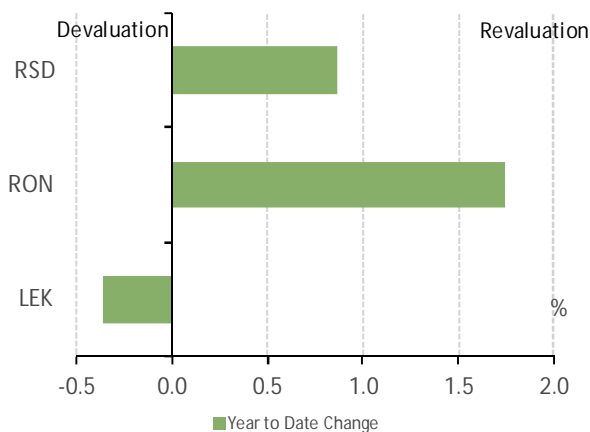




ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- At the conclusion of the International Monetary Fund (IMF) mission to Albania, the IMF estimates that, this year, real GDP will increase by an average of 3.0% YoY as economic activity is not expected to be significantly adversely affected by the recent floods.
- In its Article IV Mission in Bulgaria, the IMF notes that there are several challenges affecting economic growth prospects. Specifically, according to the IMF, it is essential for banking supervision to improve in order for confidence in the domestic financial system to be restored. Additionally, attention must be paid to fiscal finances.
- The international rating agency S&P revised upwards Cyprus' Outlook to Positive from Stable and affirmed the long- and short-term sovereign rating in local and foreign currency at B+/B respectively. According to S&P, fiscal consolidation has improved more than expected and thus positively contributed to the decline in public debt (as % of GDP) in 2014. However, the economic recovery remains fragile. The Positive Outlook signals a possible rating upgrade in the next year should fiscal consolidation continue and the financial sector stabilize.
- In its Article IV Mission in Romania, the IMF notes the persistent negative output gap of the economy, while it estimates that there is still space for further easing of the current monetary policy.
- In Serbia, public debt increased to 71.9% of GDP in February from 70.9% in 2014.

Bilateral Exchange Rates vs. the Euro
(30th March 2015)

CDS 5Y USD

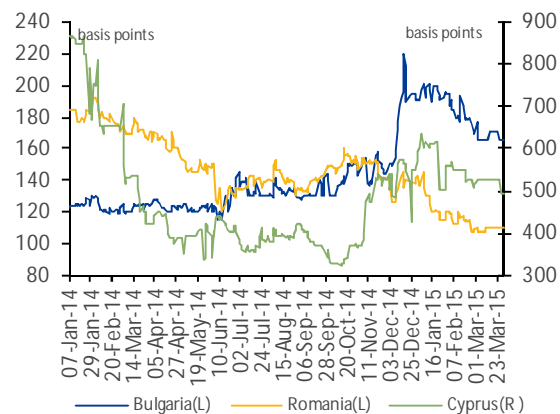


Table of Economic Forecasts

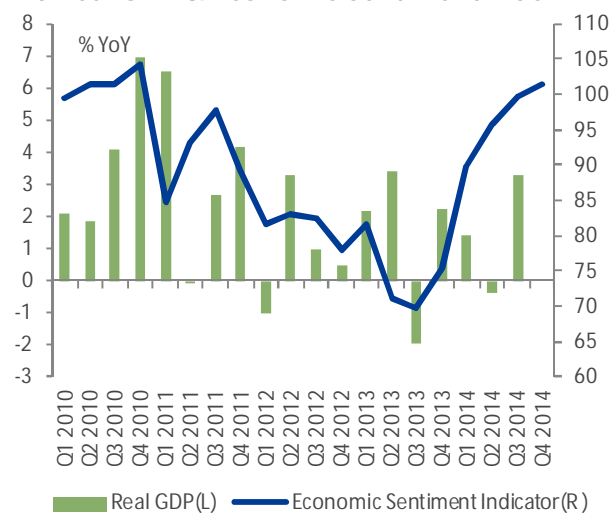
	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2014e	2015f	2014	2015f	2014	2015f	2014e	2015f
Albania	1.9	2.5	1.6	2.5	-5.2	-4.0	-11.0	-11.5
Bulgaria	1.5	1.9	-1.4	-0.3	-3.9	-2.9	0.1	1.9
Cyprus	-2.3	0.5	-1.4	-0.5	0.4	-1.0	-9.0	-5.0
Romania	2.9	2.9	1.1	1.5	-1.9	-1.9	-0.5	-1.9
Serbia	-1.8	0.5	2.1	3.0	-6.7	-6.5	-6.2	-5.0

Source: Piraeus Bank Research, Datastream, Bloomberg

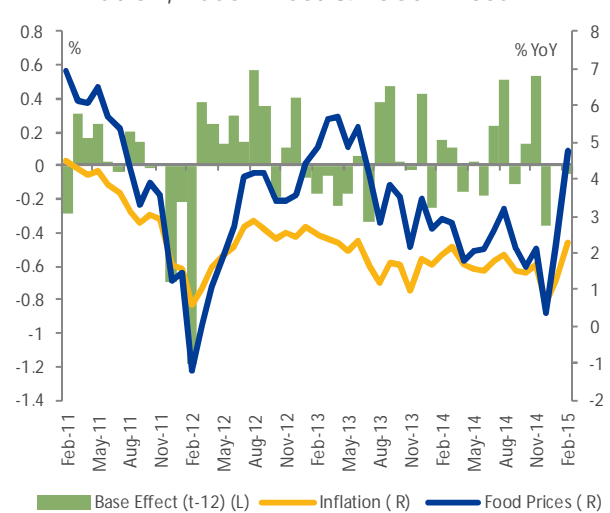
A. ALBANIA

- At the conclusion of the International Monetary Fund (IMF) mission to Albania, the IMF estimates that, this year, real GDP will increase by an average of 3.0% YoY as economic activity is not expected to be significantly adversely affected by the recent floods. It is also emphasized that fiscal consolidation is continuing successfully, while it is estimated that monetary policy will continue to stimulate domestic activity.
- In February, private sector lending increased by 2.5% YoY from a contraction of 2.2% in February last year, as business loans increased by 2.8% from -3.2% in the same months. Household lending increased by 2.6% YoY in February compared to 0.5% in February last year, while private sector deposits increased by 2.7% from 1.7% in the same months. (Graphs 1.5 & 1.8)
- In 2014, non-performing loans as a percentage of total loans were 22.8% from 24.9% in the first nine months of 2014 and 23.2% in 2013. (Graphs 1.6 & 1.7)

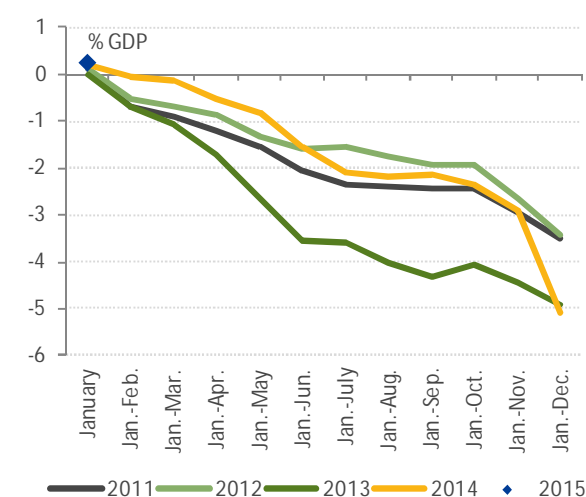
1.0 Real GDP & Economic Sentiment Index



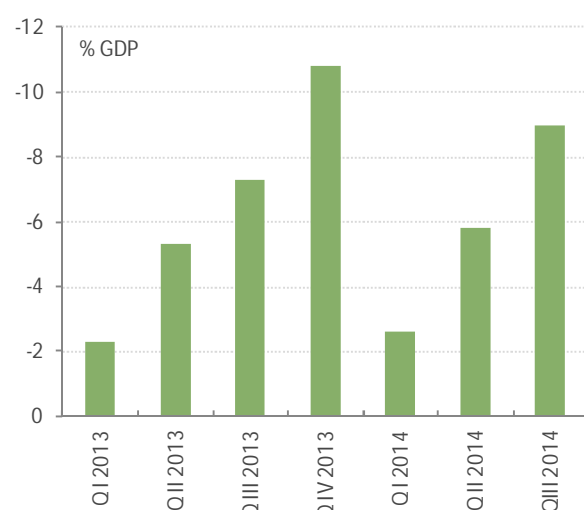
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



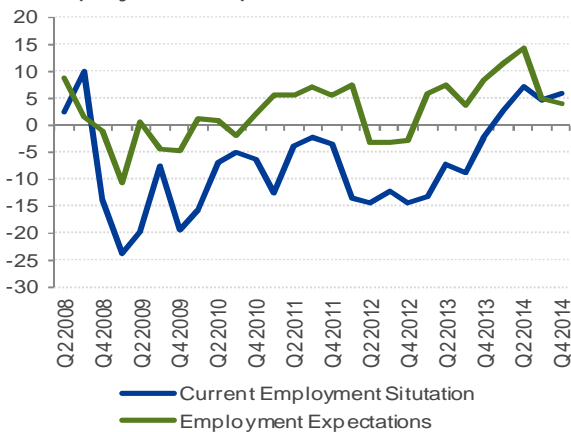
1.3 Current Account Deficit



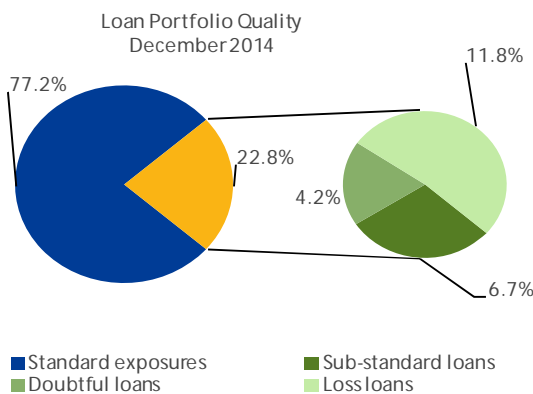
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

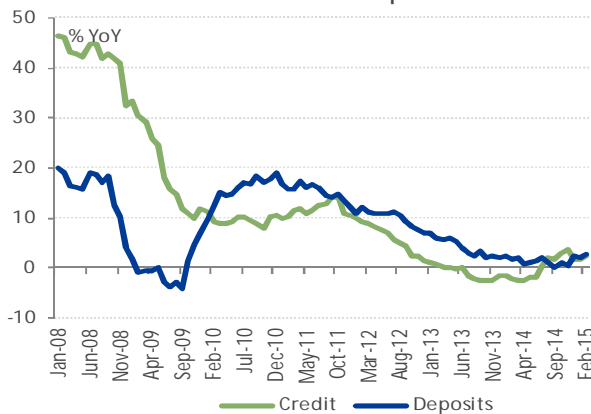
1.4 Employment Expectations



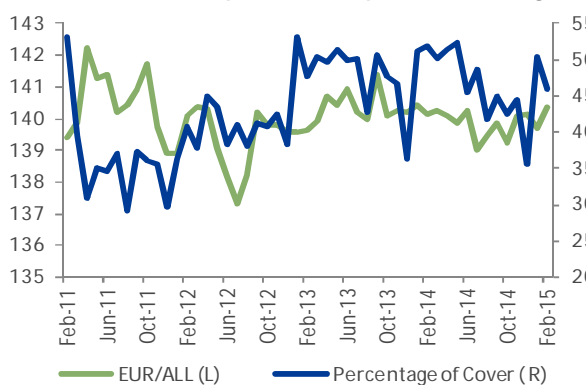
1.6 Loan Portfolio Quality



1.8 Private Sector Credit & Deposits

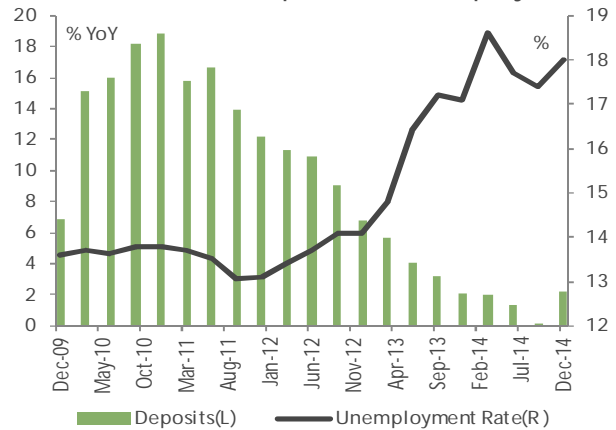


2.0 EUR/ALL & Imports to Exports Coverage

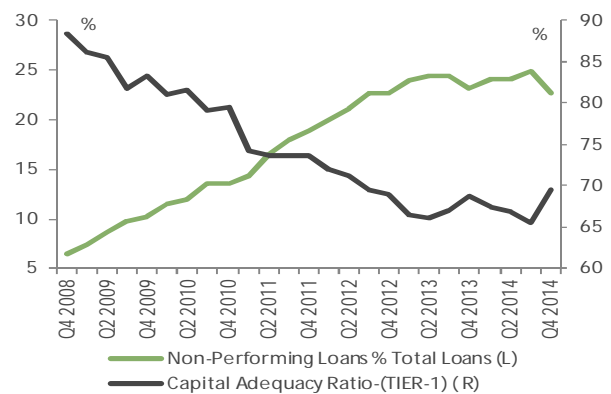


Source: Piraeus Bank Research, Datastream, National Sources

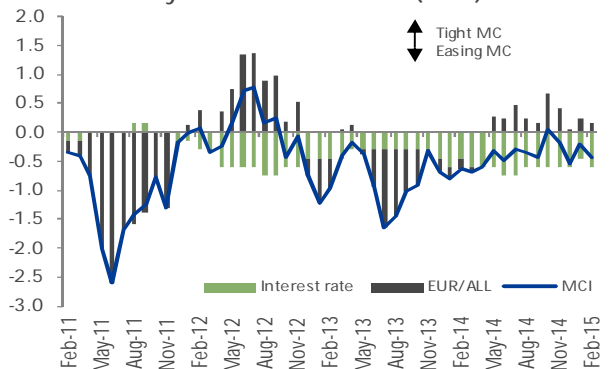
1.5 Private Sector Deposits & Unemployment Rate



1.7 NPLs & Capital Adequacy Ratio

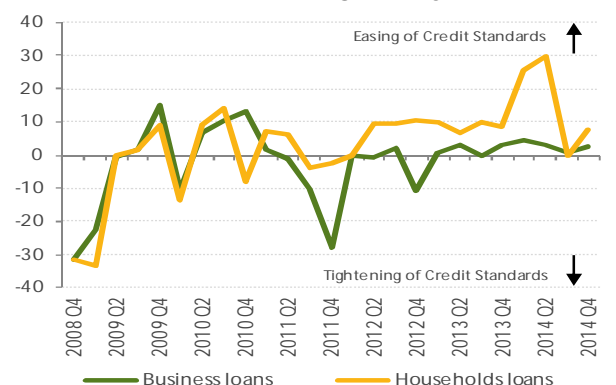


1.9 Monetary Conditions Index (MCI)



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

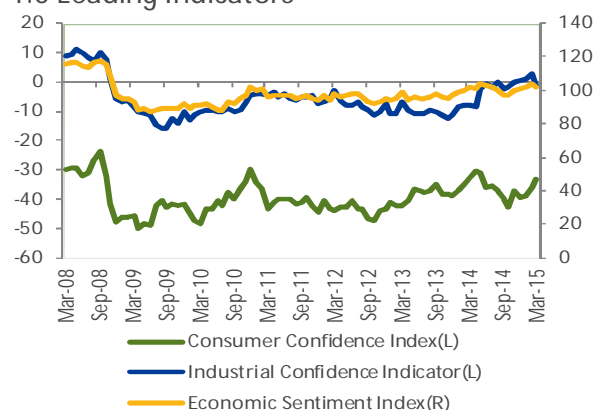
2.1 Central Bank's Lending Survey in the next Q.



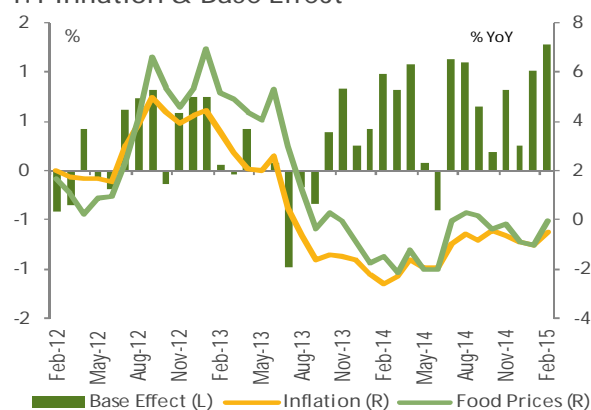
B. BULGARIA

- In its Article IV Mission the IMF, notes that there are several challenges affecting economic growth prospects. Specifically, according to the IMF it is essential for banking supervision to improve in order for confidence in the domestic financial system to be restored. Additionally, attention must be paid to fiscal finances.
- The current account deficit shrank to 0.1% of GDP in January from 1.1% in January 2014, as the trade deficit reached 0.3% compared to 0.9% for the same months. Both the widening of the services and current transfers surpluses and the contraction in the income deficit contributed positively to the current account balance. In January, the current account balance was not financed by net FDIs as the latter stood at -0.1% of GDP from 0.1% in the same month last year. (Graph 1.3)
- In February, non-performing loans as a percentage of total loans increased to 19.1% from 18.2% in the same month last year. (Graph 1.9)
- In February, private sector credit contracted by 9.2% YoY from an increase of 0.7% in February 2014, as business loans decreased by 13.1% from 1.0% for the same months. Household lending contracted by 2.0% in February from no change in February 2014, whereas private sector deposits increased at a significantly slower rate of 0.6% YoY from 8.3% for the same months. (Graph 2.0)

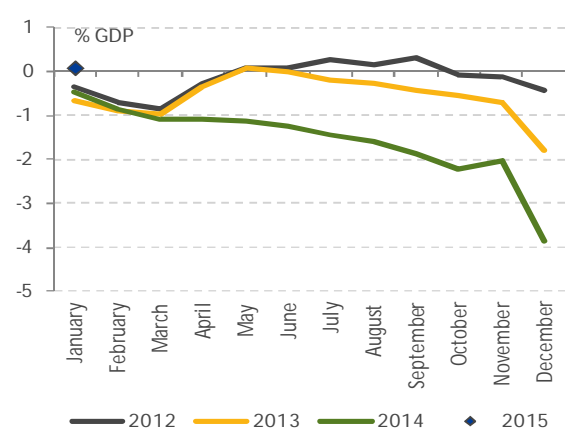
1.0 Leading Indicators



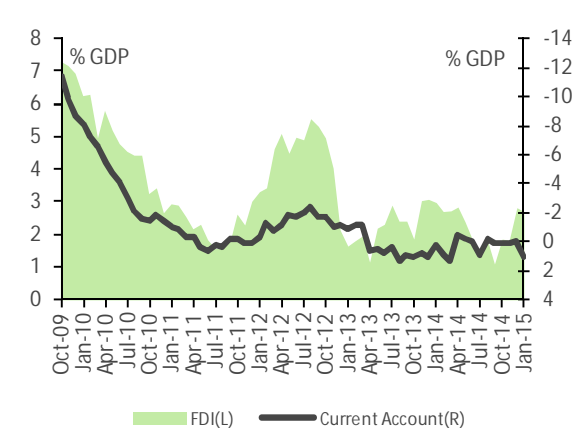
1.1 Inflation & Base Effect



1.2 Fiscal Balance



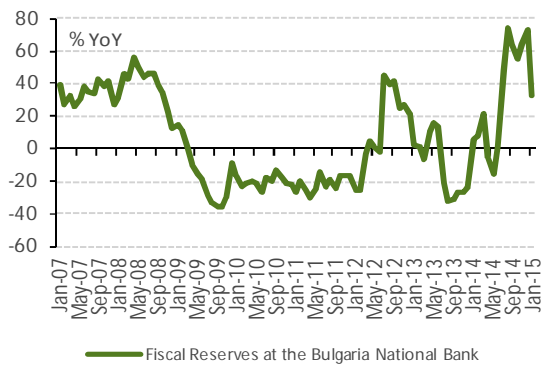
1.3 Current Account Balance



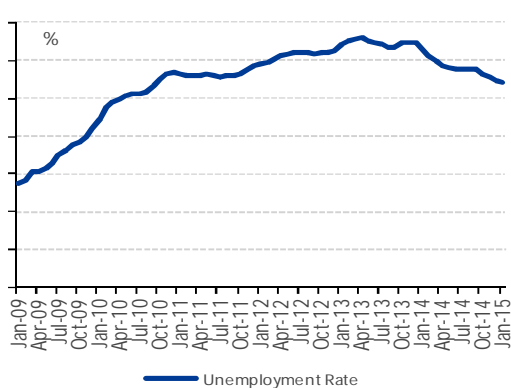
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

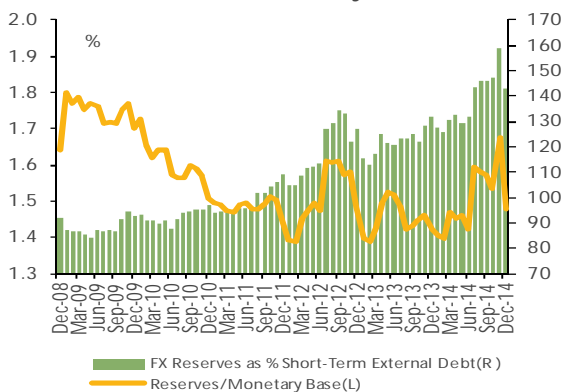
1.4 Fiscal Reserves



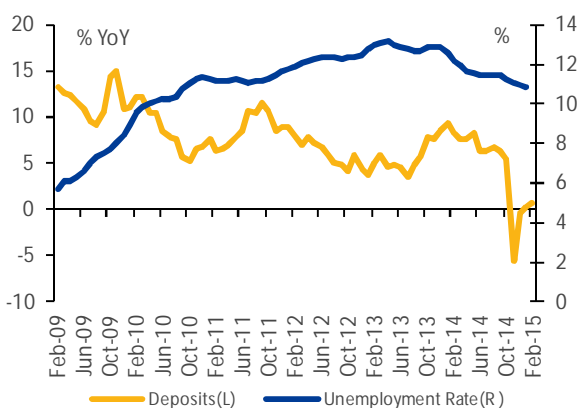
1.6 Unemployment Rate



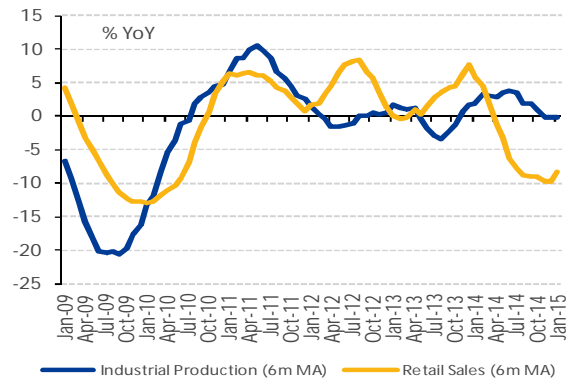
1.8 FX Reserves & Monetary Base



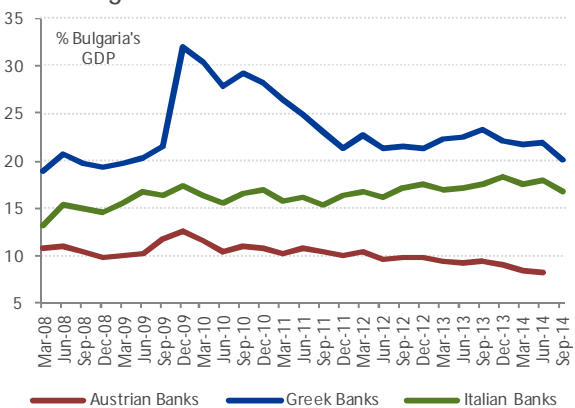
2.0 Deposits & Unemployment Rate



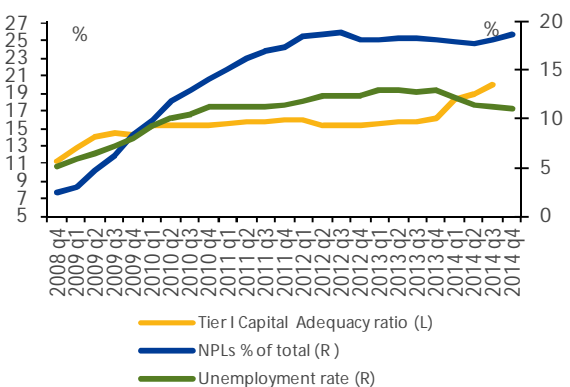
1.5 Industrial Production & Retail Sales



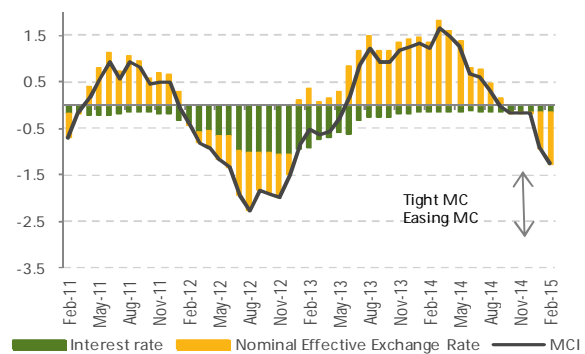
1.7 Foreign Claims



1.9 Unemployment Rate, NPLs & Capital Adequacy



2.1 Monetary Conditions Index (MCI)

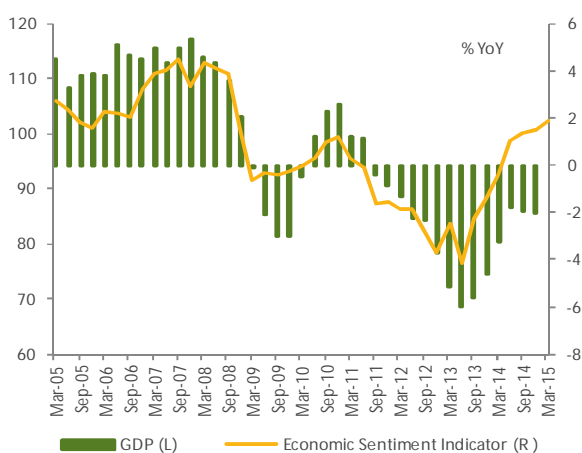


Note: The index is a weighted average of the annual change in interest rate SOFIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

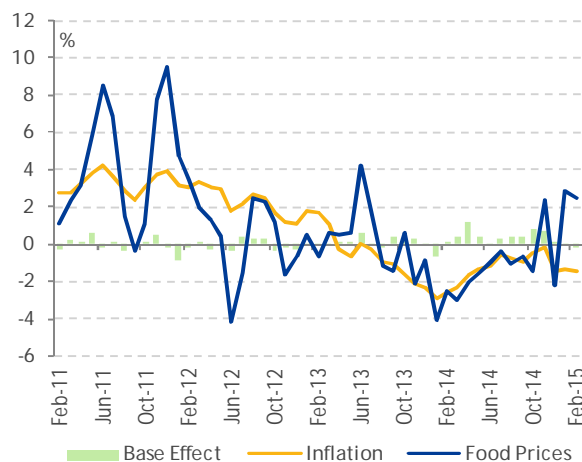
C. CYPRUS

- The Central Bank of Cyprus and the Ministry of Finance decided on March 13th on a further reduction in the temporary restrictive measures on banking transactions. This decision is part of the roadmap the government and the Central Bank adopted in August 2013. Specifically, the measure allows a significant increase in the transfers of deposits/funds out of the country, up to EUR 1,000,000 per month from EUR 50,000, per person for each credit institution and or payment institution regardless of the purpose.
- The fiscal balance in Jan-Feb turned to deficit of 0.01% of GDP from a surplus of 0.5% in Jan-Feb 2014, due to the contraction of revenues by 8.2% YoY. Public spending decreased in Jan-Feb by 0.9% YoY. (Graph 1.2)
- In the tourism sector, tourism arrivals in February increased by 12.1% YoY from 6.9% in February 2014. In January, retail trade increased by 2.8%, from a decrease of 2.5% in January last year. (Graph 1.5)
- In February, total credit contracted at a slower rate of 1.2% YoY from a decrease of 12.9% in February 2014, as business and household loans both decreased at a similar rate. Total deposits contracted at a significantly slower rate of 3.8% YoY in February from a decrease of 20.1% in the same month last year. (Graph 2.0)

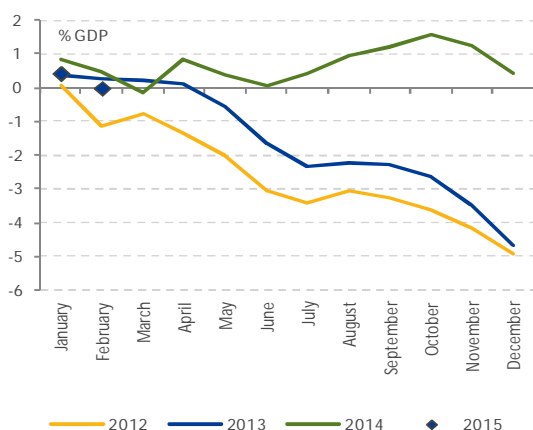
1.0 Real GDP & Economic Sentiment Indicator (ESI)



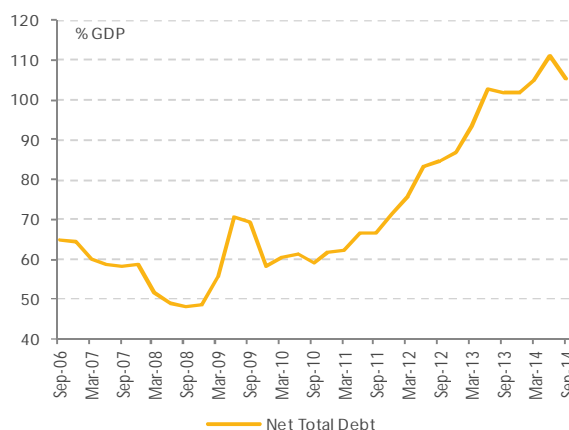
1.1 Inflation & Base Effect



1.2 Fiscal Balance



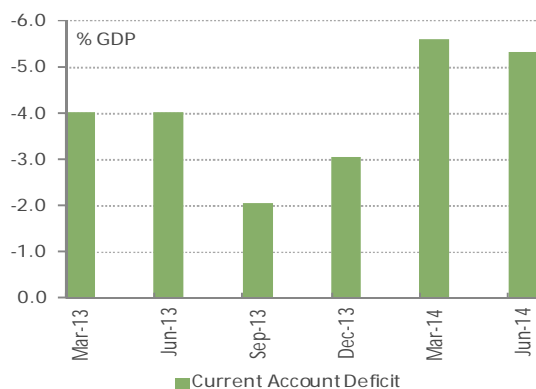
1.3 Public Debt



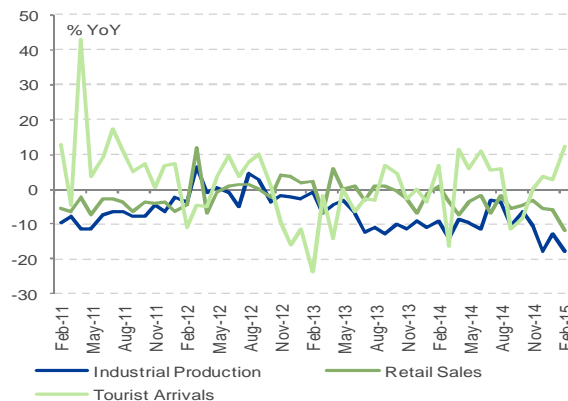
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

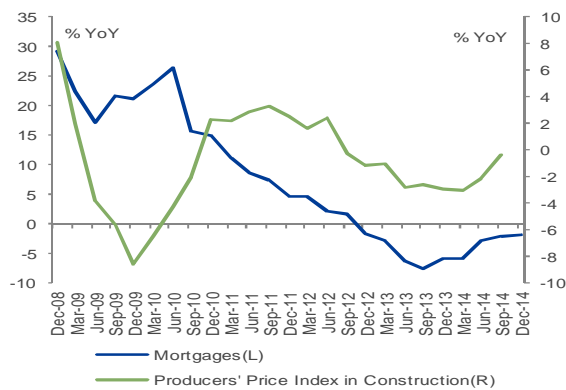
1.4 Current Account Balance (6m MA)



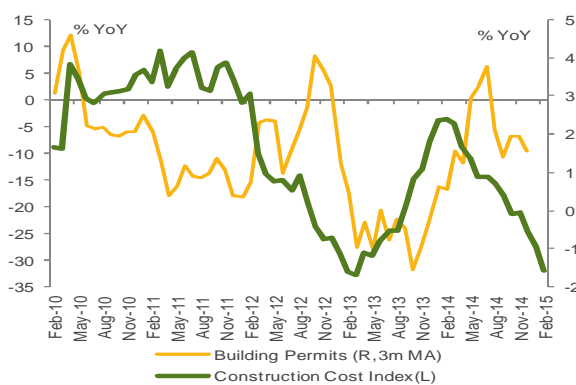
1.5 Industrial Production, Retail Sales & Tourist Arrivals



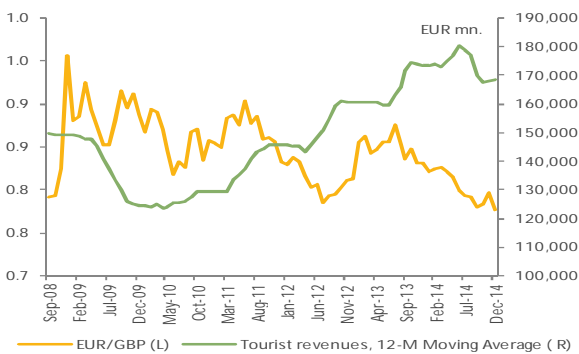
1.6 Mortgage Loans & Producer's Price Index in Construction



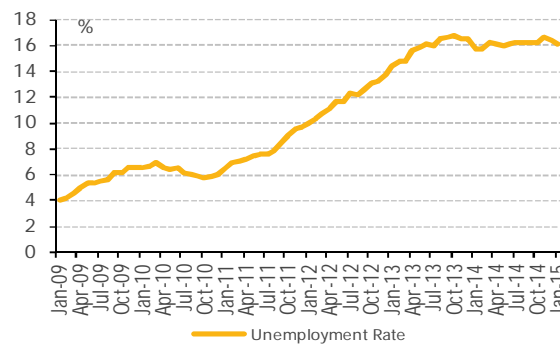
1.7 Construction Cost & Building Permits



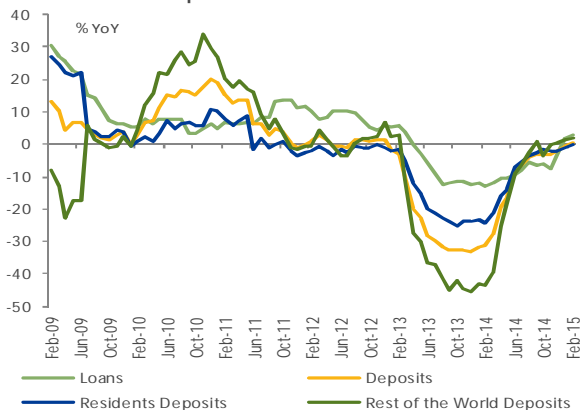
1.8 EUR/GBP & Tourism Revenues



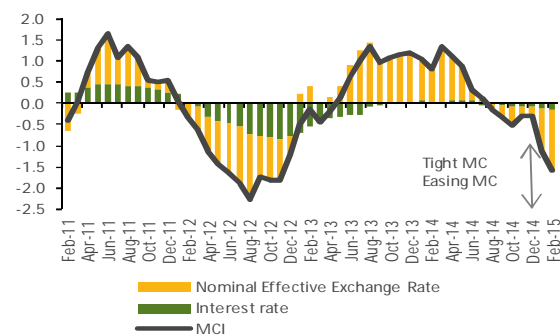
1.9 Unemployment Rate



2.0 Loans & Deposits



2.1 Monetary Conditions Index (MCI)



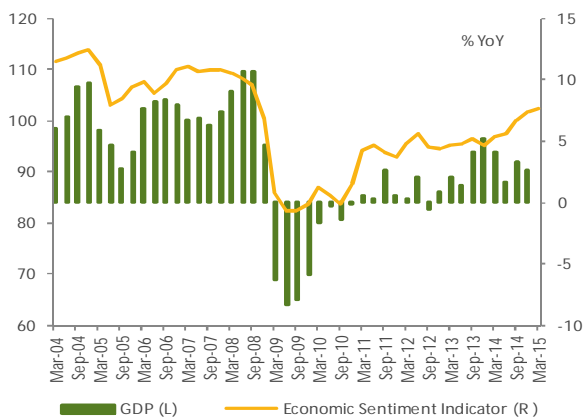
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

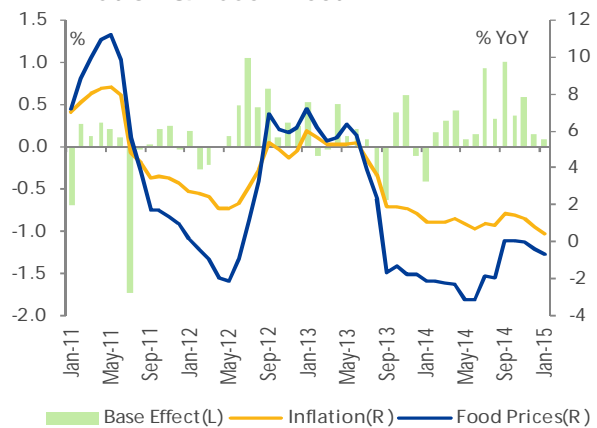
D. ROMANIA

- In Jan-Feb, the fiscal balance turned to a surplus of 0.3% of GDP from a deficit of 0.5% in Jan-Feb last year, as public spending declined to 4.5% of GDP from 5.1% for the same months. Revenues amounted to 4.9% of GDP in Jan-Feb from 4.6% for Jan-Feb 2014. (Graph 1.2)
- In January, the current account surplus widened to 0.4% of GDP from 0.2% in January 2014, due to the moderation in the trade deficit to 0.1% from 0.2% and the services surplus improvement to 0.3% from 0.26% in the same months. Additionally, the widening of the primary income surplus to 0.2% in January from 0.1% in the same month last year contributed positively, while secondary income remained balanced in the same months. (Graph 1.3)
- Total credit in February contracted by 3.6% YoY from a decrease of 1.9% in February last year, while private sector credit decreased by 3.7% from -2.0% in the same months. Local currency loans in the private sector increased at a faster rate of 7.2% in February from 1.7% in the same month last year, but foreign currency loans contracted further by 11.4% from -4.7% in the same months. Total deposits increased in February by 5.7% YoY from 11.9% in February 2014, while private sector deposits increased by 5.7% from 10.7% for the same months. (Graphs 1.8 & 1.9)

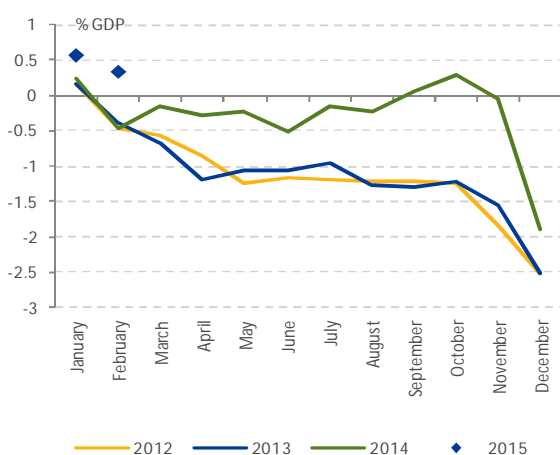
1.0 Leading Indicators



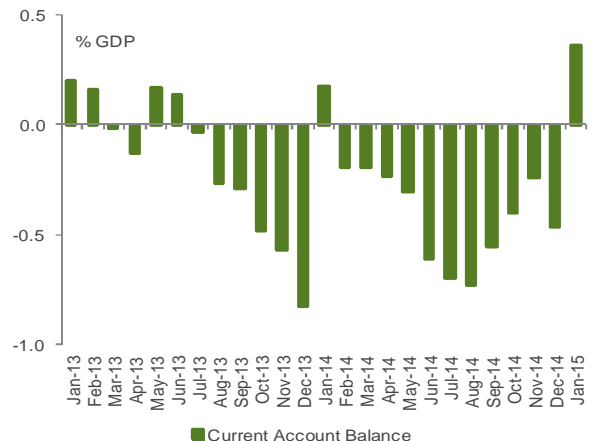
1.1 Inflation & Base Effect



1.2 Fiscal Balance



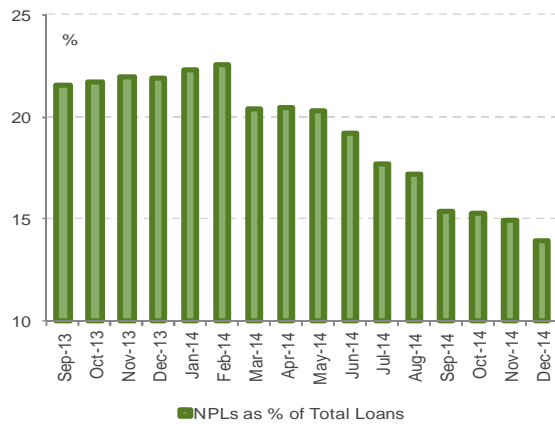
1.3 Current Account Balance



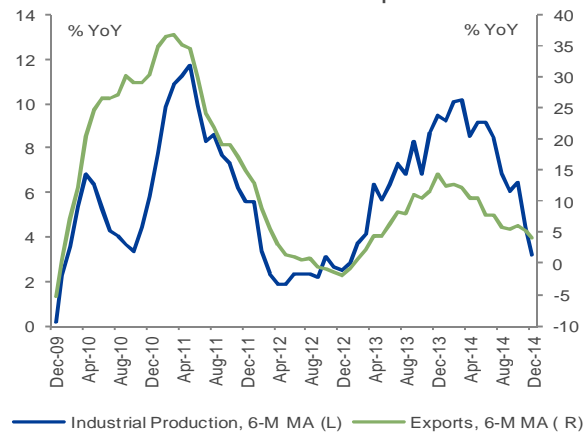
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

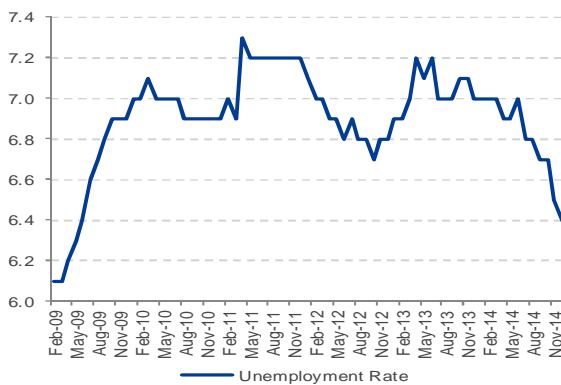
1.4 Non-Performing Loans



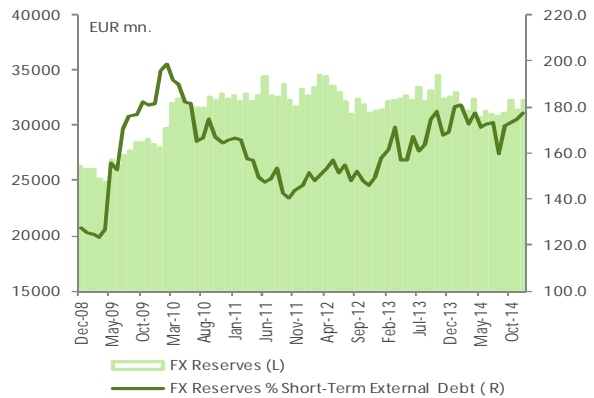
1.5 Industrial Production & Exports



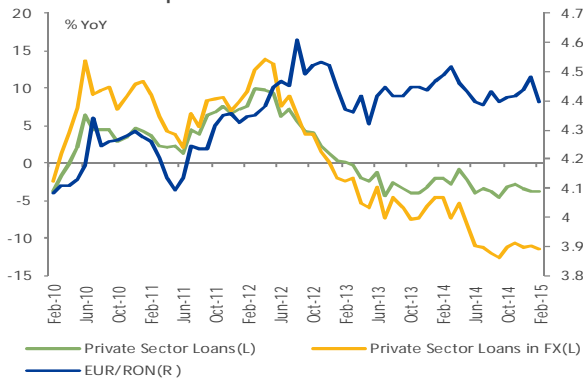
1.6 Unemployment Rate



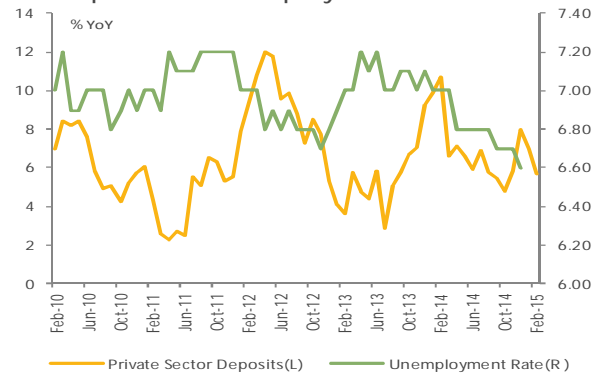
1.7 FX Reserves as % of Short-Term External Debt



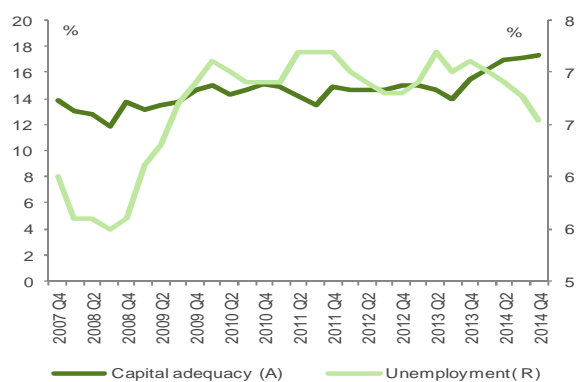
1.8 Credit Expansion & FX Rate



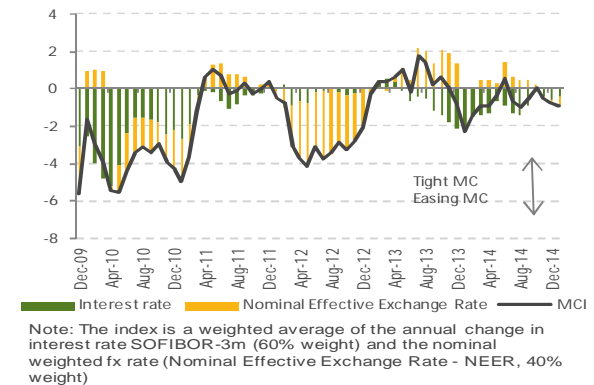
1.9 Deposits & Unemployment Rate



2.0 Unemployment Rate & Capital Adequacy



2.1 Monetary Conditions Index (MCI)

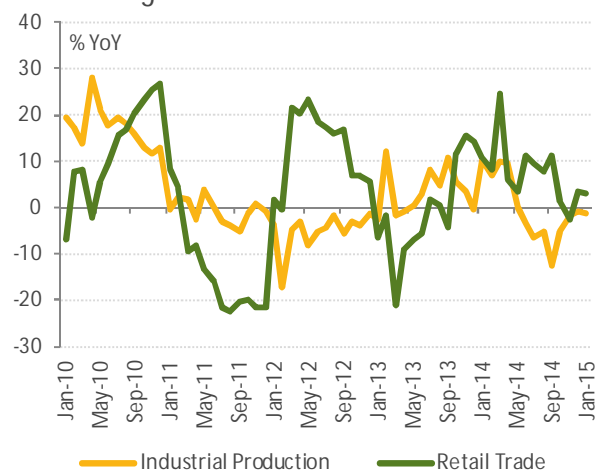


Source: Piraeus Bank Research, Datastream, National Sources

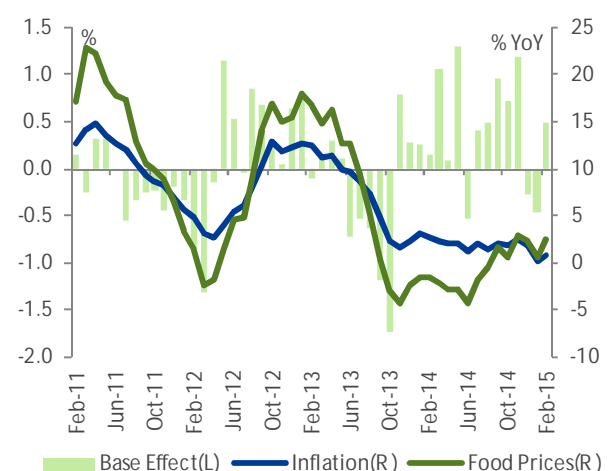
E. SERBIA

- In Jan-Feb, the fiscal balance turned to surplus of 0.1% of GDP compared to a deficit of 0.7% in the first two months of 2014, due to the increase in revenues and the decline of public spending. Specifically, in Jan-Feb of the current year, revenues were 6.4% of GDP from 6.1% in Jan-Feb last year, while public spending declined to 6.3% from 6.8% for the same periods. (Graph 1.2)
- In 2014, the current account deficit was 6.2% of GDP compared to 6.5% in 2013, as the trade deficit moderated to 12.8% from 13.0% in the same years. Both the expansion of the services surplus as well as the moderation in the primary income deficit contributed positively to the current account balance in 2014, whereas the decline of the secondary income surplus contributed negatively. (Graph 1.3)
- In February, public debt increased to 71.9% of GDP from 70.9% in 2014. (Graph 1.6)
- In January, total loans increased significantly by 7.3% YoY from 4.2% in December and a contraction of 4.0% in January 2014, while business and household lending both increased. Total deposits increased by 11.6% YoY in January from 9.5% in December and 5.7% in January last year. (Graph 2.0)

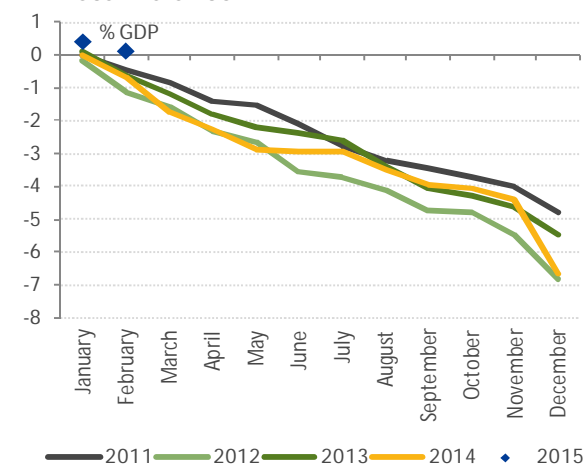
1.0 Leading Indicators



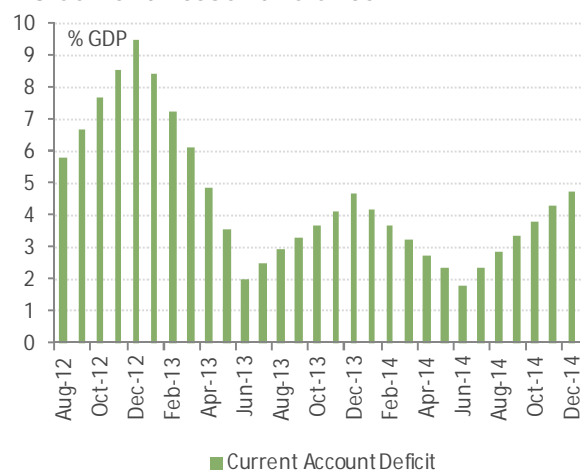
1.1 Inflation & Base Effect



1.2 Fiscal Balance



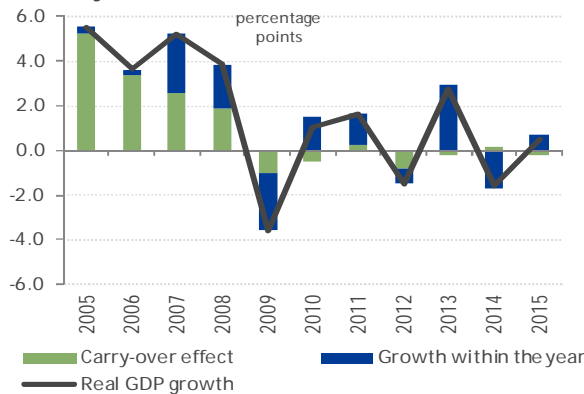
1.3 Current Account Balance



Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

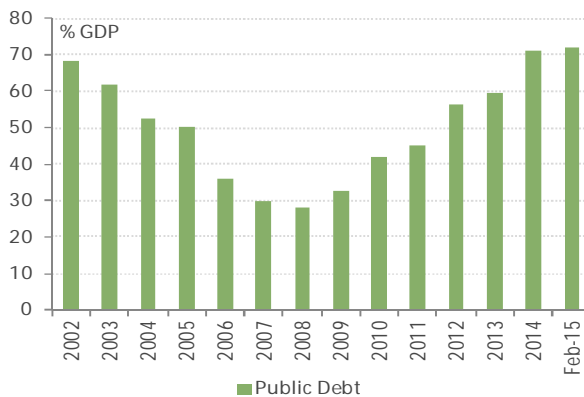
1.4 Carry Over Effect



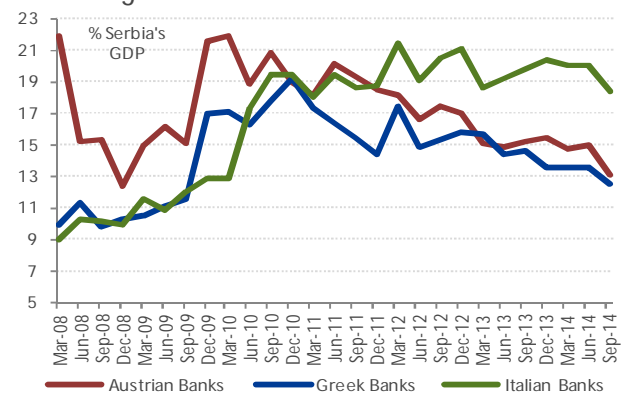
1.5 Retail Sales & Real Wages



1.6 Public Debt



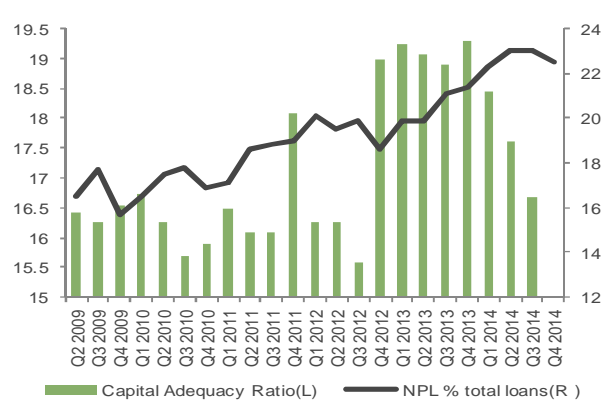
1.7 Foreign Claims



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



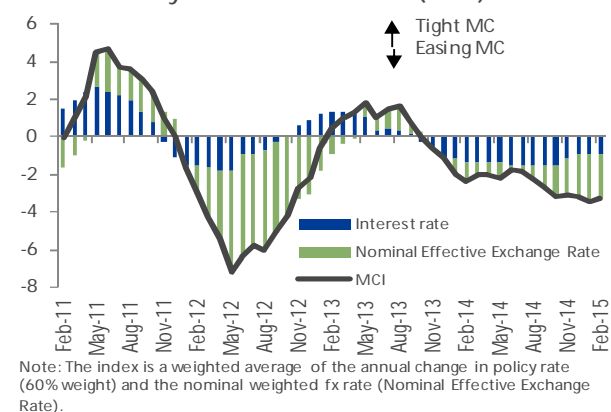
1.9 Capital Adequacy & NPLs



2.0 Private Sector Deposits & Credit



2.1 Monetary Conditions Index (MCI)



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

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