



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

March 2020

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Bloomberg Page <RSMF> <GO>
Belgrade, March 2020
#96

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 public debt of the central government in March 2020 compared to February 2020 decreased by 7.3 billion RSD (100 million EUR) and amounts to 2,856.3 billion RSD (24.3 billion EUR). The share of central government public debt in GDP (ESA 2010 methodology) at the end of March 2020 was 51.9%. The percentage of public debt in foreign currency at the end of March was 71.2%, of which in EUR 44.0%, USD 19.4%, SDR 2.8%, CHF 0.4% and other foreign currencies 4.7% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD was 28.8%.

Despite the crisis caused by the corona virus (COVID-19), which affected all world economies, the Fitch Ratings agency confirmed the credit rating of the Republic of Serbia at the level of BB+ with a stable outlook for further improvement. According to the agency, a well-balanced budget for 2020, fiscal discipline of the Government of the Republic of Serbia and the amount of deposits, provide enough fiscal space for post-crisis response.

As of March 2020, the total number of auctions amounted to 9 (out of which 4 auctions in RSD and 5 auctions in EUR). Total receivings in this period amount to RSD 53,309,010,000 and EUR 313,653,971, at par value. In the same period, two Buy-Back auctions (auctions of early redemption of previously issued securities) were realized, with a total nominal value of RSD 10,194,520,000 (RSD 11,118,617,092 market value). Securities with original maturities of 3 years in the amount of RSD 5,194,520,000 (maturity January 2022) and 7 years in the amount of RSD 5,000,000,000 (maturity July 2023) were redeemed.

In the mentioned period, there were no significant changes in borrowing costs, i.e. there was not a significant increase along the yield curve. The yield on the first-issued 12G bond in dinars in February, with a 4.5% coupon rate, recorded a yield rate of 3.4. In March 2020, just before the introduction of the state of emergency, this security recored an even lower rate of 3.35%.

In the first quarter of 2020, public debt was repaid in the amount of RSD 140.2 billion (EUR 1.2 billion), of which RSD 93.2 billion (EUR 800 million) for principal repayment and RSD 47.0 billion (EUR 400 million) for interest repayment. In the same period, the Republic of Serbia borrowed an additional amount of RSD 124.6 billion (EUR 1.1 billion), of which RSD 24.1 billion (EUR 200 million) related to project loans, RSD 10.2 billion (EUR 85 million) on liabilities based on unpaid foreign currency savings of citizens from the territory of the former SFRY and 90.3 billion RSD (800 million EUR) on securities issued on the domestic market.

On March 16, 2020, in the Prime list, the Prime Listing Bonds market segment, long-term government securities, amortization bonds, issued in accordance with the Law on Public Debt Regulation of the Republic of Serbia on the basis of unpaid foreign currency savings of citizens deposited with banks whose seat was in the territory of the Republic of Serbia and their branches in the territories of the former SFRY Republics ("RS Official Gazette", Nos. 108/2016, 113/2017 and 52/2019). The trading of the included government bonds, of each individual series, is organized by the continuous trading method, starting with the stock exchange meeting organized on March 23, 2020, with trading characteristics determined by the rules of business and the Belgrade Stock Exchange Decision

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF MARCH 31, 2020

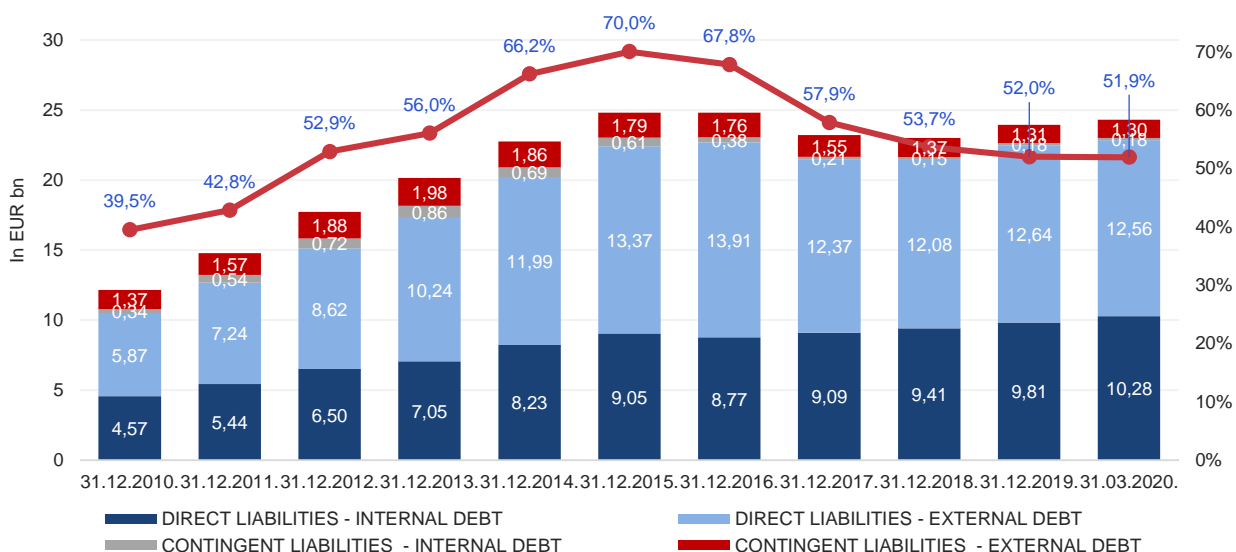
	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	10.280.380.973	11.323.843.039	1.207.987.941.946	21,9%
External Debt	12.556.275.436	13.830.741.542	1.475.415.100.076	26,8%
<i>Direct Liabilities in Total</i>	22.836.656.409	25.154.584.581	2.683.403.042.022	48,7%
Contingent Liabilities (B)				
Internal Debt	176.183.312	194.065.977	20.702.279.168	0,4%
External Debt	1.295.593.333	1.427.096.484	152.237.658.061	2,8%
<i>Contingent Liabilities in Total</i>	1.471.776.645	1.621.162.461	172.939.937.229	3,1%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	232.294.204	255.872.143	27.295.544.649	0,5%
External Debt	98.794.529	108.822.206	11.608.772.037	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	331.088.733	364.694.349	38.904.316.686	0,7%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	85.326.850	93.987.554	10.026.263.284	0,18%
Central Government Public Debt (A+B)	24.308.433.054	26.775.747.041	2.856.342.979.250	51,9%
General Government Public Debt (A+B+C+D)	24.724.848.637	27.234.428.944	2.905.273.559.220	52,8%

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF MARCH 31, 2020.

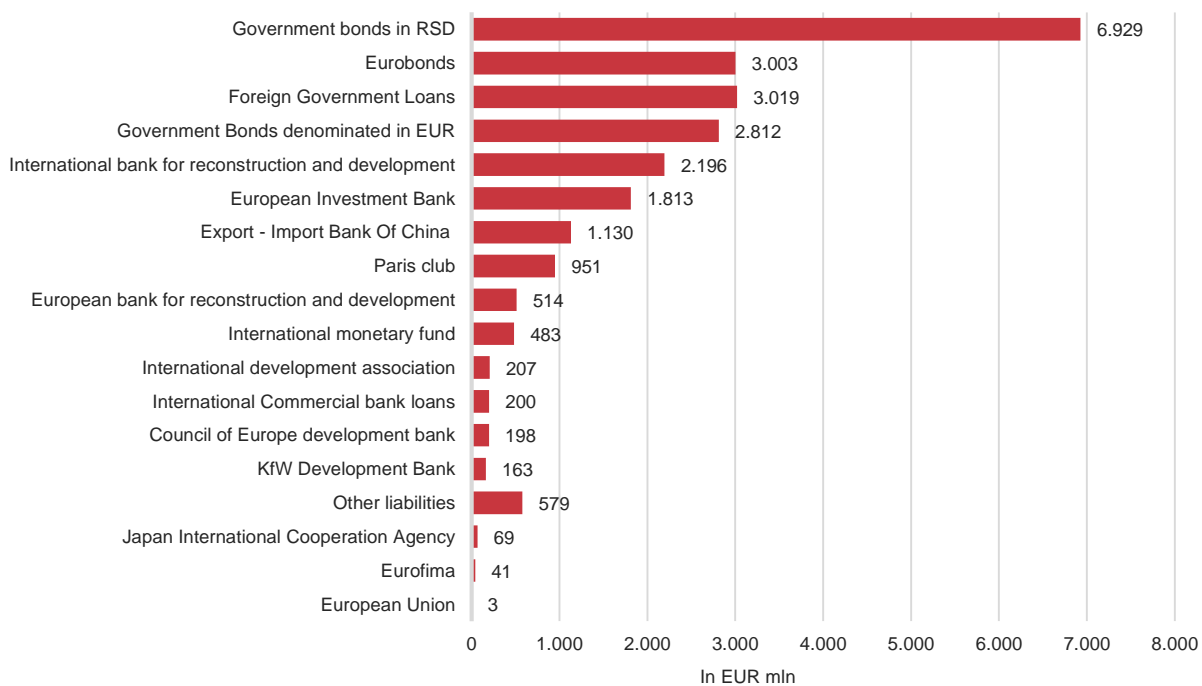
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of March 31, 2020 in EUR (in 000)	Debt stock as of March 31, 2020 in USD (in 000)	Debt stock as of March 31, 2020 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	9.741.102	10.729.827	1.144.620.440
RETAIL BONDS	17.929	19.749	2.106.751
OTHER LIABILITIES	521.349	574.267	61.260.751
INTERNAL DEBT (direct liabilities 1.1.)	10.280.381	11.323.843	1.207.987.942
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of March 31, 2020 in EUR (in 000)	Debt stock as of March 31, 2020 in USD (in 000)	Debt stock as of March 31, 2020 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.195.999	2.418.894	258.039.130
INTERNATIONAL DEVELOPMENT ASSOCIATION	198.554	218.707	23.330.891
EUROPEAN INVESTMENT BANK	1.207.259	1.329.796	141.858.014
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	78.291	86.238	9.199.565
COUNCIL OF EUROPE DEVELOPMENT BANK	197.746	217.818	23.236.013
EXPORT - IMPORT BANK OF CHINA	1.129.508	1.244.153	132.721.932
EUROBONDS	3.002.564	3.307.326	352.813.910
KfW DEVELOPMENT BANK	65.968	72.663	7.751.482
PARIS CLUB CREDITORS	950.689	1.047.185	111.710.007
FOREIGN GOVERNMENT LOANS	3.003.756	3.308.638	352.953.942
EUROPEAN UNION	2.700	2.974	317.261
INTERNATIONAL MONETARY FUND	483.240	532.290	56.782.785
Other liabilities	40.000	44.060	4.700.168
EXTERNAL DEBT (direct liabilities 1.2.)	12.556.275	13.830.742	1.475.415.100
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	22.836.656	25.154.585	2.683.403.042
2. CONTINGENT LIABILITIES			
2.1. INTERNAL DEBT			
Debt Description	Debt stock as of March 31, 2020 in EUR (in 000)	Debt stock as of March 31, 2020 in USD (in 000)	Debt stock as of March 31, 2020 in RSD (in 000)
COMMERCIAL BANK LOANS	176.183	194.066	20.702.279
INTERNAL DEBT (direct liabilities 2.1.)	176.183	194.066	20.702.279
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of March 31, 2020 in EUR (in 000)	Debt stock as of March 31, 2020 in USD (in 000)	Debt stock as of March 31, 2020 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	435.393	479.585	51.160.468
EUROPEAN INVESTMENT BANK	605.602	667.071	71.160.774
KfW DEVELOPMENT BANK	97.501	107.398	11.456.808
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	40.639	44.764	4.775.240
INTERNATIONAL DEVELOPMENT ASSOCIATION	8.259	9.097	970.476
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	69.098	76.111	8.119.276
FOREIGN GOVERNMENT LOANS	15.636	17.223	1.837.277
INTERNATIONAL COMMERCIAL BANK LOANS	23.466	25.848	2.757.339
EXTERNAL DEBT (direct liabilities 2.2.)	1.295.593	1.427.096	152.237.658
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.471.777	1.621.162	172.939.937
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	10.456.564	11.517.909	1.228.690.221
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	13.851.869	15.257.838	1.627.652.758
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	24.308.433	26.775.747	2.856.342.979

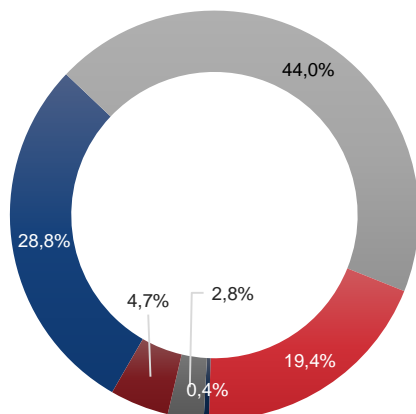
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 31.03.2020.



CREDITORS OVERVIEW AS OF MARCH 31, 2020

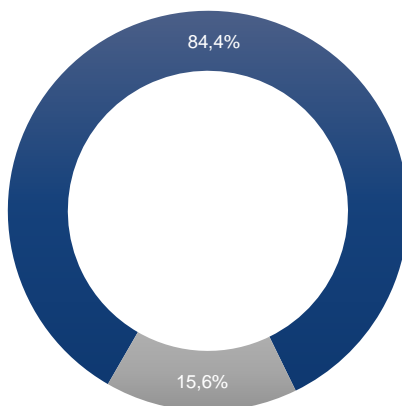


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF MARCH 31,
2020



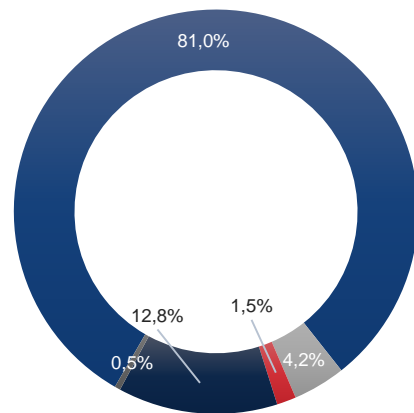
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF MARCH 31, 2020



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF MARCH 31, 2020



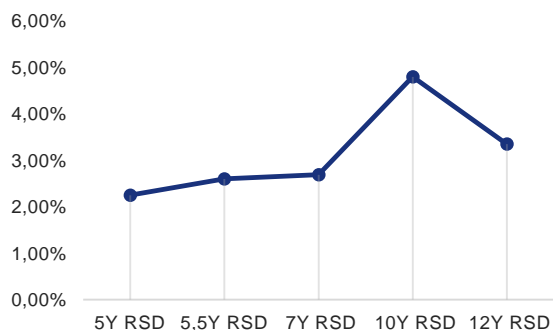
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

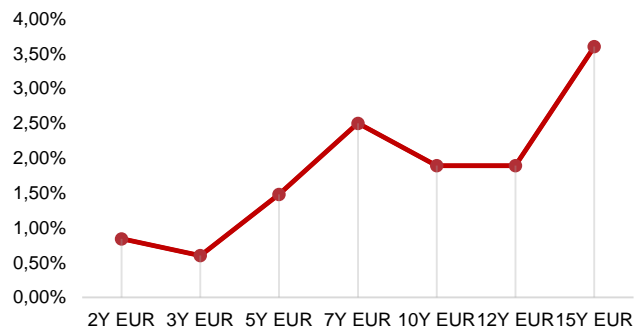
GOVERNMENT SECURITIES STOCK AS OF MARCH 31, 2020

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
3Y Government Bond with fixed coupon rate	171.634.830.000,00	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	340.546.380.000,00	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	33.614.770.000,00	4,50%	3,35%
Total in RSD	814.173.718.250 RSD		
Government Bonds Denominated in EUR			
2Y Government Bond with fixed coupon rate	205.055.000,00	0,50%	0,49%
3Y Government Bond with fixed coupon rate	498.842.000,00	1,25%	0,60%
5Y Government Bond with fixed coupon rate	839.566.000,00	1,00%	1,10%
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	99.367.000,00	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	2.812.212.000 EUR		

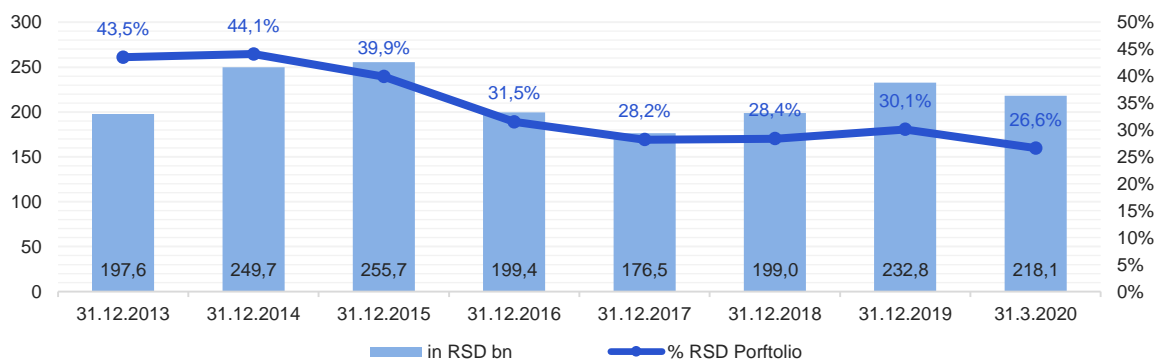
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF MARCH 31, 2020



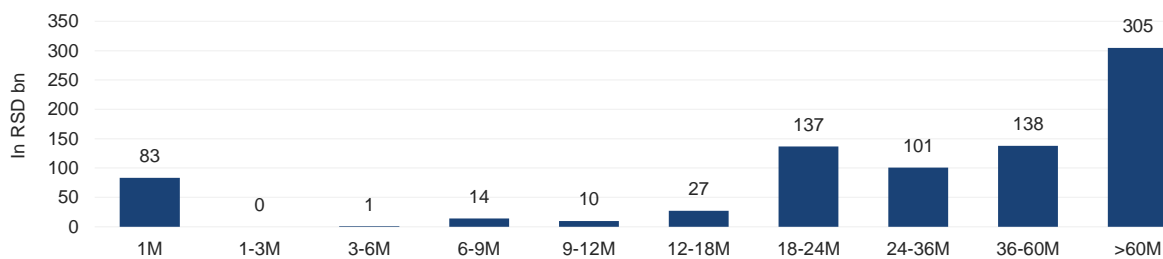
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF MARCH 31, 2020



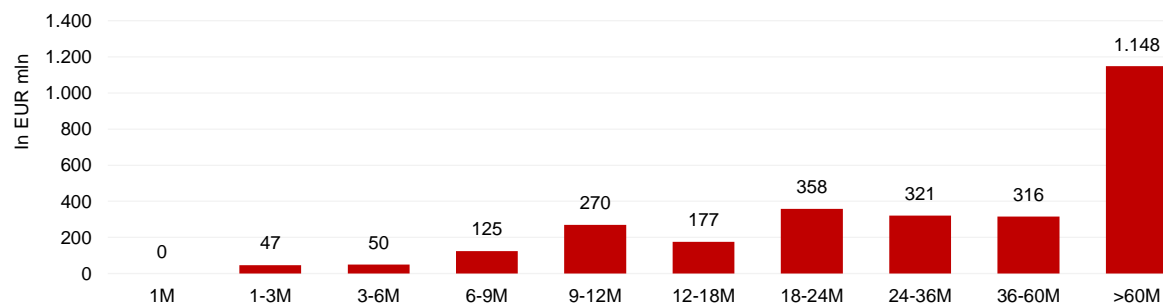
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF MARCH 31, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF MARCH 31, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF MARCH 31, 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 according to Tender Offer, executed on 27th of June 2019 and 28th of October.

YIELD/PRICE CURVE – EUROBOND 2029

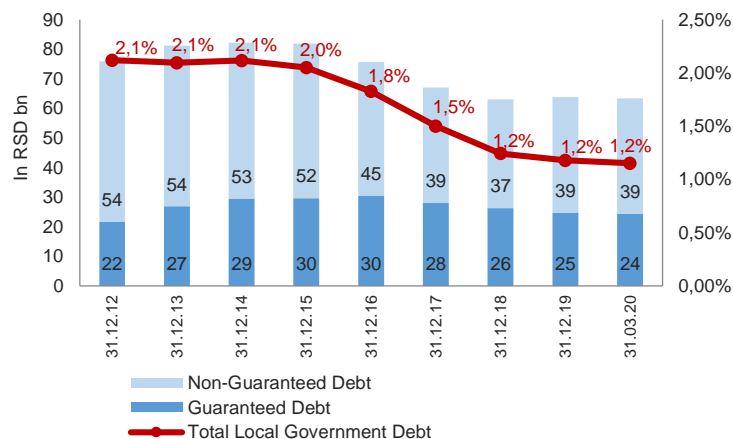


YIELD/PRICE CURVE – EUROBOND 2021

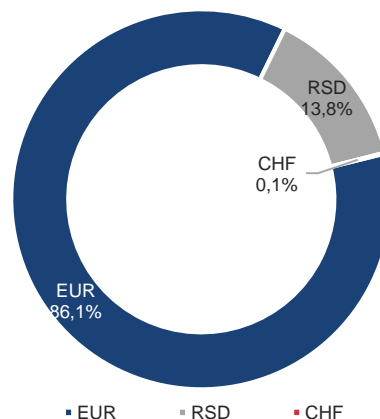


IV. LOCAL GOVERNMENT DEBT ANALYSIS

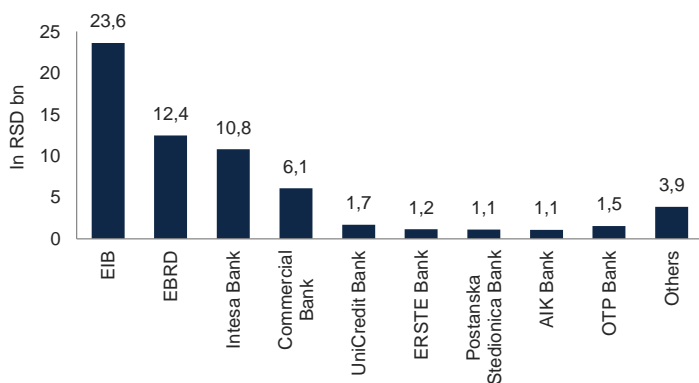
LOCAL GOVERNMENT DEBT DYNAMICS AS OF MARCH 31, 2020



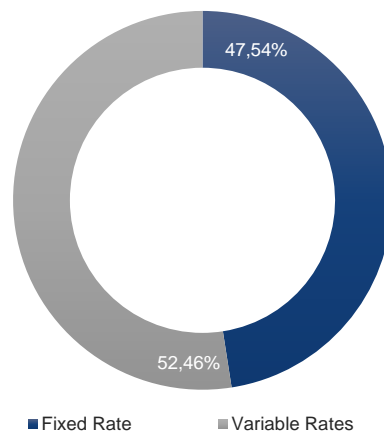
CURRENCY COMPOSITION AS OF MARCH 31, 2020



CREDITORS OVERVIEW AS OF MARCH 31, 2020



INTEREST RATE STRUCTURE AS OF MARCH 31, 2020



Share of the top 5 Local Governments in total debt	79,4%
O/W Belgrade	59,5%
Debt maturing till the end of 2020	7.542.771.202
Debt maturing in 2021	9.086.564.153
Debt maturing in 2022	8.278.761.304
Maximum level of debt based on contracted amount	68.585.042.197
Interest Rate Risk	52,5%
FX Risk	86,2%
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	93,9%
Share of Foreign Creditors in Total Local Government Debt	56,9%
Total Available Credit Potential	82.907.121.602
Share of the top 10 Local Governments with the highest available credit potential	40,4%
Share of Investment Project Loans in total Local Government Debt	99,6%

Local Government	Debt Stock as of March 31, 2020
Beograd	37.699.256.305
AP Vojvodina	5.992.330.481
Novi Sad	2.852.626.097
Kragujevac	2.635.777.918
Nis	1.092.330.648
Sabac	1.084.463.316
Subotica	837.637.800
Vranje	644.680.340
Sremska Mitrovica	552.264.072
Indjija	482.955.039
% of total	85,0%

