

1. T – Bills auctions	1
2. T – Bills outstanding	1
3. Government bonds auctions	1
4. Government bonds outstanding	2
5. Government loans	2
6. Financial liabilities	2
7. State budget balance	2
8. Outlook for June	2
9. Slovak economy as of May 15th, 2010 (monthly indicators)	3

1. T – Bills auctions

There was no T- Bills auction realized in May. In year 2010 was already sold EUR 1,474.2 million of T-Bills with average interest rate 0.937 % p.a. by total demand EUR 3,505.0 million.

2. T – Bills outstanding

Total nominal amount issued equals to EUR 4 billion. For repo trades and auction sale on secondary market is available approximately EUR 2.17 billion in nominal value.

T-Bills	ISIN	Issue date	Maturity	Sold	MF SR account	Total amount [EUR mio.]
				[EUR mio.]	[EUR mio.]	
ŠPP 03	SK6120000030	15.07.2009	14.07.2010	1,191.5	808.5	2,000
ŠPP 04	SK6120000048	20.01.2010	19.01.2011	643.4	1 356.6	2,000
Sum				1,834.9	2,165.1	4,000

3. Government bonds auctions

There was three competitive auctions realized in May and was accepted amount EUR 530.5 million from demanded EUR 895.5 million (data in nominal value). Total amount of sold bonds is EUR 3,731.1 million in year 2010. Till the end of year 9 auctions has to take place, one of them can be replaced by a syndicate.

Bond	Auction date	Maturity	Coupon interest [% p.a.]	Nominal amount [EUR million]		Accepted yields (price) to maturity [% p.a.]		
				Bids	Accept	Min.	Average	Max.
ŠD 206	03.05.2010	10.05.2026	4.50	244.5	235.5	4.6499	4.7886	4.8498
ŠD 213	17.05.2010	24.02.2016	3.50	121.5	108.5	3.2501	3.3535	3.4108
ŠD 212	31.05.2010	27.01.2012	0.00	529.5	186.5	1.6900	1.7072	1.7500
Sum				895.5	530.5			

Auctions of government bonds in year 2010	Realized	Remained
ŠD 206 - original maturity 20 years and fix interest rate coupon	2	2
ŠD 210 - original maturity 6 years and float interest rate coupon	2	0
ŠD 212 - original maturity 2 years and zero coupon	3	2
ŠD 213 - original maturity 6 years and fix interest rate coupon	3	4
ŠD 214 - original maturity 10 – 15 years and fix interest rate coupon	1	1
Sum	11	9
Auction for decision	2	2

4. Government bonds outstanding

There are 4 bond lines open for further auctions at the end of May, because the rest of ŠD 211 in nominal value EUR 50 million is 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 4,468.8 million.

Bond	ISIN	Issue date	Maturity	Outstanding [EUR]	Ready to sell [EUR]
ŠD 206	SK4120004987	10.05.2006	10.05.2026	984,202,100	343,557,900
ŠD 212	SK4120006990	27.01.2010	27.01.2012	767,800,000	232,200,000
ŠD 213	SK4120007071	24.02.2010	24.02.2016	607,000,000	2,393,000,000
ŠD 214	SK4120007104	27.04.2010	27.04.2020	1,500,000,000	1,500,000,000
Sum					4,468,757,900

5. Government loans

No loan was drawdown in May.

6. Financial liabilities

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

Financial liability type	Financial liability value [EUR million]
Government bonds	20,830.729084
T- Bills	1,834.900000
Government loans	884.003689
SUM	23,549.632773

7. State budget balance

State budget expenditures were bigger than revenues approximately of EUR 2,077.9 million on May 31th 2010.

8. Outlook for June

In June there is no redemption of state bonds. There are planed two auctions of state bonds and two auctions of T – Bills.

Date		Bond	ISIN	Auction type (competitive)	Available for sale [EUR million]	Supposed sale [EUR million]
auction	settlement					
07.06.2010	09.06.2010	ŠPP 04	SK6120000048	Dutch	1 356,60	250,00
14.06.2010	16.06.2010	ŠD 213	SK4120007071	American	2,393.07	100.00
21.06.2010	23.06.2010	ŠPP 04	SK6120000048	Dutch	1 356,60	250,00
28.06.2010	30.06.2010	ŠD 206	SK4120004987	American	343.56	30.00

Status data are as of May 31st, 2010

9. Slovak economy as of May 15th, 2010 (monthly indicators)

Inštitút finančnej politiky, MF SR

(Detailed information on web site: <http://www.finance.gov.sk/en/Default.aspx?CatID=547>)

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:

- ◆ Manufacturing continued on an upbeat note in March, posting 1.7% month-on-month growth on the seasonally adjusted basis. Thanks to the helpful base effect, industrial production index grew by 19.2% year-on-year. The gap versus the pre-crisis level is narrowing at a moderate pace and reached 5% in March.
- ◆ All major soft indicators of economic sentiment in Germany witnessed an improvement in March. This suggests prospects for a solid growth of Slovak manufacturing in the coming two quarters, while there is a risk of a stagnation later in 2010 once the fiscal stimuli by European governments evaporates.
- ◆ Growth of nominal wages in selected sectors (almost two thirds of total employment) accelerated to 5% year-on-year in March. Wages in manufacturing posted an impressive 9.7% growth in March. Recorded wage figures in 1Q create a positive risk for the household consumption in this year.
- ◆ Retail sales flipped back to the black figures for the first time since the beginning of the current economic downturn. They recorded 0.8% year-on-year growth, but it would be premature to conclude that they have bottomed already.

Negative news:

- ◆ Negative trend in labor market continued in March. The number of employed in selected sectors decreased by 7.3% year-on-year.
- ◆ The credit growth remained sluggish in March and reached a minuscule growth of 0.2% year-on-year. This indicates a stagnation of investment activity.
- ◆ Car registrations showed a significant fall by 50.5% year-on-year. This drop reflects the car scrapping scheme effect, which supported the growth in 2Q2009.

Main message

Monthly indicators imply a positive trend for Slovak industrial production in the upcoming period. In contrast, investment activity and job creation have remained subdued for now.