NATIONAL BANK OF GREECE

Economic Analysis Division

Southeastern Europe & Mediterranean Emerging Market Economies

Bi-Weekly Report

21 June - 4 July 2022

Countries in Focus in this Issue:
Serbia, North Macedonia & Albania

Against the backdrop of robust economic recovery, bank profitability strengthened in FY:21 (with ROAE picking up to 7.5%), driven by lower impairment charges

The banking sector's profitability is expected to weaken this year, amid a challenging operating environment

The economy enters the new crisis on a weak footing (GDP, up 2.4% y-o-y in Q1:22, unchanged compared with Q4:21)

The spillovers from the Russia-Ukraine conflict (especially in terms of higher inflation) are set to weigh on economic growth during the remainder of the year

Despite the strong start to the year (GDP, up 6.0% y-o-y in Q1:22), economic growth is set to moderate significantly in the period ahead, reflecting the implications of the Russia-Ukraine crisis as well as the elimination of a series of favourable base effects, including a (weather-induced) spike in energy production

APPENDIX:

NBG - Economic Analysis Division
https://www.nbg.gr/en/group/studies-and-economic-analysis

Emerging Markets Analysis

Head:
Konstantinos Romanos-Louizos
☎ : +30 210 33 41 225
✉ : romanos.louizos.k@nbg.gr

Louiza Troupi
☎ : +30 210 33 41 696
✉ : troupi.louiza@nbg.gr

Georgios Ntinenis
✉ : ntinenis.georgios@nbg.gr

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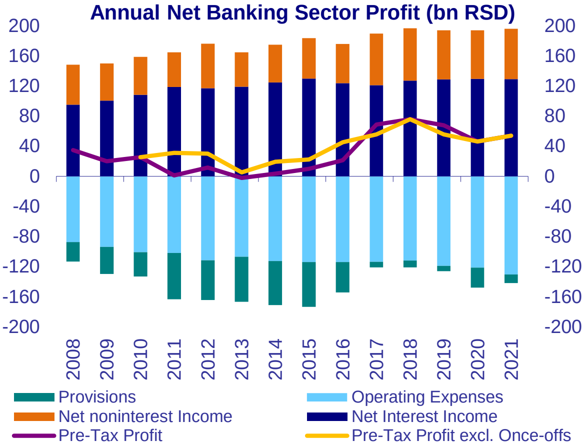
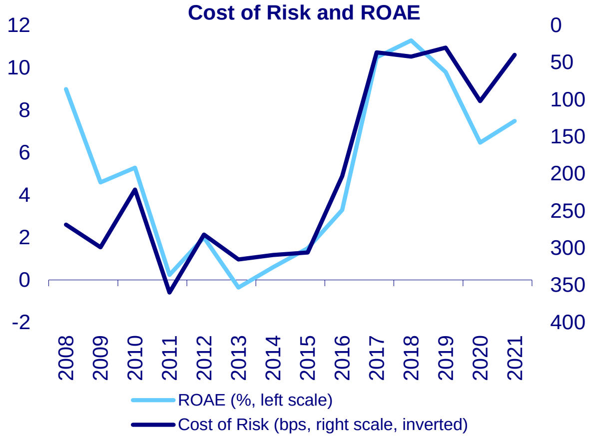
Serbia

BB+ / Ba2 / BB+ (S&P / Moody's / Fitch)

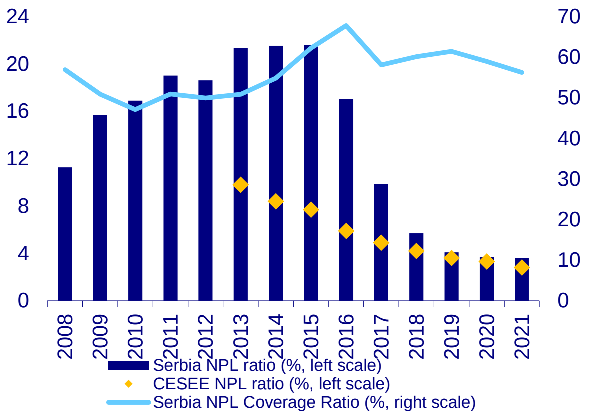
Annual Net Banking Sector Profit (bn RSD)



Cost of Risk and ROAE



Non-Performing Loans & Coverage Ratio



	4 July	3-M F	6-M F	12-M F
1-m BELIBOR (%)	2.1	2.6	2.9	3.4
RSD/EUR	117.3	117.5	117.5	117.5
Sov. Spread (2029, bps)	544	480	400	300

	4 July	1-W %	YTD %	2-Y %
BELEX-15	838	0.2	2.2	25.9

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	4.3	-0.9	7.4	3.0	4.0
Inflation (eop, %)	1.9	1.3	7.9	6.4	3.6
Cur. Acct. Bal. (% GDP)	-6.9	-4.1	-4.4	-7.4	-6.2
Fiscal Bal. (% GDP)	-0.2	-8.0	-4.1	-4.0	-2.5

Sources: Reuters, NBS & NBG estimates

Against the backdrop of robust economic recovery, bank profitability strengthened in FY:21, driven by lower impairment charges. Adjusted for the exceptional gains made by the AIK Bank in Q1:20 (through its subsidiary in Slovenia), banking sector's pre-tax profits rose by 30% to RSD 53.9bn (c. 0.9% of GDP) in FY:21. As a result, ROAE and ROAA rose to 7.5% and 1.1%, respectively, in FY:21 from 5.8% and 1.0% in FY:20 -- yet still below their pre-COVID levels.

Strong economic recovery and the front-loading of loan loss provisioning at the onset of the pandemic allowed for a sharp drop in the cost of risk (CoR) in FY:21. With the economy more than recouping its COVID-19-induced losses, pressure on household and corporate balance sheets eased in FY:21. Against this backdrop, and in view of increased accumulation of loan loss provisions at the onset of the pandemic, banks curtailed the CoR to just 39 bps in FY:21, well below the (4-year high) outcome of 102 bps in FY:20. Note that the NPL ratio continued on its downward trend, reaching 3.6% at end-2021, still slightly above the CESEE average (of 2.8%), reflecting, *inter alia*, strong (double-digit) credit expansion (supported by Government's credit guarantee schemes and NBS's measures, facilitating mortgage uptake). The NPL ratio would have been higher had it not been for the NBS's measures (effective between mid-2020 and end-2021) facilitating credit restructuring. All said, the NPL coverage ratio remained high, at 56.3% at end-2021 -- yet below the end-2020 outcome of 59.0% and the CESEE average of 64.6%.

Pre-provision income (PPI) came under pressure in FY:21, on higher operating expenses. Top line revenue was underpinned by strong growth in net non-interest income (up 11.5% in FY:21), with the latter mainly driven by a surge in net fees and commission income, on the back of the rebound in economic activity and electronic transactions.

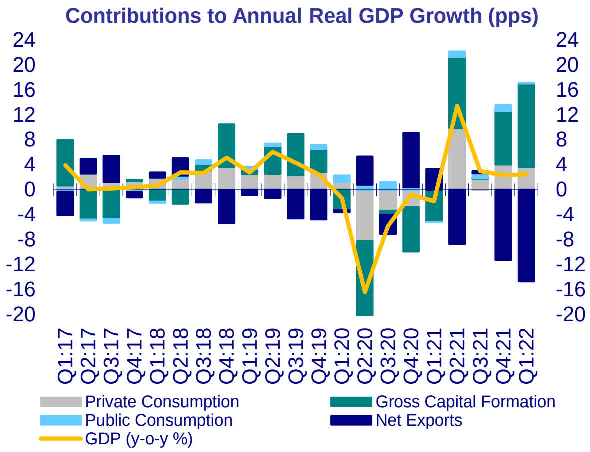
On the other hand, despite the partial resumption of debt repayments, following the expiry of the NBS's forbearance measures, net interest income (NII) remained broadly flat in FY:21, due to: i) a further compression in the net interest margin (NIM, down 32 bps to a record low of 275 bps), amid accommodative monetary policy conditions and capped interest rates under the Government's schemes; and ii) a faster pace of deposit growth (up 13.3%) than loan growth (up 10.1%)

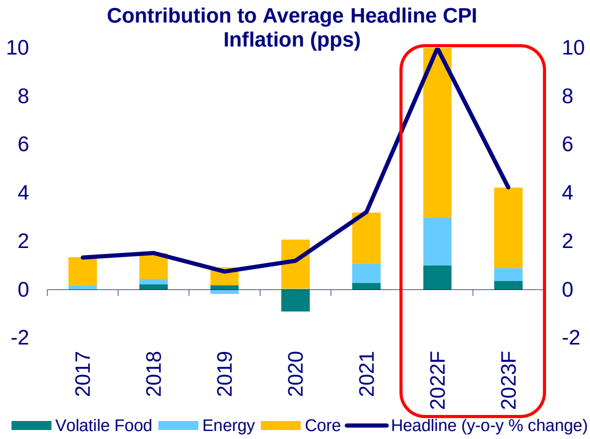
Stronger top line revenue was more than offset, however, by the jump in operating expenses (up 7.6%). Indeed, despite strict personnel spending, reflecting the continued downsizing of the sector (with the number of employees dropping 1.2%), operating expenses surged in FY:21, driven by higher IT investments and some once-off expenses related to legal costs & provisions for the pending lawsuits contesting the legality of loan processing fees. As a result, banking sector efficiency deteriorated, with the cost-to-income ratio increasing by 4.1 pp to 66.7% in FY:21 -- above its historical average of 62.0%.

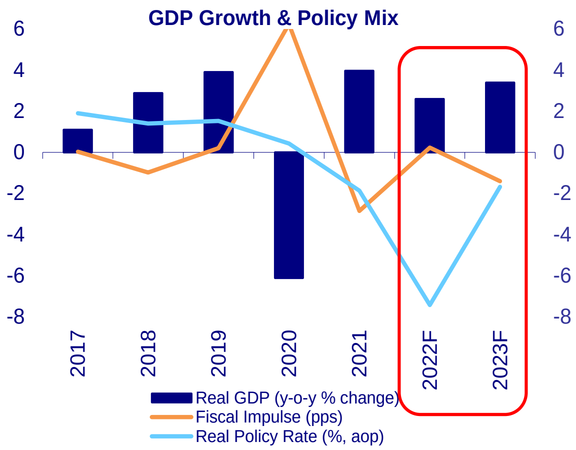
The banking sector's profitability is expected to weaken this year, amid a challenging operating environment. Economic growth is set to moderate significantly this year (to 3.0%), in the aftermath of the Russia-Ukraine conflict, with surging inflation testing the private sector's repayment capacity. Against this backdrop, we expect provisioning charges to rise this year from FY:21 lows. Although higher expenses (in line with higher inflation) should constrain PPI, this should be partly compensated by stronger NII, reflecting faster repricing of loans amid (gradually) tightening monetary policy conditions. Note that Serbia's banking system exposure to Russia was concentrated in just one bank (Sberbank), which was acquired by the domestically-owned AIK in Q1:22. Importantly, the banking sector remains well capitalised, with the CAR standing at 20.8% in FY:21 -- well above the regulatory floor of 8.0%, suggesting significant headroom to absorb any potential stress.

North Macedonia

BB- / NR / BB+ (S&P / Moody's / Fitch)







	4 July	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.4	1.5	1.6	1.9
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2025. bps)	626	570	480	380

	4 July	1-W %	YTD %	2-Y %
MBI 100	5,774	-0.3	-6.2	39.8

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	3.9	-6.1	4.0	2.6	3.4
Inflation (eop. %)	0.5	2.2	4.9	9.2	3.5
Cur. Acct. Bal. (% GDP)	-3.3	-3.4	-3.5	-8.1	-7.0
Fiscal Bal. (% GDP)	-2.0	-8.2	-5.4	-5.6	-4.2

Sources: Reuters, NBRNM & NBG estimates

The economy enters the new crisis on a weak footing (GDP, up 2.4% y-o-y in Q1:22, unchanged compared with Q4:21). Gross capital formation accelerated markedly in Q1:22, emerging as the main driver of economic expansion. Although a breakdown is not available, we attribute this performance to a massive -- yet largely one-off -- build-up in inventories, in the face of rising global energy and food prices. Indeed, amid rising input costs and deteriorating sentiment, fixed investment is unlikely to have improved in Q1:22 (with data, in fact, showing that construction activity dropped for a 4th quarter in a row). At the same time, private consumption remained resilient, as the sharp upward adjustment in inflation expectations brought about a frontloading in spending. Unsurprisingly, against the backdrop of stronger domestic demand, net exports deteriorated in Q1:22, leaving GDP growth broadly flat at 2.4%.

The spillovers from the Russia-Ukraine conflict (especially in terms of higher inflation) are set to weigh on economic growth during the remainder of the year. With inflation due to hit record high levels (see chart), households' (real) disposable income is set to be significantly affected, despite strong state support (incl. a massive 18.5% hike in the minimum wage and several tax cuts). This income effect, together with poor consumer confidence, cannot but weigh on private consumption in the period ahead. Importantly, high savings could provide households some buffer against the inflation shock.

Partly compensating for the slowdown in private consumption, fixed investment is set to pick-up steam gradually this year, led by the public sector. According to the Government's (ambitious) Growth Acceleration Plan (GAP), public investment is set to rise gradually to 6.0% of GDP by FY:26 from 3.3% in FY:21. Nevertheless, we recognize that the temporary rebalancing of the budget towards current spending this year could bring about an underperformance compared with the set target.

Against the backdrop of slowing economic growth in the EU, and persistent strains in global supply chains (especially those related to the automotive industry, which accounts for 40% of total exports), net exports should remain a large drag on overall growth throughout the year, despite weaker private consumption. Note that direct trade linkages with Russia and Ukraine are minimal, with combined exports to these countries accounting for just 1.0% of total exports.

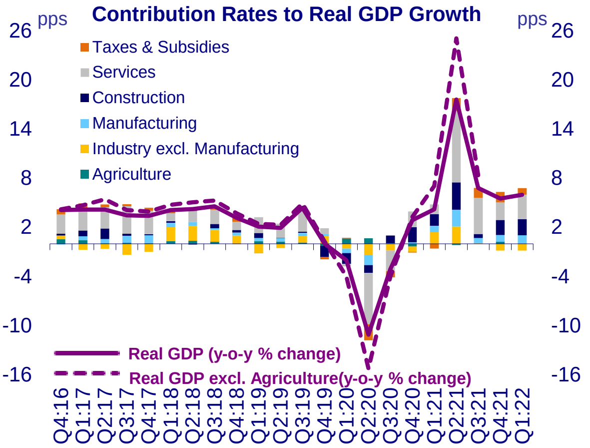
Importantly, policies should remain broadly accommodative. On the one hand, fiscal consolidation is set pause this year, so as to absorb part of the higher energy costs. At the same time, in view of limited portfolio flows with the rest of the world, we expect the NBRNM to stay behind the curve for longer, and proceed with only cautious rate hikes, keeping the *ex-post* real policy rate in deep negative territory throughout the year.

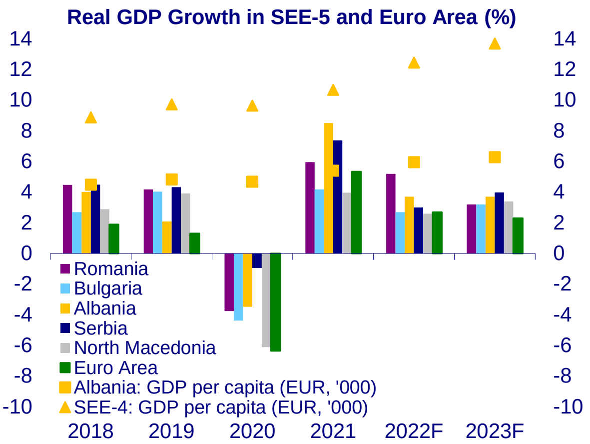
All said, we see GDP growth at 2.6% in FY:22, bringing the economy back to its pre-COVID-19 levels, albeit with a significant delay compared with its peers. Assuming some easing of geopolitical tensions and price pressures next year, we see GDP growth firming to 3.4%. The 2-year precautionary agreement with the IMF (still subject to approval) should provide a critical safety net to the economy, in the event external financing conditions deteriorate further.

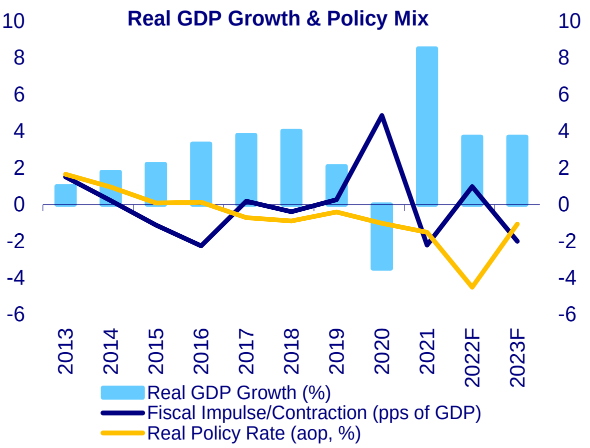
On a positive note, North Macedonia's path to the EU could soon unlock after the Government and the Bulgarian authorities both signalled their intention to reach a compromise solution, based on a set of conditions proposed by France. Recall that Bulgaria has put a veto on the launch of EU accession negotiations with North Macedonia over a dispute about the latter's national identity, including its language, and the existence of a Bulgarian minority in North Macedonia. Worryingly, however, the deep rift between the Government and the opposition suggests that reaching a broad-based domestic consensus would not be an easy task.

Albania

B+ / B1 / NR (S&P / Moody's / Fitch)







	4 July	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.5	1.9	1.9	2.4
ALL/EUR	118.9	121.5	122.5	126.0
Sov. Spread (bps)	612	590	500	400

	4 July	1-W %	YTD %	2-Y %
Stock Market	- - -	- - -	- - -	- - -

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	2.1	-3.5	8.5	3.7	3.7
Inflation (eop, %)	1.1	1.1	3.7	5.3	3.3
Cur. Acct. Bal. (% GDP)	-7.9	-8.7	-7.7	-9.0	-8.1
Fiscal Bal. (% GDP)	-1.9	-6.7	-4.5	-5.5	-3.5

Sources: Reuters, InStat & NBG estimates

Despite the strong start to the year (GDP, up 6.0% y-o-y in Q1:22), economic growth is set to moderate significantly in the period ahead, reflecting the implications of the Russia-Ukraine crisis as well as the elimination of a series of favourable base effects, including a (weather-induced) spike in energy production. Real GDP growth held up well in Q1:22, at 6.0% y-o-y against 5.5% in Q4:21 -- the highest in SEE-5. Surprisingly, the services sector emerged as the main driver of economic expansion in Q1:22, underpinned by a strong recovery in business services and, to a lesser extent, by a further normalization in spending patterns, despite record-high COVID-19 cases.

Looking ahead, economic activity is set to weaken markedly, due to strong headwinds in the wake of the Russia-Ukraine crisis and the elimination of a series of positive base effects. The latter are related to post-2019 earthquake reconstruction activity and COVID-19 recovery as well as the previous year's spike in energy production (see below).

From a sectoral point of view, the services sector is expected to bear a significant part of the adjustment, reflecting the adverse impact of record-high inflation (reaching 5.9% on average this year, well above the long-term historical average of 2.0%) on disposable income and weakening sentiment. On a positive note, the loose incomes policy (including a 6.7% hike in the minimum wage), higher remittances (including income from seasonal employees, whose movement was restricted during the pandemic) and spillovers from strong activity in the tourism & related sectors (together accounting for 17.4% of GDP in 2021) should help alleviate the impact of the inflation shock. Note that tourism activity, which primarily relies on inflows from neighbouring countries, reached 111% of its pre-COVID level in 5M:22 and is set to exceed its pre-COVID-19 level this year, after bouncing back strongly (to 89% of its FY:19 level) in FY:21.

The industrial sector's contribution to overall growth is also set to diminish markedly during the remainder of the year, driven by the energy industry. The latter is set to underperform compared with the previous year, reflecting not only the envisaged normalization in hydroelectric power production (following a weather-induced spike in FY:21), but also the impact of this year's drought. At the same time, non-energy industrial output is also expected to be affected by weaker domestic and external demand, in the aftermath of the negative terms of trade shock from higher global commodity prices, due to the Russia-Ukraine crisis. Within the sector, the construction materials and metal industries (accounting for c. 20% of industrial output) should overperform, however, benefiting from the EU's decoupling from Russian supplies. Note that Albania's direct trade linkages with Russia and Ukraine are negligible.

Following the completion of post-earthquake reconstruction in FY:21, the construction sector is expected to expand at a much slower pace this year, reflecting, *inter alia*, the impact of rising construction costs on demand as well as the envisaged slowdown in mortgage lending, on the back of rising interest rates. The scaling back in public capital spending, due to a rebalancing of public expenditure towards social support, should also take a toll.

All said, we expect GDP growth to moderate to (a still sound) 3.7% in FY:22 -- broadly in line with its long-term potential growth rate -- from an outstanding 8.5% in FY:21. Assuming that geopolitical tensions ease and inflationary pressures dissipate next year, we see the pace of economic expansion remaining broadly flat, with improving growth dynamics broadly compensating for the projected smaller carry-over effect.

DETAILED MACROECONOMIC DATA

SERBIA	2019	2020	2021	2022f	2023f
Real Sector					
Nominal GDP (EUR million)	46,052	46,822	53,351	59,902	65,054
GDP per capita (EUR)	6,631	6,787	7,723	8,705	9,493
GDP growth (real, %)	4.3	-0.9	7.4	3.0	4.0
Unemployment rate (%, aop)	11.2	9.7	11.1	10.1	9.5
Prices and Banking					
Inflation (%, eop)	1.9	1.3	7.9	6.4	3.6
Inflation (%, aop)	1.9	1.6	4.1	9.0	4.4
Loans to the Private Sector (% change, eop)	8.9	12.2	10.1		
Customer Deposits (% change, eop)	7.8	17.4	13.3		
Loans to the Private Sector (% of GDP)	44.3	49.0	47.4		
Retail Loans (% of GDP)	20.5	22.6	22.4		
Corporate Loans (% of GDP)	23.8	26.4	25.0		
Customer Deposits (% of GDP)	45.2	52.3	53.1		
Loans to Private Sector (% of Deposits)	98.0	93.6	89.2		
Foreign Currency Loans (% of Total Loans)	66.9	62.7	61.7		
External Accounts					
Merchandise exports (EUR million)	16,415	16,079	20,756	23,012	24,357
Merchandise imports (EUR million)	22,038	21,280	26,685	30,952	31,989
Trade balance (EUR million)	-5,623	-5,201	-5,929	-7,940	-7,632
Trade balance (% of GDP)	-12.2	-11.1	-11.1	-13.3	-11.7
Current account balance (EUR million)	-3,161	-1,929	-2,343	-4,458	-4,042
Current account balance (% of GDP)	-6.9	-4.1	-4.4	-7.4	-6.2
Net FDI (EUR million)	3,551	2,938	3,625	3,897	4,384
Net FDI (% of GDP)	7.7	6.3	6.8	6.5	6.7
International reserves (EUR million)	13,379	13,492	16,455	13,544	13,887
International reserves (Months[a])	5.7	6.1	6.0	4.3	4.3
Public Finance					
Primary balance (% of GDP)	1.8	-6.0	-2.4	-2.3	-0.7
Fiscal balance (% of GDP)	-0.2	-8.0	-4.1	-4.0	-2.5
Central Government debt (% of GDP)	52.8	57.8	58.2	57.5	56.8
External Debt					
Gross external debt (EUR million)	28,254	30,787	36,536	37,139	38,707
Gross external debt (% of GDP)	61.4	65.8	68.5	62.0	59.5
External debt service (EUR million)	6,400	3,900	4,600	4,900	4,900
External debt service (% of reserves)	47.8	28.9	28.0	36.2	35.3
External debt service (% of exports)	27.4	17.5	16.1	15.7	14.8
Financial Markets					
Policy rate (2-w repo rate, %, eop)	2.3	1.0	1.0	3.0	3.8
Policy rate (2-w repo rate, %, aop)	2.7	1.5	1.0	2.2	3.6
10-Y T-bill rate [b] (%, eop)	3.0	3.1	4.1	7.2	6.4
Exchange rate: EUR (eop)	117.5	117.5	117.5	117.5	117.5
Exchange rate: EUR (aop)	117.7	117.5	117.5	117.5	117.5

f: NBG forecasts; a: months of imports of GNFS; b: primary market

Sources: National Sources & NBG estimates

NORTH MACEDONIA	2019	2020e	2021	2022f	2023f
Real Sector					
Nominal GDP (EUR million)	11,274	10,657	11,754	13,262	14,288
GDP per capita (EUR)	6,074	5,772	6,399	7,249	7,842
GDP growth (real, %)	3.9	-6.1	4.0	2.6	3.4
Unemployment rate (%, aop)	17.3	16.4	15.7	14.8	14.5
Prices and Banking					
Inflation (%, eop)	0.5	2.2	4.9	9.2	3.5
Inflation (%, aop)	0.8	1.2	3.2	10.0	4.2
Loans to the Private Sector (% change, eop)	6.1	4.7	8.0		
Customer Deposits (% change, eop)	9.8	6.2	8.5		
Loans to the Private Sector (% of GDP)	48.9	54.1	53.0		
Retail Loans (% of GDP)	24.9	28.4	27.7		
Corporate Loans (% of GDP)	24.0	25.7	25.2		
Customer Deposits (% of GDP)	55.5	62.3	61.2		
Loans to Private Sector (% of Deposits)	88.1	86.8	86.5		
Foreign Currency Loans (% of Total Loans)	41.5	41.6	40.7		
External Accounts					
Merchandise exports (EUR million)	5,347	4,817	5,996	6,530	6,960
Merchandise imports (EUR million)	7,296	6,622	8,371	9,677	10,186
Trade balance (EUR million)	-1,949	-1,805	-2,375	-2,726	-2,744
Trade balance (% of GDP)	-17.3	-16.9	-20.2	-23.7	-22.6
Current account balance (EUR million)	-0,368	-0,366	-0,416	-1,073	-0,999
Current account balance (% of GDP)	-3.3	-3.4	-3.5	-8.1	-7.0
Net FDI (EUR million)	0,363	0,155	0,435	0,522	0,588
Net FDI (% of GDP)	3.2	1.5	3.7	3.9	4.1
International reserves (EUR million)	3,263	3,360	3,665	3,090	3,240
International reserves (Months[a])	4.6	5.3	4.6	3.3	3.3
Public Finance					
Primary balance (% of GDP)	-0.8	-7.0	-4.1	-4.3	-2.9
Fiscal balance (% of GDP)	-2.0	-8.2	-5.4	-5.6	-4.2
Gross public debt [b] (% of GDP)	48.8	60.5	60.3	62.7	63.0
External Debt					
Gross external debt (EUR million)	8,154	8,630	9,547	10,941	11,745
Gross external debt (% of GDP)	72.3	80.1	81.2	82.5	82.2
External debt service (EUR million)	2,468	3,300	3,550	3,300	3,700
External debt service (% of reserves)	75.6	98.2	96.9	106.8	114.2
External debt service (% of exports)	35.4	52.7	45.9	39.2	41.3
Financial Markets					
28-d CB bill rate (%, eop)	2.3	1.5	1.3	2.3	2.5
28-d CB bill rate (%, aop)	2.3	1.6	1.3	1.9	2.5
1-Y T-bill rate [c] (%, eop)	0.6	0.4	0.5	0.7	1.0
Exchange rate: EUR (eop)	61.4	61.6	61.6	61.6	61.6
Exchange rate: EUR (aop)	61.4	61.6	61.5	61.6	61.6

f: NBG forecasts; a: months of imports of GNFS; b: incl. guaranteed debt; c: primary market

Sources: National Sources & NBG estimates

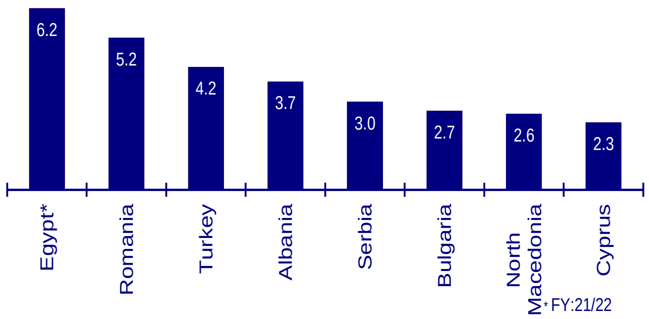
ALBANIA	2019	2020	2021e	2022f	2023f
Real Sector					
Nominal GDP (EUR million)	13,786	13,319	15,460	17,015	17,919
GDP per capita (EUR)	4,830	4,693	5,404	5,958	6,285
GDP growth (real, %)	2.1	-3.5	8.5	3.7	3.7
Unemployment rate (%, aop)	12.0	12.2	12.1	11.7	11.3
Prices and Banking					
Inflation (%, eop)	1.1	1.1	3.7	5.3	3.3
Inflation (%, aop)	1.4	1.6	2.0	5.9	3.2
Loans to the Private Sector (% change, eop)	6.1	8.9	8.6		
Customer Deposits (% change, eop)	3.2	8.0	9.2		
Loans to the Private Sector (% of GDP)	31.5	35.3	33.3		
Retail Loans (% of GDP)	11.7	13.0	13.1		
Corporate Loans (% of GDP)	19.8	22.3	20.2		
Customer Deposits (% of GDP)	58.5	65.0	61.7		
Loans to Private Sector (% of Deposits)	53.8	54.3	54.0		
Foreign Currency Loans (% of Total Loans)	49.0	48.1	47.5		
External Accounts					
Merchandise exports (EUR million)	0,907	0,794	1,265	1,303	1,374
Merchandise imports (EUR million)	4,050	3,776	5,094	5,802	6,029
Trade balance (EUR million)	-3,144	-2,982	-3,829	-4,499	-4,654
Trade balance (% of GDP)	-22.8	-22.4	-24.8	-26.4	-26.0
Current account balance (EUR million)	-1,089	-1,153	-1,186	-1,521	-1,440
Current account balance (% of GDP)	-7.9	-8.7	-7.7	-8.9	-8.0
Net FDI (EUR million)	1,036	0,894	0,990	1,089	1,198
Net FDI (% of GDP)	7.5	6.7	6.4	6.4	6.7
International reserves (EUR million)	3,360	3,942	4,972	4,741	4,748
International reserves (Months[a])	6.5	9.6	8.8	7.3	7.0
Public Finance					
Primary balance (% of GDP)	0.2	-4.6	-2.6	-3.7	-1.7
Fiscal balance (% of GDP)	-1.9	-6.7	-4.5	-5.5	-3.5
Gross public debt (% of GDP)	67.3	77.2	80.6	81.3	79.0
External Debt					
Gross external debt (EUR million)	8,246	8,548	9,740	10,040	10,340
Gross external debt (% of GDP)	59.8	64.2	63.0	59.0	57.7
External debt service (EUR million)	0,221	0,517	0,306	0,328	0,352
External debt service (% of reserves)	6.6	13.1	6.1	6.9	7.4
External debt service (% of exports)	5.0	13.3	4.9	5.1	5.2
Financial Markets					
Policy rate (1-week repo rate, %, eop)	1.0	0.5	0.5	1.5	2.3
Policy rate (1-week repo rate, %, aop)	1.0	0.6	0.5	1.1	2.1
1-Y T-bill rate [b] (%, eop)	1.8	1.8	1.6	2.6	3.3
Exchange rate: EUR (eop)	121.6	123.4	120.6	122.5	123.5
Exchange rate: EUR (aop)	122.7	123.4	122.2	121.5	123.0

f: NBG forecasts; a: months of imports of GNFS; b: primary market

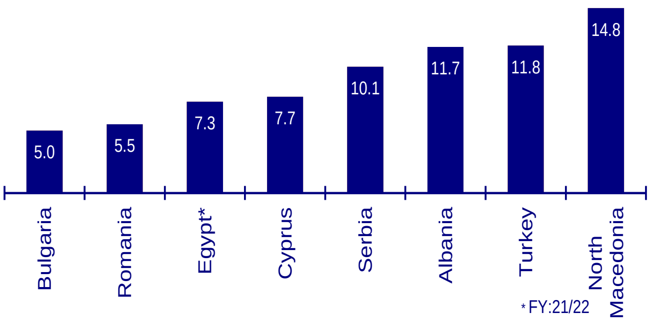
Sources: National Sources & NBG estimates

REGIONAL SNAPSHOT: MACROECONOMIC INDICATORS

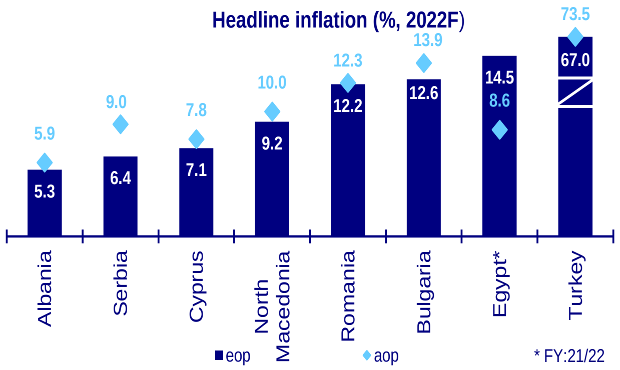
Real GDP Growth (%, 2022F)



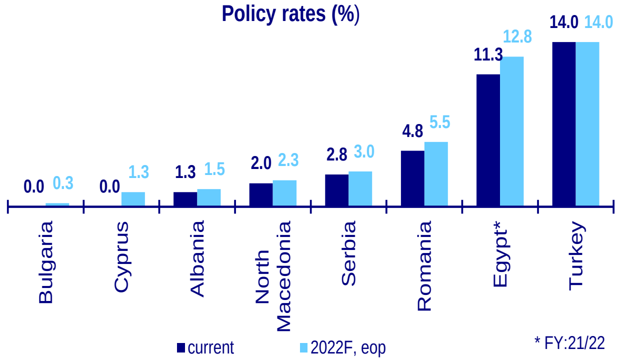
Unemployment (%, 2022F, aop)



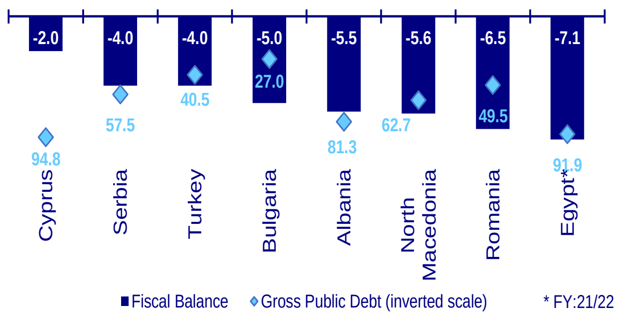
Headline inflation (%, 2022F)



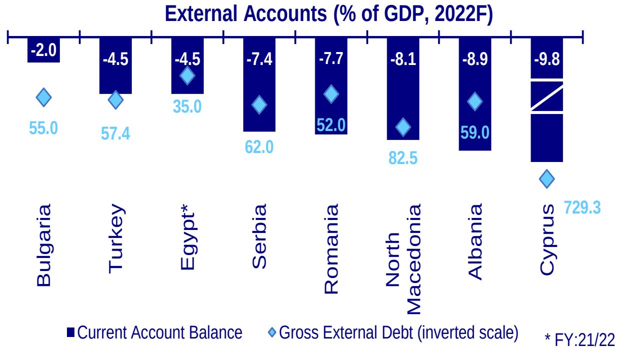
Policy rates (%)



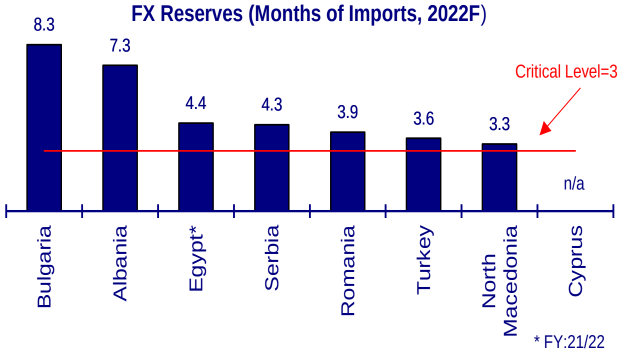
Public Finance (% of GDP, 2022F)



External Accounts (% of GDP, 2022F)



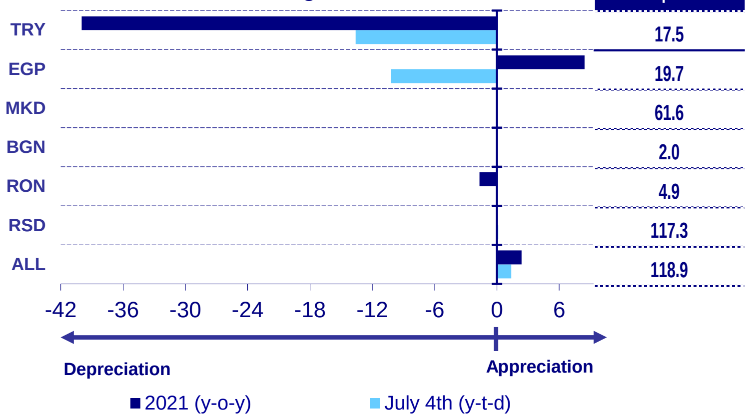
FX Reserves (Months of Imports, 2022F)



Sources: National Sources & NBG estimates

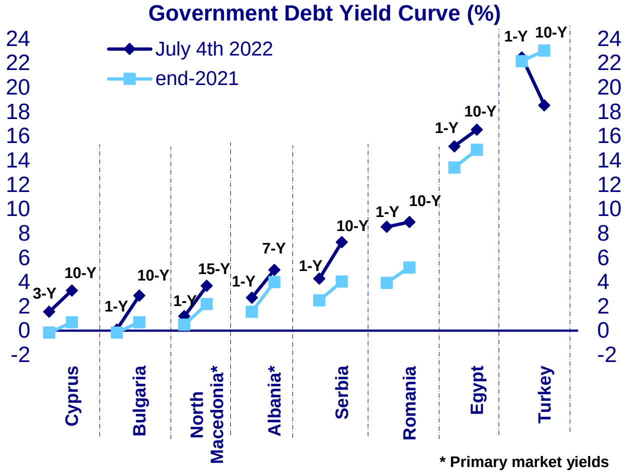
Regional Snapshot: Financial Markets

Currencies against the EUR



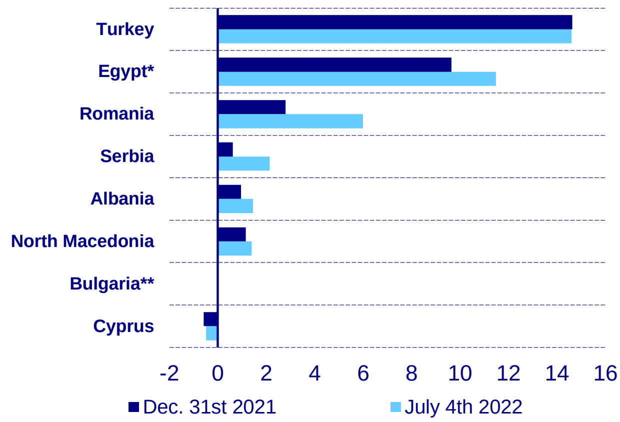
*: MKD and BGN are pegged to the EUR

Government Debt Yield Curve (%)



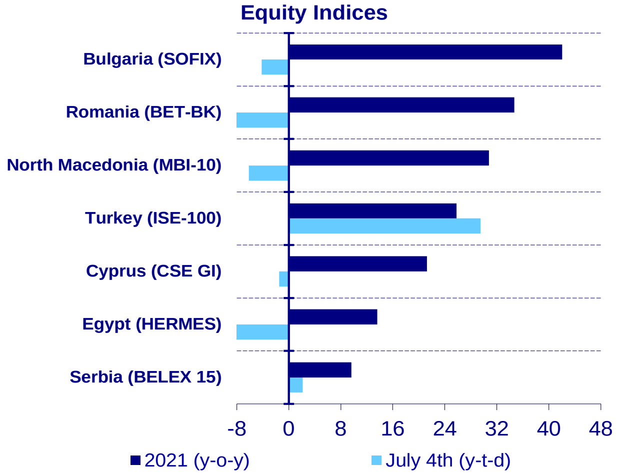
* Primary market yields

Money Market Rates (1-month, %)

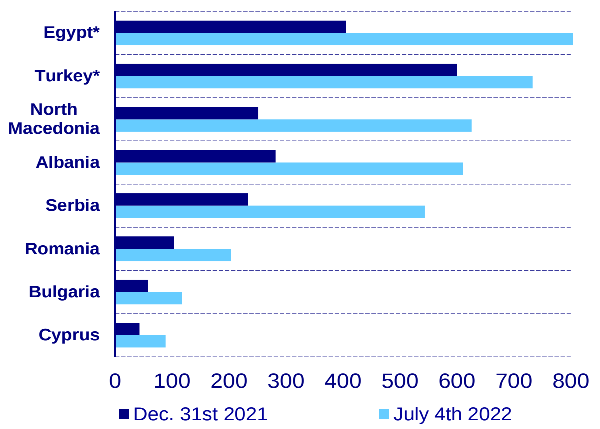


* Overnight Interbank Rate ** Base Interest Rate

Equity Indices



EUR-Denominated Sovereign Spreads (bps)



*Spread over US Treasuries

Sources: Reuters & NBG estimates