



**Maryland State Treasurer's Office
Nancy K. Kopp, Treasurer**

NEWS RELEASE

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**Maryland Has Successful Sale of
\$1.15 Billion in General Obligation Bonds**

ANNAPOLIS (July 23, 2014) – Maryland State Treasurer Nancy K. Kopp announced that the Board of Public Works (BPW), composed of Governor Martin O'Malley, Comptroller Peter Franchot and Treasurer Kopp, completed the sale of \$1,149,715,000 of General Obligation bonds today in three series, including the direct retail sale of \$50,385,000 of Series A bonds which sold on July 18th and July 21st exclusively to retail investors with a first priority to Maryland residents.

The direct retail bond sale (Series A), conducted through a group of underwriters led by Citigroup Global Markets, Inc., carried a true interest rate of 1.1883%. The net premium was \$6,381,311.

Competitive sales for Series B and Series C occurred at today's BPW meeting. The State received bids for the \$449,615,000 of Tax-Exempt General Obligation Bonds (Series B) and the \$649,715,000 of Tax-Exempt Refunding Bonds (Series C). The Series C Refunding Bonds will reduce the State's debt service by approximately \$58.3 million.

In today's competitive sales:

- \$449,615,000 in tax-exempt bonds in Series B sold at a true interest cost of 2.6535%; the winning bidder was J.P. Morgan Securities, LLC, and the net premium was \$64,221,141; and**

- **\$649,715,000 in tax-exempt refunding bonds in Series C sold at a true interest cost of 1.8821%; the winning bidder was Morgan Stanley & Co., LLC, and the net premium was \$148,876,381.**

There were five bidders on Series B and five bidders on Series C.

Treasurer Kopp commented “Today’s results were very satisfying for the taxpayers of Maryland. The State was well-timed to be in the market and benefited from investors’ ‘flight to quality’. The demand for Maryland bonds and the resulting favorable interest rates are a reflection of the top quality of Maryland’s credit and the security of the investment it provides. The State’s taxpayers benefit from saving millions of dollars because of our strong AAA bond ratings and resultant lower interest rates. In addition, today’s successful sale of tax-exempt refunding bonds will save Maryland taxpayers more than \$58 million in debt service costs. It is also good news that all Marylanders who wanted to do so were able to buy the State’s high-quality bonds during the retail sale period. Their investment in Maryland in turn will allow Maryland to invest in projects that support communities throughout the State. Overall, Maryland’s citizens benefit from the investment in Maryland’s schools, colleges, hospitals, prisons and cultural projects that are supported with bond proceeds.”

Maryland is one of only ten states to currently hold the AAA rating, the highest possible rating, from all three major bond rating agencies. The AAA was affirmed by Fitch, Moody’s, and Standard & Poor’s as recently as July 7, 2014, in anticipation of this bond sale.

The Maryland State Treasurer’s Office expects to conduct another bond sale in February or March 2015.
