

MONTHLY REPORT
September 30, 2018

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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, brought 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 2018

	2017		2018 **)	
	mil. RON	% din PIB	mil. RON	% din PIB
Financing needs, o/w:	64.737,4	7,5%	71.410,5	7,6%
1. Deficit of general consolidated budget	24.260,7	2,8%	28.066,5	3,0%
2. Principal repayments*, o/w:	40.476,7	4,7%	43.344,0	4,6%
- refinancing of government securities issued on domestic	30.448,1		25.218,0	
- refinancing of eurobonds	0,0		6.975,0	
- principal repayments on external loans:	8.067,3		8.801,0	
- principal repayments on local loans	1.961,3		2.350,0	

*) debt repaid from budget

**) updated at the moment of the elaboration of this report

GDP: according to NCSP release from July, 2018/ for 2017 GDP according to Fiscal Notification October 22, 2018/ (Eurostat newsrelease 163/2018)

2. Actual borrowing in 2018 up to September, 30 (mil. Ron denominated)

Total reimbursable financing		47.959,7 mil.Ron	
o/w:			
MFP	By Instrument	By Currency	By Market
	T-Bills & householders	RON	Interna
	T-Bonds	EUR	Interna
	T-Bonds denominated in EURO		Interna
	Eurobonds	USD	Interna
	FX loans		Interna
total		46.006,4	46.006,4
Local governments		1.953,3	

Ratio of covering of financing needs 67,2%

II. Public debt stock and changes in stock

1. Public debt evolution

	December, 2017		September, 2018		change	
	mil. RON	% of total	mil. RON	% din total	RON billion	% of total
Outstanding of public debt	368.448,9		375.712,2			
o/w						
a) by type of sector	368.448,9	100,0%	375.712,2	100,0%	7.263,3	2,0%
Government public debt	353.015,9	95,8%	360.343,0	95,9%	7.327,1	2,1%
Local public debt	15.433,0	4,2%	15.369,2	4,1%	-63,8	-0,4%
b) by type of debt	368.448,9	100,0%	375.712,2	100,0%	7.263,3	2,0%
Direct public debt	350.387,7	95,1%	357.135,4	95,1%	6.747,7	1,9%
Guaranteed public debt	18.061,2	4,9%	18.576,8	4,9%	515,6	2,9%
c) by the residence of creditor	368.448,9	100,0%	375.712,2	100,0%	7.263,3	2,0%
External	147.626,1	40,1%	149.125,3	39,7%	1.499,2	1,0%
Domestic	220.822,8	59,9%	226.586,9	60,3%	5.764,1	2,6%
Total public debt	368.448,9		375.712,2		7.263,3	2,0%

Outstanding of Public debt /GDP

42,9% **39,8%** **-3,1%**

GDP: according to NCSP release from July, 2018/ for 2017 GDP according to Fiscal Notification October 22, 2018/ (Eurostat newsrelease 163/2018)

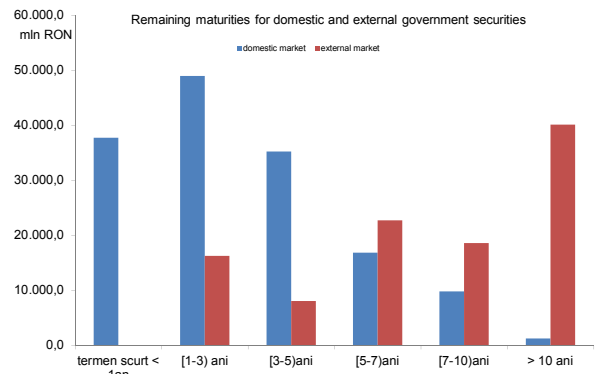
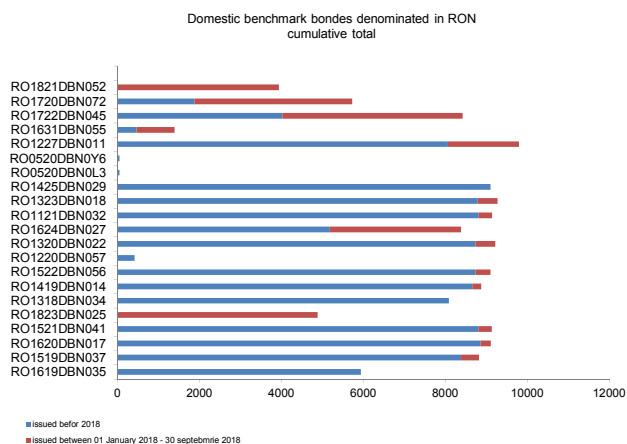
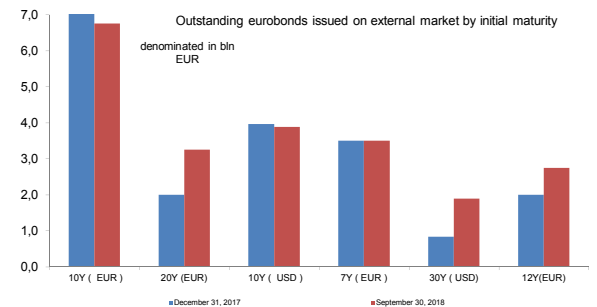
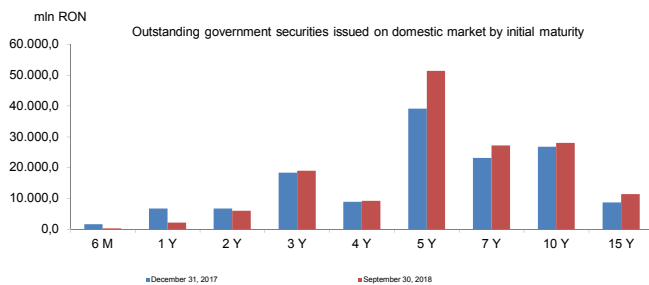
858.660,0

945.000,0

2. Government public debt evolution

	December, 2017	September, 2018	change	
	RON billion	mil. RON	RON billion	%
Total government public debt, o/w	353.015,9	360.343,0	7.327,1	2,1%
1. After the market issuance				
External, o/w:	144.853,8	143.743,1	-1.110,7	-0,8%
By instruments				
Eurobonds	95.766,3	102.801,4	7.035,1	7,3%
loans	49.087,5	40.941,7	-8.145,8	-16,6%
By currency				
RON	75,0	61,0	-14,0	-18,7%
USD	23.667,6	27.946,6	4.279,0	18,1%
EURO	118.983,6	113.723,1	-5.260,5	-4,4%
others	2.127,6	2.012,4	-115,2	-5,4%
By creditor				
multilateral	47.801,5	40.043,8	-7.757,7	-16,2%
bilateral	144,7	121,6	-23,1	-16,0%
private banks and others	96.907,6	103.577,8	6.670,2	6,9%
By interest rate				
fixed	130.186,4	129.950,6	-235,8	-0,2%
floating	14.667,4	13.792,5	-874,9	-6,0%
2. Domestic, o/w:	208.162,1	216.599,9	8.437,8	4,1%
By instruments				
T-bills	8.428,6	2.432,9	-5.995,7	-71,1%
Bonds	131.343,1	151.762,1	20.419,0	15,5%
loans	15.956,0	16.747,8	791,8	5,0%
others	52.434,4	45.657,1	-6.777,3	-12,9%
By currency				
RON	191.980,0	199.123,7	7.143,7	3,7%
USD	0,0	10,5	10,5	0,0%
EURO	16.182,1	17.465,7	1.283,6	7,9%
By creditor				
multilateral	0,0	0,0	0,0	0,0%
bilateral	0,0	0,0	0,0	0,0%
private banks and others	208.162,1	216.599,9	8.437,8	4,1%
By interest rate				
fixed	131.343,1	151.762,1	20.419,0	15,5%
floating	76.819,1	64.837,8	-11.981,3	-15,6%
1. After residence of the creditor				
External	144.411,9	146.451,5	2.039,5	1,4%
Domestic	208.604,0	213.891,5	5.287,6	2,5%
Government public debt /GDP	41,1%	38,1%	-3,0%	
GDP (mln RON)	858.660,0	945.000,0		

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 2018 is 3,2 years and 9,5 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 (mln RON)	(%) total
1. Banking system	71.055,4	46,6%
2. Central Depository	155,1	
3. Clients holdings:	81.604,0	53,4%
non residents *)	28.558,3	18,7%
residents, o/w:	53.045,7	34,7%
private pension funds	28.315,2	18,5%
Total	152.814,5	100,0%

*) includes government securities held by Clearstream

Holdings of government securities denominated in RON issued on domestic market

Category	Available at nominal value (mln RON)	(%) total
1. Banking system	63.618,7	45,0%
2. Central Depository	155,1	
3. Clients holdings:	77.827,8	55,0%
non residents *)	27.530,9	19,4%
residents, o/w:	50.296,9	35,5%
private pension funds	27.987,3	19,8%
Total	141.601,6	100,0%

*) includes government securities held by Clearstream

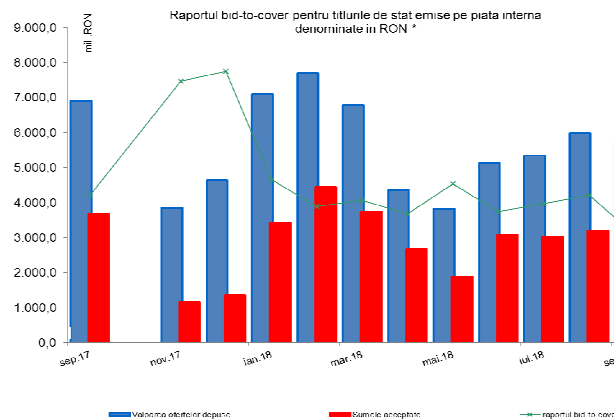
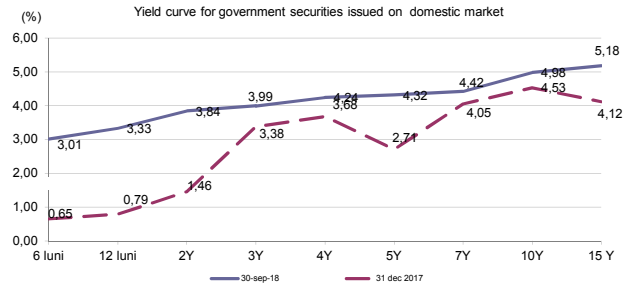
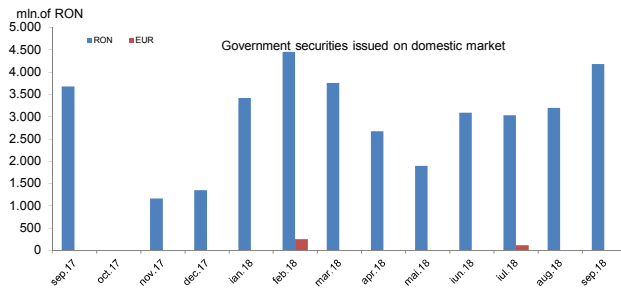
Holdings of government securities denominated in EUR issued on domestic market

Category	Available at nominal value (mln EUR)	(%) total
1. Banking system	1.594,6	66,3%
3. Clients holdings:	809,7	
non residents*)	220,3	33,7%
residents, o/w:	589,4	9,2%
private pension funds	70,3	2,9%
Total	2.404,2	100,00%

*) includes government securities held by Clearstream

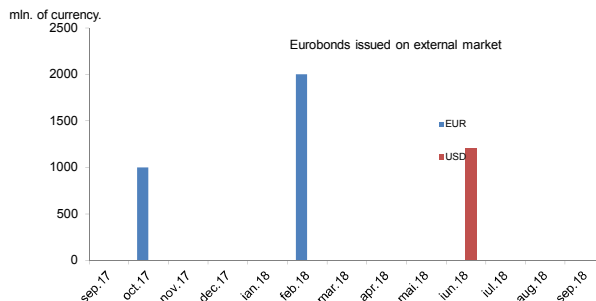
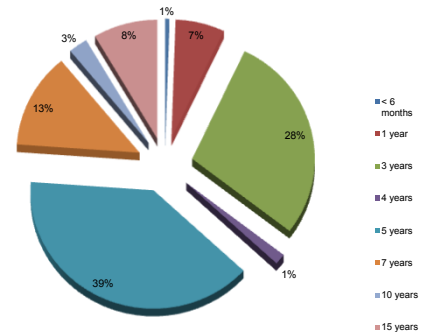
III. Primary and secondary market of government securities

1. Primary market of government securities

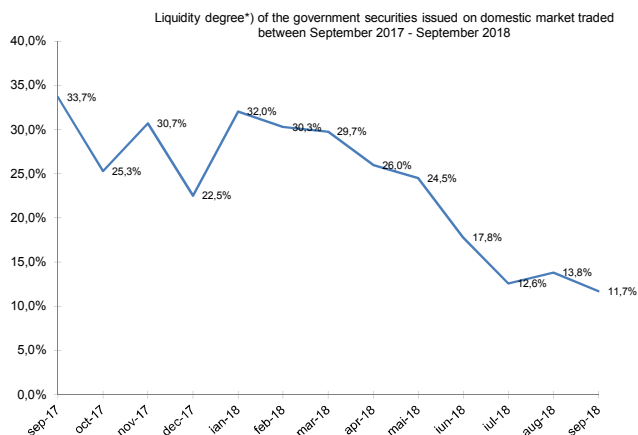
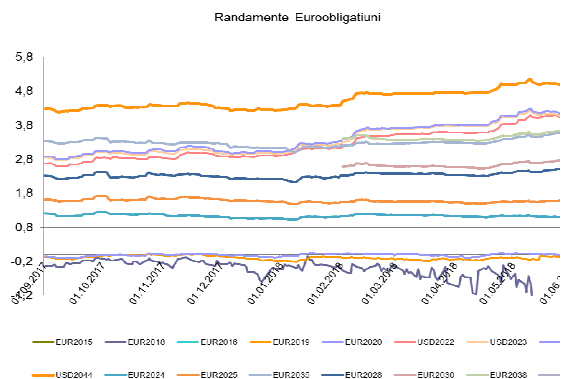
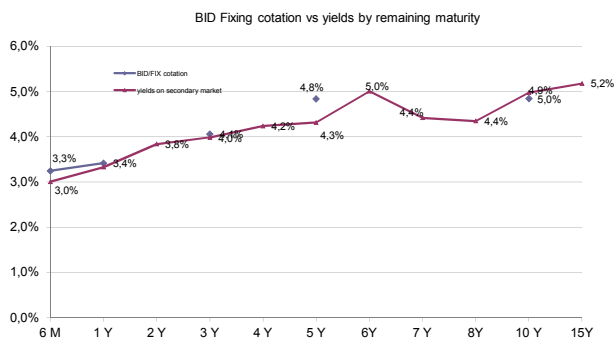


*calculated as amount of bids submitted/accepted amount

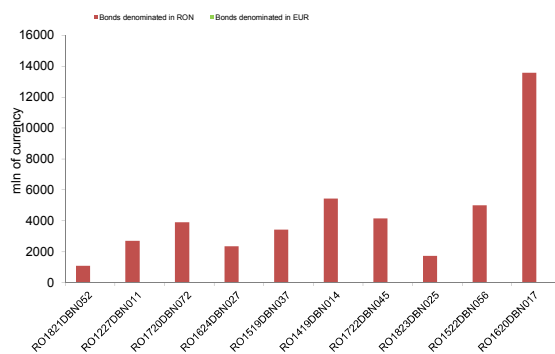
Government securities issued between 01 January - 30 September 2018 by initial maturity



2. Secondary market of government securities



The most tradable government securities issued on domestic market in September 2018



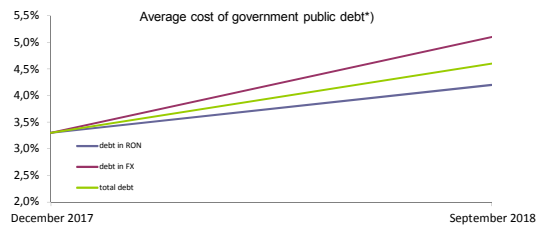
*) liquidity degree is calculated as ratio between the total volume of monthly transactions and the total volume of the government securities.

IV. Cost of the government public debt

Interest payments on government public debt*)

mln. RON	2018
domestic debt	5.337,9
external debt	3.989,6
total	9.327,5

*) includes payments on direct and guaranteed debt for January - September 2018

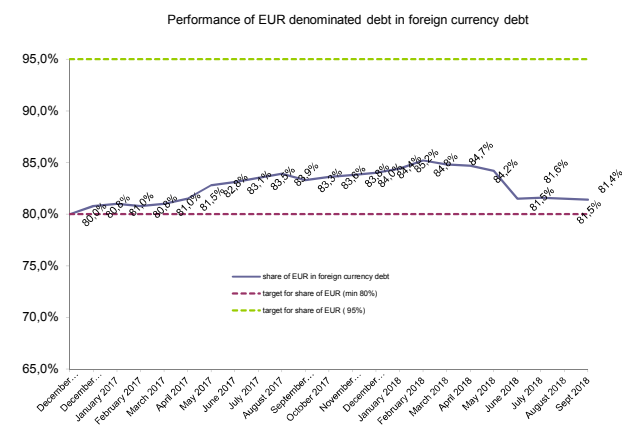
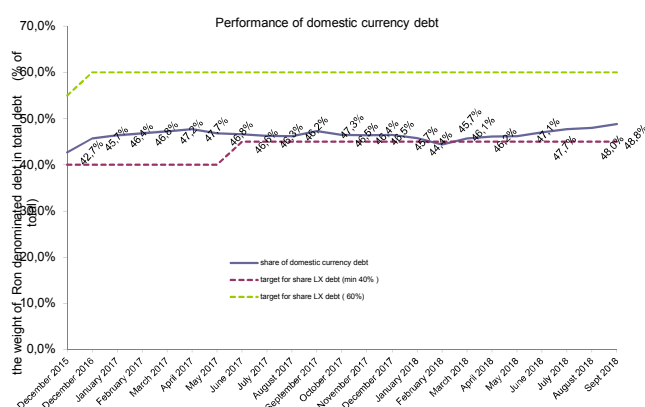
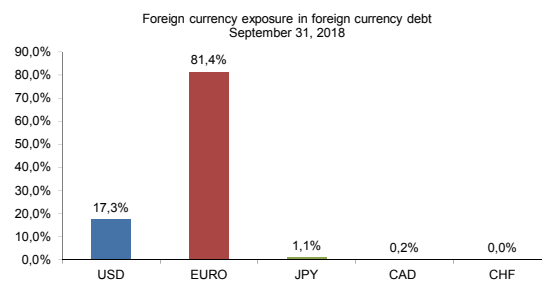
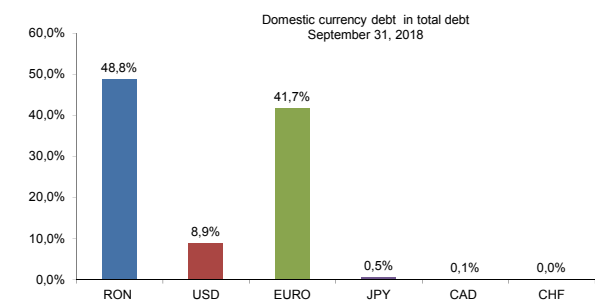


*) does not include interest for temporary financing. It was calculated dividing annually interest payments by stock at September 2018

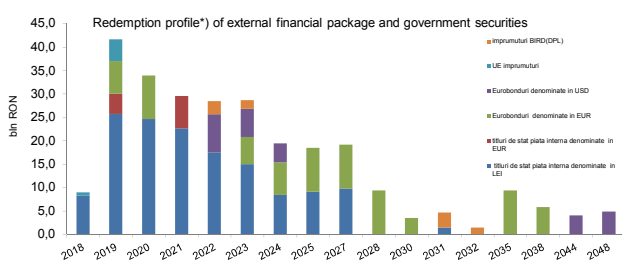
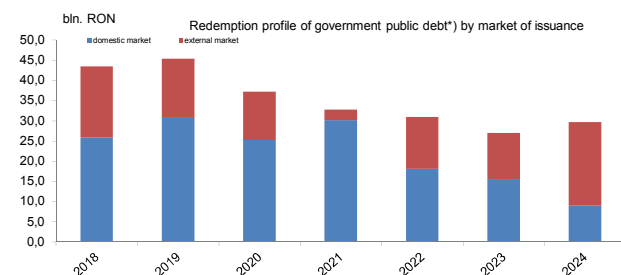
V. Implementation of DMS 2018-2020

The revised Debt management Strategy approved by the Government in August 2018 proposed indicative targets for managing the financial risks of the debt portfolio. The level of the risk indicators up to end of September, 2018 complied the targets set in the DMS:

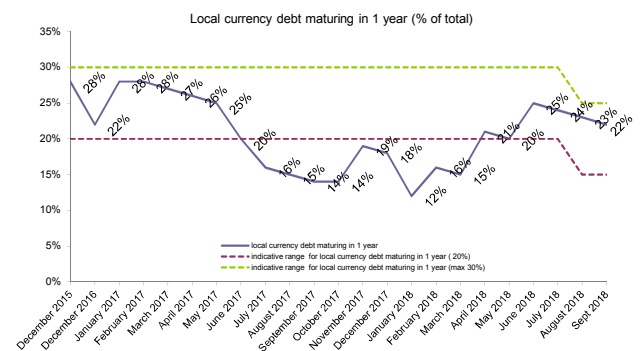
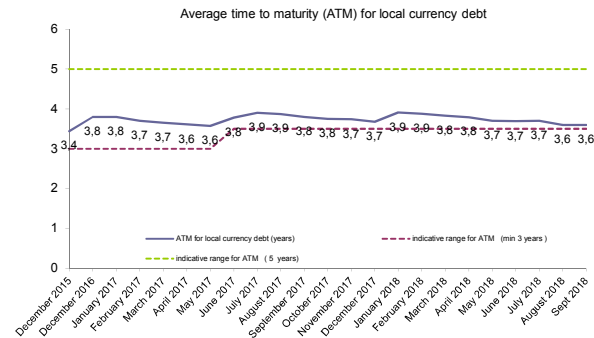
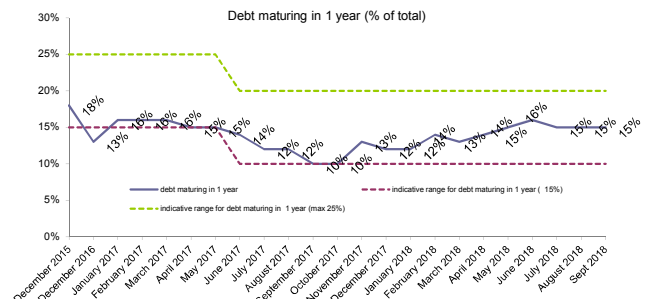
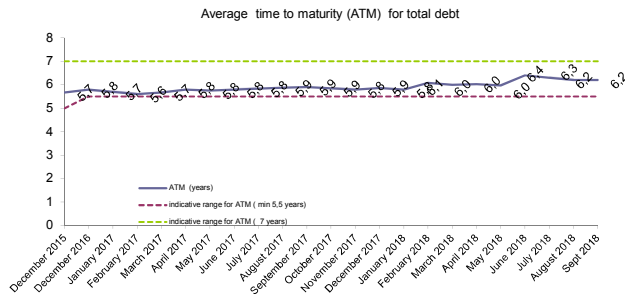
1. Currency risk



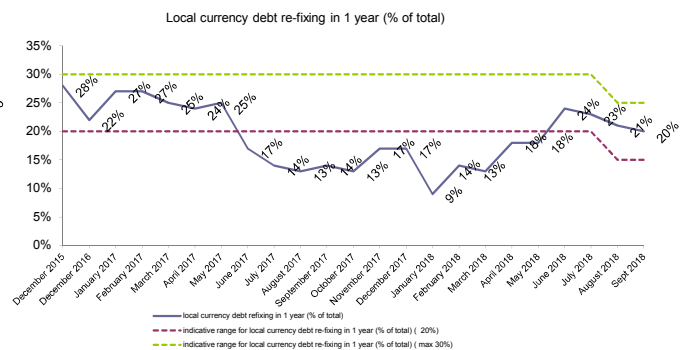
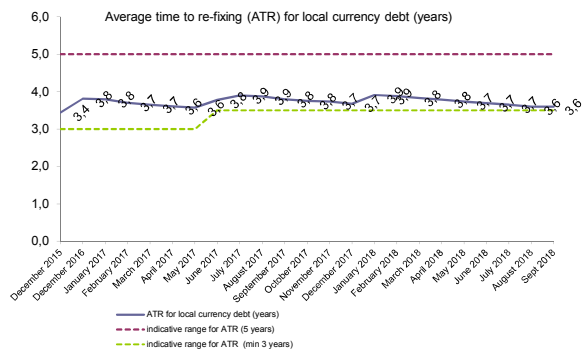
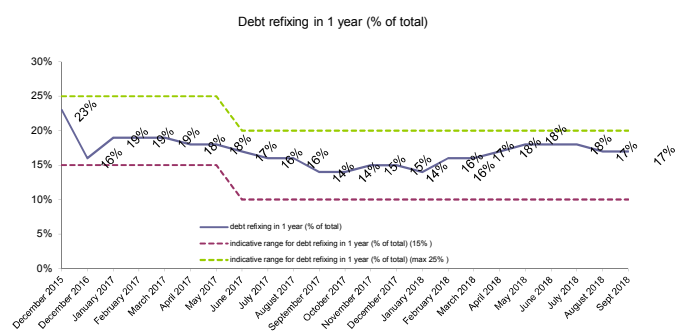
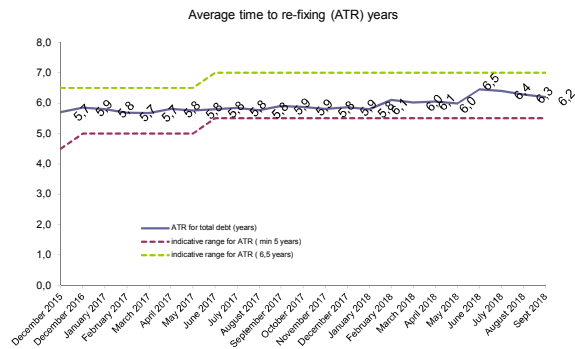
2. Refinancing risk



*) based on contracted debt at the end of september 2018



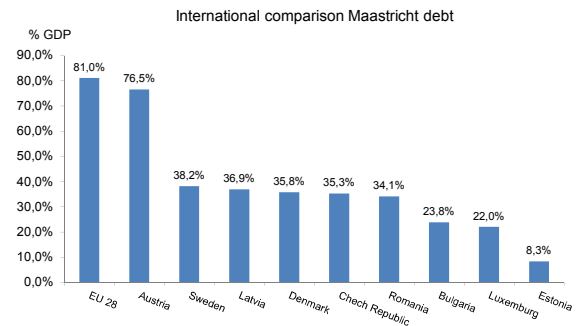
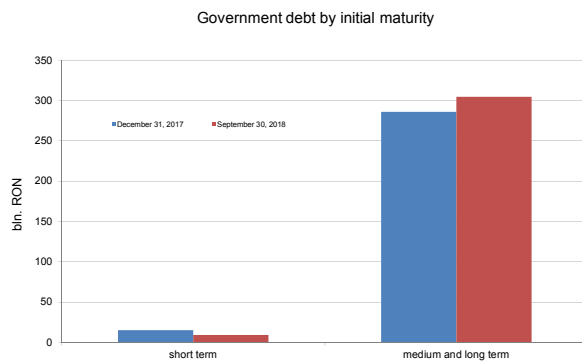
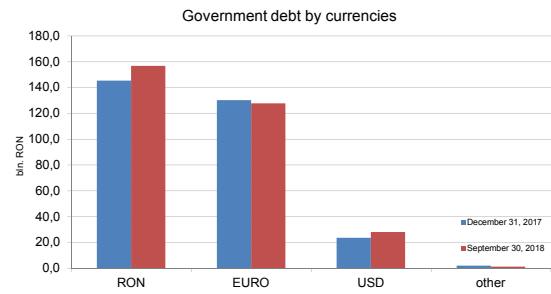
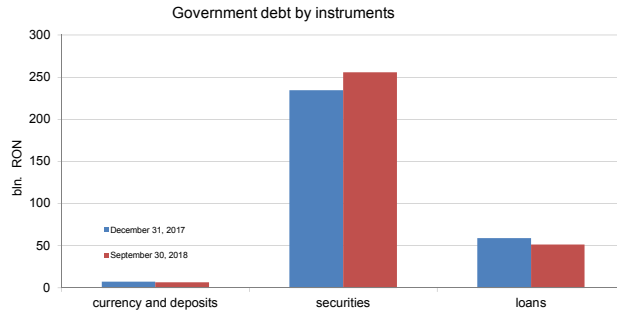
3. Interest rate risk



B. PUBLIC DEBT ACCORDING TO EU METHODOLOGY

	December, 2017		September, 2018		change	
	RON million	% of total	mil. RON	% din total	mil. RON	% din total
General government debt *)	301.158,5		313.421,1		12.262,6	4,1%
	%GDP	35,1%	35,0%		-0,1%	
A o/w:						
Central government debt	286.399,6	95,1%	298.970,1	95,4%	12.570,5	4,4%
Local government debt	14.758,8	4,9%	14.451,0	4,6%	-307,8	-2,1%
B o/w:						
General domestic government debt	155.029,0	51,5%	165.551,1	52,8%	10.522,1	6,8%
General external government debt	146.129,5	48,5%	147.870,0	47,2%	1.740,5	1,2%

- according to EU methodology, the debt to GDP ratio was calculated taking into consideration the sum of GDP for the four last quarters (GDP according to press release NIS from October, 2018) , for 2017 GDP according to Fiscal Notification October 22, 2018 (Eurostat newsrelease 163/2018)



At the end of Q2 2018 government debt represented 34,1% of GDP, well below the level registered in the EU-28 (81,0% of GDP), and the Euro Zone (86,3% of GDP) (according to eurostat newsrelease no.164/2018 - 23 October 2018)