



## MINISTRY OF FINANCE

### Indicative plan of government securities issuances for 2024

In 2024, the gross financing needs at government level amount to approx. RON 181 billion, excluding cash management instruments. The volume of loans to be raised by the Ministry of Finance from domestic and external markets is estimated at a level similar to the gross financing requirement, of approximately RON 181 billion, with approximately 10.8% less than the volumes attracted in 2023 (RON 203 billion), being determined by the projected level of the budget deficit, of 5% of GDP (approximately RON 86.6 billion) as well as by the volume of the debt to be refinanced in 2024, in the amount of approximately RON 94.4 billion. It is estimated that the budget deficit will be financed equally from internal and external sources.

The Ministry of Finance will have a flexible approach in carrying out the financing process in 2024, aiming to preserve the predictable and transparent nature of the offer of government securities in order to react adequately to potential changes in market trends and investor behavior.

#### Domestic market

The indicative volume of loans to be contracted from the domestic market amounts to approx. RON 116-121 billion, with a maturity structure of about 15%/85% (short term versus medium and long term), by issuing the following instruments:

- short-term treasury certificates, with maturities up to 12 months;
- previously issued medium and long term benchmark bonds that will be frequently reopened according to investors demand until reaching an appropriate volume to increase their liquidity;
- new benchmark bonds with initial maturities of around standard maturities 3, 5, 7, 10 and 15 years, taking into account investors demand and the objective of consolidating and expanding the yield curve of RON-denominated government securities;
- retail bond issuances in RON and foreign currency, with maturities between 1y and 5y;
- private placement instruments, denominated in RON or foreign currency.

The Ministry of Finance is considering issuing green bonds on the domestic market during 2024 based on the General Framework for green bonds at the sovereign level.

In order to achieve the objective of consolidating and expanding the yield curve of RON denominated government securities and improving the liquidity in the secondary market, the Ministry of Finance is considering reopening the benchmark bond issuances in a volume of up to EUR 2,5-3 billion equivalent on each benchmark series, along with using liability management operations (buybacks and exchanges).

Furthermore, in order to reduce the refinancing risk, depending on the existing conditions in the secondary market, the Ministry of Finance intends to use liability management operations in 2024. The government securities issued on domestic market that may be subject to buybacks or exchanges with newly issued benchmark bonds are those with a residual maturity of up to one year at the time of the transaction, respectively the series maturing in years 2024 and 2025. Quarterly announcements and monthly prospectuses will be updated for such transactions.

The Ministry of Finance may also consider issues of government securities denominated in euro on the domestic market that will be re-opened periodically subject to market demand.

### External market

The 2024 indicative volume of borrowing from the international markets is of approx. EUR 12-13 billion and will be completed through:

- Eurobond issuances in the amount of EUR 8.5-9.5 billion (equivalent), including private placements, subject to the market developments, conditions and opportunities. MoF could perform buybacks and exchange transactions to manage large redemptions scheduled during 2024-2025. In 2024, the Ministry of Finance intends to launch the first green Eurobonds, based on the Sovereign Green Bonds Framework adopted by the Government. Also, in order to diversify the investment base, it is planned to launch Samurai bonds, bonds launched on the Japanese market.
- European Commission disbursement of EUR 2 billion to Romania under the Recovery and Resilience Facility (RRF);
- drawings under loans contracted from international financial institutions of about EUR 1.5 billion. Through external loans, the Ministry of Finance aims to reduce refinancing risk by extending the remaining average maturity of the government securities portfolio at the most efficient cost, and to diversify the investor base.

The pre-financing of the 2024 gross funding needs achieved during 2023 is consolidating the level of the buffer at the end of 2023. In 2024, the level of the foreign currency buffer will be maintained, its reduction being considered only in the scenario of higher gross financing needs than originally estimated.

However, depending on the market conditions and the implementation of the financing plan for 2024, the consolidation of the foreign currency buffer could be considered.

The elements announced above may be revised during 2024 depending on the development of the gross funding needs, the developments on the financial markets and investor demand as well as the way of implementing the financing plan.

The indicative volume of government securities issued on the domestic market will be announced quarterly, including the volumes and other specific terms announced in the approved prospectuses. For the first quarter the indicative volume of government securities to be issued on the interbank market is around RON 18 - 20 billion.

**Minister of Finance**

**Marcel - Ioan BOLOȘ**