



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

November 2020

—

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Bloomberg Page <RSMF> <GO>
Belgrade, November 2020
#104

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 in the second quarter of 2020 is currently at 9%.

According to preliminary data, the public debt of the central government in November 2020 when compared to the previous month decreased by 3.4 billion RSD and amounts to 3,134.1 billion RSD (26.7 billion EUR). The share of central government public debt in GDP (ESA 2010 methodology) at the end of November 2020 was 56.8%. The share of general government debt in GDP (ESA 2010 methodology) at the end of November 2020 was 57.6%.

The percentage of public debt in foreign currency at the end of November was 69.8%, of which in EUR 46.7%, USD 16.3%, SDR 2.3%, CHF 0.3% and other foreign currencies 4.1% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD was 30.3%.

In November 2020, 3 auctions of government securities were issued in dinars. The total revenue at nominal value in the same month amounts to RSD 17,124,300,000. 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 16,415,770,000 RSD, while the biggest part 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 November 2020 amounted to 26.08%*, i.e. 245,3 billion RSD.

The total turnover of government securities in secondary trading, in the first eleven months of 2020, amounted to 410.8 billion dinars, of which 84%, is the turnover of dinar securities. In November 2020, the total turnover of dinar securities amounted to 21.6 billion dinars, while the turnover of euro-denominated securities in November amounted to 6.6 billion dinars. When compared to October, in November there was a decrease in the total turnover of dinar securities in the amount of 9.9 billion dinars.

Seven-year benchmark bond maturing in July 2023 and Twelve-year benchmark bond maturing in August 2032, accounted for 54.4% of total turnover in November 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 November 30, 2020, prices / yields are:

EUROBOND 2021: 105.516 / 0.517

EUROBOND 2027: 111.942 / 1.190

EUROBOND 2029: 97.742 / 1.784

**Including custody and omnibus accounts*

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

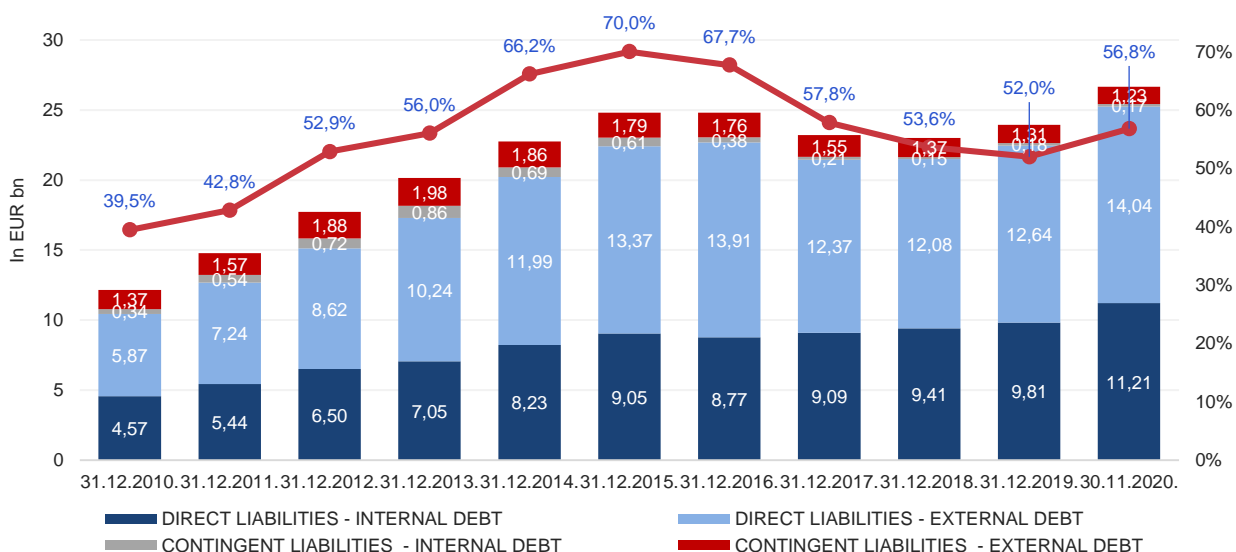
	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.205.548.733	13.418.648.517	1.317.573.072.267	23,9%
External Debt	14.042.592.617	16.816.009.557	1.651.158.933.593	29,9%
<i>Direct Liabilities in Total</i>	25.248.141.350	30.234.658.074	2.968.732.005.860	53,8%
Contingent Liabilities (B)				
Internal Debt	173.554.259	207.831.285	20.406.891.549	0,4%
External Debt	1.232.669.335	1.476.121.958	144.939.972.262	2,6%
<i>Contingent Liabilities in Total</i>	1.406.223.593	1.683.953.244	165.346.863.811	3,0%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	218.725.170	261.923.467	25.718.186.683	0,5%
External Debt	85.909.364	102.876.494	10.101.412.079	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	304.634.534	364.799.961	35.819.598.761	0,6%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)	84.926.282	101.699.253	9.985.819.113	0,18%
Central Government Public Debt (A+B)	26.654.364.944	31.918.611.317	3.134.078.869.671	56,8%
General Government Public Debt (A+B+C+D)	27.043.925.760	32.385.110.531	3.179.884.287.545	57,6%

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

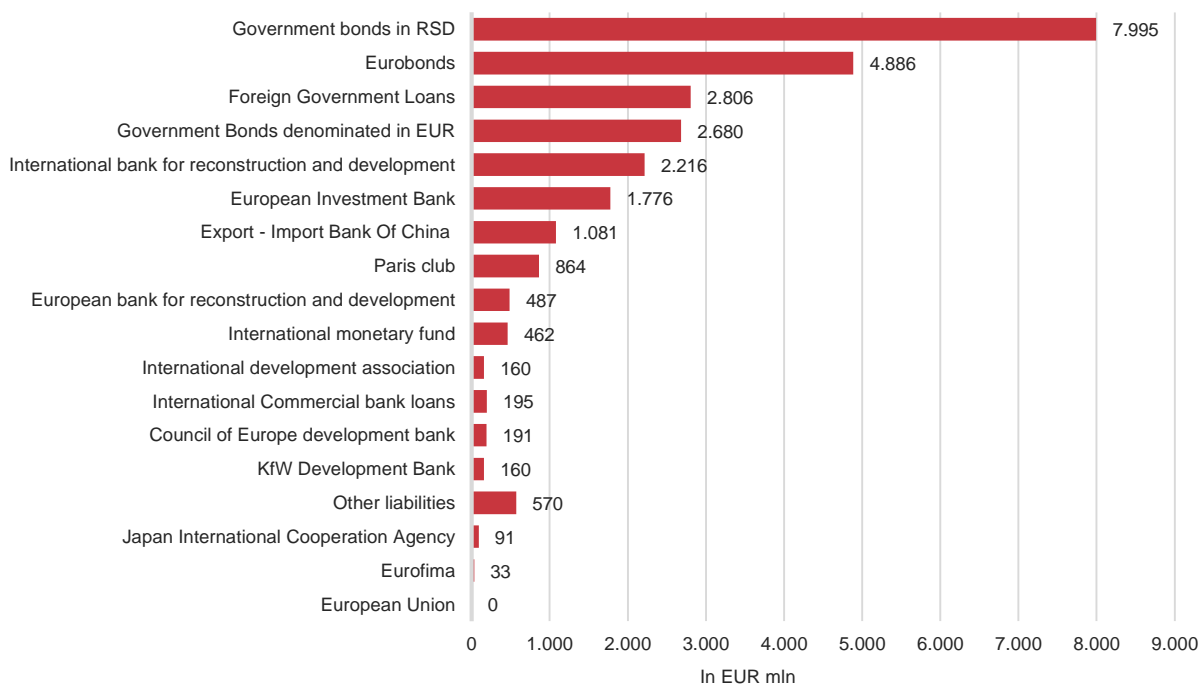
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2020 in EUR (in 000)	Debt stock as of November 30, 2020 in USD (in 000)	Debt stock as of November 30, 2020 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.675.205	12.783.562	1.255.214.074
RETAIL BONDS	17.900	21.435	2.104.722
OTHER LIABILITIES	512.444	613.652	60.254.277
INTERNAL DEBT (direct liabilities 1.1.)	11.205.549	13.418.649	1.317.573.072
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2020 in EUR (in 000)	Debt stock as of November 30, 2020 in USD (in 000)	Debt stock as of November 30, 2020 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.216.490	2.654.247	260.619.740
INTERNATIONAL DEVELOPMENT ASSOCIATION	152.771	182.944	17.963.197
EUROPEAN INVESTMENT BANK	1.205.376	1.443.439	141.730.808
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	83.245	99.686	9.788.111
COUNCIL OF EUROPE DEVELOPMENT BANK	191.217	228.982	22.483.701
EXPORT - IMPORT BANK OF CHINA	1.080.785	1.294.240	127.081.080
EUROBONDS	4.886.117	5.851.126	574.520.330
KfW DEVELOPMENT BANK	68.070	81.514	8.003.802
PARIS CLUB CREDITORS	863.662	1.034.235	101.551.235
FOREIGN GOVERNMENT LOANS	2.792.620	3.344.163	328.362.369
EUROPEAN UNION	00	00	00
INTERNATIONAL MONETARY FUND	462.241	553.533	54.351.272
OTHER LIABILITIES	40.000	47.900	4.703.288
EXTERNAL DEBT (direct liabilities 1.2.)	14.042.593	16.816.010	1.651.158.934
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	25.248.141	30.234.658	2.968.732.006
2. CONTINGENT LIABILITIES			
2.1. INTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2020 in EUR (in 000)	Debt stock as of November 30, 2020 in USD (in 000)	Debt stock as of November 30, 2020 in RSD (in 000)
COMMERCIAL BANK LOANS	173.554	207.831	20.406.892
INTERNAL DEBT (indirect liabilities 2.1.)	173.554	207.831	20.406.892
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2020 in EUR (in 000)	Debt stock as of November 30, 2020 in USD (in 000)	Debt stock as of November 30, 2020 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	404.020	483.814	47.505.503
EUROPEAN INVESTMENT BANK	570.656	683.361	67.099.037
KfW DEVELOPMENT BANK	91.690	109.799	10.781.132
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	33.402	39.999	3.927.452
INTERNATIONAL DEVELOPMENT ASSOCIATION	7.110	8.514	836.027
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	90.949	108.911	10.693.941
FOREIGN GOVERNMENT LOANS	13.588	16.272	1.597.757
INTERNATIONAL COMMERCIAL BANK LOANS	21.254	25.452	2.499.123
EXTERNAL DEBT (indirect liabilities 2.2.)	1.232.669	1.476.122	144.939.972
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.406.224	1.683.953	165.346.864
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.379.103	13.626.480	1.337.979.964
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	15.275.262	18.292.132	1.796.098.906
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	26.654.365	31.918.611	3.134.078.870

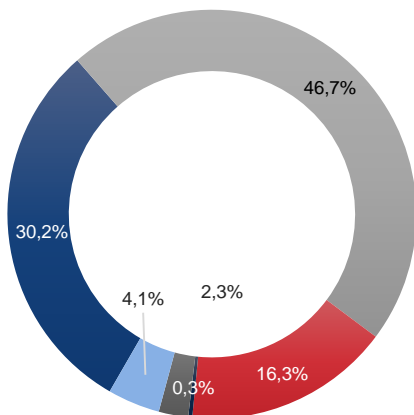
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 30.11.2020.



CREDITORS OVERVIEW AS OF NOVEMBER 30, 2020

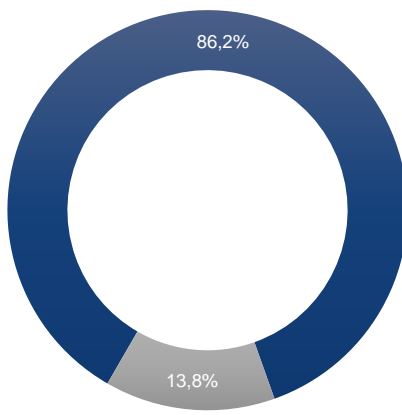


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF
NOVEMBER 30, 2020



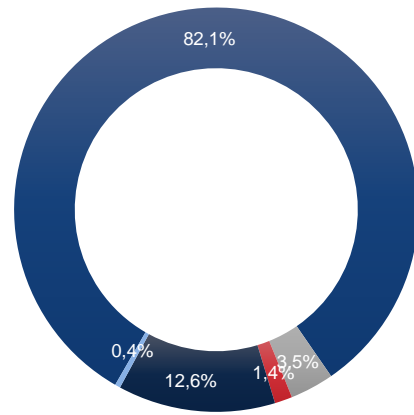
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF NOVEMBER 30, 2020



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF NOVEMBER 30, 2020



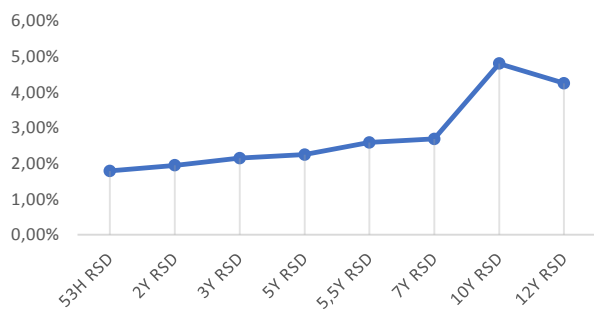
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

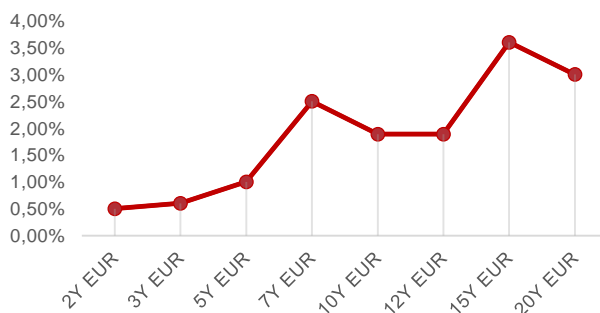
GOVERNMENT SECURITIES STOCK AS OF NOVEMBER 30, 2020

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	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	63.132.050.000,00	3,00%	2,59%
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	75.636.620.000,00	4,50%	4,25%
Total in RSD	940.054.858.250 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	376.616.000,00	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%
Total in EUR	2.680.331.000 EUR		

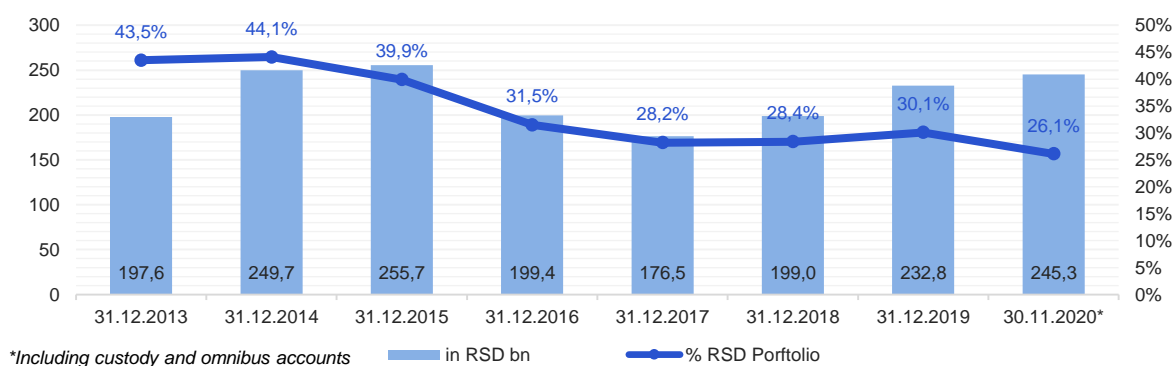
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF NOVEMBER 30, 2020



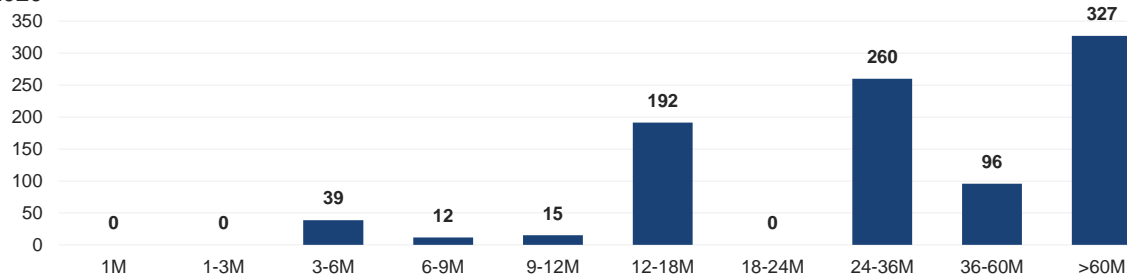
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF NOVEMBER 30, 2020



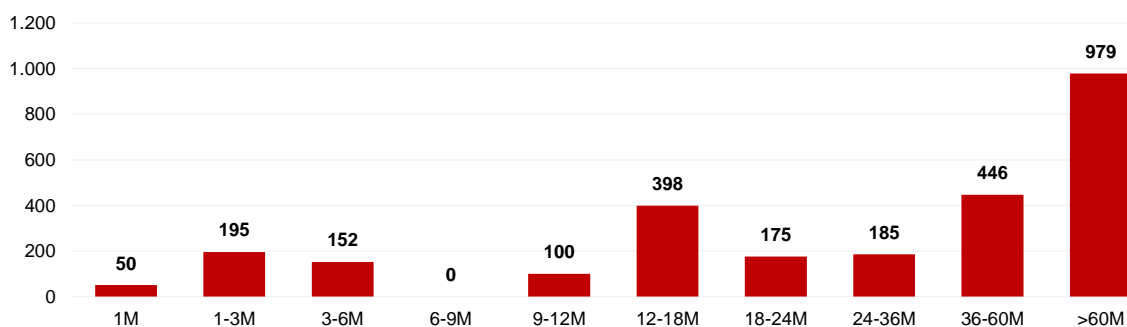
THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF NOVEMBER 30, 2020



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



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



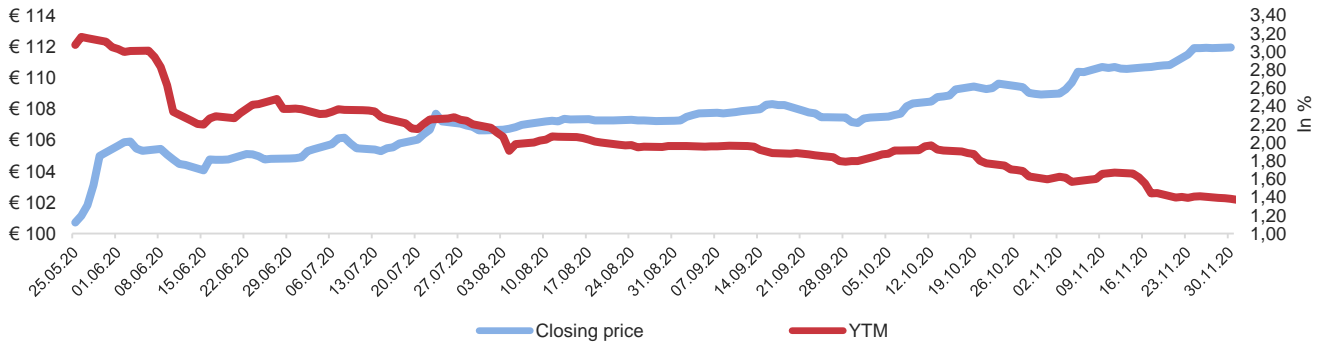
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

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 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)

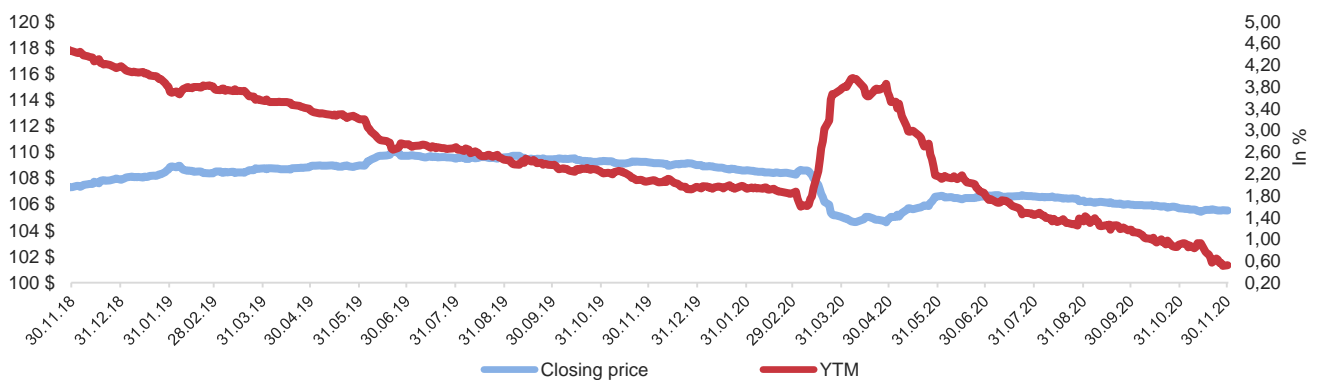
YIELD/PRICE CURVE – EUROBOND 2027



YIELD/PRICE CURVE – EUROBOND 2029

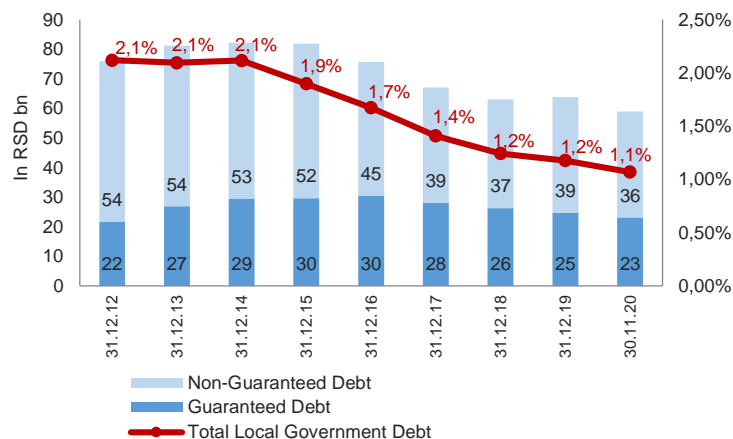


YIELD/PRICE CURVE – EUROBOND 2021

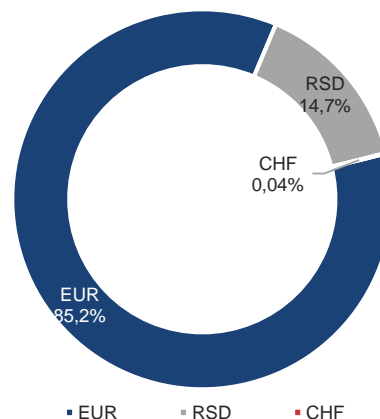


IV. LOCAL GOVERNMENT DEBT ANALYSIS

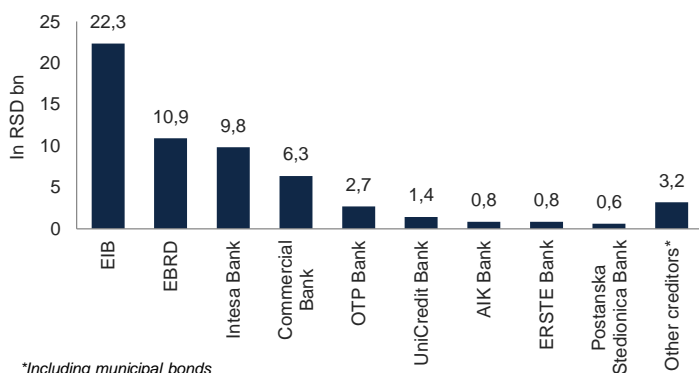
LOCAL GOVERNMENT DEBT DYNAMICS AS OF NOVEMBER 30, 2020



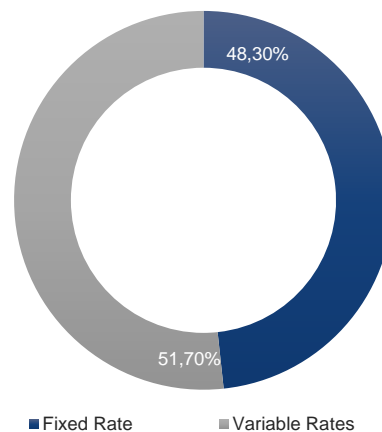
CURRENCY COMPOSITION AS OF NOVEMBER 30, 2020



CREDITORS OVERVIEW AS OF NOVEMBER 30, 2020



INTEREST RATE STRUCTURE AS OF NOVEMBER 30, 2020



Share of the top 5 Local Governments in total debt	79,1%
O/W Belgrade	59,4%
Debt maturing till the end of 2020	1.799.484.490
Debt maturing in 2021	9.399.084.289
Debt maturing in 2022	8.784.020.022
Maximum level of debt based on contracted amount	63.631.953.162
Interest Rate Risk	51,7%
FX Risk	85,3%
Local Government Debt to GDP	1,1%
O/W Non-Guaranteed Debt	0,6%
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	56,4%
Total Available Credit Potential	86.011.079.118
Share of the top 10 Local Governments with the highest available credit potential	43,1%
Share of Investment Project Loans in total Local Government Debt	99,3%

Local Government	Debt Stock as of November 30, 2020
Beograd	34.994.860.946
AP Vojvodina	5.735.531.771
Novi Sad	2.458.009.015
Kragujevac	2.403.622.577
Sabac	1.016.397.278
Nis	949.451.756
Subotica	792.685.172
Vranje	672.615.053
Indjija	505.360.906
Jagodina	495.298.233
% of total	84,9%

