



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

June 2021

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Bloomberg Page <RSMF> <GO>
Belgrade, June 2021
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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 share of public debt of the central government in GDP (ESA 2010 methodology) at the end of June 2021 was 55.0%, and the share of general government debt in GDP was 55.7%. The public debt of the central government in June 2021, compared to May of the same year, increased by 21.3 billion dinars and amounted to 3,322.5 billion dinars (28.3 billion euros).

The slight increase in public debt during June 2021 was due to the issuance of government securities in the amount of 17.4 billion dinars and the withdrawal of funds on the basis of project loans in the amount of 9.7 billion dinars. During the month of June, liabilities in the amount of 21.6 billion dinars were repaid.

The share of public debt in foreign currency at the end of June 2021 was 69.4%, of which in EUR 51.1%, in USD 12.2%, in SDR 2.1%, in CHF 0.3% and in other foreign currencies 3.7% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the share of public debt in RSD is 30.6%.

On June 30, the bonds of the Republic of Serbia were included in the GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG), which will significantly affect the liquidity of the secondary market and growth of demand in the primary market due to new investors, resulting in more favorable borrowing conditions. The index includes three dinar benchmark bonds maturing on January 11, 2026 (RSMFRSD89592), February 6, 2028 (RSMFRSD55940) and August 20, 2032 (RSMFRSD86176). The turnover of these bonds on the secondary market in June, until the inclusion in the index, increased by more than 260 percent compared to January, before JP Morgan published the information on the date of inclusion.

In June 2021, two auctions of government securities in dinars were held. Realization at nominal value amounted to 17.4 billion dinars. The share of non-residents in the purchase of dinar government securities at the end of June 2021 amounts to 22.59 percent*, or 227.5 billion dinars.

The total turnover of government securities on the secondary market in the first six months of 2021 amounted to 310.1 billion dinars, of which 88.9 percent is the turnover of dinar securities. In June 2021, the total turnover on the secondary market of dinar securities amounted to 50.2 billion dinars, while the turnover of securities denominated in euros had the equivalent of 4.8 billion dinars. Compared to the previous month, in June 2021, there was an increase in the total turnover of dinar securities in the amount of 15.6 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 57.7 percent of the total turnover in June 2021.

Yields on Eurobonds of the Republic of Serbia recorded a decline compared to January 2021. Prices and yields of bonds of the Republic of Serbia issued on the international market on June 30, 2021 are:

EUROBOND 2021: 101,660 / 0,291;

EUROBOND 2027: 111,411 / 1,106;

EUROBOND 2029: 100,939 / 1,375;

EUROBOND 2030: 94,962 / 2,736;

EUROBOND 2033: 98,101 / 1,832.

During June, the rating agency Standard and Poor's confirmed the credit rating of the Republic of Serbia at the level of "BB+/B" and kept stable prospects for its further increase. In its report, the agency emphasizes that the moderate level of public debt before the pandemic created sufficient fiscal space to limit countercyclical measures and mitigated the economic downturn caused by the pandemic, as well as creating a good basis for sustainable economic growth. The agency expects that the share of public debt in GDP will stabilize as early as this year, and after that it will return to a downward trajectory.

**Including custody and omnibus accounts*

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

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.482.532.215	13.672.247.989	1.349.955.382.425	22,4%
External Debt	15.377.821.215	18.310.367.542	1.807.908.929.007	29,9%
<i>Direct Liabilities in Total</i>	26.860.353.431	31.982.615.531	3.157.864.311.432	52,3%
Contingent Liabilities (B)				
Internal Debt	238.590.736	284.089.925	28.050.158.478	0,5%
External Debt	1.162.013.750	1.383.609.457	136.613.308.584	2,3%
<i>Contingent Liabilities in Total</i>	1.400.604.487	1.667.699.382	164.663.467.062	2,7%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	194.322.149	231.379.330	22.845.677.762	0,4%
External Debt	83.950.441	99.959.767	9.869.717.564	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	278.272.590	331.339.097	32.715.395.326	0,5%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)	74.648.444	88.883.882	8.776.119.003	0,1%
Central Government Public Debt (A+B)	28.260.957.917	33.650.314.913	3.322.527.778.494	55,0%
General Government Public Debt (A+B+C+D)	28.613.878.952	34.070.537.892	3.364.019.292.823	55,7%

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

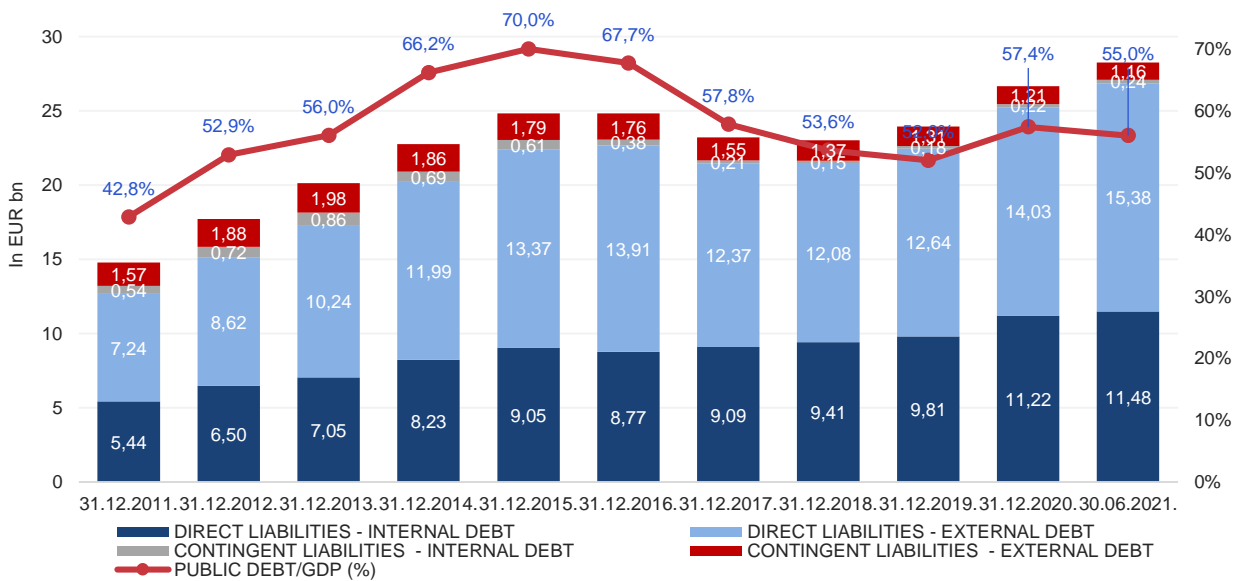
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of June 30, 2021 in EUR (in 000)	Debt stock as of June 30, 2021 in USD (in 000)	Debt stock as of June 30, 2021 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.958.112	13.047.821	1.288.301.447
RETAIL BONDS	15.200	18.099	1.786.991
OTHER LIABILITIES	501.875	597.582	59.003.388
COMMERCIAL BANK LOANS	7.345	8.746	863.557
INTERNAL DEBT (direct liabilities 1.1.)	11.482.532	13.672.248	1.349.955.382
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of June 30, 2021 in EUR (in 000)	Debt stock as of June 30, 2021 in USD (in 000)	Debt stock as of June 30, 2021 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.165.348	2.578.280	254.571.336
INTERNATIONAL DEVELOPMENT ASSOCIATION	126.033	150.068	14.817.254
EUROPEAN INVESTMENT BANK	1.221.632	1.454.597	143.622.376
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	94.739	112.806	11.138.068
COUNCIL OF EUROPE DEVELOPMENT BANK	360.454	429.193	42.377.179
EXPORT - IMPORT BANK OF CHINA	1.211.115	1.442.075	142.386.002
EUROBONDS	6.154.322	7.327.949	723.539.012
KfW DEVELOPMENT BANK	63.104	75.138	7.418.906
PARIS CLUB CREDITORS	798.485	950.756	93.874.739
FOREIGN GOVERNMENT LOANS	2.634.125	3.136.452	309.683.502
INTERNATIONAL MONETARY FUND	465.377	554.124	54.712.457
OTHER LIABILITIES	83.086	98.931	9.768.096
EXTERNAL DEBT (direct liabilities 1.2.)	15.377.821	18.310.368	1.807.908.929
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	26.860.353	31.982.616	3.157.864.311

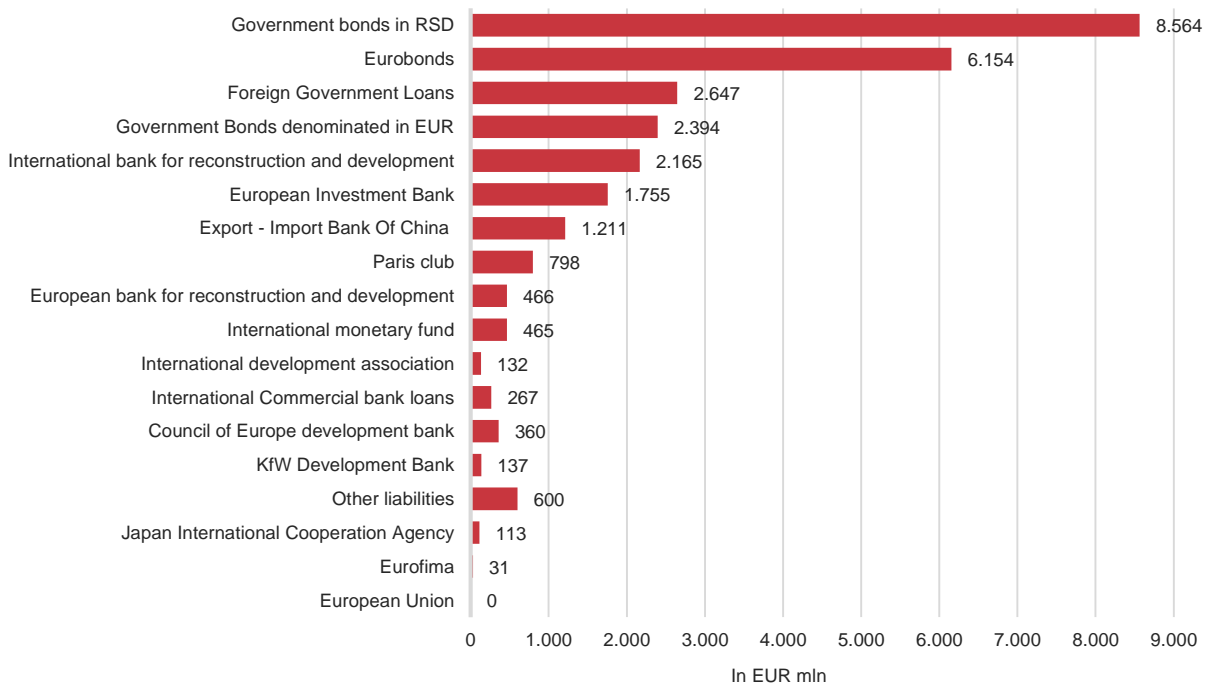
2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of June 30, 2021 in EUR (in 000)	Debt stock as of June 30, 2021 in USD (in 000)	Debt stock as of June 30, 2021 in RSD (in 000)
COMMERCIAL BANK LOANS	238.591	284.090	28.050.158
INTERNAL DEBT (indirect liabilities 2.1.)	238.591	284.090	28.050.158
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of June 30, 2021 in EUR (in 000)	Debt stock as of June 30, 2021 in USD (in 000)	Debt stock as of June 30, 2021 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	370.861	441.584	43.600.676
EUROPEAN INVESTMENT BANK	533.595	635.352	62.732.660
KfW DEVELOPMENT BANK	73.519	87.540	8.643.384
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	31.414	37.404	3.693.186
INTERNATIONAL DEVELOPMENT ASSOCIATION	6.363	7.576	748.074
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	113.132	134.706	13.300.500
FOREIGN GOVERNMENT LOANS	12.443	14.816	1.462.846
INTERNATIONAL COMMERCIAL BANK LOANS	20.686	24.631	2.431.983
EXTERNAL DEBT (indirect liabilities 2.2.)	1.162.014	1.383.609	136.613.309
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.400.604	1.667.699	164.663.467
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.721.123	13.956.338	1.378.005.541
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	16.539.835	19.693.977	1.944.522.238
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	28.260.958	33.650.315	3.322.527.778

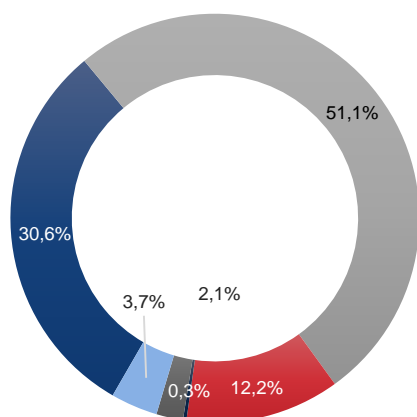
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2011. - 30.06.2021.



CREDITORS OVERVIEW AS OF JUNE 30, 2021

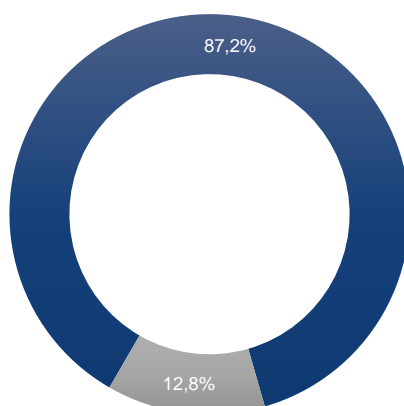


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF JUNE 30,
2021



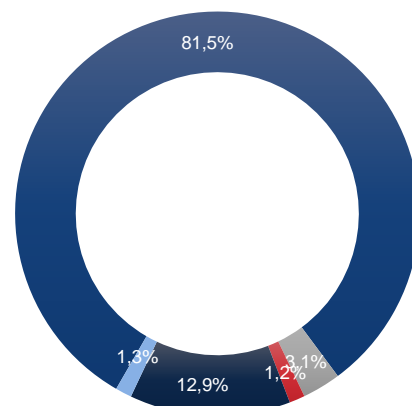
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF JUNE 30, 2021



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF JUNE 30, 2021



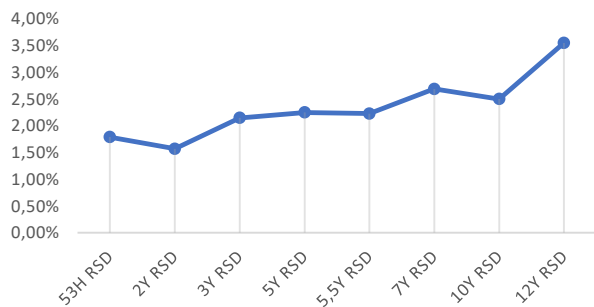
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

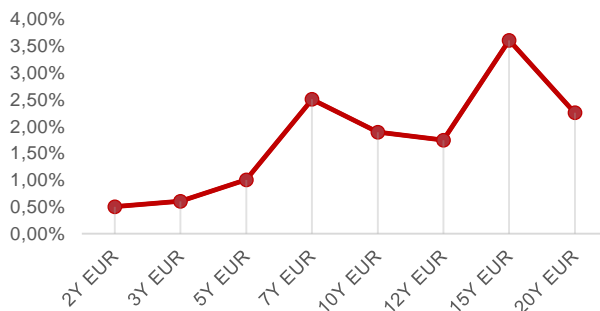
GOVERNMENT SECURITIES STOCK AS OF JUNE 30, 2021

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	79.233.670.000,00	1,70%	1,57%
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	85.948.590.000,00	3,00%	2,23%
7Y Government Bond with fixed coupon rate	315.000.000.000,00	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	136.023.680.000,00	4,50%	3,55%
Total in RSD	1.006.849.618.250 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	235.596.000,00	3,50%	2,25%
Total in EUR	2.393.990.000 EUR		

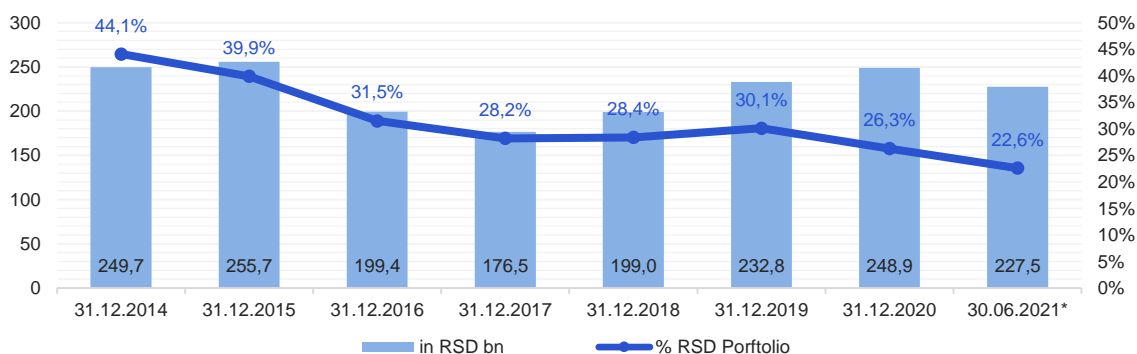
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF JUNE 30, 2021



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

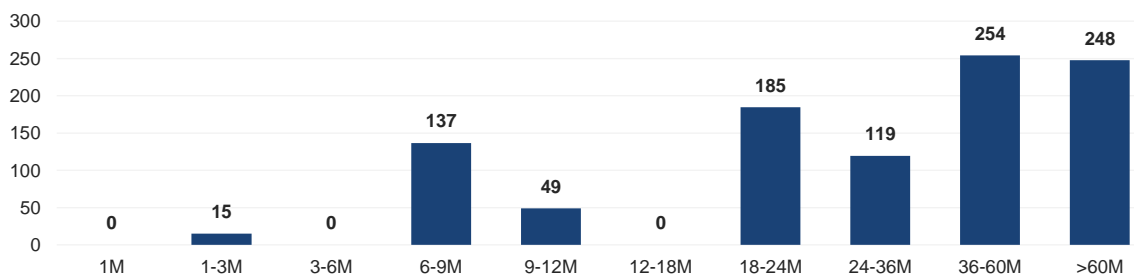


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF JUNE 30, 2021

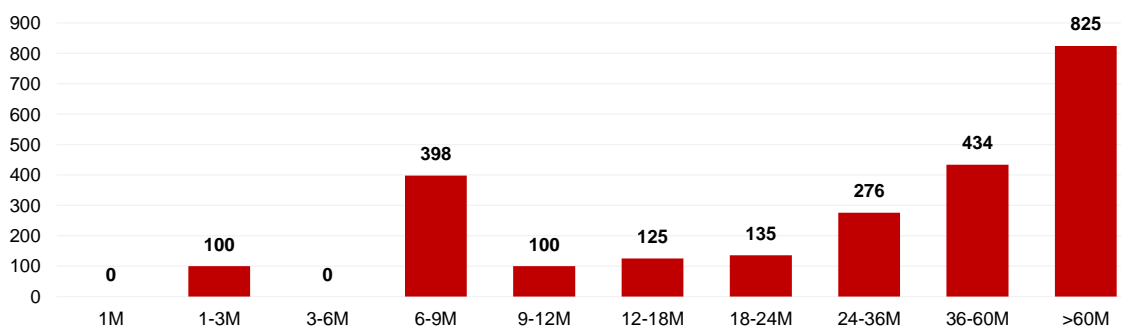


*Including custody and omnibus accounts

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



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

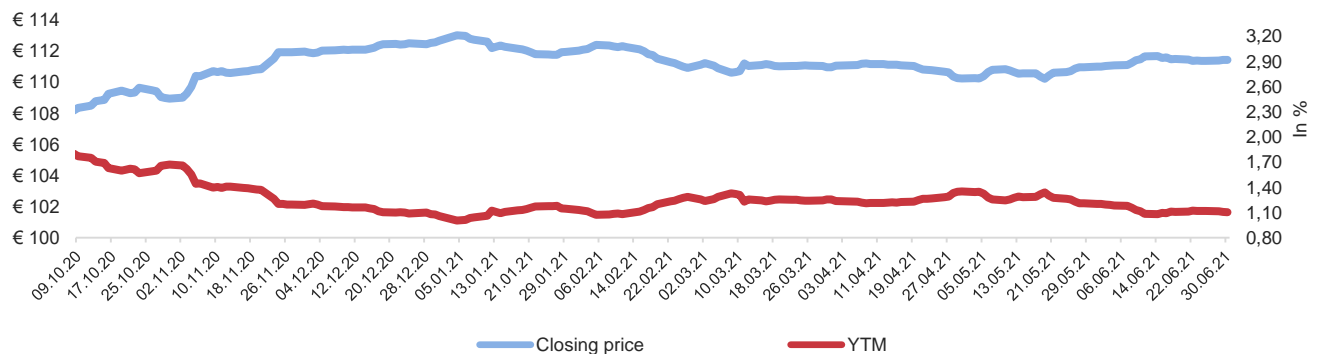
YIELD/PRICE CURVE – EUROBOND 2033



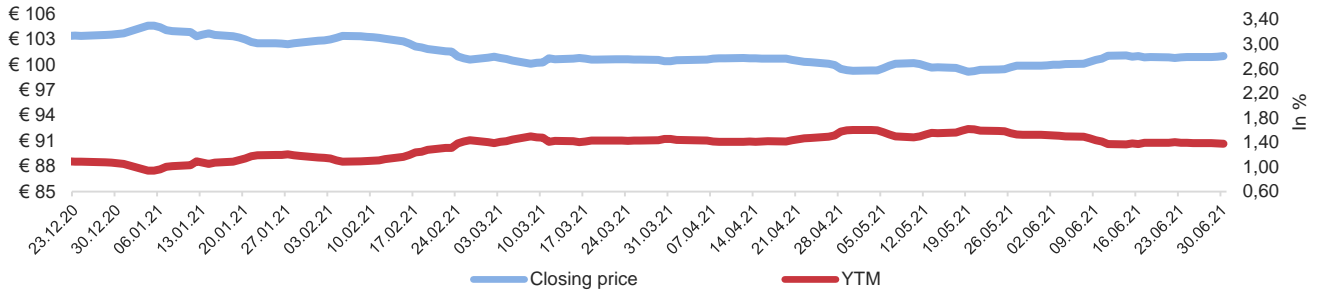
YIELD/PRICE CURVE – EUROBOND 2030



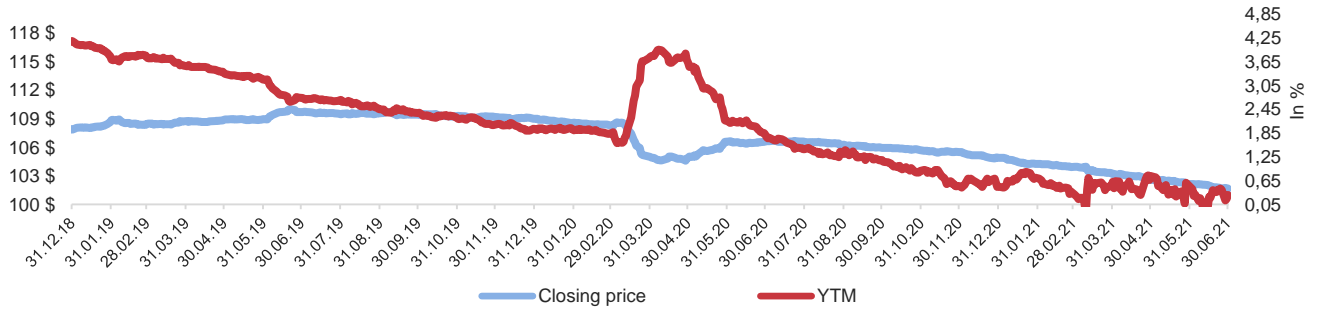
YIELD/PRICE CURVE – EUROBOND 2027



YIELD/PRICE CURVE – EUROBOND 2029

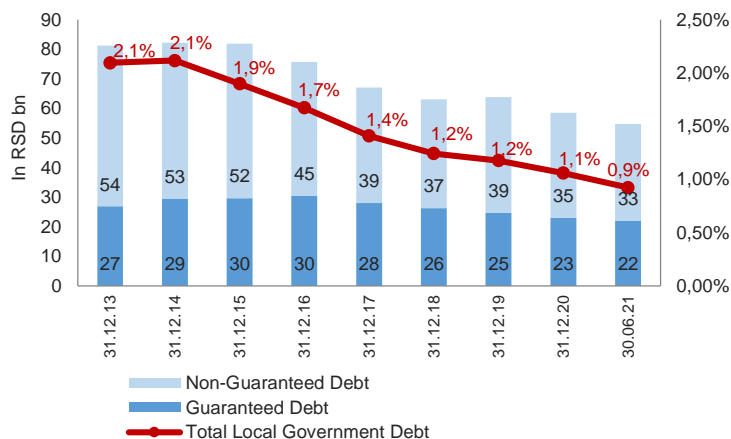


YIELD/PRICE CURVE – EUROBOND 2021

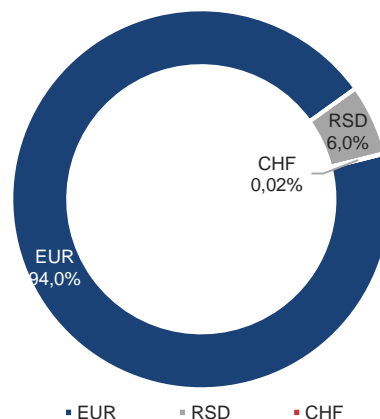


IV. LOCAL GOVERNMENT DEBT ANALYSIS

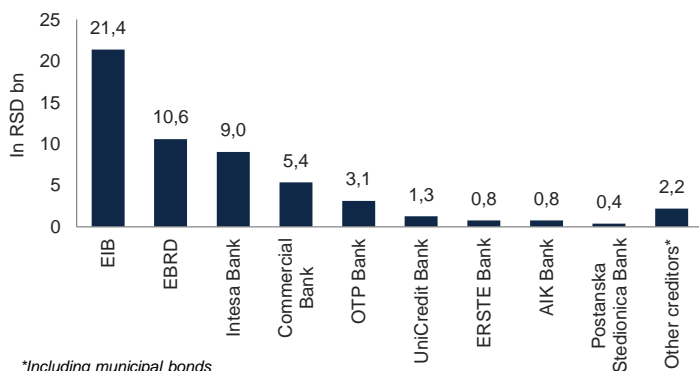
LOCAL GOVERNMENT DEBT DYNAMICS AS OF JUNE 30, 2021



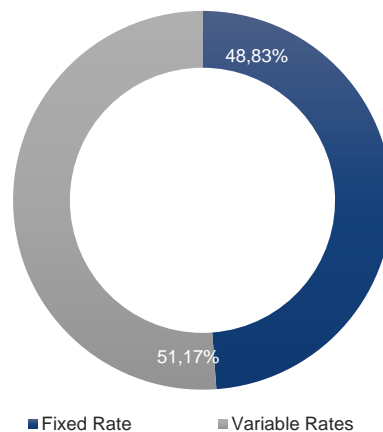
CURRENCY COMPOSITION AS OF JUNE 30, 2021



CREDITORS OVERVIEW AS OF JUNE 30, 2021



INTEREST RATE STRUCTURE AS OF JUNE 30, 2021



Share of the top 5 Local Governments in total debt	80,2%
O/W Belgrade	60,9%
Debt maturing till the end of 2020	5.397.219.969
Debt maturing in 2021	8.979.733.211
Debt maturing in 2022	7.859.702.798
Maximum level of debt based on contracted amount	62.820.406.121
Interest Rate Risk	51,2%
FX Risk	94,0%
Local Government Debt to GDP	0,9%
O/W Non-Guaranteed Debt	0,5%
Maximum Debt Level to GDP	1,0%
Share of the top 10 Creditors in total Local Government Debt	96,0%
Share of Foreign Creditors in Total Local Government Debt	58,3%
Total Available Credit Potential	82.563.809.282
Share of the top 10 Local Governments with the highest available credit potential	47,1%
Share of Investment Project Loans in total Local Government Debt	99,4%

Local Government	Debt Stock as of June 30, 2021
Beograd	33.369.971.503
AP Vojvodina	5.007.686.315
Novi Sad	2.488.391.938
Kragujevac	2.231.685.017
Nis	834.727.203
Sabac	766.056.116
Subotica	693.503.949
Vranje	675.240.812
Jagodina	542.742.826
Indijja	447.619.401
% of total	85,9%

