

PRESS RELEASE
AUGUST 9, 2018

BUCHAREST STOCK EXCHANGE EXPANDS THE MAXIMUM NUMBER OF COMPANIES IN MAIN INDICES FROM 15 TO 20

- Bucharest Stock Exchange increases the maximum number of companies in BET index and its total return version BET-TR from 15 to 20
- Adrian Tanase, BVB CEO: The enlargement of the two indices is appropriate as more companies relevant for their industry decide to get listed on BVB. It is by this expansion that we aim to provide enhanced diversification by industry sectors for BVB's main indices, a diversification all equity portfolios need
- Lucian Anghel, BVB President: The increase of the maximum number of companies can offer a better risk-adjusted performance of these indices, due to the diversification potential. All six companies listed on BVB in less than two years come from new business sectors

[Bucharest Stock Exchange \(BVB\)](http://www.bvb.ro), the flagship institution of the local capital market, increases the number of companies that can be included in BET and BET-TR indices from 15 to a maximum of 20. On August 8th, BVB Board approved a series of changes to BVB indices' methodologies, after a similar decision of BVB's Index Committee. New rules were introduced for BET and BET-TR so that the two indices reflect the evolution of the most liquid companies listed on BVB.

"The enlargement of the two indices is appropriate as more companies relevant for their industry decide to get listed on BVB. It is by this expansion that we aim to provide enhanced diversification by industry sectors for BVB's main indices, a diversification all equity portfolios need. We work towards developing the market both vertically – by providing new investment options to local and international investors in order to largely improve market liquidity, and horizontally – by encouraging more companies relevant for the Romanian economy to go public," said Adrian Tanase, CEO of BVB.

"The increase of the maximum number of companies can offer a better risk-adjusted performance of these indices, due to the diversification potential. Bucharest Stock Exchange is developing continuously and at a fast pace, testimony to this being that all six companies listed in less than two years come from new business sectors", stated Lucian Anghel, President of the Board of Governors of BVB.

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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This is for the second time in the history of the Bucharest Stock Exchange when an increase of the maximum number of constituents of the main index BET and the index that includes dividends, BET-TR, takes place. The previous enlargement of these indices, from 10 to a maximum of 15 companies, took place two years ago, on October 5, 2016. Since then, six companies have listed their shares on BVB: MedLife (December 2016), DIGI Communications (May 2017), AAGES (June 2017), Transilvania Broker de Asigurare (November 2017), Sphera Franchise Group (November 2017) and Purcari Wineries (February 2018).

Currently, BET and BET-TR indices include 13 companies each, as follows: Banca Transilvania, BRD – Groupe Societe Generale, Bucharest Stock Exchange, CONPET, DIGI Communications, Electrica, Fondul Proprietatea, MedLife, OMV Petrom, Nuclearelectrica, Romgaz, Transgaz, Transelectrica.

Another new feature for BET and BET-TR indices is the introduction of a minimum expected weight of 0.5% of the index basket that should be exceeded by a company in order to be included in the two indices. In addition, to minimize fluctuations in the two indices' composition, companies must exceed a minimum weight of 0.2% to be maintained there.

The qualitative criteria in the area of corporate governance and investor relations, already existing in BET and BET-TR methodologies, were also introduced in the methodologies of the other BVB indices.

In addition, the *Watchlist* concept (a list of companies that enter a monitoring process to be checked if they meet eligibility criteria) was extended to BET-XT, BET-XT-TR and BET-BK indices. Similar to BET and BET-TR indices, companies remain on the Watchlist for at least 6 months for monitoring until their potential inclusion in the index. The Watchlist will be updated on a quarterly basis, in periodic meetings of the Index Committee.

These changes are designed to ensure improved transparency and predictability for investors.

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