

## REPORT ON THE CENTRAL GOVERNMENT DEBT AS OF 31 DECEMBER 2018

Total Central Government debt (deposits not included) as of 31 December 2019, was € 3,152.98 million or 67.62% of GDP<sup>1</sup>. Total Central Government Debt, including deposits, as of 31 December 2018 was € 2,876.15 million or 61.68% of GDP.

The foreign debt was € 2,760.00 million, while the domestic debt was € 392.98 million. At the end of the fourth quarter of 2018, deposits (including also 38.477 ounces of gold) was € 276.83 million or 5.94% of GDP.

**TABLE 1 GOVERNMENT DEBT STOCK, IN MILLION EURO**

Creditor	31.03.2018	30.06.2018	30.09.2018	31.12.2018
International Bank for Reconstruction and Development (IBRD)	197.31	191.15	192.56	189.45
Member states of the Paris Club of Creditors	84.39	85.71	83.21	83.47
International Development Association (IDA)	43.76	41.63	41.24	38.40
European Investment Bank (EIB)	97.20	110.91	109.60	115.71
European Bank for Reconstruction and Development (EBRD)	14.99	14.73	14.41	15.88
Council of Europe Development Bank (CEB)	20.66	20.51	24.28	23.74
European Commission	1.50	1.20	0.60	0.60
Reconstruction Credit Bank (KfW) – Germany	42.14	39.43	42.05	43.45
Loan from the Government of Hungary	5.01	4.86	4.38	4.23
Loan from the Government of Poland	6.24	5.89	5.89	5.54
French loan – NATIXIS	4.67	4.29	4.24	3.87
EUROFIMA	8.49	0.00	0.00	0.00
Czech Exim Bank	1.04	0.52	0.52	0.00
Steiermarkische Bank und Sparkassen AG	6.60	6.60	5.50	5.50
Credit Suisse Bank	138.44	126.33	126.33	126.33
China Exim Bank	334.08	406.79	455.85	516.59
Instituto del credito oficial (ICO)	3.40	3.17	3.17	2.94
Austrian loan	3.15	3.15	2.55	2.55
EUROBOND	1,080.00	1,217.65	1,217.65	1,217.65
Banka Intesa	30.00	30.00	26.67	26.67
Syndicated loan-OTP -Erste Group-Zagrebačka bank	72.90	72.90	64.80	64.80
International Fund for Development IFAD	0.15	1.15	1.15	1.15
Export Development Canada EDC	0.00	5.79	23.88	21.49
Syndicated loan PBG	-	250.00	250.00	250.00
<b>Total Foreign Debt</b>	<b>2,196.12</b>	<b>2,644.36</b>	<b>2,700.52</b>	<b>2,760.00</b>
Old currency savings	13.44	13.22	12.21	11.90
Restitution obligations	87.47	87.60	85.98	86.60
Credit from commercial banks	104.55	100.07	97.19	92.65
Pension arrears	1.92	1.92	1.92	1.91
T bills	139.60	136.60	77.00	77.00
Domestic bonds - GB16	80.41	80.41	80.41	80.41
Legal persons and business organizations	41.76	40.83	38.68	42.51

<sup>1</sup>According to the data of Monstat, GDP for 2018 is in the amount of € 4,663.0 million

Total Domestic Debt	469.15	460.65	393.39	392.98
<b>TOTAL CENTRAL GOVERNMENT DEBT</b>	<b>2,665.27</b>	<b>3,105.01</b>	<b>3,093.90</b>	<b>3,152.98</b>
Deposits	72.39	344.71	374.37	276.83
<b>TOTAL CENTRAL GOVERNMENT DEBT (Including Deposits)</b>	<b>2,592.88</b>	<b>2,760.30</b>	<b>2,719.53</b>	<b>2,876.15</b>

TABLE 2 CENTRAL GOVERNMENT DEBT AS % OF GDP

	31.03.2018	30.06.2018	30.09.2018	31.12.2018
Total Central Government Debt as % of GDP	57.16%	66.59%	66.35%	67.62%
Total Central Government Debt (including deposits) as % of GDP	55.61%	59.20%	58.32%	61.68%
Domestic Debt as % of GDP	10.06%	9.88%	8.44%	8.43%
Foreign Debt as % of GDP	47.10%	56.71%	57.91%	59.19%
Deposits as % of GDP	1.55%	7.39%	8.03%	5.94%

Figure 1 Central Government Debt in mil.eur

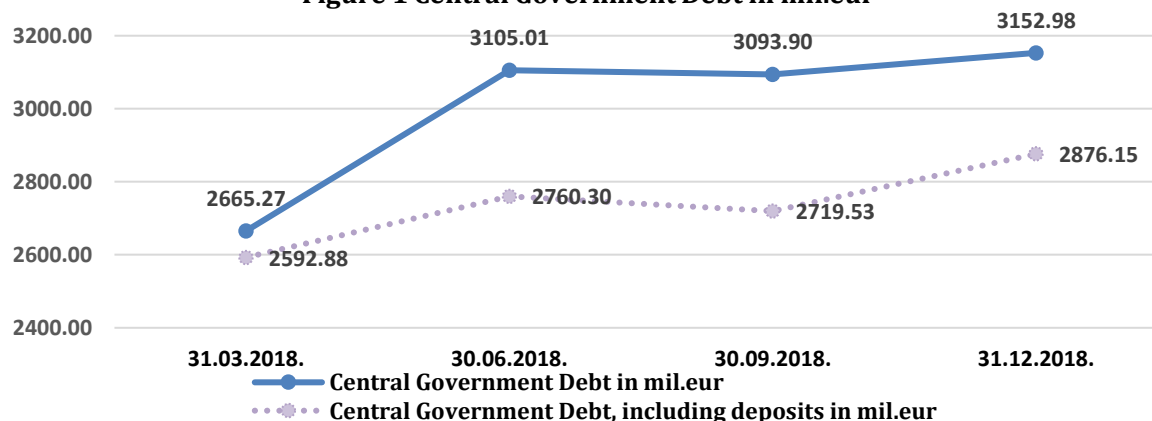
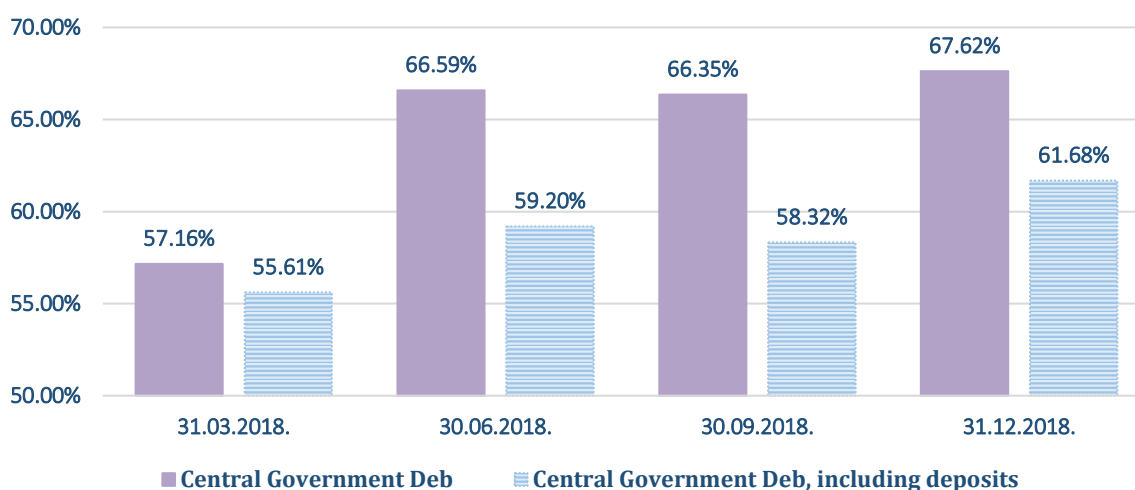


Figure 2 Central Government Debt as % of GDP



During the fourth quarter of 2018, the facility agreement with the European Investment Bank (EIB) has been signed for realization of the Project "Main Roads Rehabilitation Program", in the amount of € 40 million. Interest rate will be determined before funds withdrawing and could be determined as a fixed or variable rate, which will be EURIBOR + margin. The repayment period

cannot be longer than 20 years, while the grace period cannot be longer than 5 years from the moment of withdrawal.

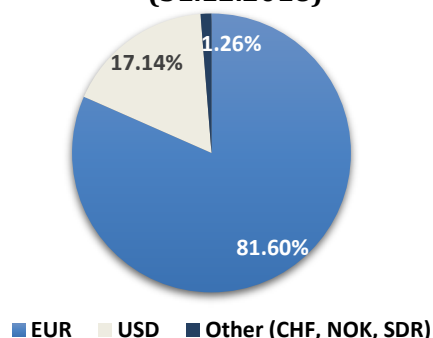
During last quarter of 2018 the Government borrowed the amount of € 73.28 million for the needs of the implementation of infrastructure and development projects.

From this amount for the Project of financing the construction of the first section of the Highway Bar-Boljare; Smokovac-Mateševo - the total amount of \$ 61.22 million (€ 53.45 million)<sup>2</sup> was borrowed from the loan with the Chinese Exim Bank.

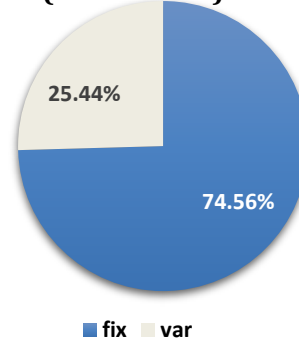
For other infrastructure projects, the remaining amount of € 19.83 million was withdrawn for the needs of road construction, social housing, reconstruction of preschool institutions, water supply, energy efficiency and agriculture development.

During the fourth quarter of 2018, the Central Government Debt repayment of principal was in total amount of € 26.54 million, out of which € 5.3 million referred to repayment of debt to residents, while repayment of debt to non-residents was € 21.24 million. Interest has been repaid in total amount of € 11.47 million, out of which € 4.47 million referred to repayment of interest to residents, while € 7.00 million was paid to non-residence for the interest repayment. During the third quarter of 2018, repayment of old currency savings debt was €1.17 million.

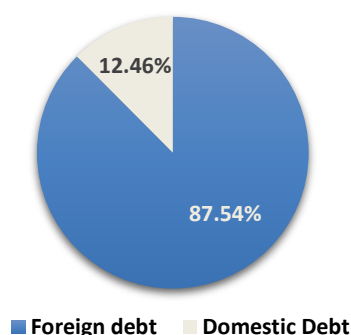
**Figure 3 Currency Structure of Central Government Debt (31.12.2018)**



**Figure 4 Interest Rate Structure of Central Government Debt (31.12.2018.)**



**Figure 5 Share of Domestic and Foreign Debt (31.12.2018)**



<sup>2</sup> Exchange rate as of 31 December, 2018