

# *Capital Markets Union*

Socrates Lazaridis  
ATHEX GROUP CEO

November 3<sup>rd</sup>, 2016



**ATHEXGROUP**  
Athens Exchange Group

# Capital Market Union

## What is the plan of the European Commission

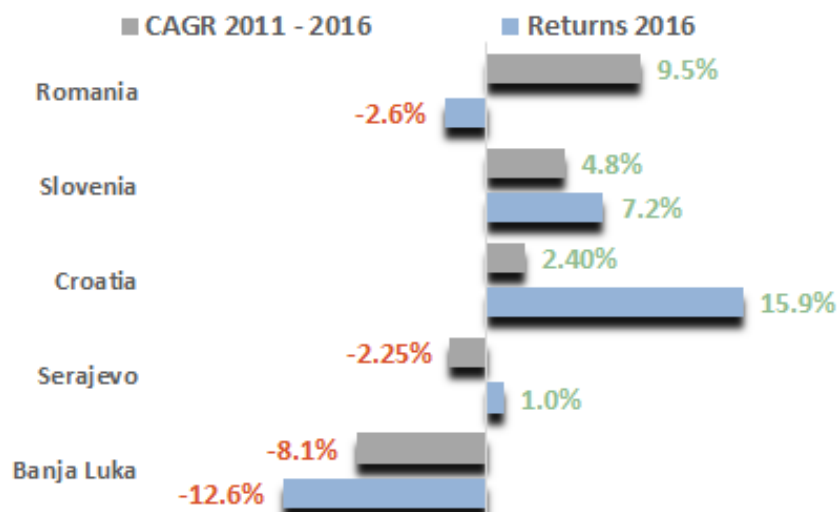
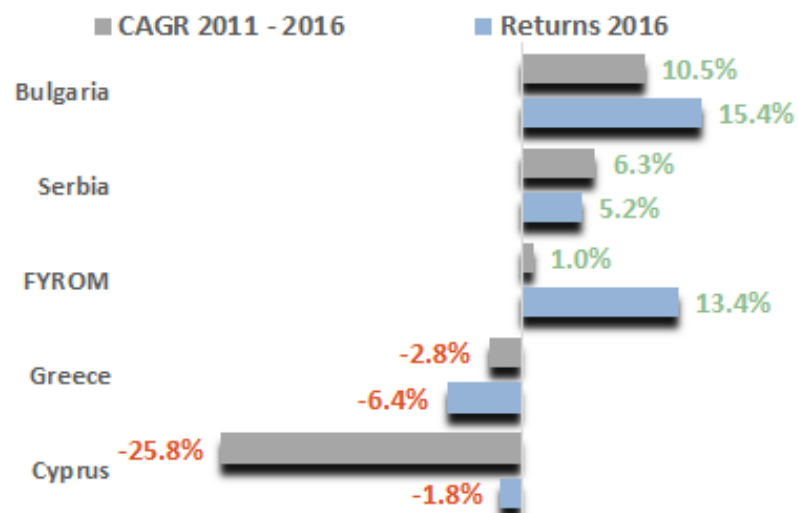
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- To **mobilise capital** in Europe
- To **channel it to all companies**, including **SMEs**, and **infrastructure projects** that need it to expand and create jobs.
- To create **deeper** and **more integrated capital markets** will **lower the cost of funding** and make the financial system more **resilient**. Achieved through:
  - increasing institutional investors' activity;
  - making it easier for companies to go through the funding escalator;
  - attracting retail capital in the capital markets;
  - eliminating cross-border barriers to capital flows, and
  - building new financial circles, e.g. green finance, sustainable investment
- To link savings with growth and offer new opportunities for savers and investors.

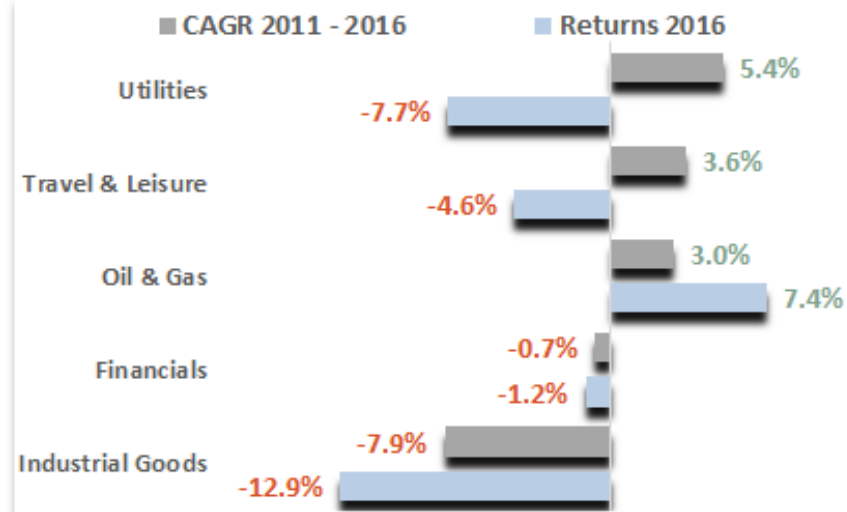
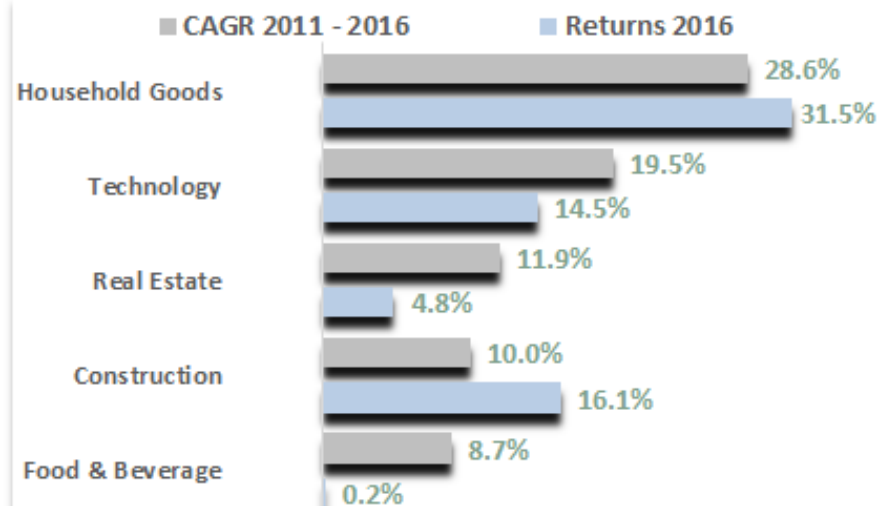
**ATHEX Group is extremely supportive of CMU**  
**ATHEX Group response to EU on CMU**

# Despite the Significant Returns from the SEE peers

## Main Market Indices of South Eastern Europe



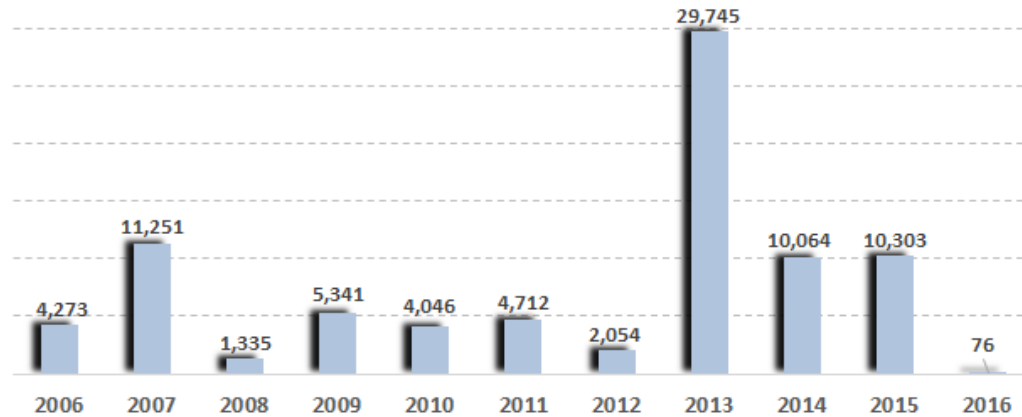
## ATHEX Sectoral Indices



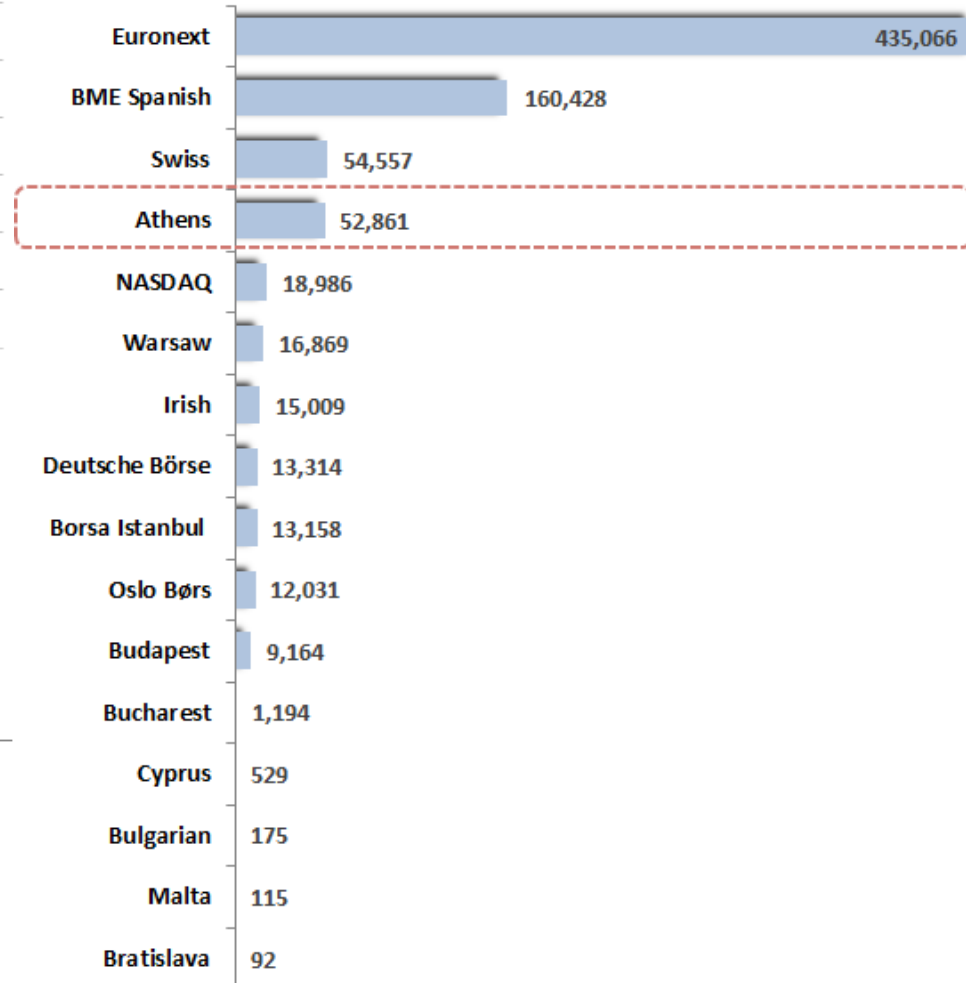
Source : Reuters, ATHEX GROUP October 31<sup>st</sup> 2016

# Despite the Significant Ability in Capital Raising by ATHEX

Capital Raised

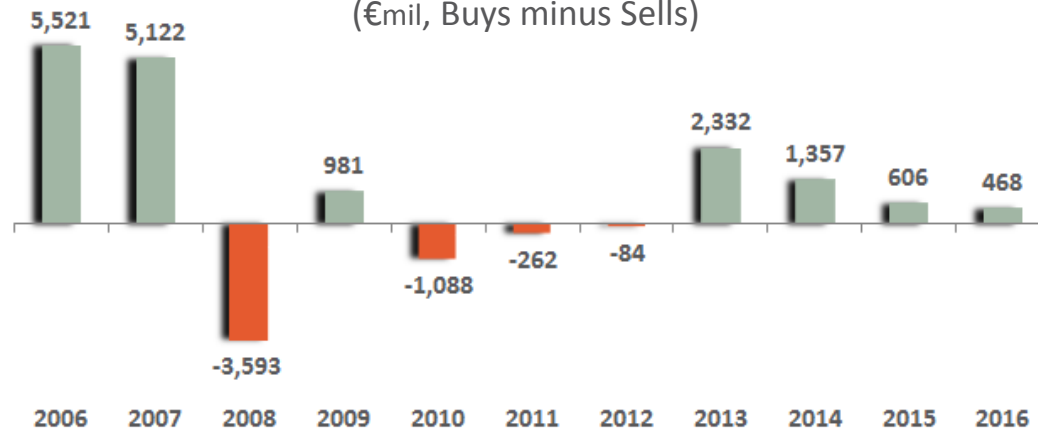


Capital Raised 2012 - 2016



Capital Flows from International Investors

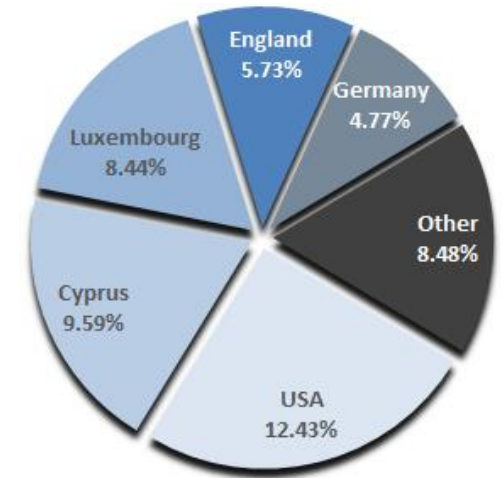
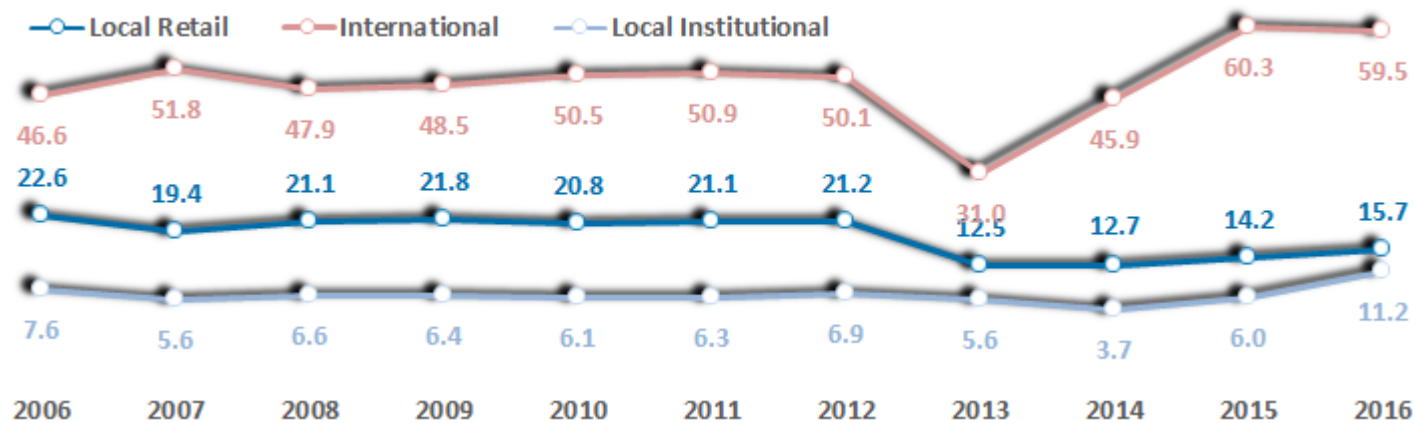
(€mil, Buys minus Sells)



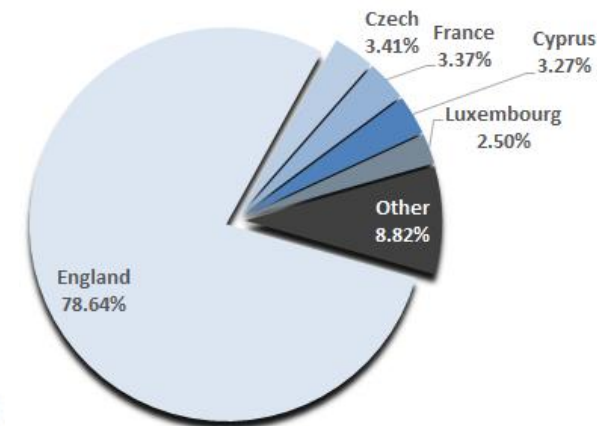
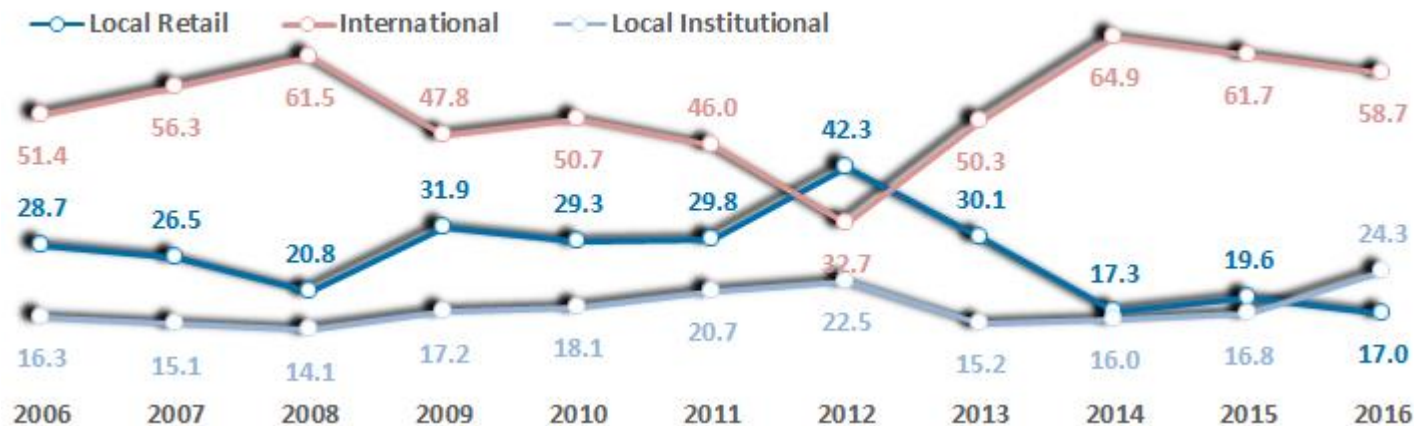
Source : ATHEX Group, October 31<sup>st</sup> 2016, FESE Members September 30<sup>th</sup> 2016

# Despite the Significant Participation from International Investors in ATHEX

## % of Total Market Capitalization

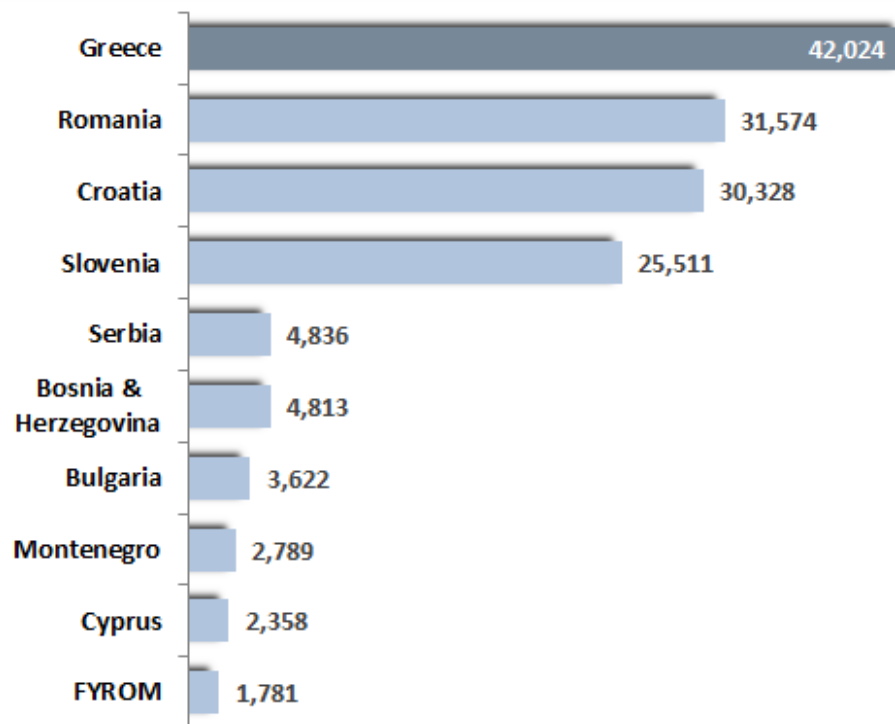


## % of Total Trading Activity



Source : ATHEX GROUP September 30<sup>th</sup> 2016

# Market Capitalization of the Region is Small Compared to that of EU



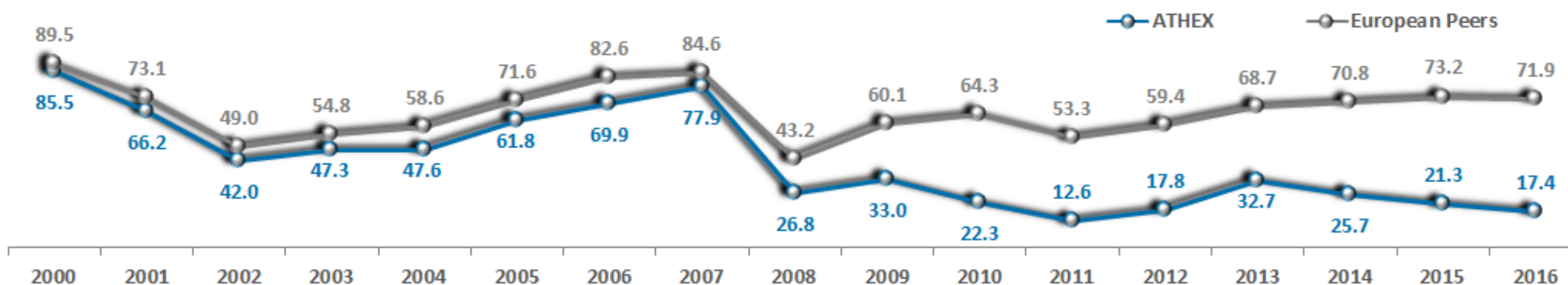
149,6bil

1.76%  
of Europe

## Capitalization vs GDP

European Peers: 71.9%

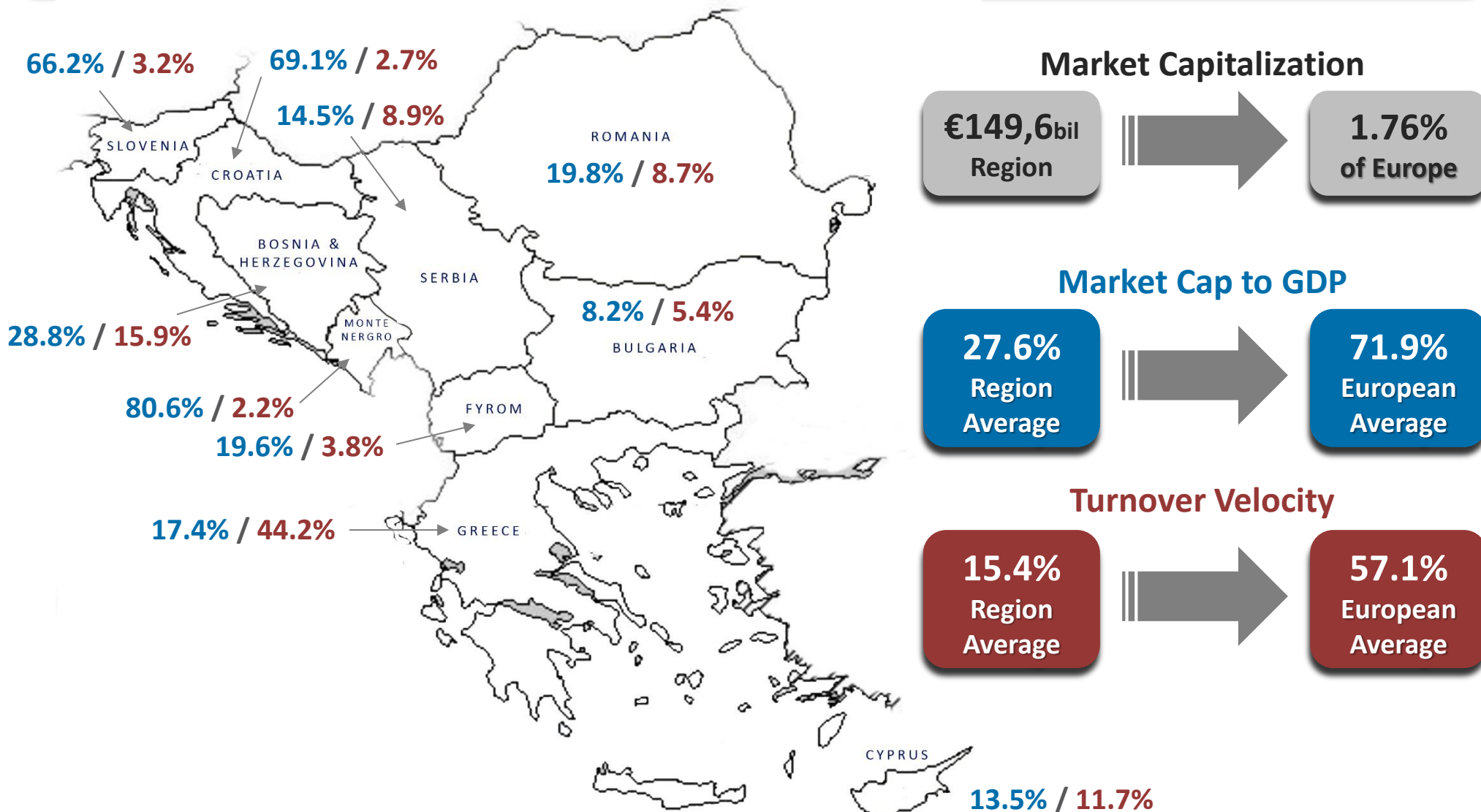
Region : 27.6%



Source : \* Serajevo & Banja Luka Exchanges, Region Markets October 20<sup>th</sup> 2016, FESE Members September 30<sup>th</sup> 2016

# Market Cap to GDP

## Potentials in a Liquidity Gap – We need to Increase our Visibility



Source : \* Serajevo & Banja Luka Exchanges, Region Markets October 20<sup>th</sup> 2016, FESE Members September 30<sup>th</sup> 2016

# Initiatives Undertaken Along the CMU Objectives

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## Promoting the Development of a Diverse Investor Base

- Grow Retail Investor Base
- Incentivize Local Institutional Investors
- Attracting International Investors

## Increasing the Pool of Securities & Associated Financial Products

- Optimize Market Admission Requirements
- Launch ETFs
- Corporate Bonds Market – Use of Centralized Book Building
- Launch Derivatives
- Create Regional Marketplace
  - Participation in SEE Link
  - Efficient use of XNET

## Investing in the Creation of an Enabling Market Environment

- Improving Market Trading Technology
- Enhanced Market & Reference Data
- Implement Market Makers Schemes
- Implement Short Selling and Securities Lending & Borrowing
- Link our CSDs



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