

## EXPLANATORY NOTES TO TABLES

### II INTERNATIONAL ECONOMIC RELATIONS

#### 2.5 Bank Foreign Liabilities

The table shows total foreign currency and dinar external liabilities of commercial banks, classified as short-term and long-term. External liabilities comprise liabilities under loans, deposits received, i.e. funds deposited by foreign banks with domestic banks, liabilities under securities and other liabilities, including those arising from interest and fees. Deposits include transaction deposits, demand deposits and time deposits.

#### 2.6 Foreign Exchange Reserves

Foreign exchange reserves of the National Bank of Serbia encompass: 1) Gold (Column 1), i.e. the value of gold in the treasury of the National Bank of Serbia and of gold held abroad calculated at current market prices. This value is the sum of the value of gold bars and the value of coined gold; 2) Special Drawing Rights (Column 2), i.e. the balance on the SDR account with the IMF; 3) Cash holdings, i.e. the balance of cash holdings in the treasury at the Head Office and in the treasuries of the NBS branch offices, and cash in transit and deposits held abroad, i.e. foreign exchange held in current and deposit accounts with banks abroad (Column 3); 4) Securities (Column 4) shows the value of the government bonds investment portfolio. Foreign exchange reserves of banks encompass: 1) Cash holdings represent the balance of cash holdings in the treasury, cash vault, and in transit; 2) Deposits abroad represent foreign exchange held in regular foreign exchange accounts and short-term foreign currency time deposits with foreign banks; 3) Cheques include foreign currency cheques and cheques in foreign currency sent for collection abroad. 4) Foreign securities in banks' portfolio.

#### 2.7 Foreign Exchange Market

##### Foreign Exchange Market from 2004 to 2006

Column 1 – the amount of foreign currency that the NBS sold to and bought from banks at the fixing session, and the amount of interbank trade concluded at the fixing session. Column 2 – interbank trade in foreign currency and foreign cash outside of the fixing session, once counted, while the share of trade in foreign cash is less than 1%. Column 3 – total amount of foreign currency and foreign cash that the NBS bought from and sold to banks, outside of the fixing session. Column 4 – total amount of foreign currency that banks bought from and sold to residents/non-residents, and the total amount of foreign cash that banks bought from and sold to residents. Column 5 – total amount of foreign cash that banks and licensed exchange dealers bought from and sold to natural persons – residents and non-residents. Column 6 – total amount of foreign cash that the NBS bought from and sold to licensed exchange dealers.

##### Foreign Exchange Market from 2007

Column 1 – total amount of trade in foreign currency on spot, forward and swap interbank FX markets, once counted, and the total amount of interbank trade in foreign cash, while the share of trade in foreign cash is less than 1%. Column 2 – total amount of foreign currency that the NBS spot sold and spot bought from banks. In June 2007, the NBS abolished everyday fixing sessions. Instead, the NBS

implements interventions, when needed (via the Reuters Dealing service – as price taker, and organising spot auctions) in order to mitigate excessive daily volatility of the dinar, ensure uninterrupted functioning of the foreign exchange market, and preserve the stability of the financial system and prices in the domestic market. Column 3 – total amount of foreign currency that the NBS swap sold and swap bought from banks. In May 2009, with the aim of supporting financial stability in the country in conditions of the international financial crisis, a possibility was introduced for the NBS to conclude with banks two-week swap transactions (EUR/RSD). These auctions are held under the calendar of regular swap auctions until end-2010. In April 2010, in order to encourage interbank swap trade in foreign currency and develop the market of hedging instruments, the NBS began to organise regular swap auctions of purchase and sale of foreign currency (EUR/RSD), with three-month maturity. In March 2013, to support more efficient banking sector liquidity management and to help overcome problems regarding restrictions in interbank trade in the money market, the NBS began to organise two-week swap auctions of purchase and sale of foreign currency (EUR/RSD), with two-week maturity. Column 4 – total amount of foreign currency that banks bought from and sold to residents on spot, forward and swap markets. Column 5 – total amount of foreign currency that banks bought from and sold to non-residents on spot, forward and swap markets. Column 6 – total amount of foreign cash that banks bought from and sold to licensed exchange dealers, natural persons – residents and non-residents, and legal persons – residents. Data also include the amount of bought and sold foreign cash to natural persons by a small number of licensed exchange dealers that use bank software for exchange transactions. Column 7 – total amount of foreign cash that the NBS bought from and sold to licensed exchange dealers. In April 2010, the NBS concluded the process of directing licensed exchange dealers to banks and stopped operating with licensed exchange dealers.