



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

April 2020

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Bloomberg Page <RSMF> <GO>
Belgrade, April 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.

The public debt of the central government in April 2020 compared to March 2020 increased by 31.2 billion RSD (250 million EUR) and amounts to 2,887.5 billion RSD (24.6 billion EUR). The share of central government public debt in GDP (ESA 2010 methodology) at the end of April 2020 was 52.4%. The percentage of public debt in foreign currency at the end of April was 71.2%, of which in EUR 43.8%, USD 19.5%, 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.

In April 2020, the total number of auctions amounted to 5 (out of which 4 auctions in RSD and 1 auction in EUR). Total receivings in April amount to 98,871,430,000 RSD and 40,145,000 EUR, at par value.

In the first four months, the total number of auctions amounted to 14 (out of which 8 auctions in RSD and 6 auctions in EUR). Total receivings in this period amount to RSD 152,180,440,000 and EUR 353,773,000, 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.

After a long period, in April 2020, due to the crisis caused by corona virus and increased needs for borrowing, the financing plan was changed and the new issues were moved to shorter maturities, and therefore a 3Y RSD bond with a coupon rate of 2% was issued. At the auction of this security, the yield was 2.15%, which is 1.24 percentage points less when compared to the previous auction of the security with the same maturity, held in June 2019.

In April 2020, public debt in the amount of RSD 93.5 billion (EUR 800 million) was repaid, of which RSD 86.8 billion (EUR 740 million) for principal repayment and RSD 6.7 billion (EUR 60 million) for interest repayment. In the same month, the Republic of Serbia borrowed an additional RSD 111.5 billion (EUR 950 million), of which RSD 7.9 billion (EUR 70 million) related to project loans and RSD 103.6 billion (EUR 880 million) to securities issued on the domestic market.

In the first four months of 2020, public debt was repaid in the amount of RSD 233.7 billion (EUR 2 billion), of which RSD 180.0 billion (EUR 1.5 billion) for principal repayment and RSD 53.6 billion (EUR 500 million) for interest repayment. In the same period, the Republic of Serbia borrowed an additional amount of RSD 236.1 billion (EUR 2 billion), of which RSD 32.0 billion (EUR 270 million) related to project loans, RSD 10.2 billion (EUR 87 million) to liabilities based on unpaid foreign currency savings of citizens from the territory of the former SFRY and 193.9 billion RSD (EUR 1.6 billion) to securities issued on the domestic market.

The total turnover of government securities in the first four months was 172.5 billion dinars, of which 154 billion was the turnover of dinar securities.

In April 2020, the total turnover of dinar securities was 20.4 billion dinars, while the turnover of euro-denominated securities in April amounted to 3 billion dinars.

Compared to March, in April there was a decrease in the total turnover of dinar securities in the amount of 12.4 billion dinars and a decrease in the total turnover of euro-denominated securities in the amount of 1.4 billion dinars, due to the COVID-19 pandemic.

The turnover of seven-year benchmark bonds maturing in July 2023 and January 2026 was 64% of the turnover in April.

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF APRIL 30, 2020

| | EUR | USD | RSD | % GDP |
|--|-----------------------|-----------------------|--------------------------|--------------|
| Direct Liabilities (A) | | | | |
| Internal Debt | 10.400.872.667 | 11.297.423.760 | 1.223.115.583.424 | 22,2% |
| External Debt | 12.685.785.017 | 13.779.294.647 | 1.491.815.334.975 | 27,1% |
| <i>Direct Liabilities in Total</i> | 23.086.657.685 | 25.076.718.408 | 2.714.930.918.399 | 49,3% |
| Contingent Liabilities (B) | | | | |
| Internal Debt | 176.133.312 | 191.315.934 | 20.712.819.582 | 0,4% |
| External Debt | 1.291.633.061 | 1.402.971.318 | 151.892.689.760 | 2,8% |
| <i>Contingent Liabilities in Total</i> | 1.467.766.374 | 1.594.287.252 | 172.605.509.342 | 3,1% |
| Non-Guaranteed Local Government Debt (C) | | | | |
| Internal Debt | 232.813.890 | 252.882.354 | 27.378.308.100 | 0,5% |
| External Debt | 98.794.528 | 107.310.578 | 11.617.979.686 | 0,2% |
| <i>Non-Guaranteed Local Government Debt in Total</i> | 331.608.418 | 360.192.932 | 38.996.287.785 | 0,7% |
| Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D) | | | | |
| | 85.359.627 | 92.717.593 | 10.038.070.251 | 0,18% |
| Central Government Public Debt (A+B) | 24.554.424.058 | 26.671.005.660 | 2.887.536.427.741 | 52,4% |
| General Government Public Debt (A+B+C+D) | 24.971.392.104 | 27.123.916.185 | 2.936.570.785.777 | 53,3% |

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF APRIL 30, 2020.

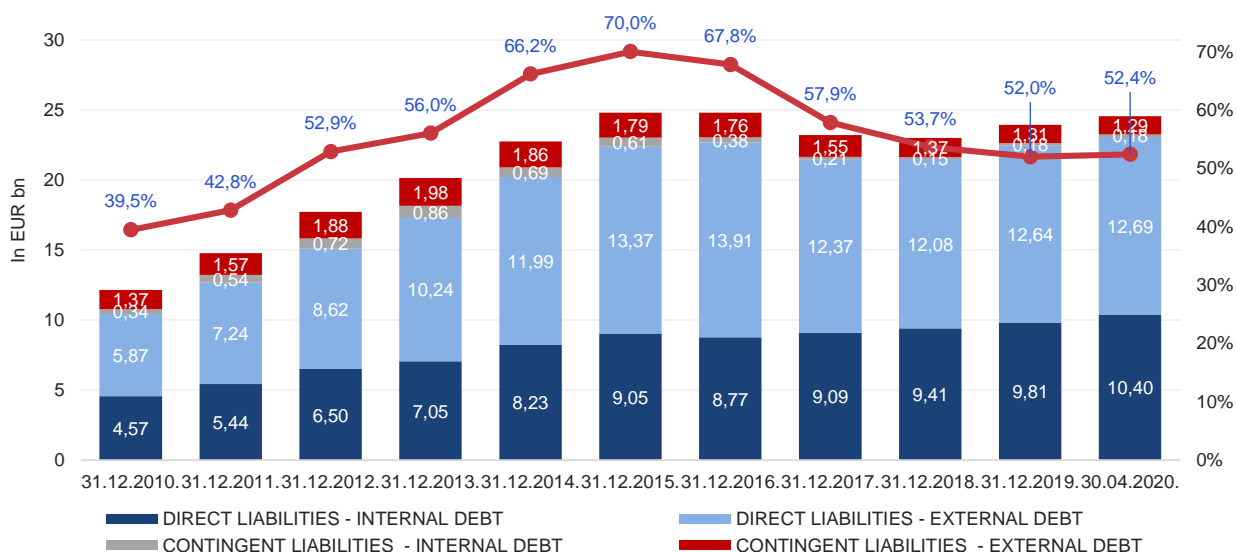
1. DIRECT LIABILITIES

| 1.1. INTERNAL DEBT | | | |
|---|---|---|---|
| Debt Description | Debt stock as of April 30, 2020 in EUR (in 000) | Debt stock as of April 30, 2020 in USD (in 000) | Debt stock as of April 30, 2020 in RSD (in 000) |
| GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET | 9.859.965 | 10.709.890 | 1.159.506.275 |
| RETAIL BONDS | 17.928 | 19.473 | 2.108.283 |
| OTHER LIABILITIES | 522.979 | 568.060 | 61.501.025 |
| INTERNAL DEBT (direct liabilities 1.1.) | 10.400.873 | 11.297.424 | 1.223.115.583 |
| 1.2. EXTERNAL DEBT | | | |
| Debt Description | Debt stock as of April 30, 2020 in EUR (in 000) | Debt stock as of April 30, 2020 in USD (in 000) | Debt stock as of April 30, 2020 in RSD (in 000) |
| INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | 2.218.630 | 2.409.875 | 260.905.132 |
| INTERNATIONAL DEVELOPMENT ASSOCIATION | 194.251 | 210.995 | 22.843.383 |
| EUROPEAN INVESTMENT BANK | 1.220.021 | 1.325.186 | 143.471.286 |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT | 78.327 | 85.079 | 9.211.037 |
| COUNCIL OF EUROPE DEVELOPMENT BANK | 197.047 | 214.032 | 23.172.202 |
| EXPORT - IMPORT BANK OF CHINA | 1.147.983 | 1.246.938 | 134.999.763 |
| EUROBONDS | 3.023.026 | 3.283.609 | 355.499.970 |
| KfW DEVELOPMENT BANK | 67.383 | 73.191 | 7.924.010 |
| PARIS CLUB CREDITORS | 956.694 | 1.039.161 | 112.504.725 |
| FOREIGN GOVERNMENT LOANS | 3.052.051 | 3.315.137 | 358.913.273 |
| EUROPEAN UNION | 2.700 | 2.933 | 317.513 |
| INTERNATIONAL MONETARY FUND | 487.674 | 529.711 | 57.349.146 |
| Other liabilities | 40.000 | 43.448 | 4.703.896 |
| EXTERNAL DEBT (direct liabilities 1.2.) | 12.685.785 | 13.779.295 | 1.491.815.335 |
| TOTAL DIRECT LIABILITIES (1.1. + 1.2.) | 23.086.658 | 25.076.718 | 2.714.930.918 |

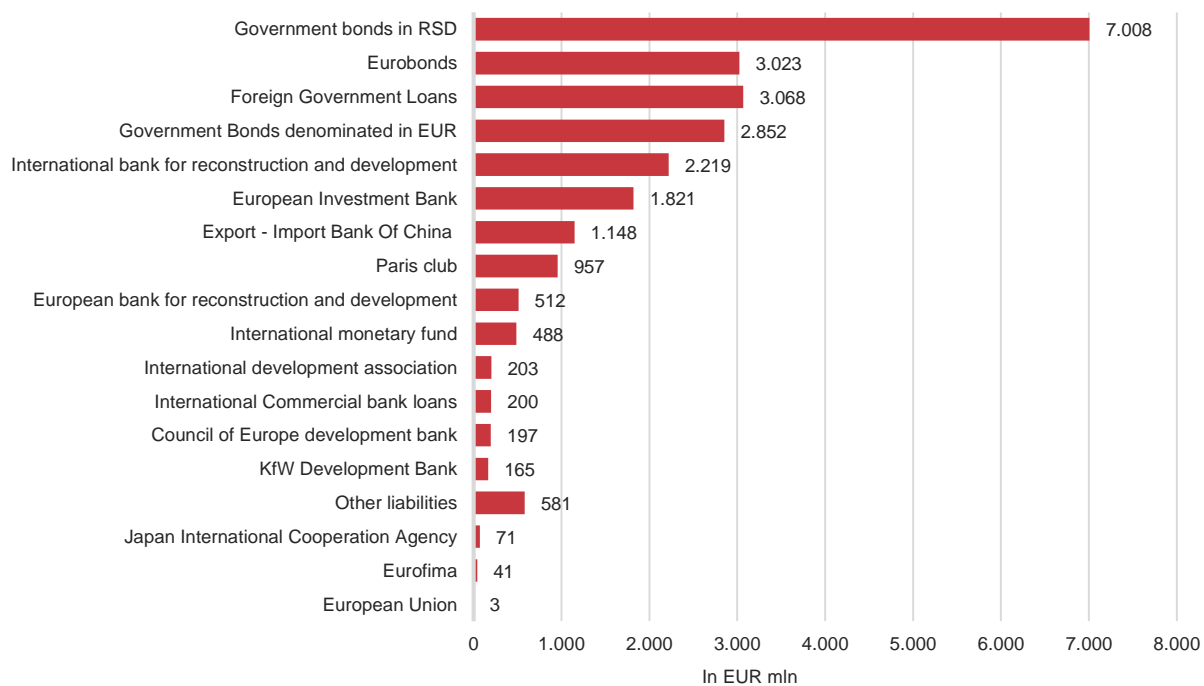
2. CONTINGENT LIABILITIES

| 2.1. INTERNAL DEBT | | | |
|---|---|---|---|
| Debt Description | Debt stock as of April 30, 2020 in EUR (in 000) | Debt stock as of April 30, 2020 in USD (in 000) | Debt stock as of April 30, 2020 in RSD (in 000) |
| COMMERCIAL BANK LOANS | 176.133 | 191.316 | 20.712.820 |
| INTERNAL DEBT (direct liabilities 2.1.) | 176.133 | 191.316 | 20.712.820 |
| 2.2. EXTERNAL DEBT | | | |
| Debt Description | Debt stock as of April 30, 2020 in EUR (in 000) | Debt stock as of April 30, 2020 in USD (in 000) | Debt stock as of April 30, 2020 in RSD (in 000) |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT | 433.387 | 470.745 | 50.965.228 |
| EUROPEAN INVESTMENT BANK | 600.654 | 652.430 | 70.635.318 |
| KfW DEVELOPMENT BANK | 97.501 | 105.906 | 11.465.896 |
| TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA | 40.604 | 44.104 | 4.774.965 |
| INTERNATIONAL DEVELOPMENT ASSOCIATION | 8.335 | 9.053 | 980.156 |
| JAPAN INTERNATIONAL COOPERATION AGENCY - JICA | 71.265 | 77.408 | 8.380.629 |
| FOREIGN GOVERNMENT LOANS | 15.695 | 17.048 | 1.845.687 |
| INTERNATIONAL COMMERCIAL BANK LOANS | 24.191 | 26.276 | 2.844.813 |
| EXTERNAL DEBT (direct liabilities 2.2.) | 1.291.633 | 1.402.971 | 151.892.690 |
| TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.) | 1.467.766 | 1.594.287 | 172.605.509 |
| TOTAL INTERNAL DEBT (1.1.+ 2.1.) | 10.577.006 | 11.488.740 | 1.243.828.403 |
| TOTAL EXTERNAL DEBT (1.2.+ 2.2.) | 13.977.418 | 15.182.266 | 1.643.708.025 |
| TOTAL CENTRAL GOVERNMENT DEBT (1 + 2) | 24.554.424 | 26.671.006 | 2.887.536.428 |

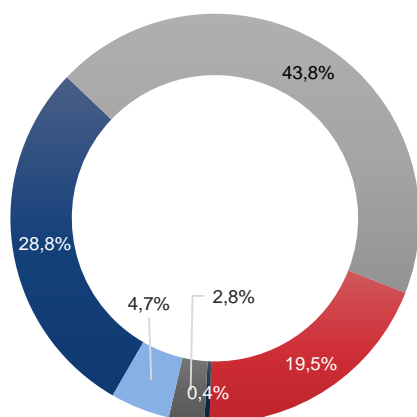
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 30.04.2020.



CREDITORS OVERVIEW AS OF APRIL 30, 2020

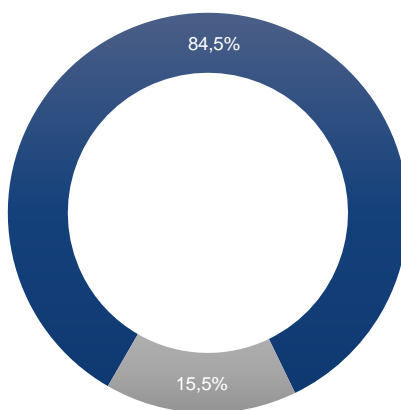


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF APRIL 30,
2020



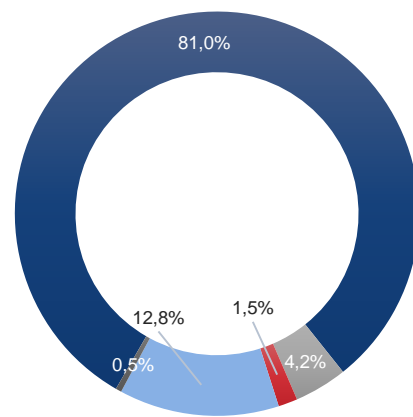
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF APRIL 30, 2020



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF APRIL 30, 2020



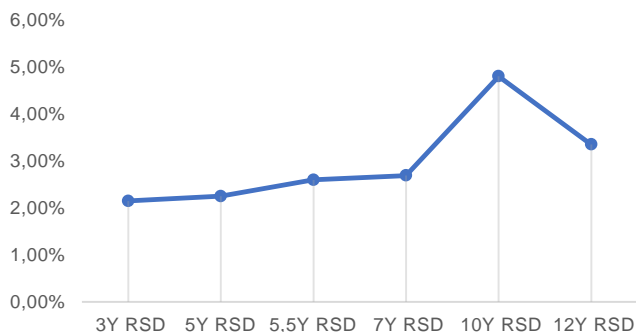
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

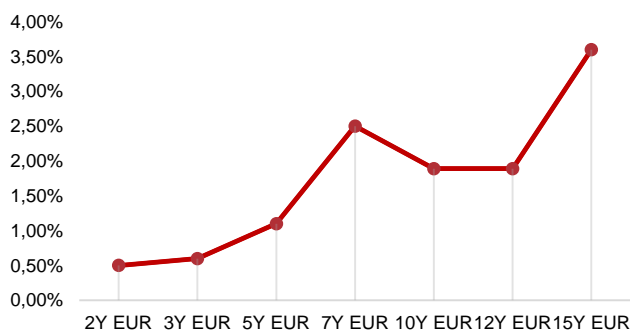
GOVERNMENT SECURITIES STOCK AS OF APRIL 30, 2020

| Maturity | Nominal value of debt stock | Last coupon rate | Last accepted rate |
|--|-----------------------------|------------------|--------------------|
| Government Bonds Denominated in RSD | | | |
| 53W Government Bills | 29.383.760.000,00 | - | 1,79% |
| 3Y Government Bond with fixed coupon rate | 143.477.950.000,00 | 2,00% | 2,15% |
| 5Y Government Bond with fixed coupon rate | 137.801.088.250,00 | 4,00% | 2,25% |
| 5.5Y Government Bond with fixed coupon rate | 337.083.600.000,00 | 3,00% | 2,60% |
| 7Y Government Bond with fixed coupon rate | 110.882.410.000,00 | 4,50% | 2,69% |
| 10Y Government Bond with fixed coupon rate | 31.832.930.000,00 | 5,88% | 4,80% |
| 12,5Y Government Bond with fixed coupon rate | 33.614.770.000,00 | 4,50% | 3,35% |
| Total in RSD | 824.076.508.250 RSD | | |
| Government Bonds Denominated in EUR | | | |
| 2Y Government Bond with fixed coupon rate | 245.200.000,00 | 0,50% | 0,50% |
| 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 | 2.852.357.000 EUR | | |

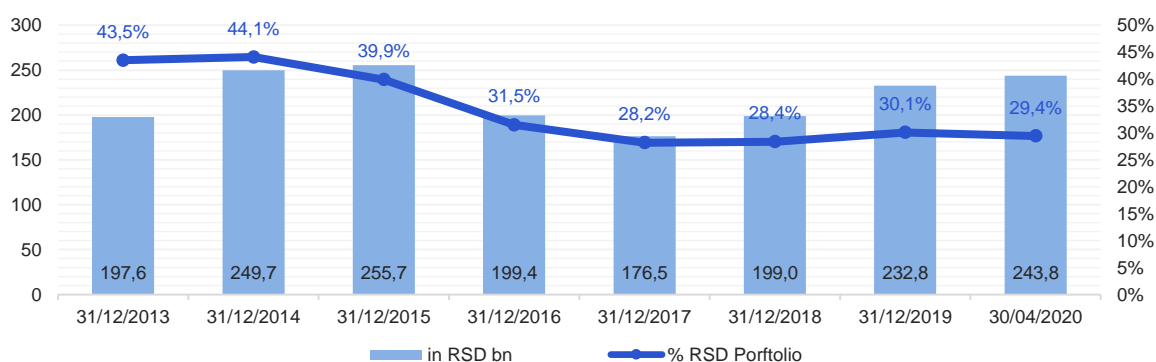
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF APRIL 30, 2020



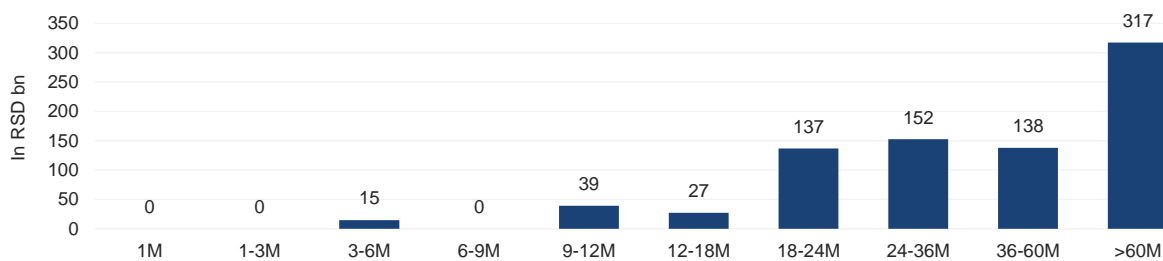
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF APRIL 30, 2020



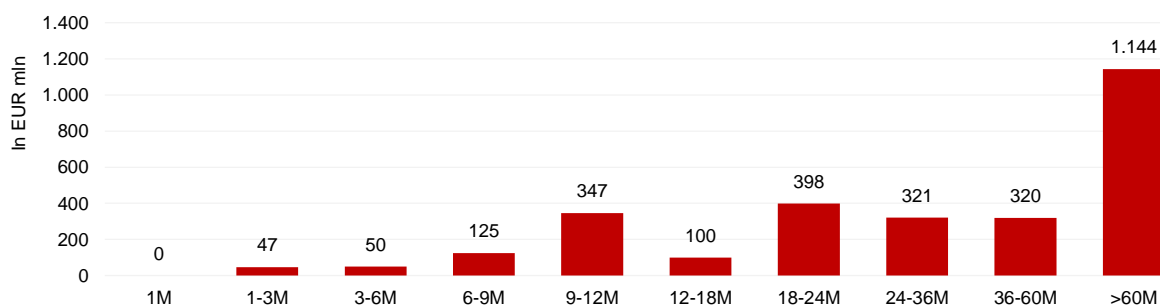
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF APRIL 30, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF APRIL 30, 2020



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF APRIL 30, 2020



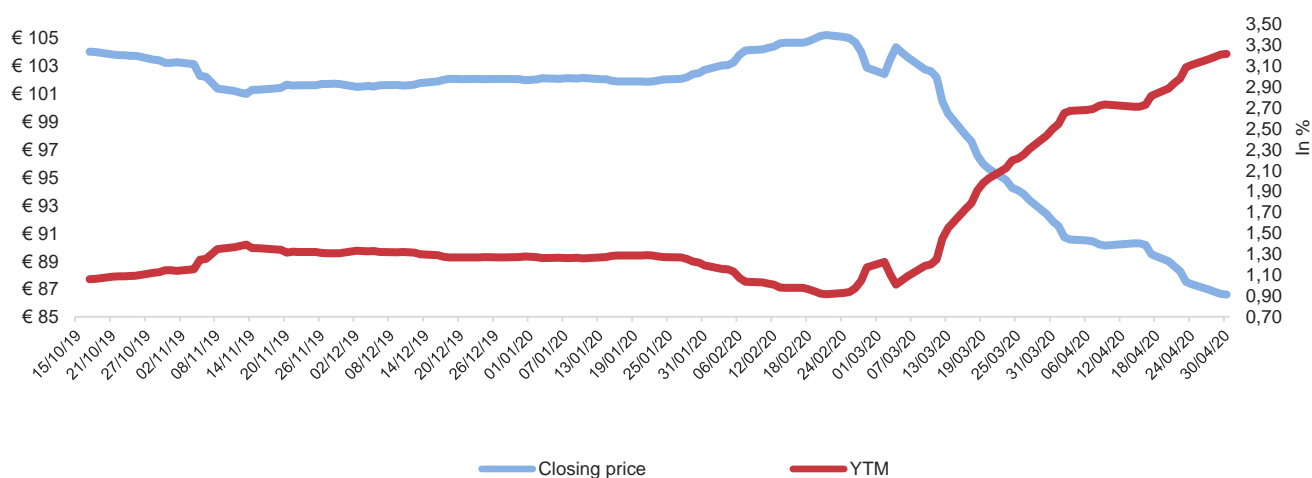
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

| 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

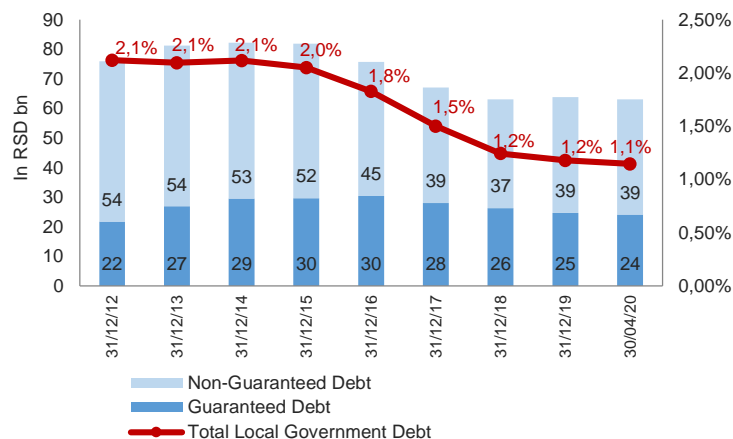


YIELD/PRICE CURVE – EUROBOND 2021

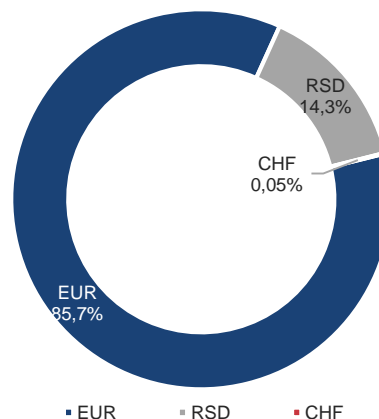


IV. LOCAL GOVERNMENT DEBT ANALYSIS

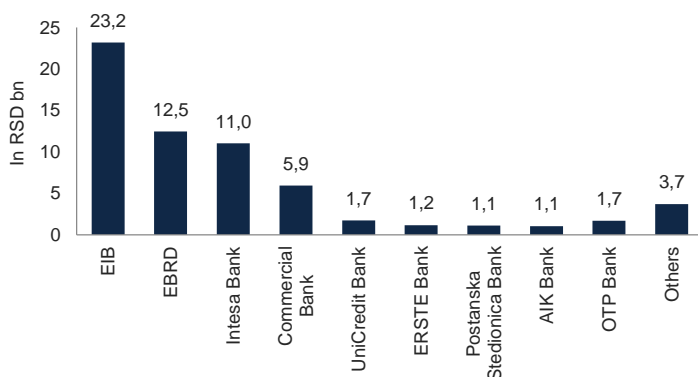
LOCAL GOVERNMENT DEBT DYNAMICS AS OF APRIL 30, 2020



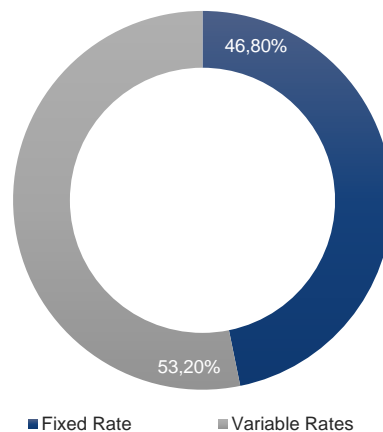
CURRENCY COMPOSITION AS OF APRIL 30, 2020



CREDITORS OVERVIEW AS OF APRIL 30, 2020



INTEREST RATE STRUCTURE AS OF APRIL 30, 2020



| | |
|---|----------------|
| Share of the top 5 Local Governments in total debt | 78,6% |
| O/W Belgrade | 59,2% |
| Debt maturing till the end of 2020 | 6.906.227.383 |
| Debt maturing in 2021 | 9.174.626.266 |
| Debt maturing in 2022 | 7.539.832.918 |
| Maximum level of debt based on contracted amount | 68.421.804.969 |
| Interest Rate Risk | 53,2% |
| FX Risk | 85,7% |
| 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 | 94,1% |
| Share of Foreign Creditors in Total Local Government Debt | 56,6% |
| Total Available Credit Potential | 84.270.516.112 |
| Share of the top 10 Local Governments with the highest available credit potential | 40,5% |
| Share of Investment Project Loans in total Local Government Debt | 99,1% |

| Local Government | Debt Stock as of April 30, 2020 |
|-------------------|---------------------------------|
| Beograd | 37.297.086.985 |
| AP Vojvodina | 5.864.890.004 |
| Novi Sad | 2.684.372.464 |
| Kragujevac | 2.611.309.255 |
| Sabac | 1.084.463.316 |
| Nis | 1.055.527.203 |
| Subotica | 838.302.183 |
| Vranje | 651.345.697 |
| Sremska Mitrovica | 544.897.567 |
| Novi Pazar | 495.927.434 |
| % of total | 84,3% |

