

Bucharest, April 28, 2023

Press release

Bucharest City Hall returns with a new bond issue worth RON 555 mn on the Bucharest Stock Exchange

The bonds issued by the Municipality of Bucharest through the City Hall of Bucharest ([PMB](#)) are now traded on the Main Market of the Bucharest Stock Exchange ([BVB](#)), under the stock symbol [PMB30](#). This is the 7th bonds issue that the Bucharest City Hall has issued, starting in 2015.

In April 2023, the Municipality of Bucharest completed the private placement of the issue of municipal bonds with a total nominal value of RON 555 mn, intended to refinance the public debt deriving from the loan contracted in 2020 from the European Bank for Reconstruction and Development, to refinance the bond issue of the Municipality of Bucharest from 2015. As part of the private placement, the Bucharest Municipality issued a number of 55,500 registered, non-convertible, unsecured bonds, denominated in RON, with a unit nominal value of RON 10,000 and a fixed annual interest rate of 8.90%, to Romanian institutional investors. The bonds will mature on April 25, 2030.

'The issuance of municipal bonds by the Capital City Hall was the same as last year, a success. In February, when I had the honor to receive the "Bond of the Year" award on behalf of the institution, I invited the investors in April to a new bond issue. I wasn't nervous for a second that we wouldn't raise the amount of RON 555 mn that we need to refinance the loan from the EBRD. I say this because I know that PMB's financial situation is now stable, and investors have regained their confidence in us. The current bond issue has captured the interest of investors being oversubscribed, and it can only make me happy. I thank the banks, pension funds, insurance companies that subscribed to the issue, and the issue's intermediary, the association formed by BCR, BRD, and Raiffeisen, for their trust', said Nicușor Dan, General Mayor of Bucharest.

'Bucharest City Hall returns to the stock market with a new issue of municipal bonds, thus demonstrating that the local capital market is an accessible tool for meeting the development objectives of local public institutions. Since the first issue issued by the Municipality of Bucharest in 2015, the mayor's office consistently uses the platform of the Bucharest Stock Exchange to finance itself and continue the ongoing municipal projects implementation. We are glad that Bucharest City Hall has chosen again to use the solid mechanisms of the capital market, and we



A: 34-36 Carol I Blvd., 13-14 Floor, Sector 2
020922, Bucharest, Romania
T: +40 21 307 95 00 / **F:** +40 21 307 95 19
E: bvb@bvb.ro / **W:** www.bvb.ro

Register of Commerce: J40/12328/2005
C.U.I.:17777754
Social Capital: 80.492.460 lei
C.N.V.M. Decision No /31.01.2006

hope this decision represents a model for public institutions looking for financing solutions’, stated Radu Hanga, President of the Stock Exchange Bucharest.

‘The Bucharest Stock Exchange remains a pillar of trust for both companies and public institutions, offering them viable solutions to meet the changing demands of the economy and continue their sustainable projects, even in a time when the geopolitical context is less favorable. The Bucharest Municipality is a recurring issuer on the stock exchange, and we are glad that it has already become a tradition for the City Hall of the Bucharest Municipality to use the capital market to attract the necessary financing to implement its extensive projects. By investing in municipal bonds, investors have taken the first step in supporting activities and programs aimed at developing our country’s capital. It is a sign that shows us that the capital market successfully fulfills its role in the Romanian economy and that it represents an active tool for making the issuers’ growth plans more efficient. We want to see as many local authorities as possible using the capital market to finance investments for the progress of the communities they represent,’ said Adrian Tănase, General Manager of the Bucharest Stock Exchange.

The brokerage consortium for the issuance of bonds and the private placement was formed by [BRD- Groupe Société Générale S.A.](#), as the initiating intermediary, [Raiffeisen Bank S.A.](#) and [BCR - Banca Comercială Română S.A.](#), as intermediaries.

‘BRD Groupe Société Générale is once again in the delightful and honorable position of being a partner of the Municipality of Bucharest in a refinancing transaction through the Romanian capital market. The successful completion of the municipal bond issue listed on the Bucharest Stock Exchange was likely to attract positive attention, all the more so as the private placement took place in challenging market conditions. The successful closing of the placement proves, once again, that the capital market is an efficient channel for financing both companies and local public authorities while offering quality fixed-income instruments for institutional investors in Romania that mobilize part of the population’s savings’ Claudiu Cercel, Deputy CEO, BRD Groupe Société Générale.

‘The success of this new issue proves once again that the city of Bucharest is a secure, financially sound issuer that enjoys the trust and respect of investors. It is also a new proof of the strong partnership between Raiffeisen Bank and the Bucharest Municipality, which started back in 2015, since the implementation of the Bond Program. We are happy that Raiffeisen Bank, through the Investment Banking Department, has contributed, over time, to the creation and consolidation of a first-rate reputation of the City of Bucharest on the capital market’ said Mihail Ion, Vice President of Raiffeisen Bank.

‘The new placement of municipal bonds, carried out by the Capital City Hall, shows how the capital market contributes directly to the development of the community, but also the ability of the local administration to strengthen its strategic planning and become an attractive pole for investors. ‘We are happy to be partners for the community’s financial health, to support the

diversification of saving tools, and to stimulate capital for administrative support, to boost investments and modernization projects at the local level. Moreover, we, at BCR, consider it necessary to be contributors and intermediaries of impact because that is the only way we can build prosperity in the community', stated Valentin Popovici, Executive Director Financial Markets BCR.

The legal assistance was provided by the capital markets team of the Bucharest office of the international law firm Dentons, coordinated by Loredana Chitu, partner.

'It is always a pleasure to work with the investment banking teams of BCR, BRD, and Raiffeisen, whom we have known for many years. We are proud to be with these professionals who contributed to the development of the capital market in Romania and are glad that the Dentons team had the opportunity to advise them on the Municipality of Bucharest bond issue. This issuer is special (for many of us, it is the city we live in), and we are happy to support it in this way in repeatedly accessing financing through the capital market', declared Loredana Chitu.

For additional information, please contact:

*Mihaela Cocîrță, Marketing and Communications Bucharest Stock Exchange,
mihaela.cocirta@bvb.ro*