NATIONAL BANK OF GREECE

Economic Analysis Division

Southeastern Europe & Mediterranean Emerging Market Economies

Bi-Weekly Report

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Countries in Focus in this Issue:
Turkey, Serbia & Albania

Despite the sharp depreciation of the TRY and concomitant skyrocketing inflation, economic growth remained resilient in Q1:22 (GDP, up 7.3% y-o-y)

With the implications of the Russia-Ukraine conflict looming over the already beleaguered economy, the outlook for the remainder of the year appears bleak -- despite accommodative policies -- as the evolving global crisis exposes Turkey's key macroeconomic vulnerabilities

The implications of the Russia-Ukraine crisis dampened GDP growth in Q1:22

GDP growth is set to ease further during the remainder of the year, reflecting surging inflation and weaker external demand

The banking sector's ROAE strengthened to 12.9% in FY:21, remaining in double digits for a 5th consecutive year, due to lower provisioning

The challenging economic environment is set to test the banking sector's profitability in FY:22

APPENDIX:

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

Emerging Markets Analysis

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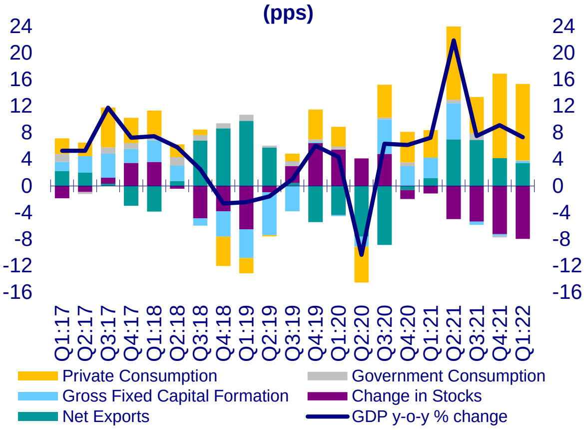
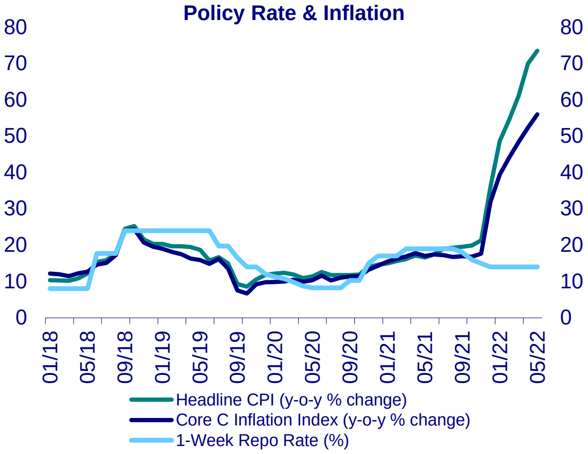
Turkey

B+ / B2 / B+ (S&P/ Moody's / Fitch)

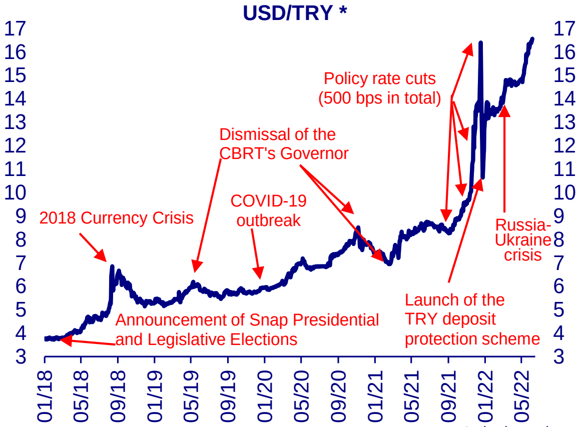
Contributions to Annual Real GDP Growth (pps)



Policy Rate & Inflation



USD/TRY *



* closing price

	6 June.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	14.6	14.6	14.5	14.2
TRY/USD	16.57	16.88	17.00	17.50
Sov. Spread (2025, bps)	582	560	540	480

	6 June	1-W %	YTD %	2-Y %
ISE 100	2,648	4.8	42.6	140.7

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	0.9	1.8	11.0	4.2	3.5
Inflation (eop, %)	11.8	14.6	36.1	55.0	22.0
Cur. Acct. Bal. (% GDP)	0.7	-4.9	-1.7	-3.4	-2.4
Fiscal Bal. (% GDP)	-2.9	-3.4	-2.7	-3.8	-3.3

Sources: Reuters, CBRT, Turkstat & NBG estimates

Despite the sharp depreciation of the TRY and concomitant skyrocketing inflation, economic growth remained resilient in Q1:22 (GDP, up 7.3% y-o-y). Recall that in an (unexpected) streak of rate cuts in late-2021, the CBRT shaved a whopping 500 bps off its key rate, driving it down to 14.0%. In light of Turkey's vulnerabilities, as suggested by stubbornly high inflation and a weak external position (with sizeable external debt repayments falling due in the short-term and net FX reserves having long turned negative), this policy turnaround triggered a sell-off in Turkish assets, with the TRY depreciating by 40.0% against the USD between October '21 and March '22. Reflecting the impact of the weaker TRY, inflation jumped to 61.1% y-o-y in March '22 from 31.1% in December '21 and 19.6% in September '21.

Despite this unfavourable backdrop, economic momentum remained strong in Q1:22, with GDP growing by a solid 1.2% q-o-q s.a. following a rise of 1.5% in Q4:21. On an annual basis, GDP growth moderated to a still high 7.3% y-o-y in Q1:22 from 9.1% in Q4:21.

Private consumption remained the main growth driver in Q1:22 (see chart), as deeply negative real rates discouraged savings, while rapidly rising inflation expectations prompted a frontloading in spending. In contrast, fixed investment remained subdued amid rising uncertainty. Net exports continued to add to overall growth in Q1:22, with their contribution, however, diminishing compared with the previous quarters.

With the implications of the Russia-Ukraine conflict looming over the already beleaguered economy, the outlook for the remainder of the year appears bleak, despite accommodative policies. The TRY has remained under pressure since the outbreak of the Russia-Ukraine conflict (losing another 12.5% of its value against the USD between April and early June), reflecting not only growing FX needs due to rising global commodity prices, but also persistent market concerns over Turkey's unconventional monetary policy, coming in stark contrast to the global monetary policy cycle.

In this environment, private consumption should continue to expand during the remainder of the year, but at a drastically slower pace than that observed in Q1:22, as skyrocketing inflation would seriously bite into disposable income, despite state's income support measures, including a 50% hike in the minimum wage. Note that inflation is set to hover above 70.0% during most part of the year, before easing to 53.0% at end-2022.

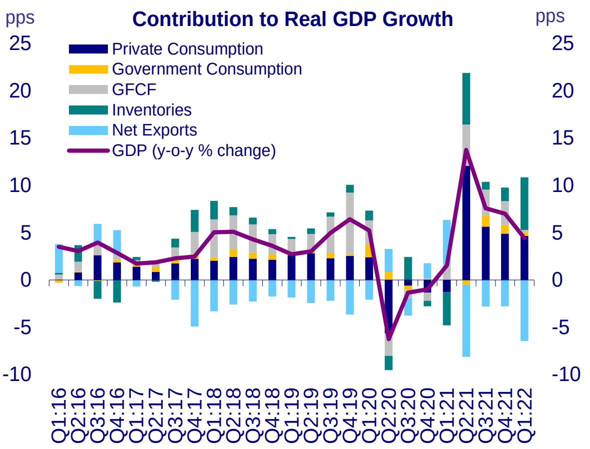
Similarly, despite the high capacity utilisation in the manufacturing sector and low interest rates, we expect fixed investment to stagnate, as corporate balance sheets have come under a huge stress, due to the impact of the weaker TRY (note that the non-financial sector's open FX position stands at c. 30% of GDP).

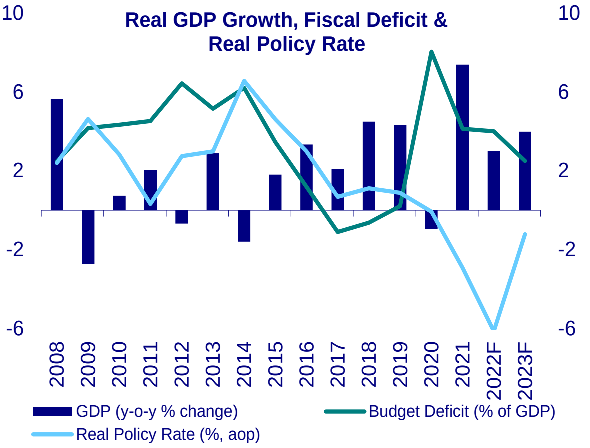
Reflecting weakening domestic demand, net exports should continue to sustain overall growth, despite disruptions in global supply chains and slowing economic growth in Turkey's trade partners. Note that, although linkages between Turkey and Russia (RU) & Ukraine (UA) are small in terms of direct exports of goods (with RU and UA absorbing 2.6% and 1.3%, respectively, of Turkey's exports), they are much more significant when considering services (with arrivals from RU and UA accounting for 19.0% and 8.3%, respectively, of total arrivals). Interestingly, and in contrast to previous episodes, surging domestic inflation has not allowed Turkey's external competitiveness to benefit from the weaker TRY, with the REER having embarked on an upward trend since early 2022.

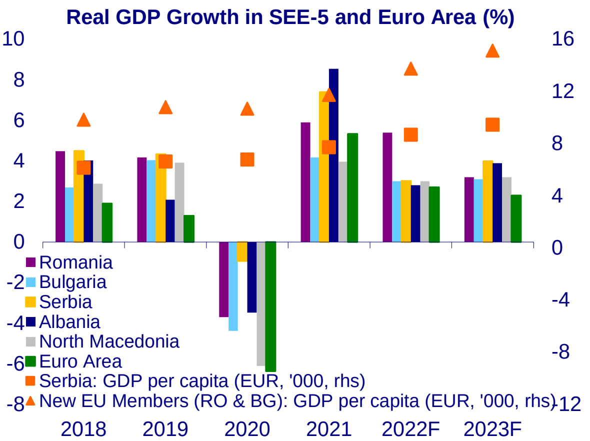
All said, in view of the stronger-than-expected Q1:22 GDP print, we raise our FY:22 GDP growth forecast to 4.2%. Our forecast could be revised lower, should inconsistent domestic policies drive another market overreaction. At the same time, Turkey's plans for a new military operation in Syria and increased tensions with Greece add to already elevated geopolitical risks.

Serbia

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







	6 June	3-M F	6-M F	12-M F
1-m BELIBOR (%)	1.7	2.0	2.2	2.7
RSD/EUR	117.4	117.5	117.5	117.5
Sov. Spread (2029, bps)	419	390	360	260

	6 June	1-W %	YTD %	2-Y %
BELEX-15	843	2.4	2.7	24.2

	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	5.8	3.6
Cur. Acct. Bal. (% GDP)	-6.9	-4.1	-4.4	-6.5	-5.8
Fiscal Bal. (% GDP)	-0.2	-8.0	-4.1	-4.0	-2.5

Sources: Reuters, OPBC & NBG estimates

The implications of the Russia-Ukraine crisis dampened GDP growth in Q1:22. GDP growth eased to a still solid 4.4% y-o-y in Q1:22 from 7.0% in Q4:21, driven by a sharp moderation in fixed investment growth. Indeed, amid weakening confidence, due to the ongoing geopolitical tensions and the concomitant increase in input costs, private investment remained subdued in Q1:22. At the same time, public investment stagnated. In contrast, growth in private consumption remained strong in Q1:22, providing a critical boost to overall growth. In our view, this performance is not sustainable (see below), as it largely reflects increased stockpiling of consumer goods, in the wake of heightened uncertainty and rapidly rising retail prices. The looser incomes policy (including once-off payments to pensioners & young people and hikes in public sector wages, the minimum wage and pensions) did also underpin private consumption growth.

Unsurprisingly, in this uncertain environment, inventories surged in Q1:22, mainly driven by accumulation of strategic food & energy reserves. However, the latter fed into imports, resulting in a sharp deterioration in net exports, in view, *inter alia*, of a temporary export ban on cereals.

GDP growth is set to ease further during the remainder of the year, reflecting surging inflation and weaker external demand. In fact, with headline inflation hitting record-high levels (currently at 9.6% y-o-y against 7.9% at end-2021, way above its long-term historical average of c. 2.0%), curtailing households' real disposable income, and consumer confidence steadily deteriorating, growth in private consumption cannot but weaken in the period ahead, despite the loose incomes policy.

Similarly, amid heightened uncertainty, fixed investment is also unlikely to support economic growth much during the remainder of the year, due not only to a scaling back in public investment, intended to free up funds for social support measures, but also to a normalization in residential construction activity (with the latter having been boosted in FY:21 by the NBS's measures to facilitate mortgage lending uptake), on the back, *inter alia*, of higher construction costs.

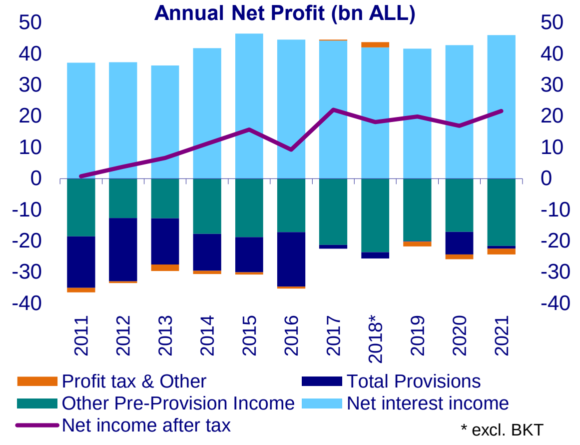
At the same time, and despite slowing domestic demand, net exports are set to remain a drag on overall growth, reflecting weaker external demand from the EU, Serbia's main trade partner (absorbing ⅔ of the country's exports) and the impact of disruptions in global supply chains. Note that Serbia's direct trade linkages with Russia and Ukraine are relatively small (with combined exports accounting for 4.6% of exports in FY:21). Importantly, in view of Serbia's increased export capacity & diversification, following past years' strong FDI inflows, the economy is expected to benefit from the EU's ongoing decoupling from Russian supplies and nearshoring of production.

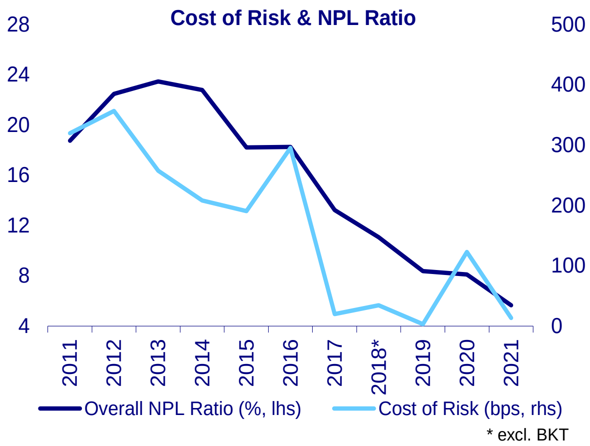
Against this challenging backdrop, the policy mix should remain accommodative. Indeed, following a sizeable narrowing in the budget deficit in FY:21, fiscal consolidation is expected to pause this year. At the same time, the NBS is set to proceed with cautious rate hikes, with the *ex post* real policy rate projected to remain in deep negative territory throughout the year.

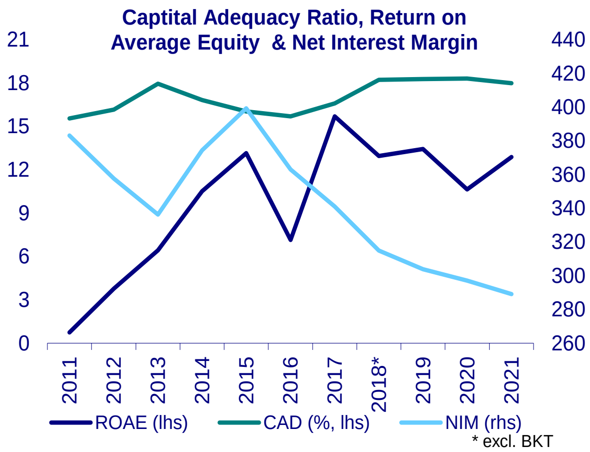
All said, we see GDP growth slowing to 3.0% this year from (a 17-year high of) 7.4% in FY:21. Assuming that geopolitical tensions and price pressures ease in FY:23, we see GDP growth rebounding to 4.0% -- the highest in SEE-5 and above its long-term potential. Note that Serbia's terms of trade should be less affected than those of its peers by the jump in global energy prices, in the aftermath of the Russia-Ukraine crisis, as the country recently renewed its gas contract with Russia for a further 3 years at preferential prices.

Albania

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







	6 May	3-M F	6-M F	12-M F
1-m TRIBOR (mid, %)	1.4	1.9	1.9	2.4
ALL/EUR	119.8	121.5	122.5	126.0
Sov. Spread (2027, bps)	473	455	420	350

	6 May	1-W %	YTD %	2-Y %
Stock Market	- - -	- - -	- - -	- - -

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	2.1	-3.5	8.5	2.8	3.9
Inflation (eop, %)	1.1	1.1	3.7	5.2	3.5
Cur. Acct. Bal. (% GDP)	-7.9	-8.7	-7.7	-8.6	-7.7
Fiscal Bal. (% GDP)	-1.9	-6.7	-4.5	-5.5	-3.5

Sources: Reuters, BoA & NBG estimates

The banking sector's ROAE strengthened to 12.9% in FY:21, remaining in double digits for a 5th consecutive year, due to lower provisioning. Net profit (after tax) rose sharply in FY:21, by 28.2% to a 4-year high of ALL 21.6bn (EUR 177mn or 1.1% of GDP). As a result, ROAE and ROAA improved to 12.9% and 1.4%, respectively, in FY:21 from 10.7% and 1.2% in FY:20, yet below their respective FY:19 levels.

The cost of risk eased significantly in FY:21, amid a strong post-COVID-19 rebound in economic activity. P/L provisions decreased sharply in FY:21 (to ALL 0.8bn from ALL 7.3bn in FY:20), reflecting not only the continuing drop in the NPL ratio (down 2.5 pps y-o-y to 5.7% at end-2021 -- the lowest level since Q3:08), but also past year's COVID-19-related overprovisioning. The downward trend in the NPL ratio was underpinned by: i) credit restructuring (motivated by the BoA, which has relaxed its loan classification and provisioning rules for reclassified loans until 2022); and ii) write-offs (worth ALL 4bn, equivalent to 8.1% of end-2020 NPLs). As a result, and despite the plunge in provisioning costs (bringing down the cost-of-risk to a mere 13 bps in FY:21 from 123 bps in FY:20), the NPL coverage ratio strengthened to 72.0% at end-2021 from 66.0% at end-2020 -- well above the CESEE and EU averages (of 65.5% and 44.5%, respectively).

Pre-provision income (PPI) weakened in FY:21, partly offsetting the impact of the lower provisioning charges on the bottom line. Following strong growth for two successive years, PPI fell by 5.3% in FY:21, as the rebound in in net interest income (NII) failed to compensate for the weaker (net) non-interest income (NNII) and higher operating expenses (see below).

Specifically, NII rose by 10.9% in FY:21, reflecting a normalisation in debt service payments, in the wake of the expiration a 6-month COVID-19 moratorium in August 2020, as well as the strong hike in interest earning assets (up 10.5%). On the other hand, NIM compression continued in FY:21 (down 8 bps to 289 bps), amid low interest rates (including debt yields, with securities accounting for a sizeable 28% of banks' assets) and strong competition for market shares.

In contrast, NNII dropped in FY:21 (down 6.0%), driven by lower securities revaluation gains. Recall that the latter had rebounded in FY:20, following the cut in interest rates in response to the COVID-19 shock. The drop in NNII came against the backdrop of surging net fees and commission income (up 23% in FY:21), following a rise in electronic transactions.

Profitability would have been stronger had expenses not risen markedly in FY:21 (up 10.4%), reflecting a rise in expenses related to banks' digital transformation and higher personnel costs. As a result, banking sector efficiency deteriorated in FY:21, with the cost-to-income ratio rising by 3.7 pps to 60.6%, well above its historical average (c. 55.0%).

The challenging economic environment is set to test the banking sector's profitability in FY:22. We expect banks to raise provisioning charges from FY:21 lows, in view of the sharp moderation in economic growth and surging inflation this year, in the aftermath of the Russia-Ukraine conflict, which would, in turn, affect private sector's repayment capacity. At the same time, PPI should be constrained by higher operational costs, in line with higher inflation, and losses from securities revaluation, following the hike in interest rates by the BoA. The impact of these factors on PPI should be partly compensated, however, by stronger NII, reflecting faster repricing of loans and increasing T-bill rates. Note that Albania's banking system is not directly exposed to Russia and Ukraine. Importantly, it remains well capitalised (with a CAR of 18.0%), with abundant liquidity (a loan-to-deposit ratio of 54%) and little reliance on FX financing (an FX loan-to-FX deposit ratio of 46.5%).

DETAILED MACROECONOMIC DATA

TURKEY	2019	2020	2021	2022f	2023f
Real Sector					
Nominal GDP (USD million)	760,669	718,977	811,282	795,788	941,733
GDP per capita (EUR)	8,170	7,458	8,053	8,244	9,433
GDP growth (real, %)	0.9	1.8	11.0	4.2	3.5
Unemployment rate (%, aop)	13.7	13.2	12.0	11.8	11.4
Prices and Banking					
Inflation (%, eop)	11.8	14.6	36.1	55.0	22.0
Inflation (%, aop)	15.4	12.3	19.3	67.7	26.4
Loans to the Private Sector (% change, eop)	10.8	34.8	37.0		
Customer Deposits (% change, eop)	23.5	33.0	51.5		
Loans to the Private Sector (% of GDP)	61.4	70.9	68.0		
Retail Loans (% of GDP)	13.9	16.8	14.5		
Corporate Loans (% of GDP)	47.6	54.1	53.4		
Customer Deposits (% of GDP)	54.6	62.1	65.8		
Loans to Private Sector (% of Cust. Deposits)	112.6	114.1	103.2		
Foreign Currency Loans (% of Total Loans)	38.3	34.2	42.2		
External Accounts					
Merchandise exports (USD million)	182,200	168,387	224,711	240,919	254,287
Merchandise imports (USD million)	198,981	206,250	253,943	281,338	290,398
Trade balance (USD million)	-16,781	-37,863	-29,232	-40,420	-36,112
Trade balance (% of GDP)	-2.2	-5.3	-3.6	-5.1	-3.8
Current account balance (USD million)	5,303	-35,537	-13,959	-27,324	-22,661
Current account balance (% of GDP)	0.7	-4.9	-1.7	-3.4	-2.4
Net FDI (USD million)	6,628	4,592	7,551	7,173	8,967
Net FDI (% of GDP)	0.9	0.6	0.9	0.9	1.0
International reserves (USD million)	105,696	93,277	111,181	105,000	110,000
International reserves (Months[a])	5.6	4.9	4.7	4.0	4.1
Public Finance					
Primary balance (% of GDP)	-0.6	-0.8	-0.2	-1.1	-0.6
Fiscal balance (% of GDP)	-2.9	-3.4	-2.7	-3.8	-3.3
Gross public debt (% of GDP)	32.6	39.7	42.0	40.0	40.0
External Debt					
Gross external debt (USD million)	415,983	432,848	441,064	455,000	470,000
Gross external debt (% of GDP)	54.7	60.2	54.4	57.2	49.9
External debt service (USD million)	84,967	70,931	74,311	80,000	85,000
External debt service (% of reserves)	80.4	76.0	66.8	76.2	77.3
External debt service (% of exports)	35.9	37.5	27.6	26.6	26.7
Financial Markets					
Policy rate (Effective funding rate, %, eop)	11.4	17.0	14.0	14.0	14.0
Policy rate (Effective funding rate, %, aop)	20.7	10.5	17.6	14.0	14.0
1-Y T-bill rate (%, eop)	11.3	15.1	22.2	20.5	15.5
Exchange rate: USD (eop)	5.95	7.43	13.32	17.00	18.00
Exchange rate: USD (aop)	5.68	7.02	8.89	15.83	17.50

f: NBG forecasts; a: months of imports of GNFS

Sources: National Sources & NBG estimates

SERBIA	2019	2020	2021	2022f	2023f
Real Sector					
Nominal GDP (EUR million)	46,052	46,822	53,351	59,684	64,698
GDP per capita (EUR)	6,631	6,787	7,723	8,674	9,441
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	5.8	3.6
Inflation (%, aop)	1.9	1.6	4.1	8.6	4.3
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	22,012	22,989
Merchandise imports (EUR million)	22,038	21,280	26,685	29,271	30,004
Trade balance (EUR million)	-5,623	-5,201	-5,929	-7,259	-7,014
Trade balance (% of GDP)	-12.2	-11.1	-11.1	-12.2	-10.8
Current account balance (EUR million)	-3,161	-1,929	-2,343	-3,867	-3,780
Current account balance (% of GDP)	-6.9	-4.1	-4.4	-6.5	-5.8
Net FDI (EUR million)	3,551	2,938	3,625	3,988	4,387
Net FDI (% of GDP)	7.7	6.3	6.8	6.7	6.8
International reserves (EUR million)	13,379	13,492	16,455	14,126	13,683
International reserves (Months[a])	5.7	6.1	6.0	4.7	4.4
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	57.9	57.2	57.5	56.1
External Debt					
Gross external debt (EUR million)	28,254	30,787	36,536	36,004	38,495
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	34.7	35.8
External debt service (% of exports)	27.4	17.5	16.1	16.2	15.5
Financial Markets					
Policy rate (2-w repo rate, %, eop)	2.3	1.0	1.0	2.5	3.0
Policy rate (2-w repo rate, %, aop)	2.7	1.5	1.0	1.9	2.9
5-Y T-bill rate [b] (%, eop)	n.a.	2.6	2.1	3.8	4.0
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

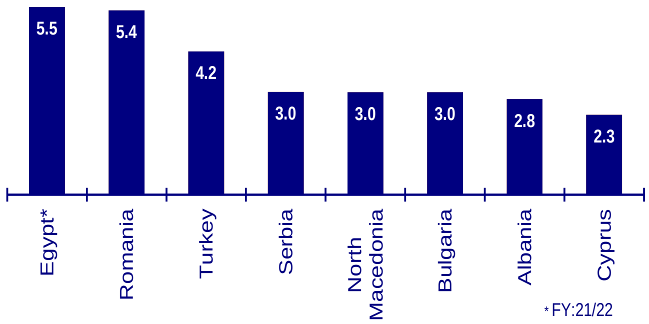
ALBANIA	2019	2020	2021e	2022f	2023f
Real Sector					
Nominal GDP (EUR million)	13,786	13,319	15,464	16,832	17,775
GDP per capita (EUR)	4,830	4,693	5,405	5,893	6,235
GDP growth (real, %)	2.1	-3.5	8.5	2.8	3.9
Unemployment rate (%, aop)	12.0	12.2	12.1	11.8	11.4
Prices and Banking					
Inflation (%, eop)	1.1	1.1	3.7	5.2	3.3
Inflation (%, aop)	1.4	1.6	2.0	5.7	3.3
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	5,598	5,817
Trade balance (EUR million)	-3,144	-2,982	-3,829	-4,296	-4,442
Trade balance (% of GDP)	-22.8	-22.4	-24.8	-25.5	-25.0
Current account balance (EUR million)	-1,089	-1,153	-1,186	-1,441	-1,362
Current account balance (% of GDP)	-7.9	-8.7	-7.7	-8.6	-7.7
Net FDI (EUR million)	1,036	0,894	0,990	1,089	1,198
Net FDI (% of GDP)	7.5	6.7	6.4	6.5	6.7
International reserves (EUR million)	3,360	3,942	4,972	4,820	4,866
International reserves (Months[a])	6.5	9.6	8.8	7.7	7.4
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	59.6	58.2
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	6.8	7.2
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	2.5	2.9
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

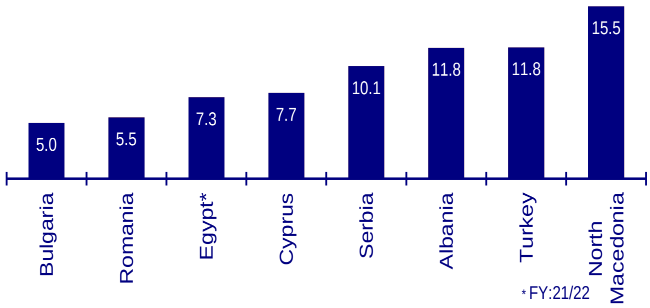
Sources: National Sources & NBG estimates

Regional Snapshot: Macroeconomic Indicators

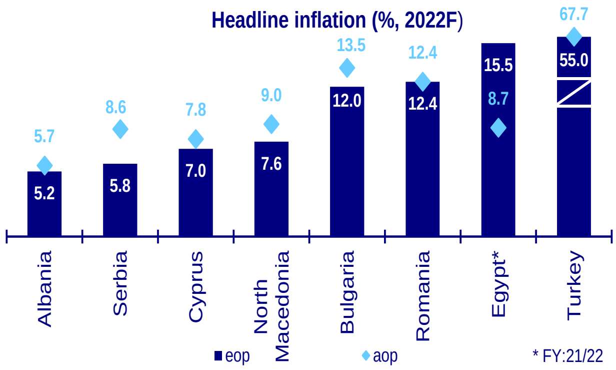
Real GDP Growth (%, 2022F)



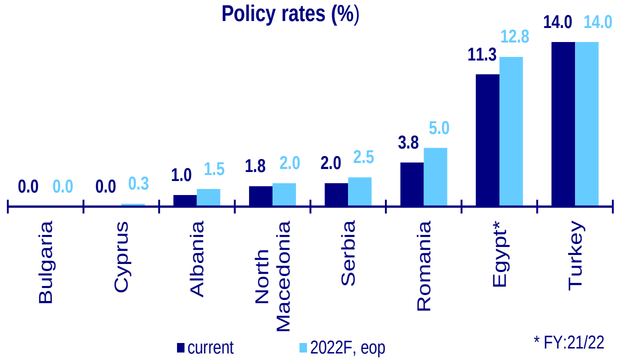
Unemployment (%, 2022F, aop)



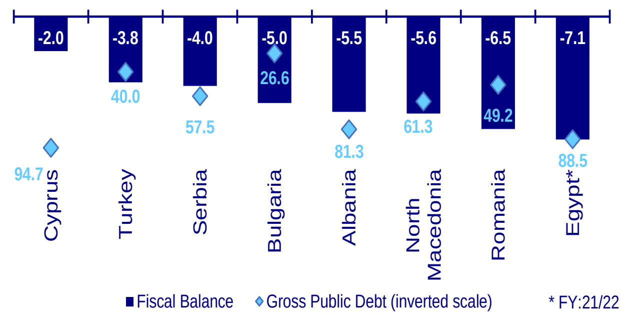
Headline inflation (%, 2022F)



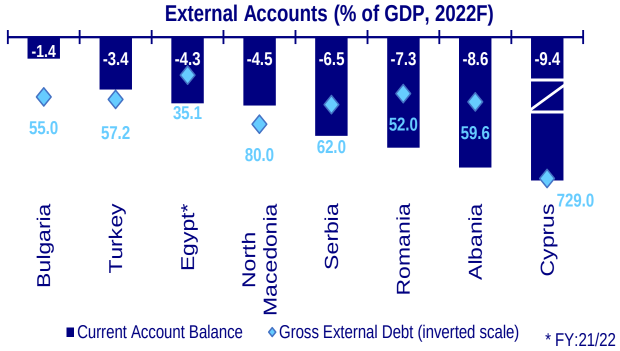
Policy rates (%)



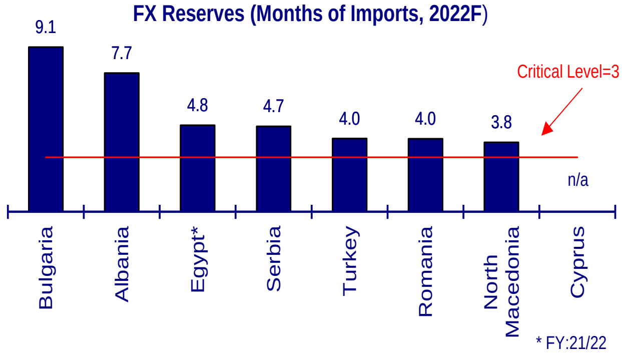
Public Finance (% of GDP, 2022F)



External Accounts (% of GDP, 2022F)



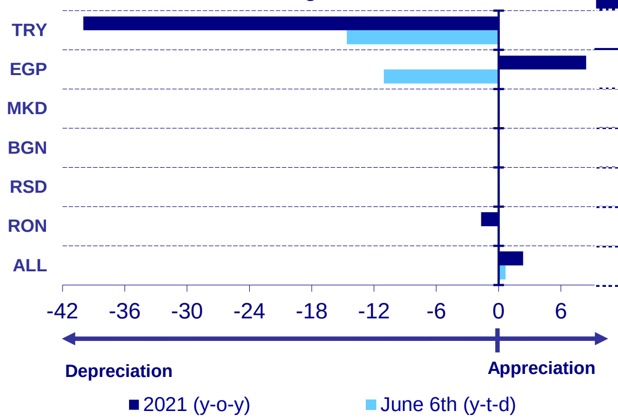
FX Reserves (Months of Imports, 2022F)



Sources: National Sources & NBG estimates

REGIONAL SNAPSHOT: FINANCIAL MARKETS

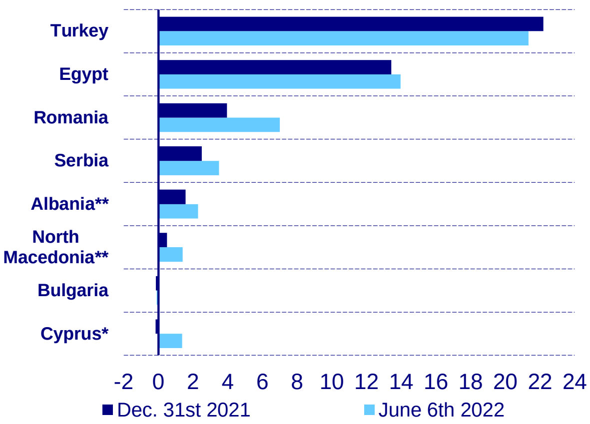
Currencies against the EUR



	Spot
TRY	17.7
EGP	19.9
MKD	61.6
BGN	2.0
RSD	117.4
RON	4.9
ALL	119.8

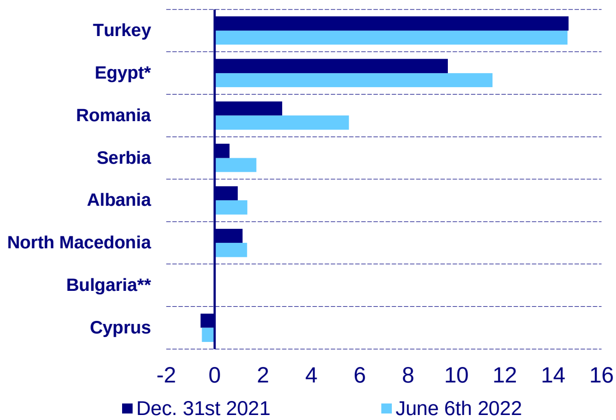
*: MKD and BGN are pegged to the EUR

Government Debt Yields (1-Year, %)



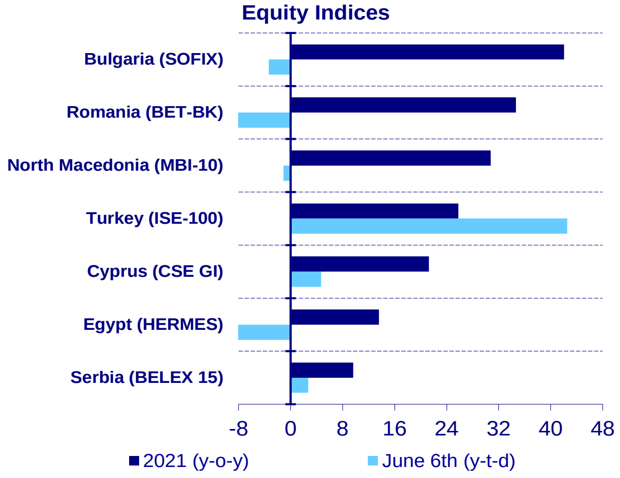
* 3-Year (%) ** Primary market yields

Money Market Rates (1-month, %)

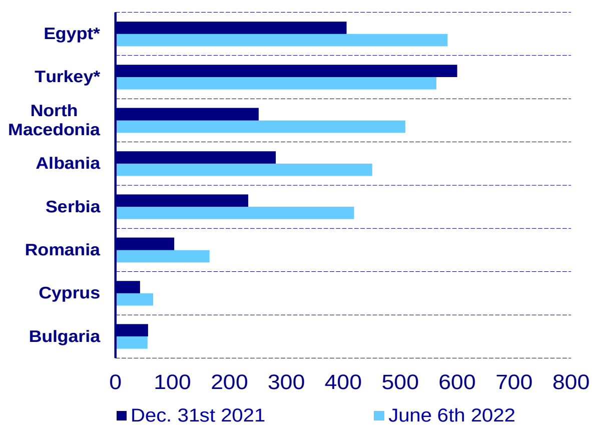


* Overnight Interbank Rate ** Base Interest Rate

Equity Indices



EUR-Denominated Sovereign Spreads (bps)



*Spread over US Treasuries

Sources: Reuters & NBG estimates