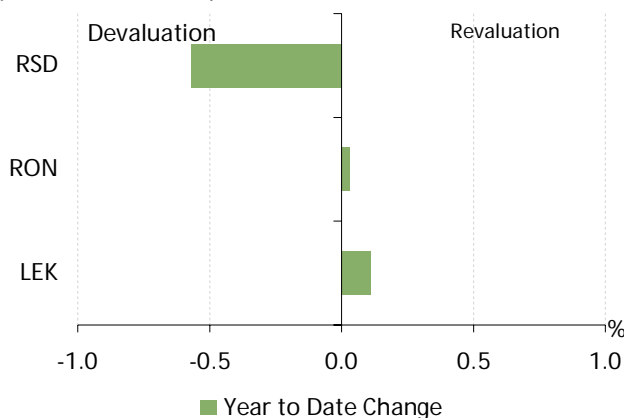




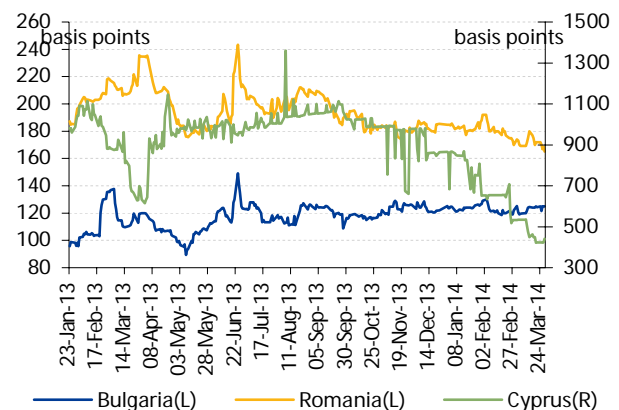
ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- The International Monetary Fund (IMF) announced on March 27th a staff level agreement with Ukraine for a two-year financial assistance program of USD 14-18bn. In its statement, the IMF estimates that the total financial support from the international community will amount to USD 27bn. The main priority is to restore stability at the macroeconomic level and in the fiscal and banking sectors.
- On March 27th the Bank of Albania (BoA), decided to keep its key policy rate unchanged at 2.75%. The last rate cut, of 25bps, was on February 26th. The BoA estimates that the current economic and financial situation underlines the need for maintaining monetary policy easing.
- In February, private sector credit in Bulgaria increased by 0.7% YoY from 3.0% in February 2013, while private sector deposits increased by 8.3% from 5.1% for the same months.
- On March 28th, the Ministry of Finance (MoF) and the Central Bank of Cyprus (CBC) further eased the temporary restriction measures. According to the announcement, the relaxation is a result of achieving the milestones set out in the roadmap and the overall stabilization and restoration of confidence in the banking system.
- On March 28th, the National Bank of Romania (NBR) decided to keep its key policy rate unchanged at 3.5% and to maintain the existing levels of minimum reserve requirement ratios for both the RON and FX denominated liabilities of credit institutions. The NBR estimates that the recovery in economic activity and current affairs signify further deflationary trends.
- In February 2014, Serbia's public debt increased to 62.9% of GDP from 61.2% in December 2013.

Bilateral Exchange Rates vs. the Euro
(28th March 2014)



CDS 5Y USD



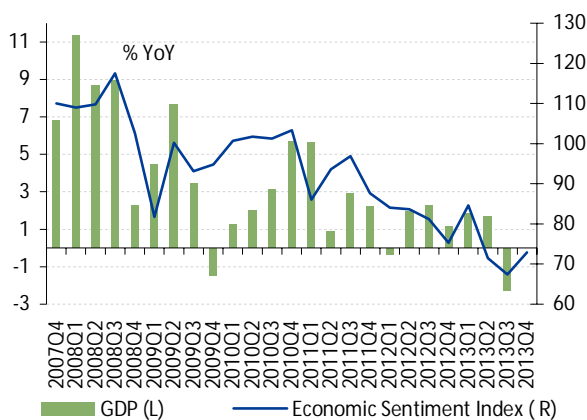
Macroeconomic Data								
	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2012	2013	2013	Feb-14	2013	Feb-14	2013	2013
Albania	1.5	0.4 (Jan-Sept'13)	1.9	1.9	-3.4	-0.1	-10.5	-7,1 (Jan-Sept'13)
Bulgaria	0.8	0.8	0.9	-2.6	-0.5	-0.5 (Jan-14)	-1.3	-0.7
Cyprus	-2.4	-5.4	-0.4	-2.6	-4.9	0.9 (Jan-14)	-6.8	0,2 (Jan-Sept'13)
Romania	0.5	3.3	4.0	1.1	-2.5	-0.5	-4.3	0.3
Serbia	-1.5	2.4	7.9	2.7	-6.4	-0.6	-10.6	-4.8

Source: Piraeus Bank Research, Datastream, Bloomberg

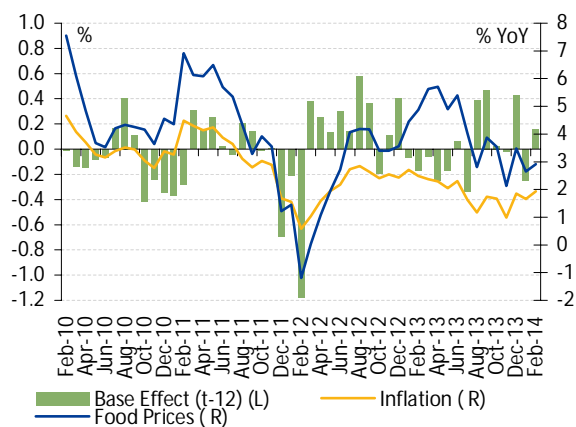
A. ALBANIA

- The International Monetary Fund (IMF) concluded Albania's 2013 Article IV Consultation, commending the measures taken by the authorities which aim to restore fiscal sector sustainability, safeguard financial stability and improve the investment climate. The main priority for the local authorities is the reduction of public debt.
- In Jan-Feb the fiscal deficit moderated to 0.1% of GDP from 0.7% in Jan-Feb 2013, as public spending contracted to 3.7% of GDP from 4.2% for the same periods. Revenues amounted to 3.6% in Jan-Feb unchanged from the same period last year. (Graph 1.2)
- Retail sales in 2013Q4 increased at a significantly slower rate of 0.5% YoY from 2.9% in 2013Q3 and 5.5% in 2012Q4, signalling weak domestic demand in the last months of 2013. Nevertheless, retail sales increased by 5.3% YoY in 2013 as a whole after a contraction of 0.7% in 2012. (Graph 1.4)
- In January, private sector lending contracted by 1.6% YoY compared with an increase of 1.5% in January 2013, as business loans contracted and household loans increased relative to the same month last year. Total deposits, however, increased by 3.5% from 6.8% for the same months. (Graph 1.8)
- The assessment of the domestic financial system stability in cooperation with the IMF was completed. The main risks are the high exposure of loans in EUR, the strong ties of banks to the public sector and the dominance of foreign banks.

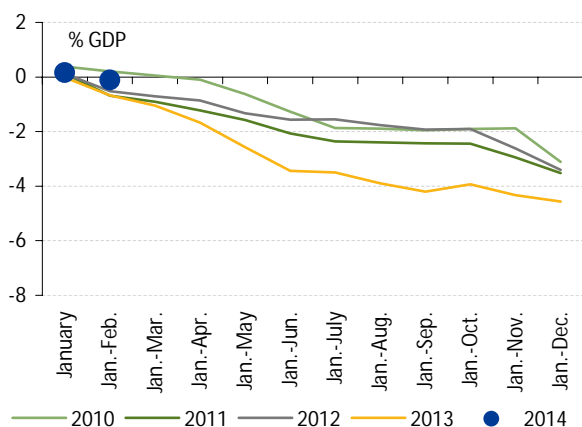
1.0 Real GDP & Economic Sentiment Index



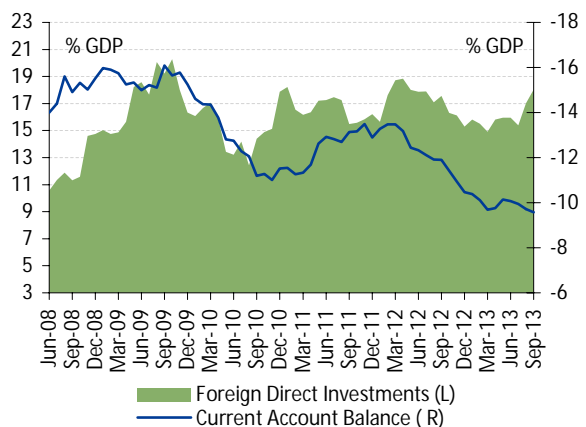
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



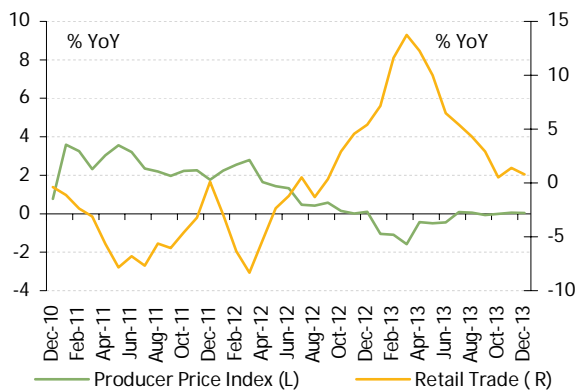
1.3 Current Account Balance & FDIs (12m rolling sum)



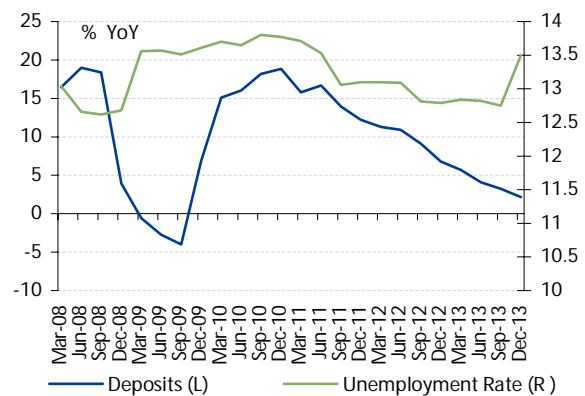
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

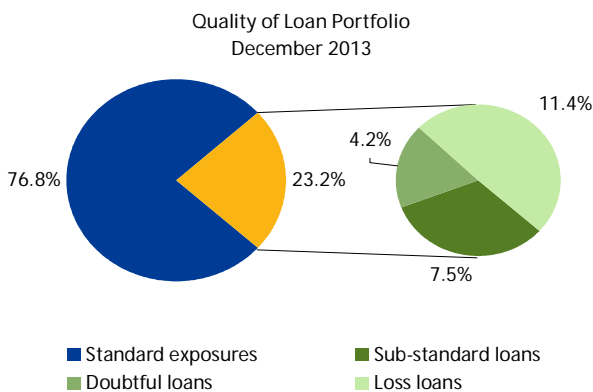
1.4 Producer Price Index & Retail Trade



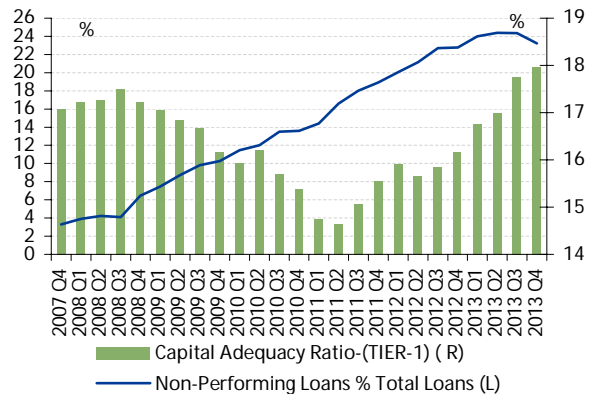
1.5 Total Deposits & Unemployment Rate



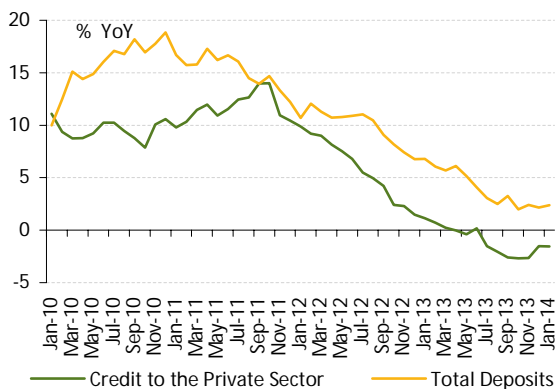
1.6 Quality of Loan Portfolio



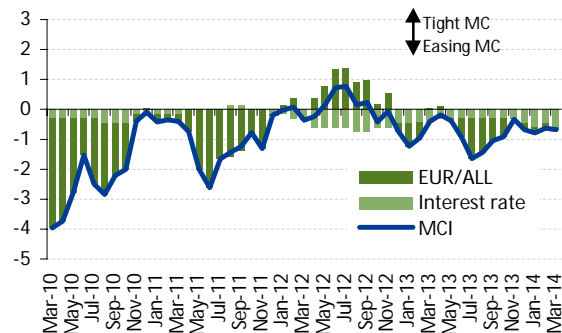
1.7 NPLs & Capital Adequacy Ratio



1.8 Credit Expansion & Total Deposits

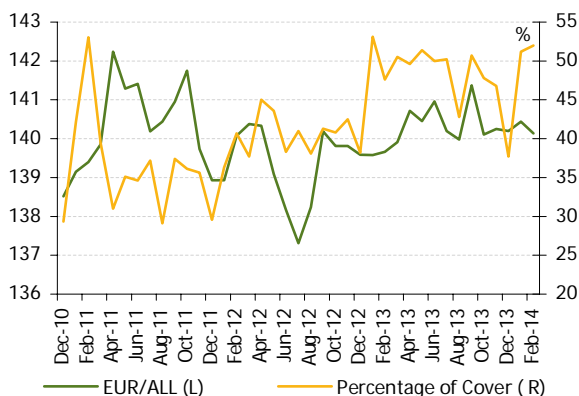


1.9 Monetary Conditions Index (MCI)

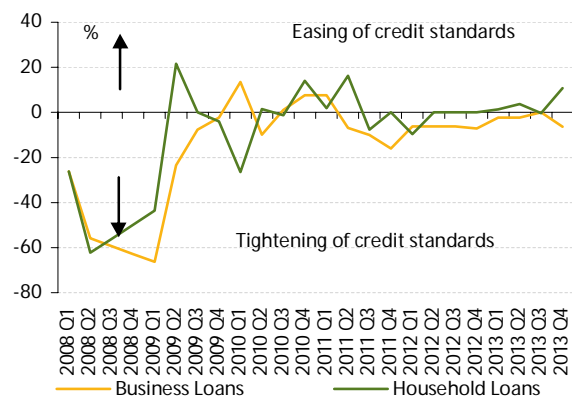


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (-40% weight)

2.0 EUR/ALL & Imports to Exports Coverage



2.1 Central Bank's Lending Survey

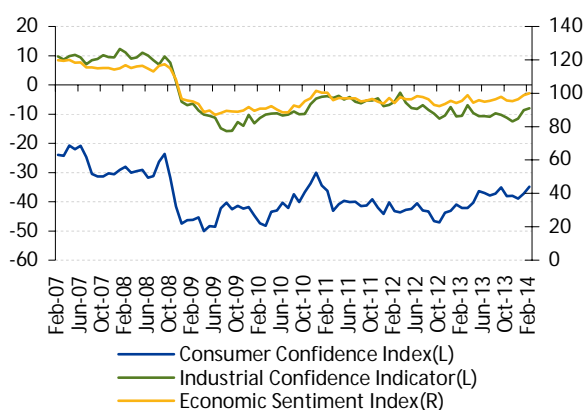


Source: Piraeus Bank Research, Datastream, National Sources

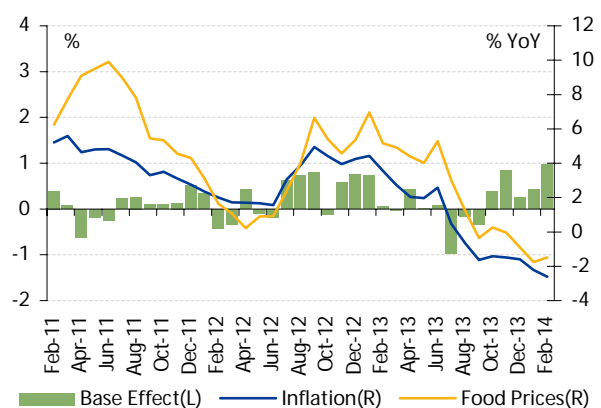
B. BULGARIA

- The current account deficit widened to 0.7% of GDP in January from 0.2% in January 2013 due to the increase in the trade deficit to 0.8% of GDP from 0.1% for the same months. The income balance in January is marginally balanced compared to a deficit in January 2013, while the current account balance was financed, as net FDIs stood at 0.1% of GDP in January from 0.2% in the same period last year. (Graph 1.3)
- In February, foreign exchange reserves increased by 0.1% YoY from 12.3% in February 2013, while in January reserves covered 124.4% of the short-term gross external debt from 114.9% in January 2013. (Graph 1.8)
- In February, private sector credit increased by 0.7% YoY from 3.0% in February 2013, while business loans increased by 1.0% from 5.3% for the same months. Household lending increased marginally by 0.04% in February compared with a decrease of 1.0% in February 2013, whereas private sector deposits increased at a faster rate of 8.3% YoY from 5.1% for the same months. Finally, in February, the liquidity ratio (loans/deposits) moderated to 75.5% from 81.3% in February last year. (Graph 2.0)

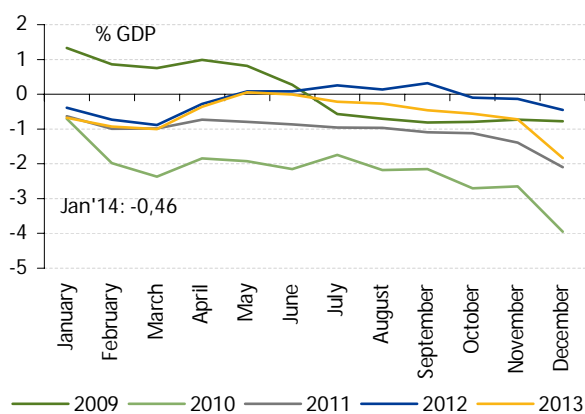
1.0 Leading Indicators



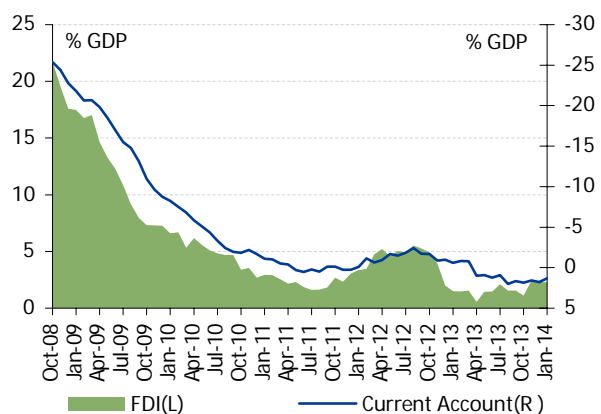
1.1 Inflation & Base Effect



1.2 Fiscal Balance



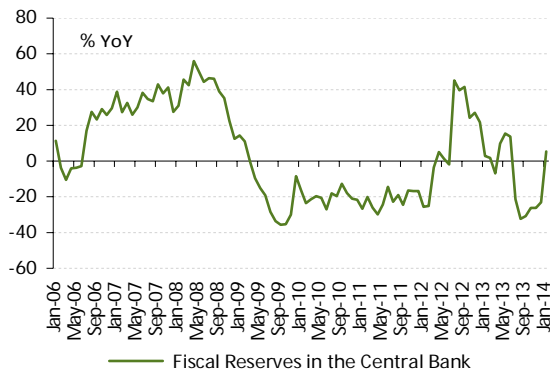
1.3 Current Account Balance & FDIs (12m rolling sum)



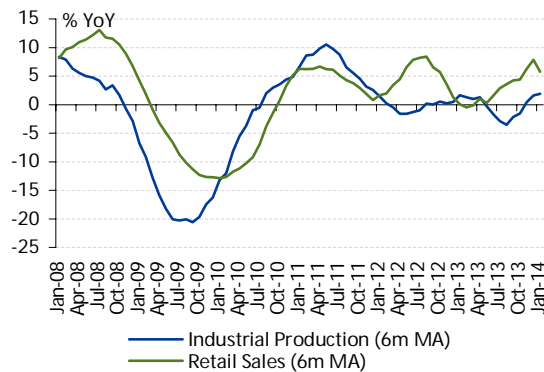
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

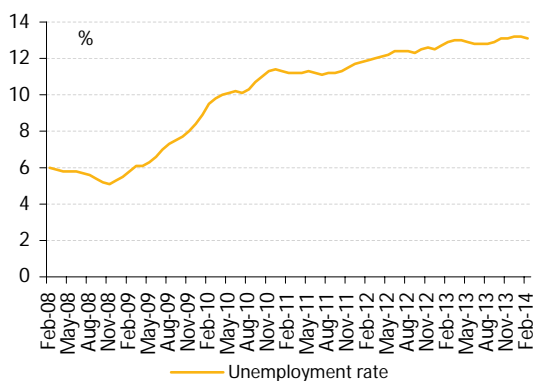
1.4 Fiscal Reserves



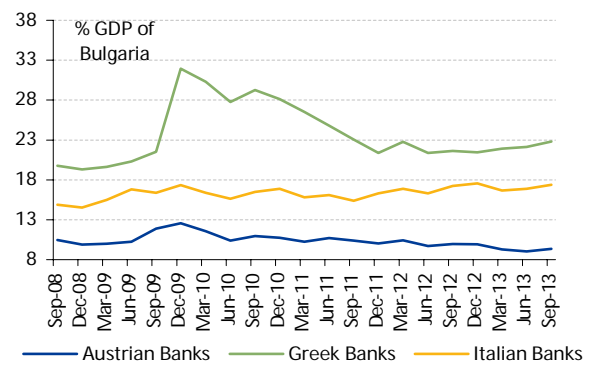
1.5 Industrial Production & Retail Sales



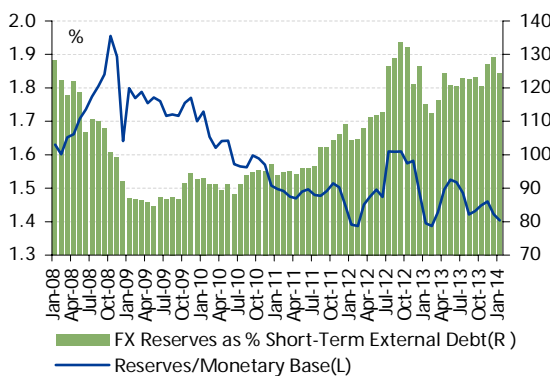
1.6 Unemployment Rate



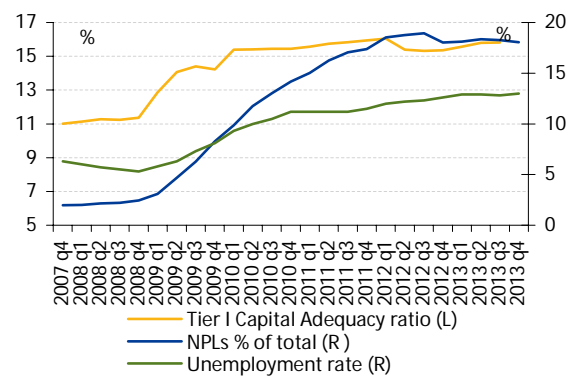
1.7 Foreign Claims



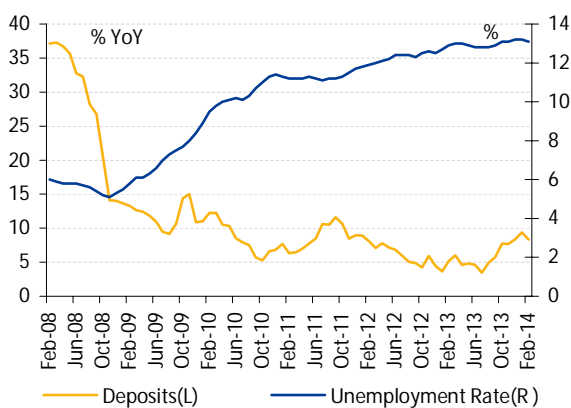
1.8 FX Reserves & Monetary Base



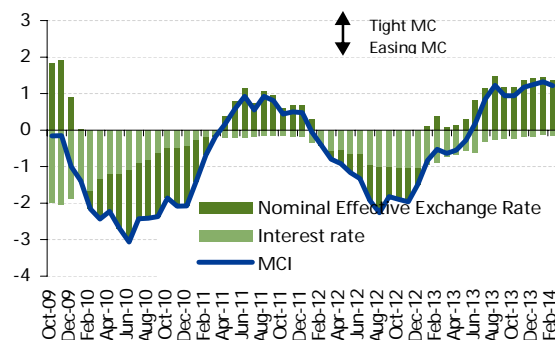
1.9 Unemployment Rate, NPLs & Capital Adequacy



2.0 Deposits & Unemployment Rate



2.1 Monetary Conditions Index (MCI)



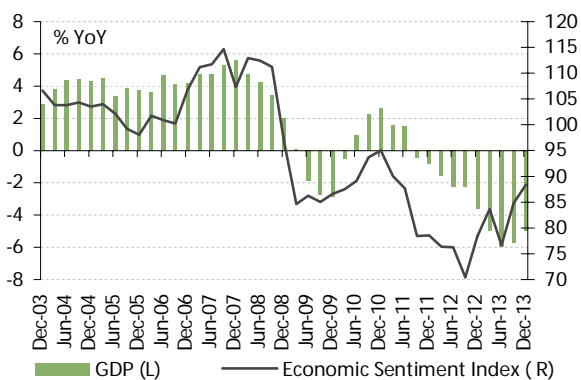
Note: The index is a weighted average of the annual change in interest rate SOFIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

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

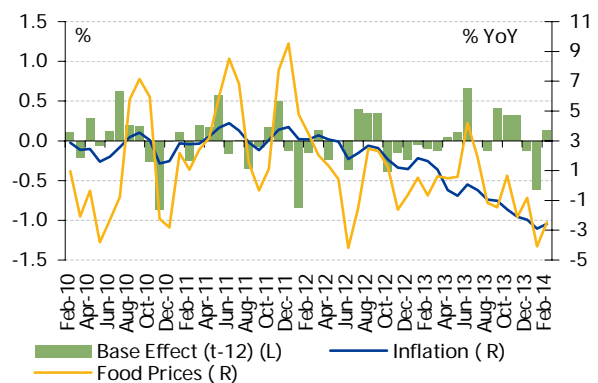
C. CYPRUS

- On March 28th, the Ministry of Finance (MoF) and the Central Bank of Cyprus (CBC) decided to further relax the temporary restrictions on transactions. According to the statement, the relaxation is a result of achieving the milestones set out in the roadmap and the overall stabilization and restoration of confidence in the banking system.
- The IMF completed the third review under the Extended Fund Facility and approved the disbursement of EUR 83.3mn. The IMF commended the Cypriot authorities for the prompt implementation of the program. However, the IMF notes that the continuation of the program is crucial for the economic recovery.
- The international rating agency, Moody's, upgraded Cyprus' outlook to positive from negative and affirmed the government bond rating of Caa3. The outlook upgrade reflects the better than expected macroeconomic and fiscal performances in 2013, as well as the Cypriot authorities' compliance with the conditions of the Memorandum of Understanding. According to Moody's, the latter significantly increases confidence in the economy. The affirmation of the rating reflects the possibility that Cyprus will not be able to service its debt or undergo a debt restructuring over the medium-term. The interdependent relationships between the economy, the banking system and public finances is the main reason for this risk.
- In January, industrial production contracted by 6.6% YoY from decreases of 5.7% in December and 11.8% in January 2013. In the construction sector, building permits contracted at a faster rate of 18.5% in January 2014 from decreases of 16.3% in December and 12.4% in January 2013. Tourist arrivals increased in February by 6.9% YoY from decreases of 3.8% in January and 23.6% in February 2013. (Graph 1.5 & 1.7)
- Private sector credit contracted at a faster rate of 12.9% YoY in February 2014 from an increase of 5.2% in February 2013, as business and household loans both contracted. Private sector deposits contracted by 20.2% YoY in February from a decrease of 3.5% in February 2013, as residents' deposits contracted by 15.0% from -2.2% for the same months. (Graph 2.0)

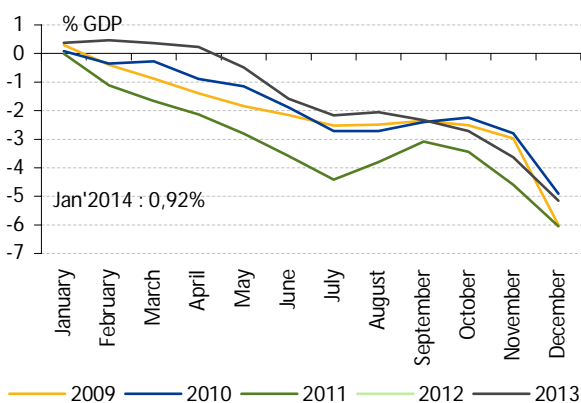
1.0 Real GDP & Economic Sentiment Indicator (ESI)



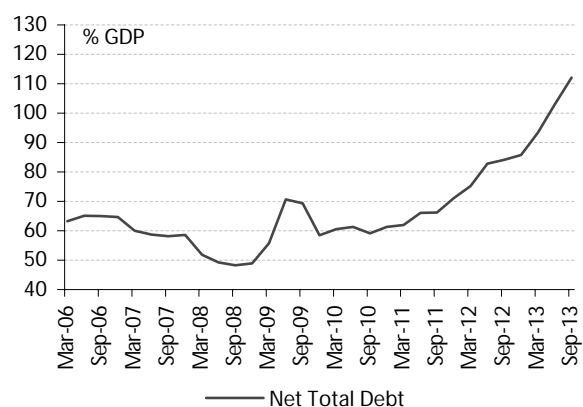
1.1 Inflation & Base Effect



1.2 Fiscal Balance



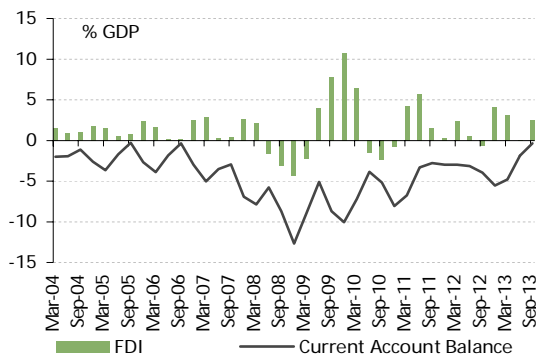
1.3 Public Debt



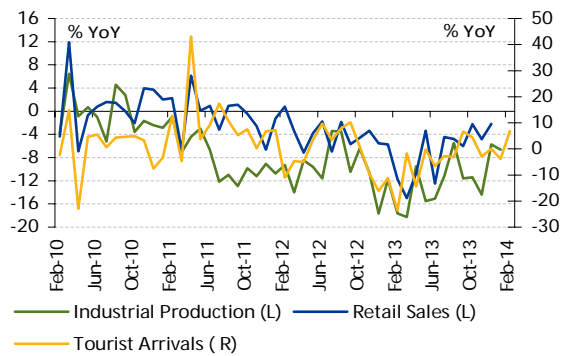
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

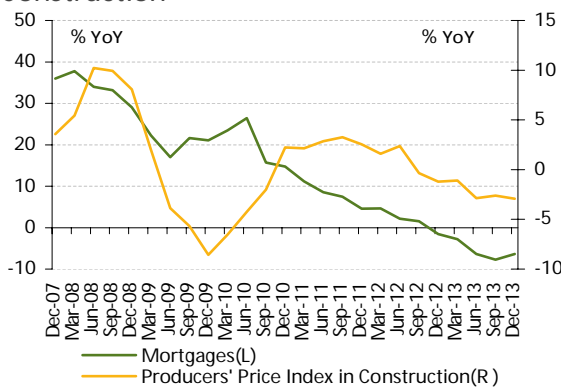
1.4 Current Account Balance (6m MA)



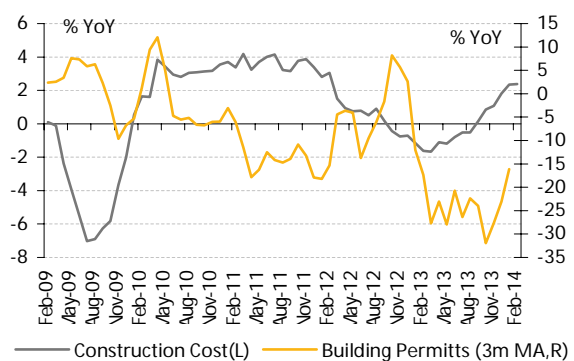
1.5 Industrial Production, Retail Sales & Tourist Arrivals



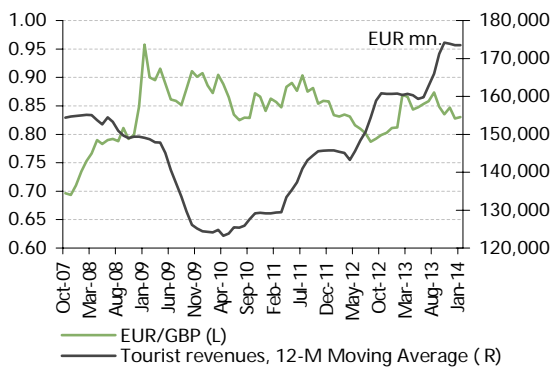
1.6 Mortgage Loans & Producer's Price Index in Construction



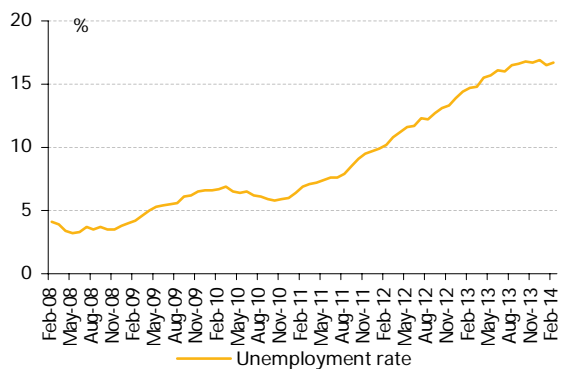
1.7 Construction Cost & Building Permits



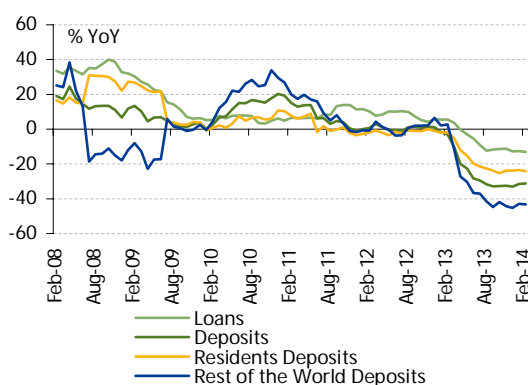
1.8 EUR/GBP & Tourism Revenues



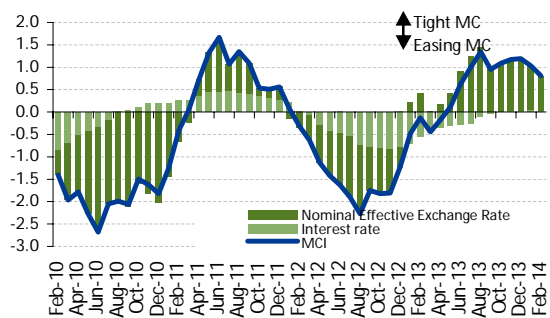
1.9 Unemployment Rate



2.0 Loans & Deposits



2.1 Monetary Conditions Index (MCI)



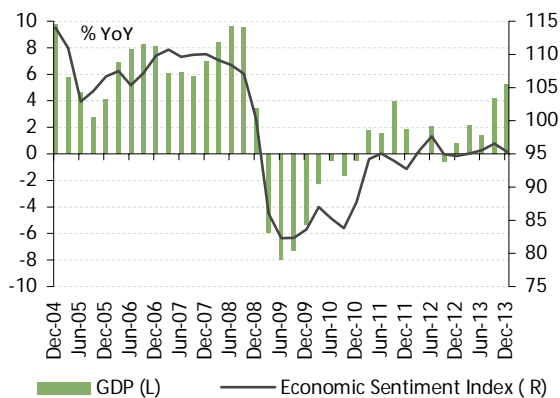
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

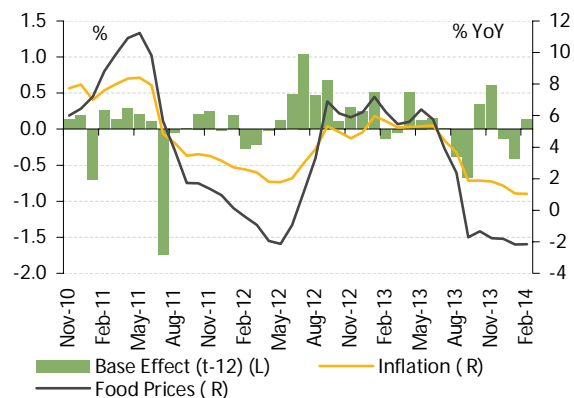
D. ROMANIA

- On March 26th, the IMF completed the first and second review of Romania's precautionary SBA and made available for disbursement EUR 436.3mn from a total of EUR 654.4mn. The completion of the reviews followed the President's acceptance of the tax fuel hike.
- In January 2014, the current account balance turned to surplus of 0.3% of GDP compared to 0.2% in January 2013 due to the improvement in the trade deficit to 0.05% from 0.1% during the same periods. The current account balance was financed, as net FDIs stood at 0.2%, unchanged from the same month last year. (Graph 1.3)
- In January, gross external debt moderated to 65.2% of GDP from 68.5% in 2013. Both medium and short-term external debt declined. (Graph 1.7)
- Private sector credit contracted in February for the 12th consecutive month by 2.0% YoY from an increase of 0.1% in February last year, as local currency loans increased at a slower rate and foreign currency loans contracted for the 15th consecutive month. Business loans contracted in February by 3.7% from an increase of 4.3% in February last year, while household loans increased marginally after 13 consecutive months of contraction, by 0.04% YoY compared with a decrease of 1.1% for the same months. In February, private sector deposits increased at a faster rate of 10.7% YoY from 3.7% in February 2013, while the liquidity ratio (loans/ deposits) was 100.8% from 113.9% for the same months. (Graphs 1.8 & 1.9)

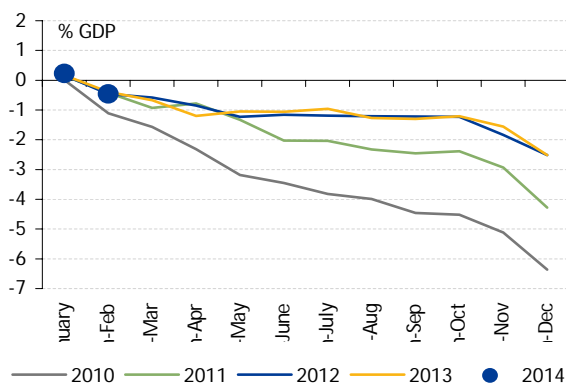
1.0 Leading Indicators



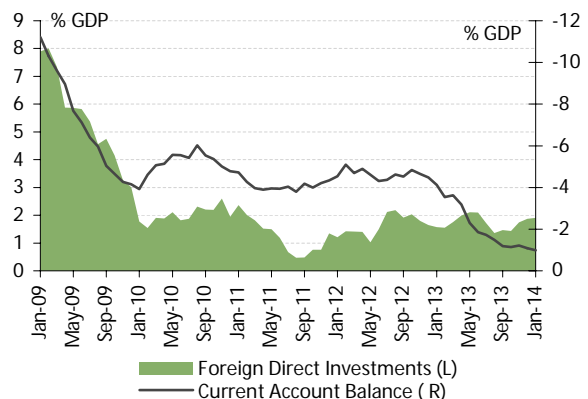
1.1 Inflation & Base Effect



1.2 Fiscal Balance



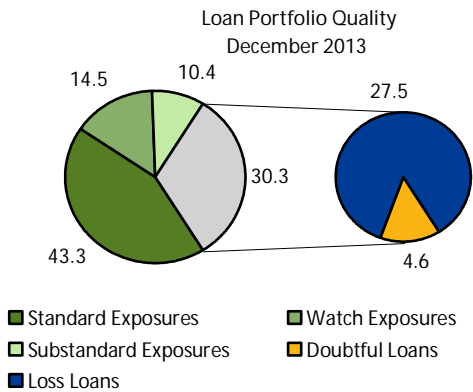
1.3 Current Account Balance & FDIs (12m rolling sum)



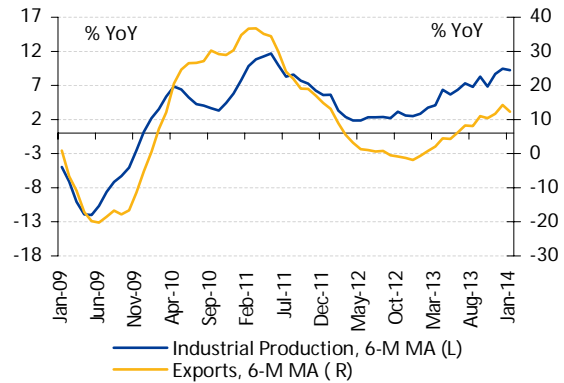
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

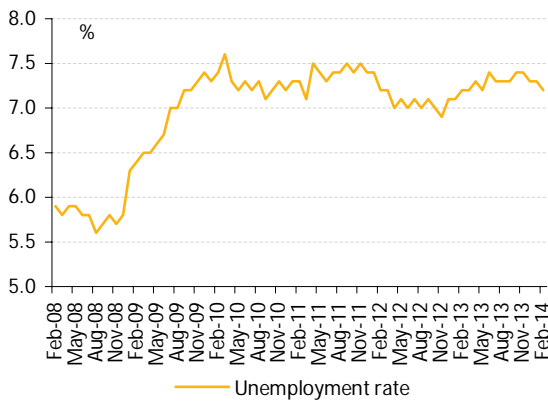
1.4 Loan Portfolio Quality



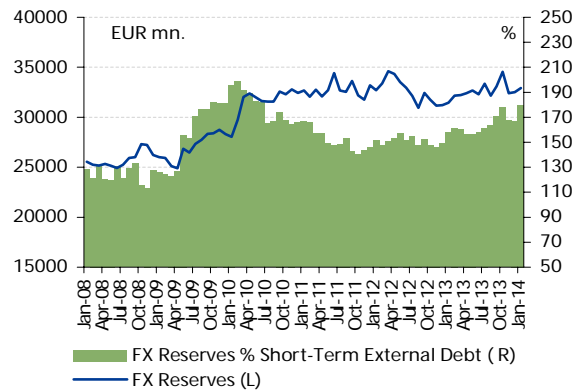
1.5 Industrial Production & Exports



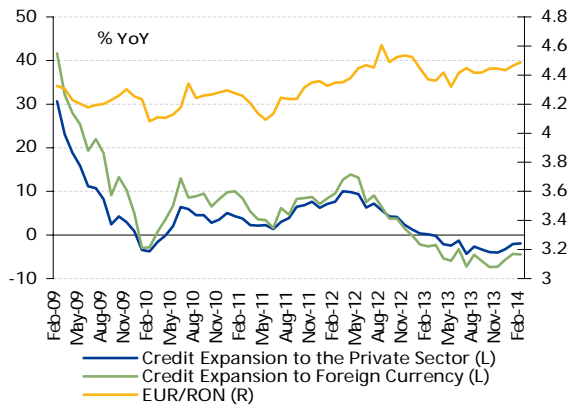
1.6 Unemployment Rate



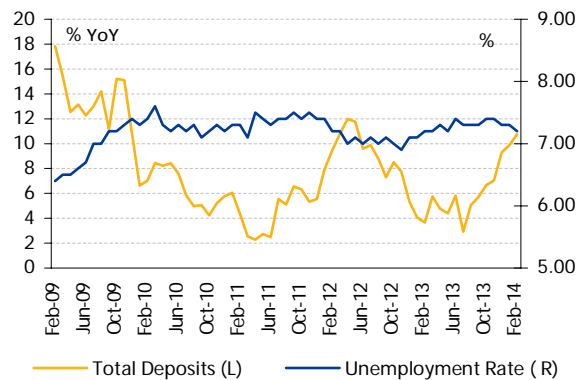
1.7 FX Reserves as % of Short-Term External Debt



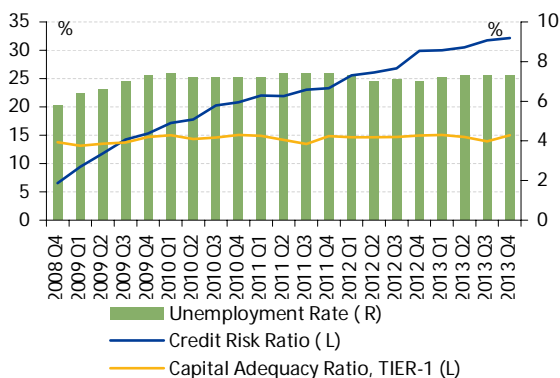
1.8 Credit Expansion & FX Rate



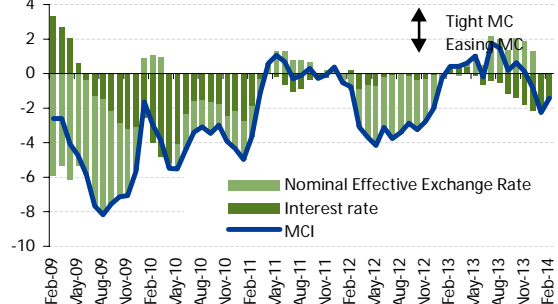
1.9 Deposits & Unemployment Rate



2.0 Unemployment Rate, NPLs & Capital Adequacy



2.1 Monetary Conditions Index (MCI)



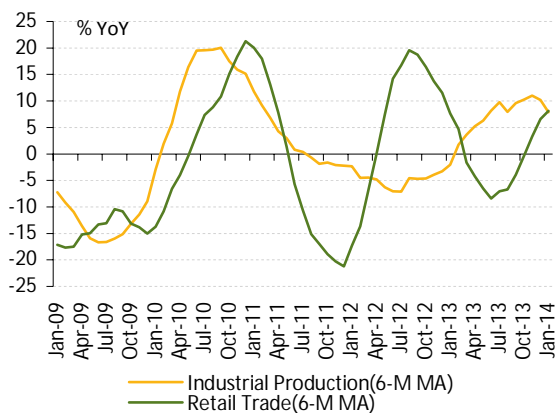
Note: The index is a weighted average of the annual change in interest rate BUBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

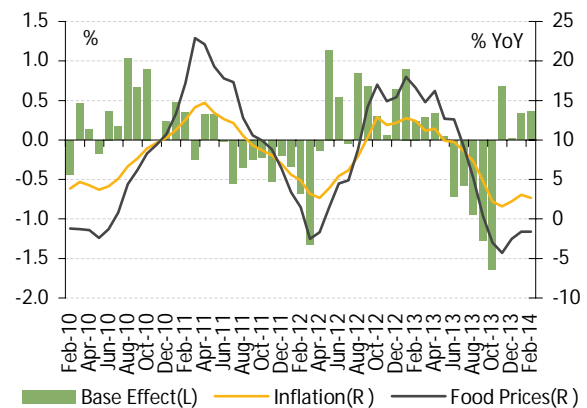
E. SERBIA

- The fiscal deficit in Jan-Feb stood at 0.6% of GDP unchanged from the same period last year, as public spending amounted to 6.2% of GDP from 5.7% and revenues amounted to 5.6% from 6.3% for the same periods. (Graph 1.2)
- The current account deficit in 2013 improved significantly as it amounted to 4.8% of GDP from 10.7% in 2012, due to a moderation in the trade deficit to 12.1% from 18.3% for the same periods. The services surplus improved accordingly in 2013 to 1.0% of GDP from 0.5% in 2012, while the current transfer's surplus amounted to 9.6% from 9.8% for the same years. The income deficit widened to 3.3% in 2013 from 2.7% in 2012, while the current account deficit was comfortably financed by net FDIs, as the latter reached 2.4% compared to 0.8% for the same years. (Graph 1.3)
- Private sector credit contracted further in February to 4.7% YoY from an increase of 2.1% in February last year, as loans to businesses contracted, and household lending increased at a slower rate. Private sector deposits in February increased by 4.2% YoY from 11.9% in February last year. (Graph 2.0)
- In February 2014, public debt increased to 62.9% of GDP from 61.2% in December 2013. (Graph 1.6)

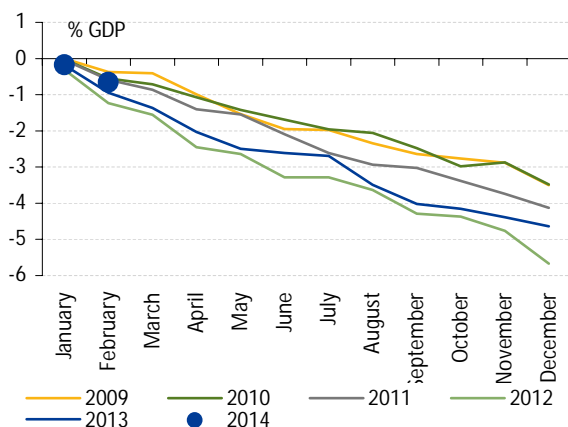
1.0 Leading Indicators



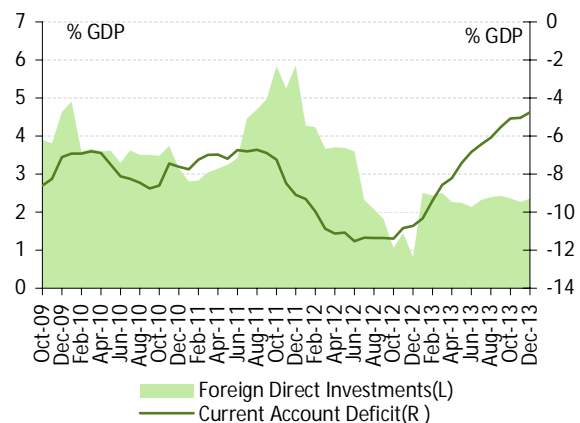
1.1 Inflation & Base Effect



1.2 Fiscal Balance



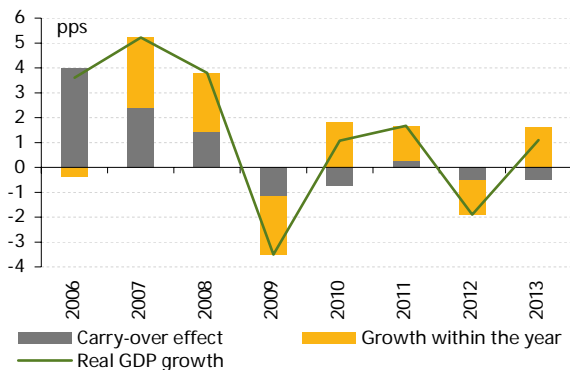
1.3 Current Account Balance & FDIs (12m rolling sum)



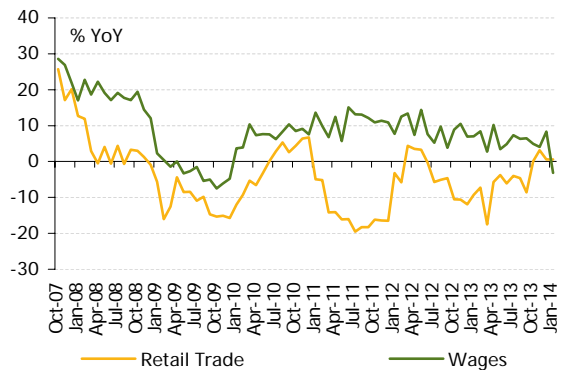
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

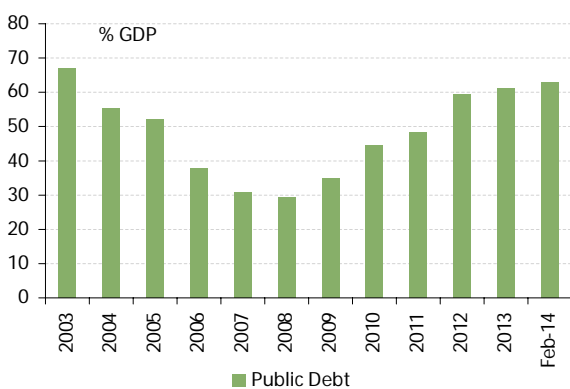
1.4 Carry Over Effect



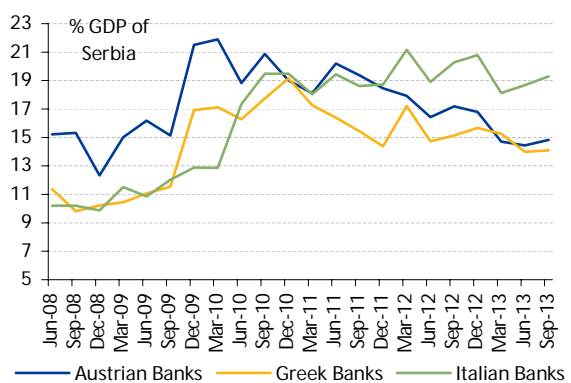
1.5 Retail Sales & Real Wages



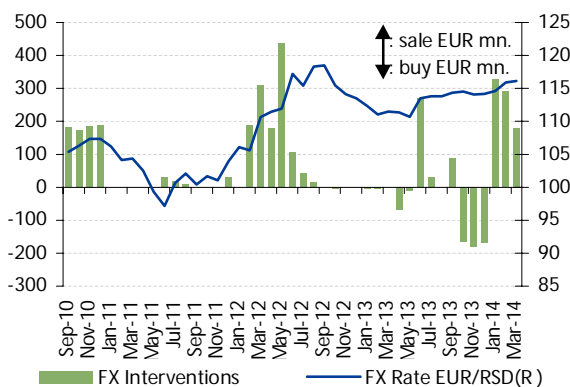
1.6 Public Debt



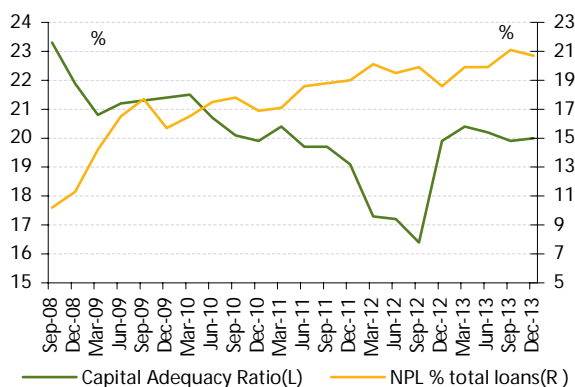
1.7 Foreign Claims



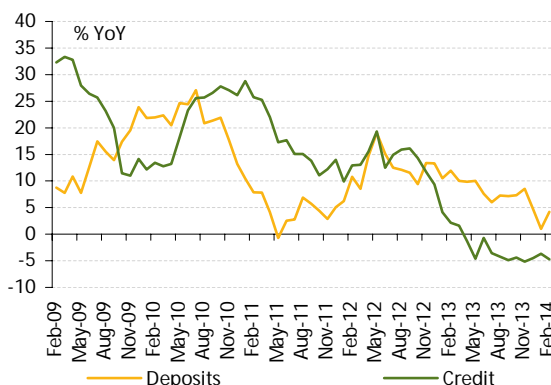
1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



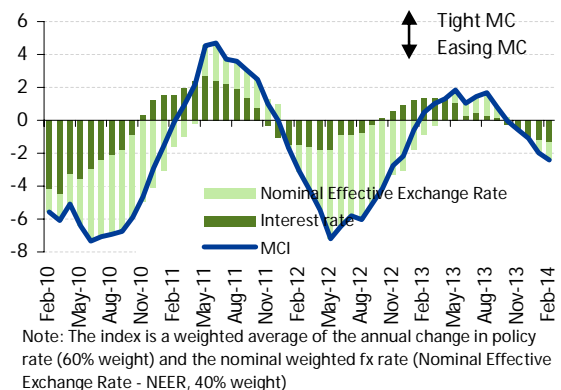
1.9 Capital Adequacy & NPLs



2.0 Private Sector Deposits & Credit



2.1 Monetary Conditions Index (MCI)



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

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