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FOREWORD

I am delighted to share with you, our valued partners and stakeholders, the September 2023 Debt Statistical Bulletin (DSB). Our steadfast commitment to debt transparency, responsibility, and responsible financial management is reaffirmed in this publication. The Ministry's delivery of timely, accurate, and comprehensive debt statistics is in conformity to the debt reporting requirements outlined in the Public Debt Management Framework as well as the World Bank's Debt Management Performance Assessment Framework (DeMPA) 2015 and the World Bank Performance Policy Actions (PPAs) for FY 2023/24.

This quarterly publication is key for dissemination of public debt statistics on external, domestic and guaranteed debt to relevant stakeholders including other governments, investors, international financial institutions and the general public.

I therefore recommend its use in appreciation of Government's efforts to maintain a sustainable level of public debt.

For God and My Country.

A handwritten signature in black ink, appearing to read 'Ramathan Ggoobi', with a horizontal line extending from the end of the signature.

Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY.

PREFACE

End September 2023 debt statistical bulletin is the 34th in a series of publications of debt statistics by Government of Uganda.

In line with international best practices, the Ministry on a quarterly basis compiles and publishes Public Debt Statistics with the following objectives:

- i. To provide accurate, comprehensive, consistent, dependable, timely and internationally comparable debt statistics.
- ii. To provide the debt status of the country, enhance policy making, transparency, accountability, and effective debt management for sustainable economic growth.
- iii. To disseminate debt statistics i.e., parameters of external and domestic debt to policymakers, the general public, government officials, international organizations, investors in debt securities and other stakeholders for research and informed decision making.

This bulletin will facilitate informed and effective policy formulation as well as decision-making by Government and other stakeholders regarding public debt management. It will serve as Government's instrument for promoting financial accountability and transparency in the public sector, to create more public debt awareness among stakeholders, in Uganda and beyond.

A copy of this bulletin is available on the Ministry of Finance, Planning and Economic Development website www.finance.go.ug. All valuable feedback can be mailed to Debt Policy Issuance@finance.go.ug to facilitate improvement of future editions.


Moses Zziwa

AG. DIRECTOR, DEBT AND CASH POLICY.

LIST OF ACRONYMS

AfDF	African Development Fund
ATM	Average Time to Maturity
ATR	Average Time to Refixing
BC	Bilateral Creditor
BOU	Bank of Uganda
DD	Domestic Debt
DDCP	Directorate of Debt and Cash Policy
DeMPA	Debt Management and Performance Assessment
DMFAS	Debt Management and Financial Analysis System
DOD	Debt Disbursed and Outstanding (Debt Stock)
DPID	Debt Policy and Issuance Department
EBUs	Extra Budgetary Units
ED	External Debt
FV	Face Value
GDP	Gross Domestic Product
IDA	International Development Assistance
IDB	Islamic Development Bank
MC	Multilateral Creditor
MEPD	Macro-Economic Policy Department
MoFPED	Ministry of Finance, Planning and Economic Development
PB	Private Banks
PPAs	Power Purchase Agreements
PTA	Preferential Trade Area
SOEs	State Owned Enterprises
UDBL	Uganda Development Bank Ltd
UEDCL	Uganda Electricity Distribution Company Ltd
UEGCL	Uganda Electricity Generation Company Ltd

CURRENCIES

AED	United Arab Emirates Dirham
AFU	African Unit of Accounting
CHF	Swiss Franc
CNY	Chinese Yuan Renminbi
DKK	Danish Krone
EUR	Euro
GBP	British Pound Sterling
IDI	Islamic Dinar
JPY	Japanese Yen
KRW	Korea (South) Won
KWD	Kuwait Dinar
NOK	Norwegian Krone
SAR	Saudi Arabia Riyal
SDR	Special Drawing Rights
SEK	Swedish Krone
UGX	Uganda Shillings
USD	United States Dollar

PART I: GENERAL INFORMATION

Management of public debt has significant implications on a Government's budget and balance sheet. Proper recording and reporting are some of the key components of effective debt management. Therefore, the end September 2023 covers a wide range of the public debt developments and analyses, and conforms to some of the international best practices that requires Government to manage debt in a transparent and accountable manner.

The scope of this DSB therefore, includes:

- i) Central Government external debt
- ii) Central Government domestic debt
- iii) Contingent liabilities
- iv) Total Central Government public debt portfolio analysis

Data Source and Conversion of Debt Data to the Functional Currency:

The data used in the analysis and preparation of this bulletin is sourced from the Debt Management and Financial Analysis System (DMFAS). For the same purpose, the Ministry of Finance, Planning and Economic Development (MoFPED) and Bank of Uganda (BOU) undertake data reconciliation before recording detailed loan information and aggregated data used to generate reports for Central Government public debt.

This aggregated and reconciled data is then converted into a common currency, usually the US dollar or UGX as follows:

- i) To convert stock figures into US dollars or UGX, the end period exchange rate is used.
- ii) To convert flow figures into US dollars or UGX, the day's exchange rate as at day of transaction is used.

Exchange Rates:

The information used for compiling debt data are obtained from the BoU Daily Transaction Exchange Rates.

PART II: MACRO ECONOMIC OVERVIEW

Table 1: Key Macroeconomic Indicators

	Mar-23	Jun-23	Sep-23
Inflation			
Headline	9.5	6.4	3.3
Core	8.1	5.7	3.2
Exchange rate (Shs/ US \$)			
End of Period	3,778.10	3,667.39	3,757.31
Period Average	3,709.30	3,726.86	3,738.02
Reserves			
Gross foreign exchange reserves (US \$ millions)	3,628.76	4,074.63	3,974.57
Gross foreign exchange reserves (months of imports)	3.5	3.4	3.3
Fiscal Statistics (Billion Shs)			
Revenue (excl grants)	5,890.0	7,695.6	5,985.4
Expenditure	8,282.5	9,398.4	7,101.7
Deficit	(2,392.4)	(1,702.7)	(1,116.3)
Total Debt Stock (Billions US \$)	22.42	23.67	23.86
External Debt Stock (US \$ Billions)	13.38	14.24	14.20
Domestic Debt Stock (US \$ Billions)	9.04	9.43	9.66
Total Debt Stock (Shs Billions)	84,722.20	86,751.59	89,661.21
External Debt Stock (Shs Billions)	50,560.75	52,206.07	53,353.54
Domestic Debt Stock (Shs Billions)	34,161.46	34,545.53	36,307.67
Quarterly Gross Domestic Product (GDP)			
GDP (Billion Shs)	44,653.48	49,191.96	47,595.03
GDP (Billions US \$)	11.8	13.4	12.7
Interest Rates (%)			
Central Bank Rate	10.0	9.7	9.5
Lending Rate	19.2	18.6	18.4
Time Deposit Rate	11.1	10.6	10.4
91-Day Treasury Bill (TB)	10.4	9.3	9.6
182- Day TB	10.6	11.0	12.4
364- Day TB	12.6	12.0	13.0
2 Year Treasury Bond	13.5	13.5	13.6
3 Year	14.0	14.0	13.7
5 Year	15.0	14.8	15.2
10 Year	15.2	15.8	15.0
15 Year	16.4	16.0	16.3
20 Year	16.5	16.3	17.0

Source: MoFPED and BOU

Table 2¹: Public Debt Cost and Risk Indicators

		Jun-23			Sep-23		
Risk Indicators		External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		28.3	18.7	47.1	28.9	19.6	48.5
PV as % of GDP		20.9	18.7	39.6	21.1	19.6	40.8
Cost of debt	<i>Interest payment as % GDP</i>	0.7	2.7	3.4	0.7	2.8	3.5
	<i>Weighted Av. IR (%)</i>	2.6	14.3	7.3	2.5	14.2	7.3
Refinancing risk	<i>ATM (years)</i>	10.3	6.8	8.9	10.4	7.0	9.0
	<i>Debt maturing in 1yr (% of total)</i>	4.7	23.2	12.1	3.4	26.9	12.9
	<i>Debt maturing in 1yr (% of GDP)</i>	1.3	4.3	5.7	1.0	5.3	6.3
Interest rate risk	<i>ATR (years)</i>	9.2	6.8	8.3	9.4	6.7	8.3
	<i>Debt refixing in 1yr (% of total)</i>	25.5	23.2	24.6	24.5	28.0	25.9
	<i>Fixed rate debt (% of total)</i>	77.3	100.0	86.3	77.5	100.0	86.6
FX risk	<i>FX debt (% of total debt)</i>			60.2			59.5
	<i>ST FX debt (% of reserves)</i>			16.5			12.2

Source: MoFPED

PART III: EXTERNAL DEBT STATISTICS

Table 3a²: External Debt Stock by Creditor Type, Billion USD

Creditor Type	Mar-23		Jun-23		Sep-23	
	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.55	26.50	3.50	24.60	3.48	24.52
Non Paris Club	2.69	20.10	2.67	18.75	2.60	18.32
Paris Club	0.86	6.40	0.83	5.85	0.88	6.21
Multilateral Creditors (MC)	8.41	62.86	8.80	61.79	8.85	62.35
Major Multilaterals	7.11	53.12	7.49	52.59	6.09	42.90
Other Multilaterals	1.30	9.74	1.31	9.19	2.76	19.44
Private Banks (PB)	1.42	10.64	1.94	13.61	1.86	13.13
Other Financial Institutions	1.42	10.64	1.94	13.61	1.86	13.13
Grand Total	13.38	100.00	14.24	100.00	14.20	100.00

Source: MoFPED

¹ The GDP number used to calculate the Debt to GDP ratio is the annual FY2022/23 revised and published in October 2023 by UBOS.

² The major multilaterals include International Development Association (IDA), International Monetary Fund (IMF) and African Development Fund (AfDF).

Table 3b: External Debt Stock by Concessional³ Type

Concessional	Debt stock by Concessional			Share of Debt stock by Concessional		
	Mar-23	Jun-23	Sep-23	Mar-23	Jun-23	Sep-23
Concessional	7.42	7.42	7.48	55.46%	52.16%	52.66%
Semi Concessional	2.59	2.92	2.86	19.35%	20.50%	20.15%
Non Concessional	0.75	0.75	0.78	5.63%	5.25%	5.48%
Commercial	2.62	3.15	3.08	19.56%	22.10%	21.71%
Total debt stock	13.38	14.24	14.20	100.00%	100.00%	100.00%

Source: MoFPED

Table 3c: Central Government External Debt Outstanding and Transaction by Creditor Type, Billion USD

Creditor Type	Disbursement in Q4, FY 2022/23	Principal operations in Q4, FY 2022/23	Exchange rate variation/other adjustment	Total outstanding debt stock as at 30.06.2023	Disbursement in Q1, FY 2023/24	Principal operations in Q1, FY 2023/24	Exchange rate variation/other adjustment	Total outstanding debt stock as at 30.09.2023
Bilateral Creditors (BC)	0.01	0.03	(0.03)	3.50	0.01	0.12	0.08	3.48
Non Paris Club	-	0.02	0.00	2.67	0.01	0.11	0.04	2.60
Paris Club	0.01	0.00	(0.03)	0.83	0.01	0.01	0.05	0.88
	-	-				0.00		
Multilateral Creditors (MC)	0.51	0.04	(0.09)	8.80	0.14	0.04	(0.05)	8.85
Major Multilaterals	0.48	0.02	(0.08)	7.49	0.10	0.03	(1.46)	6.09
Other Multilaterals	0.04	0.02	(0.01)	1.31	0.04	0.01	1.42	2.76
	-	-				0.00		
Private Bank (PB)	0.58	0.07	(0.00)	1.94	-	0.03	(0.04)	1.86
Other Financial Institutions	0.58	0.07	(0.00)	1.94	-	0.03	(0.04)	1.86
	-	-				0.00		
Grand Total	1.10	0.13	(0.12)	14.24	0.16	0.19	(0.01)	14.20

Source: MoFPED

³ Concessional loans provide a grant element of greater or equal to 35%, semi-concessional loans provide grant element of greater or equal to 25% and less than 35%, non-concessional loans, greater than 10% and less than 25% and commercial loans less or equal to 10%.

Table 4a: SDR Undecomposed Debt Stock by Currency Composition, Billion USD⁴

	Mar-23		Jun-23		Sep-23	
	Stock	%	Stock	%	Stock	%
USD	4.23	31.58	4.22	29.65	4.27	30.07
EUR	2.30	17.18	2.82	19.79	2.78	19.60
JPY	0.35	2.62	0.31	2.21	0.30	2.14
Others	0.31	2.31	0.31	2.16	0.30	2.14
SDR	5.82	43.50	6.22	43.69	6.19	43.60
CNY	0.38	2.81	0.36	2.50	0.35	2.46
Grand Total	13.38	100.00	14.24	100.00	14.20	100.00

Source: MoFPED

Table 4b: SDR Decomposed Debt Stock by Currency Composition, Billion USD

	Mar-23		Jun-23		Sep-23	
	Stock	%	Stock	%	Stock	%
USD	6.75	50.45	6.92	48.60	6.85	48.26
EUR	4.01	29.93	4.64	32.59	4.70	33.08
JPY	0.79	5.92	0.79	5.53	0.82	5.77
Others	0.74	5.55	0.77	5.41	0.80	5.67
CNY	1.09	8.16	1.12	7.87	1.02	7.22
Total	13.38	100.00	14.24	100.00	14.20	100.00

Source: MoFPED

⁴ Other currencies include United Arab Emirates dirham (AED), Korean won (KRW), Iraqi Dinar (IQD), Saudi riyal (SAR), British pound sterling (GBP), Islamic Dinar (IDI).

Table 5: External Debt Portfolio Currencies and End Period Exchange Rates

Currency	UGX/Currency			Currency/USD		
	Mar-23	Jun-23	Sep-23	Mar-23	Jun-23	Sep-23
United Arab Emirates Dirham (AED)	1,034.63	1,003.82	1,028.10	3.67	3.67	3.67
African Unit of Account (AFU)	5,113.76	4,918.19	4,951.82	0.74	0.75	0.76
Swiss Franc (CHF)	4,154.46	4,103.65	4,136.05	0.91	0.90	0.91
China Yuan (CNY)	553.49	508.45	517.18	6.87	7.25	7.30
Danish Krone (DKK)	555.78	538.14	535.97	6.84	6.85	7.05
Euro (EUR)	4,139.81	4,007.54	3,996.74	0.92	0.92	0.94
Pound Sterling (GBP)	4,705.26	4,656.48	4,618.30	0.81	0.79	0.82
Islamic Dinar (IDI)	5,113.76	4,918.19	4,951.82	0.74	0.75	0.76
Japanese Yen (JPY)	28.58	25.48	25.31	132.98	144.70	149.19
Korea (South) Won (KRW)	2.93	2.80	2.80	1,299.16	1,318.46	1,349.89
Kuwait Dinar (KWD)	12,391.83	11,982.48	12,219.16	0.31	0.31	0.31
Norwegian Krone (NOK)	365.13	342.01	353.66	10.41	10.78	10.68
Saudi Arabia Riyal (SAR)	1,012.71	983.10	1,006.88	3.75	3.75	3.75
Special Drawing Rights (SDR)	5,113.76	4,918.19	4,951.82	0.74	0.75	0.76
Swedish Krone (SEK)	366.35	339.64	346.70	10.37	10.86	10.89
Uganda Shillings (UGX)	1.00	1.00	1.00	3,800.08	3,687.13	3,776.21

Source: MoFPED

Table 6: External Debt Stock by Interest Rate Type, Billion USD

Interest Rate Type	Mar-23		Jun-23		Sep-23	
	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	9.38	70.08	9.56	67.15	9.08	63.92
Bilateral	2.32	17.30	2.47	17.38	2.46	17.32
Multilateral	7.06	52.76	7.08	49.75	6.62	46.58
Private Bank	0.00	0.03	0.00	0.02	0.00	0.02
Variable Interest Debt	2.90	21.70	3.23	22.72	3.19	22.48
Bilateral	1.23	9.16	1.03	7.22	1.02	7.21
Multilateral	0.26	1.93	0.27	1.91	0.31	2.17
Private Bank	1.42	10.61	1.93	13.59	1.86	13.11
No Interest Rate	1.10	8.21	1.44	10.13	1.93	13.59
Bilateral	0.01	0.04	-	-	-	-
Multilateral	1.09	8.17	1.44	10.13	1.93	13.59
Private Bank	-	0.00	-	-	-	-
Total	13.38	100.00	14.24	100.00	14.20	100.00

Source: MoFPED

Table 7: Quarterly Actual External Debt Service, Millions USD

Creditor Type	April - June 2023					July - September 2023				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	25.49	3.09	0.25	28.83	16.47	115.63	59.32	0.91	175.86	59.52
Paris Club	24.88	2.76	0.25	27.89	15.94	5.10	1.00	0.44	6.54	2.21
Non Paris Club	0.61	0.33	0.00	0.94	0.53	110.53	58.32	0.47	169.32	57.30
Multilaterals	41.78	13.58	3.58	58.93	33.68	41.81	18.36	1.86	62.03	20.99
Major	19.15	7.56	0.15	26.86	15.35	34.72	14.63	0.45	49.80	16.85
Other	22.63	6.01	3.44	32.08	18.33	7.09	3.73	1.41	12.23	4.14
Private Banks	65.22	21.97	0.04	87.24	49.85	29.01	28.59	0.00	57.60	19.49
Other financial institutions	65.22	21.97	0.04	87.24	49.85	29.01	28.59	0.00	57.60	19.49
Grand Total	132.49	38.63	3.88	175.00	100.00	186.45	106.26	2.77	295.49	100.00

Source: MoFPED

Table 8: Stock of External Undisbursed Debt, Billion USD

	Mar-23		Jun-23		Sep-23	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	0.90	25.85	0.82	26.10	0.74	24.87
Non Paris Club	0.42	12.17	0.38	12.14	0.37	12.39
Paris Club	0.48	13.68	0.44	13.96	0.37	12.48
Multilateral	2.56	73.40	2.29	73.07	2.22	74.28
Major Multilaterals	1.45	41.46	1.21	38.51	0.85	28.31
Other Multilaterals	1.11	31.94	1.08	34.56	1.37	45.97
Private Banks	0.03	0.75	0.03	0.83	0.03	0.85
	0.03	0.75	0.03	0.83	0.03	0.85
Total	3.49	100.00	3.13	100.00	2.99	100.00

Source: MoFPED

Table 9⁵: Gross Public and Private External Debt Position (Million USD)

	Dec-22	Mar-23	Jun-23
General Government	13,378.19	13,988.33	14,587.95
Short-term	17.42	7.00	3.93
Currency and deposits	-	-	-
Debt securities	17.42	7.00	3.93
Loans	-	-	-
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Long-term	13,360.77	13,981.33	14,584.02
Special drawing rights (allocations) 2	-	-	-
Currency and deposits	-	-	-
Debt securities	633.17	780.06	748.40
Loans	12,727.60	13,201.27	13,835.62
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Central Bank	1,023.14	1,034.56	1,025.48
Short-term	-	-	-
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	-	-	-
Long-term	1,023.14	1,034.56	1,025.48
Special drawing rights (allocations)2	690.79	698.50	692.37
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	332.35	336.06	333.11
Deposit-Taking Corporations, except the Central Bank	570.65	578.71	536.06
Short-term	235.50	223.02	213.14
Currency and deposits	235.50	223.02	213.14
Debt securities	-	-	-
Long-term	335.15	355.69	322.92
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	335.05	355.69	322.92
Other Sectors	2,920.12	3,022.13	3,054.40
Short-term	1,444.71	1,456.87	1,466.67
Loans	1,131.39	1,141.99	1,150.28
Trade credit and advances	313.32	314.88	316.39
Other debt liabilities1	-	-	-
Long-term	1,475.41	1,565.26	1,587.74
Loans	1,475.41	1,565.26	1,587.74
Direct Investment: Intercompany Lending	3,386.10	3,447.37	3,505.01
Debt liabilities of direct investment enterprises to direct investors	3,386.10	3,447.37	3,505.01
Debt liabilities of direct investors to direct investment enterprises	-	-	-
Debt liabilities to fellow enterprises	-	-	-
Gross External Debt Position	21,278.21	22,071.24	22,709.03

Source: BOU

⁵ This data in the table has been reported with a lag of one quarter. Other liabilities comprise of insurance, pension and standardised guarantee scheme and other accounts payable.

PART IV: CONTINGENT LIABILITIES

Table 10: Guaranteed Debt Stock as at September 2023, (USD)

No.	Beneficiary	Project	Creditor	Guaranteed Amount (USD)	Tenor (Years)	Undisbursed (USD)	Disbursed & Outstanding (USD)		Performance
							Jun-23	Sep-23	
1	Islamic University in Uganda	Student's hostel	Islamic Development Bank (IDB)	4,302,676	25	-	1,411,319	1,280,723	Repayment on schedule
2	Islamic University in Uganda	Student's hostel project additional financing	Islamic Development Bank (IDB)	983,888	20	-	530,884	499,613	Repayment on schedule
3	Islamic University in Uganda	Constructing of faculty engineering, upgrade the library and purchase ICT equipment	Islamic Development Bank (IDB)	13,790,000	18	11,605,259	100,000	2,184,741	Not fully disbursed
4	Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	The Arab Bank for Economic Development in Africa. (BADEA)	6,000,000	10	-	2,999,900	2,624,900	Repayment on schedule
5	Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	Islamic Development Bank (IDB)	10,000,000	8	-	1,105,473	1,028,188	Repayment on schedule

No.	Beneficiary	Project	Creditor	Guaranteed Amount (USD)	Tenor (Years)	Undisbursed (USD)	Disbursed & Outstanding (USD)		Performance
							Jun-23	Sep-23	
6	Uganda Development Bank Limited	On-lending to exclusively eligible projects in various sectors in Uganda Including priority targeted sectors.	African Development Bank	15,000,000	10	-	11,250,000	10,312,500	Repayment on schedule
7	Uganda Development Bank Limited	To finance import of goods and services from India.	Exim India	5,000,000	7	-	2,857,042	2,857,043	Repayment on schedule
8	Uganda Development Bank Limited	Funds for project Finance especially women led projects and youth	European Investment Bank	15,000,000		15,000,000	-	-	Undisbursed
9	Uganda Development Bank Limited	Funding for Trade Finance projects	International Islamic Trade Finance Corporation	10,000,000	1	-	5,277,113	3,248,741	Repayment on schedule
10	Uganda Development Bank Limited	Funds for project Finance (SMEs in key growth sectors)	OPEC Fund for International Development	20,000,000	8	-	20,000,000	20,000,000	Fully disbursed

No.	Beneficiary	Project	Creditor	Guaranteed Amount (USD)	Tenor (Years)	Undisbursed (USD)	Disbursed & Outstanding (USD)		Performance
							Jun-23	Sep-23	
11	Uganda Development Bank Limited	Funding of projects in key growth sectors of Uganda	The Arab Bank for Economic Development in Africa. (BADEA)	10,000,000	7	-	10,000,000	10,000,000	Fully disbursed
12	Uganda Development Bank Limited	Trade finance line for importation of good from Arab countries	The Arab Bank for Economic Development in Africa. (BADEA)	10,000,000	7	-	7,084,261	10,000,000	Fully disbursed
TOTAL				120,076,564			28,790,000	62,615,992	64,036,448

Source: MoFPED

Table 11a: Non-Guaranteed Debt and Other Liabilities of SOEs and EBU, Million UGX⁶

All in UGX Millions	Financial Years UGX	
	June 2022	June 2021
Domestic Borrowing	94,564	132,792
External Borrowing	181,206	146,306
Other debt (including lease contracts and over overdrafts)	1,566,245	1,596,151
GoU On-Lent	7,767,721	6,962,403
Liabilities from grants and GoU contributions	1,255,337	808,730
Total outstanding debt excluding GoU on-lent loans	1,905,936	1,875,249
Total debt including GoU on-lent loans	9,673,657	8,837,652
Debt ratio (Total debt/total assets)⁷	24.23%	31.96%

Source: MoFPED

Table 11b: Non-Guaranteed Debt and Other Liabilities of Local Governments, Million UGX

All in UGX Millions	June 2022 (UGX millions)	June 2021 (UGX millions)
Domestic loans	-	-
External loans	-	-
On-lending	-	-
Total outstanding debt including GoU on-lent⁸	-	-
Current liabilities (including payables)	24,338	9,898
Other debts (including lease contracts and overdrafts)	-	-
Other LG contingent liabilities	8,562	6,373
Capital grants	-	-
Pension liabilities	23,638	10,731
Total (Implicit contingent liabilities)	56,539	27,001

Source: MoFPED

⁶ The annual financial statements that are collected form basis for this calculation. The data is reported with a one year lag given that end June 2023 financial statements are still under audit at the time of this publication.

⁷ This is calculated for those entities with Debt only.

⁸ The above table was calculated based on the financial statements that are collected annually. The data collected was obtained from audited financial statements as of end June 2022; as the end June 2023 were not yet audited.

PART V: DOMESTIC DEBT STATISTICS

Table 12: Domestic Debt Stock at Original Maturity, UGX Billion

Instruments Maturity period	Mar-23				Jun-23				Sep-23			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	23.28	23.51	23.86	0.1%	88.50	89.39	90.66	0.3%	200.50	202.30	205.32	0.6%
182	227.42	235.18	240.70	0.7%	263.59	268.66	278.27	0.8%	654.59	864.33	692.50	1.8%
364	4,454.67	4,705.84	5,033.49	13.0%	4,575.94	4,902.70	5,192.02	13.2%	5,018.56	5,159.84	5,678.49	13.8%
Total Bills	4,705.37	4,964.5	5,298.0	13.8%	4,928.03	5,260.7	5,560.9	14.3%	5,873.65	6,226.5	6,576.3	16.2%
2	2,363.4	2,419.8	2,322.1	6.9%	2,895.1	2,954.1	2,845.4	8.4%	2,254.0	2,326.5	2,207.9	6.2%
3	1,975.1	1,979.8	1,850.9	5.8%	1,975.1	2,023.6	1,850.9	5.7%	1,327.9	1,306.2	1,215.3	3.7%
5	4,327.6	4,789.3	4,192.8	12.7%	4,382.3	4,918.4	4,246.1	9.3%	3,892.5	4,314.9	3,744.0	10.7%
10	9,237.5	9,079.1	8,803.8	27.0%	8,311.3	8,133.7	7,888.7	24.1%	9,818.3	9,614.9	9,360.0	27.1%
15	6,736.0	7,011.0	6,673.0	19.7%	7,063.8	7,345.0	6,998.9	23.8%	7,350.7	7,653.9	7,277.7	20.3%
20	4,816.2	5,026.4	4,555.3	14.1%	5,018.2	5,127.6	4,728.5	14.5%	5,754.6	5,984.8	5,505.7	15.9%
Total Bonds	29,455.82	30,305.4	28,398.0	86.2%	29,645.77	30,502.3	28,558.6	85.7%	30,398.05	31,201.3	29,310.6	83.8%
Total Stock	34,161.19	35,269.94	33,696.02	100.0%	34,573.80	35,763.06	34,119.54	100.0%	36,271.71	37,427.76	35,886.87	100.0%

Source: MoFPED, DPID

Table 13 a: Stock of Government Securities at Face Value by Holder, UGX Billion

S/N	Holder Category	Mar-23		Jun-23		Sep-23	
		Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value
1	Banks	4,393.7	82.9%	4,908.6	88.3%	5,785.2	88.0%
2	Pension & Provident Funds	41.9	0.8%	43.2	0.8%	34.3	0.5%
3	Offshore	28.1	0.5%	15.5	0.3%	10.3	0.2%
4	Bank of Uganda	1.1	0.02%	-	0.00%	-	0.00%
5	Insurance companies	116.0	2.2%	135.6	2.4%	108.5	1.6%
6	Other financial institutions	277.1	5.2%	52.6	0.9%	160.0	2.4%
7	Retail	121.3	2.3%	121.2	2.2%	129.2	2.0%
8	Other	318.9	6.0%	284.2	5.1%	348.9	5.3%
	Total Bills	5,298.0	100.0%	5,560.9	100.0%	6,576.3	100.0%
1	Banks	8,865.8	31.2%	8,423.5	29.5%	8,305.8	28.3%
2	Pension & Provident Funds	10,158.0	35.8%	10,929.9	38.3%	10,895.7	37.2%
3	Offshore	2,760.3	9.7%	2,613.7	9.2%	3,118.6	10.6%
4	Bank of Uganda	996.8	3.5%	987.7	3.5%	987.7	3.4%
5	Insurance companies	616.2	2.2%	639.6	2.2%	653.5	2.2%
6	Other financial institutions	2,325.8	8.2%	2,121.0	7.4%	2,298.7	7.8%
7	Retail	1,306.3	4.6%	1,385.3	4.9%	1,478.2	5.0%
8	Other	1,363.1	4.8%	1,457.9	5.1%	1,572.3	5.4%
	Total Bonds	28,398.0	100.0%	28,558.6	100.0%	29,310.6	100.0%
	Total Stock	33,696.0		34,119.5		35,886.9	

Source: BOU

Table 13 b: Stock of Government Securities at Cost by Holder, UGX Billion

S/N	Holder Category	Mar-23		Jun-23		Sep-23	
		Cost	% Cost	Cost	% Cost	Cost	% Cost
1	Banks	3,920.5	83.3%	4,350.0	88.3%	5,167.0	88.0%
2	Pension & Provident Funds	36.9	0.8%	38.1	0.8%	30.6	0.5%
3	Offshore	26.1	0.6%	13.9	0.3%	9.2	0.2%
4	Bank of Uganda	-	0.0%	-	0.0%	-	0.0%
5	Insurance companies	102.9	2.2%	120.6	2.4%	96.7	1.6%
6	Other financial institutions	223.5	4.7%	40.6	0.8%	133.5	2.3%
7	Retail	111.1	2.4%	111.0	2.3%	118.4	2.0%
8	Other	284.4	6.0%	253.8	5.2%	318.2	5.4%
	Total Bills	4,705.368	100.00%	4,928.034	100.00%	5,873.654	100.00%
1	Banks	8,735.3	29.7%	8,744.1	29.5%	8,614.0	28.3%
2	Pension & Provident Funds	10,312.5	35.0%	11,192.7	37.8%	11,097.5	36.5%
3	Offshore	2,957.2	10.0%	2,800.0	9.4%	3,321.4	10.9%
4	Bank of Uganda	1,038.0	3.5%	1,038.0	3.5%	1,038.0	3.4%
5	Insurance companies	653.4	2.2%	680.1	2.3%	912.2	3.0%
6	Other financial institutions	2,897.0	9.8%	2,128.3	7.2%	2,140.2	7.0%
7	Retail	1,411.8	4.8%	1,503.8	5.1%	1,600.2	5.3%
8	Other	1,450.5	4.9%	1,558.8	5.3%	1,674.6	5.5%
	Total Bonds	29,455.82	100.00%	29,645.77	100.00%	30,398.05	100.00%
	Total Stock	34,161.2		34,573.8		36,271.7	

Source: BOU

Table 14: Domestic Debt Service, UGX Billion

S/N	Instruments Maturity period	Jan-Mar 2023				Apr-Jun 2023				Jul-Sep 2023			
		Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
1	91	2.43	-	89.38	91.8	3.94	-	171.06	175.0	2.16	-	146.60	148.8
2	182	13.49	-	249.93	263.4	15.95	-	386.63	402.6	4.35	-	324.10	328.4
3	364	103.83	-	1,055.08	1,158.9	110.22	-	902.70	1,012.9	147.27	-	1,535.50	1,682.8
	Total Bills	119.7		1,394.4	1,514.1	130.1		1,460.4	1,590.5	153.8		2,006.2	2,160.0
4	2	-	63.4		63.4	-	67.8	291.0	358.8	2.9	89.3	897.2	989.4
5	3	-	107.0		107.0	-	88.0	-	88.0	-	65.4	-	65.4
6	5	-	177.3		177.3	-	92.4	-	92.4	-	162.2	-	162.2
7	10	-	338.1	762.1	1,100.2	-	249.4	-	249.4	-	399.3	-	399.3
8	15	-	292.6		292.6	-	340.8	-	340.8	-	318.9	-	318.9
9	20	-	97.0		97.0	-	307.2	-	307.2	-	113.8	-	113.8
	Total Bonds	-	1,075.3	762.1	1,837.4	-	1,145.7	291.0	1,436.7	2.9	1,148.8	897.2	2,048.9
	Total	119.7	1,075.3	2,156.5	3,351.6	130.1	1,145.7	1,751.4	3,027.2	221.8	1,327.0	3,693.9	5,242.7

Source: MoFPED, DPID

Table 15: Domestic Debt Gross Issuances, UGX Billion

Instruments	Jan-Mar 2023				Apr-Jun 2023				Jul-Sep 2023			
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost
91	23.28	23.86	0.58	0.7%	88.50	90.66	2.16	3.7%	200.50	205.32	4.82	4.7%
182	83.07	87.42	4.35	2.6%	180.52	190.86	10.33	7.5%	474.07	501.64	27.58	11.1%
364	1036.19	1166.04	129.85	32.1%	902.66	1012.88	110.22	37.3%	1535.46	1726.59	191.12	35.9%
Total Bills	1,142.5	1,277.3	134.8	35.3%	1,171.7	1,294.4	122.7	48.4%	2,210.0	2,433.6	223.5	51.7%
2	175.08	163.39	-11.70	5.4%	212.95	206.30	-6.64	8.8%	271.36	262.58	-8.78	6.4%
3	515.76	501.07	-14.69	16.0%	318.69	317.03	-1.65	13.2%	211.46	211.00	-0.46	4.9%
5	244.79	248.64	3.85	7.6%	54.68	53.35	-1.33	2.3%	128.31	130.25	1.94	3.0%
10	258.13	255.68	-2.45	8.0%	134.93	132.09	-2.84	5.6%	428.28	422.21	-6.07	10.0%
15	467.88	465.46	-2.42	14.5%	327.83	325.90	-1.93	13.5%	286.93	278.74	-8.19	6.7%
20	428.22	365.57	-62.65	13.2%	202.00	173.18	-28.82	8.3%	736.48	777.15	40.67	17.2%
Total Bonds	2,089.9	1,999.8	- 90.0	64.7%	1,251.1	1,207.9	- 43.2	51.6%	2,062.8	2,081.9	19.1	48.3%
Total Issuance	3,232.41	3,277.14	44.73	100.0%	2,422.76	2,502.24	79.48	100.0%	4,272.83	4,515.48	242.64	100.0%

Source: MoFPED, DPID

Table 16: Domestic Debt Net Issuances, UGX Billion

	Mar-23	Jun-23	Sep-23
Fiscal Financing	1,075.93	483.32	1,682.35
BoU Recapitalisation	-	-	-
Redemptions	2,156.48	1,939.44	2,590.48
Total Issuance	3,232.41	2,422.76	4,272.83

Source: MoFPED, DPID

Table 17: Central Government Domestic Debt by Interest Rate (End Period/Quarterly Average Primary Market Yields)

	Tenor	Quarterly Average			End Period		
		Mar-23	Jun-23	Sep-23	Mar-23	Jun-23	Sep-23
Treasury Bill Rates	91 Days	10.4	10.2	10.1	10.4	9.3	9.6
	182 Days	10.6	11.0	11.6	10.5	11.0	12.4
	364 Days	12.6	12.2	12.5	13.0	12.0	13.0
Treasury Bond Rates	2 Years	13.5	13.5	13.5	13.5	13.5	13.6
	3 Years	14.0	14.0	13.6	14.0	14.0	13.7
	5 Years	15.0	14.8	15.2	15.0	14.8	15.2
	10 Years	15.2	15.8	15.3	15.0	15.8	15.0
	15 Years	16.4	16.1	16.1	17.0	16.0	16.3
	20 Years	16.5	16.5	16.0	16.3	16.3	17.0

Source: MoFPED, DPID

PART VI: PUBLIC DEBT PORTFOLIO ANALYSIS

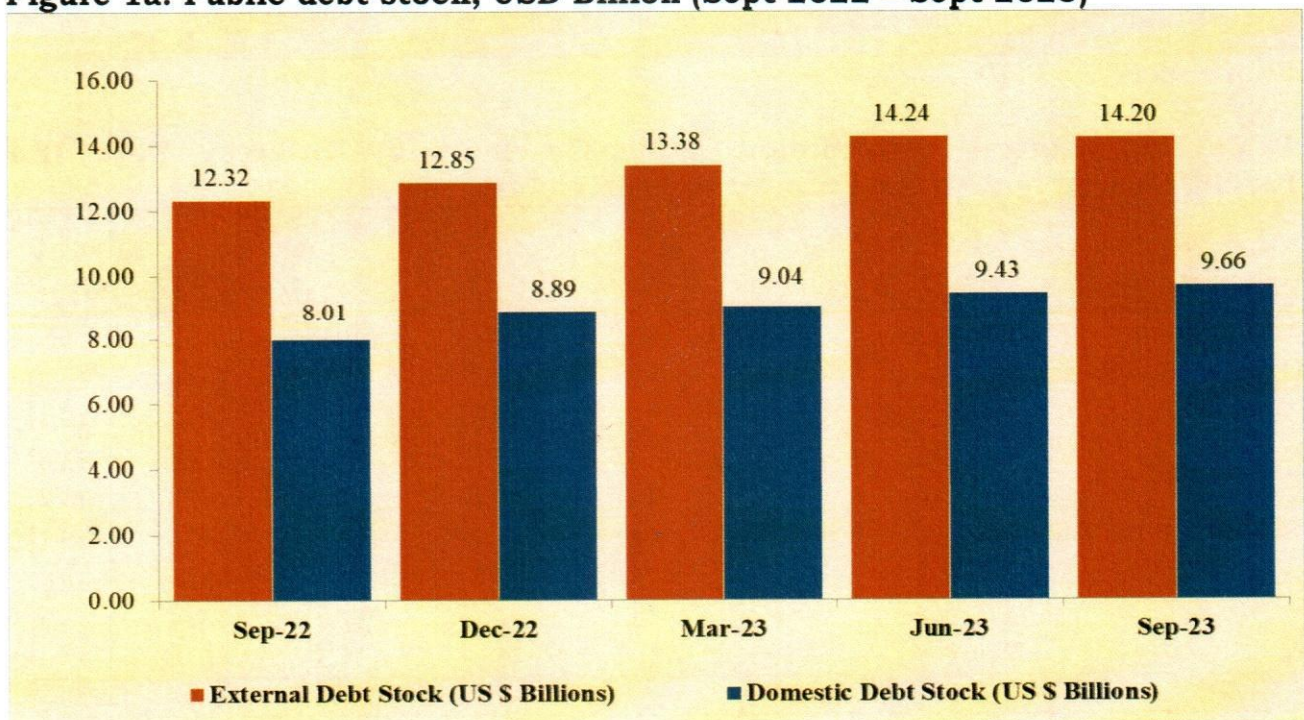
6.1. TOTAL PUBLIC DEBT

Total public debt stock increased by 0.8% from USD 23.67 Billion (UGX. 86.75 Trillion) in June 2023 to USD 23.86 Billion (UGX 89.66 Trillion) in September 2023. Of this, external debt constituted 59.51% (USD 14.20 Billion/UGX 53.35 Trillion) while domestic debt constituted 40.49% (USD 9.66 Billion/UGX 36.31 Trillion). This represents an increase in both external debt stock and domestic debt from UGX 52.21 Trillion and UGX 34.55 Trillion respectively as at end June 2023.

In foreign currency however, the external debt stock reduced slightly from USD 14.24 Billion to USD 14.20 Billion. The increase in the UGX stock is as a result of appreciation of dollar currency from 3,667.4 as at end June 2023 to 3,757.3 as at end September 2023. On the other hand, domestic debt increased due to additional issuances to fund increasing government expenditure requirements.

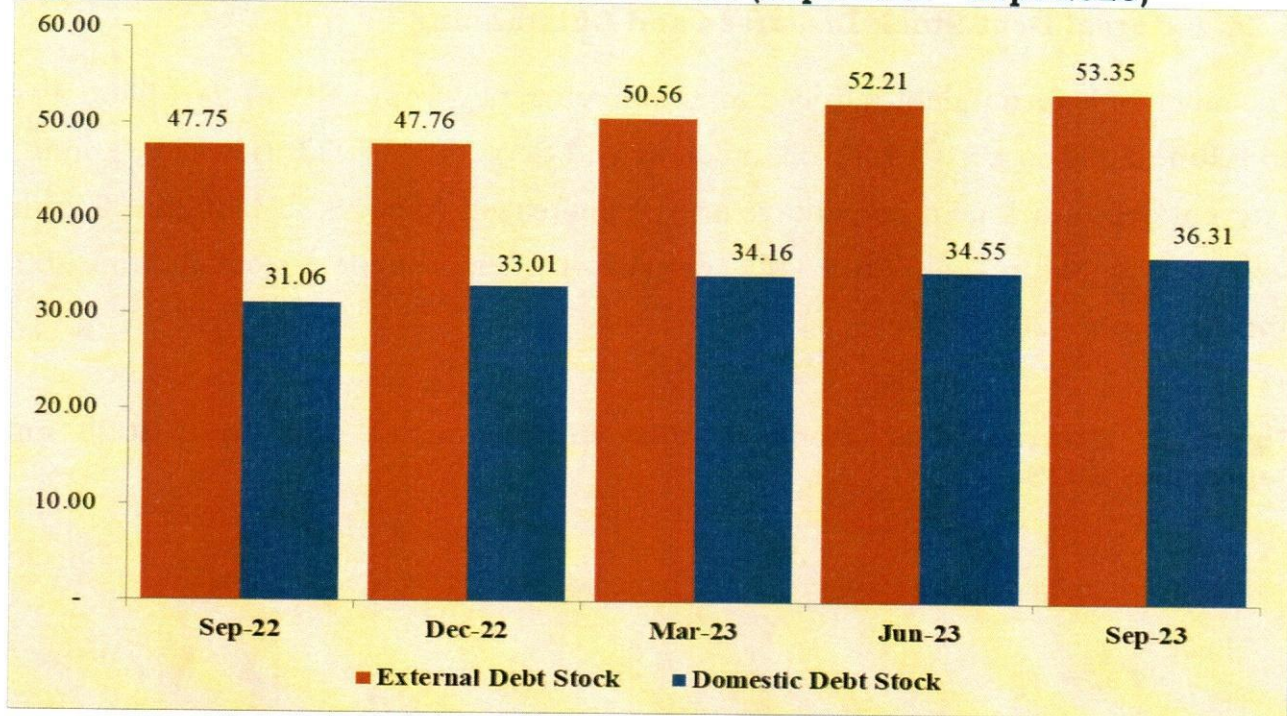
The trend of public debt stock is graphically illustrated in figure 1(a) and (b).

Figure 1a: Public debt stock, USD Billion (Sept 2022 – Sept 2023)



Source: MoFPED

Figure 1b: Public debt stock in UGX Trillion (Sept 2022 – Sept 2023)



Source: MoFPED

As shown in figures 1a and 1b, the level of total public debt has been on an increasing trend from September 2022 at USD 20.33 Billion/UGX 78.81 Trillion to USD 23.86 Billion/UGX 89.66 Trillion. This was on account of increased borrowing for budget and project financing as a result of Government's growing expenditure requirements.

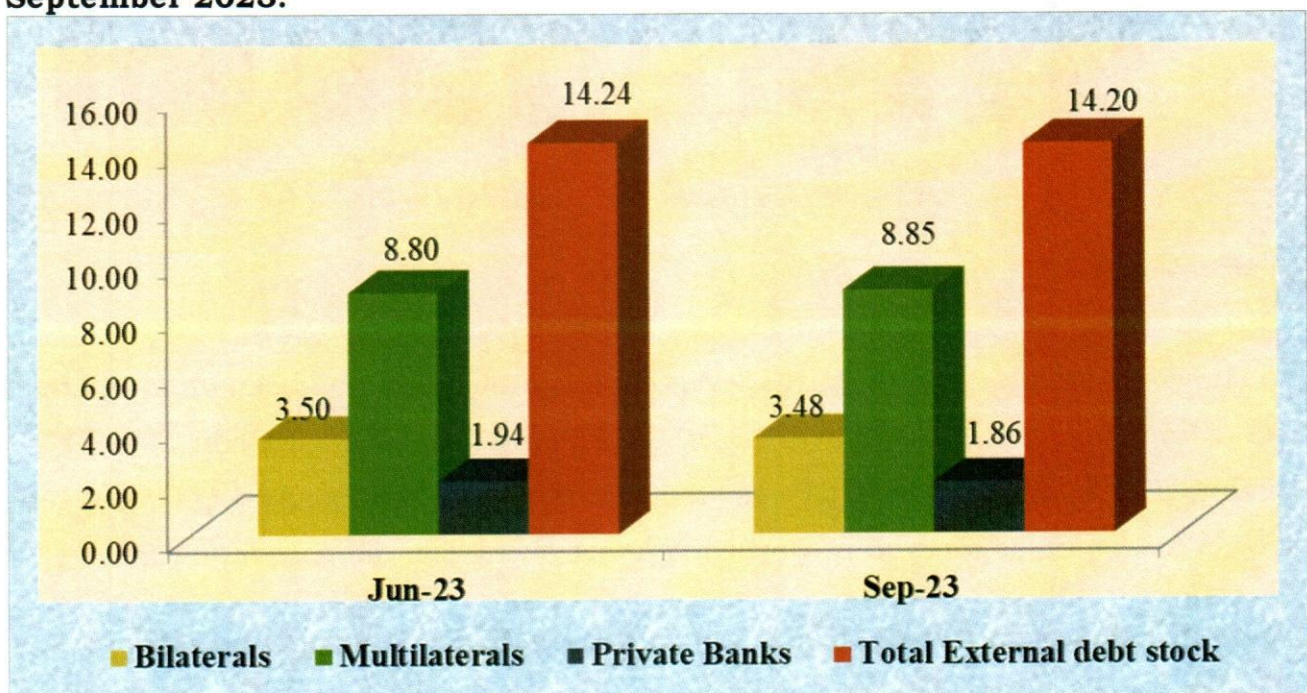
Nominal value of public debt as a percentage of GDP for the period under review stood at 48.5% which indicates an increase from 47.1% in June 2023. Of the 48.5%, the ratio of external debt to GDP accounted for 28.9% and the ratio of domestic debt stood at 19.6%. The increase in the nominal debt to GDP ratio is as a result of the increased overall debt stock from quarter four of FY2022/23 while GDP increase within the same period was not significant. Similarly, in Present Value (PV) terms, the stock of public debt as a percent of GDP increased from 39.6% to 40.8% during the same period.

6.2 EXTERNAL DEBT

6.2a. External Debt Stock Disbursed and Outstanding

The stock of external debt reduced in foreign currency from USD 14.24 Billion as at end June 2023 to USD 14.20 Billion as at end September 2023. However, nominal external debt stock as a percentage of GDP increased from 28.35% to 28.9% in the same period. Figure 2 illustrates the comparison of external debt stock in June 2023 and September 2023.

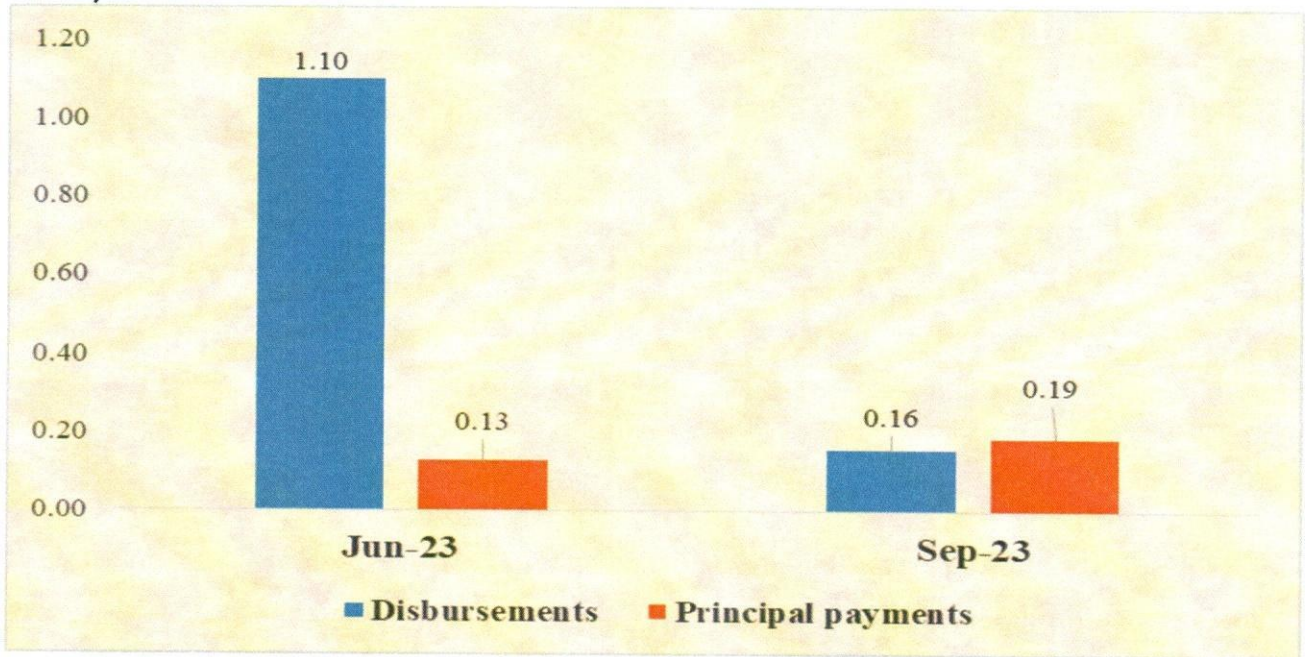
Figure 2: External debt stock in USD Billions as at end June 2023 and September 2023.



Source: DPI, MoFPED

The reduction in external debt stock was on account of reduced disbursements from USD 1.10 Billion to USD 0.16 Billion and increased principal payments from USD 0.13 Billion to USD 0.19 Billion during the quarter as illustrated in figure 3.

Figure 3: External debt disbursed and Principal payments (June 2023 – Sept 2023)

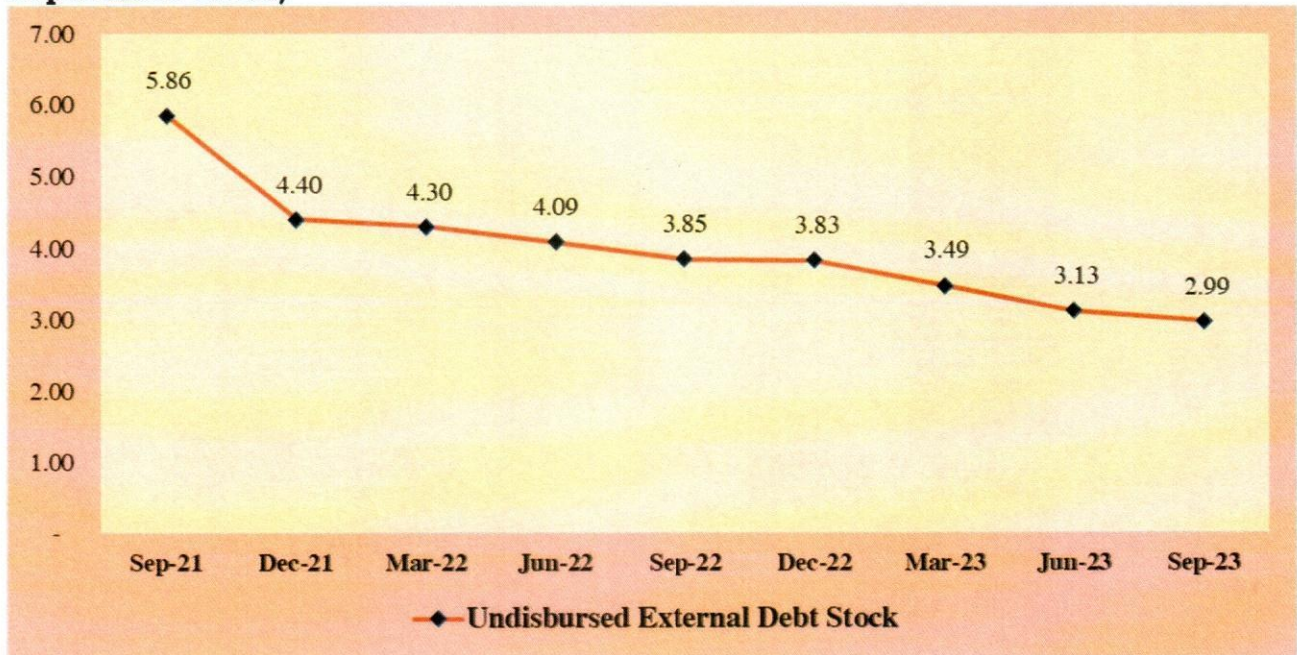


Source: MoFPED, DPI

Undisbursed debt reduced from USD 3.13 Billion as at June 2023 to USD 2.99 Billion by end September 2023. Both Multilateral and Bilateral creditors during the quarter registered a reduction in the undisbursed amounts from USD 2.29 Billion and USD 0.82 Billion to USD 2.22 Billion and USD 0.74 Billion respectively. The decreasing trend of undisbursed external debt over the quarters is attributed to deliberate efforts by Government to ensure projects' readiness for financing which results into timely project execution and disbursements.

Figure 4 demonstrates trends of undisbursed debt from September 2021 to September 2023.

Figure 4: Trend of Undisbursed External Debt in USD Billion (September 2021 - September 2023)



Source: MoFPED, DPI

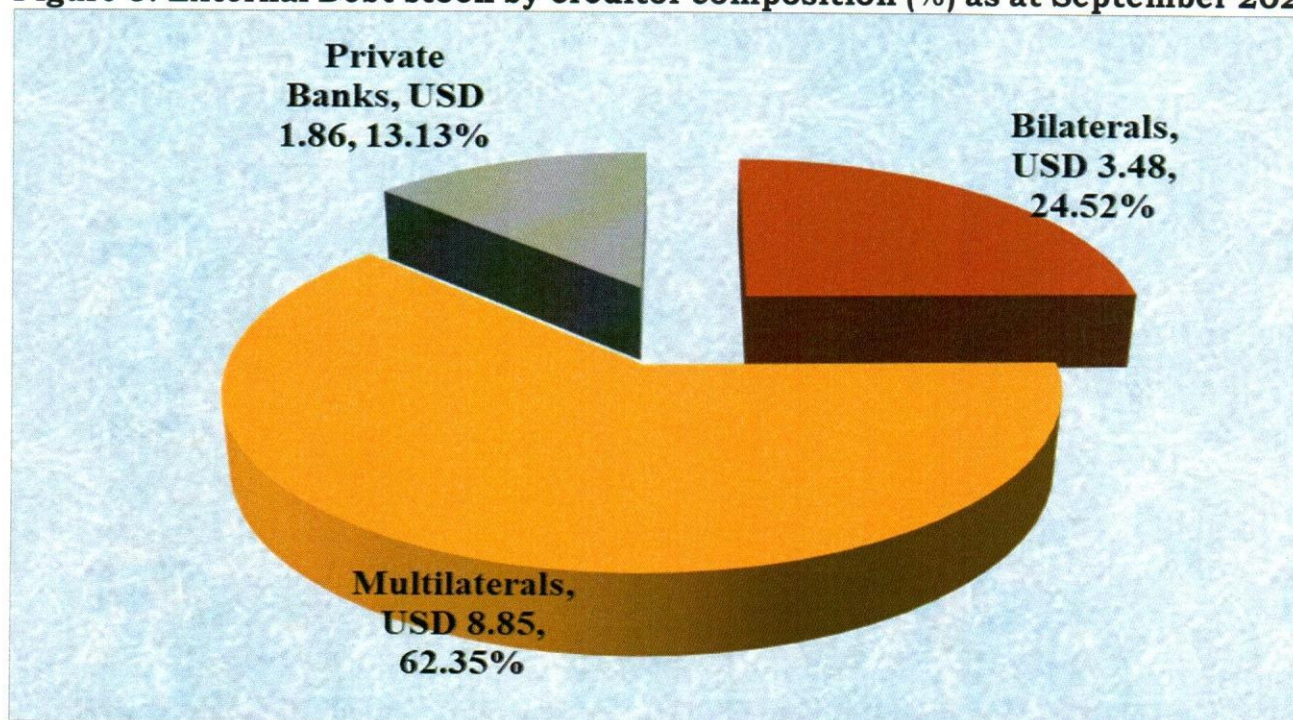
6.2b. Creditor composition

With a holding of 62.35% (USD 8.85 billion), multilateral creditors continue to hold the largest portion of Uganda's external debt stock. The major multilateral creditors; International Development Association (IDA), International Monetary Fund (IMF) and African Development Fund (AfDF) hold the largest share of Uganda's external debt stock, equivalent to 42.90% (USD 6.09 Billion) of the external debt portfolio.

Other multilateral creditors among others; African Development Bank (ADB), Islamic Development Bank (IDB) and International Fund for Agriculture (IFAD) held 19.44%, equivalent to USD 2.76 Billion as at end September 2023. Bilateral creditors categorised into Paris club and non-Paris club share 6.21% (USD 0.88 Billion) and 18.32% (USD 2.60 Billion) respectively, while private banks held 13.13%, equivalent to USD 1.86 Billion.

The external debt stock by creditor composition as at end September 2023 is illustrated in figure 4.

Figure 5: External Debt stock by creditor composition (%) as at September 2023



Source: DPI, MoFPED

Bilateral creditors are dominated by Exim Bank of China and UKEF holding USD 2.50 Billion and USD 0.36 Billion respectively while private banks are dominated by Stanbic Bank holding USD 0.78 Billion during the same period.

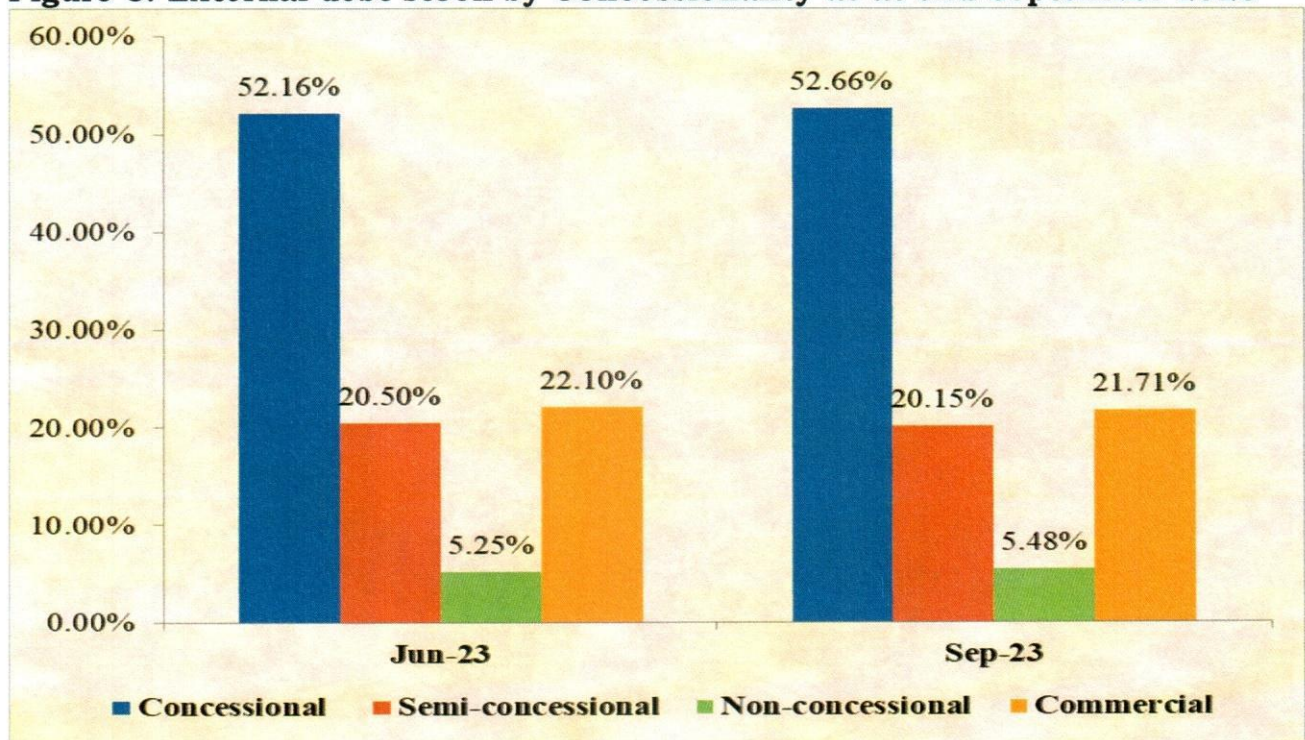
Notably, the share of multilateral creditors out of the total external debt stock has increased from 61.79% as at end June 2023 to 62.35% as at end September 2023 along with reductions in the bilateral and private bank shares from 24.60% to 24.52% and 13.61% to 13.13% respectively.

6.2c. Concessional type⁹.

As illustrated in figure 5, the largest share of Uganda's external debt stock was taken up by concessional debt which stood at 52.66% (USD 7.48 Billion) as at end September 2023, having increased from 52.16% in the previous quarter ending June 2023.

⁹ Concessional loans provide a grant element of greater or equal to 35%, semi-concessional loans provide grant element of greater or equal to 25% and less than 35%, non-concessional loans, greater than 10% and less than 25% and commercial loans less or equal to 10%.

Figure 6: External debt stock by Concessionality as at end September 2023



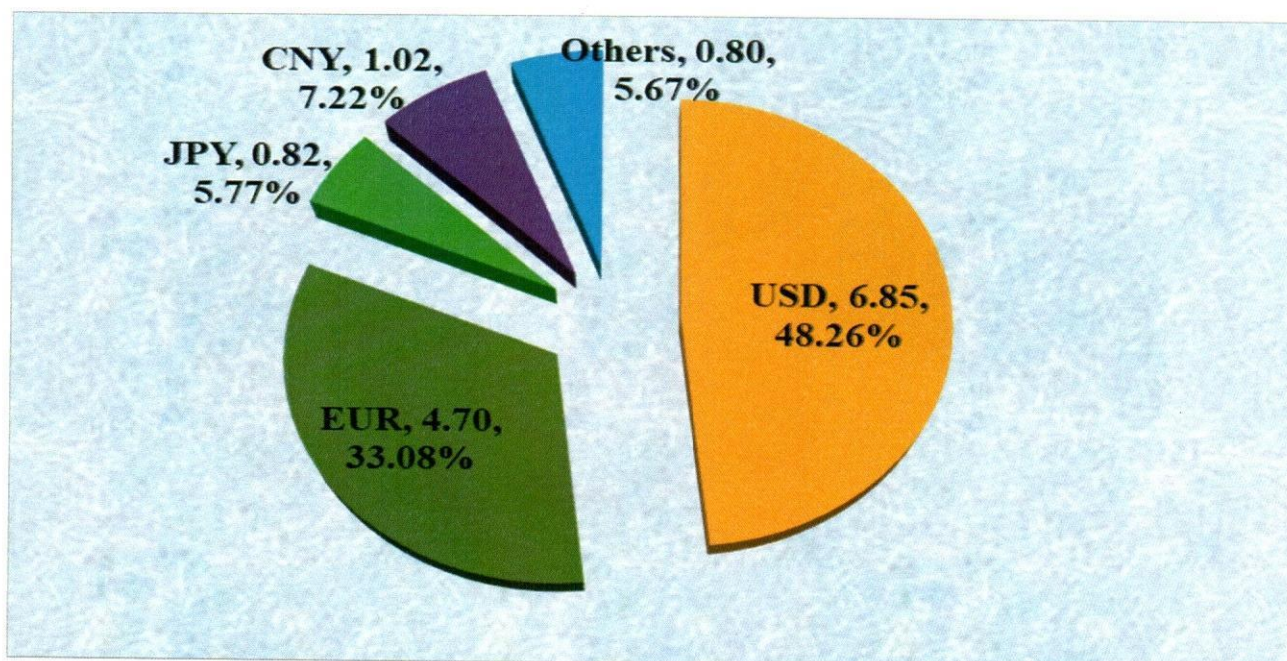
Source: MoFPED, DPID

In the same regard, the share of non-concessional debt increased from 5.25% to 5.48% while semi-concessional and commercial debt shares reduced to 20.15% and 21.71% respectively in the same period.

6.2d. Currency Composition

The currency composition of central government external debt is dominated by four currencies; the USD, EUR, JPY, and CNY, as illustrated in figure 6.

Figure 7: External Debt Stock by Currency Composition, end September 2023



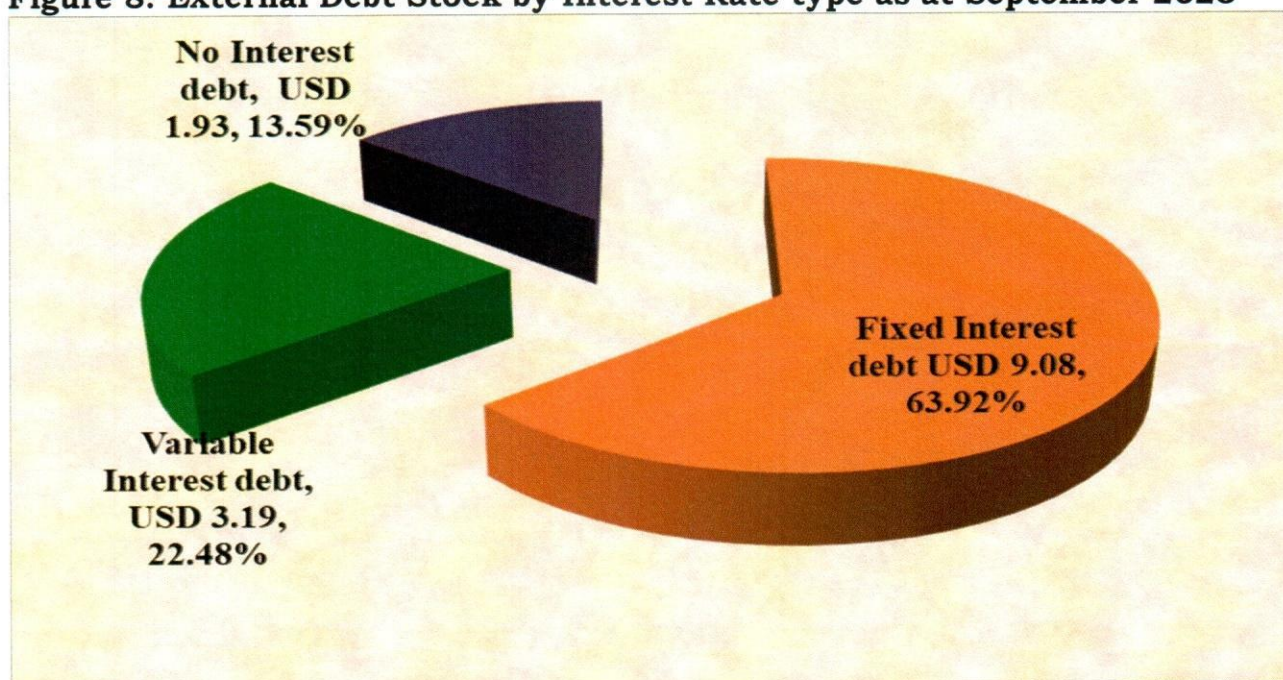
Source: MoFPED, DPID

As at September 2023, the largest share of external debt stock was denominated in USD currency which stood at 48.26% (USD 6.85 Billion), reducing from 48.6% (USD 6.92 Billion) in June 2023. On the other hand, the share of EURO denominated external debt stock increased from 32.59% (USD 4.64 Billion) to 33.08% (USD 4.70 Billion). Other currencies which included AED, KRW, IQD, SAR, GBP and IDI took up a share of 5.67% while JPY and CYN comprised of 5.77% and 7.22% respectively during the quarter.

6.2e. Interest rate type

Fixed interest rates accounted for 63.92% (USD 9.08 Billion), while variable rate debt and no-interest-rate debt constituted 22.48% (USD 3.19 Billion) and 13.59% (USD 1.93 Billion) respectively. Figure 8 provides a visual representation of the external debt stock categorized by interest rate type as of the end of September 2023.

Figure 8: External Debt Stock by Interest Rate type as at September 2023



Source: MoFPED, DPID

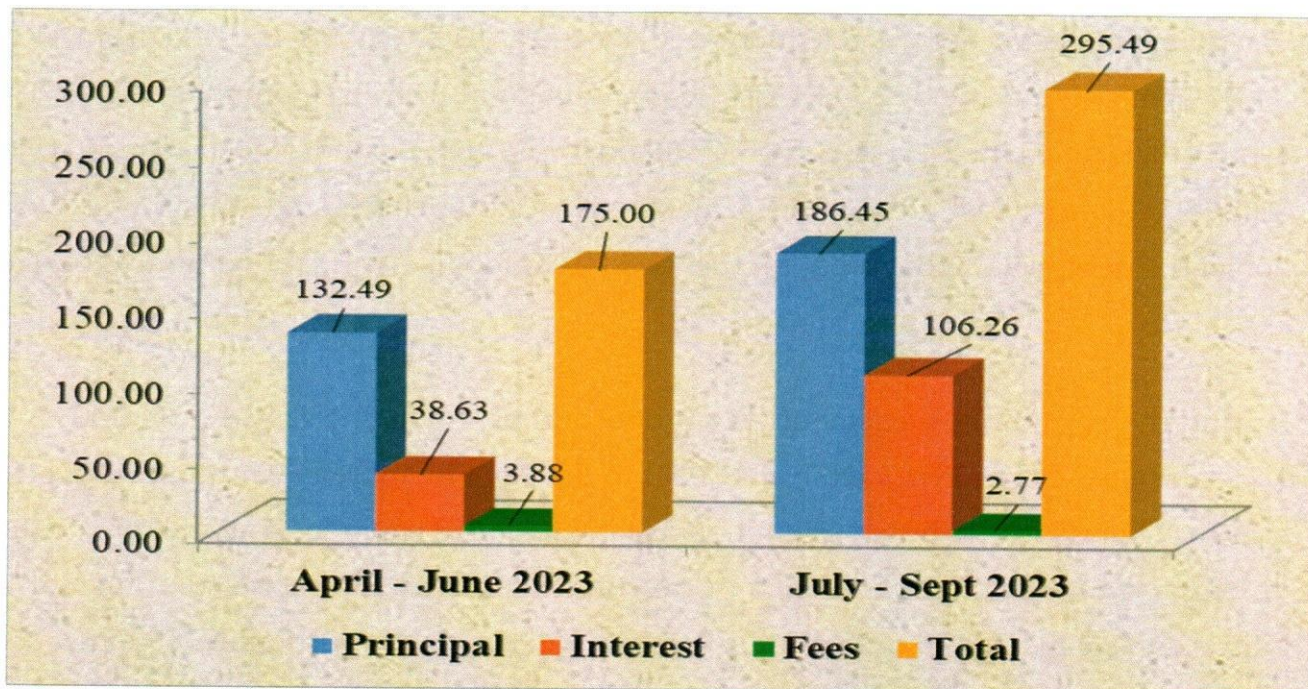
Both fixed interest rate debt and variable rate debt experienced a decline in their proportion of the external debt stock. This shift is attributed to a significant increase in the share of no-interest-rate debt, rising from 10.13% (USD 1.44 Billion) to 13.59% (USD 1.93 Billion); as a result of new disbursement from OPEC Fund for the National Oil Seeds Project and the for the Irrigation Scheme Development Project funding from IDB.

Among the variable-rate debt from bilateral creditors, China held the largest stock at USD 956.18 Million, followed by commercial creditors such as Standard Bank (USD 783.22 Million) and Trade Development Bank (USD 394.49 Million). As for multilateral creditors, the African Development Bank contributed USD 308.07 Million to the variable-rate debt.

6.2f. External debt service

Quarter one of FY2023/24 registered an increase in total external debt service of USD 295.49 Million from USD 175.00 Million in the previous quarter. This was on account of increased principal and interest payments for projects like Karuma and Isimba and repayments to AFREXIM and TDB for budget financing.

Figure 9: External Debt Service in USD Million, April – June and July – September 2023



Source: MoFPED, DPID

Principal payments increased from USD 132.49 Million in June 2023 to USD 186.45 Million by end September 2023 as illustrated in figure 9. Likewise, interest payments increased from USD 38.63 Million to USD 106.26 Million in the same period. On the other hand, repayments in terms of fees reduced from USD 3.88 Million to USD 2.77 Million.

6.3 DOMESTIC DEBT

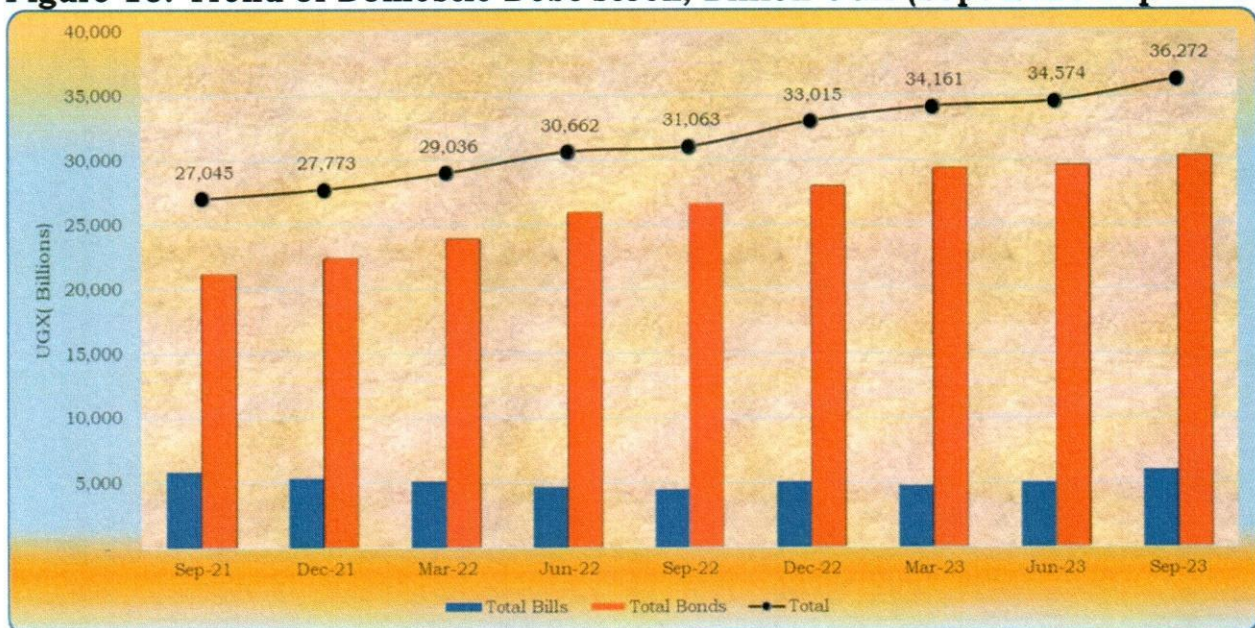
6.3a. Domestic Debt stock outstanding

The total domestic debt stock increased by 4.9% (UGX 1,698 Billion); from UGX 34,574 Billion in June 2023 to UGX 36,272 Billion at cost in September 2023. The T-bill stock amounted to UGX 5,874 Billion while the T-bond stock stood at UGX 30,398 Billion at cost at the end of September 2023. The increase in the stock of domestic debt was attributed to the need to mobilise funds to finance budget expenditure.

During the period of assessment, the proportion of T-bills increased from 14.3% to 16.2% while T-bonds reduced from 85.7% to 83.8%. The increase in proportion of T-bills to T-bonds is attributed to an increase in yields. To avoid locking in higher rates in long term instruments (T-bonds), Government preferred to increase uptake of T-bills. This is expected to mitigate the growth of debt service burden in the long run.

The growth of stock of domestic debt is illustrated in Figure 10.

Figure 10: Trend of Domestic Debt stock, Billion UGX (Sept 2021-Sept 2023)



Source: MoFPED, DPI

The steady increase in the stock of domestic debt was as a result of increasing borrowing in the recent past to support the recovery of the economy from the COVID-19 pandemic. Further, global interest rates had also risen as major central banks tried to curb inflation. Consequently, government scaled down on external borrowing which was replaced by increasing domestic debt.

6.3b. Domestic debt issuances

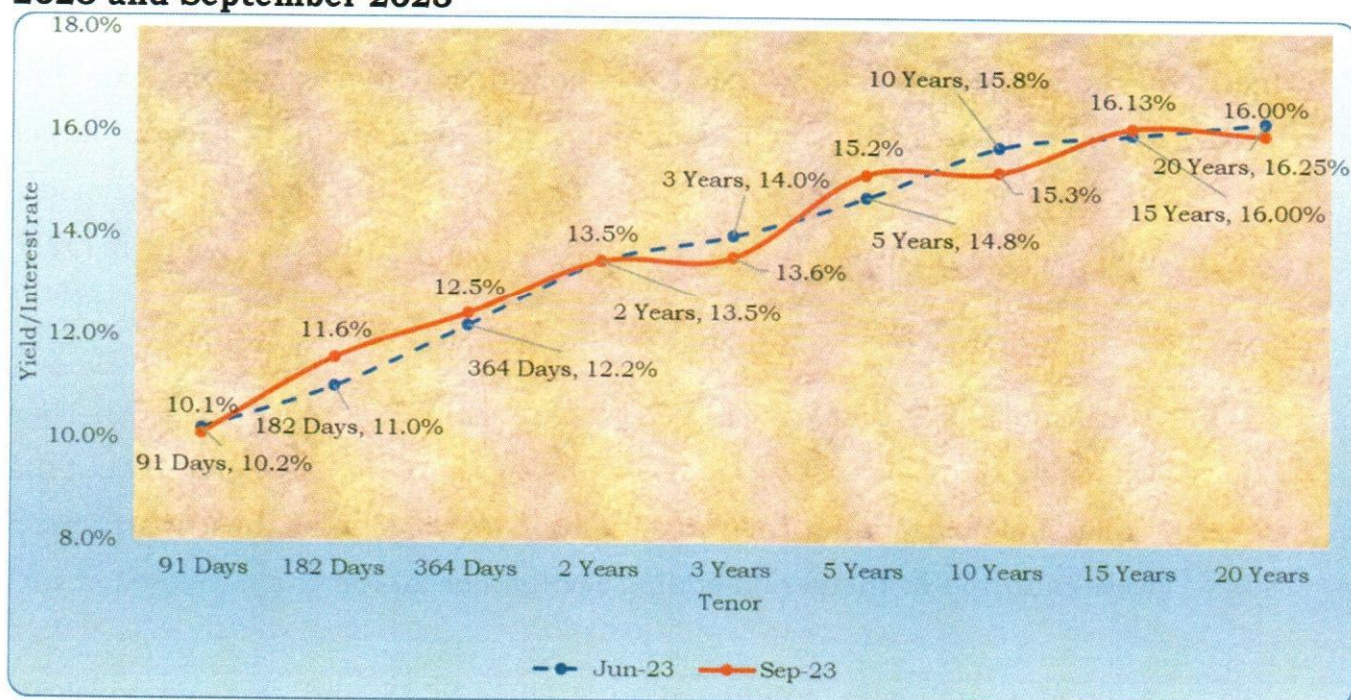
In quarter two (Q2) FY2023/24, the total domestic debt issued at face value was UGX 4,516 Billion. Of this, UGX 2,434 Billion was issued in Treasury Bills and UGX 2,082 Billion was in Treasury Bonds. All auctions conducted in the quarter were as per the auction calendar of FY 2023/24.

6.3c. Domestic debt Quarterly Average Primary Market Yields

In comparison to the period ended June 2023, there was a slight upward shift in the yield curve in the period ended September 2023. The marginal increase in yields was attributed to market speculation and reactions to negative news on the economy, most notably the suspension of new funding to Uganda by World Bank in August 2023. That notwithstanding, the Government and the World Bank are working together to finalise social safeguards that address the issues raised, and this is expected in the future to trigger lifting of the suspension.

The marginal upward shift in the yield curve is illustrated in the figure 11.

Figure 11: Trend of Quarterly Average Primary Market Yields as at end June 2023 and September 2023

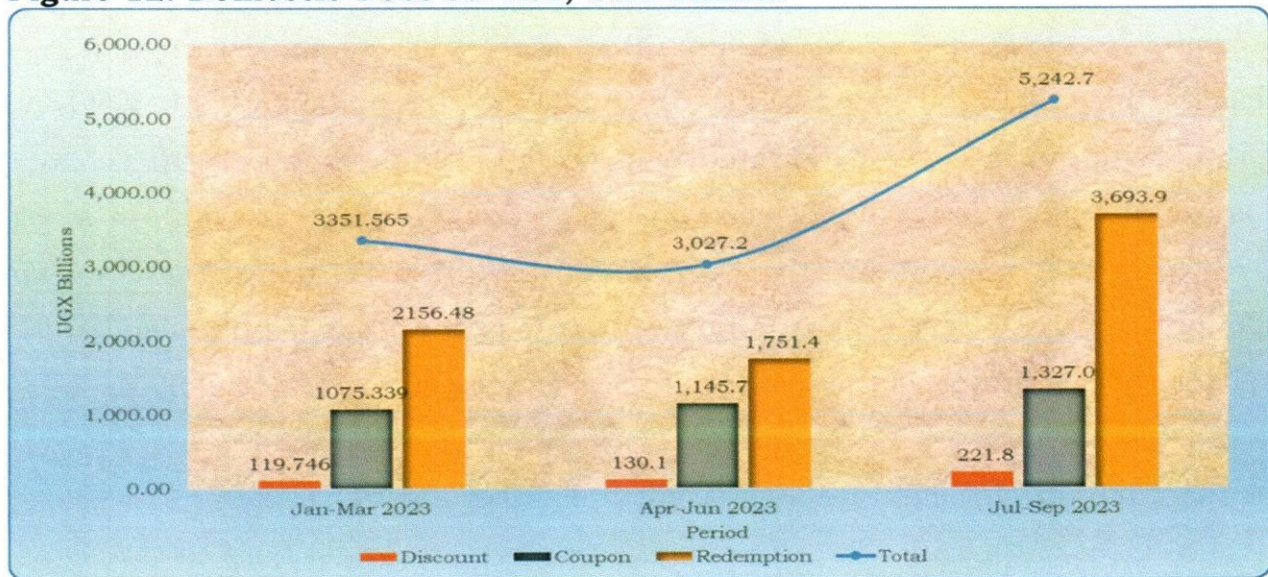


Source: DPI, MoFPED

6.3d. Domestic Debt Service

The domestic debt service for the quarter ending in September 2023 almost doubled in comparison to the period ending in June 2023, with an increase in all components of debt service. The increase in the debt service across the three components of domestic debt service, that is, discount, coupon and redemptions is illustrated in figure 12.

Figure 12: Domestic Debt Service, UGX Billion.



Source: MoFPED, DPID

The rise in redemptions from UGX 1,751.4 billion for the quarter ending June 2023 to UGX 3,693.9 billion in the quarter ending in September 2023 was the largest driver of the rise in domestic debt service. There was also marginal increase in discount and coupon payments in the period. The increase in redemptions in Q2 FY 2023/24 was mainly on account of two issues:

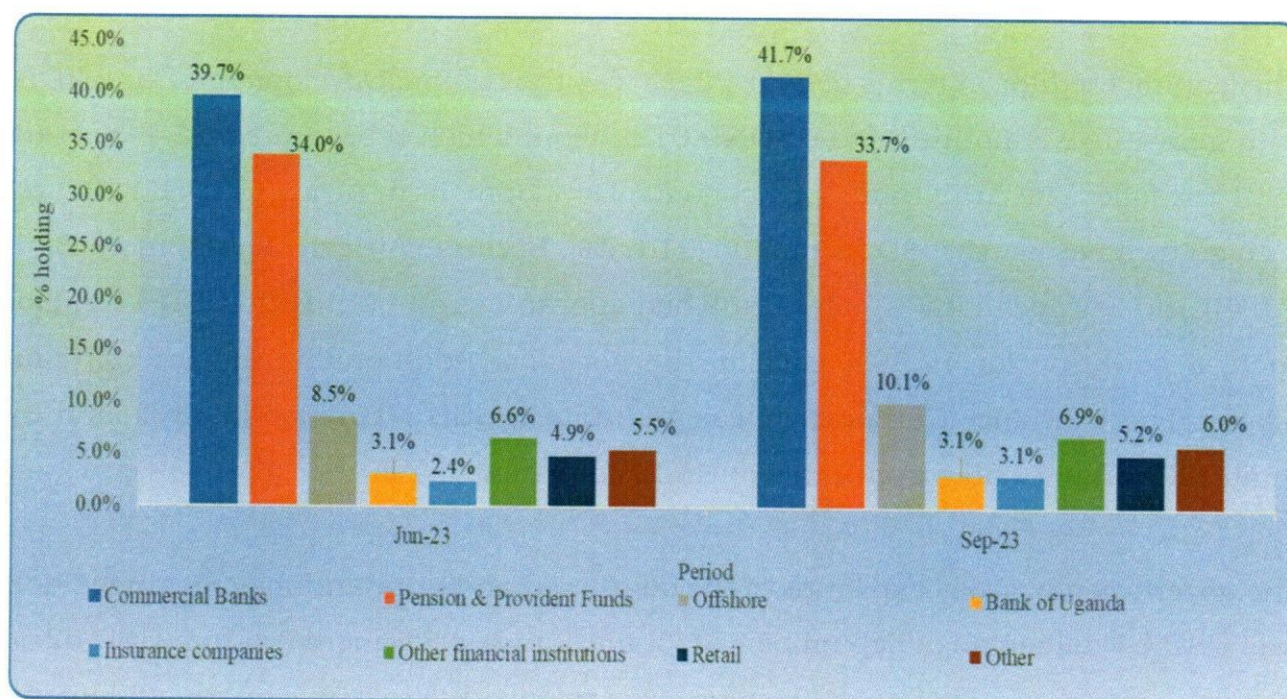
- i. Maturing T-bills that were issued in the second half of FY 2022/23. There was increased issuance of T-bills last fiscal year to mitigate cost of debt that was rising on account of elevated inflation levels. Most of these instruments were matured in the period ending September 2023.
- ii. A bond switch was conducted in August 2023 and this led to earlier recording of redemptions. In this bond switch, a portion of an instrument that is scheduled to mature in January 2024 was retired early (refinanced

early) to a tune of UGX 629 Billion in August 2023. These redemptions of UGX 629 Billion were recorded in August 2023.

6.3e. Holders of Government Securities

Commercial banks continued to hold the biggest share of Government securities, their total holding increased from 39.7% at the end of June 2023 to 41.7% as at the end of September 2023. The increase in their holdings is attributed to increased issuance of Treasury bills in the period ending September 2023. Other long-term investors prefer the longer dated securities and this explains the reduction in the proportion of holding by the pension and provident funds, during the period.

Figure 13: Holders of Government securities at cost for June 2023 and September 2023



Source: BoU

The period ended September 2023 registered an increased participation of offshore players. Consequently, their holdings increased by 1.6% from 8.5% to 10.1%. This is largely attributed to the stable macro-economic conditions in the country, relative to neighbouring countries in the region.

The attractiveness of the yields on Governments also led to increased uptake across the various segments of players; holdings of retail and other financial institutions increased by 0.35% each while the holdings of the insurance companies grew by 0.6%; as shown in figure 13.

6.4 CONTINGENT LIABILITIES.

6.4a. Sovereign Loan Guarantees

As of September 2023, there were 12 active loan guarantees with a total value of approximately USD 120.08 million. These guarantees were distributed between two main entities: Uganda Development Bank Limited (UDBL), which held 9 out of the 12 loans, and Islamic University in Uganda (IUIU) with 3 loans.

The leading creditor in terms of guarantees was the Islamic Development Bank (IDB), with guarantees amounting to USD 29.01 million, which represented 22.44% of the total portfolio. The Arab Bank for Economic Development in Africa (BADEA) followed with guarantees worth USD 26 million (21.65%). Both the African Development Bank (AfDB) and European Investment Bank had guarantees amounting to USD 15 million each, accounting for 12.49% each of the portfolio. Additionally, the International Islamic Trade Finance Corporation was guaranteed USD 10 million (8.33%), and the India EXIM Bank had a guarantee of USD 5 million (4.16%).

The government's gross exposure to the disbursed and outstanding guaranteed debt was USD 64 million as of September 2023, marking a 2.3% increase from USD 62.62 million in the previous quarter. This rise was mainly due to new loan disbursements totalling USD 5 million, partially offset by repayments of USD 3.6 million made during the year.

In terms of the country's economy, the nominal value of the disbursed and outstanding guaranteed debt was 0.13% of the GDP by the end of September 2023, significantly lower than the 5% threshold set in the Charter of Fiscal Responsibility. Furthermore, the current portfolio of guaranteed loans is characterized by lengthy maturity periods, ranging from 7 to 25 years, with an average maturity of 8 years.

This suggests a reduced yearly risk for the government in the event of a default, as the debt service is spread over a longer period.

6.4b. Disbursed and outstanding debt of State-owned Enterprise (SOEs) and Extra Budgetary Units (EBUs)

The total amount of debt (direct domestic and external borrowing, including on-lent) held by public entities as of June 2022 was UGX 9,673.7 billion, or USD 2.58 billion. From UGX 8,837.7 billion (USD 2.35 billion) in June 2021, this represents a 9.5% increase. The increase was ascribed to loan drawdowns and disbursements on the existing loans. Repayments made on the principal amounts in FY2021–2022 were more than offset by this stock.

6.4c. Stock of GoU on-lent loans

From UGX 6,962.4 billion in June 2021 to UGX 7,767.7 billion in June 2022, the stock of on-lent loans grew by 12%. More than 92% of the total stock of on-lent loans was made up of loans issued to Uganda Electricity Generation Company Limited (UEGCL) and Uganda Electricity Transmission Company Limited (UETCL). Sustained funding for these public utility companies is required in order to assist the nation's prioritized energy transmission and generation projects. As of June 2022, the total stock of GoU on-lent loans made up 82% of the total debt stock.

6.5d Non-Guaranteed Debt and Other Liabilities of Local Governments.

There was no debt incurred by any district Local Government (LG) in FY 2021/22. LGs' total liabilities, including their pension obligations, were UGX 56,539 million as of FY2020/2021, a 174.1% increase from UGX 20,629 million. An increase in current and pension liabilities was cited as the cause of this. Based on this information it was determined that, LGs debt posed the least fiscal risk compared to guarantees, SOEs, and EBUs.

6.6. COST AND RISK OF THE EXISTING DEBT PORTFOLIO

The overall cost and risk exposure of Uganda's existing public debt portfolio is mainly influenced by interest rates, repayment periods and currency denominations. Table 18 highlights the details of the cost and risk of the existing debt as at end September 2023.

Table 18: Cost and Risk indicators for the existing debt as at end September 2023

		Jun-23			Sep-23		
Risk Indicators		External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		28.3	18.7	47.1	28.9	19.6	48.5
PV as % of GDP		20.9	18.7	39.6	21.1	19.6	40.8
Cost of debt	<i>Interest payment as % GDP</i>	0.7	2.7	3.4	0.7	2.8	3.5
	<i>Weighted Av. IR (%)</i>	2.6	14.3	7.3	2.5	14.2	7.3
Refinancing risk	<i>ATM (years)</i>	10.3	6.8	8.9	10.4	7.0	9.0
	<i>Debt maturing in 1yr (% of total)</i>	4.7	23.2	12.1	3.4	26.9	12.9
	<i>Debt maturing in 1yr (% of GDP)</i>	1.3	4.3	5.7	1.0	5.3	6.3
Interest rate risk	<i>ATR (years)</i>	9.2	6.8	8.3	9.4	6.7	8.3
	<i>Debt refixing in 1yr (% of total)</i>	25.5	23.2	24.6	24.5	28.0	25.9
	<i>Fixed rate debt (% of total)</i>	77.3	100.0	86.3	77.5	100.0	86.6
FX risk	<i>FX debt (% of total debt)</i>			60.2			59.5
	<i>STFX debt (% of reserves)</i>			16.5			12.2

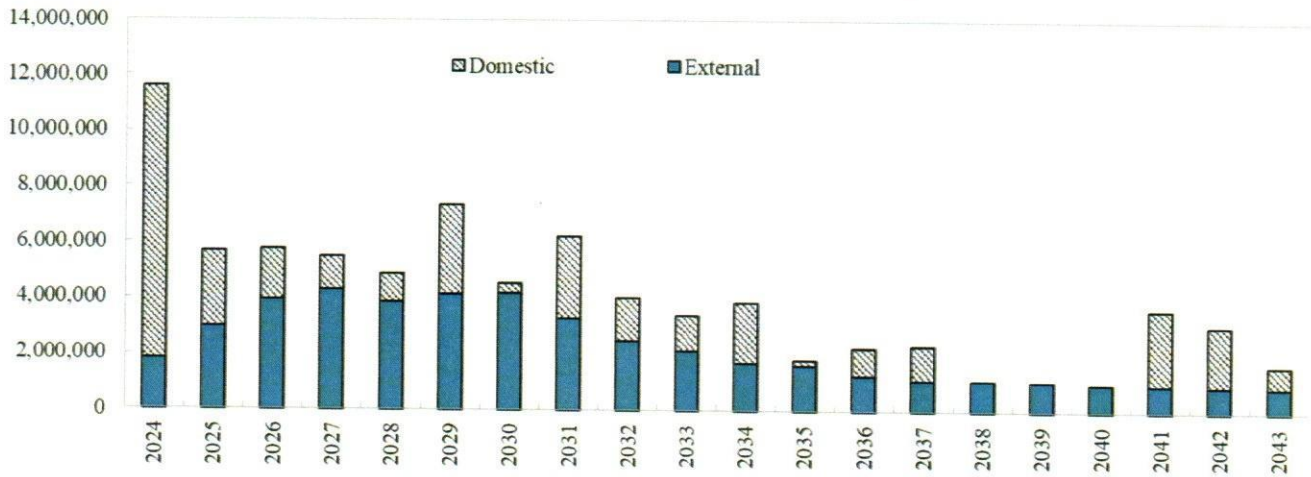
6.6a. Refinancing and rollover risks.

The weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 10.4 years and 7.0 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 9.0 years. There is a notable increase in the average time to maturity for both domestic and external debt stock from 6.8 years to 7 years and 10.3 to 10.4 years respectively.

Domestic debt maturing in one year was registered 26.9% of the total domestic debt. This is a significant increase from 23.2% as at end June 2023. This reflected an increased refinancing risk of domestic debt on account of increased redemptions during the quarter. On the other hand, external debt maturing in one year as a percentage of the total as at end September 2023 reduced from 4.7% to 3.4%.

Figure 14 illustrates a redemption profile in Million UGX as at September 2023.

Figure 14: Redemption profile in Million UGX as at September 2023.



Source: DPI, MoFPED

6.6b. Interest rate risk

Average time to refixing of total public debt remained constant at 8.3 years as at end September 2023 and end June 2023. A bigger proportion of Uganda’s external debt stock 63.92% (USD 9.08 Billion) had fixed interest rates as at end September 2023. On average, it will take 9.4 years for all the external interest payments to be subjected to a new interest rate which indicates an increase from 9.2 years in June 2023. On the other hand, domestic debt average time to changing interest rates reduced slightly from 6.8 years to 6.7 years in the same period.

Uganda’s exposure to risk associated with interest rates for the entire public debt portfolio is still relatively low given the time it takes on average to re-fix the interest rates for the aggregate public debt stock (domestic and external). This is majorly attributed to the greater share of fixed interest rate loans in the external debt portfolio and fixed domestic interest rates as opposed to the share of variable interest rate loans.

6.6c. Exchange rate risk

As at end September 2023, the risks associated with exchange rate shocks have declined as evidenced by the reduction in the short term foreign currency debt as a share of reserves from 16.5% as at June 2023 to 12.26%. This is due to the less short term debt projected to be paid in the next one year of projection from September 2023 compared to a higher short term debt as projected as at end June 2023. This in addition is due to the principal payments made during the quarter under review which led to a reduction in short term external debt.

PART VII: GLOSSARY OF DEBT AND RELATED TERMS

Agency	This provides insurance, guarantees, or loans for the export of goods and services from a creditor economy.
Amortization	The repayment of the principal amount of a loan spread out over a period of time.
Amortization Schedule	The schedule for the repayment of principal and payment of interest on an ongoing basis.
Arrears	Amounts that are both unpaid and past the due date for payment
Average time to Maturity	Measurement of the weighted time to maturity of all the principal payments in the portfolio. (See maturity)
Average time to Refixing	Measure of the average time until all the principal payments in the debt portfolio become subject to a new interest rate.
Bills	Securities (usually short term) that give holders the unconditional rights to receive stated fixed sums on a specified date.
Bilateral Creditor	In the context of external debt, these are official agencies that make loans on behalf of one government to another government or to public and publicly guaranteed borrowers in another country. These include governments and their agencies, autonomous public bodies or official export credit agencies.

Borrower (debtor) Organization or entity defined as such in the loan contract which usually is responsible for servicing the debt.

Bullet Repayment The repayment of principal in a single payment at the maturity of the debt.

Commercial Interest Reference Rates (CIRR)

A set of currency-specific interest rates for major OECD countries.

Commitment: An obligation to furnish resource of a given amount under specified financial terms and conditions.

Commitment Charge (fee) Charge or fee made for holding available the undisbursed balance of a loan commitment.

Concessional Loans Loans extended on terms substantially more generous than market loans. Concessionality is achieved either through interest rates below those available on the market or by longer *grace periods*, or a combination of these. Concessional loans typically have long grace periods.

Credit An amount for which there is a specific obligation of repayment.

Creditor The organization or entity that provides money or resources and to whom payment is owed under the terms of a loan agreement. It's an entity with a financial claim on another entity.

Creditor Country The nation of residence by the lender.

Currency of denomination The unit of account in which amounts of indebtedness are expressed in the general/loan agreement.

Currency of Reporting The unit of account in which amounts are reported either to the compiling agency and/or to an international agency compiling debt statistics.

Currency of Settlement The currency of settlement is determined by the currency in which the values of the flows and positions are settled. It is important for international liquidity and measurement of potential foreign exchange drains. The currency of settlement may be different from the currency of denomination. Using a currency of settlement that is different from the currency of denomination simply means that a currency conversion is involved each time a settlement occurs.

Debt All Liabilities that are debt instruments

Debt Conversion The exchange of debt for a non-debt liability, such as equity, or for counterpart funds can be used to finance a particular project or policy.

Debt Default Failure to meet a debt obligation payment, either *principal* or *interest*.

Debt Disbursed and outstanding

The amount that has been transferred to the borrower from a loan commitment but has not yet been repaid or forgiven.

Debt Instrument(s) Financial claims that require payments of interest and or/principal by the debtor to the creditor at a date or dates in the future.

Debt Prepayment This consist of a repurchase, or early payment, of debt at conditions that are agreed between the debtor and the creditor

Debt Refinancing The replacement of an existing debt instrument or instruments including any arrears with a new debt instrument or instruments.

Debt Service Refers to payments in respect of both *principal* and *interest*. Actual debt service is the set of payments actually made to satisfy a debt obligation, including principal, interest, and any late payment fees. Scheduled debt service is the set of payments, including principal and interest, which is required be made through the life of the debt.

Debt-Service (-to-Exports) Ratio

The ratio of debt service (*interest* and *principal* payments due) during a year, expressed as a percentage of exports (typically of goods and services) for that year. Forward-looking debt-service ratios require some forecast of export. This ratio is considered to be a key indicator of an economy's debt burden.

Deep Discount Bond These are long term securities that require periodic coupon payments during the life of the instrument but the amount is substantially below the market rate of interest at issuance.

Disbursed Loans The amount that has been transferred to the borrower from a loan but has not yet been repaid or forgiven.

Domestic Currency Legal tender in the economy and issued by the monetary authority for that economy, i.e. either that of an individual economy or, in a currency union, to which the economy belongs. All other currencies are foreign currencies.

Domestic Debt	Debt liabilities owed by residents to residents of the same economy
Export Credit	A loan extended to finance a specific purchase of goods services from within the <i>creditor economy</i> . Export credits extended by the supplier of goods— such as when the importer of goods and services is allowed to defer payment—are known as <i>supplier's credits</i> ; export credits extended by a financial institution, or an <i>export credit agency</i> in the exporting economy are known as <i>buyer's credits</i>
External Debt	At any given time, is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of <i>interest</i> and/or <i>principal</i> by the <i>debtor</i> at some point(s) in the future and that are owed to non-residents by residents of an economy.
Face Value	The undiscounted amount of principal to be paid to the holder at maturity (e.g., the redemption amount of a bond).
Foreign Currency	Foreign currency is a currency other than the domestic currency (See domestic currency)
Foreign Debt	Same as External Debt
Fixed Interest Rate	A rate of interest that is defined in absolute terms at the time of the loan agreement.
Grace Period	The grace period for <i>principal</i> is the period from the date of signature of the loan or the issue of the financial instrument to the first repayment of principal.

Grant Element

The measure of concessionality of a loan, calculated as the difference between the face value of the loan and the sum of the discounted future *debt service* payments to be made by the borrower expressed as percentage of the face value of the loan.

Gross Domestic Product (GDP)

Essentially, the sum of the gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies products, that is not included in the valuation of output.

Institutional Unit

An institutional unit is defined in the 2008 SNA as “an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”

Interest

This is a form of investment income that is receivable by the owner of financial assets for putting such assets and other resources at the disposal of another institutional unit.

International Bank for Reconstruction and Development (IBRD)

The International Bank for Reconstruction and Development (IBRD) was set up as an intergovernmental financial institution in 1946 as a result of the Bretton Woods Accord. It is the original agency of the *World Bank Group* and is commonly referred to as the World Bank (see also *World Bank Group*).

International Development Association (IDA)

IDA, established in 1960, is the concessional lending arm of the *World Bank Group*. IDA provides low- income developing countries (economies) with long- term loans on

highly concessional terms: typically a ten-year grace period, a 40-year repayment period, and only a small servicing charge.

International Monetary Fund (IMF)

Following the Bretton Woods Accords and established in 1945, the IMF is a cooperative intergovernmental monetary and financial institution with 187 member countries. Its main purpose is to promote international monetary cooperation so to facilitate the growth of international trade and economic activity more generally. The IMF provides financial resources to enable its members to correct payments imbalances without resorting to trade and payments restrictions.

Issue Price

It is the price at which the investors buy the debt securities when first issued.

Line of Credit

An agreement that creates a facility under which one unit can borrow credit from another up to a specified ceiling usually over a specified period of time. Lines of credit provide a guarantee that funds will be available, but no financial asset/liability exists until funds are actually advanced.

Loan

A financial instrument that is created when a creditor lends funds directly to a debtor and receives a non-negotiable document as evidence of the asset

London Interbank Offered Rate (LIBOR)

LIBOR is a reference rate for the international banking markets and is commonly the basis on which lending margins is fixed. Thus, an original loan agreement or a *rescheduling agreement* may set the *interest* rate to the

borrower at six-month dollar LIBOR plus 1.5 percent, with semi-annual adjustments for changes in the LIBOR rate.

Maturity (Defined and Undefined)

Defined maturity refers to a finite time (fixed) period at the end of which the financial instrument will cease to exist and the principal is repaid with interest. Undefined maturity refers to the absence of a contractual maturity. Undefined maturity deposits include demand deposits, checking interest accounts, savings accounts, and money market accounts. Other examples of undefined maturity debt instruments are perpetual bonds.

Multilateral Creditors

These creditors are multilateral financial institutions such as the IMF and the World Bank, as well as other multilateral development banks.

Net Present Value (NPV) of Debt

The nominal amount outstanding minus the sum of all future *debt-service* obligations (*interest* and *principal*) on existing debt discounted at an interest rate different from the contracted rate.

Nominal Value

The amount that at any moment in time the *debtor* owes to the *creditor* at that moment; this value is typically established by reference to the terms of a contract the debtor and creditor. The nominal value of a debt instrument is the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of *principal*), valuation changes

Official Development Assistance (ODA):

Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).

Official Development Assistance (ODA) Loans

Loans with a maturity of over one year meeting criteria set out in the definition of ODA, provided by governments or official agencies and for which repayment is required in convertible currencies or in kind.

Original Maturity

The period of time from when the financial asset/liability was created to its final maturity date.

Paris Club Paris Club

An informal group of creditor governments that has met regularly in Paris since 1956 to provide debt treatment to countries experiencing payment difficulties; the French treasury provides the secretariat. Creditors reschedule a debtor country's public debts as part of the international support provided to an economy that is experiencing debt-servicing difficulties.

Present Value (PV)

The present value (PV) is the discounted sum of all future *debt service* at a given rate of *interest*. If the rate of interest is the contractual rate of the debt, by construction, the *present value* equals the *nominal value*, whereas if the rate of interest is the market interest rate, then the present value equals the market value of the debt.

Principal The provision of economic value by the *creditor*, or the creation of debt creation of debt liabilities through other means, establishes a principal liability for the debtor, which, until extinguished, may change in value over time. For *debt instruments* alone, for the use of the principal, *interest* can, and usually does, accrue on the principal amount, increasing its value.

Principal Outstanding The amount of principal disbursed and not repaid.

Principal Repayment The payments which are made against the *drawn* and outstanding amount of the loan

Private Creditors These are neither governments nor public sector agencies. Private financial institutions, and manufacturers, exporters and other suppliers of goods that have a financial claim.

Public Sector: The public sector includes the general government, monetary authorities, and those entities in the banking and other sectors that are public corporations.

Public Sector Debt Total public sector debt consists of all debt liabilities of resident public sector units to other residents and non-residents.

Public Sector External Debt

Total public sector external debt consists of all debt liabilities of resident public sector units to non-residents.

Public Debt The debt obligation of the public sector.

Public External Debt The external debt obligation of the public sector.

Publicly Guaranteed Debt

The external obligation of a private debtor that is guaranteed for repayment by a public entity.

Quarterly External Debt Statistics (QEDS)

The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the International Monetary Fund brings together detailed external debt data of Countries that Subscribe to the IMF's Special Data Dissemination Standard (SDDS) and of countries that participate in the IMF's General Data Dissemination System (GDDS).

Redemption Price It is the amount to be paid by the issuer to the holder at maturity.

Remaining (Residual) Maturity

The period of time until debt payments fall due. In the *Guide*, it is recommended that short-term remaining maturity of outstanding *external debt* be measured by adding the value of outstanding short-term external debt (original maturity) to the value of outstanding long-term external debt (original maturity) due to be paid in one year or less. This data include all arrears.

Short-Term Debt Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis (see also *Original Maturity* and *Remaining Maturity*).

Spread (Margin):	A percentage to be added to some defined base interest rate, such as LIBOR, to determine the rate of interest to be used for a loan.
Sovereign Debt	Term often used by financial markets and fiscal analysts as debt that has been legally contracted by the national government. Unlike grouping of the public sector, which is based on institutional units, “sovereign” is defined on a functional basis. Normally “sovereign issuer” of debt is the government (usually national or federal) that de facto exercises primary authority over a recognized jurisdiction whose debt are being considered.
Stock of Debt	The amount outstanding as of a moment of time.
Stock Figures	The value of financial assets and liabilities outstanding at a particular point in time.
Treasury Bills	Negotiable securities issued by the government. In general, these are short term obligations issued with maturity of one year or less. They are traded on a discount basis.
Treasury Bonds	Longer Term Securities compared to Treasury Bills. Usually more than a year.
Undisbursed	Funds committed by the creditor but not yet drawn by the borrower.
Yield-to-Maturity	The yield-to-maturity rate is the rate at which the present value of future interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.

