

PRESS RELEASE
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THE "FREEZING" ON LISTING OF MINORITY STAKES ON THE CAPITAL MARKET IS CONTRARY TO ROMANIA'S INTERESTS. THE CAPITAL MARKET IS AN EFFICIENT AND TRANSPARENT ENVIRONMENT FOR THE DEVELOPMENT OF THE ROMANIAN ECONOMY

- The legislative initiative that bans for 2 years the listing of state-owned companies restricts the state's ability to use capital markets to finance expenditures and investments.
- Bucharest Stock Exchange (BVB) is an essential pillar for accessing capital for the development of Romanian companies as well as of the local economy.
- BVB considers that the state must be a partner to encourage the presence of Romanian companies on the local stock market, and to stimulate the population's access to the capital market through fiscal measures, which will contribute to increasing the well-being of Romanians in the long run.

[Bucharest Stock Exchange \(BVB\)](#) notes with regret the approval by the Parliament of the legislative initiative on some measures to protect national interests in economic activity. BVB considers that such a legislative initiative does not bring benefits to the Romanian state but, on the contrary, restricts its ability to make optimal use of capital markets to finance expenditures and investments, while also delays the process of modernizing and streamlining the state's holding portfolio.

Since the adoption by the Senate of the mentioned legislative initiative, BVB has sent its point of views to political parties, to the members of the specialized commissions of the Chamber of Deputies, to the Government and the Presidency, and backed up these points of view with examples of state-owned companies listed on the local stock exchange.

We should remember that the sale of shares made by the Romanian state through the Bucharest Stock Exchange in the last 15 years had an obvious positive impact on those companies. By applying corporate governance regulations and transparency to the activities of these companies, very good results were achieved, as evidenced by the high quality of management teams, solid financial results and significant dividends paid each year. Undoubtedly, the Romanian state is ultimately the main beneficiary of these listings.

Also, in many of these companies the state still owns over 50% of the shares, which proves that the sale of minority stakes on the stock exchange, while preventing the state ownership to fall below this threshold, does not diminish the level of control and strategic influence of the state in these companies. In this regard, it is important to note that listing does not mean privatization, and the state can still have control over these economic operators.

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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The evolution of the current crisis generated by the COVID-19 pandemic highlighted the importance of Romanian companies, the problems they face, but also brought opportunities to develop, which can become reality if these companies have access to the necessary financing: the Bucharest Stock Exchange is an essential pillar for accessing capital for their development and, implicitly, for the local economy.

It is very important to keep in mind that, at this moment, the private pension funds are the largest shareholders on the Bucharest Stock Exchange, with an estimated percentage between 25% and 30% of the total listed shares. These pension funds hold part of population assets. Thus, we can say that the listings should be seen as a transfer of assets from the state to citizens. We believe that this trend must continue and even further develop, especially with regard to encouraging direct holdings of financial assets by the population.

Listing state-owned companies on the stock exchange and increasing the listed percentages of state-owned companies, along with encouraging and stimulating the population's access through fiscal measures will contribute to increasing the well-being of Romanians in the long run, improving savings and developing a representative, educated and financially solid middle class.

We believe that policy makers must take into account all aspects (social, economic, financial, etc.) when initiating legislative projects as their impact may affect the economic activity and development projects of all economic agents.

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