

PRESS RELEASE
MARCH 25TH, 2020

ROMANIANS INVEST RON 1.4BN IN THE FIRST IPO FOR GOVERNMENT BONDS FOR RETAIL INVESTORS CARRIED OUT IN 2021 BY THE MINISTRY OF FINANCE ON BUCHAREST STOCK EXCHANGE

- Romania's Ministry of Finance attracted RON 709.5mn. and EUR 140.5mn. through the IPO for government bonds for the individual investors (FIDELIS) carried out in March 2021 on the capital market.
- The total value of the three financing rounds through government bonds for the individual investors carried by Ministry of Public Finance reached RON 6.1bn (almost EUR 1.3bn).
- The government bonds can be traded on BVB as of Thursday, March 25th, in a transparent environment, through authorized intermediaries.

The [Ministry of Finance](#) (MF) attracted RON 709.5mn and EUR 140.5mn (in a total amount of RON 1.4bn – EUR 286mn), through the first IPO for the sale of government bonds for the population (FIDELIS) carried out this year through the [Bucharest Stock Exchange](#) (BVB) systems.

Thus, the value of the three financing rounds carried out in the last nine months at BVB by the Ministry of Finance amounted to RON 6.1bn - almost EUR 1.3bn.

"The amounts attracted from investors through this issue are based on their confidence in the government securities issued by the Ministry of Finance and show the openness of individuals to diversify the saving instruments and even subsequent the trading using the mechanisms of the capital market. The statistics of the bonds issue show that our partners in the implementation of this project make sustained efforts to attract new investors on every issue. We consider this edition of Fidelis a success, with a total volume attracted of about 1.4 billion lei, even in the context of offering interest rates adjusted and correlated with the evolution of government securities yields on the interbank market, compared to previous issues. We intend to continue this project on a quarterly basis", stated the Ministry of Finance, Alexandru Nazare.

BUCHAREST STOCK EXCHANGE (BVB) 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. Bucharest Stock Exchange is a public company, listed on its own market since 2010. The global index provider FTSE Russell announced, in September 2019, the promotion of the Romanian capital market to the Secondary Emerging Market status. As of September 21, 2020, Romania is effectively included in the FTSE Russell indices for Emerging Markets. For more information on the Bucharest Stock Exchange, please refer to WWW.BVB.RO

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"At a time when we see that the population's deposits continue to increase, reaching 260 billion lei, and, at the same time, interest rates on deposits are low, investing in government securities is a good alternative for Romanians who want a better return for their money, but have not yet begun to invest in shares. On the other hand, we see that inflationary expectations indicate that the period of modest interest rates will continue, which means that more and more Romanians will have to look for more profitable investments for their money. The stock exchange offers them a diversified range of such investments and with varying degrees of risk. Thus, investors have at their disposal government securities, considered with a very low risk, shares, with a slightly higher degree of risk, but with higher returns, and even structured products, which have a high degree of risk, but also offers the possibility of consistent gains. We see that 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. This dynamism also led to the rapid rise in prices, which recently propelled the BVB benchmark, BET, to new all-time highs", said BVBs' Chairman of the Board, Radu Hanga.

"We want to offer investors a wide range of tools to manage their portfolios as efficiently as possible and, at the same time, to make the investment process as easy as possible, from opening an account to paying taxes. Thus, we work with the capital market stakeholders, with the authorities, and especially with the Ministry of Finance to find the best solutions. Regarding the access of new investors to the market, together with colleagues from the Central Depository we are in the process of preparing a technological solution for profiling clients when opening investment accounts online, which we can offer to brokers, because they are our interface with investors. We see that the number of investors is constantly growing, only last year entering the market over 12,000 investors, which raised the number of accounts to 66,000. At the same time, we see significant dividend proposals from some companies, which further attracts investors' interest in the capital market. An important role in diversifying the range of financial instruments available for trading will be played by the Central Counterparty, which will allow the launch of new instruments that will connect the capital market with the energy market, first of all, one of the most important in Romania", stated BVB's 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 eligible participants.

"We can say that we are already witnessing the inception of the maturity process regarding investments in government bonds listed on BVB, as investors are becoming increasingly accustomed to owning this instrument and are still interested in new issuances. We expect the participation in the upcoming placement tranches to become a common pattern both for the retail investors looking for alternative savings solutions with higher returns, but also for active investors looking to benefit from price fluctuations. In 2021, trading volume in bonds on BVB's main segment was comparable to the equity market volume, which showcases that interest is still high, leaving the door open for more retail investors on BVB", stated Daniela Secara, BT Capital Partners CEO.

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"We are pleased to be able to contribute directly to the efforts of the Ministry of Finance to ensure sound funding resources in a rather challenging period. The Fidelis government bonds successive tranches create investment opportunities for all clients looking for attractive savings and investment alternatives. The local financial market is becoming more and more mature and the clients are more and more financially educated. We are happy for the results of the consortium's work and we remain dedicated to our mission to offer intelligent financing solutions and investments in Romania", said Valentin Popovici, Executive Director of Financial Markets, BCR.

"Beyond making available to retail investors a high-liquidity instrument that was lacking at BVB, the Tbonds successive issues launched by the Ministry of Finance under Fidelis program represent a benchmark for higher-risk investment alternatives. Fidelis issues gradually encourage small investors who have not been active at BVB until now, to take exposure also on the stock market, contributing to the healthy development of the local financial market", said Irina Neacsu, Executive Corporate Finance Director, BRD.

In the third IPO, carried on between March 1st and 19th, Romanians placed almost 8,700 subscription orders for both government bonds denominated in RON and for those in EUR. The offer included government bonds in RON with maturities of one and three years, respectively, and an issue in EUR, maturing in five years.

The main characteristics of these products are:

Issue (ticker and ISIN)	Issue amount	Number of bonds	Face value	Interest	Issue date	Maturity
R2203A ISIN ROOREDJL6FK8	RON	3,856,309	RON 100	2.85% p.a.	March 24 th , 2021	March 24 th , 2022
R2403A ISIN ROL2HKIVYIW5	RON	3,238,623	RON 100	3.1% p.a.	March 24 th , 2021	March 24 th , 2024
R2603AE ISIN ROVJSKSV4CU2	EUR	1,405,172	EUR 100	1.55% p.a.	March 24 th , 2021	March 24 th , 2026

The government bonds in the FIDELIS issue started trading on BVB on Thursday, March 25th, and can be bought or sold in a transparent environment at any time through authorized intermediaries.

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

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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 bonds 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 bonds, 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 bonds 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 FIDELIS government bonds can trade government bonds starting with March 25th, 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:

[R2203A](#) - for 1-yr maturity government bonds denominated in RON

[R2403A](#) - for 3-yrs maturity government bonds denominated in RON

[R2603AE](#) - for 5-yrs maturity government bonds denominated in EUR.

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