

PRESS RELEASE
SEPTEMBER 27, 2018

ROMANIAN CAPITAL MARKET: JUST ONE STEP AWAY FROM BECOMING EMERGING MARKET

- Romania was maintained by FTSE Russell on the watch list of countries for possible reclassification from Frontier to Secondary Emerging market
- “Liquidity – Sufficient broad market liquidity to support sizeable global investment” – upgraded from ‘Not Met’ to ‘Restricted’, following an improvement in broad market liquidity.
- “Off-exchange transactions permitted” – upgraded from ‘Not Met’ to ‘Restricted’.

FTSE Russell released on September 26, 2018 its latest Annual Country Classification Review, according to which Romania was maintained on the watch list of countries for possible reclassification from Frontier to Secondary Emerging market. Romania was added to this watch list in September 2016. According to the FTSE Russell report, in September 2018, the FTSE Russell Country Classification Advisory Committee endorsed the following criterion rating changes:

- “Liquidity – Sufficient broad market liquidity to support sizeable global investment” – upgraded from ‘Not Met’ to ‘Restricted’, following an improvement in broad market liquidity.
- “Off-exchange transactions permitted” – upgraded from ‘Not Met’ to ‘Restricted’.

“The upgrade with one notch of the Bucharest exchange’s liquidity criteria is an international recognition of the progress Romania made in the last 4 years for improving liquidity. Now, Romanian capital market is only one step away from becoming emerging market” said Lucian Anghel, Chairman of the [Bucharest Stock Exchange \(BVB\)](http://www.bvb.ro) Board of Directors.

The “Liquidity – Sufficient broad market liquidity to support sizeable global investment” criterion is the single outstanding criterion required for attaining Secondary Emerging market status. This rating has moved up one increment at this review and will next be considered at the March 2019 interim review. FTSE Russell acknowledges the efforts of the BVB to bring IPOs to the market and to improve liquidity levels on the exchange. Romania is retained on the Watch List as a Frontier market and will be reviewed for possible reclassification as a Secondary Emerging market, within the FTSE Country Classification scheme at the Annual Review in September 2019.

Adrian Tanase, BVB CEO, stated: "All the capital market reform and the projects which Bucharest Stock Exchange has run for few years now, dedicated to improving the investment climate, the offer and the demand, have been fundamental for the increase in liquidity. We also believe that the OTC liberalization which became effective in September 2018 will support even more the trading values on the stock exchange."

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

For further information: comunicare@bvb.ro

Register of Commerce J40/12328/2005
Unique Reg.No. 17777754/2005
Share Capital 80.492.460 LEI
R.N.S.C. Decision No.369/31.01.2006

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At the beginning of 2014, Bucharest Stock Exchange, with the support of capital market stakeholders and authorities, started an ambition journey of reform in order for the capital market to be upgraded by global index providers from Frontier to Emerging Market status. It has been considered as a natural way in which a country classified with investment grade, like Romania, to be able to benefit of an efficient leverage for the economic growth provided by an investment grade (Emerging status) of the domestic capital market. Significant steps have been taken in this regard, among which: new and improved market mechanisms, facile investors' access into the market, 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, private IPOs and bond issuances.

The projects for improving the Romanian capital market landscape will continue as a result of the permanent dialogue with domestic and foreign investors. Working for improving the fiscal regulatory provisions on making lending and borrowing available for foreign investors and on stimulating individuals to easily invest in instruments listed on the stock exchange, assessing the best CCP solution for the domestic market in order to be able to launch the derivatives market, attracting private IPOs and extending the financial literacy programs are the main projects on which Bucharest Stock Exchange focusing at present.

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