



NATIONAL BANK OF SERBIA

FINANCIAL STABILITY DEPARTMENT

QUARTERLY REVIEW OF FINANCIAL STABILITY INDICATORS FOR THE REPUBLIC OF SERBIA

Fourth Quarter 2024

March 2025

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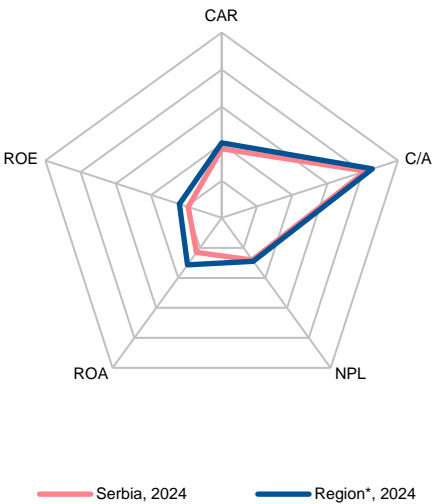
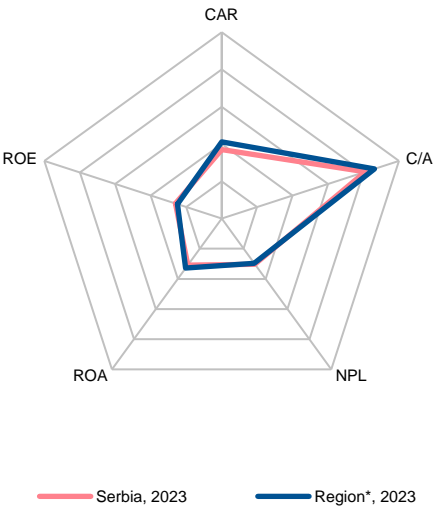
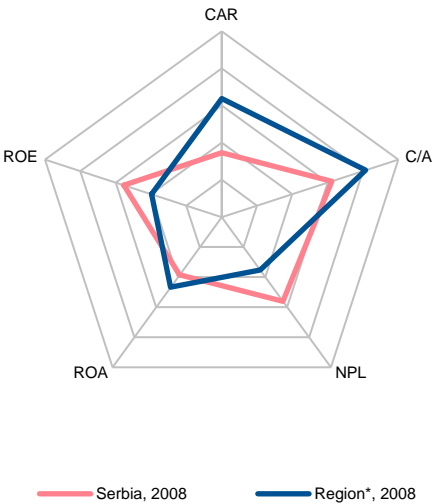
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1. Financial soundness indicators

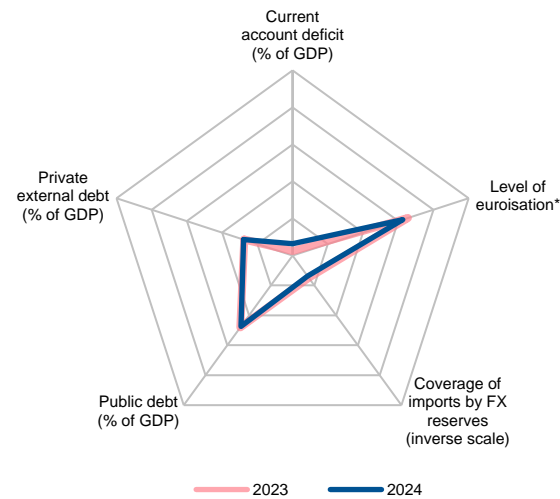
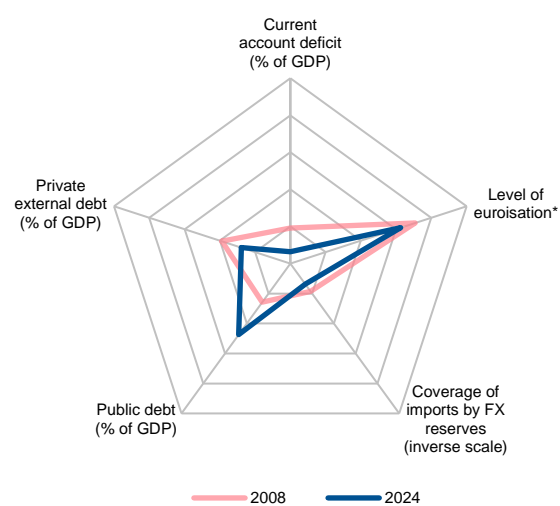
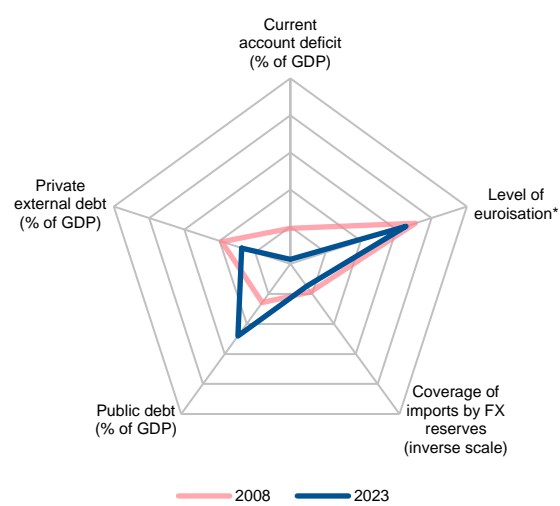
Chart 1.1.

Financial soundness of Serbian banking sector compared to regional average



*Note: The region encompasses the following countries: Serbia, Bosnia and Herzegovina, Bulgaria, Hungary, North Macedonia, Poland, Turkey, and Croatia. Indicators that refer to the region were obtained as non-weighted averages of corresponding indicators of the countries listed above.
Note: Lower values indicate less risk.
Source: IMF and National Bank of Serbia.

Chart 1.2.
Overview of key macroeconomic risks in the Republic of Serbia



* Share of FX and FX-indexed loans in total loans to corporates and households.

Note: Lower values indicate less risk.
 Source: National Bank of Serbia.

Table 1.1. Serbia: Key Macroprudential Indicators (in % unless otherwise indicated)																				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	I 2024	II 2024	III 2024	IV 2024
Capital Adequacy																				
Regulatory capital to risk-weighted assets	21.9	21.4	19.9	19.1	19.9	20.9	20.0	20.9	21.8	22.6	22.3	23.4	22.4	20.8	20.2	21.4	21.2	21.8	21.9	21.3
Regulatory Tier 1 capital to risk-weighted assets	17.9	16.5	15.9	18.1	19.0	19.3	17.6	18.8	20.0	21.6	21.1	22.4	21.6	19.7	18.8	19.7	19.5	20.2	20.1	19.6
Nonperforming loans net of provisions to regulatory capital	15.5	26.9	35.5	52.1	52.3	55.9	56.0	44.0	27.1	17.7	9.7	6.3	6.7	7.6	6.5	6.0	6.3	5.4	5.0	4.6
Regulatory Tier 1 capital to assets	16.8	13.1	12.8	11.5	11.6	11.2	10.1	10.7	11.6	13.7	13.5	14.4	13.1	11.8	11.0	10.9	10.8	11.2	11.2	10.7
Large exposures to capital	-	-	-	110.1	104.5	90.4	130.5	115.7	86.0	69.3	77.4	66.5	73.8	86.0	86.7	85.8	95.9	87.7	89.0	95.7
Regulatory capital to assets	20.5	17.1	16.1	12.2	12.2	12.2	11.4	11.9	12.7	14.4	14.2	15.1	13.6	12.4	11.7	11.9	11.7	12.2	12.1	11.6
Asset quality																				
Nonperforming loans to total gross loans	11.3	15.7	16.9	19.0	18.6	21.4	21.5	21.6	17.0	9.8	5.7	4.1	3.7	3.6	3.0	3.2	3.2	2.9	2.7	2.5
Sectoral distribution of loans to total loans - Deposit takers	1.1	0.6	0.1	0.1	0.3	0.3	0.8	0.1	0.5	0.3	0.4	0.4	0.3	0.0	0.7	0.2	0.1	0.3	0.1	0.3
Sectoral distribution of loans to total loans - Central bank	6.6	10.9	2.8	6.5	2.1	5.8	0.4	1.6	1.7	2.1	0.7	2.8	1.1	1.5	3.3	11.0	11.8	10.0	11.2	9.6
Sectoral distribution of loans to total loans - General government	0.9	1.7	3.5	3.4	3.0	2.3	2.3	1.7	1.5	1.3	1.1	1.5	1.6	1.7	2.2	2.7	2.7	2.7	3.1	4.1
Sectoral distribution of loans to total loans - Other financial corporations	0.7	0.5	1.2	1.6	1.6	1.6	0.5	0.7	0.9	0.9	0.8	0.8	0.8	0.6	1.1	1.0	1.0	1.1	1.1	1.5
Sectoral distribution of loans to total loans - Nonfinancial corporations	52.4	53.3	57.0	54.9	58.2	54.1	56.3	55.9	52.6	50.5	50.0	49.2	49.6	49.3	47.6	43.4	42.2	42.3	41.3	41.6
Sectoral distribution of loans to total loans - Agriculture	3.3	3.1	3.0	2.8	3.0	2.7	3.5	3.7	3.6	3.5	3.5	3.5	3.3	3.0	2.8	2.4	2.2	2.1	2.1	2.1
Sectoral distribution of loans to total loans - Industry	18.4	17.9	19.3	17.2	17.9	18.4	19.2	18.4	16.5	16.2	16.5	15.0	15.0	15.5	18.4	16.4	16.3	16.4	15.9	15.7
Sectoral distribution of loans to total loans - Construction	5.7	5.3	6.9	6.2	5.8	4.6	4.2	3.8	4.1	4.0	4.2	4.8	5.1	4.9	4.1	4.0	3.8	4.0	3.9	4.1
Sectoral distribution of loans to total loans - Trade	16.9	17.3	16.6	14.7	15.0	13.5	13.9	13.9	14.3	14.6	14.0	13.7	13.3	12.5	10.7	9.4	9.4	9.3	9.0	9.0
Sectoral distribution of loans to total loans - Loans to other nonfinancial corporations	8.1	9.8	11.3	13.9	16.5	14.9	15.6	16.2	14.1	12.2	11.8	12.3	13.0	13.4	11.7	11.2	10.4	10.4	10.5	10.6
Sectoral distribution of loans to total loans - Households and NPISH	35.3	32.2	33.3	31.9	33.0	34.8	38.3	39.1	41.5	42.9	44.3	43.8	45.0	45.0	43.2	39.4	39.6	39.3	38.9	39.9
Sectoral distribution of loans to total loans - Households and NPISH of which: mortgage loans to total loans	13.9	13.7	15.4	15.0	16.1	16.8	18.0	18.1	17.9	16.9	16.8	15.8	16.4	17.4	17.4	15.5	15.4	15.2	14.9	15.3
Sectoral distribution of loans to total loans - Foreign sector	2.8	0.8	2.0	1.6	1.9	1.1	1.4	0.9	1.4	2.0	2.6	1.5	1.6	1.9	2.0	2.3	2.6	4.3	4.3	3.1
IFRS provision for NPLs to gross NPLs	56.9	50.9	47.2	51.0	50.0	50.9	54.9	62.3	67.8	58.1	60.2	61.5	59.0	56.3	58.1	60.5	59.1	60.7	61.8	62.3
IFRS provision of total loans to gross NPLs	73.2	61.4	53.9	57.0	54.9	55.8	59.0	66.8	72.9	66.8	78.7	84.2	93.4	88.5	102.5	101.0	98.7	101.9	104.7	113.4
IFRS provision of total loans to total gross loans	8.2	9.6	9.1	10.8	10.2	11.9	12.7	14.4	12.4	6.6	4.5	3.4	3.5	3.2	3.1	3.2	3.2	3.0	2.9	2.9
Earnings and profitability																				
Return on assets	2.1	1.0	1.1	0.0	0.4	-0.1	0.1	0.3	0.7	2.1	2.2	1.8	1.1	1.2	1.9	2.5	3.1	3.2	3.1	2.8
Return on equity	9.0	4.6	5.3	0.2	2.0	-0.4	0.6	1.5	3.3	10.5	11.3	9.8	6.5	7.8	13.9	18.1	22.2	22.7	22.4	20.3
Interest margin to gross income	60.5	62.6	64.2	67.3	64.4	67.5	66.6	65.7	64.6	58.4	60.0	58.8	60.6	58.2	50.9	63.7	66.1	64.1	63.8	62.9
Noninterest expenses to gross income	62.3	65.6	65.7	67.5	65.9	68.3	66.9	64.9	67.7	63.2	62.1	63.4	66.3	71.0	58.7	53.7	49.6	50.2	51.0	52.0
Personnel expenses to noninterest expenses	36.8	37.3	37.4	35.9	35.7	35.1	33.6	33.0	33.4	32.9	34.0	32.5	33.8	30.2	28.5	29.2	30.9	29.8	29.5	30.3
Liquidity																				
Core liquid assets to total assets	47.8	48.2	41.8	40.3	35.2	36.1	35.7	32.5	30.5	27.5	28.0	25.7	26.7	27.9	28.7	33.2	33.2	31.7	31.2	33.7
Core liquid assets to short-term liabilities	75.7	73.8	67.1	67.3	58.9	58.3	56.3	49.3	44.3	39.9	39.6	36.1	36.4	36.8	37.2	43.8	43.6	41.3	40.9	43.5
Liquid assets to total assets	47.8	49.0	43.7	42.3	38.9	41.0	42.2	40.5	38.9	35.1	35.7	36.0	37.3	37.7	37.5	41.0	41.7	40.1	39.5	40.8
Liquid assets to short-term liabilities	75.7	75.1	70.1	70.6	65.0	66.4	66.7	61.3	56.6	50.9	50.5	50.5	50.9	49.6	48.7	54.0	54.7	52.3	51.9	52.6
Customer deposits to total (noninterbank) loans	82.7	88.3	80.1	83.1	84.9	92.3	95.7	99.7	108.1	106.9	110.6	109.2	116.4	119.5	120.5	132.1	134.2	133.1	131.6	136.3
Foreign-currency-denominated loans to total loans	73.9	75.8	76.8	69.8	74.1	71.6	70.1	72.3	69.4	67.5	68.5	67.1	64.7	63.2	65.5	59.7	58.5	59.5	57.8	57.2
Average monthly liquidity ratio	1.8	1.9	2.0	2.2	2.1	2.4	2.2	2.1	2.1	2.0	2.0	2.2	2.2	2.1	2.2	2.5	2.7	2.6	2.4	2.5
Average monthly narrow liquidity ratio	1.2	1.2	1.3	1.5	1.6	1.8	1.7	1.7	1.7	1.7	1.7	1.8	1.9	1.7	1.7	1.8	1.8	1.8	1.8	1.8
Sensitivity to market risk																				
Net open position in foreign exchange to regulatory capital	4.2	1.1	1.6	4.2	4.6	3.3	2.6	2.8	2.3	2.4	4.3	0.6	0.2	0.4	1.5	0.8	1.0	0.2	1.7	1.5
Foreign-currency-denominated liabilities to total liabilities	74.3	77.7	81.8	79.0	80.1	76.7	74.7	72.7	71.1	69.7	69.3	66.6	62.3	61.4	62.1	57.9	58.5	57.5	57.5	55.9
Classified off-balance sheet items to classified balance sheet assets	56.2	43.3	33.9	32.0	26.1	28.7	27.6	30.6	32.4	36.4	36.8	39.7	36.3	39.1	39.6	45.2	45.8	45.8	48.2	48.6
Market-based Indicators																				
Credit rating																				
S&P	BB-	BB-	BB-	BB	BB-	BB-	BB-	BB-	BB-	BB	BB	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BBB-
Fitch	BB-	BB-	BB-	BB-	BB-	BB-	B+	B+	BB-	BB	BB	BB	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BBB+
Moody's	-	-	-	-	-	B1	B1	B1	B1	Ba3	Ba3	Ba3	Ba3	Ba2	Ba2	Ba2	Ba2	Ba2	Ba2	Ba2
Country's risk premium - EMBI (aop, in bp)	501.5	625.7	419.0	457.0	522.5	403.5	291.6	279.6	270.0	153.7	123.4	87.4	n/a*	134.4	267.3	233.7	182.8	158.5	179.3	144.5
International Reserves Adequacy Indicators																				
International reserves to months of imports (in mos)																				
Gross international reserves	5.4	9.7	8.4	8.8	7.7	7.6	6.6	6.7	6.2	5.4	5.4	5.7	6.1	5.9	5.2	6.7	6.7	7.2	7.2	7.3
Net international reserves	3.9	5.9	4.3	4.9	4.7	5.3	5.1	5.4	5.1	4.4	4.2	4.9	5.1	4.9	4.1	5.6	5.6	6.1	6.1	6.1
International reserves to short-term liabilities at remaining maturity																				
Gross international reserves	162.6	220.6	191.2	299.9	237.3	268.6	294.0	256.4	234.0	202.1	210.9	275.6	228.1	249.6	244.7	401.1	417.6	437.0	465.4	n/a
Net international reserves	117.1	135.0	97.0	165.7	143.8	188.2	227.2	208.0	191.8	167.8	165.8	235.7	188.1	207.9	194.4	334.7	346.3	369.7	395.6	n/a

Source: National Bank of Serbia.

The last day of publication was August 28, 2020, because at that moment there were less than 13 months left to the dollar Eurobond maturity, when according to J.P. Morgan's criteria, the bond is excluded from the index calculation. US-dollar EMBI for Serbia was republished on 31 December 2020, when J.P. Morgan introduced a ten-year Eurobond in dollars, issued in November 2020.

Data download and use are allowed. NBS does not guarantee for the accuracy and completeness of the information.

Source: National Bank of Serbia.
 *The last day of publication was August 28, 2020, because at that moment there were less than 13 months left to the dollar Eurobond maturity, when according to J.P. Morgan's criteria, the bond is excluded from the index calculation. US-dollar EMBI for Serbia was republished on 31 December 2020, when J.P. Morgan introduced a ten-year Eurobond in dollars, issued in November 2020.
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Table 1.2. Serbia: Financial sector structure

	2015			2016			2017			2018			2019			2020			2021			2022			2023			I 2024			II 2024			III 2024			IV 2024		
	No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets		No.	Assets	
		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%		RSD billion	%
Financial sector (in % of GDP)	77	3,329	100	76	3,556	100	73	3,714	100	72	4,179	100	70	4,532	100	69	5,078	100	66	5,555	100	63	5,985	100	62	6,534	100	62	6,617	100	62	6,839	100	62	6,979	100	62	7,317	100
		74.1%			75.7%			75.0%			79.0%			79.9%			88.1%			84.5%			80.2%			74.1%			73.4%			74.1%			74.0%			75.9%	
Banking system	30	3,048	91.6	30	3,242	91.2	29	3,369	90.7	27	3,774	90.3	26	4,084	90.1	26	4,601	90.6	23	5,048	90.9	21	5,455	91.1	20	5,941	90.9	20	6,003	90.7	20	6,195	90.6	20	6,308	90.4	20	6,635	90.7
State-owned banks	6	550	16.5	6	561	15.8	6	544	14.6	5	660	15.8	4	686	15.1	3	325	6.4	2	368	6.6	2	427	7.1	2	509	7.8	2	563	8.5	2	555	8.1	2	572	8.2	2	594	8.1
Local private banks	1	179	5.4	2	195	5.5	2	236	6.4	2	266	6.4	3	305	6.7	3	319	6.3	2	290	5.2	2	468	7.8	3	860	13.2	3	817	12.3	3	823	12.0	3	848	12.1	3	900	12.3
Foreign-owned banks	23	2,319	69.7	22	2,486	69.9	21	2,590	69.7	20	2,848	68.1	19	3,093	68.3	20	3,958	77.9	19	4,390	79.0	17	4,561	76.2	15	4,572	70.0	15	4,623	69.9	15	4,817	70.4	15	4,888	70.0	15	5,141	70.3
Italian	2	796	23.9	2	884	24.8	2	928	25.0	2	1,008	24.1	2	1,094	24.1	2	1,204	23.7	2	1,284	23.1	2	1,408	23.5	2	1,564	23.9	2	1,559	23.6	2	1,679	24.6	2	1,688	24.2	2	1,772	24.2
Austrian	3	453	13.6	3	494	13.9	2	427	11.5	2	495	11.8	2	550	12.1	2	665	13.1	2	752	13.5	3	1,051	17.6	3	1,153	17.6	3	1,169	17.7	3	1,197	17.5	3	1,221	17.5	3	1,264	17.3
Hungarian	1	45	1.4	1	48	1.3	2	196	5.3	2	221	5.3	2	551	12.1	2	615	12.1	1	666	12.0	1	744	12.4	1	829	12.7	1	839	12.7	1	865	12.7	1	892	12.8	1	943	12.9
Slovenian	2	38	1.1	1	34	1.0	1	44	1.2	1	57	1.4	1	72	1.6	2	540	10.6	2	574	10.3	1	548	9.2	1	589	9.0	1	596	9.0	1	611	8.9	1	623	8.9	1	649	8.9
Other	15	987	29.7	15	1,026	28.8	14	995	26.8	13	1,065	25.5	12	826	18.2	12	934	18.4	12	1,115	20.1	10	810	13.5	8	436	6.7	8	461	7.0	8	465	6.8	8	465	6.7	8	513	7.0
Nonbank financial institutions	47	281	8.4	46	315	8.8	44	344	9.3	45	406	9.7	44	448	9.9	43	477	9.4	43	507	9.1	42	530	8.9	42	593	9.1	42	614	9.3	42	644	9.4	42	671	9.6	42	682	9.3
Insurance companies	24	192	5.8	23	216	6.1	21	233	6.3	21	279	6.7	20	300	6.6	20	314	6.2	20	334	6.0	20	337	5.6	20	376	5.7	20	390	5.9	20	405	5.9	20	417	6.0	20	417	5.7
Pension funds	7	29	0.9	7	33	0.9	7	36	1.0	7	40	1.0	7	45	1.0	7	47	0.9	7	49	0.9	7	48	0.8	7	54	0.8	7	56	0.8	7	57	0.8	7	60	0.9	7	62	0.8
Leasing companies	16	60	1.8	16	66	1.9	16	75	2.0	17	87	2.1	17	103	2.3	16	115	2.3	16	124	2.2	15	145	2.4	15	164	2.5	15	169	2.6	15	182	2.7	15	194	2.8	15	203	2.8

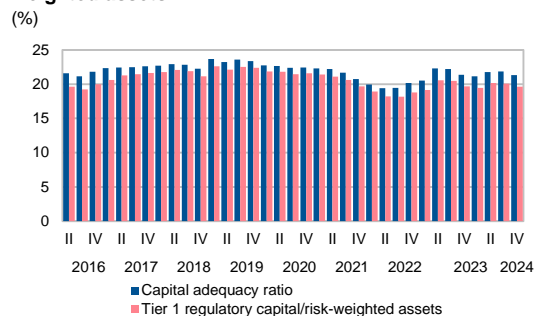
Source: National Bank of Serbia.

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2. Banking sector

2.1. Capital adequacy

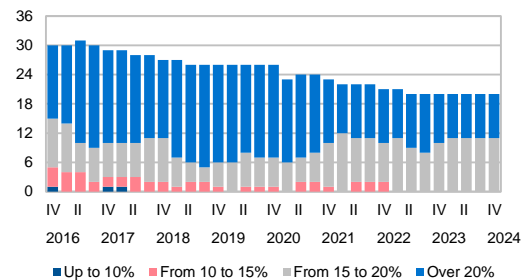
Chart 2.1.
Capital adequacy ratio and Tier 1 capital to risk-weighted assets



Source: National Bank of Serbia.

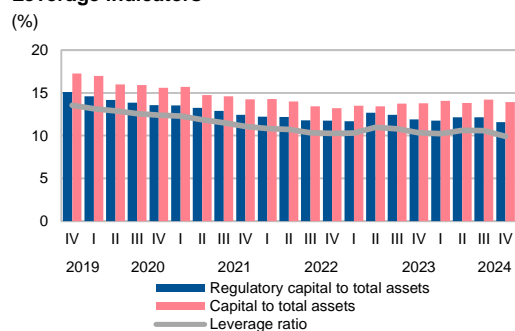
Chart 2.2.

Distribution of Tier 1 to risk-weighted assets
(number of banks in each category)



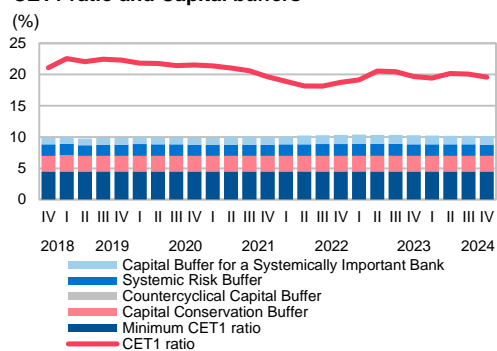
Source: National Bank of Serbia.

Chart 2.3.
Leverage indicators



Source: National Bank of Serbia.

Chart 2.4.
CET1 ratio and Capital buffers



Source: National Bank of Serbia.

2. Banking sector

2.2. Asset and funding quality

Chart 2.5.
FX-claims to total banking sector claims on corporate sector and households

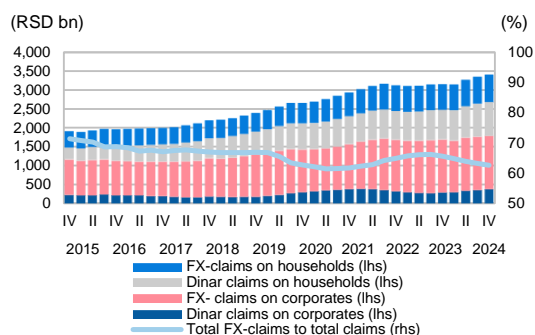


Chart 2.6.

FX-deposits to total deposits

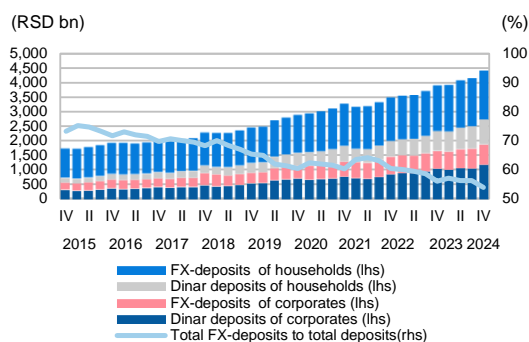


Chart 2.7.

New FX-loans to total new loans

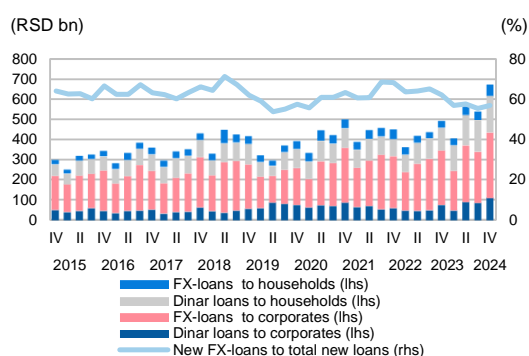


Chart 2.8.

New FX-deposits to total new deposits

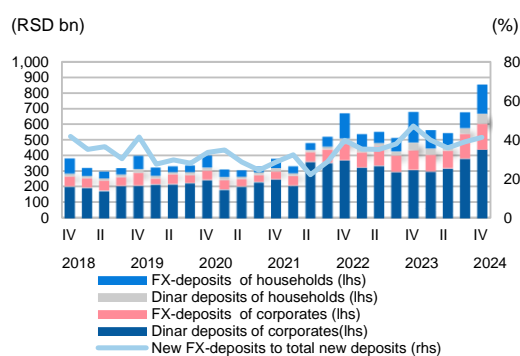


Chart 2.9.
Bank claims on corporate sector by sectoral structure
(December 2024, %)

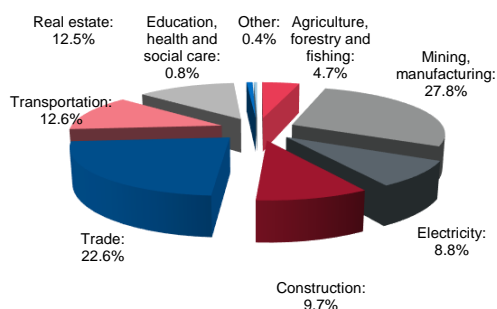


Chart 2.10.

Non-performing loans
(share in total gross loans, %)

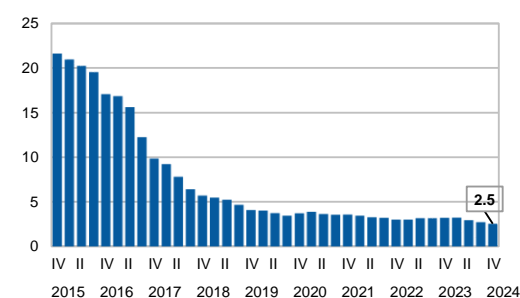


Chart 2.11.

Non-performing loans to capital
(%)

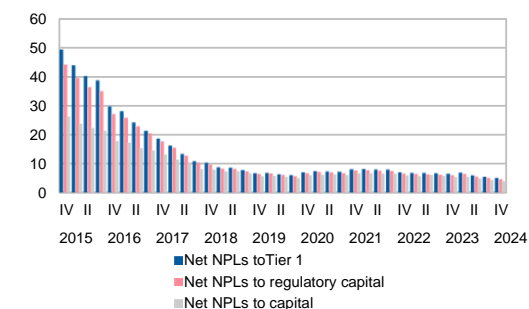


Chart 2.12.

Non-performing loans coverage
(%)

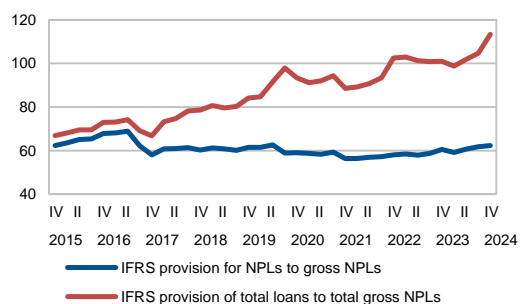
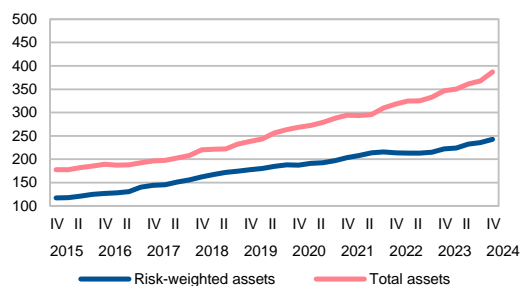


Chart 2.13.

Movement of risk-weighted assets and total assets

(index, December 2008 = 100)



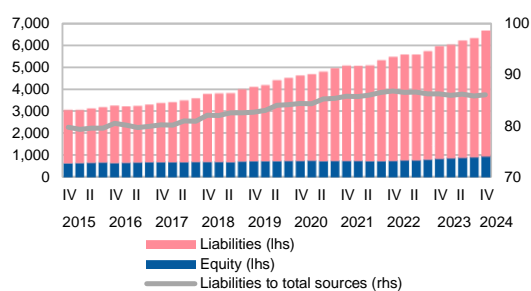
Source: National Bank of Serbia.

Chart 2.14.

Funding sources

(RSD bn)

(%)

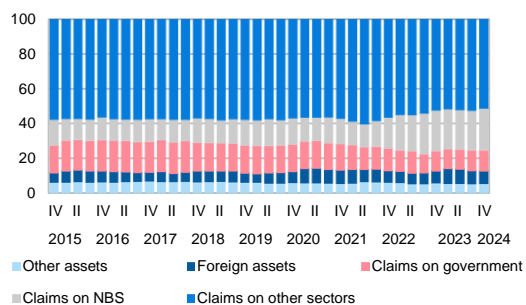


Source: National Bank of Serbia.

Chart 2.15.

Assets structure

(%)

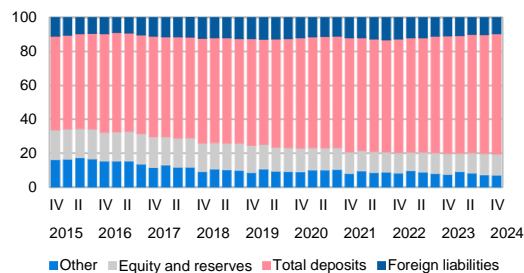


Source: National Bank of Serbia.

Chart 2.16.

Liabilities structure

(%)



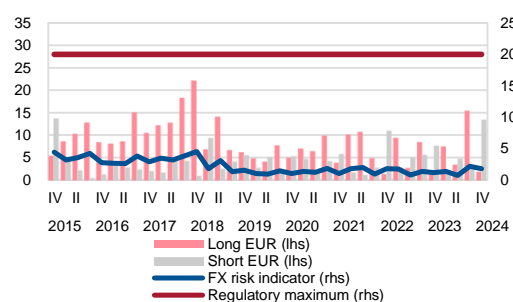
Source: National Bank of Serbia.

Chart 2.17.

Quarterly breakdown of the sector's long and short FX position (in EUR) and foreign exchange risk ratio

(RSD bn)

(%)



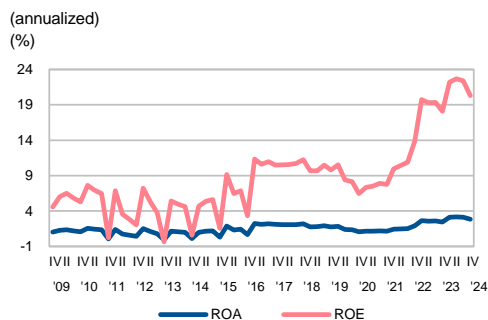
Source: National Bank of Serbia.

2. Banking sector

2.3. Profitability

Chart 2.18.

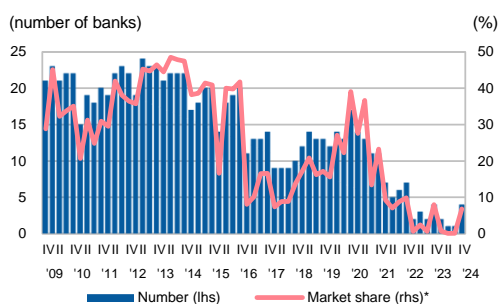
Profitability indicators



Source: National Bank of Serbia.

Chart 2.19.

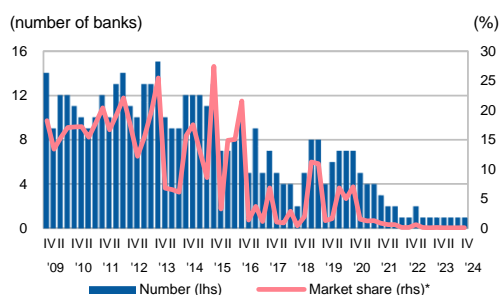
Banks with ROE below 5%



* Measured by the share in total net assets of the banking sector.
Source: National Bank of Serbia.

Chart 2.20.

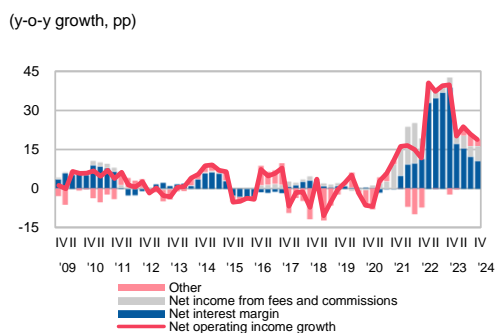
Banks that have encountered losses



* Measured by the share in total net assets of the banking sector.
Source: National Bank of Serbia.

Chart 2.21.

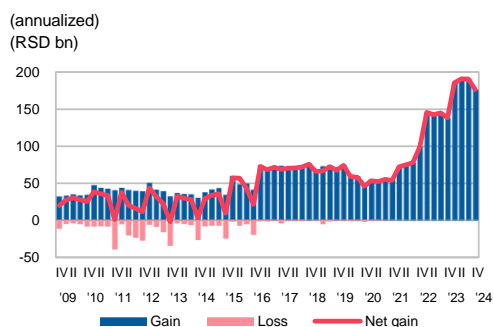
Contributions to net operating income growth



Source: National Bank of Serbia.

Chart 2.22.

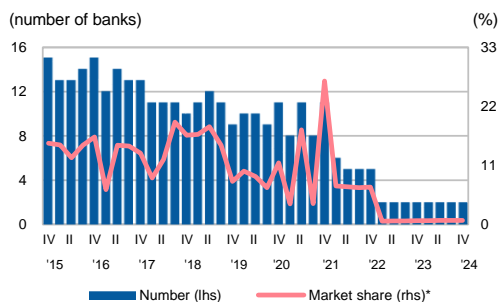
Gain/loss before taxes



Source: National Bank of Serbia.

Chart 2.23.

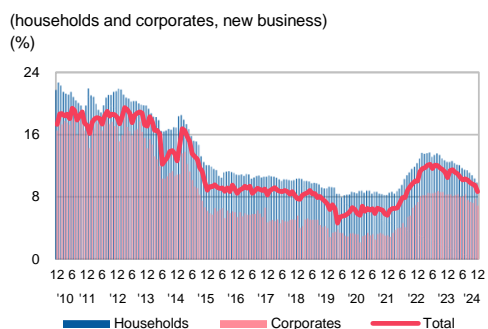
Banks with ratio of operating expenses to total operating income above 80%



* Measured by the share in total net assets of the banking sector.
Source: National Bank of Serbia.

Chart 2.24.

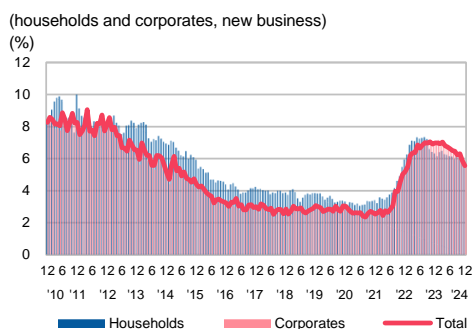
Interest rates on RSD loans



Source: National Bank of Serbia.

Chart 2.25.

Interest rates on EUR loans*

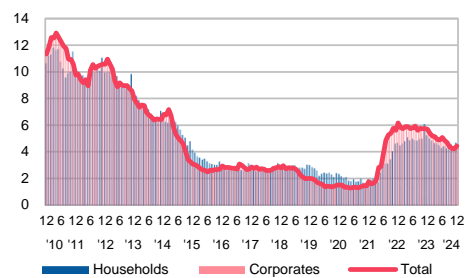


* EUR-denominated and EUR-indexed loans.
Source: National Bank of Serbia.

Chart 2.26.

Interest rates on RSD saving deposits

(households and corporates, new business)
(%)

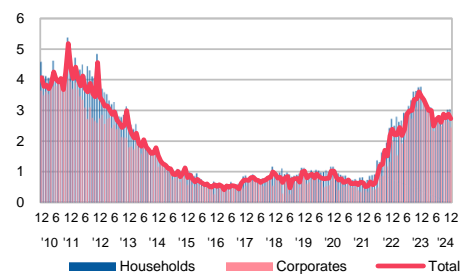


Source: National Bank of Serbia.

Chart 2.27.

Interest rates on EUR saving deposits*

(households and corporates, new business)
(%)



* EUR-denominated and EUR-indexed deposits.

Source: National Bank of Serbia.

2. Banking sector

2.4. Liquidity

Chart 2.28.

LTD ratio

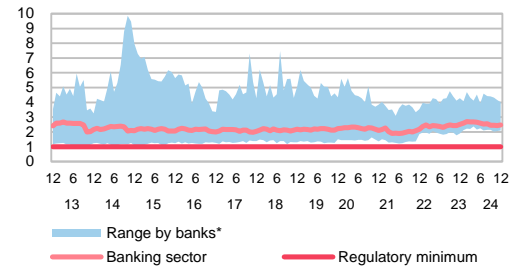
(loans to deposits)



Source: National Bank of Serbia.

Chart 2.29.

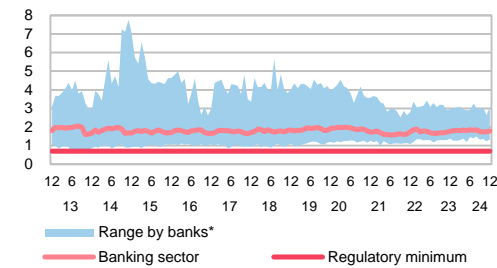
Average monthly liquidity ratio



* Excluding 10% largest observations.
Source: National Bank of Serbia.

Chart 2.30.

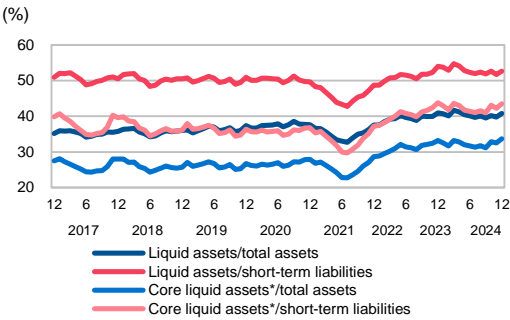
Average monthly narrow liquidity ratio



* Excluding 10% largest observations.
Source: National Bank of Serbia.

Chart 2.31.

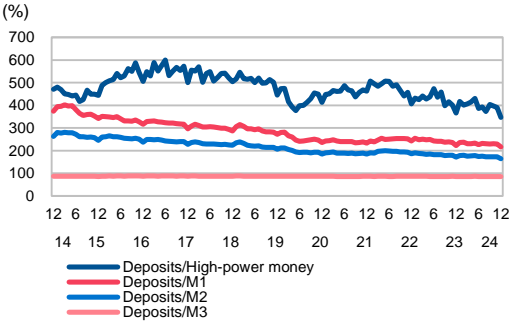
Liquid assets



*narrow liquidity indicator.
Source: National Bank of Serbia.

Chart 2.32.

Household and corporate deposits to monetary aggregates



Source: National Bank of Serbia.

Chart 2.33.

Liquidity coverage ratio



Source: National Bank of Serbia.

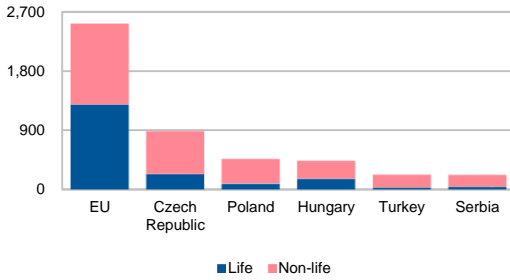
3. Non-banking financial sector

3.1. Insurance sector

Chart 3.1.

Total premium per capita in 2023*

(USD)

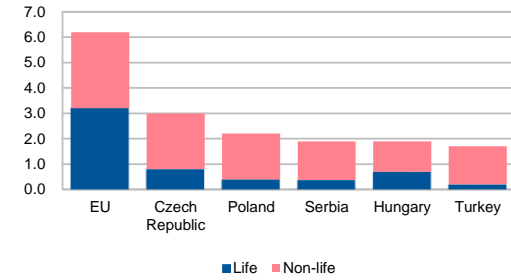


*Annual data, the latest data available.
Source: Sigma World Insurance Database.

Chart 3.2.

Premiums in % of GDP in 2023*

(%)

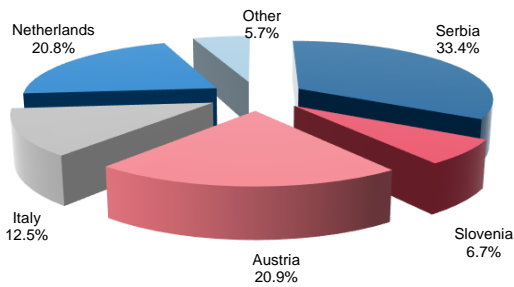


*Annual data, the latest data available.
Source: Sigma World Insurance Database.

Chart 3.3.

Ownership structure of insurance companies*

(December 2024, %)

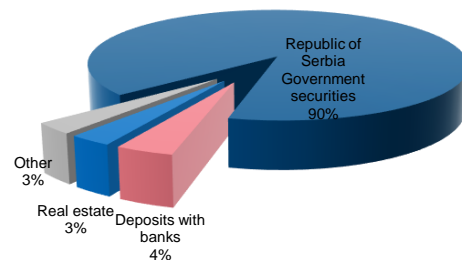


*Does not include reinsurance companies.
Source: National Bank of Serbia.

Chart 3.4.

Coverage structure of technical reserves in life insurance

(December 2024, %)

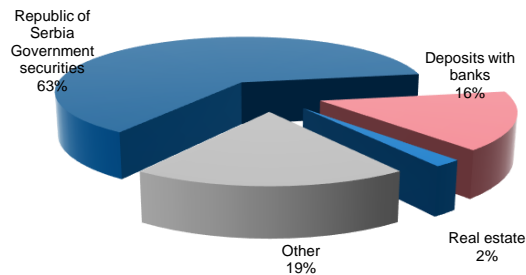


Source: National Bank of Serbia.

Chart 3.5.

Coverage structure of technical reserves in non-life insurance

(December 2024, %)

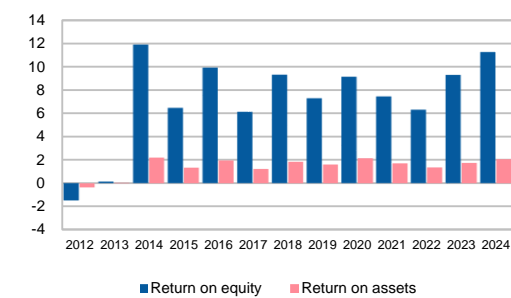


Source: National Bank of Serbia.

Chart 3.6.

Profitability indicators for life insurance companies*

(%)

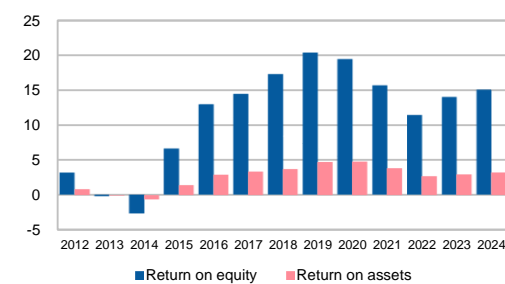


*Annual data
Source: National Bank of Serbia.

Chart 3.7.

Profitability indicators for non-life insurance companies*

(%)

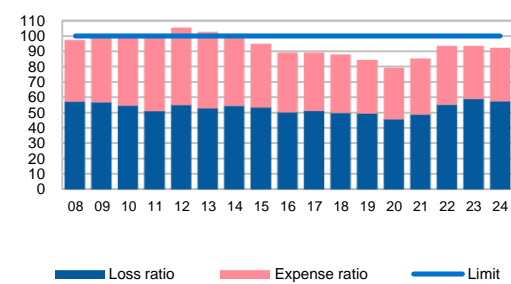


*Annual data
Source: National Bank of Serbia.

Chart 3.8.

Combined insurance ratio

(%)



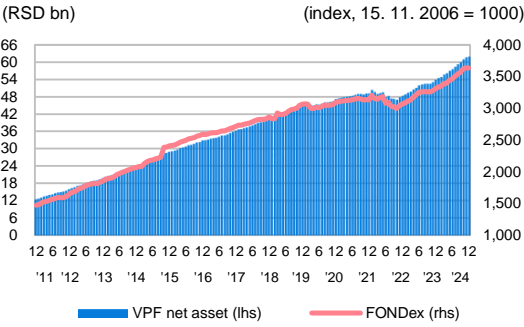
Source: National Bank of Serbia.

3. Non-banking financial sector

3.2. Voluntary pension funds sector

Chart 3.9.

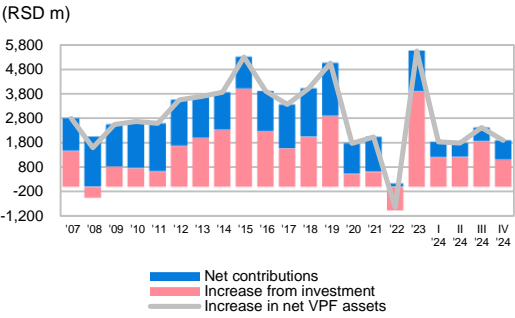
Total VPF* net assets and index FONDex



* Voluntary pension funds.
Source: National Bank of Serbia.

Chart 3.10.

Net assets growth and net contributions to VPF

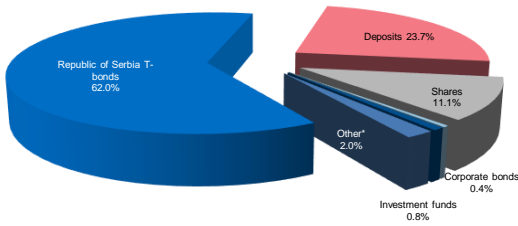


Source: National Bank of Serbia.

Chart 3.11.

VPF asset structure

(December 2024, %)



* receivables and foreign securities.
Source: National Bank of Serbia.

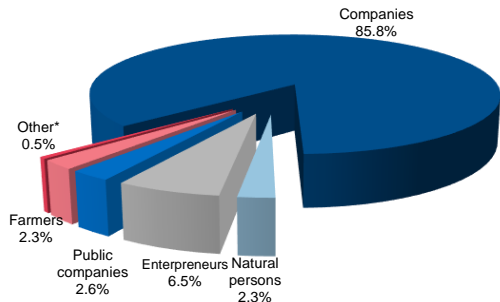
3. Non-banking financial sector

3.3. Leasing sector

Chart 3.12.

Investment structure by lessee

(December 2024, %)

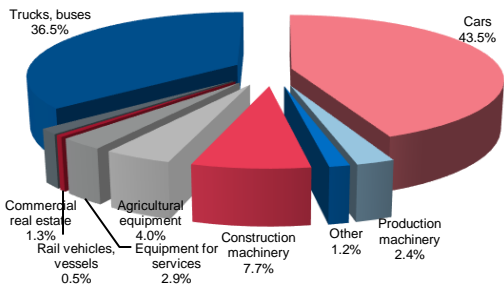


* Banks, RS, local government, other residents, nonresidents.
Source: National Bank of Serbia.

Chart 3.13.

Investment structure by leasing object

(December 2024, %)



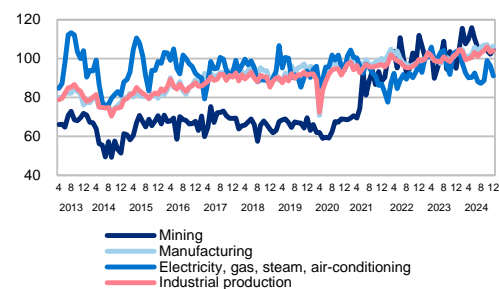
Source: National Bank of Serbia.

4. Corporate sector

Chart 4.1.

Industrial production index*

(index, 2023 = 100)



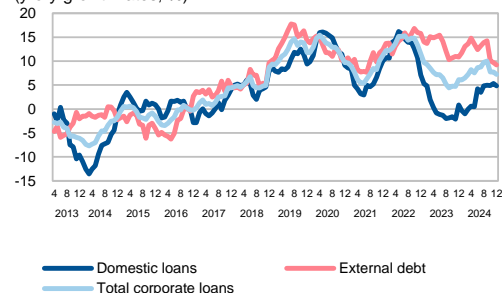
* Seasonally adjusted data.

Source: Statistical Office of the Republic of Serbia and NBS calculation.

Chart 4.2.

Growth of corporate loans*

(y-o-y growth rates, %)



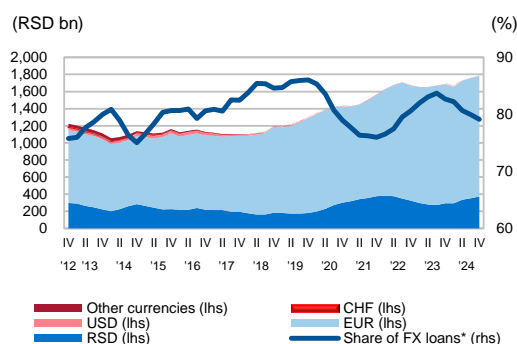
* Data on loan growth adjusted for exchange rate movements are shown according to the new program exchange rate as of 09/30/2024 which is implemented in the new arrangement with the IMF.

Source: National Bank of Serbia.

Chart 4.3.

Currency structure of bank claims on corporates

(RSD bn)



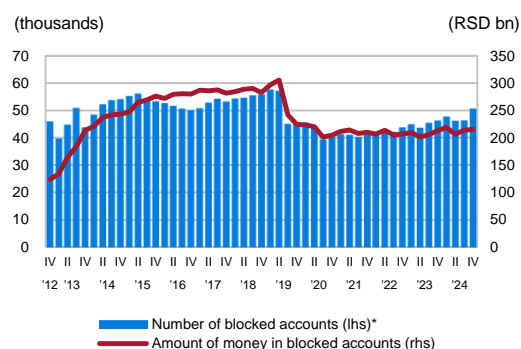
* Share of FX loans and FX indexed loans in total loans.

Source: National Bank of Serbia.

Chart 4.4.

Enforced collection

(thousands)



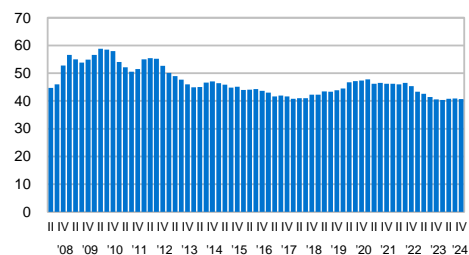
* End of period.

Source: National Bank of Serbia.

Chart 4.5.

NFC Debt-to-GDP ratio*

(%)



* Nominal value. Including cross-border loans.

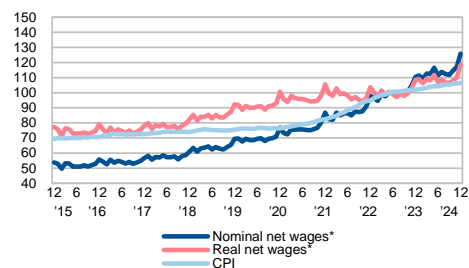
Source: National Bank of Serbia.

5. Household sector

Chart 5.1.

Consumer prices and net household earnings

(index, 2023 = 100)



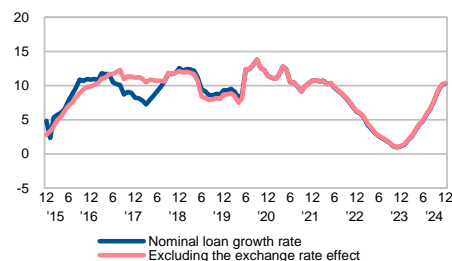
* Seasonally adjusted data.

Source: National Bank of Serbia.

Chart 5.2.

Household loans growth

(y-o-y growth rates, %)



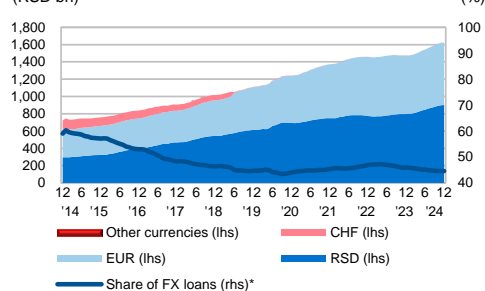
* Data on loan growth after excluding the exchange rate effect movements are shown according to the new program exchange rate as of 09/30/2024 which is implemented in the new arrangement with the IMF.

Source: National Bank of Serbia.

Chart 5.3.

Currency structure of bank claims on households

(RSD bn)



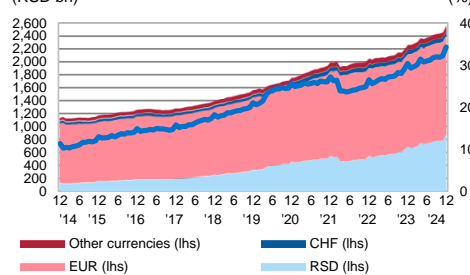
* Share of FX loans and FX indexed loans in total loans.

Source: National Bank of Serbia.

Chart 5.4.

Currency structure of households deposits in banks

(RSD bn)



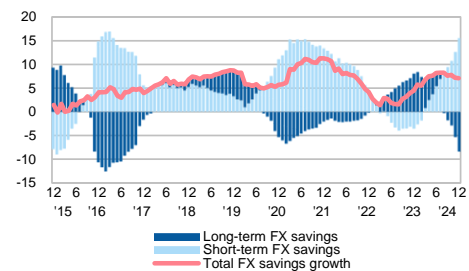
* Share of RSD deposits in total deposits.

Source: National Bank of Serbia.

Chart 5.5.

Contributions to growth of FX savings

(y-o-y growth rates, pp)

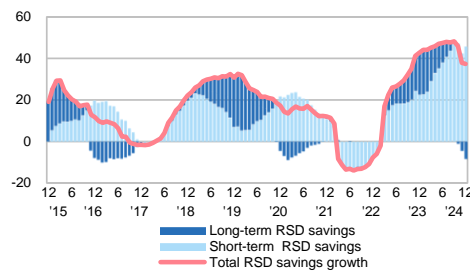


Source: National Bank of Serbia.

Chart 5.6.

Contributions to growth of RSD savings

(y-o-y growth rates, pp)



Source: National Bank of Serbia.

Table 5.1.

Household sector performance indicators

(% , unless indicated otherwise)

	Q4 2010	Q4 2011	Q4 2012	Q4 2013	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total bank claims on households																		
<i>RSD bn</i>	571.2	601.7	652.7	673.7	724.6	759.1	838.6	904.2	1,017.3	1,111.3	1,243.0	1,374.2	1,457.5	1,473.8	1,494.5	1,542.7	1,591.7	1,624.7
<i>EUR m</i>	5,414.3	5,750.5	5,739.5	5,876.2	5,990.6	6,240.9	6,792.0	7,632.4	8,606.9	9,450.6	10,571.5	11,687.2	12,423.1	12,578.3	12,757.8	13,180.0	13,594.4	13,885.0
FX deposits to FX bank claims ¹⁾	72.4	67.4	65.0	62.1	59.0	57.2	53.0	48.3	46.4	44.7	44.1	45.4	46.9	45.9	45.5	45.1	44.7	44.6
FX to total deposits ¹⁾	92.4	90.7	92.1	89.4	88.7	87.1	85.1	84.2	81.8	79.0	74.3	72.8	73.5	69.6	70.0	69.0	68.1	65.7
FX deposits to FX loans ¹⁾	177.2	191.2	214.7	223.3	233.4	233.9	241.0	246.2	241.3	248.1	237.7	232.1	220.2	231.9	236.8	237.4	240.7	247.2
Short-term bank loans to total loans	10.6	9.9	11.9	12.8	8.6	5.6	6.5	5.7	4.9	2.9	2.6	2.5	2.8	1.6	2.7	2.9	1.8	1.9
LTV ratio ²⁾	n/a	n/a	n/a	n/a	n/a	58.9	57.1	54.3	59.4	45.9	59.7	58.7	61.2	58.9	59.6	60.9	61.9	62.6
Average loan per resident																		
<i>RSD thousand</i>	76.0	80.6	87.8	91.0	99.9	105.3	117.4	127.7	144.5	158.8	177.9	198.7	213.2	220.7	223.7	232.2	239.6	244.7
<i>EUR</i>	720.6	770.1	771.9	793.4	826.3	865.7	950.5	1,077.6	1,222.8	1,350.8	1,513.3	1,689.6	1,817.4	1,883.7	1,910.0	1,983.8	2,046.5	2,091.3
Average loan amount																		
<i>RSD thousand</i>	427.6	439.6	460.4	489.9	511.1	472.2	483.9	483.8	516.3	553.1	564.0	575.8	586.6	579.9	584.3	596.2	608.0	621.1
<i>EUR</i>	4,052.8	4,201.4	4,049.0	4,273.1	4,225.3	3,882.5	3,918.7	4,083.5	4,368.4	4,703.4	4,796.5	4,896.6	5,000.1	4,949.3	4,987.9	5,093.9	5,192.8	5,308.1
Average loan per user																		
<i>RSD thousand</i>	509.0	530.9	570.1	612.0	644.7	614.6	634.7	646.9	701.7	747.9	786.7	825.1	853.1	859.1	867.5	889.6	911.1	929.8
<i>EUR</i>	4,824.9	5,073.9	5,012.9	5,338.8	5,329.8	5,053.1	5,140.5	5,460.1	5,936.5	6,359.7	6,691.0	7,017.4	7,271.5	7,332.0	7,405.7	7,600.6	7,781.5	7,946.4

Statistical Office of the Republic of Serbia.

¹⁾ FX loans and deposits include FX-indexed loans and deposits.²⁾ The LTV ratio is the ratio of mortgage-backed housing loans for which a flat was mortgaged and the estimated value of the flats.

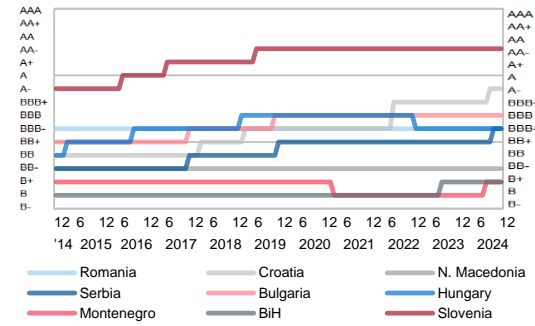
Data download and use are allowed. NBS does not guarantee for the accuracy and completeness of the information.

6. Macroeconomic environment

6.1. International macroeconomic environment

Chart 6.1.

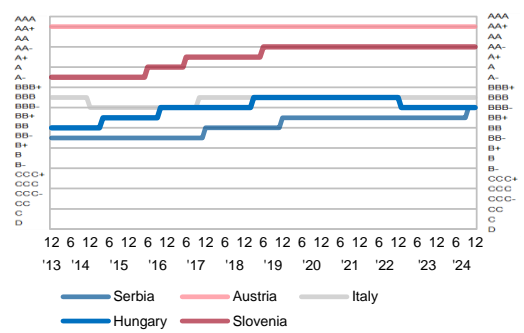
Regional sovereign credit ratings dynamics



Source: Standard & Poor's.

Chart 6.2.

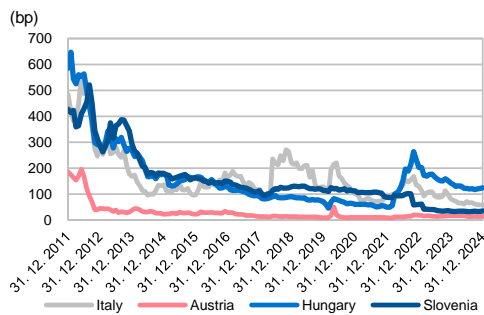
Sovereign credit ratings dynamics of home countries of banks whose subsidiaries operate in Serbia



Source: Standard & Poor's.

Chart 6.3.

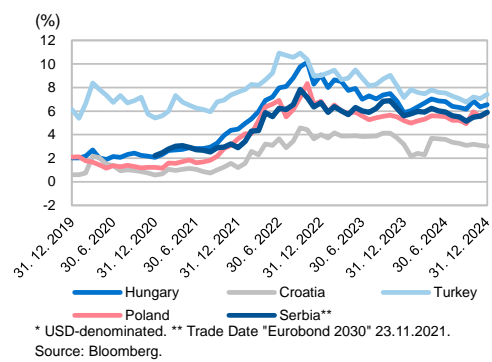
CDS spreads on bonds of home countries of parent banks whose subsidiaries operate in Serbia*



* CDS spreads on five-year dollar bonds.
Source: Bloomberg.

Chart 6.4.

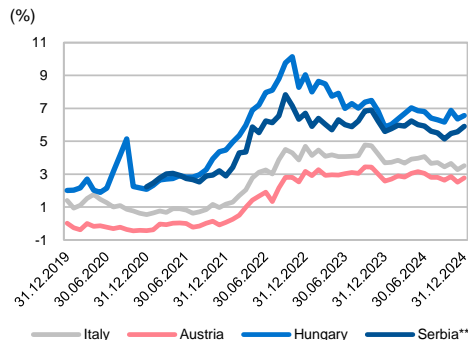
Sovereign bond yields: Serbia and CEE region*



* USD-denominated. ** Trade Date "Eurobond 2030" 23.11.2021.
Source: Bloomberg.

Chart 6.5.

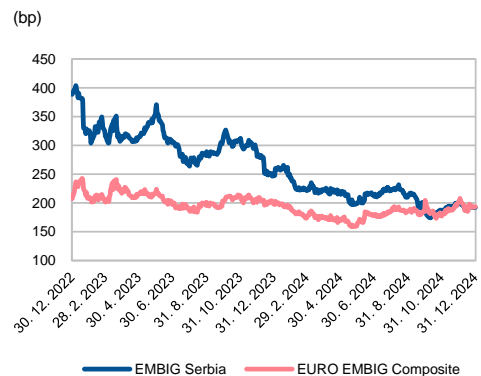
Sovereign bond yields: Serbia and home countries of parent banks whose subsidiaries operate in Serbia*



* USD-denominated. ** Trade Date "Eurobond 2030" 23.11.2021.
Source: Bloomberg.

Chart 6.6.

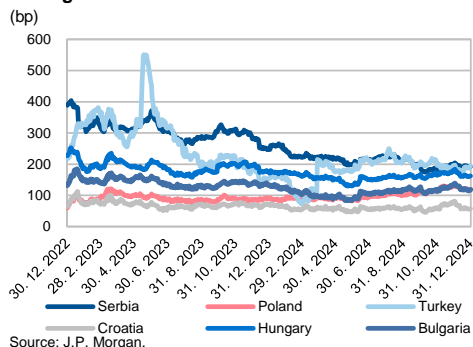
Emerging Market Bond Index Global: EMBIG Serbia and EMBIG Composite



Source: J.P. Morgan.

Chart 6.7.

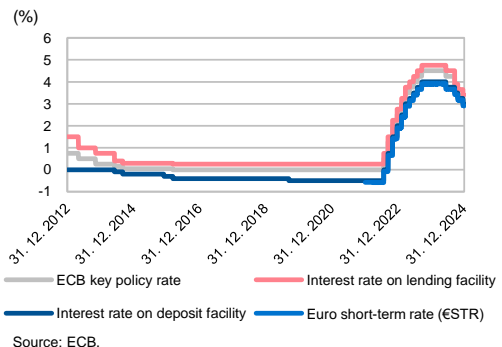
Emerging Market Bond Index: Serbia and countries of the region



Source: J.P. Morgan.

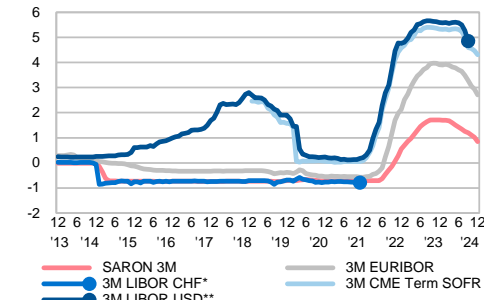
Chart 6.8.

ECB interest rates and €STR



Source: ECB.

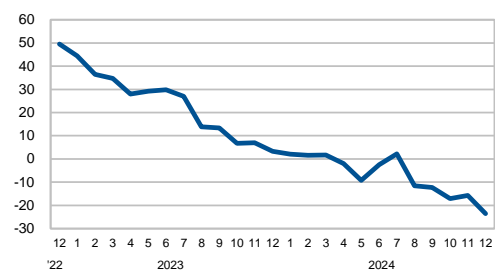
Chart 6.9.
3M money-market interest rates
(eop, %)



*In accordance with Regulation (EU) 2021/1847 the replacement rate for LIBOR CHF 3M since 1.1.2022, the 3M SARON compound rate was determined.
**As a replacement rate for the 3M LIBOR USD, the 3M CME Term SOFR rate, derived from the SOFR futures market, is applied.

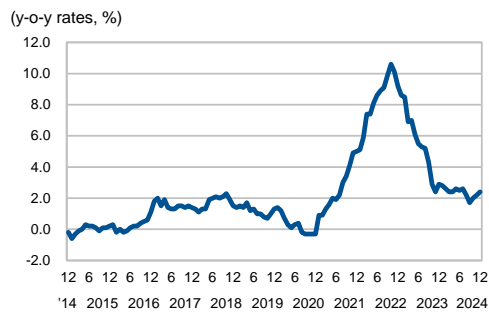
Source: Bloomberg, Six group.

Chart 6.10.
Risk premium on the interbank money market
(3M EURIBOR/ESTR spread, monthly averages, bp)



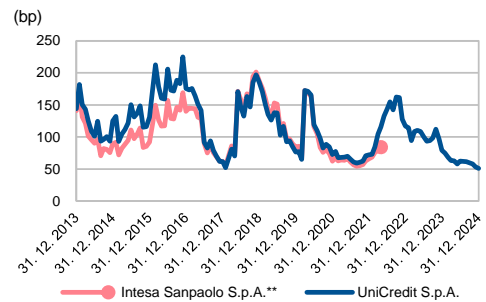
Source: Bloomberg.

Chart 6.11.
Inflation in the eurozone
(y-o-y rates, %)



Source: ECB.

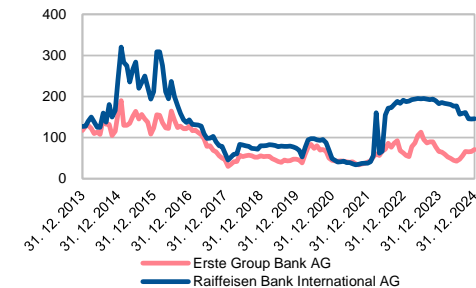
Chart 6.12.
CDS spreads on bonds issued by Italian parent banks whose subsidiaries operate in Serbia*
(bp)



* CDS spread on 5 year bonds. **Latest Data Available

Source: Bloomberg.

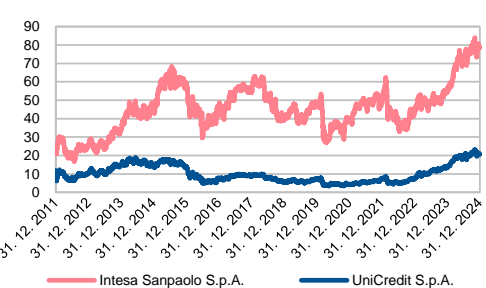
Chart 6.13.
CDS spreads on bonds issued by Austrian parent banks whose subsidiaries operate in Serbia*
(bp)



* CDS spread on 5 year bonds.

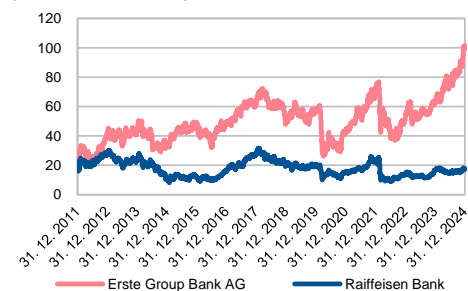
Source: Bloomberg.

Chart 6.14.
Stock price dynamics of Italian parent banks whose subsidiaries operate in Serbia
(index, 1. 6. 2007 = 100)



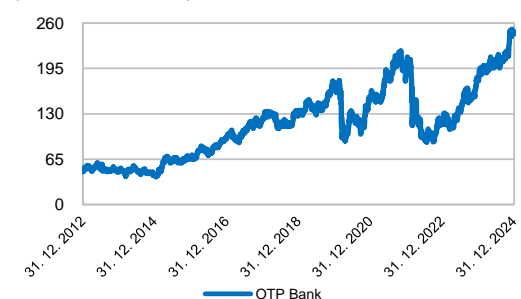
Source: Bloomberg.

Chart 6.15.
Stock price dynamics of Austrian parent banks whose subsidiaries operate in Serbia
(index, 1. 6. 2007 = 100)



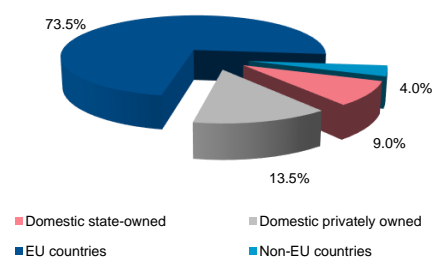
Source: Bloomberg.

Chart 6.16.
Stock price dynamics of Hungarian parent bank whose subsidiary operates in Serbia
(index, 2. 1. 2007 = 100)



Source: Bloomberg.

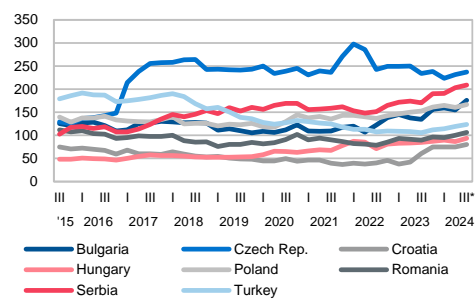
Chart 6.17.
Ownership structure of the banking sector in Serbia*
 December 2024
 (%)



* Share in net assets of the banking sector.

Source: National Bank of Serbia.

Chart 6.18.
BIS member banks' gross exposure towards emerging markets
 (index, December 2006 = 100)



*Latest Data Available

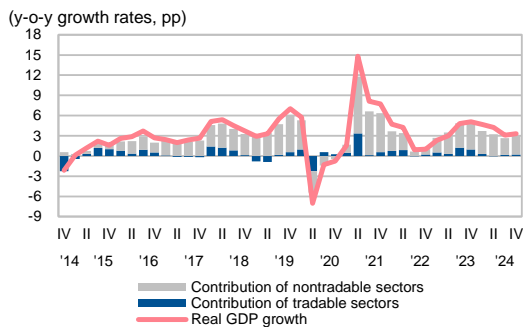
Source: Bank for International Settlements.

6. Macroeconomic environment

6.2. Domestic macroeconomic environment

Chart 6.19.

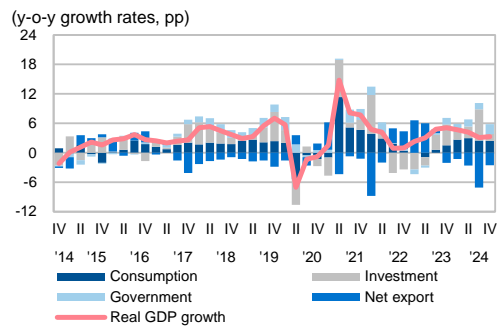
Contributions to real GDP growth by production-side components



Source: National Bank of Serbia.

Chart 6.20.

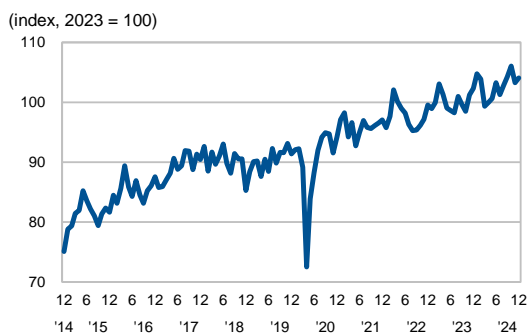
Contributions to real GDP growth by expenditure-side components



Source: National Bank of Serbia.

Chart 6.21.

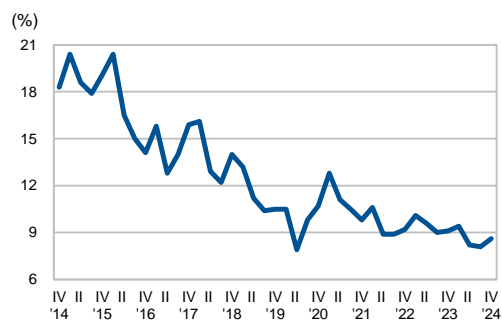
Industrial production index



Source: Statistical Office of the Republic of Serbia and NBS calculation.

Chart 6.22.

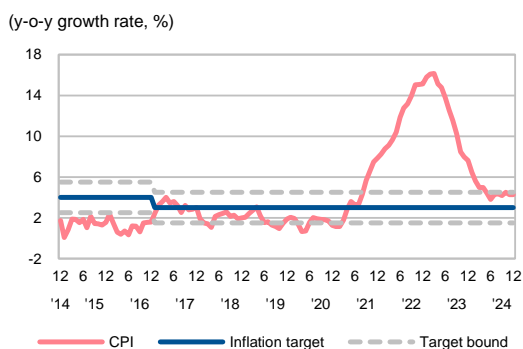
Unemployment rate



Source: Statistical Office of the Republic of Serbia.

Chart 6.23.

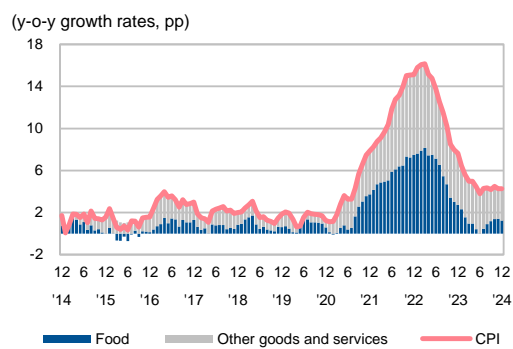
Consumer price index



Source: National Bank of Serbia.

Chart 6.24.

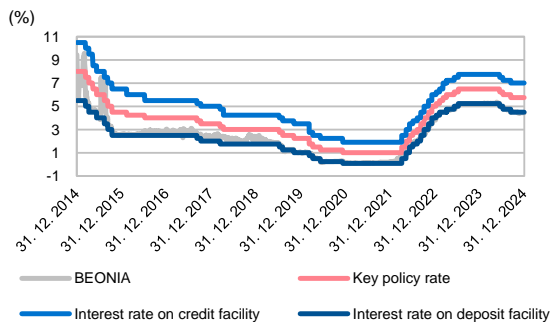
Contributions to CPI changes



Source: National Bank of Serbia.

Chart 6.25.

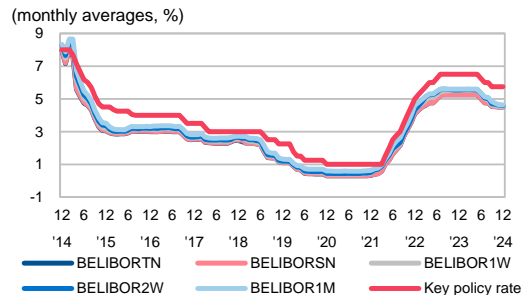
NBS key policy rate and BEONIA



Source: National Bank of Serbia.

Chart 6.26.

BELIBOR interest rates

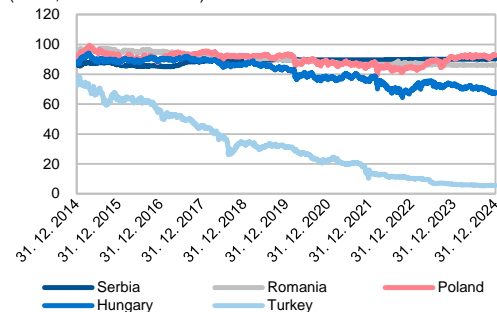


Source: National Bank of Serbia.

Chart 6.27.

Dynamics of the RSD exchange rate and the currencies of the countries in the region against the EUR

(index, 31.12.2010 = 100)

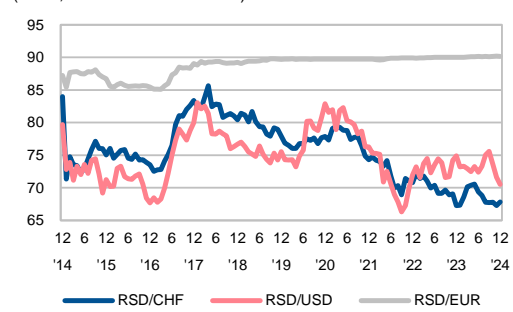


Source: National Bank of Serbia and other central banks.

Chart 6.28.

Dynamics of the RSD exchange rate against EUR, CHF and USD

(index, December 2010 = 100)



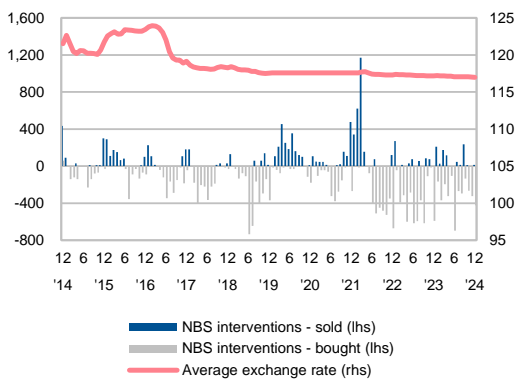
Source: National Bank of Serbia.

Chart 6.29.

Dynamics of the RSD exchange rate against EUR and NBS interventions on the interbank FX market

(EUR m)

(EUR/RSD)



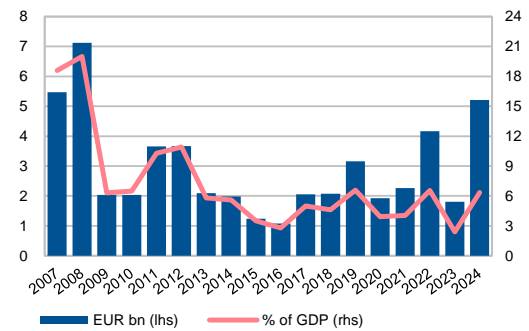
Source: National Bank of Serbia.

Chart 6.30.

Current account deficit

(EUR bn)

(% of GDP)



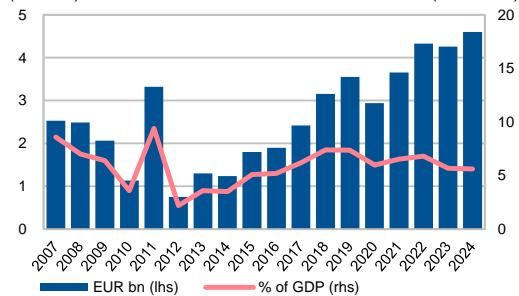
Source: Statistical Office of the Republic of Serbia and NBS.

Chart 6.31.

Net foreign direct investments

(EUR bn)

(% of GDP)



Source: Statistical Office of the Republic of Serbia and NBS.

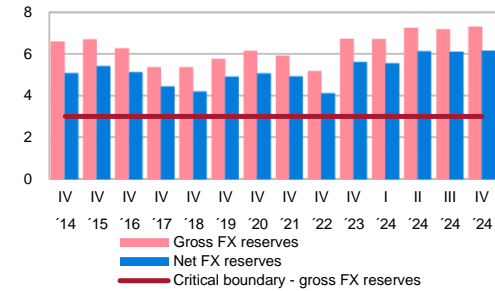
6. Macroeconomic environment

6.3. FX reserves adequacy indicators

Chart 6.32.

Coverage of imports by FX reserves

(months of imports)

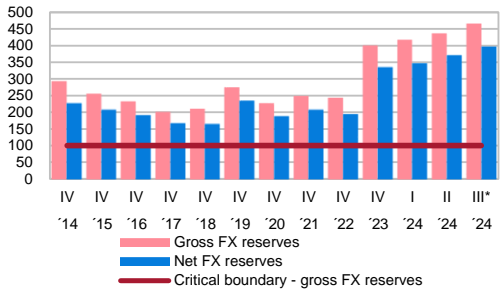


Source: National Bank of Serbia.

Chart 6.33.

Coverage of short-term external debt at remaining maturity by FX reserves

(%)



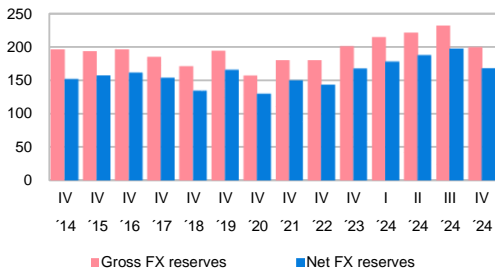
* Latest Data Available.

Source: National Bank of Serbia.

Chart 6.34.

Coverage of reserve money by FX reserves

(%)

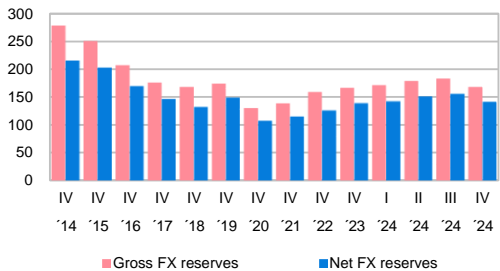


Source: National Bank of Serbia.

Chart 6.35.

Coverage of M1 monetary aggregate by FX reserves

(%)



Source: National Bank of Serbia.

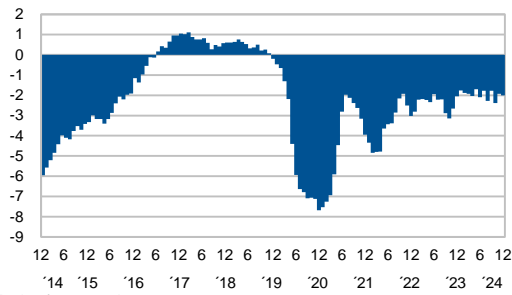
6. Macroeconomic environment

6.4. Indebtedness of the Republic of Serbia

Chart 6.36.

Fiscal result*

(% of GDP)

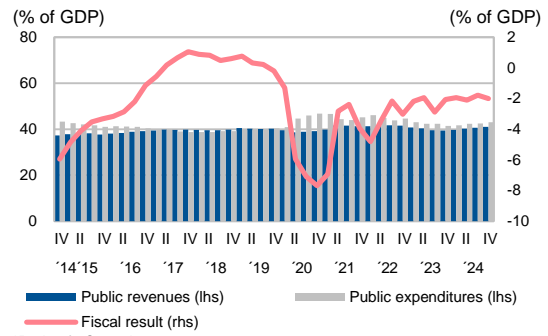


Source: NBS according to Ministry of Finance data.

Chart 6.37.

Public revenues and expenditures*

(% of GDP)



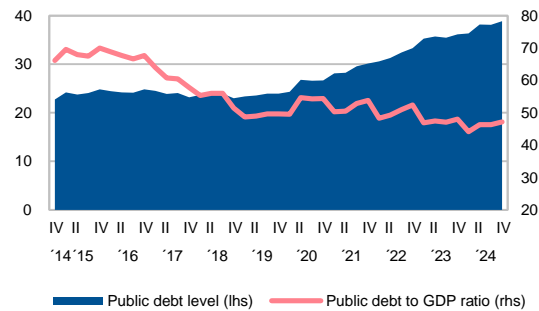
Source: NBS according to Ministry of Finance data.

Chart 6.38.

Public debt dynamics

(EUR bn)

(% of GDP)

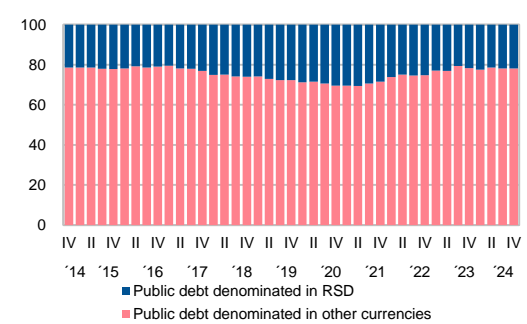


Source: Ministry of Finance.

Chart 6.39.

Public debt by currency

(%)

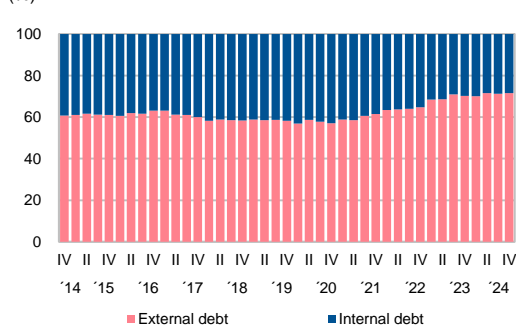


Source: Ministry of Finance.

Chart 6.40.

Internal and external component of public debt

(%)



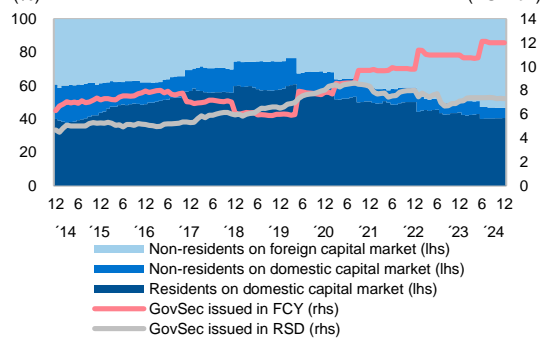
Source: Ministry of Finance.

Chart 6.41.

Government securities sold on the primary market by buyers

(%)

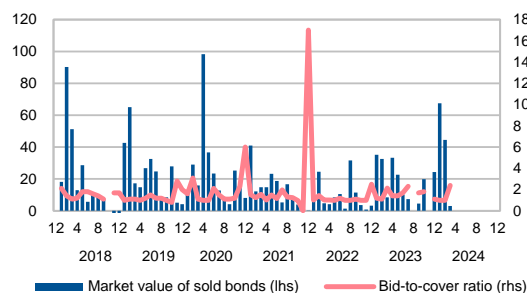
(EUR bn)



Source: Ministry of Finance.

7. Financial markets and real estate market

Chart 7.1.

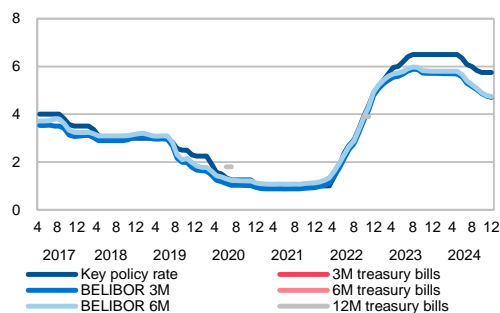
Primary market demand for RSD government bonds*(primary auction)
(RSD bn)

*There were no auctions of RSD government securities in the period April-December 2024.
Source: Ministry of Finance.

Chart 7.3.

Interest rates on treasury bills, primary market

(monthly averages, %)

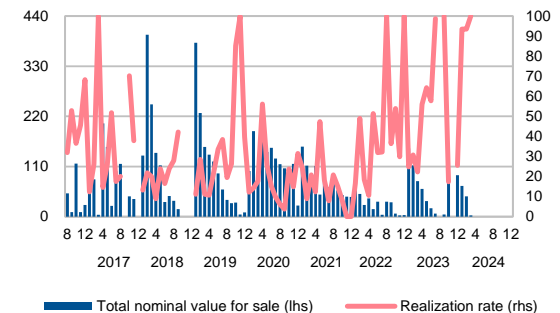


Source: Ministry of Finance and National Bank of Serbia.

Chart 7.2.

Realisation rate in auctions of RSD government bonds*

(RSD bn) (%)



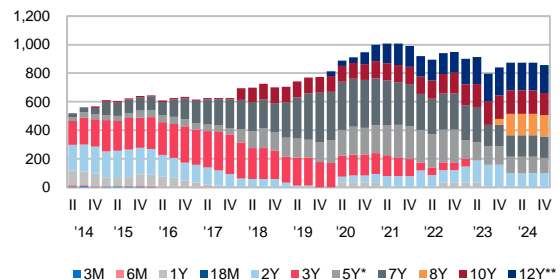
*There were no auctions of RSD government securities in the period April-December 2024.
Source: Ministry of Finance.

Chart 7.4.

RSD government securities, outstanding stock

(nominal value)

(RSD bn)



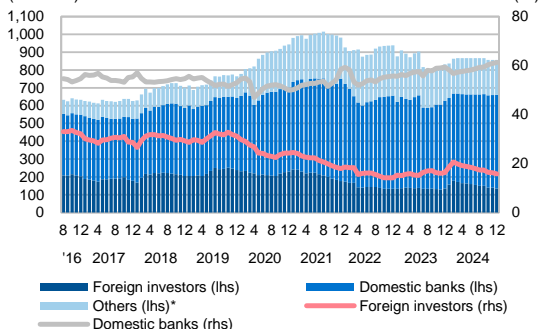
*Maturities of 5Y and 5.5Y are included. **Maturities of 12Y and 12.5Y are included.

Source: Ministry of Finance.

Chart 7.5.

RSD government bonds investors structure

(RSD bn) (%)



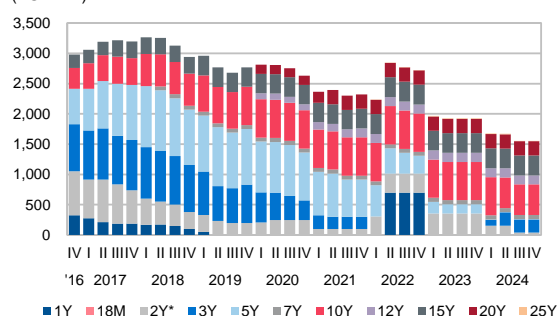
*Custodian banks, insurance co, VPF, natural pers, and other legal ent.
Source: Central Securities Depository and Clearing House.

Chart 7.6.

Euro-denominated government bonds, outstanding stock

(nominal values)

(EUR mn)

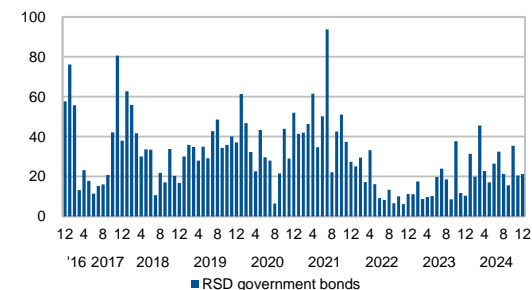


*Maturities of 2Y and 2.5Y are included.
Source: Ministry of Finance.

Chart 7.7.

RSD government bonds, monthly turnover

(RSD bn)

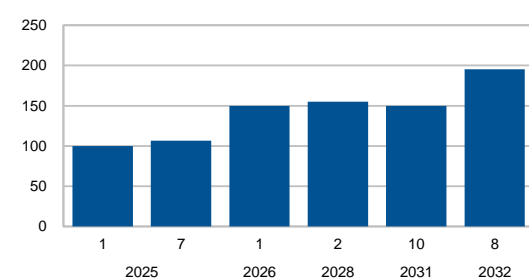


Source: Ministry of Finance.

Chart 7.8.

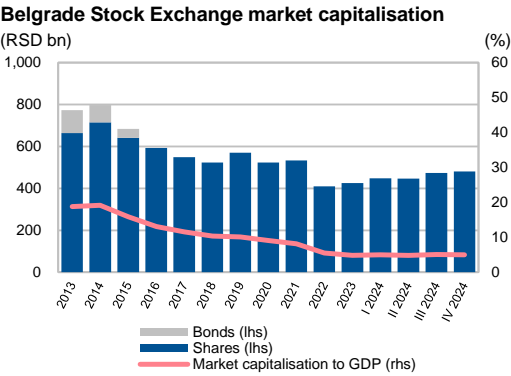
Maturity of RSD government securities until 2032

(securities issued up to 31.12.2024 nominal value of the stock outstanding, RSD bn)



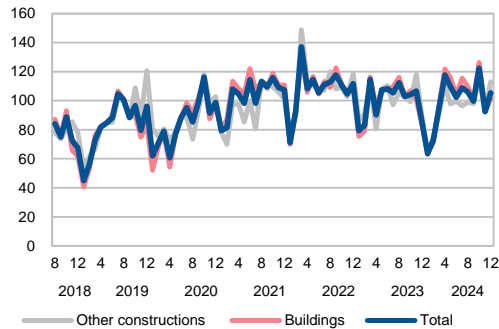
Source: Ministry of Finance.

Chart 7.9.



Source: Belgrade Stock Exchange and National Bank of Serbia.

Chart 7.11.
Indices of the number of newly issued building permits
(index, 2023 = 100)

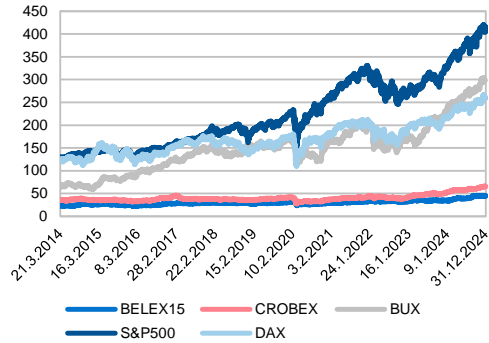


Source: Statistical Office of the Republic of Serbia.

Chart 7.10.

Stock markets' indices

(index, 15. 11. 2007 = 100)

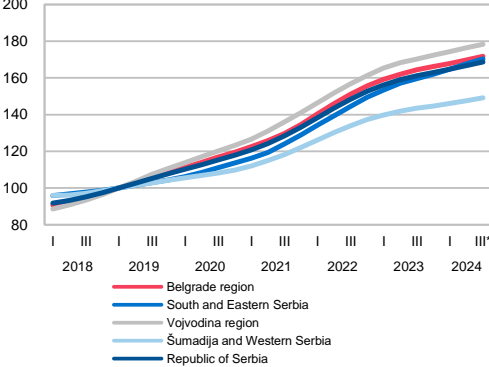


Source: Bloomberg.

Chart 7.12.

Index of the apartment real estate prices

(index, Q1 2019 = 100)



*Preliminary Indexes

Source: Republic Geodetic Authority.

Definitions

1. Financial soundness indicators

Chart 1.1.	Greater distance from the center of the "net" indicates greater risk. Standardised values of key financial soundness indicators are shown: CAR – capital adequacy ratio (regulatory capital to risk-weighted assets), C/A – capital to assets, NPL – gross non-performing loans to total gross loans, Provisions/NPL – total provisions to gross NPL, ROA – return on assets, ROE – return on equity. The region encompasses the following countries: Serbia, Bosnia and Herzegovina, Bulgaria, Hungary, North Macedonia, Poland, Turkey and Croatia. Indicators that refer to the region were obtained as non-weighted averages of corresponding indicators of the countries listed above.
Chart 1.2.	Increasing distance from the center indicates an increase in the specific risk. Increasing area indicates an increase in the overall macroeconomic vulnerability of the country.

2. Banking sector

Chart 2.1.	The capital adequacy ratio is the ratio between regulatory capital and risk-weighted assets. Tier 1 capital of the bank is the sum of Common Equity Tier 1 capital and Additional Tier 1 capital.
Chart 2.3.	Indicators of leverage show the extent to which banks finance their assets from their own funds.
Chart 2.7.	Foreign currency loans refer to foreign currency denominated loans and domestic currency denominated loans that are indexed in foreign currency.
Chart 2.8.	Foreign currency deposits refer to foreign currency denominated deposits and domestic currency denominated deposits that are indexed in foreign currency.
Chart 2.10.	Non-performing loans represent the stock of overall remaining debt (including the amount past due) with payment overdue for longer than 90 days, or with principal or interest payments that are past due for 90 days or more; if at least 90 days of interest payments have been capitalised, refinanced or delayed; if the payment of loan is not late, but the bank has reasons to doubt that payment will be made in full.
Chart 2.12.	Balance sheet provisions are made for the part of a loan that a bank considers unlikely to be collected.
Chart 2.17.	The net open FX position is the sum of maximum of absolute value of the total long position and absolute value of the total short position in foreign currency, plus the absolute value of position in gold. The total long (total short) foreign currency position of the banking sector is the sum of its net long (net short) positions by foreign currencies.
Chart 2.18.	The return on assets (ROA) is calculated wherein a bank's pre-tax net income is divided by its average total assets during a certain period. The return on equity (ROE) is calculated wherein a bank's pre-tax net income is divided by its average total capital during a certain period.
Chart 2.21.	Net operating income (operating gain) represent earnings reported by a bank or bank holding company, after deducting normal operating expenses, but before taking gains or losses from sale of securities, other losses and charge-offs, and additions to the reserve account for possible loan losses.
Chart 2.28.	The LtD ratio (loans to deposits) indicates the ability of the bank to finance its loans by deposits. The value of this indicator greater than 1 could be seen as the lack of bank's ability to react to shocks.
Chart 2.29.	The liquidity ratio of a bank is the ratio of the sum of level 1 and level 2 liquid receivables of the bank and the sum of liabilities payable on demand or with no agreed maturity and liabilities falling due within a month from the date of liquidity ratio calculation. According to the Decision on liquidity risk management by banks, the average monthly liquidity ratio should not be lower than 1, the liquidity ratio should not be lower than 0.9 longer than 3 days, and it should not be lower than 0.8 if calculated for one business day only.
Chart 2.30.	The narrow liquidity ratio is the ratio of level 1 liquid receivables of a bank and the sum of liabilities payable on demand or with no agreed maturity and liabilities falling due within a month from the date of liquidity ratio calculation. According to the Decision on liquidity risk management by banks, the average monthly narrow liquidity ratio should not be lower than 0.7, the narrow liquidity ratio should not be lower than 0.6 longer than 3 days, and it should not be lower than 0.5 if calculated for one business day only.
Chart 2.31.	Liquid assets are the sum of bank's liquid first and second-degree receivables, as on the last day of the month. More restrictive definition defines liquid assets as liquid first-degree receivables on the last day of the month.
Chart 2.32.	High-power money consists of cash in circulation and banks' deposits in dinars with the National Bank of Serbia.
Chart 2.33.	Liquidity coverage ratio is the ratio of the bank's liquidity buffer and net liquidity outflows over a 30-day stress period. The liquidity buffer is the amount of liquid assets which the bank may include in the calculation of the liquidity coverage ratio, while net liquidity outflows mean the amount which results from deducting liquidity inflows from liquidity outflows, set in accordance with the Decision on Liquidity Risk Management by Banks.

3. Non-banking financial sector

Charts 3.6. and 3.7.	Profitability indicators are available on a yearly basis.
Chart 3.8.	The combined indicator is sum of the two ratios shown on chart. The value greater than 100% means that insurance companies mainly depend on the result of their investment activities in financial markets, instead on results of their basic activities.
Chart 3.9.	The fondex daily value is obtained by multiplying the value of index for the previous day by the weighted average of chain index values of investment units for every fund.

6. International macroeconomic environment

Chart 6.3.	Credit default swap (CDS) is a financial derivative designed to hedge its holder against the default of the issuer of an underlying bond. CDS spread is a price the owner of CDS has to pay for the provided protection. An increase in this insurance premium is an indicator of the increase in the credit risk of an underlying bond.
Chart 6.6.	Emerging Market Bond Index Global (EMBIG) is a benchmark index for measuring the total return performance of international government and corporate bonds issued by emerging market countries.
Chart 6.34.	According to the IMF definition, FX reserves consist of those external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitude of such imbalances through intervention in exchange markets to affect the currency exchange rate, and/or for other purposes. Gross FX reserves consist of foreign securities, deposits on accounts abroad, effective foreign money, gold, and special drawing rights. Net FX reserves are gross FX reserves minus banks' deposits and special drawing rights related to gross FX reserves.
Chart 6.38.	According to the Law on Public Debt, public debt of the Republic of Serbia is defined as debt based on concluded agreements; issued securities; debt based on contracts/agreements according to which obligations of the Republic, pursuant to previously concluded agreements, have been rescheduled; debt based on the issued guarantee and/or issued counter-guarantee; debt of local government and legal entities for which the Republic has issued guarantees.

7. Financial markets and real estate market

Chart 7.1.	The bid-to-cover ratio is defined as the ratio between the nominal value of total submitted bids and the nominal value of sold securities.
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