



REPORT FOR THE THIRD QUARTER 2019
(September 30, 2019)

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Credit rating		
Moody's	S&P	Fitch
Baa3	BBB-	BBB-

Public debt according to national legislation (the GEO no 64/2007) includes:
public government debt representing indebtedness incurred directly or guaranteed by the Romanian Government through MoPF, including the amounts advanced temporary from the State Treasury accounts and debt contracted by the line ministries.
local public debt representing indebtedness incurred directly or guaranteed by the local administration unit.
Government debt according to EU methodology, means total gross debt at nominal value outstanding at the end of the year and consolidated at general government subsectors level.

A. PUBLIC DEBT ACCORDING TO NATIONAL LEGISLATION

I. Borrowing requirement

1. Borrowing requirement 2019

	2018		2019 **)	
	RON mil.	% of GDP	RON mil.	% of GDP
Financing needs, o/w:	70.773,2	7,50%	72.589,3	7,0%
1. Deficit of general consolidated budget	26.850,3	2,84%	28.455,6	2,76%
2. Principal repayments*, o/w:	43.922,9	4,65%	44.133,7	4,28%
- refinancing of government securities issued on domestic	25.218,0		28.344,1	
- refinancing of eurobonds	6.980,3		7.110,0	
- principal repayments on external loans:	9.024,8		6.879,6	
- principal repayments on local loans	2.699,9		1.800,0	
*) debt repaid from budget				
GDP, according to NCSP release from May 2019				
	944.220,2		1.031.000,0	

2. Actual borrowing in 2019 up to September, 30 (RON mil. denominated)

Total reimbursable financing	65.794,0 RON mil.			
o/w:				
	By Instrument	by Currency	by Market	
MFP		RON	37.895,7	Domestic 40.301,6
T-Bills & householders	1.073,9			
T-Bonds	2.313,9			
Retail bonds	34.507,8	EUR	26.419,5	External 24.013,6
T-Bonds denominated in EURO	2.405,9			
Eurobonds	23.755,5	USD	0,0	
FX loans	258,1			
total	64.315,2		64.315,2	64.315,2
Local governments	1.478,8			

Ratio of covering of financing needs 90,6%

II. Public debt stock and changes in stock

1. Public debt evolution

	December, 2018		September 2019		change	
	RON mil.	% of total	RON mil.	% din total	RON mil.	% of total
Outstanding of public debt	400.923,0		423.796,9		22.873,9	5,7%
o/w:						
a) by type of sector	400.923,0	100,0%	423.796,9	100,0%	22.873,9	5,7%
Government public debt	384.965,0	96,0%	407.792,7	96,2%	22.827,7	5,9%
Local public debt	15.958,0	4,0%	16.004,2	3,8%	46,2	0,3%
b) by type of debt	400.923,0	100,0%	423.796,9	100,0%	22.873,9	5,7%
Direct public debt	382.340,0	95,4%	404.852,4	95,5%	22.512,4	5,9%
Guaranteed public debt	18.583,0	4,6%	18.944,5	4,5%	361,5	1,9%
c) by the residence of creditor	400.923,0	100,0%	423.796,9	100,0%	22.873,9	5,7%
External	155.814,2	38,9%	175.630,3	41,4%	19.816,1	12,7%
Domestic	245.108,8	61,1%	248.166,6	58,6%	3.057,8	1,2%
Total public debt	400.923,0		423.796,9		22.873,9	5,7%
Outstanding of Public debt /GDP	42,5%		41,1%		-1,4%	

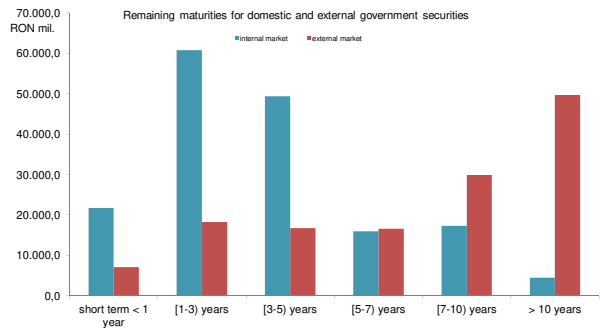
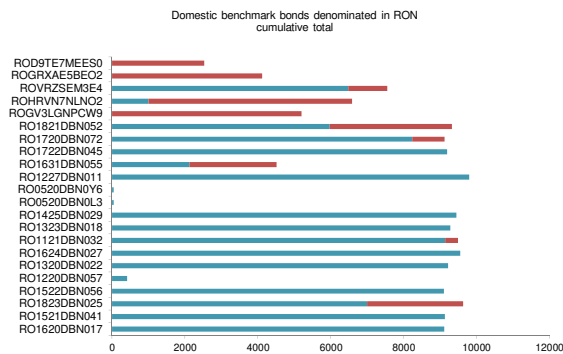
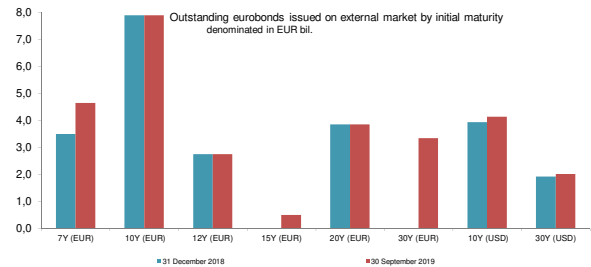
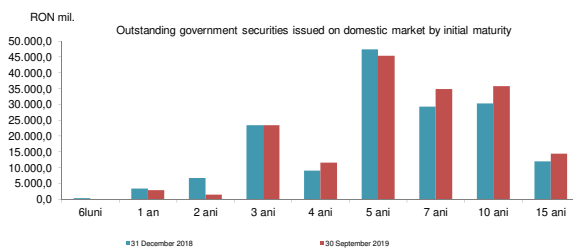
GDP: according to NCSP release from May 2019 944.220,2 1.031.000,0
- the difference in absolute value / percentage is due to the rounding of the calculation formula in excel

2. Government public debt evolution

	December, 2018	September 2019	change	
	RON mil.	RON mil.	RON mil.	%
Total government public debt, o/w	384.964,9	407.792,7	22.827,8	5,9%
1. After the market issuance				
External, o/w:	151.844,6	173.444,9	21.600,3	14,2%
By instruments				
Eurobonds	111.320,3	138.494,6	27.174,3	24,4%
loans	40.524,3	34.950,3	-5.574,0	-13,8%
By currency				
RON	56,3	42,2	-14,1	-25,0%
USD	28.214,7	29.822,3	1.607,6	5,7%
EURO	121.532,0	141.519,4	19.987,4	16,4%
others	2.041,6	2.061,0	19,4	1,0%
By creditor				
multilateral	39.764,8	34.319,4	-5.445,4	-13,7%
bilateral	79,1	78,4	-0,7	-0,9%
private banks and others	112.000,7	139.047,1	27.046,4	24,1%
By interest rate				
fixed	138.242,0	160.345,5	22.103,5	16,0%
floating	13.602,6	13.099,4	-503,2	-3,7%
Domestic, o/w:	233.120,3	234.347,8	1.227,5	0,5%
By instruments				
T-bills	3.997,0	2.635,7	-1.361,3	-34,1%
Bonds	158.393,7	163.014,9	4.621,2	2,9%
Retail bonds issued under the Program TEZAUR		4.386,7	4.386,7	
loans	16.882,7	17.433,0	550,3	3,3%
others	53.846,9	46.877,5	-6.969,4	-12,9%
By currency				
RON	214.615,3	217.891,7	3.276,4	1,5%
USD	10,6	11,3	0,7	6,6%
EURO	18.494,4	16.444,8	-2.049,6	-11,1%
By creditor				
multilateral	0,0	0,0	0,0	0,0%
bilateral	0,0	0,0	0,0	0,0%
private banks and others	233.120,3	234.347,8	1.227,5	0,5%
By interest rate				
fixed	158.393,7	163.014,9	4.621,2	2,9%
floating	74.726,7	71.332,9	-3.393,8	-4,5%
2. After residence of the creditor				
External	152.970,7	172.966,4	19.995,7	13,1%
Domestic	231.994,2	234.826,3	2.832,1	1,2%
Government public debt /GDP	40,8%	39,6%	-1,2%	
GDP (mln RON)	944.220,2	1.031.000,0		

- the difference in absolute value / percentage is due to the rounding of the calculation formula in excel

3. Government securities market developments



■ issued before 2019 ■ issued between Jan 1-st and September 30-th

The weighted average values of the remaining maturity relating to the outstanding government securities are: at the end of July 2019 - 3,6 years for government securities issued on domestic market and 11,4 years for eurobonds, at the end of August 2019 - 3,6 years for government securities on domestic market and 11,3 years for eurobonds, and at the end of September 2019 3,6 years and 11,2 years for eurobonds issued on external markets.

4. Holdings of government securities

Holdings of government securities issued on domestic market

Category	Available at nominal value (RON mil.)	(%) total
1. Banking system	74.509,8	45,0%
2. Central Depository	116,4	0,1%
3. Clients holdings:	90.911,5	54,9%
non residents *)	30.448,8	18,4%
residents, o/w:	60.462,7	36,5%
private pension funds	33.963,1	20,5%
Total	165.537,7	100,0%

*) includes government securities held by Clearstream

Holdings of government securities denominated in RON issued on domestic market

Category	Available at nominal value (RON mil.)	(%) total
1. Banking system	66.994,9	43,3%
2. Central Depository	116,4	0,1%
3. Clients holdings:	87.813,8	56,7%
non residents *)	29.484,3	19,0%
residents, o/w:	58.329,5	37,7%
private pension funds	33.804,0	21,8%
Total	154.925,0	100,0%

*) includes government securities held by Clearstream

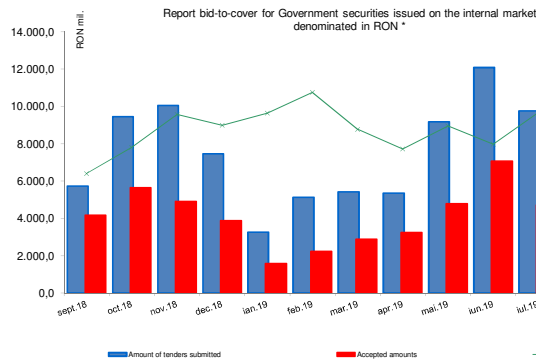
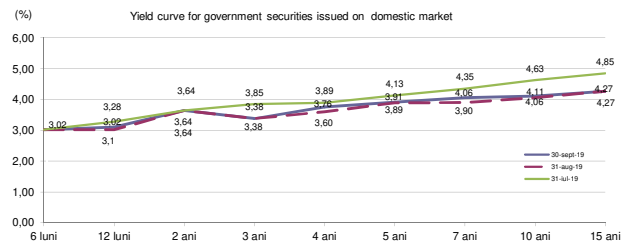
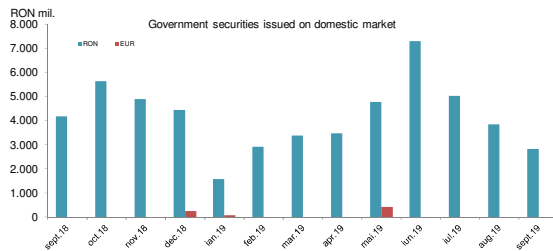
Holdings of government securities denominated in EUR issued on domestic market

Category	Available at nominal value (EUR mil.)	(%) total
1. Banking system	1.581,7	70,8%
3. Clients holdings:	652,0	29,2%
non residents *)	203,0	9,1%
residents, o/w:	449,0	20,1%
private pension funds	33,5	1,5%
Total	2.233,7	100,00%

*) includes government securities held by Clearstream

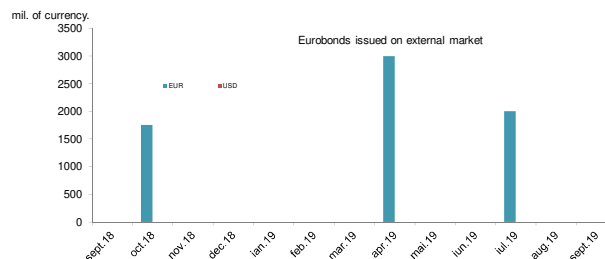
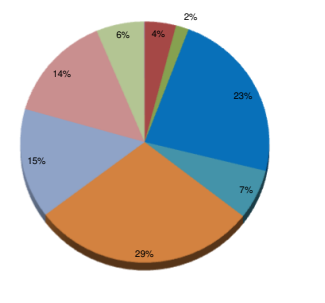
III. Primary and secondary market of government securities

1. Primary market of government securities

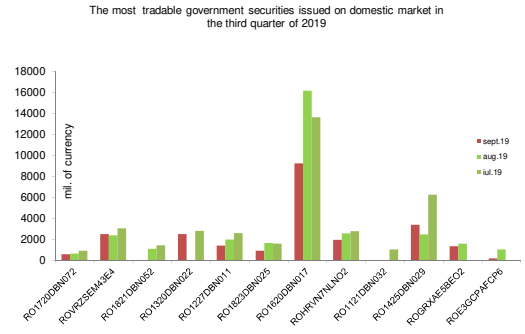
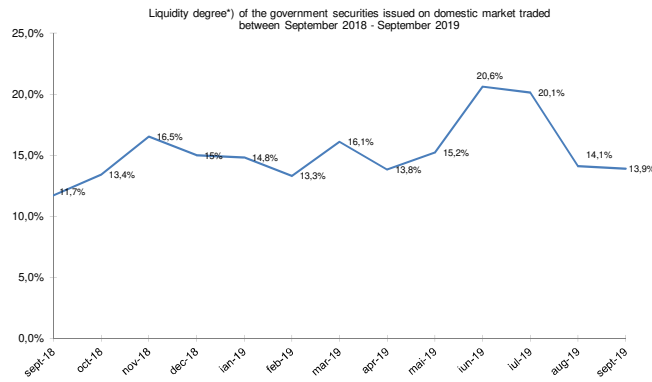
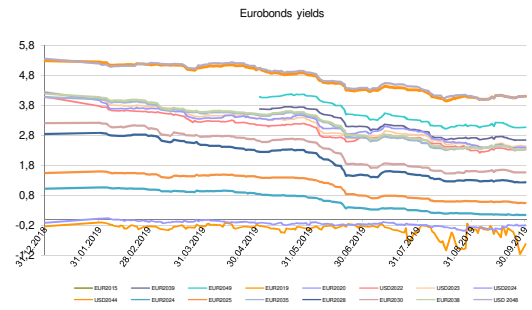
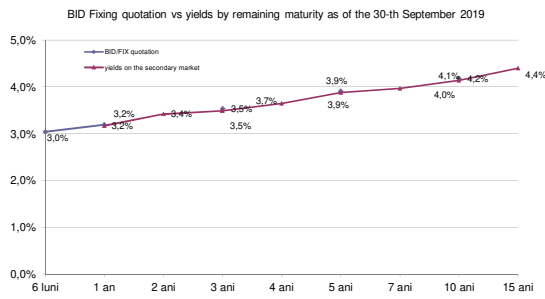


*calculated as amount of bids submitted/accepted amounts

Government securities issued between 01 January - 30 September 2019 by initial maturity



2. Secondary market of government securities



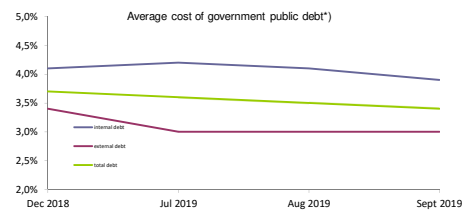
*) liquidity degree is calculated as ratio between the total volume of monthly transactions and the total volume of the government securities.

IV. Cost of the government public debt

Interest payments on government public debt*)

RON mil.	2019
domestic debt	5.953,4
external debt	3.892,2
total	9.845,6

*) includes payments on direct and guaranteed debt for September 2019

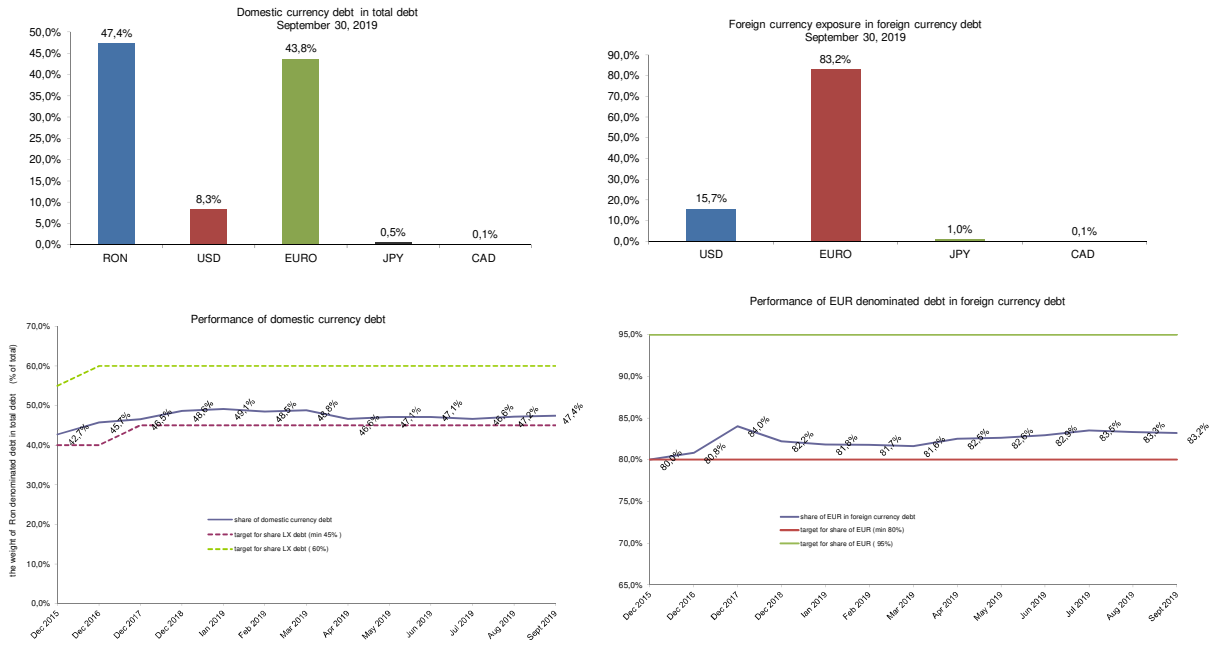


*) does not include interest for temporary financing. It was calculated dividing annually interest payments by stock at each month of the third quarter 2019

V. Implementation of DMS on medium term

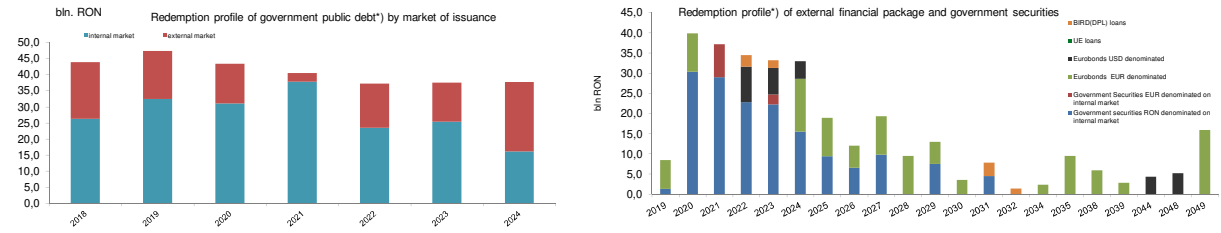
On the medium term, the risk indicators are within the indicative targets set in the DMS. The risk indicators for July and August 2019 are within the indicative targets set in the revised Debt management Strategy for 2018-2020 approved by the Government in August 2018. The Debt management Strategy for 2019-2021 was approved by the Government in September 2019 proposing indicative targets for managing the financial risks of the government debt portfolio. According to the DMS, the limits referred to as the minimum or maximum can't be exceeded during the period covered by the strategy (the hard bound), while the other limit is the one to be achieved and can be exceeded (the soft bound).

1. Currency risk *)

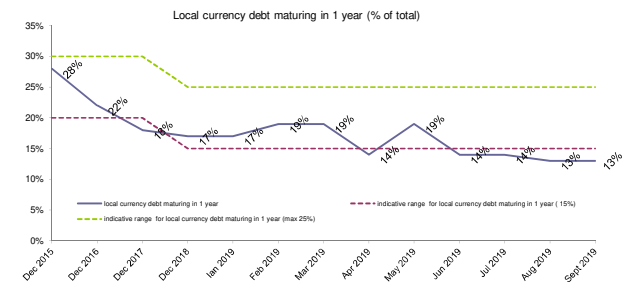
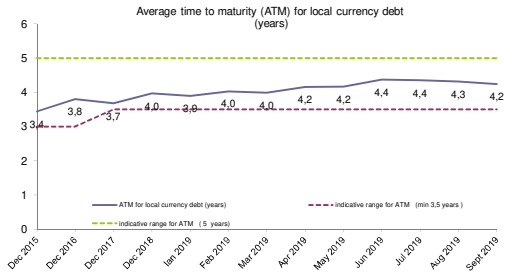
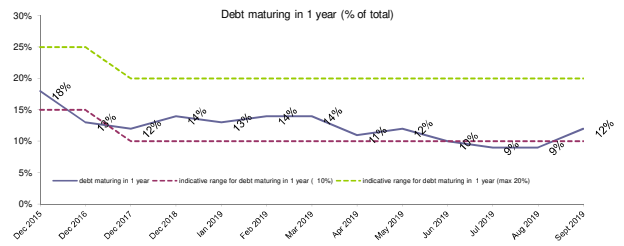
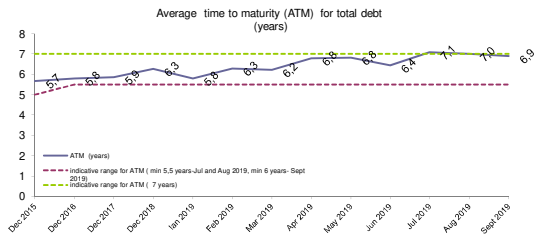


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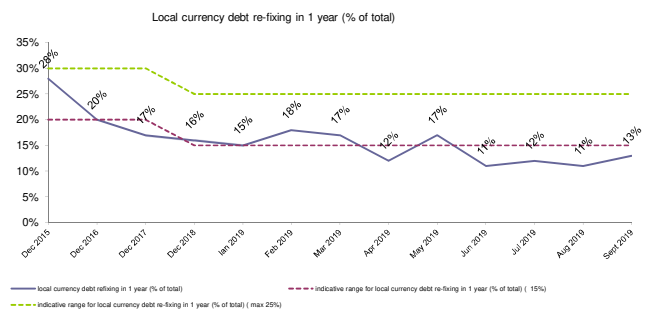
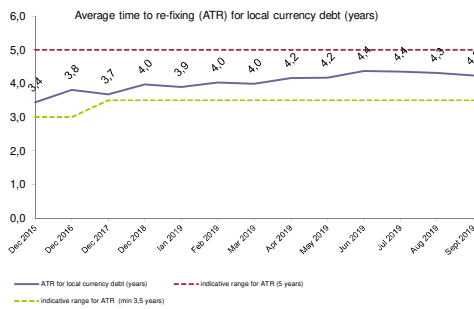
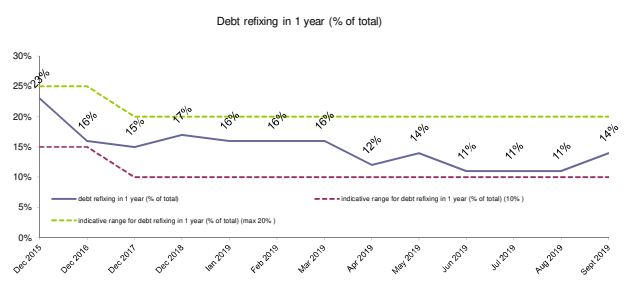
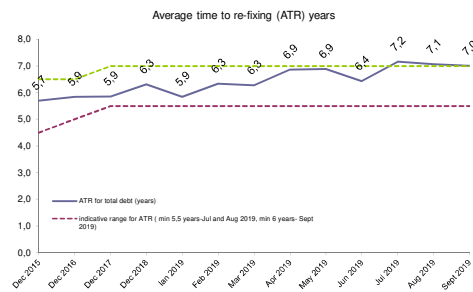
2. Refinancing risk



*) based on contracted debt at the end of September 2019



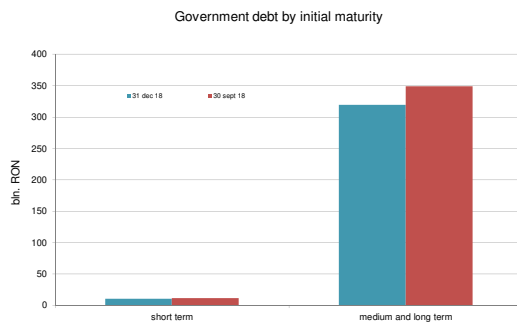
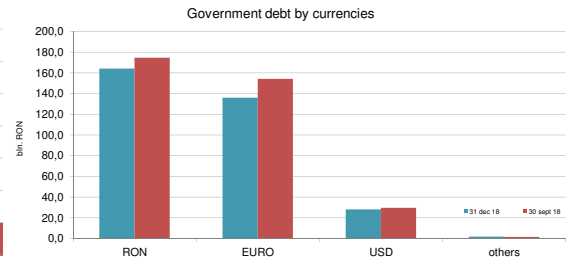
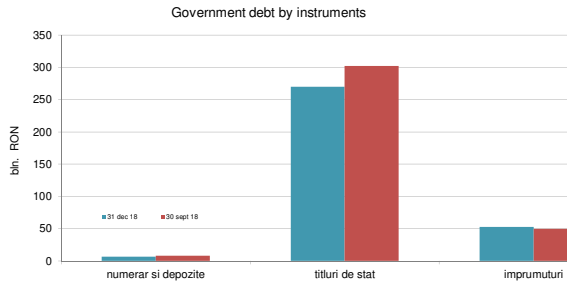
3. Interest rate risk



B. PUBLIC DEBT ACCORDING TO EU METHODOLOGY

	December, 2018		September, 2019		change	
	RON million	% of total	RON mil.	% din total	mil. RON	% din total
General government debt *)	330.487,2	35,0%	360.853,0	36,5%	30.365,8	9,2%
A o/w:						
Central government debt	315.943,1	95,6%	346.579,5	96,0%	30.636,4	9,7%
Local government debt	14.544,1	4,4%	14.273,5	4,0%	-270,6	-1,9%
B o/w:						
General domestic government debt	172.585,6	52,2%	185.291,4	51,3%	12.705,8	7,4%
General external government debt	157.901,6	47,8%	175.561,6	48,7%	17.660,0	11,2%

*) - according to EU methodology, the debt to GDP ratio was calculated taking into consideration the sum of GDP for the four last quarters (for 2019 GDP: according to NIS release from 10-th of October 2019).



At the end of Q1 2019 government debt represented 34,2% of GDP, well below the level registered in the EU-28 (80,5% of GDP), and the Euro Zone (86,4% of GDP) (according to eurostat news release no.162/2019 - October 22-nd, 2019).