



MONTENEGRO
MINISTRY OF FINANCE

QUARTERLY REPORT

REPORT ON THE CENTRAL GOVERNMENT
DEBT AS OF 31. DECEMBER 2023.

March, 2024. godine



DEBT BALANCE AS OF 31 DECEMBER 2023

Total Central Government debt (deposits not included) as of 31 December 2023, was 4,059.91 million EUR or 59.23% of GDP¹. Total Central Government Debt, including deposits, as of 31 December 2023 was 3,907.50 million EUR or 58.99 % of GDP.

The foreign debt was 3,517.29 million EUR or 51.37% of GDP, while the domestic debt was 542.62 million EUR or 7.92% of GDP. On 31 December 2023, deposits were 152.41 million EUR including 38,447 ounces of gold (the value of the gold as of 31 December 2023 amounted 72.37 million EUR) or 2.23% of GDP.

Table 1 Government debt stock, per quarter

Creditor	31.03.2023.	30.06.2023.	30.09.2023.	31.12.2023.
International Bank for Reconstruction and Development (IBRD)	180.74	179.47	176.99	177.98
Member states of the Paris Club of Creditors	50.47	50.40	45.74	45.17
International Development Association (IDA)	11.43	9.15	8.97	6.65
European Investment Bank (EIB)	91.45	89.62	88.39	99.89
European Bank for Reconstruction and Development (EBRD)	60.54	57.74	60.48	62.56
Council of Europe Development Bank (CEB)	75.08	75.92	75.54	75.00
European Commission	60.00	60.00	60.00	60.00
Reconstruction Credit Bank (KfW) – Germany	39.89	36.48	38.97	36.08
Loan from the Government of Hungary	0.15	0.00	0.00	0.00
Loan from the Government of Poland	2.75	2.40	2.40	2.06
French loan – NATIXIS	0.43	0.14	0.10	0.02
China Exim Bank	672.28 ²	719.38	711.79 ³	682.42
Instituto del credito oficial (ICO)	1.13	0.91	0.91	0.68
Eurobond	1,750.00	1,750.00	1,750.00	1,750.00
International Fund for Development IFAD	3.05	3.02	3.07	2.91
Export Development Canada EDC	4.40	1.56	1.37	0.92
HAPOALIM - armoured vehicles	20.42	22.40	22.40	18.66

¹According to the forecasts of the Monstat, the GDP for 2023 will amount 6,847.12 mil. EUR,

² The hedging transaction has been concluded for the Exim China Bank loan, for the peiord of 14 years, with mandatory termination brake after two years. From the moment of entering into transaction by the end of second year the hedged debt stock related to this arrangement will be reported according to the contracted FX EUR/USD of 1,18, while the unhedged debt amount will be presented according to the mid FX published by the Central Bank of Montenegro

³ On June 2 and June 5, 2023, the Ministry of Finance implemented the termination of the hedging arrangement, and accordingly, the balance of the debt to Exim China Bank was expressed according to the central exchange rate of the CBCG as of September 30, 2023, and as of December 31,2023.



Rapid Financing Instrument - MMF	74.84	74.06	65.71	55.25
Deutsche bank	100.00	100.00	100.00	100.00
Syndicated loan - PBG	201.43	177.14	177.14	152.86
Syndicated loan - PBG 2	219.09	203.64	203.64	188.18
TOTAL FOREIGN DEBT	3,619.56	3,613.40	3,593.62	3,517.29
Old currency savings	10.17	10.17	10.09	10.11
Restitution obligations	82.23	83.07	73.61	74.58
Credit from commercial banks	150.64	138.88	133.25	229.76
Pension arrears	1.89	1.89	1.89	1.89
T bills	39.00	0.00	0.00	50.00
Domestic Bonds - GB24, GB26	142.44	142.44	142.44	142.44
Legal persons and business organizations	34.63	34.62	31.86	33.84
TOTAL DOMESTIC DEBT	461.00	411.07	393.14	542.62
TOTAL CENTRAL GOVERNMENT DEBT	4,080.56	4,024.47	3,986.76	4,059.91
Deposits	278.78	273.22	237.33	152,41
TOTAL CENTRAL GOVERNMENT DEBT (including deposits)	3,801.79	3,751.25	3,749.82	3,907.50

Table 2: Central government debt as % of GDP

	31.03.2023.	30.06.2023.	30.09.2023.	31.12.2023.
Total Central Government Debt as % of GDP	59.60%	58.78%	58.23%	59.29%
Total Central Government Debt (including deposits) as % of GDP	55.52%	54.79%	54.76%	57.07%
Domestic Debt as % of GDP	6.73%	6.00%	5.74%	7.92%
Foreign Debt as % of GDP	52.86%	52.77%	52.48%	51.37%
Deposits as % of GDP	4.07%	3.99%	3.47%	2.23%

During the fourth quarter of 2023, the central government debt increased by 73.15 million EUR compared to the third quarter of 2023. The increase of debt was mainly caused by an increase in the domestic debt in the amount of 159.00 million EUR, primarily due to the fact that treasury bills in the amount of 50.00 million EUR were issued for the purpose of financing the budget, as well as that new credit arrangements were concluded with eight domestic commercial banks in the total amount of 109.00 million euros.

Based on contracts that were concluded in an earlier period for the implementation of projects in the field of utility activities, energy efficiency, improvement of road infrastructure etc, in the fourth quarter of 2023, approximately 29,45 million EUR was disbursed.

On the other hand, the total principal repaid in the fourth quarter of 2023 amounted 86.77 million EUR out of which 12.49 million EUR referred to repayment of debt to residents while repayment of debt to non-residents amounted 74.28 million EUR. In the same period interest has been repaid



in total amount of 44.21 million EUR out of which 3.53 million EUR referred to repayment of interest to residents while 40.68 million EUR was paid to non-residents.

Figure 1: Central Government Debt as % of GDP

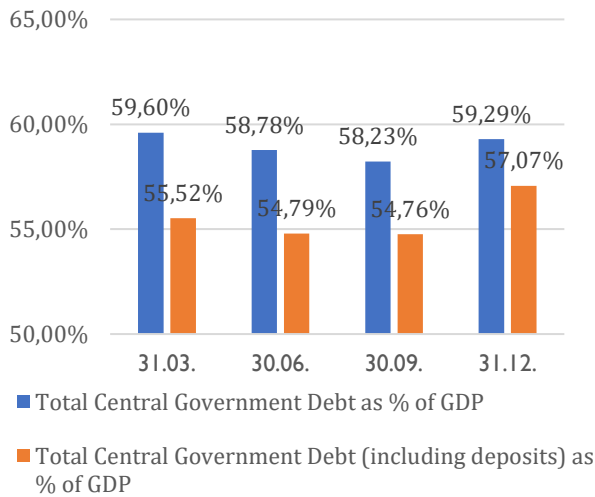
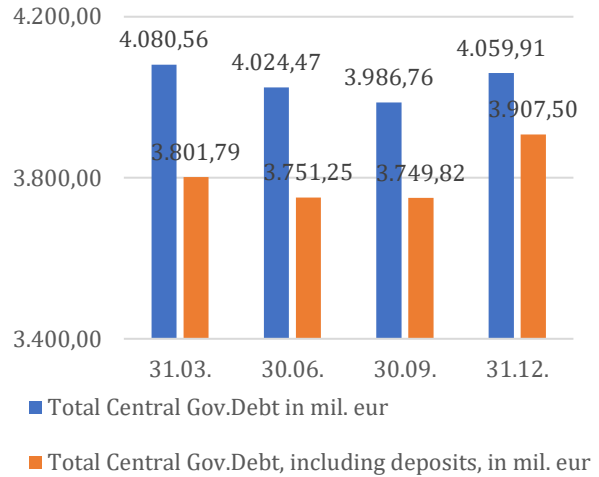


Figure 2: Central Government Debt in million EUR



The following charts show the debt quality parameters.

When we talk about the interest structure of the debt, it is evident that in the total Central Government debt, debt with a fixed interest rate (79.91%) prevails and that from that aspect the debt portfolio is stable. Debts with a float interest rate are mostly tied to EURIBOR and make up 20.09% of the total Central Government debt.

When it comes to the currency structure of the debt, at the end of 2023, the share of euro debt in the national debt is 81.33%, while the share of USD and other currencies is 17.14% and 1.53%, respectively.

Figure 3: Interest Rate Structure of debt

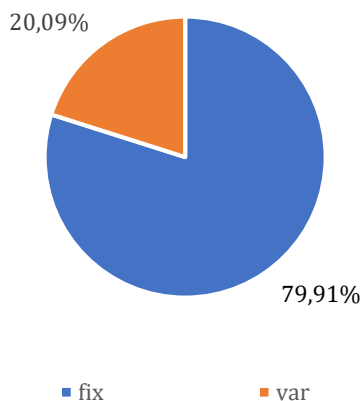
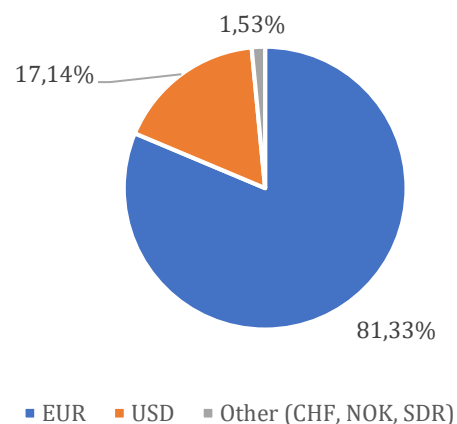


Figure 4: Currency Structure of debt



The structure of the Central Government debt is dominated by external debt with a share of 86.63%, while 13.37% of the Central Government debt is domestic debt.

Figure 5: Share of Domestic and Foreign Debt

