



**REPUBLIC OF SERBIA**  
**MINISTRY OF FINANCE AND ECONOMY**

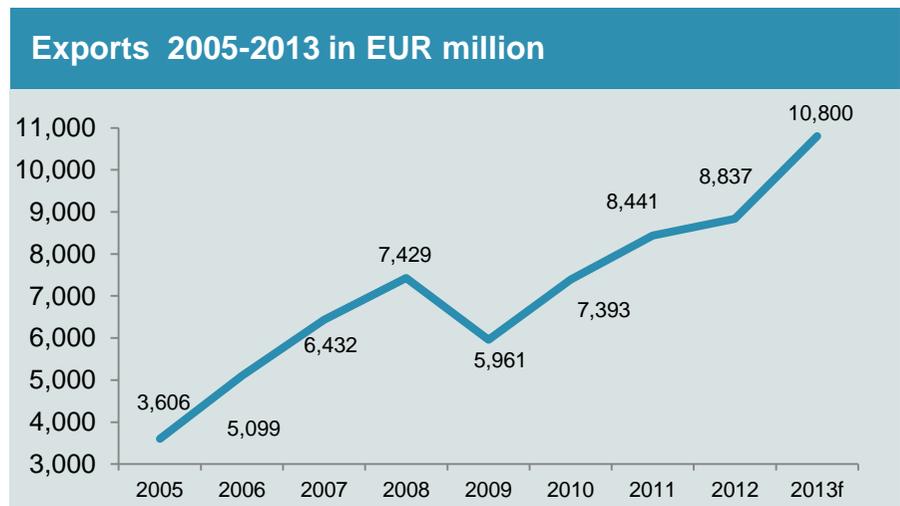
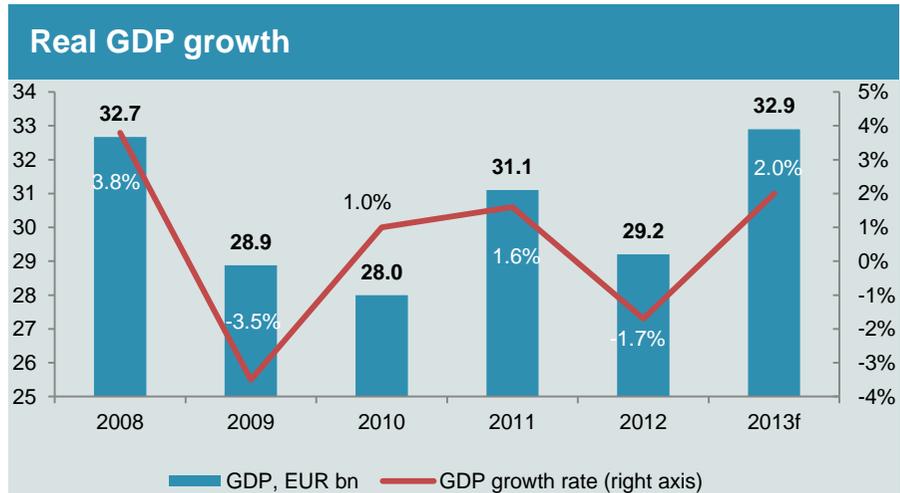
**CIS AND BALTIC REGION BOND  
CONGRESS**



**May 2013**

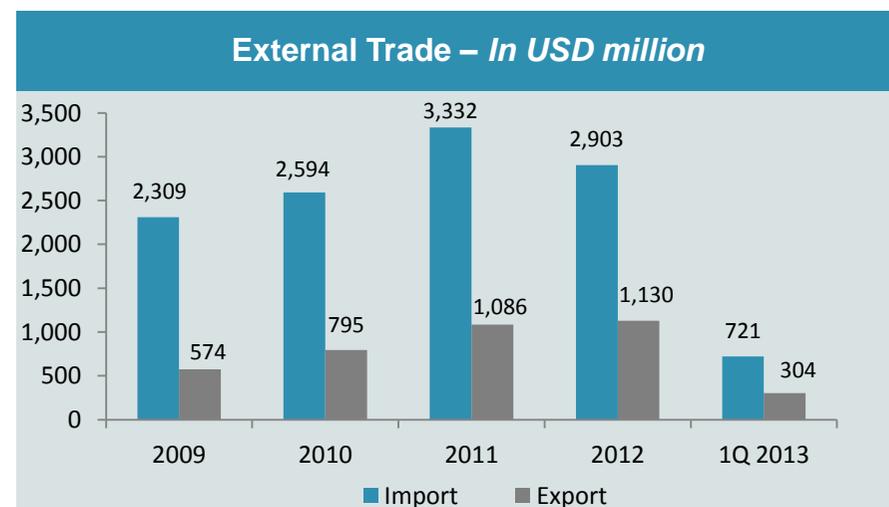
# Recent Economic Development

- 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



## 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
  
- 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

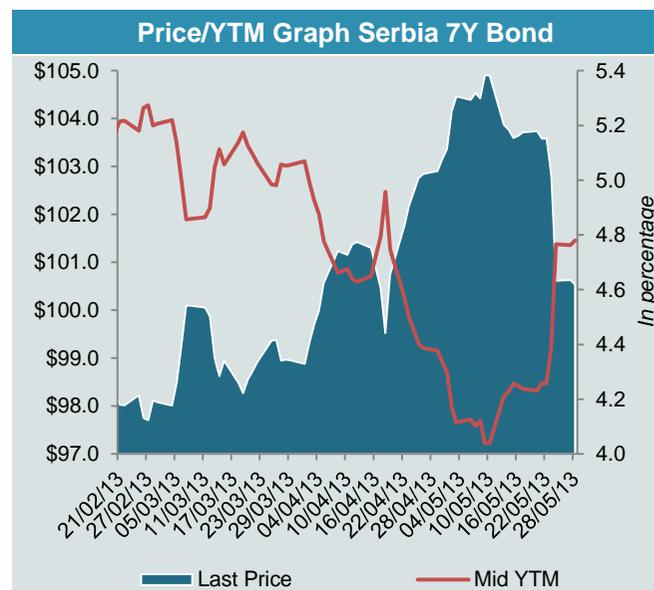
# Government securities issued on the international bonds' market

- 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



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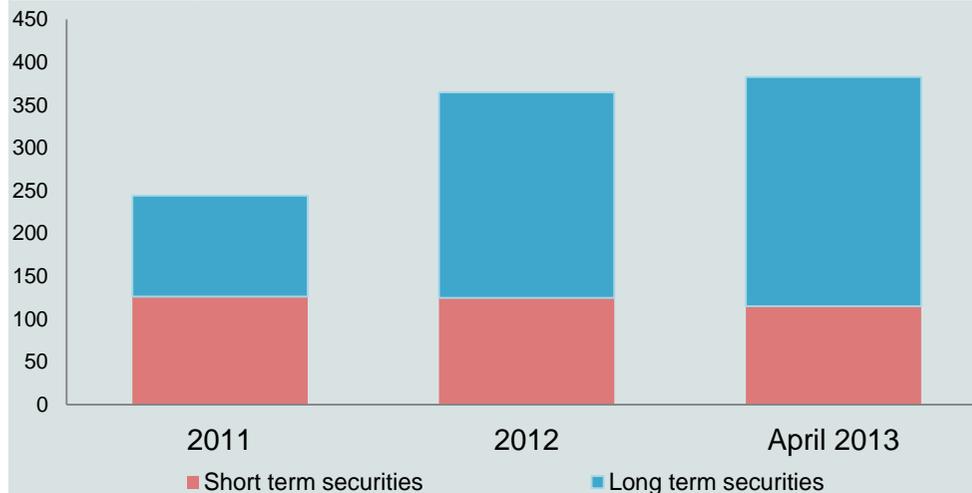


# Government securities issued on domestic bond market

- 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)**

