COUNTERFEIT CURRENCY REPORT

January-June 2020
Contents:

1 Expert analysis of banknotes and coins ......................................................... 2
2 Expert analysis of foreign currency banknotes ............................................. 4
3 Ratio of counterfeit dinar to foreign currency banknotes ......................... 6
1 Expert analysis of banknotes and coins

Due to the emergency state in the territory of the Republic of Serbia the number of staff performing the expert analysis of suspected counterfeit banknotes was scaled down, which reflected on the overall volume of detected counterfeits of both dinar and foreign currency.

In the first half of this year, the expert analysis of suspected counterfeit banknotes showed that a total of 1,247 notes were counterfeits, which is 35.2% less than in the same period last year, when a total of 1,924 false banknotes were detected. The face value of the counterfeits detected fell by 35.5% (RSD 1,527,050.00 from January to June 2020 vs. RSD 2,366,900.00 in the same period of 2019). Table 1 shows the denomination structure of detected dinar counterfeits.

<table>
<thead>
<tr>
<th>Denomination</th>
<th>5000</th>
<th>2000</th>
<th>1000</th>
<th>500</th>
<th>200</th>
<th>100</th>
<th>50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pieces</td>
<td>9</td>
<td>407</td>
<td>518</td>
<td>293</td>
<td>16</td>
<td>3</td>
<td>1</td>
<td>1247</td>
</tr>
<tr>
<td>Share in %</td>
<td>0.7</td>
<td>32.6</td>
<td>41.5</td>
<td>23.5</td>
<td>1.3</td>
<td>0.3</td>
<td>0.1</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: National Bank of Serbia.

In terms of the denomination structure of detected dinar counterfeits, the 1000-, 2000- and 500-dinar banknotes accounted for the dominant share (Chart 1). Percentage-wise, these three denominations made up 97.6% of the overall number of dinar counterfeits.

Chart 1 Denomination structure of dinar banknote counterfeits, January–June 2020 (pieces)

Source: National Bank of Serbia.
Chart 2 illustrates the trends observed over the last ten years in terms of the number of detected counterfeits of these three most frequent denominations.

In value terms, the 2000- and 1000-dinar banknotes made up the largest share of the dinar counterfeit structure (Table 2 and Chart 3). In percentage terms, these two denominations accounted for 87.2% of all dinar counterfeits.

A comparison of the number of detected dinar counterfeits with that of genuine dinar banknotes in circulation reveals that 2.7 in every 1 million circulating banknotes were found to be counterfeit, i.e. there was RSD 4,884.8 worth of counterfeits in every RSD 1 billion.
From January to June 2020, the expert analysis of suspected counterfeit foreign currency banknotes revealed 248 pieces of counterfeits, which is 75.6% less than in the same period of 2019, when 1,015 such counterfeit notes were detected. Their currency and denomination structure is presented in Table 3.

A total of 219 counterfeit euro banknotes were detected during the period observed, down by 75.1% relative to the same period last year when 880 of such notes were detected. Chart 4 illustrates the trends observed over the last ten years in terms of the number of detected euro counterfeits of the two most frequent denominations – 100 and 50 euros.
In February this year, the police confiscated 20,564 counterfeit banknotes in the denomination of USD 100 (nominally worth USD 2,056,400) before they were put in circulation.

Excluding the above 20,564 pieces, 27 counterfeit USD banknotes were detected in H1 2020, while 103 pieces were detected in the same period last year. The 100-dollar note was almost the sole USD denomination detected as counterfeit in this year’s reporting period. Chart 5 shows movements in the number of detected 100-dollar counterfeits over the last ten years.

The item “Other” in Table 3 refers to fake banknotes in two different currencies – Deutsche mark (one piece) and pound sterling (one piece).

In nominal value terms, the share of individual currencies in total detected foreign currency counterfeits and their percentage vis-à-vis the figures from a year earlier are best illustrated if expressed in euros,¹ as shown in Chart 6.

¹ The middle exchange rate as at 3 July 2020 was applied to convert the value of other currencies to the euro for 2019 and 2020.
3 Ratio of counterfeit dinar to foreign currency banknotes

Chart 7 shows the ratio of dinar to foreign currency detected counterfeits (in terms of the number of pieces) in the period January–June 2020.

As shown above, the share of counterfeit dinar banknotes (83.4%) exceeds the share of all detected foreign currency counterfeits.
However, in nominal value terms, the share of individual currencies in total counterfeit banknotes in the first six months of 2020 is best illustrated if expressed in dinars, as shown in Chart 8.

The euro took up the dominant share in total detected counterfeits (57.2%), followed by the dinar (36%) and the US dollar (6.5%).

---

2 For conversion of other currencies into dinars, we used the middle exchange rate as at 3 July 2020.