



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

September 2021

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Bloomberg Page <RSMF> <GO>
Belgrade, September 2021
#114

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 central government public debt in GDP (ESA 2010 methodology) at the end of September 2021 was 56.5 percent, and the share of general government general government debt in GDP was 57.1 percent. The public debt of the central government in September 2021, compared to August of the same year, increased by 131.3 billion dinars and amounted to 3,479.2 billion dinars (29.6 billion euros).

The increase in public debt during September 2021 was due to the issue of Eurobonds in the amount of 1.75 billion euros, the issue of dinar government securities in the amount of 8.6 billion dinars and the withdrawal of funds on the basis of project loans in the amount of 25.9 billion dinars, while the rest refers to debt increases due to exchange rate differences. During the month of September, liabilities in the amount of 117.4 billion dinars were repaid.

The share of public debt in foreign currency at the end of September 2021 is 70.6 percent, of which in EUR 54.2 percent, in USD 10.5 percent, in SDR 2.0 percent, in CHF 0.2 percent and in other 3.6 percent in foreign currencies (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the share of public debt in RSD is 29.4 percent.

The Republic of Serbia issued green Eurobonds on 23.09.2021. The funds from this issue will be used for projects from the so-called green agenda and this is another indicator of commitment of the Republic of Serbia to green projects and increasing investment in environmental protection. The green Eurobond was issued in the amount of 1 billion euros with a maturity of seven years and a coupon rate of 1.00%, the lowest ever achieved rate on the international market. At the same time, with the issue of the green Eurobond, a fifteen-year Eurobond in the amount of 750 million euros was issued, with an annual coupon rate of 2.05%. The issue of the before mentioned Eurobond, with the highest maturity so far, increased the maturity of the total public debt.

In September 2021, two auctions of government securities in dinars were held. Realization at nominal value amounted to 8.6 billion dinars. In the same month, the early redemption of a three-year dinar government bond issued in dinars, which matures in January 2022 in the total amount of 6.0 billion dinars, was realized. This transaction was conducted in order to reduce the pressure and the amount of liabilities that fall due at the beginning of 2022.

The share of non-residents in the purchase of dinar government securities at the end of September 2021 amounts to 20.02 percent*, or 201.2 billion dinars.

The total turnover of government securities on the secondary market in the first nine months of 2021 amounted to 476.2 billion dinars, of which 91% is the turnover of dinar securities.

In September 2021, the total turnover on the secondary market of dinar securities amounted to 42.6 billion dinars, while the turnover of securities denominated in euros had the equivalent of 3.1 billion dinars. Compared to the previous month, in September 2021, there was an increase in the total turnover of dinar securities in the amount of 20.4 billion dinars.

The turnover of twelve-year benchmark bonds maturing in August 2032, ten-year benchmark bonds maturing in February 2028, as well as seven-year benchmark bonds maturing in January 2026, accounted for 77.6 percent of the total turnover in September 2021.

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 September 30, 2021 are:

EUROBOND 2027: 110.110 / 1.247;

EUROBOND 2029: 98.916 / 1.650;

EUROBOND 2030: 93.624 / 2.923;

EUROBOND 2033: 95.265 / 2.121;

EUROBOND 2028: 96.935 / 1.466;

EUROBOND 2036: 94.065 / 2.531.

**Including custody and omnibus accounts*

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

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.428.962.941	13.264.454.931	1.343.583.168.864	21,8%
External Debt	16.782.803.453	19.478.122.483	1.972.977.982.544	32,0%
<i>Direct Liabilities in Total</i>	28.211.766.394	32.742.577.414	3.316.561.151.408	53,8%
Contingent Liabilities (B)				
Internal Debt	241.007.178	279.712.943	28.332.683.399	0,5%
External Debt	1.142.539.165	1.326.031.010	134.316.333.026	2,2%
<i>Contingent Liabilities in Total</i>	1.383.546.344	1.605.743.952	162.649.016.425	2,6%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	185.441.516	215.223.432	21.800.411.898	0,4%
External Debt	84.296.905	97.834.992	9.909.902.014	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	269.738.421	313.058.424	31.710.313.912	0,5%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	68.772.523	79.817.393	8.084.863.364	0,13%
Central Government Public Debt (A+B)	29.595.312.738	34.348.321.366	3.479.210.167.833	56,5%
General Government Public Debt (A+B+C+D)	29.933.823.682	34.741.197.183	3.519.005.345.110	57,1%

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

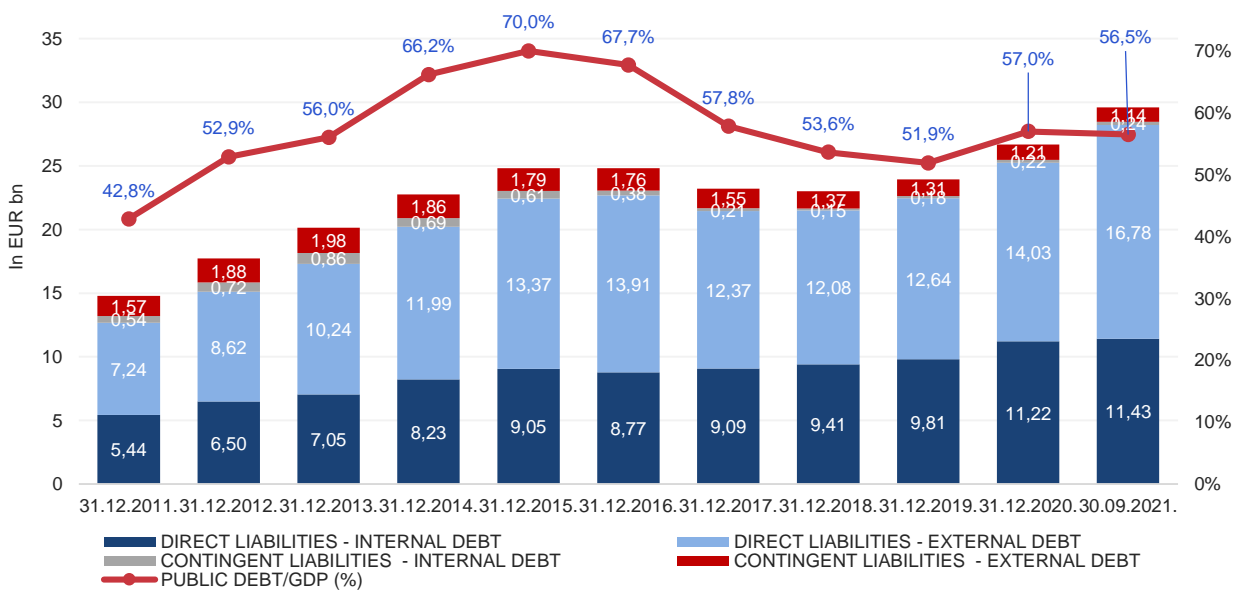
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of September 30, 2021 in EUR (in 000)	Debt stock as of September 30, 2021 in USD (in 000)	Debt stock as of September 30, 2021 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.865.701	12.610.733	1.277.366.321
RETAIL BONDS	15.200	17.641	1.786.901
OTHER LIABILITIES	490.271	569.009	57.636.033
COMMERCIAL BANK LOANS	57.791	67.073	6.793.914
INTERNAL DEBT (direct liabilities 1.1.)	11.428.963	13.264.455	1.343.583.169
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of September 30, 2021 in EUR (in 000)	Debt stock as of September 30, 2021 in USD (in 000)	Debt stock as of September 30, 2021 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.164.601	2.512.236	254.469.422
INTERNATIONAL DEVELOPMENT ASSOCIATION	109.661	127.273	12.891.691
EUROPEAN INVESTMENT BANK	1.236.856	1.435.495	145.404.155
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	93.287	108.269	10.966.820
COUNCIL OF EUROPE DEVELOPMENT BANK	351.159	407.556	41.282.127
EXPORT - IMPORT BANK OF CHINA	1.420.704	1.648.870	167.017.297
FOREIGN GOVERNMENT LOANS	2.708.470	3.143.451	318.406.406
EUROBONDS	7.316.432	8.491.452	860.116.126
KfW DEVELOPMENT BANK	69.043	80.132	8.116.708
PARIS CLUB CREDITORS	736.626	854.928	86.597.383
INTERNATIONAL MONETARY FUND	473.012	548.978	55.607.069
OTHER LIABILITIES	102.950	119.484	12.102.778
EXTERNAL DEBT (direct liabilities 1.2.)	16.782.803	19.478.122	1.972.977.983
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	28.211.766	32.742.577	3.316.561.151

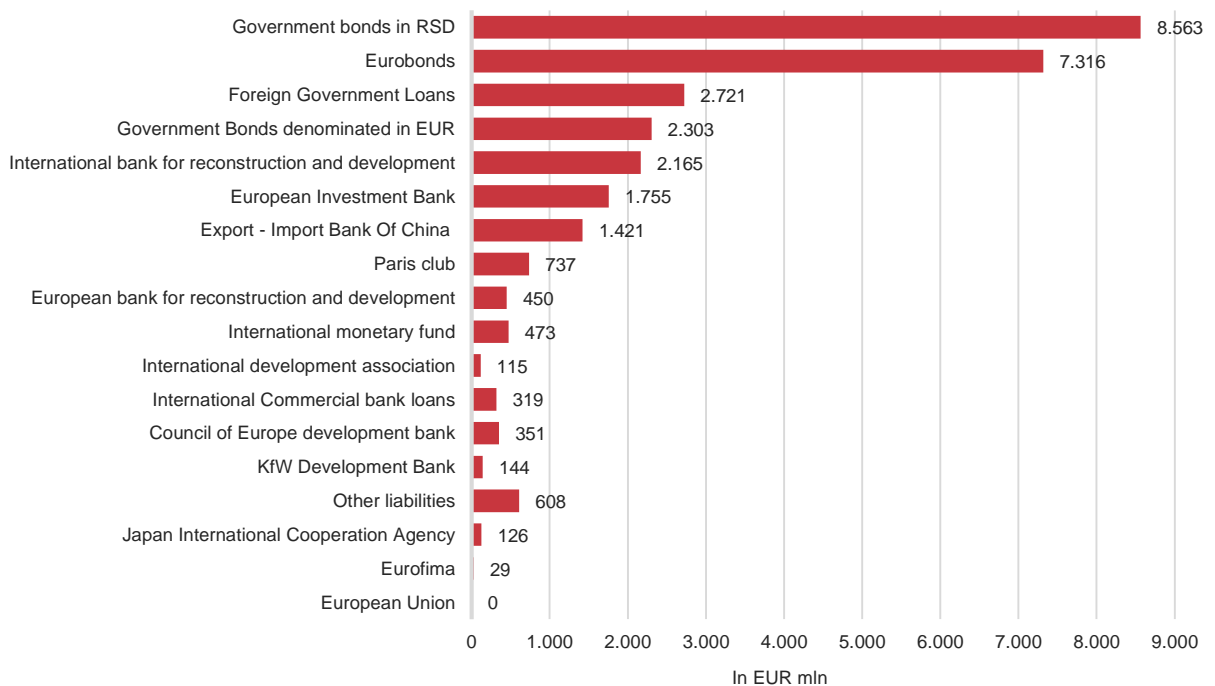
2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of September 30, 2021 in EUR (in 000)	Debt stock as of September 30, 2021 in USD (in 000)	Debt stock as of September 30, 2021 in RSD (in 000)
COMMERCIAL BANK LOANS	241.007	279.713	28.332.683
INTERNAL DEBT (indirect liabilities 2.1.)	241.007	279.713	28.332.683
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of September 30, 2021 in EUR (in 000)	Debt stock as of September 30, 2021 in USD (in 000)	Debt stock as of September 30, 2021 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	356.573	413.839	41.918.600
EUROPEAN INVESTMENT BANK	518.397	601.652	60.942.532
KfW DEVELOPMENT BANK	74.622	86.606	8.772.491
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	28.761	33.380	3.381.079
INTERNATIONAL DEVELOPMENT ASSOCIATION	5.659	6.568	665.267
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	126.198	146.465	14.835.721
FOREIGN GOVERNMENT LOANS	12.166	14.120	1.430.236
INTERNATIONAL COMMERCIAL BANK LOANS	20.163	23.402	2.370.408
EXTERNAL DEBT (indirect liabilities 2.2.)	1.142.539	1.326.031	134.316.333
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.383.546	1.605.744	162.649.016
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.669.970	13.544.168	1.371.915.852
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	17.925.343	20.804.153	2.107.294.316
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	29.595.313	34.348.321	3.479.210.168

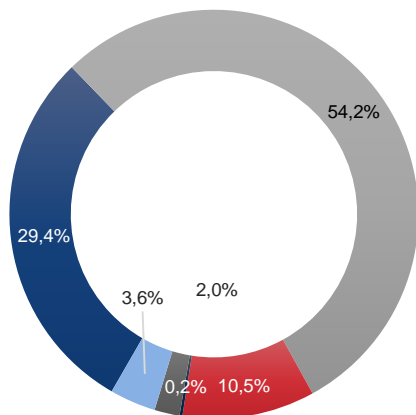
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2011. - 30.09.2021.



CREDITORS OVERVIEW AS OF SEPTEMBER 30, 2021

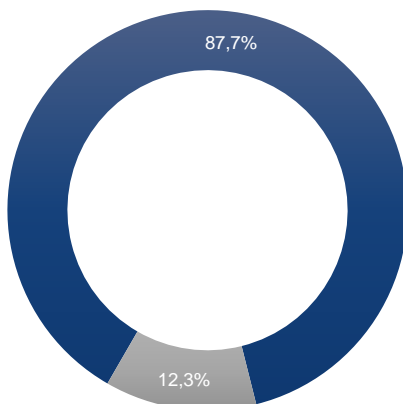


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF
SEPTEMBER 30, 2021



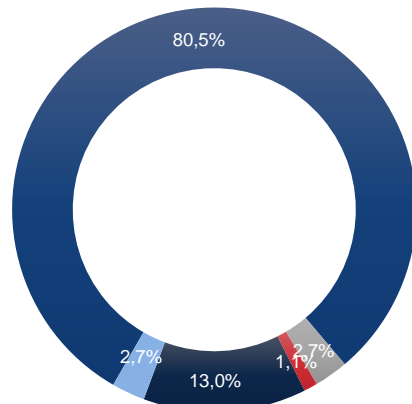
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF SEPTEMBER 30, 2021



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF SEPTEMBER 30, 2021



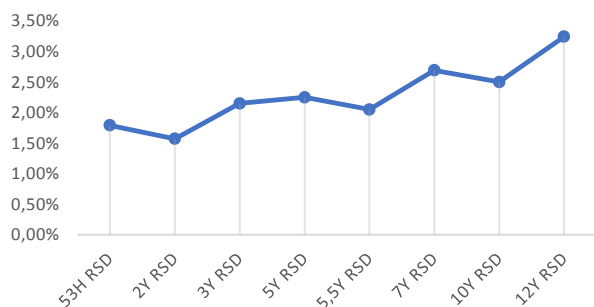
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

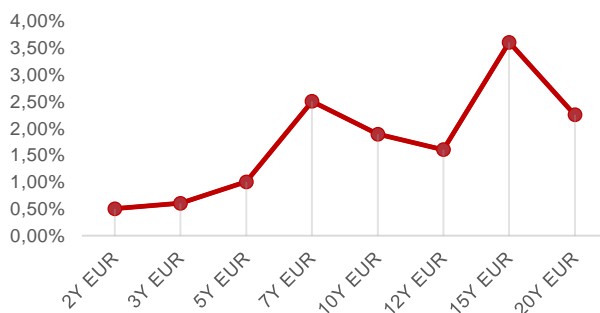
GOVERNMENT SECURITIES STOCK AS OF SEPTEMBER 30, 2021

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	131.827.380.000,00	2,00%	2,15%
5Y Government Bond with fixed coupon rate	123.813.688.250,00	4,00%	2,05%
5.5Y Government Bond with fixed coupon rate	102.538.230.000,00	3,00%	2,05%
7Y Government Bond with fixed coupon rate	300.000.000.000,00	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	148.332.590.000,00	4,50%	3,24%
Total in RSD	1.006.627.968.250 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	614.766.000,00	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	133.246.000,00	1,50%	1,60%
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	2.302.990.000 EUR		

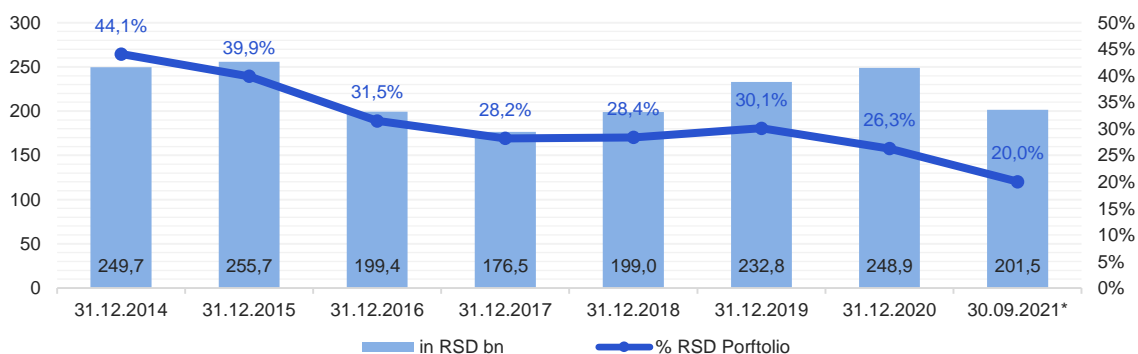
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF SEPTEMBER 30, 2021



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

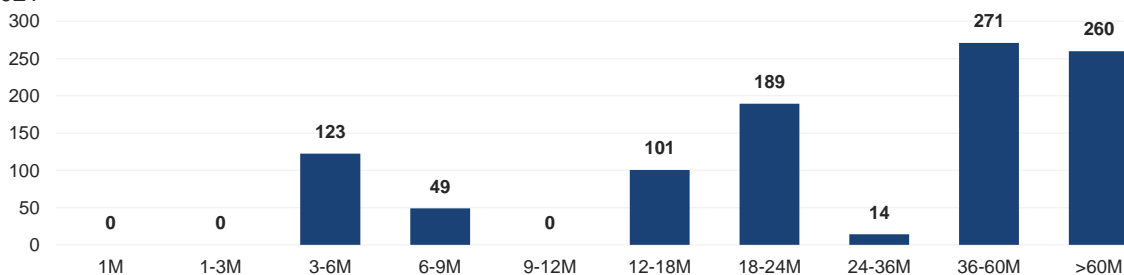


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF SEPTEMBER 30, 2021

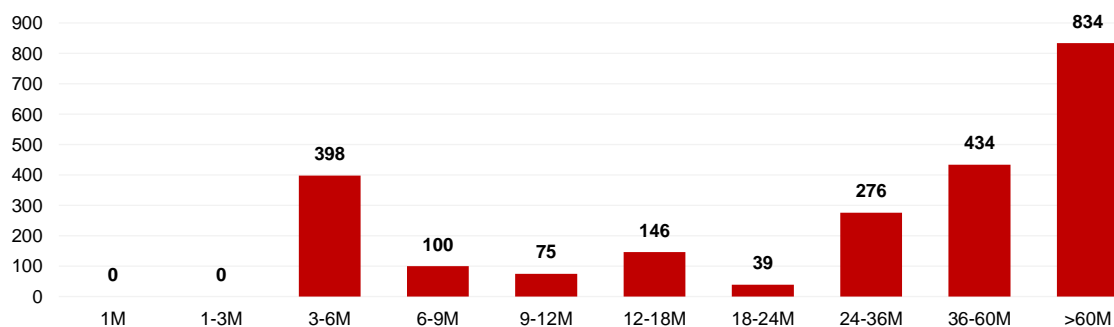


*Including custody and omnibus accounts

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



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



OVERVIEW OF THE ISSUED EURO BONDS 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
SERBIA 1.00 09/23/28	2021	EUR	1.000.000.000	1.000.000.000	23.09.2021	23.09.2028	1,000	1,262	98,255
SERBIA 2.05 09/23/36	2021	EUR	750.000.000	750.000.000	23.09.2021	23.09.2036	2,050	2,305	96,797

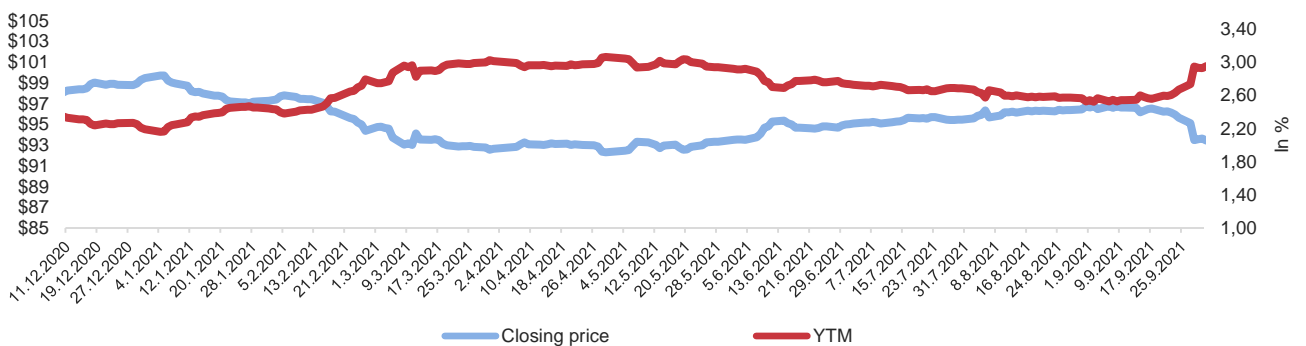
*The data presented includes primary issue data and data from the reopening for the Eurobond 2021 (reopened on September 27, 2012)

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

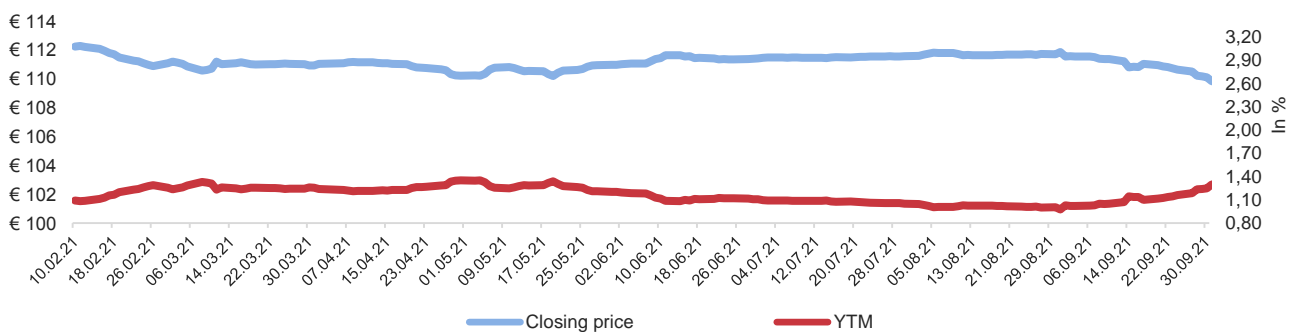
YIELD/PRICE CURVE – EUROBOND 2033



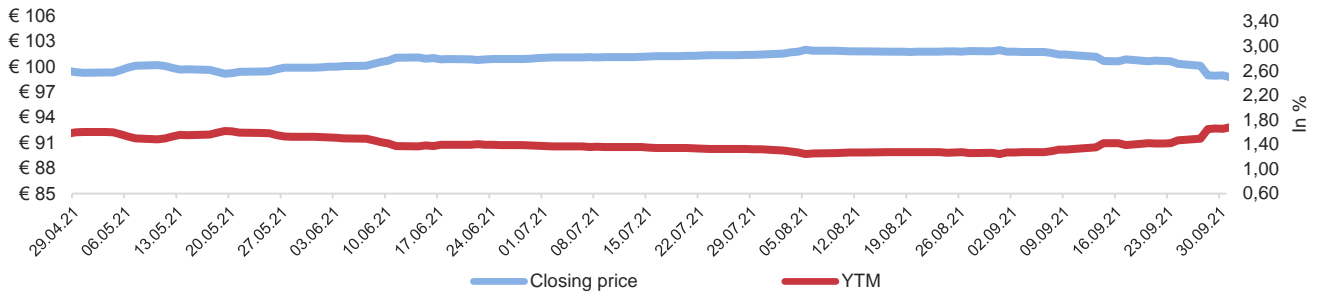
YIELD/PRICE CURVE – EUROBOND 2030



YIELD/PRICE CURVE – EUROBOND 2027



YIELD/PRICE CURVE – EUROBOND 2029

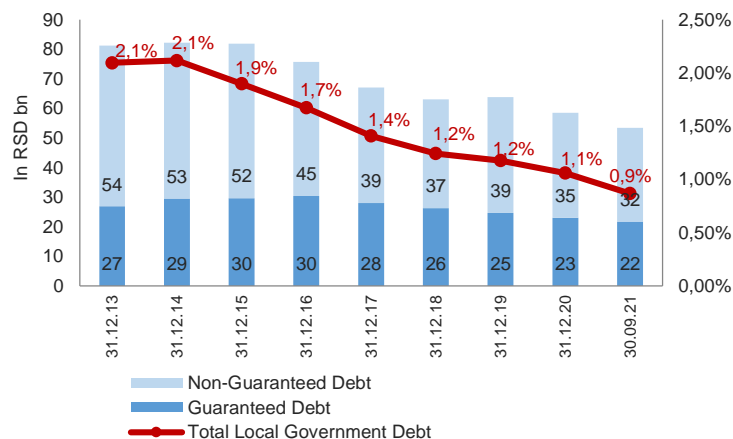


YIELD/PRICE CURVE – EUROBOND 2021

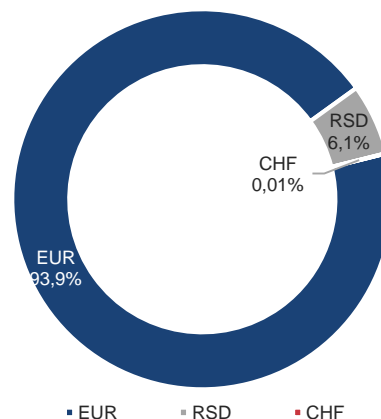


IV. LOCAL GOVERNMENT DEBT ANALYSIS

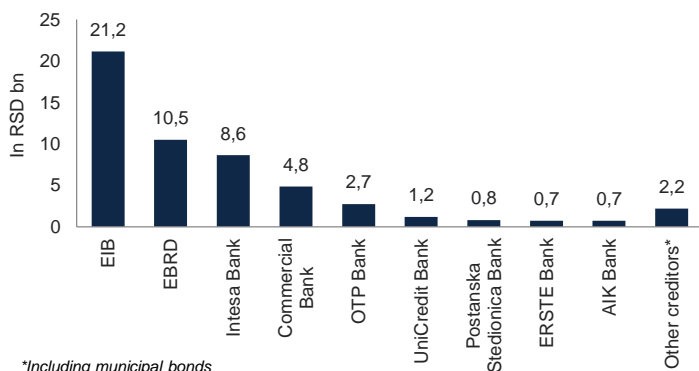
LOCAL GOVERNMENT DEBT DYNAMICS AS OF SEPTEMBER 30, 2021



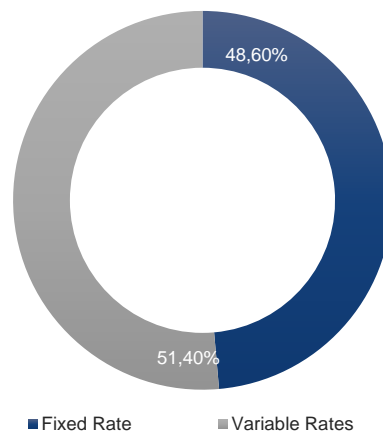
CURRENCY COMPOSITION AS OF SEPTEMBER 30, 2021



CREDITORS OVERVIEW AS OF SEPTEMBER 30, 2021



INTEREST RATE STRUCTURE AS OF SEPTEMBER 30, 2021



Share of the top 5 Local Governments in total debt	79,5%
O/W Belgrade	61,8%
Debt maturing till the end of 2020	3.783.364.595
Debt maturing in 2021	8.389.795.186
Debt maturing in 2022	7.870.100.339
Maximum level of debt based on contracted amount	61.344.528.854
Interest Rate Risk	51,4%
FX Risk	93,9%
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	95,9%
Share of Foreign Creditors in Total Local Government Debt	59,2%
Total Available Credit Potential	82.519.010.194
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	99,5%

Local Government	Debt Stock as of September 30, 2021
Beograd	33.049.636.136
AP Vojvodina	4.027.000.163
Novi Sad	2.445.645.086
Kragujevac	2.176.050.058
Nis	786.822.298
Sabac	724.768.313
Vranje	666.717.576
Subotica	594.399.074
Jagodina	533.367.049
Zrenjanin	530.250.150
% of total	85,5%

