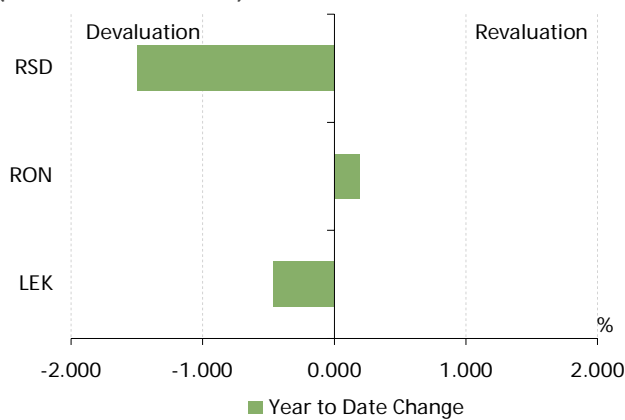




ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

- On October 30th, the Bank of Albania (BoA) decided to keep its key policy rate unchanged at the historically low level of 3.5%. The last rate cut, of 25 bps, was in July. The BoA estimates that the inflation target of 3.0% will be achieved in the medium term, while weak demand and economic growth will keep prices at low levels.
- In Bulgaria, the 2014 draft Budget Bill aims to boost economic and financial activity, as well as to improve public expenditure efficiency.
- Cyprus' government deficit in 2012, according to Eurostat, was revised marginally upwards to 6.4% of GDP from 6.3% in the first estimate, due to an increase in public spending, while public debt was revised upwards to 86.6% of GDP from 85.8% in the first estimate.
- Romania's government deficit in 2012, according to Eurostat, was revised marginally upwards to 3.0% of GDP from 2.9% in the first estimate, due to an increase in public spending, while public debt was revised upwards to 37.9% of GDP from 37.8% in the first estimate.
- The National Bank of Serbia (NBS) decided to cut its key policy rate by 50 basis points to 10.5% in its October 18th meeting, as inflation is within the NBS's target tolerance band. The new fiscal consolidation measures, weak final demand and the current monetary policy are expected to keep inflation at low levels.

Bilateral Exchange Rates vs. the Euro (31st October 2013)



CDS 5Y USD

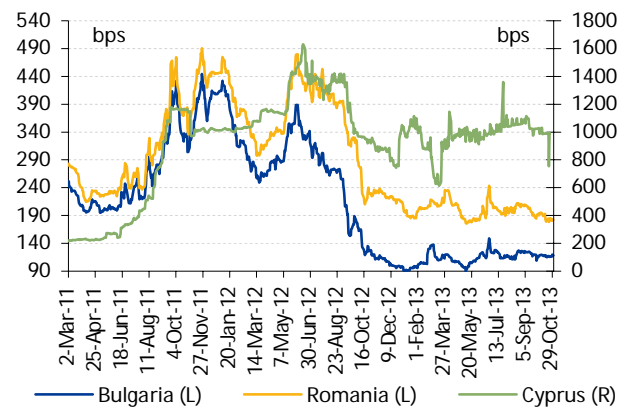


Table of Economic Forecasts

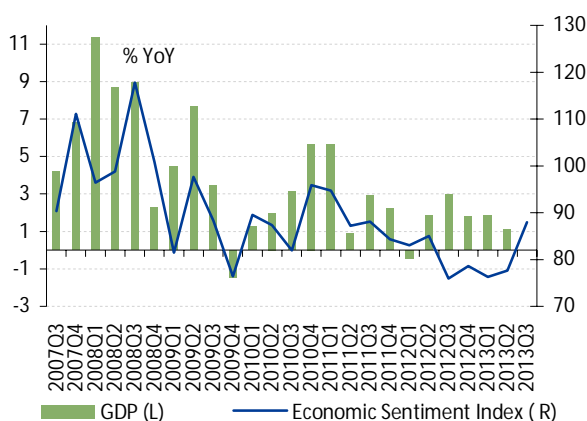
	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2012	2013f	2012	2013f	2012	2013f	2012	2013f
Albania	1.5	2.0	2.0	3.5	-3.4	-3.5	-10.5	-11.5
Bulgaria	0.8	1.1	3.0	3.3	-0.5	-1.9	-1.3	-2.0
Cyprus	-2.4	-15.0	2.4	0.5	-4.9	-	-6.8	3.0
Romania	0.8	1.1	3.3	4.5	-2.5	-2.9	-4.3	-4.4
Serbia	-1.8	1.1	7.3	10.3	-5.7	-4.9	-10.6	-10.5

Source: Piraeus Bank Research, Datastream, Bloomberg

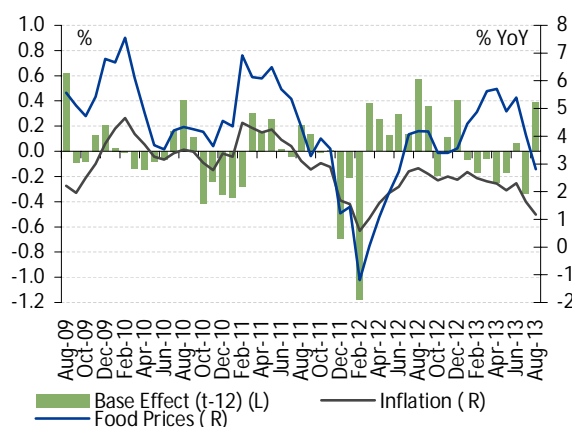
A. ALBANIA

- The economic sentiment indicator in 2013Q3 increased to 88.0 from 77.6 in 2013Q2 and 76.0 in 2012Q3. This however is 12 percentage points below the threshold of 100 that separates positive from negative replies in the survey conducted. The improvement in the economic sentiment indicator in 2013Q3 was mainly due to the increase in services sentiment as well as in industry. Conversely, consumer and construction sentiment decreased in 2013Q3. (Graph 1.0)
- In September, private sector lending contracted for a third consecutive month by 2.6% YoY from 2.1% in August and an increase of 4.2% in September 2012, as business loans contracted and loans to households increased at a slower rate. However, total deposits increased at a faster rate of 3.2% in September from 2.5% in August and 9.1% in the same month last year. (Graphs 1.5 & 1.8)
- According to the 2013Q3 lending survey conducted by the Bank of Albania (BoA), lending conditions in 2013Q3 have tightened both for businesses and households (mainly in mortgage and consumer loans). The main reasons for the tight credit conditions are the macroeconomic imbalances, the increase in NPLs and the recession in the real estate sector. (Graph 2.1)

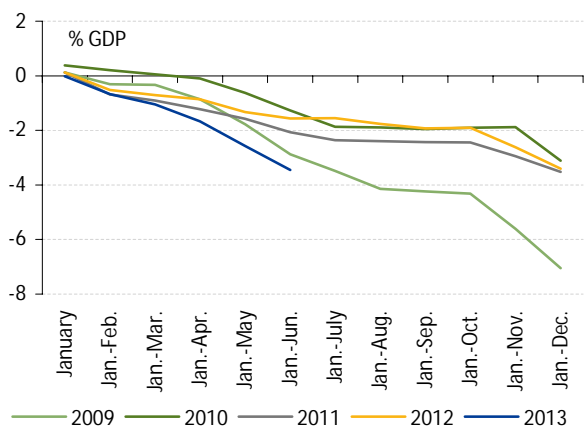
1.0 Real GDP & Economic Sentiment Index



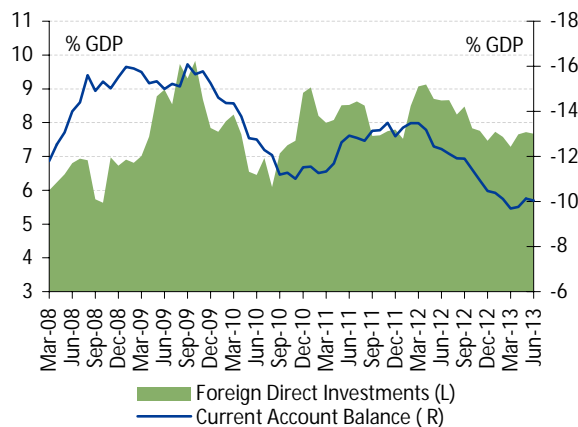
1.1 Inflation, Base Effect & Food Prices



1.2 Fiscal Balance



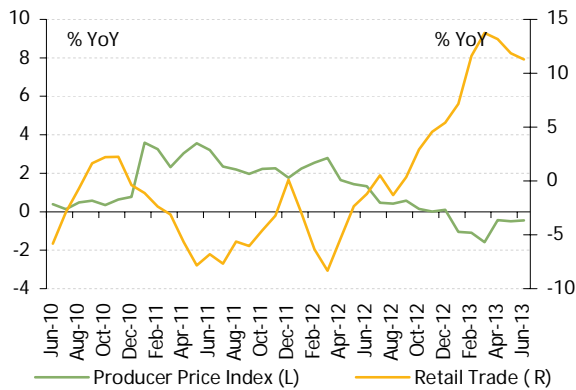
1.3 Current Account Balance & FDIs (12m rolling sum)



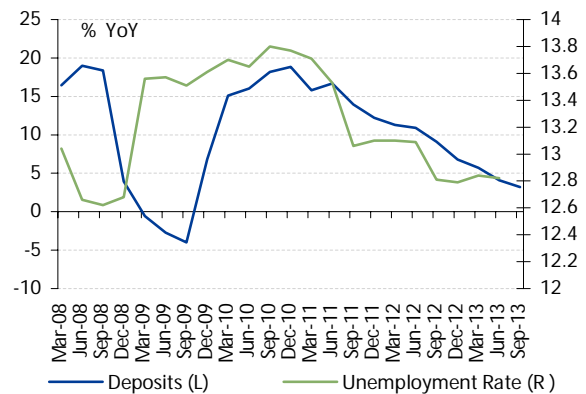
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

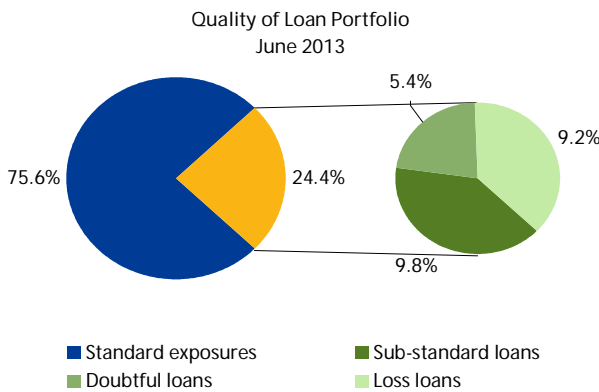
1.4 Producer Price Index & Retail Trade



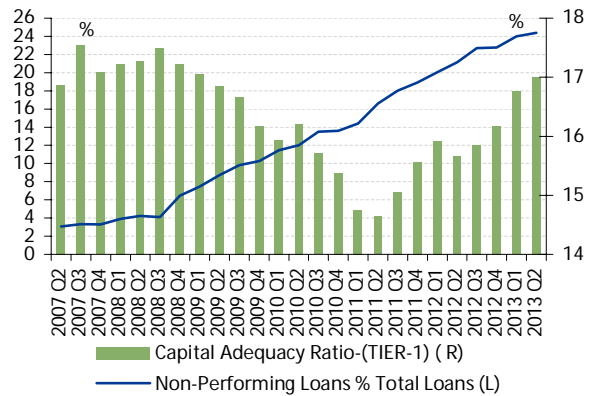
1.5 Total Deposits & Unemployment Rate



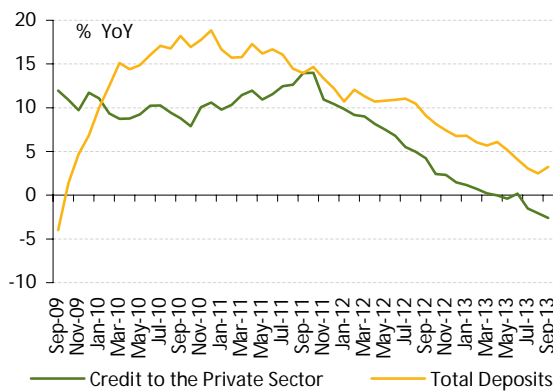
1.6 Quality of Loan Portfolio



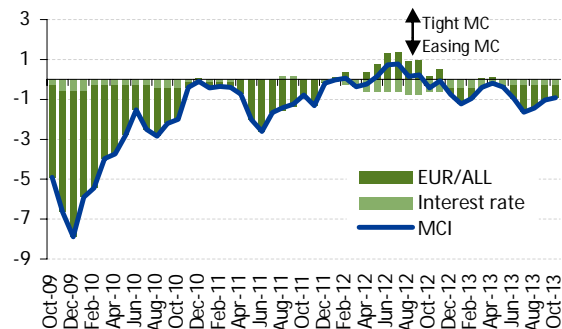
1.7 NPLs & Capital Adequacy Ratio



1.8 Credit Expansion & Total Deposits

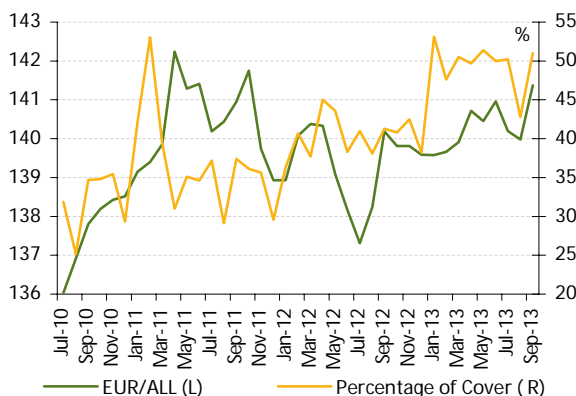


1.9 Monetary Conditions Index (MCI)

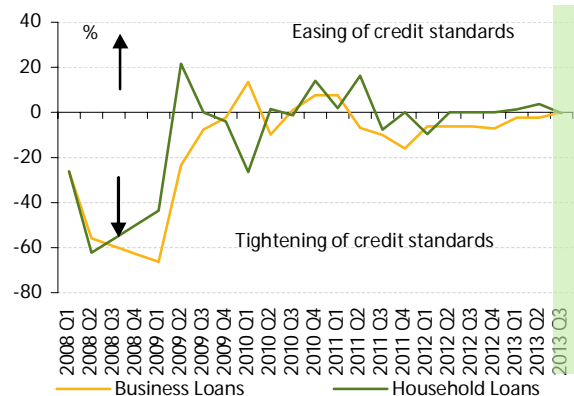


Note: The index is a weighted sum of the annual change in the policy rate (60% weight) and the fx rate (-40% weight)

2.0 EUR/ALL & Imports to Exports Coverage



2.1 Central Bank's Lending Survey

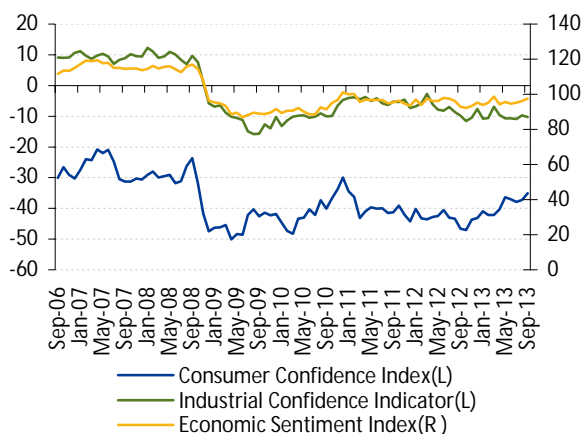


Source: Piraeus Bank Research, Datastream, National Sources

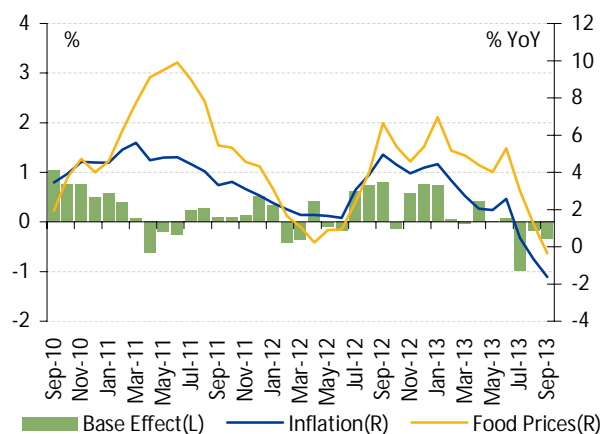
B. BULGARIA

- The current account balance in the first eight months of the year turned to a surplus of 3.1% of the expected annual GDP, compared to a deficit of 0.7% in Jan-Aug 2012 due to the moderation of the trade deficit to 3.3% from 6.2% for the same periods. The current account balance was financed adequately as net FDIs stood at 1.9% of GDP in Jan-Aug from 4.0% in the same period last year. (Graph 1.3)
- In September foreign exchange reserves contracted by 0.3% YoY from an increase of 20.5% in September 2012, while in August reserves covered 124.6% of the short-term gross external debt from 128.7% in August last year. (Graph 1.8)
- In August, private sector credit increased at a slower rate of 0.7% YoY from 3.2% in September last year, while business loans increased by 1.4% from 6.0% for the same months. Household lending contracted by 0.6% in September from -1.4% in August 2012, while private sector deposits increased at a faster rate of 5.8% from 4.9% for the same months. Finally, the liquidity ratio (loans/deposits) in September moderated to 78.5% from 82.5% in September last year. (Graph 2.0)
- Public debt, according to Eurostat, increased to 18.0% of GDP in 2013Q2 compared to 16.4% in 2012Q2.

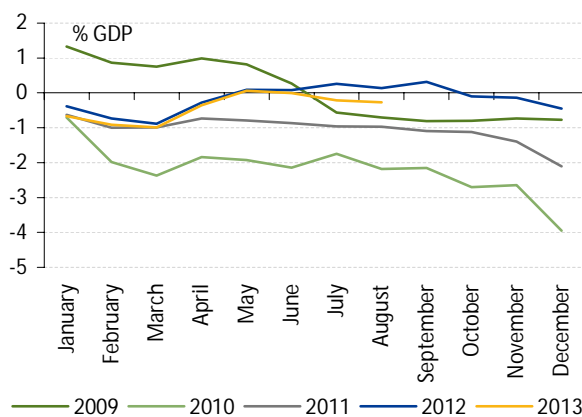
1.0 Leading Indicators



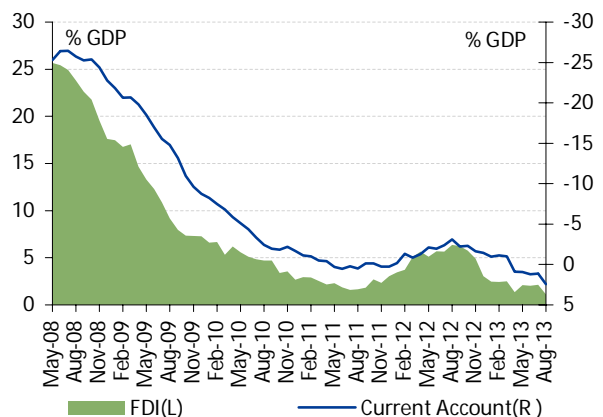
1.1 Inflation & Base Effect



1.2 Fiscal Balance



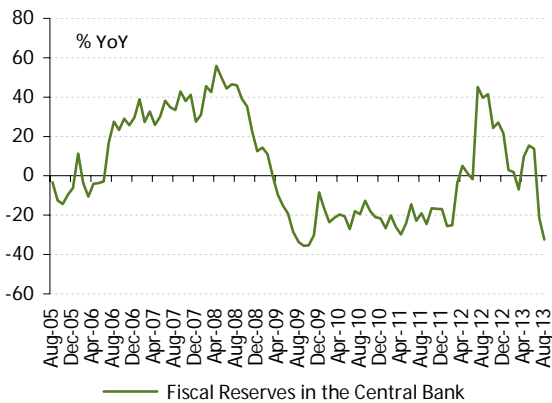
1.3 Current Account Balance & FDIs (12m rolling sum)



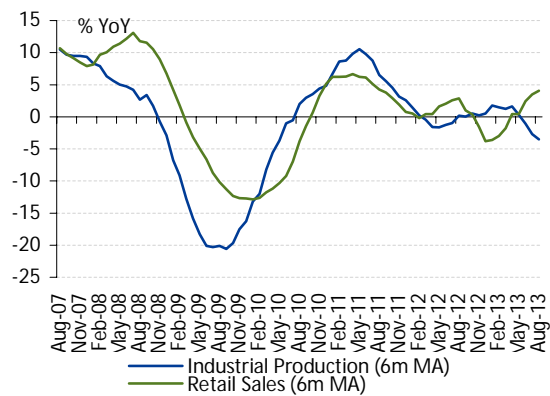
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

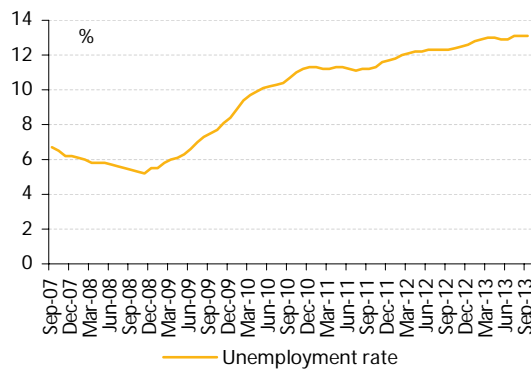
1.4 Fiscal Reserves



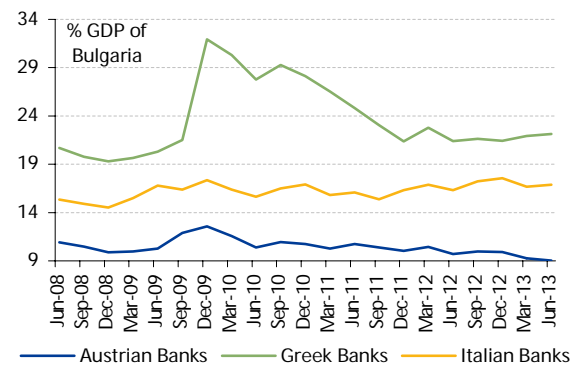
1.5 Industrial Production & Retail Sales



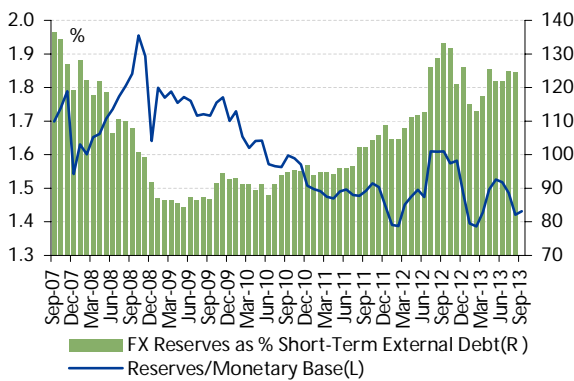
1.6 Unemployment Rate



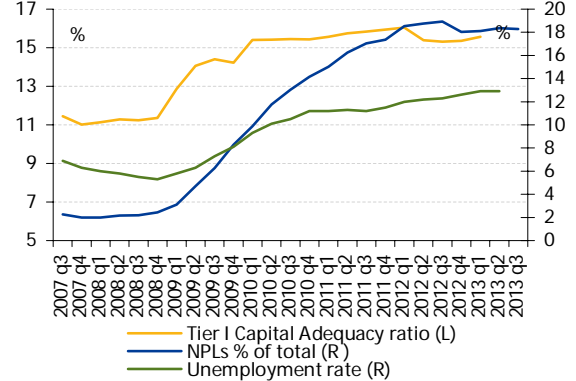
1.7 Foreign Claims



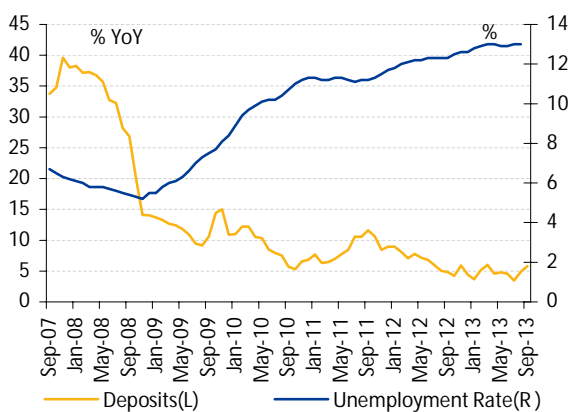
1.8 FX Reserves & Monetary Base



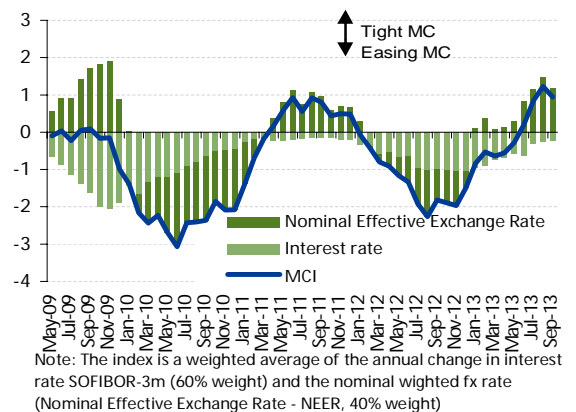
1.9 Unemployment Rate, NPLs & Capital Adequacy



2.0 Deposits & Unemployment Rate



2.1 Monetary Conditions Index (MCI)

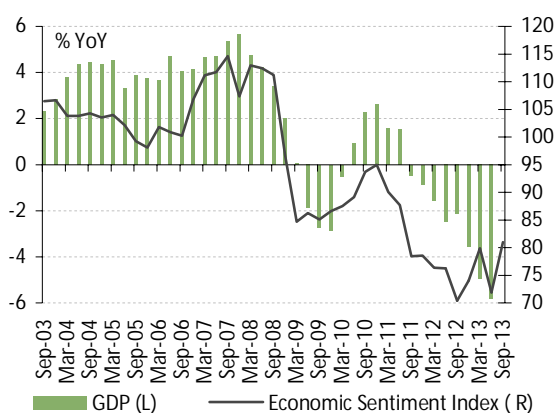


Source: Piraeus Bank Research, Datastream, National Sources, BIS

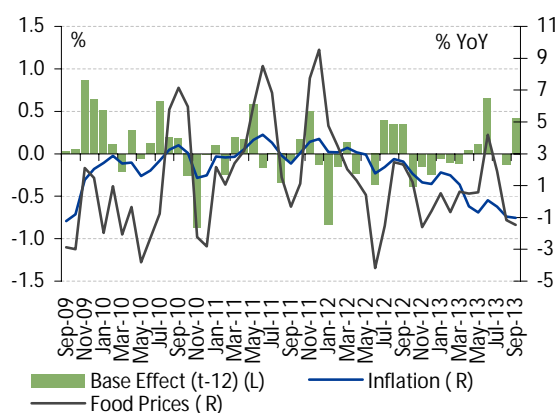
C. CYPRUS

- The fiscal deficit in Jan-Sep moderated to 2.3% of the expected annual GDP from 3.3% in Jan-Sep 2012, due to the contraction in public expenditure of 6.2% YoY. A further reduction in wages has been observed, while revenues decreased by 2.3% YoY in Jan-Sep 2013 as tax revenues decreased further. (Graph 1.2)
- Public debt, according to Eurostat, increased to 98.3% of GDP in 2013Q2 compared to 87.5% in 2013Q1 and 83.1% in 2012Q2.
- In August, industrial production contracted by 8.8% from decreases of 12.8% in July and 1.0% in August 2012. However, tourism rebounded in September as tourist arrivals increased for the first time after ten consecutive months of contraction. Specifically, arrivals rose by 6.7% YoY from 10.2% in September 2012. (Graph 1.5)
- In the construction sector, building permits contracted by 15.3% in July from an increase of 2.0% in July last year. (Graph 1.7)
- Private sector credit contracted by 12.1% YoY in September, compared to a decrease of 11.0% in August and an increase of 6.3% in September 2012, as business and household loans both contracted. Private sector deposits contracted by 22.9% YoY in September from a decrease of 21.4% in August and an increase of 1.2% in September 2012, as residents deposits contracted by 15.1% from -14.5% and -1.1% for the same months. (Graph 2.0)

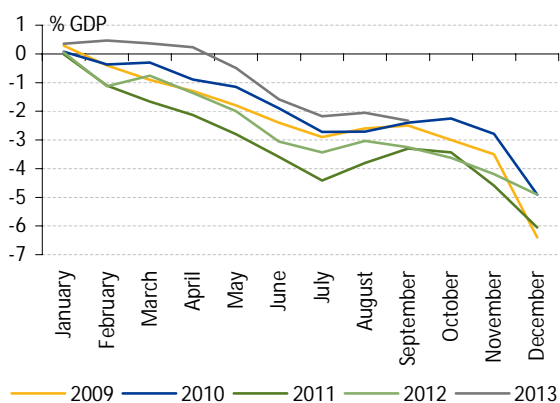
1.0 Real GDP & Economic Sentiment Indicator (ESI)



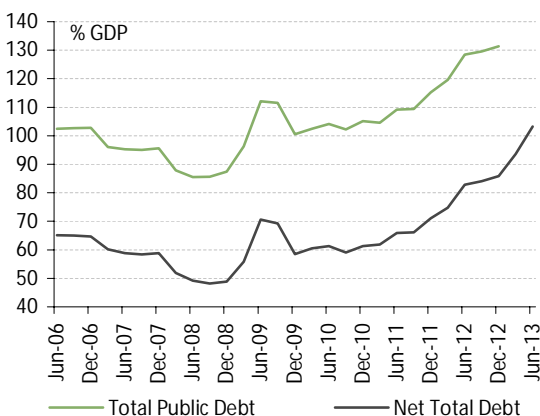
1.1 Inflation & Base Effect



1.2 Fiscal Balance



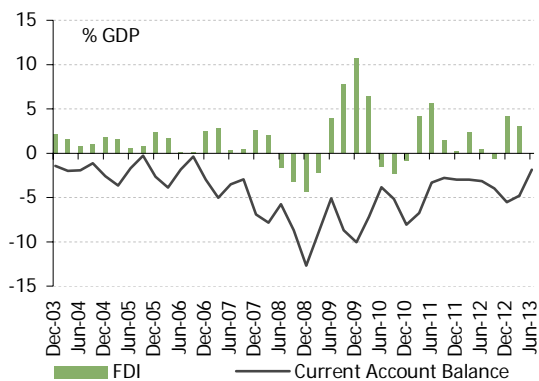
1.3 Public Debt



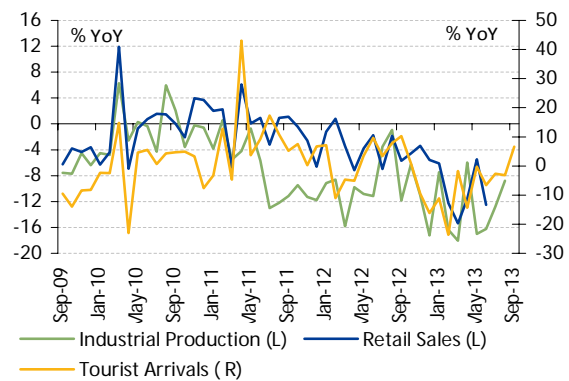
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

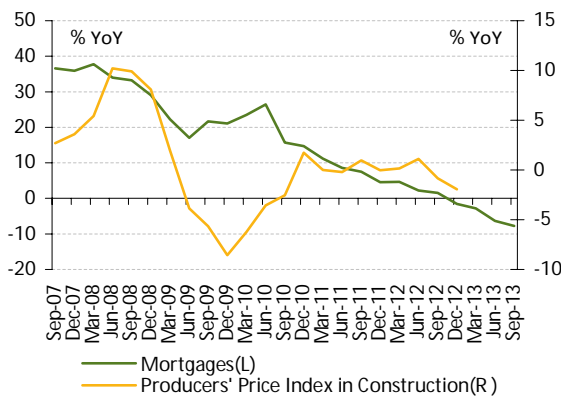
1.4 Current Account Balance (6m MA)



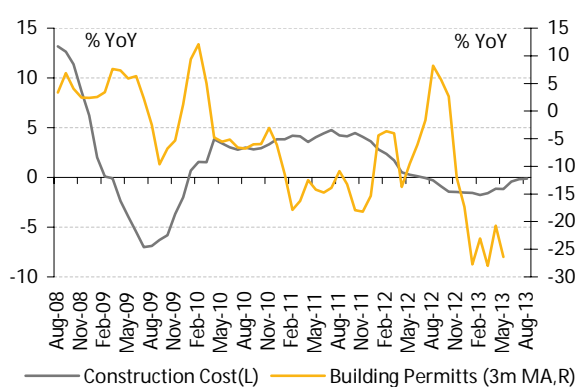
1.5 Industrial Production, Retail Sales & Tourist Arrivals



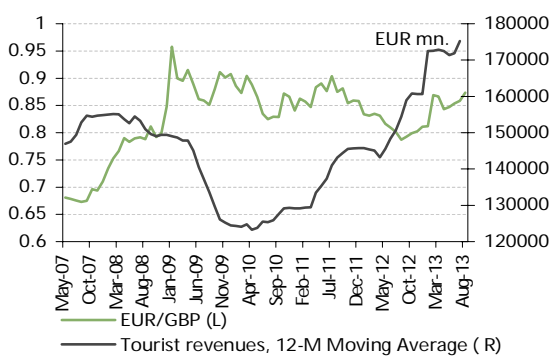
1.6 Mortgage Loans & Producer's Price Index in Construction



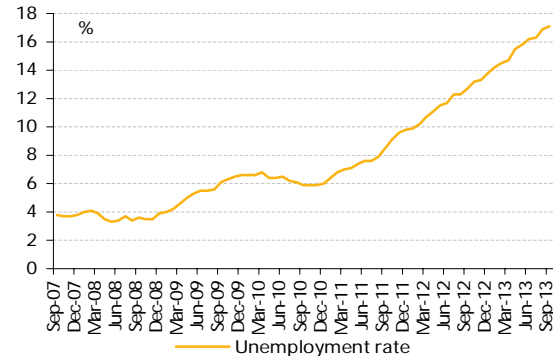
1.7 Construction Cost & Building Permits



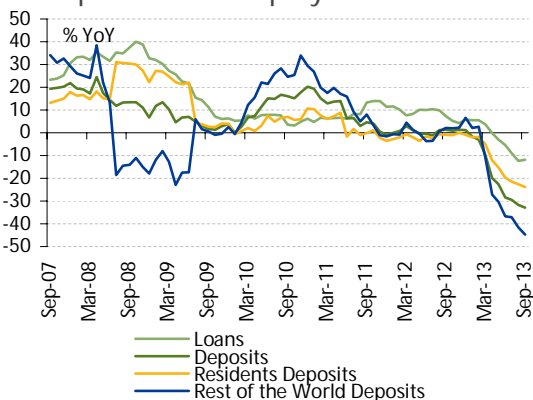
1.8 EUR/GBP & Tourism Revenues



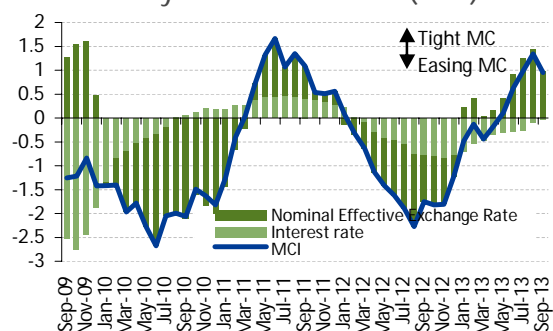
1.9 Unemployment Rate



2.0 Deposits & Unemployment Rate



2.1 Monetary Conditions Index (MCI)



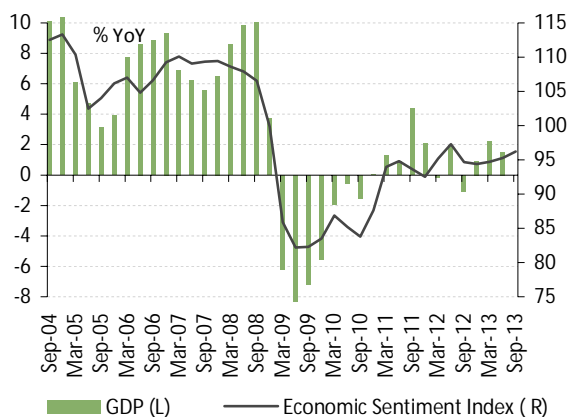
Note: The index is a weighted average of the annual change in interest rate EURIBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

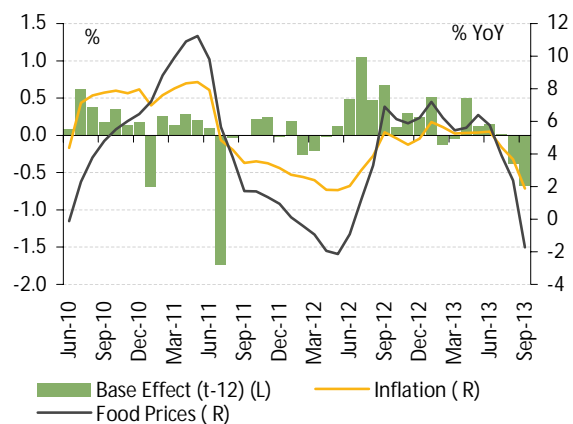
D. ROMANIA

- In Jan-Sep 2013, the fiscal deficit widened to 1.3% of GDP from 1.2% in Jan-Sep 2012, due to a decline in revenues to 23.5% from 24.0% for the same periods. In Jan-Sep, public spending moderated to 24.8% of GDP from 25.2% in the same period in 2012. (Graph 1.2)
- In August, gross external debt moderated to 69.0% of GDP from 73.4% in 2012. Both medium and short-term external debt decreased in July. (Graph 1.7)
- Private sector credit contracted in August, for the seventh consecutive month, by 3.3% YoY compared to an increase of 4.2% in September 2012, as local currency loans increased at a marginally slower rate in August, and foreign currency loans contracted for the tenth consecutive month. Business loans contracted in September by 4.2% YoY from an increase of 9.3% in September last year, while household loans contracted for the ninth consecutive month by 2.3% YoY compared to an increase of 1.7% in the same months. In August private sector deposits increased by 5.7% YoY from 7.3% in September 2012, while the liquidity ratio (loans / deposits) was 108.6% from 118.8% in the same months. (Graphs 1.8 & 1.9)

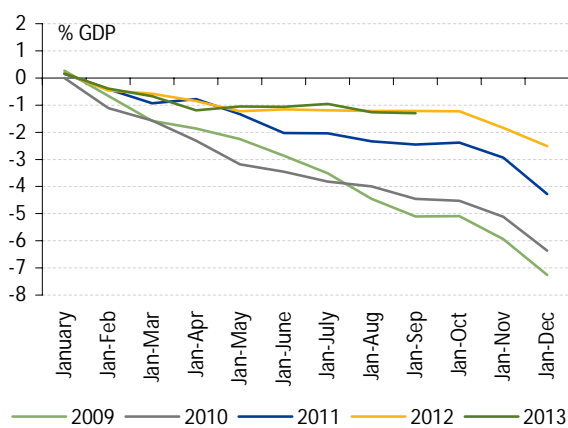
1.0 Leading Indicators



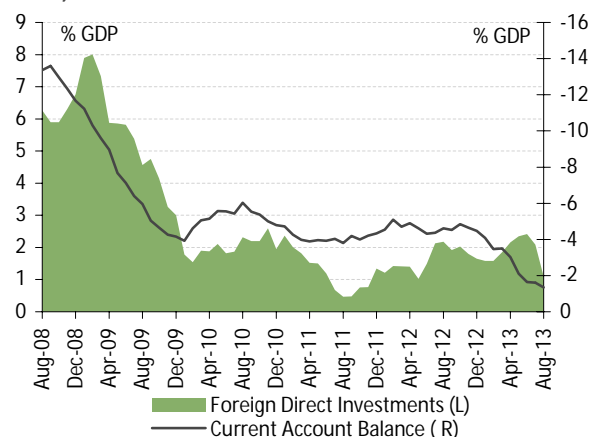
1.1 Inflation & Base Effect



1.2 Fiscal Balance



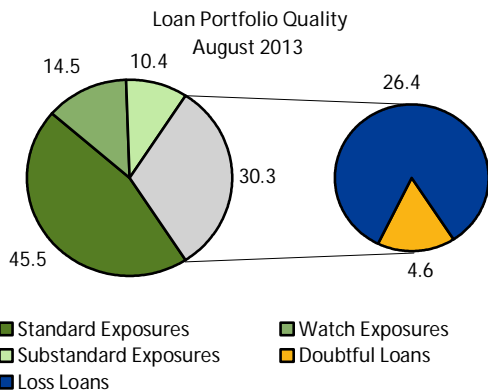
1.3 Current Account Balance & FDIs (12m rolling sum)



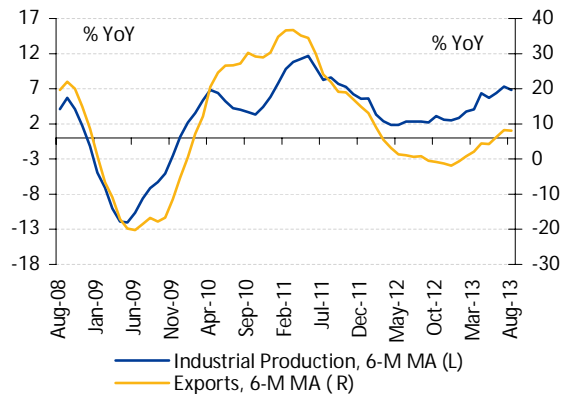
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

1.4 Loan Portfolio Quality



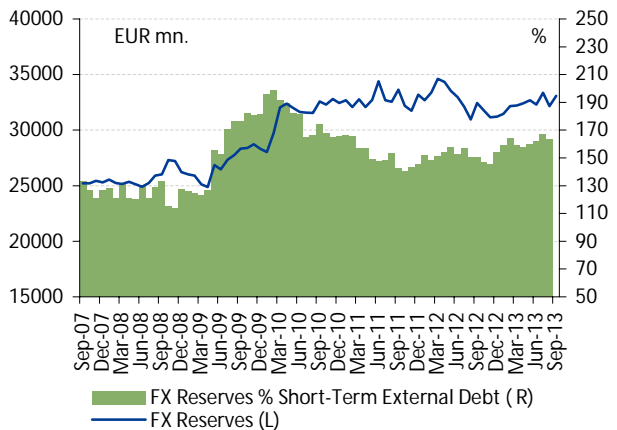
1.5 Industrial Production & Exports



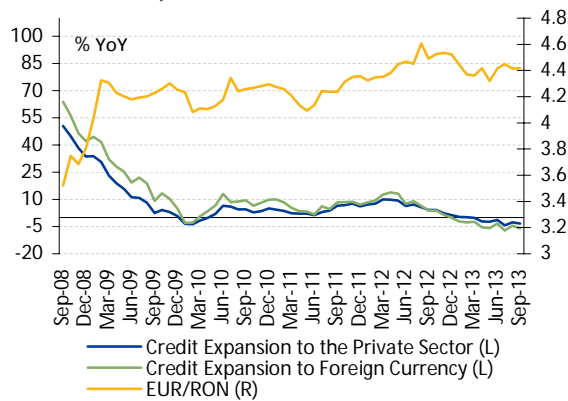
1.6 Unemployment Rate



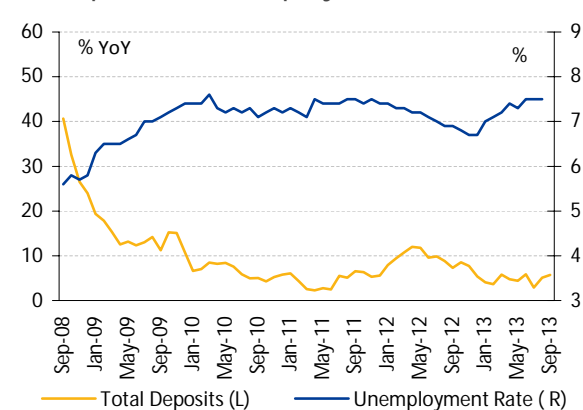
1.7 FX Reserves as % of Short-Term External Debt



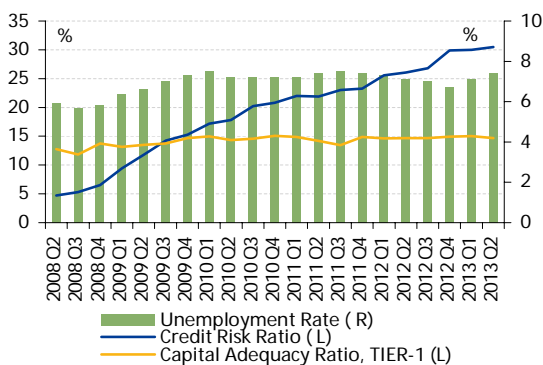
1.8 Credit Expansion & FX Rate



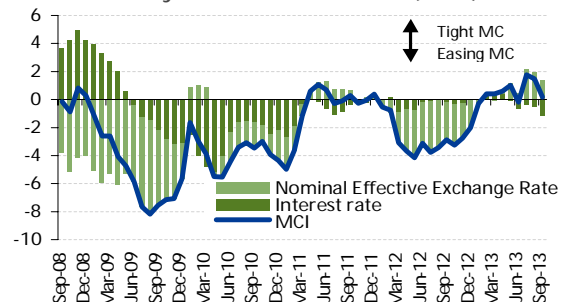
1.9 Deposits & Unemployment Rate



2.0 Unemployment Rate, NPLs & Capital Adequacy



2.1 Monetary Conditions Index (MCI)



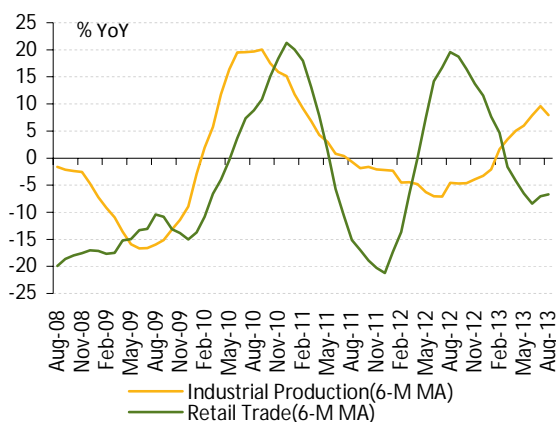
Note: The index is a weighted average of the annual change in interest rate BUBOR-3m (60% weight) and the nominal weighted fx rate (Nominal Effective Exchange Rate - NEER, 40% weight)

Source: Piraeus Bank Research, Datastream, National Sources

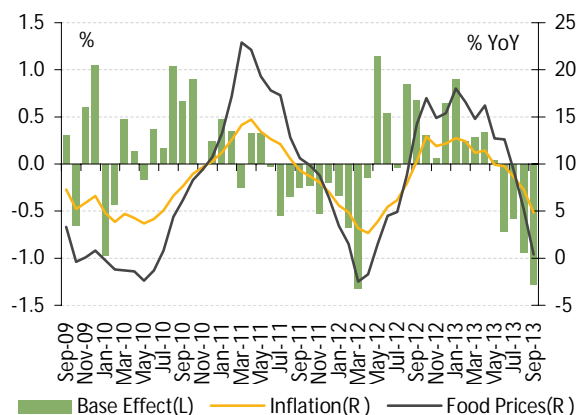
E. SERBIA

- Real GDP in 2013Q3 increased by 3.2% YoY according to the National Statistics flash estimates, compared to 0.2% in 2013Q2 and a contraction of 2.1% in 2012Q3.
- The international rating agency, Standard & Poor's, confirmed Serbia's sovereign ratings at BB-/B with negative outlook, as S&P notes that the rebound in economic activity in the current year originates from exports, while all other economic activities have weakened.
- The fiscal deficit moderated to 4.0% of the expected annual GDP in Jan-Sep compared to 4.3% in Jan-Sep 2012, due to a decrease in public expenditures. (Graph 1.2)
- The current account deficit improved significantly as it contracted in Jan-Aug to 2.8% of GDP from 7.3% in Jan-Aug 2012, due to the narrowing of the trade deficit to 7.9% from 12.3% in the same periods. The services' surplus improved accordingly, while the current account deficit was comfortably financed by net FDIs, as the latter reached 1.4% of GDP in Jan-Aug compared to -0.2% for the same period last year. (Graph 1.3)
- Private sector credit contracted in September, for the sixth consecutive month, by 4.9% YoY from 4.2% in August and an increase of 16.1% in September last year, as loans to businesses contracted. However, loans to households increased at a higher rate in September after three months of slowdown, while private sector deposits increased in September by 7.2% YoY from 7.3% in August and 11.6% in September 2012. (Graph 2.0)
- In the first nine months of the year, public debt totalled 58.1% of GDP from 59.3% in December 2012. (Graph 1.6)

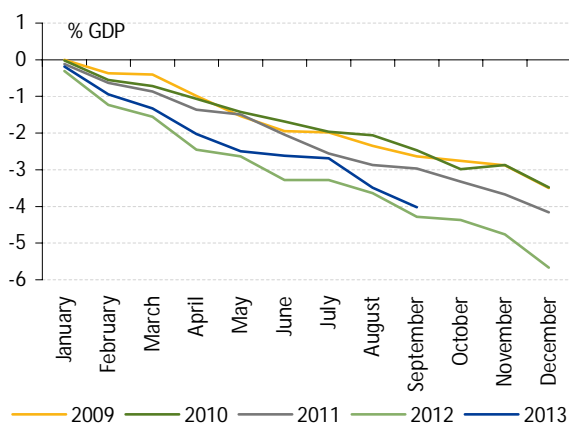
1.0 Leading Indicators



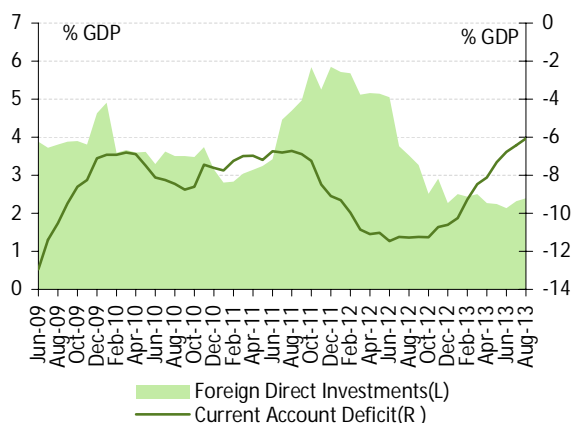
1.1 Inflation & Base Effect



1.2 Fiscal Balance



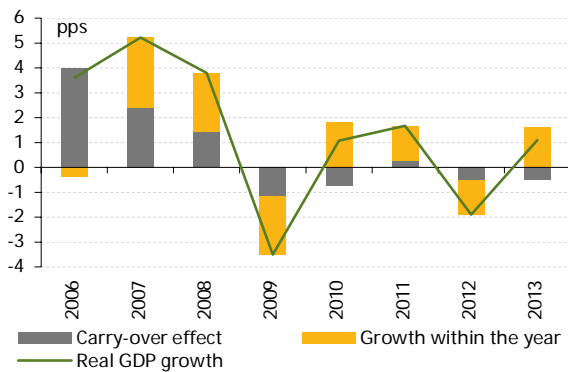
1.3 Current Account Balance & FDIs (12m rolling sum)



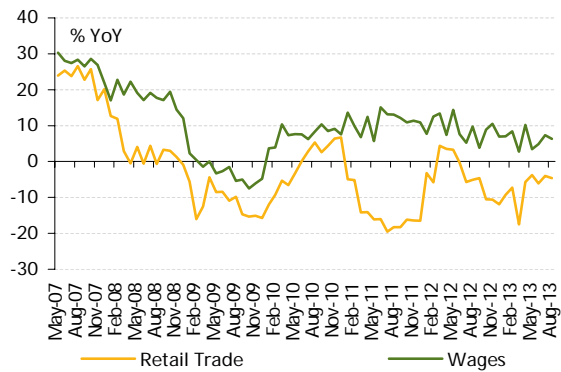
Source: Piraeus Bank Research, Datastream, National Sources

ECONOMIC INDICATORS BULLETIN FOR SOUTH-EASTERN EUROPE

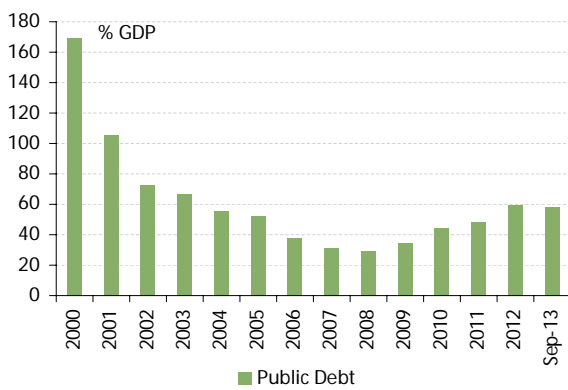
1.4 Carry Over Effect



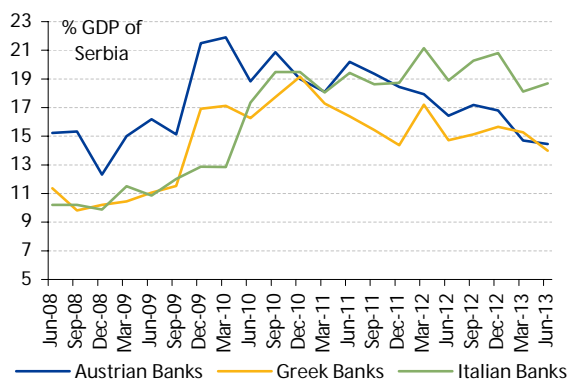
1.5 Retail Sales & Real Wages



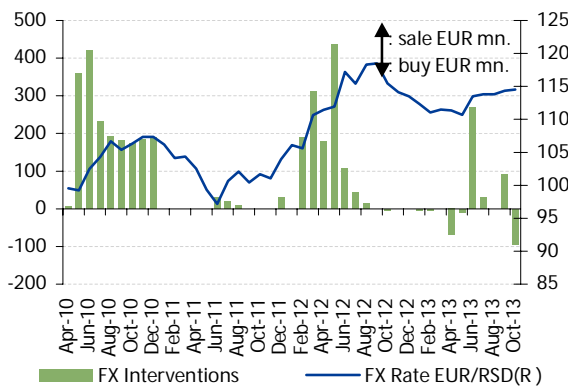
1.6 Public Debt



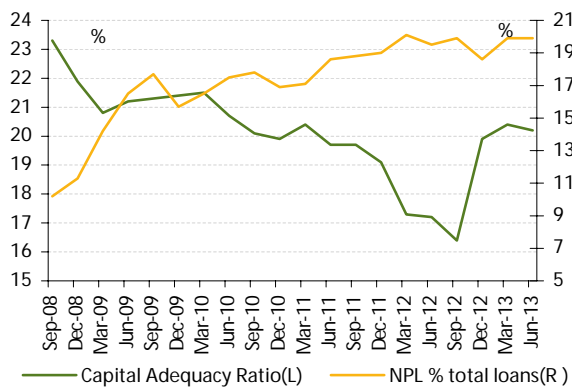
1.7 Foreign Claims



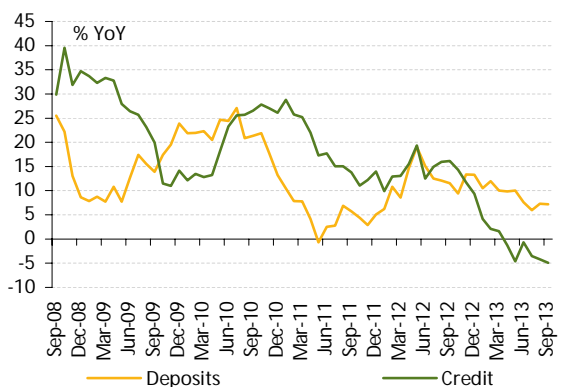
1.8 Central Bank Interventions in the Domestic FX Market & EUR/RSD



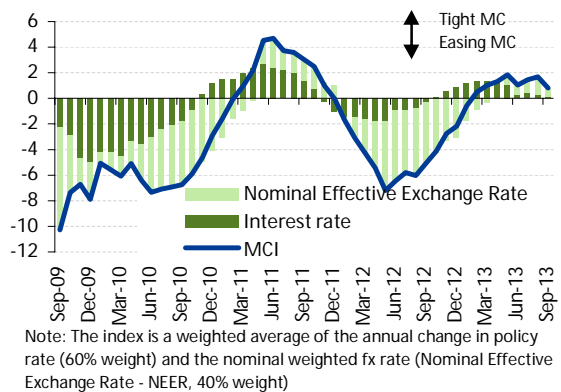
1.9 Capital Adequacy & NPLs



2.0 Private Sector Deposits & Credit



2.1 Monetary Conditions Index (MCI)



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

Economic Analysis & Markets Division

Lekkos Ilias	Chief Economist	+30210 3288120	Lekkosi@piraeusbank.gr
Harvey Evangelos	Manager	+30210 3298593	Harveye@piraeusbank.gr
Fakiolas Eustathios	Economic Analyst	+30210 3298777	Fakiolase@piraeusbank.gr

Greek Economy

Staggel Irini	Senior Economist	+30210 3288192	Staggelir@piraeusbank.gr
Kefalas Konstantinos	Economic Analyst	+30210 3739369	Kefalask@piraeusbank.gr

Developed Economies

Patikis Vasilleios	Head of Developed Markets	+30210 3288855	Patikisv@piraeusbank.gr
Polychronopoulos Dionysis	Economic Analyst	+30210 3288694	Polychronopoulosd@piraeusbank.gr
Papakostas Chrysovalantis	Economic Analyst	+30210 3298778	Papakostasc@piraeusbank.gr

Developing Markets

Rotsika Dimitria	Economic Analyst	+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
Fraggoulidou Ifigenia	Junior Economist	+302310 293403	Fragkoulidou@piraeusbank.gr

Secretary

Papioti Liana	Secretary	+30210 3288187	PapiotiE@piraeusbank.gr
---------------	-----------	----------------	-------------------------

Disclaimer: This note constitute an investment advertisement, is intended solely for information purposes and it cannot in any way be considered investment advice, offer or recommendation to enter into any transaction. The information included in this note may not be construed as suitable investment for the holder, nor may it be considered as an instrument to accomplish specific investment goals or relevant financial needs of the holder and may neither be reckoned as a substitute to relevant contractual agreements between the Bank and the holder. Before entering into any transaction each individual investor should evaluate the information contained in this note and not base his/her decision solely on the information provided. This note cannot be considered investment research and consequently it was not compiled by Piraeus Bank according to the requirements of the law that are intended to ensure independence in the sector of investment research. Information comprised in this note is based on publically available sources that are considered to be reliable. Piraeus Bank cannot be held accountable for the accuracy or completeness of the information contained in this note. Views and estimates brought forward in this note represent domestic and international market trends on the date indicated in the note and they are subject to alteration without previous warning. Piraeus Bank may also include in this note investment research done by third parties. This information is not modified in any way, consequently the Bank cannot be held accountable for the content. The Piraeus Bank Group is and organization with a considerable domestic and international presence, and provides a great variety of investment services. In cases where conflicts of interest issues should arise while Piraeus Bank or the rest of the companies of the group provide investment services in relation to the information provided in this note, Piraeus Bank and the companies of the Group should be underlined that (the list is not exhaustive): a) No restrictions apply in dealing for own account, or with regards to trading in relation to portfolios managed by Piraeus Bank or companies of its group before the publication of this note, or with regards to trading before an initial public offer. b) It is possible that investment or additional services are provided to the issuers included in this note against a fee. c) It is possible that Bank or any of its subsidiaries participate in the share capital of any of the issuers included in this note or may attract other interests financial or not from them. d) The Bank or any of its subsidiaries may act a market maker or an underwriter for any of the issuers included in the note. e) Piraeus Bank may have issued similar notes with different or incompatible content with the content of this note. It should be explicitly noted that: a) Figures refer to past performances and past performances do not constitute a safe indication for future performances. b) Figures constitute simulation of past performances and they are not a safe indication of future performances. c) Any projections or other estimates are not safe indications for future performances. d) Taxation treatment of information provided in this note may differ according to the rules that govern each individual investor. Therefore the holder should seek independent advice in relation to taxation rules that may affect him/her. e) Piraeus Bank is not under any obligation to keep data and information provided herein updated.