

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 International Financial Statistics.

The methodology was changed several times over the past years for the purpose of alignment with international standards of statistical reporting.

- In July 2008, the new Chart of Accounts for Banks and Other Financial Organisations 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 was increased by the potential costs of affinage.
- In December 2014, the new Chart of Accounts for Banks and Other Financial Organisations came into force, aligned with the International Accounting Standards. Since then, the categories “Cash loans” and “Credit cards” are excluded from the “Other loans” category and shown separately.
- 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. Also introduced at the time was the new structure of loans, claims and deposits of legal entities by size, in accordance with the Law on Accounting.
- In January 2022 deposits and claims were reclassified because the sectoral structure changed by more than 2,000 legal entities, which led to significant changes in data series. This also implied alignment with core activity codes under which legal entities are registered with the Business Registers Agency.

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.
- Since end-2014, the new criteria have been in use for determining whether an undertaking is considered a public enterprise or a company. 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 to the government sector, as of December 2014 there has been an increase in government FX deposits in NBS and banks’ accounts, and their decrease with other financial organisations.

In October 2022, methodological adjustments were made in all tables for the entire displayed period (from July 2008 onwards) by separating indexed categories from dinar ones and showing them separately or

together with FX instruments. As for data before July 2008, estimates were made for the indexed segment of each instrument in the tables, given that the previous Chart of Accounts did not envisage a detailed currency structure.

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. The classification of domestic sectors used in monetary statistics is as follows:

- 1) Other financial organisations,
- 2) Public enterprises,
- 3) Companies,
- 4) Non-profit and other organisations,
- 5) Government sector (excluding local levels),
- 6) Local government level,
- 7) Household sector.

Other financial institutions include: insurance companies, pension funds, financial leasing, activities auxiliary to 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 criteria for determining whether an enterprise is a public enterprise or a company includes ownership, control and management. Public enterprises perform activities in the general (public) interest and are founded by the Republic of Serbia, the autonomous province or a local self-government unit, while the corporate sector comprises legal entities not classified as public enterprises and not belonging to the financial sector. Companies also include other legal entities in health care and education not financed from the budget (private clinics, hospitals, schools and other institutions that charge fees to cover operating costs).

Non-profit organisations are legal entities and natural persons registered as producers of goods and services for political or business purposes which are not profit-oriented (charity, 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 associations) and academic societies, consumer protection associations, political parties, church, religious communities, cultural, recreational and amateur sports clubs, charities, etc. Other organisations include legal entities and institutions in education and health care not financed from the budget (schools, pre-school and health institutions, and similar), banks in majority public ownership in bankruptcy and other financial organisations in bankruptcy.

The government sector includes all public bodies and institutions without the local levels of government. The public sector includes state bodies and organisations, government-controlled and -financed mandatory social insurance funds and non-profit institutions whose jurisdiction spans the entire economic territory. Data include the state union of Serbia and Montenegro until the liquidation of the balance in their accounts.

The local level of government includes public administration whose authorisations cover a local economic area (provincial bodies and organisations, municipalities, cities and other institutions at the level of the province, municipality and city). It also includes non-profit institutions controlled by the local self-government, whose jurisdiction is limited to the local economic area.

The household sector includes domestic natural persons, foreign natural persons – residents, private households with employed persons, registered agricultural producers and entrepreneurs.

Data on claims and liabilities refer to the position at the end of period, in millions of dinars, with FX positions expressed in the dinar equivalent value at the daily middle exchange rate at the end of the period.

Balance Sheets (1.1.2, 1.1.3 and 1.1.4) and Main Monetary Aggregates (1.1.1 and 1.1.7 to 1.1.9)

The said tables show data on some of the main monetary aggregates: money supply and reserve money according to the narrow and broad definitions. Money supply aggregates are defined and adjusted to local circumstances and conditions of doing business and financial market development, as envisaged in the international standards.

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 FX 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 the 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

FX reserves (Column 4) include monetary gold, special drawing rights (SDRs), foreign exchange and foreign cash, as well as foreign securities. Other foreign assets (Column 5) include non-convertible currency and other short-term foreign claims. 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) comprise short- and long-term dinar and foreign currency claims on banks. Claims on public enterprises, non-banking financial organisations and other sectors are disclosed separately. Other assets (Column 20) show other claims (different claims in course of settlement, prepayments and accrued income, funds in transit and suspense accounts, capital assets, etc.).

Liabilities

FX 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 non-residents. 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' FX required reserves and other FX deposits 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 restricted deposits that refer mostly to the assets of banks undergoing liquidation, are disclosed separately. Liabilities of the NBS in respect of repo transactions are also disclosed separately, as are capital accounts and IMF accounts with the NBS. 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 NBS.

The following claims and liabilities are shown in separate columns:

Assets

FX claims (Column 3) cover foreign currency accounts with banks abroad (Column 1) and other foreign claims (Column 2). Claims on government (Column 6) include claims on the Republic of Serbia, excluding local government bodies. Claims on the NBS (Column 14) include dinar and foreign currency assets banks hold with the NBS. Claims on other clients (Column 21) include 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 23 and 24) include capital assets and other claims, such as claims in course of settlement, prepayments and accrued income, claims from internal relationships, claims on government against frozen FX savings, etc.

Liabilities

FX liabilities (Column 1) cover obligations under short- and long-term loans and deposits in foreign currency to non-residents. Demand deposits (Column 11) are shown by sector and represent funds in their accounts (transaction deposits), from which direct payments are made (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) comprise dinar and foreign currency liabilities to the NBS. Capital and reserves (Column 28) are disclosed separately, as are provisions for loan losses and other losses (Column 29). Other liabilities (Column 30) include different liabilities that could not be classified by instrument.

1.1.4 Consolidated Balance Sheet of the Banking System

Consolidated bank balance sheet includes all claims and liabilities of the NBS and banks on the rest of the world and non-banking sectors in the country. Claims and liabilities between the NBS and banks, and interbank claims and liabilities are consolidated, i.e. mutually 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.

4.2 Government's Net Position with the Banking Sector

The government sector shown in the table also includes data about the local government level.

Bank Claims on Non-monetary Sectors

Table 1.1.10 shows the maturity breakdown of dinar and FX bank claims on public enterprises and companies, households, local government, other financial organisations and on non-profit and other organisations. Claims are broken down into dinar (loans, securities, and claims on interest and fees, and shares) and on FX and FX-indexed claims (loans, securities, claims on interest and fees, and shares). The final columns show provisioning against losses of enterprises and households. Tables 1.1.11 and 1.1.11a show bank loans to companies and public enterprises by size of enterprise. Bank claims on the corporate sector (Table 1.1.12) and households (Table 1.1.13) are shown according to the contracted risk hedge (indexation) for both dinar and FX and FX-indexed claims, and separately by the most important currencies. Bank claims on the corporate sector (Table 1.1.14) include total dinar and FX-indexed and FX claims, and are shown by the 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 bank claims on the corporate sector (Table 1.1.14/2) and FX-indexed and FX 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) and registered agricultural producers (Table 1.1.16/5). Tables presenting detailed bank loans to corporates (Tables 1.1.22, 1.1.23 and 1.1.26) show loans to corporates according to the size of the entity, purpose, maturity and economic activity.

Deposits

Tables 1.1.6 and 1.1.6a show data on short-term and long-term deposits of non-monetary sectors with banks by sector. Methodologically they correspond to deposits from Table 1.1.3 (Bank balance sheet, liabilities).

In total dinar and FX-indexed and FX household deposits, entrepreneurs are recorded in separate columns. Corporate deposits (Table 1.1.7) and household deposits (Table 1.1.8) are shown according to the contracted risk hedge (indexation) both for dinar and for FX-indexed and FX deposits, and separately by the most important currencies. Table 1.1.9 shows data on corporate deposits by economic activity sector. The said sectoral structure is aligned with the Law on Classification of Activities and Register of Classification Units. Total dinar and FX-indexed and FX deposits include deposits of public enterprises and companies. A detailed overview of corporate deposits by economic activity sector includes: division into deposits with banks (Table 1.1.9/1), overview of dinar corporate deposits with banks (Table 1.1.9/2), transaction corporate deposits with banks (Table 1.1.9/3), savings and term dinar corporate deposits with banks (Table 1.1.9/4), FX and FX-indexed corporate deposits with banks (Table 1.1.9/5), and savings and term FX-indexed and FX corporate deposits (Table 1.1.9/6). Tables presenting detailed corporate deposits with banks (Tables 1.1.9/7 and 1.1.9/8) show deposits of corporates (companies and public enterprises) according to the size of the entity and maturity.

1.1.20 Household Savings

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

Short-term dinars savings are shown without the balances in transaction accounts of bank clients in dinars, while short-term FX-indexed and FX savings within demand deposits include the balances in transaction accounts of bank clients in a foreign currency.

1.1.21 Composition of Household Savings

The table shows dinar and FX-indexed and FX 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 balances in transaction accounts of bank clients in dinars, while short-term FX-indexed and FX savings within demand deposits include the balances in transaction accounts of bank clients in a foreign currency.