

EXPLANATORY NOTES TO TABLES

Definitions of monetary aggregates and other financial instruments are harmonised with the System of National Accounts and monetary and financial statistics used by the IMF in presenting data for all countries in the IFS statistical publication.

The methodology was changed several times over the past years, in order to be harmonised with international standards of statistical reporting.

– In July 2008, the new Chart of Accounts for Banks and Other Financial Organizations came into force, entailing significant harmonisation of data collection methodologies.

– The implementation of a new decree on the classification of activities, which came into force in August 2010, reflected on the manner of disclosing data in the publication, and substantial changes in data series were made in line with the decree.

– From November 2011 to April 2013 the value of gold is increased by the potential costs of affintage.

– In December 2014, the new Chart of Accounts for Banks and Other Financial Organizations came into force, aligned with the International Accounting Standards. Since then, the category “Cash loans” in the household sector is shown separately and is excluded from the category “Other loans”.

– In January 2018, the new Chart of Accounts came into force in order to ensure the necessary structure of data for the purpose of enabling the application of the IFRS 9 in banks and the NBS. It is possible to record data on the stock of loans and deposits indexed to the NBS key policy rate, BELIBOR interest rates, as well as FX indexations to EURIBOR interest rates of different maturity. Additional currencies were introduced, such as CNY and RUB, as well as currencies of EU member states which have still not accepted the euro (SKK, DKK and etc). Legal entities were divided by size in accordance with provisions of the law governing accounting.

In the prior period, harmonisation with the System of National Accounts (SNA2008) and the European System of Accounts (ESA2010) was performed several times, which is why sectoral classification of institutional units was changed. Division was made by institutional sectors, in line with the European System of Accounts, which resulted in breaks in data time series; hence, the following changes were introduced as of December 2014:

– Related institutional units subject or not subject to consolidation (finance and insurance sectors, public enterprises, companies, foreign persons and other clients) are distributed to the appertaining sectors and are no longer presented separately.

–The criteria for classifying companies as a public enterprise or a company are the following: ownership, control and management. Therefore, at the end of 2014, loans to public enterprises took up a larger share in total loans compared to previous years.

– Due to the reclassification of the Deposit Insurance Agency from the insurance sector (other financial organisations) to the government sector, since June 2016 there has been an increase in government FX deposits with the NBS and a decrease in government FX deposits with other financial organisations. To ensure comparability of data series, statistical data from December 2014 onwards were revised to accommodate the said reclassification.

1 MONETARY STATISTICS

Compilation and analysis of monetary statistics in Serbia is a responsibility of the National Bank of Serbia (NBS). Monetary statistics comprises balance sheets of the NBS and other depository institutions, and the consolidated balance sheet of the banking sector. Data in balance sheet surveys and tables derived from balance sheets are classified by institutional sector (domestic and external sectors) and financial instrument. Classification of domestic sectors used in monetary statistics is the following:

- 1) Finance and insurance sector,
- 2) Corporate sector (nonfinancial corporations),
- 3) Public sector,
- 4) Household sector, and
- 5) Other clients (nonprofit institutions serving households).

The finance and insurance sector includes corporations engaged in financial intermediation (banks and other financial institutions). Banks include the NBS and other depository institutions. Other financial institutions include: insurance companies, pension funds, financial leasing, auxiliary activities in the provision of financial services and insurance (companies managing pension and investment funds, Belgrade Stock Exchange, Central Securities Depository and Clearing House, Securities Commission, broker-dealer companies, exchange offices – at present, through banks only), holding companies, investment funds, money funds and other lending and financing services. The corporate sector (enterprises) comprises public enterprises and companies. Public enterprises are founded by the state and perform activities in the general (public) interest. Enterprises also include banks' clients in health care and education areas not financed from the budget (private clinics, hospitals, schools and other institutions that charge fees to cover operating costs). The public sector (state) includes the Republic of Serbia (budget, administration and funds), the State Union Serbia and Montenegro, until its accounts were abolished, and local levels of government (provincial and municipal budgets and funds). Data for the state union show joint income and expenditures of the constituent republics. The household sector includes domestic natural persons, foreign natural persons – residents, private households with employed persons, registered agricultural producers and entrepreneurs. The sector of other clients (nonprofit institutions serving households) comprises legal entities and natural persons registered for producing goods and services for political or business purposes which are not profit oriented (humanitarian, philanthropic and trade associations, employers' associations and other associations promoting interests of social groups that control or finance them). This category includes trade unions, professional associations (other than financial sector association) and academic societies, consumer protection associations, political parties, churches, religious communities, cultural, recreational and amateur sports clubs, voluntary organizations. Data on claims and liabilities refer to position at the end of period, in millions of dinars, with foreign exchange positions expressed in the dinar equivalent value at the daily middle rate of exchange at the end of the period.

1.1.1; 1.1.2; 1.1.4; 1.1.5 and 1.1.17 to 1.1.19 Main Monetary Aggregates

The above tables show data on the main monetary aggregates: money supply and reserve money according to the narrow and broad definitions. Money supply M1 consists of currency in circulation and funds in giro, current and other accounts belonging to the owners of money balances in banks' liabilities, including money balances in the accounts of local government bodies, i.e. accounts from which payments can be made without any restrictions. Money supply M2, in addition to M1, includes other dinar deposits, both short- and

long-term. Money supply M3, in addition to M2, includes short- and long-term foreign currency deposits (without the so called frozen foreign currency savings). Dinar reserve money, i.e. reserve money according to the narrow definition, consists of currency in circulation, bank dinar reserves and dinar reserves of other sectors if they are held with the NBS. Reserve money according to broader definition also includes foreign currency deposits of banks with the NBS.

1.1.2 Balance Sheet of the NBS

The balance sheet of the NBS encompasses all claims and liabilities of the NBS resulting from its operations in the country and its relations with the rest of the world. Flows in reserve money creation are shown on the assets side, and on the liabilities side, types of reserve money holdings.

The following claims and liabilities of the NBS are shown in individual columns:

Assets

Foreign exchange reserves (Column 4) includes monetary gold, special drawing rights (SDRs), foreign exchange and foreign cash, as well as foreign securities. Other foreign assets (Column 5) includes non-convertible currency and other short-term claims on the rest of the world. NBS claims on the Government include dinar and foreign currency claims of the National Bank of Serbia on the Government. Claims on banks (Column 12) comprises short- and long-term dinar and foreign currency claims on banks. Claims on public enterprises, non-banking financial organizations and other sectors are disclosed separately. Other assets (Column 20) shows other claims (different claims in course of settlement, prepayments and accrued income, funds in transit and suspense accounts, capital assets, etc.).

Liabilities

Foreign exchange liabilities of the NBS (Column 3) comprise disbursement of IMF credit and credits from other foreign creditors, due obligations towards the IMF, as well as other short- and long-term obligations to nonresidents. Dinar reserve money (Column 13), i.e. dinar liabilities of the NBS, includes currency in circulation and bank dinar reserves with the NBS (required reserves of banks, and excess reserves, which comprise banks' gyro-accounts and vault cash as well as excess deposit money), dinar reserves of other sectors, primarily local governments. Banks' required reserves in foreign currency and other foreign currency deposits of banks with the NBS are included in the broad definition of reserve money (Column 15). Government deposits, time and other dinar deposits of other sectors, and limited deposits that refer mostly to assets of banks undergoing liquidation, are disclosed separately. Liabilities of the National Bank of Serbia in respect of repo transactions are also disclosed separately, as are capital accounts and IMF accounts with the National Bank of Serbia. Other liabilities show other obligations in course of settlement, accruals and deferred income etc.

1.1.3 Balance Sheet of Banks

The balance sheet of banks comprises claims and liabilities of banks operating in the territory of the Republic of Serbia. The balance sheet is aggregate, i.e. includes interbank claims and liabilities, and liabilities and claims in respect of the National Bank of Serbia.

The following claims and liabilities are shown in separate columns:

Assets

Foreign exchange claims (Column 3) covers foreign currency accounts with banks abroad (Column 1) and other claims on the rest of the world (Column 2). Claims on government (Column 6) includes claims on the Republic of Serbia, excluding local government bodies. Claims on the NBS (Column 15) includes dinar and foreign currency assets banks hold with the NBS. Claims on other clients (Column 22) includes dinar and foreign currency credits and other claims of banks on enterprises, households, local government bodies and other clients. Claims are disclosed in gross amounts, i.e. they are not reduced by allowances for impairment. Fixed and other assets (Columns 24 and 25) include capital assets and other claims, such as claims in course of settlement, prepayments and accrued income, claims from internal relationships, etc.

Liabilities

Foreign exchange liabilities (Column 1) covers obligations under short- and long-term loans and deposits in foreign currency to nonresidents. Demand deposits (Column 11) are shown by sector and represent funds in their accounts (transaction deposits), from which direct payments are effected (gyro and current accounts and other transaction deposits). Dinar savings and time deposits, as well as foreign currency deposits, are shown by sector and by account holder. Liabilities to the NBS (Column 26) comprises dinar and foreign currency liabilities to the NBS. Capital and reserves are disclosed separately, as are provisions for loan losses and other losses. Other liabilities include different liabilities that could not be classified by instrument.

1.1.4 Consolidated Banking System Balance Sheet

Consolidated bank balance sheet includes all claims and liabilities of the National Bank of Serbia and banks on the rest of the world and non-banking sectors in the country. Claims and liabilities between the National Bank of Serbia and banks, and interbank claims and liabilities are consolidated, i.e. offset. Assets show claims on the rest of the world and domestic clients, while liabilities show obligations to the rest of the world and domestic clients. Deposits are grouped in monetary aggregates M1, M2 and M3.

1.1.5 Monetary Survey

Monetary survey gives an overview of money creation and withdrawal based on the consolidated banking system balance sheet. Claims and liabilities to the rest of the world are disclosed in both gross and net amounts, i.e. claims and liabilities are offset. Net domestic assets include net claims on government, i.e. claims on government less government deposits with the banking sector, credits to other sectors and other net assets. Liabilities show monetary aggregates, capital accounts and provisions for loan losses and other losses.

1.1.6 to 1.1.9 Non-monetary Sectors Deposits with Banks

Tables 1.1.6 and 1.1.6a show data on deposits of nonmonetary sectors with banks by maturity and sector. Methodologically they correspond to deposits from Table 1.1.3. In total dinar and foreign currency household deposits, entrepreneurs are recorded in separate columns. Corporate deposits (Table 1.1.7) and household deposits (Table 1.1.8) are shown under deposits hedged against risk and foreign currency deposits by currency structure. Table 1.1.9 shows data on corporate deposits by economic activity sector. Sectoral structure is aligned with the Law on Classification of Activities and Register of Classification Units. Total dinar and foreign currency deposits include deposits of public enterprises and companies. A detailed overview of corporate deposits by economic activity sector includes: division into deposits of public enterprises and companies with banks (Table 1.1.9/1), overview of dinar and fx-indexed corporate deposits with banks (Table 1.1.9/2), transaction corporate deposits with banks (Table 1.1.9/3), savings and term dinar

and fx-indexed corporate deposits with banks (Table 1.1.9/4) and foreign currency corporate deposits with banks (Table 1.1.9/5).

1.1.10 to 1.1.16 Bank Claims on Non-monetary Sectors

Tables 1.1.10 and 1.1.11 show the maturity breakdown of dinar and foreign currency bank claims on public enterprises and companies, households, local government, other financial organisations and on non-profit and other organisations. Short-term claims (Table 1.1.10) are broken down into foreign currency and dinar claims, with dinar claims broken down further into loans, securities and claims on interest and fees. Long-term claims (Table 1.1.11) are broken down into dinar (loans, securities and shares) and foreign currency claims. The final columns show provisioning against losses of enterprises and households on both short- and long-term claims. Bank claims on the corporate sector (Table 1.1.12) and households (Table 1.1.13) are shown as risk hedged dinar claims and foreign currency claims by currency. Bank claims on the corporate sector (Table 1.1.14) include total dinar and foreign currency claims and are shown by sector of economic activity pursuant to the Law on Classification of Activities and Register of Classification Units. In Tables 1.1.12 and 1.1.14 total bank claims on the corporate sector are composed of claims on public enterprises and claims on companies. Table 1.1.13 shows total bank claims on households, with entrepreneurs shown in a separate column. A detailed overview of bank claims on the corporate sector by economic activity sector includes: bank claims on public enterprises and companies (Table 1.1.14/1), dinar and fx-indexed bank claims on the corporate sector (Table 1.1.14/2) and foreign currency bank claims on the corporate sector (Table 1.1.14/3). Tables 1.1.15 and 1.1.16 show bank claims on corporate and household sectors by purpose of loans and other claims. A detailed overview of bank claims on the corporate sector by purpose includes: bank claims on public enterprises (Table 1.1.15/1) and on companies (Table 1.1.15/2). A detailed overview of bank claims on households by purpose includes claims on: entrepreneurs (Table 1.1.16/1), domestic natural persons (Table 1.1.16/2), foreign natural persons (Table 1.1.16/3), private households (Table 1.1.16/4) and registered agricultural producers (Table 1.1.16/5).

1.1.20 Household Savings

The table shows dinar and foreign currency household savings with commercial banks at the end of the period.

Short-term dinars savings are shown without the stocks expressed in transaction accounts of bank clients in dinars, while short-term foreign currency savings within demand deposits also include the stocks expressed in transaction accounts of bank clients in a foreign currency.

1.1.21 Composition of Household Savings

The table shows dinar and foreign currency household savings by maturity. Short-term savings are broken down into demand deposits and deposits termed up to one month, three months, six months and one year, while long-term savings are broken down into deposits up to two and five years and deposits over five years. The table shows short-term dinar savings without the stocks expressed in transaction accounts of bank clients in dinars, while short-term foreign currency savings within demand deposits also include the stocks expressed in transaction accounts of bank clients in a foreign currency.