

Monthly Market Report

The value of the total assets of the privately managed pension funds reached EUR 17.37 billion at the end of November 2021, registering an annual rate of growth of 16%, in terms of EUR.

ASF No.
12/12.22.2021

- In Romania, the economic sentiment indicator registered a lower value than the EU average, standing in November 2021 at a level of 99.5 points;
- In Romania, the annual inflation rate (CPI) was 7.80% in November 2021, a slight decreasing compared to October (+7.94%);
- The market capitalization registered an increase of 40% at the end of November 2021 compared to the end of 2020 and an increase of 19% compared to the end of 2019.

World Macroeconomic Outlook

According to Eurostat data, in the third quarter of 2021, **seasonally adjusted GDP** increased by 2.2% in the euro area and by 2.1% in the EU compared to the previous quarter, being the second consecutive quarter in which the indicator records an advance and recovers from the losses recorded. Compared to the same period of the previous year, seasonally adjusted GDP increased by 3.9% in the euro area and by 4.1% in the EU in the third quarter of 2021.

According to data published by NIS, the **gross domestic product** was, in real terms, higher by 0.4% in **Romania** in the third quarter of 2021 compared to the second quarter of 2021. Compared to the similar period of the previous year, in the third quarter of 2021, Romania's gross domestic product increased by 7.4% on the gross series and by 8,1% on the seasonally adjusted series.

Regarding the forecasts for economic growth, the European Commission (autumn 2021 forecast) estimates a 5.0% increase in both the euro area economy and the EU economy in 2021, a slightly higher revision (+0.2pp) compared to the 2021 summer forecast.

Evolution of GDP (%) and GDP forecast (%) in the period 2019 - 2022

Country	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	Q2 2021	Q3 2021	European Commission		IMF	
										2021f	2022f	2021f	2022f
Euro area	1.6	-3.1	-14.5	-4.1	-4.4	-6.4	-1.1	14.4	3.9	5.0	4.3	5.0	4.3
Germany	1.1	-1.9	-11.3	-3.7	-2.9	-4.6	-3.0	10.0	2.6	2.7	4.6	3.1	4.6
Spain	2.1	-4.3	-21.5	-8.7	-8.8	-10.8	-4.2	17.5	2.7	4.6	5.5	5.7	6.4
France	1.8	-5.4	-18.6	-3.6	-4.3	-7.9	1.5	18.8	3.3	6.5	3.8	6.3	3.9
Italy	0.4	-5.9	-18.1	-5.4	-6.6	-8.9	-0.6	17.1	3.9	6.2	4.3	5.8	4.2
Bulgaria	4.0	-1.0	-7.7	-4.6	-2.9	-4.4	-1.4	7.1	4.6	3.8	4.1	4.5	4.4
Croatia	3.5	1.0	-14.2	-10.4	-7.4	-8.1	-0.5	16.8	15.5	8.1	5.6	6.3	5.8
Hungary	4.6	1.8	-13.3	-4.5	-3.4	-4.7	-1.5	17.3	6.1	7.4	5.4	7.6	5.1
Poland	4.7	2.2	-7.8	-1.9	-2.5	-2.5	-1.1	10.9	5.5	4.9	5.2	5.1	5.1
Romania*	4.2	2.4	-9.9	-5.1	-2.2	-3.7	-0.4	13.8	8.1	7.0	5.1	7.0	4.8

Source: Eurostat, percentage change compared with the same quarter of the previous year - seasonally adjusted data, European Commission, Autumn 2021 Economic Forecast, World Economic Outlook – October 2021, IMF, * update with INS data according to the press release published on 07.12.2021

According to the European Commission's forecast (autumn 2021 forecast), Romania's gross domestic product will increase by 7% in 2021, a downward revision compared to the EC estimate in the 2021 summer forecast (7.4%).

The **National Commission for Strategy and Prognosis** maintained at 7% the economic forecast regarding the GDP growth rate for 2021, amid the return of activity in industry (+5.9%), agriculture (+20.3%) and services (+6.8%) compared to 2020. According to NCSP, for the construction sector is estimated an increase in gross value added by 0.2%.

World Macroeconomic Outlook

The annual inflation rate in the euro area stood at 4.9% in November 2021, up from the rate recorded in October (4.1%). The increase in the annual inflation rate was mainly influenced by the increase in energy prices (+27.5%), given that the annual rate of core inflation (excluding energy and unprocessed food) stood at 2.6% in November 2021. Malta (2.4%), Portugal (2.6%) and France (3.4%) had the lowest inflation rates, while Lithuania (9.3%), Estonia (8.6%) and Hungary (7.5%) recorded the highest rates.

In Romania, the annual inflation rate (CPI) was 7.80% in November 2021, a slight decreasing compared to October (+7.94%). The most significant contribution to the annual inflation rate came from the increasing prices of non-food goods (+10.49%), followed by food goods (+6,10%) and by services (+4,09%).

Turnover from market services provided mainly to enterprises increased in Romania in October 2021 compared to the same period of the previous year by 17.2% as gross series and by 19.0% as seasonally adjusted series. The highest increase was registered by the activities in information services and information technology (+33.1%), followed by other services provided mainly to enterprises (+17.1%), transport activities (+16.7%), activities in film production, video, television programs, broadcasting and transmission of programs (+4.9%) and communications activities (+2.1%).

The **volume of construction works** decreased in Romania by 16.8% as gross series and by 13.7% as seasonally adjusted series in October 2021 compared to the similar period of the previous year. The volume of capital repair works registered the most significant decrease (-37.6%), followed by the volume of current maintenance and repair works (-16.8%) and the volume of new construction works (-13.2%). By construction type, the gross series shows increases in the volume of residential buildings (+29.9%), while the non-residential buildings (-29.3%) and engineering construction works (-26.1%) decreased.

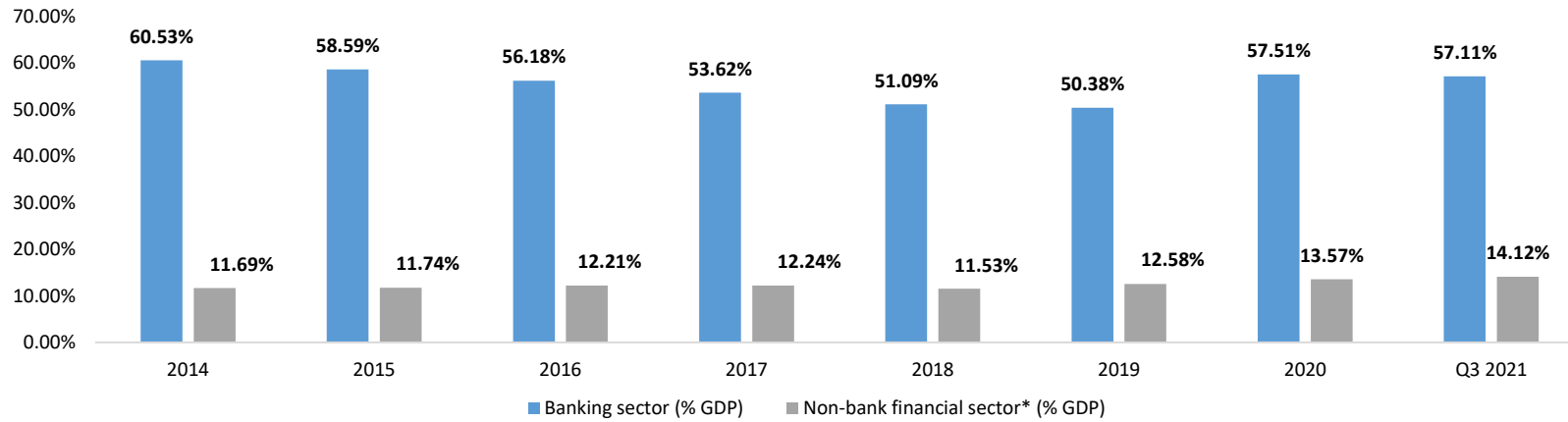
In Romania, the industrial production decreased by 8.6% as gross series and by 6.1% as seasonally adjusted series in October 2021 compared to October 2020. The most significant decreases were recorded by the manufacturing industry (-12.1%) and extractive industry (-3.1%). The production and supply of electricity and heat, gas, hot water and air conditioning increased by 15.3%.

Retail trade (seasonally adjusted series) increased by 0.2% in the euro area and by 0.3% in the European Union, in October 2021 compared to the previous month. Compared to the same period of the previous year, retail trade (seasonally adjusted series) increased by 1.4% in the euro area and by 2.3% in the EU in October 2021. In the EU, the volume increased by 9.0% for the retail trade of fuels and by 3.8% for the non-food products, while the retail trade of food, beverages and tobacco decreased by 0.8%. Among the Member States for which data are available, the largest annual increases in retail trade volume were recorded in Slovenia (+34.4%), Poland (+12.4%) and Estonia (+11.0%), while the most significant decreases were registered in Germany (-2.8%), Latvia (-2.3%) and Ireland (-1.9%). **In Romania, the volume of retail trade turnover** increased in October 2021 by 4.0% as gross series and by 5.5% as a seasonally adjusted series compared to October 2020. The increase in the volume of retail trade turnover was due to the increases in the retail trade of sales of automotive fuel in specialized stores (+6.3%), followed by sales of non-food products (+3.9%) and by the sales of food, beverages and tobacco (+2.7%).

The Economic Sentiment Indicator (ESI) recorded a value of 116.5 points in the European Union in November 2021, exceeding the pre-crisis levels. In November 2021, confidence in retail trade sector registered an increase of 1.6 points compared to the value recorded in the previous month. In Romania, the economic sentiment indicator registered a lower value than the EU average, standing in November 2021 at a level of 99.5 points, decreasing compared to the previous month (99.8 points). In Romania, the confidence in the industrial sector recorded an increase of 1.7 points compared to the value recorded in the previous month, while confidence in the retail trade sector declined by 1.0 points compared to the previous month.

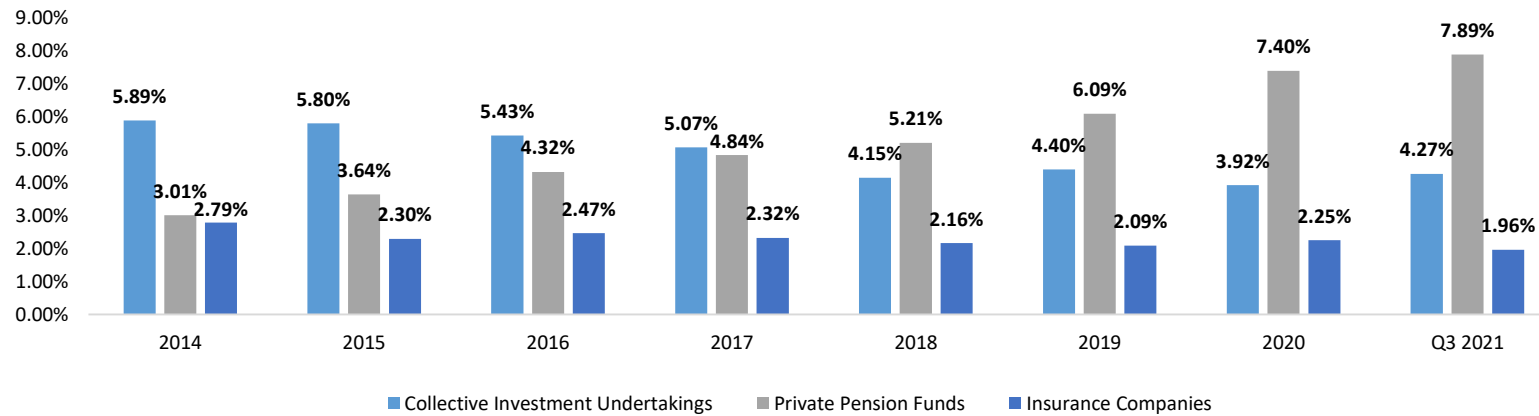
The size of the banking vs. non-banking financial sector

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



*IFNs are not included

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



Source: NBR, NIS, ASF

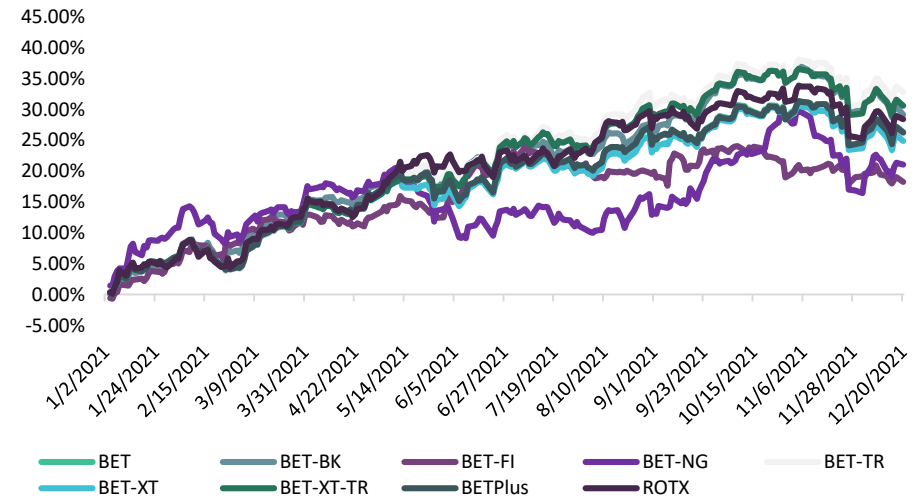
Current trends and headlights on Romanian markets

Romanian stock indices evolution in 2021 (30.12.2020 = 100)

Date	BET	BET-BK	BET-FI	BET-NG	BET-TR
12/20/2021	26.36%	29.17%	18.28%	21.07%	32.81%

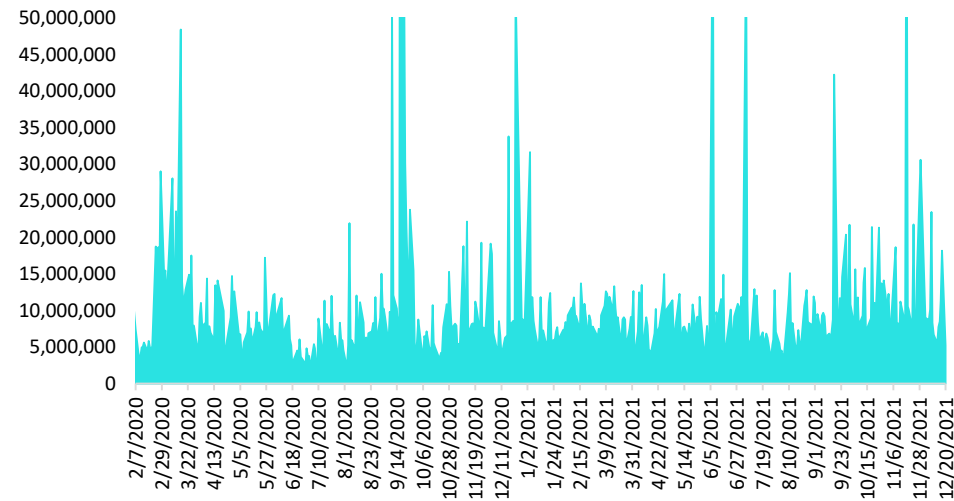
Date	BET-XT	BET-XT-TR	BETPlus	ROTX
12/20/2021	24.90%	30.61%	26.25%	28.45%

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 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Italy	136.0	137.3	136.5	134.3	137.5	149.1	154.2	155.6	159.6	156.3
France	98.7	98.5	99.4	97.5	100.7	113.0	115.4	115.0	117.9	114.6
Spain	98.4	98.5	97.5	95.5	99.2	110.3	114.1	120.0	125.3	122.8
Euro zone	86.0	85.8	85.4	83.6	85.7	94.4	96.6	97.3	100.0	98.3
EU	79.6	79.4	78.8	77.2	78.9	87.2	89.2	90.1	92.4	90.9
Hungary	68.3	67.1	67.1	65.5	65.8	70.2	73.8	80.1	80.8	77.4
Germany	61.1	60.5	60.4	58.9	60.1	66.4	69.1	68.7	69.9	69.7
Poland	48.9	47.7	46.9	45.6	47.5	54.6	56.5	57.4	59.0	57.4
Romania	33.8	33.8	35.1	35.3	37.4	40.7	43.1	47.4	47.7	47.5
Bulgaria	20.7	20.1	20.3	20.0	19.9	21.2	25.0	24.7	24.7	24.7

Source: Eurostat

The government debt-to-GDP ratio in the euro area was 98.3% in the second 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 207.2% (Greece).

Romania is among the EU member states with a low level of indebtedness (47.5%), below the indebtedness of the EU member states of 90.9% of GDP.

According to the NBR, the direct investments of non-residents in Romania (FDI) recorded a value of EUR 6.9 billion in January–October 2021 (compared with EUR 2.1 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 13.9 billion in the first ten months of 2021, compared to EUR 8.8 billion in the same period of the previous year.

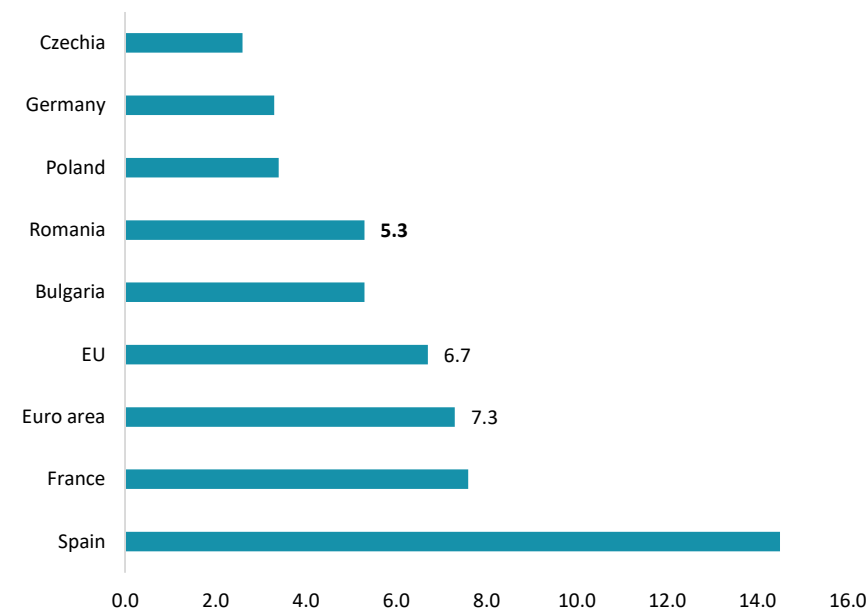
The evolution of the current account was accompanied by an increase in total external debt by EUR 5.8 billion in January–October 2021 to EUR 133 billion.

The seasonally adjusted unemployment rate in the euro area was 7.3%, down 0.1 pp compared to September 2021, while the EU unemployment rate was 6.7% in October 2021, similar value compared to the previous month.

The seasonally adjusted unemployment rate in Romania was 5.3% in October 2021, similar value compared to the previous month, according to data published by NIS.

At local level, the unemployment rate among men (5.7%) is higher than the unemployment rate for women (4.8%).

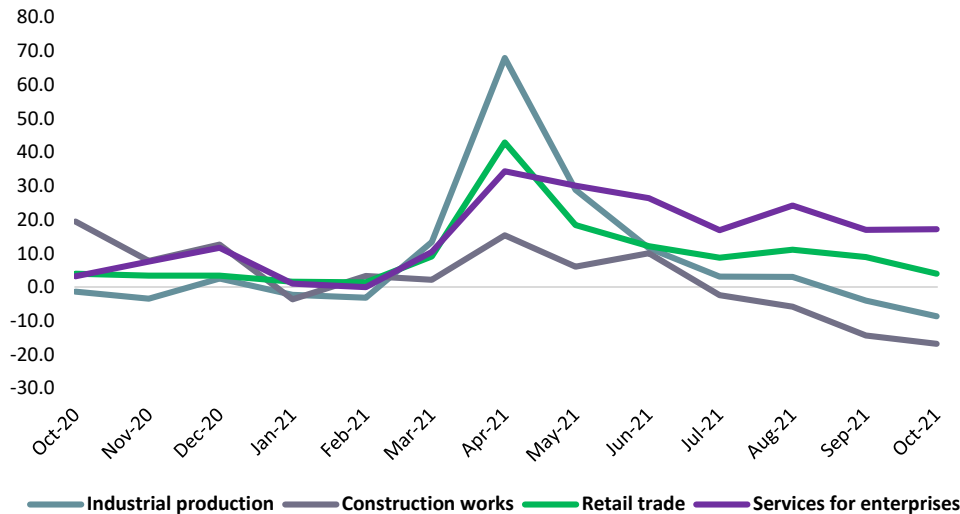
Unemployment rate (October 2021)



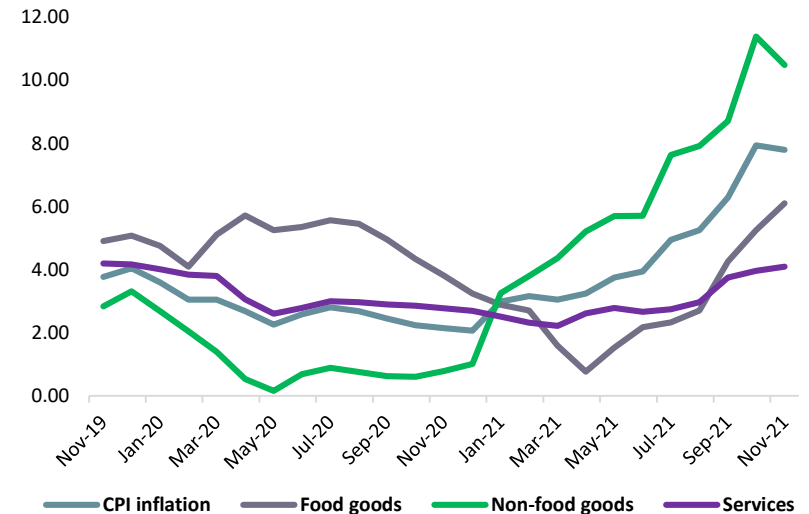
Source: Eurostat

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

Main sector indicators (annual rate of change, %)

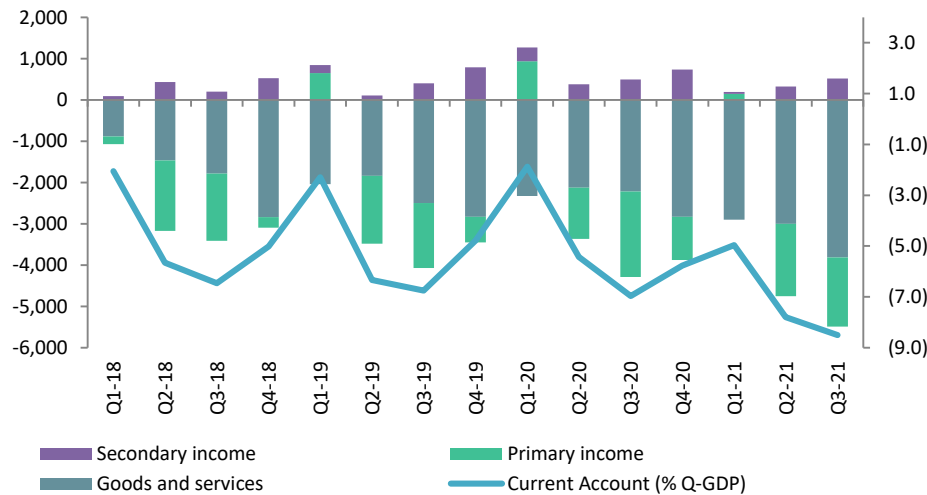


Inflation, monthly data (annual rate of change)



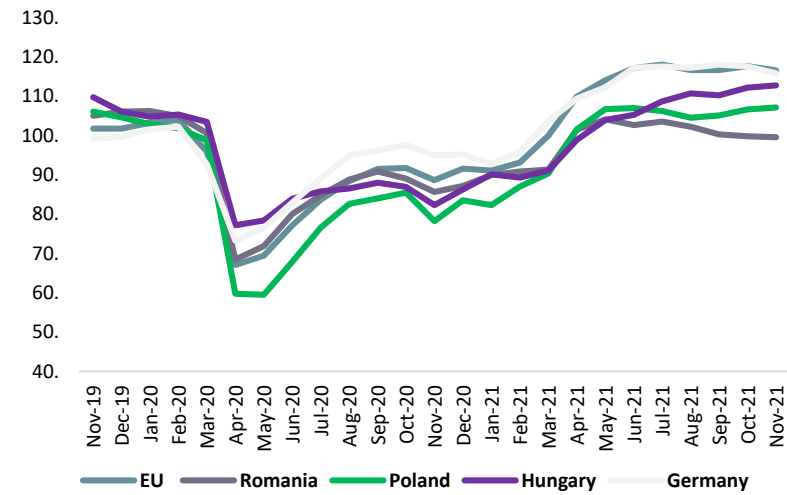
Source: National Institute of Statistics; ASF calculations

Development of current account by main components (million euro)



Source: NBR, ASF calculations

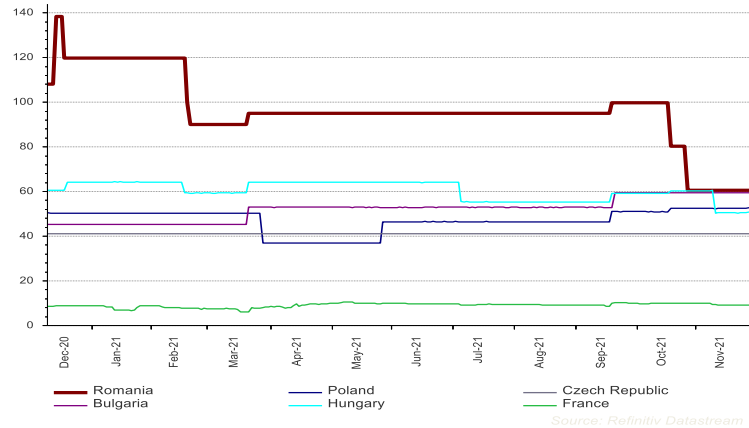
The economic sentiment index in EU



Source: Eurostat

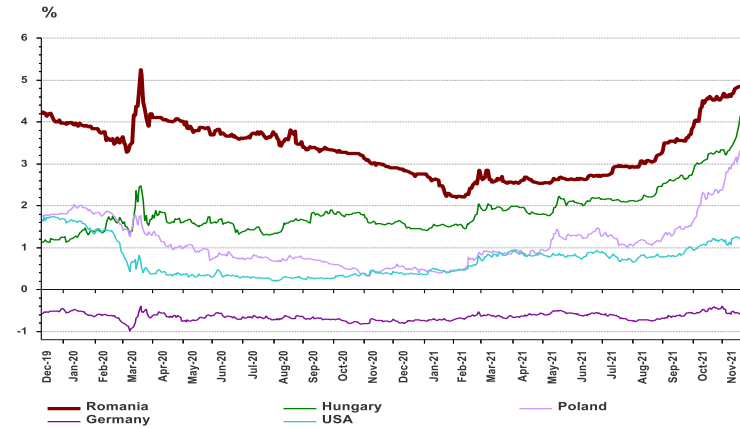
Macroeconomic risk in Romania: external position and market perception of sovereign risk

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



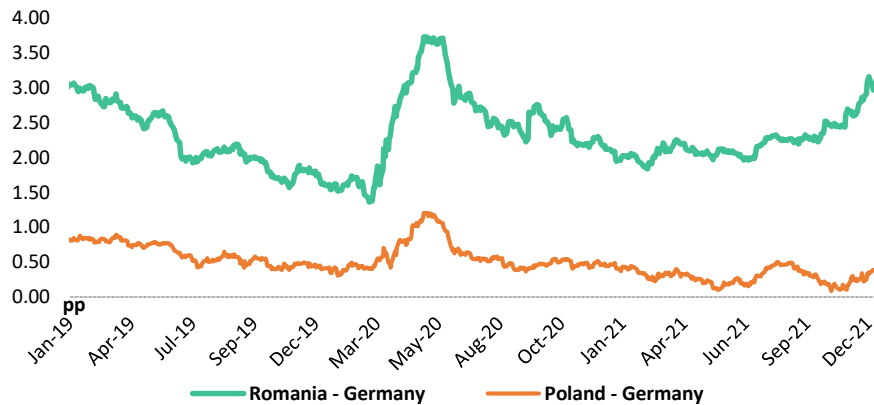
Source: Datastream

Government bond yields (5Y, LC)



Romania 5 - year bond yields increased by 9.6% in November 2021 as compared with the previous month, reaching an average value of 4.81%, while Germany 5 – year bond yields remained negative, at very low levels (average value of -0.56% in November 2021).

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



Romania CDS quotations decreased by 32% in November 2021 compared with the previous month, at an average value of 60.54 bp. French CDS quotations decreased to an average value of 9.37 bp.

At the end of December 2020, there is a decrease in the spread between Romanian and German government bonds (10Y), but it starts to be on an upward trend starting with January 2021. In the first part of December 2021 it decreased slightly which can also be interpreted as an improvement in investors' confidence in Romania's country rating.

Market risk: evolution of local and international stock indices at the end of November 2021

International and local stock indices yields

International indices	1 M	3 M	6 M
EA (EUROSTOXX)	-3.29%	-2.87%	1.83%
FR (CAC 40)	-1.60%	0.61%	4.25%
DE (DAX)	-3.75%	-4.64%	-2.08%
IT (FTSE MIB)	-3.95%	-0.75%	2.56%
GR (ASE)	-3.38%	-6.01%	-3.03%
IE (ISEQ)	-8.23%	-10.69%	-4.67%
ES (IBEX)	-8.31%	-6.12%	-9.22%
UK (FTSE 100)	-2.46%	-0.85%	0.52%
US (DJIA)	-3.73%	-2.48%	-0.13%
IN (NIFTY 50)	-3.90%	-0.87%	8.99%
SHG (SSEA)	0.47%	0.56%	-1.44%
JPN (N225)	-3.71%	-0.95%	-3.60%

The European indices have recorded negative developments (1M). The most significant decrease was recorded by IBEX index (ES: -8.31%), followed by ISEQ index (IE: -8.23%).

The main American and Asian indices showed negative developments, except for the SSEA index (SHG: +0.47%). Therefore, the most significant decrease was registered by NIFTY 50 index (IN: -3.90%), followed by DJIA index (US: -3.73%).

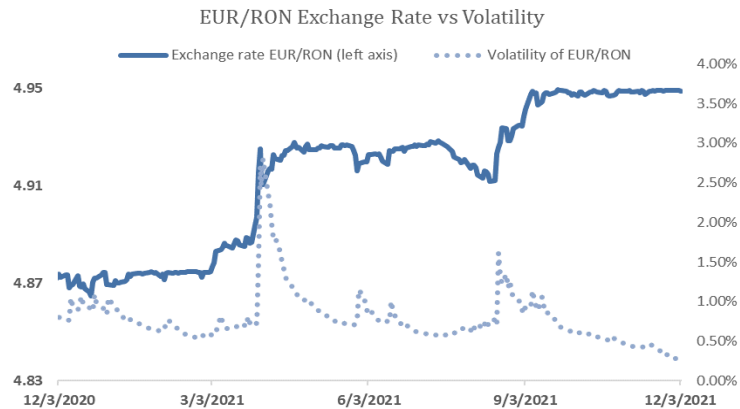
BSE indices	1 M	3 M	6 M
BET	-3.25%	0.15%	6.69%
BET-BK	-3.66%	2.91%	9.44%
BET-FI	0.03%	-0.46%	5.81%
BET-NG	-9.44%	3.48%	2.63%
BET-TR	-3.23%	0.78%	9.94%
BET-XT	-3.78%	0.46%	7.00%
BET-XT-TR	-3.76%	0.95%	9.90%
BETPlus	-3.11%	0.05%	6.49%
ROTX	-4.35%	-1.16%	3.96%

The BSE stock indices have recorded negative developments (1M), except for the BET-FI index (+0.03%). Therefore, the decreases registered were between -3.11% (BETPlus index) and -9.44% (BET-NG index).

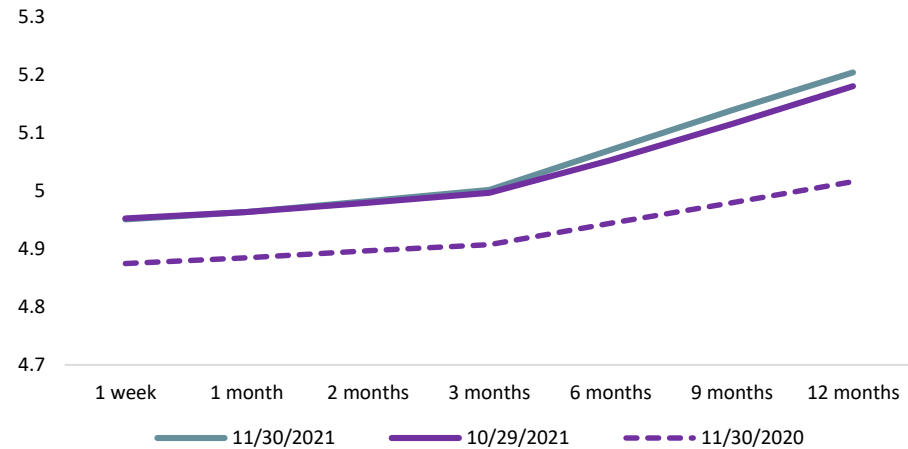
Source: Datastream, ASF calculations

Note: 1M=11/30/2021 vs. 10/29/2021; 3M=11/30/2021 vs. 08/31/2021; 6M=11/30/2021 vs. 05/31/2021

Market risk: volatility of Romanian government bond yields and the EURRON currency rate

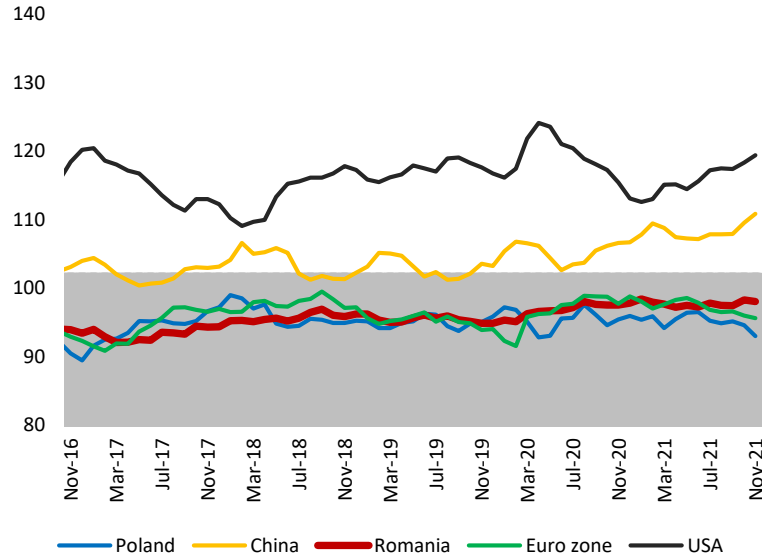


Term structure of EUR/RON forward rate



Source: Refinitiv, ASF calculations

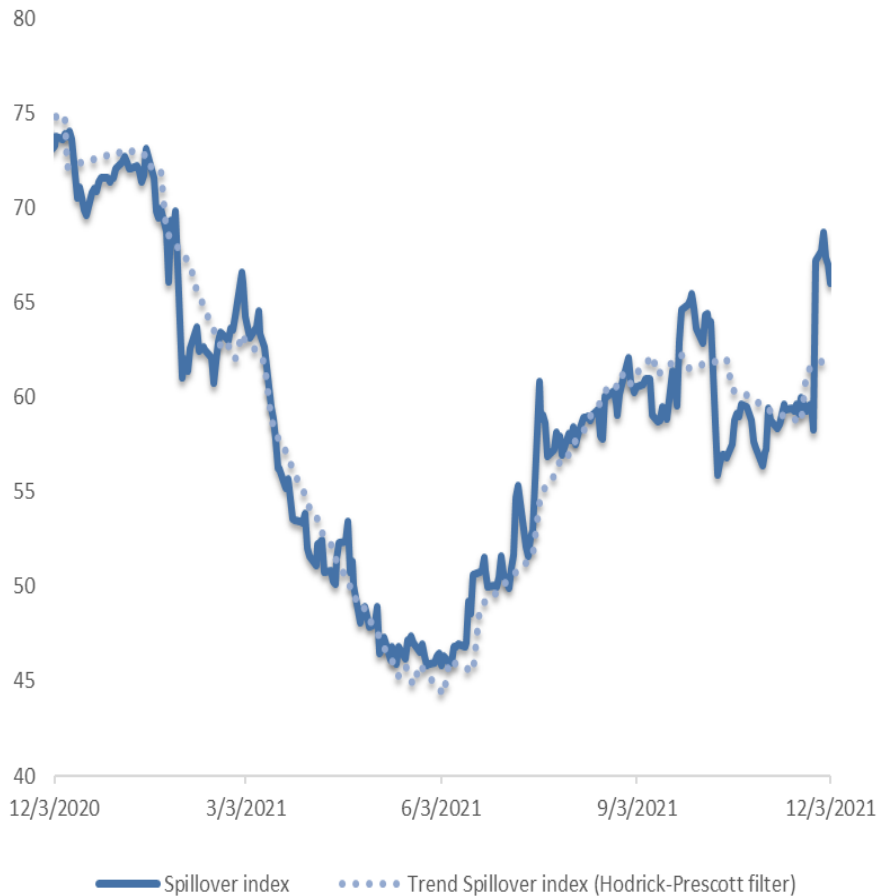
Real effective exchange rate (REER; 2014=100) Estimate (>100)



Source: BIS, ASF calculations

In Romania, inflation continued its upward trend and in November reached 7,8%, the highest value in the last 10 years, well above the NBR forecast of 5.6% for the fourth quarter, as a result of rising prices to energy. **Romania has not only the highest inflation in the last 10 years but also the highest inflation in the region.** In response, the NBR raised the monetary policy rate in November to 1.75%, and another 0.5% increase is expected in the first quarter of 2022 by financial markets to reduce inflation. 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 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. At the moment, the increase in the monetary policy rate, as well as the expectations for its increase, have temporarily tempered the depreciation of the 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. High inflation lowers purchasing power and reduces wages and interest income in real terms. Real interest rates on savings deposits in Romania are still visibly negative. In addition, the inflation differential between Romania and the eurozone countries erodes the competitiveness of the Romanian economy. 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 2 and 12 months with respect to the previous month (RON depreciation).

Contagion risk



Source: Refinitiv, ASF 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 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.

The decrease of the main stock market indices at the beginning of December validates our previous forecasts and suggests the beginning of a process of readjustment of the capital markets towards their equilibrium values.

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 BSE Trading Activity (all the Segments) during November 2021

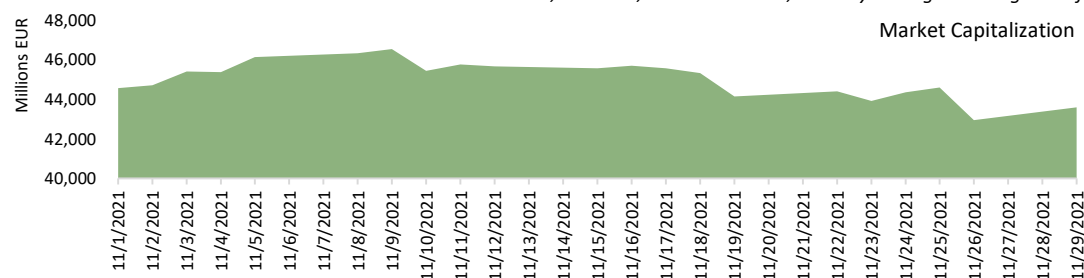
Week/month	No. of transactions	Volume	Value	
			EUR	%
Total 01-05 November 2021	26,734	139,548,804	48,629,226	15.75%
Total 08-12 November 2021	29,447	155,279,087	52,728,360	17.07%
Total 15-19 November 2021	30,445	191,047,582	118,764,052	38.46%
Total 22-26 November 2021	33,656	181,323,576	58,119,637	18.82%
Total 29-30 November 2021	10,486	87,954,290	30,579,667	9.90%
Total November 2021	130,768	755,153,339	308,820,942	100.00%

Source: BNR, BSE data, ASF calculations; monthly average exchange rate for November 2021 = 4.9488 LEI/EUR

The BSE's Most Traded Companies during November 2021 (Only the Main Segment)

Symbol	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
AQ	2,450,439	1.32%	0	0.00%	76,542,623	26.47%
TLV	49,673,144	26.78%	22,876,753	81.42%	72,549,897	25.09%
SNP	15,243,233	8.22%	0	0.00%	15,243,233	5.27%
M	15,216,178	8.20%	0	0.00%	15,216,178	5.26%
FP	12,811,443	6.91%	419,213	1.49%	13,230,655	4.58%
TRP	12,827,808	6.91%	0	0.00%	12,827,808	4.44%
SNN	12,560,230	6.77%	0	0.00%	12,560,230	4.34%
SNG	10,327,386	5.57%	0	0.00%	10,327,386	3.57%
BRD	9,060,048	4.88%	0	0.00%	9,060,048	3.13%
ONE	8,787,447	4.74%	0	0.00%	8,787,447	3.04%
EL	4,763,075	2.57%	0	0.00%	4,763,075	1.65%
TTS	4,648,320	2.51%	0	0.00%	4,648,320	1.61%
PREB	670,875	0.36%	3,298,934	11.74%	3,969,809	1.37%
TGN	3,196,505	1.72%	81,816	0.29%	3,278,320	1.13%
TEL	3,199,639	1.72%	0	0.00%	3,199,639	1.11%
Top 15 Total					92.05%	

Source: BNR, BSE data, ASF calculations; monthly average exchange rate for November 2021 = 4.9488 LEI/EUR



Source: BSE data, ASF calculations; monthly average exchange rate for November 2021 = 4.9488 LEI/EUR

Top of intermediaries during November 2021

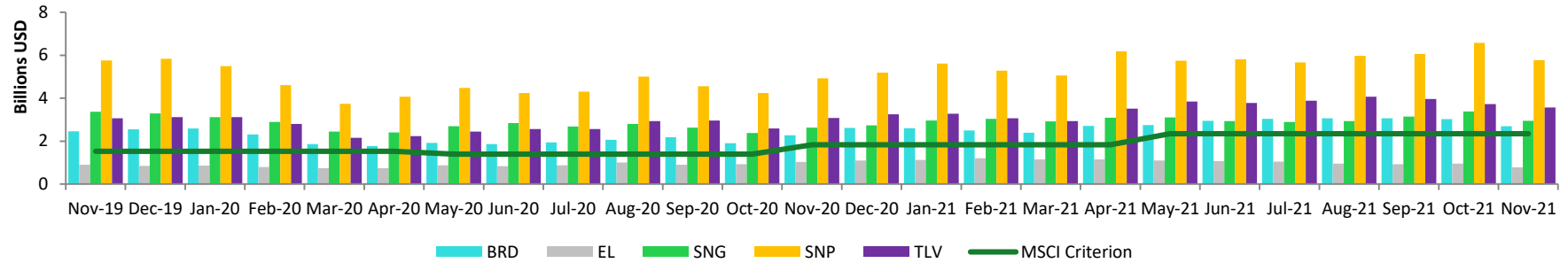
Rank	Intermediary name	Traded Value EUR (month level)	% from Total Value (month level)
1	SWISS CAPITAL S.A.	266,881,724	45.94
2	BANCA COMERCIALA ROMANA	53,311,849	9.18
3	BT CAPITAL PARTNERS	49,201,489	8.47
4	SSIF BRK FINANCIAL GROUP S.A.	48,298,378	8.31
5	TRADEVILLE	44,843,076	7.72
6	WOOD & COMPANY FINANCIAL SERVICES, a.s. PRAGA	40,153,343	6.91
7	GOLDRING	18,157,532	3.13
8	RAIFFEISEN CENTROBANK AG	10,391,449	1.79
9	IFB FINWEST	9,655,276	1.66
10	BRD Groupe Societe Generale	9,341,210	1.61
11	PRIME TRANSACTION	9,320,899	1.6
12	ESTINVEST	7,047,547	1.21
13	INTERFINBROK CORPORATION	4,406,133	0.76
14	Alpha Bank Romania SA	4,150,797	0.71
15	CONCORDE SECURITIES LTD	2,558,188	0.44
Top 15 Total			99.44

The market capitalization registered an increase of 40% at the end of November 2021 compared to the end of 2020 and an increase of 19% compared to the end of 2019.

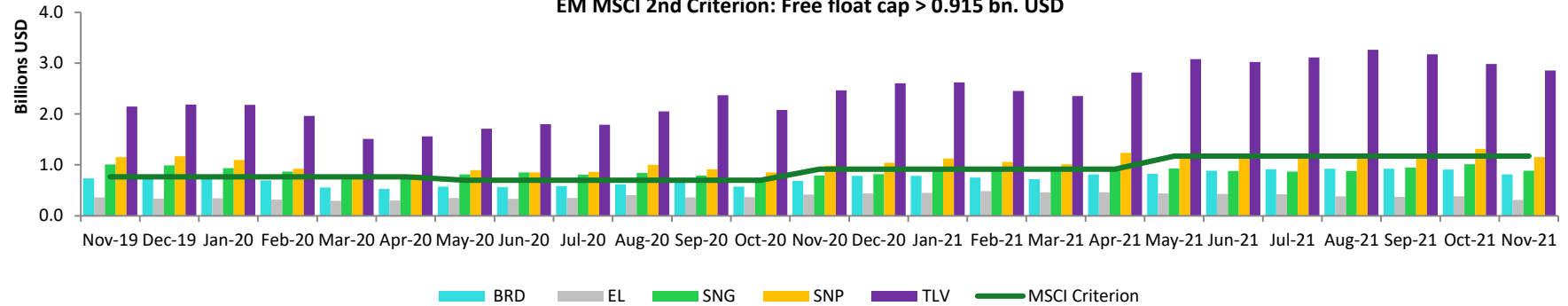
In November 2021, the first 3 companies traded on BVB were AQUILA PART PROD COM (AQ) with a share of 26.47% of the total value traded in that period, Banca Transilvania SA (TLV: 25.09%) and OMV Petrom SA (SNP: 5.27%).

MSCI: Quantitative Indicators for Emerging Market Status

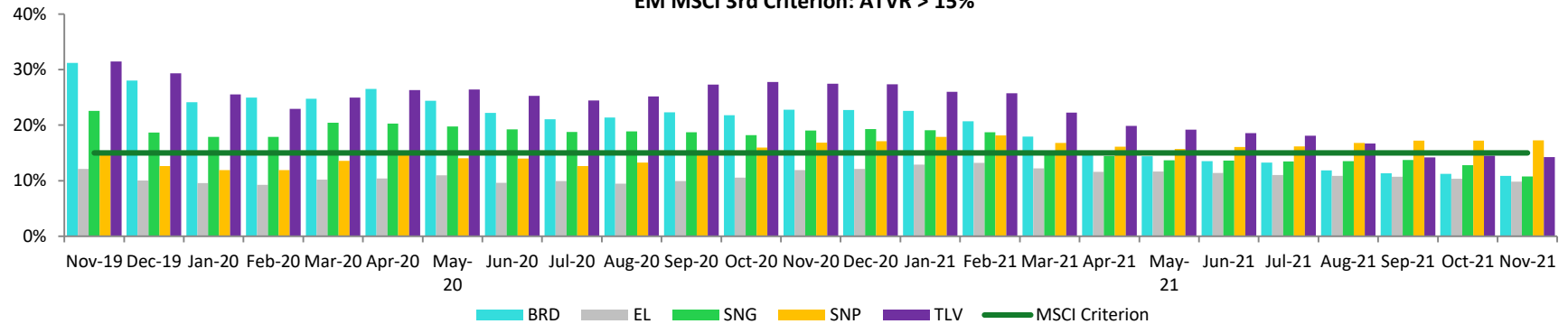
EM MSCI 1st Criterion: Market cap > 1,830 bn. USD



EM MSCI 2nd Criterion: Free float cap > 0.915 bn. USD

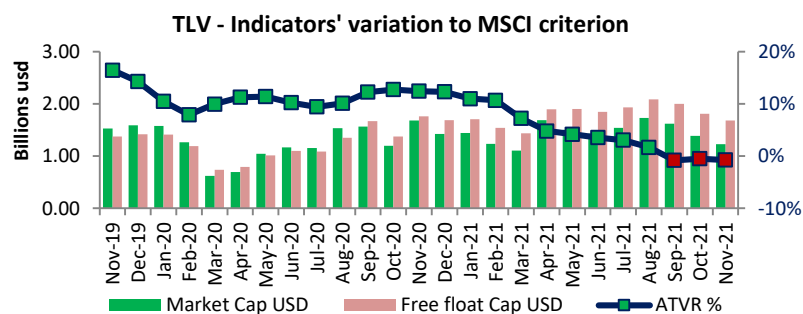
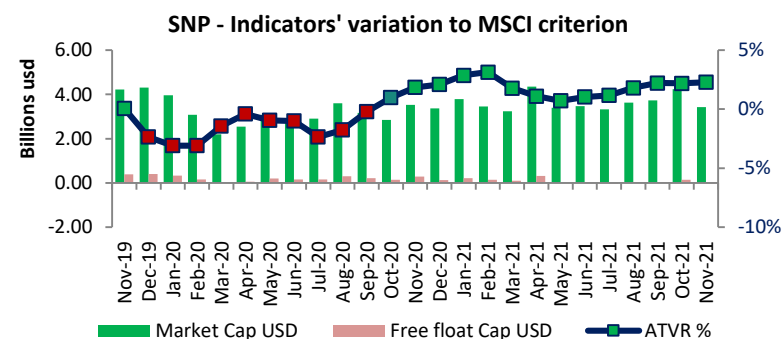
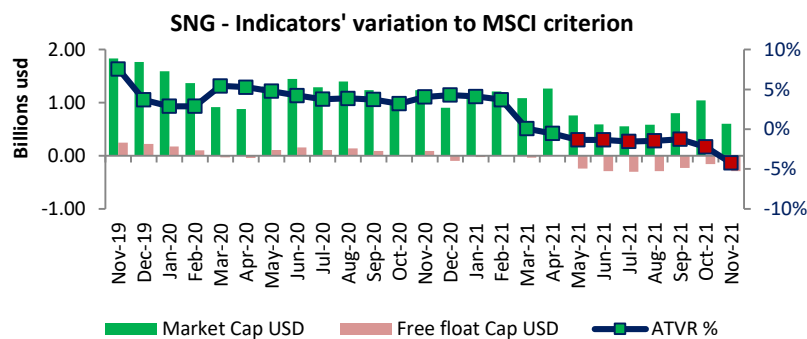
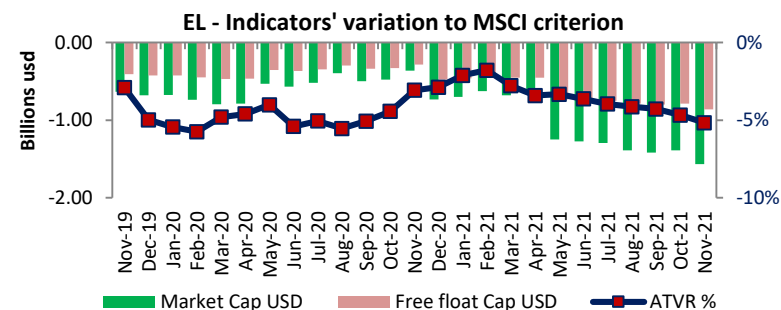
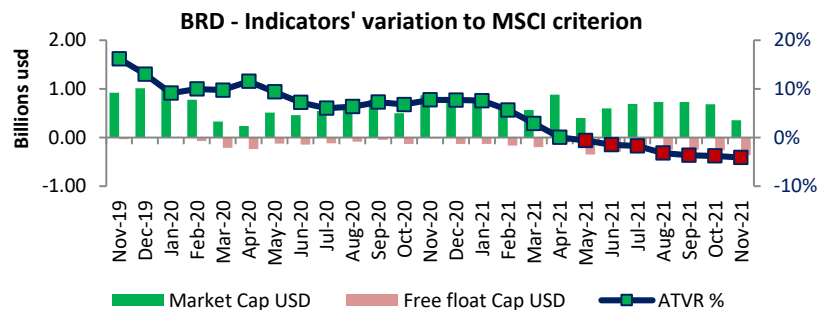


EM MSCI 3rd Criterion: ATVR > 15%



Source: ASF Calculations, November 2021

MSCI: Quantitative Indicators for Emerging Market Status



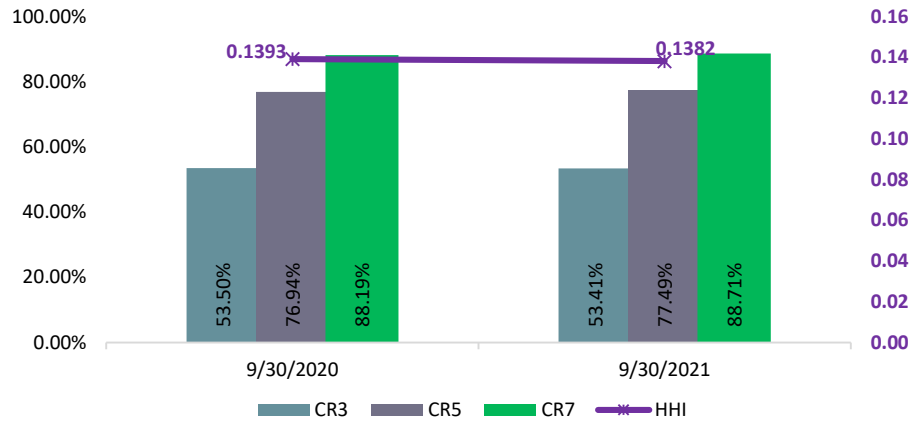
Indicators' variation to MSCI criterion (November 2021)

Company	Cap. bln. USD	Free float bln. USD	ATVR %
BRD	0.36	(0.36)	-4.12%
EL	(1.57)	(0.86)	-5.16%
SNG	0.60	(0.29)	-4.23%
SNP	3.43	(0.02)	2.28%
TLV	1.23	1.68	-0.74%

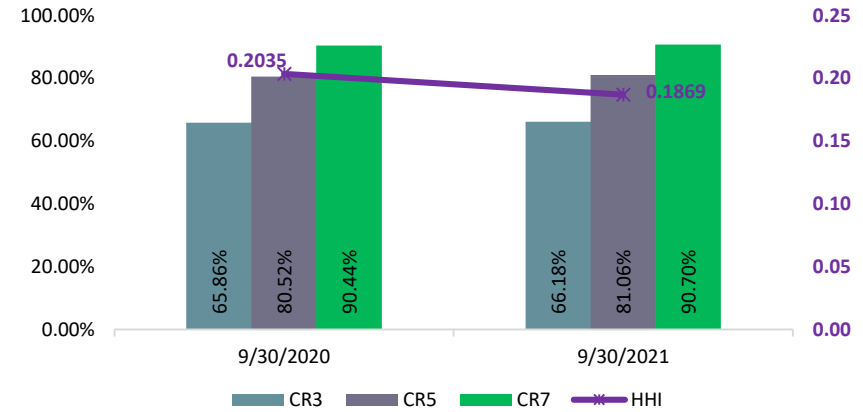
Source: ASF Calculations, November 2021

Concentration risk

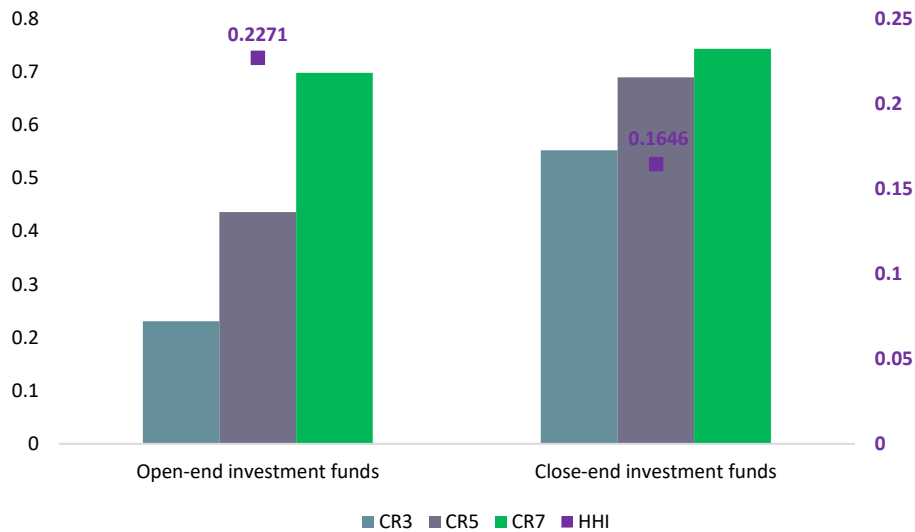
**Concentration risk of non-life insurance undertakings
(by value of GWP at 30 September 2021)**



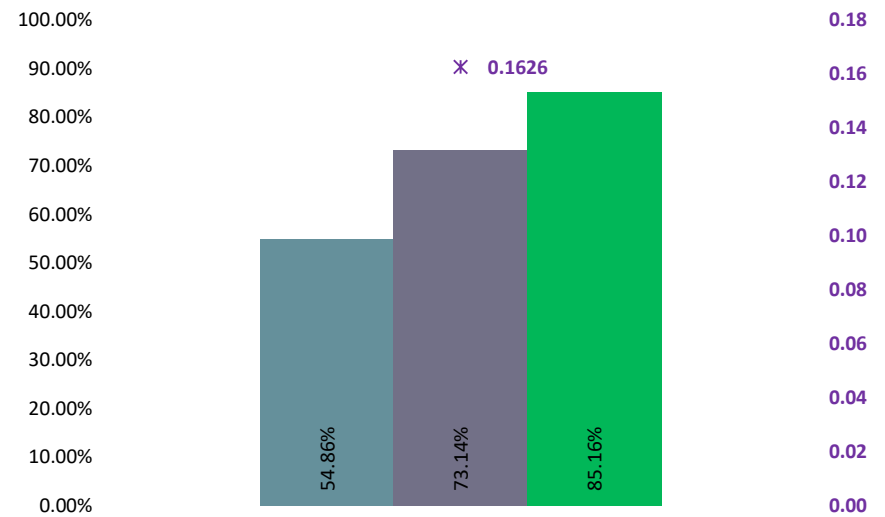
**Concentration risk of life insurance undertakings
(by value of GWP at 30 September 2021)**



**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
November 2021 – Main segment & MTS, all spot instruments)**

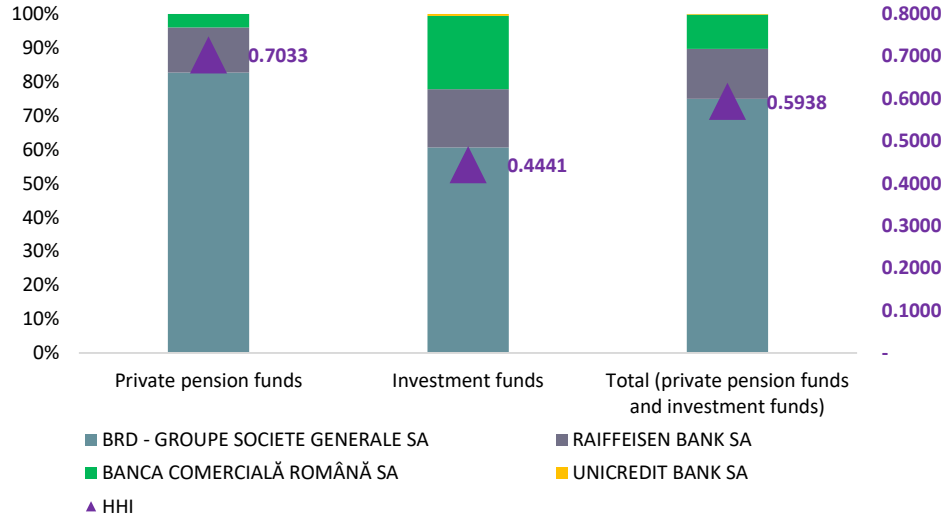


Source: ASF

Source: ASF

Concentration risk

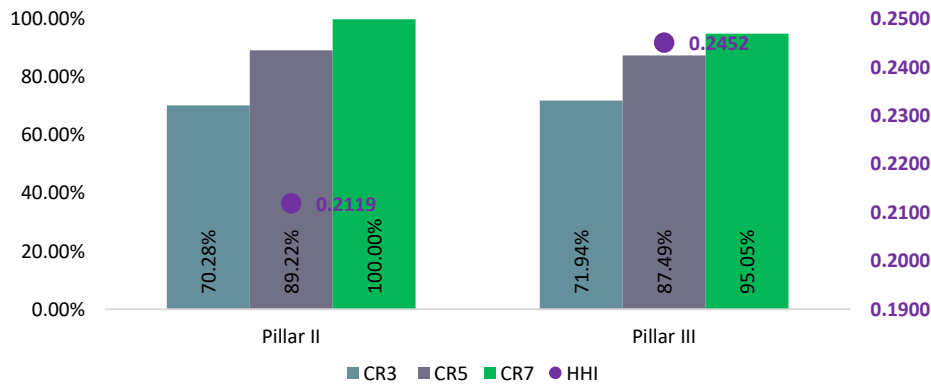
Concentration risk of depositaries of private pension funds and investment funds (by total assets at 9/30/2021)



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 11/29/2021)



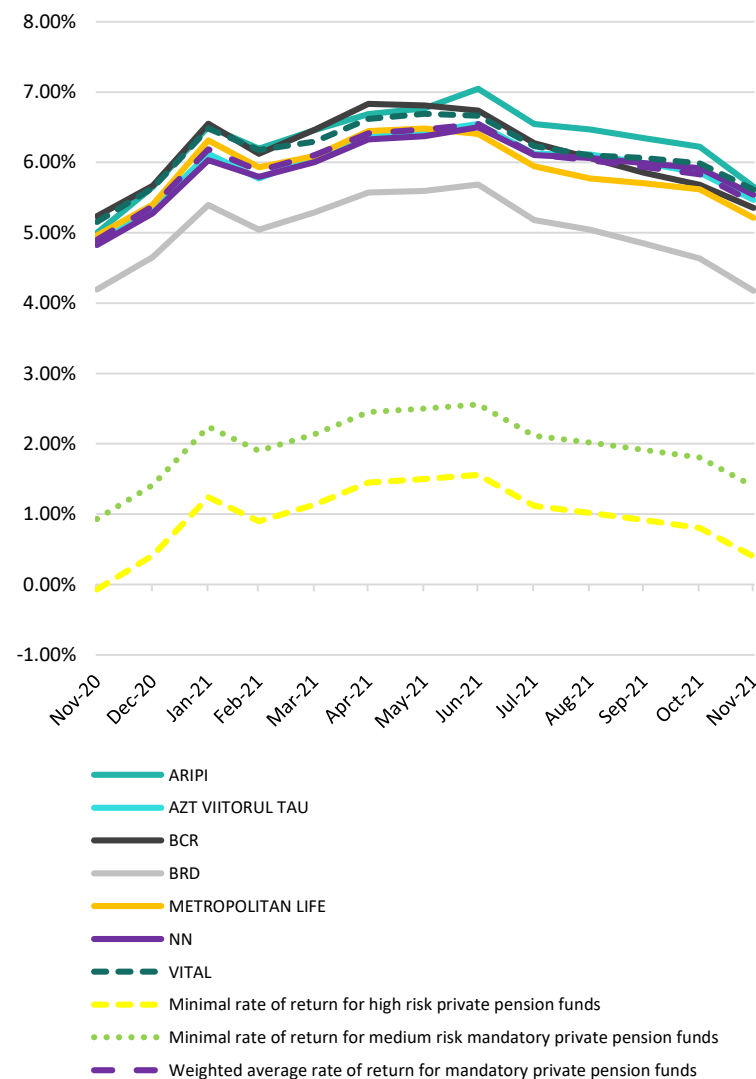
According to the main indicators used by the Competition Council, the concentration risk in the non-life insurance market is medium to high, while the life insurance market concentration degree is still high. The situation is similar in the case of private pension funds market (Pillar II and Pillar III), 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)

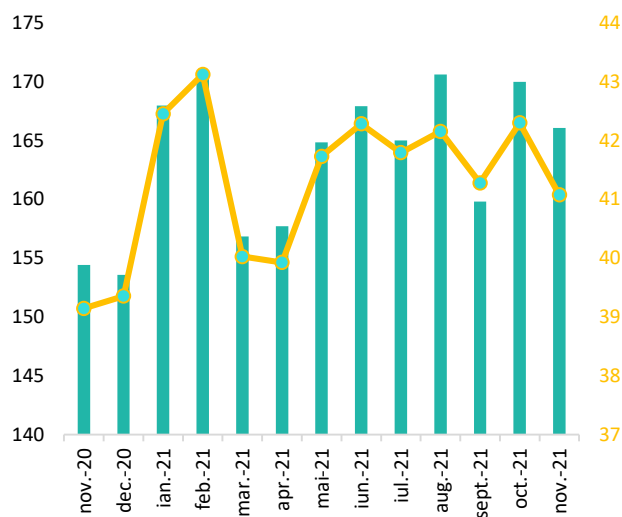
Total assets (EUR), number of participants and return rates

Mandatory pension fund	Total Assets 30 November 2021 (EUR)	Participants (persons) November 2021	Rate of return October 2021
ARIPI*	1,548,949,385	808,579	5.65%
AZT VIITORUL TAU	3,725,370,043	1,629,160	5.47%
BCR	1,187,116,376	711,811	5.35%
BRD	685,039,671	497,497	4.17%
METROPOLITAN LIFE	2,401,428,799	1,084,382	5.21%
NN	6,082,341,767	2,055,984	5.54%
VITAL	1,742,766,552	974,325	5.61%
Total	17,373,012,593	7,761,738	n/a

Rate of return for mandatory pension funds



Evolution of gross contributions



Gross contributions (Mil. EUR)

Average contribution per participant with contributions (EUR)

New participants (persons) in 2nd Pillar

19,517 persons

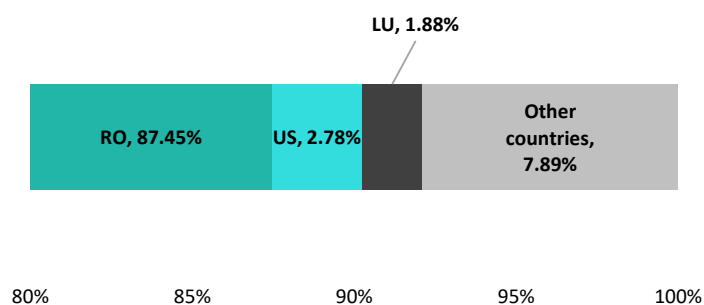
Source: ASF

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

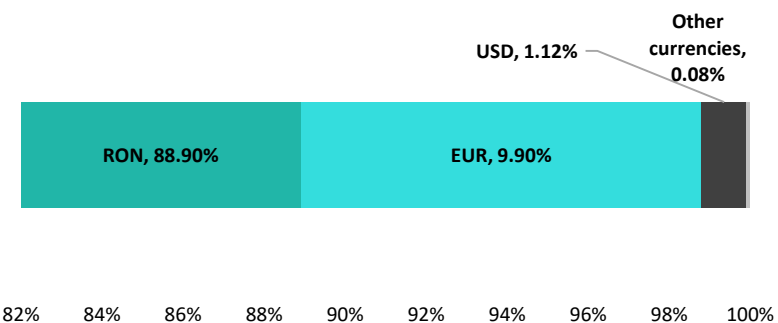
Mandatory pension fund's portfolio at 30 November 2021 (EUR)

Assets category	Assets value (EUR)	% Total assets
Government bonds	10,559,564,718	60.80%
Equity	4,298,508,503	24.75%
Corporate bonds	1,153,348,280	6.64%
Investment funds	579,931,104	3.34%
Supranational bonds	384,426,423	2.21%
Bank deposits	341,658,430	1.97%
Municipal bonds	36,749,963	0.21%
Commodities and precious metals funds	21,522,935	0.12%
Derivatives	(182,866)	-0.001%
Other assets	(8,602,098)	-0.05%

Country exposure of mandatory pension fund's assets



Currency exposure of mandatory pension fund's assets



Source: ASF

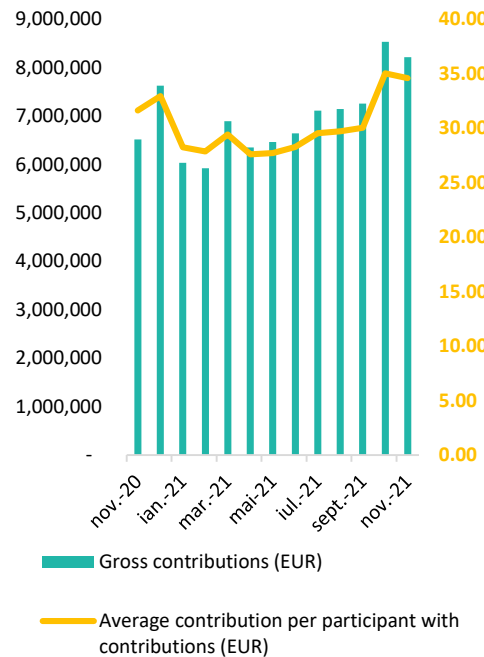
The value of the total assets of the privately managed pension funds reached EUR 17.37 billion at the end of November 2021, registering an annual rate of growth of 18%, in terms of RON. At the end of November 2021, the privately managed pension funds' investments were generally made locally, in a percentage of 87%, 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)

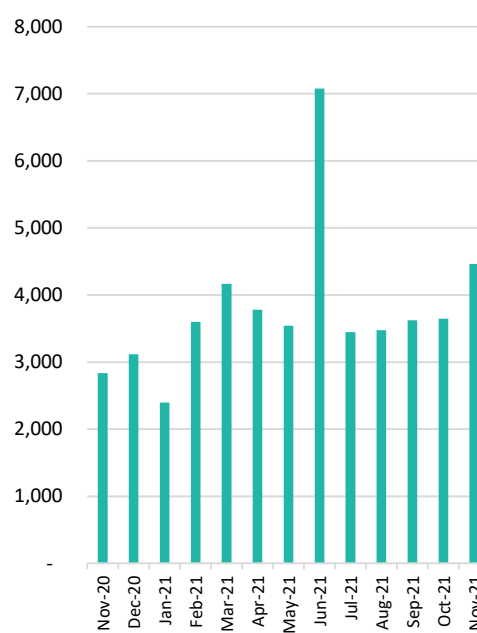
Total assets (EUR), number of participants and return rates

Voluntary pension fund	Total assets (EUR), 30 November 2021	Participants (persons) November 2021	Rate of return November 2021
AEGON ESENTIAL	2,156,323	3,935	3.9781%
AZT MODERATO	68,645,994	45,462	4.4618%
AZT VIVACE	25,360,300	20,775	5.6644%
BCR PLUS	114,070,819	141,078	3.3328%
BRD MEDIO	34,379,507	36,131	1.5856%
GENERALI STABIL	6,470,907	5,517	4.3581%
NN ACTIV	78,532,433	59,361	4.8079%
NN OPTIM	283,929,740	210,986	3.6090%
PENSIA MEA	24,180,493	21,592	3.7417%
RAIFFEISEN ACUMULARE	24,664,113	15,879	4.1003%
Total	662,390,628	560,716	n/a

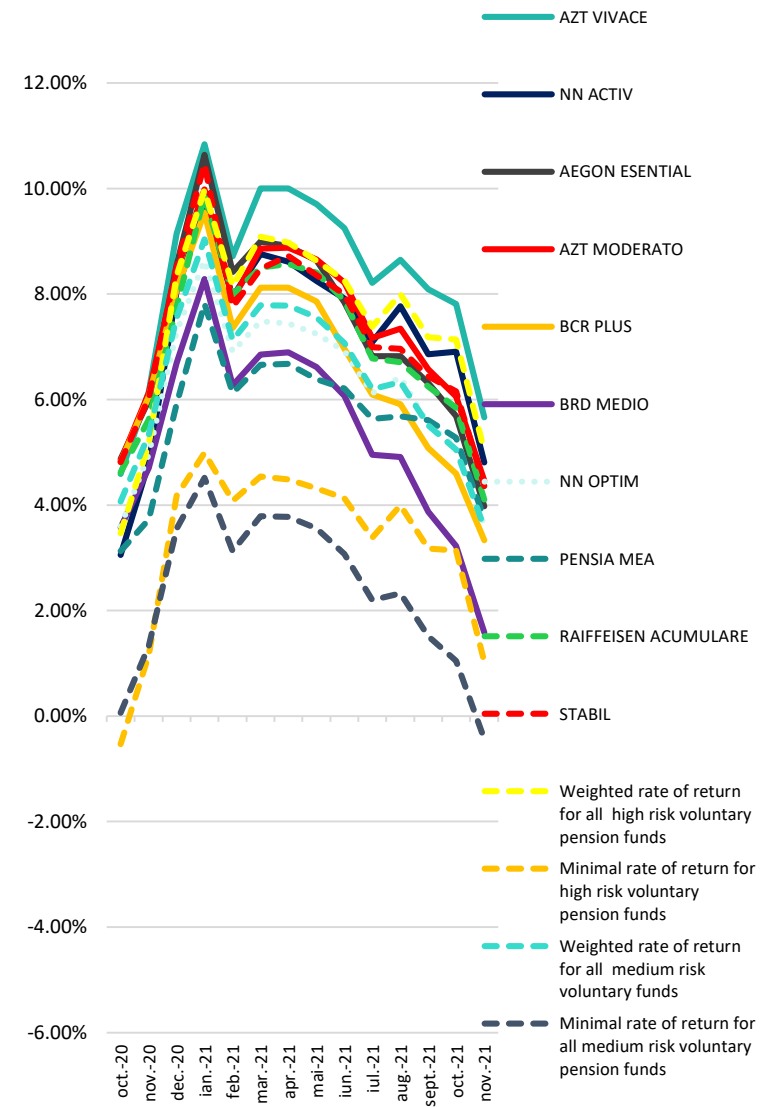
Evolution of gross contributions



New participants in 3rd Pillar



Rate of return for voluntary pension funds



Source: ASF

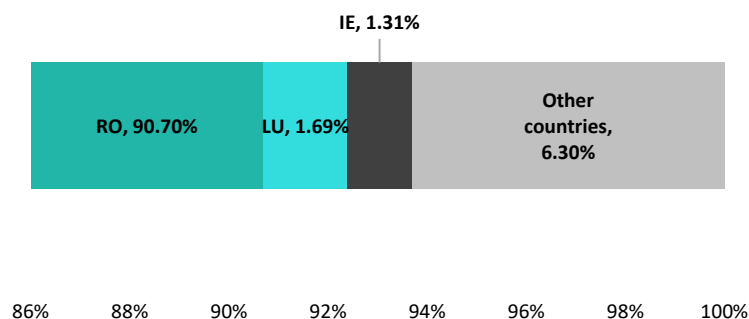
Current evolutions in optional private pension funds (3rd Pillar)

Optional pension fund's portfolio at 30 November 2021 (EUR)

Assets category	Assets value (EUR)	% Total assets
Government Bonds	404,772,703	61.11%
Equity	184,783,531	27.90%
Corporate Bonds	23,902,157	3.61%
Investment Funds	16,563,762	2.50%
Supranational Bonds	13,076,059	1.97%
Bank Deposits	12,384,913	1.87%
Municipal Bonds	4,590,554	0.69%
Metal funds	1,553,403	0.23%
Other assets	527,637	0.08%
Derivatives	4,740	0.001%

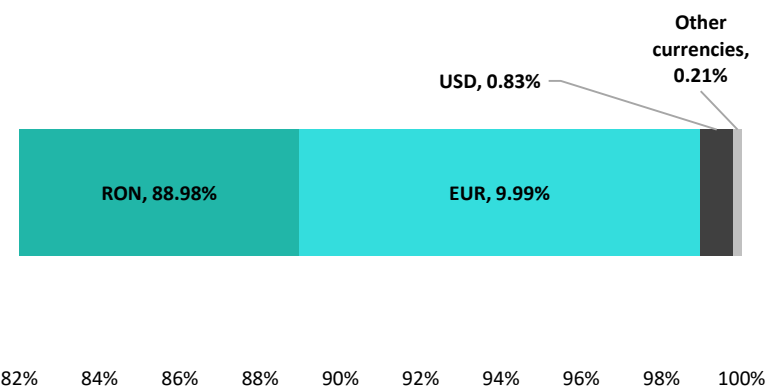
Source: ASF

Country exposure of optional fund's assets



Source: ASF

Currency exposure of optional fund's assets

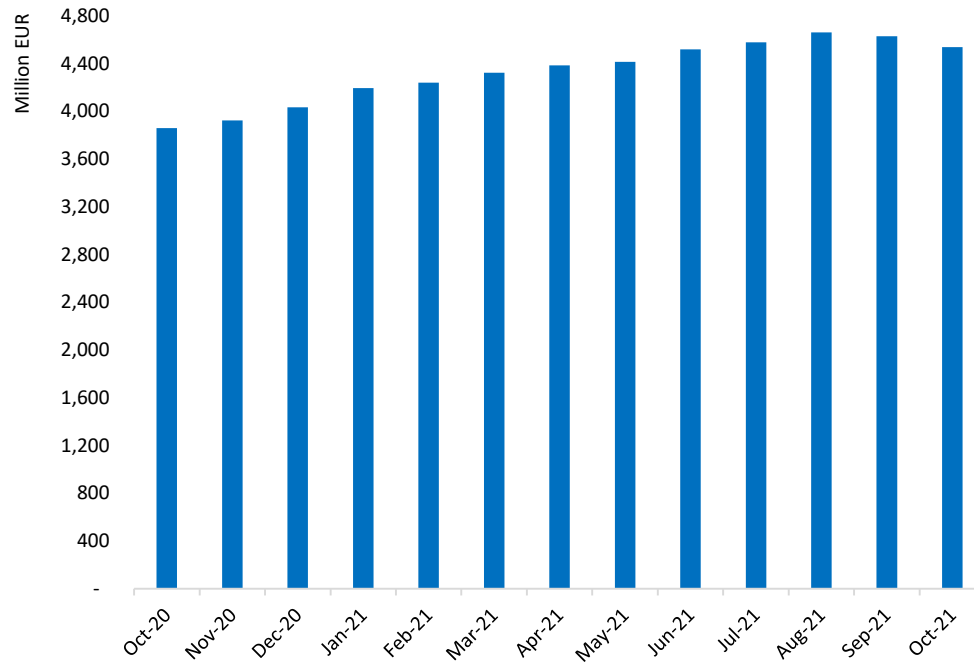


Source: ASF

The value of the total assets of the voluntary pension funds, at the end of November 2021, was EUR 662 million, registering an annual rate of growth of 15%, in terms of RON. At the end of November 2021, the voluntary pension funds' investments were generally made locally, in a percentage of 89%, a large majority being denominated in lei.

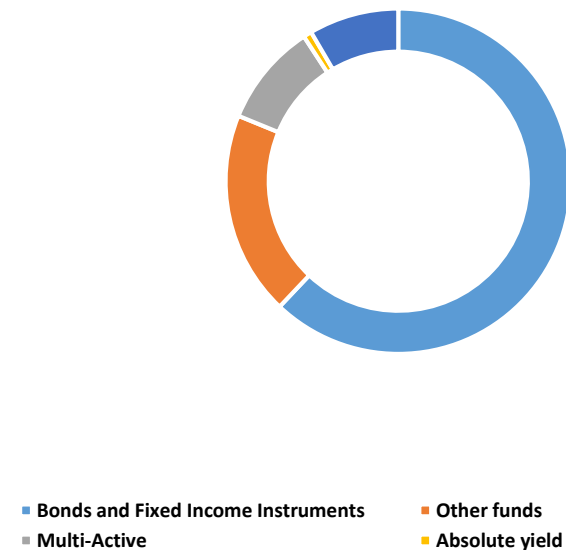
Specific developments in the investment funds sector

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



Source: AAF

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



According to data published by AAF, net assets of open-end investment funds (OeIF) reached a value of EUR 4.54 billion in October 2021, slightly decreasing (-2%) compared to the previous month (EUR 4.63 billion). At the end of October 2021, net assets of local open-ended bond and fixed income funds decreased (-4%), while net assets of equity and absolute yield open-end funds registered the largest increases compared to the previous month.

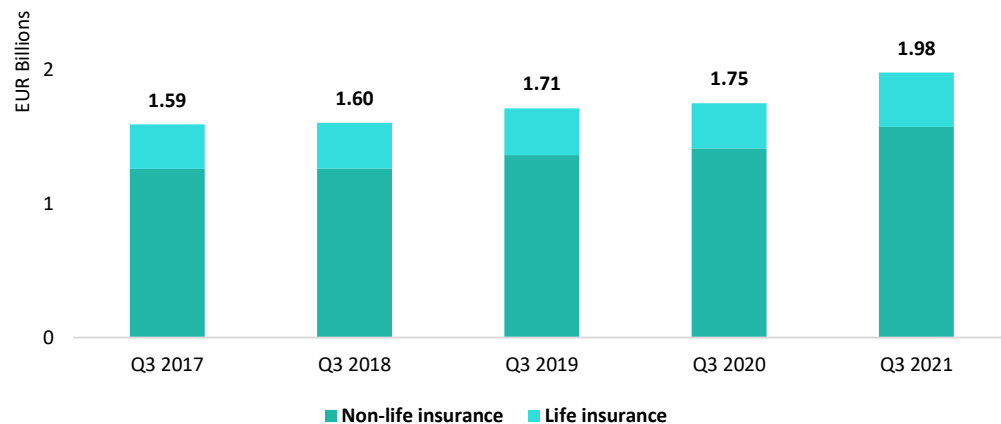
In October 2021, open-end bond and fixed income instruments funds hold the largest share in total net assets of OeIF (around 62%¹), while the "other funds" category has a market share of approximately 19%.

¹ There was a change in Open end investment funds' classification

Specific developments in the insurance market in Romania

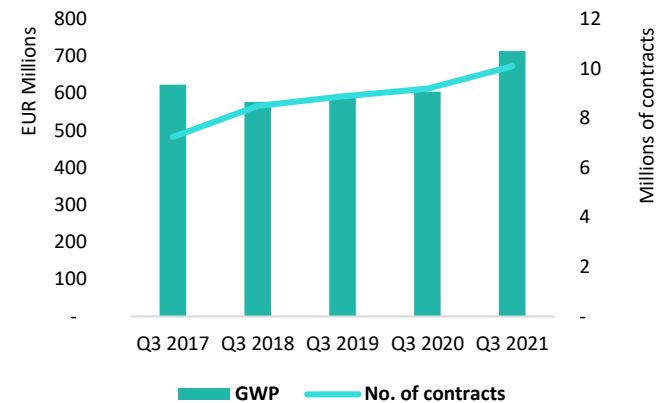
Evolution of the insurance market (30th of September 2020)

Gross written premiums (total)

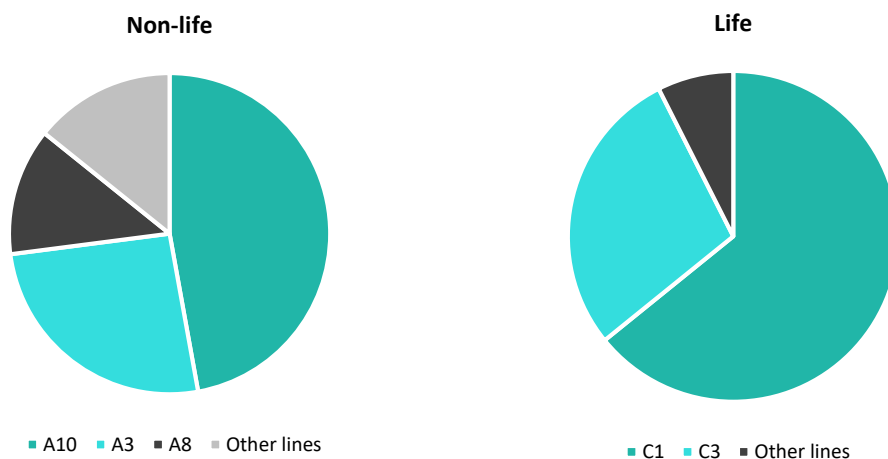


Source: ASF

MTPL gross written premiums

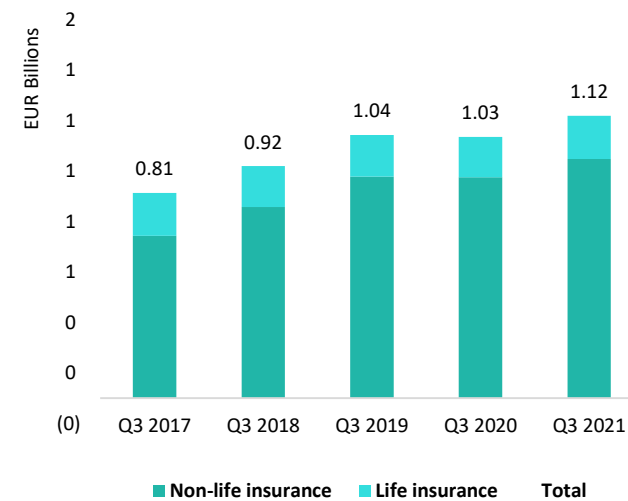


Share of main insurance classes by GWP



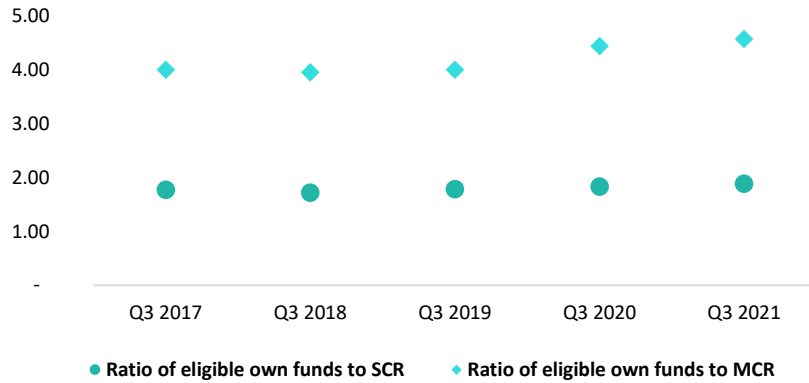
Source: ASF

Gross claims paid

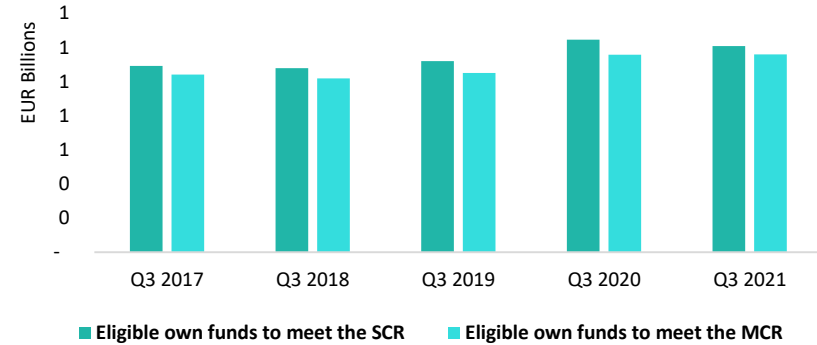


Specific developments in the insurance market in Romania

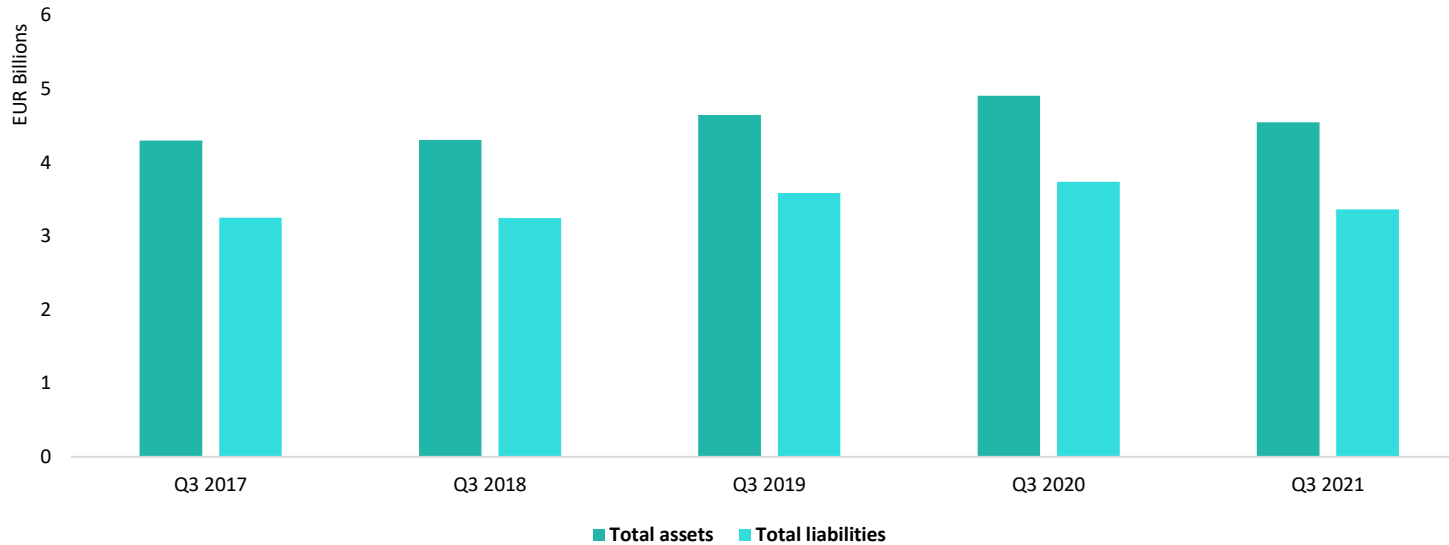
Ratio of eligible own funds to SCR and Ratio of eligible own funds to MCR



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



Total assets and total liabilities



Source: ASF, provisional data

Press releases and publications of European and international financial institutions in November 2021

<p>EUROPEAN UNION</p>	<ul style="list-style-type: none"> • 11 November: European Commission releases Autumn 2021 Economic Forecast. • 25 November: European Commission proposes new measures to boost Europe's capital markets.
<p>ESMA</p>	<ul style="list-style-type: none"> • 4 November: ESMA highlights its contribution to a more sustainable financial system. • 10 November: ESMA publishes technical standards on crowdfunding. • 18 November: ESMA presents its preliminary Report on the EU carbon market. • 18 November: ESMA launches public consultations on CCP resolution regime. • 18 November: ESMA and EBA consults on framework for the supervisory review and evaluation process of investment firms. • 23 November: ESMA publishes its 2020 Annual Report on the EU market abuse sanctions.
<p>EIOPA</p>	<ul style="list-style-type: none"> • 3 November: EIOPA commits to support the insurance and pensions sectors' efforts to tackle climate change.
<p>EBA</p>	<ul style="list-style-type: none"> • 4 November: EBA consults on draft technical standards on Initial Margin Model Validation under EMIR. • 12 November: EBA sets first examination programme for resolution authorities. • 22 November: EBA publishes its final Guidelines on remuneration for investment firms under the Investment Firms Directive. • 22 November: EBA publishes its final Guidelines on internal governance for investment firms under the Investment Firms Directive.
<p>IOSCO</p>	<ul style="list-style-type: none"> • 2 November: IOSCO releases a set of recommendations about sustainability-related practices, procedures and disclosures in the asset management industry. • 23 November: IOSCO calls for oversight of ESG Ratings and Data Product Providers.
<p>IAIS</p>	<ul style="list-style-type: none"> • 16 November: IAIS issues statement on the importance of DE&I considerations in insurance supervision. • 30 November: IAIS publishes 2021 Global Insurance Market Report (GIMAR).