

## Report on the Central Government Debt as of 30 June 2018

Total Central Government debt (deposits not included) as of 30 June 2018, was € 3,105.01 million or 66.59% of GDP. Total Central Government Debt, including deposits, as of 30 June 2018 was € 2,760.30 million or 59.20% of GDP.

The foreign debt was € 2,644.36 million, while the domestic debt was € 460.65 million. At the end of the second quarter of 2018, deposits (including also 38.477 ounces of gold) was € 344.71 million or 7.39% of GDP.

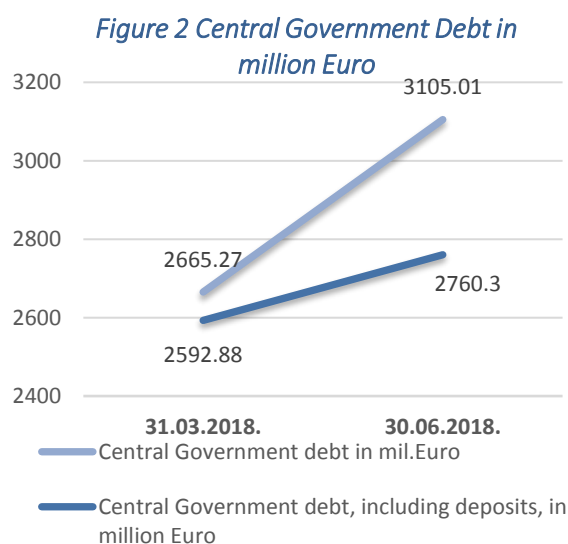
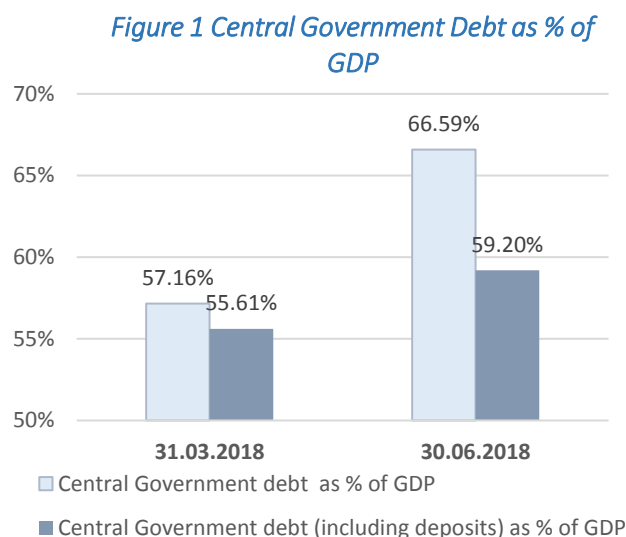
**Table 1: Government debt stock, in million Euro**

<b>Creditor</b>	<b>Debt stock as of 31.03.2018.</b>	<b>Debt stock as of 30.06.2018.</b>
International Bank for Reconstruction and Development (IBRD)	197.31	191.15
Member states of the Paris Club of Creditors	84.39	85.71
International Development Association (IDA)	43.76	41.63
European Investment Bank (EIB)	97.20	110.91
European Bank for Reconstruction and Development (EBRD)	14.99	14.73
Council of Europe Development Bank (CEB)	20.66	20.51
European Commission	1.50	1.20
Reconstruction Credit Bank (KfW) – Germany	42.14	39.43
Loan from the Government of Hungary	5.01	4.86
Loan from the Government of Poland	6.24	5.89
French loan – NATIXIS	4.67	4.29
EUROFIMA	8.49	0.00
Czech Exim Bank	1.04	0.52
Steiermarkische Bank und Sparkassen AG	6.60	6.60
Credit Suisse Bank	138.44	126.33
China Exim Bank	334.08	406.79
Instituto del credito oficial (ICO)	3.40	3.17
Austrian loan	3.15	3.15
EUROBOND	1,080.00	1,217.65
Banka Intesa	30.00	30.00
Syndicated loan-OTP -Erste Group-Zagrebačka bank	72.90	72.90
International Fund for Development IFAD	0.15	1.15
Export Development Canada EDC	0.00	5.79
Syndicated loan PBG	0.00	250.00
<b>TOTAL FOREIGN DEBT</b>	<b>2,196.12</b>	<b>2,644.36</b>
Old currency savings	13.44	13.22
Restitution obligations	87.47	87.60
Credit from commercial banks	104.55	100.07
Pension arrears	1.92	1.92
T bills	139.6	136.60
Domestic bonds - GB16	80.41	80.41
Legal persons and business organizations	41.76	40.83
<b>TOTAL DOMESTIC DEBT</b>	<b>469.15</b>	<b>460.65</b>
<b>TOTAL CENTRAL GOVERNMENT DEBT</b>	<b>2,665.26</b>	<b>3,105.01</b>
Deposits	72.39	344.71
<b>TOTAL CENTRAL GOVERNMENT DEBT (including deposits)</b>	<b>2,592.88</b>	<b>2,760.30</b>

Compared to GDP<sup>1</sup> the Central Government debt is presented in the following table.

**Table 2: Central Government Debt as % of GDP**

	Debt stock as of 31.03.2018.	Debt stock as of 30.06.2018.
<b>TOTAL CENTRAL GOVERNMENT DEBT AS % OF GDP</b>	57.16%	66.59%
<b>TOTAL CENTRAL GOVERNMENT DEBT (including deposits) AS % OF GDP</b>	55.61%	59.20%
<b>DOMESTIC DEBT AS % OF GDP</b>	10.06%	9.88%
<b>TOTAL FOREIGN DEBT AS % OF GDP</b>	47.10%	56.71%
<b>DEPOSITS AS % OF GDP</b>	1.55%	7.39%



The Central Government debt (deposits not included) in the second quarter of 2018 increased for € 439.74 million compared to the first quarter of 2018, mainly as a result of issue of Eurobond and Treasury bills, as well as borrowing from foreign creditors, primarily for the needs of the implementation of development projects. The Central Government debt, including deposits, as of 30 June 2018 increased for € 167.4 million, compared to the end of the first quarter of 2018.

During the second quarter the facilitie agreement with the banking syndicate (OTP, Credit Suisse, CKB and Societe Generale) had been signed, supported with the guarantee of the World Bank. Total value of the loan is € 250 million (with the repayment period of 12 years including 4 years of grace period and with the interest rate of EURIBOR+ 2.95%) which will be used for refinancing of the part of the Central Government debt.

In the same period, more precisely in April 2018, bonds have been issued on the international market in the amount of € 500 million, with interest rate of 3.375% and maturity of 7 years. These Eurobonds were used for partly refinancing of the bonds becoming due in 2019, 2020 and 2021, as a part of the Central Government Debt, in the total amount of € 362,35 million.

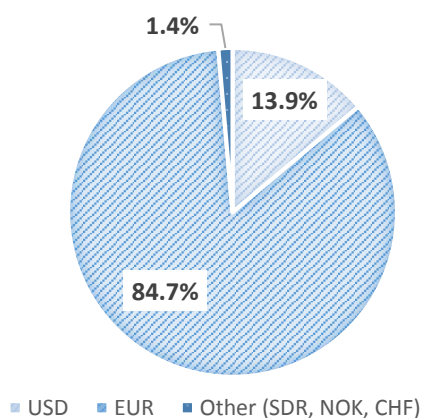
<sup>1</sup> Estimated GDP in 2018 is in the amount of € 4,604.50 million according to the projections of the Ministry of finance

During the second quarter, the Government borrowed the amount of € 80.05 million for the needs of the implementation of infrastructure and development projects including:

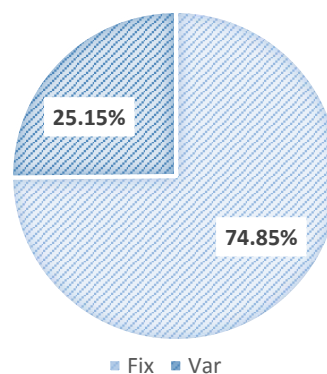
- The Project of financing the construction of the first section of the Highway Bar-Boljare; Smokovac-Mateševu - the total amount of \$ 62.61 million (€ 53.71 million) was borrowed from the loan with the Chinese Exim Bank;
- The total amount of € 16.4 million provided from the credit arrangement with European Investment Bank (EIB) for the “Programme of main road reconstruction in Montenegro in period 2015-2018” and for the project “Montenegro Water and Sanitation”;
- The credit arrangement with Export Development Canada in the amount of € 5.79 million.

During the second quarter of 2018, the Central Government Debt repayment of principal was in total amount of € 47.67 million, out of which € 7.48 million referred to repayment of debt to residents, while repayment of debt to non-residents was € 40.19 million. Interest was repaid in total amount of € 13.51 million, out of which € 1.12 million referred to repayment of interest to residents, while €12.39 million was paid to non-residence for the interest repayment. During the second quarter of 2018, old currency savings debt was decreased for € 0,22 million.

**Figure3 : Currency structure of Central Government Debt (30.06.2018)**



**Figure 4: Interest rate structure of Central Government Debt (30.06.2018)**



**Figure 5: Share of domestic and foreign debt (30.06.2018)**

