

PRESS RELEASE
AUGUST 13, 2020

GOVERNMENT BONDS FOR RETAIL INVESTORS ISSUED BY THE ROMANIAN FINANCE MINISTRY START TRADING ON THE BUCHAREST STOCK EXCHANGE AFTER A TOTAL SUBSCRIPTION OF EUR 420MN

- Romania's Ministry of Public Finance attracted RON 1.22bn. and EUR 168.4mn. through three issues of government bonds for the population (FIDELIS) carried out on the capital market.
- A premiere is the issue denominated in EUR: it is the first issue of government bonds denominated in the European currency launched by Romania's Ministry of Public Finance for the population. The other two issues of government bonds, issued in the local currency, represent the first issues for the population listed in the last four years on Bucharest Stock Exchange.
- The government bonds can be traded on BVB as of Thursday, August 13th, in a transparent environment, through authorized intermediaries.

The Ministry of Public Finance (MFP) attracted RON 1.22bn and EUR 168.4mn. (in a total amount of RON 2.04bn – EUR 422mn), through the primary offer for the sale of government bonds for the population (FIDELIS), which took place between July 15th and August 7th, through the [Bucharest Stock Exchange \(BVB\)](#) systems.

The offer included two issues denominated in the national currency, with 2-yr and 4-yr maturities, and one issue denominated in EUR, with a 5-yr maturity. A premiere is the issue denominated in EUR: it is the first issue of government bonds denominated in the European currency launched by the Ministry of Public Finance for the population. The other two issues of government bonds, issued in the local currency, represent the first issues for the population in the last four years listed on Bucharest Stock Exchange. The annual interest rate for the bonds denominated in EUR is 2% p.a., while for the bonds denominated in RON the annual interest rate is 4% p.a. for those maturing in 2022 and 4.5% p.a. for those maturing in 2024.

The government bonds in the FIDELIS issue started trading on BVB on Thursday, August 13th, and can be bought or sold in a transparent environment at any time through authorized intermediaries.

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For further information:

Stefan Musgociu, Business Development & Marketing Specialist, +40.730.255.030, stefan.musgociu@bvb.ro

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34 – 36 Carol I Blvd., 13TH -14TH Floor
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E-mail: bvb@bvb.ro

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The Minister of Public Finance, Florin Citu, opened the official trading of the government bonds securities listed on the Bucharest Stock Exchange. The hosts of this event were BVBs' Chairman of the Board, Radu Hanga, and BVBs' CEO Adrian Tanase. The event was also attended by the President of the Financial Supervisory Authority, Nicu Marcu, and representatives of the Intermediary Consortium and of the Ministry of Public Finance. The event took place at the BVB headquarters and took place in a restricted setting, in compliance with the regulations in force on the conduct of events, in the context of the COVID-19 pandemic.

"The success of this issue in full pandemic, the substantial amounts invested by Romanians, proves the confidence of the population that the fiscal-budgetary policy of the Government is the correct one and, thus, the financial perspectives are sustainable. The great interest in these instruments, the transparency and flexibility provided by the listing on the stock exchange, as well as the liquidity supplement that these instruments bring to the capital market, have convinced us that such issues will have to become a permanent instrument of financing the budget deficit. I announce for the first time that the Ministry of Finance will periodically organize FIDELIS bonds issues, depending on the evolution on the secondary market and the market conditions and I think they will become a barometer through which the population will or will not approve the government policies ", said the Minister of Public Finance, Florin Citu .

"We are glad that the Ministry of Public Finance has chosen to attract financing through the capital market, and the success of this primary offer proves once again that the stock market is an essential channel for financing the economy, for the state and for the development of companies. We have demonstrated this in recent years, as evidenced by the rounds of financing attracted by companies, through issues of bonds and shares, of over EUR 1bn only last year, and now even by the Ministry of Public Finance. The success of the FIDELIS issue is impressive because it is about money attracted only from individuals. If we take into account the existing capital in pension funds and mutual funds, then it is clear that the Romanian capital market brings a real benefit for all those who want to take advantage of the opportunities that this health crisis has created. The Romanian capital market has become more agile and investors are more attentive to the opportunities that come on the market, have capital and take advantage of opportunities even in times of uncertainty", said BVBs' Chairman of the Board, Radu Hanga.

"First of all, the government bonds in the FIDELIS issue of the Public Finance Ministry are a safe investment. They are accessible to every individual in Romania, student, entrepreneur, employee or pensioner, who can and wants to make an investment and save money in a smart way. In addition, the return of the Ministry of Public Finance on the capital market demonstrates the commitment of this fundamental institution in the Romanian economy to have a partnership with BVB for the development of the capital market, which will have as final effect the development of our country's economy. The fact that the Ministry of Public Finance chose, for the first time, to issue euro-denominated government securities for the population in offered new investments opportunities. We want to see as many Romanians as possible who understand that investing on the stock market is a smart way to save money and we are convinced that we can reach as many investors as possible if all those involved in the capital market, state institutions and authorities continue to cooperate. We have already seen that it is possible and that the result is BVB upgrade to the status of Secondary

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Emerging Market, which will be effective in a few weeks. This promotion will attract new international investors on the Romanian stock exchange, and we can say that we have taken important steps towards aligning local market standards with international ones. There are still important steps to be taken in this direction, and one of them is the start of the Central Counterparty's activity, which will allow the launch of new instruments for both the capital market and the energy market, especially given that the on the capital market we have many companies in the energy field", stated BVBs' CEO, Adrian Tanase.

The primary offer for the sale of FIDELIS government bonds was intermediated by the Consortium formed by [BT Capital Partners](#) (Lead Manager&Intermediary) and [Banca Transilvania](#) (Distribution Group), [Banca Comerciala Romana](#) and [BRD - Groupe Societe Generale](#) (Intermediaries). The government bonds could also be purchased through eight eligible participants.

"We are pleased by the solid interest received from clients for the retail government bonds issued by the Ministry of Public Finance and we expect capital market engagement to further grow among retail investors as a result of this successful issuance. Pending the inclusion of local companies in emerging market indices, which we anticipate to increase the number of institutional investors and their activity, we are honored to have led a special effort to facilitate the involvement of retail investors in securities listed on the BVB", said Daniela Secara, CEO of BT Capital Partners.

"We are very pleased to stand once again by the Ministry of Finance, as we did 4 years ago, in a successful transaction for the Romanian capital market. Retail government bonds can become a constant source of financing for the Ministry of Finance and an increasingly well-known instrument for a growing number of individual investors. The listing of these issues offers immediate liquidity and helps to diversify the instruments listed on BVB, which is another way to continue the development of the Romanian capital market ", said Valentin Popovici, Executive Director Financial Markets, BCR.

"By listing retail Tbons issued by Romanian Ministry of Finance within FIDELIS program, the savings instrument with the lowest risk was launched for retail investors; such instrument has not been part of the Romanian financial market until now and that was an inconvenience for local capital markets. Practically, important liquidities from the banking system have been relocated toward Tbons, without locking investors' resources on medium and long term horizon. As the retail investors have the option to exit the investment before maturity – such feature currently missing from the financial markets architecture - by selling the Tbons on the stock exchange, this option is validating the benchmark characteristic of this instrument, as all other investment alternatives will inevitably be compared with it", stated Irina Neacsu, Corporate Finance Executive Director in BRD.

The main characteristics of these products are:

Issue (ticker and ISIN)	Issue amount	Number of bonds	Face value	Interest	Issue date	Maturity
R2208A ISIN RO5ERS91KH22	RON 562.3 mn.	5,623,768	RON 100	4% p.a.	August 12, 2020	August 12, 2022

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R2408A ISIN RO01NZFW1VW3	RON 662.5 mn.	6,624,872	RON 100	4.5% p.a.	August 12, 2020	August 12, 2024
R2508AE ISIN ROJQC1L9FV15	EUR 168.4 mn.	1,683,829	EUR 100	2% p.a.	August 12, 2020	August 12, 2025

The initial subscription of the bonds was not commissioned by intermediaries, and the income obtained from both interest and capital gains is not taxable. The minimum subscription threshold was RON 5,000, respectively EUR 1,000. Resident and non-resident individuals over the age of 18 up to the closing of the offer were able to invest in the issuance of FIDELIS government bonds.

Useful information about FIDELIS government bonds - questions and answers

Where can I find the bonds I bought in the offer?

If they were subscribed through a bank or brokerage company, without signing a financial investment services contract, the government bonds are registered in the records of the Central Securities Depository on behalf of the holder. If the government bonds have been purchased based on a financial investment services contract, through a bank or brokerage company authorized to trade on the Bucharest Stock Exchange, the government securities are in the holder's trading account.

What do I do with government bonds?

They can be kept until maturity or the holders can sell them or buy others in any trading session at BVB, through one of the intermediaries authorized (bank or brokerage company) to trade at BVB.

If the holders want to keep government securities, they have two options:

- They will receive the interest annually, and at maturity the principal will be returned to a bank account sent to the Central Securities Depository, if the subscription was made through a bank or brokerage company, without signing a financial investment services contract.
- They can open a trading account at a bank or brokerage company, by signing a financial investment services contract and can transfer the government bonds from the Central Securities Depository to this trading account. In this case, the holders will have the government bonds in the investment account in which they will receive the annual coupon, and when the bonds will mature, the principal will be returned to them.

How can I sell or buy government securities after the offer is closed?

The trades on the Bucharest Stock Exchange take place between buyers and sellers through the trading platform. In order to be able to buy or sell, investors must have a trading account with a bank or brokerage firm. Any holder of **BUCHAREST STOCK EXCHANGE** runs markets for shares, bonds and other instruments, through regulated platforms and alternative systems, and provides a wide range of services to participants of financial markets.

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FIDELIS government bonds can trade government bonds starting with August 13th, 2020. The list of intermediaries authorized to trade on BVB is available [HERE](#).

Where can I see the current price of the bonds?

The price can be checked at any time on the Bucharest Stock Exchange website, www.bvb.ro, by entering the symbols below in the [Search] box on the main page:

[R2208A](#) - for 2-yrs maturity government bonds denominated in RON

[R2408A](#) - for 4-yrs maturity government bonds denominated in RON

[R2508AE](#) - for 5-yrs maturity government bonds denominated in EUR.

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