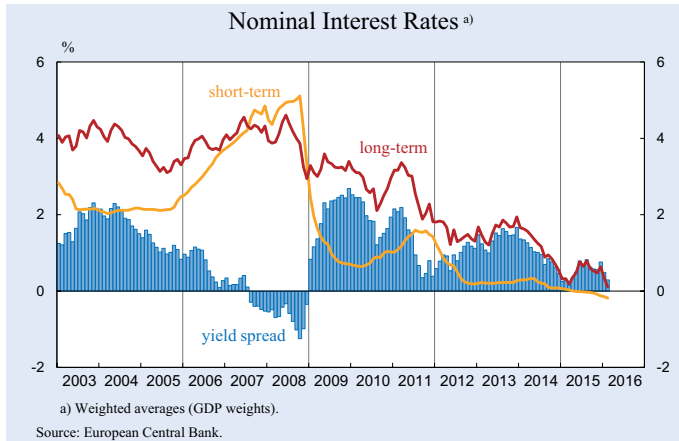
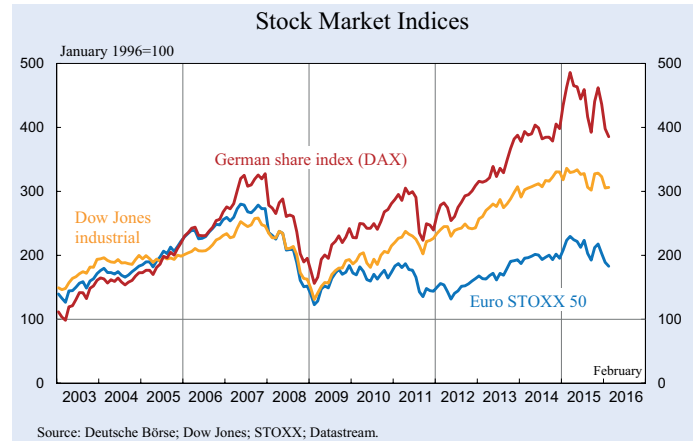


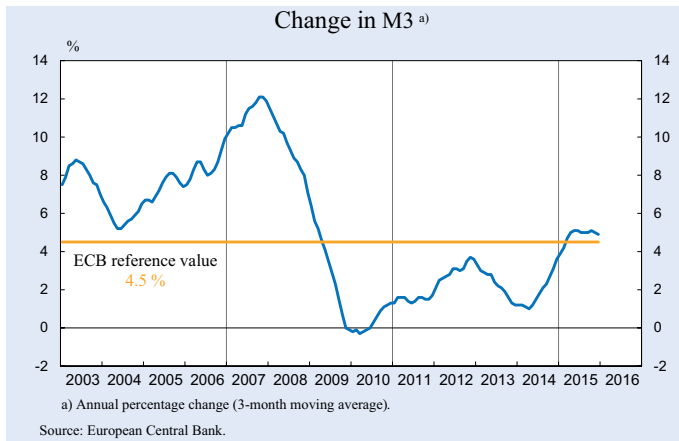
FINANCIAL CONDITIONS IN THE EURO AREA



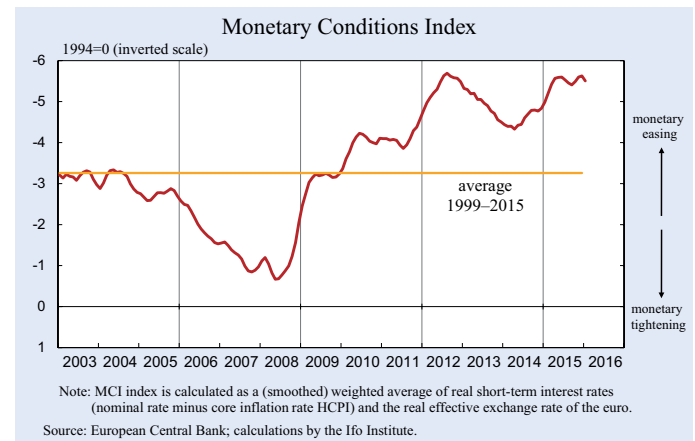
In the three-month period from December 2015 to February 2016 short-term interest rates decreased: the three-month EURIBOR rate declined from -0.13% in December 2015 to -0.18% in February 2016. The ten-year bond yields also decreased from 0.63% to 0.11% in the same period. The yield spread reached 0.29% in February 2016, down from 0.76% in December 2015.



The German stock index DAX decreased in February 2016, averaging 9,495 points compared to 10,743 points in December 2015. The Euro STOXX also decreases from 3,268 to 2,946 in the same period of time. The Dow Jones International declined as well, averaging 16,517 points in February 2016, compared to 17,425 points in December 2015.

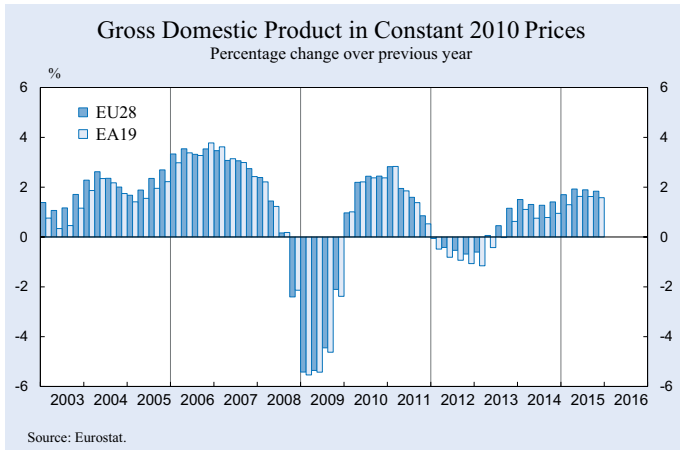


The annual growth rate of M3 increased to 5.0% in January 2016, from 4.7% in December 2015. The three-month average of the annual growth rate of M3 over the period from October 2015 to December 2015 reached 5.0%.

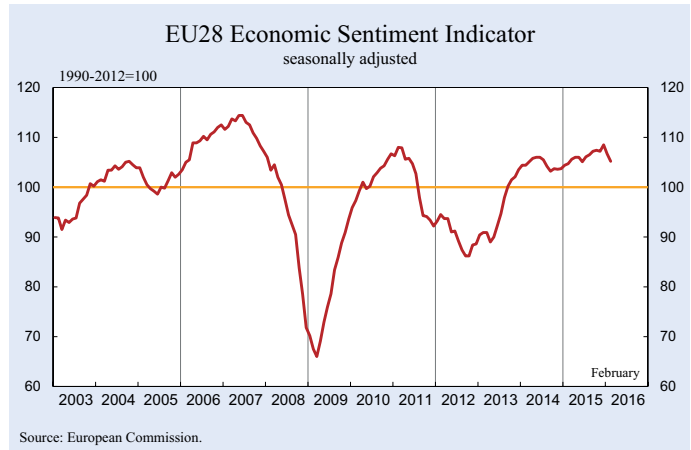


Between April 2010 and July 2011 the monetary conditions index remained rather stable. This index then continued its fast upward trend since August 2011 and reached its peak in July 2012, signalling greater monetary easing. In particular, this was the result of decreasing real short-term interest rates. In January 2016 the index started to slightly fall again while such minor fluctuations have been observed in last months.

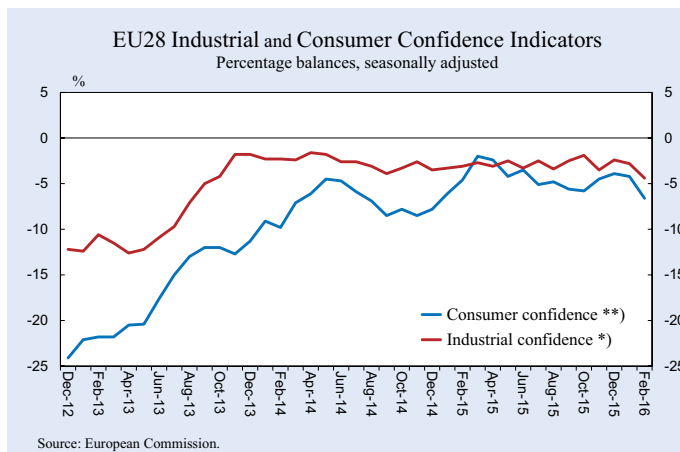
EU SURVEY RESULTS



According to the Eurostat estimates, GDP grew by 0.3% in the euro area (EA19) and by 0.4% in the EU28 during the fourth quarter of 2015, compared to the previous quarter. In the third quarter of 2015 the GDP grew by 0.3% and 0.4% respectively. Compared to the fourth quarter of 2014, i.e. year over year, seasonally adjusted GDP rose by 1.6% in the EA19 and by 1.8% in the EU28 in the fourth quarter of 2015.



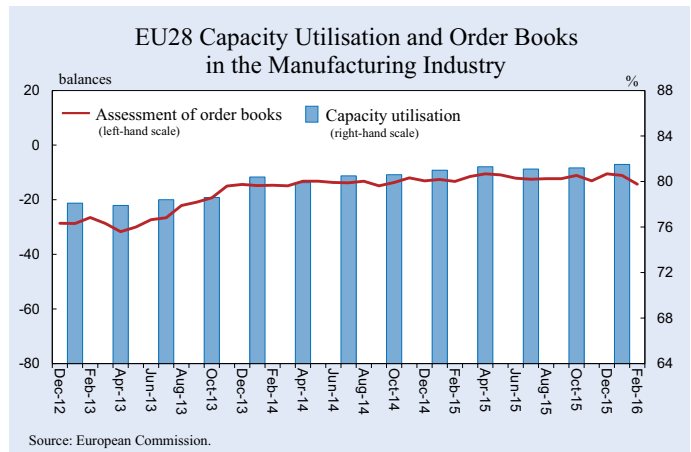
In February 2016 the Economic Sentiment Indicator (ESI) decreased in both the euro area (by 1.3 points to 103.8) and the EU28 (by 1.5 points to 105.2). In both the EU28 and the EA19 the ESI stands above its long-term average.



* 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).

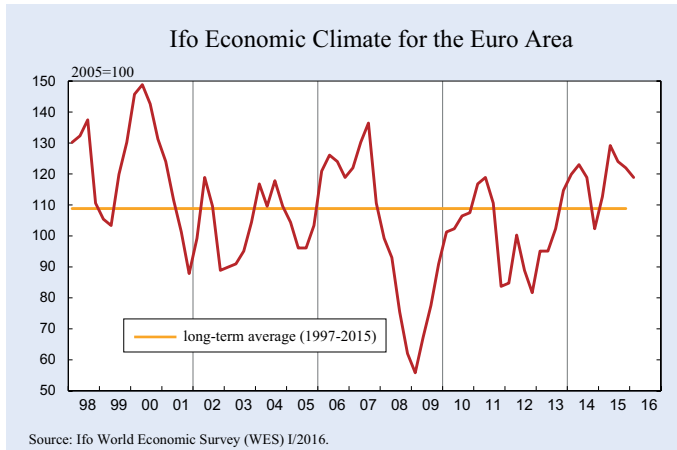
** New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

In February 2016, the *industrial confidence indicator* decreased by 1.6 in the EU28 and by 1.3 in the euro area (EA19). On the other hand, the *consumer confidence indicator* increased by 2.4 in the EU28 and by 2.5 in the EA19.

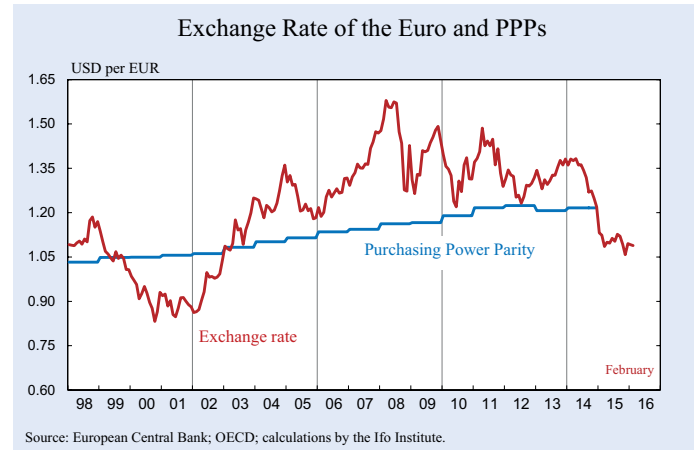


Managers' assessment of *order books* reached -14.3 in February 2016, compared to -11.1 in January 2016. In December 2015 the indicator had amounted to -10.5. *Capacity utilisation* reached 81.5 in the first quarter of 2016, up from 81.2 in the fourth quarter of 2015.

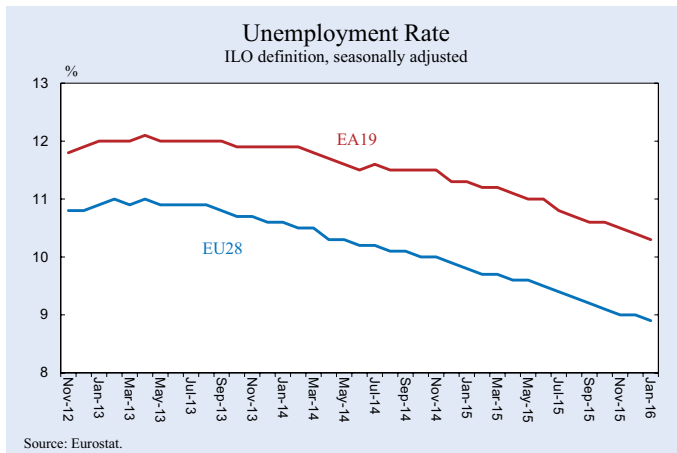
EURO AREA INDICATORS



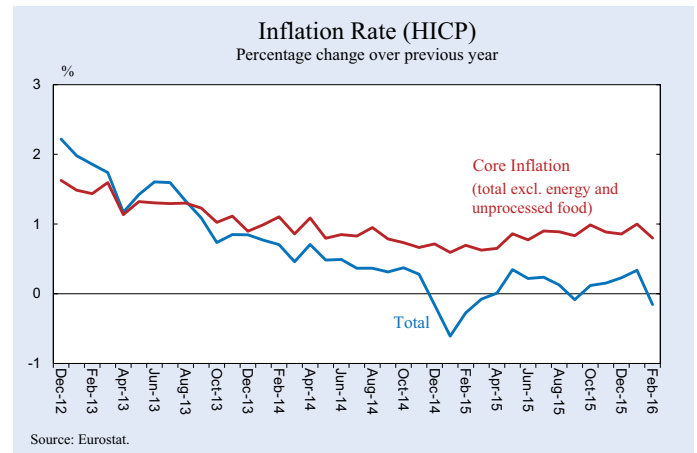
The Ifo Economic Climate Indicator for the euro area (EA19) declined by another three index points in the first quarter of 2016. It dropped to 118.9 points, but still remains significantly above its long-term average. Assessments of the current economic situation were only slightly less favourable than in the previous quarter, and positive expectations also clouded over somewhat. The recovery in the euro area economy is only expected to continue at a slow pace.



The exchange rate of the euro against the US dollar averaged approximately 1.09 \$/€ between December 2015 and February 2016. (In November 2015 the rate had amounted to around 1.06 \$/€.)



Euro area (EA19) unemployment (seasonally adjusted) amounted to 10.3% in January 2016, down from 10.4% in December 2015. EU28 unemployment rate was 8.9% in January 2016, down from 9.0% in December 2015. In January 2016 the lowest unemployment rate was registered in Germany (4.3%), the Czech Republic (4.5%) and Malta and Britain (5.1%), while the rate was highest in Greece (24.6%) and Spain (20.5%).



Euro area annual inflation (HICP) was -0.2% in February 2016, down from 0.3% in January 2016. A year earlier the rate had amounted to -0.3% . Year-on-year EA19 core inflation (excluding energy and unprocessed foods) slightly decreased to 0.8% in February 2016, from 1.0% in January 2016.