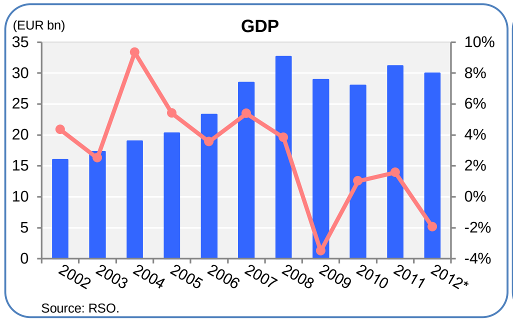
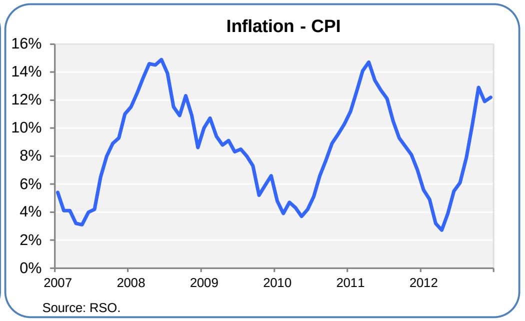
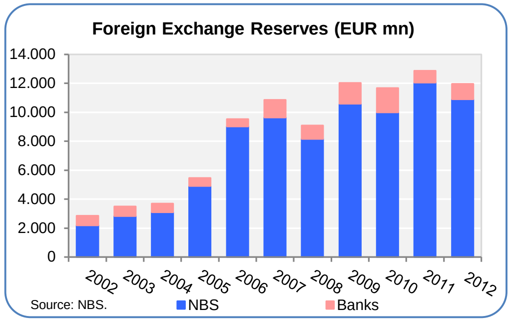
SERBIA

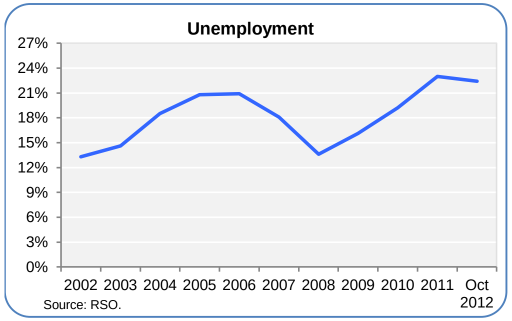
Financial data		
Source: NBS, Statistical Office		
Population (mn)[1]	7,2	
GDP 2012 (EUR bn)*	30,0	
Real GDP growth (2012)*	-2,0%	
Unemployment[2]	22,4%	
Inflation - CPI[3]	12,2%	
Rating	S&P BB-	Fitch BB-
Central Gov. Debt (% GDP)[4]	55,1%	

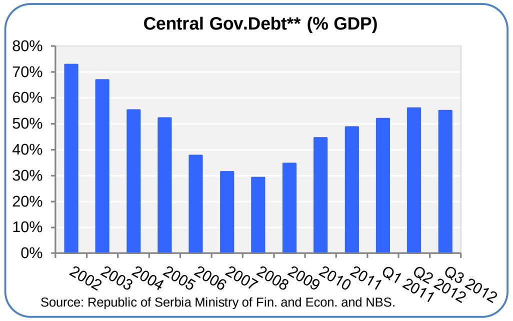
[1]2011, [2]Oct 2012,[3]Dec 2012, [4]Sep 2012

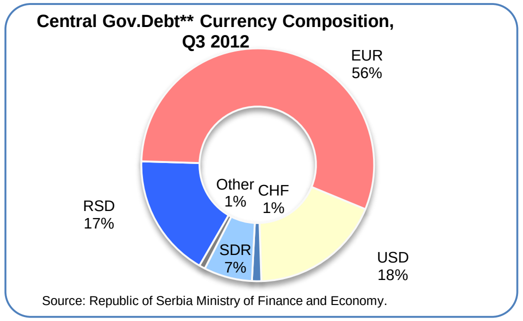


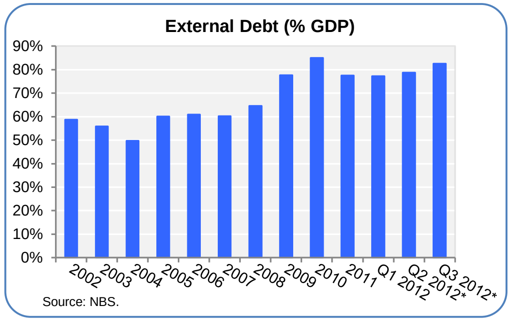


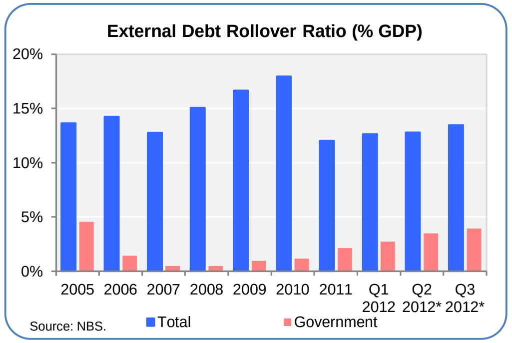




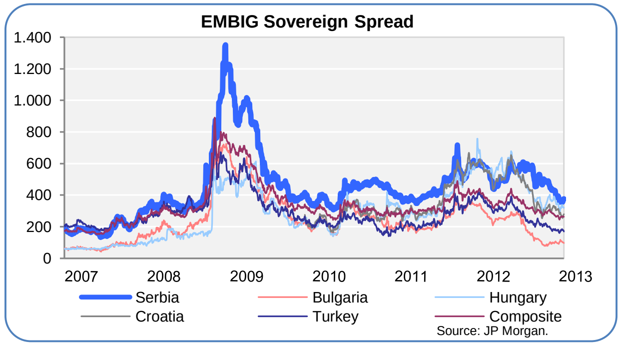








Dinar Gov. Bonds - Last Auctions			
Source: Republic of Serbia Ministry of Finance			
Date of Sale	Original Maturity	Residual Maturity (Reopening)	Accepted Rate
15-Jan-13	1 yr	-	11,24%
11-Dec-12	1,5 yr	-	12,90%
8-Jan-13	2 yr	-	12,29%
4-Dec-12	3 yr	-	13,95%
22-Jan-13	5 yr	-	12,94%

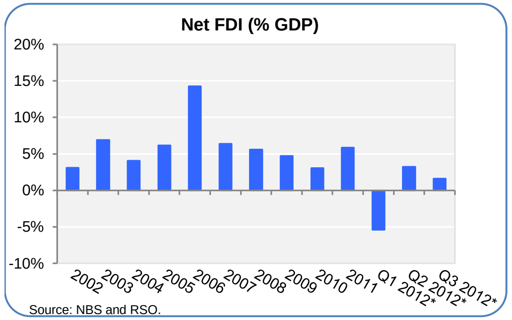


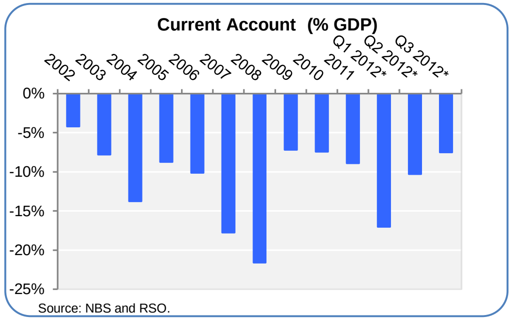
Rating agency commentary: Fitch (Aug 2012)

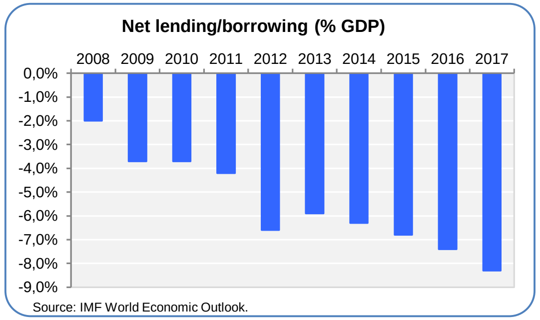
On 16 August, Fitch Ratings revised the Republic of Serbia's Outlook to Negative from Stable. Fitch also affirmed its Long-term foreign and local currency Issuer Default Ratings (IDR) at 'BB-' and its Short-term foreign currency IDR at 'B'.

The Negative Outlook reflects deterioration in the country's fiscal and external financing position and its weak economic growth. Fitch holds that recent amendments to the Law on the National Bank of Serbia have dented investor confidence and might complicate the agreement of a new IMF deal, and that the government should have focused instead on correcting the rising fiscal deficit and the public debt to GDP ratio.

The Negative Outlook suggests the likelihood of a credit rating downgrade if the economic situation does not change. To prevent a negative rating action, the authorities must adopt a medium-term fiscal consolidation programme that reduces the budget deficit and stabilises public debt. Pressures on the balance of payments also need to be eased so that foreign exchange reserves do not decline further. Conversely, positive economic growth, a reduction in external imbalances and, over the medium-term, progress on structural reforms that facilitate EU accession would have a positive impact on rating.







*GDP-NBS estimate; **not include NBS liabilities, non-regulated RS liabilities including clearing debt, debt of local governments and state agencies that is not government-guaranteed.

Last updated: 29.01.2013.