



MONTHLY REPORT
September 30-th, 2020

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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

- Borrowing requirement 2020

| | 2019 | | 2020**) | |
|--|----------|-------------|-------------|----------|
| | RON mil. | % of GDP | RON mil. | % of GDP |
| Financing needs, o/w: | 91.416,0 | 8,63% | 138.473,6 | 13,1% |
| 1. Deficit of general consolidated budget | 48.300,2 | 4,56% | 90.996,8 | 8,6% |
| 2. Principal repayments*, o/w: | 43.115,8 | 4,07% | 47.476,8 | 4,5% |
| - refinancing of government securities issued on domestic | 27.415,1 | | 33.520,8 | |
| - refinancing of eurobonds | 7.117,5 | | 9.680,0 | |
| - principal repayments on external loans: | 6.933,0 | | 1.921,0 | |
| - principal repayments on local loans | 1.650,2 | | 2.355,0 | |
| *) debt repaid from budget | | | | |
| GDP, according to NCSF release from August 2020 | | | | |
| | GDP | 1.059.803,2 | 1.057.970,0 | |
| **) financing needs updated according to budgetary adjustments from August 2020 | | | | |
| - the difference in absolute value / percentage is due to the rounding of the calculation formula in excel | | | | |

- Actual borrowing as of the 30-th of September (RON mil.)

| Total reimbursable financing | | 111.294,4 RON mil. | | | |
|------------------------------|-------------------------------|--------------------|------------------|-----------|------------------|
| o/w: | | by Instrument | | by Market | |
| | | by Currency | | | |
| MFP | T-Bills(ROn) | 5.885,3 | RON | 56.373,7 | Domestic |
| | T-Bonds denominated in RON | 47.877,3 | EUR | 38.286,7 | External |
| | Retail bonds (in RON and EUR) | 3.426,2 | | | |
| | T-Bonds denominated in EURO* | 2.396,1 | | | |
| | Eurobonds* | 45.144,0 | USD | 14.652,0 | |
| | FX loans* | 4.583,6 | | | |
| total | 109.312,5 | | 109.312,5 | | 109.312,5 |
| Local governments | 1.981,9 | | | | |

Ratio of covering of financing needs: **80,4%**

*Average exchange rates EUR/ RON 4.84 and USD/ RON 4.44

II. Public debt stock and changes in stock

1. Public debt evolution

| | December, 2019 | | September 2020 | | change | |
|--|------------------|---------------|------------------|---------------|-----------------|--------------|
| | RON mil. | % of total | RON mil. | % din total | RON mil. | % of total |
| Outstanding of public debt o/w | 449.015,0 | | 531.835,0 | | | |
| a) by type of sector | 449.015,0 | 100,0% | 531.835,0 | 100,0% | 82.820,0 | 18,4% |
| Government public debt | 432.480,7 | 96,3% | 515.766,4 | 97,0% | 83.285,7 | 19,3% |
| Local public debt | 16.534,3 | 3,7% | 16.068,6 | 3,0% | -465,7 | -2,8% |
| b) by type of debt | 449.015,0 | 100,0% | 531.835,0 | 100,0% | 82.820,0 | 18,4% |
| Direct public debt | 429.821,1 | 95,7% | 505.495,4 | 95,0% | 75.674,3 | 17,6% |
| Guaranteed public debt | 19.193,9 | 4,3% | 26.339,6 | 5,0% | 7.145,7 | 37,2% |
| c) by the residence of creditor | 449.015,0 | 100,0% | 531.835,0 | 100,0% | 82.820,1 | 18,4% |
| External | 173.886,4 | 38,7% | 214.029,6 | 40,2% | 40.143,2 | 23,1% |
| Domestic | 275.128,6 | 61,3% | 317.805,4 | 59,8% | 42.676,9 | 15,5% |
| Total public debt | 449.015,0 | | 531.835,0 | | 82.820,0 | 18,4% |
| Outstanding of Public debt /GDP | 42,4% | | 50,3% | | 7,9% | |

GDP, according to NCSF release from August 2020

1.059.803,2

1.057.970,0

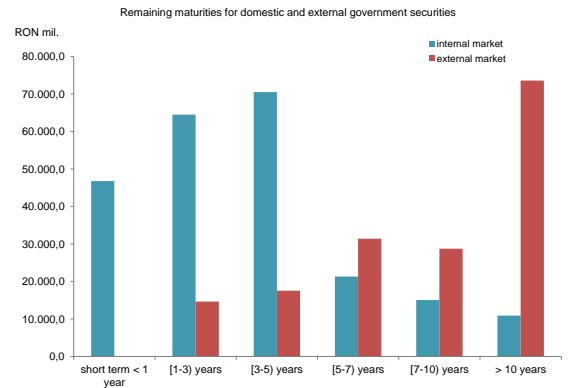
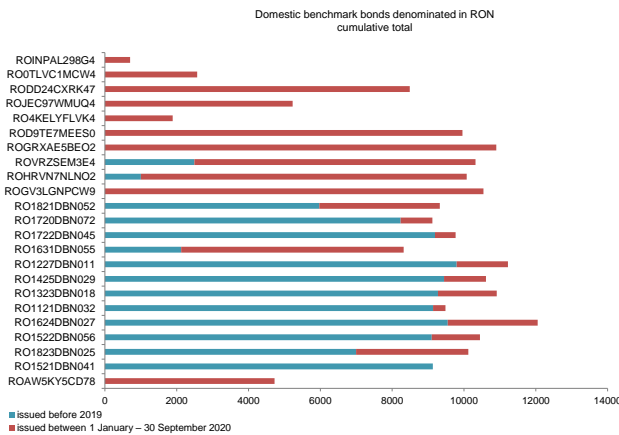
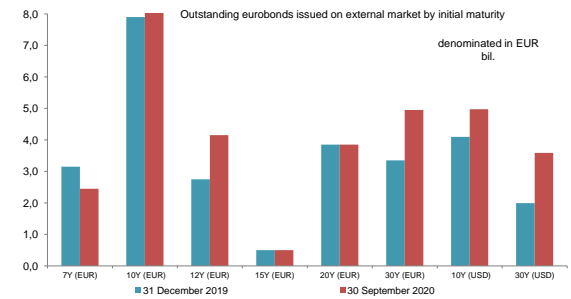
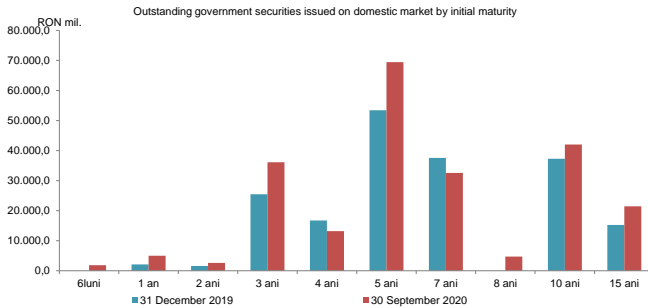
- the difference in absolute value / percentage is due to the rounding of the calculation formula in excel

2. Government public debt evolution

| | December, 2019 | September 2020 | change | |
|--|------------------|------------------|-----------------|--------------|
| | RON mil. | RON mil. | RON mil. | % |
| Total government public debt, o/w | 432.480,6 | 515.766,4 | 83.285,8 | 19,3% |
| 1. After the market issuance | | | | |
| External, o/w: | 165.728,5 | 204.486,0 | 38.757,5 | 23,4% |
| By instruments | | | | |
| Eurobonds | 131.382,8 | 167.336,3 | 35.953,5 | 27,4% |
| loans | 34.345,7 | 37.149,6 | 2.803,9 | 8,2% |
| By currency | | | | |
| RON | 37,5 | 23,5 | -14,1 | -37,5% |
| USD | 29.122,9 | 42.025,9 | 12.903,0 | 44,3% |
| EURO | 134.591,8 | 160.604,1 | 26.012,4 | 19,3% |
| others | 1.976,4 | 1.832,5 | -143,8 | -7,3% |
| By creditor | | | | |
| multilateral | 33.779,3 | 36.651,3 | 2.872,0 | 8,5% |
| bilateral | 74,4 | 82,7 | 8,3 | 11,2% |
| private banks and others | 131.874,8 | 167.751,9 | 35.877,2 | 27,2% |
| By interest rate | | | | |
| fixed | 152.799,3 | 189.378,3 | 36.579,0 | 23,9% |
| floating | 12.929,2 | 15.107,7 | 2.178,5 | 16,8% |
| Domestic, o/w: | 266.752,1 | 311.280,5 | 44.528,4 | 16,7% |
| By instruments | | | | |
| T-bills | 1.660,5 | 6.459,3 | 4.798,8 | 289,0% |
| Bonds | 182.760,0 | 214.501,4 | 31.741,4 | 17,4% |
| Retail bonds issued under the Program TEZAUR | 5.240,5 | 8.220,2 | 2.979,7 | |
| loans | 17.737,7 | 25.007,8 | 7.270,1 | 41,0% |
| others | 59.353,4 | 57.091,8 | -2.261,6 | -3,8% |
| By currency | | | | |
| RON | 245.153,7 | 286.395,7 | 41.242,0 | 16,8% |
| USD | 11,1 | 10,8 | -0,3 | -2,3% |
| EURO | 21.587,4 | 24.873,9 | 3.286,5 | 15,2% |
| others | | | | |
| By creditor | | | | |
| multilateral | 0,0 | 0,0 | 0,0 | 0,0% |
| bilateral | 0,0 | 0,0 | 0,0 | 0,0% |
| private banks and others | 266.752,2 | 311.280,5 | 44.528,3 | 16,7% |
| By interest rate | | | | |
| fixed | 188.000,6 | 222.721,6 | 34.721,0 | 18,5% |
| floating | 78.751,6 | 88.558,9 | 9.807,3 | 12,5% |
| 2. After residence of the creditor | | | | |
| External | 170.700,3 | 207.900,3 | 37.200,0 | 21,8% |
| Domestic | 261.780,3 | 307.866,1 | 46.085,9 | 17,6% |
| Government public debt /GDP | 40,8% | 48,8% | 7,9% | |
| GDP (min RON) | 1.059.803,2 | 1.057.970,0 | | |

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

3. Government securities market developments



The weighted average value of the remaining maturity relating to the outstanding government securities issued on domestic market at the end of September 2020 is 3,5 years and 12,9 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 | 103.887,4 | 47,0% |
| 2. Central Depository | 107,6 | 0,0% |
| 3. Clients holdings: | 116.953,2 | 52,9% |
| non residents *) | 43.705,9 | 19,8% |
| residents, o/w: | 73.247,2 | 33,2% |
| private pension funds | 42.369,4 | 19,2% |
| Total | 220.948,1 | 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 | 92.059,7 | 45,5% |
| 2. Central Depository | 107,6 | 0,0% |
| 3. Clients holdings: | 110.199,9 | 54,5% |
| non residents *) | 38.638,0 | 19,1% |
| residents, o/w: | 71.561,9 | 35,4% |
| private pension funds | 42.188,9 | 20,8% |
| Total | 202.367,2 | 100,0% |

*) includes government securities held by Clearstream

Holdings of government securities denominated in EUR issued on domestic market

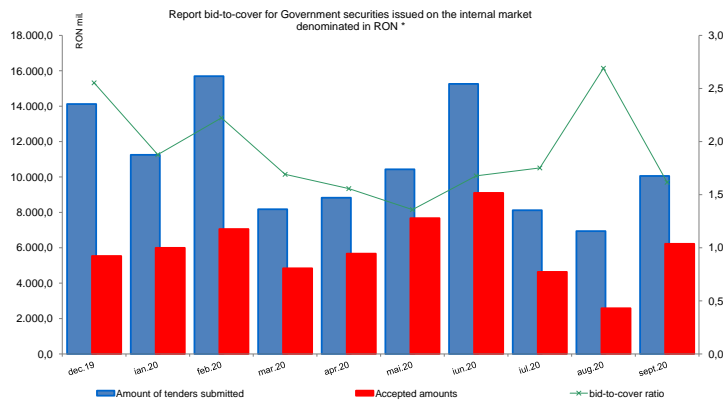
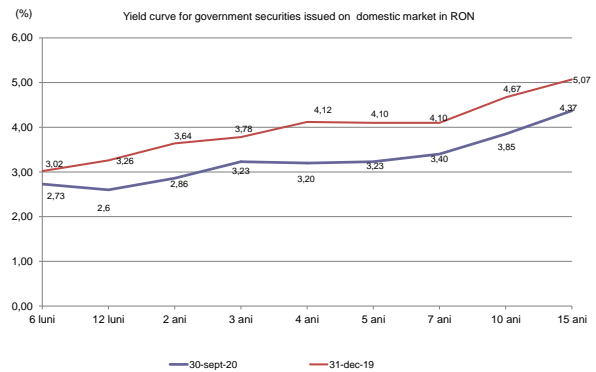
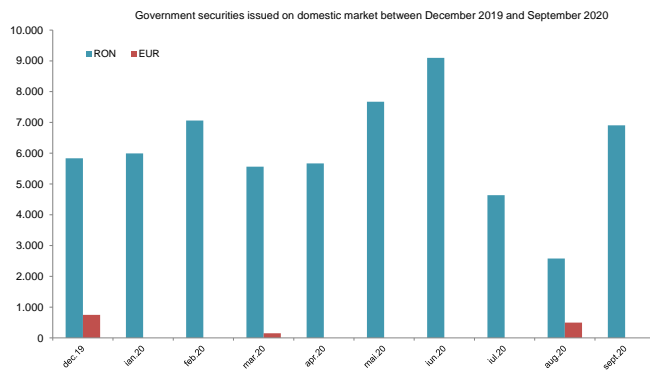
| Category | Available at nominal value (EUR mil.) | (%) total |
|-----------------------|---------------------------------------|---------------|
| 1. Banking system | 2.428,8 | 63,7% |
| 3. Clients holdings: | 1.386,8 | 36,3% |
| non residents*) | 1.040,7 | 27,3% |
| residents, o/w: | 346,1 | 9,1% |
| private pension funds | 37,1 | 1,0% |
| Total | 3.815,5 | 100,0% |

*) includes government securities held by Clearstream

III. Primary and secondary market of government securities

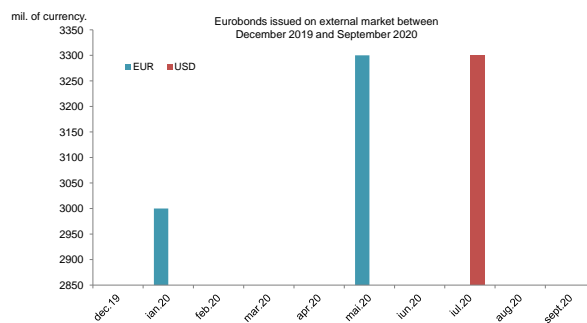
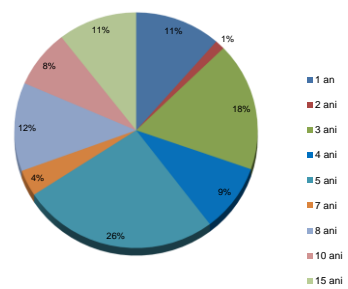
1. Primary market of government securities

RON mil.

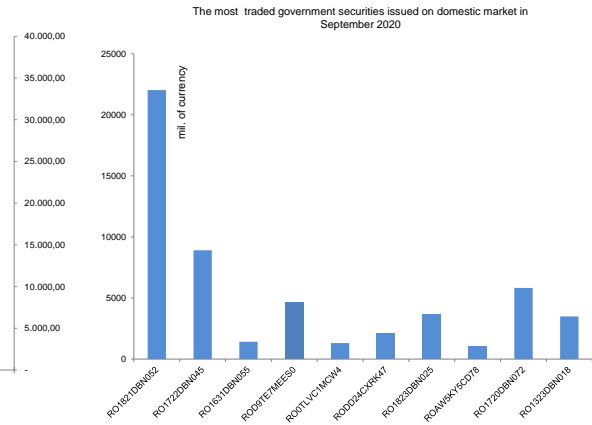
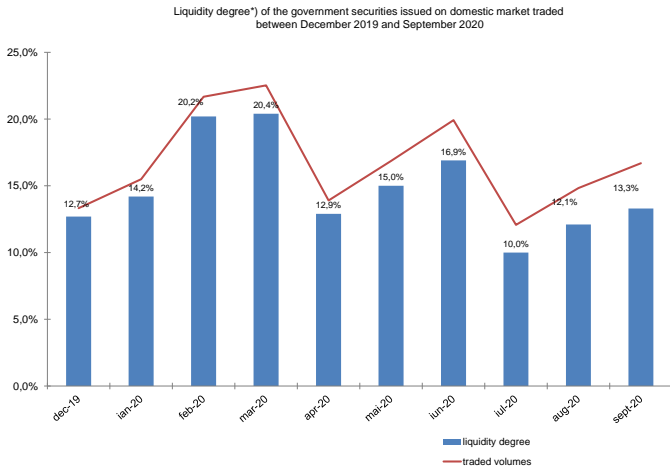
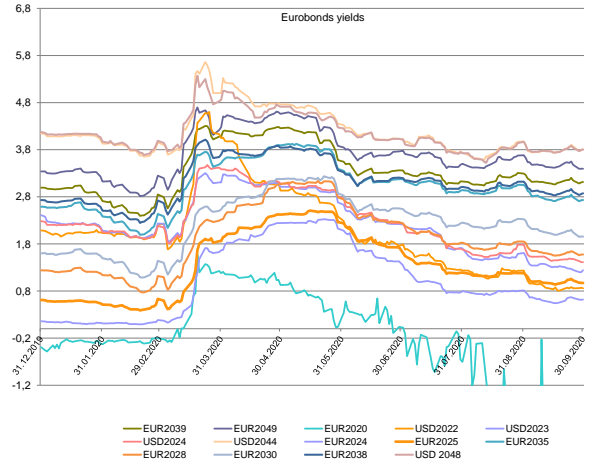
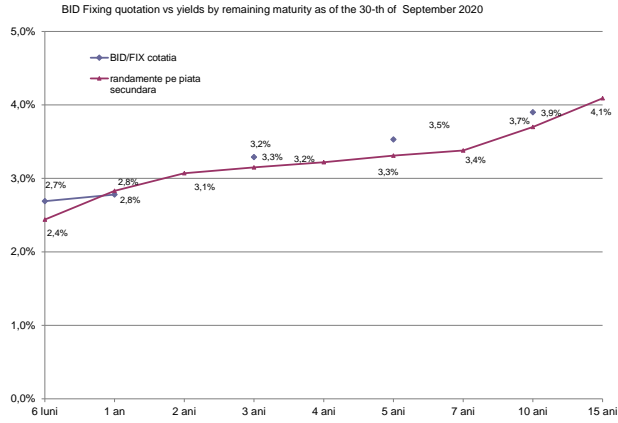


*calculated as amount of bids submitted/accepted amounts

Government securities issued between January 2020 and September 2020 by initial maturity



2. Secondary market of government securities



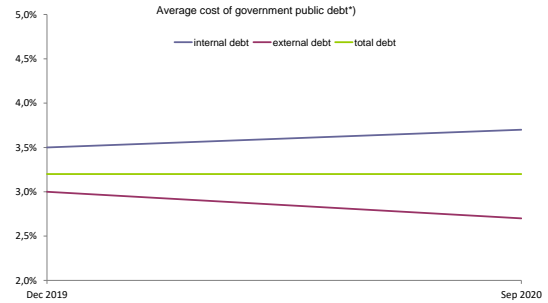
*) liquidity degree is calculated as ratio between the total volume of monthly transactions and the total volume of the government securities.

IV. Cost of the government public debt

Interest payments on government public debt*)

| RON mil. | 2020 |
|---------------|----------|
| domestic debt | 7.216,2 |
| external debt | 4.567,6 |
| total | 11.783,8 |

*) includes payments on direct and guaranteed government debt from January to September 2020

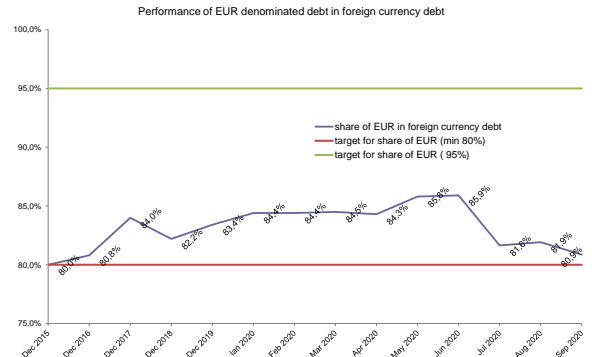
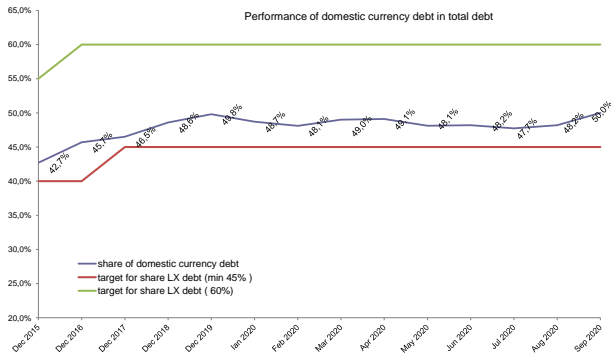
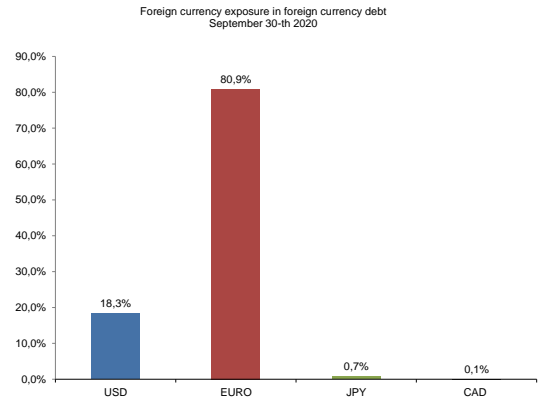
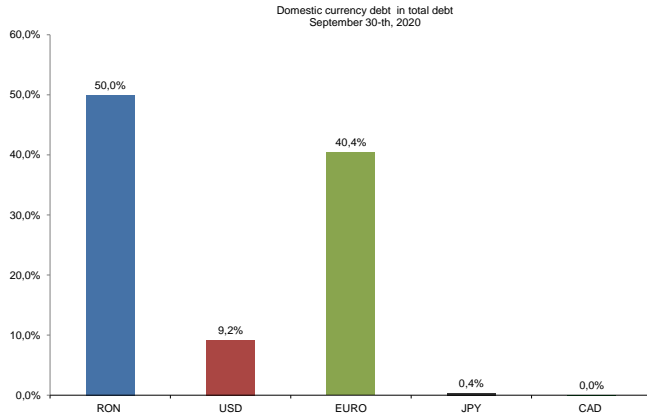


*) does not include interest for temporary financing. It was calculated dividing annually interest payments by stock of the government public debt at the end of September 2020

V. Implementation of DMS on medium term

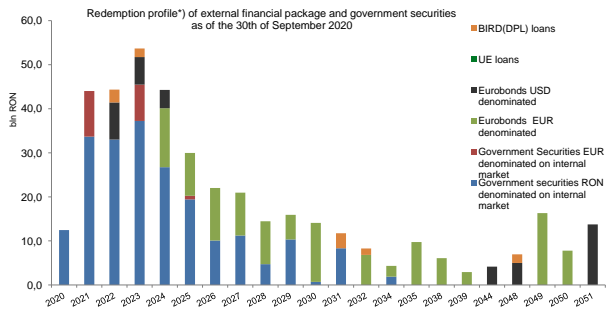
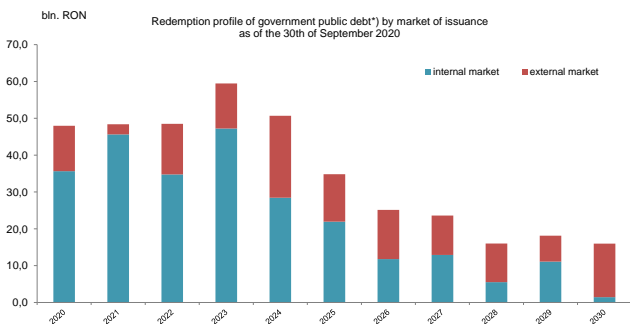
The revised Government Debt Management Strategy for the period 2019-2021 was approved by the Government in September 2019, proposing indicative targets for managing the financial risks associated with the government debt portfolio. On the medium term, risk indicators fall within the indicative targets of the Strategy. According to the Strategy, the limit mentioned as minimum or maximum cannot be exceeded during the period covered by the strategy (hard bound), while the other limit represents the limit to which it is stretched and which can be exceeded (soft bound).

1. Currency risk *)

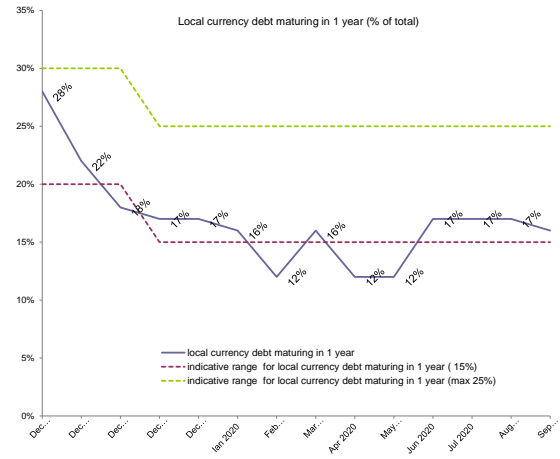
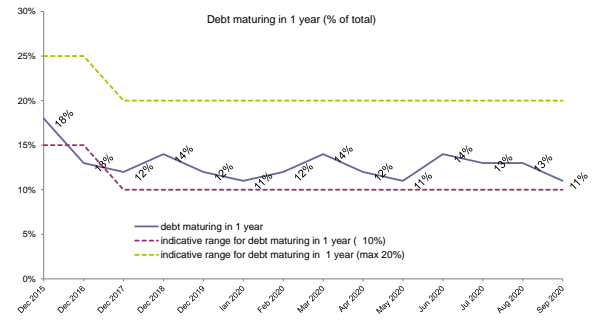
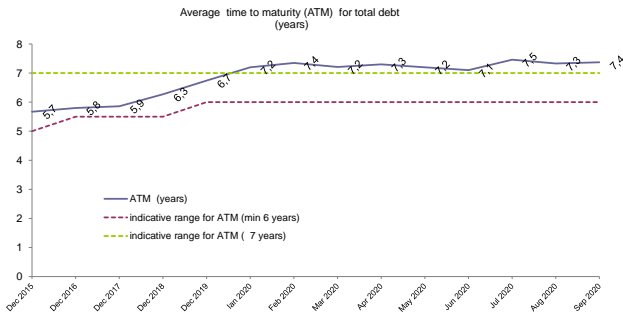


*) the difference in absolute value / percentage is due to the rounding of the calculation formula in excel

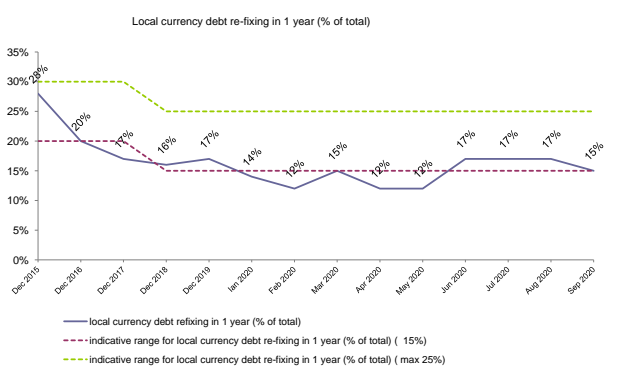
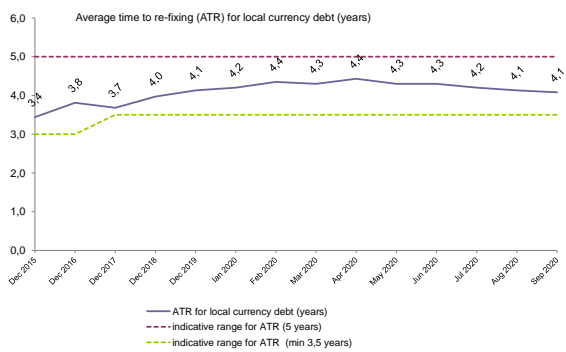
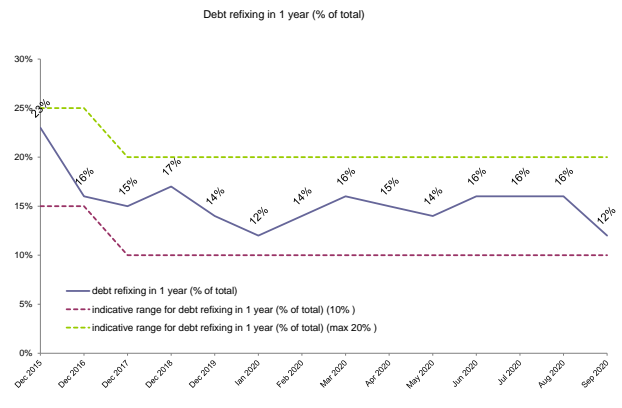
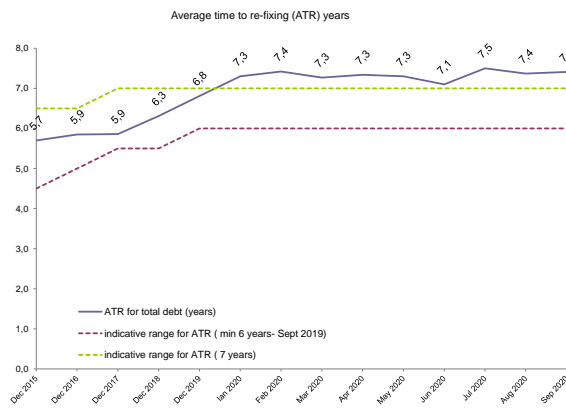
2. Refinancing risk



*) based on contracted debt at the end of September 2020



3. Interest rate risk

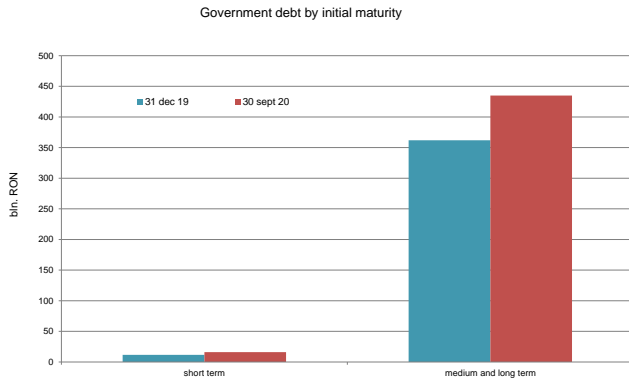
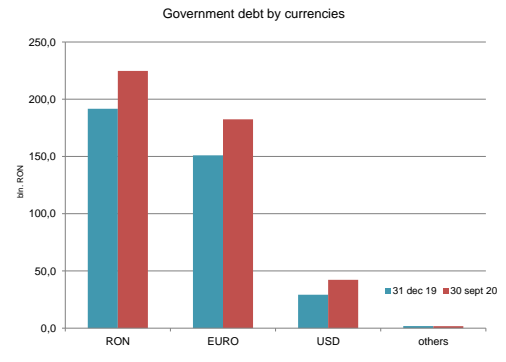
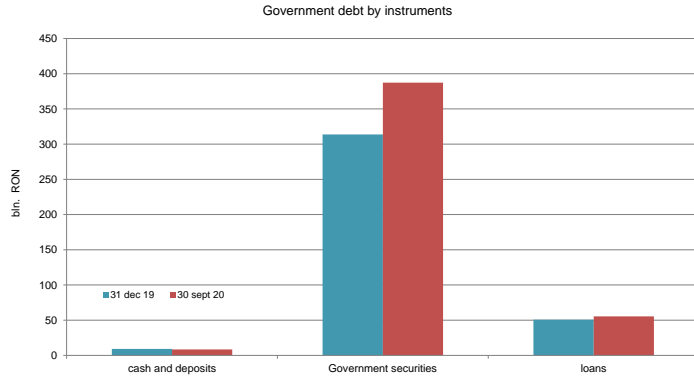


B. PUBLIC DEBT ACCORDING TO EU METHODOLOGY

| | December, 2019 | | September, 2020**) | | change | |
|----------------------------------|----------------|------------|--------------------|-------------|----------|-------------|
| | RON million | % of total | RON mil. | % din total | mil. RON | % din total |
| General government debt *) | 373.624,6 | | 451.147,7 | | 77.523,1 | 20,7% |
| | %GDP | 35,3% | 42,9% | | 7,7% | |
| A o/w: | | | | | | |
| Central government debt | 358.820,1 | 96,0% | 436.190,1 | 96,7% | 77.370,0 | 21,6% |
| Local government debt | 14.804,5 | 4,0% | 14.957,6 | 3,3% | 153,1 | 1,0% |
| B o/w: | | | | | | |
| General domestic government debt | 200.618,8 | 53,7% | 227.557,2 | 50,4% | 26.938,4 | 13,4% |
| General external government debt | 173.005,8 | 46,3% | 223.590,5 | 49,6% | 50.584,7 | 29,2% |

*) according to EU methodology, the debt to GDP ratio was calculated taking into consideration the sum of GDP for the four last quarters.

**) GDP calculated according NIS press release no. 264/09.10.2020



At the end of the second quarter of 2020 government debt represented 41,1% of GDP, well below the level registered in the EU-27 (87,8% of GDP), and the Euro Zone (96,1% of GDP) (according to Eurostat news release no.157/2020 - October 22-nd, 2020).