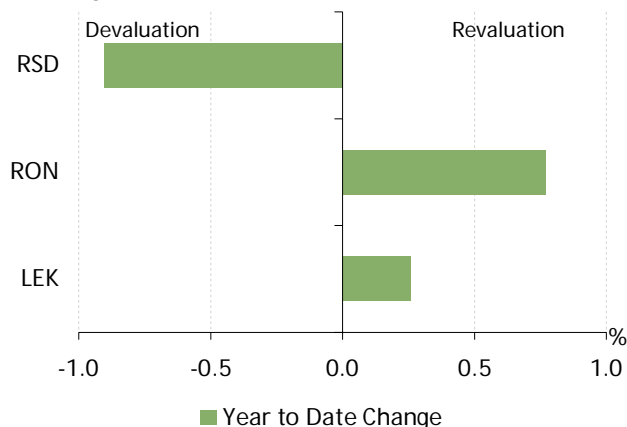




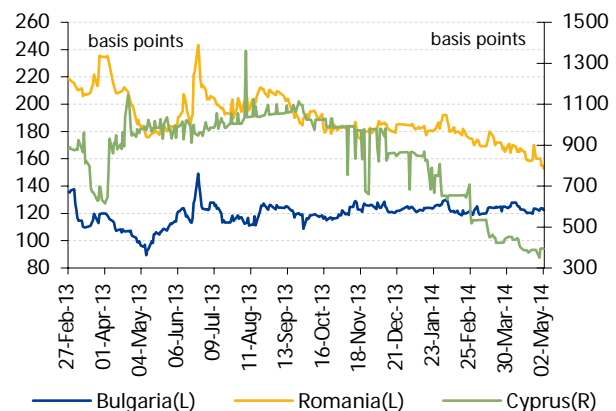
## ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- On April 30<sup>th</sup>, the Bank of Albania (BoA), decided to keep its key policy rate unchanged at 2.75%, aiming to further strengthen aggregate demand and economic activity.
- Bulgaria's general government deficit in 2013, according to Eurostat, amounted to 1.5% of GDP from 0.8% in 2012 and public debt was 18.9% from 18.4% for the same years.
- On April 25<sup>th</sup>, the international rating agency Fitch revised upwards Cyprus' long term sovereign rating to B- from CCC and revised the outlook to stable from negative. The same day, the international rating agency Standard and Poor's revised upwards the country's long term sovereign rating to B from B-, affirmed its short-term rating to B and revised the outlook to positive from stable. According to Fitch, the progress of the reforms under the Memorandum of Understanding improves the country's credibility, its fiscal targets have been significantly exceeded in 2013 and the economy has proven more resilient than expected. Accordingly, S&P notes that the country has met all the conditions of the economic adjustment program, which signals the moderation of risk for the full and timely payment of its debt service, while in 2014 Cyprus is expected to outperform its budget targets.
- On April 25<sup>th</sup>, the international rating agency Moody's revised upwards Romania's outlook to stable from negative and affirmed the country's government bond rating to Baa3. The outlook revision to stable reflects Moody's view that the significant improvement in the country's macroeconomic indicators' in 2013 will continue this year as well. Additionally, this decision reflects the moderation of the risks that are related to future growth and the country's external financing due to the current recovery of activity in the Euroarea, with which the country has strong ties.
- Serbia's real GDP in 2014Q1, according to the flash estimate, slowed down significantly to 0.4% from 2.7% in 2013Q4 and 3.0% in 2013Q1.

### Bilateral Exchange Rates vs. the Euro (2<sup>nd</sup> May 2014)



### CDS 5Y USD



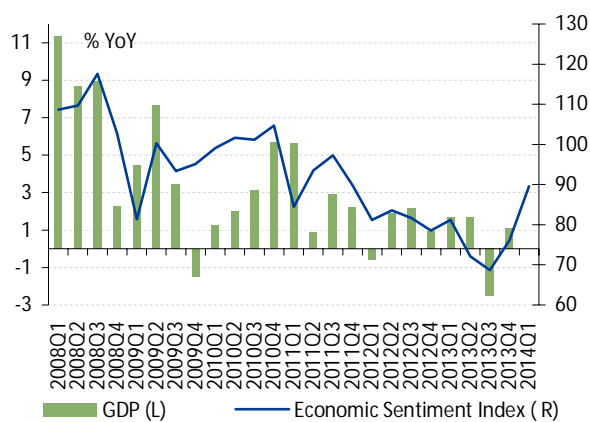
Macroeconomic Data								
	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2012	2013	2013	Mar'14	2013	Mar'14	2012	2013
Albania	1.1	0.4	1.9	1.9	-4.7	-0.1	-10.5	-10.6
Bulgaria	0.6	0.8	0.9	-2.3	-1.9	-0.9	-0.8	1.9
Cyprus	-2.4	-5.4	-0.4	-2.3	-5.2	-0.1	-6.8	-1.9
Romania	0.6	3.3	4.0	1.0	-2.5	-0.1	-4.3	-1.1
Serbia	-1.4	2.5	7.9	2.7	-4.9	-0.6	-10.7	-4.8

Source: Piraeus Bank Research, Datastream, Bloomberg

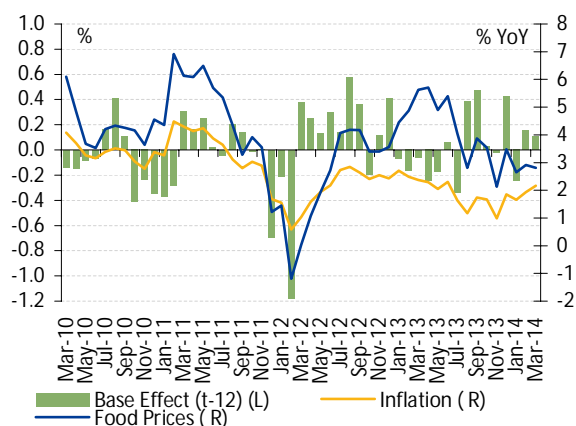
## A. ALBANIA

- 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 amounted to 5.8% of GDP in 2014Q1 from 5.6% for the same period last year. (Graph 1.2)
- In 2013, the current account deficit widened to 10.6% of GDP from 10.3% in 2012, whereas the trade deficit totalled 17.9% from 20.9% for the same years. The moderation of the services and current transfers' surpluses contributed to the widening of the current account deficit in 2013, while net FDIs increased to 9.2% of GDP in 2013 from 6.8% in the previous year. (Graph 1.3)
- In March, private sector lending contracted by 2.4% YoY compared with an increase of 0.2% in March 2013, as business loans contracted, whereas loans to households in March increased compared to the same month last year. Total deposits increased in March, at a slower rate, by 1.9% from 5.7% in the same month last year. (Graph 1.8)

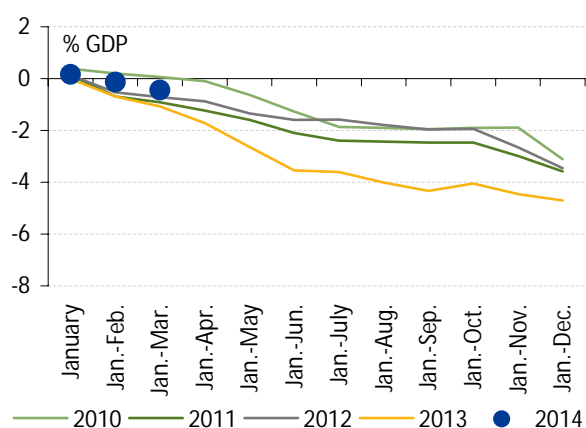
### 1.0 Real GDP & Economic Sentiment Index



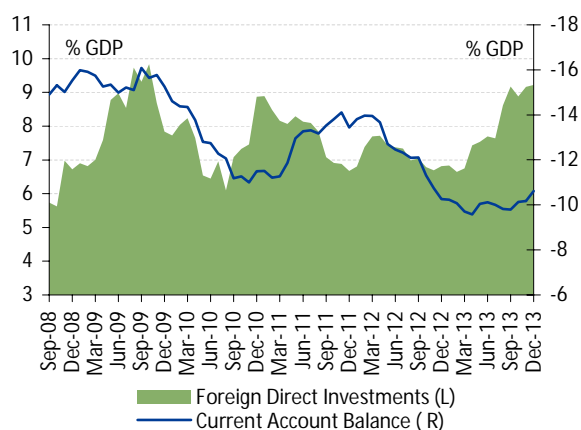
### 1.1 Inflation, Base Effect & Food Prices



### 1.2 Fiscal Balance



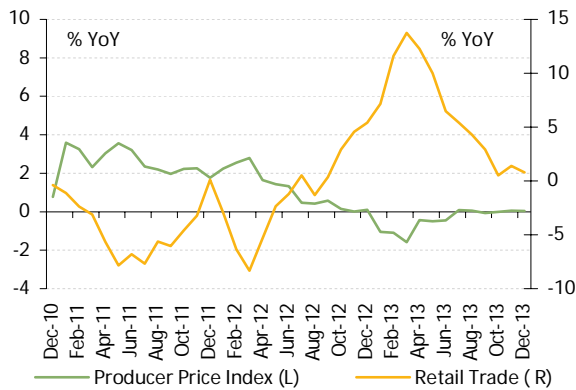
### 1.3 Current Account Balance & FDIs (12m rolling sum)



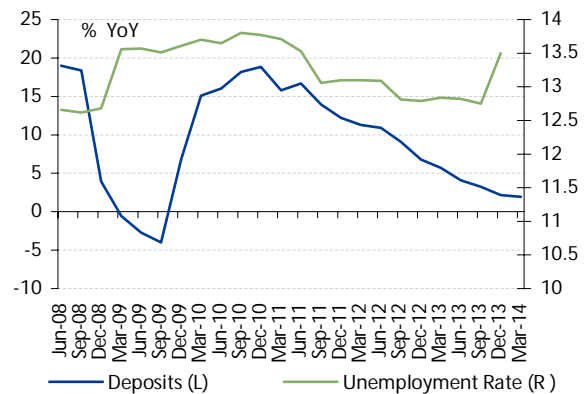
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

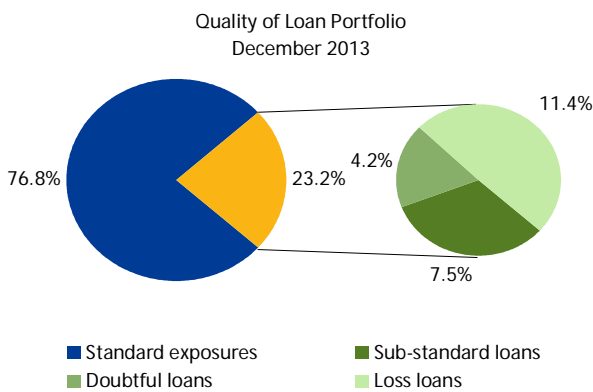
### 1.4 Producer Price Index & Retail Trade



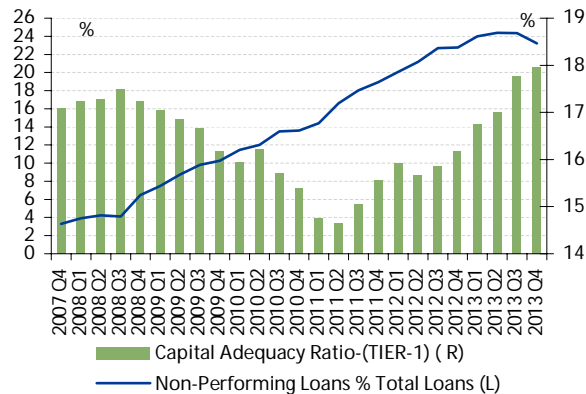
### 1.5 Total Deposits & Unemployment Rate



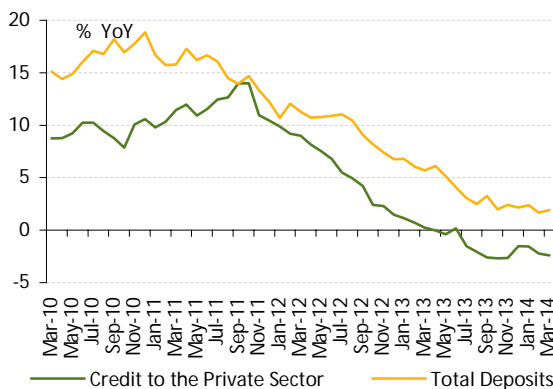
### 1.6 Quality of Loan Portfolio



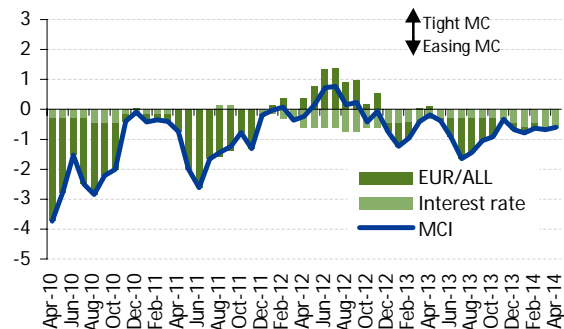
### 1.7 NPLs & Capital Adequacy Ratio



### 1.8 Credit Expansion & Total Deposits

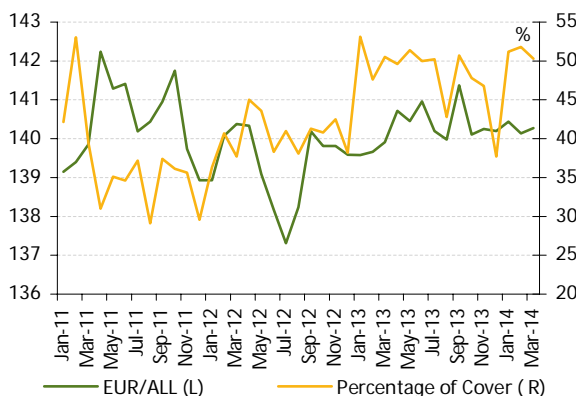


### 1.9 Monetary Conditions Index (MCI)

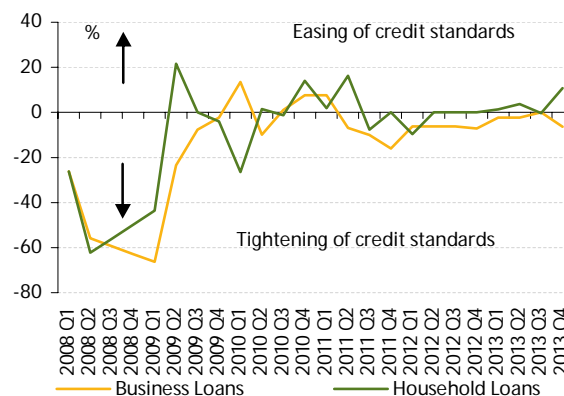


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (-40% weight)

### 2.0 EUR/ALL & Imports to Exports Coverage



### 2.1 Central Bank's Lending Survey

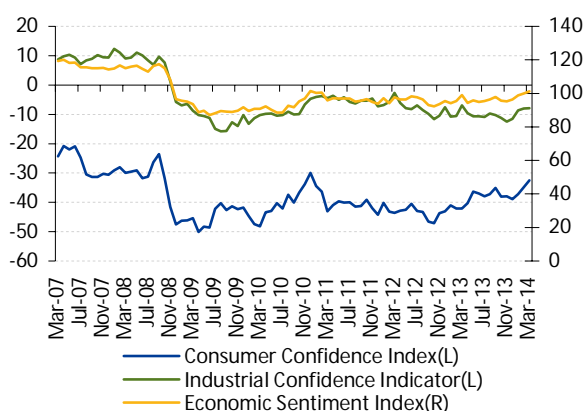


Source: Piraeus Bank Research, Datastream, National Sources

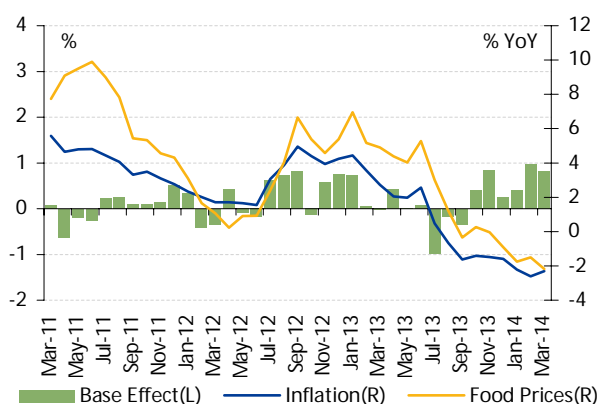
## B. BULGARIA

- In Jan-Feb, the current account deficit moderated to 1.0% of GDP from 1.3% in Jan-Feb 2013, whereas the trade deficit amounted to 1.3% of GDP from 0.9% for the same months. The surplus of the income balance contributed to the improvement in the current account deficit, while the latter was financed, as net FDIs stood at 0.3% of GDP in Jan-Feb from 0.6% for the same period last year. (Graph 1.3)
- In March, foreign exchange reserves decreased by 0.9% YoY compared to an increase of 11.9% in March 2013, while in February reserves covered 120.7% of the short-term gross external debt from 112.5% in February 2013. (Graph 1.8)
- In March, private sector credit increased by 1.2% YoY from 2.3% in March 2013, while business loans increased by 1.7% from 4.4% for the same months. Household lending increased by 0.3% in March compared with a decrease of 1.3% in March 2013, whereas private sector deposits increased at a faster rate of 7.6% YoY from 6.0% for the same months. Finally, in March, the liquidity ratio (loans/deposits) moderated to 75.9% from 80.6% in March last year. (Graph 2.0)

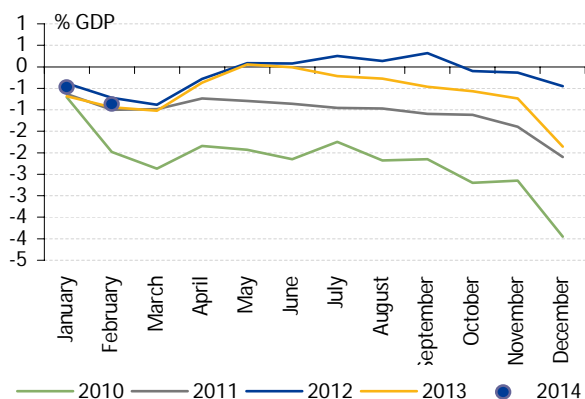
### 1.0 Leading Indicators



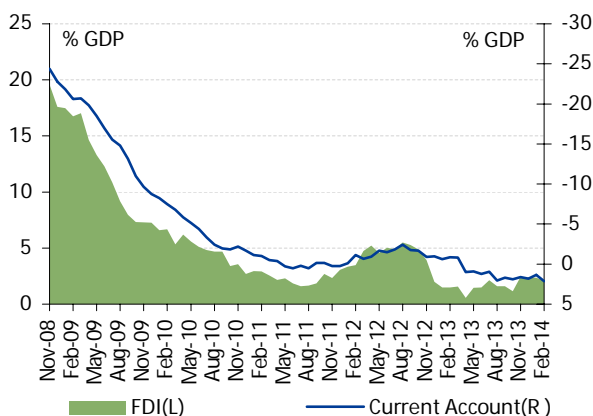
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



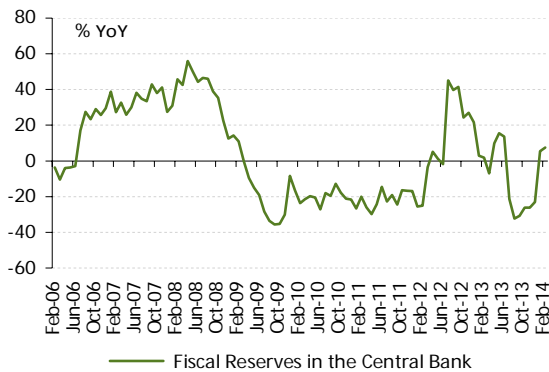
### 1.3 Current Account Balance & FDIs (12m rolling sum)



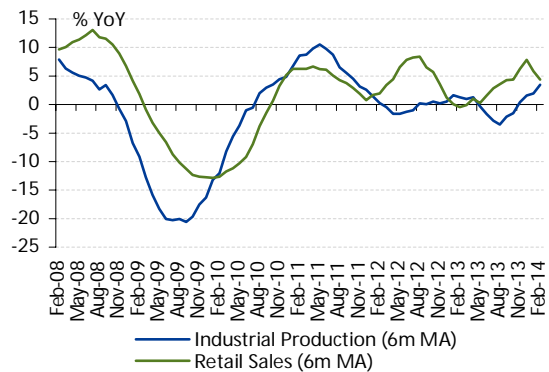
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

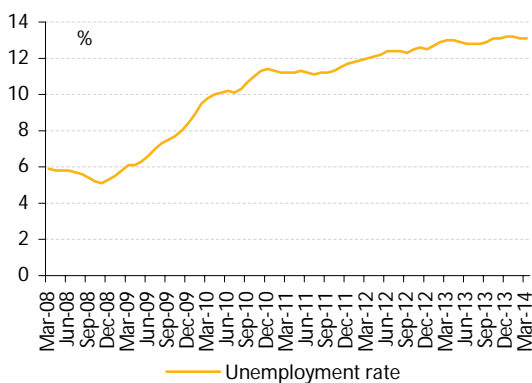
### 1.4 Fiscal Reserves



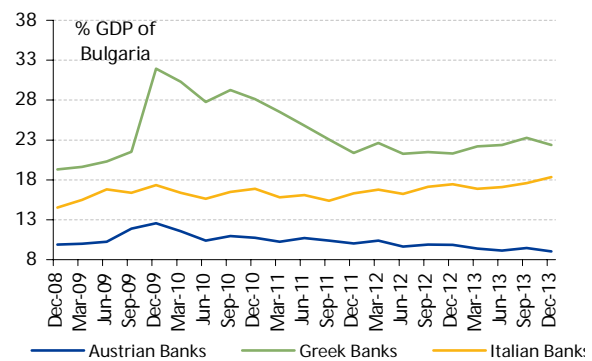
### 1.5 Industrial Production & Retail Sales



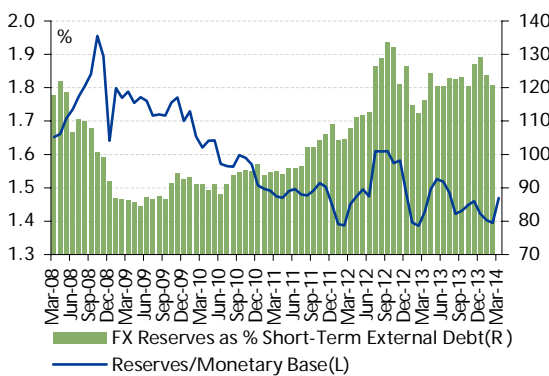
### 1.6 Unemployment Rate



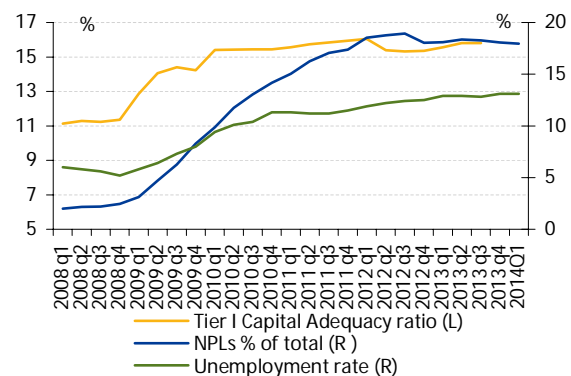
### 1.7 Foreign Claims



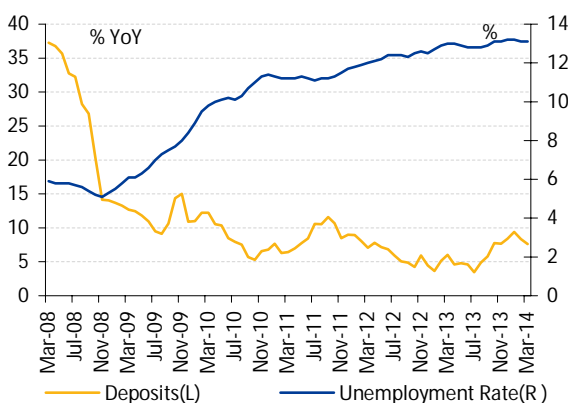
### 1.8 FX Reserves & Monetary Base



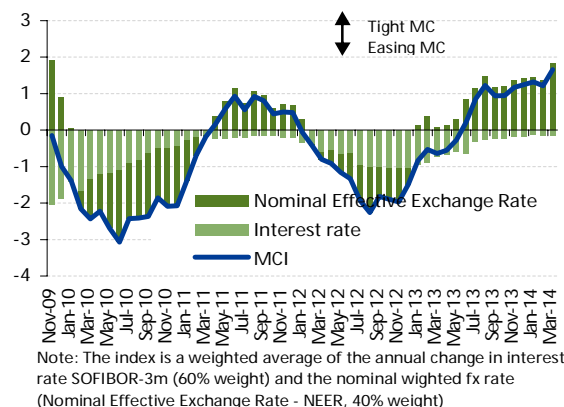
### 1.9 Unemployment Rate, NPLs & Capital Adequacy



### 2.0 Deposits & Unemployment Rate



### 2.1 Monetary Conditions Index (MCI)

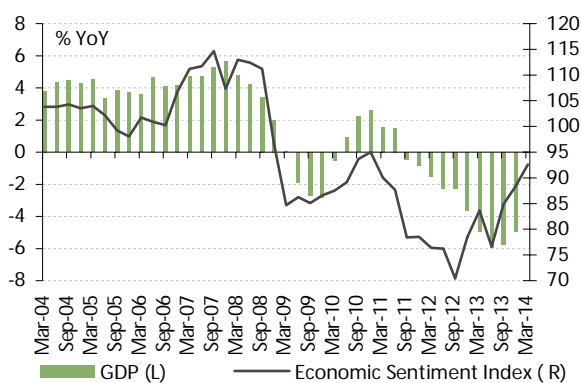


Source: Piraeus Bank Research, Datastream, National Sources, BIS

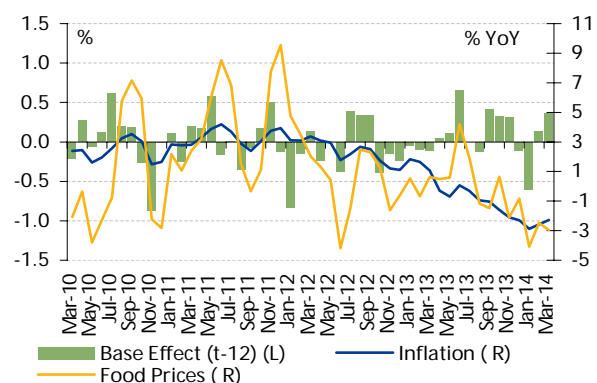
## C. CYPRUS

- The Ministry of Finance (MoF) and the Central Bank of Cyprus (CBC) announced on May 2<sup>nd</sup> the 29<sup>th</sup> Decree of the enforcement of temporary restrictive measures on transactions. This proceeds to significantly relax restrictions on domestic transactions following the roadmap agreed in August last year. Restrictions on foreign transactions remain.
- In February, industrial production contracted by 2.4% YoY after decreases of 6.7% in January and 18.0% in February 2013. In the tourism sector, tourist arrivals decreased in March by 16.3% YoY from an increase of 6.9% in February and a decrease of 1.8% in March 2013. (Graph 1.5)
- The fiscal balance in 2014Q1 turned to a deficit of 0.12% of GDP compared to a surplus of 0.22% in 2013Q1, due to the contraction in revenues by 2.8% YoY and the increase in public spending of 1.2% YoY. (Graph 1.2)
- Private sector credit contracted by 10.5% YoY in March 2014 from an increase of 2.8% in March 2013, as business and household loans both contracted. Private sector deposits contracted by 15.3% YoY in March from a decrease of 10.8% in March 2013, whereas residents' deposits contracted by 11.5% from -5.5% for the same months. (Graph 2.0)
- The general government deficit in 2013 amounted to 5.4% of GDP from 6.4% in 2012 according to Eurostat, while public debt increased to 111.7% of GDP from 86.6% for the same years.

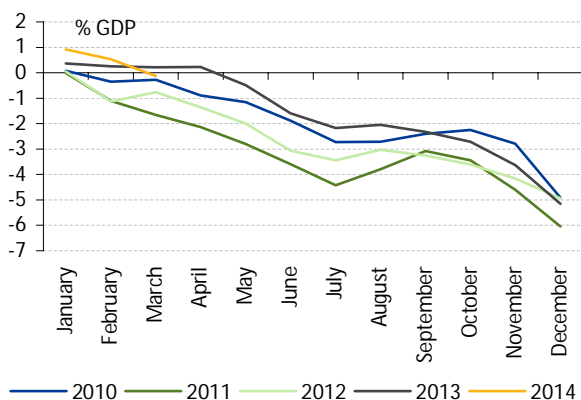
1.0 Real GDP & Economic Sentiment Indicator (ESI)



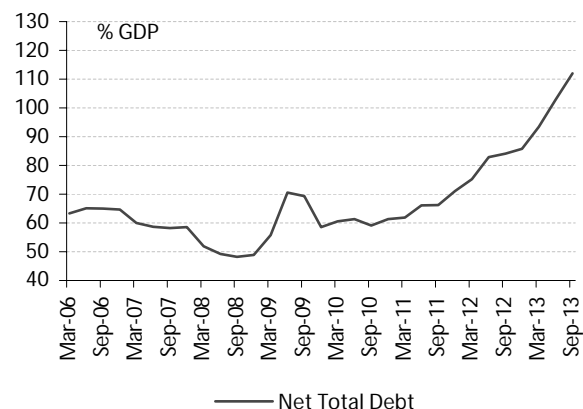
1.1 Inflation & Base Effect



1.2 Fiscal Balance



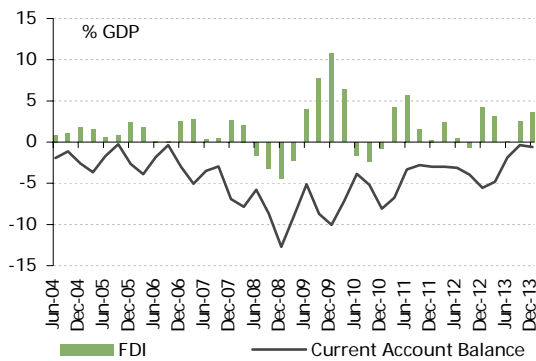
1.3 Public Debt



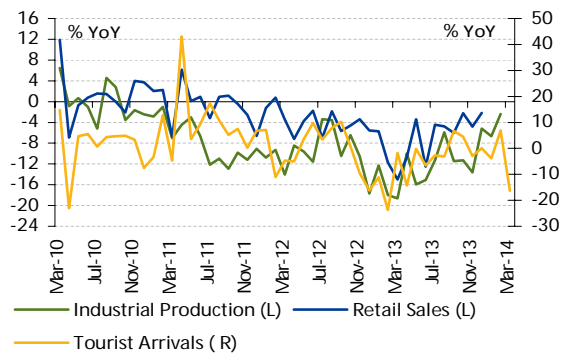
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

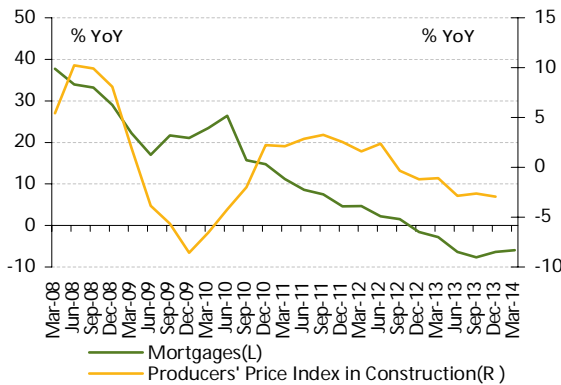
### 1.4 Current Account Balance (6m MA)



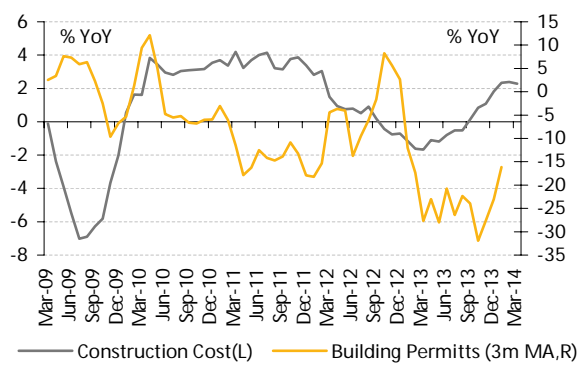
### 1.5 Industrial Production, Retail Sales & Tourist Arrivals



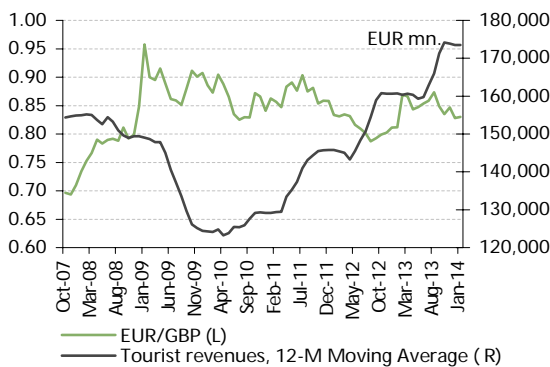
### 1.6 Mortgage Loans & Producer's Price Index in Construction



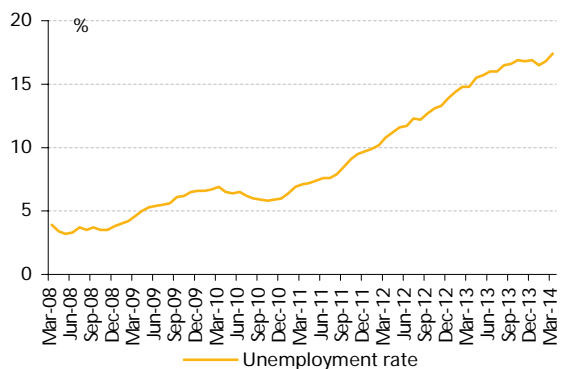
### 1.7 Construction Cost & Building Permits



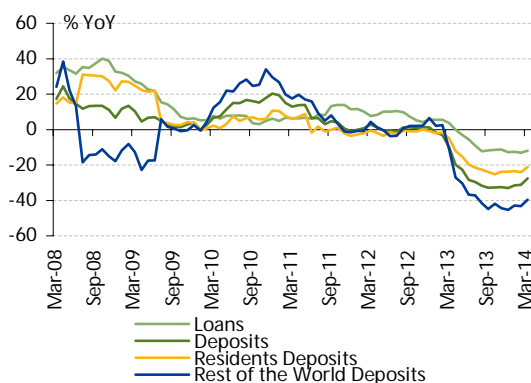
### 1.8 EUR/GBP & Tourism Revenues



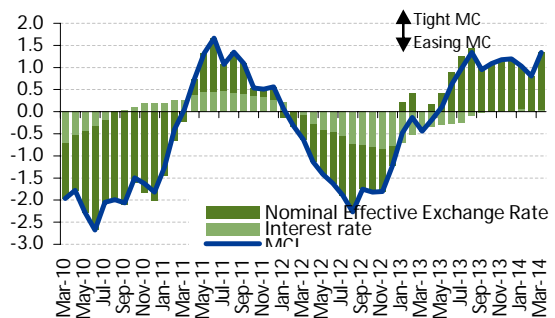
### 1.9 Unemployment Rate



### 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)

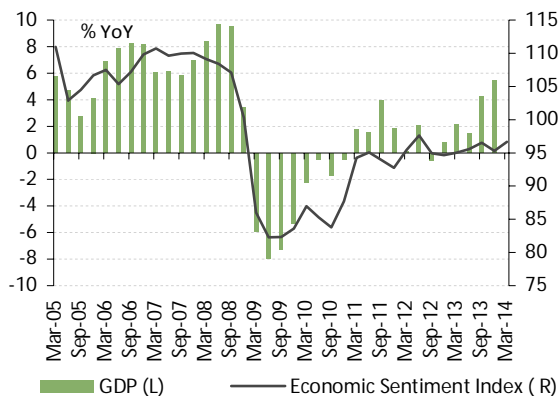
Source: Piraeus Bank Research, Datastream, National Sources



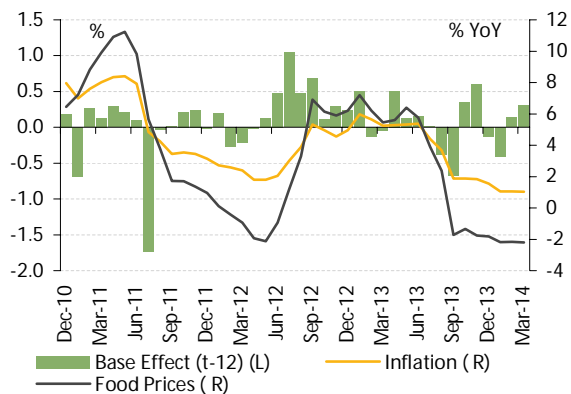
## D. ROMANIA

- In 2014Q1, the fiscal deficit contracted to 0.1% of GDP from 0.7% in 2013Q1 due to a decline in public spending to 7.5% of GDP from 8.1% for the same periods. In 2014Q1, revenues decreased to 7.4% of GDP from 7.5% in the same period in 2013. (Graph 1.2)
- In February, gross external debt moderated to 63.3% of GDP from 67.9% in 2013. Both medium and short-term external debt declined. (Graph 1.7)
- Private sector credit contracted in March, for the 13<sup>th</sup> consecutive month, by 2.7% YoY from a marginal decrease of 0.2% in March last year. Local currency loans increased at a faster rate, but foreign currency loans contracted for the 16<sup>th</sup> consecutive month. Business loans contracted in March by 4.0% from an increase of 3.3% in March last year, while household loans decreased by 1.2% from -0.7% for the same months. However, private sector deposits increased in March at a faster rate of 6.6% YoY from 5.7% in March 2013, while the liquidity ratio (loans/ deposits) was 101.8% from 111.5% for the same months. (Graphs 1.8 & 1.9)
- The general government deficit in 2013 amounted to 2.3% of GDP from 3.0% in 2012 according to Eurostat, while public debt amounted to 38.4% of GDP from 38.0% for the same years.

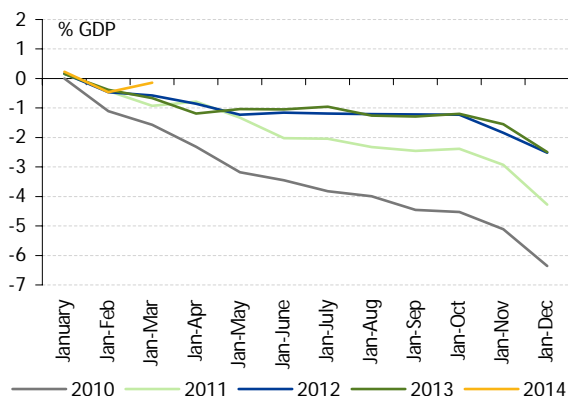
### 1.0 Leading Indicators



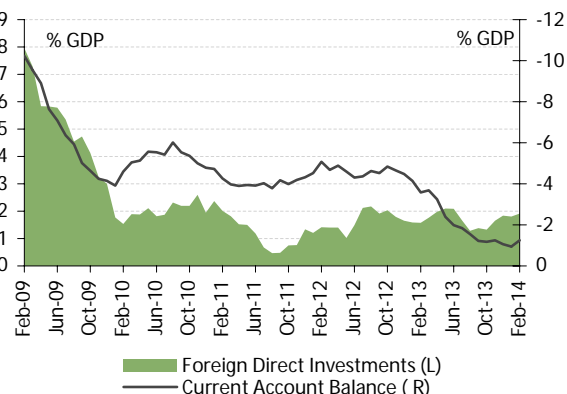
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



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

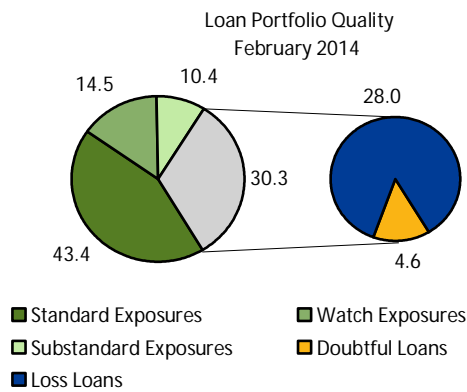


Source: Piraeus Bank Research, Datastream, National Sources

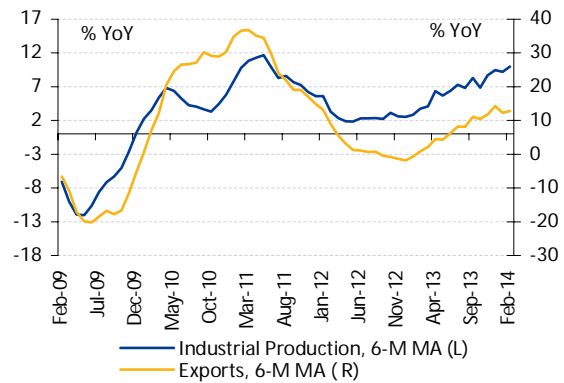


ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

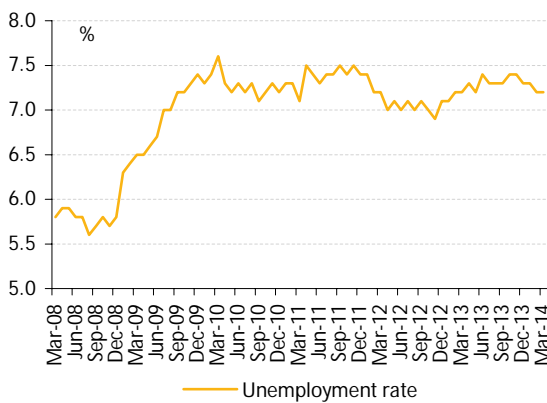
### 1.4 Loan Portfolio Quality



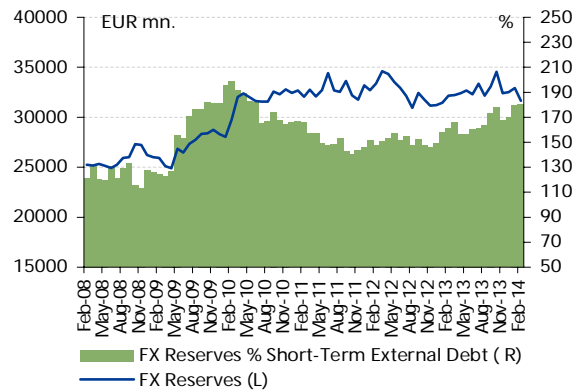
### 1.5 Industrial Production & Exports



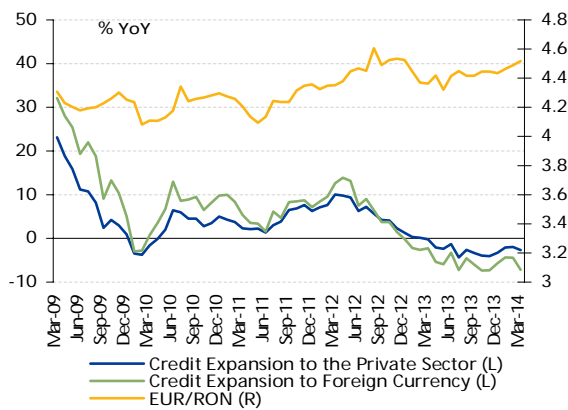
### 1.6 Unemployment Rate



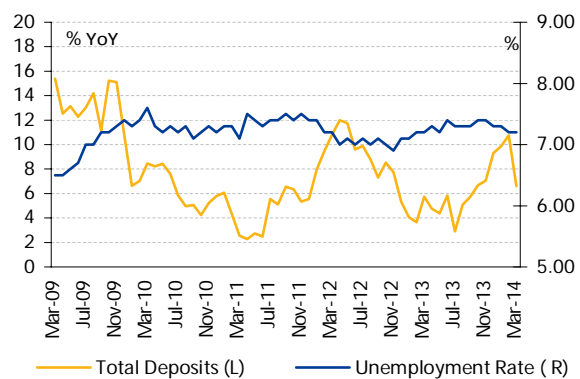
### 1.7 FX Reserves as % of Short-Term External Debt



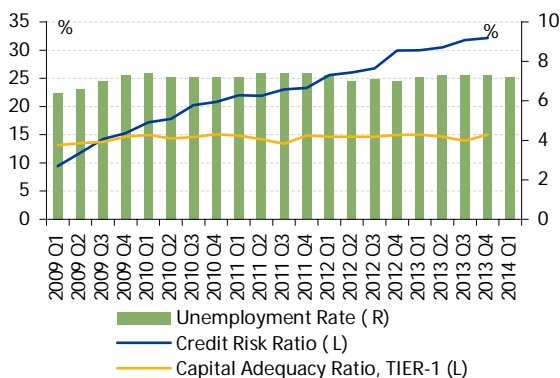
### 1.8 Credit Expansion & FX Rate



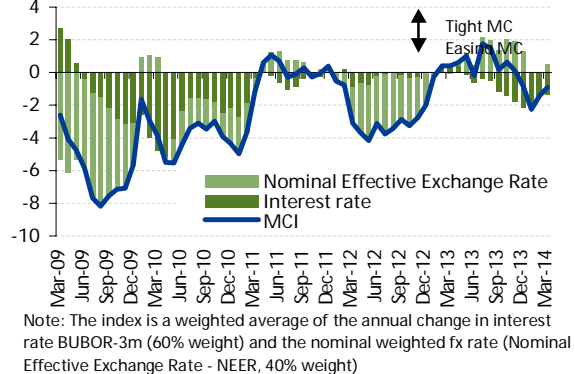
### 1.9 Deposits & Unemployment Rate



### 2.0 Unemployment Rate, NPLs & Capital Adequacy



### 2.1 Monetary Conditions Index (MCI)

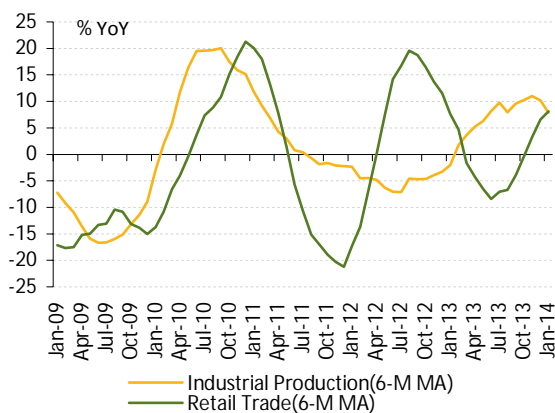


Source: Piraeus Bank Research, Datastream, National Sources

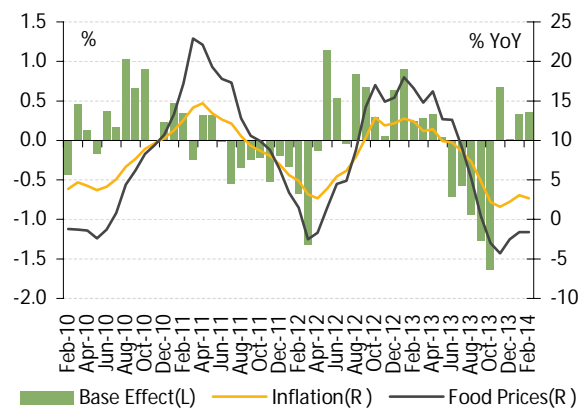
## E. SERBIA

- The fiscal deficit in 2014Q1 moderated to 1.0% of GDP from 1.4% in 2013Q1. (Graph 1.2)
- The current account deficit in Jan-Feb contracted to 0.4% of GDP from 0.9% in Jan-Feb 2013, due to a moderation in the trade deficit to 1.7% from 2.2% for the same periods. The current account deficit was financed by net FDIs, as the latter reached 0.3% of GDP for the first two months of the year, unchanged from the same period last year. (Graph 1.3)
- Private sector credit contracted further in March to 6.0% YoY from an increase of 1.6% in March last year, as loans to businesses contracted, and household lending increased at a slower rate. Private sector deposits in March increased by 3.0% YoY from 10.0% in March last year. (Graph 2.0)
- In March 2014, public debt increased to 62.3% of GDP from 63.8% in December 2013. (Graph 1.6)

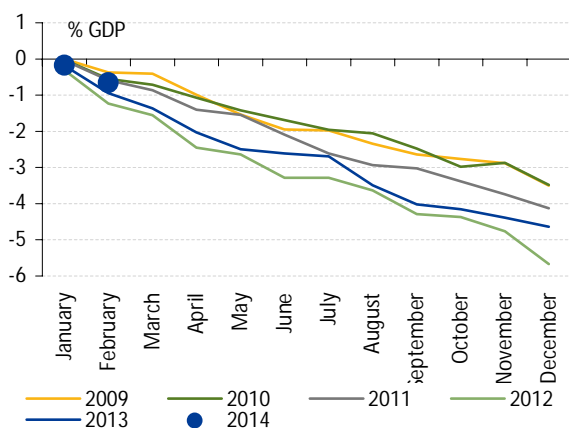
### 1.0 Leading Indicators



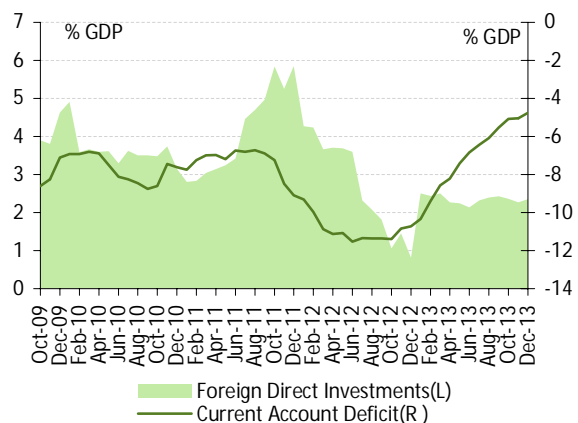
### 1.1 Inflation & Base Effect



### 1.2 Fiscal Balance



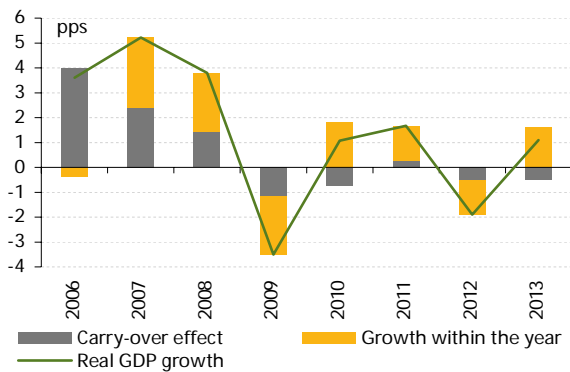
### 1.3 Current Account Balance & FDIs (12m rolling sum)



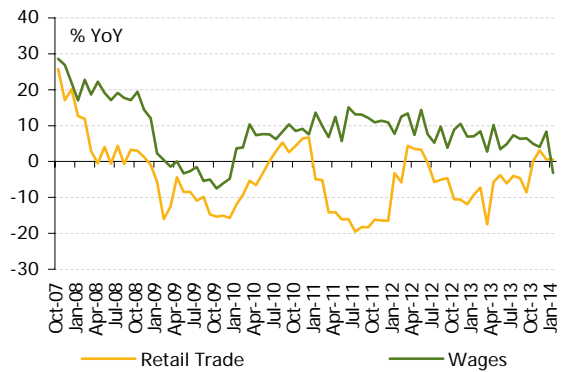
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

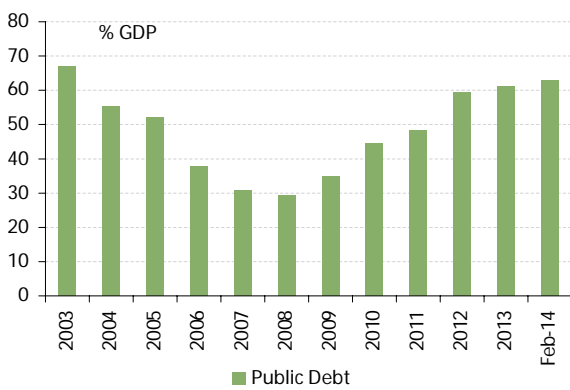
### 1.4 Carry Over Effect



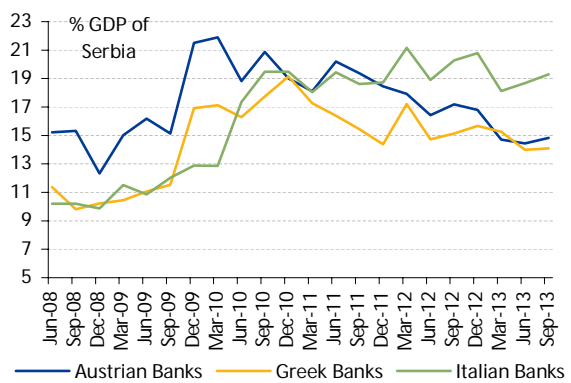
### 1.5 Retail Sales & Real Wages



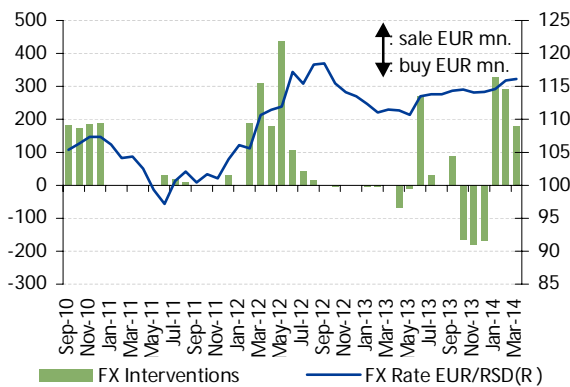
### 1.6 Public Debt



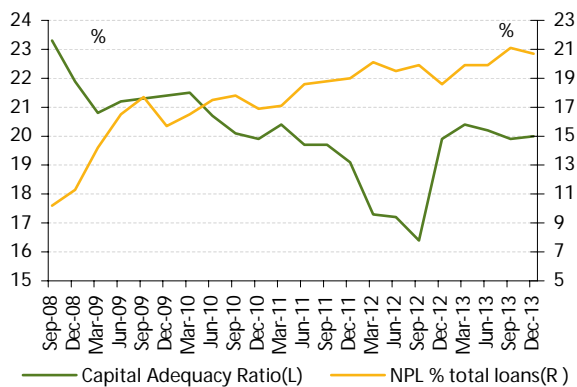
### 1.7 Foreign Claims



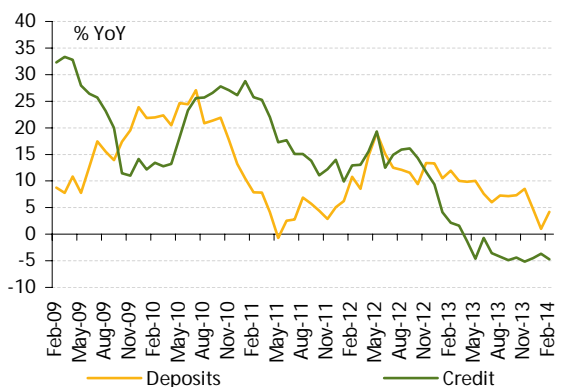
### 1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



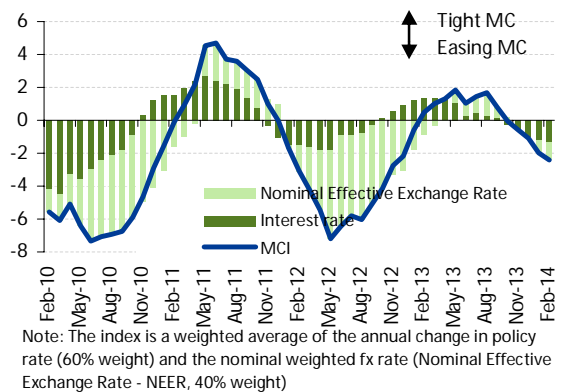
### 1.9 Capital Adequacy & NPLs



### 2.0 Private Sector Deposits & Credit



### 2.1 Monetary Conditions Index (MCI)



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

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