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Macro View
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NATIONAL BANK OF GREECE

Lower oil prices support economic activity in a period of increasing macroeconomic risks

Macroeconomic Indicators & Fiscal Outlook, pages 13-22

- Crude oil (Brent) prices declined to 6-year lows, showing a cumulative decline of 35% in euro terms between June 2014 and April 2015, despite the significant depreciation of the euro against the USD of 21% during this period.
- NBG Research and market consensus estimates suggest that oil prices will remain low for the most part of 2015, while the euro is expected to depreciate further to USD 1.03 by end-2015. As a result, oil prices will be 25% lower than their 2014 level in euro terms -- as the oil price adjustment reflects sustainable supply factors and a very gradual increase in demand, looking forward.
- The sustained sharp decline in oil prices is expected to provide valuable support to economic activity in the oil-dependent Greek economy through several channels:
  - ✓ A direct increase in household purchasing power through the decline in aggregate spending on petroleum products that accounts for about 5.3% of household disposable income in Greece compared with 3.8% in the euro area.
  - ✓ Lower operating costs for Greece's oil-dependent industrial and transportation sectors, which will translate into higher profit margins.
  - ✓ "Second-round" effects, through the transmission of lower energy costs to final prices of goods and services (i.e. lower core inflation) that bring an additional respite to the severely stressed Greek household budgets.
- The direct contribution of lower oil prices to annual GDP growth is estimated to reach +0.9% in FY:2015, of which 0.5% corresponds to higher household spending, and 0.4% from higher corporate profitability. Favorable second-round effects on household income, through falling core inflation, provide an additional upside to GDP growth (+0.1-0.2% of GDP in 2015).
- The oil trade deficit is estimated to narrow by 0.4% of GDP in 2015, with lower spending on imports of crude oil and oil products, despite higher import volumes.
- The net fiscal impact in FY:2015 will be positive (0.2% of GDP), as increasing revenue from the excise tax on fuel, which rises in parallel with domestic fuel consumption volumes (and represents two-thirds of the tax burden on fuel), as well as government savings from lower spending on fuel, will outweigh the value-based VAT shortfall.

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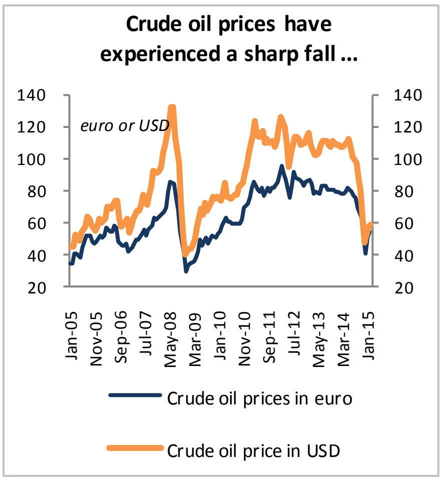
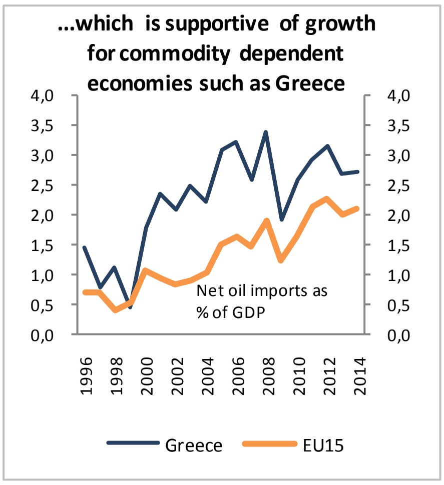




Greek Economy: Lower oil prices support economic activity in a period of increasing macroeconomic risks

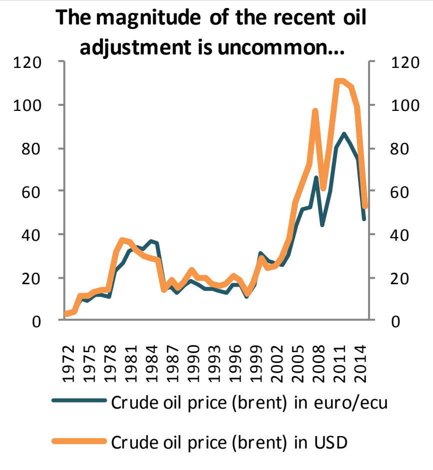
Introduction

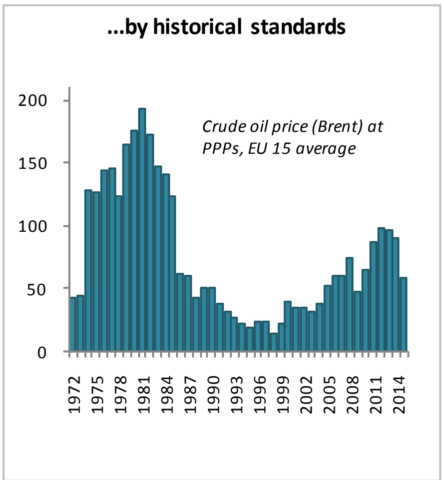
International oil prices have experienced a sharp fall since June 2014. Crude oil (Brent) prices fell below USD 50 per barrel in January 2015 -- their lowest level in 6 years -- from USD 112 in June and remain close to USD 55 in April. The cumulative adjustment in oil prices between June 2014 and April 2015 reached -48.2% in USD terms and about -35% in euro terms (reflecting a depreciation of the euro against the USD of -21% during this period). Moreover, NBG Research and consensus estimates suggest that oil prices will remain low for the most part of 2015, as the current price levels reflect a sustainable combination of supportive supply and demand factors.

The sharp decline in oil prices, in conjunction with the prospective persistency of the adjustment, is considered to be highly supportive for oil-dependent economies such as Greece. In particular, lower oil prices are expected to support the real economy through several channels:

- A direct increase in household purchasing power/real disposable income through the decline in aggregate spending on petroleum products that accounts for 5.3% of household disposable income in 2014 and is typically characterized by relatively low income and price elasticities.
- Lower operating costs for Greece's oil-dependent industrial and transportation sectors, which will translate into higher profit margins.
- "Second-round" effects, through the transmission of lower energy costs to final prices of goods and services (i.e. lower core inflation), which, in turn, increases further household purchasing power.

The positive impact on annual economic growth from lower oil prices is estimated to reach +1.0% in FY:2015, of which 0.5% corresponds to higher household spending, 0.4% comes from higher corporate profitability (industrial and transportation sectors) and another 0.1%-0.2% will reflect positive second-round effects on household income through falling core inflation. Model-based (VAR) estimates for the economy as a whole are broadly in line with more granular sectoral results as regards the impact of the oil shock on economic activity, and provide a more detailed





description of the oil shock transmission mechanism to the economy on a quarterly basis (see Appendix). The estimated contribution on GDP is about double the respective estimate for the euro area average in the IMF's World Economic Outlook (April 2015), reflecting the significantly higher oil dependence of the Greek economy.

Both the current account balance and fiscal figures will also be affected by lower oil prices. In fact, the oil trade deficit is expected to narrow further, with lower spending on imports of crude oil and oil products, despite an increased volume of imports, expected to far exceed the decline in export revenue of the Greek oil refining industry. Overall, the oil trade balance should improve by an estimated 0.4% of GDP in 2015.

The effective fiscal impact is initially negative, due to the contraction of the nominal tax base of VAT on fuels (an estimated 0.3% of GDP in FY:2015). However, the aforementioned positive impact on the economy will eventually result in higher revenue -- together with lower government spending on fuel. On balance, the net fiscal outcome in FY:2015 is estimated to be positive and to reach 0.2% of GDP.

A favorable terms of trade shock for an economy beleaguered by a long crisis

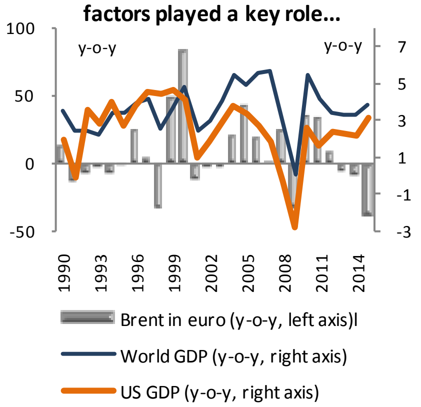
Following a four-year period of relative stability at around USD 110 per barrel, the price of crude oil price (Brent) halved in H2:2014, falling to below USD 50 per barrel in early 2015 and stabilizing at close to USD 55 per barrel in April 2015 -- about 30% below its 10-year average of USD 85.

There are two noteworthy observations regarding the current oil price adjustment, which make it relatively unique:

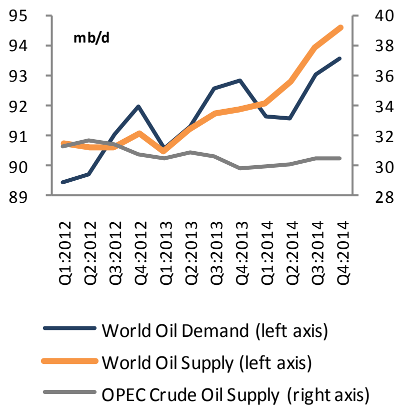
First, by itself, an oil price adjustment of this magnitude is infrequent by historical standards. During the past 40 years, there have only been four occasions when prices have fallen by as much (1986, 1991, 1998 and 2009). In fact, the current oil price adjustment is the third-largest 7-month decline in the past three decades, following the 67% drop between November 1985 and March 1986 and the 75% drop between July and December 2008.

Second, the price adjustment is taking place during a period of healthy global growth, mainly due to large increases in global oil supply. This only occurred during the price adjustment of 1986, due to the emergence of biofuel production, an increasing supply

In contrast to previous adjustments where demand factors played a key role...



...the current decline in oil prices mainly reflects excess supply...



from Russia, Alaska and the Middle East, and the introduction of more efficient drilling technologies.

Not surprisingly, most of the previous adjustments in oil prices coincided with periods of significant economic slowdown worldwide or outright recessions in large developed economies. The most characteristic example is the global recession of 2009 when the contraction in world GDP by 2.1% (constant prices, market exchange rates) was accompanied by an annual drop in oil prices of 36.2% y-o-y in USD terms. The other cases of oil price reductions (1991, 1998 and 2009) were of the order of 26% y-o-y, on average, and occurred in years when the global GDP registered an average annual deceleration of c. 1.5% in comparison with the GDP growth in the year preceding the oil price adjustment.

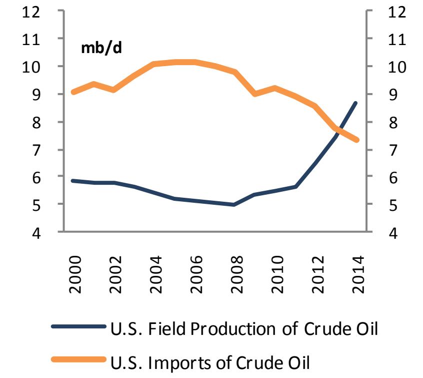
NBG Research, as well as market consensus estimates, suggest that the current adjustment in oil prices will last for several quarters, as it is primarily driven by sustainable supply-side developments.

Specifically, the current oil market adjustment appears to be strongly affected by recent significant changes in the supply side of this market. The key drivers are:

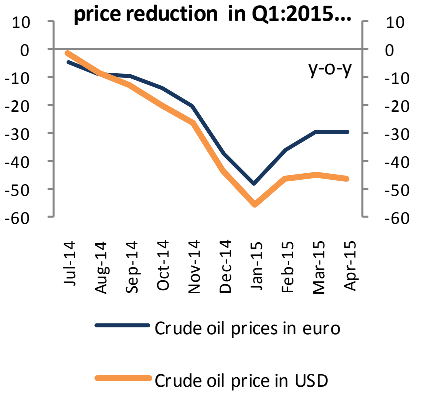
- Increasing investment and innovation in extraction technologies, which led to a notable increase in the global supply of oil and natural gas. In fact, the effective application of new extraction methods (such as shale and/or deep-water extraction) has made a major contribution to global production growth. It is noteworthy that the cumulative increase in US shale natural gas output since 2005 is broadly analogous to the combined annual production of Qatar, Kuwait, the UAE and Iraq; while annual US shale oil output by itself currently equals the total annual oil production of Iraq. In this context, US crude oil imports have plummeted (-18.7% cumulatively in the period 2011-2014), and this trend has been compounded by recently-introduced policies in the US to improve energy efficiency in the road transportation sector.

- A radical change in the policy reaction of OPEC counties -- led by Saudi Arabia and the UAE -- which comes in sharp contrast to the past: On this occasion, OPEC decided not to counteract oil price declines by restraining oil supply. Moreover, higher production from a number of smaller oil-exporting economies, which have faced significant political tensions domestically and disruptions in their production capacity in

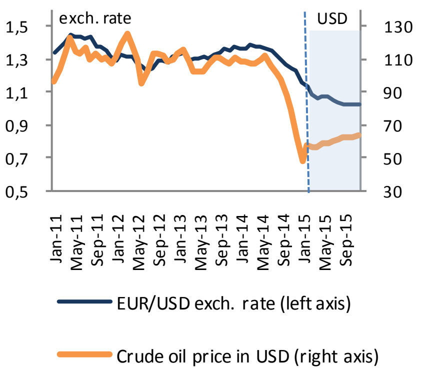
...with rapidly rising production in the US acting as a catalyst



Accelerating euro depreciation has reversed a part of the oil price reduction in Q1:2015...



... however, the decline in oil prices in euro terms will remain sizeable in FY:2015



previous years also contributed to the increase in total supply (e.g., Iraq, Iran, Libya).

In this environment, conditions for higher prices will take time to establish themselves. Specifically, global demand for oil is expected to increase only very gradually in H2:2015, and gain strength in 2016, in parallel with an acceleration in global GDP growth and international trade. Prices will be supported by supply weakness as low oil prices reduce new investments by oil multinationals, especially in the fracking sector, which has high marginal operating costs (near USD 50/brl). The current excess supply of oil – including substantial inventories held in tankers – will also hold back oil prices.

Against this backdrop, oil prices are expected to follow a very gradual upward path in parallel with the gradual restoration of a sustainable supply-demand balance. NBG Research expects that oil prices will remain below USD 70/brl until Q4:2015 (from USD 58/brl currently), an estimate that is reasonably close to current market consensus estimates and corresponds to an average annual decline of oil prices in USD terms of -40.2% y-o-y, from USD 99/brl in 2014 to USD 60/brl, on average, in 2015.

Accelerating euro depreciation in Q1:2015 has reversed some of the terms of trade gains

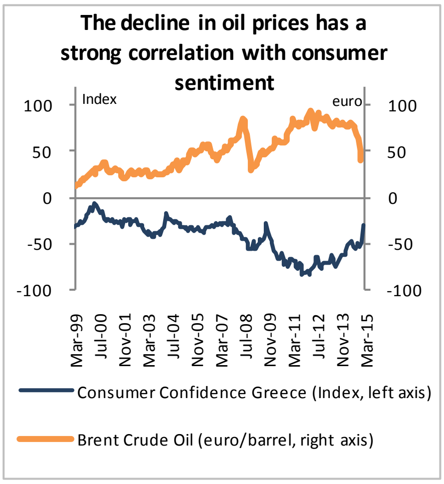
The accelerating euro depreciation since late 2014 has weakened the transmission of lower oil prices to the domestic economy. This impact has become even more evident in 4M:2015, when the euro fell to USD 1.06 in mid-April (-23% y-o-y), the lowest level since 2002. In this respect, the average drop in oil prices of 46.2% y-o-y in USD terms in 4M:2014 translates into a decline of 31.0% in euro terms.

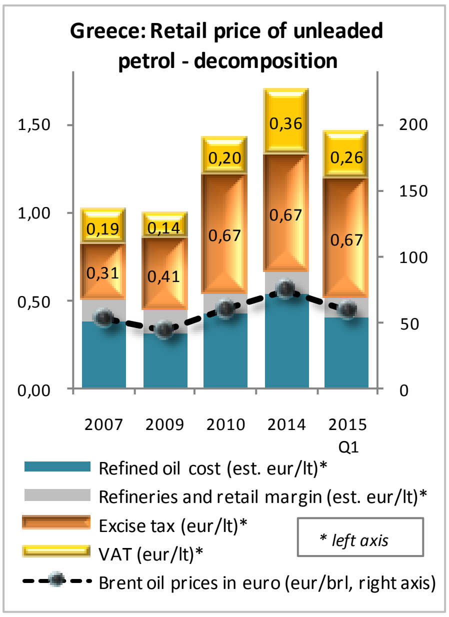
The analysis on the transmission mechanism of prices to the real economy is based on the projection that the average EUR/USD exchange rate will remain in the vicinity of USD 1.07 in Q2:2015 and decline close to USD 1.03 in H2:2015, showing an average annual depreciation of 19.7% against the USD in FY:2015.

Accordingly, the average decline in oil prices in euro terms will be of the order of 25% in FY:2015.

Lower oil prices are feeding directly into Greek households' disposable income

Declining energy prices are estimated to have already brought a





notable respite to the severely stressed Greek household budgets, following six consecutive years of sharp adjustment in employment and wages. In fact, lower energy prices, together with stabilizing wages and positive employment growth (+1.4% y-o-y in H2:2014), appear to underlie the revival of private consumption, that increased by 2.2% y-o-y in real terms in H2:2014 and by 1.4% in FY:2014. Notably, crude oil prices, as well as retail fuel prices, in Greece appear to closely track monthly movements in consumer sentiment, underlining the significance of this spending category for consumer behavior.

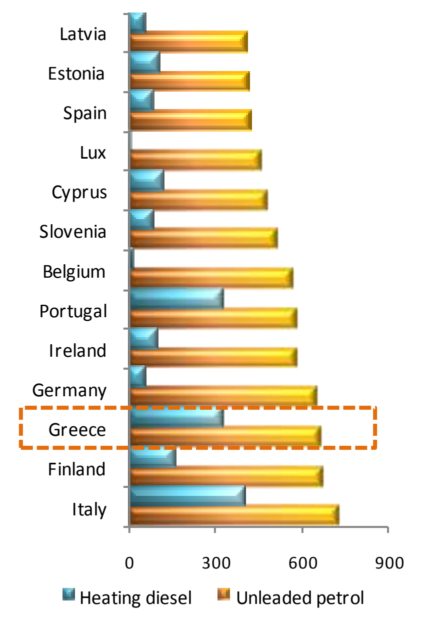
Greek household spending on oil products as a percentage of their disposable income was among the highest in the euro area, exceeding the euro area average by an estimated 18% in the period 2000-08 (corresponding to 4.0% of average household disposable income in Greece compared with 3.4% in the euro area), reflecting a rapid convergence of motor fuel consumption (in volume terms) to the euro area average and a relatively high usage of diesel for residential heating. Indeed, Greek households consumed 25% more oil in volume terms than the average euro area household in 2000-08. In particular, heating oil accounts for nearly 35% of total energy consumption of households in Greece compared with less than 14% in the euro area.

It is notable that despite the remarkable decline in oil product consumption volumes by Greek households, by 45% cumulatively in the period 2009-2014, the share of household income utilized for the purchase of oil products increased further to an estimated 5.3% in 2014 (about 40% higher that the euro area average in 2014, of 3.8%). This increase reflected the sharp rise in fuel taxes (see below), in conjunction with the severe contraction of household disposable income, by 27% during the same period, which jointly outweighed the impact of declining consumption volumes.

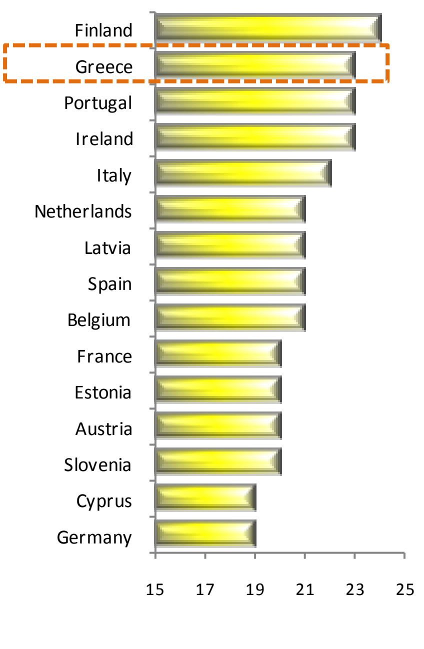
Empirical evidence from an estimated household oil demand equation (in volume terms) suggests that both income and price effects contributed to this remarkable reduction in oil consumption volumes. The income effect accounted for 66% of the reduction (income elasticity of oil demand of 1.1) and the price effect (essentially from taxes) for the remainder (price elasticity of oil demand of -0.36).

Indeed, in the period 2009-2014, fuel prices increased by +42% -- mainly due to the fuel tax hikes in 2009-2011. In fact, indirect (VAT) and excise taxes on fuel are now among the highest in the

Excise tax on oil products, 2014 (euro per 1000 litres)



VAT on fuel (%)



euro area. During the period 2009-2011, fuel taxes increased from 44% to 62% of the final fuel price (unleaded petrol), with the average excise tax amounting to €0.67 per litre from €0.35 in 2008 i.e. more than 40% of the average retail price in 2014 from 28% in 2008, and the VAT on fuel increasing from 19% to 23% of the fuel retail price (including the excise tax).

Identifying the direct impact on household spending

Indeed, including taxes, the effective decline in retail fuel prices during 4M:2015 is 16.8% y-o-y compared with an estimated decline in crude oil prices in euro terms of 31% y-o-y during the same period. For FY:2015, domestic fuel prices (weighted average of gasoline, motor diesel and heating oil) are expected to decline by 13.5% y-o-y consistent with the aforementioned average annual decline in crude oil prices of 25% y-o-y in euro terms. The lower decline in the retail price reflects the fact that about one-half of the final price represents fixed costs (mostly taxes).

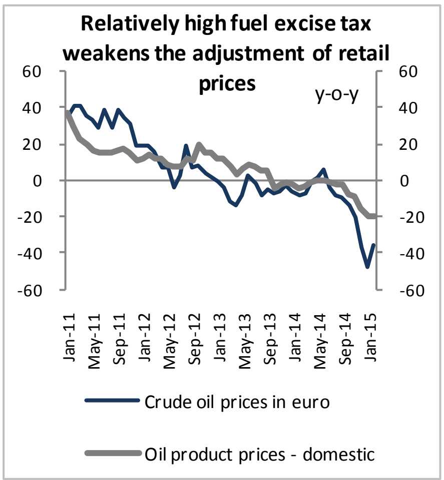
The improvement in household purchasing power in 2015 is equivalent to the share of disposable income released from the decline in retail fuel prices, taking into account the prospective change in oil product demand volumes and assuming that fuel tax rates remain unchanged. Overall, despite an increase in the volume of oil consumption by 5.7% y-o-y (see page 10), the decline in the value of household spending on oil products in 2015 is estimated at €0.8 bn (0.6% of household disposable income), and the direct impact on GDP growth estimated to be +0.5% y-o-y.

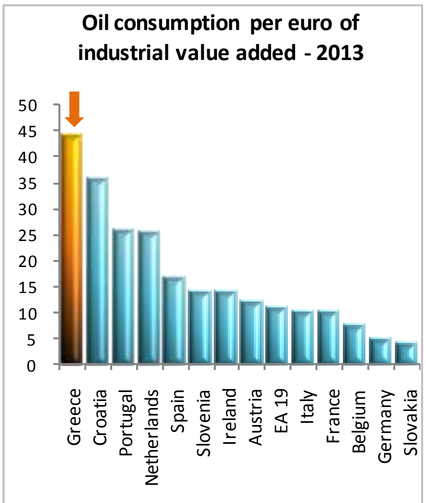
Lower energy costs support profitability and spending of the oil-dependent corporate sector

The Greek industrial and transportation sectors are also expected to benefit significantly from the sharp reduction in oil prices, as they are highly dependent on oil imports.

Eurostat data for final oil consumption (volumes) in the EU, suggest that the Greek industrial sector (excluding the oil refining and electricity generation sub-sectors) consumed about 0.03 tonnes of oil per 100 euro of industrial value added -- i.e. more than 2 times the euro area average. This relatively higher oil intensity for Greece has remained broadly stable during the period 1995-2013.

It is noteworthy that Portugal and Croatia, which also had high oil intensity at the beginning of the previous decade, have now moved closer to the euro area average.





This persistently high spending on oil products by the Greek industrial sector reflects several distinct factors that include: i) the relatively low value added of Greek industrial production; and ii) the high final energy consumption of a number of leading industrial sub-sectors.

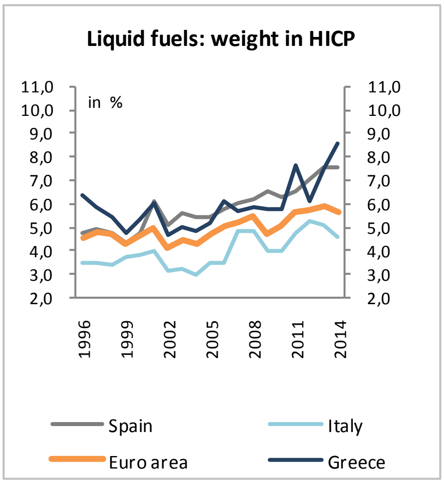
Indeed, several important domestic industries such as basic metals, non-metallic minerals, chemicals, as well as electricity production, which jointly account for almost 40% of the total industrial value added, are energy intensive and highly dependent on oil inputs. Their average oil consumption per euro of value added is estimated to exceed the respective figures in other euro area countries by 50% to 300% (IEA 2013 data). Moreover, the share of these industries in total industrial value added also exceeds the euro area average by an estimated 20%. Note that the production of other important industrial sub-sectors such as food, tobacco and textile manufacturing -- which are not generally considered as energy intensive -- also appear to consume relatively high quantities of oil compared with similar industries in other euro area countries, revealing the relatively low energy efficiency of the economy.

Indeed, Greece's geographical idiosyncrasies (such as the numerous islands) contribute to a high degree of fragmentation in electricity production and a high dependence on oil. Indeed, oil use in electricity production (11.5% vs 3.5% in the euro area) reflects, *inter alia*, the extensive use of diesel generators for electricity production in Greek islands, which are not interconnected to the mainland electricity network.

Similarly, the Greek transportation sector (road, aviation and domestic shipping) is among the most energy intensive in the euro area. It is remarkable that that share of oil consumption of the Greek transportation sector corresponds to 4.2% of total oil consumption by this sector at a euro area level while Greek GDP accounts for only 2.1% of the euro area GDP. Here again, geographical characteristics and a high contribution of tourism and domestic shipping in GDP, in conjunction with an underdeveloped railway network, contribute to this high oil consumption.

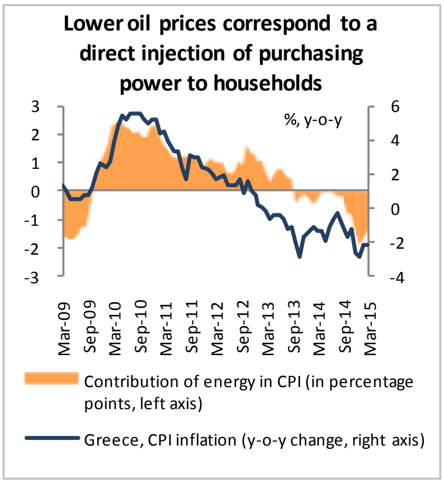
Overall, the fall in oil prices overlays sizeable improvements in labor costs in previous years and creates a favourable foundation for a significant increase in profitability, investment spending and hiring by Greek enterprises, *ceteris paribus*.

According to NBG Research estimates, on the basis of sectoral accounts and balance of payments data, the Greek non-financial corporate sector (excluding oil refineries) spent more than €5.5 bn on oil and oil products in 2014 (including excise and VAT taxes), of which c. €5.0 bn correspond to oil consumption by the industrial and transportation sectors. This amount is equivalent to 12.2% of total non-financial corporate sector value added. In this respect, the direct saving from a projected annual reduction in domestic prices of oil products of 13.5% y-o-y amounts to €0.8 bn and could be translated into a direct boost to the gross operating surplus of the domestic corporate sector of 2.3% y-o-y or 0.4% of GDP (under the simplifying assumption that sectoral turnover and other components of business costs remain flat at 2014 levels and there is a unitary business spending multiplier).



It appears plausible to assume that most of the Greek enterprises will prioritize normalizing their profit margins in response to this favourable shock, following several years of sharp compression, rather than attempt to translate lower input costs into further reductions in output costs. Thus, the total impact on real GDP growth in 2015 from the increase in profitability of the non-financial corporate sector (excluding oil refining) is estimated at +0.4%.

Favorable indirect effects on household purchasing power will work their way through core inflation reductions

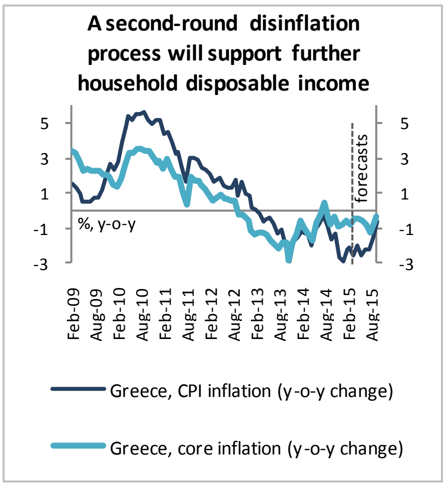


The decline in import prices (primary and processed) is estimated to give rise to a second-round disinflation process that affects core inflation, further boosting disposable household income.

In this respect, it should be noted that retail natural gas prices in Greece are pegged to those of oil with a six-to nine-month lag. On the basis of this historical link of natural gas prices to oil product prices, it is expected that retail prices of natural gas will decline by 15% y-o-y in Q2:2015 and by about 20% y-o-y in H2:2015.

Similarly, prices of specific categories of imported primary goods typically reflect a high correlation with oil prices (such as food commodities). Indeed, prices of agricultural commodities, either processed by Greek industry or imported processed foods, entered disinflationary territory in Q4:2014 and Q1:2015. Specifically, import prices of both primary and processed non-durable consumer goods (excluding fuel) fell by -0.8% y-o-y on average in Q4:2014 and -1.3% in Q1:2015.

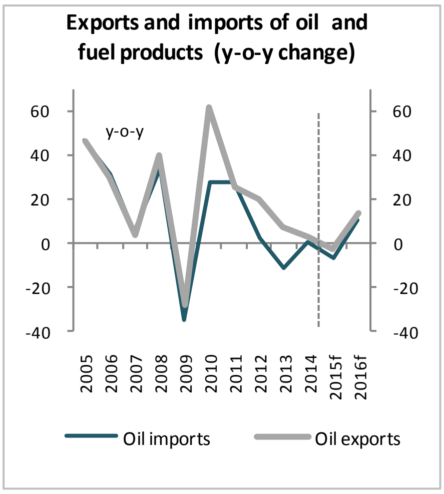
Estimates of NBG Research suggest that the lower import costs are transmitted to core inflation with an average lag of 1-2 quarters. In this context, it is projected that, on a nine month horizon (i.e. between Q2:2015 and Q4:2015), the average impact on core inflation from each percentage point decline in import costs will amount to -0.25 pps y-o-y. This indirect disinflationary effect is expected to peak in Q3:2015 at c. -0.3 pps. On average, this indirect boost to disposable income is estimated at +0.2% in FY:2015, which corresponds to an additional +0.15 pps in 2015 GDP growth.



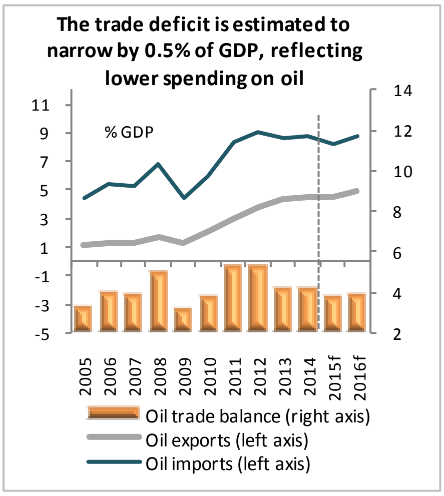
Lower oil prices provide an additional boost to external and fiscal adjustment

Impact on the trade balance

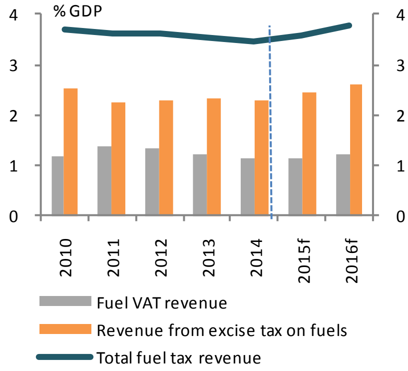
The oil price decline is projected to result in an improvement in the total trade deficit by 0.3% of GDP in 2015. Specifically, the oil trade deficit is expected to decline by €0.7 bn (0.4% of GDP) in 2015 as the oil import bill, that corresponds to almost 9% of GDP in 2014 (or €15.7 bn), is estimated to contract by about 10% y-o-y (or €1.0 bn) in FY:2015, with the projected decline in oil import prices (-25% y-o-y on average in 2015) easily outweighing the estimated increase in total import volumes of almost 15% y-o-y. The latter reflects an increase in household oil consumption volumes of +5.7% y-o-y (as indicated above) and an estimated increase in non-household oil demand in the economy of 20% y-o-y. Both figures are derived by combining estimates from an economy-wide and a household oil demand equation. In fact, the increase in import volumes mainly reflects higher demand due to falling prices (i.e. price elasticity of household oil demand equal to -0.36), which translates into an annual increase in import volumes of 5.0% y-o-y. The income effect is estimated to contribute another +1.8% in annual oil demand growth (reflecting an income elasticity of household oil demand of 1.1).



At the same time, oil export revenue is estimated to decline by only €0.25 bn -- from the historically high level of €8.1 bn (4.6% of GDP in 2014) -- as the relatively high price elasticity of export demand (volume terms) will largely offset the impact of falling export prices (an estimated increase in export volumes of 8.5% versus a decline in oil export prices of 13%).



Increasing consumption volumes will result in higher revenue from fuel taxes in 2015-16



Impact on the fiscal position

The direct fiscal impact is estimated to be negative in Q1:2015, due to the contraction of the nominal tax base of VAT on fuels (an estimated annual reduction of 0.3% of GDP in FY:2015), which translated into a contraction of fuel VAT revenue of almost €0.10 bn in Q1:2015. However, increasing revenue from the excise tax on fuel (almost +€0.3 bn or +6.9% y-o-y in FY:2015), which rises in parallel with domestic fuel consumption volumes (+6.5% y-o-y analogous to the increase in net oil import volumes), will outweigh the VAT revenue shortage from Q2:2015 onwards, leading to a net improvement in total revenue from fuel taxes (VAT and excise) of €0.16 bn in FY:2015 (0.14% of GDP). Recall that the tax revenue from excise tax represents about two-thirds of the total tax take on fuels.

The effective impact on fiscal figures is expected to be even larger if we take into account government savings of about €0.05 bn. It would arise from lower spending on fuel and the estimated increase in total revenue from indirect taxes of €0.14 bn due to the effective increase of nominal GDP growth by about +0.4% y-o-y (an annual increase of 1% in real GDP adjusted for a decline in the GDP deflator by -0.6% y-o-y). Overall, the favourable fiscal impact in FY:2015 is estimated to exceed €0.38 bn (almost 0.2% of GDP).

Appendix
A SVAR Model of Inflation Shock Transmission

Model based estimates at an economy-wide level point to a significant impact on economic activity and inflation from lower oil prices in 2015 that extend through 2016

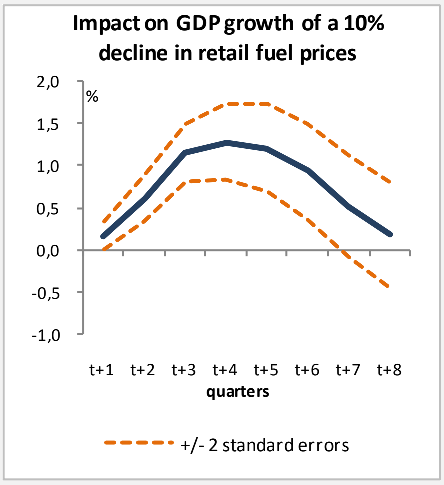
NBG Research provides additional evidence on the transmission of oil shocks to the Greek economy on the basis of a dynamic macroeconomic model (SVAR system). SVAR models are generally considered to have attractive properties as regards the identification and assessment of the pass-through of oil shocks to the economy and capturing indirect effects on sectors of economic activity, which are not possible to approximate through bottom-up approaches based on sectoral spending/income multipliers.

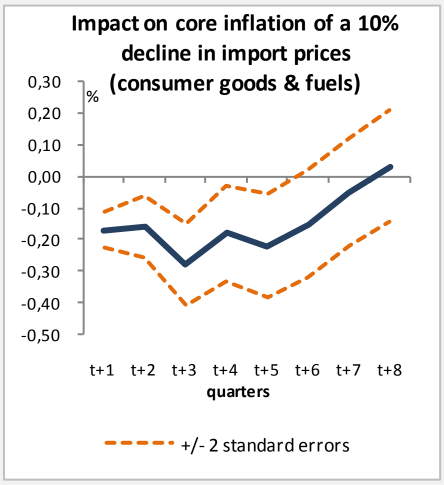
These economy-wide data are also used as a benchmark to validate sectoral estimates of the economic impact of oil price changes presented in the previous sections. This box presents a subset of the forecasts obtained from this system, which is closely related to the analysis presented in the main text.

The variables included in the system are the following: i) retail fuel (oil products) prices instead of crude oil prices, often used in the literature to account for the potentially important role of excise fuel taxes and other production and distribution costs in the transmission of international oil price changes to the domestic economy; ii) Greece's real GDP growth; iii) the real effective exchange rate; iv) an index of Greece's non-fuel import prices; v) core inflation; and vi) euro area GDP growth (as an exogenous variable to control for changes in international demand conditions). The system is estimated on historical quarterly data for the period 1995-2013.

According to the model, a 10% fall in retail fuel is estimated to boost Greece's growth by around 0.4 pps in the 2 quarters following the shock and by 0.7 pps in the third quarter. The expansionary impact declines to 0.5 pps in the fourth quarter following the shock. The positive impact on growth continues in the second year (but about 40% lower) and fades by the beginning of the third year.

Thus, the projected fall in retail fuel prices of 16.8% y-o-y in 4M:2015 is estimated to add 0.7 pps to annual GDP growth in Q1:2015 and Q2:2015 and almost 1.1% in H2:2015 growth. The average annual impact on 2015 growth is estimated at 0.9%, and is expected to decline to +0.3%, on average, in H1:2016. These estimates are consistent with the bottom-up analysis presented in the main text. The impact on core inflation is estimated at -0.5 pps, on average, in 2015.





GREECE

Macro View - Economic Outlook | April 2015

Higher uncertainty and deteriorating liquidity conditions are taking an increasing toll on the real economy

Business activity indicators suggest that the Greek economy has lost steam in Q1:2015

Greece: Tracking the economy's cyclical position

	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
PMI (index level)	40,1	41,9	42,1	42,2	41	41,8	41,4	41,7	43	42,1	45	45,3	45,4	47	48,7	47,5	47,3	49,2
Industrial confidence (index level)	-24,9	-25,5	-25,4	-21,8	-20,1	-17,6	-11,7	-13,7	-12,5	-11,6	-11,1	-6,7	-8,8	-10,6	-10,7	-5,3	-9,9	-11
Manufacturing production (yoy)	-4,9	-6,1	2,5	-6,5	3,9	-0,2	1,4	-0,6	0,1	1,9	2,9	-2,1	5,7	-4,7	-4,3	-2,6	-4,9	-4,2
Industrial production (yoy)	0,9	-2,9	3,2	-6,0	4,5	-2,4	1,9	-3,1	-2,8	-0,4	1,0	-4,4	2,3	-7,2	-5,5	-3,2	-6,1	-6,6
Services confidence (index level)	-43,2	-42,8	-41,8	-40,9	-46	-38,4	-31,4	-28,6	-22,5	-22,4	-22,7	-13,1	-2,5	-4,6	-7	-9,7	-7,1	-8,1
Consumer confidence (index level)	-70,4	-64,7	-65,2	-75,6	-77,5	-74,1	-72,1	-71,9	-71,4	-71,2	-71,8	-63,4	-66,5	-70,9	-76,6	-72,2	-66,2	-66,7
Retail confidence (index level)	-35,2	-31	-26,6	-37	-48,4	-40,1	-33,5	-30,5	-33,1	-25,9	-26,7	-15,2	-19,1	-21	-21,3	-22,5	-22,8	-18,1
Retail trade volume (yoy)	-11	-9	-9	-12	-18	-17	-8	-17	-14	-6	-14	-2	-8	-14	-8	-5	-1	3
Construction Permits (yoy)	-40	-49	-29	-47	-31	-66	-33	-28	-45	-56	-16	-51	-15	-4	-30	-37	9	89
House prices (yoy, quarterly series)	-11	-13	-13	-13	-13	-13	-13	-12	-12	-12	-12	-12	-12	-10	-10	-10	-10	-10
Construction confidence (index level)	-62	-56	-53	-58	-53	-57	-63	-59	-47	-46	-39	-35	-34	-32	-30	-18	-37	-33
Employment (y-o-y)	-9,7	-9,5	-9,1	-9,1	-8,0	-8,1	-7,4	-7,9	-7,4	-6,9	-6,0	-5,5	-4,5	-4,3	-3,5	-2,9	-3,1	-2,8
Employment Net creation | wage earners | ERGANI	-11,4	-10,3	-9,8	-8,6	-8,2	-6,4	-6,0	-5,2	-4,2	-2,8	-1,6	-0,4	-0,1	-1,1	0,0	0,7	2,0	3,4
Interest rate on new private sector loans (CPI deflated)	5,0	4,6	4,1	4,9	4,1	4,7	5,0	5,7	5,7	6,0	6,3	6,0	5,9	6,2	6,8	6,7	7,6	8,4
Credit to private sector (y-o-y)	-5,3	-7,8	-7,7	-8,4	-8,2	-8,1	-8,4	-9,5	-8,9	-6,8	-6,8	-7,4	-6,8	-5,1	-4,8	-4,7	-4,8	-4,7
Private sector deposits (y-o-y)	-19,9	-17,8	-18,6	-16,2	-12,6	-10,5	-7,4	-6,2	-2,3	-2,3	-3,9	1,6	4,9	2,4	2,5	1,7	0,5	0,4
Interest rate on new time deposits (households, CPI def	3,7	3,5	2,8	3,7	3,0	3,6	3,9	4,4	4,4	4,6	4,8	4,5	4,3	4,2	4,6	4,2	5,0	5,7
Economic sentiment index (EU Commision, Euro area)	91	89	87	86	85	87	88	90	91	90	89	90	92	93	96	97	98	99
Exports (other (excl.oil&shipping) y-o-y 6m mov.avg	6,9	4,0	2,9	-0,9	0,9	-1,2	2,0	3,2	5,2	7,3	8,3	7,2	2,9	3,0	2,4	3,4	0,7	0,9
Imports (other (excl.oil&shipping) y-o-y 6m mov.avg	-13	-16	-15	-17	-16	-17	-17	-16	-14	-9	-6	-6	-4	-1	-2	0	-3	0
NBG Composite Index of cyclical conditions ► ► ►	-34,6	-32	-27,1	-37,6	-29,4	-31,4	-25,8	-27,8	-24,4	-21,9	-17,8	-17,1	-9,31	-16,9	-13,7	-7,01	-12,1	-9

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
PMI (index level)	49,6	51,2	51,3	49,7	51,1	51	49,4	48,7	50,1	48,4	48,8	49,1	49,4	48,3	48,4	48,9
Industrial confidence (index level)	-10,6	-11,2	-7,1	-4,1	-8,9	-4,9	1,3	1,5	0,3	-5,4	-0,6	1,3	-3	-7,9	-9,2	-10
Manufacturing production (yoy)	0,2	-0,6	2,8	-1,8	-2,3	0,8	-2,3	3,6	-1,3	-1,6	4,0	5,9	2,1	3,0	5,1	
Industrial production (yoy)	-1,4	-3,3	0,2	-4,5	-3,5	0,0	-5,4	-0,2	-4,9	-4,5	-0,1	3,3	-3,2	0,1	1,9	
Services confidence (index level)	-4,9	2,5	4,5	4,9	6	6,5	18,4	19,7	22,3	14,8	15,8	21,6	15,3	9	4,4	-0,3
Consumer confidence (index level)	-63,3	-62,7	-63,1	-58	-52,6	-51	-47,7	-48	-54	-56	-51	-50	-54	-49	-31	-31
Retail confidence (index level)	-15	-11,6	-8,4	-10	-9,7	-7,4	2,5	4,8	6,6	-2,5	5,0	10,3	4,7	-1,0	-3,9	-4,1
Retail trade volume (yoy)	-6	-3,0	-2,9	-3,4	5,0	-6,1	1,7	1,5	3,2	0,0	2,1	-1,3	-1,4	-0,1		
Construction Permits (yoy)	-44	-41	-5	4	-8	10	53	-24	-5,3	7,2	-2,8	-36,4	13,1			
House prices (yoy, quarterly series)	-10	-9	-9	-9	-8	-8	-8	-7	-7	-7	-6	-6	-6			
Construction confidence (index level)	-39	-23	-23	-14	-20	-20	-19	-20	-21	-33	-21,2	-34,2	-16,6	-29,8	-31,9	-40,0
Employment (y-o-y)	-2,7	-1,2	-0,8	-0,3	-0,6	0,4	1,0	1,7	1,1	1,3	1,3	1,7	1,5			
Employment Net creation | wage earners | ERGANI	6,8	8,8	10,5	11,0	13,6	13,9	14,0	15,0	14,1	12,9	10,3	10,0	8,6	7,3		
Interest rate on new private sector loans (CPI deflated)	6,8	7,1	6,5	6,8	7,2	7,4	6,3	6,1	5,6	6,0	7,0	6,4	7,6	7,9		
Credit to private sector (y-o-y)	-4,3	-3,5	-3,7	-5,5	-4,9	-4,4	-4,0	-3,9	-3,7	-3,7	-3,2	-3,0	-2,7	-1,6		
Private sector deposits (y-o-y)	-1,5	-2,4	-3,9	-3,0	-1,5	-2,1	0,3	0,7	1,4	2,2	2,6	2,1	-1,7	-7,2		
Interest rate on new time deposits (households, CPI def	4,5	4,3	3,9	4,2	4,1	4,5	3,5	3,0	2,4	2,9	3,6	3,1	4,4	4,6		
Economic sentiment index (EU Commision, Euro area)	100	101	101	103	102	103	102,4	103	101	100	101	101	101	102	102	104
Exports (other (excl.oil&shipping) y-o-y 6m mov.avg	1,4	-1,0	-1,5	-1,3	-1,5	0,2	3,0	5,7	5,6	7,0	8,8	8,7	6,5			
Imports (other (excl.oil&shipping) y-o-y 6m mov.avg	4	2	4	2	2	2	0	2	2	4	8	8	8			
NBG Composite Index of cyclical conditions ► ► ►	-3,97	-0,8	-1,2	-0,2	0,5	1,3	4,9	3,5	0,5	1,8	1,5	1,8	0,8	0,1	-1,5	-6,5

Color map scale: *Rapid contraction* — *Moderate contraction* — *Slow contraction* — *Stabilization* — *Slow expansion* — *Moderate expansion* — *Rapid expansion*

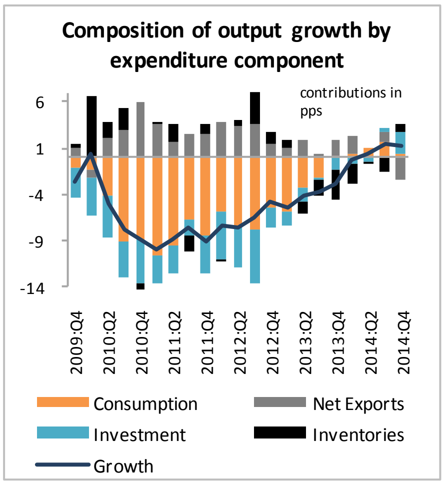
Sources: NBG, BoG, ELSTAT, EU Commission, IOBE

Greece: Growth Outlook

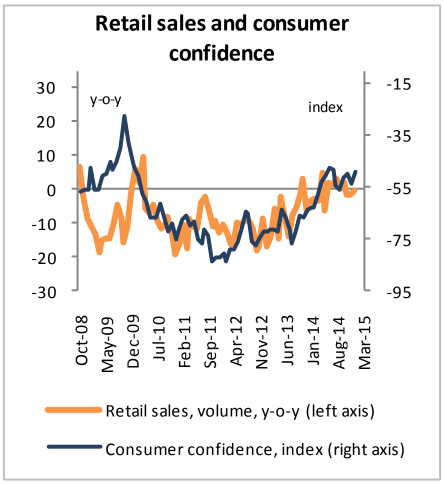
	2011	2012	2013	2014	2015f
GDP (% yoy, s.a.)	**-8,9**	**-6,6**	**-4,0**	**0,8**	**+0,4 / +1,4**
GDP (% q-o-q, s.a.)	...	...	...	...	
Domestic Demand (y-o-y)	**-10,6**	**-9,2**	**-5,1**	**0,5**	**-1,6 / -0,4**
Final Consumption (y-o-y)	**-9,7**	**-7,2**	**-3,1**	**0,9**	**-0,6 / +0,2**
Private Consumption (y-o-y)	-10,7	-7,9	-2,2	1,4	-0,5 / +0,9
Public Consumption (y-o-y)	-6,3	-6,7	-5,1	-0,8	-3,0 / +1,5
Fixed Capital Formation (y-o-y)	**-17,0**	**-28,5**	**-9,5**	**3,0**	**-8,3 / -4,8**
Residential construction	*-14,7*	*-33,3*	*-27,7*	*-51,5*	*-18,6 / -14,5*
Total GFCF excluding residential	*-17,9*	*-26,5*	*-2,5*	*18,4*	*-7 / -3,2*
Inventories* (contribution to GDP)	**0,3**	**1,3**	**-1,3**	**-0,7**	**-0,1 / 0,0**
Net exports (contribution to GDP)	**2,6**	**3,1**	**1,3**	**0,2**	**+2,1 / +1,8**
Exports (y-o-y)	1,0	1,0	1,5	8,8	+5,1 / +6,4
Imports (y-o-y)	-7,8	-9,4	-2,9	7,4	-1,5 / +0,3

*also including other statistical discrepancies

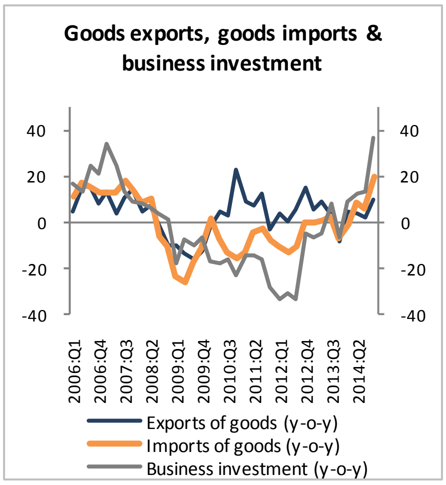
Following six years of recession, the Greek economy returned to growth in 2014, with GDP increasing by +0.8% y-o-y, supported by private consumption (+1.4% y-o-y), business investment (+18.4%) and tourism (+12.3%)



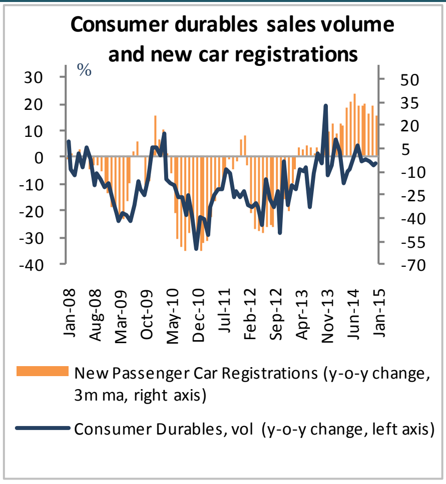
Consumer spending showed a healthy expansion in Q4:2014 (+1.4% y-o-y), in parallel with improving labor market conditions, lower oil prices and further disinflation



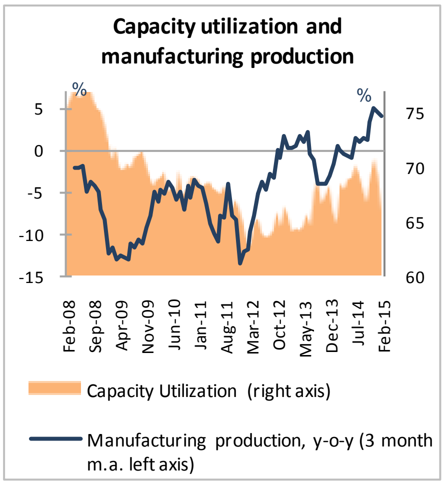
Nonetheless, economic activity lost steam in Q4:2014 (+1.3% y-o-y, -0.4% q-o-q s.a.), as the sharp increase in business investment was accompanied by higher goods imports (+20%, y-o-y)



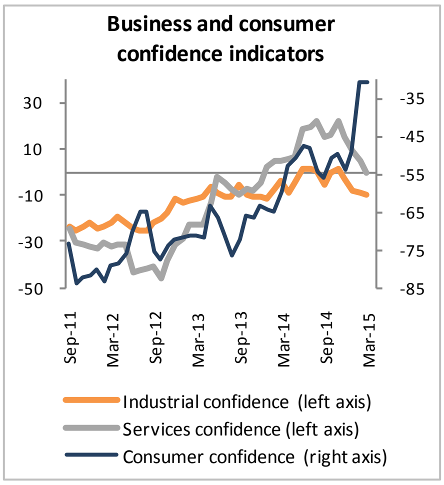
In January 2015, car sales increased by 10.3% y-o-y (compared with an increase of 33.5% in Q4:2014) and sales of other durables fell by 2.1% y-o-y



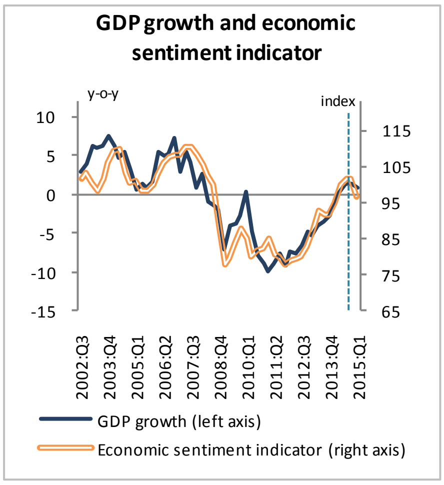
Manufacturing production expanded by +4.8% y-o-y between November 2014-February 2015, supported by exports, but capacity utilization fell in February to 65.7%



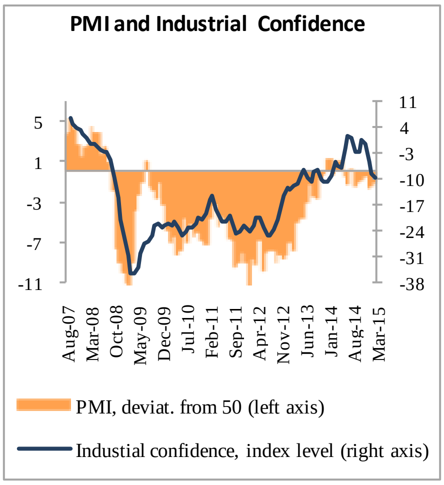
Higher uncertainty has started to weigh on business sentiment, although consumer confidence showed a notable buoyancy until March 2015



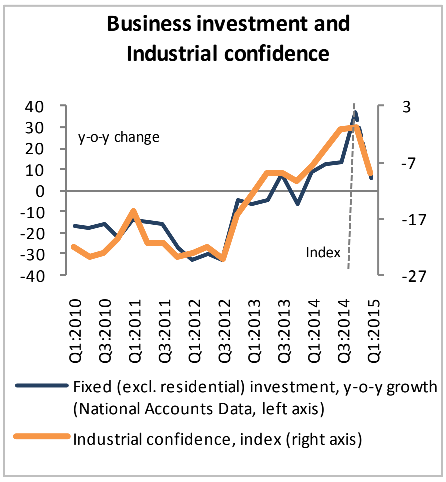
Total economic sentiment retreated in Q1:2015, to its lowest level since Q1:2014, with underlying trends pointing to a further weakening in activity in early Q2:2015



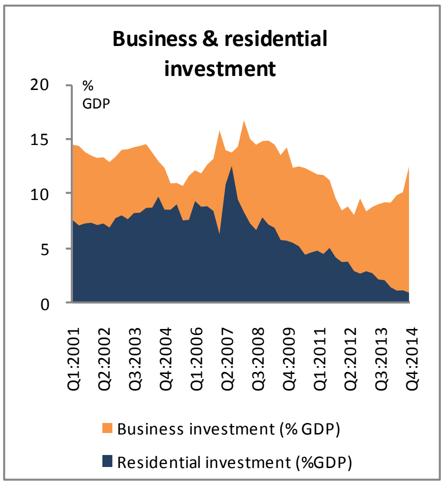
Latest readings of forward-looking indicators (PMI, industrial confidence) suggest that manufacturing activity will be near contraction territory in the following months



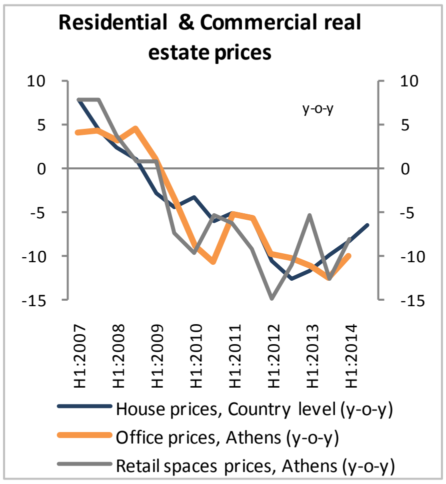
Accordingly, the notable deterioration in business sentiment presages a sharp slowdown of business investment in Q1:2015



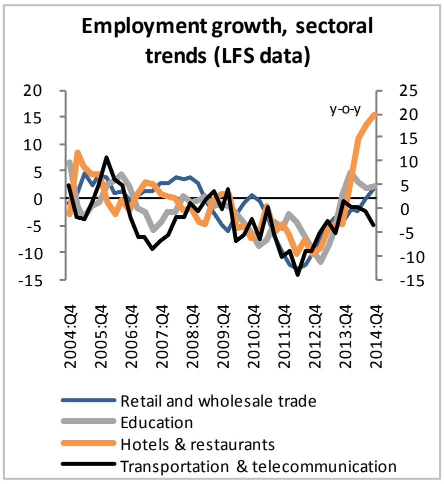
The rapid decline in residential activity continued (-53% y-o-y in Q4:2014), leading residential investment to historical lows



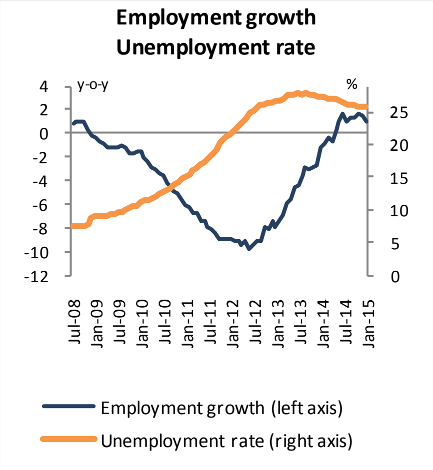
The decline in house prices was slower in Q4:2014 (-5.8% y-o-y from -7%, y-o-y in Q3:2014), with the peak-to-Q4:2014 adjustment reaching -38.4%



Tourism related activities (accommodation and food services) and retail & wholesale trade were the main drivers of employment growth in 2014 (+60k positions, 85% of total employment creation)



Employment growth slowed to +1.1% y-o-y in January 2015 from +1.5% y-o-y in Q4:2014, and the unemployment rate declined further to 25.7% in January 2015 from 25.9% in December 2014

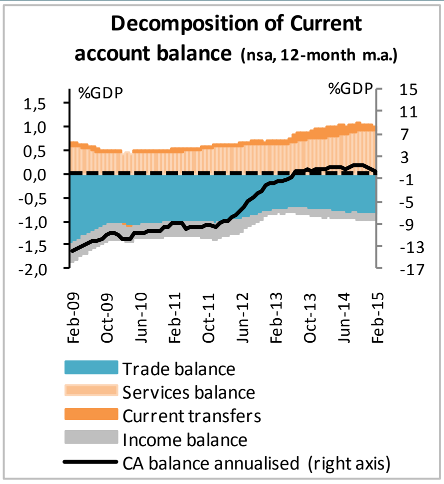


Buoyant tourism activity -- net tourism revenue +9.7% y-o-y or +0.6% of GDP -- was the key factor behind the higher current account surplus (0.9% of GDP in FY:2014). The surplus is expected to increase further in 2015, supported by lower spending on oil and increasing tourism revenue

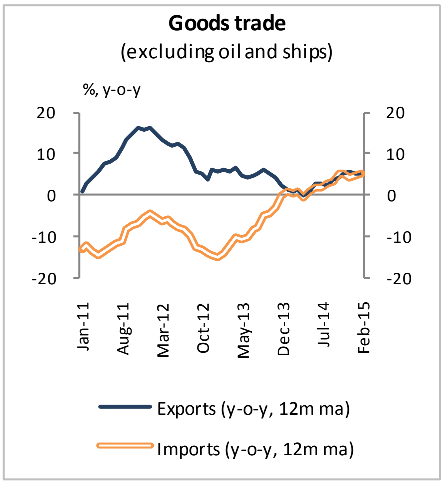
Balance of Payments (as % GDP)

	2013	2014	2015f
Current Account	**0,6**	**0,9**	**2,1**
Non-oil Trade Balance	-5,2	-5,8	-5,9
Non-oil Exports	8,0	8,6	8,9
Non-oil Imports	13,2	14,4	14,8
Oil Balance	-4,2	-4,2	-3,8
Services Balance	9,3	11,0	11,7
Income Balance	-1,7	-1,6	-1,6
Current Transfers, net	2,4	1,5	1,7
Capital transfers	1,7	1,4	1,4

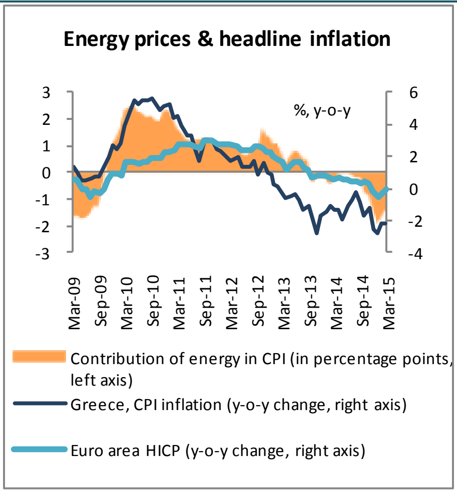
The pace of improvement in the current account slowed in Q4:2014 when the support from export services (tourism and transportation) was limited…



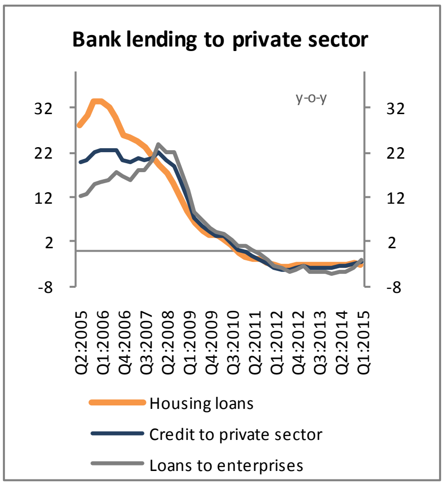
…and the impact of accelerating imports (+5% y-o-y in the 4 months to Feb 2015) outweighed the rebound in goods exports, leading to a widening of the trade balance



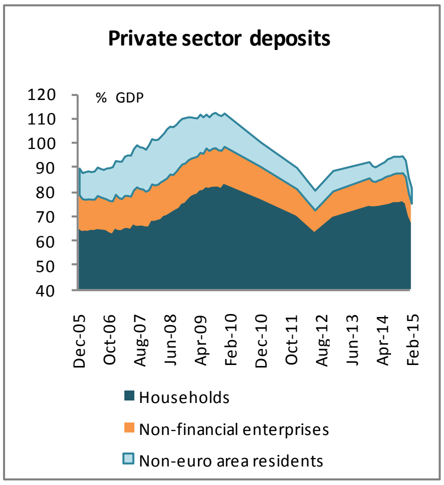
Falling oil prices gave rise to a new round of disinflation (CPI inflation of -2.4% y-o-y, on average, in 3M:2015 and core inflation -0.7% in the same period)



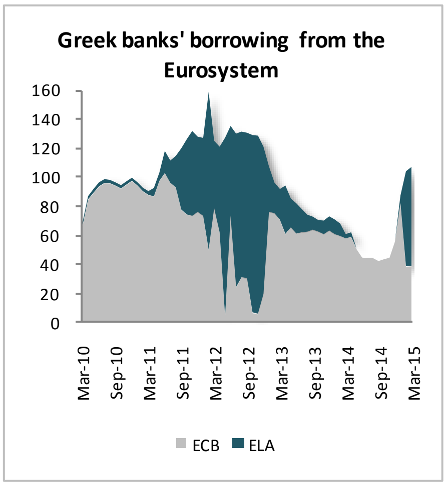
Credit to the domestic private sector continued to decline in February 2015, albeit at a slower pace (-2.5% vs -2.9% in January), with corporate credit contracting by 2.4% y-o-y (-2.7% y-o-y in January)



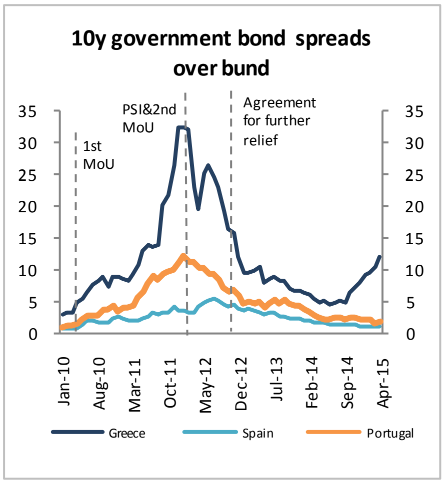
Private sector deposits decreased by €7.8bn in February 2015, leading the cumulative loss of total deposits since November 2014 to €24.7bn



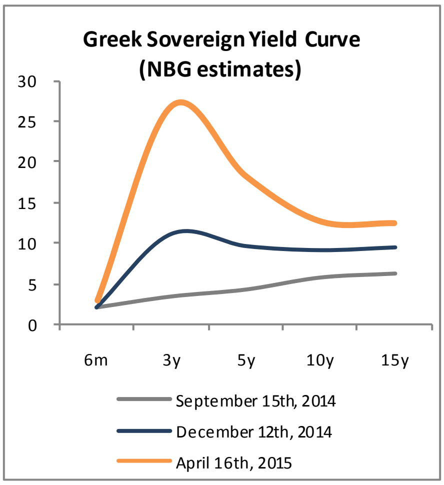
Greek banks' dependence on Eurosystem funding spiked above €107bn in March, of which €68.5 bn corresponded to ELA



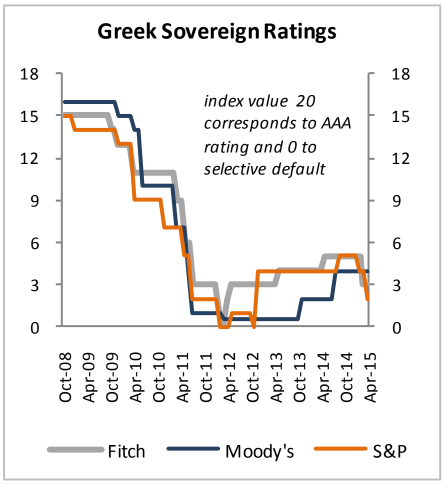
Greek sovereign bond yields have risen sharply against a backdrop of increasing uncertainty…



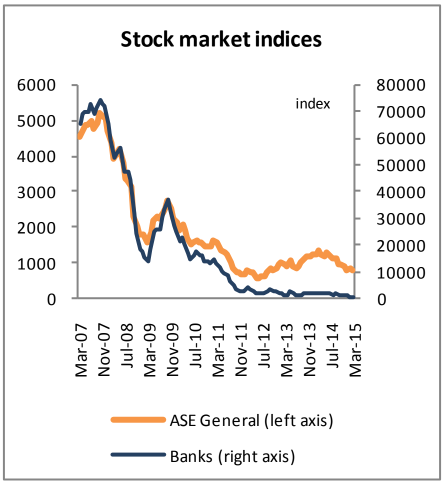
…with the shape of the yield curve suggesting severe near-term challenges



Fitch and S&P downgraded Greece's sovereign ratings, by two and one notches, respectively (to CCC and CCC+), in March-April 2015



Stock market valuations reflect increasing sovereign risk and deteriorating macroeconomic conditions



Fiscal position improves in March after a weak start, albeit due to delays in expenditure payments

State Budget implementation trends improved notably in March compared with the period January-February. Overall, the primary surplus in the State Budget in 3M:2014 reached 1.0% of GDP, exceeding the 3M Budget target by 0.9% of GDP (compared with a shortfall of 0.1% of GDP in 2M:2015). The improvement was due to accelerating revenue and a further restraint in primary spending, which were compounded by a sharp rise in the public investment budget surplus.

More specifically, State Budget implementation data in 3M:2014 (1st monthly release) reveal an improved tax revenue performance in February-March, offsetting about 60% of the €1bn revenue (0.6% of GDP) shortfall in January 2015. In fact, gross revenue of the ordinary budget increased by 10% y-o-y in February-March, exceeding the respective target by €0.6 bn (0.3% of GDP) and leading to a narrowing of the cumulative slippage in net revenue to below 0.3% of GDP in 3M:2015 from 0.6% of GDP in January. This development mainly reflects delayed VAT and single real estate tax (ENFIA) payments (0.2% of GDP), in conjunction with extraordinary tax revenue (0.1% of GDP) from the application of an interim law for settling arrears to the State, applied at end-March.

Spending restraint intensified, with primary spending at €1.2 bn below the 3M target (0.7% of GDP), with approximately €0.5 bn of planned expenditure postponed to the following months (according to MinFin officials' comments). The surplus in the public investment budget reached 0.5% of GDP -- compared with a 3M target for a balanced public investment budget -- with inflows from the EU exceeding by 0.4% of GDP the respective budget estimate.

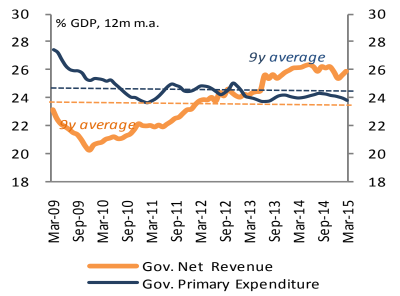
Despite the tight liquidity position of the Greek State, the accumulation of new arrears to the private sector was limited in 2M:2015 (0.1% of GDP) and tax refunds to the private sector were 0.1% of GDP higher than the budget target for this period. However, as indicated by the General Government data on a modified cash basis for 2M:2015, the financial position of the entities forming the rest of General government (extra budgetary funds, local governments, social security funds and state-owned enterprises) deteriorated by about 0.7% of GDP in comparison with 2M:2014, likely reflecting lower transfers from the State Budget.

Government Budget Implementation January-March 2015 (modified cash basis)

	3m.2014	3m.2015			3m.2015/14 y-o-y change	Estimates
		Outcome	3m.Target	*Deviation from target*	Outcome 3m	Target
		as % of GDP			*y-o-y*	*as % GDP*
I. State Budget Net Revenue (1+2)	7,0	6,7	6,7	0,1	*-5,5*	30,9
1. Ordinary Budget Net Revenue (a+b)	**5,9**	**5,9**	**6,2**	**-0,3**	***-1,0***	**28,3**
a. Revenue before Tax Refunds	6,3	6,2	6,5	-0,2	*-1,8*	29,5
b. Tax refunds	0,4	0,4	0,4	0,1	*13,2*	1,6
2. Public Investment Budget Net Revenue	1,1	0,8	0,4	0,4	*-29,1*	2,6
II. State Budget Expenditure (3+4)	7,3	7,0	7,8	-0,8	*-4,9*	31,0
3. Ordinary Budget Expenditure	**6,7**	**6,7**	**7,4**	**-0,7**	***-2,2***	**27,4**
of which 3.1 **Primary expenditure**	5,4	5,2	5,9	-0,7	*-5,3*	23,3
3.2 **Net interest payments**	1,1	1,2	1,2	0,0	*12,4*	3,3
4. Public Investment Budget Expenditure	0,5	0,3	0,4	-0,1	*-41,0*	3,6
State Budget Primary Balance (I-II+3.2)	**0,8**	**1,0**	**0,1**	**0,9**	**...**	**3,2**
State Budget Balance (I-II)	**-0,2**	**-0,3**	**-1,2**	**0,9**	***11,6***	**-0,1**

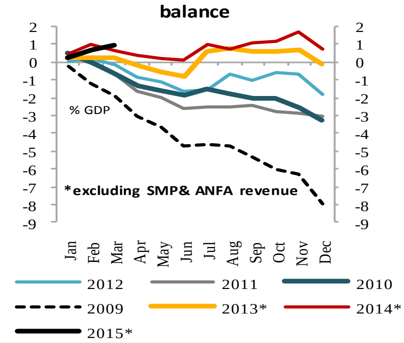
Source: MoF monthly release on Budget implementation and Government Budget 2015

Government net revenue and primary expenditure



Source: MFIN , ELSTAT, Datastream

Greece - State Budget Primary balance

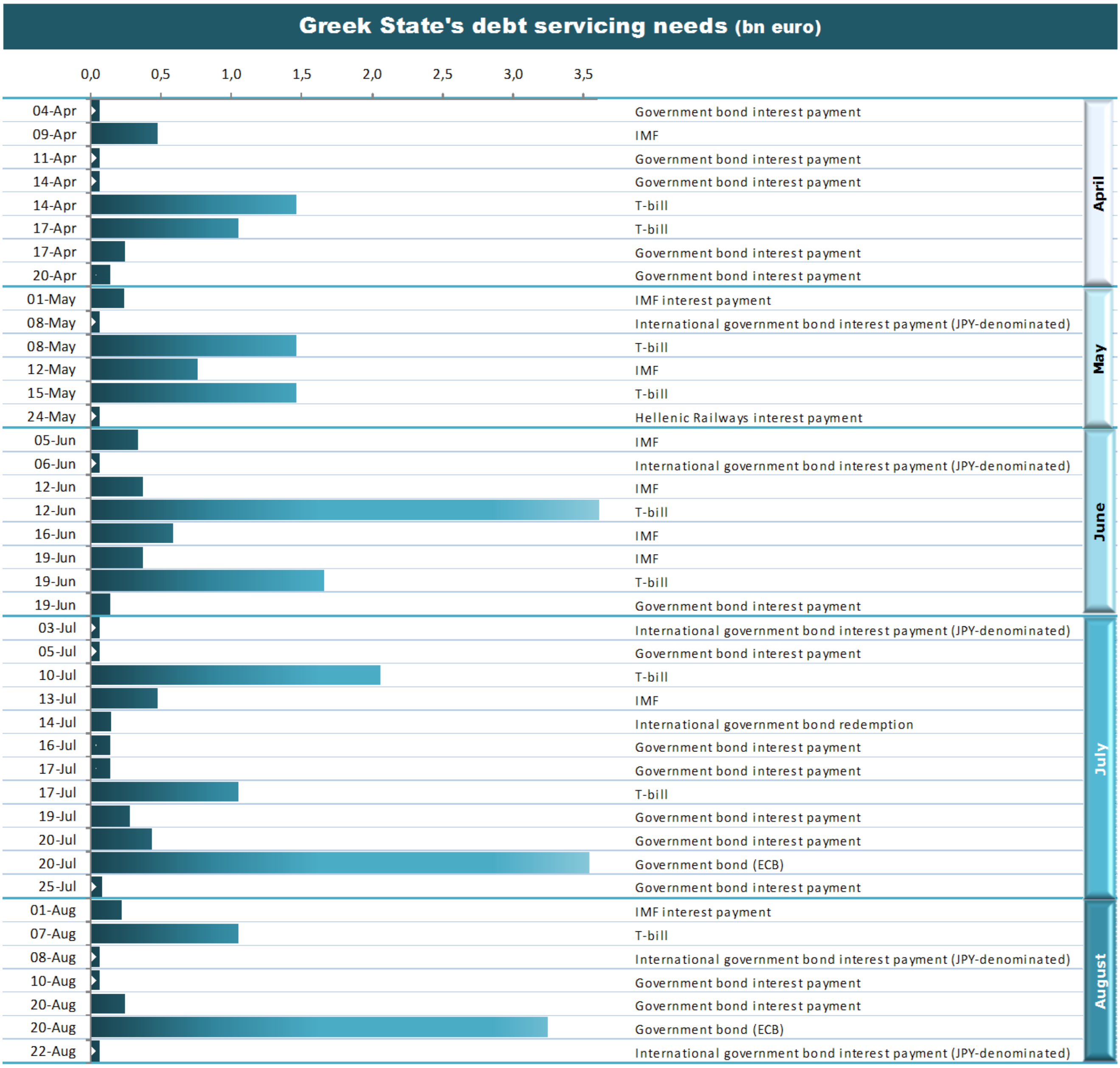


Greece: Dates to Watch – 2015

May					
6	7	11	12	15	20
ECB Governing Council: non-monetary policy meeting	British elections	Eurogroup meeting	€707mn IMF repayment due	Fitch's credit rating review for Greece	ECB Governing Council: non-monetary policy meeting

June								
3	5	12	16	17	18	19	25	30
ECB Governing Council meeting	€283mn IMF repayment due	€318mn IMF repayment due	€530mn IMF repayment due	ECB Governing Council: non-monetary policy meeting	Eurogroup meeting	€318mn IMF repayment due	European Council	End of the four-month extension for Greece

July					
1	13	16	20	25	31
ECB Governing Council: non-monetary policy meeting	€424mn IMF repayment due	ECB Governing Council meeting	Hellenic Republic Government bond redemption (€3.5bn)	European Council	Moody's credit rating review for Greece



Source: IMF, Bloomberg, Greek PDMA, NBG estimates *(SDR=1.1772 euro)*

Greek Economy: Selected Indicators

	2013					2014					2015			2015f
	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1	Most recent		
Real sector (y-o-y period average, constant prices)														
GDP	-5,4	-4,1	-3,6	-2,8	-4,0	-0,4	0,3	1,5	1,3	0,8	…	Q4:14	1,3	0,9
Domestic demand	-6,2	-5,8	-3,9	-4,3	-5,0	-2,3	0,4	0,2	3,6	0,5	…	Q4:14	3,6	-1,0
Final Consumption	-6,3	-3,7	-2,4	0,2	-3,1	0,4	1,1	1,7	0,5	0,9	…	Q4:14	0,5	-0,2
Gross fixed capital formation	-12,6	-12,3	-1,7	-10,2	-9,2	-6,2	-4,3	2,4	20,2	3,0	…	Q4:14	20,2	-6,6
Exports of goods and services	0,3	4,5	3,8	-2,3	1,6	7,4	9,0	8,4	10,3	8,8	…	Q4:14	10,3	5,8
Imports of goods and services	-3,3	-2,5	1,9	-7,4	-2,8	0,1	8,6	3,6	17,9	7,4	…	Q4:14	17,9	-0,6
Coincident and leading indicators (period average)														
Retail sales volume (y-o-y)	-12,5	-8,4	-9,1	-1,8	-8,1	-3,1	0,1	1,6	-0,3	-0,4	…	Jan	-0,1	
Retail confidence (15-yr. average: -1,5)	-29,8	-20,3	-21,6	-18,6	-22,6	-10,0	-4,9	3,0	6,7	-1,3	-3,0	Mar	-4,1	
Car registrations (y-o-y)	-12,5	7,0	6,4	15,2	3,1	21,3	36,0	31,5	30,9	30,1	…	Jan	10,3	
Consumer confidence (15-yr. average: -43,4)	-71,5	-67,3	-73,3	-65,4	-69,4	-61,3	-50,3	-52,7	-51,6	-54,0	-37,0	Mar	-31,0	
Industrial production (y-o-y)	-2,1	-0,4	-5,4	-4,7	-3,2	-2,5	-3,1	-3,1	-0,1	-2,2	…	Feb	1,9	
Manufacturing production (y-o-y)	0,5	2,2	-3,9	-3,0	-1,1	-0,1	-0,8	1,5	5,0	1,3	…	Feb	5,8	
Capacity Utilization (15-yr. average: 72,8)	64,5	64,7	66,9	67,3	65,9	66,3	68,5	69,0	68,8	68,2	…	Feb	65,7	
Industrial confidence (15-yr. average: -6,1)	-12,6	-8,9	-8,9	-10,5	-10,2	-7,5	-4,2	-1,2	-0,8	-3,4	-9,1	Mar	-10,2	
PMI Manufacturing (base=50)	42,3	45,2	47,7	48,7	46,0	50,7	50,5	49,1	49,1	49,9	48,5	Mar	48,9	
Construction permits (y-o-y)	-43,5	-30,7	-21,9	2,2	-25,6	-17,0	17,4	-11,4	-15,6	-6,7	…	Jan	12,2	
Construction confidence (15-yr. average: -21,9)	-50,6	-36,2	-26,7	-36,6	-37,5	-20,0	-19,8	-24,5	-24,0	-22,1	-33,9	Mar	-40,0	
PIP Disbursements (y-o-y)	-1,9	-16,3	32,5	28,5	14,5	91,7	11,7	29,3	-24,2	-0,9	…	Jan	-54,2	
Stock of finished goods (15-yr. average: 12,2)	4,9	-0,5	3,4	7,0	3,7	6,7	3,2	4,4	6,4	5,2	13,0	Mar	11,6	
External sector (period average)														
Current account balance (% of GDP)	-1,3	-0,1	2,7	-0,7	0,6	-0,6	-0,1	2,8	-1,2	0,9	…	Q4:14	-1,2	
Current account balance (EUR mn)	-2316	-261	4979	-1313	1089	-1153	-198	5073	-2129	1593	…	Q4:14	-2129	
Services balance, net (EUR mn)	1477	4129	8709	2664	16979	1924	4836	10022	2963	19744	…	Q4:14	2963	
Current Transfers, net (EUR mn)	1691	302	1652	821	4466	2198	244	326	-49	2719,0	…	Q4:14	-49	
Merchandise exports-- non-oil (y-o-y cum.)	1,9	1,3	1,1	0,0	0,0	-1,4	3,9	5,4	5,9	5,9	…	Feb	-1,7	
Merchandise imports-- non-oil (y-o-y cum.)	-7,1	-5,4	-2,8	0,6	0,6	1,7	9,3	8,0	7,3	7,3	…	Feb	-0,9	
Employment														
Unemployment rate	26,9	27,7	27,8	27,6	27,5	27,1	26,9	26,2	26,0	26,6	…	Jan	25,7	25,5
Employment growth (y-o-y)	-7,4	-5,4	-3,6	-2,9	-4,8	-0,8	0,2	1,4	1,5	0,6	...	Jan	1,1	1,2
Prices (y-o-y period average)														
Headline inflation	0,0	-0,5	-1,0	-2,2	-0,9	-1,3	-1,5	-0,6	-1,8	-1,3	-2,4	Mar	-2,1	-1,6
Core inflation	-1,2	-1,4	-2,0	-2,1	-1,7	-1,0	-1,2	-0,1	-0,7	-0,8	-0,7	Mar	-0,8	…
Producer prices excl.energy	0,3	0,3	0,0	-0,5	0,0	-0,7	-0,7	-0,6	-0,1	-0,5	…	Jan	-0,3	…
Fiscal policy														
Government deficit/GDP (ESA2010 excl banking system support&SMP/ANFA revenue)					-3,3					-3,9		…	…	
Government debt/GDP					175,0		…			177,1		…	…	
Revenues--Ordinary budget (cum. % change)	-9,1	-8,9	-1,5	-0,1	-0,1	4,7	3,9	1,0	-3,5	-3,5	-1,8	Mar	-1,8	
Expenditure--Ordinary budget (cum. % change)	-32,7	-23,3	-17,2	-15,8	-15,8	-7,3	-8,2	-7,0	-6,4	-6,4	-2,2	Mar	-2,2	
Monetary sector (y-o-y, end of period)														
Total deposits	2,0	7,6	6,3	-0,4	-0,4	-3,4	1,0	0,3	-2,0	-2,0	…	Feb	-11,5	
Loans to private sector (incl. sec. & bond loans)	-3,5	-4,1	-3,9	-3,9	-3,9	-4,1	-3,5	-3,5	-3,1	-3,1	…	Feb	-2,5	
Mortgage loans (including securitized loans)	-3,2	-3,2	-3,2	-3,3	-3,3	-3,4	-3,2	-3,1	-3,0	-3,0	…	Feb	-3,1	
Consumer credit (including securitized loans)	-5,3	-5,2	-4,8	-3,9	-3,9	-3,4	-2,7	-2,5	-2,8	-2,8	…	Feb	-2,8	
Interest rates (period average)														
10-year government bond yield	11,1	10,3	10,2	8,6	10,1	7,5	6,2	6,0	8,0	6,9	10,0	Apr	12,2	
Spread between 10 year and bunds (bps)	960	887	845	682	843	586	473	493	719	568	967	Apr	1208	
Exchange rates (period average)														
USD/euro	1,32	1,31	1,33	1,36	1,33	1,37	1,37	1,33	1,25	1,33	1,13	Mar	1,08	

Sources: BoG, NSSG, MoF, ASE,NBG,Bloomberg

GREECE

Macro View

April 2015

NATIONAL BANK
OF GREECE

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Note: The Bulletin analysis is based on data up to April 23, 2015, unless otherwise indicated