



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

August 2024

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Bloomberg Page <RSMF> <GO>
Belgrade, August 2024
#149

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 August 2024 was 46.4%, and the share of general government public debt in GDP was 46.7%. The public debt of the central level of government in August 2024, compared to the previous month of the same year, decreased by 19.5 billion dinars and amounted to 4,454,7 billion dinars (38.1 billion euros).

In August 2024, the credit rating agency "Fitch Ratings" confirmed the credit rating of the Republic of Serbia at the BB+ level, and increased the outlook from stable to positive.

In its report, "Fitch Ratings" points out that the credit rating of the Republic of Serbia is supported by the high level of foreign direct investments that encourage economic growth, the reduction of public debt in relation to GDP, a disciplined fiscal policy, a stable exchange rate, as well as the growth of gross domestic product per capita. Also, the agency states that the Republic of Serbia has shown resilience and successfully managed the macroeconomic risks caused by the pandemic and the energy crisis.

In the same month, the rating agency "Moody's" also gave positive prospects for obtaining an investment credit rating and confirmed the credit rating of the Republic of Serbia at the "Ba2" level.

Moody's Ratings points out that the decision to increase the credit rating outlook of the Republic of Serbia followed the continuous strengthening of economic and fiscal strength, constant GDP growth and improved fiscal performance, which exceeded the agency's expectations. Also, Serbia's credit rating is supported by the reduction of fiscal risks in the energy sector of state-owned enterprises and constant progress in structural reforms within the framework of the arrangement with the IMF.

After GDP growth of 2.5% in 2023, the agency forecasts that real GDP growth will increase to 3.8% in 2024 and 4.2% in 2025, mainly driven by stronger domestic demand, supported by lower inflation, favorable dynamics on the labor market and increased investments. It is also stated that the implementation of the Project "Leap into the future - Serbia EXPO 2027" will lead to an increase in capital investments in the period 2024 - 2027.

During August 2024 there were no government securities auctions held on the domestic market, while the funds based on project and program loans in the amount of 33.1 billion dinars were withdrawn. During the same month, liabilities in the amount of 36.9 billion dinars were repaid.

The share of public debt in foreign currency at the end of August 2024 was 78.2%. The share of public debt in EUR is 58.5%, in USD 12.9%, in SDR 6.3% and in other foreign currencies 0.4% (JPY, AED, KWD, CNY), while the share in RSD is 21.8%.

The share of non-residents in the portfolio of dinar government securities at the end of August 2024 amounted to 17.20%*, or 150.4 billion dinars.

The total turnover of government securities on the secondary market in the first eight months of 2024 amounted to 231.7 billion dinars, of which 93.7% is the turnover of dinar securities.

In August 2024, the total turnover on the secondary market of dinar securities amounted to 21.3 billion dinars, while the turnover of securities denominated in euros had the equivalent of 1.5 billion dinars. Compared to the previous month, in August 2024, there was a decrease in the total turnover of dinar securities in the amount of 11.1 billion dinars.

The turnover of benchmark bonds (RSMFRSD89592, RSMFRSD55940, RSMFRSD86176 and RSMFRSD58761), which included the JP Morgan GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG), accounted for 100.0% of total turnover in August 2024.

Prices and yields of bonds of the Republic of Serbia issued on the international market on August 30, 2024 are:

EUROBOND 2027/05: 97.150/4.261;

EUROBOND 2028/09: 87.426/4.458;

EUROBOND 2028/05: 103.026/5.341;

EUROBOND 2029/06: 87.539/4.432;

EUROBOND 2030/12: 82.364/5.501;

EUROBOND 2033/03: 77.531/4.953;

EUROBOND 2033/09: 104.498/5.853;

EUROBOND 2034/06: 101.545/5.789;

EUROBOND 2036/09: 73.030/5.100.

*Including custody and omnibus accounts

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF AUGUST 31, 2024

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	10.407.149.730	11.528.000.632	1.217.867.557.147	12,7%
External Debt	25.902.342.052	28.692.026.470	3.031.149.052.029	31,6%
<i>Direct Liabilities in Total</i>	36.309.491.782	40.220.027.102	4.249.016.609.176	44,2%
Contingent Liabilities (B)				
Internal Debt	524.396.247	580.873.767	61.366.002.480	0,6%
External Debt	1.233.407.213	1.366.245.273	144.336.025.510	1,5%
<i>Contingent Liabilities in Total</i>	1.757.803.459	1.947.119.040	205.702.027.990	2,1%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	203.341.009	225.240.853	23.795.412.224	0,2%
External Debt	50.447.636	55.880.851	5.903.493.397	0,1%
<i>Non-Guaranteed Local Government Debt in Total</i>	253.788.645	281.121.704	29.698.905.621	0,3%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)	2.163.140	2.396.110	253.135.357	0,003%
Central Government Public Debt (A+B)	38.067.295.241	42.167.146.142	4.454.718.637.166	46,4%
General Government Public Debt (A+B+C+D)	38.323.247.026	42.450.663.956	4.484.670.678.145	46,7%

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF AUGUST 31, 2024.

1. DIRECT LIABILITIES

1.1. INTERNAL DEBT

Debt Description	Debt stock as of August 31, 2024 in EUR (000)	Debt stock as of August 31, 2024 in USD (000)	Debt stock as of August 31, 2024 in RSD (000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	9.024.818	9.996.792	1.056.104.046
RETAIL BONDS	10.932	12.109	1.279.269
RESTITUTION BONDS	137.463	152.268	16.086.243
OTHER LIABILITIES	367.643	407.238	43.022.398
FROZEN FOREIGN CURRENCY BONDS	794.863	880.470	93.016.614
COMMERCIAL BANK LOANS	71.431	79.124	8.358.988
INTERNAL DEBT (direct liabilities 1.1.)	10.407.150	11.528.001	1.217.867.557

1.2. EXTERNAL DEBT

Debt Description	Debt stock as of August 31, 2024 in EUR (000)	Debt stock as of August 31, 2024 in USD (000)	Debt stock as of August 31, 2024 in RSD (000)
EUROBONDS	10.316.750	11.427.865	1.207.288.799
COUNCIL OF EUROPE DEVELOPMENT BANK	788.688	873.630	92.294.026
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	129.292	143.217	15.130.040
EUROPEAN INVESTMENT BANK	1.474.370	1.633.160	172.533.997
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.268.319	2.512.617	265.443.691
INTERNATIONAL MONETARY FUND	2.391.515	2.649.081	279.860.338
INTERNATIONAL DEVELOPMENT ASSOCIATION	9.471	10.491	1.108.348
KfW DEVELOPMENT BANK	187.603	207.808	21.953.708
PARIS CLUB CREDITORS	313.455	347.214	36.681.223
FOREIGN GOVERNMENT LOANS	3.086.662	3.419.096	361.207.990
EXPORT - IMPORT BANK OF CHINA	2.755.985	3.052.805	322.511.416
INTERNATIONAL COMMERCIAL BANK LOANS	1.788.252	1.980.847	209.265.212
OTHER LIABILITIES	391.979	434.195	45.870.266
EXTERNAL DEBT (direct liabilities 1.2.)	25.902.342	28.692.026	3.031.149.052
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	36.309.492	40.220.027	4.249.016.609

2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT

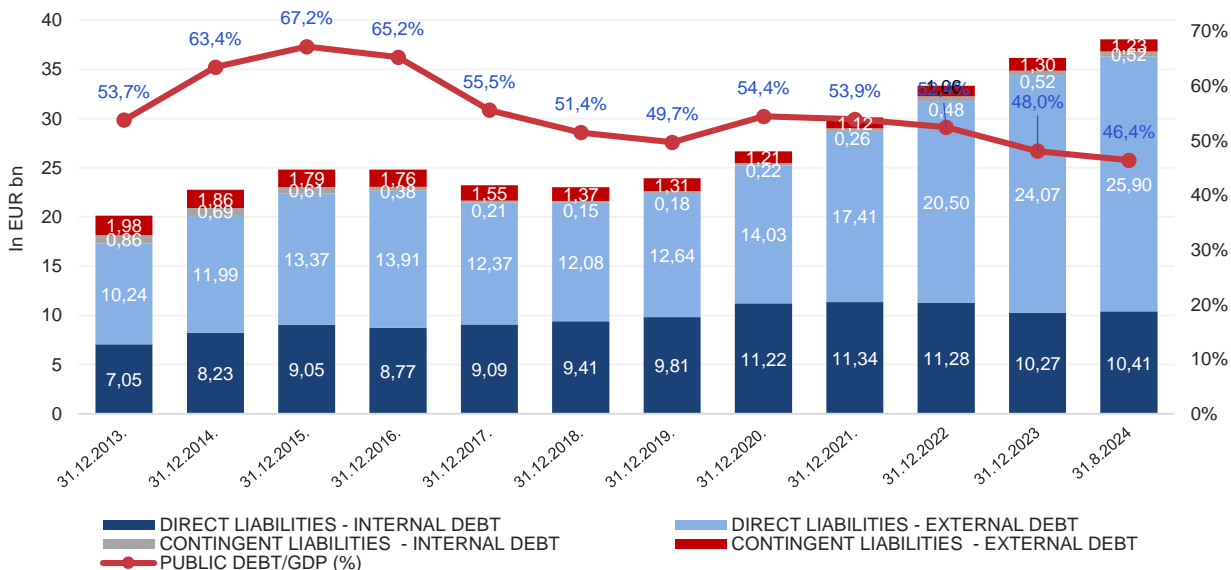
Debt Description	Debt stock as of August 31, 2024 in EUR (000)	Debt stock as of August 31, 2024 in USD (000)	Debt stock as of August 31, 2024 in RSD (000)
COMMERCIAL BANK LOANS	524.396	580.874	61.366.002
INTERNAL DEBT (indirect liabilities 2.1.)	524.396	580.874	61.366.002

2.2. EXTERNAL DEBT

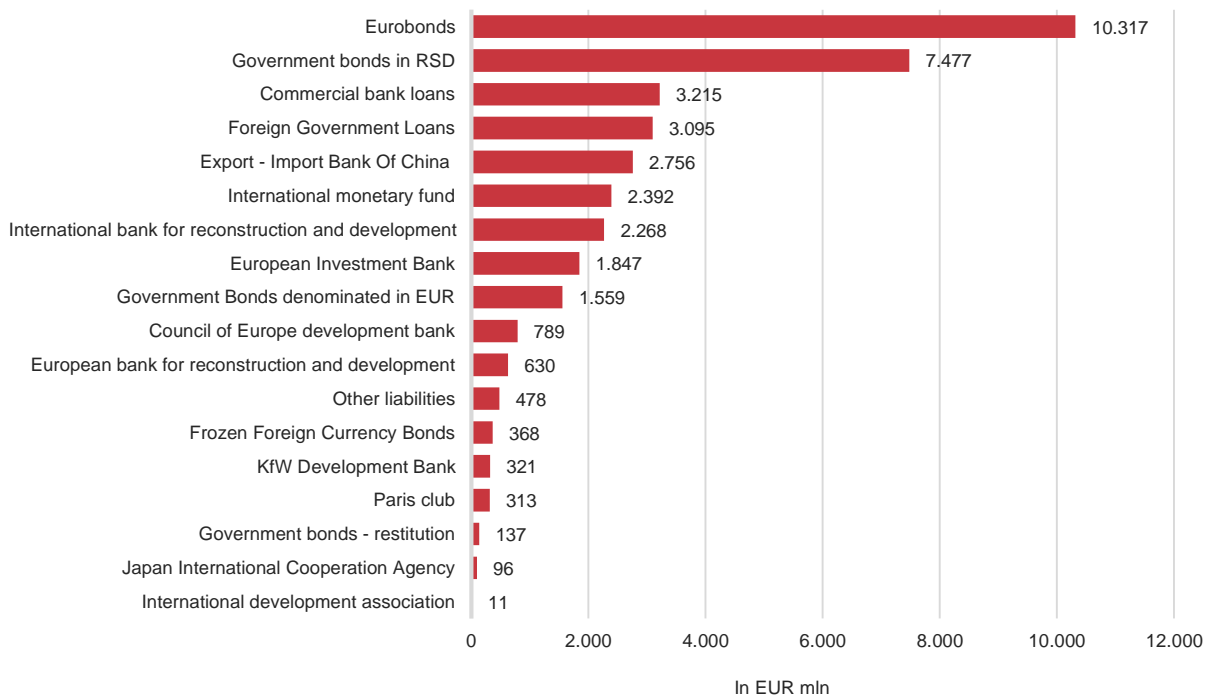
Debt Description	Debt stock as of August 31, 2024 in EUR (000)	Debt stock as of August 31, 2024 in USD (000)	Debt stock as of August 31, 2024 in RSD (000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	500.520	554.426	58.571.972
EUROPEAN INVESTMENT BANK	372.468	412.582	43.586.974
INTERNATIONAL COMMERCIAL BANK LOANS	107.813	119.424	12.616.456
INTERNATIONAL DEVELOPMENT ASSOCIATION	1.615	1.789	189.029
KfW DEVELOPMENT BANK	132.953	147.273	15.558.504
FOREIGN GOVERNMENT LOANS	7.978	8.837	933.564
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	95.517	105.804	11.177.622
OTHER LIABILITIES	14.543	16.110	1.701.903
EXTERNAL DEBT (indirect liabilities 2.2.)	1.233.407	1.366.245	144.336.026
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.757.803	1.947.119	205.702.028

TOTAL INTERNAL DEBT (1.1.+ 2.1.)	10.931.546	12.108.874	1.279.233.560
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	27.135.749	30.058.272	3.175.485.078
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	38.067.295	42.167.146	4.454.718.637

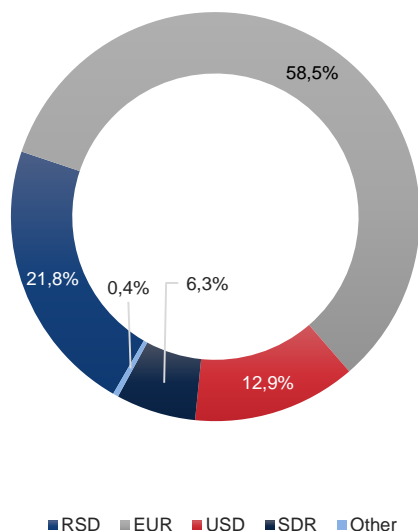
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12.2013. - 31.08.2024.



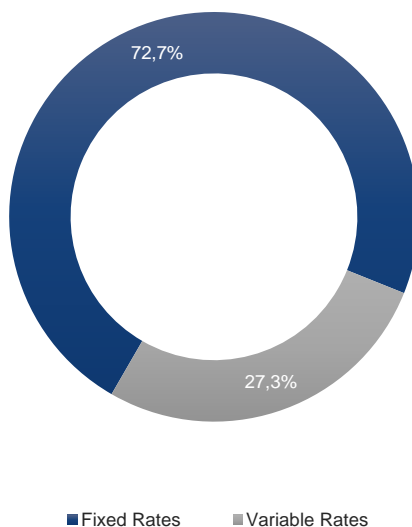
CREDITORS OVERVIEW AS OF AUGUST 31, 2024



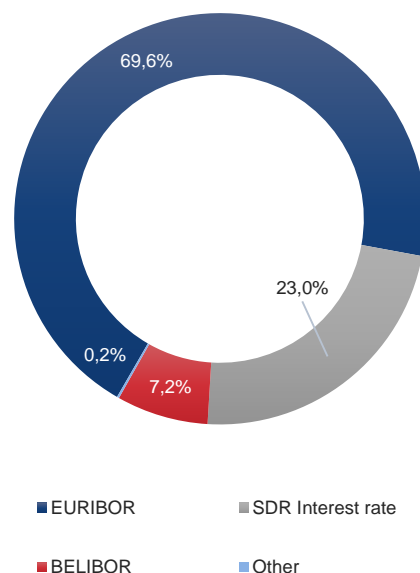
CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF AUGUST
31, 2024



INTEREST RATE STRUCTURE
AS OF AUGUST 31, 2024



VARIABLE INTEREST RATES
STRUCTURE
AS OF AUGUST 31, 2024

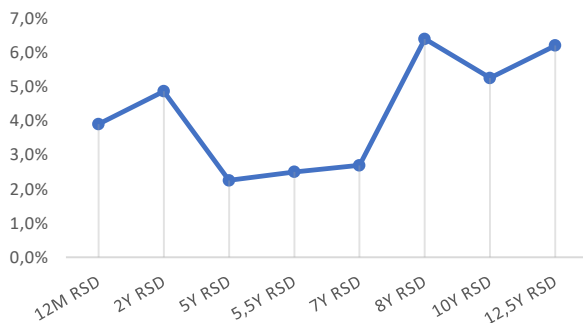


III. OVERVIEW OF NON-MATURED GOVERNMENT SECURITIES ISSUED ON DOMESTIC MARKET

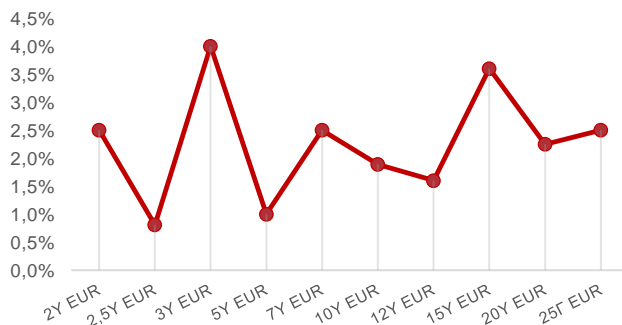
GOVERNMENT SECURITIES STOCK AS OF AUGUST 31, 2024

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
2Y Government Bond with fixed coupon rate	100.000.000.000,00	5,00%	4,86%
5Y Government Bond with fixed coupon rate	8.972.738.250,00	4,00%	2,25%
5.5Y Government Bond with fixed coupon rate	106.423.790.000,00	3,00%	2,50%
7Y Government Bond with fixed coupon rate	150.000.000.000,00	4,50%	2,69%
8Y Government Bond with fixed coupon rate	150.000.000.000,00	7,00%	6,00%
10Y Government Bond with fixed coupon rate	164.308.976.000,00	5,88%	5,25%
12.5Y Government Bond with fixed coupon rate	195.272.300.000,00	4,50%	6,20%
Total in RSD	874.977.804.250 RSD		
Government Bonds Denominated in EUR			
2Y Government Bond with fixed coupon rate	37.530.000,00	2,50%	2,50%
2,5Y Government Bond with fixed coupon rate	0,00	0,85%	0,81%
3Y Government Bond with fixed coupon rate	220.818.000,00	4,25%	4,00%
5Y Government Bond with fixed coupon rate	4.606.000,00	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	517.650.700,00	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	2,25%	2,25%
25Y Government Bond with fixed coupon rate	6.908.000,00	2,30%	2,50%
Total in EUR	1.558.725.700 EUR		

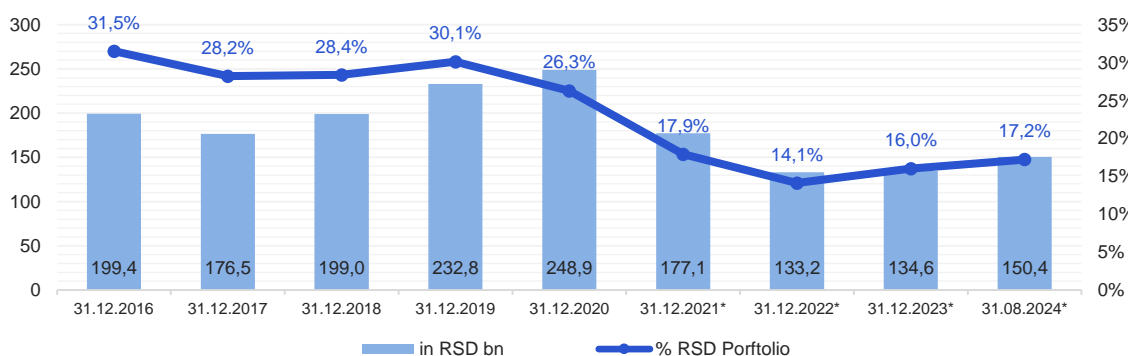
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF AUGUST 31, 2024



ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF AUGUST 31, 2024

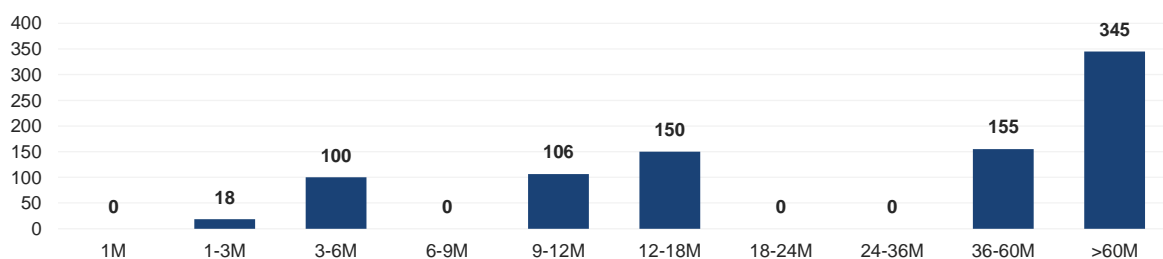


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF AUGUST 31, 2024

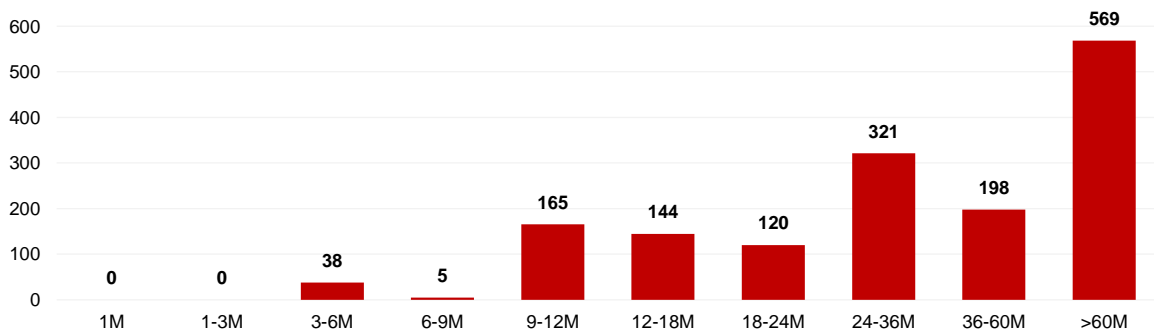


*Including custody and omnibus accounts

RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF AUGUST 31, 2024



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF AUGUST 31, 2024



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 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
SERBIA 6.25 05/26/28	2023	USD	750.000.000	750.000.000	26.01.2023	26.05.2028	6,250	6,336	99,627
SERBIA 6.50 09/26/33	2023	USD	1.000.000.000	1.000.000.000	26.01.2023	26.09.2033	6,500	6,808	97,703
SERBIA 6.00 06/12/34	2024	USD	1.500.000.000	1.500.000.000	12.06.2024	12.06.2034	6,000	6,291	97,864

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

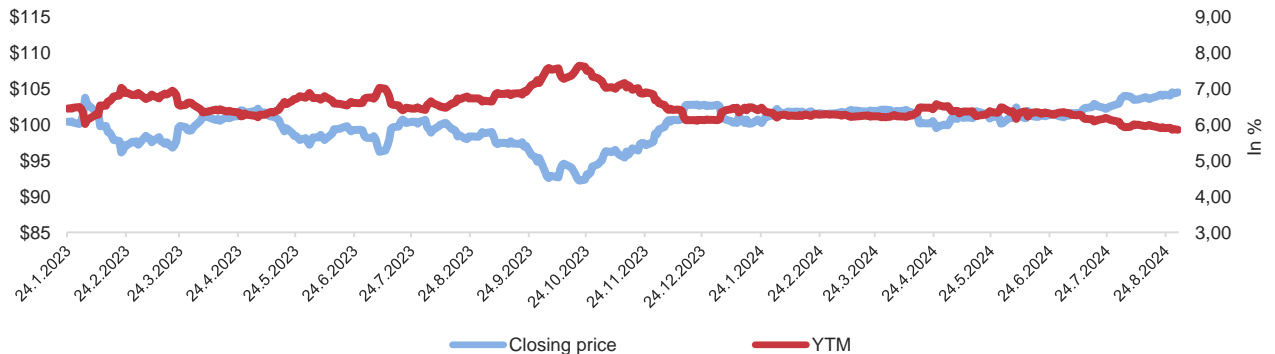
YIELD/PRICE CURVE – EUROBOND 2034/06



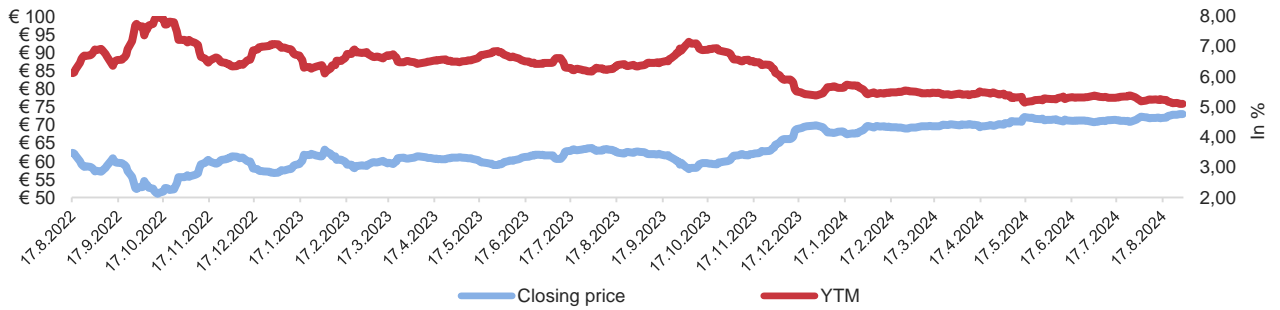
YIELD/PRICE CURVE – EUROBOND 2028/05



YIELD/PRICE CURVE – EUROBOND 2033/09



YIELD/PRICE CURVE – EUROBOND 2036/09



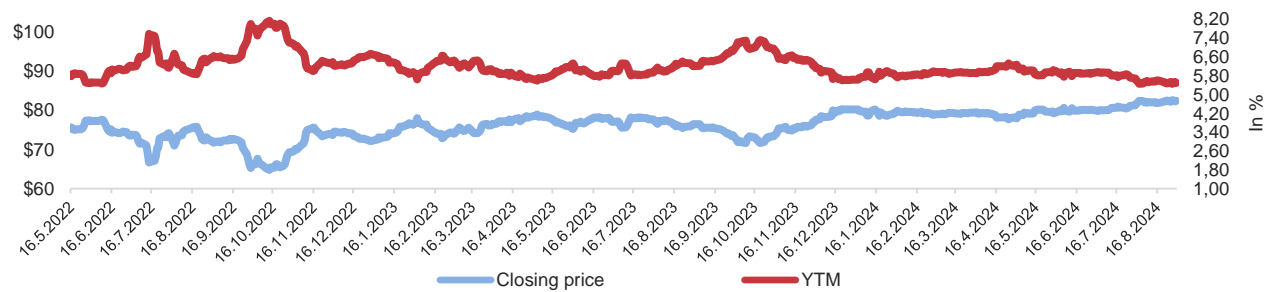
YIELD/PRICE CURVE – EUROBOND 2028/09



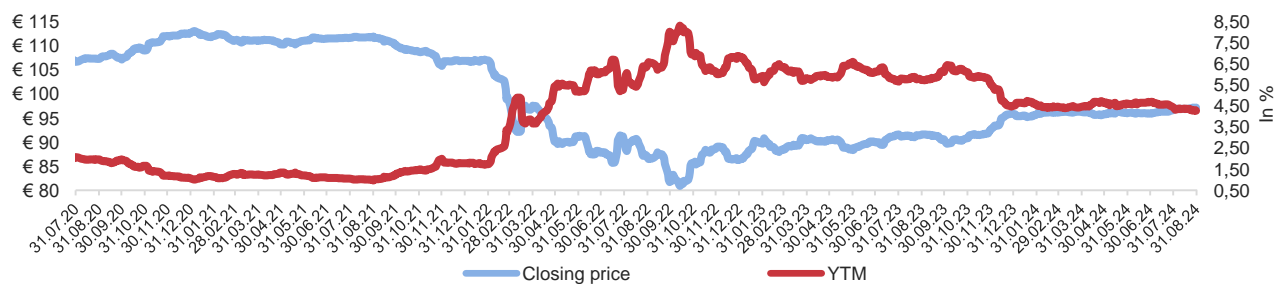
YIELD/PRICE CURVE – EUROBOND 2033/03



YIELD/PRICE CURVE – EUROBOND 2030/12



YIELD/PRICE CURVE – EUROBOND 2027/05

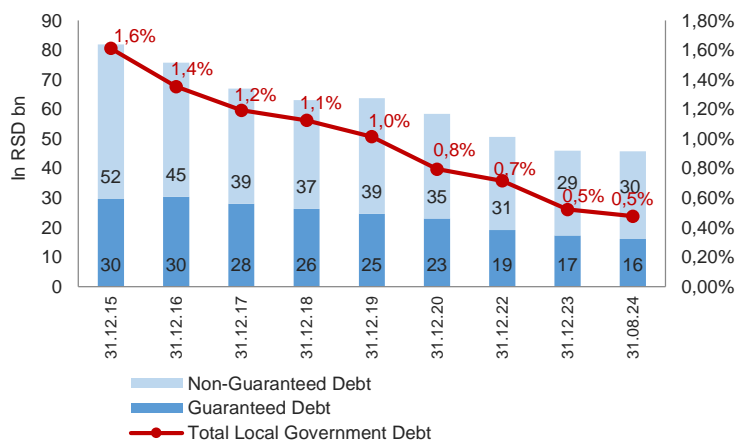


YIELD/PRICE CURVE – EUROBOND 2029/06

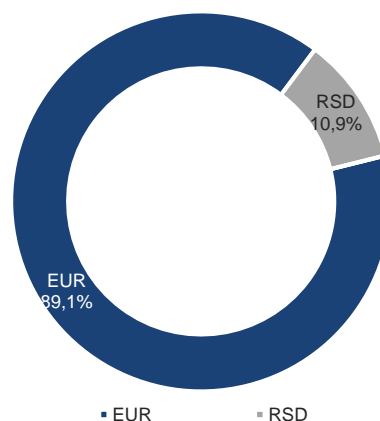


IV. LOCAL GOVERNMENT DEBT ANALYSIS

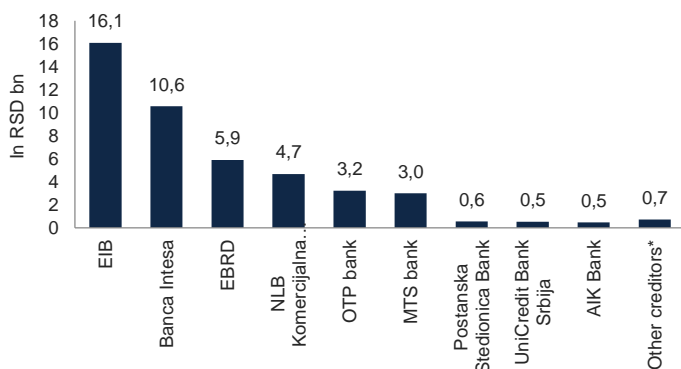
LOCAL GOVERNMENT DEBT DYNAMICS AS OF AUGUST 31, 2024



CURRENCY COMPOSITION AS OF AUGUST 31, 2024

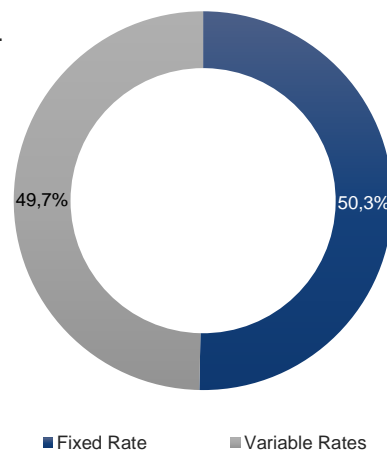


CREDITORS OVERVIEW AS OF AUGUST 31, 2024



*Including municipal bonds

INTEREST RATE STRUCTURE AS OF AUGUST 31, 2024



Share of the top 5 Local Governments in total debt	84,0%
O/W Belgrade	67,0%
Debt maturing till the end of 2024	7.157.880.803
Debt maturing in 2025	8.987.685.830
Debt maturing in 2026	8.395.471.502
Maximum level of debt based on contracted amount	54.948.266.232
Interest Rate Risk	49,7%
FX Risk	89,1%
Local Government Debt to GDP	0,5%
O/W Non-Guaranteed Debt	0,3%
Maximum Debt Level to GDP	0,6%
Share of the top 10 Creditors in total Local Government Debt	97,4%
Share of Foreign Creditors in Total Local Government Debt	48,0%
Share of Investment Project Loans in total Local Government Debt	92,8%

Local Government	Debt Stock as of August 31, 2024
Beograd	30.689.597.804
Novi Sad	3.266.173.473
AP Vojvodina	2.432.713.064
Kragujevac	1.200.939.666
Vranje	865.866.088
Novi Pazar	704.051.891
Pancevo	481.467.017
Jagodina	458.653.816
Cacak	377.794.916
Nis	338.390.363
% of total	89,2%

