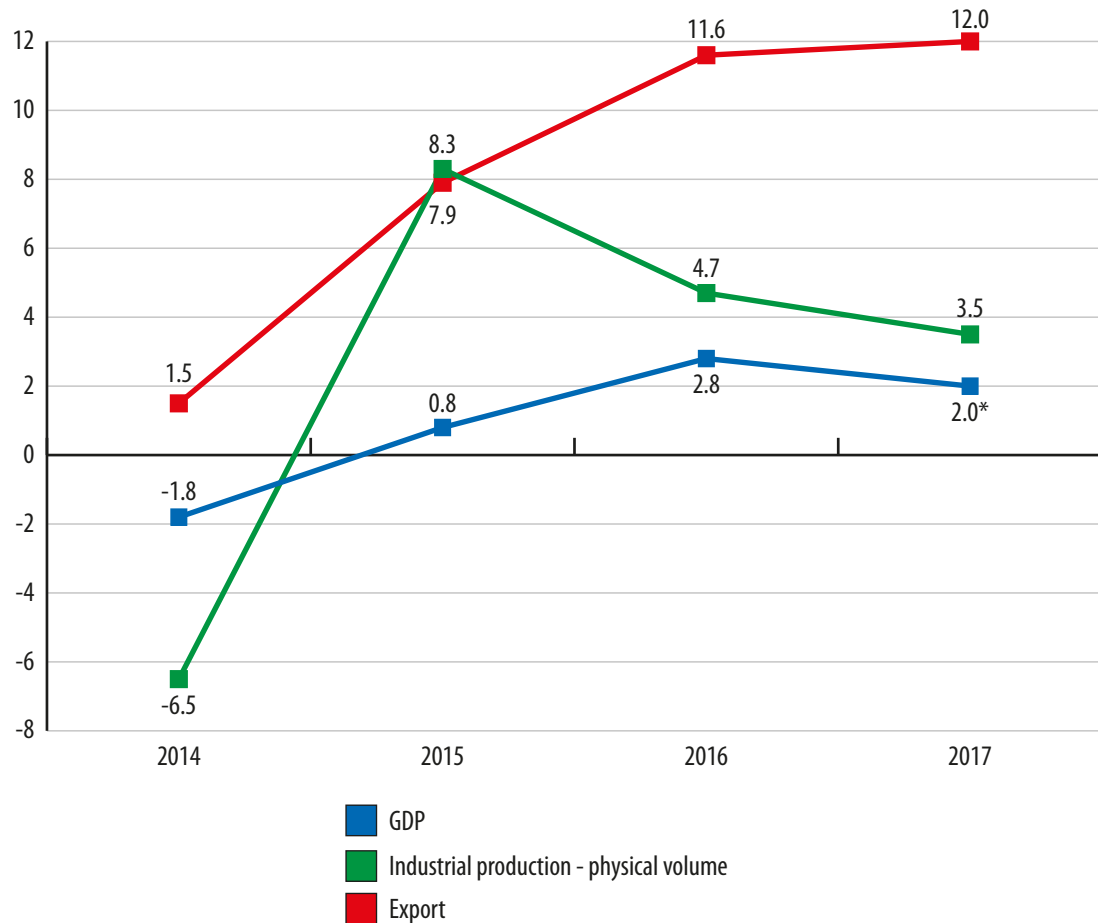


# BANKING SECTOR OF SERBIA IN 2017

## Analysis of the Financial Position and Financial Result

The still modest rates of economic growth in the conditions of pronounced and stimulating macroeconomic and financial stability are the basic characteristics of the environment in which the banking sector of Serbia operated in 2017. In addition, the improvement of the framework for further resolution of the inherited issue of NPLs in the banking sector of Serbia was continued.

**Figure 1 - Main Indicators of Macroeconomics Trends**



\*MFRS estimate

Source: Ministry of Finance of the RS, Public Finance Bulletin, December 2017

The estimated trends of the GDP, as a synthetic indicator of the country's economic and financial position in 2017 (real growth of 2%, according to the Ministry of Finance's estimate) compared to the previous eight years, when this indicator oscillated around 1, moving from the positive zone into the negative zone and vice versa, is a solid result, yet far from satisfactory. It stands to remind us of the complexity of the economic sector's position and warns of the need for parallel and continuous actions in several segments, to continue stimulating a stronger and more stable economic growth.

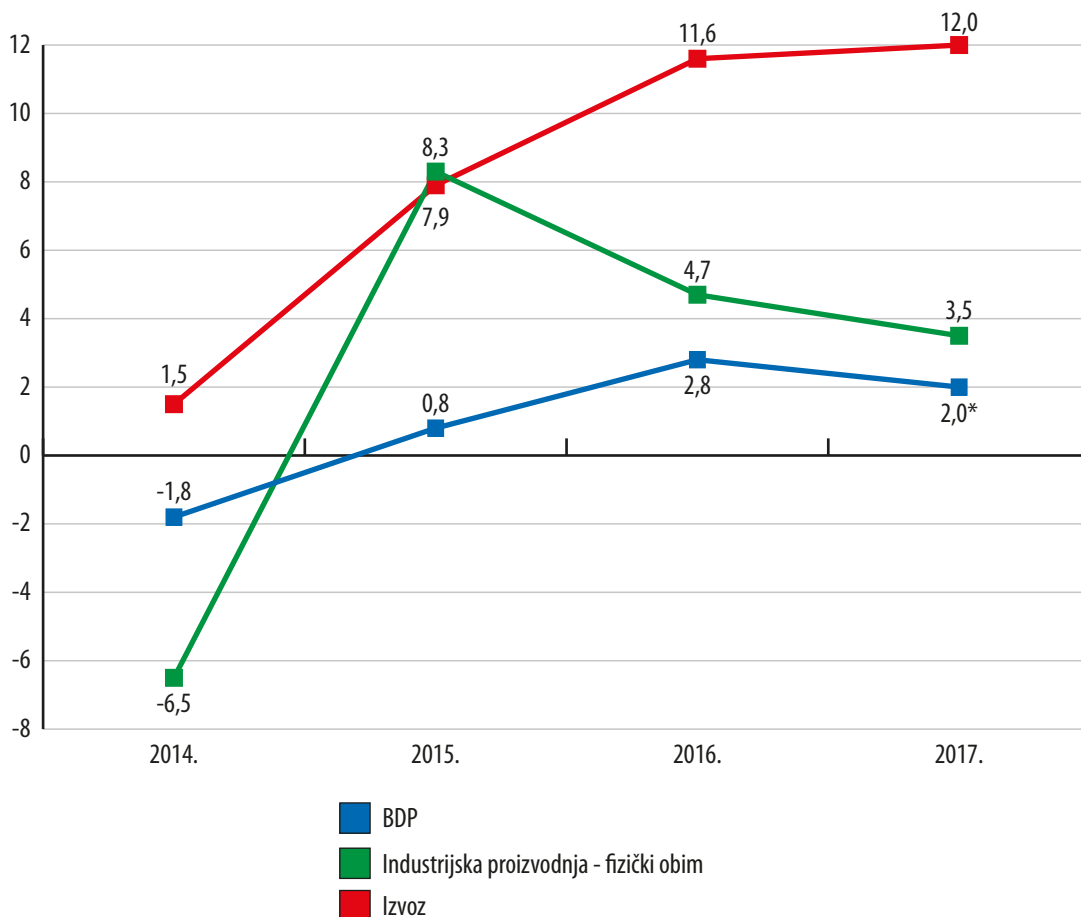
**The economic activity** throughout the entire 2017 recorded a higher percentage of growth than in the previous year, with an upward trend culminating in the last quarter, when the contribution to the quarterly GDP growth rate on the revenues side amounted to 2.5%. The growth of the total industrial production (3.5% at the end of 2017, compared to the end of 2016) was the main contributor to this trend of economic activity indicators in 2017, along with the results achieved in the services

# BANKARSKI SEKTOR SRBIJE U 2017. GODINI

## Analiza finansijske pozicije i finansijskog rezultata

Još uvek skromne stope ekonomskog rasta u uslovima veoma izražene i podsticajne makroekonomske i finansijske stabilnosti predstavljaju osnovne karakteristike uslova u kojima je poslovao bankarski sektor Srbije u 2017. godini. Pri tome, nastavljeno je unapređenje okvira za dalje rešavanje nasleđenog pitanja NPL-ova u bankarskom sektoru Srbije.

Slika 1 - Osnovni indikatori makroekonomskih kretanja



\*Procena Ministarstva finansija

Izvor: Ministarstvo finansija RS, Bilten javnih finansija, decembar 2017.

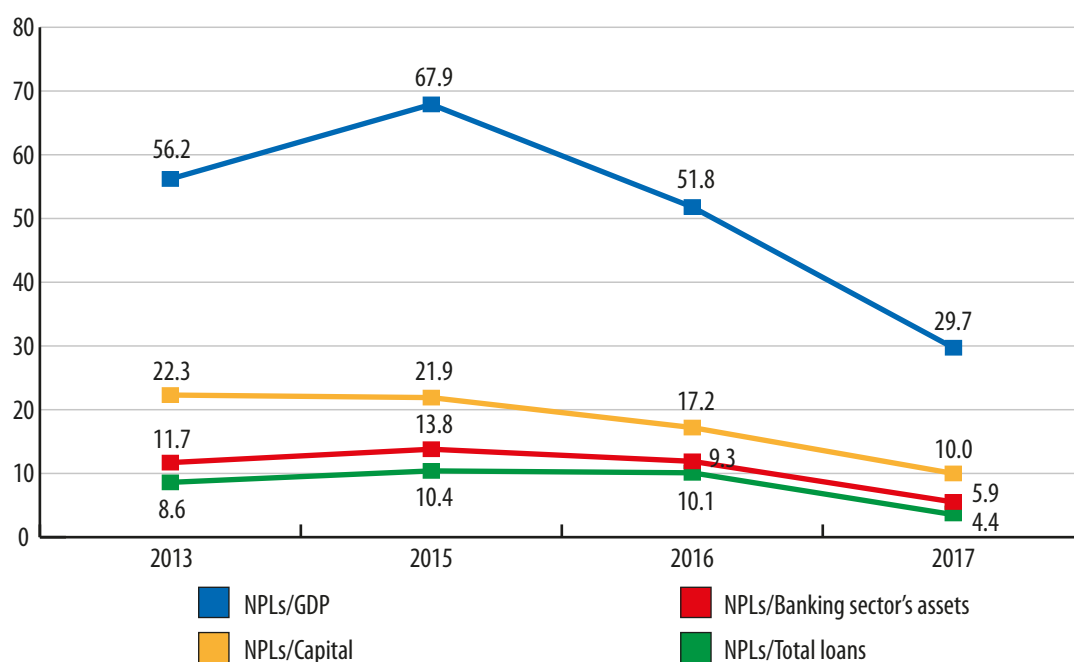
Procenjeno kretanje BDP-a kao sintetičkog indikatora privredne i finansijske pozicije zemlje u 2017. godini (realan rast od 2% prema proceni Ministarstva finansija) u odnosu na period od prethodnih osam godina kada je ovaj indikator oscilirao oko jedinice, prelazeći iz pozitivne zone u zonu minusa i obrnuto, predstavlja solidan rezultat, koji je, ipak, daleko od zadovoljavajućeg. On nas podseća koliko je pozicija privrednog sektora kompleksna i upozorava na neophodnost da se paralelnim i kontinuiranim delovanjem u više segmenata i dalje podstiče snažniji i stabilniji privredni rast.

**Privredna aktivnost** tokom cele 2017. godine beleži viši procenat rasta u odnosu na prethodnu, sa uzlaznim trendom koji kulminira u poslednjem kvartalu kada je doprinos kvartalnoj stopi rasta BDP-a na prihodnoj strani iznosio 2,5%. Ovakvom kretanju indikatora privredne aktivnosti u 2017. godini najviše su doprineli rast ukupne industrijske proizvodnje (3,5% na kraju 2017. u odnosu na kraj 2016. godine), kao i rezultati ostvareni u sektoru usluga i u oblasti građevinarstva. Pozitivan

sector and in the field of construction. A positive contribution comes from net taxes, while agriculture retains a negative impact and reduces the growth rate by 0.7 percentage points.<sup>1</sup>

Improving the competitive position of the economy, the steady and growing inflow of foreign direct investments, primarily in export-oriented companies, resulted in the significant growth in exports and the volume of foreign trade.<sup>2</sup> The export growth rate in 2017 was by 0.4 percentage points higher compared to the previous year and amounted to 12%. Exports of basic metals, metal products, coke and petroleum products were the main contributors to this trend of export growth. Imports recorded a growth rate of 13.8%, which is 3.2 times higher than in 2016.<sup>3</sup>

**Figure 2 - Non-Performing Loans (NPLs) and Systemic Risk**



Source: Association of Serbian Banks, *Bilbon* database

**The systemic approach to solving the problem of NPLs**, defined by the NBS Action Plan for Implementation of the NPL Resolution Strategy, started to yield more serious results, and the positive trends of the implemented measures in the financial/banking sector in 2017 are confirmed by the macroeconomic indicators of how burdened the banking sector is with non-performing loans. Namely, all four indicators recorded a downward trend in 2017 compared to the end of 2016. This was particularly reflected in the indicators of how burdened the banking sector is with non-performing loans (NPLs to GDP ratio), which was drastically reduced from 11.9%, to 4.4% at the end of 2017.

**The positive effect of financial consolidation**, as an important segment of economic growth, is reflected in the fact that, for the first time since 2005, both indicators of the fiscal position have been positive. The total fiscal surplus in 2017 amounted to 1.2% of GDP, which represents an adjustment by 2.4% of GDP in relation to 2016. During the fourth quarter of 2017, the primary (1% of GDP) and the overall (2.4% of GDP) fiscal deficit was recorded, but at a significantly lower level compared to the same quarters of the previous years.<sup>4</sup>

1 Republic of Serbia, Ministry of Finance, Macroeconomic and Fiscal Analysis and Forecasting Sector, Current Macroeconomic Developments, March 2018, [www.mfin.gov.rs](http://www.mfin.gov.rs)

2 Ibid.

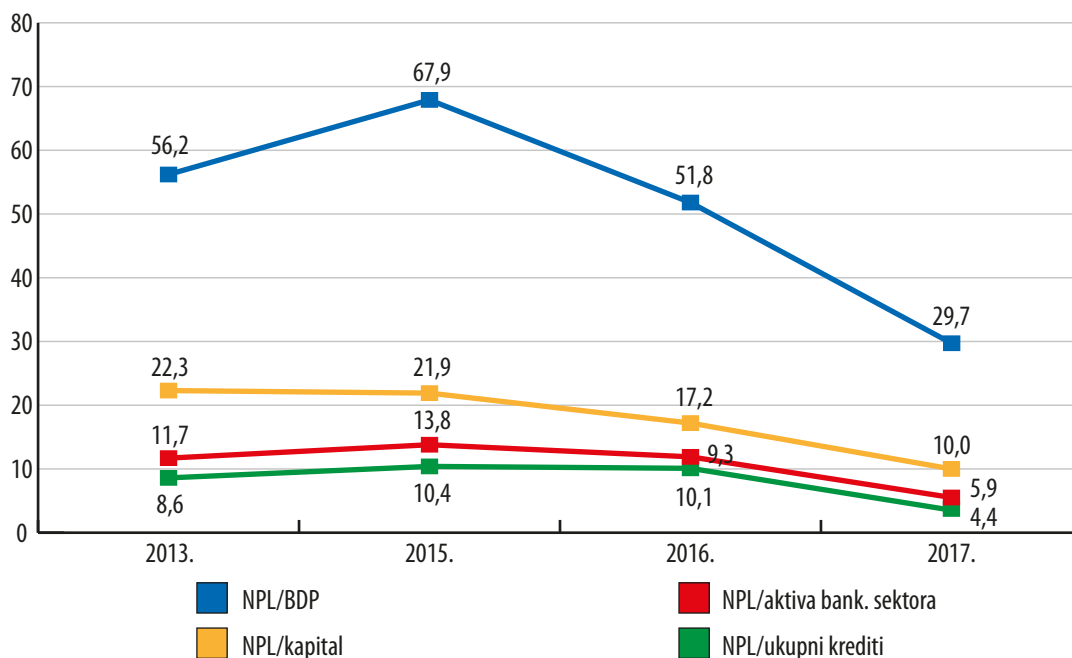
3 Republic of Serbia, Ministry of Finance, Bulletin of Public Finance no. 160, December 2017, [www.mfin.gov.rs](http://www.mfin.gov.rs)

4 Ibid.

doprinos dolazi i od neto poreza, dok poljoprivreda zadržava negativan uticaj i smanjuje stopu rasta za 0,7 p.p.<sup>1</sup>

Poboljšanje konkurentne pozicije privrede, stabilan i rastući priliv stranih direktnih investicija, pre svega u izvozno orijentisane kompanije, rezultirali su značajnim rastom izvoza i obima spoljno-trgovinske razmene.<sup>2</sup> Stopa rasta izvoza u 2017. godini veća je za 0,4 p.p. u odnosu na prethodnu godinu i iznosi 12%. Ovakvom trendu rasta izvoza najviše je doprineo izvoz osnovnih metala, metalnih proizvoda, koksa i derivata nafte. Uvoz je zabeležio stopu rasta od 13,8%, što je čak 3,2 puta više nego u 2016.<sup>3</sup>

Slika 2 - NPL-ovi i sistemski rizik



Izvor podataka: Udruženje banaka Srbije, Bilbon baza podataka

**Sistemski pristup rešavanju problema NPL-ova**, definisan Akcionim planom Narodne banke Srbije za sprovođenje Strategije za rešavanje problematičnih kredita u Republici Srbiji, počeo je da daje ozbiljnije rezultate, a pozitivne trendove primenjenih mera u finansijskom i bankarskom sektoru tokom 2017. godine potvrđuju makroekonomski indikatori opterećenosti bankarskog sektora problematičnim kreditima. Naime, sva četiri indikatora zabeležila su silazni trend u 2017. godini u odnosu na kraj 2016. godine. Ovo je posebno izraženo kod indikatora opterećenosti privrednog sektora problematičnim kreditima (koeficijent NPL-ova prema bruto domaćem proizvodu), koji je sa 11,9% na kraju 2016. godine drastično smanjen na 4,4%.

**Pozitivan efekat finansijske konsolidacije**, kao bitan segment ekonomskog i privrednog rasta, odražava se u tome što su, po prvi put od 2005. godine, oba pokazatelja fiskalne pozicije pozitivna. Ukupan fiskalni suficit u 2017. godini iznosio je 1,2% BDP-a, što predstavlja prilagođavanje od 2,4% BDP-a u odnosu na 2016. godinu. Tokom četvrtog kvartala 2017. godine ostvaren je primarni (1% BDP-a) i ukupni (2,4% BDP-a) fiskalni deficit, ali na znatno nižem nivou u odnosu na iste kvartale prethodnih godina.<sup>4</sup>

1 Republika Srbija, Ministarstvo finansija, Sektor za makroekonomske i fiskalne analize i projekcije, Tekuća makroekonomska kretanja, mart 2018. [www.mfin.gov.rs](http://www.mfin.gov.rs)

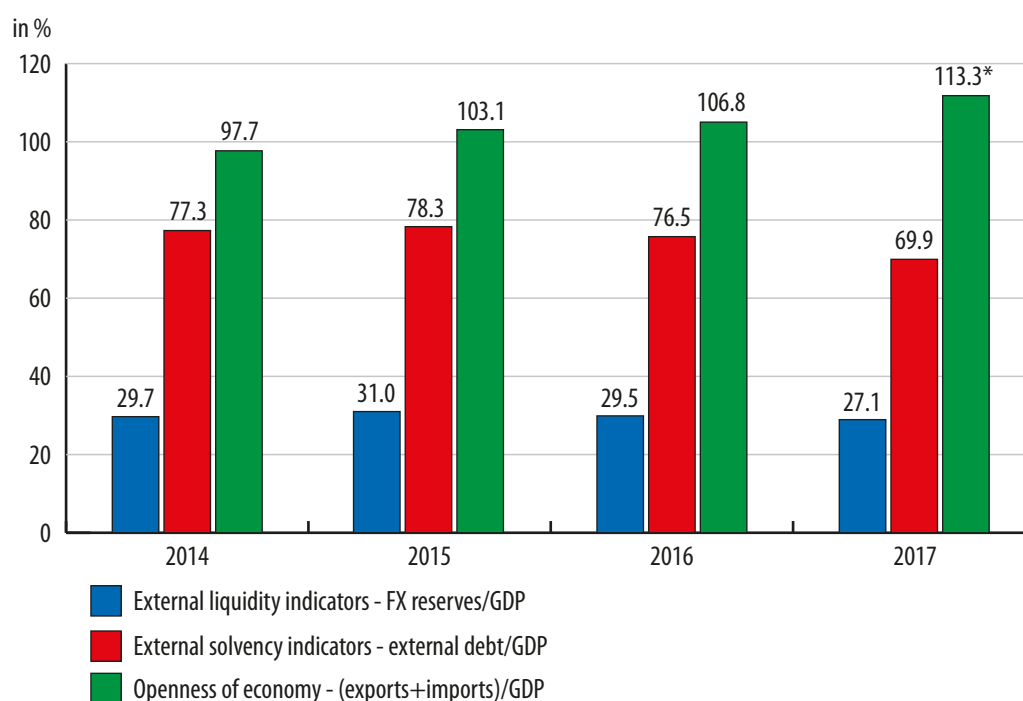
2 Ibid.

3 Republika Srbija, Ministarstvo finansija, Bilten javnih finansija br. 160, decembar 2017. [www.mfin.gov.rs](http://www.mfin.gov.rs)

4 Ibid.

The public debt of the Republic of Serbia, at the central government level, amounted to EUR 23.2 billion at the end of 2017, i.e. 61.5% of the estimated GDP for 2017. This indicator recorded a downward trend in the share of GDP compared to the previous year (71.9%).<sup>5</sup>

**Figure 3 - Indicators of Serbia's external position**



\*NBS estimate

Source: National Bank of Serbia, Inflation of Serbia's External Position, March 2018, [www.nbs.rs](http://www.nbs.rs)

**The external position of Serbia** measured by the synthetic indicators demonstrates the following:

- The indicator of **external liquidity** of Serbia (FX reserves to GDP ratio) recorded a slight decline at the end of 2017 compared with the end of the previous year (lower by 2.4 percentage points),
- The indicator of **external solvency** of Serbia (external debt to GDP ratio) also recorded a slight decline at the end of the III quarter of 2017, compared to 2016, while
- The indicator of the **economy's openness** (imports + exports to GDP ratio) was higher by 6.5 percentage points at the end of 2017 compared to the end of 2016, according to the NBS estimate.

## Monetary Policy and Economic Growth

The monetary stability of the system was fully preserved, and the monetary policy instruments were used to clearly signal and stimulate the growth of lending activity.

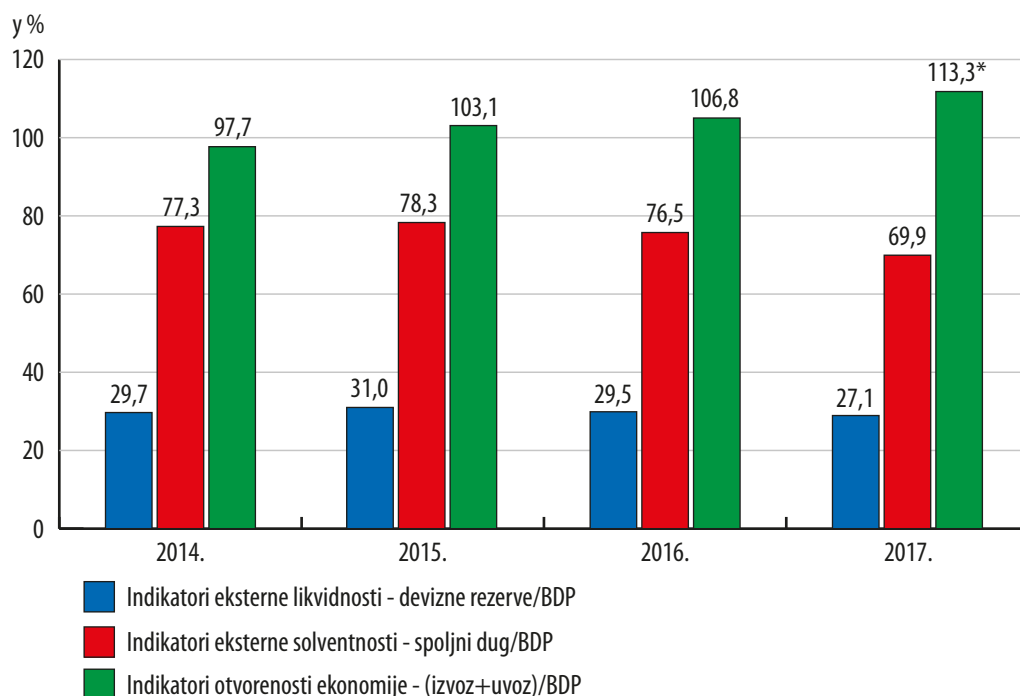
Inflation, as in the previous year, remained low and stable in 2017, and moved within the allowed deviation from the NBS target (3% +/- 1.5 percentage points). The average inflation rate during the year amounted to 1.9%, which was determined first of all by the increasing prices of fruit, mobile telephony services, tobacco, soft drinks, firewood and tourist arrangements.<sup>6</sup> Disinflationary factors in the domestic environment during 2017 were registered as positive effects of the country's fiscal consolidation, the relative stability of the exchange rate and a longer period of low inflationary expectations, especially in the financial and economic sectors. As a result of the still present deflationary pressures, in December 2017, the NBS kept the benchmark interest rate at 3.50%.

<sup>5</sup> Ministry of Finance, Public Debt Management, State Debt and Structure of Public Debt, February 2018, [www.javnidug.gov.rs](http://www.javnidug.gov.rs)

<sup>6</sup> Republic of Serbia, Ministry of Finance, Department for Macroeconomic and Fiscal Analyses and Forecasts, *Current Macroeconomic Developments*, March 2018, [www.mfin.gov.rs](http://www.mfin.gov.rs)

Javni dug Republike Srbije, centralni nivo vlasti, na kraju 2017. godine iznosio je 23,2 mlrd. evra, odnosno 61,5% procenjenog BDP-a za 2017. godinu. Ovaj indikator zabeležio je silazni trend odnosu na prethodnu godinu (71,9%).<sup>5</sup>

Slika 3 - Indikatori eksterne pozicije Srbije



\* Procena NBS

Izvor podataka: Narodna banka Srbije, Indikatori eksterne pozicije Srbije, mart 2018. godine, www.nbs.rs

**Eksterna pozicija Srbije** merena sintetičkim indikatorima pokazuje sledeće:

- indikator **eksterne likvidnosti** Srbije (odnos veličine deviznih rezervi u odnosu na veličinu BDP-a) beleži blagi pad na kraju 2017. u odnosu na kraj prethodne godine (niži je za 2,4 p.p.),
- Indikator **eksterne solventnosti** (spoljni dug prema BDP-u) na kraju trećeg kvartala 2017. godine u odnosu na kraj 2016. godine takođe beleži blagi pad, dok je
- indikator **otvorenosti ekonomije** (odnos izvoz+uvoz prema BDP-u), prema proceni NBS, na kraju 2017. godine veći za 6,5 p.p. u odnosu na kraj 2016.

## Monetarna politika i privredni rast

Monetarna stabilnost sistema u potpunosti je očuvana, a instrumentima monetarne politike dani su jasni signali i podsticaji za rast kreditne aktivnosti.

**Inflacija** je, kao i u prethodnoj godini, u 2017. godini ostala niska i stabilna, i kretala se u granicama dozvoljenog odstupanja od cilja NBS (3% +/- 1,5 p.p.). Prosečna stopa inflacije tokom godine iznosila je 1,9%, što je bilo opredeljeno, pre svega, povećanjem cena voća, usluga mobilne telefonije, duvana, bezalkoholnih pića, drva za ogrev i turističkih aranžmana.<sup>6</sup> Dezinflatorni faktori u domaćem okruženju tokom 2017. godine registrovani su kao pozitivni efekti fiskalne konsolidacije zemlje, relativna stabilnost deviznog kursa i duži period niskih inflacionih očekivanja, posebno u finansijskom i privrednom sektoru. Kao rezultat i dalje prisutnih deflatornih pritisaka, u decembru 2017. godine NBS je zadržala referentnu kamatnu stopu na nivou od 3,50%.

<sup>5</sup> Ministarstvo finansija, Uprava za javni dug, Stanje i struktura javnog duga, februar 2018. www.javnidug.gov.rs

<sup>6</sup> Republika Srbija, Ministarstvo finansija, Sektor za makroekonomske i fiskalne analize i projekcije, *Tekuća makroekonomska kretanja*, mart 2018. www.mfin.gov.rs

**Figure 4 - Interest Rates**

No.	Interest rate	2014	2015	2016	2017
1.	Benchmark interest rate	8.00%	4.50%	4.00%	3.50%
2.	BEONIA	9.45%	2.61%	3.04%	2.27%
3.	BELIBOR (depending on maturity)	9.91 - 9.79%	3.03 - 4.03%	3.00 - 3.66%	2.52 - 3.24%
4.	Aggregate average weighted interest rate on NBS securities for open market operations	6.98%	3.46%	2.82%	2.83%

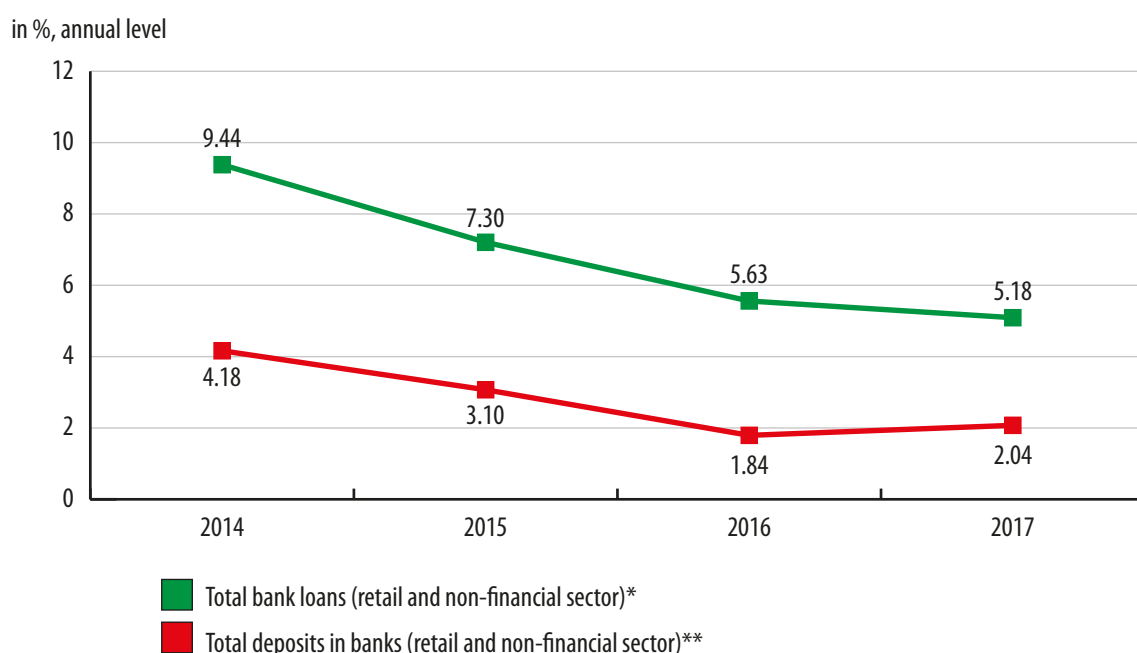
Source: Statistical Bulletin of the NBS, December 2017, www.nbs.rs

*Interest rates at the interbank money market* (BEONIA and BELIBOR) in general followed the stable trends throughout the year.

*The average weighted interest rate on total bank loans* in 2017 recorded a drop compared with its level at the end of the previous year as a result of the further alleviation of the monetary policy measures. The factors which also affected such trends of interest rates included the low interest rates in the Eurozone and the stronger competition among the banks.

The average weighted interest rates on new dinar loans granted to the corporate sector in December 2017 amounted to 4.75%, and on new dinar loans granted to the retail sector 10.6%. The level of average weighted interest rates on retail loans was largely determined by the interest rates on granted cash loans. In December 2017 the average weighted interest rate on newly-granted retail loans indexed in the foreign currency amounted to 4.20%, and on loans granted to non-financial legal entities and indexed in the foreign currency to 2.85%.<sup>7</sup>

**Figure 5 - Average Weighted Interest Rates on Total Loans and Deposits**



\* Including loans by type, maturity and purpose - newly granted

\*\* Including all deposits by maturity - newly acquired

Source: Statistical Bulletin of the NBS, December 2017

*The average weighted interest rate on total bank deposits was* in 2017 higher than in the previous year by 0.2 percentage points.

<sup>7</sup> Statistical Bulletin of the NBS, December 2017

Slika 4 - Kamatne stope

R.br.	Naziv kamatne stope	2014.	2015.	2016.	2017.
1.	Referentna kamatna stopa	8,00%	4,50%	4,00%	3,50%
2.	BEONIA	9,45%	2,61%	3,04%	2,27%
3.	BELIBOR (u zavisnosti od ročnosti)	9,91 - 9,79%	3,03 - 4,03%	3,00 - 3,66%	2,52 - 3,24%
4.	Zbirna prosečno ponderisana kamatna stopa na HoV kojima NBS obavlja operacije na otvorenom tržištu	6,98%	3,46%	2,89%	2,83%

Izvor podataka: Statistički bilten NBS, decembar 2017. godine, www.nbs.rs

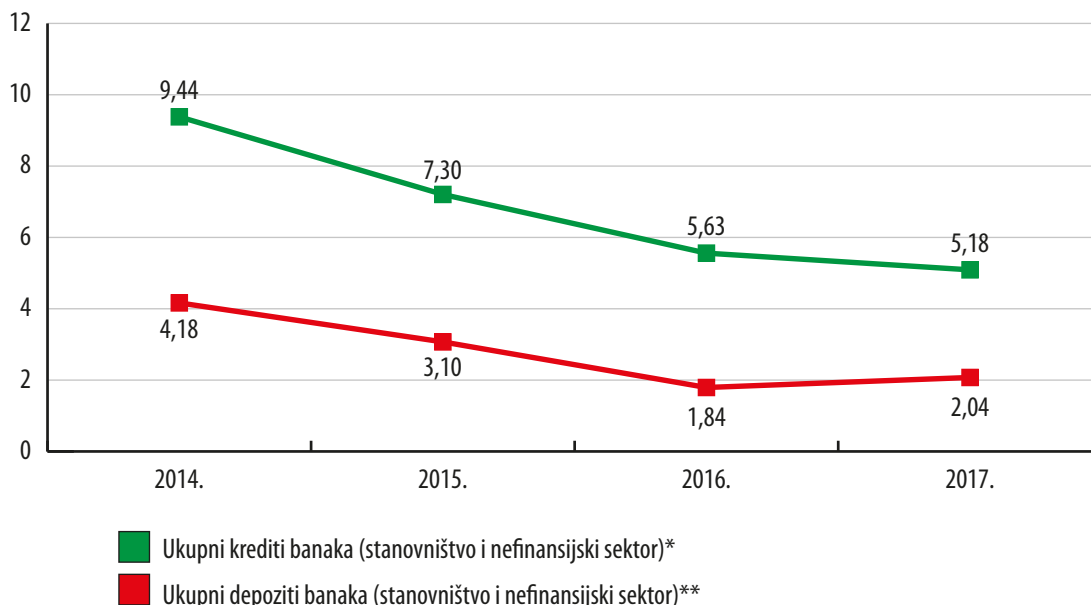
**Kamatne stope na međubankarskom tržištu novca** (BEONIA i BELIBOR) generalno su pratile stabilan trend tokom 2017. godine.

**Prosečno ponderisana kamatna stopa na ukupne kredite banaka** u 2017. godini zabeležila je pad u odnosu na nivo koji je imala na kraju prethodne godine i rezultat je daljeg ublažavanja mera monetarne politike. Faktori koji su takođe uticali na ovakvo kretanje kamatnih stopa su niske kamatne stope u zoni evra i jača konkurencija između banaka.

Prosečno ponderisane kamatne stope na novoodobrene dinarske kredite privredi u decembru 2017. godine iznosile su 4,75%, a na novoodobrene dinarske kredite stanovništvu 10,6%. Na visinu prosečno ponderisane kamatne stope na kredite odobrene stanovništvu najveći uticaj imale su kamatne stope na odobrene gotovinske kredite. U decembru 2017. godine prosečno ponderisana kamatna stopa na novoodobrene kredite stanovništvu indeksirane u stranoj valuti iznosila je 4,20%, a na novoodobrene kredite nefinansijskim pravnim licima indeksirane u stranoj valuti 2,85%.<sup>7</sup>

Slika 5 - Prosečno ponderisane kamatne stope na ukupne kredite i depozite

u %, godišnji nivo



\*\* Obuhvaćeni krediti po vrsti, ročnosti i namenama - novoodobreni poslovi

\*\* Obuhvaćeni su svi depoziti po kriterijumu ročnosti - novoodobreni poslovi

Izvor podataka: Statistički bilten NBS, decembar 2017. godine

**Prosečno ponderisana kamatna stopa na ukupne depozite kod banaka** u 2017. godini viša je u odnosu na prethodnu za 0,2 p.p.

7 Statistički bilten NBS, decembar 2017. godine



**The FX rate of the dinar** against the euro recorded the rather balanced and stable movements in the course of 2017, thus confirming the trend of a relatively stable FX rate in the past five years. Such a trend of the FX dinar rate considerably contributed to the maintenance of low and stable inflation, but also of the inflationary expectations within the country's financial and corporate sector, which have been kept at the low level for quite a long time.

The nominal and real appreciation of the FX rate of the dinar against the euro at the end of 2017, compared to 2016, amounted to 4%.

**Lending activity of banks** in 2017 was characterised by the growth of total bank lending, which was realised despite the write-offs of NPLs, which exceeded those from the previous year. Thus, at the end of 2017, the gross accounting value of total loans granted to public enterprises, companies, entrepreneurs, households and the public sector is RSD 1.8 billion, or EUR 15.3 million. Corporate loans recorded growth on the basis of increased lending to companies, and the continued growth was noted in loans to households, primarily determined by the approval of cash loans (including refinancing loans).

**Figure 6 - Total Bank Loans at the End of 2017 (Gross Accounting Value)**

Position at the end of the period, in RSD million / EUR million

Sector	Curr.	2016	2017	Index (4/3)
1	2	3	4	5
Public enterprises	RSD	106,176	81,740	77
	EUR	860	690	80
Companies	RSD	831,787	881,511	106
	EUR	6,737	7,441	110
Entrepreneurs	RSD	38,708	39,773	103
	EUR	313	336	107
Retail	RSD	714,502	782,715	110
	EUR	5,789	6,607	114
Public sector	RSD	31,899	29,212	92
	EUR	258	247	96
Total	RSD	1,723,072	1,814,951	105
	EUR	13,955	15,320	110

The middle FX rate as of 29.12.2017, EUR 1 = RSD 118.4727 / The middle FX rate as of 31.12.2016, EUR 1 = RSD 123.4723

Source: Association of Serbian Banks, *Bilbon* database

## Financial Position

The financial position of the banking sector of Serbia in 2017 recorded some positive trends:

- The balance sheet size of the banking sector of Serbia at the end of 2017 was higher by 4% in nominal terms, compared to the year before, thus amounting to RSD 3,367,528 million (EUR 28,425 million).

**Devizni kurs dinara** prema evru beleži prilično ujednačeno kretanje i tokom 2017. godine i potvrđuje trend relativno stabilnog kursa dinara prema evru u poslednjih pet godina. Ovakvo kretanje deviznog kursa dinara značajno je doprinelo održavanju niske i stabilne inflacije, ali i, dugoročno posmatrano, niskom nivou inflacionih očekivanja u finansijskom i privrednom sektoru zemlje.

Nominalna i realna aprecijacija deviznog kursa dinara prema evru na kraju 2017. godine u odnosu na kraj 2016. godine iznosila je 4%.

**Kreditnu aktivnost banaka** u 2017. godini obeležio je rast ukupnih kreditnih plasmana banaka, koji je ostvaren uprkos otpisima problematičnih kredita, koji su nadmašili one iz prethodne godine. Tako na kraju 2017. godine bruto knjigovodstvena vrednost ukupnih kredita odobrenih javnim preduzećima, privrednim društvima, preduzetnicima, stanovništvu i javnom sektoru iznosi 1,8 milijardi dinara, odnosno 15,3 miliona evra. Krediti privredi zabeležili su rast po osnovu povećanog kreditiranja privrednih društava, a nastavljen je i rast kredita stanovništvu, određen pre svega odobravanjem gotovinskih kredita (uključujući i kredite za refinansiranje).

### Slika 6 - Ukupni krediti na kraju 2017. godine (bruto knjigovodstvena vrednost)

stanje na kraju perioda, u mil. din. / mil. evra

Sektor	Valuta	2016.	2017.	Indeks (4/3)
1	2	3	4	5
Javna preduzeća	RSD	106.176	81.740	77
	EUR	860	690	80
Privredna društva	RSD	831.787	881.511	106
	EUR	6.737	7.441	110
Preduzetnici	RSD	38.708	39.773	103
	EUR	313	336	107
Stanovništvo	RSD	714.502	782.715	110
	EUR	5.789	6.607	114
Javni sektor	RSD	31.899	29.212	92
	EUR	258	247	96
Ukupno	RSD	1.723.072	1.814.951	105
	EUR	13.955	15.320	110

Srednji kurs na dan 29.12.2017. godine 1 evro = 118,4727 din. / srednji kurs na dan 31.12.2016. godine 1 evro = 123,4723 din.

Izvor podataka: Udruženje banaka Srbije, Bilbon baza podataka

## Finansijska pozicija

Finansijska pozicija bankarskog sektora Srbije u 2017. godini beleži izvesne pozitivne trendove:

- Bilansna veličina bankarskog sektora Srbije na kraju 2017. godine nominalno je veća za 4% u odnosu na kraj prethodne godinu i iznosi 3.367.528 miliona dinara (28.425 miliona evra).

**Figure 7 - Total Assets, Liabilities and Capital of the Banking Sector of Serbia**

in RSD million / EUR million

Item	Curr.	31.12.2016	31.12.2017	Index
1	2	3	4	4/3
Total assets	RSD	3,245,990	3,367,528	104
	EUR	26,289	28,425	108
Total liabilities	RSD	2,611,706	2,702,254	103
	EUR	21,152	22,809	108
Capital	RSD	634,283	665,274	105
	EUR	5,137	5,615	109

The middle FX rate as of 29.12.2017, EUR 1 = RSD 118.4727 / The middle FX rate as of 31.12.2016, EUR 1 = RSD 123.4723

Source: Association of Serbian Banks, *Bilbon* database

In addition to the expected growth of lending activity, another significant factor for the further strengthening of the banking sector's financial position through increasing profitability as the primary source of capitalisation and financial strength, is a much more intense work on the restructuring of economic entities, as the leading clients of commercial banks. The operation of companies in the zone of high business risk directly generates the credit risk, and unless some radical changes are undertaken in this respect, the effects of selling non-performing loans and clearing the banks' balance sheets will only be short-lived. The sale of non-performing loans by banks during 2017 is another factor which considerably affected the trends of the balance sheet size of banks and the banking sector overall. However, this measure will yield a positive effect in 2018 only if the excess liquidity generated thereof gets profitably invested into loans or high-ranked securities. The success of this business challenge depends not only on the quality of risk management in banks, but primarily on the systemic undertakings aimed at the restructuring of the economy.

**Figure 8 - Indicators of Balance Sheet Assets Quality and Safety**

in %

	2014	2015	2016	2017
Standard NPLs ratio *	21.5	21.9	17.2	10.0
NPLs coverage by provisions	113.3	114.0	131.4	133.2
Capital adequacy ratio	20.0	20.9	21.8	22.6
Structure of assets A+B+C	80.3	80.4	84.4	89.9
Sector liquidity indicator	2.2	2.1	2.1	2.0

\* NPLs / Total loans

Source: National Bank of Serbia, [www.nbs.rs](http://www.nbs.rs)

- Measured by the *quality indicators of the banking sector's balance sheet structure*, however, the financial position of the banking sector at the end of 2017 still remained satisfactory (classification of balance sheet assets and off-balance sheet items; capital adequacy ratio, liquidity). *The quality of balance sheet assets and off-balance sheet items structure* from the previous years was kept in 2017 as well, in terms of a high share of higher-ranked balance sheet assets and off-balance sheet items (A, B, C), amounting to 89.9%, in the total classified assets at the end of the year.

## Slika 7 - Ukupna aktiva, obaveze i kapital bankarskog sektora Srbije

u mil. din. / mil. evra

Element	Val.	31.12.2016.	31.12.2017.	Indeks
1	2	3	4	4/3
Ukupna aktiva	RSD	3.245.990	3.367.528	104
	EUR	26.289	28.425	108
Ukupne obaveze	RSD	2.611.706	2.702.254	103
	EUR	21.152	22.809	108
Kapital	RSD	634.283	665.274	105
	EUR	5.137	5.615	109

Srednji kurs na dan 29.12.2017. godine 1 evro = 118,4727 din. / srednji kurs na dan 31.12.2016. godine 1 evro = 123,4723 din.

Izvor podataka: Udruženje banaka Srbije, Bilbon baza podataka

Osim očekivanog rasta kreditne aktivnosti, za dalje jačanje finansijske pozicije bankarskog sektora kroz rast profitabilnosti kao primarnog izvora kapitalizacije i veće finansijske snage, bitan činilac je daleko intenzivniji rad na restrukturiranju privrednih subjekata, kao vodećih klijenata poslovnih banaka. Poslovanje preduzeća u zoni visokog poslovnog rizika direktno generiše kreditni rizik, te ukoliko se na ovom planu ne učine korenite promene, to će i efekti prodaje NPL-ova i čišćenja bilansa banaka biti kratkog roka. Prodaja problematičnih potraživanja banaka tokom 2017. godine je takođe kriterijum koji je veoma uticao na kretanje bilansne veličine banaka i sektora u celini. Ova mera, međutim, pozitivan efekat u 2018. godini daće samo ukoliko viškovi likvidnosti nastali po ovom osnovu budu profitabilno plasirani u vidu kredita ili hartija sa visokim rejtingom. Uspeh ovog poslovnog izazova ne zavisi samo od kvaliteta upravljanja rizicima u bankama, već pre svega od sistemskih zahvata na planu restrukturiranja privrede.

## Slika 8 - Indikatori kvaliteta bilansne aktive i sigurnosti

u %

	2014.	2015.	2016.	2017.
Standardni NPL koeficijent*	21,5	21,9	17,2	10,0
Pokrivenost NPL-ova rezervama	113,3	114,0	131,4	133,2
Koeficijent adekvatnosti kapitala	20,0	20,9	21,8	22,6
Struktura aktive A+B+V	80,3	80,4	84,4	89,9
Pokazatelj likvidnosti sektora	2,2	2,1	2,1	2,0

\* NPL / ukupni krediti

Izvor podataka: Narodna banka Srbije, www.nbs.rs

- Merena indikatorima kvaliteta bilansne strukture bankarskog sektora, finansijska pozicija bankarskog sektora na kraju 2017. godine i dalje je zadovoljavajuća (klasifikacija bilansne i vanbilansne aktive, koeficijent adekvatnosti kapitala, likvidnost). **Kvalitet strukture bilansne aktive i vanbilansnih stavki** iz prethodnih godina zadržan je i u 2017. godini, u smislu visokog učešća više rangirane aktive, bilansne i vanbilansne (A, B, V) od 89,9% u ukupno klasifikovanoj aktivi na kraju godine.

**Figure 9 - Structure of Total Classified Balance Sheet Assets and Off-Balance Sheet Items**

in %

	31.12.2015	31.12.2016	30.09.2017
A	50.6	52.5	54.0
B	22.0	22.9	24.5
C	7.8	9.0	9.6
D	3.8	3.1	2.9
E	15.9	12.5	9.1
Total	100.0	100.0	100.0
D and E (% of total assets)	19.6	15.6	12.0

Source: National Bank of Serbia, [www.nbs.rs](http://www.nbs.rs)

This indicator can be considered rather satisfactory in the context of the recorded problems in the corporate sector and the increased credit risk exposure of banks. Nevertheless, it should be taken cautiously, bearing in mind the high credit risk that the banks are still exposed to due to the overall position of the corporate sector.

**Figure 10 - Non-Performing Loans (NPLs) (Gross Accounting Value)**

in RSD million / EUR million

Item	Curr.	31.12.2015	31.12.2016	31.12.2017	Index 2017/2016
Total loans	RSD	1,919,659	1,908,842	1,965,640	103
	EUR	15,783	15,460	16,592	107
NPLs	RSD	420,669	328,991	197,581	60
	EUR	3,459	2,664	1,668	63
Share of NPLs in total loans		21.9%	17.2%	10.0%	58

The middle FX rate as of 29.12.2017, EUR 1 = RSD 118.4727 / The middle FX rate as of 31.12.2016, EUR 1 = RSD 123.4723

Source: Association of Serbian Banks, *Bilbon* database

- **The ratio of non-performing loans (NPLs)** at the banking sector level, as a percentage of NPLs in the total granted loans portfolio, at the end of 2017 amounted to 10%. This indicator recorded a significant decline in relation to the end of the previous year by 7.2 percentage points, mostly as a result of the sale of NPLs, when the banks noticeably cleared their portfolios from the risk-bearing assets, thus boosting their liquidity.

Broken down by sectors, the largest percentage of non-performing loans has been recorded in the structure of total loans granted to companies (10.97%) and in the structure of total loans granted to entrepreneurs (10.93%), followed by the share in the total loans granted to public enterprises (6.40%) and households (5.63%). Both indicators recorded a decline compared to the end of the previous year.

## Slika 9 - Struktura ukupno klasifikovane bilansne i vanbilansne aktive

u %

	31.12.2015.	31.12.2016.	30.09.2017.
A	50,6	52,5	54,0
B	22,0	22,9	24,5
V	7,8	9,0	9,6
G	3,8	3,1	2,9
D	15,9	12,5	9,1
Ukupno	100,0	100,0	100,0
G i D (u % ukupne aktive)	19,6	15,6	12,0

Izvor podataka: Narodna banka Srbije, www.nbs.rs

Ovaj pokazatelj može se smatrati vrlo dobrim u kontekstu evidentiranih problema u privrednom sektoru zemlje i povećanoj izloženosti banaka kreditnom riziku. Ipak, trebalo bi ga prihvatiti oprežno, imajući u vidu visok kreditni rizik kome su banke i dalje izložene zbog stanja u privrednom sektoru.

## Slika 10 - Stanje NPL-ova (bruto knjigovodstvena vrednost)

u mil. din. / mil. evra

Element	Val.	31.12.2015.	31.12.2016.	31.12.2017.	Indeks 2017/2016.
Ukupno odobreni krediti	RSD	1.919.659	1.908.842	1.965.640	103
	EUR	15.783	15.460	16.592	107
Problematicni krediti	RSD	420.669	328.991	197.581	60
	EUR	3.459	2.664	1.668	63
Učešće problematicnih kredita u ukupnim kreditima		21,9%	17,2%	10,0%	58

Srednji kurs na dan 29.12.2017. godine 1 evro = 118,4727 din. / Srednji kurs na dan 31.12.2016. godine 1 evro = 123,4723 din.

Izvor: Udruženje banaka Srbije, Bilbon baza podataka

- **Koeficijent problematicnih kredita (NPL-ova)** na nivou bankarskog sektora, kao procenat učešća ovih kredita u portfoliju ukupno odobrenih kredita, na kraju 2017. godine iznosi 10%. Ovaj indikator zabeležio je značajan pad u odnosu na kraj prethodne godine od 7,2 p.p., uglavnom kao rezultat prodaje problematicnih kredita kojom su banke značajno očistile svoje portfolije od rizične aktive i poboljšale likvidnost.

Po sektorskoj strukturi posmatrano, najveće učešće NPL-ova zabeleženo je u strukturi ukupnih kredita odobrenih privrednim društvima (10,97%) i preduzetnicima (10,93%), a zatim sledi učešće u ukupnim kreditima odobrenim javnim preduzećima (6,40%), odnosno stanovništvu (5,63%). Svi indikatori beleže pad u odnosu na kraj prethodne godine.

**Figure 11 - Sectors with the Highest Percentage of Non-Performing Loans (NPLs)**

in %

Gross share of NPLs in gross loans approved to:	31.12.2016	31.12.2017
1	2	3
Companies	17.64	10.97
Public enterprises	14.25	6.40
Entrepreneurs	24.37	10.93
Households	9.17	5.63

Source: Association of Serbian Banks, *Bilbon* database

*In the structure of total gross non-performing loans* at the sector level, the highest share is recorded by:

- Non-performing loans granted to corporate clients – business companies and public enterprises (total of RSD 101,906 million/EUR 860.2 million) with 51.6%, followed by
- Non-performing loans granted to retail clients (RSD 44,083 million/EUR 372.1 million) with 22.3%, and
- Non-performing loans granted to non-profit legal entities in bankruptcy (RSD 39,232 million/EUR 331.1 million) with 19.9%.
- **Total liabilities** at the sector level recorded a nominal growth by 3% at the end of 2017 compared to the end of the previous year. The share of total liabilities in the structure of balance sheet liabilities at the end of the year amounted to 80.2%.
- **Total deposits** at the end of 2017 amounted to RSD 1,980,592 million (EUR 16,717 million) and, compared to the position at the end of the previous year, they are nominally higher by 3.1%.

**Corporate deposits** at the end of 2017 amounted to RSD 704,697 million (EUR 5,948 million) and noted a growth of RSD 41,995 million (EUR 354.5 million) in relation to the previous year. **Retail deposits** at the end of 2017 amounted to RSD 1,275,895 million (EUR 10,770 million) and, compared to the previous year, they were higher by RSD 17,864 million (EUR 150.8 million).

**Figure 12 - Currency Structure of Banks' Deposit Potential**

in RSD million

		31.12.2016	% of share	31.12.2017	% of share
1		2	3	4	5
Corporate deposits	RSD + currency clause index	370,304	55.9	402,081	57.1
	Foreign currency	292,398	44.1	302,616	42.9
	Total	662,702	100.0	704,697	100.0
Retail deposits	RSD + currency clause index	187,076	14.9	201,472	15.8
	Foreign currency	1,070,955	85.1	1,074,424	84.2
	Total	1,258,031	100.0	1,275,895	100.0

Source: Statistical Bulletin of the NBS, December 2017, [www.nbs.rs](http://www.nbs.rs)

The currency structure of corporate deposits recorded a more even proportion – FX deposits account for 42.9%, and dinar deposits for 57.1% of total deposits, while the currency structure of retail deposits has kept the long-standing proportion – FX deposits account for 84.2%, and dinar deposits for only 15.8% of total deposits.

- **Total capital** of the banking sector at the end of 2017 amounted to RSD 665,274 million (EUR 5,615 million) and recorded a slight nominal growth compared to the end of 2016. In the structure of total capital, **equity** as the dominant position at the end of 2017 amounted to RSD 402,703 million (EUR 3,399 million), which is by RSD 1,190 million (EUR 10 million)

## Slika 11 - Sektori sa najvišim procentom NPL-ova

u %

Učešće bruto problematičnih kredita u bruto kreditima odobrenim:	31.12.2016.	31.12.2017.
1	2	3
Privrednim društvima	17,64	10,97
Javnim preduzećima	14,25	6,40
Preduzetnicima	24,37	10,93
Stanovništvu	9,17	5,63

Izvor: Udruženje banaka Srbije, Bilbon baza podataka

**U strukturi ukupnih bruto NPL-ova** na nivou sektora najveće učešće imaju:

- problematični krediti odobreni privredi – privredna društva i javna preduzeća (ukupno 101.906 miliona dinara, odnosno 860,2 miliona evra) sa 51,6%, zatim
- problematični krediti stanovništvu (44.083 miliona dinara, odnosno 372,1 miliona evra) sa 22,3%, i
- nefinansijska pravna lica u stečaju (39.232 miliona dinara, odnosno 331,1 miliona evra) sa 19,9%.
- **Ukupne obaveze** na nivou sektora zabeležile su nominalni rast od 3% na kraju 2017. godine u odnosu na kraj prethodne. Učešće ukupnih obaveza u strukturi bilansne pasive na kraju godine iznosi 80,2%.
- **Ukupni depoziti** na kraju 2017. godine iznose 1.980.592 miliona dinara (16.717 miliona evra) i u odnosu na stanje na kraju prethodne godine nominalno su veći za 3,1%.

Depoziti **privrede** na kraju 2017. godine iznose 704.697 miliona dinara (5.948 miliona evra) i beleže rast za 41.995 miliona dinara (354,5 miliona evra) u odnosu na prethodnu godinu. Depoziti **stanovništva** na kraju 2017. godine iznose 1.275.895 miliona dinara (10.770 miliona evra) i u odnosu na prethodnu godinu viši su za 17.864 miliona dinara (150,8 miliona evra).

## Slika 12 - Valutna struktura depozitnog potencijala banaka

u mil. din.

		31.12.2016.	% učešća	31.12.2017.	% učešća
1		2	3	4	5
Depoziti privrede	Dinarski + indeksirani deviznom klauzulom	370.304	55,9	402.081	57,1
	Devizni	292.398	44,1	302.616	42,9
	Ukupno	662.702	100,0	704.697	100,0
Depoziti stanovništva	Dinarski + indeksirani deviznom klauzulom	187.076	14,9	201.472	15,8
	Devizni	1.070.955	85,1	1.074.424	84,2
	Ukupno	1.258.031	100,0	1.275.895	100,0

Izvor: Statistički bilten NBS, decembar 2017. godine, www.nbs.rs

Valutna struktura je kod depozita privrede raspoređena u ravnomernijoj proporciji, te tako devizni depoziti čine 42,9%, a dinarski 57,1% ukupnih depozita, dok je kod depozita stanovništvu zastupljena dugogodišnja proporcija sa čak 84,2% deviznih i samo 15,8% dinarskih depozita.

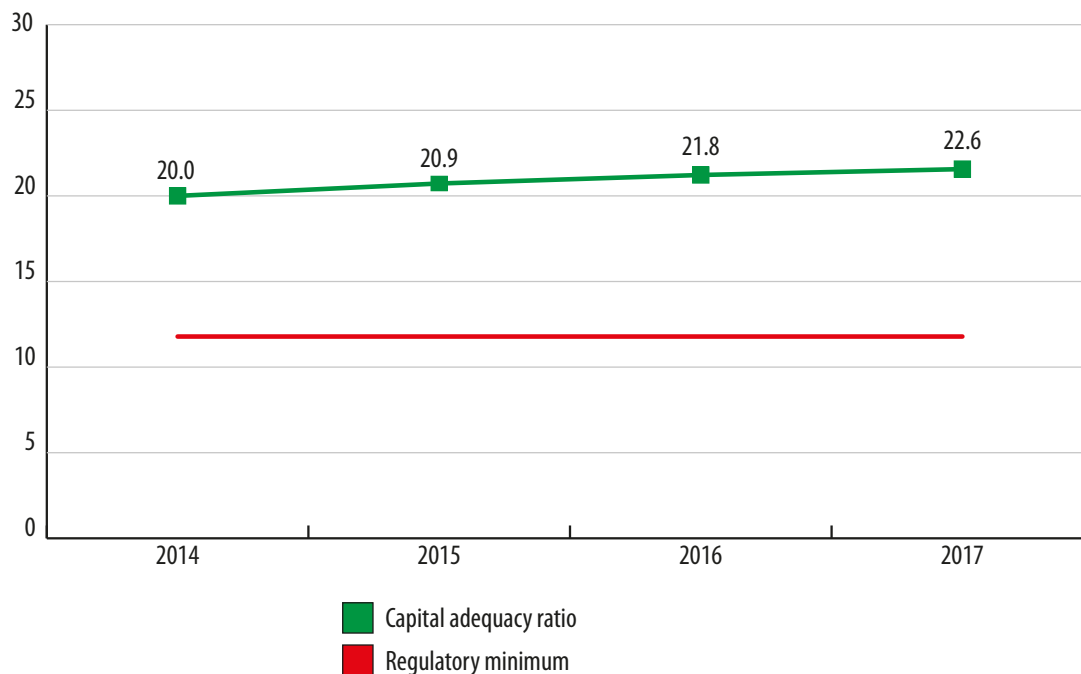
- **Ukupan kapital** bankarskog sektora na kraju 2017. godine iznosi 665.274 miliona dinara (5.615 miliona evra) i beleži blagi nominalni rast u odnosu na kraj 2016. godine.

U strukturi ukupnog kapitala **akcijski kapital** kao dominantna pozicija na kraju 2017. godine iznosi 402.703 miliona dinara (3.399 miliona evra), što je za 1.190 miliona dinara (10 miliona



more than at the end of 2016. **Provisions from profit**, as the second largest item in the structure of total capital, at the end of the year amounted to RSD 196,336 million (EUR 1,657 million) which is by 0.2% higher than at the end of the previous year.

**Figure 13 - Capital Adequacy Ratio**



Source: National Bank of Serbia, [www.nbs.rs](http://www.nbs.rs)

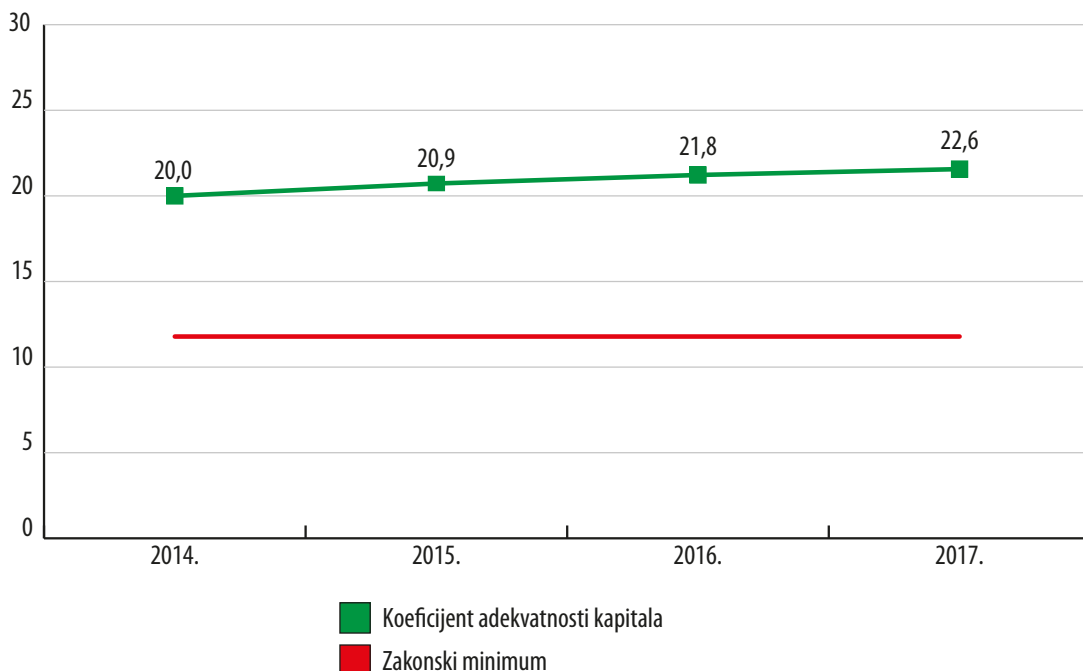
- **Capital adequacy ratio**, as the ratio between capital and credit risk weighted assets increased by the capital requirements for market and operational risks, at the end of 2017, amounted to 22.6% which is by 0.8 percentage points higher than in the previous year (21.8%). This important indicator is still very good, and it remains far above the prescribed minimum (8%)<sup>8</sup>. The reason behind it is the high share of less risky assets (A, B, C) in the structure of total classified assets at the sector level.
- **The indicators of banks' liquidity** in 2017 ranged from 1.3 to 3.9. Only in three banks this ratio was high (above 4), which indicated a low efficiency in the utilisation of funds. According to the data from the ASB Bilbon database, the average annual liquidity ratio at the sector level at the end of 2017 was 3.1 which leads to the conclusion that the banking sector's liquidity is at the satisfactory level<sup>9</sup>.

<sup>8</sup> The amendments to the regulations regarding the capital adequacy of banks adopted in December 2016 reduced the minimum value of the capital adequacy ratio from 12% to 8% as of June 2017, thereby equating it to the standard implemented in the European Union.

<sup>9</sup> According to the National Bank of Serbia, the annual average liquidity ratio at the end of 2017 is 2.0 at the sector level.

evra) više nego na kraju 2016. godine. **Rezerve iz dobiti**, kao druga po veličini pozicija u strukturi ukupnog kapitala, na kraju godine iznose 196.336 miliona dinara (1.657 miliona evra) i veće su u odnosu na stanje na kraju prethodne godine za 0,2%.

**Slika 13 - Koeffcijent adekvatnosti kapitala**



Izvor podataka: Narodna banka Srbije, [www.nbs.rs](http://www.nbs.rs)

- **Koeffcijent adekvatnosti kapitala**, kao odnos kapitala i kreditnim rizikom ponderisane aktive uvećane kapitalnim zahtevima za tržišne i operativne rizike, na kraju 2017. godine iznosio je 22,6% i za 0,8 p.p. je viši u odnosu na prethodnu godinu (21,8%). Ovaj važan pokazatelj i dalje je izuzetno dobar i daleko iznad propisanog minimuma (8%).<sup>8</sup> Razlog tome je visoko učešće manje rizične aktive (A, B, V) u strukturi ukupno klasifikovane bilansne i vanbilansne aktive na nivou sektora.
- **Pokazatelji likvidnosti banaka** u 2017. godini kreću se u rasponu od 1,3 do 3,9. Samo u slučaju tri banke ovaj koeffcijent je povišen (iznad 4), što upućuje na nisku efikasnost upotrebe sredstava. Prema podacima iz Bilbon baze podataka Udruženja banaka Srbije, prosečan pokazatelj likvidnosti na nivou sektora na kraju 2017. godine je 3,1 što ukazuje da je likvidnost bankarskog sektora na zadovoljavajućem nivou.<sup>9</sup>

<sup>8</sup> Izmenama propisa u vezi sa adekvatnošću kapitala banaka koje su usvojene decembra 2016. godine, minimalna vrednost pokazatelja adekvatnosti kapitala je smanjena sa 12% na 8% počev od juna 2017. godine, čime je izjednačena sa onom koja se primenjuje u Evropskoj uniji.

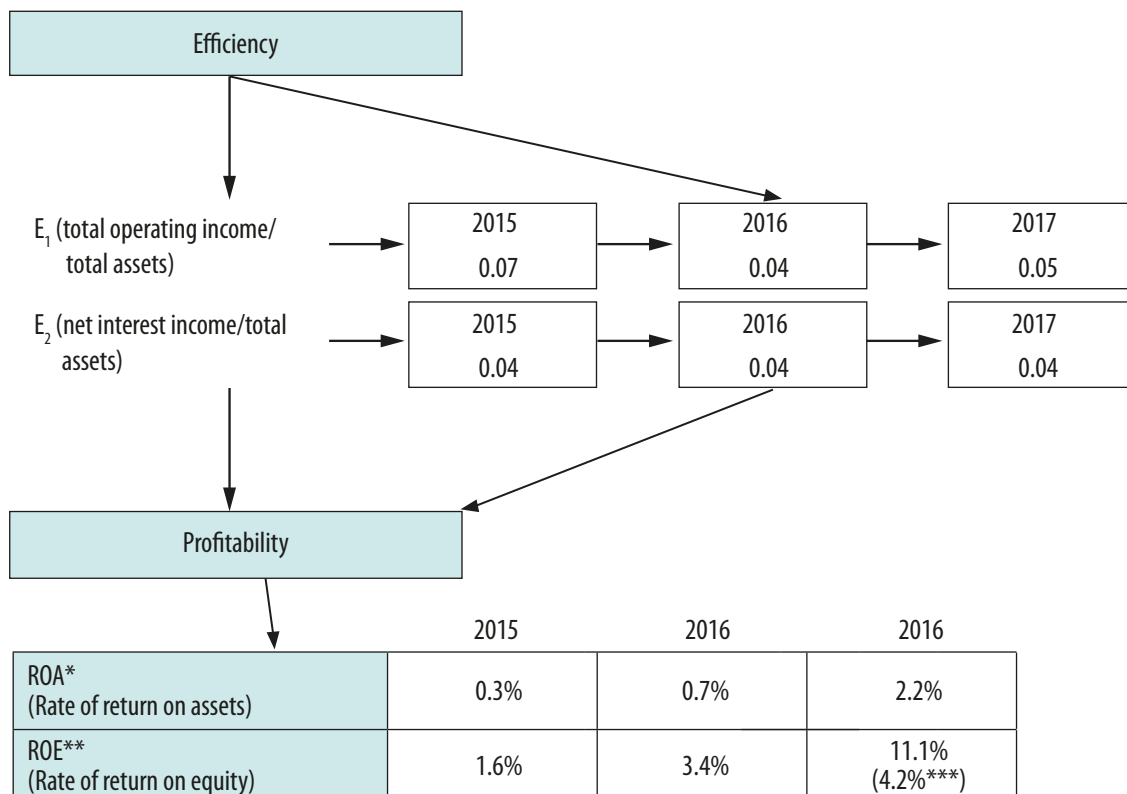
<sup>9</sup> Prema podacima Narodne banke Srbije, prosečan godišnji koeffcijent likvidnosti na nivou sektora na kraju 2017. godine je 2,0.

## Financial Result

The banking sector of Serbia ended the business year of 2017 with the positive financial result. **The recorded net profit before taxes** amounted to RSD 68,693 million/EUR 580 million. Measured by the index numbers, the positive financial result in the recent years has recorded a high upward trend in relation to the base periods, thus in 2017 it was 3.4 times higher than at the end of 2016, while at the end of 2016 it was twice as high as at the end of 2015.

**Efficiency indicators** of the banking sector in Serbia have been stagnating over the past few years, while **profitability indicators** increased at the end of 2017 compared to 2016, the rate of return on assets having increased by 1.5 percentage points, and the rate of return on equity having increased by 7.7 percentage points.

Figure 14 - Efficiency and Profitability of the Banking Sector of Serbia



\* Profit before taxes/total assets

\*\* Profit before taxes/total equity

\*\*\* After excluding the effects of solving NPLs the ROE would, instead of 11.1%, amount to 4.2%

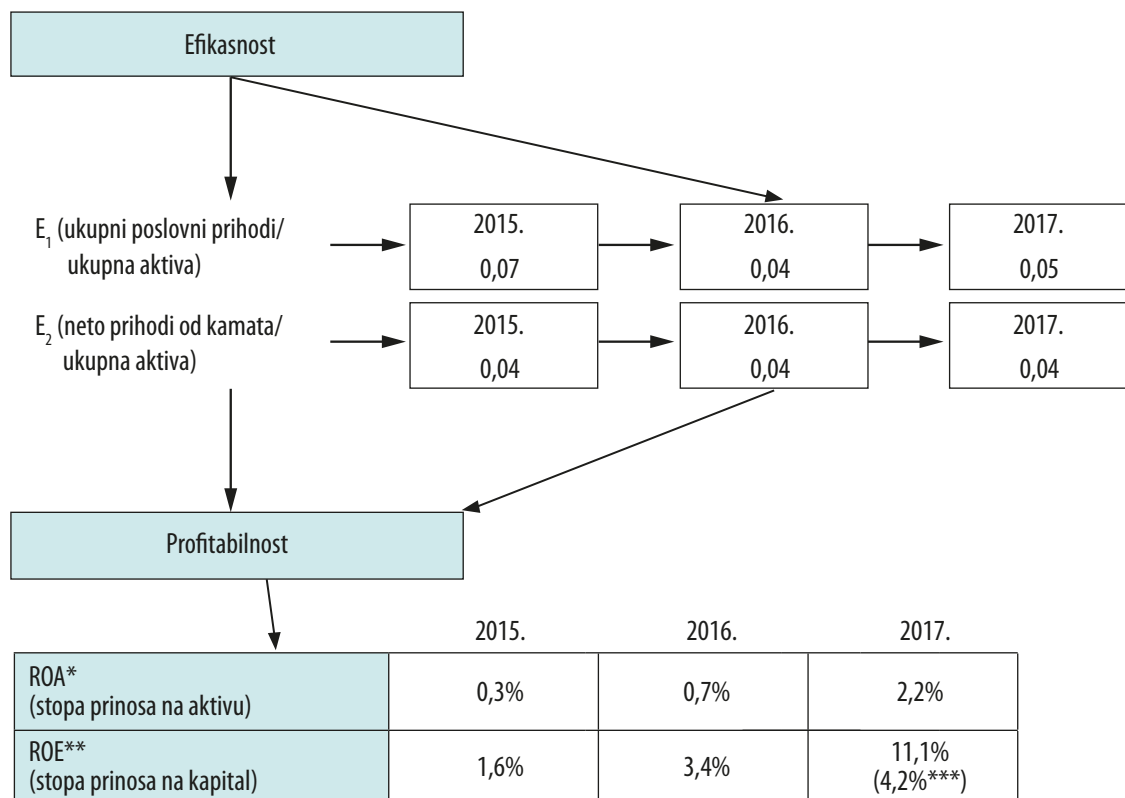
Source: Association of Serbian Banks, *Bilbon* database

## Finansijski rezultat

Bankarski sektor Srbije poslovnu 2017. godinu završio je sa pozitivnim finansijskim rezultatom. **Neto dobit pre oporezivanja** iznosi 68.693 miliona dinara, odnosno 580 miliona evra. Mereno indeksnim brojevima pozitivan finansijski rezultat poslednjih godina beleži visok uzlazni trend u odnosu na bazne periode, te je tako na kraju 2017. godine 3,4 puta veći od onog na kraju 2016. godine, dok je na kraju 2016. godine bio dva puta veći od onog na kraju 2015. godine.

**Indikatori efikasnosti** bankarskog sektora Srbije u poslednjih nekoliko godina stagniraju, dok **indikatori profitabilnosti** beleže rast na kraju 2017. godine u odnosu na 2016. godinu, i to stopa prinosa na angažovana sredstva rast od 1,5 p.p, a stopa prinosa na kapital rast od 7,7 p.p.

Slika 14 - Efikasnost i profitabilnost bankarskog sektora Srbije



\* Dobitak pre oporezivanja/ukupna aktiva

\*\* Dobitak pre oporezivanja/ukupan kapital

\*\*\* Isključivanjem efekata rešavanja NPL-ova prinos na kapital bi, umesto 11,1%, iznosio 4,2%

Izvor: Udruženje banaka Srbije, Bilbon baza podataka

## Concluding remarks

The efforts invested by the monetary and credit policy makers in the past two years to improve the business environment and investment climate, along with the preserved financial stability in the country and a successfully implemented financial consolidation, resulted in a certain improvement in the financial position and financial performance of the banking sector in Serbia. However, in addition to the favourable macroeconomic environment, the stable and long-term growth of economic activities in Serbia presupposes the intensified restructuring of the economic sector, which has been increasingly struggling to bear the burden of long-term, unresolved structural problems of a significant number of Serbian companies.

The financial position of the banking sector of Serbia in the course of 2017 did not substantially change compared to 2016. **The balance sheet size** of the banking sector of Serbia at the end of 2017 recorded a somewhat higher nominal growth of 4% compared to the previous year, amounting to RSD 3,367,528 million (EUR 28,425 million).

**Lending activity of banks**, after a medium-term period of stagnation and decline, recorded an upward trend in 2017, encouraged by the easing of the monetary policy of the National Bank of Serbia, accompanied by the effects of increased competition among banks, the growth of economic activity and the recovery of the labour market, the decline in the country's risk premium and low interest rates in the Eurozone. Total loan placements at the end of 2017 were nominally higher by 3% compared to the end of the previous year, whereby the growth was realised despite the write-offs of NPLs, which exceeded those of the previous year.

Broken down by the sector structure, **corporate loans** (companies and public enterprises) experienced a nominal growth by 2.7%, at the end of 2017. **Loans granted to entrepreneurs** noted a nominal growth by 3%, while retail loans were, in nominal terms, higher by 10% at the end of 2017 than they were at the end of the previous year, which was the result of a considerable drop in the interest rates on FX-indexed loans.

The banking sector in Serbia finished the 2017 business year with a positive financial result. **The recorded net profit before taxes** amounted to RSD 68,693 million/EUR 580 million, which is by 33.7% higher than in the last year. ROA at the end of 2017 is 2.2% and is by 1.5 percentage points higher in comparison to the previous year, while ROE at the end of 2017 amounted to 11.1%, experiencing a growth by 7.7 percentage points.

The growth of the net positive business result in 2017 compared to the previous year is certainly encouraging, yet far from satisfactory, given that the current financial result and the business environment, posing a high business risk due to the problems in the corporate sector, leave no room for profitable business, as a precondition for the desired growth of rates of return on assets and capital. Moreover, the structural imbalances at the banking sector level, along with the huge differences among banks in terms of their financial position and business results, also suggest the necessity of further reforms in the banking sector, as well as the necessity of introducing changes into the operations of a number of banks.

**The quality indicators of the banking sector's balance sheet structure** at the end of 2017 remain satisfactory: **capital adequacy ratio** → 22.6%, **coverage of non-performing loans by loss provisions** → 133.2% and **liquidity ratio** → 2.0. This economic contradiction, marked by a decelerated growth of the banking sector's financial strength indicators and the simultaneous maintenance of its financial stability and liquidity at the satisfactory level, has been present for several years now, and may be explained only by referring to the extremely cautious risk and capital management in banks in Serbia, as well as the prudential supervision of banks' operations, conducted by the national supervisor. Nevertheless, this is a position of high business risk, warning about the banking sector's resilience and indicating that it is only a matter of time before banks become unable to control the pressures from the domestic and external environment, posing serious challenges to its stability.

## Zaključna razmatranja

Napori kreatora ekonomske politike zemlje poslednjih nekoliko godina na planu unapređenja poslovnog ambijenta i investicione klime, očuvana finansijska stabilnost zemlje i uspešno sprovedena finansijska konsolidacija, rezultirali su izvesnim poboljšanjem finansijske pozicije i finansijskog rezultata bankarskog sektora Srbije. Stabilan i dugoročni rast privrednih aktivnosti u Srbiji, međutim, osim povoljnog makroekonomskog ambijenta pretpostavlja i intenziviranje procesa restrukturiranja privrednog sektora, koji poslednjih godina sve teže nosi teret dugoročnih, nerešenih strukturnih problema još uvek značajnog broja srpskih preduzeća.

Finansijska pozicija banakarskog sektora Srbije tokom 2017. godine nije se bitnije promenila u odnosu na 2016. godinu. **Bilansna veličina** bankarskog sektora Srbije na kraju 2017. godine nominalno je veća za 4% u odnosu na kraj prethodne godinu i iznosi 3.367.528 miliona dinara (28.425 miliona evra).

**Kreditna aktivnost banaka** je, nakon srednjoročnog perioda stagnacije i pada, zabeležila ubrzanje tokom 2017. godine, čemu je doprinelo ublažavanje monetarne politike Narodne banke Srbije, uz efekte pojačane konkurencije među bankama, rasta ekonomske aktivnosti praćenog oporavkom tržišta rada, pada premije rizika zemlje i niskih kamatnih stopa u zoni evra. Ukupni kreditni plasmani na kraju 2017. godine nominalno su viši za 3% u odnosu na kraj prethodne godine, pri čemu je rast ostvaren uprkos otpisima problematičnih kredita, koji su nadmašili one iz prethodne godine.

Posmatrano po sektorskoj strukturi, **kreditni privredi** (privredna društva i javna preduzeća) na kraju 2017. godine beleže nominalan rast od 2,7%. **Kreditni preduzetnicima** beleže nominalan rast od 3%, dok su **kreditni stanovništvu** na kraju 2017. godine nominalno viši za 10% u odnosu na kraj prethodne godine, čemu je doprineo značajan pad kamatnih stopa na kredite indeksirane u devizama.

Bankarski sektor Srbije poslovnu 2017. godinu završio je sa pozitivnim finansijskim rezultatom. **Neto dobit pre oporezivanja** iznosi 68.693 miliona dinara, odnosno 580 miliona evra i veća je u odnosu na prethodnu godinu za 33,7%. Stopa prinosa na aktivu (ROA) na kraju 2017. godine iznosi 2,2% i veća je za 1,5 p.p. u poređenju sa godinom pre toga, dok stopa prinosa na kapital (ROE) na kraju 2017. godine iznosi 11,1% i time beleži rast od 7,7 p.p.

Rast pozitivnog rezultata poslovanja u 2017. godini u odnosu na prethodnu godinu svakako je ohrabrujući, ali daleko od zadovoljavajućeg, s obzirom na to da ovakav finansijski rezultat i poslovno okruženje koje predstavlja zonu visokog poslovnog rizika zbog problema u privrednom sektoru, ne ostavljaju prostor za profitabilno poslovanje, kao preduslov za željeni rast stope prinosa na aktivu i kapital. Osim toga, strukturne neravnoteže na nivou samog bankarskog sektora, velike razlike između banaka u finansijskoj poziciji i rezultatima poslovanja, takođe ukazuju na neophodnost daljih reformi u bankarskom sektoru, ali i neophodnost promena u operativnom poslovanju jednog broja banaka.

**Indikatori kvaliteta bilansne strukture bankarskog sektora** na kraju 2017. godine još uvek su zadovoljavajući: **stopa adekvatnosti kapitala** → 22,6%, **pokrivenost problematičnih kredita rezervacijama za gubitke** → 133,2%, **odnosno pokazatelj likvidnosti** → 2,0. Ova ekonomska nelogičnost, u kojoj dolazi do usporavanja rasta indikatora finansijske snage bankarskog sektora uz istovremeno održavanje njegove finansijske stabilnosti i likvidnosti na zadovoljavajućem nivou, prisutna je već više godina i može se objasniti samo vrlo pažljivim upravljanjem rizicima i kapitalom u bankama u Srbiji, ali i prudencijom supervizijom poslovanja banaka, koju sprovodi nacionalni supervizor. I pored toga, reč je o poziciji visokog poslovnog rizika, koja upozorava na izdržljivost bankarskog sektora i ukazuje da je pitanje vremena, u kome će banke moći da upravljaju i kontrolišu pritiske iz domaćeg i spoljnog okruženja, koji su ozbiljan izazov njegovoj stabilnosti.

## Balance Sheet as of 31.12.2017

ITEM		In RSD thousand	In EUR thousand*
<b>A</b>	<b>ASSETS</b>		
A.I	Cash and funds at the central bank	472,150,025	3,985,307
A.II	Pledged financial assets	5,334,005	45,023
A.III	Tradable financial assets at fair value through the income statement	26,244,216	221,521
A.IV	Financial assets initially recognised at fair value through the income statement	7,270,374	61,368
A.V	Tradable financial assets	553,816,317	4,674,632
A.VI	Financial assets held to maturity	59,474,192	502,008
A.VII	Loans and receivables from banks and other financial organisations	177,314,832	1,496,673
A.VIII	Loans and receivables from the clients	1,926,565,172	16,261,680
A.IX	Changes in fair value of items subject to risk protection	193,560	1,634
A.X	Receivables in respect of financial derivatives aimed at risk protection	90,443	763
A.XI	Investments in affiliated companies and joint ventures	2,752,164	23,230
A.XII	Investments in dependent companies	19,791,221	167,053
A.XIII	Intangible investments	11,461,832	96,747
A.XIV	Property, premises and equipment	52,200,066	440,608
A.XV	Investment property	15,291,006	129,068
A.XVI	Current tax assets	73,556	621
A.XVII	Deferred tax assets	2,446,222	20,648
A.XVIII	Fixed assets for sale and assets from discontinued operations	3,065,580	25,876
A.XIX	Other assets	31,993,354	270,048
<b>A.XX</b>	<b>TOTAL ASSETS (items from 0001 to 0019 in the balance sheet)</b>	<b>3,367,528,137</b>	<b>28,424,507</b>
<b>P</b>	<b>LIABILITIES AND EQUITY</b>		<b>0</b>
<b>PO</b>	<b>LIABILITIES</b>		<b>0</b>
PO.I	Tradable financial liabilities at fair value through the income statement	456,196	3,851
PO.II	Financial liabilities initially recognised at fair value through the income statement	0	0
PO.III	Liabilities in respect of financial derivatives aimed at risk protection	573,464	4,840
PO.IV	Deposits and other liabilities towards banks, other financial organisations and the central bank	379,451,092	3,202,857
PO.V	Deposits and other liabilities towards other clients	2,232,795,869	18,846,501
PO.VI	Changes in fair value of items subject to risk protection	206	2
PO.VII	Issued own securities and other borrowed funds	66	1
PO.VIII	Subordinated liabilities	33,289,846	280,992
PO.IX	Provisions	11,160,149	94,200

## Bilans stanja sa stanjem na dan 31.12.2017.

POZICIJA		U hiljadama dinara	U hiljadama evra*
<b>A</b>	<b>AKTIVA</b>		
A.I	Gotovina i sredstva kod centralne banke	472.150.025	3.985.307
A.II	Založena finansijska sredstva	5.334.005	45.023
A.III	Finansijska sredstva po fer vrednosti kroz bilans uspeha namenjena trgovanju	26.244.216	221.521
A.IV	Finansijska sredstva koja se inicijalno priznaju po fer vrednosti kroz bilans uspeha	7.270.374	61.368
A.V	Finansijska sredstva raspoloživa za prodaju	553.816.317	4.674.632
A.VI	Finansijska sredstva koja se drže do dospeća	59.474.192	502.008
A.VII	Kredit i potraživanja od banaka i drugih finansijskih organizacija	177.314.832	1.496.673
A.VIII	Kredit i potraživanja od komitenata	1.926.565.172	16.261.680
A.IX	Promene fer vrednosti stavki koje su predmet zaštite od rizika	193.560	1.634
A.X	Potraživanja po osnovu finansijskih derivata namenjenih zaštiti od rizika	90.443	763
A.XI	Investicije u pridružena društva i zajedničke poduhvate	2.752.164	23.230
A.XII	Investicije u zavisna društva	19.791.221	167.053
A.XIII	Nematerijalna ulaganja	11.461.832	96.747
A.XIV	Nekretnine, postrojenja i oprema	52.200.066	440.608
A.XV	Investicione nekretnine	15.291.006	129.068
A.XVI	Tekuća poreska sredstva	73.556	621
A.XVII	Odložena poreska sredstva	2.446.222	20.648
A.XVIII	Stalna sredstva namenjena prodaji i sredstva poslovanja koje se obustavlja	3.065.580	25.876
A.XIX	Ostala sredstva	31.993.354	270.048
<b>A.XX</b>	<b>UKUPNO AKTIVA (pozicije pod AOP oznakama od 0001 do 0019 u bilansu stanja)</b>	<b>3.367.528.137</b>	<b>28.424.507</b>
<b>P</b>	<b>PASIVA</b>		<b>0</b>
<b>PO</b>	<b>OBAVEZE</b>		<b>0</b>
PO.I	Finansijske obaveze po fer vrednosti kroz bilans uspeha namenjene trgovanju	456.196	3.851
PO.II	Finansijske obaveze koje se inicijalno priznaju po fer vrednosti kroz bilans uspeha	0	0
PO.III	Obaveze po osnovu finansijskih derivata namenjenih zaštiti od rizika	573.464	4.840
PO.IV	Depoziti i ostale obaveze prema bankama, drugim finansijskim organizacijama i centralnoj banci	379.451.092	3.202.857
PO.V	Depoziti i ostale obaveze prema drugim komitentima	2.232.795.869	18.846.501
PO.VI	Promene fer vrednosti stavki koje su predmet zaštite od rizika	206	2
PO.VII	Izdane sopstvene hartije od vrednosti i druga pozajmljena sredstva	66	1
PO.VIII	Subordinirane obaveze	33.289.846	280.992



ITEM		In RSD thousand	In EUR thousand*
PO.X	Liabilities in respect of assets for sale and assets from discontinued operations	0	0
PO.XI	Current tax liabilities	1,482,920	12,517
PO.XII	Deferred tax liabilities	796,836	6,726
PO.XIII	Other liabilities	42,247,152	356,598
<b>PO.XIV</b>	<b>TOTAL LIABILITIES (items from 0401 to 0413 in the balance sheet)</b>	<b>2,702,253,796</b>	<b>22,809,084</b>
	<b>CAPITAL</b>		<b>0</b>
PO.XV	Shareholders' equity	402,703,162	3,399,122
PO.XVI	Own shares	500	4
PO.XVII	Profit	100,738,621	850,311
PO.XVIII	Loss	34,502,757	291,230
PO.XIX	Provisions	196,335,815	1,657,224
PO.XX	Unrealised losses	0	0
<b>PO.XXI</b>	<b>TOTAL CAPITAL (result of summation and deduction of the following ADP categories from the balance sheet: 0415 - 0416 + 0417 - 0418 + 0419 - 0420) ≥ 0</b>	<b>665,274,341</b>	<b>5,615,423</b>
<b>PO.XXII</b>	<b>TOTAL LACK OF CAPITAL (result of summation and deduction of the following ADP categories from the balance sheet: 0415 - 0416 + 0417 - 0418 + 0419 - 0420) &lt; 0</b>	<b>0</b>	<b>0</b>
<b>PO.XXIII</b>	<b>TOTAL LIABILITIES (result of summation and deduction of the following ADP categories from the balance sheet: 0414 + 0422 - 0423)</b>	<b>3,367,528,137</b>	<b>28,424,507</b>

\* Official middle rate of exchange of the dinar against the EUR, as of 29.12.2017, was applied - EUR 1 = RSD 118.4727

POZICIJA		U hiljadama dinara	U hiljadama evra*
PO.IX	Rezervisanja	11.160.149	94.200
PO.X	Obaveze po osnovu sredstava namenjenih prodaji i sredstva poslovanja koje se obustavlja	0	0
PO.XI	Tekuće poreske obaveze	1.482.920	12.517
PO.XII	Odložene poreske obaveze	796.836	6.726
PO.XIII	Ostale obaveze	42.247.152	356.598
<b>PO.XIV</b>	<b>UKUPNO OBAVEZE (pozicije pod AOP oznakama od 0401 do 0413 u bilansu stanja)</b>	<b>2.702.253.796</b>	<b>22.809.084</b>
	<b>KAPITAL</b>		<b>0</b>
PO.XV	Akcijski kapital	402.703.162	3.399.122
PO.XVI	Sopstvene akcije	500	4
PO.XVII	Dobitak	100.738.621	850.311
PO.XVIII	Gubitak	34.502.757	291.230
PO.XIX	Rezerve	196.335.815	1.657.224
PO.XX	Nerealizovani gubici	0	0
<b>PO.XXI</b>	<b>UKUPNO KAPITAL (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa stanja: 0415 - 0416 + 0417 - 0418 + 0419 - 0420) <math>\geq 0</math></b>	<b>665.274.341</b>	<b>5.615.423</b>
<b>PO.XXII</b>	<b>UKUPAN NEDOSTATAK KAPITALA (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa stanja: 0415 - 0416 + 0417 - 0418 + 0419 - 0420) <math>&lt; 0</math></b>	<b>0</b>	<b>0</b>
<b>PO.XXIII</b>	<b>UKUPNO PASIVA (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa stanja: 0414 + 0422 - 0423)</b>	<b>3.367.528.137</b>	<b>28.424.507</b>

\* Primenjen je zvanični srednji kurs dinara u odnosu na evro, sa stanjem na dan 29.12.2017. godine - 1 EUR = 118,4727 RSD

## Income Statement for the Period 01.01 - 31.12.2017

ITEM		In RSD thousand	In EUR thousand*
I.a	Interest income	143,468,716	1,210,985
I.b	Interest expenses	22,545,228	190,299
I.1	Net interest income (result of deduction of the following ADP categories from the income statement: 1001 - 1002)	120,923,488	1,020,687
I.2	Net interest expenses (result of deduction of the following ADP categories from the income statement: 1002 - 1001)	0	0
II.a	Revenues from fees and commissions	54,650,717	461,294
II.b	Expenditures in respect of fees and commissions	17,329,278	146,272
II.1	Net income from fees and commissions (result of deduction of the following ADP categories from the income statement: 1005 - 1006)	37,321,439	315,021
II.2	Net expenditures in respect of fees and commissions (result of deduction of the following ADP categories from the income statement: 1006 - 1005)	0	0
III.1	Net profit in respect of tradable financial assets	2,648,334	22,354
III.2	Net loss in respect of tradable financial assets	844,588	7,129
IV.1	Net profit in respect of risk protection	11,295	95
IV.2	Net loss in respect of risk protection	141,441	1,194
V.1	Net profit in respect of financial assets initially recognised at fair value through the income statement	79,867	674
V.2	Net loss in respect of financial assets initially recognised at fair value through the income statement	11,188	94
VI.1	Net profit in respect of financial assets available for sale	728,213	6,147
VI.2	Net loss in respect of financial assets available for sale	26,470	223
VII.1	Net income from exchange rate differentials and effects of the arranged currency clause	8,540,488	72,088
VII.2	Net expenditures in respect of exchange rate differentials and effects of the arranged currency clause	376,155	3,175
VIII.1	Net profit from investments into affiliated companies and joint ventures	120,685	1,019
VIII.2	Net loss in respect of investments in affiliated companies and joint ventures	0	0
IX	Other business revenues	20,485,334	172,912
X.1	Net income in respect of financial assets impairment and off-balance sheet items incurring credit risk	6,150,978	51,919
X.2	Net expenditures in respect of financial assets impairment and off-balance sheet items incurring credit risk	13,592,082	114,728

## Bilans uspeha za period 01.01. do 31.12.2017.

POZICIJA		U hiljadama dinara	U hiljadama evra*
I.a	Prihodi od kamata	143.468.716	1.210.985
I.b	Rashodi od kamata	22.545.228	190.299
I.1	Neto prihod po osnovu kamata (rezultat oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1001 - 1002)	120.923.488	1.020.687
I.2	Neto rashod po osnovu kamata (rezultat oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1002 - 1001)	0	0
II.a	Prihodi od naknada i provizija	54.650.717	461.294
II.b	Rashodi naknada i provizija	17.329.278	146.272
II.1	Neto prihod po osnovu naknada i provizija (rezultat oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1005 - 1006)	37.321.439	315.021
II.2	Neto rashod po osnovu naknada i provizija (rezultat oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1006 - 1005)	0	0
III.1	Neto dobitak po osnovu finansijskih sredstava namenjenih trgovanju	2.648.334	22.354
III.2	Neto gubitak po osnovu finansijskih sredstava namenjenih trgovanju	844.588	7.129
IV.1	Neto dobitak po osnovu zaštite od rizika	11.295	95
IV.2	Neto gubitak po osnovu zaštite od rizika	141.441	1.194
V.1	Neto dobitak po osnovu finansijskih sredstava koja se inicijalno priznaju po fer vrednosti kroz bilans uspeha	79.867	674
V.2	Neto gubitak po osnovu finansijskih sredstava koja se inicijalno priznaju po fer vrednosti kroz bilans uspeha	11.188	94
VI.1	Neto dobitak po osnovu finansijskih sredstava raspoloživih za prodaju	728.213	6.147
VI.2	Neto gubitak po osnovu finansijskih sredstava raspoloživih za prodaju	26.470	223
VII.1	Neto prihod od kursnih razlika i efekata ugovorene valutne kaluzule	8.540.488	72.088
VII.2	Neto rashod od kursnih razlika i efekata ugovorene valutne kaluzule	376.155	3.175
VIII.1	Neto dobitak po osnovu investicija u pridružena društva i zajedničke poduhvate	120.685	1.019
VIII.2	Neto gubitak po osnovu investicija u pridružena društva i zajedničke poduhvate	0	0
IX	Ostali poslovni prihodi	20.485.334	172.912
X.1	Neto prihod po osnovu umanjenja obezvređenja finansijskih sredstava i kreditno rizičnih vanbilansnih stavki	6.150.978	51.919
X.2	Neto rashod po osnovu obezvređenja finansijskih sredstava i kreditno rizičnih vanbilansnih stavki	13.592.082	114.728

ITEM		In RSD thousand	In EUR thousand*
XI.1	<b>TOTAL NET BUSINESS REVENUES</b> (result of summation and deduction of the following ADP categories from the income statement: 1003 - 1004 + 1007 - 1008 + 1009 - 1010 + 1011 - 1012 + 1013 - 1014 + 1015 - 1016 + 1017 - 1018 + 1019 - 1020 + 1021 + 1022 - 1023) $\geq 0$	182,129,810	1,537,315
XI.2	<b>TOTAL NET BUSINESS EXPENDITURES</b> (result of summation and deduction of the following ADP categories from the income statement: 1003 - 1004 + 1007 - 1008 + 1009 - 1010 + 1011 - 1012 + 1013 - 1014 + 1015 - 1016 + 1017 - 1018 + 1019 - 1020 + 1021 + 1022 - 1023) $< 0$	111,613	942
XII	Costs of salaries, wages and other personal expenses	42,363,013	357,576
XIII	Amortisation costs	6,894,921	58,198
XIV	Other expenditures	64,067,254	540,777
XV.1	<b>PROFIT BEFORE TAX</b> (result of summation and deduction of the following ADP categories from the income statement: 1024 - 1025 - 1026 - 1027 - 1028) $\geq 0$	73,891,991	623,705
XV.2	<b>LOSS BEFORE TAX</b> (result of summation and deduction of the following ADP categories from the income statement: 1024 - 1025 - 1026 - 1027 - 1028) $< 0$	5,198,982	43,883
XVI	Profit tax	4,284,819	36,167
XVII.1	Profit in respect of deferred taxes	1,641,205	13,853
XVII.2	Loss in respect of deferred taxes	2,473,404	20,877
XVIII.1	<b>PROFIT AFTER TAX</b> (result of summation and deduction of the following ADP categories from the income statement: 1029 - 1030 - 1031 + 1032 - 1033) $\geq 0$	68,871,752	581,330
XVIII.2	<b>LOSS AFTER TAX</b> (result of summation and deduction of the following ADP categories from the income statement: 1029 - 1030 - 1031 + 1032 - 1033) $< 0$	5,295,761	44,700
XIX.1	Net profit from discontinued operations	0	0
XIX.2	Net loss from discontinued operations	0	0
XX.1	<b>RESULT OF THE PERIOD – PROFIT</b> (result of summation and deduction of the following ADP categories from the income statement: 1034 - 1035 + 1036 - 1037) $\geq 0$	68,871,752	581,330
XX.2	<b>RESULT OF THE PERIOD – LOSS</b> (result of summation and deduction of the following ADP categories from the income statement: 1034 - 1035 + 1036 - 1037) $< 0$	5,295,761	44,700

\* Official middle rate of exchange of the dinar against the EUR, as of 29.12.2017, was applied - 1 EUR = 118.4727 RSD

POZICIJA		U hiljadama dinara	U hiljadama evra*
XI.1	<b>UKUPAN NETO POSLOVNI PRIHOD</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1003 - 1004 + 1007 - 1008 + 1009 - 1010 + 1011 - 1012 + 1013 - 1014 + 1015 - 1016 + 1017 - 1018 + 1019 - 1020 + 1021 + 1022 - 1023) ≥ 0	182.129.810	1.537.315
XI.2	<b>UKUPAN NETO POSLOVNI RASHOD</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1003 - 1004 + 1007 - 1008 + 1009 - 1010 + 1011 - 1012 + 1013 - 1014 + 1015 - 1016 + 1017 - 1018 + 1019 - 1020 + 1021 + 1022 - 1023) < 0	111.613	942
XII	Troškovi zarada, naknada zarada i ostali lični rashodi	42.363.013	357.576
XIII	Troškovi amortizacije	6.894.921	58.198
XIV	Ostali rashodi	64.067.254	540.777
XV.1	<b>DOBITAK PRE OPOREZIVANJA</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1024 - 1025 - 1026 - 1027 - 1028) ≥ 0	73.891.991	623.705
XV.2	<b>GUBITAK PRE OPOREZIVANJA</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1024 - 1025 - 1026 - 1027 - 1028) < 0	5.198.982	43.883
XVI	Porez na dobitak	4.284.819	36.167
XVII.1	Dobitak po osnovu odloženih poreza	1.641.205	13.853
XVII.2	Gubitak po osnovu odloženih poreza	2.473.404	20.877
XVIII.1	<b>DOBITAK NAKON OPOREZIVANJA</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1029 - 1030 - 1031 + 1032 - 1033) ≥ 0	68.871.752	581.330
XVIII.2	<b>GUBITAK NAKON OPOREZIVANJA</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1029 - 1030 - 1031 + 1032 - 1033) < 0	5.295.761	44.700
XIX.1	Neto dobitak poslovanja koje se obustavlja	0	0
XIX.2	Neto gubitak poslovanja koje se obustavlja	0	0
XX.1	<b>REZULTAT PERIODA – DOBITAK</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1034 - 1035 + 1036 - 1037) ≥ 0	68.871.752	581.330
XX.2	<b>REZULTAT PERIODA – GUBITAK</b> (rezultat sabiranja, odnosno oduzimanja sledećih AOP oznaka iz bilansa uspeha: 1034 - 1035 + 1036 - 1037) < 0	5.295.761	44.700

\* Primenjen je zvanični srednji kurs dinara u odnosu na evro, sa stanjem na dan 29.12.2017. godine - 1 EUR = 118,4727 RSD