

Bucharest, 18th of January 2024

PRESS RELEASE

The bonds issued by Cluj County Council, worth 76 million EUR, make a debut on the Bucharest Stock Exchange

- **18 January 2024 is the first trading day for the bonds issued by Cluj County Council on the Bucharest Stock Exchange**
- **The bond issue took place under a private placement, concluded in December last year. The amount raised from investors was 76 million EUR.**
- **The consortium that brokered the private placement included BT Capital Partners, Alpha Bank Romania and Raiffeisen Bank Romania. VMB Partners acted as financial advisor to the issuer**

As of today, 18 January 2024, [Cluj County Council](#) is present on the Bucharest Stock Exchange ([BVB](#)) with its first issue of bonds.

The listing of Cluj County Council bonds ([CJC33E](#)) took place after a private placement at the end of 2023, which involved the issuance of 756,800 non-convertible bonds, guaranteed and dominated in EUR. The bonds have a nominal value of 100 EUR and variable interest (EURIBOR 6m + 3.25% per annum), maturing in 2033, with an option of early redemption in 2029. The private placement was brokered by a consortium including [BT Capital Partners](#), [Alpha Bank Romania](#) and [Raiffeisen Bank](#). [VMB Partners](#) acted as financial advisor to the issuer.

Cluj County thus joins another 4 counties and 15 municipalities in our country that have listed bonds with the BVB. Those are Alba, Bihor, Hunedoara, Timiș and the municipalities of: Timișoara, București, Bacău, Focșani, Zalău, Slobozia, Iași, Bistrița, Târgu Mureș, Orăștie, Predeal, Alba Iulia, Oravița, Năvodari, Siret.

“We are glad we have succeeded, together with our partners, in implementing this new investment instrument, which is unique in the Cluj administrative environment. Our satisfaction is all the greater, as the rating of Cluj County, as certified by international specialists, is at the maximum, A level, higher than Romania's sovereign rating. This fact, compounded with the high bond issue value, makes me extremely confident that we shall manage to speed up the investment projects



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CUI: 17777754
Equity: 80,492,460 RON
CNVM Decision No. 369/31.01.2006

of our County Council. Today's launch will strengthen Cluj's position as a national leader in the development plan and change the face of this county through an ambitious, ongoing investment program aimed at local and national interest targets, on multiple vital infrastructure axes: health, education, culture, road network, sewerage and water supply system expansion, or waste recycling.”, stated Alin Tișe, President of Cluj County Council.

“Bucharest Stock Exchange is today reasserting its role in funding the development of Romania. We have demonstrated over the years that we are a solid partner for both the companies seeking finance for the development of their businesses, and for local public institutions, such as county councils or city halls, who wish to implement projects for their citizens so as to change their living environment for the better. The listing of Cluj County Council bonds kicks off the 2024 stock market year, a year we wish to be at least as good as 2023. We shall continue to stay close to all entrepreneurs and public institutions that wish to fund significant projects for the future. Congratulations to Cluj County Council for their decision and best of luck in implemented their targeted projects.”, said Radu Hanga, President of the Bucharest Stock Exchange.

“We want the listing of this bond issue to convey a strong positive signal to other counties and municipalities in our country that they may use this funding mechanism in implementing local development projects. Cluj County is one of the counties in Romania that have a sound business environment, we already have names of important companies in the area listed on the stock exchange and we want to trust that this county can witness even stronger development, due to wide-ranging projects that can be supported by money raised from investors with the help of the capital market.”, stated Adrian Tănase, CEO of the Bucharest Stock Exchange.

“After more than a decade, Cluj becomes the first Romanian county to issue bonds. Congratulations to the Cluj County Council, to brokers, and investors who understood the importance of developing public infrastructure using the capital market. Issuing bonds is the most economically appropriate and socially responsible way of supplementing the resources made available by EU operational programs and NRRP. We thank the ASF and the Ministry of Finance for their support in introducing municipal bonds among the priorities of the National Strategy for Capital Market Development, and we hope that other county councils and municipalities will take over this example of good practice in 2024.”, stated Valentin Miron, CEO VMB Partners.

“At the end of last year, we put in a joint effort to promote and broker Cluj County's first capital market financing. We are particularly proud of the interest shown by investors and of the result of the private placement, and now, at the start of 2024, we mark the public launch of this instrument. The support and confidence thus provided to Cluj County Council to continue and expand their investment program is an example worth following. We believe that this confirms a new successful

initiative for the Cluj community and for the local capital market.” ,said Daniela Secară, CEO of BT Capital Partners.

“We appreciate that the local public authorities are reorienting themselves towards the capital market in order to ensure an optimal mix of founding sources in implementing their own investment projects. The bond issue conducted by Cluj County was very well received by the investors, who can thus indirectly contribute to sustainable development of the region, and give a positive signal for the potential of such a funding instrument. We are glad of the opportunity to support the Cluj County Council in this process, together with our partners from the brokerage syndicate, the issuer consultant and the Bucharest Stock Exchange.”, stated Nicoleta Ruxăndescu Director of the Investments and Capital Markets Unit of Alpha Bank Romania.

“The listing of bonds issued by Cluj County on the Bucharest Stock Exchange is the final step in a process that started several months ago, which put the county authority on the map of Romanian institutional investors. We are delighted to stand beside Cluj CC in this important stage of its development as a responsible and transparent issuer of financial instruments, and we believe that this success will inspire other local authorities to access alternative funding sources in financing public interest projects. Congratulations to Cluj County and their team for their openness and involvement in this project!”, stated Iuliana Muşat, Investment Banking Senior Director, Raiffeisen Bank Romania.

The funds raised following the placement are aimed to re-finance local public debt and co-finance local public interest investments of Cluj County Council. Local public interest investments are aimed to: modernize county roads included in the regional Transilvania Nord system, build offices for the inclusive education school center, modernize the emergency clinical hospital for children, as well as the hospitals in Cluj-Napoca Municipality, restore the historical monument of Banffy Castle.

About the Cluj County Council

Cluj County Council is a public administration unit at the local level, which coordinates the activity of local councils within Cluj County in providing county interest public services. The mission it subscribes to is to contribute to balanced and harmonious development of the county as a whole, by reducing the development gaps between urban and rural development and between different areas of the county. The more ambitious priority projects include the modernisation of the county road infrastructure on a length of about 1400 km, rehabilitation and infrastructure expansion in the 17 public hospitals in the county, of which five report to the County Council, further attraction of investment and extension of facilities in the three industrial parks, modernisation and expansion of water and sewerage systems, etc. Cluj County Council

also conducts a very intensive activity in the social and cultural field, annually allocating substantial funds from its own budget for the operation of cultural institutions, special schools, and social and child protection services across the entire county. In order to meet these responsibilities and achieve such objectives, special attention is paid to the winning of grants, Cluj County Council being a champion among Romanian public authorities in raising European funds, with about one billion EUR attracted to date since 2007.

About Bucharest Stock Exchange

BVB, a fundamental institution for the capital market, is the only securities market operator in Romania. BVB, listed on its own market since 2010, is part of the BVB Group which also includes the Central Depository, the institution responsible for the register and settlement operations in Romania; in October 2019, the central counterparty, i.e. CCP.RO, was established as an institution that is to take up the clearing of securities transactions in Romania and to contribute to the re-launching of the derivatives market.

BVB manages two separate markets, the Regulated Market and the Multilateral Trading System, which lists a variety of financial instruments such as stocks, bonds, fund units, certificates, structured products, preferential rights. By the end of 2023, the two BVB markets had listed 371 companies with capitalization in excess of 300 billion lei, the highest level in history. The main market index, BET, closed 2023 with a nearly 32% advance and the BET-TR index with an advance of nearly 40% compared to the start of 2023. Average daily liquidity in 2023 for all the financial instruments was 154 million lei, a 60% increase over the preceding year and a record value. Another record value in 2023 was the number of retail investors that reached 168,000 at the close of September. The dynamics of recent years demonstrates that the BVB is able to sustain the capital that entrepreneurs and state institutions need. The efforts of BVB and its stakeholders to modernize and develop the capital market in Romania have also been acknowledged by its promotion to the Secondary Emerging Market status in 2020, by the global FTSE index provider, Russel. By the end of 2023, 13 Romanian companies had been included in the FTSE indices for emerging markets. More information at www.bvb.ro.

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