



ATHEXGROUP
Athens Exchange Group

The Greek Capital Market

An update and looking forward

June 2023

Nikos Porfyrakis

Chief Operating Officer

The ATHEX Strategic Vision

Change
the Narrative

1 Boost market activity Break vicious circle



Support wealth creation for domestic and international investors



Support growth of Greek economy and boost "crown jewels"

2 Increase revenues from established services & explore new services

3 Solidify & optimize international activities

4 Enhance the ATHEX operating model

5 Target digitally-driven innovation

Aided by

National Strategy for strengthening the Capital Market (NSCM)

Critical stakeholders:

- MinFin, HCMC, Bank of Greece, ATHEX, EBRD, DG Reform

Focus on the big picture

Regain the Developed Market Status (DMS)

Develop on-going communication channels to address pain points

- With the index providers
(FTSE, MSCI, Dow Jones S&P)
- With **our Participants**
- With the International indirect participants
(Investment Banks, Institutional Investors, Global Custodians, GCMs)

Co-operate with Institutional Bodies and ecosystem to propose plausible solutions

- **Full picture** of the actual issue and the data/facts
- **Better analysis**
- **Work together** for optimum solution
- **Co-ordination and synchronisation** of Institutional Bodies and ecosystem

Communicate effectively the solutions through

- Our **Members Network**
- **Direct communication** via
 - **Workshops / forums**
 - **Due diligence visits**
- Through **inclusion of the information/updates** in the **Market Guides** of ATHEXGroup and those of 3rd parties



Key Improvements achieved

- **Apr-2021 ATHEXCSD licensed under CSDR**
- **Hybrid accounts model: omnibus accounts** introduced along with segregated accounts
- **Over-the Counter Trading (OTC)** – automation of (stamp duty) tax collection processes
- **Improvement of OTC transferability** via NCBO transfer with no tax / low fee



Market Quality Data statistics and relevant information

<https://www.athexgroup.gr/web/guest/athex-market-quality-statistics>

mqd@athexgroup.gr

Mid Term planning

Key Projects for improving the Greek Capital market

ATHEXClear-New Risk model: From a pre-order risk management to a hybrid model for Clearing Members

A. Quick win

- New bilateral Block Trade (T+0) without pre-order financing

B. Q2 2024 solution

- Introducing Credit Rating model for Clearing Members (CMs) along with the existing pre-order risk management model
- Credit rating policy – Rules & Risk monitoring
- No pre-funding cost for TMs / CMs that select it
- Beneficial when sovereign credit rating is improved esp. for local CMs
- Will increase secondary liquidity for equity and derivatives market

Improving the Stock Lending products

✓ A. Stock Lending pool product with CCP clearing (Repo market)

- Launched automatic re-lending for clients (flagged at the CSD account level)
- Re-define and optimize algorithm that initiates the lending prices (offer)

B. Bilateral Stock Lending with CCP clearing

- Hit and Take capability
 - GUI/FIX to members
 - Visible through all data vendors

C. OTC Stock Lending (ISDA agreements)

- 50% Reduction of stamp duty (to 10bps)

Improving the derivatives market

- ✓ **New stock futures (total 36)**
- ✓ **Launched MSCI index futures**
- ✓ **Marketing along with members**
- Apply for CFTC approval for the FTSE/ATHEX Large Cap future

EU Post-trading Standardization projects

- ✓ **T2 with ISO 2022**
- ECB Corporate Actions standards
 - Will align CA standards across EU with ATHEXCSD
 - Will assist STP / reduce cost for market participants

Make our market offering attractive

Incentives for the Capital market



Initiatives to increase market capacity and liquidity

Focus on new IPOs, Share Capital Increases, Corporate Bonds, Joint Listings and motives to increase free float

Pricing policy incentives for secondary liquidity to ATHEX Members

Improving latency for trading (FIX, Fast FIX, Linux, proximity services)

Improvements in the Regulated market
– Focus to increase the free-float

Improvements - Re-launch of the **Alternative Market (ENA)**



Strengthening the ecosystem for ESG instruments

Actions **for improving and promoting ESG**

- ESG guide / updates
- ESG data platform

Developing the Green market segment (**ATHEX Bonds GREENet**)



Key Tax Incentives

Reduction of sales tax by 50% to **10bps**, to be applied to

- all transactions ins shares
- OTC stock lending

Elimination of corporate bonds coupon tax (same as for government bonds)

- Simplification of Greek corporate bonds market transactions for **foreign custodians and their clients**

Tax incentives for issuers

- **Capital accumulation tax** reduced by 50% to 0.5%
- **Tax incentives for SMEs listings**

Make it possible, make it easier

Improve the operating model and services offering



Simplify and Digitalise processes for Participants - Automation

Make it easier for investors to enter the market

- Digitalisation of investors on-boarding (recognition, identification, KYC, AML) in co-operation with Members and providers

Lower maintenance costs – Assist Members

through right of access in central databases to **check/update information** – with the consent of the investor (GDPR compliant)

Communication of balances directly to clients of Participants via ISO 15022 messages MT535 (reconciliation service)

Process Improvements for real-time **tracking of the instruction status**




Digital services for issuers

- ✓ **Daily registry services**
 - Transactions file
 - Enriched shareholders file
- ✓ **Shareholders Identification services (under SRD II)**
 - EU “Golden standard” fully compliant
 - Requests / responses through **ISO 20022 messages**
 - Optional support of **SI disclosures files in xml format**

Examples of recent digital services we are proud of

- ✓  **Axia e-shareholders meeting**

- **Issuers:** over 65
- **Full-service offering**
- **Delivery:** remote and hybrid

- ✓  **CEBB Centralised Electronic Book-Building**
- **Raised:** €4.5 bn , from €25 mil to € 650mil
- **Issues:** 30 (25 Bonds, 5 Shares, 1 SCI)
- **Participation:** >10.000 investors, 50 Members
- **Oversubscription :** >1.6%

Thank you!



Nikos Porfyris
Chief Operating Officer



n.porfyris@athexgroup.gr



ATHEXGROUP
Athens Exchange Group

www.athexgroup.gr

www.linkedin.com/company/athensexchange