

REPORT ON THE CENTRAL GOVERNMENT DEBT AS OF 31 DECEMBER 2020

Total Central Government debt (deposits not included) as of 31 December 2020, was 4,330.83 million EUR or 103.28% of GDP¹. Total Central Government Debt, including deposits, as of 31 December 2020 was 3,458.40 million EUR or 82.48 % of GDP.

The foreign debt was 3,835.27 million EUR or 91.46% of GDP, while the domestic debt was 495.56 million EUR or 11.82% of GDP. At the end of 2020, deposits were 872.43 million EUR including 38,477 ounces of gold (amount of gold was EUR 59.52 million) or 20.81 % of GDP.

Table 1 Government debt stock, in million eur

Creditor	31.03.2020.	30.06.2020.	30.09.2020.	31.12.2020.
International Bank for Reconstruction and Development (IBRD)	185.60	182.77	183.83	181.53
Member states of the Paris Club of Creditors	75.04	74.55	70.27	69.35
International Development Association (IDA)	31.88	28.26	27.31	23.83
European Investment Bank (EIB)	106.88	103.95	112.81	109.66
European Bank for Reconstruction and Development (EBRD)	25.31	29.01	32.21	38.15
Council of Europe Development Bank (CEB)	32.00	31.46	31.43	30.89
European Commission	0.30	0.00	0.00	30.00
Reconstruction Credit Bank (KfW) – Germany	39.64	36.86	40.71	39.11
Loan from the Government of Hungary	2.48	2.34	1.85	1.71
Loan from the Government of Poland	4.85	4.50	4.50	4.15
French loan – NATIXIS	2.97	2.60	2.55	2.17
Steiermarkische Bank und Sparkassen AG	2.20	2.20	1.10	1.10
Credit Suisse Bank	54.22	42.11	42.11	42.11
China Exim Bank	685.07	677.68	664.14	640.54
Instituto del credito oficial (ICO)	2.49	2.26	2.26	2.04
Austrian loan	1.00	1.00	0.67	0.67
Eurobond	1227.45	1227.45	1227.45	1977.45
Banka Intesa	16.67	16.67	13.33	13.33
Syndicated loan-OTP -Erste Group-Zagrebačka bank	40.50	40.50	32.40	32.40
International Fund for Development IFAD	2.46	2.46	2.46	2.46
Export Development Canada EDC	18.85	16.20	17.65	14.99
HAPOLIM - armoured vehicles	0.00	6.03	6.03	6.03
Rapid Financing Instrument - MMF	0.00	74.33	72.73	71.62
Syndicated loan - PBG	250.00	250.00	250.00	250.00
Syndicated loan - PBG 2	0.00	250.00	250.00	250.00
Total Foreign Debt	2,807.84	3,105.17	3,089.81	3,835.27
Old currency savings	10.70	10.65	10.55	10.49
Restitution obligations	86.28	85.60	83.05	83.52

¹According to MONSTAT data, the preliminary GDP for 2020 amounts to 4,193.2 million EUR

Credit from commercial banks	132.45	141.89	169.26	174.35
Pension arrears	1.90	1.90	1.90	1.90
T bills	37.90	52.90	41.70	41.70
Domestic bonds - GB16	80.41	80.41	80.41	0.00
Domestic Bonds - GB24	92.44	92.44	92.44	92.44
Domestic Bonds- GB 26	50.00	50.00	50.00	50.00
Legal persons and business organizations	43.54	43.58	41.19	41.16
Total Domestic Debt	535.61	559.38	570.50	495.56
TOTAL CENTRAL GOVERNMENT DEBT	3343.46	3664.55	3660.31	4330.83
Deposits	163.13	379.62	271.79	872.43
TOTAL CENTRAL GOVERNMENT DEBT (including deposits)	3,180.33	3,284.93	3,388.51	3,458.40

Table 2: Central government debt as % of GDP

	31.03.2020.	30.06.2020.	30.09.2020.	31.12.2020.
Total Central Government Debt as % of GDP	79.74%	87.39%	87.29%	103.28%
Total Central Government Debt (including deposits) as % of GDP	75.84%	78.34%	80.81%	82.48%
Domestic Debt as % of GDP	12.77%	13.34%	13.61%	11.82%
Foreign Debt as % of GDP	66.96%	74.05%	73.69%	91.46%
Deposits as % of GDP	3.89%	9.05%	6.48%	20.81%

Figure 1 Central Government Debt as % of GDP

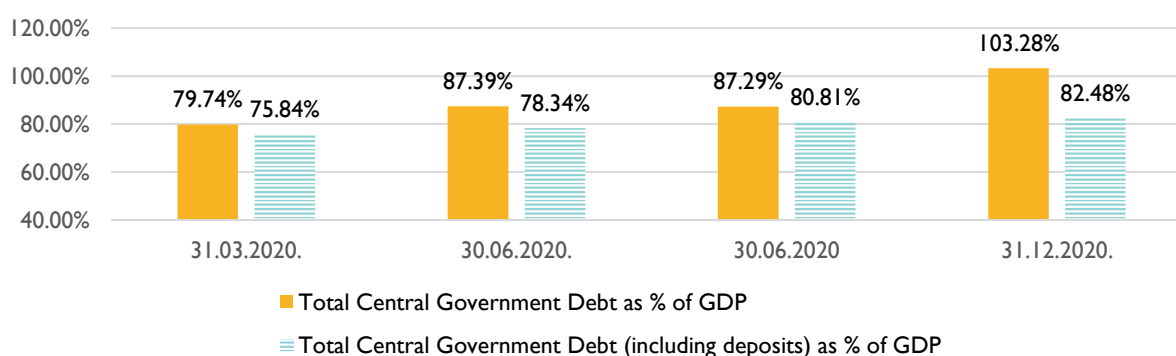
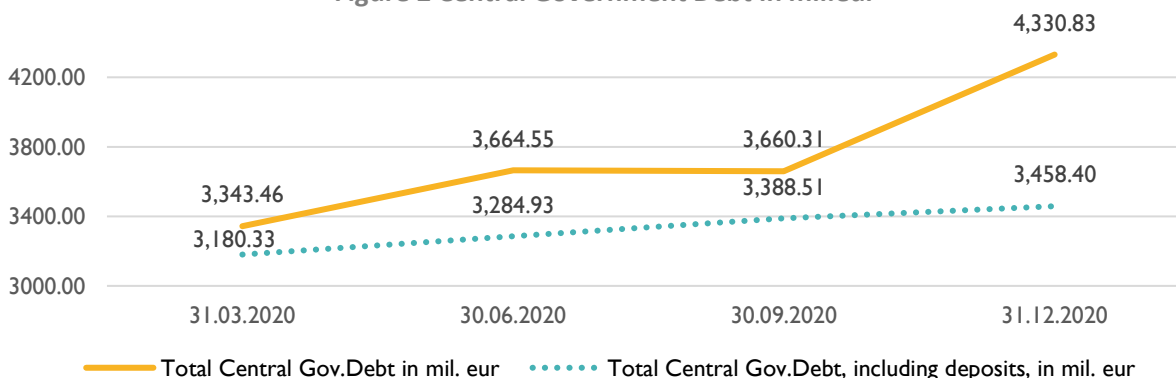


Figure 2 Central Government Debt in mil.eur



The increase in government debt in the fourth quarter of 2020 was primarily due to the issuance of bonds on the international market in the amount of 750 million EUR, with a maturity of 7 years and an interest rate stop of 2.875% per annum, which is one of the most favourable borrowings through Eurobonds so far.

In addition to this, the increase in debt in the fourth quarter was affected by the withdrawal of credit funds for the implementation of infrastructure projects, primarily the construction of the priority section Smokovac – Uvač - Mateševo, in the amount of 13.46 million USD and 7.71 million EUR.

For other infrastructure and development projects, for the needs of road construction, water supply, energy efficiency, social housing, agricultural development, procurement of military equipment and similarly, the amount of 15.29 million EUR was withdrawn.

Credit arrangements concluded with foreign creditors in the fourth quarter of 2020 are:

- with the European Commission (EC), under the macro-financial assistance program to Montenegro, in the amount of 60 million EUR (of which the amount of 30 million EUR was withdrawn while the withdrawal of the remaining 30 million euros is expected during 2021);
- with the International Bank for Reconstruction and Development (IBRD), in the amount of EUR 15 million for the implementation of the Integrated Development Program of the Sava and Drina Corridors using a multi-phase program approach;
- with the Council of Europe Development Bank (CEB), in the amount of EUR 40 million, for supporting Montenegrin micro, small and medium sized enterprises, affected by COVID 19;
- with the European Bank for Reconstruction and Development (EBRD), in the amount of 26 million EUR for additional financing of the Program for Reconstruction and Improvement of Local Roads.

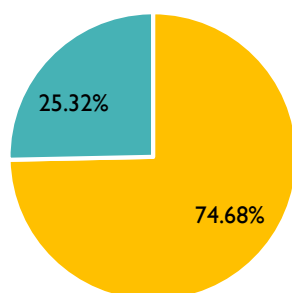
Credit arrangements with domestic banks concluded in the fourth quarter of 2020, for the purpose of the budget financing and creating fiscal reserves for 2021, , are:

- with Universal Capital Bank, in the total amount of EUR 15.0 million; ;
- with Komercijalna banka AD Podgorica, in the amount of EUR 3.0 million; ,
- with Adriatic Bank AD Podgorica, in the amount of EUR 5.0 million. .

During the fourth quarter of 2020, repayment of principal of the Central Government Debt was in the total amount of 142.07 million EUR, out of which 118.333 million EUR² referred to repayment of debt to residents. Repayment of debt to non-residents was 23.74 million EUR. Interest has been repaid in total amount of 33.26 million EUR, out of which 5.28 million EUR referred to repayment of interest to residents, while 27.98 million EUR was paid to non-residence. During the fourth quarter of 2020 repayment of old currency savings debt was 0.66 million EUR.

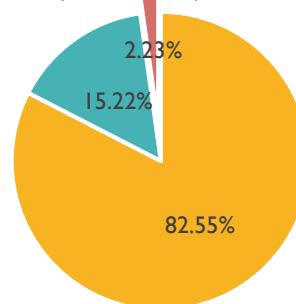
² The stated amount includes refinancing of treasury bills in the amount of EUR 15 million

Figure 3 Interest Rate Structure of Central Government Debt (31.12.2020)



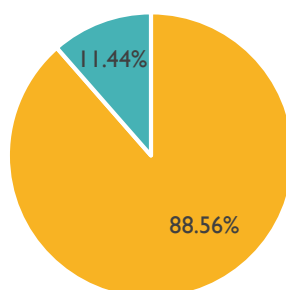
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Figure 4 Currency Structure of Central Government Debt (31.12.2020)



■ EUR ■ USD ■ Other (CHF, NOK, SDR)

Figure 5 Share of Domestic and Foreign Debt (31.12.2020.)



■ Foreign Debt ■ Domestic Debt