



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

April 2021

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Bloomberg Page <RSMF> <GO>
Belgrade, April 2021
#109

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 the data of the Republic Bureau of Statistics, the gross domestic product in the first quarter of 2021 recorded a year-on-year real growth of 1.7%, which is higher than the preliminary estimate of growth of 1.2%. The growth of gross domestic product in the first quarter is the result of the growth of construction and industry, observed from the production side, i.e. fixed investments and net exports, observed from the expenditure side. According to seasonally adjusted data from the Republic Bureau of Statistics, the gross domestic product in the first quarter of 2021 recorded a real growth of 1.9% compared to the fourth quarter of 2020, which reached the pre-crisis level of economic activity in the first quarter. High growth rates in April were recorded in the indicators of service sectors, as well as in foreign trade, which is also largely the result of the low base from April 2020, when restrictive health measures were in force in Serbia and throughout Europe.

When it comes to foreign trade trends, merchandise exports in April increased by 73.2% year on year, and merchandise imports by 63.6% year on year. In the period January-April 2021, compared to the same period last year, merchandise exports increased by 25.4% and merchandise imports by 12.0%.

Industrial production in April, primarily due to last year's low base, expected to achieve a high year-on-year growth rate of 33.9%, which was contributed by the growth of all three sectors. The manufacturing industry grew by 42.0% year on year, with growth recorded in 22 of the 24 branches.

After the fall of the gross domestic product in 2020 (the growth rate was -1.1 percent), the Republic of Serbia is achieving growth, striving for the projected GDP growth rate in 2021 of 6.0 percent (the World Bank recently revised its estimate when Serbia in question, raising it to five percent (Fitch and Moody's are in that regard to 5.2 percent, and the IMF says that Serbia is on the best path to achieve the projected growth rate for 2021). In addition to being important in itself, it also enables the sustainability of public debt within the Maastricht criteria for EU candidate countries (up to 60% of GDP). The results were confirmed by a retained credit rating in 2020 (Fitch and S&P), as well as in March 2021 when Fitch reaffirmed and Moody's upgraded Serbia's credit rating, despite the global crisis caused by the COVID-19 pandemic. The PCI arrangement with the IMF was successfully completed in January 2021.

In April 2021, two auctions of government securities in dinars were held: realization at nominal value amounted to 13,804,500,000 dinars. The share of non-residents in the purchase of dinar government securities at the end of April 2021 amounts to 22.64 percent*, or 221.5 billion dinars.

Yields on Eurobonds of the Republic of Serbia recorded a decline compared to March 2020, when a global pandemic was declared. Prices and yields of bonds of the Republic of Serbia issued on the international market on April 30, 2021 are:

EUROBOND 2021: 102.582/0.770;

EUROBOND 2027: 110.205/1.351;

EUROBOND 2029: 99.232/1.601;

EUROBOND 2030: 92.336/3.054;

EUROBOND 2033: 96.522/1.981;

The percentage of public debt in foreign currency at the end of April 2021 is 69.7 percent, of which in EUR 51.1 percent, in USD 12.1 percent, in SDR 2.1 percent, in CHF 0.3 percent and in other foreign currencies 4.1 percent (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD is 30.3 percent.

The public debt of the central government in April 2021, compared to March of the same year, decreased by 43.1 billion dinars and amounted to 3,265.9 billion dinars (27.8 billion euros). The share of public debt of the central government in GDP (ESA 2010 methodology) at the end of April 2021 is 55.0 percent, while the share of general government debt in GDP (ESA 2010 methodology) at the end of April 2021 is 55.7 percent.

The total turnover of government securities on the secondary market in the first four months of 2021 amounted to 214.4 billion dinars, of which 89.1 percent is the turnover of dinar securities. In April 2021, the total turnover on the secondary market of dinar securities amounted to 61.5 billion dinars, while the turnover of securities denominated in euros had the equivalent of 5.2 billion dinars. Compared to the previous month, in April 2021, there was an increase in the total turnover of dinar securities in the amount of 15,2 billion dinars.

The turnover of the seven-year benchmark bond maturing in 2026 and the twelve-year benchmark bond maturing in August 2032 accounted for 41.1 percent of the total turnover in April 2021.

Thus, secondary trading in government securities, both denominated in euros and in dinars, has been preserved and slightly growing even in times of crisis, which leads to strengthening the liquidity of the secondary market of government securities and the attractiveness of public debt financial instruments.

**Including custody and omnibus accounts*

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF APRIL 30, 2021

| | EUR | USD | RSD | % GDP |
|--|-----------------------|-----------------------|--------------------------|--------------|
| Direct Liabilities (A) | | | | |
| Internal Debt | 11.180.137.583 | 13.568.211.149 | 1.314.613.123.696 | 22,1% |
| External Debt | 15.192.597.030 | 18.437.730.563 | 1.786.416.964.027 | 30,1% |
| <i>Direct Liabilities in Total</i> | 26.372.734.614 | 32.005.941.712 | 3.101.030.087.723 | 52,2% |
| Contingent Liabilities (B) | | | | |
| Internal Debt | 208.728.335 | 253.312.636 | 24.543.258.654 | 0,4% |
| External Debt | 1.193.420.227 | 1.448.334.380 | 140.327.959.385 | 2,4% |
| <i>Contingent Liabilities in Total</i> | 1.402.148.562 | 1.701.647.016 | 164.871.218.039 | 2,8% |
| Non-Guaranteed Local Government Debt (C) | | | | |
| Internal Debt | 203.893.298 | 247.444.836 | 23.974.732.247 | 0,4% |
| External Debt | 88.999.338 | 108.009.566 | 10.464.960.410 | 0,2% |
| <i>Non-Guaranteed Local Government Debt in Total</i> | 292.892.635 | 355.454.402 | 34.439.692.656 | 0,6% |
| Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D) | | | | |
| | 77.854.325 | 94.483.982 | 9.154.477.392 | 0,15% |
| Central Government Public Debt (A+B) | 27.774.883.176 | 33.707.588.728 | 3.265.901.305.762 | 55,0% |
| General Government Public Debt (A+B+C+D) | 28.145.630.136 | 34.157.527.111 | 3.309.495.475.810 | 55,7% |

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF APRIL 30, 2021.

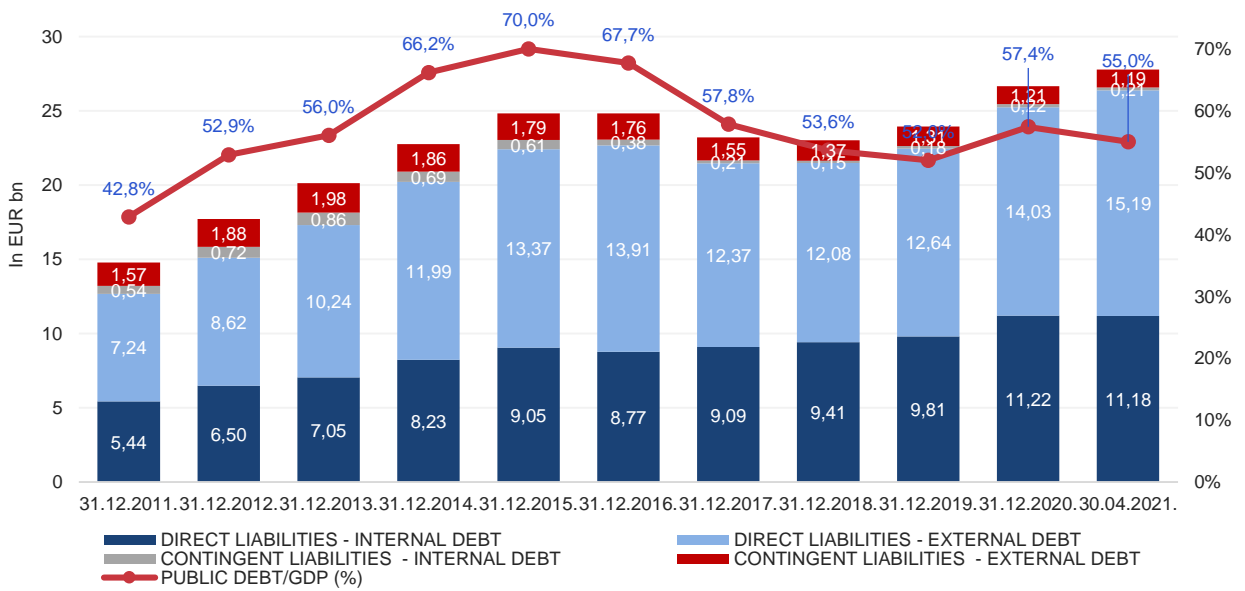
1. DIRECT LIABILITIES

| 1.1. INTERNAL DEBT | | | |
|---|---|---|---|
| Debt Description | Debt stock as of April 30, 2021 in EUR (in 000) | Debt stock as of April 30, 2021 in USD (in 000) | Debt stock as of April 30, 2021 in RSD (in 000) |
| GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET | 10.660.063 | 12.937.049 | 1.253.460.329 |
| RETAIL BONDS | 15.220 | 18.471 | 1.789.602 |
| OTHER LIABILITIES | 502.065 | 609.306 | 59.035.125 |
| COMMERCIAL BANK LOANS | 2.790 | 3.386 | 328.068 |
| INTERNAL DEBT (direct liabilities 1.1.) | 11.180.138 | 13.568.211 | 1.314.613.124 |
| 1.2. EXTERNAL DEBT | | | |
| Debt Description | Debt stock as of April 30, 2021 in EUR (in 000) | Debt stock as of April 30, 2021 in USD (in 000) | Debt stock as of April 30, 2021 in RSD (in 000) |
| INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | 2.184.639 | 2.651.277 | 256.880.118 |
| INTERNATIONAL DEVELOPMENT ASSOCIATION | 128.069 | 155.425 | 15.058.976 |
| EUROPEAN INVESTMENT BANK | 1.234.435 | 1.498.110 | 145.150.728 |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT | 89.210 | 108.265 | 10.489.725 |
| COUNCIL OF EUROPE DEVELOPMENT BANK | 309.477 | 375.581 | 36.389.787 |
| EXPORT - IMPORT BANK OF CHINA | 1.131.632 | 1.373.348 | 133.062.579 |
| EUROBONDS | 6.143.229 | 7.455.420 | 722.349.715 |
| KfW DEVELOPMENT BANK | 66.241 | 80.390 | 7.788.949 |
| PARIS CLUB CREDITORS | 793.693 | 963.225 | 93.326.121 |
| FOREIGN GOVERNMENT LOANS | 2.584.911 | 3.137.047 | 303.946.007 |
| INTERNATIONAL MONETARY FUND | 459.098 | 557.161 | 53.982.863 |
| OTHER LIABILITIES | 67.963 | 82.480 | 7.991.398 |
| EXTERNAL DEBT (direct liabilities 1.2.) | 15.192.597 | 18.437.731 | 1.786.416.964 |
| TOTAL DIRECT LIABILITIES (1.1. + 1.2.) | 26.372.735 | 32.005.942 | 3.101.030.088 |

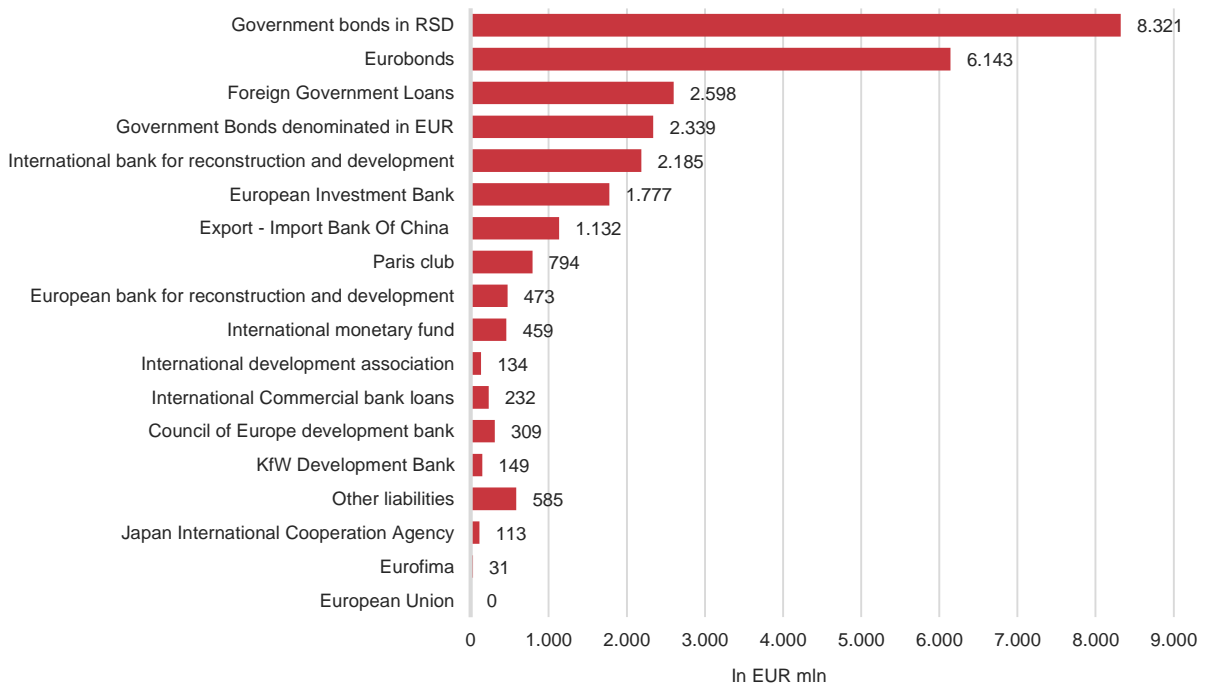
2. CONTINGENT LIABILITIES

| 2.1. INTERNAL DEBT | | | |
|---|---|---|---|
| Debt Description | Debt stock as of April 30, 2021 in EUR (in 000) | Debt stock as of April 30, 2021 in USD (in 000) | Debt stock as of April 30, 2021 in RSD (in 000) |
| COMMERCIAL BANK LOANS | 208.728 | 253.313 | 24.543.259 |
| INTERNAL DEBT (indirect liabilities 2.1.) | 208.728 | 253.313 | 24.543.259 |
| 2.2. EXTERNAL DEBT | | | |
| Debt Description | Debt stock as of April 30, 2021 in EUR (in 000) | Debt stock as of April 30, 2021 in USD (in 000) | Debt stock as of April 30, 2021 in RSD (in 000) |
| EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT | 384.126 | 466.175 | 45.167.346 |
| EUROPEAN INVESTMENT BANK | 542.628 | 658.533 | 63.804.776 |
| KfW DEVELOPMENT BANK | 83.023 | 100.757 | 9.762.264 |
| TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA | 31.215 | 37.882 | 3.670.354 |
| INTERNATIONAL DEVELOPMENT ASSOCIATION | 6.277 | 7.618 | 738.098 |
| JAPAN INTERNATIONAL COOPERATION AGENCY - JICA | 112.976 | 137.108 | 13.284.277 |
| FOREIGN GOVERNMENT LOANS | 12.868 | 15.616 | 1.513.040 |
| INTERNATIONAL COMMERCIAL BANK LOANS | 20.307 | 24.645 | 2.387.806 |
| EXTERNAL DEBT (indirect liabilities 2.2.) | 1.193.420 | 1.448.334 | 140.327.959 |
| TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.) | 1.402.149 | 1.701.647 | 164.871.218 |
| TOTAL INTERNAL DEBT (1.1.+ 2.1.) | 11.388.866 | 13.821.524 | 1.339.156.382 |
| TOTAL EXTERNAL DEBT (1.2.+ 2.2.) | 16.386.017 | 19.886.065 | 1.926.744.923 |
| TOTAL CENTRAL GOVERNMENT DEBT (1 + 2) | 27.774.883 | 33.707.589 | 3.265.901.306 |

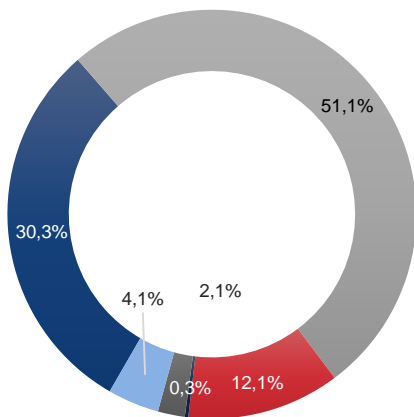
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2011. - 30.04.2021.



CREDITORS OVERVIEW AS OF APRIL 30, 2021

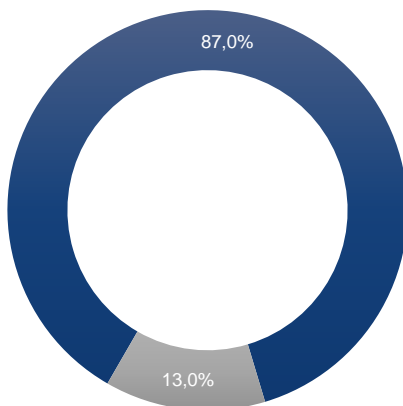


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF APRIL 30,
2021



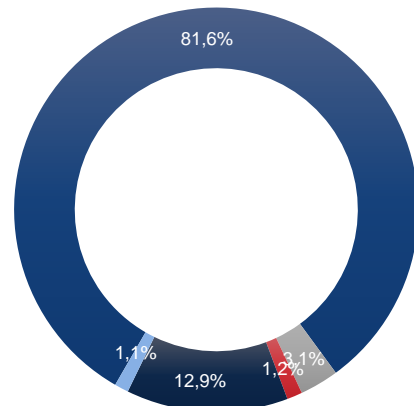
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF APRIL 30, 2021



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF APRIL 30, 2021



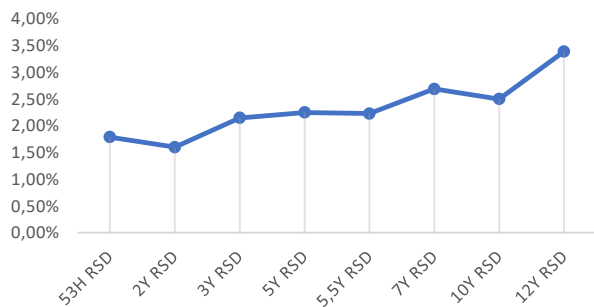
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

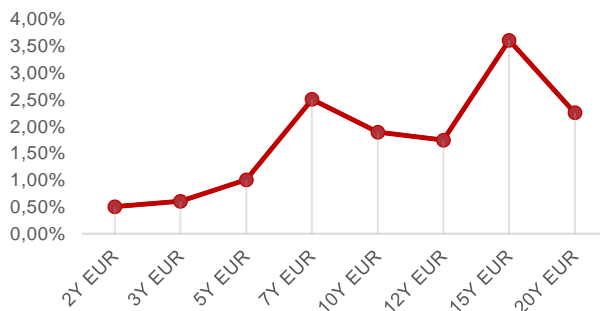
GOVERNMENT SECURITIES STOCK AS OF APRIL 30, 2021

| Maturity | Nominal value of debt stock | Last coupon rate | Last accepted rate |
|--|-----------------------------|------------------|--------------------|
| Government Bonds Denominated in RSD | | | |
| 53W Government Bills | 0,00 | - | 1,79% |
| 2Y Government Bond with fixed coupon rate | 58.373.670.000,00 | 1,70% | 1,60% |
| 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 | 80.047.880.000,00 | 3,00% | 2,23% |
| 7Y Government Bond with fixed coupon rate | 326.833.810.000,00 | 4,50% | 2,69% |
| 10Y Government Bond with fixed coupon rate | 120.882.410.000,00 | 5,88% | 2,50% |
| 12,5Y Government Bond with fixed coupon rate | 122.558.780.000,00 | 4,50% | 3,39% |
| Total in RSD | 978.457.818.250 RSD | | |
| Government Bonds Denominated in EUR | | | |
| 2Y Government Bond with fixed coupon rate | 100.000.000,00 | 0,50% | 0,50% |
| 3Y Government Bond with fixed coupon rate | 200.000.000,00 | 1,25% | 0,60% |
| 5Y Government Bond with fixed coupon rate | 714.766.000,00 | 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 | 124.246.000,00 | 1,50% | 1,74% |
| 15Y Government Bond with fixed coupon rate | 321.882.000,00 | 3,50% | 3,60% |
| 20Y Government Bond with fixed coupon rate | 180.367.000,00 | 3,50% | 2,25% |
| Total in EUR | 2.338.761.000 EUR | | |

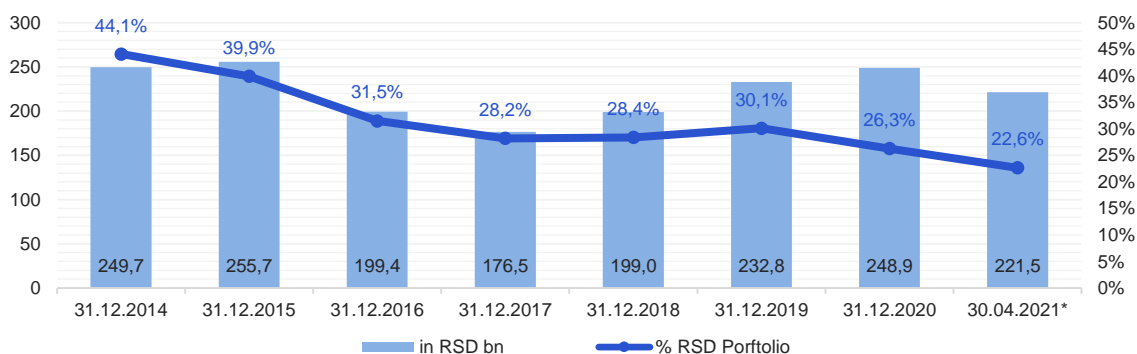
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF APRIL 30, 2021



ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF APRIL 30, 2021

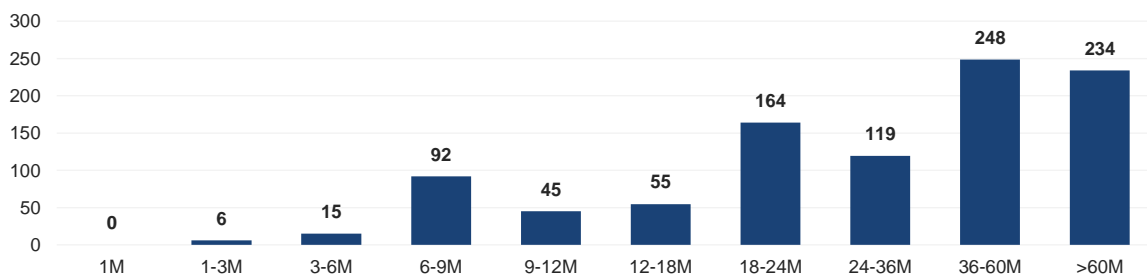


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF APRIL 30, 2021

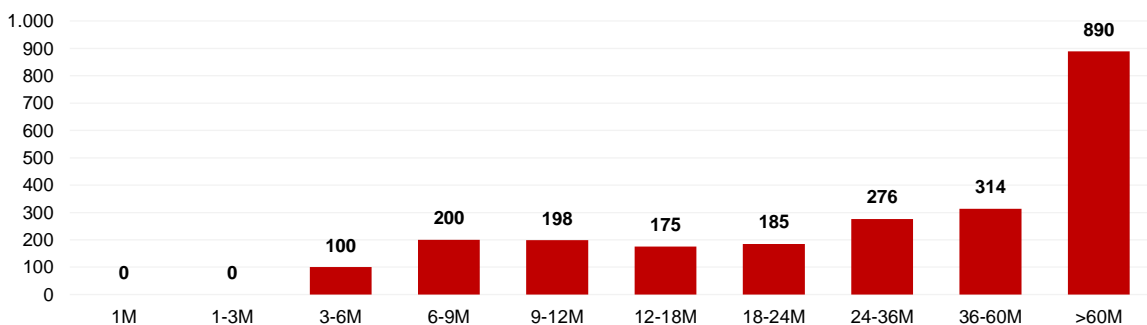


*Including custody and omnibus accounts

RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF APRIL 30, 2021



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF APRIL 30, 2021



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 | 700.000.000 | 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 |
| SERBIA 1 1/8 12/01/30 | 2020 | USD | 1.200.000.000 | 1.200.000.000 | 01.12.2020 | 01.12.2030 | 2,125 | 2,350 | 98,005 |
| SERBIA 1,65 03/03/33 | 2021 | EUR | 1.000.000.000 | 1.000.000.000 | 03.03.2021 | 03.03.2033 | 1,650 | 1,920 | 97,131 |

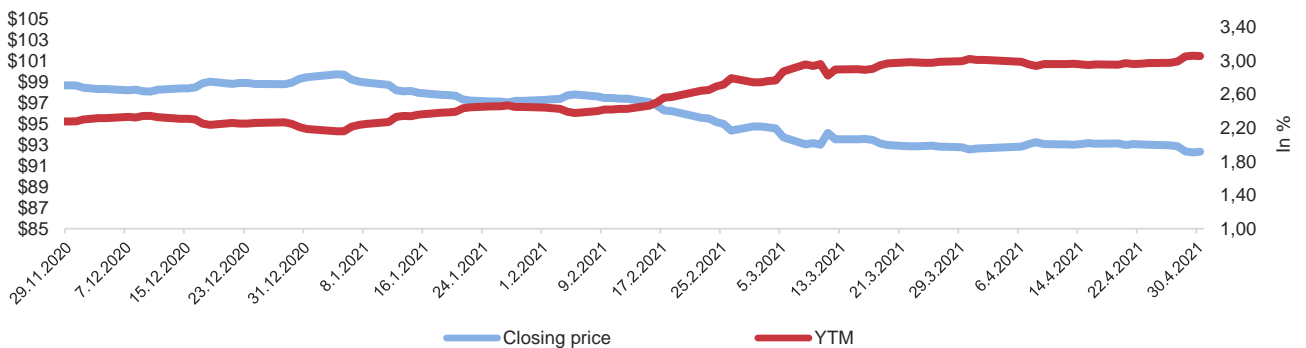
*The data presented includes primary issue data and data from the reopening for the Eurobond 2021 (reopened on September 27, 2012)

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

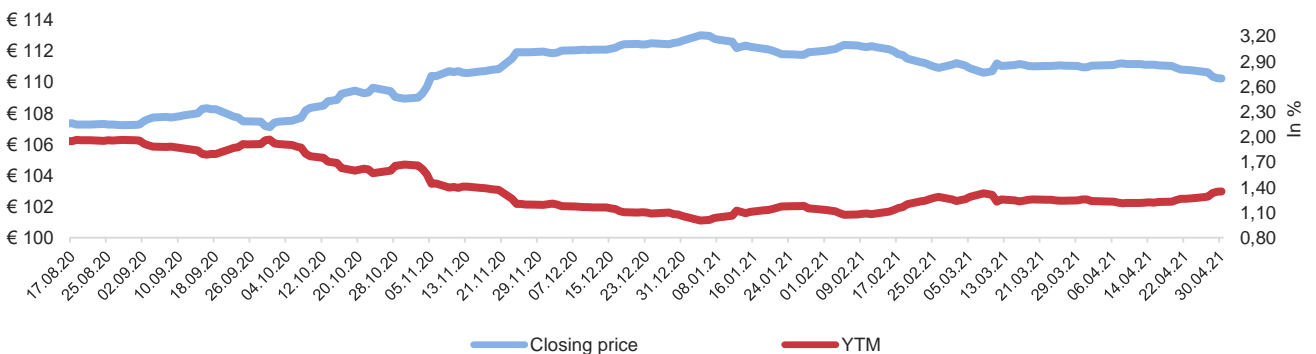
YIELD/PRICE CURVE – EUROBOND 2033



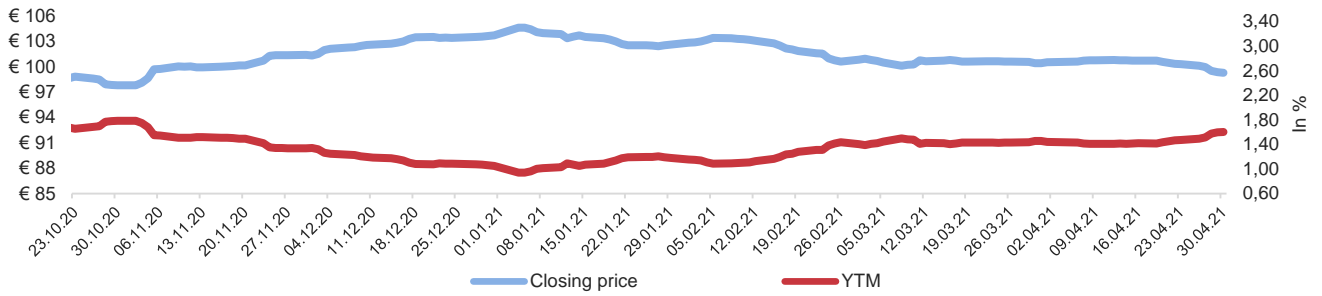
YIELD/PRICE CURVE – EUROBOND 2030



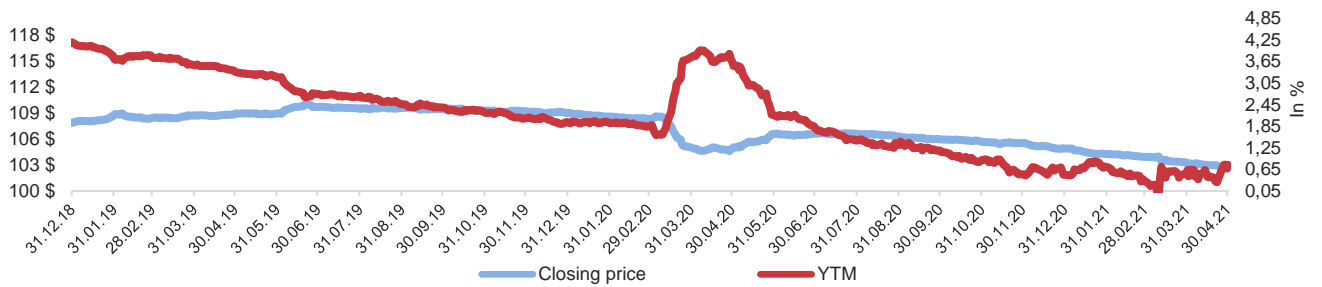
YIELD/PRICE CURVE – EUROBOND 2027



YIELD/PRICE CURVE – EUROBOND 2029

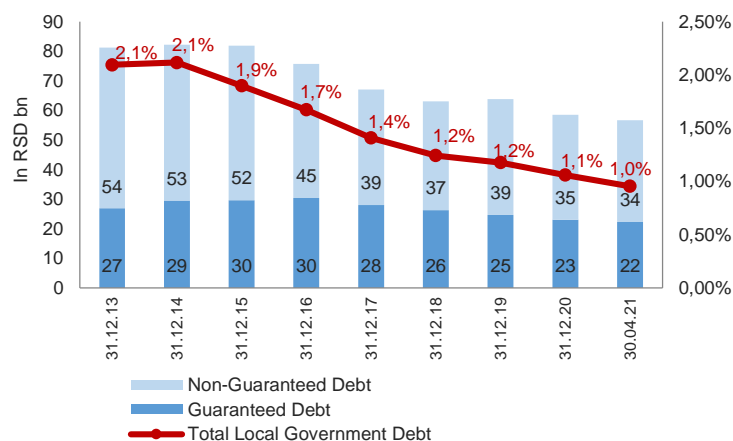


YIELD/PRICE CURVE – EUROBOND 2021

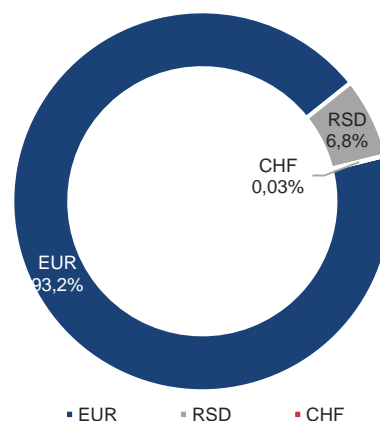


IV. LOCAL GOVERNMENT DEBT ANALYSIS

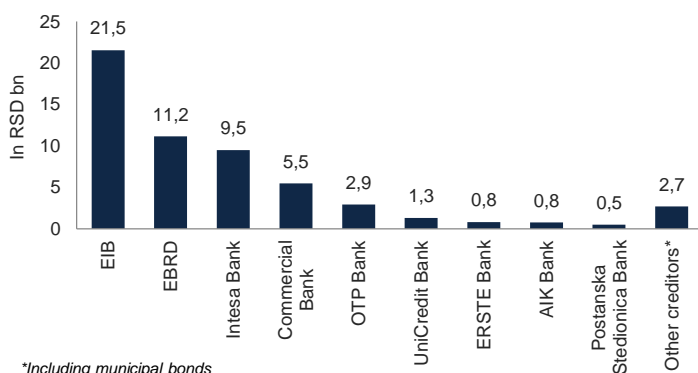
LOCAL GOVERNMENT DEBT DYNAMICS AS OF APRIL 30, 2021



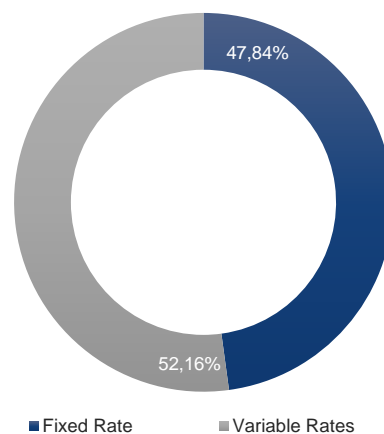
CURRENCY COMPOSITION AS OF APRIL 30, 2021



CREDITORS OVERVIEW AS OF APRIL 30, 2021



INTEREST RATE STRUCTURE AS OF APRIL 30, 2021



| | |
|---|-----------------------|
| Share of the top 5 Local Governments in total debt | 80,0% |
| O/W Belgrade | 61,1% |
| Debt maturing till the end of 2020 | 7.823.034.830 |
| Debt maturing in 2021 | 8.977.332.234 |
| Debt maturing in 2022 | 7.719.003.466 |
| Maximum level of debt based on contracted amount | 64.630.417.444 |
| Interest Rate Risk | 52,2% |
| FX Risk | 93,2% |
| Local Government Debt to GDP | 1,0% |
| O/W Non-Guaranteed Debt | 0,6% |
| Maximum Debt Level to GDP | 1,1% |
| Share of the top 10 Creditors in total Local Government Debt | 95,3% |
| Share of Foreign Creditors in Total Local Government Debt | 57,7% |
| Total Available Credit Potential | 81.920.693.638 |
| Share of the top 10 Local Governments with the highest available credit potential | 45,8% |
| Share of Investment Project Loans in total Local Government Debt | 99,3% |

| Local Government | Debt Stock as of April 30, 2021 |
|-------------------|---------------------------------|
| Beograd | 34.615.388.919 |
| AP Vojvodina | 5.297.640.658 |
| Novi Sad | 2.248.074.843 |
| Kragujevac | 2.232.039.988 |
| Sabac | 947.839.515 |
| Nis | 884.074.316 |
| Subotica | 693.614.257 |
| Vranje | 676.878.081 |
| Jagodina | 522.213.313 |
| Indijja | 464.207.251 |
| % of total | 85,7% |

