



REPUBLIC OF SERBIA

MINISTRY OF FINANCE AND ECONOMY

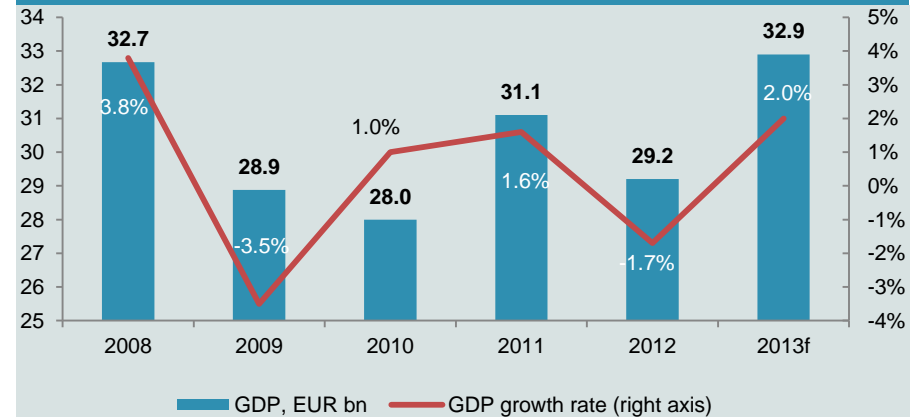
CIS AND BALTIC REGION BOND CONGRESS

May 2013

Recent Economic Development

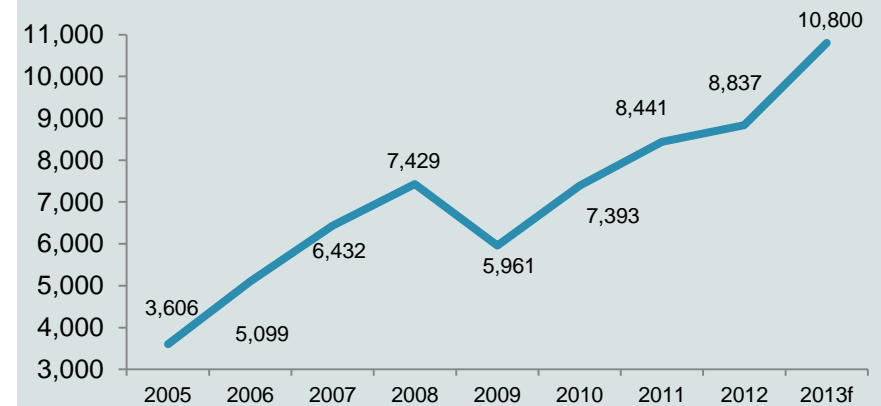
- Real GDP increased 1.9% during Q1 2013, with significant growth of industrial production 5.2%
- In the first three months of 2013 Y-o-Y exports of goods increased 22% in EUR terms, while imports stagnated in the same period, what resulted in decrease of external trade deficit for 25%
- The fastest growing sector is automotive industry with share in total exports 20%
- Comfortable level of FX reserves – EUR 11.15bn as 30 April 2013 (over 8 months of import coverage) and net reserves amounted to EUR 7.3bn
- The dinar has been stable since the beginning of the year
- The economic growth is expected to be 2.0% in real terms and to be driven by net exports and better agricultural production
- Supplementary budget and new fiscal consolidation measures to be adopted by the end of July

Real GDP growth



Source: National Statistics Office

Exports 2005-2013 in EUR million



Source: National Statistics Office



Relation with Russian Federation and other CIS countries

- Russian Federation Budget Financing loan – USD 200mln disbursed in 2009, USD 500mln will be disbursed in 2013
 - Russian Federation loan for modernization of Serbian Railways – USD 800mln
 - South Stream Project – Joint venture of Srbijagas and Gazprom
 - CIS banks currently operating in Serbia: VTB Capital and SberBank
 - VTB Capital – Joint Lead Manager for Eurobond Serbia 2017
 - Russian ruble listed on the Exchange Rate List as of October 2012
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- At the end of April 2013, total trade of the Republic of Serbia with the Russian Federation amounted to USD 800mln, with the share of 10.4% in total external trade of the Republic of Serbia
 - Strategic Partnership between the Republic of Serbia and the Russian Federation was signed in May 2013
 - Azerbaijan loan – Pan European Road Corridor XI (Azvirt company) – EUR 300mln
 - Announced Partnership Agreement with Azerbaijan



Source: National Statistics Office



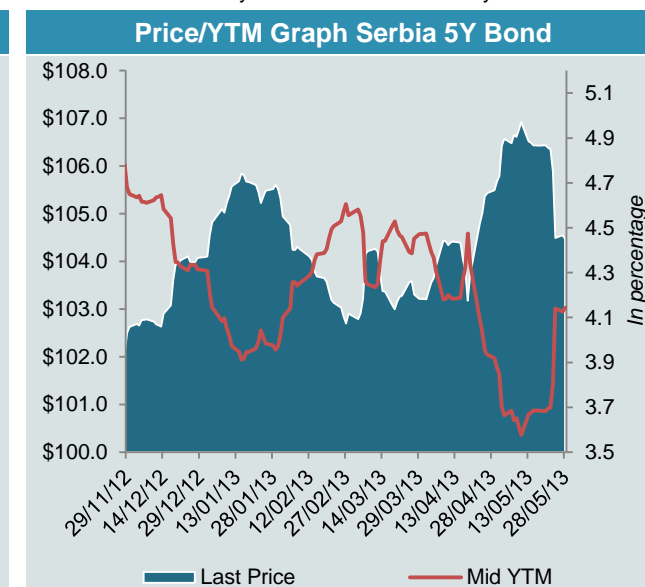
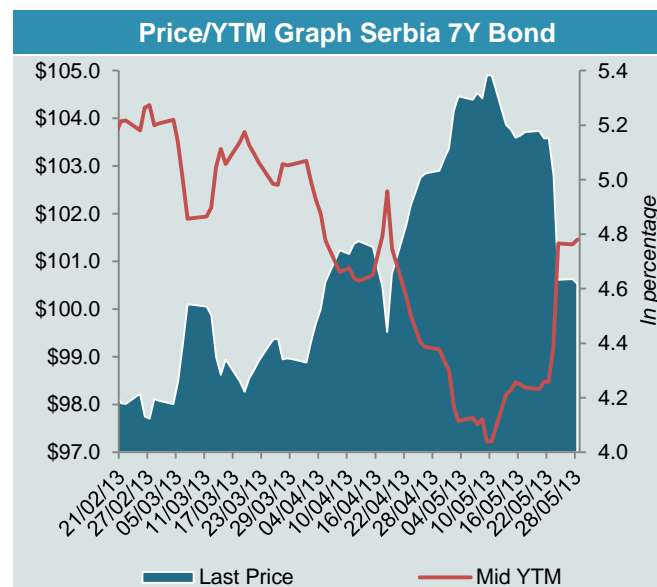
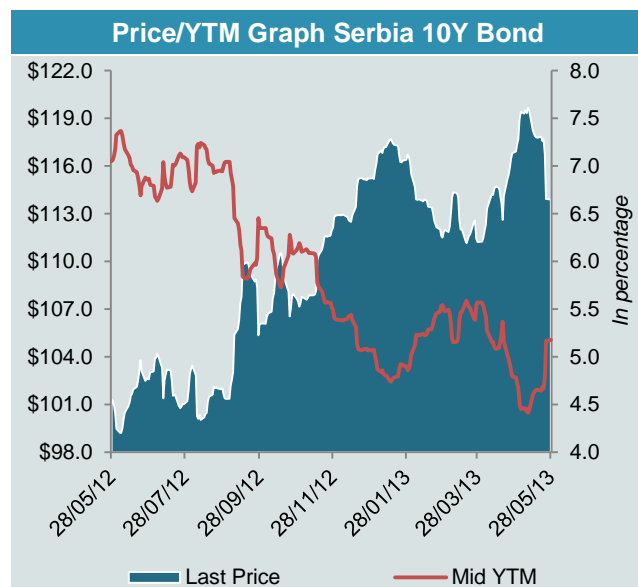
Government securities issued on the international bonds' market

- Diversification of investor portfolio
- Development of the Government debt operations on the CIS, Middle East and Far East financial markets as a strategic orientation

Issuer	Coupon %	Announcement Date	Tenor	Issued Amount
Republic of Serbia 2021	7.250%	21 September 2011	10Y	\$1,000,000,000
Republic of Serbia – Tap issuance 2021	*6.625%	27 September 2012	*9Y	\$1,000,000,000
Republic of Serbia 2017	5.250%	14 November 2012	5Y	\$750,000,000
Republic of Serbia 2020	4.875%	14 February 2013	7Y	\$1,500,000,000

*Re - offer yield on the Tap issuance

Source: Ministry of Finance and Economy



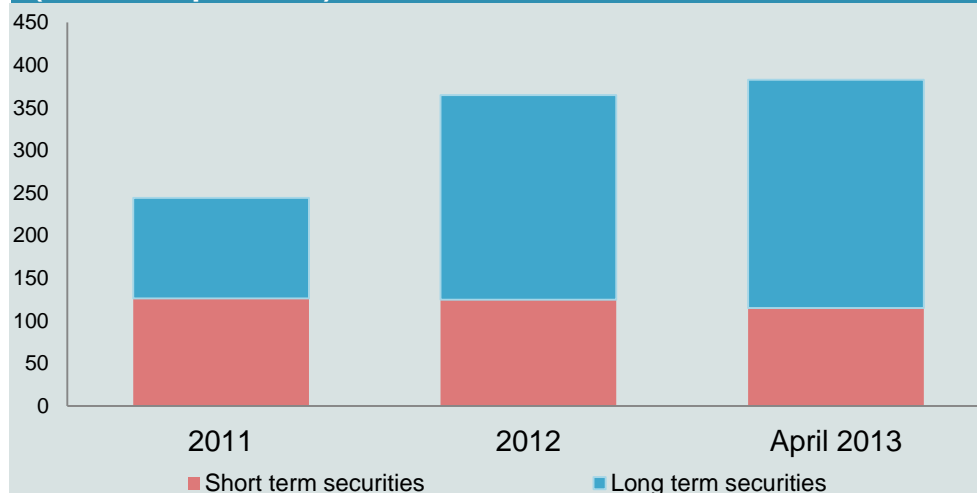
Source: Ministry of Finance and Economy

Government securities issued on domestic bond market

- Total debt stock as of April 30th 2013 equalled to €19.08bn, out of which €16.24bn were direct and €2.84bn contingent liabilities
- Total debt stock of Government Securities issued in domestic market is EUR 4.5bn at the end of April 2013.
- Non residents hold 48% of RSD Government Securities issued in domestic market, whereas only 8% of non residents are holding EUR Government Securities issued in domestic market

- Increasing percentage of the RSD-denominated debt in overall public debt currency composition
- Extension of the local yield curve:
 - Weighted average maturity of the domestic portfolio extended from 6 months in 2011 to 2.0 years as at 30 April 2013
 - Increased interest in the 3-year part of the local curve – RSD 105.4bn currently outstanding
 - 2- year RSD denominated bond issued with a premium in May 2013
 - Successful debut issuance of 7-year RSD bond in March 2013 and 5- year EUR denominated bond in April 2013

Maturity distribution of local currency government securities (as of 30 April 2013) in RSD bn



Description of the debt structure (as of 30 April 2013)

