EBCI Vienna Initiative

CESEE Deleveraging and Credit Monitor[1]

November 17, 2015

Key developments in BIS Banks' External Positions and Domestic Credit

The reduction of external positions of BIS reporting banks vis-à-vis Central, Eastern and Southeastern Europe (CESEE) has slowed during 2015:Q2. External positions of BIS reporting banks vis-à-vis CESEE, excluding Russia and Turkey, rose slightly for the first time since 2011:Q1, on account of strong increase in the Czech Republic and Poland. The BoP data on related flows to the region also turned positive in 2015:Q2 compared to 2015:Q1. Overall, the nominal credit growth in the region was positive in August 2015, but was still concentrated in a relatively few countries (the Czech Republic, Estonia, Macedonia, Poland and Turkey). Growth in bank deposits remained robust in much of the region. The latest CESEE Bank Lending Survey suggests that deleveraging at the group level may be slowing, with only about a fifth of the banking groups expecting a decrease in group-level loan-to-deposit ratios, and over 60 percent planning to selectively expand operations in the CESEE region.

- **In 2015:Q2, BIS reporting banks reduced their external positions vis-à-vis CESEE countries by 0.3 percent of GDP, less than in 2015:Q1** (Figure 1).[2] *Excluding Russia and Turkey, external positions of BIS reporting banks increased for the first time since 2011:Q1*, by 0.1 percent of GDP (compared with a decline of 0.3 percent in 2015:Q1). The rise reflected significant increase of BIS banks' external positions in the Czech Republic and Poland (over 1 percent of GDP for each country).[3] The cumulative reduction in BIS reporting banks' external positions since 2008:Q3 now amounts to 8.3 percent of CESEE regional GDP, and excluding Russia and Turkey, to 14.3 percent (Figure 2).

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[1] Prepared by the staff of the international financial institutions participating in the Vienna Initiative's Steering Committee. It is based on the BIS International Banking Statistics released on October 21, 2015.

[2] All ratios to GDP numbers use 2015 GDP numbers from the IMF's WEO database.

[3] For Poland, the increase corresponded closely to the increase in MFI's cash and short-term deposits, and for Czech Republic, the increase is similar to the increase in external debt securities of domestic deposit-taking banks and currency and deposits.

- **Most countries in the region continued to see reductions in foreign bank funding**, except for Bosnia and Herzegovina, the Czech Republic, Estonia, Macedonia, Moldova and Poland (Figure 3, Table 1). In about half of the countries experiencing a contraction, the pace of decline slowed compared to 2015:Q1. Relative to the 2015:Q1 stocks, the decline was most significant in Bulgaria and Belarus, followed by Montenegro, Ukraine, and Russia. When scaled by GDP, reductions in Bulgaria, Croatia, Montenegro, Slovakia and Slovenia exceeded 1 percent of GDP. BIS banks' external positions also contracted sharply in Turkey for 2015:Q2 (by 0.5 percent of GDP), reflecting rising political uncertainties. For the region as a whole, the decline in claims on non-bank borrowers was larger than on banks (relative to respective Q1 stocks), likely reflecting continued weakness in corporate balance-sheets. Excluding Turkey and Russia, claims on banks expanded by 1.4 percent, while claims on non-bank borrowers contracted by 1 percent relative to respective Q1 stocks (Figure 4, Table 2).

- **The balance of payments (BoP) data show that the region as a whole received positive bank inflows in 2015:Q2 compared to outflows in 2015:Q1** (Figure 5). For the Czech Republic, the Slovak Republic and Poland, BoP flows turned positive in 2015:Q2. A few Southeastern European countries (Albania, Bosnia and Herzegovina, and Croatia) and most of the Baltic countries (Estonia and Latvia) also saw positive flows. In contrast, the CIS countries continued to experience outflows which moderated noticeably in Russia, but resumed in Ukraine following inflows from official creditors in the previous quarter. For most countries, the BoP flow data are broadly in line with BIS data in 2015:Q2 in terms of direction and size, with a few exceptions.[4]

- **The recovery in domestic bank credit growth is still uneven**. The domestic credit growth in CESEE outside the CIS and Turkey appears to have picked up some strength, as credit to non-financial corporations turned positive in July-August 2015 (Figure 6). However, looking across countries, the nominal credit growth continued to bifurcate, with robust growth in the Czech Republic, Estonia, Macedonia, Poland and Turkey driven by corporate credit, but weak growth in Serbia and contraction in other countries (Hungary, Slovenia, Russia, and Belarus) (Figure 7).[5] The strength of credit recovery is in part linked to the strength of the private sector balance sheets as reflected in the levels of nonperforming loans (NPLs) in the CESEE banking systems (Figure 8) consistent with evidence from the bank lending survey (see

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[4] Data referred here are other investment liabilities in BoP, and some of them are on gross basis and others on net basis. In general, such BoP statistics do not report flows by external creditors so direct comparison with the BIS statistics is difficult in terms of the source of reduction by creditors. For example, in Estonia, the increase in BoP other investment liabilities reflected large increase in other accounts payable, a historically volatile item. For Tukey, the BoP data, which is on a net basis, showed an increase in liabilities, and is not directly comparable with the BIS data which is on gross basis.

[5] For Hungary, the contraction of total credit was also due largely to a decline in credit to households—given the household sectors high mortgage related debt, despite relatively modest debt-to-equity ratio in the corporate sector

below), though differences in macroeconomic conditions and the economies' cyclical positions matter as well.

- **Domestic deposits continued to expand at a steady pace in most countries**, except in Ukraine and Moldova. Domestic deposits for CESEE increased by 2.5 percent of GDP in 2015:Q2 (2.6 percent in Q1, Figure 9). Excluding Russia and Turkey, deposits grew at 2.1 percent of GDP (2 percent of GDP in 2015:Q1). The increase in deposits continued to more than offset the decline in foreign bank funding for many countries (except for Ukraine, Moldova, Bulgaria, Hungary, and Russia). The robust pace of deposit growth since the crisis (as indicated by an increase in deposits-to-GDP ratio) largely reflects the increase in the aggregate savings rates as countries embarked on reducing the excessive debt accumulated during the pre-crisis booms through higher savings, as well as lower investment (Figure 10).

- **The CESEE banking systems' loan-to-deposit (LTD) ratios continued to decline**. The average LTD ratio fell to around 107 percent in July 2015 from well over 130 percent at its peak (Figure 11). The decline in CESEE banking systems' LTD ratios reflects the correction of the private sector's net saving-investment (S-I) imbalances built up before the crisis. Larger improvements in the net S-I balances are mirrored by larger improvements in the banking system level deposit-loan gaps (Figure 12).

Key Messages from the Seventh CESEE Bank Lending Survey: H2:2015[6]

- **Restructuring and capital increases—mainly through asset sales—continue; deleveraging at the banking group level has decelerated, but further reduction in the groups' LTD ratios is expected.** Cross-border banking groups continue to increase their capital ratios through various forms of restructuring and expect this process to continue over the next six months. Capital was raised primarily through sales of assets and partially, through sales of branches. A smaller, but still significant number of banking groups continued to raise capital in the market. Looking at the next six months, contributions to balance sheet strengthening are again expected to come mainly from sales of assets and branches; whilst some government contributions to increase capital are also expected. These results reflect partly the strategic positioning of the Greece-based groups. Deleveraging at the group level has significantly decelerated. Now only about a fifth of the banking groups expect a decrease in group-level LTD ratios, well below the average survey outcomes recorded in 2013 and 2014 (Figure 13).

- **Cross-border banking groups continue to reassess their country strategies; many banks intend to expand operations selectively over the next year** (Figure 14). Almost 60 percent of the groups expected to expand their operations selectively, up from an average of 40

[6] The full report, including country chapters, for the September 2015 survey will be published in November 2015 on the EIB website. The survey includes 15 parent banks and 85 subsidiaries.

percent for 2013-2014, and a majority of the cross-border banking groups operating in CESEE described their operations as an important part of their global strategies. In addition, roughly 70 percent of groups describe profitability in CESEE operations (measured by return on assets) as exceeding the profitability of the group as a whole. While this is marginally lower than in the previous release of the survey, it is still confirming the new positive trend that emerged a year ago. Nevertheless, a smaller number of groups (roughly 30 percent) consistently indicate that they may selectively reduce operations over the next twelve months—most but not all of such banking groups are based in Greece.

- **Around a third of banking groups continued to reduce their total exposure to the region over the last six months, but more banks now expect stabilization or even an increase in exposure over the next six months.** Almost all the decline in exposure to the CESEE region is due to reduced intra-group funding to subsidiaries. This process is expected to continue over the next six months, although at a slower pace (Figure 15a). The net reduction in intra-group exposure has continued over the last year or so, but the pace has slowed. As foreshadowed in the March 2015 release of the survey, some groups even expanded their intra-group funding of CESEE subsidiaries, which is encouraging. On the other hand, all parent banks report that they maintained their capital exposure to their subsidiaries, or even marginally increased it, and they expect to continue to do so. Increasing capital exposure has partially compensated for the decline in intra-group funding, although the aggregate net balance has been still negative over the past six months (Figure 15b). Looking at the next six months, the net balance is expected to turn neutral, tentatively suggesting an end to net outflows.

- **CESEE subsidiaries and local banks report an increase in demand for credit and almost unchanged supply conditions over the past six months. While demand is expected to grow at a solid pace, supply conditions are expected to improve only marginally in the next six months. This may lead to a growing demand-supply gap.**

  - In the last six months, **demand** for loans and credit lines has improved (Figure 16). Moreover the improvement was generally in line with the expectations shown in the March 2015 release of the survey. This marks the fifth consecutive semester with a positive increase in credit demand for loans. For the second time in a row, all relevant factors had contributed to positive demand for credit. Debt restructuring and working capital accounted for a good part of the demand stemming from enterprises. Furthermore, investment also started to exert a notable positive impact. Loan demand for housing and non-housing related consumption also continued to be positive. Looking ahead, credit demand is expected to continue to increase.

  - **Supply** conditions were largely neutral over the past six months, while easing marginally a year ago. Across the client spectrum, supply conditions (credit standards) continued to ease for consumer credit, as already highlighted in the last three releases of the survey.

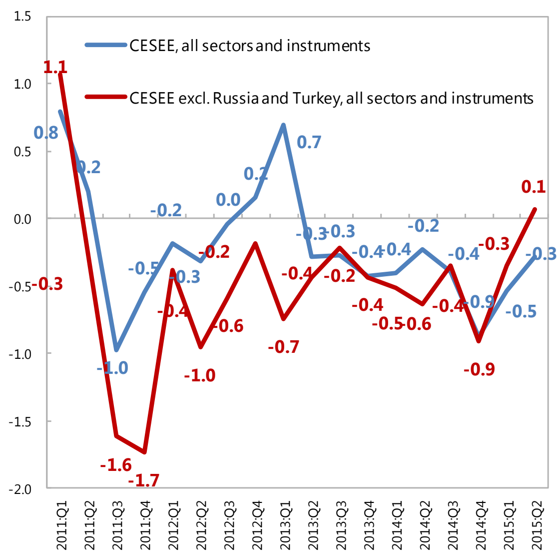
For the second time, supply conditions for SMEs eased, while credit standards for large corporates did not change.

- **Taken together**, the cumulated index, built on the demand and supply changes reported in Figure 15, points at a widening gap between demand and supply conditions, where growing optimism on the demand side continues to be constrained by a much slower improvement of lending conditions on the supply side.

- **NPLs, the regulatory environment, and bank's capital constraints, at the local level and at the group level, are the main factors still adversely affecting supply conditions.** At the local level, these three factors are now seen as the main constraints on the supply side, which is in sharp contrast to the situation in the first half of 2013, when almost all domestic factors were reported as adversely affecting supply conditions (Figure 17). As in the previous surveys, access to domestic funding does not appear to be a constraint. On the other hand, many international factors are seen as more of a problem now than at the time of the March 2015 survey. Global market outlook, group funding, EU regulation, group capital constraints, and group-wide NPLs are highlighted as having a negative effect on the supply conditions. Overall, there is some worsening compared to the previous release of the survey, which is reflected in less positive overall supply conditions. This worsening could be driven by temporary factors, such as the uncertainty surrounding the Greek macroeconomic adjustment program discussions and its impact on the Greek banks.

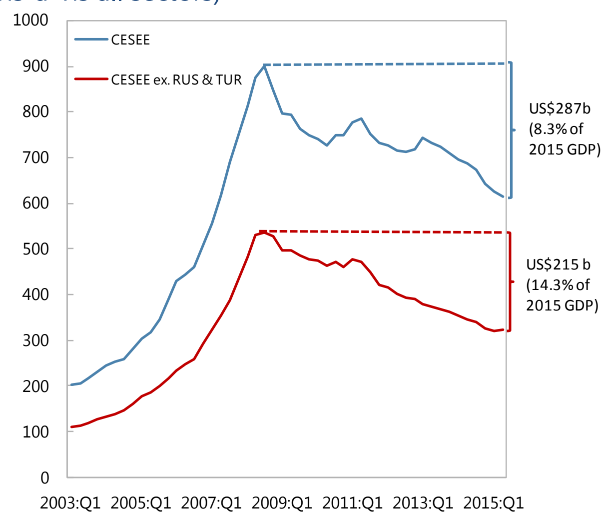
- **Credit quality has continued to improve, and is expected to continue to do so over the next six months, but NPLs remain high.** The speed of deterioration in NPL ratios has been slowing down. The March 2015 release of the survey pointed at a potential turning point in the regional NPL developments. Over the past six months, and for the second time in a row, aggregate regional NPL ratios recorded an improvement in net balances terms (Figure 18). However, the NPL levels are still high. In absolute terms, the share of subsidiaries indicating an increase in their NPL ratios over the past six months fell to 22 percent (down from the 30 percent and 50 percent indicated in the March 2015 and September 2014 survey releases respectively). Moreover, only 10 percent of banks continue to expect an increase in NPLs over the next six months.

Figure 1. CESEE: Change in External Positions of BIS-reporting Banks, 2011:Q1–2015:Q2
(Percent of 2015 GDP, exchange-rate adjusted)



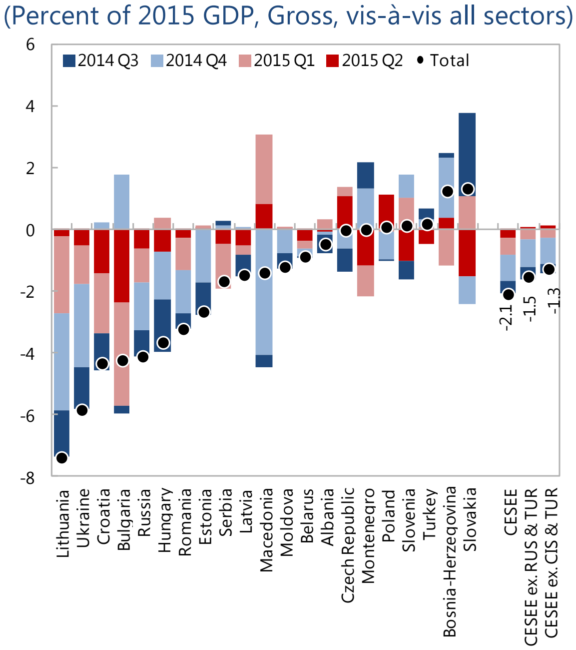
Sources: BIS, Locational Banking Statistics; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 2. CESEE: External Position of BIS-reporting Banks, 2003:Q1–2015:Q2
(Billions of US dollars, exchange-rate adjusted, vis-à-vis all sectors)



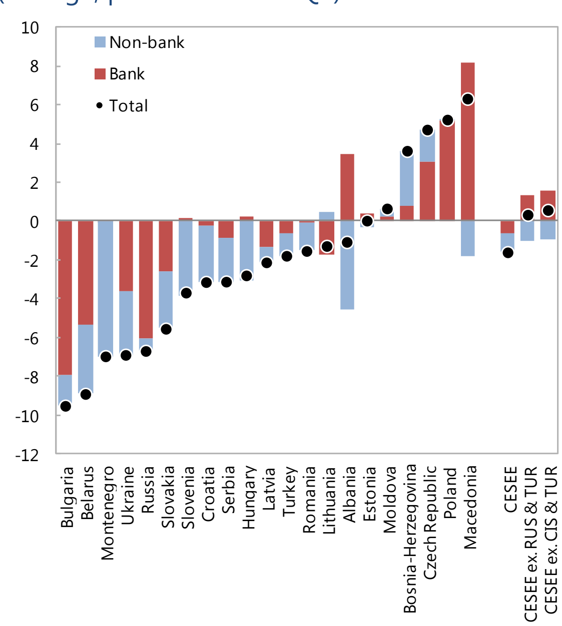
Sources: BIS, Locational Banking Statistics; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 3. CESEE: External Positions of BIS-reporting Banks, 2014:Q1–2015:Q2
(Percent of 2015 GDP, Gross, vis-à-vis all sectors)



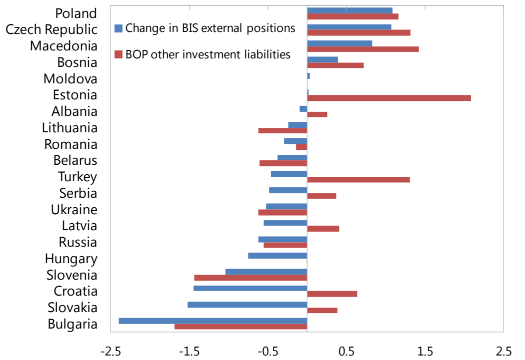
Sources: BIS, Locational Banking Statistics; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 4. CESEE: External Positions of BIS-reporting Banks, 2015:Q2
(Change, percent of 2015:Q1)



Sources: BIS, Locational Banking Statistics; IMF, World Economic Outlook database; and IMF staff calculations.

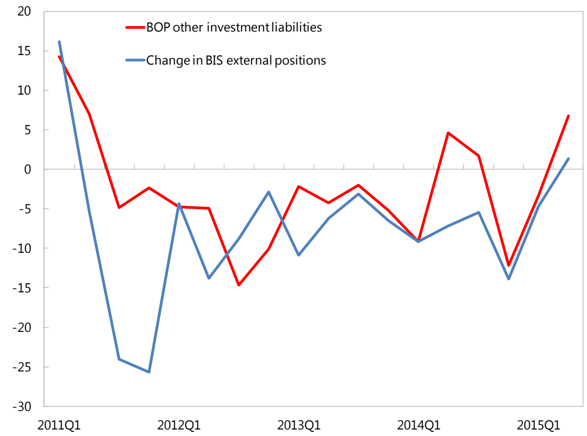
Figure 5a. CESEE: Change in BIS External Positions and Other Investment Liabilities from BoP (2015:Q2, percent of GDP)



Note: BoP other investment liabilities include investments other than FDI, portfolio investment, and financial derivatives, which includes loans and deposits, trade credit, etc. They correspond more closely in terms of coverage to BIS claims based on locational banking statistics. Belarus, Bosnia and Herzegovina, Macedonia, Russia, Serbia, Turkey and Ukraine are on net basis, and others are on gross basis. BOP data for Moldova are not available yet for 2015 Q2.

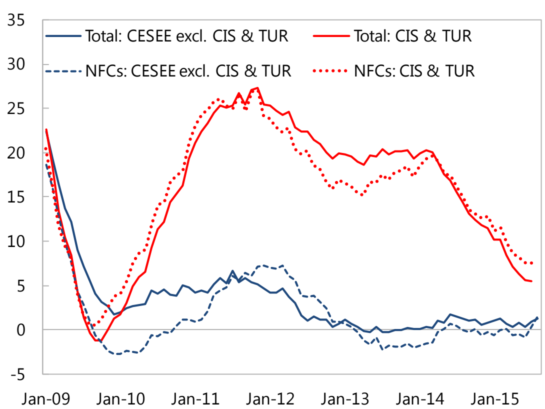
Sources: Haver Analytics; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 5b. CESEE excl. Russia and Turkey: Change in BIS External Positions and Other Investment Liabilities from BoP (Billions of US dollars)



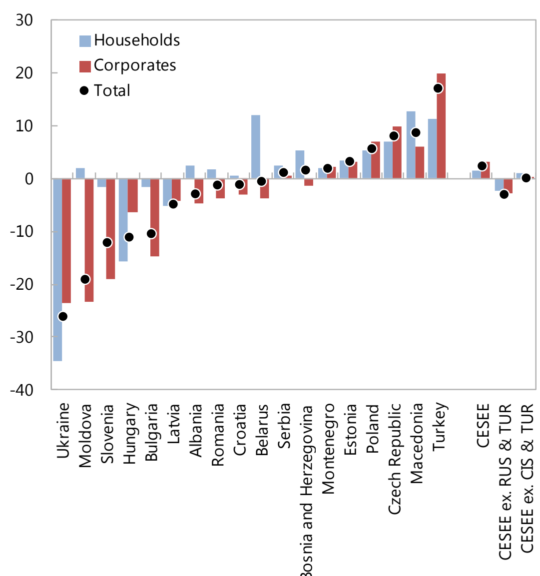
Sources: Haver Analytics; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 6. Credit to Private Sector, January 2009 – August 2015
(Percent change, year-over-year, nominal, exchange-rate adjusted, GDP-weighted)



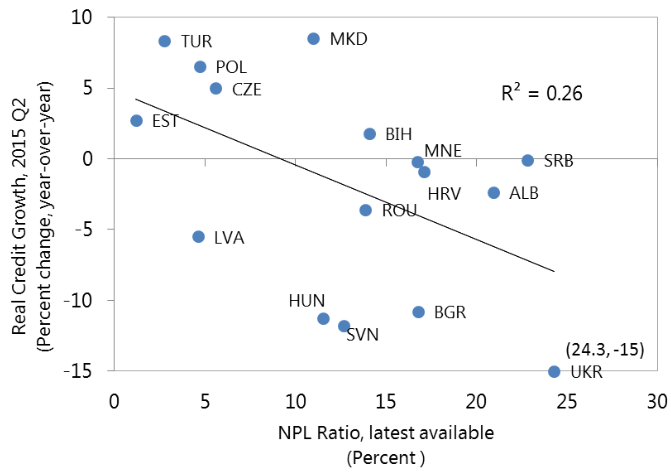
Sources: National authorities; ECB; BIS; EBRD and IMF staff calculations. Note: Lithuania after 2014 December and Slovak Republic after 2015 February are excluded because of data availability. CIS & TUR data are as of July 2015.

Figure 7. Credit Growth to Households and Corporations, August 2015
(Percent change, year-over-year, nominal, exchange-rate adjusted)



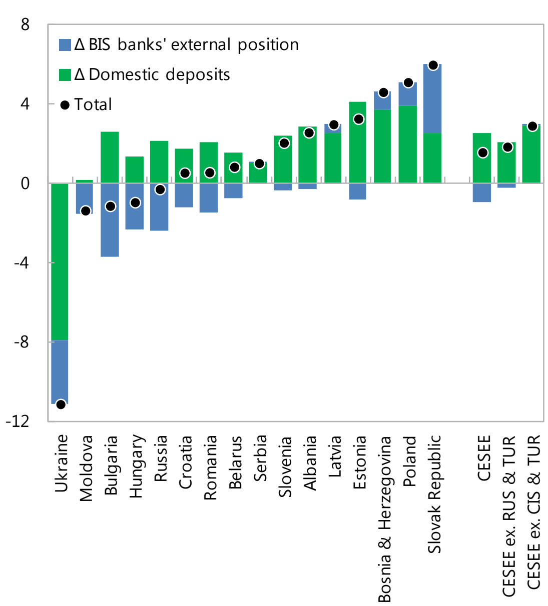
Sources: National authorities; ECB; BIS; EBRD and IMF staff calculations. Note: Lithuania, Russia, and Slovak Republic are excluded because of data availability. Data for Bulgaria reflects the effect of excluding one bank (KTB) from the monetary statistics data from November 2014 when its license was revoked.

Figure 8. CESEE: Real Credit Growth and NPL ratios



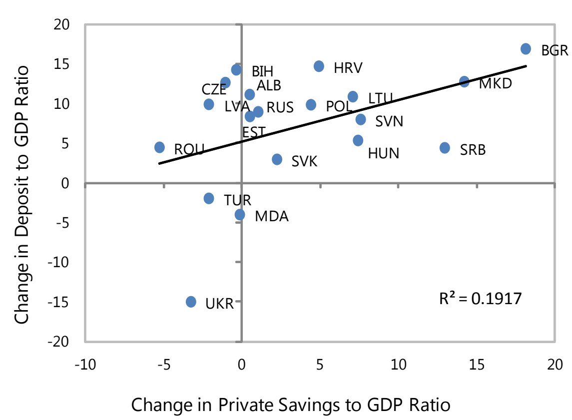
Sources: Haver Analytics; National authorities; ECB; Eurostat; BIS; EBRD and IMF staff calculations.

Figure 9. Main Bank Funding Sources, 2015:Q2
(Year-over-year change, Percent of GDP)



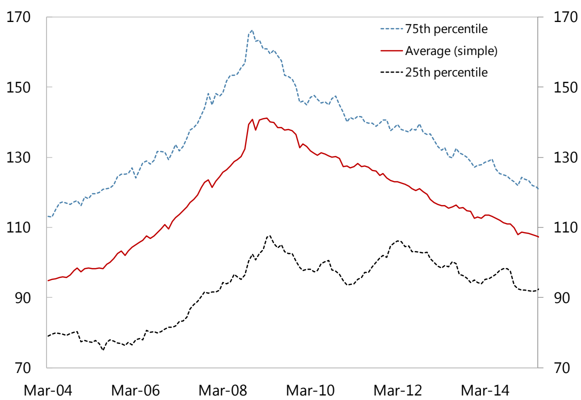
Sources: BIS, Locational Banking Statistics; Haver Analytics; International Financial Statistics; and IMF staff calculations. Note. For Lithuania, data for 2015Q2 are yet available.

Figure 10. CESEE: Changes in Domestic Deposit Base vs Changes in Private Savings, 2008-2014
(Percent of GDP)



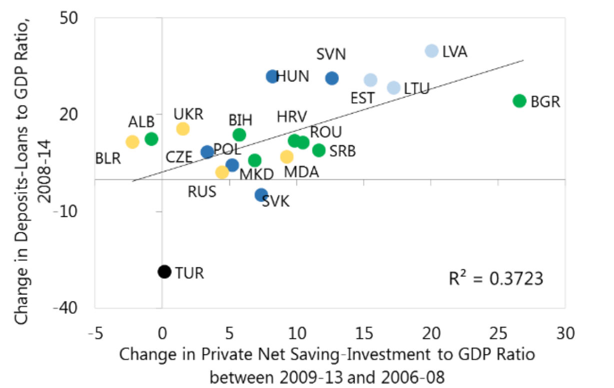
Sources: IMF, International Financial Statistics; and IMF staff calculations.

Figure 11. CESEE: Domestic Loan to Domestic Deposit Ratio, 2004:M3 - 2015:M7 (Percent)



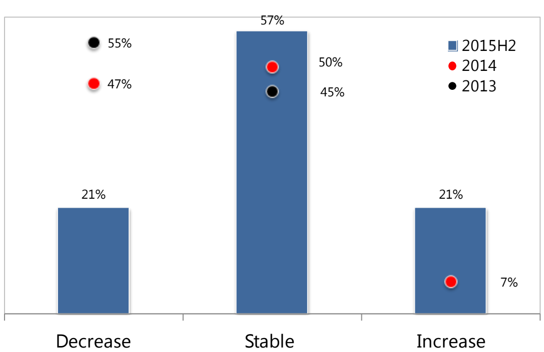
Sources: IMF, International Financial Statistics; and IMF staff calculations.

Figure 12. CESEE: Changes in Domestic Deposit-Loan Gaps and Private Savings-Investment Balances (2008-2014, Percent of GDP)



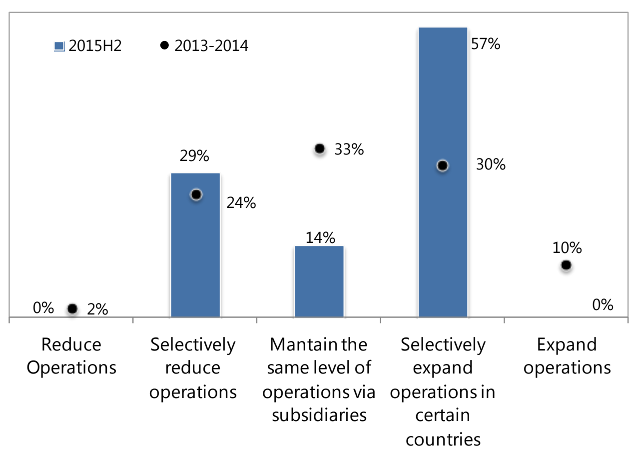
Sources: IMF, International Financial Statistics; and IMF staff calculations. South Eastern European countries show in green; Central and Eastern Europe and Baltics in blue and CIS in yellow.

Figure 13. Deleveraging: Loan-to-Deposit Ratio (Percent, expectations over the next 6 months)



Source: EIB-CESEE Bank Lending Survey.

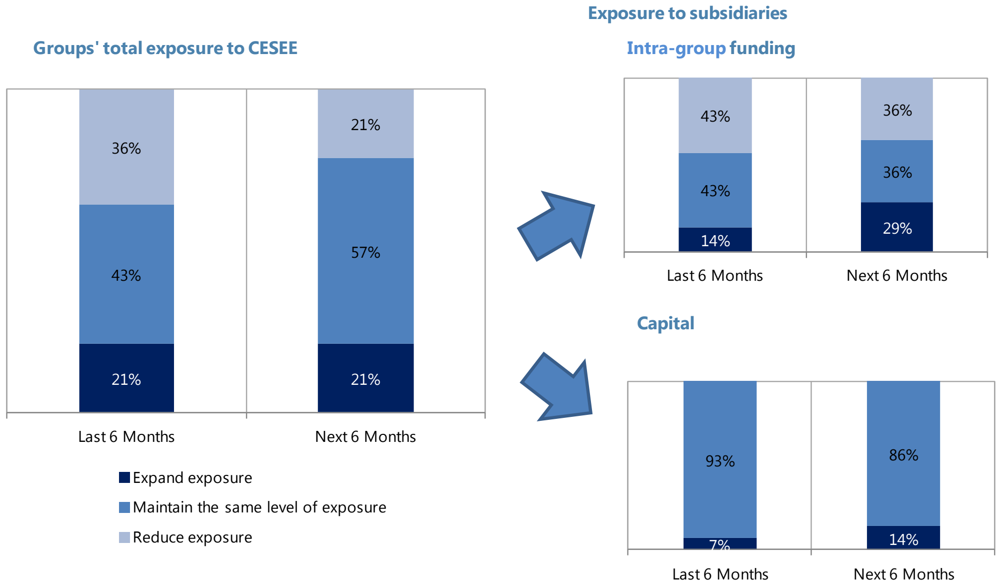
Figure 14. Group-Level Long-Term Strategies (beyond 12 months) in CESEE (Triangles refer to average outcomes between 2013-14)



Source: EIB-CESEE Bank Lending Survey.

Figure 15a. Groups' total exposure to CESEE

(Cross-border operations involving CESEE countries)



Source: EIB-CESEE Bank Lending Survey

Figure 15b. Groups' total exposure to CESEE

(Cross-border operations involving CESEE countries-net percentages; negative figures refer to decreasing total exposure to the CESEE region)

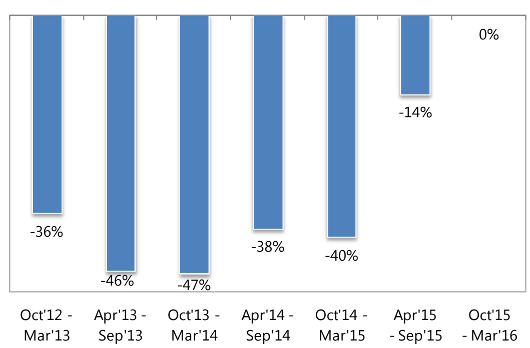
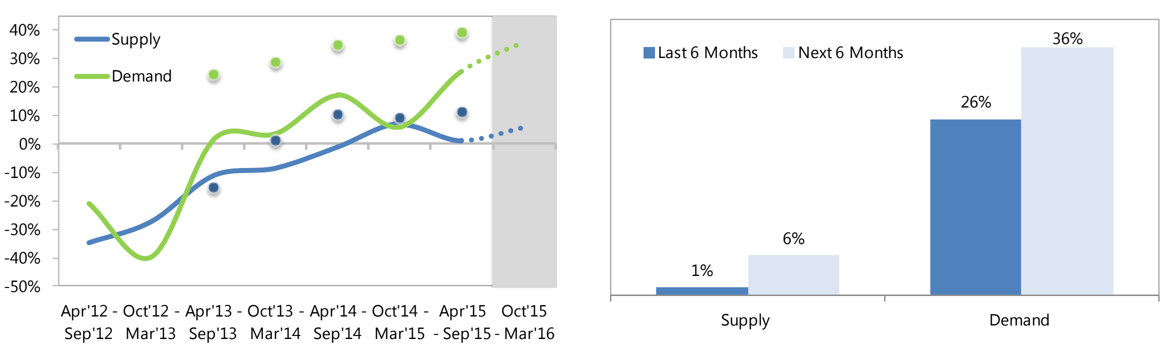


Figure 16. Total Supply and Demand, Past and Expected Development

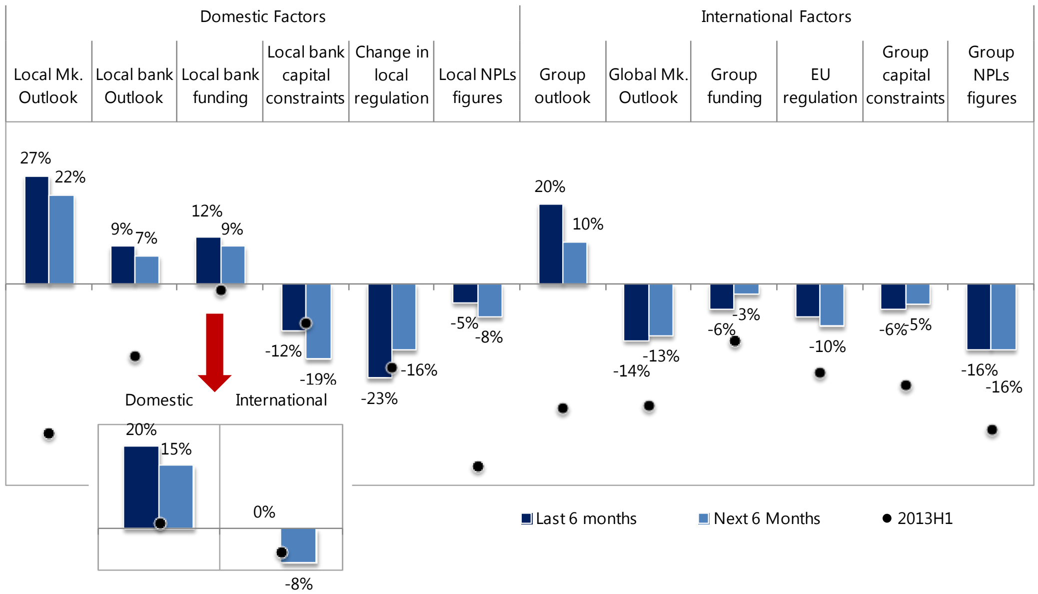
(Net percentages; positive figures refer to increasing (easing) demand (supply); triangles refer to expectations derived from previous runs of the survey, lines report actual values and dotted lines expectations in the last run of the survey)



Source: EIB-CESEE Bank Lending Survey.

Figure 17. Factors Contributing to Supply Conditions

(Net percentage; positive figures refer to a positive contribution to supply)

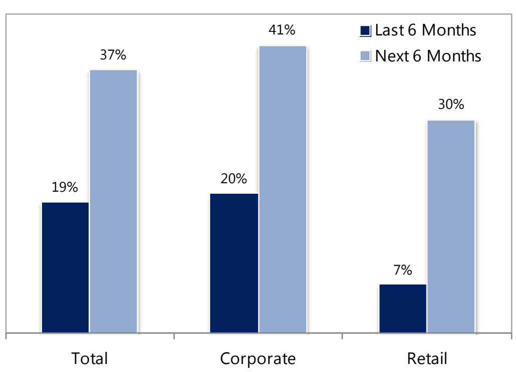


Source: EIB-CESEE Bank Lending Survey.

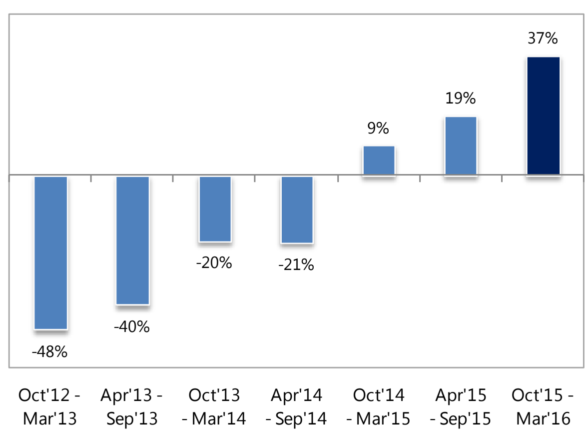
Figure 18. Non-performing Loan Ratios

(Net percentage; negative figures indicate increasing NPL ratios)

Last Run of the Survey



Total NPLs



Source: EIB-CESEE Bank Lending Survey.

Table 1. CESEE: External Position of BIS-reporting Banks, 2014:Q3 - 2015:Q2

(Vis-à-vis all sectors)

	2015 Q2 stocks		Exchange-rate adjusted flows (US$m)					Exchange-rate adjusted flows (% of previous stock)					Exchange-rate adjusted flows (% of 2015 GDP)				
	US$ m	% of 2015 GDP	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total
Albania	1098	9.5	-70	-11	37	-12	-55	-5.5	-1.0	3.3	-1.1	-4.4	-0.6	-0.1	0.3	-0.1	-0.5
Belarus	2417	3.9	-3	-144	-165	-236	-549	-0.1	-4.7	-5.5	-9.2	-18.2	0.0	-0.2	-0.3	-0.4	-0.9
Bosnia-Herzegovina	1712	11.0	20	299	-185	60	193	0.7	10.7	-9.4	3.8	4.8	0.1	1.9	-1.2	0.4	1.2
Bulgaria	10766	22.8	-123	824	-1,566	-1,131	-1,997	-0.8	5.8	-10.9	-9.8	-15.6	-0.3	1.7	-3.3	-2.4	-4.2
Croatia	21906	44.8	-587	107	-934	-708	-2,122	-1.8	0.4	-3.7	-3.2	-8.2	-1.2	0.2	-1.9	-1.4	-4.3
Czech Republic	43111	23.6	-1,376	-1,181	558	1,948	-51	-2.7	-2.5	1.3	4.9	0.7	-0.8	-0.6	0.3	1.1	0.0
Estonia	7797	34.0	-245	-392	22	3	-612	-2.4	-4.3	0.3	0.0	-6.4	-1.1	-1.7	0.1	0.0	-2.7
Hungary	31300	26.4	-2,022	-1,823	407	-897	-4,335	-4.9	-5.0	1.2	-2.9	-11.2	-1.7	-1.5	0.3	-0.8	-3.7
Latvia	7182	25.8	-197	22	-82	-155	-412	-2.1	0.3	-1.0	-2.2	-5.0	-0.7	0.1	-0.3	-0.6	-1.5
Lithuania	7861	18.8	-627	-1,324	-1,034	-101	-3,087	-4.9	-11.8	-10.8	-1.3	-26.2	-1.5	-3.2	-2.5	-0.2	-7.4
Macedonia	1396	13.8	-39	-411	225	83	-141	-2.2	-25.6	19.3	6.6	-7.4	-0.4	-4.1	2.2	0.8	-1.4
Moldova	298	4.8	-32	-48	2	2	-75	-8.7	-15.3	0.7	0.7	-21.6	-0.5	-0.8	0.0	0.0	-1.2
Montenegro	641	16.1	35	52	-39	-48	0	2.3	3.6	-5.0	-7.2	-6.6	0.9	1.3	-1.0	-1.2	0.0
Poland	104862	21.8	-48	-4,457	-359	5,227	363	0.0	-4.0	-0.3	5.4	0.8	0.0	-0.9	-0.1	1.1	0.1
Romania	33311	19.0	-899	-2,447	-1,789	-517	-5,652	-2.1	-6.2	-4.7	-1.6	-13.8	-0.5	-1.4	-1.0	-0.3	-3.2
Russia	107998	8.7	-10,553	-18,761	-13,850	-7,734	-50,898	-6.3	-12.3	-10.5	-6.8	-31.5	-0.9	-1.5	-1.1	-0.6	-4.1
Serbia	5533	15.1	61	33	-530	-178	-614	0.7	0.4	-8.0	-3.2	-9.9	0.2	0.1	-1.4	-0.5	-1.7
Slovakia	22434	26.0	2,311	-782	925	-1,316	1,138	9.0	-3.0	3.8	-5.7	3.4	2.7	-0.9	1.1	-1.5	1.3
Slovenia	11710	27.4	-254	331	423	-447	54	-1.5	2.2	3.3	-3.8	0.0	-0.6	0.8	1.0	-1.0	0.1
Turkey	184456	25.5	2,245	2,020	359	-3,335	1,289	1.2	1.1	0.2	-1.8	0.6	0.3	0.3	0.0	-0.5	0.2
Ukraine	6392	7.1	-1,238	-2,410	-1,149	-473	-5,270	-10.3	-23.2	-14.0	-7.0	-44.9	-1.4	-2.7	-1.3	-0.5	-5.8
CESEE 1/	614181	17.7	-13,640	-30,504	-18,724	-9,963	-72,832	-1.8	-4.3	-2.8	-1.6	-10.1	-0.4	-0.9	-0.5	-0.3	-2.1
Emerging Europe 2/	514085	16.8	-13,252	-27,178	-19,536	-9,896	-69,862	-2.1	-4.5	-3.5	-1.9	-11.5	-0.4	-0.9	-0.6	-0.3	-2.3
CESEE ex. RUS & TUR	321728	21.3	-5,333	-13,764	-5,232	1,105	-23,224	-1.3	-3.7	-1.5	0.4	-6.0	-0.4	-0.9	-0.3	0.1	-1.5
CESEE ex. CIS & TUR 3/	312620	23.1	-4,060	-11,161	-3,920	1,812	-17,330	-1.0	-3.1	-1.2	0.6	-4.7	-0.3	-0.8	-0.3	0.1	-1.3

Sources: BIS and IMF staff calculations.

1/ All countries listed above.

2/ CESEE excluding the Czech Republic, Estonia, Latvia, Slovakia, and Slovenia.

3/ CIS includes Russia, Ukraine, Moldova and Belarus.

Table 2. CESEE: External Position of BIS-reporting Banks, 2014:Q3 - 2015:Q2
(Exchange rate adjusted flows)

	2015 Q2		Banks (US$m)					Non-banks (US$m)					Loans--Banks					Loans-Non-Banks				
	US$ m	% of 2015 GDP	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total	2014 Q3	2014 Q4	2015 Q1	2015 Q2	Total
Albania	-12	-0.1	-54	-7	-8	39	-30	-16	-4	46	-50	-25	-38	-1	10	28	-1	-24	2	27	-27	-22
Belarus	-236	-0.4	-45	-133	-160	-141	-479	42	-11	-5	-95	-70	-45	-131	-161	-141	-478	30	-6	1	-90	-66
Bosnia-Herzegovina	60	0.4	50	402	-190	12	274	-30	-103	5	48	-81	-91	403	-167	-3	142	-30	-103	4	47	-82
Bulgaria	-1131	-2.4	-345	-92	-545	-948	-1,930	222	916	-1,021	-184	-67	-267	41	-389	-1,210	-1,825	260	966	-860	-141	225
Croatia	-708	-1.4	-180	384	-1,091	-55	-942	-407	-277	157	-653	-1,179	-937	563	-373	-127	-874	-197	-166	-31	-531	-925
Czech Republic	1948	1.1	-564	203	632	1,252	1,523	-812	-1,384	-74	696	-1,574	-227	180	1,446	1,087	2,486	-648	-1,227	-258	842	-1,291
Estonia	3	0.0	-122	-380	65	28	-408	-123	-12	-43	-26	-203	-158	-314	48	17	-407	-112	-22	-48	-36	-218
Hungary	-897	-0.8	-1,864	-1,251	90	87	-2,938	-158	-573	318	-984	-1,397	-750	-977	501	22	-1,205	-174	-217	277	-249	-362
Latvia	-155	-0.6	-56	115	-19	-99	-59	-141	-93	-63	-56	-353	-53	147	-25	-98	-29	-105	-79	-42	-38	-264
Lithuania	-101	-0.2	-577	-1,106	-1,123	-141	-2,946	-50	-219	89	39	-141	-464	-1,009	-1,047	-133	-2,654	-13	-59	-15	14	-73
Macedonia	83	0.8	-53	-382	242	107	-87	14	-29	-17	-24	-55	-43	-380	264	93	-66	0	-31	-13	-11	-56
Moldova	2	0.0	-17	-38	-45	1	-99	-15	-10	47	1	23	0	-32	-1	-3	-36	-15	-10	47	1	23
Montenegro	-48	-1.2	61	48	-28	0	81	-26	4	-11	-48	-82	-2	49	-12	1	37	-2	-3	-24	-7	-36
Poland	5227	1.1	2,077	-3,233	-187	5,157	3,814	-2,125	-1,224	-172	69	-3,452	-1,694	-2,075	410	5,623	2,264	-1,342	-1,479	-77	106	-2,793
Romania	-517	-0.3	-206	-1,341	-1,602	-14	-3,164	-692	-1,107	-187	-502	-2,488	-93	-1,107	-1,193	-524	-2,917	-428	-744	-350	-129	-1,651
Russia	-7734	-0.6	-7,406	-8,272	-6,985	-6,974	-29,637	-3,147	-10,489	-6,865	-759	-21,261	-6,965	-10,415	-4,805	-4,915	-27,101	-2,476	-9,412	-6,537	-1,456	-19,882
Serbia	-178	-0.5	156	231	-422	-48	-83	-96	-198	-107	-130	-531	-46	266	-71	-77	72	-105	-146	-134	-118	-503
Slovakia	-1316	-1.5	2,754	-474	908	-617	2,571	-443	-308	16	-699	-1,433	2,602	-481	886	-563	2,445	-458	-526	25	-346	-1,305
Slovenia	-447	-1.0	150	-53	-449	20	-333	-403	384	871	-466	386	18	-19	-474	152	-324	-302	95	979	-182	590
Turkey	-3335	-0.5	3,382	952	-118	-1,132	3,084	-1,136	1,068	476	-2,203	-1,795	4,493	477	421	19	5,411	-771	310	2,079	-1,371	247
Ukraine	-473	-0.5	-310	-1,545	-865	-248	-2,968	-928	-865	-284	-224	-2,301	-197	-674	-423	-430	-1,724	-709	-654	-256	-192	-1,811
CESEE 1/	-9963	-0.3	-3,170	-15,972	-11,898	-3,715	-34,755	-10,470	-14,532	-6,826	-6,249	-38,077	-4,958	-15,489	-5,158	-1,181	-26,786	-7,622	-13,509	-5,206	-3,915	-30,252
Emerging Europe 2/	-9896	-0.3	-4,754	-14,277	-11,914	-4,158	-35,103	-8,498	-12,901	-7,623	-5,737	-34,759	-6,676	-13,993	-5,990	-1,643	-28,302	-5,984	-11,691	-5,847	-4,169	-27,691
CESEE ex. RUS & TUR	1105	0.1	854	-8,652	-4,796	4,392	-8,202	-6,186	-5,111	-437	-3,287	-15,021	-2,486	-5,552	-774	3,715	-5,096	-4,375	-4,407	-748	-1,088	-10,618
CESEE ex. CIS & TUR 3/	1812	0.1	1,226	-6,937	-3,727	4,780	-4,657	-5,286	-4,225	-194	-2,969	-12,673	-2,244	-4,714	-189	4,289	-2,858	-3,680	-3,737	-540	-807	-8,764

Sources: BIS and IMF staff calculations.

1/ All countries listed above.

2/ CESEE excluding the Czech Republic, Estonia, Latvia, Slovakia, and Slovenia.

3/ CIS includes Russia, Ukraine, Moldova and Belarus.