted yields (price) to maturity in % p.a. |         |       |
|--------------|--------------|-----------------|------------|---------------|------------------------------|--------------|---|---------|-------|
|              |              |                 |            |               | Bids                         | Accept       | Min.  | Average | Max.  |
| 229*         | SK4120011420 | 21.02.2018      | 21.01.2031 | 1.625         | 369.0                        | 88.8         | 1.370   | 1.396   | 1.408 |
| 233*         | SK4120013400 | 21.02.2018      | 17.10.2047 | 2.000         | 251.7                        | 83.7         | 1.937   | 1.965   | 1.977 |
| <b>Total</b> |              |                 |            |               | <b>620.7</b>                 | <b>171.7</b> |   |         |       |

\* Including a non-competitive auction

| Bond         | ISIN         | Accepted in competitive (EUR million) | Coefficient | Offered in non-competitive (EUR million) | Sold in non-competitive (EUR million) | Whole amount sold (EUR million) |
|--------------|--------------|---------------------------------------|-------------|--|---------------------------------------|---------------------------------|
| 229          | SK4120011420 | 85.0                                  | 20%         | 17.0                                     | 3.0                                   | 88.0                            |
| 233          | SK4120013400 | 81.7                                  | 20%         | 16.0                                     | 2.0                                   | 83.7                            |
| <b>Total</b> |              | <b>166.7</b>                          |             | <b>33.0</b>                              | <b>5.0</b>                            | <b>171.7</b>                    |

| Auctions of the government bonds in 2018 |       |       |       |       |       |       |       |       |       |        |        |        |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Auction date                             | 15.1. | 19.2. | 19.3. | 16.4. | 21.5. | 18.6. | 16.7. | 20.8. | 17.9. | 15.10. | 19.11. | 17.12. |
| Settlement date                          | 17.1. | 21.2. | 21.3. | 18.4. | 23.5. | 20.6. | 18.7. | 22.8. | 19.9. | 17.10. | 21.11. | 19.12. |

#### 4. Government debt securities buybacks

There was no buyback trade of government bonds (direct trades) in the current month.

#### 5. Government bond lines available for tapping

There are 5 bond lines available for further auctioning.

| Bond         | ISIN         | Issue date | Maturity   | Coupon interest (% p.a.) | Outstanding (EUR million) | Available (EUR million) |
|--------------|--------------|------------|------------|--------------------------|---------------------------|-------------------------|
| 227          | SK4120009762 | 16.01.2014 | 16.01.2029 | 3.625                    | 2,644.8                   | 355.2                   |
| 229          | SK4120011420 | 21.01.2016 | 21.01.2031 | 1.625                    | 1,863.3                   | 1,136.7                 |
| 230          | SK4120011636 | 13.05.2016 | 13.11.2023 | 0.000                    | 1,244.2                   | 255.8                   |
| 232          | SK4120012691 | 09.03.2017 | 09.03.2037 | 1.875                    | 2,645.8                   | 354.2                   |
| 233          | SK4120013400 | 17.10.2017 | 17.10.2047 | 2.000                    | 1,083.7                   | 3,916.3                 |
| <b>Total</b> |              |            |            |                          | <b>9,481.8</b>            | <b>6,018.2</b>          |

#### 6. Government loans

No loan was drawdown in the current month.

#### 7. State financial liabilities

The financial liabilities of Slovakia are presented without the sources from The State Treasury and money market loans as of the end of month. Contingent liabilities (EFSF bond guaranties) are not included as well.

| Financial liability type | Financial liability value (EUR million) |
|--------------------------|---|
| Government bonds         | 37,351.0                                |
| T- Bills                 | 0.0                                     |
| Government loans         | 2,291.9                                 |
| <b>Total</b>             | <b>39,642.9</b>                         |

#### 8. State budget balance

The state budget deficit reached EUR 341.7 million at the end of the month.

## 9. Outlook for March 2018

Based on the PDs survey and issuer's decision, the bonds 229 (12.8y) and 230 (5.6y) will be offered in the auction on 19 March 2018.

**The non-competitive part of the auction of both bonds will take place on the next day after the competitive part of the auction.** Settlement of trades resulting from both auction parts, competitive and non-competitive, will be on the same day:

- the settlement of trades resulting from the competitive part of the auction D+2;
- the settlement of trades resulting from the non-competitive part of the auction D+1.

| Auction date |                | Settlement | Security | ISIN         | Maturity   | Remaining maturity (years) | Coupon interest (% p.a.) | Auction type                 | Indicated accepted amount in comp. auction (EUR million) | Coefficient value of non-comp. auction |
|--------------|----------------|------------|----------|--------------|------------|----------------------------|--------------------------|------------------------------|--|--|
| Comp. part   | Non-comp. part |            |          |              |            |                            |                          |                              |  |  |
| 19.03.2018   | 20.03.2018     | 21.03.2018 | 229      | SK4120011420 | 21.01.2031 | 12.8                       | 1.625                    | American comp. and non-comp. | 80   | 20%                                    |
| 19.03.2018   | 20.03.2018     | 21.03.2018 | 230      | SK4120011636 | 13.11.2023 | 5.6                        | 0.000                    | American comp. and non-comp. | 80   | 20%                                    |

## 10. State debt securities ownership – share of domestic and foreign investors

The table shows share of domestic and foreign investors on the state debt securities registered in the CDCP and listed on the Bratislava Stock Exchange. Share as percentage.

| Date                    | 31.12.2013   | 31.12.2014   | 31.12.2015   | 31.12.2016   | 31.12.2017   | 28.02.2018   |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Government Bonds</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |
| <b>Residents</b>        | <b>50.6</b>  | <b>50.1</b>  | <b>58.3</b>  | <b>59.3</b>  | <b>50.3</b>  | <b>50.5</b>  |
| - banks                 | 37.5         | 32.4         | 42.8         | 44.3         | <b>44.9</b>  | 45.3         |
| - legal person          | 13.0         | 17.6         | 15.4         | 14.9         | <b>5.4</b>   | 5.2          |
| - individual person     | 0.1          | 0.1          | 0.1          | 0.0          | <b>0.0</b>   | 0.0          |
| <b>Non residents</b>    | <b>49.4</b>  | <b>49.9</b>  | <b>41.7</b>  | <b>40.7</b>  | <b>49.7</b>  | <b>49.5</b>  |
| <b>Treasury Bills</b>   | <b>100.0</b> | <b>0.0</b>   | <b>0.0</b>   | <b>100.0</b> | <b>0.0</b>   | <b>0.0</b>   |
| <b>Residents</b>        | <b>87.0</b>  | <b>0.0</b>   | <b>0.0</b>   | <b>40.0</b>  | <b>0.0</b>   | <b>0.0</b>   |
| - banks                 | 87.0         | 0.0          | 0.0          | 30.0         | 0.0          | 0.0          |
| - legal person          | 0.0          | 0.0          | 0.0          | 10.0         | 0.0          | 0.0          |
| - individual person     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Non residents</b>    | <b>13.0</b>  | <b>0.0</b>   | <b>0.0</b>   | <b>60.0</b>  | <b>0.0</b>   | <b>0.0</b>   |

## 11. Secondary market of the Slovak government bonds at the MTS Slovakia

On Monday 19 February 2018, started the live operation of the MTS Slovakia, dedicated for secondary market of the Slovak government bonds. MTS Slovakia membership and the active support of the secondary market is one of the main requirement for membership in the group of Primary Dealers, who act as market makers and have access to primary market auctions. More information is published on the ARDAL website:

[MTS Slovakia](#)

## 12. Other information

The Auction and Issues calendar for 2018 is published on the ARDAL website:

[Plan of Issues](#)

Rating development of the Slovak Republic liabilities is published on the ARDAL website:

[Rating Development](#)

ARDAL is executing auctions in Bloomberg Auction system. During auction day several auctions can be accomplished at the same time or with different deadlines.

From January 2018 **the non-competitive part of the auction takes place on the next day after the competitive part of the auction.** Settlement of trades resulting from both auction parts, competitive and non-competitive, are on the same day. For more details regarding the auctions please see the auction conditions:

[Auction conditions](#)

Current Primary Dealers with signed contract for 2018 are the following institutions:

[Primary Dealers](#)

Barclays Bank plc, Citibank Europe plc, Československá obchodná banka, a.s. (KBC), Deutsche Bank AG, HSBC France, Natixis, Slovenská sporiteľňa (Erste Group Bank), Société Générale S.A., Tatrabanka, a.s. (RZB Group), and Všeobecná úverová banka, (Intesa Sanpaolo Group).

Current Recognized Dealer with signed contract for 2018 is UniCredit Bank Czech Republic and Slovakia

[Recognized Dealers](#)

Listed institutions have the right to participate in auctions of the Slovak government debt securities.