



MONTHLY REPORT

Analysis of Public Debt
and General
Government Debt

February 2022

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Bloomberg Page <RSMF> <GO>
Belgrade, February 2022
#119

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 February 2022 was 51.6%, and the share of general government debt in GDP was 52.1%. The public debt of the central government in February 2022, compared to January of the same year, decreased by 15.9 billion dinars and amounted to 3,579.6 billion dinars (30.4 billion euros).

During February 2022, 2Y dinar and 2.5Y euro-denominated government securities in the amount of 36.8 billion dinars were issued. Ministry of Finance has also withdrawn funds on the basis of project loans in the amount of 21.6 billion dinars

During the month of February, liabilities in the amount of 75.6 billion dinars were repaid. The largest part of repaid liabilities in February refers to the maturities of 7Y dinar, 2Y and 5Y euro-denominated government securities in the amount of 68.3 billion dinars.

The share of public debt in foreign currency at the end of January 2022 was 73.9%. The share of public debt in EUR was 57.6%, in USD 11.0%, in SDR 4.2%, 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 26.1%.

In February 2022, the credit rating agency Fitch Ratings confirmed the credit rating of the Republic of Serbia at the level of BB+, with stable prospects for its further increase. Fitch reports that Serbia's rating is supported by credible macroeconomic and fiscal policies pursued by the Serbian government, as well as strong GDP growth over the past year. Strong growth of economic activity, growth of tax revenues, with the gradual abolition of government measures to support the economy, have contributed to reducing the general government deficit, which in 2021 amounted to 4.2% of GDP. Responsible economic policy in previous years and good economic results, achieved in the period before and maintained during the pandemic, have resulted in stable and sustainable public finances, and the effects of the crisis in the Republic of Serbia have been significantly mitigated.

The share of non-residents in the purchase of dinar government securities at the end of February 2022 amounts to 18.30%*, or 167.4 billion dinars.

The total turnover of government securities on the secondary market in the first two months of 2022 amounted to 64.8 billion dinars, out of which 84.0% is the turnover of dinar securities.

In February 2022, the total turnover on the secondary market of dinar securities amounted to 29.5 billion dinars, while the turnover of securities denominated in euros had the equivalent of 6.5 billion dinars. Compared to the previous month, in February 2022, there was an increase in the total turnover of dinar securities in the amount of 4.4 billion dinars.

The turnover of benchmark bonds (RSMFRSD89592, RSMFRSD55940 and RSMFRSD86176), which are included in the JP Morgan GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG), accounted for 44.0% of total turnover in February 2022.

Prices and yields of bonds of the Republic of Serbia issued on the international market on February 28, 2022 are:

EUROBOND 2027: 98.162/3.516;

EUROBOND 2029: 85.468/3.812;

EUROBOND 2030: 84.255/4.304;

EUROBOND 2033: 77.249/4.287;

EUROBOND 2028: 84.916/3.623;

EUROBOND 2036: 74.310/4.490.

**Including custody and omnibus accounts*

I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF FEBRUARY 28, 2022

	EUR	USD	RSD	% GDP
Direct Liabilities (A)				
Internal Debt	10.669.915.550	11.916.167.034	1.255.415.861.657	18,1%
External Debt	18.311.088.139	20.449.832.411	2.154.471.643.810	31,0%
<i>Direct Liabilities in Total</i>	28.981.003.689	32.365.999.444	3.409.887.505.467	49,1%
Contingent Liabilities (B)				
Internal Debt	275.814.332	308.029.584	32.452.148.838	0,5%
External Debt	1.166.894.181	1.303.188.007	137.296.069.241	2,0%
<i>Contingent Liabilities in Total</i>	1.442.708.514	1.611.217.591	169.748.218.079	2,4%
Non-Guaranteed Local Government Debt (C)				
Internal Debt	178.208.616	199.023.472	20.967.918.892	0,3%
External Debt	80.106.012	89.462.435	9.425.225.357	0,1%
<i>Non-Guaranteed Local Government Debt in Total</i>	258.314.629	288.485.907	30.393.144.248	0,4%
Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)				
	58.745.320	65.606.802	6.911.939.047	0,1%
Central Government Public Debt (A+B)	30.423.712.203	33.977.217.035	3.579.635.723.545	51,6%
General Government Public Debt (A+B+C+D)	30.740.772.151	34.331.309.745	3.616.940.806.841	52,1%

II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF FEBRUARY 28, 2022.

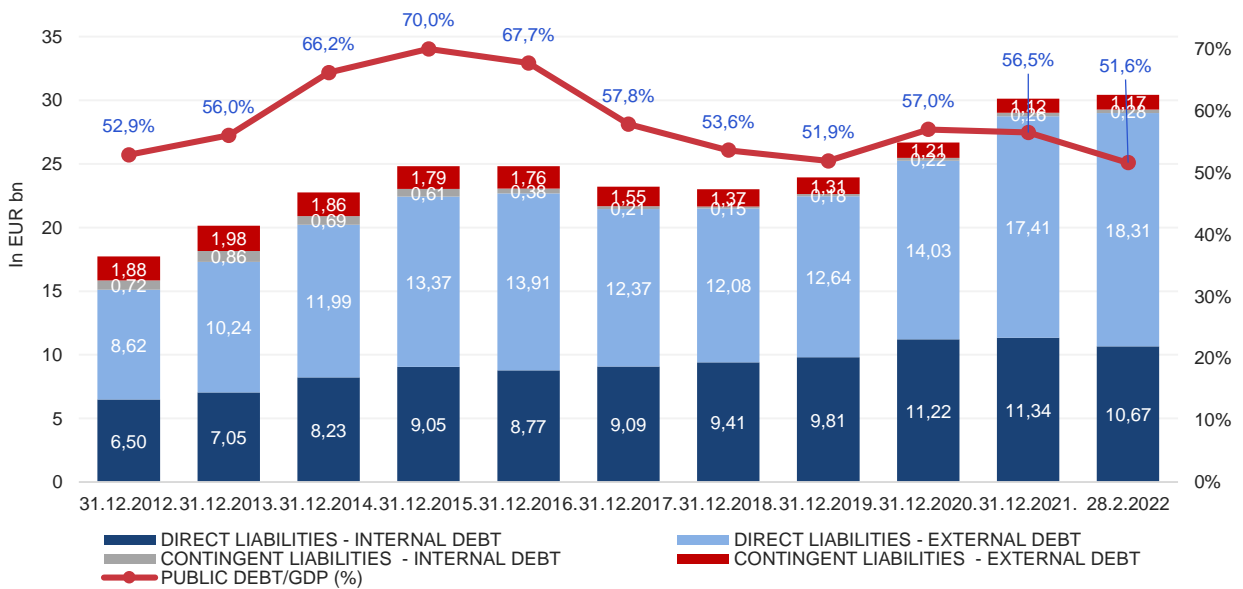
1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of February 28, 2022 in EUR (in 000)	Debt stock as of February 28, 2022 in USD (in 000)	Debt stock as of February 28, 2022 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	10.008.199	11.177.161	1.177.558.661
RETAIL BONDS	15.181	16.955	1.786.227
OTHER LIABILITIES	478.256	534.116	56.271.308
COMMERCIAL BANK LOANS	98.827	110.370	11.627.932
RESTITUTION BONDS	69.452	77.565	8.171.734
INTERNAL DEBT (direct liabilities 1.1.)	10.669.916	11.916.167	1.255.415.862
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of February 28, 2022 in EUR (in 000)	Debt stock as of February 28, 2022 in USD (in 000)	Debt stock as of February 28, 2022 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.251.030	2.513.951	264.854.789
INTERNATIONAL DEVELOPMENT ASSOCIATION	83.469	93.218	9.820.933
EUROPEAN INVESTMENT BANK	1.301.064	1.453.029	153.082.420
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	115.544	129.040	13.594.851
COUNCIL OF EUROPE DEVELOPMENT BANK	406.217	453.664	47.795.284
EXPORT - IMPORT BANK OF CHINA	1.660.455	1.854.397	195.368.093
FOREIGN GOVERNMENT LOANS	2.726.181	3.044.601	320.760.868
EUROBONDS	7.316.432	8.170.995	860.847.037
KfW DEVELOPMENT BANK	71.984	80.392	8.469.577
PARIS CLUB CREDITORS	747.419	834.718	87.940.906
INTERNATIONAL MONETARY FUND	1.189.961	1.328.949	140.010.137
OTHER LIABILITIES	441.331	492.879	51.926.747
EXTERNAL DEBT (direct liabilities 1.2.)	18.311.088	20.449.832	2.154.471.644
TOTAL DIRECT LIABILITIES (1.1. + 1.2.)	28.981.004	32.365.999	3.409.887.505

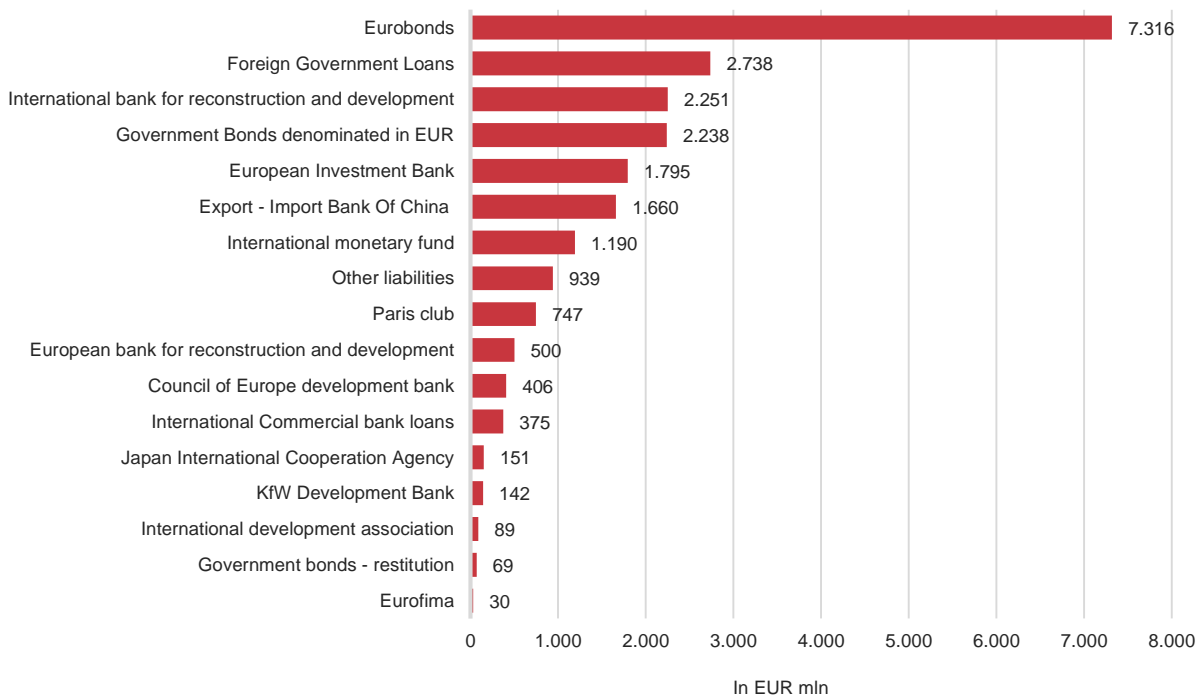
2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of February 28, 2022 in EUR (in 000)	Debt stock as of February 28, 2022 in USD (in 000)	Debt stock as of February 28, 2022 in RSD (in 000)
COMMERCIAL BANK LOANS	281.923	314.852	33.149.936
INTERNAL DEBT (indirect liabilities 2.1.)	281.923	314.852	33.149.936
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of February 28, 2022 in EUR (in 000)	Debt stock as of February 28, 2022 in USD (in 000)	Debt stock as of February 28, 2022 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	384.338	429.228	45.220.921
EUROPEAN INVESTMENT BANK	493.534	551.179	58.068.883
KfW DEVELOPMENT BANK	70.494	78.727	8.294.245
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	30.140	33.661	3.546.306
INTERNATIONAL DEVELOPMENT ASSOCIATION	5.801	6.478	682.498
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	151.312	168.985	17.803.268
FOREIGN GOVERNMENT LOANS	11.464	12.803	1.348.877
INTERNATIONAL COMMERCIAL BANK LOANS	19.812	22.126	2.331.071
EXTERNAL DEBT (indirect liabilities 2.2.)	1.166.894	1.303.188	137.296.069
TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)	1.442.709	1.611.218	169.748.218
TOTAL INTERNAL DEBT (1.1.+ 2.1.)	10.945.730	12.224.197	1.287.868.010
TOTAL EXTERNAL DEBT (1.2.+ 2.2.)	19.477.982	21.753.020	2.291.767.713
TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)	30.423.712	33.977.217	3.579.635.724

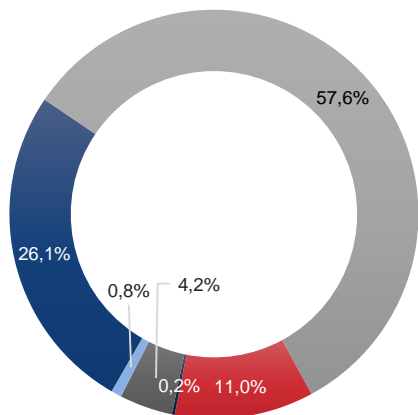
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12.2012. - 28.02.2022.



CREDITORS OVERVIEW AS OF FEBRUARY 28, 2022

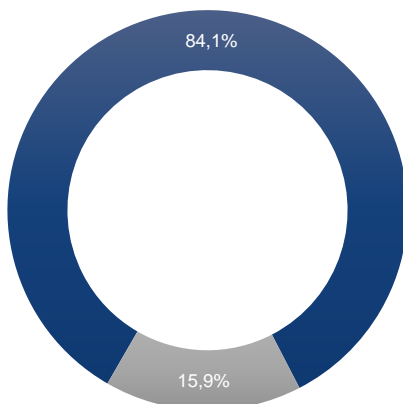


CENTRAL GOVERNMENT
PUBLIC DEBT CURRENCY
STRUCTURE AS OF
FEBRUARY 28, 2022



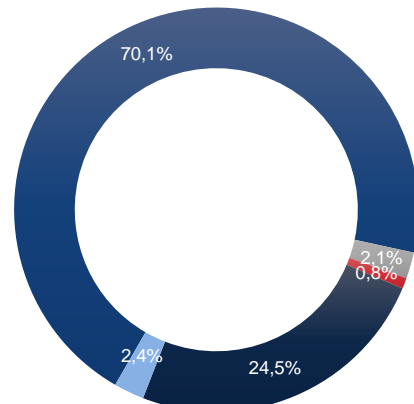
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE
AS OF FEBRUARY 28, 2022



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES
STRUCTURE
AS OF FEBRUARY 28, 2022



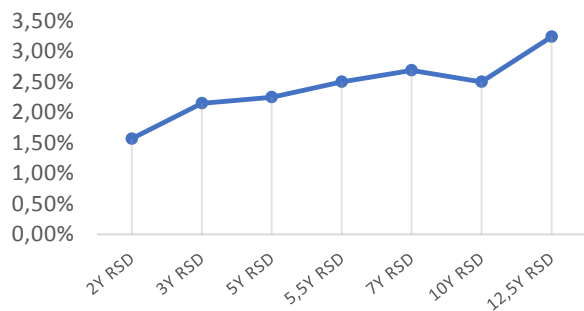
■ EURIBOR and LIBOR on EUR
■ LIBOR USD
■ LIBOR CHF
■ SDR Interest rate
■ Other

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

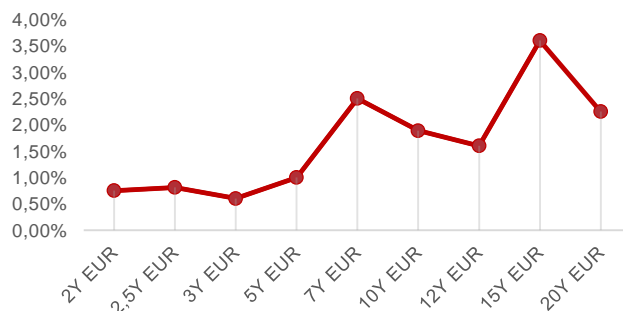
GOVERNMENT SECURITIES STOCK AS OF FEBRUARY 28, 2022

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
Government Bonds Denominated in RSD			
2Y Government Bond with fixed coupon rate	113.681.120.000,00	2,75%	2,65%
3Y Government Bond with fixed coupon rate	54.202.370.000,00	2,00%	2,15%
5Y Government Bond with fixed coupon rate	123.893.910.250,00	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	251.550.000.000,00	4,50%	2,69%
10Y Government Bond with fixed coupon rate	120.958.762.000,00	5,88%	2,50%
12,5Y Government Bond with fixed coupon rate	145.272.300.000,00	4,50%	3,24%
Total in RSD	915.982.252.250 RSD		
Government Bonds Denominated in EUR			
2Y Government Bond with fixed coupon rate	200.000.000,00	0,75%	0,75%
2,5Y Government Bond with fixed coupon rate	104.567.000,00	0,85%	0,81%
5Y Government Bond with fixed coupon rate	519.545.900,00	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	643.021.700,00	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%
Total in EUR	2.238.347.600 EUR		

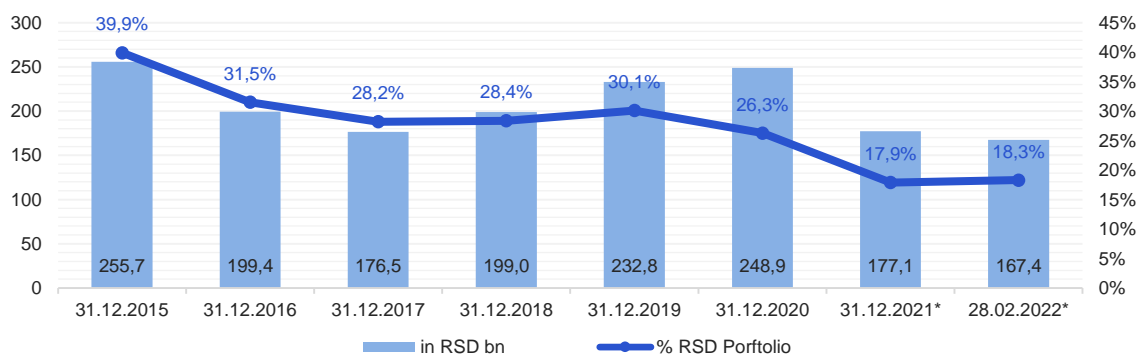
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF FEBRUARY 28, 2022



ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF FEBRUARY 28, 2022

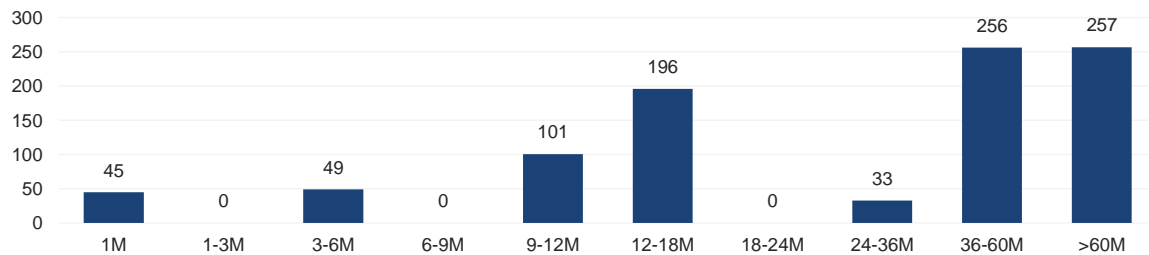


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF FEBRUARY 28, 2022

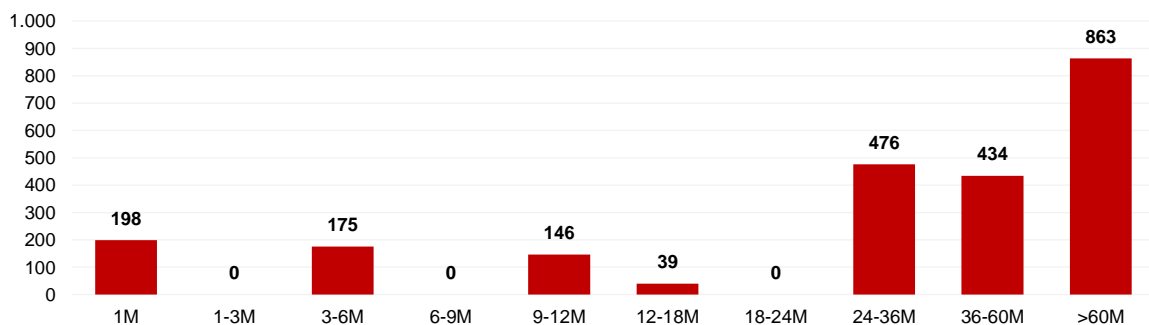


*Including custody and omnibus accounts

RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF FEBRUARY 28, 2022



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF FEBRUARY 28, 2022

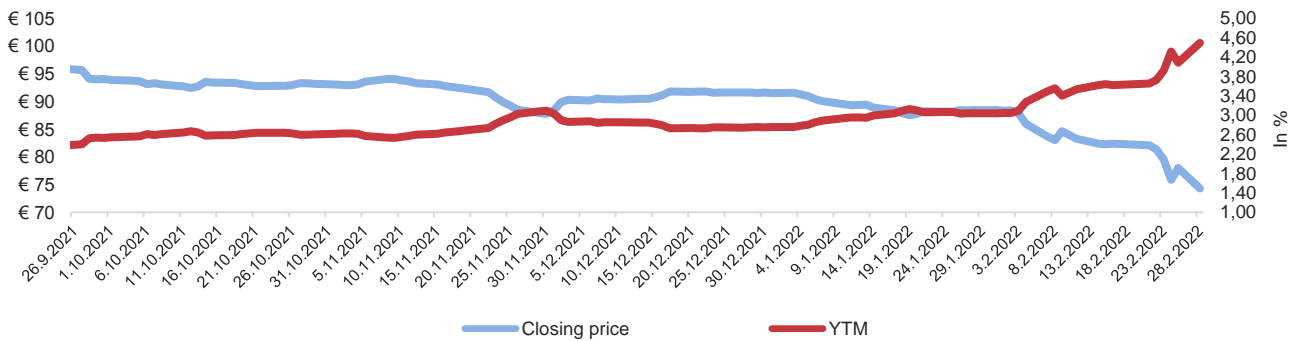


OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

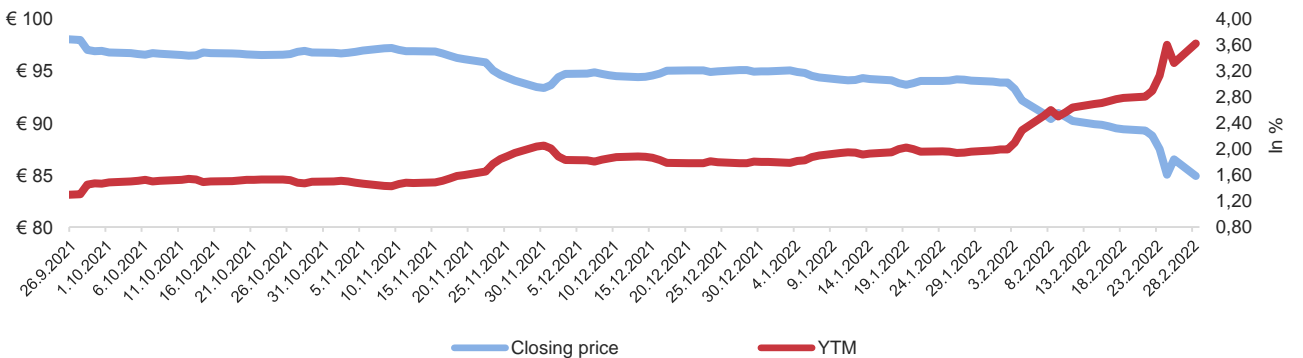
Security name	Year	Currency	Issued Amount	Amount Outstanding	Issue Date	Maturity Date	Coupon (%)	Re-Offer Yield (%)	Issuance Price
SERBIA 1 1/2 06/26/29*	2019	EUR	1.550.000.000	1.550.000.000	26.06.2019	26.06.2029	1,500	1,619/1,250	98,909/102,251
SERBIA 3 1/8 05/15/27	2020	EUR	2.000.000.000	2.000.000.000	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

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

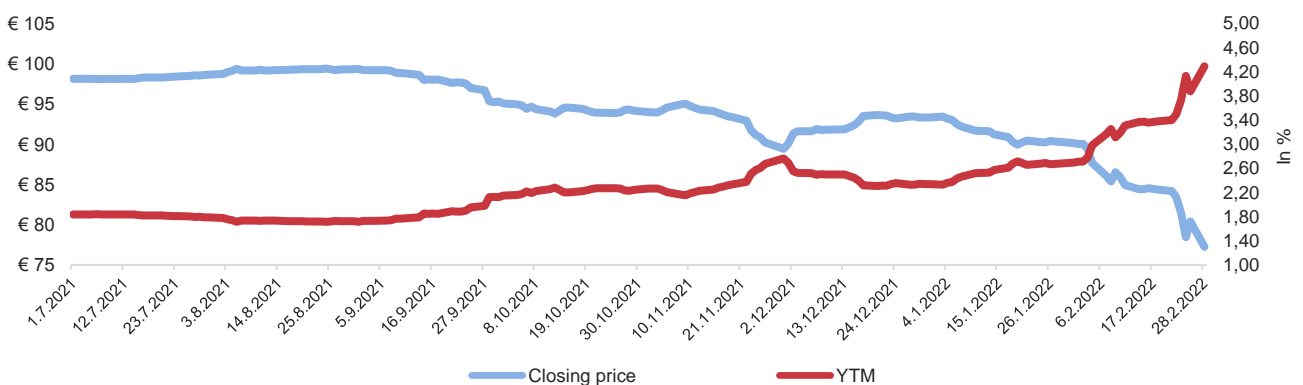
YIELD/PRICE CURVE – EUROBOND 2036



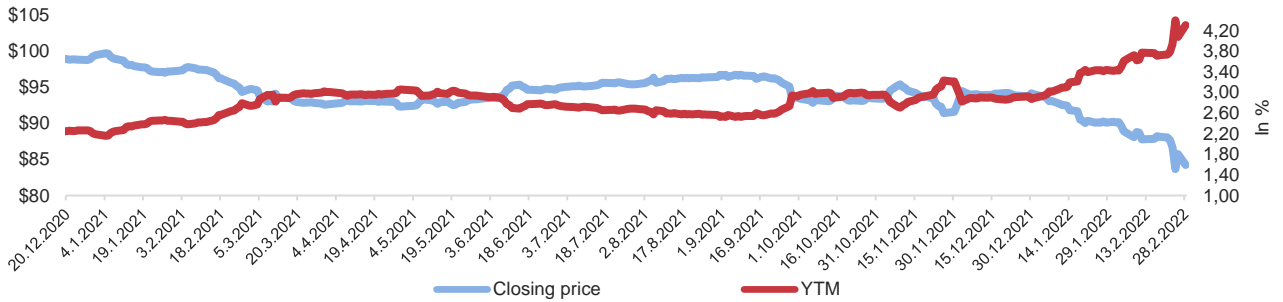
YIELD/PRICE CURVE – EUROBOND 2028



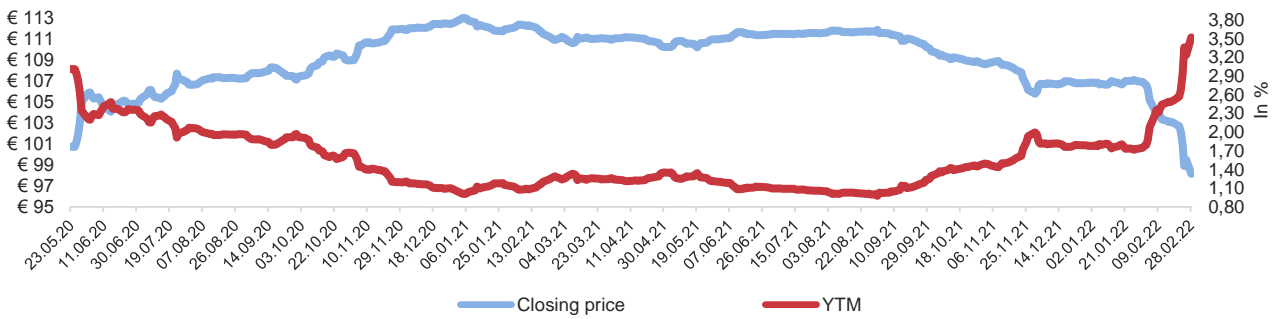
YIELD/PRICE CURVE – EUROBOND 2033



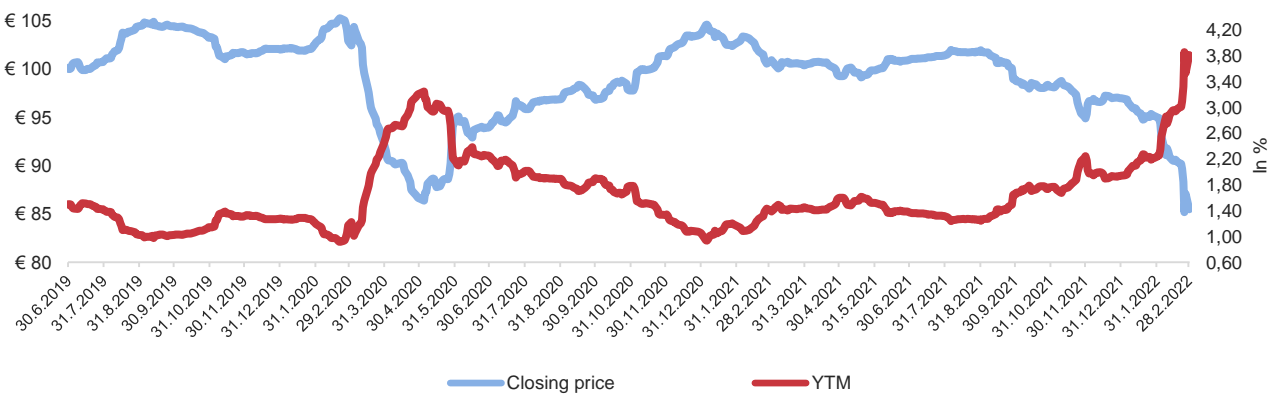
YIELD/PRICE CURVE – EUROBOND 2030



YIELD/PRICE CURVE – EUROBOND 2027

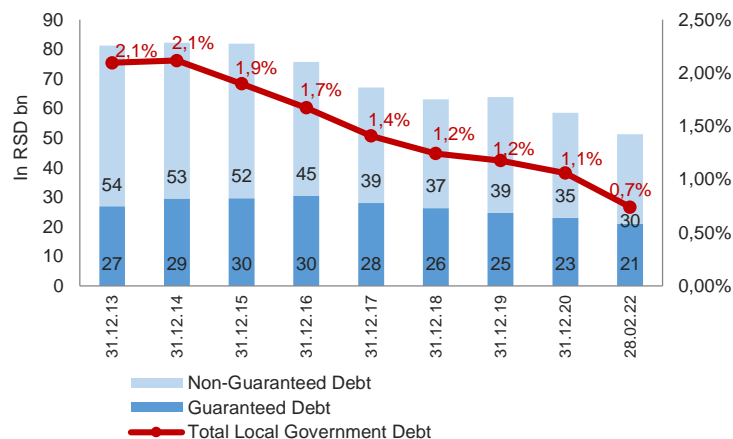


YIELD/PRICE CURVE – EUROBOND 2029

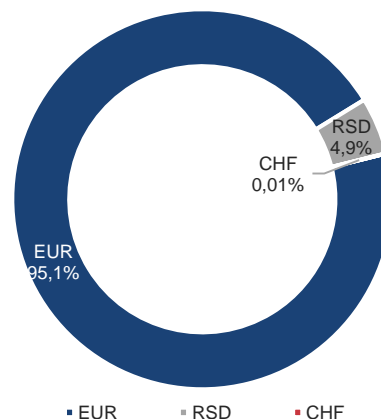


IV. LOCAL GOVERNMENT DEBT ANALYSIS

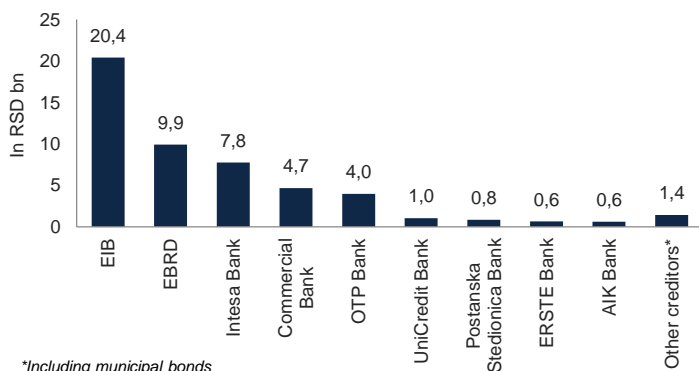
LOCAL GOVERNMENT DEBT DYNAMICS AS OF FEBRUARY 28, 2022



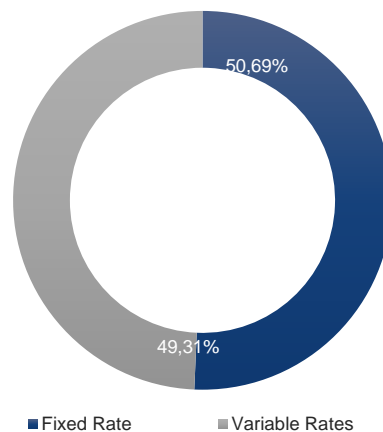
CURRENCY COMPOSITION AS OF FEBRUARY 28, 2022



CREDITORS OVERVIEW AS OF FEBRUARY 28, 2022



INTEREST RATE STRUCTURE AS OF FEBRUARY 28, 2022



Share of the top 5 Local Governments in total debt	81,2%
O/W Belgrade	61,7%
Debt maturing till the end of 2022	7.755.988.089
Debt maturing in 2023	8.209.284.596
Debt maturing in 2024	7.966.331.214
Maximum level of debt based on contracted amount	61.066.922.200
Interest Rate Risk	49,3%
FX Risk	95,1%
Local Government Debt to GDP	0,8%
O/W Non-Guaranteed Debt	0,4%
Maximum Debt Level to GDP	0,9%
Share of the top 10 Creditors in total Local Government Debt	97,2%
Share of Foreign Creditors in Total Local Government Debt	59,1%
Total Available Credit Potential	109.424.016.486
Share of the top 10 Local Governments with the highest available credit potential	53,2%
Share of Investment Project Loans in total Local Government Debt	99,4%

Local Government	Debt Stock as of February 28, 2022
Beograd	31.622.908.520
AP Vojvodina	4.937.451.254
Kragujevac	2.376.515.148
Novi Sad	1.951.734.351
Nis	748.185.556
Vranje	708.394.584
Sabac	565.571.234
Subotica	495.753.466
Zrenjanin	492.023.157
Kula	441.439.000
% of total	86,4%

