



Ministry of Finance

Government Public Debt Report
31 December 2022

General Directorate for Treasury and Public Debt

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1. Developments of the Romanian economy in 2022

In 2022, Romania's economy returned to pre-pandemic levels earlier than anticipated. Active economic and tax measures have been effective in supporting economic activity: economic growth of 4.7% in 2022 reflects a full economic recovery, driven, on the demand side, mainly by private consumption and investment.

Romania ended 2022 with an annual inflation rate of 16.4% (up 8.2 percentage points from 8.2% in December 2021). Domestic inflationary pressures were mainly generated by price increases in energy goods but also by increases in food commodity prices. On an annual average, inflation stood at 13.8%.

Romania has managed to maintain a relatively stable economic balance, including in terms of the labour market, which has been supported by the establishment of support measures for employees and employers, the improvement of flexibility in the workplace, as well as the redirection of human resources to sectors less affected by the crisis and with a growth perspective in the coming years. Under these circumstances, in 2022, compared to the previous year, there was an increase in both the employed population and the number of employees (by 0.7% and 1.1%, respectively), while the ILO unemployment rate remained constant (at 5.6%).

In 2022, the current account deficit increased to 9.3% of GDP, compared to 7.3% in 2021.

Macroeconomic indicators

Indicators	2021	2022
GDP		
- billions RON	1187.4	1409.8
- actual growth, %	5.8	4.7
Current account balance (% in GDP)	-7.3	- 9.3
Consumer Price Index (CPI)		
- end of the year	8.2	16.4
- yearly average	5.1	13.8
Average exchange rate		
- RON/EUR	4.9204	4.9315
- RON/USD	4.1604	4.6885

Source: CNSP- spring forecast of the main macroeconomic indicators – May 2023

The *consolidated general government deficit* in cash terms in 2022 was 5.7% of GDP, while the budget deficit calculated according to the EU methodology (ESA 2010) represented 6.2% of GDP.

Under these circumstances, the gross financing need determined by the level of the budget deficit and the volume of government debt refinancing, is presented as follows in the table below:

RON billion

Indicator	2021	2022
Revenues of the central public administration ¹	306.8	376.4
Expenditure of the central public administration ²	389.8	458.1
Budget deficit related to central public administration ³ (I)	83.0	81.7
Refinancing of Government Public Debt ⁴ (II)	53.5	78.9
Gross financing need (I+II)	136.5	160.6

Source: MoF

Sovereign Rating

During 2022, Standard & Poor's and Moody's rating agencies maintained Romania's rating in the investment category (Standard & Poor's – BBB-/A-3 and Moody's – Baa3/P-3). The decisions took into account the positive prospects for economic growth supported by Next Generation EU funds and the Romanian authorities' commitment to fiscal consolidation under the excessive deficit procedure, but signalled a number of risks that could affect the sovereign rating in the coming period, such as the failure to achieve a sustained reduction in fiscal imbalances or the structural deterioration of public finances, as well as the widening of the current account deficit or an increase in geopolitical risk as a result of the Russian invasion of Ukraine.

In October 2022, Fitch confirmed the country rating at BBB-/F-3 and the negative prospects, taking into account Romania's EU membership and EU capital flows that support external stability and internal macrostability, as well as GDP per capita and governance and human development indicators that are above those recorded by neighboring countries.

2. Budget deficit financing and government debt refinancing strategy in 2022

2.1. Budget deficit financing

The financing of the budget deficit in 2022 was carried out from internal and external sources. The sources necessary to refinance the government public debt were ensured from the markets where this debt was issued, as well as from the foreign currency reserve available to the State Treasury.

¹Calculated according to the cash methodology by applying rules according to the EU methodology

²Calculated according to the cash methodology by applying rules according to the EU methodology

³Calculated according to the cash methodology by applying rules according to the EU methodology

⁴The volume of repayments of capital instalments and government securities refinancing on account of government debt, according to national law, calculated on the basis of the debt balance at the end of 2022 (includes state guarantees, but does not include temporary financing).

The debt instruments used to finance the budget deficit and refinance the public debt were:

- a) *issues of government securities in RON, namely discounted treasury certificates and benchmark bonds on the domestic market, with medium and long-term maturities, up to 15 years,*
- b) *issuance of government securities in EUR on the domestic market,*
- c) *government securities intended for the population launched under the TEZAUR Program through the operative units of the State Treasury, as well as through the postal subunits of the National Company Romanian Post, as well as under the FIDELIS program carried out through the selected banks union consisting of Banca Transilvania/BT Capital Partners, BCR, BRD and Alpha Bank,*
- d) *eurobond issues in EUR and USD on international financial markets,*
- e) *drawings from internal and external loans,*
- f) *loans from the available funds of the General Current Account of the State Treasury,*

In order to improve public debt management and avoid seasonal pressures in ensuring the sources of financing the budget deficit and the refinancing of the government public debt, in order to reduce the refinancing and liquidity risk, it was considered to maintain the financial reserve (buffer) in foreign currency at the disposal of the State Treasury, in order to cover the needs of financing the budget deficit and refinancing the public debt.

2.2. Domestic government securities market

Primary market

Developments in the domestic market of government securities have been influenced by the sharp increase in inflation at European and global level, and the outbreak of the war in Ukraine and the increase in prices of fuels and raw materials have led to episodes of increased volatility in the international financial market and deterioration in investor sentiment, against the background of an increasingly external imbalance and the uncertainties associated with budgetary consolidation.

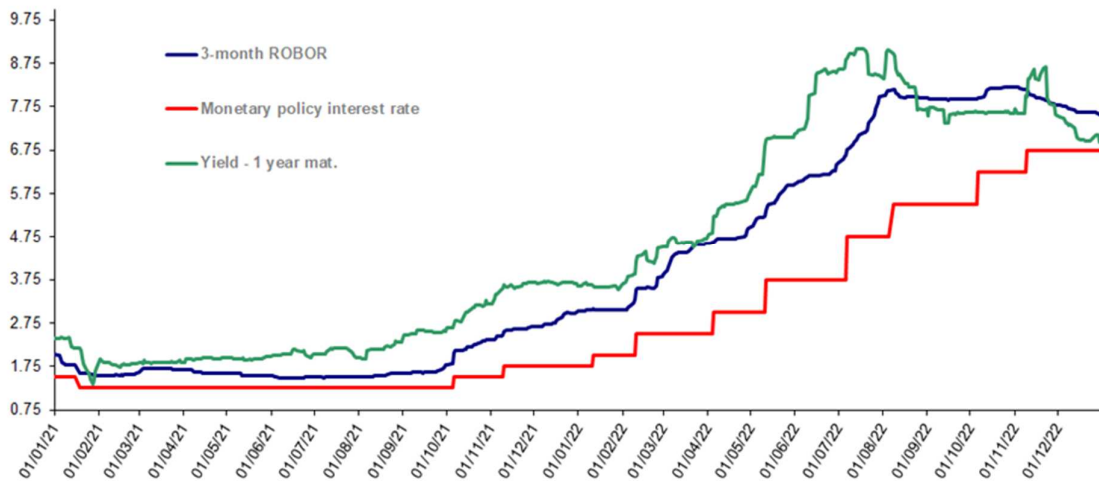
During 2022, the yield curve had an increasing trend, recording increases of approx. 250 – 350 bps. The variations were mainly influenced by the inflation development prospects, which led the National Bank of Romania to increase the monetary policy rate 8 times during the year, by 5.00 percentage points, to the level of 6.75%.

Evolution of domestic secondary market yields at the end of 2022 vs. the end of 2021



Source: MoF

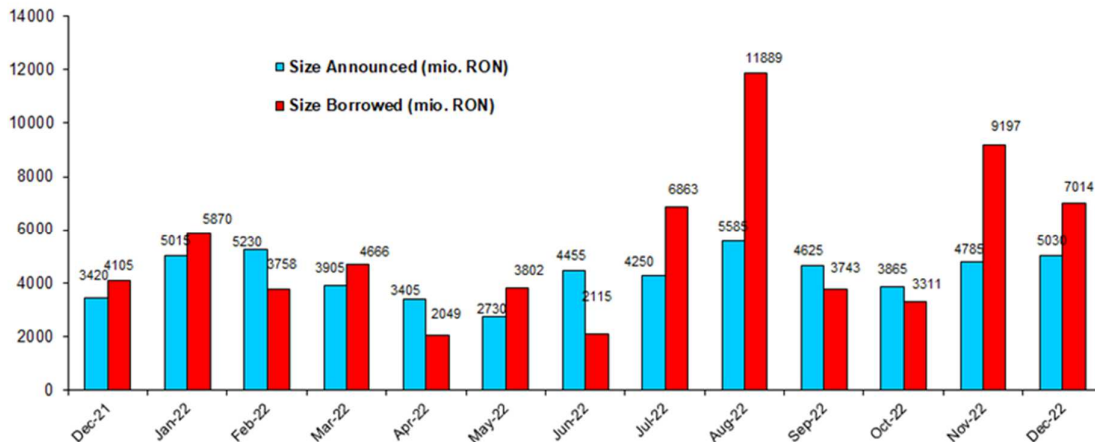
Monetary policy interest rate vs. ROBOR at 3 months and yields at 1 year



Source: MoF, NBR

During 2022, MoF maintained a predictable and flexible issuance policy adapted to the requirements of the investment environment, especially against the background of maintaining high financing needs and the evolution of domestic market conditions that fluctuated considerably.

Announced volume vs. adjudicated volume between December 2021 and December 2022



Source: MoF

The year 2022 started with a higher level of adjudicated values compared to the previous period (January 2021), subsequently the developments in the auctions of government securities were adjusted in relation to the level of liquidity in a domestic market sensitive to international geopolitical and economic developments, with a consistent demand at the end of the year.

In 2022, government securities and loans were issued on the domestic market in a total amount of approx. RON 90 billion equivalent, including government bonds denominated in EUR in amount of EUR 1.0 billion and government bonds intended for the population amounting to RON 18.2 billion.

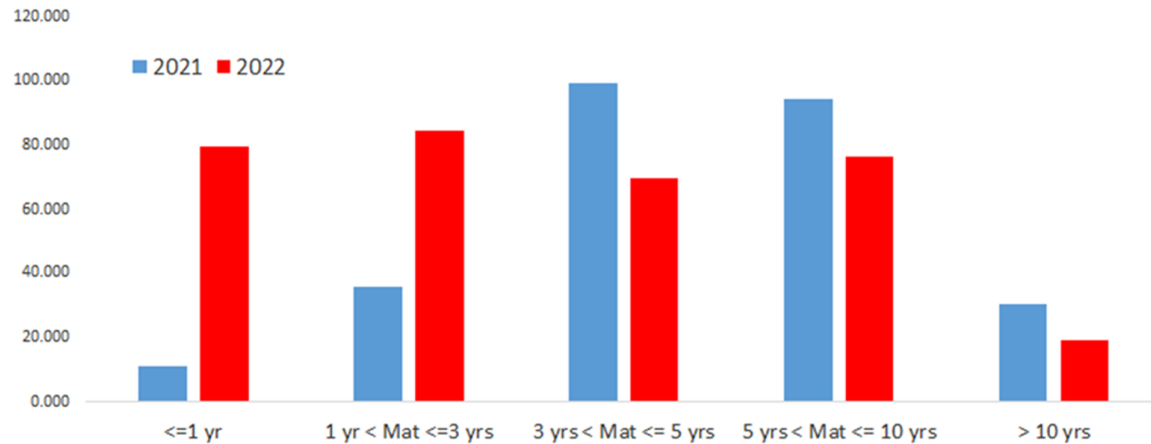
Government securities issued on the interbank market had the following structure:

- 9.2% are discounted Treasury certificate issues and benchmark bond issues with residual maturities up to 1 year;
- 28.3% are benchmark bond issues with residual maturities between 1 and 5 years; and
- 62.5% are benchmark bond issues with residual maturities between 5 and 14 years.

Benchmark government bonds denominated in RON with original maturities ranging from 3 to 15 years have been issued and reopened almost every month. The policy of the Ministry of Finance aimed at extending the remaining average maturity of government securities, most of the issues being issued on the medium and long maturities segment.

In 2022, the two programs TEZAUR and FIDELIS continued the issues for the population. Within the TEZAUR Program carried out through the operative units of the State Treasury, as well as through the postal subunits of the National Company Romanian Post S.A., 11 issues with maturities between 1 and 5 years were launched, in which over 114,000 individuals invested approx. RON 12.1 billion. Within the FIDELIS Program, through the selected banks union consisting of Banca Transilvania/BT Capital Partners, BCR, BRD and AlphaBank, four issues were carried out, both in RON (maturities between 1 and 3 years) and in EUR (maturities between 1 and 2 years), with an attracted value of RON 6.1 billion equivalent.

Structure of government securities issues by maturity (initial maturity, RON billion)



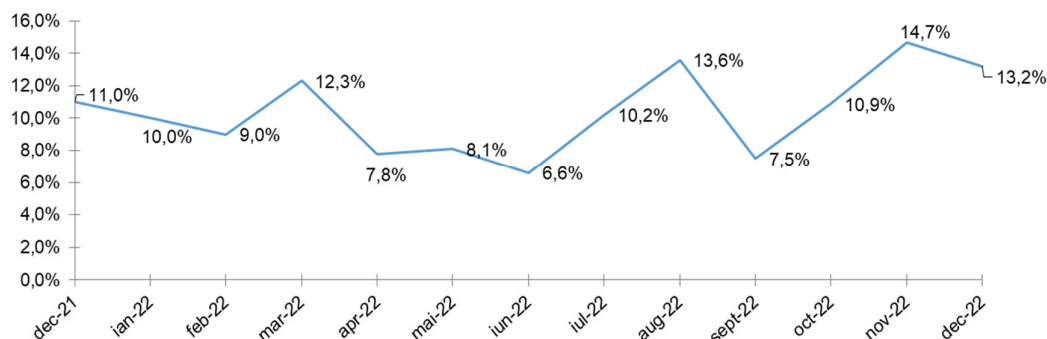
Source : MoF

Furthermore, starting with May 2022, the group of primary dealers on the domestic market was expanded by accepting CEC Bank, together with the 7 existing dealers - Banca Comercială Română S.A., Banca Română pentru Dezvoltare – Groupe Société Générale S.A., Banca Transilvania S.A., Citibank Europe Plc. Dublin – Romania Branch, ING Bank N.V. Amsterdam - Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A.

Secondary market

The liquidity of government securities on the secondary market is an important indicator in terms of the level of development of the government securities market. During 2022, the degree of liquidity, calculated as the ratio between the total volume of monthly secondary market transactions and the total volume of government securities, had an oscillating evolution, reaching higher values in March (12.3%), August (13.6%), November (14.7%) and December (13.2%) and minimum levels in April (7.8%) June (6.6%) and September (7.5%), when investors' interest was mainly directed to the primary market due to high government financing needs.

Evolution of the degree of liquidity of government securities in RON assets during the period December 2021 - December 2022

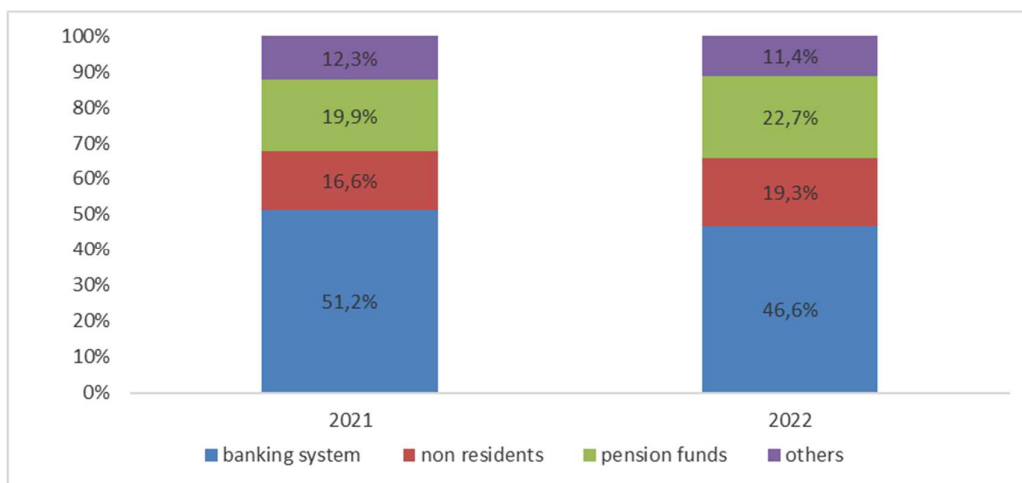


Source: MoF

Commercial banks continued to be the main investors in the domestic market of government securities, holding in the portfolio at the end of 2022, approx. 46% of the total volume of government securities issued on the domestic market, down from the end of 2021 (51.2%), followed by pension funds that recorded an increase in holdings to 22.7% at the end of 2022 compared to approx. 20% at the end of 2021.

Within the institutional investor segment, local asset management funds and private pension funds, although still holding a relatively small share in the government securities market, have been a stable participant in the government financing process. The investment structure of private pension funds continued to be maintained with a majority proportion in government securities from the total assets.

Evolution of government securities by type of holders



Source: NBR

Non-resident investors continue to represent an important segment of the government securities market, ensuring a complementary demand for local investors through the interest shown especially on long maturities, leading to the diversification of the investor base. At the end of 2022, holdings were around 19.3%, up from 16.6% at the end of 2021.

Relatively low non-resident holdings between 2021 and 2022 have limited the vulnerability of the domestic market to periods of volatility, when investors tend to liquidate or reduce their exposures to emerging countries.

The increase in the presence of non-resident investors was influenced by the context of the expectations to end the restrictive NBR monetary policy cycle, by the shape of the yield curve in RON compared to those in the region (the curves of Hungary and Poland were either reversed or flattened) and by the lower volatility of the exchange rate, but also by internal factors, such as the increase in the liquidity of government securities on all segments, the introduction of liability management operations, the increase in the share of Romanian government securities in international indices (EMBIG - JP Morgan/Barclays) given that most institutional investors have an investment policy related to the structure of these indices.

The presence of Romanian government securities in the regional indices JPMorgan and Barclays continues to have a positive influence on the local market. At the end of 2022, 18 series of Romanian government bonds were included in the GBI-EM Global Diversified Investment Grade index, with a weight of approximately 3.72%, and 20 series in the Barclays EM Local Currency Government Index, with a weight of 0.89%.

2.3. Eurobonds issues and external loans contracted in 2022

Euro-denominated Eurobond yields recorded significant advances during 2022 of approx. 400-450 bps as a result of the conflict in Ukraine and the evolution of inflation in the Eurozone.

In 2022, it was envisaged to ensure a constant presence on the foreign capital markets at cost-effective conditions for Romania, as well as to diversify the investor base and strengthen the financial reserve in foreign currency at the disposal of the State Treasury at a level to cover up to approximately 4 months of the gross financing needs. The amount of EUR 8.5 billion equivalent, through 4 issues and 4 private placements.

The terms and conditions of government securities launched on foreign markets are as follows:

Month	Total Value	Maturity	Value	Coupon	Maturity	Value	Coupon
January 2022	USD 2.44 billion	5 years	USD 1.35 billion	3.000%	10 years	USD 1.09 billion	3.625%

February 2022	EUR 2.5 billion	6 years	EUR 1.25 billion	2.125%	12 years	EUR 1.25 billion	3.750%
May 2022	USD 1.75 billion	5 years	USD 1 billion	5.250%	12 years	USD 0.75 billion	6.000%
September 2022	EUR 1.35 billion	4 years	EUR 0.600 billion	5.000%	7 Years	EUR 0.750 billion	6.625%

Foreign market operations in 2022 also included drawings totalling approx. EUR 4 billion related to loans contracted from international financial institutions (EIB, IBRD, etc.) as well as loans from the European Union (EU) under the financing instruments established at EU level since 2020.

The amounts attracted were intended to finance the budget deficit, refinance the public debt and consolidate the financial reserve (buffer) in foreign currency at the disposal of the State Treasury.

2.4. Cash management in 2022

Cash management operations are carried out by the State Treasury to cover temporary cash gaps during the year arising as a result of the gap between receipts and payments to/from the general current account of the treasury.

In accordance with the legislation in force⁵, the permanent ensuring of the balance between the resources of the general current account of the state treasury and the financing needs can be achieved by:

1. attracting short-term deposits from credit institutions or other financial institutions;
2. the use of the RON equivalent of amounts sold to the foreign currency reserve of the State, from foreign currency cash accounts resulting from state loans intended to finance and refinance public debt, as well as from other sources established by law.

In 2022, against the background of the temporary gap between budget payments and receipts for the financing of temporary cash gaps, the State Treasury carried out deposit collection operations in the total amount of **RON 178,490 million**, with an average interest rate of 4.67% and an average maturity of 11.09 days, as follows:

- January 2022 = RON 10,880 million,
- February 2022 = RON 8,290 million,

⁵ Based on the provisions of Article 8 of GEO 146/2002 on the formation and use of resources carried out through the State Treasury, as well as the Order of the Minister of Public Finance no.1235/2003 approving the Methodological Norms for the application of the provisions of the Government Emergency Ordinance no.146/2002 on the formation and use of resources carried out through the state treasury, approved with amendments by Law no.201/2003

- March 2022 = RON 23,600 million,
- April 2022 = RON 16,500 million,
- May 2022 = RON 18,850 million,
- June 2022 = RON 14,250 million,
- July 2022 = RON 10,340 million,
- August 2022 = RON 12,800 million,
- September 2022 = RON 13,025 million,
- October 2022 = RON 18,035 million,
- November 2022 = RON 8,550 million,
- December 2022 = RON 23,370 million.

Regarding the use of foreign currency amounts to finance temporary cash gaps, the State Treasury carried out 42 currency exchange operations in the total amount of EUR 5,054.2 million (32 foreign exchange operations) and USD 808.7 million (10 foreign exchange operations).

The state budget deficit from previous years recorded in the accounting, not financed by state loans, together with the loans granted for the redemption at maturity, of the state loans issued for the financing or refinancing of the public debt and with the temporary cash gap, resulting from the daily gap between the cumulated revenues and expenditure of the state budget reported electronically by the regional treasuries, is temporarily financed by loans from the general current account of the State Treasury.

According to GEO no. 64/2007 on public debt, the temporary loan from the general current account of the State Treasury is a public debt instrument that can be repaid through state loans to refinance the government public debt. In 2022, the net increase in the balance of loans from the general current account of the State Treasury amounted to RON 21.4 billion.

For the loans from the general current account of the State Treasury, interest was paid in the total amount of RON 236.9 million, repayments of capital installments were in the amount of RON 245.3 billion, and the service related to repayments was in the total amount of RON 245.6 billion.

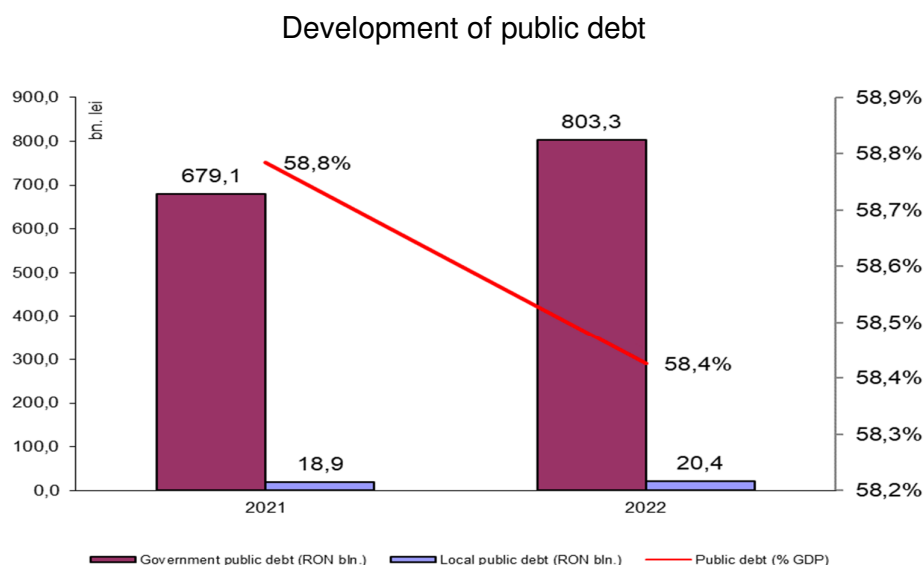
The service related to the repayments of cash management instruments by attracting deposits was RON 176.3 billion, of which the repayments of capital installments accounted for RON 176.1 billion and the interest payments related thereto were RON 220.8 million.

3. Analysis of the public government debt portfolio and the risks associated with this debt

In the context of macroeconomic developments and domestic and external financial markets, the public debt contracted on December 31, 2022 was RON 823.7 billion, of

which the governmental public debt in the amount of RON 803.3 billion (representing 97.5% of the total public debt), and the local public debt in the amount of RON 20.4 billion (representing 2.5% of the total public debt), against the background of an economic growth of 4.7% of GDP⁶ and in the context of a general consolidated budget deficit of 5.7% of GDP⁷.

The increase of the public debt in 2022 compared to 2021, by RON 125.7 billion, was mainly determined by the debt committed to cover the needs of financing the budget deficit, by the volume of refinancing of the public government debt as well as by the takeover to the public government debt of the guarantees granted by Eximbank S.A. in the name and account of the State according to the Decision of the Court of Accounts no. 3/11.01.2023⁸.



Source : MoF

3.1. Government debt portfolio and associated risks ⁹

Government public debt on December 31, 2022 was RON 682.9 billion, representing 48.4% of GDP.

Direct government public debt maintains its highest share of total government public debt (92.0%). The guaranteed public government debt represented 8.0% of the total public government debt, as a result of guarantees granted under government programs,

⁶CNSP - spring forecast of the main macroeconomic indicators – April 2023

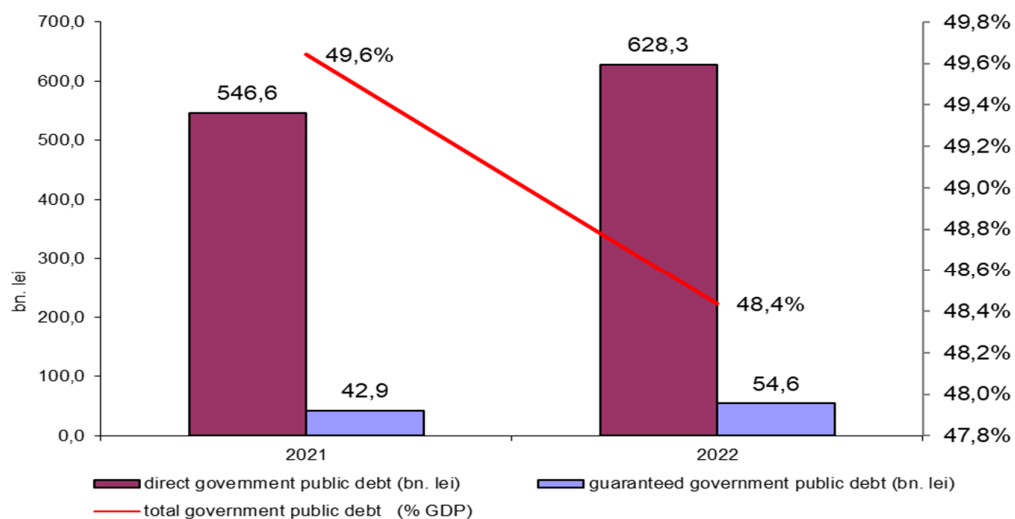
⁷Consolidated general budget deficit as implemented at the end of 2022

⁸According to the Decision of the Court of Accounts no.3/11.01.2023 the Ministry of Finance issued Order No. 1473/08.05.2023 amending and supplementing the Methodological Norms for the registration and reporting of public debt, approved by the Order of the Minister of Economy and Finance no.1059/2008, which includes, among other things, the inclusion in the public debt of the guarantees granted by Eximbank S.A. in the state name and account, granted according to Law no. 96/2000 on the organization and functioning of the Export-Import Bank of Romania Eximbank - S.A. republished, as subsequently amended and supplemented, from the funds placed by the Ministry of Finance at Eximbank.

⁹It does not include temporary financing and cash management instruments, nor the guarantees granted in the name and behalf of the State by Eximbank taken over in the records starting with 2022 according to the Decision of the Court of Accounts no.3/11.01.2023

mainly through the First Home/New Home Government Program and the Support Program for Small and Medium-sized Enterprises and Small Enterprises with Medium Market Capitalization IMM INVEST ROMANIA.

Government debt by debt type



Source :MoF

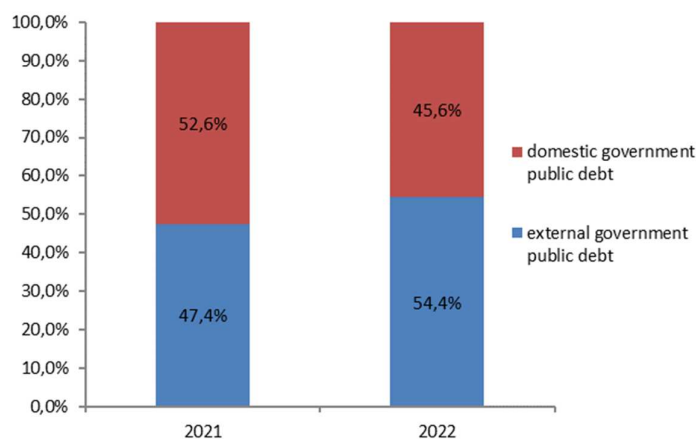
The state guarantees granted in 2022 for government programs amounted to RON 21,446.4 million, as follows:

1. RON 1,128.2 million within the government program "First Home/New Home" (GEO no. 60/2009 as subsequently amended and supplemented);
2. RON 7,643.2 million within the support program for small and medium-sized enterprises and small enterprises with medium market capitalization – SME INVEST ROMANIA (GEO no. 110/2017, as subsequently amended and supplemented);
3. RON 2,511.2 million within GEO no.24/2022 on the approval and financing of guarantee programs in priority areas for the Romanian economy;
4. RON 7,910.9 million within GEO no.99/2022 approving the state aid scheme SME INVEST PLUS and its components - SME INVEST ROMANIA, AGRO SME INVEST, SME PROD, GARANT CONSTRUCT, INNOVATION and RURAL INVEST;
5. RON 26.2 million within GEO no.95/2022 on the approval of the government credit programs "StudentInvest" and "FamilyStart", as well as for the amendment of Article 128 para. (1) of Law no. 272/2004 on the protection and promotion of the rights of the child;
6. RON 1.8 million within the Program regarding the granting of facilities for loans granted by credit institutions and non-banking financial institutions to certain categories of creditors (GEO no.90/2022, as subsequently amended and supplemented);

7. RON 0.1 million within the Program regarding the granting of facilities for loans granted by credit institutions and non-banking financial institutions to certain categories of debtors (GEO no. 37/2020, as subsequently amended and supplemented).
8. RON 1,483.7 million, guarantees under market conditions, issued by Exim Banca Romaneasca S.A. in the name and on behalf of the State (Law no. 96/2000, as subsequently amended and supplemented);
9. RON 741.1 million, guarantees under support schemes granted under the temporary European State aid framework (Covid-19 Scheme), issued by Exim Banca Romaneasca S.A. in the name and on behalf of the State (Law no. 96/2000, as subsequently amended and supplemented);

The majority of the domestic government public debt was government securities, while the external debt was eurobonds issued on international capital markets and external loans contracted from international financial institutions. In terms of residency, approx. 46% of the public government debt existing at the end of 2022 was contracted from resident creditors and approx. 54% from non-resident creditors.

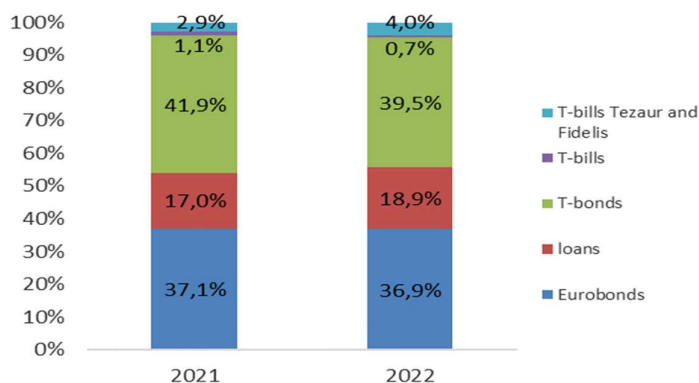
Government public debt according to the creditor's residence criterion (% of total debt)



Source : MoF

At the end of 2022, the share of government securities (including those intended for the population) represented 81.2% of the total public government debt, compared to 83.0% at the end of 2021.

The structure by types of instruments of the government public debt is as follows:
(% government debt)



Source: MoF

Government Public Debt Service

The service of the government public debt for 2022 increased by approx. RON 36 billion compared to 2021, as shown in the table below:

RON billion

	2021	2022
Government Public Debt Service		
out of which:	70.8	106.7
- direct ¹⁰	67.4	99.6
- guaranteed	3.4	7.1
Government Public Debt Service	70.8	106.7
out of which:		
- capital rate ¹¹	53.5	78.9
- interest and commissions	17.3	27.8

Other indicators¹² of government debt service are as follows:

Indicators	2021	2022
External Government Debt Service/Export of Goods and Services ¹³	2.0%	4.1%
Interest related to external government debt/Export of goods and services ¹⁴	1.5%	1.4%
Interest and commissions/Consolidated general budget income ¹⁵	4.6%	7.4%
Interest and commissions /Consolidated general budget expenditure ¹⁶	3.8%	6.1%

10 It does not include repayments from loans in the general current account of the State Treasury and those in the account of cash management instruments.

11 It does not include repayments from loans in the general current account of the State Treasury and those in the account of cash management instruments.

12 The expenditure and revenues of the consolidated general budget for 2022 are operative data, and for the indicators in points 1 and 2, the export of goods and services published by the National Commission for Strategy and Prognosis was taken into account April 2023

13 The indicator shows the extent to which payments on account of the external government debt service are covered from proceeds from the export of goods and services.

14 The indicator shows the extent to which the interest cost of the external government public debt is covered by the proceeds from the export of goods and services.

15 The indicator shows the extent to which the interest and fees related to the government public debt are covered by the revenues from the consolidated general budget.

16 The indicator represents the share of interest and commission payments related to the government public debt in the total expenditure of the consolidated general budget.

3.2 Implementation of the Government Debt Management Strategy for the period 2022 -2024

The main objectives set by **the Government Debt Management Strategy for the period 2022-2024** remain unchanged compared to previous years, namely:

1. ensuring the financing needs of the central public administration, against the background of minimizing costs in the medium and long term,
2. limiting the risks associated with the government public debt portfolio, and
3. development of the internal market in government securities.

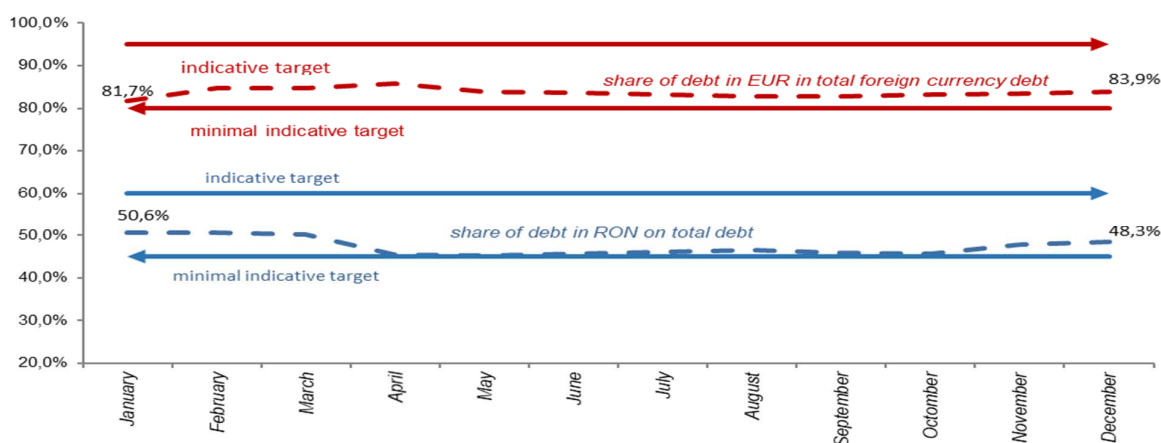
From the beginning of 2022 until September, the risk indicators were within the indicative targets set according to the 2022-2024 Strategy. Starting with October 2022, in the context of the increase in the volume of short-term resources attracted for the implementation of the 2022 financing plan, in particular government securities for the population, the indicators on refinancing risk and interest rate "*Share of debt in RON due within 1 year (% of the total)*" and "*Average period until the next interest rate change for total debt (years)*" exceeded the indicative targets set by the 2022-2024 Strategy.

Performance of risk indicators in 2022

a. Evolution of indicators on exchange rate risk

Indicators on exchange rate risk were within the target ranges set by the Strategy throughout the year. The indicator "*Share of government public debt in EUR in total government debt in foreign currency*" was at a level (83.9%) increasing compared to the one recorded at the beginning of the year (81.7%), while the indicator "*Share of government public debt denominated in RON in total government public debt*" slightly decreased from 50.6% to 48.3% at the end of 2022.

Performance of exchange rate risk indicators



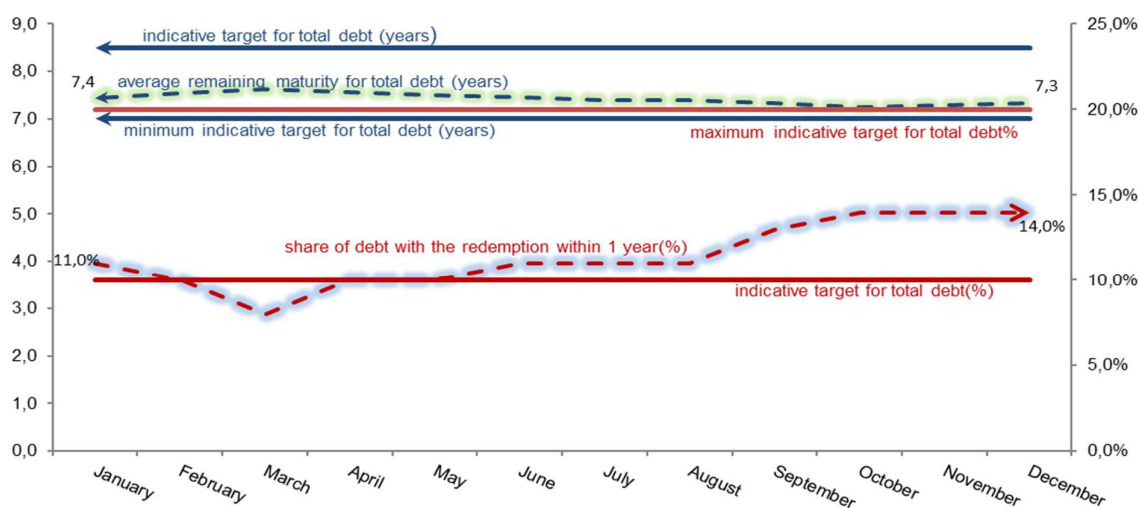
Source : MoF

b. Evolution of refinancing risk indicators

The refinancing risk indicators for the total government public debt portfolio were within the target ranges set by the Strategy throughout 2022.

The indicator "Average remaining maturity of the government debt portfolio" slightly decreased from 7.4 years in January to 7.3 years in December, mainly as a result of long-term and very long-term (up to 30 years) issuance of government securities on the external market, but also on maturities shorter than 4-7 years in order to adapt to the demand of investors in these markets, while the indicator "Share of debt due within 1 year in total government debt" increased from 11% to 14% at the end of 2022.

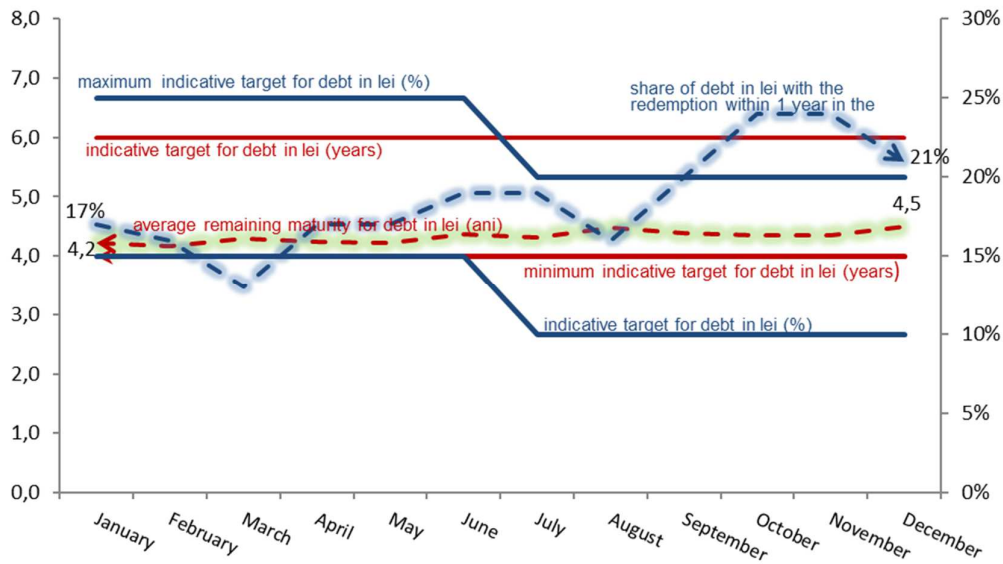
Performance of refinancing risk indicators for total government debt



Source: MoF

With respect to the indicators regarding the refinancing risk for the government debt in RON, the indicator "The average remaining maturity of the government debt in RON" was within the indicative targets, the maturity increasing to 4.5 years compared to 4.2 years in January 2022. The indicator "Share of government debt in RON due within one year" gradually increased from 17% in January to 21% in December, exceeding from October 2022 the indicative target of 20%, against an increase in the volume of resources attracted in the short term for the implementation of the financing plan for 2022, especially government securities for the population.

Performance of refinancing risk indicators for RON-denominated debt

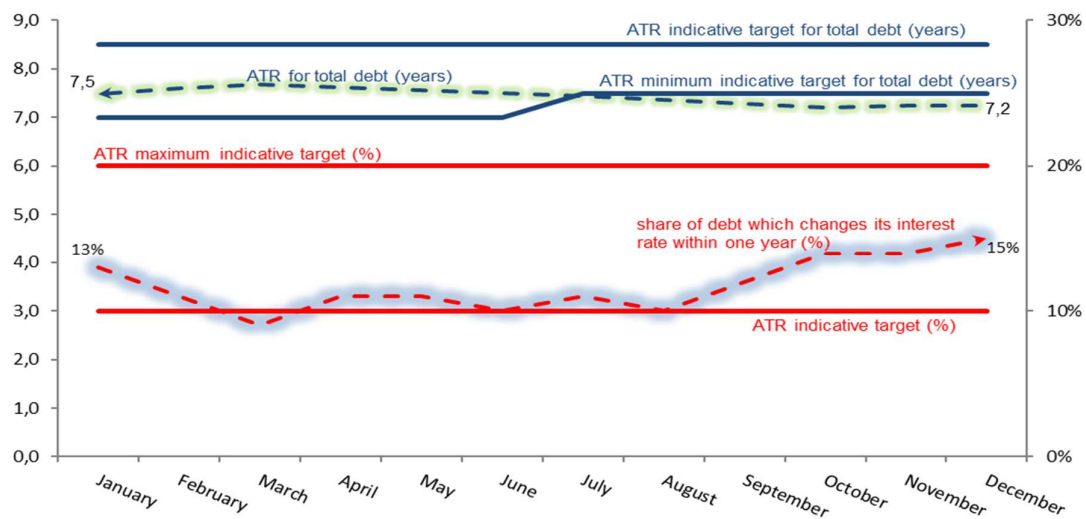


Source: MoF

c. Evolution of interest rate risk indicators

The indicator "Average period until the next change in the interest rate for total debt (years)" exceeded the indicative target of 7.5 years starting with July, recording 7.2 years at the end of the year, due to the increase in the volume of resources attracted in the short term for the implementation of the financing plan for 2022, in particular government securities for the population. The indicator "Share of debt that changes its interest rate in a year" remained within the indicative target.

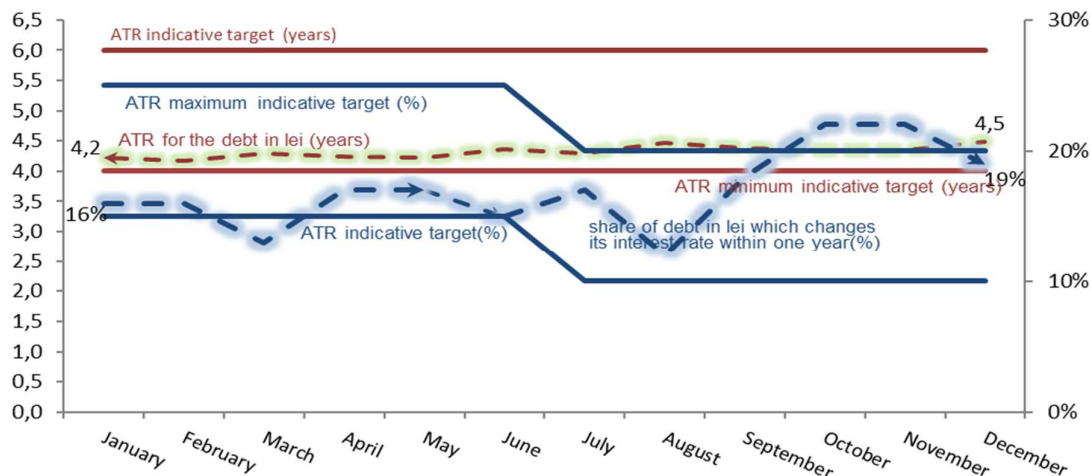
Performance of interest rate risk indicators for total government debt



Source: MoF

The evolution of the interest rate risk indicators for the RON debt correlated with that of the refinancing risk indicators for the RON debt, the indicator "*Share of the RON debt that changes its interest rate in a year*" temporarily exceeding the indicative target set according to the Strategy between October and November 2022.

Performance of interest rate risk indicators for government public debt in RON



Source: MoF

4. Government debt according to EU methodology

At the end of 2022, gross government debt¹⁷ according to the EU methodology was still at a sustainable level of 47.3% of GDP, below the 60% ceiling set by the Maastricht Treaty, and if liquid financial assets are considered¹⁸, the level of net government debt was 39.8% of GDP.

According to data published by EUROSTAT¹⁹, at the end of 2022 Romania ranked 18th among EU Member States in terms of indebtedness, 47.3% of GDP, the average government debt for the euro area (EA 20) being 91.6% of GDP, and that for the EU27 being 84.0% of GDP.

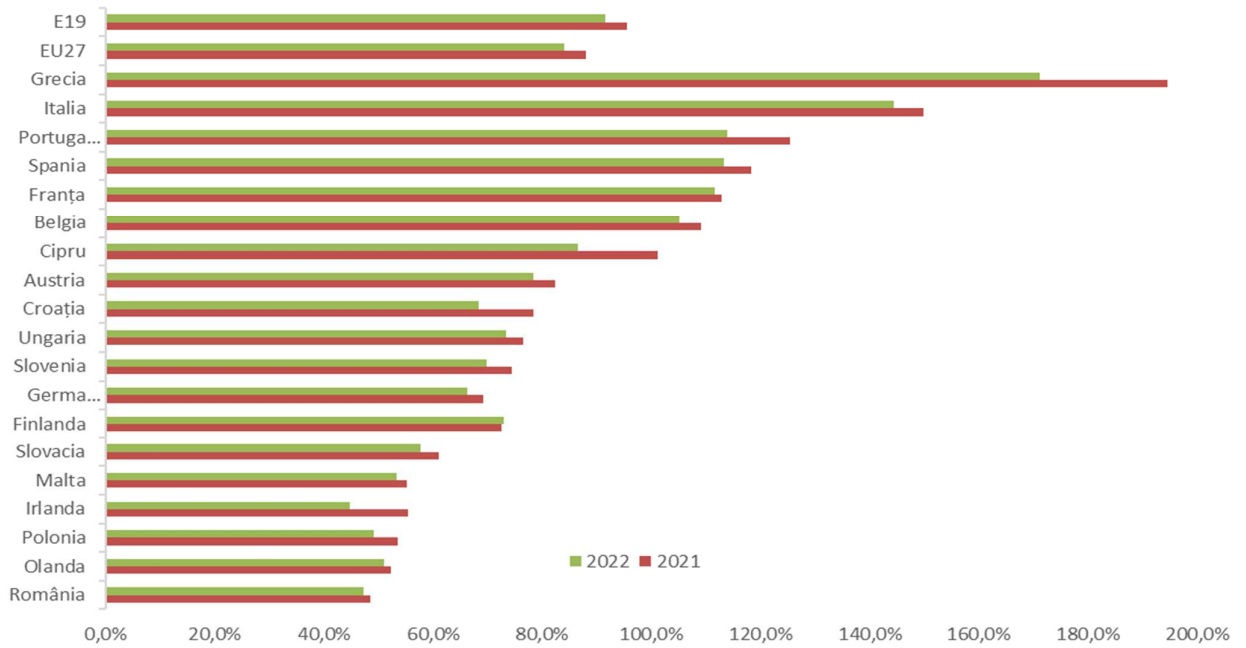
A total of 13 Member States recorded, at the end of 2022, a level of government debt in GDP of more than 60% of GDP, the highest levels being recorded in Greece (171.3%), Italy (144.4%), Portugal (113.9%), Spain (113.2%), France (111.6%) and Belgium (105.1%).

¹⁷It represents the debt of the public administration at nominal value, consolidated within the subsectors of the public administration and does not include the guarantees granted by the state and by the territorial administrative units, except for those paid from the budget, or for which 3 successive payments have been made by the guarantor.

¹⁸ AF1(gold and SDRs), AF2(deposits and cash), AF3(securities other than shares),AF5 (shares and other capital contributions, if publicly traded, including mutual fund units).

¹⁹ Eurostat press release no. 47/2023 of April 21, 2023

EU27 comparisons (% government debt in GDP)



Source: Eurostat

**MINISTER FOR FINANCE,
Marcel-Ioan Boloș**