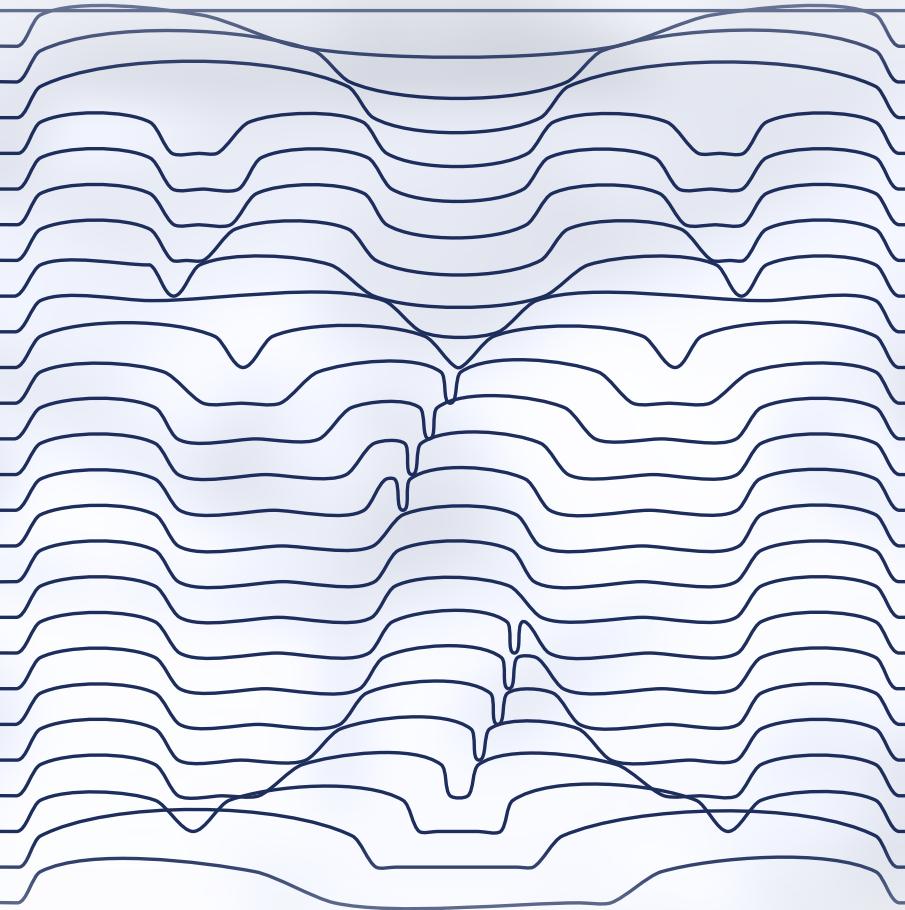




BVB Guide

*"WHAT CAN I DO WITH THE FIDELIS
CENTENAR GOVERNMENT BONDS?"*



I. Foreword, by Ludwik Sobolewski, CEO, BUCHAREST STOCK EXCHANGE (BVB)

It is fair to say today, on the day of the closing of the historic transaction led by the Government of Romania, that the profound reform of the capital market, initiated by the Bucharest Stock Exchange in late 2013, together with Coalitia Pentru Dezvoltarea Romaniei, is just being enriched by new dimensions and senses.

Three components and ingredients have been indispensable to restore and rebuild trust and confidence of citizens towards the markets in financial instruments. They were and remain: leadership, partnerships and communities.

First of all, the strategic goals for the market development have been defined throughout last years by the market leaders. They were promoting its execution and they were effectively engaged in the modernisation of the market architecture. The goals and objectives, as well as concrete solutions and steps to be undertaken, served in parallel as a substance for partnerships, that were established between the Bucharest Stock Exchange and the Romanian governments, Romanian Parliament and the Romanian watchdog over the financial market. Substantial changes, long awaited, have been implemented in the frame of those partnerships, after the objectives have been accepted by our partners. This work is far from being ended. We expect from those partnerships as much as we are committed to deliver to the market and to the Romanian economy, by our own independent and proven efforts, as the market operator.

It all paved the way to growing expectations formulated versus the Bucharest Stock Exchange. The BVB became at the centre of attention, epitomising a vast array of emotions, hopes and expectations lived by an increasing number of people getting awareness about how important a modern capital market is for the free economy. This a remarkable progress, a substantial transition from indifference and barriers to us being called for even greater efforts and innovativeness. We appreciate it highly and we are thankful for this acknowledgement of the instrumental role of the stock exchange on the road to prosperity of all capital market stakeholders.

Yet, it is not enough the ability to look clear through the amalgam of complex issues, in order to create the right strategy, the ability to implement it by the leaders' own means and their ability to form partnerships charged with their part of the implementation. The third indispensable element are communities. A community of financiers, a community of the investments specialists, a community of entrepreneurs and a community of investors.

Actually, it is the community of investors, whose needs and interests must be served with the highest possible priority - even if all communities are equally indispensable for us to finally accomplish the transition of Romania to the family of the emerging markets, pleno titulo with other transforming economies. It is time for the decisive steps to end the era of Romania sticking to the peripheries of the capitalistic world and global flows of capital.

Driven by this intention, and on the day of celebration of the exceptional success of the offering of the bonds issued by the Government of Romania, which are to become a financial instrument traded on the Bucharest Stock Exchange, we present to the community of stock exchange investors - the current and the future ones - a guide which will serve as a handy reminder of possibilities which are now available to individual investors that would intend to buy or sell the bonds. We hope that this guide will complement numerous projects carried out by the BVB in an inherent cooperation with the brokerage houses, pensions funds, investment funds, banks and other market oriented entities, such as - to name only a few - Driven by Return, Fluent in Finance, Banii Tai, on-line applications dedicated to retail investors, Individual Investors Forum, trading solutions and new financial products engineered by the Bucharest Stock Exchange.

Ludwik Sobolewski



II. Questions and answers about government bonds

1. Where are my bonds, after I have subscribed them?

In case the subscription was made through a bank or intermediary without signing an investment services contract, the government bonds are registered in the evidences of the Central Depository on the name of the holder. In case the bonds were bought based on an investment services contract, through a bank or intermediary authorized to trade at the Bucharest Stock Exchange, the government bonds are in the holder's brokerage account.

2. What will happen after the closing of the offer?

In case the holder wants to keep the government bonds he has two options:

-He will receive the annual coupon and at maturity the principal in a bank account communicated to the Central Depository, if the subscription was made through a bank or intermediary without signing an investment services contract.

-He can open a brokerage account with a bank or intermediary by signing an investment services contract and transfer the government bonds from the Central Depository to this account.

In case the holder wants to sell or to buy other instruments, one must open a brokerage account with a bank or intermediary by signing an investment services contract.

3. How can a bank or intermediary help me?

Intermediaries are financial investment services companies or credit institutions, authorized by the Financial Supervisory Authority. The main service offered by such institutions is to intermediate buy and sell trades (brokerage services). Investors may benefit from additional services, such as advice on developing the investment strategy, analyses and recommendations related to financial markets and instruments, access to online trading platforms.

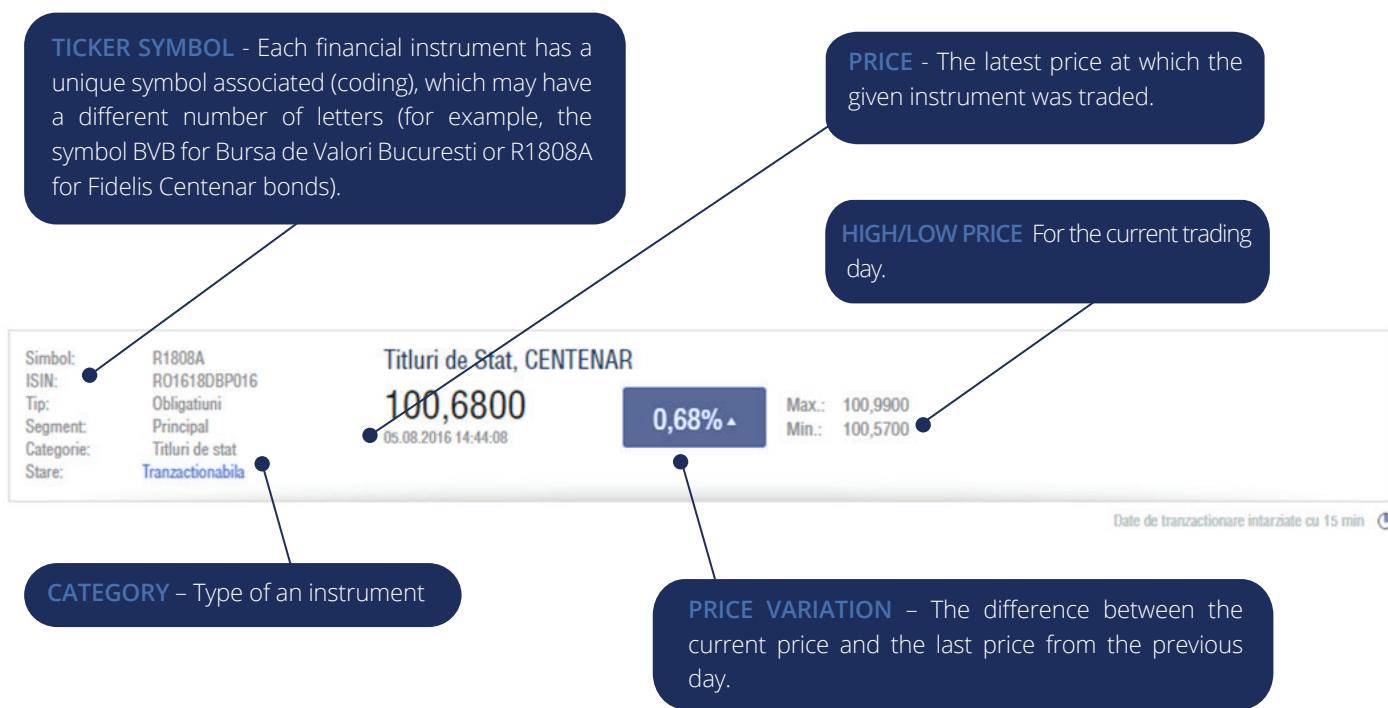
4. Can I buy or sell the bonds after the subscription is closed?

Trades on the Bucharest Stock Exchange occur between buyers and sellers through the stock exchange trading system. In order to be able to trade, investors must have an account with a specialized entity, a bank or intermediary. Starting August 5, 2016, anyone **can trade the bonds** through a new or existing brokerage account with a bank or intermediary authorized to trade at BVB. The list of banks and intermediaries is available on the www.bvb.ro website, **Intermediary** section.

The government bonds are available for trading Monday to Friday at BVB, under the symbol **R1808A**, from 09:30 to 18:10. More information about the current price, historical trading data and details of the bond issuance are available [here](#).

5. Where can I see the current price of the bonds?

The price can be checked any time on the Bucharest Stock Exchange website, www.bvb.ro, by entering the symbol **R1808A** in the [Search] box on the main page.



6. How is the price of the bond established?

The price of the bonds is established in the open market through the system of the Bucharest Stock Exchange, based on demand and supply, and depends on the market conditions. The price is expressed as percentage of the nominal value and can be higher or lower than the initial 100% which is equivalent to 100 lei nominal value. For the symbol **R1808A**, if an investor trades on August 5 2016 at a price of 100.2%, and the volume is 10, the value of the trade is determined based on this price on top of which the accumulated coupon from the starting day of the coupon period and settlement date – August 9, 2016 – is added. The settlement date is set at 2 days after the trading day.

7. How fast I can have my money after a transaction?

If the trade is done on Monday, the exchange of money and bonds takes 2 working days. Thus, money will be available on Wednesday in the brokerage account.

8. What other investment instruments are available on the Bucharest Stock Exchange?

Besides bonds one can trade other financial instruments on the Bucharest Stock Exchange which may bring higher returns compared to classical savings alternatives. Such instruments are bonds, mutual funds, equities and structured products, mentioned in the order of the risk, structured products being the ones with the highest risk. The most traded instruments on BVB are shares issued by Romanian and foreign companies. **Shares** represent parts of ownership in a company. **The bonds** represent a loan granted to a company by an investor. **Mutual funds** represent a holding of the net assets of an investment fund. **Structured products** are complex instruments that are based on another financial instrument (eg. Shares), an index or rate, an interest rate, a commodity baskets or combinations of these instruments or securities formats.