

PRESS RELEASE
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HISTORICAL MOMENT: ROMANIA IS PROMOTED TO EMERGING MARKET STATUS

- Global index provider FTSE Russell promoted Romania to Emerging Market from Frontier Market status, as announced on September 26th, three years after the country was added to the Watch List.
- The reclassification of the status will become effective in September next year.
- Adrian Tanase, BVB CEO:
 - We are here facing a historical moment: it's the international recognition that Romania deserves to be promoted and I am happy and proud to lead the team that made it possible.
 - When the stock market is doing well the economy is doing well. I do hope this status upgrade will make more managers from state-owned and privately held companies see the stock exchange as the go-to place where they can further develop their businesses.
 - We are going to celebrate 25 years of modern trading at the Bucharest Stock Exchange in November next year. We aim to show our partners that we are committed to further improve the market infrastructure. To this extent, the CCP project will create the framework to significantly improve the market liquidity.
 - Our goal for the next 10 years is to double the market representativeness in the local economy from the current level of 10% to 20% of GDP.
- Lucian Anghel, BVB President:
 - Romania's promotion to the Emerging Market status can be considered, from the economic standpoint of the capital market, the equivalent of the country's admission to the European Union. Romania deserved to be promoted to the Emerging Market status as it has repeatedly proved itself as being a functional and accessible market.
 - Funds much larger than the ones that have invested so far and that manage hundreds of billions of euros will be allowed to invest here in the next years as these funds' managers are restricted by the prospectus to invest in Frontier Markets.
 - Romanian investors could benefit from this promotion in the long run if they choose to reap the rewards offered by the investment opportunities in the stock market.
 - We would like to thank all the capital market stakeholders and authorities who have been close to the stock exchange in this capital market reform process that started around 7 years ago.

BUCHAREST STOCK EXCHANGE runs markets for shares, bonds and other instruments, through regulated platforms and alternative systems, and provides a wide range of services to participants of financial markets.

Bucharest Stock Exchange is a public company, listed on its own market since 2010. For more information refer to WWW.BVB.RO

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Romania is promoted to Emerging Market from Frontier Market status, the global index provider FTSE Russell announced on September 26 this year.

"FTSE Russell is pleased to announce that Romania will be assigned Secondary Emerging market status. As part of the Annual Review the FTSE Country Classification Advisory Committee supported the following criterion rating change:

- "Liquidity – Sufficient broad market liquidity to support sizeable global investment": upgraded from 'Restricted' to 'Pass'.

Consequently, Romania meets the nine FTSE Quality of Markets criteria required for Secondary Emerging market status within the FTSE Country Classification scheme. FTSE Russell congratulates the Romanian market authorities on attaining Secondary Emerging market status", reads the report. Further details can be found [here](#).

It is for the first time when a leading global index provider upgrades the Romanian capital market to the Emerging Market status. The decision came after Romania has been retained on the Watch List for three consecutive years. The reclassification from Frontier to Emerging status will become effective in September next year.

It's a historical moment for Romania, which had its stock exchange closed during the communist regime and had it reopened for nearly half a century later. When the market reopened in November 1995, it started with 6 companies. Now, the Bucharest Stock Exchange (BVB) has 84 companies listed on the Main Market alone, with a combined capitalization of EUR 36 billion.

"The Romanian capital market had many obstacles to overcome and it took a long way to get us here. Just think about it: six years ago, we did not even have simultaneous English reporting for listed companies, so foreign investors found it difficult to clearly understand what happened in the market. Now we have in place new and improved market mechanisms, easier access into the market for investors, supportive fiscal environment for institutional investors, transparent and qualitative corporate reporting of issuers, availability of capital market information flow and legislation in English, competitive trading framework, improved corporate governance for listed companies. This new environment attracted in the recent years new private listings for equities and bonds", said Lucian Anghel, President of the Board at BVB.

In order to reach the new status, significant improvements were speeded up and turned into reality in about one year and a half. "We focused on what needed to be done, looked at what we lacked and aimed to

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tackle all the criteria", BVB's CEO Adrian Tanase said. "As of last year, criteria which were rated as <<not met>> before no longer have that label. The OTC liberalization became effective last year. The liquidity criterion has also been improved as the average daily trading value for equities is up compared to the previous year. We did everything in our power in this limited timeframe to meet all the criteria needed for the upgrade", Adrian Tanase stated, adding that "new projects to further develop market are on the pipeline".

A moment of historical significance

The upgrade to Emerging Market will allow the Romanian capital market and the Romanian economy to absorb new funds and send a strong signal to state-owned as well as privately held companies that they have significant room to grow by using the stock exchange.

"Romania's upgrade to Emerging Market status represents an acknowledgement of the progress of the local capital market and represents a step of paramount importance in its development. The investment grade of the country will be mirrored on the local stock exchange once the reclassification is done as the stock market is nothing but a faithful reflection on a country's economy. When the stock market is doing well the economy is doing well. I do hope this status upgrade will make more managers from state-owned and privately held companies see the stock exchange as the environment they can use to develop their businesses. Now, we are here facing a historical moment: it's the international recognition that Romania deserves to be promoted and I am happy and proud to lead the team that made it possible", BVB's CEO further said.

"Romania's promotion to the Emerging Market status can be considered, from the economic standpoint of the capital market, the equivalent of the country's admission to the European Union. Romania deserved to be promoted to the Emerging Market status because it has repeatedly proved itself as being a functional and accessible market. A new market status opens the way for new funds to invest in the local capital market. Funds much larger than the ones that have invested so far and that manage hundreds of billions of euros will be allowed to invest here in the next years as these funds' managers are restricted by the prospectus to invest in Frontier Markets. That is why Romanian investors could benefit from this promotion in the long run if they choose to reap the rewards offered by the investment opportunities in the stock market", BVB's President said. "We would like to thank all the capital market stakeholders and authorities who have been close to the stock exchange in this capital market reform process that started around 7 years ago", he added.

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Further market development

The Bucharest Stock Exchange plans to further develop the market infrastructure by focusing its efforts to make the central counterparty clearing house (CCP) functional in the next 16 months in a move that will create the framework to significantly improve the market liquidity.

"We are going to celebrate 25 years of modern trading at the Bucharest Stock Exchange in November next year. We plan to show to our partners that we are committed to improving the market infrastructure. The CCP project will relaunch the derivatives market in Romania and, at later stages, will allow for further instruments to be accessed by more sophisticated investors. We are establishing the local CCP with one goal in mind: to increase the liquidity in the mid to long term and thus equip investors with the necessary tools in order to make the market more attractive," Adrian Tanase stated.

The local capital market reached this month a new all-time high for its BET-TR index, which also includes the dividends. The index breached the 15,000-point ceiling this September, which corresponds to an increase of 39% this year alone, making Romania one of the top performing capital markets in Europe.

"Our goal for the next 10 years is to double the market representativeness in the local economy – that is the capitalization of Romanian listed companies as compared to GDP – from the current level of 10% to 20% of GDP," BVB's CEO concluded.

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