

PRESS RELEASE

APRIL 1ST, 2020

## FTSE Russell confirms that Romania is on track to be included in the FTSE Russell Emerging Market indices on September 2020

The global index provider FTSE Russell announced at its March 2020 Interim Review a series of clarifications in the case of Romania's upgrade from Frontier to Secondary Emerging Market status.

FTSE Russell confirms that Romania is on track to be included in the FTSE Russell Emerging Market indices in September 2020. Index eligibility for the September 2020 FTSE Global All Cap annual review will be based on data as of the close on 30 June 2020. The FTSE Russell annual review will analyze the individual liquidity of the monitored companies (8 Romanian listed companies which meet FTSE Russell size criteria) over the July 2019 – June 2020 timeframe. For a company to meet the liquidity criteria, its monthly median liquidity test must be above 0.05% for at least 10 out of 12 months. The monthly median liquidity test, based on FTSE Russell methodology, is calculated for each company as the monthly median of daily traded volumes / free float number of shares.

To this extent, FTSE Russell issued the following guidance regarding Romania's upgrade: "Further to the September 2019 FTSE Equity Country Classification Annual Review, Romania will be reclassified from Frontier to Secondary Emerging market status with effect from September 2020. However, Romanian securities will only be added to the FTSE Global Equity Index Series (GEIS) if a minimum of two securities meet the FTSE Global All Cap Index eligibility requirements based on data as at 30 June 2020."

Based on [Bucharest Stock Exchange \(BVB\)](#) calculations and the current values of considered free float number of shares, at the end of March 2020, there are two Romanian companies that are on track to be included in the FTSE Emerging Market indices, namely [Banca Transilvania \(TLV\)](#) and [S.N. Nuclearelectrica \(SNN\)](#), and they should continue to meet the liquidity criteria in the next three months. Thus, Banca Transilvania needs to secure a median daily liquidity of at least 2,150,000 shares for two more months, while S.N. Nuclearelectrica needs to secure a median daily liquidity of at least 27,000 shares for the remaining three more months, until June 2020.

BVB stands committed to work further with the issuers, the market participants and the authorities to improve the market liquidity in order to ensure the inclusion in the FTSE Russell Emerging Market indices in September 2020 and going forward to significantly increase the number of Romanian companies included in FTSE Russell Emerging Markets indices.

**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](http://WWW.BVB.RO)

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As well, BVB will continue the initiatives to promote the achievements and developments registered by our market among the global and local investors in order to strengthen their perception related to the solid infrastructure and quality of our market and to reinforce their interest regarding the market opportunities.

The global index provider FTSE Russell announced, on September 26<sup>th</sup>, 2019, that Romania was promoted from the Frontier Market status to the Secondary Emerging Market status and the decision will become effective as of September 2020.

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