



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

November 2021

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Bloomberg Page <RSMF> <GO>
Belgrade, November 2021
#116

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 November 2021 was 56.4%, and the share of general government debt in GDP was 57.0%. The public debt of the central government in November 2021, compared to October of the same year, increased by 32.8 billion dinars and amounted to 3,515.3 billion dinars (29.9 billion euros).

The slight increase in public debt during November 2021 was due to the issuance of government securities in the amount of 15.3 million euros (1.8 billion dinars) and the withdrawal of funds on the basis of project loans in the amount of 24.0 billion dinars. During the month November, liabilities in the amount of 9.0 billion dinars were repaid.

The share of public debt in foreign currency at the end of November 2021 was 71.1%. The share of public debt in EUR was 54.6%, in USD 10.5%, in SDR 2.0%, in CHF 0.2% and in other foreign currencies 3.4% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the share in RSD was 29.3%.

Guided by the best international practice of active public debt management, and in order to protect against various forms of financial risks, as well as further reduce borrowing costs, the Republic of Serbia realized another, fourth in a row, swap transaction and loan obligations taken from the Development Fund of Abu Dhabi, in 2016, initially contracted in dirhams, with payment in US dollars, converted into euros. Debt and liabilities on the basis of the before mentioned loan on which a fixed interest rate of 2.25 percent per year was paid, in a swap, realized with two renowned banks with which the Republic of Serbia has signed an ISDA Master Agreement, Deutsche Bank and BNP Paribas, were exchanged in euros at annual interest rate of 0.96 percent, which results in savings in interest costs until the maturity of the debt of about 26 million euros, or 3 billion dinars. Since December 2020, the Republic of Serbia, in accordance with the international standards ISDA (International Swaps and Derivatives Association), has successfully implemented four hedging transactions and converted liabilities initially agreed in US dollars, Chinese yuans and dirhams into euros.

In November 2021, one auction in euros was realized. The realization of 12Y government bond at the nominal value amounted to 15.3 million euros. In the same month, the early redemption of a three-year government bond issued in dinars, which matures in January 2022 in the total amount of 6.2 billion dinars, was realized.

The share of non-residents in the purchase of dinar government securities at the end of November 2021 amounts to 18.50 percent*, or 184.5 billion dinars.

The total turnover of government securities on the secondary market in the first eleven months of 2021 amounted to 572.6 billion dinars, of which 91.0 percent is the turnover of dinar securities.

In November 2021, the total turnover on the secondary market of dinar securities amounted to 37.4 billion dinars, while the turnover of securities denominated in euros had the equivalent of 4.2 billion dinars. Compared to the previous month, in November 2021, there was a decrease in the total turnover of dinar securities in the amount of 13.6 billion dinars.

The turnover of benchmark bonds (RSMFRSD89592, RSMFRSD55940 and RSMFRSD86176) included in the JP Morgan GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG) accounted for 50.5 percent of the total turnover in November 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 November 30, 2021 are:

EUROBOND 2027: 105.777/1.994;

EUROBOND 2029: 94.868/2.245;

EUROBOND 2030: 91.573/3.211;

EUROBOND 2033: 89.406/2.758;

EUROBOND 2028: 93.375/2.052;

EUROBOND 2036: 87.770/3.091.

**Including custody and omnibus accounts*

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

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.377.324.156	12.871.172.686	1.337.675.234.876	21,5%
External Debt	17.110.205.975	19.356.784.844	2.011.711.935.239	32,3%
<i>Direct Liabilities in Total</i>	28.487.530.131	32.227.957.529	3.349.387.170.115	53,7%
Contingent Liabilities (B)				
Internal Debt	267.888.644	303.062.561	31.496.685.876	0,5%
External Debt	1.143.442.739	1.293.577.360	134.438.907.908	2,2%
<i>Contingent Liabilities in Total</i>	1.411.331.383	1.596.639.922	165.935.593.784	2,7%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	193.338.834	218.724.323	22.731.581.396	0,4%
External Debt	78.693.646	89.026.162	9.252.310.977	0,1%
<i>Non-Guaranteed Local Government Debt in Total</i>	272.032.480	307.750.485	31.983.892.374	0,5%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	64.642.670	73.130.286	7.600.284.346	0,12%
Central Government Public Debt (A+B)	29.898.861.514	33.824.597.451	3.515.322.763.899	56,4%
General Government Public Debt (A+B+C+D)	30.235.536.664	34.205.478.222	3.554.906.940.619	57,0%

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

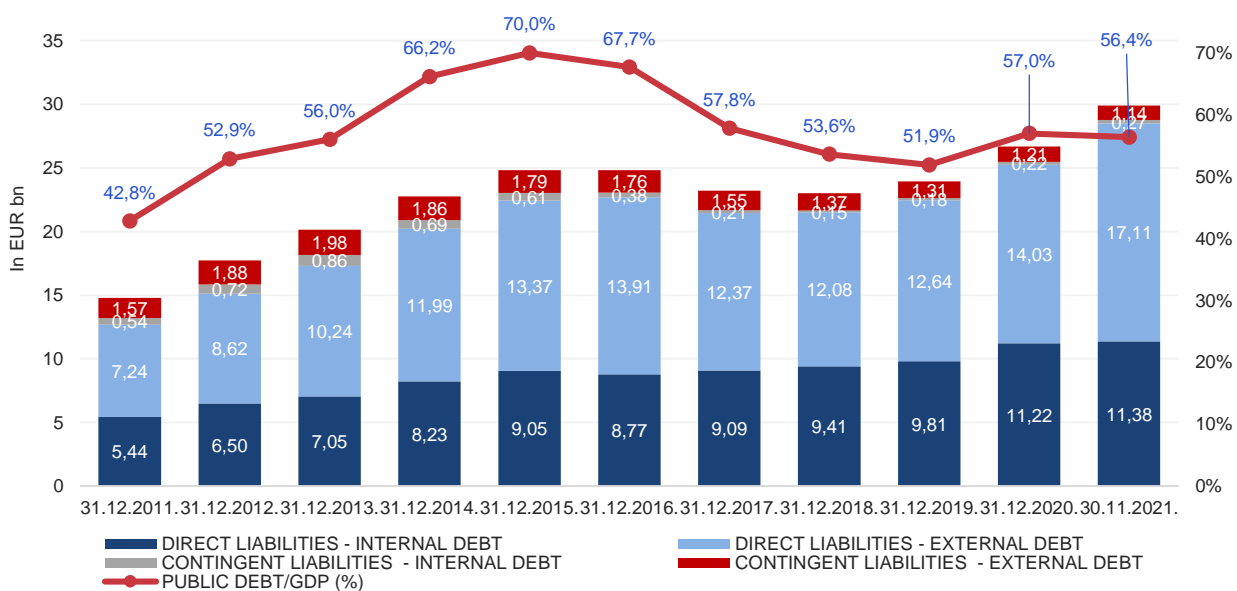
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2021 in EUR (in 000)	Debt stock as of November 30, 2021 in USD (in 000)	Debt stock as of November 30, 2021 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.798.957	12.216.866	1.269.674.437
RETAIL BONDS	15.200	17.196	1.787.099
OTHER LIABILITIES	489.927	554.255	57.602.589
COMMERCIAL BANK LOANS	73.240	82.856	8.611.109
INTERNAL DEBT (direct liabilities 1.1.)	11.377.324	12.871.173	1.337.675.235
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2021 in EUR (in 000)	Debt stock as of November 30, 2021 in USD (in 000)	Debt stock as of November 30, 2021 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.170.990	2.456.042	255.251.514
INTERNATIONAL DEVELOPMENT ASSOCIATION	101.334	114.640	11.914.273
EUROPEAN INVESTMENT BANK	1.239.251	1.401.966	145.703.482
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	103.406	116.983	12.157.831
COUNCIL OF EUROPE DEVELOPMENT BANK	354.036	400.521	41.625.370
EXPORT - IMPORT BANK OF CHINA	1.549.349	1.752.779	182.162.848
FOREIGN GOVERNMENT LOANS	2.711.473	3.067.491	318.798.153
EUROBONDS	7.316.432	8.277.084	860.220.751
KfW DEVELOPMENT BANK	71.217	80.567	8.373.201
PARIS CLUB CREDITORS	744.358	842.093	87.517.054
INTERNATIONAL MONETARY FUND	479.942	542.958	56.428.552
OTHER LIABILITIES	268.418	303.661	31.558.907
EXTERNAL DEBT (direct liabilities 1.2.)	17.110.206	19.356.785	2.011.711.935
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	28.487.530	32.227.958	3.349.387.170

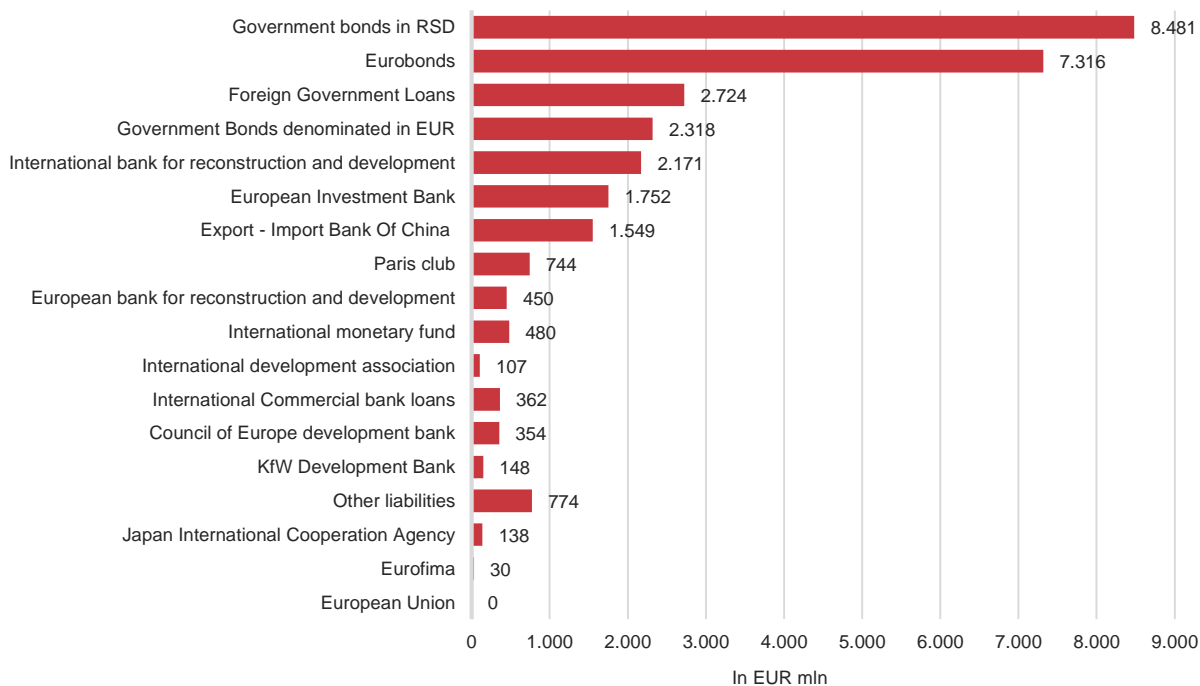
2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2021 in EUR (in 000)	Debt stock as of November 30, 2021 in USD (in 000)	Debt stock as of November 30, 2021 in RSD (in 000)
COMMERCIAL BANK LOANS	267.889	303.063	31.496.686
INTERNAL DEBT (indirect liabilities 2.1.)	267.889	303.063	31.496.686
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of November 30, 2021 in EUR (in 000)	Debt stock as of November 30, 2021 in USD (in 000)	Debt stock as of November 30, 2021 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	347.093	392.667	40.809.075
EUROPEAN INVESTMENT BANK	512.550	579.848	60.262.470
KfW DEVELOPMENT BANK	77.127	87.254	9.068.095
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	29.895	33.820	3.514.829
INTERNATIONAL DEVELOPMENT ASSOCIATION	5.742	6.496	675.095
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	138.186	156.330	16.247.081
FOREIGN GOVERNMENT LOANS	12.221	13.826	1.436.917
INTERNATIONAL COMMERCIAL BANK LOANS	20.628	23.337	2.425.345
EXTERNAL DEBT (indirect liabilities 2.2.)	1.143.443	1.293.577	134.438.908
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.411.331	1.596.640	165.935.594
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.645.213	13.174.235	1.369.171.921
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	18.253.649	20.650.362	2.146.150.843
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	29.898.862	33.824.597	3.515.322.764

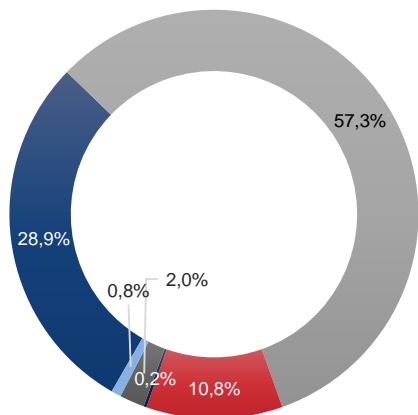
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2011. - 30.11.2021.



CREDITORS OVERVIEW AS OF NOVEMBER 30, 2021

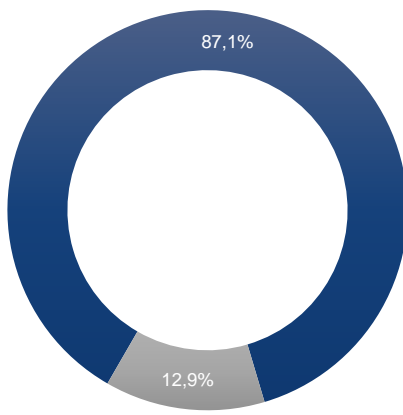


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF
NOVEMBER 30, 2021



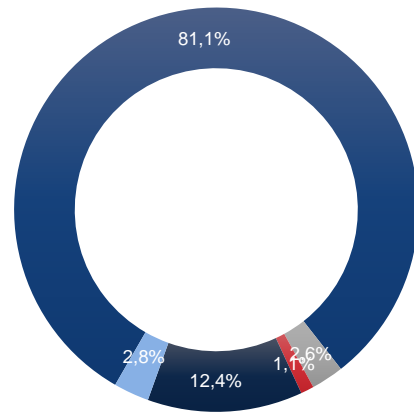
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF NOVEMBER 30, 2021



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF NOVEMBER 30, 2021



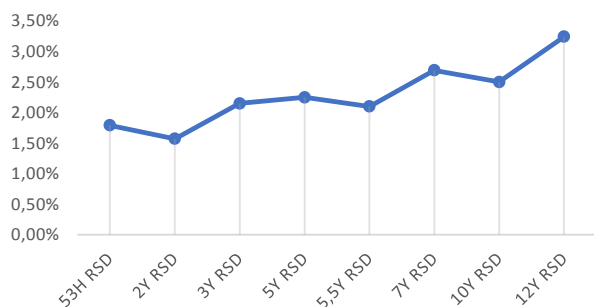
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

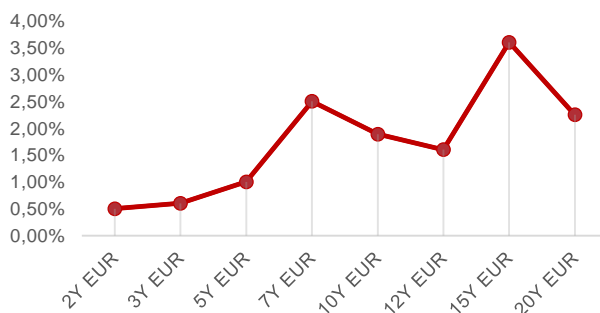
GOVERNMENT SECURITIES STOCK AS OF NOVEMBER 30, 2021

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	118.446.070.000,00	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	106.388.790.000,00	3,00%	2,10%
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	997.097.218.250 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	148.606.000,00	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	2.318.350.000 EUR		

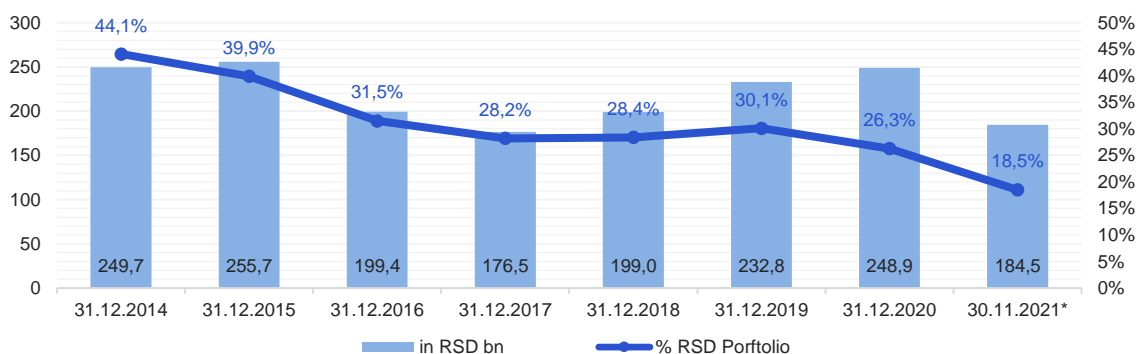
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF NOVEMBER 30, 2021



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

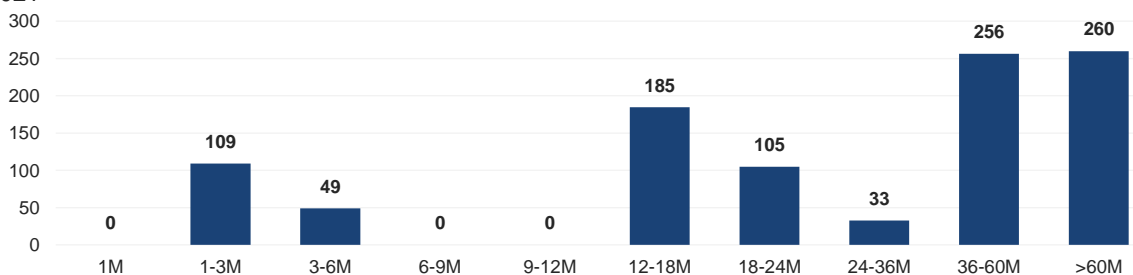


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF NOVEMBER 30, 2021

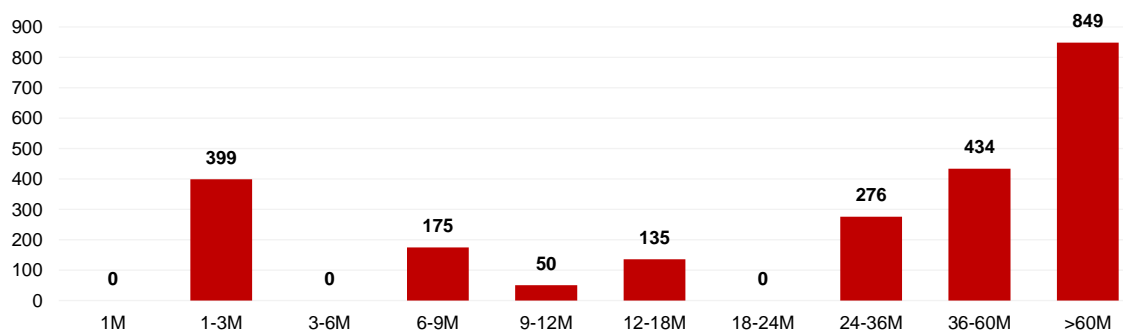


*Including custody and omnibus accounts

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



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



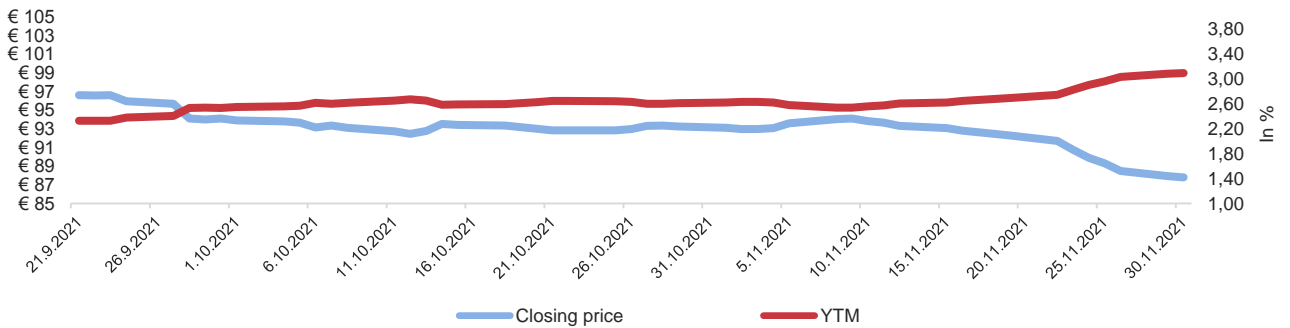
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

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	0	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

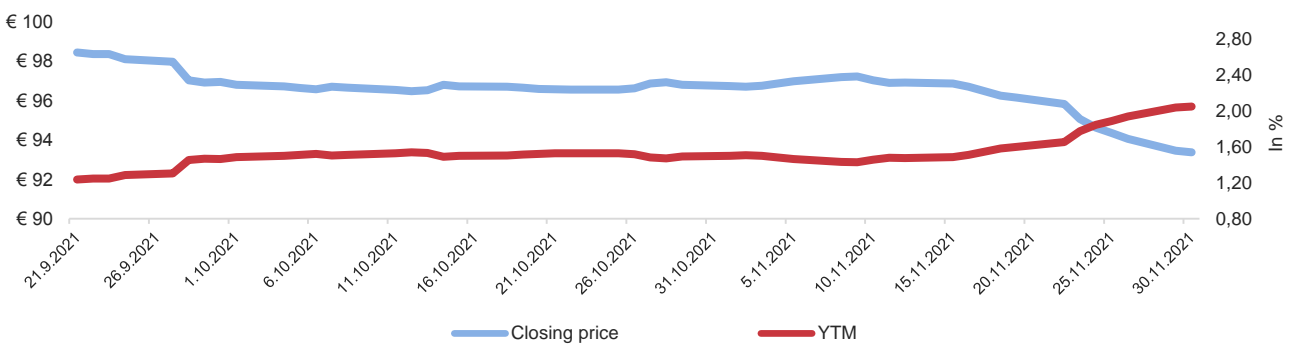
*The data presented includes primary issue data and data from the reopening for the Eurobond 2021 (reopened on September 27, 2012)

**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 2036



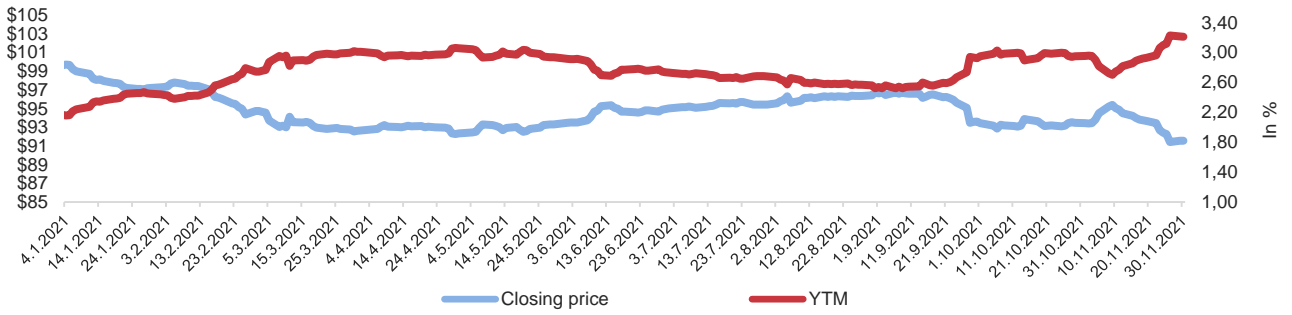
YIELD/PRICE CURVE – EUROBOND 2028



YIELD/PRICE CURVE – EUROBOND 2033



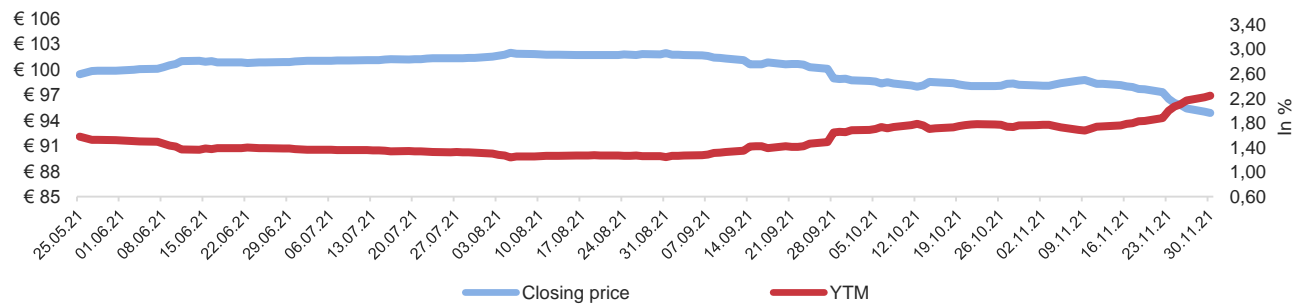
YIELD/PRICE CURVE – EUROBOND 2030



YIELD/PRICE CURVE – EUROBOND 2027

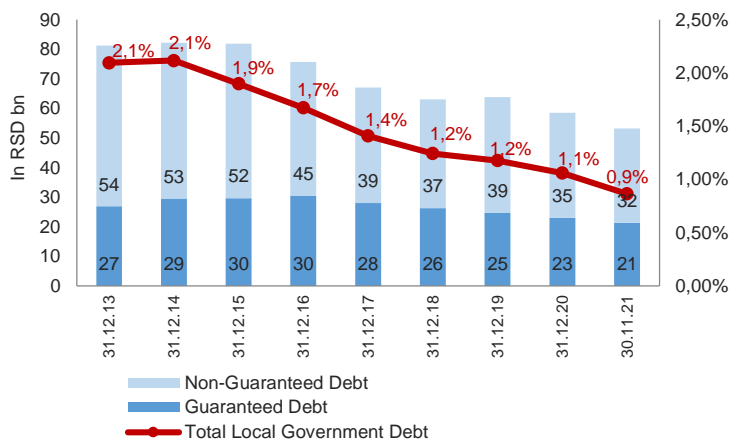


YIELD/PRICE CURVE – EUROBOND 2029

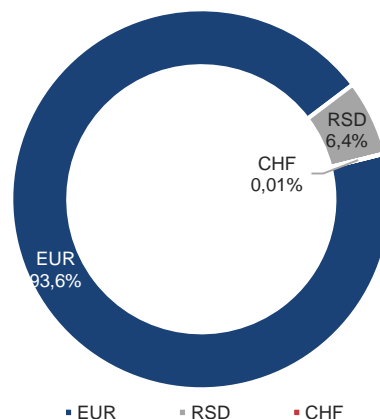


IV. LOCAL GOVERNMENT DEBT ANALYSIS

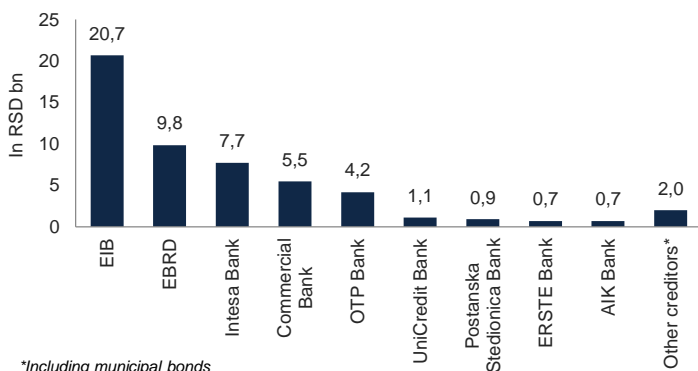
LOCAL GOVERNMENT DEBT DYNAMICS AS OF NOVEMBER 30, 2021



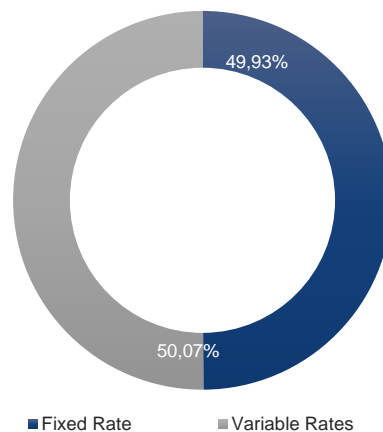
CURRENCY COMPOSITION AS OF NOVEMBER 30, 2021



CREDITORS OVERVIEW AS OF NOVEMBER 30, 2021



INTEREST RATE STRUCTURE AS OF NOVEMBER 30, 2021



Share of the top 5 Local Governments in total debt	79,7%
O/W Belgrade	59,7%
Debt maturing till the end of 2020	1.894.799.754
Debt maturing in 2021	8.391.168.401
Debt maturing in 2022	8.032.142.971
Maximum level of debt based on contracted amount	61.138.610.187
Interest Rate Risk	50,1%
FX Risk	93,6%
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	96,3%
Share of Foreign Creditors in Total Local Government Debt	57,3%
Total Available Credit Potential	84.408.568.988
Share of the top 10 Local Governments with the highest available credit potential	48,1%
Share of Investment Project Loans in total Local Government Debt	99,2%

Local Government	Debt Stock as of November 30, 2021
Beograd	31.770.741.028
AP Vojvodina	5.367.990.408
Kragujevac	2.517.452.367
Novi Sad	2.005.832.744
Nis	776.715.713
Sabac	762.295.642
Vranje	697.186.469
Subotica	594.471.377
Jagodina	515.802.882
Zrenjanin	504.614.314
% of total	85,5%

