



National Bank of Serbia

REPORT ON DINARISATION OF THE SERBIAN FINANCIAL SYSTEM

Second Quarter 2025

October 2025

Introductory note

A more extensive use of the dinar in the Serbian financial system and better currency matching of income and expenses of the non-bank sector would improve the country's financial stability, lessen the risk of exchange rate volatility in the most vulnerable sectors of the economy, and further enhance the effectiveness of monetary policy. To support the process of dinarisation, in April 2012 the National Bank of Serbia (NBS) and the Government of the Republic of Serbia signed the Memorandum on the Strategy of Dinarisation of the Serbian Financial System. Bearing in mind that in the period after the conclusion of the Memorandum in 2012 macroeconomic stability had been ensured and financial stability strengthened further, in December 2018 the NBS and the Serbian Government signed the new Memorandum on the Strategy of Dinarisation, confirming their commitment to additionally support dinarisation and contribute to financial stability. In the new Memorandum on the Dinarisation Strategy these institutions reflected on the results of the measures and activities undertaken thus far and, based on them, defined additional measures and activities that will ensure further dinarisation and reduce FX risk in the system.

Pursuant to the Memorandum, the NBS and the Government have committed to monitoring and analysing the degree of dinarisation and to regularly informing the public about the measures and activities undertaken, as well as about the progress achieved in the process of dinarisation. For that purpose, the NBS prepares and publishes the quarterly Report on Dinarisation of the Serbian Financial System as one of its supporting communication tools. The Report provides information about developments in the dinar market and highlights measures and activities taken or planned by market players and regulatory authorities with a view to supporting the process of dinarisation. Making this information accessible to the public will help raise awareness of the need to hedge against the exchange rate risk, as well as understanding of the measures and activities to be taken by the NBS and the Government in order to further encourage the process of dinarisation of the Serbian financial system.

Reports on Dinarisation of the Serbian Financial System are available on the NBS website (www.nbs.rs)

Dinarisation strategy

The dinarisation strategy rests on three inter-connected pillars.

The first pillar is the most general, but also the most important one. It envisages monetary and fiscal policy measures to maintain macroeconomic stability and ensure conditions for sustainable economic growth.

The second pillar consists of measures to promote further development of the dinar securities market and introduce new dinar products in the domestic financial market.

The third pillar aims to promote hedging against the risks associated with exchange rate exposure in the non-bank sector and to discourage further build-up of those risks. The NBS will lead the efforts in this field, working together with the banking sector on introducing and developing FX risk hedging instruments.

ABBREVIATIONS

bn – billion
lhs – left-hand scale
mn – million
NPL – non-performing loan
pp – percentage point
q – quarter
rhs – right-hand scale
SDR – special drawing rights
y-o-y – year-on-year

Other generally accepted abbreviations are not cited

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I Overview

The dinarisation of total corporate and household receivables in terms of outstanding business increased in Q2 2025 to 38.5%, up by 0.7 pp from end-Q1 (by 2.4 pp y-o-y). In terms of new business, this indicator decreased in Q2 (by 0.3 pp) after posting substantial growth in Q1, but it remained relatively high (48.4%), as confirmed by its dynamic y-o-y growth (6.0 pp).

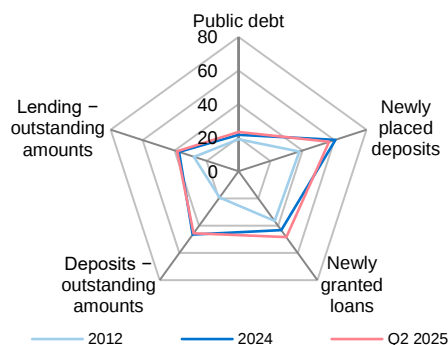
The share of dinar deposits in total corporate and household deposits went up in Q2, both in terms of outstanding business (by 0.8 pp to 45.5%), and in terms of new business (by 0.2 pp to 56.7%). Y-o-y, deposit dinarisation increased in terms of outstanding business (by 1.3 pp) and decreased in terms of new business (by 7.5 pp).

Unchanged from a quarter earlier, interest rates on dinar savings remained higher than those on FX savings (4.3% and 2.8%, respectively, in Q2). Dinar savings were therefore more profitable and continued up to record-high levels (RSD 195.7 bn at end-Q2 2025).

The degree of public debt dinarisation increased from a quarter earlier (by 0.9 pp), to 23.4%. This was due to higher dinar borrowing in the domestic market – directly from banks and through the sale of dinar securities in the domestic market, but also to a reduction in FX public debt resulting from decreased indirect borrowing (mostly government guarantees for borrowing by public enterprises from international creditors). Compared to Q2 2024, the degree of public debt dinarisation increased notably (by 2.0 pp).

As for FX hedging instruments, in Q2 2025 residents concluded forward FX purchases with banks worth EUR 106.3 mn (EUR 46.1 mn more than in Q1) and forward FX sales worth EUR 14.8 mn (EUR 4.1 mn down from Q1).

Chart I.1 Dinarisation indicators*
(%)



*Apart from public debt, all categories include the household and corporate sector component. Within each category - the share of dinar component in total of the category.

Sources: NBS, Ministry of Finance.

II Dinarisation of the Serbian financial system

1 Dinarisation of receivables

In Q2 2025, the degree of dinarisation of corporate and household receivables increased in terms of outstanding business for the seventh quarter in a row.

In terms of new business, this indicator remained relatively high, though it decreased in Q2 after notable growth in Q1.

Interest rates on dinar and FX loans decreased for both corporates and households under the impact of past monetary policy easing by the NBS and the ECB, and the implementation of the Government's youth housing loans programme. Interest rates have been in line with the caps defined by the new Law on the Protection of Financial Service Consumers.¹ Further decline in interest rates on dinar and FX-indexed loans will also be supported by the NBS's measures taken in early September 2025 with the aim of lowering the cost of dinar cash and consumer loans, refinancing loans and euro-indexed housing loans for employed persons and pensioners with regular monthly income under RSD 100,000 (or above, depending on the bank's business decision).

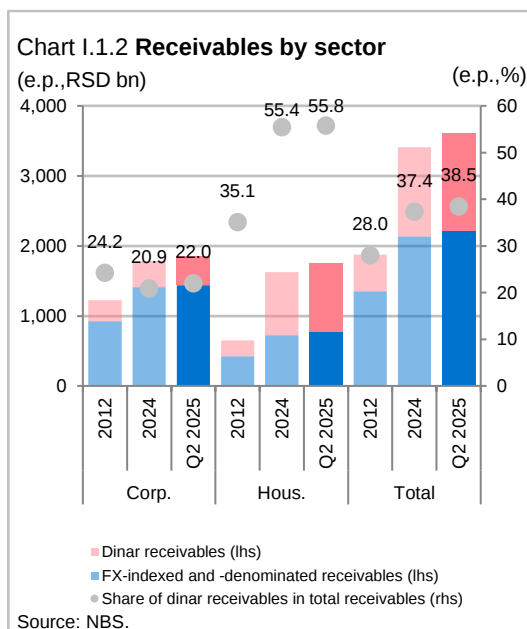
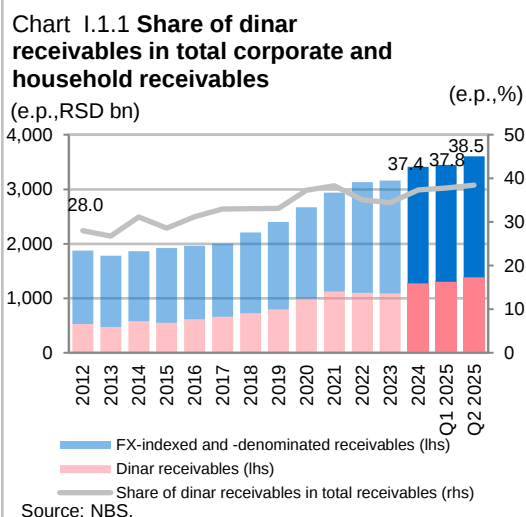
Corporate and household receivables

The share of dinar receivables in total corporate and household receivables in terms of outstanding business measured 38.5% at end-Q2 2025. Compared to a quarter earlier, this indicator gained 0.7 pp, while its y-o-y growth was sharper – 2.4 pp. As a result, it approached its all-time high of 38.6% recorded in late Q3 2021 when the government's programme of subsidised government-guaranteed dinar loans granted to support the corporate sector during the coronavirus pandemic was implemented.

Excluding the exchange rate effect, the degree of dinarisation of receivables in late Q2 was also 38.5%, up by 0.7 pp from end-Q1 and by 2.4 pp y-o-y.²

This indicator increased in Q2 amid record-high growth in total corporate and household receivables.³ Receivables went up in both sectors and in both currencies.

Dinar receivables increased in particular. Their quarterly growth was the highest on record, mostly thanks to a **record-high rise in dinar household receivables** (by RSD 55.6 bn). Cash loans rose notably (in the segment of longest maturities – over five years), while the stock of liquidity and working capital loans, as well as investment loans approved to



¹ Law on the Protection of Financial Service Consumers (RS Official Gazette, No 19/2025).

² FX and FX-indexed receivables were adjusted according to the exchange rate as at 30 September 2024.

³ Highest growth on record – since Q4 2028.

natural persons – entrepreneurs, increased somewhat less.

FX and FX-indexed household loans also posted robust growth (by RSD 36.0 bn) – the highest since Q4 2008. As usual, growth mostly (90%) referred to housing loans with longer maturities which have been rising steadily from month to month since December 2023, partly under the impact of lower costs of borrowing. The approval of these loans intensified in Q2, supported by the implementation of the Government's youth housing loans programme.

In addition to the above programme implemented from Q2, another impulse to growth in dinar and FX household receivables came from the general reduction of interest rates on dinar and FX-indexed loans resulting from monetary policy easing by the NBS and the ECB since 2024. The continuation in lending, both dinar and FX, was not only supported by lower interest rates, but also by the easing of the banks' credit standards, higher wages and employment, and the NBS's measures⁴ capping interest rates on housing, cash and consumer loans, as well as rates under credit card and overdraft agreements, pending implementation of the new Law on the Protection of Financial Service Consumers.

As a result, **the degree of dinarisation of household receivables gained 0.3 pp in Q2 2025, rising to 55.8% at quarter-end.** Y-o-y, this indicator increased more – by 0.9 pp.

Corporate receivables also posted dynamic growth (by a total of RSD 70.1 bn),⁵ especially in June, which can partly be associated with the banks' achievement of their lending goals at end-H1. Receivables in both currencies went up, though dinar receivables increased more than FX ones in relative terms:

- **Dinar corporate receivables gained 7.8% (or RSD 29.4 bn).** Growth mostly refers to loans to SMEs in all sectors, but primarily in industry and construction. These loans had the maturity of five years and were mostly liquidity and working capital loans, though loans for other purposes were approved as well to a smaller extent.
- **FX and FX-indexed corporate loans posted more moderate relative growth (by 2.9% or RSD 40.7 bn).** These were liquidity and investment loans to large and medium-sized enterprises, mostly in trade and real estate sectors.

⁴ Decision on Temporary Interest Rate Cap on Loan Agreements Concluded with Natural Person Consumers (RS Official Gazette, No 102/2024).

⁵ Highest growth since Q1 2012.

The dinarisation of corporate receivables thus increased by 0.8 pp in Q2 (2.7 pp, y-o-y), to 22.0%, rising for the seventh consecutive quarter.

Higher dinarisation of corporate receivables was also supported by the decline in interest rates on dinar loans, recorded for seven quarters in a row. This decline has resulted from the NBS's past monetary policy easing and the application of measures requiring banks to reduce the capital amount when calculating capital adequacy if the share of new FX-indexed and FX loans approved to the non-financial and non-governmental sector⁶ after 1 July 2023, as well as of FX or FX-indexed debt securities in dinars, exceeds the specified threshold (71% in 2025, 64% in 2026, 57% in 2027, and 50% thereafter).⁷

New corporate and household loans

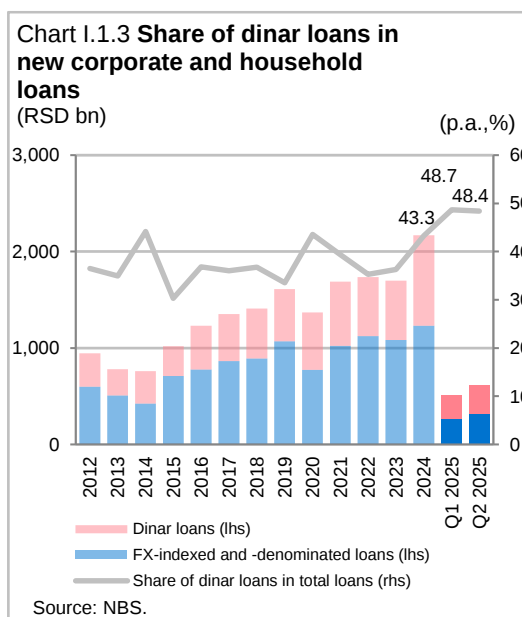
Indicators of dinarisation of new loans

Though the degree of dinarisation of **total new corporate and household loans**⁸ in Q2 2025 decreased by 0.3 pp to 48.4%, this indicator remains relatively high. Namely, not only did y-o-y growth in this indicator accelerate (from 5.6 pp in Q1 to 6.0 pp in Q2), but it also reached its highest level on record in H1 2025, excluding H2 2014 when the relatively high level of dinarisation (49.2%) was supported by the implementation of the Serbian Government's programme of subsidized dinar corporate loans.

Sector-wise, the degree of dinarisation of new loans decreased in both corporate and household sectors in Q2.

The degree of dinarisation of new **household loans** declined by 1.9 pp in Q2 from a quarter earlier (by 2.2 pp y-o-y), to 76.2%:

- The quarterly amount of approved **dinar household loans** was record-high in Q2 (RSD 206.3 bn), up by RSD 37.3 bn (around 22%) from a quarter earlier. Cash loans increased the most (by RSD 31.0 bn), and continue to account for the largest share of dinar household loans (88%). As a rule, these loans are approved in dinars (99.9%), and their repayment periods exceed five years (80%). The approval of all other categories of dinar household loans increased to a smaller extent.



⁶ Non-financial and non-governmental sector include the public non-financial sector, companies, entrepreneurs, foreign legal persons (other than banks), private households with employed persons and registered agricultural producers, as well as the sector of other legal persons, in accordance with the decision regulating the collection, processing and submission of data on the balance and structure of accounts in the Chart of Accounts.

⁷ Decision on Capital Adequacy of Banks (RS Official Gazette, Nos 103/2016, 103/2018, 88/2019, 67/2020, 98/2020, 137/2020, 59/2021, 67/2022, 137/2022, 48/2023, 110/2023, 102/2024, 41/2025 and 70/2025).

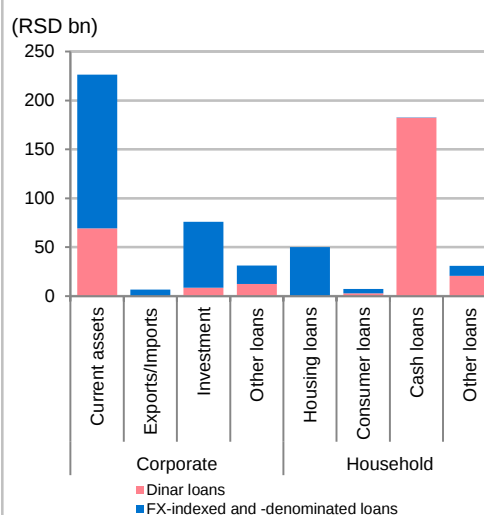
⁸ New loans (or deposits) include all new loan (deposit) agreements the terms of which were agreed for the first time during the reporting month, and all existing agreements for which new terms were renegotiated, with active participation of the client.

- **New FX-indexed household loans increased relatively more than dinar loans (by 36%, or RSD 17.0 bn).** This growth resulted almost entirely from the rise in housing loans (by RSD 16.1 bn), supported by the implementation of the Government's youth housing loans programme. Housing loans make up 78% of new FX-indexed household loans and are typically approved with an FX clause (99.7%).

The dinarisation of new corporate loans declined by 0.6 pp to 26.3%. Y-o-y, this indicator increased (by 2.4 pp). Within new corporate loans in Q2 2025:

- **The amount of new FX-indexed and FX corporate loans rose notably (RSD 251.8 bn), which is roughly 18% (of RSD 38.1 bn) more than in Q1.** The increase was particularly pronounced for working capital loans, characterised by the relatively high degree of dinarisation compared to other loan categories (30.5%). Other non-categorised loans also posted growth, while the approval of investment loans was slightly lower than in Q1.
- **Dinar corporate loans worth RSD 90.0 bn were approved,** and their increase was more moderate than that in FX loans (by RSD 11.3 bn, or 14%). The rise in new loans in Q2 referred almost entirely to working capital loans (by 12.2 bn), which make up more than three-quarters of new dinar corporate loans. Dinar investment loans and other non-categorised dinar loans were approved in a similar amount as in Q1.

Chart I.1.4 New corporate and household loans in Q2 2025 - by purpose



Source: NBS.

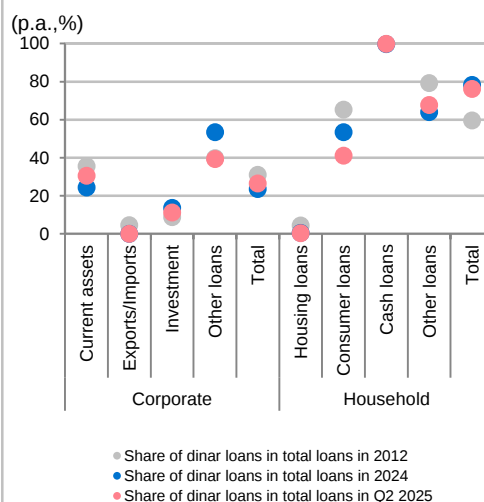
Interest rates on new loans

Under the impact of monetary policy easing by the NBS in 2024 and the activities taken by the NBS and the Serbian Government in 2024 and 2025, as well as monetary policy easing by the ECB in the same period, Q2 saw a further decline in interest rates on bank loans. Interest rates decreased on both household and corporate loans, in dinars and in foreign currency.

Rates on FX loans decreased in particular, by 0.4 pp on average in Q2 to 4.9%. In addition to the direct effect of the reduction in the ECB's rates (by a total of 50 bp in Q2), the decrease was also supported by the measures of the NBS and the Serbian Government, primarily in the domain of interest rates on housing loans to households.

Interest rates on dinar corporate and household loans declined by 0.2 pp on average in Q2, to 8.7%. The interest rate differential between dinar and FX loans therefore widened in Q2 (by 0.2 pp to 3.8 pp), making FX loans more attractive.

Chart I.1.5 Dinarisation of new corporate and household loans - by purpose



Source: NBS.

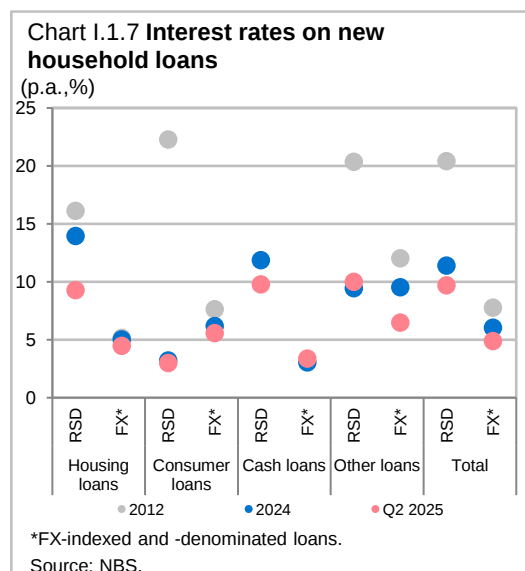
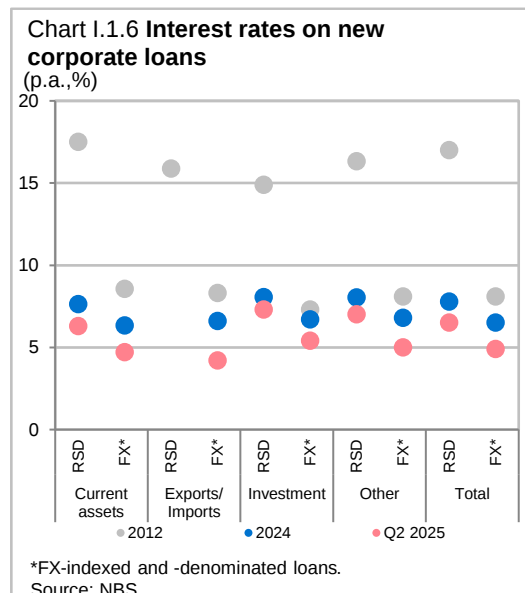
Sector-wise, interest rates on both dinar and FX corporate loans declined in Q2:

- **Interest rates on dinar corporate loans decreased by 0.2 pp on average, to 6.5%, their lowest level since Q4 2022, falling for the seventh consecutive quarter.** Rates decreased on working capital loans (by 0.1 pp to 6.3%) and on other non-categorised loans (by 0.5 pp to 7.0%), while rates on investment loans stayed unchanged (7.3%);
- **Interest rates on FX corporate loans decreased more than on dinar loans (by 0.4 pp on average).** The weighted average interest rate thus measured 4.9% (the lowest level since Q4 2022). **Rates declined across all loan categories**, but more for import loans (by 0.8 pp to 4.2%), working capital loans (by 0.5 pp to 4.7%), and other non-categorised loans (by 0.4 pp to 5.0%). The decrease was less pronounced in the case of investment loans (by 0.1 pp to 5.4%).

As a result, the interest rate differential between dinar and FX corporate loans widened (from 1.4 pp in Q1 to 1.6 pp in Q2), including in y-o-y terms (by 0.2 pp).

Interest rates on both dinar and FX household loans dipped on average, moving in line with the caps laid down by the Law on the Protection of Financial Service Consumers:⁹

- **Interest rates on dinar household loans decreased by 0.3 pp on average, to 9.7% (their lowest level in the past three years, falling for eight quarters in a row).** Rates declined on the (most common) cash loans (by 0.3 pp to 9.8%), and on the (less common) dinar housing loans (by 0.1 pp to 9.3%), while rates on consumer loans and other non-categorised loans went up (by 0.2 pp to 3.0%, and by 0.3 pp to 10.0%, respectively);
- **Interest rates on FX household loans decreased somewhat more (by 0.5 pp on average), to 4.9% – their lowest level since Q3 2022.** By loan purpose, **rates on housing loans declined the most (by 0.5 pp to 4.5%),** supported by monetary policy easing in the euro area money market, but also by the implementation of the subsidised youth housing loans programme at favourable terms. Rates on consumer loans receded somewhat less (by 0.3 pp to 5.6%), as did the rates on other non-categorised loans (by 0.4 pp to 6.5%). The only to rise slightly were the interest rates on FX-indexed cash loans (by 0.1 pp to 3.4%), which are approved in modest amounts.



⁹ The new *Law on the Protection of Financial Service Consumers* (RS Official Gazette, No 19/2025) has capped nominal rates on dinar and euro housing loans at 5.00% (until end-2025), and on other types of variable-rate loans at 13.75% for dinar and 6.96% for foreign currency loans, in the 1 June – 30 November 2025 period. The effective interest rates on current account overdrafts were capped at 19.75% and on credit card debt in dinars and foreign currency at 17.75% and 14.15%, respectively, until end-Q2 2025.

2 Deposit dinarisation

In Q2, the degree of dinarisation of corporate and household deposits increased by 0.8 pp to 45.5% in terms of outstanding business and by 0.2 pp to 56.7% for new deposits.

Dinar savings continued up at a slower pace in Q2, but reaching record highs (RSD 195.7 bn at end-June).

Interest rates on dinar and FX savings were on average unchanged relative to a quarter before. Banks have continued to offer more favourable rates on dinar savings, contributing to their greater profitability compared to FX savings.

Corporate and household deposits

The share of dinar in total corporate and household deposits at end-Q2 2025 stood at 45.5%, which is an increase of 0.8 pp from a quarter before. The rise is even sharper in y-o-y terms (by 1.3 pp). Nevertheless, this indicator still falls short of the record high level recorded at end-2024 (46.5%).

Excluding the exchange rate effect, this indicator stood at 45.4%, up by 0.6 pp from end-Q1 (1.1 pp y-o-y).¹⁰

In Q2, growth in deposit dinarisation was recorded in both corporate and household sectors, driven by rising dinar deposits.¹¹

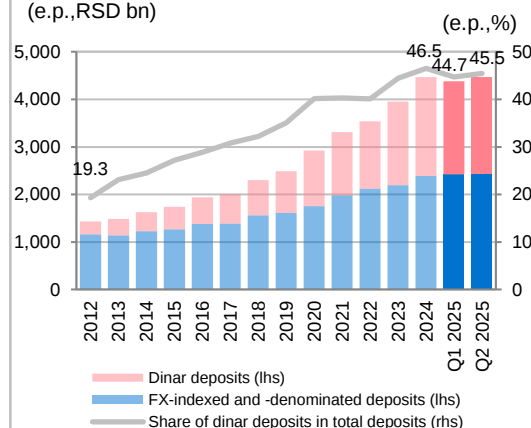
Dinarisation of corporate deposits at end-Q2 stood at 61.8%, up by 1.1 pp from Q1 (0.1 pp y-o-y).

The increase in this indicator in Q2 is a result of:

- **growth in dinar corporate deposits** (by RSD 35.1 bn), stemming almost entirely from an increase in corporate transaction deposits, with savings and time deposits also posting moderate growth (primarily in public enterprises). Sector-wise, the rise in transaction and time deposits of trade companies stands out (by over RSD 26 bn), with transport companies positing twice smaller, though still sizeable growth (by around RSD 13 bn).
- **a decrease in corporate FX deposits** (by RSD 10.2 bn or EUR 84.4 mn). A decrease in FX deposits referred to both short-term and long-term FX deposits and reflected declining deposits of industry, construction and trade companies, partly offset by the rising deposits of real estate and transport companies.

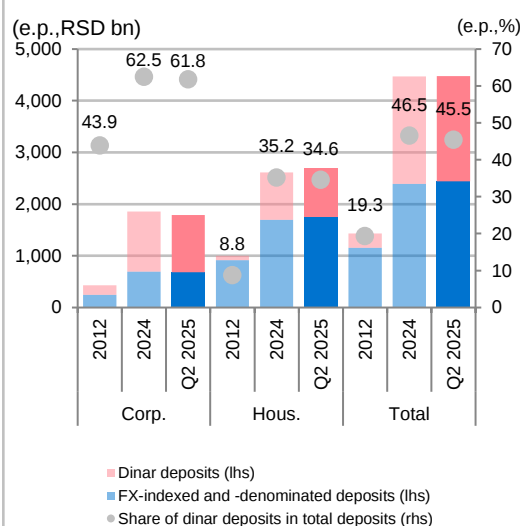
The dinarisation of household deposits increased in Q2 by 0.7 pp to 34.6%, contributing to strong y-o-y growth (by 2.5 pp). Still, the indicator came up

Chart I.2.1 Share of dinar deposits in total corporate and household deposits (e.p., RSD bn)



Source: NBS.

Chart I.2.2 Deposits by sector



Source: NBS.

¹⁰ Calculated at the dinar exchange rate against the euro, US dollar, Swiss franc, pound sterling and the Japanese yen as at 30 September 2024, taking into account the currency structure of deposits.

¹¹ Data are available since July 2008.

short of the end-2024 record level (35.2%). The increase in this indicator in Q2 is a result of:

- **substantial rise in household dinar deposits (by RSD 40.1 bn), mainly referring to transaction deposits (by RSD 36.9 bn), with savings and time deposits rising to a lesser degree;**
- **a moderate growth in FX compared to dinar household deposits** – in Q2 they added RSD 27.1 bn (or EUR 235.9 mn), thanks to a rise in up-to-one-year deposits (by EUR 326.2 mn), while longer-term deposits went down (by EUR 90.3 mn).

Dinar and FX savings

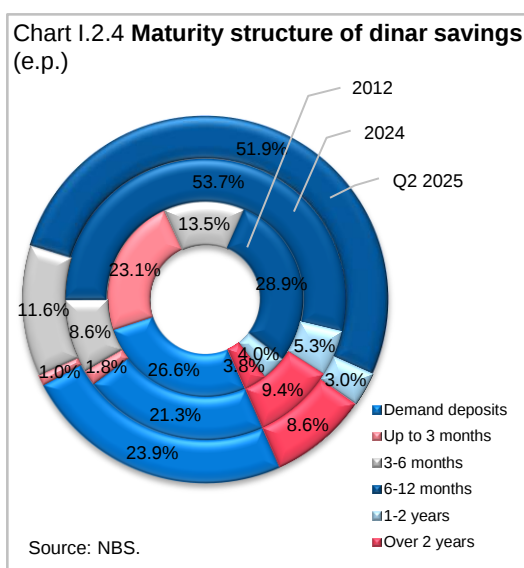
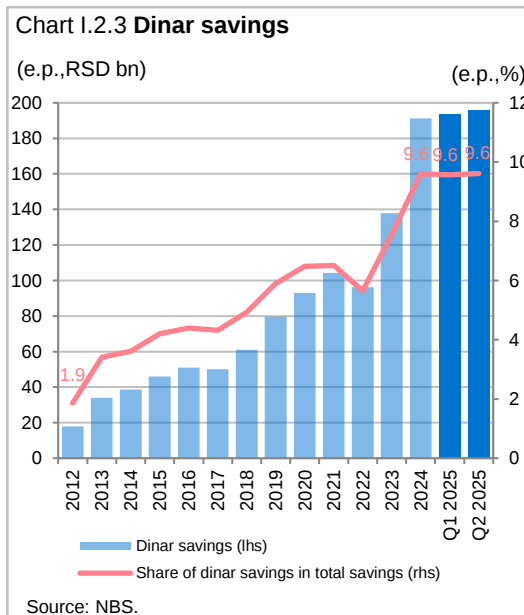
In Q2, both dinar and FX household savings with banks continued to rise and reach new records. Similarly to Q1, growth was somewhat more moderate than in the past period.

Dinar savings¹² rose by RSD 2.3 bn (1.2%) in Q2, to RSD 195.7 bn at end-June, their highest amount thus far. Dinar savings thus extended their growth, though more moderately in the year to date than in the previous eight quarters.¹³

In the composition of dinar savings, only three to six-month savings and demand deposits increased in Q2 (by RSD 3.8 bn and RSD 1.9 bn, respectively). All other maturity categories contracted, most markedly up-to-three month deposits (by RSD 2.5 bn). Savings maturing in six to twelve months also edged down slightly (this being the dominant category of dinar savings, accounting for 52.7%), as did the savings with all maturities over one year (by a total of RSD 0.6 bn).

In Q2, FX savings continued their steady but mild growth, climbing to record EUR 15,703.5 mn at quarter end. FX savings posted growth month after month, totalling EUR 99.4 mn (0.6%) on a quarterly basis, the mildest growth in the past two years.

The growth in FX savings in Q2 reflected a higher amount of savings deposits with under-one-year maturities (by EUR 189.3 mn). The sharpest rise was seen in demand deposits (by EUR 101.9 mn), which accounted for almost two-thirds of total FX savings. A substantial rise was also recorded for three-to-six-month savings (by EUR 71.8 mn), and six-to-twelve month (by EUR 39.5 mn), while only savings maturing in less than three months decreased (by EUR 23.9 mn). **FX savings maturing in over one year downsized further (by a total of EUR 89.9 mn),**



¹² Dinar and FX savings include both residents' and non-residents' savings. Currency-indexed deposits are included in dinar savings.

¹³ Since end-Q3 2022 until end-Q4 2024 dinar savings gained RSD 103.0 bn (116.8%), with the average quarterly growth of RSD 11.4 bn (9.0%).

as did one-to-two-year savings and longer-maturity savings.

Comparing the growth pace, dinar savings rose twice faster than FX savings (1.2% vs 0.6%). However, as growth was relatively moderate in both categories, the share of dinar in total savings at end-Q2 remained broadly unchanged from the quarter before (9.6%) and was at a record-high level.

New corporate and household deposits

Indicators of dinarisation of new deposits

Compared to the previous quarter, the degree of dinarisation of total new corporate and household deposits increased by 0.2 pp to 56.7%.

Observed by sector, this indicator went up in the corporate segment (by 0.6 pp to 68.8%), thanks to the higher amount of new dinar deposits (by 9.0%), with FX deposits recording a milder increase (by 5.7%).

Dinarisation of new household deposits decreased by 2.1 pp to 23.8% in Q2, which is ascribed to:

- households placing less dinar deposits (by 4.1%), across all maturities;
- moderate growth in new household FX deposits (by 7.3%).

In y-o-y terms, the degree of dinarisation of total new corporate and household deposits dropped by 3.6 pp, going down both in the corporate (by 5.2 pp) and household sector (by 3.6 pp).

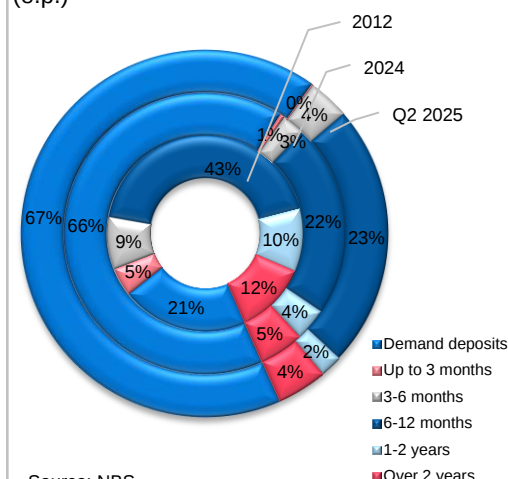
Interest rates on new deposits

Interest rates on total corporate and household time deposits remained on average the same in Q2 2025 as in the quarter before. Interest rates on dinar deposits upped mildly (by 0.1 pp on average, to 4.2%), while interest rates on FX deposits dropped (by 0.1 pp to 2.4%).

The weighted average interest rate on new household dinar deposits stood at 4.3% in Q2, as in the quarter before, and on FX deposits at 2.8%. Of those:

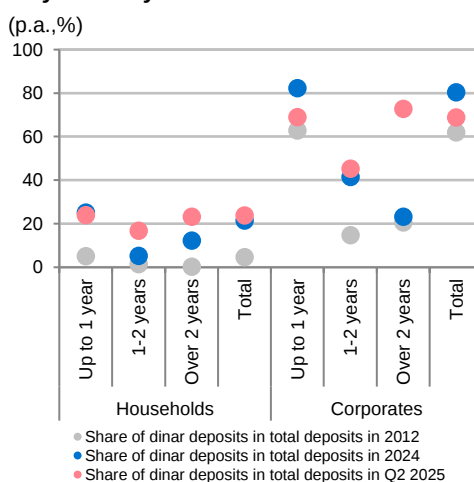
- In the composition of dinar household deposits, the bulk were up-to-one-year deposits (97%), with the average interest rate of 4.3% (unchanged relative to Q1). Deposits with over-two-year

Chart I.2.5 Maturity structure of FX savings (e.p.)



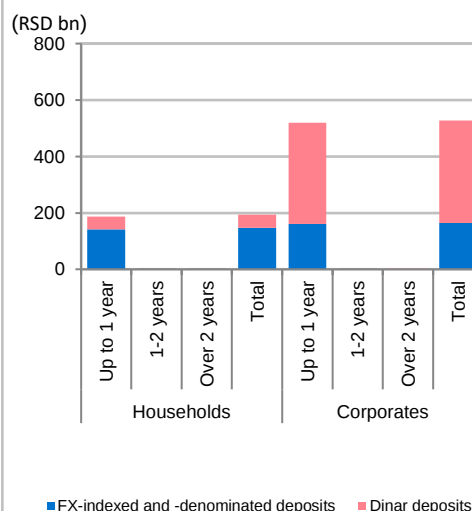
Source: NBS.

Chart I.2.6 Dinarisation of new corporate and household deposits - by maturity



Source: NBS.

Chart I.2.7 New corporate and household deposits in Q2 2025 - by maturity



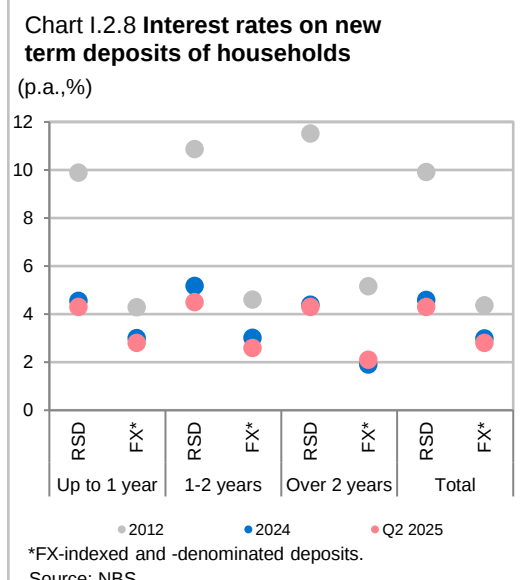
Source: NBS.

maturities were termed at the same average rates, while those maturing in one to two years had somewhat higher rates (4.5% on average);

- As for FX household deposits, up-to-one-year deposits, which dominate in the composition of time deposits (97%), attracted the highest rates (2.8%). Somewhat lower rates were offered for one-to-two-year deposits (2.6%) and over-two-year deposits (2.1%).

Interest rates on new corporate deposits averaged 3.5%, unchanged from Q1.

- **Interest rates on corporate dinar deposits equalled 4.1%, unchanged from a quarter before.** This largely reflects the flatlining of interest rates on up-to-one-year deposits (98% of new dinar corporate deposits), at 4.1%. On the other hand, the interest rates on dinar one-to-two-year deposits declined (by 0.2 pp to 4.0%), while interest rates on longer-term deposits increased (by 0.6 pp to 3.0%);
- **The weighted average interest rate on corporate FX deposits edged down** (by 0.2 pp to 2.1%), due to a decline in rates on up-to-one-year deposits (by 0.1 pp to 2.2%) and over-two-year deposits (by 1.1 pp to 0.1%), while rates on one-to-two-year deposits went up (by 0.3 pp to 1.5%).



Dinar savings are more profitable

Despite prevailing global uncertainties, household savings continued to grow in 2025, reaching new highs, thanks to another year of preserved macroeconomic stability.

In Q2 2025, dinar savings rose by RSD 2.3 bn (1.2%), climbing to the new record level of RSD 195.7 bn at end-June.

Over the past 13 years, dinar savings increased almost elevenfold, while euro savings almost doubled – from EUR 7.9 bn to EUR 15.7 bn.

Table I.2.1. Profitability of savings placed on deposit for a year

Type of savings	Date of deposit placement	Initial deposit	EUR/RSD exchange rate*	Interest rate (% p.a.)**	Maturity date	EUR/RSD exchange rate	Amount of deposit at the end of term	
							in RSD	in EUR***
Savings in RSD	June 2024	100,000	117.0715	4.35	June 2025	117.2074	104,350	890
Savings in EUR	June 2024	854	117.0715	2.84	June 2025	117.2074	102,533	875
Difference in favour of savings in RSD - deposit placed for a year							1,817	15
Difference in favour of savings in RSD - deposit placed for a 3M period							443	4
Difference in favour of savings in RSD - deposit placed for a 2Y period							5,276	45
Difference in favour of savings in RSD - deposit placed for a 13Y period, annual rollover							57,921	494

*monthly average exchange rate of the dinar against the euro.

**weighted average interest rate on RSD and EUR savings placed on deposit for a year - new business.

***for savings in euros, after tax on interest income.

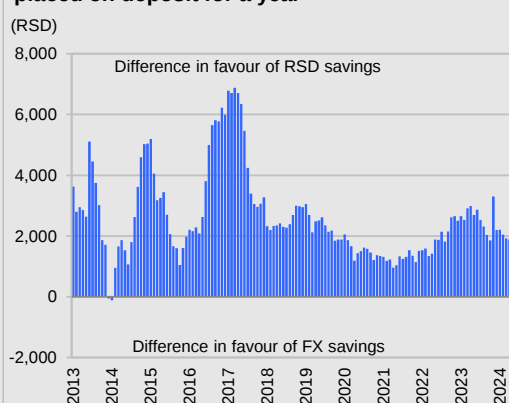
Analysis shows that for the past 13 years (from June 2012 until June 2025), it was more profitable to save in dinars, both in the short and in the long term. Dinar savings termed for a year turned out more profitable than euro savings in almost all observed annual subperiods (almost 99%) (Chart I.2.9). Dinar savings termed for three months were more lucrative than savings in euros in over 92% of the observed subperiods, and savings termed for two years – in all the observed subperiods. A person who deposited RSD 100,000 for one year, at the interest rate of 4.35%, would receive in June 2025 over RSD 1,800 more than a depositor saving in euros the equivalent of RSD 100,000 in the same period, at the interest rate of 2.84% (Table I.2.1).

A person who deposited RSD 100,000 for one year (in June 2012) and rolled it over in the period of 13 years would earn at the end of maturity (June 2025) close to RSD 58,000 (almost EUR 500) more than a depositor who saved in euros the equivalent of that amount over the same period.

Greater profitability of savings in the domestic currency was underpinned by higher interest rates on dinar compared to euro savings, more favourable tax treatment of interest income from dinar savings (non-taxation) compared to euro savings, and the preserved financial stability and RSD/EUR exchange rate stability.

Given the importance of financial system dinarisation, the NBS will continue to support and incentivise saving in the local currency.

Chart I.2.9. Profitability of savings placed on deposit for a year



3 Dinarisation of public debt

The degree of public debt dinarisation edged up by 0.9 pp to 23.4% in Q2 2025. This growth stemmed from the rise in the dinar component (by RSD 24.9 bn) – mostly on account of direct borrowing from domestic banks (for infrastructure projects) and sale of dinar bonds in the domestic capital market, as well as the reduced FX portion of public debt (recalculated in dinars, by RSD 85.0 bn) – largely owing to the reduced indirect government debt on account of guarantees for public enterprise borrowing with international creditors.

Public debt and its composition

Public debt¹⁴ decreased in Q2 by RSD 60.1 bn, to RSD 4,517.7 bn at the end of the quarter (43.7% of estimated GDP).¹⁵

Public debt decrease reflects the contraction in its FX component, across all currencies:

- Euro public debt decreased by EUR 156.1 mn, mostly on account of a net decrease of guaranteed government debt in respect of public enterprise borrowing from international creditors;
- Dollar public debt went down by USD 37.5 mn (8.3%), mostly owing to net repayment of debt to foreign governments;
- The portion of SDR debt edged down mildly (by SDR 0.8 mn) on account of repayment of a part of debt owed to IDA¹⁶.

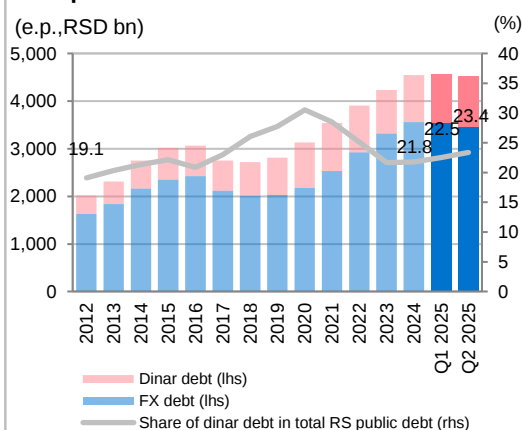
The dinar component of public debt increased by RSD 24.9 bn, to RSD 1,057.2 bn, on account of net disbursement of tranches of dinar loans with domestic banks, intended for infrastructure projects (primarily Ruma–Šabac–Loznica road, Danube highway and National stadium), as well as net sale of dinar bonds in the domestic financial market.

Due to the above trends and the dollar's weakening against the euro and the dinar, the share of the dinar portion in total public debt edged up by 0.9 pp in Q2 (by 2.0 pp y-o-y), measuring 23.4% at quarter end. Euro debt remained dominant in public debt composition (57.9%), rising from a quarter earlier (by 0.3 pp), while dollar debt contracted (by 0.9 pp to 12.4%), as did the SDR portion (by 0.2 pp to 6.0%).

Primary market of government securities

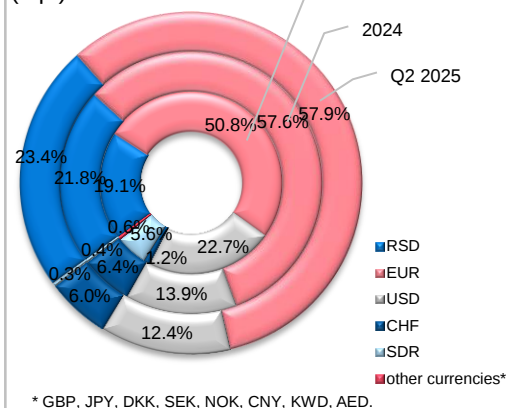
In the currency composition of the portfolio of government securities issued in the domestic financial market,¹⁷ dinar securities continued to make up the dominant share (more than four-fifths of the portfolio or 82.7%). This share somewhat increased in Q2 (by 0.8 pp)¹⁸ due to:

Chart I.3.1 Share of dinar debt in total public debt



Source: Ministry of Finance.

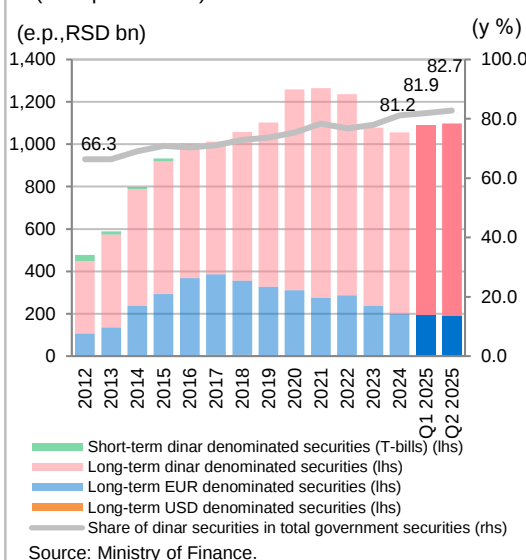
Chart I.3.2 Currency structure of RS public debt (e.p.)



* GBP, JPY, DKK, SEK, NOK, CNY, KWD, AED.

Source: Ministry of Finance.

Chart I.3.3 Maturity and currency structure of government securities issued in the domestic fin. market (end-quarter data)



Source: Ministry of Finance.

¹⁴ Central government public debt.

¹⁵ Preliminary data of the Ministry of Finance – Public Debt Administration.

¹⁶ International Development Association.

¹⁷ Including savings bonds and restitution bonds.

¹⁸ In y-o-y terms, this indicator increased by 2.2 pp.

- **public debt increase stemming from dinar government securities** (by RSD 15.0 bn nominally), on account of the sale of benchmark 10.5Y securities maturing in 2035, while there was no maturing of earlier issued bonds;
- **public debt decrease on account of euro securities issued in the domestic market** (by EUR 65.3 mn), which largely (EUR 65.1 mn) reflects the maturing of securities with the initial maturity of seven years that were issued in 2018, and to a lesser extent also of securities with the initial maturities of 12, 5 and 10 years.

Secondary market of dinar government securities

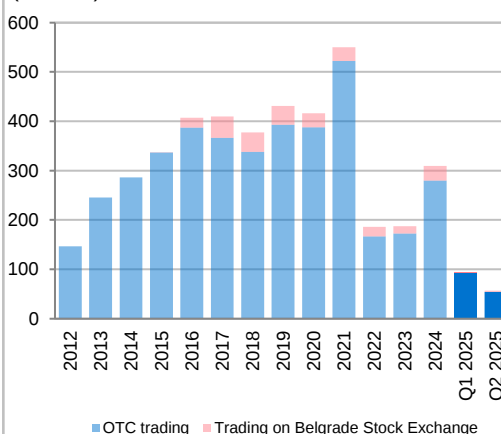
Trading in dinar government securities in the secondary market in Q2 equalled RSD 56.7 bn, 81% of which referred to the securities with the longest remaining maturities (maturing in 2035, 2031 and 2032).

Compared to Q1, secondary trading in dinar securities declined considerably (by RSD 37.4 bn or 40%). The sharpest decrease was recorded for securities maturing in 2028 (by RSD 12.8 bn or 89%), followed by those maturing in 2031 (by RSD 12.7 bn or 44%), 2035 (by RSD 11.2 bn or 38%) and 2032 (by RSD 7.1 bn or 37%). On the other hand, only the trading in bonds with the shortest remaining maturity expanded (2026). Their trading volume amounted to RSD 9 bn, or 3.7 times more than in Q1.

Despite the contraction in the overall secondary trading in the BSE, secondary trading in dinar government securities in Q2 rose considerably – to RSD 2.8 bn, or more than three-fourths more than in the quarter before. Hence, the trading share in this market segment edged up (by 3.2 pp), though still remaining relatively modest (4.9%).

Chart I.3.4 Secondary trading in dinar government securities

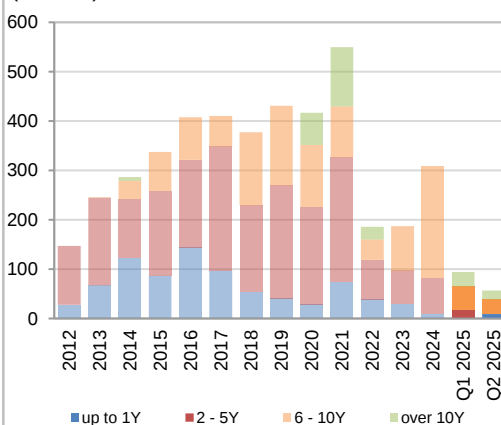
(RSD bn)



Sources: Ministry of Finance, CSD and BSE.

Chart I.3.5 Secondary trading in dinar government securities, by remaining maturity of securities

(RSD bn)



Sources: Ministry of Finance, CSD and BSE.

III FX hedging instruments

In Q2 2025, the NBS continued to conclude bilateral transactions of swap sale and purchase of foreign exchange (euros) with banks that proved to be an efficient tool for helping banks manage dinar and FX liquidity.

In Q2 2025, residents concluded forward FX purchases with banks worth EUR 106.3 mn, up by EUR 46.1 mn q-o-q, and forward FX sales worth EUR 14.8 mn, down by EUR 4.1 mn q-o-q.

1 NBS FX swap auctions

In Q2 2025, the NBS continued to conclude bilateral FX swap purchase/sale transactions with banks which proved to be an efficient tool for helping banks manage dinar and FX liquidity, considering the flexibility regarding the moment of conclusion of transactions and their maturity.

During Q2, the NBS swap bought and sold EUR 271 mn each, which is EUR 61 mn more q-o-q.

Table II.1.1. NBS swap transactions, quarterly data (EUR mn)

Period	Swap FX sale	Swap FX purchase
2012	171.0	188.0
2013	124.0	124.0
2014	180.0	180.0
2015	550.5	550.5
2016	440.0	440.0
2017	546.5	546.5
2018	324.0	324.0
2019	513.5	513.5
2020	800.5	956.0
2021	353.0	518.0
2022	680.6	993.6
2023	563.0	563.0
2024	1,257.0	1,257.0
2025	481.0	481.0
Q1	210.0	210.0
Q2	271.0	271.0

Note: Until the end of 2021, the data refer to swap auctions, and from the beginning of 2022 the data refer to swap auctions and bilateral swap transactions. From 2023, the data refer only to bilateral swap transactions.

Source: NBS.

Table II.1.2. NBS bilateral swap transactions in 2025, monthly data (EUR mIn)

Month	Swap FX sale	Swap FX purchase
January	85.0	85.0
February	70.0	70.0
March	55.0	55.0
Q1 2025	210.0	210.0
April	90.0	90.0
May	80.0	80.0
June	101.0	101.0
Q2 2025	271.0	271.0
Total in 2025	481.0	481.0

Source: NBS.

2 FX hedging instruments

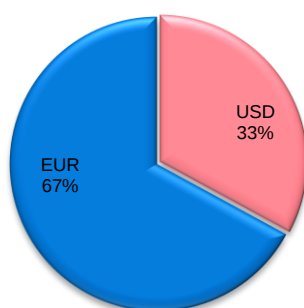
In Q2, the share of forward FX purchases in total FX purchases by residents from banks equalled 1.4% (0.8% in the quarter before) and was the highest in June – 2.1%. Eleven domestic companies used the possibility of FX hedging by concluding this type of transactions with banks, totalling EUR 106.3 mn (EUR 60.2 mn in the quarter before). The weighted average maturity of forward FX purchases was 70 days, with the longest maturity of an individual forward FX transaction recorded in May – 187 days. The average value of forward FX purchase contracts of residents equalled EUR 0.5 mn.

Q2 saw forward FX sales by five residents in the total amount of EUR 14.8 mn (EUR 18.9 mn in the quarter before), and the weighted average maturity of transactions was 76 days. The longest maturity of individual forward transactions was recorded in April and May – 184 days each. The average value of forward FX sale contracts of residents equalled EUR 0.5 mn.

In terms of the currency structure of forward FX purchases by residents from banks, the euro accounted for 67%, and the US dollar for 33%.

As for the currency structure of forward FX sales by residents to banks, the euro accounted for 100%.

Chart II.2.1. Currency structure of FX forward purchase of residents from banks in Q2 2025



Source: NBS.

Table II.2.1. FX forward transactions between residents and banks, quarterly data

Period	Forward purchase by residents			Forward sale by residents		
	Amount in EUR mln	Weighted average maturity in days	% share in total purchase	Amount in EUR mln	Weighted average maturity in days	% share in total sale
2012	754.7	38	6.7	1.3	18	0.0
2013	533.8	24	5.0	1.4	39	0.0
2014	430.0	24	5.0	0.8	49	0.0
2015	531.0	16	4.8	1.5	77	0.0
2016	450.5	22	3.9	12.9	263	0.1
2017	388.8	37	3.0	17.1	349	0.2
2018	212.7	55	1.5	49.9	450	0.4
2019	108.9	72	0.7	63.4	349	0.4
2020	178.7	118	1.2	69.4	217	0.5
2021	146.8	116	0.8	40.6	246	0.2
2022	185.3	67	0.7	33.9	146	0.1
2023	285.7	51	1.2	42.2	98	0.2
2024	305.8	69	1.1	56.1	101	0.2
2025	166.5	78	1.1	33.7	78	0.2
Q1	60.2	91	0.8	18.9	79	0.3
Q2	106.3	70	1.4	14.8	76	0.2

Source: NBS.

Table II.2.2. FX forward transactions between residents and banks in 2025, monthly data

Month	Forward purchase by residents			Forward sale by residents		
	Amount in EUR mln	Weighted average maturity in days	% share in total purchase	Amount in EUR mln	Weighted average maturity in days	% share in total sale
January	6.5	82	0.3	4.8	86	0.2
February	39.0	106	1.5	4.0	106	0.2
March	14.7	55	0.6	10.1	65	0.4
Total in Q1 2025	60.2	91	0.8	18.9	79	0.3
April	41.3	49	1.6	4.2	70	0.2
May	12.4	102	0.5	5.0	79	0.2
June	52.6	79	2.1	5.7	79	0.2
Total in Q2 2025	106.3	70	1.4	14.8	76	0.2
Total in 2025	166.5	78	1.1	33.7	78	0.2

Source: NBS.

Table A Indicators of dinarisation of receivables, loans and deposits
(%)

Period	Share of dinar in total receivables, outstanding amounts, e.p.			Share of dinar in total loans, new business, p.a.*			Share of dinar in total deposits, outstanding amounts, e.p.			Share of dinar in total deposits, new business, p.a.*		
	Corporates	Households	Total	Corporates	Households	Total	Corporates	Households	Total	Corporates	Households	Total
2008	33.8	22.2	29.2				50.3	12.5	27.6			
2009	26.2	22.1	24.7				52.5	10.9	25.6			
2010	32.2	27.6	30.5	41.8	51.1	43.5	45.0	8.5	19.8	51.4	2.7	25.0
2011	27.3	32.6	29.2	33.3	44.0	35.9	44.9	10.1	21.5	51.3	3.8	32.8
2012	24.2	35.1	28.0	31.0	59.6	36.5	43.9	8.8	19.3	62.0	4.6	38.1
2013	20.0	37.9	26.8	24.6	63.6	35.0	52.4	11.5	23.1	65.2	8.2	44.1
2014	25.0	41.0	31.2	33.2	71.7	44.2	53.6	12.3	24.5	67.6	12.3	46.5
2015	19.4	42.8	28.6	16.8	67.8	30.3	55.6	13.9	27.2	69.1	16.0	52.8
2016	19.4	47.0	31.2	21.5	74.1	36.8	54.0	15.8	28.8	69.3	20.1	56.6
2017	17.5	51.8	33.0	19.3	71.0	36.0	56.5	16.9	30.8	75.6	22.7	64.3
2018	15.4	53.6	33.0	18.3	73.1	36.8	53.1	19.2	32.2	81.1	20.3	66.7
2019	14.0	55.4	33.1	16.9	66.9	33.5	58.3	22.1	35.1	74.9	25.0	63.9
2020	21.0	55.9	37.3	31.5	69.8	43.6	61.3	26.8	40.1	81.3	26.6	70.1
2021	24.0	54.6	38.3	25.5	67.9	39.4	59.4	28.3	40.3	81.1	30.4	71.0
2022	19.4	53.1	35.1	20.3	68.2	35.3	58.3	27.6	40.1	80.3	21.4	68.6
2023	17.3	54.1	34.5	18.3	75.4	36.3	62.7	31.4	44.4	73.6	21.8	60.7
2024	20.9	55.4	37.4	23.6	78.2	43.3	62.5	35.2	46.5	72.4	25.7	60.7
Q1 2025	21.2	55.5	37.8	26.9	78.1	48.7	60.7	33.9	44.7	68.2	25.9	56.5
Q2 2025	22.0	55.8	38.5	26.3	76.2	48.4	61.8	34.6	45.5	68.8	23.8	56.7

* Indicators are calculated based on data on the amount of new loans and deposits during the period.

For the year 2010, indicators relate to the period September-December.

Source: NBS.

Table B Currency structure of household savings and public debt

Period*	Household savings				Public debt (central government)			
	Dinar savings (RSD mn)	FX savings (EUR mn)	Total savings (RSD mn)	Share of dinar savings in total savings (%)	Public debt in RSD (RSD bn)	Public debt in foreign currency (RSD bn)	Total public debt (RSD bn)	Share of RSD public debt in total public debt (%)
2008	10,575.0	4,679.1	425,145.0	2.5	19.9	758.1	778.0	2.6
2009	12,400.0	5,904.5	578,577.0	2.1	120.6	823.8	944.4	12.8
2010	13,848.7	7,105.8	763,495.8	1.8	187.1	1,095.4	1,282.5	14.6
2011	19,664.1	7,611.2	816,110.9	2.4	248.9	1,298.6	1,547.5	16.1
2012	17,882.9	8,272.3	958,597.0	1.9	385.4	1,629.3	2,014.8	19.1
2013	34,015.4	8,418.5	999,125.2	3.4	469.1	1,840.0	2,309.0	20.3
2014	38,615.1	8,524.6	1,069,732.9	3.6	588.6	2,164.6	2,753.2	21.4
2015	45,968.2	8,628.6	1,095,435.6	4.2	668.9	2,349.7	3,018.6	22.2
2016	51,063.9	8,987.3	1,160,744.3	4.4	639.8	2,424.8	3,064.6	20.9
2017	50,152.0	9,373.2	1,160,614.5	4.3	632.5	2,117.2	2,749.7	23.0
2018	61,079.9	9,955.1	1,237,720.8	4.9	708.4	2,011.8	2,720.2	26.0
2019	79,573.6	10,804.3	1,350,075.9	5.9	781.3	2,034.4	2,815.6	27.7
2020	93,057.4	11,435.8	1,437,685.6	6.5	958.0	2,177.8	3,135.8	30.5
2021	104,184.7	12,736.2	1,601,732.8	6.5	1,010.2	2,533.1	3,543.2	28.5
2022	96,287.5	13,715.0	1,705,363.3	5.6	983.5	2,926.4	3,909.9	25.2
2023	137,899.3	14,416.1	1,827,087.5	7.5	917.8	3,318.3	4,236.1	21.7
2024	191,160.7	15,390.4	1,992,072.1	9.6	991.6	3,557.3	4,548.9	21.8
Q1 2025	193,398.8	15,604.1	2,022,362.8	9.6	1,032.3	3,545.5	4,577.8	22.5
Q2 2025	195,713.6	15,703.5	2,035,752.0	9.6	1,057.2	3,460.5	4,517.7	23.4

* Indicators show data at end-period.

Sources: NBS, Ministry of Finance.

Table C Overview of measures and activities contributing to dinarisation increase (1/2)

Period of adoption of measure/implementation of activity	Description of measure/activity	Expected effects
June 2005	RR differentiation rate on dinar and FX sources of bank financing.	Stimulating banks to use dinar sources of financing more
May 2011	LTV limit for FX-indexed mortgage loans of 80%, with no such limit prescribed for dinar loans. In December 2017 this limit was loosened to 90% in cases when the loan is approved as a measure of government support to certain categories of natural persons, and in June 2018 to 90% in cases when the loan is approved as a measure of government support to certain categories of natural persons, and in June 2018 to 90% in cases when the loan is approved as a measure of government support to certain categories of natural persons (except mortgage loans) of 30%.	Ensuring preferential treatment of dinar lending to households
Since May 2011	Prescribed minimum mandatory down payment/deposit for FX and FX-indexed loans to natural persons (except mortgage loans) of 30%.	Ensuring preferential treatment of dinar lending to households
June 2011	Limiting the ratio of net open FX position to capital at 20%, as of 2011 (increased from 10%, with a view to encouraging credit activity).	Limiting the amount of FX and FX-indexed loans relative to FX sources of funding
December 2011	First-degree liquid receivables include also 90% of fair value of dinar RS securities with minimum maturity of 3 months. This does not apply to FX securities.	Capital market development, incentivising banks to rely more on dinar sources of financing
	Prescribed requirement for banks to inform clients in writing, prior to signing an agreement, of the risks they assume if they opt for an FX-denominated or FX-indexed service. Also, the offered agreement must contain the information on the currency in which the service is provided.	Promoting hedging against FX risk for financial service consumers
	Prescribed requirement for advertising of credit and deposit services and leasing operations: when the advertising message contains numerical data, the currency in which the service is denominated must be stated in a representative example.	
	Prescribed requirement for banks and lessors to offer financial services in dinars, unless the consumer requires otherwise.	
April 2012	The NBS and the Republic of Serbia Government signed the Memorandum on the Strategy of Dinarisation of the Serbian Financial System.	Defining objectives, measures and activities that the NBS and the Republic of Serbia will implement in order to strengthen confidence in the national currency and its use in the financial system
May 2012	Societe Generale Banka Srbija a.d. Beograd issued the first dinar bond in the domestic market, without a currency clause, with three year maturity.	Capital market development
September 2012	By the adoption of the Law Amending the Law on Personal Income Tax, the tax on interest on FX savings was increased from 10% to 15%.	Given that interest income on dinar savings is exempted from the personal income tax, this measure is an incentive to households to give preference to saving in domestic currency over FX saving
April 2013	The NBS included dinar securities without an FX-clause issued by IFOs with the top credit rating in the portfolio of securities used by the NBS in open market operations and on the list of eligible collateral in approval of NBS's daily liquidity facilities and short-term loans against the pledge of securities.	Capital market development, through incentive to banks to hold in their portfolios dinar securities issued by the IFOs for the purpose of loan financing
November 2013	The NBS adopted the Decision on Terms and Conditions of Performing Foreign Credit Transactions in Dinars, which provides for more favourable conditions under which international financial institutions and development banks or financial institutions founded by a foreign state (IFO) may approve dinar loans to domestic banks, legal persons and entrepreneurs, as well as conditions and manner in which domestic banks may approve dinar loans to non-residents.	Increasing credit activity of domestic banks in dinars
May 2014	The Republic of Serbia Government adopted the programme for subsidising dinar loans to corporates.	Increasing loan dinarisation - of a temporary nature
October 2014	A first-time issue of a 10-year dinar bond by the government.	Financial market development and building a yield curve for longer maturities – enabling banks to price long-term dinar loans
November 2015	Long-term government securities admitted to the prime listing of the Belgrade Stock Exchange.	Boosting liquidity and developing secondary market of government securities
January 2016	RR rate on the portion of FX base comprised of dinar liabilities indexed to an FX-clause was increased to 100% from 50% which had been applied since June 2012.	Disincentive for use of FX-indexed dinar deposits
February 2016	A first-time larger-size issue of benchmark dinar bond by the government, with a view to reopening the issue and selling the bond several times a year.	Boosting liquidity and developing secondary market of dinar government securities
October 2016	Domestic banks started to offer non-FX indexed housing loans in dinars, at relatively favourable terms (rates below 5%) and with a long repayment term (up to 30 years).	Rise in long-term household lending in dinars
December 2016	The domestic financial market saw the first issuance of a dinar bond by an international financial institution – EBRD. The nominal size of the issue was RSD 2.5 bn.	Financial market development

Table C Overview of measures and activities contributing to dinarisation increase (2/2)

Period of adoption of measure/implementation of activity	Description of measure/activity	Expected effects
June 2017	The first trading in EBRD-issued dinar bonds in the Belgrade Stock Exchange (in the amount of RSD 60 mn).	Secondary financial market development
	A part of EBRD proceeds from the issue of dinar bonds in the domestic market was onlent to corporates through domestic banks. The loans were mainly used for financing of agriculture and refinancing.	Increasing the dinarisation of corporate loans
	The NBS set the systemic risk buffer rate at 3% of total FX and FX-indexed receivables of a bank approved to corporates and households in the Republic of Serbia, for banks whose share of FX and FX-indexed in total corporate and household receivables exceeds 10%.	Limiting the risk of euroisation, one of the key structural non-cyclical systemic risks to the stability of the financial system of the Republic of Serbia.
December 2017	The Government issued a new type of bond in the domestic financial market – saving bond.	Development of the financial market by promoting alternative form of savings and facilitating access to the government securities market for the general public
Since April 2018 (the last change), as well as before	Differentiated RR remuneration rate: 1.25% on dinar RR, no remuneration on FX RR.	Stimulating banks to rely more on dinar sources of funding
June 2018	The Law on Financial Collateral was adopted.	Achievement and improvement of the legal certainty and efficiency relating to the performance of obligations in the financial market (regulating financial collateral arrangements as well as procedures for enforcement of the collateral), as preconditions for further development of the financial market.
December 2018	The NBS and the Republic of Serbia Government signed the new Memorandum on the Strategy of Dinarisation of the Serbian Financial System.	Reviewed the results of measures and activities taken so far and, starting from them, agreed on additional measures and activities aimed at further increase in dinarisation and curbing of the FX risk in the system
	Amendments to the Law on Public Debt introduced the institute of primary dealer and envisaged the possibility of using financial derivatives for the purposes of public debt management.	Increasing liquidity and developing the domestic financial market.
December 2019	Amendments to the Decision on Capital Adequacy of Banks envisage lower capital requirements for banks to cover risks arising from dinar receivables to micro enterprises, small and medium-sized enterprises, entrepreneurs and farmers. Also, capital reduction is envisaged for banks whose share of new FX and FX-indexed loans approved to corporates, entrepreneurs and farmers for specific purposes has exceeded the defined level.	Incentivising banks to increase dinar lending.
	Amendments to the Law on Public Debt enable foreign legal persons (e.g. Euroclear) to clear and settle transactions related to the purchase and sale of government securities in the domestic capital market.	Facilitating foreign investor access to the domestic market of government securities, increasing efficiency and broadening the financial investor base on that market.
February 2020	Amendments to the Law on the Capital Market harmonise the provisions of that Law with the Law on Public Debt, in terms of the possibility for foreign legal persons (e.g. Euroclear) to clear and settle transactions related to the purchase and sale of financial instruments in the domestic capital market.	Facilitating foreign investor access to the domestic capital market, increasing efficiency of the domestic financial market and broadening the financial investor base.
	On 18 February 2020, Serbia issued its first 12Y government bond, at a coupon rate of 4.50%. Thus, the yield curve of longer maturities was extended, enabling banks to form the price of long-term dinar loans.	Development of the financial market.
May 2020	The NBS introduced bonds issued by the domestic companies with a certain credit rating (determined by the Business Registers Agency) in the portfolio of securities traded in the NBS open market, and in the list of acceptable collateral when approving NBS loans for daily liquidity and short-term loans based on the securities pledge.	Capital market development, through incentive to banks to hold in their portfolios dinar corporate bonds.
July 2020	Amendments to the decision on interest rates, which the NBS applies in its monetary policy conduct, envisage that banks which approve dinar loans to clients under the guarantee scheme at rates at least 50 bp lower than the maximum (one-month BELIBOR + 2.5 pp) are entitled to the remuneration rate for dinar reserve requirements from the NBS (which currently stands at 10 bp) increased by 50 bp, on the amount equal to the amount of those loans approved under more favourable terms, and which do not exceed the amount of calculated dinar reserve requirements.	Encouraging dinar lending.
June 2021	Dinar bonds of the Republic of Serbia are included in renowned indices of J.P. Morgan investment bank.	Boosting liquidity and development of the domestic capital market.
October 2021	Clearstream included Serbian capital market in its global network.	Direct settlement of securities issued in RSD is enabled for foreign investors, which should have a positive effect on the domestic capital market liquidity and development of this market in the coming period.

Methodological notes

- Dinarisation indicators, for each category, represent the share of dinar component in the total amount of that category.
- Receivables include dinar and FX loans (including FX-indexed ones), advances, securities, corporate shares and receivables from interest and fees. Dinar receivables are receivables extended in dinars without an FX-clause. An FX-clause is a currency clause as defined by the Law on Foreign Exchange Operations and any other clause stipulating hedge against the risk of dinar exchange rate volatility.
- The corporate sector (enterprises) comprises public enterprises and companies. Public enterprises are enterprises founded by the state, performing activities in the general (public) interest. Companies also include bank clients in the area of health and education not financed from the budget (private clinics, hospitals, schools and other institutions charging fees for their services based on production costs).
- The household sector comprises domestic natural persons, foreign natural persons – residents, private households with employed persons, registered farmers and entrepreneurs, and non-profit institutions serving households (NPISH).
- Receivables are expressed by the gross principle, i.e. not reduced by allowances for impairment. When excluding the exchange rate effects, the exchange rate of the dinar against the euro, the US dollar, Swiss franc, UK pound sterling and Japanese yen is taken into account.
- The new loans category does not include refinancing loans at interest rates significantly below the market rates, or revolving loans, current account overdrafts and credit card loans.
- The new deposits category includes term deposits and notice deposits while it does not include overnight deposits.
- Deposits include dinar and FX (including FX-indexed) deposits.
- Household savings include savings of residents and savings of non-residents.
- Public debt of the Republic of Serbia refers to the debt of the central level of government.
- Trading in the secondary market of dinar government securities is observed as at the date of settlement of the securities.

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