



Gross premiums written by insurance companies in 2024 were EUR 3.84 bn. in the general insurance segment and EUR 872 mn. in the life insurance segment.

MONTHLY MARKET REPORT

ASF No. 3 - 3/25/2025

The report is realized with a reference date of February 28 2025

Summary

- According to data published by the National Institute of Statistics, the gross domestic product in the fourth quarter of 2024 increased by 0.8% compared to the third quarter of 2024. Locally, the annual CPI inflation rate stood at 5.0% in February 2025 compared to February 2024.
- The total value traded on the Bucharest Stock Exchange in February 2025 was EUR 174 mn., with a monthly increase of 3,6% compared to the previous month.
- Most BVB indices showed positive developments (1 month), with the highest increase being achieved by the BET-BK (3.4%) and BET-NG (3.39%) indices. In March, the volatilities of the BET, BET-NG, BET-BK, BET-TR and BET-FI indices generally had a downward trajectory after an episode of growth at the beginning of the month.
- The contagion index increased rapidly in March 2025, indicating a sharp increase in market interconnection between February and March and marking a structural increase in contagion effects, reinforcing the idea that this dynamic has systemic significance.
- The EUR/RON exchange rate remains tightly bound between 4.9725 and 4.9775, indicating remarkable nominal stability over the three months analyzed. This is consistent with the managed float regime under an inflation targeting regime of the National Bank of Romania.
- The stock market capitalization recorded an increase of around 25.5% on February 28, 2025 compared to the end of 2023. Compared to the end of 2024, the stock market capitalization increased by 5.4%.
- According to data published by AAF, the net assets of open-end (local) investment funds stood at EUR 4.78 bn. in January 2025, slightly increasing compared to the level recorded in December 2024 (EUR 4.7 bn.).
- Gross premiums written by insurance companies in 2024 were EUR 3.84 bn. in the general insurance segment and EUR 872 mn. in the life insurance segment.
- At the end of February 2025, the value of the assets of Pillar II pension funds reached EUR 31.7 bn., up 21% compared to the same date of the previous year.

World Macroeconomic Outlook

According to the autumn 2024 economic forecast, the European Commission kept **GDP growth for the euro area at 0.8%. For the EU, the European Commission forecasts a GDP growth of 0.9% in 2024**, a slight downward revision (0.1 percentage points) from the previous forecast (Spring 2024 Economic Forecast). According to the European Commission, **Romania's gross domestic product will grow by 1.4% in 2024**, which represents a downward revision (from 3.3%: economic forecasts from the spring of 2024).

In the fourth quarter of 2024, **seasonally adjusted GDP** increased by 0.2% in the euro area and by 0.4% the EU, compared with the previous quarter, according to a preliminary estimate published by Eurostat. For the year 2024 as a whole, GDP increased by 0.9% in the euro area and by 1.0 in the EU, after +0.4% in both zones in 2023.

According to data published by the **National Institute of Statistics**, at the local level, gross domestic product in the fourth quarter of 2024 increased by 0.8% compared to the third quarter of 2024. Gross domestic product recorded an increase of 0.7% compared to the same quarter of 2023 on the gross and seasonally adjusted series.

The **National Strategy and Forecast Commission** has revised down the economic forecast for gross domestic product growth for 2024 to 1% according to the CNSP autumn 2024 forecast (from 2.81% according to the CNSP summer 2024 forecast).

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

Region/country	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	European Commission		IMF	
									2024f	2025f	2024f	2025f
Eurozone	1.7	0.2	-0.3	0	0.4	0.2	0.7	1.3	0.8	1.3	0.8	1
Germany	0.6	-0.4	-0.7	-0.4	-0.3	-0.8	0.1	0.1	-0.1	1.7	-0.2	0.3
Bulgaria	2.2	2	1.6	1.8	1.9	1.9	2.3	2.6	2.4	2.9	2.3	2.5
Hungary	-1.3	-2.6	-0.1	0.1	-0.9	1.1	1.5	-0.8	0.6	1.8	1.5	2.9
Poland	-0.8	-1.2	0.8	1.5	0.1	1.5	4.3	1.6	3	3.6	3	3.5
Romania	1.6	3	2.9	2	2.4	2.3	0.9	-0.1	1.4	2.5	1.9	3.3

Source: Eurostat, % change compared with the same quarter of the previous year - seasonally adjusted data, EC - Autumn 2024 Economic Forecast, World Economic Outlook – October 2024, IMF

World Macroeconomic Outlook

Monetary policy interest rates

România	Eurozone	US	UK
6.50%	2.65%	4.50%	4.50%
-	↘	-	-

Following the monetary policy meeting on February 14, 2025, the **National Bank of Romania decided**: to maintain the monetary policy interest rate at 6.50% per annum; to maintain the interest rate for the lending facility (Lombard) at 7.50% per annum and the interest rate on the deposit facility at 5.50% per annum and to maintain the current levels of the minimum reserve requirements for liabilities in lei and foreign currency of credit institutions.

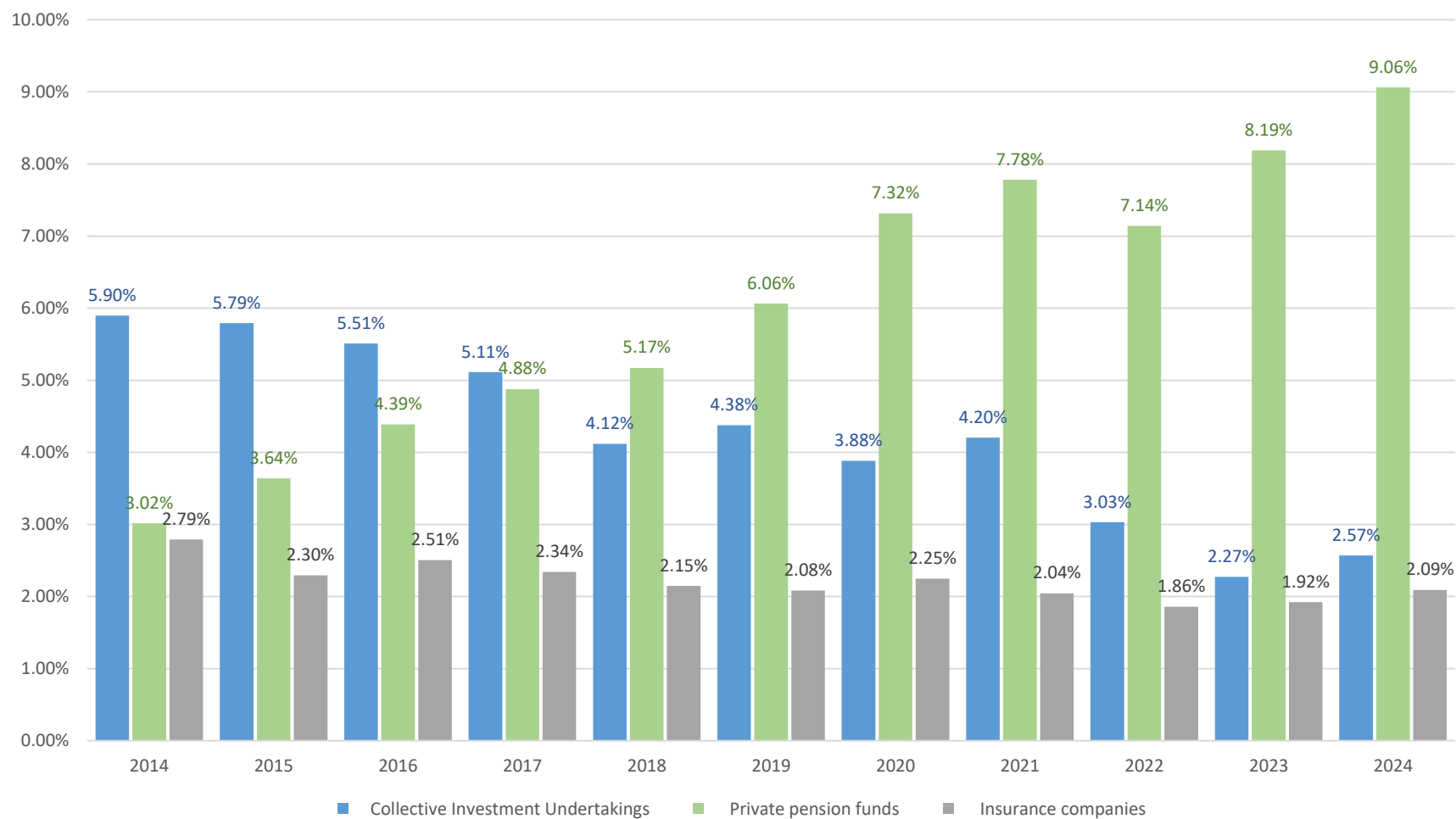
The Economic Sentiment Indicator (ESI) reached 97.1 points in the European Union in February 2025, registering a slight increase compared to the previous month. In February 2025, confidence in the industrial sector increased by 1.4 points compared to the previous month. In Romania, the economic sentiment indicator had a value of 101.2 points, increasing compared to the previous month. At the same time, consumer confidence increased by 3.3 points, to a value of -17 points.

According to data published by Eurostat, **the annual inflation rate in the euro area** was 2.3% in February 2025, decreasing from 2.5% in the previous month. The largest contribution to the annual inflation rate in the euro area came from services (+1.66 percentage points, pp), followed by food, alcohol & tobacco (+0.52 pp), non-energy industrial goods (+0.14 pp) and energy (+0.01 pp). The lowest annual rates were registered in France (0.9%), Ireland (1.4%) and Finland (1.5%). The highest annual rates were recorded in Hungary (5.7%), Romania (5.2%) and Estonia (5.1%). Compared with January 2025, annual inflation fell in fourteen Member States, remained stable in six and rose in seven.

Locally, the **annual CPI inflation rate** remained at 5.0% in February 2025 compared to February 2024. Significant contributions to the annual inflation rate were made by the increase in prices of food goods (+4.54%), non-food goods (+4.79%) and services (+4.62%), according to data published by the INS..

Dimension of non-bank financial sector

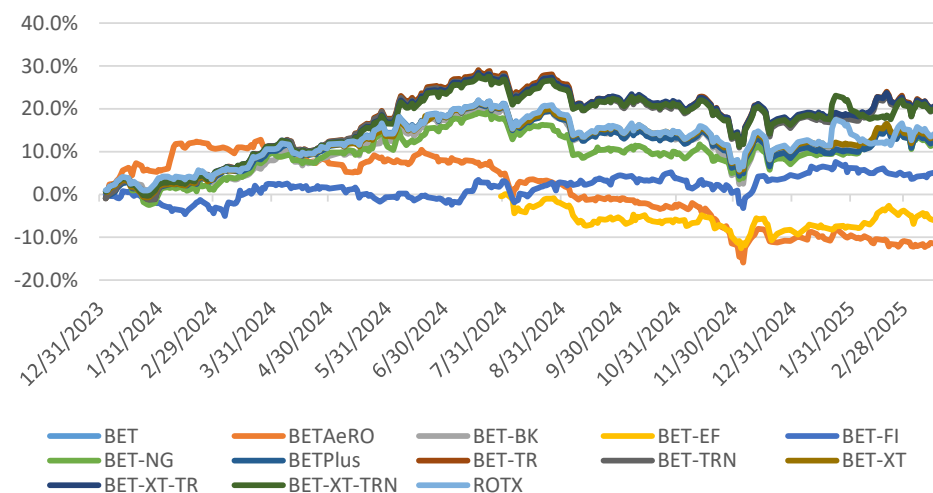
Evolution of non-banking system's assets (% of GDP*)



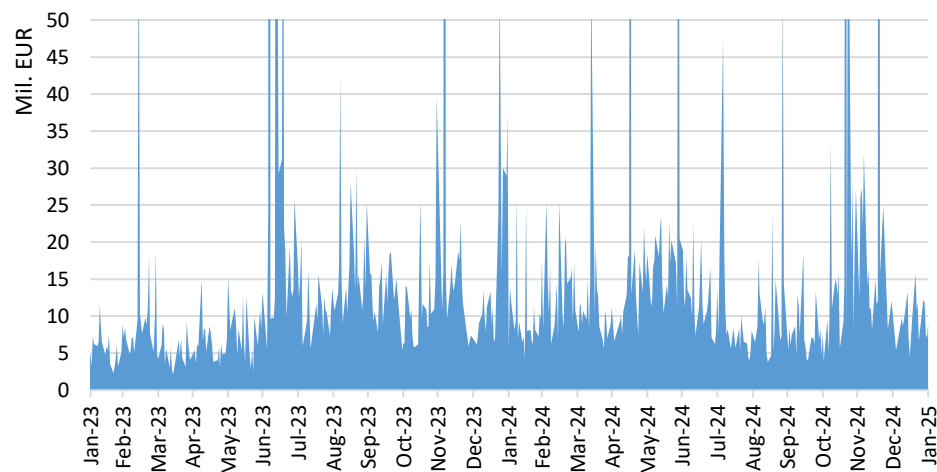
Source: NBR, ASF, NIS (*GDP gross series, sum of the last 4 quarters Q4 2023+Q1 2024+Q2 2024+Q3 2024+Q4 2024)

Current trends in Romanian capital markets

Evolution of local stock indices (29.12.2023=100%)



Equities traded value on BSE (EUR)



Source: BVB; ASF calculations

Romanian stock indices evolution in 2025 (30.12.2024 = 100)

Date: 3/20/2025

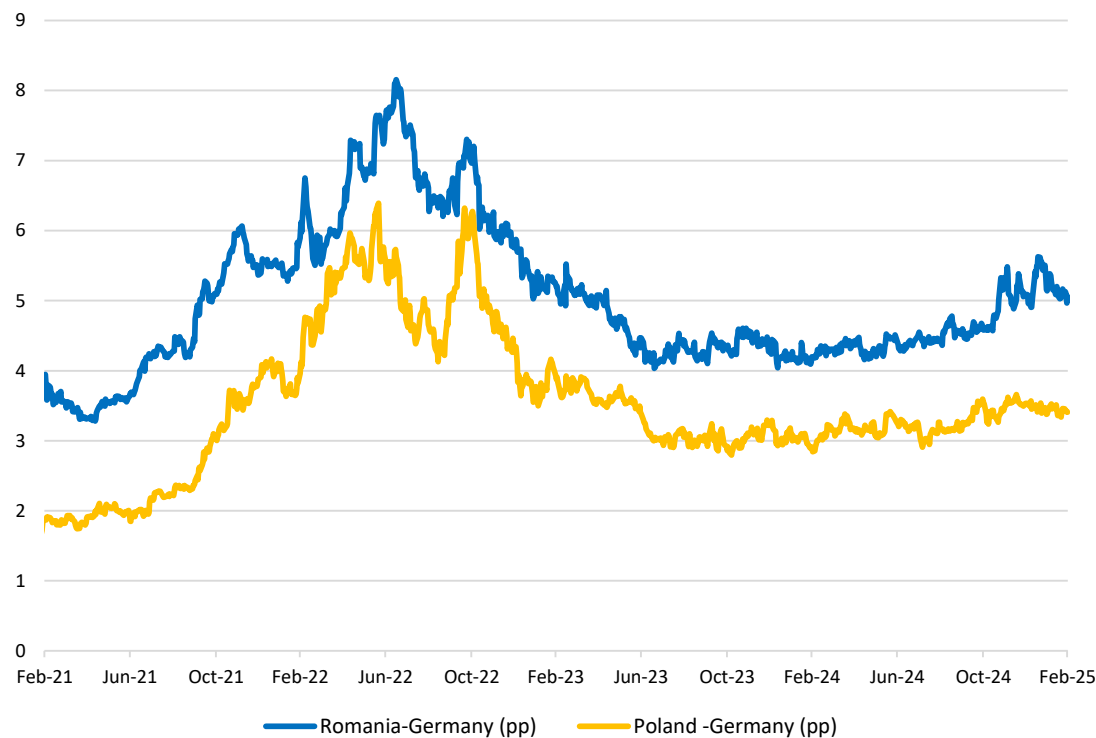
BET	BET-FI	BET-NG	BET-XT
3.6%	0.7%	3.9%	3.0%
BET-BK	BETPlus	BET-TR	BET-XT-TR
4.0%	3.4%	3.6%	3.0%
BET-TRN	BET-XT-TRN	BETAeRO	ROTX
3.6%	3.0%	-0.9%	3.4%

Source: BSE data, ASF calculations (% change vs. 12/30/2024)

Total traded value on Bucharest Stock Exchange in February 2025 was EUR 174 mn, with a monthly increase of 3,6%.

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

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



The spread between Romania's 10-year euro-denominated sovereign bonds and the similar ones of Germany slightly decreased in February 2025 (5.06 pp), remaining below the values recorded during 2022.

Market risk: evolution of local and international stock indices

International and local stock indices yields

International indices	1 M	3 M	6 M	12 M
EA (EUROSTOXX)	3.37%	12.19%	9.43%	12.29%
FR (CAC 40)	2.03%	12.11%	6.30%	2.32%
DE (DAX)	3.77%	14.90%	19.28%	27.57%
IT (FTSE MIB)	5.99%	15.68%	12.46%	18.64%
GR (ASE)	3.77%	15.38%	12.34%	12.85%
IE (ISEQ)	7.61%	14.30%	12.31%	15.74%
ES (IBEX)	7.91%	14.65%	17.06%	33.46%
UK (FTSE 100)	1.57%	6.30%	5.17%	15.46%
US (DJIA)	-1.58%	-2.38%	5.48%	12.42%
IN (NIFTY 50)	-5.89%	-8.31%	-12.33%	0.65%
SHG (SSEA)	2.16%	-0.18%	16.84%	10.12%
JPN (N225)	-6.11%	-2.75%	-3.86%	-5.13%

The European indices had positive developments in the last month. The most important increases were observed in the case of the IBEX (ES: +7.91%), ISEQ (IE: +7.61%) and FTSE MIB (IT: +5.99%) indices.

The American DJIA index showed a decrease of 1.58%. The stock market indices in Japan and India had significant decreases in the last month (N225 JPN: -6.11%, NIFTY 50 IN -5.89%), while the Chinese index (SSEA SHG) increased by 2.16%.

BSE Indices	1 M	3 M	6 M	12 M
BET	3.07%	7.19%	-3.46%	10.26%
BET-FI	-1.66%	4.06%	1.59%	9.25%
BET-NG	3.39%	8.05%	-0.39%	12.19%
BET-XT	2.38%	6.63%	-3.26%	9.80%
BET-BK	3.40%	9.45%	-2.92%	11.54%
BETPlus	2.87%	6.77%	-3.67%	9.56%
BET-TR	3.06%	7.19%	-3.37%	17.17%
BET-XT-TR	2.38%	6.63%	-3.18%	16.01%
BET-TRN	3.06%	7.19%	-3.38%	16.58%
BET-XT-TRN	0.85%	6.63%	-3.19%	15.48%
BETAeRO	-1.44%	0.64%	-13.17%	-19.47%
ROTX	1.02%	7.18%	-2.97%	10.30%

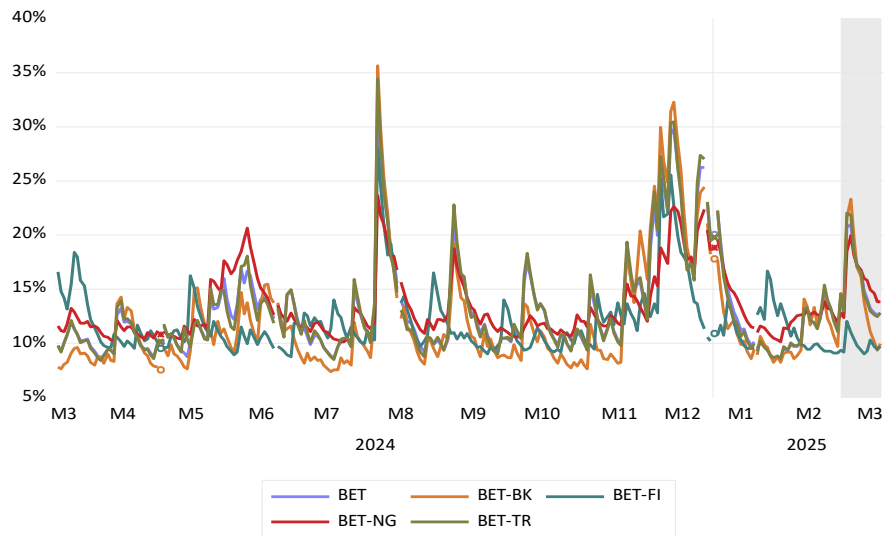
Most of the BVB indices showed positive developments (1 month), the highest increase being achieved by the BET-BK (3.4%) and BET-NG (3.39%) indices.

Source: LSEG, BSE, ASF calculations

Note: 1M = 01/31/2025 vs. 12/30/2024; 3M = 01/31/2025 vs. 10/31/2024; 6M = 01/31/2025 vs. 07/31/2024; 12M = 1/31/2025 vs. 1/31/2024

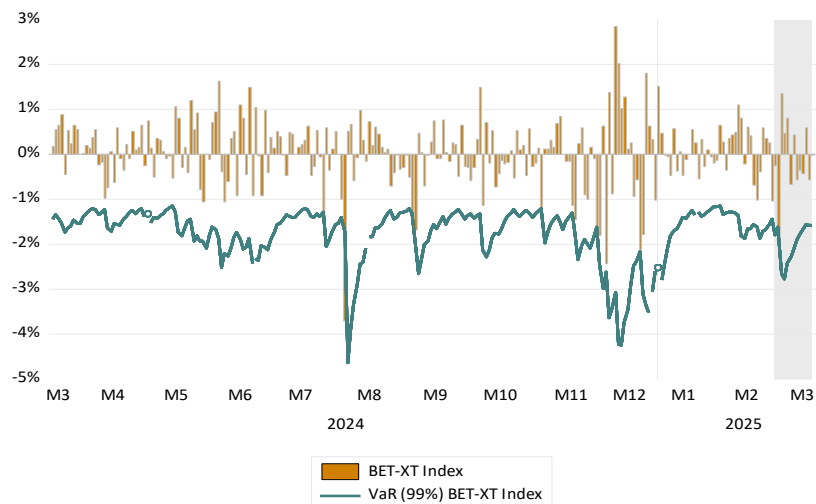
Market risk: evolution of stock indices

The volatility of local stock market indices - GARCH (1.1)



In March, the volatilities of the BET, BET-NG, BET-BK, BET-TR, and BET-FI indices exhibited a prevailing downward trajectory following an initial increase at the beginning of the month. These volatilities were estimated utilizing a GARCH (1,1) model.

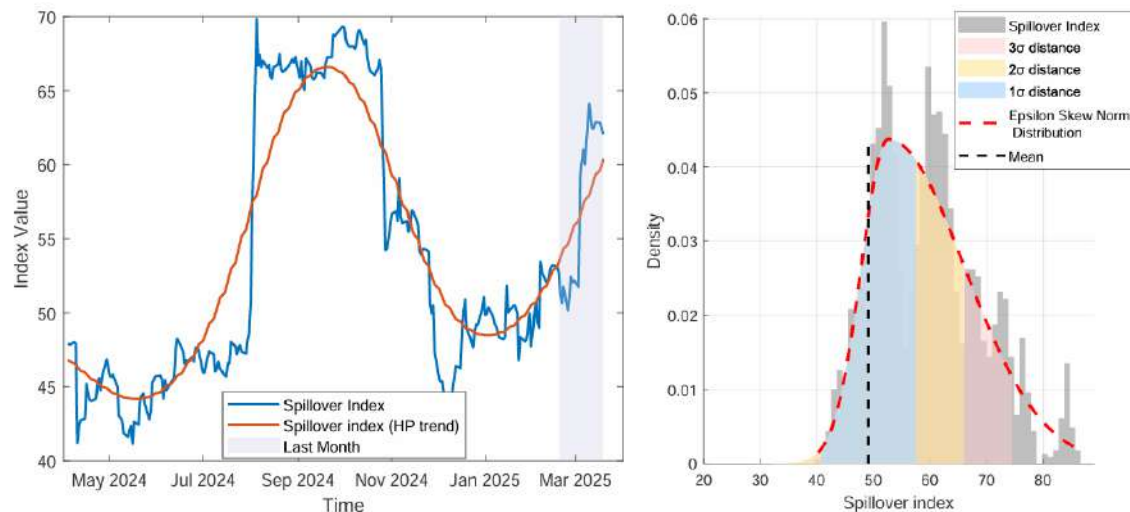
BET-XT Index vs VaR (99%) BET-XT Index



The chart below shows the dynamics of the BET-XT index together with the evolution of Value-at-Risk for a 1% significance level (VaR at 99%) for the next day, estimated under the assumption of normal distribution. Estimates for March indicate that the VaR of the BET-XT index fluctuated in the range 1.5% - 2.7%.

Market Risk: Spillover Index

Spillover index



Source: LSEG, ASF calculations

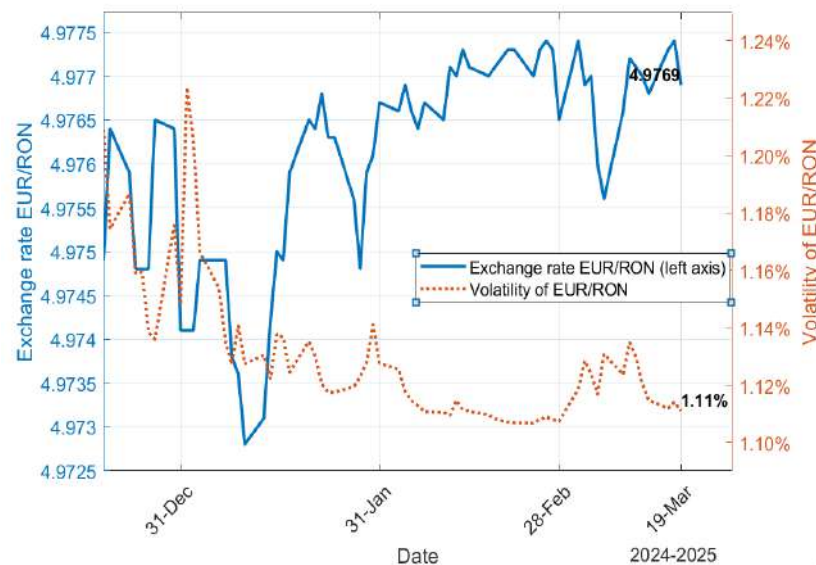
The plot effectively shows the spillover index over time, capturing fluctuations and trends in market dependency. The inclusion of a smoothed trend line (HP trend) is useful for identifying the underlying trend in spillover effects, reducing short-term noise.

In January 2025 the European equities experienced a significant uptrend, with the EURO STOXX 50 index rising by 8.1% in January, marking its strongest monthly performance in two years. Factors such as potential fiscal policy easing in Germany, anticipation of reduced geopolitical tensions, and expectations of resilient corporate earnings contributed to increased investor confidence.

The index rises quickly from ~52 to nearly 65 remaining in the 2 sigma distance, indicating heightened cross-market connectedness or contagion during February-March period. The red (HP-smoothed) line confirms that this rise is not just noise — it marks a structural increase in spillovers, reinforcing the idea that this could be systemically meaningful.

The surge suggests increased synchronization across financial markets is due to a global macro shock (e.g. policy surprise, geopolitical tension) led by the American markets. To test this hypothesis, we conducted a rolling Granger causality analysis across the markets in the VAR system to identify potential sources of shocks.

Market Risk: exchange rate volatility

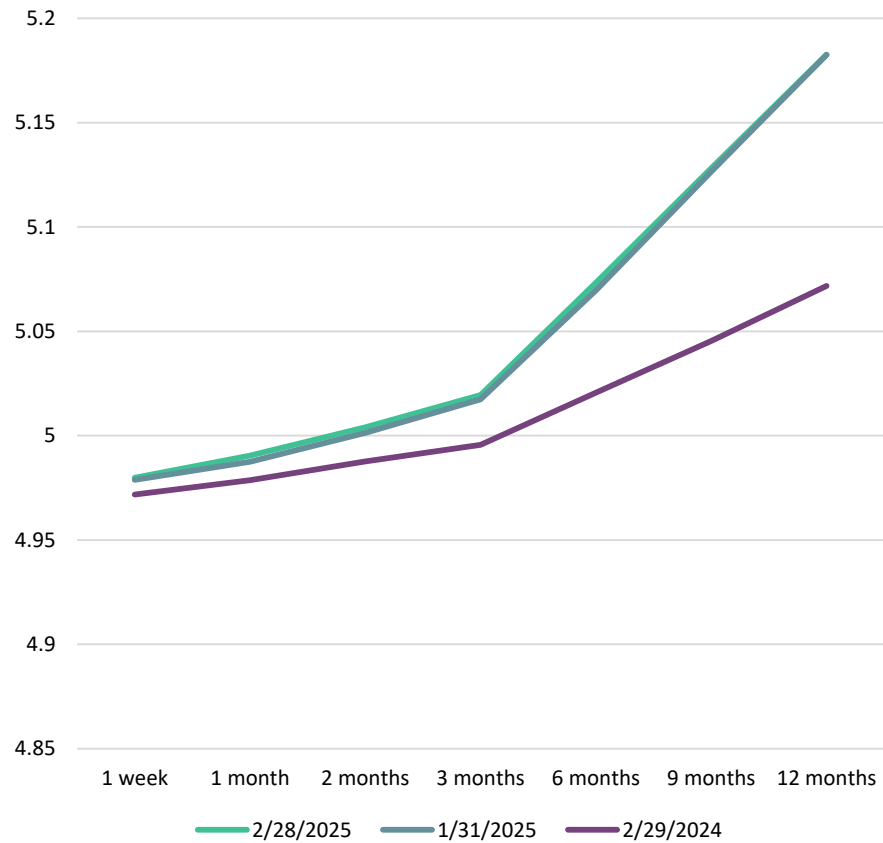


Source: LSEG, ASF calculations

The EUR/RON rate remains tightly bound between 4.9725 and 4.9775, showing remarkable nominal stability over the 3-month window. This is consistent with Romania's managed float regime under inflation targeting — NBR (National Bank of Romania) likely intervenes or signals to dampen volatility. The volatility trend is downward, moving from above 1.24% to 1.11% suggesting reduced perceived macro/monetary uncertainty, anchored inflation expectations, without major speculative pressure on RON. The decline in volatility could reflect successful communication from the ECB or NBR. It also implies a reduction in interest rate differential uncertainty, especially if both regions are stabilizing post-hiking cycles. There's no directional momentum — the price oscillates quietly.

Market Risk: term structure of EUR/RON forward rate

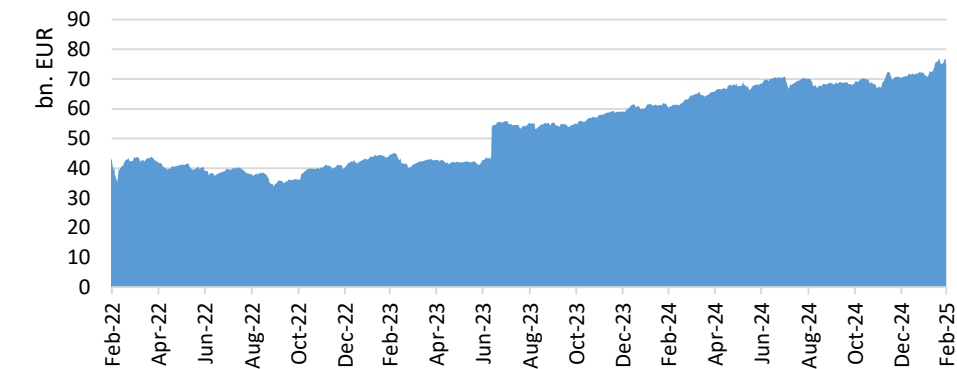
Term structure of EUR/RON forward rate



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 appreciation for maturities between 1 week and 9 months with respect to the previous month.

Liquidity indicators on Romanian Stock Exchange

Market capitalization



The BSE's Most Traded Companies during December 2024

Symbol	Main Market		Deal		Total	
	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
TLV	46,688,483	29.45%	818,264	0.00%	47,506,747	27.32%
SNP	23,269,040	14.68%	8,315,137	57.33%	31,584,176	18.16%
H2O	14,307,529	9.03%	-	0.00%	14,307,529	8.23%
SNG	12,810,108	8.08%	237,091	0.00%	13,047,199	7.50%
BRD	7,549,315	4.76%	847,097	5.84%	8,396,412	4.83%
FP	6,500,413	4.10%	-	0.00%	6,500,413	3.74%
DIGI	3,155,462	1.99%	2,605,169	0.00%	5,760,632	3.31%
ONE	4,785,325	3.02%	-	0.00%	4,785,325	2.75%
GREEN	4,311,325	2.72%	-	0.00%	4,311,325	2.48%
AQ	3,524,390	2.22%	-	0.00%	3,524,390	2.03%
TGN	3,422,507	2.16%	-	0.00%	3,422,507	1.97%
SNN	3,105,125	1.96%	-	0.00%	3,105,125	1.79%
EL	2,922,805	1.84%	-	0.00%	2,922,805	1.68%
TEL	2,856,957	1.80%	-	0.00%	2,856,957	1.64%
STZ	1,325,403	0.84%	-	0.00%	2,217,524	1.28%
Top 15 Total						88.69%

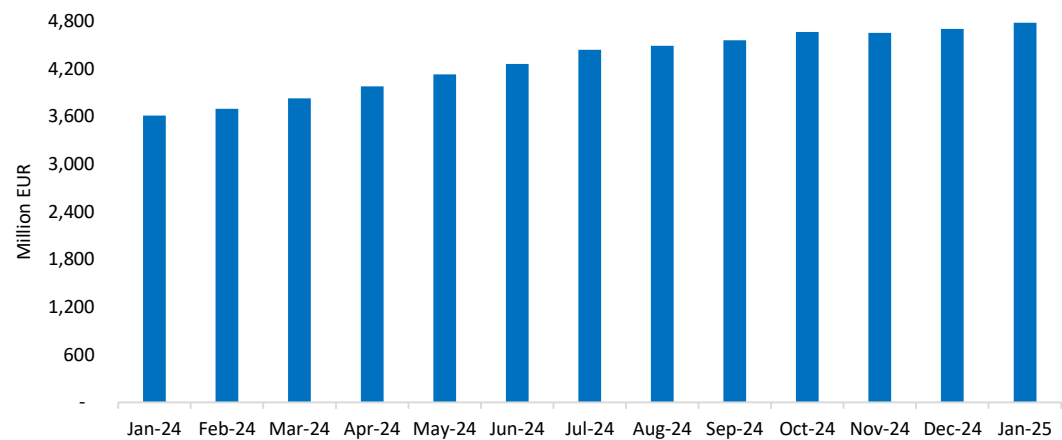
Sursa: BNR, BVB, ASF

The market capitalization showed a 25,5% increase at the end of February 2025 compared to the end of 2023 and a 5.4% increase related to December 2024.

In February 2025, the most traded companies on BSE were Banca Transilvania (TLV: 27%), OMV Petrom (SNP: 18%) and Hidroelectrica (SNG: 8%).

Specific developments in the investment funds sector

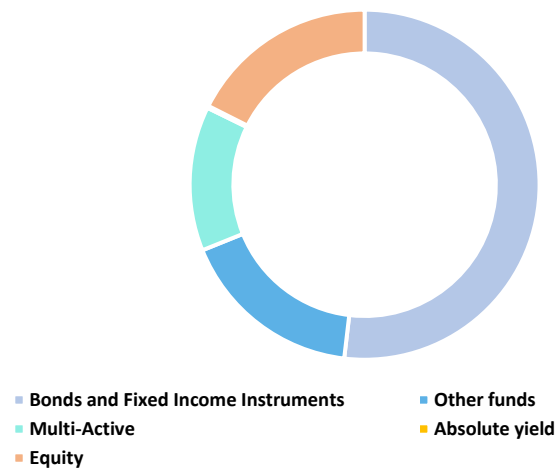
Evolution of net assets of open-end investment funds



According to data published by AAF, net assets of open-end investment funds (OeIF) stood at EUR 4.78 billion in January 2025, up compared to the previous month (EUR 4.70 billion).

In January 2025, open-end bond and fixed income instruments funds hold the largest share in total net assets of OeIF (around 52%), while equity funds have a market share of approximately 18%.

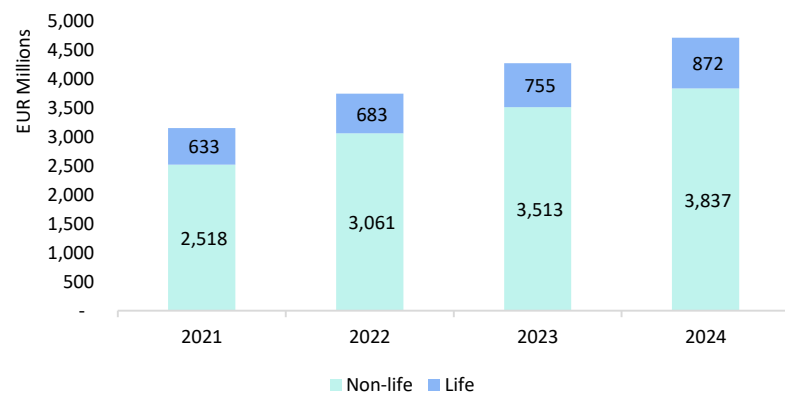
Open-end investment funds’ market share by Fund Type and Net Asset (January 2025)



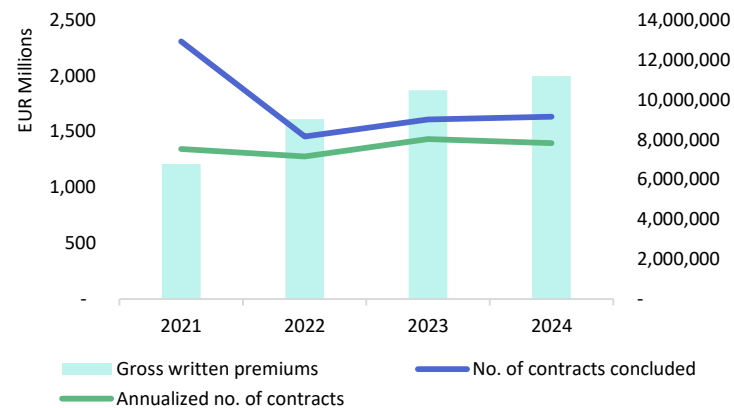
Source: AAF

Specific developments in the insurance market in Romania

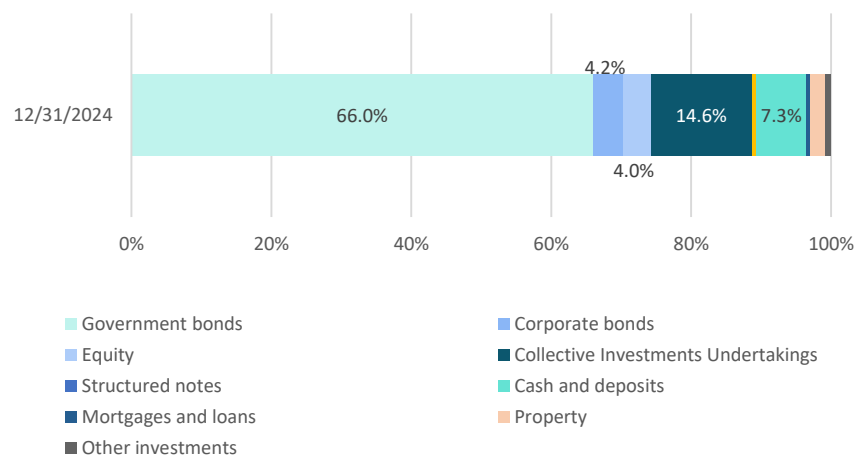
Gross written premiums*



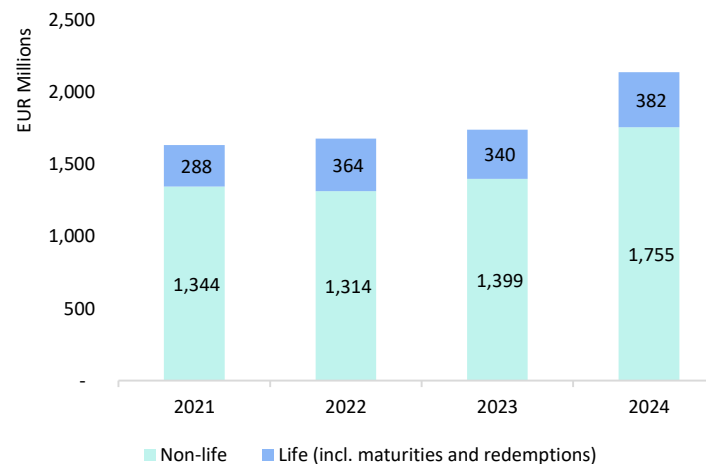
MTPL gross written premiums**



Investment structure of insurance companies

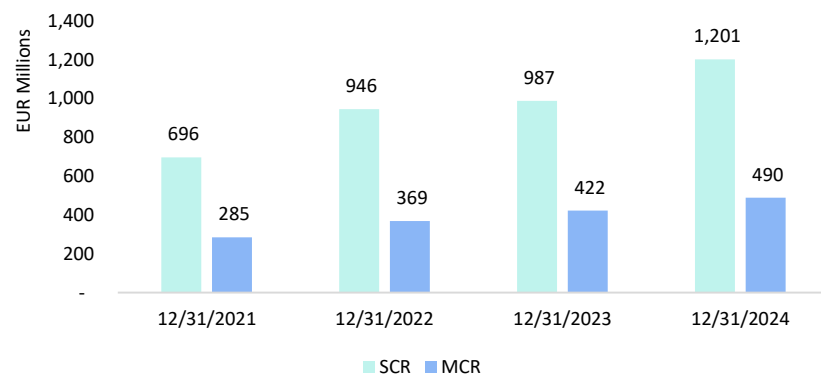


Gross claims paid*

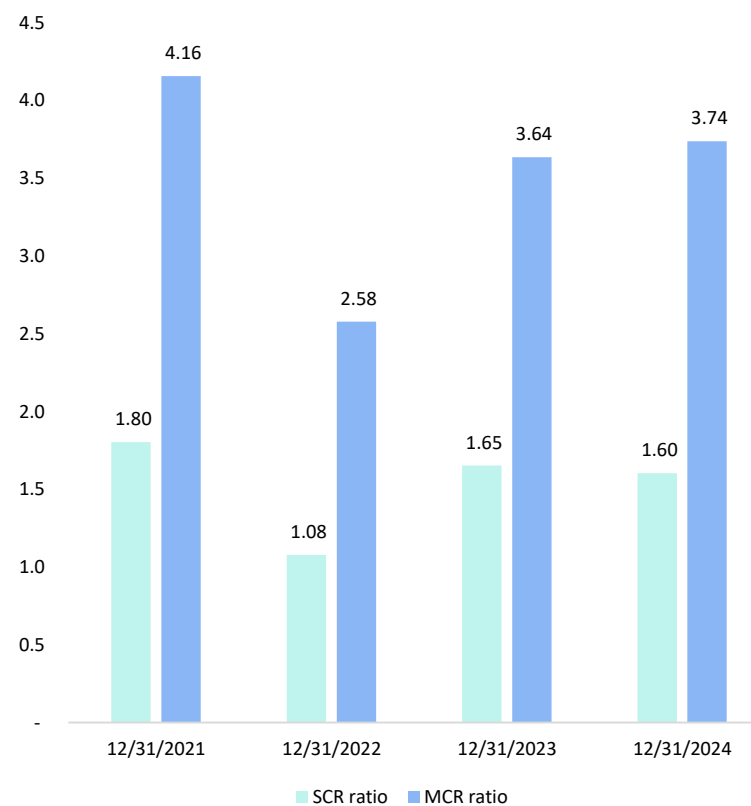


Specific developments in the insurance market in Romania

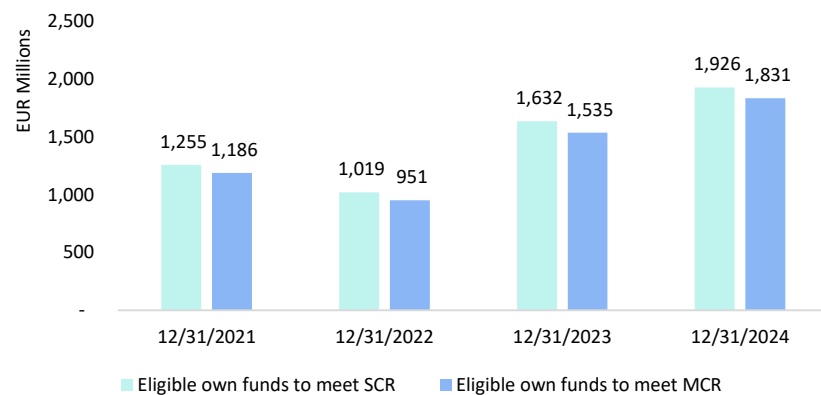
Evolution of capital requirements (SCR and MCR)



SCR and MCR ratio

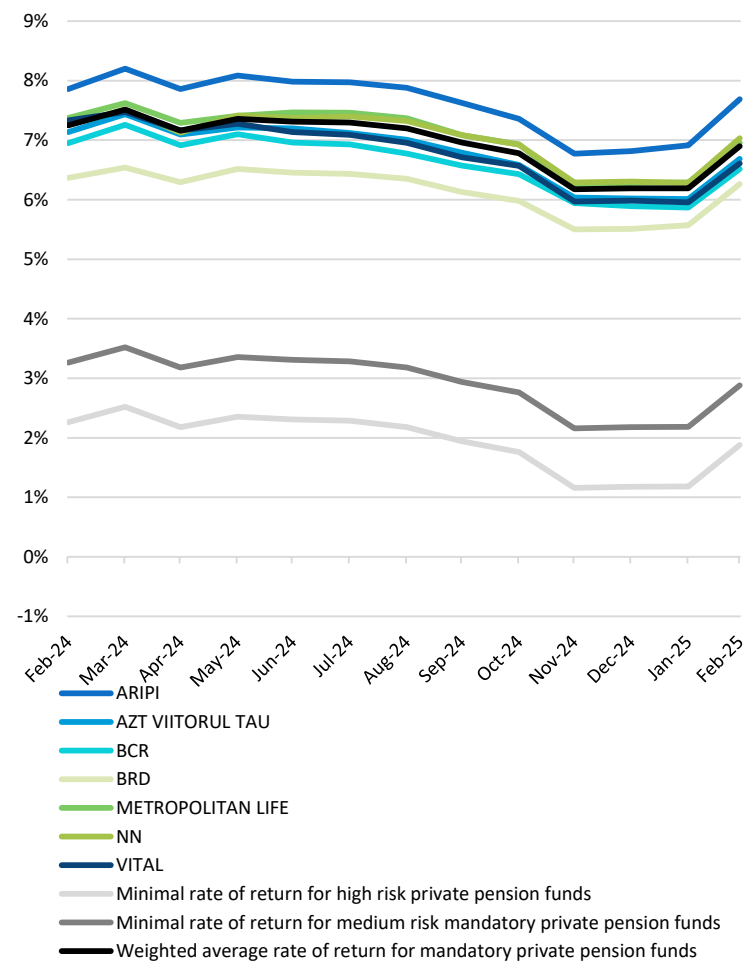


Total eligible own funds to meet the SCR and total eligible own funds to meet the MCR



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

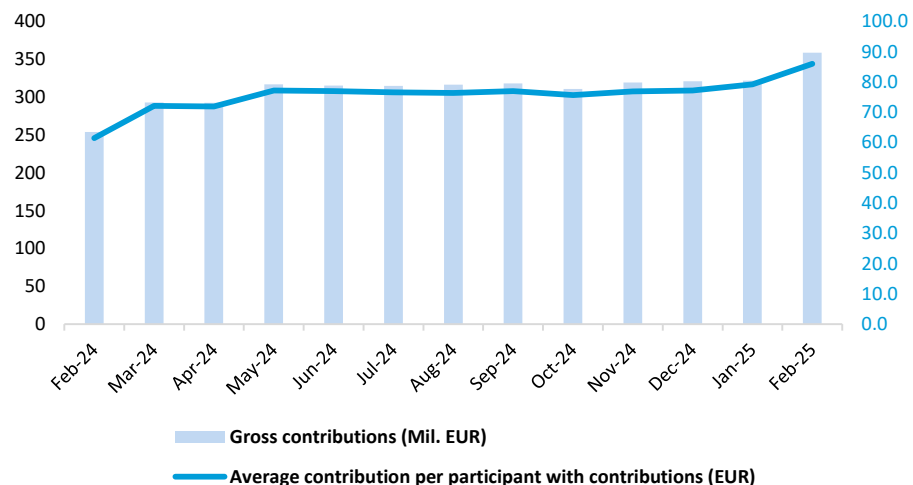
Rate of return for mandatory pension funds



Total assets (EUR), number of participants and return rates 28-Feb-25

Mandatory pension fund	Total Assets (EUR)	Participants (persons)	Annualized 60 months return rate
ARIP	2,950,926,042	897,040	7.6899%
AZT VIITORUL TAU	6,620,079,176	1,698,631	6.6842%
BCR	2,327,951,993	804,184	6.5137%
BRD	1,429,070,850	590,411	6.2654%
METROPOLITAN LIFE	4,449,550,589	1,148,268	6.9544%
NN	10,678,698,347	2,121,538	7.0344%
VITAL	3,238,573,818	1,059,150	6.6101%
Total	31,694,850,815	8,319,222	

Evolution of gross contributions (EUR)



Source: ASF

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

Mandatory pensions funds' aggregate portfolio

28 February 2025

Assets categories	Assets value (EUR)	% of Total assets
Government bonds	21,103,052,520	66.6%
Equity	7,379,649,088	23.3%
Corporate bonds	1,455,337,958	4.6%
Investment funds	1,021,470,614	3.2%
Deposits	653,614,216	2.1%
Derivatives	82,841,998	0.3%
Supranational bonds	47,198,523	0.1%
Private equity	24,203,499	0.1%
Exchange traded commodities	17,938,513	0.1%
Derivatives	1,702,022	0.0%
Other assets	(92,158,135)	-0.3%
Total	31,694,850,815	100.0%

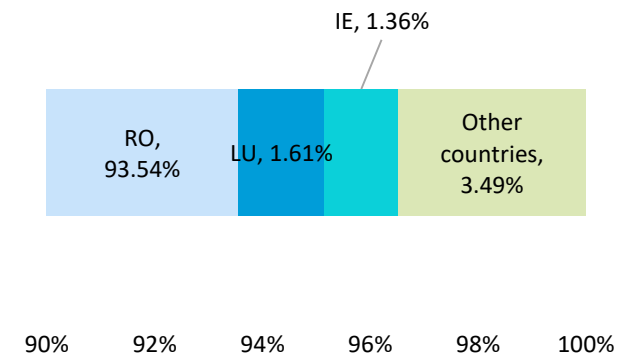
The value of the total assets of the privately managed pension funds reached EUR 31.7 billion at the end of February 2025, with an annual increase of 21%, compared to February 2024.

Approximately 94% of the assets were invested locally, the majority being denominated in RON. Most Romanian instruments are represented by government bonds and equities listed on the Bucharest Stock Exchange.

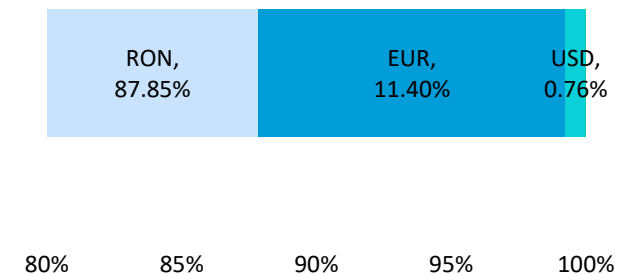
The value of gross contributions in February 2025 was EUR 359 millions, while the average contribution was EUR 86.

Source: ASF

Country exposure

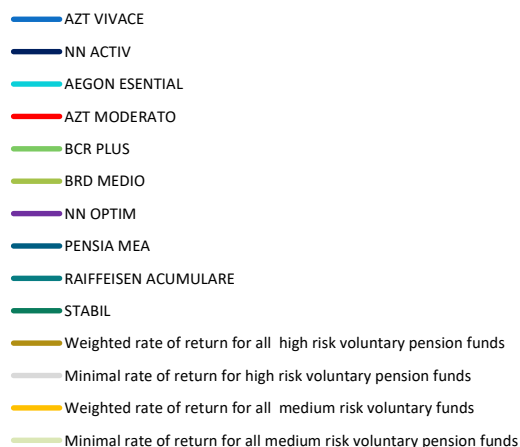
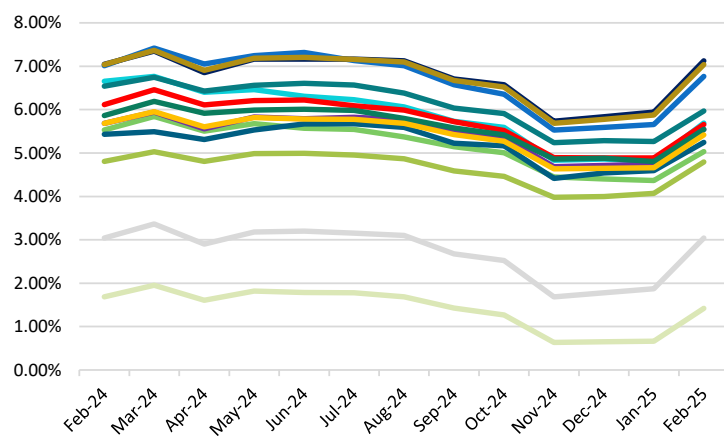


Currency exposure



Specific developments in the voluntary private pension funds sector (3rd Pillar):

Rate of return for voluntary pension funds

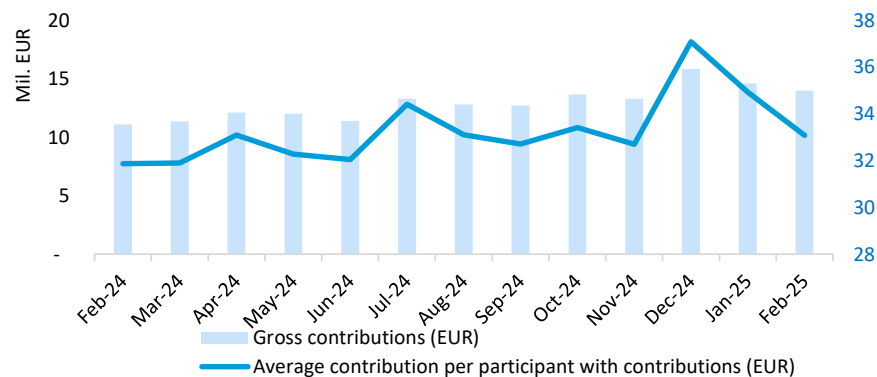


Total assets (EUR), number of participants and return rates

28-Feb-25

Voluntary pension fund	Total assets (EUR)	Participants (persons)	Annualized 60 months return rate
FPF AZT MODERATO	106,546,722	50,968	5.6568%
FPF AZT VIVACE	37,726,131	22,801	6.7640%
FPF BCR PLUS	175,597,407	161,745	5.0359%
FPF BRD MEDIO	52,660,816	37,008	4.7912%
FPF ESENTIAL	3,619,495	4,881	5.6880%
FPF NN ACTIV	148,991,152	83,274	7.1234%
FPF NN OPTIM	508,894,967	279,364	5.5451%
FPF PENSIA MEA	63,418,111	105,014	5.2452%
FPF RAIFFEISEN ACUMULARE	58,542,718	104,258	5.9678%
FPF STABIL	10,621,465	5,880	5.5458%
Total	1,166,618,984	855,193	

Evolution of gross contributions (EUR)



Source: ASF

Specific developments in the voluntary private pension funds sector (3rd Pillar):

Voluntary pensions funds' aggregate portfolio

28 February 2025

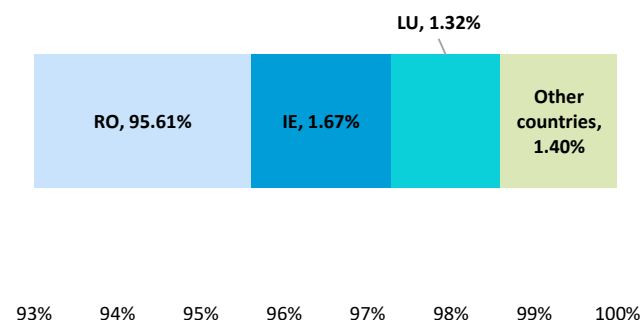
Assets categories	Assets value (EUR)	% of Total assets
Government bonds	770,994,960	66.1%
Equity	294,154,953	25.2%
Corporate bonds	43,153,906	3.7%
Investment funds	33,574,726	2.9%
Deposits	14,274,601	1.2%
Municipal bonds	7,998,924	0.7%
Private equity	1,990,502	0.2%
Exchange traded commodities	1,459,154	0.1%
Supranational bonds	815,148	0.1%
Derivatives	299,771	0.0%
Other assets	(2,097,662)	-0.2%
Total	1,166,618,984	100.0%

At the end of February 2025, the voluntary pension funds' total assets value was EUR 1.67 billions, with an annual increase of 19%, compared to February 2024.

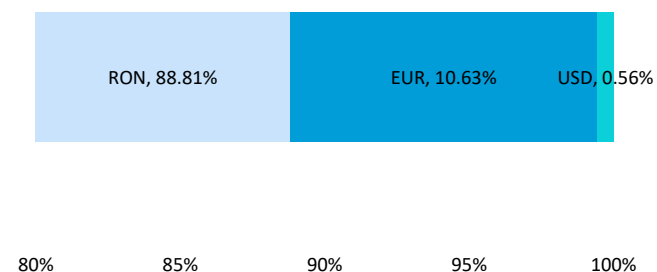
The funds' portfolios were generally invested in local assets, in a percentage of 96%, the majority being denominated in RON (89%).

The value of gross contributions in February 2025 was EUR 14 millions, while the average contribution was EUR 33.

Country exposure



Currency exposure



Source: ASF

Press releases and publications of European financial institutions

ESMA

[TRV Article - Artificial intelligence in EU investment funds: adoption, strategies and portfolio exposures](#)

[Guidelines on maintenance of systems and security access protocols under MiCA](#)

[Guidelines on reverse solicitation under MiCA](#)

[Guidelines on transfer services for crypto-assets under MiCA](#)

[Letter on the Prioritisation of 2025 ESMA deliverables](#)

[Guidelines on explanations and opinions, and the standardised test for crypto-assets under MiCA](#)

[Summary of conclusions Joint BoS-SMSG meeting - December 2024](#)

[List of firms that have met the obligations under the Article 69 or Article 70 of the European Green Bonds Regulation](#)

[ESMA and Bank of England conclude a revised MoU in respect of UK-based CCPs under EMIR - Press Release](#)

[List of Synthetic Securitisations notified to ESMA](#)

[Joint Guidelines on the estimation of aggregated annual costs and losses caused by major ICT-related incidents](#)

[Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments](#)

[Summary of Conclusions Management Board - February 2025](#)

[Summary of Conclusions Board of Supervisors - February 2025](#)

EIOPA

[Peer Review on the supervision of Stochastic Valuation under Solvency II](#)

[ESAs' Opinion on the draft Regulatory Technical Standard on subcontracting under DORA](#)

[Joint Guidelines on estimation of aggregated annual costs and losses caused by major ICT-related incidents under DORA](#)

ESRB

[Microstructure implications of ETF arbitrage with custom baskets](#)

[Mitigating fragility in open-ended investment funds: the role of redemption restrictions](#)



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The report reflects the latest available statistical data, some of which are provisional and will be revised in future editions.

The frequency with which information in tables and graphs is updated is highest for stock market indicators, macroeconomic indicators and investment and pension fund indicators, with most updates occurring monthly, while insurance market indicators are usually updated quarterly.