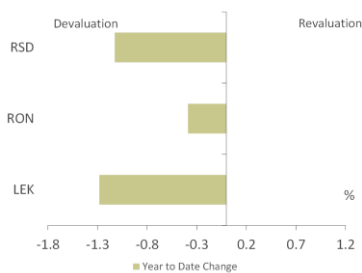




January 2016

Bilateral Exchange Rates vs the EUR (29th January 2016)



Source: Piraeus Bank Research, Datastream

ECONOMIC INDICATORS BULLETIN FOR SOUTHEASTERN EUROPE

- *In Albania, credit expansion in November contracted by 2.4% YoY compared to an increase of 3.5% in November 2014, while deposits increased by 1.8% YoY from 0.4% for the same months.*

- *In Bulgaria, credit expansion in 2015 contracted at a slower rate of 1.6% of GDP compared to -8.2% in 2014, whereas deposits recovered, posting an increase of 7.4% YoY from 0.4% for the same years.*

- *In Cyprus, credit expansion contracted by 3.2% YoY in 2015 compared to a decrease of 2.0% in 2014, whereas deposits improved significantly as the annual growth rate posted a positive figure of 0.2% from -4.1% for the same years.*

- *In Romania, credit expansion improved significantly recording an increase of 3.0% YoY in 2015 compared to a contraction of 3.3% YoY in 2014, while deposits increased marginally to 8.6% from 8.2% for the same years.*

- *In Serbia, credit expansion improved in 2015 as the annual growth rate reached 3.2% compared to 0.6% in 2014, whereas deposits decelerated to 6.7% YoY from 9.5% in the same years.*

Piraeus Bank

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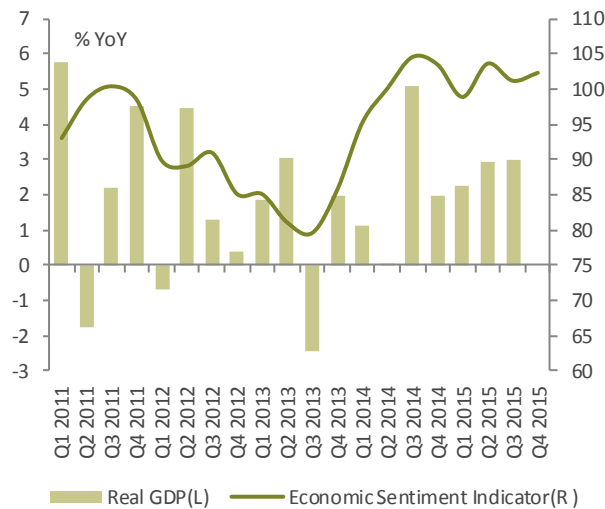
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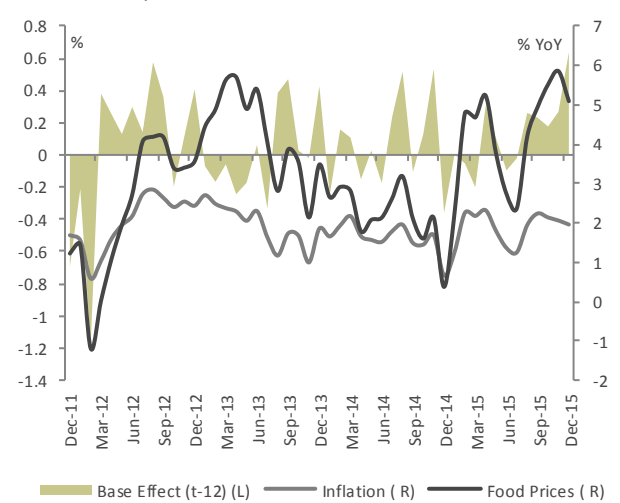
ALBANIA

- The current account deficit in Jan-Sep 2015 contracted to 7.1% of GDP compared to 9.1% of GDP in Jan-Sep 2014, due to the moderation of the trade balance to 15.2% from 15.6% for the same periods. The widening of the services and secondary income surpluses contributed positively to the improvement in the current account balance. However, the widening of the primary income deficit contributed negatively in the same period. (Graph 1.3)
- In November 2015, private sector lending contracted by 2.4% YoY from an increase of 3.5% in November 2014, as business loans decreased by 4.2% from an increase of 5.1% for the same months. Household lending increased by 1.7% YoY in November compared to 1.0% in November 2014, while private sector deposits increased by 1.8% from 0.4% for the same months. (Graphs 1.5 & 1.8)

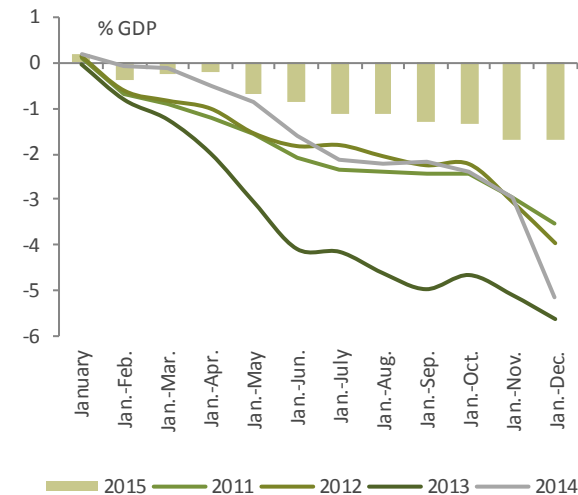
1.0 Real GDP & Economic Sentiment Index



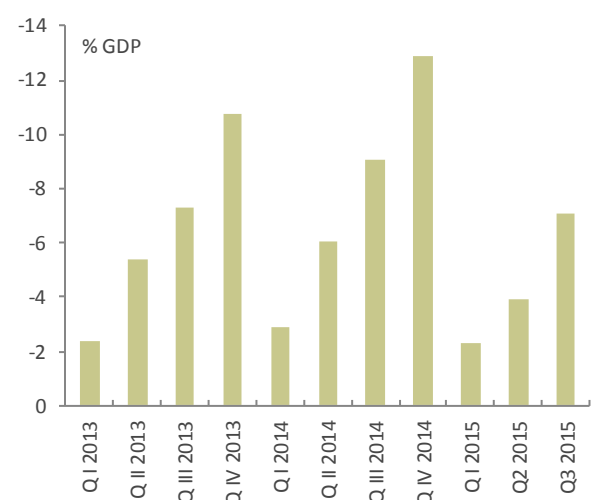
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



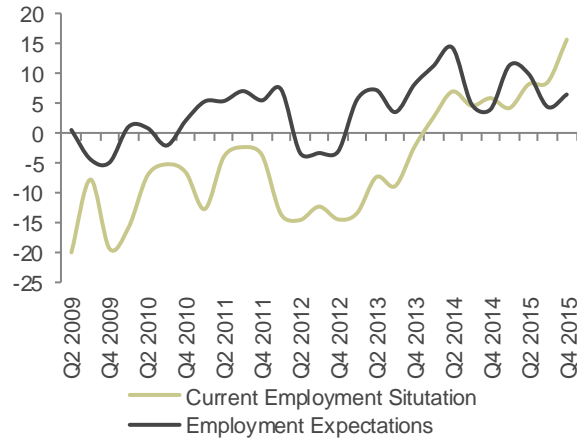
1.3 Current Account Deficit



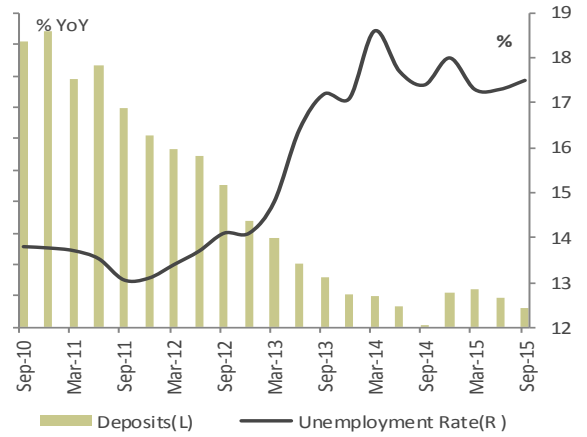
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



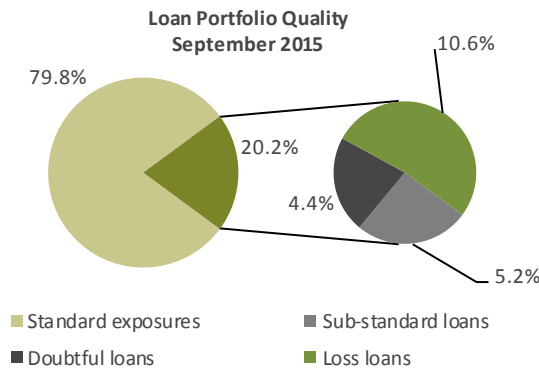
1.4 Employment Expectations



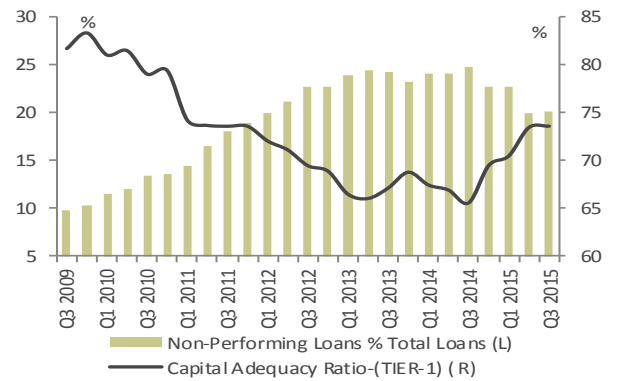
1.5 Private Sector Deposits & Unemployment Rate



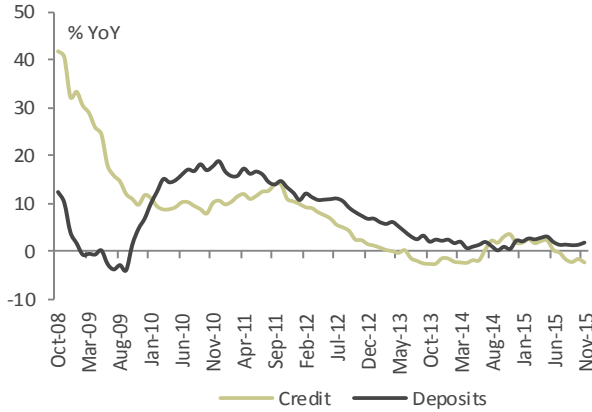
1.6 Loan Portfolio Quality



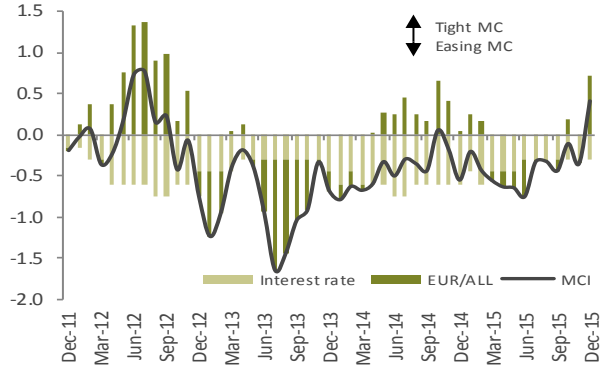
1.7 NPLs & Capital Adequacy Ratio



1.8 Private Sector Loans & Deposits

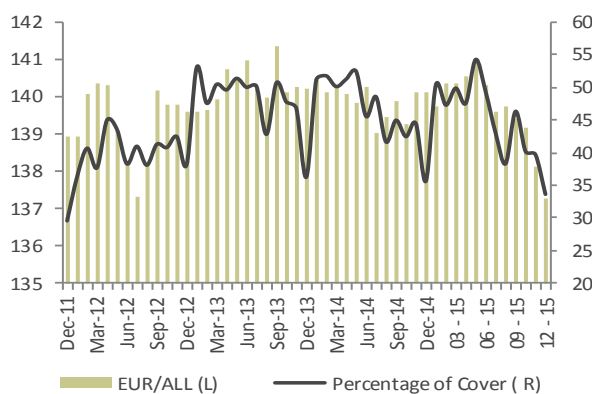


1.9 Monetary Conditions Index (MCI)

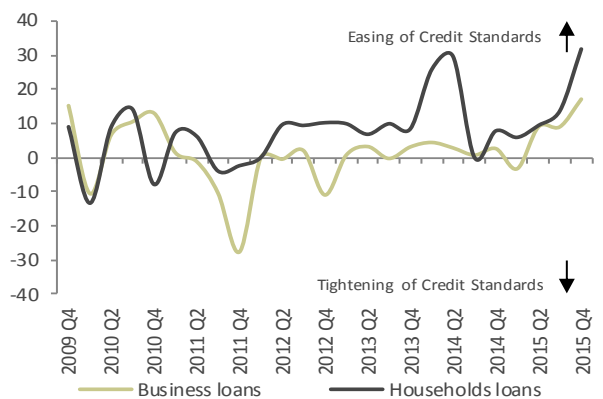


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (40% weight).

2.0 EUR/ALL & Imports to Exports Coverage



2.1 Bank of Albania's Lending Survey – Next Quarter



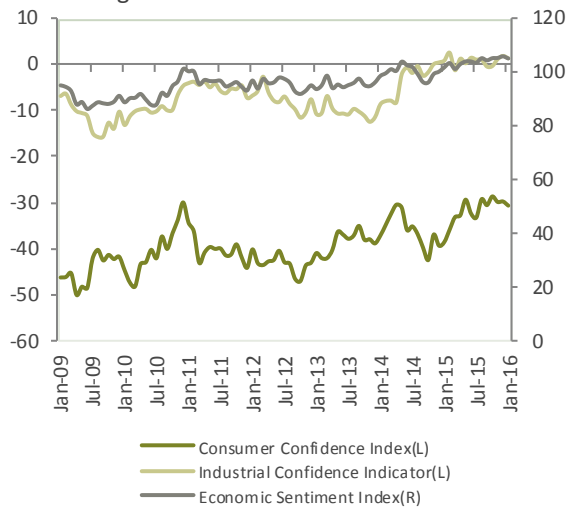
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



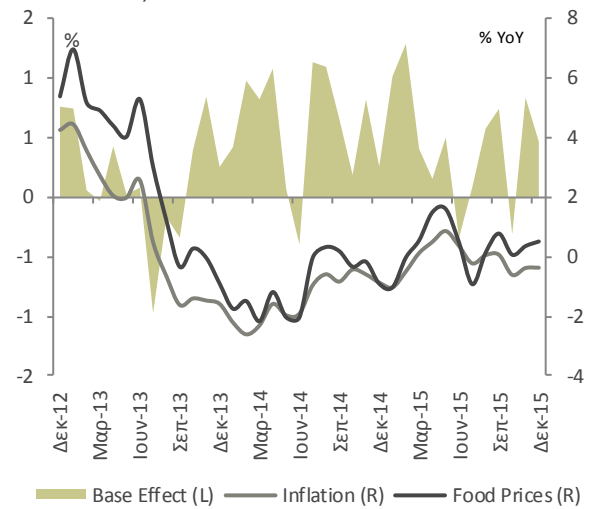
BULGARIA

- In 2015, the fiscal deficit contracted to 3.0% of GDP compared to 3.7% in 2014, as revenues increased to 38.8% from 35.8% in the same years. Public spending amounted to 40.7% of GDP in 2015 compared to 38.3% in 2014. (Graph 1.2)
- In Jan-Nov, the current account surplus moderated to 1.9% of GDP compared to 2.0% of GDP in Jan-Nov 2014, due to a positive contribution from the trade and services balances. However, the primary and secondary income balances contributed negatively in Jan-Nov to the current account balance. (Graph 1.3)

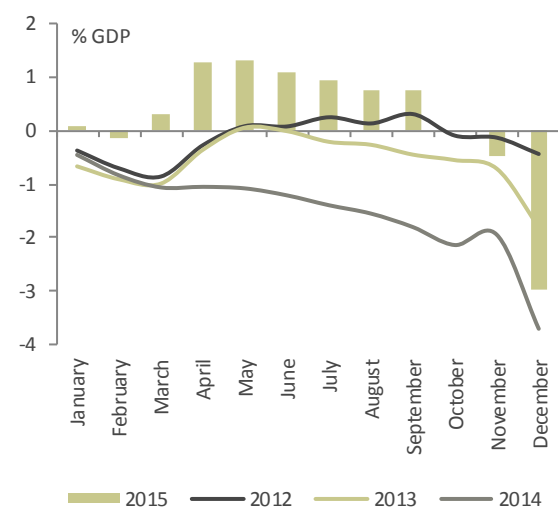
1.0 Leading Indicators



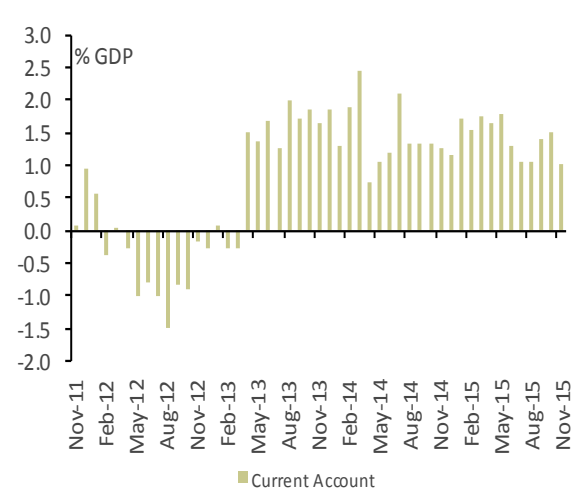
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



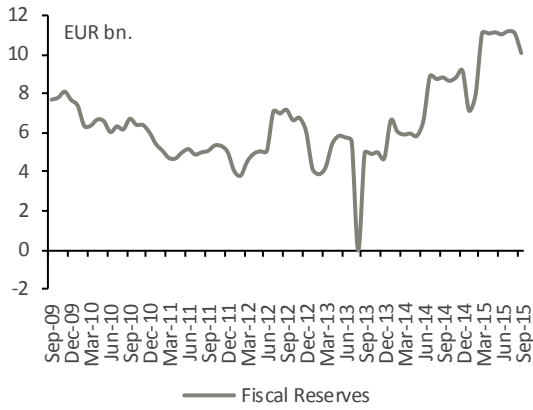
1.3 Current Account Balance



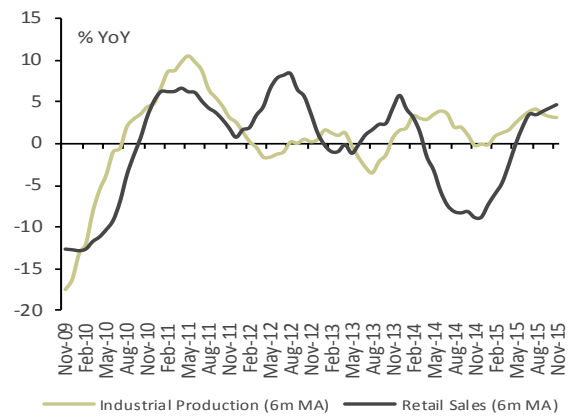
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



1.4 Fiscal Reserves



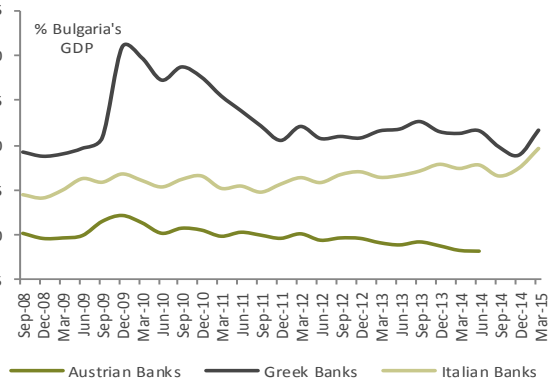
1.5 Industrial Production & Retail Sales



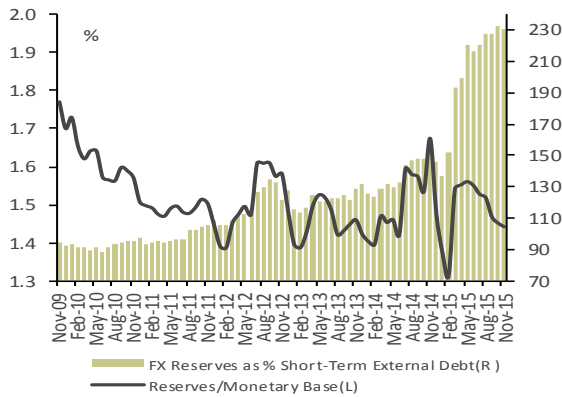
1.6 Unemployment Rate



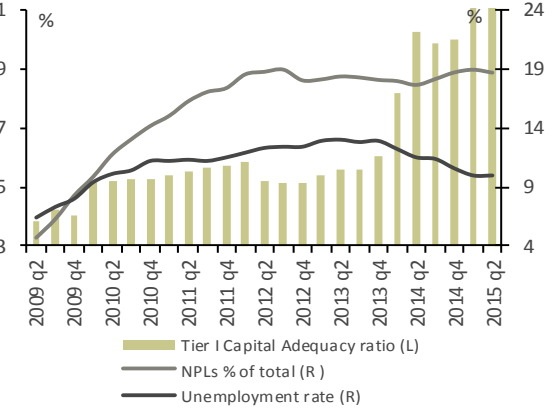
1.7 Foreign Claims



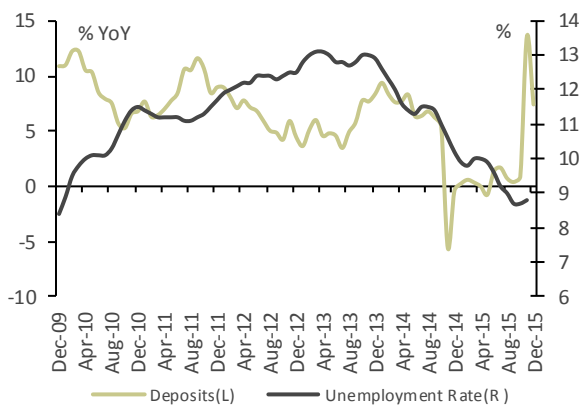
1.8 FX Reserves & Monetary Base



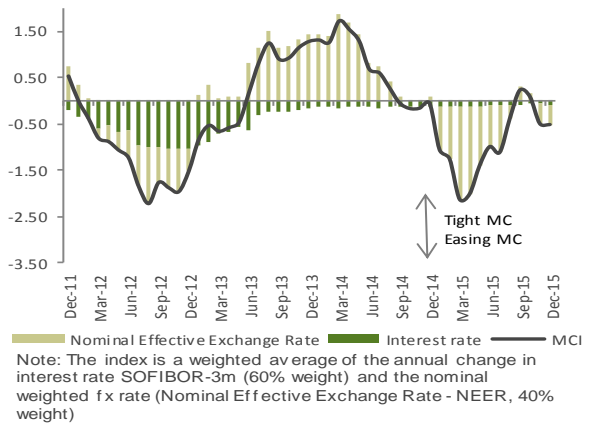
1.9 Unemployment Rate, NPLs & Capital Adequacy



2.0 Deposits & Unemployment



2.1 Monetary Conditions Index (MCI)



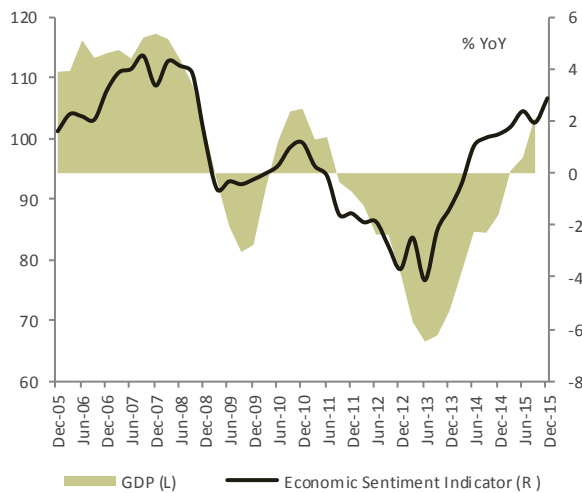
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



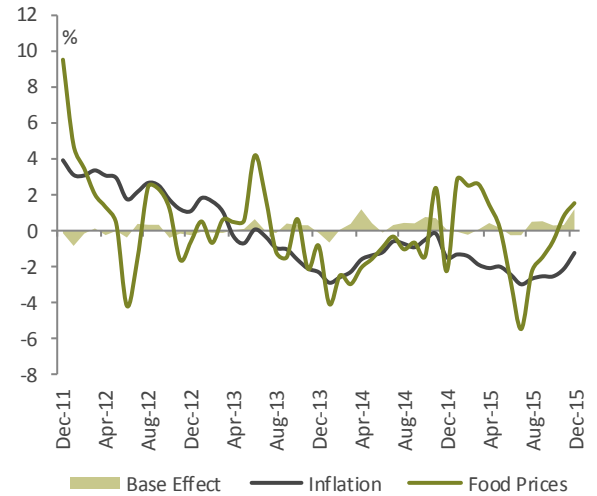
CYPRUS

- The International Monetary Fund completed the Ninth Review of Cyprus' economic adjustment programme and approved the disbursement of EUR 126.3 mn. The IMF notes that the improvement in the real and fiscal sectors has been better than expected, while non-performing loans have stabilized and banking liquidity has improved.
- In November 2015, the ratio of non-performing loans as a percentage of total loans improved to 46.1% compared to 47.8% in 2014.

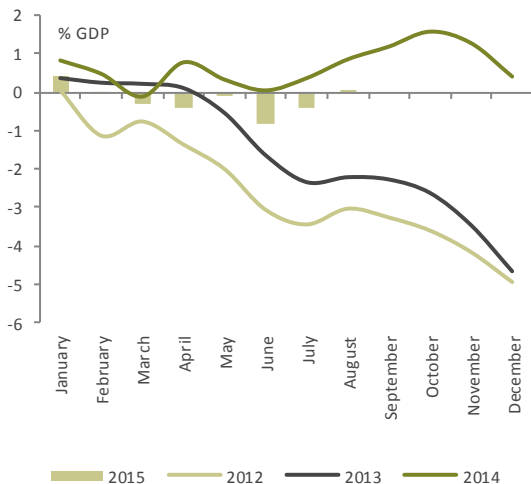
1.0 Real GDP & Economic Sentiment Indicator



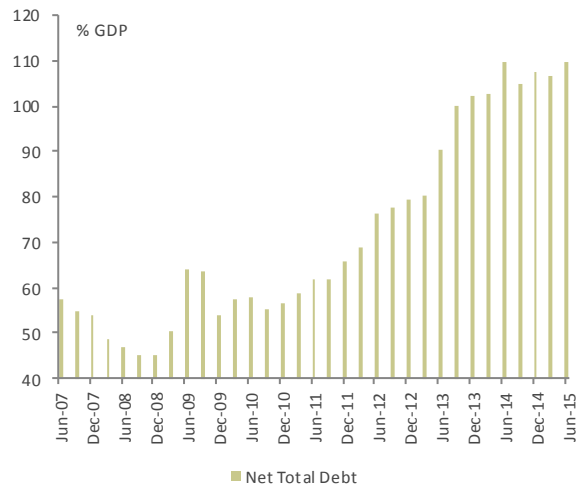
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



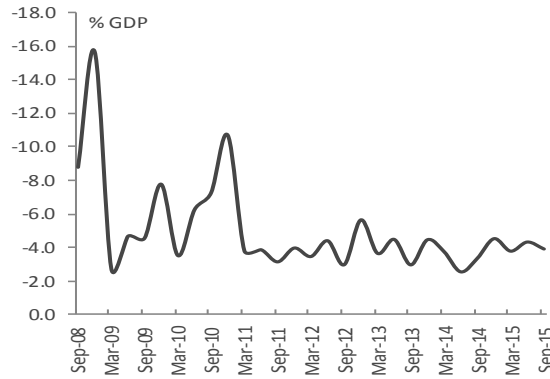
1.3 Public Debt



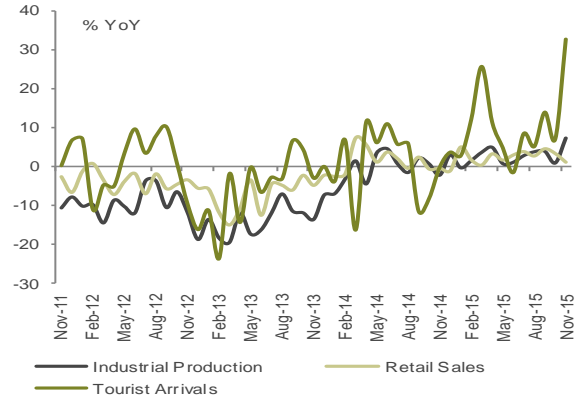
Source: Piraеus Bank Research, National Sources, Datastream, Bloomberg



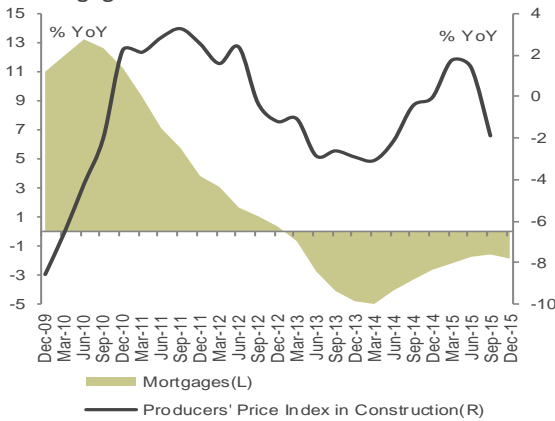
1.4 Current Account Balance



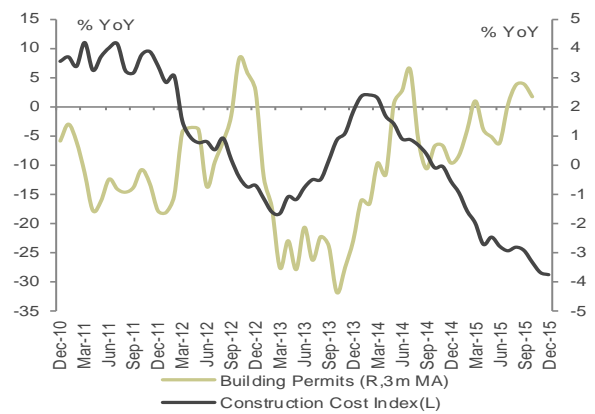
1.5 Industrial Production, Retail Sales & Tourist Arrivals



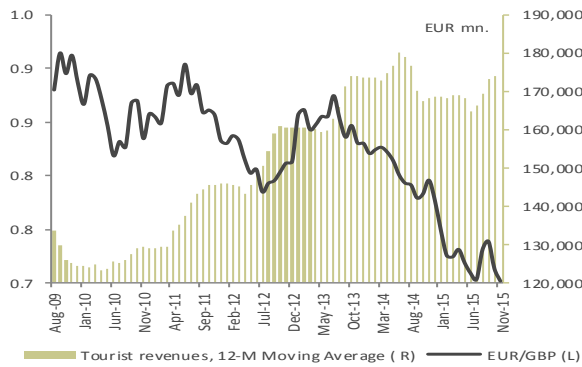
1.6 Mortgage Loans & PPI in Construction



1.7 Construction Cost & Building Permits



1.8 EUR/GBP & Tourism Revenues



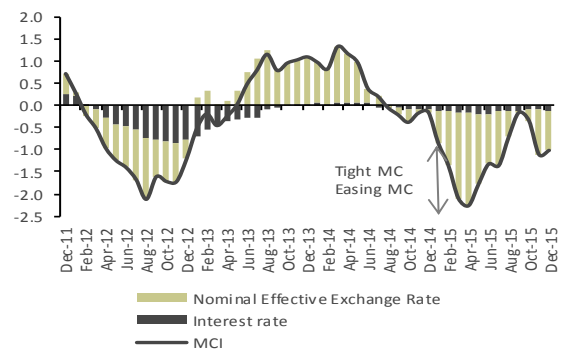
1.9 Unemployment Rate



2.0 Deposits & Loans



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)

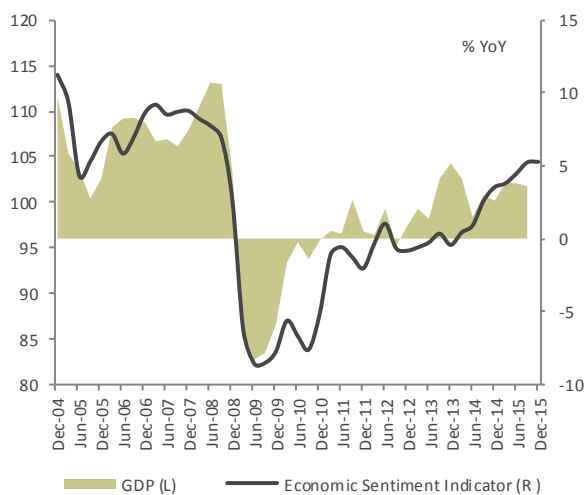
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



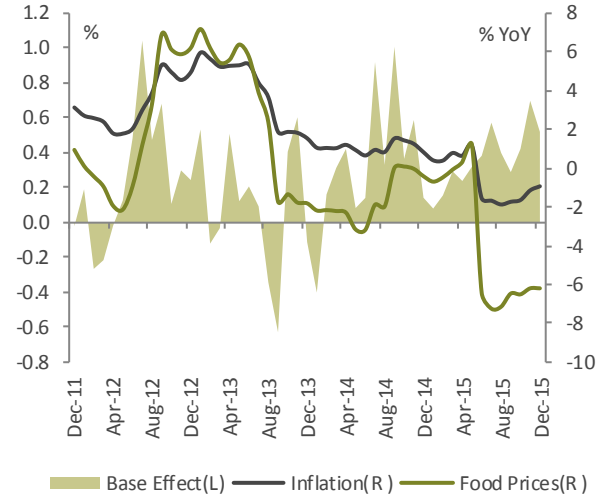
ROMANIA

- In 2015, the fiscal deficit moderated to 1.5% of GDP compared to 1.9% of GDP in 2014, due to the increase in revenues to 33.4% of GDP from 32.1% for the same years. However, public spending increased in 2015 to 34.9% from 33.9% in 2014. (Graph 1.2)
- The international rating agency, Fitch Ratings, affirmed on January 22nd Romania's long-term rating in foreign and local currency at BBB-/BBB respectively with Stable Outlook. The main factors supporting the affirmation are the improved economic conditions, and fiscal sector and governance indicators compared to the country's peers. The main challenges the country has to face are the control of fiscal policy in the period 2016/17 and increasing net external debt.

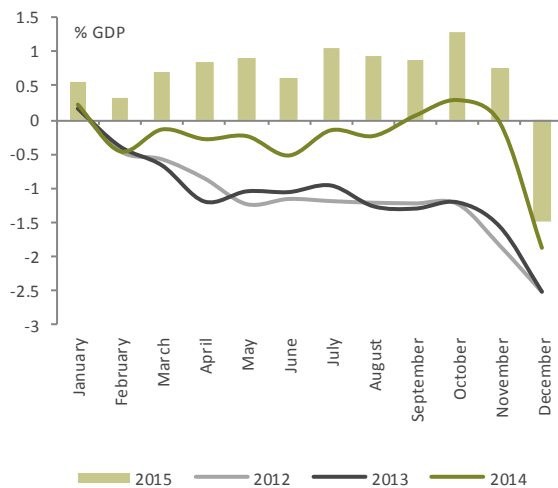
1.0 Leading Indicators



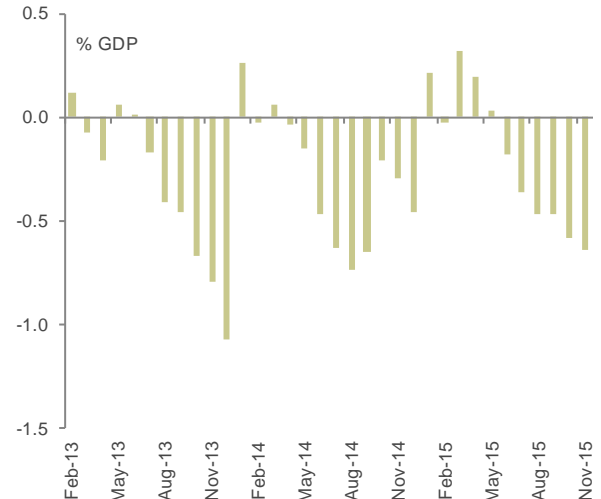
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



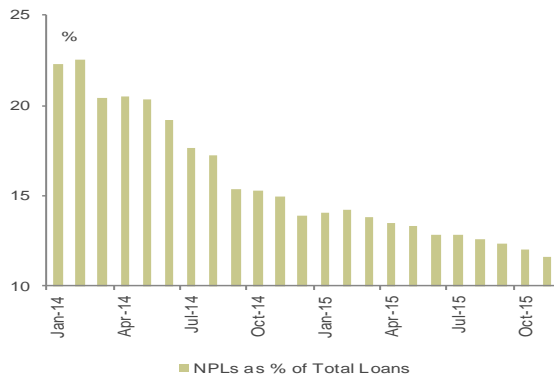
1.3 Current Account Balance



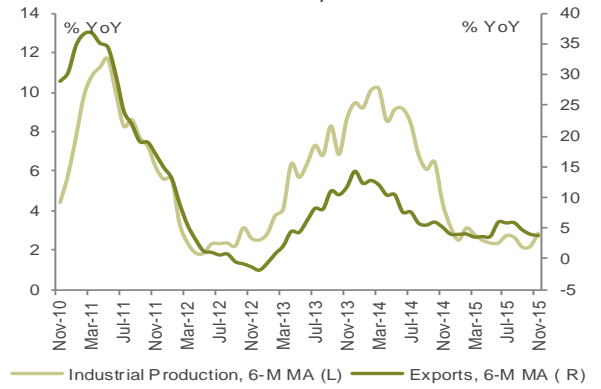
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



1.4 NPLs



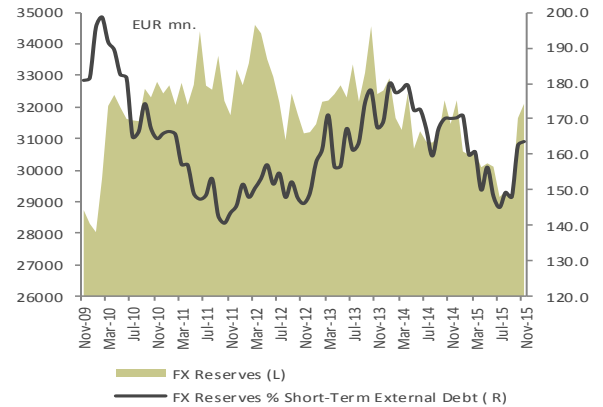
1.5 Industrial Production & Exports



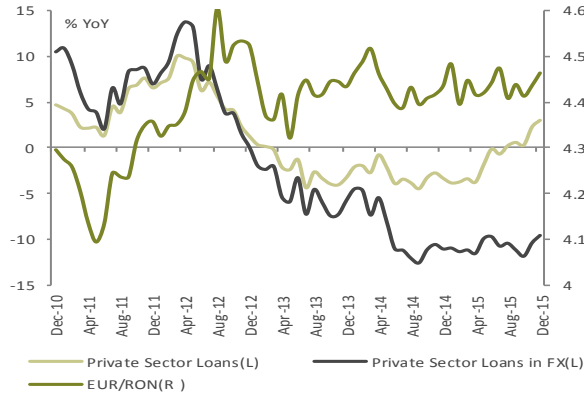
1.6 Unemployment Rate



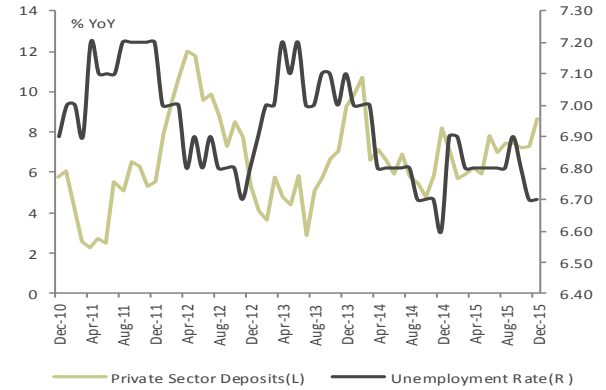
1.7 FX Reserves as % of Short-Term External Debt



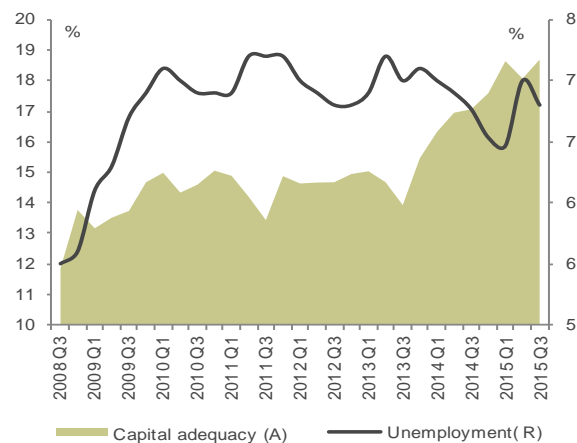
1.8 Credit Expansion & FX Rate



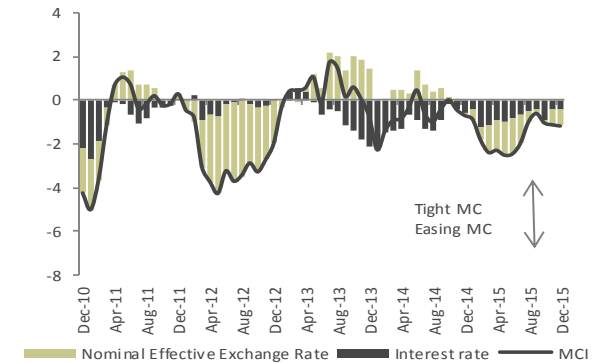
1.9 Deposits & Unemployment Rate



2.0 Unemployment Rate & Capital Adequacy



2.1 Monetary Conditions Index (MCI)



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

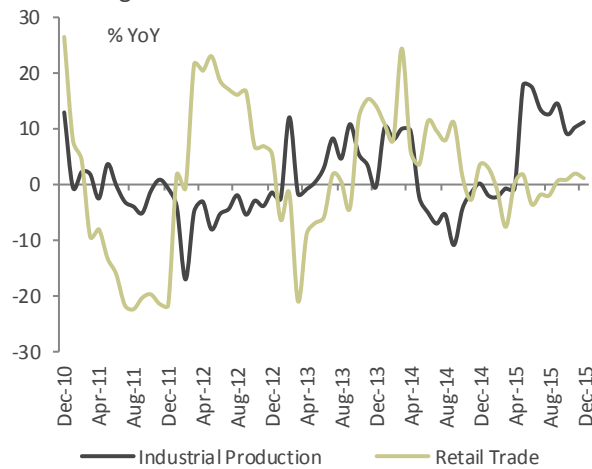
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



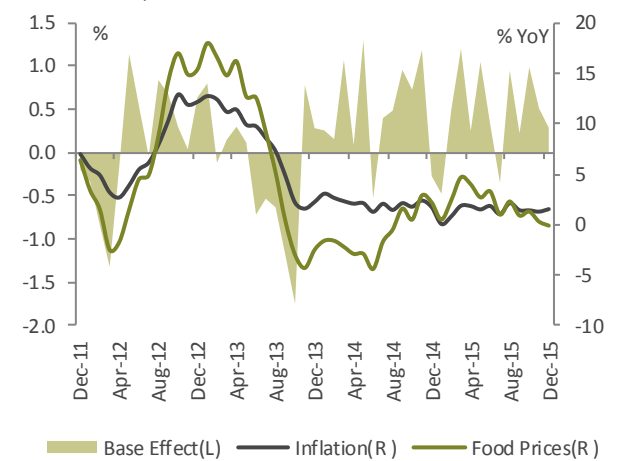
SERBIA

- In 2015, the fiscal deficit moderated significantly to 3.7% of GDP compared to 6.7% in 2014, due to the increase in revenues. Specifically, revenues increased to 42.6% of GDP in 2015 compared to 41.8% in 2014, while public spending amounted to 46.4% from 48.5% for the same years. (Graph 1.2)
- In Jan-Nov 2015, the current account deficit contracted to 4.1% of GDP compared to 5.2% of GDP in Jan-Nov 2014, due to the moderation in the trade deficit to 10.8% from 11.2% for the same periods. The services and secondary income balances contributed positively to the current account balance, whereas the widening of the primary income deficit contributed negatively in Jan-Nov. (Graph 1.3)

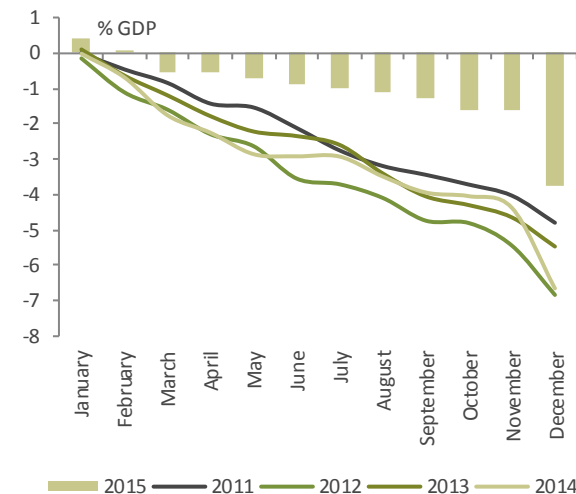
1.0 Leading Indicators



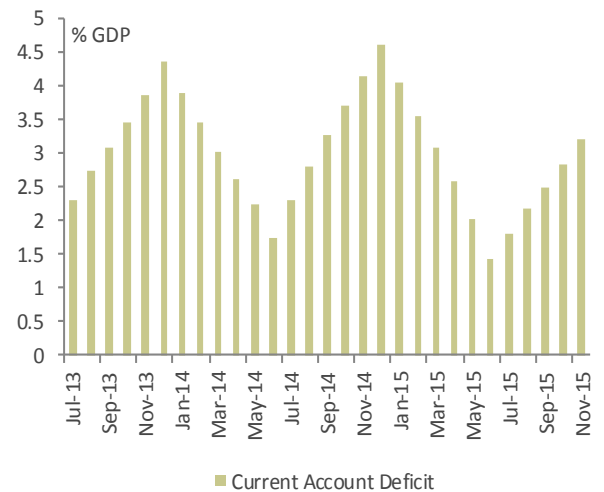
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



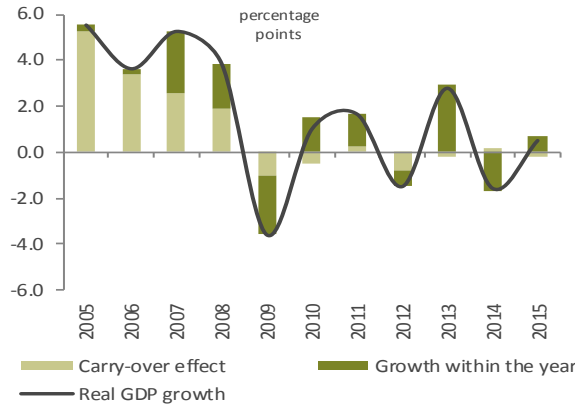
1.3 Current Account Deficit



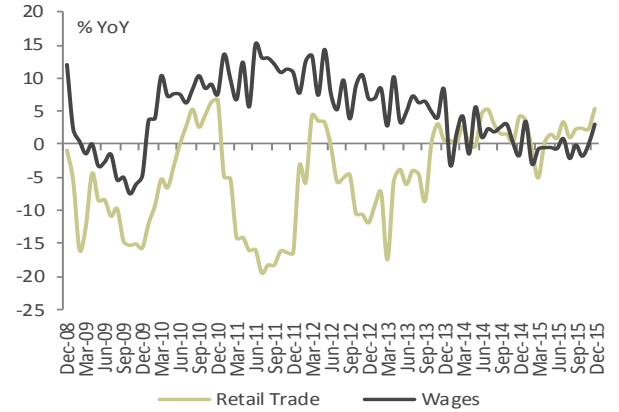
Source: Piraeus Bank Research, National Sources, Datastream, Bloomberg



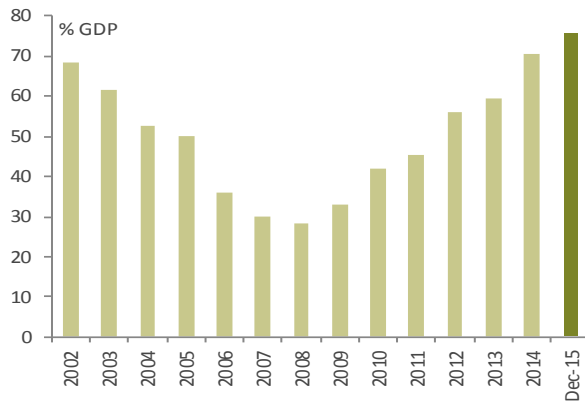
1.4 Carry Over Effect



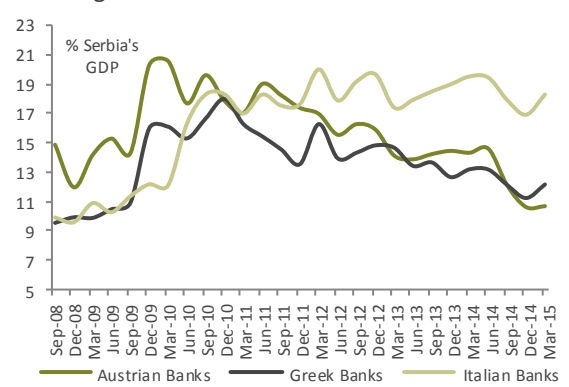
1.5 Retail Sales & Real Wages



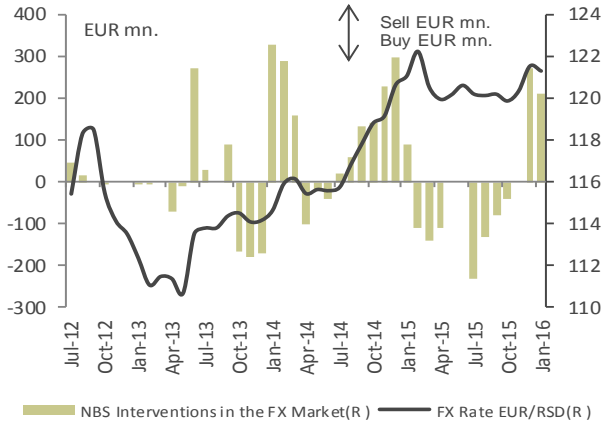
1.6 Public Debt



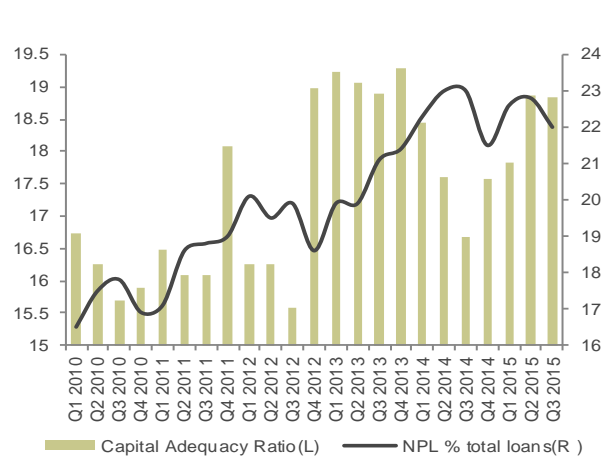
1.7 Foreign Claims



1.8 National Bank of Serbia Interventions in the Domestic FX Market & EUR/RSD Rate



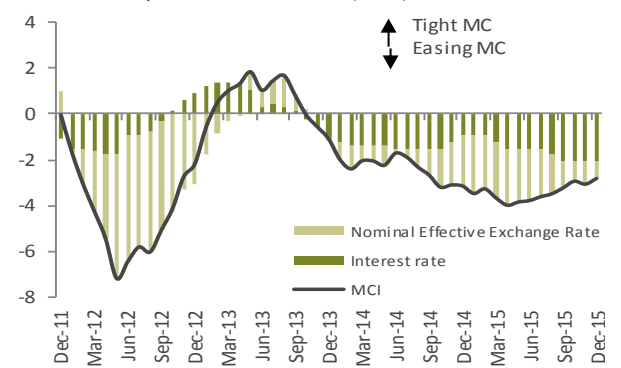
1.9 Capital Adequacy & NPLs



2.0 Loans & Deposits



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, National Sources, Datastream, Bloomberg



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- a. The figures presented herein refer to the past and that the past performance is not a reliable indicator of future performance.
- b. In case the figures refer to simulated past performance, that past performance is not a reliable indicator of future performance.
- c. The return on investments might be positively or negatively affected as a result of currency fluctuations, in case the figures are denominated in a foreign currency (other than Euro).
- d. Any forecasts in relation to future performance, may not be a reliable indicator of future performance.
- e. The tax treatment of the information as well as transactions pertained in this document, depends on each investor’s individual circumstances and may be subject to change in the future. As a result, the recipient should seek for independent advice in relation to the applicable tax legislation.

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