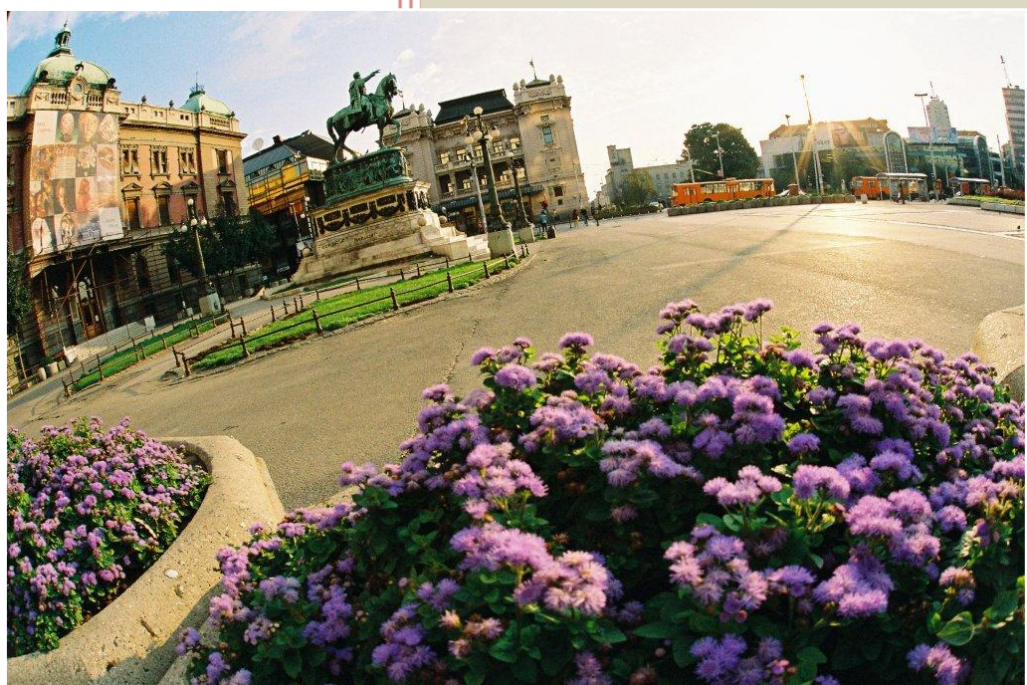


April 2013

Monthly Report



Republic of Serbia
Ministry of Finance and Economy
Public Debt Administration

Belgrade 2013, # 13

www.publicdebt.gov.rs

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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.

INTRODUCTORY WORD OF THE DIRECTOR



The last quarter of the year 2012 was marked by the commencement of the implementation of fiscal consolidation measures. One of the basic goals in the following mid-term period is to influence the level of borrowing through the decrease in the budget deficit. Until fiscal consolidation measures have produced full results, the Public Debt Administration will assume the burden of providing the funds for regular execution of budget expenditures. The plan of borrowing, defined by the annual

budget in the scope of the mid-term strategic plan, should contribute to sustainability of public finance of the Republic of Serbia. As it was the case in the year 2012, the borrowing on domestic and international financial markets will be the main source for the financing of budgetary needs of the Republic of Serbia in the coming year. Prudent fiscal policy and borrowing operations in accordance with the fundamental strategic goal of the public debt management policy should present the backbone and the main factor of stability of the public finance system as well as the guarantee for macroeconomic stability. Ministry of Finance and Economy- Public Debt Administration continued introducing new debt instruments in the year 2012, which led to the extension of average maturity of dinar-denominated public debt and to the improvement of risk indicators. The Public Debt Administration has prepared the Public Debt Management Strategy 2013-2015, presenting an integral part of the Fiscal Strategy for the year 2013, with the projections for the years 2014 and 2015. The



Government adopted the said Strategy in November 2012. It defines an absolute decrease in the budget deficit and a relative decrease in public debt relative to GDP as two main fiscal objectives. According to the main document of the Government of the Republic of Serbia in the field of fiscal policy, it is expected that the budget deficit, presenting the main factor for defining the level of borrowing, will be reduced by half in the year 2013, *i.e.* it will reach the level of 3.6% of GDP. The budget deficit is expected to amount to 1% of GDP in the year 2015 owing to the positive effects of the implementation of fiscal measures, primarily through expenditure limits, considerable growth of real GDP based on the increase in net exports and the investments in fixed capital. A mid-term scenario defined in this manner should decrease the needs for borrowing and thus contribute to the drop in the relative indebtedness of the Republic of Serbia. At the end of 2015, the indebtedness ought to reach up to 58% of GDP.

Republic of Serbia successfully returned on international market on 14th of February by issuing a new \$1.5 billion benchmark bond due 2020 with a coupon of 4.875%. High quality institutional investors from the US anchored the book, which closed with orders from close to 150 accounts globally. Majority of investors came from US, UK, and UAE. Accepted yield was 5.15% whereas initial yield was 5.20%. The issuance of \$1.5 billion due 2020 is done in accordance with the Government Financing Plan for 2013. The part of the issued amount will be used for buyback of previous loans with higher expenses. Comparing to Serbia 2021, issued in September 2011 with the yield of 7.5%, Republic of Serbia achieved better results in

borrowing expenses for 2.35%. The latest results are confirming foreign investor higher confidence in Serbian economy and public finances than in previous period.

The Public Debt Administration is doing its best to make its capacities capable of public debt management and performing other activities as defined by the Public Debt Law, being the legal framework. Technical cooperation with the World Bank and IMF as well as with other international partners is rather significant in this respect. Nevertheless, understanding and support of relevant domestic institutions is necessary on that path.

New measures aimed at fiscal stabilization and relative decrease in public debt, as well as the latest issuance of Eurobonds prove that the liquidity of the state has been ensured and that there is trust relating to the sustainability of public finance in the medium and the long run.

Director

Branko Drcelic



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 30 April 2013, the share of debt denominated in dinars amounted to 19.0%. 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

Overview of Government securities issued on domestic market – Currency RSD

Table #1

T - BILLS 3M								
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate	
10/01/13	11/04/13	10,000,000,000	8,975,620,000	3,902,120,000	10.68%	9,737.13	39.02%	
14/02/13	16/05/13	3,000,000,000	6,271,260,000	2,849,580,000	9.80%	9,758.27	94.99%	
07/03/13	06/06/13	3,000,000,000	4,772,090,000	2,505,420,000	9.48%	9,765.97	83.51%	
T - BILLS 6M								
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate	
05/10/12	05/04/13	6,000,000,000	6,094,150,000	4,822,790,000	13.45%	9,363.32	80.38%	
08/11/12	09/05/13	4,000,000,000	6,607,640,000	4,000,000,000	12.90%	9,387.76	100.00%	
28/02/13	29/08/13	3,000,000,000	6,250,890,000	3,000,000,000	9.80%	9,527.94	100.00%	
28/03/13	26/09/13	3,000,000,000	6,520,130,000	3,000,000,000	9.45%	9,544.03	100.00%	
04/04/13	03/10/13	3,000,000,000	4,832,250,000	3,000,000,000	9.39%	9,546.80	100.00%	
T - BILLS 53W								
Auction date	Maturity date	Offer	Bid	Par Value	Discount rate	Discount price	Realization rate	
03/04/12	11/04/13	10,000,000,000	22,512,560,000	10,000,000,000	12.50%	8,858.81	100.00%	
15/05/12	23/05/13	10,000,000,000	14,678,270,000	10,000,000,000	12.58%	8,852.35	100.00%	
05/06/12	13/06/13	10,000,000,000	4,955,350,000	3,581,950,000	13.00%	8,818.56	35.82%	
20/06/12	28/06/13	10,000,000,000	2,414,300,000	2,414,300,000	13.49%	8,779.46	24.14%	
04/07/12	12/07/13	18,000,000,000	7,328,200,000	6,878,200,000	14.25%	8,719.50	38.21%	
31/07/12	12/07/13	11,121,800,000	2,532,500,000	2,482,500,000	14.35%	8,794.13	22.32%	
05/09/12	13/09/13	10,000,000,000	9,235,300,000	9,235,300,000	14.59%	8,692.95	92.35%	
23/10/12	31/10/13	10,000,000,000	9,733,200,000	8,733,200,000	13.99%	8,739.92	87.33%	
27/11/12	05/12/13	10,000,000,000	22,797,400,000	3,000,000,000	12.49%	8,859.62	30.00%	
26/12/12	03/01/14	10,000,000,000	25,230,230,000	10,000,000,000	11.87%	8,910.06	100.00%	
15/01/13	23/01/14	10,000,000,000	25,997,520,000	10,000,000,000	11.24%	8,961.90	100.00%	
12/02/13	20/02/14	10,000,000,000	29,639,270,000	10,000,000,000	10.49%	9,024.41	100.00%	
26/03/13	03/04/14	10,000,000,000	25,041,140,000	10,000,000,000	9.95%	9,069.96	100.00%	
09/04/13	17/04/14	10,000,000,000	23,246,420,000	10,000,000,000	9.58%	9,101.44	100.00%	
T - BONDS 2Y								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% A)	Yield	Accepted price	Realization rate
08/01/13	10/01/15	10,000,000,000	9,328,780,000	8,728,780,000	872,878,000	12.29%	9,614.45	87.29%
19/03/13	21/03/15	10,000,000,000	15,870,900,000	10,000,000,000	1,000,000,000	10.80%	9,862.63	100.00%
02/04/13	04/04/15	10,000,000,000	19,831,720,000	10,000,000,000	1,000,000,000	10.24%	9,958.48	100.00%
T - BONDS 3Y								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% A)	Yield	Accepted price	Realization rate
30/03/11	01/04/14	20,000,000,000	2,702,670,000	2,302,670,000	115,133,500	14.05%	9,035.97	11.51%
10/05/11	01/04/14	17,697,330,000	4,025,280,000	2,925,280,000	146,264,000	14.25%	9,103.64	16.53%
21/06/11	01/04/14	14,772,050,000	2,299,900,000	2,299,900,000	114,995,000	13.89%	9,299.35	15.57%
19/07/11	01/04/14	12,472,150,000	2,669,220,000	2,669,220,000	133,461,000	14.50%	9,235.76	21.40%
09/08/11	01/04/14	9,802,930,000	791,090,000	291,090,000	14,554,500	14.50%	9,292.51	2.97%
20/09/11	01/04/14	9,511,840,000	3,816,750,000	1,896,750,000	94,837,500	14.89%	9,320.69	19.94%
11/10/11	01/04/14	7,615,090,000	1,371,150,000	841,150,000	42,057,500	14.89%	9,036.81	11.05%
22/11/11	01/04/14	6,773,940,000	1,017,120,000	1,011,520,000	50,576,000	14.89%	9,152.19	14.93%
28/02/12	01/03/15	20,000,000,000	9,073,660,000	8,910,080,000	445,504,000	14.70%	8,891.86	44.55%
27/03/12	01/03/15	11,089,920,000	11,366,900,000	10,234,250,000	511,712,500	14.70%	8,988.35	92.28%
25/04/12	27/04/15	20,000,000,000	4,910,980,000	4,910,980,000	245,549,000	14.99%	8,828.71	24.55%
26/06/12	27/04/15	15,089,020,000	365,000,000	365,000,000	18,250,000	14.99%	9,047.56	2.42%
30/07/12	27/04/15	14,724,020,000	9,374,510,000	9,374,510,000	468,725,500	15.74%	9,019.40	63.67%
28/08/12	27/04/15	5,349,510,000	5,262,130,000	4,962,130,000	248,106,500	15.84%	9,108.94	92.76%
12/09/12	14/09/15	10,000,000,000	10,371,380,000	10,000,000,000	500,000,000	15.99%	8,615.24	100.00%
26/09/12	28/09/15	10,000,000,000	2,909,660,000	2,407,740,000	120,387,000	15.99%	8,615.24	24.08%
16/10/12	18/10/15	10,000,000,000	10,204,040,000	6,863,750,000	343,187,500	14.99%	8,828.71	68.64%
04/12/12	06/12/15	10,000,000,000	5,528,410,000	4,230,500,000	211,525,000	13.95%	9,057.88	42.31%
19/02/13	21/02/16	20,000,000,000	23,815,280,000	18,921,150,000	1,892,115,000	11.39%	9,662.61	94.61%
23/04/13	25/04/16	10,000,000,000	14,372,490,000	10,000,000,000	1,000,000,000	10.49%	9,879.19	100.00%
T - BONDS 5Y								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% A)	Yield	Accepted price	Realization rate
24/01/12	26/01/17	3,000,000,000	4,908,160,000	2,703,660,000	135,183,000	14.70%	8,375.83	90.12%
29/05/12	31/05/17	3,000,000,000	520,000,000	520,000,000	26,000,000	15.01%	8,280.94	17.33%
06/11/12	08/11/17	5,000,000,000	6,911,000,000	5,000,000,000	250,000,000	14.74%	8,363.51	100.00%

22/01/13	24/01/18	5,000,000,000	10,293,570,000	5,000,000,000	500,000,000	12.94%	8,964.42	100.00%
T - BONDS 7Y								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon (10% A)	Yield	Accepted price	Realization rate
05/03/13	07/03/20	3,000,000,000	3,811,230,000	3,000,000,000	300,000	12.65%	8,815.13	100.00%
10/04/13	12/04/20	5,000,000,000	3,862,780,000	3,462,780,000	346,278,000	12.25%	8,981.24	69.26%

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	
11/07/12	19/07/13	35,000,000 €	28,275,000 €	20,035,000	6.15%	940.40 €	57.24%	
21/08/12	29/08/13	40,000,000 €	46,849,000 €	40,000,000	6.15%	940.40 €	100.00%	
03/09/12	11/09/13	60,000,000 €	42,714,000 €	42,214,000	6.15%	940.40 €	70.36%	
31/10/12	08/11/13	50,000,000 €	65,758,000 €	47,662,000	5.75%	944.06 €	95.32%	
25/02/13	05/03/14	50,000,000 €	132,533,000 €	50,000,000	3.93%	961.08 €	100.00%	

T - BONDS 2Y ISSUED IN EUR								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Yield	Accepted price	Realization rate
26/03/12	28/03/14	50,000,000 €	58,053,000 €	50,000,000 €	5.75%	6.10%	993.50 €	100.00%
06/06/12	08/06/14	50,000,000 €	65,659,000 €	50,000,000 €	5.75%	6.25%	990.73 €	100.00%
24/07/12	26/07/14	60,000,000 €	11,984,000 €	11,984,000 €	5.75%	6.20%	991.66 €	19.97%
31/12/12	04/01/15	100,000,000 €	89,505,000 €	70,927,000 €	4.88%	4.88%	1,000.00 €	70.93%
20/03/13	22/03/15	50,000,000 €	59,738,000 €	50,000,000 €	4.88%	4.88%	1,000.00 €	100.00%

T - BONDS 3Y ISSUED IN EUR								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Yield	Accepted price	Realization rate
30/05/11	01/06/14	100,000,000 €	71,960,000 €	58,890,000 €	5.00%	5.00%	1,000.00 €	58.89%
23/01/13	25/01/16	30,000,000 €	42,856,000 €	30,000,000 €	4.88%	4.88%	1,000.00 €	100.00%

T - BONDS 5Y ISSUED IN EUR								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Yield	Accepted price	Realization rate
16/04/13	18/04/18	50,000,000 €	48,311,000 €	43,311,000 €	4.50%	5.00%	978.35 €	86.62%

T - BONDS 15Y ISSUED IN EUR								
Auction date	Maturity date	Offer	Bid	Par Value	Coupon	Yield	Accepted price	Realization rate
14/02/11	16/02/26	200,000,000 €	97,351,000 €	97,351,000 €	5.85%	5.85%	1,000.00 €	48.68%
01/06/11	16/02/26	102,649,000 €	46,930,000 €	46,930,000 €	5.85%	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	
05/03/12	05/03/15	1,992,580,000	10,000	2.00%	100.00%	
26/05/12	26/05/15	9,839,226,000	10,000	2.00%	100.00%	
11/06/12	11/06/22	5,000,000,000	10,000	2.00%	100.00%	

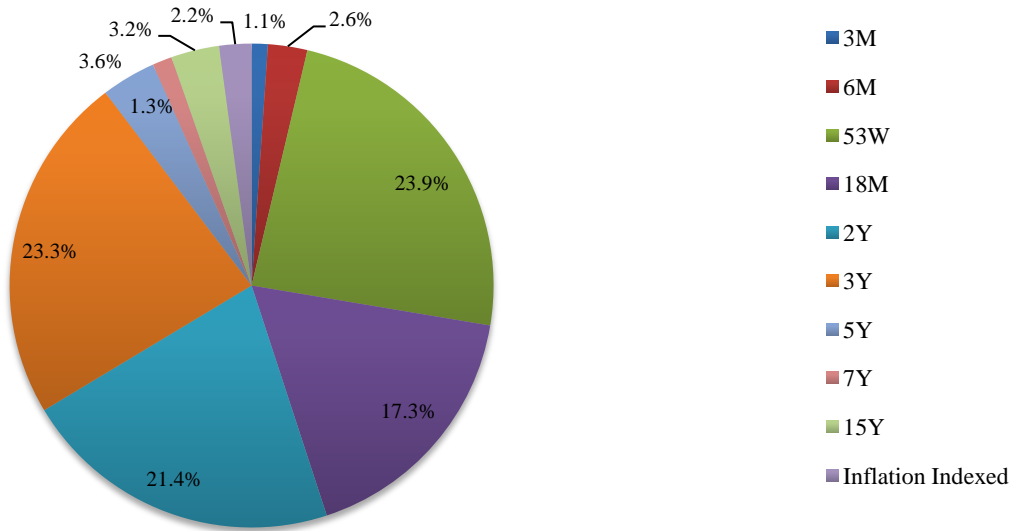
AMORITIZING T - BONDS 2Y WITH VARIABLE RATE						
Auction date	Maturity date	Par Value	Nominal price	Coupon SA (NBS ref. rate + fixed interest)	Realization rate	
01/08/12	05/03/15	6,682,000,000	10,000	4.00%	66.82%	
05/02/13	07/02/15	5,400,000,000	10,000	0.98%	54.00%	

AMORITIZING T - BONDS 2Y WITH FIXED RATE						
Auction date	Maturity date	Par Value	Nominal price	Coupon	Realization rate	
06/04/13	06/04/15	1,392,910,000	10,000	10.00%	100.00%	
08/04/13	08/04/15	1,477,020,000	10,000	10.00%	100.00%	



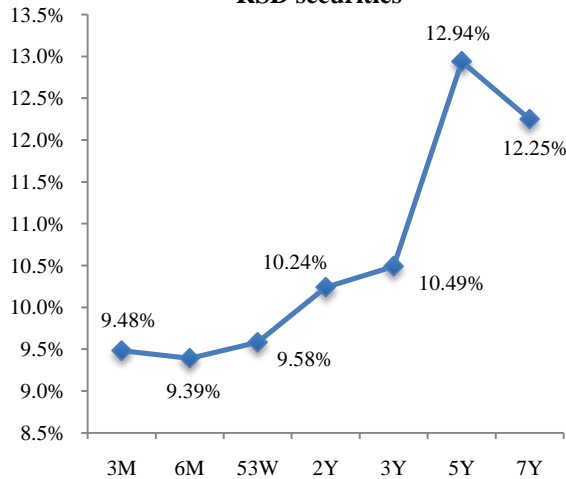
Graph # 1

Maturity structure of Government Securities portfolio



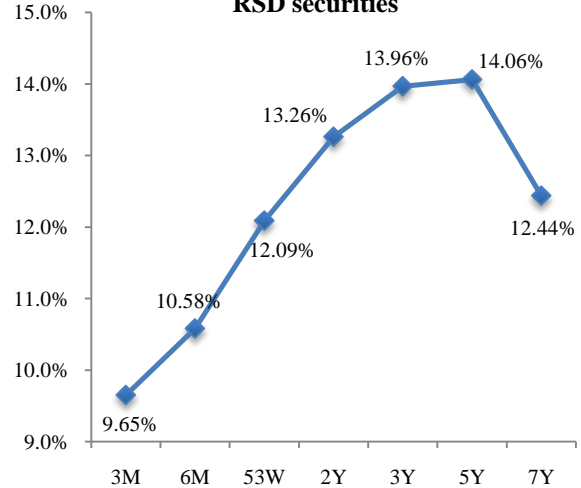
Graph # 2

Accepted rates of latest auctions for RSD securities



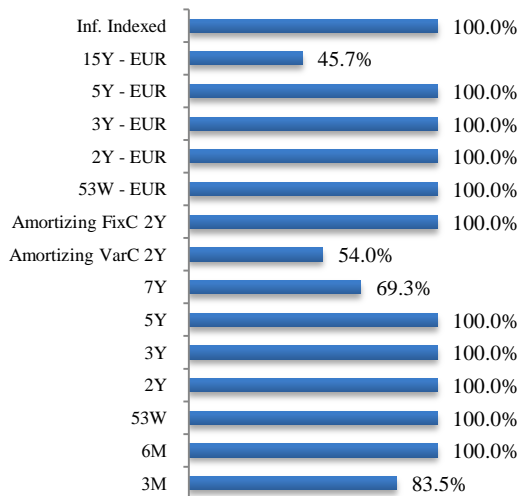
Graph # 3

Weighted average accepted rates for RSD securities



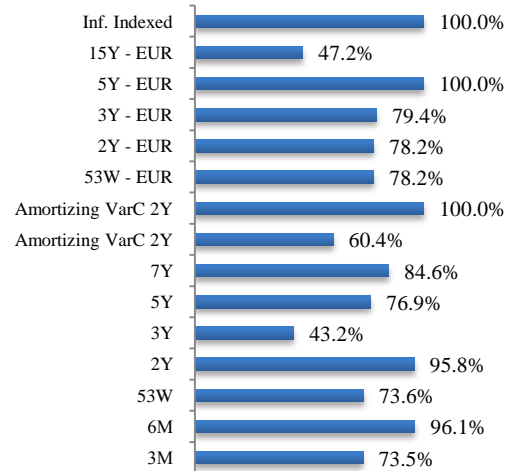
Graph # 4

Last auctions realization rate



Graph # 5

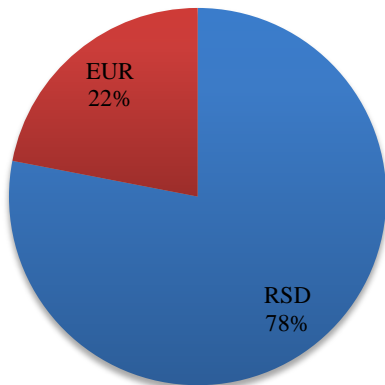
Auctions average realization rate of outstanding Government Securities





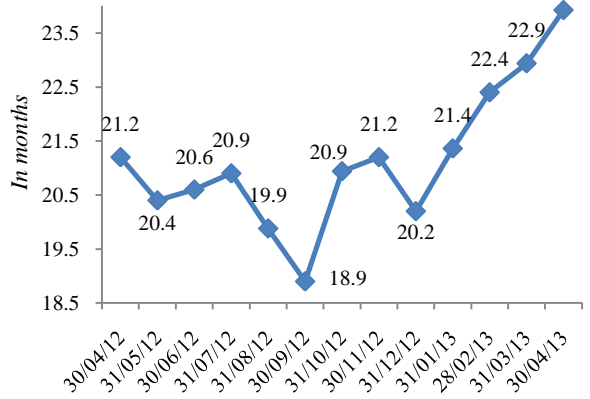
Graph # 6

Currency structure of Government Securities issued on domestic market



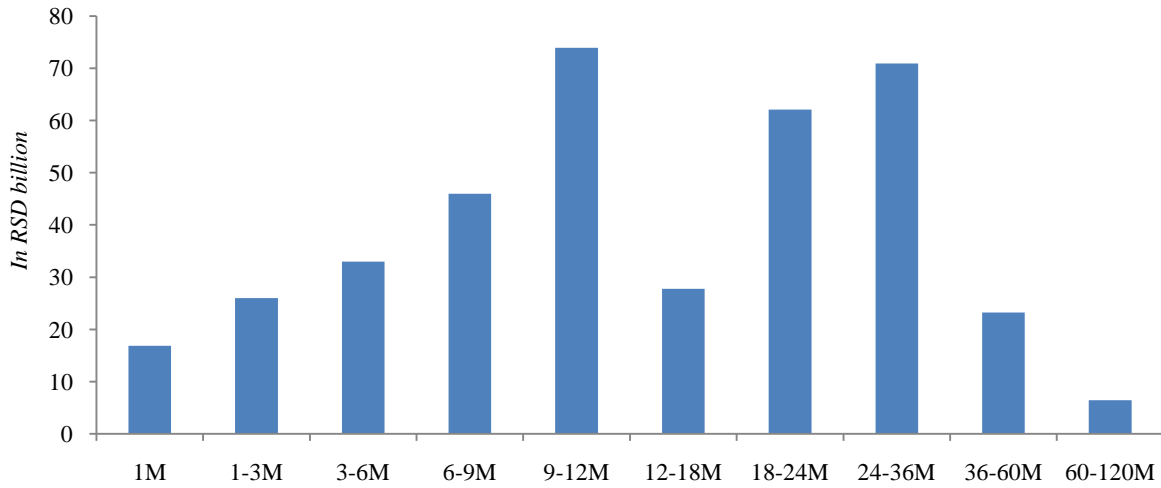
Graph # 7

ATM of Government Securities on domestic market



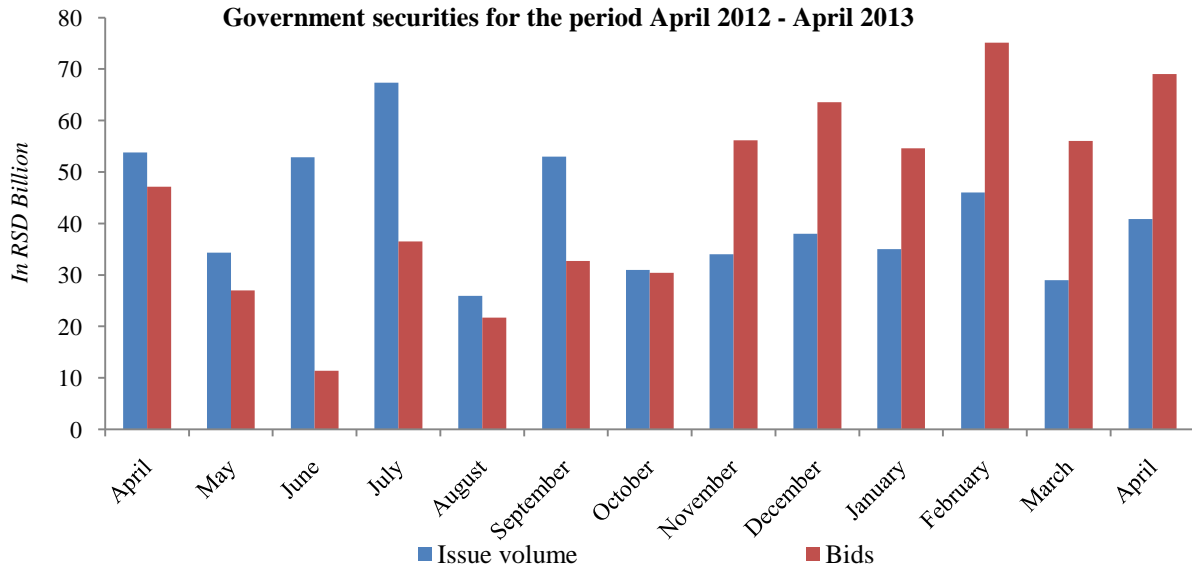
Graph # 8

Residual maturity of Government securities denominated in RSD



Graph # 9

Bid /Cover Ratio for RSD denominated Government securities for the period April 2012 - April 2013



INTERNAL PUBLIC DEBT ANALYSIS

Table #2

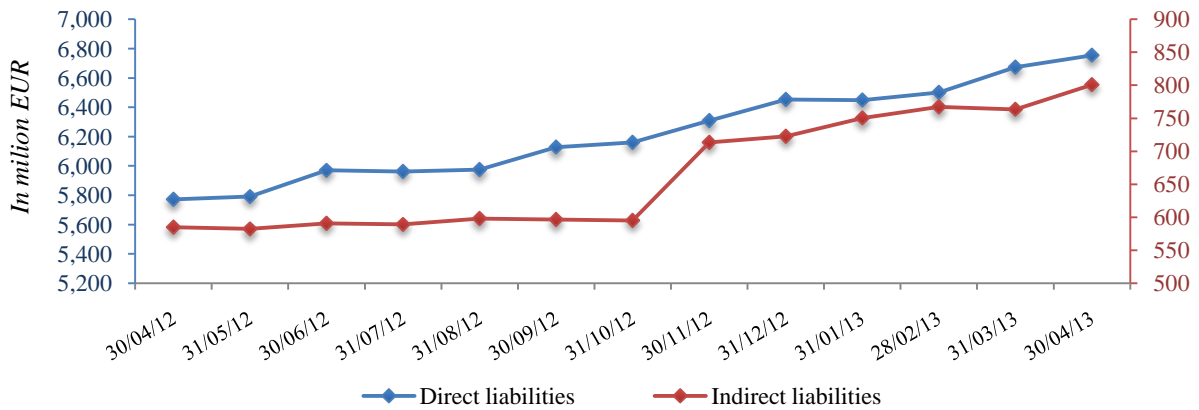
In thousands

Purpose of Internal Public Debt	Currency	Debt Stock in EUR	Purpose of Internal Public Debt	Currency	Debt Stock in EUR
Pensions - Agriculture	RSD	24,614	Путеви Србије - Unicredit banka	EUR	22,980
Pensions - Employers Fund	RSD	6,406	Путеви Србије - Marfin banka	EUR	18,367
Комерцијална банка - Embassy Brussels	EUR	8,929	ЈП Србијагас - Banca Intesa	EUR	50,000
Deposits - National bank of Serbia	RSD	2,213	ЈП Србијагас - Banca Intesa	EUR	120,000
Deposits - Citizens	EUR	1,862,266	ЈП Србијагас - Banca Intesa	EUR	45,000
Deposits - Banks	EUR	37,933	ЈП Србијагас - Societe Generale banka	EUR	40,000
Economy Development Loan	EUR	7,796	ЈП Србијагас - Erste Bank	EUR	40,000
Нуро-Alpe Adria Bank - Универзијада 2009	RSD	0	ЈП Србијагас - Komercijalna banka	EUR	20,000
Government Treasury Bills - Currency RSD	RSD	166,045	ЈП Србијагас - Нуро Alpe-Adria-Bank	EUR	35,000
Government Treasury Bonds - Currency RSD	RSD	3,326,916	ЈП Србијагас - Unicredit banka	EUR	30,000
Government Treasury Bonds - Currency EUR	EUR	983,018	ЈП Србијагас - Societe Generale banka - ликвидност	EUR	10,000
Војвођанска банка - Budget deficit/1	EUR	7,500	ЈП Србијагас - Vojvodanska banka - ликвидност	EUR	20,000
Alpha Bank - Budget deficit	EUR	15,000	ЈП Србијагас - Unicredit - ликвидност	EUR	10,000
Piraeus Bank - budget deficit	EUR	20,000	ЈП Србијагас - Volksbank - ликвидност	EUR	70,000
Eurobank EFG - Nuclear Facilities	USD	8,981	ЈП Србијагас - OTP banka - ликвидност	EUR	10,000
Војвођанска банка - budget deficit/2	EUR	10,000	ЈП Србијагас - Unicredit ликвидност	EUR	20,000
Banca Intesa - budget deficit	EUR	29,169	ЈП Србијагас - Vojvodanska banka ликвидност	EUR	20,000
Raiffeisen Bank - budget deficit	EUR	29,169	ЈП JAT Airways - Unicredit banka	EUR	18,462
Unicredit Bank - budget deficit	EUR	34,997	ЈП JAT Airways - Societe Generale banka	EUR	18,462
Societe Generale Bank - budget deficit	EUR	11,666	ЈП JAT Airways - Unicredit banka	EUR	4,385
Нуро Alpe Adria - budget deficit	EUR	17,500	ЈП JAT Airways - Societe Generale banka	EUR	4,385
Eurobank EFG - budget deficit	EUR	15,000	ЈП JAT Airways - Unicredit banka	EUR	923
Војвођанска банка - budget deficit,/3	EUR	15,000	ЈП JAT Airways - Societe Generale banka	EUR	923
KBC Bank - budget deficit	EUR	7,691	Зубин Поток - Водоснабдевање	EUR	145
Комерцијална банка - The First National Court	EUR	13,000	Звечан - Водоснабдевање	EUR	145
Development Fund	RSD	49,768	Косовска Митровица - Водоснабдевање	EUR	290
Vojvodanska banka - Liquidity loan NBS	RSD	2,684	Комерцијална банка - " Степа Степановић "	EUR	7,882
Health institutions's debt	RSD	41,668	Комерцијална банка - " Степа Степановић " - 3а	EUR	2,347
			Комерцијална банка - " Степа Степановић " - 3г	EUR	2,212
			Комерцијална банка - " Степа Степановић " - 3б	EUR	3,670
			Комерцијална банка - " Степа Степановић " - 3в	EUR	4,242
			Комерцијална банка - " Степа Степановић " - 3г, 3д, 3ђ, 3е	EUR	11,506
			Галеника ад Београд - Societe Generale banka	EUR	10,000
			Галеника ад Београд - Unicredit banka	EUR	30,000
			Галеника ад Београд - AIK banka	EUR	20,000
			Галеника ад Београд - Komercijalna banka	EUR	10,000
			Галеника ад Београд - Komercijalna banka	EUR	2,500
			Галеника ад Београд - AIK banka	EUR	2,500
			ЈП JAT Airways - Komercijalna banka	EUR	9,583
			ЈП JAT Airways - Banca Intesa	EUR	10,000
			ЈП JAT Техника - Unicredit banka	EUR	5,000
			Development Fund - Железаре Смедерево AIK банка	EUR	15,000
			Development Fund - Железаре Смедерево Комерцијална	EUR	25,000
Total Direct Liabilities		6,754,927	Total Indirect Liabilities		800,908



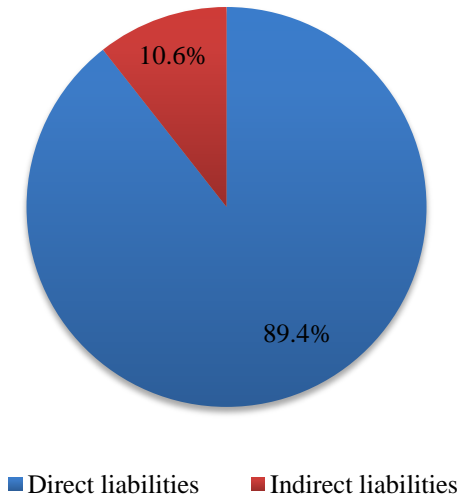
Graph # 10

Internal Public Debt dynamics for period April 2012 - April 2013



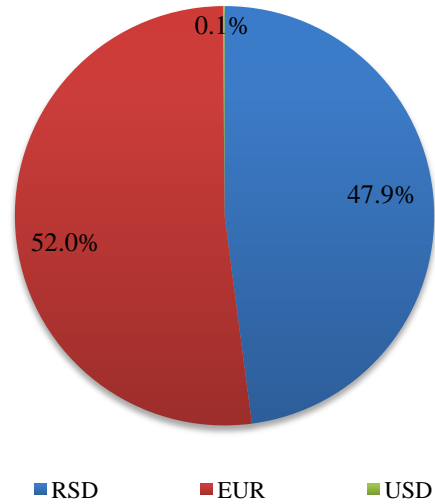
Graph # 11

Internal Public Debt structure



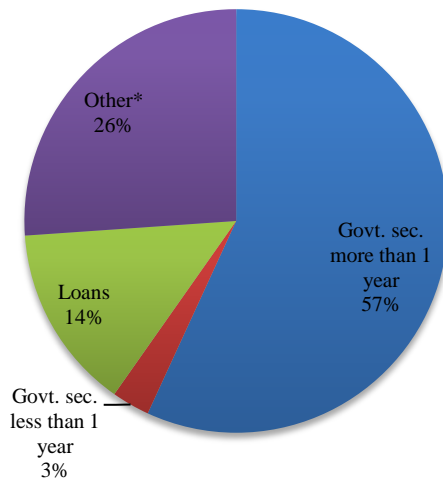
Graph # 12

Internal Debt currency structure



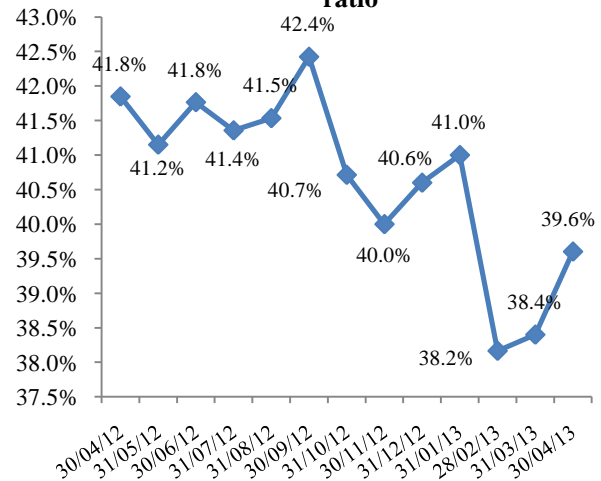
Graph # 13

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.

Republic of Serbia Eurobond 2021 - Price/Yield				
Date	Closing Price	YTM	Monthly price change %	Monthly yield change %
30/04/13	117.36	4.723	5.5%	-15.2%
31/03/13	111.22	5.572	-0.6%	1.4%
28/02/13	111.85	5.496	-3.8%	11.7%
31/01/13	116.24	4.920	0.9%	-2.9%
31/12/12	115.24	5.067	2.1%	-6.0%
30/11/12	112.88	5.393	5.3%	-12.9%
31/10/12	107.15	6.191	1.0%	-2.5%
28/09/12	106.09	6.349	4.7%	-9.9%
31/08/12	101.36	7.044	-0.5%	1.1%
31/07/12	101.90	6.964	-1.1%	2.4%
29/06/12	103.01	6.803	2.6%	-5.3%
31/05/12	100.45	7.181	-4.9%	11.5%
30/04/12	105.63	6.441		

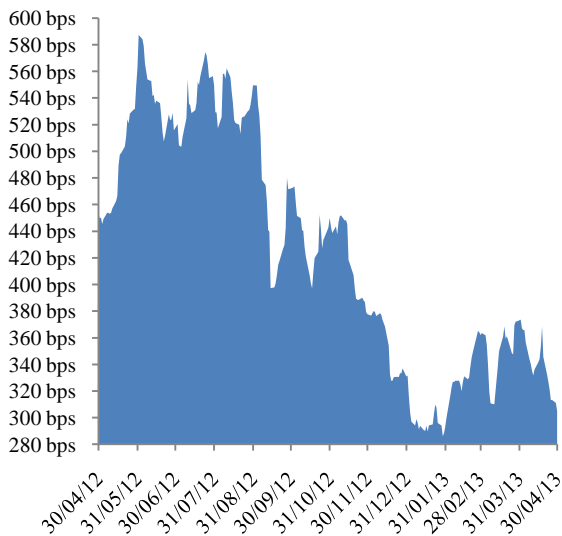
Graph # 15

Price/YTM Graph - Serbia Eurobond 2021



Eurobond 2021 Spread to Benchmark

Graph # 16



Eurobond 2021 Spread to US Dollar Swap Interest rate

Graph # 17

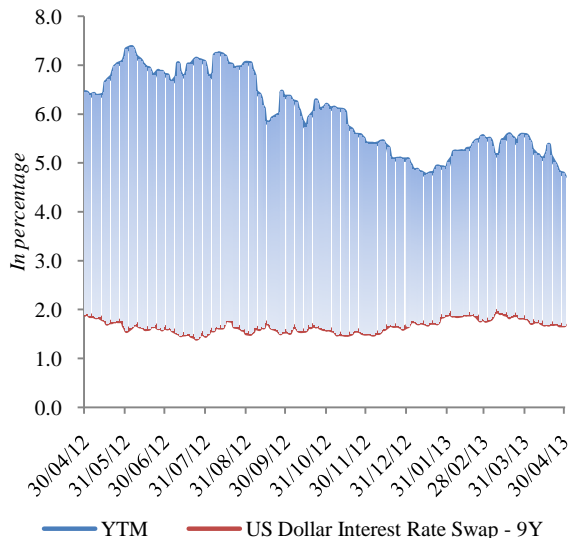
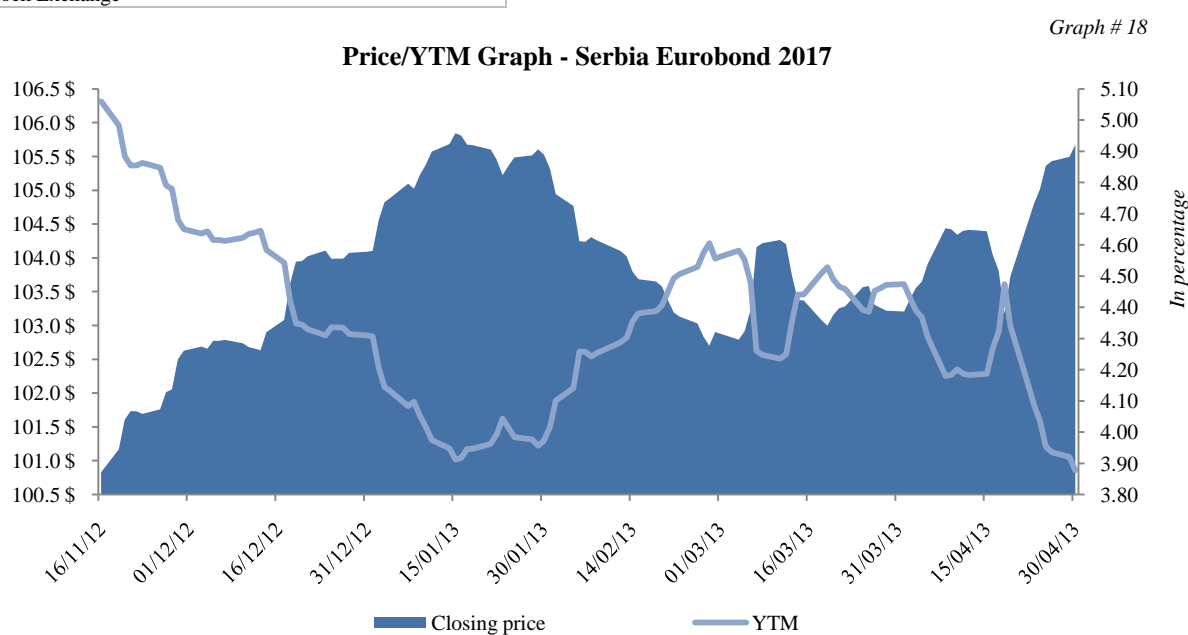


Table # 4

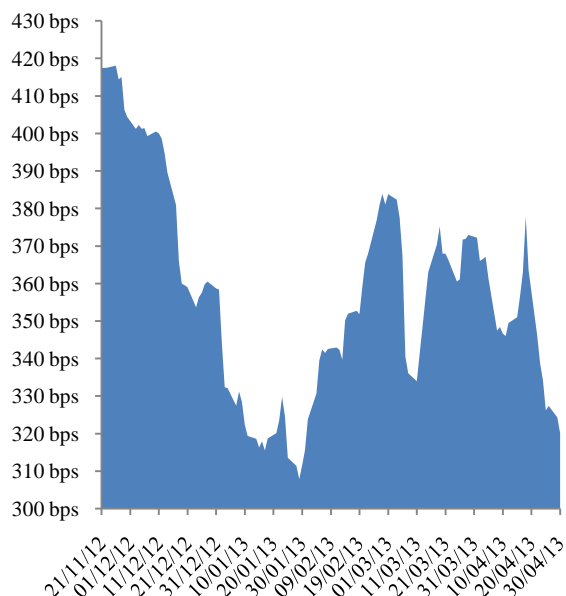
Republic of Serbia Eurobond 2017
Issuer: Ministry of Finance and Economy of the Republic of Serbia
Ratings: BB- (S&P); BB- (Fitch)
Maturity: 21.11.2017
Coupon: 5.250% semi-annual
Size: USD 750.0mln
Re-offer yield: 5.450%
Re-offer price: 99.135
Spread to US Treasury Benchmark: 482.5 bps
Announcement date: 14.11.2012
Listing: London Stock Exchange

Republic of Serbia Eurobond 2017 - Price/Yield				
Date	Closing Price	YTM	Monthly price change %	Monthly yield change %
30/04/13	105.67	3.877	2.4%	-13.3%
31/03/13	103.22	4.472	0.3%	-1.8%
28/02/13	102.90	4.556	-2.3%	13.4%
31/01/13	105.33	4.016	1.2%	-6.8%
31/12/12	104.09	4.310	1.4%	-7.3%
30/11/12	102.63	4.650		



Eurobond 2017 Spread to Benchmark

Graph # 19



Eurobond 2017 Spread to US Dollar Swap Interest rate

Graph # 20

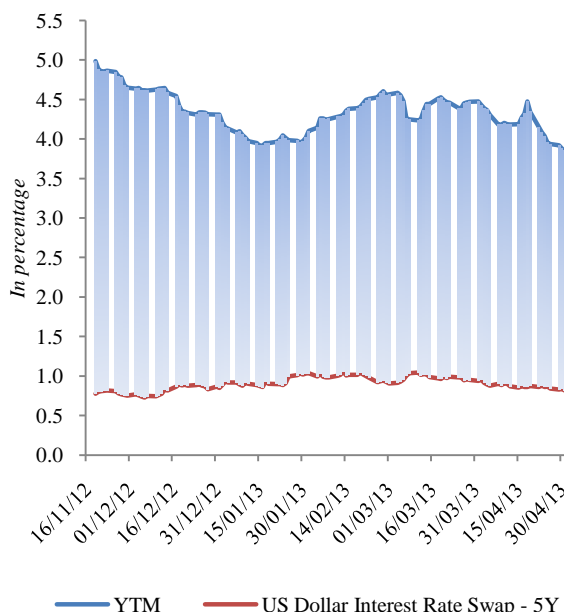




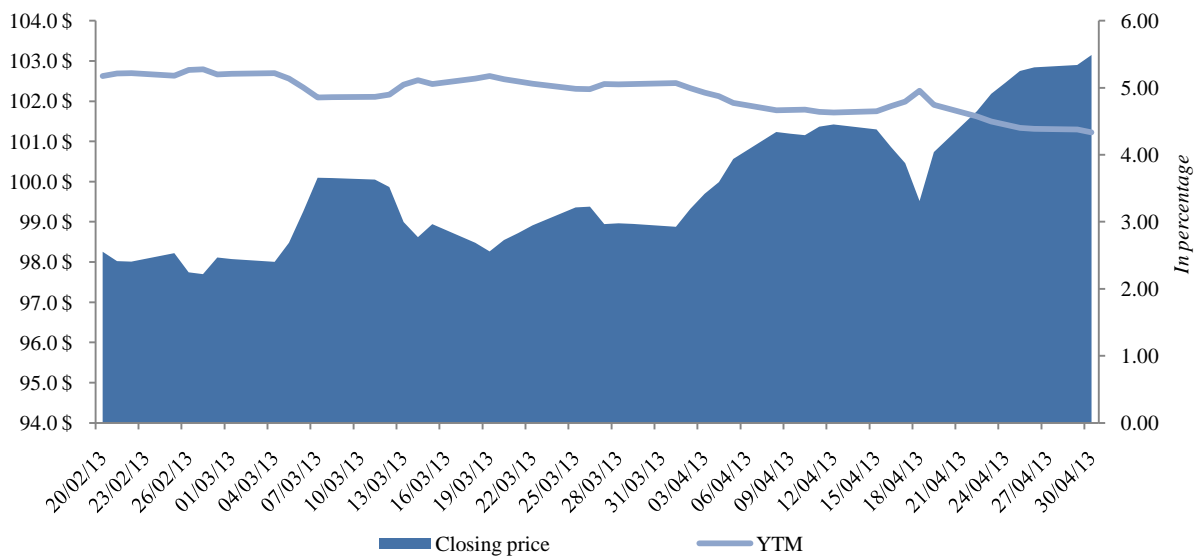
Table # 5

Republic of Serbia Eurobond 2020
Issuer: Ministry of Finance and Economy of the Republic of Serbia
Ratings: BB- (S&P); BB- (Fitch)
Maturity: 25.02.2020
Coupon: 4.875% semi-annual
Size: USD 1.5bn
Re-offer yield: 5.150%
Re-offer price: 98.401
Spread to US Treasury Benchmark: 378.4 bps
Announcement date: 14.02.2013
Listing: London Stock Exchange

Republic of Serbia Eurobond 2020 - Price/Yield				
Date	Closing Price	YTM	Monthly price change %	Monthly yield change %
30/04/13	103.15	4.335	4.2%	-14.3%
31/03/13	98.95	5.056	0.9%	-2.8%
28/02/13	98.12	5.200		

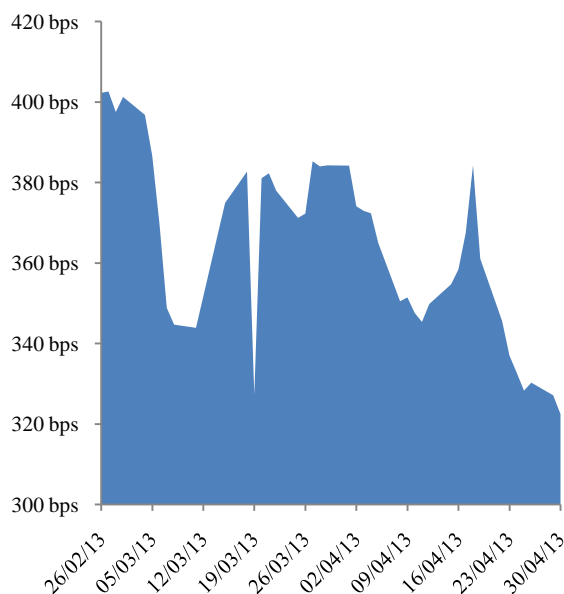
Price/YTM Graph - Serbia Eurobond 2020

Graph # 21



Eurobond 2017 Spread to Benchmark

Graph # 22



Eurobond 2017 Spread to US Dollar Swap Interest rate

Graph # 23

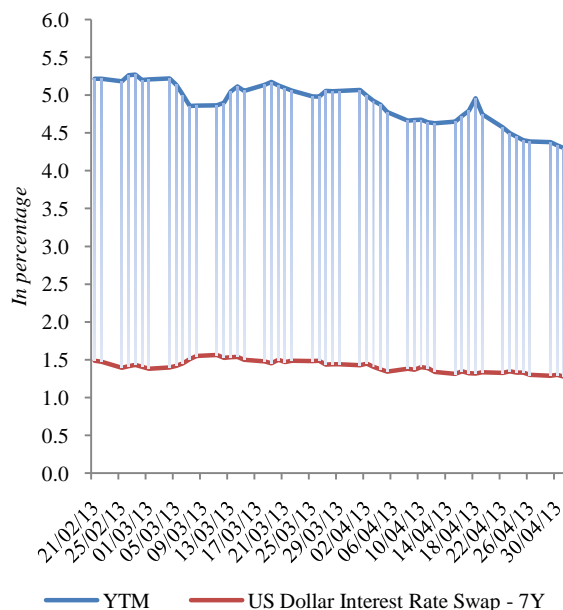


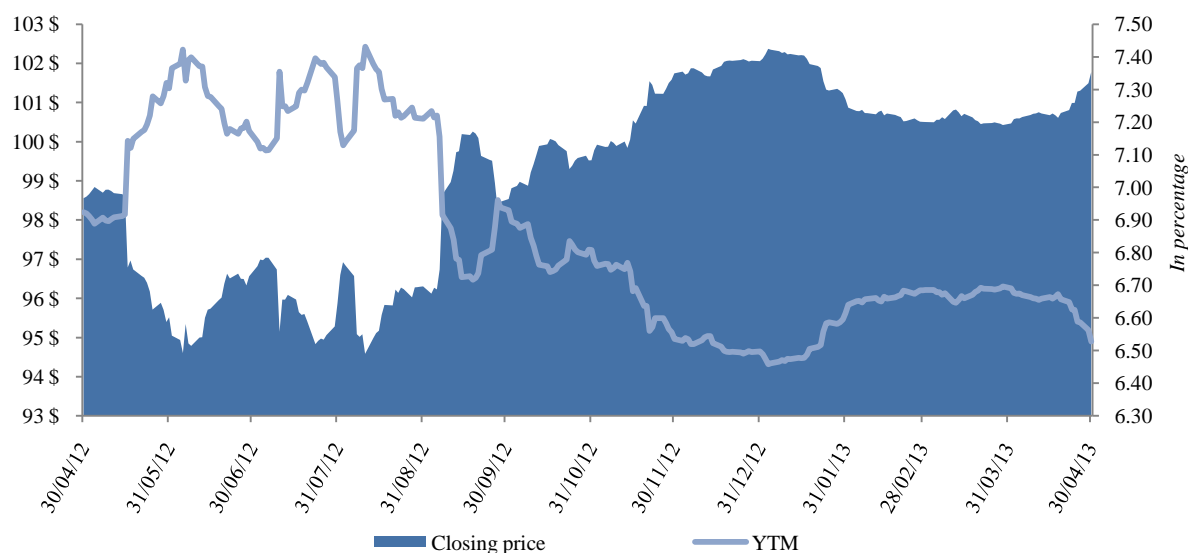


Table # 6

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 %
30/04/13	101.78	6.528	1.3%	-2.5%
31/03/13	100.43	6.696	-0.1%	0.2%
28/02/13	100.51	6.685	-0.6%	1.1%
31/01/13	101.09	6.614	-1.0%	1.8%
31/12/12	102.06	6.497	0.3%	-0.6%
30/11/12	101.75	6.536	2.2%	-4.0%
31/10/12	99.53	6.808	1.1%	-1.9%
28/09/12	98.47	6.939	2.2%	-3.8%
31/08/12	96.31	7.210	0.5%	-0.7%
31/07/12	95.87	7.263	-0.7%	1.3%
29/06/12	96.56	7.173	1.1%	-1.8%
31/05/12	95.52	7.304	-3.1%	5.5%
30/04/12	98.56	6.924		

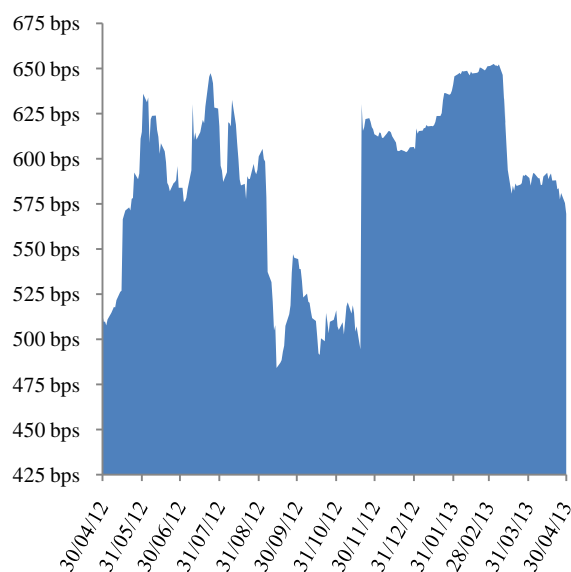
Graph # 24

Price/YTM Graph Amortizing Bond - Serbia London Club 2024



Amortizing Bond London club 2024 Spread to Benchmark

Graph # 25



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

Graph # 26

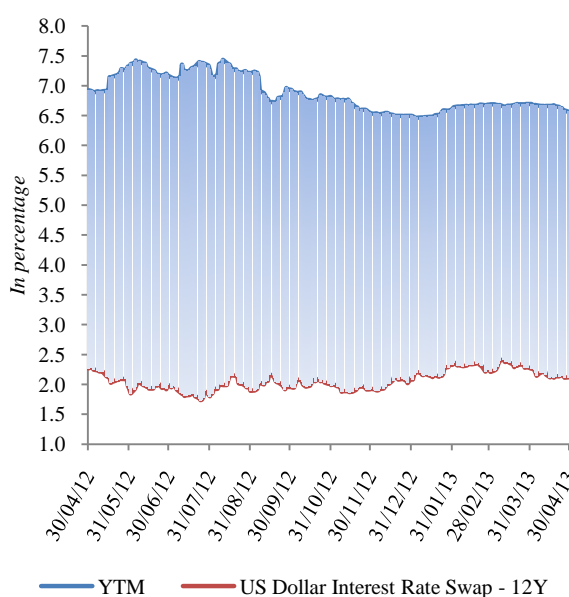


Table # 7

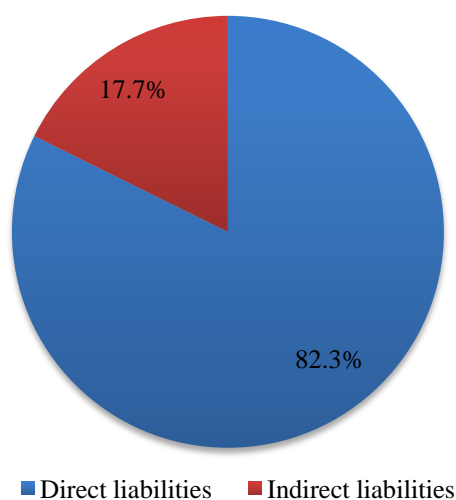
EXTERNAL DEBT ANALYSIS

In Thousands

Creditor		External Direct Debt Stock in EUR	Creditor		External Indirect Debt Stock in EUR
1	EBRD	25,397	1	KfW	61,197
2	CEB	47,948	2	EUROFIMA	92,057
3	IMF	447,473	3	*Others	458,205
4	EIB	574,970	4	EU 225	179,037
5	IDA	514,431	5	EBRD	360,984
6	*Others	612,611	6	EIB	886,926
7	Foreign Government loans	801,658	<i>Total</i>		2,038,407
8	London Club	324,178			
9	Eurobonds	3,244,522			
10	IBRD	1,457,103			
11	Paris Club	1,434,545			
<i>Total</i>		9,484,835			

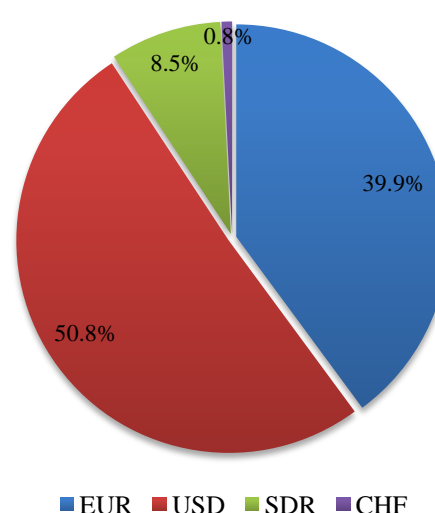
Graph # 27

External Public Debt structure



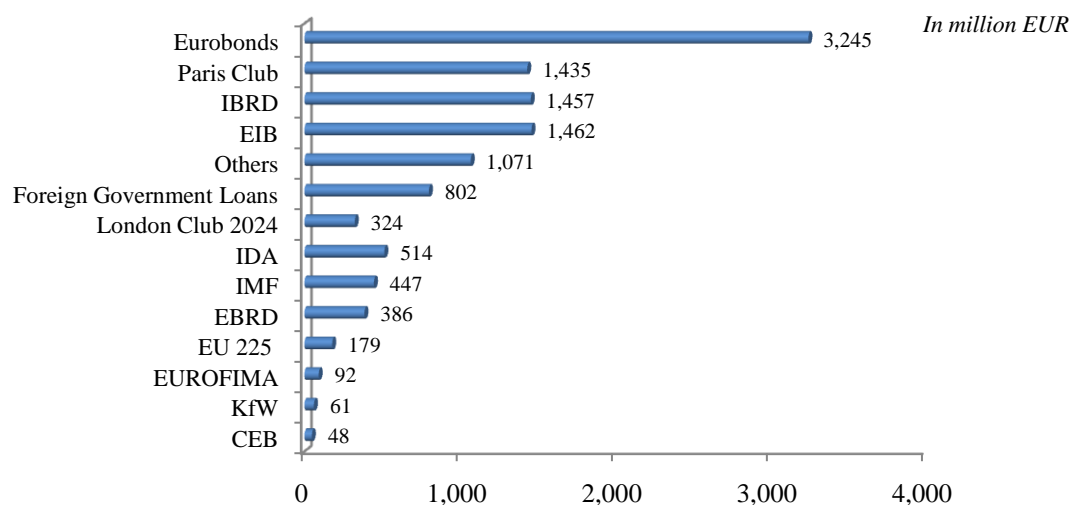
Graph # 28

Extrenal debt currency structure

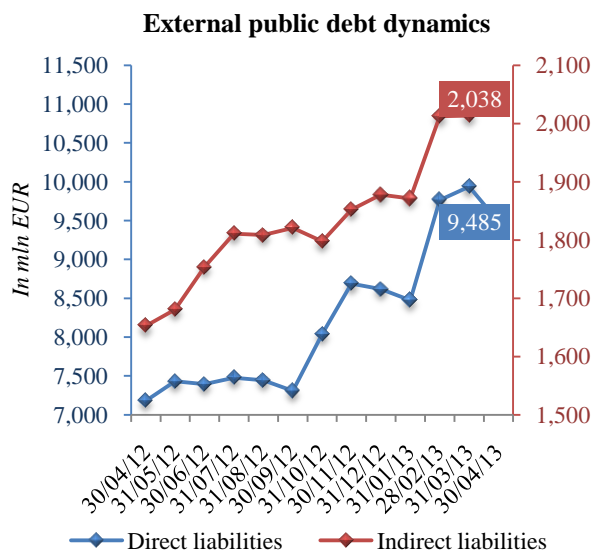


Graph #29

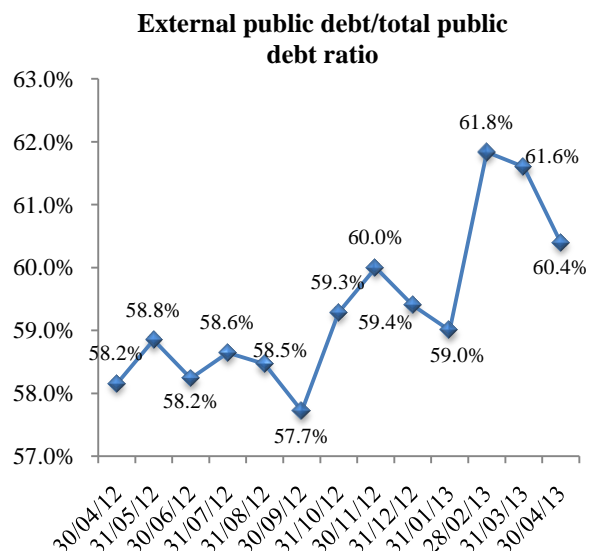
Overview of Creditors



Graph # 30



Graph # 31



PUBLIC DEBT ANALYSIS

Dynamics of Total Public Debt

Table # 8

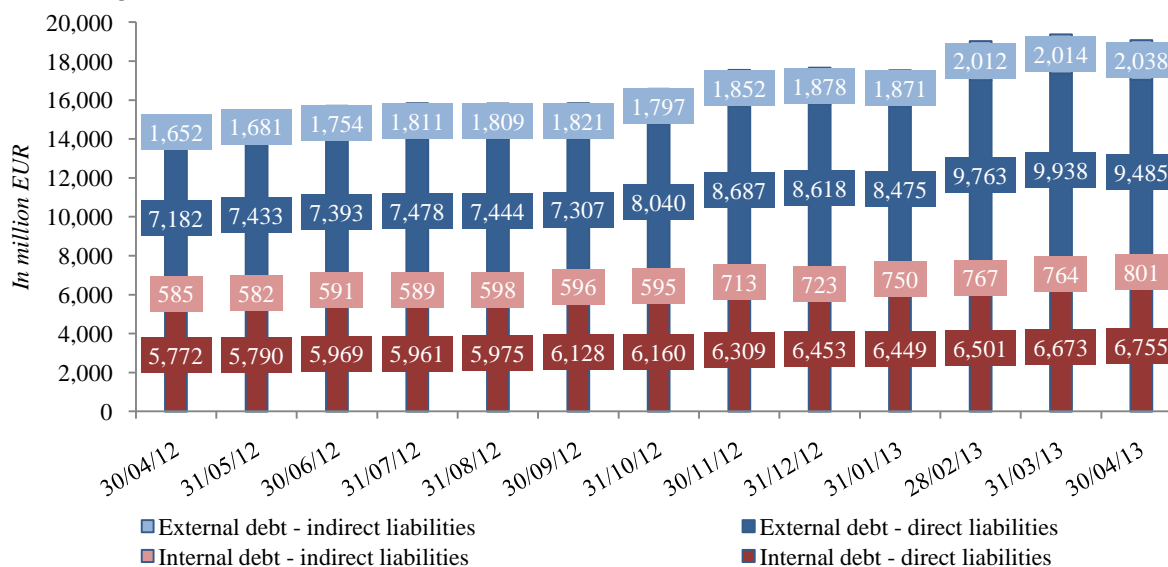
In millions EUR

Date	Internal Public Debt		External Public Debt		Monthly Change of Public Debt
	Direct Liabilities	Indirect Liabilities	Direct Liabilities	Indirect Liabilities	
31/05/12	17.8	-2.8	250.7	28.1	293.9
30/06/12	179.2	8.6	-39.1	73.2	221.8
31/07/12	-8.0	-1.7	84.2	56.9	131.4
31/08/12	13.7	9.0	-33.6	-2.1	-13.0
30/09/12	153.3	-1.5	-137.3	12.2	26.6
31/10/12	31.8	-1.4	732.9	-23.3	740.1
30/11/12	148.6	118.3	647.4	54.7	969.0
31/12/12	143.7	9.2	-69.0	25.7	109.5
31/01/13	-3.4	27.9	-143.3	-6.5	-125.3
28/02/13	51.7	16.7	1,288.1	141.0	1,497.5
31/03/13	172.4	-3.6	174.6	1.3	344.8
30/04/13	81.7	37.3	-452.8	24.9	-308.9

*Monthly change

Graph # 32

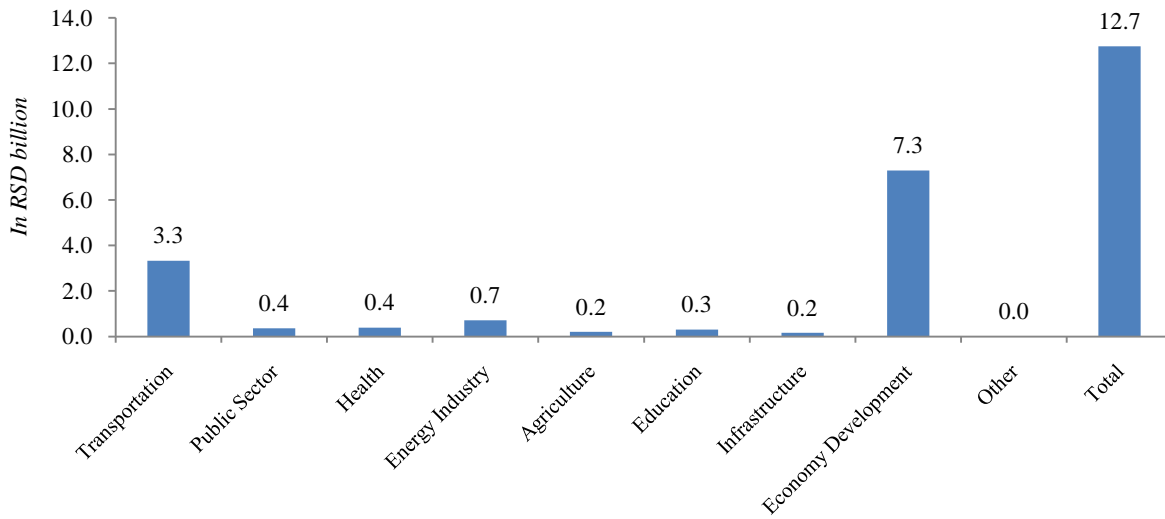
Stock and Structure of Public Debt





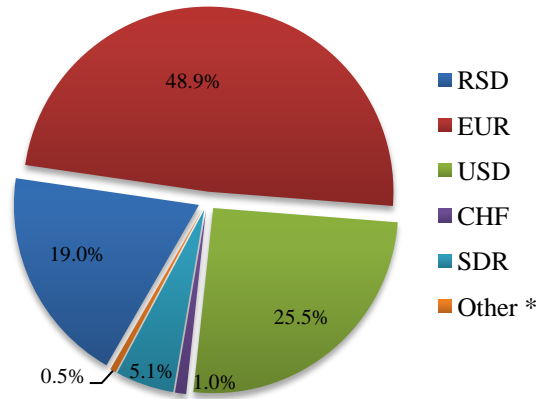
Graph # 33

Project credit disbursement of Central Government in 2013



Public Debt currency structure

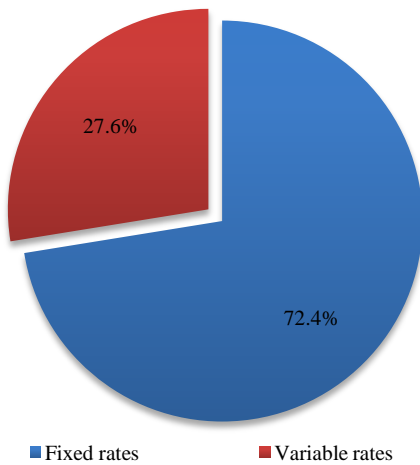
Graph # 34



Public Debt interest rate structure

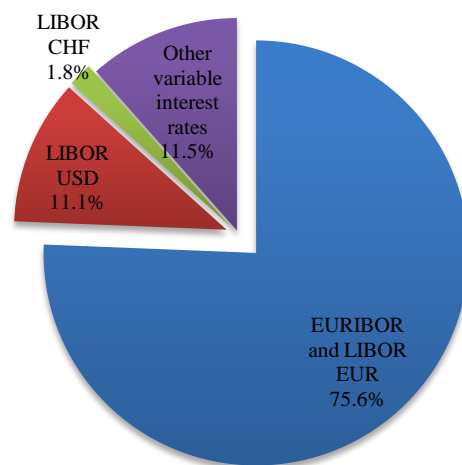
Graph # 35

Interest Rate structure



Graph # 36

Variable interest rate structure

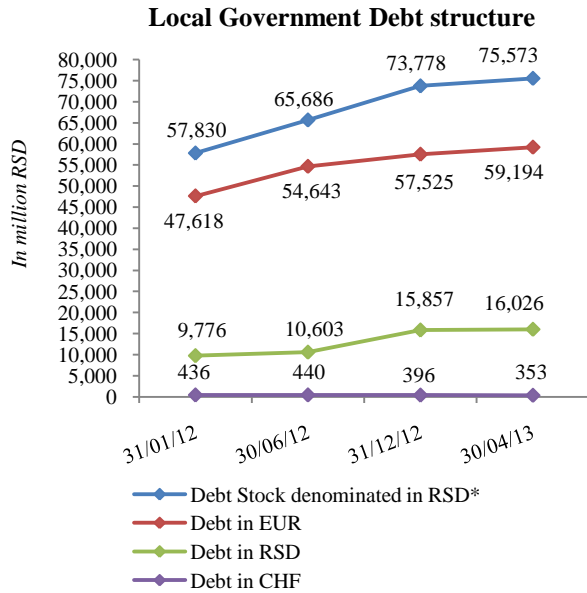




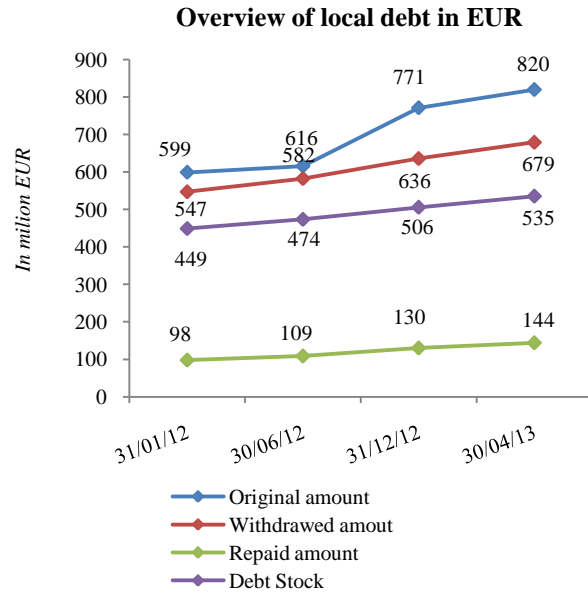
LOCAL GOVERNMENT DEBT ANALYSIS

Dynamics of Local Government debt structure

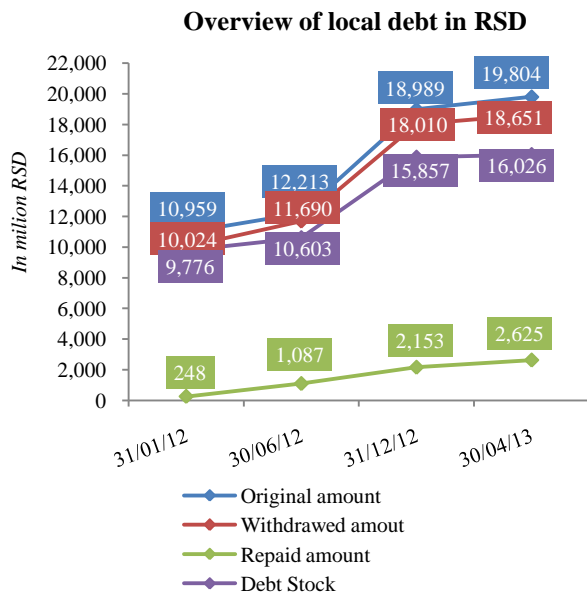
Graph # 37



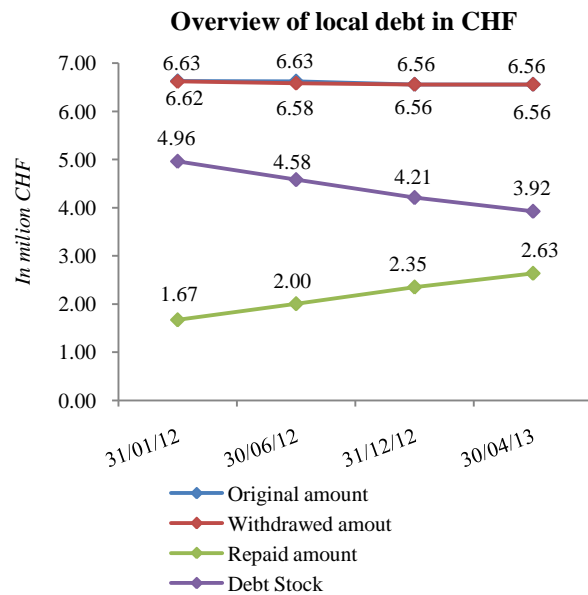
Graph # 38



Graph # 39

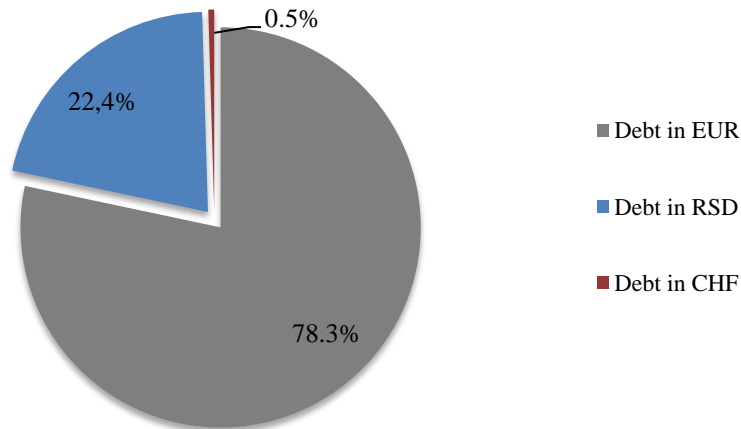


Graph # 40



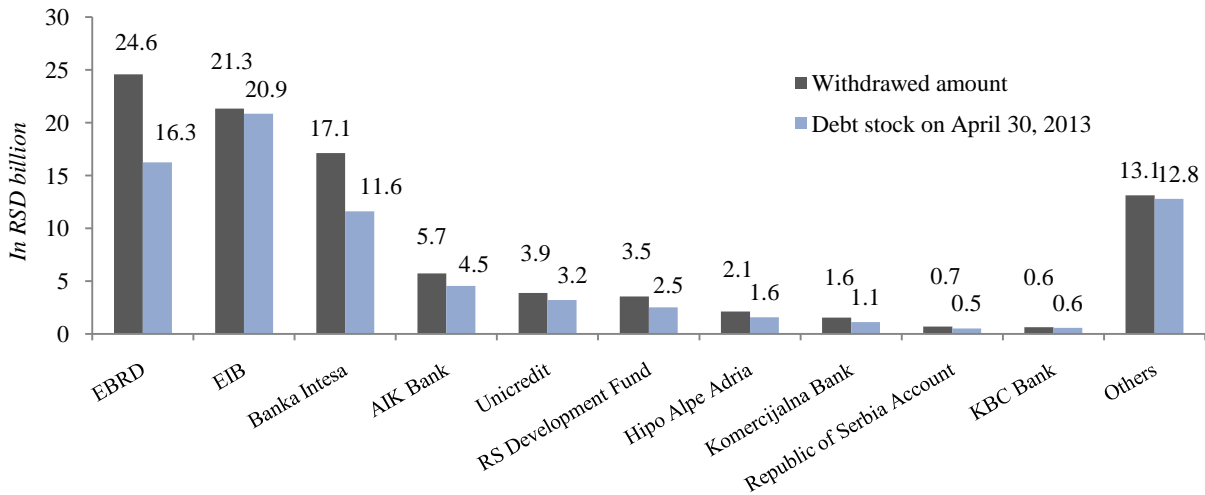


Graph # 41 Local Government debt - currency structure



Graph # 42

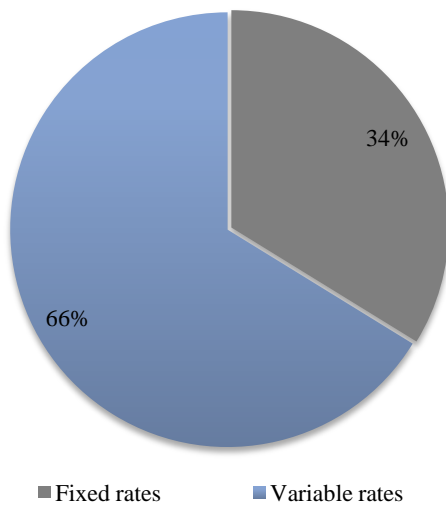
Creditors Overview



Interest Rate Structure

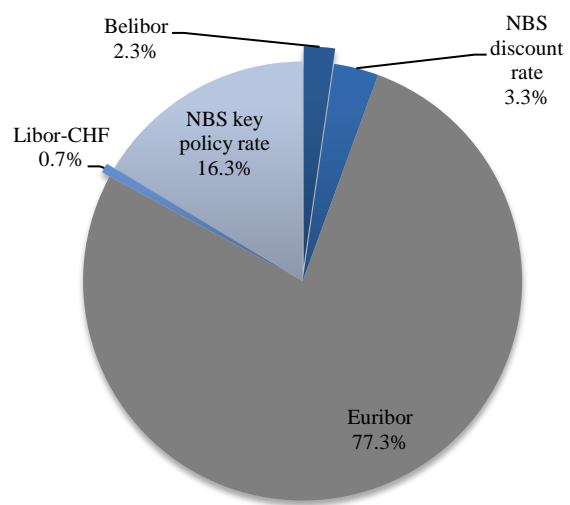
Graph # 43

Interest rate structure



Graph # 44

Variable rate interest structure



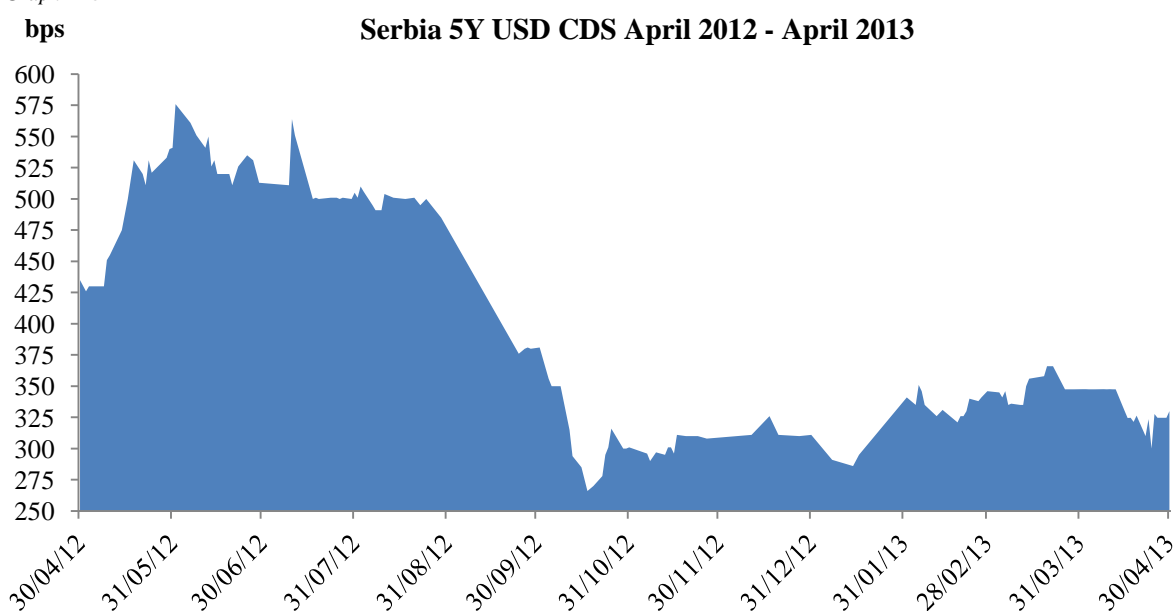
CREDIT RAITING OF THE REPUBLIC OF SERBIA – Default SWAP

Table # 9

CDS on the 30th of April, 2013 for SOVX CEEMEA region countries

Country	Reting (Moody's; S&P; Fitch)	Market Price	Bid	Ask	Daily changes	Weekly changes	6M changes	Yearly change
Bulgaria	Baa2/BBB/BBB-	99	106	92	-3	-8	-29	-190
Czech Republic	A1/AA-/A+	55	58	51	0	0	-25	-64
Estonia	A1/AA-/A+	60	64	55	1	0	-30	-51
Croatia	Baa3/BBB-/BBB-	292	296	288	-3	-12	42	-146
Hungary	Ba1/BB+/BB+	290	295	285	-4	-27	15	-227
Kazakhstan	WR/BBB+/BBB	152	156	149	4	1	-17	-67
Lithuania	Baa1/BBB/BBB	110	114	107	0	-2	-25	-140
Latvia	Baa3/BBB/BBB	114	119	109	0	-3	-33	-147
Poland	A2/A-/A-	79	80	78	-2	-2	-15	-124
Romania	Baa3/BB+/BBB-	185	190	180	-3	-18	-45	-158
Russia	Baa1/BBB/BBB	137	138	136	0	-6	-18	-58
Slovakia	A2/A/A+	87	94	80	0	2	-25	-156
Turkey	Ba1/BB/BB+	118	119	117	-3	-5	-48	-114
Ukraine	B2/BB/B	609	617	600	-1	-2	-25	-184
Serbia	NR/BB-/BB-	330	340	320	5	2	30	-105

Graph # 45



CONTACT

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LINKS

- National Bank of Serbia www.nbs.rs;
- Republic of Serbia Ministry of Finance and Economy www.mfp.gov.rs;
- National Assembly of the Republic of Serbia www.parlament.gov.rs;
- Government of the Republic of Serbia www.srbija.gov.rs;
- Statistical Office of the Republic of Serbia www.stat.gov.rs;
- Belgrade Stock Exchange www.belex.rs;
- Ministry of Finance – Treasury Administration www.trezor.gov.rs;
- Fiscal Council of the Republic of Serbia www.fiskalnisanet.rs;

