

Romania attracts 3.5 billion euros from foreign capital markets, through bond issue

Romania, through the Ministry of Finance, launched on April 7 this year's first issue of Eurobonds that attracted 3.5 billion euros on the international capital markets, which enjoyed a special interest from investors, according to a press release of the Ministry of Finance, sent on Thursday to AGERPRES.

"The success of Romania's first Eurobond issue in 2021 reaffirms the confidence our country enjoys from international investors. Although the crisis generated by the COVID-19 pandemic has not ended, this transaction proves that the Government's measures and objectives on strengthening fiscal consolidation and the recovery of the Romanian economy, already appreciated by international institutions, are also positively received by the investment community. Through this issue, Romania has ensured an important part of the financing needs on foreign markets due for 2021, while consolidating the forex reserve the buffer). The contracted loan will be used to cover the financing needs prompted by the level of the budget deficit and the volume of public debt refinancing, in the context of the COVID-19 pandemic," declared the Minister of Finance, Alexandru Nazare.

The total value of the Eurobond issue is 3.5 billion euros, with a final subscription of 10 billion euros, through the participation of more than 380 investors.

The issue was made in two tranches, of which 2 billion euros with a 12-year maturity, a yield of 2.104% and an interest rate of 2,000% per year, and 1.5 billion euros with a 20-year maturity, a yield of 2.773% and an interest rate of 2.750% per annum.

By geographical distribution of investors, for the a 12-year maturity maturity, it was the following: Great Britain and Ireland - 37%, USA - 17%, Germany and Austria - 13%, Romania - 6%, France - 6%, Southern Europe - 6%, the rest of Europe - 6%, EEC (except for Romania) - 5%, Benelux - 3% and the rest of the states - 1%.

For the 20-year maturity, the geographical distribution of investors was as follows: Great Britain and Ireland - 45%, USA - 13%, Germany and Austria - 12%, Romania - 12%, the rest of Europe - 5%, EEC (except for Romania) - 4%, France - 3%, Southern Europe - 3%, the rest of the states - 2% and Benelux - 1%.

The transaction was brokered by BNP Paribas, Citigroup Global Markets Europe AG, HSBC Continental Europe, Raiffeisen Bank International AG, Societe Generale and UniCredit Bank AG.