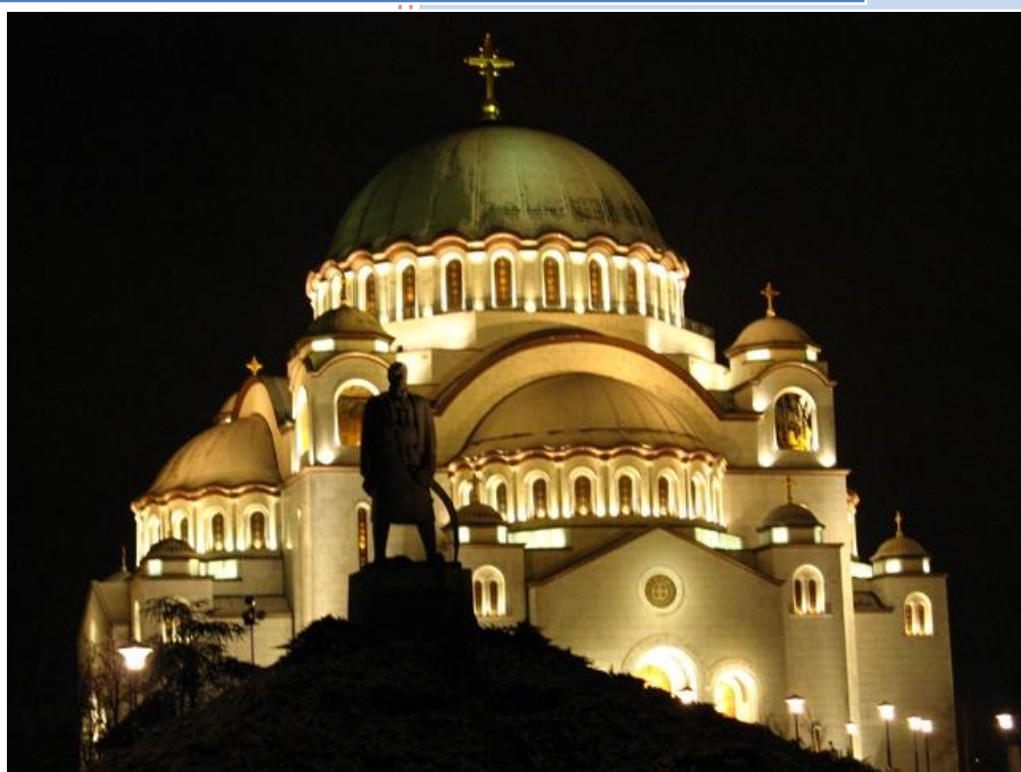


October 2012

# Monthly Report



Republic of Serbia  
Ministry of Finance and Economy  
Public Debt Administration

Belgrade 2012, # **7**

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## INTRODUCTION

The monthly report of the Public Debt Administration 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 Public Debt Administration 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 Public Debt Administration.

## INTRODUTERY WORD

### OF THE DIRECTOR



Owing to the financial crisis in the United States of America and the Western Europe commencing in August 2008, and the need to save the financial systems of the affected countries through the issuance of public debt, public debt sustainability became a significant issue. Economic crisis affected Serbia as well, whereas the first of the economic policies to be affected was fiscal policy. With the aim of maintaining economic activity and preventing a significant decrease of GDP, the increase of budget deficit was executed in the period 2009-2011. The increase of budget deficit in the observed

period led to the increase in public debt, therefore its growth has been recorded in the last four years, both in absolute and relative terms.

The main guidelines for the governing of the public debt policy have been defined by the “Public Debt Management Strategy for the period 2012-2014”, being an integral part of the document “Economic and Fiscal Programme of Republic of Serbia for the year 2012”. According to the Strategy, the primary objective of the borrowing and public debt management strategy is to provide the funds required for the financing of the budget, by minimizing medium-term and long-term borrowing costs, with the acceptable level of risk. Minimizing long-term costs related to the public debt servicing has been limited by the structure of the debt whilst the reduction of the costs will be conditioned by an array of factors and risks.



With the aim of realizing defined strategic objectives, the Ministry of Finance and Economy of the Republic of Serbia- Public Debt Administration, being the holder of public debt policy, has been coordinating its activities with all administrations and sectors of the Ministry of Finance of the Republic of Serbia, with the National Bank of Serbia and other relevant institutions, accepting the advice provided by international financial institutions- the World Bank and the International Monetary Fund. In addition to this, Public Debt Administration is creating the investment base for government securities, through maintaining continuous contact with domestic and foreign investors. The USAID and the European Commission through their technical support are providing assistance to the Public Debt Administration in its endeavour to develop its activities and procedures as soon as possible and in the best way possible, in accordance with good international practice, in order to carry out its role in the field of public finance in the optimum way.

We expect that both domestic and foreign public, *i.e.* investors will become adequately informed on the status and the dynamics of the public debt thanks to this Monthly Report, with the aim of supporting the realization of defined objectives, as well as aiming to increase transparency.

Director

Branko Drnelic



## ORGANIZATION AND COMPETENCES

Owing to the increased indebtedness of the most of the European countries, public debt policy, presenting a branch of economic policy, is becoming increasingly important. In accordance with the international practise and proposals of the World Bank, Public Debt Administration was founded on 1 October 2009 presenting an administrative authority within the Ministry of Finance and Economy of the Republic of Serbia. The primary objective of the Public Debt Administration is the minimizing of borrowing costs having the acceptable level of risk, *i.e.* the establishment of their optimal relations.

According to the regulations defining the system of public finance, public debt servicing presents an absolute and unconditional obligation having the priority over all the remaining budgetary obligations. It is especially important to emphasize that the obligation referring to the repayment of due public debt does not cease even during the temporary suspension of the budget

execution. All of the above-mentioned data indicate the importance of the existence and efficient functioning of the Public Debt Administration, being the holder of public debt policy.

The legal basis for the establishment and functioning of the Public Debt Administration is provided under the Public Debt Law, the Law on Budget of the Republic of Serbia, the Budget System Law and other regulations.

In accordance with the Public Debt Law, the Public Debt Administration on behalf of the Republic of Serbia may borrow in country or abroad, *i.e.* on domestic or foreign market, in domestic and foreign currency, to finance budget deficit, to refinance the outstanding debt, to finance projects having general importance, as well as to perform other obligations defined by the Law.

On the other hand, the Budget System Law defines general and specific fiscal rules regulating fiscal discipline.



### STRATEGIC GUIDELINES

The current medium term strategy has been developed in cooperation with the World Bank experts, using the MTDS model (Medium Term Debt Strategy), which was implemented in practice in numerous countries all round the world. The document defines the following guidelines:

- 1) Ensuring the financing of fiscal deficit of the Republic of Serbia, within the meaning of short-term deficit (liquidity) and long-term deficit, being an integral part of the policy aimed at maintaining stability of the public finance system.
- 2) Defining an acceptable level of risk, in accordance with the targeted structure of public debt implying the structure of debt in terms of currency, structure of interest rates, structure of maturity and structure of debt with regard to the instruments.
- 3) Support to the development of the market of government securities issued on domestic and international market, with the aim of reducing medium-term and long-term borrowing expenses.
- 4) Raising the level of transparency and predictability of the process of borrowing.
- 5) The Public Debt Management Strategy ought to be supported and consistent with the general medium term framework of the Government.

On 31 October 2012, the share of debt denominated in dinars amounted to 18.6%. The share of the debt denominated in dinars is rather low, however it has been increasing in the last four years. Through the introduction of securities denominated in dinars having longer maturity (three-year and five-year maturity), the risk of refinancing, which is typical for securities denominated in dinars, is decreasing creating an adequate yield curve relating to domestic currency.

The objective of the Public Debt Management Strategy is to execute the most of the needs for the financing of the Republic of Serbia on domestic market, through the issuance in dinars, which is in accordance with the dinarization strategy.



*LAW ON BUDGET, EXECUTION OF THE BUDGET  
OF THE REPUBLIC OF SERBIA FOR THE YEAR 2012*

In accordance with the Public Debt Law (“Official Gazette of RS, No. 61/05 and 107/09), presenting the legal basis for borrowing of the Republic of Serbia, the Republic of Serbia may borrow in country or abroad, i.e. on domestic or foreign market, in domestic and foreign currency. The Republic of Serbia may borrow to finance current account deficit, to service the outstanding

debt (refinancing), and to finance investment projects.

Based on the above-mentioned, in addition to maintaining liquidity, borrowing, *i.e.* public debt has a developing role as well. Apart from direct borrowing, the Republic of Serbia may issue guarantees in favour of public enterprises and local self-government units.

In accordance with the above-stated Law, the public debt of the Republic of Serbia is as follows:

- 1) Debt of the Republic, based on agreements concluded by the Republic,
- 2) Debt of the Republic based on issuing securities,
- 3) Debt of the Republic based on contracts/agreements according to which obligations of the Republic, pursuant to previously concluded agreements, have been rescheduled,
- 4) Debt of the Republic, based on the guaranty issued by the Republic, and/or based on counter-guaranty issued by the Republic,
- 5) Debt of local government and legal entities founded by the state for which the Republic has issued guarantees.

GOVERNMENT SECURITIES ON DOMESTIC MARKET – INTERNAL PUBLIC DEBT

Table #1

Overview of Government securities issued on domestic market – Currency RSD

T - BILLS 3M							
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
16.08.2012	15.11.2012	4.000.000.000	2.074.540.000	2.069.390.000	12,99%	9.682,08	51,73%
13.09.2012	13.12.2012	3.000.000.000	1.570.930.000	1.020.930.000	12,99%	9.682,08	34,03%
11.10.2012	10.01.2013	5.000.000.000	4.404.680.000	1.154.640.000	12,50%	9.693,71	23,09%
T - BILLS 6M							
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
03.05.2012	01.11.2012	5.000.000.000	2.815.820.000	2.315.820.000	10,48%	9.496,84	46,32%
05.07.2012	03.01.2013	7.000.000.000	4.974.440.000	4.774.440.000	13,25%	9.372,19	68,21%
02.08.2012	31.01.2013	5.000.000.000	4.532.380.000	4.473.130.000	13,25%	9.372,19	89,46%
30.08.2012	28.02.2013	5.000.000.000	3.676.290.000	3.676.290.000	13,49%	9.361,55	73,53%
05.10.2012	05.04.2013	6.000.000.000	6.094.150.000	4.822.790.000	13,45%	9.363,32	80,38%
T - BILLS 53W							
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
10.01.2012	17.01.2013	10.000.000.000	19.738.840.000	10.000.000.000	12,69%	8.843,47	100,00%
06.02.2012	13.02.2013	10.000.000.000	10.770.530.000	9.770.530.000	12,59%	8.851,54	97,71%
20.03.2012	28.03.2013	10.000.000.000	17.424.700.000	10.000.000.000	12,69%	8.843,47	100,00%
03.04.2012	11.04.2013	10.000.000.000	22.512.560.000	10.000.000.000	12,50%	8.858,81	100,00%
15.05.2012	23.05.2013	10.000.000.000	14.678.270.000	10.000.000.000	12,58%	8.852,35	100,00%
05.06.2012	13.06.2013	10.000.000.000	4.955.350.000	3.581.950.000	13,00%	8.818,56	35,82%
20.06.2012	28.06.2013	10.000.000.000	2.414.300.000	2.414.300.000	13,49%	8.779,46	24,14%
04.07.2012	12.07.2013	18.000.000.000	7.328.200.000	6.878.200.000	14,25%	8.719,50	38,21%
31.07.2012	12.07.2013	11.121.800.000	2.532.500.000	2.482.500.000	14,35%	8.794,13	22,32%
05.09.2012	13.09.2013	10.000.000.000	9.235.300.000	9.235.300.000	14,59%	8.692,95	92,35%
23.10.2012	31.10.2013	10.000.000.000	9.733.200.000	8.733.200.000	13,99%	8.739,92	87,33%
T - BILLS 18M							
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
24.05.2011	22.11.2012	10.000.000.000	14.154.130.000	10.000.000.000	12,91%	8.362,59	100,00%
14.06.2011	13.12.2012	10.000.000.000	7.562.390.000	6.484.390.000	12,69%	8.385,99	64,84%
12.07.2011	10.01.2013	10.000.000.000	5.038.470.000	3.043.780.000	12,69%	8.385,99	30,44%
02.08.2011	10.01.2013	6.956.220.000	2.293.060.000	1.593.060.000	12,95%	8.411,46	22,90%
06.09.2011	10.01.2013	5.363.160.000	3.999.330.000	3.399.330.000	13,30%	8.467,20	63,38%
04.10.2011	04.04.2013	10.000.000.000	2.189.160.000	1.889.160.000	13,30%	8.321,43	18,89%
01.11.2011	04.04.2013	8.110.840.000	1.360.630.000	1.360.630.000	13,50%	8.373,46	16,78%
06.12.2011	04.04.2013	6.750.210.000	4.161.500.000	1.446.220.000	13,30%	8.485,78	21,42%
17.01.2012	04.04.2013	5.303.990.000	11.874.550.000	5.303.990.000	12,79%	8.645,45	100,00%
08.02.2012	09.08.2013	10.000.000.000	4.952.290.000	4.951.290.000	13,00%	8.353,06	49,51%
06.03.2012	09.08.2013	5.048.710.000	1.332.190.000	1.100.000.000	13,10%	8.411,43	21,79%
24.04.2012	24.10.2013	10.000.000.000	9.007.790.000	8.707.790.000	13,20%	8.331,94	87,08%
09.05.2012	08.11.2013	5.000.000.000	5.709.860.000	4.659.860.000	13,39%	8.311,99	93,20%
12.06.2012	12.12.2013	10.000.000.000	2.521.230.000	2.521.230.000	13,99%	8.249,59	25,21%
17.07.2012	12.12.2013	7.478.770.000	1.164.000.000	889.000.000	14,50%	8.293,12	11,89%
07.08.2012	12.12.2013	6.589.770.000	6.155.000.000	6.155.000.000	14,94%	8.310,13	93,40%
04.09.2012	06.03.2014	20.000.000.000	8.622.240.000	7.122.240.000	14,97%	8.149,66	35,61%
T - BILLS 24M							
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
23.11.2010	22.11.2012	1.000.000.000	722.870.000	672.870.000	14,50%	7.732,62	67,29%
21.12.2010	20.12.2012	1.000.000.000	930.000.000	450.000.000	14,90%	7.684,56	45,00%
25.01.2011	24.01.2013	1.000.000.000	5.513.820.000	1.000.000.000	14,60%	7.720,55	100,00%
22.02.2011	21.02.2013	20.000.000.000	23.102.820.000	14.587.820.000	12,90%	7.931,05	72,94%
22.03.2011	21.02.2013	5.412.180.000	3.772.210.000	1.148.560.000	12,89%	7.995,91	21,22%
26.04.2011	25.04.2013	10.000.000.000	5.103.960.000	4.103.960.000	13,50%	7.855,46	41,04%
07.06.2011	25.04.2013	5.896.040.000	7.828.460.000	5.896.040.000	12,99%	8.015,83	100,00%
05.07.2011	04.07.2013	10.000.000.000	4.647.120.000	4.394.360.000	12,89%	7.932,32	43,94%
16.08.2011	04.07.2013	5.605.640.000	650.670.000	650.670.000	12,99%	8.015,83	11,61%
27.09.2011	04.07.2013	4.954.970.000	980.790.000	502.890.000	12,99%	8.114,40	10,15%
25.10.2011	04.07.2013	4.452.080.000	2.160.250.000	1.160.250.000	13,19%	8.158,63	26,06%
29.11.2011	04.07.2013	3.291.830.000	1.538.400.000	1.438.400.000	13,25%	8.238,32	43,70%
31.01.2012	30.01.2014	10.000.000.000	8.856.780.000	7.818.020.000	13,09%	7.906,96	78,18%
13.03.2012	13.03.2014	10.000.000.000	5.005.720.000	5.000.000.000	13,49%	7.856,71	50,01%
10.04.2012	13.03.2014	4.999.280.000	5.673.360.000	4.999.280.000	13,29%	7.946,49	100,00%
22.05.2012	22.05.2014	10.000.000.000	4.910.980.000	2.231.330.000	13,99%	7.794,79	22,31%
19.06.2012	22.05.2014	7.768.670.000	1.144.570.000	1.144.570.000	14,45%	7.806,57	14,73%

**T - BONDS 3Y**

Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% SA)	Yield	Accepted price	Realization rate
30.3.2011	1.4.2014	20.000.000.000	2.702.670.000	2.302.670.000	115.133.500	14,05%	9.035,97	11,51%
10.5.2011	1.4.2014	17.697.330.000	4.025.280.000	2.925.280.000	146.264.000	14,25%	9.103,64	16,53%
21.6.2011	1.4.2014	14.772.050.000	2.299.900.000	2.299.900.000	114.995.000	13,89%	9.299,35	15,57%
19.7.2011	1.4.2014	12.472.150.000	2.669.220.000	2.669.220.000	133.461.000	14,50%	9.235,76	21,40%
9.8.2011	1.4.2014	9.802.930.000	791.090.000	291.090.000	14.554.500	14,50%	9.292,51	2,97%
20.9.2011	1.4.2014	9.511.840.000	3.816.750.000	1.896.750.000	94.837.500	14,89%	9.320,69	19,94%
11.10.2011	1.4.2014	7.615.090.000	1.371.150.000	841.150.000	42.057.500	14,89%	9.036,81	11,05%
22.11.2011	1.4.2014	6.773.940.000	1.017.120.000	1.011.520.000	50.576.000	14,89%	9.152,19	14,93%
28.2.2012	1.3.2015	20.000.000.000	9.073.660.000	8.910.080.000	445.504.000	14,70%	8.891,86	44,55%
27.3.2012	1.3.2015	11.089.920.000	11.366.900.000	10.234.250.000	511.712.500	14,70%	8.988,35	92,28%
25.4.2012	27.4.2015	20.000.000.000	4.910.980.000	4.910.980.000	245.549.000	14,99%	8.828,71	24,55%
26.6.2012	27.4.2015	15.089.020.000	365.000.000	365.000.000	18.250.000	14,99%	9.047,56	2,42%
30.7.2012	27.4.2015	14.724.020.000	9.374.510.000	9.374.510.000	468.725.500	15,74%	9.019,40	63,67%
28.8.2012	27.4.2015	5.349.510.000	5.262.130.000	4.962.130.000	248.106.500	15,84%	9.108,94	92,76%
12.9.2012	14.9.2015	10.000.000.000	10.371.380.000	10.000.000.000	500.000.000	15,99%	8.615,24	100,00%
26.9.2012	28.9.2015	10.000.000.000	2.909.660.000	2.407.740.000	120.387.000	15,99%	8.615,24	24,08%
16.10.2012	18.10.2015	10.000.000.000	10.204.040.000	6.863.750.000	343.187.500	14,99%	8.828,71	68,64%

**T - BONDS 5Y**

Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% SA)	Yield	Accepted price	Realization rate
24.1.2012	26.1.2017	3.000.000.000	4.908.160.000	2.703.660.000	135.183.000	14,70%	8.375,83	90,12%
29.5.2012	31.5.2017	3.000.000.000	520.000.000	520.000.000	26.000.000	15,01%	8.280,94	17,33%

Overview of Government Securities issued on domestic market – Currency EUR

**T - BILLS 53W ISSUED IN EUR**

Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
20.2.2012	27.2.2013	120.000.000 €	94.459.000 €	55.199.000	5,95%	942,22 €	46,00%
11.7.2012	19.7.2013	35.000.000 €	28.275.000 €	20.035.000	6,15%	940,40 €	57,24%
21.8.2012	29.8.2013	40.000.000 €	46.849.000 €	40.000.000	6,15%	940,40 €	100,00%
3.9.2012	11.9.2013	60.000.000 €	42.714.000 €	42.214.000	6,15%	940,40 €	70,36%
31.10.2012	8.11.2013	50.000.000 €	65.758.000 €	47.662.000	5,75%	944,06 €	95,32%

**T - BILLS 18M ISSUED IN EUR**

Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate
4.7.2011	2.1.2013	150.000.000 €	183.789.000 €	149.745.000	5,40%	924,30 €	99,83%
23.5.2012	22.11.2013	100.000.000 €	132.418.000 €	100.000.000	6,19%	914,18 €	100,00%
25.6.2012	25.12.2013	100.000.000 €	108.613.000 €	99.113.000	6,30%	912,78 €	99,11%

**T - BONDS 2Y ISSUED IN EUR**

Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Accepted price	Realization rate
26.03.2012	28.03.2014	50.000.000 €	58.053.000 €	50.000.000 €	5,75%	993,50 €	100,00%
06.06.2012	08.06.2014	50.000.000 €	65.659.000 €	50.000.000 €	5,75%	990,73 €	100,00%
24.07.2012	26.07.2014	60.000.000 €	11.984.000 €	11.984.000 €	5,75%	991,66 €	19,97%

**T - BONDS 3Y ISSUED IN EUR**

Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Accepted price	Realization rate
30.05.2011	01.06.2014	100.000.000 €	71.960.000 €	58.890.000 €	5,00%	1.000,00 €	58,89%

**T - BONDS 15Y ISSUED IN EUR**

Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Accepted price	Realization rate
14.02.2011	16.02.2026	200.000.000 €	97.351.000 €	97.351.000 €	5,85%	1.000,00 €	48,68%
01.06.2011	16.02.2026	102.649.000 €	46.930.000 €	46.930.000 €	5,85%	1.017,29 €	45,72%

## Amortizing and inflation indexed RSD Government Securities

### INFLATION INDEXED BONDS

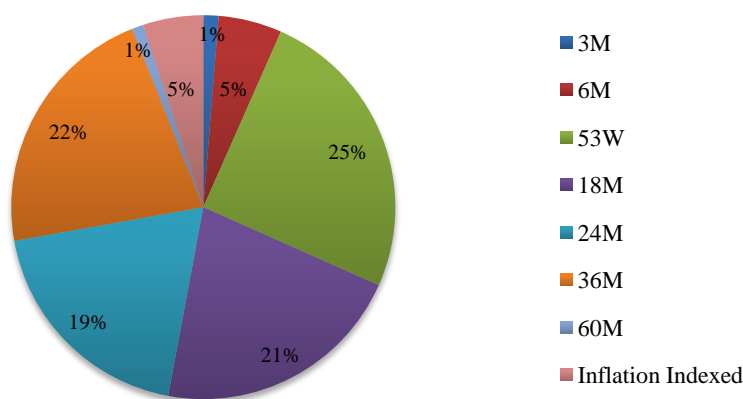
Auction date	Maturity date	Par Value	Nominal price	Coupon a. (CPI + fixed interest)	Realization rate
05.03.2012	05.03.2015	1.992.580.000	10.000	2,00%	100,00%
26.05.2012	26.05.2015	9.839.226.000	10.000	2,00%	100,00%
11.06.2012	11.06.2022	5.000.000.000	10.000	2,00%	100,00%

### AMORTIZING T - BONDS 2Y

Auction date	Maturity date	Par Value	Nominal price	Coupon SA (NBS ref. rate + fixed interest)	Realization rate
01.08.2012	05.03.2015	6.682.000.000	10.000	4,00%	100,00%

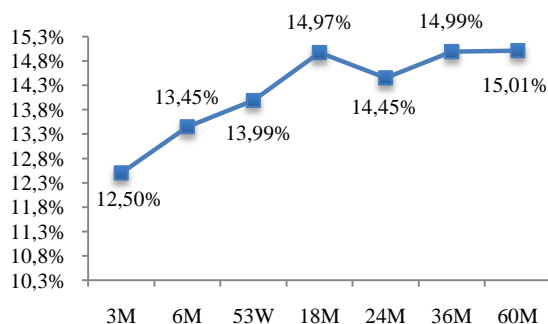
Graph # 1

Maturity structure of Government Securities portfolio



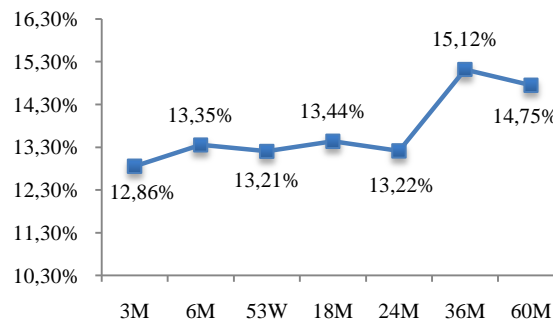
Graph # 2

Accepted rates of latest auctions



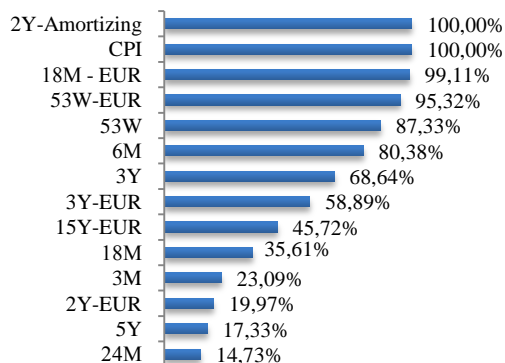
Graph # 3

Average accepted rates



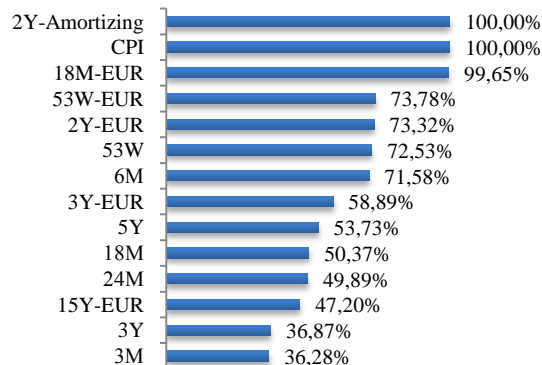
Graph # 4

Last auction realization rate



Graph # 5

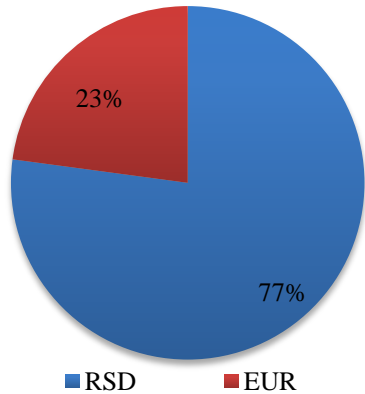
Auctions average realization rate of outstanding Government Securities





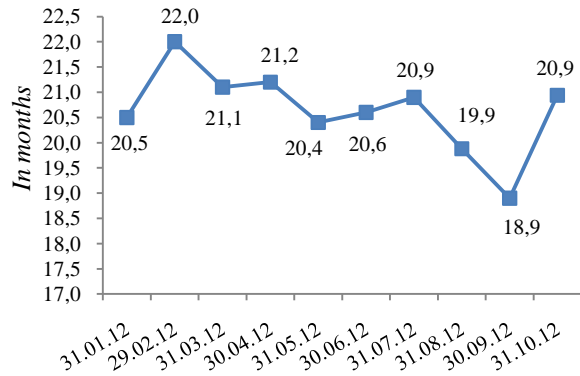
Graph # 6

**Currency structure of Government Securities issued on domestic market**



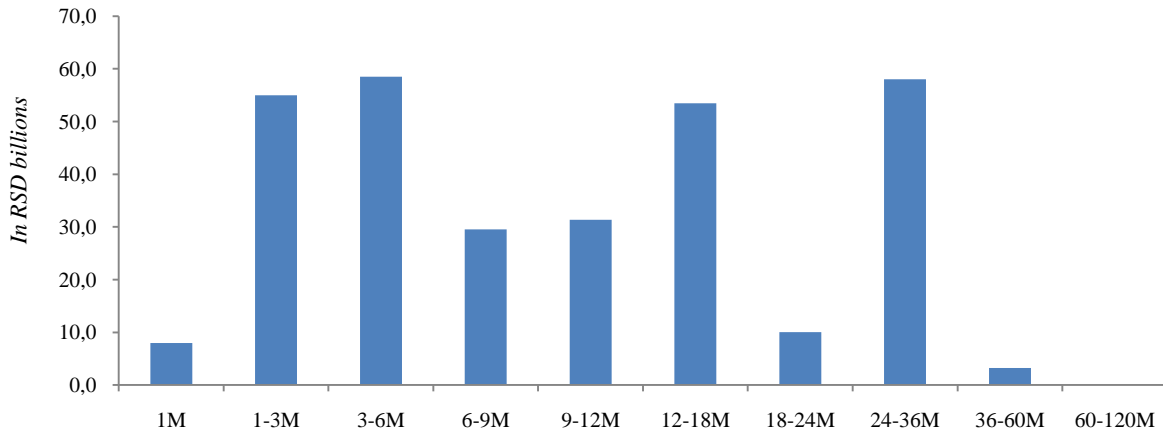
Graph # 7

**ATM of Government Securities on domestic market**



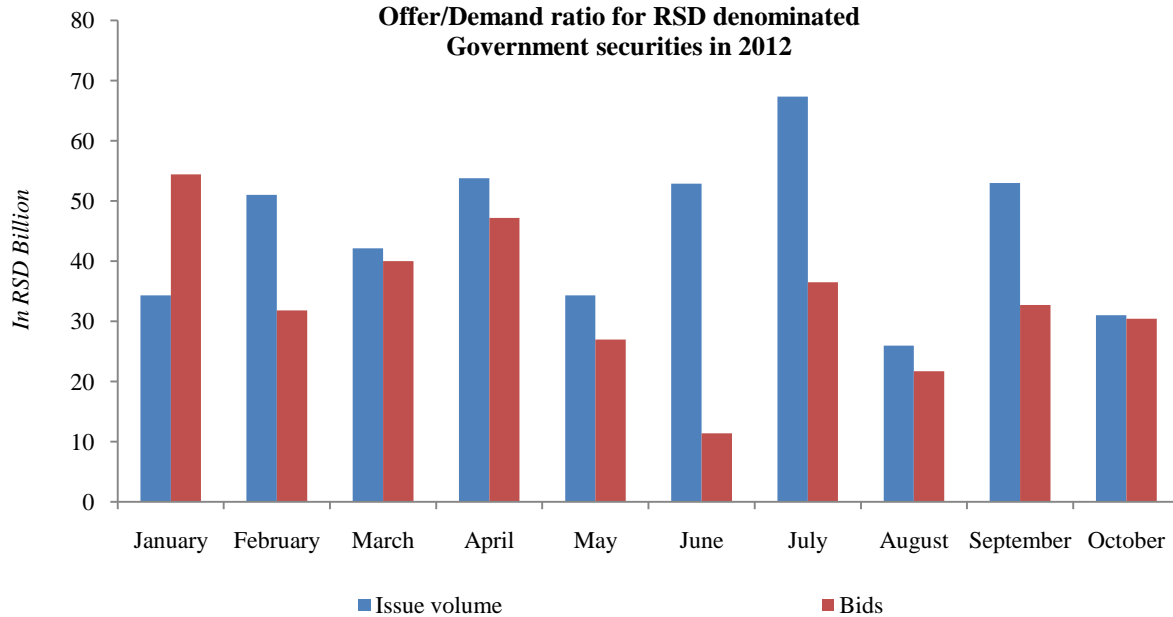
Graph # 8

**RSD Government Bonds residual maturity**



Graph # 9

**Offer/Demand ratio for RSD denominated Government securities in 2012**

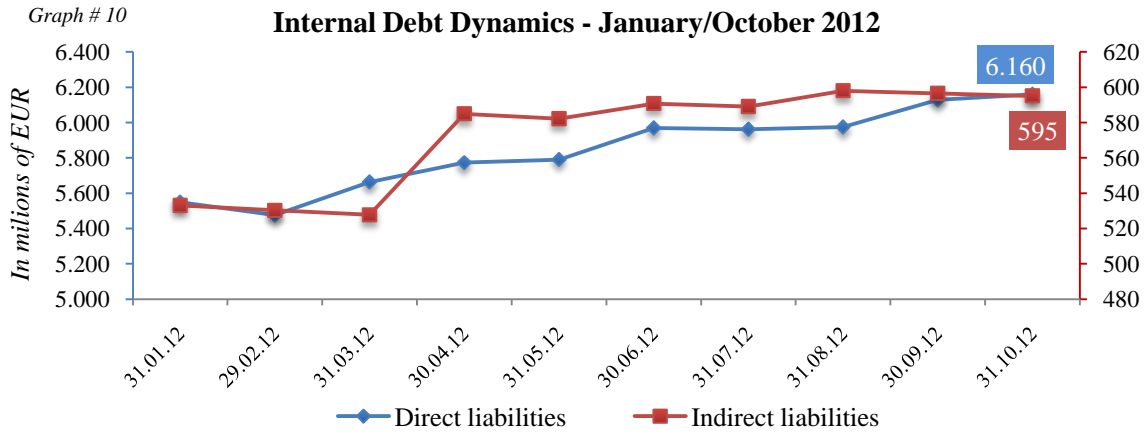


INTERNAL PUBLIC DEBT ANALYSIS

Table # 2

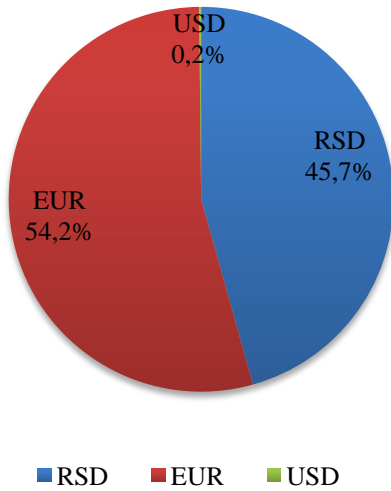
In thousands

Purpose of Internal Public Debt	Currency	Debt Stock in EUR	Purpose of Internal Public Debt	Currency	Debt Stock in EUR
Pensions - Agriculture	RSD	33.946	Путеви Србије - UniCredit Bank	EUR	32.160
Pensions - Employers Fund	RSD	6.432	Путеви Србије - Marfin Bank	EUR	25.714
Комерцијална банка - Embassy Brussels	EUR	9.821	ЈП Србијагас - Banca Intesa	EUR	50.000
Deposits - National bank of Serbia	RSD	2.582	ЈП Србијагас - Banca Intesa	EUR	120.000
Deposits - Citizens	EUR	1.874.518	ЈП Србијагас - Banca Intesa	EUR	45.000
Deposits - Banks	EUR	37.933	ЈП Србијагас - Societe Generale Bank	EUR	40.000
Economy Development Loan	EUR	7.896	ЈП Србијагас - Erste Bank	EUR	40.000
Нуро-Alpe Adria Bank - Универзијада 2009	RSD	2.207	ЈП Србијагас - Комерцијална банка	EUR	20.000
Government Treasury Bills - Currency RSD	RSD	214.571	ЈП Србијагас - Нуро-Alpe-Adria Bank	EUR	35.000
Government Treasury Bonds - Currency RSD	RSD	2.774.488	ЈП Србијагас - Unicredit Bank	EUR	30.000
Government Treasury Bonds - Currency EUR	EUR	869.123	ЈП JAT Airways - Unicredit Bank	EUR	20.000
Војвођанска банка - Budget deficit/1	EUR	10.000	ЈП JAT Airways - Societe Generale Bank	EUR	20.000
Alpha Bank - Budget deficit	EUR	18.750	ЈП JAT Airways - Unicredit Bank	EUR	4.750
Piraeus Bank - budget deficit	EUR	25.000	ЈП JAT Airways - Societe Generale Bank	EUR	4.750
Eurobank EFG - Nuclear Facilities	USD	11.349	ЈП JAT Airways - Unicredit Bank	EUR	1.000
Војвођанска банка - budget deficit/2	EUR	12.500	ЈП JAT Airways - Societe Generale Bank	EUR	1.000
Banca Intesa - budget deficit	EUR	34.031	Zubin Potok - Water supply	EUR	260
Raiffeisen Bank - budget deficit	EUR	34.031	Zvecan - Water supply	EUR	130
Unicredit Bank - budget deficit	EUR	40.829	Kosovska Mitrovica - Water supply	EUR	130
Societe Generale Bank - budget deficit	EUR	13.610	Комерцијална банка - "Степа Степановић"	EUR	13.793
Нуро Alpe Adria - budget deficit	EUR	20.000	Комерцијална банка - "Степа Степановић" - 3а	EUR	2.688
Eurobank EFG - budget deficit	EUR	17.500	Комерцијална банка - "Степа Степановић" - 3г	EUR	2.992
Војвођанска банка - budget deficit/3	EUR	17.500	Комерцијална банка - "Степа Степановић" - 3б	EUR	9.660
KBC Bank - budget deficit	EUR	8.868	Комерцијална банка - "Степа Степановић" - 3в	EUR	2.083
Комерцијална банка - The First National Court	EUR	13.000	Комерцијална банка - "Степа Степановић" - 3г, 3д, 3ђ, 3е	EUR	1.827
Development Fund	RSD	49.817	Галеника ад. Београд - Societe Generale Bank	EUR	10.000
			Галеника ад. Београд - UniCredit Bank	EUR	30.000
			Галеника ад. Београд - АИК банка	EUR	20.000
			ЈП JAT Airways - Комерцијална банка	EUR	10.000
			JAT Техника - Unicredit Bank	EUR	2.174
<b>Total Direct Liabilities</b>		<b>6.160.302</b>	<b>Total Indirect Liabilities</b>		<b>595.111</b>



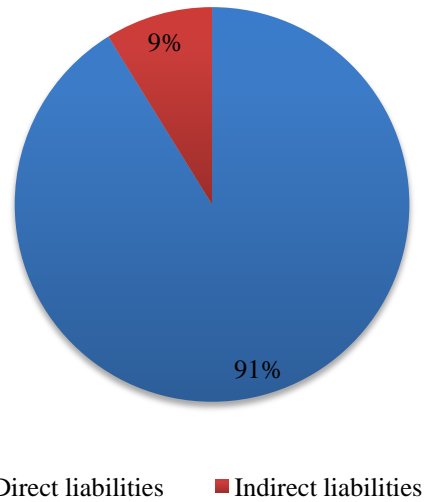
Graph # 11

**Currency structure of internal public debt**



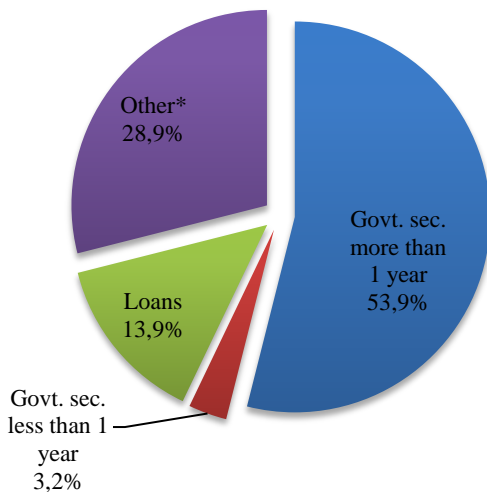
Graph # 12

**Structure of internal public debt**



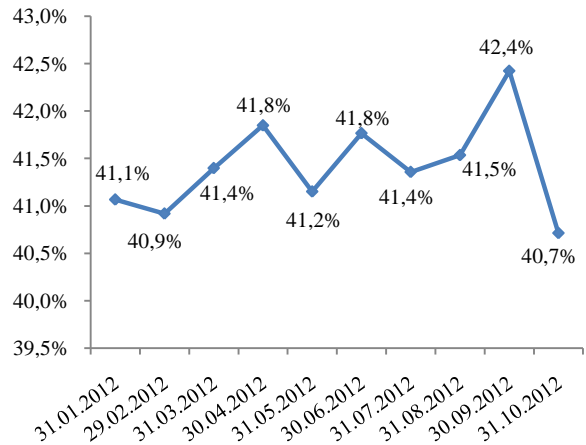
Graph #13

**Indebtness structure**



Graph # 14

**Internal Public Debt/Total Public Debt ratio**



**EXTERNAL PUBLIC DEBT – ISSUED GOVERNMENT SECURITIES**

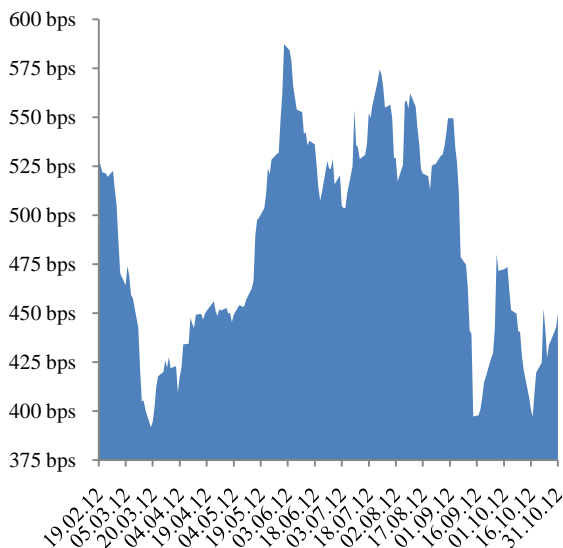
Table # 3

Republic of Serbia Eurobond 2021 - Tap
Issuer: Ministry of Finance and Economy of the Republic of Serbia
Ratings: BB- (S&P); BB- (Fitch)
Maturity: 28. september 2021
Coupon: 7.25% semi-annual
*Size: USD 2.0bn
**Re-offer yield: 6.625%
Re-offer price: 104.179
Spread to US Treasury Benchmark: 497.0 bps
Announcement date: 27. September 2012
Listing: London Stock Exchange
*Primary auction USD 1,0bn 21.9.2011.; Tap Issuance 27.9.2012. USD 1,0bn. **Tap Issuance re-offer yield.

Date	Price/Yield			
	Closing Price	YTM	Monthly price change %	Monthly yield change %
31.10.2012	107,15	6,191	1,0%	-2,5%
28.09.2012	106,09	6,349	4,7%	-9,9%
31.08.2012	101,36	7,044	-0,5%	1,1%
31.07.2012	101,90	6,964	-1,1%	2,4%
29.06.2012	103,01	6,803	2,6%	-5,3%
31.05.2012	100,45	7,181	-4,9%	11,5%
30.04.2012	105,63	6,441	-0,1%	0,2%
30.03.2012	105,76	6,429	4,2%	-8,5%
29.02.2012	101,52	7,029	2,0%	-3,9%
31.01.2012	99,53	7,316	2,3%	-4,4%
30.12.2011	97,28	7,650		

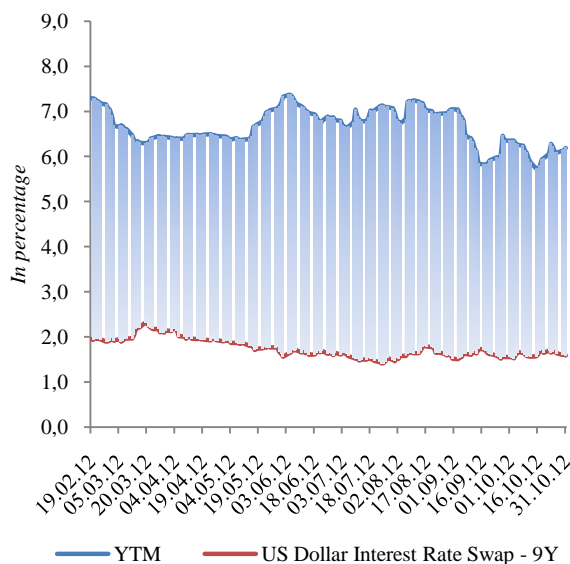
**Eurobond 2021 Spread to Benchmark**

Graph # 15



**Eurobond 2021 Spread to US Dollar Swap Interest rate**

Graph # 16



Graph # 17

**Price/YTM Graph - Eurobond 2021**

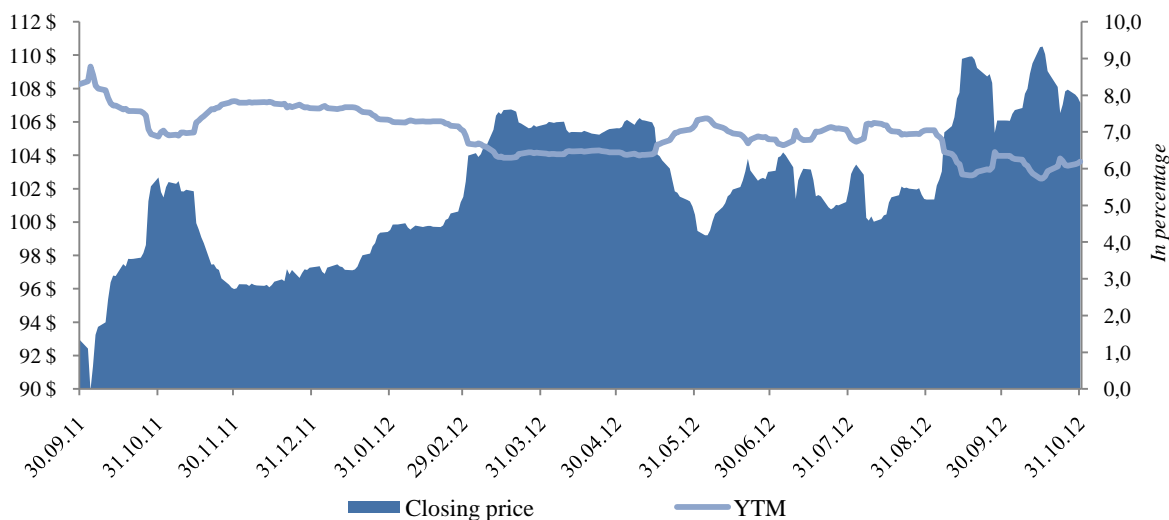


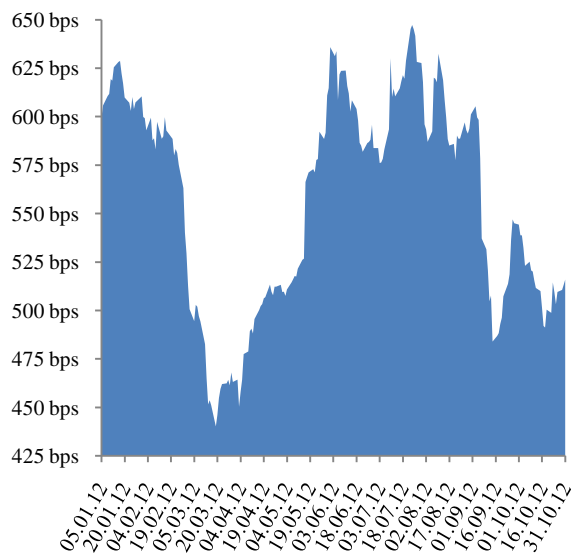


Table # 4

Amortizing bond - London Club 2024				
Auction Date	Maturity Date	Par Value	Market value	Coupon %
01.10.2004	01.11.2024	1.080.000.000	972.000.190	6,75%
Price/Yield				
Date	Closing Price	YTM	Monthly price change %	Monthly yield change %
31.10.2012	99,53	6,808	1,1%	-1,9%
28.09.2012	98,47	6,939	2,2%	-3,8%
31.08.2012	96,31	7,210	0,5%	-0,7%
31.07.2012	95,87	7,263	-0,7%	1,3%
29.06.2012	96,56	7,173	1,1%	-1,8%
31.05.2012	95,52	7,304	-3,1%	5,5%
30.04.2012	98,56	6,924	-1,0%	1,8%
30.03.2012	99,56	6,802	2,1%	-3,5%
29.02.2012	97,51	7,049	3,1%	-4,9%
31.01.2012	94,60	7,410	0,2%	-0,3%
30.12.2011	94,38	7,436		

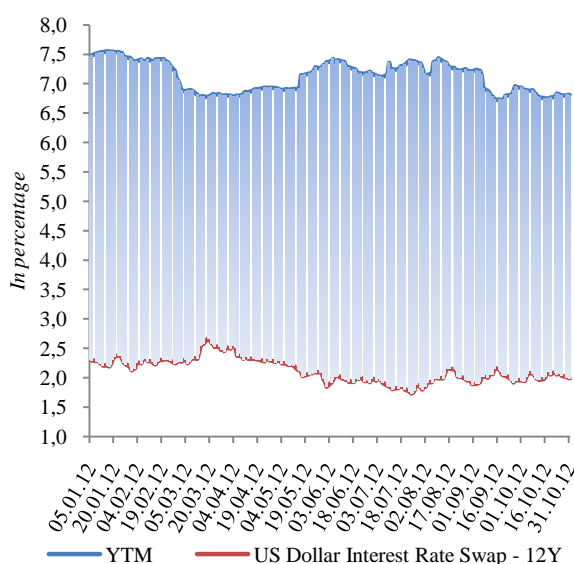
Amortizing Bond London club 2024 Spread to Benchmark

Graph # 18



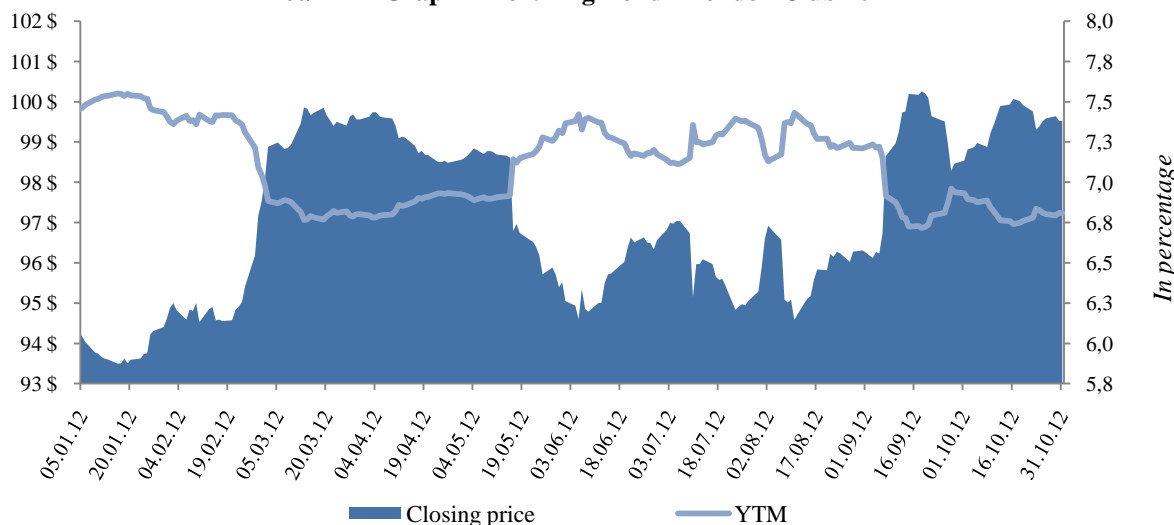
Amortizing Bond London club 2024 Spread to US Dollar Swap Interest rate

Graph # 19



Graph # 20

Price/YTM Graph Amortizing Bond - London Club 2024



**EXTERNAL DEBT ANALYSIS**

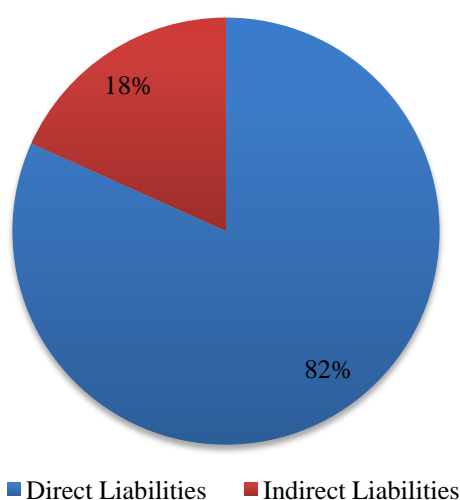
Table # 5

In Thousands

Creditor	External Direct Debt Stock in EUR	Creditor	External Indirect Debt Stock in EUR
EBRD	19.969	1 KfW	56.579
CEB	45.492	2 EUROFIMA	112.150
IMF	461.034	3 *Others	226.482
EIB	532.123	4 EU 225	179.037
IDA	533.797	5 EBRD	354.705
*Others	575.640	6 EIB	868.518
Foreign Government loans	715.375	Total	1.797.472
London Club	664.064		
EUROBOND 2021	1.543.448		
IBRD	1.456.441		
Paris Club	1.492.293		
Total	8.039.676		

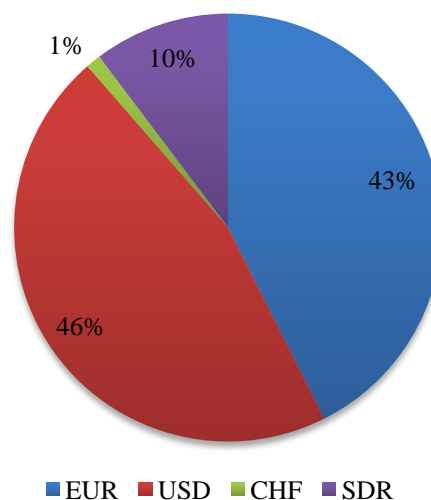
Graph # 21

**External Public Debt Structure**



Graph # 22

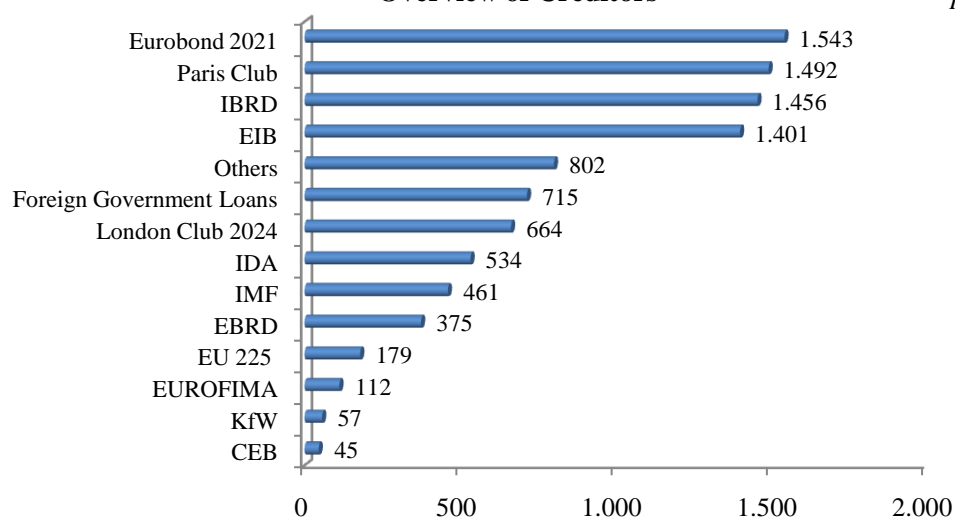
**External Public Debt currency structure**



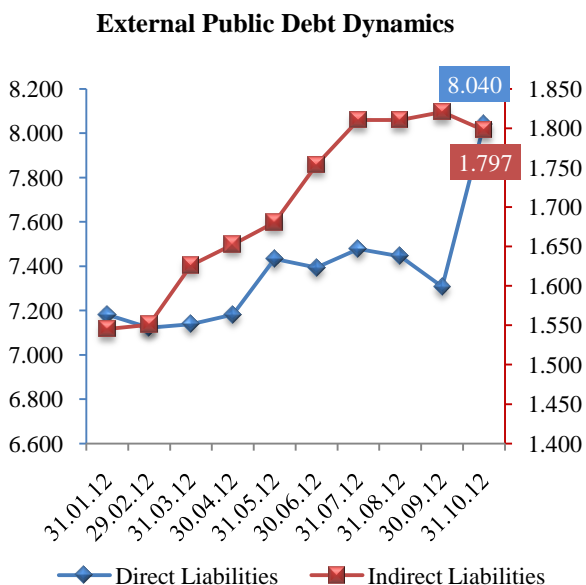
Graph #23

**Overview of Creditors**

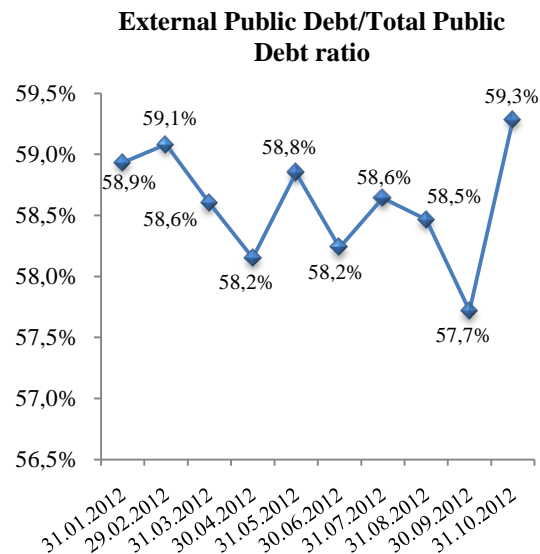
In millions EUR



Graph # 24



Graph # 25



## PUBLIC DEBT ANALYSIS

### Dynamics of Total Public Debt

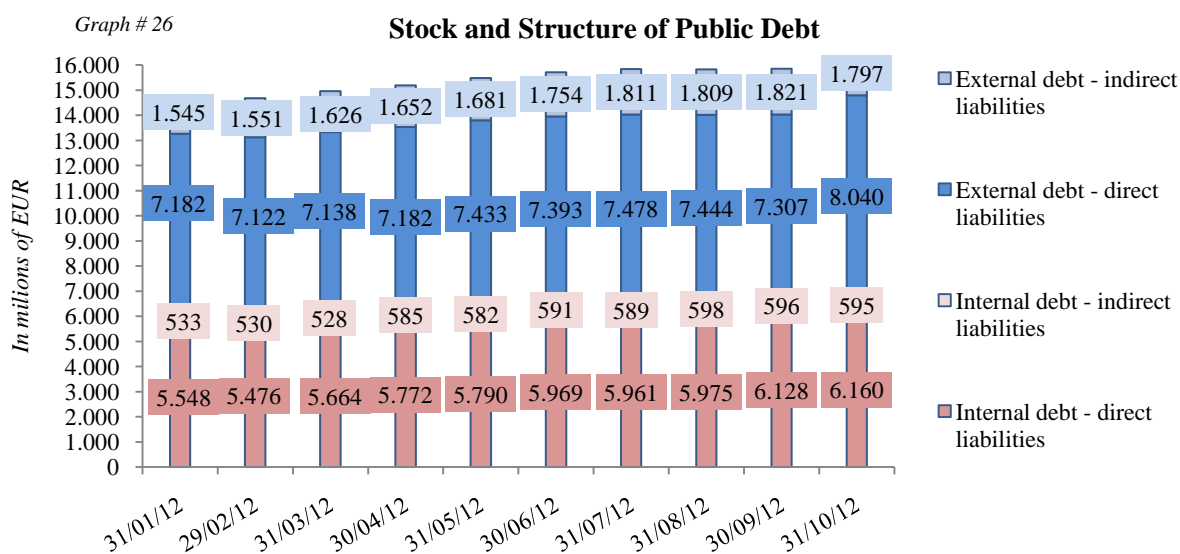
Table # 6

In millions EUR

Date	Internal Public Debt		External Public Debt		Total Public Debt
	Direct Liabilities	Indirect Liabilities	Direct Liabilities	Indirect Liabilities	
31.1.2012	429,6	-2,8	-57,0	-28,7	341,1
29.2.2012	-72,1	-2,8	-60,0	5,5	-129,3
31.3.2012	187,6	-2,5	16,5	75,6	277,3
30.4.2012	108,8	57,2	43,7	26,2	236,0
31.5.2012	17,8	-2,8	250,7	28,1	293,9
30.6.2012	179,2	8,6	-39,1	73,2	221,8
31.7.2012	-8,0	-1,7	84,2	56,9	131,4
31.8.2012	13,7	9,0	-33,6	-2,1	-13,0
30.9.2012	153,3	-1,5	-137,3	12,2	26,6
31.10.2012	31,8	-1,4	732,9	-23,3	740,1

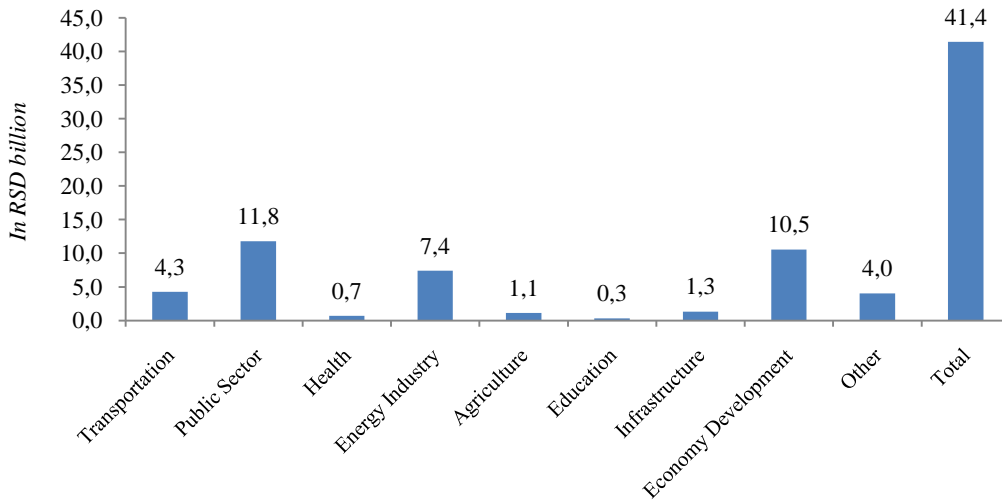
\*Monthly change

Graph # 26



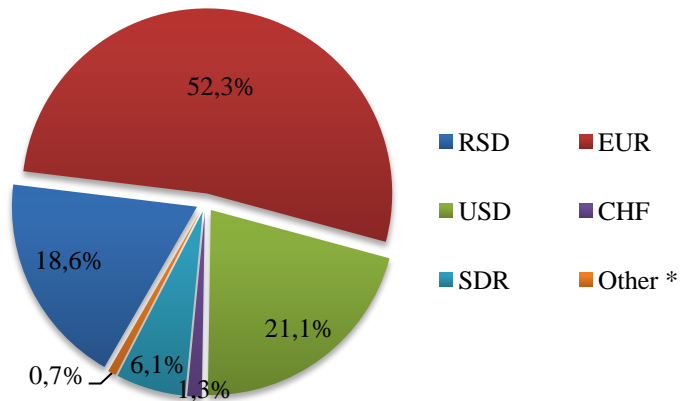
Graph # 27

**Project credit disbursment of Central Government in 2012**



*Public Debt currency structure*

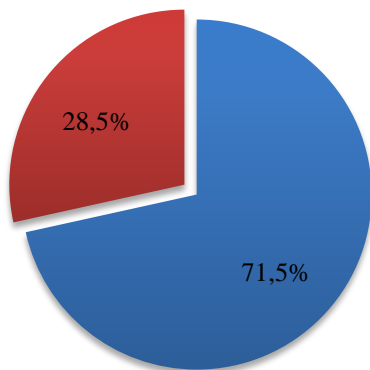
Graph # 28



*Public Debt interest rate structure*

Graph # 29

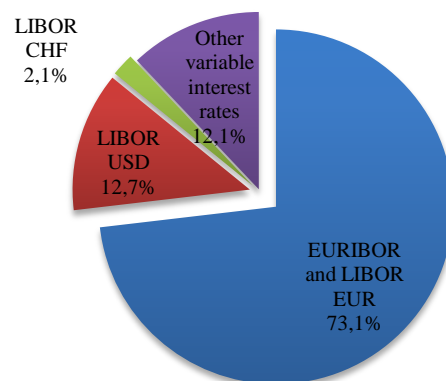
**Interest Rate structure**



■ FIXED INTEREST RATES ■ VARIABLE INTEREST RATES

Graph # 30

**Variable interest rate structure**

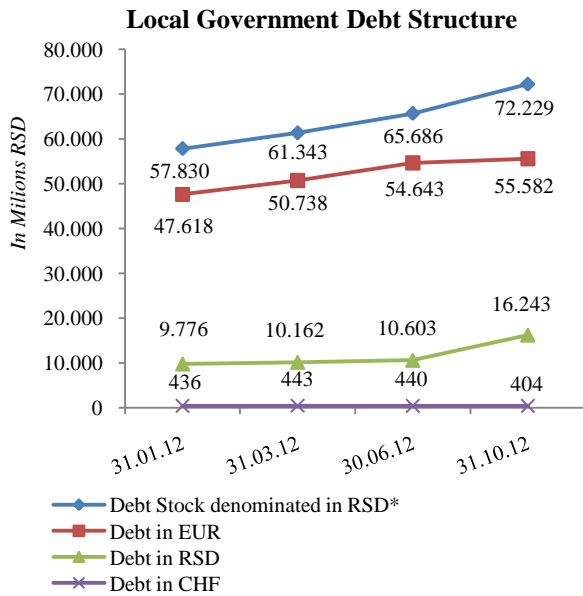




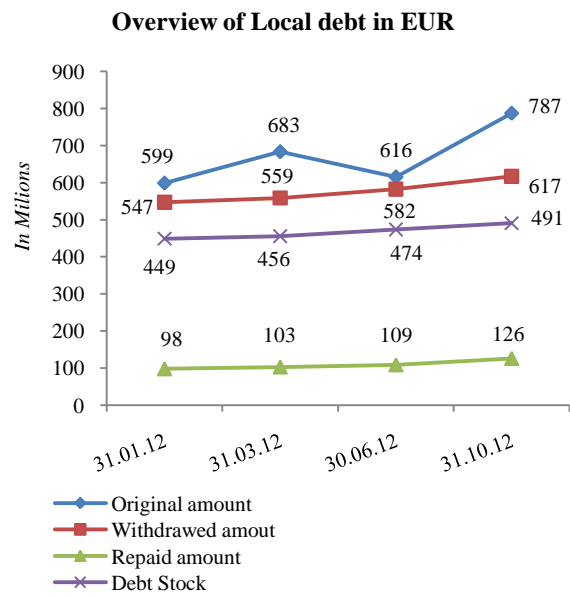
## LOCAL GOVERNMENT DEBT ANALYSIS

### Dynamics of Local Government debt structure

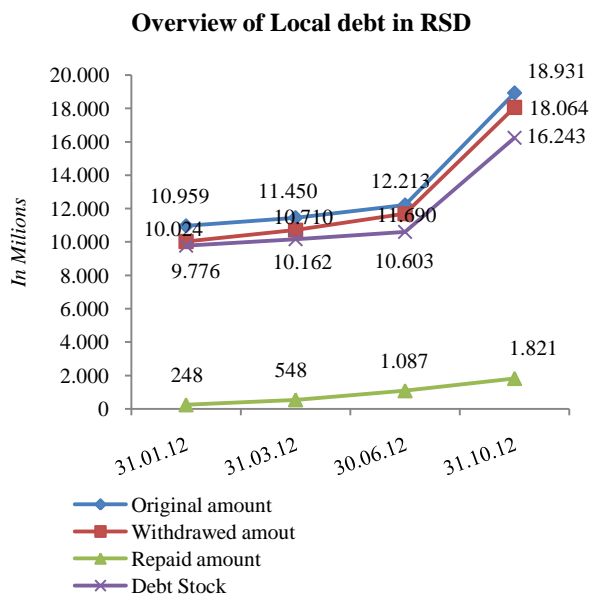
Graph # 31



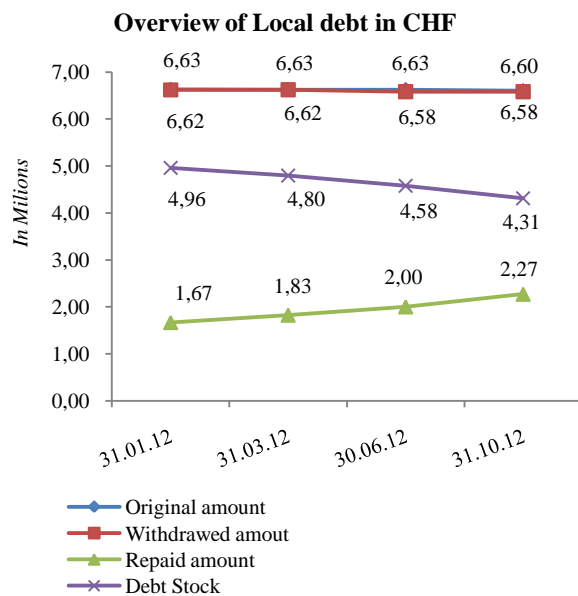
Graph # 32



Graph # 33

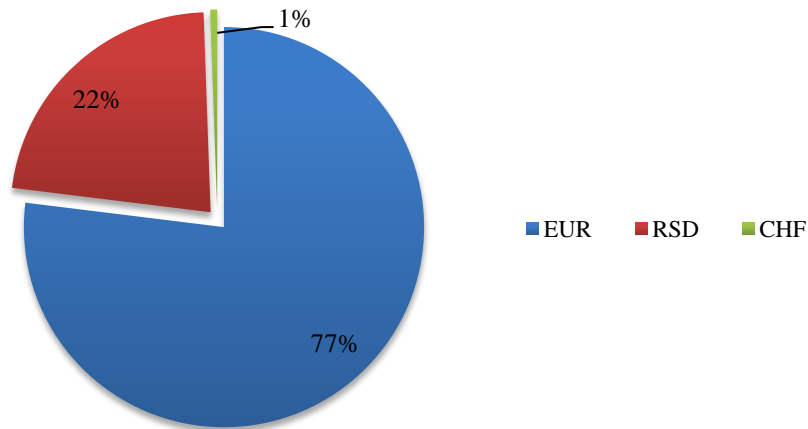


Graph # 34

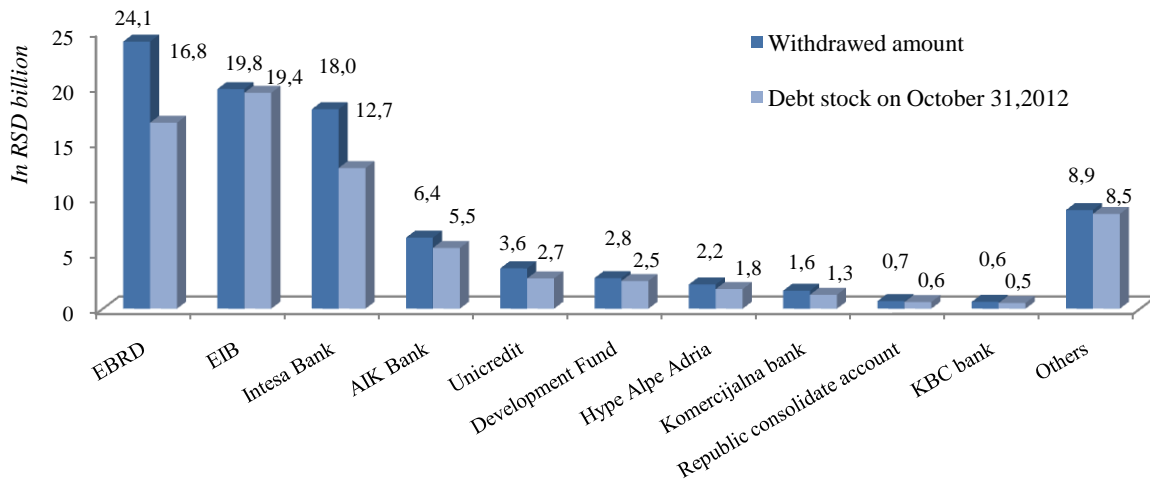




Graph # 35 Local Government debt - currency structure



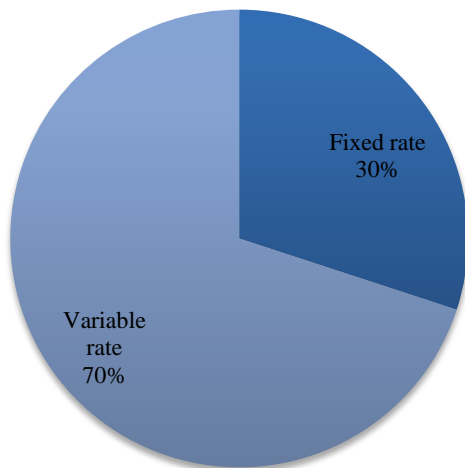
Graph # 36 Creditors Overview



Interest Rate Structure

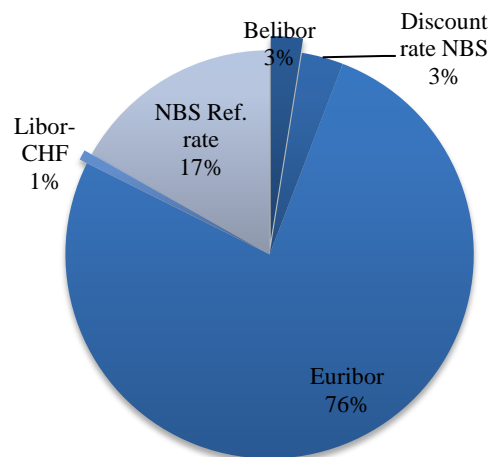
Graph # 37

Interest rate structure



Graph # 38

Variable rate interest structure

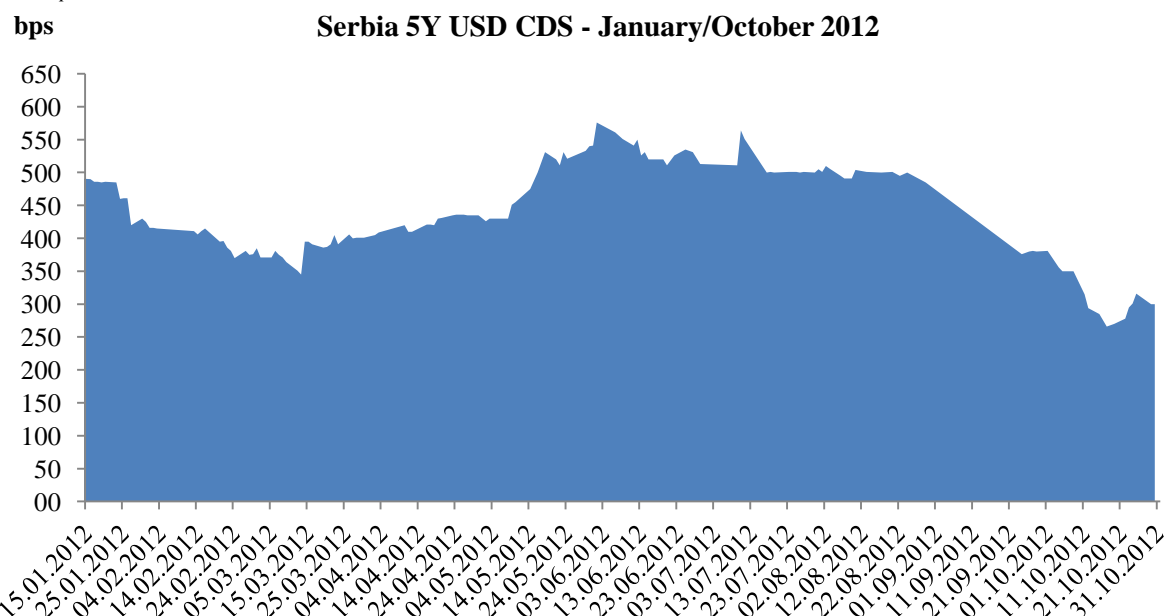


**CREDIT RAITING OF THE REPUBLIC OF SERBIA – Default SWAP**

Table # 7

CDS on the 31 <sup>st</sup> of October, 2012 for SOVX CEEMEA region countries								
Index	Rating (Moody's; S&P; Fitch)	Market Price	Bid	Ask	Daily changes	Weekly changes	6M changes	Yearly change
SOVX CEEMEA*	-	186	184	187	-	3	-99	-164
SOVX Western	-	106	101	110	-	2	-169	-252
<b>Country</b>								
Bulgaria	Baa2/BBB/BBB-	119	124	113	-9	-16	-167	-194
Czech Republic	A1/AA-/A+	77	79	75	-1	-3	-38	-35
Estonia	A1/AA-/A+	89	94	84	3	2	-22	-41
Croatia	Baa3/BBB-/BBB-	248	253	243	-3	-18	-187	-194
Hungary	Ba1/BB+/BB+	276	279	273	1	5	-224	-243
Kazakhstan	WR/BBB+/BBB	167	170	164	0	0	-49	-59
Lithuania	Baa1/BBB/BBB	135	142	128	-5	-9	-114	-134
Latvia	Baa3/BBB-/BBB-	142	146	138	-6	-13	-115	-123
Poland	A2/A-/A-	91	93	89	-3	-4	-110	-141
Romania	Baa3/BB+/BBB-	225	230	220	-3	-16	-116	-120
Russia	Baa1/BBB/BBB	154	155	153	-2	-2	-35	-45
Slovakia	A2/A/A+	111	115	107	0	-5	-128	-93
Turkey	Ba1/BB/BB+	162	164	161	-4	-3	-65	-74
Ukraine	B2/BB/B	618	632	605	-16	-20	-166	-81
South African Republic	A3/BBB+/BBB+	150	152	148	-3	-7	-1	-18
<b>Serbia</b>	<b>NR/BB-/BB-</b>	<b>301</b>	<b>326</b>	<b>276</b>	<b>1</b>	<b>6</b>	<b>-114</b>	<b>-115</b>

Graph # 39





## CONTACT

Republic of Serbia Ministry of Finance and Economy – Public Debt Administration, Belgrade  
Pop Lukina Str. 7 - 9, tel: +381 11 3202 461, [www.javnidug.gov.rs](http://www.javnidug.gov.rs); [www.publicdebt.gov.rs](http://www.publicdebt.gov.rs);  
[front.office@javnidug.gov.rs](mailto:front.office@javnidug.gov.rs)

**Bloomberg page <RSMF> <GO>**

## LINKS

- National Bank of Serbia [www.nbs.rs](http://www.nbs.rs);
- Republic of Serbia Ministry of Finance and Economy [www.mfp.gov.rs](http://www.mfp.gov.rs);
- National Assembly of the Republic of Serbia [www.parlament.gov.rs](http://www.parlament.gov.rs);
- Government of the Republic of Serbia [www.srbija.gov.rs](http://www.srbija.gov.rs);
- Statistical Office of the Republic of Serbia [www.stat.gov.rs](http://www.stat.gov.rs);
- Belgrade Stock Exchange [www.belex.rs](http://www.belex.rs);
- Ministry of Finance – Treasury Administration [www.trezor.gov.rs](http://www.trezor.gov.rs);
- Fiscal Council of the Republic of Serbia [www.fiskalnisavet.rs](http://www.fiskalnisavet.rs)

