

# Government Debt of RA

as of December 31, 2022

## Summary of Monthly Bulletin

*The bulletin was updated on April 20, 2023*



Ministry of Finance of RA

*The purpose of publishing this bulletin is to ensure transparency, accountability, predictability and publicity on Government Debt and to inform the wide range of beneficiaries about Government Debt operations and latest developments.*

## OUTLINE

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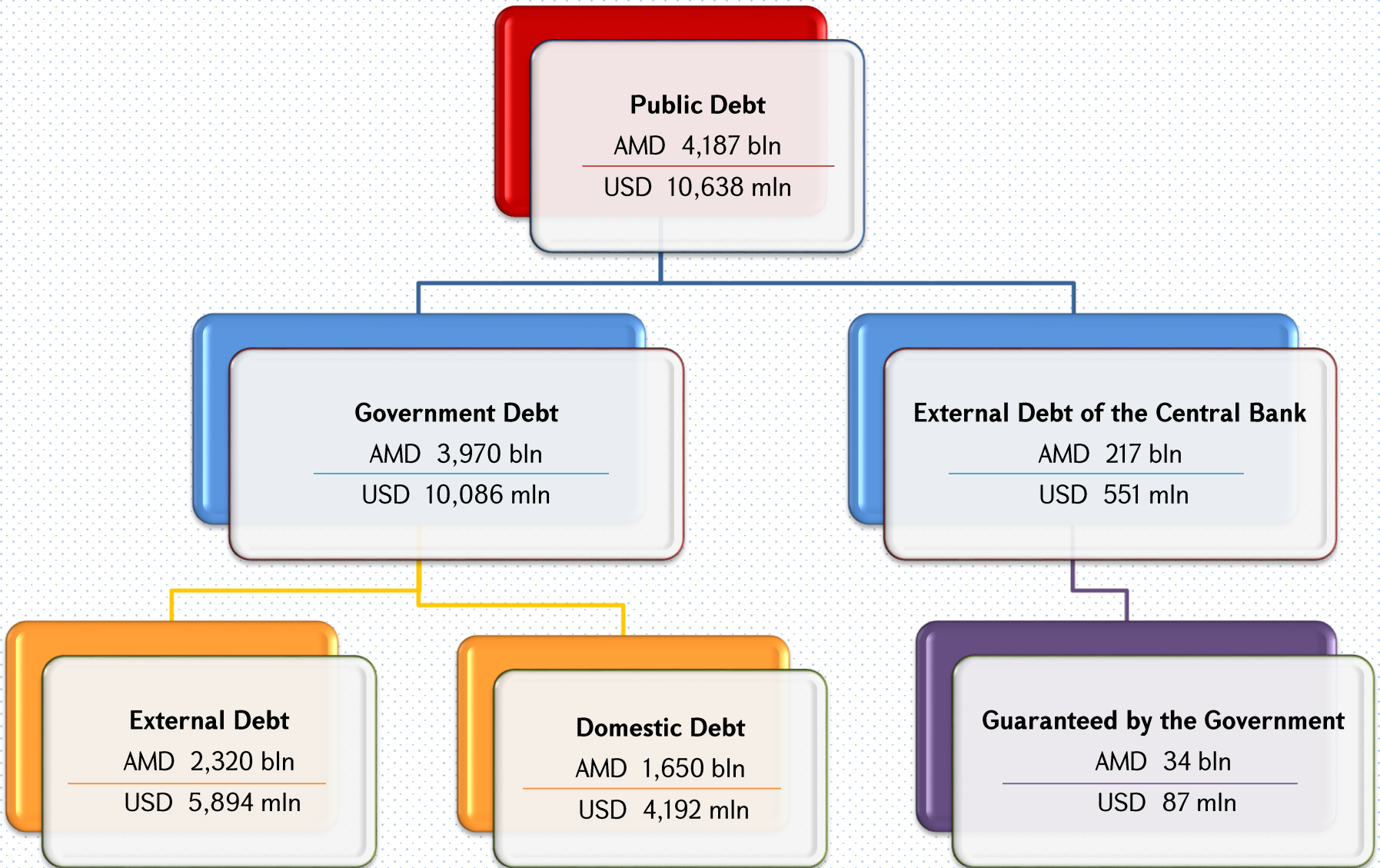
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# Public Debt (1)



## Public debt (2)

	AMD bln	31.12.2021	31.12.2022	Change	
				AMD bln	%
<b>Public Debt of RA</b>		<b>4,429.6</b>	<b>4,186.7</b>	<b>(242.9)</b>	<b>(5.5)</b>
<b>Government Debt</b>		<b>4,209.8</b>	<b>3,969.7</b>	<b>(240.2)</b>	<b>(5.7)</b>
<i>External Debt</i>		<i>2,972.4</i>	<i>2,319.7</i>	<i>(652.7)</i>	<i>(22.0)</i>
External Credits and Loans		2,151.6	1,772.6	(379.0)	(17.6)
Government Treasury Securities purchased by non-residents		53.9	44.0	(10.0)	(18.5)
Foreign Currency Denominated Bonds purchased by non-residents		763.1	500.2	(262.9)	(34.4)
External guarantees		3.8	2.9	(0.9)	(22.6)
<i>Domestic Debt</i>		<i>1,237.4</i>	<i>1,650.0</i>	<i>412.5</i>	<i>33.3</i>
Domestic Credits and Loans		-	-	-	-
Government Treasury Securities purchased by residents		1,154.9	1,452.3	297.3	25.7
Foreign Currency Denominated Bonds purchased by residents		77.1	188.5	111.4	144.4
Domestic guarantees		5.4	9.2	3.8	71.2
<b>External Debt of the Central Bank</b>		<b>219.8</b>	<b>217.0</b>	<b>(2.8)</b>	<b>(1.3)</b>
Guaranteed by the Government		48.7	34.3	(14.4)	(29.6)

	USD mln	31.12.2021	31.12.2022	Change	
				USD mln	%
<b>Public Debt of RA</b>		<b>9,225.6</b>	<b>10,637.7</b>	<b>1,412.0</b>	<b>15.3</b>
<b>Government Debt</b>		<b>8,767.9</b>	<b>10,086.4</b>	<b>1,318.4</b>	<b>15.0</b>
<i>External Debt</i>		<i>6,190.7</i>	<i>5,894.1</i>	<i>(296.6)</i>	<i>(4.8)</i>
External Credits and Loans		4,481.1	4,503.9	22.8	0.5
Government Treasury Securities purchased by non-residents		112.4	111.8	(0.6)	(0.5)
Foreign Currency Denominated Bonds purchased by non-residents		1,589.3	1,271.0	(318.3)	(20.0)
External guarantees		7.9	7.5	(0.4)	(5.6)
<i>Domestic Debt</i>		<i>2,577.2</i>	<i>4,192.3</i>	<i>1,615.0</i>	<i>62.7</i>
Domestic Credits and Loans		-	-	-	-
Government Treasury Securities purchased by residents		2,405.4	3,690.0	1,284.6	53.4
Foreign Currency Denominated Bonds purchased by residents		160.7	479.0	318.3	198.1
Domestic guarantees		11.2	23.3	12.1	108.8
<b>External Debt of the Central Bank</b>		<b>457.7</b>	<b>551.3</b>	<b>93.6</b>	<b>20.5</b>
Guaranteed by the Government		101.4	87.1	(14.4)	(14.2)

## Key developments

On January 11 and 18 2022 a new loan agreement in the form of exchange of letters under «Stand-by Arrangement» programme has been signed between the Government of the Republic of Armenia and the International Monetary Fund in amount of SDR 51.428 mln for a budget support purposes.

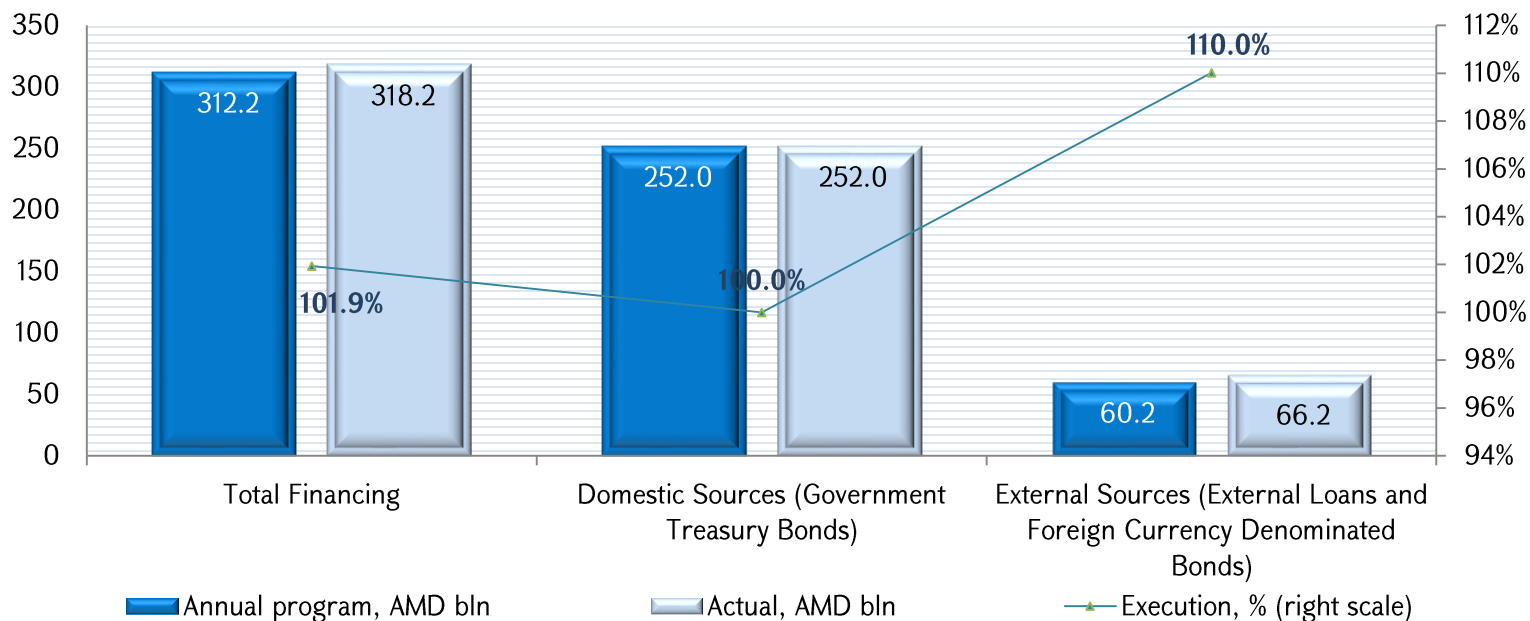
On March 18, 2022 a new loan agreement on Fourth Public Sector Modernization Project has been signed between the Government of the Republic of Armenia and the International Development Bank for Reconstruction. The loan amount is EUR 26.5 mln, total maturity - 25 years, of which 15 years is grace period. The loan interest rate is floating: 6-month Euribor+ variable margin.

On June 9, 2022 a new loan agreement on Additional Financing for the Education Improvement Project has been signed between the Government of the Republic of Armenia and the International Development Bank for Reconstruction. The loan amount is EUR 22.6 mln, total maturity - 25 years, of which 15 years is grace period. The loan interest rate is floating: 6-month Euribor+ variable margin.

On November 17, 2022 a new loan agreement on Fiscal Sustainability and Financial Markets Development Program - Subprogram I has been signed between the Government of the Republic of Armenia and the Asian Development Bank. The loan amount is USD 100.0 mln, total maturity - 15 years, of which 3 years is grace period. The loan interest rate is floating: SOFR+ 0.6%.

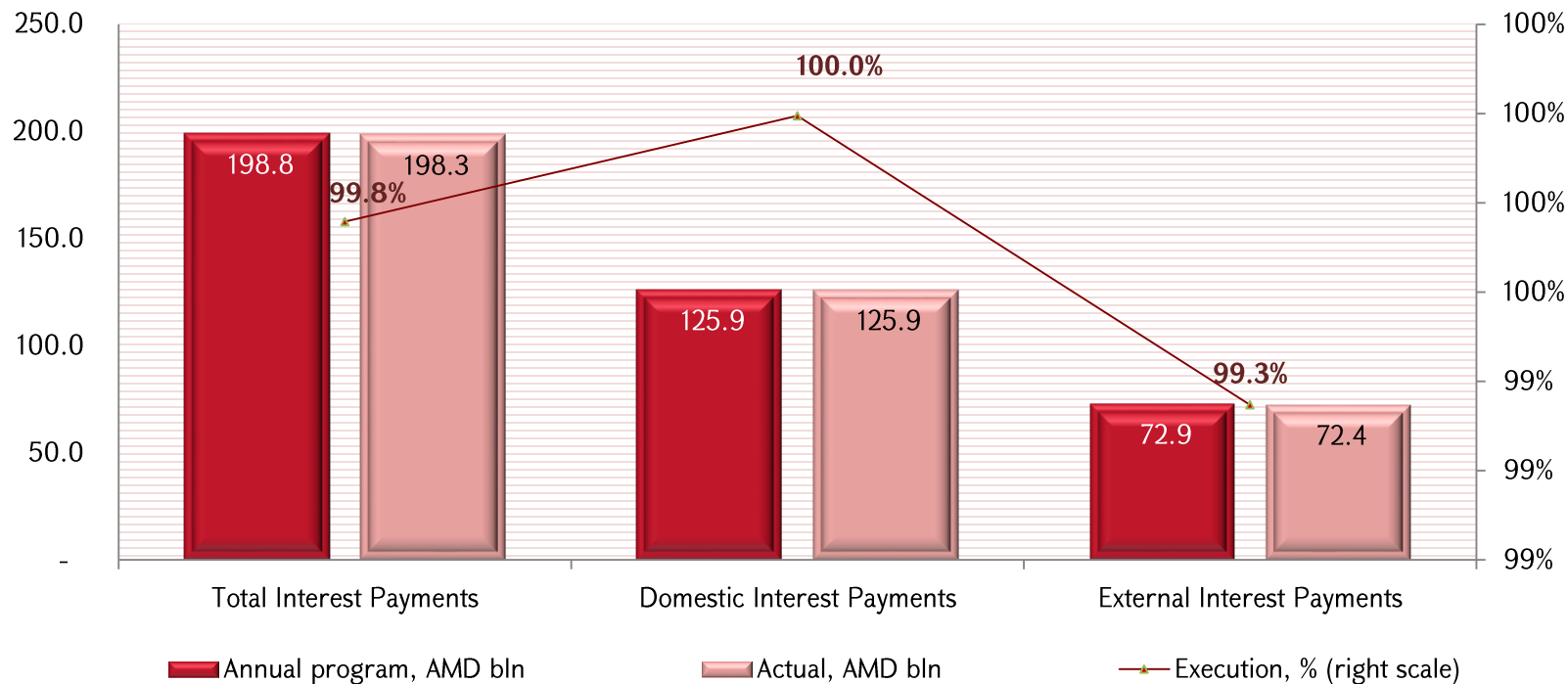
On November 17, 2022 a new loan agreement on Budget Support (Cofinancing Fiscal Sustainability and Financial Markets Development Program) has been signed between the Government of the Republic of Armenia and the French Development Agency. The loan amount is EUR 100.0 mln, total maturity - 20 years, of which 5 years is grace period. The loan interest rate will be floating or fixed: will be determined in the disbursement request.

## State budget deficit financing from net borrowings



AMD bln	01.01.2022-31.12.2022	%
<b>Financing of the state budget deficit from the net borrowings</b>	<b>318.2</b>	<b>100.0</b>
<b>from domestic sources</b>	<b>252.0</b>	<b>79.2</b>
proceeds from placement of Government Treasury Securities	252.0	
proceeds from placement	399.8	
repayments / buyback	(147.8)	
<b>from external sources</b>	<b>66.2</b>	<b>20.8</b>
Credits and Loans	66.2	
Disbursements	165.8	
project loans	50.3	
budget support loans	115.5	
repayments	(99.6)	
proceeds from placement of Foreign Currency Denominated Bonds	-	
proceeds from placement	-	
repayments / buyback	-	

## Government Debt servicing (interest payments)



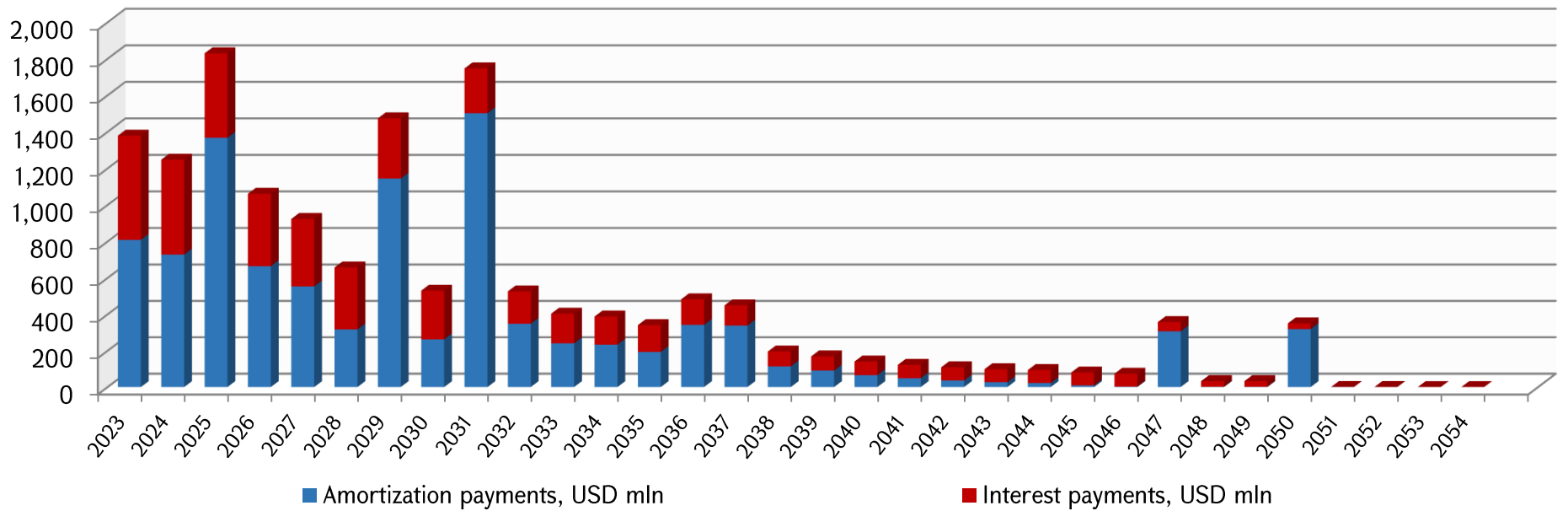
AMD bln	01.01.2022-31.12.2022	%
<b>Total interest payments</b>	<b>198.3</b>	<b>100.0</b>
<i>domestic interest payments</i>	<b>125.9</b>	<b>63.5</b>
interest payments on Government Securities	125.9	63.5
<i>external interest payments</i>	<b>72.4</b>	<b>36.5</b>
interest payments on External Loan and Credits	35.0	17.7
interest Payments on Foreign Currency Denominated Bonds	37.4	18.8

## Indicators characterizing Government Debt and benchmarks for 2021-2023

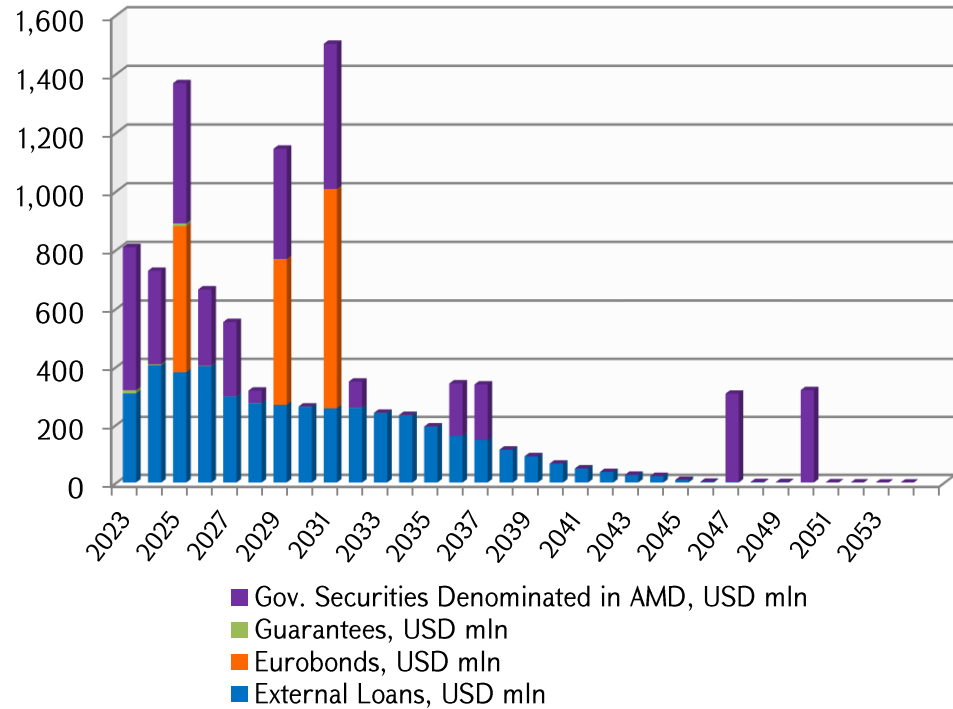
	Benchmark	31.12.2021 actual	31.12.2022 actual
Weighted Average Interest Rate, %		4.7	6.3
<b>Refinancing risk</b>			
Weighted Average Time to Maturity (ATM), years	8 - 11	8.4	7.7
Debt Share Maturing in Upcoming 365 Days, %		5.6	8.0
The share of Government Treasury Securities maturing in the next year in total TS (at the end of the year), %	maximum 20%	10.5	12.9
<b>Interest rate risk</b>			
The share of fixed rate debt in the total debt, %	at least 80%	82.9	83.5
Weighted Average Time to Refixing (ATR), years		7.2	6.6
Debt Share Refixing in Upcoming 365 Days, %		22.2	23.3
<b>Exchange rate risk</b>			
Share of domestic debt in total debt, %	at least 25%	29.4	41.6
Share of AMD denominated debt in total debt, %	at least 25%	28.8	37.9



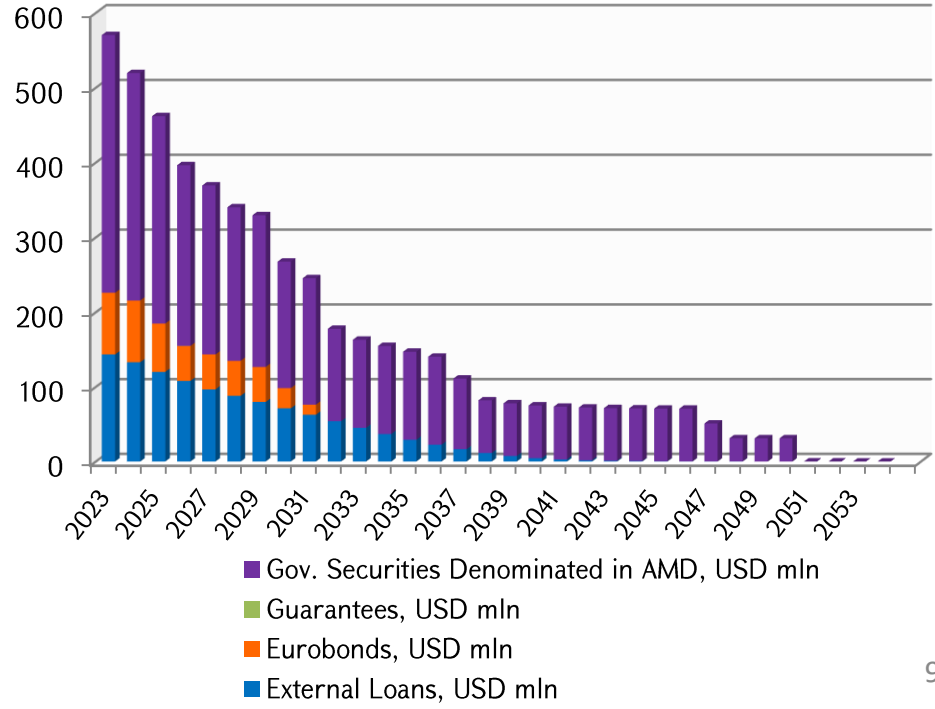
# Amortization and servicing profiles of Government Debt



**Amortization profile of Government Debt**

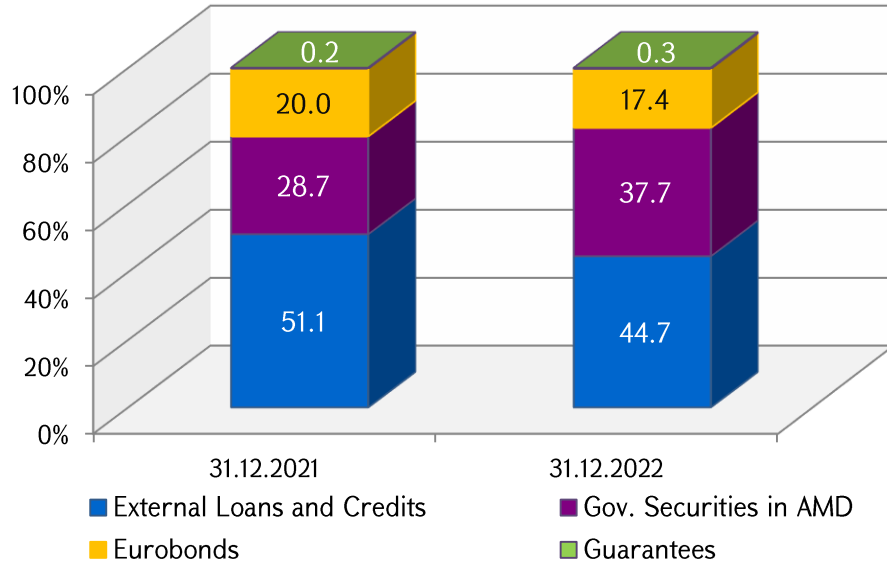


**Servicing profile of Government Debt**

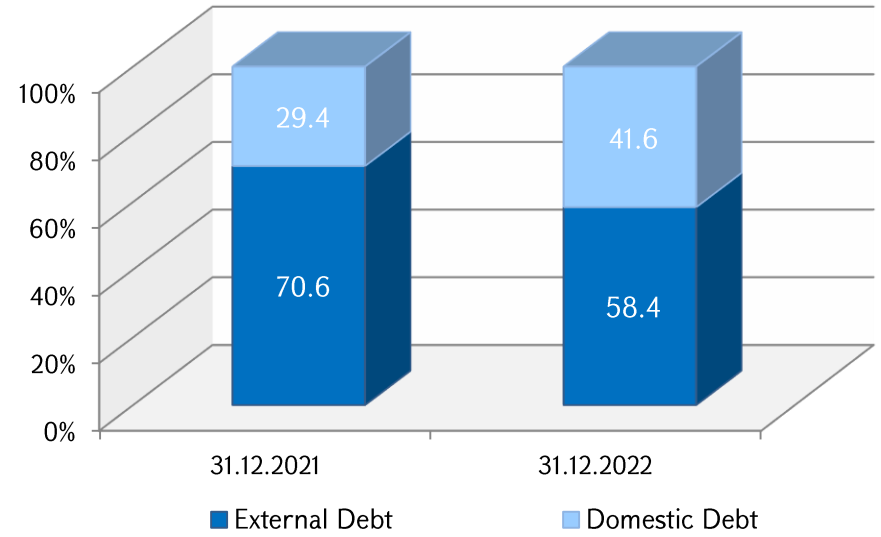


# Government Debt structure (1)

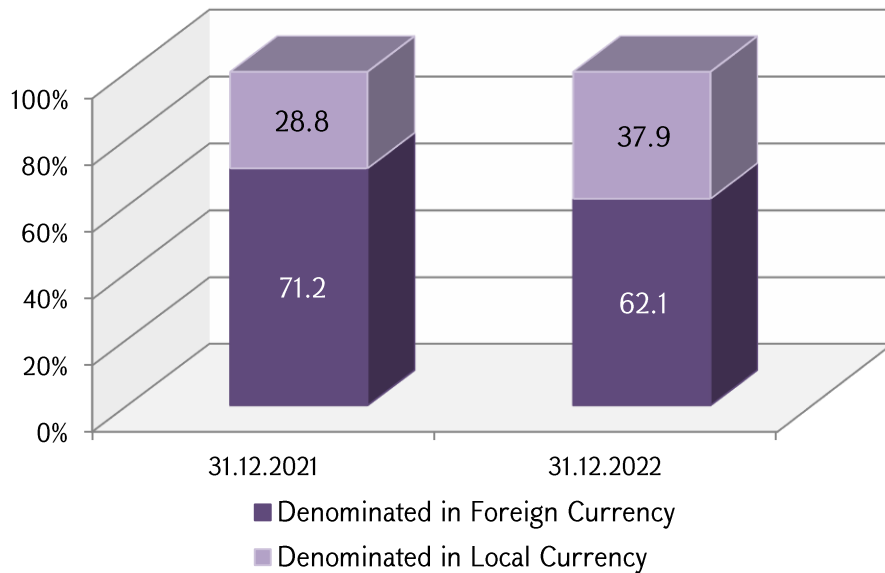
## Structure by Instruments



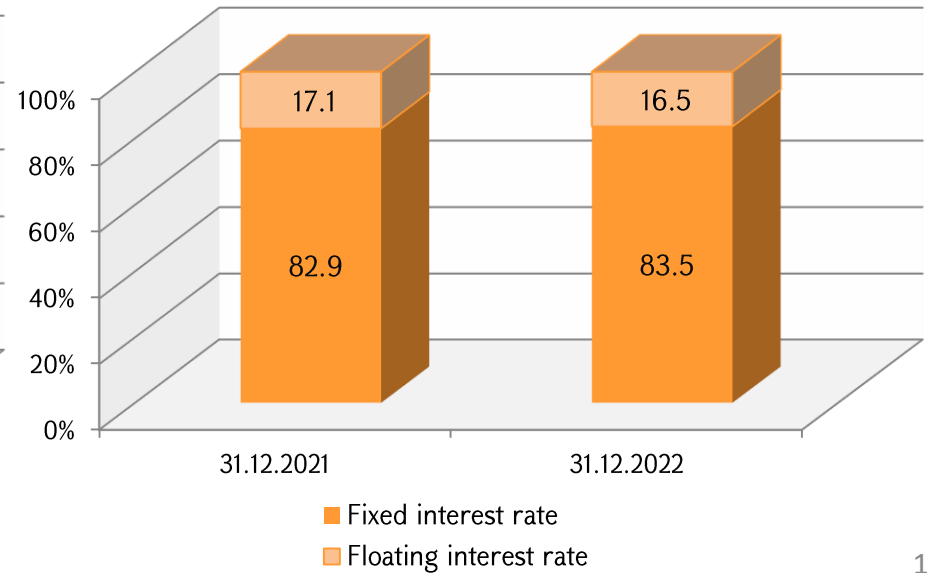
## Structure by Residency



## Structure by Currency

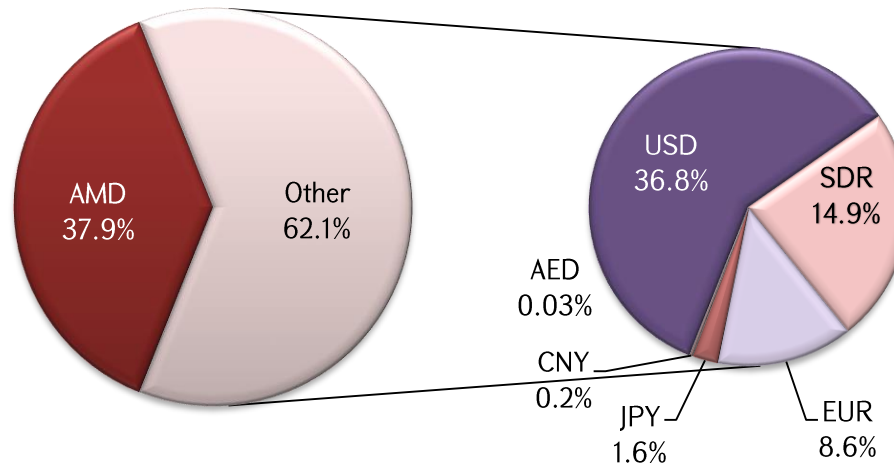


## Structure by Type of Interest Rate

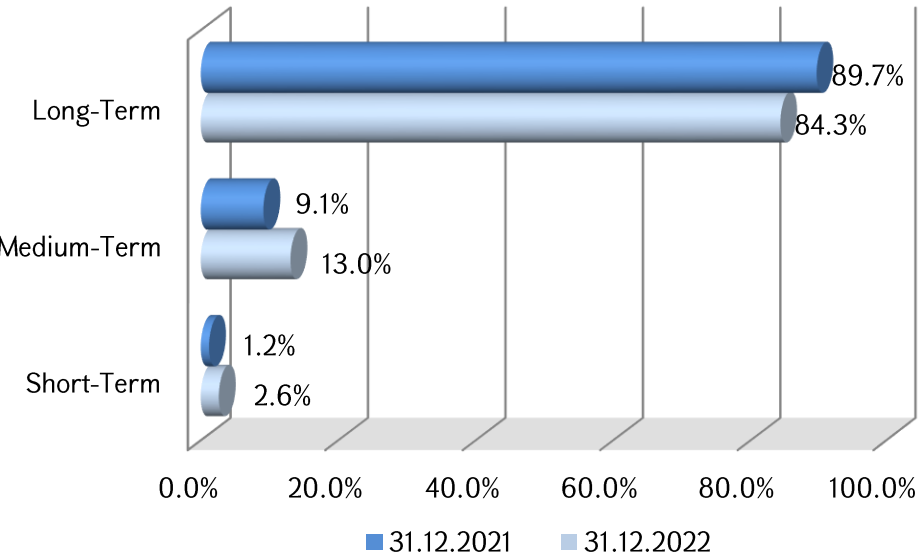


# Government Debt structure (2)

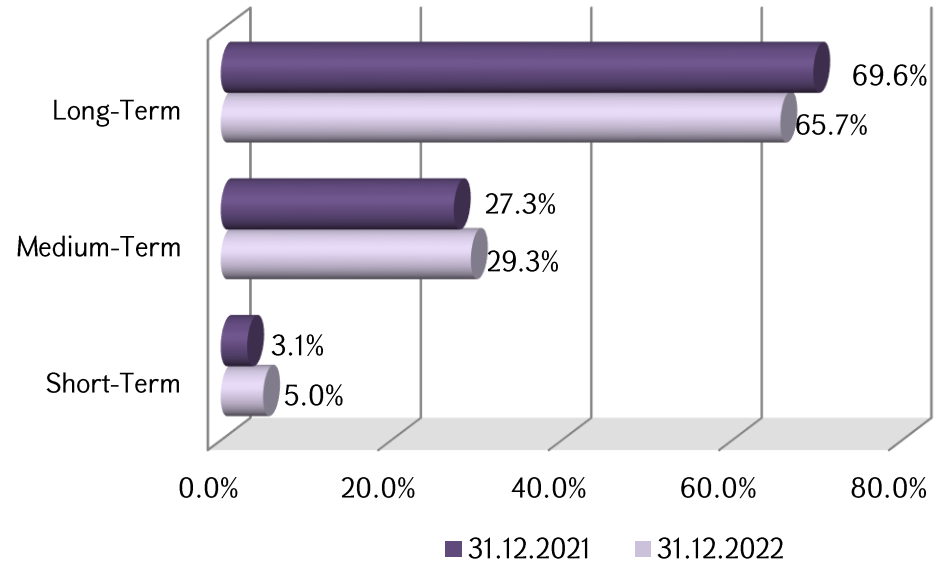
## Structure by Currency



## Structure by Initial Maturity



## Structure by Average Time to Maturity (ATM)



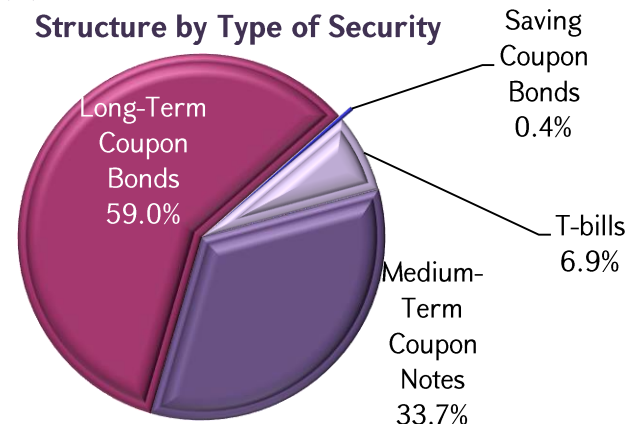
# Government Treasury Securities (1)

	31.12.2021	31.12.2022
Stock outstanding, AMD bln	1,208.9	1,496.3
Weighted Average Yield, %	10.08	10.55
Weighted Average Time to Maturity, days	3,761	3,204

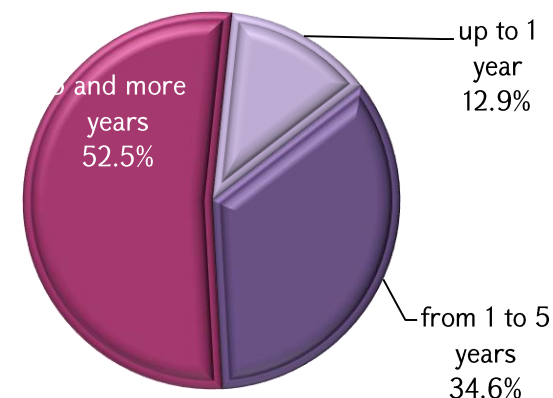
Type of Security	Average Time to Maturity, days	Weighted Average Yield, %
T-bills	153	11.08
Medium-Term Coupon Notes	806	9.39
Long-Term Coupon Bonds	4,946	11.16
Saving Coupon Bonds	486	9.19

Weighted average yield of Government Securities allocated on the Primary Market in January-December, 2022 equals to 11.08%, and weighted average time to maturity – 1,762 days.

Structure by Type of Security



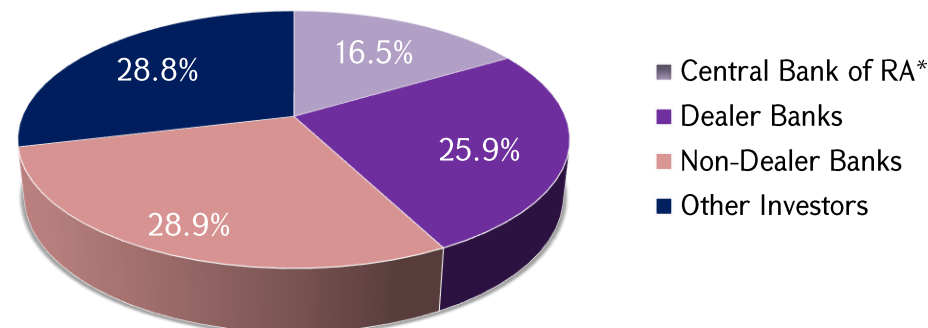
Structure by Average Time to Maturity



## Benchmark Bonds Outstanding

ISIN	Coupon Yield	Outstanding, AMD bln	Maturity Date
AMGN36294251	9.25%	82.18	29-Apr-2025
AMGN60294276	9.40%	54.23	29-Apr-2027
AMGB1029A292	9.00%	147.76	29-Oct-2029
AMGB1129A316	8.00%	194.80	29-Oct-2031
AMGB2029A366	13.00%	71.00	29-Oct-2036
AMGB3129A504	9.75%	125.14	29-Oct-2050

Structure by Type of Investors



\* includes repo / reverse repo transactions

## Government Treasury Securities (2)

### Placement of Government Securities in December, 2022

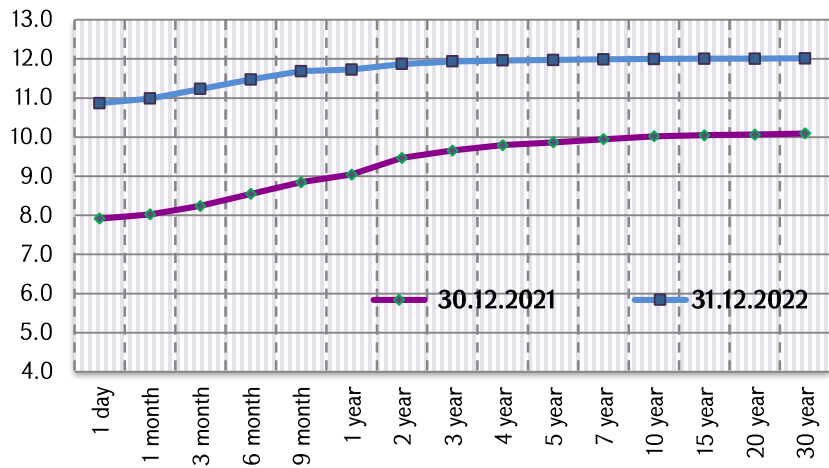
Auction Date	Settlement Date	ISIN	Type of Placement	Offering Amount	Demand	Placement	Price	Weighted Average Yield	Cut-off Yield	Maturity Date
5-Dec-2022	6-Dec-2022	AMGT5204C238	Competitive	5,000,000,000	7,250,000,000	5,000,000,000	89.36	11.8100%	11.8600%	4-Dec-2023
6-Dec-2022	6-Dec-2022	AMGT5204C238	Direct placement	-	-	88,040,000	89.36	11.8100%		4-Dec-2023
13-Dec-2022	14-Dec-2022	AMGN36294251	Competitive	35,000,000,000	51,076,200,000	25,676,200,000	95.71	11.9460%	11.9995%	29-Apr-2025
14-Dec-2022	14-Dec-2022	AMGN36294251	Non competitive	5,135,240,000	2,279,200,000	2,279,200,000	95.71	11.9460%	11.9460%	29-Apr-2025
14-Dec-2022	14-Dec-2022	AMGN36294251	Direct placement	-	-	31,175,000	95.71	11.9460%		29-Apr-2025
19-Dec-2022	20-Dec-2022	AMGT5202A236	Competitive	5,000,000,000	7,217,400,000	5,000,000,000	91.38	11.8747%	11.9900%	2-Oct-2023
20-Dec-2022	20-Dec-2022	AMGT5202A236	Direct placement	-	-	21,165,000	91.38	11.8747%		2-Oct-2023
26-Dec-2022	27-Dec-2022	AMGT52317238	Competitive	5,000,000,000	11,530,210,000	5,000,000,000	93.37	11.8314%	11.8900%	31-Jul-2023
27-Dec-2022	27-Dec-2022	AMGT52317238	Non competitive	1,000,000,000	935,000,000	935,000,000	93.37	11.8314%	11.8314%	31-Jul-2023
27-Dec-2022	27-Dec-2022	AMGT52317238	Direct placement	-	-	209,667,000	93.37	11.8314%		31-Jul-2023
26-Dec-2022	27-Dec-2022	AMGT52161230	Competitive	5,000,000,000	19,720,000,000	5,000,000,000	99.40	10.9391%	10.9877%	16-Dec-2023
27-Dec-2022	27-Dec-2022	AMGT52161230	Non competitive	1,000,000,000	900,000,000	900,000,000	99.40	10.9391%	10.9391%	16-Dec-2023
27-Dec-2022	27-Dec-2022	AMGT52161230	Direct placement	-	-	26,550,000	99.40	10.9391%		16-Dec-2023
<b>Total</b>				<b>39,400,000,000</b>	<b>71,409,768,000</b>	<b>14,444,309,000</b>		<b>11.6318%</b>		

### Buyback of Government Securities in December, 2022

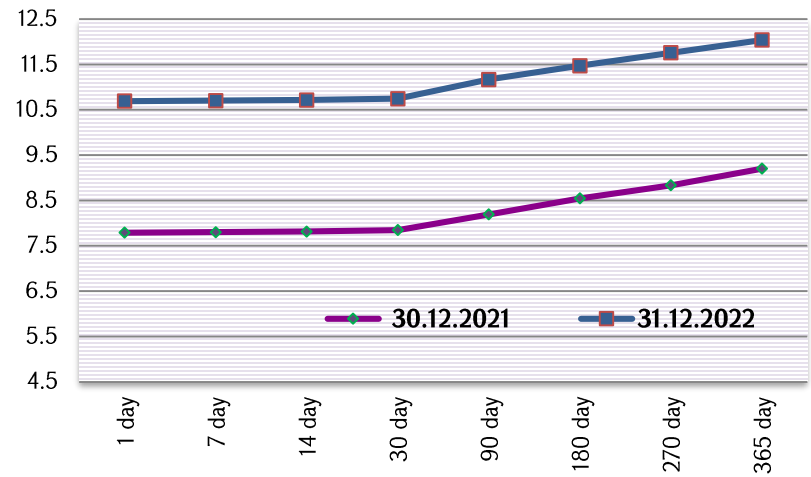
Buyback Date	Settlement Date	ISIN	Offering Amount	Supply	Buyback Volume	Price	Weighted Average Yield	Cut-off Yield	Maturity Date
<b>Total</b>			-	-	-				

# Government Treasury Securities (3)

### Yield Curve for T-Bonds (%)



### Yield Curve for T-Bills (%)

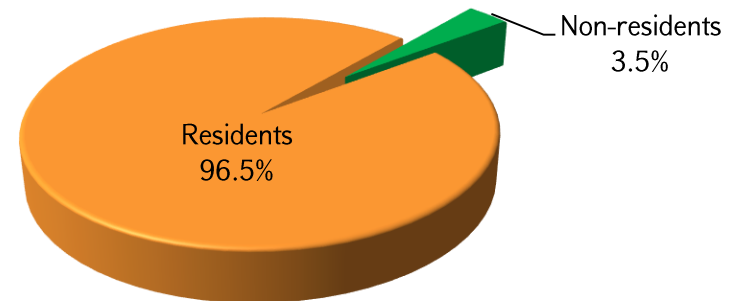


# Treasury Direct

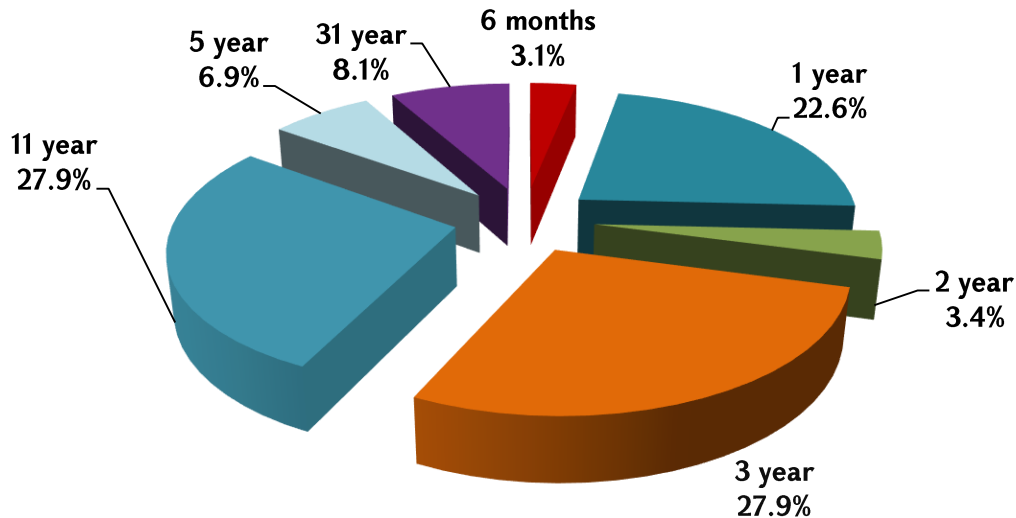
	31.12.2021	31.12.2022
Turnover Volume of Treasury Direct (AMD mln)	6,017.1	6,116.2
Share of Treasury Direct in Government Treasury Bonds, %	0.50	0.41
Total Number of Depo Accounts (cumulative)	1,774	1,856

The volume of investment made through TD in January-December, 2022 equals to AMD 7,722.3 mln, of which the investment in Saving Coupon Bonds amounts to AMD 2,895.6 mln.

### Investors' Structure by Residency



### Investment Structure in January-December, 2022



### Saving Coupon Bonds' Terms available for sale as of 31.12.2022

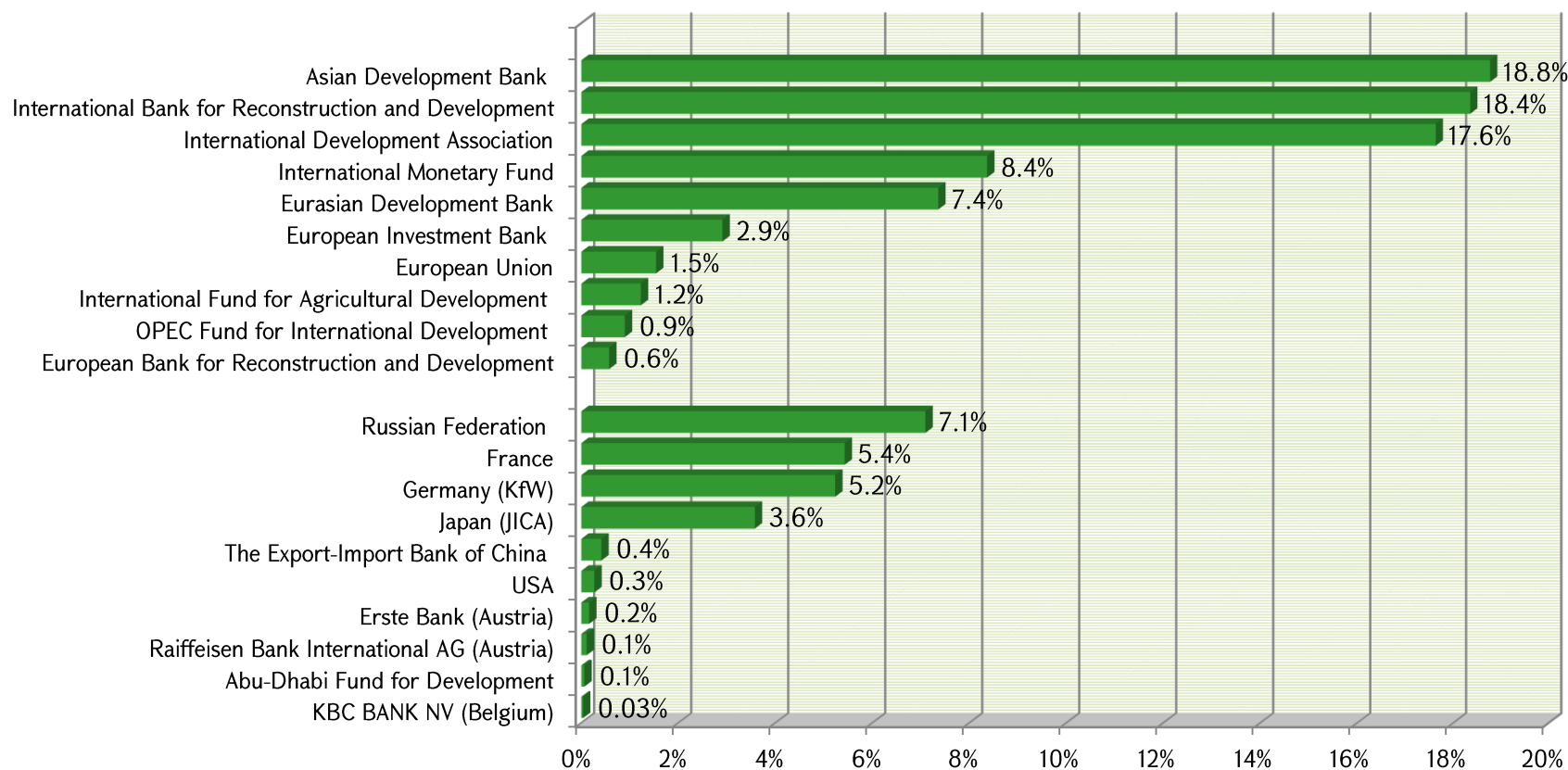
Maturity	Coupon yield, %
6 months	8.5
12 months	9.0
24 months	9.2
36 months	9.5

## Government External Credits and Loans

	31.12.2021	31.12.2022
<b>Stock Outstanding (USD mln)</b>	<b>4,481.1</b>	<b>4,503.9</b>
<i>of which</i>		
Multilateral Creditors	3,467.6	3,495.9
Bilateral Creditors	996.8	994.2
Commercial Banks	16.7	13.7
<b>Weighted Average Interest Rate, %</b>	<b>1.5</b>	<b>3.2</b>
<b>Weighted Average Time to Maturity (ATM), years</b>	<b>7.9</b>	<b>7.5</b>

<b>Operations implemented</b> (2022 January-December, USD mln)	
Interest payments	81.6
Principal payments	228.5
Disbursements	397.9

### Structure of External credits and loans by creditors

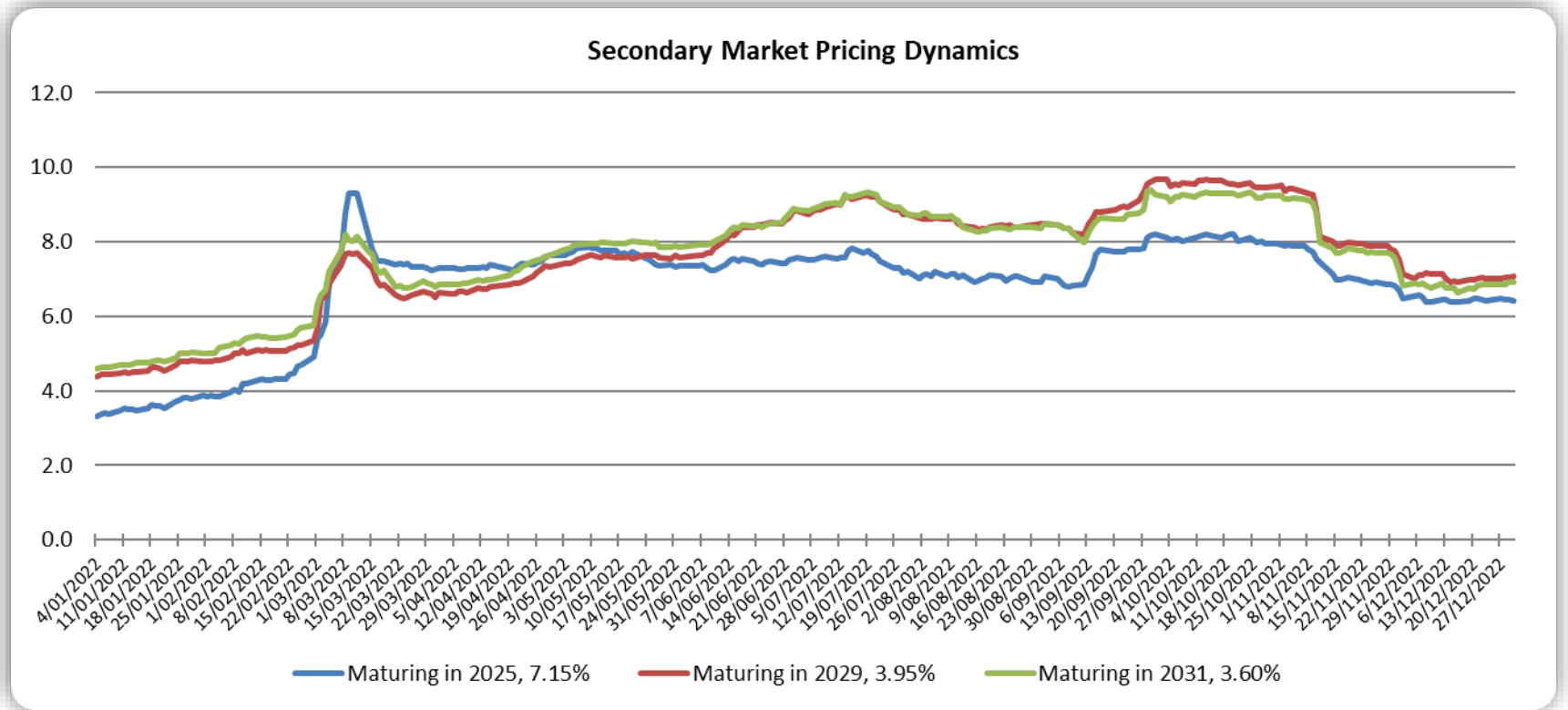




# Foreign Currency Denominated Bonds (1)

Terms of Issuance	Armenia 7.15% 2025	Armenia 3.95% 2029	Armenia 3.60% 2031
Issuer	The Republic of Armenia	The Republic of Armenia	The Republic of Armenia
Issuance Format	RegS / 144A	RegS / 144A	RegS / 144A
Ratings	Ba3 (Moody's) / B+ (Fitch)	Ba3 (Moody's) / B+ (Fitch)	Ba3 (Moody's) / B+ (Fitch)
ISIN	US042207AB67 / XS1207654853	US042207AC41 / XS2010043904	US042207AD24 / XS2010028939
Index Eligibility	IMBIG	IMBIG	IMBIG
Issue Size	500,000,000 USD	500,000,000 USD	750,000,000 USD
Pricing/Quotation Date	19 March of 2015	19 September of 2019	26 January, 2021
Issue Date	26 March of 2015	26 September of 2019	2 February, 2021
Maturity Date	26 March of 2025	26 September of 2029	2 February, 2031
Tenor	10 years	10 years	10 years
Time to Maturity, years	2.2 years	6.7 years	8.1 years
Maturity Type	Bullet	Bullet	Bullet
Coupon	7.15%	3.95%	3.60%
Coupon Frequency	Semi-annual 26 March and 26 September	Semi-annual 26 March and 26 September	Semi-annual 2 February and 2 August
First Coupon Payment Date	26 September of 2015	26 March of 2020	2 August, 2021
Yield	7.50%	4.20%	3.875%
Benchmark	UST due to 2025 - 2.0%	UST due to 2029 - 1.625%	UST due to 2030 - 1.039%
Spread to benchmark	+551.8 b.p.	+242.8 b.p.	+ 283.6 b.p.
Spread to mid-swap	+543.7 b.p.	+255 b.p.	+ 280.2 b.p.
Listing	Irish Exchange Stock	Irish Exchange Stock	Irish Exchange Stock
Lead Managers	J.P.Morgan, Deutsche Bank, HSBC	J.P.Morgan, Citigroup	J.P.Morgan, Citigroup, HSBC
Issue Price	97.568	97.976	97.738
Proceeds	487,840,000 USD	489,880,000 USD	733,035,000 USD
Buyback Size	- USD	- USD	- USD
Redemption			- USD
Outstanding Amount	500,000,000 USD	500,000,000 USD	750,000,000 USD
Paid Coupon (cumulative)	268,125,000 USD	59,250,000 USD	40,500,000 USD
Discount and Premium	12,160,000 USD	10,120,000 USD	16,965,000 USD

# Foreign Currency Denominated Bonds (2)



Source: Bloomberg

# Government Guarantees

Principal	Beneficiary	31.12.2021	31.12.2022
<b>Total guarantees, USD mln</b>		<b>120.5</b>	<b>117.8</b>
<b>External guarantees</b>		<b>109.3</b>	<b>94.5</b>
<i>Guarantees provided for the external loans of the CBA</i>		<b>101.4</b>	<b>87.1</b>
Central Bank of RA	International Bank for Reconstruction and Development	38.2	36.2
Central Bank of RA	Asian Development Bank	12.8	11.5
Central Bank of RA	Germany (KfW)	50.4	39.3
<i>Other external guarantees</i>		<b>7.9</b>	<b>7.5</b>
"Nork – Marash" Medical Center CJSC	Erste Bank (Austria)	7.9	7.5
<b>Domestic guarantees</b>		<b>11.2</b>	<b>23.3</b>
"SPAYKA" LLC	"ArmSwissBank" CJSC	2.4	-
"ARTASHAT-VINCON" CJSC	"ArmSwissBank" CJSC	1.7	1.7
"VIL FOOD" LLC	"ArmSwissBank" CJSC	0.2	0.0
"YERASKH WINE FACTORY" LLC, 01.11.2021	"ArmSwissBank" CJSC	0.6	0.6
"GETAP WINE AND BRANDY FACTORY" LLC	"ArmSwissBank" CJSC	0.3	0.3
"VEDI ALCO" CJSC	"ArmSwissBank" CJSC	0.9	1.0
"SHATO ARNO" LLC	"Development And Investments Corporation of Armenia" CJSC	0.2	0.2
"ASTAFYAN HOLDING" LLC	"Development And Investments Corporation of Armenia" CJSC	0.2	0.2
"VEDI ALCO" CJSC	"Development And Investments Corporation of Armenia" CJSC	0.5	0.6
"PROSHYAN BRANDY FACTORY" LLC, 14.10.2021	"Armeconombank" OJSC	4.2	5.1
"IJJEVAN WINE AND BRANDY FACTORY" CJSC	"Inecobank" CJSC	-	1.3
"YEREVAN CHOCOLATE FACTORY" CJSC	"ArmSwissBank" CJSC	-	0.6
"ARARAT WINE FACTORY" LTD	"ACBA Bank" OJSC	-	1.1
"PROSHYAN BRANDY FACTORY" LLC, 28.11.2022	"Inecobank" CJSC	-	3.2
"YERASKH WINE FACTORY" LLC, 29.11.2022	"ArmSwissBank" CJSC	-	0.4
"MAP" CJSC	"Evocabank" CJSC	-	2.3
"ARARAT WINE FACTORY" LTD, 02.12.2022	"Ardshinbank" CJSC	-	0.6
"GETAP WINE BRANDY FACTOR" LLC, 20.12.2022	"ArmSwissBank" CJSC	-	0.6
"ARTASHAT-VINCON" CJSC, 23.12.2022	"ArmSwissBank" CJSC	-	1.8
"VEDI ALCO" CJSC, 26.12.2022	"ArmSwissBank" CJSC	-	1.7

## Structure by residency



**Payments made by the Government of the Republic of Armenia on guarantees' servicing, due to default on payment obligations by the principal (2022 January-December)**

- USD mln

## Summary annual indicators and ratios (1)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Debt of the Government of RA, AMD bln</b>	1,900.6	2,225.9	2,631.4	2,988.4	3,082.5	3,277.3	3,923.9	4,209.8	3,969.7
<b>Debt of the Government of RA, USD mln</b>	4,001.6	4,601.4	5,437.4	6,173.1	6,372.1	6,831.9	7,508.5	8,767.9	10,086.4
% of GDP	39.4	44.1	51.9	53.7	51.2	50.1	63.5	60.3	46.7
<b>Structure by Residency, %</b>									
Domestic Debt	16.2	16.4	20.9	20.4	21.8	22.5	25.4	29.4	41.6
External Debt	83.8	83.6	79.1	79.6	78.2	77.5	74.6	70.6	58.4
<b>Structure by Instruments, %</b>									
External Credits and Loans	67.1	63.8	62.2	65.1	65.0	63.0	62.1	51.1	44.7
Domestic Credits and Loans	0.1	-	-	-	-	-	-	-	-
Government Treasury Bonds	15.3	14.4	19.3	18.4	19.1	20.8	24.4	28.7	37.7
Foreign Currency Denominated Bonds	17.5	21.7	18.4	16.2	15.7	16.1	13.3	20.0	17.4
External Guarantees	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1
Domestic Guarantees	0.05	0.04	0.13	0.15	0.14	-	-	0.1	0.2
<b>Structure by Currency, %</b>									
Denominated in Local Currency	15.3	14.4	19.3	18.4	19.1	20.8	24.4	28.8	37.9
Denominated in Foreign Currency	84.7	85.6	80.7	81.6	80.9	79.2	75.6	71.2	62.1
USD	30.2	37.5	39.5	42.0	43.6	43.9	38.3	41.6	36.8
SDR	40.9	35.7	29.3	26.5	24.1	21.1	23.0	18.1	14.9
EUR	7.2	6.6	7.0	8.7	9.2	10.6	10.9	8.9	8.6
JPY	6.3	5.2	4.4	3.9	3.7	3.3	3.0	2.2	1.6
AED	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.04	0.03
CNY	-	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2
<b>Structure by Weighted Average Time to Maturity (ATM), %</b>									
Short-Term	3.2	2.5	4.4	3.0	2.6	4.4	3.1	3.1	5.0
Medium-Term	10.2	21.8	21.5	23.4	22.7	16.4	27.9	27.3	29.3
Long-Term	86.6	75.7	74.0	73.5	74.6	79.2	69.0	69.6	65.7

## Summary annual indicators and ratios (2)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Structure by Initial Maturity, %</b>									
Short-Term	0.7	1.0	3.0	0.8	1.0	0.7	1.2	1.2	2.6
Medium-Term	8.0	6.9	8.1	8.2	7.6	6.9	6.9	9.1	13.0
Long-Term	91.3	92.1	88.8	91.1	91.4	92.4	91.9	89.7	84.3
<b>Structure by Type of Interest Rate, %</b>									
With floating interest rate	10.8	10.5	12.5	13.5	15.0	16.2	19.6	17.1	16.5
With fixed interest rate	89.2	89.5	87.5	86.5	85.0	83.8	80.4	82.9	83.5
<b>Weighted Average Interest Rate of Government Debt, %</b>	4.2	4.5	4.9	4.9	5.0	4.8	4.3	4.7	6.3
<b>Weighted Average Time to Maturity (ATM) of Government Debt, years</b>	9.8	9.7	9.2	9.0	8.7	9.1	8.8	8.4	7.7
<b>Interest payments on Government Debt, AMD bln</b>	61.6	74.1	98.3	122.1	139.0	157.5	164.7	180.8	198.3
% of GDP	1.3	1.5	1.9	2.2	2.3	2.4	2.7	2.6	2.3
% of the state budget expenditures	5.0	5.3	6.8	8.1	9.6	9.7	8.7	9.0	8.8
<b>Financing of State Budget Deficit from Net Borrowings, AMD bln</b>	83.8	316.8	409.4	278.7	132.9	233.4	354.6	591.0	318.2
% of GDP	1.7	6.3	8.1	5.0	2.2	3.6	5.7	8.5	3.7
From domestic sources, %	17.9	4.4	41.8	16.4	36.1	43.7	84.7	40.6	79.2
From External sources, %	82.1	95.6	58.2	83.6	63.9	56.3	15.3	59.4	20.8

# Definitions and methodology (1)

## Institutional coverage

Government Debt includes all direct Government Debt obligations, which are repaid and serviced at the expense of the RA state budget, and debt obligations guaranteed by the Government.

## Applicable classifications:

Government Debt is classified according to the following characteristics:

- *by residency: domestic and external,*
- *by maturity (initial and residual maturity): short-term (up to one year inclusive), medium-term (1-5 years inclusive), long-term (more than 5 years),*
- *by instruments: credits and loans, government treasury bonds, foreign currency government bonds, guarantees,*
- *by currency: denominated in local currency and denominated in foreign currency,*
- *by interest rate type: fixed and floating.*

## The principle of accounting

Government Debt data is recorded at nominal value on gross basis and cash basis (except for foreign loan disbursements, which are accounted as of the value date of creditor).

## The following concepts and methodological approaches are defined by the RA Law on Public Debt:

- **debt obligation** means borrowing (including securities placed in domestic and external markets) or amount received under a loan agreement and due to repayment at a point of time, including interests not paid within the deadline, as well as the amount of the issued public guarantees,
- **public debt** means aggregate debt obligations existing as at a point of time in the name of the Republic of Armenia and the Central Bank of RA (without debt obligations of the Central Bank to residents). It comprises the aggregate of the Government debt and Central Bank's debt.
- **Government debt** means aggregate debt obligations raised by the Government of RA at a point of time,
- **debt of the Central Bank** means aggregate debt obligations to non-residents, foreign states and international organizations raised by the Central Bank at a point of time,
- **public domestic debt** means aggregate debt obligations to RA residents outstanding at a point of time undertaken by the authorized body of the Government in the name of the Republic of Armenia under borrowing or loan agreements,
- **public external debt** means aggregate debt obligations to non-residents of RA, foreign states and international organizations undertaken in the name of the Republic of Armenia and the Central Bank and outstanding at a point of time,

## Definitions and methodology (2)

- **public guarantee** means obligation of the Government (budget guarantee) to the lenders and creditors, as well as obligation of the Central Bank to non-resident lenders and creditors to partially or fully repay the amounts due to payment by resident borrowers and debtors, where these residents fail to repay their debt within the established timeframe,
  - **debt repayment** means the performance of debt obligation under a borrowing or loan agreement,
  - **debt servicing** means payment of interests, commissions, penalties and other fees under a borrowing or loan agreement;
  - **domestic public guarantees** are the budget guarantees issued to the residents of RA,
  - **external public guarantees** are the public guarantees issued to non-residents and foreign countries by RA and the Central Bank.
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- The Ministry of Finance and the Central Bank in terms of its debt are authorized to manage public debt.
  - The Ministry of Finance and the Central Bank register, account public debt and are responsible for reliability of that accounting.
  - The public debt is published in national currency of the RA, it can also be published in other currencies.
  - The components of public debt are domestic public debt, external public debt and public guarantees.
  - Public debt by maturity can be short-term (up to 1 year inclusive), medium-term (1-5 years inclusive) and long-term (more than 5 years).
  - If at the same time the Government and the Central Bank has provided a guarantee for the same liability, then one of them (maximum) is included in the public debt.
  - The external public guarantee provided by the Government to the Central Bank is accounted for as a debt of the Central Bank.

### The instruments of debt formation are:

- *loan agreements signed with financial and credit organizations, foreign countries and international organizations,*
- *contracts signed with physical and legal entities,*
- *issued government treasury securities and foreign currency bonds,*
- *liabilities of third parties restored as public debt as a result of debt transfer transaction in accordance with the RA legislation,*
- *debt restructuring agreements,*
- *public guarantees.*