

Net assets of open-end investment funds (OeIF) reached a value of EUR 3.86 billion in October 2020, an increase of 1.2% compared to the previous month.

ASF nr.
11/25.11.2020

- Romania's gross domestic product increased by 5.6% in the third quarter of 2020 compared to the previous quarter
- The GDP growth forecast for Romania (NCSP) has been revised downward from -3.8% (in the previous scenario) to -4.2% in 2020, due to the declining activity in industry (-9.1%), agriculture (-21.2%) and services (-2%) compared to 2019
- In October 2020, local open-end investment funds recorded net inflows of EUR 43 million.

World Macroeconomic Outlook

According to the preliminary flash estimate published by Eurostat, **the euro area economy** returned to growth (+12.6%) in the third quarter of 2020 compared to the previous quarter and the **GDP in the European Union** increased by 11.6%. According to Eurostat, these have been the largest increases since 1995. Compared to the same period of the previous year, the EU economy contracted by -4.3%, while the euro area economy decreased by 4.4% in the third quarter of 2020. **Romania's** gross domestic product increased by 5.6% in the third quarter of 2020 compared to the previous quarter, but compared to the same quarter of the previous year, it decreased by 6%.

According to the National Commission for Strategy and Prognosis, **the GDP growth forecast for Romania** has been revised downward from -3.8% (in the previous scenario) to **-4.2% in 2020**, due to the declining activity in industry (-9.1%), agriculture (-21.2%) and services (-2%) compared to 2019. According to the NCSP forecast, constructions will have a positive contribution to GDP this year, with an estimated growth of 9.5%. For the next year, NCSP estimates a recovery of the Romanian economy, with an advance of 4.5%.

According to the IMF (World Economic Outlook, October 2020), Romania's economy is expected to contract by -4.8% in 2020 (an upward revision since the previous forecast: -5.0%) and will increase by 4.6% in 2021. The unemployment rate is projected at 7.9%, 4 pp higher than in 2019, while in 2021 it is expected to decrease to 6%.

GDP development in 2019-2020

Country	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	European Commission		IMF	
									2020f	2021f	2020f	2021f
Euro area	1.5	1.3	1.4	1.0	1.3	-3.3	-14.8	-4.4	-7.8	4.2	-8.3	5.2
Germany	1.1	0.1	0.8	0.4	0.6	-2.1	-11.2	-4.2	-5.6	3.5	-6.0	4.2
Spain	2.2	2.1	1.8	1.7	2.0	-4.2	-21.5	-8.7	-12.4	5.4	-12.8	7.2
France	1.8	1.8	1.6	0.7	1.5	-5.8	-18.9	-4.3	-9.4	5.8	-9.8	6.0
Italy	0.4	0.4	0.5	0.1	0.3	-5.6	-17.9	-4.7	-9.9	4.1	-10.6	5.2
Bulgaria	4.2	3.8	3.3	3.1	3.7	2.3	-8.6	-5.2	-5.1	2.6	-4.0	4.1
Croatia	4.0	2.5	2.7	2.5	2.9	0.3	-15.5	-	-9.6	5.7	-9.0	6.0
Hungary	5.1	4.7	4.4	4.0	4.6	2.0	-13.5	-4.7	-6.4	4.0	-6.1	3.9
Poland	5.3	4.7	4.4	3.9	4.5	1.9	-8.0	-2.0	-3.6	3.3	-3.6	4.6
Romania	5.4	3.6	3.4	4.4	4.2	2.6	-10.3	-6.0	-5.2	3.3	-4.8	4.6

Source: Eurostat, percentage change compared with the same quarter of the previous year - seasonally adjusted data, European Commission, Autumn 2020 Economic Forecast, World Economic Outlook – October 2020, IMF

The volume of construction works increased in Romania by 18.7% as gross series, respectively by 19.2% as seasonally adjusted series, in September 2020 compared to the similar period of the previous year. The most significant increases were recorded by the volume of capital repair works (+83.4%), followed by maintenance and current repairs (+16.7%) and new construction works (+11.7%). By construction objects, the gross series highlights increases in the volume of non-residential buildings (+35.1%), residential buildings (+24.6%) and engineering construction works (+8.5%).

Turnover from market services provided mainly to enterprises increased in September 2020 compared to the same period of the previous year by 6.6% as gross series, and by 3.8% as seasonally adjusted series. The highest increase was registered in the activities of information services and information technology (+26.9%) followed by the activities in film production, video, television programs, broadcasting and transmission of programs (+19.9%), other services provided mainly to enterprises (+7.3%), communications activities (+2.4%) and transport activities (+0.3%).

Industrial production decreased in September 2020 compared to September 2019 by 0.1% as gross series, respectively by 2.8% as seasonally adjusted series. The most affected industrial sector was the extractive industry (-8.9% gross series), while the production and supply of electricity and heat, gas, hot water and air conditioning (+0.7%) and the manufacturing industry (+0.4%) increased.

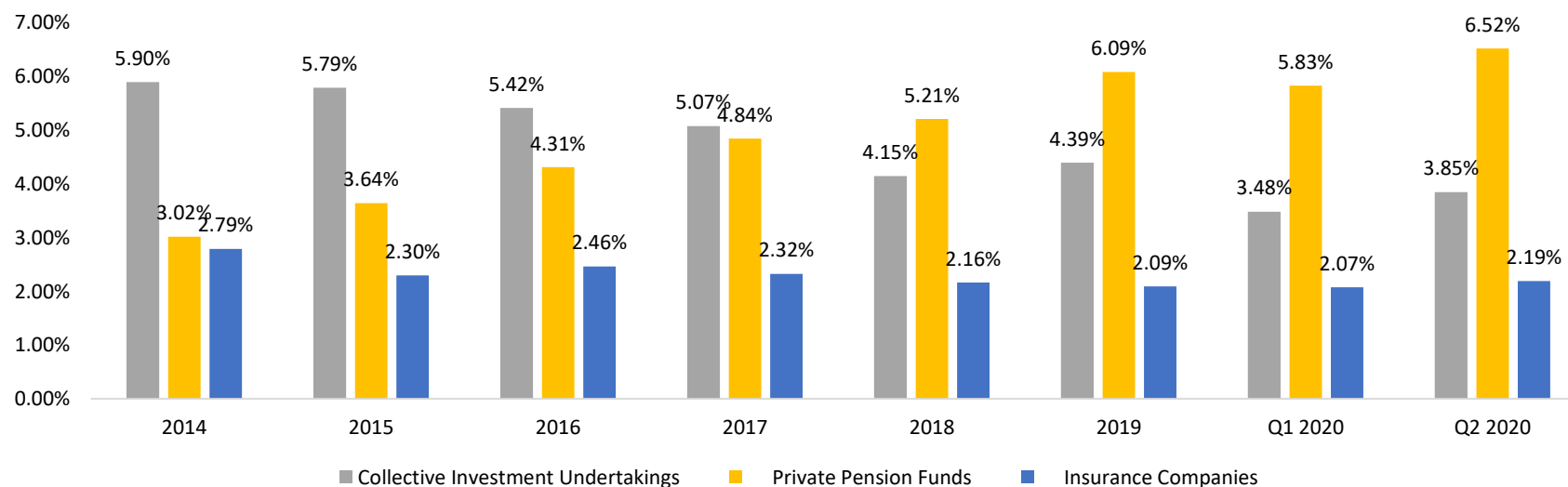
In Romania, the volume of retail trade turnover increased in September 2020 by 4.6% as a gross series, respectively by 3.5% as a seasonally adjusted series compared to September 2019. The increase in the volume of retail trade turnover occurred as a result of increases in retail trade in non-food sales (+11.6%) and sales of food, beverages and tobacco (+2.8%). Retail sale of automotive fuel decreased by 4.2%.

The size of the banking vs. non-banking financial sector

The assets of the Romanian banking and non-banking financial markets (% of GDP)

	2014	2015	2016	2017	2018	2019	Q1 2020	Q2 2020
Banking financial system (% GDP)	60.64%	58.54%	56.07%	53.62%	51.05%	50.34%	52.04%	53.31%
Non-banking financial system (% GDP)	11.71%	11.73%	12.19%	12.24%	11.52%	12.57%	11.39%	12.56%
Collective Investment Undertakings	5.90%	5.79%	5.42%	5.07%	4.15%	4.39%	3.48%	3.85%
Private Pension Funds	3.02%	3.64%	4.31%	4.84%	5.21%	6.09%	5.83%	6.52%
Insurance Companies	2.79%	2.30%	2.46%	2.32%	2.16%	2.09%	2.07%	2.19%

Evolution of nonbanking system's assets (% of GDP)



Source: NBR, NIS, FSA

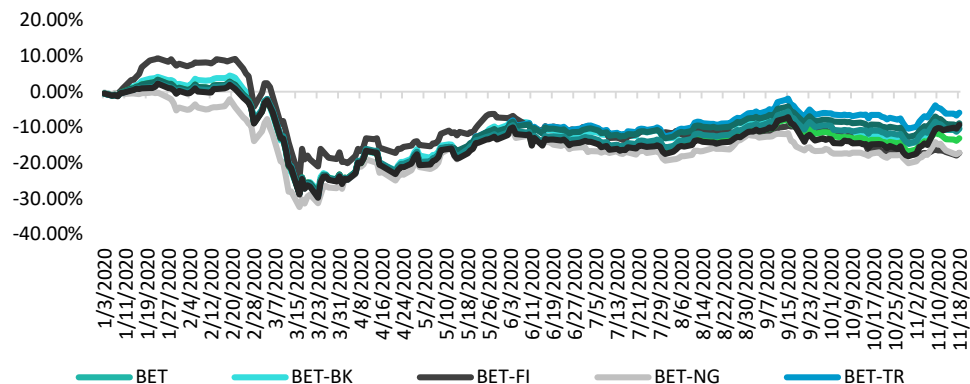
Current trends and headlights on Romanian markets

Romanian stock indices evolution in 2020 (31.12.2019 = 100)

Date	BET	BET-BK	BET-FI	BET-NG	BET-TR
11/18/2020	-10.43%	-9.66%	-17.16%	-17.12%	-5.87%

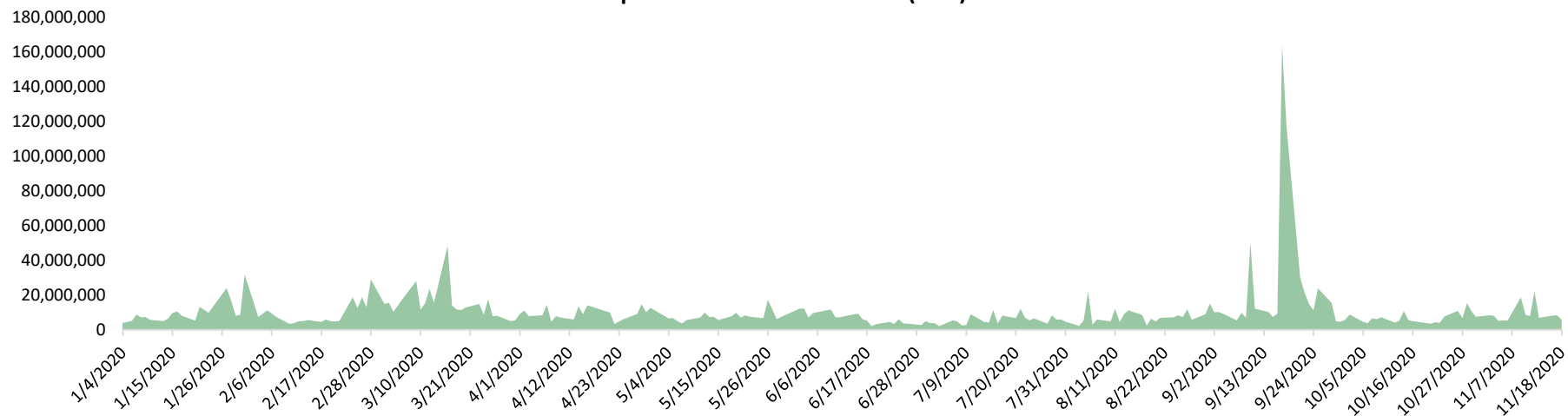
Date	BET-XT	BET-XT-TR	BETPlus	ROTX
11/18/2020	-13.11%	-8.86%	-10.29%	-9.28%

Evolution of local stock indices



Source: BSE; FSA calculations

Equities traded value on BSE (EUR)



Macroeconomic background in Romania: development of the real sector, inflation and labor market

Evolution of government debt (% of GDP)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Italy	135.5	135.9	135.8	134.4	136.0	137.5	136.8	134.7	137.6	149.4
France	98.8	98.8	99.0	98.1	99.3	99.2	100.1	98.1	101.3	114.1
Spain	99.1	98.6	98.7	97.4	98.4	98.4	97.5	95.5	99.0	110.1
Euro zone	87.7	87.2	87.0	85.8	86.3	86.2	85.8	84.0	86.3	95.1
EU	81.3	80.7	80.6	79.5	79.9	79.7	79.2	77.6	79.4	87.8
Hungary	72.3	72.5	71.0	69.1	68.3	67.1	67.0	65.4	65.7	70.3
Germany	64.0	62.9	62.6	61.8	61.6	61.1	61.0	59.6	61.1	67.4
Poland	51.2	50.5	49.4	48.8	49.1	47.9	47.3	46.0	47.9	55.1
Romania	34.5	34.1	33.9	34.7	33.8	33.9	35.2	35.3	37.5	41.1
Bulgaria	24.0	23.5	22.8	22.3	20.9	20.3	20.5	20.2	20.1	21.3

Source: Eurostat

The government debt-to-GDP ratio in the euro area increased from 86.3% to 95.1% in the second quarter of 2020. There is significant heterogeneity in debt level, the share of public debt in GDP ranging from 18.5% (Estonia) to 187.4% (Greece).

Romania is among the EU member states with a low level of indebtedness (41.1%), below the indebtedness of the EU member states of 87.8% of GDP.

According to the NBR, the direct investments of non-residents in Romania (FDI) recorded a value of EUR 1.9 billion in January-September 2020 (compared with EUR 4.5 billion in the same period of the previous year).

On the other hand, the current account of the balance of payments registered a deficit of EUR 7.7 billion, compared to EUR 7.9 billion in January-September 2019. The evolution of the current account was accompanied by an increase in total external debt by EUR 7.44 billion in January - September 2020 to EUR 117 billion.

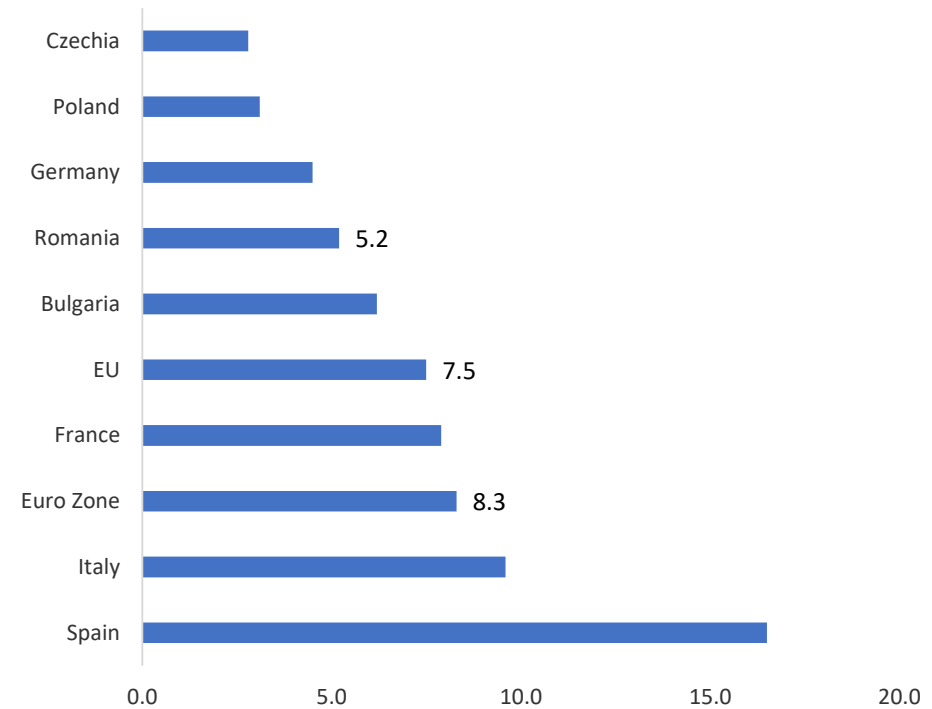
Romania's international position is favorable because of low external and government debt in GDP compared to EU countries, but in an area that needs an external deficit reduction.

The seasonally adjusted unemployment rate in the euro area stood at 8.3% in September 2020, remaining at the same level compared with August 2020 (8.3%). The EU unemployment rate was 7.5% in September 2020, the same level as in August 2020, according to the latest figures published by Eurostat.

The seasonally adjusted unemployment rate in Romania stood at 5.2% in September 2020, amid the effects of the crisis generated by COVID-19.

The unemployment rate of men (5.7%) is higher than the unemployment rate of women (4.6%).

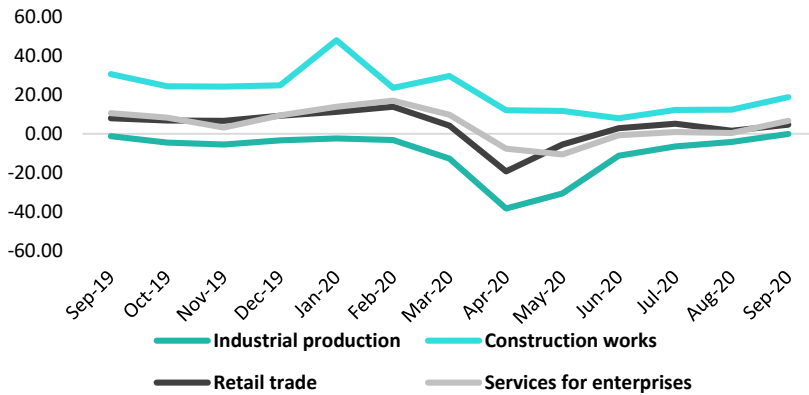
Unemployment rate (September 2020)



Source: Eurostat

Macroeconomic background in Romania: development of the real sector, inflation and labor market

Main sector indicators (annual rate of change, %)

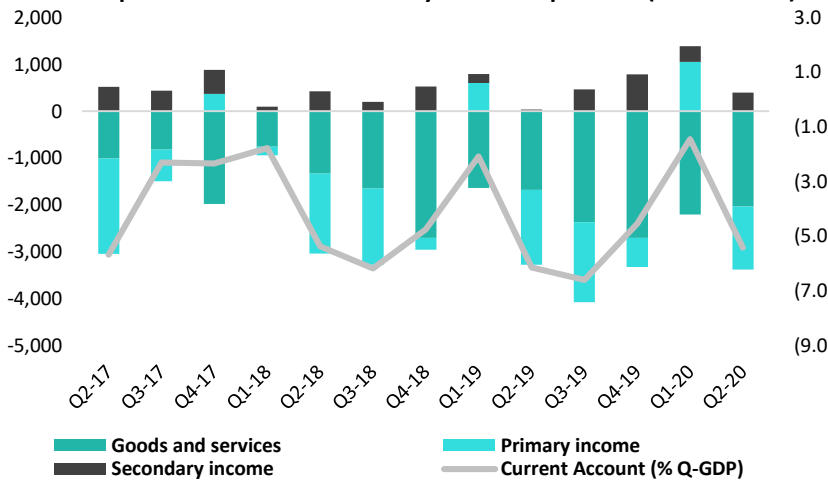


Inflation, monthly data (annual rate of change)



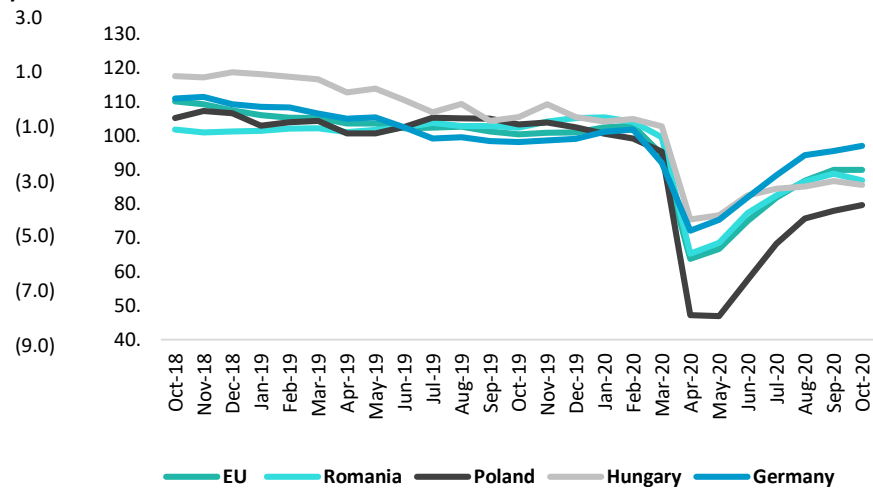
Source: National Institute of Statistics; FSA calculations

Development of current account by main components (million euro)



Source: NBR, FSA calculations

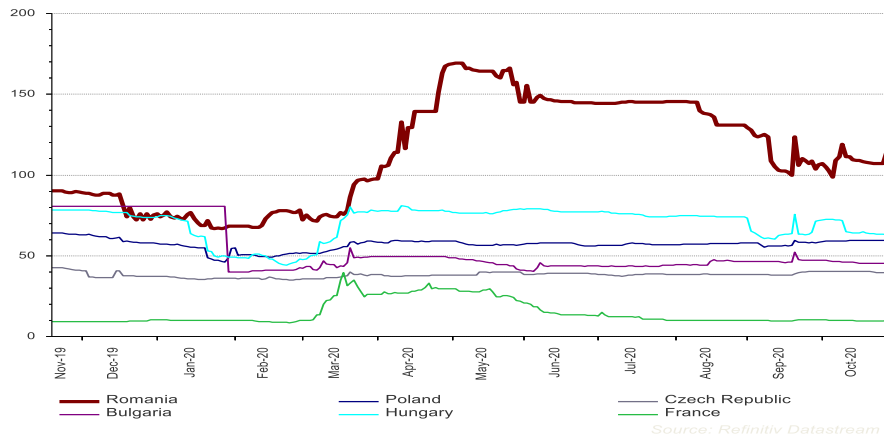
The economic sentiment index in EU



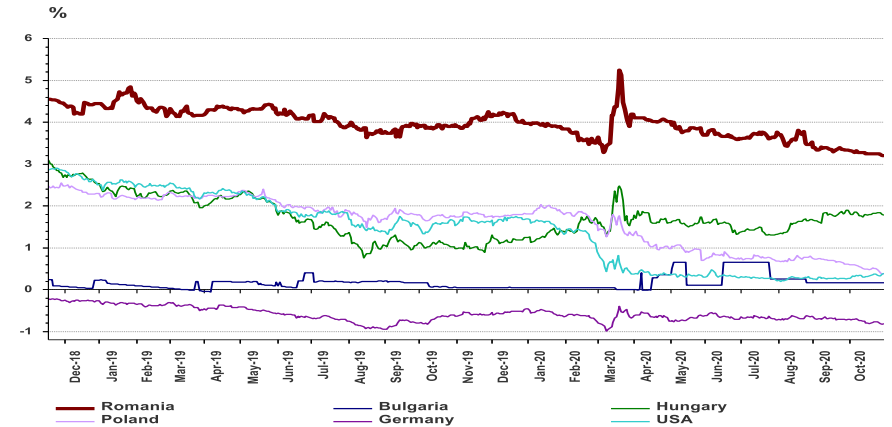
Source: Eurostat

Macroeconomic risk in Romania: external position and market perception of sovereign risk

Evolution of Credit Default Swaps quotations (5Y, USD)



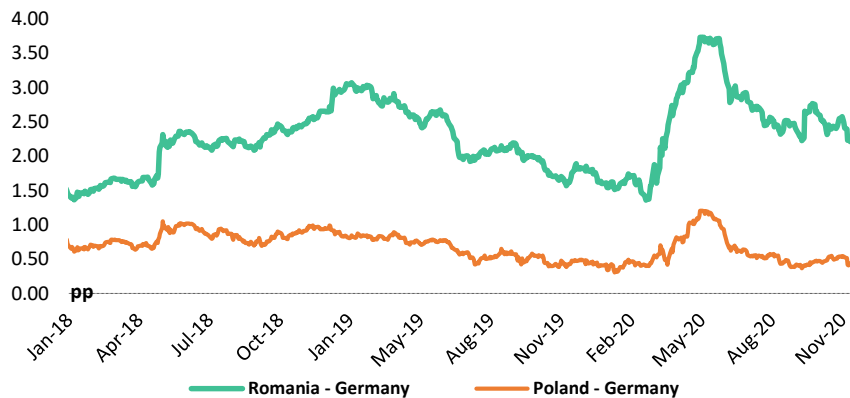
Government bond yields (5Y, LC)



Source: Datastream

Romania 5 - year bond yields decreased by 2.9% in October 2020 as compared with the previous month, reaching an average value of 3.26%, while Bulgaria 5 – year bond yields remained stable at an average value of 0.16%. Germany 5 – year bond yields remained negative, at very low levels (average value of -0.76% in October).

Government bond yields spread of Romania (10Y, LC)



Source: Datastream, FSA's calculations

Romania CDS quotations decreased by 3.7% in October 2020 compared with the previous month, reaching an average value of 108 bp. French CDS quotations remained stable at an average value of 9.89 bp.

At the beginning of November, the spread between Romanian and German government bonds (10Y) had a downward trend.

Market risk: evolution of local and international stock indices at the end of October 2020

International indices	1 M	3 M	6 M
EA (EUROSTOXX)	-5.79%	-4.42%	3.45%
FR (CAC 40)	-4.36%	-3.96%	0.48%
DE (DAX)	-9.44%	-6.15%	6.40%
IT (FTSE MIB)	-5.64%	-6.02%	1.43%
GR (ASE)	-8.84%	-7.79%	-9.35%
IE (ISEQ)	0.73%	5.38%	14.72%
ES (IBEX)	-3.94%	-6.18%	-6.79%
UK (FTSE 100)	-4.92%	-5.43%	-5.49%
US (DJIA)	-4.61%	0.28%	8.86%
IN (NIFTY 50)	3.51%	5.14%	18.08%
SHG (SSEA)	0.21%	-2.59%	12.74%
JPN (N225)	-0.90%	5.84%	13.78%

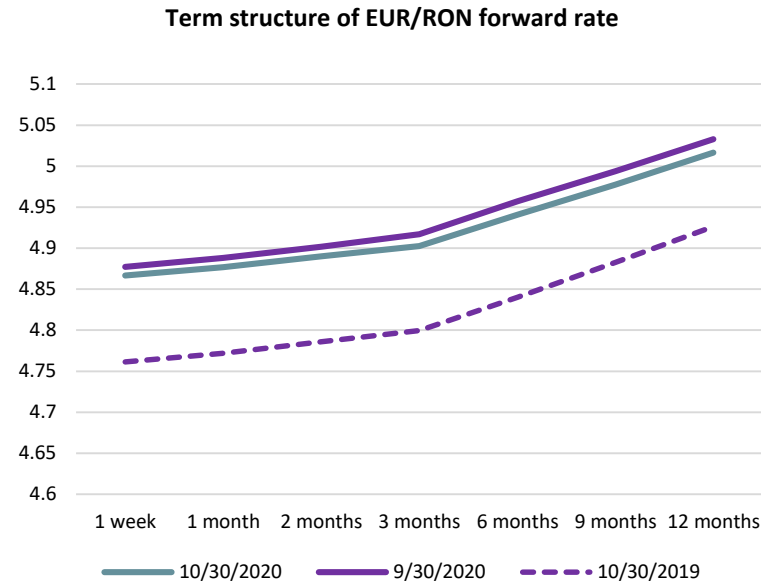
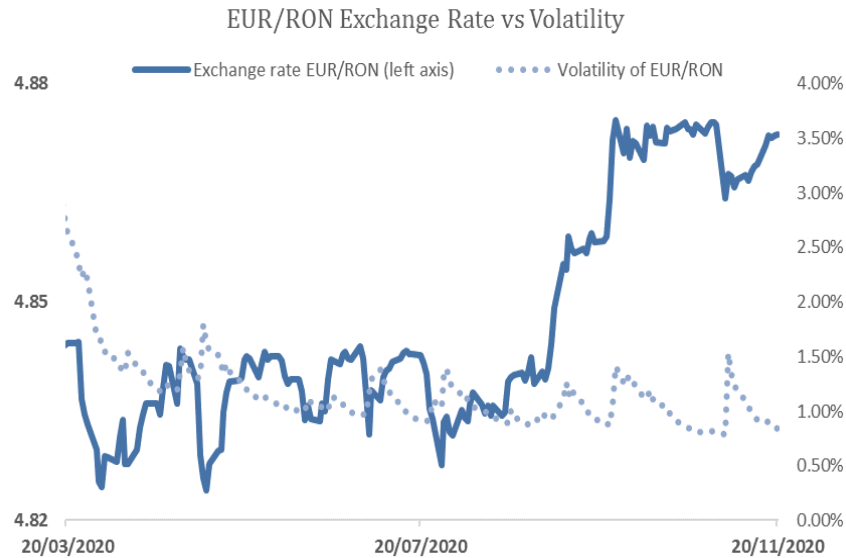
The European and international stock indices have recorded negative developments (1M), except for the NIFTY 50 index (IN: +3.51%), ISEQ (IE: +0,73%) and SSEA (SHG: +0,21%). The worst performer was DAX index (DE) which decreased by 9.44% in October, followed by ASE index (GR: -8.84%).

BSE indices	1 M	3 M	6 M
BET	-5.52%	1.58%	6.66%
BET-BK	-4.79%	-1.48%	4.27%
BET-FI	-7.07%	-7.27%	-3.31%
BET-NG	-4.49%	-0.89%	1.45%
BET-TR	-4.65%	2.44%	12.04%
BET-XT	-5.98%	-0.44%	3.77%
BET-XT-TR	-5.13%	0.42%	8.80%
BETPlus	-5.50%	1.46%	6.50%
ROTX	-5.57%	-0.71%	3.22%

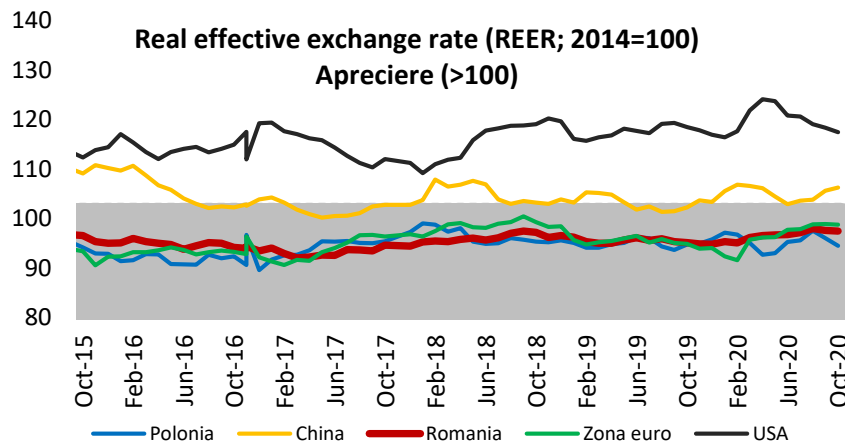
The BSE stock indices have recorded negative developments (1M). Therefore the worst performer was BET-FI index (-7.07%), followed by BET-XT index (-5.98%).

Source: Datastream, FSA's calculations

Note: 1M=10/30/2020 vs. 09/30/2020; 3M=10/30/2020 vs. 07/31/2020; 6M=10/30/2020 vs. 04/30/2020



Source: Datastream, FSA's calculations



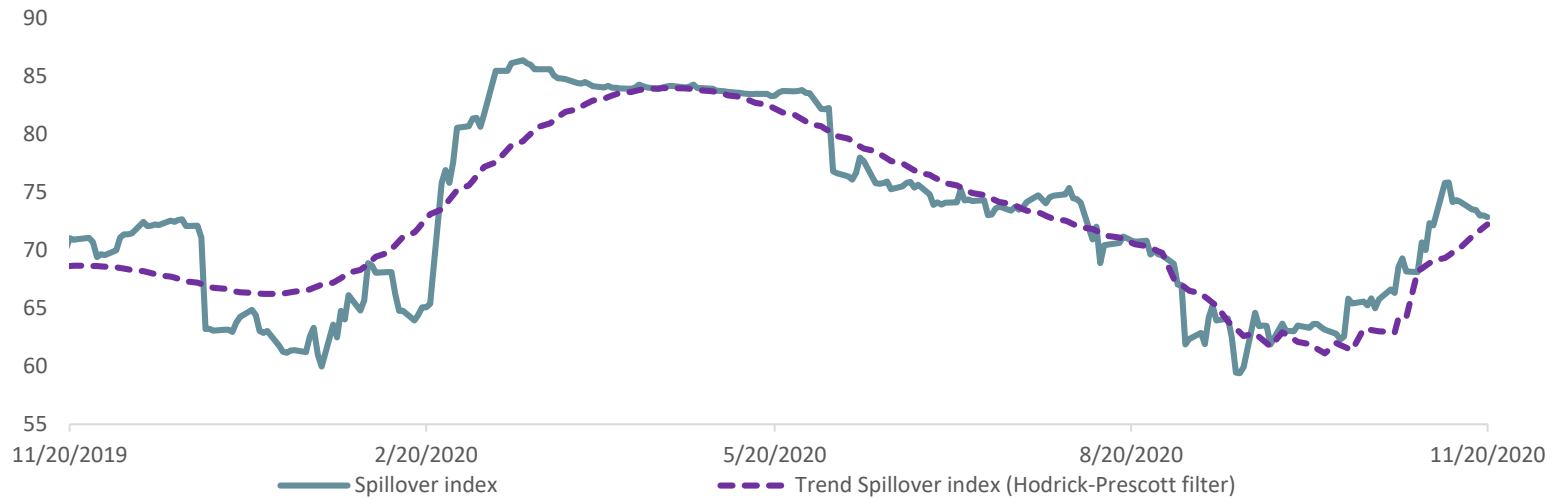
Source: BIS, FSA's calculations

The Romanian currency strongly depreciated in September due to the projected increase of 11% in the budget deficit.

The term structure of the forward rate for the EURRON exchange rate with maturities between one week and twelve months shows the market expectations.

There are expectations of EURRON depreciation for all maturities with respect to the previous month (RON appreciation).

Contagion risk



Source: Datastream, FSA's calculations

The Spillover index measures the marginal contribution of the external capital markets on the Romanian stock exchange. The Romanian capital market is sensitive to the same regional risk factors that influence the Austrian, Polish, Hungarian and Bulgarian stock market returns. There a strong link between the spillover effect and the companies' returns, since the increase in the spillover tends to diminish the returns of the companies listed on the Bucharest Stock Exchange.

The contagion has increased in February and March due to the outbreak of the COVID-19 pandemic due to the uncertainty of the financial markets. In that period, **the speed of the contagion was the greatest in the last 10 years**, indicating how fast fear and uncertainty have impaired the financial stability of international markets.

The contagion has reached its peak point in March and then it has begun to decrease in April and May. Between June-September, the spillover has exhibited a downward trend with a mean-reverting behavior. Starting October, **the contagion resumed its upward trend signaling market distress for the next month**. According to IMF, the global economy is projected to contract sharply by 3% in 2020 reflecting a much deeper economic shock than during the financial crisis of 2009 when growth contracted by 0.7%. While the advanced economies were beset by low interest rates and high public debt levels, the economies from the CESEE countries registered an export based economic growth.

Liquidity risk on Romanian Stock Exchanges

The BSE Trading Activity (all the Segments) during October 2020

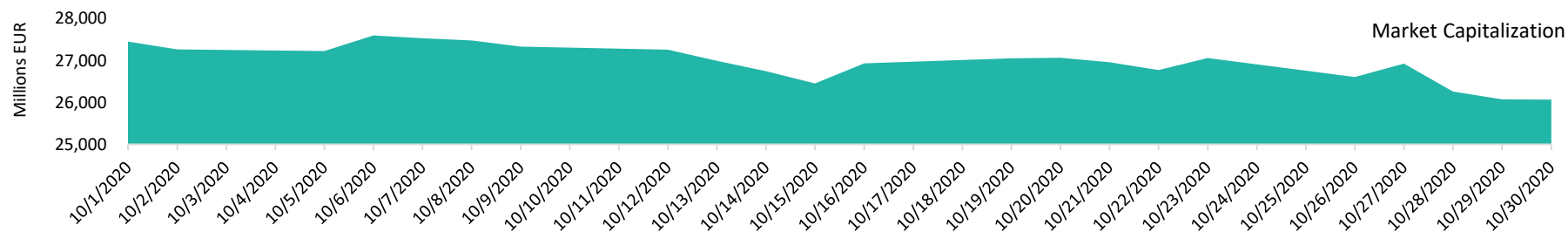
Week/month	No. of transactions	Volume	Value	
			EUR	%
Total 01-02 October 2020	6,559	66,501,553	14,479,897	9.84%
Total 05-09 October 2020	8,799	86,570,813	27,884,558	18.96%
Total 12-16 October 2020	13,101	123,254,407	30,492,729	20.73%
Total 19-23 October 2020	12,529	88,312,142	23,159,734	15.74%
Total 26-30 October 2020	18,965	203,955,999	51,083,192	34.73%
Total October 2020	59,953	568,594,914	147,100,110	100.00%

Source: BNR, BSE data, FSA's calculations; monthly average exchange rate for October 2020 = 4.8733 LEI/EUR

The BSE's Most Traded Companies during October 2020 (Only the Main Segment)

Symbol	Main market		Deal		Total	
	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
TLV	33,925,136	27.39%	5,402,980	33.22%	39,328,117	28.07%
FP	16,740,741	13.52%	0	0.00%	16,740,741	11.95%
SNP	14,046,467	11.34%	310,044	1.91%	14,356,511	10.25%
SNG	14,034,720	11.33%	0	0.00%	14,034,720	10.02%
BRD	7,708,965	6.22%	0	0.00%	7,708,965	5.50%
SIF2	635,702	0.51%	5,530,134	34.00%	6,165,835	4.40%
SNN	6,113,038	4.94%	0	0.00%	6,113,038	4.36%
EBS	4,708,826	3.80%	0	0.00%	4,708,826	3.36%
EL	4,073,173	3.29%	0	0.00%	4,073,173	2.91%
TGN	3,613,961	2.92%	351,886	2.16%	3,965,847	2.83%
TRP	3,275,686	2.64%	0	0.00%	3,275,686	2.34%
DIGI	1,072,267	0.87%	1,985,821	12.21%	3,058,088	2.18%
TEL	2,974,947	2.40%	0	0.00%	2,974,947	2.12%
SIF3	2,062,381	1.67%	0	0.00%	2,062,381	1.47%
M	1,743,539	1.41%	0	0.00%	1,743,539	1.24%
Top 15 Total					93.00%	

Source: BNR, BSE data, FSA's calculations; monthly average exchange rate for October 2020 = 4.8733 LEI/EUR

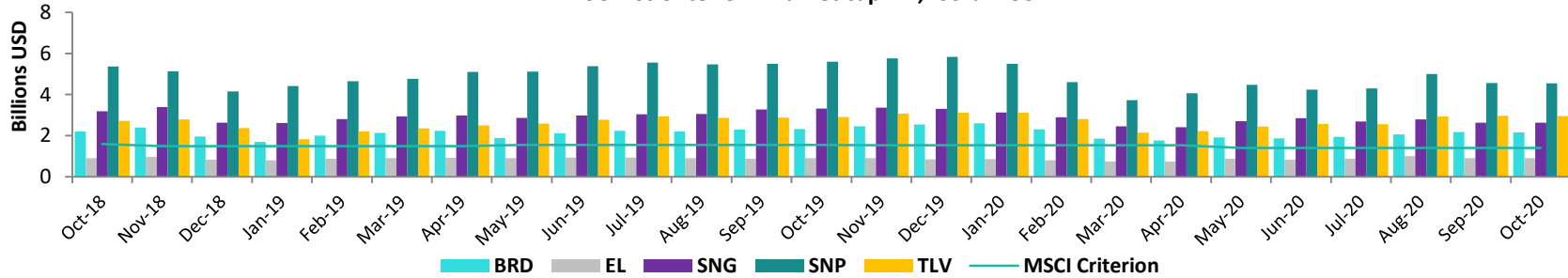


Top of intermediaries during October 2020

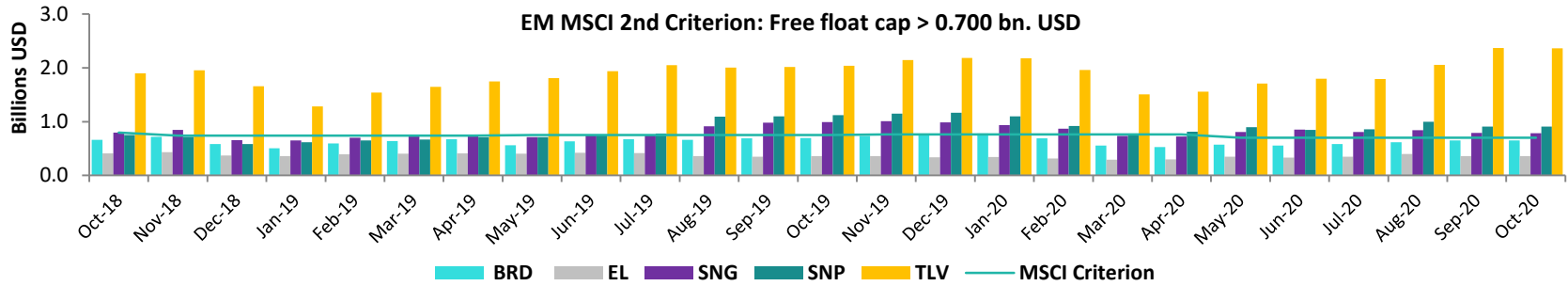
Rank	Intermediary name	Traded Value EUR (month level)	% from Total Value (month level)
1	SWISS CAPITAL S.A.	79,186,902	28.23
2	BANCA COMERCIALA ROMANA	49,163,391	17.52
3	BT CAPITAL PARTNERS	42,266,165	15.07
4	WOOD & COMPANY FINANCIAL SERVICES, a.s. PRAGA	35,616,926	12.7
5	TRADEVILLE	19,604,887	6.99
6	SSIF BRK FINANCIAL GROUP S.A.	10,943,043	3.9
7	PRIME TRANSACTION	7,607,980	2.71
8	IFB FINWEST	7,554,157	2.69
9	RAIFFEISEN CENTROBANK AG	6,121,518	2.18
10	GOLDRING	5,937,256	2.12
11	BRD Groupe Societe Generale	5,721,088	2.04
12	ESTINVEST	3,801,678	1.36
13	Alpha Bank Romania SA	1,890,905	0.67
14	INTERFINBROK CORPORATION	1,873,853	0.67
15	CONCORDE SECURITIES LTD	695,404	0.25
Top 15 Total			99.10

MSCI: Quantitative Indicators for Emerging Market Status

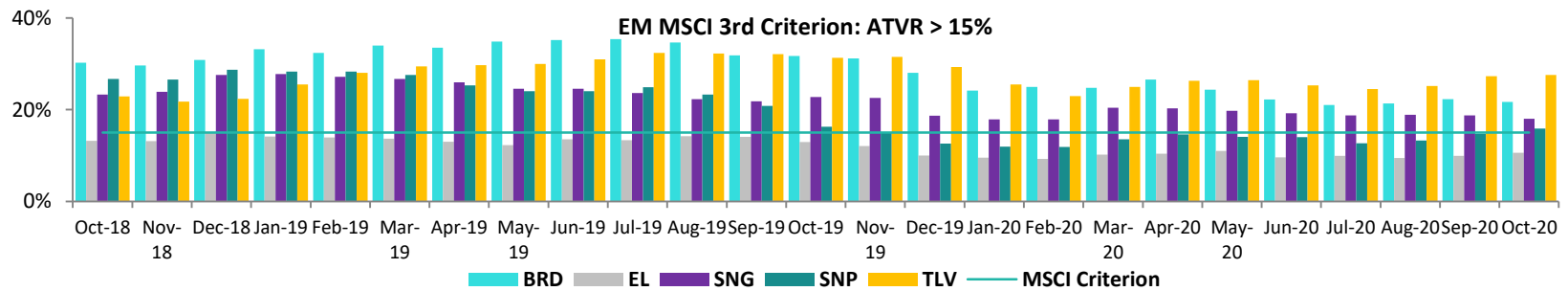
EM MSCI 1st Criterion: Market cap > 1,400 bn. USD



EM MSCI 2nd Criterion: Free float cap > 0.700 bn. USD



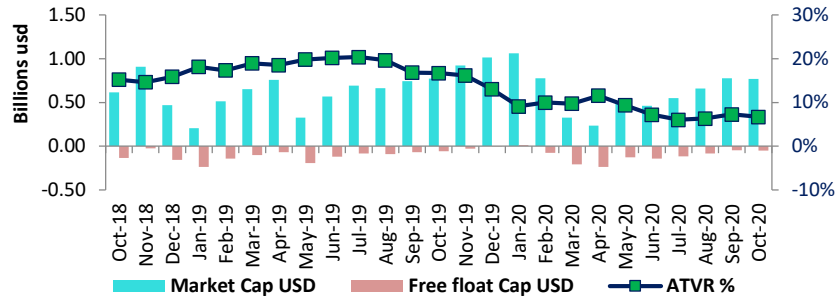
EM MSCI 3rd Criterion: ATVR > 15%



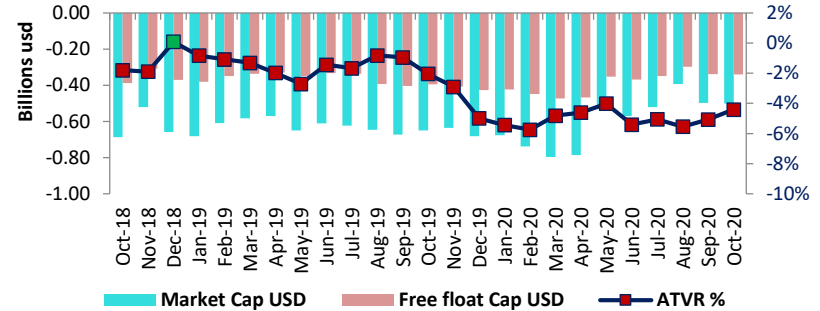
Source: ASF Calculations, October 2020

MSCI: Quantitative Indicators for Emerging Market Status

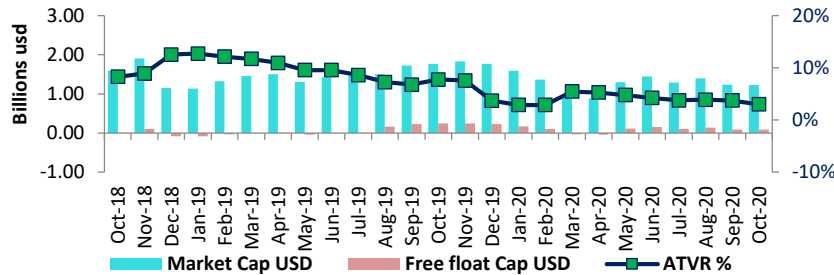
BRD - Indicators' variation to MSCI criterion



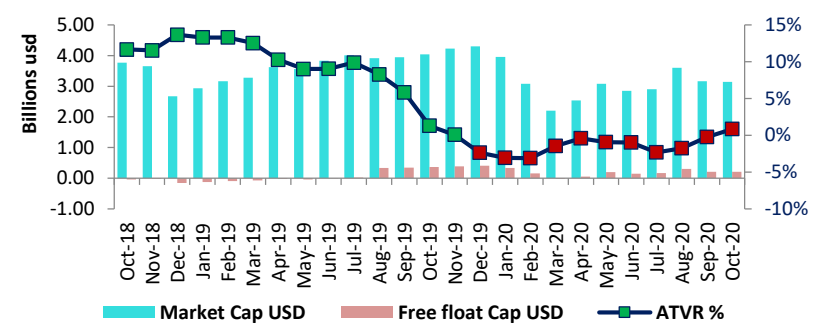
EL - Indicators' variation to MSCI criterion



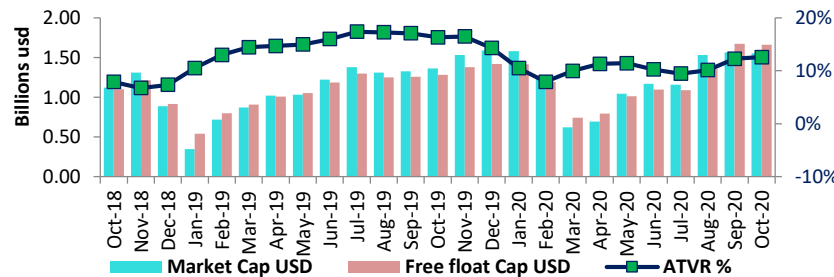
SNG - Indicators' variation to MSCI criterion



SNP - Indicators' variation to MSCI criterion



TLV - Indicators' variation to MSCI criterion



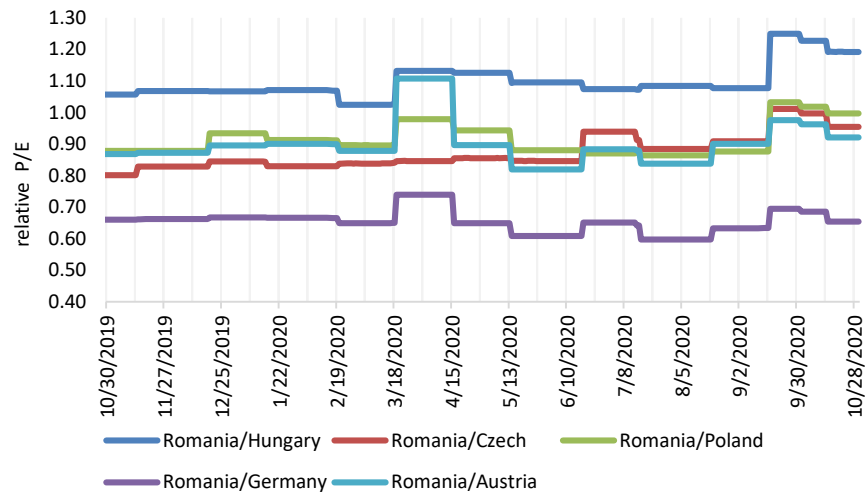
Indicators' variation to MSCI criterion (October 2020)

Company	Cap. bln. USD	Free float bln. USD	ATVR %
BRD	0.77	-0.05	6.68%
EL	-0.50	0.34	-4.41%
SNG	1.23	0.09	3.00%
SNP	3.14	0.21	0.86%
TLV	1.55	1.66	12.57%

Source: ASF Calculations, October 2020

Risk assessment and the benefit of diversification

The degree of over or under-evaluation of Bucharest Stock Exchange compared with the region

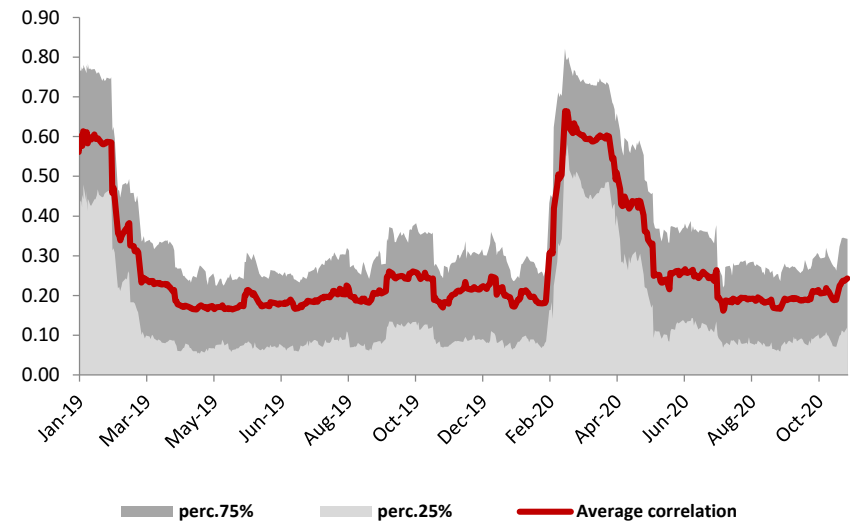


Source: Datastream, FSA's calculations

P/E forward ratio is calculated by dividing the share price to the net earnings per share and indicates how much investors pay for earnings forecasted for next year. The risk of re-evaluation is calculated by dividing the P/E forward ratios for different markets and indicates how much investors pay for the anticipated next year in comparison with another market.

Starting with the second half of October 2020, the ratio was lower than 1 (except for Romania/Hungary) thus indicating that the Romanian capital market was more attractive in comparison with most of the analyzed countries.

The average correlation coefficient for the 25 most liquid companies traded on BSE

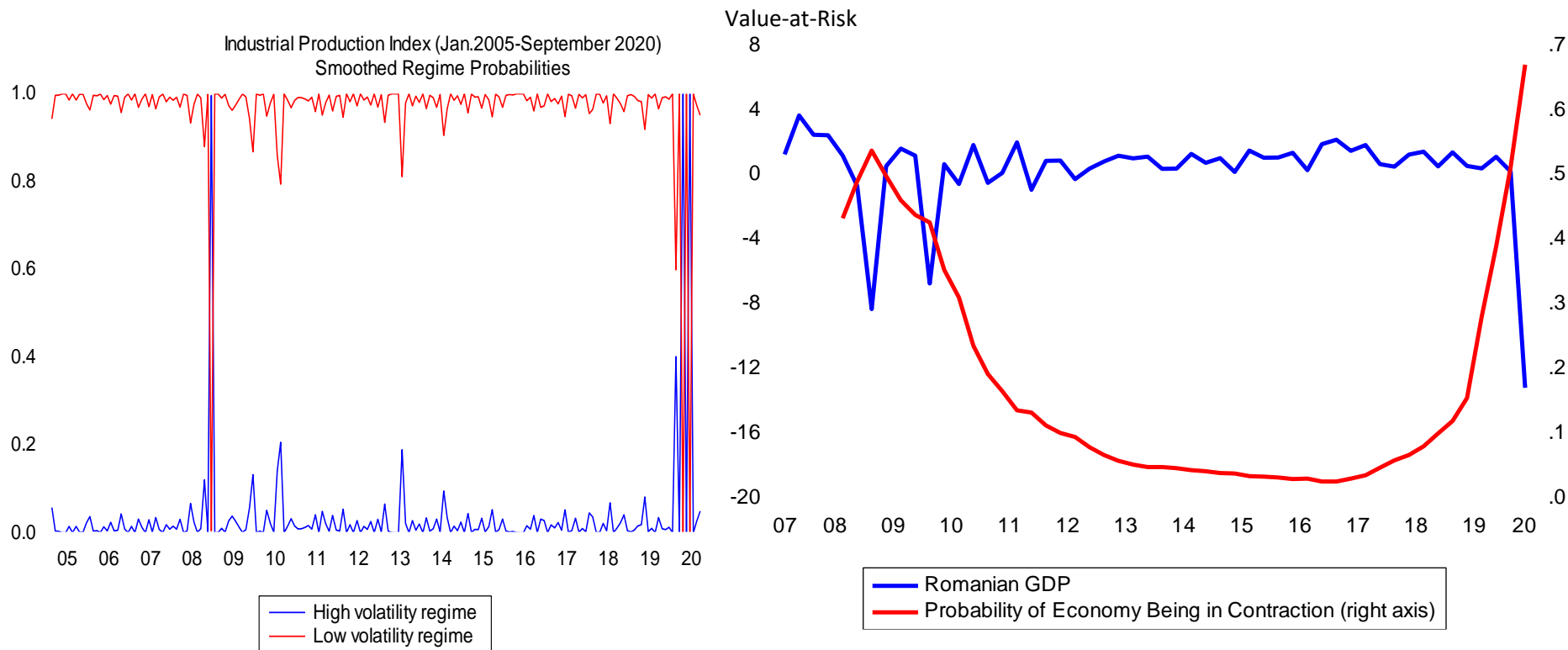


Source: Bloomberg, ASF

At the end of July, the correlations between the daily yields of the 25 most liquid companies from Bucharest Stock Exchange decreased and returned to the level recorded at the beginning of 2020. The end of September is marked by an increase in the correlations between the shares.

Risk assessment and the benefit of diversification

The industrial production index fell sharply in April and May and rebounded in June-September. The chart indicates that expected duration of the likelihood of a high volatility regime is low, lasting about 2 months¹ and that the Industrial Production took a massive hit in the second quarter of the year. The decrease in the industrial production index shall have a direct impact on GDP, as can be seen in the signal data for GDP in the second quarter, which indicates a 70% chance of Romanian economy of sliding in recession

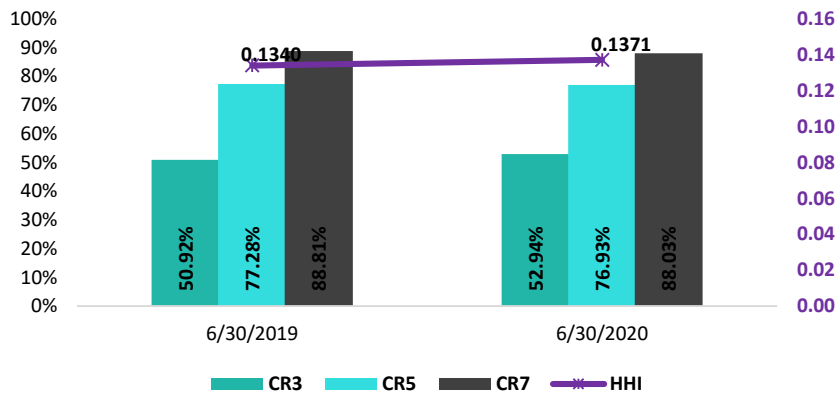


Source: Datastream, FSA's calculations

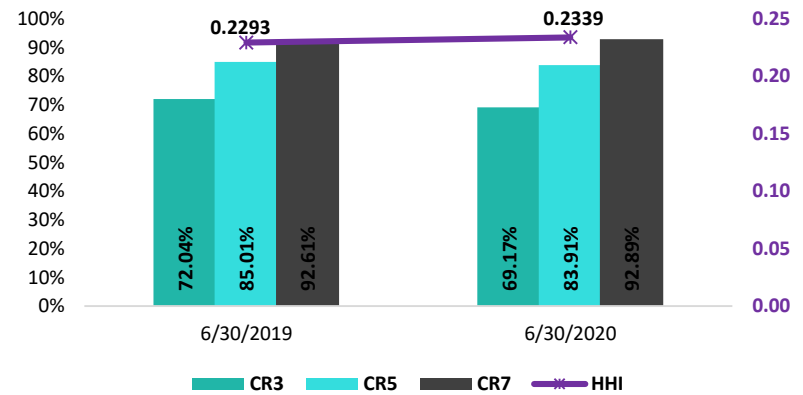
¹ For the monthly Industrial Production Index we have estimated a Hamilton-type Markov switching regression model with intercept and first AR lag changing between regimes.

Concentration risk

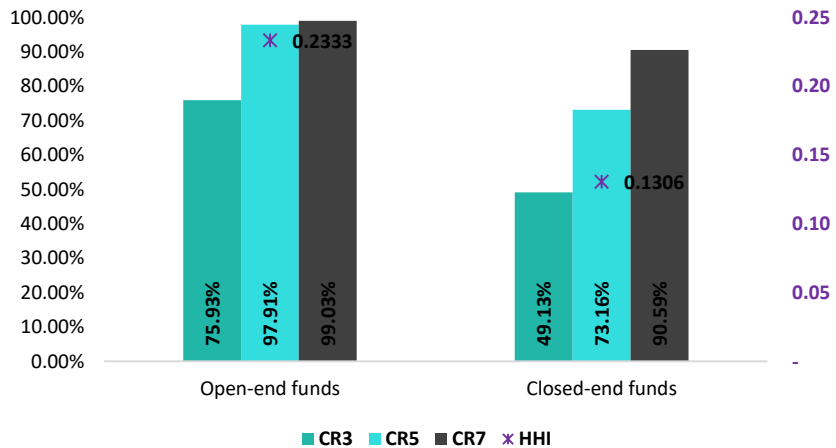
**Concentration risk of non-life insurance undertakings
(by value of GWP at 30 June 2020)**



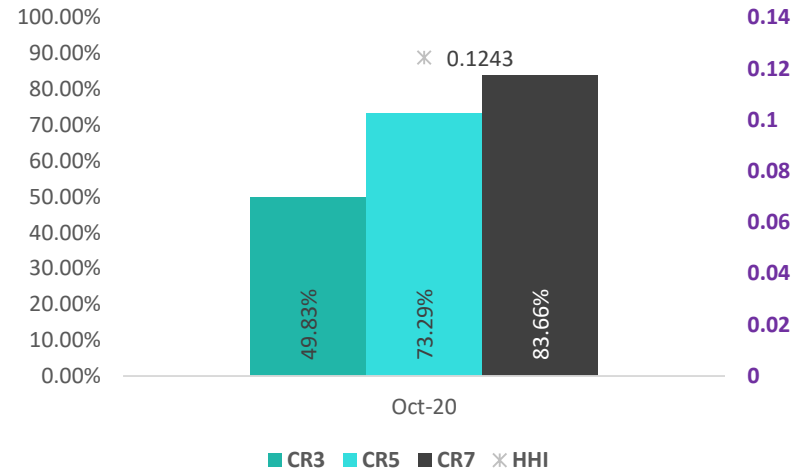
**Concentration risk of life insurance undertakings
(by value of GWP at 30 June 2020)**



**Concentration risk of investment funds in Romania
(by net assets – 30 June 2020)**



Concentration risk of intermediaries on the BSE (by value of transactions during October 2020 – Main segment & MTS, all spot instruments)

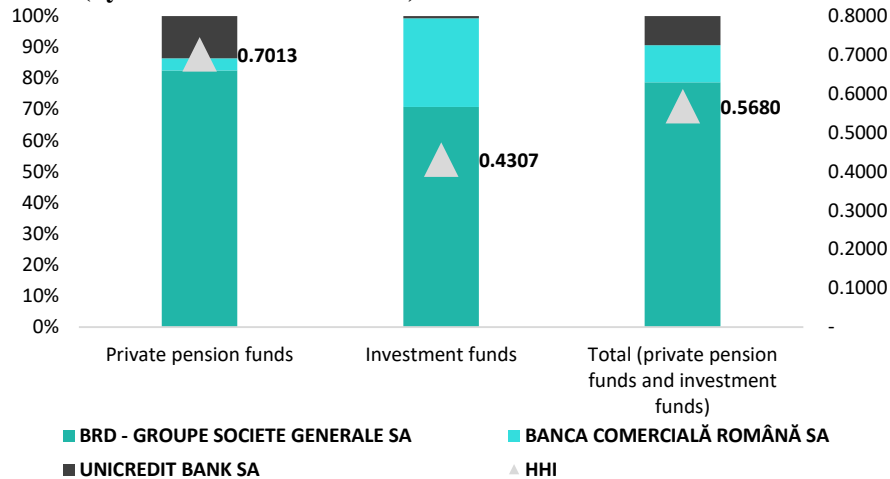


Source: FSA

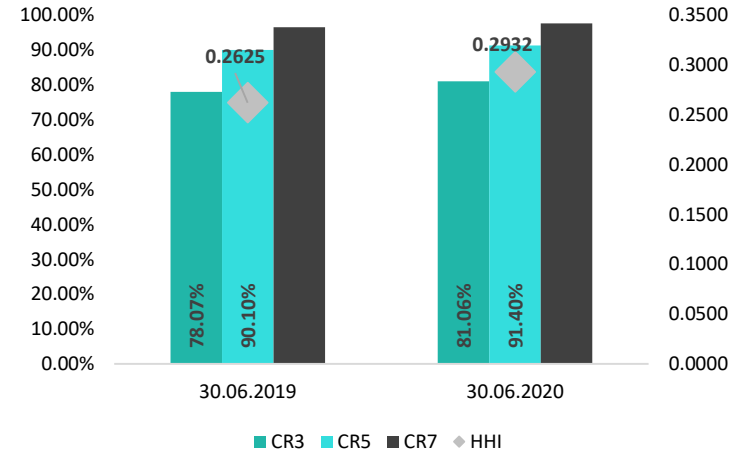
Source: FSA

Concentration risk

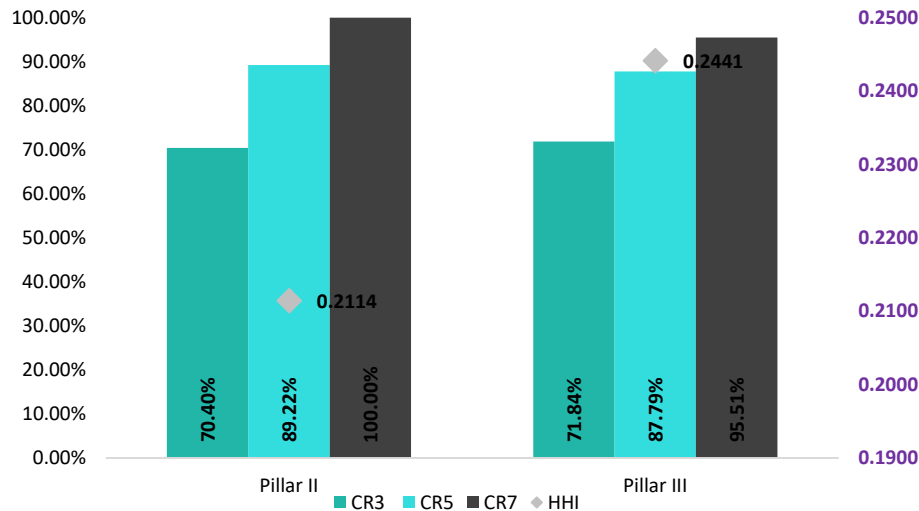
Concentration risk of depositaries of private pension funds and investment funds (by total assets at 6/30/2020)



The degree of concentration of insurance companies in the MTPL market (by net assets at 10/30/2020)



Concentration risk of private pension funds (by net assets at 10/30/2020)



According to the main indicators used by the Competition Council, the concentration risk in the non-life insurance market is medium to high level, while the life insurance market concentration degree is still high.

The situation is similar in the case of private pension funds market (Pillar II and Pillar III), but explainable by objective reasons related to their operating mechanism and the current state of the market.

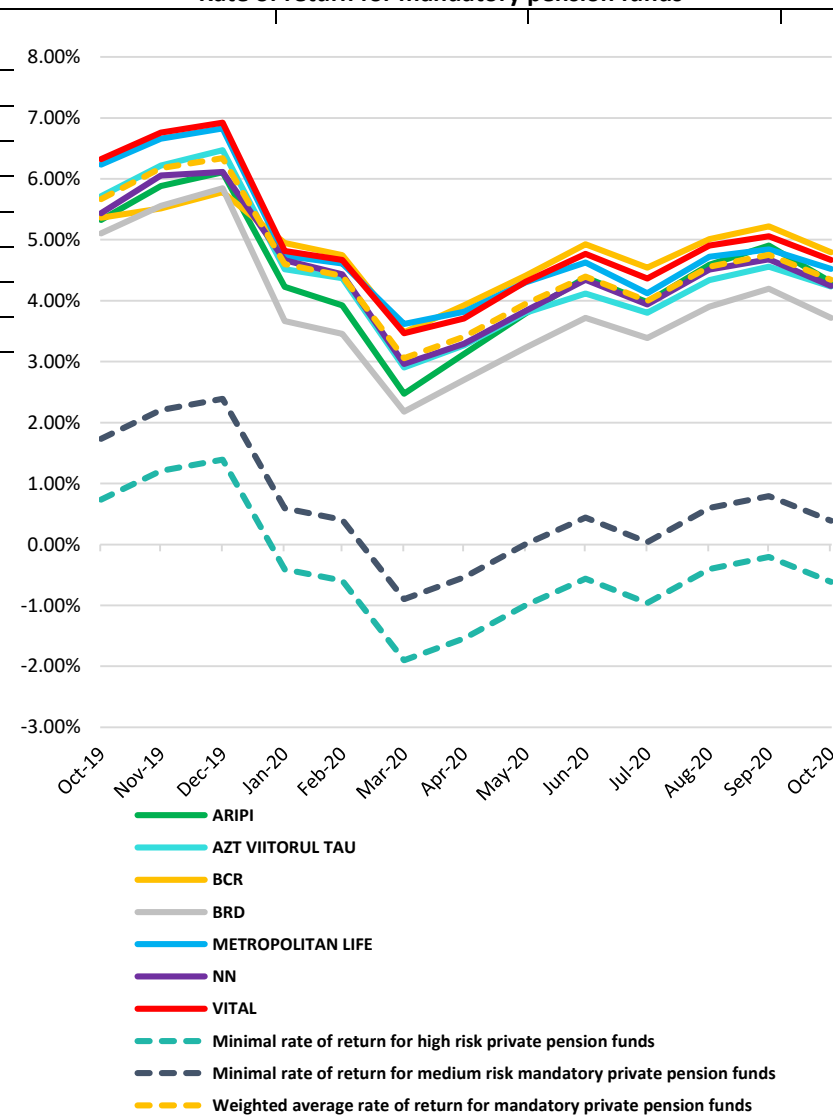
Also on the capital market, the concentration degree is medium to high for OEIFs (although the number of investment funds is high) and for the intermediaries on the BSE due to the fact that top market participants sum up a significant share of the total assets.

Specific developments in the private pension funds sector: Mandatory pension funds (2nd Pillar)

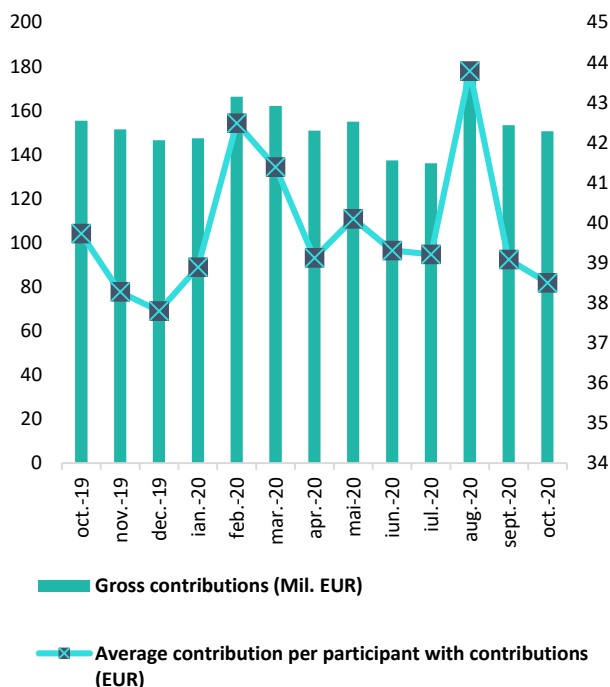
Total assets (EUR), number of participants and return rates

Mandatory pension fund	Total Assets 30 October 2020 (EUR)	Participants (persons) October 2020	Rate of return October 2020
ARIPI*	1,267,395,443	783,784	4.30%
AZT VIITORUL TAU	3,109,397,506	1,606,260	4.24%
BCR	991,692,640	686,425	4.79%
BRD	562,899,973	469,922	3.72%
METROPOLITAN LIFE	2,019,911,925	1,060,341	4.52%
NN	5,019,618,594	2,033,176	4.24%
VITAL	1,444,879,316	950,048	4.67%
Total	14,415,795,397	7,589,956	n/a

Rate of return for mandatory pension funds



Evolution of gross contributions



New participants (persons) in 2nd Pillar

**6,669
persons**

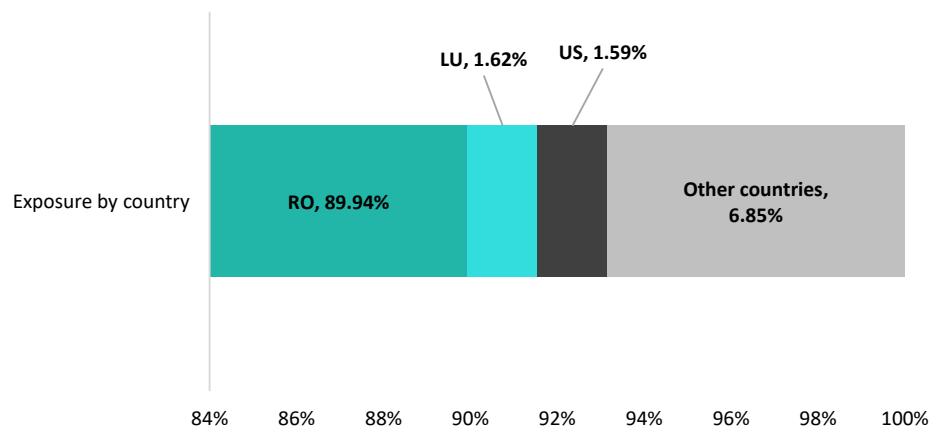
Source: FSA

Specific developments in the private pension funds sector: Mandatory pension funds (2nd Pillar)

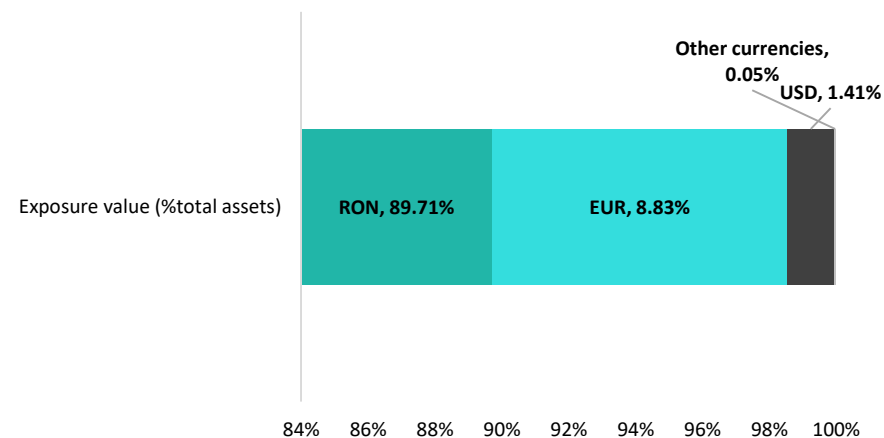
Mandatory pension fund's portfolio at 30 October 2020 (EUR)

Assets category	Assets value (EUR)	% Total assets
Government bonds	9,917,354,443	68.73%
Equity	2,780,904,860	19.27%
Corporate bonds	611,083,832	4.24%
Investment funds	394,115,879	2.73%
Bank deposits	338,110,336	2.34%
Supranational bonds	319,868,935	2.22%
Municipal bonds	37,811,419	0.26%
Metal funds	22,416,159	0.16%
Other assets	7,481,740	0.05%

Country exposure of mandatory pension fund's assets



Currency exposure of mandatory pension fund's assets



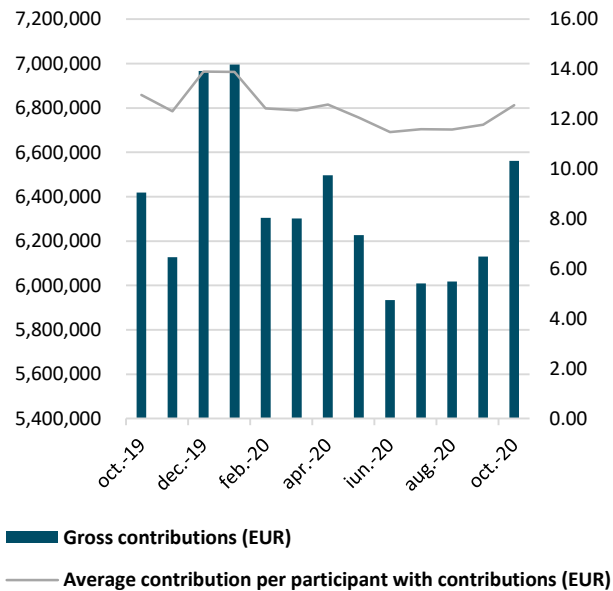
Source: FSA

Current evolutions in optional private pension funds (3rd Pillar)

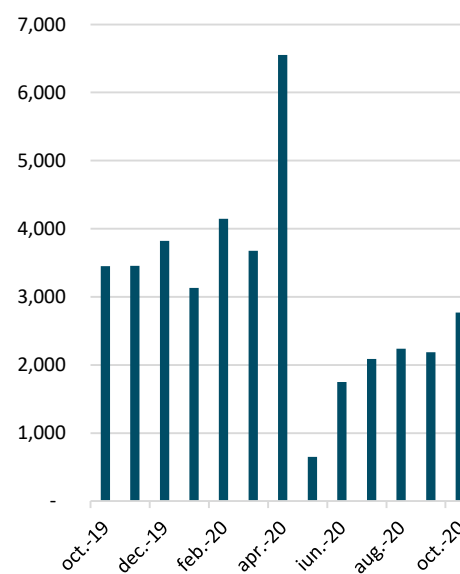
Total assets (EUR), number of participants and return rates

Voluntary pension fund	Total assets (EUR), 30 October 2020	Participants (persons) October 2020	Rate of return October 2020
AEGON ESENTIAL	1,843,340	3,859	4.8715%
AZT MODERATO	59,358,141	39,439	4.8342%
AZT VIVACE	21,878,300	20,203	4.5872%
BCR PLUS	101,405,356	138,811	4.8144%
BRD MEDIO	30,219,493	32,972	3.5772%
GENERALI STABIL	5,526,027	5,437	4.8150%
NN ACTIV	63,392,591	54,300	3.0553%
NN OPTIM	238,767,921	197,387	3.5937%
PENSIA MEA	17,861,680	15,746	3.1294%
RAIFFEISEN ACUMULARE	21,488,402	14,630	4.6211%
Total	561,741,252	522,784	n/a

Evolution of gross contributions

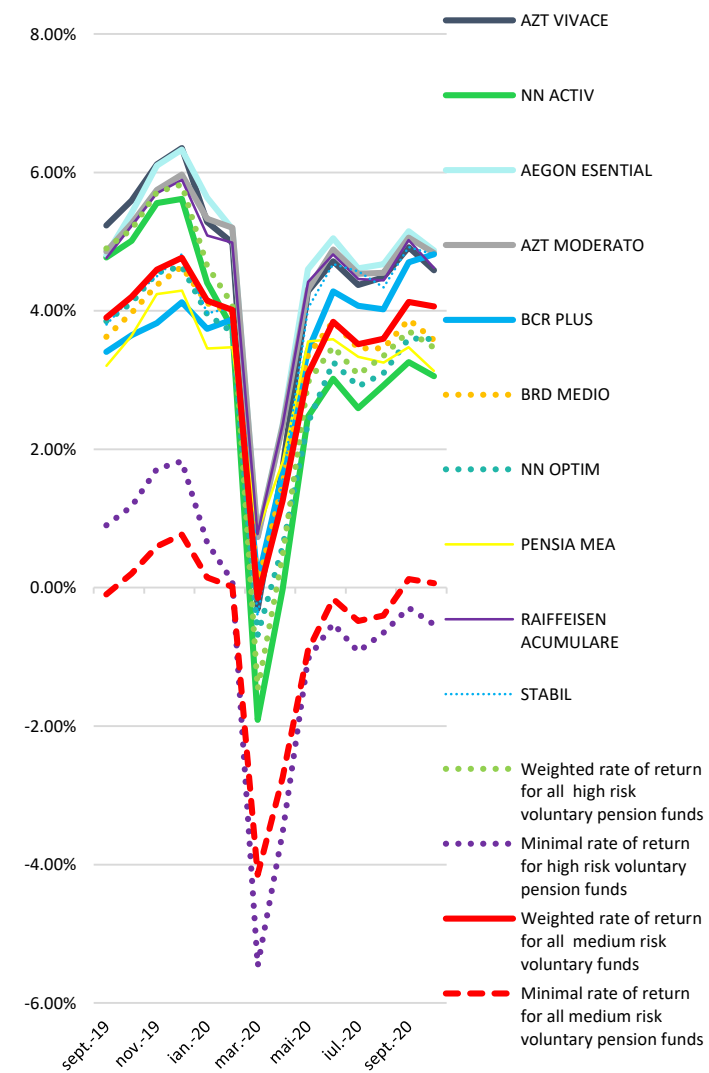


New participants in 3rd Pillar



Source: FSA

Evolution of total assets and net value of an individual account



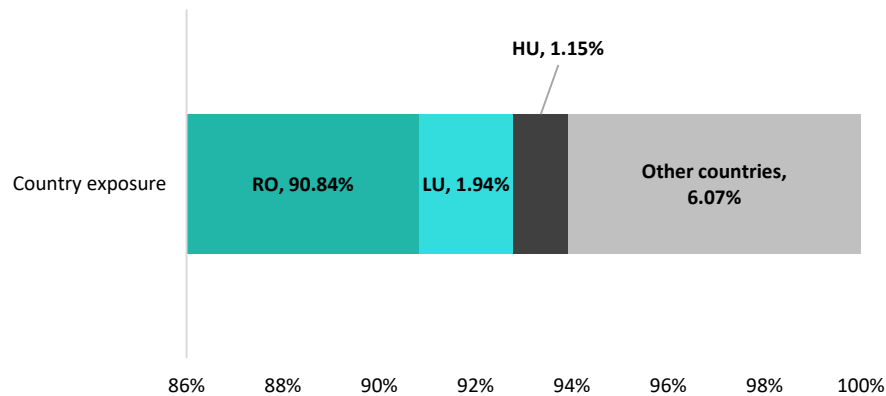
Current evolutions in optional private pension funds (3rd Pillar)

Optional pension fund's portfolio at 30 October 2020 (EUR)

Assets category	Assets value (EUR)	% Total assets
Government Bonds	363,061,554	64.63%
Equity	132,367,743	23.56%
Corporate Bonds	18,354,651	3.27%
Investment Funds	15,716,580	2.80%
Bank Deposits	14,133,685	2.52%
Supranational Bonds	10,839,939	1.93%
Municipal Bonds	4,718,387	0.84%
Metal funds	2,284,867	0.41%
Oher assets	263,846	0.05%

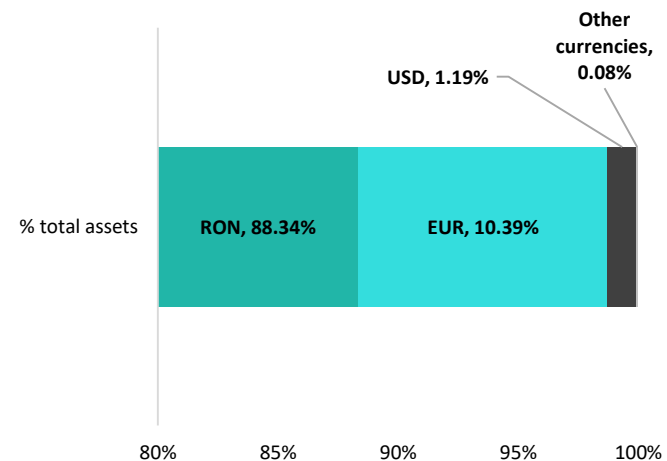
Source: FSA

Country exposure of optional fund's assets



Source: FSA

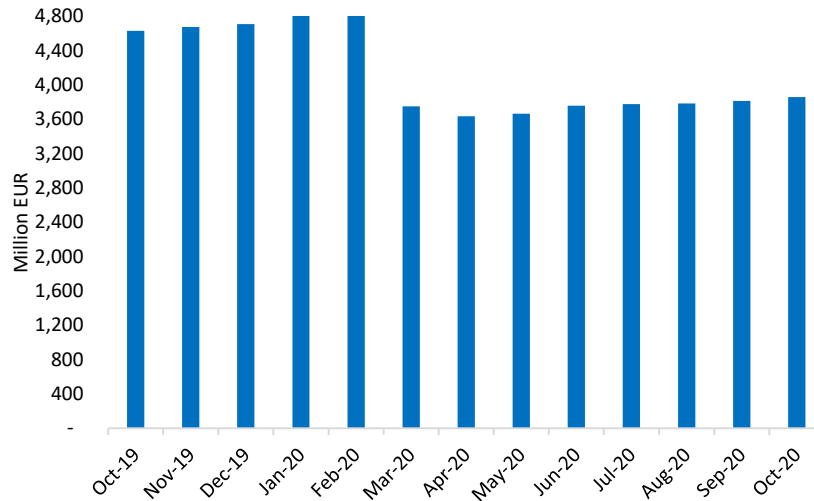
Currency exposure of optional fund's assets



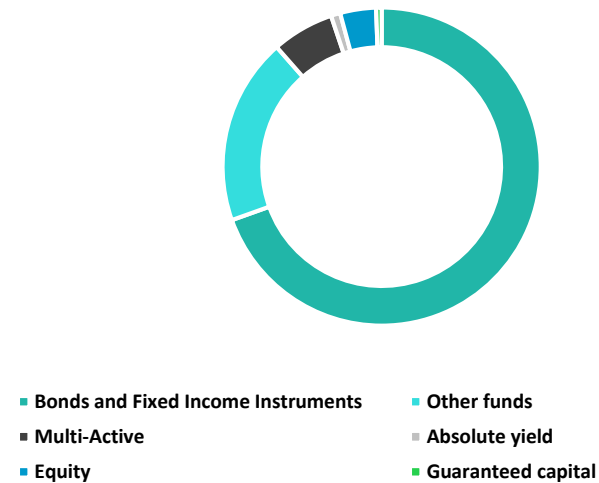
Source: FSA

Specific developments in the investment funds sector

Evolution of net assets of open-end investment funds
(October 2019 – October 2020)



Open-end investment funds' market share by Fund Type and Net Asset
(October 2020)



Source: AAF

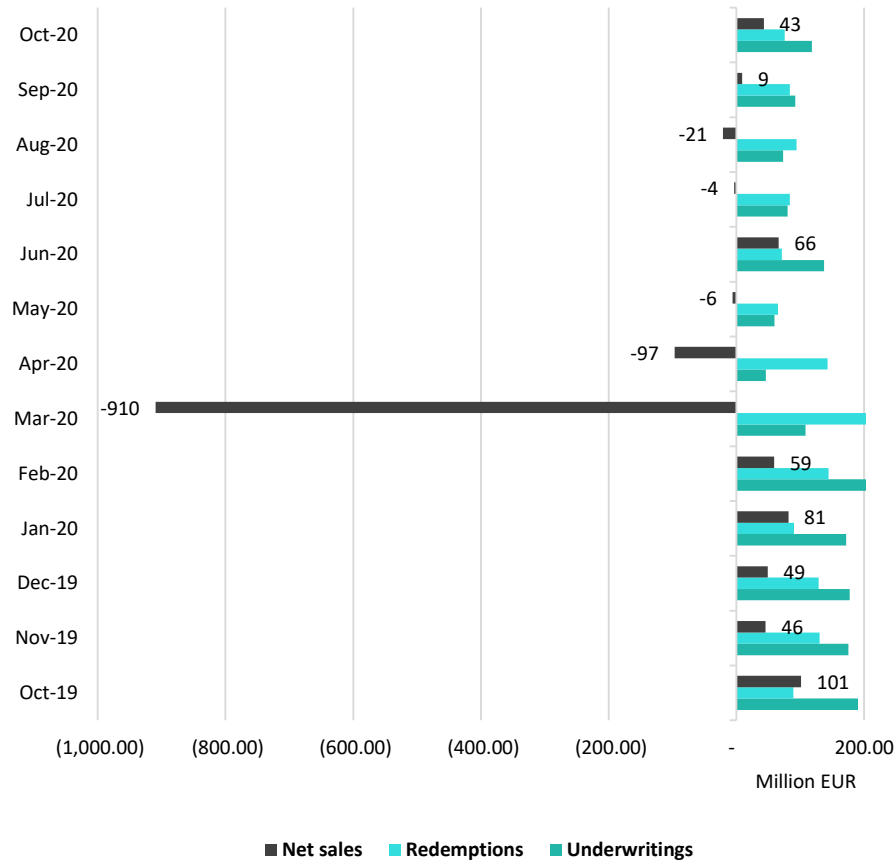
According to data published by AAF, the net assets of open-end investment funds (OeIF) reached a value of EUR 3.86 billion in October 2020, an increase of 1.2% compared to the previous month. Net assets of open-end bond and fixed income instruments funds and other funds, which account for about 89% of the local OeIF industry, increased compared to the previous month.

In October 2020, *open-end bond and fixed income instruments funds* hold the largest share in total net assets of OeIF (around 70%²), while the "*other funds*" category has a market share of approximately 19%.

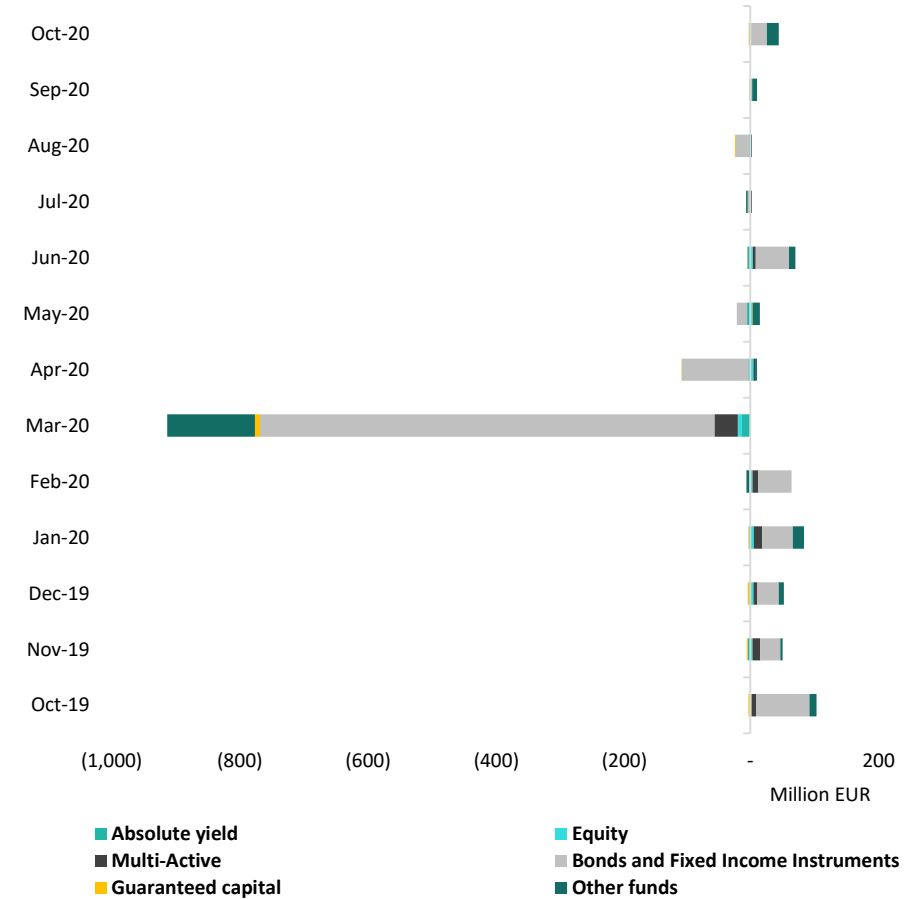
² There was a change in Open end investment funds' classification

Specific developments in the investment funds sector

Evolution of underwritings and redemptions of Open-end Investment Funds (EUR)



Evolution of net capital flows of Open-end Investment Funds (million EUR)



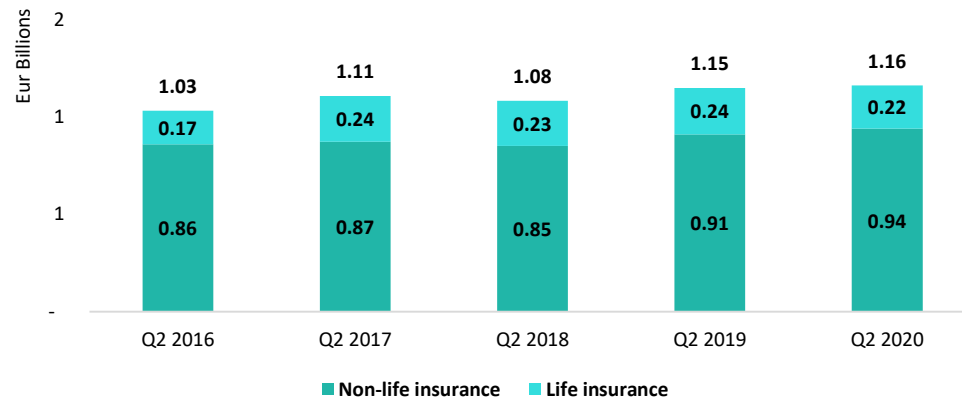
Source: AAF

In October 2020, local open-end investment funds recorded net inflows of EUR 43 million. Net inflows of bonds and fixed income instruments funds amounted to EUR 25 million, while the other funds category recorded net inflows of EUR 18 million.

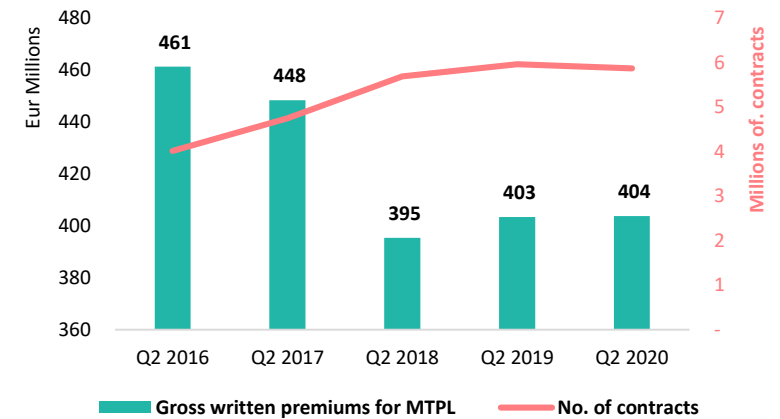
Specific developments in the insurance market in Romania

Evolution of the insurance market (30th of June 2020)

Gross written premiums (total)

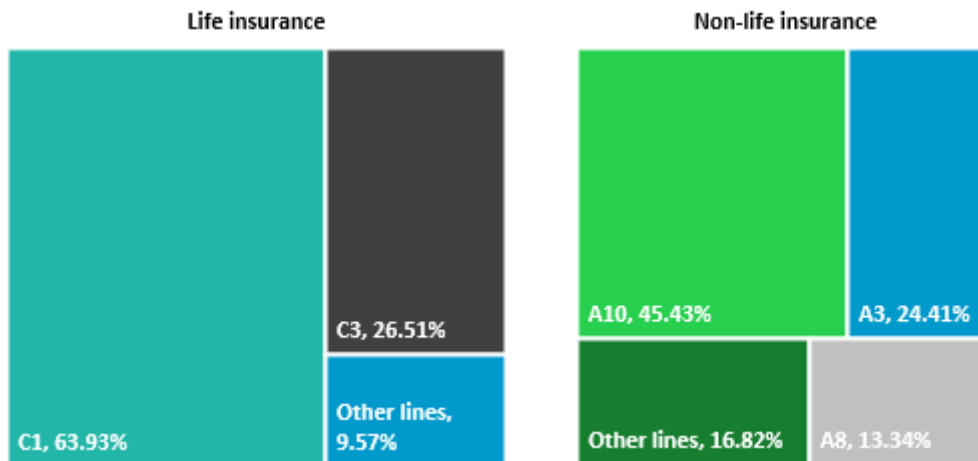


MTPL gross written premiums



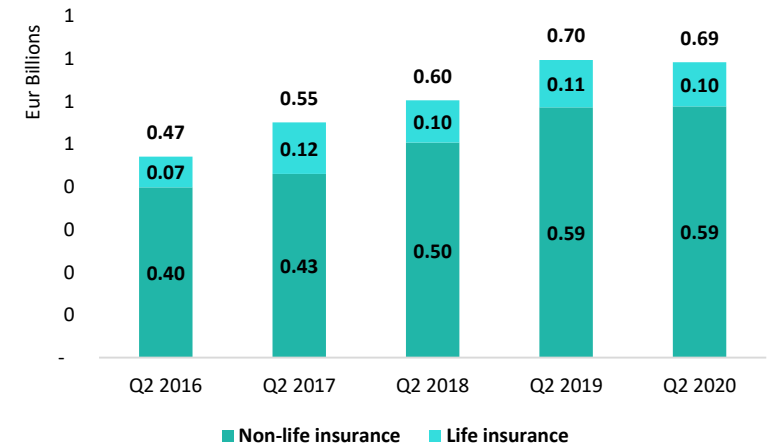
Source: FSA

Share of main insurance classes by GWP



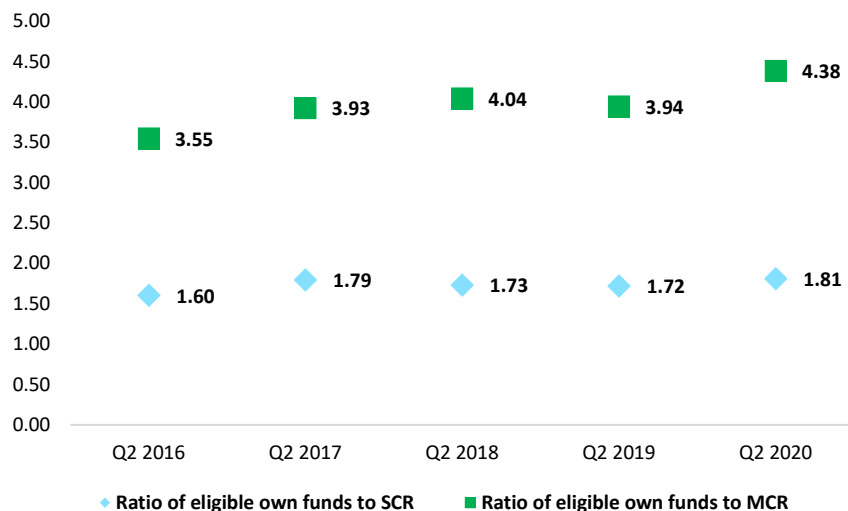
Source: FSA

Gross claims paid

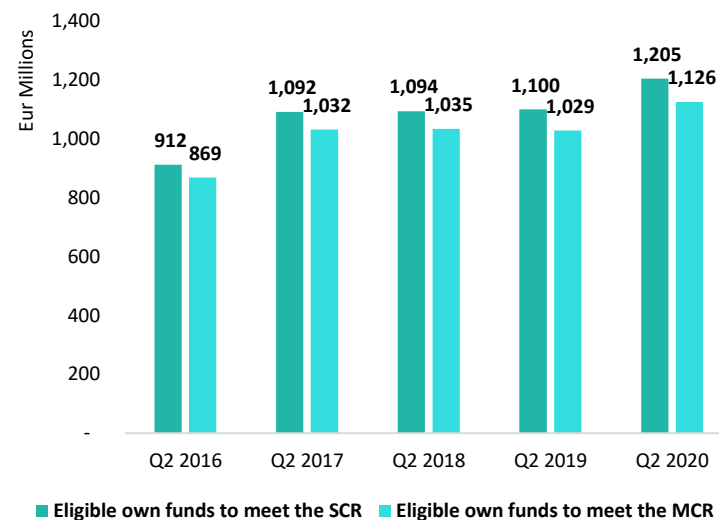


Specific developments in the insurance market in Romania

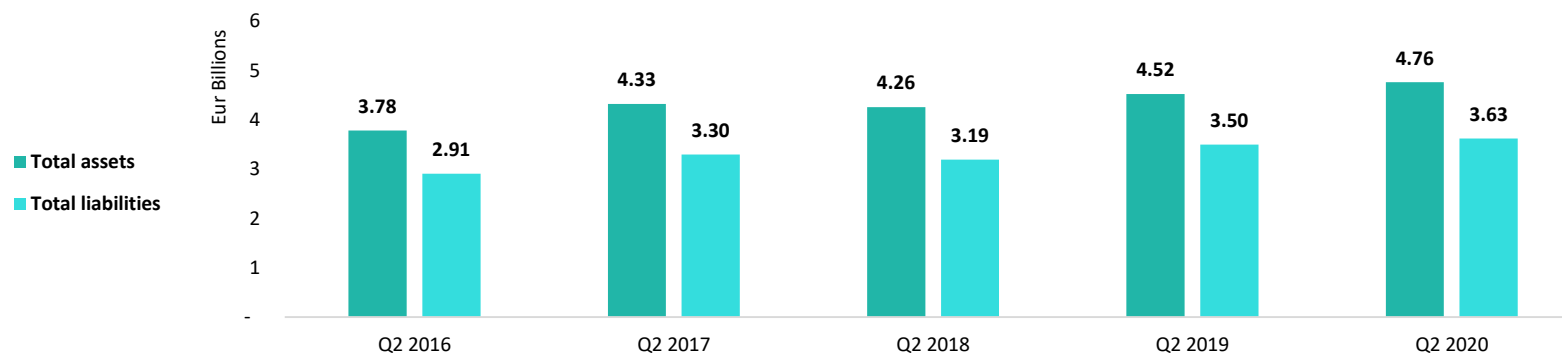
Ratio of eligible own funds to SCR and Ratio of eligible own funds to MCR



Total eligible own funds to meet the SCR and total eligible own funds to meet the MCR



Total assets and total liabilities



Source: FSA, provisional data

On 30th of June 2020, eligible own funds to meet the SCR were mainly composed of unrestricted Tier 1 (91%) and Tier 2 items (7%). In terms of own fund items, there were no significant changes in the last five years.

Press releases and publications of European and international financial institutions in September 2020

EUROPEAN UNION	<ul style="list-style-type: none"> • 7 October: European Commission to issue EU SURE bonds of up to € 100 billion as social bonds. • 21 October: European Council agrees its position on Capital Markets Recovery Package. • 28 October: European Commission proposes directive on adequate minim wages for workers across Member State.
ESMA	<ul style="list-style-type: none"> • 2 October: ESMA publishes its 2021 Work Programme. • 2 October: ESMA responds to EU green bond standard consultation. • 23 October: ESMA consults on standards for CCP activities and model amendments. • 26 October: ESMA sets out final position on share trading obligation. • 27 October: ESMA adds UK venues to opinions on third-country trading venues. • 28 October: ESMA issues its annual Public statement on European common enforcement priorities for financial information.
EIOPA	<ul style="list-style-type: none"> • 2 October: EIOPA launches a European-wide comparative study on diversification in internal models. • 5 October: EIOPA consults on the supervision of the use of climate change scenarios in ORSA. • 8 October: EIOPA outlines its approach to the supervision of product oversight and governance requirements. • 12 October: EIOPA finalises Guidelines on Information and Communication Technology Security and Governance.
ECB	<ul style="list-style-type: none"> • 29 October: Monetary policy unchanged.
IMF	<ul style="list-style-type: none"> • October: IMF publishes World Economic Outlook and Global Financial Stability Report.