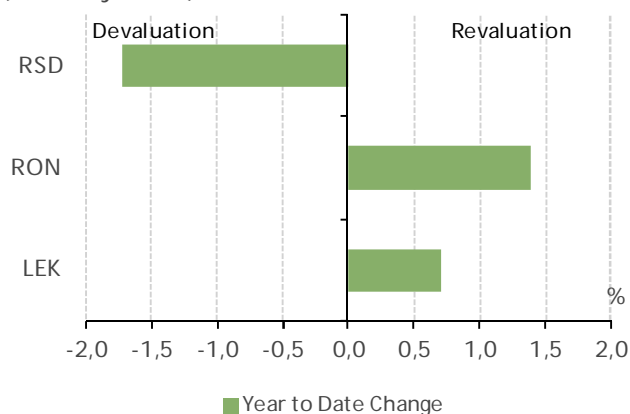




ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- In Albania, according to the Ministry of Finance, the fiscal deficit moderated in 2014Q1 to 0.5% of GDP from 1.1% in 2013Q1, as public spending contracted to 6.2% of GDP from 6.7% for the same quarters. Revenues totalled 5.8% of GDP in 2014Q1 from 5.6% for the same period last year.
- Bulgaria's public debt, according to Eurostat, amounted to 20.3% of GDP in 2014Q1 from 18.9% in 2013Q4 and 18.0% in 2013Q1.
- Cyprus's public debt, according to Eurostat, amounted to 112.2% of GDP in 2014Q1 from 111.7% in 2013Q4 and 87.6% in 2013Q1.
- Romania's public debt, according to Eurostat, amounted to 39.0% of GDP in 2014Q1 from 38.4% in 2013Q4 and 38.7% in 2013Q1.
- In Serbia, private sector credit contracted by 3.9% YoY in June from a decrease of 0.7% in June last year, as loans to businesses contracted.

Bilateral Exchange Rates vs. the Euro
(24th July 2014)

CDS 5Y USD

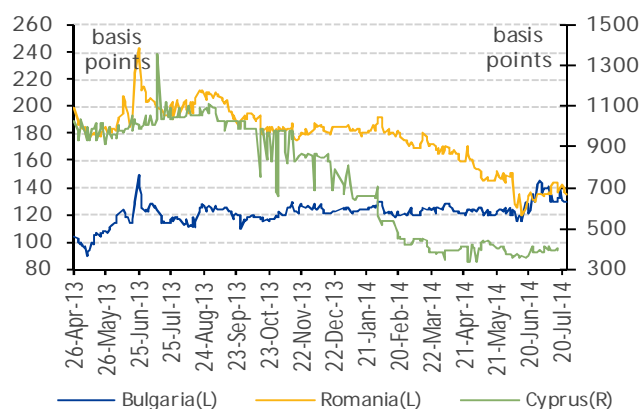


Table of Economic Forecasts

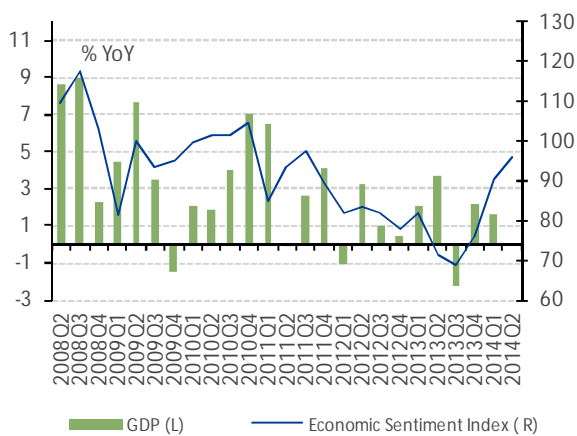
	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2013	2014f	2013	2014f	2013	2014f	2013	2014f
Albania	0,4	1,9	1,9	2,5	-4,7	-5,6	-10,6	-11,0
Bulgaria	0,8	1,9	0,9	1,0	-1,9	-1,9	1,9	0,5
Cyprus	-5,4	-4,2	-0,4	0,5	-5,1	-5,5	-1,9	1,0
Romania	3,3	2,9	4,0	3,0	-2,5	-2,9	-1,1	-2,0
Serbia	2,5	1,3	7,9	5,1	-4,8	-6,5	-4,8	-4,9

Source: Piraeus Bank Research, Datastream, Bloomberg

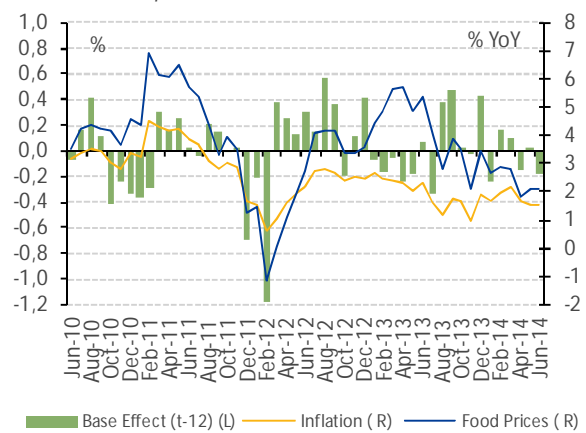
A. ALBANIA

- In 2014Q2, the economic sentiment indicator recorded its highest value since 2010, reaching 96.1 from 90.5 in 2014Q1 and 71.5 in 2013Q2. This is just 3.9 percentage points below the threshold of 100 that separates positive from negative replies in the survey conducted. This significant improvement in the economic sentiment indicator in 2014Q2 was due to improved sentiment in all of the sectors of the economy, mainly in the industry, trade and services sector sentiments. Consumer sentiment improved in the same period. (Graph 1.0)
- In 2014Q1, the fiscal deficit moderated to 0.5% of GDP from 1.1% in 2013Q1, as public spending contracted to 6.2% of GDP from 6.7% for the same quarters. Revenues totalled 5.8% of GDP in 2014Q1 from 5.6% for the same period last year. (Graph 1.2)

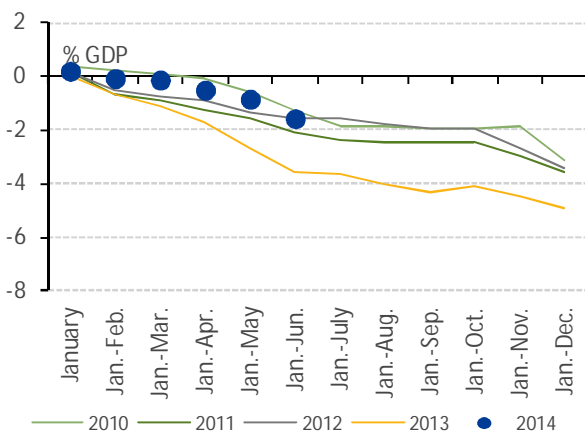
1.0 Real GDP & Economic Sentiment Index



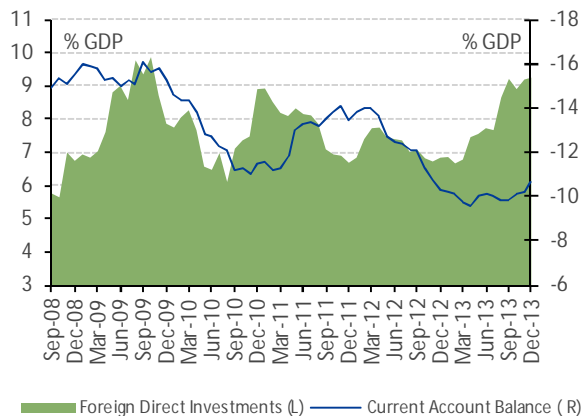
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



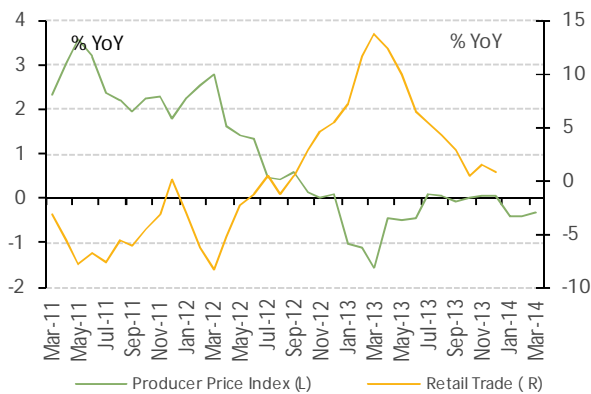
1.3 Current Account Balance & FDIs (12m rolling sum)



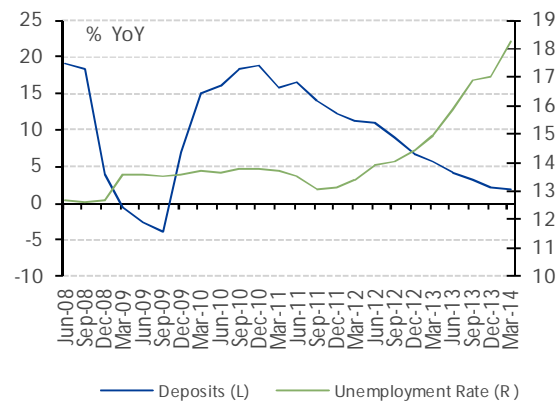
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

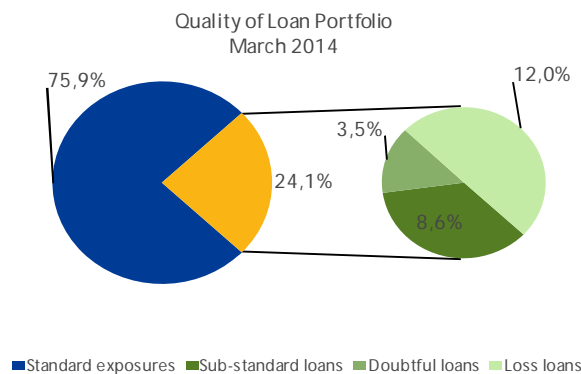
1.4 Producer Price Index & Retail Trade



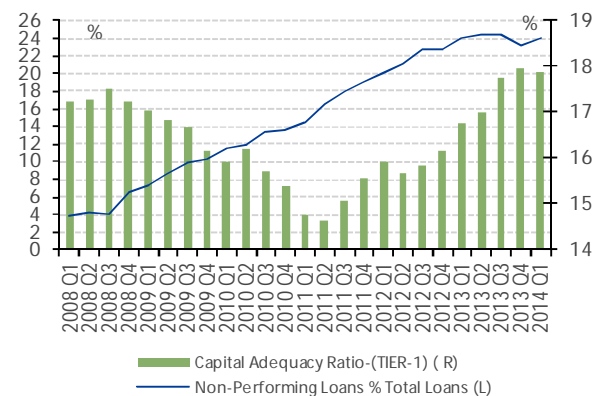
1.5 Total Deposits & Unemployment Rate



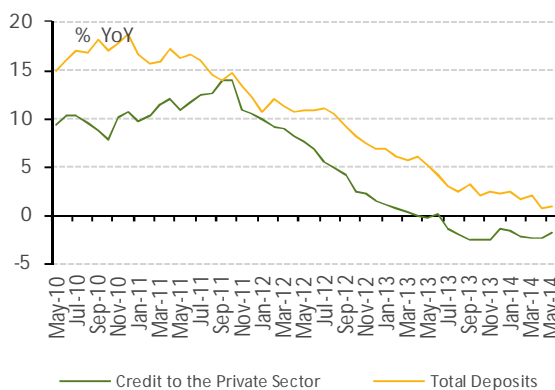
1.6 Quality of Loan Portfolio



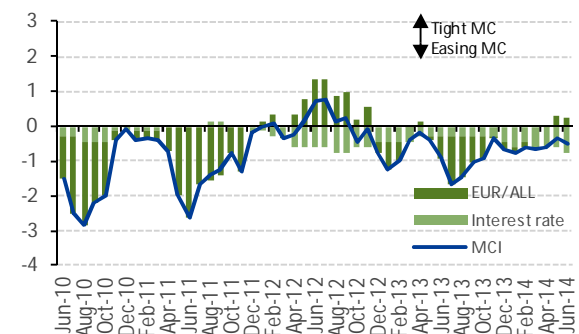
1.7 NPLs & Capital Adequacy Ratio



1.8 Credit Expansion & Total Deposits

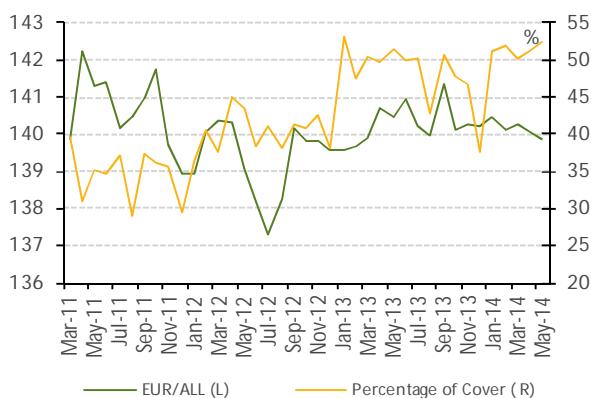


1.9 Monetary Conditions Index (MCI)

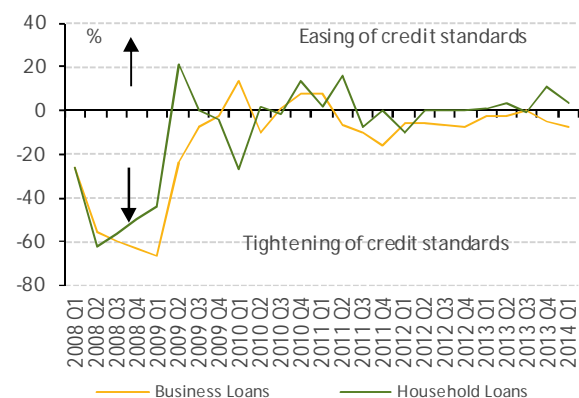


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (40% weight).

2.0 EUR/ALL & Imports to Exports Coverage



2.1 Central Bank's Lending Survey

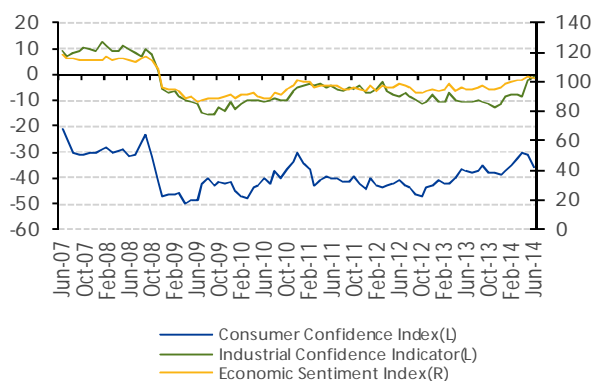


Source: Piraeus Bank Research, Datastream, National Sources

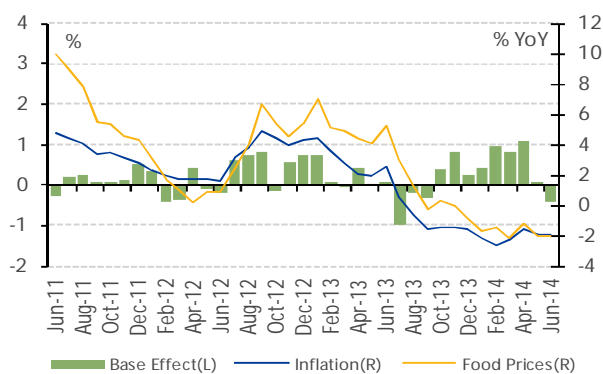
B. BULGARIA

- In January-May, the current account deficit widened to 0.6% of GDP from 0.2% in January-May last year, due to the worsening trade deficit, which rose to 3.5% from 2.3% for the same periods. The current account deficit was financed by net FDIs as the latter stood at 0.7% of GDP in January-May from 1.1% for the same period last year. (Graph 1.3)
- In June, foreign exchange reserves decreased by 2.4% YoY compared to an increase of 10.3% in June 2013. In May reserves covered 122.5% of the short-term gross external debt from 120.7% in May 2013. (Graph 1.8)
- In June, private sector credit increased at a faster rate of 2.1% YoY from 1.0% in June 2013, as business loans increased by 3.1% from 2.0% for the same months. Household lending increased by 0.3% in June compared with a decrease of 0.9% in June 2013, whereas private sector deposits increased at a faster rate of 6.4% YoY from 4.6% for the same months. Finally, in June, the liquidity ratio (loans/deposits) moderated to 77.7% from 80.9% in June last year. (Graph 2.0)

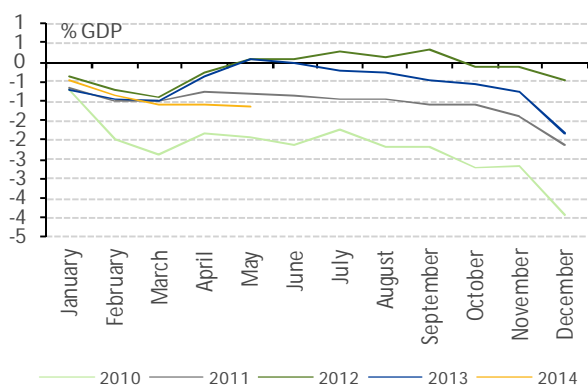
1.0 Leading Indicators



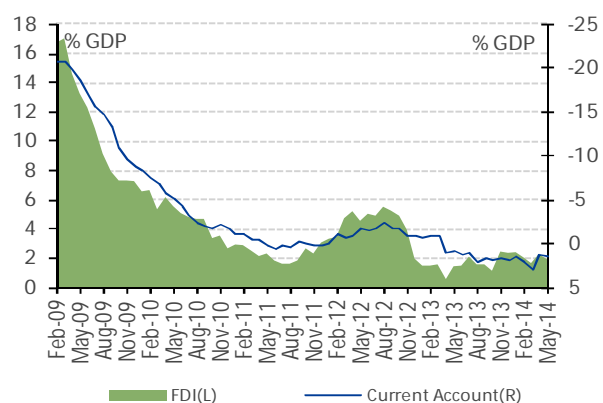
1.1 Inflation & Base Effect



1.2 Fiscal Balance



1.3 Current Account Balance & FDIs (12m rolling sum)

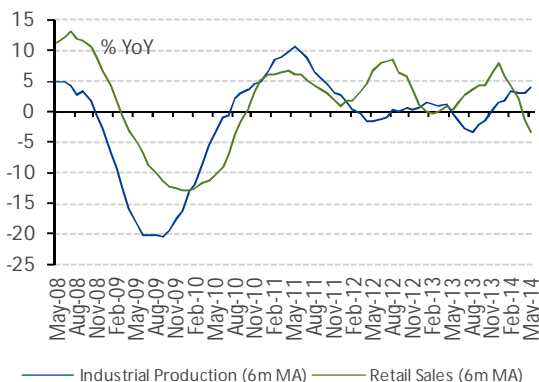
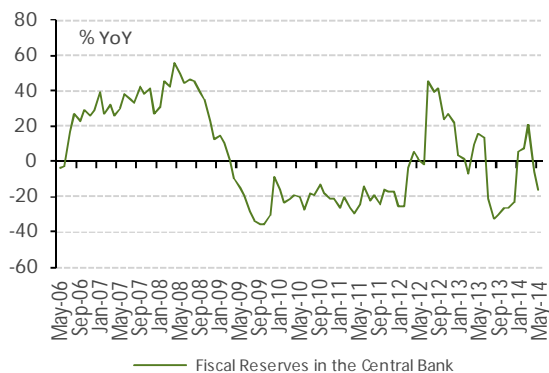


Source: Piraeus Bank Research, Datastream, National Sources

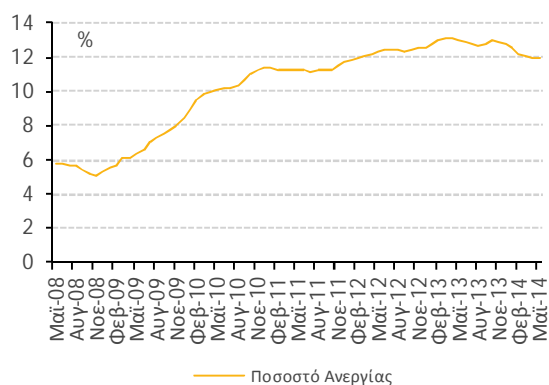
1.4 Fiscal Reserves

1.5 Industrial Production & Retail Sales

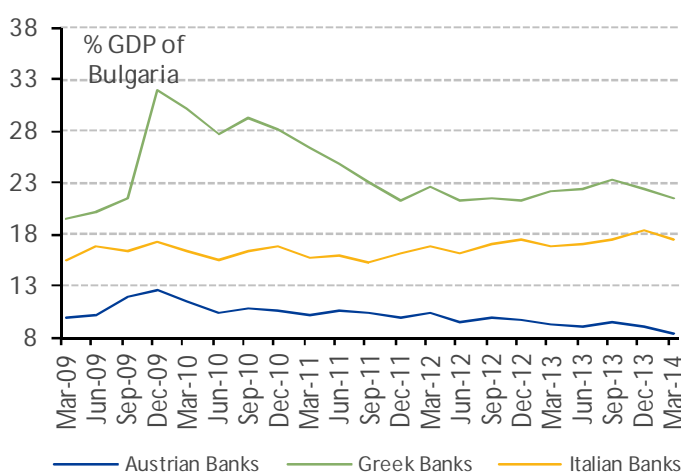
ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE



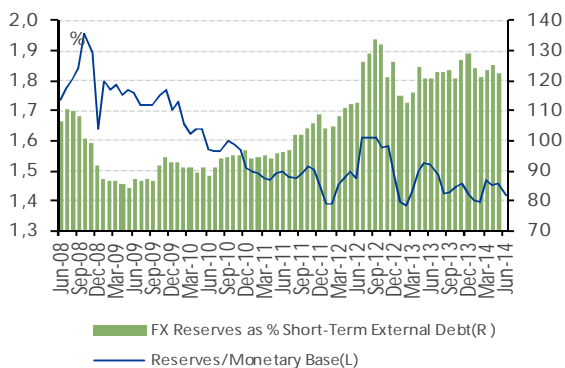
1.6 Unemployment Rate



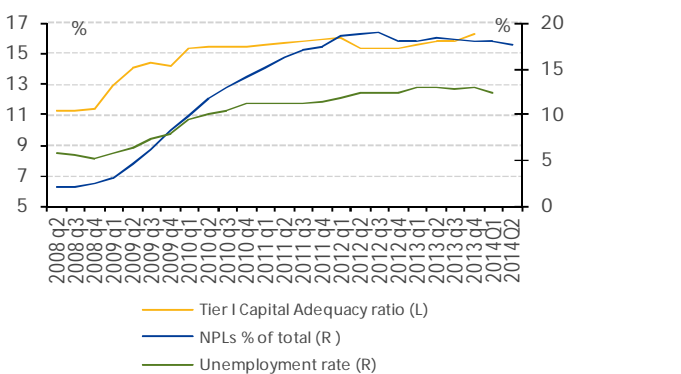
1.7 Foreign Claims



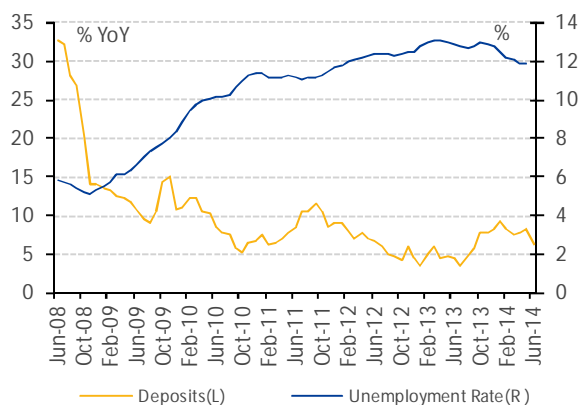
1.8 FX Reserves & Monetary Base



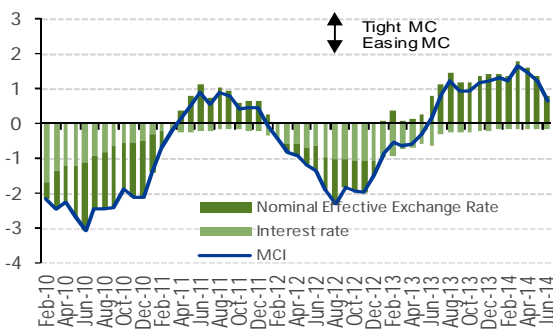
1.9 Unemployment Rate, NPLs & Capital Adequacy



2.0 Deposits & Unemployment Rate



2.1 Monetary Conditions Index (MCI)

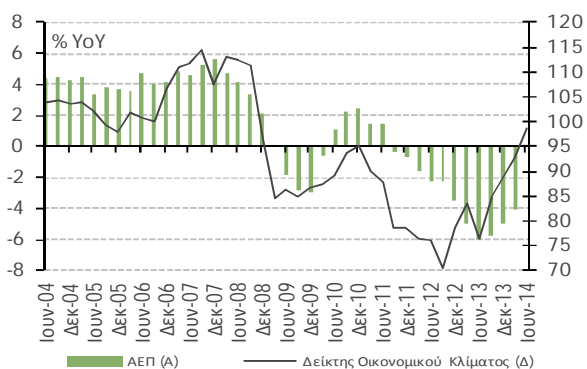


Source: Piraeus Bank Research, Datastream, National Sources, BIS

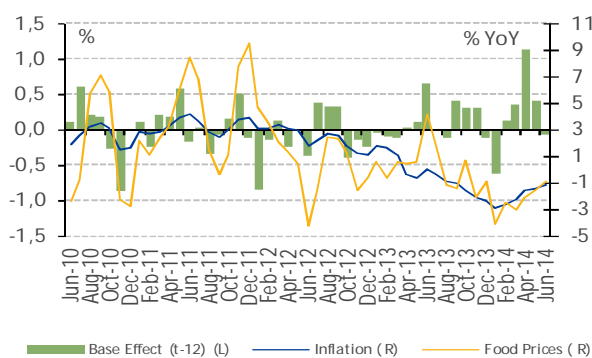
C. CYPRUS

- In the tourism sector, tourist arrivals in June increased at a faster rate of 11.0% YoY from 6.1% in May and -6.6% in June last year. (Graph 1.5)
- In January-June 2014 the fiscal balance turned to surplus of 0.04% of GDP from a deficit of 1.64% in January-June 2013 due to an increase in public revenues of 1.8% YoY, as tax revenues increased by 3.0% YoY. Public spending, in January-June, decreased by 6.6% YoY as wages decreased by 4.5% YoY. (Graph 1.2)

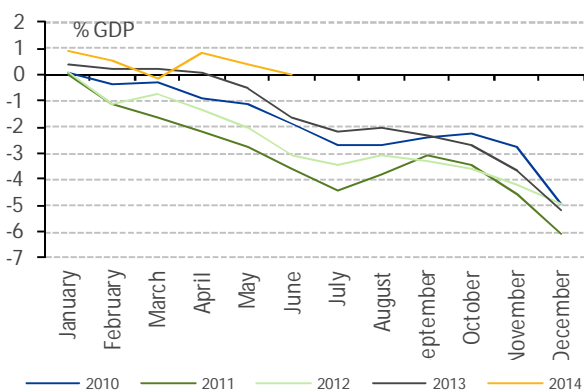
1.0 Real GDP & Economic Sentiment Indicator (ESI)



1.1 Inflation & Base Effect



1.2 Fiscal Balance



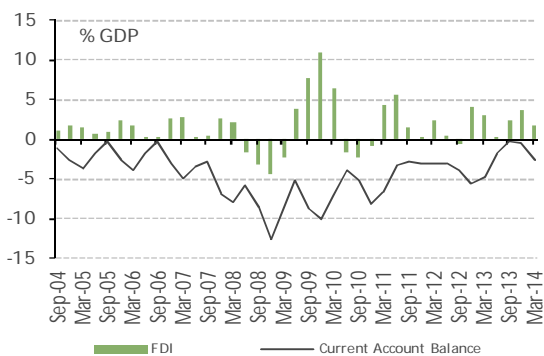
1.3 Public Debt



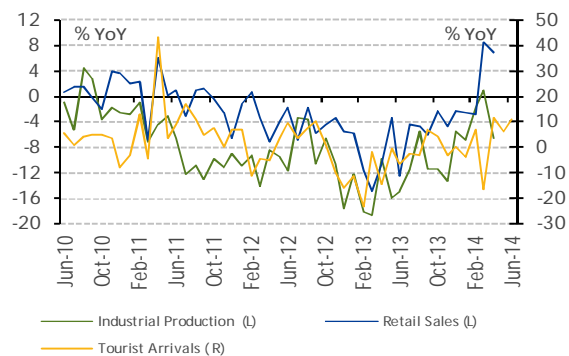
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

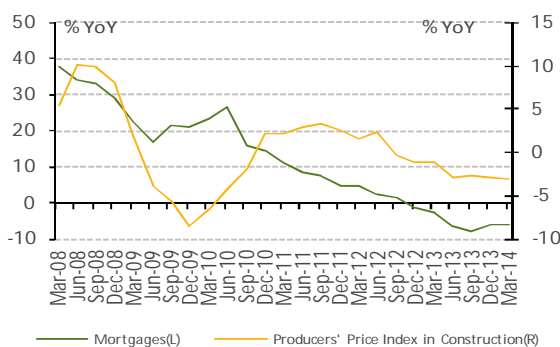
1.4 Current Account Balance (6m MA)



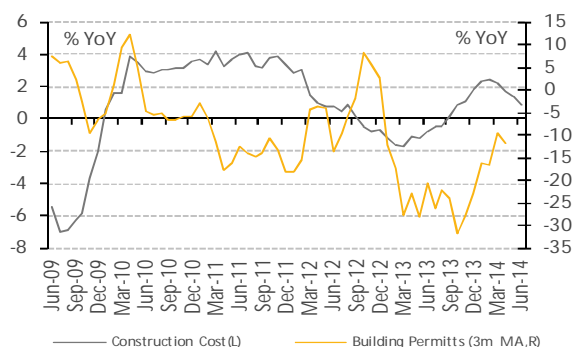
1.5 Industrial Production, Retail Sales & Tourist Arrivals



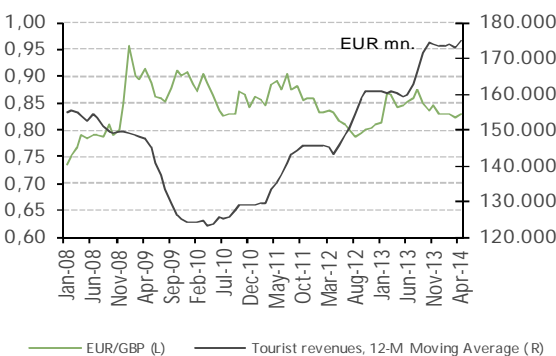
1.6 Mortgage Loans & Producer's Price Index in Construction



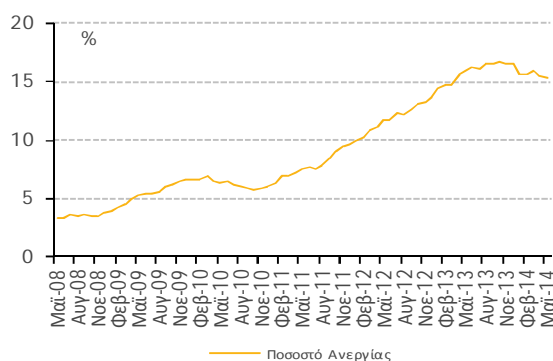
1.7 Construction Cost & Building Permits



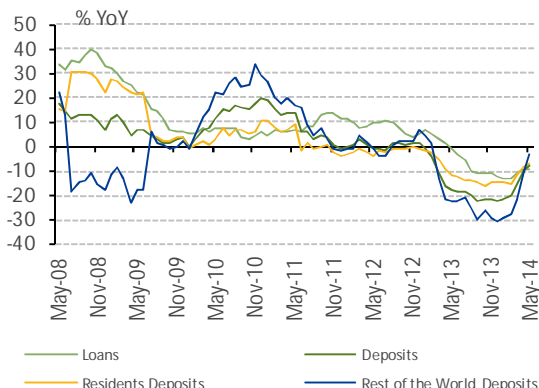
1.8 EUR/GBP & Tourism Revenues



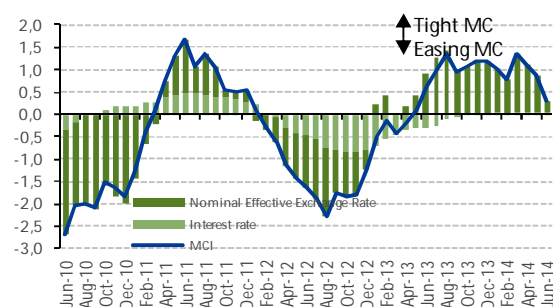
1.9 Unemployment Rate



2.0 Loans & Deposits



2.1 Monetary Conditions Index (MCI)



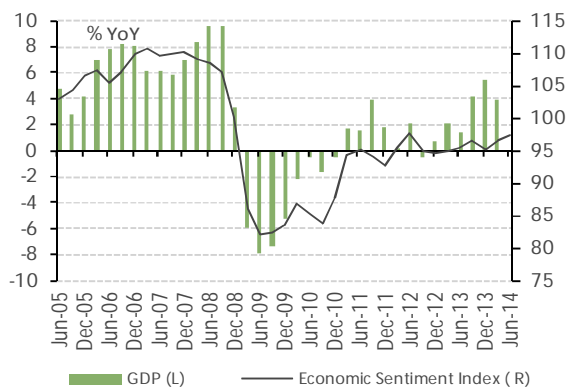
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

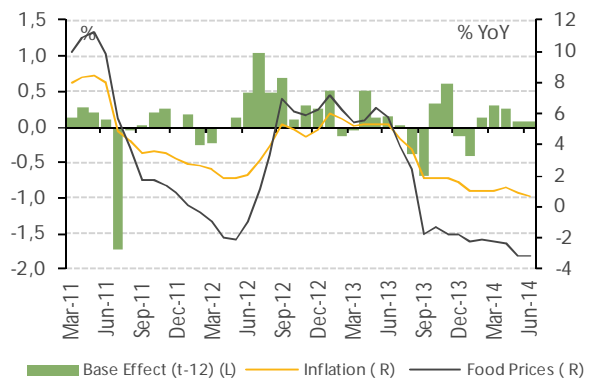
D. ROMANIA

- In January-May, the current account deficit amounted to 0.24% of GDP compared to a surplus of 0.13% in January-May 2013, as the trade deficit totalled 0.88% from 0.89% and the income deficit widened to 1.54% of GDP from 0.90% during the same periods. The current account balance was financed, as net FDIs stood at 0.79% of GDP in January-May from 0.65% for the same period last year. (Graph 1.3)
- Private sector credit contracted further in June by 3.9% YoY from a decrease of 1.3% in the same month last year. Local currency loans increased at a faster rate, but foreign currency loans contracted further. In June, business loans contracted by 5.0% from -1.3% in June last year, while household loans decreased by 2.6% from -1.2% for the same months. Private sector deposits increased in June at a faster rate of 5.9% YoY from 5.8% in June 2013, while the liquidity ratio (loans/deposits) fell to 100.6% from 110.9% for the same months. (Graphs 1.8 & 1.9)
- In May, gross external debt moderated to 63.2% of GDP from 67.7% in 2013. Both medium and short-term external debt declined. (Graph 1.7)

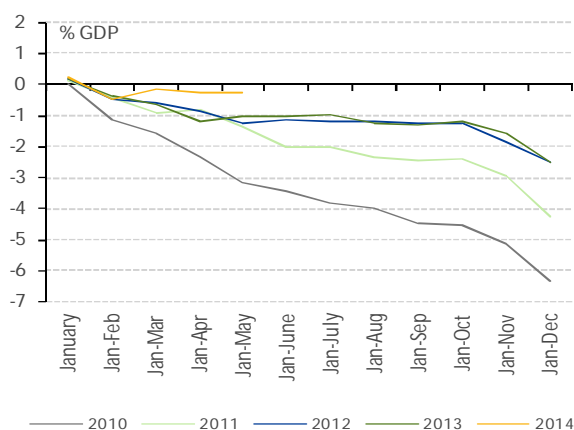
1.0 Leading Indicators



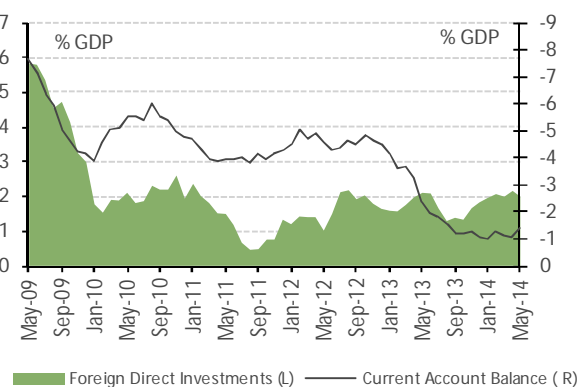
1.1 Inflation & Base Effect



1.2 Fiscal Balance



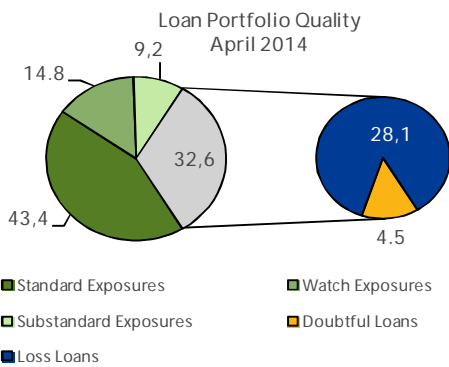
1.3 Current Account Balance & FDIs (12m rolling sum)



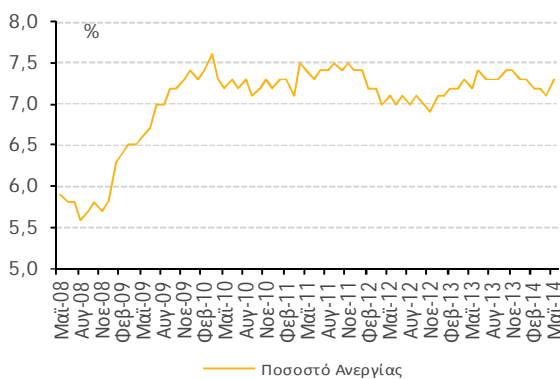
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

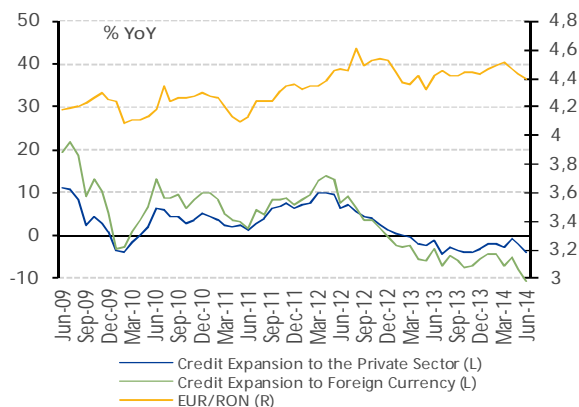
1.4 Loan Portfolio Quality



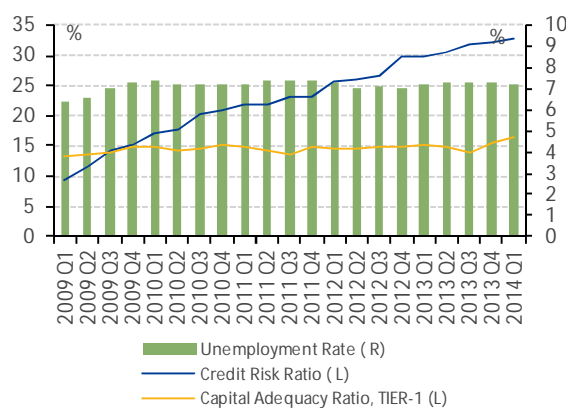
1.6 Unemployment Rate



1.8 Credit Expansion & FX Rate

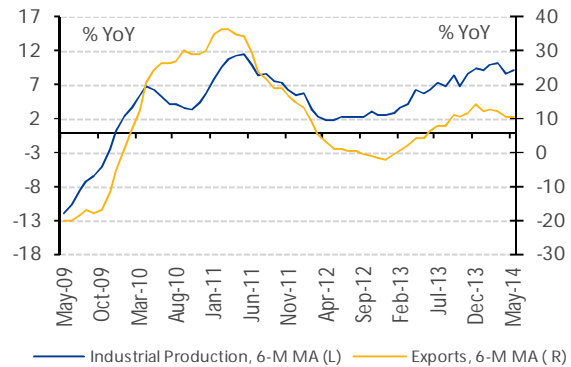


2.0 Unemployment Rate, NPLs & Capital Adequacy

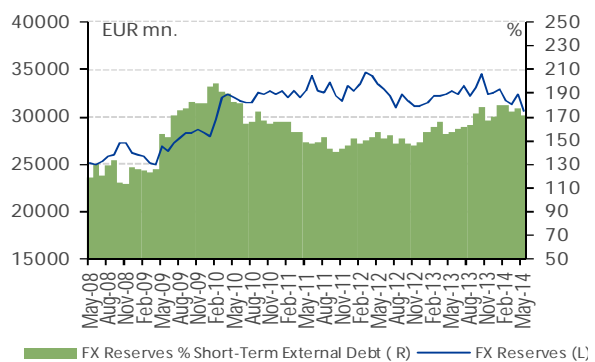


Source: Piraeus Bank Research, Datastream, National Sources

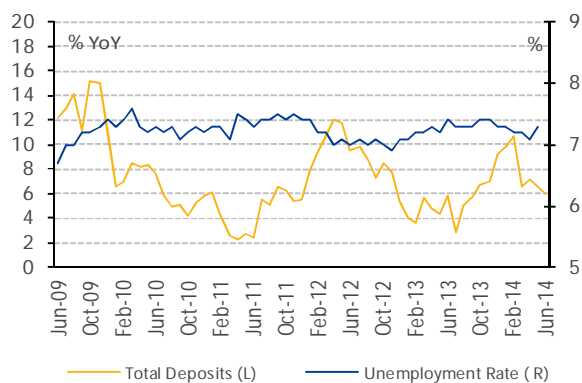
1.5 Industrial Production & Exports



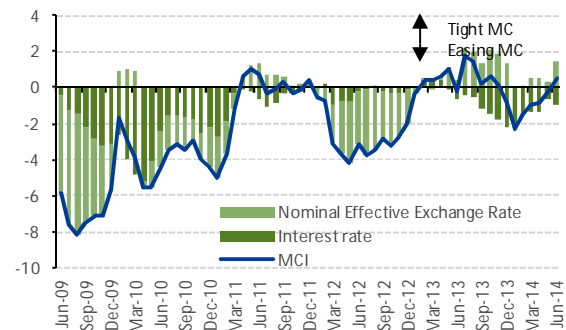
1.7 FX Reserves as % of Short-Term External Debt



1.9 Deposits & Unemployment Rate



2.1 Monetary Conditions Index (MCI)

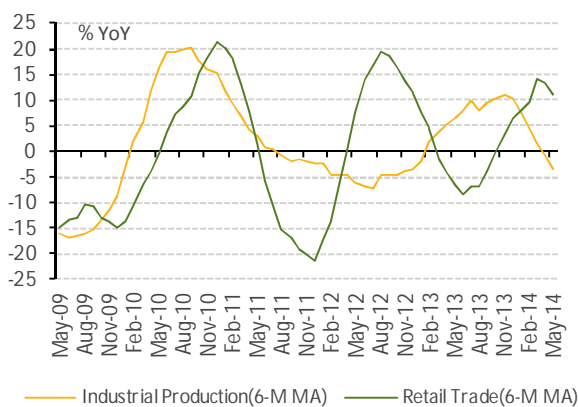


Note: The index is a weighted average of the annual change in interest rate BUBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

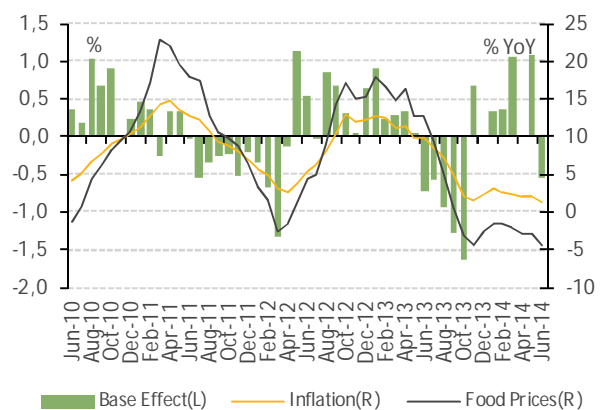
E. SERBIA

- In June, private sector credit contracted by 3.9% YoY from a decrease of 0.7% in June last year, as loans to businesses contracted. However, household lending increased in June. Private sector deposits increased by 4.8% YoY in June from 7.6% in the same month last year. (Graph 2.0)

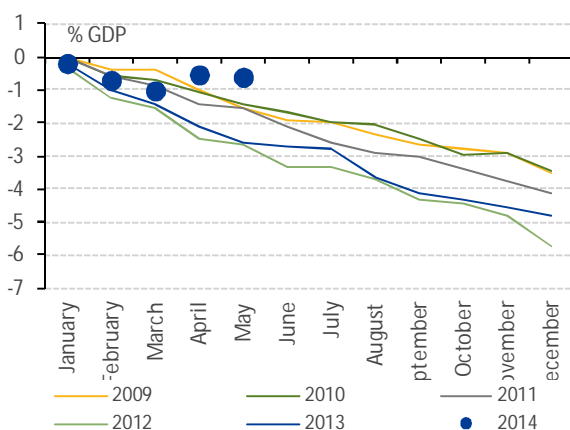
1.0 Leading Indicators



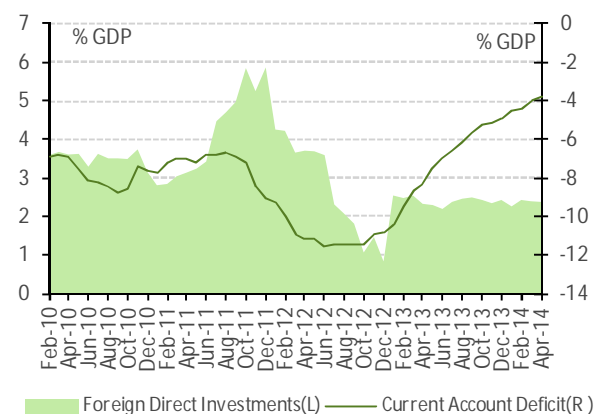
1.1 Inflation & Base Effect



1.2 Fiscal Balance

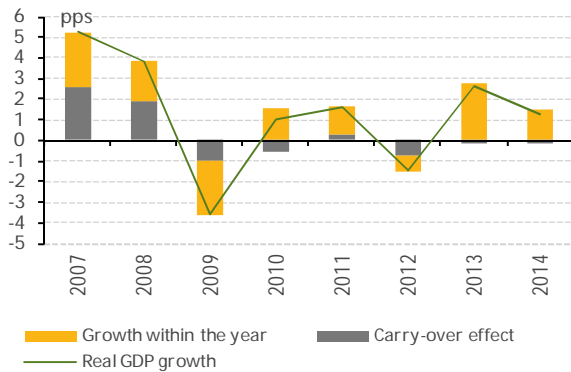


1.3 Current Account Balance & FDIs (12m rolling sum)

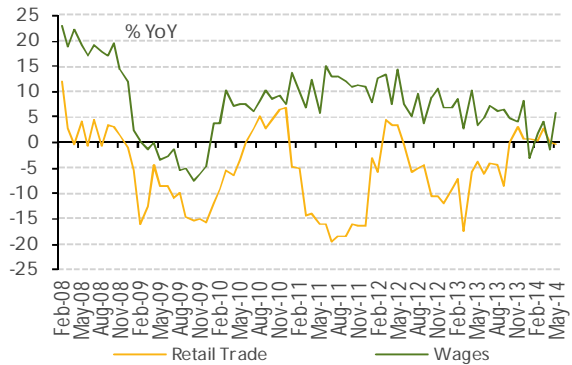


Source: Piraeus Bank Research, Datastream, National Sources

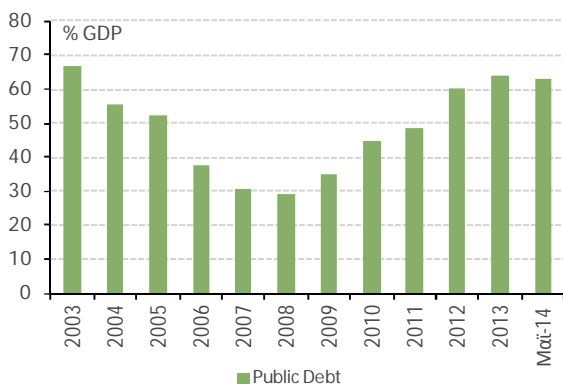
1.4 Carry Over Effect



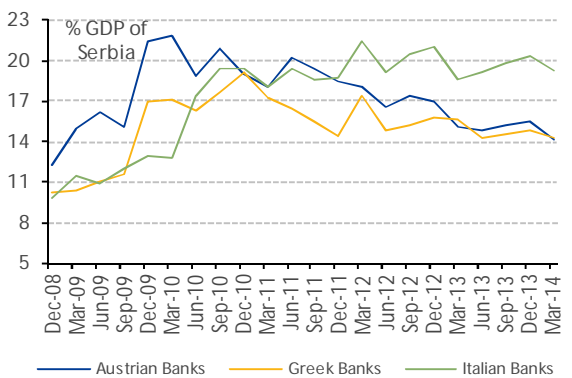
1.5 Retail Sales & Real Wages



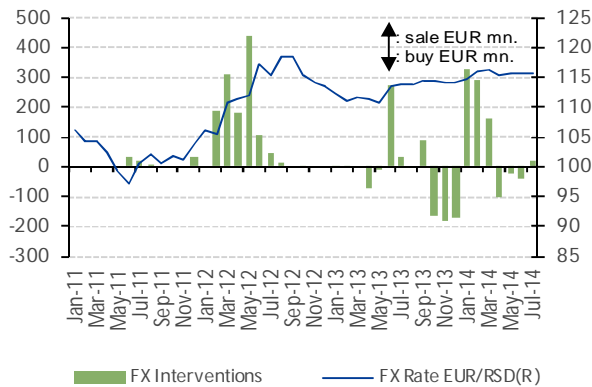
1.6 Public Debt



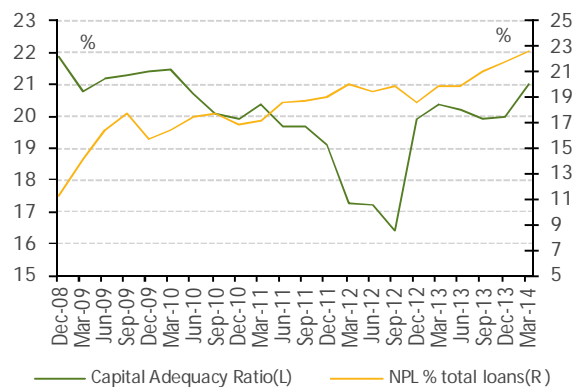
1.7 Foreign Claims



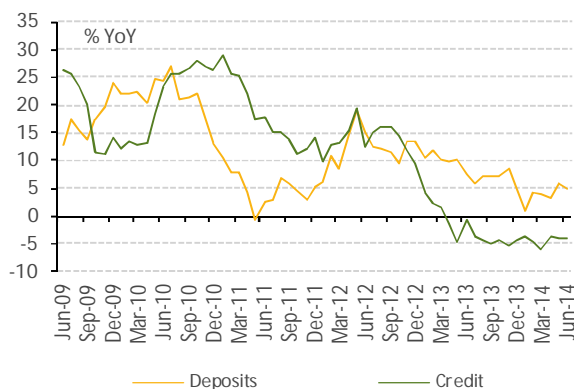
1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



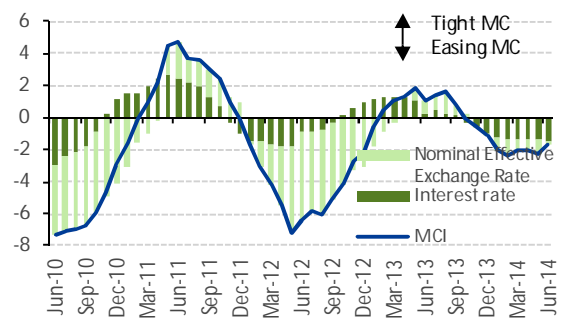
1.9 Capital Adequacy & NPLs



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).

Economic Analysis & Markets Division

Lekkos Ilias	Chief Economist	+30210 3288120	LekkosI@piraeusbank.gr
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Greek Economy

Staggel Irini	Manager	+30210 3288192	StaggelI@piraeusbank.gr
Gavalas Dimitrios	Junior Economic Analyst	+30216-4001737	GavalasD@piraeusbank.gr

Developed Economies

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
Konstantoy Evangelia	Junior Economic Analyst	+30210 3739749	Konstantoue@piraeusbank.gr

Developing Economies

Rotsika Dimitria	Economist	+30210 3288365	Rotsikad@piraeusbank.gr
Margariti Konstantina	Junior Economic Analyst	+30210 3739642	Margaritik@piraeusbank.gr

Sectoral Studies

Daggalidis Athanasios	Senior Economist	+302310 293564	Athanasios.Dagalidis@piraeusbank.gr
Vlachou Paraskevi	Economic Analyst	+30210 3335631	Vlachoupar@piraeusbank.gr
Fragkoulidou Ifigenia	Officer	+302310 293403	FragkoulidouI@piraeusbank.gr

Institutional & Regulatory Developments

Leventakis Artemis	Senior Economist	+30216 4001792	Leventakisar@piraeusbank.gr
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Secretary

Zorba Aikaterini	Secretary	+30210 3288187	ZorbaAik@piraeusbank.gr
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