



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

August 2020

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Belgrade, August 2020
#101

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.

This report is in line with the revised GDP data for the period 2015-2019 and the new GDP estimate for 2020 of RSD 5,517.3 billion.

According to preliminary data, the public debt of the central government in August 2020 when compared to the previous month increased by 3.5 billion RSD (29 million EUR) and amounts to 3,129.0 billion RSD (26.6 billion EUR).

The share of central government public debt in GDP (ESA 2010 methodology) at the end of August 2020 was 56.7%.

The percentage of public debt in foreign currency at the end of August was 70.7%, of which in EUR 47.6%, USD 16.4%, SDR 2.4%, CHF 0.4% and other foreign currencies 4.1% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD was 29.3%.

In August 2020, the total number of auctions amounted to 3, out of which all three were issued in RSD. Total receivings in August amount to 7,087,610,000 RSD, at par value.

The share of non-residents in dinar government securities at the end of August 2020 amounted to 25.32%*, i.e. 231,4 billion RSD.

The total turnover of government securities on secondary market, in the first eight months of 2020, amounted to 319,2 billion dinars, of which 289.6 billion, i.e. 90.7%, is the turnover of dinar securities.

In August 2020, the total receivings from dinar securities amounted to 6.5 billion dinars, while the receivings from euro-denominated securities in August amounted to 3.7 billion dinars. When compared to July, there was a decrease in the total receivings from dinar securities in the amount of 21.3 billion dinars and an increase in the total receivings from euro-denominated securities in the amount of 1.7 billion dinars.

Seven-year benchmark bonds maturing in July 2023 and January 2026, accounted for 70.1% of total turnover in August 2020.

The yields of Eurobonds of the Republic of Serbia are declining when compared to March 2020, when a global pandemic was officially declared. On August 31, 2020, prices / yields are:

EUROBOND 2021: 106.287 / 1.324

EUROBOND 2027: 107.231 / 1.961

EUROBOND 2029: 96.851 / 1.891

**Including custody and omnibus accounts*

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

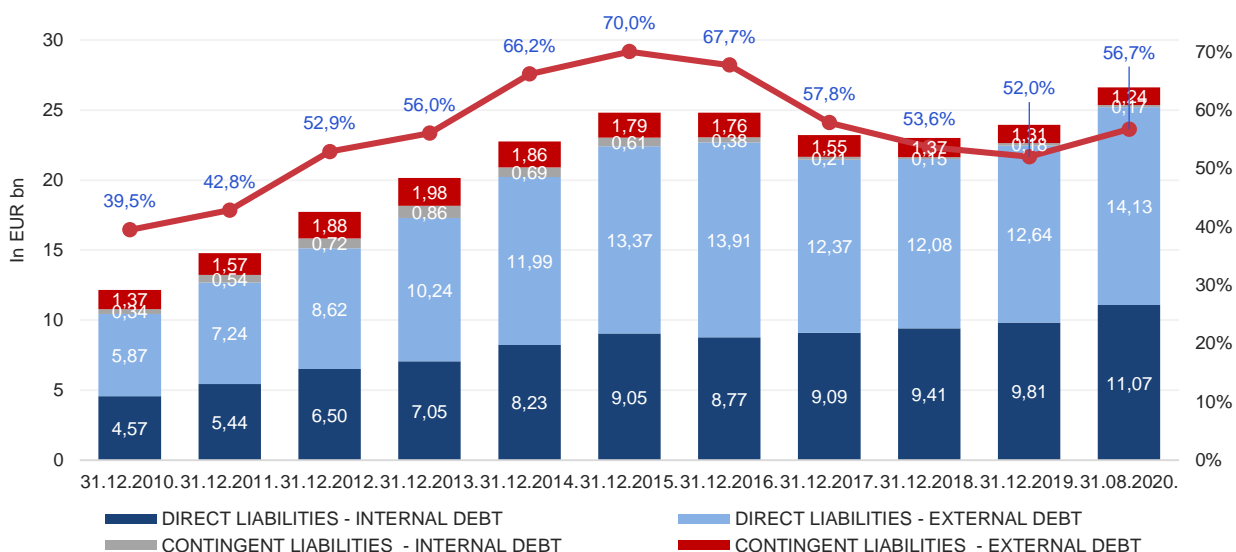
	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.065.074.894	13.169.647.550	1.301.159.860.933	23,6%
External Debt	14.128.904.498	16.816.216.273	1.661.440.486.151	30,1%
<i>Direct Liabilities in Total</i>	25.193.979.392	29.985.863.823	2.962.600.347.084	53,7%
Contingent Liabilities (B)				
Internal Debt	172.770.002	205.630.784	20.316.300.933	0,4%
External Debt	1.241.926.856	1.478.140.829	146.040.166.100	2,6%
<i>Contingent Liabilities in Total</i>	1.414.696.858	1.683.771.613	166.356.467.033	3,0%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	225.084.981	267.896.051	26.468.103.046	0,5%
External Debt	91.473.127	108.871.278	10.756.471.367	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	316.558.108	376.767.329	37.224.574.413	0,7%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	84.938.098	101.093.289	9.988.006.876	0,18%
Central Government Public Debt (A+B)	26.608.676.250	31.669.635.436	3.128.956.814.117	56,7%
General Government Public Debt (A+B+C+D)	27.010.172.456	32.147.496.054	3.176.169.395.406	57,6%

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

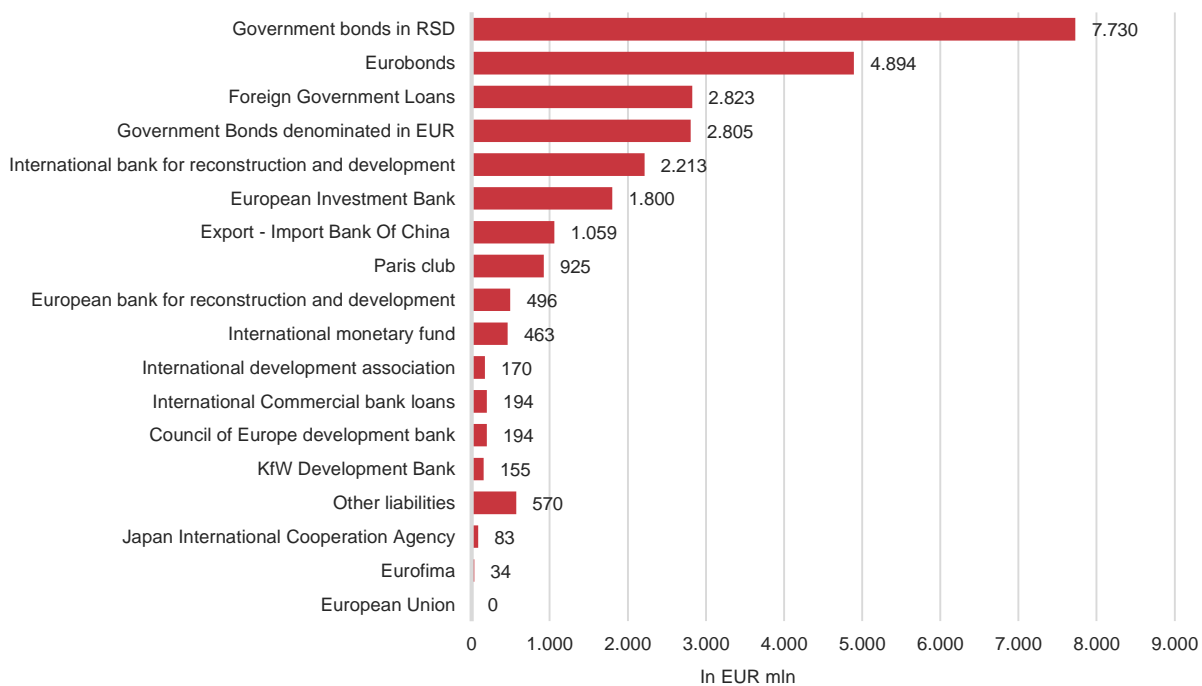
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2020 in EUR (in 000)	Debt stock as of August 31, 2020 in USD (in 000)	Debt stock as of August 31, 2020 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.534.881	12.538.611	1.238.813.487
RETAIL BONDS	17.920	21.328	2.107.228
OTHER LIABILITIES	512.274	609.709	60.239.146
INTERNAL DEBT (direct liabilities 1.1.)	11.065.075	13.169.648	1.301.159.861
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2020 in EUR (in 000)	Debt stock as of August 31, 2020 in USD (in 000)	Debt stock as of August 31, 2020 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.212.741	2.633.603	260.199.762
INTERNATIONAL DEVELOPMENT ASSOCIATION	162.546	193.462	19.113.987
EUROPEAN INVESTMENT BANK	1.222.864	1.455.452	143.798.557
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	82.774	98.518	9.733.538
COUNCIL OF EUROPE DEVELOPMENT BANK	193.519	230.327	22.756.245
EXPORT - IMPORT BANK OF CHINA	1.059.466	1.260.976	124.584.266
EUROBONDS	4.894.312	5.825.209	575.530.020
KfW DEVELOPMENT BANK	63.681	75.793	7.488.330
PARIS CLUB CREDITORS	925.051	1.100.995	108.778.176
FOREIGN GOVERNMENT LOANS	2.809.120	3.343.413	330.328.879
EUROPEAN UNION	00	00	00
INTERNATIONAL MONETARY FUND	462.831	550.862	54.425.062
OTHER LIABILITIES	40.000	47.608	4.703.664
EXTERNAL DEBT (direct liabilities 1.2.)	14.128.904	16.816.216	1.661.440.486
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	25.193.979	29.985.864	2.962.600.347
2. CONTINGENT LIABILITIES			
2.1. INTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2020 in EUR (in 000)	Debt stock as of August 31, 2020 in USD (in 000)	Debt stock as of August 31, 2020 in RSD (in 000)
COMMERCIAL BANK LOANS	172.770	205.631	20.316.301
INTERNAL DEBT (indirect liabilities 2.1.)	172.770	205.631	20.316.301
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2020 in EUR (in 000)	Debt stock as of August 31, 2020 in USD (in 000)	Debt stock as of August 31, 2020 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	413.305	491.916	48.601.227
EUROPEAN INVESTMENT BANK	577.441	687.270	67.902.210
KfW DEVELOPMENT BANK	91.476	108.874	10.756.756
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	33.563	39.947	3.946.742
INTERNATIONAL DEVELOPMENT ASSOCIATION	7.910	9.415	930.180
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	82.925	98.698	9.751.322
FOREIGN GOVERNMENT LOANS	13.888	16.530	1.633.149
INTERNATIONAL COMMERCIAL BANK LOANS	21.418	25.492	2.518.580
EXTERNAL DEBT (indirect liabilities 2.2.)	1.241.927	1.478.141	146.040.166
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.414.697	1.683.772	166.356.467
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.237.845	13.375.278	1.321.476.162
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	15.370.831	18.294.357	1.807.480.652
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	26.608.676	31.669.635	3.128.956.814

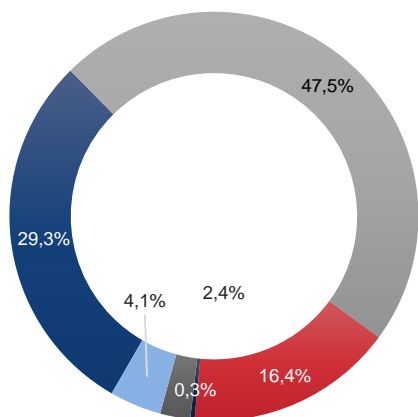
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 31.07.2020.



CREDITORS OVERVIEW AS OF AUGUST 31, 2020

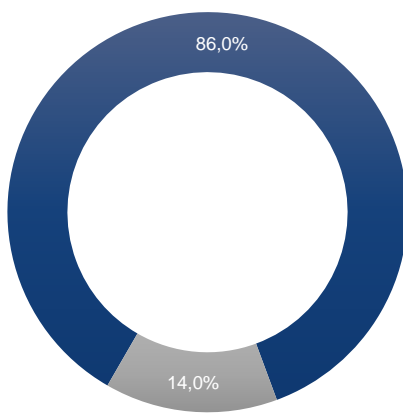


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF AUGUST
31, 2020



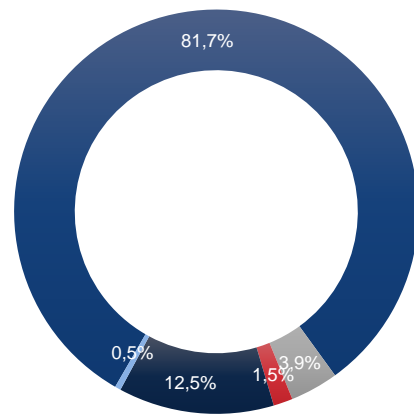
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF AUGUST 31, 2020



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF AUGUST 31, 2020



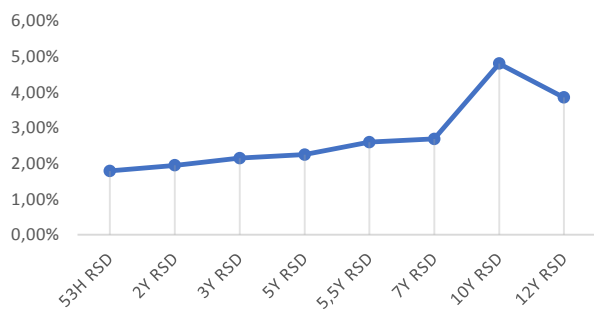
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

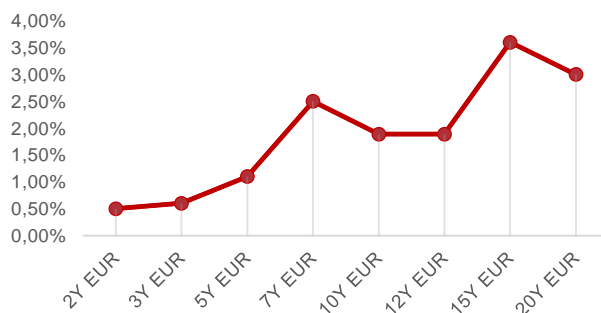
GOVERNMENT SECURITIES STOCK AS OF AUGUST 31, 2020

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
53W Government Bills	35.000.000.000,00	-	1,79%
2Y Government Bond with fixed coupon rate	48.083.670.000,00	1,70%	1,95%
3Y Government Bond with fixed coupon rate	145.947.580.000,00	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	55.365.340.000,00	3,00%	2,60%
7Y Government Bond with fixed coupon rate	337.083.600.000,00	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	38.807.830.000,00	4,50%	3,85%
Total in RSD	908.971.518.250 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	451.464.000,00	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	2.804.979.000 EUR		

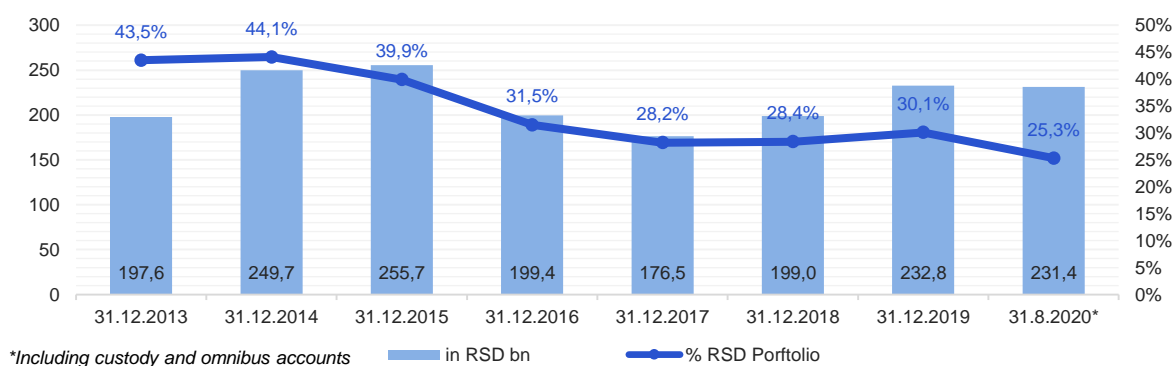
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF AUGUST 31, 2020



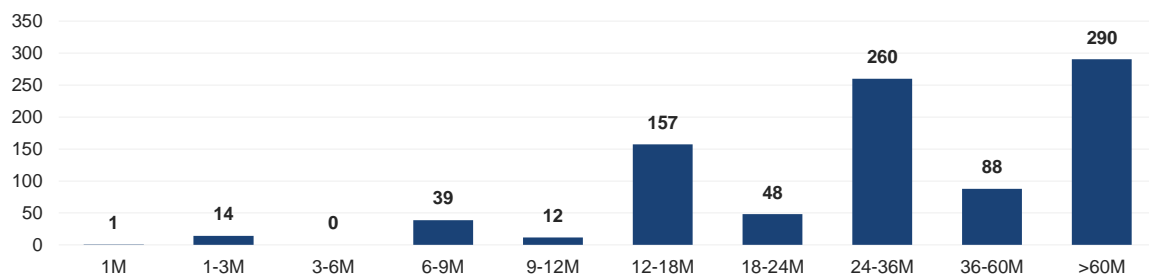
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF AUGUST 31, 2020



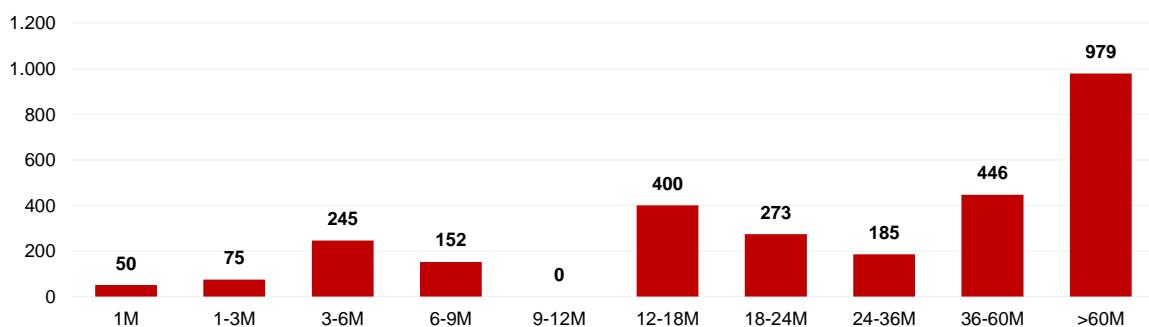
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF AUGUST 31, 2020



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



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF AUGUST 31, 2020



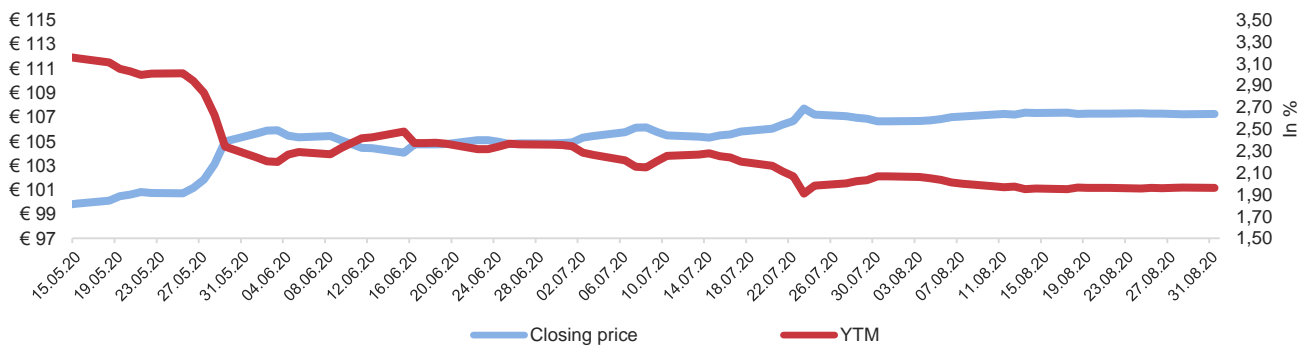
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

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 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
SERBIA 3 1/8 05/15/27	2020	EUR	2.000.000.000	2.000.000.000	15.05.2020	15.05.2027	3,125	3,375	98,464

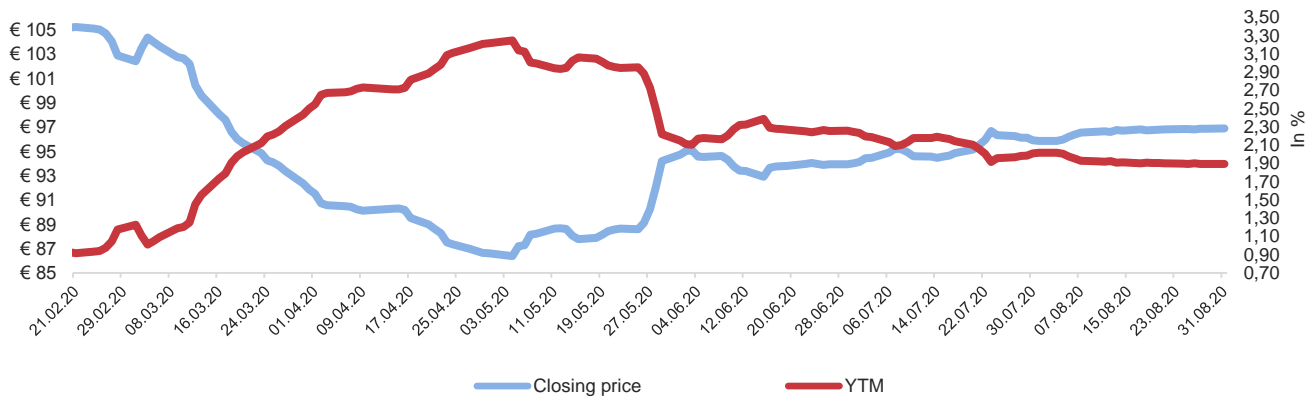
*Table includes date for the Tap issuance of the Serbia 2021, from September 27, 2012 and the Serbia 2029, from 12 November 2019.

** The data presented includes primary issue data and data from the reopening for the Eurobond 2029 (reopened on November 12, 2019)

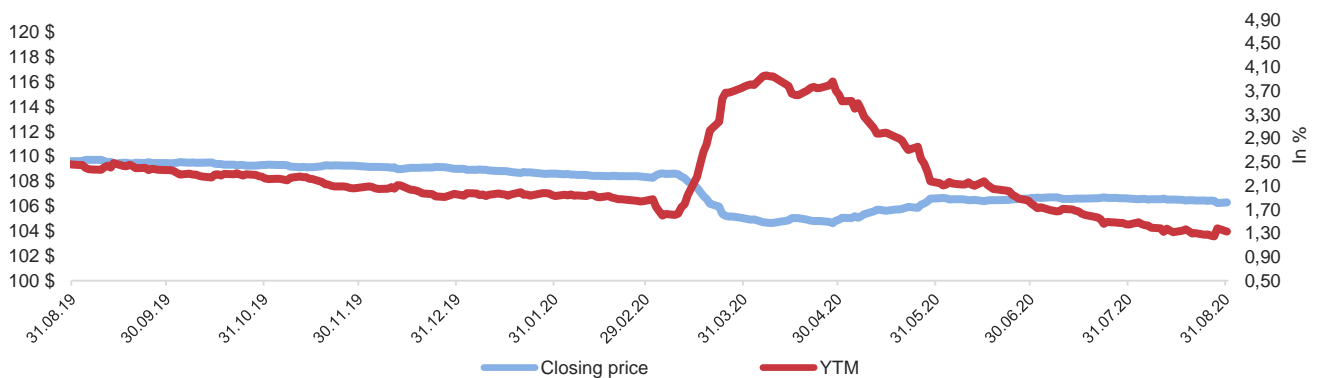
YIELD/PRICE CURVE – EUROBOND 2027



YIELD/PRICE CURVE – EUROBOND 2029

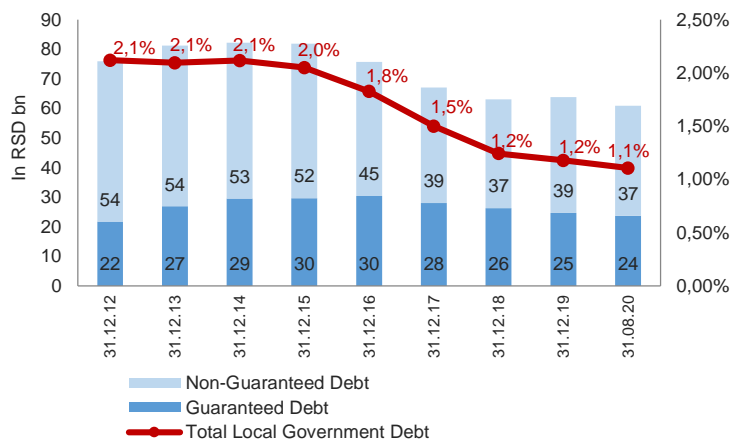


YIELD/PRICE CURVE – EUROBOND 2021

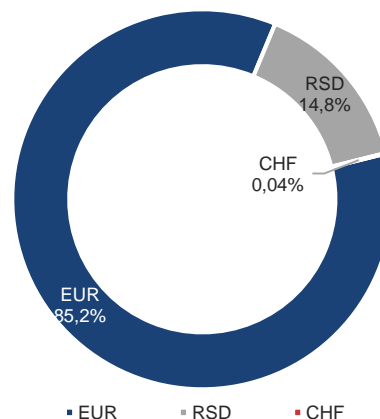


IV. LOCAL GOVERNMENT DEBT ANALYSIS

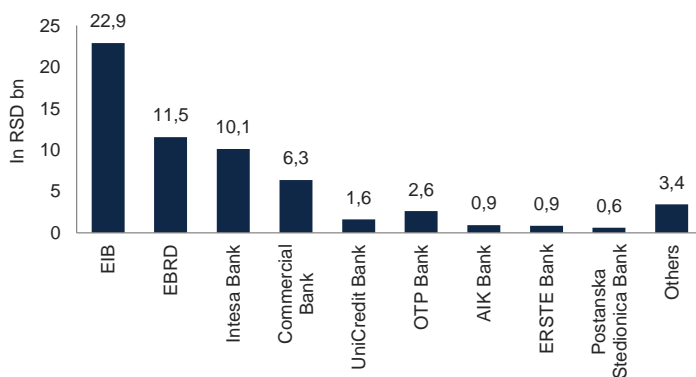
LOCAL GOVERNMENT DEBT DYNAMICS AS OF AUGUST 31, 2020



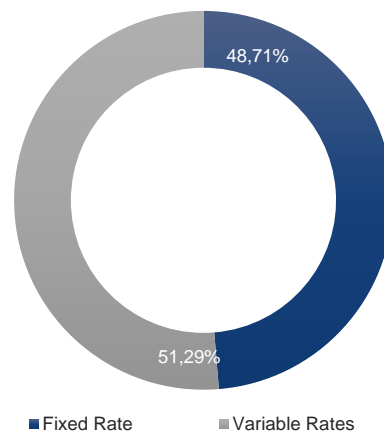
CURRENCY COMPOSITION AS OF AUGUST 31, 2020



CREDITORS OVERVIEW AS OF AUGUST 31, 2020



INTEREST RATE STRUCTURE AS OF AUGUST 31, 2020



Share of the top 5 Local Governments in total debt	79,0%
O/W Belgrade	59,4%
Debt maturing till the end of 2020	4.389.215.786
Debt maturing in 2021	9.311.038.261
Debt maturing in 2022	8.599.765.497
Maximum level of debt based on contracted amount	65.906.421.509
Interest Rate Risk	51,3%
FX Risk	85,2%
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	94,4%
Share of Foreign Creditors in Total Local Government Debt	56,5%
Total Available Credit Potential	86.304.155.866
Share of the top 10 Local Governments with the highest available credit potential	41,3%
Share of Investment Project Loans in total Local Government Debt	98,7%

Local Government	Debt Stock as of August 31, 2020
Beograd	36.197.274.818
AP Vojvodina	5.755.642.144
Novi Sad	2.628.713.338
Kragujevac	2.485.158.878
Sabac	1.057.322.165
Nis	1.026.396.263
Subotica	792.748.542
Vranje	647.832.464
Indjija	576.075.544
Jagodina	513.400.475
% of total	84,9%

