ANNUAL REPORT
ON ACTIVITIES AND RESULTS

National Bank of Serbia

2025

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Number of copies: 55
ISSN 2217-7167

Introductory note

The National Bank of Serbia submits its *Annual Report on Activities and Results* to the National Assembly by no later than 30 June of the subsequent year.[1]

As stipulated by the Statute of the National Bank of Serbia,[2] the *Annual Report on Activities and Results* presents data on the achievement of the National Bank of Serbia's objectives and the performance of its tasks relating to monetary and foreign exchange policies, FX reserves management, measures and activities aiming to safeguard and strengthen financial stability, the supervision of banks, insurance undertakings, voluntary pension fund management companies and lessors, as well as the supervision of payment service provision and electronic money issuance, the issuance of banknotes and coins, cash management and the payment system.

The *Report* also includes financial statements about the National Bank of Serbia's operations, disclosing revenues and expenditures by key items, as well as assets, liabilities and capital, data on the Bank's institutional framework, its legislative-legal activity, international cooperation, financial service consumer protection, payment cards, internal audit and information technology, internal organisation and staff policy, human resources, operations of the Bank's branches and the Institute for Manufacturing Banknotes and Coins – Topčider, including data on other activities of the National Bank of Serbia.

The *Annual Report on Activities and Result*s *in 2025* was reviewed and adopted by the National Bank of Serbia's Executive Board on 11 June 2026.

Executive Board of the National Bank of Serbia:

Governor Jorgovanka Tabaković, PhD

Vice-Governor Željko Jović, PhD

Vice-Governor Ana Ivković, PhD

Vice-Governor Dragana Stanić, MSc

Vice-Governor Nikola Dragašević, MSc

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[1] Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015 – CC decision and 44/2018).

[2] RS Official Gazette, Nos 12/2013, 18/2015 and 72/2015.

Foreword by the Governor

The preservation of price and financial stability, as well as support to our country's economic growth, show that even in the complex global conditions, which have marked this past year of 2025, the NBS has achieved its statutory objectives and stood as a reliable pillar of macroeconomic stability and resilience to external risks. ***By submitting this Report on Activities and Results to the National Assembly and the public, the NBS confirms its commitment to carrying out the responsibilities it has been entrusted with in a transparent, consistent, accountable and professional manner****.*

Key challenges to monetary policy during 2025 came from the international environment and were mostly a consequence of the rising protectionism and higher customs and trade barriers across the globe. Against such backdrop, geopolitical tensions were also pronounced and, in turn, led to increased volatility in commodity and financial markets and dampened global investment and consumer confidence. Uncertainty was present in the domestic market as well, due to the imposition of US sanctions on the Serbian Oil Industry (NIS) because of its majority Russian ownership. Carefully monitoring developments abroad and at home, ***the NBS pursued a cautious monetary policy and ensured the preservation of price stability, the dinar's value against the euro, adequate level of FX reserves and confidence in the financial system****. It simultaneously* ***secured relatively favourable financing conditions****, and through additional measures, in cooperation with the Government, provided important support to economic activity. The regulations adopted in the area of bank operations and the supervisory activities undertaken in 2025 were specifically focused on protecting the living standards of citizens, particularly those on lower incomes.*

In accordance with the NBS's expectations, ***average inflation in Serbia retreated to 3.8% in 2025*** *(from 4.5% in 2024). During the year, thanks to lower prices of petroleum products and the slower growth in service prices, y-o-y inflation initially struck a downward path, decreasing to 3.8% in May. However, with unprocessed food prices rising due to adverse weather conditions and the hike in global oil prices in the wake of the Middle East conflict, during the summer y-o-y inflation temporarily overshot the upper bound of the target tolerance band, moving within the range of 4.6–4.9%. When the* ***Serbian Government Decree on Special Conditions of Trade in Certain Types of Goods*** *entered into force, capping wholesale and retail margins to 20% for a six-month period starting from September, food prices went down, thus significantly helping y-o-y inflation decelerate – to 2.9% in September, and then additionally to 2.7% in December.*

Medium- and short-term inflation expectations of the financial sector remained anchored within the NBS's target tolerance band *throughout 2025 as well, while one-year-ahead inflation expectations of the corporate sector stood slightly above the upper bound of the target, at around 5% for most of the year, which was also the case with the sector's two- and three-year ahead expectations. The relatively low and stable inflation expectations of market participants during the observed period, characterised by pronounced uncertainty,* ***speak to the credibility of the NBS's monetary policy****.*

During 2025, the NBS ***did not change its key policy rate****, which stood at 5.75% since September 2024, bearing in mind medium-term inflation projections, and even more so the fact that customs tariffs have been raised in global trade, as well as other protectionist measures, and that food price growth over the summer was greater than previously anticipated.*

Although the NBS's key policy rate remained unchanged, 2025 saw a ***further reduction in interest rates on dinar loans****, driven by favourable bank funding sources, interbank competition, as well as the application of the NBS's supervisory expectations from September 2025, aimed at facilitating access to more affordable loans for citizens with regular monthly incomes of up to RSD 100,000. As a result, interest rates on dinar loans to households were reduced by 1.8 pp, to 8.1% in December, and to the corporate sector by 0.7 pp, to 6.2%. It should also be highlighted that interest rates on credit card debt and current account overdrafts fell significantly, by 7.6 pp and 10.8 pp, respectively, in December 2025 compared to a year earlier, thanks to the restrictions introduced by the NBS through the new Law on the Protection of Financial Service Consumers. Household* ***loans in euros have also become cheaper****, their rates contracting by 0.9 pp to 4.6% in December, which was primarily influenced by the implementation of the government-subsidised Youth Housing Loan Programme. The interest rate on euro-indexed loans to the corporate sector was reduced during 2025, by 0.8 pp to 4.8% in December, with the* *decline in interest rates being broadly spread across lending categories – to which cheaper working capital loans and investment loans contributed the most. More favourable borrowing conditions and further easing of credit standards contributed to the* ***continued growth of lending activity****. Excluding the effect of exchange rate changes, credit activity towards the non-monetary sector accelerated to 15.4% in 2025. At the same time, growth in corporate lending accelerated to 11.3%, and in household lending to 19.5%.*

The NBS ***preserved the relative stability of the dinar-to-euro exchange rate*** *throughout 2025 as well, responding in a timely and well-calibrated manner to the challenges faced at the beginning and then again at the end of the year. Namely, in the context of pronounced pressures in the FX market from late November, caused by psychological factors following the imposition of sanctions on NIS, the NBS calmed the market through the sale of FX and activities aimed at ensuring the uninterrupted supply of foreign cash to the market, as well as through other measures designed to protect the interests of citizens and the financial stability of the Republic of Serbia. Responding with interventions in the IFEM, the NBS net sold EUR 580.0 mn in 2025, marking the first net sale on an annual basis since 2020. As a result, the dinar nominally weakened against the euro by only 0.2% in 2025, observed at the end of the period. At the same time, due to the significant strengthening of the euro against the dollar in the international market, the dinar gained 12.5% on the dollar.*

I would particularly like to emphasise that we maintained ***a high level of FX reserves throughout 2025 as well, holding it above all relevant adequacy criteria, with a favourable currency and maturity structure****, in line with the principles of safety and liquidity. This further strengthened the country's macroeconomic and financial stability, as well as confidence in the NBS's ability to preserve exchange rate stability and resilience to external risks.* ***The NBS's gross FX reserves*** *amounted to EUR 29.0 bn at end-2025, ensuring the coverage of 6.7 months' worth of goods and services import.* ***By increasing the share of gold****, the NBS continued to solidify the structure of FX reserves. We purchased 4.4 tonnes of domestically-produced gold, bringing total gold reserves at the end of the year to a record 52.5 tonnes. Also, thanks to the increase in the price of gold in the international market, the value of gold reserves reached EUR 6.2 bn, which accounts for 21.4% of total FX reserves and further contributes to the security and resilience to external risks.*

Despite heightened uncertainty in the international environment and socio-political developments at home, which dampened economic growth in 2025, ***Serbia's credit rating was preserved with all three leading rating agencies****, including the investment grade, which was assigned to Serbia in 2024 by Standard&Poor's. This was particularly facilitated by the high level of FX reserves, the relative stability of the dinar-to-euro exchange rate, the* *responsible conduct of economic policy, sustainable public finances, as well as a stable and resilient banking sector.*

The banking sector remained a key pillar of stability for the domestic financial system in 2025 as well*. The capital adequacy of the banking sector remained exceptionally high, with the ratio close to 21% (the regulatory minimum is 8.0%) and a favourable capital structure, with around 92% of the highest-quality Common Equity Tier 1 capital. Also, throughout the year, all relevant liquidity ratios of the banking sector were twice as high as the minimum prescribed levels, which confirms the strong capacity of banks to meet their obligations in a timely manner and maintain business stability. Sector profitability has been preserved in 2025 as well, with a positive net financial result of RSD 189 bn, stable return on assets and a significant reduction in net credit losses, indicating good quality of the credit portfolio and the banking system's resilience to potential risks.* ***The share of NPLs contracted further in 2025, to a new historical minimum*** *of 2.1%. During 2025,* ***we considerably improved the bank resolution framework*** *through amendments to the Law on Banks, whereby the domestic regulatory system has been additionally aligned with the EU acquis. An especially important step is the* ***introduction of the Bank Resolution Fund****, the aim of which is to boost the resilience of the financial system and additionally protect public and taxpayer funds in the event of a banking sector crisis.*

During 2025, we continued to implement a comprehensive ***macroprudential policy aimed at preserving and strengthening financial stability****, while simultaneously enhancing the regulatory framework in line with EU standards. A key pillar to that frame is the capital buffer system which includes different types of additional capital requirements and enables the banking sector to absorb risks and remain resilient in conditions of potential shocks. That our banking sector would remain stable and resilient even in the event of shocks at home or from abroad has also been confirmed by macroprudential stress-tests, which we regularly conducted along with monitoring the structural characteristics of the markets.*

The year behind us was also marked by the ***continued growth in household savings and its approach to record levels****. In December, dinar savings rose to RSD 206.2 bn, helping raise the degree of deposit dinarisation to 46.9%, and thereby strengthening the monetary policy transmission mechanism through the interest rate channel. FX savings rose to EUR 16.2 bn, indicating confidence in macroeconomic stability and the domestic financial sector, as well as sound sources of lending growth in future.*

During 2025, the ***insurance sector*** *recorded growth in total premiums to 1.8% of GDP, with solid solvency and high capital adequacy, which confirms its resilience and a sound operating structure. The NBS actively conducted off-site supervision activities, as well as on-site supervision, in the prudential* *supervision and market conduct segments, thus ensuring that risks are identified and eliminated on time, as well as that insurance service consumers' interests are protected.* ***The voluntary pension fund market*** *continued on the upward trajectory in 2025, with an increase in net assets, contribution payments and the number of fund members using this type of long-term savings. The NBS has continuously conducted supervision of the operations of VPFs, improving market discipline and protecting the interests of fund members.* ***The financial leasing sector*** *also recorded activity growth, with increased balance sheet assets, stable profitability and moderate market concentration.*

We continued to strongly improve the ***financial service consumer protection system*** *through efficient action upon consumer complaints to the NBS and financial service providers, implementation of mediation in the resolution of disputes, education and information activities, as well as supervision of banks and lessors in the area of protection of financial service consumers. The total financial effect for citizens exceeded RSD 169 mn in 2025, with additional effects, more difficult to measure, which pertain to the prevention of repetition of irregularities and improvement of the business practice of financial institutions. Of that total, a direct financial benefit for consumers of approximately RSD 83.7 mn was realised through complaint and mediation procedures.*

We carried out particularly intensive activities aimed at ***enhancing the payment infrastructure and developing services based on instant payments, while maintaining a high level of security and efficiency****. In the IPS system, which has been operating successfully for eight years, more than 109 million payments worth nearly RSD 1,400 bn were processed, with the average transaction execution time of approximately one second. A particularly important success is* ***Serbia's accession*** *to the Single Euro Payments Area –* ***SEPA****, on 22 May 2025, which made our country the 41st member of the SEPA. This is the result of years of reforms and intensive alignment of the domestic regulatory and technological framework with EU standards, which the NBS systematically carried out. Accession to the SEPA is a milestone in Serbia's European integration and brings concrete benefits to citizens and the economy – faster, cheaper and more efficient cross-border payments, greater competitiveness of the domestic economy, and further strengthening of confidence in the financial system. At the same time, the* ***development of the national DinaCard system continued****, which in 2025 recorded a 16% increase in the number of transactions and turnover, along with further expansion of contactless payments and the internet acceptance network. I would also like to emphasise on this occasion that the fees of the national DinaCard card system are several times lower than those of other card systems in the Serbian market, which, among other things, reduces the costs of accepting the national payment card for merchants. Particular attention was paid to the supervision of e-money* *institutions and virtual currency service providers, along with strengthening the mechanisms for preventing money laundering and terrorism financing, thereby further enhancing the security and integrity of the Serbian financial system.*

We continued to strengthen the regulatory and supervisory framework in the area of ***preventing money laundering, terrorism financing and the financing of the proliferation of weapons of mass destruction****, in line with international standards and EU regulations. New bylaws, guidelines and indicators for identifying suspicious transactions were adopted, while risk assessment and supervisory mechanisms were further enhanced. During the year, over 1,400 off-site and 198 on-site supervisions of entities supervised by the NBS were conducted, with corrective measures and sanctions being taken in cases where irregularities were identified. Through these activities, the integrity of the financial system and the awareness of financial institutions regarding the importance of consistent application of regulations in this area were further strengthened. A particularly* ***significant result was achieved within the sixth round of the Moneyval evaluation****, in which Serbia received very favourable ratings for the effectiveness and compliance of its anti-money laundering and counter-terrorist financing system. Serbia has been placed on the regular follow-up regime, which represents the best possible outcome and confirmation that the domestic system is to a large extent aligned with international standards. Particularly positive assessments were given to the results pertaining to the competences of the NBS, confirming that the continuous enhancement of the supervisory framework has yielded internationally recognised results.*

In 2025, the NBS continued to ***service the Republic of Serbia's credit obligations towards foreign creditors****, acting as the state's agent,* ***recording cross-border credit transactions and supervising FX operations****. Credit relations with foreign creditors and public debt servicing were carried out in a regular and timely manner.* ***We also continuously supervised exchange operations****. We initiated on-site supervision at 129 exchange offices and conducted 192 off-site supervision procedures of exchange operations. A total of 187 exchange dealers had their authorisation to perform exchange operations temporarily revoked, as the supervision procedure established that they did not meet the conditions for performing exchange operations prescribed by law and/or NBS regulations, or that they acted contrary to the provisions of the law and/or regulations. On the other hand, 305 decisions were issued granting authorisations to perform exchange operations.*

A significant part of the NBS's activities during 2025 was focused on successful cooperation with key international financial institutions and partners, primarily with the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development and the Bank for

*International Settlements, as well as with the EU. When it comes to cooperation with **the IMF, both reviews under the Policy Coordination Instrument were successfully concluded**, with the assessment of the IMF Executive Board that, through successful macroeconomic policy conduct, Serbia has built up reserves which enable effective coping with current challenges. The contribution to European integration was further confirmed by progress in aligning with the EU acquis and by positive assessments from the European Commission, while participation in the Network for Greening the Financial System highlighted the commitment to managing climate risks and strengthening sustainable finance.*

*Among the other tasks, I would particularly highlight the activities aimed at the timely and reliable **provision of relevant statistical data, macroeconomic analyses and projections**, which facilitate the decision-making process on monetary policy and other activities of the NBS. This includes **continuous work to improve the performance of models for medium-term projections, enhance the techniques for collecting and processing big data, and further develop models for inflation nowcasting**, which served as a reliable input for short- and medium-term projections, while also serving as an auxiliary tool in monetary policy decision-making. The results of some of our analyses have been presented in the Inflation Reports and the NBS Working Papers Bulletin. We also continued our practice of **transparently informing the public** about all aspects of our operations through various forms of communication, as well as through numerous educational activities. Particular attention was paid to digital communication channels and information dissemination via the official website and specialised subdomains. Reports, statistical data, analyses and information from all areas within the NBS's remit were regularly published through these platforms. In addition, the development of educational and informational content for citizens continued, including financial education programmes, exhibition and cultural activities.*

*I am proud that we continued to nurture **social responsibility** and provide support to those who need it the most. Within social responsibility, during 2025 the NBS conducted a number of humanitarian, environmental and educational activities, with active participation of employees and cooperation with relevant institutions and organisations. We carried out campaigns to aid socially vulnerable groups and children and youth with disabilities, as well as humanitarian and volunteer initiatives throughout Serbia. On a parallel note, activities continued aimed at environmental protection and sustainable business, as well as financial and non-financial support to various socially beneficial projects, with the NBS's donations in 2025 amounting to a total of RSD 3,000,000.*

***In 2025, the NBS recorded a net profit of RSD 211.8 bn**, reflecting responsible and efficient cost management. The operating profit (which does not stem from exchange rate gains/losses and revaluation reserves) totalling*

RSD 48.1 bn was distributed so that 70% or RSD 33.7 bn was transferred to the budget of the Republic of Serbia. The rest was distributed so that 10% was included in core capital and 20% in special reserves of the NBS.

Lastly, I would like to underline that the results we achieved through responsible, timely and analytically-grounded decisions instil confidence that going forward, the NBS will ***efficiently respond to all challenges and be a reliable support to the economy and citizens*** *in the preservation of their economic safety and improvement of their living standard.*

Dr Jorgovanka Tabaković, Governor

ABBREVIATIONS

GDP – gross domestic product
BIS – Bank for International Settlements
bp – basis point
DKRT – consolidated FX treasury account
EBRD – European Bank for Reconstruction and Development
EIB – European Investment Bank
ESCB – European System of Central Banks
EU – European Union
ECB – European Central Bank
CPI – Consumer Price Index
y-o-y – year-on-year
IFEM – interbank FX market
mn – million
bn – billion
IMF – International Monetary Fund
IFRS – International Financial Reporting Standards
NPL – non-performing loan
OPEC – Organization of the Petroleum Exporting Countries
H – half-year
pp – percentage point
RTGS – Real Time Gross Settlement
SDR – Special Drawing Rights
Q – quarter
FED – Federal Reserve System
HHI – Herfindahl-Hirschman Index

Other generally accepted abbreviations are not cited.

Contents

I KEY RESULTS IN 2025

Average inflation in 2025 equalled 3.8% and was lower than in the year before, while y-o-y inflation moved below the 3% target midpoint starting from September. Such inflation profile reflected a cautious monetary policy, the Decree on Special Conditions for Trade in Certain Types of Goods, which capped retail and wholesale trade margins at 20%, as well as the slowdown in core inflation to around 4%.

The maintained price stability and relative stability of the exchange rate contributed to keeping the short- and medium-term inflation expectations of the financial sector firmly anchored within the target band throughout 2025, **thereby confirming the credibility of the NBS's monetary policy**.

During 2025, the NBS did not change its key policy rate, which has remained at **5.75%** since September 2024. At the same time, the effects of past monetary policy easing, together with an additional package of support measures introduced for citizens during 2025, contributed to **a further decline in interest rates on dinar loans to corporates and households. The increase in households' disposable income was also supported by the introduction of a comprehensive framework establishing interest rate caps for all types of loans.** In addition, the NBS supported **the government housing loan programme for young people.** Furthermore, in line with the NBS's supervisory expectations, banks offered **more favourable lending terms to pensioners and employees with lower incomes**. As a result, **lending to corporates and households recorded strong annual growth of 15.4%**.

Household dinar savings continued to grow, reaching RSD 206.2 bn at end-December, testifying to the sustained confidence in the dinar and the banking system. This also contributed to an increase in the degree of deposit dinarisation to 46.9%, thereby strengthening the monetary policy transmission mechanism through the interest rate channel.

Despite heightened uncertainty in the international environment and socio-political developments in the country, which contributed to a moderation in economic growth in 2025, **the Republic of Serbia maintained its sovereign credit ratings from all three major credit rating agencies, including the investment-grade rating awarded by Standard&Poor's in 2024**. This achievement was underpinned by strong FX reserves, the relative stability of the dinar against the euro, the prudent conduct of monetary policy, and a stable and resilient financial sector.

Supported by the NBS's interventions in the FX market and a series of measures aimed at safeguarding the interests of citizens and preserving financial stability, **the relative stability of the dinar against the euro was maintained** even under the challenging conditions that characterised 2025. Over the course of the year, the dinar depreciated by mere 0.2% against the euro. Amid heightened demand for foreign cash, **the NBS facilitated banks' supply of foreign currency to licensed exchange dealers**. It also introduced a measure eliminating exchange office commissions on the purchase/sale of foreign cash from/to households, with the aim of protecting consumers' interests and preventing unwarranted pressures on the FX market.

Gross FX reserves stood at EUR 29.0 bn at end-2025, remaining well above all conventional adequacy metrics. During 2025, the NBS continued to increase its gold holdings by purchasing 4.4 tonnes of domestically produced gold, bringing total gold reserves to record 52.5 tonnes at year end. Supported by the increase in global gold prices, the value of the Bank's gold holdings reached EUR 6.2 bn, accounting for 21.4% of total FX reserves.

Throughout 2025, Serbia's banking sector remained highly liquid, well capitalised, and resilient. The capital adequacy ratio stood at around 20%, while **the share of NPLs declined to a historic low of 2.1%.** The stability of the banking sector reflects the consistent implementation of a robust regulatory framework and prudential policy measures that are closely aligned with the conduct of monetary policy.

Upon the NBS's proposal, the National Assembly adopted a package of laws in March 2025 aimed at further strengthening the regulatory and supervisory framework governing banking and other financial services. The most significant measures include the new Law on the Protection of Financial Service Consumers, which introduced caps on interest rates across all household credit products, and the Law on Amendments and Supplements to the Law on Banks, which strengthened the NBS's supervisory framework and established the Bank Resolution Fund.

During 2025, the NBS actively participated in the Republic of Serbia's mutual evaluation conducted by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) of the Council of Europe. **In December 2025, the Mutual Evaluation Report was adopted, concluding that Serbia's anti-money laundering and counter-terrorist financing (AML/CFT) regime demonstrated a substantial level of effectiveness across a broad range of areas,** with no areas identified as having a low level of effectiveness. Based on the overall assessment, the Republic of Serbia was placed under the regular follow-up process, representing the most favourable outcome available under the MONEYVAL evaluation framework. Particularly strong results were achieved in areas within the NBS's remit, both in terms of technical compliance with international standards and the effectiveness of the AML/CFT framework.

Through its individual and collective consumer protection mechanisms, the NBS resolved 2,680 complaints in 2025. The financial benefit secured for consumers through complaint resolution and mediation proceedings amounted to approximately RSD 84 mn.

The Republic of Serbia's accession to the Single Euro Payments Area (SEPA) on 22 May 2025 marked a major milestone in the development of the country's payment system, making Serbia the 41st member of the SEPA.

In 2025, the NBS IPS system processed 109.3 mn transactions, with a total value of RSD 1,393.8 bn. As part of the modernisation of the DinaCard system, the new DinaCard Switch and DinaCard Secure systems were launched, while the DinaCard acceptance network was expanded to enable the acceptance of Discover cards.

Both reviews of Serbia's economic programme under the **IMF's Policy Coordination Instrument** (PCI) **were successfully completed in 2025**. The IMF Executive Board assessed that **Serbia's sound macroeconomic policies and strong cooperation with the IMF had delivered positive results** and that Serbia has built buffers that enhance its capacity to respond effectively to challenges amid heightened global uncertainty.

The NBS reported after-tax profit of RSD 211.8 bn in its 2025 income statement. Profit from operating activities, excluding gains arising from exchange rate movements and revaluation reserves, amounted to RSD 48.1 bn. In accordance with the applicable legal framework, 70% of this amount or **RSD 33.7 bn will be transferred to the budget of the Republic of Serbia**.

II INSTITUTIONAL FRAMEWORK AND ORGANISATION

II.1 Constitutional position and Law on the National Bank of Serbia

The institutional position of the National Bank of Serbia (NBS) is defined by the Constitution of the Republic of Serbia in its sections on the economic system and public finances. According to Article 95 of the Constitution, the National Bank of Serbia is the central bank of the Republic of Serbia, independent and subject to supervision by the National Assembly, to which it accounts for its work. It is managed by the Governor and its operations are governed by the Law on the National Bank of Serbia.

Article 107, paragraph 2 of the Constitution further assures the autonomy of the NBS by providing for its right to propose laws within its remit.

Law on the National Bank of Serbia

The Law on the National Bank of Serbia[3] governs the status, organisation, powers and tasks of the NBS and its relations to Serbian government authorities and international organisations and institutions.

Objectives

The primary objective of the NBS is to achieve and maintain price stability.

Without prejudice to its main objective, the NBS contributes to maintaining and strengthening of the stability of the financial system.

[3] Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision, 44/2018 and 19/2025).

Without prejudice to the above objectives, the NBS supports the implementation of the Government's economic policy, operating in accordance with the principles of a market economy.

Tasks

The tasks of the NBS are to:

- determine and implement monetary and foreign exchange policies;
- manage foreign exchange reserves;
- determine and implement, within its remit, the activities and measures aimed at maintaining and strengthening the stability of the financial system;
- issue banknotes and coins and manage cash circulation;
- regulate, oversee and promote the smooth performance of domestic and cross-border payment transactions, in accordance with law;
- issue and revoke banks' operating licences, carry out prudential supervision of bank operations and perform other activities, in accordance with the law governing banks;
- issue and revoke insurance licences, supervise the insurance business, issue and revoke authorisations to perform specific insurance activities, and perform other activities, in accordance with the law governing insurance;
- issue and revoke financial leasing licences, supervise the performance of financial leasing operations and perform other activities, in accordance with the law governing financial leasing;
- issue and revoke operating licences of voluntary pension fund management companies, issue and revoke fund management licences, supervise this activity and perform other activities, in accordance with the law governing voluntary pension funds;
- issue and revoke operating licences of payment institutions and electronic money institutions, supervise the provision of payment services and electronic money issuance, and perform other activities, in accordance with the law governing payment services;
- pursue activities relating to the protection of rights and interests of consumers of services provided by banks, financial lessors, insurance undertakings, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law governing the rights and interests of the consumers of these services;
- ascertain the fulfilment of conditions for the initiation of procedures for the resolution of banks or banking group members, and implement these procedures; decide on the resolution tools and actions, and perform other

activities relating to bank resolution, in accordance with the law governing banks;

- issue and revoke operating licences of payment system operators, supervise their operation and perform other activities, in accordance with the law governing payment services;
- issue and revoke authorisations for exchange operations, supervise exchange and FX operations, and perform other activities, in accordance with the law governing FX operations;
- issue and revoke licences for the provision of virtual currency services, supervise the operations of the providers of these services and perform other activities in accordance with the law governing digital assets;
- supervise the implementation of regulations on the prevention of money laundering and terrorism financing, as well as regulations on the freezing of assets with the aim of preventing terrorism and the proliferation of weapons of mass destruction, the supervision applying to the entities referred to in Article 4, paragraph 1, items 6) to 10), and items 13a) and 13b) of the Law on the National Bank of Serbia, in accordance with those regulations and the regulations governing the operations of those entities;
- perform enforced collection from a client's account, in accordance with the regulations governing enforced collection;
- perform statutory tasks or tasks established by contracts on behalf of the Republic of Serbia, without threatening thereby its own autonomy and independence;
- perform other tasks within its remit, in accordance with law (e.g. production of official statistics).

Position of the National Bank of Serbia

In compliance with international standards and rules, the Law on the National Bank of Serbia regulates in more detail the constitutional principle of the autonomy of the NBS, by stipulating that the NBS is autonomous and independent in carrying out its tasks as laid down by this and other laws, that NBS bodies and members of these bodies may neither seek nor take instructions from government bodies and institutions or other persons, and that government bodies and institutions and other persons may neither jeopardise the autonomy and independence of the NBS nor seek to influence the NBS, its bodies or their members in carrying out their tasks.

The NBS has a legal entity status *ex lege* and is not registered in the register of legal entities. The NBS has its Statute, which is published in the Official Gazette of the Republic of Serbia.

In the performance of its tasks, the NBS works together with the Government and other state institutions and, without prejudice to the achievement of its objectives, undertakes measures within its scope of authority to promote that cooperation.

The NBS may take up membership in international financial organisations and institutions, and engage in cooperation with foreign central banks, regulatory bodies and financial and credit institutions, of which it must inform the National Assembly. Without prejudice to the achievement of its objectives, the NBS may, with the Government's consent, act for and on behalf of the Republic of Serbia in international financial organisations and institutions and engage in other forms of international cooperation.

The NBS may not extend credits, loans, overdraft facilities or other forms of credit facilities to the Republic of Serbia, autonomous province or local government unit, public enterprises and other legal entities whose founder is the Republic of Serbia, autonomous province or local government unit, or public enterprises and other legal entities in which the Republic of Serbia, autonomous province or local government unit have a controlling stake, nor may it issue guarantees for the settlement of obligations of these entities or otherwise ensure the settlement of their obligations, or buy securities directly from those entities. Exemptions from the monetary financing ban are daily loans and loans extended for the purpose of settling liabilities in respect of membership in the IMF. Banks in which the Republic of Serbia, autonomous province or local government unit have a controlling stake, have access to loans and lending facilities of the NBS on equal terms as other banks.

II.2 Bodies of the National Bank of Serbia

NBS bodies are:

- the Executive Board of the National Bank of Serbia (hereinafter: Executive Board);
- the Governor of the National Bank of Serbia (hereinafter: Governor);
- the Council of the Governor of the National Bank of Serbia (hereinafter: Council).

The Executive Board and the Governor are responsible for achieving the NBS's objectives, within their remit as defined by the Law on the National Bank of Serbia.

Executive Board

The Executive Board includes the Governor and Vice-Governors.

The Executive Board determines monetary and FX policies, as well as activities aimed at maintaining and strengthening stability of the financial system, and in particular:

- NBS monetary policy programme;
- manner of calculation, collection and payment of interest on loans and other receivables of the NBS and on the funds the NBS pays interest on;
- terms and conditions of issuing NBS securities;
- terms and conditions under which the NBS conducts open market operations and performs discount activities;
- short-term loan policy;
- dinar exchange rate policy;
- required reserves base and ratio, as well as terms, conditions and timelines for the allocation and use of banks' required reserves;
- FX reserve management policy and guidelines;
- other monetary and FX policy instruments and measures;
- measures for maintaining bank liquidity;
- measures and activities, within the NBS's remit, aimed at maintaining and strengthening the stability of the financial system.

The Executive Board sets the key policy rate and other interest rates applied by the NBS in the conduct of monetary policy and defines the manner of determining NBS interest rates.

In addition, the Executive Board exercises substantial powers in the field of supervision of financial institutions. In accordance with law, the Executive Board issues regulations and other general acts in the area of supervision of financial institutions (banks, insurance undertakings, financial lessors, VPF management companies, payment institutions and electronic money institutions), decides on the (de)licensing of these financial institutions, and on the fulfilment of conditions for filing bankruptcy or liquidation procedure against banks, insurance undertakings, financial lessors and VPF management companies. The Executive Board also decides on the (de)licensing of payment institutions, electronic money institutions and virtual currency service providers.

The Executive Board enacts regulations and other general and individual acts in the field of bank resolution, in accordance with the law governing banks.

The Executive Board determines the single tariff under which fees are charged for services provided by the NBS.

The Executive Board, in accordance with law, adopts regulations and other general acts in the area of issuing and revoking authorisations to perform exchange operations and supervision of exchange and foreign exchange operations, in the area of the protection of rights and interest of financial service consumers, as well as in the area of the prevention of money laundering and terrorism financing and financing of the proliferation of weapons of mass destruction.

Executive Board meetings are held as often as deemed necessary, but no less than once a month. Meetings of the Executive Board are chaired by the Governor and they are held if a majority of the Board members are present. The Executive Board takes decisions by a majority vote of all its members. In the event of a tie, the

Governor has the casting vote. A member of the Executive Board who is present at a meeting may not abstain from voting. The Executive Board adopts its Rules of Procedure.

Governor and Vice-Governors

The Governor:

- represents and acts on behalf of the NBS;
- manages the NBS and organises its work;
- implements decisions of the Executive Board and the Council;
- enacts regulations, general and individual acts under the NBS's remit, which are not assigned by law to the authority of the Executive Board and the Council;
- proposes regulations, general and individual acts to be adopted by the Executive Board and the Council, unless provided otherwise by the Law on the National Bank of Serbia;
- regulates the NBS's internal organisation and job classification, as well as labour relations of NBS employees;
- appoints and dismisses employees who manage NBS organisational units;
- performs other tasks defined by law in a manner that does not conflict with the objectives stipulated by the Law on the National Bank of Serbia.

The Governor is appointed by the National Assembly at the proposal of the President of the Republic of Serbia. The Governor is appointed for a six-year renewable term of office.

Pursuant to the Law on the National Bank of Serbia, the NBS has between two and four Vice-Governors. They are appointed by the National Assembly, at the proposal of the Governor, for a six-year renewable term of office. The provisions of the Law governing the appointment, incompatibility of office and conflict of interest regarding the Governor's position apply accordingly to Vice-Governors. Specific tasks that the Governor may confer upon Vice-Governors are regulated in detail by the Statute of the National Bank of Serbia.

Council of the Governor

The Council of the Governor consists of five members, including the President, appointed by the National Assembly at the proposal of the National Assembly's Finance Committee. Members of the Council are appointed for a five-year renewable term of office. Members of the Council are not NBS employees. Provisions of the Law on the National Bank of Serbia governing the appointment, incompatibility of office and conflict of interest regarding the Governor's position apply accordingly to the Council members. When appointing members of the Council, due consideration is given to ensuring that its work is supported by knowledge and experience in the area of financial reporting, risk management, regulatory compliance and the security of information and communication systems.

The Council:

- adopts the Statute of the National Bank of Serbia, at the proposal of the Executive Board;
- determines the exchange rate regime of the dinar, at the proposal of the Executive Board and with the Government's consent;
- adopts the FX reserve management strategy, at the proposal of the Executive Board;
- decides on membership in international financial organisations and institutions;
- adopts the NBS financial plan;
- adopts the NBS annual financial statements;
- appoints the manager of the NBS's organisational unit in charge of internal audit;
- selects the external auditor, considers the external auditor's report and monitors the implementation of audit recommendations in the NBS;
- oversees the system of financial reporting, risk management and internal controls in the NBS;
- evaluates the adequacy of accounting policies and procedures adopted in the NBS;
- adopts the annual plan of internal audit in the NBS and periodically reviews internal audit reports;
- oversees the performance of internal audit and compliance of operations in the NBS;
- adopts the NBS risk management strategy, proposed by the Executive Board, and monitors its implementation.

The Council submits a report on its work to the National Assembly as often as necessary, but no less than twice a year. Meetings of the Council are held as often as necessary, but no less than once every two months. Meetings are held if the majority of Council members are present. The Council takes decisions by a majority vote of present members.

II.3 Organisation

MANAGEMENT OF THE NATIONAL BANK OF SERBIA
(as at 31 December 2025)

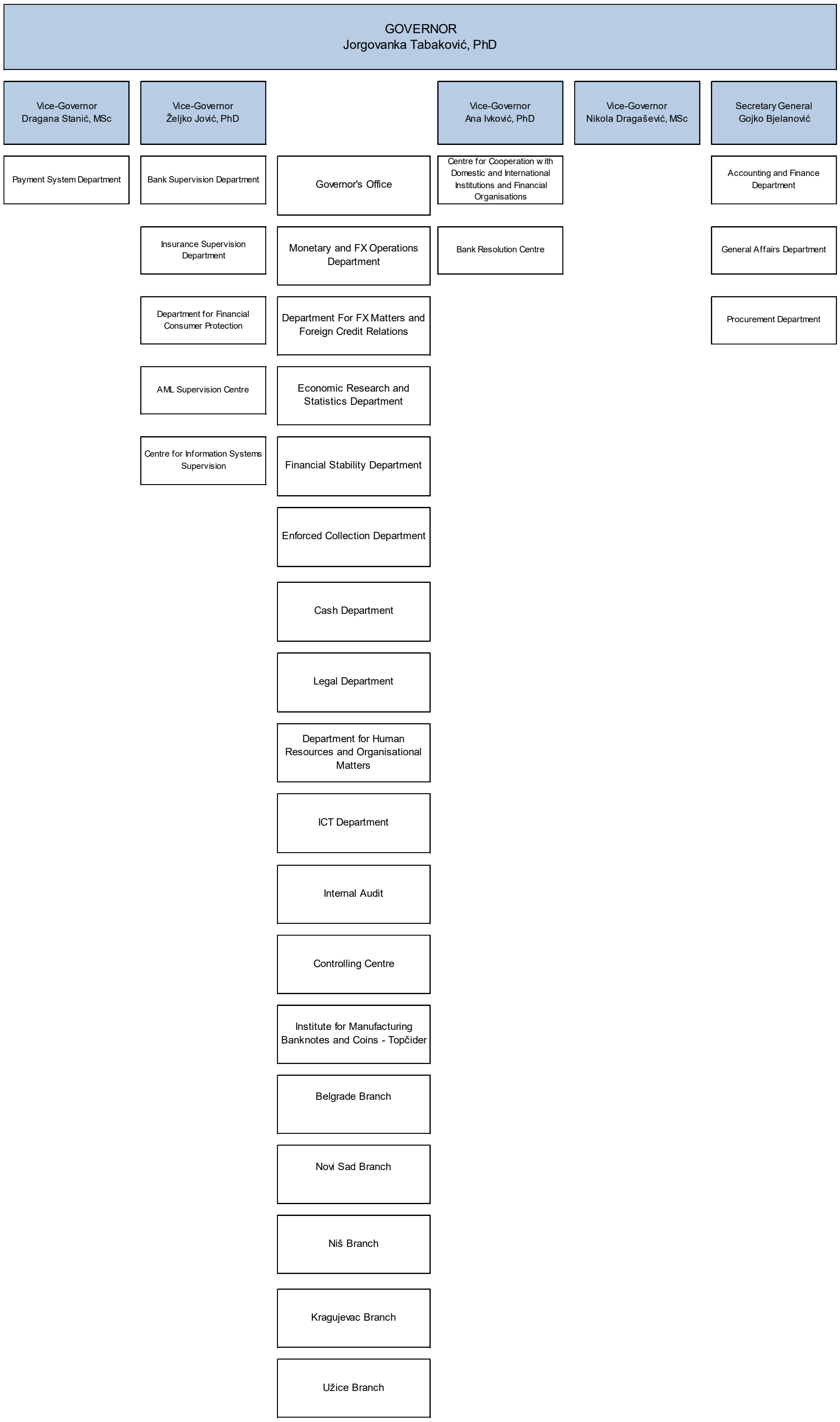
GOVERNOR

Jorgovanka Tabaković, PhD

VICE-GOVERNOR	VICE-GOVERNOR	VICE-GOVERNOR	VICE-GOVERNOR	SECRETARY GENERAL
Dragana Stanić, MSc	Željko Jović, PhD	Ana Ivković, PhD	Nikola Dragašević, MSc	Gojko Bjelanović

COORDINATION OF WORK WITHIN THE NATIONAL BANK OF SERBIA

(as at 31 December 2025)



ORGANISATIONAL CHART OF THE NATIONAL BANK OF SERBIA
(as at 31 December 2025)

NATIONAL BANK OF SERBIA

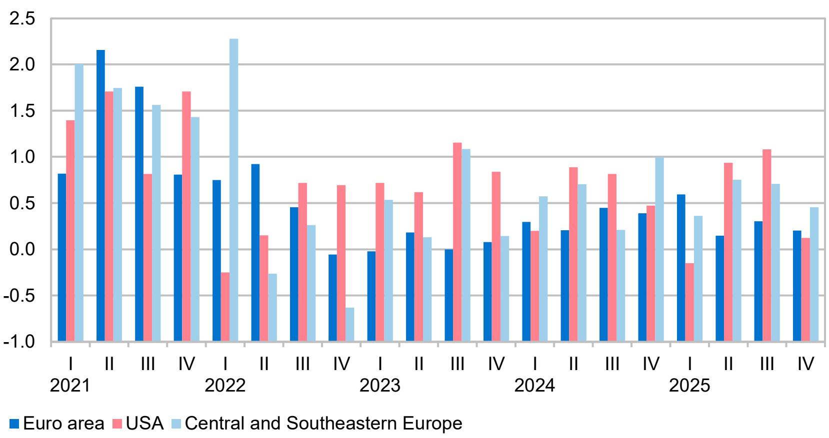
Organisational units						Specialised organisation
Main organisational units	**Belgrade Branch**	**Novi Sad Branch**	**Niš Branch**	**Kragujevac Branch**	**Užice Branch**	**Institute for Manufacturing Banknotes and Coins - Topčider**
Monetary and FX Operations Department	Group for Financial Consumer Education	Group for Financial Consumer Education	Group for Financial Consumer Education	Group for Financial Consumer Education	Treasury and Cash Vault Division	Development and Quality Centre
Department For FX Matters and Foreign Credit Relations	Treasury and Cash Vault Division	Treasury and Cash Vault Division	Treasury and Cash Vault Division	Treasury and Cash Vault Division	General Affairs Unit	Pre-Press Department
Financial Stability Department		General Affairs Unit	General Affairs Unit	General Affairs Unit		Banknote Printing Department
Economic Research and Statistics Department						Coin Production Department
Centre for Cooperation with Domestic and International Institutions and Financial Organisations						Department for Value and Secured Papers
Bank Resolution Centre						Card Production and Personalisation Solutions
Cash Department						Department of Maintenance and Energy
Payment System Department						Sales Department
Enforced Collection Department						Department of Economic Affairs
Governor's Office						General Administrative, Legal and Personnel Department
Internal Audit						
Legal Department						
Accounting and Finance Department						
ICT Department						
Department for Human Resources and Organisational Matters						
General Affairs Department						
Procurement Department						
Controlling Centre						
Bank Supervision Department						
Insurance Supervision Department						
Centre for Information Systems Supervision						
Department for Financial Consumer Protection						
AML Supervision Centre						

III INTERNATIONAL AND DOMESTIC ECONOMIC ENVIRONMENT

International economic environment

Despite heightened global uncertainty during 2025, driven by pronounced geopolitical and trade tensions, as well as the introduction of higher tariffs by the US, **the global economy proved relatively resilient**. In anticipation of higher tariff rates, global trade intensified and inventories built up, temporarily supporting economic activity, while in H2 2025 growth was underpinned by investment in digital technologies and more favourable financing conditions. **According to the IMF, the global economic growth in 2025 measured 3.4%**, unchanged from 2024, but still below its long-term average.

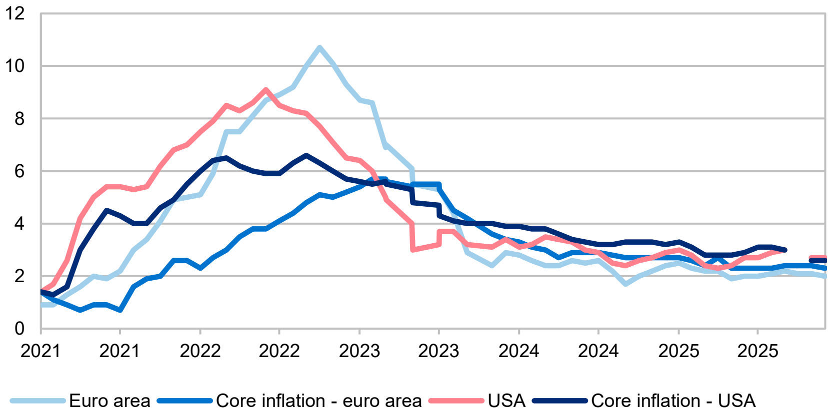
Chart III.1 **Real GDP growth**
(s-a, quarterly, in %)



Sources: Eurostat, U.S. BEA and NBS calculations.

The euro area economy grew by 1.4% in 2025 (compared with 0.9% in 2024), primarily on account of stronger household consumption and fixed investment, while net exports made a negative contribution as imports outpaced exports. The services sector remained the main driver of economic activity, whereas manufacturing recovered following a two-year decline. Positive labour market developments also continued in the euro area, with **the unemployment rate remaining at a record low of 6.2% at end-2025**.

Chart III.2 **Headline and core inflation – euro area and the USA**
(in %)



Sources: Eurostat and IMF WEO (April 2026).

The US economy expanded by 2.1% in 2025 (2.8% in 2024), largely reflecting stronger household and government consumption, as well as fixed investment, while lower net exports and inventory reduction acted in the opposite direction. The slowdown in economic growth can be partly attributed to stronger imports in H1 2025, aimed at avoiding higher tariffs, as well as contracted government spending toward the end of the year due to the temporary shutdown of the federal government. The demand in the US labour market weakened further, with the **unemployment rate standing at 4.4% at end-2025**.

Global inflation continued on a downward path in 2025, primarily reflecting lower global energy prices and the effects of past monetary policy tightening. Global oil prices declined for the third consecutive year, by almost 20%, while **core inflation decelerated more gradually** owing to still elevated inflation in the services sector. According to the IMF estimate, **global inflation slowed to 4.1% in 2025, from 5.8% in 2024**, but remained above its pre-pandemic average.

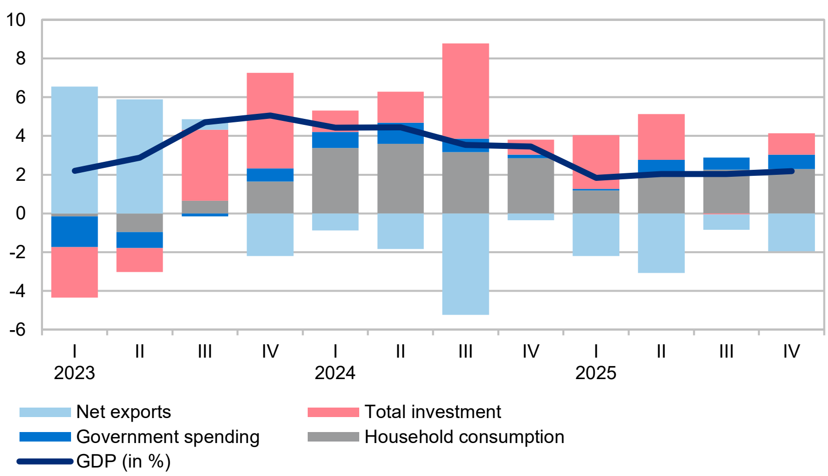
Assessing that the disinflation process in the euro area was unfolding in line with expectations, the **ECB continued its monetary policy easing cycle in H1 2025, lowering its key interest rates by an additional 100 bp.** The key interest rates stayed unchanged for the rest of the year, with the interest rate on deposit facilities standing at 2.0%, on main refinancing operations at 2.15% and on credit facilities at 2.40% in December. Unlike the ECB, **the Fed began easing monetary policy only in September, reflecting uncertainty regarding the effects of higher US tariffs, and reduced the federal funds rate range by a cumulative 75 bp by year-end, to 3.50–3.75%**.

Even though most leading central banks eased the monetary conditions, the **yields on 10Y government securities of advanced economies increased by around 28 bp on average during 2025**. This is mainly a result of market expectations that the ECB's monetary policy easing cycle had come to an end and that some countries would increase borrowing to finance fiscal stimulus. By contrast, yields on 10Y US government bonds declined by 40 bp, reflecting weaker macroeconomic indicators. **In 2025, global risk premium also continued to decline**, with the EURO EMBIG Composite going down by 46 bp, to 149 bp, and EMBI Composite by 64 bp, to 231 bp.

Domestic economic environment

Despite pronounced global trade and geopolitical tensions, as well as domestic protests and blockades, Serbia maintained macroeconomic and financial stability throughout 2025. Although economic activity slowed under the impact of heightened global uncertainty, domestic socio-political developments and lower production by NIS following the imposition of sanctions, favourable macroeconomic trends were preserved owing to well-coordinated monetary and fiscal policy measures. At the same time, the investment cycle under the "Leap into the Future – Serbia Expo 2027" programme continued, which is expected to support stronger economic growth in the period ahead.

Chart III. 3 **Contributions to y-o-y GDP growth rate, expenditure side**
(in pp)

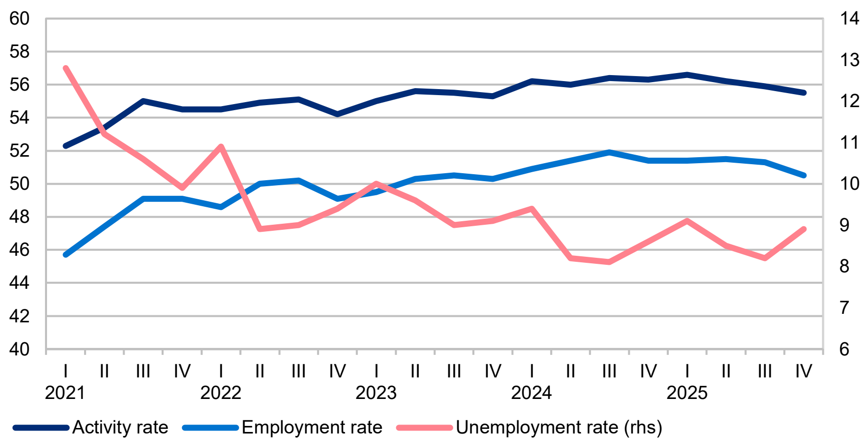


Sources: SORS and NBS calculations.

According to the SORS estimate, real GDP growth in 2025 amounted to 2.0%. Economic growth was driven by domestic demand, in our estimate, with a positive contribution of all its components, while net exports provided a negative contribution to GDP, reflecting a faster rise in imports and services than in exports. On the production side, growth was primarily supported by the services sector and industry, while agriculture had an almost neutral impact and construction activity declined.

Favourable labour market trends largely continued into 2025, as testified by the further increase in average and minimum wages and a reduction in the registered number of unemployed persons to a new record low. The average nominal net wage in 2025 amounted to RSD 109,462, up by 11.5% from 2024, while the average number of registered unemployed persons declined by around 25 thousand, to 346,459. At the same time, the total number of formally employed persons decreased slightly, by around 5 thousand. According to the Labour Force Survey, in Q4 the employment rate measured 50.5% and the unemployment rate 8.9%.

Chart III.1.4 **Labour market indicators according to the Labour Force Survey**
(in %)



Source: SORS.

Consistent with NBS expectations, y-o-y inflation moved within the target band (3.0±1.5%) during most of 2025. After slowing to 3.8% in May, inflation temporarily accelerated during the summer months, reflecting higher prices of unprocessed food and global oil prices, before decelerating again from September, supported by the introduction of caps on retail margins for selected products. Y-o-y inflation measured 2.7% in December, while core inflation revolved around 4% at year end, mainly due to the growth in services prices.

Throughout 2025, the NBS kept the key policy rate unchanged at 5.75%, where it has stood since September 2024, while the deposit and lending facility rates stayed unchanged at 4.50% and 7.00%, respectively. The Executive Board decided to keep the current monetary policy stance based on the medium-term inflation projections, as well as persistent geopolitical and trade-related risks and higher-than-expected food price growth during the summer months. With its well-timed and measured response in the FX market, i.e. net sales of EUR 580 mn, **the NBS also preserved the relative stability of the dinar exchange rate against the euro in 2025.**

At the consolidated level, general government recorded a fiscal deficit of 2.4% of GDP in 2025, below the planned 3.0%, while **central government debt stood at 44.4% of GDP at year end**, down by 2.3 pp from end-2024. The decline in the public debt-to-GDP ratio mainly reflected economic growth and the depreciation of the US dollar against the euro.

According to preliminary data, **the current account deficit amounted to EUR 4.3 bn in 2025** (**4.9% of GDP),** which, measured as a share of GDP, was in line with its multi-year average. Its nominal increase of 13.6% relative to 2024 primarily reflected a lower surplus on trade in services and a wider primary income deficit, while a narrower merchandise trade deficit and a higher secondary income surplus acted in the opposite direction.

IV PRICE AND FINANCIAL SYSTEM STABILITY

IV.1 Monetary policy

IV.1.1 Monetary policy in 2025

The NBS Executive Board pursued monetary policy in accordance with the NBS Monetary Policy Programme in 2025,[4] thereby contributing to the preservation of macroeconomic and financial stability amid significant challenges from the international environment. The Programme envisaged that, in the decision-making process, the NBS would assess the nature and strength of inflationary pressures and thus maintain the necessary monetary policy flexibility in terms of the scope of the response and the use of instruments in order to ensure price and financial stability in the medium term, but also to further support sustainable economic growth. It also envisaged that macroprudential and microprudential policy measures would be used in a complementary manner so as not to undermine the efficiency of monetary policy.

The conditions in the domestic and international environment called for continued caution in monetary policy decision-making. Throughout 2025 the **NBS Executive Board kept the key policy rate unchanged** at 5.75%, its level from September 2024. It is since then that the deposit and lending facility rates were also kept at 4.50% and 7.00%, respectively. The Executive Board decided to keep the key policy rate on hold in view of the medium-term inflation projection, above all lingering elevated geopolitical tensions, rising protectionism in global trade, and higher than anticipated growth in food prices during the summer.

Inflation outturn was consistent with the Executive Board's expectations until May – y-o-y headline inflation decelerated gradually since early 2025 to 3.8% in May, mostly on the back of lower prices of energy, especially petroleum products, and a slowdown in core inflation (CPI excluding food, energy, alcohol and

[4] RS Official Gazette, No 99/2024.

cigarettes). However, owing to a rise in unprocessed food prices due to unfavourable weather (first frost in spring, followed by extremely hot and dry weather in the summer) and higher global oil prices after the outbreak of the conflict between Israel and Iran, y-o-y inflation accelerated to 4.6–4.9% in the period June–August, with more than half of its rise being driven by food and non-alcoholic beverage prices. With the entry into force of the Government Decree on Special Conditions for Trade in Certain Types of Goods, which capped wholesale and retail margins at 20% for a period of six months starting in September, y-o-y inflation slowed significantly in September to 2.9%, and declined further towards the end of the year, reaching 2.7% in December. Prices of food and non-alcoholic beverages even recorded a 0.9% y-o-y decrease in December. In keeping the key policy rate unchanged, the Executive Board took into account the expected adoption of systemic laws aimed at preventing unfair trading practices and thus keeping trade margins from returning to their pre-Decree levels. The Board also had in mind that inflation is expected to move around 4% from September 2026 due to the low base effect from the previous year on account of the Decree. As regards core inflation, it moved around 4% y-o-y in the final months of 2025, the same as in December. Around three quarters of core inflation stemmed from the prices of services, which accelerated their y-o-y growth due to an increase in real disposable income, while the prices of products within core inflation slightly slowed their y-o-y growth.

In its monetary policy making in the period observed, the Executive Board also took into account that short- and medium-term **inflation expectations** of the financial sector continued to move within the target band in 2025, where they have been since early 2024, albeit still above the target midpoint. Corporate inflation expectations for one year ahead have stayed unchanged at 5% in the best part of the year, and were at the same level for two and three years ahead.

When assessing developments in the **real sector**, the Executive Board bore in mind that global uncertainty and geopolitical tensions, along with socio-political developments at home, weighed on Serbia’s economic growth, resulting in lower growth in investments and consumption than expected early in the year, despite ample and favourable sources of financing. The increase in household disposable income was primarily driven by the **real growth in average wages, higher pensions, as well as more favourable lending conditions and two-digit y-o-y growth in bank lending**, which reached 15.4% in December 2025. In addition to the effects of past monetary policy easing by the NBS and the ECB, strong growth in lending also reflects the easing of credit standards, increased loan demand by corporates and households, as well as the NBS and government measures enabling lending to young first-time home buyers and low-income citizens. Lending was also propped by measures limiting interest rates for certain types of loans to natural persons, in line with the Law on the Protection of Financial Service Consumers. The Executive Board highlighted that GDP growth is expected to accelerate in 2026 and 2027, with positive contributions from both consumption and fixed investments, driven by the implementation of investments planned under the “Leap into the Future – Serbia Expo 2027” programme. In 2027, a positive contribution is also expected from net exports due to the hosting of the Expo.

In making monetary policy decisions in 2025, the Executive Board paid close attention to **international factors**, emphasising the need for a continued cautious monetary policy stance, as global uncertainty, though lower in H2 than in H1, remained elevated throughout the year. This is best illustrated by the increased demand for gold as a safe-haven asset and its price, which rose almost continuously throughout 2025, reaching new record highs. During H1, **uncertainty surrounding protectionist measures and global market fragmentation was particularly pronounced**, which raised concerns over a possible simultaneous increase in inflation and a slowdown in global economic activity. Trade tensions increased the risk of global supply chain disruptions and price hikes for goods directly affected by tariffs. From mid-year, the tariff regime stabilised to some extent, though uncertainty persisted regarding the concrete effects of higher tariffs, given that trade had intensified during H1 in anticipation of their implementation. Concerns remained particularly elevated with regard to trade tensions between the United States and China. Uncertain assessments of global supply and demand, along with **geopolitical tensions and conflicts in the Middle East and Ukraine**, generated volatility in global **crude oil** markets, as well as **in other energy commodities and primary products**, giving rise to uncertainty regarding their price movements. As for the domestic oil and petroleum products market, its stability was preserved; however, caution and proactive action were also required by the NBS in the FX market, including exchange operations, given the temporary but strong surge in demand for euros. This surge was driven by concerns among corporates and households that potential US sanctions on NIS, because of its majority Russian ownership, could lead to market disruptions and a broader crisis.

Despite pronounced imbalances between FX supply and demand in certain months, **the dinar maintained relative stability against the euro throughout 2025**, supported by the NBS interventions in the IFEM. End-of-period, the dinar depreciated nominally against the euro by 0.2% in 2025, while, under the influence of the euro's appreciation against the US dollar in the international market, the dinar strengthened nominally against the dollar by 12.5%.

Monetary policy caution was also warranted with respect to **global food prices**. The Executive Board took into account the effects of earlier increases in the prices of certain commodities on global exchanges (cocoa and coffee), as well as the possibility that protectionist measures and trade restrictions could push food prices upwards. In addition, exceptionally adverse weather conditions during the spring and summer at home and in the region resulted in lower yields of fruits and vegetables, and affected their prices.

In the **euro area**, our key trade partner, inflation stabilised around the 2% target in 2025 and inflation expectations were anchored, primarily owing to lower energy prices, as well as a mild slowdown in the growth of prices of services and industrial goods. At the same time, euro area economic activity has proven more resilient than previously assessed. Domestic demand remained the main driver of euro area economic growth, supported by the real wage growth and higher employment, amid stable labour market conditions and a record-low unemployment rate. In addition, a strong fiscal impulse was expected from a new package of infrastructure and defence-related government investment in Germany, which improved the EU's economic outlook and is expected to have a positive spillover effect on Serbia's economic growth.

As expected, the **ECB** continued its monetary policy easing. It cut its key interest rates in H1 and kept them on hold in H2, assessing that they are close to neutral. On a parallel note, the ECB continued to downsize its balance sheet according to plan, at a moderate dynamic. The ECB emphasised that it would continue to make monetary policy decisions in the period ahead not pre-committing to a particular rate path.

Changes in the US trade policy mandated increased caution in the **Fed's** conduct of monetary policy, and the target range for the federal funds rate was kept unchanged all the way until September 2025 (4.25–4.50%). The Fed assessed that the economic effects of tariffs would include higher inflation and slower growth. Although inflation was somewhat elevated, the Fed assessed that, in view of developments in the real sector, it should lower its federal funds rate range by 25 bp in September, and then again in October and December, to 3.50–3.75%, marking the lowest level in the past three years. It also downsized its balance sheet assets at the previously defined pace.

The NBS will continue to monitor and analyse trends in the domestic and international markets and make monetary policy decisions on **a meeting-to-meeting basis, depending on the pace of inflation's slowdown**. The priority of monetary policy will remain to ensure price and financial stability in the medium term, while supporting further economic growth, employment and a favourable investment environment.

IV.1.2 Monetary policy instruments

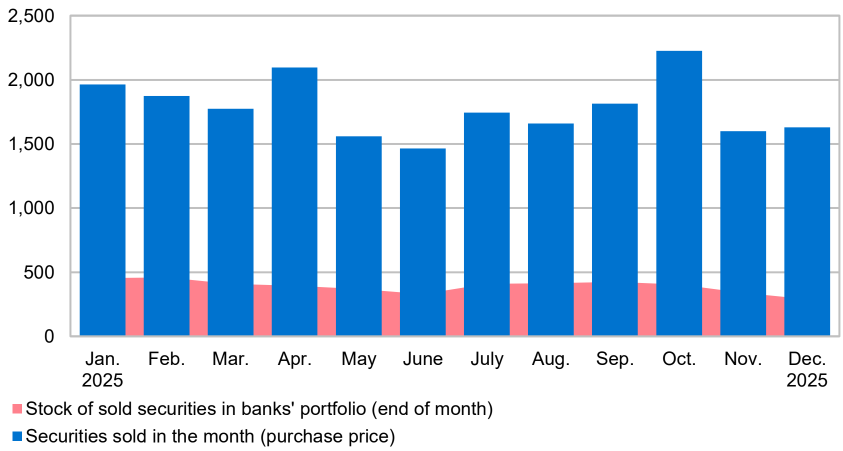
The main monetary policy instrument of the NBS is the **key policy rate**, i.e. the **interest rate on the main open market operations**.[5] The role of the key policy rate is supported by the **corridor of interest rates on deposit and lending facilities and by other open market operations**. In addition to the key policy rate, the NBS uses other instruments of monetary regulation, notably **required reserves and FX market operations**.

Open market operations

The main open market operations of the NBS in 2025 were one-week reverse repo transactions of securities sale (liquidity absorption).

[5] Key policy rate is the maximum, i.e. the highest rate applied in the conduct of repo transactions of sale of securities.

Chart IV.1.2.1 **Repo sale and stock of sold securities**
(in RSD bn)



Source: NBS.

The NBS implemented repo transactions using its own securities. As in the prior years, for the purposes of repo sale, one series of T-bills was issued in 2025, in the total nominal amount of RSD 1,000.0 bn. The issuance of a larger volume of T-bills is a result of the need to provide a sufficient amount of market material for smooth conduct of repo transactions in an environment of pronounced excess dinar liquidity in the banking system.

In 2025, fifty-two repo sale auctions were organised. Auctions were held once a week, applying the variable multiple interest rate model. The achieved volume of securities sale in 2025 (RSD 21,410.0 bn) was lower than in 2024 (RSD 24,047.8 bn) due to a decline in excess dinar liquidity, primarily as a result of government activities and the NBS's net purchase interventions in the IFEM amid prevailing depreciation pressures on the dinar.

The stock of NBS T-bills in banks' portfolios averaged RSD 413.3 bn in 2025, which is a decrease relative to 2024 (RSD 454.5 bn). Relative to end-2024, the stock of sold repo securities decreased by RSD 100.0 bn, to RSD 290.0 bn at end-2025.

Deposit and lending facilities

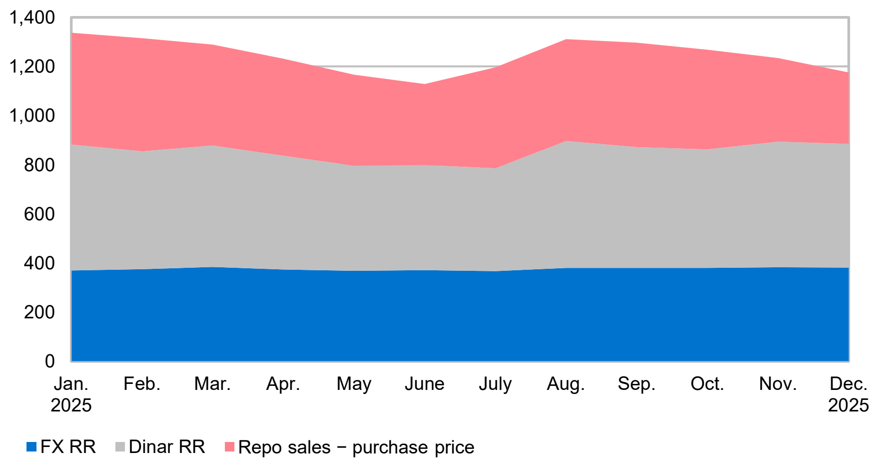
In 2025, banks continued to place overnight deposits with the NBS (deposit facilities). The average daily stock of bank deposits with the NBS in 2025 came at RSD 138.9 bn, which is RSD 0.9 bn less than in 2024. The highest average monthly stock was recorded in January (RSD 230.3 bn) and the lowest in May (RSD 89.1 bn).

Two banks used lending facilities in the form of intraday loan in the total amount of RSD 0.8 bn, while overnight loans were not used at all.

Required reserves

In 2025, the amount of calculated required reserves allocated in foreign currency increased by EUR 185.8 mn (6.1%), reaching EUR 3.2 bn. This increase is a result of the growth in all categories of liabilities which make the FX base, mostly driven by the rise in FX savings and corporate deposits with the maturity of up to two years.

Chart IV.1.2.2 **Volume of sterilisation by monetary policy instruments**
(in RSD bn)



Source: NBS.

In the same period, the amount of calculated required reserves allocated in dinars increased by RSD 38.1 bn (8.4%), reaching RSD 489.7 bn at year end. This increase is chiefly due to the above growth in FX liabilities (given that a portion of the FX required reserves is allocated in dinars), and to a lesser extent also to an increase in purely dinar required reserves on account of the higher dinar deposits of households and corporates.

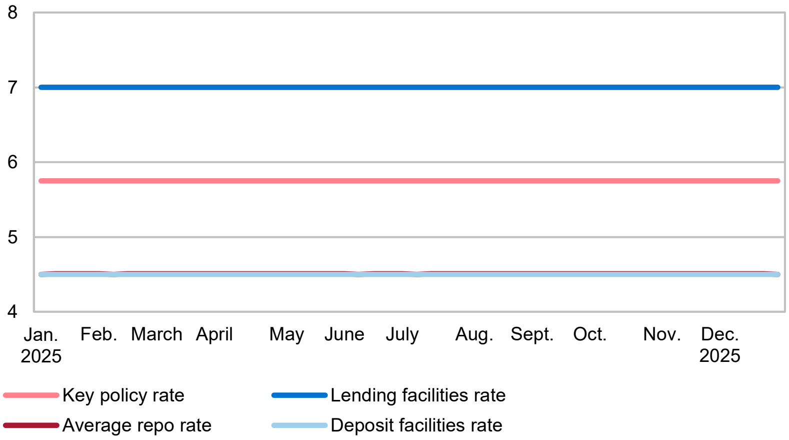
Interest rates

The key policy rate was kept at 5.75% in 2025 (unchanged from September 2024), reflecting the caution of the NBS Executive Board in an environment of global geopolitical uncertainties, even though inflation stabilised in Q4 at a level slightly below the target midpoint (3±1.5%). The deposit and lending facility rates were kept at 4.50% and 7.00%, respectively.

Concurrently, the weighted average interest rate at one-week reverse repo auctions moved within a very narrow range (4.50–4.51%), averaging 4.51%. At end-2025, the weighted average repo rate stood at 4.50%, unchanged relative to end-2024.

In 2025, the interest rate at which the NBS calculates and pays interest on the average daily balance of allocated dinar required reserves was kept at 0.75%.

Chart IV.1.2.3 **Key policy rate and average repo rate**
(daily data, p.a., in %)



Source: NBS.

FX market operations

Under the 2025 Monetary Policy Programme, the NBS continued implementing the managed float exchange rate regime, with the possibility to intervene in the FX market with a view to easing the volatility of the dinar against the euro and maintaining price and financial stability and an adequate level of FX reserves.

In 2025, the dinar lost 0.2% against the euro in nominal terms, and the NBS net sold EUR 580.0 mn in the IFEM.

From January to end-May 2025, depreciation pressures prevailed, mostly due to stronger seasonal FX demand of energy importers at the start of the year, which intensified further following news on the introduction of sanctions on NIS and the need to replenish energy stocks. This period also recorded an increase in household FX demand, while FX supply from other domestic companies, which typically act as FX sellers, declined, partly reflecting lower FDI inflows. In the first five months, the NBS net sold EUR 1.0 bn in the IFEM.

From June to end-September 2025, appreciation pressures on the dinar against the euro prevailed, primarily as a result of increased approval of FX-indexed loans to corporates and natural persons, also supported by the approval of subsidised housing loans for young people. In addition, during this period, FX supply of domestic companies increased owing, inter alia, to lower FX demand of energy importers. On the supply side, there was also an effect of banks' net purchases of foreign cash from authorised exchange dealers and natural persons. Over these four months, the NBS net purchased EUR 1.43 bn in the IFEM, more than offsetting its net FX sales in the first five months of the year.

From October to end-December, depreciation pressures prevailed, partly as a result of seasonal factors, including higher FX demand of energy importers, as well as FX demand related to dividend payments to foreign owners. From end-November, the FX demand of natural persons strengthened under the influence of psychological factors amid heightened uncertainty following the entry into force of sanctions on

NIS. To enable smooth functioning of the foreign exchange market in this period, the NBS intervened with FX sales. Moreover, the NBS also responded by amending regulations in the area of exchange operations, facilitating the supply of foreign cash to authorised exchange dealers by banks, as well as by abolishing fees charged for exchange operations. From mid-December until year end, owing to the measures taken, household FX demand decreased significantly, with a gradual return to normal trends. From October to end-December, the NBS net sold EUR 1.01 bn in the IFEM.

FX swaps

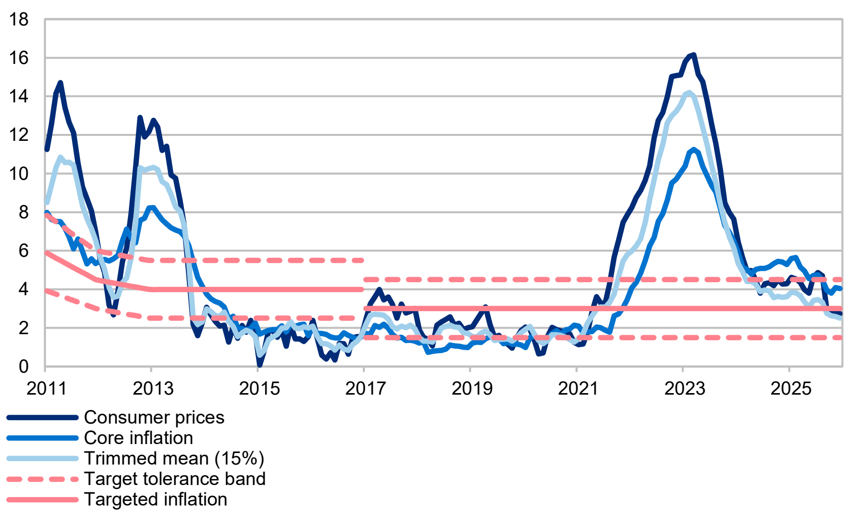
In 2025, banks continued to have the possibility to conclude bilateral transactions of swap purchase and sale of foreign currency (euros) with the NBS. The aim of these transactions is not only to provide assistance to banks in their liquidity management, helping them overcome insufficient limits for interbank transactions, but also to ensure greater flexibility regarding the moment of concluding transactions and their maturity. In 2025, NBS bilateral swap transactions amounted to EUR 3,814.0 mn (swap purchase and sale worth EUR 1,907.0 mn each).

IV.1.3 Achievement of the inflation target in 2025

According to SORS data, average inflation in 2025 equalled 3.8% (compared to 4.6% in 2024), while average core inflation stood at 4.5% (compared to 5.2% in 2024).

Chart IV.1.3.1 **Inflation dynamics – headline, core and trimmed mean**

(y-o-y rates, in %)

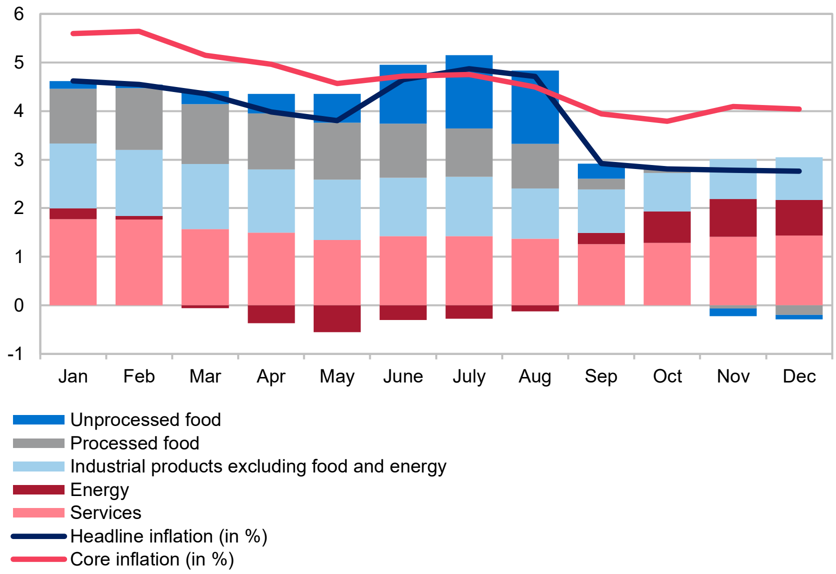


Sources: SORS and NBS calculation.

In line with our expectations, **y-o-y inflation** slowed down since early 2025, dropping to 3.8% in May, mostly under the impact of lower petroleum product prices and slower growth in service prices. After standing somewhat above the upper bound of the target tolerance band from June to August, **y-o-y inflation returned to within the 3±1.5% range from September**, chiefly as a result of the implementation of the

Government Decree.[6] By end-2025, inflation moved slightly below the target midpoint, at 2.7% y-o-y in December. Measured by the change in CPI excluding food, energy, alcohol and cigarettes, **core inflation** declined from an average of 5.0% y-o-y from January to August to 4.0% y-o-y from September to December. The **trimmed mean** measure of inflation (calculated upon the exclusion of 15% of products and services whose prices recorded major changes in both directions) moved below headline inflation throughout 2025, averaging 3.0% y-o-y.

Chart IV.1.3.2 **Contributions of CPI components to y-o-y inflation in 2025**
(in pp)



Sources: SORS and NBS calculations.

Looking at basic CPI components, the **prices of food and non-alcoholic beverages** accelerated their y-o-y growth from January to July due to unfavourable weather conditions which reduced the supply of fruit and vegetables in the domestic market, as well as due to the record high growth in global prices of coffee and cocoa that drove up the prices of confectionery products. Following the adoption of the Decree, which predominantly relates to food products, fruit prices decelerated their y-o-y growth to 11.7% by the end of the year (providing a 0.3 pp contribution to inflation), while vegetable prices declined by 13.6% (providing a negative 0.6 pp contribution to inflation). At end-2025, the **prices of food, both processed and unprocessed**, declined by 0.9% y-o-y each, with a negative 0.3 pp aggregate contribution to y-o-y inflation, which is 1.5 pp lower compared to end-2024.

Energy prices recorded a 4.6% y-o-y growth in December (with a 0.7 pp contribution to inflation), primarily due to the October adjustment in electricity prices, while the price of gas for households remained unchanged. Mirroring the movement in the global oil price, the prices of petroleum products in the domestic market provided a neutral contribution to inflation in December. The prices of solid

[6] Starting from 1 September the Decree on Special Conditions for Trade in Certain Types of Goods capped trade margins at 20% for a period of six months for 23 categories of products within food and household chemicals that together account for around 35% of the CPI.

fuels increased 4.4% y-o-y in December (with a 0.1 pp contribution to inflation), reflecting a seasonal hike in the prices of firewood.

The prices of industrial products (excluding food and energy) slowed down their y-o-y growth in 2025, averaging 3.0% from September until year end, mainly as a result of the implementation of the Decree, which also covered certain household chemicals. Y-o-y growth in these prices stood at 3.1% in December, contributing 0.9 pp to inflation, with around three-quarters of the increase stemming from the December adjustment in cigarette prices (7.5%) and higher prices of medicines (6.0%) and alcoholic beverages (4.7%).

The prices of services slowed down their y-o-y growth for the best part of 2025, coming to 5.8% in December (with a 1.4 pp contribution to inflation). The y-o-y rise in the prices of services in December is owed primarily to higher prices of utility services, catering, transport, financial and recreation services. Like in most countries of the region and the euro area, it was the prices of services that predominantly dictated the y-o-y dynamics of core inflation in 2025, which reached 4.0% in December and contributed 1.9 pp to headline inflation.

At end-2025, **administered prices**, i.e. prices under government regulation, grew by 7.0% from a year earlier (with a 1.3 pp contribution to inflation), due to the adjustments in the prices of electricity and cigarettes, and higher prices of utility services.

IV.2 Regulation and supervision of financial institutions

IV.2.1 Banks

In 2025, the structure of the NBS-supervised segments of the financial sector remained largely unchanged. The banking sector continued to dominate the Serbian financial system and was the key factor of its stability. It participated with 90.4%[7] in the balance sheet total of the NBS-supervised segments of the financial sector that came at 74.5% of GDP.

Table IV.2.1.1 **Financial system structure**

	31 December 2024			31 December 2025		
	Number	Balance sheet total (RSD bn)	Share (%)	Number	Balance sheet total (RSD bn)	Share (%)
Banking sector	20	6,635.3	90.7	19	7,005.8	90.4
Lessors	15	203.0	2.8	13	227.4	2.9
Insurance undertakings	20	417.3	5.7	20	446.8	5.8
Voluntary pension funds	7	61.7	0.8	7	66.7	0.9
Total	**62**	**7,317.3**	**100.0**	**59**	**7,746.7**	**100.0**

Source: NBS.

[7] All data in the *Report* are based on the reports that banks are required to submit to the NBS. These reports were not audited by external auditors or verified by NBS on-site supervisors.

At the end of 2025, the banking sector employed 21,816 persons, 470 employees fewer than at end-2024.

Banking sector structure

At end-2025, the banking sector comprised 19 banks, 15 of which in the majority ownership of foreign shareholders, two banks with the majority private domestic capital and two in the majority ownership of the Republic of Serbia.[8]

Table IV.2.1.2 **Ownership structure of the banking sector in 2025**

	Balance sheet total (RSD bn)	Share (%)	Capital (RSD bn)	Share (%)
Domestic banks:	1,597,929	22.8	185,862	19.3
– state-owned	665,952	9.5	59,710	6.2
– private-owned	931,976	13.3	126,152	13,1
Foreign banks	5,407,894	77.2	776,211	80.7
Total	**7,005,822**	**100.0**	**962,073**	**100.0**

Source: NBS.

In 2025, banking sector balance sheet total increased RSD 370.5 bn, or by 5.6%. The share of banks in the ownership of foreign shareholders decreased by 0.3 pp to 77.2% at year-end, the share of banks in government ownership edged up by 0.5 pp to 9.5%, while the share of banks in the domestic shareholders' ownership declined by 0.3 pp to 13.3%.

Of banks owned by foreign shareholders, those from Italy (26.2%), Austria (18.9%), Hungary (14.2%) and Slovenia (10.2%), held the largest shares in total assets, while banks from other countries accounted for 7.7% of total assets.

Balance sheet capital of the banking sector went up in 2025 by RSD 38.8 bn (4.2%).

Concentration

In 2025, market concentration, measured by the HHI,[9] increased in all three key categories (balance sheet total, total loans and total deposits). The index value across all categories was slightly above 1,000, indicating moderate concentration.

Table IV.2.1.3 **Concentration (HHI) and the shares of top banks in banking sector balance sheet total, loans and deposits**

	31 December 2024	31 December 2025
Balance sheet total (HHI)	**983**	**1,029**
Share in balance sheet total (%):		
Top five banks	61.9	62.0
Top ten banks	90.3	92.3
Gross loans (HHI)	**1,040**	**1,092**
Share in gross loans (%):		

[8] The Republic of Serbia is the majority owner and major individual shareholder.
[9] The HHI (Herfindahl-Hirschman Index) is calculated as the sum of square values of individual bank shares in the category observed (assets, loans, deposits, etc.). HHI up to 1,000 indicates that there is no market concentration; 1,000–1,800 indicates moderate concentration; above 1,800 indicates high concentration.

Table IV.2.1.3 **Concentration (HHI) and the shares of top banks in banking sector balance sheet total, loans and deposits**

	31 December 2024	31 December 2025
Top five banks	63.9	64.8
Top ten banks	92.1	94.2
Deposit potential (HHI)	**983**	**1,029**
Share in deposit potential (%):		
Top five banks	61.7	61.4
Top ten banks	90.3	92.6

Source: NBS.

Structure of banking sector assets and liabilities

Structure of assets

As Serbian banks are more oriented to traditional credit-deposit activities, loans and receivables[10] accounted for the dominant share of banking sector net assets, which measured RSD 7,005.8 bn at end-2025. The bulk of loans and receivables (88.3%) pertained to the non-financial sector, and the rest to banks and other financial organisations. Net loans and receivables went up by RSD 387.7 mn in 2025, and their share in total net assets climbed from 64.4% to 66.5%. A significant share is that of securities, which together with pledged financial assets made up 12.1% of net assets. The share of cash and assets with the central bank went down from 20.5% to 18.7% in 2025.

Table IV.2.1.4 **Structure of banks' net assets as at 31 December 2025**

	Amount (RSD mn)	Share (%)
Cash and balances with the central bank	1,312,423.3	18.7
Pledged financial assets	8,004.1	0.1
Derivative receivables	2,374.5	0.0
Securities	834,704.8	11.9
Loans and receivables from banks and other financial organisations	544,757.2	7.8
Loans and receivables from clients	4,113,699.5	58.7
Changes in the fair value of items being subject to hedging	0.0	0.0
Receivables under derivatives intended for hedging	1,023.5	0.0
Investment in associated undertakings and joint ventures	1,011.1	0.0
Investment in subsidiaries	11,154.9	0.2
Intangible assets	27,953.1	0.4
Property, plant and equipment	85,028.2	1.2
Investment property	4,126.9	0.1
Current tax assets	1,956.6	0.0
Deferred tax assets	1,833.6	0.0
Non-current assets held for sale and discontinued operations	1,056.1	0.0
Other assets	54,715.0	0.8
Total assets	**7,005,822.5**	**100.0**

Source: NBS.

[10] In addition to loans and deposits, this balance sheet item also includes FX accounts abroad, receivables from interest, fees and commissions and other receivables (factoring, forfeiting, guarantees, letters of credit and other sureties) and excludes excess liquidity and foreign currency required reserves deposited with the NBS.

Structure of liabilities

The share of capital in the structure of the sources of Serbian banking sector assets decreased mildly, from 13.9% to 13.7%. Deposits and other liabilities[11] (of which 87.8% pertains to the non-financial sector) saw the nominal growth of RSD 331.1 bn, or 6.0%.

Table IV.2.1.5 **Structure of banks' liabilities as at 31 December 2025**

	Amount (RSD mn)	Share (%)
Derivative liabilities	2,145.6	0.0
Deposits and other liabilities to banks, other financial organisations and the central bank	711,436.3	10.2
Deposits and other liabilities to other clients	5,141,985.8	73.4
Liabilities arising from hedging derivatives	1,217.0	0.0
Changes in fair value of items subject to hedging	0.0	0.0
Liabilities under securities	12,044.1	0.2
Subordinated liabilities	67,129.3	1.0
Provisions	24,578.4	0.4
Liabilities in respect of assets held for sale and discontinued operations	0.0	0.0
Current tax liabilities	3,294.7	0.0
Deferred tax liabilities	987.7	0.0
Other liabilities	78,930.6	1.1
Total liabilities	**6,043,749.5**	**86.3**
Capital	962,073.0	13.7
Total liabilities	**7,005,822.5**	**100.0**

Source: NBS.

Total undistributed net profit of the banking sector measured RSD 239.0 bn at end-2025, up by RSD 21.9 bn from end-2024. Reserves from capital came at RSD 338.4 bn, which is an increase by RSD 22.7 bn relative to end-2024.

Table IV.2.1.6 **Structure of bank capital**
(RSD mn)

	31 December 2024	31 December 2025
Share capital and other capital	390,468	384,920
Own shares	0	253
Reserves	315,648	338,386
Profit of the current and previous years	228,139	248,609
Loss of the current and previous years	10,987	9,589
Total	**923,267**	**962,073**

Source: NBS.

Off-balance sheet items

Total off-balance sheet items of the banking sector measured RSD 10,073.1 bn at end-2025, up by 6.8% from end-2024.

[11] Pursuant to balance sheet schemes, valid from 1 January 2018, the item 'Deposits and other liabilities', besides deposits, also includes received loans and liabilities in respect of interest, fees and commissions.

The bulk of banking sector off-balance sheet items are items with no credit risk exposure[12] (79.2% of total off-balance sheet items). At end-2025, derivative receivables accounted for the bulk of total off-balance sheet items (13.2%). Issued guarantees and other sureties made up 7.9%, contingent irrevocable commitments 3.0% and financial assets carried over to off-balance sheet records in line with the Decision on the Accounting Write-Off of Bank Balance Sheet Assets – 1.7%.

Currency risk

At end-2025, the banking sector's total open FX position equalled RSD 13.8 bn and exposure to FX risk (expressed as the FX risk ratio) 1.71%, which is significantly below the prescribed 20% cap.

Table IV.2.1.7 **Banks' exposure to FX risk as at 31 December 2025**
(RSD bn)

Open position in EUR		Open position in USD		Open position in CHF		Open position in other currencies		Open position in gold		Total open position		Total net open FX position
Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	
12,410	4,487	213	97	146	44	1,001	235	298	0	13,771	4,862	**13,771**

Source: NBS.

Asset quality

According to data, Serbian banking sector asset quality was preserved at end-December 2025. The share of NPLs in total loans dropped to 2.11%, its historical minimum up to that point. Since the adoption of the NPL Resolution Strategy in August 2015, this indicator dropped by as much as 20.14 pp. Total gross NPLs equalled RSD 90.8 bn. Of that, 41.3% were corporate (with a 1.95% NPL ratio), and 57.6% household NPLs (with a 2.69% NPL ratio).

Table IV.2.1.8 **NPL composition**
(RSD mn)

	31 December 2024	31 December 2025
Total gross NPL		
amount	94,114	90,833
ratio	2.5%	2.1%
Corporates*		
amount	38,011	37,541
ratio	2.2%	1.9%
Natural persons**		
amount	55,019	52,292
ratio	3.4%	2.7%
Other		
amount	1,084	1,000
ratio	0.3%	0.2%

* Including the sectors of companies, public enterprises, companies in bankruptcy and public enterprises in bankruptcy as well as legal entities and institutions in education and health sectors not financed from the budget.
** Including the sectors of households, entrepreneurs, private households with employees and registered agricultural producers.

Source: NBS.

12 Received material collateral, received guarantees and other sureties, funds from depositary and custody operations, approved framework loans and credit lines, revocable commitments, investments for and on behalf of third parties and other off-balance sheet assets.

NPL coverage with allowances for impairment decreased in 2025, owing to improvement in asset quality. At end-2025, 61.5% of total gross NPLs were covered by the relevant allowances for impairment carried out in line with the IFRS 9, while 112.4% of NPLs were covered by allowances for impairment of total loans.

At end-2025 total classified balance sheet and off-balance sheet assets of the banking sector stood at RSD 6,540.8 bn, up by RSD 609.9 bn or 10.3% from last year.

Table IV.2.1.9 **Classification of bank assets**
(RSD mn)

	Gross amount	Total classified assets	Classified assets		Share of assets classified in categories D and E in total classified assets (%)
			A + B + C	D + E	
31 December 2025					
Balance sheet assets	7,228,904	4,441,142	4,185,002	256,140	5.8
Off-balance sheet	10,073,115	2,099,644	2,054,340	45,304	2.2
Total	**17,302,019**	**6,540,786**	**6,239,342**	**301,444**	**4.6**
31 December 2024					
Balance sheet assets	6,854,677	3,990,566	3,748,332	242,233	6.1
Off-balance sheet	9,428,480	1,940,278	1,900,968	39,311	2.0
Total	**16,283,157**	**5,930,844**	**5,649,300**	**281,544**	**4.7**

Source: NBS.

Banking sector liquidity

The Serbian banking sector remains exceptionally liquid. Of all the risks in the system, liquidity risk is the least pronounced.

In December 2025, the average monthly banking sector liquidity ratio was twice higher than the prescribed minimum (1.0) and equalled 2.16. In 2025, this ratio constantly trended above 2, suggesting that liquid assets (first-degree liquid receivables and other receivables due in the next month) were double the sum of liabilities without a set maturity date and liabilities due in the next month. The average monthly narrow liquidity ratio of the banking sector, measuring 1.61 in December 2025, was also above the regulatory minimum (0.7). As at 31 December 2025, liquid assets accounted for 40.3% of total balance sheet assets and 51.1% of short-term liabilities.

Liquidity Coverage Ratio – LCR was 164.25%, which, together with the net stable funding ratio (NSFR) of 166.49%, testifies to the high liquidity of the banking sector.

Capital adequacy ratio of the banking sector

Owing to considerable capital buffers built over previous years and a favourable structure of regulatory capital, mainly (around 92%) composed of core capital (and almost in its entirety the top-quality capital component – CET 1 capital), the Serbian banking sector remained adequately capitalised in 2025 as well. CAR stood at 20.18% at the end of the year, significantly above the regulatory minimum (8%). Core capital adequacy ratio stood at 18.63% (the regulatory minimum is 6%), and CET 1 capital adequacy ratio equalled 18.60% (the regulatory minimum is 4.5%). The leverage ratio, i.e. ratio of core capital and total balance sheet and off-balance sheet exposure at end-2025 stood at 10.05% (the regulatory minimum is 3%).

Performance indicators

All 19 banks in the Serbian banking sector fully complied with the prescribed limits of performance indicators at end-2025.

Table IV.2.1.10 **Banks' performance indicators**

	31 December 2025	Number of non-complying banks
Capital adequacy ratio (min. 8%)	20.2%	0
Indicator of total investments in non-financial sector entities, fixed investments and investment real estate (max. 60%)	11.0%	0
Indicator of the sum of all large exposures to a single entity or a group of related entities	-	0
Liquidity ratio*	2.2	0
FX risk ratio (max. 20%)	1.7%	0

* Average monthly indicator.

Source: NBS.

Profitability

In 2025, the Serbian banking sector posted a positive pre-tax net financial result of RSD 189.01 bn. RoA was 2.8%, same as the year before, while RoE fell negligibly, from 20.3% to 20.1%.

Table IV.2.1.11 **Banks' financial result**

	31 December 2024		31 December 2025	
	Amount (RSD mn)	Number of banks	Amount (RSD mn)	Number of banks
1. Profit	176,452	19	189,199	17
2. Loss	168	1	187	2
Financial result (1–2)	**176,284**	**20**	**189,012**	**19**

Source: NBS.

In 2025, 17 banks operated with profit, while two banks posted a negative pre-tax financial result.

Table IV.2.1.12 **Banking sector profitability indicators**

(%)

	2024	2025
ROA	2.8	2.8
ROE	20.3	20.1
Interest margin / average balance sheet assets	4.1	3.7
Interest margin / total operating income	70.5	67.2
Operating expenses / total operating income	46.1	46.6
Salary expenses / operating expenses	38.0	39.3

Source: NBS.

The greatest generator of the Serbian banking sector net profit in 2025, as in previous years, was net income from fees, interests and commissions measuring RSD 349.7 bn, down by RSD 0.7 bn or 0.2%, from the year before. Net interest income stood at RSD 249.5 bn, down by RSD 8.0 bn or 3.1%. Net income from fees and commissions equalled RSD 100.2 bn, increasing by RSD 7.2 bn or 7.8%. On the other hand, net credit losses came at RSD 9.2 bn, down by RSD 11.4 bn or 55.3%. Operating expenses equalled RSD 173.0 bn, going up by RSD 4.7 bn or 2.8% relative to 2024.

Bank supervision activities

Regulatory activity

Upon the NBS's proposal, the National Assembly of the Republic of Serbia adopted, on 6 March 2025, the Law on Amendments and Supplements to the Law on Banks[13] (hereinafter: the Law on Banks). Among other things, the Law establishes the Bank Resolution Fund and changes the method for calculating and disclosing the minimum requirement for own funds and eligible liabilities (MREL), thereby largely aligning the Serbian legal framework with the amendments to Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms. The regulatory framework for banks has also been further enhanced in several key areas, including risk management, banks' internal assessment of capital adequacy and liquidity adequacy, disclosures, and related areas. This represents a further step towards alignment with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. In the area of corporate governance, the concepts of key functions and key function holders have been introduced. The statutory framework has also been expanded to include the concepts of financial holding company, mixed financial holding company, and mixed activity holding company, thereby establishing the legal basis for regulating their operations on a consolidated basis where a bank is their subsidiary. The Law on Banks further strengthens the domestic framework for the prevention of money laundering and terrorist financing. In addition, it reinforces the

[13] RS Official Gazette, No 19/2025 of 6 March 2025.

supervisory function of the NBS, inter alia, by enhancing the supervisory review process conducted by the NBS and by introducing new supervisory tools, such as the supervision agreement and mystery shopping.

The NBS adopted, within the prescribed statutory period, all secondary legislation necessary for the implementation of the Law on Banks, by which all material issues were regulated in greater detail.[14] Among other things, these bylaws provide more detailed rules governing the conditions and procedure for the appointment of key function holders in banks, as well as the new eligibility requirement for membership on a bank's management board, the minimum leverage ratio, the method for calculating the bank's total exposure amount included in the calculation of that ratio, and other matters aimed at ensuring the consistent and simultaneous application of all legislative novelties on both an individual and a consolidated basis.

The regulatory activities described above represent a significant step towards the further alignment of the banking regulatory framework with that of the EU.

In addition, as part of the continued alignment of banking regulations with the EU regulatory framework, the NBS adopted the Decision on the Management of Interest Rate Risk in the Non-Trading Book and the Guidelines for the Application of the Standardised Approach and the Simplified Standardised Approach for Measuring Exposure to Interest Rate Risk in the Non-Trading Book. These regulations further enhance the existing framework for the management of this risk by taking into account the new EU framework for the management of interest rate risk (IRRBB). The whole IRRBB[15] regulatory package (including the adjusted reports) has been applied since 1 January 2026.

During July,[16] August[17] and November[18] 2025, the NBS continued its intensive regulatory activities by adopting a number of decisions aimed at facilitating banks' financing of the corporate sector and the government, while also enabling greater flexibility in managing the currency composition of their lending portfolios in accordance with their business models, within the limits prescribed by the regulatory framework.

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[14] Decision Amending the Decision on Capital Adequacy of Banks, Decision Amending the Decision on Reporting Requirements for Banks, Guidelines on the Manner of Calculation of Bank's Total Exposure Amount Included in the Calculation of the Leverage Ratio and Decision on Terms and Conditions of Granting Approval to Banks for Setting up or Acquisition of Subordinated Companies (RS Official Gazette, No 41/2025), Decision on Detailed Conditions and Manner of Appointing Key Function Holders in Banks, Decision Amending the Decision on Implementing the Provisions of the Law on Banks Relating to Granting of a Preliminary Bank Founding Permit, Bank Operating Licence and Consents and Approvals by the National Bank of Serbia, Decision on the Manner and Conditions of Identification, Monitoring and Management of Bank Compliance Risk, Decision Amending the Decision on Risk Management by Banks, Decision on Detailed Terms and Manner of Performing Bank Supervision and Special Bank Audit, Decision Amending the Decision on Consolidated Supervision of a Banking Group, Decision Amending the Decision on Reporting Requirements for Banks (RS Official Gazette, No 51/2025).

[15] Decision on the Management of Interest Rate Risk in the Non-Trading Book (RS Official Gazette, No 13/2025) and Guidelines for Implementation of the Standardised Approach and the Simplified Standardised Approach for the Measurement of Exposure to Interest Rate Risk in the Non-Trading Book and Decision Amending the Decision on Reporting Requirements for Banks (RS Official Gazette, No 51/2025).

[16] Decision on External Bank Audit and Decision Amending the Decision on Disclosure of Data and Information by Banks (RS Official Gazette, No 63/2025).

[17] Decision Amending the Decision on the Classification of Bank Balance Sheet Assets and Off-balance Sheet Items and Decision Amending the Decision on Capital Adequacy of Banks (RS Official Gazette, No 70/2025).

[18] Decision Amending the Decision on Capital Adequacy of Banks and Decision Amending the Decision on Reporting Requirements for Banks (RS Official Gazette, No 101/2025).

Off-site supervision

Off-site supervision means supervision and analysis of the reports and other documents banks are obliged to submit pursuant to NBS laws and regulations, as well as of other data on bank operations available to the NBS and data obtained from external sources (including foreign regulatory authorities with which the NBS has signed multilateral or bilateral agreements on cooperation, exchange of information and coordination of supervisory activities).

To identify key operating risks and draw up risk profiles of banks, annual supervisory assessments were prepared, analysing banks' business models, the quality of corporate governance and system of internal controls and the risks affecting banks' solvency and liquidity, as well as assessing capital adequacy of banks. The supervisory assessments also included the evaluation of banks' updated recovery plans. The assessments of minimum bank capital adequacy ratios were submitted to banks, along with the decisions determining a capital adequacy ratio above the prescribed level, in accordance with the provisions of Article 23 of the Law on Banks[19] and Section 5 of the Decision on Capital Adequacy of Banks [20].

In 2025, the NBS monitored on a daily basis the information on the movement of the liquidity ratio and on a weekly basis the changes in largest depositors, and/or changes in receivables and liabilities of the banking sector toward foreign banks and international financial institutions. The NBS also produced, on a monthly basis, the information on credit activity, movement of NPLs and banking sector profitability. The NBS monitored on a quarterly basis banks' solvency and concentration risk, as a subtype of credit risk, and collection of receivables outsourced to third parties, the share of FX and FX-indexed loans and securities in total loans to the non-financial and non-government sectors approved and issued since 1 July 2023 and the status and movement of the NSFR.

During 2025, reports were prepared on the following facilities: the implementation of loan facilities granted to natural persons; loan repayment facilities for persons registered in the Register of Agricultural Holdings and to persons engaged in the purchase and cold storage of fruit; loans approved and disbursed to young people for the purchase of their first residential property in accordance with the Law on Establishing a Guarantee Scheme and Subsidizing Part of the Interest as a Measure to Support Young People in Purchasing Their First Residential Property*;* as well as the loans approved in line with the NBS's supervisory expectations.

In 2025, the NBS analysed 33 notifications on introduction of new products and notifications about the outsourcing of activities and assignment of receivables.

Also, to act pre-emptively and preclude the spillover of negative effects on the banking sector and the real economy, the NBS stepped up its monitoring of the liquidity position and loan approval in some banks.

It also held meetings with banks' management bodies and analysed specific aspects of banks' operations.

[19] RS Official Gazette, Nos 107/2005, 91/2010, 14/2015 and 19/2025.
[20] 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, 70/2025, 101/2025 and 104/2025.

All these analyses and information were used in the preparation of a draft on-site supervision plan and plan of supervisory activities for 2026.

On-site supervision

On-site supervision of banks is carried out through the direct examination of a bank's accounting records and other written and electronic documentation, as well as its information system. It is conducted in accordance with the annual on-site supervision plan or, where necessary, on the basis of discretionary judgement exercised under a risk-based approach. **In 2025, 19 prudential on-site examinations were carried out, in accordance with the Law on Banks**, including nine targeted prudential examinations and ten follow-ups on the measures imposed by the NBS. An overview of on-site examinations conducted in 2025 by supervision subject is shown in the Table IV.2.1.13.

Table IV.2.1.13 **Overview of on-site examinations in 2025**

Type of on-site examination	Subject of on-site examination	Number of on-site examinations
Prudential supervision of bank operations in accordance with the Law on Banks	Accuracy of reporting on the Net Stable Funding Ratio (NSFR)	4
	Capital adequacy of the bank and the accuracy of reporting on the share of FX and FX-indexed loans and securities in total new loans to the non-financial and non-governmental sector and securities purchased from entities in that sector	2
	Concentration risk within credit risk and liquidity risk	1
	Loan underwriting process for natural persons	1
	Bank governance	1
Follow-up on the implementation of measures imposed by the NBS	Relating to prudential and compliance supervision of bank operations in accordance with the Law on Banks	10
Total on-site examinations conducted in 2025		19

Source: NBS.

Measures against banks

In the bank supervision procedure in the course of 2025, the NBS adopted three decisions fining three banks: RSD 9,853,303 or 0.020% of total bank income in 2024; RSD 1,299,000 or 0.02147% of total bank income in 2023 and RSD 917,000 or 0.0175% of total bank income in 2023.

The NBS issued ten letters of warning, one decision on orders and measures and three conclusions on suspension of examination procedures.

Acting upon requests for consent

Acting upon requests for issuing various consents and approvals in 2025, pursuant to the Law on Banks, the NBS issued:

- 44 decisions granting consent to banks' core acts (founding acts and articles of association);

- 51 decisions on granting prior consent to the appointment of members of managing and executive boards and three decisions suspending the procedure for giving consent to the appointment of a member of the managing board;
- 38 decisions on granting prior consent to the appointment of key function holders (compliance, internal audit and risk management functions);
- two decisions granting prior consent to include subordinated liabilities in the calculation of Tier 2 capital;
- seven decisions granting prior consent to a bank for the inclusion of ordinary shares in Common Equity Tier 1 (CET 1) capital calculation – for the purpose of increasing CET 1 capital;
- one decision granting consent to a bank not to include a subordinated company, which is a financial sector entity, in its consolidated financial statement as at 31 December 2024;
- one decision granting consent to a bank not to include a subordinated company, which is a financial sector entity, in its annual audit of financial statements of the banking group as at 31 December 2024;
- eight decisions granting prior consent for the allocation of undistributed profit from previous years by dividend payment to bank's shareholders which exceeds 10% of the bank's capital and one decision rejecting a request for such allocation;
- one decision granting prior consent for acquisition of own shares;
- one decision granting prior consent for the inclusion, in the calculation of the bank's Common Equity Tier 1 capital, of profit from the previous financial year in respect of which the bank's general assembly had not adopted a decision to allocate it to Common Equity Tier 1 capital;
- one decision granting prior consent for the inclusion of profit of the current financial year in the bank's Common Equity Tier 1 capital;
- one decision rejecting a request for the inclusion of an audit firm on the list of external auditors eligible to audit banks' financial statements, as established and published by the NBS;
- one decision granting consent for a bank to acquire a subsidiary.

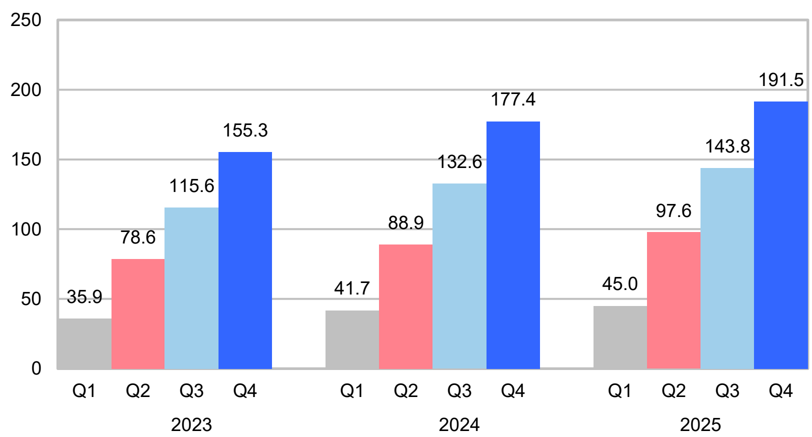
The NBS also processed 142 notifications concerning the outsourcing of banks' activities to third parties, as well as 34 notifications of the intended assignment of banks' receivables and six notifications of the intended exclusion of exposures to a counterparty that is a member of the same group from the calculation of the large exposure limit.

IV.2.2 Insurance sector

The share of the insurance sector's balance sheet total in the balance sheet total of the financial sector supervised by the NBS (banks, financial lessors, (re)insurance undertakings and voluntary pensions funds)[21] was 5.8%.

At end-2025, twenty (re)insurance undertakings operated in the Republic of Serbia, same as in 2024, with 16 of them engaging in insurance and four in reinsurance. Of the insurance undertakings, four were exclusive life insurers, six were exclusive non-life insurers, and another six undertakings provided both life and non-life insurance. The breakdown by capital ownership shows that 15 insurance undertakings were in majority foreign ownership.

Chart IV.2.2.1 **Total premium cumulatively by quarter**
(in RSD bn)



Source: NBS.

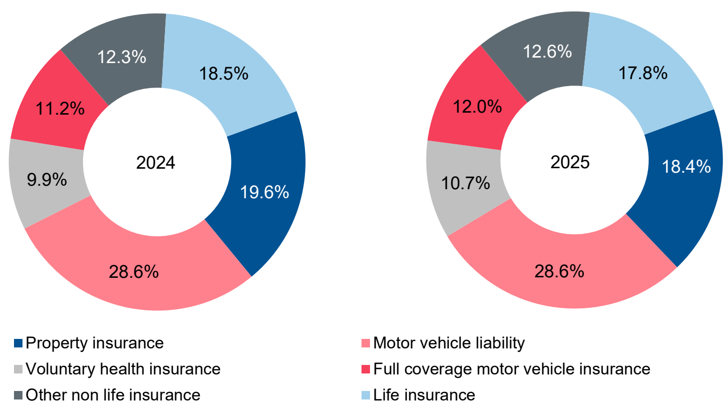
Besides (re)insurance undertakings, the sales network also included: 15 banks, 12 financial lessors and one public postal operator which are licensed for insurance agency operations, 119 legal entities (insurance brokerage and agency undertakings) and 83 insurance agents (natural persons – entrepreneurs). A total of 5,000 persons were certified for insurance brokerage/agency activities and listed in the NBS register of active certified brokers/agents in insurance.

In 2025, total insurance premium amounted to RSD 191.5 bn (1.8% of GDP), up by 8.0% from a year earlier. In terms of premium composition, the share of non-life insurance was 82.2%, and of life insurance 17.8%. Non-life insurance premium rose by 8.9% relative to 2024, and life insurance premium by 4.0%.

By type of insurance, premium composition in 2025 somewhat resembled that in 2024, with the largest share of motor third party liability insurance (MTPL) in total premium (28.6%). The second largest share was that of property insurance (18.4%), and next came life insurance (17.8%) and full coverage motor vehicle insurance (12.0%).

[21] Except payment institutions, electronic money institutions and virtual currency service providers.

Chart IV.2.2.2 **Total premium by type of insurance**



Source: NBS.

The balance sheet total of (re)insurance undertakings at end-2025 came at RSD 446.8 bn, up by 7.1% from a year earlier. The bulk of assets of (re)insurance undertakings consisted of debt securities measured at fair value through other comprehensive income (37.6%), fixed-income debt securities (16.0%), receivables (9.9%), technical provisions charged to coinsurer, reinsurer and retrocessionaire (9.5%), cash and short-term deposits (8.4%) and property, plant and equipment (7.5%).

Technical provisions (66.7%) and capital (22.0%) accounted for the largest share of (re)insurance undertakings' liabilities. In 2025, capital rose by 11.0% (to RSD 98.3 bn), and technical provisions by 4.2% (to RSD 297.8 bn). The largest share in technical provisions was that of mathematical reserves, in spite of rising slightly, by 0.4%.

Measured by HHI, market concentration increased in 2025 relative to the year before, but remained moderate, at 1,196.[22]

Performance indicators

In 2025, the core **capital adequacy ratio – CAR**,[23] as an indicator of capital coverage of risk exposure, equalled 222.7% for predominantly non-life insurance undertakings and 242.7% for predominantly life insurance undertakings.

The net combined ratio,[24] as an indicator of price policy and adequacy, i.e. sufficiency of premiums for the settlement of obligations arising from non-life insurance contracts and adequacy of risk transfer to reinsurance and coinsurance, was satisfactory in 2025 (90.5%), having improved from the year before (92.3%).

[22] HHI is calculated based on the balance sheet totals of (re)insurance undertakings.

[23] The ratio of available to required solvency margin.

[24] Ratio of the sum of net claims and underwriting expenses relative to earned net premium.

As an indicator of life-insurance premium adequacy, the **benefit ratio**,[25] was 82.3% in 2025, almost unchanged from the year before (82.0%).

Business result

The insurance sector ended 2025 with a positive net financial result of RSD 17.2 bn before tax and RSD 15.9 bn after tax[26]. Total income of (re)insurance undertakings amounted to RSD 325.3 bn, up by 9.8% from 2024. The largest share in the sector's income was that of premium income (66.9%) and other operating (functional) income (24.1%). Total expenses of (re)insurance undertakings in 2025 equalled RSD 308.1 bn, recording an increase of 8.9% relative to 2024. The greatest share in expenses belonged to other operating (functional) expenses (40.5%), compensation of damage and sum insured, together with expenses of site inspection, assessment, liquidation and payment of damage (36.5%) and insurance administration expenses (19.8%).

Results of supervisory activities

Supervisory activities in (re)insurance undertakings and other supervised entities in 2025 included off-site supervision and on-site examinations in the areas of *prudential supervision* and *market conduct.*

1) **On-site examinations** – all the planned on-site *prudential examinations* were carried out, with some of the activities extending into 2026. These were targeted on-site examinations whose subject was identified through off-site supervision, relating to the review of specific aspects of capital adequacy, various aspects of claims verification, the verification of the accounting treatment and presentation of certain balance sheet items in the accounting records, as well as the review of the calculation of outstanding claims reserves. The examinations identified certain deficiencies in undertakings' operations, both in the established system of internal controls – indicating the need to strengthen that system through additional internal procedures – and in the implementation and monitoring of the established internal rules. At the same time, an increased exposure to certain business risks, primarily operational risks, was identified. During the year, activities also continued in relation to previously initiated supervisory procedures, including the issuance of supervisory measures and their follow up.

In the segment of *supervision of market conduct*, in 2025 the NBS carried out planned and follow-up activities. These were targeted examinations, the scope of which was determined on the basis of off-site supervision, focusing on the management of claims and complaints relating to motor third-party liability insurance, life insurance, supplementary insurance, and credit insurance. The objective of these examinations was to improve claims handling practices, with the

[25] Ratio of the sum of net claims and changes in technical provisions compared to the earned net premium. When interpreting the results, we need to take into account the long-term character of life insurance and a significant impact of changes in technical provisions on this indicator.

[26] Includes only tax expenses which (re)insurance undertakings carried until submission of data to the NBS.

expectation that insurance undertakings maintain a transparent and professional approach towards claimants, avoid providing superficial or unprofessional explanations for the rejection of claims, and ensure the proper calculation of claim amounts. In this context, the timeliness of claims handling was also reviewed, including the procedures affecting the prompt resolution of claims.

The examinations also covered sales practices of insurance agents.

2) **Off-site supervision** – The NBS also carried out continuous off-site supervision, both in the part of *prudential supervision* and the *supervision of market conduct*.

Prudential off-site supervision included continuous monitoring of (re)insurance undertakings both from the *financial-economic* and *actuarial* aspect, the analysis of submitted data and information and taking action to remove the identified irregularities. Activities under the off-site prudential supervision included: (1) monitoring of the risk of (re)insurance undertakings by supervisory matrices; (2) analysis of quarterly and annual opinions of the certified actuary, analysis of undertakings' internal audit report, analysis of submitted internal acts of (re)insurance undertakings; (3) analysis of submitted annual, quarterly and monthly data of (re)insurance undertakings; (4) preparation of monthly, quarterly and annual reports about the situation in the insurance sector. Off-site prudential supervision placed special emphasis on the implementation of legal provisions on solvency requirements, the formation of prescribed technical provisions sufficient for meeting all future liabilities toward insurance service users, implementing coinsurance and reinsurance policy, adequate investment of insurance assets and preserving their real value, liquidity, assessment of balance sheet positions and insurance administration costs. Off-site prudential supervision was focused on monitoring the identified operating risks, with a view to preserving financial stability and solvency and improving the system of internal controls and corporate governance of (re)insurance undertakings, as well as, additionally, monitoring compliance with other applicable regulations concerning the risk of death, in particular the exclusion of coverage in the event of the insured's suicide.

Within off-site supervision of *market conduct* of insurance undertakings, the NBS regularly monitored the risks of market behaviour, based on the analysis of qualitative and quantitative indicators, identifying aspects of operation of individual insurance undertakings and other supervised entities which call for improvement. These aspects of operation, i.e. activities of insurance undertakings and other supervised entities which were recognised as potentially detrimental to the rights and interests of insurance service users were covered by supervisory actions in order to timely examine the activities and carry out appropriate measures to protect the rights and interests of insurance service users. Concurrently with the mentioned activities, a large number of thematic analyses were carried out, the necessary opinions were provided to insurance service users, supervised entities, journalists and other interested parties, with regard to the introduction of new insurance products, advertising and sale of insurance, distribution channels for various types of insurance, conclusion of distance insurance contracts, content of insurance conditions, rights to compensation from insurance contracts and other.

In 2025, the NBS carried out regular analyses of annual reports for 2024 about insurance brokerage and agency activities submitted to the NBS by 224 other supervised entities (insurance brokerage/agency undertakings, agents – entrepreneurs, banks, financial lessors, public postal operator), based on which supervisory action was taken (letters of warning).

As part of its *licensing* work (issuing licences and approvals in accordance with the Law on Insurance), in 2025 the NBS issued 21 prior approvals for the performance of function of a member of management, 20 prior approvals for the selection of audit firms and four prior approvals for the acquisition of qualifying holding. All these decisions were supported by prior analyses including the assessment of economic impact of granting consent to undertaking's operations, one prior approval for change of business name, as well as two prior approvals for changing the head office address.

As for other supervised entities, the NBS issued five licences to carry out insurance brokerage activities, four licences to carry out insurance agency and seven licences to carry out insurance agency for natural persons – entrepreneurs. As for other supervised entities, the NBS also granted two prior approvals for carrying out insurance agency activities as an ancillary activity to a financial lessor and a bank, four prior approvals for the acquisition of a qualifying holding in insurance brokerage and insurance agency undertakings, four prior approvals for performing the function of a member of the management body of an insurance brokerage or insurance agency undertaking, as well as 18 prior approvals for changes to the business name, head office or head office address of insurance brokerage undertakings, insurance agency undertakings and natural persons – entrepreneurs carrying out insurance agency activities.

Certification and further professional development in insurance

The NBS pays special attention to the education of certified insurance brokers/agents and actuaries. According to regulations, prior to taking professional exams at the NBS, they are required to attend relevant training courses in order to acquire the necessary knowledge and adequately carry out the tasks for which they are authorised.

To raise the level of competence of persons who acquired the authorisation to carry out insurance brokerage and agency activities and to establish the final list of persons actively carrying out those activities, the law mandates continuous professional development. Subject to meeting the requirements of professional development, persons are kept in the relevant register and may carry out the activity.

Based on the Agreement on training candidates for taking certification exam to obtain the title of certified broker or certified agent in insurance and professional development of certified insurance brokers and agents, signed by the NBS and the Serbian Chamber of Commerce, trainings and certifications exams were organised for brokers and agents in 2025, in the regular exam periods.

The NBS organised two certification exams for obtaining the title of certified actuary.

Based on the final exam results, the NBS issued 574 decisions awarding the titles of certified brokers/agents, while three persons acquired the title of certified actuary.

In 2025, the NBS regularly supervised continuous professional development of certified brokers and agents and certified actuaries. In 2025, the proof of continuous development of certified actuaries was submitted by 70 certified actuaries and the obligation of continuous professional development was observed by 3,748 certified insurance brokers and agents.

Regulatory and European integration activities

The NBS continuously monitors EU regulations in the insurance area with a view to aligning domestic regulations and adequately preparing the Republic of Serbia for joining the EU, taking care of the stability of the insurance market and protecting the rights and interests of insurance service users.

In 2025, the NBS continued the drafting of final versions of regulations necessary for establishing a new regulatory framework for carrying out (re)insurance business, fully aligned with the *acquis communautaire*, including Solvency II Directive, Insurance Distribution Directive, the new accounting framework etc. In the fifth revised National Programme for the Adoption of the Acquis (NPAA), amended and supplemented on 7 August 2025, Q4 2026 is envisaged as a deadline for adoption of the new Insurance Law.

In 2025, the NBS adopted the following bylaws: the Decision Amending the Decision on Investment of Insurance Funds[27] and Decision Amending the Decision on Reporting by Insurance/Reinsurance Undertakings.[28]

IV.2.3 Voluntary pension funds

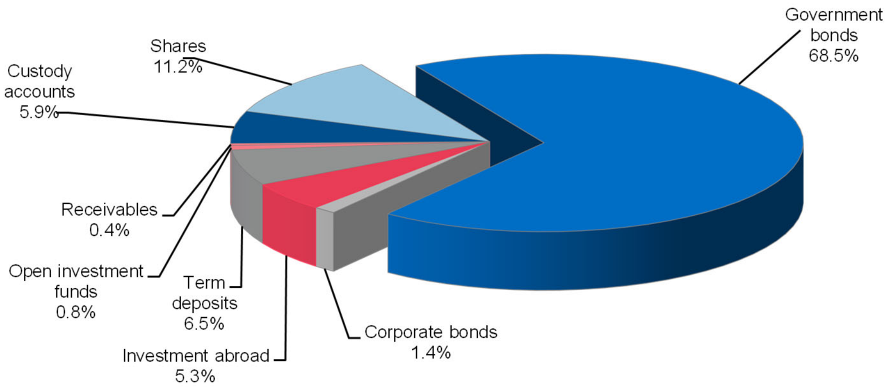
At end-2025, the market comprised four companies managing seven voluntary pension funds (VPFs), same as in 2024. The assets of all funds were held with two custody banks. Intermediation services in the conclusion of VPF membership contracts were provided by five banks and one insurance brokerage undertaking, acting as intermediaries, while information services on membership in VPFs were provided by 743 sales agents (of 1,232 persons licensed by the NBS to perform these activities). For the purpose of securities purchase and sale, management companies cooperated with 17 brokerage firms.

The market remained highly concentrated, as indicated by the HHI of 2,740 points at end-2025 (2,773 points at end-2024). The share of the largest fund in net assets of the entire sector was around 42%, while four largest funds held around 90% of the market (similar as in the year before).

[27] RS Official Gazette, No 31/2025.
[28] RS Official Gazette, No 51/2025.

The VPF balance sheet total increased in 2025. **At year end, net VPF assets equalled RSD 66.7 bn, up by 8.1% relative to December 2024 (RSD 61.7 bn).** Total net contribution payments equalled RSD 5.4 bn, up by 6.8% relative to 2024, while withdrawals totalled RSD 3.1 bn (2.4 bn in 2024). A significant impact on the value of net assets came from the realised profit from investment of VPF assets, which amounted to RSD 2.9 bn in 2025 (RSD 5.4 bn in 2024). Members' individual payments rose by around 10.7% compared to 2024, indicating increased household confidence in these financial institutions.

Chart IV.2.3.1 **Composition of VPF assets**
as at 31 December 2025



Source: NBS.

At end-2025, VPF services were used by 229,324 persons (225,665 persons in 2024), i.e. little less than 9% of the total number of employees in Serbia.

As before, VPF investments were dictated by financial market developments, so at end-2025, the major portion of VPF assets was invested in government bonds – 68.5%, while shares accounted for 11.2%, funds in custody accounts 5.9% and foreign shares 5.3%.

The average maturity of funds invested in government securities, weighted by their share in total investments in such government debt instruments, amounted to 6.9 years (6.1 years in 2024).

As the investment structure varies, so do the returns of VPFs. Annual VPF returns in 2025 ranged from 3.41% to 4.88%. The sector's return, measured by FONDex, which indicates movements in investment unit values of all VPFs, measured 4.5% in 2025 (9.8% in 2024).

Broken down by currency, at end-2025, dinar assets accounted for around 67% of total VPF assets, euro assets for 27% and USD assets for 6%.

Regulatory activity

The NBS keeps track of current developments and amendments to domestic and EU regulations, in order to harmonise and improve regulations in the VPF field, with a view to preserving the stability of the VPF sector and protecting the interests of fund members.

In line with these efforts, intensive activities aimed at aligning Serbia's legislative framework governing VPFs with the relevant EU acquis were launched in Q4 2025, primarily with Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORP II Directive). Under the National Programme for the Adoption of the Acquis (NPAA), as amended on 7 August 2025, the adoption of a new Law on Voluntary Pension Funds and Pension Schemes is planned by end-2026.

Ongoing supervision

During 2025, the NBS continuously supervised VPFs by collecting, monitoring and analysing the submitted reports, and performed on-site examinations and licensing procedures.

In 2025, the NBS conducted a targeted on-site examination of one VPF management company, during which supervisory measures were imposed. Also, one more targeted on-site examination was initiated in one management company.

During the year, one decision was issued giving approval to the appointment and two decisions approving the reappointment of members of management of VPF management companies; seven decisions were issued approving VPF prospectuses and summary prospectuses, and one decision approving the text of advertisement. The NBS also issued two decisions granting prior approval for indirect acquisition of qualified stake in a VPF management company.

The NBS also organised licensing exams in two regular exam terms for the provision of information on VPF membership and operation, as well as the dissemination of prospectuses, and issued 68 licences to persons who passed the examination.

IV.2.4 Financial leasing

Market participants

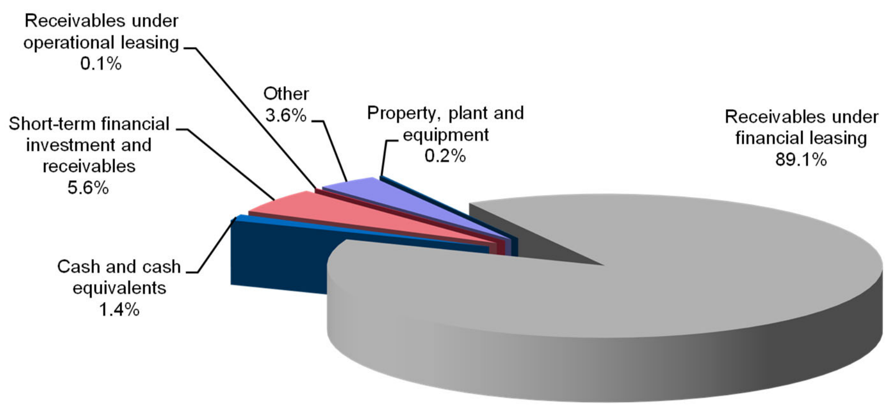
At end-2025, there were 13 financial lessors licensed by the NBS to perform financial leasing, employing 438 people in total.

Of 13 lessors, five were fully or mostly owned by foreign legal persons, while eight were in 100% or majority ownership of domestic persons, of which five were owned by domestic banks with foreign capital. One lessor was founded by natural persons, and all the remaining ones by banks, banking group members or other financial institutions.

Balance sheet

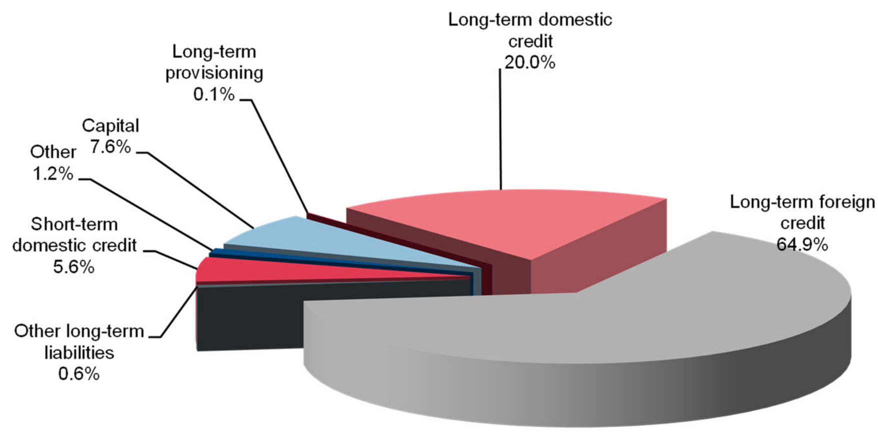
At end-2025, balance sheet assets of financial lessors totalled RSD 227.4 bn, up by 12% from end-2024. The largest share of financial lessors' total balance sheet was made up of financial lease receivables (89.1%). The share of short-term financial assets and receivables in total balance sheet assets stood at 5.6%, while that of cash and cash equivalents amounted to 1.4%.

Chart IV.2.4.1 **Composition of financial lessors' assets**
(as at 31 December 2025)



Source: NBS.

Chart IV.2.4.2 **Composition of financial lessors' liabilities**
(as at 31 December 2025)



Source: NBS.

As financial lessors finance most of their activities by long-term foreign borrowing, long-term foreign credits made up the largest portion of their liabilities (64.9%), while the share of long-term and short-term loans in the country measured 20% and 5.6%, respectively.

Market share

The financial leasing market falls into a moderate concentration category, as indicated by the HHI, which equalled 1,185.9 points in 2025. Out of 13 lessors, one of which undergoing voluntary liquidation, seven lessors account for 85.16% of the total market's balance sheet assets. The share of the largest financial lessor in total balance sheet assets came at 17.55%, falling slightly from end-2024 (20.2%).

Structure of lease investments

At end-2025, the bulk of **financial leasing** went to non-financial corporates (83.6%), while entrepreneurs received 7.1%, autonomous province and local government units 2.6%, natural persons 2.3%, farmers 2% and public enterprises 1.6%. At end-2025, 83% of **operating leases** were approved to non-financial corporates, 9.6% to banks, 5.3% to entrepreneurs, 0.9% to natural persons, 0.6% to other financial sector entities and 0.4% to autonomous province and local government units.

At year end, the structure of investment **by the financial lease asset** showed that the financing of passenger vehicles accounted for 44.9%, and freight vehicles, minibuses and buses for 36%. The financing of construction machinery and equipment made up 7.3% and agricultural machinery 3.5%. The smallest share of financing was that of machinery and equipment for service provision (2.6%), production machinery and equipment (2.3%), other movables (1.4%), commercial immovables (1.1%), railway vehicles, vessels and aircrafts (0.8%). The structure of receivables by the **operating lease** asset consisted of passenger vehicles (87%), freight vehicles, minibuses and buses (9.9%) and machinery, equipment for service provision (2.8%) and construction machinery and equipment (0.3%).

Breakdown by sector shows that the majority of **financial lease** investments went to transportation and storage, information and communications (28.8%), trade (13.3%), mining, manufacturing, water supply and management and electricity and gas supply (11.6%), construction (11.4%), agriculture, forestry and fishing (3.5%), accommodation and food services (1.4%), health and social care (0.5%), while other activities accounted for 29.2%. As for the sector composition of **operating lease** investments, the largest share was that of trade (27.6%), mining, manufacturing, water supply and management and electricity and gas supply (22.6%), transportation and storage, information and communications (17.7%), financial sector (10.2%), construction (8.9%), food and accommodation services (1.5%), agriculture, forestry and fishing (0.3%), and other activities (11.2%).

Income statement

Total pre-tax result of all financial lessors at end-2025 equalled RSD 2.45 bn (down by 1.2% from 2024, when it stood at RSD 2.48 bn). Relative to 2024, total income and gains increased by 7.5%, and total expenses and losses by 9.4%.

The most significant category of lessor income was interest income from financial lease with the share of 73.5%. Financial lease income participated with 11.7% and operational lease income with 7.9%.

The largest category in total lessor expenses were financial lease interest expenses (51.7%), salaries, salary compensations and other personal expenses (15.9%), depreciation expenses on assets leased under operating leases (6.7%), financial lease expenses (6.1%), and operating lease expenses (3.2%).

Off-site supervision of financial lessors

Off-site supervision of financial lessors was conducted based on data from quarterly reports submitted in the course of 2025. No irregularities or illegalities were identified that would require supervisory action.

On-site supervision of financial lessors

In 2025, NBS supervisors conducted a comprehensive on-site examination in one financial lessor, examining the compliance with the Law on Financial Leasing, as well as follow-up on-site examinations in two financial lessors to verify their compliance with the supervisory measures imposed by the NBS.

Licences and approvals

In 2025, the NBS issued 12 decisions granting approval for the appointment of members of the managing and executive boards in financial lessors.

IV.2.5 Supervision of financial institutions’ information systems

The NBS continuously monitors how financial institutions (banks, re/insurance undertakings, financial lessors, VPF management companies, payment institutions, e-money institutions and public postal operator in the part of their operation regarding payment services provision and/or electronic money issuance) manage the information-communication technology (ICT) system risk and assesses such risk, in order to achieve higher levels of security and stability of financial institutions. The NBS also assesses the adequacy of ICT systems of virtual currency service providers.

Pursuant to its mandate, the NBS conducted examinations targeting the management of ICT systems and business continuity in financial institutions, according to the examination plan for 2025. In relation to this, an on-site examination was initiated in one insurance undertaking, and a follow-up examination in one bank. Also, in 2025 the NBS continued implementing activities regarding on-going examinations, and monitoring measures imposed on financial institutions in such examinations to remove identified irregularities in the ICT system management. The examination procedure was suspended in three banks, after all identified irregularities in IT system management and business continuity were removed.

In 2025, the NBS actively monitored activities of 12 financial institutions related to the transition to a new system of core business applications and data migration due to status change or data centre relocation. The NBS closely monitored these processes through regular meetings, with a view to taking preventive action and safeguarding the interests of clients, while ensuring the adequate provision of services.

In addition to monitoring data migration activities, the NBS, on several occasions, supervised, guided and advised financial institutions that had experienced incidents, with a view to ensuring the stable functioning of the financial sector and protecting the funds and data of financial service consumers. During 2025, a total of 84 incidents were recorded, most of which related to disruptions in the operation of the NBS IPS system and issues affecting m-banking and e-banking applications. In response, the NBS remained in continuous contact with the financial institutions concerned and monitored the recovery of the information system and its components. No data losses or prolonged unavailability of services provided by financial institutions were recorded.

The NBS also participated in activities related to the assessment of the adequacy of the information systems of financial institutions in support of the introduction of new products and video identification. In this context, it conducted assessments and provided recommendations and opinions, within the scope of its competences, for eight banks, one payment institution and one provider of virtual currency services.

During the reporting period, the NBS assessed the adequacy of information systems as part of the licensing procedures for virtual currency service providers, as well as payment institutions and electronic money institutions.

In addition, the NBS continued to successfully carry out education in the field of information systems supervision and, in this context, participated in a number of seminars and workshops.

As part of its regular ICT system risk assessment activities in financial institutions, the NBS prepared the 2025 ICT System Questionnaire, which is distributed annually to all financial institutions.

During 2025, the NBS provided comments on the Draft Law on Information Security and, in this context, prepared and completed the Questionnaire for the Formulation of Sector-Specific Criteria for the Designation of Operators of Critical ICT Systems, which was submitted to the Ministry of Information and Telecommunications.

During 2025, the NBS processed a total of 517 notifications concerning the outsourcing of information system-related activities to third parties, as well as notifications regarding the implementation of new technologies and risk assessments in the area of the provision of electronic services.

IV.2.6 Protection of financial service consumers

In 2025, the NBS continued to actively assist financial service consumers in exercising their rights through procedures of individual protection of consumers – by dealing with complaints, mediating in disputes and providing education and information. In addition, the NBS carried out bank and lessor supervisory procedures for the protection of financial service consumers.

Although in complaint procedures regarding the work of banks, financial lessors, payment service providers and e-money issuers the NBS is authorised to order the removal of irregularities and to fine the financial service provider, the most significant results are achieved in implementing supervisory procedures, where the NBS establishes a systemic irregularity and orders the removal of such irregularity in respect of all consumers affected.

In the observed period, consumers gained a direct financial effect of over RSD 169.2 mn. As a result of the examinations conducted in banks and financial lessors, consumers obtained a financial benefit exceeding RSD 85.5 mn, while complaint and mediation procedures resulted in an additional financial benefit for consumers of approximately RSD 83.7 mn. It should also be noted that the direct financial benefit could not be quantified in all cases. The indirect financial benefit is even greater, although it cannot be quantified, as it stems from preventing the recurrence of identified individual irregularities and remedying systemic irregularities.

In 2025, the NBS renewed its full membership in the International Financial Consumer Protection Organisation (FinCoNet), which was founded with a view to promoting strong and effective protection of financial service consumers among supervisory authorities, establishing international cooperation in the area of improving the protection of financial service consumers, and conducting research and exchanging experiences between members.

Supervision of financial service providers in the area of protection of financial service consumers

In the observed period, the NBS supervised banks' compliance with the Law on Banks and regulations governing the protection of financial service consumers (provision of financial and payment services etc.) and followed up on banks' actions in accordance with the measures imposed by the NBS. The NBS also supervised lessors' compliance with the Law on Financial Leasing, from the standpoint of implementation of regulations in the area of protection of financial service consumers, as well as lessors' compliance with follow-up measures.

The NBS conducts off-site and on-site supervision in the area of protection of financial service consumers, with both types of supervisory procedures offering specific advantages. Off-site supervision in the field of consumer protection enables swift response upon detecting a specific problem in operation, starting from problem identification, carrying out the supervisory procedure to imposing of measures aimed at removing irregularities in respect of all affected consumers. On the other hand, comprehensive on-site examinations are conducted based on the on-site examination plan, on financial service providers' premises. Supervisory procedures are important as they ensure that financial service providers remove systemic irregularities which affect a large number of consumers, even the ones who are not aware of such irregularities.

At the end of 2025, two off-site supervisory examinations of banks were initiated. Both were completed in Q1 2026, with the NBS imposing supervisory measures in each case. One off-site supervisory examination covering all banks was completed, resulting in the reimbursement of funds to consumers pursuant to an order issued by the NBS. In addition, three follow-up examinations were completed to verify financial service providers' compliance with measures imposed by the NBS. In one case, a bank was fined and issued a letter of warning; in another, a financial leasing provider was issued a letter of warning; and in the third case, a bank was issued a letter of warning. Two on-site examinations of financial service providers were initiated, and supervisory measures arising from those examinations are currently being prepared. In two off-site examinations, banks remedied the identified irregularities following other orders issued by the NBS.

Handling of complaints

In complaint procedures, the NBS adopts decisions ordering the removal of irregularities and/or imposing fines on banks or other financial service providers found not to have complied with certain provisions of the law governing the protection of financial service consumers. Before adopting a decision, the NBS draws up findings on established irregularities, on the basis of which banks or other financial service providers usually immediately remove the irregularity during the complaint procedure. Also, if irregularities of minor importance are found in the complaint procedure, the NBS sends the service provider a notice ordering it to remove such irregularities. In the observed period, in handling complaints from financial service consumers, the NBS drafted three findings and 14 notifications, which were sent to banks for the purpose of removing irregularities.

Table IV.2.6.1 **Number of complaints by financial service provider in 2025**

Financial service provider	Total	In %
Banks	1,907	71.2
Insurance undertakings	765	28.5
VPF mng companies	1	0.0
Financial lessors	2	0.1
Payment institutions	1	0.0
E-money institutions	4	0.1
Total	**2,680**	**100.0**

Source: NBS.

In 2025, 2,680 complaints were resolved, 71.2% of which related to banks, 28.5% to insurance undertakings and 0.3% to other financial service providers.

During 2025, a total of 1,907 complaints concerning the conduct of banks were resolved, the majority of which related to payment services (77.5%), specifically payment accounts (40%) and payment cards (37.5%).

A total of 765 complaints lodged by users regarding the conduct of insurance undertakings were resolved, with the largest share relating to motor third-party liability insurance (35%) and personal accident insurance (16%).

Mediation procedure

In 2025, 124 mediation proposals were made, of which 32 were accepted by the parties. In the observed period, 31 mediation procedures were initiated, of which 64.5% pertained to insurance undertakings and 29% to banks.

Of the total number of completed mediation procedures (22), an agreement between the financial institution and consumer was reached in ten procedures. In six procedures, parties agreed upon peaceful dispute resolution following the completion of the mediation.

Table IV.2.6.2 **Number of mediation procedures in 2025**

Financial service providers	In progress	Agreements	Peaceful resolution	Cancellation	Abandonment	Total	In %
Banks	4	3	1	1	0	9	29.0
Insurance undertakings	5	7	5	3	0	20	64.5
VPF mng companies	0	0	0	0	1	1	3.2
Financial lessors	0	0	0	0	1	1	3.2
Total	**9**	**10**	**6**	**4**	**2**	**31**	**93.5**

Source: NBS.

Regulatory activity

By continuously improving the regulatory framework to ensure the most efficient protection of financial service consumers, in 2025 the NBS adopted a new Law on the Protection of Financial Service Consumers,[29] drawing on extensive experience generated through the application of the previous law from 2011 and its amended version from 2014. The new law was adopted in order to further improve the position of financial service consumers, based on the practice of the EU Court of Justice in the implementation of directives on consumer protection and the application of comparative practices, mainly in EU member states.

The NBS also adopted the accompanying secondary legislation: the Decision on Terms and Method of Calculating the Effective Interest Rate and on the Layout and Content of Forms Handed out to Consumers,[30] Decision on Loan Repayment Relief,[31] Decision on Financial Service Consumers' Complaints to Service Providers and the National Bank of Serbia and Mediation Proposals,[32] and Decision on Reporting in Relation to the Application of Regulations on Financial Services.[33]

Informing financial service consumers and financial education

In 2025, financial service consumers were informed through NBS responses to media queries, consumers' queries and calls addressed to the Info Centre, while regional financial education offices at NBS branches informed the consumers who addressed them. They also held educational panels.

In relation to financial services and protection of consumer rights, the NBS responded to over 60 queries from the print and electronic media, by TV appearances and giving statements by phone.

[29] RS Official Gazette, No 19/2025.
[30] RS Official Gazette, Nos 51/2025 and 70/2025.
[31] RS Official Gazette, No 78/2025.
[32] RS Official Gazette, No 51/2025.
[33] RS Official Gazette, No 101/2025.

The NBS responded to 861 queries from consumers (one or more questions) regarding financial services and consumer rights, the majority of which concerned bank operations (77%).

The NBS Info Centre responded to 13,989 calls from consumers, while 630 consumers addressed financial education offices at NBS branches.

Thirty-one educational panels attended by around 800 participants were held in the given period and around 8,000 educational flyers were distributed.

IV.2.7 Anti-Money Laundering and Countering the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction

In the area of anti-money laundering and countering the financing of terrorism and the proliferation of weapons of mass destruction (AML/CFT/CPF), the NBS has a twofold role of both the regulator and the supervisor.

Regulatory role

As a regulator, the NBS draws up/takes part in drawing up laws and bylaws in this area with the aim of, among other things, reducing the possibilities for money laundering, the financing of terrorism and the financing of proliferation of weapons of mass destruction (AML/CFT/CPF) through financial institutions and other entities supervised by the NBS, in accordance with the Law on the Prevention of Money Laundering and the Financing of Terrorism[34]. In 2025, the NBS actively participated in the preparation of the Law Amending the Law on the Prevention of Money Laundering and the Financing of Terrorism.[35]

In 2025, the NBS adopted a new Decision on Guidelines for the Application of the Provisions of the Law on the Prevention of Money Laundering and Terrorism Financing for Obligors Supervised by the National Bank of Serbia[36], to ensure a continuous alignment with new trends, good practices, conclusions of the National Money Laundering, Terrorist Financing and the Weapons of Mass Destruction Proliferation Financing Risk Assessment and international standards. In view of the above, as well as the need to update the existing list, the NBS adopted, in 2025, a new List of Indicators for Identifying Grounds for Suspicion of Money Laundering or Terrorist Financing for Exchange Dealers. In addition, given that, in line with international standards, the scope of the law governing the prevention of money laundering and terrorist financing has been further expanded to cover the prevention of weapons of mass destruction proliferation financing, the NBS adopted, in 2025, the List of Indicators for Recognising Grounds for Suspicion of Financing the Proliferation of Weapons of Mass Destruction for Obligors within the Jurisdiction of the National Bank of Serbia.

[34] RS Official Gazette, Nos 113/2017, 91/2019, 153/2020, 92/2023, 94/2024 and 19/2025.
[35] RS Official Gazette, No 19/2025.
[36] RS Official Gazette, No 41/2025.

In 2025, the NBS adopted the following regulations relevant for the AML/CFT area: Decision on Detailed Terms and Manner of Performing Bank Supervision and Special Bank Audit,[37] two decisions amending the Decision on Risk Management by Banks,[38] Decision Amending the Decision on Implementing the Provisions of the Law on Banks Relating to Granting of a Preliminary Bank Founding Permit, Bank Operating Licence and Consents and Approvals by the National Bank of Serbia,[39] Decision Amending the Decision on Implementation of Provisions of the Law on Payment Services Relating to Issuing of Licenses and Approvals of the National Bank of Serbia,[40] four decisions amending the Decision on Terms and Manner of Performing Exchange Operations,[41] Decision on Detailed Conditions and Manner of Conducting Supervision of Exchange Operations.[42] New internal acts were adopted regulating the AML/CFT/CPF area, while the existing acts were improved and updated in line with the current National Money Laundering, Terrorist Financing and the Weapons of Mass Destruction Proliferation Financing Risk Assessment.

Supervisory role

As a supervisor, the NBS issues appropriate licences and approvals and, **in the course of supervision, verifies whether the supervised entities comply with regulations**. In particular, supervision focuses on the assessment of compliance of supervised entities' operations with AML/CFT/CPF regulations. If irregularities and/or shortcomings in the application of regulations or the implementation of AML/CFT/CPF measures are detected, the NBS takes corrective measures or sanctions in accordance with regulations.

Off-site supervision

To further strengthen financial sector stability and improve the supervisory function in line with the development and expansion of supervised entities' activities, as well as to ensure alignment with EU regulations, relevant international standards and best practices, **the NBS continuously works on improving the supervisory assessment of the ML/TF/PF risk.**

Sources of data used for ML/TF/PF risk assessment in entities supervised by the NBS are internal acts related to ML/TF/PF risk management, findings of on-site examinations and other supervisory assessments, data and information received from the Administration for the Prevention of Money Laundering, data from the questionnaire drawn up for the purpose of collecting quantitative and qualitative data, information received from the competent prosecutors' offices and courts, results of the National Money Laundering and Terrorist Financing Risk Assessment in the Republic of Serbia and other data and information available to the supervisor.

[37] RS Official Gazette, No 51/2025.
[38] RS Official Gazette, Nos 13/2025 and 51/2025.
[39] RS Official Gazette, No 51/2025.
[40] RS Official Gazette, No 95/2025.
[41] RS Official Gazette, Nos 21/2025, 31/2025, 111/2025 and 113/2025.
[42] RS Official Gazette, No 41/2025.

Continuous upgrades were made to questionnaires on AML/CFT/CPF activities through which relevant data are collected from banks, financial lessors, insurance undertakings, VPF management companies, authorised exchange dealers, payment institutions, e-money institutions, public postal operator, and virtual currency service providers, in order to keep in step with all trends and ensure timely updating of supervisory information. Based on the data collected through these questionnaires, the NBS prepared a number of analyses, some of which were published to enable obligors to monitor trends in their respective sectors.

The key result of the supervisory ML/TF/PF risk assessment is the supervisory judgement about financial institutions' exposure to this risk, quality of risk management, and its maintenance at an acceptable, low level. Internal methodologies for risk assessment were upgraded for the same purpose.

In addition to examinations envisaged in the on-site examination plan for 2025, ongoing off-site supervisions of ML/TF risk management in entities supervised by the NBS were also conducted. In **2025, 1,400 off-site supervisions of entities supervised by the NBS in the AML/CFT/CPF area were conducted**. In addition, the NBS invited authorised exchange dealers and the public postal operator to submit annual reports on conducted internal control in 2024 and 1,210 such reports were analysed.

All the above listed activities were aimed at raising awareness and enhancing the knowledge of obligors supervised by the NBS regarding their obligations relating to AML/CFT/CPF.

On-site supervision

In the course of 2025, the NBS carried out 198 AML/CFT/CPF on-site examinations of supervised entities. The NBS accordingly undertook the following measures – sent letters of warning, issued decisions imposing fines, imposed orders and measures, filed charges for commercial offences and misdemeanours, and adopted one decision on revoking the license for the provision of payment services. In addition, **in 2025, the NBS issued 11 decisions temporarily prohibiting the performance of exchange operations at 14 exchange offices, and three decisions permanently revoking the authorisation to perform exchange operations at six exchange offices**.

Based on the supervisory assessments of exposure to the ML/TF/PF risk, the NBS prepared the on-site examination plan for 2026 for entities under its supervision.

NBS as a member of AML/CFT/CPF Coordination Bodies

The NBS took active part in the work of the AML/CFT Coordination Body and of the National Coordination Body for Countering the Proliferation of Weapons of Mass Destruction, established by the Serbian Government to improve coordination and efficiency of cooperation of all stakeholders in the AML/CFT/CPF system in the Republic of Serbia.

As a supervisory authority in charge of majority of financial institutions and virtual currency service providers in the Republic of Serbia, the NBS actively participates in the implementation of the Strategic Operational Plan for the Prevention of Money Laundering, Terrorism Financing and WMD Proliferation Financing in Serbia in 2025–2029.

Cooperation with international organisations (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism – Moneyval)

The NBS has an active role in Moneyval, the Council of Europe's committee which gathers experts who assess the compliance of the AML/CFT/CPF regulations in member states with all relevant international standards in the field of legal practice, financial system and internal affairs through the process of mutual evaluations of equal members. The Committee aims to ensure that all member states, including Serbia, have systems to effectively prevent money laundering, terrorism financing and financing the proliferation of weapons of mass destruction in accordance with relevant standards, particularly with the **FATF Recommendations** and international conventions. Moneyval's reports include recommendations for the improvement of the effectiveness of AML/CFT/CPF systems in individual states, as well as for boosting the capacity for international cooperation. **Regular and extraordinary reports** on the progress and AML/CFT/CPF activities taken in the Republic of Serbia **were submitted to the European Commission, IMF, Moneyval and FATF**. The NBS also participated in the preparations for the regular annual reporting to the European Commission on the progress of reforms in the Republic of Serbia under the relevant negotiating chapters, as well as for reporting to other international organisations.

Keeping in mind that in 2024 Moneyval launched its 6th round of mutual evaluations of Serbia's AML/CFT/CPF system, in 2025 representatives of the NBS actively participated in all activities required to ensure the timely submission of the requested information and documentation in response to inquiries from that body. They also took part in meetings with representatives of the MONEYVAL assessment team, both online and during the team's two-week on-site visit to the Republic of Serbia. Throughout these activities, the NBS hosted a number of meetings, and also participated in the MONEYVAL Plenary meeting in Strasbourg, France.

At the Moneyval Plenary meeting held in December 2025, the Mutual Evaluation Report of the Republic of Serbia was adopted. The Report concluded that significant results had been achieved with regard to the assessment of the overall AML/CFT/CPF system, with particularly strong results in areas falling within the competence of the NBS. According to the Report, the Republic of Serbia achieved a substantial level of effectiveness in seven of the eleven areas, i.e. Immediate Outcomes, while the remaining four were assessed as having a moderate level of effectiveness. In addition, no Immediate Outcome was assessed as having a low level of effectiveness. With regard to technical compliance, **the Republic of Serbia was assessed as compliant with 13**

Recommendations, largely compliant with 23 Recommendations and partially compliant with four Recommendations. Furthermore, there were no Recommendations with which the Republic of Serbia was assessed as non-compliant. **Based on these results, the Republic of Serbia was placed under the regular follow-up process, representing the best possible outcome that a jurisdiction can achieve following a MONEYVAL mutual evaluation. At present, fewer than one quarter of MONEYVAL member jurisdictions have achieved this outcome**, while all other jurisdictions remain under the enhanced follow-up process due to the increased risks identified in those jurisdictions, including all countries in the region. **The areas falling within the competence of the NBS also received highly favourable assessments**. With regard to effectiveness, the system was assessed as having a substantial level of effectiveness, while in terms of technical compliance, 12 of the 15 Recommendations applicable to the financial system of the Republic of Serbia were assessed as fully compliant, with the remaining three assessed as largely compliant.

Other activities

In 2025, the NBS also participated in numerous activities aimed at strengthening the AML/CFT/CPF framework, including seminars, training courses, workshops, webinars and presentations. In addition, it continued its cooperation with other competent state authorities, particularly in the area of data and information exchange.

IV.3 Bank resolution function

As a bank resolution authority, the NBS is responsible for planning, initiation and implementation of resolution of banks and banking groups under its jurisdiction.

Bank resolution is carried out in order to achieve the following objectives:

- ensure the continuity of banks' critical functions;
- avoid a significant adverse effect on the stability of the financial system;
- protect budgetary funds and other public funds;
- protect depositors and investors; and
- protect client funds and other assets.

In other words, the objective of bank resolution is to minimise the use of budgetary and other public funds, while at the same time avoiding the adverse effects of the discontinuation of bank's operations on financial stability, businesses and citizens.

Regulatory activities

The adoption of the Law on Amendments and Supplements to the Law on Banks[43] in March 2025 improved, inter alia, the existing bank resolution framework, with the simultaneous further alignment with EU regulations in this area. A key novelty of this Law is the introduction of the Bank Resolution Fund, managed by the NBS. The establishment of this Fund ensures an additional level of protection of budgetary and public funds, which is one of the main resolution objectives, which alongside the already existing resolution mechanisms, further reduces the risk of a taxpayer-funded bailout of troubled banks. The plan for 2026 includes collecting funds for the Fund and its operationalisation.

To enforce the Law on Amendments and Supplements to the Law on Banks, in June and July 2025 the NBS adopted a series of bylaws regulating the provisions of the Law in more detail and further improving the alignment of Serbia's resolution framework with the EU *acquis*, namely:

- Decision on Determining and Collecting the Contributions of Banks to the Bank Resolution Fund;[44]
- Decision on the Minimum Requirement for Capital and Eligible Liabilities of a Bank;[45]
- Decision on Reporting for the Purpose of Planning Resolution of a Bank and the Banking Group;[46]
- Decision on Detailed Requirements and Manner of Independent Valuation of Assets and Liabilities of a Bank Before and After Bank Resolution;[47]
- Decision on Business Reorganisation Plans of Banks;[48]
- Decision on Detailed Requirements for the Write-Down and Conversion of Capital Instruments and Eligible Liabilities of Banks;[49]
- Decision on Obligations of Banks Relating to Resolvability Assessment;[50]
- Decision on Detailed Terms and Conditions for the Sale of Shares, Assets and Liabilities of a Bank under Resolution;[51]
- Decision on Counterparty Safeguards;[52]
- Decision on the Content and Form of Financial Statements of the Bank Resolution Fund;[53]

[43] RS Official Gazette, No 19/2025.
[44] RS Official Gazette, No 51/2025.
[45] RS Official Gazette, No 51/2025.
[46] RS Official Gazette, No 51/2025.
[47] RS Official Gazette, No 51/2025.
[48] RS Official Gazette, No 51/2025.
[49] RS Official Gazette, No 51/2025.
[50] RS Official Gazette, No 63/2025.
[51] RS Official Gazette, No 63/2025.
[52] RS Official Gazette, No 63/2025.
[53] RS Official Gazette, No 63/2025.

- Decision on Amendments and Supplements to the Decision on the Content of Documents and Evidence Submitted with the Application for Operating Licence and Specific Consents and Approvals of the National Bank of Serbia for a Bridge Bank and on Detailed Conditions and Manner of Giving Specific Consents and Approvals to an Asset Management Company;[54]
- Guidelines for Implementing Some Provisions of the Decision on Minimum Requirement for Own Funds and Eligible Liabilities of Banks.[55]

Answers to banks' most frequently asked questions regarding the new regulations on bank resolution have been prepared and published on the NBS website.

Also, internal processes have been improved:

- planning the resolution of banks and banking groups;
- identifying critical functions;
- establishing and monitoring the fulfilment of the minimum requirement for own funds and eligible liabilities;
- assessment of the fulfilment of requirements for initiating the resolution procedure;
- conducting a preliminary valuation of a bank's assets and liabilities.

Planning resolution activities

Updates of resolution plans for all banks and banking groups under the NBS's competence were adopted in 2025, as well as decision on the minimum requirement for own funds and eligible liabilities (MREL), which banks are required to fulfil to ensure adequate capacity for covering losses and capital increase in the event of initiation of a resolution procedure.

The process of drafting and updating resolution plans for banks and banking groups includes: conducting a strategic analysis of the bank's operations, considering resolution options and choosing the appropriate resolution strategy, i.e. choosing the resolution measures and tools that would best contribute, in the circumstances of each individual bank, to achieving the resolution objectives, then, assessing the financial and operational prerequisites for ensuring business continuity in the event of initiating the resolution procedure, analysing management information systems and ways of providing information for resolution purposes, identifying potential impediments to resolvability (including defining appropriate activities for their removal, where applicable), as well as determining MREL requirements.

[54] RS Official Gazette, No 63/2025.
[55] RS Official Gazette, No 63/2025.

Through regular and periodic reports and information from banks, the fulfilment of prescribed MREL requirements was monitored, as well as other elements affecting bank resolvability.

Pursuant to the Decision on Determining and Collecting the Contributions of Banks to the Bank Resolution Fund and the Decision on Reporting for the Purpose of Planning Resolution of a Bank and the Banking Group, a new reporting system in the area of bank resolution was established and tested, and for its purposes the relevant methodological and technical instructions for completing and submitting the prescribed reports were drafted and published.

Cooperation with other regulatory authorities

In accordance with cooperation agreements, the NBS took part in the work of colleges for the resolution of cross-border banking groups, whose members operate in the territory of the Republic of Serbia. In the previous year, the NBS cooperated mainly with the EU Single Resolution Board and the central bank of Hungary, exchanging information necessary for preparing plans for the resolution of relevant banking groups and their members and discussing the key elements of resolution plans. In addition, cooperation was established in terms of bank resolution with the Banking Agency of Republika Srpska, with whose representatives a meeting was held during 2025.

Other activities

In 2025, a number of meetings with bank representatives and other stakeholders were held to discuss various topics on bank resolution. The issue of the eligibility of various bank products for inclusion in MREL drew most attention in the meetings.

In the same period, at the request of banks, two opinions were prepared relating to the implementation of bank resolution regulations.

As part of capacity strengthening within the second phase of the regional IPA Programme for Strengthening the Central Bank Capacities in the Western Balkans with a view to the Integration to the European System of Central Banks, a visit of NBS representatives to the central bank of Portugal was organised, including other staff trainings in this area.

IV.4 Financial system stability

IV.4.1 Financial stability function

In addition to its primary objective, which is to achieve and maintain price stability, the NBS is also mandated to safeguard and strengthen the stability of the financial system.

Thus, the NBS determines and carries out, within its scope of authority, the measures and activities aimed at preserving and strengthening financial system stability. The NBS's regulatory and other recommendations and measures in this field, as well as a detailed analysis of financial stability and potential risks, are published in the *Annual Financial Stability Report*, which is submitted to the National Assembly in accordance with the Law on the National Bank of Serbia.

In 2015, the NBS published a consultation document *Macroprudential Framework*, setting down in more detail the objectives, instruments and decision-making process of macroprudential policy.

After the publication of the *Macroprudential Framework*, in 2016 regulations were adopted implementing Basel III standard in the domestic regulatory framework, as one of the key regulatory responses to the global financial crisis of 2007/2008. An integral part of this set of regulations is the Decision on Capital Adequacy of Banks, which introduced capital buffers into banking regulations, as the most important instrument of macroprudential policy. Capital buffers have been applied since 30 June 2017 and represent additional CET 1 capital that banks are obligated to maintain above the regulatory minimum so as to mitigate and contain systemic risks in the financial system. They include the capital conservation buffer, countercyclical buffer, capital buffer for global systemically important banks, capital buffer for systemically important banks and systemic risk buffer.

Capital conservation buffer is the requirement for a bank to maintain on an individual and consolidated basis additional CET 1 capital equal to 2.5% of its total risk-weighted assets, enabling banks to absorb losses and maintain solvency during periods of financial stress.

Countercyclical buffer is additional CET 1 capital applied in the financial cycle upturn phase which may range from 0% to 2.5% of a bank's risk-weighted assets. The NBS sets the countercyclical buffer rate on a quarterly basis, taking into account the deviation of the credit-to-GDP ratio from its long-term trend and additional optional indicators reflecting the characteristics of the domestic financial system and pertaining to the real estate market, the country's external position and movements in the banking sector. The Decision on the Countercyclical Buffer Rate for the Republic of Serbia56 from December 2025 set the rate for this capital buffer at 0.5%, which will be applied as of 15 December 2026. At the meeting on 12 March 2026, the NBS Executive Board decided to keep the rate at 0.5%. Maintaining the countercyclical capital buffer creates additional capital that can be released should certain risks materialise, thus preserving the resilience of the Serbian banking sector.

Capital buffer for systemically important banks, identified as such in the Republic of Serbia, is determined based on at least one of the following criteria: bank's size, importance for the Serbian economy, importance of bank's cross-border activities, connectedness with the financial system, replaceability in the financial system and complexity of operations. In accordance with the Decision on Establishing a List of Systemically Important Banks in the Republic of Serbia and the Capital Buffer Rates for Those Banks from 12 June 2025, eight systemically

[56] RS Official Gazette, No 112/2025.

important banks have been identified. As of 30 June 2025, these banks are required to maintain additional CET 1 capital – four banks are required to maintain it at up to 2% of their risk-weighted assets, and the other four at 1%. The list of systemically important banks and capital buffer rates for these banks is published on the NBS website and is reviewed at least once a year.

The application of the **capital buffer for global systemically important banks** in the Republic of Serbia is postponed until the day of Serbia's accession to the EU.

Systemic risk buffer was set in June 2017 to mitigate the systemic risk of euroisation and incentivise banks to reduce the degree of euroisation. Since euroisation is a major systemic risk, it was decided that all banks headquartered in Serbia whose FX and FX-indexed receivables exceed 10% of their total household and corporate receivables must maintain the systemic risk buffer at 3% of their FX and FX-indexed receivables from corporates and households in Serbia. The systemic risk buffer is defined in the Decision on the Rate and Manner of Maintaining the Systemic Risk Buffer.[57] The obligation to maintain this buffer is re-examined at least every two years.

The ratio of the loan amount and the value of the asset serving as collateral is limited (loan-to-value limit) in Serbia. The LTV is applied to all mortgage loans in a foreign currency approved to natural persons, but not to mortgage loans in the domestic currency. A bank may approve to a natural person a loan not exceeding:

- 80% of the appraised value of the mortgaged residential real estate;
- 90% of that value if the loan is approved within the government measures supporting specific categories of natural persons or first-time home buyers;
- 99% of that value if the loan is approved within the government programme supporting young people purchasing their first residential real estate.

IV.4.2 Financial stability assessment

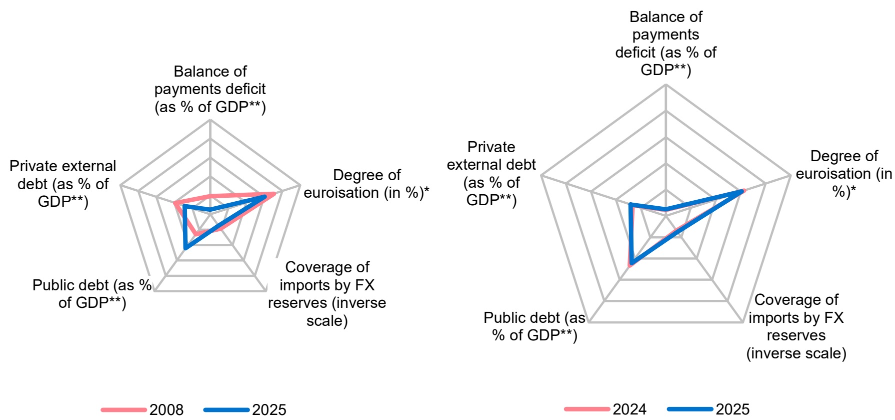
The NBS has successfully strengthened the stability of the system by preserving key indicators. The relative stability of the exchange rate and an adequate level of FX reserves have been maintained, while the banking sector remained highly liquid and capitalised. A particular success is the reduction of the NPLs to their lowest level on record, whereby the resilience to potential shocks was further increased.

The comparison of **financial system vulnerability indicators**[58] for 2025 and 2024 reveals an increase in the financial system's resilience, reflected in a reduced share of public debt in GDP (from 46.7% to 44.4%). Strengthened financial system resilience is also signalled by the lower degree of euroisation of the domestic

[57] RS Official Gazette, Nos 58/2017 and 3/2018.
[58] The following were used as the basic indicators of vulnerability of the Serbian financial system: change in the current account deficit, private external debt, public debt, degree of euroisation and FX reserves adequacy (measured by the inverse value of the number of months of the coverage of imports by gross FX reserves). The farther the position from the centre of the chart, the higher the risk for each of the indicators.

financial system, measured by the share of FX and FX-indexed corporate and household receivables in total bank receivables, which contracted by 2.0 pp during 2025, measuring 60.7% at end the end of the year.

Chart IV.4.2.1 **Key macroeconomic risks**



* Share of FX and FX-indexed receivables in total corporate and household receivables.
** NBS estimate.
Source: NBS.

On the other hand, the share of private external debt in GDP edged up by 1.6 pp (to 28.2% in 2025), and the share of the current account deficit in GDP went up from 4.5% to 4.9%. The rise in the current account deficit in 2025, compared to the previous year, is mostly attributed to the lower surplus in services trade, while the export of information and communication services continued to post a two-digit growth rate. On the financial account, the largest inflow was recorded from FDI, which amounted to EUR 3.5 bn at the annual level. Due to increased investments by residents abroad, the net inflow on this basis stood at EUR 2.3 bn. During 2025, the coverage of imports of goods and services by FX reserves amounted to 6.7 months (compared to 7.3 months in 2024). Despite this slight decline, the level of FX reserves remains twice as high as international adequacy standards, which confirms strong resilience to external shocks.

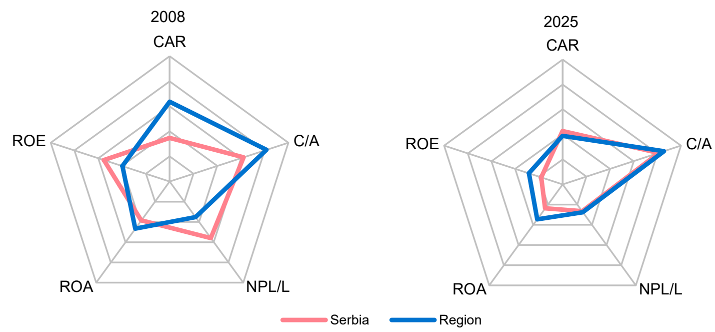
The stability of the financial system reflects the stability of the banking system, since banks make up around 90% of the Serbian financial system. **The banking sector can be assessed as stable thanks to its high capitalisation, liquidity and profitability**. Several approaches were used to assess financial stability, some of which are presented below: comparison of financial soundness indicators with some countries of the region, composite systemic stress indicator, macroprudential stress tests and network modelling.

Financial soundness indicators show that the capitalisation of the Serbian banking sector is around the region's average. Serbia's banking sector posted a positive result in 2025. ROA and ROE stood above the region's average. **The NPL share in total loans touched a new low at end-2025, measuring 2.1%, which is slightly below the region's average**.

In order to determine crisis periods and the level of systemic stress of the Serbian financial system, a methodology was developed based on which the

composite indicator of systemic stress[59] was constructed. This indicator is used by the European Systemic Risk Board[60] and the ECB[61] to analyse risk accumulation in different segments of the financial system and assess the level of total systemic stress.

Chart IV.4.2.2 **Financial soundness of the Serbian banking sector compared to the regional average**



* The chart shows standardised values of the most common financial soundness indicators: CAR – Capital Adequacy Ratio (Regulatory Capital to Risk-Weighted Assets); C/A - Capital to Assets; NPL/L – Gross NPLs to Total Gross Loans; ROA – Return on Assets; ROE – Return on Equity.
** Greater distance from the network centre indicates greater risk.
*** The region refers to CEE countries: Serbia, Bosnia and Herzegovina, Hungary, North Macedonia, Poland, Bulgaria, Turkey and Croatia. The region's FSIs are non-weighted averages of the individual countries' FSIs.
****Latest available data for 2025.
Sources: NBS and IMF.

This indicator gives decision-makers significant and timely information about trends in financial markets and possible implications for macroeconomic and financial stability. Additionally, it enables the identification of early warning signals, which provides timely information on the potential occurrence of a systemic crisis. The SSI covers a great number of indicators which capture the level of financial stress in six major segments of the Serbian financial system: the FX market, government securities market, money market, capital market, banking sector and international environment.

The movements of the SSI[62] during 2025 pointed to a period of low risk, accompanied by a low and stable systemic component. At end-2025, the indicator value was lower than at end-2024. The decrease reflects positive developments in the international environment and the lower composite risk premium. Developments in the government securities market worked in the same direction, thanks to the preserved macroeconomic fundamentals and the consequent decline of Serbia's risk premium. In the opposite direction, the only factor at play was increased demand for foreign currency in the FX market, driven by the psychological factor of rising uncertainty regarding NIS following the entry into force of sanctions against this company.

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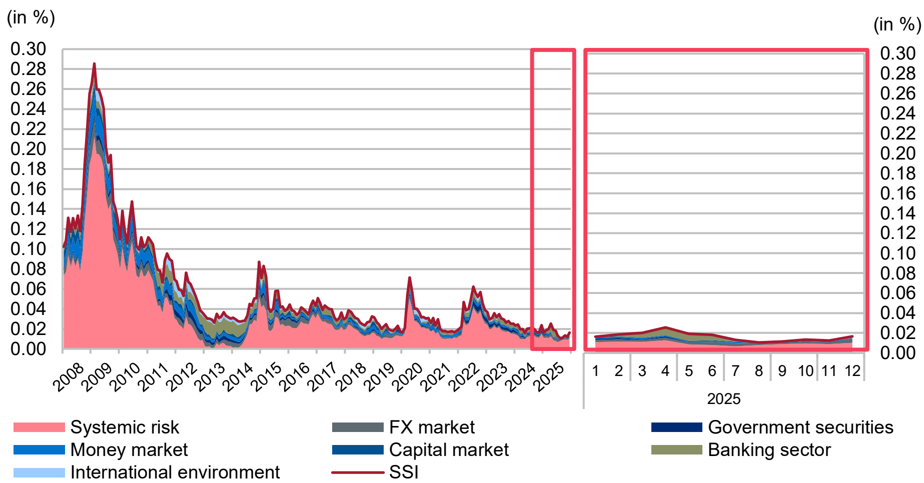
[59] Kovačević, Darko (2021), "Assessment of the Republic of Serbia's Systemic Risk and the Likelihood of a Systemic Crisis", the *NBS Working Papers Bulletin*. pp. 75–125, and the *Annual Financial Stability Report* – 2015.
[60] https://www.esrb.europa.eu/pub/rd/html/index.en.html
[61] https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1426.pdf?6d36165d0aa9ae601070927f3ab799fc
[62] A detailed overview of financial soundness indicators is published in the *Annual Financial Stability Report*.

Chart IV 4.2.3 **Systemic Stress Indicator**



Source: NBS.

Macroprudential stress tests of the NBS[63] are conducted on a quarterly basis to assess banking sector resilience and vulnerability in adverse scenarios of different intensity. Macroprudential stress tests of the NBS enable:

- measurement of banking sector resilience to an increase in credit risk caused by the assumed adverse macroeconomic developments;
- measurement of the liquidity risk caused by the loss of depositors' confidence and unfavourable macroeconomic conditions;
- application of network modelling to assess banking sector systemic risk and systemic importance of individual financial institutions;
- application of network modelling to assess the transmission of systemic risk from the real to financial sector and systemic importance of groups of connected enterprises.

The results of macroprudential solvency stress tests point to high solvency of the banking system. They indicate that the banking sector would remain adequately capitalised even in the worst-case scenario (which implies high depreciation of the dinar, a decrease in real wages and an increase in the key policy rate). In other words, the capital adequacy ratio would remain above the regulatory minimum of 8% under all scenarios.

Macroprudential liquidity stress tests, which are used to measure liquidity risk arising from the loss of depositor confidence and adverse macroeconomic conditions, indicate that the liquidity coverage ratio would remain above the regulatory minimum even under the most severe assumed deposit outflow scenario, i.e. that the liquidity coverage ratio would remain above the regulatory minimum of 1 under all scenarios.

Network modelling, based on interbank exposures, is used to assess the systemic component of risk which stems from the banks' interconnectedness in the

[63] A detailed overview of the results of macroprudential stress tests at the banking sector level is published in the *Annual Financial Stability Report*.

system. The results of network modelling indicate that there is no significant systemic risk component in the Serbian banking sector arising from bank interconnectedness and links with the real sector.

The results of the conducted macroprudential stress tests confirm the banking sector's stability and resilience.

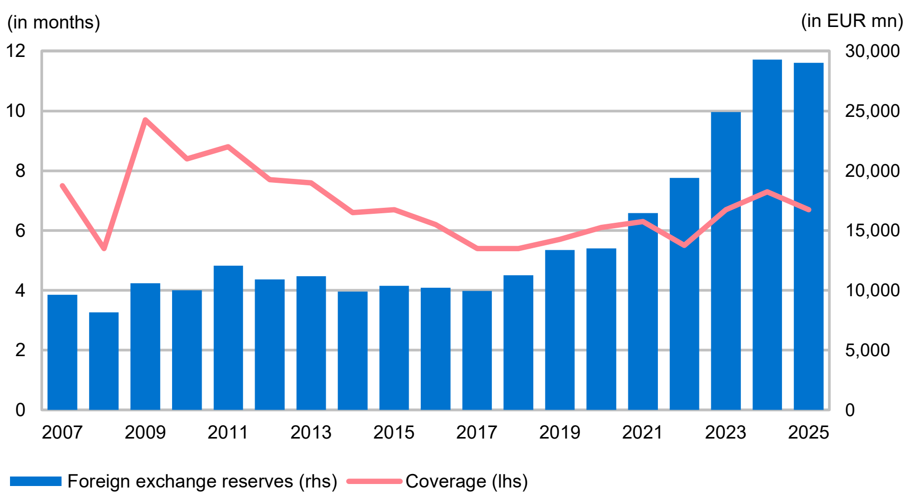
V OTHER TASKS AND ACTIVITIES OF THE NATIONAL BANK OF SERBIA

V.1 Foreign exchange reserve management

V.1.1 Stock and changes in FX reserves in 2025

At end-2025, gross NBS FX reserves equalled EUR 29,008.3 mn, down by EUR 286.2 mn from end-2024. This level of FX reserves covered 156.1% of money supply M1 and 6.7 months' worth of the country's imports of goods and services (more than twice the level prescribed by the adequacy standard).

Chart V.1.1 **Coverage of imports by FX reserves**



Source: NBS.

In 2025, a more considerable FX inflow came from loan disbursement by the Republic of Serbia, totalling EUR 1,084.1 mn. A significant inflow of EUR 516.9 mn was also recorded from interests and redemption of securities' coupons. In addition, inflows came from temporary payment transactions with Kosovo and Metohija[64] (EUR 437.1 mn), the net sale of the Republic of Serbia's government securities issued in the domestic financial market (EUR 241.2 mn), and donations (EUR 223.8 mn). Allocations for banks' FX reserve requirements rose by EUR 94.0 mn net.

The largest outflow from NBS FX reserves resulted from the regular net debt repayment by the Republic of Serbia to foreign creditors (principal and interest) in the total amount of EUR 2,472.6 mn, as well as from the settlement of the government's other FX obligations totalling EUR 1,175.6 mn. Besides, NBS interventions in the IFEM,[65] i.e. net FX sale, accounted for an outflow of EUR 490.0 mn.

The net NBS FX reserves measured EUR 24,636.2 mn on 31 December 2025, down by EUR 57.1 mn from end-2024.

V.1.2 Structure and profitability of FX reserves

By structure, on 31 December 2025, NBS FX reserves were made up of foreign securities (54.71%), gold (21.36%), FX funds in accounts abroad (18.58%), foreign cash (5.12%) and SDR holdings with the IMF (0.23%).

The currency composition of NBS FX reserves (excluding gold) on 31 December 2025 was as follows: 70.18% – EUR, 24.82% – USD, 1.60% – GBP, 1.58% – CAD, 0.81% – CNY, 0.29% – SDR and 0.72% – other currencies.

A major portion of FX reserves (EUR 15,869.98 mn) was invested in securities denominated in the euro, US dollar, pound sterling, Canadian dollar and yuan. Of this, 61% was invested in long-term and 39% in short-term securities.

Within **long-term securities**, funds were invested in government securities with maturities of one to ten years of the USA, Canada, Germany, UK, France, Austria, Netherlands, Slovakia, Belgium, Finland and China; public sector securities (supranational, subnational, agencies, sovereign), including floating rate notes (FRN); and covered bonds with maturities from one to five years.

As for **short-term securities**, funds were invested in the following types of assets: government discount securities (T-bills) with up to one-year maturity (USA, Canada, France, Belgium, Finland and Luxembourg), government coupon securities with up to one-year maturity (USA, Canada, UK, Germany, France, Austria, Belgium, Slovakia and China), and public sector securities (supranational, subnational, agencies and sovereign), including floating rate notes and covered bonds.

A portion of FX reserves worth EUR 5,390.95 mn was held in **current accounts abroad and invested in term deposits**. Of this amount, 76% was invested with central banks (Fed, Bundesbank, Bank of Canada, Oesterreichische Nationalbank, Central Bank of Luxembourg and Reserve Bank of Australia) and the international

[64] Under the Law on Temporary Performance of Some Payment Transactions in the Territory of the FRY (FRY Official Gazette, No 9/01).

[65] Transactions under NBS interventions in the IFEM are disclosed in line with the accounting rules as at the execution day, and not the trading day.

financial organisation BIS in Basel, while 24% went to top-tier foreign commercial banks with a composite credit rating of AAA (up to six months), foreign commercial banks with a composite credit rating of at least AA- (up to three months), and current accounts of correspondent commercial banks abroad.

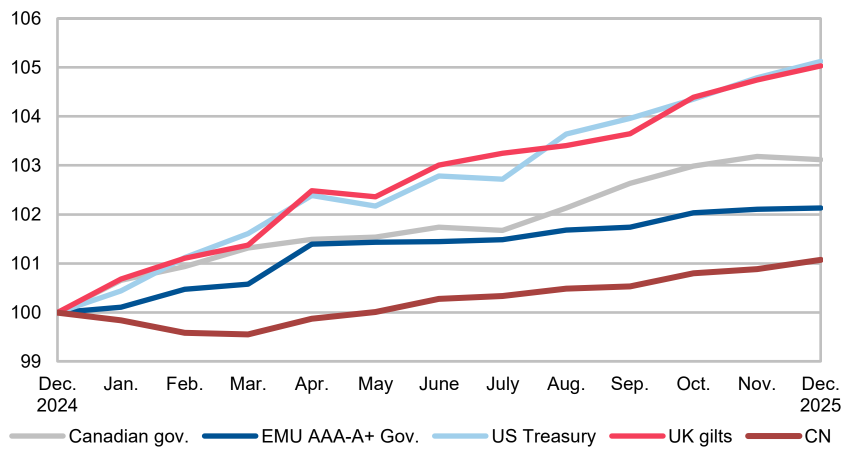
In 2025, the NBS generated a net income of EUR 607.3 mn from investment in foreign securities and interest on FX assets.

Risk management

In 2025, the NBS remained committed to maintaining its portfolio risk at a very low level, sustaining high levels of safety and liquidity.

In 2025, the yield rates on up-to-two-year European government bonds (German, French and Dutch) declined, while yield rates on longer maturities increased. Canadian government bonds saw a decline of yield rates on maturities up to five years, and an increase in bonds maturing in longer than five years. Yield rates on US Treasuries and UK gilts contracted along the entire yield curve, with the decrease in UK gilts more pronounced for shorter maturities. Yield rates on Chinese government bonds increased for all maturities.

Chart V.1.2 **Sovereign bond indices in original currency**
(Dec 2024 = 100)



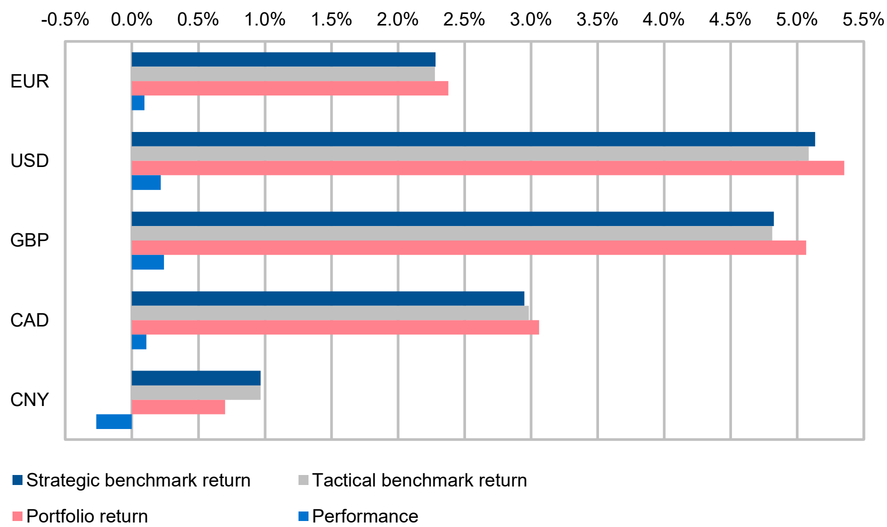
Sources: NBS.

In such circumstances, and with an adequate level of duration and a cautious investment approach, the NBS generated positive yields on all its portfolios. The highest yield of 5.35% was recorded in the USD portfolio, followed by the GBP portfolio (5.07%), CAD portfolio (3.06%), EUR portfolio (2.38%) and CNY portfolio (0.70%). **All actively managed NBS portfolios posted higher yields relative to the comparable tactical benchmarks**. When it comes to the CNY portfolio, the initial investment objective – entry into the Chinese market – determines the so-called passive nature of this portfolio, in terms of targeting a benchmark duration and replicating a benchmark.

The return of the total investment portfolio, converted into euros, was negative and stood at 0.12%, primarily due to movements in cross-currency exchange rates.

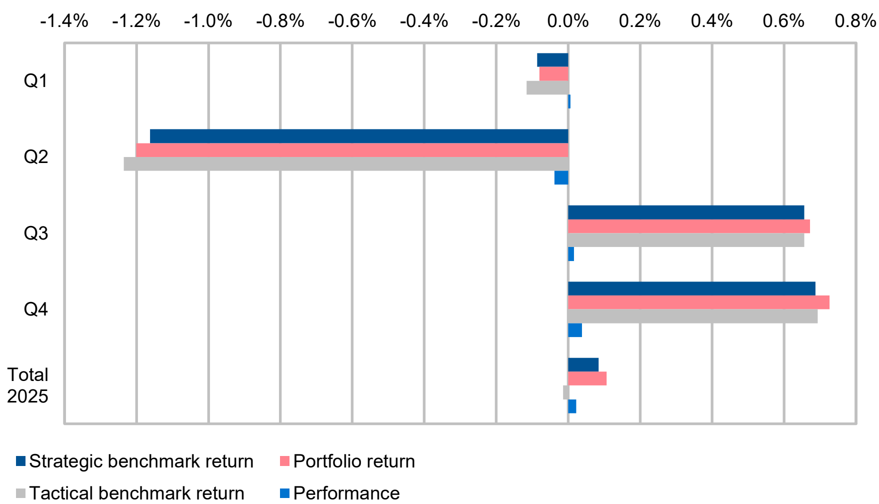
The euro strengthened against the US dollar by 12.62%, against the pound sterling by 5.19% and against the Canadian dollar by 7.90%. Under conditions of a slight depreciation of the dinar against the euro, the return of the total portfolio converted into dinars was positive and stood at 0.11%.

Chart V.1.3 **Portfolio and benchmark return in original currency in 2025**



Source: NBS.

Chart V.1.4 **Total portfolio and benchmark return recalculated in RSD, by quarter**



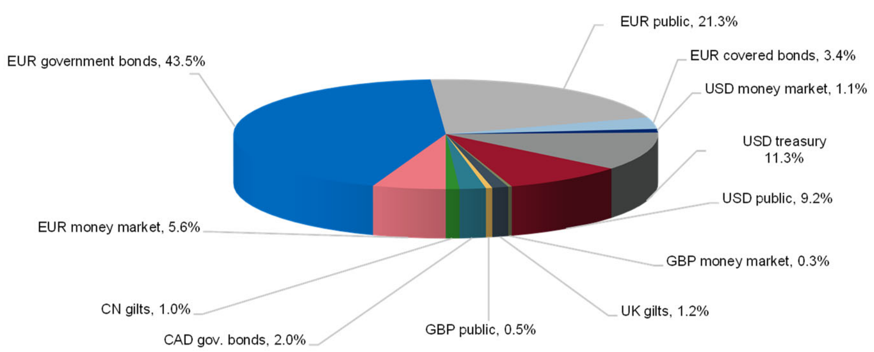
Source: NBS.

The asset and currency structure of the investment portfolio was in line with the Strategic Guidelines for the Management of FX Reserves of the National Bank of Serbia.

In 2025, the NBS invested in highly liquid bonds of low market and credit risk. The currency risk was considerably mitigated by matching the currency structure of FX reserves and the country's external debt, while the interest rate

risk was reduced by maintaining adequate portfolio duration. This is also confirmed by the low value-at-risk (VaR) which estimates the value of market risk for a given level of confidence and is calculated by individual portfolios and different calculation methods.

Chart V.1.5 **Composition of investment portfolio**
as at 31 December 2025



Source: NBS.

Table V.1.1 **Value-at-Risk (VaR) as at 31 December 2025**
(degree of probability 95%, reference period one day)

	EUR portfolio	USD portfolio	GBP portfolio	CAD portfolio	CNY portfolio
Parametric VaR	0.13%	0.17%	0.13%	0.10%	0.05%
Historical VaR	0.07%	0.11%	0.08%	0.07%	0.02%
Monte Carlo VaR	0.13%	0.16%	0.13%	0.10%	0.05%

Source: NBS.

Stress testing indicates the percentage by which the market value of the NBS portfolio would decrease in case of an abrupt and unexpected 1.00 pp rise in market yield rates.

Table V.1.2 **Stress test as at 31 December 2025**
(reference period one day)

Scenario	Change in market value				
	EUR portfolio	USD portfolio	GBP portfolio	CAD portfolio	CNY portfolio
Rise in market interest rates by 100 bp	–1.52%	–1.53%	–1.29%	–0.99%	–0.97%

Source: NBS.

To manage credit risk, the NBS has set high criteria for the minimum composite credit rating for issuers and banks where NBS FX reserve funds may be deposited. The minimum allowed combined credit rating is AA- (according to Standard & Poor's, Moody's and Fitch) for banks eligible for deposit placements, A- for government bonds, A+ for public sector bonds, and AA for covered bonds. In 2025, credit ratings of issuers and bonds in the NBS portfolio mostly remained the same as in 2024, according to all rating agencies, while the outlook was periodically revised. The ratings of commercial banks in which the NBS invests remained largely unchanged and their rating outlook was periodically revised.

In addition to financial indicators from bank balance sheets, other credit risk indicators were also monitored, such as the five-year CDS[66] spread for banks.

In 2025, all other indicators: the tracking error, limits on the structure and duration of the portfolio, as well as credit limits, were within the framework prescribed by the Strategic Guidelines for the Management of FX Reserves of the National Bank of Serbia.

V.2 Issue of money and cash management

V.2.1 Issue of banknotes and coins

In 2025, currency in circulation included banknote series issued by the NBS from 2003 onwards – banknotes in denominations of 10, 20, 50, 100, 200, 500, 1000, 2000 and 5000 dinars and coins in denominations of 1, 2, 5, 10 and 20 dinars.

As at 31 December 2025, currency in circulation (banknotes and coins, excluding currency kept in NBS vaults, cash vaults of banks and the Ministry of Finance – Treasury Administration) totalled RSD 429.9 bn, up by 7.6% from end-2024. Of the total stock of currency in circulation, banknotes accounted for 99.3% and coins for 0.7%. The share of banknotes edged up 0.1% relative to end-2024.

Table V.2.1.1 **Denomination structure of currency in circulation**

Denomination	31 December 2024		31 December 2025	
	In RSD mn	In %	In RSD mn	In %
5000-dinar	76,185	19.2	75,741	17.8
2000-dinar	194,925	49.2	228,470	53.5
1000-dinar	97,767	24.6	95,655	22.4
500-dinar	16,405	4.2	15,547	3.7
200-dinar	4,585	1.2	4,389	1.0
100-dinar	2,887	0.7	3,044	0.7
50-dinar	1,695	0.4	1,708	0.4
20-dinar	1,239	0.3	1,285	0.3
10-dinar	901	0.2	921	0.2
Total:	**396,589**	**100.0**	**426,760**	**100.0**

Source: NBS.

At end-2025, there were 499 mn pieces of banknotes in circulation, or 3.7% more than a year ago.

In nominal terms, the share of 5000-dinar banknotes went down by 1.4%, the share of 1000-dinar banknotes by 2.2%, 500-dinar banknotes by 0.6%, and 200-dinar banknotes by 0.2% relative to the year before. There was 4.3% more of 2000-dinar banknotes than in 2024. The shares of 100-, 50-, 20 and 10-dinar banknotes stayed broadly unchanged.

[66] CDS (Credit Default Swap) spread is a market risk indicator. It includes the implicit probability of the issuer's bankruptcy according to market assessment.

The share of 500-, 1000-, 2000- and 5000-dinar banknotes in cash transactions came at 97.3% nominally, up by 0.1% from end-2024.

There were 1,046.7 mn circulating coins at end-2025, up by 4.3% compared to end-2024. The denomination structure of circulating coins shows the prevalence of 1-dinar coins (39.7%), followed by 5-dinar coins (30.0%), 2-dinar coins (26.1%), 10-dinar coins (2.10%) and 20-dinar coins (2.1%).

To meet the needs of cash payment operations and replace banknotes unfit for circulation, in 2025 the NBS manufactured an additional quantity of banknotes – 60.8 mn pieces in different denominations.

In 2025, 17 mn coins in denominations of 1, 2 and 5 dinars were manufactured.

In the process of **expert analysis** of suspect counterfeits, **1,823 counterfeit** (dinar) **banknotes were detected** in 2025. In denomination terms, the dominant share among counterfeits related to 2000-dinar (78.77%), 1000-dinar (7.42%) and 500-dinar (9.06%) banknotes, which accounted for 95.25% of the total number of detected banknote counterfeits.

Table V.2.1.2 **Overview of detected banknote counterfeits**
(in pieces)

Denomination	5000	2000	1000	500	200	100	50	20	10	Total
Pieces	77	1,443	136	166	1	8	0	1	0	1,832
Share in %	4.20	78.77	7.42	9.06	0.05	0.44	0.00	0.05	0.00	100.00

Source: NBS.

In value terms, the 2000- and 5000-dinar banknotes made up the largest share of the dinar counterfeit structure (82.67% and 11.03%, respectively). In percentage terms, these two denominations taken together accounted for 93.70% of the total number of detected banknote counterfeits.

The ratio of the number of detected dinar counterfeits and of genuine dinar banknotes in circulation reveals that 2.58 pieces in one million circulating banknotes were found to be counterfeit, i.e. in nominal terms, there was RSD 5,743.36 worth of counterfeits in every RSD 1 billion.

Table V.2.1.3 **Overview of detected banknote counterfeits**
(in RSD thousand)

Denomination	5000	2000	1000	500	200	100	50	20	10	Total
Amount	385.00	2,886.00	136.00	83.00	0.20	0.80	0.00	0.02	0.00	3,491.02
Share in %	11.03	82.67	3.90	2.38	0.01	0.02	0.00	0.00	0.00	100.00

Source: NBS.

The largest number of detected counterfeits was produced on commercial paper, using inkjet or laser printers, or colour photocopying machines of the newer generation. They were therefore considered bad and medium-quality counterfeits. Among medium-quality counterfeits, there were 2000-dinar banknotes which imitated optically variable ink, producing a rather convincing impression of a genuine banknote.

The counterfeits detected did not include those made by intaglio, letterpress and offset techniques, which in the majority of cases belong to the category of higher quality counterfeits (very good quality and dangerous counterfeits) that are hard to distinguish from genuine notes.

Numismatic money

Based on the Framework Agreement (G. No 890 of 5 February 2018 and G. No 7908 of 21 July 2023) concerning the production of numismatic money with the portrait of Nikola Tesla and individual contracts based on this Agreement for 2018, 2019, 2020, 2021, 2022, 2023 and 2024, the Institute manufactured 1,400 silver coins with Nikola Tesla's portrait in 2025, 290 of which according to the 7th design, 300 according to the 8th design, 210 according to the 9th design, and 200 according to the 10th, 11th and 12th design.

Cash management

In 2025, NBS branches in Belgrade, Kragujevac, Niš, Novi Sad and Užice were supplied with sufficient quantities of banknotes and coins in a timely manner, to meet bank requirements for cash withdrawal at all times.

In 2025, 674 mn pieces of banknotes and coins worth RSD 705 bn nominally were **delivered** to banks. Relative to 2024, the quantity increased by 8.3%, while the nominal value went up by 1.6%.

A total of 586.7 mn pieces of banknotes and coins worth RSD 638 bn nominally were **received** from banks. Relative to 2024, the received quantity increased by 15.9%, and its nominal value by 4.8%.

In the NBS count rooms, 580.7 mn pieces of banknotes were processed, in the nominal amount of RSD 638.3 bn, up by 67.5 mn pieces relative to 2024. Of the total banknotes processed, 96.75% were fit for circulation (561.8 mn pieces). In 2025, the velocity of money (the quantity of **processed** relative to the quantity of circulating banknotes) equalled 1.16.

No banknotes unfit for circulation were **destroyed** in 2025.

V.2.2 Activities of NBS branches

In 2025, NBS branches performed vault and teller operations as part of cash management and organised education of financial service consumers about financial products and services of the institutions supervised by the NBS.

Belgrade Branch

In the process of managing the flow of cash and other valuables in 2025, the Belgrade Branch received from and delivered to banks dinar and foreign cash, and provided them with uniform blank bills of exchange, received foreign cash from government bodies, sold commemorative coins and performed safe custody operations.

Table V.2.2.1 **Cash management and foreign cash operations – Belgrade Branch**
(in RSD, unless specified otherwise)

Type of operation	Turnover		Total turnover in 2025	Index 2025/2024
	In 2024	In 2025		
Cash in-payments by banks	357,113,651,500	386,456,335,500	386,456,335,500	108.2
Cash out-payments to banks	355,452,971,500	361,713,979,000	361,713,979,000	101.8
Foreign cash in-payments by banks	260,002,131[1)]	204,470,669[1)]	23,980,729,002[2)]	78.6
Foreign cash in-payments by government bodies	2,310,711[1)]	2,566,873[1)]	301,047,999[2)]	111.1
Foreign cash out-payments to banks	128,309,774[1)]	135,687,222[1)]	15,913,668,771[2)]	105.7
TOTAL			**788,365,760,271**	

[1)] In EUR.
[2)] In the dinar equivalent at the middle exchange rate of the dinar as at 31 December 2025.
Source: NBS.

In 2025, total cash in-payments from banks were higher by 8.2% than in 2024, and cash out-payments by 1.8%. In nominal terms, banks' in-payments of foreign cash dropped by 22.4% and out-payments increased by 5.7% compared to 2024.

In 2025, EUR 2,566,873 were received from government bodies, which is 11.1% more than in the previous year.

The Belgrade Branch processed 335.8 mn pieces of banknotes and coins worth RSD 376.2 bn, as well as foreign cash received from banks operating in the territory of the Republic of Serbia, i.e. 5.2 mn pieces of banknotes in the equivalent of EUR 314 mn.

A total of 7,339 banknotes were sent for expert analysis as suspect counterfeits or to be checked against the degree of damage and alert colour. Also, 1,871 foreign currency banknotes were sent for analysis as suspect counterfeits.

The Branch handed over 1.7 mn blank bills of exchange worth RSD 83.3 mn to commission banks and recorded five sales of commemorative coins in the total amount of RSD 508,857.03. It also received 17 and issued six safe custody items.

Since it keeps an electronic database of account statements and payment orders from accounts of government bodies, legal entities and entrepreneurs, the Belgrade Branch processed and addressed 67 applications requesting copies of account statements – payment orders and statements on balance and changes in accounts kept until 31 December 2002 by the National Bank of Yugoslavia – Accounts and Payment Bureau (ZOP). It also issued 18 fee payment notifications for the services provided.

Novi Sad Branch

In 2025, the Novi Sad Branch processed 3,066 cash in-payment and outpayment transactions with banks and the Treasury Administration, and 275 foreign cash in-payment and out-payment transactions with banks, customs, judiciary and other government bodies, in the total amount of RSD 180.6 bn. All foreign cash in-payments from customs, judiciary and other government bodies were processed at the Novi Sad Branch tellers upon receipt. In the reporting period, as part of vault operations, the Branch received eight and issued five safe custody items.

Table V.2.2.2 **Cash management and foreign cash operations – Novi Sad Branch**
(in RSD, unless specified otherwise)

Type of operation	Turnover		Total turnover	Index
	In 2024	In 2025	in 2025	2025/2024
Cash in-payments	86,176,553,000	77,192,267,500	77,192,267,500	89.6
Cash out-payments	86,759,201,000	92,845,445,000	92,845,445,000	107.0
Foreign cash in-payments by banks	152,537,141[1)]	77,948,509[1)]	9,141,957,033[2)]	51.1
Foreign cash in-payments by government bodies	849,280[1)]	583,778[1)]	68,466,651[2)]	68.7
Foreign cash out-payments to banks	2,659,000[1)]	11,684,000[1)]	1,370,322,888[2)]	439.4
TOTAL			**180,618,459,072**	

1) In EUR.
2) In the dinar equivalent at the middle exchange rate of the dinar as at 31 December 2025.
Source: NBS.

In addition, as part of its teller operations, the Branch handed over 440,000 blank bills of exchange worth nominal RSD 22 mn to commission banks. In 23 transactions with natural persons, it sold 94 commemorative coin packs and vacuum sets of coins issued by the National Bank of Yugoslavia and the NBS, in the total amount of RSD 4.7 mn. The Branch **received** 318 pieces of dinar and foreign currency banknotes which were sent for expert analysis as being suspect counterfeits, stained with colour or unfit for replacement.

The Novi Sad Branch **processed** cash in-payments received at its tellers from banks and the Treasury Administration, as well as cash paid in to the cash tellers of other branches in the NBS system. In total, RSD 95.1 bn, i.e. 110.5 mn pieces of banknotes and coins were processed. In the course of processing, 93 banknotes were set aside and sent for expert analysis, suspected to have been counterfeit, stained with alert colour or damaged in a percentage above the regulatory threshold. Thirteen banknotes whose replacement term expired were also set aside.

In 2025, the Novi Sad Branch processed 26 applications requesting copies of statements of changes in accounts kept until 31 December 2002 by the National Bank of Yugoslavia – Accounts and Payment Bureau (ZOP). Of this, nine requests were submitted by natural and 17 by legal persons.

Niš Branch

In 2025, through dinar and foreign cash receipt from and delivery to clients (banks, government bodies), as part of cash management, the Niš Branch generated a turnover of RSD 214 bn.

In 1,248 transactions, total cash in-payments by commercial banks and the Ministry of Finance, Treasury Administration, were worth RSD 91 bn, up by 8.7% from 2024, while 2,042 out-payment transactions amounted to RSD 119.8 bn, or 2.7% more than in 2024.

In-payments of foreign cash by commercial banks in 30 transactions were worth EUR 19 mn, falling by 70.0% from the year before, while out-payments (in four transactions) multiplied, from EUR 100,000 in 2024, to EUR 10 mn in 2025.

In 114 transactions, EUR 1.19 mn were received from government bodies, or 10.7% less than in the previous year.

The Niš Branch processed 93 mn banknotes in the nominal amount of RSD 117.6 bn.

Table IV.2.2.3 **Cash management and foreign cash operations – Niš Branch**
(in RSD, unless specified otherwise)

Type of operation	Turnover		Total turnover	Index
	In 2024	In 2025	in 2025	2025/2024
Cash in-payments	83,670,444,500	90,984,894,500	90,984,894,500	108.74
Cash out-payments	116,650,445,000	119,831,972,000	119,831,972,000	102.73
Foreign cash in-payments by banks	64,763,579[1)]	19,417,242[1)]	2,277,292,976[2)]	29.98
Foreign cash in-payments by government bodies	1,329,739[1)]	1,187,004[1)]	139,214,203[2)]	89.26
Foreign cash out-payments to banks	100,000[1)]	10,000,000[1)]	1,172,820,000[2)]	10,000.00
TOTAL			**214,406,193,679**	

[1)] In EUR.
[2)] In the dinar equivalent at the middle exchange rate of the dinar as at 31 December 2025.
Source: NBS.

Niš Branch tellers received 364 pieces of dinar and 36 pieces of foreign currency banknotes suspect as counterfeits and sent them for expert analysis.

In addition, the Branch handed over 296,000 blank bills of exchange to commission banks, worth RSD 14.8 mn nominally, recorded seven sales of commemorative coins involving 45 coins in the total amount of RSD 980,991.07, and received two and issued three safe custody items.

Since the Niš Branch keeps a part of the electronic database of payment orders and statements of the stock and flow in the gyro accounts kept until December 2002 by the National Bank of Yugoslavia – Accounts and Payment Bureau (ZOP), in 2025 it processed 40 requests for such data and issued 27 copies of payment orders.

Kragujevac Branch

In 2025, the Kragujevac Branch carried out 2,761 cash in-payments and out-payments with banks and the Treasury Administration, as well as 27 foreign cash in-payments and out-payments with banks, judicial and other government authorities. The total value of these transactions amounted to RSD 150.24 bn, down by 7.74% compared to 2024.

Table V.2.2.4 **Cash management and foreign cash operations – Kragujevac Branch**
(in RSD, unless specified otherwise)

Type of operation	Turnover		Total turnover in 2025	Index 2025/2024
	In 2024	In 2025		
Cash in-payments	53,707,155,000	55,851,657,000	55,851,657,000	103.99
Cash out-payments	103,498,421,000	92,246,269,000	92,246,269,000	89.13
Foreign cash in-payments by banks	1,502,009[1)]	0[1)]	0[2)]	0
Foreign cash out-payments to banks	46,579,000[1)]	18,186,000[1)]	2,132,890,452[2)]	39.04
Foreign cash in-payments by government bodies	57,445[1)]	50,178[1)]	5,884,927[2)]	87.35
TOTAL			**150,236,701,379**	

1) In EUR.
2) In the dinar equivalent at the middle exchange rate of the dinar as at 31 December 2025.

Source: NBS.

In addition, the Branch handed over 313,000 blank bills of exchange worth nominal RSD 15.65 mn to commission banks. The Branch sold commemorative coins in 12 transactions worth RSD 3,079,000.31. The Branch received at its tellers 280 pieces of dinar and foreign currency banknotes which were suspect as being counterfeits, stained with colour or unfit for replacement, and they were sent for further expert analysis. In 2025, the Kragujevac Branch processed 45.95 mn banknotes in the nominal amount of RSD 56.62 bn.

In 2025, the Branch also processed nine requests for the issuance of copies of payment orders and statements of changes in accounts kept until 31 December 2002 by the National Bank of Yugoslavia – Accounts and Payment Bureau (ZOP).

Užice Branch

In 2025, banks paid at the Branch tellers dinar cash worth RSD 27.5 bn and submitted requests for dinar cash out-payments worth RSD 38.4 bn. Total cash in-payments by banks were 2.2% lower than in 2024 while cash out-payments went up by 21%. In 2025, the Branch received EUR 93,300 from government authorities, 16% less than in 2024.

It supplied commission banks with 143,000 blank bills of exchange, worth RSD 7.2 mn, up by 3.6% relative to 2024. Also, it **received** 80 dinar and foreign currency banknotes suspect as being counterfeit/stained with alert colour and sent them to expert analysis. In 2025, the sale of numismatic money equalled RSD 90,000.

Table V.2.2.5 **Cash management and foreign cash operations – Užice Branch**
(in RSD, unless specified otherwise)

Type of operation	Turnover		Total turnover in 2025	Index 2025/2024
	In 2024	In 2025		
Cash in-payments by banks	28,130,780,000	27,501,629,000	27,501,629,000	97.8
Cash out-payments to banks	31,740,308,500	38,404,766,000	38,404,766,000	121.0
Foreign cash in-payments by banks	0[1)]	0[1)]	0[2)]	0
Foreign cash out-payments to banks	60,000[1)]	50,000[1)]	5,864,100[2)]	83.3
Foreign cash in-payments by government bodies	111,173[1)]	93,300[1)]	10,942,411[2)]	83.9
TOTAL			**65,923,201,511**	

[1)] In EUR.
[2)] In the dinar equivalent at the middle exchange rate of the dinar as at 31 December 2025.
Source: NBS.

In the reporting period, the Užice Branch **processed** cash in-payments at its tellers from banks and the Treasury Administration, as well as cash paid in at the cash tellers of other branches in the NBS system. A total of 32.0 mn banknotes worth nominally RSD 34.5 bn were processed. In the course of processing, 69 suspect counterfeits were set aside and sent for expert analysis (to be checked against the degree of damage and alert colour).

In 2025, the Užice Branch processed 13 requests for copies of statements of changes in accounts and account balances kept until 31 December 2002 by the National Bank of Yugoslavia – Accounts and Payment Bureau (ZOP). It issued seven fee payment notifications for the services provided.

V.3 Payment system operator, oversight of payment service providers, e-money issuance and provision of virtual currency services

Performance indicators of payment systems and DinaCard system

The NBS operates the following payment systems: the NBS RTGS payment system, NBS IPS system, NBS clearing system, DinaCard clearing system, as well as the systems of interbank and international clearing of foreign exchange payments.

At end-2025, the NBS RTGS included 23 participants – 19 banks, the Ministry of Finance – Treasury Administration, the Central Securities Depository and Clearing House, the Association of Serbian Banks and the NBS.

Since 22 October 2018, the NBS has been the operator of the NBS IPS system that has been operating successfully for the eighth year in a row. At end-2025, the system included 21 direct participants – 19 banks, the NBS and the Ministry of Finance – Treasury Administration, one indirect participant with direct access and seven indirect participants with indirect access.

At end-2025, 16 banks and 10 processing companies participated in the DinaCard clearing system. Thirteen banks participated in the payment card settlement in the Visa system, 12 banks in the MasterCard system, 11 in the UnionPay system, and one in the Discover system.

The number of participants in the systems of interbank and international clearing of foreign exchange payments was 21 at end-2025: 13 banks from Serbia, the NBS, six banks from Bosnia and Herzegovina and one bank from Montenegro.

The availability of the NBS RTGS and clearing systems in 2025 was 100%, and of the central switch in the DinaCard system 99.994%.

NBS RTGS system

The RTGS is a system for real-time gross settlement of interbank payments.

Table V.3.1.1 **Value of turnover and number of payments in RTGS system**
(turnover in RSD bn, number of payments in thousand)

2025	Number of business days	Number of payments	Daily average number of payments	Value of turnover	Daily average turnover
January	20	14,989.9	749.5	20,701.9	1,035.1
February	19	17,101.0	900.1	18,074.4	951.3
March	21	17,778.4	846.6	17,290.3	823.3
April	20	18,079.2	904.0	17,288.4	864.4
May	20	18,222.0	911.1	14,103.8	705.2
June	21	18,176.6	865.6	15,038.4	716.1
July	23	18,668.7	811.7	18,285.7	795.0
August	21	17,200.0	819.1	17,652.8	840.6
September	22	18,131.1	824.1	18,583.3	844.7
October	23	18,145.8	789.0	20,175.4	877.2
November	19	16,655.6	876.6	16,269.4	856.3
December	23	19,912.7	865.8	18,778.0	816.4
Total	**252**	**213,061.0**		**212,241.8**	
		Monthly average:	**Daily average:**	**Monthly average:**	**Daily average:**
		17,755.2	**845.5**	**17,686.8**	**842.2**

Source: NBS.

A total of 213.1 mn payments, worth RSD 212,241.8 bn, were performed in the NBS RTGS system in 2025.

NBS clearing system

The NBS clearing system is a system for the exchange and processing of individual or aggregate payment orders of payment system participants, on a multilateral net basis.

A total of 11.4 mn payments, worth RSD 289.1 bn, were performed in the NBS clearing system in 2025.

Table V.3.1.2 **Value of turnover and number of payments in the clearing system**
(turnover in RSD bn, number of payments in thousand)

2025	Number of business days	Number of payments	Average daily number of payments	Value of turnover	Average daily turnover
January	20	1,202.7	60.1	29.0	1.4
February	19	1,177.5	62.0	24.8	1.3
March	21	841.2	40.1	21.2	1.0
April	20	948.1	47.4	24.6	1.2
May	20	693.8	34.7	18.1	0.9
June	21	787.3	37.5	21.1	1.0
July	23	814.7	35.4	22.1	1.0
August	21	943.1	44.9	23.4	1.1
September	22	728.4	33.1	20.8	0.9
October	23	1,058.9	46.0	26.9	1.2
November	19	978.3	51.5	23.9	1.3
December	23	1,203.0	52.3	33.2	1.4
Total	**252**	**11,377.0**		**289.1**	
		Monthly average: 948.1	**Daily average: 45.1**	**Monthly average: 24.1**	**Daily average: 1.1**

Source: NBS.

NBS IPS system

The NBS IPS system carries out individual instant credit transfers of up to RSD 300,000. The system operates in the 24/7/365 regime. Payments are executed almost instantaneously, and the funds are made available to the recipient within no more than a few seconds.

The IPS system infrastructure enables instant payments via standard means of payment (e.g. e-/m-banking or tellers of payment service providers), instant payments at merchants' points-of-sale, as well as additional services for participants – bill presentment (BP) and the Transfer service, i.e. making instant payments using the registered mobile phone number of the payee.

Table V.3.1.3 **Value of turnover and number of payments in NBS IPS system**
(turnover in RSD bn, number of payments in thousand)

2025	Number of business days	Number of payments	Average daily number of payments	Value of turnover	Average daily turnover
January	31	7,538.7	243.2	89.9	2.9
February	28	8,231.9	294.0	99.4	3.6
March	31	8,595.6	277.3	105.3	3.4
April	30	8,554.4	285.1	109.9	3.7
May	31	9,011.3	290.7	111.1	3.6
June	30	8,794.6	293.2	113.1	3.8
July	31	8,976.0	289.5	119.7	3.9
August	31	8,975.7	289.5	115.3	3.7
September	30	9,316.1	310.5	122.1	4.1
October	31	10,035.5	323.7	128.7	4.2
November	30	10,177.6	339.3	126.4	4.2
December	31	11,119.3	358.7	152.8	4.9
Total	**365**	**109,326.6**		**1,393.8**	
		Monthly average: 9,110.6	**Daily average: 299.5**	**Monthly average: 116.1**	**Daily average: 3.8**

Source: NBS.

In line with the system's operating rules, IPS participants can be the NBS, a bank headquartered in Serbia and licensed by the NBS, the Ministry of Finance – Treasury Administration, a payment institution with the head office in Serbia and licensed by the NBS for the provision of payment services, an e-money institution with the head office in Serbia and licensed by the NBS for e-money issuance, and the public postal operator with the head office in Serbia.

A total of 109.3 mn payments worth RSD 1,393.8 bn were performed in the NBS IPS system in 2025. The average daily number of payments was 299,5 thousand and the average daily value of transactions RSD 3.8 bn. The average transaction execution time was 1.0 second. The fee for the execution of transfer orders in the NBS IPS system, charged by the NBS to participants in that system, is the same as the fee for retail payments in the NBS RTGS and clearing systems, equalling RSD 4 per order.

The fee for the execution of transfer orders based on requests for payment at a point-of-sale equals RSD 1 for amounts of up to RSD 600 and RSD 2 for amounts above RSD 600. These fees are charged to the acquirer – merchant's payment service provider.

The multilateral interchange fee is determined by the NBS IPS system operating rules and equals 0.2% of the value of an executed instant payment at a point-of-sale and is paid by the acquirer to the issuer of the IP payment instrument.

Systems of interbank and international clearing of foreign exchange payments

The interbank and international payments clearing systems enable euro payments between participants of these systems in Serbia, Bosnia and Herzegovina and Montenegro, on a multilateral net basis.

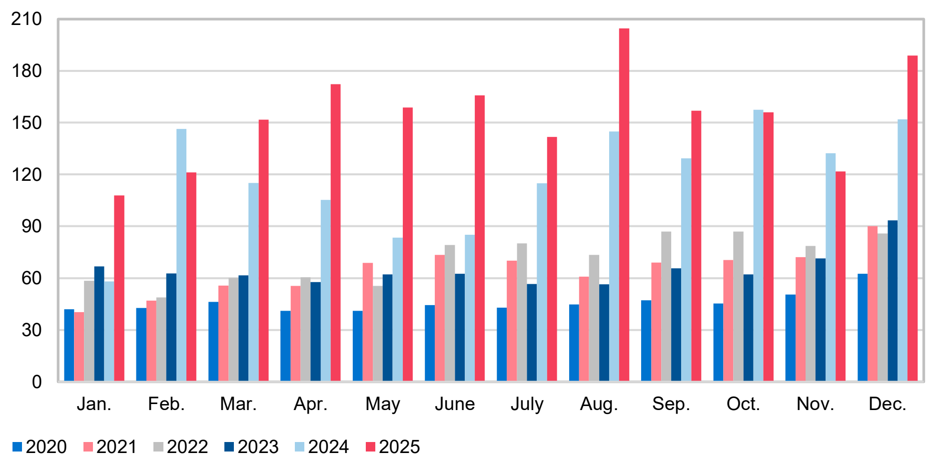
Table V.3.1.4 **Turnover and number of payments in interbank and international clearing**
(turnover in EUR mn)

2025	Number of business days	Number of payments	Daily number of payments	Value of turnover	Daily average turnover
January	20	3,450	172.5	107.9	5.4
February	19	4,627	243.5	121.2	6.4
March	21	5,169	246.1	151.8	7.2
April	20	5,285	264.3	172.2	8.6
May	20	5,206	260.3	158.7	7.9
June	21	5,168	246.1	165.7	7.9
July	23	5,479	238.2	141.6	6.2
August	21	4,831	230.0	204.7	9.7
September	22	5,045	229.3	156.9	7.1
October	23	6,423	279.3	156.0	6.8
November	19	5,549	292.1	121.7	6.4
December	23	7,103	308.8	188.8	8.2
Total	**252**	**63,335**		**1,847.2**	
		Monthly average: 5,277.9	**Daily average: 251.3**	**Monthly average: 153.9**	**Daily average: 7.3**

Source: NBS.

In 2025, a total of 63,335 payments worth EUR 1,847.2 mn were processed in these systems.

Chart V.3.1 **Turnover in interbank and international clearing**
(in EUR mn)



Source: NBS.

National payment card system – DinaCard

DinaCard is the national payment card of the Republic of Serbia, established with a view to developing cashless payment methods, reducing the volume of cash in money supply, providing cost-efficient card products for citizens and merchants, and curbing the grey economy. With the national card, banks can offer to their clients a payment card which can be used in the entire Serbian acceptance network. Special care was taken that the national card is accessible to citizens and merchants and that multilateral interchange fees are in accordance with law and conditions in the Serbian market. The DinaCard was modelled upon the national cards of the largest European countries where citizens dominantly use the national cards for reasons of economic prudence, as the preferred choice in terms of costs for the national economy. **The fees of the DinaCard national card system are multiple times lower than in other card systems in the Serbian market, which, among other things, brings down the costs of acquiring the national payment card for merchants, because the acquiring banks offer merchants a lower merchant fee for the DinaCard acquiring service**. Besides, national card systems are also important for the preservation of market competition, faster adjustment to the specific local market needs and financial inclusion.

In 2025, 232 mn transactions were carried out in the national card system (up by 16% from the previous year), with the turnover of RSD 1,197 bn (up by 16% from the previous year). Of this, 82% of transactions and 35% of turnover were recorded at points-of-sale (payments of goods and services), while the rest were cash withdrawal transactions. Interbank transactions accounted for 60% of total transactions and 30% of total turnover. At end-2025, there were 6.3 mn DinaCard payment cards issued in the market.

Since the introduction of contactless technology in the DinaCard system on 1 June 2024, until 2025, 42% of all DinaCards were contactless.

In 2025, cooperation with the Chinese national card scheme UnionPay International continued, enabling the acceptance of UnionPay payment cards at more than 94% of ATMs and 77% of POS terminals within the acceptance network in the Republic of Serbia. Activities related to the issuance of the joint DinaCard-UnionPay card with the contactless payment function continued. The card is accepted at all terminals in the country and the global UnionPay acquiring network. Banka Poštanska štedionica was the first to issue such cards. Other banks that make such decision can also issue these cards to their users.

As cooperation with Discover Financial Services (DFS) continued, the acceptance of cards from the DFS card system in Serbia was enabled in 2025. Banka Poštanska štedionica was the first bank to enable the acceptance of these cards in its acceptance network.

In 2025, the number of transactions of the "Withdraw dinars" service continued to rise, allowing dinar cash withdrawals at the time of purchase at points-of-sale ("purchase with cashback" service). The acceptance network for this service also continued to spread. This service is available at all petrol stations of NIS Petrol, ART Petrol, Gazprom, and OMV, as well as in Merkator, Roda, Maxi, iDEA Soulfood, PerSu and AD Podunavlje stores.

The online shopping network allowing payments with the domestic card continued to expand in 2025. At end-2025, the number of online merchants accepting the DinaCard increased by 11% relative to end-2024 and the domestic card was accepted at around 3,000 online points-of-sale.

In 2025, activities were implemented to enable reliable authentication of DinaCard users when making online payments in the country (3DS 2.0), after which banks started implementing this service.

Intensive use of interest-free deferred payment in instalments by users of DinaCard-PostCard issued by Banka Poštanska štedionica, and users of DinaCard Klasik issued by NLB Komercijalna banka, as well as users of DinaCard debit issued by Banca Intesa continued, with a constant rise in the number of transactions and the volume of turnover. The number of points-of-sale accepting this card at end-2025 measured around 17,000.

Regulatory activity

To align with Regulation (EU) 2024/886, amending certain provisions of the Second Payment Services Directive (EU) 2015/2366 (PSD2), Regulation (EU) 2021/1230 on cross-border payments in the European Union, Regulation (EU) No 260/2012 (SEPA Regulation) and Directive 98/26/EC on settlement finality in payment and securities settlement systems, the NBS conducted a compliance analysis and started preparing a working version of the draft Law Amending the Law on Payment Services. At the same time, the NBS will continue with the activities related to the analysis and implementation of the provisions of the Regulation on cross-border payments in the European Union into domestic legislation. While certain rules, such as those governing the transparency of currency conversion charges, have already been incorporated into the current Law on Payment Services, the full implementation of the remaining provisions is planned by end-2026, in line with the pace of the Republic of Serbia's accession to the European Union.

As a significant confirmation of the alignment of the Republic of Serbia's legislation with the European Union acquis in the field of payment services, on 22 May 2025 the **Republic of Serbia officially became the 41st member of the Single Euro Payments Area (SEPA)**. Serbia's accession to SEPA marks an important step in the country's economic integration with the European Union and the Western Balkan economies. It also represents one of the objectives of the initiative launched under the Berlin Process, aimed at reducing the cost of regional payments and preparing the region for accession to SEPA. This step completed the first phase of the accession process and the Republic of Serbia joined the group of countries and territories applying uniform standards for euro payments, creating new opportunities for citizens and businesses in the area of cross-border transactions.

The intensive reforms implemented by the NBS in recent years – ranging from the alignment of the legal framework with European Union legislation to the development of technological infrastructure, such as the NBS IPS system – laid the groundwork for the Republic of Serbia's accession to SEPA. At the same time, standards relating to consumer security and protection, as well as anti-money laundering and counter-terrorist financing standards, continue to be enhanced, strengthening the resilience of the financial system as a whole to external shocks.

Successful accession to SEPA will bring tangible and measurable benefits to the Republic of Serbia, including lower transaction costs, faster payment execution, greater confidence in financial institutions, and further impetus to the growth of e-commerce and the digital economy.

From a macroeconomic perspective, the Republic of Serbia's accession to SEPA represents a further step in the country's European integration, bringing Serbia closer to the European Union.

Following the Republic of Serbia's accession to SEPA, activities aimed at enabling payment service providers from the Republic of Serbia to join the SEPA Credit Transfer (SCT) scheme were intensified. As of 4 May 2026, payment service providers from the Republic of Serbia started operating under the SEPA schemes, i.e. executing SEPA payments.

In addition, in order to centralise the process and facilitate the coordination, monitoring of the progress of banks' accession, and reporting to the NBS on the status of banks in that process, the National Adherence Support Organisation (NASO) was established within the Association of Serbian Banks to communicate with the European Payments Council regarding the submission of applications for payment service providers' access to the SEPA payment schemes. The organisation is included in the official list of National Adherence Support Organisations (NASOs), published on the European Payments Council's website.

The NBS initiated activities for its accession to the SEPA Credit Transfer (SCT) scheme in euros, with the aim of enabling the execution of euro payment transactions for government payments within SEPA.

Payment system oversight

In the exercise of its oversight function, the NBS ensured safe and stable operation of all payment systems in the Republic of Serbia throughout 2025, enabling the smooth execution of payment transactions within those systems. This ensured the continuous availability of payment services to citizens and businesses based on various payment instruments – credit transfers, instant credit transfers, payment cards, direct debits and cheques – while preserving the efficiency and security of their use.

Oversight activities focused on monitoring the day-to-day operation of payment systems and their operators in order to identify potential risks in a timely manner and undertake coordinated measures to ensure the safe and stable operation of those systems.

In 2025, status changes and data migration to the core banking application were carried out at two major banks. These changes were implemented without disrupting the operation of the payment systems in which the banks concerned participate.

The regular quarterly reports of payment system operators confirmed the high operational reliability of all payment systems and showed that, in payment systems performing netting on the basis of transfer orders, there were no failures by participants to settle their net positions when due. In addition, the NBS conducted its regular annual oversight of payment systems operated by entities other than the NBS, focusing on compliance with capital maintenance requirements in accordance with the Law on Payment Services and the NBS bylaws.

The analysis of the submitted reports on the operation of payment systems showed that payment system operators manage risks effectively and comply with the requirements for ensuring the safe and stable operation of payment systems in accordance with the applicable regulations.

Within its oversight function, the NBS also carried out regulatory activities in 2025 aimed at improving the regulatory framework governing the oversight of payment systems. Amendments to the Decision prescribing detailed conditions and the manner of oversight of payment systems refined certain provisions relating to the oversight procedure, ensured terminological alignment and further specified the measures that the NBS may impose where irregularities in the operation of payment system operators are identified. The amendments are aimed at strengthening the efficiency and transparency of oversight procedures and aligning the secondary regulatory framework with the provisions of the Law Amending the Law on Payment Services in the area of oversight of payment systems.

To expand the availability of services based on instant payments, activities were undertaken in 2025 to enable payment institutions and electronic money institutions to join the NBS IPS system as indirect participants, in accordance with the conditions laid down in the operating rules of this payment system. Two electronic money institutions – LED Pay d.o.o. Beograd and Transaks d.o.o. Beograd – and two payment institutions – Dunav–Union d.o.o. Beograd and Vakel d.o.o. Šabac – became indirect participants, i.e. participants with indirect access, in the NBS IPS system. As a result, support for financial inclusion continued through greater availability of payment services based on instant payments, contributing to the development of the payments market by enhancing competition and fostering the development of innovative instant payment solutions.

As the oversight function also covers payment instruments, particular attention in 2025 was devoted to preparing payment service providers for access to the SEPA payment schemes, thereby creating the conditions for the efficient implementation of SEPA standards for the execution of payment transactions, primarily euro credit transfers within SEPA.

In 2025, the NBS continued activities related to the implementation of the project for the participation of Euroclear Bank SA/NV in the NBS RTGS payment system for the purpose of clearing and settlement of dinar government securities.

Through the exercise of its oversight function in 2025, the NBS ensured the resilience, safety and inclusiveness of payment systems in the Republic of Serbia. Through continuous monitoring, regular oversight, enhancement of the regulatory framework and support for innovation, the NBS strengthened public confidence in payment services and contributed to the development of a modern, secure and interoperable payment infrastructure.

Development of instant payments

The NBS continued to develop services based on instant payments and projects of support to the digitalisation process in Serbia, closely monitoring these projects within its oversight function in order to assess compliance of various technical and technological solutions with the pre-defined minimum requirements and standards – so that participants in the NBS IPS system could offer them to their payment service consumers.

At end-2025, 16 banks enabled the instant payment service at merchant points-of-sale and the payment of bills/invoices by scanning the NBS IPS QR code for their clients, citizens via mobile banking applications, while eight banks also enabled this service for legal persons and entrepreneurs. Twelve banks enabled the Transfer service, with money transferred simply by selecting the mobile phone number which the payee has registered for this service. In 2025, cooperation with Rakuten Viber continued through activities aimed at linking the functionalities of its application with the services of the NBS IPS system. In this regard, the technical documentation, which serves as the basis for integration, was also improved in order to enable banks to develop and adapt their own applications more efficiently with a view to providing enhanced services to users.

As for the provision of instant payment acceptance services at merchant points-of-sale, in 2025 six technical-technological solutions developed by banks for the acceptance of instant payments at points-of-sale were assessed as ready to be offered to merchants. At end-2025, a total of 11 banks were able to offer some of the technical-technological solutions for the acceptance of instant payments at merchant points-of-sale, including online points-of-sale. In 2025, the NBS continued its activities aimed at expanding the acceptance network and encouraging the use of instant payments at brick-and-mortar and online points-of-sale.

At end-2025, 14 banks enabled their clients to make payments at online points-of-sale using the upgraded IPS Scan method, which also includes deep-link technology. Also, six acquiring banks offer to their merchants the service of accepting payments at online points-of-sale using deep-link technology solutions.

The results of the expansion of the acceptance network in 2025 are reflected in a significant increase in the number of brick-and-mortar points-of-sale, as well as in the number of merchants accepting instant payments online. The number of transactions also increased considerably.

Payment institutions, e-money institutions and virtual currency service providers

As at 31 December 2025, six payment institutions, six e-money institutions and three virtual currency service providers operated in Serbia. Of this number, all payment institutions – five e-money institutions and the public postal operator provided payment services through agents. During 2025, 1,044 decisions were passed on entering agents in the register of payment institutions/e-money institutions/agents of the public postal operator kept by the National Bank of Serbia, 284 decisions on deleting agents from the register, as well as 517 decisions on re-registering agents (from the register of a payment institution to the register of an e-money institution due to the implementation of a status change procedure in the form of merger by acquisition).

In 2025, the NBS passed one decision rejecting the application for the licence to issue electronic money, one decision rejecting the application for the licence to provide payment services, and one decision revoking the licence to issue electronic money upon the application submitted by an e-money institution. One positive opinion was also issued regarding the acquisition of a qualifying holding in a payment institution, and one decision was passed rejecting the application for prior consent to acquire a qualifying holding in an e-money institution. In relation to the operations of virtual currency service providers, one decision was passed granting the licence to provide virtual currency services, as well as one decision dismissing the application for the licence to provide virtual currency services. Four decisions were also passed granting prior consent to amendments to the general acts (operating rules and articles of association) of virtual currency service providers, one decision granting prior consent in relation to the appointment of a manager at a virtual currency service provider, and one decision rejecting the application for prior consent to acquire a qualifying holding in a virtual currency service provider. In addition, as one of the competent authorities responsible for supervising the implementation of the provisions of the Law on Digital Assets, in 2025 the NBS undertook activities and prepared several submissions and opinions concerning the application of this Law and the regulations adopted thereunder, in the part relating to virtual currencies as a type of digital assets.

In addition to the above, documentation concerning the introduction of video identification at one e-money institution and one virtual currency service provider was analysed. Documentation was analysed concerning changes in members of managing and governing bodies, or persons directly responsible for managing payment service provision and electronic money issuance, which was approved for four supervised entities, as well as submitted notifications by payment institutions, e-money institutions and virtual currency service providers concerning the introduction of new business models. Submitted notifications and reports by payment institutions, e-money institutions and the public postal operator were also analysed in relation to the performance of outsourced banking activities, together with the analysis of part of the documentation concerning the onboarding and access of these institutions to the NBS IPS payment system. The NBS participated in numerous activities aimed at enhancing the system for combating money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction, as well as in activities relating to the implementation of the Law on Digital Assets (workshops, seminars, training sessions, presentations, checks of unauthorised provision of virtual currency services, acting on citizens' reports concerning the use of virtual currency services, preparing responses to journalists' questions and cooperation with the Securities Commission), in connection with which certain internal acts concerning the granting of licences and consents by the NBS were also updated.

On-site and off-site supervision of payment service provision, e-money issuance and virtual currency service provision

In 2025, based on the Law on Payment Services and the Decision on Detailed Conditions and Manner of Supervision of Payment Institutions, Electronic Money Institutions and the Public Postal Operator, the NBS passed three decisions initiating on-site supervision of the operations of payment institutions and e-money institutions in the part relating to the management of money laundering risk, terrorist financing risk and the risk of financing the proliferation of weapons of mass destruction. Since deficiencies and irregularities in the application of regulations were identified during the supervision procedures, the NBS undertook corrective measures, i.e. sanctions by passing: one decision revoking the licence to provide payment services, one decision extending a temporary measure concerning the suspension of payment service provision, and one decision imposing orders and a fine on a virtual currency service provider. Two on-site supervision procedures were conducted of the operations of a payment institution and an e-money institution in the part relating to the management of the risk of financing the proliferation of weapons of mass destruction and terrorist financing risk. To ensure that supervisory information remains up to date, the questionnaire forms used to collect relevant data on activities relating to the prevention of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction from supervised entities – payment institutions, e-money institutions, the public postal operator and virtual currency service providers – were improved.

Off-site supervision activities concerning payment service providers, e-money issuers and virtual currency service providers continued to be carried out through the analysis of reports, questionnaires, submitted data and information, as well as through the monitoring of other available information and data. In 2025, ongoing checks of unauthorised provision of virtual currency services continued.

V.4 Other activities

V.4.1 Economic analysis and statistics

Economic analysis and research

The objective of **economic analyses** at the NBS is to provide analytical support to the Executive Board and the Council of the Governor in their decision-making within their respective domains and in compiling consistent, high-quality and reliable analyses and macroeconomic projections.

In the field of inflation analysis and short-term projections, the greatest focus continued to be placed on the analysis of cost-push pressures (the effects of the drought in the domestic and international markets, reflected primarily in a marked increase in fruit and vegetable prices) and imported inflation, which, together with an increase in services prices within core inflation, were the main generators of inflationary pressures in 2025. The NBS continued to actively monitor and analyse the price formation chain – from raw material prices through industrial producer prices to consumer prices. Particular attention was devoted to the effects of the Decree on Special Conditions for Trade in Certain Types of Goods, which capped wholesale and retail trade margins for a six-month period starting from September 2025. In addition, the results of **inflation expectations surveys** were analysed and the NBS continued to publish the monthly ***Report on the Results of the Inflation Expectations Survey***, which helps strengthen the credibility and transparency of monetary policy.

Short-term inflation projections were made on a monthly basis, together with the analysis of factors leading to deviations from the medium-term projection. For the purposes of inflation projections, expert judgement was used, as well as econometric models developed in previous years and adjusted for the short-term projection of different indicators of core inflation.

Activities aimed at improving **big data collection and processing** techniques stepped up. Based on the daily collection of prices from the internet, whereby more than 30,000 product and service prices from around 130 websites were collected and processed, inflation movements were estimated in real time on a daily basis. These estimates served as an input for short- and medium-term projections, as well as an auxiliary instrument in monetary policy decision-making. In addition, various textual analysis methods (word counting, thematic classification and sentiment analysis) were used to construct indicators of inflationary pressures and the overall economic sentiment.

Medium-term inflation projections were prepared quarterly, together with a detailed analysis of the main risks and their impact on monetary policy. Further efforts were made to improve the NBS's main model through regular reviews of its structure and the reassessment of model parameters in order to enhance projection accuracy and overall model reliability.

The heightened uncertainty caused by geopolitical tensions required that particular attention be devoted to the development of alternative medium-term projection scenarios.

During 2025, work commenced on a new model of simultaneous calibrated equations combining the key sectors of the economy and their interdependence, with the objective of providing a consistent assessment of the overall macroeconomic framework.

In the **real sector**, the focus was on analyses, projections, and the annual and quarterly GDP growth structure, on the production and expenditure side. As in the case of inflation projections, expert judgement and econometric models were used, while particular attention was devoted to the development and improvement of GDP nowcasting models. Activities were undertaken to analyse, develop and improve alternative models for short-term GDP projections (DFM, Bridge and MIDAS), using high-frequency data to enhance the assessment of current macroeconomic developments. The models integrated a broad range of data: monthly indicators of economic activity and economic sentiment, Google Trends search data, as well as data from monetary and financial statistics, the balance of payments and public finances. In the area of the **labour market**, the NBS continued to monitor and analyse all available indicators, placing particular focus on their impact on inflation on the demand side and the cost component of inflation (productivity and unit labour costs). Early indicators of labour market developments were also developed on the basis of online job advertisements.

With regard to balance of payments developments, the NBS continued to prepare analyses and projections of the current and financial account components. Within the current account, particular attention was paid to foreign trade developments, notably the dynamics, structure and drivers of goods and services exports and imports, as well as the terms of trade. To estimate export growth more accurately, particular emphasis was placed on analysing Serbia's key export industries, such as the automobile industry, tyre manufacturing, food production and base metals, while special attention was devoted to the petroleum products industry in light of the operational difficulties experienced by NIS during Q4 2025. Particular emphasis was also placed on the importance of FDI in expanding and strengthening the country's export base. The country's international investment position, i.e. the balance of foreign assets and liabilities, was analysed and assessed from the aspect of external debt sustainability and the preservation of financial stability.

The NBS also carefully analysed developments in the money, lending and capital markets, as well as banking sector liquidity. Based on these developments and other macroeconomic indicators, monetary projections (of loans and money supply) were prepared. By monitoring interest rate movements in the money, lending and savings markets, the effects of NBS monetary policy easing, initiated in June 2024, as well as the **efficiency of the monetary policy transmission mechanism**, were assessed. In addition, the quarterly *Bank Lending Survey* continued to be conducted, with the results published at the same frequency in the ***Report on the Results of the Bank Lending Survey***. A more detailed insight into credit market developments (including borrowing conditions for businesses and households) was presented in the quarterly ***Trends in Lending*** report.

In terms of fiscal developments, the NBS continuously monitored the execution of the central government and consolidated budget, public debt and the monetary effect of fiscal policy. Particular attention was devoted to capital investment, primarily projects planned within the new government investment cycle, from the standpoint of their impact on investment activity and construction in the short and medium term. The NBS also prepared expert opinions on the government's key fiscal documents – the Fiscal Strategy, the Budget Law Proposal and a set of laws governing the budget system, as well as opinions on a number of other legislative proposals from the perspective of their impact on price and financial stability and economic activity.

In analysing developments in the international environment during 2025, particular attention was focused on the effects of heightened trade tensions following the announcement and subsequent introduction of higher tariffs by the United States. Uncertainty increased significantly due to the difficulties in assessing the direct and indirect effects of higher tariffs on global trade, investment activity, global supply chains, price developments and the pace of global economic growth. Consequently, particular attention was devoted to monitoring the reactions of international financial markets, revisions of projections by relevant international institutions and the potential effects of these measures on global economic activity and inflation, particularly in the euro area and countries in the region. Another important aspect of the analyses concerned developments in the international commodity market (movements in the prices of energy, primary agricultural commodities, metals and other industrial raw materials), as well as developments in global financial markets, including exchange rate movements among the world's leading currencies. The monetary policies of other central banks were also monitored and analysed, particularly those operating under the same monetary policy regime as the NBS.

The *Inflation Report*, the principal means though which the NBS informs the public about economic developments, presented analyses and projections of macroeconomic trends that are also a key basis for the Executive Board's decision-making process. In 2025 as well, the public was informed on a quarterly basis primarily about current and expected inflation, the analysis of the underlying macroeconomic developments, the rationale behind the Executive Board's decisions, as well as the assessment of the effectiveness of monetary policy implemented during the previous quarter. The *Report* also presented in detail the inflation and GDP projections for the subsequent eight quarters, the assumptions underpinning the projections, and an analysis of the main risks surrounding the projections.

As in the previous period, particular attention in the *Inflation Report* was devoted to **current macroeconomic issues presented in text boxes**. During 2025, these covered the distribution of price growth within the consumer basket, the phenomenon of "cheapflation", the effects of adverse weather conditions on the supply and prices of fruit and the stability of the food market as a prerequisite for price stability, the effects of the Decree on Special Conditions for Trade in Certain Types of Goods on reducing consumer prices, the extent of cost pass-through to prices along the industrial food chain, the effects of the NBS's decision to cap interest rates, the Law on the Protection of Financial Service Consumers and measures enabling more favourable lending conditions for lower-income citizens, assessments of potential output, challenges facing the European automobile industry and their implications for Serbia, analysis of balance of payments developments, Serbia's Maastricht debt, as well as global protectionism and its effects, the resilience of regional economies, and the future direction of central bank monetary policies. Each *Inflation Report* also contained a dedicated text box presenting alternative scenarios for inflation and GDP projections, in line with international best practice, facilitating a clearer assessment of risks and possible paths of inflation and economic activity.

The NBS's macroeconomic analyses and projections were also presented in the documents prepared by the Republic of Serbia for the purposes of monitoring progress in the EU accession process. These analyses were discussed in detail at meetings with the IMF, World Bank, European Commission, ECB, rating agencies, investors etc.

Statistical activities

The NBS produces official statistics in accordance with the Law on Official Statistics, Article 68 of the Law on the National Bank of Serbia, as well as the five-year statistical programme and annual plans. Data are collected, verified, processed and published for different statistical fields (monetary and financial statistics, balance of payments statistics and international investment position statistics, as well as government finance statistics). The data obtained through these processes are publicly available and are used by the NBS in preparing reports and analyses, as well as by other government institutions, participants in domestic and international financial markets, domestic and international financial institutions, research institutes, the media and the general public.

As part of the coordination of statistical development, the NBS continued its cooperation during 2025 with other official statistics producers and government institutions by participating in the preparation of the Official Statistics Plan for 2026 and in the process of aligning Serbian statistics with EU statistical standards and requirements.

In cooperation with the Serbian Statistical Office, the NBS continued to regularly update the National Summary Data Page (NSDP) for the Republic of Serbia within the e-GDDS statistical standard. Furthermore, throughout 2025 the NBS participated in the project coordinated by the Statistical Office relating to the calculation of the United Nations Sustainable Development Goals (SDGs) indicators and the Macroeconomic Imbalance Procedure (MIP), providing the relevant data and metadata within its area of competence.

The NBS participated in the MB IPA 2019 and MB IPA 2022 projects, supporting further development of government finance statistics and Excessive Deficit Procedure (EDP) reporting. In addition, it remained involved in the project aimed at strengthening external sector statistics capacities for the Western Balkan economies, initiated by the IMF and financed under IPA 2017.

The regular collection, processing and publication of **monetary and financial statistics** continued in accordance with the data publication calendar. To improve the quality of reporting in this area and broaden the scope and content of statistical reports prepared by the NBS within its remit, a new regulation governing interest rate statistics was adopted in November 2025. The new regulation enhanced the analytical value of the data and enabled a higher quality assessment of the implementation and effects of measures relating to interest rate caps. Regular reporting to international institutions, such as the IMF, BIS and Eurostat, also continued. Further alignment with ECB regulations in the field of monetary and financial statistics was stepped up, accompanied by regular monthly reporting on interest rates.

The regular compilation and publication of **balance of payments and international investment position statistics** also continued, together with the submission of statistical data to international institutions in accordance with the reporting obligations undertaken. In line with the major revision of the System of National Accounts, work continued on the compilation of balance of payments statistics in accordance with the BPM6 methodology for the period prior to 2007, together with the revision of balance of payments data, which were submitted to the Serbian Statistical Office in accordance with the agreed reporting schedule.

In the field of government finance statistics, activities continued with regard to Excessive Deficit Procedure (EDP) reporting, which, in cooperation with the Statistical Office, is submitted to Eurostat in April and October. Owing to cooperation with competent national institutions, the NBS continued to submit quarterly data to Eurostat on the Maastricht debt of the Republic of Serbia, while data on the debt level according to the Maastricht criteria are published on the websites of both the NBS and the Ministry of Finance – Public Debt Administration. In addition, owing to cooperation with relevant institutions, since 2024 the NBS has also reported to Eurostat on quarterly financial accounts and the annual structure of the general government debt for the period from 2020 onwards. These activities constitute an important part of aligning Serbia's statistical framework with European practice and represent a necessary step in the country's EU accession process. The NBS also continued to submit quarterly data to the World Bank and the IMF on the debt position of the Republic of Serbia's budget under securities and loans.

V.4.2 International cooperation

Relations with international institutions and the European Union

In 2025, the NBS continued its successful cooperation with international financial institutions, most notably the IMF, World Bank, EBRD, BIS and EU.

International Monetary Fund

During 2025, two reviews of Serbia's performance under the agreed economic programme supported by the Policy Coordination Instrument (PCI), approved to Serbia on 9 December 2024 for a period of 36 months, were successfully completed. This advisory instrument is intended for countries pursuing robust and credible economic policies and does not involve the use of IMF financial resources.

Discussions between representatives of the Republic of Serbia and the IMF mission in the context of the **first review of the agreed economic programme were held in Belgrade from 28 May to 11 June**. At the same time, consultations under Article IV of the IMF Articles of Agreement were conducted, as part of the IMF's regular surveillance function applicable to all member countries.

On 30 June, the IMF Executive Board adopted the decision on the successful completion of the first review of the economic programme supported by the PCI and concluded the 2025 Article IV consultations with the Republic of Serbia. It confirmed that all measures under the PCI were being implemented in accordance with the agreed economic framework.

The IMF mission visited Belgrade from 22 to 30 October as part of the second review of the current PCI-supported programme. During the mission, current macroeconomic developments, the outlook for economic growth and potential risks in the period ahead were discussed, together with key issues relating to programme implementation and progress in carrying out structural reforms. Particular attention was devoted to preserving macroeconomic and financial stability, as well as to continuing policies aimed at supporting sustainable economic growth.

At its meeting held on 17 December, the IMF Executive Board decided on the successful completion of the second review of the PCI-supported programme. The IMF assessed that, through the successful conduct of macroeconomic policy, Serbia built up buffers enabling it to respond effectively to current challenges. It emphasised that the continued implementation of prudent policies is essential for preserving policy credibility going forward. The high level of FX reserves, substantial government deposits, together with a resilient and well-capitalised banking sector, provide important support for safeguarding macroeconomic and financial stability.

Serbia's delegation, headed by NBS Governor and Serbia's Governor to the IMF Jorgovanka Tabaković, participated in the IMF and World Bank Group Spring Meetings, held in Washington from 21 to 26 April 2025. The key topics discussed included current global economic developments and challenges, as well as the outlook for the period ahead and adequate economic policy measures. The Serbian delegation held bilateral meetings with representatives of leading international financial institutions, numerous investors and strategic partners.

The Annual Meetings of the IMF and World Bank Group were held in Washington from 13 to 18 October 2025. It was emphasised that the global economy was undergoing a profound transformation characterised by rapid shifts in economic policies, the establishment of new rules governing economic cooperation and a reassessment of existing partnerships. Attention was drawn to the need for timely and decisive action to address the challenges associated with subdued economic growth and elevated public debt, alongside the implementation of lasting structural adjustments aimed at building fiscal buffers and ensuring long-term debt sustainability. Such transformations and structural adjustments are also necessary in light of climate change, digitalisation and the increasingly widespread application of artificial intelligence.

The IMF requested **the Republic of Serbia's support for participation in the initiative to provide additional financing for the Poverty Reduction and Growth Trust (PRGT)**. In order to establish a sustainable framework for the provision of concessional financing amounting to SDR 2.7 bn annually, the IMF envisaged increasing subsidy resources under the PRGT by SDR 6.9 bn through the multi-year distribution of net income or reserves from the IMF's General Resources Account (GRA). At its meeting held on 5 June 2025, the Serbian Government adopted the Conclusion **supporting the IMF initiative by agreeing that Serbia's entire allocated share (estimated by the IMF at around SDR 9.5 mn) be transferred to the PRGT**.

World Bank

From March 2002 until end-2025, the World Bank approved programme and project loans to Serbia amounting to EUR 4.12 bn, of which EUR 3.41 bn was disbursed. The implementation of the five-year Country Partnership Framework (CPF) 2022–2026 is underway.

Within the current cooperation programme, the World Bank approved the following loans to Serbia during 2025: the Second Serbia Green Transition Programmatic Development Policy Loan, amounting to USD 160 mn, to support the country's efforts to align fiscal management with climate-related objectives and accelerate transition to clean energy; the Inclusive Primary Education Improvement Project, worth USD 75 mn; and the Tax Administration Modernization Project, amounting to USD 30 mn.

On 27 May 2025, the NBS and the World Bank organised the international workshop "Technical and Legal Aspects of Connection to SEPA Schemes" in Belgrade, which was opened by NBS Governor Jorgovanka Tabaković. The aim of the workshop was to familiarise banks and other payment service providers from Serbia with the key technical and legal aspects of joining SEPA.

European Union

In 2025, the NBS remained actively engaged in Serbia's EU accession process by participating in the work of the negotiating groups which it chairs or is the second-lead institution, as well as in all other negotiating groups in which it participates as a member. NBS representatives made a significant contribution to the preparation of documents and materials relevant for the continued fulfilment of obligations arising from the accession process.

The NBS's contribution to Serbia's path towards full EU membership was also recognised in the **2025 *Progress Report***, published on 4 November as part of the Enlargement Package. In the section concerning the economic criteria for EU membership, the *Report* noted, inter alia, that Serbia made good progress in achieving a sufficiently restrictive monetary policy stance and that the stability of the banking sector was preserved, while macroprudential indicators remained favourable.

As regards the ability to assume the obligations of EU membership under Chapter 9 – Financial services, the European Commission noted that some progress was achieved, particularly through the adoption of the Law on Amendments and Supplements to the Law on Banks, aimed at further alignment with the Capital

Requirements Regulation (CRR 2), Capital Requirements Directive (CRD 5) and Bank Recovery and Resolution Directive (BRRD). It also observed that preparations for alignment with the Solvency II Directive were ongoing. Furthermore, in the section relating to Chapter 17 – Economic and monetary policy, the European Commission concluded that the institutional framework in the area of monetary policy was established and that the legal framework was largely aligned with the EU acquis. It also noted that the adoption of the Law on Amendments and Supplements to the Law on the National Bank of Serbia represented a further step towards alignment with the EU acquis. With regard to Chapter 4 – Free movement of capital, the European Commission stated that Serbia made some progress through the adoption of several regulations amending the legal framework governing the prevention of money laundering and terrorist financing, as well as through the adoption of bylaws in the area of payment services, thereby further improving alignment with the EU acquis.

NBS representatives participated in the work and preparation of materials for meetings of the bodies established to monitor the implementation of the **Stabilisation and Association Agreement** – the Subcommittee on Economic and Financial Issues and Statistics, Subcommittee on Internal Market and Competition, and Stabilisation and Association Committee.

The NBS also made a significant contribution to the preparation of the **Plan for Meeting the Key Obligations under the Republic of Serbia's EU Accession Negotiations by the End of 2026**, a document defining a clear strategic roadmap for fulfilling the country's key obligations. In line with the accelerated pace of legislative alignment, the NBS's regulatory activities during 2025 in the areas of financial services, monetary policy and the protection of financial service consumers represented an important step towards full alignment with the EU acquis and the fulfilment of the remaining obligations under the accession process.

Implementation of the regional IPA project

The second phase of the regional IPA "Programme for Strengthening the Central Bank Capacities in the Western Balkans with a view to the Integration to the European System of Central Banks" was successfully completed in September 2025.

During 2025, the remaining four seminars were held, covering the areas of financial stability, central bank governance, cash management and bank supervision (on-site), as well as the final high-level governance workshop.

Activities relating to the implementation of two NBS bilateral measures concerning the protection of financial service consumers and bank resolution, were also completed.

In addition, during 2025 three staff secondments were successfully carried out: at the Bank of Italy, focusing on payment systems; at the Bank of Spain, with emphasis on its role in cooperation with international financial institutions; and at the Bank of Portugal, focusing on the protection of financial service consumers.

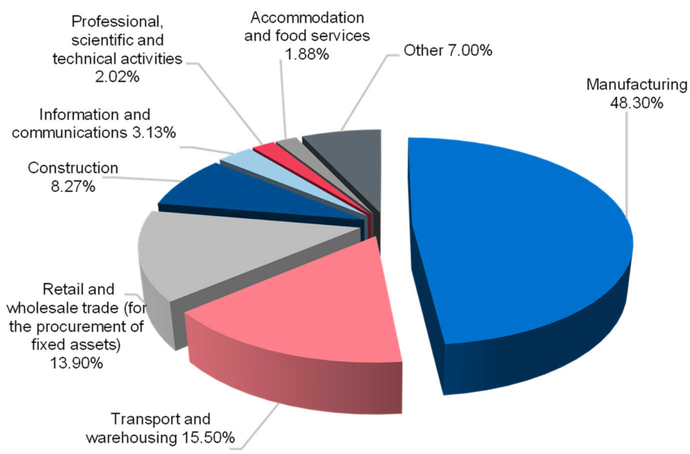
The final meeting of the Project Steering Committee was held on 4 September. As regards the NBS, it was noted that all project activities were planned and implemented in a timely manner, and great satisfaction was expressed with the cooperation between NBS representatives and their counterparts from the national central banks of the European System of Central Banks (ESCB).

Revolving Fund of the Republic of Serbia

During 2025, the resources of Serbia's Revolving Fund (initially an EU grant) continued to be used to finance SMEs and entrepreneurs. During the year, nine loans amounting to EUR 0.8 mn were disbursed.

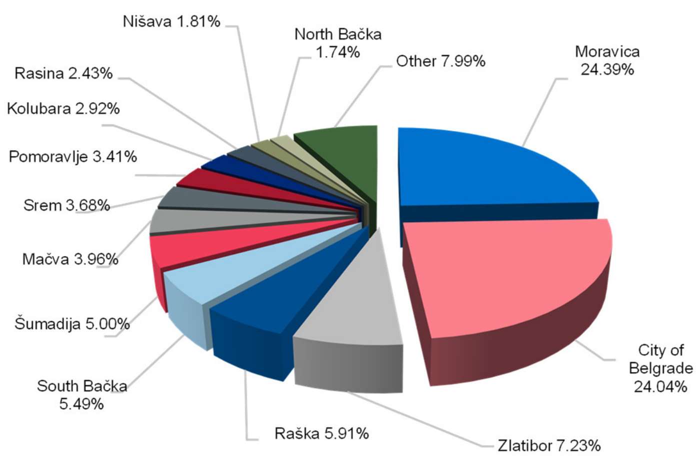
To date, 1,439 loans amounting to EUR 146.2 mn have been disbursed through 13 intermediary banks, with the planned creation of 3,275 jobs.

Chart V.4.2.1 **RS Revolving Credit Fund – classification of activities**
(as at 31 December 2025)



Source: NBS.

Chart V.4.2.2 **RS Revolving Credit Fund – territorial breakdown**
(as at 31 December 2025)



Source: NBS.

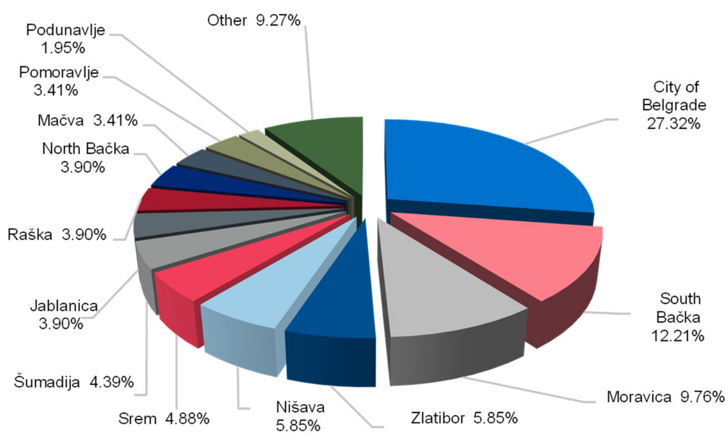
In 2025, the supervision of the use of funds under loans approved to final beneficiaries from the Revolving Fund covered 11 loans disbursed through three intermediary banks, and it was **established that all funds were used for their intended purposes**.

European Investment Bank

From 2001 until end-2025, the **EIB provided financial support to the public and private sectors of the Republic of Serbia amounting to EUR 7.38 bn, of which EUR 5.93 bn was disbursed**. Priority areas included infrastructure and credit lines for SMEs.

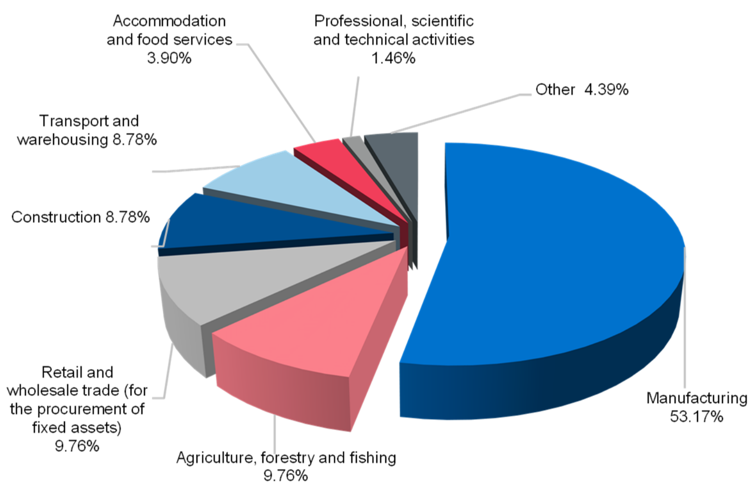
Under five Apex loans for SMEs, entrepreneurs and the local self-government, EUR 857.06 mn was disbursed.

Chart V.4.2.3 **Disbursement of Apex loan IIIB – territorial breakdown** (as at 31 December 2025)



Source: NBS.

Chart V.4.2.4 **Disbursement of Apex loan IIIB – classification of activities**
(as at 31 December 2025)



Source: NBS.

The second tranche of the last, fifth Apex loan for SMEs and Other Priorities III-B, amounting to EUR 150 mn, was implemented in the amount of EUR 144.3 mn through 23 tranches for 146 projects (including reallocations), with the planned creation of 1,374 jobs.

The ten intermediary banks participating in the implementation of this loan may continue to use the disbursed funds, through re-employment, for financing new projects until December 2032. By end-2025, EUR 34.2 mn was re-employed through 59 loans, with the planned creation of 407 jobs.

In 2025, monitoring of the intended use of funds under EIB Apex loans covered ten loans disbursed through five intermediary banks, and it was established that all funds were used for their intended purposes.

European Bank for Reconstruction and Development

The EBRD has been providing support to the Republic of Serbia since 2001. As at 31 December 2025, loans worth EUR 10.51 bn were approved, of which EUR 8.66 bn was disbursed. Significant funds were approved for infrastructure projects, support to financial institutions, support to economic activity, projects in the energy sector, as well as environmental protection programmes.

Cooperation with the EBRD is implemented within the framework of the EBRD Serbia Country Strategy 2023–2028, adopted in December 2023. The EBRD's priorities for Serbia under this Strategy are: (1) accelerating green energy transition; (2) enhancing private sector competitiveness, productivity and access to finance; and (3) financing sustainable infrastructure and strengthening regional connectivity.

The presentation of the EBRD Transition Report 2024–2025, entitled "Navigating industrial policy", was held at the NBS on 26 March 2025. The event was opened by NBS Governor Jorgovanka Tabaković.

Bank for International Settlements (BIS)

The NBS is a member of the BIS and holds 2,920 shares in this oldest international financial institution.

In June 2025, Governor Jorgovanka Tabaković participated in the 95th BIS Annual General Meeting, at which the work of the BIS Board of Directors during the previous financial year was presented and future activities and plans were discussed.

In November 2025, Governor Jorgovanka Tabaković participated in the three-day Executive Forum on Gold Reserve Management, organised jointly by the BIS and the World Gold Council (WGC), one of the world's most prominent forums devoted to the role of gold in monetary and financial systems. The Forum, which traditionally brings together senior representatives of central banks, international financial institutions and leading experts from the global gold market from more than 40 countries, was distinguished by the fact that the NBS Governor was the only central bank governor invited to address the participants. This was significant recognition for Serbia and confirmed the successful cooperation between the NBS and the BIS in the area of gold purchases in the international market.

NBS's membership in the Network for Greening the Financial System

The NBS is a member of the Network for Greening the Financial System (NGFS), an international group of central banks and supervisors. In December 2025, the network comprised 149 members from more than 90 countries and 24 observers, including the world's leading central banks and international financial institutions.

NBS representatives participate in the NGFS Annual Plenary Meetings, as well as in the work of its working groups and expert networks. They regularly take part in webinars and thematic meetings in the field of green finance organised by the NGFS and its partner institutions.

NBS Governor Jorgovanka Tabaković played a prominent role at the NGFS Annual Meeting with European plenary members and observers, held in Amsterdam on 3 September 2025, where she highlighted the key challenges and priorities in the area of climate risk management.

In her address, Governor Tabaković stressed that, in an environment of increasingly pronounced climate risks, it is essential to set ambitious while at the same time realistic and achievable objectives and to ensure that they are understood and supported by the real sector and society as a whole. She particularly emphasised that sustainable results require coordinated action by all stakeholders – institutions, businesses and individuals – accompanied by a clear understanding of the impact of climate change on economic growth, inflation and living standards.

The Governor's address attracted considerable attention from the participants and received particular recognition from Sabine Mauderer, Chair of the NGFS, who highlighted Governor Tabaković's influence in the region of Eastern and Southeastern Europe.

Bilateral financial cooperation

The NBS prepared numerous briefs within its remit concerning various aspects of the Republic of Serbia's cooperation with other countries (information on bilateral financial cooperation, together with overviews of goods trade and trade in services by year).

The NBS also organised numerous preparatory meetings for Serbia's newly appointed ambassadors extraordinary and plenipotentiary.

Representatives of the Swiss National Bank visited the NBS from 5 to 6 March 2025 to attend the annual meeting between representatives of the two institutions responsible for international cooperation. The meeting highlighted the excellent institutional cooperation between the two central banks, headed by Governors Jorgovanka Tabaković and Martin Schlegel. Discussions focused on current central banking issues from the perspective of international cooperation, relations with the IMF, including cooperation within the joint IMF Constituency, the priority activities of the organisational units responsible for international cooperation in the period ahead, as well as technical cooperation.

On 1 April 2025, NBS Governor Jorgovanka Tabaković met with Anne Lugon-Moulin, Ambassador of the Swiss Confederation to the Republic of Serbia. During the meeting, Governor Tabaković underlined the importance of Switzerland as one of Serbia's most significant economic partners in terms of trade, foreign investment, support for innovation and development projects, while also referring to the historical dimension of relations between the two countries, as well as their diversity and long-standing character.

During the Annual Meetings of the IMF and World Bank Group held in Washington in October 2025, a bilateral meeting took place between NBS Governor Jorgovanka Tabaković and Swiss National Bank Governor Martin Schlegel.

On 4 April 2025, NBS Governor Jorgovanka Tabaković held a bilateral meeting with Robert Holzmann, Governor of the Oesterreichische Nationalbank. Governor Holzmann's first visit to the NBS marked further strengthening of the excellent bilateral relations between the two central banks. The meeting was also attended by Christian Ebner, Ambassador of Austria to the Republic of Serbia. During the meeting, views were exchanged on current issues in an environment of slowing global economic growth, including the impact of increasing protectionism worldwide on prices, employment and the conduct of monetary policy. Particular recognition was given to the NBS's contribution to creating a favourable investment climate and business environment for Austrian companies interested in investing in Serbia.

The governors discussed issues that have shaped the global macroeconomic environment for many years, concluding that global uncertainty further underscores the importance of preserving stability. Among the main topics discussed were the relative stability of the domestic currency as a pillar of macroeconomic stability, the importance of maintaining a high level of FX reserves, particularly as a safeguard against external shocks, gold reserves as a safe-haven asset in times of uncertainty, and changes in the labour market driven by demographic developments and the increasing use of artificial intelligence.

In November 2025, NBS Governor Jorgovanka Tabaković met with Anke Konrad, Ambassador of the Federal Republic of Germany to the Republic of Serbia, as part of the continuation of the dialogue on economic issues initiated in March 2024.

During 2025, the NBS participated in the preparation of materials within its remit for the meetings of the intergovernmental commissions on trade and economic cooperation between the Republic of Serbia and the Republic of Belarus, Republic of Kazakhstan, Republic of Azerbaijan, Swiss Confederation, Russian Federation, People's Republic of China and Republic of Georgia.

V.4.3 Foreign exchange operations and foreign credit relations

Foreign exchange operations

Pursuant to the Decision on Terms and Conditions under Which Residents May Hold Foreign Exchange in Bank Accounts Abroad, during 2025 a total of 620 decisions were adopted permitting residents to hold foreign exchange in bank accounts abroad. Of these, 252 decisions concerned the financing of investment works abroad in the amount of EUR 75 mn, 337 related to the payment of current expenses of representative offices/branches abroad and services in international goods and passenger transport amounting to EUR 18 mn, 20 concerned the collection of tax refunds generated abroad in the amount of EUR 4.4 mn, eight related to research activities abroad in the amount of EUR 6.3 mn, one concerned the use of a foreign financial loan intended for payments abroad in the amount of EUR 2.7 mn, one related to the settlement of liabilities abroad arising from trading in energy products and the balancing responsibility of participants in the energy transport system in the amount of EUR 0.5 mn, and one concerned payments for the purchase of securities abroad in the amount of EUR 23.5 mn.

During the same period, 75 opinions concerning the application of FX regulations were prepared at the request of legal and natural persons.

Supervision of foreign exchange operations

During 2025, the NBS initiated on-site supervision procedures in respect of 32 residents to verify and establish the legality and regularity of FX operations in accordance with the relevant regulations. A total of 32 reports on the completed on-site supervision of FX operations were prepared, together with 14 reports on the inability to carry out supervision due to the residents not being at the address recorded in the business register kept by the Business Registers Agency. One or more violations of the regulations governing FX operations were established in 29 reports. In carrying out on-site supervision of FX operations, the NBS continued to cooperate actively with the Ministry of the Interior – Criminal Police Directorate, Service for Combating Organised Crime, Prosecutor's Office for Organised Crime, Republic Public Prosecutor's Office, Customs Administration and Administration for the Prevention of Money Laundering of the Ministry of Finance, with a view to exchanging information and undertaking coordinated activities aimed at protecting the financial and economic system against the risk of money laundering and other unlawful activities in financial and business operations.

The NBS also carried out 26 off-site supervisions of FX operations, resulting in the preparation of 24 reports identifying one or more breaches of the regulations governing FX operations. Two official notes were also prepared. In addition, one report on the inability to carry out supervision was prepared because the supervised entity failed to submit the requested data and documentation.

Supervision of exchange operations

During 2025, the NBS initiated on-site supervision of exchange operations at 129 exchange offices operated by authorised exchange dealers in order to verify and establish the legality and regularity of exchange operations in accordance with the regulations governing exchange operations, including regulations on the prevention of money laundering and terrorist financing in exchange operations, as well as regulations governing the freezing of assets for the purpose of preventing terrorism and the proliferation of weapons of mass destruction. A total of 138 reports were prepared on the completed on-site supervision of exchange operations performed by authorised exchange dealers. In 121 reports, violations of the regulations governing exchange operations and/or the prevention of money laundering and terrorist financing were established. The NBS adopted 35 decisions ordering authorised exchange dealers to eliminate the identified unlawful acts or irregularities in the conduct of exchange operations. Furthermore, owing to the irregularities identified in exchange operations, the NBS adopted ten decisions imposing supervisory measures on the supervised entities (temporary revocation of the authorisation to perform exchange operations, an order to eliminate the irregularities or align operations with the applicable regulations, or permanent revocation of the authorisation to perform exchange operations). Fines amounting to RSD 1,860,000 were imposed in three of these cases.

The NBS also initiated three procedures to verify suspected unauthorised exchange operations, resulting in the preparation of three reports. One report established reasonable grounds to suspect that a resident was performing exchange operations without authorisation.

The NBS carried out 192 off-site supervisions of exchange operations in order to verify and establish the legality and regularity of exchange operations in accordance with the applicable regulations, as well as in connection with requests submitted by authorised exchange dealers for the permanent cessation of exchange operations. In this regard, 83 reports identifying breaches of the regulations governing exchange operations and 109 official notes were prepared.

Issuance and revocation of authorisations and issuance of certificates for performing exchange operations

As at 31 December 2025, exchange operations were performed by 2,135 authorised exchange dealers at 3,054 exchange offices. During 2025, at the request of business entities, the NBS adopted 305 decisions granting authorisations to perform exchange operations and 187 decisions revoking such authorisations.

Based on the Decision on the Procedure and Conditions for Obtaining a Certificate for the Performance of Exchange Operations, Single Training Programme for the Performance of Exchange Operations and Eligibility Requirements for Trainers, during 2025 the NBS organised 12 training cycles and testing of candidates who applied for the certificate. The testing committee checked the tests of candidates and based on that, the NBS issued 939 certificates on training completed in the field of exchange operations.

Procedures before competent judicial bodies, complaints against decisions of misdemeanour courts, and application of foreign exchange regulations

In 2025, 220 requests for the initiation of misdemeanour procedures were filed with competent misdemeanour courts: 71 requests in respect of irregularities determined in the supervision of FX operations and 149 requests in respect of irregularities determined in the supervision of exchange operations (136 requests concerning the violation of the Law on Foreign Exchange Operations, nine requests concerning the violation of the Law on Foreign Exchange Operations and the Law on the Prevention of Money Laundering and the Financing of Terrorism, and four requests concerning the violation of the Law on the Prevention of Money Laundering and the Financing of Terrorism).

Four criminal charges were filed with the competent public prosecutor's offices due to the violation of Article 237 of the Criminal Code, i.e. reasonable suspicion that the supervised entity did not enable the performance of supervision (two charges), and Article 57 of the Law on Foreign Exchange Operations, i.e. reasonable suspicion that the resident bought/sold foreign cash from/to natural persons without an authorisation of the NBS (two charges). Also, two charges for economic offences were filed with the competent public prosecutor's offices concerning the violation of the Law on the Prevention of Money Laundering and the Financing of Terrorism.

A total of 472 complaints were filed against the decisions of misdemeanour courts due to an inadequate misdemeanour sanction, violation of valid regulations and material violations of the provisions of misdemeanour procedures, and the incompletely or inaccurately ascertained factual state.

Orders for enforcement of final court decisions

The NBS conducted the procedure to execute 124 final and enforceable court decisions in respect of assets temporarily seized pursuant to the Law on Foreign Exchange Operations. Based on this, 159 orders for enforcement were issued, namely: 106 orders for the enforcement of the protective measure of seizing the object of misdemeanour, resulting in an inflow to the Republic of Serbia's budget of EUR 893,699.00 (in the dinar equivalent), in accordance with Article 66 of the Law on FX Operations, and 53 orders for the refund of temporarily seized assets, based on which EUR 905,362.00 was returned to natural persons. In addition, 13 orders were issued for the enforcement of the protective measure of seizing the object of misdemeanour – foreign cash entrusted to the NBS for safekeeping, which will be executed after foreign cash is sold to a foreign bank by depositing the dinar countervalue of the permanently seized foreign exchange assets to the Republic of Serbia's budget, in accordance with Article 66 of the Law on Foreign Exchange Operations. Also, six orders were issued for the return of temporarily seized assets entrusted to the NBS for safekeeping.

Documentary control and foreign payment transactions

In 2025 as part of regular activities, documentary control and foreign payment transactions were carried out for the needs of budget beneficiaries through the consolidated treasury account system for FX funds and through other special-purpose FX accounts maintained with the NBS in accordance with law.

In addition, other activities were fully implemented, concerning the provision of cover for foreign payment orders for budget beneficiaries and for the needs of the NBS, which relate to the collection and payments under foreign loans, transfers based on FX required reserves of banks and transactions of the Central Securities Depository and Clearing House, purchase of foreign currency assets from banks in line with special laws governing temporary payment operations with the autonomous province of Kosovo and Metohija, and transfers in respect of donations. Also, activities on the realisation of documentary letters of credit for the needs of the import of goods were performed, as well as payment of services for budget beneficiaries. In this context, letters of credit worth EUR 264.45 mn were opened in 2025, while total payments made amounted to EUR 296.54 mn.

In 2025, 86 swap transactions were executed to settle credit liabilities and payments under issued bonds. These transactions were concluded in prior years by the Republic of Serbia with foreign banks to hedge public debt against the currency and interest rate risks. Collections made in this respect amounted to EUR 417.04 mn, calculated at the exchange rate applicable on the transaction value date, while payments amounted to EUR 381.37 mn, calculated at the exchange rate applicable on the transaction value date.

Twelve special-purpose FX accounts were opened in 2025, namely: at the request of Elektromreža Srbije a.d., an account was opened for the receipt of donations from the European Western Balkans Joint Fund (EWBJF) under the Grant Agreement (ID 40654); at the request of the Ministry of Education, an escrow account was opened for depositing funds for the payment of the costs of the final audit of the Inclusive Early Childhood Education and Care (ECEC) Project, financed from IBRD loan 8693YF; at the request of the Ministry of Finance, four special-purpose FX accounts were opened for the implementation of the IPA III Operational Programme on Employment, Skills, and Social Inclusion in favour of the Republic of Serbia for 2024–2027, Window 4, as well as four special-purpose FX accounts for the Operational Programme on Environment and Energy in favour of the Republic of Serbia for 2024–2027, Window 3, and one account for the receipt of budget support funds for the educational sector under IPA III. Also, at the request of the joint-stock company for freight railway transport “Srbija Kargo”, a special-purpose FX account was opened for the implementation of the Goods Procurement Agreement financed from the loan granted by Banka Poštanska štedionica a.d. to Srbija Kargo a.d. in the amount of EUR 15 mn, in respect of which the Law on Granting a Guarantee of the Republic of Serbia in Favour of Banka Poštanska štedionica a.d. for the Indebtedness of Srbija Kargo Beograd was adopted.

During 2025, intensive activities continued with regard to the implementation of the new ISO 20022 standard for the exchange of messages relating to international payment transactions through the introduction of new MX messages. During the coexistence period, which started in March 2023, these messages were used in parallel with the existing MT messages until November 2025, from which point MX messages became the sole valid format for payment orders in the Swift system. As of 22 November 2025, the NBS has been executing payments exclusively through the exchange of messages in the MX format, thereby ensuring, within the prescribed deadline and using its own resources, the implementation of the new ISO 20022 standard in accordance with Swift requirements.

In early May 2025, the NBS established the electronic exchange of payment orders and other messages with the Central Securities Depository and Clearing House, thereby improving business processes carried out through the Central Securities Depository and Clearing House's accounts with the NBS. These processes relate both to transactions between the Central Securities Depository and Clearing House and the NBS, and to transactions between commercial banks, the Ministry of Finance – Public Debt Administration, and the National Mortgage Insurance Corporation, which participate in settlement, i.e. the execution of transactions through the final transfer of funds between the buyer and the seller, or in the settlement of claims between participants in the settlement system on the basis of transfer orders.

As part of the technical and operational activities relating to the NBS's accession to the SEPA Credit Transfer (SEPA CT) scheme, steps were taken to ensure the full implementation of SEPA CT within the NBS's existing information system for FX payments. This created the necessary preconditions, by including the NBS in the scheme, for enabling budget beneficiaries to enjoy all the benefits of SEPA CT, allowing their payment and collection orders to be executed more efficiently and at significantly lower cost.

The said operations which the NBS performs for the Republic of Serbia in accordance with law were conducted in a timely manner and with adherence to local regulations, as well as international banking standards and practices.

Foreign credit operations

In 2025, a total of 914 borrowing transactions of domestic persons abroad were recorded in the amount of EUR 8.05 bn, at the average interest rate of 4.75% and the average repayment period of four years and four months. Of the total contracted amount, EUR 3.75 bn was intended for conversion into dinars, EUR 1.46 bn for the payment of imports, EUR 997 mn for the repayment of previously disbursed external loans, while the remaining EUR 1.84 bn related to other purposes. Bank borrowing amounted to EUR 595.02 mn. By activity, most debtors were from the information and communications sector (31%), followed by the manufacturing industry and the financial sector and insurance, each accounting for slightly above and below 15%, respectively.

In 2025, 231 lending transactions of domestic persons abroad were recorded in the amount of EUR 294.74 mn, at the average interest rate of 4.84% and the average collection period of four years and one month, with lending by domestic companies and banks accounting for almost equal shares. Creditors from the financial sector and insurance made up the largest share (50.83%), while creditors in the area of wholesale and retail trade accounted for 19.52% of total lending transactions.

Total liabilities arising from defaults in foreign trade operations not completed within a period longer than one year amounted to EUR 1.47 bn at end-2025. Of this, EUR 891.5 mn related to the unpaid import of goods and services and EUR 574.8 mn to advance payments for which export was not carried out.

Total receivables arising from defaults in foreign trade operations not completed within a period longer than one year amounted to EUR 846.5 mn at end-December 2025. Of this, EUR 473.3 mn related to the unpaid export of goods and services and EUR 373.2 mn to advance payments for which import was not carried out.

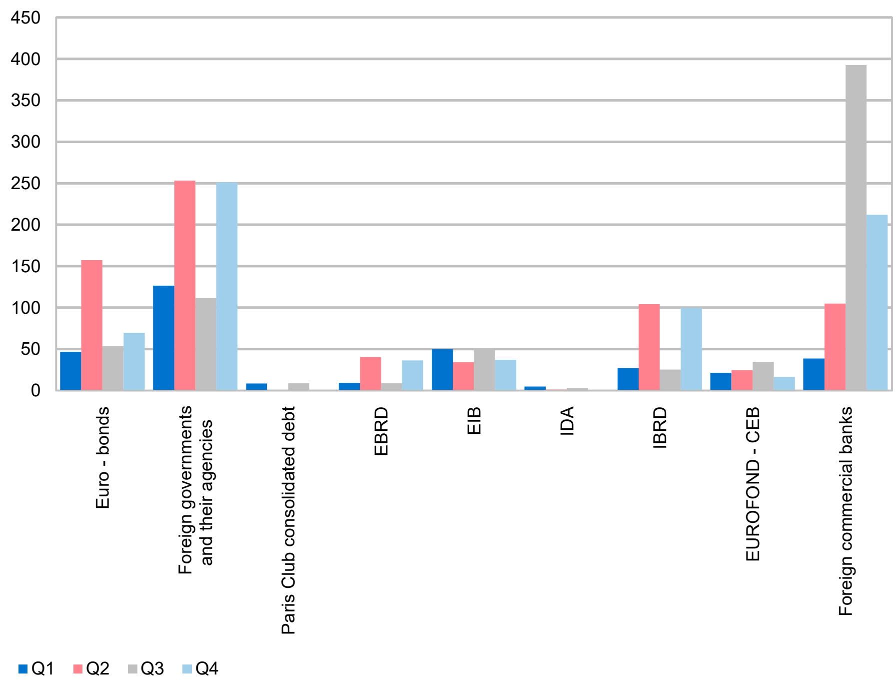
During 2025, 13 opinions were prepared concerning the implementation of regulations in the field of foreign credit operations.

Performance of foreign credit liabilities of the Republic of Serbia with the NBS as the agent

In 2025, liabilities under foreign credits and loans in respect of which the Republic of Serbia is the debtor or guarantor, or the debtor is a local self-government unit (without a state guarantee), and the NBS is the agent, were serviced on time. In the capacity of the Republic of Serbia's agent, the NBS paid a total of EUR 2,461.84 mn, of which EUR 1,504.67 mn was the principal and EUR 957.17 mn interest and other expenses. Based on engagement costs, EUR 11.25 mn was paid in respect of unused funds under approved loans.

In 2025, loans worth EUR 2,142.69 mn, granted by international financial organisations, commercial banks, governments and their agencies, were disbursed. Of this, EUR 1,083.31 mn (50.56% of total used funds) was used through the Republic of Serbia's special-purpose FX accounts with the NBS.

Chart V.4.3.1 **Settled foreign credit liabilities in 2025 with NBS as the agent – by creditor and quarter** (in EUR bn)



Source: NBS.

V.4.4 Legislative activities

Current legislative activity

In 2025, at the proposal of the NBS, the National Assembly adopted the following laws falling within the NBS competence:

- Law on Amendments and Supplements to the Law on the National Bank of Serbia;
- Law on Amendments and Supplements to the Law on Banks;
- Law on Amendments and Supplements to the Law on Foreign Exchange Operations;
- Law on the Protection of Financial Service Consumers.

In the course of 2025, the NBS took part in preparing and giving opinions on the following draft laws:

- Draft Insurance Law;
- Draft Law on Voluntary Pension Funds and Pension Schemes;
- Draft Law on Enforced Collections from Debtor’s Account;
- Draft Consumer Protection Law;
- Draft Law on Amendments and Supplements to the Law on Fees for the Use of Public Goods;

- Draft Law on the 2026 Budget of the Republic of Serbia;
- Draft Law on Amendments and Supplements to the Law on the Prevention of Money Laundering and the Financing of Terrorism;
- Draft Law on Amendments and Supplements to the Factoring Law;
- Draft Law on Amendments and Supplements to the Law on Electronic Invoicing;
- Draft Law on Amendments and Supplements to the Law on Electronic Delivery Notes;
- Draft Law on Amendments and Supplements to the Value Added Tax Law;
- Draft Law on Amendments and Supplements to the Law on Alternative Investment Funds;
- Draft Law on Amendments and Supplements to the Capital Market Law;
- Draft Law on the National Single Window for Foreign Trade;
- Draft Law on Amendments and Supplements to the Law on Settlement Deadlines in Commercial Transactions;
- Draft Law on Amendments to the Personal Income Tax Law;
- Draft Law on Amendments to the Law on Mandatory Social Insurance Contributions;
- Draft Law on Amendments to the Excise Law;
- Draft Information Security Law;
- Draft Official Statistics Law;
- Draft Law Ratifying the Agreement between the Republic of Serbia and the International Exhibitions Bureau on the Privileges and Facilities Necessary for Participation in the Internationally Recognised Specialised Exhibition Expo 2027 Belgrade Serbia;
- Draft Law on Amendments and Supplements to the Law on Establishing the Guarantee Scheme and Subsidising Part of the Interest as a Measure to Support Young People in Purchasing their First Residential Property;
- Draft Law on Amendments and Supplements to the Law on Central Records of Beneficial Owners;
- Draft Law on the Tax on Imports of Carbon-Intensive Products;
- Draft Law on the Tax on Greenhouse Gas Emissions;
- Draft Law Ratifying Annex 1 to the Agreement between the Government of the Republic of Serbia and the Government of the French Republic on the French Development Agency Activities and PROPARCO in Serbia.

In 2025, the NBS enacted 68 bylaws, published in the RS Official Gazette: the Statute of the National Bank of Serbia, 63 decisions and four guidelines. These regulations cover the following functions and activities of the NBS:

- **monetary policy operations** (determining the 2026 NBS Monetary Policy Programme);
- **financial stability** (determining the countercyclical capital buffer rate for the Republic of Serbia);
- **FX operations** (conditions and manner of operation of the FX market, types of foreign currency and foreign cash purchased and sold in the FX market, conditions under which and manner in which residents may hold foreign currency in accounts with banks abroad, detailed conditions and manner of supervising FX operations of residents and non-residents, and conditions and manner of conducting foreign payment transactions);
- **payment systems and payment services** (implementation of the provisions of the Law on Payment Services concerning the granting of licences and consents by the NBS, determination of detailed conditions and manner of supervision of payment system operations, and banks' conduct when opening, maintaining and closing business accounts of the Offices of Section Commissioners);
- **supervision of payment and e-money institutions** (implementation of the provisions of the Law on Payment Services concerning the granting of licences and consents by the NBS);
- **bank supervision** (bank risk management, management of interest rate risk in the non-trading book, conditions and manner of identifying, monitoring and managing compliance risk, application of the standardised approach and the simplified standardised approach to measuring exposure to interest rate risk in the non-trading book, capital adequacy, calculation of the total amount of bank's exposures included in the calculation of leverage ratio, classification of bank balance sheet assets and off-balance sheet items, detailed conditions and manner of appointing key function holders in banks, detailed conditions and manner of granting consent for the establishment or acquisition of a bank subsidiary, implementation of the provisions of the Law on Banks concerning the granting of preliminary permit, banking licences and certain consents and approvals of the NBS, disclosure of bank data and information, supervision of banking groups on a consolidated basis, detailed conditions and manner of bank supervision and special audit of banks, external audit of banks, bank reporting, and the forms and contents of positions in banks' financial reporting forms);
- **bank resolution** (banks' obligations concerning the assessment of resolvability, minimum requirement for own funds and eligible liabilities, information and data submitted to the NBS for the preparation and updating of bank and banking group resolution plans, contents of

documents and evidence submitted with applications for banking licences and certain consents and approvals for bridge banks, as well as detailed conditions and manner of granting certain consents and approvals to asset management companies, detailed conditions and manner of sale of shares, assets and liabilities of a bank under resolution, detailed conditions for write-down and conversion of capital instruments and eligible liabilities, safeguards for counterparties, bank business reorganisation plans, detailed conditions and manner of carrying out independent valuation of a bank's assets and liabilities for the purposes of determining whether the conditions for initiating resolution proceedings have been met, determination and collection of bank contributions to the Bank Resolution Fund, and the content and format of the Bank Resolution Fund's financial reporting forms);

- **insurance supervision** (investment of insurance funds and reporting by insurance/reinsurance undertakings);
- **protection of financial service consumers** (conditions and manner of calculating the effective interest rate and the forms to be provided to consumers, methodology for calculating the interest rates used as the basis for determining maximum interest rates, loan repayment relief measures, complaints by legal persons and banks' handling thereof, procedures for complaints and mediation proposals submitted by financial service consumers, and reporting concerning the implementation of regulations governing financial services);
- **exchange operations** (conditions and manner of performing exchange operations, detailed conditions, content and manner of maintaining the register of authorised exchange dealers, detailed conditions and manner of supervising exchange operations, and the design, form and content of official identity cards issued to authorised NBS persons performing supervision of FX operations and exchange operations);
- **enforced collection** (manner of enforced collection from debtor's account, detailed conditions, content and manner of maintaining the Register of Bills of Exchange and Mandates);
- **money issuance and cash flow management** (issuance and main features of numismatic money featuring the portrait of Nikola Tesla, and releasing into circulation the 1-dinar coin);
- **prevention of money laundering and financing of terrorism** (guidelines for the implementation of the provisions of the Law on the Prevention of Money Laundering and the Financing of Terrorism for entities supervised by the NBS);

- **statistics** (submission to the NBS of data on banks' lending and deposit interest rates).

Court representation

In the course of 2025, 65 administrative proceedings were conducted before the Administrative Court, of which 11 were finally disposed. Proceedings conducted before commercial courts included four litigations and seven enforcement proceedings, as well as 39 bankruptcy proceedings, two liquidation proceedings and 17 economic offence proceedings. A total of 33 litigations, six non-litigious proceedings, 12 enforcement proceedings and four criminal proceedings were conducted before general jurisdiction courts, nine of them being finally disposed. Thirty-one proceedings were conducted before misdemeanour courts. Three litigations, two enforcement proceedings and one bankruptcy proceeding were conducted before foreign courts, one of them being finally disposed.

Compliance

In 2025, the NBS conducted a number of activities within the compliance function. **It adopted 34 general internal acts** governing the NBS's work and organisation in different areas – from internal organisation and job classification, employment relations and office administration, to workplace safety and health, procurements, accounting and finance, as well as defence, protection and internal order, and other areas of internal operations. In addition, the new Statute of the National Bank of Serbia was adopted to ensure compliance with the Law on Amendments and Supplements to the Law on the National Bank of Serbia, while the remaining general internal acts of the NBS were harmonised within the statutory deadline.

The necessary activities were also undertaken to ensure regular annual reporting by all organisational units on identified and assessed compliance risks. During the year, the NBS continued examining the compliance of certain segments of its operations in order to identify potential compliance risks and propose mitigation measures, in accordance with the annual plan.

It also continued with activities to develop an internal database of NBS opinions so as to facilitate the implementation of regulations and ensure uniform conduct in procedures. The database was enhanced and updated on a regular basis by incorporating opinions issued during 2024 and 2025, thereby contributing to greater efficiency and consistency in practice.

The NBS continuously undertook activities to improve ethical and professional standards of employee conduct, as well as activities aimed at ensuring the Bank's compliance with obligations arising from the relevant regulations. The NBS continued conducting training and other activities contributing to the institution's compliance culture.

Activities regarding the implementation of the Law on Free Access to Information of Public Importance

In 2025, the NBS acted upon requests for access to information of public importance, in accordance with law. It received 58 requests, of which 42 were granted or partially granted, while 13 were rejected. The majority of requests were submitted by citizens (43), followed by media representatives (4), public authorities (1) and others (10).

A total of ten complaints were filed during the year. Of this number, four pertained to the rejection of requests, while six related to the failure to act upon requests.

In accordance with Article 43 of the Law on Free Access to Information of Public Importance, the NBS submitted to the Commissioner for Information of Public Importance and Personal Data Protection the annual report outlining the activities and measures undertaken during 2025 for the purposes of implementing the Law.

V.4.5 Enforced collection

Since 2003, the NBS has been performing enforced collection pursuant to Article 48 of the Law on Payment Transactions.

In 2025, the NBS received, checked and recorded 488,969 execution titles issued by Tax Administration units, customs, courts, public bailiffs and other competent bodies, which is 19.26% more than in the previous year. At the same time, 27,311 decisions were returned to the issuing bodies due to their inadequacy, which is 4.54% more than the year before.

Slightly more than half of the received execution titles (53.48%) were submitted by commercial, basic and misdemeanour courts, and public bailiffs. Observed by type of the court decision received, a significant proportion related to the termination and suspension of enforcement (18,678 in total). Of the decisions received from the state-level tax administration, a large number pertained to the prohibition of the disposal of assets in the account due to the Tax Identification Number (TIN) being revoked from the taxpayer (12,418 in total).

In addition to the said decisions, the NBS also enforces commercial court decisions on the institution, suspension and closing of bankruptcy proceedings against debtors. In 2025, the NBS received 389 decisions on instituting bankruptcy proceedings, 307 decisions on closing bankruptcy proceedings, 21 decisions on suspension of bankruptcy proceedings, and 53 decisions on suspension of bankruptcy proceedings because of the sale of the bankruptcy debtor. In addition, it received 72 decisions on instituting a preliminary bankruptcy procedure with security measures, and nine decisions on the adoption of the pre-pack reorganisation plan

Pursuant to the Law on Companies, in 2025 the NBS submitted 5,756 initiatives to the Business Registers Agency to strike off from the register entrepreneurs whose accounts were blocked for more than two years, which is 7.71% less than in the previous year.

Based on Article 73 of the Law on Payment Services, applicable as of May 2025, the NBS adopted and submitted to the Business Registers Agency 2,160 decisions establishing that the conditions were met for initiating compulsory liquidation proceedings against companies that did not have a single current account registered in the Single Register of Accounts for a period exceeding six months.

In accordance with the Law on Payment Services, as of October 2015 the NBS has kept the Single Register of Accounts of Natural Persons – Consumers. Based on 66,460 requests received from authorised persons and bodies in 2025, signed by the qualified electronic signature, the NBS submitted account data for 247,555 natural persons through the Data Exchange Centre using a dedicated application solution to authorised persons and bodies (public bailiffs, the Interior Ministry, Tax Administration, Administration for the Prevention of Money Laundering and Anti-Corruption Agency). In addition, through the Judicial Information System, the NBS provided the users of this platform (the Ministry of Justice, courts, public prosecutor's offices, public notaries and other authorised bodies) with data on the accounts of 194,116 natural persons in response to 253,360 requests received. At the same time, the NBS received 455 written requests from authorised persons and bodies regarding data on natural persons' accounts, which is 11.82% less than in the previous year.

Pursuant to the Law on the National Bank of Serbia and regulations on the prevention of money laundering and financing of terrorism, in mid-2020 the NBS set up and has kept the Single Register of Safe-Deposit Boxes and the Single Register of Money Remittance Beneficiaries. In 2025, based on 440 requests signed by qualified electronic signatures, the NBS submitted, through the Data Exchange Centre using a dedicated application solution, data on remittances for 6,227 natural persons to authorised persons and bodies (the Interior Ministry and Anti-Corruption Agency).

V.4.6 Public debt administration

On behalf of and for the account of the Republic of Serbia, the NBS administers public debt under frozen FX savings, FX deposits placed with Dafiment banka a.d. Beograd and Banka privatne privrede Crne Gore d.d. Podgorica – Jugoskandik, as well as under the economic development loan.

In 2025, payments of matured bonds of the A2002–A2016 series issued based on frozen FX savings continued, with an evident downward trend.

Between 26 August 2002 and 31 December 2025, the total amount of FX savings converted to bonds was EUR 3,722.5 mn (of which EUR 0.2 mn in 2025). Bonds in the A2002–A2016 series were paid (upon or before maturity) in the nominal amount of EUR 3,668.3 mn. In 2025, RSD 199.9 mn was secured from the budget of the Republic of Serbia for the payment of matured bonds in the amount of EUR 1.7 mn.

In 2025, the NBS was in regular communication with citizens of the Republic of Serbia, the former republics of the SFRY and other countries regarding the possibility of exercising their rights in respect of frozen FX savings deposited with banks headquartered in the Republic of Serbia and their branches in the former republics of the SFRY. It also provided expert, administrative and technical assistance to the Committee for issuing certificates based on which entitlement to the payment of due liabilities is determined for depositors with Dafiment banka a.d. Beograd and citizens who deposited their FX assets with Banka privatne privrede Crne Gore d.d. Podgorica, based on the Contract on Business and Technical Cooperation with Jugoskandik d.d. Beograd. Based on the requests and complaints of depositors, data, calculations and available documentation were prepared for consideration by the said Committee, while the conclusions adopted by the Committee were implemented in the prescribed manner.

V.4.7 Communication with the public

The NBS informs the public about its operations through intensive cooperation with the media, as well as by publishing information on the official website and its subdomains, and on social media.

By issuing press releases, answering journalist queries, engaging in interviews, television and radio appearances, organising press conferences and posting information on social media, the central bank informs the general public about its activities in a responsible, consistent and timely manner.

In 2025, a total of 101 press releases were published and 213 answers provided to journalist queries. As many as 68 statements and five interviews were given for both print and electronic media. Also, 119 television and radio appearances were made by the Governor, Vice-Governors and other members of the NBS staff. Twelve short videos were recorded and broadcast for the “It’s Good to Know” category, in which NBS employees explain to the wider public the decisions and measures within the NBS’s remit. These videos are published on all NBS communication channels. Over the past year, the NBS published more than 800 posts on its official X account and more than 900 posts on its official Facebook account. At end-2025, the NBS’s LinkedIn page, created in August 2023 to further improve the current framework for communication with the professional and broader public, recorded its highest number of followers to date – 15,578.

In 2025 the NBS held four public presentations of the *Inflation Report* and recorded the beginning of the plenary meeting with the IMF mission during its two visits to Serbia. It also ensured media coverage of its cultural, humanitarian and other socially responsible activities.

The purpose of the official NBS website is to inform, educate and assist citizens in the protection of their personal and pursuit of their professional interests, since it contains reports and documents with relevant information on the NBS operations.

Via its website, the NBS informed the public about the instruments and measures it took to preserve and strengthen financial stability, as well as about activities associated with the implementation of monetary and foreign exchange policies. With its regular publications, statistical analyses and press releases, the NBS presented its activities in the field of supervision of financial institutions, payment service providers and electronic money institutions.

The following were published on the NBS website in 2025: *Annual Report on Activities and Results*, *Annual Financial Stability Report*, *Annual Monetary Policy Report, Semi-Annual Monetary Policy Report* and the *Working Papers Bulletin*, quarterly reports on financial leasing supervision, insurance supervision, VPF supervision, counterfeit currencies and activities in the area of the protection of financial services consumers, as well as the monthly *Statistical Bulletin*. We also published the quarterly *Inflation Report* and the *Report on Dinarisation of the Serbian Financial System*. The *Inflation Report* presentations were livestreamed on the NBS website.

Reports also available to the public include: *Trends in Lending* and *Report on the Results of the Bank Lending Survey* published quarterly, the monthly *Report on the Results of the Inflation Expectations Survey* and the *Overview of Developments in the Global Financial Market.*

Through its subdomains (Tvoj novac – www.tvojnovac.nbs.rs and Visitor Centre – www.centarzaposetioce.nbs.rs), the NBS informed the public about its activities in the field of protection and education of financial service consumers, exhibitions and cultural events, as well as educational programmes for pupils and students.

Information about the domestic payment card DinaCard and data on the DinaCard system, including the list of all acceptors, are available to the public at: www.dinacard.nbs.rs. This subdomain has been registering an increasing number of visits, indicating a growing interest of citizens and corporates. The Instant Payments subdomain (www.ips.nbs.rs) offers citizens all relevant information about the advantages and methods of instant payments.

All printed and electronic materials made for the public are available in both Serbian and English.

On its YouTube channel (Narodna banka Srbije / National Bank of Serbia), the NBS posts video-recordings of conferences for the press and the professional public, presenting the *Inflation Report*, public addresses by the NBS Governor and videos from the “It’s Good to Know” category, including videos about the history of the Bank, financial education and money, and other relevant materials.

In the course of 2025, exhibitions, educational and cultural programmes of the NBS intended for the public recorded a turnout of 7,111 visitors. The exhibition and educational space in Kralja Petra 12 was visited by 4,464 persons, and the gallery hall at Slavija Square by 1,460 visitors. Educational workshops were attended by 1,187 students.

The NBS pays special attention to the financial education of children and youth. Financial education programmes focus on raising young people’s awareness about the importance of money, its role, value and benefits of financial product management. In cooperation with educational institutions, the NBS organised workshops, lectures and tournaments in educational games across Serbia.

The hall of the NBS Slavija building was the venue of the following exhibitions: “Eighth Salon of Photography of NBS Employees”, “Goodbye”, “Little Pierre”, “Auditorium”, “Bank Day – Inspired by the Strength of Giving”, “Recognition”, “Photo Exhibition by the Belgrade Photo Club”, “My Banknote”, “Sounds of Existence” and “All or Nothing”.

The NBS took part in celebrating the Global Money Week, World Savings Week, the International Day of the Francophonie, Days of Belgrade and European Heritage Days.

V.4.8 Social responsibility

Continuing its tradition of philanthropy, in 2025 the NBS organised humanitarian activities in the head and branch offices and provided different forms of assistance to those in need. Employees took active part in humanitarian campaigns to collect funds, food and clothing for socially vulnerable groups, children with developmental challenges, children without parental care and the elderly. They also participated in volunteer campaigns, in order to contribute to solving existing social issues and help those in need.

Thanks to cooperation with charity organisations, centres, associations and schools for children with developmental challenges, the humanitarian and voluntary campaigns organised by the NBS are extremely successful. **The total monetary value of the humanitarian activities carried out by the NBS employees in 2025 amounted to RSD 1,486,154.**

In a fund-raising initiative of the Niš Branch, employees collected money and donated it to a ten-year-old boy from their city for further medical treatment. The employees of the Užice Branch raised money to buy sports equipment for the beneficiaries of the Day Care Centre for Children and Youth with Developmental Disabilities in Užice. In a humanitarian campaign carried out by the Novi Sad Branch, employees collected money to buy school supplies for school children, as well as hygiene products for children who use the services of the Soup Kitchen in Sremski Karlovci. Employees of the Kragujevac Branch raised money to buy New Year´s Day parcels for members of the Association for Assistance to Persons with Autism in Kragujevac, as well as to organise a joint visit to a theatre performance.

In a humanitarian campaign to collect new and second-hand clothing for elderly citizens titled “Make the elderly happy with a good deed and ennoble your heart,” employees from Belgrade collected 55 packages of clothes and bed linen for the residents of the Elderly Care Nursing Home in Karaburma.

Traditional Easter and New Year’s exhibitions of the artwork made by children and youth with developmental disabilities and elderly persons were held at the NBS head office in Belgrade and in the Novi Sad Branch to collect funds for the implementation of educational programmes for these persons.

The NBS volunteers showed how important and beneficial this type of social responsibility is. Fifty-six volunteers from Belgrade and Užice participated in the 25th volunteer campaign “A Good Deed for a Better Tomorrow for Persons with

Autism", which took place in June on the premises of the Association "Naša kuća" in Mirijevo. In October, 24 NBS volunteers contributed to improving the conditions for members of the Association "Plava školjka" from Banja Koviljača to carry out various activities.

Traditionally, NBS employees participated in a socially responsible campaign to collect food for users of the soup kitchen within the Serbian Orthodox Church's charity Versko dobrotvorno starateljstvo, collecting a large quantity of food and hygiene products.

In a traditional humanitarian campaign "A Present for an Unknown Friend" held before the New Year's, employees donated 360 New Year's gifts and 115 packages of well-preserved second-hand clothing and toys to children and youth of the Day Care Centre for Children and Youth with Developmental Disabilities "Neven" in Pančevo, the Primary School "Radivoj Popović" in Zemun and the Association for Assistance to Persons with Developmental Disabilities "Stari Grad – Living Together." A part of the packages was distributed through years-long associates – the Association "Mali veliki ljudi".

Through the sale of secondary raw materials (paper and PET packaging) which NBS employees sorted in their offices, RSD 264,834.20 was collected. These funds were used for charity purposes and donated to non-profit organisations, associations, educational or health institutions. This year, the funds went to the Association for Assistance to Persons with Intellectual Disabilities Novi Beograd and were used to purchase computer equipment for the implementation of workshops within the Association.

In 2025, NBS employees collected 1,480 kg of plastic bottle caps as part of the environmental and humanitarian campaign "Bottle Cap for Handicap," thus securing funds for the purchase of one orthopaedic tricycle and smaller aids. During the year, an environmental and humanitarian initiative involving the collection of cigarette packs was launched and implemented by the NBS in cooperation with the Association "Naša kuća". Employees collected approximately 125 bags of cigarette packs. The Association uses the raw materials collected in this way for its activities, thereby contributing to its sustainability.

Donations are regulated by the Decision on Establishing the Committee for Review of Applications for Donations and Humanitarian Assistance and Setting the Conditions, Mechanisms and Criteria of Award. On the basis of that Decision, funds for donations and humanitarian assistance, fixed assets, intangible assets and inventory no longer in use, as well as small inventory, consumables and supplies, may be granted or donated, in accordance with the act determining the criteria for technical and technological deterioration of NBS resources, to legal persons, local government units, educational and cultural institutions, social and health care institutions, non-profit organisations and associations, humanitarian organisations and other institutions.

In 2025, the NBS provided financial donations worth RSD 3,000,000 in total.

In 2025, the NBS continued to behave responsibly towards the community and the environment. Waste formed in the process of current and investment maintenance of facilities and equipment is handled in accordance with the Law on Waste Management. The sorted waste is properly and temporarily stored in a dedicated packaging and then handed over to the authorised companies for final disposal. Records on the waste generated and handed over are kept regularly, and measures are taken to reduce it.

As part of the printing industry, the Institute for Manufacturing Banknotes and Coins – Topčider has a significant impact on the environment due to its use of paper, inks, chemicals and energy. Aware of its responsibility, the Institute implements measures aimed at reducing its environmental footprint while enhancing the sustainability of its operations.

The emission of pollutants into water, air and soil is continuously monitored in accordance with the law. The results of these measurements confirm that all production processes at the Institute are conducted in compliance with the relevant environmental protection standards.

In 2025, the Institute handed over 168 tonnes of non-hazardous and 60 tonnes of hazardous waste for recycling and final disposal.

The Institute will continue upgrading its good practice in environmental protection in accordance with modern-day standards.

V.5 Management

V.5.1 Human resource management

Number of staff, their qualifications and age structure

In 2025, the NBS employed 2,425 persons, of which 91.9% are employed for an indefinite term.

Table V.5.1.1 **Comparative overview of the number of employees**

Organisational unit	31 December 2024			31 December 2025			Change (in %)
	Indefinite term	Definite term	Total	Indefinite term	Definite term	Total	
1	2	3	4 (2+3)	5	6	7 (5+6)	8
Main organisational units	1,452	108	1,560	1,490	123	1,613	3.40
Belgrade Branch	79	12	91	85	5	90	-1.10
Novi Sad Branch	95	1	96	92	2	94	-2.08
Niš Branch	46	7	53	47	7	54	1.89
Kragujevac Branch	44	14	58	41	12	53	-8.62
Užice Branch	37	2	39	34	7	41	5.13
Institute	448	9	457	439	41	480	5.03
Total in NBS:	**2,201**	**153**	**2,354**	**2,228**	**197**	**2,425**	**3.01**

Source: NBS.

Staff qualification and age structure

As at 31 December 2025, employees with an MSc/MA degree (42.1%) and with secondary education (37.1%) accounted for the largest share of NBS staff, while employees with a PhD degree accounted for 1.1%.

Table V.5.1.2 **Qualification structure of staff employed for an indefinite period**

31 December 2025						
Organisational unit	Higher education			Secondary education	Primary education	Total
	PhD	MSc/MA	BSc/BA			
Main organisational units	21	785	246	389	49	1,490
Belgrade Branch	1	12	21	51	0	85
Novi Sad Branch	0	16	11	61	4	92
Niš Branch	0	11	7	27	2	47
Kragujevac Branch	0	12	9	19	1	41
Užice Branch	1	9	8	13	3	34
Institute	1	94	68	267	9	439
Total in NBS:	**24**	**939**	**370**	**827**	**68**	**2,228**

Source: NBS.

In terms of gender, women (56.6%) continue to outnumber men (43.4%).

Table V.5.1.3 **Staff gender structure by organisational unit**

31 December 2025				
Organisational unit	Men		Women	
	No of staff	%	No of staff	%
Main organisational units	588	39.46	902	60.54
Belgrade Branch	30	35.30	55	64.70
Novi Sad Branch	37	40.21	55	59.79
Niš Branch	23	48.94	24	51.06
Kragujevac Branch	22	53.66	19	46.04
Užice Branch	9	26.47	25	73.53
Institute	258	58.77	181	41.23
Total in NBS:	**967**	**43.40**	**1,261**	**56.60**

Source: NBS.

As in the past several years, the two most prevalent age groups in 2025 were employees aged 50–60 (34.8%) and 40–50 (27.9%). The average age was 48.3 years.

Table V.5.1.4 **Age structure of staff employed for an indefinite period**

Organisational unit	31 December 2025							Average age
	Below 20	20–30	30–40	40–50	50–60	Over 60	Total	
Main organisational units	1	184	211	418	487	189	1,490	47.36
Belgrade Branch	0	9	9	24	23	20	85	49.60
Novi Sad Branch	0	4	11	28	35	14	92	50.46
Niš Branch	0	2	6	16	18	5	47	48.98
Kragujevac Branch	0	3	5	16	10	7	41	48.59
Užice Branch	0	1	14	9	8	2	34	45.21
Institute	0	7	70	110	194	58	439	50.76
Total in NBS:	**1**	**210**	**328**	**621**	**775**	**295**	**2,228**	**48.27**
In %	**0.05**	**9.43**	**14.63**	**27.87**	**34.78**	**13.24**	**100.00**	

Source: NBS.

Education, professional training and development of NBS employees

The operations of the Serbian central bank greatly depend on the quality of its human resources, specifically on the expertise, commitment and extensive experience of its employees, which underpin its ability to make the best decisions in a timely manner. Therefore, the NBS's long-term objective remains to maintain a team of highly qualified and professional employees who are committed to the institution's values and motivated to achieve the best possible results.

One of the NBS's strategic priorities is the continuous enhancement of professional capacities. To this end, the NBS has enabled its employees to pursue studies at higher education institutions, attend training programmes to acquire different professional qualifications, certificates and licences, and participate in seminars, courses, workshops, counselling, conferences and other forms of professional development. These activities enable employees to keep abreast of the latest trends in central banking, finance and technological innovation.

In 2025, the NBS covered the costs of education at higher education institutions in the Republic of Serbia for 14 employees, enabling them to acquire a higher level of education by attending graduate, master and doctoral studies, while 54 employees had the opportunity to acquire various licences and certificates.

In 2025, employees also had the opportunity to attend seminars, conferences, specialised courses and workshops in Serbia, abroad and online, covering a wide range of topics in the field of central banking and featuring lecturers from central banks, the IMF, the World Bank, the BIS, the ECB, national insurance supervisory authorities and other relevant institutions. An increasingly important role in professional development is played by online training programmes organised by institutions specialised for education and research in the fields of banking and finance.

V.5.1.5 **Education, professional training and development**

2025	
Form of education, professional training and development	No of employees
Education	
BA/BSc – graduate studies	5
MA/MSc – master studies	6
PhD – doctoral studies	3
Professional training	54
Professional development	
Seminars, workshops, counselling, conferences and online training in the country	110
Seminars, workshops and conferences abroad – in-person	109
Online training courses organised by central banks and international institutions	114
Student internship	
Internship for university students from Serbia, Republic of Srpska and abroad	46

Source: NBS.

The NBS organised internship for 46 university students giving them a chance to gain practical work experience on top of the theoretical knowledge acquired at university, as a basis for further career development.

V.5.2 Internal audit and risk management

The regulatory framework for internal audit in the NBS is established by the Law on the National Bank of Serbia, Statute of the National Bank of Serbia and internal general acts which regulate in more detail the internal audit and its performance.

Internal audit is carried out in accordance with the Annual Plan adopted by the Council of the Governor. Reports on conducted internal audits are submitted to managers of the audited units and to the Governor. The Council of the Governor is also informed about internal audit activities on a quarterly basis through the Audit Committee.

A total of 19 audits were conducted in 2025 in the following fields: monetary policy implementation, supervision of financial and other entities, international transactions, operations with cash and other valuables, asset and human resource management, finance and accounting, operations for the Republic of Serbia, ICT systems and procurements.

A follow-up on **27 recommendations** from prior years was also carried out.

The results of the audits and the follow-up indicate that the **operating risks are managed in a responsible manner.**

V.5.3 Information and communication technologies

We carefully monitor the operation of all components of the NBS information system, as its stable functioning is an important precondition for the smooth performance of key business processes. We also successfully maintain the required level of information system security, despite heightened malicious activity caused by the geopolitical situation in the world. For this reason, we constantly upgrade the applied hardware and software solutions and conduct staff training.

In 2025, the security of all infrastructure systems and the entire NBS computer network was enhanced through regular check-ups of applied security controls, identification and analysis of vulnerabilities, and migration to the latest versions of all hardware and software security solutions.

We worked continuously to further upgrade the ICT infrastructure, network infrastructure, database infrastructure, application servers, primary data centres and disaster recovery locations for key NBS processes.

The exchange of financial messages in the MX format (ISO 20022) was enabled through the SWIFT network. We also checked and verified the alignment of the SWIFT service with the requirements of SWIFT Customer Security. There were no disruptions or incidents in the work of the SWIFT system for international payments.

With regard to in-house application development, in 2025 the NBS implemented new and upgraded existing application solutions to support business processes, in line with regulations and the amended internal work regulations and procedures.

Business sectors submitted 211 requests for change and upgrade of applications, and 240 requests were implemented (including requests from the prior period). In addition, the focus of application development was on applications' transitioning to a higher technological level.

The project team responsible for implementing the ISO 20022 standard in foreign exchange operations successfully completed the migration from the MT to the MX message format, thereby finalising the process of receiving and sending MX messages to and from SWIFT for all message types covered by this migration phase. In addition, the project team successfully completed the full migration from the MT to the MX message format for participants in the RTGS system as well.

In 2025, technical support recorded and responded to 1,076 simpler requests, 4,896 more complex requests and 1,416 incidents reported by internal and external users in connection with the installation, use and maintenance of software for exchange transactions.

Fees were charged in 2,134 cases for the installation and use of the standard desktop and network versions of the software for exchange transactions, as well as for downloading and archiving the data of authorised exchange dealers using commercial banks' applications in their work.

VI FINANCIAL STATEMENTS

VI.1 Financial position and result of the National Bank of Serbia

The NBS is a non-profit institution mandated to achieve the legally defined objectives of ensuring price and financial stability in a sustainable manner, while supporting economic growth. **The success of the NBS, like the success of any other central bank in the world, is therefore not measured by the financial result achieved in a given year, but by whether it has delivered on its legally defined objectives and ensured favourable conditions for doing business and investing.**

The statement of financial position of the NBS as at 31 December 2025 (balance sheet) discloses the assets – property of the Republic of Serbia used by the NBS for the purpose of meeting its objectives and exercising its tasks, and liabilities – total liabilities and capital of the NBS, in the total amount of RSD 3,694.1 bn. In 2025, total assets of the NBS decreased by 1.1%, i.e. by RSD 39.9 bn relative to 2024.

The most important balance sheet positions in total NBS assets as at 31 December 2025 are:

- **cash and current accounts held with banks** in the amount of RSD 439.3 bn, down by 0.9% from 2024;
- **gold and other precious metals** in the amount of RSD 729.6 bn, up by 60.1% from 2024;
- **deposits** in the amount of RSD 408.4 bn, down by 22.1% from 2024;
- **securities** in the amount of RSD 1,990.7 bn, down by 8.7% from 2024.

Table VI.1.1 **Balance sheet**
(in RSD thousand)

	31 December 2025	31 December 2024
ASSETS		
Cash and current accounts held with banks	439,269,503	443,362,919
Gold and other precious metals	729,636,706	455,843,848
Deposits	408,365,443	524,219,095
Derivative receivables	41,742	31,435
Securities	1,990,728,734	2,180,099,991
Loans and placements	253,838	815,913
IMF membership quota and SDR holdings	91,051,697	97,568,791
Intangible assets	2,635,822	1,657,448
Property, plant and equipment	23,649,884	22,688,259
Investment property	509,587	484,208
Other assets	7,948,003	7,252,276
TOTAL ASSETS	**3,694,090,959**	**3,734,024,183**
LIABILITIES		
Liabilities		
Derivative liabilities	41,742	31,435
Deposits and other liabilities to banks and other financial organisations	1,540,608,233	1,688,125,076
Deposits and other liabilities to the government and other depositors	812,023,238	902,710,992
Liabilities to the IMF	90,984,235	97,508,018
Provisions	3,197,057	2,452,278
Current tax liabilities	422,193	452,939
Currency in circulation	430,183,421	399,640,272
Other liabilities	3,168,352	5,510,038
Total liabilities	**2,880,628,471**	**3,096,431,048**
Capital		
State-owned capital	270,588,482	221,061,583
Reserves	331,062,137	233,960,766
Retained earnings	211,811,869	182,570,786
Total capital	**813,462,488**	**637,593,135**
TOTAL LIABILITIES	**3,694,090,959**	**3,734,024,183**

Source: NBS.

Liabilities measured RSD 2,880.6 bn and capital RSD 813.5 bn.

As at 31 December 2025, NBS liabilities included primarily:

- liabilities to banks and other financial organisations, arising mainly from the conduct of monetary policy, i.e. determining bank required reserves and implementing open market operations in the amount of RSD 1,540.6 bn or 8.7% less than a year earlier;

- liabilities to the government and other depositors in respect of transaction and other deposits in dinars and foreign currency in the amount of RSD 812 bn, down by 10% from a year earlier;
- liabilities to the IMF in the amount of RSD 91 bn or 6.7% less than in 2024;
- liabilities to transactors for currency in circulation in the amount of RSD 430.2 bn or 7.6% more than a year earlier.

The NBS income statement for 2025 discloses profit of RSD 211.8 bn. Operating profit (not originating from exchange rate gains/losses and revaluation reserves), measuring a total of RSD 48.1 bn, was distributed under Article 77 of the Law on the National Bank of Serbia so that 70%, or RSD 33.7 bn, was allocated to the budget of the Republic of Serbia. Of the remainder, 10% was allocated to core capital and 20% to the special reserves of the NBS.

Interest income and expenses were the most significant income and expenses generated by the NBS in 2025 while carrying out its legal mandate as stipulated in the Law on the National Bank of Serbia. Interest income came at RSD 87.9 bn and interest expenses at RSD 41.1 bn. **In 2025, net interest income amounted to RSD 46.8 bn**, down by RSD 2.4 bn relative to 2024.

In 2025, the NBS recorded fee and commission income in the total amount of RSD 8.1 bn, mostly from the payment of fees and commissions laid down in the Decision on the Single Tariff under which the National Bank of Serbia Charges Fees for the Services Provided, and fee and commission expenses totalling RSD 0.5 bn. Of total other operating income of the NBS in the amount of RSD 7.3 bn, income from business operations of the Institute for Manufacturing Banknotes and Coins – Topčider accounted for RSD 7 bn.

In 2025, the NBS recorded net income from exchange rate gains/losses and currency clause effects worth RSD 163.7 bn. Net gains from derecognition of financial instruments measured at fair value through profit and loss measured RSD 2.6 bn.

Other operating expenses recorded by the NBS include: salaries, compensations and other employee-related expenses (RSD 9.3 bn), depreciation expenses (RSD 1.9 bn) and other expenses (RSD 6.3 bn), largely comprising production expenses of the Institute for Manufacturing Banknotes and Coins – Topčider.

Table VI.1.2 **Income statement**
(in RSD thousand, 1 January – 31 December)

	2025	2024
Interest income	87,886,730	98,788,473
Interest expenses	(41,111,768)	(49,650,224)
Net interest income	**46,774,962**	**49,138,249**
Fee and commission income	8,097,085	7,281,494
Fee and commission expenses	(503,149)	(533,829)
Net fee and commission income	**7,593,936**	**6,747,665**
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	2,566,996	351,632
Net exchange rate gains and gains from currency clause effects	163,685,987	134,205,240
Net gain/(loss) from depreciation of financial assets	113,274	170,683
Other operating income	7,338,736	7,404,020
Salaries, compensations and other employee-related expenses	(9,297,762)	(7,907,508)
Depreciation expenses	(1,913,908)	(1,825,159)
Other income	1,640,102	68,518
Other expenses	(6,268,261)	(5,329,615)
PROFIT BEFORE TAX	**212,234,062**	**183,023,725**
Profit tax	(422,193)	(452,939)
PROFIT AFTER TAX	**211,811,869**	**182,570,786**

Source: NBS.

VI.2 Accounting principles and standards

The accounting principles and standards applied by the NBS in preparing, presenting and disclosing financial statements are defined by the accounting policy of the NBS, in line with the International Accounting Standards and International Financial Reporting Standards.

The goal of the accounting policy of the NBS is to ensure that the property status, success of operations and change in the financial position of the NBS are disclosed fairly and objectively in its financial statements. Accounting policy refers to the estimation of assets, liabilities and capital, calculation of operating results and disclosure of these items in financial statements.

The accounting policy applied in recognition, valuing and disclosure of the most significant items in the balance sheet and income statement for 2025 is presented below.

Interest income and expenses

Interest income and expenses, including default interest and other income and expenses arising from interest-bearing assets and/or interest-bearing liabilities, are calculated according to the matching principle. In calculating interest income or expenses under a financial asset or financial liability, the effective interest rate is applied to the gross carrying amount of the asset or the amortised cost of the liability.

Interest income from a credit-impaired financial asset (impairment stage 3) is calculated by applying the effective interest rate to the amortised cost of the financial asset, i.e. the carrying amount adjusted for the impairment allowance.

Fee and commission income and expenses

Fee and commission income and expenses are recognised in the period when realised.

Conversion of FX-denominated assets and liabilities

Transactions performed in foreign currencies whose exchange rates are officially published by the NBS are converted into dinars using the official middle exchange rates effective as at the transaction date, whereas for currencies whose exchange rates are not officially published by the NBS, conversion is performed using corresponding cross-exchange rates of the NBS effective as at the transaction date.

Monetary assets and liabilities denominated in foreign currency are converted into dinars using the official middle exchange rate valid on the balance sheet date (if the currency rate is published by the NBS in the official exchange rate list) or the corresponding exchange rate of the NBS (for currency rates not published in the official exchange rate list).

Exchange rate gains or losses arising from the conversion of transactions in a foreign currency and the recalculation of monetary balance sheet items denominated in foreign currency are credited or charged to the income statement as gains/losses from exchange rate and currency clause effects.

Financial instruments

Classification of financial assets and liabilities

The management determines the classification of financial assets and liabilities at initial recognition. Any subsequent reclassifications are carried out only if the business model within which they are held is changed, in which case the reclassification is mandatory.

The classification depends on the business model within which financial assets are held and the characteristics of the cash flows arising from such assets.

The NBS classifies its financial assets in the following categories:

- financial assets at amortised cost,
- financial assets at fair value through other comprehensive income, and
- financial assets at fair value through profit and loss.

Financial liabilities are classified as financial liabilities valued at amortised cost and financial liabilities valued at fair value through profit and loss.

Measurement of financial assets and liabilities

At initial recognition, financial assets are carried at fair value, in accordance with the IFRS 9. **The fair value of financial assets is the price that would be received to sell them in an orderly transaction.** Depending on the classification category, after initial recognition, financial assets are measured:

- at amortised cost,
- at fair value through other comprehensive income, and
- at fair value through profit and loss.

At initial recognition, financial liabilities are carried at fair value, in accordance with the IFRS 9, and at subsequent measurement they are measured at amortised cost, except for financial liabilities held for trading and financial liabilities carried at fair value through profit and loss based on the decision issued by the Governor or a person authorised by the Governor.

Modification of financial assets

Modification of a financial asset is the change in the established (contracted, prescribed or otherwise determined in accordance with regulations) cash flows on the financial asset, through renegotiation or otherwise. If the modified financial asset results in contractual cash flows that are not significantly different from the benchmark cash flow, recognition of that financial asset is continued at a modified value, and the difference between the carrying amount and the modified value is recognised in the income statement. If the modified financial asset results in contractual cash flows that are significantly different from the benchmark cash flow, the modification results in the derecognition of that financial asset and the recognition of a new financial asset.

Impairment of financial assets

Loss allowance is recognised (recognition of impairment, that is loss allowances) for expected credit losses on a financial asset measured at amortised cost, on a financial asset measured at fair value through other comprehensive income and on other receivables in accordance with IFRS 9 requirements.

Expected credit losses on a financial asset are estimated for an individual financial asset or a group of financial assets with the same characteristics, taking into account all the relevant and available quantitative and qualitative information, pertaining to the past, current and future events.

Financial assets are classified under *impairment stage 1* if it is estimated that they have low credit risk or if the credit risk did not increase significantly since the date of initial recognition of those financial assets. For these financial assets, 12-month expected credit losses are estimated.

Financial assets are classified under *impairment stage 2* if it is estimated that the credit risk increased significantly since the initial recognition. Lifetime expected credit losses are determined for these financial assets.

Financial assets are classified under *impairment stage 3* if it is estimated that the credit risk increased significantly so that the value of these financial assets may be considered credit-impaired. Lifetime expected credit losses are determined for these financial assets.

Financial assets that are credit-impaired at acquisition are obligatorily classified under impairment stage 3 and remain there for their lifetime.

Derecognition

A financial asset or a part thereof should be derecognised when the right to all or some cash flows from the financial asset expires, or when a financial asset or a part thereof is transferred. A financial liability or a part thereof should be derecognised when it is fully or partially discharged or expires. The difference between the carrying amount of the derecognised financial asset and liability or a part thereof measured at the date of derecognition and the consideration received (if any) is recognised in the income statement.

VI.3 Risk exposure and management

The key financial risks to which the NBS is exposed in its daily operations are the following:

- **credit risk,**
- **liquidity risk,**
- **interest rate risk, and**
- **currency risk.**

Given that the primary objective of the NBS is to preserve price stability, its financial risk management framework differs from that of commercial financial institutions. The majority of financial risks in the NBS's operations arise from FX reserve management and financial market operations.

FX reserve management is based on the Strategic Guidelines for the Management of FX Reserves, determined by the NBS Executive Board. The Guidelines define the criteria for investment of FX reserves, purposes for which the reserves are used, global investment framework and other. Based on these Guidelines, the NBS's Investment Committee prepares the proposal of Tactical Guidelines for FX Reserve Management and submits them to the Executive Board for adoption.

Credit risk

Credit risk is the risk of default on obligations, i.e. the possibility of funds not being timely and/or fully repaid or not collected according to the planned/agreed timeframe. The NBS's exposure to credit risk is primarily in the domain of FX reserve management. When investing FX reserves, the NBS is guided by the principles of liquidity and safety. The analysis and measurement of the credit risk inherent in the NBS portfolio is performed in accordance with generally accepted methods, including minimum credit rating requirements.

The securities in which investment is made must have a composite credit rating of at least A- for government bonds, A+ for public sector bonds and AA for covered bonds, as assigned by Standard & Poor's, Moody's Ratings and Fitch Ratings. In addition, commercial banks maintaining non-collateralised deposits of the NBS must have a minimum composite credit rating of AA-. A credit limit for each bank is determined based on the bank's credit rating, prior experience in operations with that bank and an analysis of its business performance. A credit limit for each bank is set in the List of Authorised Issuers of Securities and Banks in Which it is Permissible to Place FX Reserve Funds of the NBS, which is adopted by the Executive Board. There are no limitations to investments with central banks and international financial institutions. An exception to the above are funds held in regular current accounts of the NBS with banks not having the required credit rating and used for the performance of foreign payment transactions.

Table VI.3.1 **Concentration of credit risk of financial assets by country and region**
(in RSD thousand, as at 31 December 2025)

	Serbia	Europe	USA and Canada	Other	Total
Cash and current accounts held with banks	40,296,285	223,277,865	1,358,736	191,574	265,124,460
Deposits	-	232,912,069	175,453,374	-	408,365,443
Securities	113,812,399	1,433,227,456	278,718,813	149,316,606	1,975,075,274
Loans and placements	253,838	-	-	-	253,838
IMF membership quota and SDR holdings	-	-	7,861,743	-	7,861,743
Other assets	1,208,290	419	1,288	-	1,209,997
Total 31 December 2025	**155,570,812**	**1,889,417,809**	**463,393,954**	**149,508,180**	**2,657,890,755**
Total 31 December 2024	**167,896,978**	**2,117,657,496**	**570,895,373**	**105,670,014**	**2,962,119,861**

Source: NBS.

Liquidity risk

Liquidity risk refers to the (in)ability to ensure regular payment of obligations and regular collection of receivables within agreed timelines. As part of its strategy of liquidity risk management, the NBS holds a portfolio of liquid assets, including funds held in accounts with foreign banks and bonds of the most developed countries, international financial institutions, federal units of the most developed countries and financial institutions supported by these countries, as well as prime covered bonds, in line with the guidelines for managing FX reserves.

Table VI.3.2 **Exposure to liquidity risk – financial liabilities with maturity date**
(in RSD thousand, as at 31 December 2025)

	Up to one month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	No maturity	Total
Non-derivative financial liabilities							
Deposits and other liabilities to banks and other financial organisations	1,541,107,907	-	-	-	-	-	1,541,107,907
Deposits and other liabilities to the government and other depositors	774,943,745	8,863,865	28,619,647	-	-	-	812,427,257
Liabilities to the IMF	35,334	-	-	-	7,753,761	83,195,140	90,984,235
Currency in circulation	430,183,421	-	-	-	-	-	430,183,421
Other liabilities	2,743,991	26,822	89,312	-	-	-	2,860,125
Total	2,749,014,398	8,890,687	28,708,959	-	7,753,761	83,195,140	2,877,562,945
Derivative financial liabilities							
Derivative liabilities	16,544	25,198	-	-	-	-	41,742
Inflows	12,314,610	22,933,206	-	-	-	-	35,247,816
Outflows	(12,355,834)	(22,936,610)	-	-	-	-	(35,292,444)

Source: NBS.

Interest rate risk

Interest rate risk is the risk of reduction of the net result or net value of the NBS's assets due to changes in the level of interest rates. The exposure to the interest rate risk depends on the relation between interest-sensitive assets and liabilities of the NBS.

The NBS sets the key policy rate and the interest rates at which, in the conduct of monetary policy, it charges interest on loans and other placements (and other receivables) and pays interest on bank assets held with the NBS in order to meet its legally defined objectives – price and financial stability, and to support, without prejudice to its legally defined objectives, the economic policy of the Government of the Republic of Serbia.

Table VI.3.3 **Exposure to interest rate risk**

(in RSD thousand, as at 31 December 2025)

	Interest-bearing items	Non-interest-bearing items	Total
Financial assets			
Cash and current accounts held with banks	224,427,925	214,841,578	439,269,503
Deposits	407,673,810	691,633	408,365,443
Derivative receivables	-	41,742	41,742
Securities	1,975,189,768	15,538,966	1,990,728,734
Loans and placements	231,998	21,840	253,838
IMF membership quota and SDR holdings	7,840,155	83,211,542	91,051,697
Other assets	-	1,209,997	1,209,997
	2,615,363,656	**315,557,298**	**2,930,920,954**
Financial liabilities			
Derivative liabilities	-	41,742	41,742
Deposits and other liabilities to banks and other financial organisations	938,867,374	601,740,859	1,540,608,233
Deposits and other liabilities to the government and other depositors	287,246,447	524,776,791	812,023,238
Liabilities to the IMF	7,753,761	83,230,474	90,984,235
Currency in circulation	-	430,183,421	430,183,421
Other liabilities	-	2,856,272	2,856,272
	1,233,867,582	**1,642,829,559**	**2,876,697,141**
Net exposure as at			
31 December 2025	**1,381,496,074**	**-1,327,272,261**	**54,223,813**
31 December 2024	**1,279,750,372**	**-1,125,599,314**	**154,151,058**

Source: NBS.

However, interest-bearing assets, mostly kept abroad, are exposed to substantial risk of changes in market interest rates. As all this can induce a change in the financial position, the NBS's rules for investment, primarily of FX reserves, aim to limit potential losses arising from market risks. The two main methods the Bank uses to quantify market risks relating to financial assets include: Value-at-Risk (VaR) and stress test methods. The first method is used to anticipate the highest possible loss in normal market circumstances, while the other is used to anticipate losses in extreme market circumstances.

When VaR (95%) is calculated at a monthly level, for the entire portfolio which includes coupon and discount securities and time deposits included in the investment portfolio in a foreign currency, calculated in euros as at 31 December 2025, in only 5% of the cases can we anticipate loss exceeding 0.80% or RSD 15,916.34 mn (EUR 135.71 mn). In case of extreme market conditions, the VaR analysis is supplemented by the stress test model which, based on portfolio duration and convexity, anticipates the possible effect of interest rate change and other adverse scenarios on portfolio value.

Table VI.3.4 **Currency risk exposure of financial assets and liabilities**
(in RSD thousand, as at 31 December 2025)

	EUR	USD	SDR	Other currencies	Total foreign currencies	RSD	Total
Financial assets							
Cash and current accounts held with banks	355,738,422	19,846,116	-	23,382,483	398,967,021	40,302,482	439,269,503
Deposits	164,770,385	235,786,176	-	7,808,882	408,365,443	-	408,365,443
Derivative receivables	-	-	-	-	-	41,742	41,742
Securities	1,357,619,793	408,713,126	15,652,361	94,931,055	1,876,916,335	113,812,399	1,990,728,734
Loans and placements	-	-	-	-	-	253,838	253,838
IMF membership quota and SDR holdings	-	-	91,051,697	-	91,051,697	-	91,051,697
Other assets	31,007	541,898	-	1,545	574,450	635,547	1,209,997
	1,878,159,607	664,887,316	106,704,058	126,123,965	2,775,874,946	155,046,008	2,930,920,954
Financial liabilities							
Derivative liabilities	-	-	-	-	-	41,742	41,742
Deposits and other liabilities to banks and other financial organisations	381,408,821	1,378	-	5,932	381,416,131	1,159,192,102	1,540,608,233
Deposits and other liabilities to the government and other depositors	205,874,305	226,799,490	521,482	1,600,066	434,795,343	377,227,895	812,023,238
Liabilities to the IMF	-	-	90,984,235	-	90,984,235	-	90,984,235
Currency in circulation	-	-	-	-	-	430,183,421	430,183,421
Other liabilities	980,005	187,155	-	325,939	1,493,099	1,363,173	2,856,272
	588,263,131	226,988,023	91,505,717	1,931,937	908,688,808	1,968,008,333	2,876,697,141
Net exposure as at:							
31 December 2025	**1,289,896,476**	**437,899,293**	**15,198,341**	**124,192,028**	**1,867,186,138**	**-1,812,962,325**	
31 December 2024	**1,309,252,676**	**519,842,380**	**13,817,493**	**103,181,828**	**1,946,094,377**	**-1,791,943,319**	

Source: NBS.

The most important scenario for the NBS is an unexpected increase in interest rates or a decline in the prices of securities, reflecting what would happen to the entire portfolio if interest rates went up by 100 bp. If interest rates had gone up by 100 bp as at 31 December 2025, the portfolio in euros would have lost RSD 22,376 mn (EUR 190.79 mn), the US dollar portfolio – RSD 6,438 mn (USD 64.43 mn), the GBP portfolio – RSD 516 mn (GBP 3.84 mn), and the CAD portfolio – RSD 394 mn (CAD 5.41 mn).

Currency risk

The NBS is exposed to the currency risk because of changes in exchange rates. Most of the assets and liabilities in the NBS balance sheet are denominated in a foreign currency, which enables the NBS to respond, as needed, to requirements regarding the maintenance of the country's external liquidity and to moderate short-term volatility of the dinar exchange rate.

In order to minimise medium-term risks, the NBS makes efforts to match the currency structure of assets with the expected FX liabilities. In the short term, this can lead to exchange rate gains/losses, recorded in the income statement.

VI.4 Independent auditor's report

EY

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This is English translation of the Report originally issued in Serbian language (For management purposes only)

INDEPENDENT AUDITORS' REPORT

TO THE COUNCIL OF GOVERNORS OF NARODNA BANKA SRBIJE

Opinion

We have audited the financial statements of **Narodna banka Srbije** (the Bank), which comprise the balance sheet as at **31 December 2025** and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by the International Accounting Standards Board (IFRS accounting standards).

Basis for opinion

We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Auditing Standards applicable in Republic of Serbia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with Auditing Standards applicable in Republic of Serbia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Belgrade, 20 March 2026

PREDUZEĆE ZA REVIZIJU Ernst & Young d.o.o. BEOGRAD

Nikola Ribar
Authorized Auditor
Ernst & Young d.o.o. Beograd

VI.5 Annual financial statements

Balance sheet

NATIONAL BANK OF SERBIA

BALANCE SHEET
As at December 31, 2025

In thousands of RSD	Note	December 31, 2025	December 31, 2024
ASSETS			
Cash and current accounts held with banks	15, 3.4	439,269,503	443,362,919
Gold and other precious metal	16, 3.5	729,636,706	455,843,848
Deposits	17, 3.3	408,365,443	524,219,095
Derivative receivables	3.3	41,742	31,435
Securities	18, 3.3	1,990,728,734	2,180,099,991
Loans and placements	19, 3.3	253,838	815,913
IMF membership quota and SDR holdings	20, 3.3	91,051,697	97,568,791
Intangible assets	21, 3.7	2,635,822	1,657,448
Property, plant and equipment	21, 3.7	23,649,884	22,688,259
Investment property	21, 3.7	509,587	484,208
Other assets	22	7,948,003	7,252,276
TOTAL ASSETS		3,694,090,959	3,734,024,183
LIABILITES AND EQUITY			
Liabilities			
Derivative liabilities	3.3	41,742	31,435
Deposits and other liabilities to Government and financial organisations	23	1,540,608,233	1,688,125,076
Deposits and other liabilities to Government and other depositors	24	812,023,238	902,710,992
Liabilities to the IMF	25, 3.3	90,984,235	97,508,018
Provisions	26.3.11	3,197,057	2,452,278
Current tax liabilities	27, 3.9	422,193	452,939
Cash in circulation	28	430,183,421	399,640,272
Other liabilites	29	3,168,352	5,510,038
Total liabilites		2,880,628,471	3,096,431,048
Equity			
State-owned capital		270,588,482	221,061,583
Reserves		331,062,137	233,960,766
Retained earnings		211,811,869	182,570,786
Total equity	30	813,462,488	637,593,135
TOTAL LIABILITIES AND EQUITY		3,694,090,959	3,734,024,183

Notes on the following pages form an integral part of these financial statements.

These financial statements were approved by the Governor:

Jorgovanka Tabakovic, PhD
Governor

Income statement

NATIONAL BANK OF SERBIA

INCOME STATEMENT
For the period from January 1 to December 31, 2025

In thousands of RSD	Note	2025	2024
Interest income		87,886,730	98,788,473
Interest expenses		(41,111,768)	(49,650,224)
Net interest income	4, 3.1	46,774,962	49,138,249
Fee and commission income		8,097,085	7,281,494
Fee and commission expenses		(503,149)	(533,829)
Net fee and commission income	5, 3.1	7,593,936	6,747,665
Net losses from derecognision of financial Instruments measured at fair value through other comprehensive income	6, 3.3	2,566,996	351,632
Net exchange rate gains and gains from contractual currency clause	7, 3.2	163,685,987	134,205,240
Net (expense) of impairment/Net income from impairment of financial assets	8, 3.3, 31	113,274	170,683
Other operating income	9	7,338,736	7,404,020
Salaries. salary compensations and other personal expenses	10, 3.10	(9,297,762)	(7,907,508)
Depreciation costs	11, 3.7	(1,913,908)	(1,825,159)
Other income	12	1,640,102	68,518
Other expenses	13	(6,268,261)	(5,329,615)
PROFIT BEFORE TAX		212,234,062	183,023,725
Income tax	27, 3.9	(422,193)	(452,939)
PROFIT AFTER TAX	30	211,811,869	182,570,786

Notes on the following pages form an integral part of these financial statements.

These financial statements were approved by the Governor:

Jorgovanka Tabakovic, PhD
Governor

Statement of other comprehensive income

NATIONAL BANK OF SERBIA

STATEMENT OF OTHER COMPREHENSIVE INCOME
In the period from January 1 to December 31, 2025

In thousands of RSD	2025	2024
Profit for the period	211,811,869	182,570,786
Components of other comprehensive income which cannot be reclassified to profit or loss:		
Increase in revaluation reserves based on intangible assets and fixed assets	-	-
Positive effects of change in value of equity instruments measured at fair value through other comprehensive income	1,442,741	1,611,273
Actuarial losses	(309,072)	(128,254)
Components of other comprehensive income that may be reclassified to profit or loss:		
Positive effects of change in value of debt instruments measured at fair value through other comprehensive income	(3,220,302)	7,420,312
Other comprehensive income for the period	(2,086,633)	8,903,331
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	209,725,236	191,474,117

Notes on the following pages form an integral part of these financial statements.

These financial statements were approved by the Governor:

Jorgovanka Tabakovic, PhD
Governor

Statement of changes in equity

NATIONAL BANK OF SERBIA

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2025

In thousands of RSD	State owned capital	Special reserves	Revaluation reserves	Fair Value Reserves	Actuarial losses	Retained earnings	Total
Balance as at January 1, 2024	216,507,798	187,289,555	17,031,131	11,737,228	(116,427)	26,012,509	458,461,794
Distrubution of profit from previous year (Note 30)	4,553,785	9,115,948	-	-	-	(26,012,509)	(12,342,776)
Increase in fair value reserve of equity instruments measured at fair value	-	-	-	1,611,273	-	-	1,611,273
Actuarial losses	-	-	-	-	(128,254)	-	(128,254)
Increase in fair value reserves of debt instruments measured at fair value	-	-	-	7,420,312	-	-	7,420,312
Net gain for the current year	-	-	-	-	-	182,570,786	182,570,786
Balance as of December 31, 2024	221,061,583	196,405,503	17,031,131	20,768,813	(244,681)	182,570,786	637,593,135
Balance as at January 1, 2025	221,061,583	196,405,503	17,031,131	20,768,813	(244,681)	182,570,786	637,593,135
Distrubution of profit from previous year (Note 30)	49,526,899	99,188,004	-	-	-	(182,570,786)	(33,855,883)
Increase in fair value reserve of equity instruments measured at fair value	-	-	-	1,442,741	-	-	1,442,741
Actuarial losses	-	-	-	-	(309,072)	-	(309,072)
Increase in fair value reserves of debt instruments measured at fair value	-	-	-	(3,220,302)	-	-	(3,220,302)
Net gain for the current year	-	-	-	-	-	211,811,869	211,811,869
Balance as at December 31, 2025	270,588,482	295,593,507	17,031,131	18,991,252	(553,753)	211,811,869	813,462,488

Notes on the following pages form an integral part of these financial statements.

Financial statements were approved by the Governor:

Jorgovanka Tabakovic, PhD
Governor

Statement of cash flows

NATIONAL BANK OF SERBIA

CASH FLOW STATEMENT
In the period from January 1 to December 31, 2025

In thousands of RSD	2025	2024
CASH FLOW FROM OPERATING ACTIVITES		
Interest	74,203,439	74,986,610
Fee and commission	8,185,724	7,348,507
Inflows from sales of products and services (Institute for Manufacturing Banknotes and Coins)	8,061,501	8,292,549
Inflows from other operating activities	2,669,271	820,695
Cash inflow from dividends and profit sharing	152,055	155,023
Cash inflow from operating activities	*93,271,990*	*91,603,384*
Interest payments	(44,844,068)	(54,644,217)
Fee and commission payments	(506,618)	(536,143)
Payments for operating expenses	(17,368,534)	(14,483,758)
Cash outflow from operating activities	*(62,719,220)*	*(69,664,118)*
Net inflow in deposits received	(258,270,785)	349,669,206
Net outflow in loans and placements	98,041,297	(99,249,765)
Net outflow in securities and other financial assets not held for investing	208,459,937	(557,929,696)
Net increase from operating activities before income tax	*78,783,219*	*(285,570,989)*
Income tax paid	(452,939)	(416,934)
Payment of the distributed result-transfer to the budget of the Republic of Serbia	(33,855,882)	(12,342,776)
Net cash inflow from operating activities	44,474,398	(298,330,699)
CASH FLOW FROM INVESTING ACTIVITIES		
Inflow from purchase intangible assets and fixed assets	-	1,434
Outflow for purchase of intangible assets and fixed assets	(4,336,170)	(2,535,603)
Net cash outflow from investing activities	(4,336,170)	(2,534,169)
CASH FLOW FROM FINANCING ACTIVITIES		
Other outflows from financing activites	(177,829)	(165,432)
Net cash outflow from financing activity	(177,829)	(165,432)
Net increase in cash and cash equivalents	39,960,399	(301,030,300)
Cash and cash equivalents at the beginning of the period	451,283,413	716,100,693
Foreign exchange. net	(44,376,848)	36,213,020
CASH AND CASH EQUIVALENTS AT THE PERIOD END (Note 2**d**)	446,866,964	451,283,413

Notes on the following pages form an integral part of these financial statements.

These financial statements were approved by the Governor:

Jorgovanka Tabakovic, PhD
Governor

VI.6 Institute for Manufacturing Banknotes and Coins – Topčider

Total income of the Institute in 2025 amounted to RSD 7,502.7 mn, and total expenses to RSD 5,384.8 mn.

Despite specific and difficult business circumstances, the Institute posted a **positive financial result of RSD 2,117.8 mn in 2025**, recording a continuous increase in operating income, which rose by around RSD 61 mn or 0.8% from 2024.

Table VI.6.1 **Total income and expenses of the Institute**
(in RSD mn)

	2024	2025	Index 2025/2024
Total income of the Institute	7,521.4	7,502.7	99.8
Operating income:	7,352.4	7,413.4	100.8
Products for the NBS	502.1	646.6	128.8
Products for the domestic market	6,827.9	6,753.8	98.9
Export products	22.4	13.0	58.0
Other (financial) income	169.0	89.3	52.8
Total expenses of the Institute	4,989.0	5,384.8	107.9
Income-to-expense ratio	150.8	139.3	-

Source: NBS.

Thanks to maximum efforts made to optimise processes and harmonise the rules and standards of intermediate goods consumption, significant progress was again achieved in planning and organising production, making savings as well as ensuring adequate levels of inventories, particularly of strategic products.

The stability and continuity in achieving a positive financial result in the past ten years, resulting from the Institute's main activity and its diversified portfolio, enable the Institute to continue its prosperous technological development and affirm its market position and recognisability.

The conversion of working capital in the most liquid (cash) form has been set as the primary operational objective. Hence, it is important to note that the dynamics of collection relative to the realised sale did not experience oscillations and were at a high level (the percentage of uncollected claims was below 0.5%).

Therefore, the indicators of business efficiency (average inventory turnover, gross profit margin and return on assets) exceeded the average for Serbian companies.

In 2025, **the Institute posted a positive financial result of RSD 1,471 mn,** excluding income from products manufactured for the NBS, which are included in the internal reporting segment for the purposes of a comprehensive overview of the Institute's operations. The calculation of this result (excluding income from products manufactured for the NBS) does not exclude the costs of production, i.e. manufacturing of banknotes and circulating coins, reports, catalogues, posters, business cards, internal payment cards, etc.

Structure of income

The Institute recorded most of its income (RSD 6,766.8 mn or 90% of total income) in the domestic market. Income from exports measured RSD 13 mn or 0.2% of total income.

Operating income generated in the domestic and foreign market is dominated by income from the manufacturing and personalisation of payment cards, and from valuables and products with security features.

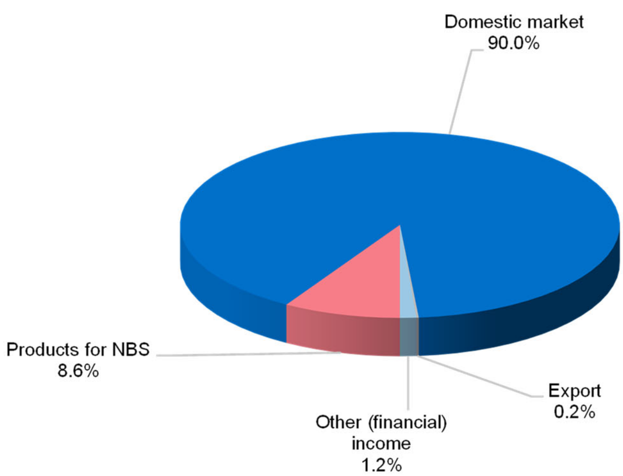
Income from products manufactured for the NBS measured RSD 646.6 mn or 8.6% of total income.

Table VI.6.2 **Structure of total income**
(in RSD mn)

	2024	2025	Index 2025/2024
Total income of the Institute	7,521.4	7,502.7	99.8
Operating income	7,352.4	7,413.4	100.8
Products for NBS	502.1	646.6	128.8
Banknotes	337.8	392.4	116.2
Circulating coins	105.3	231.3	219.8
Commemorative coins	-	-	-
Other products and services for the NBS	59.0	22.9	38.7
Domestic market and exports	6,850.3	6,766.8	98.8
Pre-production services	0.6	0.0	0.0
Banknotes and other products	0.3	0.2	70.3
Circulating and commemorative coins	6.8	3.6	53.2
Other coined products and services	527.3	557.9	105.8
Valuables	1,096.4	1,112.9	101.5
Products with security features	1,736.2	1,582.3	91.1
Books, publications and promotional material	14.5	11.7	80.3
Other products	1,026.4	1,084.5	105.7
Personalisation	2,441.7	2,413.7	98.9
Other (financial) income	169.0	89.3	52.8

Source: NBS.

Chart VI.6.1 **Composition of the Institute's income in 2025**



Source: NBS.

Structure of expenses

Operating expenses were dominant within total expenses, most notably basic material and energy (46.2%), gross wages and other employee-related expenses (27.8%) and depreciation (9.3%).

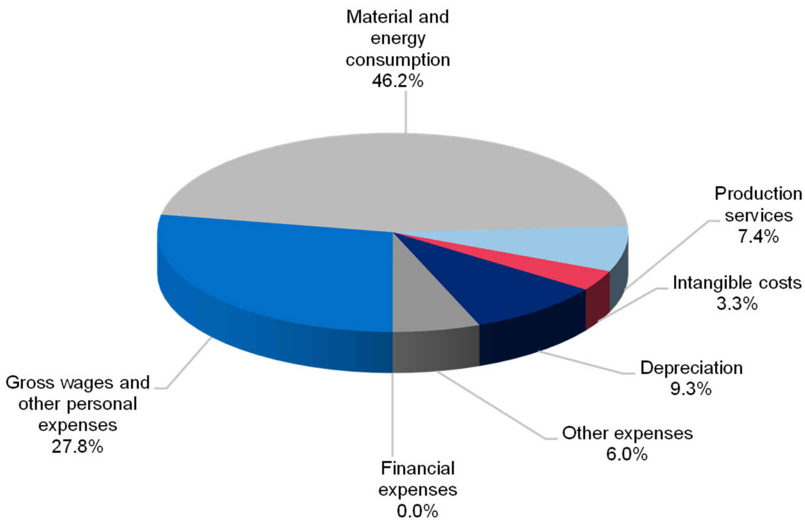
The share of these expenses in total income is continuously stable.

Table VI.6.3 **Structure of total expenses**
(in RSD mn)

	2024	2025	Index 2025/2024
Total expenses	4,989.0	5,384.8	107.9
Financial expenses	0.3	0.3	96.5
Gross wages and other employee-related expenses	1,323.8	1,499.0	113.2
Material and energy consumption	2,358.9	2,485.3	105.4
Production services	351.3	399.3	113.7
Intangible costs	158.8	179.4	113.0
Depreciation	503.9	499.1	99.0
Other expenses	292.0	322.5	110.4

Source: NBS.

Chart VI.6.2 **Composition of the Institute's expenses in 2025**



Source: NBS.

VII MAIN PLANS FOR THE FUTURE PERIOD

Going forward, maintenance of price and financial stability in the medium term, together with support to the fastest possible economic growth and a further rise in employment and living standards, will remain our monetary policy priority.

The NBS pursues the inflation targeting strategy and conducts a responsible and consistent monetary policy. **It therefore plans its activities in line with its legally mandated objectives and will remain committed to their achievement in the future period as well**. The main principles of future monetary policy implementation are laid down in the 2026 Monetary Policy Programme of the National Bank of Serbia.

In 2026 as well, the NBS's monetary policy will remain flexible with regard to the degree of its response and the use of the tools available in the inflation-targeting regime. Monetary policy decisions will be taken in a **consistent and well-timed manner, taking into account the anticipated movement in factors at home and abroad and their impact on the inflation projection, as well as the efficiency of the monetary policy transmission mechanism**, while at the same time considering the impact on financial stability and sustainable economic growth.

Without prejudice to its own independence, the **NBS will coordinate its monetary policy with the fiscal policy and structural policies of the Government** as their joint objective is medium-term price stability, preservation of financial stability and sustainability of public finances and, by extension, economic growth sustainable over the long term. This will help raise resilience to potential negative effects of the factors from the international environment, which is particularly important in periods of heightened global uncertainty and pronounced risks.

The NBS will continue to implement activities aimed at increasing the use of the dinar in the financial system.

Amid extreme uncertainty and challenges from the international environment, **the regulatory and prudential measures taken by the NBS, along with the preserved macroeconomic stability and relative stability of the dinar exchange**

rate against the euro, have increased the level of dinarisation, which is one of the NBS's strategic objectives.

With its required reserve policy so far (more stimulating required reserve ratios for dinar sources of funding and higher remuneration for allocated dinar required reserves) **and other macroprudential policy measures, the NBS has encouraged banks to make greater use of dinar sources of funding and will continue to do so.** Also, to support further financial market development, the NBS will continue to implement measures and activities aimed at upgrading the domestic money and capital markets, with particular emphasis on further development of FX risk hedging instruments.

In order to maintain its FX reserves at an adequate level and ensure a high degree of their liquidity and safety, the NBS will remain committed to keeping the risk of its investment portfolio at a very low level.

Adequate FX reserves, in terms of both their volume and composition, are an important warranty of safety, particularly in times of crises. At the same time, they serve as proof that, through its measures and activities, the NBS has contributed to increasing the resilience of the domestic economy to any negative impacts from the international environment. During 2026 as well, **the NBS will remain consistent in keeping its FX reserves at an adequate level, and will be guided in their management by the principles of safety and liquidity**. To further upgrade the process of FX reserves management, new financial instruments and operations are planned to be introduced in 2026 to achieve more efficient and flexible management of the FX reserves portfolio and to hedge against currency changes.

The NBS will continue to carefully oversee the financial system and, as needed, enact regulations aimed at preserving asset quality and financial stability.

Plans for banking supervision include the implementation of the supervisory activities plan for 2026. On-site supervision of the solvency and legality of bank operations has been planned in line with the above plan.

In the area of **financial lessors' supervision**, activities in 2026 will focus on: continuous monitoring and analysis of operations of financial lessors; continuous on-site and off-site supervision of financial lessors' operations and the taking of appropriate measures; implementing procedures at the request of lessors and other persons relating to the issuance of licences and consents, and monitoring the introduction of new products/services relating to operating leasing, aimed at providing a better-quality offer to consumers.

The NBS's activities in 2026 will be directed at preserving the stability of the insurance sector by implementing the plan of on-site supervisions, carrying out continuous off-site supervision and amending regulations, and **at further upgrading the supervisory function, in order to protect insureds, insurance beneficiaries and injured parties**.

In the area of voluntary pension funds supervision, activities in 2026 will focus on **ongoing supervision of VPFs and VPF management companies**, **for the purposes of protecting the interests of members and preserving the stability of**

the VPF sector. At the same time, work will be done on **drafting new regulations relating to VPFs**, in order to achieve further alignment with EU regulations.

In 2026, the NBS plans to continuously monitor the ways in which financial institutions assess and manage information-communications system risks through on-site and off-site supervision, as needed, and in line with the supervision plan. Within its remit, the NBS will continue to monitor the operations of virtual currency service providers. Further, **in line with changes in the standards on the information-communications system and its security, the NBS will take activities to amend and supplement current regulations in the area of supervision of financial institutions' information systems.**

To preserve and reinforce its financial stability function, the NBS plans the following activities for 2026: **the setting of the countercyclical capital buffer rate for the Republic of Serbia on a quarterly basis;** the review of the **requirement to maintain the systemic risk buffer**, including an assessment of the need to retain this requirement; **the review of the list of systemically important banks in the Republic of Serbia,** as well as the calibration of capital buffer rates for those banks**;** the alignment of the domestic framework with the EU regulatory framework governing capital buffers and macroprudential measures; **the continuous implementation of quarterly macroprudential stress tests,** as well as **analyses assessing the impact of climate risks on the banking sector of the Republic of Serbia.** In addition, **improvements in the analysis of developments in the real estate market** are planned**,** along with the continuation of **data exchange with the Republic Geodetic Authority aimed at enhancing the Real Estate Database maintained by the NBS.** Further activities include cooperation with other central banks and their macroprudential authorities in order to review and analyse experiences regarding macroprudential policy measures and instruments applied to mitigate and contain systemic risks, thereby supporting the continued development of the financial stability function of the NBS.

In the field of bank resolution, the NBS will continue to be (pro)active, enhancing both the regulatory framework for bank resolution and practice in this area. In particular, it will monitor the activities taken by banks to enhance resolvability.

In accordance with the Law on Banks, the NBS will **establish the Bank Resolution Fund** in 2026 by adopting the Decision on Establishing the Bank Resolution Fund and Rules for Investment and Management of the Fund Assets.[67] The NBS will determine the first regular contributions to be paid by banks for the purpose of reaching the target level of the Fund, which is set at no less than 1% of the covered deposits of all banks. The deadline for achieving this target level is ten years from the start of collection of such contributions.

During 2026**, as part of the regular annual cycle of updating resolution plans, resolution plans for all banks and banking groups will be updated, and the minimum requirements for own funds and eligible liabilities (MRELs) will be reviewed with a view to determining new requirements.**

[67] RS Official Gazette, No 4/2026.

As before, particular attention will be devoted to the continuous enhancement of practices, inter alia by exchanging experiences with other resolution authorities, as well as through dialogue with banks and other relevant institutions.

As part of its pre-emptive and supervisory function, in 2026 the NBS will continue to monitor the implementation of regulations on foreign exchange operations and supervise foreign exchange and exchange transactions in order to verify and establish their legality and regularity, with a view to protecting the financial and economic system from unlawful activities.

In 2026, the NBS will continue to **improve the efficiency of monitoring the implementation of foreign exchange regulations and of reporting about the effects of measures taken in the field of foreign exchange operations**, so as to timely remove or mitigate potential risks to macroeconomic and financial stability of the country, particularly amid instability of international financial flows.

As part of the above activities, the exchange of electronic orders with the Treasury Administration of the Ministry of Finance of the Republic of Serbia is also being enhanced in order to ensure alignment with the new standards.

As part of the financial service consumer protection function, the mechanism of collective protection will be upgraded.

In the period ahead, **the NBS plans to take steps to further develop its supervisory activities in the area of consumer protection, with an emphasis on preventive measures designed to pre-empt, to the greatest extent possible, irregularities in the conduct of financial service providers, while continuing to apply corrective mechanisms to remedy identified irregularities, primarily with due regard to the interests of financial service consumers**. The NBS also remains committed to further improving the consumer protection framework and creating conditions conducive to best practices in the financial market.

In addition to the regular activities aimed at protecting individual rights and interests of financial service consumers (acting upon consumer complaints and mediation proposals), the NBS also plans to continue using the mechanism of collective consumer protection (through on-site and off-site supervision procedures in the area of financial service consumer protection), which is consistent with the current international trend of developing the financial service consumer protection function. The NBS remains committed to taking preventative activities to pre-empt irregularities, by monitoring the conduct of financial service providers and issuing orders and instructions binding for all financial service providers. Plans also include the exchange of information and experiences with the competent authorities of other countries, in order to improve cooperation in the area of financial service consumer protection and, in particular, in order to raise the standards of banks' market conduct.

The NBS will continue to maintain the safety and soundness of payment systems, developing them further and implementing instant payments-based services.

Going forward, the NBS will ensure **safe and sound operation of payment and card systems as their operator**. In this regard, it will ensure adequate management of those systems.

In early 2026, the application solution for the NBS RTGS and NBS Clearing payment systems was migrated, enabling participants to transition to the new MX message format, which is compliant with the ISO 20022 standard. During 2026, participants are expected to migrate individually to the MX message format in the NBS RTGS and NBS Clearing systems. In addition, during 2026, the existing MT message format, based on the ISO 15022 standard, is planned to be migrated to the MX message format in the International and Interbank FX Clearing systems. The migration to the new message format is consistent with Serbia's accession to SEPA and with best practices regarding electronic message formats used in interbank communication and payment processing

After the Republic of Serbia officially joined the SEPA geographical scope, **the NBS will carry on its activities to enable SEPA payments,** as well as activities aimed at creating all preconditions for smooth functioning within the SEPA and the provision of modern and efficient services in the interest of Serbia's citizens and businesses, including the provision of support to Serbian payment service providers in this process.

In order to maintain safe and sound payment system operation as part of its oversight function, **in 2026 the NBS will work on upgrading the regulatory framework with regard to payment systems and their oversight and on aligning it with relevant EU regulations**, particularly in the part relating to systemically important payment systems and operational and cyber risk management, to ensure the inclusivity, stability and resilience of the financial infrastructure. In the coming period, the NBS will amend the Law on Payment Services and enact appropriate bylaws.

In 2026, the NBS will continue its activities within the project of modernisation of payment systems in the Western Balkans aimed at enabling the linking of payment infrastructures and cost-efficient payments between economies of the region, as well as with EU countries.

In 2026, the NBS will **continue developing new functionalities within the NBS IPS system and take steps to expand the acceptance network**, further reduce the costs of non-cash payments in the Republic of Serbia, and continue to educate consumers/companies in our country about non-cash payments.

The NBS's activities in the area of supervision of payment services provision, e-money issuance and virtual currency service provision in 2026 will focus on: continuous monitoring and analysis of operations of payment institutions, e-money institutions and virtual currency service providers; building capacities through appropriate external and internal training and the improvement of supervision tools; continuation of activities relating to the procedures for issuing licences to provide payment services, issue e-money and provide virtual currency services, etc.

The NBS will be active in the area of prevention of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction – as both the regulator and the supervisor.

In early 2026, Moneyval published its mutual evaluation report on the anti-money laundering, counter-terrorism financing and counter-proliferation financing system of the Republic of Serbia as part of the sixth round of mutual evaluations. Given that the report assesses the Republic of Serbia's overall system while also identifying areas requiring further improvement, **the NBS plans to undertake all necessary activities during 2026 in line with the Moneyval's recommendations.** Although the recommendations addressed to the NBS are not among the key recommendations (nor has any deadline been established for their implementation), but rather fall within the category of other recommendations, the NBS stands ready to act in accordance with them. To this end, it will participate, together with other stakeholders, in updating the Strategic and Operational Plan for the Prevention of Money Laundering, Terrorism Financing and WMD Proliferation Financing for the period 2025–2029.

In addition, **the NBS will take activities to further improve its supervisory activities and timely monitor the exposure to the risk of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction in the supervised entities.** In addition to regular off-site supervision, it will pay special attention to implementing the plan of on-site supervisions of management of the risk of money laundering, terrorism financing and proliferation financing, and of the implementation of the provisions of the law regulating the freezing of assets with the aim of preventing terrorism and WMD proliferation for 2026. It will also continuously monitor international standards in this area. The NBS's activities will focus on further strengthening the cooperation with relevant state authorities (in particular with the Administration for the Prevention of Money Laundering), the financial institutions it supervises in the area of preventing money laundering, terrorism financing and proliferation financing, and international partners (especially the supervisory bodies from other countries).

The NBS will continue to adjust the legal regulations under its remit to ensure efficient functioning of the entire financial system.

With a view to achieving further and full alignment of the domestic legislative framework with the EU acquis, **the NBS will draft new laws or appropriate amendments to the existing laws within its remit**, in particular: Law on the National Bank of Serbia, Law on Credit Institutions, Law on Financial Conglomerates, Law on the Protection of Financial Service Consumers, Insurance Law, Law on Voluntary Pension Funds and Pension Schemes, and Law on Enforced Collection from Debtor's Account.

Activities will continue on aligning other regulations under the NBS's remit with the needs of the practice and development tendencies, as well as with the relevant EU regulations, international standards and the best practice.

Representation of the NBS before courts and operational compliance activities will continue. The application of standards of business conduct in the NBS will be continuously analysed and improved to respond to the development of employees' tasks in the modern-day environment.

On the international plane, the NBS plans to continue successful cooperation with the IMF and other international financial institutions, as well as its activities in the process of European integration and bilateral financial cooperation.

A regular performance review under the agreed economic programme, supported by the IMF's Policy Coordination Instrument, is expected to take place during the year.

In 2026, **the key activities in the process of European integration will focus on accelerating this process, and on harmonisation and fulfilment of all commitments by end-2026**.

The official launch of the third phase of the regional IPA project "Strengthening the Central Bank Capacities in the Western Balkans with a View to the Integration to the European System of Central Banks" is expected. The project will last three years and will be implemented in a format similar to that of the previous phases.

In 2026, supervision of the authorised use of loans approved to final beneficiaries by intermediate banks under Apex loan to SMEs and other priorities III/A, III/B and reinvested funds, as well as loans approved to final beneficiaries by intermediate banks from the Revolving Credit Fund of the Republic of Serbia, will take place in 2026.

The NBS will continue to upgrade its analytical framework, as a supporting tool in monetary and macroprudential policy decision-making.

In 2026, the NBS will continue to improve its macroeconomic and macroprudential **analyses and the production of official statistics, given the importance of high-quality and timely data and analyses for successful economic policy pursuit**.

In statistics, the plan is to proceed with the alignment of the methodology with EU regulations in the areas of monetary, financial and balance of payments statistics.

Plans also include further enhancement of our models used for short- and medium-term projections of inflation and other macroeconomic indicators.

The publication of the *NBS Working Papers Bulletin* is expected to continue. This publication was launched in 2021 in order to bring our institution's scientific and research work closer to the general public and to make a contribution to the discussion within the academic and wider community.

In order to preserve a high level of credibility and transparency of the central bank, responsible and timely communication will remain a priority.

The NBS will continue to inform the public about its operations and activities in a responsible and timely manner, using different communication channels – its webpage, social networks, answers to media and general public queries in electronic form, participation of NBS representatives in radio and television shows, etc. As before, the NBS will regularly inform the public about its monetary policy decisions by issuing press releases after monthly Executive Board meetings, as well as present the *Inflation Report* on a quarterly basis to the professional community and the wider public, with projections of key macroeconomic variables for the period ahead. The *Financial Stability Report* will also be published, in order to provide information about the situation and risks in the financial system, as well as to timely indicate potential systemic risks. In 2026, the NBS will continue to develop its internet domain and subdomains and implement exhibition and educational activities.

Plans of the Institute for Manufacturing Banknotes and Coins include further technological development of the production processes, along with the optimisation of operating costs.

Plans include the adoption of new models, as well as technological and applicative enhancements of the production processes.

Adequate level and composition of currency in circulation will be sustained.

To meet strategic and operational objectives relating to the provision of an adequate volume, quality and denominational structure of currency in circulation, as well as in order to replenish stocks in the NBS's vaults, plans for 2026 include the production of additional 23.4 mn pieces of banknotes (in denominations of 1000 and 5000 dinars) and 65.0 mn pieces of coins in denominations of 1, 2 and 5 dinars. Plans for 2026 also include the production of 500 silver numismatic coins of the thirteenth design with the portrait of Nikola Tesla for the needs of the numismatic market in the Republic of Serbia, and the production of the remaining quantity of silver coins of the ninth, tenth, eleventh and twelfth designs of these coins.

To improve and increase the efficiency of overall business processes, the NBS's staff engage in ongoing education and development of their competencies.

The NBS continues to **invest in staff professional capacities with constant innovations and the adoption of the best central banking practices**.

Going forward, the commitment to preserving comprehensive professional experience and the culture of permanent professional development will remain an integral part of the strategic orientation of the policy of managing human resources and institutional capacities in the NBS.

As before, the NBS will be **socially responsible** and committed to numerous activities contributing to the welfare of the broader community.

In 2026, in the domain of information-communication technologies, the NBS will proceed with regular NBS information system management and continue implementing infrastructure and application development projects and improving management functions, including through improved management and use of the disaster recovery location for key business processes.

The implementation of the new SWIFT message formats aligned with the ISO 20022 standard, through which payments and collections are executed globally and in all convertible currencies, continues. Modifications to the applicative solutions used for international payment transactions are carried out on an ongoing basis using in-house resources, with the aim of ensuring the efficient and most cost-effective execution of foreign currency payments and collections in compliance with international standards.

List of charts and tables

Charts

Tables

CIP - Каталогизација у публикацији
Народна библиотека Србије, Београд

336.71

ANNUAL Report on Activities and Results /
Narodna banka Srbije. 2010- . - Beograd
(Kralja Petra 12) : Narodna banka Srbije,
2010- (Beograd : Zavod za izradu novčanica i
kovanog novca) . - 30 cm

Godišnje
ISSN 2217-7167 = Annual Report on Activities
and Results
COBISS.SR-ID 187268876