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1. T – Bills auctions

In February two T- Bills auction (ŠPP 03 maturing July 14th, 2010) took place. By total bids EUR 1,369.2 million was accepted EUR 685.8 million in nominal value. Both competitive auctions were realised as single price (Dutch type); average YTM was 0.88 % p.a. In year 2010 was already sold EUR 973.9 million of T-Bills with average interest rate 0.95 % p.a. by total demand EUR 2,108.3 million.

T-Bills	ISIN	Auction date	Maturity	Amount [EUR million]		Accepted interest rate [% p.a.]	Auction type
				Bids	Accepted		
ŠPP 03	SK6120000030	03.02.2010	14.7.2010	481.4	227.2	0.950	Dutch
ŠPP 03	SK6120000030	17.02.2010	14.7.2010	887.8	458.6	0.850	Dutch
Sum				1,369.2	685.8	0.880	

2. T – Bills outstanding

Total nominal amount issued equals to EUR 4 billions. For repo trades and auction sale on secondary market is available approximately EUR 2.67 billions in nominal value.

T-Bills	ISIN	Issue date	Maturity	Sold [EUR mio.]	MFSR Account [EUR mio.]	Total amount [EUR mio.]
ŠPP 03	SK6120000030	15.7.2009	14.7.2010	1,046.5	953.5	2,000.0
ŠPP 04	SK6120000048	20.1.2010	19.1.2011	288.1	1,711.9	2,000.0
Sum				648.8	2,665.4	4,000.0

3. Government bonds auctions

A new bond line was opened in February with fixed coupon interest rate 3.5 % p.a.; six years to maturity and maximum size EUR 3 billions (ŠD203). In two competitive auctions of bonds that took place in February was accepted amount EUR 642.8 million from demanded EUR 873.5 million (data in nominal value). Total amount of sold bonds in year 2010 is EUR 1,016.7 million. Till the end of year 18 auctions has to take place, one or two of them can be replaced by syndication.

Bond	Auction date	Maturity	Coupon interest [% p.a.]	Nominal amount [EUR million]		Accepted yields to maturity [% p.a.]		
				Bids	Accept.	Min.	Average	Max.
ŠD 206	10.2.2010	10.5.2026	4.500	272.5	80.9	4.7678	4.8403	4.9000
ŠD 213	24.2.2010	24.2.2016	3.500	601.0	293.0	3.4500	3.5843	3.6036
Sum				873.5	373.9			

Auctions of government bonds in year 2010	Realized	Remained
ŠD 206 - original maturity 20 years and fix interest rate coupon	1	2
ŠD 210 - original maturity 6 years and float interest rate coupon	1	2
ŠD 212 - original maturity 2 years and zero coupon	1	4
ŠD 213 - original maturity 6 years and fix interest rate coupon	1	4
ŠD 214 - original maturity 10 – 15 years and fix interest rate coupon	0	2
Sum	4	18
Auction for decision	1	3

4. Government bonds outstanding

At the end of February there are 4 bond lines open for further auctions, because the rest of ŠD 211 in nominal value EUR 50 millions will be left on MFSR property account for secondary market support in the frame of „last resort lending“ to primary dealers. Total nominal value of bonds ready for sale on primary market is EUR 4,224 millions.

Bond	ISIN	Issue date	Maturity	Outstanding [EUR]	Ready to sell [EUR]
ŠD 206	SK4120004987	10.05.2006	10.05.2026	748,690,670	570,069,330
ŠD 210	SK4120006503	21.01.2009	21.01.2015	1,261,100,000	238,900,000
ŠD 211	SK4120006545	04.03.2009	04.03.2013	1,450,000,000	50,000,000
ŠD 212	SK4120006990	27.01.2010	27.01.2012	341,800,000	658,200,000
ŠD 213	SK4120007071	24.02.2010	24.02.2016	293,000,000	2,707,000,000
Sum				4,094,590,670	4,224,169,330

5. Government loans

No loan was drawdown in February.

6. Financial liabilities

Financial liabilities of Slovakia are presented without financial sources from State Treasury, money market loans a deposits.

Financial liability type	Financial liability value [EUR million]
Government bonds	18,616.317654
T- Bills	1,334.600000
Government loans	899.541880
SUM	20,850.459534

7. State budget balance

State budget expenditures were bigger than revenues approximately EUR 780 millions on February 28th 2010.

8. Outlook for March

In March there is no redemption of state bonds or T-Bills. Nearest redemption of bond is in half of April in nominal value EUR 500 millions. Auction calendar shows for March two bonds auctions and two auctions of T-Bills.

Date		Bond	ISIN	Auction type (competitive)	Available for sale [EUR million]	Supposed sale [EUR million]
auction	settlement					
1.3.2010	3.3.2010	ŠPP 04	SK6120000048	Dutch	1,711.9	222.7*
8.3.2010	10.3.2010	ŠD 210	SK4120006503	American	238.9	238.9
15.2.2010	17.2.2010	ŠPP 03	SK6120000030	Dutch	953.5	150.0
22.3.2010	24.3.2010	ŠD 212	SK4120006990	American	658.20	250.0

*auction was realised already

Status data are as of February 28th, 2010

9. Slovak economy as of 15. January 2010 (monthly indicators)

Inštitút finančnej politiky, MF SR

(Detailed information on web site: <http://www.finance.gov.sk/Default.aspx?CatID=7458>)

The overview is compiled by the 15th day of the month as most of the indicators are available at this time (a lag of one and half month).

Positive news:

- ◆ The signs of the economic stabilization in manufacturing continue. The industrial production index in December 2009 has recorded a two-digit year-on-year growth (11.9%) due to the base effect. After the seasonal adjustment the month-on-month development was slightly negative (3.4%).
- ◆ All of the principal economic sentiment indicators in Slovakia as well as in the Euro area (with the exception of the German ZEW indicator and PMI) have grown again in January.
- ◆ Galanta-based Samsung plant, one of the most important exporters, announced at the start of February a new investment in the amount of EUR 100 million to modernize the manufacturing of new LCD TV sets and in 2010 expects the increase of sales to EUR 3.6 billion, more than in 2008.
- ◆ The car registrations in Slovakia have recorded a small year-on-year growth in January (0.3%) due to the base effect, suggesting a stabilization on the low values from the previous year.

Negative news:

- ◆ There has been a slight deterioration on the labour market. The seasonally adjusted disposable unemployment rate has increased in December (compared to previous month) by 0.1 p.p. to 13% (from 12.9%). However, it's the slowest increase since the start of the crisis.
- ◆ The industrial production index in the Euro area in December recorded a decline of 1.7% compared to the previous month and 4.9% compared to December 2008.
- ◆ Sales in selected sectors continued to decline, despite the expectations, on a year-on-year basis by 4.9%, contrary to the industrial production. Retail sales dynamics did not improve even compared to earlier months (year-on-year decline by 9.2%).
- ◆ The stagnation of the credit growth continues. The year-on-year growth in December reached only 1.0%.

Main message

The economy in the last month showed minor signs of stabilization of the situation. The industrial production index has reached once again positive year-on-year values and the confidence indicators continue to grow. Among the main risks to the future development are the worsening of the labour market, non-improvement of sales and the stagnant credit growth.