National Bank of Serbia

REPORT ON DINARISATION OF THE SERBIAN FINANCIAL SYSTEM

First Quarter 2026

July 2026

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 – y-o-y

Other generally accepted abbreviations are not cited.

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I Overview

***<u>The degree of dinarisation of total corporate and household receivables</u> in terms of outstanding business reached a record high at end-Q1 2026 (39.7%)**, following an increase of 0.4 pp q-o-q. **In terms of new business, this indicator increased even more strongly over the same period** (by 6.1 pp to 52.6%).*

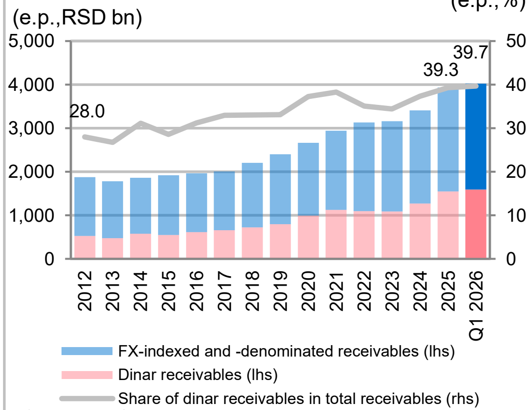
***<u>The share of dinar deposits in total corporate and household deposits</u> decreased in terms of outstanding business** (by 1.9 pp to 45.0%). **In terms of new business**, this share increased compared to the previous quarter (by 3.2 pp to 52.8%), which is a trend typically observed at the beginning of the year and is partly associated with the effect of the high base from Q4, marked by seasonally higher placements of FX deposits ahead of the Savings Month and at year-end.*

***Both dinar and FX savings continued to increase in Q1 2026 and reached record levels**. Despite heightened geopolitical risks, dinar savings continued to grow, reaching a record RSD 215.9 bn at end-March, while FX savings reached EUR 16.5 bn. At the same time, interest rates on savings in both currencies increased slightly.*

***<u>The degree of public debt dinarisation</u> decreased in Q1 2026 compared to the previous quarter** (by 1.4 pp), **to 21.1%**. The decrease reflects a rise in the FX component of public debt – primarily on account of increased government financing from foreign creditors – while the dinar component declined, mainly due to the maturing of government dinar securities issued in the domestic capital market.*

***As for <u>FX hedging instruments</u>, in Q1 2026 residents concluded forward FX purchase transactions with banks worth EUR 43.9 mn** (EUR 8.2 mn less than in the previous quarter). **During the same period, forward FX sale transactions worth EUR 20.1 mn were also concluded** (EUR 2.2 mn more than in Q4 2025).*

Chart I.1.1 **Share of dinar receivables in total corporate and household receivables**



Source: NBS.

II Dinarisation of the Serbian financial system

1 Dinarisation of receivables

The degree of dinarisation of corporate and household receivables in terms of outstanding business continued to increase. At end-Q1 2026, this indicator reached a record 39.7%, up by 0.4 pp from Q4 2025.

In terms of new business, this indicator also increased in Q1, even more markedly than in terms of outstanding business (by 6.1 pp to 52.6%), in both sectors concerned.

Following seven quarters of decline, interest rates on dinar loans increased in Q1, driven by somewhat higher rates on corporate loans. Interest rates on FX loans also edged up, both for corporate and household loans.

Corporate and household receivables

The share of dinar receivables in total corporate and household receivables amounted to a record-high level of 39.7% at end-Q1 2026. Compared to the previous quarter, this indicator was higher by 0.4 pp, while the increase was more pronounced in y-o-y terms (1.9 pp).

Excluding the exchange rate effect, the degree of dinarisation of receivables stood at 39.8% at end-Q1, also recording increases both q-o-q and y-o-y (0.4 pp and 2.0 pp, respectively).[1]

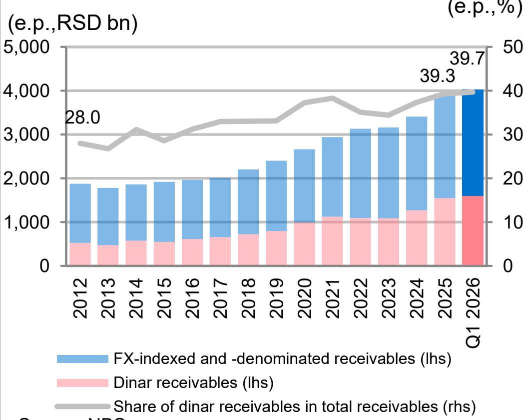
The increase in receivables dinarisation in Q1 occurred amid continued growth in corporate and household receivables. Growth in both sectors and in both currencies was much more moderate than in the previous quarter, which is a seasonal pattern typically observed at the beginning of the year.

Of the total increase in corporate and household receivables (RSD 85.0 bn), as much as 86% (RSD 73.5 bn) related to the increase in household receivables, which continued to be driven by strong growth in dinar receivables:

– **Dinar household receivables increased** by RSD 46.9 bn, reflecting, as usual, growth in cash loans, particularly in the longest maturity segment – over five years. To a considerably lesser extent, liquidity and working capital loans (approved to entrepreneurs), as well as overdrafts on transaction accounts, also went up.

– **FX-indexed household loans recorded growth almost half that of dinar loans** (RSD 26.6 bn). As before, almost the entire increase related to housing loans, which have been recording continuous m-o-m growth since December 2023.

Chart I.1.1 **Share of dinar receivables in total corporate and household receivables**



Source: NBS.

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

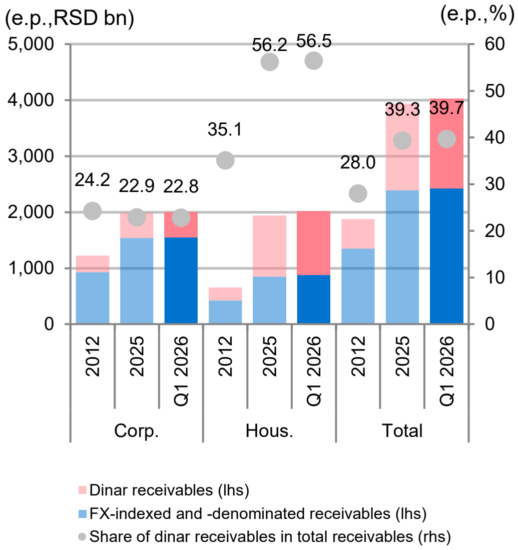
As a result, **__the degree of dinarisation of household receivables__ increased by 0.3 pp in Q1**, reaching **56.5%** at quarter-end, thereby **almost matching its record high of 56.6% from September 2020**. This indicator also increased y-o-y (by 1.0 pp).

__Total corporate receivables__ recorded more moderate quarterly growth (RSD 11.5 bn) compared to the previous quarter. Such movements are typical at the beginning of the year and are partly associated with the effect of the high base from Q4, marked by the approval of advances for pension payments (which are neutralised at the beginning of the following year), and, to a lesser extent, by stronger lending at year-end in order to meet banks' annual lending plans. By currency structure, **corporate receivables increased in both currencies**:

- **FX and FX-indexed corporate receivables recorded stronger growth** (RSD 10.6 bn), associated with increased approval of working capital loans, predominantly to large enterprises operating in transport, construction and real estate, with maturities ranging from one to five years. On the other hand, the largest decline was recorded in long-term FX and FX-indexed investment loans and import loans, approved primarily to large and medium-sized enterprises in industry and agriculture.
- **Dinar corporate receivables increased marginally** (by RSD 0.9 bn). Similarly to last year, receivables arising from the maturity of dinar advances approved at end-2025 in connection with early pension payments (which certain banks offer to their clients) declined significantly, thereby neutralising, already at the beginning of 2026, their impact on the growth of dinar receivables and the degree of dinarisation recorded at end-2025. At the same time, banks increased their holdings of dinar corporate bonds issued by certain enterprises in the domestic capital market, as well as the stock of dinar investment loans, overdrafts on transaction accounts and other non-categorised loans approved to enterprises in the trade and construction sectors.

These developments resulted in a slight **decline in the degree of dinarisation of corporate receivables (by 0.1 pp), to 22.8%**. Observed by month, this indicator declined more significantly in January (by 0.5 pp), after which most of that decline was offset by increases recorded in February (0.1 pp) and March (0.3 pp). **In y-o-y terms, the degree of dinarisation recorded a more pronounced increase (1.6 pp)**.

Chart I.1.2 **Receivables by sector**



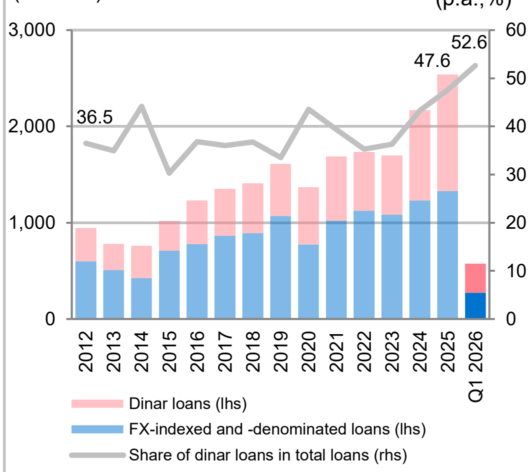
Source: NBS.

New corporate and household loans

Indicators of dinarisation of new loans

The degree of dinarisation of total new **corporate and household** loans[2] **in Q1 2026 increased significantly (by 6.1 pp)** compared to the previous quarter, reaching **52.6%**. This is the **highest level since Q3 2014**, when this indicator recorded strong growth owing to the implementation of the government programme of subsidised dinar lending to corporates. In y-o-y terms, this indicator also recorded a substantial increase in Q1 (by 3.9 pp).

Chart I.1.3 **Share of dinar loans in new corporate and household loans**



Source: NBS.

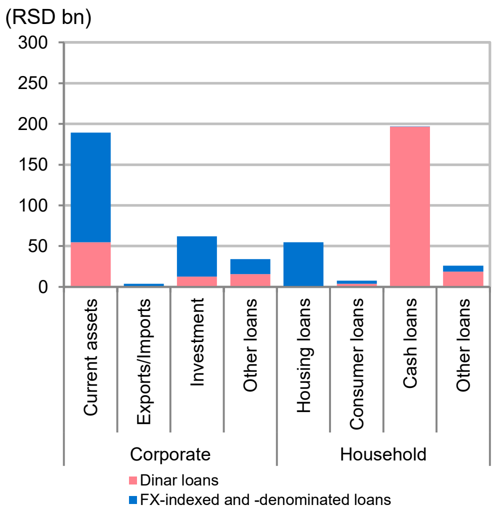
The increase in the degree of dinarisation of new loans in Q1 relative to the previous quarter was recorded **in both sectors concerned**, amid **lower approval of new loans to both corporates and households**, with the **decline** present **in both currencies** in both sectors. However, **the reduction in new lending** was relatively more pronounced for **FX loans** than for **dinar loans**, which **resulted in a higher degree of dinarisation**.

Observed by sector, the quarterly increase in the degree of **dinarisation of new loans in Q1** was **more pronounced in the corporate sector – up by 3.6 pp (1.8 pp y-o-y), to 28.7%**. In particular:

– **New dinar loans** decreased by RSD 34.4 bn (29%), almost entirely on account of working capital loans, which account for around two-thirds of dinar loans. These loans are characterised by a higher degree of dinarisation than other loan categories (29.0%), which, owing to the lower approval of such loans in Q1, declined by 5.4 pp compared to the previous quarter.

– **The amount of new FX and FX-indexed corporate loans declined to a greater extent** (by RSD 144.9 bn, or 41%), with decreases recorded across all loan categories, particularly investment loans, which are predominantly approved in foreign currency (80%).

Chart I.1.4 **New corporate and household loans in Q1 2026 - by purpose**



Source: NBS.

New household loans also declined in Q1 in both currencies, following the record-high amounts recorded in the previous quarter. In percentage terms, the decline was somewhat more pronounced in euro-indexed loans (15.6%) than in dinar loans (14.4%), which resulted in **an increase in the degree of dinarisation of these loans by 0.3 pp to 76.8%**. In y-o-y terms, however, this indicator declined (by 1.3 pp).

In the composition of new household loans:

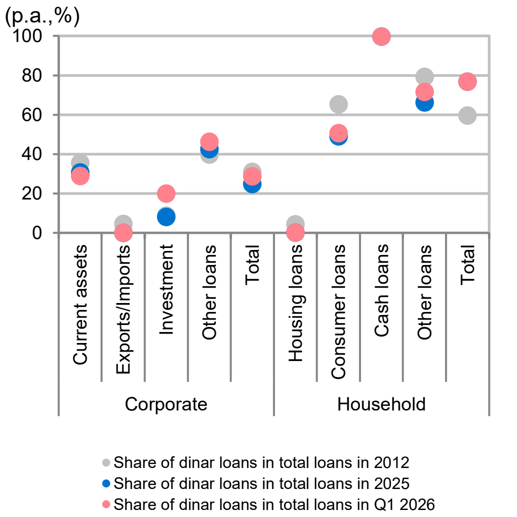
– **Dinar loans recorded a more pronounced nominal decline (by RSD 36.8 bn), primarily on account of lower approval of cash loans**. These

[2] 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.

loans dominate the structure of dinar household lending (90%) and are almost entirely approved in dinars, with repayment periods exceeding five years. The approval of all other categories of dinar household loans also declined, though to a lesser extent.

– **FX-indexed household loans also recorded a nominal decline (RSD 12.2 bn), driven primarily by lower housing lending. Nevertheless, in y-o-y terms these loans continued to record relatively high growth rates**, supported by lower interest rates following the ECB's monetary policy easing, the implementation of the Youth Housing Loan Programme, and supervisory expectations regarding the approval of loans at more favourable interest rates for lower-income citizens.

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



Source: NBS.

Interest rates on new loans

Interest rates on newly approved corporate and household loans increased in Q1 following seven consecutive quarters of decline. Nevertheless, they remained at relatively low levels, reflecting the previous monetary policy easing by the NBS and the ECB, as well as the measures and activities undertaken by the NBS and the Government during 2024 and 2025.

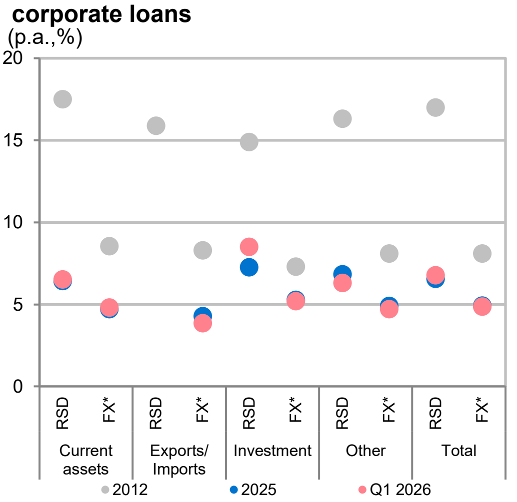
The weighted average interest rate on total new corporate and household loans amounted to 6.4% in Q1, up by 0.3 pp from Q4 2025. An increase was recorded for both dinar loans (by 0.2 pp to 7.9%) and FX loans (by 0.1 pp to 4.8%). Despite the increase in Q1, interest rates remained at relatively low levels. Compared to Q1 2025, they were lower for both dinar loans (1.0 pp) and FX loans (0.5 pp).

Observed by sector, interest rates on corporate loans recorded a more pronounced increase in Q1, rising on average by 0.2 pp to 5.4%. This resulted from increases in interest rates on both dinar and FX loans:

– **Interest rates on dinar corporate loans picked up by 0.3 pp** to 6.8%. This reflected a more pronounced increase in interest rates on investment loans (by 1.3 pp to 8.5%), while interest rates on working capital loans and other non-categorised loans remained unchanged (6.5% and 6.3%, respectively).

– **Average interest rates on FX loans increased slightly (by 0.1 pp), to 4.9%, owing to higher interest rates on working capital loans** (by 0.3 pp to 4.8%). During the same period, interest rates on investment loans remained unchanged (5.2%), while rates on import and export loans declined (by 0.1 pp to 3.9%), as did rates on other non-categorised loans (by 0.2 pp to 4.7%).

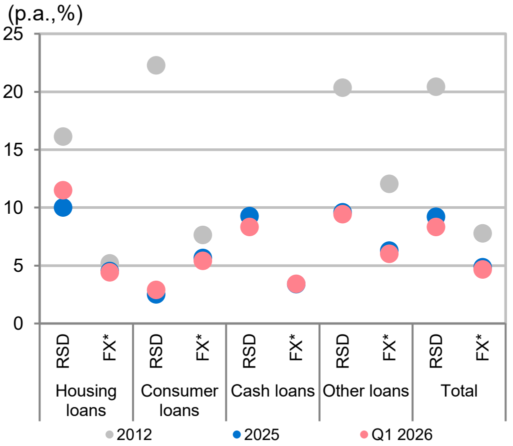
Chart I.1.6 **Interest rates on new corporate loans**



*FX-indexed and -denominated loans.
Source: NBS.

Average interest rates on new <u>household</u> loans stood at 7.5% in Q1, which was slightly higher (by 0.1 pp) than in the previous quarter. This reflected a slight increase in interest rates on <u>FX-indexed loans</u> (by 0.1 pp), to 4.7%, within which higher rates were recorded only for other non-categorised loans (by 0.2 pp to 6.0%), while interest rates on consumer loans declined (by 0.2 pp to 5.4%), and those on the predominant category of housing loans, as well as cash loans, stayed unchanged (4.4% and 3.4%, respectively). Interest rates **on <u>dinar loans</u> remained unchanged from Q4 2025, at 8.3%, their lowest level since Q2 2020**. Interest rates on cash loans, which account for the largest share of household lending (90%), were also unchanged (8.3%), while rates on all other categories of household loans increased.

Chart I.1.7 **Interest rates on new household loans**



*FX-indexed and -denominated loans.

Source: NBS.

2 Deposit dinarisation

The degree of dinarisation of total corporate and household deposits, in terms of outstanding business, decreased by 1.9 pp in Q1 2026, to 45.0%. The degree of dinarisation of new deposits increased over the same period by 3.2 pp to 52.8%. Such movements are typical at the beginning of the year.

Both dinar and FX savings continued up in Q1, reaching record highs of RSD 215.9 bn and EUR 16.5 bn, respectively. Owing to faster growth in dinar savings, the share of dinar savings in total savings exceeded 10.0% for the first time. Interest rates on savings in both currencies continued to increase slightly.

Corporate and household deposits

The share of dinar deposits in total corporate and household deposits fell by 1.9 pp in Q1 2026, to 45.0%.[3] In y-o-y terms, however, this indicator increased by 0.3 pp.[4]

The decline in deposit dinarisation in Q1 was particularly pronounced in the corporate sector. At end-Q1, this indicator stood at 60.1%, which is 3.8 pp lower q-o-q (0.6 pp y-o-y).

The decrease in this indicator resulted from:

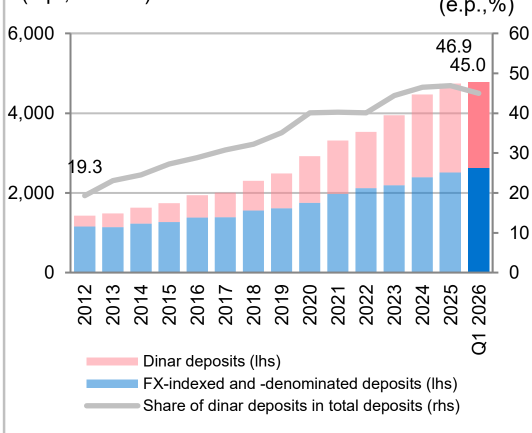
– **A decline in corporate dinar deposits** (by RSD 73.4 bn), owing to the outflow of dinar funds, which is typical for the first quarter following more substantial inflows recorded at the end of the previous year. Both transaction deposits and savings and time deposits of the corporate sector declined, with the most pronounced decreases recorded in construction (the largest increase in the previous quarter), as well as in the transport and trade sectors.

– **A more pronounced increase in corporate FX deposits** (by RSD 71.8 bn, or EUR 604.7 mn), with the strongest growth recorded in enterprises operating in industrial production (mining, manufacturing and energy), as well as in the transport sector.

The degree of dinarisation of household deposits declined by 0.5 pp in Q1, to 34.8%[5] **on account of:**

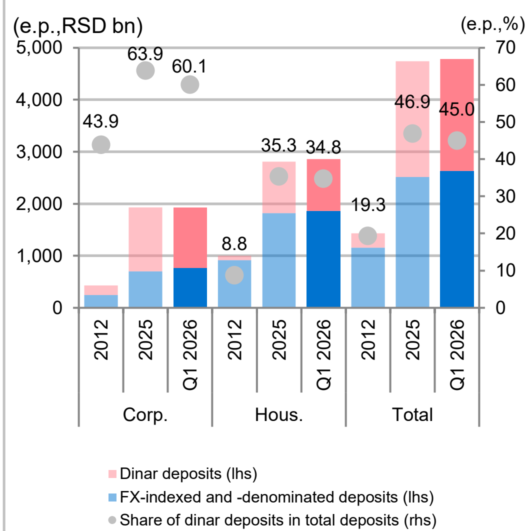
– **A substantial increase in household FX deposits**. In Q1, the stock of these deposits increased by RSD 45.3 bn, or EUR 366.9 mn, owing to growth in deposits with maturities of up to one year (EUR 418.3 mn), while the stock of longer-term deposits declined.

Chart I.2.1 **Share of dinar deposits in total corporate and household deposits**



Source: NBS.

Chart I.2.2 **Deposits by sector**



Source: NBS.

[3] The same level and changes are observed after excluding the exchange rate effect, i.e. based on the exchange rates of the dinar against the euro, US dollar, Swiss franc, pound sterling and Japanese yen as at 30 September 2024, taking into account the currency composition of deposits.

[4] Excluding the exchange rate effect, y-o-y growth equalled 0.2 pp.

[5] In y-o-y terms, this indicator continued up (by 0.9 pp).

– **More modest growth in household dinar deposits in Q1** (by RSD 0.8 bn), which is partly associated with seasonally stronger household spending at the beginning of the year following larger inflows of dinar funds in December 2025. At the same time, changes occurred in the composition of these deposits, with the decline in transaction deposits (by RSD 10.2 bn) being offset by growth in savings and time deposits (by RSD 11.0 bn).

Dinar and FX savings

During Q1, both dinar and FX household savings with banks continued up, reaching new record highs. Following a slowdown at end-2025 caused by uncertainty surrounding the US sanctions imposed on the Oil Industry of Serbia (NIS), related to geopolitical tensions and Russian ownership in the company, **the growth in dinar savings accelerated significantly in Q1. These developments were not disrupted by the renewed geopolitical tensions in the Middle East**.

As dinar savings grew much faster than FX savings, **the share of dinar savings in total savings reached 10.0% for the first time.**

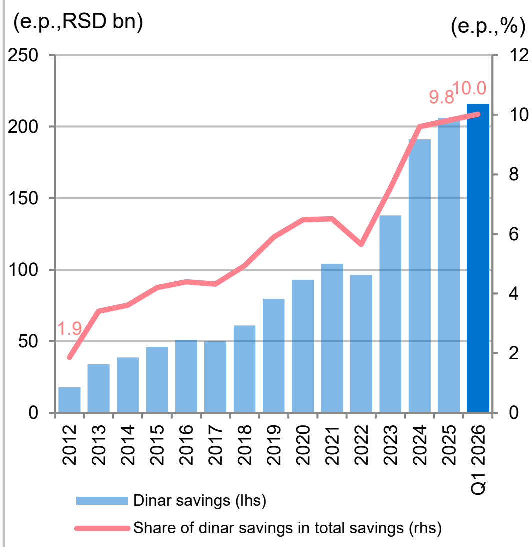
At end-Q1, **<u>dinar savings</u>**[6] amounted to **RSD 215.9 bn,** representing **a new record high**, and were **RSD 9.8 bn (4.7%) higher** than at end of the previous quarter **(RSD 22.5 bn, or 11.7% y-o-y).**

In the composition of dinar savings, growth was recorded across all savings categories with maturities of up to one year (by a total of RSD 11.2 bn), with the most pronounced increase recorded in six-to-twelve-month savings (by RSD 7.4 bn), which account for more than one-half of total dinar savings (56.7%). By contrast, savings with maturities exceeding one year declined (by RSD 1.4 bn), with a somewhat larger decrease recorded in savings with maturities exceeding two years (by RSD 1.0 bn).

<u>FX savings</u> continued up in Q1 (by EUR 346.9 mn), also at a somewhat faster pace than in the previous quarter (2.1%), reaching a record EUR 16,509.8 mn at end-Q1.

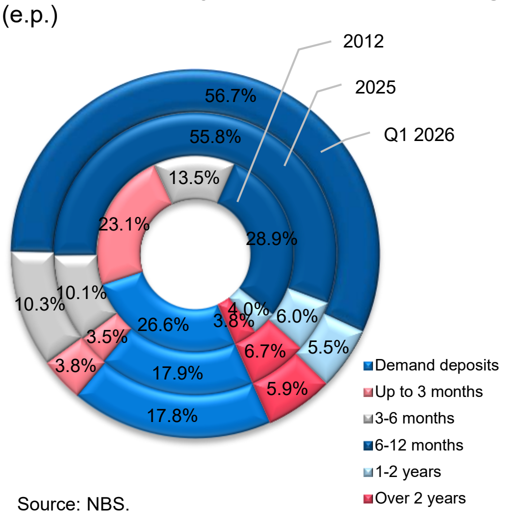
The increase in FX savings reflected growth in short-term savings (by EUR 401.1 mn), particularly in the six-to-twelve-month maturity segment (by EUR 204.4 mn) and demand deposits (by EUR 148.7 mn). During the same period, long-term FX savings declined (by EUR 54.2 mn), owing to a decrease in savings with maturities exceeding two years (by EUR

Chart I.2.3 **Dinar savings**



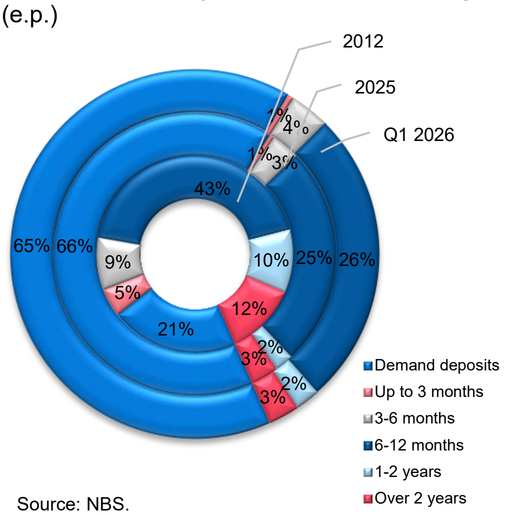
Source: NBS.

Chart I.2.4 **Maturity structure of dinar savings** (e.p.)



Source: NBS.

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

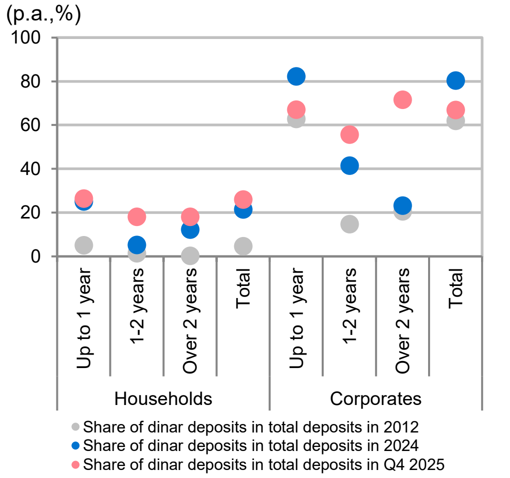


Source: NBS.

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

70.9 mn). Compared with the pace of growth in FX savings, **dinar savings increased considerably faster in Q1, resulting in a rise in their share in total savings – from 9.8% at end-2025 to 10.0% at end-March 2026**.

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



Source: NBS.

New corporate and household deposits

Indicators of dinarisation of new deposits

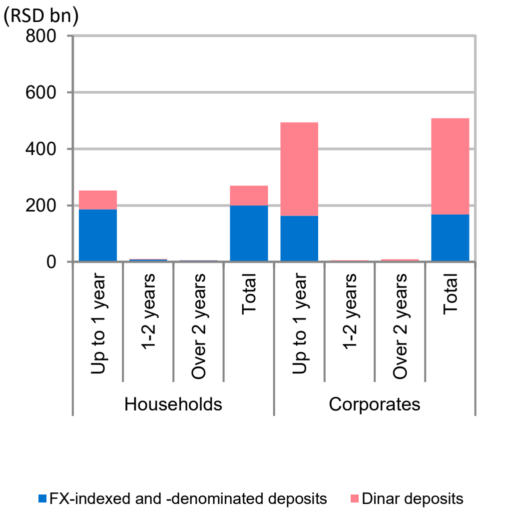
The degree of dinarisation of <u>total</u> new <u>corporate and household</u> deposits stood at 52.8% in Q1, up by 3.2 pp from the previous quarter, with growth recorded in both sectors.

Observed by sector, this indicator in the <u>household</u> sector increased in Q1 (by 2.4 pp), reaching 25.9%. As is typically the case at the beginning of the year, new placements of both dinar and FX household deposits declined. The decline was more pronounced in new FX deposits than in new dinar deposits (28.3% vs. 18.5%), which resulted in the increase in their degree of dinarisation.

The degree of dinarisation of new <u>corporate</u> deposits also increased over the same period (by 0.3 pp), reaching 67.0%. By currency structure, placements of both dinar and FX deposits declined, with the decrease being more pronounced for FX deposits (10.0%) than for dinar deposits (8.6%).

In y-o-y terms, the degree of dinarisation of total new corporate and household deposits in Q1 declined by 3.7 pp. The decline was recorded in the corporate sector (by 1.2 pp), while in the household sector this indicator remained unchanged.

Chart I.2.7 **New corporate and household deposits in Q1 2026 - by maturity**



Source: NBS.

Interest rates on new deposits

The weighted average interest rate on total time deposits of <u>corporates and households</u> stood at 3.8% in Q1 2026, which is slightly higher (by 0.2 pp) than in the previous quarter. The increase in interest rates was recorded for FX deposits (0.2 pp), and to a lesser extent for dinar deposits (0.1 pp on average). Higher interest rates on dinar than on FX time deposits support a higher degree of dinarisation.

As for <u>household</u> deposits, the average interest rate on new deposits amounted to 3.7%, with an increase recorded in both currencies.

– Interest rates on **FX** deposits recorded a somewhat stronger rise (by 0.2 pp to 3.3%). Interest rates on deposits with maturities of up to one year, which are the dominant deposit category (93%), went up by 0.1 pp to 3.3%. Interest rates on deposits with maturities from one to two years declined on average (by 0.1 pp to 3.1%), while rates on deposits with longer maturities stayed flat (3.0%).

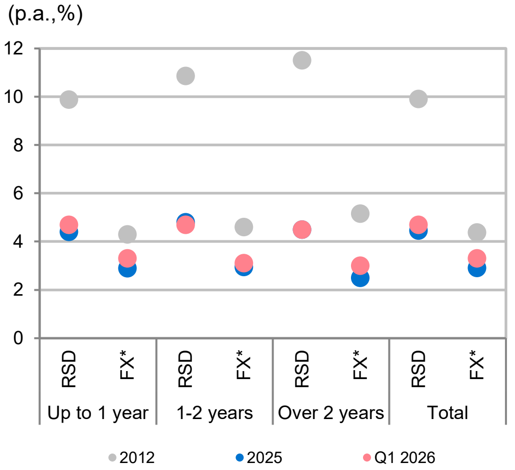
– The average interest rates on household **dinar** deposits amounted to 4.7% – this level was characteristic of all individual maturity categories. Compared with the previous quarter, these rates increased slightly in Q1 (by 0.1 pp on average), owing to higher rates on short-term deposits (by 0.1 pp), which account for the largest share of deposits (96%). Interest rates on longer-term deposits, by contrast, declined (by 0.4 pp on average).

Interest rates on total new corporate deposits averaged 3.9%. By currency composition:

– **Interest rates on dinar deposits recorded a significant rise (by 0.2 pp to 4.5%)**, reflecting higher interest rates on deposits with maturities of up to one year (by 0.3 pp to 4.6%), while interest rates on deposits with longer maturities, which are placed in considerably smaller amounts, declined more sharply (by 2.2 pp to 1.3%).

– **Interest rates on corporate FX deposits increased slightly** (by 0.1 pp to 2.5%). Observed by individual maturity, interest rates on deposits with maturities of up to one year – which account for 96.9% of these deposits – rose by 0.2 pp, to 2.6%. By contrast, interest rates on deposits with longer maturities declined more markedly (by 0.6 pp to 1.5%).

Chart I.2.8 **Interest rates on new term deposits of households**



*FX-indexed and -denominated deposits.
Source: NBS.

Dinar savings are more profitable

Despite heightened global uncertainty, amplified further by the outbreak of the Middle East conflict, household savings continued up in Q1 2026, climbing to a new record-high level.

In Q1, dinar savings gained RSD 9.8 bn (4.7%) and measured RSD 215.9 bn at end-March. Both dinar and FX savings reached their all-time highs. Over the past 14 years, dinar savings increased more than tenfold, while euro savings more than doubled – from EUR 7.7 bn to EUR 16.5 bn.

The results of the profitability analysis show that, in the past 14 years (from March 2012 until March 2026), it was more profitable to save in dinars, regardless of deposit maturity, both in the short and in the long term.

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

Type of savings	Date of deposit placement	Initial deposit	EURRSD exchange rate*	Interest rate (%, p.a.)**	Maturity date	EURRSD exchange rate	Amount of deposit at the end of term	
							in RSD	in EUR***
Savings in RSD	Mar 2025	100.000	117.1713	4.32	Mar 2026	117.4164	104.320	889
Savings in EUR	Mar 2025	853	117.1713	2.80	Mar 2026	117.4164	102.594	874
Difference in favour of savings in RSD - deposit placed for a year							1.726	15
Difference in favour of savings in RSD - deposit placed for a 3M period							428	4
Difference in favour of savings in RSD - deposit placed for a 2Y period							6,713	57
Difference in favour of savings in RSD - deposit placed for a 14Y period, annual rollover							56.993	485

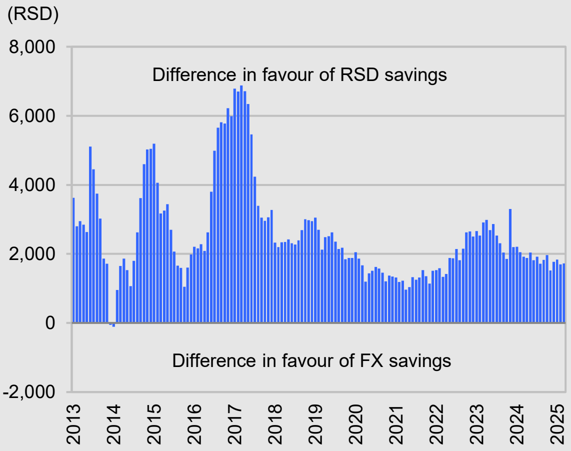
*monthly average exchange rate of the dinar against the euro.
**weighted average interest rate on RSD and EUR savings placed on deposit for a year - new business.
***for savings in euros, after tax on interest income.

Dinar savings termed for a year, without rollover, turned out more profitable than euro savings in almost all observed annual subperiods (Chart I.2.9). For example, a person who deposited RSD 100,000 in March 2025 for a year would receive over RSD 1,700 more in March 2026 than a depositor saving in euros the equivalent of RSD 100,000 in the same period (Table I.2.1).

An analysis of both shorter- and longer-term deposit maturities, without rollover, yielded identical conclusions: savings in the domestic currency with a three-month maturity proved more profitable than comparable euro savings in the majority of the observed three-month subperiods (90%), while dinar savings deposited for two years outperformed euro savings with the same maturity in all of the observed two-year subperiods.

A person who deposited RSD 100,000 for one year (in March 2012) and rolled it over in the period of 13 years would earn at the end of maturity (March 2026) close to RSD 57,000 (EUR 485) more than a depositor who saved in euros the equivalent of that amount over the same period (calculated at the average dinar exchange rate against the euro in the month when the savings were deposited).

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



Source: NBS.

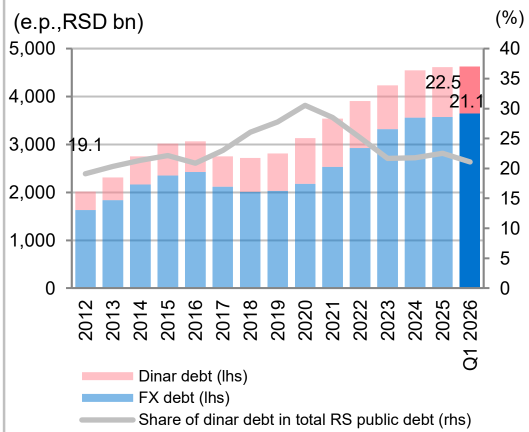
The key factors behind greater profitability of savings in the domestic currency were the preserved financial stability and relative RSD/EUR exchange rate stability, higher interest rates on dinar compared to euro savings, and a more favourable tax treatment of interest income from dinar savings (non-taxation) compared to euro savings (subject to a 15% tax).

Going forward, the NBS will remain committed to enhancing financial system dinarisation, and the promotion of profitability of domestic currency savings plays an important role in this process.

3 Dinarisation of public debt

The degree of public debt dinarisation in Q1 2026 edged down by 1.4 pp to 21.1%. The decrease came as a result of the fall in the dinar component of public debt (by RSD 65.0 bn), on account of net maturing of dinar government securities issued in the domestic financial market. The amount of FX public debt went up (by RSD 71.2 bn), mostly on account of government borrowing with foreign financial institutions, primarily for financing the purchase of military equipment.

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



Source: Ministry of Finance.

Public debt and its composition

Public debt[7] increased in Q1 2026 by RSD 6.2 bn, to RSD 4,620.7 bn at the end of the quarter (41.7% of the estimated GDP).[8]

This increase primarily reflects the rise in its FX component, by RSD 71.2 bn to RSD 3,646.5 bn (EUR 31,055.8 mn), mostly on account of higher euro borrowing from foreign creditors, primarily for financing the purchase of military equipment. In terms of currencies:

– Euro public debt rose notably – by EUR 581.8 mn or 2.5%, and its share in total public debt increased by 1.5 pp to 61.0%.

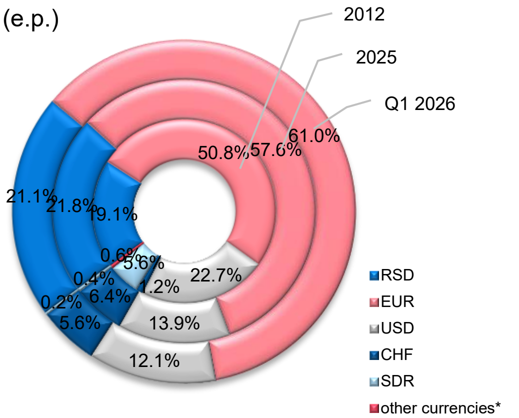
– Dollar public debt decreased somewhat (by USD 38.0 mn), mostly due to the repayment of a part of debts under bilateral arrangements with foreign countries. The share of dollar debt in FX public debt nevertheless increased (by 0.2 pp to 12.1%) as the dollar strengthened against the euro and the dinar;

– SDR debt decreased (by SDR 98.5 mn), reflecting the reduction of debt under the stand-by arrangement with the IMF and bringing the share of this debt in total public debt down to 5.6%.

The dinar portion of public debt decreased (by RSD 65.0 bn), as repayment of the portion of debt in respect of regular maturing of dinar securities issued by the government in the domestic market exceeded their sales.

As a result, the share of the dinar portion of public debt in total public debt declined by 1.4 pp in Q1 (1.5 pp in y-o-y terms) and measured 21.1%.

Chart I.3.2 **Currency structure of RS public debt**



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

Source: Ministry of Finance.

[7] Central government public debt.
[8] Preliminary data of the Ministry of Finance – Public Debt Administration.

Primary market of government securities

In Q1 2026, public debt in respect of securities issued in the domestic financial market[9] declined by RSD 58.4 bn, down to RSD 1,026.1 bn at end-March.

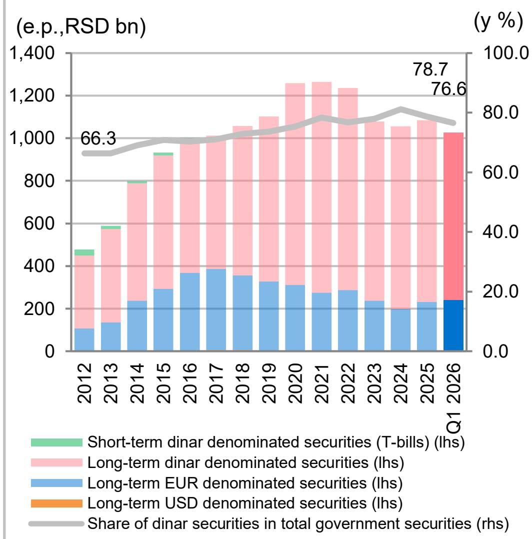
In the currency composition of the portfolio of these securities, the stock of dinar securities subsided, which was partly offset by a higher stock of euro-denominated securities:

– **The stock of dinar securities decreased** by RSD 68.2 bn, reflecting the maturing of securities with the original maturity of seven years (in the amount of RSD 150.0 bn), while debt in respect of sale (issue reopening) of 5Y securities (in the amount RSD 70.2 bn) and 10.5Y securities (RSD 11.6 bn) increased.

– **The stock of euro securities went up** (by RSD 9.7 bn or EUR 80.6 mn). Euro securities with the initial maturity of 15 years in the amount of EUR 200.0 mn were sold, and fifteen-year securities in the amount of EUR 144.3 mn matured, resulting in an increase of EUR 55.7 mn in the stock of debt in this respect. The stock of public debt in respect of 12Y euro securities (restitution bonds worth EUR 24.8 mn) and 10Y euro securities (restitution bonds worth EUR 1.7 mn) also increased, while the stock of securities with the initial maturity of five years (restitution bonds worth EUR 1.6 mn) decreased somewhat.

As a result, the share of dinar securities in the currency composition of the portfolio of government securities dipped by 2.2 pp, to 76.6% at the end of the quarter[10].

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



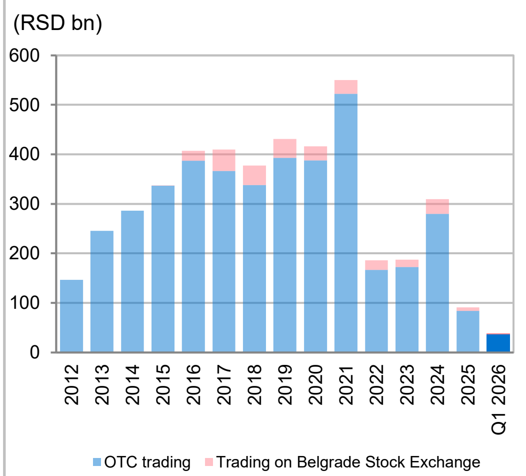
Source: Ministry of Finance.

Secondary market of dinar government securities

Trading in dinar government securities in the secondary market in Q1 2026 equalled RSD 38.8 bn. The bulk of trading (91.3%) referred to securities with the initial maturity of eight, ten and 12 years, and to securities with the longest remaining maturities, maturing after 2031 (85.6%).

Compared to a quarter earlier, secondary trading in dinar securities declined by about a quarter (RSD 13.3 bn or 25.5%). The largest decrease was recorded for securities maturing in 2028 (by around RSD 9 bn), securities maturing in 2032 (by around RSD 6 bn), and securities which matured in early 2026 and were traded in the previous quarter (in the amount of RSD 6 bn). Trading in securities maturing in 2035 also decreased slightly (by RSD 17 mn). Conversely, trading in securities maturing in 2031 increased (by

Chart I.3.4 **Secondary trading in dinar government securities**



Sources: Ministry of Finance, CSD and BSE.

[9] Including savings bonds and restitution bonds.

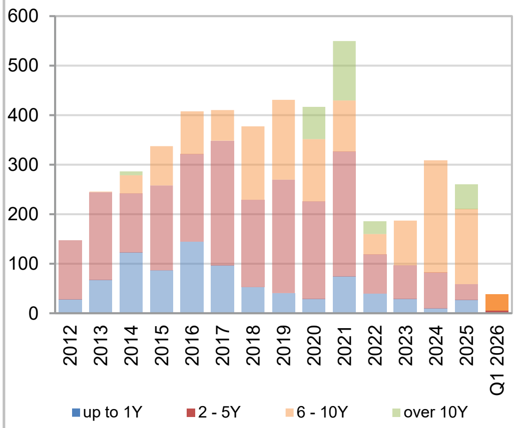
[10] In y-o-y terms, this indicator rose by 2.1 pp.

around RSD 5 bn), as did the trading in securities maturing in 2030 (by around RSD 3 bn; these securities were not traded in the previous quarter).

Consistent with the decline in overall secondary trading, secondary trading in dinar government securities in the BSE was also much lower than in a quarter earlier, measuring RSD 2.3 bn. This is nearly half of the amount recorded in the previous quarter. The trading share of this market segment dipped by 2.8 pp to 5.8%.

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 Q1 2026, the NBS continued to conclude bilateral transactions of swap sale and purchase of foreign exchange with banks that proved to be an efficient tool for helping banks manage dinar and FX liquidity.

In Q1, residents concluded forward FX purchases with banks worth EUR 43.9 mn, which is EUR 8.2 mn less q-o-q, and forward FX sales worth EUR 20.1 mn, up by EUR 2.2 mn q-o-q.

1 NBS FX swap auctions

In Q1, 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.

In the same period, the NBS swap bought and sold EUR 411 mn each, which is EUR 143 mn less than in the prior quarter.

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

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	1,907.0	1,907.0
Q1 2026	**411.0**	**411.0**

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 mln)

Month	Swap FX sale	Swap FX purchase
January	97.0	97.0
February	106.0	106.0
March	208.0	208.0
Q1 2026	**411.0**	**411.0**

Source: NBS.

2 FX hedging instruments

In Q1, the share of forward FX purchases in total FX purchases by residents from banks equalled 0.6% (like in the quarter before) and was the highest in January – 0.9%. A total of 14 domestic companies used the possibility of FX hedging by concluding this type of transactions with banks, totalling EUR 43.9 mn (EUR 52.1 mn in the quarter before). The weighted average maturity of forward FX purchases was 50 days, with the longest maturity of an individual forward FX transaction recorded in January – 160 days. The average value of forward FX purchase contracts of residents equalled EUR 0.3 mn.

Q1 saw forward FX sales by six residents in the total amount of EUR 20.1 mn (EUR 17.9 mn in the quarter before), and the weighted average maturity of transactions was 99 days. The longest maturity of an individual forward transaction was recorded in March – 292 days. The average value of forward FX sale contracts of residents equalled EUR 0.4 mn.

In terms of the currency structure of forward FX purchases by residents from banks, the euro accounted for 63%, and the US dollar for 37%.

As for the currency structure of forward FX sales by residents to banks, the euro accounted for 85% and the US dollar for 15%.

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	278.5	76	0.9	67.0	85	0.2
Q1 2026	43.9	50	0.6	20.1	99	0.3

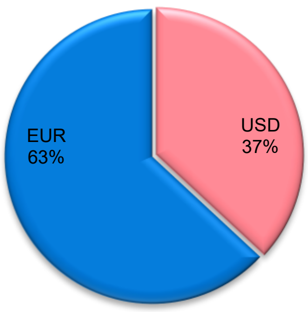
Source: NBS.

Table II.2.2. **FX forward transactions between residents and banks in 2026, 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
	23.4	32	0.9	3.8	100	0.2
	13.9	64	0.6	7.1	92	0.3
	6.6	86	0.2	9.2	105	0.4
Total in Q1 2025	**43.9**	**50**	**0.6**	**20.1**	**99**	**0.3**

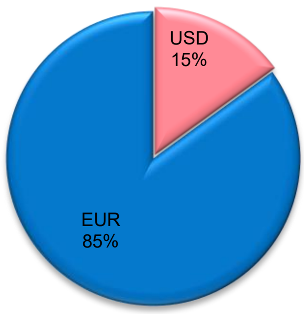
Source: NBS.

Chart II.2.1. **Currency structure of FX forward purchase of residents from banks in Q1 2026**



Source: NBS.

Chart II.2.2. **Currency structure of FX forward sales of residents to banks in Q1 2026**



Source: NBS.

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

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
2025	22.9	56.2	39.3	24.9	76.9	47.6	63.9	35.3	46.9	67.7	24.9	54.2
Q1 2026	22.8	56.5	39.7	28.7	76.8	52.6	60.1	34.8	45.0	67.0	25.9	52.8

* 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
2025	206,156.9	16,162.9	2,101,778.6	9.8	1,039.2	3,575.3	4,614.5	22.5
Q1 2026	215,947.7	16,509.8	2,154,574.1	10.0	974.1	3,646.5	4,620.7	21.1

* 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%, w ith no such limit prescribed for dinar loans (in the follow ing period, this limit w as set to 90% or 99% in specific cases).	Ensuring preferential treatment of dinar lending to households
	Prescribed minimum mandatory dow npayment/deposit for FX and FX-indexed loans to natural persons (except mortgage loans) of 30%.	Ensuring preferential treatment of dinar lending to households
Since May 2011	Limiting the ratio of net open FX position to capital at 20%, as of 2011 (increased from 10%, w ith a view to encouraging credit activity).	Limiting the amount of FX and FX-indexed loans relative to FX sources of funding
June 2011	First-degree liquid receivables include also 90% of fair value of dinar RS securities w ith 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
December 2011	Prescribed requirement for banks to inform clients in w riting, 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 w hich the service is	Promoting hedging against FX risk for financial service consumers
	Prescribed requirement for advertising of credit and deposit services and leasing operations: w hen the advertising message contains numerical data, the currency in w hich 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 otherw ise.	
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 w ill 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, w ithout a currency clause, w ith three year maturity.	Capital market development
September 2012	By the adoption of the Law Amending the Law on Personal Income Tax, the tax on i.nterest on FX savings w as 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 w ithout an FX-clause issued by IFOs w ith 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, w hich provides for more favourable conditions under w hich 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 w ell as conditions and manner in w hich 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 w as increased to 100% from 50% w hich 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, w ith 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 w ith 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 w as 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, enterpreneurs 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 the 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.
- According to the interest rate statistics methodology, interest rates on revolving credit, current account overdrafts, and credit card debt are not included in the calculation of the average interest rate on loans to households.
- 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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