

**ZEW / Erste Group Bank - Financial Market Survey CEE: August 2016**

<b>Current economic situation</b>								
	<b>good</b>		<b>acceptable (normal)</b>		<b>bad</b>		<b>balance</b>	
Austria	8.3	(+ 1.2)	91.7	(- 1.2)	0.0	(± 0.0)	8.3	(+ 1.2)
Croatia	22.2	(+ 4.5)	66.7	(+ 2.0)	11.1	(- 6.5)	11.1	(+11.0)
Czech Republic	50.0	(+ 7.9)	50.0	(- 7.9)	0.0	(± 0.0)	50.0	(+ 7.9)
Hungary	66.7	(+25.5)	33.3	(-25.5)	0.0	(± 0.0)	66.7	(+25.5)
Poland	50.0	(+20.5)	50.0	(- 2.9)	0.0	(-17.6)	50.0	(+38.1)
Romania	61.5	(+14.8)	38.5	(-14.8)	0.0	(± 0.0)	61.5	(+14.8)
Slovakia	50.0	(+ 2.6)	50.0	(- 2.6)	0.0	(± 0.0)	50.0	(+ 2.6)
Turkey	5.3	(- 3.4)	68.4	(+ 7.5)	26.3	(- 4.1)	-21.0	(+ 0.7)
CEE (incl. Turkey)	25.0	(+ 7.4)	66.7	(-15.7)	8.3	(+ 8.3)	16.7	(- 0.9)
Eurozone	14.3	(+ 9.9)	76.2	(-15.1)	9.5	(+ 5.2)	4.8	(+ 4.7)
<b>Economic expectations</b>								
	<b>improve</b>		<b>no change</b>		<b>worsen</b>		<b>balance</b>	
Austria	25.0	(- 3.6)	75.0	(+10.7)	0.0	(- 7.1)	25.0	(+ 3.5)
Croatia	21.1	(-10.4)	78.9	(+15.7)	0.0	(- 5.3)	21.1	(- 5.1)
Czech Republic	22.2	(+ 1.2)	77.8	(+14.6)	0.0	(-15.8)	22.2	(+17.0)
Hungary	26.7	(+ 3.2)	73.3	(+ 8.6)	0.0	(-11.8)	26.7	(+15.0)
Poland	18.7	(- 4.9)	68.8	(+10.0)	12.5	(- 5.1)	6.2	(+ 0.2)
Romania	30.8	(+ 5.8)	61.5	(-13.5)	7.7	(+ 7.7)	23.1	(- 1.9)
Slovakia	22.2	(+ 6.4)	77.8	(+ 4.1)	0.0	(-10.5)	22.2	(+16.9)
Turkey	0.0	(-21.7)	35.0	(+ 0.2)	65.0	(+21.5)	-65.0	(-43.2)
CEE (incl. Turkey)	23.1	(- 6.4)	69.2	(+16.3)	7.7	(- 9.9)	15.4	(+ 3.5)
Eurozone	27.3	(+ 5.5)	63.6	(- 1.6)	9.1	(- 3.9)	18.2	(+ 9.4)
<b>Inflation rate</b>								
	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Austria	58.3	(+22.6)	41.7	(-22.6)	0.0	(± 0.0)	58.3	(+22.6)
Croatia	47.1	(+ 8.2)	52.9	(- 8.2)	0.0	(± 0.0)	47.1	(+ 8.2)
Czech Republic	61.1	(+ 3.2)	38.9	(- 3.2)	0.0	(± 0.0)	61.1	(+ 3.2)
Hungary	71.5	(+15.3)	21.4	(-22.4)	7.1	(+ 7.1)	64.4	(+ 8.2)
Poland	66.6	(+13.7)	26.7	(-20.4)	6.7	(+ 6.7)	59.9	(+ 7.0)
Romania	69.2	(+13.0)	23.1	(-20.7)	7.7	(+ 7.7)	61.5	(+ 5.3)
Slovakia	65.0	(+12.4)	30.0	(-17.4)	5.0	(+ 5.0)	60.0	(+ 7.4)
Turkey	78.9	(+13.7)	15.8	(-19.0)	5.3	(+ 5.3)	73.6	(+ 8.4)
CEE (incl. Turkey)	78.6	(+25.7)	21.4	(-25.7)	0.0	(± 0.0)	78.6	(+25.7)
Eurozone	61.9	(+27.1)	38.1	(-27.1)	0.0	(± 0.0)	61.9	(+27.1)
<b>Short-term interest rates</b>								
	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
	[abs.]	[rel.]	[abs.]	[rel.]	[abs.]	[rel.]	[abs.]	[rel.]
Croatia	5.9 (+ 5.9)	0.0 (- 6.2)	88.2 (- 5.9)	86.7 (- 0.8)	5.9 (± 0.0)	13.3 (+ 7.0)	0.0 (+ 5.9)	-13.3 (-13.2)
Czech Republic	0.0 (± 0.0)	0.0 (± 0.0)	100.0 (+10.0)	100.0 (± 0.0)	0.0 (-10.0)	0.0 (± 0.0)	0.0 (+10.0)	0.0 (± 0.0)
Hungary	0.0 (± 0.0)	7.7 (+ 7.7)	93.3 (+10.9)	92.3 (+ 5.6)	6.7 (-10.9)	0.0 (-13.3)	-6.7 (+10.9)	7.7 (+21.0)
Poland	6.2 (+ 0.3)	0.0 (- 6.7)	93.8 (+ 5.6)	100.0 (+ 6.7)	0.0 (- 5.9)	0.0 (± 0.0)	6.2 (+ 6.2)	0.0 (- 6.7)
Romania	7.7 (+ 1.1)	18.2 (+10.5)	76.9 (+10.2)	72.7 (+ 3.5)	15.4 (-11.3)	9.1 (-14.0)	-7.7 (+12.4)	9.1 (+24.5)
Turkey	52.6 (+24.1)	62.4 (+27.1)	21.1 (-21.8)	18.8 (-22.4)	26.3 (- 2.3)	18.8 (- 4.7)	26.3 (+26.4)	43.6 (+31.8)
Eurozone	0.0 (- 4.3)		95.5 (+ 8.5)		4.5 (- 4.2)		-4.5 (- 0.1)	
<b>Long-term interest rates</b>								
	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
	[abs.]	[rel.]	[abs.]	[rel.]	[abs.]	[rel.]	[abs.]	[rel.]
Croatia	17.7 (+ 1.0)	14.3 (+ 8.1)	64.7 (- 7.5)	50.0 (-18.8)	17.6 (+ 6.5)	35.7 (+10.7)	0.1 (- 5.5)	-21.4 (- 2.6)
Czech Republic	44.4 (+ 9.4)	6.6 (- 4.5)	55.6 (- 9.4)	86.7 (+ 3.4)	0.0 (± 0.0)	6.7 (+ 1.1)	44.4 (+ 9.4)	-0.1 (- 5.6)
Hungary	33.4 (+15.8)	16.6 (+16.6)	53.3 (-17.3)	41.7 (-38.3)	13.3 (+ 1.5)	41.7 (+21.7)	20.1 (+14.3)	-25.1 (- 5.1)
Poland	43.7 (+14.3)	16.6 (+ 3.3)	37.5 (-27.2)	41.7 (-25.0)	18.8 (+12.9)	41.7 (+21.7)	24.9 (+ 1.4)	-25.1 (-18.4)
Slovakia	41.2 (+13.4)	6.6 (+ 0.4)	52.9 (-19.3)	86.7 (- 0.8)	5.9 (+ 5.9)	6.7 (+ 0.4)	35.3 (+ 7.5)	-0.1 (± 0.0)
Turkey	61.1 (+ 6.6)	64.7 (+ 1.6)	27.8 (+ 0.5)	5.9 (-15.2)	11.1 (- 7.1)	29.4 (+13.6)	50.0 (+13.7)	35.3 (-12.0)
Germany	33.3 (+ 3.3)		61.9 (- 8.1)		4.8 (+ 4.8)		28.5 (- 1.5)	
<b>Stock market indices</b>								
	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
EURO STOXX 50	29.5	(-40.5)	52.9	(+32.9)	17.6	(+ 7.6)	11.9	(-48.1)
ATX (Austria)	45.4	(-29.6)	36.4	(+11.4)	18.2	(+18.2)	27.2	(-47.8)
NTX (CEE)	25.0	(-44.2)	66.7	(+51.3)	8.3	(- 7.1)	16.7	(-37.1)
CROBEX (Croatia)	41.2	(-17.6)	52.9	(+17.6)	5.9	(± 0.0)	35.3	(-17.6)
PX 50 (Czech Rep.)	46.6	(-29.9)	46.7	(+29.1)	6.7	(+ 0.8)	39.9	(-30.7)
BUX (Hungary)	33.3	(-40.1)	50.0	(+36.7)	16.7	(+ 3.4)	16.6	(-43.5)
WIG (Poland)	23.1	(-43.5)	53.8	(+47.1)	23.1	(- 3.6)	0.0	(-39.9)
BET (Romania)	54.5	(-30.1)	36.4	(+28.7)	9.1	(+ 1.4)	45.4	(-31.5)
SAX (Slovakia)	30.8	(-22.5)	61.5	(+21.5)	7.7	(+ 1.0)	23.1	(-23.5)
ISE-100 (Turkey)	15.8	(-27.1)	26.3	(+ 7.3)	57.9	(+19.8)	-42.1	(-46.9)
<b>Exchange rates (vs. Euro)</b>								
	<b>appreciate</b>		<b>no change</b>		<b>depreciate</b>		<b>balance</b>	
Kuna (Croatia)	5.3	(+ 5.3)	68.4	(- 6.6)	26.3	(+ 1.3)	-21.0	(+ 4.0)
Koruna (Czech Rep.)	16.7	(+11.9)	83.3	(-11.9)	0.0	(± 0.0)	16.7	(+11.9)
Forint (Hungary)	33.3	(+27.4)	40.0	(-12.9)	26.7	(-14.5)	6.6	(+41.9)
Zloty (Poland)	37.5	(+ 8.1)	37.5	(- 3.7)	25.0	(- 4.4)	12.5	(+12.5)
Lei (Romania)	28.6	(+16.1)	57.1	(- 5.4)	14.3	(-10.7)	14.3	(+26.8)
Lira (Turkey)	10.0	(- 4.3)	5.0	(-14.0)	85.0	(+18.3)	-75.0	(-22.6)
US-Dollar	52.2	(+ 2.2)	39.1	(+ 5.8)	8.7	(- 8.0)	43.5	(+10.2)

Note: 40 Financial market experts, 7 from which from Turkey, participated in the August survey which was conducted during the period of 8/1-8/15/2016. Analysts were asked about their expectations for the next 6 months. Numbers displayed are percentages (month-over-month percentage point changes compared to the survey in July 2016 in parentheses). Balances refer to the differences between positive and negative assessments.