



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

December 2021

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Bloomberg Page <RSMF> <GO>
Belgrade, December 2021
#117

INTRODUCTION

The monthly report of the PDA is the report presenting a comprehensive analysis of the status, structure and dynamics of the public debt of the Republic of Serbia, as well as the risk analysis related to the process of public debt management, aimed at raising the level of transparency and accurate and timely awareness of investors, state institutions and other entities interested in the public debt of the Republic of Serbia. The PDA Monthly Report is published aiming at the improvement of the activities of the Republic of Serbia in the field of public debt through its informative contents, in accordance with internationally acknowledged standards and good business practice, as well as enabling stakeholders to grasp public debt, being the field of the public finance, in an easy and accurate manner, i.e. the activities and goals of the PDA.

The share of public debt of the central government in GDP (ESA 2010 methodology) at the end of December 2021 was 56.5%, and the share of general government debt in GDP was 57.1%. The public debt of the central government in December 2021, compared to November of the same year, increased by 27.9 billion dinars and amounted to 3,543.2 billion dinars (30.1 billion euros).

The slight increase in public debt during December 2021 was due to the issuance of government securities in the amount of 35 billion dinars and the withdrawal of funds on the basis of project loans in the amount of 44.5 billion dinars. During the month December, liabilities in the amount of 16.5 billion dinars were repaid.

The share of public debt in foreign currency at the end of December 2021 was 71.5%. The share of public debt in EUR was 57.7%, in USD 10.8%, in SDR 2.0%, in CHF 0.2% and in other foreign currencies 0.8% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the share in RSD was 28.5%.

Thanks to strong economic growth, the credit rating agency Standard and Poor's, in a report published on December 10, 2021, improved the prospects for further credit rating upgrades from stable to positive and reaffirmed the credit rating of Serbia at BB + ". The agency points out that in the next year, objective conditions would be created for increasing the credit rating to the investment level if inflows from foreign direct investments, growth rate and share of public debt in gross domestic product were better than currently projected. Structural improvements in the economy supported by economic policy measures have yielded results in the first half of 2021. This is one of the main reasons for the revision of the expected growth of gross domestic product in 2021 to 7%, while in 2022 growth of over 4% is projected.

In December 2021, the early redemption of a 7Y government bond issued in dinars, which matures in July 2023 in the total amount of 3.45 billion dinars, was realized. Also, the early redemption of a 12.5Y government bond issued in dinars, which matures in August 2032 in the total amount of 3.1 billion dinars, was realized.

The share of non-residents in the purchase of dinar government securities at the end of December 2021 amounts to 17.90 percent*, or 177.1 billion dinars.

The total turnover of government securities on the secondary market in 2021 amounted to 605.6 billion dinars, of which 91.0 percent is the turnover of dinar securities.

In December 2021, the total turnover on the secondary market of dinar securities amounted to 27.3 billion dinars, while the turnover of securities denominated in euros had the equivalent of 5.7 billion dinars. Compared to the previous month, in December 2021, there was a decrease in the total turnover of dinar securities in the amount of 10.1 billion dinars.

The turnover of benchmark bonds (RSMFRSD89592, RSMFRSD55940 and RSMFRSD86176) included in the JP Morgan GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG) accounted for 65.1 percent of the total turnover in December 2021.

Prices and yields of bonds of the Republic of Serbia issued on the international market on December 31, 2021 are:

EUROBOND 2027: 106.816/1.779;

EUROBOND 2029: 96.957/1.941;

EUROBOND 2030: 94.027/2.890;

EUROBOND 2033: 93.307/2.338;

EUROBOND 2028: 94.968/1.802;

EUROBOND 2036: 91.519/2.758.

**Including custody and omnibus accounts*

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF DECEMBER 31, 2021

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	11.344.783.014	12.835.487.209	1.333.943.410.786	21,3%
External Debt	17.407.228.524	19.694.537.903	2.046.778.485.032	32,7%
<i>Direct Liabilities in Total</i>	28.752.011.538	32.530.025.112	3.380.721.895.818	53,9%
Contingent Liabilities (B)				
Internal Debt	261.973.619	296.396.945	30.803.408.231	0,5%
External Debt	1.120.197.743	1.267.391.697	131.715.203.016	2,1%
<i>Contingent Liabilities in Total</i>	1.382.171.362	1.563.788.643	162.518.611.247	2,6%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	185.419.496	209.783.613	21.802.013.762	0,3%
External Debt	79.552.706	90.005.930	9.353.974.249	0,1%
<i>Non-Guaranteed Local Government Debt in Total</i>	264.972.202	299.789.543	31.155.988.010	0,5%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	62.670.884	70.905.837	7.368.974.147	0,1%
Central Government Public Debt (A+B)	30.134.182.899	34.093.813.755	3.543.240.507.065	56,5%
General Government Public Debt (A+B+C+D)	30.461.825.986	34.464.509.135	3.581.765.469.222	57,1%

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF DECEMBER 31, 2021.

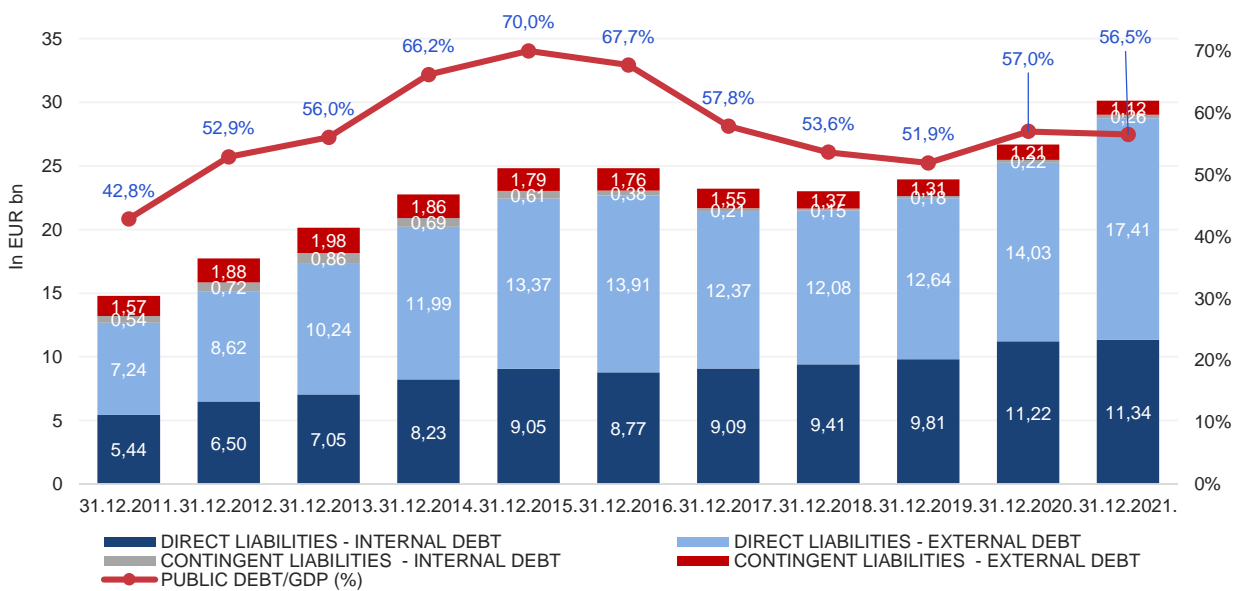
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of December 31, 2021 in EUR (in 000)	Debt stock as of December 31, 2021 in USD (in 000)	Debt stock as of December 31, 2021 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.743.288	12.154.956	1.263.218.390
RETAIL BONDS	15.200	17.197	1.787.214
OTHER LIABILITIES	489.372	553.675	57.541.344
COMMERCIAL BANK LOANS	96.923	109.659	11.396.463
INTERNAL DEBT (direct liabilities 1.1.)	11.344.783	12.835.488	1.333.943.411
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of December 31, 2021 in EUR (in 000)	Debt stock as of December 31, 2021 in USD (in 000)	Debt stock as of December 31, 2021 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.238.765	2.532.939	263.238.712
INTERNATIONAL DEVELOPMENT ASSOCIATION	101.438	114.767	11.927.278
EUROPEAN INVESTMENT BANK	1.270.923	1.437.922	149.437.798
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	113.394	128.294	13.333.094
COUNCIL OF EUROPE DEVELOPMENT BANK	407.240	460.752	47.884.168
EXPORT - IMPORT BANK OF CHINA	1.607.581	1.818.817	189.022.773
FOREIGN GOVERNMENT LOANS	2.705.223	3.060.690	318.085.846
EUROBONDS	7.316.432	8.277.811	860.281.477
KfW DEVELOPMENT BANK	70.991	80.319	8.347.270
PARIS CLUB CREDITORS	744.143	841.924	87.497.944
INTERNATIONAL MONETARY FUND	480.432	543.560	56.490.147
OTHER LIABILITIES	350.665	396.743	41.231.978
EXTERNAL DEBT (direct liabilities 1.2.)	17.407.229	19.694.538	2.046.778.485
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	28.752.012	32.530.025	3.380.721.932

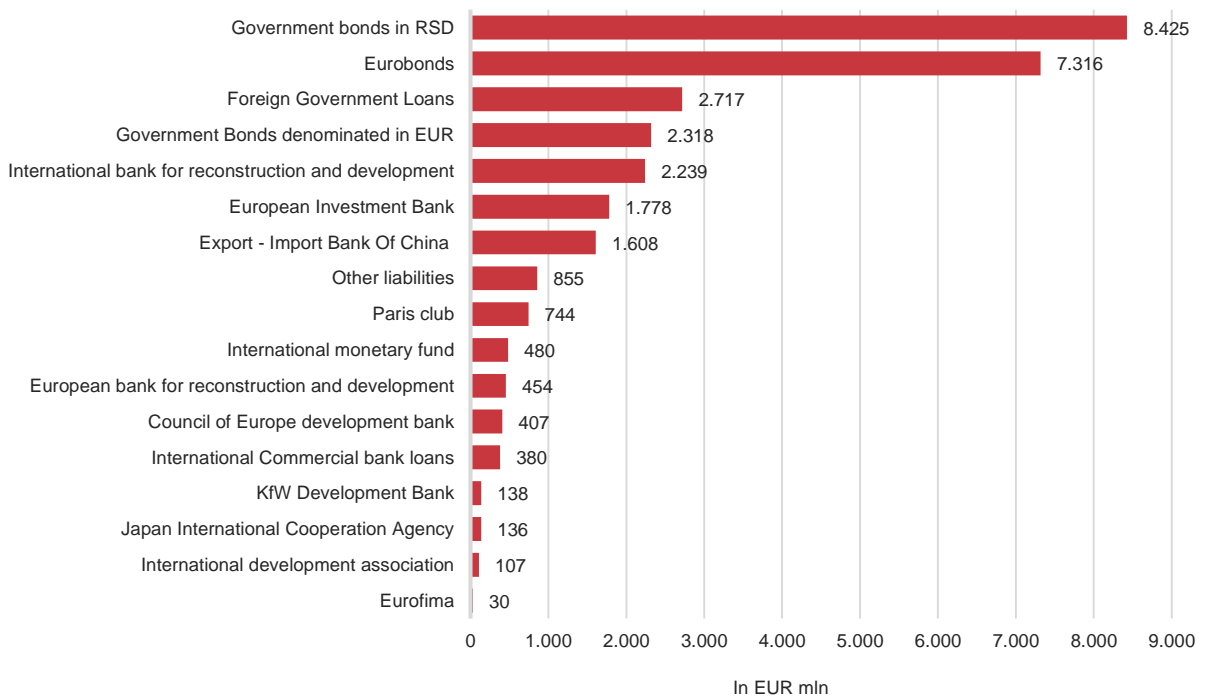
2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of December 31, 2021 in EUR (in 000)	Debt stock as of December 31, 2021 in USD (in 000)	Debt stock as of December 31, 2021 in RSD (in 000)
COMMERCIAL BANK LOANS	261.974	296.397	30.803.408
INTERNAL DEBT (indirect liabilities 2.1.)	261.974	296.397	30.803.408
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of December 31, 2021 in EUR (in 000)	Debt stock as of December 31, 2021 in USD (in 000)	Debt stock as of December 31, 2021 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	341.081	385.900	40.105.074
EUROPEAN INVESTMENT BANK	507.350	574.015	59.655.232
KfW DEVELOPMENT BANK	67.300	76.143	7.913.263
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	30.114	34.071	3.540.894
INTERNATIONAL DEVELOPMENT ASSOCIATION	5.748	6.503	675.832
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	136.253	154.157	16.020.943
FOREIGN GOVERNMENT LOANS	11.723	13.264	1.378.448
INTERNATIONAL COMMERCIAL BANK LOANS	20.628	23.339	2.425.516
EXTERNAL DEBT (indirect liabilities 2.2.)	1.120.198	1.267.392	131.715.203
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.382.171	1.563.789	162.518.611
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	11.606.757	13.131.884	1.364.746.855
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	18.527.426	20.961.930	2.178.493.688
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	30.134.183	34.093.814	3.543.240.507

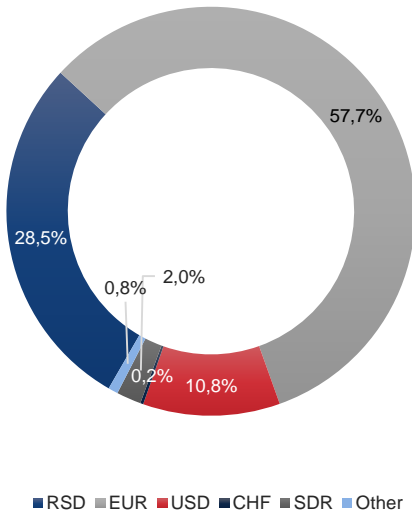
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2011. - 31.12.2021.



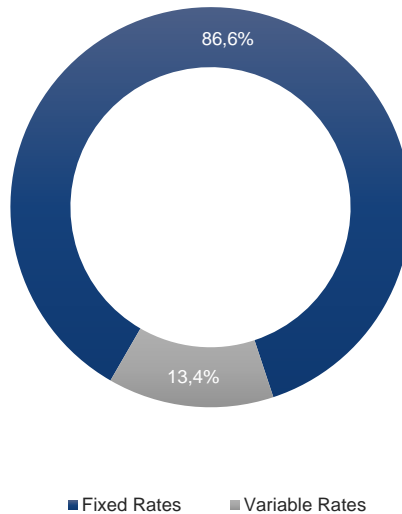
CREDITORS OVERVIEW AS OF DECEMBER 31, 2021



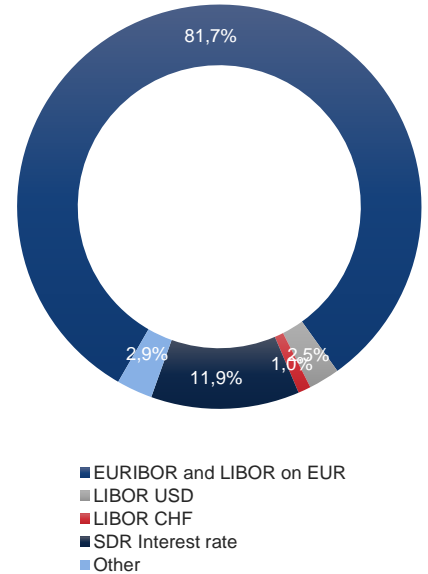
CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF
DECEMBER 31, 2021



INTEREST RATE STRUCTURE
AS OF DECEMBER 31, 2021



VARIABLE INTEREST RATES
STRUCTURE
AS OF DECEMBER 31, 2021

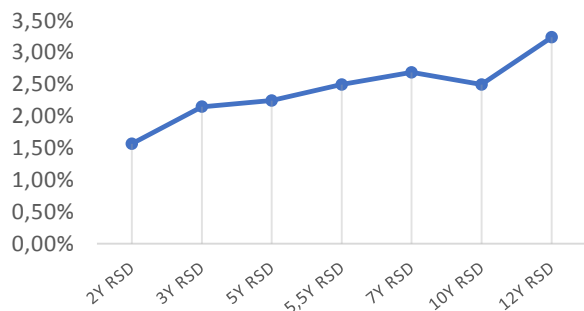


III. OVERVIEW OF NON-MATURED GOVERNMENT SECURITIES ISSUED ON DOMESTIC MARKET

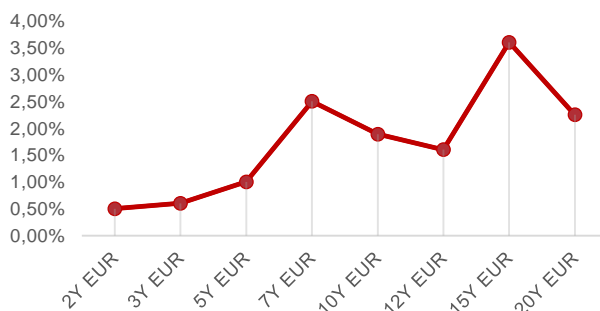
GOVERNMENT SECURITIES STOCK AS OF DECEMBER 31, 2021

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
2Y Government Bond with fixed coupon rate	79.233.670.000,00	1,75%	1,57%
3Y Government Bond with fixed coupon rate	118.446.070.000,00	2,00%	2,15%
5Y Government Bond with fixed coupon rate	123.813.688.250,00	4,00%	2,25%
5.5Y Government Bond with fixed coupon rate	106.423.790.000,00	3,00%	2,50%
7Y Government Bond with fixed coupon rate	296.550.000.000,00	4,50%	2,69%
10Y Government Bond with fixed coupon rate	120.882.410.000,00	5,88%	2,50%
12,5Y Government Bond with fixed coupon rate	145.272.300.000,00	4,50%	3,24%
Total in RSD	990.621.928.250 RSD		
Government Bonds Denominated in EUR			
2Y Government Bond with fixed coupon rate	100.000.000,00	0,50%	0,50%
3Y Government Bond with fixed coupon rate	200.000.000,00	1,25%	0,60%
5Y Government Bond with fixed coupon rate	614.766.000,00	1,00%	1,00%
7Y Government Bond with fixed coupon rate	65.129.000,00	2,50%	2,50%
10Y Government Bond with fixed coupon rate	632.371.000,00	3,25%	1,89%
12Y Government Bond with fixed coupon rate	148.606.000,00	1,50%	1,60%
15Y Government Bond with fixed coupon rate	321.882.000,00	3,50%	3,60%
20Y Government Bond with fixed coupon rate	235.596.000,00	2,25%	2,25%
Total in EUR	2.318.350.000 EUR		

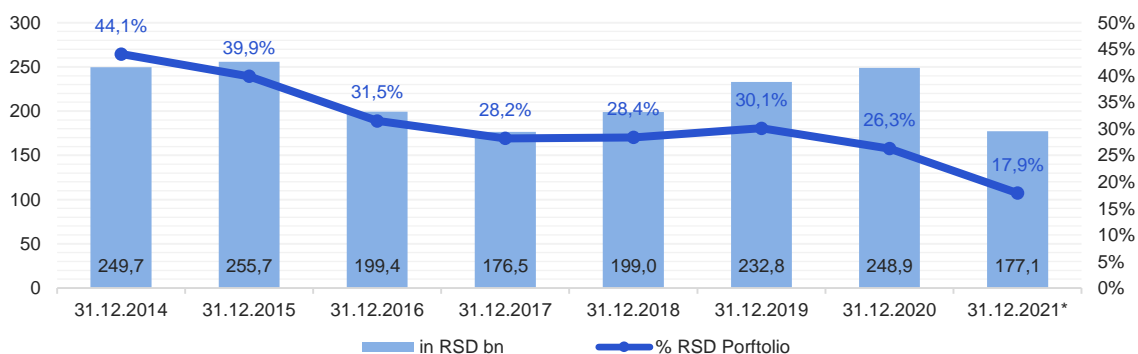
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF DECEMBER 31, 2021



ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF DECEMBER 31, 2021

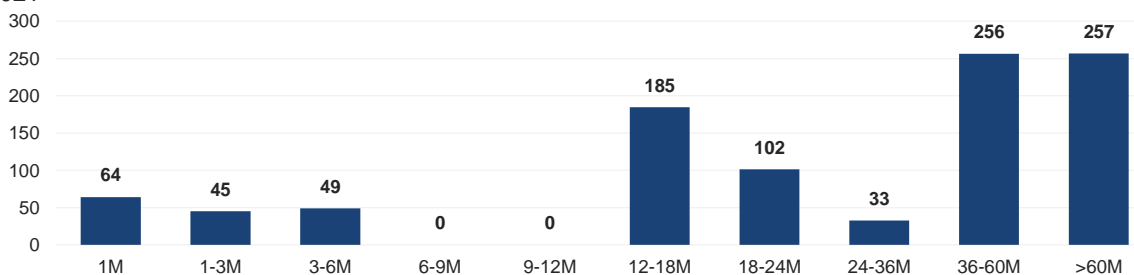


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF DECEMBER 31, 2021

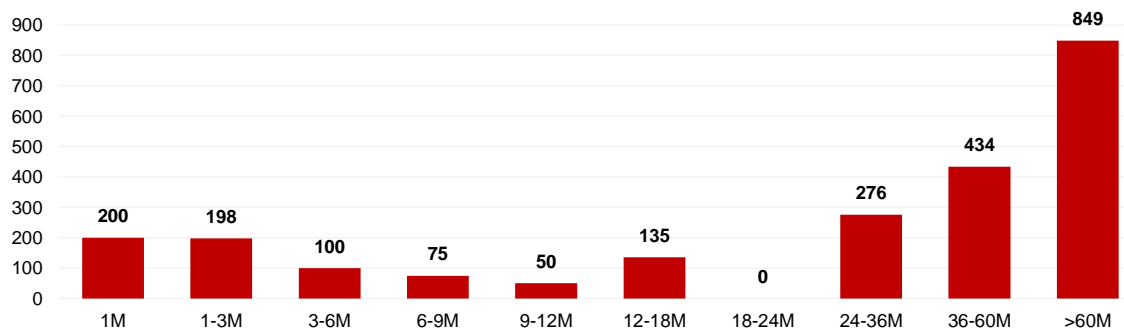


*Including custody and omnibus accounts

RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF DECEMBER 31, 2021



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF DECEMBER 31, 2021



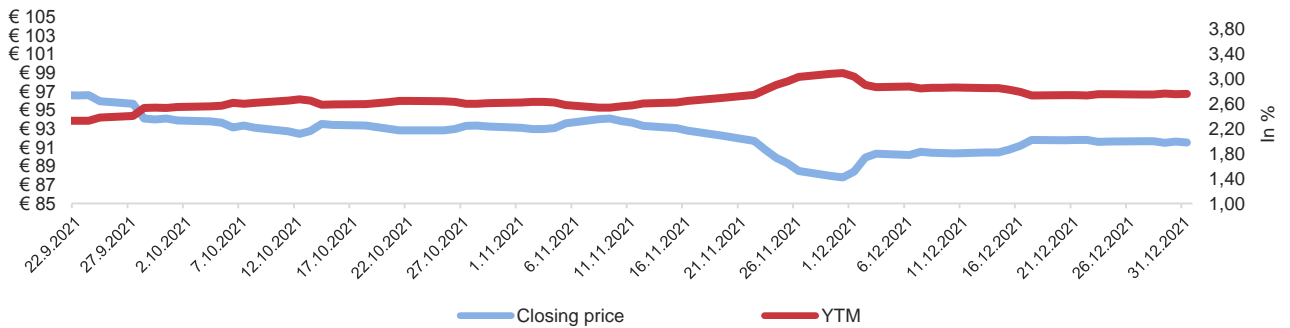
OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

Security name	Year	Currency	Issued Amount	Amount Outstanding	Issue Date	Maturity Date	Coupon (%)	Re-Offer Yield (%)	Issuance Price
SERBIA 7 1/4 09/28/21*	2011	USD	2.000.000.000	0	28.09.2011	28.09.2021	7,250	7,500/6,625	98,263/104,179
SERBIA 1 1/2 06/26/29**	2019	EUR	1.550.000.000	1.550.000.000	26.06.2019	26.06.2029	1,500	1,619/1,250	98,909/102,251
SERBIA 3 1/8 05/15/27	2020	EUR	2.000.000.000	2.000.000.000	15.05.2020	15.05.2027	3,125	3,375	98,464
SERBIA 1 1/8 12/01/30	2020	USD	1.200.000.000	1.200.000.000	01.12.2020	01.12.2030	2,125	2,350	98,005
SERBIA 1,65 03/03/33	2021	EUR	1.000.000.000	1.000.000.000	03.03.2021	03.03.2033	1,650	1,920	97,131
SERBIA 1.00 09/23/28	2021	EUR	1.000.000.000	1.000.000.000	23.09.2021	23.09.2028	1,000	1,262	98,255
SERBIA 2.05 09/23/36	2021	EUR	750.000.000	750.000.000	23.09.2021	23.09.2036	2,050	2,305	96,797

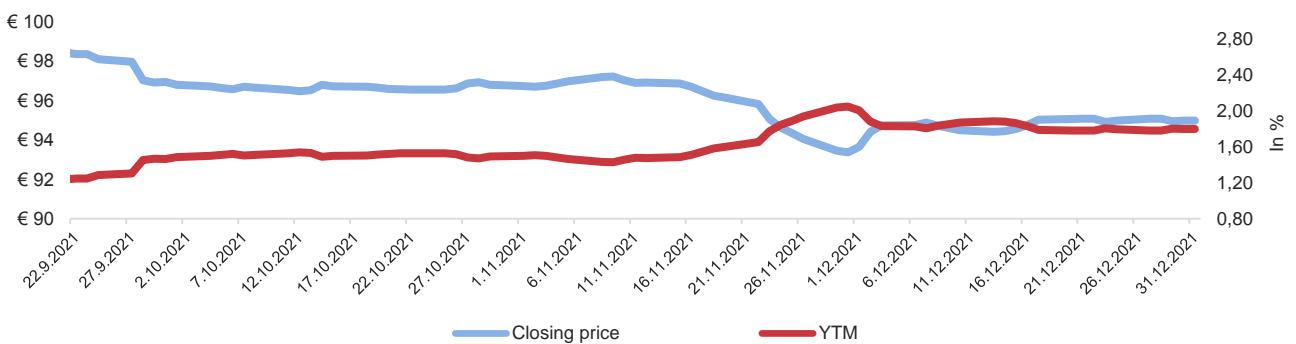
*The data presented includes primary issue data and data from the reopening for the Eurobond 2021 (reopened on September 27, 2012)

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

YIELD/PRICE CURVE – EUROBOND 2036



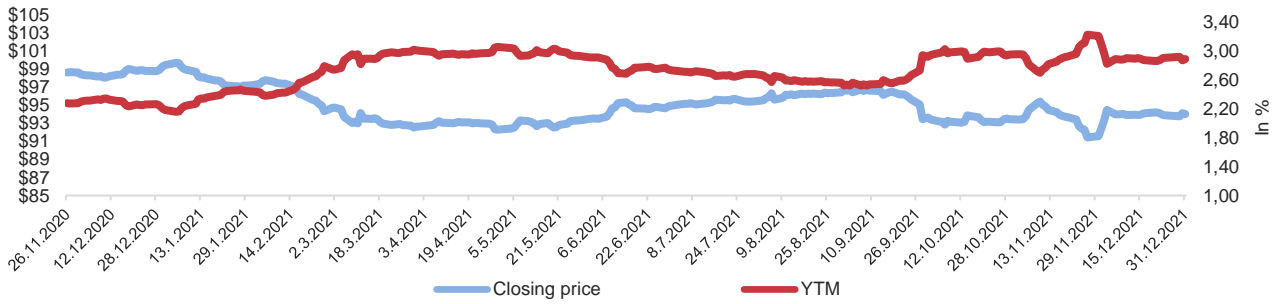
YIELD/PRICE CURVE – EUROBOND 2028



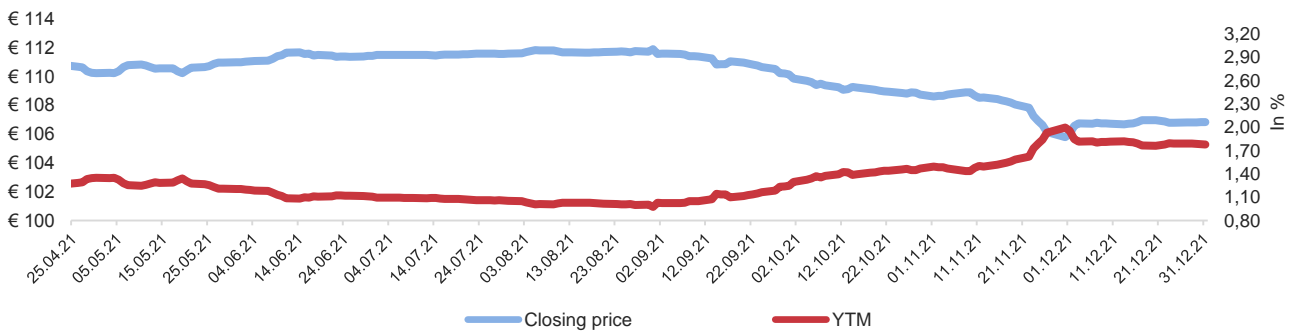
YIELD/PRICE CURVE – EUROBOND 2033



YIELD/PRICE CURVE – EUROBOND 2030



YIELD/PRICE CURVE – EUROBOND 2027

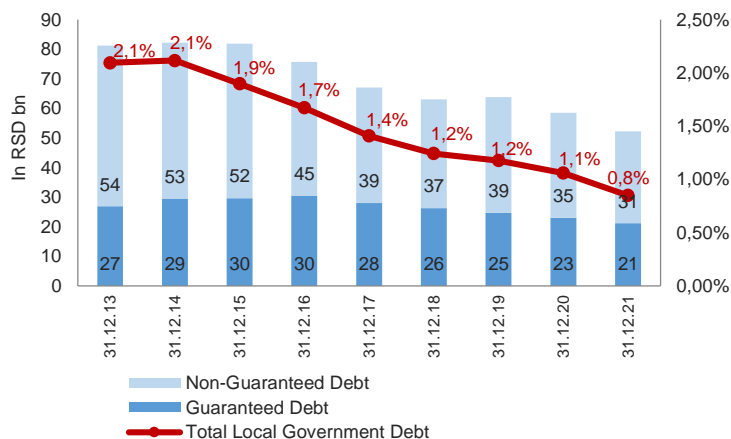


YIELD/PRICE CURVE – EUROBOND 2029

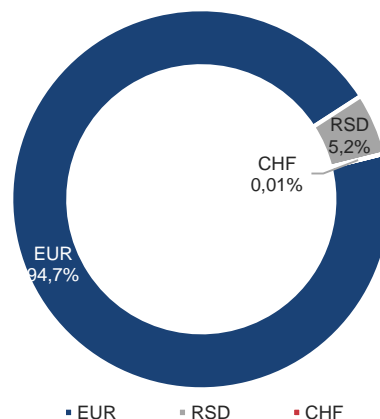


IV. LOCAL GOVERNMENT DEBT ANALYSIS

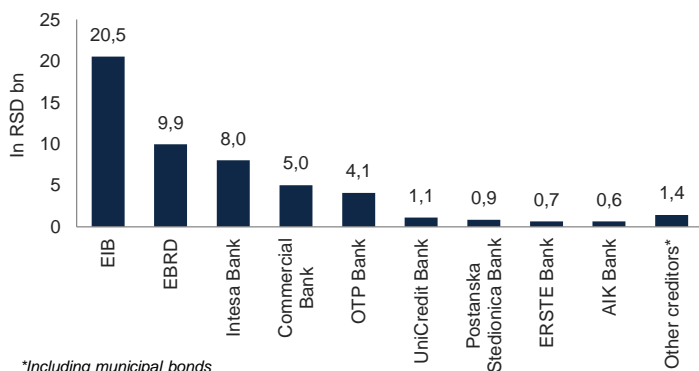
LOCAL GOVERNMENT DEBT DYNAMICS AS OF DECEMBER 31, 2021



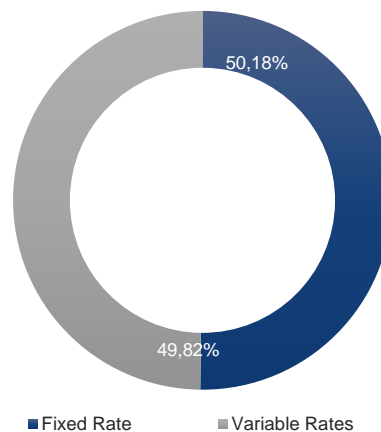
CURRENCY COMPOSITION AS OF DECEMBER 31, 2021



CREDITORS OVERVIEW AS OF DECEMBER 31, 2021



INTEREST RATE STRUCTURE AS OF DECEMBER 31, 2021



Share of the top 5 Local Governments in total debt	80,0%
O/W Belgrade	60,5%
Debt maturing till the end of 2020	661.582.632
Debt maturing in 2021	8.370.312.154
Debt maturing in 2022	8.073.771.614
Maximum level of debt based on contracted amount	62.226.461.511
Interest Rate Risk	49,8%
FX Risk	94,8%
Local Government Debt to GDP	0,8%
O/W Non-Guaranteed Debt	0,5%
Maximum Debt Level to GDP	1,0%
Share of the top 10 Creditors in total Local Government Debt	97,3%
Share of Foreign Creditors in Total Local Government Debt	58,3%
Total Available Credit Potential	85.080.369.579
Share of the top 10 Local Governments with the highest available credit potential	47,9%
Share of Investment Project Loans in total Local Government Debt	99,5%

Local Government	Debt Stock as of December 31, 2021
Beograd	31.616.677.811
AP Vojvodina	5.025.079.801
Kragujevac	2.431.462.763
Novi Sad	2.005.974.343
Nis	757.897.028
Vranje	712.460.167
Subotica	594.513.343
Sabac	593.209.430
Zrenjanin	491.699.907
Kula	459.241.904
% of total	85,5%

