



NATIONAL BANK OF SERBIA

CASH DEPARTMENT

COUNTERFEIT CURRENCY REPORT

January-June 2018

July 2018

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1 Expert analysis of banknotes and coins

In the first half of this year, expert analysis of suspected counterfeit banknotes showed that a total of 2,045 notes were counterfeits, which is somewhat less than in the same period last year, when a total of 2,228 false banknotes were detected. The face value of the counterfeits detected fell by 33.6% (RSD 2,109,270.00 in the first half of 2018 vs. RSD 3,177,350.00 in the same period of 2017). Table 1 shows the denomination structure of detected dinar counterfeits.

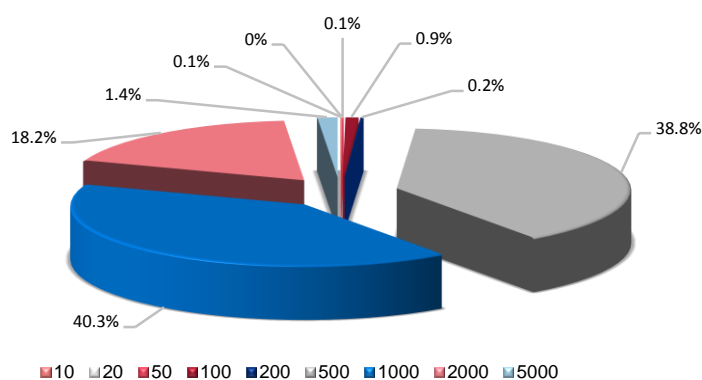
Table 1 Dinar banknote counterfeits, January–June 2018
(pieces)

Denomination	5000	2000	1000	500	200	100	50	10	Total
Pieces	28	373	824	793	4	18	3	2	2,045
Share in %	1.4	18.2	40.3	38.8	0.2	0.9	0.1	0.1	100

Source: National Bank of Serbia.

In terms of the denomination structure of detected dinar counterfeits, the 1000-, 500- and 2000-dinar banknotes accounted for the dominant share (Chart 1). Percentage-wise, these three denominations made up 97.3% of the overall number of dinar counterfeits.

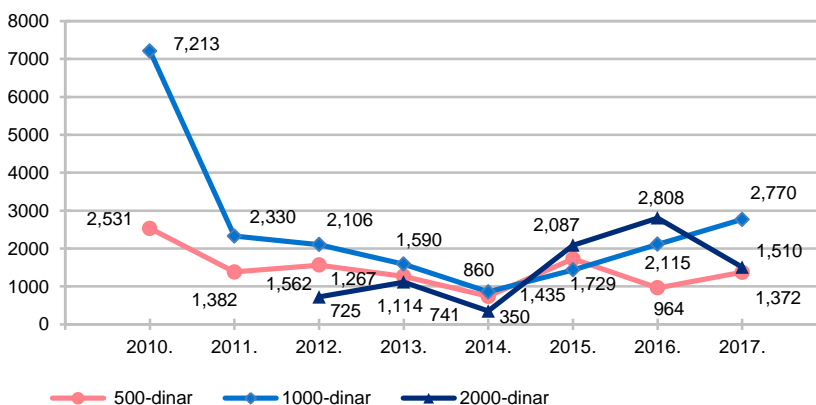
Chart 1 Denomination structure of dinar banknote counterfeits, January–June 2018
(pieces)



Source: National Bank of Serbia.

Chart 2 illustrates the trends observed over the last eight years in terms of the number of detected counterfeits of these three most frequent denominations.

Chart 2 The most frequent dinars counterfeits
(pieces)



Source: National Bank of Serbia.

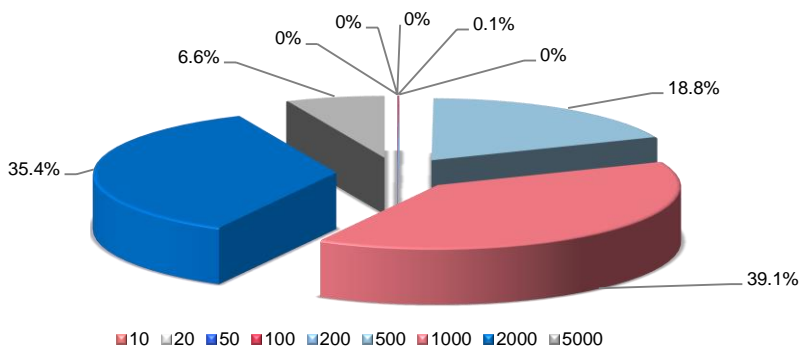
In value terms, the 1000-dinar banknote accounted for the largest share of the dinar counterfeits, followed by 2000-, 500- and 5000-dinar banknotes (Table 2 and Chart 3). In percentage terms, these four denominations accounted for 99.9% of all dinar counterfeits.

Table 2 Dinar banknote counterfeits, January–June 2018
(RSD thousand)

Denomination	5000	2000	1000	500	200	100	50	10	Total
Pieces	140	746	824	397	0.8	1.8	0.2	0	2,109.3
Share in %	6.6	35.4	39.1	18.8	0	0.1	0	0	100

Source: National Bank of Serbia.

Chart 3 Denomination structure of dinar banknote counterfeits, January–June 2018
(nominally)



Source: National Bank of Serbia.

Table 3 Circulating banknotes as at 31/6/2018

Denomination	Pieces	Amount
5000	3,446,013	17,230,065,000
2000	50,859,891	101,719,782,000
1000	53,292,091	53,292,091,000
500	22,613,742	11,306,871,000
200	22,250,314	4,450,062,800
100	27,588,372	2,758,837,200
50	30,070,587	1,503,529,350
20	48,636,930	972,738,600
10	75,063,047	750,630,470
Total:	333,820,987	193,984,607,420

Source: National Bank of Serbia.

A comparison of the number of detected dinar counterfeits with that of genuine dinar banknotes in circulation, which at 30 June 2018 numbered 333.8 million pieces or RSD 194 bn (Table 3), reveals that 6.13 in every 1 million circulating banknotes were found to be counterfeit, i.e. there was RSD 10,873 worth of counterfeits in every RSD 1 billion.

2 Expert analysis of foreign currency banknotes

From January to June 2018, expert analysis of suspected counterfeit foreign currency banknotes revealed 321 pieces of counterfeits, which is almost twice less than in the same period of 2017, when 606 such counterfeit notes were detected. Their currency and denomination structure is presented in Table 4.

Table 4 Foreign currency banknote counterfeits, January–June 2018
(pieces)

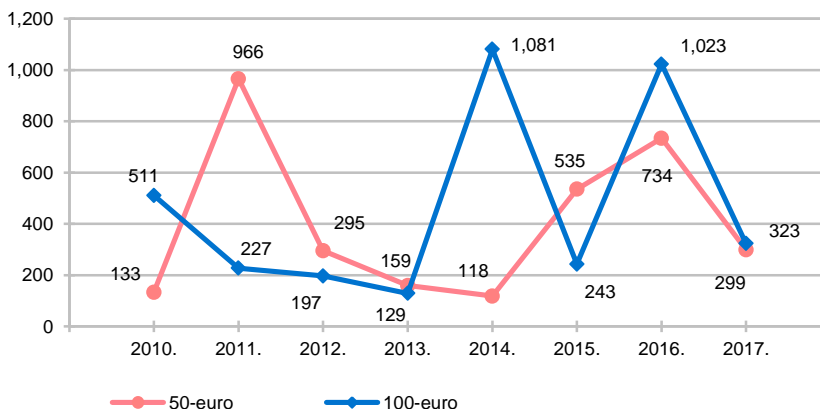
Currency	EUR						Total EUR	USD			Total USD	Other	Total
	500	200	100	50	20	10		100	10	5			
Pieces	17	17	207	32	14	2	289	19	1	1	21	11	321
Share in %	5.3	5.3	64.5	10	4.4	0.6	90	5.9	0.3	0.3	6.5	3.4	100

Source: National Bank of Serbia.

A total of 289 counterfeit euro banknotes were detected during the period observed, down by 37% relative to the same period last year, when 459 of such notes were detected.

The ratio between the number of the most frequently detected euro counterfeits – 100- and 50-euro banknotes over the last eight years is presented in Chart 4.

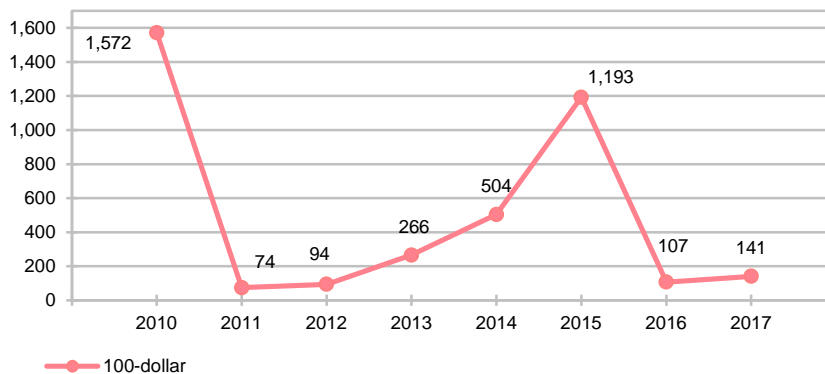
Chart 4 The most frequent euro counterfeits
(pieces)



Source: National Bank of Serbia.

In the first six months of this year, a total of 21 counterfeit US dollar banknotes were detected, which is less than in the same period last year, when 137 dollar banknotes were established to be counterfeit. From January to June this year, the predominant counterfeit banknotes were those of 100 dollars. Chart 5 shows movements in the number of detected 100-dollar counterfeits over the last eight years.

Chart 5 The most frequent US-dollar counterfeit
(pieces)

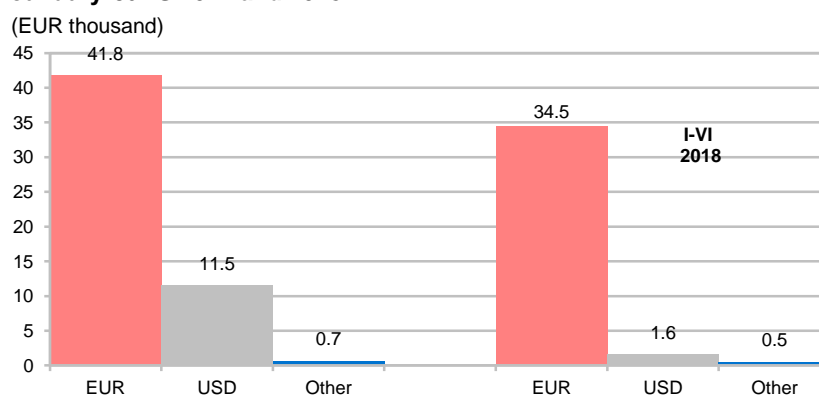


Source: National Bank of Serbia.

The item “Other” in Table 4 refers to fake banknotes in four different currencies – German mark (four pieces), pound sterling (three pieces), Australian dollar (three pieces), and convertible mark (one piece).

In nominal value terms, the share of individual currencies in total detected foreign currency counterfeits and their percentage vis-à-vis the figures from a year earlier are best illustrated if expressed in euros,¹ as shown in Chart 6.

Chart 6 Foreign currency banknote counterfeits, January–June 2017 and 2018

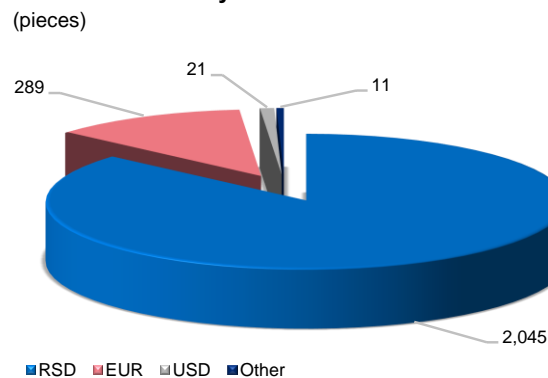


Source: National Bank of Serbia.

3 Ratio of counterfeit dinar to foreign currency banknotes

Chart 7 shows the ratio of the number of detected dinar to foreign currency counterfeit banknotes in the total detected counterfeits for the period January to June 2018.

Chart 7 Currency structure of banknote counterfeits detected in January–June 2018

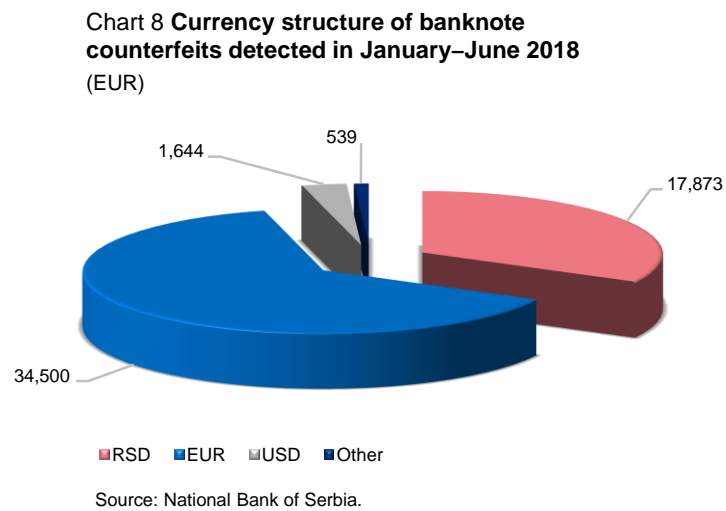


Source: National Bank of Serbia.

¹ The middle exchange rate as at 2 July 2018 was applied to convert the value of other currencies to the euro for 2017 and 2018.

As shown, the share of fake dinar banknotes (86.4%) exceeds the share of all foreign currency counterfeits.

However, in nominal value terms, the share of individual currencies in total counterfeit banknotes in the first half of 2018 is best illustrated if expressed in euros,² as shown in Chart 8.



The euro (63.2%), the dinar (32.8%) and the US dollar (3%) took up the dominant share in total discovered counterfeits.

² The middle exchange rate as at 2 July 2018 was applied to convert the value of other currencies to the euro.