



**ATHEXGROUP**  
Athens Exchange Group

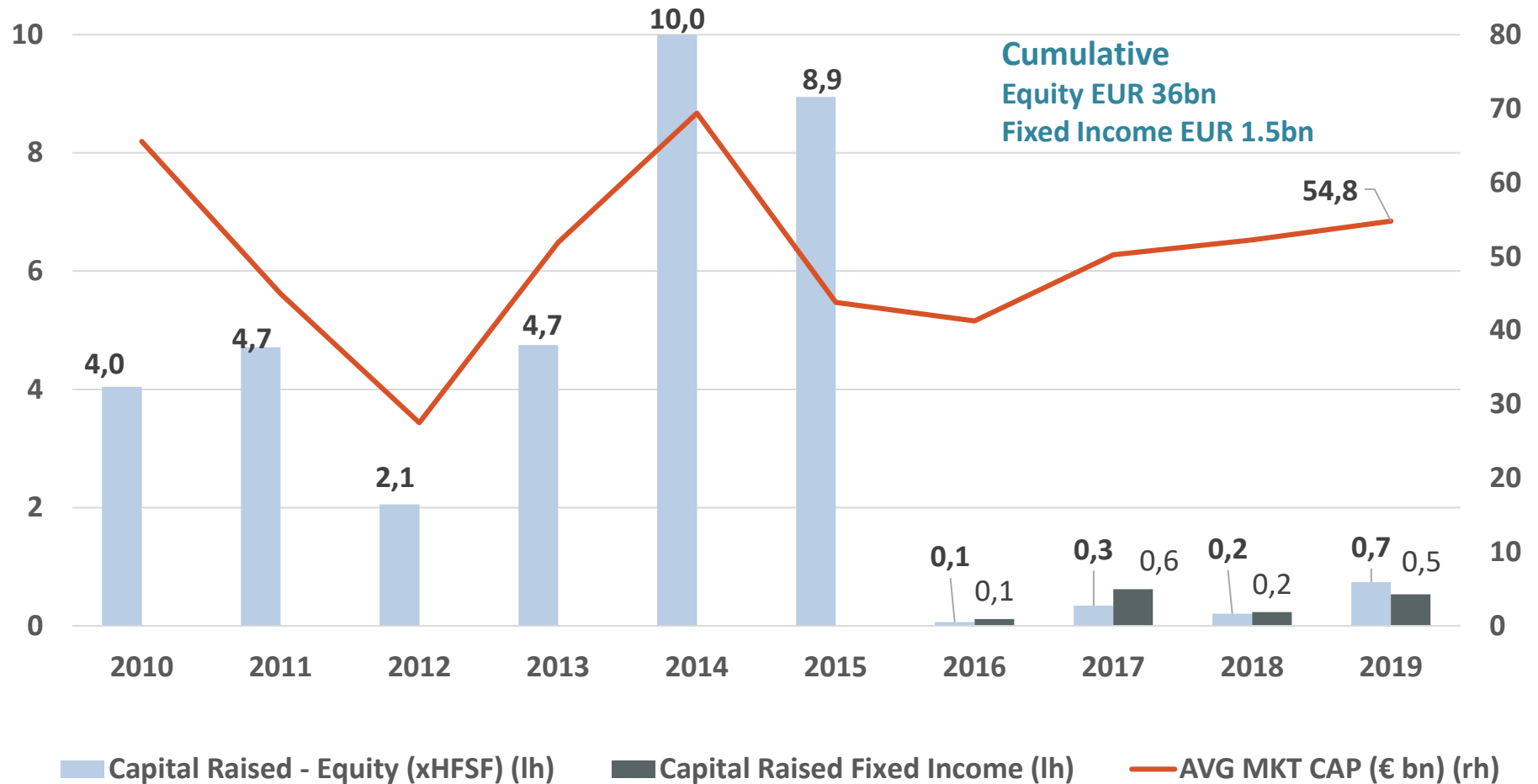
# European Semester e-Conference on Greece | 2020

## *Financing the Economy Challenges and Key Recovery Accelerators*

July 2020

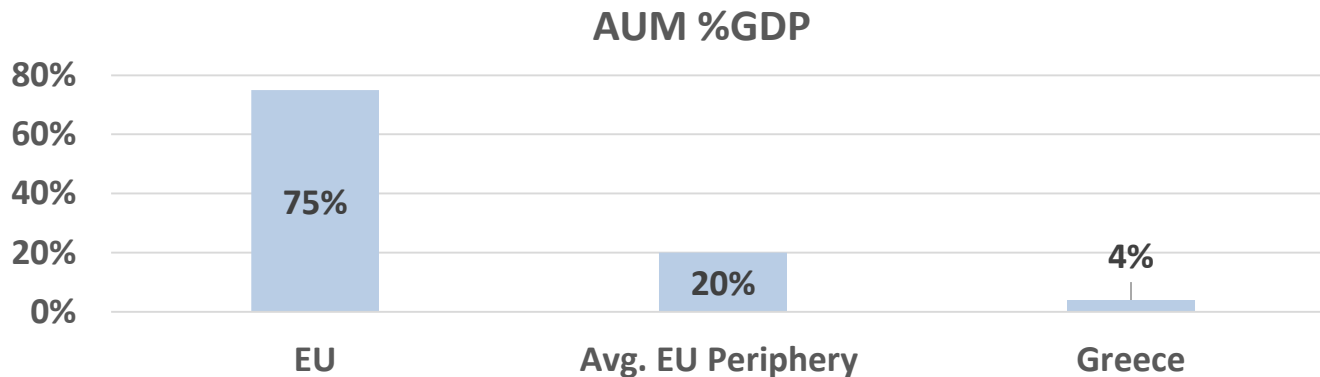
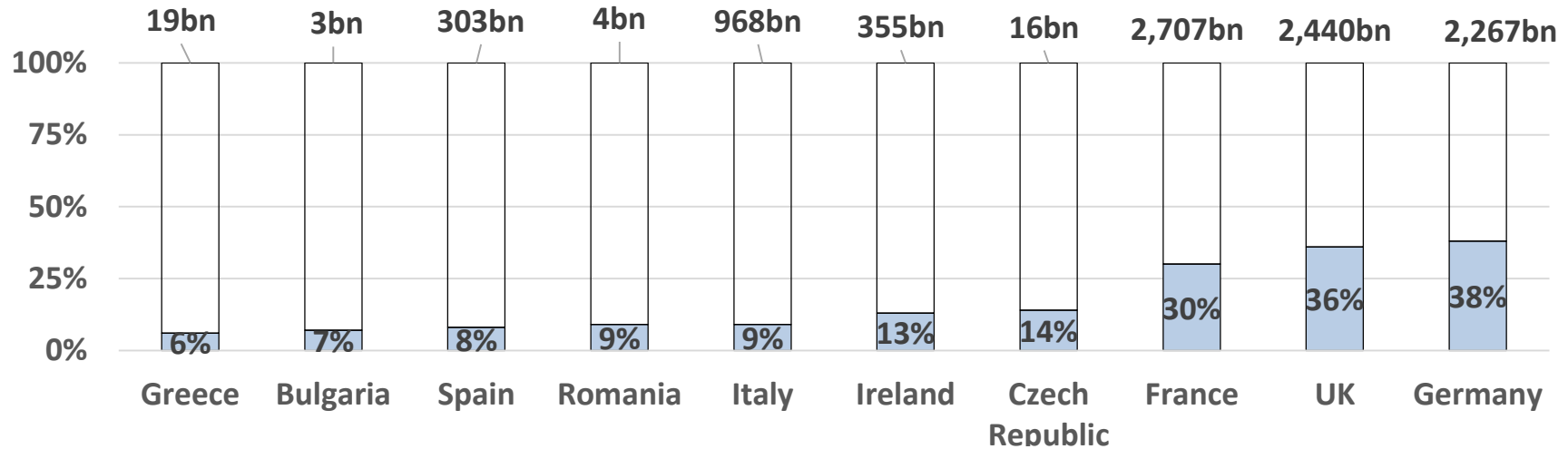


# “Financial Paradox” - Private Capital Raised (EURbn) over Past 10 years



# “Financial Paradox”- Low Domestic AUM vs. EU

- Insurance Pillar (II&III) Investment Allocation →  
 Greece at the lowest end (6%) in Investment in Domestic Equities



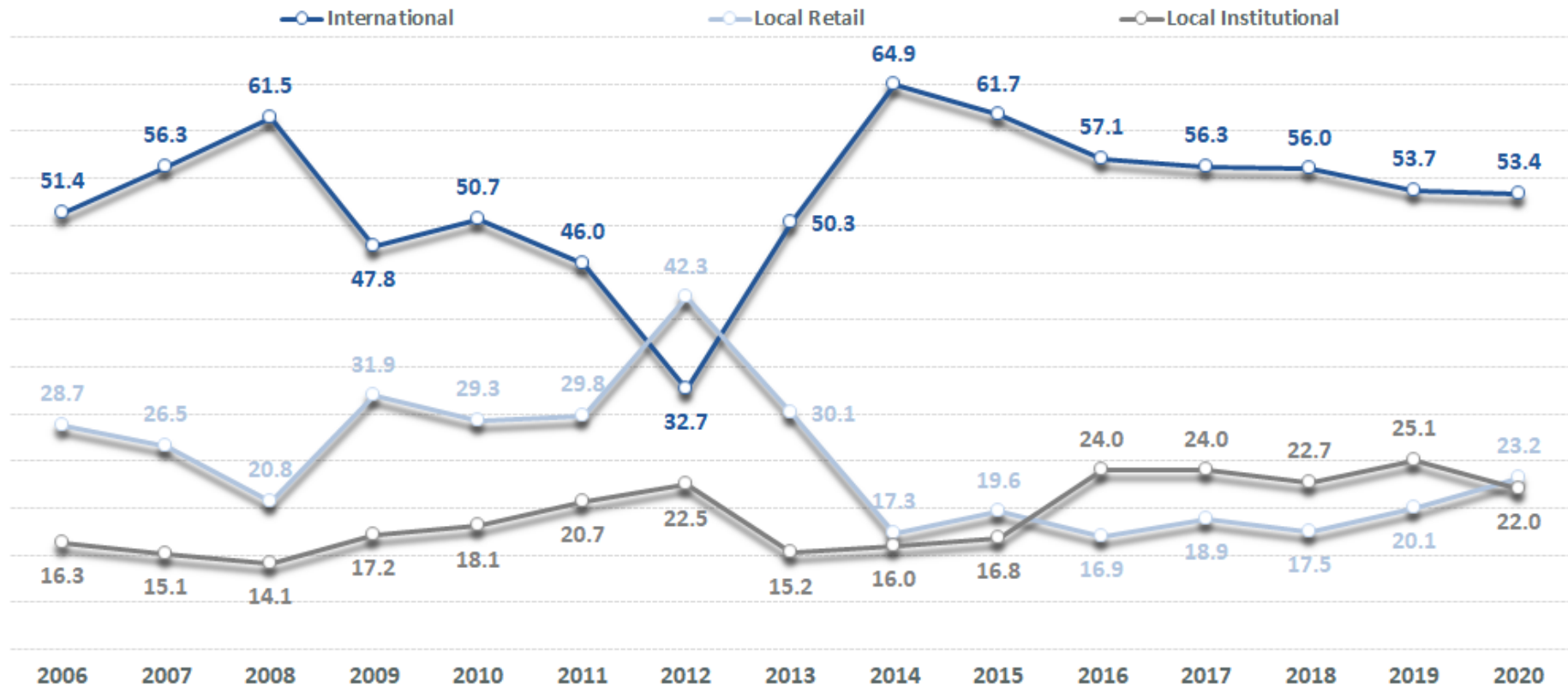
- Limited AUM Base  
 Greece showcasing just 4% of AUM/GDP vs. 20% for EU periphery. Gap equivalent to c. EUR 30bn



# “Financial Paradox” Explained - International Audience Cash Market

## Intl Investor Visibility Remains Elevated

(as % of total trading activity)

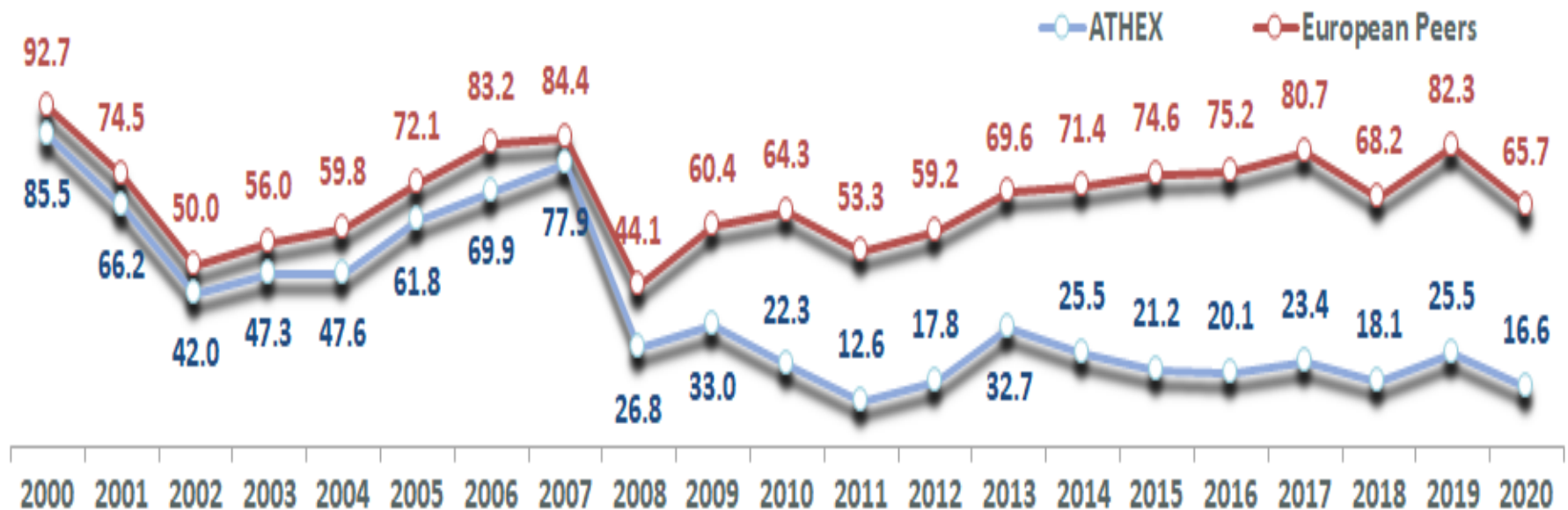


# Funding the Gap - Low Domestic Capital Mkt Penetration vs. EU Peers

## Greek Capital Markets has significant scope given limited penetration

### Capitalization to GDP

(market capitalization period end / GDP, %)



## Suppliers of Capital



## Impact

**Pillar 2:** Introduce mandatory or semi-mandatory Pillar 2 mechanisms

**Pillar 3:** Targeted incentivization to individuals by the government (e.g., institution of tax benefits for Pillar 3 schemes)

**Strengthening** of the domestic capital market system through improved performance due to:

**Curbing volatility** → Leading possibly to higher valuations given lower perceived risk

**Higher liquidity** → More liquidity likely to draw additional liquidity, positive “feedback” loop

**Improved governance** → Increased domestic (longer term investors) to hold management and BOD accountable for actions



# Funding the Gap – Initiatives - Acceleration + Destination

## Acceleration



## Destination

### SME Pre-Listing Support Program

Offered by the EBRD in coop with Athex. Support preparation to access capital, but also offer operational, managerial and technical advisory services aimed at creating a value proposition that will support the route to the capital market.

### Roots Program

Roots aims to accelerate the growth of SMEs by ensuring their capital market readiness and access to financing opportunities.

### EN.A

Multilateral Trading Facility – ‘Alternative Market Operating Rules’ set by ATHEX

- Flexible framework for admission to trading for both equity and fixed income
- Coverage of fundraising needs for growth SMEs as well as early stage companies



Thank you

