



ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- *In Albania, non-performing loans as a share of total loans declined in 2015Q1 to 22.7% compared to 22.8% in 2014Q4 and 24.1% in 2014Q1.*
- *In Bulgaria, non-performing loans as a share of total loans increased to 19.0% in April compared to 17.8% in the same month last year.*
- *In Cyprus, non-performing loans as a share of total loans were 45.96% in February compared to 45.85% in January and 43.47% in February last year, with the levels of NPLs in firms and households being particularly high.*
- *In Romania, non-performing loans as a share of total loans declined to 13.85% in March from 20.39% in the same month last year.*
- *In Serbia, non-performing loans as a share of total loans were 21.8% in February from 22.3% in 2014Q1.*

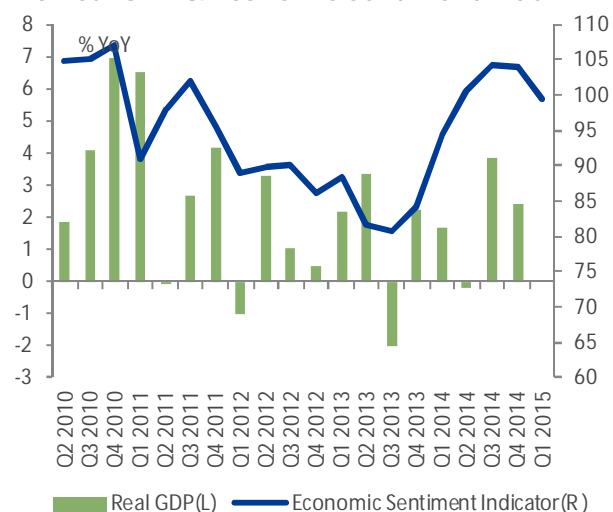
Non-Performing Loans					
Non-Performing Loans (% of total loans)					
	Albania	Cyprus	Bulgaria	Romania	Serbia
Q4-2011	18.9	11.2	17.37	14.3	19.2
Q1-2012	20.1	12.8	18.54	15.9	20.1
Q2-2012	21.2	15.3	18.75	16.8	19.5
Q3-2012	22.7	17.1	18.94	17.3	19.9
Q4-2012	22.8	20.6	18.03	18.2	18.6
Q1-2013	24.0	16.4	18.11	19.1	19.9
Q2-2013	24.4	30.7	18.36	20.3	19.9
Q3-2013	24.3	38.0	18.27	21.6	21.1
Q4-2013	23.2	42.1	18.07	21.9	21.4
Q1-2014	24.1	44.5	17.96	20.4	22.3
Q2-2014	24.1	46.7	17.64	19.2	23.0
Q3-2014	24.9	48.9	18.14	15.3	23.0
Q4-2014	22.8	47.5	18.7	13.9	22.5
Q1-2015	22.7	46.0	18.9	13.8	21.8

Source: Piraeus Bank Research, National Central Banks

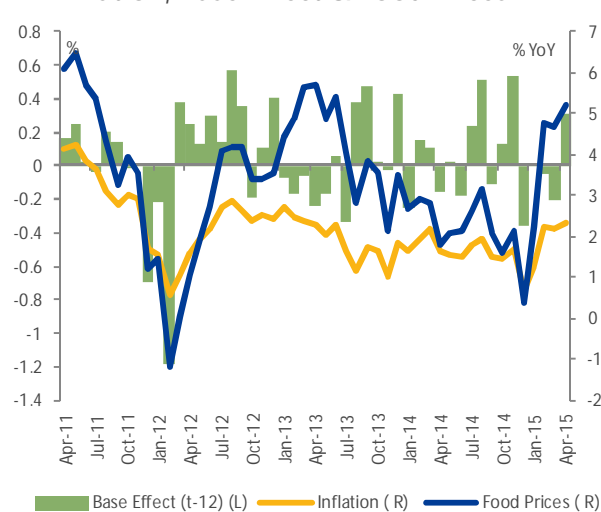
A. ALBANIA

- In Jan-Apr, the fiscal deficit contracted to 0.2% of GDP from 0.5% in Jan-Apr 2014, due to the decrease in public spending to 8.5% from 8.8% in the same periods. In Jan-Apr, revenues increased marginally to 8.4% of GDP from 8.3% in the same period last year. (Graph 1.2)
- In April, private sector lending increased by 2.1% YoY from a contraction of 2.5% in April last year, as business loans increased by 1.9% from -3.2% in the same months. Household lending increased by 3.2% YoY in April compared to a decline of 0.3% in April last year, while private sector deposits increased by 2.8% from 0.6% in the same months. (Graphs 1.5 & 1.8)

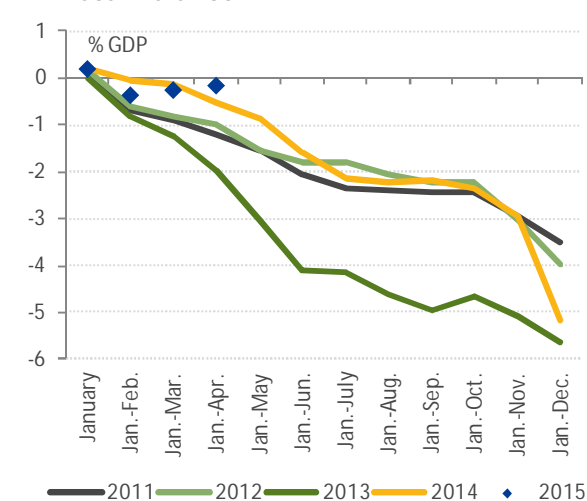
1.0 Real GDP & Economic Sentiment Index



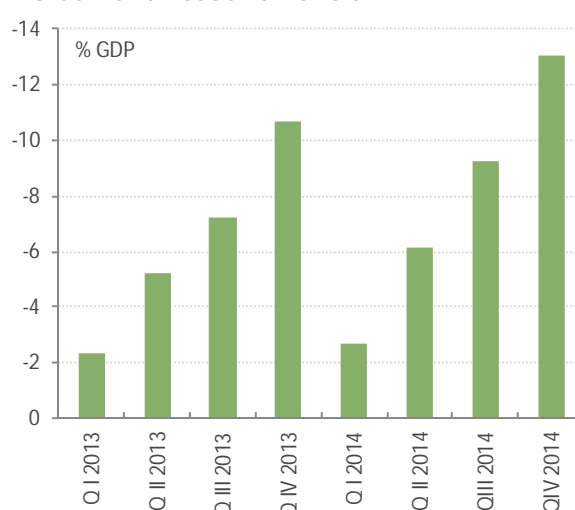
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



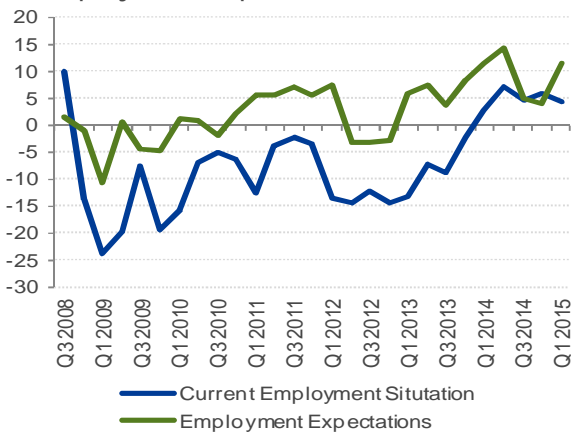
1.3 Current Account Deficit



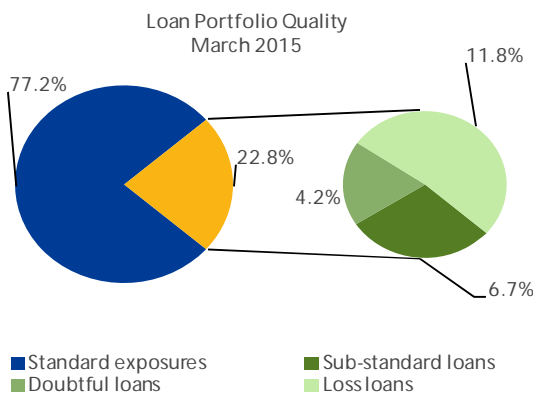
Source: Piraeus Bank Research, Datastream, National Sources

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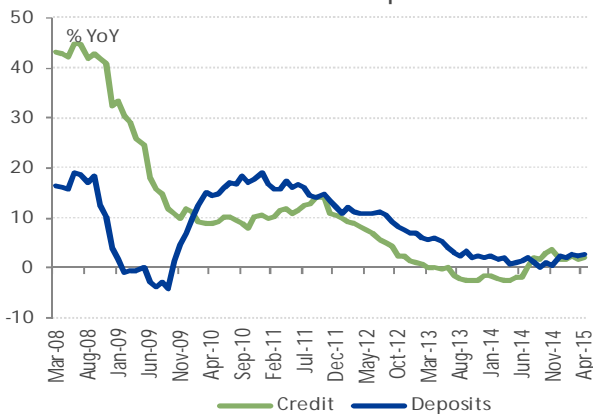
1.4 Employment Expectations



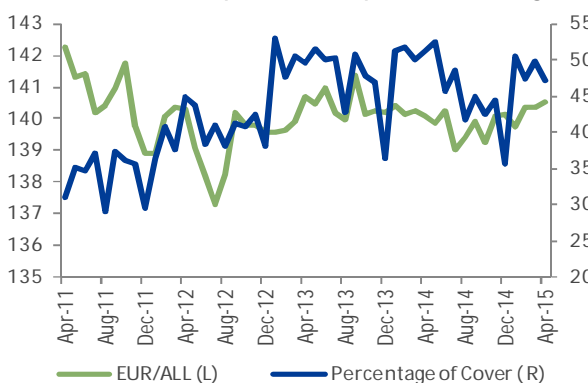
1.6 Loan Portfolio Quality



1.8 Private Sector Credit & Deposits

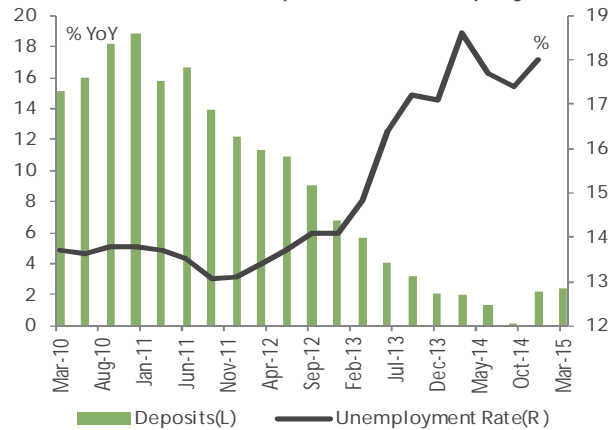


2.0 EUR/ALL & Imports to Exports Coverage

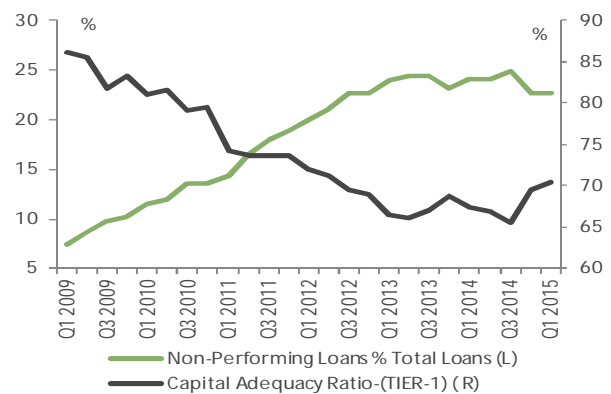


Source: Piraeus Bank Research, Datastream, National Sources

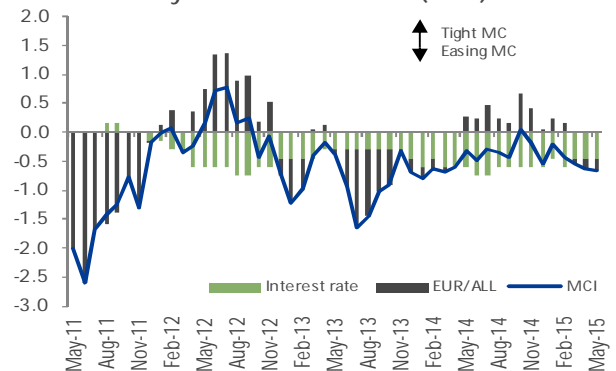
1.5 Private Sector Deposits & Unemployment Rate



1.7 NPLs & Capital Adequacy Ratio

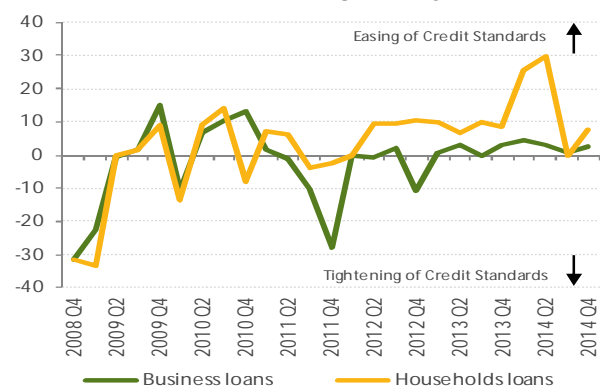


1.9 Monetary Conditions Index (MCI)



Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (40% weight).

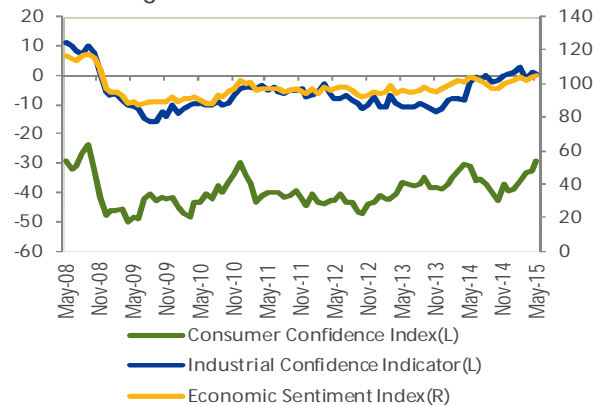
2.1 Central Bank's Lending Survey in the next Q.



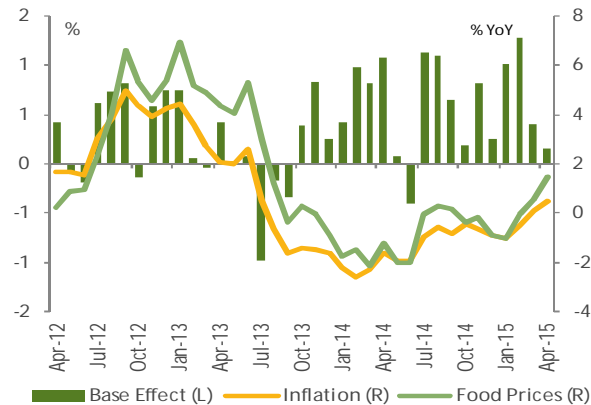
B. BULGARIA

- The fiscal balance in Jan-Apr turned to a surplus of 1.3% of GDP compared to a deficit of 1.1% in Jan-Apr last year, due to the increase in revenues to 13.8% from 11.5% of GDP in the same periods. In Jan-Apr, public spending moderated marginally to 12.0% of GDP from 12.1% in the same period last year. (Graph 1.2)
- The current account balance turned to a surplus of 0.5% of GDP in 2015Q1 from a deficit of 0.4% in 2014Q1, as the trade deficit contracted to 1.6% compared to 2.6% for the same periods. Additionally, the services surplus amounted to 0.7% of GDP in 2015Q1 from 0.8% in 2014Q1, while the primary and secondary incomes remained unchanged at -0.4% and 1.8% of GDP respectively. (Graph 1.3)
- In April, private sector credit contracted by 9.9% YoY from an increase of 1.6% in April 2014, as business loans decreased by 14.1% from 2.3% for the same months. Household lending contracted by 1.7% in April from an increase of 0.2% in April 2014, whereas private sector deposits decreased marginally by 0.01% YoY from 7.7% for the same months. (Graph 2.0)

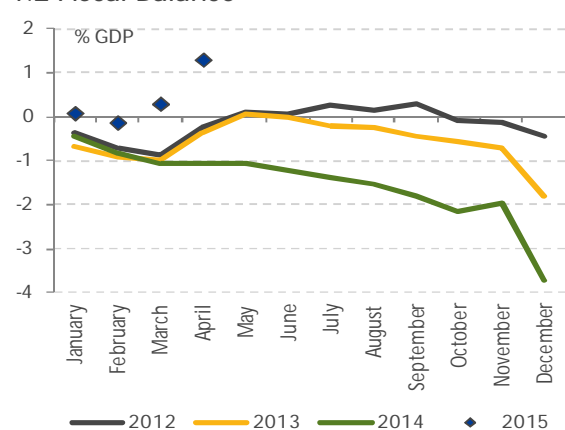
1.0 Leading Indicators



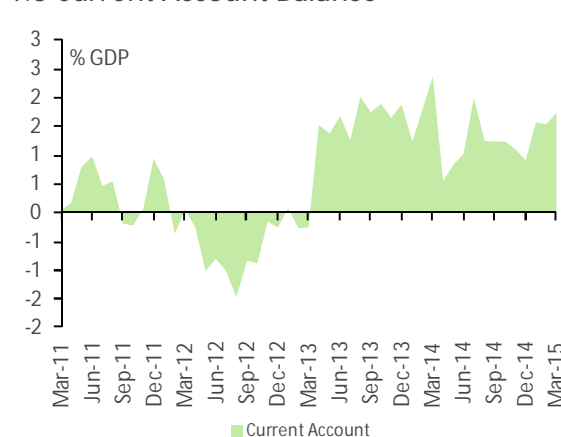
1.1 Inflation & Base Effect



1.2 Fiscal Balance



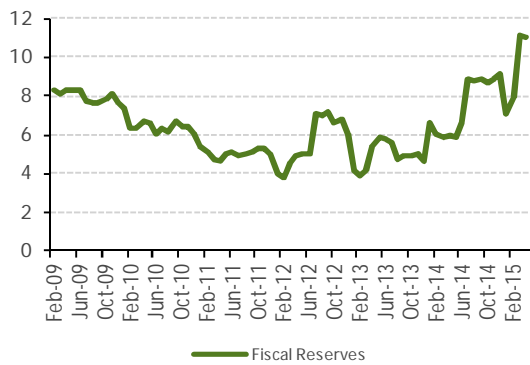
1.3 Current Account Balance



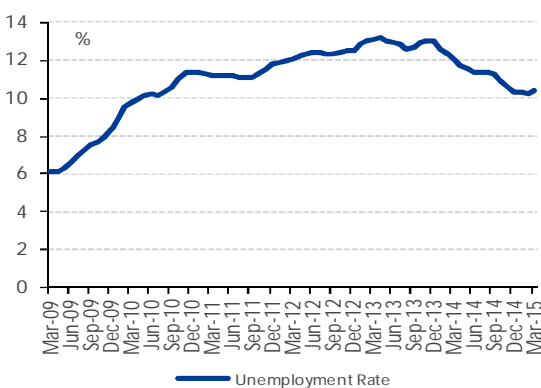
Source: Piraeus Bank Research, Datastream, National Sources

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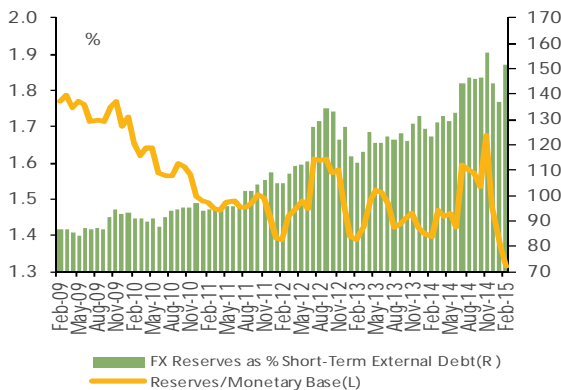
1.4 Fiscal Reserves



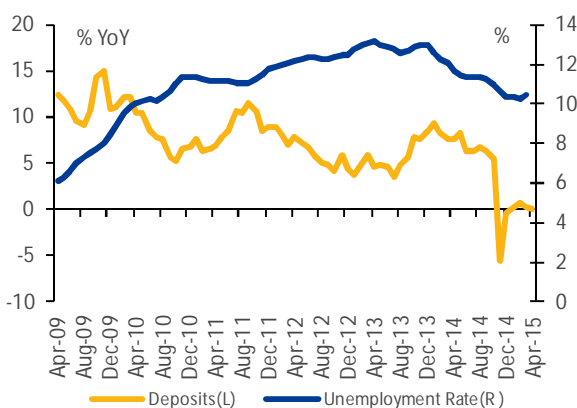
1.6 Unemployment Rate



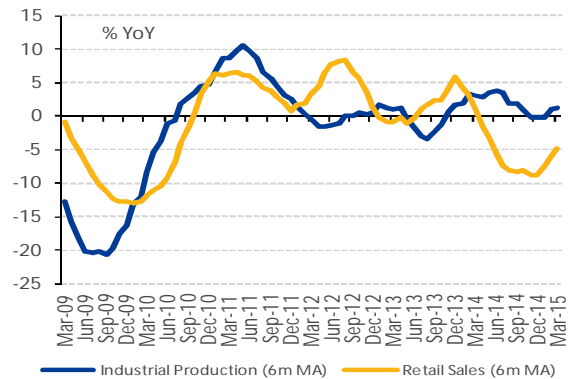
1.8 FX Reserves & Monetary Base



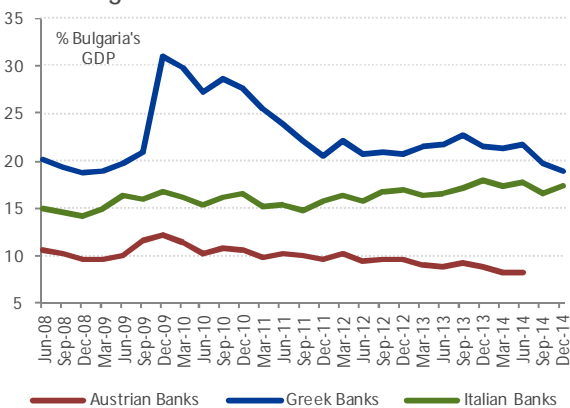
2.0 Deposits & Unemployment Rate



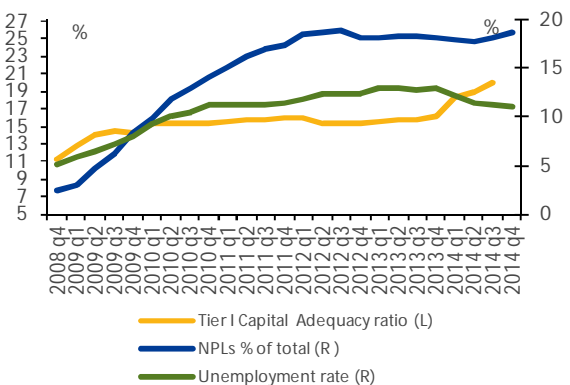
1.5 Industrial Production & Retail Sales



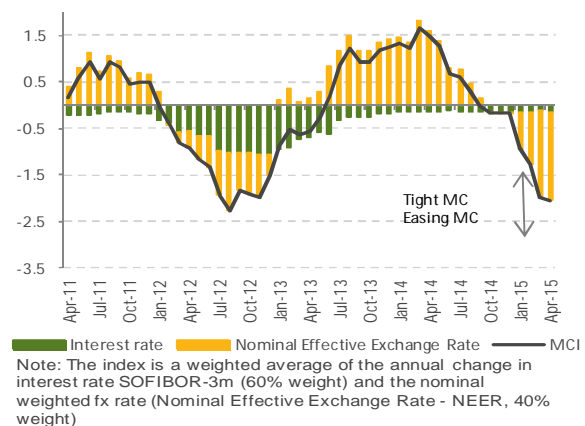
1.7 Foreign Claims



1.9 Unemployment Rate, NPLs & Capital Adequacy



2.1 Monetary Conditions Index (MCI)

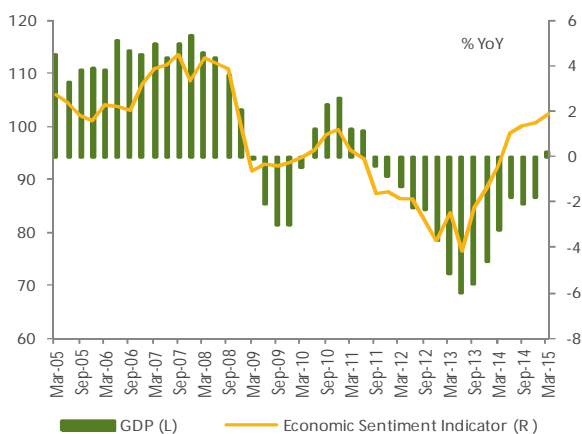


Source: Piraeus Bank Research, Datastream, National Sources, BIS

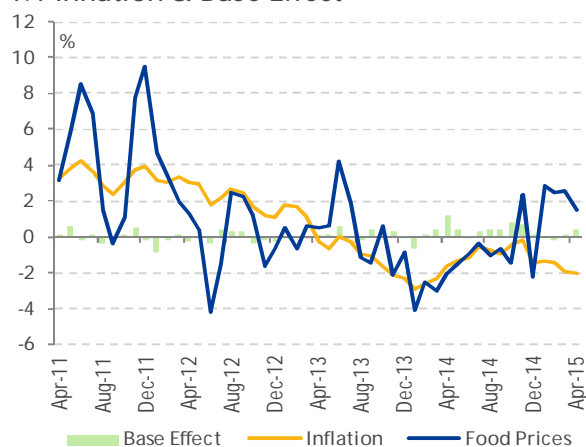
C. CYPRUS

- The fiscal balance in Jan-Apr turned to a deficit of 0.4% of GDP from a surplus of 0.8% in Jan-Apr, due to a contraction in revenues of 11.1% YoY. Public spending decreased by 2.2% YoY in Jan-Apr. (Graph 1.2)
- In the tourism sector, tourism arrivals increased by 11.3% YoY in April from a decrease of 11.4% in April 2014. In March, retail trade increased by 1.5%, from a contraction of 8.4% in March last year. (Graph 1.5)
- In April, total credit contracted at a slower rate of 2.1% YoY from a contraction of 9.3% in April 2014, as business and household loans both decreased at a similar rate. Total deposits contracted at a significantly slower rate of 4.3% YoY in April from a decrease of 10.4% in the same month last year. (Graph 2.0)

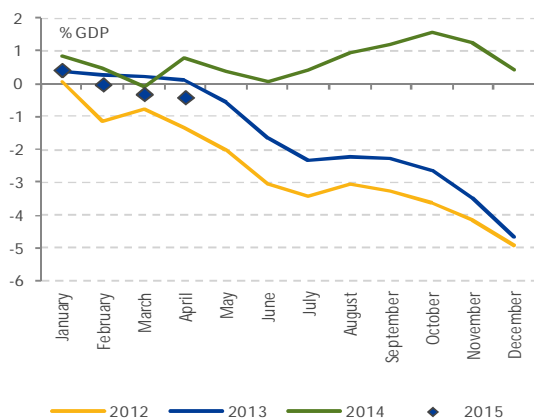
1.0 Real GDP & Economic Sentiment Indicator (ESI)



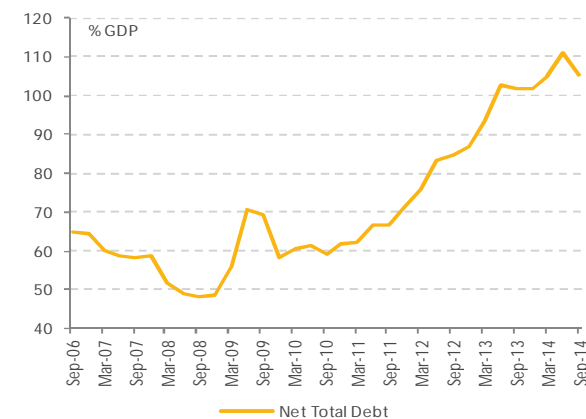
1.1 Inflation & Base Effect



1.2 Fiscal Balance



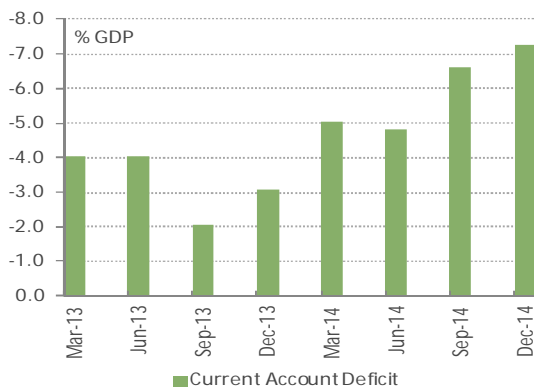
1.3 Public Debt



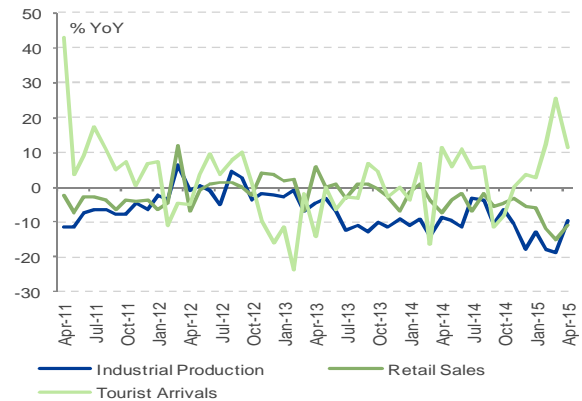
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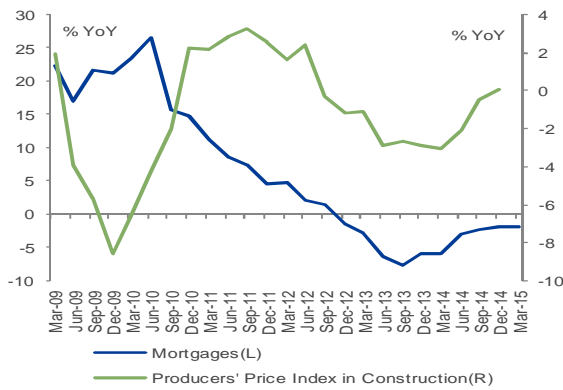
1.4 Current Account Balance (6m MA)



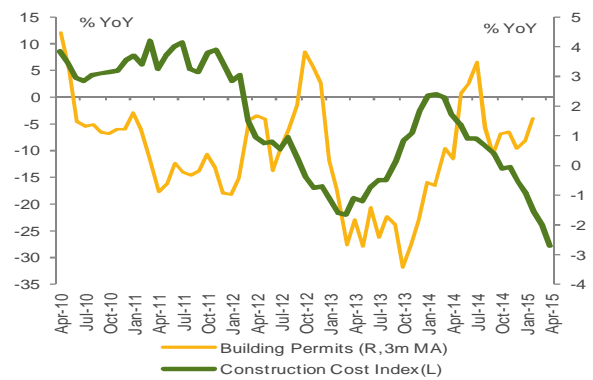
1.5 Industrial Production, Retail Sales & Tourist Arrivals



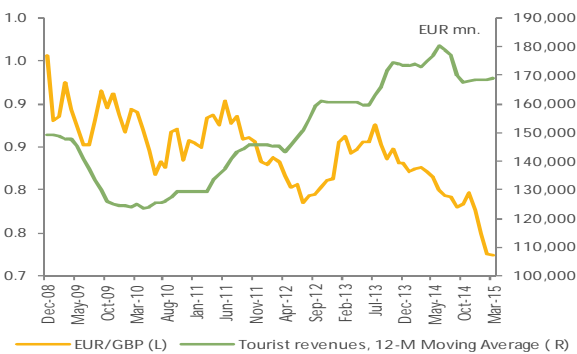
1.6 Mortgage Loans & Producer's Price Index in Construction



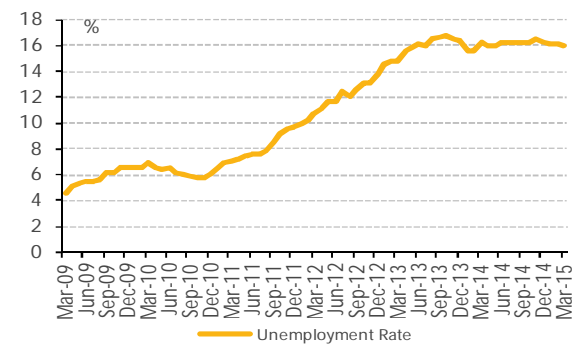
1.7 Construction Cost & Building Permits



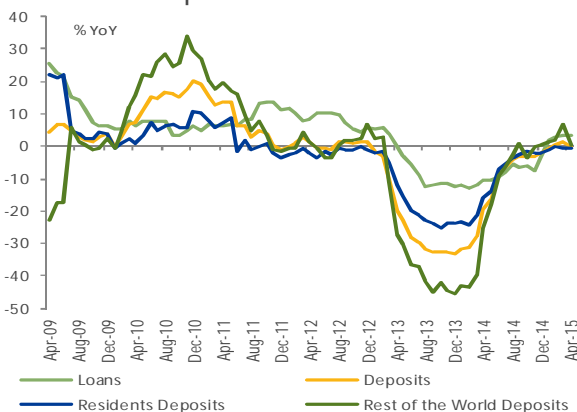
1.8 EUR/GBP & Tourism Revenues



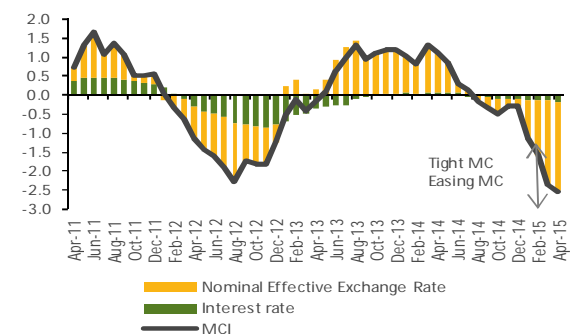
1.9 Unemployment Rate



2.0 Loans & Deposits



2.1 Monetary Conditions Index (MCI)



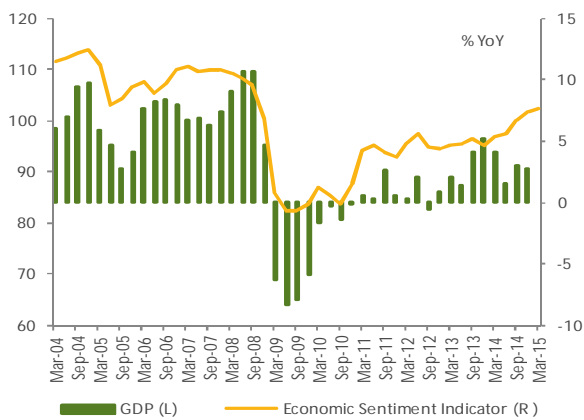
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

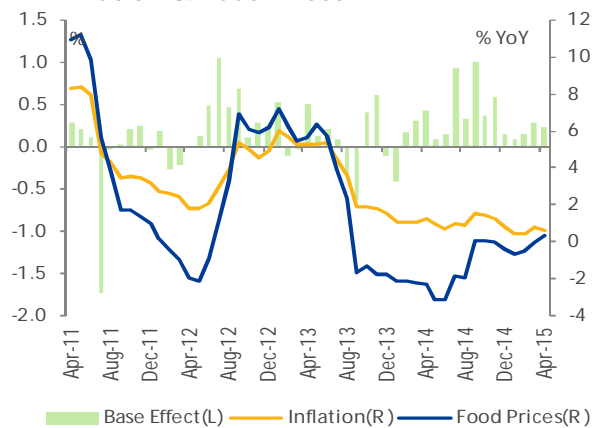
D. ROMANIA

- In Jan-Apr, the fiscal balance turned to a surplus of 0.8% of GDP from a deficit of 0.3% in Jan-Apr 2014, as public spending declined to 9.9% of GDP from 10.4% for the same periods. Revenues increased to 10.8% of GDP in Jan-Apr from 10.1% for the same period last year. (Graph 1.2)
- In 2015Q1, the current account balanced turned to surplus of 0.2% of GDP from a deficit of 0.2% in 2014Q1, as the trade deficit remained stable at 0.7% for the same periods. The primary income deficit moderated to 0.3% in 2015Q1 from 0.6% in 2014Q1, while the secondary income surplus also improved, to 0.4% from 0.2% in the same periods. Finally, the services surplus amounted to 0.9% in 2015Q1. (Graph 1.3)
- Total credit in April contracted by 3.5% YoY from a decrease of 0.8% in April last year, while private sector credit declined by 3.8% from -0.8% in the same months. Local currency loans in the private sector increased by 7.9% in April from 5.8% in the same month last year, but foreign currency loans contracted further by 11.6% from -5.5% in the same months. Total deposits increased by 3.6% YoY in April from 16.0% in April 2014, while private sector deposits increased by 6.3% from 7.1% for the same months. (Graphs 1.8 & 1.9)

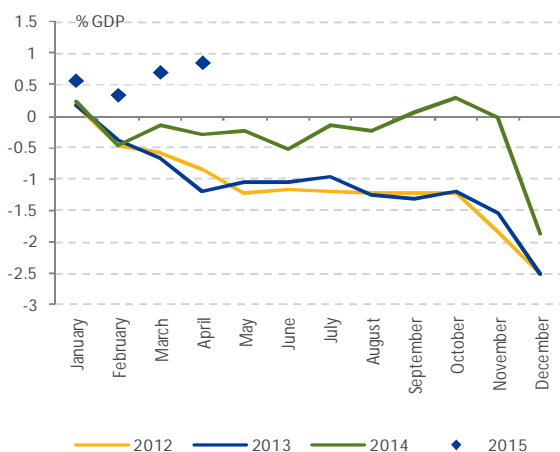
1.0 Leading Indicators



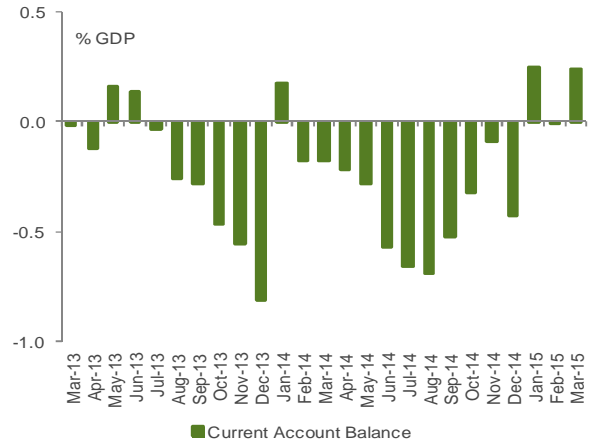
1.1 Inflation & Base Effect



1.2 Fiscal Balance



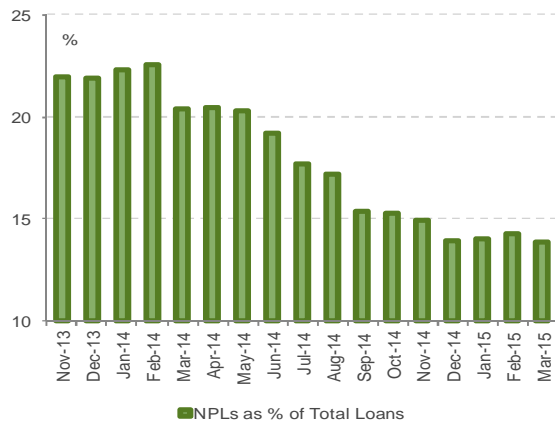
1.3 Current Account Balance



Source: Piraeus Bank Research, Datastream, National Sources

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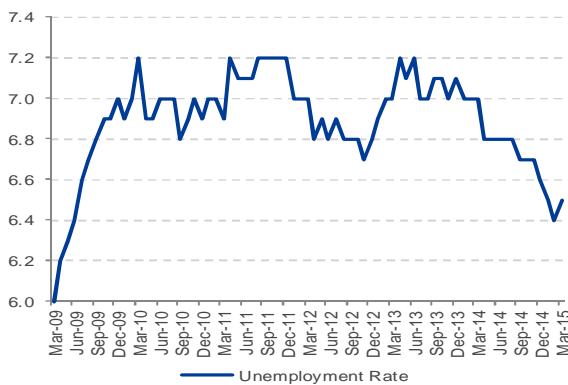
1.4 Non-Performing Loans



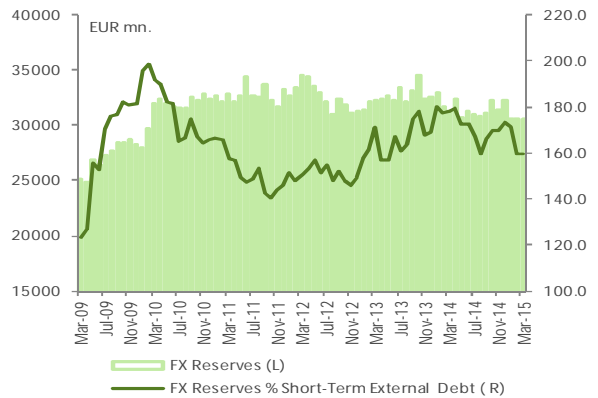
1.5 Industrial Production & Exports



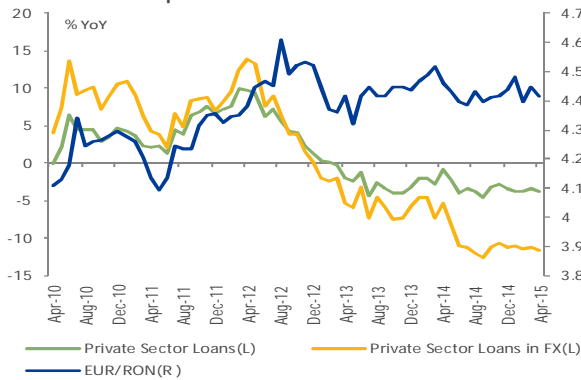
1.6 Unemployment Rate



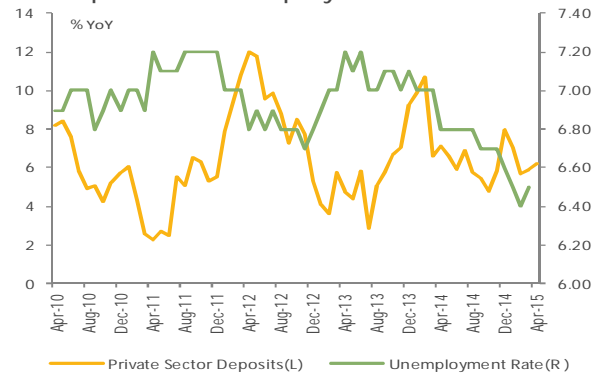
1.7 FX Reserves as % of Short-Term External Debt



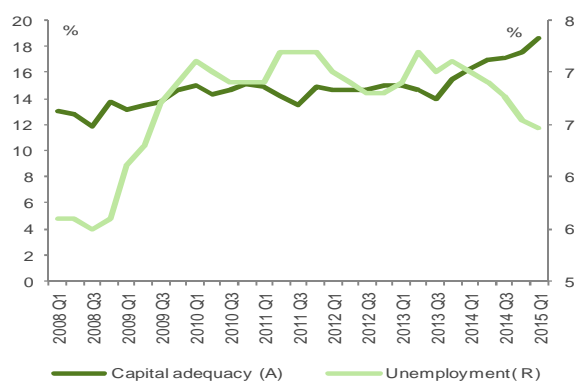
1.8 Credit Expansion & FX Rate



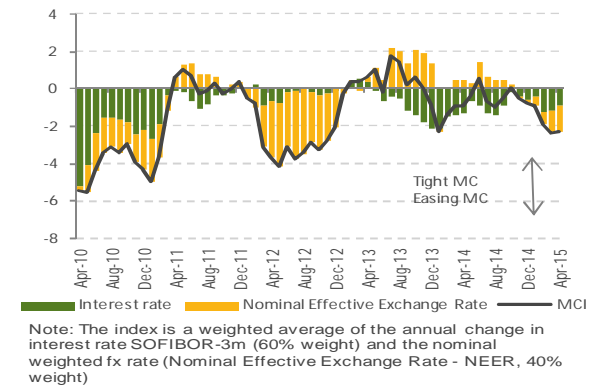
1.9 Deposits & Unemployment Rate



2.0 Unemployment Rate & Capital Adequacy



2.1 Monetary Conditions Index (MCI)

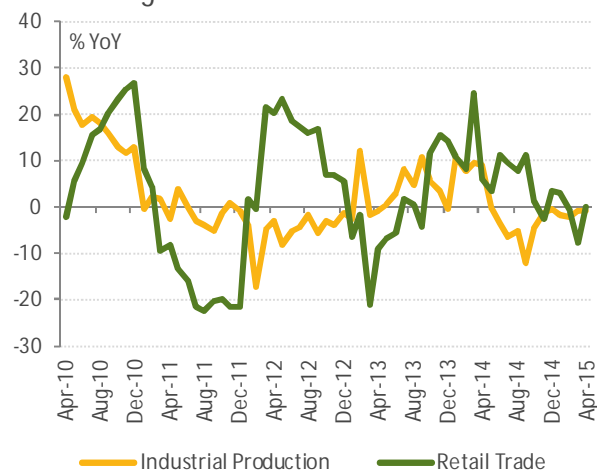


Source: Piraeus Bank Research, Datastream, National Sources

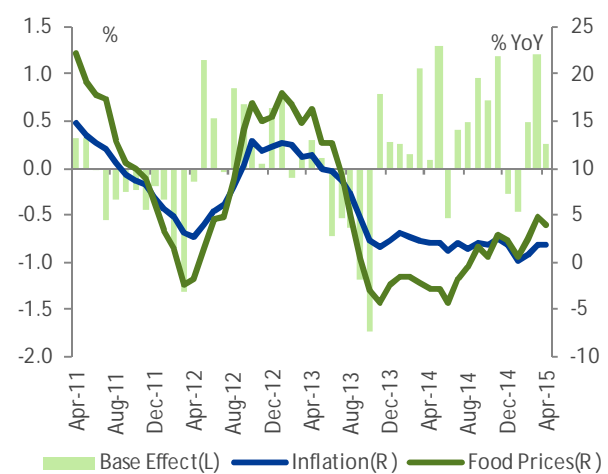
E. SERBIA

- In Jan-Apr, the fiscal deficit shrank to 0.6% of GDP from 2.3% in Jan-Apr 2014, due to the increase in revenues. Specifically, in Jan-Apr of the current year, revenues were 13.3% of GDP from 12.6% in Jan-Apr last year, while public spending amounted to 14.8% from 14.2% for the same periods. (Graph 1.2)
- In 2015Q1, the current account deficit was 1.2% of GDP compared to 1.6% in 2014Q1, while the trade deficit amounted to 2.9% from 2.8% in the same periods. Both the expansion of the services surplus as well as the moderation in the primary income deficit contributed positively to the current account balance. (Graph 1.3)
- In April, public debt increased to 72.3% of GDP from 70.9% in 2014. (Graph 1.6)
- In April, total loans increased by 6.4% YoY from 7.3% in March and a contraction of 4.4% in April 2014, while business and household lending both increased. Total deposits increased by 9.8% YoY in April from 9.9% in March and 5.2% in April last year. (Graph 2.0)

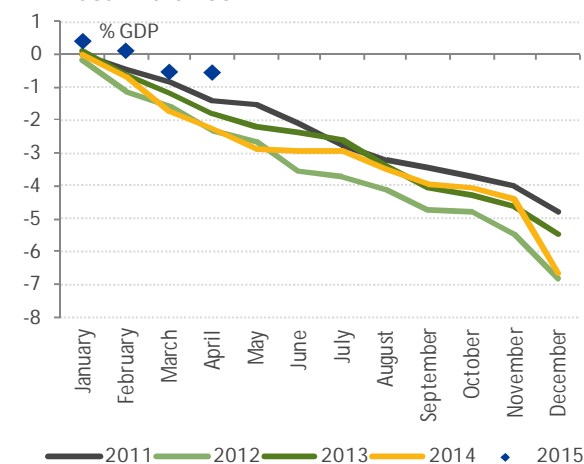
1.0 Leading Indicators



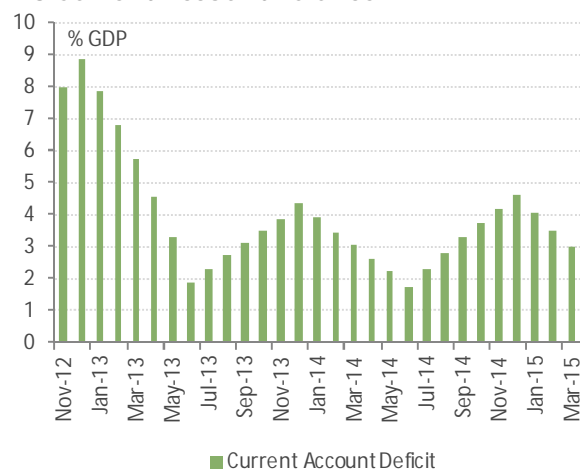
1.1 Inflation & Base Effect



1.2 Fiscal Balance



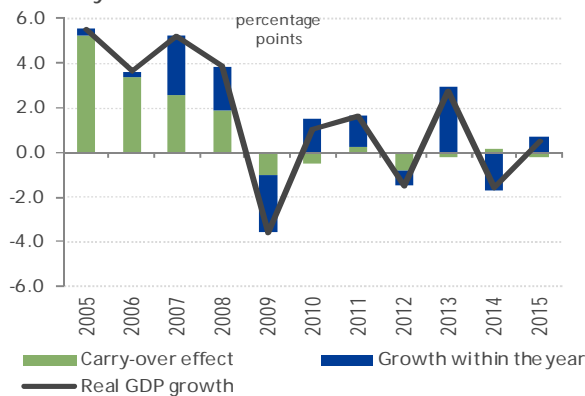
1.3 Current Account Balance



Source: Piraeus Bank Research, Datastream, National Sources

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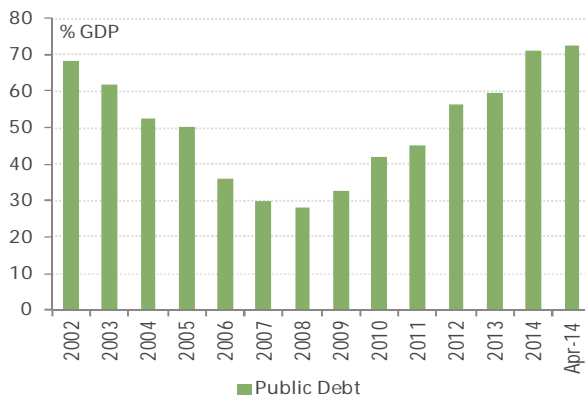
1.4 Carry Over Effect



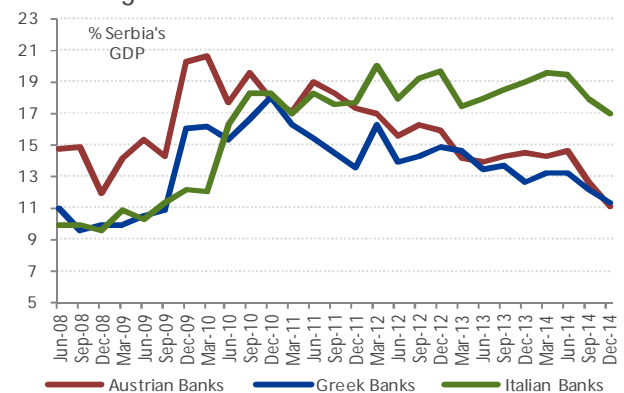
1.5 Retail Sales & Real Wages



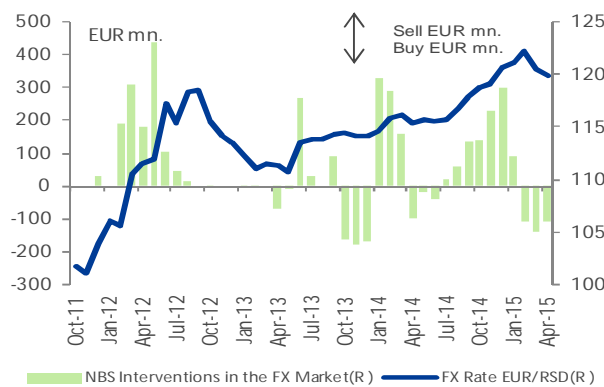
1.6 Public Debt



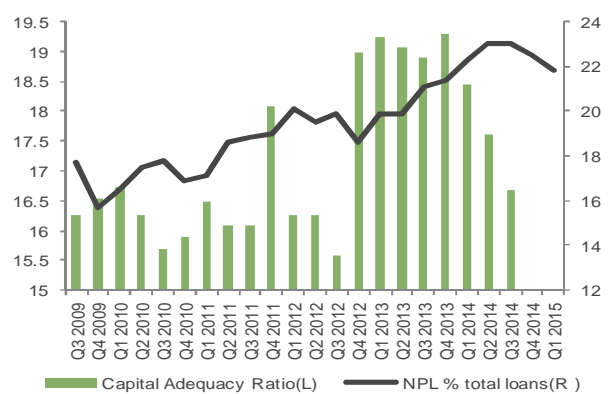
1.7 Foreign Claims



1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



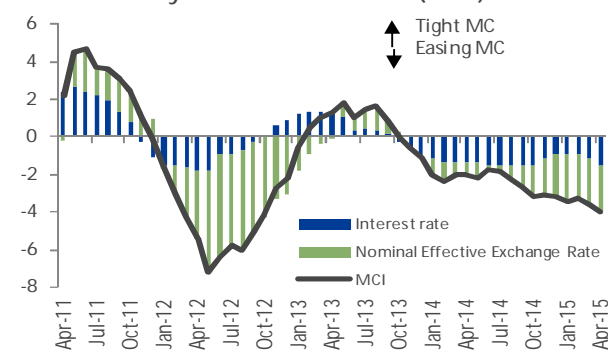
1.9 Capital Adequacy & NPLs



2.0 Private Sector Deposits & Credit



2.1 Monetary Conditions Index (MCI)



Note: The index is a weighted average of the annual change in policy rate (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate).

Source: Piraeus Bank Research, Datastream, National Sources, BIS

Economic Analysis & Markets Division

Lekkoslias	Chief Economist	+30210 3288120	Lekkosli@piraeusbank.gr
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Greek Economy

Staggel Irini	Manager	+30210 3288192	Staggelir@piraeusbank.gr
Aggelopoulou Anastasia	Economist	+30210 3739627	Aggelopouloua@piraeusbank.gr
Gavalas Dimitrios	Junior Economic Analyst	+30216-4001737	GavalasD@piraeusbank.gr

Developed Economies

Patikis Vasileios	Head	+302103739178	Patikisv@piraeusbank.gr
Polychronopoulos Dionysis	Senior Economist	+30210 3288694	Polychronopoulosd@piraeusbank.gr
Arakelian Veni	Senior Economist	+30210 3739369	Arakelianv@piraeusbank.gr
Papakostas Chrysovalantis	Economic Analyst	+30210 3298778	Papakostasc@piraeusbank.gr
Giannakidis Charilaos	Junior Economic Analyst	+302103739612	Giannakidisch@piraeusbank.gr
Konstantoy Evangelia	Junior Economic Analyst	+30210 3739749	Konstantoue@piraeusbank.gr

Developing Economies

Rotsika Dimitria	Economist	+30210 3288365	Rotsikad@piraeusbank.gr
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Sectoral Studies

Vlachou Paraskevi	Economic Analyst	+30210 3335631	Vlachoupar@piraeusbank.gr
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Institutional & Regulatory Developments

Leventakis Artemis	Senior Economist	+30216 4001792	Leventakisar@piraeusbank.gr
Margariti Konstantina	Junior Economic Analyst	+30210 3739642	Margaritik@piraeusbank.gr

Secretary

Papioti Evangelia	Secretary	+30210 3288187	Papiotie@piraeusbank.gr
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