



NATIONAL BANK OF SERBIA

COUNTERFEIT CURRENCY REPORT

January–September 2018

October 2018

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1 Expert analysis of banknotes and coins

In the first nine months of this year, expertise of suspected counterfeit banknotes showed that a total of 3,134 notes were counterfeits, which is 16.2% less than in the same period last year, when a total of 3,742 false banknotes were detected. In nominal terms, this is a 32.9% decrease (RSD 3,309,170.00 in the first nine months of 2018 relative to RSD 4,935,200.00 in the same period of 2017). Table 1 shows the denomination structure of detected dinar counterfeits.

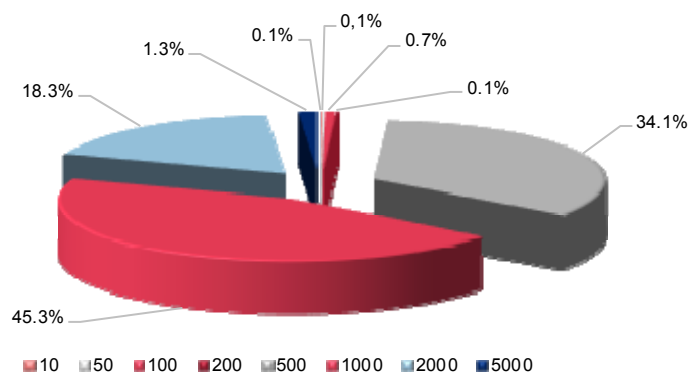
Table 1 Dinar banknote counterfeits, January–September 2018
(pieces)

Denomination	5000	2000	1000	500	200	100	50	10	Total
Pieces	41	574	1418	1070	4	22	3	2	3,134
Share in %	1.3	18.3	45.3	34.1	0.1	0.7	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 97.8% of the overall number of dinar counterfeits.

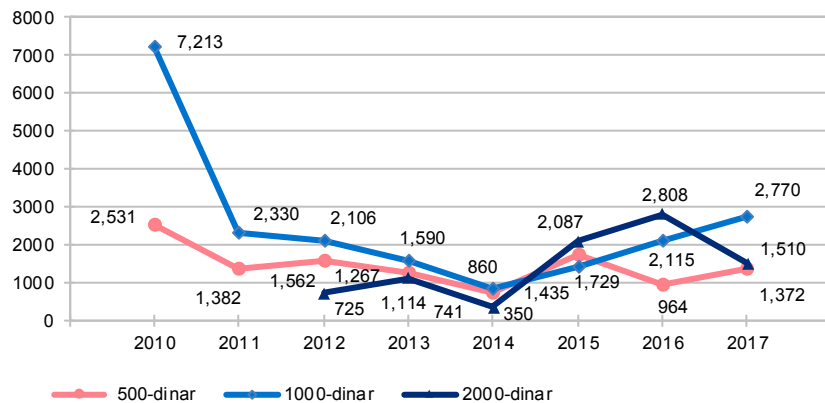
Chart 1 Denomination structure of dinar banknote counterfeits, January–September 2018
(pieces)



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 dinar counterfeits
(pieces)



Source: National Bank of Serbia.

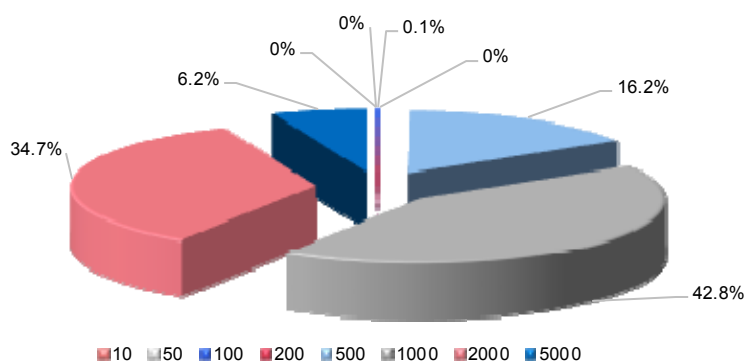
In value terms, the 1000-dinar banknote took up the largest share of the dinar counterfeit structure, followed by 2000-, 500- and 5000-dinar banknotes (Table 2 and Chart 3). In percentage terms, these four denominations accounted for 99.9% of all dinar counterfeits.

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

Denomination	5000	2000	1000	500	200	100	50	10	Total
Pieces	205	1,48	14,18	535	0.8	2.2	0.2	0	3,309.2
Share in %	6.2	34.7	42.8	16.2	0	0.1	0	0	100

Source: National Bank of Serbia.

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



Source: National Bank of Serbia.

A comparison of the number of detected dinar counterfeits with that of genuine dinar banknotes in circulation, which on 30 September 2018 numbered 355.5 million pieces or RSD 208.4 bn (Table 3), reveals that 8.8 in every 1 million circulating banknotes were found to be counterfeit, i.e. there was RSD 15,876.2 worth of counterfeits in every RSD 1 billion.

Table 3 **Circulating banknotes as at 30/9/2018**

Denomination	Pieces	Amount
5000	3,839,131	19,195,655,000
2000	54,863,524	109,727,048,000
1000	56,346,336	56,346,336,000
500	23,663,398	11,831,699,000
200	25,135,784	5,027,156,800
100	29,092,375	2,909,237,500
50	31,344,074	1,567,203,700
20	52,027,664	1,040,553,280
10	79,147,896	791,478,960
Total:	355,460,182	208,436,368,240

Source: National Bank of Serbia.

2 Expert analysis of foreign currency banknotes

From January to September 2018, expert analysis of suspected counterfeit foreign currency banknotes revealed 432 pieces of counterfeits, which is 41.6% less than in the same period of 2017, when 740 such counterfeit notes were detected. Their currency and denomination structure is presented in Table 4.

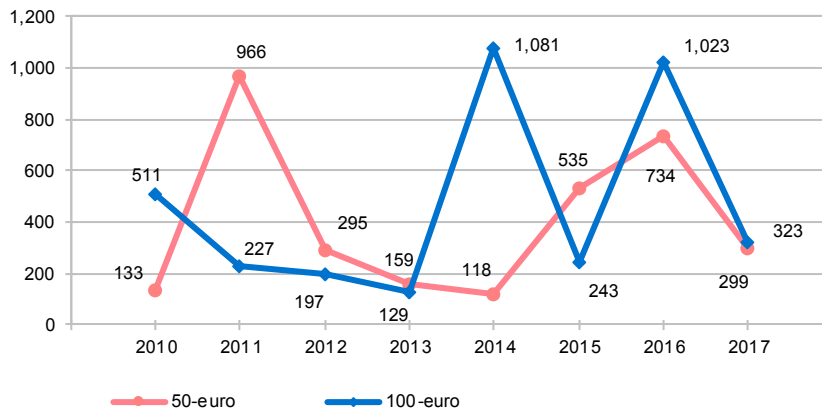
Table 4 **Foreign currency banknote counterfeits, January–September 2018**
(pieces)

Currency	EUR						Total EUR	USD				Total USD	Other	Total
	500	200	100	50	20	10		100	20	10	5			
Pieces	21	21	225	80	20	3	370	45	1	1	1	48	14	432
Share in %	4.9	4.9	52.1	19	4.6	0.7	86	10.4	0.2	0.2	0.2	11.1	3.2	100

Source: National Bank of Serbia.

A total of 370 counterfeit euro banknotes were detected during the period observed, down by 36.6% relative to the same period last year, when 584 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.

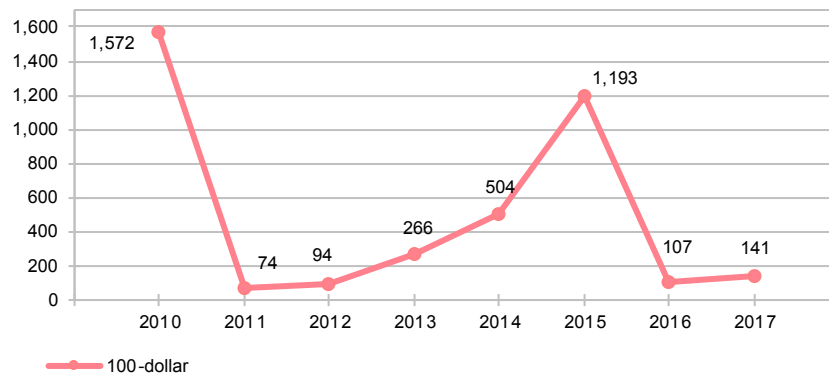
Chart 4 The most frequent euro counterfeits
(pieces)



Source: National Bank of Serbia.

In the first nine months of this year, a total of 48 counterfeit US dollar banknotes were detected, which is almost three times less than in the same period last year, when 141 dollar banknotes were established to be counterfeit. From January to September 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 counterfeits
(pieces)

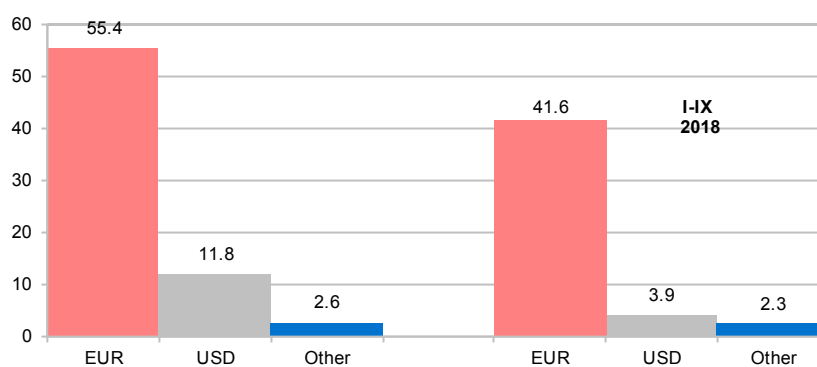


Source: National Bank of Serbia.

The item “Other” in Table 4 refers to fake banknotes in five different currencies – German mark (four pieces), pound sterling (four 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–September 2017 and 2018
(EUR thousand)

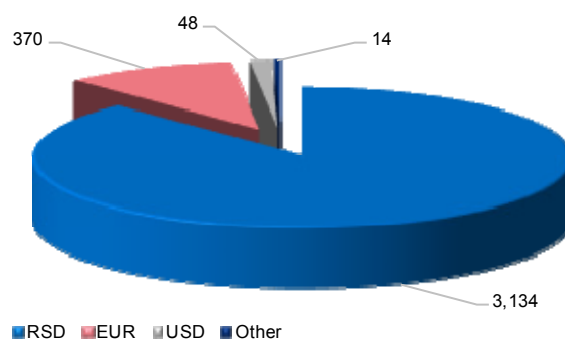


Source: National Bank of Serbia.

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 September 201

Chart 7 Currency structure of banknote counterfeits detected in January–September 2018
(pieces)



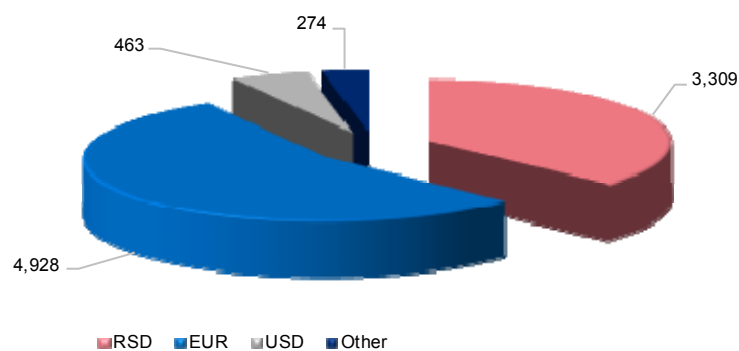
Source: National Bank of Serbia.

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

As shown, the share of counterfeit dinar banknotes (87.9%) exceeds the share of all detected foreign currency counterfeits.

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

Chart 8 Currency structure of banknote counterfeits detected in January–September 2018
(RSD thousand)



Source: National Bank of Serbia.

The euro (54.9%), followed by the dinar (36.9%) and the US dollar (5.2%) took up the dominant share in total discovered counterfeits.

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