

Bucharest, April 29, 2022

Press release

Bucharest City Hall returns with a new bond issue worth 555 million lei 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](#)). PMB returns to the stock market with a new issue of municipal bonds, the 6th issue since 2015.

In April 2022, the Municipality of Bucharest successfully completed the private placement of the municipal bond issue with a total nominal value of RON 555 million to refinance the bond issue of the Municipality of Bucharest from 2015, maturing on May 4, 2022. In the private placement, PMB issued 55,500 registered, non-convertible, unsecured bonds denominated in RON with a nominal unit value of RON 10,000 and a fixed annual interest rate of 7.33% per year. The bonds will mature on April 19, 2032.

"Thank you to the investors for the trust given to the Bucharest City Hall as well as to our partners who facilitated this transaction under exceptional conditions. It was an effort of the Bucharest City Hall colleagues, and the operation resulted in the refinancing at an excellent price of the entire bond issue of PMB. We are open to diversifying financial instruments for various categories of interested investors on the BVB platform. A better diversification of funding sources will guarantee the development of sustainable projects for Bucharest", said Nicușor Dan, General Mayor of Bucharest.

"The Bucharest Stock Exchange reaffirms its essential role in financing Romania's development, and municipal bonds are an efficient way for municipalities to carry out investment projects with financial resources from capital market investors. We are glad that the Bucharest City Hall returns to the stock exchange to continue its development plans and we assure them that they have a reliable partner in the Bucharest Stock Exchange to finance significant future projects", said Radu Hanga, President of the Bucharest Stock Exchange.

"Dependable and sustainable investments can be made by Romanian municipalities through a funding mix which allows the implementation of complex projects. Financing through the Bucharest Stock Exchange is undoubtedly a viable option for local institutions to gain quick and efficient access to the capital they need to implement their development plans. The Bucharest



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

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Stock Exchange has recently simplified the process of drawing up the documentation for admission to trading on the regulated market of municipal bonds following the European legislation. We congratulate the Bucharest City Hall for the success achieved with this issue and encourage the local authorities to use the tools provided by the capital market", 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](#) and [Raiffeisen Bank Romania](#).

"It is our great pleasure to work together with the team of the Municipality of Bucharest in a refinancing transaction through the Romanian capital market to successfully underwrite a new issue of municipal bonds listed on the Bucharest Stock Exchange. This proves once again that the capital market is an efficient channel for financing both companies and local public authorities while providing fixed income instruments of the quality and liquidity that institutional investors in Romania need to be able to implement their portfolio management strategies by primarily financing local issuers", said Irina Neacșu, Executive Director of the Corporate Finance Department within BRD - Groupe Société Générale S.A.

"We are delighted with the success of this project both as a member of the Association that managed this mandate and as citizens of Bucharest. For us, the inhabitants of Bucharest, the successful refinancing of the bonds that reach maturity in May 4th means that our city will have additional money to implementation the urgently needed projects. If we look at it from the perspective of intermediaries, the result of this investment attests to the credibility gained by the Municipality of Bucharest as a recurring issuer of bonds and proves, once again, the ability of the local capital market to be a source of sustainable financing", said Iuliana Mușat, Senior Director in the Investment Banking department of Raiffeisen Bank.

The city of Bucharest benefited from the legal advice provided by the capital markets team of Bondoc and Asociații SCA, coordinated by the associate lawyer Simona Petrișor, with the support of the associate lawyer, Diana Ispas. The association was advised by the capital markets team of the Bucharest office within the international law firm Dentons, coordinated by the partner Loredana Chițu.

"We are pleased to have been able to contribute to the success of this bond issue, all the more significant in the current geopolitical context affecting financial markets. The transaction sets a precedent by being the first municipal bond issue to benefit from a more flexible European legal framework, adapted to public authorities' bond issuances, an example that we hope will inspire other Romanian municipalities to trust the local capital market, using traditional issuances and, why not, green or with the sustainability component", said Diana Ispas, associate lawyer within Bondoc and Asociații SCA.



"I have been collaborating for many years with the investment banking teams of these two renowned banks. It was, as usual, a pleasure to act as lawyers for the intermediaries and an honor to help in the issuance of bonds by the most important municipality in Romania", said Loredana Chițu.

For additional information, please contact:

Bianca Dascălu, Marketing and Communication, Bucharest Stock Exchange, e-mail: bianca.dascalu@bvb.ro