



**According to the flash estimate published by NIS, the gross domestic product increased by 5.6% (gross series) in Romania in 2021 compared to the previous year.**

## MONTHLY MARKET REPORT

- The NCSP economic forecast regarding Romania's GDP growth rate for 2022 was revised down to 4.3% (from 4.6% according to the NCSP autumn 2021 forecast).
- The market capitalization recorded an increase of 3% at the end of January 2022 compared to the end of 2021 and an increase of 53% compared to the end of 2020.
- Total assets of the voluntary pension funds (Pillar 3) reached EUR 693 million at the end of January 2022

## World Macroeconomic Outlook

Regarding the forecasts for economic growth, **the European Commission** (winter 2022 economic forecast) estimates a 4.0% increase in both the euro area economy and the EU economy for 2022, a downward revision (-0.3pp) compared to the previous forecast. According to **the European Commission's forecast** (winter 2022 economic forecast), Romania's gross domestic product will increase by 4.2% in 2022, a downward revision compared to the EC estimate in the 2021 autumn forecast (5.1%).

According to the flash estimate published by Eurostat, in the fourth quarter of 2021, **seasonally adjusted GDP** increased by 0.3% in the euro area and by 0.4% in the EU compared to the previous quarter. Compared to the same period of the previous year, seasonally adjusted GDP increased by 4.6% in the euro area and by 4.8% in the EU in the fourth quarter of 2021. According to preliminary estimates of annual growth for 2021, seasonally adjusted GDP grew by 5.2% in both the euro area and the EU.

According to the flash estimate published by NIS, **the gross domestic product** increased by 5.6% (gross series) in **Romania** in 2021 compared to the previous year. Compared to the similar period of the previous year, in the fourth quarter of 2021, Romania's gross domestic product increased by 2.2% on the gross series and by 2.7% on the seasonally adjusted series.

**The National Commission for Strategy and Prognosis** economic forecast regarding Romania's GDP growth rate for 2022 was revised down to 4.3% (from 4.6% according to the NCSP autumn 2021 forecast). The estimates of GDP growth rate for the previous year were also revised down by 0.8 percentage points from 7% (NCSP autumn forecast) to 6.2%.

Evolution of GDP (%) and GDP forecast (%)

Country	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	European Commission		IMF*		
												2021f	2022f	2021f	2022f	
<b>Euro area</b>	1.6	-3.1	-14.5	-4.0	-4.4	-6.4	-1.1	14.4	3.9	4.6			5.3	4.0	5.2	3.9
<b>Germany</b>	1.1	-1.9	-11.3	-3.7	-2.9	-4.6	-2.8	10.4	2.9	1.4	2.8		2.8	3.6	2.7	3.8
<b>Spain</b>	2.1	-4.3	-21.5	-8.7	-8.8	-10.8	-4.3	17.7	3.4	5.2	5.0		5.0	5.6	4.9	5.8
<b>France</b>	1.8	-5.5	-18.6	-3.6	-4.3	-7.9	1.7	19.0	3.5	5.4			7.0	3.6	6.7	3.5
<b>Italy</b>	0.4	-6.0	-18.2	-5.4	-6.4	-8.9	-0.3	17.3	4.0	6.4			6.5	4.1	6.2	3.8
<b>Bulgaria</b>	4.0	-1.0	-7.7	-4.6	-2.9	-4.4	-1.4	7.1	4.6				4.0	3.7	4.5	4.4
<b>Croatia</b>	3.5	1.0	-14.2	-10.4	-7.4	-8.1	-0.5	16.8	15.5				10.5	4.8	6.3	5.8
<b>Hungary</b>	4.6	1.8	-13.3	-4.5	-3.4	-4.7	-1.5	17.3	6.1				6.5	5.0	7.6	5.1
<b>Poland</b>	4.7	2.2	-7.8	-1.9	-2.5	-2.5	-1.1	10.9	5.5				5.7	5.5	5.1	5.1
<b>Romania</b>	<b>4.2</b>	<b>2.5</b>	<b>-9.8</b>	<b>-5.2</b>	<b>-2.0</b>	<b>-3.7</b>	<b>-0.4</b>	<b>13.4</b>	<b>7.6</b>	<b>2.7</b>			<b>6.3</b>	<b>4.2</b>	<b>7.0</b>	<b>4.8</b>

Source: Eurostat, percentage change compared with the same quarter of the previous year - seasonally adjusted data, European Commission, Winter 2022 Economic Forecast, World Economic Outlook – October 2021, IMF, \* data for the Euro area, Germany, Spain, France and Italy have been updated according to the World Economic Outlook - January 2022.

## World Macroeconomic Outlook

**The annual inflation rate (CPI)** was 8.35% in Romania in January 2022, recording an increase compared to December 2021 (+8.19%). The most significant contribution to the annual inflation rate came from the increasing prices of non-food goods (+10.18%), followed by food goods (+7,24%) and services (+5,66%).

**Turnover of market services provided mainly to enterprises** increased in Romania in December 2021 compared to the same period of the previous year by 17.7% as gross series and by 16.6% as seasonally adjusted series. The highest increase was recorded by the activities in information services and information technology (+34.2%), followed by transport activities (+19.5%), other services provided mainly to enterprises (+16.8%) and activities in film production, video, television programs, broadcasting and transmission of programs (+9.7%). The communications activities decreased by 3.3%.

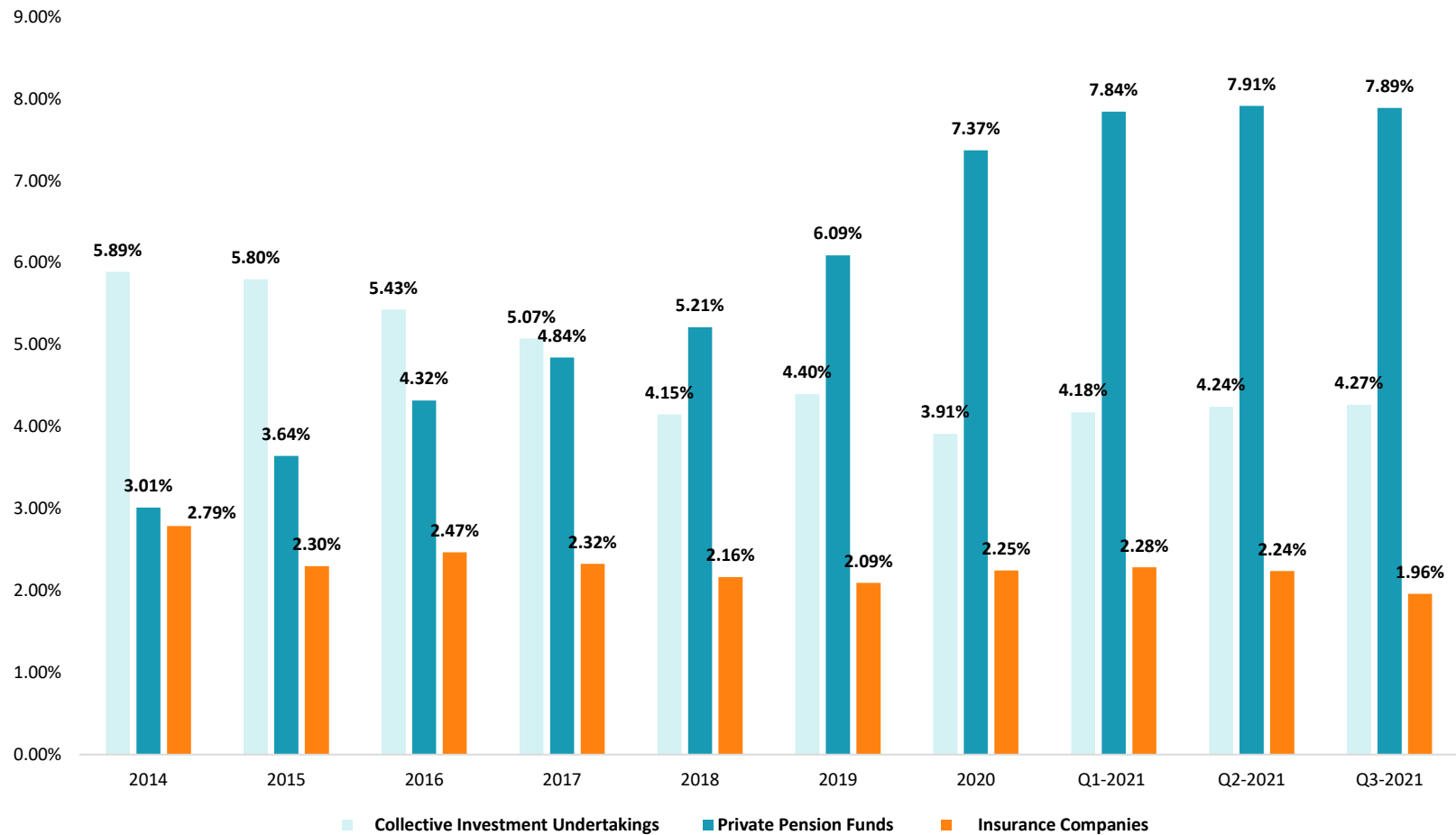
The **volume of construction works** increased in Romania by 2.9% as gross series and by 0.8% as seasonally adjusted series in December 2021 compared to the similar period of the previous year. The volume of current maintenance and repair works (+24.6%) registered the most significant increase, while the volume of capital repair works (-14.8%) and the volume of new construction works (-0.6%) decreased. By construction type, the gross series showed an increase in the volume of residential buildings (+16.4%) and engineering construction works (+6.9%), while the non-residential buildings decreased by 12.2%.

**In Romania, the industrial production** increased by 2.0% as gross series and decreased by 1.1% as seasonally adjusted series in December 2021 compared to December 2020. The most significant increases were recorded by the production and supply of electricity and heat, gas, hot water and air conditioning (+8.1%) and manufacturing industry (+1.1%). The extractive industry decreased by 3.6%.

**The retail turnover volume** increased by 7.2% as gross series and by 7.0% as seasonally adjusted series in Romania in December 2021 compared to December 2020. The increase in retail turnover volume was due to the increases in the retail trade of automotive fuel in specialized stores (+9.6%), followed by sales of non-food products (+7.8%) and by the sales of food, beverages and tobacco (+5.4%).

# World Macroeconomic Outlook

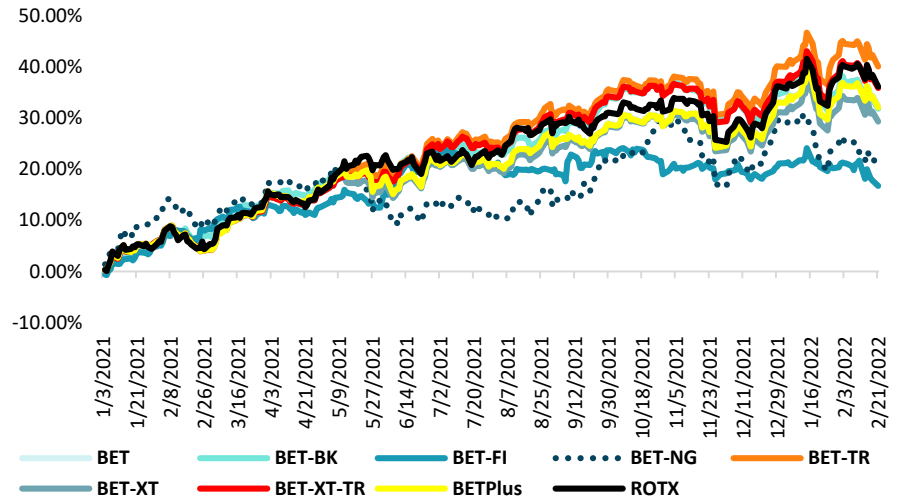
Evolution of nonbanking system's assets (% of GDP)



Source: NBR, NIS,ASF

# Current trends and headlights on Romanian markets

Evolution of local stock indices



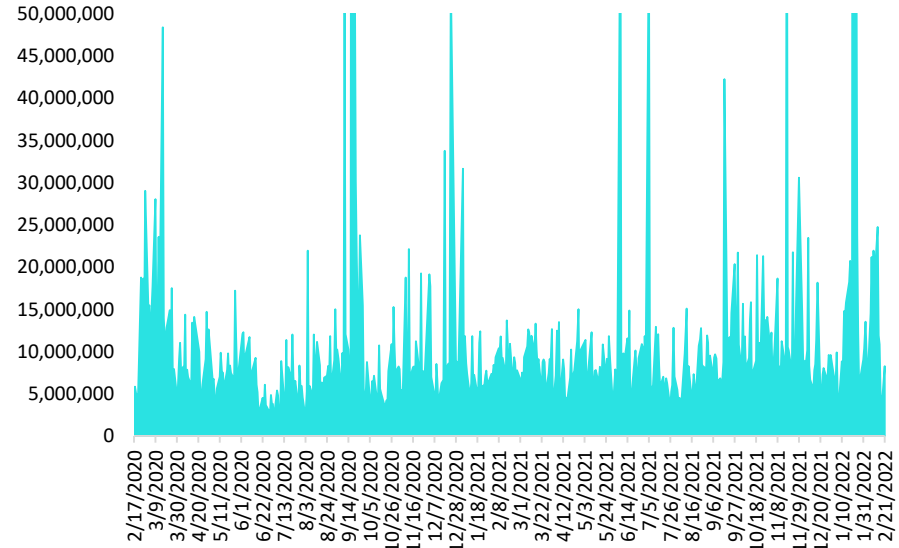
Romanian stock indices evolution in 2022 (30.12.2021 = 100)

Date	BET	BET-BK	BET-FI	BET-NG	BET-TR
02/21/2022	-0.64%	-2.15%	-3.61%	-7.01%	0.00%

Date	BET-XT	BET-XT-TR	BETPlus	ROTX	BETAeRO
02/21/2022	-1.39%	-0.90%	-0.69%	-0.05%	-2.56%

Equities traded value on BSE (EUR)



Source: BSE; ASF calculations

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

Evolution of government debt (% of GDP)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Italy</b>	136.0	137.3	136.5	134.3	137.5	149.2	154.2	155.6	159.6	156.4	155.3
<b>France</b>	98.7	98.5	99.3	97.5	100.7	113.0	115.4	115.0	117.9	114.5	116.0
<b>Spain</b>	98.4	98.5	97.5	95.5	99.2	110.3	114.1	120.0	125.3	122.7	121.8
<b>Euro zone</b>	86.0	85.8	85.4	83.6	85.7	94.4	96.6	97.3	100.0	98.3	97.7
<b>EU</b>	79.6	79.4	78.8	77.2	78.9	87.2	89.2	90.1	92.4	90.9	90.1
<b>Hungary</b>	68.3	67.1	67.1	65.5	65.8	70.2	73.8	80.1	80.8	77.4	80.3
<b>Germany</b>	61.1	60.5	60.4	58.9	60.1	66.4	69.1	68.7	69.9	69.7	69.4
<b>Poland</b>	48.9	47.7	46.9	45.6	47.5	54.6	56.5	57.4	59.0	57.4	56.6
<b>Romania</b>	<b>33.8</b>	<b>33.8</b>	<b>35.1</b>	<b>35.3</b>	<b>37.4</b>	<b>40.7</b>	<b>43.1</b>	<b>47.4</b>	<b>47.7</b>	<b>47.5</b>	<b>48.5</b>
<b>Bulgaria</b>	20.7	20.1	20.3	20.0	19.9	21.2	25.0	24.7	24.7	24.7	24.2

Source: Eurostat

**The government debt-to-GDP ratio** in the euro area was 97.7% in the third quarter of 2021, increasing compared to the level recorded in the fourth quarter of 2019 (83.6%). There is significant heterogeneity in debt level, the share of public debt in GDP ranging from 19.6% (Estonia) to 200.7% (Greece).

Romania is among the EU member states with a lower level of indebtedness (48.5%), below the indebtedness of the EU member states of 90.1% of GDP.

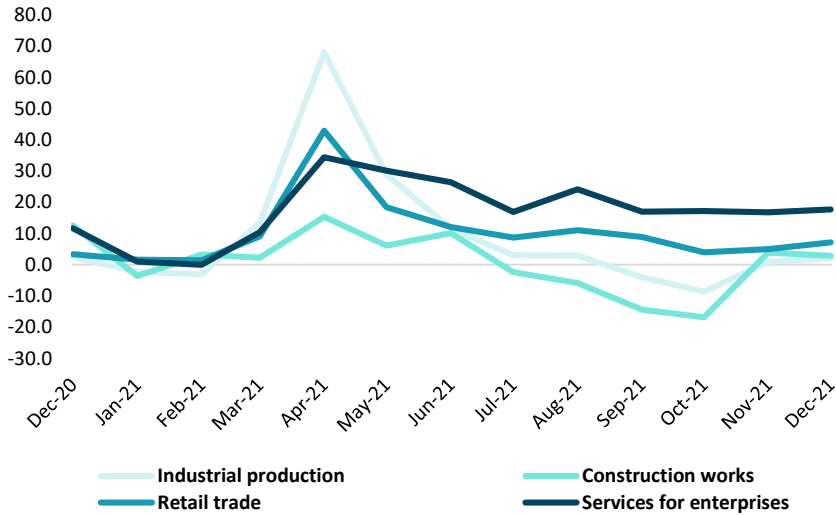
According to the NBR, **the direct investments of non-residents in Romania (FDI)** recorded a value of EUR 7.3 billion in 2021 compared with EUR 3.0 billion in the previous year. On the other hand, the current account of the balance of payments registered a deficit of EUR 17.0 billion in 2021, compared to EUR 11.0 billion in the previous year.

The evolution of the current account was accompanied by an increase in total external debt by EUR 7.4 billion in January–December 2021 to EUR 134 billion.

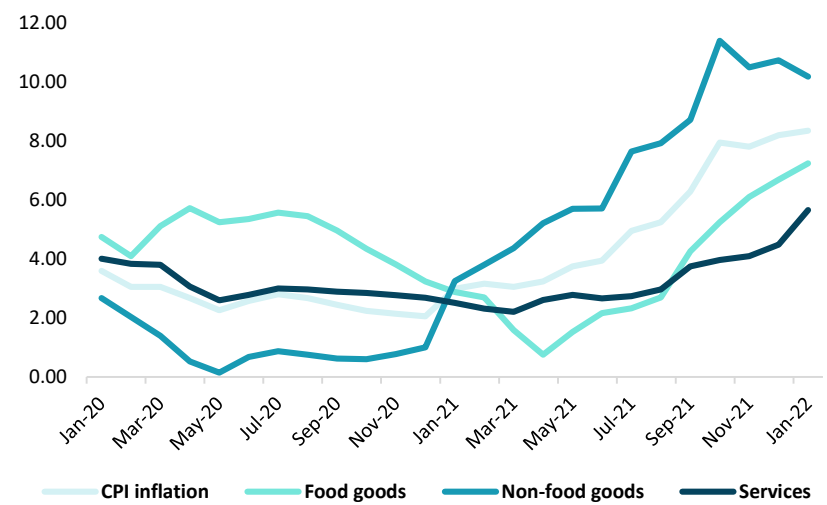


# Macroeconomic background in Romania: development of the real sector, inflation and labor market

**Main sector indicators (annual rate of change, %)**

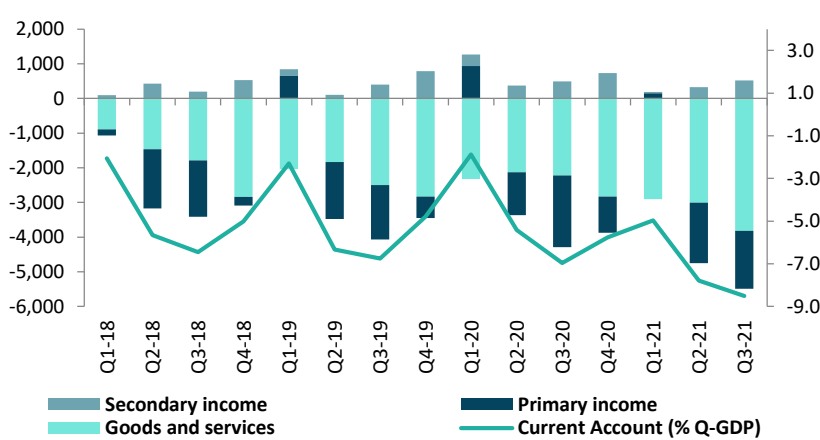


**Inflation, monthly data (annual rate of change)**



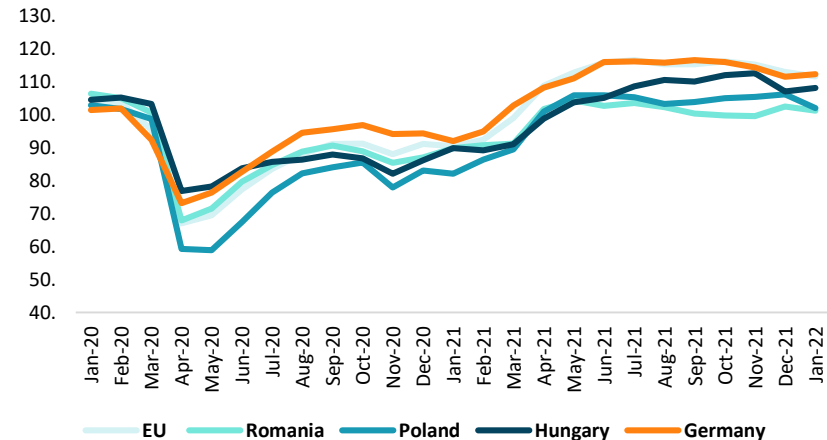
Source: National Institute of Statistics; ASF calculations

**Development of current account by main components (million euro)**



Source: NBR, ASF calculations

**The economic sentiment index in EU**

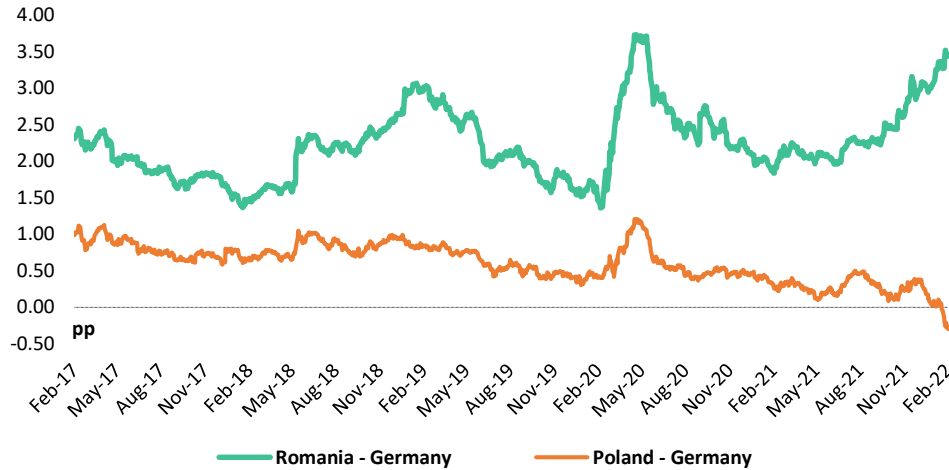


Source: Eurostat



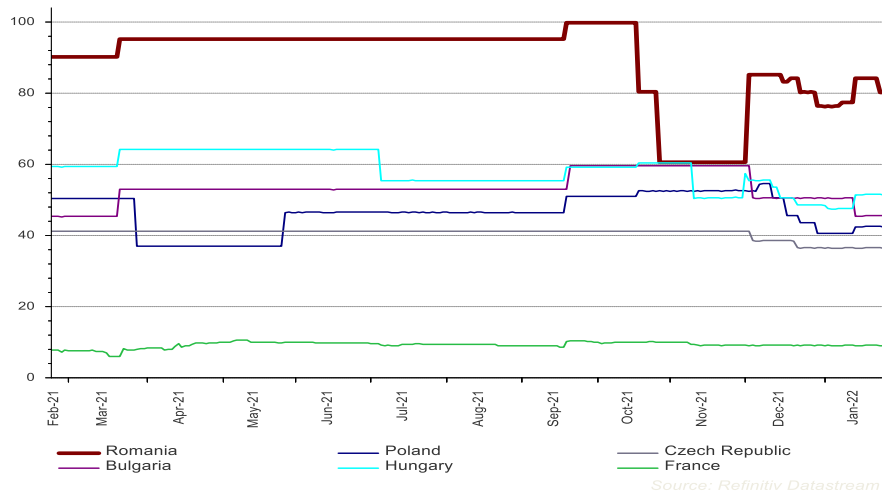
# Macroeconomic risk in Romania: external position and market perception of sovereign risk

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



Romania 5 - year bond yields increased by 1.3% in January 2022 as compared with the previous month, reaching an average value of 5.04%, while Germany 5 – year bond yields remained negative, at very low levels (average value of -0.38% in January 2022).

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



Romania CDS quotations decreased by 2.3% in January 2022 compared with the previous month, while French CDS quotations remained at an average value of 9.10 bp.

The spread between Romanian and German government bonds (10Y) increased in January-February 2022, which can be explained as a deterioration in investor confidence in Romania's country rating.

Source: Refinitiv

## Market risk: evolution of local and international stock indices at the end of January 2022

### International and local stock indices yields

International indices	1 M	3 M	6 M
EA (EUROSTOXX)	-3.81%	-2.44%	0.54%
FR (CAC 40)	-2.15%	2.47%	5.84%
DE (DAX)	-2.60%	-1.39%	-0.47%
IT (FTSE MIB)	-1.95%	-0.23%	5.72%
GR (ASE)	4.86%	4.31%	5.46%
IE (ISEQ)	-2.65%	-3.86%	-1.25%
ES (IBEX)	-1.16%	-4.91%	-0.73%
UK (FTSE 100)	1.08%	3.13%	6.14%
US (DJIA)	-3.32%	-1.92%	0.56%
IN (NIFTY 50)	-0.08%	-1.88%	10.00%
SHG (SSEA)	-7.65%	-5.25%	-1.07%
JPN (N225)	-6.22%	-6.54%	-1.03%

BSE indices	1 M	3 M	6 M
BET	0.99%	4.64%	11.32%
BET-BK	0.55%	0.56%	9.93%
BET-FI	-0.60%	1.15%	0.00%
BET-NG	-3.33%	-3.05%	12.58%
BET-TR	1.63%	5.32%	13.70%
BET-XT	0.61%	2.69%	9.86%
BET-XT-TR	1.10%	3.20%	11.68%
BETPlus	0.94%	4.58%	11.03%
ROTX	1.25%	5.07%	12.17%

Source: Refinitiv, ASF calculations

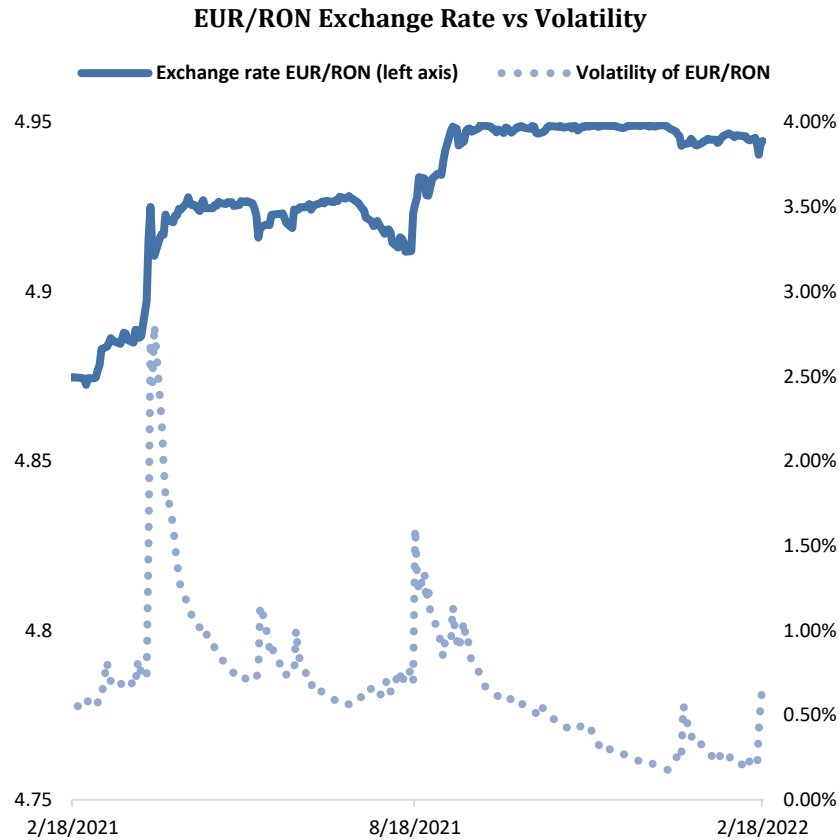
Note: 1M=01/31/2022 vs. 12/31/2021; 3M=01/31/2022 vs. 10/29/2021; 6M=01/31/2022 vs. 07/30/2021

The European indices have recorded mixed developments (1M). The most significant increase was recorded by ASE index (GR: +4.86%), while the most important decrease was registered by EUROSTOXX index (EA: -3.81%).

The main American and Asian indices showed negative developments. Therefore, the most significant decrease was registered by SSEA index (SHG: -7.65%), followed by N225 index (JPN: -6.22%).

The BSE stock indices have recorded mixed developments (1M). Therefore, the most important increase was registered by BET-TR index (+1.63%), while the most significant decrease was registered by BET-NG index (-3.33%).

## Market Risk: exchange rate volatility



Source: Refinitiv, ASF model for volatility

Long memory in time series is defined at long-term autocorrelation. The analysis of exchange rate EUR/RON shows that the series is fractionary integrated. Therefore the volatility model fitted for exchange rate is FIAPARCH(1,0.4,1).

Against the background of the accelerated increase of inflation, the exchange rate depreciated rapidly and is very close to the quotation of 4.95 EUR/RON since October. The EUR/RON increased from 4.7795 on 10 January 2020 to 4.9445 on 18 February 2022, namely a depreciation of 3.45%.

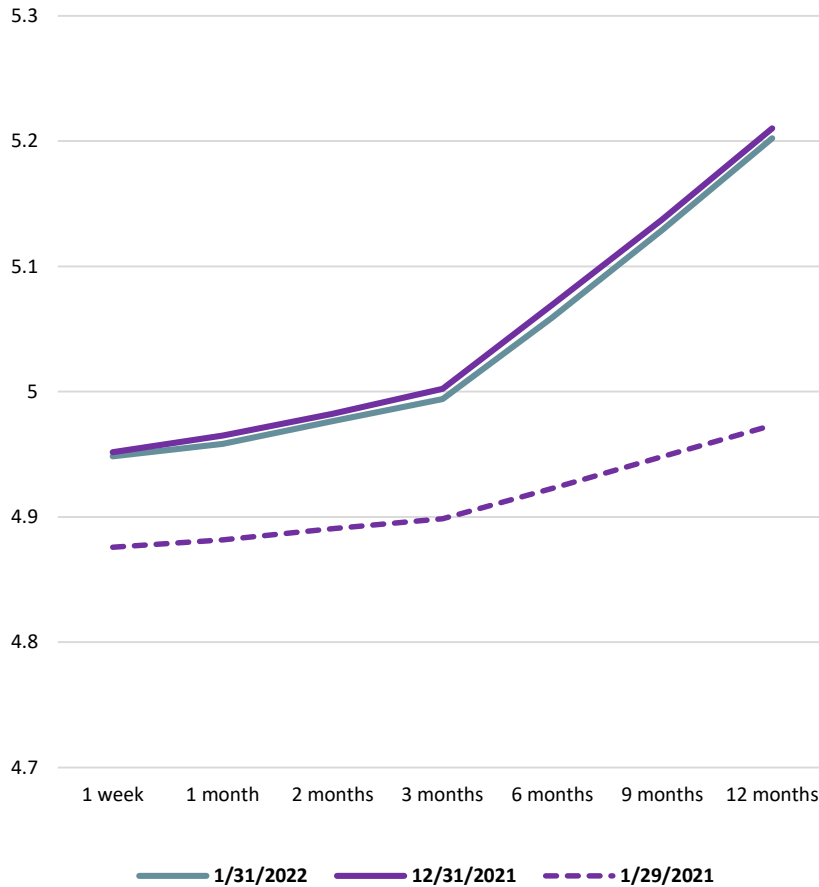
**The accumulation of financial tensions for the Romanian economy is explained by the worsening of the health crisis, the increase of political uncertainty, the lack of credible and coherent measures, the deterioration of industrial activity, as well as the rapid increase of inflation. These macro-financial factors have led to a rapid depreciation of the national currency.**

For the moment, **the increase in the monetary policy rate, as well as the expectations for its increase**, have temporarily tempered the depreciation of Romanian leu.

Although the Romanian economy experienced an increase in the degree of financial stress, the rating agencies did not lower the country rating for Romania, which received from the European Union an anchor of financial stability in the form of the PNRR program.

## Market Risk: exchange rate volatility

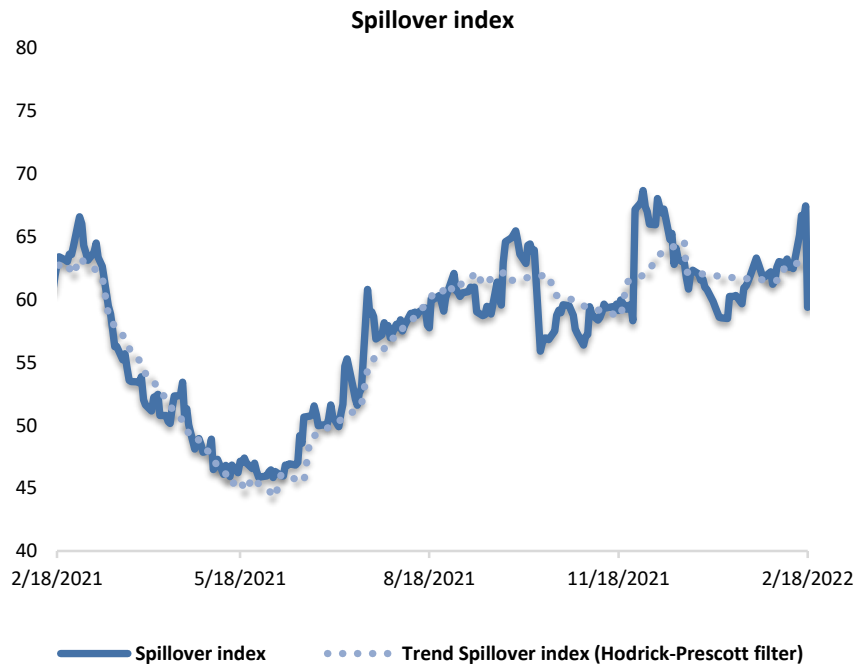
Term structure of EUR/RON forward rate



Source: Refinitiv, ASF calculations

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).

## Market Risk: Spillover Index



Source: Refinitiv, ASF model

The model used is a Vector Autoregressive Model which follows similar specifications to "Measuring Financial Asset Return and Volatility Spillovers with Application to Global Equity Markets" (Diebold, F.X și Yilmaz, K., 2009). The data necessary for the calculation of the spillover index are 9 capital market indexes: United States of America, United Kingdom, Germany, Austria, Romania, Hungary, Czech Republic, Poland and Bulgaria. The sample used contains daily market close data from January 2009-January 2022.

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 is 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.

Starting with June 2021, the spillover between the major capital markets started to grow slightly due to the reduction in uncertainty but also to the exuberance trend on several stock market exchanges that recorded a very fast-growing trend.

Rapid economic growth, coupled with rapid inflation and optimistic growth expectations, have generated, along with other macro-financial factors, a sustained rapid growth well above the long-term average of asset prices on financial markets.

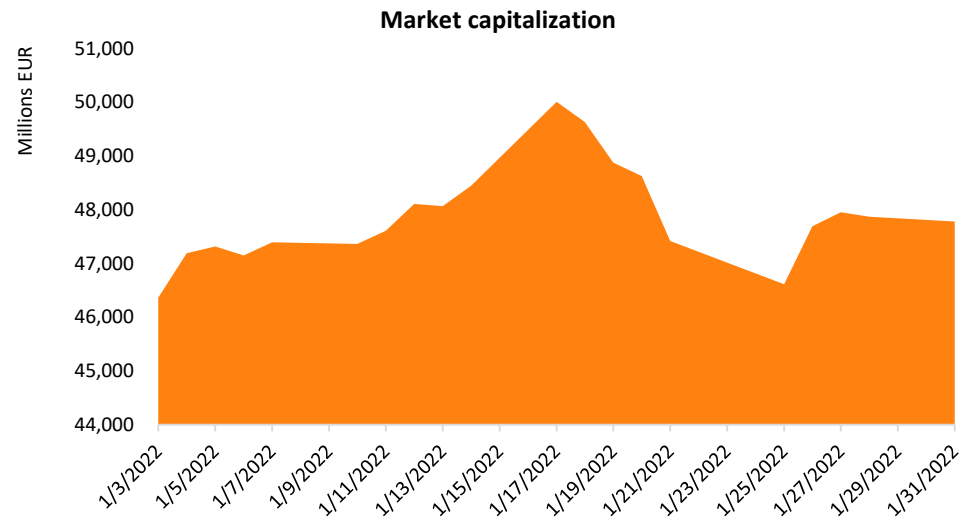
The jump in contagion, which is a sudden and unexpected increase, was generated by the declines in the main European capital markets, which in turn are a reaction to the emergence of the Omicron variant and the high inflation in the European economies.

**The growth of capital markets is shallow and without economic fundamentals, creating a speculative environment which in turn may generate speculative bubbles or swift reversals as investors close positions.**

## Liquidity indicators on Romanian Stock Exchanges

The market capitalization registered an increase of 3% at the end of January 2022 compared to the end of 2021 and an increase of 53% compared to the end of 2020.

In January 2022, the first 3 companies traded on BVB were OMV Petrom SA (SNP) with a share of 54.21% of the total value traded in that period, Banca Transilvania (TLV: 10.67%) and Fondul Proprietatea (FP: 6.46%).



**The BSE's Most Traded Companies during January 2022 (Only the Main Segment)**

Symbol	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
SNP	20,989,594	11.04%	2,722,281	13.17%	221,545,963	54.21%
TLV	43,600,038	22.93%	0	0.00%	43,600,038	10.67%
FP	26,416,928	13.89%	0	0.00%	26,416,928	6.46%
BRD	16,013,408	8.42%	2,702,851	13.07%	18,716,259	4.58%
SNN	14,411,463	7.58%	316,332	1.53%	14,727,795	3.60%
SIF4	154,062	0.08%	13,053,713	63.14%	13,207,775	3.23%
M	9,418,519	4.95%	0	0.00%	9,418,519	2.30%
TRP	9,219,919	4.85%	0	0.00%	9,219,919	2.26%
SNG	7,716,832	4.06%	0	0.00%	7,716,832	1.89%
ONE	6,162,671	3.24%	0	0.00%	6,162,671	1.51%
DIGI	3,353,122	1.76%	0	0.00%	3,353,122	0.82%
EL	3,115,373	1.64%	0	0.00%	3,115,373	0.76%
SIF1	3,105,086	1.63%	0	0.00%	3,105,086	0.76%
EVER	2,372,117	1.25%	0	0.00%	2,372,117	0.58%
WINE	2,251,563	1.18%	91,005	0.44%	2,342,567	0.57%
<b>Top 15 Total</b>						<b>94.22%</b>

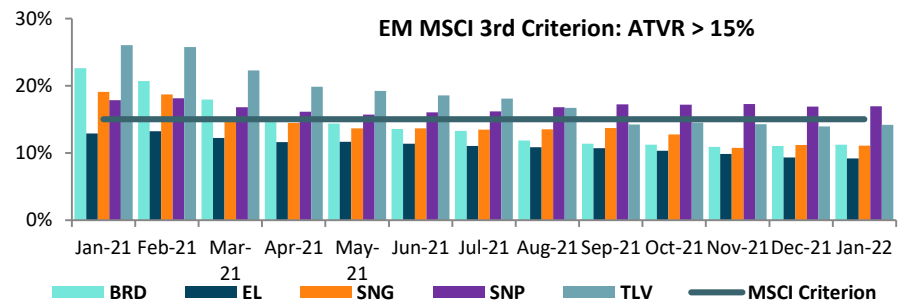
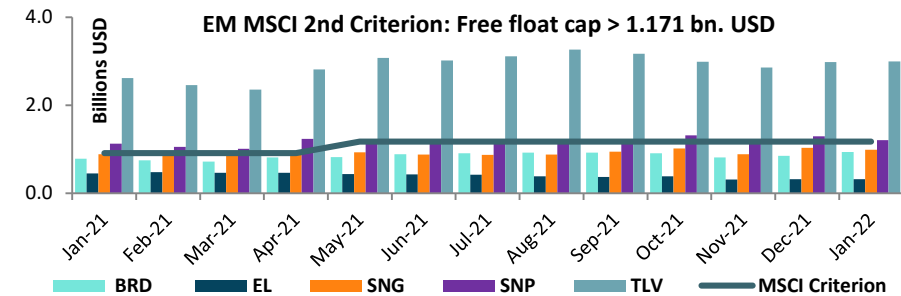
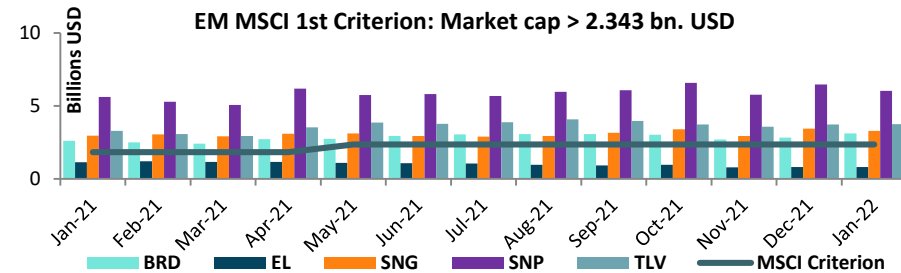
Source: NBR, BSE data, ASF calculations

## MSCI: Quantitative Indicators for Emerging Market Status

Indicators' variation to MSCI criterion (January 2022)

Company	Cap. bln. USD	Free float bln. USD	ATVR %
BRD	0.77	(0.24)	-3.78%
EL	(1.54)	(0.85)	-5.80%
SNG	0.95	(0.18)	-3.93%
SNP	3.69	0.04	1.93%
TLV	1.40	1.63	-0.25%

In January 2022, SNP met the three quantitative criteria according to the MSCI methodology. Starting with May 2021, the MSCI criteria were modified according to the MSCI Market Classification Framework.



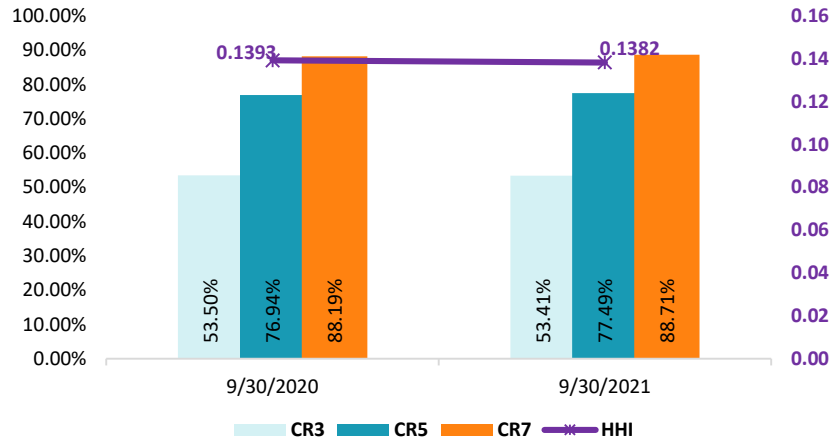
Source: ASF



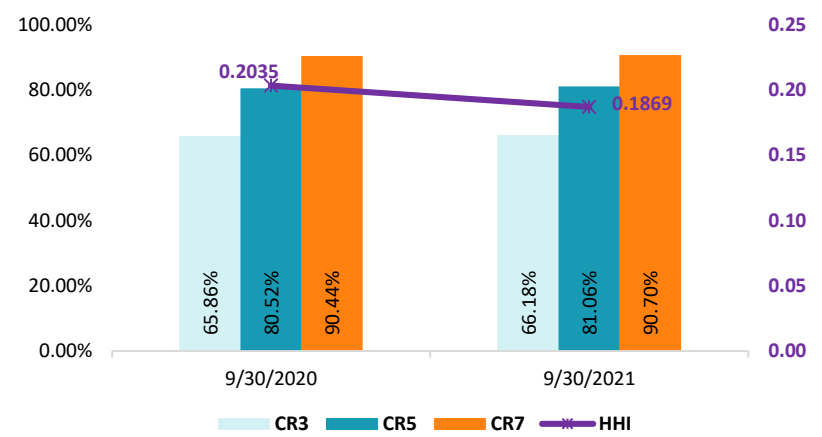


## Concentration risk

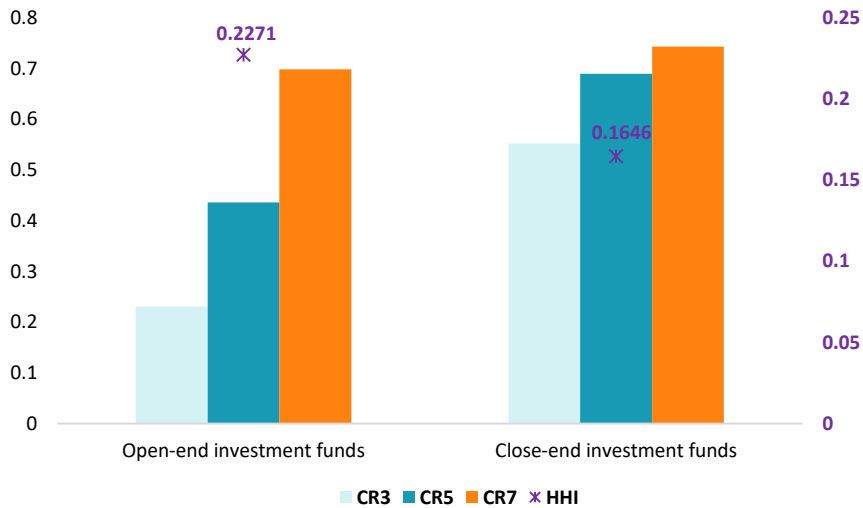
**Concentration risk of non-life insurance undertakings  
 (by value of GWP at 30 September 2021)**



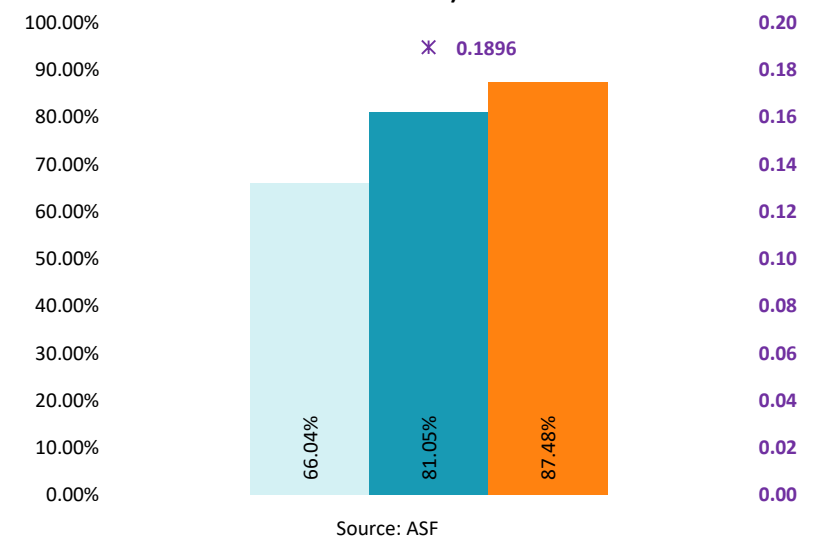
**Concentration risk of life insurance undertakings  
 (by value of GWP at 30 September 2021)**



**Concentration risk of investment funds in Romania  
 (by net assets – 30 September 2021)**



**Concentration risk of intermediaries on the BSE (by value of  
 transactions in January 2022 – Main segment & MTS, all spot  
 instruments)**



Source: ASF

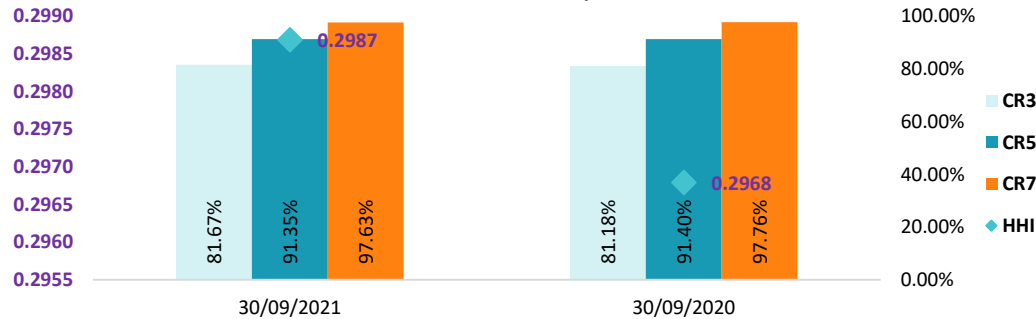
Source: ASF

## Concentration risk

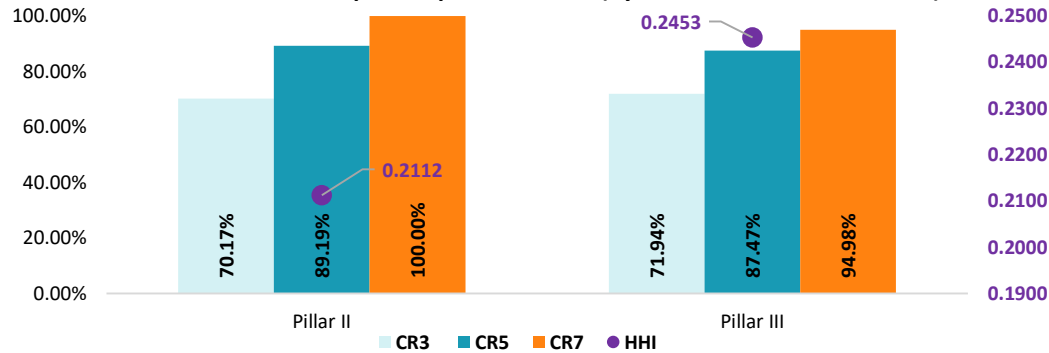
**Concentration risk of depositaries of private pension funds and investment funds (by total assets at 9/30/2021)**



**The degree of concentration of insurance companies in the MTPL market (by gross written premiums at 9/30/2021)**



**Concentration risk of private pension funds (by total assets at 01/31/2022)**



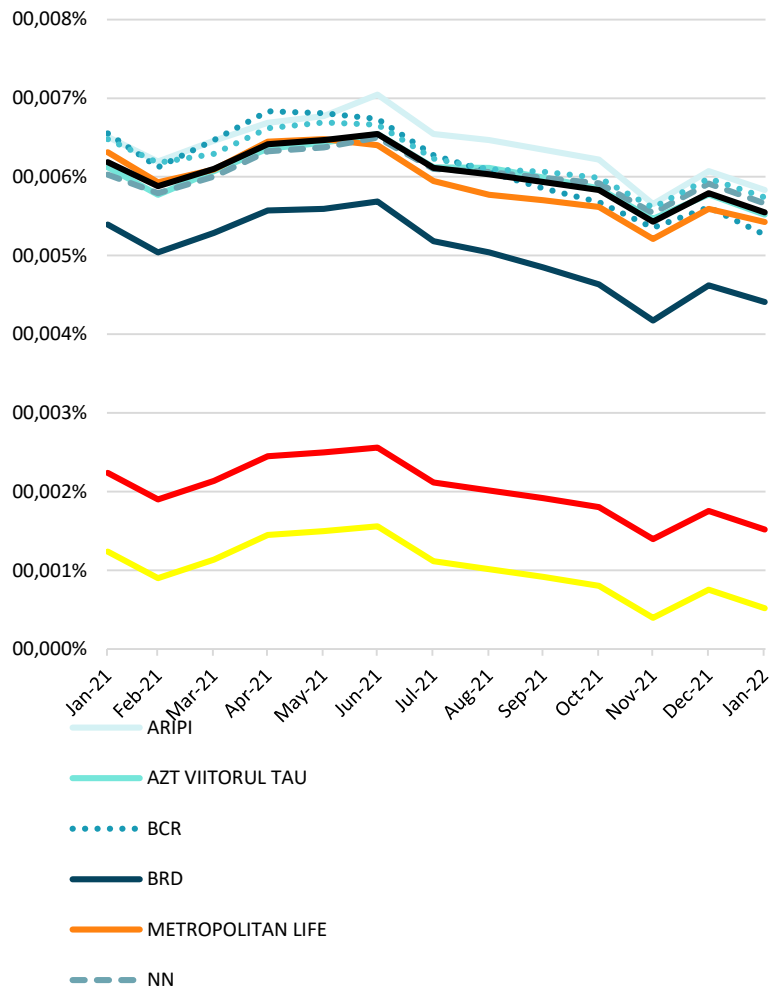
According to the main indicators used by the Competition Council, the concentration risk in the non-life insurance market is medium to high, while the life insurance market concentration degree is still high.

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)

Rate of return for mandatory pension funds



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

Mandatory pension fund	Total Assets 31 January 2022 (EUR)	Participants (persons) January 2022	Rate of return January 2022
ARIPI*	1,626,208,366	816,194	5.83%
AZT VIITORUL TAU	3,874,234,742	1,636,382	5.52%
BCR	1,238,084,300	719,610	5.27%
BRD	720,513,830	505,620	4.41%
METROPOLITAN LIFE	2,516,650,969	1,091,906	5.43%
NN	6,324,230,111	2,063,179	5.66%
VITAL	1,819,385,053	982,062	5.74%
<b>Total</b>	<b>18,119,307,371</b>	<b>7,814,953</b>	<b>n/a</b>

Evolution of gross contributions

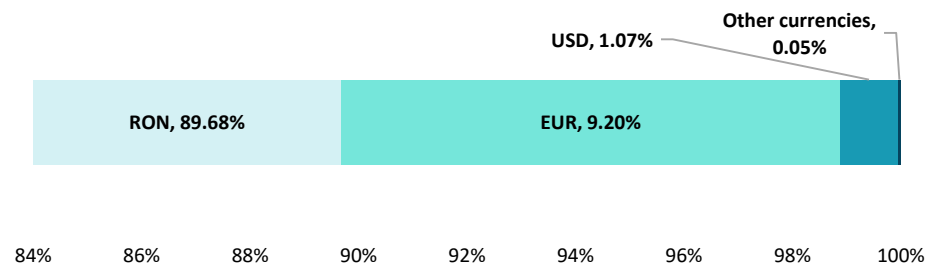


## Specific developments in the private pension funds sector: Mandatory pension funds (2nd Pillar)

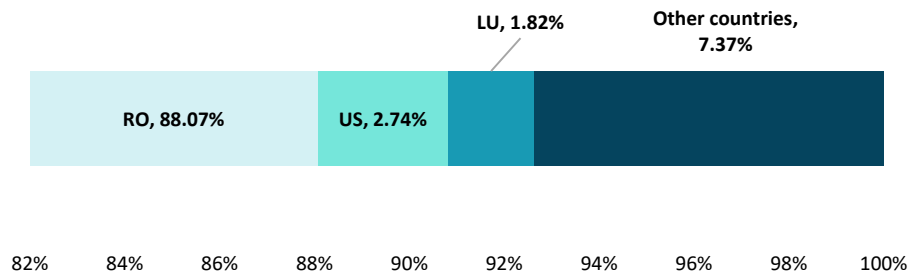
Mandatory pension fund's portfolio at 31 January 2022 (EUR)

Assets category	Assets value (EUR)	% Total assets
Government bonds	11,011,361,837	60.77%
Equity	4,679,477,014	25.83%
Corporate bonds	1,296,410,492	7.15%
Investment funds	558,121,716	3.08%
Supranational bonds	339,625,896	1.87%
Bank deposits	188,179,334	1.04%
Municipal bonds	37,052,238	0.20%
Commodities and precious metals funds	18,213,560	0.10%
Derivatives	158,480	0.001%
Other assets	(9,293,195)	-0.05%

Country exposure of mandatory pension fund's assets



Currency exposure of mandatory pension fund's assets

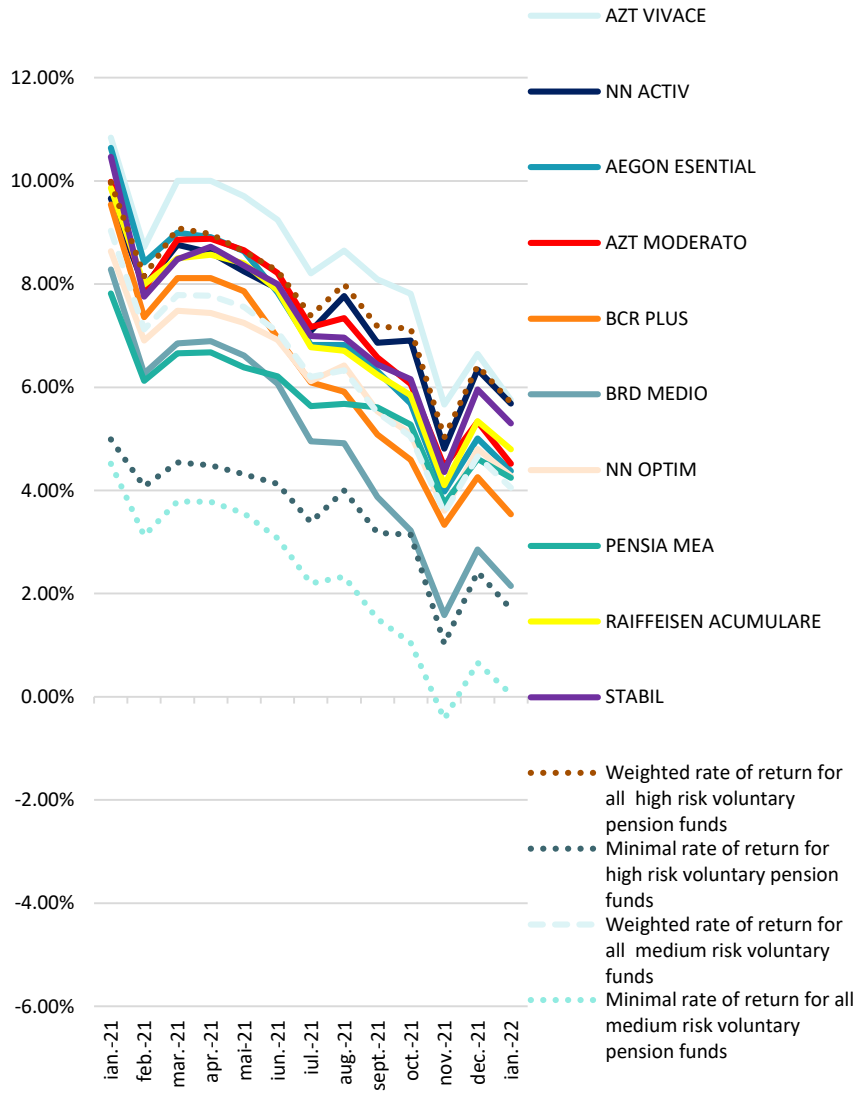


Total assets of the privately managed pension funds reached EUR 18.12 billion at the end of January 2022, registering an annual rate of growth of 14%, in terms of EUR.

At the end of January 2022, the privately managed pension funds' investments were generally made locally, in a percentage of 88%, a large majority being denominated in lei. Most Romanian instruments are represented by government securities and shares listed on the Bucharest Stock Exchange.

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

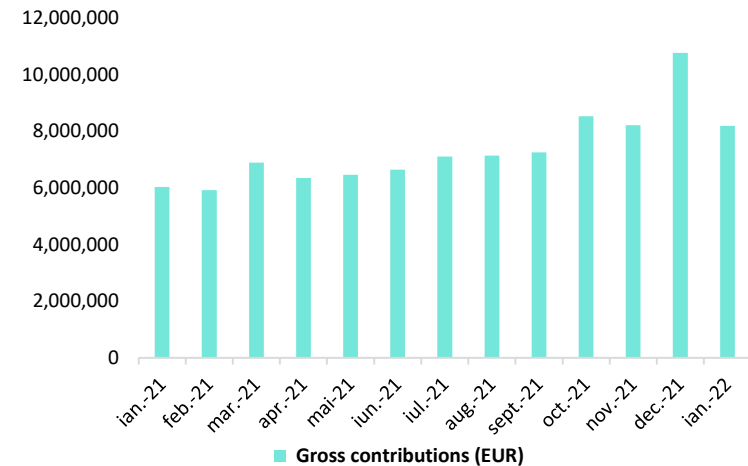
Rate of return for mandatory pension funds



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

Voluntary pension fund	Total assets (EUR), 31 January 2022	Participants (persons) January 2022	Rate of return January 2022
AEGON ESENTIAL	2,251,174	3,954	4.3735%
AZT MODERATO	71,468,213	46,002	4.5193%
AZT VIVACE	26,253,476	20,992	5.7552%
BCR PLUS	118,067,072	141,730	3.5411%
BRD MEDIO	36,186,448	36,429	2.1461%
GENERALI STABIL	6,787,192	5,527	5.2995%
NN ACTIV	82,929,578	60,432	5.6835%
NN OPTIM	297,483,281	213,372	4.2795%
PENSIA MEA	25,765,496	22,710	4.2427%
RAIFFEISEN ACUMULARE	25,732,297	16,367	4.7979%
<b>Total</b>	<b>692,924,228</b>	<b>567,515</b>	<b>n/a</b>

Evolution of gross contributions



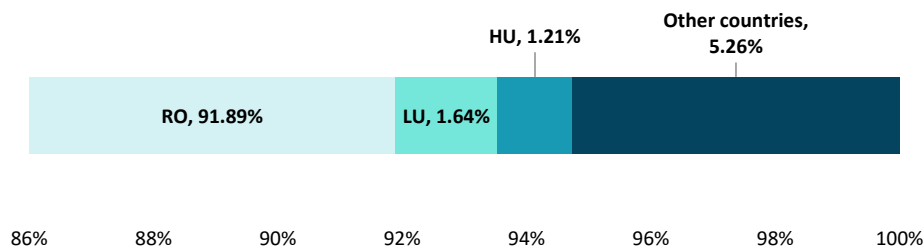
Source: ASF

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

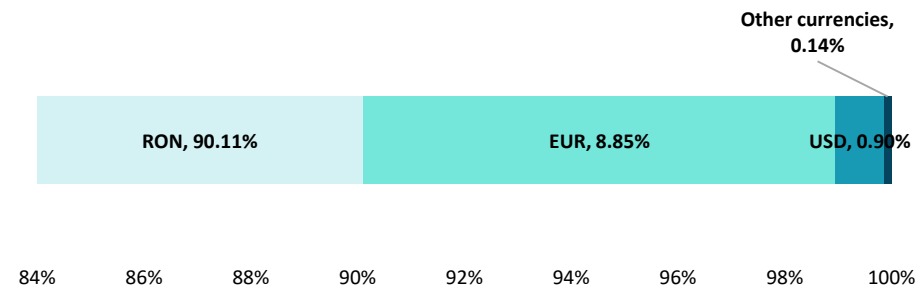
### Optional pension fund's portfolio at 31 January 2022 (EUR)

Assets category	Assets value (EUR)	% Total assets
<b>Government Bonds</b>	426,401,457	61.54%
<b>Equity</b>	196,995,194	28.43%
<b>Corporate Bonds</b>	26,536,665	3.83%
<b>Investment Funds</b>	16,411,386	2.37%
<b>Supranational Bonds</b>	12,022,395	1.74%
<b>Bank Deposits</b>	8,607,469	1.24%
<b>Municipal Bonds</b>	4,624,006	0.67%
<b>Metal funds</b>	1,582,671	0.23%
<b>Derivatives</b>	75,723	0.01%
<b>Oher assets</b>	(332,739)	-0.048%

### Country exposure of mandatory pension fund's assets



### Currency exposure of mandatory pension fund's assets



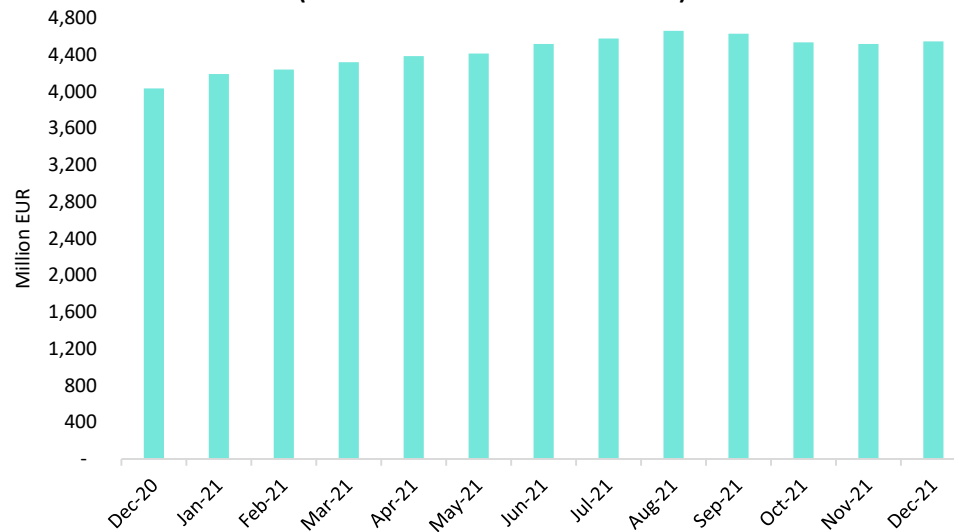
Source: ASF

Total assets of the voluntary pension funds reached EUR 693 million at the end of January 2022, registering an annual rate of growth of 12%, in terms of EUR.

At the end of January 2022, the voluntary pension funds' investments were generally made locally, in a percentage of 92%, a large majority being denominated in lei.

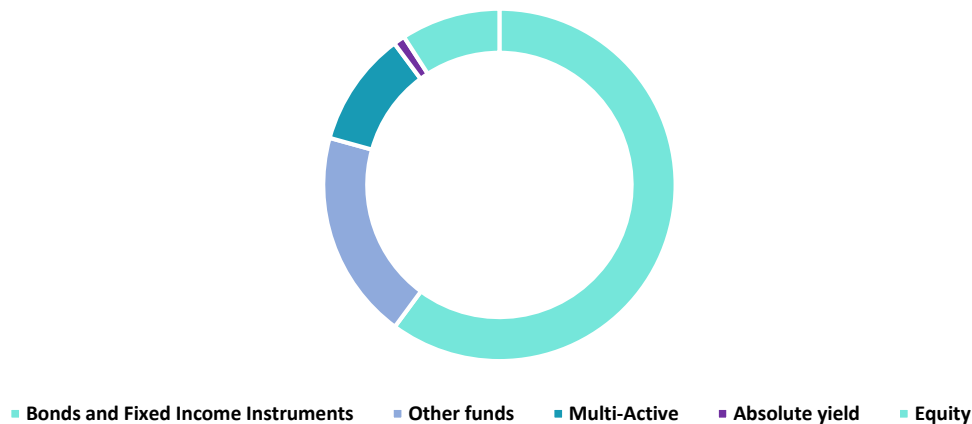
## Specific developments in the investment funds sector

**Evolution of net assets of open-end investment funds  
(December 2020 – December 2021)**



According to data published by AAF, net assets of open-end investment funds (OeIF) reached a value of EUR 4.55 billion in December 2021, slightly increasing compared to the previous month (EUR 4.52 billion). At the end of December 2021, net assets of local open-ended bond and fixed income funds continued to decrease (-1%), while net assets of all the other type of funds registered increases compared to the previous month.

**Open-end investment funds' market share by Fund Type and Net Asset (December 2021)**

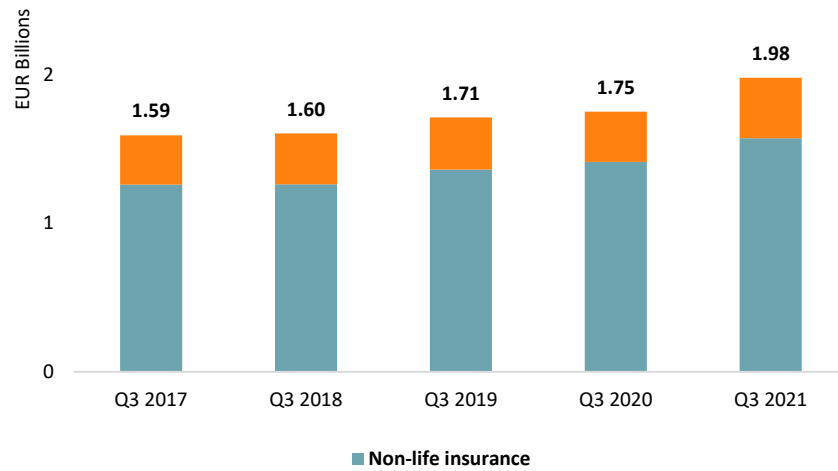


In December 2021, open-end bond and fixed income instruments funds hold the largest share in total net assets of OeIF (around 60%), while the "other funds" category has a market share of approximately 19%.

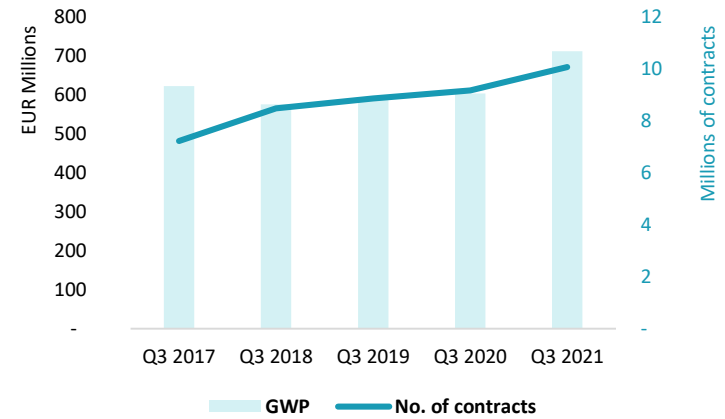
Source: AAF

## Specific developments in the insurance market in Romania

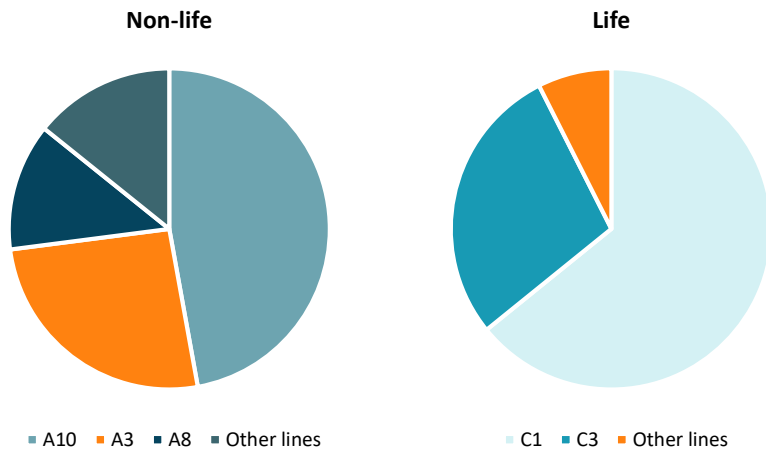
Gross written premiums (total)



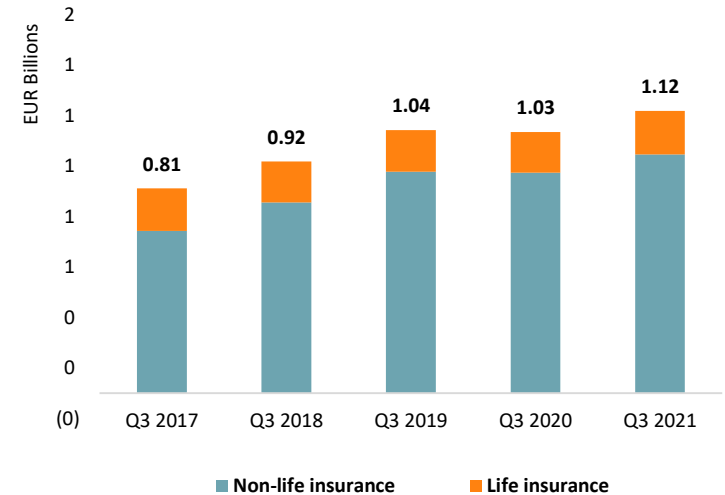
MTPL gross written premiums



Share of main insurance classes by GWP



Gross claims paid

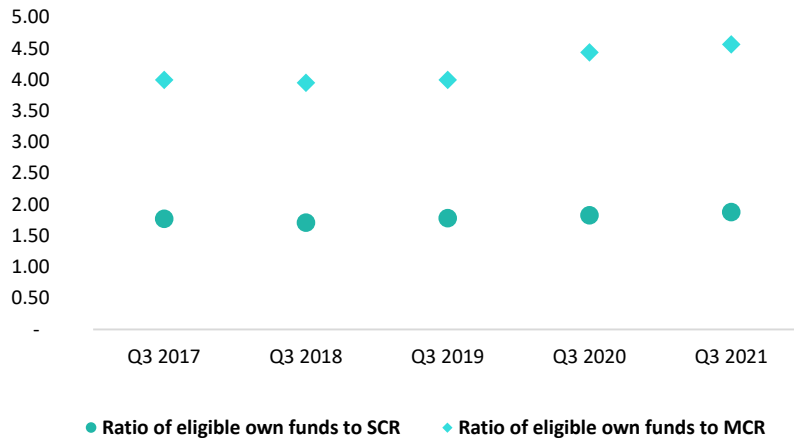


Source: ASF

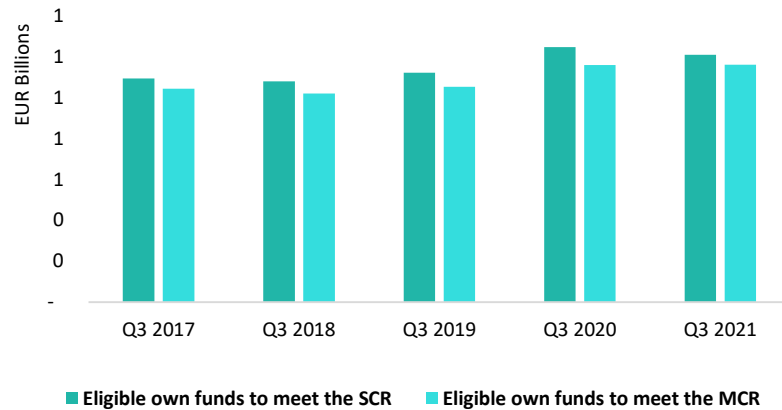


## Specific developments in the insurance market in Romania

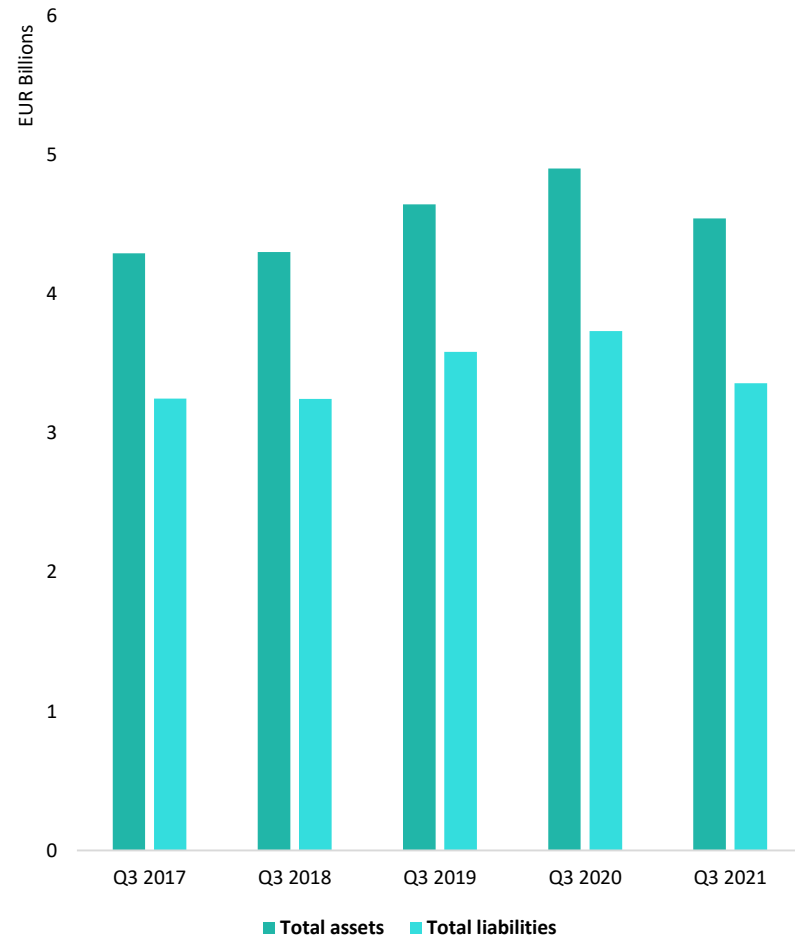
Ratio of eligible own funds to SCR and Ratio of eligible own funds to MCR



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



Total assets and total liabilities



Source: ASF, provisional data

## Press releases and publications of European and international financial institutions in January 2022

<b>EUROPEAN UNION</b>	<ul style="list-style-type: none"> <li>• 11 January: <a href="#">EC and OECD - INFE publishes the joint EU/OECD-INFE financial competence framework for adults.</a></li> </ul>
<b>ESMA</b>	<ul style="list-style-type: none"> <li>• 4 January: <a href="#">ESMA publishes guidance on appropriateness and execution-only requirements under MiFID II.</a></li> <li>• 4 January: <a href="#">ESMA launches call for evidence on the use of distributed ledger technology for trading and settlement.</a></li> <li>• 5 January: <a href="#">ESMA publishes guidelines on delayed disclosure under MAR.</a></li> <li>• 20 January: <a href="#">ESMA launches a common supervisory action with NCAs on valuation of UCITS and open-ended AIFs.</a></li> <li>• 26 January: <a href="#">ESMA clarifies how to report net short positions between 28 and 31 January 2022 when the reporting threshold changes from 0.2% to 0.1%.</a></li> <li>• 27 January: <a href="#">ESMA consults on the review of MiFID II suitability guidelines.</a></li> </ul>
<b>EIOPA</b>	<ul style="list-style-type: none"> <li>• 6 January: <a href="#">EIOPA publishes report on the application of the Insurance Distribution Directive.</a></li> <li>• 24 January: <a href="#">EIOPA releases its Consumer Trends Report.</a></li> <li>• 27 January: <a href="#">EIOPA publishes third paper on methodological principles of insurance stress testing climate risks.</a></li> </ul>
<b>IOSCO</b>	<ul style="list-style-type: none"> <li>• 13 January: <a href="#">IOSCO consults on lessons learned from the operational resilience of trading venues and market intermediaries during the pandemic.</a></li> <li>• 17 January: <a href="#">IOSCO consults on measures to address risks arising from digitalisation of retail marketing and distribution.</a></li> <li>• 18 January: <a href="#">IOSCO presents a set of good practices related to the use of global supervisory colleges in securities market.</a></li> </ul>
<b>IMF</b>	<ul style="list-style-type: none"> <li>• January: <a href="#">IMF updates World Economic Outlook.</a></li> </ul>