REPUBLIC OF SERBIA
MINISTRY OF FINANCE
PUBLIC DEBT ADMINISTRATION

MONTHLY REPORT

Analysis of Public Debt and General Government Debt

February 2020

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Belgrade, February 2020
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INTRODUCTION

The monthly report of the PDA is the report presenting a comprehensive analysis of the status, structure and dynamics of the public debt of the Republic of Serbia, as well as the risk analysis related to the process of public debt management, aimed at raising the level of transparency and accurate and timely awareness of investors, state institutions and other entities interested in the public debt of the Republic of Serbia. The PDA Monthly Report is published aiming at the improvement of the activities of the Republic of Serbia in the field of public debt through its informative contents, in accordance with internationally acknowledged standards and good business practice, as well as enabling stakeholders to grasp public debt, being the field of the public finance, in an easy and accurate manner, i.e. the activities and goals of the PDA.

According to preliminary data, the central government debt changed from RSD 2,846.5 billion (EUR 24.2 billion) at the end of January 2020 to RSD 2,863.6 billion (EUR 24.4 billion) at the end of February 2020. The debt-to-GDP ratio (ESA 2010 methodology) at the end of February 2020 was 49.1%. Most of the public debt is still denominated in foreign currency, of which EUR 44.2%, RSD 28.5%, USD 19.4%, SDR 2.8%, CHF 0.4% and other currencies 4.6% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY).

As of February 2020, the total number of auctions amounted to 6 (out of which 3 auctions in RSD and 3 auctions in EUR). Total receivings in this period amount to RSD 38,998,350,000 and EUR 262,589,000, at par value. In the same period, one Buy Back auction was realized (auction of early redemption of previously issued securities), with a maturity of 3 years (due January 2022), with a total par value of RSD 5,000,000,000.

The industrial production in the Republic of Serbia in February 2020 increased by 7.6% relative to February 2019, and decreased by 0.8% relative to 2019 average. Industrial production in the period January – February 2020 increased by 7.0% compared to the same period last year.

At the end of January, the state budget surplus amounted to RSD 12.2 billion. In January, revenues were collected in the amount of RSD 110.1 billion, while expenditures were executed in the amount of RSD 97.9 billion.

The overall external trade in the Republic of Serbia for the period January - February 2020 amounted to:

- USD 7372.8 million - which was an increase of 7.2% compared to the same period 2019;
- EUR 6700.6 million - which was an increase of 10.8% compared to the same period 2019.

The value of exports amounted to USD 3126.0 million, which was 7.8% increase when compared to the same period last year, while the value of imports amounted to USD 4246.8 million, which was 6.7% increase relative to the same period last year. Expressed in Euros, the value of exports amounted to EUR 2839.9 million, which was the increase of 11.5%, compared to the same period last year. The value of imports amounted to EUR 3860.7 million, which was 10.3% increase when compared to the same period last year.

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF FEBRUARY 29, 2020

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	10.305.897.030	11.345.761.028	1.211.355.136.876	20,8%
External Debt	12.592.840.669	13.863.457.056	1.480.162.492.237	25,4%
Direct Liabilities in Total	22.898.737.699	25.209.218.085	2.691.517.629.113	46,2%
Contingent Liabilities (B)				
Internal Debt	176.183.312	193.960.191	20.708.586.530	0,4%
External Debt	1.288.129.450	1.418.101.585	151.406.735.582	2,6%
Contingent Liabilities in Total	1.464.312.763	1.612.061.777	172.115.322.112	3,0%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	239.406.992	263.563.134	28.139.897.856	0,5%
External Debt	96.665.799	106.419.368	11.362.097.996	0,2%
Non-Guaranteed Local Government Debt in Total	336.072.791	369.982.503	39.501.995.852	0,7%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)	85.328.119	93.937.718	10.029.467.150	0,17%
Central Government Public Debt (A+B)	24.363.050.461	26.821.279.861	2.863.632.951.225	49,1%
General Government Public Debt (A+B+C+D)	24.784.451.372	27.285.200.082	2.913.164.414.227	50,0%

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF FEBRUARY 29, 2020.

1. DIRECT LIABILITIES

1.1. INTERNAL DEBT

Debt Description	Debt stock as of February 29, 2020 in **EUR**	Debt stock as of February 29, 2020 in **USD**	Debt stock as of February 29, 2020 in **RSD**
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	9.766.299.433	10.751.718.088	1.147.930.835.410
RETAIL BONDS	17.928.703	19.737.707	2.107.339.750
OTHER LIABILITIES	521.668.893	574.305.233	61.316.961.716
INTERNAL DEBT (direct liabilities 1.1.)	10.305.897.030	11.345.761.028	1.211.355.136.876

1.2. EXTERNAL DEBT

Debt Description	Debt stock as of February 29, 2020 in **EUR**	Debt stock as of February 29, 2020 in **USD**	Debt stock as of February 29, 2020 in **RSD**
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.207.970.676	2.430.754.700	259.524.873.224
INTERNATIONAL DEVELOPMENT ASSOCIATION	198.530.127	218.561.797	23.335.231.120
EUROPEAN INVESTMENT BANK	1.212.877.403	1.335.256.614	142.561.609.942
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	80.359.342	88.467.591	9.445.437.028
COUNCIL OF EUROPE DEVELOPMENT BANK	194.746.233	214.396.109	22.890.472.235
EXPORT - IMPORT BANK OF CHINA	1.128.105.781	1.241.931.544	132.597.553.504
EUROBONDS	3.003.356.474	3.306.394.848	353.014.520.000
KfW DEVELOPMENT BANK	65.469.033	72.074.852	7.695.230.105
PARIS CLUB CREDITORS	1.008.747.142	1.110.529.630	118.568.139.098
FOREIGN GOVERNMENT LOANS	3.006.795.299	3.310.180.650	353.418.719.490
EUROPEAN UNION	2.700.000	2.972.430	317.358.000
INTERNATIONAL MONETARY FUND	483.183.159	531.936.292	56.793.348.492
EXTERNAL DEBT (direct liabilities 1.2.)	12.592.840.669	13.863.457.056	1.480.162.492.237
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	22.898.737.699	25.209.218.085	2.691.517.629.113

2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT

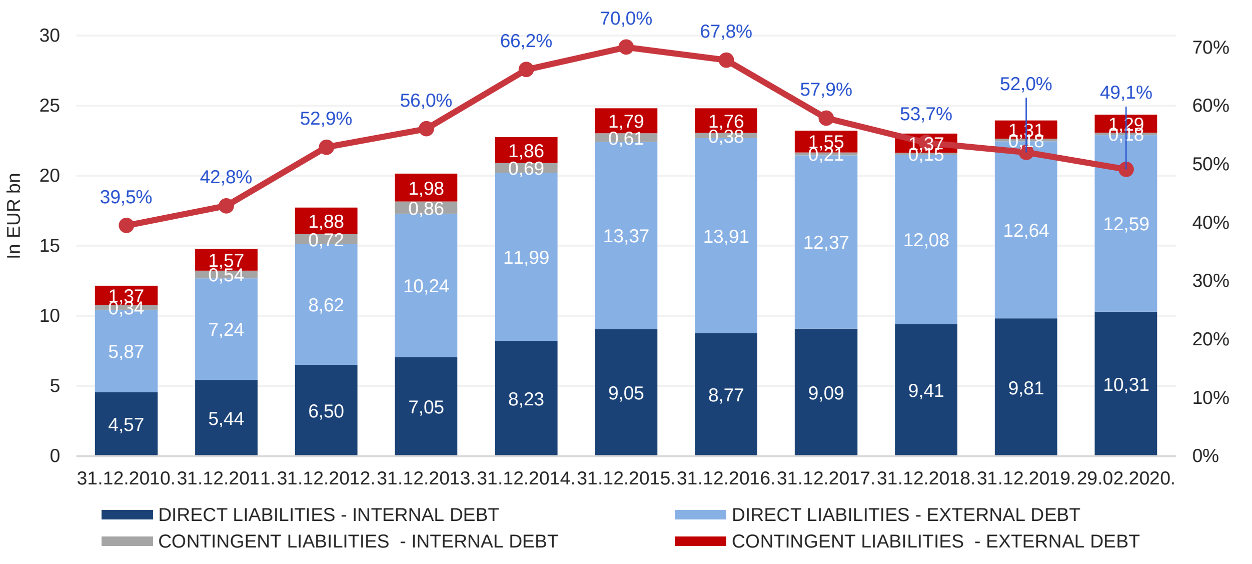
Debt Description	Debt stock as of February 29, 2020 in **EUR**	Debt stock as of February 29, 2020 in **USD**	Debt stock as of February 29, 2020 in **RSD**
COMMERCIAL BANK LOANS	176.183.312	193.960.191	20.708.586.530
INTERNAL DEBT (direct liabilities 2.1.)	176.183.312	193.960.191	20.708.586.530

2.2. EXTERNAL DEBT

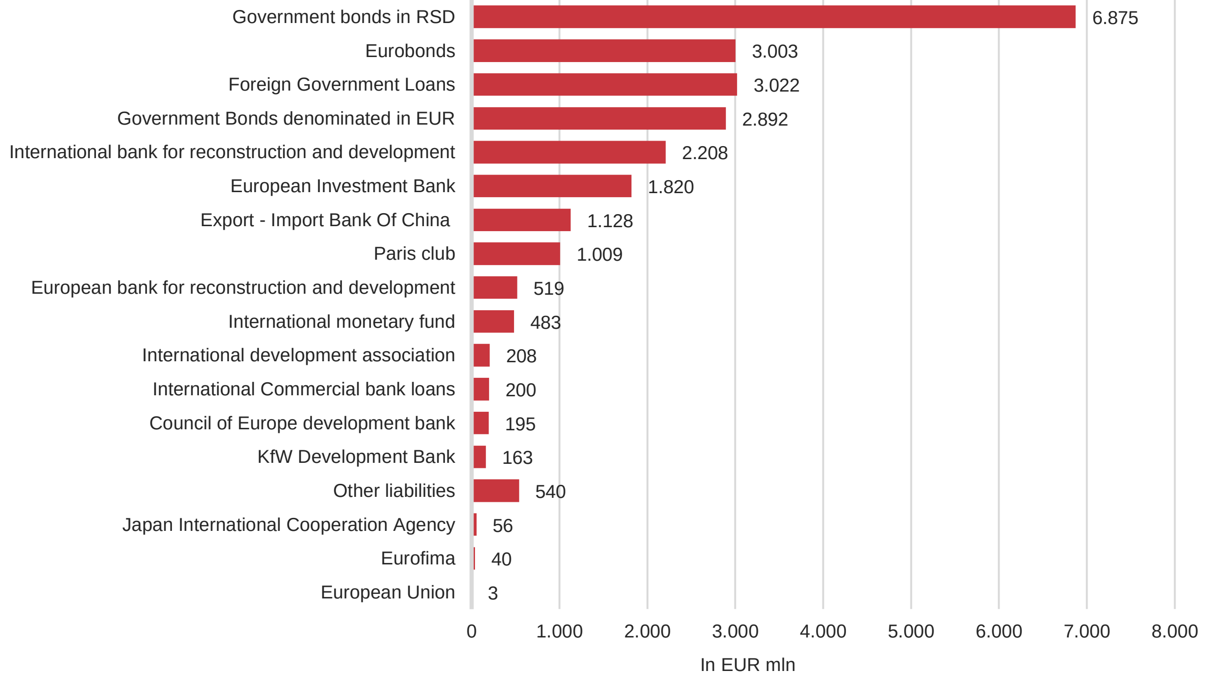
Debt Description	Debt stock as of February 29, 2020 in **EUR**	Debt stock as of February 29, 2020 in **USD**	Debt stock as of February 29, 2020 in **RSD**
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	438.867.521	483.149.211	51.584.488.441
EUROPEAN INVESTMENT BANK	606.673.506	667.886.803	71.308.403.889
KfW DEVELOPMENT BANK	97.420.937	107.250.700	11.450.856.927
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	40.386.965	44.462.006	4.747.083.900
INTERNATIONAL DEVELOPMENT ASSOCIATION	9.083.904	10.000.469	1.067.722.123
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	55.896.091	61.536.001	6.570.026.516
FOREIGN GOVERNMENT LOANS	15.638.127	17.216.013	1.838.105.487
INTERNATIONAL COMMERCIAL BANK LOANS	24.162.398	26.600.382	2.840.048.299
EXTERNAL DEBT (direct liabilities 2.2.)	1.288.129.450	1.418.101.585	151.406.735.582
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	**1.464.312.763**	**1.612.061.777**	**172.115.322.112**

TOTAL INTERNAL DEBT (1.1.+ 2.1.)	10.482.080.342	11.539.721.220	1.232.063.723.406
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	13.880.970.119	15.281.558.642	1.631.569.227.819
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	**24.363.050.461**	**26.821.279.861**	**2.863.632.951.225**

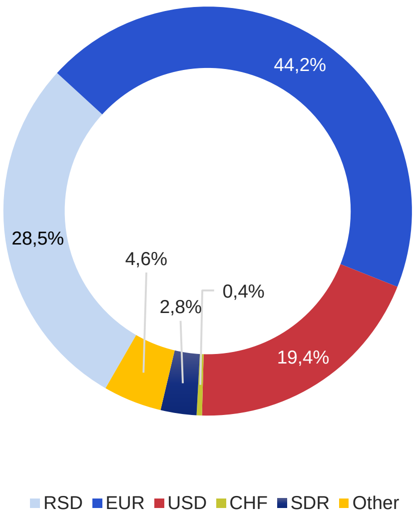
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 29.02.2020.



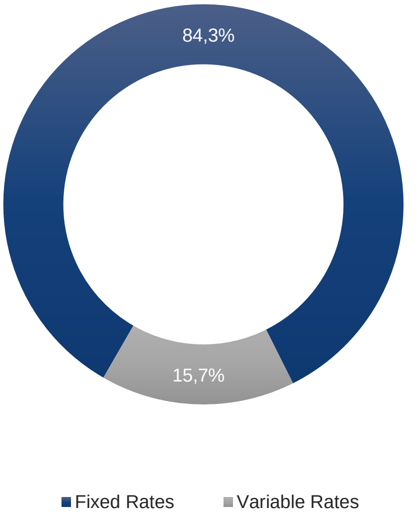
CREDITORS OVERVIEW AS OF FEBRUARY 29, 2020



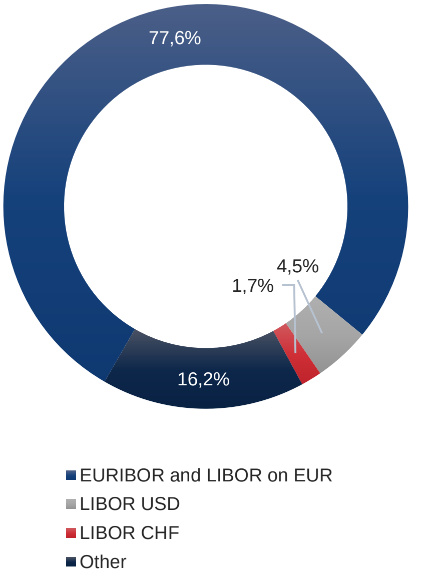
CENTRAL GOVERNMENT PUBLIC DEBT CURRENCY STRUCTURE AS OF FEBRUARY 29, 2020



INTEREST RATE STRUCTURE AS OF FEBRUARY 29, 2020



VARIABLE INTEREST RATES STRUCTURE AS OF FEBRUARY 29, 2020

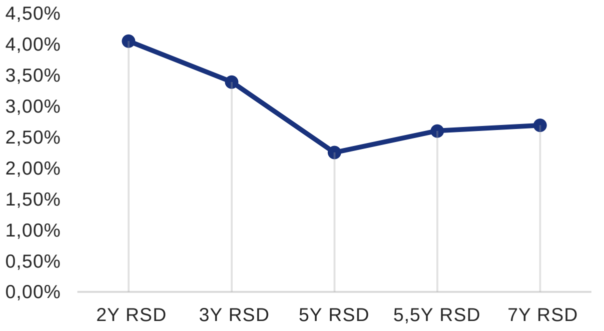


III. OVERVIEW OF NON-MATURED GOVERNMENT SECURITIES ISSUED ON DOMESTIC MARKET

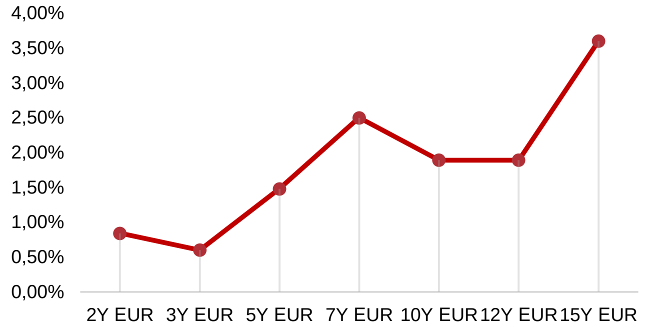
GOVERNMENT SECURITIES STOCK AS OF FEBRUARY 29, 2020

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
3Y Government Bond with fixed coupon rate	176.829.350.000,00	3,75%	3,39%
5Y Government Bond with fixed coupon rate	137.801.088.250,00	4,00%	2,25%
5.5Y Government Bond with fixed coupon rate	19.694.240.000,00	3,00%	2,60%
7Y Government Bond with fixed coupon rate	343.546.380.000,00	4,50%	2,69%
10Y Government Bond with fixed coupon rate	110.882.410.000,00	5,88%	4,80%
12,5Y Government Bond with fixed coupon rate	19.304.110.000,00	4,50%	3,40%
Total in RSD	**808.057.578.250 RSD**		
Government Bonds Denominated in EUR			
2Y Government Bond with fixed coupon rate	217.867.000,00	0,50%	0,49%
3Y Government Bond with fixed coupon rate	533.461.000,00	1,25%	0,60%
5Y Government Bond with fixed coupon rate	918.110.000,00	1,75%	1,48%
7Y Government Bond with fixed coupon rate	65.129.000,00	2,50%	2,50%
10Y Government Bond with fixed coupon rate	632.371.000,00	3,25%	1,89%
12Y Government Bond with fixed coupon rate	52.734.000,00	2,00%	1,89%
15Y Government Bond with fixed coupon rate	321.882.000,00	3,50%	3,60%
20Y Government Bond with fixed coupon rate	150.000.000,00	3,50%	3,00%
Total in EUR	**2.891.554.000 EUR**		

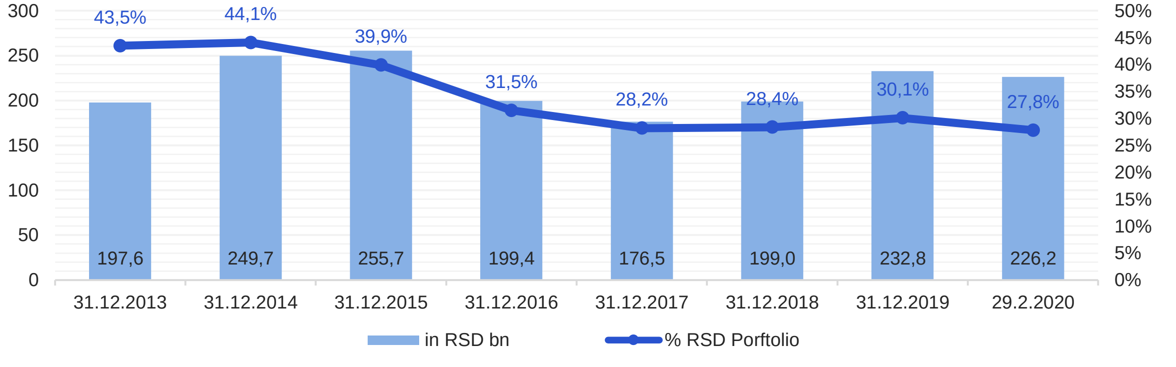
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF FEBRUARY 29, 2020



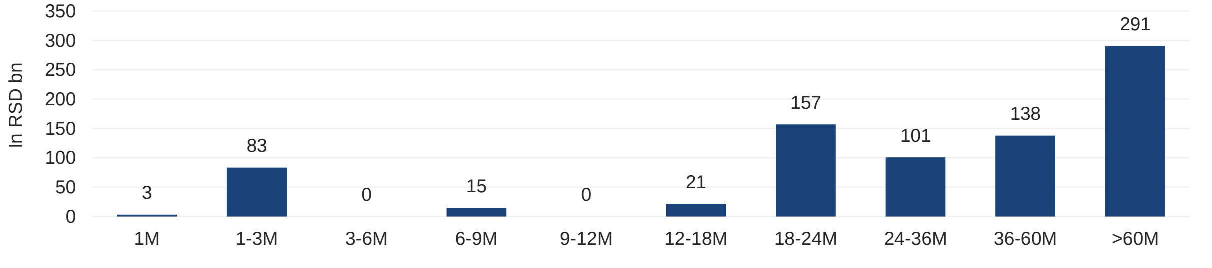
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF FEBRUARY 29, 2020



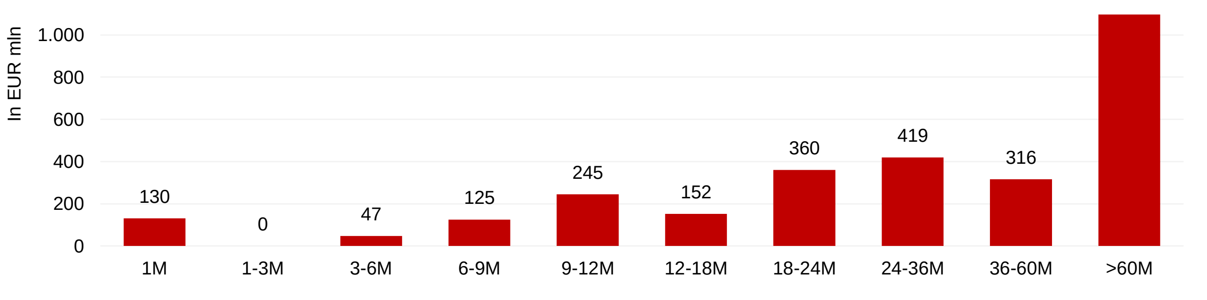
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF FEBRUARY 29, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF FEBRUARY 29, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF FEBRUARY 29, 2020



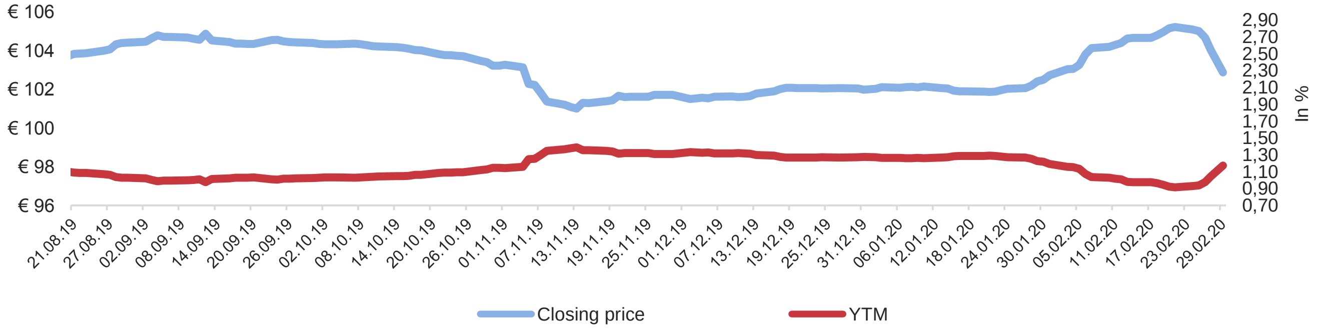
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

Security name	Year	Currency	Issued Amount	Amount Outstanding	Issue Date	Maturity Date	Coupon (%)	Re-Offer Yield (%)	Issuance Price
SERBIA 7 1/4 09/28/21*	2011	USD	2.000.000.000	1.600.000.000 **	28.09.2011	28.09.2021	7,250	7,500/6,625	98,263/104,179
SERBIA 4 7/8 02/25/20	2013	USD	1.500.000.000	0,00	25.02.2013	25.02.2020	4,875	5,150	98,401
SERBIA 1 1/2 06/26/29*	2019	EUR	1.550.000.000	1.550.000.000	26.06.2019	26.06.2029	1,500	1,619/1,250	98,909/102,251

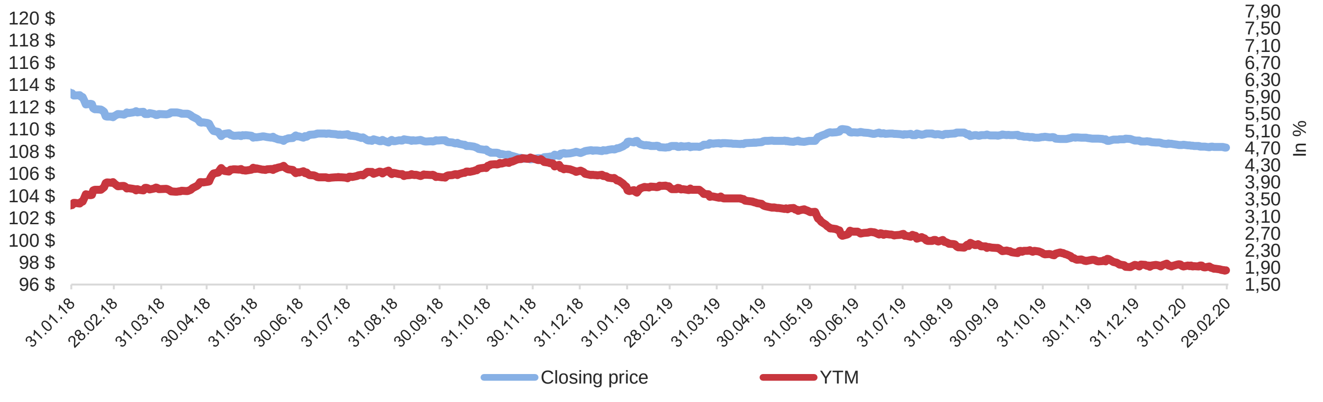
*Table includes date for the Tap issuance of the Serbia 2021, from September 27, 2012 and the Serbia 2029, from 12 November 2019.

** The reduced amount outstanding is a result of buyback of USD Notes accordng to Tender Offer, executed on 27th of June 2019 and 28th of October.

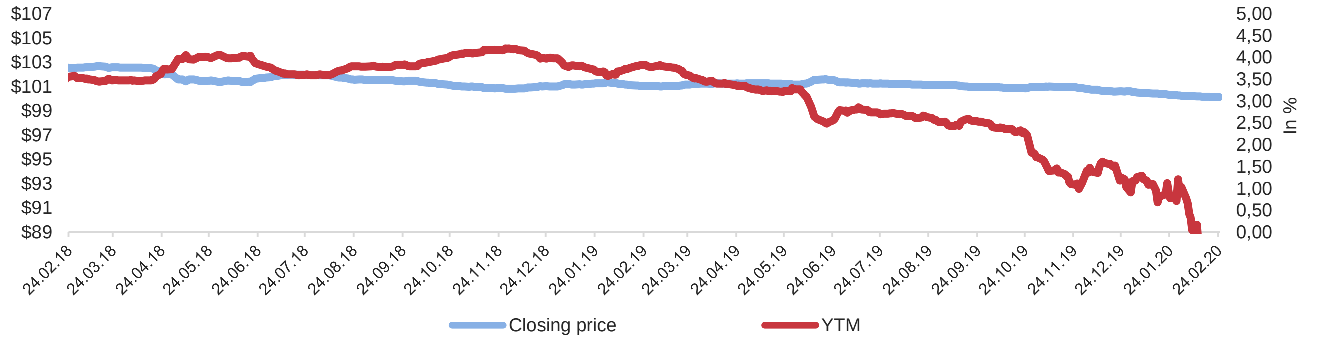
YIELD/PRICE CURVE – EUROBOND 2029



YIELD/PRICE CURVE – EUROBOND 2021

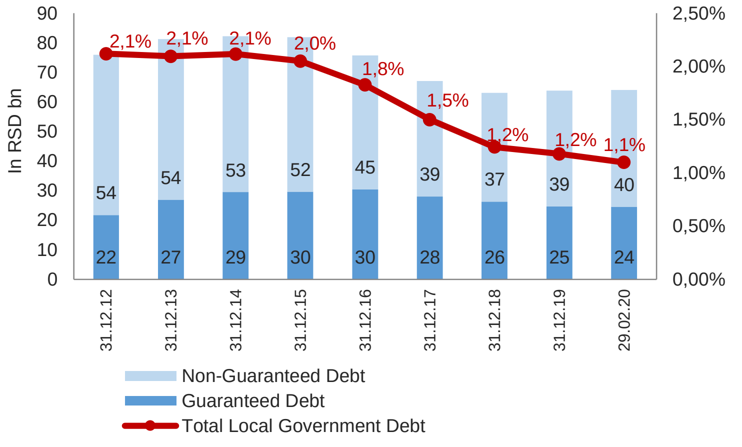


YIELD/PRICE CURVE – EUROBOND 2020

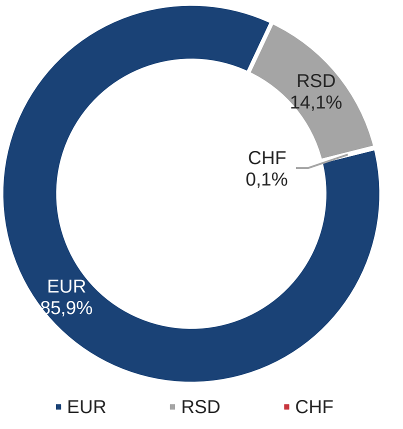


IV. LOCAL GOVERNMENT DEBT ANALYSIS

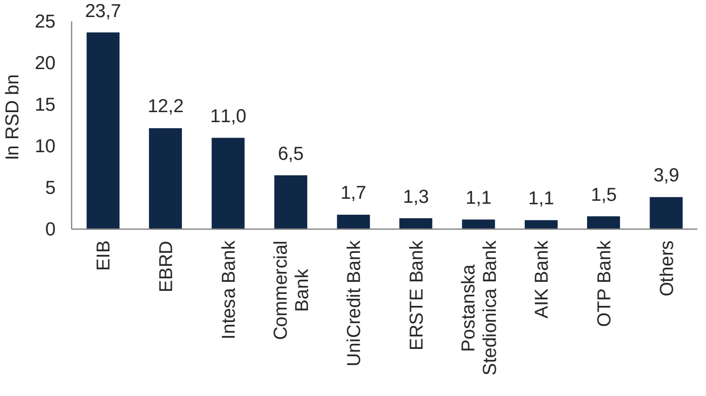
LOCAL GOVERNMENT DEBT DYNAMICS AS OF FEBRUARY 29, 2020



CURRENCY COMPOSITION AS OF FEBRUARY 29, 2020



CREDITORS OVERVIEW AS OF FEBRUARY 29, 2020



INTEREST RATE STRUCTURE AS OF FEBRUARY 29, 2020

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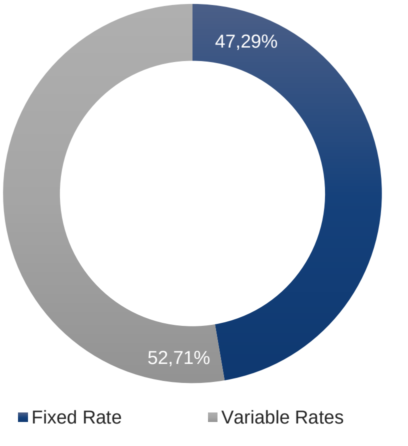

Share of the top 5 Local Governments in total debt	78,4%
O/W Belgrade	58,6%
Debt maturing till the end of 2020	7.856.862.207
Debt maturing in 2021	9.230.046.751
Debt maturing in 2022	8.437.793.723
Maximum level of debt based on contracted amount	69.562.687.327
Interest Rate Risk	52,7%
FX Risk	85,9%
Local Government Debt to GDP	1,1%
O/W Non-Guaranteed Debt	0,7%
Maximum Debt Level to GDP	1,2%
Share of the top 10 Creditors in total Local Government Debt	94,0%
Share of Foreign Creditors in Total Local Government Debt	56,0%
Total Available Credit Potential	82.583.341.528
Share of the top 10 Local Governments with the highest available credit potential	40,6%
Share of Investment Project Loans in total Local Government Debt	99,6%

Local Government	**Debt Stock as of February 29, 2020**
Beograd	37.524.082.361
AP Vojvodina	6.043.916.164
Novi Sad	2.853.495.206
Kragujevac	2.663.276.190
Nis	1.102.862.810
Sabac	1.084.463.316
Subotica	797.851.998
Vranje	650.313.058
Pecinci	563.674.471
Sremska Mitrovica	552.432.330
% of total	**84,1%**