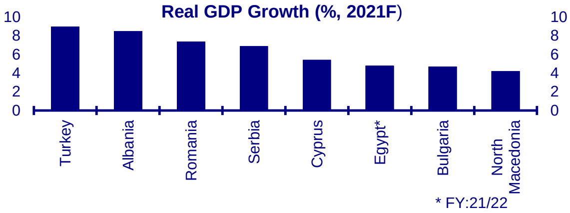
NATIONAL BANK OF GREECE

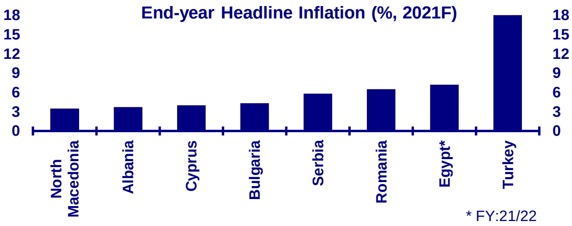
NBG - Economic Analysis Division
https://www.nbg.gr/en/the-group/press-office/e-spot/reports

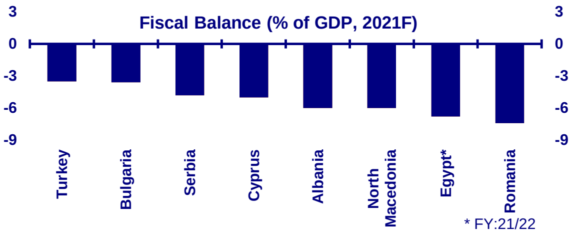
Emerging Markets Analysis

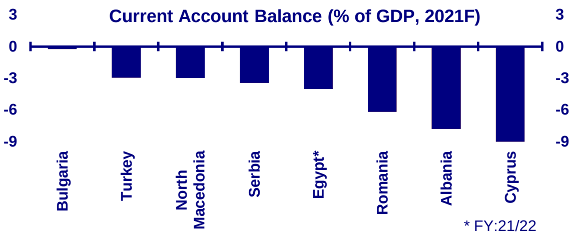
Head: Konstantinos Romanos-Louizos
☎ : +30 210 33 41 225
✉ : romanos.louizos.k@nbg.gr

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









Sources: National authorities & NBG estimates

Economic Analysis Division

Emerging Markets Analysis

Bi-Weekly Report

19 October – 1 November 2021

The CBRT shocked (again) markets with a hefty 200 bp policy rate cut (to 16.0%) at end-October, sending the TRY to a new record-low of 9.70 against the USD

The ongoing monetary policy easing that comes in sharp contrast to worldwide trends puts at risk Turkey's macroeconomic and financial stability

Strong external position provides room to the NBS to delay policy rate hikes

Persistent inflationary pressures and a widening negative interest differential between Serbia and its peers, should prompt the NBS to raise its key rate modestly next year

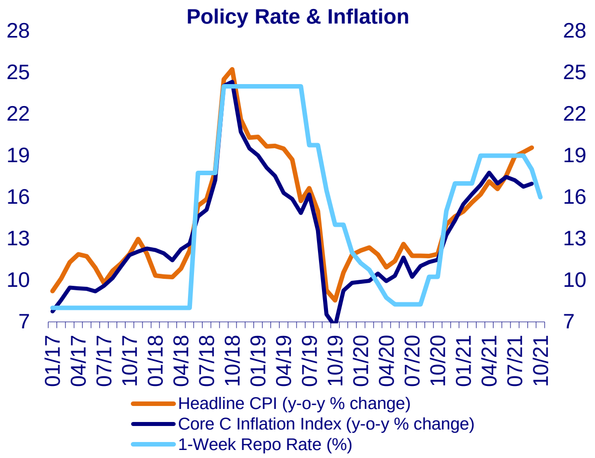
Z. Zaev steps down as PM and SDSM's party leader, sparking political uncertainty

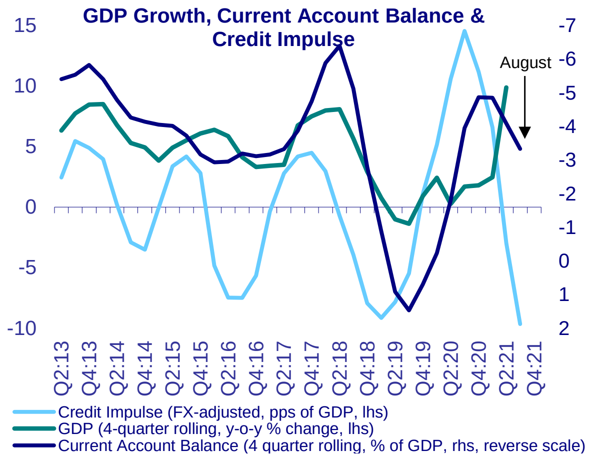
Amid an improving operating environment, banks' underlying profitability strengthened in H1:21, mainly in line with lower provisioning

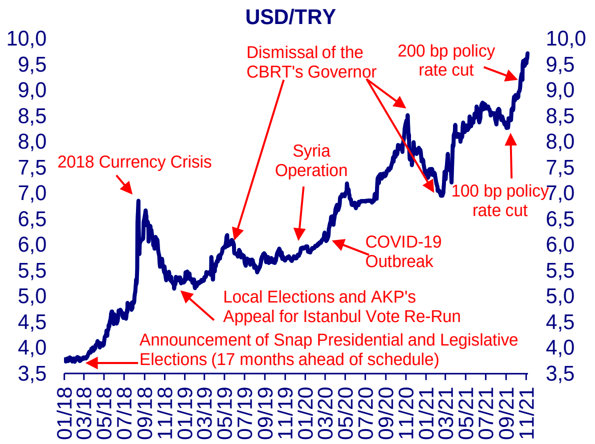
The favourable macroeconomic outlook bodes well for banks' profits

Turkey

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







	1 Nov.	3-M F	6-M F	12-M F
1-m TRIBOR (%)	16.7	16.4	14.4	12.0
TRY/USD	9.53	9.65	9.95	10.25
Sov. Spread (2025, bps)	480	480	460	420

	1 Nov.	1-W %	YTD %	2-Y %
ISE 100	1,536	2.9	4.0	56.0

	2018	2019	2020	2021F	2022F
Real GDP Growth (%)	2.8	0.9	1.8	9.0	3.7
Inflation (eop, %)	20.3	11.8	14.6	18.0	12.8
Cur. Acct. Bal. (% GDP)	-2.8	0.7	-4.9	-3.0	-2.4
Fiscal Bal. (% GDP)	-1.9	-2.9	-3.4	-3.5	-3.5

Sources: Reuters, CBRT, BDDK, Turkstat & NBG estimates

The CBRT shocked (again) markets with a hefty 200 bp policy rate cut (to 16.0%) at end-October, sending the TRY to a new record-low of 9.70 against the USD. Recall that the CBRT had unexpectedly reduced its key rate by 100 bps at end-September, ending a year-long tightening cycle (including a cumulative rate hike of 1075 bps). The subsequent replacement of several "hawkish" members of the CBRT's Monetary Policy Committee (MPC) by President Erdogan had set the stage for more easing. Still, the rate cut delivered in the October MPC meeting was much higher than expected by the consensus (50-100 bps), exacerbating market concerns over the independence of the central bank and the consistency of its policies, given Turkey's highly vulnerable external position (see below) and persistently high inflation.

The latter hit a nearly 3-year high of 19.9% y-o-y in October, driven by the weaker TRY, still solid domestic demand and the ongoing surge in global commodity prices. Worryingly, easing financing conditions, together with the further depreciation of the TRY (see below), do not bode well for disinflation in the period ahead. Note that headline inflation has already been in double digits for most of the past five years and well above the CBRT's target of 5.0%.

Unsurprisingly, against this backdrop, the selloff in Turkish assets accelerated, pushing the TRY down to a new record-low of 9.70 against the USD in early-November. As a result, the TRY's y-t-d losses against the USD widened further to 23%, on top of losses of c. 50% recorded over the previous 3 years.

The ongoing monetary policy easing that comes in sharp contrast to worldwide trends puts at risk Turkey's macroeconomic and financial stability. The main source of concern arises from Turkey's vulnerable external position. Although the current account deficit has been narrowing since the beginning of the year, thanks to a negative credit impulse (see chart) and recovering tourist inflows, it still remains markedly high (at 3.3% of GDP on a 12-month rolling basis in August against 4.9% in FY:20, but still well away from the FY:19 surplus of 0.7%) when considering Turkey's weak external buffers. In fact, adjusting for the CBRT's gold reserve (worth USD 40.6bn), its short-term borrowing (mainly in the form of swaps with domestic banks) and banks' required reserves, net FX reserves are negative (c. USD 14.6bn), leaving the economy susceptible to changes in market sentiment, in view of the country's high external debt rollover needs. Note that debt worth c. USD 170bn (21.7% of GDP) is coming due over the next 12 months, mainly from the banking sector.

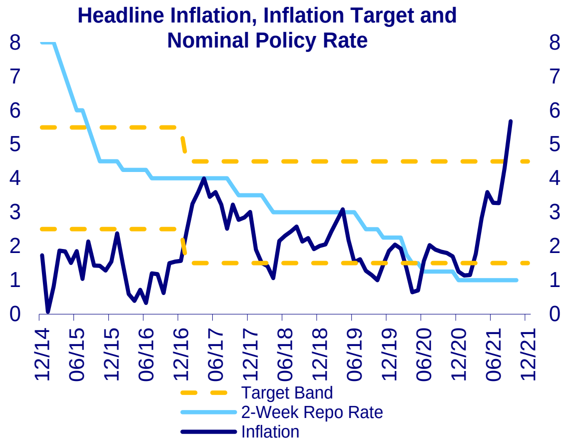
In addition to the country's high external financing needs, steadily mounting dollarization, poses another threat to financial stability. Indeed, against the backdrop of surging inflation and weakening confidence in the TRY, FX deposits have been rising rapidly over the past years and now amount to a sizeable c. USD 180bn (equivalent to more than 45.0% of total deposits or 26.0% of GDP).

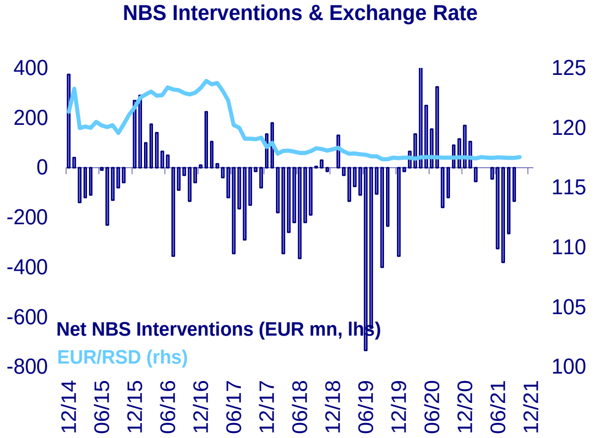
Should policies spark a new credit boom, thus failing to curtail inflation and exacerbating external imbalances again, markets could sway further away from covering Turkey's FX needs, deepening the currency crisis, with a detrimental impact on the economy. Worryingly, the picture gets further complicated, when considering the global tightening trend.

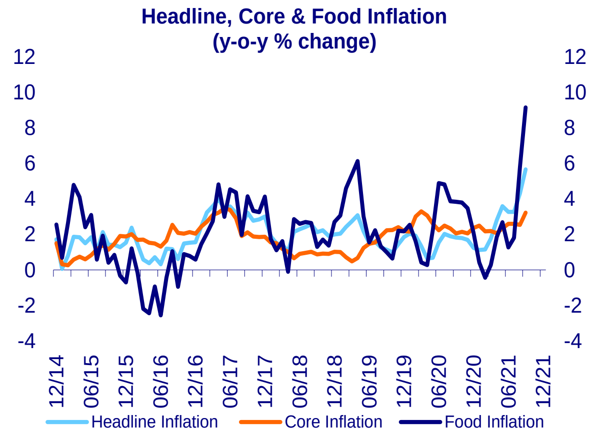
All said, we maintain our FY:21 GDP growth forecast unchanged at 9.0% for the time being, but revise downwards that for FY:22 to 3.7%, from 4.2% previously, to capture the impact of the weaker TRY and deteriorating sentiment. At the same time, we revise upwards our end-2021 and end-2022 headline inflation forecasts to 18.0% and 12.8%, respectively, from 17.0% and 11.4% previously.

Serbia

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







	20 Sep.	3-M F	6-M F	12-M F
1-m BELIBOR (%)	0.6	0.9	1.2	1.4
RSD/EUR	117.5	117.5	117.5	117.5
Sov. Spread (2029, bps)	206	200	190	170

	20 Sep.	1-W %	YTD %	2-Y %
BELEX-15	796	-0.3	6.3	6.0

	2018	2019	2020	2021F	2022F
Real GDP Growth (%)	4.5	4.2	-1.0	6.9	4.4
Inflation (eop, %)	2.0	1.9	1.3	6.3	2.8
Cur. Acct. Bal. (% GDP)	-4.8	-6.9	-4.3	-3.4	-3.3
Fiscal Bal. (% GDP)	0.6	-0.2	-8.1	-4.8	-3.0

Sources: Reuters, NBS & NBG estimates

Strong external position provides room to the NBS to delay policy rate hikes. Despite ongoing economic overperformance, heightening inflationary pressures and a policy turnaround by several major regional central banks, the NBS has refrained so far from a policy rate hike, maintaining its 2-week repo rate unchanged at a record low of 1.0%.

According to the NBS the main reasons lying behind its decision to remain on hold include first and foremost the temporary, supply-side driven nature of the spike in inflation, still anchored inflation expectations and RSD stability.

In fact, a weather-induced surge in volatile food prices (due to drought) coupled with rising global energy prices have been so far the main drivers behind the jump in domestic headline inflation. The latter stood at an 8-year high of 5.7% y-o-y in September, moving well above the upper bound of the NBS' target range (of 3±1.5%) for the first time since end-2013. Meanwhile, core inflation (that excludes prices of fruit & vegetables and energy, and accounts for 78% of the CPI basket) has remained relatively low and stable (see chart).

At the same time, strong underlying appreciation pressures on the RSD, which were dampened through sizeable interventions by the NBS in the FX market, have provided the authorities with additional space to delay any tightening, despite the negative interest rate differential between Serbia and its peers. The strong RSD reflects, *inter alia*, improved fundamentals, as suggested by the correction in the current account deficit (to half its pre-COVID level, and being more than fully covered by FDI inflows) and strong portfolio inflows into sovereign EUR-denominated debt. Note that Serbia's FX reserves reached a record high of EUR 16.8bn in September (up EUR 3.3bn, or 6.4% of GDP, y-t-d), covering as much as 6.6 months of GNFS imports.

Lastly, the ongoing fiscal consolidation process (with the budget deficit projected to shrink to 4.8% of GDP in FY:21, from a sizeable 8.1% in FY:20, and narrow further to 3.0% in FY:22) has also strengthened NBS' hand to defer hiking its rate.

It is important to note that, although it has kept its policy rate on hold, the NBS recently provided some hints on future policy tightening by: i) raising the average reverse repo rate (albeit by just 13 bps to 0.24%); and ii) ending the special repo securities purchase auctions initiated at end-2020, aimed at countering the impact of the COVID-19 outbreak by providing 3-month RSD liquidity to banks at a favourable rate.

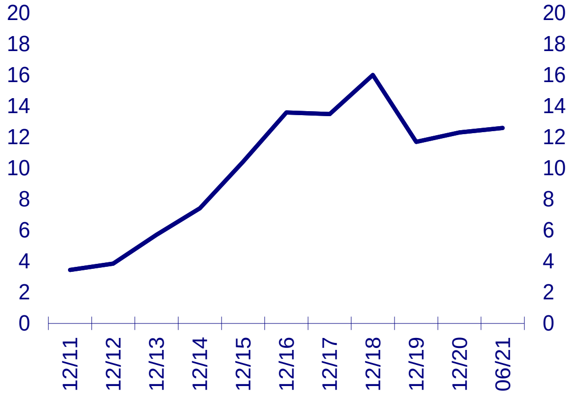
Persistent inflationary pressures and a widening negative interest differential between Serbia and its peers, should prompt the NBS to raise its key rate modestly next year. With strong second round effects from the ongoing surge in energy prices coming into play over the next months and domestic demand side pressures building up, keeping headline inflation persistently above the NBS's target, the risk of a de-anchoring in inflation expectation appears to be growing. At the same time, with the already negative interest rate differential between Serbia and its peers set to widen further, we expect the RSD to come under pressure, especially in view of the economy's increased exposure to sudden changes in global risk appetite, following the inclusion of three local benchmark bonds in JP Morgan Emerging Market index in June. Against this backdrop, the NBS cannot but tighten its stance. In fact, we see (a still modest) 50 bp policy rate hike next year to 1.5%.

Importantly, the upcoming April 2022 (parliamentary, presidential and local) elections are not expected to weigh on investor confidence, as broad policy continuity is expected after the elections (with polls suggesting that President Vucic's market friendly ruling party will remain in office), under the auspices, *inter alia*, of with the recently approved 30-month Policy Coordination Instrument with the IMF.

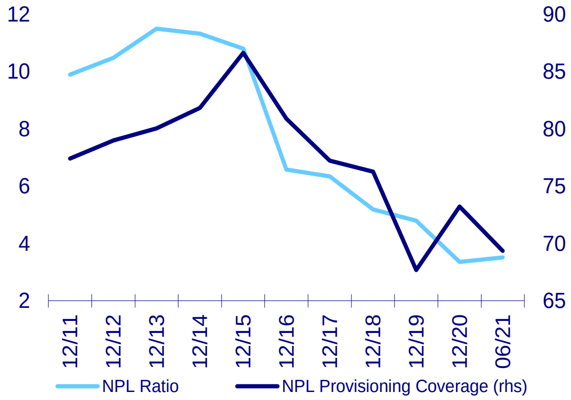
North Macedonia

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

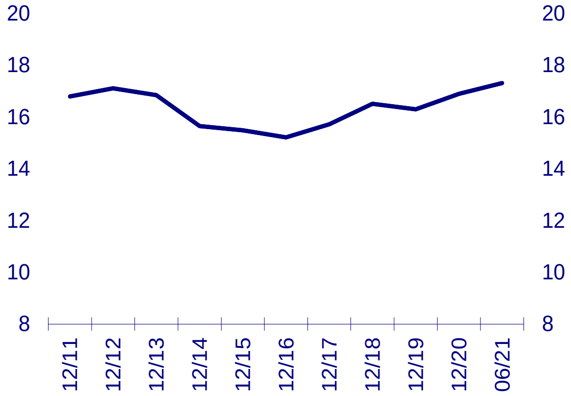
Return on Average Equity (%)



NPL Ratio and Provisioning Coverage (%)



Capital Adequacy Ratio (%)



	1 Nov.	3-M F	6-M F	12-M F
1-m SKIBOR (%)	1.2	1.4	1.7	1.8
MKD/EUR	61.3	61.3	61.3	61.3
Sov. Spread (2025. bps)	196	190	185	175

	1 Nov.	1-W %	YTD %	2-Y %
MBI 100	6,007	0.7	27.7	41.0

	2018	2019	2020	2021F	2022F
Real GDP Growth (%)	2.9	3.2	-4.5	4.2	4.0
Inflation (eop. %)	0.9	0.5	2.2	3.5	2.2
Cur. Acct. Bal. (% GDP)	-0.1	-3.3	-3.5	-3.0	-2.9
Fiscal Bal. (% GDP)	-1.8	-2.0	-8.1	-6.0	-4.0

Sources: Reuters, NBRNM & NBG estimates

Z. Zaev steps down as PM and SDSM's party leader, sparking political uncertainty. Zaev's resignation came in the wake of his party's landslide defeat in the 2nd round of local elections in several key municipalities, including the capital Skopje. In fact, the ruling centre-left SDSM's popularity has been falling since its re-election in July 2020 over, *inter alia*, the Government's handling of the pandemic and the long-standing delay in the opening of accession talks with the EU.

Under the constitution, Zaev's resignation has to be endorsed by the Parliament, which is not a given. In the event, the ruling coalition could still agree on another candidate for PM and form a new Government, without resorting to early elections, as the main opposition right-wing VMRO-DPMNE is demanding. Note that the SDSM, together with its allies (including the Albanian minority parties DUI, BESA and DPA), holds a slim parliamentary majority (62 out of 120 seats), meaning that any defection could change the balance of power. In any case, political uncertainty is unlikely to ease soon, hindering policy implementation and hurting investor confidence at a critical juncture for the economy.

Amid an improving operating environment, banks' underlying profitability strengthened in H1:21, mainly in line with lower provisioning. In H1:21, banks' profits surged by 66.8% y-o-y to MKD 4.6bn, with (annualised) ROAE firming to 12.6%, among the highest in the region. A significant part of this improvement is attributed to a base effect from the closure of the (loss-making) Eurostandard Bank (ESB) in August 2020. Given that the ESB's statements are not available, it is difficult to make a direct y-o-y profitability comparison for the whole system. That said, adjusted for ESB, we estimate banks' performance to have improved in H1:21, mainly in line with higher provisioning needs.

Indeed, with the economy on a recovery path, pressure on households' and corporates' repayment capacity has been gradually easing. As a result, and in view the front-loading of loan loss provisioning at the onset of the pandemic, against the backdrop of an already elevated NPL coverage ratio (c. 68%, well above the EU average of 45%), banks continued to build up provisions in H1:21, but at a slower pace compared with 2020, despite the expiry of the NBRNM's forbearance measures (incl. a debt moratorium) in March for households and in May for corporates. Note that the NPL ratio remained subdued at 3.5% in June, which is slightly lower than its pre-COVID-19 level (adjusted for ESB).

Pre-provision income also sustained profitability in H1:21, but modestly. The main driver was net non-interest income (NNII, mainly fees and commissions), which is estimated to have strengthened, in line with the rebound in economic activity. At the same time, net interest income (NII) is estimated to have risen marginally, with higher income from sovereign debt securities (reflecting a strong hike in related holdings, up 40% y-o-y to 10% of interest earning assets) compensating for lower net income from lending and deposit operations. The latter was affected by: i) deferred debt payments; ii) a faster pace of deposit than loan growth (up 9.3% versus 6.7% y-o-y in June); and iii) a further compression in the net interest margin (to a still high 265 bps, above the EU average of 125 bps).

The favourable macroeconomic outlook bodes well for banks' profits. Pre-provision earnings are expected to continue strengthening, driven by a rebound in NII. The latter should be underpinned by strong credit expansion, on the back of banks' still abundant liquidity (loans currently account for c. 87% of deposits), and the resumption of debt repayments, following the expiry of the NBRNM's measures. At the same time, we expect loan loss provisioning to remain relatively subdued, reflecting limited payment arrears, amid the continuing economic recovery. Importantly, the system's strong capitalisation (with a CAR of 17.3%, well above the minimum regulatory threshold of 8.0%) provides a solid line of defense against potential losses.

TURKEY					
	2018	2019	2020e	2021f	2022f
Real Sector					
Nominal GDP (USD million)	777,216	760,669	718,977	779,269	795,964
GDP per capita (EUR)	8,057	8,170	7,458	7,671	7,728
GDP growth (real, %)	2.8	0.9	1.8	9.0	3.7
Unemployment rate (%, aop)	11.0	13.7	13.2	12.5	11.8
Prices and Banking					
Inflation (%, eop)	20.3	11.8	14.6	18.0	12.8
Inflation (%, aop)	16.2	15.4	12.3	17.7	15.4
Loans to the Private Sector (% change, eop)	14.2	10.8	34.8		
Customer Deposits (% change, eop)	18.5	23.5	33.0		
Loans to the Private Sector (% of GDP)	63.7	61.4	70.8		
Retail Loans (% of GDP)	13.8	13.9	16.8		
Corporate Loans (% of GDP)	49.9	47.5	54.1		
Customer Deposits (% of GDP)	50.8	54.5	62.1		
Loans to Private Sector (% of Cust. Deposits)	125.4	112.6	114.1		
Foreign Currency Loans (% of Total Loans)	39.9	38.3	34.2		
External Accounts					
Merchandise exports (USD million)	178,909	182,246	168,387	208,389	224,372
Merchandise imports (USD million)	219,635	198,997	206,250	241,432	256,598
Trade balance (USD million)	-40,726	-16,751	-37,863	-33,043	-32,226
Trade balance (% of GDP)	-5.2	-2.2	-5.3	-4.2	-4.1
Current account balance (USD million)	-21,744	5,315	-35,018	-23,030	-19,055
Current account balance (% of GDP)	-2.8	0.7	-4.9	-3.0	-2.4
Net FDI (USD million)	9,235	6,323	4,699	5,404	6,485
Net FDI (% of GDP)	1.2	0.8	0.7	0.7	0.8
International reserves (USD million)	93,027	105,696	93,277	118,200	120,200
International reserves (Months[a])	4.5	5.6	4.9	5.3	5.1
Public Finance					
Primary balance (% of GDP)	0.0	-0.6	-0.8	-0.9	-0.9
Fiscal balance (% of GDP)	-1.9	-2.9	-3.4	-3.5	-3.5
Gross public debt (% of GDP)	30.1	32.6	39.7	38.5	38.5
External Debt					
Gross external debt (USD million)	427,405	416,413	433,099	455,000	467,500
Gross external debt (% of GDP)	55.0	54.7	60.2	58.4	58.7
External debt service (USD million)	82,913	85,286	70,973	77,000	82,000
External debt service (% of reserves)	89.1	80.7	76.1	65.1	68.2
External debt service (% of exports)	34.6	36.0	37.6	30.8	29.2
Financial Markets					
Policy rate (Effective funding rate, %, eop)	24.1	11.4	17.0	16.0	11.5
Policy rate (Effective funding rate, %, aop)	17.7	20.7	10.5	17.8	13.8
1-Y T-bill rate (%, eop)	21.5	11.3	15.1	18.0	13.0
Exchange rate: USD (eop)	5.29	5.95	7.43	9.60	10.20
Exchange rate: USD (aop)	4.84	5.68	7.02	8.45	9.90

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

SERBIA	2018	2019	2020	2021f	2022f
Real Sector					
Nominal GDP (EUR million)	42,939	46,017	46,493	51,686	56,614
GDP per capita (EUR)	6,149	6,626	6,739	7,482	8,228
GDP growth (real, %)	4.5	4.2	-1.0	6.9	4.4
Unemployment rate (%, aop)	13.7	11.2	9.7	11.6	10.0
Prices and Banking					
Inflation (%, eop)	2.0	1.9	1.3	6.3	2.8
Inflation (%, aop)	2.0	1.9	1.6	3.8	4.9
Loans to the Private Sector (% change, eop)	9.9	8.9	12.2		
Customer Deposits (% change, eop)	14.9	7.8	17.4		
Loans to the Private Sector (% of GDP)	43.5	44.4	49.4		
Retail Loans (% of GDP)	20.1	20.5	22.8		
Corporate Loans (% of GDP)	23.4	23.8	26.6		
Customer Deposits (% of GDP)	44.9	45.3	52.7		
Loans to Private Sector (% of Deposits)	96.9	98.0	93.6		
Foreign Currency Loans (% of Total Loans)	67.0	66.9	62.7		
External Accounts					
Merchandise exports (EUR million)	15,106	16,415	16,032	19,158	20,216
Merchandise imports (EUR million)	20,191	22,038	21,257	24,792	26,145
Trade balance (EUR million)	-5,085	-5,623	-5,224	-5,634	-5,929
Trade balance (% of GDP)	-11.8	-12.2	-11.2	-10.9	-10.5
Current account balance (EUR million)	-2,076	-3,161	-1,981	-1,780	-1,864
Current account balance (% of GDP)	-4.8	-6.9	-4.3	-3.4	-3.3
Net FDI (EUR million)	3,157	3,551	2,902	3,338	3,671
Net FDI (% of GDP)	7.4	7.7	6.2	6.5	6.5
International reserves (EUR million)	11,262	13,379	13,492	16,658	18,316
International reserves (Months[a])	5.4	5.7	6.1	6.6	6.9
Public Finance					
Primary balance (% of GDP)	2.8	1.8	-6.1	-3.0	-1.3
Fiscal balance (% of GDP)	0.6	-0.2	-8.1	-4.8	-3.0
Central Government debt (% of GDP)	54.4	52.9	58.2	58.1	57.9
External Debt					
Gross external debt (EUR million)	26,662	28,254	30,787	33,564	35,677
Gross external debt (% of GDP)	62.1	61.4	66.2	65.0	63.2
External debt service (EUR million)	5,600	6,400	3,900	4,800	4,900
External debt service (% of reserves)	49.7	47.8	28.9	28.8	26.8
External debt service (% of exports)	26.4	27.4	17.6	18.4	17.8
Financial Markets					
Policy rate (2-w repo rate, %, eop)	3.0	2.3	1.0	1.0	1.5
Policy rate (2-w repo rate, %, aop)	3.1	2.7	1.5	1.0	1.3
5-Y T-bill rate [b] (%, eop)	n.a.	n.a.	2.6	2.2	2.7
Exchange rate: EUR (eop)	118.2	117.5	117.5	117.5	117.5
Exchange rate: EUR (aop)	118.1	117.7	117.5	117.5	117.5

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

NORTH MACEDONIA	2018	2019	2020e	2021f	2022f
Real Sector					
Nominal GDP (EUR million)	10,759	11,221	10,789	11,578	12,391
GDP per capita (EUR)	5,180	5,405	5,197	5,577	5,969
GDP growth (real, %)	2.9	3.2	-4.5	4.2	4.0
Unemployment rate (%, aop)	20.7	17.3	16.4	16.2	15.9
Prices and Banking					
Inflation (%, eop)	0.9	0.5	2.2	3.5	2.2
Inflation (%, aop)	1.5	0.8	1.2	3.0	2.9
Loans to the Private Sector (% change, eop)	7.2	6.1	4.7		
Customer Deposits (% change, eop)	9.5	9.8	6.2		
Loans to the Private Sector (% of GDP)	48.3	49.1	53.2		
Retail Loans (% of GDP)	23.6	25.0	27.9		
Corporate Loans (% of GDP)	24.7	24.1	25.3		
Customer Deposits (% of GDP)	53.0	55.8	61.3		
Loans to Private Sector (% of Deposits)	91.1	88.1	86.8		
Foreign Currency Loans (% of Total Loans)	40.4	41.5	41.6		
External Accounts					
Merchandise exports (EUR million)	4,883	5,323	4,813	5,201	5,482
Merchandise imports (EUR million)	6,619	7,293	6,621	7,215	7,641
Trade balance (EUR million)	-1,736	-1,970	-1,809	-2,015	-2,159
Trade balance (% of GDP)	-16.1	-17.6	-16.8	-17.4	-17.4
Current account balance (EUR million)	-0,007	-0,372	-0,373	-0,345	-0,357
Current account balance (% of GDP)	-0.1	-3.3	-3.5	-3.0	-2.9
Net FDI (EUR million)	0,604	0,363	0,206	0,267	0,334
Net FDI (% of GDP)	5.6	3.2	1.9	2.3	2.7
International reserves (EUR million)	2,867	3,263	3,360	3,685	3,835
International reserves (Months[a])	4.4	4.6	5.3	5.3	5.2
Public Finance					
Primary balance (% of GDP)	-0.6	-0.8	-6.9	-4.8	-2.8
Fiscal balance (% of GDP)	-1.8	-2.0	-8.1	-6.0	-4.0
Gross public debt [b] (% of GDP)	48.4	49.0	59.7	62.6	63.6
External Debt					
Gross external debt (EUR million)	7,844	8,154	8,630	9,541	9,999
Gross external debt (% of GDP)	72.9	72.7	80.0	82.4	80.7
External debt service (EUR million)	2,228	2,468	3,300	3,550	2,950
External debt service (% of reserves)	77.7	75.6	98.2	96.3	76.9
External debt service (% of exports)	34.5	35.5	52.7	52.3	41.0
Financial Markets					
28-d CB bill rate (%, eop)	2.8	2.3	1.5	1.3	1.8
28-d CB bill rate (%, aop)	2.9	2.3	1.6	1.3	1.5
1-Y T-bill rate [c] (%, eop)	0.9	0.6	0.4	0.5	0.9
Exchange rate: EUR (eop)	61.4	61.4	61.6	61.6	61.6
Exchange rate: EUR (aop)	61.4	61.4	61.5	61.6	61.6

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

DISCLOSURES: *This report has been produced by the Economic Analysis Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any financial asset, service or investment. Any data provided in this report has been obtained from sources believed to be reliable but have to be not been independently verified. In accordance with the Republic of Serbia's national sources, data related to AP Kosovo and Metohia are outside the scope of coverage this report. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no liability for any direct or consequential loss arising from any use of this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor. This report is not directed to nor intended for distribution to use or used by any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such a distribution, publication, availability or use would be contrary to any law, regulation or rule. The report is protected under intellectual property laws and may not be altered, reproduced or redistributed, to any other party, in whole or in part, without the prior written consent of the National Bank of Greece.*