

COUNTRY REPORT GREECE 2008

1. Economic and Financial Background

Table 1: Key Economic and Financial Indicators*		
	2006	2007
Population (million)	11.15	11.20
GDP (EUR billion)	213.985	229.392
Real GDP growth (%)	4.2	4.1
Inflation rate (%)	3.3	3.9
Unemployment rate (%)	8.9	8.1
Stock market capitalisation (EUR billion)	157.94	195.51
Stock market capitalisation (% of GDP)	73.8	85.2
Bond market capitalisation (EUR billion)	199.33	220.63
Bond market capitalisation (% of GDP)	93.2	96.2
Household gross savings ratio (%)	2.2	n/a
Household financial wealth (EUR billion)	310.3	318.0
Average per capita financial wealth (EUR)	27,832	28,395

* Bank of Greece

- The Bank of Greece projection is that GDP will grow at around 3.7% in 2008, compared with about 4% in 2007 and 4.3% on average in 2001-2007. This projection takes into consideration, among other things, that in 2008 financing conditions, despite the increase in ECB interest rates so far and the turmoil in the international financial markets, will keep supporting growth, while the fiscal policy stance will be restrictive.
- Inflation has increased from 3.9% in December 2007 to 4.9% in June 2008. (National Statistical Service of Greece).
- Moreover, a significant drop was also recorded in the unemployment rate during 2007.
- The Athens Exchange (Athex) composite share price index during the period June 2007 to June 2008, decreased by 29% due to the strong turmoil in international financial markets.

2. Data on funds under management and portfolios

A.TOTAL ASSETS OF MUTUAL FUNDS BY MANAGEMENT COMPANY ON 30/6/2008						
No	Mutual Fund Management Companies	Total MF	Total Assets in € on 1/1/2008	Total Assets in € on 30/6/2008	Δ% since 1/1/2008	Market Share 30/6/2008
1	NBG ASSET MANAGEMENT M.F.M.C.	60	7.631.076.335,11	5.942.414.091,73	-22,13%	30,57%
2	ALPHA ASSET MANAGEMENT A.E.D.A.K.	35	5.656.830.477,85	5.248.873.619,80	-7,21%	27,01%
3	EFG M.F.M.C. S.A.	76	5.931.453.683,31	3.952.124.735,06	-33,37%	20,33%
4	PENSION MUTUAL FUND MANAGEMENT COMPANY S.A	2	973.997.532,69	895.409.556,87	-8,07%	4,61%
5	EMPORIKI ASSET MANAGEMENT Mutual Fund Mng't Co.	9	1.003.757.144,34	660.441.088,67	-34,20%	3,40%
6	HSBC (Hellas) Mutual Fund Mng't Co.	11	407.858.727,15	395.290.175,69	-3,08%	2,03%
7	ALICO AIG Mutual Fund Mng't Co.	25	480.663.476,60	374.078.301,31	-22,17%	1,92%
8	ATE Mutual Fund Mng't Co.	11	389.316.566,59	311.082.820,05	-20,10%	1,60%
9	ALPHA TRUST Mutual Fund Mng't Co.	11	325.143.655,33	251.631.021,73	-22,61%	1,29%
10	PIRAEUS ASSET MANAGEMENT M.F.M.C.	12	231.646.012,21	228.902.915,17	-1,18%	1,18%
11	MARFIN GAM Mutual Fund Mng't Co. S.A.	13	228.834.173,60	198.466.000,49	-13,27%	1,02%
12	ING M.F.M.C. S.A.	8	249.402.843,67	182.963.965,80	-26,64%	0,94%
13	ALLIANZ Mutual Fund Mng't Hellas S.A.	7	230.516.011,34	180.869.885,08	-21,54%	0,93%
14	KYPROU Mutual Fund Mng't Co.	8	128.974.285,15	106.821.376,62	-17,18%	0,55%
15	MILLENNIUM MFsMng't Co.	9	136.329.943,42	99.704.250,69	-26,87%	0,51%
16	ATTICA WEALTH MANAGEMENT MFMC	8	98.945.908,86	89.574.314,42	-9,47%	0,46%
17	ASPIS INTERNATIONAL Mutual Fund Mng't Co.	7	115.456.297,35	83.473.712,72	-27,70%	0,43%
18	INTERNATIONAL Mutual Fund Mng't Co.	7	87.131.824,41	68.526.446,74	-21,35%	0,35%
19	EUROPEAN RELIANCE Mutual Fund Mng't Co.	10	66.792.985,27	54.546.341,06	-18,34%	0,28%
20	Greek Postal Savings Bank & Hellenic Post M.F. Co.	4	51.691.633,04	41.425.145,05	-19,86%	0,21%
21	PROTON Mutual Fund Mng't Co	7	43.225.552,60	38.314.661,99	-11,36%	0,20%
22	PROFUND Mutual Fund Mng't Co	4	33.957.853,76	31.563.480,00	-7,05%	0,16%
	TOTAL	344	24.503.002.923,65	19.436.497.906,74	-20,68%	100,00%

Notes:

As of 1/1/2007 total assets of the Greek Market include assets of Greek funds as well as of funds domiciled abroad, whose assets are managed by Greek M.F.M.C. The assets of the funds domiciled abroad, where possible, are further categorized in the existing Greek categories.

B. Assets Breakdown of Mutual Fund Management Companies on 30/6/2008							
No	Mutual Fund Management Companies	Bond Funds	Money-Market Funds	Balanced Funds	Equity Funds	FoFs	Domiciled Abroad
1	ALICO AIG Mutual Fund Mng't Co.	33,83%	12,22%	13,39%	33,99%	6,56%	
2	ALLIANZ Mutual Fund Mng't Hellas S.A.	14,37%	6,20%	42,43%	37,00%		
3	ALPHA ASSET MANAGEMENT A.E.D.A.K.	15,60%	52,55%	12,40%	15,99%	3,46%	
4	ALPHA TRUST Mutual Fund Mng't Co.	13,34%	5,41%	6,68%	70,84%	3,74%	
5	ASPIS INTERNATIONAL Mutual Fund Mng't Co.	41,07%	34,75%		24,18%		
6	ATTICA WEALTH MANAGEMENT MFMC	30,67%	14,21%	35,10%	20,01%		
7	EFG M.F.M.C. S.A.	34,04%	4,03%	8,91%	37,41%	15,60%	
8	HSBC (Hellas) Mutual Fund Mng't Co.	3,76%	31,68%	14,86%	44,94%	4,76%	
9	ING M.F.M.C. S.A.		10,36%	11,66%	77,98%		
10	INTERNATIONAL Mutual Fund Mng't Co.	27,24%	4,40%	24,10%	44,26%		
11	MARFIN GAM Mutual Fund Mng't Co. S.A.	11,77%	18,34%	7,56%	51,54%	10,79%	
12	MILLENNIUM MFsMng't Co.	5,78%	10,76%		55,31%	28,15%	
13	PROFUND Mutual Fund Mng't Co	29,19%	28,77%	3,45%	38,58%		
14	PROTON Mutual Fund Mng't Co	28,83%		49,40%	21,77%		
15	PENSION MUTUAL FUND MANAGEMENT COMPANY S.A	37,80%		62,20%			
16	ATE Mutual Fund Mng't Co.	23,79%	12,18%	23,34%	39,34%	1,35%	
17	NBG ASSET MANAGEMENT M.F.M.C.	18,51%	61,99%	4,53%	11,33%	3,35%	0,30%
18	EMPORIKI ASSET MANAGEMENT Mutual Fund Mng't Co.	12,93%	49,23%	5,72%	31,19%	0,93%	
19	EUROPEAN RELIANCE Mutual Fund Mng't Co.	42,07%		10,75%	47,18%		
20	KYPROU Mutual Fund Mng't Co.	34,28%	8,31%	15,60%	41,81%		
21	PIRAEUS ASSET MANAGEMENT M.F.M.C.	19,15%	29,79%	11,42%	30,49%	9,16%	
22	Greek Postal Savings Bank & Hellenic Post M.F. Co.	27,39%	18,30%	51,81%	2,50%		
	MARKET SHARES	21,65%	37,89%	11,92%	22,63%	5,82%	0,09%

Collection of assets for Mutual Funds domiciled abroad and managed by Greek Firms began 1/1/2007.

C. ASSETS OF EQUITY, BALANCED, MONEY MARKET AND BOND MUTUAL FUNDS BY MANAGEMENT COMPANY ON 30/6/2008					
No	Mutual Fund Management Companies	Total MF	Total Assets in € on 1/1/2008	Total Assets in € on 30/6/2008	Market Share 30/6/2008
1	NBG ASSET MANAGEMENT M.F.M.C.	54	7.311.389.690,09	5.725.773.919,72	31,31%
2	ALPHA ASSET MANAGEMENT A.E.D.A.K.	28	5.293.699.562,01	5.067.382.327,55	27,71%
3	EFG M.F.M.C. S.A.	65	4.713.882.496,12	3.335.560.319,52	18,24%
4	PENSION MUTUAL FUND MANAGEMENT COMPANY S.A	2	973.997.532,69	895.409.556,87	4,90%
5	EMPORIKI ASSET MANAGEMENT Mutual Fund Mng't Co.	8	995.446.674,28	654.322.051,71	3,58%
6	HSBC (Hellas) Mutual Fund Mng't Co.	10	379.630.192,63	376.480.961,39	2,06%
7	ALICO AIG Mutual Fund Mng't Co.	23	449.265.146,44	349.532.066,83	1,91%
8	ATE Mutual Fund Mng't Co.	10	384.090.905,82	306.867.683,33	1,68%
9	ALPHA TRUST Mutual Fund Mng't Co.	10	310.692.166,50	242.226.404,90	1,32%
10	PIRAEUS ASSET MANAGEMENT M.F.M.C.	9	203.265.106,99	207.943.334,87	1,14%
11	ING M.F.M.C. S.A.	8	249.402.843,67	182.963.965,80	1,00%
12	ALLIANZ Mutual Fund Mng't Hellas S.A.	7	230.516.011,34	180.869.885,08	0,99%
13	MARFIN GAM Mutual Fund Mng't Co. S.A.	8	201.331.171,19	177.055.899,35	0,97%
14	KYPROU Mutual Fund Mng't Co.	8	128.974.285,15	106.821.376,62	0,58%
15	ATTICA WEALTH MANAGEMENT MFMC	8	98.945.908,86	89.574.314,42	0,49%
16	ASPIS INTERNATIONAL Mutual Fund Mng't Co.	7	115.456.297,35	83.473.712,72	0,46%
17	MILLENNIUM MFsMng't Co.	7	100.605.567,97	71.641.352,24	0,39%
18	INTERNATIONAL Mutual Fund Mng't Co.	7	87.131.824,41	68.526.446,74	0,37%
19	EUROPEAN RELIANCE Mutual Fund Mng't Co.	10	66.792.985,27	54.546.341,06	0,30%
20	Greek Postal Savings Bank & Hellenic Post M.F. Co.	4	51.691.633,04	41.425.145,05	0,23%
21	PROTON Mutual Fund Mng't Co	7	43.225.552,60	38.314.661,99	0,21%
22	PROFUND Mutual Fund Mng't Co	4	33.957.853,76	31.563.480,00	0,17%
	TOTAL	304	22.423.391.408,18	18.288.275.207,76	100,00%

D. ASSETS OF FUNDS OF FUNDS BY MANAGEMENT COMPANY ON 30/6/2008					
No	Mutual Fund Management Companies	Total MF	Total Assets in € on 1/1/2008	Total Assets in € on 30/6/2008	Market Share 30/6/2008
1	EFG M.F.M.C. S.A.	11	1.217.571.187,19	616.564.415,54	54,53%
2	NBG ASSET MANAGEMENT M.F.M.C.	4	287.431.702,83	199.049.993,88	17,61%
3	ALPHA ASSET MANAGEMENT A.E.D.A.K.	7	363.130.915,84	181.491.292,25	16,05%
4	MILLENNIUM MFsMng't Co.	2	35.724.375,45	28.062.898,45	2,48%
5	ALICO AIG Mutual Fund Mng't Co.	2	31.398.330,16	24.546.234,48	2,17%
6	MARFIN GAM Mutual Fund Mng't Co. S.A.	5	27.503.002,41	21.410.101,14	1,89%
7	PIRAEUS ASSET MANAGEMENT M.F.M.C.	3	28.380.905,22	20.959.580,30	1,85%
8	HSBC (Hellas) Mutual Fund Mng't Co.	1	28.228.534,52	18.809.214,30	1,66%
9	ALPHA TRUST Mutual Fund Mng't Co.	1	14.451.488,83	9.404.616,83	0,83%
10	EMPORIKI ASSET MANAGEMENT Mutual Fund Mng't Co.	1	8.310.470,06	6.119.036,96	0,54%
11	ATE Mutual Fund Mng't Co.	1	5.225.660,77	4.215.136,72	0,37%
	TOTAL	38	2.047.356.573,28	1.130.632.520,85	100,00%

E. ASSETS OF MUTUAL FUNDS DOMICILED ABROAD AND MANAGED BY GREEK FIRMS ON 30/6/2008					
No	Mutual Fund Management Companies	Total MF	Total Assets in € on 1/1/2008	Total Assets in € on 30/6/2008	Market Share 30/6/2008
1	NBG ASSET MANAGEMENT M.F.M.C.	2	32.254.942,19	17.590.178,13	100,00%
	TOTAL	2	32.254.942,19	17.590.178,13	100,00%

Notes:

The assets of the funds domiciled abroad that cannot be categorized in the existing Greek categories, remain in this category.

3. Key Trends in Flows and Assets under Management

TOTAL ASSETS

(EUR billions)	06/2007	06/2008
Home-domiciled UCITS	23.63	17.46
Home-domiciled non-UCITS	0.88	1.13
Foreign-domiciled UCITS	2.73	1.97
Total AuM	27.24	20.56

FUND FLOWS

(EUR millions)	06/2007 – 06/2008
Home-domiciled UCITS	-4,692.69

Because Greek regulation for open ended investment fund only provides for UCITS type of funds we provide you here below with a more detailed analysis of our funds industry per category.

TOTAL ASSETS

(EUR billions)	06/2007	06/2008
Equity	5.99	3.68
Bond	5.29	3.31
Balanced	2.74	2.31
Money Market	7.54	7.35
Fund of Funds	2.07	0.81
Total	23.63	17.46

FUND FLOWS

(EUR millions)	06/2007 – 06/2008
Equity	-1,176.30
Bond	-1,861.76
Balanced	-118.13
Money Market	-443.31
Fund of Funds	-1,093.18
Total	-4,692.69

During the period June 2007 – June 2008 total assets of all mutual fund categories decreased mainly due to the shift of funds towards time deposits who offered high interest rates, a higher degree of liquidity and safety. Time deposits constitute the most important category of households' deposits (Bank of Greece – Monetary Policy 2007-2008).

4. Regulatory and Self Regulatory Developments (including tax)

- The tax regime has not been updated in the course of 2007-2008.
- MiFID Directive 2004/39 and its implementing measures Directive 2006/73 and Regulation 1287/2006, have been transposed into national regulation and entered into force as of 1 November 2007. The new requirements had an impact on fund management companies as - sometimes extensive- internal reorganization had to be implemented in terms of the asset management activities.
- Also, Directives 2006/48 and 2006/49 on supervision of banks and capital adequacy were implemented into national law in July 2007.

5. Corporate governance – major developments

There has been no change in the legal field and funds have been active in the whole in exercising their voting rights in the companies in which they are invested which are listed on the Athens Stock Exchange.

6. Fund Governance

In the field of fund governance at the regulators level updates of existing Codes of Conduct were issued in April 2008 in order to accommodate for new MiFID requirements. In more detail, regarding the funds risk disclosure, performance presentation and disclosure of fees, the requirements of the Full and the Simplified Prospectus are fully adhered to. The requirements for independence on the funds board are in line with those of EU Directives 107/2001 and 108/2001

7. Product Development

In the course of 2007 the regulatory framework was amended so as to allow for the creation of Exchange Traded Funds and the first one was launched by the end of September 2007 in cooperation with FTSE indexes and the Athens Stock Exchange.