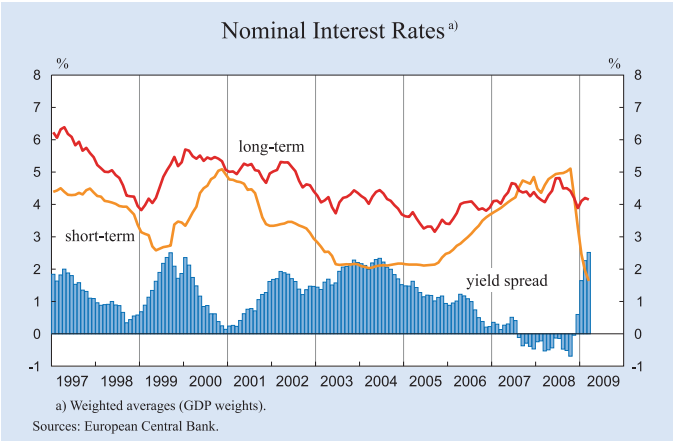
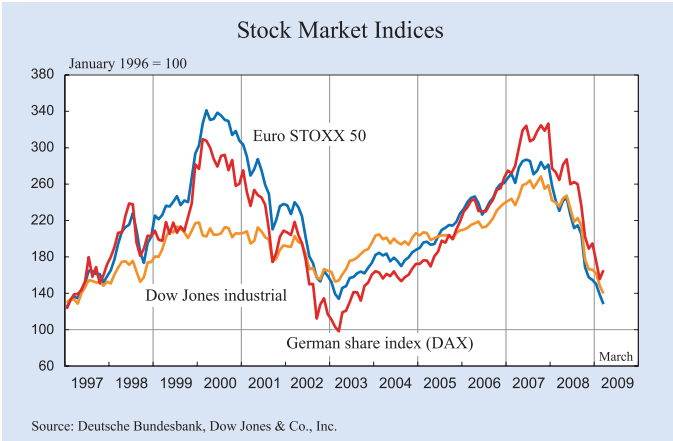


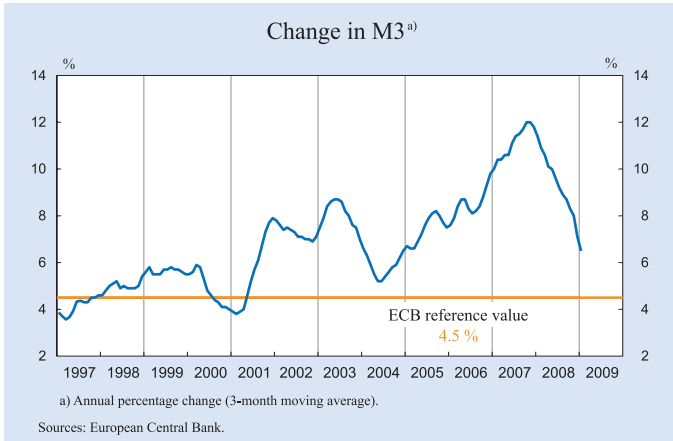
# FINANCIAL CONDITIONS IN THE EURO AREA



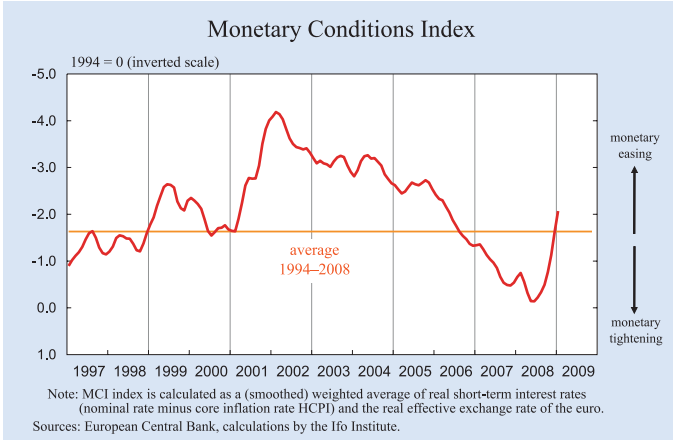
In the three-month period from January to March 2009 short-term interest rates declined. The three-month EURIBOR rate decreased from an average 2.46% in January to 1.64% in March. Yet, the ten-year bond yields slightly grew from 4.11% in January to 4.15% in February. In the same period of time the yield spread increased from 1.65% (January) to 2.51% (March).



The German stock index DAX declined in March 2009, averaging 4,085 points compared to 4,338 points in January. The Euro STOXX also fell from 2,340 in January to 1,994 in March. The Dow Jones International also declined, averaging 7,235 points in March compared to 8,396 points in January and 7,690 points in February.

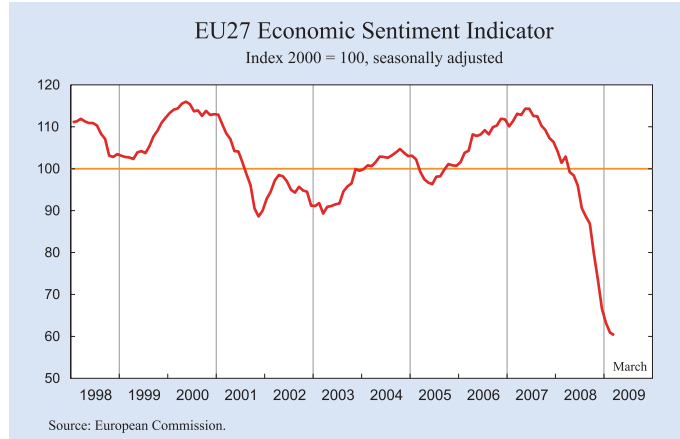
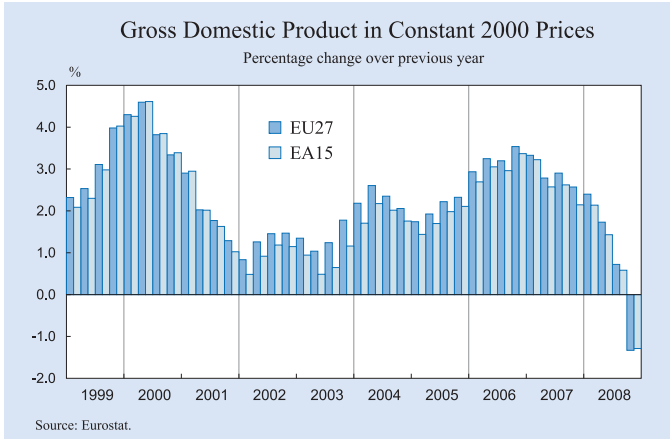


The annual rate of growth of M3 stood at 5.9% in February 2009, compared to 6.0% in January. The three-month average of the annual growth rate of M3 over the period from December 2008 to January 2009 declined to 6.5%, from 7.1% in the period November 2008 to January 2009.



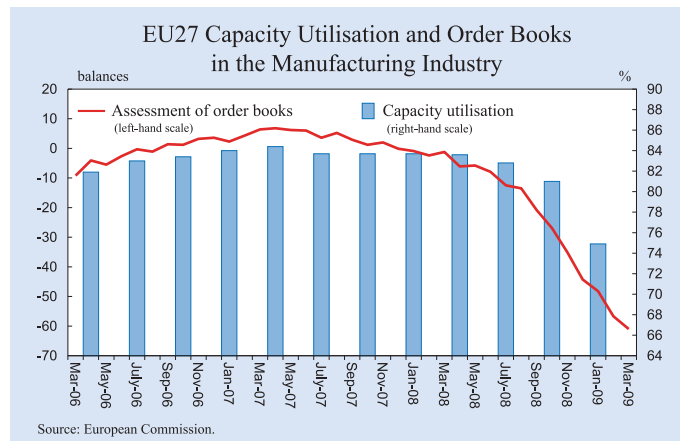
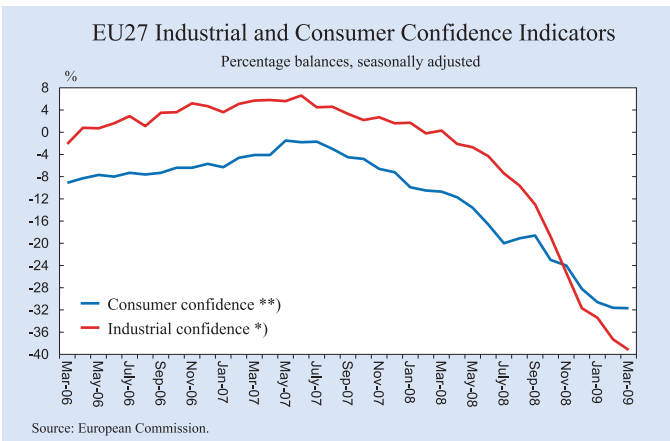
In January 2009 the monetary conditions index continued its rapid growth that had started in mid-2008, signalling greater monetary easing. In particular, this is the result of decreasing real short-term interest rates.

# EU SURVEY RESULTS



According to the first Eurostat estimates, GDP fell by 1.5% in both the euro area (EU15) and the EU27 during the fourth quarter of 2008, compared to the previous quarter. In the third quarter of 2008 the growth rate had amounted to -0.2% for the euro area and -0.3% for the EU27. Compared to the fourth quarter of 2007, i.e. year over year, seasonally adjusted GDP declined by 1.3% in both the euro area and the EU27.

In March 2009, the EU Economic Sentiment Indicator (ESI) fell by 0.6 points in the EU27 and decreased by 0.7 points in the euro area, to 60.3 and 64.6 respectively. The indicators for both regions now stand at their lowest level since January 1985. Confidence deteriorated most markedly in Italy (-4.5), followed by France and Poland (-1.0), Germany (-0.8) and the UK (-0.4).



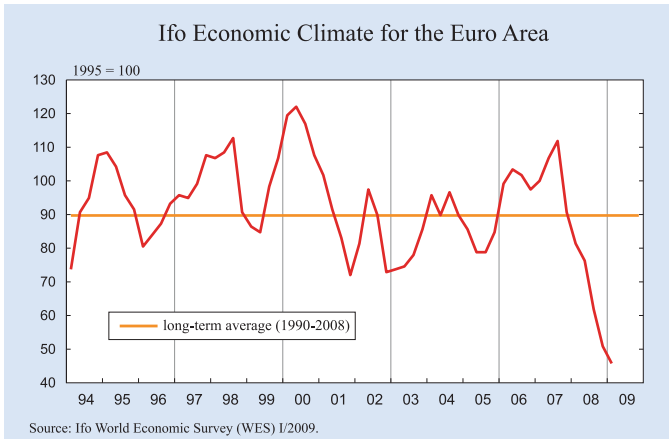
\* The industrial confidence indicator is an average of responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

\*\* 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.

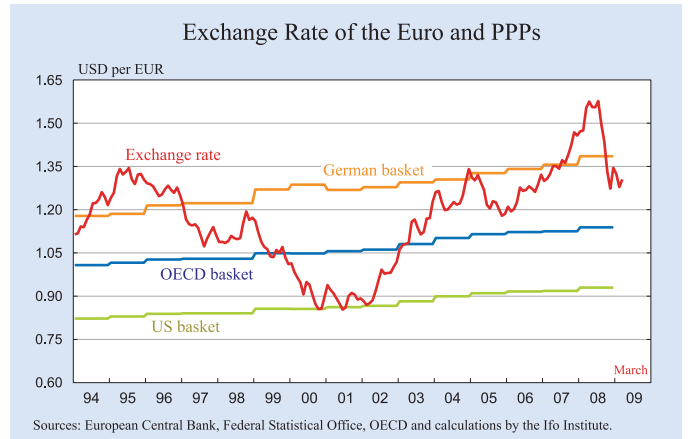
In March 2009, the *industrial confidence indicator* fell by the same amount (-2 points) in both the EU27 and the euro area. The indicator has been on a downward path since its peak in May 2007 and currently stands below its long-term average in both areas. The *consumer confidence indicator* remained unchanged in the EU27 but fell by 1 point in the euro area in March, and also currently stands below its long-term average in both areas.

Industry Managers' assessment of *order books* deteriorated from -48.2 in January to -61.0 in March 2009. In December 2008 the indicator had reached -44.3. *Capacity utilisation* declined to 74.9 in the first quarter of 2009 from 81.0 in the previous quarter.

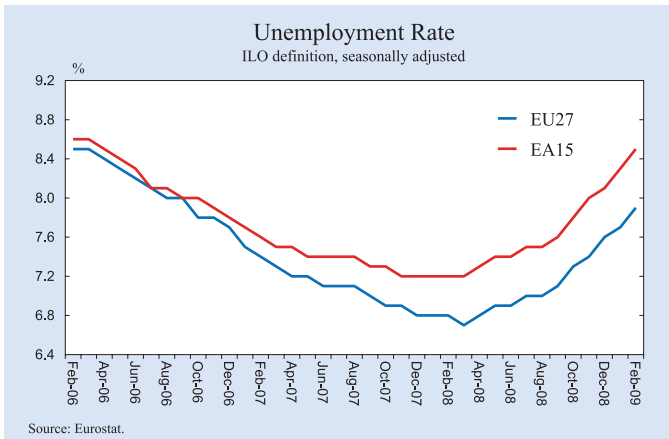
# EURO AREA INDICATORS



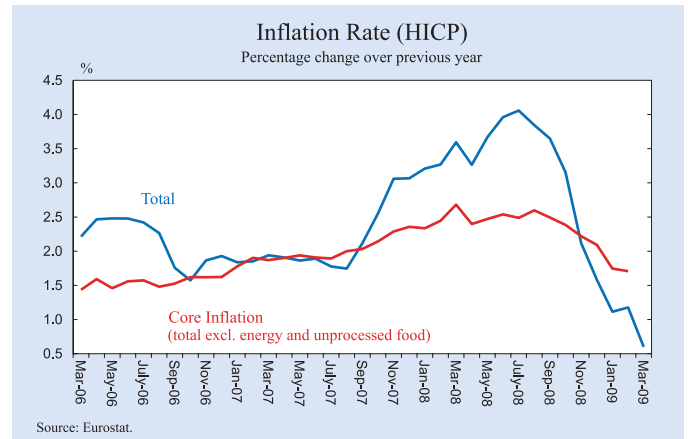
The Ifo indicator of the economic climate in the euro area (EU15) has worsened again in the first quarter of 2009 for the sixth time in succession, falling to its lowest level in five years. Its decline is the sole result of less positive assessments of the current economic situation: the expectations for the coming six months improved somewhat but are still in strongly cloudy territory.



The exchange rate of the euro against the US dollar averaged 1.31 \$/€ in March 2009, a decrease from 1.32 \$/€ in January. (In December 2008 the rate had amounted to 1.34 \$/€.)



Euro area (EU15) unemployment (seasonally adjusted) amounted to 8.5% in February 2009, compared to 8.3% in January. It was 7.2% in February 2008. EU27 unemployment stood at 7.9% in February 2009, compared to 7.7% in January. The rate was 6.8% in February 2008. Among the EU Member States the lowest rate was registered in the Netherlands (2.7%). Unemployment rates were highest in Spain (15.5%), Latvia (14.4%) and Lithuania (13.7%).



Euro area annual inflation (HICP) was 1.2% in February 2009, compared to 1.1% in January. This is quite a decrease from a year earlier, when the rate had been 3.3%. The EU27 annual inflation rate reached 1.7% in February, down from 1.8% in January. A year earlier the rate had amounted to 3.5%. An EU-wide HICP comparison shows that in February 2009 the lowest annual rates were observed in Ireland and Portugal (both 0.1%) and Cyprus (0.6%), and the highest rates in Latvia (14.1%), Bulgaria and Lithuania (both 10.8%). Year-on-year EU15 core inflation (excluding energy and unprocessed foods) slightly fell to 1.8% in February from 1.7% in January.