



# MONTHLY REPORT

Analysis of Public Debt  
and General  
Government Debt

October 2020

—

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Belgrade, October 2020  
#103

# 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.**

COVID-19 and global slowdown will have a less severe impact than in other European countries, due to achieved macroeconomic and financial stability, growth momentum, fiscal space created in previous years, large and timely monetary and fiscal package, and favorable structure of the economy.

Based on encouraging data on the recovery of many sectors, the Ministry of Finance has revised upwards the GDP estimate, which for 2020 amounts to RSD 5,517.3 billion. Also, the National Bank of Serbia revised upwards the projection of GDP growth for 2020 from -1.5% to -1.0%. The projection for 2021 was kept at + 6.0% with symmetrical risks.

Despite declining external demand and disruption of global supply chains, exports remained relatively resilient thanks to greater production and geographical diversification and the activation of export-oriented investments. The unemployment rate is currently at its lowest level in the second quarter of 2020 and stands at 7.3%.

According to preliminary data, the public debt of the central government in October 2020 when compared to the previous month increased by 9.3 billion RSD and amounts to 3,137.5 billion RSD (26.7 billion EUR). The share of central government public debt in GDP (ESA 2010 methodology) at the end of October 2020 was 56.9%. The share of general government debt in GDP (ESA 2010 methodology) at the end of October 2020 was 57.7%.

The percentage of public debt in foreign currency at the end of October was 70.4%, of which in EUR 46.8%, USD 16.7%, SDR 2.4%, CHF 0.3% and other foreign currencies 4.2% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD was 29.6%.

In October 2020, 3 auctions of government securities were issued in dinars. The total revenue at nominal value in the same month amounts to RSD 24,667,420,000. Special emphasis is placed on the successful auction of a security with a maturity of 12.5Y, for which the nominal value of sold bonds amounts to RSD 19,696,020,000 RSD, while 93% of the demand and realization at the auction comes from foreign funds.

The share of non-residents in dinar government securities at the end of October 2020 amounted to 25.64%\*, i.e. 236,7 billion RSD.

The total turnover of government securities in secondary trading, in the first ten months of 2020, amounted to 431,1 billion dinars, of which 84.2%, is the turnover of dinar securities. In October 2020, the total turnover of dinar securities amounted to 43.9 billion dinars, while the turnover of euro-denominated securities in October amounted to 5.9 billion dinars. When compared to September, in October there was an increase in the total turnover of dinar securities in the amount of 22.4 billion dinars.

Seven-year benchmark bond maturing in July 2023 and Twelve-year benchmark bond maturing in August 2032, accounted for 62.5% of total turnover in October 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 October 31, 2020, prices / yields are:

EUROBOND 2021: 105.700 / 0.895

EUROBOND 2027: 108.924 / 1.670

EUROBOND 2029: 97.742 / 1.784

*\*Including custody and omnibus accounts*

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

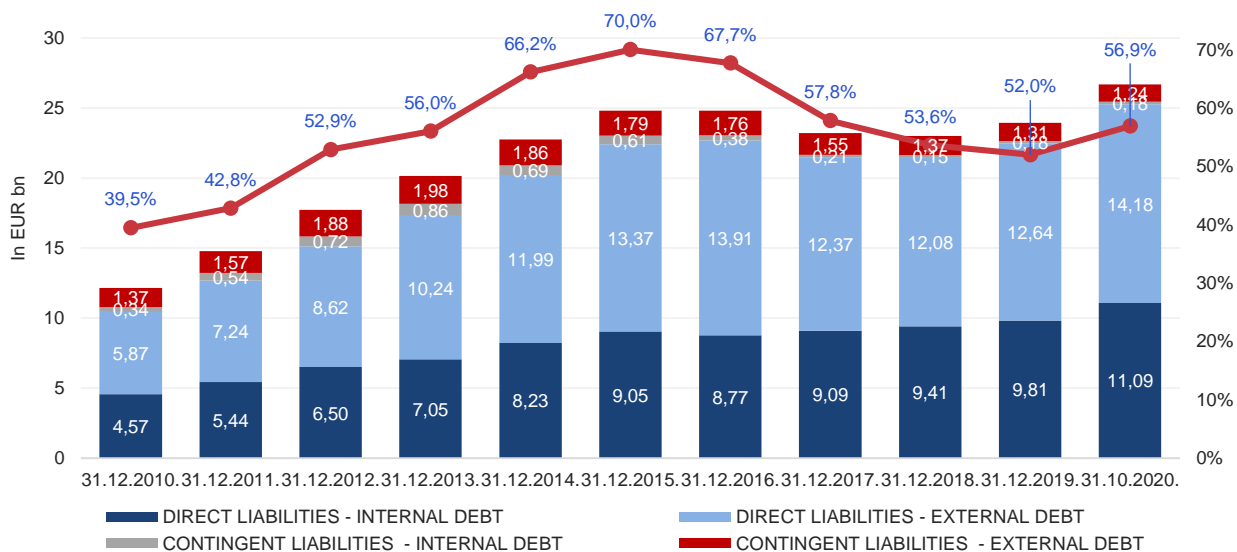
|  | EUR                   | USD                   | RSD                      | % GDP        |
|--|-----------------------|-----------------------|--------------------------|--------------|
| <b>Direct Liabilities (A)</b>  |                       |                       |                          |              |
| Internal Debt  | 11.085.382.715        | 12.953.266.793        | 1.303.285.166.441        | 23,6%        |
| External Debt  | 14.182.340.580        | 16.572.061.247        | 1.667.387.999.081        | 30,2%        |
| <i>Direct Liabilities in Total</i>   | 25.267.723.295        | 29.525.328.040        | 2.970.673.165.522        | 53,8%        |
| <b>Contingent Liabilities (B)</b>  |                       |                       |                          |              |
| Internal Debt  | 175.270.925           | 204.804.030           | 20.606.234.617           | 0,4%         |
| External Debt  | 1.243.722.535         | 1.453.289.456         | 146.221.846.662          | 2,7%         |
| <i>Contingent Liabilities in Total</i>   | 1.418.993.461         | 1.658.093.486         | 166.828.081.279          | 3,0%         |
| <b>Non-Guaranteed Local Government Debt (C)</b>                                |                       |                       |                          |              |
| Internal Debt  | 222.306.167           | 259.764.698           | 26.136.069.226           | 0,5%         |
| External Debt  | 93.205.558            | 108.910.669           | 10.957.981.665           | 0,2%         |
| <i>Non-Guaranteed Local Government Debt in Total</i>                           | 315.511.725           | 368.675.367           | 37.094.050.891           | 0,7%         |
| <b>Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)</b> |                       |                       |                          |              |
|  | 84.974.090            | 99.292.202            | 9.990.225.326            | 0,18%        |
| <b>Central Government Public Debt (A+B)</b>                                    | <b>26.686.716.755</b> | <b>31.183.421.526</b> | <b>3.137.501.246.802</b> | <b>56,9%</b> |
| <b>General Government Public Debt (A+B+C+D)</b>                                | <b>27.087.202.570</b> | <b>31.651.389.096</b> | <b>3.184.585.523.019</b> | <b>57,7%</b> |

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

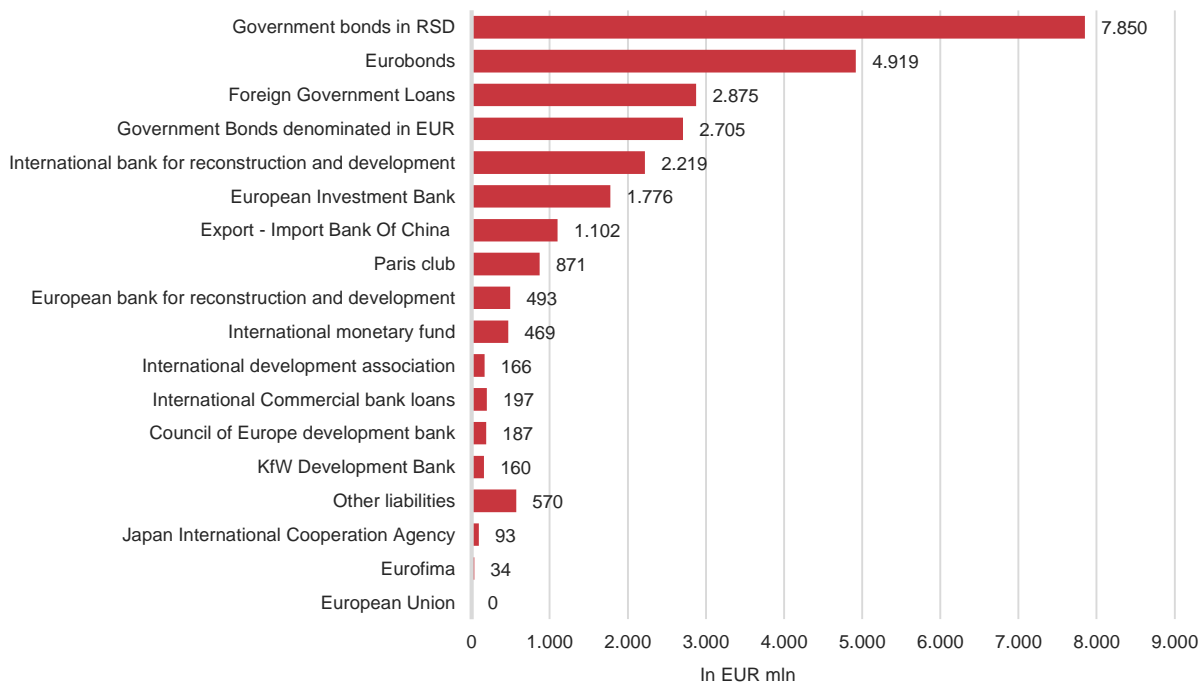
### 1. DIRECT LIABILITIES

| <b>1.1. INTERNAL DEBT</b>   |   |   |   |
|---|---|---|---|
| Debt Description  | Debt stock as of<br>October 31, 2020 in<br>EUR (in 000) | Debt stock as of<br>October 31, 2020 in<br>USD (in 000) | Debt stock as of<br>October 31, 2020 in<br>RSD (in 000) |
| GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET                           | 10.555.371  | 12.333.948  | 1.240.972.772   |
| RETAIL BONDS  | 17.900  | 20.916  | 2.104.487   |
| OTHER LIABILITIES   | 512.112   | 598.402   | 60.207.907  |
| <b>INTERNAL DEBT (direct liabilities 1.1.)</b>                                | <b>11.085.383</b>                                       | <b>12.953.267</b>                                       | <b>1.303.285.166</b>                                    |
| <b>1.2. EXTERNAL DEBT</b>   |   |   |   |
| Debt Description  | Debt stock as of<br>October 31, 2020 in<br>EUR (in 000) | Debt stock as of<br>October 31, 2020 in<br>USD (in 000) | Debt stock as of<br>October 31, 2020 in<br>RSD (in 000) |
| INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT                         | 2.218.686   | 2.592.534   | 260.846.214   |
| INTERNATIONAL DEVELOPMENT ASSOCIATION   | 158.923   | 185.702   | 18.684.284  |
| EUROPEAN INVESTMENT BANK  | 1.204.300   | 1.407.225   | 141.587.078   |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT                              | 82.171  | 96.017  | 9.660.687   |
| COUNCIL OF EUROPE DEVELOPMENT BANK  | 187.007   | 218.517   | 21.986.006  |
| EXPORT - IMPORT BANK OF CHINA   | 1.101.729   | 1.287.370   | 129.527.938   |
| EUROBONDS   | 4.919.277   | 5.748.174   | 578.349.085   |
| KfW DEVELOPMENT BANK  | 68.010  | 79.470  | 7.995.778   |
| PARIS CLUB CREDITORS  | 871.407   | 1.018.239   | 102.449.471   |
| FOREIGN GOVERNMENT LOANS  | 2.861.531   | 3.343.699   | 336.424.240   |
| EUROPEAN UNION  | 00  | 00  | 00  |
| INTERNATIONAL MONETARY FUND   | 469.299   | 548.376   | 55.174.502  |
| OTHER LIABILITIES   | 40.000  | 46.740  | 4.702.716   |
| <b>EXTERNAL DEBT (direct liabilities 1.2.)</b>                                | <b>14.182.341</b>                                       | <b>16.572.061</b>                                       | <b>1.667.387.999</b>                                    |
| <b>TOTAL DIRECT LIABILITIES (1.1. + 1.2.)</b>                                 | <b>25.267.723</b>                                       | <b>29.525.328</b>                                       | <b>2.970.673.166</b>                                    |
| <b>2. CONTINGENT LIABILITIES</b>  |   |   |   |
| <b>2.1. INTERNAL DEBT</b>   |   |   |   |
| Debt Description  | Debt stock as of<br>October 31, 2020 in<br>EUR (in 000) | Debt stock as of<br>October 31, 2020 in<br>USD (in 000) | Debt stock as of<br>October 31, 2020 in<br>RSD (in 000) |
| COMMERCIAL BANK LOANS   | 175.271   | 204.804   | 20.606.235  |
| <b>INTERNAL DEBT (indirect liabilities 2.1.)</b>                              | <b>175.271</b>  | <b>204.804</b>  | <b>20.606.235</b>                                       |
| <b>2.2. EXTERNAL DEBT</b>   |   |   |   |
| Debt Description  | Debt stock as of<br>October 31, 2020 in<br>EUR (in 000) | Debt stock as of<br>October 31, 2020 in<br>USD (in 000) | Debt stock as of<br>October 31, 2020 in<br>RSD (in 000) |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT                              | 410.423   | 479.579   | 48.252.580  |
| EUROPEAN INVESTMENT BANK  | 571.679   | 668.007   | 67.211.103  |
| KfW DEVELOPMENT BANK  | 91.690  | 107.140   | 10.779.821  |
| TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA | 33.802  | 39.497  | 3.974.008   |
| INTERNATIONAL DEVELOPMENT ASSOCIATION   | 7.219   | 8.435   | 848.690   |
| JAPAN INTERNATIONAL COOPERATION AGENCY - JICA                                 | 93.349  | 109.078   | 10.974.842  |
| FOREIGN GOVERNMENT LOANS  | 13.808  | 16.134  | 1.623.320   |
| INTERNATIONAL COMMERCIAL BANK LOANS   | 21.753  | 25.419  | 2.557.484   |
| <b>EXTERNAL DEBT (indirect liabilities 2.2.)</b>                              | <b>1.243.723</b>  | <b>1.453.289</b>  | <b>146.221.847</b>                                      |
| <b>TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)</b>                             | <b>1.418.993</b>  | <b>1.658.093</b>  | <b>166.828.081</b>                                      |
| <b>TOTAL INTERNAL DEBT (1.1.+ 2.1.)</b>                                       | <b>11.260.654</b>                                       | <b>13.158.071</b>                                       | <b>1.323.891.401</b>                                    |
| <b>TOTAL EXTERNAL DEBT (1.2.+ 2.2.)</b>                                       | <b>15.426.063</b>                                       | <b>18.025.351</b>                                       | <b>1.813.609.846</b>                                    |
| <b>TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)</b>                                  | <b>26.686.717</b>                                       | <b>31.183.422</b>                                       | <b>3.137.501.247</b>                                    |

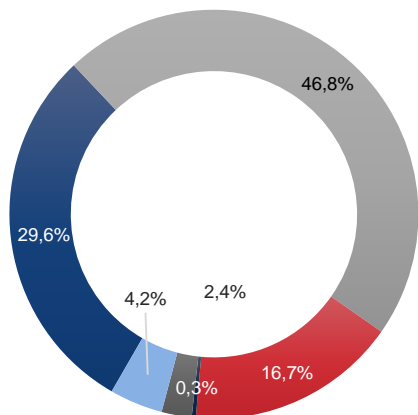
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 31.10.2020.



CREDITORS OVERVIEW AS OF OCTOBER 31, 2020

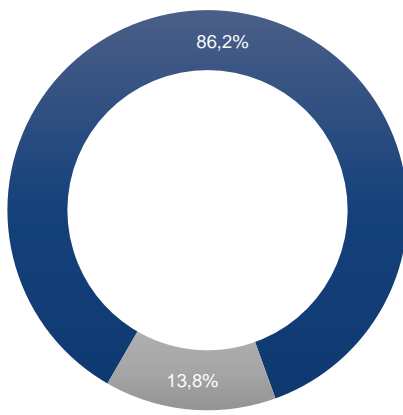


CENTRAL GOVERNMENT  
PUBLIC DEBT CURRENCY  
STRUCTURE AS OF OCTOBER  
31, 2020



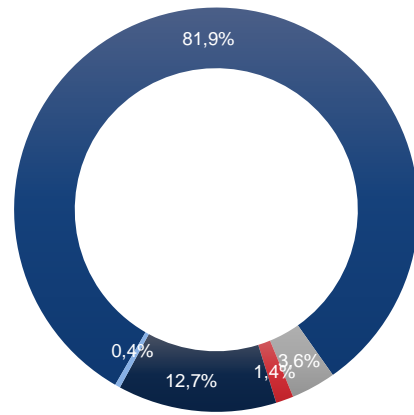
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE  
AS OF OCTOBER 31, 2020



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES  
STRUCTURE  
AS OF OCTOBER 31, 2020



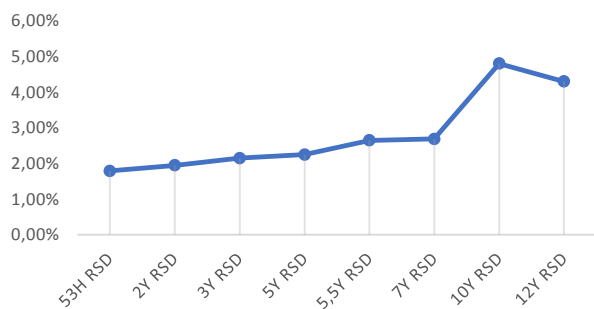
■ EURIBOR and LIBOR on EUR  
■ LIBOR USD  
■ LIBOR CHF  
■ SDR Interest rate  
■ Other

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

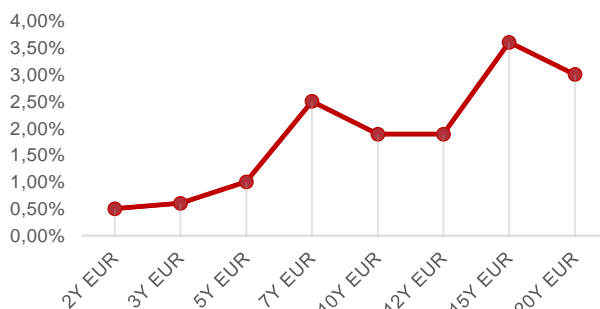
#### GOVERNMENT SECURITIES STOCK AS OF OCTOBER 31, 2020

| Maturity                                     | Nominal value of debt stock | Last coupon rate | Last accepted rate |
|--|-----------------------------|------------------|--------------------|
| <b>Government Bonds Denominated in RSD</b>   |                             |                  |                    |
| 53W Government Bills                         | 35.000.000.000,00           | -                | 1,79%              |
| 2Y Government Bond with fixed coupon rate    | 49.233.670.000,00           | 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    | 123.813.688.250,00          | 4,00%            | 2,25%              |
| 5.5Y Government Bond with fixed coupon rate  | 62.423.520.000,00           | 3,00%            | 2,65%              |
| 7Y Government Bond with fixed coupon rate    | 336.408.840.000,00          | 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 | 59.220.850.000,00           | 4,50%            | 4,30%              |
| <b>Total in RSD</b>                          | <b>922.930.558.250 RSD</b>  |                  |                    |
| <b>Government Bonds Denominated in EUR</b>   |                             |                  |                    |
| 2Y Government Bond with fixed coupon rate    | 245.200.000,00              | 0,50%            | 0,50%              |
| 3Y Government Bond with fixed coupon rate    | 401.464.000,00              | 1,25%            | 0,60%              |
| 5Y Government Bond with fixed coupon rate    | 789.766.000,00              | 1,00%            | 1,00%              |
| 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%              |
| <b>Total in EUR</b>                          | <b>2.705.179.000 EUR</b>    |                  |                    |

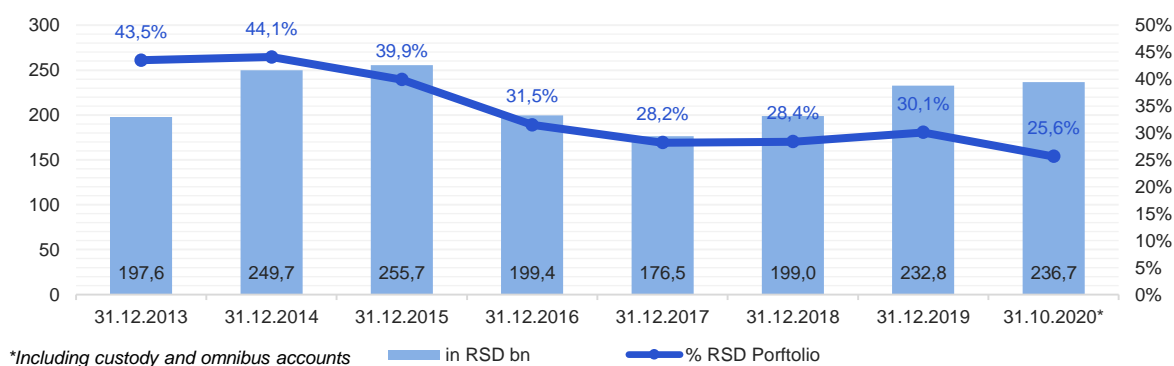
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF OCTOBER 31, 2020



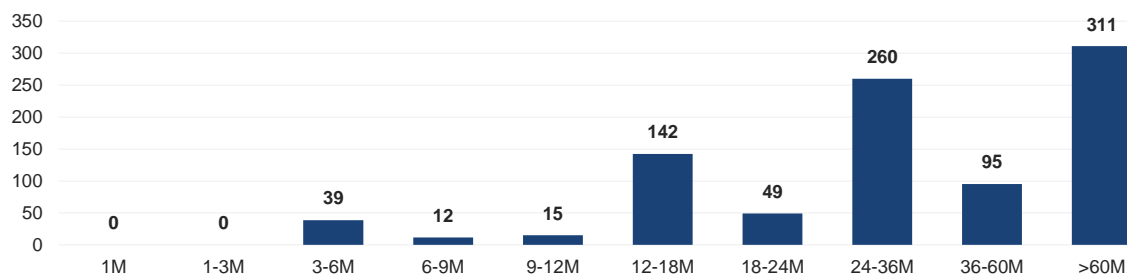
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF OCTOBER 31, 2020



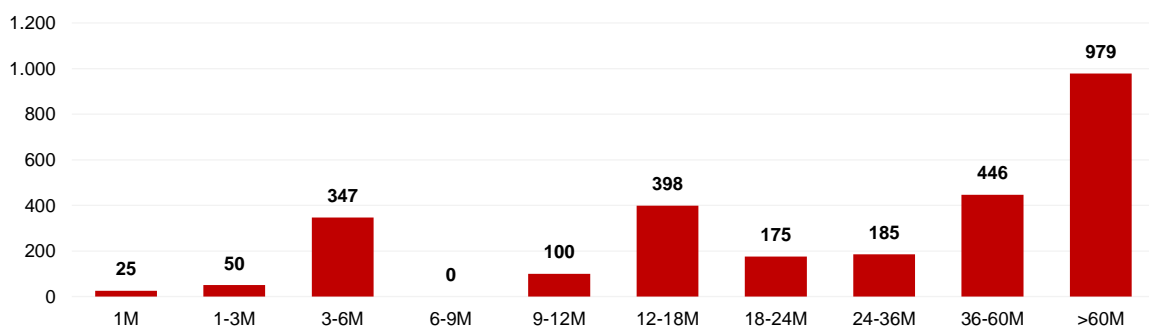
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF OCTOBER 31, 2020



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



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF OCTOBER 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)

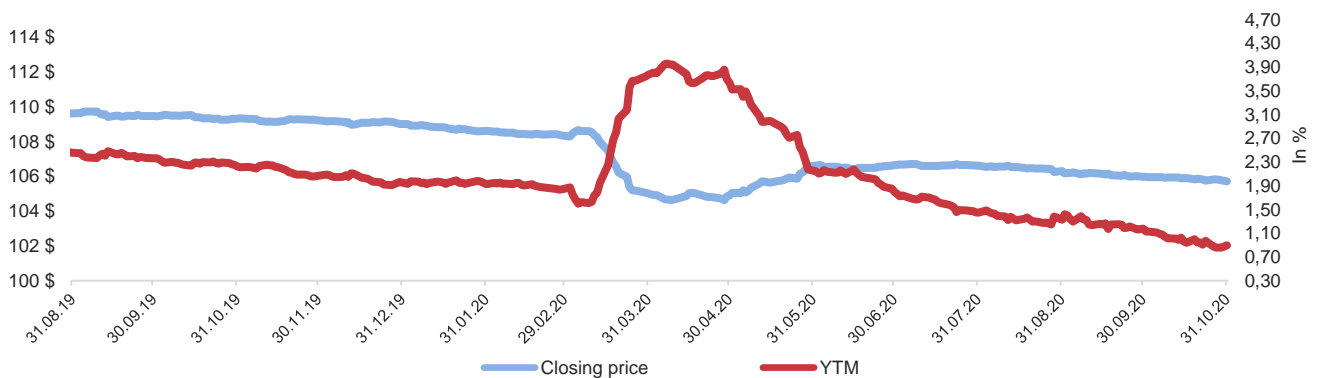
### YIELD/PRICE CURVE – EUROBOND 2027



### YIELD/PRICE CURVE – EUROBOND 2029

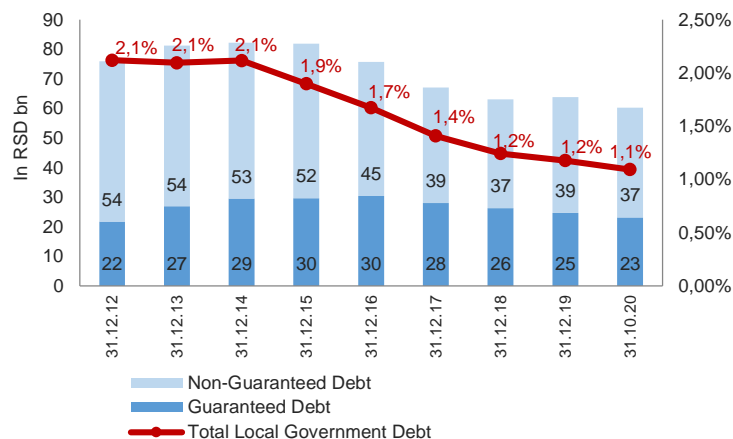


### YIELD/PRICE CURVE – EUROBOND 2021

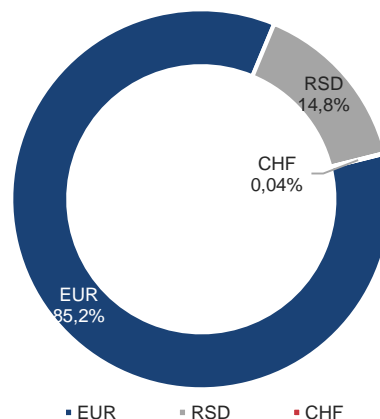


## IV. LOCAL GOVERNMENT DEBT ANALYSIS

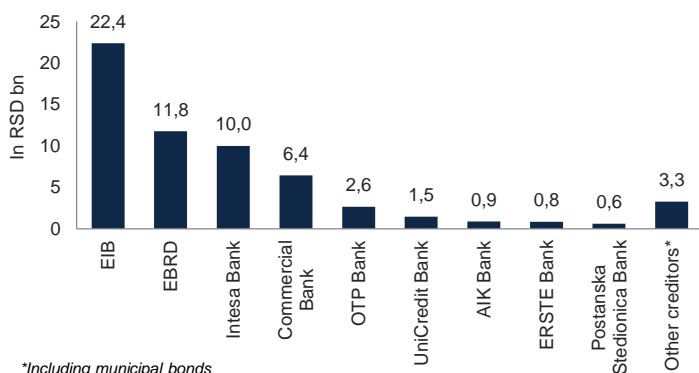
### LOCAL GOVERNMENT DEBT DYNAMICS AS OF OCTOBER 31, 2020



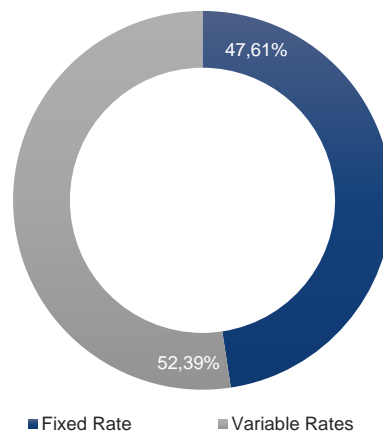
### CURRENCY COMPOSITION AS OF OCTOBER 31, 2020



### CREDITORS OVERVIEW AS OF OCTOBER 31, 2020



### INTEREST RATE STRUCTURE AS OF OCTOBER 31, 2020



|   |                       |
|---|-----------------------|
| Share of the top 5 Local Governments in total debt                                | 78,8%                 |
| O/W Belgrade  | 59,5%                 |
| Debt maturing till the end of 2020  | 3.119.289.638         |
| Debt maturing in 2021   | 9.385.440.082         |
| Debt maturing in 2022   | 8.766.765.765         |
| Maximum level of debt based on contracted amount                                  | 64.947.400.014        |
| Interest Rate Risk  | 52,4%                 |
| 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                      | 94,6%                 |
| Share of Foreign Creditors in Total Local Government Debt                         | 56,6%                 |
| <b>Total Available Credit Potential</b>   | <b>85.261.701.528</b> |
| Share of the top 10 Local Governments with the highest available credit potential | 42,3%                 |
| Share of Investment Project Loans in total Local Government Debt                  | 98,4%                 |

| Local Government  | Debt Stock as of October 31, 2020 |
|-------------------|-----------------------------------|
| Beograd           | 35.883.815.975                    |
| AP Vojvodina      | 5.709.357.999                     |
| Novi Sad          | 2.457.710.079                     |
| Kragujevac        | 2.430.550.215                     |
| Sabac             | 1.030.033.887                     |
| Nis               | 978.327.223                       |
| Subotica          | 792.588.768                       |
| Vranje            | 667.653.612                       |
| Indjija           | 552.266.871                       |
| Jagodina          | 495.982.255                       |
| <b>% of total</b> | <b>84,6%</b>                      |

