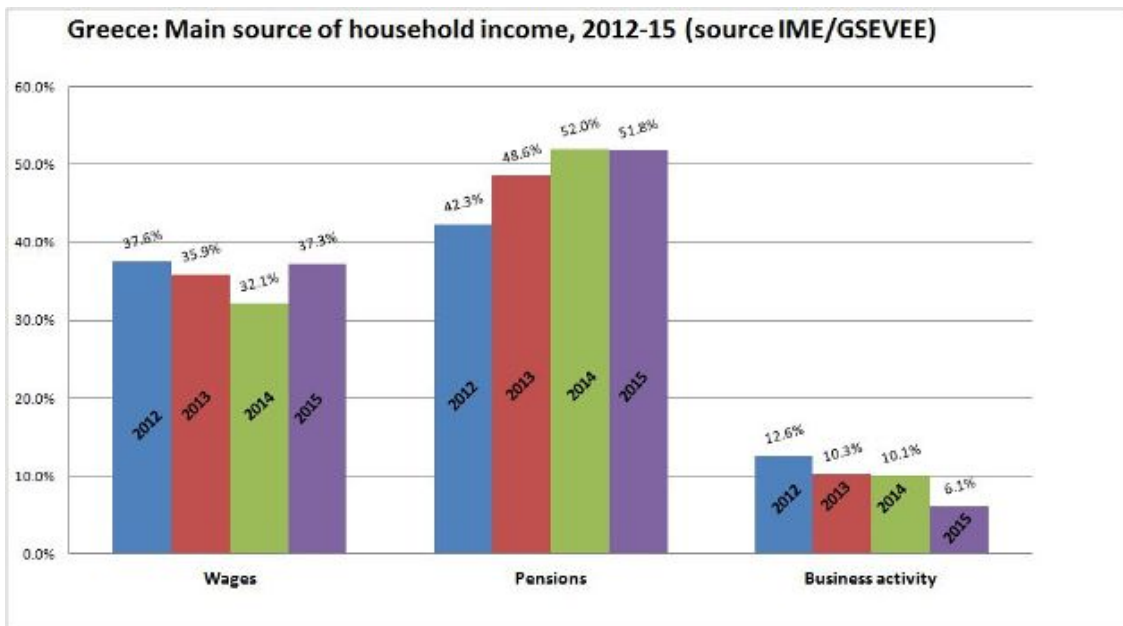


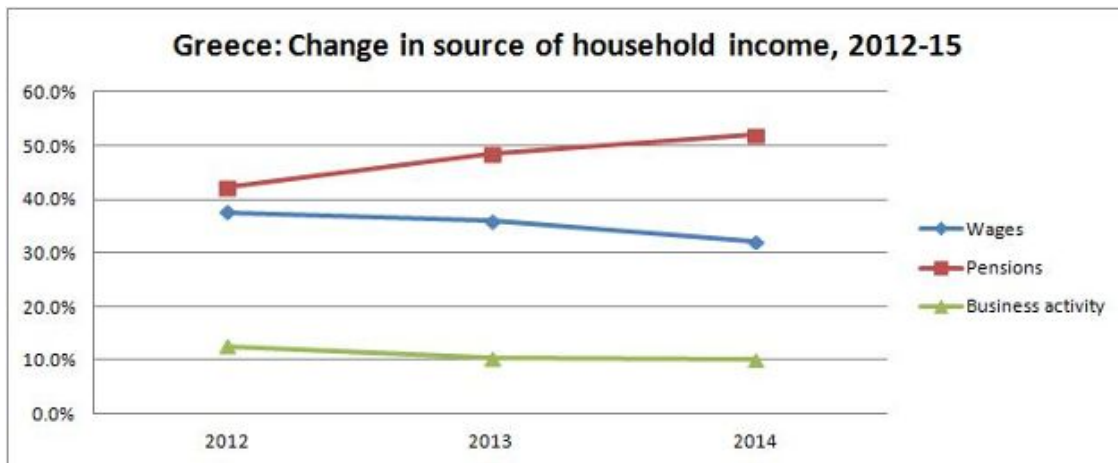
More than half of Greek households rely mainly on pensions

The main source of income for just over half of Greek households is still a pension, while just over 37 percent mainly rely on wages, the annual survey on income and household expenditure from the country's largest small- and medium business association has found.

The **research**, conducted by the Small Enterprises' Institute (IME) of the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE), says that pensions account for the main source of income for 51.8 percent of Greek households in 2015.



Last year's figure was slightly lower than the record 52 percent recorded in 2014 but almost ten percentage points higher than the 2012 share of 42.3 percent.

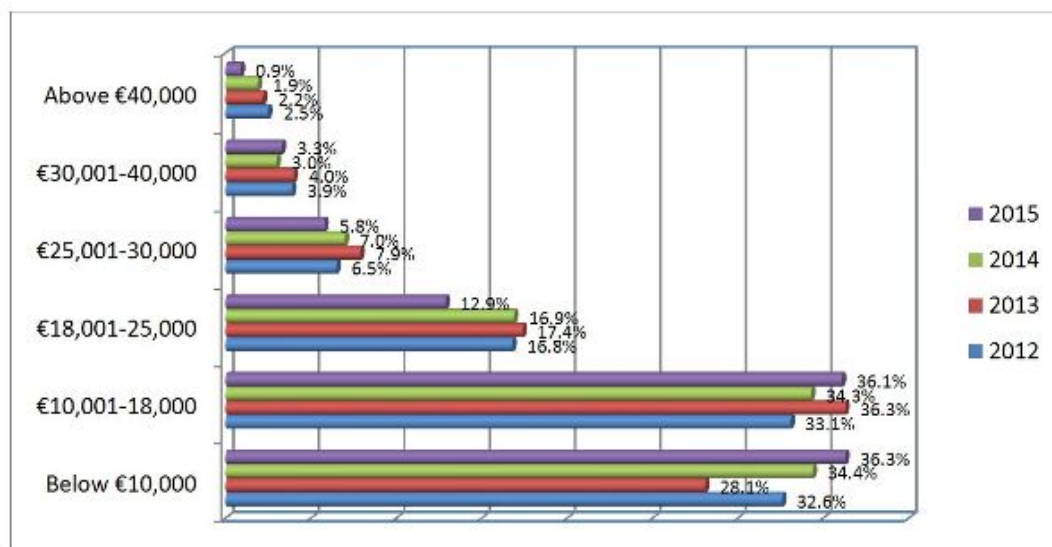


Of those households dependent on pensions, about half expect they will be unable to meet the cost of their basic needs this year.

The survey, conducted by Marc pollsters on a representative sample of 1,000 households across Greece last December, also found that 94.2 percent of households had seen significant reduction in income since the outbreak of the crisis.

In 2015 alone, almost 78 percent of households said their income had fallen, with just over one in three (36.3 percent) households reporting their annual income at less than 10,000 euros.

Greece: Changes in household income, 2012-2015



The outlook for 2016 remains similarly negative, with seven in ten Greek households expecting their economic situation to worsen and only 5.1 percent anticipating an upturn.

The report also noted that since 2012, the already low share of households declaring business activity as their main source of income had more than halved, falling from 12.6 to 6.1 percent.

The IME underlined that given the problems of over-indebtedness, poverty and social deprivation in Greece, the government will have to take measures that will ensure a balance between the goal of fiscal stability and the urgent need to address social problems.

Its study found that 15.2 percent of households stated that their income is not sufficient to meet their basic needs, meaning they would be unable to pay an extraordinary bill or cost of 500 euros. Over half

(52.9 percent) said they would only be able to cover an unexpected expenditure of this amount with difficulty.

Approximately two thirds of households (64.1 percent) have had to cut back to make ends meet while over half (56.5 percent) are unable to adequately provide for the family's nutritional and heating needs. This is particularly the case for single households and those with more than five members.

Nationwide, at least 120,000 households rely on food banks or the use of the solidarity card, introduced by the government for poor families last year, for sustenance.

One in seven households said they would face serious financial problems were food prices to increase, as they did last year when VAT on many food items went from 13 to 23 percent.

Since 2012, the vast majority of households reported they had to resort to savings or borrowed from relatives and friends to make ends meet.

The report found, however, that in 2015 saw a reduction in a percentage of households that say they tapped into savings by 6.2 percent, a sign of the general depletion of household savings.

On the other hand, a significant increase was noted in the use of bank cards to buy household goods, from 15.8 percent in 2012 to 31 percent last year, which may be interpreted as a result of the overall fall in deposits as well as the imposition of capital controls during the summer.

It also found that around a million households, some 33.9% of the total, have at least one person who is unemployed.

One in five households said they were behind in their tax payments, while only 16.4 percent of tax debtors had benefitted from the arrangement to pay their obligations over 100 payments.

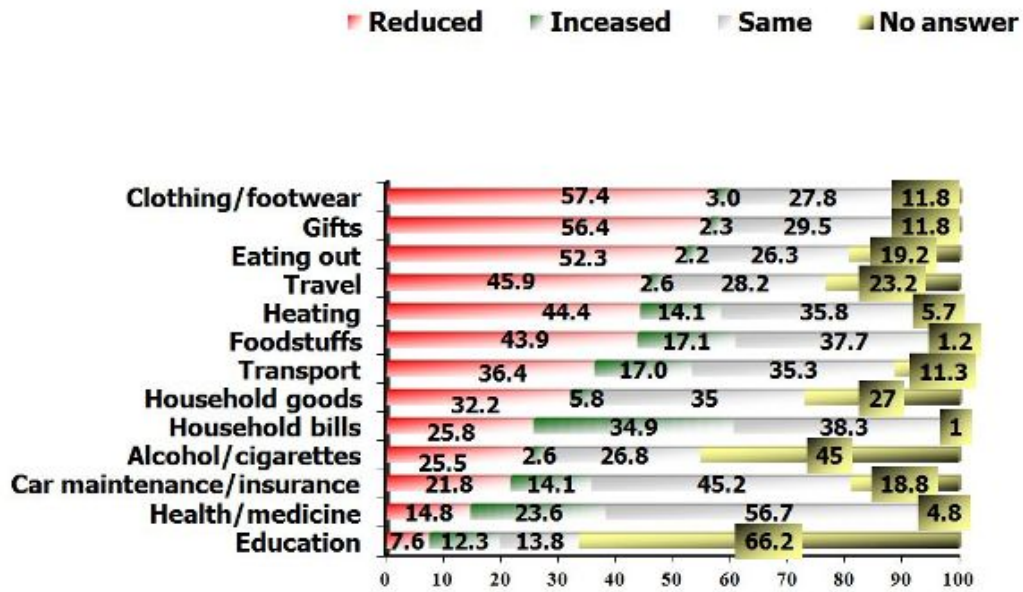
As regards this year, almost one in three (29.2 percent) believe they will be unable to pay their tax bills, with almost 15 percent saying they cannot afford the ENFIA property tax.

One in eight reported they were behind in bank repayments. Looking to 2016, 33.7 percent doubt they will be able to repay their loans.

Of the one in four households that have a mortgage on their home, 15.4 percent are in arrears. A quarter (24.6 percent) fear they could lose their home as a result of the combination of arrears and the additional expenses, such as other debts and taxes.

The collapse in domestic demand, the report continued, has resulted in a negative balance for almost all goods and services, such as clothing and footwear, gifts, eating and drinking out, travel and household goods.

Changes in Greek household spending from 2014 to 2015



It also observed that for the second consecutive year, households had also increased their expenditure on private health care, due to increased participation of private companies in the sector and the reduction in public healthcare spending.

In addition, for the first time. Households are spending more on education and public utility bills. The IME says that this trend of decreased spending on household needs and increased spending on health, education and utilities presents a danger to the social fabric and needs to be reversed.