Ministry of Public Finance

Report on the government debt

December 31, 2018

General Directorate for Treasury and Public Debt

Contents:

1. *Developments in the Romanian economy in 2018*

In 2018, the economy registered a 4.1% economic growth. With regard to the consumer price index, Romania ended 2018 with *an inflation rate of 3.3%[1].*
Unemployment reached historical minimum levels, the unemployment rate recording at the end of December 2018 a level of 3.3%, i.e. 0.72% less than at the end of December 2017 (4.0%). Employment is improving, Romania fulfilling the commitment it undertook through the "Europe 2020" Strategy.

In 2018, the current account deficit increased to 4.5% of GDP, compared to 3.2% as it was in 2017.

Macroeconomic indicators

Indicators	2017	2018
GDP - billion lei - actual increase, %	 856.7 7.0	 944.2 4.1
Current account balance (% of GDP)	-3.2	-4.5
Consumer-price index (CPI) - end of year	 3.32	 3.3
Average currency exchange rate - Leu/Euro - Leu/USD	 4.5681 4.0525	 4.6535 3.9416

Source: NCSP (National Commission of Strategy and Prognosis)

In 2018, the general consolidated budget deficit in terms of cash, was 2.9% of GDP, whereas the budget deficit calculated according to the EU methodology (ESA2010) accounted for 3.0% of GDP. Due to the relatively minor budget deficits, the gross financing needs were determined primarily based on the refinancing amount required by the government debt, as indicated in the table below:

Financing requirements

Indicator	2017	2018
Central government revenues[2] (billion lei)	195.2	247.0
Central government expenditure[3] (billion lei)	221.1	273.9
Budget deficit pertaining to the central government[4] (I) (billion lei)	25.9	26.9
Government debt refinancing (II) (billion lei)	40.3	43.4
Gross refinancing needs (I+II) (billion lei)	66.2	70.3

Source: MPF

[1] Source: Report of the NBR on inflation from February 2019
[2] Calculated in accordance with the cash methodology through application of the EU methodology
[3] Calculated in accordance with the cash methodology through application of the EU methodology
[4] Calculated in accordance with the cash methodology through application of the EU methodology

During 2018, the rating agencies reconfirmed the ratings issued to Romania, relying on the perspectives of a solid economic growth and the low public debt share within GDP, and indicated the factors that might affect over the following period the government rating, such as the increase of macroeconomic imbalances or the material deterioration of the payment balance, as well as of the international investment position.

The qualifications allocated to Romania are: Baa3 with a stable perspective from Moody`s, BBB-/A-3 with a stable perspective from Standard&Poor`s, BBB-/F-3 with a stable perspective from Fitch and BBB/BBB+ from JCRA.

2. The budget deficit financing and government debt refinancing strategy for 2018

2.1. Budget deficit financing

Budget deficit financing in 2018 used primarily internal sources (78%), which were supplemented by external sources. The sources required to refinance the government debt were provided by the markets these debts were issued on, we well as by the foreign currency financial reserve available to the State Treasury, which amounted, at the end of 2018, to 5.3 billion Euros, representing approximately 2.6% of GDP.

The debt instruments employed in order to finance the budget deficit and refinance the public debt were:

a) issues of government securities in lei, and discounted treasury bills and benchmark government bonds, respectively, on the domestic market, with medium- and long-term maturities of up to 15 years.

In order to fulfill the objective of developing the domestic market of government securities, as well as build and consolidate the yield curve specific to the government securities on the domestic market, government securities in lei, amounting to 42.9 billion lei, were issued on a regular basis in 2018.

b) *issues of government securities in Euros on the domestic market*

MPF issued sovereign bonds denominated in Euros, with a total value of 612 million Euros.

c) government securities dedicated to the population

In 2018 were launched 3 issues of government securities dedicated to the population in dematerialized form through the TEZAUR Program, in the months of July, August and December, with maturities of 2, 3, and 5 years, for a total of 2 billion lei.
Government securities dedicated to the population were launched through the operative units of the State Treasury, as well as through the post subunits of Compania Nationala Posta Romana (Romanian Post).

d) issues of Eurobonds in Euros on international capital markets

In 2018, the MPF raised from the international financial markets a volume of 3.75 billion EUR and 1.20 billion USD through three Eurobonds issues, representing the equivalent of 4.6 billion EUR, as follows:

- on February 8, 2018 was raised the total amount of EUR 2 billion through a transaction in two installments, of which 750 million EUR through a new issue with 12 year maturity (yield of 2.585% with a coupon of 2.50%) and 1.25 billion EUR through a new issue with 20 year maturity (yield of 3.45% with a coupon of 3.375%), based on a total demand of 4.5 billion EUR;
- on June 15, 2018 was made the first transaction of exchange of Romania's debt, through the issuance of Eurobonds in USD with 30 year maturity, with a volume of 1.2 billion USD, of which the amount of 231 million USD was used for anticipated redemption of a series of Eurobonds denominated in USD with the maturity date in 2022. The total demand for the new issuance totaled 1.8 billion USD;
- on October 11, 2018 was raised the total amount of EUR 1.75 billion through a transaction in two installments, of which 1.15 billion EUR through a new issue with 10 year maturity (yield of 3.029 % and a coupon of 2.875%) and 600 million EUR through a new issue with 20 year maturity (yield of 4.234% with a coupon of 4.125%), based on a total demand of 2.8 billion EUR.

e) *drawings from external loans* for the financing of projects.

f) *loans contracted by administrative-territorial authorities.*

To optimise the public debt management and avoid seasonal pressures in securing financing sources for the budget deficit and refinancing sources for the government debt, as well as to decrease the refinancing and liquidity risks, it was taking into consideration to maintaining the foreign currency financial reserve (buffer) available to the State Treasury at the value of which was sufficient to cover the budget deficit financing and public debt refinancing requirements for approximately 4 months.

2.2. Domestic market of government securities

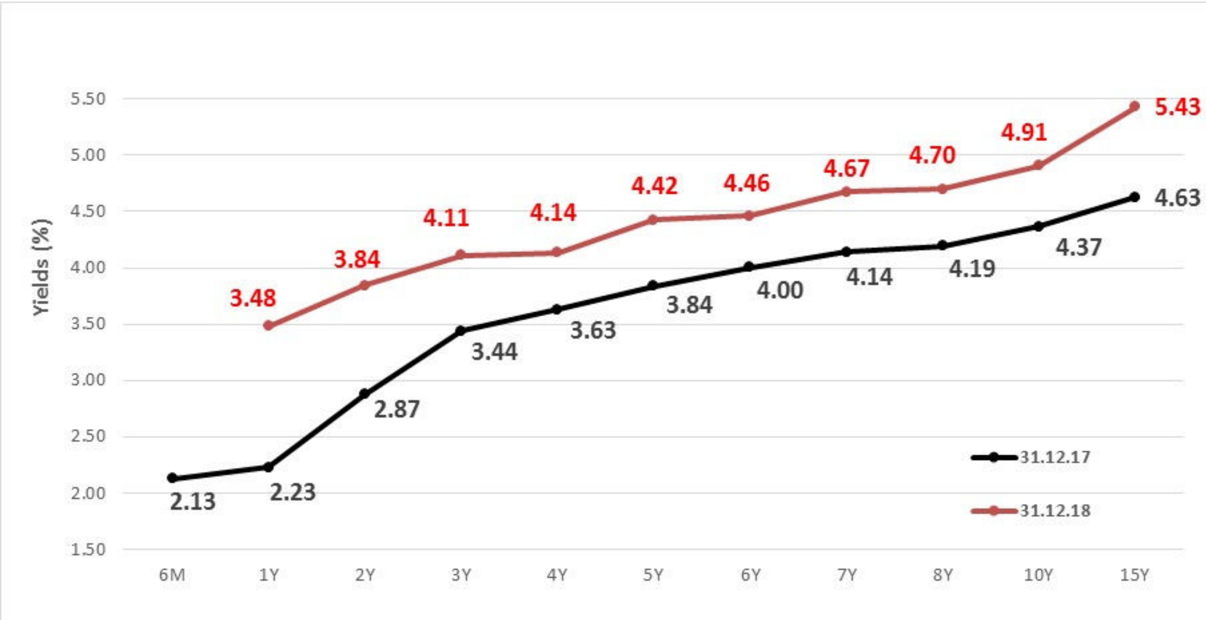
The primary market

In 2018, the evolution of the government securities market was influenced by domestic factors - the increasing inflation evolution, the liquidity conditions on the interbanking monetary market and the expectations of the credit institutions regarding the continued adjustment of the monetary policy conduct of the National Bank of Romania, as well as the external context - the expectations of the investors regarding the normalization of the monetary policies of EDF/ECB, geopolitical and commercial tensions (Italy, Brexit), uncertainties on the sustainability of economic growth at world level.

On this background, after the relatively oscillating movement that characterized them in the first quarter of 2018, the reference quotations on the secondary market started in the middle of April and then continued on an ascending trend, more accentuated in the case of short maturities.

As indicated by the diagram below, at the end of 2018, the interest rates pertaining to Romanian government securities in Lei exceeded the same figures at the end of 2017.

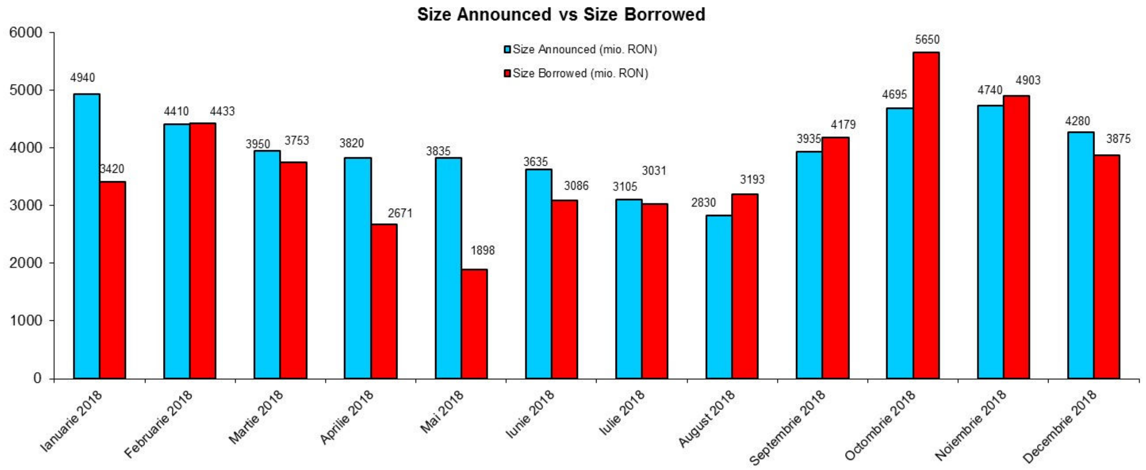
Evolution of yields on the domestic secondary market at the end of 2018 vs. yields the end of 2017



Source: MPF

In the months of January, February and May 2018, the NBR increased the monetary policy interest rate by 0.25 percentage points every month, from 1.75% to 2.0% and then to 2.5%, being maintained the symmetrical corridor formed of the interest rates for the permanent facilities around the monetary policy interest rate at +/-1 percentage point. Also, the more restrictive liquidity conditions determined an ascending trajectory of ROBOR rates, and the NBR performed throughout the year several monetary market operations to strengthen control on the liquidity from the banking system.

These actions were also reflected on the yields that followed an ascending trajectory, as well as on the participation of local credit institutions to the auctions of government securities. If in the period of January - May 2018 were adjudicated amounts considerably smaller compared to those announced, then it is noted an improvement of the participation of investors to auctions of government securities.



Source: MPF

In 2018 were issued government securities on the domestic market of 42.9 billion Lei and, respectively 612 million EUR, as well as government securities dedicated to the population in a volume of 2 billion Lei, representing approximately 67.7% of the gross necessary financing of the central public administration. Government securities issued on the interbanking market had the following structure:

a) 10.0% represents issues of treasury bills with maturity up to 12 months and issues of benchmark bonds with residual maturities of up to 1 year;

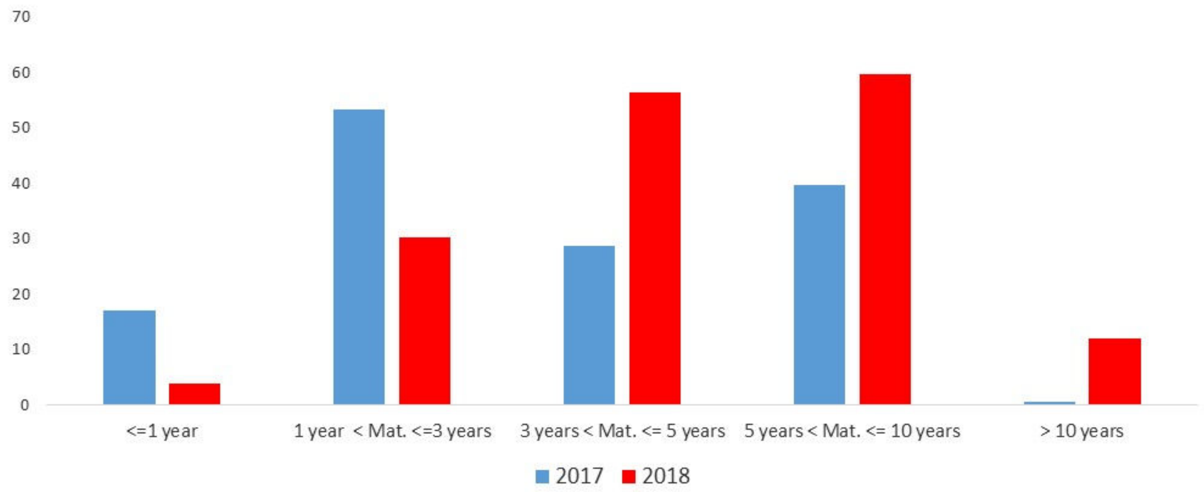
b) 54.9% represents issues of benchmark bonds with residual maturities between 1 and 5 years; and

c) 35.1% represents issues of benchmark bonds with residual maturities between 5 and 14 years.

Benchmark government bonds denominated in lei, with maturities of 3, 5 and 7 years, were issued and reopened almost on a monthly basis. The Ministry of Public Finance's efforts continued in order to extend the average maturity of government securities, a significant portion of issues featuring medium- and long-term maturities.

In 2018 was launched the TEZAUR Program for the segment of private individuals who prefer a classical saving instrument offered by the State; through this program were issued government securities dedicated to the population in dematerialized form, through the operative units of the State Treasury, as well as through the postal subunits of Compania Națională Poșta Română (Romanian Post).

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



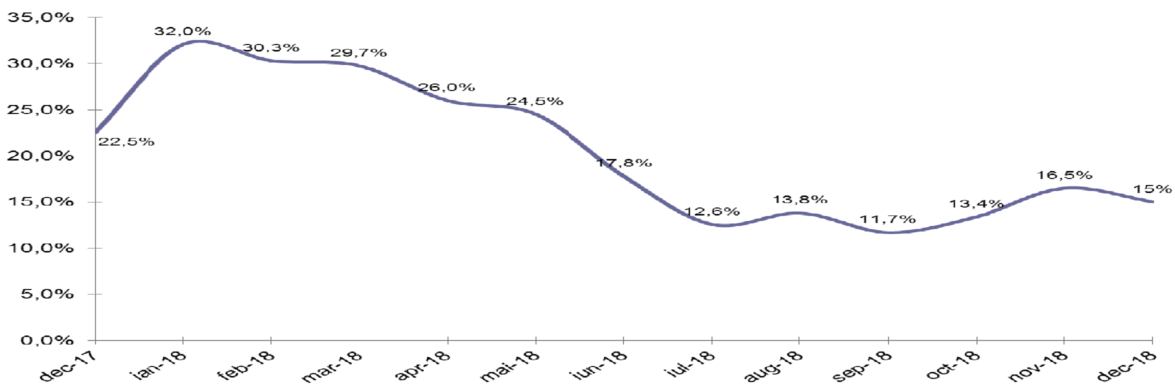
Source: MPF

The presence of Romanian government securities among JPMorgan and Barclays indices continues to positively influence the local market and maintain foreign investors' interest. At the end of December 2018, the share of Romanian government securities included in the GBI-EM Global Diversified Investment Grade index was of 4.8%.

The secondary market

The liquidity of government securities on the secondary market represents an important indicator with regard to the level of development of the government securities' market. The degree of liquidity, calculated as ratio between the total volume of monthly transactions from the secondary market and the total volume of government securities, had a relatively constant decrease in the first 9 months of 2018, reaching the year's minimum in September 2018 and coming back to the level of 15% at the end of the year, given the increase of the stock of government securities existing on the market by approximately 10 billion Lei on the entire year.

Evolution of the degree of liquidity of active government securities in Lei between December 2017 and December 2018



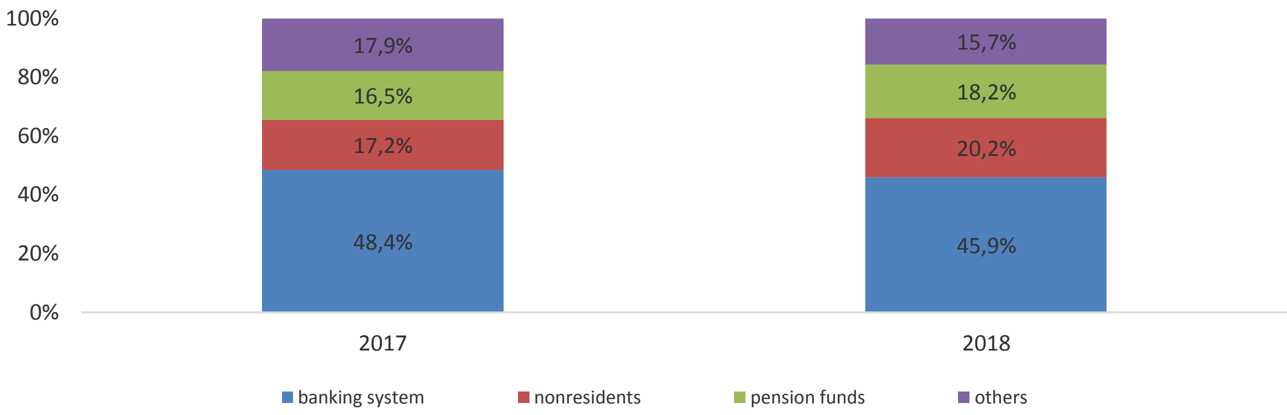
Source: MPF

The relatively low levels of transactions on the secondary market of government securities, seen in 2018, might reflect the specific market conditions, but also structural deficiencies, such as internal limitations of commercial banks on particular maturities that can exist in their trading portfolios, as well as the scant use of secondary market instruments, such as repo-type operations, and the lack of MPF active participation in repo, reverse repo, buy back, bond exchange operations or the poor development of the swap market, particularly for medium- and long-term maturities.

Starting with January 2017, primary dealers are bound to enter firm quotations on the E-Bond platform - provided by Bloomberg, while meeting certain minimum requirements in terms of volume, maturity, listing time, margin between the selling price (BID) and the purchase price (ASK), their performance reflecting over the periodic assessment of their activity on the government security market. At the end of the second year of operation of the electronic platform for listing and trading of Romanian government securities it can be noted the positive impact thereof on the government securities' market. In 2018, primary dealers listed a higher number of series of government securities through the platform, as well as a higher volume given the increase of the listing time. On the other hand, it can be noted an increase of the margin between the buy and sale listings, which reflects the increase of the risk aversion of primary dealers to market conditions.

In the context of a moderate progress in terms of loans provided to financial institutions during 2018 and liquidity surplus present on the market, commercial banks continued to be the main investors on the domestic market of government securities, holding in their portfolio at the end of 2018 45.9% of the total volume of government securities issued on the market, followed by non-resident investors (20.2%), whereas pension funds registred an increase of their holdings from 16.5% at the end of 2017 to 18.2% at the end of 2018.

Evolution of government securities by holder type



Source: NBR

In the segment of institutional investors, although local asset management funds and private pension funds while they hold a relatively low share on the market of government securities, they represented a stable participant to State financing, although, in the future, due to the implementation of the provisions in GEO no. 114/2018, with regard to the new capital requirements, as well as to the introduction of the possibility for private pension fund participants of transferring their contributions to the public pension system, the participation thereof as investor in government securities might decrease.
Total net assets held by private pension funds (pillar II+III) have known a significant increase from 10.2 billion Lei in 2012 to 49.6 billion Lei in 2018. At the end of 2018, the holdings thereof of government securities issued on the domestic market in Lei and EUR was at approximately 31.4 billion Lei.

Non-resident investors continue to represent an important segment, providing additional demand to that of local investors, given their main focus on long-term maturities, and helping diversify the investor base.

Relatively low holdings of non-residents limited the vulnerability of the domestic market to periods of volatility, when investors have the tendency to liquidate or reduce their exposures on the emerging countries.

The increase of non-resident investors' presence is influenced by a multitude of internal factors, like: the development of a more liquid swap market in Romania for longer maturities, the increase of the liquidity of government securities on all segments, the introduction of operations on the secondary market, the increase of the share of Romanian government securities in the international indices (JP Morgan/Barclays), considering that a large part of institutional investors have an investment policy reported to the structure of these indices.

2.3. Issues of Eurobonds and external loans contracted in 2018

In 2018, the evolution of the markets of sovereign Eurobonds was to a large extent influenced by Brexit negotiations, the intensification of expectations of increase of reference interests, especially on the USA market, as well as the tensions between the USA and China on the increase of customs duties.

The first 6 months of 2018 were marked by periods of uncertainty, a first signal being the strong decrease of stock market indices, on the basis of the market correction and of the increase of yields for sovereign bonds, the investors anticipating that the higher inflation from the United States would determined the Federal Reserve (FED) to accelerate the increase of interests. Thus, in 2018 the FED increased the reference rate from 1.5% to 2.5% through four monetary market decisions, in the months of March, June, September, and December, by 25 base points each time.

On the other hand, in the Eurozone the ECB maintained the reference rate in 2018, announcing the end of its procurement program for December 2018 and anticipating the maintenance of the reference interest rates at the current levels at least until the end of 2019, in order to ensure sustained continued convergence of inflation rates towards the lower levels, but close to 2% on medium term.

The yields of Eurobonds issued by Romania registered a different evolution compared to the tendencies noted in other countries from the region, which proves that the main factors of global nature have had influences of irregular intensity and, therefore, the effects were felt differently in the countries from the region. The spread between the yields of the Eurobonds issued by Romania and the German ones for the 10 year maturity registered an ascending trend throughout the year, varying in the interval of 150-200 basis points and reaching to approximately the levels of 2017.

In 2018, the MPF raised from the external markets a volume of 3.75 billion EUR and 1.20 billion USD representing the equivalent of 4.6 billion EUR through three transactions within the MTN Program, as follows:

In February 2018 was launched the first external issue, in two installments, denominated in EUR, with 12 and 20 year maturities, coupons of 2.500% and 3.375%, with a total value of 2 billion EUR, out of which 0.75 billion EUR for the 12 years installment and 1.25 billion EUR for the 20 years installment.

In June 2018 was launched a new issue in USD with a 30 years maturity and a coupon of 5.125%, amounting to 1.2 billion USD, together with the first transaction of partial anticipatory redemption made by the Romanian State on the external capital markets, of Eurobonds denominated in USD with maturity in 2022, and coupon of 6.75%.

The external financing plan for 2018 ended in October, when a total amount of 1.75 billion EUR was raised through a transaction in two installments, of which 1.15 billion EUR through a new issuance with 10 years maturity (yield of 3.029%, with a coupon of 2.875%) and 600 million EUR through a new issue with a 20 years long maturity (yield of 4.234%, with a coupon of 4.125%), given a total demand of 2.8 billion EUR.

The operations on the external market also included drawings amounting to approx. 190 million Euros, pertaining to loans contracted from international financial institutions.

The raised amounts were used to finance the budget deficit, refinance the public debt and consolidate the foreign currency financial reserve (buffer) available to the State Treasury.

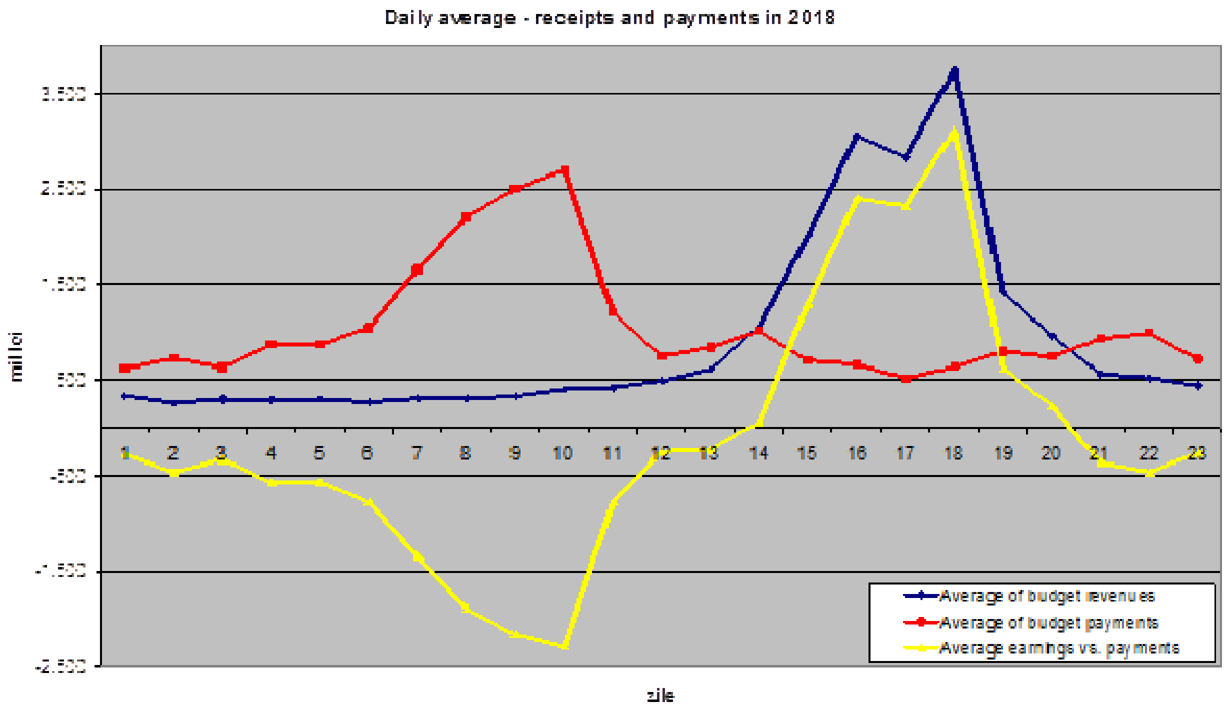
2.4. Liquidity management in 2018

Cash management operations are carried out by the State Treasury in order to cover temporary cash deficits occurring during the year as a result of a gap between receipts and releases into/from the general current account of the state treasury.

Based on the provisions of art. 8 in GEO 146/2002 on the formation and use of resources ran through the State Treasury, as well as of the methodological norms of approval thereof approved through GD no. 1235/2003, the permanent assurance of the balance between the resources of the general current account of State Treasury and the financing needs can be made through the following methods:

1. Attracting short term deposits from credit institutions or other financial institutions;
2. Using the equivalent in Lei of certain amounts sold to the foreign currency reserve of the State, from the accounts of available amounts in foreign currency resulting from State loans dedicated to financing and refinancing public debt, as well as from other sources established by law.

Average figures of daily receipts and payments over the course of month, in 2018



Source: MPF

In 2018, based on the time gap between the budgetary payments and collections for financing of temporary cash deficits, the State treasury performed 4 currency exchange operations in January 2018 amounting to a total of 533.4 million EUR, respectively 1 currency exchange operation in March, amounting to 70.0 million EUR.

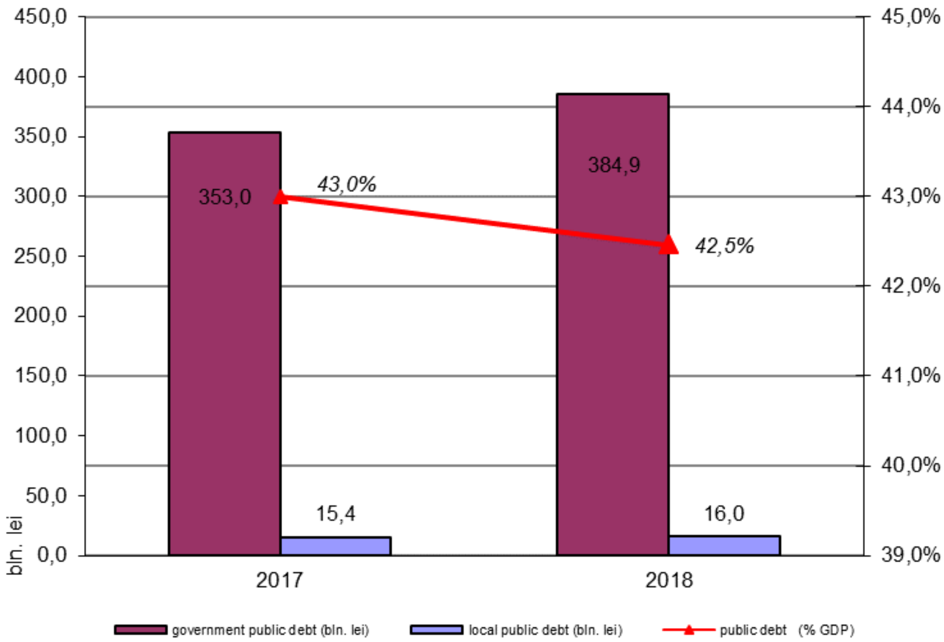
With regard to the operations of attracting deposits carried out in 2018, the treasury used this instrument of coverage of temporary deficits in the month of December 2018, when it performed 2 operations of attraction of deposits amounting to a total of 5.1 billion Lei, for an average interest of 1.84%, while the average maturity was of 10.88 days.

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

In the context of macroeconomic evolutions and the internal and external financial markets, the amount of public debt contracted in accordance with the provisions of Government Emergency Ordinance no. 64/2007 on the public debt, as subsequently amended and supplemented, was, as at December 31, 2018, 400.9 billion lei, out of which the government debt was 384.9 billion lei (representing 96.0% of the total public debt), whereas the local public debt was 16.0 billion lei (representing 4.0 % of the total public debt).

The public debt increase by 32.5 billion lei from 2017 to 2018 was determined mainly by the debt accrued in the attempt to cover the budget deficit financing and the government debt refinancing requirements, and also consolidate the foreign currency financial reserve available to the State Treasury.

Evolution of the public debt



Source: MPF

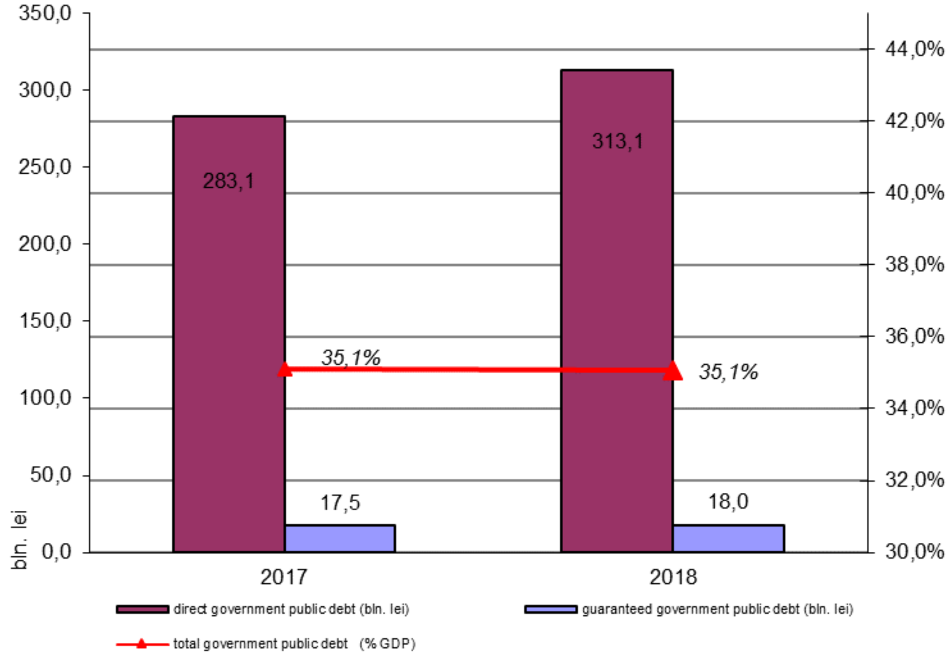
3.1. The government debt portfolio and the risks associated to it [5]

The government debt as at December 31, 2018 amounted to 331.1 billion lei, representing 35.1% of GDP.

Breaking it down, the highest share within the total government debt continued to belong to direct government debt (94.6%), whereas the difference was provided by the guaranteed government debt. The guaranteed government debt was of 5.4% of the total government debt, following the guarantees granted as part of the government programmes.

Government debt by type of debt

[5] It does not include temporary financing, in line with the 2018-2020 government debt management strategy



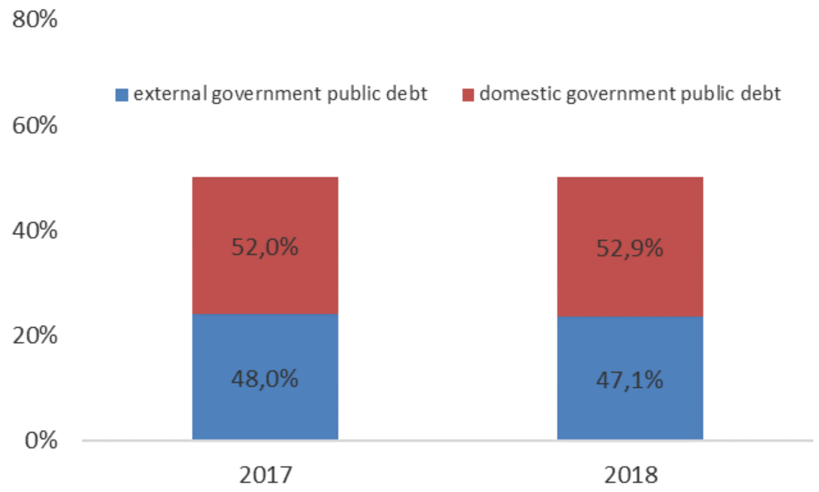
Source: MPF

The guarantees granted in 2018 amounted to 1,965.49 million Lei, for the following government programmes:

- the "Prima casa" (First Home) Government programme (1,933.24 billion Lei;)
- the programme designed to stimulate the purchase of new motor vehicles (0.34 million lei),
- the "INVEST IN YOURSELF" Government programme (31.91 billion Lei).

Of the government debt as at the end of 2018, 47.1% represented *debts held by resident creditors* and 52.9% by non-resident creditors. Most of the *internal government debt* was represented by government securities, whereas the external debt comprised Eurobonds issued on international capital markets and external loans contracted from official creditors.

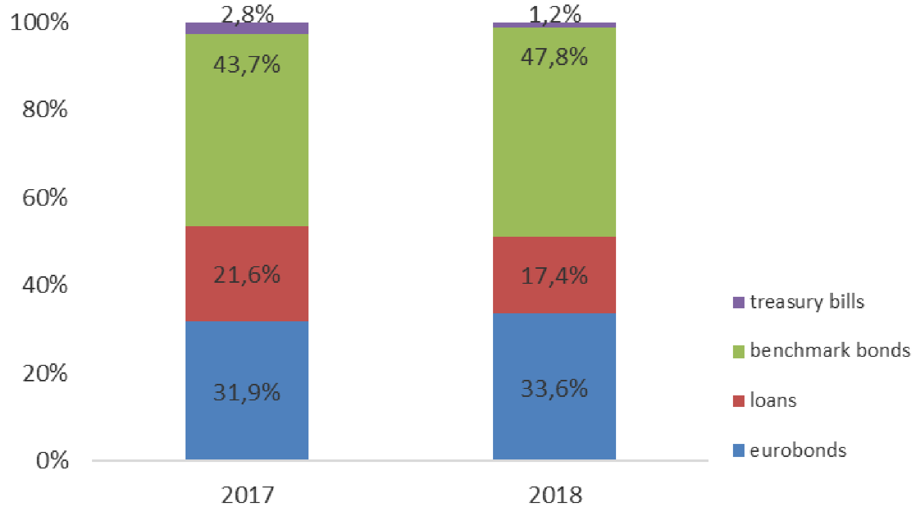
Government debt by the creditor residence type (% of the total debt)



Source: MPF

In 2018, as well, MPF continued the policy of issuing mainly debt *negotiable instruments*, which caused, at the end of 2018, an increase in the share of government securities to 82.7 % of the total government debt, as opposed to 78.4% at the end of 2017. Concerning short-term government securities, they were 1.2% of the total government debt, which determined a refinancing risk decrease, this being the main risk associated to the government debt portfolio.

Government debt structure by type of instrument
(% of the government debt)



Source: MPF

Government debt service

The government debt service pertaining to 2018 increased by 6.3 billion lei, as indicated by the table below:

bn lei

	2017	2018
Government debt service of which: - direct [6] - guaranteed	 50.0 48.6 1.4	 56.3 54.9 1.4
Government debt service of which: - capital rates - interests and commissions	 50.0 40.3 9.7	 56.3 43.8 12.5

Other indicators[7] *regarding government debt service* are the following:

	2017	2018
1. External government debt service /Export of goods and services[8]	3.9%	5.9%
2. Interest pertaining to the external government debt /Export of goods and services [9]	1.4%	1.4%
3. Interests and commissions/Revenues to the general consolidated budget[10]	3.9%	4.2%
4. Interests and commissions/Expenditures of the general consolidated budget[11]	3.5%	3.9%

3.2 Implementation of the 2018-2020 government debt management strategy

In August 2018, the **2018-2020 government debt management strategy (Strategy)** was approved, being elaborated upon consultations with NBR (as per the provisions of GEO 64/2007 on the public debt, as subsequently amended and supplemented), and in accordance with the good practices defined in the World Bank and International Monetary Fund Guidelines regarding the elaboration of public debt strategies.

The main objectives set forth in the Strategy for 2018 were:

[6] It does not include reimbursements from loans from available funds of the general account of State Treasury and those from the cash management instruments.
[7] The expenditure of and the revenues to the general consolidated budget for 2018 are definitive figures, whereas the indicators at items 1 and 2 took into account the exports of goods and services published in the spring forecast of the National Commission of Strategy and Prognosis 2019-2022
[8] The indicatorshows the extent to which the payments for the account of the external government debt service are covered by receipts from exports of goods and services.
[9] The indicator shows the extent to which the cost for the interest corresponding to government debt is covered by receipts from exports of goods and services.
[10] The indicator shows the extent to which the interests and commissions pertaining to the government debt are covered by revenues to the general consolidated budget.
[11] The indicator shows the share of payments of interests and commissions related to the government debt within the total expenditures from the general consolidated budget.

1. securing the financing requirements for the central government and the payment obligations, while minimising the medium- and long-term costs,
2. limiting the risks associated to the government debt portfolio, and
3. developing the domestic market of government securities.

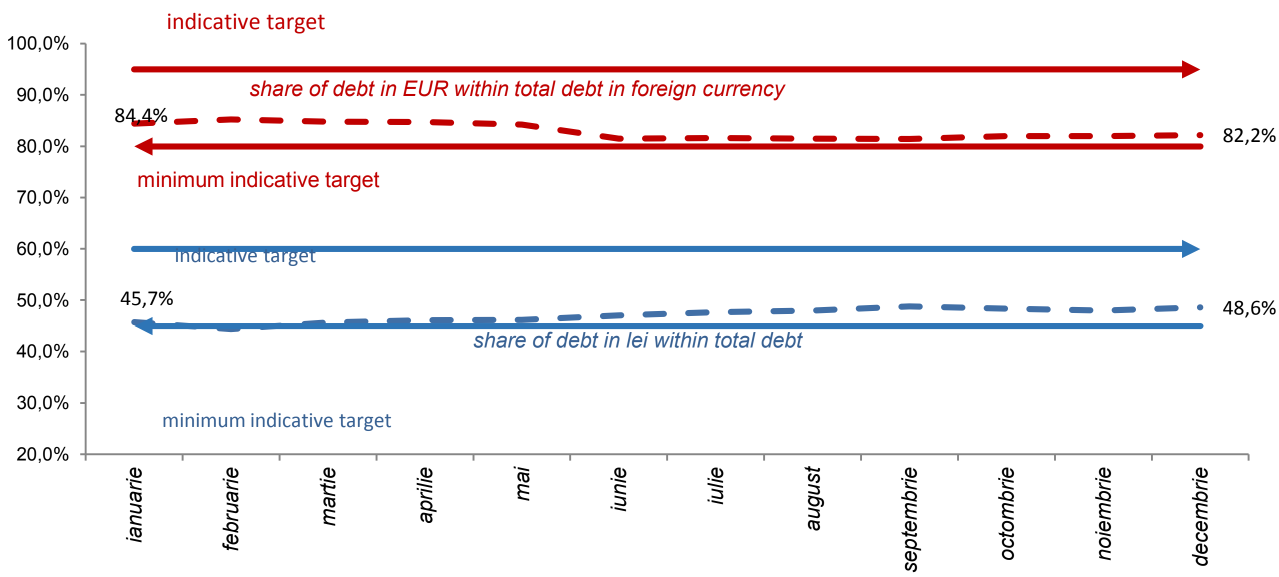
At the same time, the principles that underpinned the financing decisions in 2018 were expressed as target intervals[12] relevant for the main risk indicators associated with the government debt portfolio.

The performance of risk indicators in 2018 [13]

a. Evolution of indicators concerning the foreign currency risk

The share of the Euro-denominated government debt within the total government debt in foreign currency fell within the target interval set forth in the Strategy. At the end of December 2018, this indicator was 82.2% as a result of contracting foreign currency debts from external sources, as well as issues of Eurobonds from international capital markets and drawdowns from external loans intended to finance projects. On the other hand, *the share of the government debt denominated in lei within the total government debt* remained the entire year within the indicative targets set forth in the Strategy (it slightly increased from 45.7% in January to 48.6% in December 2018) following the issuance of mainly benchmark government bonds with medium- and long-term maturities.

Graphic: Currency risk indicator performance



Source: MPF

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[12] The limit mentioned as minimum or maximum may not be exceeded during the period covered by the Strategy (hard bound), whereas the other limit represents the limit that is being pursued and may be exceeded (soft bound)

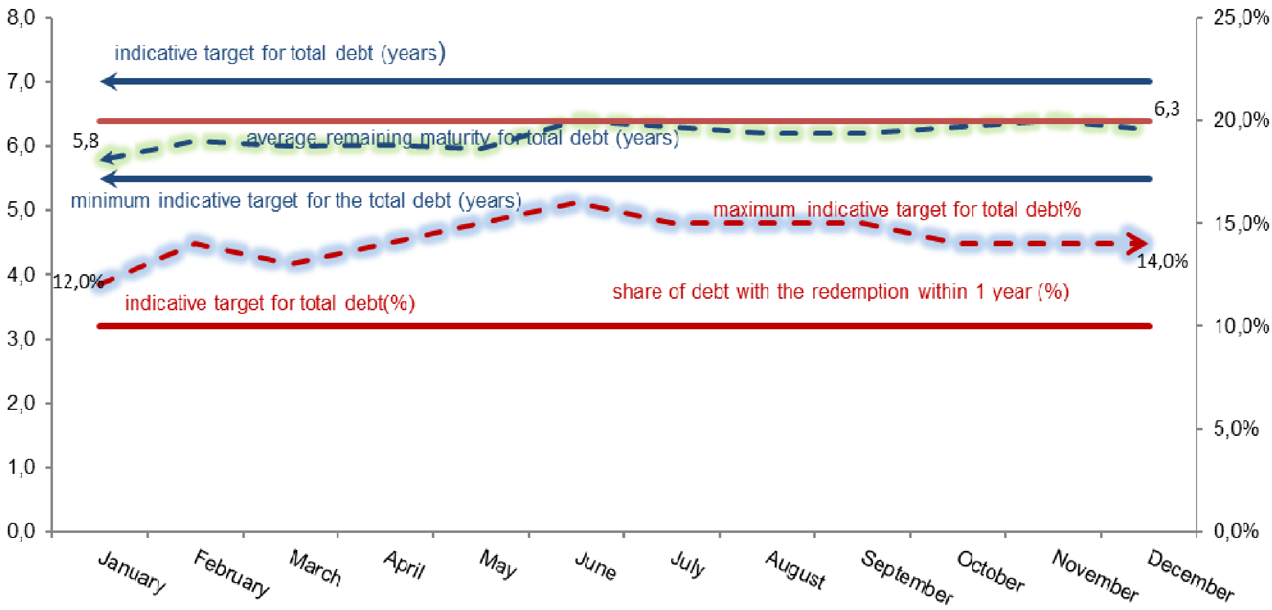
[13] For the period of January - July 2018 were considered the indicative targets established through the 2017-2019 government debt management strategy and for the period of August - December 2018 were considered the indicative targets established through the 2018-2020 government debt management strategy.

b. Evolution of refinancing risk indicators

The indicators of the refinancing risk for the entire government debt portfolio fell, throughout 2018, within the target intervals set forth in the Strategy.

The *remaining average maturity of the government debt portfolio* indicator remained relatively constant throughout 2018, reaching in December 6.3 years, a level due mainly to issues of medium- and long-term government securities, but also to contracted long-term foreign currency loans, whereas the *share of debt outstanding within 1 year from the total government debt* reached 14% at the end of 2018.

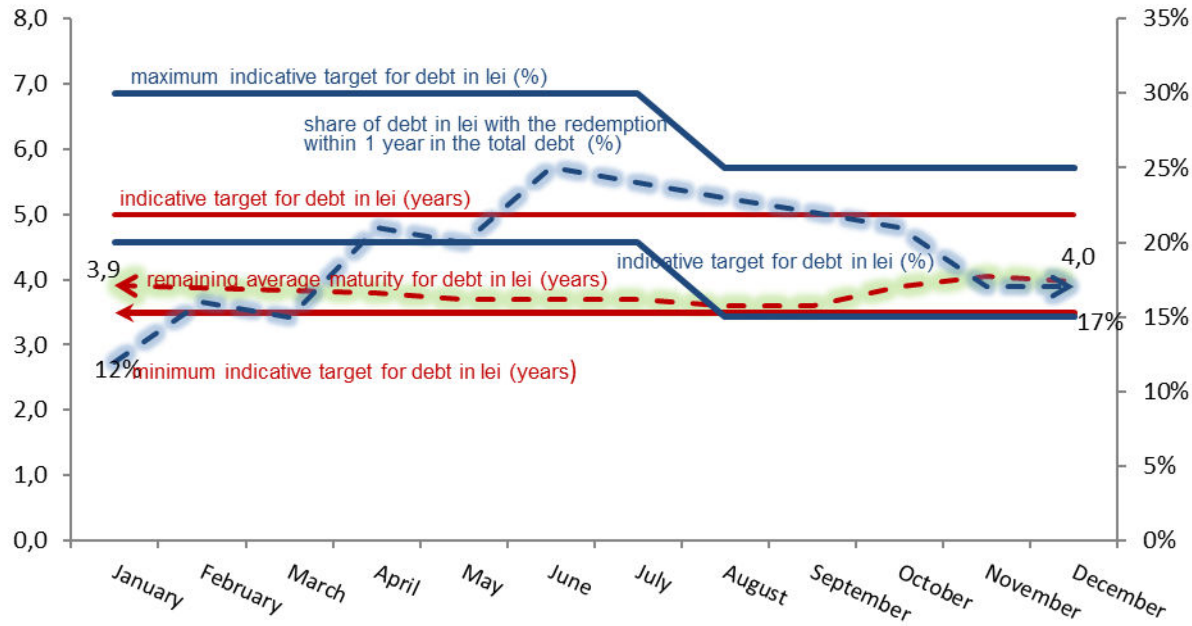
Performance of refinancing risk indicators for the total government debt



Source: MPF

At the end of 2018, *the remaining mean maturity of the government debt in lei* reached 4.0 years, and *the share of government debt in lei* outstanding within one year fluctuated throughout the year and had a favorable evolution, reaching 17% at the end of 2018.

Performance of the refinancing risk indicators for the debt denominated in lei



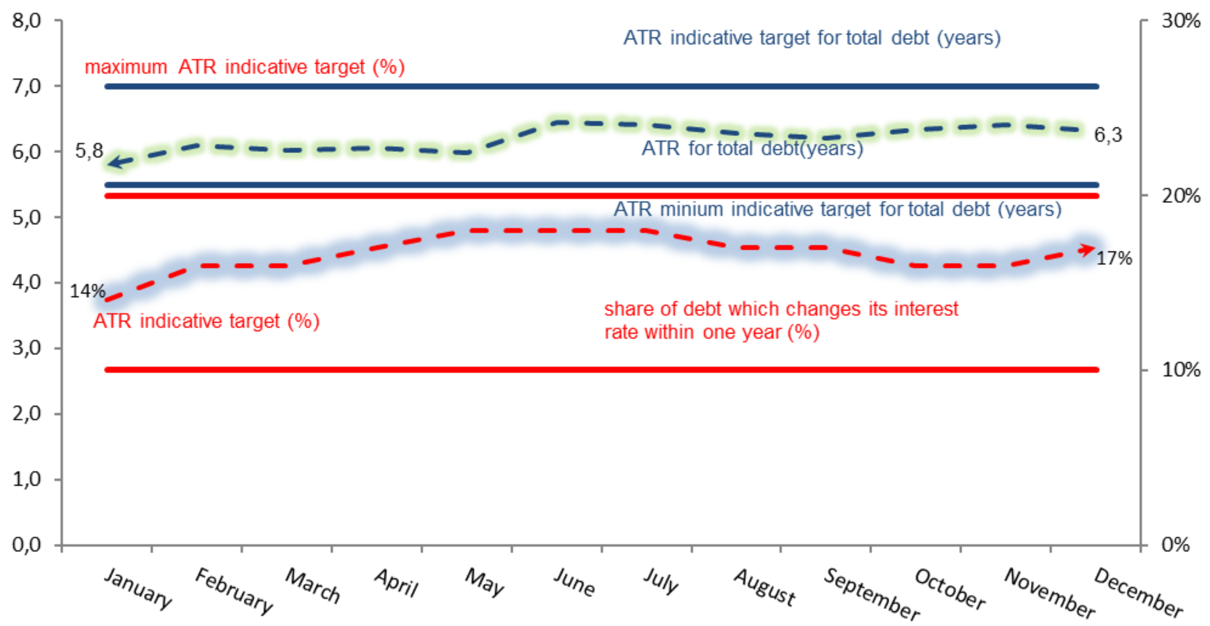
Source: MPF

c. Evolution of the interest rate risk indicators

The diagram below illustrates the government debt management performance in terms of exposure to the interest rate risk.

The indicators for the entire government debt portfolio fell, at the end of 2018, within the indicative targets set forth in the Strategy, as *the average time to re-fixing* (ATR) was 6.3 years, whereas *the share of debt which changes its interest rate within one year* was 17%.

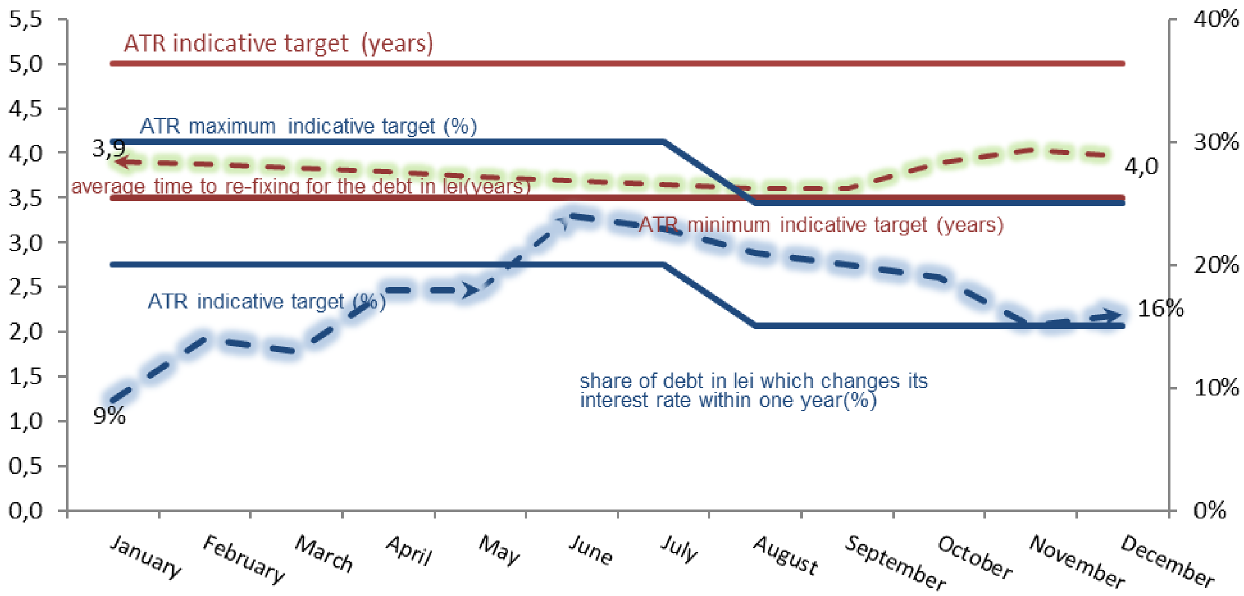
Performance of interest rate risk indicators for the total debt



Source: MPF

Regarding the interest rate indicator for local currency debt level, these fluctuated throughout 2018, following the evolution of the refinancing risk indicators for the debt in Lei. However, at the end of the year, the indicators fell within the indicative targets set forth in the Strategy, as the share *of the debt in Lei changing its interest rate within one year* was of 16%, whereas the *average time to re-fixing* (ATR) for the debt in Lei was of 4.0.

Performance of the interest rate risk indicators for the debt in Lei



Source: MPF

4. ***Government debt according to the EU methodology***

With regard to the government debt in accordance with the EU, at the end of 2018, the gross government debt[14] continued to remain at a sustainable level of 35.0% of GDP, below the 60% ceiling set forth in the Maastricht Treaty, and if one considers the liquid financial assets[15], the net government debt level was 27.2% of GDP.

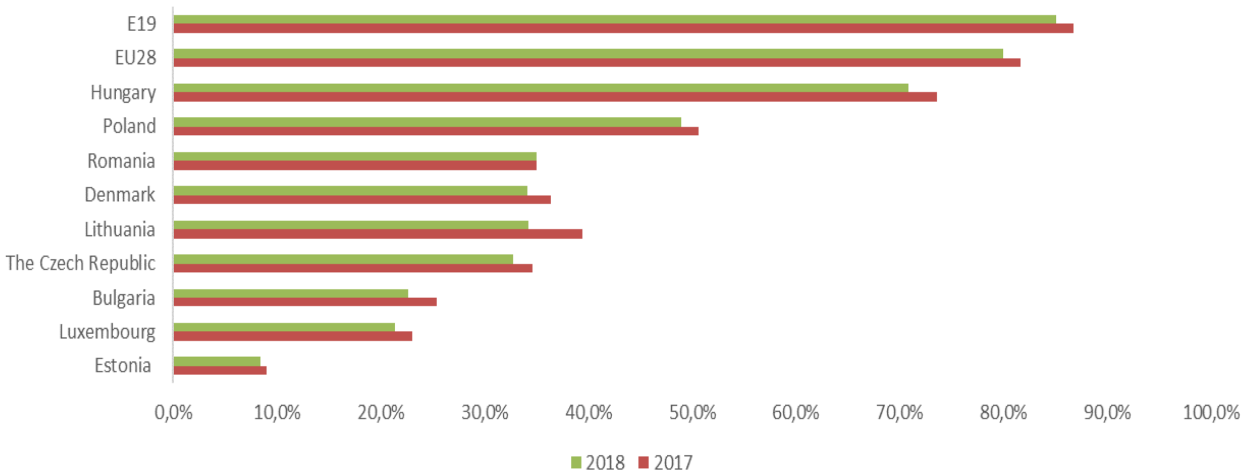
According to the data published by EUROSTAT,[16] at the end of 2018 Romania (35.0% of GDP) held the 7th place among the EU Member States with the lowest debt level, after Estonia (8.4% of GDP), Luxembourg (21.4% of GDP), Bulgaria (22.6% of GDP) , the Czech

[14] It represents the public administration debt as a nominal value, consolidated within the public administration sub-sectors, and does not include the guarantees granted by the state and the administrative-territorial units, except for those paid from the budget or for which 3 successive payments were made to the guarantor.
[15] FA1 (gold and SDR), FA2 (deposits and cash), FA3 (securities, other than shares), FA5 (shares and other shareholdings, if listed at the stock exchange, including units of mutual funds).
[16] Eurostat Communication no. 67 of April 23, 2019

Republic (32.7% of GDP), Denmark (34.1% of GDP) and Lithuania (34.2% of GDP), below the average government debt for the Euro Area (EA 19) (85.1% of GDP), but also below the average government debt for the EU28 (80% of GDP).

14 Member States registered at the end of 2018 a level of government debt in GDP over 60% of GDP, the highest levels being recorded in Greece (181.1%), Italy (132.2%), Portugal (121.5%), Belgium (102.0%), and Spain (97.1%).

EU28 comparisons (% government debt within GDP)



Source: Eurostat

EUGEN ORLANDO TEODOROVICI

MINISTER OF PUBLIC FINANCE