HELLENIC CAPITAL MARKET COMMISSION

ANNUAL REPORT 2012

ATHENS 2013

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A NOTE FROM THE CHAIRMAN

The year 2012 was another tough year for the Greek economy and, consequently, for the Greek capital market. Not as tough as the year 2011, albeit under the pressure of the anticipated –and necessary– transition to a new phase. The omens are better – the first signs of stabilization, if not recovery, are evident; however, the final outcome has not yet been determined. And, as it has always been since the beginning of the crisis, this outcome is not only in our hands – a fact that is especially true in the internationalized realm of capital markets.

The fiscal year was marked by five major developments, three on the domestic and two on the international front. In Greece, these developments were determined by the PSI scheme and its effects on both the debt and the financial situation of markets, businesses and households; the double elections, which finally led to the formation of a three-party, pro-European coalition government; and the year-end agreement concerning the disbursement of the largest yet, and most crucial, bailout loan tranche, which, to a great extent, also heralds the completion of the closely monitored adjustment programme. In Europe, events of such magnitude would include the European Central Bank's initiative to "guarantee" the euro and the euro zone –and, indirectly, Greece's stay in the latter–, especially through the statements made by ECB President Mario Draghi in the summer of 2012 and the designing of the Outright Monetary Transactions (OMTs), as well as a series of regulatory initiatives that culminated in securing the path towards the establishment of a European Banking Union. Developments in Europe changed the climate in the Euro zone and created an environment of relative, albeit always fragile, stability, which was used by the Greek political and economic system as a first "stepping stone" for exiting the crisis.

Despite the relevant improvement, both the indicators and the economic reality –which is initially, and in a rather peculiar manner, reflected in the capital markets' trends and fluctuations– remained, if not "in the red", at least in a "deep orange". The GDP continued to contract for a fifth year in a row, the rise in unemployment reached staggering levels in terms of Greek –but also European– standards, the liquidity (and other) problems faced by banks and businesses remain huge, and the drop in consumption and the difficulty of both individuals and legal entities to honour their obligations is the result of the persistence of the recession and the perpetuation of the climate of insecurity. On the other hand, the year 2012 saw the consolidation of export growth, the multi-party consensus for reforms in both the economy and the public administration, and the practical confirmation of the foreign investors' interest in participating in the Greek stock exchange.

In the capital market, in particular, the three most crucial developments were the fact that the Athens Exchange retained its developed market status despite the persistence of the crisis and the continued failure to resolve once and for all the issue of financial product reform; the rise towards the psychological barrier of 1,000 units (in this sense, the year is literally divided in half, since the Index reached its high –919 units– on December 28th, and its low –471 units– on June 5th); and the substantial, in qualitative terms, growth in the volume of transactions, market capitalization and the participation of foreign investors. The expected stabilization of the climate in both Greece and Europe –which was, nonetheless, jeopardized at the time of writing by the Cyprus debacle– as well as the legislative initiatives that have been jointly promoted by the HCMC and the ATHEX and are ready to be tabled to Parliament, improve the conditions for further enhancing the mobility and growth of the Greek money market in 2013.

As far as the inner workings of the Hellenic Capital Market Commission are concerned, the year 2012 saw the consolidation –hopefully until the end of its term– of the Management structure, through the selection of a new First Chairperson and member of the Board, while the author of this message was also appointed Chairman of the Board of Directors of the Common Guarantee Fund, with the aim of ensuring the fund's better coordination with capital market developments and the fullest protection of the financial firms' shareholders and clients. The Commission and its representatives continued (in a more meaningful manner, as I would like to believe) to participate in the committees and task forces of the European Securities and Markets Authority (ESMA) – as a matter of fact, the Chairman of the Hellenic Commission was elected Chair of the crucial Market Integrity Standing Committee (MISC), the successor to ESMA-Pol, which, throughout 2012 was instrumental in specifying and implementing the provisions of the ground-breaking Regulation on short selling. Regulation, and to a somewhat lesser extent, supervision are continually transferred from the national to the European level, and for this reason we are placing great importance to the active monitoring of, and our greatest possible contribution to, European developments. Finally, the Commission sustained and systematized its effort to become more extrovert and enhance its educational role: through the public statements of its Chairman and executives, through the establishment of an open Conference that will be held on an annual basis on issues pertaining to our sector, through closer contact with listed companies and financial firms, through the exercising of prudential supervision, as well as through crystallizing and externalizing the tenet of being "Strict on serious matters, understanding on the problems caused by the crisis".

We want to believe that in 2012 we laid the foundations for making sure that, with a little luck and lots of hard work, the year 2013 will signify, for both the Greek capital market and the Greek economy, the transition first to a stage of normalcy and then to a stage of revival, to the benefit of the society at large.

Konstantinos Botopoulos
Chairman of the Board

PART ONE

THE HELLENIC CAPITAL MARKET COMMISSION

OBJECTIVES AND TASKS

The Hellenic Capital Market Commission (henceforth HCMC) is responsible for monitoring compliance with capital market law. The HCMC is a public entity, whose exclusive task is to protect the public interest, enjoying operational and administrative independence. The HCMC's operations do not burden the state budget, and its resources originated from fees and contributions paid by the supervised entities. The HCMC's annual budget is drafted by its Board of Directors and approved by the Minister of Finance. The members of the Board of the HCMC exercise their duties under conditions of total personal and operational independence, are only bound by the law and their conscience, and do not represent the bodies that nominated them. The HCMC submits its annual report to the Speaker of the Hellenic Parliament and the Minister of Finance. The Chairman of the HCMC is summoned at least twice a year by the competent Commission of the Parliament, to provide information on capital market issues. The objectives of the HCMC are to ensure the integrity of the market, to mitigate systemic risks, and to protect investors by increasing transparency. The capital market entities supervised by the HCMC include brokerage firms, investment firms, mutual fund management firms, portfolio investment companies, real estate investment trusts, and financial intermediation firms. Moreover, the HCMC oversees the compliance of companies listed on the Athens Exchange (henceforth ATHEX) with capital market legislation, concerning legitimacy issues related to investor protection. The members of the Boards of Directors and the executive managers of the aforementioned entities must comply with the rules and regulations set by the HCMC. Entities and organizations subject to supervision by the HCMC also include regulated markets, clearing houses, and the investor indemnity scheme (the ATHEX Members' Guarantee Fund). The HCMC is responsible for approving the content of prospectuses, as far as the need of investors to obtain complete information during public offerings and the listing of securities in organized markets is concerned. The HCMC is endowed with the authority to impose administrative sanctions (suspension and revocation of license, trading halts, imposition of fines) on any supervised legal and physical entities that violate capital market law. Being a national regulator, the HCMC concludes bilateral and multilateral agreements and memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, and co-operation on issues that fall under its competence. It is an active member of the European Securities and Markets Authority (ESMA), and the International Organization of Securities Commissions (IOSCO).

BOARD OF DIRECTORS

The Board of Directors of the HCMC consists of seven members: the Chairman, two Vice-Chairpersons (A and B) and four members, who are appointed by decision of the Minister of Finance. The appointment of the Chairman is subject to the approval of the competent commission of the Greek Parliament. Two members of the Board are selected from lists containing three candidates, which are prepared by the Bank of Greece and the ATHEX respectively. At the end of 2012, the Board of the HCMC comprised the following members (Ministerial Decision 24282/B 1348, Gazette 231/2009):

Chairman: Mr. Konstantinos Botopoulos
First Vice-Chairwoman: Ms. Vasiliki Lazarakou
Second Vice-Chairman: Mr. Xenophon Avlonitis
Members: Messrs. Socrates Lazaridis, Ioannis Gousios, George Mouzoulas and Dimitrios Avgitidis

In 2012, by virtue of ministerial decision no. 22127/B991 (Gazette 238/15.05.2012), Mr. George Mouzoulas was appointed Member of the Board of Directors in replacement of Mr. Panagiotis Kavouropoulos, who resigned. Moreover, by virtue of ministerial decision no. 38712/B 1430 (Gazette 427/10.09.2012) Ms. Vasiliki Lazarakou was appointed First Vice-Chairwoman of the Commission in replacement of Ms. Marina Souyioultzi, who resigned. The Board of Directors of the HCMC is this entity's supreme body, and is mainly entrusted with general policy-making, the introduction of rules and regulations, the granting and revoking of licenses, the imposition of sanctions, drafting the annual budget, the management of the Commission's operations and making decisions on personnel matters. The Board of Directors is convened by its Chairman and meets at least twice a month, provided that at least four of its members are present.

EXECUTIVE COMMITTEE

The Executive Committee consists of the Chairman and the two Vice-Chairpersons and is entrusted with the execution of the decisions made by the Board of Directors. It is responsible for the Commission's daily management and the supervision of its operations. It is also responsible for the judicial representation of the HCMC in front of Greek and foreign courts.

ORGANIZATIONAL STRUCTURE

The organization chart and the responsibilities of the departments of the HCMC are specified by Presidential Decree 65/2009 (Government Gazette 88/9.6.2009), as illustrated below:

FIGURE 1. The Organization Chart of the HCMC (PD 95/2009)

BOARD OF DIRECTORS			
FIRST VICE-CHAIRWOMAN		**CHAIRMAN**	**SECOND VICE-CHAIRMAN**
MEMBERS			
PRESS OFFICE		INTERNAL AUDIT OFFICE	
GENERAL MANAGER			
SPECIAL ANTI-MONEY LAUNDERING UNIT		**THESALONIKI REGIONAL OFFICE**	
DIRECTORATE OF CAPITAL MARKET INTERMEDIARIES		**DIRECTORATE OF LISTED COMPANIES**	
Department of Licensing of Investment Firms	Department of Licensing of Collective Investment Schemes	Public Offerings Department	Department of Continuous Information
Department of Supervision of Investment Firms	Department of Supervision of Collective Investment Schemes	Department of Periodic Information	Department of Supervision of Listed Companies
Department of Markets and Information Systems			
DIRECTORATE OF MARKETS SUPERVISION		**DIRECTORATE OF INTERNATIONAL RELATIONS**	
Department of Monitoring	Department of Transactions Auditing	Department of International Relations	Department of European Affairs
Department of Citizen Information			
DIRECTORATE OF RESEARCH, CERTIFICATION AND TRAINING		**DIRECTORATE OF ADMINISTRATION**	
Department of Research	Department of Certification and Training	Department of Protocol	Department of Information Systems
		Human Resources Department	
DIRECTORATE OF ACCOUNTING		**DIRECTORATE OF LEGAL SERVICES**	
Accounting Department	Procurement Department		

PART TWO

ECONOMIC AND MARKET MARKET DEVELOPMENTS

MACROECONOMIC DEVELOPMENTS

The Greek economy

According to data from the Budget Report, in the period 2009-2011 the General Government deficit was reduced by 6.2 per cent of the GDP. This is the greatest reduction ever achieved by a member-state of the euro zone and resulted from fiscal measures amounting to 49 billion euros or 22.5% of GDP. Moreover, in 2009-2011 the cyclically adjusted General Government deficit was reduced by 10 per cent of GDP, while the primary deficit was reduced by 8.4 per cent of GDP.

However, the performance of fiscal adjustment measures was not matched by a corresponding tax revenue performance, given the increase in tax rates. This phenomenon can be attributed to several factors, such as the decrease in the taxpayers' income as a result of the recession, tax evasion, the limited liquidity of both businesses and individuals, and the delays in the issuance of court decisions on tax-related issues.

At the same time, major structural reforms were set into motion, such as the changes in social security, the establishment of a single payment agency for the public sector, the single payroll system, the restructuring and consolidation of public sector agencies and organizations, and the rationalization of public pharmaceutical expenditure and health services. These reforms must, of course, be enhanced, accelerated and completed.

The need to fully meet the medium-term targets and ensure the restructuring of the public debt through the private sector involvement (PSI) scheme, created additional obligations in regard to financing the country's total lending requirements for the period 2012-2014. In order to deal with this, Greece signed a new financial assistance facility agreement with the Troika, which included: (a) financing part of the voluntary exchange of Greek government bonds, up to the amount of 30 bn euros; (b) financing the repurchase of 35 bn euros in securities submitted as collateral to the Eurosystem; (c) financing the repayment of accrued interest amounting to 5,7 bn euros; (d) financing the recapitalization of Greek banks to the amount of 23 bn euros; and (e) financing the country's lending requirements up to the amount of 109.1 bn euros (of which 24.4 bn euros originate from the non-utilized principal amount of the first loan facility agreement and 23 bn euros originate from the non-utilized principal amount of the Existing Bank Recapitalisation Facility).

In 2012, the Greek economy remained in recession for a fifth consecutive year. It is estimated that the GDP has contracted by more than 20% during the past five-years. The Greek economy is going through a vicious spiral of fiscal adjustment-economic recession-inability to achieve fiscal targets, which exacerbates the overall level of uncertainty. Breaking this vicious circle requires, above all, reliable policy implementation, financial stability and growth initiatives, and is conditional on the growth of the global, and especially the European, economy.

In 2012, the fiscal adjustment programme was continued for a third consecutive year. The scope of this adjustment is very large, thus imposing unprecedented pressures on the Greek economy. As part of the adjustment, the coalition government that resulted from the June 17 election laid out its policy on the basis of five main axes: (a) the implementation of a new Medium-Term Fiscal Strategy for the period 2013-2016; (b) the implementation of necessary structural reforms and institutional changes; (c) the establishment of a simple, fair and stable tax system; (d) the acceleration of the privatization process and the programme for the *development of the State's real property; and (e) the further restructuring and consolidation of public sector agencies.*

Structural reforms, the acceleration of the privatization process and the development of the State's real property are expected to speed up the recovery of the Greek economy, by encouraging private investment, boosting productivity and accelerating the technological restructuring of production. It is estimated that the expected inflow of foreign capital will generate further domestic inflows, with positive side effects for other businesses or sectors of the economy. Structural reform can be instrumental in increasing the extroversion of the Greek economy and improving the investment and business climate.

The development of the Greek economy's macroeconomic indicators during 2012 attests to the substantial contraction of business activity, the only exception being the improvement of exports. Economic sentiment and business expectation indicators remain at low levels, featuring substantial volatility, as a result of the generally prevailing uncertainty. Taking into account the decline of credit growth and the continued implementation of restrictive fiscal and income policies, these trends are expected to persist in 2013.

According to current, non-seasonally adjusted ELSTAT data, in the 2nd quarter of 2012, the GDP at constant prices decreased by 6.3% year-on-year, as compared to a 6.5% y-o-y decrease in the 1st quarter. In the 1st half of the year, the real GDP decreased by 6.4%, as compared to a 7.6% decrease in the 1st half of 2011. During the first half of 2012 private consumption decreased by 8.4%, public consumption decreased by 1.7%, total investment decreased by 20.4%, exports fell by 1.3% and imports fell by 14.6%. Overall, it is estimated that the year-on-year contraction of real GDP will stand at 6.5% in 2012, since the contribution of net external demand and domestic demand to the GDP was reduced by 3.1 and 9.1 percentage points respectively.

In 2012, the labour market was hit by a further rise in unemployment. Based on monthly, seasonally-adjusted ELSTAT data, the unemployment rate rose to 25.1% in July 2012 (1,261,604 unemployed persons). Of these, the percentage of unemployed young people, aged 15-24, dramatically increased to 54.2%, while the female unemployment rate (29%) was much higher than the unemployment rate among men (22.3%). The average unemployment rate is expected to reach 22.4% by the end of 2012.

In 2012 inflation continued to fall, especially after the first nine-months of the year, owing to the contraction of the demand for goods and services and the reduction of labour costs. The Harmonized Index of Consumer Prices (HICP) rose by 1.2% in the period January-September, as compared to a 3.3% increase in the same period of 2011, while in September the HICP rose by 0.3% as compared to a 2.7% rise in the euro zone. Core inflation also continued to fall, registering negative growth in September. The final inflation rate will depend on the effect that the implementation of the new Budget's fiscal and tax measures (e.g. the equalization of the excise tax on heating oil and automotive diesel with 80% of the current value of the excise tax on automotive diesel) will have on prices. According to preliminary estimates, the final inflation rate for 2012 will stand at about 1.1%. The annual growth of Greece's contribution to money supply (M3) in the euro zone (apart from currency in circulation) was gradually reduced during the period January-August 2012 and stood at -18.9% in August 2012, as compared to -16.4% in December 2011. The annual average drop in overnight deposits rose to -22.5 in August 2012 from 18.0% in December 2011, while the annual average drop in term deposits of up to 2 years rose to -16.3% in August 2012 from -15.3% in December 2011. The continued drop in M3 is the result of the continued outflow of domestic deposits that began as early as 2009, given that Greece's contribution to M3 consists almost exclusively of deposits. The decrease in deposits, apart from the part that can be attributed to the contraction of the GDP, mainly reflects the uncertainty regarding the country's economic prospects and, in particularly, whether it will stay in the euro zone. The improvement of depositor confidence is directly *related to the progress of structural reforms, the containment of fiscal imbalances and the successful completion of the banking system's recapitalization and consolidation.*

The continued decline of bank financing to the domestic private sector is, on one hand, due to the major and prolonged slowdown of business activity and to the increased uncertainty, which had a negative effect on the demand of households and businesses for bank loans. As a result of low capacity utilization and uncertainty, many businesses suspended their investment plans, leading to a decrease in these businesses' bank financing requirements. On the other hand, it is due to the uncertainty and the deep recession, which reduced the banks' ability to finance the Greek economy, owing to three reasons: first, domestic financial institutions are faced with scarce liquidity as a result of the drop in deposits and their reduced access to international money and capital markets; second, the banks' capital bases shrunk as a result of their participation in the PSI scheme and the surge in bad loans; and, third, the growth of credit risk, as a result of the recession, discouraged bank lending, in an effort to reduce the possibility of future losses.

In 2012, the current account deficit for the eight-month period January-August registered a significant year-on-year decrease. This development was assisted by the substantial reduction of the trade deficit (excluding fuel) by 4.4 bn euros and the primary incomes balance by 3.3 bn euros, as well as the increase in the services and transfers balances. As a result, the current account deficit stood at 4.6 bn euros, reduced by 66.5% year-on-year (9.1 bn euros).

In 2012, the trade deficit (excluding fuel and ships) decreased by 2.6 bn euros, due to a 2.2 bn euro drop in imports and a 388 million euro increase in exports. In addition, net payments for the purchase of ships and fuel imports fell by 1.85 bn euros and 190 million euros, respectively. The prospect of any further growth in net exports will depend on developments in the domestic and international markets, which, in turn, will depend on the course of the overall business climate and liquidity in the market.

TABLE 1. Macroeconomic indicators of Greece, 2009-2012

Macroeconomic Indicators	*2009*	*2010*	*2011*	*2012**
1. Growth of GDP and its components (real)				
1.1 Private consumption	-1.6	-6.2	-7.7	-7.7
1.2 Government consumption	4.9	-8.7	-5.2	-6.2
1.3 Gross fixed capital formation	-13.7	-15.0	-19.6	-14.4
1.4 of which: equipment	-18.4	-8.2	-18.1	-14.0
1.5 of which: construction	-12.8	-19.2	-21.0	-14.8
1.6 Exports of goods & services	-19.4	5.2	0.3	0.8
1.7 Imports of goods & services	-20.2	-6.2	-7.3	-10.0
1.8 GDP	-3.1	-4.9	-7.1	-6.0
2. Demand components Contribution to changes in GDP (%)				
2.1 Consumption	-0.2	-6.3	-6.6	-6.7
2.2 Investment	-3.1	-3.0	-3.5	-2.3
2.3 Stockbuilding	-2.9	1.4	0.6	-0.9
2.4 Domestic demand	-6.3	-7.8	-9.5	-9.9
2.5 Exports	-4.7	1.0	0.1	0.2
2.6 Final demand	-10.9	-6.8	-9.4	-9.7
2.7 Imports	7.8	1.9	2.3	3.1
3. Gross savings and investment (% of GDP) at current prices				
3.1 Private sector savings	16.0	13.7	12.8	11.1
3.2 Net savings of households	-2.2	-7.4	-9.0	-
3.3 General government savings	-11.8	-8.9	-8.4	-5.4
3.4 National savings	4.2	4.8	4.4	5.7
3.5 Gross capital formation	18.6	17.5	16.1	14.0
3.6 Current account	-14.4	-12.8	-11.7	-8.3
4. Determinants of investment				
4.1 Capacity utilization (survey)	76.3	70.8	68.2	67.7
4.2 Output gap (trend)	6.5	3.1	-1.9	-5.3

4.3 Potential output gap	*-1.6*	*-5.4*	*-10.0*	*-13.0*
4.4 Profitability index (1961-1973 = 100)	*80.2*	*73.4*	*66.9*	*69.8*
5. Growth potential				
5.1 Growth of net capital stock (real)	*1.6*	*0.4*	*-0.9*	*-1.4*
5.2 Net capital/output ratio (real)	*3.7*	*4.0*	*4.2*	*4.4*
5.3 Growth of capital intensity	*2.2*	*1.6*	*2.2*	*3.1*
5.4 Labour productivity growth	*-2.5*	*-2.4*	*-1.6*	*2.0*
5.5 Total factor productivity growth	*-3.4*	*-3.6*	*-3.5*	*-0.7*
6. Employment and unemployment				
6.1 Total employment	*-1.1*	*-2.3*	*-6.1*	*-7.9*
6.2 Activity rate	*66.3*	*67.2*	*67.3*	*66.9*
6.3 Employment rate (benchmark)	*60.1*	*58.9*	*55.6*	*51.4*
6.4 Employment rate (full-time equivalent)	*61.3*	*60.4*	*58.8*	*-*
Unemployment rate (Eurostat definition)	*9.5*	*12.6*	*17.7*	*23.6*
7. Prices and wages				
7.1 Nominal wages per head	*3.5*	*-2.6*	*-3.4*	*-6.8*
7.2 Real wages per head	*2.8*	*-6.3*	*-6.5*	*-7.8*
7.3 Nominal unit labour costs	*6.2*	*-0.1*	*-1.8*	*-8.6*
7.4 Real unit labour costs	*3.8*	*-1.3*	*-2.9*	*-8.2*
7.5 GDP deflator	*2.3*	*1.1*	*1.0*	*-0.5*
7.6 Private consumption deflator				
7.7 Terms of trade	*0.7*	*0.4*	*-1.1*	*-1.0*
8. General Government Budget (% of GDP)				
8.1 Expenditure	*54.0*	*51.3*	*51.7*	*50.7*
8.2 Current revenues	*38.3*	*40.6*	*42.3*	*43.9*
8.3 Net borrowing (-) or lending (+)	*-9.8*	*-15.6*	*-10.7*	*-9.4*
8.4 Cyclically-adjusted net borrowing	*-15.0*	*-8.4*	*-5.1*	*-1.2*
8.5 Debt (end of period)	*129.7*	*148.3*	*170.6*	*176.7*
9. Monetary conditions				
9.1 Long-term interest rate	*5.2*	*9.1*	*15.8*	*-*
9.2 Short-term interest rate	*1.2*	*0.8*	*1.4*	*-*
9.3 Yield Curve	*4.0*	*8.3*	*14.4*	
9.4 Real long-term interest rate	*2.8*	*7.9*	*14.5*	
9.5 Nominal effective exchange rate	*1.9*	*-2.3*	*1.0*	*-1.4*
9.6 Real effective exchange rate	*104.6*	*101.7*	*99.8*	*88.0*

*Source: Eurostat. Note: * Estimates*

The International and European economies

According to IMF statistics, in 2012 the international economy suffered further deterioration. Economic growth prospects have been revised downwards. The risk of a slowdown is now considered to be higher than anticipated a year ago. The main question is whether the international economy is simply entering a new period of turbulence, partly due to expectations of a slow and uneven recovery, or the current slowdown is of a more permanent nature.

The answer depends on whether the politicians in Europe and the rest of the world will be proactive in regard to the major short-term economic challenges facing them. Current forecasts assume that this will be the case, and therefore international economic activity will continue to grow in the next few years. In the medium term, there are still major questions regarding how the international economy can function under conditions of high public indebtedness and whether emerging economies will be able to maintain their strong growth rates while shifting growth financing from external to domestic sources. The problem of high public debt pre-existed the outbreak of the crisis, mainly as a result of aging populations and the increase in pension expenditures, albeit the crisis made it necessary to deal with it, not only in the long, but also in the medium term.

The deterioration of international business activity and unemployment indicators was rather marked during the first half of 2012, without any major improvement during the second half of the year. International production has suffered an abrupt slowdown. The countries of the euro zone periphery are seeing a major drop *in business activity, driven by financial difficulties, as shown by the steep increase in bond yield spreads. Business activity was also reduced in other economies, such as the United States and the United Kingdom. The side-effects of developments in advanced economies, as well as domestic problems have led to a slowdown of business activity in emerging markets and developing economies. These side-effects have reduced commodity prices and have affected the operations of many commodity exporters.*

As a result of these developments, economic growth is once again much weaker than expected, mainly because, contrary to previous forecasts, the intensity of the crisis has not been moderated. Other reasons for reduced economic growth included the weakness of financial institutions and the inadequacy of policy measures in key advanced economies. Moreover, a large part of reduced growth in emerging markets and developing economies is related to domestic factors, such as the limitations on the viability of these economies' high growth rates and the creation of economic imbalances. In addition, research has shown that fiscal austerity measures had larger-than-expected negative short-term multiplier effects on production, which explain part of the growth deficits.

In 2012, the euro zone continued to suffer from an intense crisis. Despite the political measures aimed at resolving it, the crisis has deepened and new interventions were needed to avoid its rapid worsening. The transfer of liquidity from the periphery to the centre of the euro zone sent Spanish yield spreads to record levels and caused Italian spreads to spike. The liquidity transfer was the result of continued uncertainty regarding the peripheral countries' ability to realize the necessary fiscal and structural adjustments and raises concerns regarding the readiness of national institutional bodies to implement Europe-wide policies that are considered necessary for dealing with the crisis, as well as concerns regarding the preparedness of the European Central Bank and the European Financial Stability Facility/European Stability Mechanism (EFSF/ESM) to respond to a potential materialization of the worst case scenarios.

On June 29, 2012, the leaders of the euro zone committed themselves to reconsider the role of the European Stability Mechanism in the provision of lending to Spain. Responding to the escalation of the problems, Spain agreed with its European partners on a banking sector restructuring programme, financed by up to €100 billion. Moreover, the leaders of the euro zone launched the preparations for the establishment of a banking union, followed by a recent proposal by the European Commission concerning the formation of a single supervisory mechanism for banks. European leaders agreed that, following its establishment, such a mechanism will enable the ESM to directly participate in the banks' share capital. This is a crucial agreement, since it will help eliminating negative interactions between governments and banks. Moreover, in early September the ECB announced that it would consider (without any preset limits) carrying out Outright Monetary Transactions, as part of a macroeconomic adjustment or prevention programme, together with the EFSF/ESM. The OMTs will cover government security purchases and will concentrate on the lower part of the yield curve. It is important that, as far as the purchases of bonds through the government security purchase programme is concerned, the ECB will receive the same treatment with private or other creditors. In anticipation of these initiatives and their implementation, the financial markets received a great boost and the euro rose against the dollar and other major currencies. However, the recent business activity indicators remain negative, showing that the weakness is spreading from the periphery to the centre of the euro zone, including Germany.

Overall, in 2012 investors regained part of their lost confidence in European markets, and the financial pressure was eased. This development was the result of the explicit support of the euro by the ECB and the partial improvement of the fiscal situation of the European Union's (EU) member-states. Furthermore, the EU budget has become the object of consensus, even with limited ambitions. However, the risks continue to exist, *since the political situation in Italy and Spain has been showing signs of instability, with negative repercussions on their financial and fiscal stability, while the financial derailment of Cyprus causes great concern. It is estimated that the negative effects of the fiscal adjustment process in all countries of the European south will persist in 2013, driven by developments in the entire euro zone, the outcome of the ongoing initiative for establishing a single European mechanism for the supervision of European banks, as well as the progress of the international economy.*

TABLE 2. Selected macroeconomic indicators of Europe, 2009-2011

Country	Gross Domestic Product (change, current prices)			Gross fixed capital formation (change, current prices)			Nominal short-term interest rate			General government debt (€ billion)		
	Ch (%) 12-11	Ch (%) 11-10	Ch (%) 10-09	Ch (%) 12-11	Ch (%) 12-11	Ch (%) 11-10	2012	2011	2010	2012	2011	2010
Austria	2.8%	5.0%	3.7%	3.6%	9.6%	2.9%	NA	1.39	0.81	230.6	217.8	206.1
Belgium	2.0%	3.9%	4.5%	2.0%	7.4%	0.3%	NA	1.39	0.81	376.8	361.6	340.2
Bulgaria	1.8%	6.7%	3.2%	1.4%	-2.1%	-18.5%	NA	3.76	4.12	7.7	6.3	5.9
France	1.9%	3.1%	2.7%	2.4%	6.5%	2.5%	NA	1.39	0.81	1,831.3	1,717.0	1,595.0
Germany	2.1%	3.9%	5.1%	0.2%	7.9%	6.5%	NA	1.39	0.81	2,161.7	2,088.0	2,059.0
Denmark	1.8%	1.6%	5.2%	2.4%	1.1%	-2.8%	NA	1.38	1.25	110.8	111.8	101.0
Greece	-6.5%	-6.1%	-3.9%	-13.6%	-19.4%	-14.7%	NA	1.39	0.81	344.6	355.7	329.5
Estonia	5.8%	11.4%	4.1%	21.3%	26.6%	-7.3%	NA	5.92	1.57	1.8	1.0	1.0
United Kingdom	2.4%	3.6%	4.6%	4.5%	-1.5%	4.8%	NA	0.88	0.7	1,702.2	1,546.7	1,352.9
Ireland	2.1%	1.6%	-3.0%	-2.5%	-13.7%	-26.9%	NA	1.39	0.81	190.9	169.2	144.2
Spain	-1.2%	1.4%	0.1%	-9.5%	-4.1%	-5.6%	NA	1.39	0.81	904.1	736.5	644.7
Italy	-0.9%	1.7%	2.2%	-6.1%	1.4%	3.3%	NA	1.39	0.81	1,980.9	1,906.7	1,851.2
Croatia	0.1%	2.1%	-0.5%	-3.2%	-6.7%	-16.3%	NA	NA	NA	24.0	20.7	18.7
Cyprus	-0.7%	3.3%	3.3%	-21.2%	-11.8%	-3.7%	NA	1.39	0.81	16.0	12.8	10.7
Latvia	6.9%	11.7%	-2.2%	14.1%	30.7%	-17.4%	NA	0.96	1.99	9.2	8.6	8.0
Lithuania	5.3%	11.6%	3.6%	5.9%	21.2%	-1.4%	NA	1.67	1.8	13.5	11.9	10.5
Luxemb.	2.3%	6.8%	10.8%	6.2%	10.2%	7.1%	NA	NA	NA	9.3	7.8	7.7
Malta	3.9%	4.2%	6.4%	5.0%	-11.4%	18.0%	NA	1.39	0.81	4.9	4.6	4.3
Netherlands	1.2%	2.2%	2.7%	-3.9%	4.6%	-6.2%	NA	1.39	0.81	419.3	394.2	371.8
Hungary	3.3%	4.8%	3.8%	-1.6%	2.5%	-8.2%	NA	6.57	6.18	78.1	72.1	78.3
Poland	4.7%	7.5%	5.4%	3.6%	10.1%	-1.2%	NA	4.54	3.92	211.9	192.7	195.4
Portugal	-2.7%	-1.0%	2.5%	-12.0%	-9.4%	-1.5%	NA	1.39	0.81	198.1	184.7	161.5
Romania	5.2%	10.7%	4.3%	13.0%	13.5%	2.3%	NA	5.57	6.51	47.1	44.7	37.4
Slovakia	5.5%	4.9%	4.9%	-3.6%	15.2%	6.3%	NA	1.39	0.81	37.7	29.9	27.0
Slovenia	-1.2%	1.6%	0.1%	-7.8%	-6.6%	-12.8%	NA	1.39	0.81	19.3	17.0	13.7
Sweden	2.1%	4.9%	7.5%	4.9%	7.4%	7.7%	NA	2.45	0.93	153.6	151.0	146.9
Czech Rep	-0.2%	1.1%	1.1%	-0.6%	-1.6%	0.7%	NA	1.19	1.31	69.0	60.8	57.3
Finland	2.8%	5.9%	3.8%	1.0%	9.7%	-0.5%	NA	1.39	0.81	103.4	92.8	87.0
FYROM	2.8%	6.3%	5.7%	5.3%	16.7%	1.3%	NA	NA	NA	2.4	2.1	1.8
Switzerland	4.7%	2.2%	3.6%	2.8%	4.1%	4.2%	NA	0.19	0.19	NA	NA	NA
USA	3.9%	4.0%	3.7%	7.6%	5.8%	-1.4%	NA	0.34	0.34	13,280.5	11,992.7	10,700.8
Japan	0.3%	-2.8%	2.3%	1.2%	0.1%	-1.2%	NA	0.19	0.23	11,114.1	10,898.2	9,546.6
Canada	6.1%	7.7%	6.3%	5.7%	9.1%	10.0%	NA	0.83	0.83	NA	NA	NA
Norway	4.3%	7.8%	7.1%	8.6%	10.2%	-3.2%	NA	2.58	2.58	106.6	100.3	140.3
Turkey	11.6%	17.8%	15.4%	5.1%	36.3%	29.3%	NA	NA	7.61	229.2	207.6	225.1

Source: European Commission, AMECO.

GENERAL OVERVIEW OF THE CAPITAL MARKET

International Capital Markets

International capital and financial services markets fluctuated widely in 2012. In the first six-months of the year the markets incurred losses, before returning to growth. Global stock markets registered substantial gains in the fourth quarter of 2012, as two of the three great concerns that plagued investors during the second half of the year were dispelled. These concerns were the debt crisis in the euro zone and the fear of an extended period of low growth rates for the Chinese economy. Moreover, the fear of a fiscal derailment in the US monopolized international headlines until the end of the year (an agreement was reached on January 1st).

International capital market activity was affected by global economic and political developments. The euro crisis persisted, but yield spreads in the periphery were reduced during the last quarter of the year. This reflects the repeated assurances of the European Central Bank (ECB) that it would support the euro, as well as the progress towards the establishment of a single mechanism for banking supervision in the euro zone. In addition, Greece promoted more austerity measures and structural reforms, as part of the 34 bn euro tranche that had been previously agreed on the basis of the EFSF/IMF fiscal bailout package, as well as certain concessions in regard to its outstanding public debt. In December, the Athens Chamber of Commerce and Industry reported that 19% of Greeks were optimistic about the future of the economy, as compared to 8% in October. Spain continued to postpone submitting its application for assistance from the OMT (Outright Monetary Transaction) scheme of the European Union. Meanwhile, Italy's Prime Minister, Mr. Mario Monti, announced his resignation in December 2002, triggering elections in February 2013. In China, GDP growth in the first quarter of 2012 exceeded the 9.1% estimate. This, in conjunction with the improvement of certain key economic indicators, contributed to the recovery of Chinese and emerging stock markets. Moreover, the Communist Party has had a new leadership since November.

In the US, re-elected president Obama led the efforts of both Democrat and Republican politicians to avoid the so-called "fiscal cliff", which would automatically lead to government spending cuts of 600 billion euros during the first quarter of 2013, in case the politicians failed to reach an agreement on how to contain the large and ballooning US fiscal deficit. The agreement that was announced on Jan. 1st 2013 included some tax increases, albeit no agreement on spending cuts. The uncertainty caused by the risk of a US "fiscal cliff" contributed to the erosion of consumer confidence during the fourth quarter, with the Conference Board Consumer Confidence Index falling to its five-month low of 65.1 in December. That said, US economic indicators remained, overall, positive. This development reflects the improvements observed in the labour and housing markets, which are key to economic recovery and cause consumer expenditure to rise. Revised third quarter data on the US GDP show that the American economy will grow by 3.1 year-on-year.

Japanese stock prices increased for the largest part of the quarter. A large part of this increase resulted from the expectations that Shinzo Abe, the leader of the Liberal Democratic Party (LDP) would prevail in last December's elections (as he actually did), launching a policy aimed at restarting the economy. This policy may affect the independence of the Bank of Japan, by forcing it to accept a higher (2%) inflation target and encouraging it to work more closely with the government in regard to policy targets.

Investors in small firms realized capital gains, the MSCI Small Cap Index significantly outperformed the market, but the MSCI Growth Index underperformed the MSCI Value Index.

Bond markets continued to reward investors. The yield spreads of euro zone periphery bonds were reduced, thanks to the improvement of the political climate surrounding the euro crisis. Meanwhile, the relatively high *corporate bond yields continued to attract fixed-income investors that are faced with negative real returns in government bond markets. The JPMorgan Global Bond Index rose by 0.7%.*

The price of gold fell by more than 6% on a quarterly basis, despite the assurances of the US Federal Reserve that interest rates would be maintained at current levels until the unemployment rate fell below 6.5%. Analysts have noted the weakening correlation between quantitative easing announcements and gold price hikes. Moreover, there was a drop in the demand for gold in the large markets of India and China.

In the foreign exchange markets, the euro gained in value, while the dollar was generally weak, owing to its role as a safe haven during a quarter when the interest for safe havens fell, as a result of increasing confidence in a resolution to the euro crisis and in China's growth. At the end of the year, the yen fell to a two-year low against the dollar (JPY 87).

The year 2012 saw homogeneous trends and converging returns in regard to international stock market indices, as well as international market volatility. Europe's major markets registered substantial gains, without any exception, even in countries facing pronounced fiscal problems, while the American market showed positive returns, and emerging markets showed positive, albeit meagre, returns. The course of international stock markets was primarily affected by the growth prospects of the international, and especially the Asian, economy and the sovereign debt crisis, mainly in countries of the European periphery, as well as in the US. European markets more or less welcomed the measures taken by the governments and the European Central Bank with the aim of enhancing liquidity and containing the crises.

In 2012, interest rates in the main money markets were further reduced as a result of increasing liquidity needs worldwide: at the end of the year, the annual US dollar lending rate (Libor) stood at 0.843% as compared to 0.25% at the end of 2011, 0.78% at the end of 2010, 0.98% at the end of 2009, 2.02% at the end of 2008 and 4.18% at the end of 2007, while the annual euro lending rate (Libor) stood at 0.44% as compared to 1% at the end of 2011, 1.47% at the end of 2010, 1.22% at the end of 2009, 3.03% at the end of 2008 and 4.73% at the end of 2007.

In 2012, the nominal yield of the 10-year US Treasury bond fell to 1.8% from 2.03% at the end of 2011, 3.37% at the end of 2010, 3.26% at the end of 2009, 3.66% at the end of 2008 and 4.63% at the end of 2007, while the yield of the 10-year German Bund fell to 1.4% from 2.14% at the end of 2011, 2.95% at the end of 2010, 3.40% at the end of 2009, 3.32% at the end of 2008 and 4.50% at the end of 2007. At the end of 2012 the nominal yield of the 10-year Greek Government Bond stood at 20.59%, as compared to 25.68% in 2011, reduced by 24,73% year-on-year. At the end of the year, the euro:dollar exchange rate stood at 1.2986 as compared to 1.298 at the end of 2011 and 1.328 in 2010, while the euro:sterling rate stood at 0.812 as compared to 0.835 at the end of 2011 and 0.863 in 2010.

According to data from the Financial Times (January 3rd, 2012), the MSCI World ($) index registered an annual gain of 12.2% in 2011, as compared to a 7.6% loss in 2011, a 9.3% gain in 2010 and a 27.65% gain in 2009. Moreover, the MSCI Europe (€) index rose by 11.8%, the MSCI Pacific ($) index by 11.4%, the DJ Euro Stoxx 50 (€) index by 13.8%, and the FTSE Eurotop 300 (€) index, which includes the largest listed European companies, fell by 13.2% year-on-year. More specifically, the FTSE 100 (£) index of the London Stock Exchange rose by 5.8% year-on year, the CAC-40 (€) of the Paris Stock Exchange fell by 15.2% and the Dax Xetra (€) index of the Frankfurt Stock Exchange rose by 29.1%, while the Dow Jones Industrial Average rose by 7.3%, the NASDAQ Comp ($) rose by 15.9% and the Nikkei 225 Average (¥) rose by 15.2% year-on-year. Stock market indices in emerging markets showed smaller fluctuations than developed market indices, following an upwards course in contrast to the previous years, as a result of the continued, albeit irregular, inflow of funds from developed *countries. Chinese company share prices registered substantial year-on-year decreases, while the value of transactions in the Shanghai Stock Exchange increased. In 2012 the Shanghai Avrg index registered an annual gain of 1.5%, while the Shenzhen Avrg index rose by a mere 0.5% year-on-year.*

The rise of stock market indices during 2012 occurred amidst an environment of decreasing stock market volatility. The price volatility indices of options on the S&P 500 (VIX), DJIA (VXD) and the DAX Xetra (VDAX) stock market indices stood at 18.02, 17.22 and 16.05 as compared to 23.4, 21.4 and 28.6 respectively in 2011, reduced by 23.0%, 19.6% and 43.9% year-on-year respectively. The increased containment of turmoil in the global financial system allowed the gradual recovery of international markets, especially in countries related to the sovereign debt crisis, towards more stable financial instrument valuations. Sustained monitoring and intervention by both central banks and governments with the aim of enhancing liquidity in the economy had a decisive contribution in enhancing the stability of major markets.

In 2012, total activity in international stock markets registered a substantial increase, as a result of the improvement in the overall investor sentiment, the international efforts to overcome the European debt crisis, increased cross-border and portfolio restructuring activity, the sustained momentum of efforts to privatize state-owned enterprises and the activity of large private equity investors and hedge funds, as well as the recuperation of corporate issuing activity.

According to data from the World Federation of Exchanges (WFE), in 2012 the total market capitalization of companies that have listed their shares in WFE-member regulated markets exceeded 55 trillion dollars, increased by 15.1% year-on-year. The largest increase was recorded in America (17.2%), followed by Asia (15.4%), and Europe and the Middle East (11.6%). The total number of new issues stood at 46,332, slightly reduced by 0.8% y-o-y. The total value of equity transactions in the regulated markets of WFE-member-countries stood at 49 trillion dollars, reduced by 22.5% year-on-year. Despite the increase in total market capitalization, the year 2012 saw a drop in the value of transactions in the electronic trading systems of WFE member markets. This drop was larger in Europe and the Middle East (24.1), followed by America (23.2) and Asia (20%). The value of transactions was also reduced to 9.78 billion US dollars, reduced by 14.3%. The weighted average size of transactions fell from 8,300 to 8,100 dollars, probably owing to the reduction in algo trading activity. The number of equity derivative contracts stood at 14.9 billion, reduced by 20.3% year-on-year. The reduction was larger in index options (39.6%), followed by ETF options (down by 20.3%) and index futures (down by 14.1%). Furthermore, the value of transactions on bonds in member markets stood at 26.1 trillion US dollars, reduced by 20% year-on-year, the value of transactions on ETFs stood at 7.3 trillion US dollars (down by 31.6%) and the value of transaction on securitized derivatives stood at 652 billion US dollars (down by 43.3%).

According to data from the World Federation of Exchanges (WFE), in 2012 total market capitalization, in local currency, increased by 19.2% in the NASDAQ OMX, by 19.4 in the NYSE Euronext (US), by 14.0% in the NYSE Euronext (Europe), by 5.3% in the TMX Group, by 14.3% in the Australian Securities Exchange, by 25.2% in the Hong-Kong Stock Exchange, by 7.0% in the Shanghai Stock Exchange, by 17.6% in the Tokyo Stock Exchange, by 23.6% in the Deutsche Börse and by 2.4% in the London Stock Exchange.

According to data from the World Federation of Exchanges (WFE), in 2012 the total value of transactions, in local currency, decreased by 23.1% in the NASDAQ OMX, by 25.4% in the NYSE Euronext (US), by 10.8% in the TMX Group, by 23.9% in the Korea Exchange, by 22% in the Hong-Kong Stock Exchange, by 30.8% in the Shanghai Stock Exchange, by 12.2% in the Tokyo Stock Exchange, by 21.2% in the Deutsche Börse and by 16.0% in the London Stock Exchange.

In 2012, total issuing activity in international stock markets stood at 630.4 billion US dollars, increased by 1.5% year-on-year. Stock market activity during the fourth quarter of 2012 stood at 175.3 billion dollars, increased by 3% on a quarterly basis. Issuing activity in international stock markets in the form of public offerings stood at 448.8 billion US dollars, increased by 15% year-on-year. Of this amount, total IPO activity stood at 117.4 billion US dollars, reduced by 29% year-on-year. Issuing activity in international stock markets was characterized by a high degree of concentration in four business sectors: the financial sector (30%), energy (15%), real estate (11%) and manufacture (10%). Follow-on issues in the United States accounted for 40% of total issuing activity during 2012, as compared to 32% in 2011. Security issuers from China account for 7.5% of international activity during 2012, followed by Hong Kong (6.5%) and Canada (4.9%).

In 2012, the total value of initial public offerings (IPOs) in international stock markets stood at 117.4 billion US dollars, reduced by 29% year-on-year. Emerging market issuers accounted for 39% of IPO volumes during 2012 (46.1 billion US dollars). The advanced technology, finance and manufacturing sectors absorbed 52% of the funds raised through IPOs worldwide. US issuers raised 244.5 billion US dollars in international stock markets, registering a 33% increase, while Chinese and Hong Kong-based issuers accounted for 9% and 5%, respectively, of the total funds raised. According to Thomson Reuters/Freeman Consulting estimates, financial intermediation fees for the initial public offering of stock in international market stood at 13.5 billion US dollars in 2012, reduced by 18% year-on-year.

The value of new stock issues in the US stood at approximately 244.5 billion US dollars, representing 795 deals in 2012 and reduced by 32.7% year-on-year. According to Thomson Reuters estimates, fees and commissions from stock offerings in 2012 stood at 5.9 billion US dollars, remaining more or less unchanged. New stock issues through IPOs stood at 40.9 billion US dollars in 2012, reduced by18% in terms of funds raised. The US government sold its remaining stake in the insurer AIG (15.9%) for 7.6 billion US dollars, four years after the initial capital injection. Five of the ten largest security offers in 2012 were related to government stakes in AIG and generated a total gain of 2.7 billion US dollars for the US government. The much-discussed IPO of Facebook brought about 16 billion US dollars and was the second largest in the US.

The value of new stock issues in Europe and the Middle East stood at 139.9 billion US dollars in 2011, increased by 11.24% y-o-y. Of this, 83.8% concerned issues of common stock. The United Kingdom was the most popular IPO location for stock issuers, attracting total funds of 6.5 billion US dollars. According to Thomson Reuters/Freeman Consulting estimates, the fees and revenues of financial intermediation firms stood at 2.2 billion US dollars, increased by 23.4% year-on-year.

The value of new stock issues in Asia stood at 2.5 billion US dollars in 2012, reduced by 41.2% y-o-y and including 1242 offerings. Block trades stood at 2.5 billion US dollars, and included 136 deals, increased by 157.1% year-on-year. The largest deal concerned the sale of a block of HK American Intl Assurance Group shares for 6.4 billion US dollars. The funds raised through follow-on public offerings in Asia stood at 103.6 billion US dollars through 714 offerings, increased by 29.8%. IPOs and trades on convertible bonds decreased by 52.4% and 47.5% year-on-year, respectively.

In 2012, activity in international debt security markets stood at 5.6 trillion US dollars, registering an annual increase of 10%, which represents the largest annual increase in global debt market activity since 2009. The international value of high-yield corporate bonds rose to 389.0 billion US dollars, increased by 38% year-on-year, which represents the largest annual increase in activity since 1980. US debt security issuers accounted for 72% of the international volume, increased by 49% year-on-year. The average coupon on high-yield corporate bond issues worldwide fell to 7.725%, the lowest annual rate ever recorded. Worldwide issues of investment-

grade corporate bonds stood at 2.7 trillion US dollars, registering an annual increase of 15% and representing an all-time record. Debt security issues by financial sector firms stood at 2.8 trillion dollars, representing 50% of all new issues during the year. Debt security issues by consumer product and real estate companies registered the highest year-on-year increases of 64% and 62% respectively, while debt security issues by advanced technology firms decreased by 7% y-o-y. The highest average issues of corporate security debt were those of the health sector, with 957.4 million US dollars.

In 2012, new corporate bond issues from emerging markets stood at 305.9 billion US dollars, increased by 32%; this was the best period for corporate debt emerging markets since 1980. Issuing activity was driven by issuers in Russia, India and Brazil, which account for 52% of total emerging market corporate bond issues for this year. According to Thomson Reuters/Freeman Consulting estimates, financial intermediation fees from issuing activity in debt markets stood at 21.7 billion dollars in 2012, increased by 28% year-on-year. Revenues from underwriting investment-grade debt stood at 10.4 billion US dollars, accounting for 48% of total income worldwide, while revenues from underwriting high-yield debt stood at 6.1 billion US dollars, increased by 37% year-on-year and accounting for 28% of total income worldwide.

With interest rates at historic lows, the revenues from investment-grade debt issues in the US exceeded all previous annual revenues. In 2012, these revenues stood at 999.5 billion US dollars, registering an annual increase of 31% and exceeding the previous US record, which was 994.8 billion US dollars in 2007. The 294.2 billion US dollars in revenues raised until March 31st represent the second largest quarterly value of all times. Moreover, revenues from high-yield security issues in the US rose to 326.2 billion US dollars, driven by increased investor demand for higher-yield securities and registering an annual increase of 44.5%, the largest ever recorded. According to Thomson Reuters/Freeman Consulting, the total estimated income from underwriting corporate debt securities in the US increased by 44.4% year-on-year and is to a great extent due to the increased fees paid by issuers in the ABS markets of the US, mostly concentrated in the automobile sector.

In 2012, euro-denominated corporate debt security issues increased by 69.5% year-on-year, and as a result the year 2012 was the year with the second largest issuing activity since 2009. The sustained increase in investor demand for European corporate bonds allowed companies to borrow at record-low rates, with the average coupon rate for 2012 standing at 4.1%, the lowest average annual rate ever recorded. Many sectors in Europe and the Middle East registered substantial increases. The energy sector increased by 62.7%, the materials sector increased by 90.4% and the consumer products and services sector increased by 124.3% year-on-year. In contrast, issuing activity in the financial sector decreased by 12.2%. Finally, sovereign debt registered a slight decrease of 3.3%.

In 2012, the drop of interest rates to historically low levels presented issuers with a motive, and thus the revenues from the issuance of high-yield securities worldwide rose to record levels and reached 389 billion US dollars through 743 deals, registering a 37.7% increase, as compared to 2011 and a 20.6% increase, as compared to 2010. In contrast with the second half of 2011, when international uncertainty and the volatility prevailing in international markets brought activity to the lowest quarterly levels since 2009, the fourth and third quarters of 2012 saw the largest quarterly revenue increases, with 113.1 billion US dollars and 113.1 billion US dollars, respectively. According to Thomson Reuters/Freeman Consulting, the estimated income from the provision of high-yield security underwriting services rose by 36.7% year-on-year, standing at 6.1 billion US dollars and including 203 deals more than in 2011. In 2012, the average yield spread stood at 508.7 basis points, representing an increase of 41.3 basis points, as compared to 2011 levels. However, the average *quarterly yield spread shrank to 466.4 basis points during the third and fourth quarters, representing the lowest quarterly mean since the second quarter of 2011.*

In 2012, revenues from debt security issuing activity in dollars, euros or yen in Asia stood at 133.8 billion US dollars through 252 offerings, representing the highest levels of revenues and deals ever recorded. Issues by companies belonging to the finance, energy and environment sectors, as well as by the government, accounted for 80.2% of the Asian market for dollar, euro or yen-denominated debt. Issues in local Asian currency stood at 440.5 billion US dollars through 2,758 offerings, slightly reduced by 2% year-on-year. The issues of debt securities in Chinese yuan, Korean won and Indian rupees accounted for 46.6%, 17.3% and 11.7% of the Asian market, respectively. Issues in Chinese yuan stood at 148.5 million yuan through 331 offerings, slightly reduced by 0.1% year-on-year.

In 2012, the international value of mergers & acquisitions rose to 2.6 trillion US dollars, increased by 2% year-on-year, driven by record-levels of spin-off and liquidation activity. International spin-off and company liquidation activity stood at 1.2 trillion US dollars in 2012, accounting for 47% of M&A activity for the year, the largest annual percentage since 1980. In 2012, M&A activity involving emerging market companies stood at 723.0 billion US dollars, registering an annual increase of 9% and representing more than 25% of international M&A activity. Cross-border M&A activity stood at 944.1 billion US dollars, accounting for 36% of total M&A activity and registering an annual increase of 6%. Cross-border M&A activity was concentrated in the energy, manufacturing and consumer product sectors, representing 42% of total cross-border activity. The energy sector accounted for 18% of announced M&A deals, while the financial sector and the real estate sector accounted for 13% and 11% of M&A activity, respectively. The consumer products and retail sectors registered the largest year-on-year increases with 71% and 38% respectively, while the materials and advanced technology sectors suffered year-on-year decreases of 22% and 18% respectively. According to Thomson Reuters/Freeman Consulting estimates, consultancy fees for completed mergers & acquisitions stood at 24.7 billion US dollars, reduced by 13% year-on-year. Activity in the US accounted for 58% of income worldwide, while activity in Europe, Middle East and Africa accounted for 28% of the total and in Asia and Japan accounted for 10% and 5% of the total, respectively. In 2012, international M&A activity with the support of private equity funds stood at 321.4 billion US dollars, registering a slight annual increase and accounting for 12% of worldwide M&A activity for the year. Private equity in the energy, manufacturing and finance sectors represented 40% of total activity.

In 2012, total M&A activity in the US stood at 1.2 trillion US dollars, reduced by 3.8% year-on-year. The number of announced merger and acquisition deals fell by 5.5%, from 11,517 to 10,882 deals. The value of spin-off deals exceeded 140 billion US dollars, increased by 11.9% year-on-year. The energy sector was the driver of the US market, including deals worth 173.4 billion dollars, which account for 18.5% of the total, reduced by 32% year-on-year. The health sector was ranked second, with 154.4 billion US dollars, accounting for 16,5% of the deals. The number of deals in the advanced technology sector was higher, at 1,553. In 2012, the target companies' average EBITDA to price ratio in the US fell to 12.2 from 13.8 in 2011. In the non-services sector this ratio ranged from 9.6 for telecoms to 18.0 for real estate. According to Thomson Reuters/Freeman Consulting, the total fees from the completion of mergers and acquisitions in the US stood at 17.2 billion US dollars in 2012, reduced by 6.9% year-on-year.

In 2012, the value of announced M&A deals in Europe and the Middle East stood at 1.145 billion US dollars, increased by 13% y-o-y. The energy sector was the most active, with 1,475 deals worth 198 billion US dollars, the financial sector involved deals worth 196,9 US dollars and the manufacturing sector involved deals worth 131,8 billion US dollars. Among markets, London was the most active with a value of transactions that *amounted to 99.1 billion US dollars, involving 479 deals. The 46 million US dollar deal between Xstrata and Glencore that took place in the first quarter accounted for a large part of M&A activity in Europe. According to Thomson Reuters/Freeman Consulting estimates, consultancy fees for mergers & acquisitions stood at 9.7 billion US dollars, reduced by 27.2% year-on-year.*

In 2012, total M&A activity in Asia stood at 488.9 billion US dollars, increased by 16.7% year-on-year. The energy and environment sector registered the largest value of transactions, with 82 billion US dollars, involving 637 deals. The materials sector involved 1,429 deals, worth a total of 64.1 billion US dollars. The financial sector involved 992 deals, worth a total of 63.6 billion US dollars. In China, outgoing activity during the fourth quarter of 2012 decreased by 15.2%, as compared to the same quarter of the previous year, to 18.1 billion US dollars. In 2012, cross-border activity in China rose to 96.7 billion US dollars, increased by 3% year-on-year. Total M&A activity in Australia stood at 88 billion US dollars, reduced by 50% year-on-year. Cross-border activity in Australia stood at 46.6 billion US dollars, reduced by 44% year-on-year. Foreign companies invested 11.2 billion US dollars in the Australian materials sector, representing 28.6% of the total volume of incoming deals. The estimated revenues from M&A deals in Australia stood at 2.4 billion US dollars, reduced by 25.5% year-on-year.

In 2012, the total value of announced M&A deals in emerging markets stood at 723 billion US dollars, increased by 9% year-on-year. China and Russia were the main drivers of merger and acquisition activity in emerging markets, with 3,420 deals worth 157.4 billion US dollars, and 2,169 deals worth 106.5 billion US dollars, respectively. They were followed by Brazil, with a total value of 57.0 billion US dollars, involving 720 deals. The energy sector dominates M&A activity in emerging markets, accounting for 24.2% of the total value, with deals worth 174,9 billion US dollars. It was followed by the materials sector with deals worth 99.1 billion US dollars. According to Thomson Reuters/Freeman Consulting estimates, total estimated income from mergers & acquisitions stood at 4.3 billion US dollars, representing a year-on-year drop of 25.5%.

The Greek Capital market

International developments had the same effect on the course of the Greek capital market, which in the first half of 2012 was marked by a substantial decline of stock market prices, and an even greater drop in trading activity in the markets of the ATHEX (ATHEX), as well as zero issuing activity by new entrants. In the second half of the year, trading activity showed a substantial recovery, albeit with no new company listings in the regulated market.

The ATHEX General Index closed at the year's end at 907.9 units, registering a total annual gain of 33.4%. Stock prices were characterized by significant fluctuations. The average monthly volatility of the daily returns of the Composite Index stood at 2.4% as compared to 2.26% in 2011, 2.1% in 2010, 2.05% in 2009 and 2.22% in 2008. The total annual value of transactions in the ATHEX fell to €12.93 billion from €20.7 billion in 2011 and €35.1 billion in 2010, reduced by 36.7% year-on-year, as compared to a 41.08% reduction in 2011, a 1% reduction in 2010, a 35% reduction in 2009 and a 35.5% reduction in 2008. At the end of 2012, the total market capitalization of ATHEX-listed companies stood at €34.04 billion as compared to €26.64 billion in 2011 and €54.3 billion in 2011, increased by 30.8% year-on-year, as compared to a 50.6% decrease in 2011 and a 35.4% decrease in 2010. In 2012, the market capitalization of ATHEX-listed companies was equivalent to almost 17.3% of Greece's GDP for 2011, as compared to 12.5% in 2011, 25.8% in 2010, 28.5% in 2009, 34.7% in 2008 and 85.2% in 2007.

More specifically, according to ATHEX data, the development of major market indices during 2012 was the following: In January 2012, the Composite Index of the ATHEX closed at 598.7 units, reduced by 2.0% as *compared to the closing of December 31, 2011. The value of transactions stood at €1,074.84 million, increased by 80.1% as compared to the previous month, and reduced by 52.1% year-on-year. The daily average value of transactions stood at €51.18 million, increased as compared to the previous month (€28.42 million) and reduced year-on-year (€112.28 million). In January, the number of Active Shares stood at 38,239, as compared to 24,675 in the previous month and 71,601 in January 2011. In January, 1,925 new investor accounts were created, as compared to 1,442 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €31.28 billion, increased by 17.4% on a monthly basis and reduced by 47.4% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €22.20 bn, registering a monthly gain of 18.3%, that of the FTSE/ATHEX Liquid Mid rose to €2.45 bn registering a monthly gain of 12.0% and that of the FTSE/ATHEX SmallCap rose to €0.18 bn, registering a monthly gain of 12.8%. Foreign investors generated outflows of €34.99 million. These outflows originated from institutional investors (€27.16 million), foreign natural persons (€7.71 million), legal entities (€0.60 million) and other foreign investors (€0.01 million), while the inflows originated from other legal entities (€0.50 million). Greek investors were net buyers, with inflows of €36.90 million. These inflows originated from financial institutions (€12.35 million), mutual funds (€11.98 million), the public sector (€8.89 million), Greek private investors (€5.18 million) and ins. companies & pension funds (€0.39 million). The outflows originated from private non-financial companies (€1.36 million), investment firms (€0.40 million) and other private financial companies (€0.13 million). The remaining €1.91 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 34.1% of transactions, as compared to 42.4% in the previous month and 48.8% in the same month of the previous year. Greek private investors performed 38.2% of transactions, as compared to 33.3% in the previous month and 28.4% in the same month of the previous year. Greek institutional investors performed 25.1% of transactions, as compared to 22.3% in the previous month and 20.2% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month fell to 49.7% from 51.6% in the same month of the previous year, while that of Greek investors stood at 48.8% at the end of the month.*

In February, the Composite Index of the ATHEX closed at 743.6 units, reduced by 6.6% as compared to the closing of the previous month. The value of transactions stood at €1,683.46 million, increased by 56.6% as compared to the previous month, and reduced by 43.1% year-on-year. The daily average value of transactions stood at €84.17 million, increased as compared to the previous month (€51.18 million) and reduced year-on-year (€147.88 million). The number of Active Shares stood at 48,198, as compared to 38,239 in the previous month and 55,244 in the same month of the previous year. There were 2,248 new investor accounts, as compared to 1,925 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €29.36 billion, reduced by 6.1% on a monthly basis and by 51.8% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index fell to €20.55 bn, registering a monthly loss of 7.4%, that of the FTSE/ATHEX Liquid Mid fell to €2.41 bn (a loss of 1.7%) and that of the FTSE/ATHEX SmallCap remained unchanged at €0.18 bn. Foreign investors generated outflows of €62.90 million. These outflows originated from institutional investors (€67.51 million), other foreign legal entities (€9.05 million) and foreign natural persons (€0.09 million), while the outflows originated from foreign legal entities (€13.70 million) and other foreign investors (€0.05 million). Greek investors were net buyers, with inflows of €68.43 million. These inflows originated from Greek private investors (€54.37 million), the public sector (€7.08 million), mutual funds (€6.69 million), private non-financial companies (€3.14 million), ins. companies & pension funds (€0.54 million) and other private financial companies (€0.09 million), while the outflows originated from investment firms (€2.32 million) and financial institutions (€1.16 million). The remaining €5.53 million, which appear as outflows of "other investor" capital, concerned accounts to which *the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 24.8% of transactions, as compared to 34.1% in the previous month and 48.8% in the same month of the previous year. Greek private investors performed 50.2% of transactions, as compared to 38.2% in the previous month and 32.3% in the same month of the previous year. Greek institutional investors performed 22.7% of transactions, as compared to 25.1% in the previous month and 20.8% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month remained almost unchanged (49.7), while that of Greek investors stood at 48.9% of total share capitalization in the ATHEX.*

In March, the Composite Index of the ATHEX closed at 728.9 units, reduced by 2.0% as compared to the closing of the previous month. The value of transactions stood at €1,113.19 million, reduced by 33.9% as compared to the previous month, and by 57.6% year-on-year. The daily average value of transactions stood at €50.60 million, reduced as compared to the previous month (€84.17 million) and as compared to the same month of the previous year (€124.88 million). The number of Active Shares stood at 35,458 as compared to 48,198 in the previous month and 40.894 in the same month of the previous year. There were 3,251 new investor accounts, as compared to 2,248 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €28.60 billion, reduced by 2.6% as compared to the previous month, and by 51.5% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index fell to €19.77 bn, sustaining a monthly loss of 3.8%, that of the FTSE/ATHEX Liquid Mid rose to €2.60 bn registering a monthly gain of 8.1%, and that of the FTSE/ATHEX SmallCap fell to €0.17 bn sustaining a monthly loss of 6.0%. Foreign investors generated inflows of €24.44 million. These inflows originated from institutional investors (€22.94 million) and foreign legal entities (€16.24 million), while the outflows originated from other legal entities (€8.17 million) and foreign natural persons (€6.58 million). Greek investors were net sellers, with outflows of €24.65 million. These outflows originated from financial institutions (€32.01 million), mutual funds (€10.45 million), the public sector (€0.65 million), investment firms (€0.19 million), Ins. Companies & Pension Funds (€0.09 million), other private financial companies (€0.03 million), while the inflows originated from Greek private investors (€14.77 million) and private non-financial companies (€4.00 million). The remaining €0.21 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. In March 2012, foreign investors performed 37.4% of transactions (as compared to 28.4% of transactions in the previous month, while in March 2011 they had performed 49.0% of transactions). Greek retail investors performed 38.3% of transactions in March 2012 (in the previous month they had performed 50.2% of transactions, while in the same month of the previous year they had performed 24.3% of transactions). Greek institutional investors (private financial firms) performed 22.2% of transactions in March 2012 (in the previous month they had performed 22.7% of transactions, while in the same month of the previous year they had performed 20.5% of transactions). The foreign investors' participation in the market capitalization of the ATHEX at the end of the month increased as compared to the previous month, reaching 50.8%. In the same month of the previous year the foreign investors' participation had stood at 50.2%. At the end of the month, Greek investors held 47.9% of total share capitalization in the ATHEX.

In April, the Composite Index of the ATHEX closed at 699.9 units, reduced by 4.0% as compared to the closing of the previous month. The value of transactions stood at €486.88 million in April 2012, reduced by 56.3% as compared to the trading activity of the previous month, which stood at €1,113.19. As compared to April 2011, when the value of transactions had stood at €1,639.31 million there was a drop of 70.3%. Similarly, the average daily value of transactions in April 2012 stood at €28.64 million, down from that of the previous month (€50.60 million) and from that of the same month of the previous year (€86,28 million). In April 2012, *the number of Active Shares stood at 22,954, as compared to 35,458 in the previous month (in April 2011 there were 39,589 Active Shares). 1,232 new investor accounts were created in April 2012, as compared to 3,251 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €27.88 billion. Compared to the capitalization of the previous month, which stood at €28.60 billion, there was a decrease of 2.5%, while as compared to the capitalization of the same month of the previous year, which stood at €54.75 billion, there was a decrease of 49.1%. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index stood at €19.32 bn, (down by 2.3% from the previous month), that of the FTSE/ATHEX Liquid Mid fell to €2.46 bn (a loss of 5.4%) and that of the FTSE/ATHEX SmallCap fell to €0.13 bn (a loss of 22.3%). In April 2012, foreign investors generated inflows of €6.29 million. These inflows originated from foreign legal entities (€7.29 million), foreign natural persons (€1.55 million) and other legal entities (€1.13 million), while the outflows originated from institutional investors (€3.67 million) and other foreign investors (€0.01 million). Greek investors were net sellers, with outflows of €5.46 million. These outflows originated from financial institutions (€8.20 million), domestic private investors (€1.11 million), insurance companies and pension funds (€0.44 million), the public sector (€0.36 million), investment firms (€0.22 million) and other private financial firms (€0.03 million), while the inflows originated from private non-financial companies (€4.49 million) and mutual funds (€0.41 million). The remaining €0.83 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 33.6% of transactions, as compared to 37.4% in the previous month and 50.9% in the same month of the previous year. Greek private investors performed 40.2% of transactions, as compared to 38.3% in the previous month and 27.8% in the same month of the previous year. Greek institutional investors performed 23.8% of transactions, as compared to 22.2% in the previous month and 19.4% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 52.0% from 50.8% in the same month of the previous year, while that of Greek investors stood at 46.7% of market capitalization in the ATHEX.*

In May, the Composite Index of the ATHEX closed at 525.5 units, reduced by 24.9% as compared to the closing of the previous month. The value of transactions stood at €1,060.52 million, increased by 117.8% as compared to the previous month, and by 43.5% year-on-year. The daily average value of transactions stood at €48.21 million, increased as compared to the previous month (€28.64 million) and reduced year-on-year (€85.32 million). The number of Active Shares stood at 34,547 as compared to 22,954 in the previous month and 39.855 in the same month of the previous year. There were 1,825 new investor accounts, as compared to 1,232 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €21.43 billion, reduced by 23.1% as compared to the previous month, and by 57.3% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index fell to €14.62 bn, sustaining a monthly loss of 24.3%, while that of the FTSE/ATHEX Liquid Mid fell to €1.26 bn, sustaining a monthly loss of 48.9%. Foreign investors generated outflows of €53.09 million. These outflows originated from institutional investors (€81.15 million) and other legal entities (€1.68 million), while the inflows originated from foreign legal entities (€22.18 million) and foreign natural persons (€7.56 million). Greek investors were net buyers, with inflows of €50.32 million. The inflows originated from Greek private investors (€69.49 million), private non-financial companies (€2.23 million), Ins. Companies & Pension Funds (€1.36 million), the public sector (€0.13 million) and other private financial companies (€0.04 million), while the outflows originated from mutual funds (€15.13 million), financial institutions (€7.04 million) and investment firms (€0.76 million). The remaining €2.77 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. In May 2012, foreign investors performed 56.6% of transactions (as compared to 33.6% of transactions in the previous month, while in March 2011 they had performed 50.5% of transactions). Greek private investors performed 24.5% of transactions in

May 2012 (in the previous month they had performed 40.2% of transactions, while in the same month of the previous year they had performed 26.7% of transactions). Greek institutional investors performed 17.4% of transactions, as compared to 23.8% in the previous month and 20.9% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 53.3% from 51.2% in the same month of the previous year, while that of Greek investors stood at 45.4% of market capitalization in the ATHEX.

In June, the Composite Index of the ATHEX closed at 611.2 units, reduced by 16.3% as compared to the closing of the previous month. The value of transactions stood at €1,040.87 million, reduced by 1.9% as compared to the previous month, and by 42.8% year-on-year. The daily average value of transactions stood at €52.04 million, increased as compared to the previous month (€48.21 million) and reduced year-on-year (€86.61 million). The number of Active Shares stood at 39,628 as compared to 34,547 in the previous month and 44,883 in the same month of the previous year. There were 2,521 new investor accounts, as compared to 1,825 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €24.53 billion, increased by 14.4% as compared to the previous month, and reduced by 50.2% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €16.86 bn, registering a monthly gain of 15.3%, while that of the FTSE/ATHEX Liquid Mid rose to €1.26 bn, registering a monthly gain of 34.6%. Foreign investors generated outflows of €53.47 million. These inflows originated from institutional investors (€62.49 million) and other legal entities (€3.81 million), while the outflows originated from foreign legal entities (€10.80 million) and foreign natural persons (€2.03 million). Greek investors were net buyers, with inflows of €52.13 million. These inflows originated from Greek private investors (€24.,34 million), mutual funds (€13.00 million), financial institutions (€8.56 million), investment firms (€5.83 million), private non-financial companies (€0.98 million), the public sector (€0.85 million) and other private financial companies (€0.02 million), while the outflows originated from Ins. Companies & Pension Funds (€1.44 million). The remaining €1.34 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 37.0% of transactions, as compared to 56.6% in the previous month and 48.0% in the same month of the previous year. Greek private investors performed 38.2% of transactions, as compared to 24.5% in the previous month and 28.5% in the same month of the previous year. Greek institutional investors performed 22.6% of transactions, as compared to 17.4% in the previous month and 21.6% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 51.3% from 51.0% in the same month of the previous year, while that of Greek investors stood at 47.3% of market capitalization in the ATHEX.

In July, the Composite Index of the ATHEX closed at 598.7 units, reduced by 2.0% as compared to the closing of the previous month. The value of transactions stood at €530.65 million, reduced by 49.0% as compared to the previous month, and by 74.3% year-on-year. The daily average value of transactions stood at €24.12 million, reduced as compared to the previous month (€52.04 million) and as compared to the same month of the previous year (€98.37 million). The number of Active Shares stood at 24,086 as compared to 39,628 in the previous month and 42,226 in the same month of the previous year. There were 1,245 new investor accounts, as compared to 2,521 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €23.80 billion, reduced by 2.9% as compared to the previous month, and by 49.9% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index fell to €16.47 bn, sustaining a monthly loss of 2.3%, while that of the FTSE/ATHEX Liquid Mid fell to €1.58 bn, sustaining a monthly loss of 6.4%. Foreign investors generated inflows of €1.14 million. These inflows originated from institutional investors (€3.59 million) and foreign natural persons (€0.33 million), while the *outflows originated from other legal entities (€2.29 million) and legal entities (€0.49 million). Greek investors were net buyers, with inflows of €0.81 million. The inflows originated from Greek private investors (€6.59 million), private non-financial companies (€0.72 million), Ins. Companies & Pension Funds (€0.51 million), investment firms (€0.37 million) and other private financial companies (€0.01 million), while the outflows originated from financial institutions (€7.23 million), mutual funds (€0.13 million) and the public sector (€0.04 million). The remaining €1.95 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 33.0% of transactions, as compared to 37.0% in the previous month and 45.2% in the same month of the previous year. Greek private investors performed 44.9% of transactions, as compared to 38.2% in the previous month and 26.2% in the same month of the previous year. Greek institutional investors performed 19.8% of transactions, as compared to 22.6% in the previous month. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 51.7% from 50.0% in the same month of the previous year, while that of Greek investors stood at 47.0% of market capitalization in the ATHEX.*

In August, the Composite Index of the ATHEX closed at 646.8 units, increased by 8.0% as compared to the closing of the previous month. The value of transactions stood at €482.73 million, reduced by 9.0% as compared to the previous month, and by 67.3% year-on-year. The daily average value of transactions stood at €21.94 million, reduced as compared to the previous month (€24.12 million) and as compared to the same month of the previous year (€67.05 million). The number of Active Shares stood at 20,025 as compared to 24,086 in the previous month and 57,232 in the same month of the previous year. There were 1,038 new investor accounts, as compared to 1,245 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €25.26 billion, increased by 6.1% as compared to the previous month, and reduced by 31.5% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €17.76 bn, registering a monthly gain of 7.8%, while that of the FTSE/ATHEX Liquid Mid rose to €1.64 bn, registering a monthly gain of 3.3%. Foreign investors generated inflows of €4.03 million. These inflows originated from institutional investors (€10.77 million) and foreign natural persons (€0.60 million), while the outflows originated from legal entities (€6.85 million) and other legal entities (€0.47 million). Greek investors were net sellers, with outflows of €3.84 million. These outflows originated from private financial companies (€43.08 million), Greek private investors (€8.79 million) and investment firms (€0.47 million), while the inflows originated from financial institutions (€45.58 million), mutual funds (€1.94 million), the public sector (€0.52 million), Ins. Companies & pension funds (€0.39 million) and other private financial companies (€0.06 million) The remaining €0,19 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 35.2% of transactions, as compared to 33.0% in the previous month and 38.7% in the same month of the previous year. Greek private investors performed 34.8% of transactions, as compared to 44.9% in the previous month and 39.7% in the same month of the previous year. Greek institutional investors performed 23.7% of transactions, as compared to 19.8% in the previous month and 19.7% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 51.5% from 50.2% in the same month of the previous year, while that of Greek investors stood at 47.1% of market capitalization in the ATHEX.

In September, the Composite Index of the ATHEX closed at 739.1 units, reduced by 14.3% as compared to the closing of the previous month. The value of transactions stood at €1,265.90 million, increased by 162.2% as compared to the previous month, and reduced by 3.1% year-on-year. The daily average value of transactions stood at €63.30 million, increased as compared to the previous month (€21.94 million) and as compared to the same month of the previous year (€59.37 million). The number of Active Shares stood at 35,999 as compared *to 20,025 in the previous month and 39.517 in the same month of the previous year. There were 1,416 new investor accounts, as compared to 1,038 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €28.34 billion, increased by 12.2% as compared to the previous month, and reduced by 12.2% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €19.92 bn, registering a monthly gain of 12.1%, while that of the FTSE/ATHEX Liquid Mid rose to €2.26 bn, registering a monthly gain of 38.1%. Foreign investors generated outflows of €11.36 million. These outflows originated from legal entities (€39.40 million), while the inflows originated from institutional investors (€25.22 million), other legal entities (€1.95 million), foreign natural persons (€0.85 million) and other foreign investors (€0.02 million). Greek investors were net buyers, with inflows of €14.51 million. The inflows originated from financial institutions (€20.35 million), Greek private investors (€3.10 million) and private non-financial companies (€2,58 million), while the outflows originated from mutual funds (€8.14 million), investment firms (€1.80 million), ins. companies & pension funds (€1.50 million), other private financial companies (€0.07 million) and the public sector (€0.02 million). The remaining €3.15 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 30.0% of transactions, as compared to 35.2% in the previous month and 44.8% in the same month of the previous year. Greek private investors performed 45.2% of transactions, as compared to 34.8% in the previous month and 31.9% in the same month of the previous year. Greek institutional investors performed 22.0% of transactions, as compared to 23.7% in the previous month and 21.6% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month fell to 49.7% from 50.8% in the same month of the previous year, while that of Greek investors stood at 48.8% of market capitalization in the ATHEX.*

In October, the Composite Index of the ATHEX closed at 801.3 units, reduced by 8.4% as compared to the closing of the previous month. The value of transactions stood at €1,816.80 million, increased by 43.5% as compared to the previous month, and by 82.2% year-on-year. The daily average value of transactions stood at €78.99 million, increased as compared to the previous month (€63.30 million) and as compared to the same month of the previous year (€49.87 million). The number of Active Shares stood at 42,932 as compared to 35,999 in the previous month and 43.252 in the same month of the previous year. There were 1,892 new investor accounts, as compared to 1,416 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €30.62 billion, increased by 8.1% as compared to the previous month, and reduced by 0.2% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €21.78 bn, registering a monthly gain of 9.4%, while that of the FTSE/ATHEX Liquid Mid rose to €2.46 bn, registering a monthly gain of 8.7%. Foreign investors generated outflows of €8.28 million. These outflows originated from foreign natural persons (€6.40 million), other legal entities (€4.36 million) and legal entities (€0.40 million), while the inflows originated from institutional investors (€2.88 million). Greek investors were net buyers, with inflows of €17.59 million. These inflows originated from Greek private investors (€15.04 million), financial institutions (€5.78 million), mutual funds (€0.50 million), other private financial companies (€0.28 million), ins. companies & pension funds (€0.02 million) and other private financial companies (€0.02 million), while the outflows originated from investment firms (€2.40 million), companies (corporations, limited liability companies, general partnerships etc.) (€1.51 million) and the public sector (€0.14 million). The remaining €9.31 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 26.6% of transactions, as compared to 30.0% in the previous month and 37.3% in the same month of the previous year. Greek private investors performed 48.2% of transactions, as compared to 45.2% in the previous month and 35.8% in the same month of the previous year. Greek institutional *investors performed 22.5% of transactions, as compared to 22.0% in the previous month and 25.1% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month fell to 50.6% from 51.4% in the same month of the previous year, while that of Greek investors stood at 47.7% of market capitalization in the ATHEX.*

In November, the Composite Index of the ATHEX closed at 809.1 units, reduced by 1.0% as compared to the closing of the previous month. The value of transactions stood at €1,401.79 million, reduced by 22.8% as compared to the previous month, and increased by 27.6% year-on-year. The daily average value of transactions stood at €63.72 million, reduced as compared to the previous month (€78.99 million) and increased as compared to the same month of the previous year (€49.93 million). The number of Active Shares stood at 37,587 as compared to 42,932 in the previous month and 36,503 in the same month of the previous year. There were 1,546 new investor accounts, as compared to 1,892 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €30.78 billion, increased by 0.5% as compared to the previous month, and by 14.8% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index fell to €21.55 bn, sustaining a monthly loss of 1.1%, while that of the FTSE/ATHEX Liquid Mid rose to €2.68 bn, registering a monthly gain of 9.1%. Foreign investors generated inflows of €26.23 million. These inflows originated from institutional investors (€27.22 million) and natural persons (€4.35 million), while the outflows originated from legal entities (€5.07 million), other legal entities (€0.23 million) and other foreign investors (€0.05 million). Greek investors were net sellers, with outflows of €24.94 million. These outflows originated from financial institutions (€17.37 million), mutual funds (€7.42 million), the public sector (€1.74 million), insurance companies & pension funds (€1.73 million) and investment firms (€0.21 million), while the outflows originated from Greek private investors (€2.43 million), private non-financial companies (€0.96 million) and other private financial companies (€0.15 million). The remaining €1.29 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 25.2% of transactions, as compared to 26.6% in the previous month and 41.6% in the same month of the previous year. Greek private investors performed 49.0% of transactions, as compared to 48.2% in the previous month and 33.0% in the same month of the previous year. Greek institutional investors performed 23.1% of transactions, as compared to 22.5% in the previous month and 23.9% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month rose to 51.4% from 49.1% in the same month of the previous year, while that of Greek investors stood at 47.0% of market capitalization in the ATHEX.

In December, the Composite Index of the ATHEX closed at 907.9 units, reduced by 12.2% as compared to the closing of the previous month. The value of transactions stood at €967.47 million, reduced by 31.0% as compared to the previous month, and increased by 62.1% year-on-year. The daily average value of transactions stood at €53.75 million, reduced as compared to the previous month (€63.72 million) and increased as compared to the same month of the previous year (€28.42 million). The number of Active Shares stood at 30,076 as compared to 37,587 in the previous month and 24,675 in the same month of the previous year. There were 1,045 new investor accounts, as compared to 1,546 new investor accounts in the previous month. The market capitalization of the ATHEX at the end of the month stood at €34.43 billion, increased by 11.9% as compared to the previous month, and also increased by 29.2% year-on-year. The market capitalization of the stocks that comprise the FTSE/ATHEX 20 index rose to €25.60 bn, registering a monthly gain of 18.8%, while that of the FTSE/ATHEX Liquid Mid fell to €2.30 bn, sustaining a monthly loss of 24.6%. Foreign investors generated inflows of €78.12 million. These inflows originated from institutional investors (€83.62 million), foreign natural persons (€0.13 million) and other foreign persons (€0.02 million), while the *outflows originated from foreign legal entities (€4.82 million) and other legal entities (€0.83 million). Greek investors were net sellers, with outflows of €80.97 million. These outflows originated from financial institutions (€70.96 million), other private financial firms (€5.71 million), insurance companies and pension funds (€4.48 million), natural persons (€4.22 million), investment firms (€0.80 million) and other private financial companies (€0.47 million), while the inflows originated from the public sector (€5.01 million) and mutual funds (€0.65 million). The remaining €2.86 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence. Foreign investors performed 31.9% of transactions, as compared to 25.2% in the previous month and 42.4% in the same month of the previous year. Greek private investors performed 40.7% of transactions, as compared to 49.0% in the previous month and 33.3% in the same month of the previous year. Greek institutional investors performed 24.4% of transactions, as compared to 23.1% in the previous month and 22.3% in the same month of the previous year. The foreign investors' participation in the market capitalization of the ATHEX at the end of the month fell to 50.1% from 50.9% in the same month of the previous year, while that of Greek investors stood at 48.3% of market capitalization in the ATHEX.*

In 2013, the Greek capital market is expected to be affected by the unfolding of the fiscal crisis that has been hitting the country, the impact from the completion of the Greek banks' recapitalization programme, the efforts to restructure the capital of ATHEX-listed companies and its effects on investment fund flows.

The Institutional Framework and Supervision of the Capital Market

In 2012, both the supervisory authorities and the State reinforced the regulatory framework and the infrastructure for the supervision of the capital market, with new measures that protected the market from systemic risks, and phenomena of extreme behaviour. The measures included improvements and extensions of the existing regulatory framework, on the basis of the new demands of the market and the substantial experience thus far accumulated. Investor protection and the quality of investment services were enhanced through prudential supervision measures, such as the enhancement of capital adequacy and company solvency regulations, the improvement of mutual fund classification and the maintenance of certification requirements for individuals involved in the distribution of mutual fund units, the granting of a license for the operation of a securities' and derivatives' clearing system and the approval of its rulebook. Transparency in the capital market was enhanced through measures aimed at improving the financial information provided by listed companies and the dissemination of trading information. The smooth operation and security of the capital market were enhanced by measures that rationalized the short-selling regime (through the cessation of short sales throughout the largest part of the year) in order to reduce uncertainty in markets through the containment of stock price fluctuations, and improved the operation of the dematerialized securities system. Market infrastructures and the security of transactions were reinforced through continuous improvements in the rulebook of ASE markets and the regulation for the clearing and settlement of transactions on securities and derivatives, as well as the dematerialized securities system, in a manner that enables the implementation of the provisions on Markets in Financial Instruments.

In 2012, the main priority of the HCMC was to keep on enforcing the law on markets in financial instruments, emphasizing on the prevention of market abuse practices. More specifically, the HCMC continued to supervise the listed companies' compliance with transparency requirements through continuous interventions aimed at making companies provide timely, appropriate and sufficient information to investors thus avoiding situations of asymmetric information, which disrupt the smooth operation of the market. In the same vein, audits and controls regarding the disclosure of financial data and information in the financial statements published by listed companies were continued with the aim of providing investors with complete information.

In 2012, the HCMC continued the supervision of firms intermediating in the provision of investment services and mutual fund management firms. More specifically, the HCMC is closely monitoring borrower companies and performs regular on-the-spot and remote audits. It also performs ad hoc, sample audits based on market risk criteria. Special importance is attached to compliance with investor protection regulations and the monitoring of capital adequacy of supervised firms through monthly regular and ad hoc audits. Moreover, the HCMC is monitoring compliance with the natural and legal person eligibility and transparency criteria for the provision of operating licenses to financial intermediaries.

The HCMC monitors transactions executed in the ATHEX and performs cross-checks and audits for preventing market abuse practices. In 2010, the IT systems used for monitoring and analyzing transactions were substantially upgraded. Moreover, the Capital Market Commission is utilizing for supervisory purposes a multitude of data and information that are disclosed or made available to it. The supervisory action of the HCMC although not always manifest, especially when it is of a prudential, instead of suppressive, character, is decisively helping ensure the smooth operation of the market in a highly volatile environment.

International activities of the HCMC

The regulatory and supervisory work of the HCMC is, to a great extent, determined by the European regime. This regime includes the issuance of European directives and mandatory regulations, as well as guidelines for the capital market, its participants and transactions. Being a national regulator, the HCMC is endowed with the authority to conclude bilateral and multilateral agreements in the form of memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, and co-operation on issues related to the safeguarding of market stability. In the context of international relations development, members of the Commission's staff participated in numerous international conferences.

In 2012, there was further supervisory co-operation with other countries' regulators, and the coordinating bodies continued their work for the improvement of co-operation between stock exchanges, clearing houses and regulators. In general, the staff of the HCMC had a great contribution to the discussions and the preparation of European Commission Directives related to the capital market, as well as similar initiatives of the European Securities and Markets Authority (ESMA), in the context of various working groups, whose results are decisive for pursuing market regulation and supervision policies at the domestic level. In addition, the HCMCs participates in the work of the International Organization of Securities Commissions (IOSCO), where regulation and supervision standards for security markets are established.

THE EVOLUTION OF THE GREEK CAPITAL MARKET

The stock market

The Composite Index of the ATHEX

In 2012, the Composite Index of the ATHEX showed great fluctuation. The Index declined during the first half of the year, owing to the negative repercussions from politico-economical factors that exacerbated the current uncertainty, such as the unfolding of the debt crisis in the euro zone, the deterioration of the banks' financial position as a result of their participation to the PSI scheme, the slowdown in the country's growth rate and the worsening of investment prospects, as well as the two consecutive elections.

In the second half of 2012, the Composite Index gained ground, closing at 907.90 units at the end of the year, as compared to 680.42 units at the end of 2011, increased by 33.43% year-on-year. In 2012, the index registered its highest value, at 919.19 units, during the session of December 28th, and its lowest value, at 471.35 units, during the session of June 5th. The average monthly standard deviation of the daily returns of the Composite Index stood at 2.4% as compared to 2.26% in 2011, 2.09% in 2010 and 2.05% in 2009 (Figure 2).

TABLE 3. Average Annual Change (%) of the ATHEX Composite Share Price Index, 2002-2012

		Placement Year									
	Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Return Year	2003	29.5									
	2004	26.2	23.1								
	2005	28.0	27.2	31.5							
	2006	25.9	24.7	25.6	19.9						
	2007	24.3	23.0	23.0	18.9	17.9					
	2008	0.4	-4.6	-10.5	-21.3	-36.2	-65.5				
	2009	3.3	-0.5	-4.6	-12.0	-20.6	-34.9	22.9			
	2010	-2.6	-6.5	-10.7	-17.3	-24.7	-35.1	-11.0	-35.6		
	2011	-10.0	-14.0	-18.2	-24.5	-31.1	-39.8	-27.5	-44.3	-51.9	
	2012	-48.1%	-59.9%	-67.4%	-75.2%	-79.3%	-82.5%	-49.2%	-58.7%	-35.8%	33.4%

Note: The results are based on the following formula: AAY = (Xt / Xo)(1/t) -1, where AAY is the average annual yield and Xo and Xt represent the closing values of the ATHEX Composite Share Price Index at the year-base 0 and at the year t, respectively.

FIGURE 2. FIGURE 2. Monthly volatility of the ATHEX Composite Share Price Index, 2012

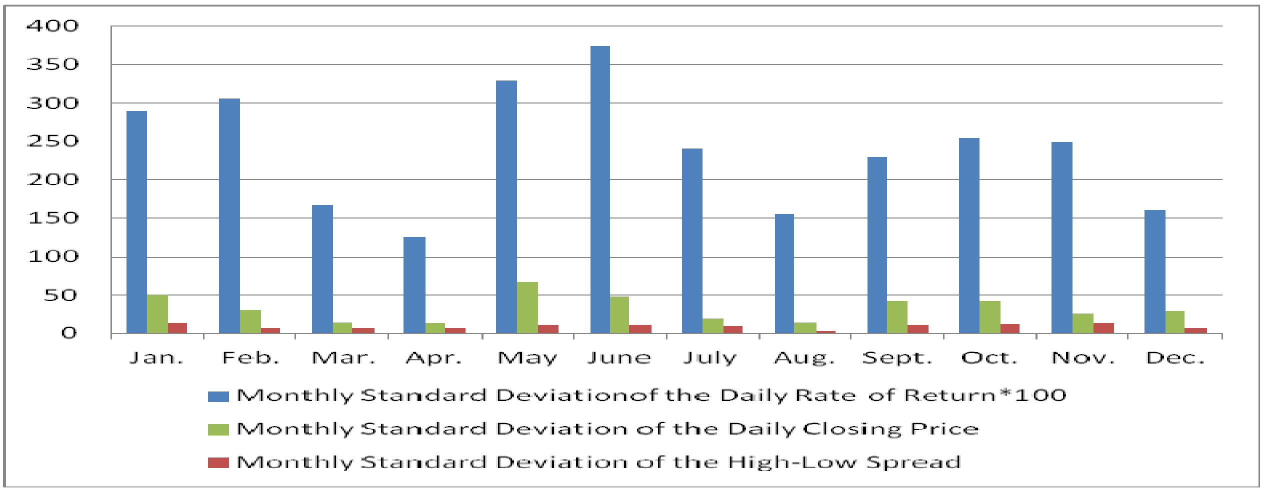
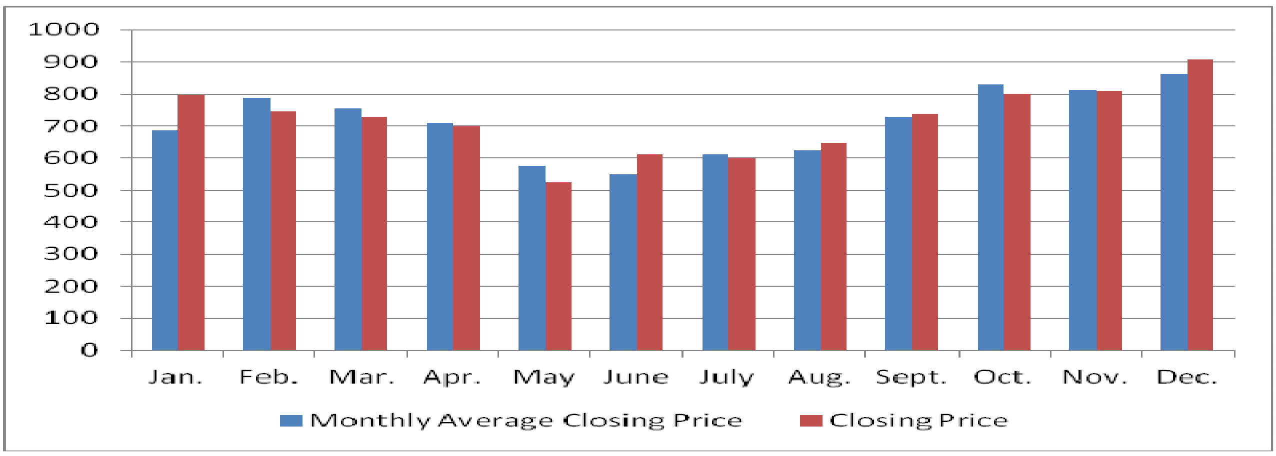


FIGURE 3. Monthly Closing Price of the ATHEX Composite Share Price Index, 2012



Stock Exchange Indices

In 2012, market indices in the ATHEX followed an upward course, except for the FTSE/ATHEX Banks Index (down by 13.92%) and the FTSE/ATHEX Travel & Leisure index (down by 11.41%). The FTSE/ATHEX Large Cap index of large capitalization companies, gained 16.90% year-on-year, as compared to a 60.05% loss in 2011. The FTSE/ATHEX MID-cap index of middle capitalization companies gained 77.20% year-on-year, as compared to a 57.33% loss in 2011. In May, the FTSE/ATHEX Indices Advisory Committee approved the discontinuation of calculations on the FTSE/ATHEX Small Cap index. Among sectoral indices the FTSE/Athex Health Care index registered the largest annual gain, by 176.52%, as compared to a 57.43% loss in 2011. It was followed by the FTSE/Athex Banks index, with a year-on-year increase of 111.37%, as compared to 82.6% decrease in 2011.

TABLE 4. Sectoral Share-price Indices in the ASE, 2012

ASE indices	Closing price 31.12.2012	Lowest price for the year	Highest price for the year	Annual change (%)
General Index	907.90	471.35	919.19	33.43
FTSE/XA Large Cap	309.68	167.93	360.66	16.90
FTSE/XA MID cap	1133.19	453.27	1144.42	77.20
FTSE/Athex Banks	226.28	152.15	540.75	-13.92
FTSE/Athex Financial Services	1318.95	563.37	1383.45	32.05
FTSE/Athex Industrial Good & Services.	3250.75	1568.15	3315.83	35.78
FTSE/Athex Retail	1829.59	458.32	1882.54	65.28
FTSE/ATHEX Real Estate	1491.01	746.71	1725.80	3.34
FTSE/Athex Personal & Household Products	3122.41	1165.08	3206.02	64.89
FTSE/Athex Food - Beverage	6657.97	4117.84	6823.06	36.52
FTSE/Athex Basic Resources	2323.46	655.81	2351.76	60.42
FTSE/Athex Construction - Materials	1836.03	1117.92	2014.74	35.62
FTSE/Athex Oil - Gas	2813.23	1407.35	2832.35	25.56
FTSE/Athex Chemicals	6019.31	4598.93	6960.83	20.47
FTSE/Athex Media	723.94	310.01	879.08	51.28
FTSE/Athex Travel - Leisure	1009.40	610.07	1322.39	-11.41
FTSE/Athex Technology	742.20	222.00	762.15	176.52
FTSE/Athex Telecommunications	1403.81	300.03	1464.37	77.08
FTSE/Athex Utilities	2287.90	504.46	2340.60	92.22
FTSE/Athex Health Care	280.60	74.33	292.44	111.37
Athex Composite Share Price Index	236.67	133.07	237.42	24.07

Source: ATHEX

TABLE 5. Sectoral Share-price Indices in the ASE, 2012

Month	CSP Index / ATHEX	Banks	Fin. Services	Ind. Goods	Trade	Constr. & materials	Utilities	FTSE/ATH Large Cap	FTSE/ ATHEX Mid
Jan.	796.02	480.13	1139.01	2523.92	950.48	1516.51	1250.76	338.50	714.50
Feb.	743.59	398.48	1106.22	2421.64	1124.93	1700.47	1189.93	305.21	680.72
Mar.	728.93	300.33	879.00	2622.17	1115.59	1599.40	1207.76	282.58	721.34
Apr.	699.91	278.81	845.89	2619.55	1001.75	1662.97	998.09	267.81	684.44
May	525.45	180.44	664.83	1696.06	626.54	1192.79	603.13	188.84	488.68
Jun.	611.16	235.24	761.22	2130.32	805.34	1572.84	814.60	227.14	643.94
Jul.	598.68	207.47	640.29	1948.18	733.03	1483.87	930.55	216.66	605.32
Aug.	629.10	207.17	735.79	1846.48	838.49	1520.49	1040.15	227.23	632.35
Sep.	739.07	280.72	969.53	2629.60	1283.95	1774.97	1418.33	267.89	831.46
Oct.	801.32	299.31	1046.45	2595.26	1485.84	1744.02	1692.39	293.34	896.03
Nov.	809.14	236.31	1054.80	2602.93	1434.33	1594.55	1768.92	279.18	975.60
Dec.	907.90	226.28	1318.95	3250.75	1829.59	1836.03	2287.90	309.68	1133.19
Max	919.19	540.75	1383.45	3315.83	1882.54	2014.74	2340.6	360.66	1144.42
Min.	471.35	152.15	563.37	1568.15	458.32	1117.92	504.46	167.93	453.27

Source: ATHEX. Note: The closing price refers to the last trading day of each month.

Transaction Value

In 2012, the total value of transactions in the securities market of the ATHEX continued to decline, as it did in the previous years, and fell to 12,924.01 million euros, reduced by 37.6% year-on-year, as compared to a 41.08% decrease in 2011. The total value of transactions amounted to 35,131.16 million euros in 2010, 50,886.82 million euros in 2009, and 78,174.41 million euros in 2008. The total value of transactions on Main Market shares accounted for 99.65% of the total value of transactions in 2012, slightly increased as compared to 99.4% in 2011. The annual value of transactions on low dispersion shares, and on shares under probation fell to 0.02% of the total value of transactions in 2012 from 0.3% in 2011. The value of transactions on Exchange Traded Fund shares fell to 0.099% of the total value of transactions in 2012 from 0.11% in 2011. The average market liquidity for the year 2012 decreased to 0.17% from 0.16% in 2011 (Table 7). Average liquidity in the Main Market stood at 0.19%, while the average liquidity of the low dispersion and under probation categories rose to 0.011% from 0.07% in 2011.

TABLE 6. The Value of Transactions in the ATHEX (€ mn), 2012

Month	Main market	Low Dispersion	Under Probation	To be de-listed	Exchange Traded Mutual Funds	Fixed Inc. Securities	Grand total
Jan.	1,068.35	1.92	0.77	0.00	2.54	1.23	1,074.81
Feb.	1,675.92	1.32	1.31	0.01	2.81	2.06	1,683.43
Mar.	1,108.49	0.81	066	0.01	0.68	2.49	1,113.14
Apr.	485.04	1.12	0.28	0.02	0.12	0.10	486.68
May	1,058.24	1.49	0.47	0.05	0.13	0.07	1,060.45
Jun.	1,037.71	1.23	0.54	0.01	0.10	1.27	1,040.85
Jul.	528.11	1.43	0.68	0.00	0.29	0.10	530.60
Aug.	480.31	1.22	0.64	0.00	0.43	0.08	482.48
Sep.	1,261.92	1.14	1.22	0.01	1.47	0.10	1,265.85
Oct.	1,811.96	1.39	1.92	0.01	1.29	0.16	1,816.73
Nov.	1,399.24	0.80	0.56	0.00	097	0.06	1,401.64
Dec.	962.92	1.59	0.75	0.01	2.00	0.04	967.31
Total	12,878.22	15.47	9.82	0.12	12.84	7.76	12,924.01

Source: ATHEX

TABLE 7. Monthly average velocity, 2012

Month	Main market	Low Dispersion	Probation	Total markets
Jan.	0.19	0.005	0.01	0.1754
Feb.	0.29	0.004	0.0154	0.2647
Mar.	0.17	0.002	0.0079	0.1561
Apr.	0.11	0.003	0.0038	0.0989
May	0.19	0.004	0.0049	0.1709
Jun.	0.25	0.004	0.007	0.2256
Jul.	0.11	0.003	0.0085	0.0973
Aug.	0.09	0.003	0.0023	0.0776
Sep.	0.25	0.003	0.0092	0.2229
Oct.	0.27	0.004	0.0105	0.2436
Nov.	0.22	0.002	0.0062	0.2045
Dec.	0.16	0.004	0.0106	0.1518

Source: ATHEX

Note. 1. The average monthly liquidity is estimated as the average daily value of transactions divided by the average market capitalization of each month.

Market Capitalization of Listed Companies

At the end of 2012, the total market capitalization of ATHEX-listed shares, including exchange traded funds, stood at 33,766.01 million euros as compared to 26,783.43 million euros at the end of 2011, registering a year-on-year increase of 26% as compared to a 50.36% decrease in 2011. The increase in total market capitalization in 2012 was mainly the result of a substantial rise in stock prices. In December 2012, the market capitalization of main market shares was equal to 31,561.3 million euros, as compared to 24,577.0 million in 2011, accounting for 93.54% of total market capitalization. The market capitalization of the low dispersion and under probation category fell to 2,170.9 million euros at the end of 2012 from 1,846.85 million euros at the end of 2011, and accounted for 6.34% of total market capitalization, as compared to 6.9% in 2011. The ratio of the total market capitalization to Greece's GDP stood at 17.31 at the end of 2012, as compared to 14.1% in2011 and 21.9 in 2010

TABLE 8. Market Capitalization of ATHEX-Listed Companies (€ mn), 2012.

Month	Main market	Low Dispersion	Probation	To be de-listed	Grand Total [1]
Jan.	29,214.55	1,899.04	397.74	6.33	31,517.65
Feb.	27,144.79	1,855.04	424.11	5.91	29,429.85
Mar.	26,312.05	1,934.33	340.59	5.04	28,592.00
Apr.	25,123.13	1,885.20	460.84	9.18	27,478.35
May	18,889.35	1,733.33	416.43	6.40	21,045.51
Jun.	21,957.47	1,823.37	342.76	6.96	24,130.56
Jul.	21,309.77	1,731.99	403.78	6.67	23,452.21
Aug.	22,412.56	1,758.05	365.97	6.88	24,543.47
Sep.	25,572.80	1,659.50	405.08	7.67	27,645.05
Oct.	27,829.41	1,686.98	403.64	8.71	29,928.74
Nov.	28,087.78	1,596.13	391.52	7.48	30,082.91
Dec.	31,561.25	1,757.48	413.37	9.73	33,741.84

Source: ATHEX.
Note: The market capitalization of ATHEX-listed shares refers to the last trading day of each month.

At the end of 2012, listed company participation in total market capitalization in the ATHEX was the following: Coca Cola HBC was the largest market capitalization company, holding a 19.23% share in the total market capitalization of the stock and ETF market, as compared to a 18.13% share at the end of 2011. It was followed by OTE SA (7.41%), Hellenic Petroleum (6.70%), the Greek Organization of Football Prognostics (5.11%), the Public Power Corporation (4.05%) and the National Bank of Greece (3.66%). The top-ten shares as of 31.12.2012 accounted for 57.09% of total market capitalization, as compared to 58.11% at the end of 2011, and their value stood at 19.3 billion euros, as compared to 15.6 billion at the end of 2011.

TABLE 9. ATHEX aggregates, 2012

Year	Market Capitalization (mn €)	ATHEX Composite Share Price Index	Number of ATHEX-listed companies	ATHEX market capitalization (% of GDP)	EU market capitalization (% of GDP)
2012	33,766.01	907.90	180	17.3	60.9
2011	26,783.43	680.42	242	14.1	56.9
2010	53,958.39	1413.94	258	21.9	70.7
2009	83,447.43	2196.16	270	33.4	66.1
2008	68,121.25	1786.51	280	27.3	46.3
2007	195,502.47	5178.83	295	79.8	89.2
2006	157,928.71	4394.13	303	72.0	91.2

Source: ATHEX

Net profits and Dividends of ASE-Listed Companies

The financial results of ATHEX-listed companies reflect the impact of the recession that has hit the Greek economy, along with reduced demand and scarce liquidity. At the end of 2012, the weighted price to after tax earnings ratio (P/E) for the entire market stood at 17.5 as compared to 14.7 in 2011 and 21.4 in 2010 (Table 10). The weighted dividend yield of ATHEX-listed companies stood at 6.3 as compared to 9.2 in 2011 and 5.4 in 2010. As far as Banks, a sector which was severely hit by the financial crisis, is concerned, the weighted P/E stood at 17.5 in March 2012, as compared to 14.7 in 2011 and 12.9 in 2010, while the weighted dividend yield of the sector stood at 5 at the end of 2012, as compared to 16.2 in 2011 and 5.6 in 2010.

TABLE 10. Price to Earnings (P/E) ratio and listed company returns, 2002-12

End of year	*Weighted P/E (after taxes)*	*Weighted Profit Distribution Rate*
2012	17.5	6.3
2011	14.7	9.2
2010	21.4	5.4
2009	21.7	5.4
2008	12.5	7.3
2007	27.7	2.9
2006	30.5	2.4
2005	29.4	3.6
2004	26.7	4.0
2003	28.0	4.8
2002	22.6	6.3

Source: ATHEX.

The Fixed-income securities market

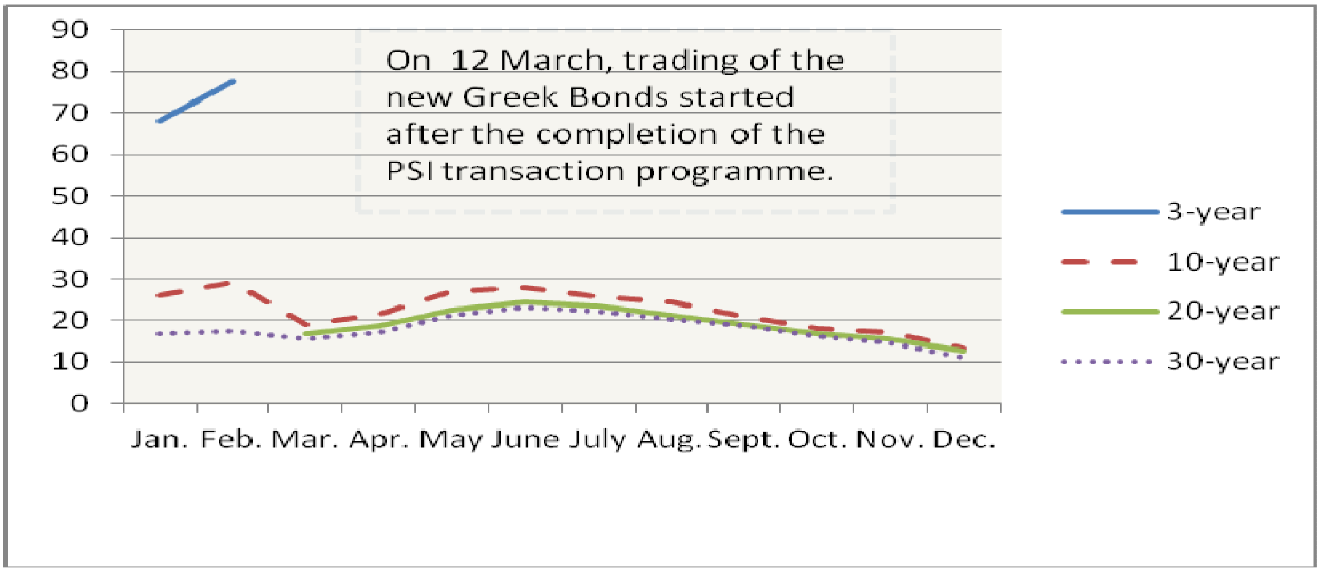
In 2012 the value of transactions on fixed-income securities in the ATHEX stood at 7.76 million euros, accounting for 0.06% of the total value of transactions in the ATHEX, as compared to 0.074% in 2011.

In 2012, Greek Government Bond yields continued to rise, while trading activity hit historic lows. Despite continued negotiations for aiding the Greek economy and implementing the bond exchange programme in March 2012, investor uncertainty persisted, driven by developments in Greece's public finances and political situation. As a result, the Greek debt auctions which concerned Greek Treasury Bills (13-week and 26-week) were further reduced. In the first nine-months of 2012, the new composition of public debt was the following: 58.1% loans from the support mechanism (EU, IMF) and 41.9% Greek Treasury Bills. The average weighted maturity of Greece's new debt was 9.47 years, as compared to 2.4 years in 2011, 3.7 years in 2010 and 5.6 years in 2009. The average weighted maturity of the General Government's debt stood at 11.8 years.

The value of transactions in the Electronic Secondary Treasury Bonds Market (IDAT) was very low in comparison to the previous years. The total value of transactions stood at 608 million euros in 2012, as compared to 5.18 billion euros in 2011, 95 billion euros in 2010 and 326 billion euros in 2009. The value of transactions performed in January stood at 1 million euros, while the largest value of transactions occurred in October and stood at 105 million euros.

The first half of 2012 saw a large increase in the yields of Greek Government Bonds, along with a large drop in their prices, depending on maturity. The average spread between the Greek 10-year bond and the German reference 10-year bond reached 2,739 basis points (bps) in February 2012, the highest level for the year. In March 12, 2012, the new Greek government bonds started trading, following the completion of the exchange *of old Greek bonds as part of the PSI scheme. In the second half of 2012, the yields started to fall. By the end of the year, the average spread between the Greek and the German 10-year reference bonds had fallen to 1,203 bps. At the end of 2012 the yield of 10-year Greek government bonds had decreased by 48.6% as compared to the beginning of the year.*

FIGURE 4. Greek government bond yields, 2012



Source: Bank of Greece, Eurostat.

The Derivatives Market

Derivatives provide an efficient tool for off-balance sheet risk management since they provide an easy means to hedge (manage) the residual risk from commercial operations. Effective corporate risk management is expected to have a positive effect on firm value in the presence of capital market imperfections such as financial distress and bankruptcy costs, convex tax rates, or underinvestment problems.

In 2012, the derivatives market of the ATHEX saw an increase in trading activity, substantial gains in the market share of stock futures as compared to the other derivative products and an increase in the participation of private clients versus that of market makers. In 2012, the average daily volume of transactions on future and options stood at 59,585 contracts, as compared to 41,558 contracts in 2011 and 33,656 contracts in 2010. This translates to a 43.38% year-on-year increase in the average daily volume of transactions, which is exclusively due to the growth of trading activity on stock futures, as the average daily volume of transactions on this type of derivatives rose by 74.11% as compared to 2011. The largest average daily volume of transactions in 2012 was that of the stock futures for the National Bank of Greece (16,235 contracts), while the largest percentage increase was that of stock futures for Cyprus Bank (+369.31%). It is worth noting the large year-on-year drop of the daily average volume of transactions on FTSE/ATHEX Large Cap futures and options, by 37.86% and 31.42% respectively. I should be noted that, after the close of the trading session on the last Friday of November 2012, the FTSE/ATHEX 20 index was renamed to FTSE/ATHEX LARGE CAP and the number of shares comprising it rose from 20 to 25. Following these developments, the share of stock futures in the average daily volume of transactions on all derivative products rose to 87.94% in 2012 from 72.41% in 2011 and 56.22% in 2010. As far as stock repo derivatives are concerned, the average daily volume of transactions on Stock Repos decreased in 2012, falling to 2,027 contracts from 2,527 contracts *in 2011, on Stock Reverse Repos fell from 2,196 contracts from 4,381 contracts in 2011 and on Repurchase Agreements fell to 547 contracts from 1,437 contracts in 2011.*

TABLE 11. Intermediation Agencies in the derivatives market, 2008-2012

	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008
Trading Members	41	43	47	50	54
New members per year	2	0	0	0	4
Member mergers and deletions	-4	-4	-3	-4	-1
Clearing Members	26	29	32	31	34
New members per year	0	0	2	0	0
Member mergers and deletions	-3	-3	-1	-3	-1
- Direct Clearing Members	15	17	20	19	22
- General Clearing Members	11	12	12	12	12
Transaction terminals	259	273	292	295	291
API use agreements	31	34	35	35	32
Client Accounts	42,939	42,156	40,780	39,237	34,915
Products	40	34	33	32	35

Source: ATHEX.

In 2012, there was an increase in the number of accounts activated in the derivatives market. The number of end investor-client accounts amounted to 42,939 at the end of December 2012 as compared to 42,156 in December 2011 and 40,780 in December 2010 (Table 11). The average monthly number of accounts that performed transactions in 2012 stood at 2,658 as compared to 3,199 in 2011 and accounted for an average of 6.19% of the total number of investor accounts in 2012 as compared to 7.69% in 2011. The ratio of market maker to client transaction value for all the products traded in the derivatives market was 44:56 at the end of 2012, as compared to 47:53 in 2011 and 46:54 in 2010. The growth of client participation in the derivatives market during 2012 was larger in the case of stock futures, where the relevant ratio was 35:65 as compared to 43:57 in 2011 (Table 12). The ratio of the value of transactions in the derivatives market to the value of transactions in the underlying transferable securities market of the ATHEX continued to decrease substantially in 2012. More specifically, the average value of the ratio regarding all derivative products fell to 28% in 2012 from 59% in 2011 and 82% in 2010. Equally striking is the rise in the average value of the ratio of the value of transactions on stock futures and options, which stood at 16% in 2012, as compared to 12% in 2011 and 10% in 2010 (Table 13). In 2012 the call:put ratio for the total of transactions on index options was in favour of call options on the FTSE/ATHEX Large Cap. The value of the ratio regarding the entire volume of transactions on FTSE/ASE Large Cap options rose on average to 2.35 in 2012 from 1.79 in 2011 and 1.34 in 2010. The ratio showed monthly fluctuations during 2012 (maximum value: 3.35 in July; minimum value: 1.66 in February), with the average value of the ratio standing at 2.53 as compared to 1.78 in 2011 and 1.32 in 2010.

TABLE 12. Distribution of Contracts in the Derivatives market, 2012

Derivative financial products	Distribution of Contracts					
	Average 2012		Average 2011		Average 2010	
	MM	Clients	MM	Clients	MM	Clients
FTSE/ATHEX LARGE CAP futures [1]	43.41%	56.59%	45.62%	54.38%	42%	58%
FTSE/ATHEX-CSE futures	50%	50%	49%	51%	48%	52%
FTSE/ATHEX LARGE CAP options [1]	45.28%	54.72%	47.23%	52.77%	50%	50%
Stock futures	35.46%	64.54%	43.48%	56.52%	45%	55%
Stock options	49.98%	50.02%	49.22%	50.78%	45%	55%
TOTAL PRODUCTS	43.54%	56.46%	46.91%	53.09%	46%	54%

Source: ATHEX

Note 1: The FTSE/ATHEX 20 index was renamed to FTSE/ATHEX LARGE CAP after the close of the trading session on the last Friday of November 2012 and the number of stocks comprising it rose from 20 to 25.

FIGURE 5. Distribution of the Volume of Transactions in the derivatives market per product, 2012

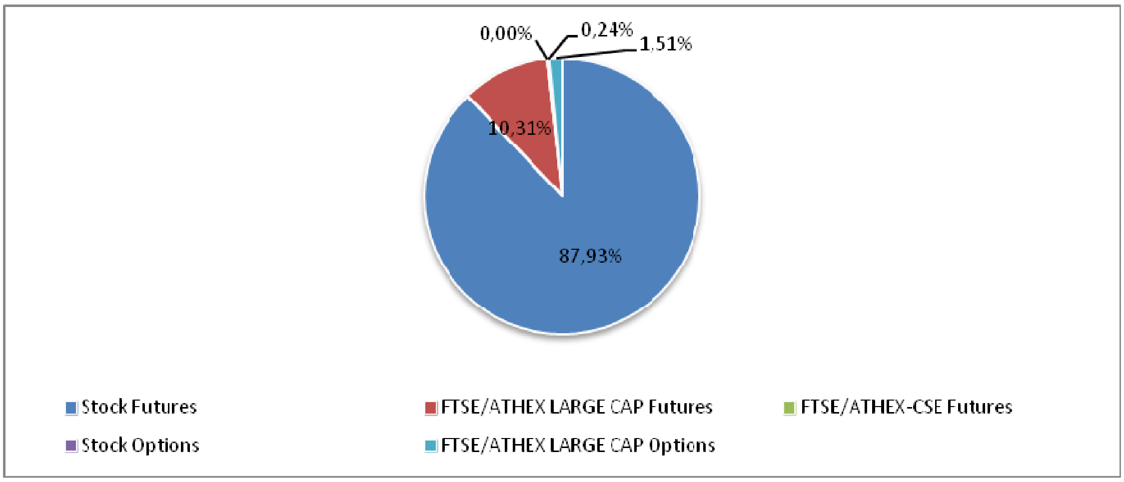


TABLE 13. Value of transactions in the derivatives market and the underlying securities market, 2012

Month / Year	Value of transactions on index futures to value of transactions on stocks (%)	Value of transactions on derivative products to value of transactions on stocks (%)	FTSE/ATHEX LARGE CAP: value of transactions on futures and options to the value of transactions on stocks (%)	Value of transactions on stock futures and options to value of transactions on stocks (%)
Jan. 2012	91	39	25	13
Feb. 2012	93	38	23	14
Mar. 2012	93	28	29	22
Apr. 2012	93	5	19	15
May 2012	96	4	13	8
Jun. 2012	96	23	19	16
Jul. 2012	93	30	15	15
Aug. 2012	95	25	12	13
Sep. 2012	95	40	21	19
Oct. 2012	92	28	14	15
Nov. 2012	92	33	18	16
Dec. 2012	89	49	30	22
Average 2012	93	28	20	16
Average 2011	90	59	40	12
Average 2010	90	82	50	10

CORPORATE SECURITY ISSUES

The issuance of corporate securities in the stock exchange reflects the issuers' wish to draw capital for various reasons, such as the acquisition of cash for covering short-term and long-term investment or other needs; the enhancement of tradability and market reliability, which facilitates corporate restructuring and the execution of corporate transactions (e.g. mergers and acquisitions) aimed at increasing their size and market share; the enhancement of the liquidity of the companies' existing investment securities; and the facilitation of the evaluation of company values. The issuing activity of listed companies in the ATHEX was low in 2012. This contraction, following the decline of the previous years, resulted from the uncertainty prevailing in the markets and the severe economic recession, which put retarded corporate investment programmes.

Share issues

In 2012, there were five share capital increases by companies listed in the ATHEX, through the public offering of stock. The offers were made by Olympic Catering SA, Teletypos SA, Unibios Holdings SA, Wool Industry Tria Alfa S.A and Hellenic Cables SA. The funds raised amounted to 38.2 million euros. In 2012, there were four public offerings of shares that were not-listed for trading in the ASE. These offers were made by the Co-operative Bank of Epirus, Probank, Supporters Club and PAO FC. The funds raised amounted to 67.3 million euros. Finally, in 2012 there were no initial public offerings in the ATHEX.

TABLE 14. Funds raised through stock issues, 2012

No	Company	Trading category	Funds raised (€)
1	OLYMPIC CATERING SA	PROBATION	17,393,750.00
2	TELETYPOS SA	PROBATION	10,079,300.00
3	UNIBIOS HOLDINGS SA	MAIN MARKET	
4	WOOL INDUSTRY TRIA ALFA SA	TO BE DE-LISTED	1,134,830.00
5	HELLENIC CABLES SA	MAIN MARKET	9,593,921.00
6	COOP. BANK OF EPIRUS	W/O LISTING IN THE ATHEX	5,452,348.23
7	PROTON BANK SA	W/O LISTING IN THE ATHEX	59,246,992.00
8	SUPPORTERS CLUB	W/O LISTING IN THE ATHEX	82,630.00
9	PAO FC	W/O LISTING IN THE ATHEX	2,498,859.30
	GRAND TOTAL		105,482,630.53

Source: HCMC

TABLE 15. Share issues through initial public offerings 2002-2012

Year	IPOs		
	Number	Amount (€ mn)	% of total
2012	0	-	-
2011	0	-	-
2010	0	-	-
2009	1	10	0.1
2008	0	0	-
2007	4	500.73	100
2006	2	725.25	100
2005	7	81.9	6
2004	10	95.4	100
2003	14	118.4	8.1
2002	18	92.5	9.6

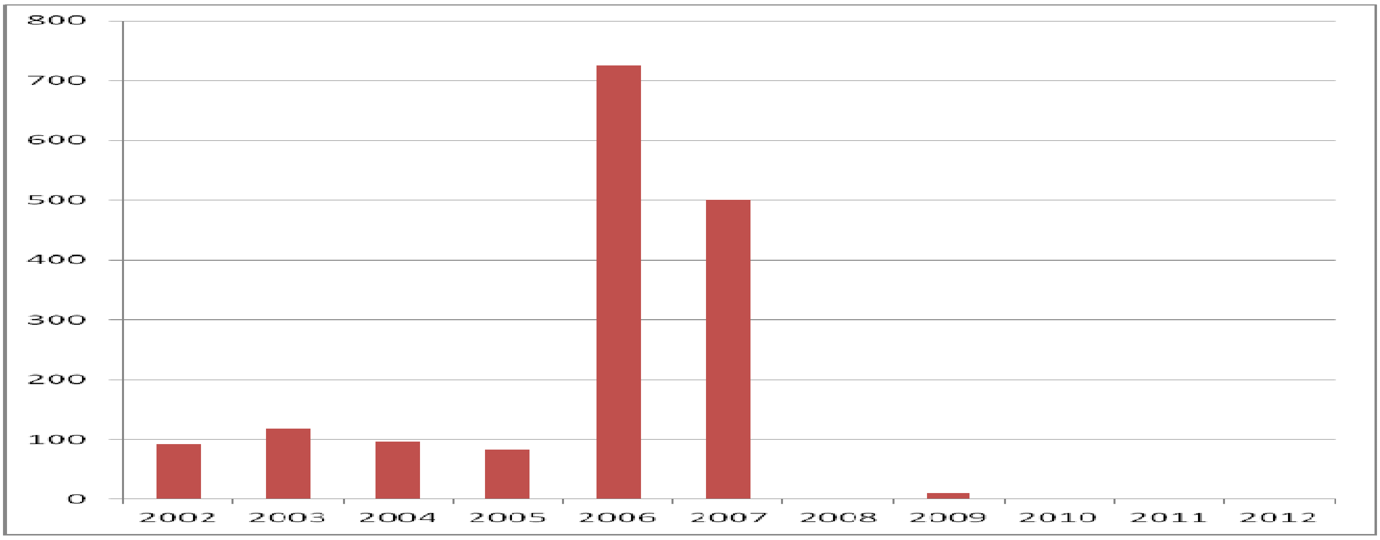
Source: HCMC

TABLE 16. Initial public offerings of stock in Europe and the Middle East, 2012

Region	Type of security	Funds raised (bn US$)
United Kingdom	Stock and other types of equity	6.472
Germany	Stock and other types of equity	2.684
US	Stock and other types of equity	1.513
Saudi Arabia	Stock and other types of equity	1.420
Netherlands	Stock and other types of equity	1.223
Europe and the Middle East	Stock and other types of equity	139.935
Europe and the Middle East	Common stock	117.367

Source: Thomson Reuters

FIGURE 6. Capital raised through initial public offerings, 2002-2002 (€ million)



Source: HCMC

TABLE 17. Share Capital Increases by ATHEX-listed companies, 2008-2012.

Year	*Number of Share Capital Increases*	*Total Funds Raised (€ mn)*
2012	*5*	*38.20*
2011	*14*	*2,984*
2010	*17*	*2,417*
2009	*21*	*4,664*
2008	*16*	*664.1*

Source: HCMC

FIGURE 7. Public offering of shares without listing, 2012 (€)

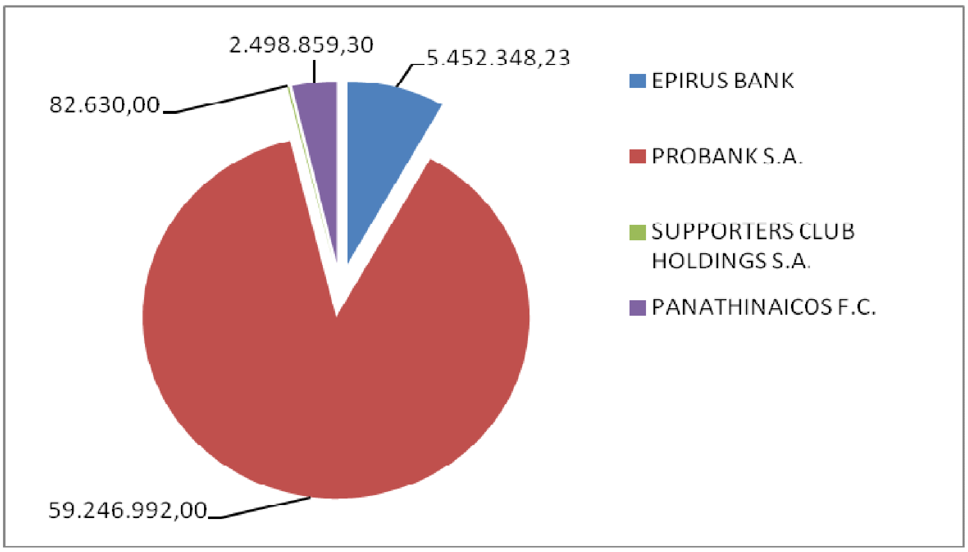


FIGURE 8. Funds raised in the ATHEX and OTC, 2010-2012

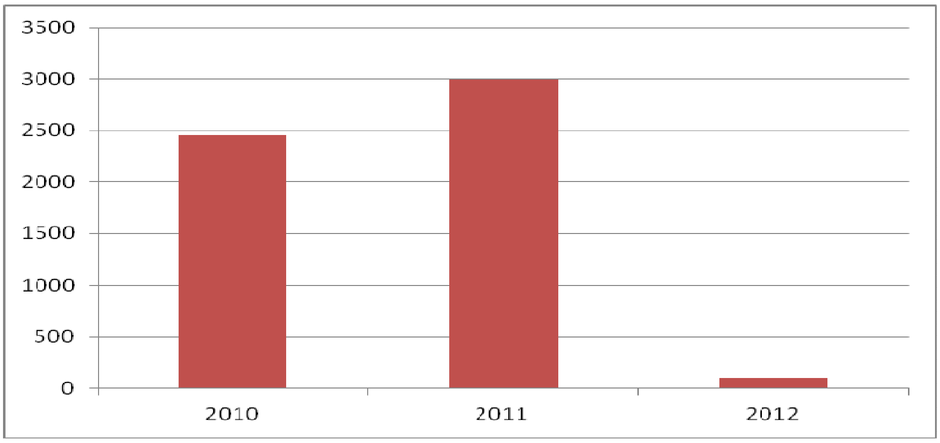
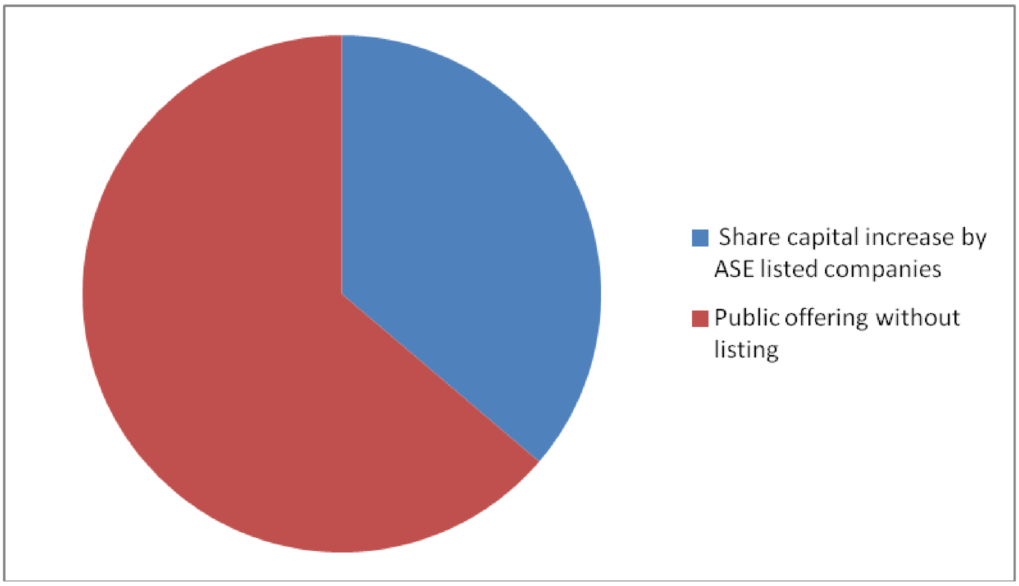


FIGURE 9. Funds raised in the ATHEX and OTC, 2012



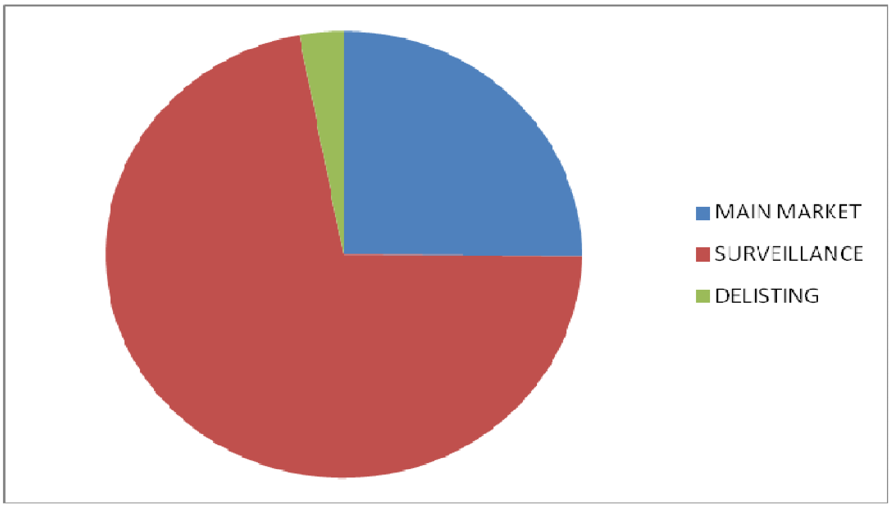
The quarterly distribution of share capital increases by ATHEX-listed companies in 2012 is presented in the following table, based on the date of their approval by the HCMC. Whenever the approval was given in dates belonging to different quarters, the reference period is that of the first approval.

TABLE 18. Quarterly distribution of share capital Increases by ATHEX Listed Companies, 2010-2012

Q.	Number of issues			Total Funds Raised (€ mn)			% of Total		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
1st	8	3	1	1,448	843.61	9.59	37.4	28.16	25.11
2nd	0	3	1	0	1,126.35	17.39		37.60	45.53
3rd	3	5	1	1,824	161.68	10.08	47.1	5.40	26.38
4th	11	4	2	603	863.86	1.34	15.5	28.84	2.97
Total	22	15	5	3,877	2,995.5	38.20			

Source: HCMC

FIGURE 10. Funds raised through share capital increases per trading category, 2012



Bond issues

In 2012, there were no issues of convertible corporate bonds (CCBs). It should be noted that the contraction of issuing activity regarding fixed income securities persists, given that since 2011 there was only one issue of a convertible corporate bond, by G.E. DIMITRIOU SA, which was not listed in the ATHEX. This issue had been 72.214% subscribed, raising 10,843,350.04 euros.

Corporate restructuring in the capital market

In 2012, the corporate restructuring of ASE-listed companies through mergers was substantially reduced as compared to 2011. In 2012, one listed company was merged by absorption of another listed company, as compared to two such instances in 2011 (Table 19A). In 2012, the listed companies came from the Farming & Fishing sector. The mergers among listed and non-listed companies were substantially reduced in 2012 as compared to 2011, as in 2012 10 listed companies absorbed 16 non-listed companies (Table 19B), while in 2011 17 listed companies had absorbed 22 non-listed companies. Of the acquirer listed companies, two came from the Specialty Chemicals sector, two from the Heavy Construction sector and the rest from various sectors (Personal Products, Containers & Packaging, Farming & Fishing, Aluminum, Durable Household Products). In one case, a listed company from the Personal Products, sector was absorbed by a non-listed company, and as a result it was de-listed from the ATHEX. In 2012, there was an increase in corporate restructuring through spin-offs and acquisitions of business sectors. More specifically, in 2012, five (5) business sectors were spun-off from ATHEX-listed companies and were acquired by 5 non-listed companies (TABLE 19C), as compared to 4 spin-offs in 2011. The spin-offs that took place in 2012 concerned one company from each of the Specialty Chemicals, Heavy Construction, Soft Drinks, Steel and Conventional Electricity sectors. On 31.12.2012, out of a total of 256 companies listed in the ATHEX, 212 companies (82.8%) comprised groups, as compared to 214 group members out of a total of 264 companies on 31.12.2011. During 2012, the acquisitions by listed companies remained almost unchanged as compared to 2011, as shown by their official corporate announcements in the ATHEX Daily Bulletin and the press releases posted on the ATHEX website. More specifically, 12 listed companies acquired 16 companies, 1 listed and 15 non-listed in the ATHEX, while in 2011, 14 listed companies had acquired 17 non-listed companies. Most acquisitions were made by listed companies from the general sectors of Basic Resources (3), Media (2), Industrial Goods and Services (2), followed by listed companies from *the general sectors of Technology (1), Construction and Materials (1), Travel & Leisure (1), Banks (1) and Personal & Household Goods (1).*

TABLE 19. Company mergers & acquisitions in the capital market, 2012

A.	Mergers among ATHEX-listed Companies, 2012			
No	ACQUIRER	SECTOR	TARGET COMPANY	SECTOR
1	SELONDA AQUACULTURE SA	Farming & Fishing	INTERFISH FISHFARMING	Farming & Fishing

B.	B. Mergers among ATHEX-listed and non-listed companies, 2012		
No	ACQUIRER	SECTOR	TARGET COMPANY
1	G. SARANTIS SA	Personal Products	VENTURES SA
2	PAPERPACK SA	Containers & Packaging	PROMOCARTON SA
3	SELONDA AQUACULTURE SA	Farming & Fishing	FARADONISIA FISHFARMING SA ECHINADES FISHFARMING SA FISH FILLET HELLAS SA
4	ALUMIL ALUMINUM INDUSTRY SA	Aluminum	ALULIM SOLAR SA ALOUSYS ALUMINUM PARTS SA ALOUFIL SA
5	HENKEL HELLAS SA	Personal Products	RILKEN SA (Listed)
6	EURODRIP SA	Specialty Chemicals	HYDROELENCHOS SA
7	G.E. DIMITRIOU SA	Durable Household products	DELTA HOTELIA SA SIBA TECHNICAL SA
8	I. KLOUKINAS - I. LAPPAS S.A. CONSTRUCTION AND COMMERCIAL COMPANY	Heavy construction	COMPTON HOUSE PROPERTIES LIMITED NEZOLANO LIMITED
9	DRUCKFARBEN HELLAS SA	Specialty Chemicals	DHF DRUCKFARBEN SA INKS AND COLOURS
10	ATHENA SA	Construction	ARCAT SA

C.	Listed company business sector spin-offs and acquisitions by non-listed companies, 2012		
No	LISTED COMPANY	SECTOR	COMPANY TO WHICH THE BRANCH IS TRANSFERRED
1	DRUCKFARBEN HELLAS SA	Specialty Chemicals	SUN CHEMICAL PUBLICATIONS GREECE (Graphic arts)
2	MOCHLOS SA	Construction	PORTO KARRAS SA (construction business sector)
3	COCA COLA Hellenic Bottling Company SA	Soft drinks	ELCHYM SA (production and marketing sector)
4	SIDENOR SA	Steel	DEPAL SA (industrial business sector)
5	PPC SA	Conventional electricity	PPC RHODES SA "DEDDIE SA" (Island distribution and management sector)

TABLE 20A. Acquisitions by listed companies per sector, 2012

Acquirer Listed Companies		Target Companies			
Number	Sector	Total	Listed	Sector	Non-listed
3	Basic Resources	7	-	-	7
2	Media	2	-	-	2
2	Industrial Goods & Services	2	-	-	2
1	Technology	1	-	-	1
1	Construction & Materials	1	-	-	1
1	Travel & Leisure	1	-	-	1
1	Banks	1	1	Banks	-
1	Personal & Household goods	1	-	-	1
12	TOTAL	16	1	0	15

Source: HCMC

FIGURE 10A. Listed companies with Consolidated Financial Statements, 2007-2012

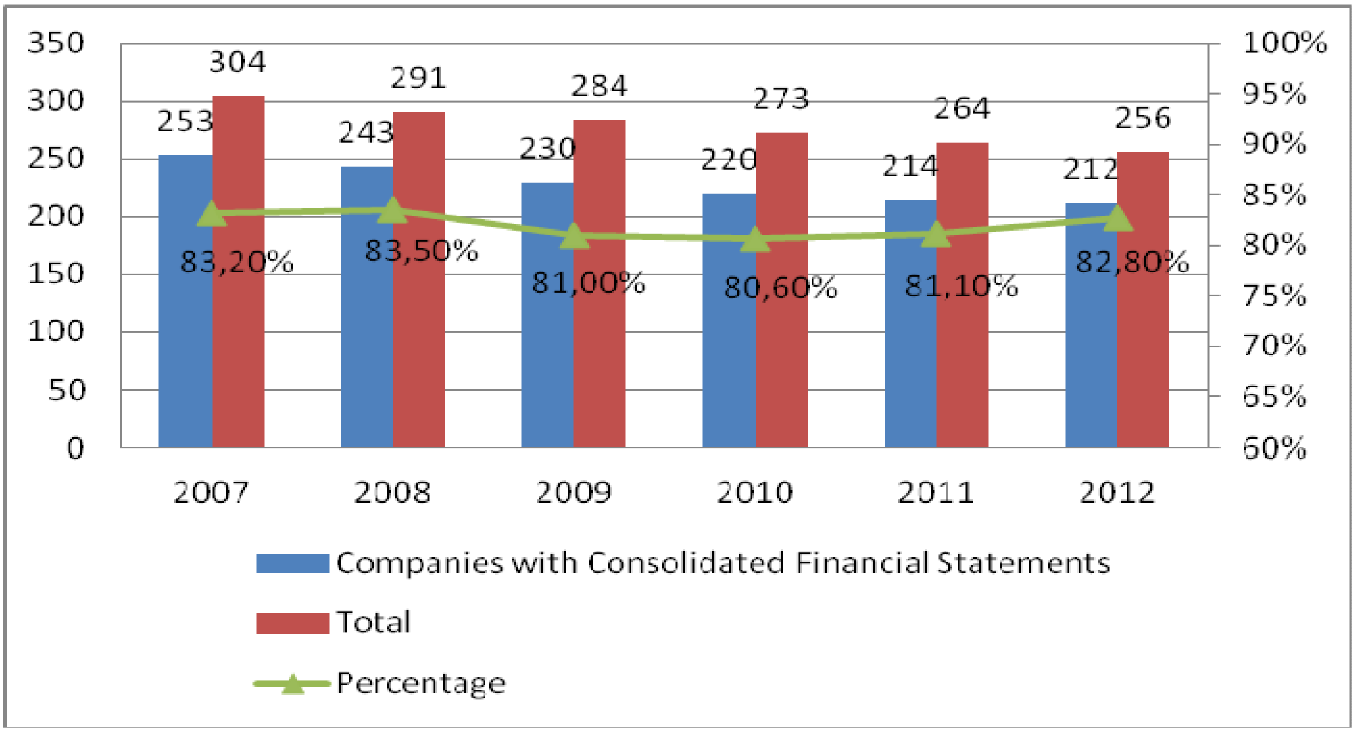
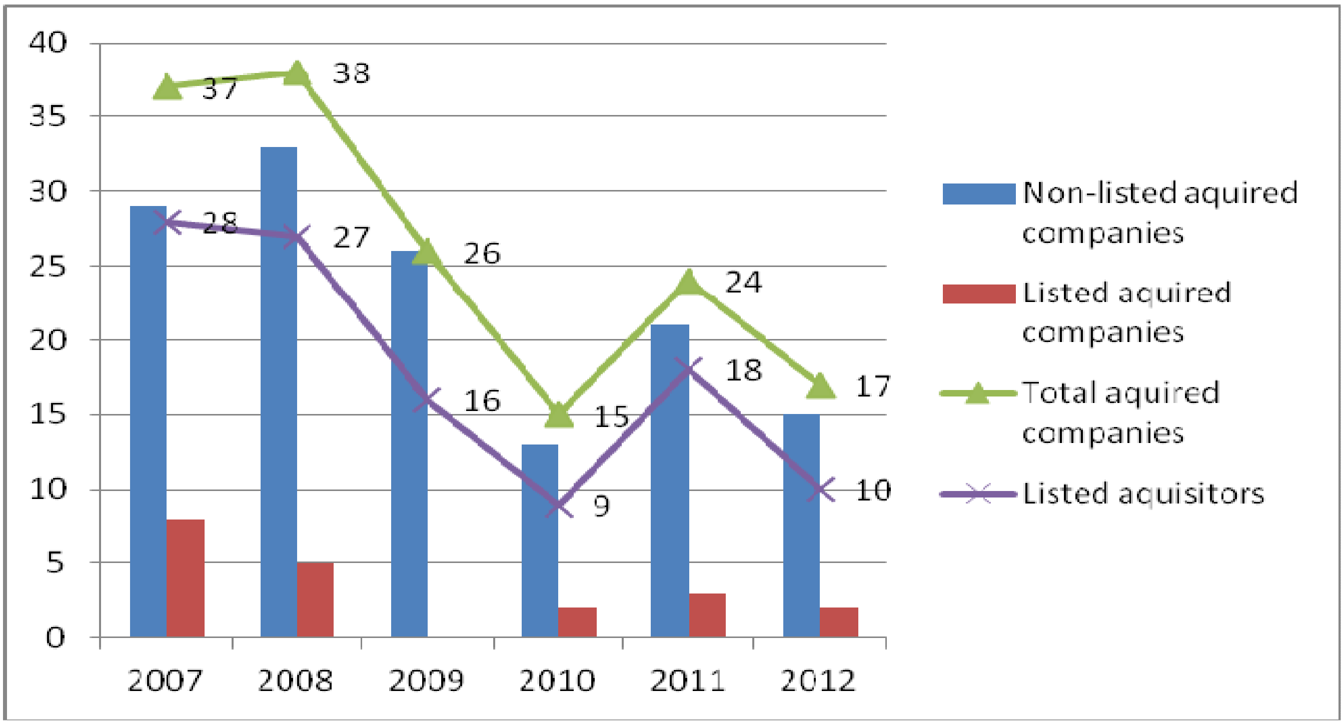


FIGURE 10B. Mergers among ATHEX-listed Companies, 2007-2012



PART THREE

CAPITAL MARKET INTERMEDIARIES

INVESTMENT FIRMS

General Overview

In 2012, sixty nine (69) investment firms were operating in the Greek market. More specifically, during the year, the HCMC granted license expansion to one (1) investment firm, revoked the operating license of one (1) investment firm, and recalled the operating license in regard to specific investment services for eight (8) investment firms. Moreover, the HCMC approved the acquisition of qualifying holdings in investment firms in twenty four (24) cases, the offering of qualifying holdings in investment firms in nine (9) cases, as well as the absorption of one (1) investment firm by one (1) investment firm. Finally, the HCMC approved the eligibility of new investment firm board members in forty-six (46) cases and the eligibility of an investment firm manager in eleven (11) cases. In 2012, the ATHEX Members' Guarantee Fund was set to 74,946,062 euros.

Trading activity

The erosion of investor sentiment during 2012 led to reduced trading activity in the ATHEX. The total value of transactions of all companies-members of the ATHEX (Investment Firms, Credit Institutions and remote members) fell to 25.85 bn euros in 2012 from 41.40 bn euros in 2011 and 70.27 bn euros in 2010, reduced by 37.56% year-on-year, as compared to a 41.07% year-on-year reduction in 2011 and a 30.93% reduction in 2010. The share of the five investment firms-ATHEX members with the largest value of transactions as a percentage of the total value of transactions was 51.82% as compared to 52.47% in 2011 and 52.09% in 2010, while the top ten firms-ATHEX members executed 67.31% of the total value of transactions as compared to 70.65% in 2011 and 70.84% in 2010.

TABLE 20. Transactions by firms ATHEX-members, 2012-2009

Transactions by ATHEX members (€ mn)	2012	2011	2010	2009
Value of Stock Transactions	25,834.67	41,370.04	70,238.32	101,702.70
Value of Bond Transactions	15.52	30.92	31.28	38.01
Total Transaction Value	25,850.19	41,400.96	70,269.60	101,740.72
Share (%) of top-5 ATHEX members	51.82	52.47	52.09	57.05

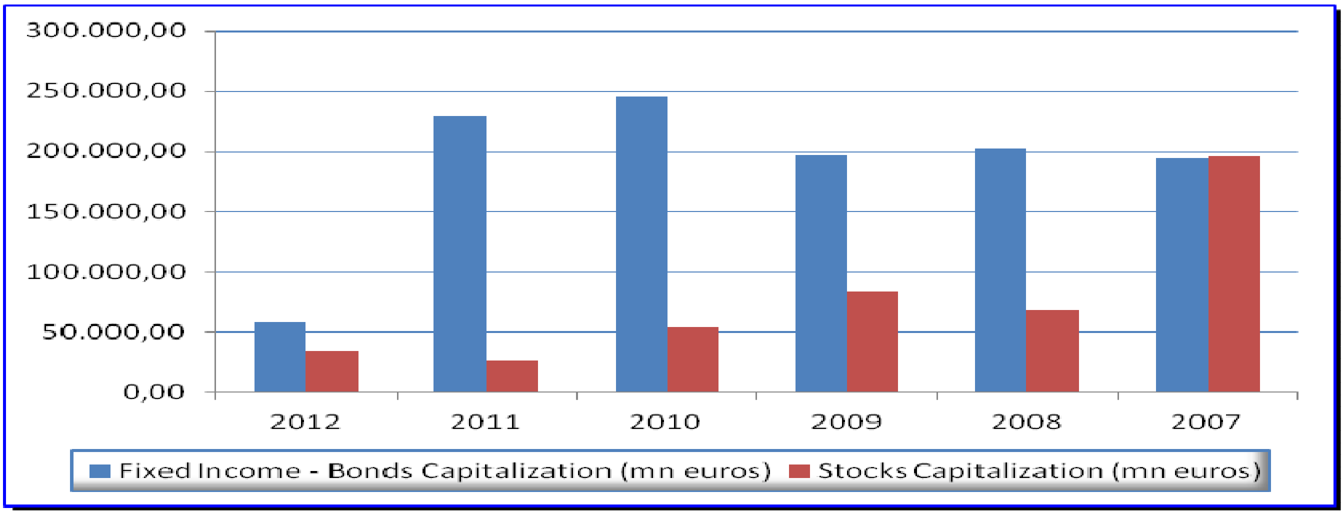
Source: ATHEX

TABLE 21. Transactions in securities markets, 2011-2012

Transaction Data	2012	2011
Average daily value of transactions (€ thousand)	51,873.31	82,407.75
Change of average value 2011/2010	-37.05%	-40.86%
Average daily volume of transactions	49,448.25	33,429.65
Change of average volume 2011/2010	47.92%	0.64%
Average daily number of transactions	24,809	25,813
Change of average number of transactions 2011/2010	-3.89%	-18.41%

Source: ATHEX

FIGURE 11. Market capitalization in the ATHEX, 2007-2012



Source: ATHEX

Note: The market capitalization of ATHEX-listed shares refers to the last trading day of the December of each year.

Provision of credit by Investment Firms-ATHEX members

In 2012, there was a decrease in the value of credit extended by investment firms-ATHEX members to their clients for the purchase of securities (margin account trading). Table 22 presents the development of margin account trading for the year 2012, according to data submitted by investment firms-ATHEX members to the HCMC on the last trading day of each month. Out of the investment firms-ATHEX members that submitted the relevant notification to the HCMC, an average of 43 firms became active in this field. The average number of active open-end contracts fell to 10,839 from 15,137 in 2011 and 15,374 in 2010. Total average debit balances in margin accounts fell from 140.1 million euros in 2010 and 96.6 million euros in 2011 to 50.5 in 2012, while the average value of security portfolios fell from 834.8 million euros in 2010 and 664.3 million euros in 2011 to 394.2 million euros in 2012.

TABLE 22. Margin Account Trading, 2012

Month 2011	Announcement of Investment Firms-ATHEX members for the provision of credit	Number of Investment Firms-ATHEX Members actually providing credit	Number of active open-end credit agreements	Number of active short term credit agreements2	Debit Balances	Security Portfolio Valuation
Jan.	47	44	11,104	53,313	55,741,388.60	508,364,848.33
Feb.	47	44	11,077	54,042	58,632,091.39	452,701,079.91
Mar.	47	44	11,098	54,631	55,578,913.32	424,694,411.82
Apr.	47	44	11,050	54,777	48,642,017.12	402,204,539.82
May	46	43	10,668	54,533	48,382,403.72	296,847,871.89
Jun.	46	43	10,558	54,938	40,701,511.65	339,543,093.46
Jul.	46	43	10,615	55,030	38,697,202.85	308,212,204.97
Aug.	46	43	10,640	55,169	38,117,032.20	299,639,882.00
Sep.	46	43	10,706	55,666	49,396,008.64	370,714,560.05
Oct.	46	42	10,704	55,896	64,527,865.12	441,660,042.26
Nov.	44	41	11,197	56,139	54,724,795.75	399,088,984.25
Dec.	44	41	10,651	56,239	53,348,441.32	487,476,008.38
A.V.	46	43	10,839	55,030	50,540,805.97	394,262,293.93

Source: HCMC

COLLECTIVE INVESTMENT MANAGEMENT FIRMS

Developments in the Greek mutual fund market

In 2012, Law 4099/2012 (Gazette A 250/20.12.2012) was enacted, transposing into Greek legislation Directive 2009/65/EC of the European Parliament and of the Council (Official Journal L 302, 17/11/2009), on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 (Official Journal L 331/15.12.2010) and Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 (Official Journal L 174/1.7.2011). Moreover, in 2012, the Commission issued the following regulatory decisions: a) HCMC Rule 18/609/9.2.2012 "Approval of the training program for individuals involved in the distribution of mutual fund units" (Gazette B 466/24.2.2012); b) HCMC Rule 2/621/12.7.2012 "Increase of the investment limit of paragraph 1 of article 24 of Law 3283/2004 regarding the mutual funds that reproduce the composition of the ATHEX Composite Index" (Gazette B 2244/2.8.2012); HCMC Rule 15/633/20.12.2012, "Organizational requirements for the operation of investment firms, conflict of interest, code of conduct, risk management and content of the agreement between the depositary and the management company" (Gazette B 12/10.1.2013); d) HCMC Rule 16/633/20.12.2012 "Mergers of UCITS – Structure of master and feeder UCITS - Notification of cross-border marketing of UCITS" (Gazette B 12/10.1.2013); and e) HCMC Rule 17/633/20.12.2012 "Prospectus, annual and half-yearly reports of UCITS" (Gazette B 12/10.1.2013).

In 2012, the total number of Mutual Fund Management Firms (MFMFs) fell to 20, as compared to 22 in the previous five-years and to 26 firms in 2006, while the total number of mutual funds under management stood at 283 in 2012, as compared to 310 in 2011, 303 in 2010, 306 in 2009, 352 in 2008 and 329 in 2007. This decrease demonstrates the investors' shift away from collective investments, despite the emergence of new portfolio management products and options. At the end of 2012, the total net assets of mutual funds amounted to 5.9 billion euros, as compared to 5.2 billion euros in 2011, 8.0 billion euros in 2010, 10.7 billion euros in 2009, 10.4 billion euros in 2008 and 24.5 billion euros in 2007. According to the classification of mutual funds, MFMFs managed 93 equity mutual funds, 48 bond mutual funds, 35 balanced mutual funds, 7 short-term money market funds, 19 money market funds, 28 equity funds of funds, 13 balanced funds of funds, 4 bond funds of funds, and 36 Specialist mutual funds. The three largest mutual fund management firms had funds under management of 3.58 billion euros, which accounted for 60.22% of total mutual fund assets, as compared to assets of 3.16 billion euros and a market share of 60.44% in 2012, 4.64 billion euros and a market share of 57.92% in 2010, 6.32 billion euros and a market share of 59.14% in 2009, 7.04 billion euros and a market share of 67.57% in 2008 and 19.22 billion euros and 78.44% in 2007. In addition, the five largest MFMFs had funds under management of 4.50 billion euros that accounted for 75.67% of total mutual fund assets, as compared to 74,42% in 2011, 72.24% in 2010, 74.99% in 2009, 79.05% in 2008 and 86.52% in 2007.

TABLE 23. Net assets and Number of Mutual Funds, 2009-2012.

MF Classification	31.12.2012		31.12.2011		31.12.2010		31.12.2009	
	Value (€ mn)	No. of M/F	Value (€ mn)	No of M/F	Value (€ mn)	No. of M/F	Value (€ mn)	No. of M/F
Money Market	1,061.29	26	814.88	27	1,206.28	22	2,070.06	25
Bond	1,293.19	48	1,204.71	53	2,466.23	72	3,220.18	78
Equity	1,344.39	93	1,122.57	103	1,932.06	103	3,083.36	123
Balanced	871.37	35	719.53	44	1,181.26	47	1,560.70	44
Funds of Funds	504.99	45	519.25	45	781.19	38	746.18	36
Specialist–Foreign MFs	872.47	36	848.13	38	448.59	21	0.00	0
Total	5,947.70	283	5,229.07	310	8,015.63	303	10,680.47	306

Source: Hellenic Fund & Asset Management Association

TABLE 24. Net Mutual Funds Assets and macroeconomic aggregates, 1992-2012

Date	Resident deposits and repurchase agreements of non MFIs to other MFIs in Greece (€ mn)[1]	ASE Capitalization (Fixed Income Securities and Shares) (€ mn)	Net Mutual Funds Assets (€ mn)
Dec. 2012	-	91,930.3	5,947.7
Oct. 2012	155,246.0	88,137.3	5,570.2
Dec. 2011	174,226.0	256,563.9	5,229.1
Dec. 2010	247,188.0	299,628.5	8,015.6
Dec. 2009	278,840.0	279,891.7	10,680.5
Dec. 2008	280,159.7	269,980.4	10,420.3
Dec. 2007	248,524.3	390,161.7	24,518.7
Dec. 2006	211,062.3	349,477.5	23,910.5
Dec. 2005	187,585.5	301,958.6	27,944.0
Dec. 2004	159,854.5	250,045.2	31,647.3
Dec. 2003	140,029.7	219,766.6	30,398.8
Dec. 2002	133,848.7	180,329.5	25,385.1
Dec. 2001	135,732.7	178,129.8	26,795.0
Dec. 2000	117,825.9	194,898.0	30,887.7
Dec. 1999	67,172.4	274,397.4	35,021.3
Dec. 1998	58,910.9	133,938.4	26,405.6
Dec. 1997	57,974.8	69,099.9	21,497.6
Dec. 1996	52,816.1	68,905.6	11,367.3
Dec. 1995	46,268.8	61,946.0	7,202.1
Dec. 1994	40,344.8	45,250.5	3,943.4
Dec. 1993	32,530.0	35,817.5	2,543.8
Dec. 1992	29,784.3	27,049.2	655.6

Source: Bank of Greece, ATHEX, Hellenic Fund & Asset Management Association
Note. 1. Securitization obligations are not included.

The restructuring in the net assets of each mutual fund category continued, reflecting the overall development in the collective investment market. In 2012, the net assets of short term money market mutual funds increased by 66.89% year-on-year, while their annual returns were positive at 1.29%, as compared to -40.52% and 1.33% respectively in 2011. In the same year, the net assets of money market mutual funds showed a positive change of 23.69% year-on-year, while their annual returns were positive at 3.70%, as compared to -30.48% and 1.79% respectively in 2011. The total market share of the overall money market category as per 31.12.2012 accounted for 17.84% of the total mutual fund market, as compared to 15.58% in 2011. In 2012, the net assets of bond mutual funds increased by 7.35% year-on-year, and their market share fell to 21.74% of the total mutual fund market, from 23.04% in 2011, 30.77% in 2010, 30.15% in 2009 and 32.00% in 2008, while their annual returns were positive, at 23.94%. In 2012, the net assets of equity funds decreased by 19.76% year-on-year, mainly as a result of the decrease in equity portfolio valuations; their annual returns were positive, at 26.94%, while the market share of equity mutual funds as per 31.12.2012 was 21.93%, as compared to 20.74% in 2011, 24.10% in 2010, 28.87% in 2009 and 24.99% in 2008. It should be noted that the ATHEX Composite Share Price Index gained 33.43% y-o-y, the FTSE/ATHEX Large Cap Index gained 16.90%, the FTSE/ATHEX Capped 20 Index gained %, the FTSE/ATHEX Mid Cap Index gained 77.20% and the FTSE/ATHEX Market Index gained 21.41%. in 2012, the net assets of balanced mutual funds increased by 21.10% year-on-year, while their market share as per 31.12.2012 stood at 14.65%, as compared to 13.76% in 2011, 14.74% in 2010, 6.99% in 2009 and 6.19% in 2008, while their annual returns were positive, at 25.84%. In 2012, equity funds of funds saw their net assets decrease by 4.99%, while their annual returns were positive at 9.24%, as compared to -35.02% and -9.28% respectively in 2011. In 2012, balanced funds of funds saw their net assets *decrease by 1.86%, while their annual returns were positive at 11.31%, as compared to -32.28% and -6.95% respectively in 2011. Finally, bond funds of funds saw their net assets increase by 51.56%, while their annual returns stood at 7.83%, as compared to 13.39% and 1.10% respectively in 2011. Funds of funds accounted for 8.49% of the total mutual fund market as per 31.12.2012, as compared to a market share of 9.93% in 2011, 9.75% in 2010, 6.99% in 2009 and 6.19% in 2008.*

In 2012, the use of the European Passport for the provision of investment services through collective investments was severely reduced. During the year, the HCMC approved the amendment of foreign MFMF internal regulations in two (2) cases, the amendment of MFMF share capitals in one (1) case, the transfer of shares in one (1) case and the new composition of the board of directors of MFMFs in sixteen (16) cases. Moreover, the HCMC approved the formation and operation of two (2) new mutual funds, the amendment of internal regulations for thirty five (35) mutual funds and the merger of thirteen (13) mutual funds. Finally, in 2012, two (2) foreign Undertakings for Collective Investments in Transferable Securities (UCITS), notified the HCMC about their intention to sell mutual fund units in the Greek market, while the HCMC approved the sale of shares from seventy five (75) new mutual funds of foreign UCITS.

FIGURE 12. Net assets and Number of Mutual Funds per MF classification, 2011-2012

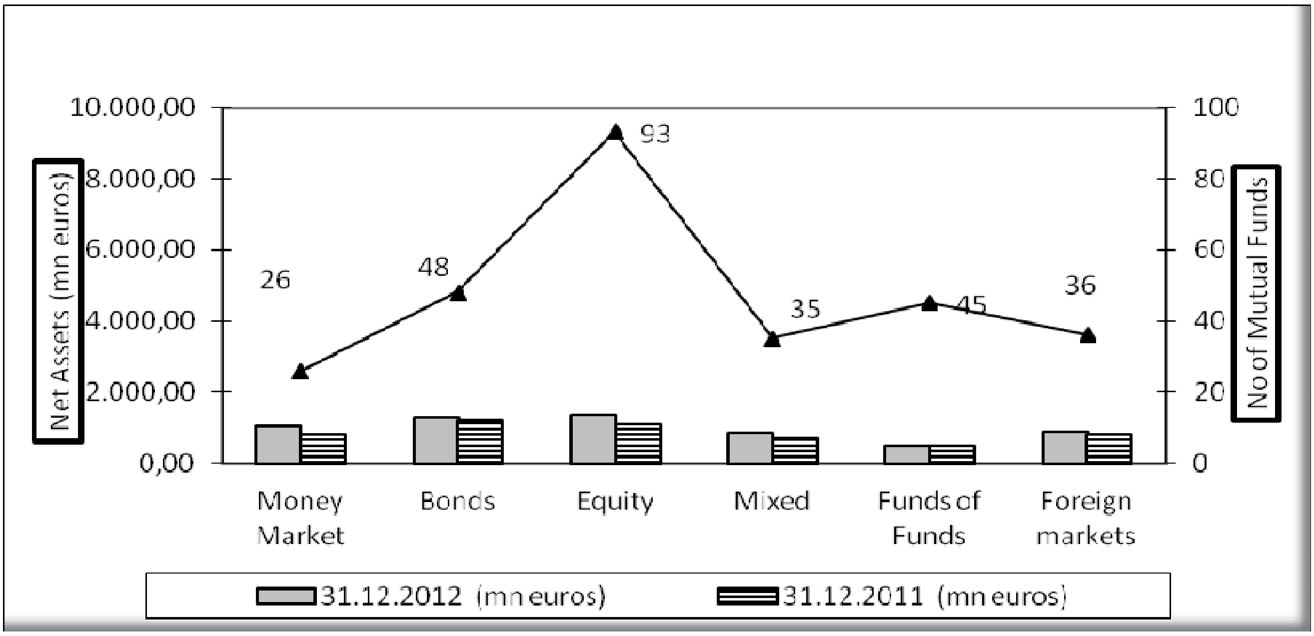


TABLE 25. Net Assets and Shares of Mutual Funds, 31.12.2012

MF Classification	*Net Assets 31.12.2012 (€)*	*Change y-o-y (%)*	*No. of shares 31.12.2012*	*Change y-o-y (%)*
Money market	*855,126,385.02*	*23.69*	*259,848,521.95*	*27.32*
Short term Money Market	*206,157,010.36*	*66.89*	*27,052,238.96*	*-17.26*
Bond	*1,293,195,718.54*	*7.35*	*292,168,288.16*	*-6.44*
Equity	*1,344,391,062.44*	*19.76*	*452,648,105.63*	*-2.04*
Balanced	*871,373,686.96*	*21.10*	*235,098,927.93*	*-4.78*
Bond Funds of Funds	*17,024,509.62*	*51.56*	*3,199,317.11*	*87.30*
Equity Funds of Funds	*321,864,483.42*	*-4.99*	*150,604,419.95*	*-13.00*
Balanced Funds of Funds	*166,101,638.45*	*-1.86*	*67,659,474.76*	*9.66*
Specialist	*872,471,325.58*	*2.87*	*124,494,323.99*	*-19.34*

Source: Hellenic Fund & Asset Management Association

FIGURE 13. ATHEX Market Capitalization- mutual fund assets and the ATHEX Composite Index, 2010-2012

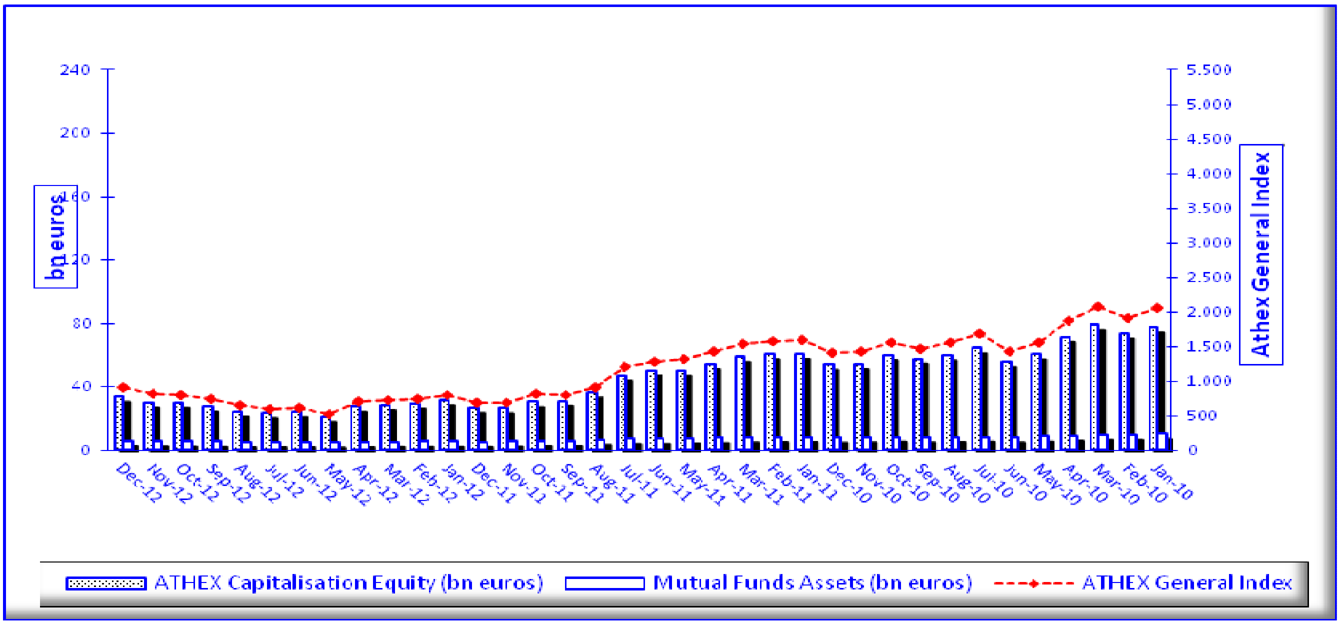


TABLE 26. Authorized foreign Undertakings for Collective Investments, 2002-2012

Year	*UCITS (covered by Directive 85/611/EEC)*		*UCITS (not covered by Directive 85/611/EEC)*	
	Number of UCITS	*Number of Funds*	*Number of UCIs*	*Number of Funds*
2012	*2*	*75*	*0*	*0*
2011	*4*	*121*	*0*	*0*
2010	*10*	*98*	*0*	*0*
2009	*10*	*168*	*0*	*0*
2008	*9*	*369*	*0*	*0*
2007	*9*	*206*	*0*	*0*
2006	*6*	*328*	*0*	*0*
2005	*5*	*159*	*0*	*0*
2004	*12*	*92*	*0*	*0*
2003	*4*	*115*	*2*	*2*
2002	*6*	*246*	*0*	*0*

Source: HCMC

Developments in the European fund market

According to statistical data by the European Fund and Asset Management Association (EFAMA), in the first nine-months of 2012 the total net assets of UCITS decreased by 9.5%, because of the decrease in the total assets of equity UCITS by 10.0%, balanced UCITS by 8.6%, money market UCITS by 0.1%, bond UCITS by 17.6%, funds of funds UCITS by 4.1% (excluding the funds of funds from France, Luxembourg, Italy and Germany, which are included in the next category of other UCITS) and other UCITS by 2.1%. More specifically, in the first nine-months of 2012 the nets assets of UCITS increased by 540 billion euros, and in particular, the net assets of bond UCITS increased by 266 bn euros, the net assets of equity UCITS increased by 181 bn euros, the net assets of mixed UCITS increased by 56 bn euros, the net assets of funds of funds UCITS increased by 6 bn euros and those of other UCITS increased by 21 bn euros.

On 30.9.2012, France and Luxembourg dominated the European UCITS market, with a combined market share of 49.4%, followed by Ireland, the United Kingdom and Germany with market shares of 15.2%, 12.1% and 3.9% respectively. In the first nine months of 2012, European UCITS increased their net assets as compared to the end of 2011. The largest increases during this period were registered by the UCITS mutual funds of Malta (40.9%), Poland (21.2%), Romania (19.0%) and Denmark (16.0%), while the largest decreases during this period were suffered by the UCITS mutual funds of Slovakia (-9.9%), Portugal (-4.9%), Greece (-4.0%) and Spain (-3.3%). In addition, on 30.9.2012, the total net assets of non-UCITS reached 2,567 billion euros, increased by 10.6% in the first nine-months of 2011, with special/institutional funds controlling the largest part of this market (65.0%), followed by real estate funds with 10.0%.

The implementation of the new European Directives on the regulation of the collective investment market in Europe is expected to lead to further developments and restructuring in the European market, which will also be the driver of developments on the domestic level.

FIGURE 14. Net Assets of UCITS, 30.9.2012 - 30.9.2011

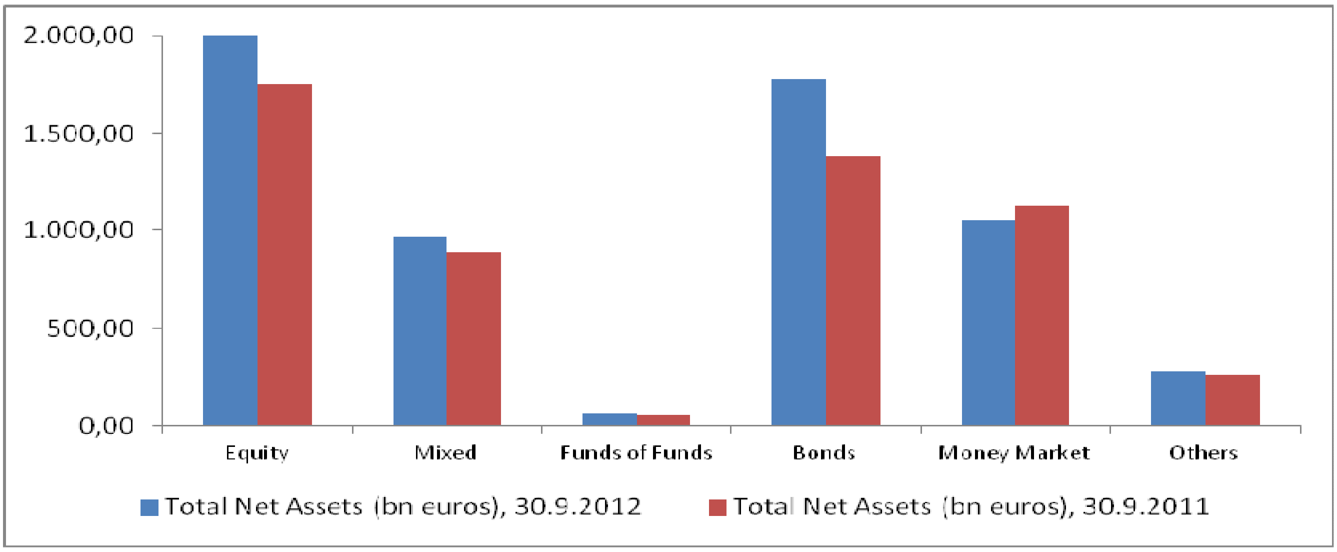


TABLE 27. Net Assets of UCITS, 30.9.2012 - 30.9.2011

M/F Classification	30.09.2012		30.9.2011	
	Net assets (bn €)	% of Total	Net assets (bn €)	% of Total
Equity	2,034	33.0	1,753	32.0
Balanced	970	16.0	888	16.2
Funds of Funds	62	1.0	59	1.0
Bond	1,777	29.0	1,389	25.4
Money market	1,054	17.0	1,124	20.6
Other	277	4.0	260	4.8
Total	6,174	100.0	5,473	100.0

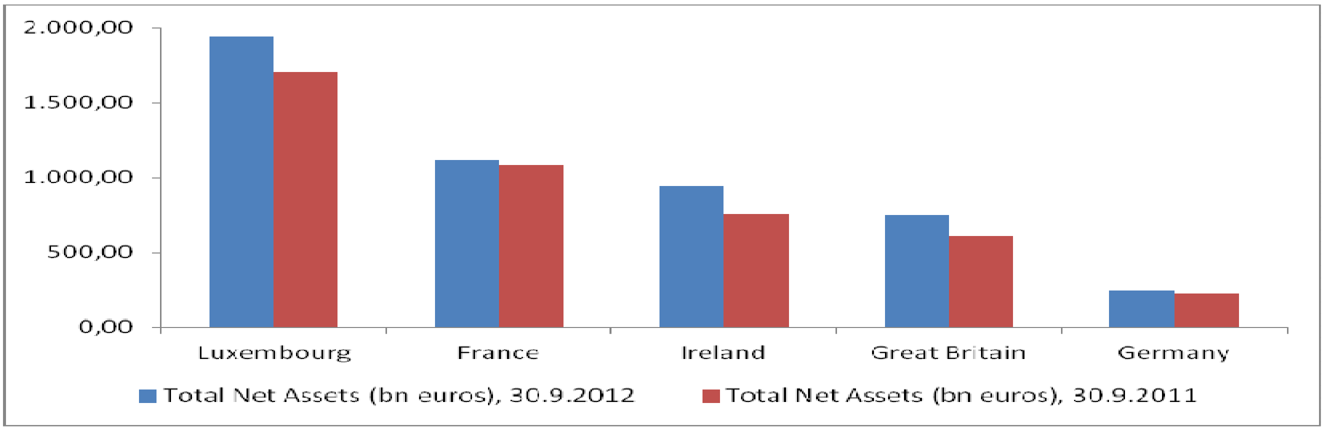
Source: E.F.A.M.A.

TABLE 28. Net assets of UCITS from the top-five (5) EU member-states, 2012-2011

Countries	30.09.20012		30.9.2011	
	Net assets (€ billion)	% of the total in the EU market	Net assets (€ billion)	% of the total in the EU market
Luxembourg	1,941.22	31.40	1,704.97	31.20
France	1,113.67	18.00	1,080.38	19.70
Ireland	940.96	15.20	754.90	13.80
Un. Kingdom	744.85	12.10	602.26	11.00
Germany	242.87	3.90	221.91	4.10
Total	4,983.57	80.60	4,364.42	79.80
Total Europe	6,173.61	100.00	5,472.42	100.00

Source: E.F.A.M.A.

FIGURE 15. Net assets of UCITS from the top-five (5) EU member-states, 30.09.2012-30.9.2011



Developments in the Portfolio and Real Estate Investment Company sector

At the end of 2012, there two (2) active Portfolio Investment Companies (PICs), whose shares are traded in the ATHEX, with net assets of 25,077,710.51 euros. Moreover, there were five (5) active Real Estate Investment Companies (REICs), three (3) of which are listed and their shares are traded in the ATHEX. In the same year, the HCMC approved the new composition of the board of directors of REICs in five (5) cases. The Portfolio and Real Estate Investment Company sector has been in steady decline for the past few years in Greece, demonstrating the diminishing attractiveness of this type of collective investment.

CLEARING AND SETTLEMENT OF TRANSACTIONS

In accordance with law 3606/2007, central counterparty, clearing and settlement facilities that operate in Greece, as well as their managers, are licensed and supervised by the HCMC, excluding the System for Monitoring Transactions in Book-entry Securities (BOGS) set out by Law 2198/1994, and the Bank of Greece, as the Manager of this System. Such supervision is without prejudice to the competencies of the Bank of Greece as overseer of settlement and payment systems, in accordance with Law 2879/2000.

In 2012, 21,184 new DSS shares were opened, as compared to 28,401 accounts opened in 2011 and 38,711 in 2010, representing a 25.4% year-on-year decrease. Moreover, 1,544 shares were deactivated, with the largest monthly number of deactivations occurring in September (254 shares). 357,796 shares had been deactivated in 2011 and 1,960 in 2010. At the end of 2012, the total number of investor shares in the DSS stood at 1,877,292, slightly increased by 1.06% year-on-year (Table 29). The number of investor shares with balances fell to 914,628 at the end of 2012, from 920,397 at the end of 2011. Finally, the number of active shares in December

2012 stood at 30,076, as compared to 24,675 in December 2011, with the average number of active shares for 2012 remaining substantially lower than that of 2011 (34,144 share, as compared to 44,623 shares).

In 2012, domestic investor participation to the market capitalization of the ATHEX was marginally increased and stood at 48.27%, as compared to 47.89% in 2011 (Table 30). The participation of private domestic investors accounted for 21.20% of total market capitalization in the ATHEX, as compared to 21.11% in 2011. The participation of foreign investors accounted for 50.14% in 2012, as compared to 50.92% in 2011. In 2012, foreign investors were net sellers, as they did in the previous two years. The total outflows generated by foreign investors stood at 83.85 million euros, as compared to 262.26 billion euros in 2011. Domestic investors were net buyers with total inflows of 100.83 million euros in 2012, as compared to inflows of 233.09 million euros in 2011. The total inflows for 2012 originated mainly from the activity of private domestic investors, whose inflows stood at 181.19 million euros.

TABLE 29. Number of new Investor Shares in the DSS by month, 2005-2012.

Month / Year	*2012*	*2011*	*2010*	*2009*	*2008*	*2007*	*2006*	*2005*
January	*1,925*	*3,497*	*2,861*	*4,101*	*3,052*	*4,013*	*3,223*	*3,661*
February	*2,248*	*3,071*	*5,027*	*4,018*	*2,522*	*2,297*	*2,564*	*1,459*
March	*3,251*	*2,415*	*3,062*	*4,450*	*1,858*	*3,685*	*3,229*	*1,526*
April	*1,232*	*1,881*	*5,646*	*3,542*	*2,304*	*2,974*	*3,260*	*3,836*
May	*1,825*	*2,371*	*3,043*	*3,644*	*2,073*	*2,122*	*9,892*	*1,108*
June	*2,521*	*2,296*	*2,373*	*3,231*	*1,710*	*9,153*	*14,662*	*1,873*
July	*1,245*	*1,764*	*3,393*	*3,144*	*2,621*	*3,605*	*5,027*	*7,146*
August	*1,038*	*2,467*	*1,467*	*2,348*	*1,488*	*3,331*	*2208*	*2,362*
September	*1,416*	*2,423*	*3,460*	*2,599*	*1,873*	*1,939*	*2869*	*1,511*
October	*1,892*	*2,318*	*3,697*	*2,932*	*6,505*	*3,031*	*4709*	*2,623*
November	*1,546*	*2,456*	*2,810*	*2,674*	*6,465*	*2,847*	*2982*	*1,600*
December	*1,045*	*1,442*	*1,872*	*2,922*	*3,022*	*2,221*	*2042*	*2,107*
Total new investor shares	*21,184*	*28,401*	*38,711*	*39,605*	*35,493*	*41,218*	*56,667*	*30,812*
Share deactivations	*1,544*	*357,796*	*1,960*	*2,879*	*2,880*	*3,929*	*334,549*	*6,626*
Total shares	*1,877,292*	*1,857,652*	*2,187,047*	*2,150,296*	*2,107,910*	*2,075,297*	*2,043,668*	*2,321,550*

Source: Hellenic Exchanges

TABLE 30. Distribution of investor shares in the ATHEX, 31.12.2012.

	Investor Shares with balances		***Capitalization***	
	Number	*Percentage (%)*	*Value (€ mn)*	*Percentage (%)*
I. Domestic Investors	*884,872*	*96.75*	*16,617.97*	*48.27*
• *Private domestic*	*881,629*	*96.39*	*7,298.06*	*21.20*
• *Private financial* [1]	*400*	*0.04*	*2,363.60*	*6.87*
• *Private non-financial*	*2,232*	*0.24*	*2,577.76*	*7.49*
• *Public Sector*	*609*	*0.07*	*4,378.53*	*12.72*
• *Other domestic investors*	*2*	*0*	*0.02*	*0*
II. Foreign Investors	*16,646*	*1.82*	*17,259.93*	*50.14*
• *Private-foreign*	*12,624*	*1.38*	*124.43*	*0.36*
• *Legal Entities*	*1,247*	*0.14*	*4,950.35*	*14.38*
• *Institutional Investors*	*2,477*	*0.27*	*10,354.99*	*30.08*
• *Other legal entities*	*292*	*0.03*	*1830.05*	*5.32*
• *Other foreign investors*	*6*	*0*	*0.10*	*0*
III. Other Investors [2]	*13,110*	*1.43*	*548.37*	*1.59*
Total I +II + III	*914,628*	*100.00*	*34,426.27*	*100.00*

Source: Hellenic Exchanges

Note. 1. Insurance companies, pension funds, UCITS, Investment Firms, credit institutions, factoring, leasing, venture capital companies, Financial Intermediation Firms etc.

2. Investors with no registered tax residence. From joint ownerships, those whose members include both Greeks and foreigners.

PART FOUR

ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION

RULES AND REGULATIONS

In 2012, the Board of Directors of the HCMC, pursuant to the necessary authorization, issued many rules and regulations. There rules and regulations were directed towards the enhancement of service quality and investor protection, the safeguarding of the normal operation of the market, the protection of the trading and clearing system, market transparency and the assurance of the smooth functioning of the market. The following rules are regulations were issued:

Quality of services and investor protection enhancement

- *HCMC Rule 18/609/27.6.2003 (Gazette B 466/24.2.2012), on the approval of the training programme for individuals involved in the distribution of mutual fund units*
- *HCMC Rule 16/633/20.12.2012 on the mergers of UCITS – Structure of master and feeder UCITS - Notification of cross-border marketing of UCITS.*
- *HCMC Rule 1/608/26.1.2012 (Gazette B 69/17.1.2012) on the amendment of HCMC Rule 1/593/8.8.2011 (Gazette B 1800/9.8.2011) "Short Sales of Shares listed in the ATHEX".*
- *HCMC Rule 1/623/24.7.2012 (Gazette B /2273/6.8.2012) on the amendment of HCMC Rule 14/593/8.8.2011, on the extension of the prohibition of the short selling of ASE-listed shares.*
- *HCMC Rule 1/629/25.10.2012 (Gazette B /2927/1.11.2012) on the amendment of HCMC Rule 14/593/8.8.2011, on the extension of the prohibition of the short selling of ASE-listed shares.*

Enhancement of transparency

- *HCMC Rule 18/620/28.6.2012 (Gazette B 2184/24.7.2012) on the extension of the deadline for the submission to the HCMC of the 2012 external auditors report concerning the scope of HCMC Rule 1/506/8.4.2009, which evaluates the adequacy and effectiveness of procedures for the Prevention of Money Laundering and Terrorist Financing..*
- *HCMC Rule 2/621/12.7.2012 (Gazette B 2244/2.8.2012) on the increase of the investment limit of paragraph 1 of article 24 of Law 3283/2004 regarding the mutual funds that reproduce the composition of the ATHEX Composite Index.*
- *HCMC Rule 9/633/20.12.2012 on the suspension of the redemption of mutual fund shares on December 24th, 2012 (Gazette B 3417/21.12.2012).*
- *HCMC Rule 15/633/20.12.2012 on the organizational requirements for the operation of investment firms, conflict of interest, code of conduct, risk management and content of the agreement between the depositary and the management company.*
- *HCMC Rule 17/633/20.12.2012 on the prospectus, annual and half-yearly reports of UCITS.*

Improvement of company solvency, transaction security and infrastructure efficiency

- *HCMC Rule 7/609/9.2.2012 (Gazette B 590/5.3.2012) on the amendment of HCMC Rules 1/459/27.12.2007 "Rules for the calculation of the capital adequacy requirements of investment firms" and 2/459/27.12.2007 " Specification of Own Funds of Investment Firms domiciled in Greece".*

- *HCMC Rule 20/611/28.2.2012 (Gazette B/618/6.3.2012) on the approval of the amendment of HCMC Rule 3/304/10.06.2004 (Gazette B 901/16.6.2004) on the "Rulebook of the Dematerialized Securities System" as currently in force.*

- *HCMC Rule 21/611/28.2.2012 (Gazette B 618/6.3.2012) on the approval of amendments to certain provisions of the Regulation for the Clearing and Settlement of Transactions on Derivatives.*

- *HCMC Rule 22/611/28.2.2012 (Gazette B 618/6.3.2012) concerning the amendment of the Regulation of the "ATHEX Clearing House SA" (ETEK) for the Clearing of Transactions in Book-Entry Securities.*

- *HCMC Rule 13/633/20.12.2012 (Gazette B 3417/21.12.2012) on the approval of amendments to certain provisions of the Regulation for the Clearing and Settlement of Transactions on Derivatives.*

- *HCMC Rule 14/633/20.12.2012 (Gazette B 3417/21.12.2012) on the approval of amendments to certain provisions of the Rulebook of the ATHEX.*

LICENSING

The activities of the HCMC in the field of licensing during 2012 included the following:

Investment Firms

- *Authorized the extension of Investment Firm operations in one (1) case.*

- *Revoked the operating licenses of Investment Firms in one (1) case.*

- *Revoked the operating licenses of Investment Firms in regard to specific investment services in eight (8) cases.*

- *Approved the merger through absorption of an investment firm by another investment firm in one (1) case.*

- *Evaluated the eligibility of new Investment Firm board members in forty-six (46) cases.*

- *Evaluated the eligibility of eleven (11) Investment Firm managers.*

- *Approved the acquisition of qualifying holdings in Investment Firms in twenty-four (24) cases.*

- *Approved the sale of qualifying holdings in Investment Firms in nine (9) cases.*

Financial Intermediation Firms

- *Revoked the operating licenses of Financial Intermediation Firms in sixteen (16) cases.*

- *Approved the merger through absorption of a financial intermediation firm by another financial intermediation firm in one (1) case.*

- *Evaluated the eligibility of new board members of FIFs in seventeen (17) cases.*
- *Evaluated the eligibility of the actual managers of Financial Intermediation firms in nine (9) cases.*
- *Evaluated a shareholder who acquired a qualified holding in a FIF in three (3) cases.*
- *Approved the sale of qualified holdings in FIFs in two (2) cases.*

Mutual Fund Management Firms

- *Approved the regulations and the formation of mutual funds in two (2) cases.*
- *Approved of the modification of mutual fund internal regulations in thirty-five (35) cases.*
- *Granted licenses for mergers between mutual funds in thirteen (13) cases.*
- *Granted a license for the transfer of stock in one (1) case.*
- *Approved the modification of the charter of two (2) MFMFs.*
- *Approved of share capital changes of MFMFs in one (1) case.*
- *Approved the new composition of the board of directors of MFMFs in sixteen (16) cases*

Portfolio Investment Companies

- *There was no licensing activity during the year under review.*

Real Estate Investment Companies

- *Approved the new composition of the board of directors of REICs in five (5) cases.*

Foreign UCITS

- *Approved the sale of shares in new foreign UCITS in two (2) cases.*
- *Approved the sale of shares in new foreign UCITS mutual funds in seventy-five (75) cases.*

Approval of prospectuses for the public offering of transferable securities

Listed company prospectuses for public offerings.

- *Approved the Prospectuses of six (6) companies, concerning the public offering of shares aimed at share capital increases by payment of cash, and their listing in the securities market of the ATHEX.*
- *Approved the supplementary Prospectus of one (1) company, concerning share capital increases through the public offering of its shares in the securities market of the ATHEX.*

Prospectuses for the public offering of transferable securities without listing.

- *Approved the Prospectuses of three (3) companies, concerning the public offering of shares aimed at share capital increases by payment of cash, without listing in the securities market of the ATHEX.*

- *Approved the Prospectus of two (2) companies concerning the public offering of bonds, without listing in the securities markets of the ATHEX.*

- *Approved the supplementary Prospectus of one (1) company, concerning a share capital increase through the public offering of its shares, without listing in the securities market of the ATHEX.*

Corporate transactions of listed companies (article 4, Law 3401/2005)

- *Briefing of the Board of the HCMC on the contents of the document provided for by article 4, Law 3401/2005 in the case of one (1) company intending to increase its share capital due to the absorption of other companies.*

- *Notification to the HCMC of twelve (12) forms provided for by article 4 of Law 3401/2005 concerning share capital increases through the conversion to shares of stock options offered to company employees.*

- *Notification to the HCMC of one (1) form provided for by article 4 of Law 3401/2005 concerning a share capital increase through the distribution of free shares to existing shareholders.*

Cross-border public offerings (articles 17 & 18, Law 3401/2005)

- *Notification to the HCMC of twenty three (23) prospectuses, in implementation of the community framework regarding cross-border public offerings, in accordance with articles 17 and 18 of Law 3401/2005, concerning the approval certificates issued by the competent authorities of the home member-state.*

- *Notification to the HCMC of seventy four (74) addendums to prospectuses, in implementation of the community framework regarding cross-border public offerings, in accordance with articles 17 and 18 of Law 3401/2005, concerning the approval certificates issued by the competent authorities of the home member-state.*

ENFORCEMENT AND COMPLIANCE

In 2012, the HCMC continued its auditing work in all areas. The audits that were performed during 2012 covered all capital market entities. There were multiple audits on investment firms, mutual fund management firms, financial intermediation firms, listed companies, and stock exchange transactions. The audits detected violations of capital market regulations, which led the HCMC to the imposition of the following administrative sanctions:

Revocation of License

- *Revoked the licenses of eleven (11) Financial Intermediation Firms in implementation of article 21 of Law 2690/1999.*

- *Revoked the licenses of five (5) Financial Intermediation Firms in implementation of article 39 of Law 3606/2007.*

- *Revoked the license of one (1) Investment Firm in implementation of article 21 of Law 3606/1999.*

- *Revoked the licenses of eight (8) Investment Firms regarding certain investment functions, in implementation of article 21 of Law 3606/2007.*

- *Initiated the procedure for revoking the licenses of three (3) Investment Firms in implementation of article 21 of Law 3606/2007.*

Fines

Investment Firms

- *Fines were levied on three (3) Investment Firms for violating article 5 of Law 2843/2000 concerning the rules that must be adhered to by Investment Firms upon concluding margin account agreements.*

- *Fines were levied on three (3) investment firms for violating article 2 of law 2843/2000 concerning the provision of credit by ATHEX members.*

- *Fines were levied on four (4) Investments Firms for violating article 18 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to record and file all transaction orders received by their clients.*

- *A fine was levied on one (1) Investment Firm for violating article 7 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to abstain from conduct that constitutes market abuse.*

- *Fines were levied on three (3) investment firms for violating article 17 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to notify the HCMC whenever there is reasonable suspicion that a transaction might constitute market abuse.*

- *Fines were levied on three (3) investment firms for violating article 12 of Law 3606/2007 on the organizational requirements for the protection of their clients financial instruments and funds.*

- *Fines were levied on four (4) investment firms for violating article 25 of law 3606/2007 concerning the freedom to provide investment services and do business in another member-state.*

- *A fine was levied on one (1) investment firm for violating article 29 of Law 3601/2007 concerning the obligation of credit institutions to disclose, at least on an annual basis, data and information concerning their financial position and their risk assumption and management policy.*

- *A fine was levied on one (1) investment firm for violating article 13 of Law 3691/2008 on its obligation to comply with common due diligence measures towards their clients.*

- *A fine was levied on one (1) Investment Firm for violating the Code of Conduct for Investment Firms*

- *Fines were levied on seven (7) Investment Firms for violating HCMC Rule 2/363/30.11.2005 concerning the provision of credit by ATHEX members.*

- *Fines were levied on four (4) Investment Firms for violating HCMC Rule 1/452/1.11.2007 on the organizational requirements for the operation of investment firms.*

- *Fines were levied on seven (7) Investment Firms for violating HCMC Rule 2/452/1.11.2007 on the mandatory disclosure of transactions.*

- *A fine was levied on one (1) investment firm for violating HCMC Rule 5/452/1.11.2007 on the obligation to notify the HCMC about the appointment of tied agents.*

Financial Intermediation Firms

- *A fine was levied on one (1) FIF for violating article 12 of Law 3606/2007 on the organizational requirements for the protection of their clients financial instruments and funds.*

- *A fine was levied on one (1) FIF for violating HCMC Rule 5/461/24.1.08 concerning the establishment of an effective internal audit function and the notification of the HCMC about changes in the structure of the FIF's share capital, in accordance with par. 5, article 37 of Law 3606/2007.*

Mutual Fund Management Firms and Portfolio Investment Companies

- *Fines were levied on two (2) MFMFs for violating art. 72 of Law 1969/1991 concerning the penalties imposed for the dissemination of false information.*

- *Fines were levied on three (9) MFMFs for violating articles 15, 20 & 22 of Law 3283/2004 on the supervision of MFMFs and PICs.*

- *A fine was levied on one (1) MFMF for violating Law 3556/2007 on the provision of information about the acquisition or sale of major holdings or the exercise of major voting right percentages.*

- *A fine was levied on one (1) MFMF for violating HCMC Rule 2/132/19.5.1998 regarding the obligation of MFMFs to ensure the organization of the network for the sale of MF units under their management in a manner that always guarantees the protection of unit holder interests.*

- *A fine was levied on one (1) MFMF for violating HCMC Rule 8/335/6.4.2005 on the timely posting of the updated simplified prospectus of its mutual funds on its website.*

- *A fine was levied on one (1) MFMF for violating HCMC Rule 1/462/7.2.2008 on the code of conduct for MFMFs and PICs.*

- *Fines were levied on two (2) MFMFs for violating HCMC Rule 2/462/7.2.2008 on the organizational requirements of mutual fund share distribution networks.*

Listed Companies

- *Fines were levied on five (5) listed companies for violating PD 350/1985 on the obligations of ATHEX-listed companies.*

- *Fines were levied on five (5) listed companies for violating PD 348/1985 concerning the terms of the preparation, audit and dissemination of the prospectuses that must be published for the listing of transferable securities (shares, bonds) in the ATHEX.*

- *Fines were levied on five (5) listed companies for violating the provisions of P.D. 51/1992 concerning the information that must be disclosed upon the acquisition and sale of major shareholdings in ASE-listed companies.*

- *Fines were levied on five (5) listed companies for violating art. 72 of Law 1969/1991 concerning the penalties imposed for the dissemination of false information.*
- *Fines were levied on nine (9) listed companies for violating article 10 of Law 3340/2005 on the issuers' obligation to publish and maintain a website.*
- *A fine was levied on two (2) listed companies for violating article 7 of Law 3340/2005 that prohibits market manipulation.*
- *Fines were levied on thirty-one (31) listed companies for violating law 3556/2007 on the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.*
- *A fine was levied on one (1) listed company for violating law 3606/17.8.2007 on professional conduct upon the provision of investment services by performing client compatibility checks and warning clients accordingly in case the investment products are not suitable for them.*
- *A fine was levied on one (1) listed company for violating HCMC Rule 5/204/14.11.2000 on the Code of Conduct for ATHEX-Listed Companies and persons connected to them.*
- *A fine was levied on one (1) listed company for violating HCMC Rule 3/347/12.7.2005 on issuer obligations concerning the disclosure of transactions.*
- *Fines were levied on four (4) listed companies for violating HCMC Rule 1/452/1.11.2007 on the code of conduct for investment firms, especially in regard to the provision of clients with the appropriate information, the evaluation of client appropriateness and the conclusion of agreements with clients.*
- *Fines were levied on four (4) listed companies for violating HCMC Rule 4/507/28.4.2009 on the timing of disclosure of data and information resulting from quarterly and semi-annual financial statements.*

Legal Entities

- *Fines were levied on eight (8) legal entities for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ASE-listed companies.*
- *Fines were levied on two (2) legal entities for violating Law 1969/1991 that prohibits the dissemination of false information.*
- *A fine was levied on one (1) legal entity for violating law 3283/2004 on the requirements for selling mutual fund units.*
- *A fine was levied on one (1) legal entity for violating law 3401/2005 on the obligation to publish a prospectus prior to the public offering of transferable securities.*
- *Fines were levied on three (3) legal entities for violating law 3340/2005 that prohibits market manipulation and concerns the obligation of persons that exercise managerial duties on behalf of issuers to disclose to the latter any transactions performed on their own behalf and concern the issuer's shares.*
- *A fine was levied on one (1) legal entity for violating law 3461/2006 on takeover bids.*

- *Fines were levied on eighteen (18) legal entities for violating law 3556/2007 on the disclosure requirements for issuers whose securities have been admitted to trading in a regulated market.*
- *A fine was levied on one (1) legal entity for violating article 25 of Law 3606/2007 on professional conduct upon the provision of investment services.*
- *Fines were levied on two (2) legal entities for violating HCMC Rule 1/452/1.11.2007 on the code of conduct for investment firms in regard to proper disclosure.*

Individuals

- *Fines were levied on nineteen (19) individuals for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ATHEX-listed companies.*
- *A fine was levied on one (1) individual for violating the provisions of PD 350/1985 on the obligations of ATHEX-listed companies.*
- *Fines were levied on eight (8) individuals for violating art. 72 of Law 1969/1991 that prohibits the dissemination of false information.*
- *A fine was levied on one (1) individual for violating art. 4 of law 2396/1996 concerning the persons eligible for providing investment services in Greece.*
- *Fines were levied on two (2) individuals for violating article 3 of Law 3340/2005 that prohibits insider trading.*
- *A fine was levied on one (1) individual for violating art. 10 of Law 3340/2005 on the obligation of issuers to disclose, without any culpable tardiness, any privileged information directly related to them.*
- *Fines were levied on twelve (12) individuals for violating article 7 of Law 3340/2005 that prohibits market manipulation.*
- *A fine was levied on one (1) individual for violating art. 16 of Law 3606/2007 regarding the obligation to obtain previous approval from the HCMC for the acquisition or sale of qualifying holdings in investment firms.*
- *Fines were levied on seventeen (17) individuals for violating articles 9, 10, 14, & 19 of law 3556/2007 on the obligation to provide information about the acquisition or sale of major holdings or the exercise of major voting right percentages, the content of the this information, the provision of information to the HCMC, as well as the denial or obstruction of the provision of information to the HCMC.*

During 2012, the HCMC levied fines of a total worth of 3,997,500 euros. The allocation of fines among market entities is presented in Table 31.

TABLE 31. Number and value of fines, 2012.

Number of cases	Supervised entities	Value of fines (€)
56	Investment Firms	345,000
13	Mutual Fund Management Firms	110,500
0	Portfolio Investment Companies	-
2	Financial Intermediation Firms	5,500
105	Listed Companies	1,074,000
63	Other Legal Entities	351,500
80	Individuals	2,111,000
Total: 319		Total: €3,997,500

Supervision & Monitoring of the behaviour of listed companies

According to article 10 of Law 3340/, the issuers of shares listed in the ATHEX must disclose, without any culpable tardiness, any privileged information related to them. A main prerequisite for the application of the provisions of article 10 is that such information should be of "privileged" nature, as specified by HCMC Rule 3/347/2005. Pursuant to its duties concerning the supervision of company compliance with the provisions of the aforementioned law, in 2012 the competent department of the HCMC sent 32 letters to supervised companies, requiring them: (i) to immediately disclose all information deemed as "privileged" and concerning the said companies, without waiting for the finalization of the situation, or event, to which this "privileged information" refers to, and (ii) in the case of already disclosed information, to disclose at least those items of information that are necessary for the provision of investors with accurate, adequate, and clear information, in order to preclude any ambiguous or unclear interpretation.

According to the provisions of article 2, paragraph 1 of HCMC Rule 5/204/14.11.2000, all companies whose shares are listed in the ASE must immediately confirm, or deny, any unverified information that might materially affect the price of their shares, clarifying at the same time the current stage of the events to which the relevant information refers to. Pursuant to its duties concerning the supervision of listed company compliance with HCMC Rule 5/204/14.11.2000, in 2012 the competent department of the HCMC sent 51 letters to companies, requiring them to confirm, or deny, unverified information, in accordance with the aforementioned provisions. The review of announcements and the investigation of unverified rumours or information, which is performed daily due to both their everyday flow and their immediate nature, showed that a large number of listed companies has complied, without any interference from the HCMC, with the aforementioned regulations. In case no timely or reliable information has been provided, the appropriate investigations are carried out.

In regard to the aforementioned regulations, in 2012 the HCMC levied fines worth a total of 16,000 euros in two (2) cases, for the delayed and insufficient disclosure of privileged information. Disclosure obligations are designed to protect investors and guarantee their confidence in the accuracy and objectivity of stock market information. Moreover, these provisions are designed to inform investors and protect them from any consequences on the financial position, and financial data of the company, which may be caused by events such as changes in business activity, or the omission to deny or confirm unverified information, or rumours, or the leakage of information about impeding developments pertaining to the company's business activity, which might affect the prices of its share. Pursuant to the provisions of article 17 para. 1 of law 3371/2005 the HCMC, focused on protecting investors and the smooth operation of the market, in cases of insufficient provision of material information requested the placement of the stock of 5 companies under suspension of trading, until the appropriate information is provided to investors.

Pursuant to articles 4 to 8 of law 3556/2007, listed companies are obliged to publish annual and semi-annual financial reports, as well as quarterly financial statements (for the 1st and 3rd quarter of each fiscal year) in accordance with the International Financial Reporting Standards (IFRS). Moreover, listed companies are obliged to publish selected data and information emanating from the relevant financial statements, the structure and contents of which are determined by specific rules of the HCMC. As part of the supervision of company compliance with the provisions of the above law, which include the audit of the companies' compliance with the IFRS as presented in their financial statements, in 2012 the competent department of the HCMC sent 109 letters to supervised companies, requiring them to: a) correct detected errors; b) make additional disclosures and c) provide explanations regarding the accounting treatment they employed. In regard to the aforementioned regulations, in 2012 the HCMC levied fines of a total value of 267,000 euros in ten (10) cases, for the non-compliance of financial statements with the IFRS. In addition, in 2012 the HCMC levied fines of a total value of 54,000 euros in 8 cases for the non-timely disclosure of financial reports/financial statements and the data and information stemming from them.

Moreover, in 12 cases of non-compliant preparation of financial statements in accordance with the IFRS and 21 cases of non-timely disclosure of the financial report/financial statements, focusing on investor protection and the smooth operation of the market, the HCMC requested to place the stock of these companies under suspension.

Furthermore, as part of supervising compliance with the provisions of law 3340/2005 by the issuers of transferable securities in regard to their financial data, the HCMC audits issues related to the compliance of companies with the rules that prohibit market abuse and insider trading through the issuers' financial statements and other financial data, including forecasts of results and deviations from such forecasts. As part of the above, the competent department of the HCMC sends letters to supervised companies, requiring them to immediately disclose all information concerning the existence of overdue obligations or claims, the disclosure of tax audit results, major court cases and other major post balance sheet events. In addition, the HCMC levied fines of a total value of 177,000 euros on 7 listed companies for failing to inform investors about major changes in published financial forecasts.

The competent unit of the HCMC is monitoring developments regarding IFRS implementation on the European and international levels, actively participating in ESMA committees, more specifically: (a) the Corporate Reporting Standing Committee (CRSC), which comprises staff members from national regulators-ESMA members, and is responsible for supervising and ensuring the implementation of rules concerning the transparency of the financial information provided by listed companies; (b) the European Enforcers Coordination Sessions (EECS) sub-committee, which deals with technical issues and comprises both members and non-members of the ESMA, responsible for supervising the implementation of, and compliance with, the IFRS, investigating specific cases of accounting treatment by listed companies. In the same context, the HCMC was actively involved in the publication of the ESMA report on accounting practices and disclosures regarding the impairment loss recorded on the value of Greek Government Bonds in the annual financial statements of European financial institutions for the year 2011.

In the context of the provisions of Law 3556/2007 on the obligations concerning the announcement and disclosure of major holdings, shareholders and other responsible persons submitted approximately 550 announcements. In regard to company compliance with the provisions of the above law, as well as the pre-existing institutional framework (PD 51/1992) the HCMC imposed total fines of almost 439,000 euros on individuals or legal entities.

The competent department performed company audits, which led to the detection of punishable violation, and in 10 cases the HCMC imposed total fines of €160,000. Of these cases, 9 (€150,000) resulted from the secondary audit of the use of funds raised through share capital increases, the timetable and the commitments made in regard to the information provided to investors, while one case (€10,000) resulted from an ad hoc audit on a company.

Supervision & Monitoring of takeover bids

In 2012, six (6) requests regarding takeover bids for securities traded in the ATHEX were submitted to the HCMC in accordance with law 3461/2006 (Table 32), while one (1) request that had been submitted in 2011 was approved. Moreover, in conjunction with Law 3371/2005, but also after requests of the companies themselves for the de-listing of their shares, the Board of the HCMC decided to de-list the shares of two (2) companies. More specifically, the following companies submitted requests to the HCMC, concerning the de-listing of their shares from the ATHEX in accordance with art. 17, para. 5 of Law 3371/2005 as currently in force, which were approved by the Board of the HCMC: (i) SCIENS HOLDING SA Approved on 28.8.2012 (ii) ELBISCO HOLDING. Approved on 28.11.2012 .

Finally, the HCMC participates, through the European Securities and Markets Authority (ESMA), in the meetings of the Takeover Bids Network between staff members from the ESMA-member regulators responsible for the monitoring and supervision of takeover bids. In this context, the 11th and 12th meetings of the Takeover Bids Network were held in 2012, including discussions on the study conducted as part of the potential revision of Directive 2004/25/EC of the European Parliament and the Council of April 21st, 2004, on takeover bids and the main issues stemming from it, and the exchange of views on various matters pertaining to this subject. Moreover, in this context the HCMC is in constant communication with the other ESMA members, exchanging views on issues emerging from the practical implementation of the aforementioned directive in various states.

TABLE 32. Take-over bids in the capital market, 2012

No	Date of submission	Type of bid	Bidder	Target company	Date of Approval	Acceptance period	% of shares prior to the bid	% of shares after the bid
1	12/19/2011	COMPULSORY	HENKEL HELLAS SA	RILKEN SA	6/12/2012	15/6/2012 - 13/7/2012	77.77%	84.37%
2	1/2/2012	COMPULSORY	SCIENS INTERNATIONAL ACQUISITION I LTD	SCIENS INTERNATIONAL SA HOLDING	28/2/2012	2/3/2012-- 30/3/2012	59.00%	66.56%
3	21/3/2012	COMPULSORY	TETHYS OCEAN B.V.	DIAS AQUA CULTURE SA	11/5/2012	16/5/2012 - 13/6/2012	55.95%	85.86%
4	23/5/2012	COMPULSORY	STAVROS PSICHARIS	LAMBRAKIS PRESS ORGANISATION	28/6/2012	23/5/2012- 30/6/2012	59.95%	78.37%
5	5/10/2012	OPTIONAL	NATIONAL BANK OF GREECE S.A.	EFG EUROBANK ERGASIAS	PENDING			
6	10/10/2012	OPTIONAL	COCA-COLA HBC AG	COCA COLA HELLENIC BOTTLING COMPANY SA	PENDING			
7	17/12/2012	COMPULSORY	PIRAEUS BANK SA	GENIKI BANK	PENDING			

Source: HCMC

Auctions of listed company shares

Forced sales

The granting of licenses for forced sales and the appointment of ATHEX-members for the forced sale of pledged or seized shares, continued in 2012. Law 3152/2003 (article 13 §§ 1 and 2) transferred these responsibilities to the HCMC. The total volume of stock for sale reached 13,975,750 shares in 2012 as compared to 238,173 in 2011 and 955,512 in 2010, and the total volume of stock finally sold reached 6,666 shares, as compared to 41,300 in 2011 and 337,378 in 2010. The total value of shares sold amounted to 20,064.66 euros, as compared to 110,387.85 euros in 2011, and 65,015.60 euros in 2010. The data concerning the requests that were submitted and the sales that took place during 2012 show that there was only one sale, involving 6,666 shares issued by OTE SA, with a total value of 20,064.66 euros. In 2012, 9 requests were submitted for the execution of 3 sales, as compared to 3 requests and 3 sales in 2011 and 8 requests and 2 sales in 2010. Since the transfer of competence concerning the forced sale of shares, and till the end of 2012, the HCMC received 159 requests for the forced sale of pledged or seized shares.

Sale of fractional balances of shares

The granting of licenses for forced sales and the appointment of ATHEX-members for the sale of fractional balances of shares, continued in 2012. Paragraph 1 of article 53 of Law 3371/2005 added article 44a to Law 2396/1996. In accordance with para. 2 of the said article, fractional balances resulting from the share capital increase of a listed company can be sold under the care of the issuing company after 6 months, and the HCMC is authorized to issue rules for settling every specific issue and detail, concerning the implementation of this paragraph. On the basis of this authorization, the HCMC issued Rule 13/375/17.3.2006: "Sale of indisposed fractional balances resulting from a company's share capital increase." This rule specifies the details concerning the method of, and the procedure for, the sale of fractional balances, the provision of selling licenses by the HCMC (whenever required) and the appointment of the ATHEX-member that will perform the sale, as well as the method for notifying the beneficiaries of the fractional balances about the sale, and the collection of the product from the sale.

In 2012, the HCMC received 2 requests for the sale of fractional balance, as compared to 2 requests in 2011 and 6 requests in 2010. The total volume of stock for sale reached 8,978 shares in 2012 as compared to 4,897 in 2011 and 45,691 in 2010, and the total volume of stock finally sold reached 8,978 shares, as compared to 4,897 in 2011 and 33,693 in 2010. The value of shares sold amounted to 28,563.14 euros, as compared to 39,164.24 euros in 2011, and 228,457.82 euros in 2010. The data concerning the requests that were submitted and the sales that took place during 2012 show that the sale with the largest number of shares concerned 6,610 shares issued by MYTILINEOS HOLDING SA, whose value amounted to 18,309.7 euros and the sale with the lowest volume of shares concerned 2,368 shares, issued by FRIGOGLASS SA, whose value amounted to 10,253.44 euros.

Tackling money laundering

The Special Anti-Money Laundering and Terrorist Financing Unit, which operates pursuant to art. 6, paragraph 6 of Law 3691/2008, aims at monitoring the compliance of supervised entities with their obligations regarding the prevention and suppression of money laundering and terrorist financing. In this context, the Special Unit performs audits on the supervised entities and, at the same time, submits reports to the Anti-Money

Laundering, Counter-Terrorist Financing and Source of Funds Investigation Authority in regard to any suspicious transactions detected.

In 2012, the Special Unit continued its work, performing audits of supervised companies. The evaluation of the audits' findings revealed omissions in compliance with procedures in at least half of the audited companies. In view of that, following a commendation to one company and the imposition of corrective measures to the other, the companies finally implemented adequate procedures. Only in one case did the Board of the HCMC impose a fine of €25,000, because one supervised firm did not comply with the corrective measures it was asked to implement.

In order to clarify issues pertaining to the fight against tax evasion, which is now one of the criminal offenses provided for by article 3, Law 3691/2008, on 28.11.2012 the HCMC issued Circular No. 49 on: "Detection and reporting to the competent Authority of article 4, of Law 3691/2008, of transactions that are suspicious of tax evasion and/or money laundering of the relevant gains, and typology of suspicious and unusual transactions related to the offense of tax evasion (article 77, para. 1 of Law 3842/2010)".

In addition, aiming at the provision of supervised companies with more complete information, the HCMC organized, on 20.12.2012, a "One-day conference for the presentation of the new circular (No 49) of the HCMC on combating tax evasion" at the premises of Hellenic Exchanges SA, with the participation of 125 representatives of supervised companies from all over Greece. On 15.12.2012, representatives of the Special Unit participated as speakers at the one-day conference organized by SEDYKA (the Association of Financial Intermediation Firms) for its members, titled "Seminar on the internal organization of FIFs regarding money laundering", where the Circular of the HCMC No. 49, was presented. These two one-day conferences enabled attendance through teleconferencing, giving the opportunity to clarify many issues raised by companies regarding compliance with their obligations. Access to the speeches of the one-day conference organized by the HCMC is available only via its website.

Finally, the Special Unit presented the supervised entities, through the HCMC website, with information about the country compliance or non-compliance with community law, recommendations from the Financial Action Task Force (FATF), as well as information about new laundering methods and practices that have been detected.

PROFESSIONAL CERTIFICATION OF CAPITAL MARKET AGENTS

The current regime for the professional certification of capital market agents is regulated by means of HCMC Rule 3/505/3.4.2009 (Gazette B 873/11.5.2009), in implementation of article 4 of Law 2836/2000 (Gazette A 168), as amended by article 49(2) of Law 3371/2005 (Gazette A 178), which was later replaced by article 14 of Law 3606/2007 (Gazette A 175). This regime provides for the obligation of Investment Firms, Financial Intermediation Firms, Mutual Fund Management Firms, and Portfolio Investment Companies, which have been licensed, and are supervised, by the HCMC, to employ for the provision of investment services only holders of Professional Adequacy Certificates. The Rule determines the maximum number of trainees that may be employed by each Firm, as well as the maximum time period during which firms may employ trainees, prior to their successful participation in the Certification Exams or the Certification Seminar (a1).

The Professional Adequacy Certificate refers to five specific types of investment services: (a1): Receipt, transmission and execution, on behalf of third parties, of orders on transferable securities, shares in collective investment undertakings, and money market instruments; (a2): Receipt, transmission and execution, on behalf *of third parties, of orders on derivative products; (b): Provision of investment advice concerning transferable securities, shares in collective investment undertakings, and money market instruments, derivative products, and structured financial products; (b1): Provision of investment advice concerning transferable securities, shares in collective investment undertakings, and money market instruments; (c): Client asset management; and (d): Preparation of analyses on financial instruments or issuers.*

The Certificate is bestowed by the HCMC if the applicant has successfully sat in certification exams or attended certification seminars, or is the holder of a CFA (Series 3) or CIIA (Final) degree, or equivalent professional adequacy certificates issued by the competent authorities, or agencies, recognized by the competent authorities of EEA member-states, the US, Canada and Australia, and have successfully sat in the exams on the "Institutional framework of the capital market". Apart from taking the tests, certification will be provided in case certain criteria regarding the acceptability of each individual are fulfilled, such as: (a) the fulfilment of minimum personal reliability requirements; (b) the fulfilment, according to case, of minimum qualifications; and (c) the payment of a €100 Certification fee to the HCMC. Moreover, HCMC Rule 3/505/3.4.2009 introduces the option to organize certification seminars addressed to applicants wishing to receive Certificate (a1) and working as trainees in the receipt and transmission of orders. A similar certification requirement has been established for credit institution executives, under similar terms and conditions, which are specified by the joint Decision 4/505/3.4.2009 of the Board of the HCMC and the Governor of the Bank of Greece, whose implementation lies with the Bank of Greece.

In implementation of the above, 278 applications for participation in the exams or the seminars that were organized during the year (March-May, June-October-November-December) were submitted in 2012, and 144 professional adequacy certificates were granted. More specifically, 36 certificates were granted in specialty (a1), 39 certificates in specialty (a2), 21 certificates in specialty (b1), 27 certificates in specialty (b), 15 certificates in specialty (c) and 5 certificates in specialty (d). Furthermore, in implementation of the applicable provisions, in 2012 the HCMC granted, following the relevant requests, 21 professional adequacy certificates without participation in the exams (6 following requests for exception due to equivalence and 15 following requests for implementation of transitional provisions): more specifically, 11 certificates in specialty (a2), 6 certificates in specialty (b), 2 certificates in specialty (c) and 2 certificates in specialty (d).

FINANCIAL RESULT

In a tough year for the Greek capital market, the HCMC managed to balance its income with its needs and show a deficit of almost 95,000 as compared to a surplus of almost 670,000 euros in 2011. This is result is due to the large decrease in revenues and the consequent reduction of incurred expenses. More specifically, realized income for the year 2012 is reduced by almost 4.784 million euros, as a result of the economic crisis, due to the drop of turnover in the ATHEX, the non-issuance of bonds by the Greek state, the de-listing of companies from the ATHEX, the closing of investment firms and, finally, the reduction of interest income, owing to the impairment of the HCMC's cash due to its participation in the PSI scheme. The expenses realized in 2012 are reduced by almost 4.019 million euros, mainly as a result of the reduction in payroll expenses. Payroll cost was reduced by 28.54%, rents were reduced by 19.84% and operating expenses were reduced by 17.12%. Overall, the expenses of the HCMC decreased by 31.31% year-on-year.

TABLE 33. HCMC Financial Result, 2012

RESULTS	2012	2011	Difference	Percentage change
Total income	8,722,987.83	13,507,270.93	-4,784,283.10	-35.42%
Total expenses	8,818,549.19	12,837,693.50	-4,019,144.31	-31.31%
– Payroll	6,585,549.19	9,215,364.62	-2,629,815.43	-28.54%
– Rents	1,027,529.92	1,281,802.71	-254,272.79	-19.84%
– Overheads	28,753.67	998,351.41	-969,597.74	-97.12%
– Subscriptions to International Organizations	335,752.75	327,067.84	8,684.91	2.66%
– Operating and other expenses	841,325.15	1,015,106.84	-173,781.69	-17.12%
Net Result	-95,561.36	669,577.43		

INTERNATIONAL ACTIVITIES OF THE HCMC

Notifications for the Provision of Investment Services in Greece

According to European Directive 2004/39/EC (MiFID) and its precursor, Directive 93/22 (ISD), investment firms intending to provide investment services in any EEA member state (host member state), are obliged to notify this intention to the competent authorities of the home member state. This is how the so-called "European Passport" is used for the cross-border provision of investment services in the EU. Such notification must always be accompanied by a complete business plan. Thereafter, the competent authorities of the home member-state inform their counterparts in the host member-state accordingly.

The HCMC must be notified if a service provider from another EEA country intends to establish in Greece a branch to an investment company or management company. In this case, the notification is made by the regulatory authority of the service provider's home state. The cross-border provision of services also requires a notification from the regulatory authority of the home state. Foreign management companies may market in Greece investment funds managed by them in accordance with the UCITS Directives. Similarly, Greek management companies may market their investment funds in the EEA. The commencement of marketing requires either a notification procedure (UCITS funds) or permission procedure (non-UCITS funds).

In the context of the implementation of the aforementioned European Directives during the period 1995-2012, the HCMC has received many notifications from overseas firms wishing to provide investment services in Greece by means of the "European Passport" (Table). These notifications remain active in 2,235 cases.

The distribution of active notifications by country is the following: 1,803 companies come from the UK, 98 from Cyprus , 50 from the Netherlands, 42 from France, 39 from Ireland, 36 from Germany, 29 from Luxembourg, 26 from each of Austria and Norway, 15 from Italy, 11 from each of Belgium and Denmark, 10 from Spain, 7 from Malta, 6 from Bulgaria, 5 from Sweden, 4 from each of Finland and Lichtenstein, 3 from each of Poland and the Czech Republic, 2 companies from Slovakia and 1 company from each of Estonia, Latvia, Portugal and Slovenia.

Moreover, in 2012, 153 new companies coming from the UK submitted notifications regarding the provision of investment services in the Greek capital market, 34 from Cyprus, 8 from Luxembourg, 6 from Germany, 5 from France, 3 from Ireland, 2 from each of Italy, Lichtenstein and the Netherlands, and 1 from each of Austria, the Czech Republic, Denmark, Spain, Lithuania, Norway and Poland.

TABLE 34. Notifications for the Provision of Investment Services in Greece, 2010-2012

Country	Number of Notifications			Number of Cancellations			Total of Active Companies		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Austria	40	39	38	14	14	13	26	25	25
Belgium	17	17	15	6	5	5	11	12	10
Bulgaria	6	6	3	0	0	0	6	6	3
France	54	49	45	12	11	11	42	38	34
Germany	42	36	28	6	6	4	36	30	24
Denmark	12	11	9	1	1	0	11	10	9
Estonia	1	1	1	0	0	0	1	1	1
Ireland	66	63	61	27	22	20	39	41	41
Italy	15	13	10	0	0	0	15	13	10
Spain	11	10	10	1	0	0	10	10	10
Cyprus	112	78	56	14	10	9	98	68	47
Latvia	1	1	0	0	0	0	1	1	0
Lithuania	1	0	0	0	0	0	1	0	0
Lichtenstein	4	2	0	0	0	0	4	2	0
Luxembourg	31	23	16	2	2	2	29	21	14
Malta	8	8	7	1	1	1	7	7	6
Norway	27	26	24	1	1	1	26	25	23
Netherlands	68	66	61	18	18	18	50	48	43
Poland	3	2	2	0	0	0	3	2	2
Portugal	1	1	1	0	0	0	1	1	1
Slovakia	2	2	2	0	0	0	2	2	2
Slovenia	1	1	1	0	0	0	1	1	1
Sweden	11	11	11	6	6	6	5	5	5
Czech Republic	3	2	2	0	0	0	3	2	2
Finland	7	7	7	3	3	3	4	4	4
Britain	2,515	2,362	2,159	712	634	564	1,803	1,728	1,595
Total	3,059	2,837	2,569	824	734	657	2,235	2,103	1,912

Memoranda of Understanding

The purpose of Memoranda of Understanding (MoU) is to establish and implement a procedure for the provision of assistance among competent authorities for the supervision of the capital market, in order to enhance the efficiency of the supervisory function entrusted with them in regard to issues pertaining to the capital market, its participants and the transactions performed in it. These Memoranda enable supervisory authorities to exchange confidential information, in order to exercise supervision and achieve compliance of the supervised agents of the market with the existing institutional regulations.

The memoranda of understanding between the supervisory authorities of different countries facilitate international co-operation between stock exchanges, companies and other capital market agents, and therefore are the first stage for the establishment and further improvement of the relations among these countries' capital markets. In the context of the new European architecture for the supervision of financial markets, MOUs play a key role, since they are instrumental in the move towards the single supervision of the European market.

In the past few years, the HCMC has been instrumental in promoting the development of international relations and international cooperation in the field of supervision. Up to date, the Commission has signed the *following Memoranda of Understanding in the context of the general development of its international relations:*

1996

- *A bilateral Memorandum of Understanding with the U.S. Securities & Exchange Commission (December 17th, 1996).*

1998

- *A bilateral Memorandum of Understanding with the Securities Commission of Portugal (July 9th);*
- *A bilateral Memorandum of Understanding with the securities commission of Cyprus (September 1st);*
- *A bilateral Memorandum of Understanding with the National Securities Commission of Romania (November 30th).*

1999

- *Multilateral Memorandum of Understanding with the regulators of FESCO member-states (January 26th);*
- *A bilateral Memorandum of Understanding with the securities commission of Albania (April 1st).*

2000

- *A bilateral Memorandum of Understanding with the securities commission of Brazil (May 17th);*
- *A bilateral Memorandum of Understanding with the Central Bank of Cyprus (September 8th);*
- *A bilateral Memorandum of Understanding with the Securities Commission of Slovenia (October 6th);*
- *A bilateral Memorandum of Understanding with the Securities Commission of Bulgaria (December 1st).*

2001

- *A bilateral Memorandum of Understanding with the Securities Commission of Bosnia & Herzegovina (June 27th);*
- *A bilateral Memorandum of Understanding with the Securities Commission of the Czech Republic (June 28th);*
- *A bilateral Memorandum of Understanding with the Capital Markets Board of Turkey (October 5th).*

2002

- *A bilateral Memorandum of Understanding with the Capital Market Commission of South Africa (October 9th);*
- *Multilateral Memorandum of Understanding with the member-states of IOSCO (International Organization of Securities Commissions) (October 18th).*

2003

- *A bilateral Memorandum of Understanding with the Securities Commission of Hungary (January 8th);*

- *A bilateral Memorandum of Understanding with the Securities Commission of Poland, (August 1st).*

2005

- *A bilateral Memorandum of Understanding with the Securities Commission of Bulgaria (March 28th);*
- *A bilateral Memorandum of Understanding with the Securities Commission of Slovakia (June 28th);*
- *A bilateral Memorandum of Understanding with the Capital Markets Commission of Israel (September 27th);*
- *A bilateral Memorandum of Understanding with the securities commission of Serbia (December 3rd).*

2007

- *A bilateral Memorandum of Understanding with the Capital Markets Commission of Dubai (September14th);*
- *A bilateral Memorandum of Understanding with the Securities Commission of Egypt (November 20th).*

2012

- *A bilateral Memorandum of Understanding with the Supervisory Authority of the United Arab Emirates (January 11th).*

The HCMC and the European Securities and Markets Authority (ESMA)

In 2010, the Committee of European Securities Regulators (CESR) was transformed into the European Securities and Markets Authority (ESMA). ESMA is the independent EU Authority that was established on January 01, 2011, pursuant to EU Regulation 1095/15.12.2010, and is the full successor to the CESR. The CESR was the advisory committee that comprised EU securities regulators and provided advice to the European Commission from 2001 to 2010 on policy issues pertaining to transferable securities legislation.

The Board of Supervisors of ESMA is taking all ESMA decisions and approves all work carried out by ESMA The Board of Supervisors of ESMA comprises the heads of 27 national supervisory authorities, with one observer from Norway, Iceland, Lichtenstein and the European Commission, a representative of the European Banking Authority and the European Insurance and Occupational Pensions Authority and one representative of the European Systemic Risk Board.

The main role of the Board of Supervisors is to take all policy decisions of ESMA, such as the decision on the compliance by national competent authorities with EU legislation, the interpretation of EU legislation, decisions in crisis situations, the approval of draft technical standards, guidelines, peer reviews and any reports that are presented. The Board of Supervisors is also taking the final decisions on ESMA's budget. The Board of Supervisors is supposed to meet at least twice a year, although in reality it meets more regularly.

Voting by the Board of Supervisors is carried out on a simple majority basis (one vote per national member) for all matters, except guidelines and technical standards. In the case of guidelines and standards, voting will be done by qualified majority as set out under the Treaty on European Union.

Day-to-day work for adopting the proposals to be approved by the Board of Supervisors continues to be carried out by the Expert Groups that had been established under the CESR, and have been renamed to

Standing Committees. These are chaired by senior representatives of the national regulators, usually a Member of the Board of Supervisors and bring together national capital market experts with support from the staff of ESMA, who act as rapporteurs for the standing Committees.

Whenever deemed necessary, ESMA may review the Standing Committees in place, and if necessary it re-organises the Committees or establishes new ones.

Upon formation of a Standing Committee, a Consultative Working Group of market participants (practitioners, consumers and end-users) is also established to provide the expert group with feedback during the drafting process. The market participants are experts drawn from across European member-states. They do not represent the interests of national organizations or specific firms, and do not replace the important process of full consultation with all market participants and other stakeholders, or the specific role of the Securities and Markets Stakeholder Group, as set out in the Regulation.

When a document is ready for public consultation, and following its approval by the Board of Supervisors, it is published on ESMA's website under the section "consultations" and a public hearing is organized. In addition, ESMA formally consults the Securities and Markets Stakeholder Group and any other competent authorities, whenever deemed necessary. The purpose of ESMA's Standing Committees and other groups formed by the Authority is to strengthen the network of regulators in a given area, as agreed in a set of terms of reference. The largest part of this work concerns initiatives undertaken at Level 3. The Standing Committees represent an effort to strengthen cooperation among national authorities, in order to ensure the consistent and effective supervision during the provision of financial services, and the enforcement of securities laws in Europe, as well as any additional measures taken to protect investors. Whenever deemed necessary, a Standing Committee can invite other supervisory authorities or third parties to participate as observers. The work of ESMA and its Standing Committees can be found on the ESMA website.

Whenever deemed necessary, ESMA itself or a Standing Committee can invite other relevant supervisory authorities to participate as observers. In December, for example, the chairpersons and senior representatives of the OTC derivative market regulators of Canada, the EU, Hong Kong, Japan, Singapore, and the United States met in Paris with ESMA representatives. The work of ESMA can be found under each of the pages of the relevant standing committee on the ESMA website.

Standing Committees of the ESMA

1. ESMA-Pol Standing Committee

The ESMA-Pol Standing Committee consists of staff members from Securities Commissions-members of the ESMA, responsible for collaboration, information exchange and supervision. ESMA-Pol is the successor to the CESR-Pol, which was formed by the conclusion of the Multilateral Memorandum of Understanding on the exchange of confidential information and the supervision of activities pertaining to securities (January 26th, 1999). The objective of ESMA-Pol is to facilitate effective information exchange, in order to improve co-operation and the co-ordination among ESMA members in the fields of supervision and imposition of sanctions.

On November 2011, the European Parliament and the European Council voted a Regulation on short-selling, which was published at the Official Journal of the EU on March 24, 2012 and came into force on November 01, 2012. The said Regulation 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps (CDS), stipulates that ESMA must post the following specific information on its *website: (a) The notification thresholds for significant net short positions in relation to each sovereign issuer (article 7[2]); (b) the links to all central websites managed or monitored by national supervisory authorities, where the net short position reports are posted; (c) the list of shares for which the principal trading venue is located in a third country (Article 16[2]); the list of market makers and authorized primary dealers (article 17[3]); and (e) the list of existing penalties and administrative measures applicable in each Member State (Article 41). In 2012, the operation of ESMA-Pol was presided over by Mr. Kon. Botopoulos, HCMC Chairman.*

The regulations provides for the prohibition of short selling under certain conditions and in exceptional circumstances. The HCMC prohibited short selling. On November 1st, 2012, the HCMC notified ESMA and the other competed authorities about its intention to use its powers of intervention in exceptional circumstances, in accordance with article 20 of the Regulation. This measure was valid till January 31, 2013 and was the continuation of the measure adopted on July 24, 2012, in accordance with national law. The said measure concerned the temporary prohibition of short selling on shares and Exchange Traded Fund units in the ATHEX, irrespective of trading venue. The temporary ban on short selling included sales that are covered by follow-up purchases within the day. The temporary ban on short selling applies on all depositary receipts (ADRs, GRDs) that represent shares traded in the ATHEX. The proposed ban on short selling included an exception for market making activities. Further information about this measures and the applicable exceptions can be found at the website of the HCMC. In order to obtain approval, the HCMC noted that certain adverse events have arisen that constitute a serious threat to financial stability and market confidence in Greece. These are: a) severe selling pressures or unusual volatility, which exercise significant downward pressures on any financial instrument related to any bank or other financial institution; and b) serious financial, monetary or fiscal problems that lead to financial instability. The ESMA adopted, in accordance with Article 27(2) of Regulation 236/2012 on short-selling, the views of the HCMC regarding the adverse events that justify the taking of the measure, deemed that the measure is appropriate and proportionate and that its duration is justified.

2. Corporate Finance Standing Committee

The Corporate Finance Standing Committee is responsible for developing all of ESMA's work relating to the Prospectus Directive and Corporate Governance. It also carries out ESMA's work with regard to major shareholding disclosures under the Transparency Directive, except in relation to how such disclosures are stored. The Committee seeks to increase efficiency in day-to-day work undertaken by supervisors, to increase supervisory convergence and to ensure the coherent application of rules across the membership.

In terms of developing technical advice and guidance, the Standing Committee is responsible for elaborating the Level 2 advice and Level 3 measures provided for by the Prospectus and Transparency Directives. In the field of Corporate Governance, the Corporate Finance Standing Committee considers a proposed ESMA response to areas related to securities (as opposed to company) laws in the European Union, which are of interest and relevance to ESMA and which are not addressed by other ESMA working groups. The Standing Committee also works towards the harmonised implementation of EU legislation. Moreover, if needed or when requested, the Standing Committee also advises the European Commission on the need for possible changes to the appropriate Level 1 Directives that fall under its mandate. The Committee also develops "Questions & Answers" (Q&As) in order to keep on contributing to supervisory convergence and transparency for market participants. A new consultative working group has been formed to assist the SC.

The work of the Standing Committee regarding the Prospectus Directive is as follows: (a) On January 20, 2011, the ESMA was requested by the European Commission to provide advice on possible delegated acts concerning the Prospectus Directive (2003/71/EC), as amended by Directive 2010/73/EU. The mandate comprised three *parts, in regard to prioritizing the work and delivering the advice. The first part was delivered on October 04, 2011. In March 2012, ESMA, through its Standing Committee, published the second part of its technical advice to the European Commission on the possible delegated acts concerning the Prospectus Directive (as amended by the Directive 2010/73/EU). The Advice was submitted to the European Commission on February 29, 2012. In its Advice, the ESMA proposes how a Prospectus should be used in a retail cascade and provides input about how to review the provisions of the Prospectus Regulation regarding information about the tax regime, indices, the auditors' reports on profit forecasts and estimates and the audited historical financial information. Overall, the Technical Advice aims at achieving a high level of investor protection and increasing legal clarity, as well as efficiency in the prospectus regime all over Europe. Prospectuses should provide investors with easily accessible information about financial products, in order to encourage decision making.*

(b) Increased transparency in retail cascades ESMA observed that there is no uniform model of retail cascades within the European financial markets and therefore concludes that, in order to increase transparency, legal certainty, investor protection and the supervisory needs of competent authorities, the consent to use a prospectus needs to be included in the prospectus or base prospectus/final terms.

(c) Provisions for issues such as the tax regime, the indices, and the auditor's report should be reviewed As investors may be deprived of tax information in certain jurisdictions where an issuer is actively making a public offer, ESMA proposed to keep the current requirement of the Prospectus Directive, albeit revise its Frequently Asked Questions (FAQ) to reflect that such information shall be included in the prospectus. Moreover, ESMA is of the view that, among all indices, there is a clear conflict of interest in the case of proprietary indices. Although disclosure on conflicts of interest is already required, a description of the index in the prospectus would provide additional transparency on the issue, would ensure that the respective competent authorities have the possibility to scrutinize the description and would ensure the comprehensibility of the prospectus. The description is required if the index is composed by the issuer and/or any entity belonging to the same group as the issuer. ESMA proposes to keep the current requirement of an auditor's report on profit forecasts and estimates, as it believes that reports prepared by independent accountants or auditors provide investors with confidence in, and ensures a certain quality of, the profit forecasts or estimates being prepared on the basis of the underlying assumptions.

(d) Pursuant to the remainder of the mandate, ESMA, through its Standing Committee, published, in June 2012, a consultation paper, which includes: proposals for clarifications of, and amendments to, the Prospectus Regulation, in order to increase legal clarity and propose the application of the proportionate disclosure regime to convertible/exchangeable debt securities. It also considers the application of the Proportionate disclosure regime regarding debt securities convertible or exchangeable into issuer's shares issued by small and medium-sized enterprises (SMEs) and companies with reduced market capitalization (Small Caps). After receiving and considering the feedback from the interested parties, ESMA will finalize and submit the final text of its Technical Advice to the European Commission in late 2012.

(e). In September 2012, the Standing Committee published a consultation paper setting out amendments to ESMA's recommendations in regard to the consistent implementation of the Prospectus Regulation in regard to mineral companies. More specifically, in March 2011 ESMA updated and revised paragraphs 131-133 of the CESR Recommendations on the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "Recommendations"), which address the information that should be disclosed by mineral companies in prospectuses. ESMA's update of these provisions represented a significant reform for this area, harmonizing, for the first time, mineral reserves and resources disclosure in prospectuses drawn up in accordance with the Prospectus Directive.

(f). ESMA, through the Standing Committee, updated the Q&A paper on prospectuses four times during 2012. The work of the Corporate Finance Standing Committee regarding the Transparency Directive is as follows:

(g). In September 2011, ESMA launched a call for evidence regarding the need to take measures and, possibly, regulatory action for limiting the practice of "empty voting". The term "empty voting" denotes the practice of separating the economic interest relating to shares from their voting interest, commonly through the use of derivative instruments and trading strategies used in the securities markets. The practice of controlling voting rights attached to shares without corresponding economic exposure has raised discussion on possible regulatory reaction to the decoupling of voting rights and the potential general problems caused by this practice. ESMA's call for evidence was not restricted to transparency or corporate governance issues, and was seeking views in a broader context on the occurrence of empty voting, in order to assess whether it is necessary to further consider the practice and elaborate the relevant proposals.

(h). In March 2012, ESMA published, through the Standing Committee, a Discussion Paper on proxy advisors. In general, proxy advisors, assist institutional investors and asset managers in their voting policy and strategy. ESMA wished to assess how proxy advisors influence voting. Following a fact finding exercise in 2011, ESMA saw growth in the EU proxy advisory industry and also saw that investors are increasingly using those services. ESMA is seeking evidence on the impact of these services on the proper functioning of the voting process. ESMA's discussion paper looks into the ways in which institutional investors make use of proxy advisor services, and explores some of the key issues regarding voting recommendations. ESMA will evaluate the responses it will get and will publish a paper containing all its views and proposals on the issue.

3. Corporate Reporting Standing Committee

The Corporate Reporting Standing Committee conducts all ESMA work on issues related to accounting, audit, periodic reporting and storage of regulated information, including the pro-active monitoring of the EU endorsement process of international standards and the work of relevant EU accounting and/or auditing Committees. More specifically, the Standing Committee: (a) Coordinates the activities of European national enforcers regarding the enforcement of compliance with the IFRS. This work includes the analysis and discussion of individual enforcement decisions under the IFRS and emerging financial reporting issues under the IFRS; the identification of issues which are not covered by financial reporting standards or may be affected by conflicting interpretations for referral to standard-setting or interpretative bodies such as the IASB and IFRIC; and facilitating the exchange of views and experiences on methods for supervising the financial information of companies that publicly offer securities and/or have these securities listed on an EU regulated market. (b) Pro-actively monitors and influences developments relating to periodic financial reporting under the Transparency Directive; and (c) establishes and maintains appropriate relationships with securities regulators from major capital markets outside Europe, in order to foster cooperation between EU and non-EU regulators on issues falling under the remit of the Standing Committee.

In July 2012, ESMA released the results of its review of Greek Government Bonds accounting practices in the IFRS Financial Statements for the year ended 31 December 2011. The review found a good level of consistency regarding the level of impairment losses, showing an improvement as compared to June 2011, when there were significant variations between various financial institutions. However, the review also found that some issuers fell short of meeting IFRS disclosure transparency requirements, especially in relation to gross exposure, maturities, valuation methodologies and fair value levels used, as well as the impact of impairment on profit or loss. The review identified a lack of transparency on credit default swaps and their impact on exposure, e.g. whether issuers were buyers or sellers of these financial instruments. The review also called attention to a *lower level of transparency regarding Greek government bonds that had been reclassified, as well as exposures to Greek non-sovereign debt.*

Based on the findings of this review and as a result of market developments, ESMA will focus on: (a) The application of IFRS, specific and general, requirements related to financial instruments and associated risks on the subjects mentioned above. (b) The improvement of transparency of disclosures related to sovereign exposures. ESMA will focus on the quality of country-by-country disclosures, and more generally to the granularity of information provided on significant sovereign exposures. (c) The improvement of disclosures related to non-sovereign exposures by type of exposure (corporate, banks, municipalities, etc.) and the provision of qualitative and quantitative information about credit risk, and (d) monitoring further developments related to financial instruments accounting and, in particular, related to sovereign debt in the 2012 IFRS financial statements. This covers, among others, the accounting treatment of the Greek PSI exchange that took place in 2012.

In November 2011, ESMA had issued a consultation paper on materiality in financial reporting. In August 2012, it published a summary of the responses it received. The purpose of this discussion was to hear the views and obtain information from all interested parties, and call participants to comment on selected issues that are believed to be in need of further consideration. The main issues selected for discussion included: Challenges related to the consistent application of the concept of materiality; the application of materiality in interim financial reporting; the role of the materiality concept in tackling disclosure overload; the assessment of omissions or misstatements; judging whether additional IASB guidance on materiality would be helpful, and if so, the content and form it might take.

In December 2012, ESMA issued, through the Standing Committee, a Public Statement on the Treatment of Forbearance Practices in IFRS Financial Statements of Financial Institutions. The statement deals with the definition of forbearance practices, their impact on the impairment of financial assets, and the specific disclosures relating to forbearance activities that listed financial institutions should include in their IFRS financial statements for the year ending 31 December 2012.

Operating under the Standing Committee, the European Enforcers Coordination Sessions (EECS) is a forum of national enforcers responsible for implementing the IFRS. The purpose of the forum is to increase convergence amongst enforcer activities on issues related to the listed companies' financial statements, the discussion on financial information enforcement and supervision issues and the provision of technical advice for the preparation of ESMA statements and/or the expression of opinions on accounting issues. ESMA is regularly publishing extracts from the EECS database of enforcement decisions, in order to enhance transparency and update market participants on the application of standards. During 2012, ESMA published its "Activity Report on IFRS Enforcement in the European Economic Area".

Apart from the reviews performed by national competent authorities. ESMA will collect data on how European listed entities have applied IFRS requirements in relation to these topics and will report the results of this survey. National competent authorities may, depending on the peculiarities of each market, review other issues as well, and therefore the enforcement process will not be limited to the above matters.

4. Secondary Markets Standing Committee

The Secondary Markets Standing Committee has undertaken ESMA's work relating to the structure, transparency and efficiency of secondary markets for financial instruments, including OTC markets. The markets monitored by the Secondary Markets Standing Committee includes regulated markets, multilateral *trading facilities, systematic internalisers, other organised trading platforms, as well as the activity of intermediaries in trading platforms.*

The Secondary Markets Standing Committee assesses the impact of changes in market structure on the transparency and efficiency of trading, and develops ESMA policy in regard to the issues identified. This work in not limited to securities subject to the transparency requirements of the Markets in Financial Instruments Directive (MiFID), but also to non-equity financial instruments and commodity markets. The Standing Committee also promotes supervisory convergence among the national authorities in its area of competence.

In terms of policy, the Standing Committee is responsible for preparing advice to the European Commission, as well as technical standards and guidelines and recommendations relating to the MiFID provisions applicable to regulated markets, multilateral trading facilities, systematic internalisers, other organized trading platforms and pre- and post-trade transparency. A consultative working group has been formed to assist the Standing Committee. All databases provided for by MiFID can be found at the ESMA website.

The most important issues that the SC dealt with during 2012, included the following: (a) Issues related to market structure following the implementation of MiFID, such as: high frequency trading, sponsored access, co-location, fee structure and indications of interest; (b) obligations regarding pre- and post-trading transparency; (c) waivers from pre-trading transparency and delays in disclosing post-trading information; (d) organizational requirements for organized trading venues; (e) mandatory trading of derivatives in trading venues; (f) trading information disclosure standards; (g) procedure and contents of information exchange between competent authorities regarding suspensions and removals of financial instruments from trading; and (h) regulated market stress tests and statistical surveys of ESMA's CEMA sub-group on High Frequency Trading.

5. Investor Protection & Intermediaries Standing Committee

This Standing Committee is responsible for developing and providing technical advice to the European Commission, and for preparing technical standards, guidelines and recommendations relating to the provisions of the Markets in Financial Instruments Directive (MiFID). This includes, among others, the authorization of investment firms, conduct of business, organizational arrangements and pass-porting. The Standing Committee also promotes supervisory convergence among national competent authorities in the field of investment services and activities. A Consultative Working Group has been formed to assist the Standing Committee.

The work of the Standing Committee during 2012 included the following: (a) As part of the convergence of regulatory practice all over Europe, in June 2012 ESMA published a Q&A on issues related to investor protection and intermediaries. (b) In July, ESMA published two sets of guidelines aimed at enhancing investor protection in the EU.

The guidelines refer to the provisions under the Markets in Financial Instruments Directive (MiFID) and concern the suitability of investment advice and the compliance function. By issuing these guidelines, ESMA expects to promote greater convergence in the interpretation of, and supervisory approaches to, the MiFID suitability and compliance requirements. The guidelines are aimed at both market participants and national competent authorities who must incorporate them into their supervisory practices. Assessing suitability is an important MiFID investor protection requirement. Prior to the provision of investment advice or portfolio management services, investment firms must ensure that all recommended investment products are suitable for the client in question. Therefore, investment firms must obtain the necessary information, in order to be able to *understand the essential facts about the client so as to assess the suitability of any investment for that specific client. This includes information about a client's investment objectives, financial situation, as well as knowledge and experience. Based on the information collected, investment firms must assess whether the specific transaction to be recommended or entered into in the course of providing portfolio management service is suitable.*

ESMA detected the following shortcomings in the implementation of the MiFID suitability requirements: (a) failure in asking clients the right questions; (b) failure in collecting the necessary and appropriate information; (c) failure in correctly interpreting the information provided by clients; and (d) even where the right information is collected, failure in recommending a suitable investment. These new guidelines focus on the need for firms to have in place appropriate arrangements that enable them to meet the suitability requirements on an on-going and consistent basis for any client, and irrespective of the distribution channel they use.

In September 2012, ESMA published a consultation paper on proposed guidelines on remuneration policies and practices under the Markets in Financial Instruments Directive (MiFID). The guidelines aim at enhancing investor protection by seeking to improve the implementation of the MiFID rules on conflicts of interest, and thereby preventing the mis-selling of financial products. The guidelines will be implemented by investment firms, credit institutions and fund management companies when providing investment services, as well as by the competent authorities. Firms must ensure that they have appropriate remuneration policies and practices in place, taking into account their obligation to act honestly, fairly and professionally in the best interests of their clients.

6. Investment Management Standing Committee

The Investment Management Standing Committee undertakes ESMA's work on issues related to collective investment management, including both harmonized and non-harmonized investment funds. The Standing Committee is responsible for elaborating advice to the European Commission, as well as technical standards and guidelines and recommendations related to the UCITS (Undertakings for Collective Investment in Transferable Securities) Directive and the AIFM (Alternative Investment Fund Managers) Directive. The Committee also prepares the rules applicable to depositaries. The work of the Standing Committee covers the full spectrum of issues addressed by both Directives.

The revised UCITS Directive replaced the Simplified Prospectus with the Key Investor Information Document (KIID). This is a pre-contractual document that must be provided to all investors considering an investment in a UCITS. The KIID must provide adequate information, in order to allow investors reach documented investment decisions and at the same time must be brief and written in a language understandable by the average retail investor. ESMA's predecessor, the CESR, provided the European Commission with advice regarding the form and the contents of the KIID and elaborated directives regarding certain aspects of the requirements, e.g. how notifications will be adapted to structured UCITS.

The Alternative Investment Fund Managers Directive (AIFMD) applies to non-UCITS fund managers. It applies to managers such as hedge funds, private equity funds and real estate funds. ESMA's role in regard to the AIFMD includes the submission of advice to the European Commission concerning the detailed rules provided for by the Directive in fields such as leverage, depositaries and notification requirements. Following the entry of this Directive into force, the ESMA will have a major role to play in regard to the collection of data on the activities of the aforementioned managers and the coordination of the regime governing firms operating outside Europe.

The purpose of work on Packaged Retail Investment Products (PRIPs) is to create a consistent regulatory framework regarding the notification that must be made in relation the main categories of retail investment products (harmonized and non-harmonized funds, structured securities for retail investments, structured time deposits and investment-related insurance products). The European Commission identified the KIID of UCITS as the reference point for the regulation of PRIPS. ESMA's predecessor, the CESR, contributed to the work carried out by the three Level III Committees (CESR, CEBS, CEIOPS) in this field.

Finally, the Standing Committee deals with the rule applicable on other key organizations, such as depositaries. Apart from the Directives and the special tasks described above, the Standing Committee is, in general, working on the promotion of supervisory convergence among national competent authorities in the field of investment management.

7. Credit Rating Agencies Technical Committee

Regulation 1060/09 on Credit Rating Agencies (CRAs) came in force on December 07, 2009. The Regulation was amended in December 2010; the amended Regulation entrusted ESMA with the exclusive responsibility of authorizing and supervising credit rating agencies throughout the European Union. ESMA is responsible for supervising all credit rating agencies that are located in the EU, where credit ratings are publicly disclosed or distributed against a fee. Exercising such supervision includes the ability to impose sanctions and other types of penalty in case the requirements set out by the regulation are breached. These requirements include the CRAs' obligation to register with ESMA prior to engaging in any rating activity. Moreover, alongside its traditional role of promoting convergence through Level 3 guidelines and recommendations, ESMA is also required, in accordance with the Regulation on CRAs, to perform major advisory and coordination tasks. In addition, the Regulation mandates ESMA to maintain a central repository, where information on the past performances of CRAs and information about credit ratings issued in the past are to be kept. This information must be made public.

the Technical Committee has been established to assist ESMA in these new tasks relating to CRAs. The HCMC participates in the Technical Committee. The objectives of the Technical Committee are: (a) To promote convergence in regard to the implementation of the Regulation by the members, help regulatory authorities deal with regulatory issues in a consistent manner and enhance legal clarity for market participants; (b) deal with issues related to the implementation of the Regulation on CRAs. The Technical Committee's work is focused on helping both ESMA and its members to perform their duties, as specified in the Regulation; and (c) to provide coordination with international organizations and non-EU supervisory authorities involved in the field of rating agencies. Among others, the Technical Committee works together with EBA, EIOPA and IOSCO. A Consultative Working Group has been formed to assist the Technical Committee.

In 2012, the Technical Committee dealt with the following issues: (a) Central Rating Repository (CEREP). In February 2012, ESMA launched a Central Rating Repository (CEREP), providing information on credit ratings issued by those Credit Rating Agencies (CRAs) that are either registered or certified in the European Union. The Central Rating Repository database will allow investors to assess, for the first time and on a single platform, the performance and reliability of credit ratings on different types of ratings, asset classes and geographical regions over the time period of choice. (b) Third country regulatory framework. In December 2011, ESMA announced the endorsement of ratings issued in Australia. In December 2011, ESMA decided to extend, until April 30, 2012, the initial three-month transition period regarding credit ratings issued outside the European Union. (c) New registrations. In October 2012, ESMA announced the registration of Axesor S.A., based in Spain, as a credit rating agency (CRA) under Article 16 of the CRA Regulation. AxesorS.A. is the first entity to have *applied for registration as a CRA since ESMA was granted responsibility for the supervision of CRAs in the European Union. For the time being, 18 CRAs have been registered and one CRA has been certified. Amongst these 18 registered CRAs three operate under a group structure, out of a total of 16 legal entities in the EU, which means that the total number of CRAs registered in the EU stands at 31.*

In March 2012, ESMA published a report on its first examinations in three international credit rating agencies. The report provides an overview of ESMA's supervisory activity and summarizes the results of the first examinations conducted by ESMA in December 2011 in regard to three groups of CRAs, i.e. Fitch Ratings (Fitch), Moody's Investor Services (Moody's) and Standard and Poor's Rating Services (S&P). These examinations are the first step in an on-going supervisory process conducted by ESMA. ESMA identified several shortcomings and areas for improvement, which apply, to a varying extent, to all Credit Rating Agencies and concern the following topics: transparency of rating methodologies, disclosure and presentation of ratings; adequacy of controls over IT systems; recording of core internal processes and decisions; and adequacy of resources devoted to internal control functions and analytical business lines.

Finally, in December 2012, ESMA launched, through the Credit Rating Agencies Technical Committee, a Consultation Paper on Guidelines and Recommendations on the scope of the CRA Regulation. The draft Guidelines aim at providing clarification on certain aspects of the scope of the Credit Rating Agencies (CRA) Regulation. It is addressed to registered CRAs, other market participants operating on the perimeter of this sector, and national regulators. The draft Guidelines focus on a number of topics included in the CRA Regulation, which ESMA believes require clarification, based on its experience of the registration process and the enforcement of the perimeter of the CRA Regulation under the new EU supervisory regime. The Guidelines will contribute to a consistent approach to the application of the CRA Regulation and will ensure a level-playing field for all market participants.

8. Post-Trading Standing Committee

ESMA has formed a Post-Trading Standing Committee, which comprises ESM experts, and works on post-trading activities in the European Union. This Committee is responsible for elaborating ESMA's technical advice to the European Commission, and technical standards and guidelines and recommendations relating to the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. It is also responsible for developing ESMA's policy on the regulation of central securities depositories and for analyzing the regulatory and supervisory implications of the TARGET2-Securities project. In addition, this Committee supervises supervisory convergence among national supervisory authorities in its area of competence.

In 2012,the Standing Committee dealt with the following issues: (a) European Market Infrastructure Regulation (EMIR). The purpose of the regulation is to improve the operation of markets for OTC derivatives in the European Union. This Regulation aims at mitigating risks through the use of central clearing techniques, increasing transparency through trade repositories and ensuring the existence of strong and resilient central counterparties. The implementation of EMIR is a key element in the European Union's programme to meet the G20 commitments of strengthening the global financial regulatory system and ensuring sounder and more resilient markets. The Standing Committee has formed three task forces responsible for elaborating the draft technical standards required as part of EMIR's implementation: (1) the OTC Derivatives Task Force; (2) the CCP Requirements Task Force; and (3) the Trade Repositories Task Force. The OTC Derivatives Task Force is required to develop technical standards aimed at specifying the provisions referring to the assessment of the clearing obligation, the details to be included in the public register, clarifying certain issues pertaining to exemptions from the clearing obligation, and specifying the risk mitigation techniques to be implemented *whenever OTC derivative contracts are not cleared by a central counterparty. The CCP Requirements Task Force is required to develop technical standards on the organizational requirements of CCPs, record-keeping, business continuity, margins, the default fund, liquidity risk controls, default waterfalls, collateral requirements, investment policy, and review of models, stress testing and back-testing. Finally, the Trade Repositories Task Force is required to develop technical standards indicating details and type of reports to TRs for different classes of derivatives, details to be included in the application for registration to ESMA and on the information to be provided (and frequency) to the public and to certain authorities, notably ESMA, supervisors of counterparties, supervisors of CCPs, relevant ESCB Members, and ACER (Agency for the Cooperation of Energy Regulators).*

(b) Consultation Paper on guidelines regarding interoperability arrangements for central counterparty clearing (CCPs). The guidelines, which relate to the European Markets Infrastructure Regulation (EMIR), clarify the national regulators' obligations on how to assess existing or new interoperability arrangements between central counterparties. Central Counterparties enter into such agreements in order to allow their users execute trades with a counterparty that has chosen another CCP. From 2013, CCPs will have to obtain authorization under EMIR, in order to do business in the European Union (EU).

(c) Statement of the regulatory authorities responsible for the regulation of the over-the-counter (OTC) derivatives markets in Australia, Brazil, the European Union, Hong Kong, Japan, Ontario, Quebec, Singapore, Switzerland and the United States, which met to discuss the reform of the OTC derivatives market, as agreed by the leaders at the G-20 Pittsburgh Summit in September 2009. The aforementioned group of regulators recognized that the OTC derivatives market is a global market and firmly supported the adoption and enforcement of robust and consistent standards in and across jurisdictions, i.e. the improvement of transparency and protection against market abuse, and the prevention of regulatory gaps, the reduction of the potential for arbitrage opportunities, and the promotion of a level playing field for market participants, intermediaries and infrastructures.

(d) CSD Regulation. On March 07, 2012, the European Commission adopted a proposal for a Regulation regarding the improvement of securities settlement in the European Union and central securities depositories (CSDs). The said Regulation is expected to introduce an obligation for the dematerialisation of most securities, harmonized settlement periods for most transactions in such securities, settlement discipline measures and common rules for CSDs. Almost 35 additional implementing measures, apart from the CSD Regulation, are to be issued, including guidelines, regulatory technical standards and implementing technical standards.

(e) Settlement Discipline. ESMA's concern in regard to possible settlement fails has to do with the potential impact on the market and especially the possibility of an increase in settlement fails (non-delivery of securities at settlement date, usually T+3), owing to high volumes, price volatility and/or liquidity strain. ESMA believes that the lack of harmonization in settlement rules throughout Europe makes it difficult to form a clear view on the number of settlement fails. In order to form a clearer view on fails, ESMA promotes a) the monitoring of settlement fails; b) data collecting and reporting; c) the harmonization of powers to levy fines; d) the standardization of fine-levying practices; e) the consideration of other measures against settlement fails.

(f) Target2-Securities (T2S). ESMA, through its Post Trading Standing Committee, conducted a pre-assessment of T2S against ESCB-CESR Recommendations on Securities Settlement Systems. When the development phase will be terminated and T2S services will be launched, it will be necessary to conduct an assessment of the impact of T2S against the relevant provisions at that date. ESMA coordinated the preliminary supervisory review of drafts of the T2S Framework Agreement with the competent authorities for the CSDs outsourcing to

T2S. In this context, ESMA ensured the circulation of the relevant information to the competent authorities, conducted analysis of drafts of the T2S Framework Agreement and provided preliminary supervisory comments to the ECB prior to the completion of the T2S Framework Agreement.

9. Financial Innovation Standing Committee

The Financial Innovation Standing Committee of ESMA was established to assist ESMA in fulfilling its tasks and responsibilities relating to investor protection. The purpose of this standing committee is to achieve a co-ordinated approach to the regulatory and supervisory treatment of new or innovative financial activities through efficient coordination on policy-making in regard to financial innovation within ESMA. On the national level, the standing committee assesses domestic issues and risks that may potentially arise, whilst being cautious about the extent of work undertaken when it seems possible that issues may be best addressed by a national authority. The standing committee may make recommendations for the coordination of national responses to any issues that arises in the field of financial innovation. The standing committee also contributes to the Joint Committee of European Supervisory Authorities' work on consumer-related financial innovation issues (through the joint sub-committee on Consumer Protection). The Standing Committee reviews the possibility that certain domestic issues of new financial products, as well as the risks inherent in them, may affect wider geographical areas, taking, nonetheless, care not to undertake work that can be better undertaken and carried out by each national supervisory authority. The SC can also submit proposals regarding the coordination of national responses on any issue arising in the field of financial innovation. Finally, the Standing Committee also contributes to the Joint Committee of European Supervisory Authorities' work on financial activities, financial innovation and consumer-related issues (through the JC Sub-committee on Consumer Protection).

The Review Panel of ESMA

The mandate of the Review Panel of ESMA is to evaluate the practical implementation of European Legislation by ESMA members, and the transposition of ESMA standards into their national legislation. The Review Panel operates on the basis of the provisions of the Review Panel Protocol and follows a specific methodology. The Review Panel evaluates convergence in the implementation of European stock market legislation, through mapping exercises, peer reviews and self-assessments, monitoring both the implementation of supervision standards and the promotion of best practice. Its aim is to contribute to supervisory convergence through the consistent and timely implementation of Community legislation in the Member States, and the identification of areas of regulation and supervision wherever there is room for further convergence. The Review Panel assesses the overall process of European law implementation, provides common solutions and expresses views on specific problems in the implementation process encountered by individual Competent Authorities. The Review Panel monitors supervision through assessment and self-assessment reports, based on commonly agreed benchmarks. The Review Panel exercises pressure through peer reviews which are carried out by fellow national authorities in regard to the implementation of European regulations. In certain circumstances, the Review Panel may carry out "selective peer reviews", focused on specific issues or on a limited number of countries. The findings of the Review Panel are made public and communicated to the European Commission, market participants, and the wider public.

In April 2012, ESMA published a report, prepared by the Review Panel, on the use of administrative and criminal sanctions by European Union (EU) national regulators under the Market Abuse Directive (MAD). The report includes a comparison of the use of administrative sanctioning powers across 29 European Economic

Area Member States for the period 2008-2010. The results of the report provide input to the legislative process on the new market abuse regime.

The Market Abuse Directive aims at combating cross-border market abuse across the EU, by establishing a common approach amongst Member States, which will support clean, fair and orderly markets, and maintain investor confidence in their integrity. This work supports ESMA's work on achieving consistent regulatory practices throughout the European Union. The report compared Member States market abuse regimes across a number of categories of issues, such as the type of sanctioning powers available to competent authorities (CAs), as well as against whom and for which offenses they were applicable, the personnel allocated by CAs to this issue and the actual use of sanctioning powers available – administrative and criminal sanctions, settlement and publication.

In May 2012, ESMA published a report, prepared by its Review Panel, titled "Prospectus Directive – Good Practices in the approval process" and including the findings of national supervisory authorities competent authorities (CA) on the application of regulatory good practice. The review was conducted using good practice criteria that ESMA specified on selected areas of the Prospectus Directive. Prospectuses provide investors with easy-to-understand and relevant information on financial instruments. Peer review reports on national regulators' procedures contribute to ESMA's objective of promoting supervisory convergence and achieving a level playing field between jurisdictions. Overall, ESMA found a high level of compliance with its five good practices, which focus on: the consistency of comments across prospectuses; the application of the "four eyes principle"; the provision of comprehensible information; the consistency as well as the structure of a prospectus. From the 29 EEA competent authorities (CA) that were reviewed, 25 fully applied the practices, with the remaining 4 at least partially applying them.

Finally, a peer review of the regulatory practices implemented under the Market Abuse Directive is underway, along with a mapping exercise that will be accompanied by a peer review on conduct-based regulatory practice under the MiFID.

ESMA working groups

1. Committee for Economic and Markets Analysis (CEMA)

The Committee for Economic and Markets Analysis is an ESMA Standing Committee responsible for covering two areas: (a) financial markets monitoring and analysis: CEMA provides pro-active identification, monitoring, and assessment from a micro-prudential level of trends, potential risks and vulnerabilities in financial markets across borders and sectors, including a thorough focus on financial innovations, and incentives related to market practices both at the wholesale and retail level; and (b) impact assessment: The committee contributes to better regulation by actively supporting ESMA's commitment to Impact Assessments of existing and planned/proposed regulation and supervisory practice (ex ante and ex post Impact Assessments).

Especially in regard to achieving the target of financial stability, it is important to identify, at an early stage, the trends, potential risks and vulnerabilities that arise at a micro-prudential level, across borders and sectors. In cooperation with the European Systemic Risk Board (ESRB), ESMA is proposing and coordinating stress tests for the whole of Europe, in order to assess the ability of financial market participants to withstand adverse developments in the market and ensure that the most consistent possible methodology is implemented on the national level while conducting such tests. In order to better perform its duties, ESMA will conducts economic analyses of both the markets and potential market developments. On this basis, each year ESMA publishes two reports on the risks, trends and vulnerabilities of financial markets.

2. IT Management and Governance Group

ESMA's IT Management and Governance Group is responsible for handling IT-related issues. The group is supervising special projects that the ESMA undertakes in collaboration with the national regulators. It comprises ESMA representatives who have experience, knowledge and expertise in IT project management and financial market-related issues. The group's main objectives are to manage ESMA's pan-European IT projects and to provide the ESMA and the national authorities with IT services that help national regulators fulfil their obligations and prepare reports on IT issues of relevance to EU institutions. It also consults and advices the ESMA on IT-related issues.

3. Takeover Bids Network

Since March 2007, representatives of CESR members, specialized on takeover bid issues, started discussing practical matters that have risen from the implementation of Directive 2004/25/EC on Takeover bids. Therefore, the CESR set up a network of competent authorities that deal with takeover bids, which was later adopted by the ESMA, to discuss views, experiences and future developments. The Takeover Bids Directive covers two diverse areas: corporate law issues and securities or regulated markets law issues. Since the authorities that compose the network do not, in general, jurisdiction in corporate law issues, the object of the network is limited to securities or regulated market related issues, with the main aim of exchanging information and expertise.

4. Securities and Markets Stakeholder Group

The ESMA consultation policy is a standing ESMA commitment. To this end, ESMA has also formed a high-ranking consultation group (Securities and Markets Stakeholder Group), which comprises 30 members from various fields, of whom 5 represent retail investors and 5 are academics. This group advises ESMA on actions related to regulatory technical standards and the methods for implementing them.

The HCMC and IOSCO

The International Organization of Securities Commissions (IOSCO), which is based in Madrid, is the main forum of international cooperation among capital market regulators and is recognized as the international agency responsible for the establishment of security market standards. For the time being, IOSCO has 201 members (115 regular members) from more than 100 countries. The 37th Annual Conference of IOSCO was held in Beijing, in 2012. During the Conference, IOSCO carried on with its work on promoting regulatory reform. The Conference also marked important changes to IOSCO's structure, intended to streamline its organization and decision-making process, and bring about greater effectiveness and inclusiveness.

The Multilateral Memorandum of Understanding

IOSCO's multilateral memorandum of understanding establishes a new criterion for assessing critical co-operation for dealing with capital market law violations. IOSCO members are committed to adopt adequate and effective information exchange measure, in order to combat the illegal use of securities and derivatives markets. Prior to signing IOSCO's Multilateral Memorandum of Understanding, the candidates must be submitted to a strict assessment process, designed to demonstrate their ability to co-operate on the basis of the memorandum's terms. A monitoring group, comprising representatives of all signatories of the memorandum of understanding, has been formed in order to monitor compliance of the memorandum's signatories with the terms of the memorandum. The HCMC is one of the first counterparties to the Memorandum, having signed the MMU on October 9th, 2002.

IOSCO's MOU, which was adopted in 2002, provides for improved enforcement-related cooperation and the exchange of information among regulators. IOSCO's Regional Committees, assisted by its General Secretariat, have worked alongside jurisdictions in their regions to encourage the necessary actions for joining IOSCO's MMOU. During an official ceremony in 2012 in Beijing, four IOSCO members signed the Multilateral Memorandum of Understanding (the securities regulators of Labuan, Peru, Egypt and Mauritius), raising the total number of full members to 86. Together the participants cover 95% of the world's securities markets.

Related to these developments is the IOSCO MoU Assistance Program which helps members throughout the application process. The Program, which is coordinated by the General Secretariat of IOSCO, provides experienced professionals that will work together with members seeking technical assistance, in order to help them comply with the necessary international regulatory standards. Many members have benefited from this assistance, which is still available for those remaining members that may be facing difficulties in preparing their MMOU applications.

New Initiatives

IOSCO's initiative to work together with under-regulated or uncooperative jurisdictions continues to be a priority. Great progress has been made with certain uncooperative jurisdictions, some of which have now become fully compatible or are in the process of becoming compatible, in accordance with the provisions of IOSCO's MMOU. The cooperation initiative helped these jurisdictions make actual improvements to the level of cooperation that they can offer to their international partners regarding the information designed for cross-border enforcement. This means that there are fewer jurisdictions with international standards that are inferior to those required by IOSCO's MMOU.

The work of IOSCO includes (a) the Emerging Market Committee's working group on Disclosure and Accounting, in regard to the Terms of Reference for an IFRS Portal for the Emerging Markets Committee; (b) the Emerging Market Committee's working group on Investment Management, in regard to the Mandate on Growth and Regulation for Institutional Investors in Emerging markets; (c) the Emerging Market Committee's working group on the Financial Crisis in regard to the approval of the 4th Annual Survey of the Working Group of the Chairman of the Emerging Markets Committee.

Technical Committees

The Technical Committee of IOSCO continues to work through working groups supporting its main purposes, i.e. promoting investor confidence in securities markets, ensuring that markets are fair, efficient and transparent, and supporting financial stability by mitigating systemic risk. The discussions focused on a series of ongoing projects that respond to wide-ranging initiatives on international regulatory reform and financial stability identified by the G20 and the Financial Stability Board.

The members also confirmed their continued interest in addressing the G20 and Financial Stability Board agenda. The Technical Committee Chairman noted the critical importance of IOSCO's continued high-quality and timely contribution to the ongoing global efforts in regulatory reform as an independent standard-setting body responsible for securities and derivatives markets, where rapid and dynamic change requires heightened regulatory vigilance.

During the Annual Conference of the Organization that was held in Beijing, the Technical Committee approved a report prepared by the OTC Derivatives Task Force on Derivatives Market Intermediary Oversight and noted *progress on reports to be made to the G20 meetings in Mexico on Price Reporting Agencies, CDS markets and market integrity.*

The Technical Committee also approved reports intended to support members in investigation and enforcement activity. Reports on Best Practices on the use of Digital Evidence in Cross-Border Investigations and Key Elements in the Assessment of an Effective Enforcement Programme were also approved.

The meeting also approved for publication a Consultation Report on CRA Internal Controls as a Means to Ensure the Integrity of the Ratings Process and Management of Conflicts of Interest.

During its meeting, the Emerging Markets Committee approved the publication of the report on the "Development and Regulation of Institutional Investors in the Emerging Markets" and endorsed the "Technical Note on Day Trading in Emerging Markets" for internal publication.

IOSCO continues to recognize the importance of ensuring the full and consistent implementation of its Principles and Standards across its membership and sharing best practice approaches to implementation. The Assessment Committee that was established in February is intended to support these outcomes through the conduct of Thematic and Country Reviews of the implementation of IOSCO Principles and Standards.

The Executive Committee noted earlier work in establishing processes and developing a forward work plan. The first reviews are expected to cover the implementation of Principles related to systemic risk.

New Members and Annual Conference

IOSCO announced the admission of the following new associate members: Financial Market Authority, Lichtenstein (ordinary member), Group of North American Insurance Enterprises, GNAIE (affiliate member), Securities Association of China, SAC (affiliate member).

Its next annual conference will be held in Beijing from May 13-17, 2012. The Executive Committee has chosen Luxembourg as the venue for the 2013 Annual Conference and Rio de Janeiro for the 2014 Annual Conference.

IOSCO's Regional Committees

Three of the four IOSCO regional committees elected existing Chairs to continue in their roles: the Africa/Middle East Regional Committee is chaired by the Securities and Exchange Commission (SEC) of Nigeria; the Asia-Pacific Regional Committee was chaired by the Securities and Exchange Board of India (SEBI) (to May 2013) and then the Hong Kong Securities and Futures Commission (SFC); and the European Regional Committee is chaired by the Comissão do Mercado de Valores Mobiliários (CMVM) of Portugal. The Inter-American Regional Committee is chaired by the Superintendencia de Valores y Seguros (SVS) of Chile.

PART FIVE

APPENDICES

APPENDIX 1. HCMC RULES AND REGULATIONS

No. Of Rule / Gazette	Title	Summary
1/608/26.1.2012 (Gazette B 69/27.1.2012)	*Amendment of HCMC Rule 14/593/8.8.2011 (Gazette B 1800/9.8.2011)*	*The prohibition of short-selling is extended till July 25, 2012.*
7/609/9.2.2012 (Gazette B 590/5.3.2012)	*Amendment of HCMC Rules 1/459/27.12.2007 and 2/459/27.12.2007*	*Concerns the amendment of the rules for the calculation of the capital adequacy requirements of investment firms and the specification of Own Funds of Investment Firms domiciled in Greece.*
18/609/9.2.2012 (Gazette B 466/24.2.2012)	*Approval of the training program for individuals involved in the distribution of mutual fund units*	*Approves the syllabus for the training of persons involved in the distribution of mutual funds units*
22/611/28.2.2012 (Gazette B 618/6.3.2012)	*22/611/28.2.2012 (Gazette B 618/6.3.2012) amendment of the Regulation for the Clearing of Transactions in Book-Entry Securities*	*Approves the amendments to the "Regulation for the Clearing of Transactions in Book-Entry Securities" as laid out in the minutes to meeting No. 69 of the Board of the "ATHEX Clearing House SA" of 13.2.2012 (Subject 2).*
21/611/28.2.2012 (Gazette B 618/6.3.2012)	*21/611/28.2.2012 (Gazette B 618/6.3.2012) amendment of the Regulation for the Clearing and Settlement of Transactions on Derivatives*	*Approves the amendments to the "Regulation for the Clearing and Settlement of Transactions on Derivatives" as laid out in the minutes to meeting No. 69 of the Board of the "ATHEX Clearing House SA" of 13.2.2012 (Subject 2).*
20/611/28.2.2012 (Gazette B 618/6.3.2012)	*Amendment of HCMC Rule 3/304/10.6.2004 (Gazette B 901/16.6.2004) "Rulebook of the Dematerialized Securities System", as currently in force.*	*Concerns the amendment of HCMC Rule 3/304/10.6.2004 (Gazette B 901/16.6.2004) "Rulebook of the Dematerialized Securities System", in accordance with Protocol No. 688/22.2.2012 letter from Hellenic Exchanges SA.*
18/620/28.2.2012 (Gazette B 2184/24.7.2012)	*Extension of the deadline for the submission to the HCMC of the 2012 external auditors report concerning the scope of HCMC Rule 1/506/8.4.2009, which evaluates the adequacy and effectiveness of procedures for the Prevention of Money Laundering and Terrorist Financing*	*Approves the extension of the deadline provided for by para. 1, article 9 of HCMC Rule 1/506/8.4.2009, within which the external auditors of the companies falling under the scope of the aforementioned Rule submit every three years a report, which evaluates the adequacy and effectiveness of procedures for the Prevention of Money Laundering and Terrorist Financing, until July 31, 2012.*
2/621/12.7.2012 (Gazette B 2244/2.8.2012)	*Increase of the investment limit of paragraph 1 of article 24 of Law 3283/2004, regarding the mutual funds that reproduce the composition of the ATHEX Composite Index.*	*Approves the increase of the investment limit of paragraph 1 of article 24 of Law 3283/2004 regarding the mutual funds that reproduce the composition of the ATHEX Composite Index.*
1/623/24.7.2012 (Gazette B 2273/6.8.2012)	*Amendment of HCMC Rule 14/593/8.8.2011 (Gazette B 1800/9.8.2011)*	*The prohibition of short-selling is extended till October 31, 2012.*
1/629/25.10.2012 (Gazette B 2927/1.11.2012)	*Amendment of HCMC Rule 14/593/8.8.2011 (Gazette B 1800/9.8.2011)*	*The prohibition of short-selling is extended till Monday, December 31, 2012.*

13/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Approval of the amendment to the Regulation For The Clearing of Transactions on Derivatives.*	*Approves the amendment to the “Regulation for the Clearing and Settlement of Transactions on Derivatives” as laid out in the minutes to meeting No. 77 of the Board of the “ATHEX Clearing House SA” of 24.9.2012 (Subject 2).*
9/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Suspension of the redemption of mutual fund shares*	*Concerns December 24st 2012*
14/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Approval of amendment to the Rulebook of the ATHEX*	*Approves the amendments to the Rulebook of the ATHEX, as decided at meeting No. 17 of the Board of Directors of the ATHEX, on 29.11.2012.*
15/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Organizational requirements for the operation of investment firms, conflict of interest, code of conduct, risk management and content of the agreement between the depositary and the management company*	*Approves the transposition of the provisions of Directive 2010/43/EC of the Commission of July 1, 2010, which sets detailed rules regarding the administrative and accounting procedures and the other mechanisms, as well as the structure and organization required for mitigating the risk of loss from conflicts of interest that MFMFs must have in place, in order to get authorized by the HCMC*
16/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Mergers of UCITS – Structure of master and feeder UCITS - Notification of cross-border marketing of UCITS*	*Approves the transposition of the provisions of Directive 2010/44/EC of July 1st, 2010, which sets detailed rules for mergers of UCITS, the structure of master and feeder UCITS and the procedure regarding the notification of cross-border marketing of UCITS.*
17/633/20.12.2012 (Gazette B 3417/ 21.12.2012)	*Prospectus, annual and half-yearly reports of UCITS*	*Approves the transposition of Schedules A and B of Annex I of Directive 2009/65/EC regarding the minimum information that must be contained in the prospectus, the annual and semi-annual reports of UCITS*

APPENDIX 2. PARTICIPATION IN INTERNATIONAL CONFERENCES AND MEETINGS, 2012

- *January 03, 2012, Brussels, Meeting of the expert group on the proposal for a Draft Regulation on Insider Trading and Market Manipulation.*
- *January 10, 2012, Brussels, Meeting of the expert group on the proposal for amending Regulation (EC) No. 1060/2009 on Credit Rating Agencies (CRAs).*
- *January 17, 2012, Paris, Meeting of the Crisis Management Group, ESMA.*
- *January 18, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament and of the Council and on a proposal for amending the Regulation on OTC derivatives, central counterparties and trade repositories.*
- *January 25, 2012, Paris, Meeting of ESMA's Standing Committee on Credit Rating Agencies.*
- *January 25, 2012, Brussels, Meeting of the expert group on the proposal for a Draft Regulation on Insider Trading and Market Manipulation.*
- *January 30 and 31, 2012, Maastricht, Seminar of the European Institute of Public Administration (EIPA) on public document drafting issues.*
- *January 31 to February 1, 2012, Paris, Meeting of the IT Management and Governance Group of ESMA.*
- *February 1 and 2, 2012, Paris, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *February 2 and 3, 2012, Paris, Meeting of the Post trading Standing Committee of ESMA.*
- *February 7 and 8, 2012, Paris, Meeting of the European Enforcers Coordination Sessions (EECS), a sub-working group of the Corporate Reporting Standing Committee.*
- *February 09, 2012, Brussels, Meeting of the expert group on the proposal for amending Regulation (EC) No. 1060/2009 on Credit Rating Agencies (CRAs).*
- *February 14 and 15, 2012, Paris, ESMA summit.*
- *February 15, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament.*
- *February 16 and 17, 2012, Frankfurt, Meeting of the Corporate Finance Standing Committee of ESMA.*
- *February 22, 2012, Brussels, Meeting of the expert group on the proposal for amending Regulation (EC) No. 1060/2009 on Credit Rating Agencies (CRAs).*
- *February 27, 2012, Brussels, Meeting of the expert group on the proposal for a Draft Regulation on Insider Trading and Market Manipulation.*
- *March 1, 2012, London, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *March 1 and 2, 2011, Paris, Meeting of the ESMA-Pol Standing Committee of ESMA;*
- *March 2, 2012, Paris, Meeting of the Committee for Economic and Markets Analysis (CEMA) of ESMA.*
- *March 06, 2012, Paris, Meeting of the Corporate Reporting Standing Committee of ESMA.*
- *March 07, 2012, Brussels, Meeting of the expert group on the proposal for amending Regulation (EC) No. 1060/2009 on Credit Rating Agencies (CRAs).*
- *March 07, 2012, Paris, Meeting of the Financial Innovation Standing Committee of ESMA.*
- *March 08, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament.*
- *March 12 and 13, 2012, Paris, Seminar on Corporate Governance, Joint Committee.*
- *March 15, 2012, Brussels, Meeting of the expert group for the amendment of Directive 109/2004 on the harmonization of transparency requirements.*
- *March 19, 2012, Brussels, Meeting of the Investor Protection Standing Committee of ESMA.*
- *March 20, 2012, Paris, ESMA Summit.*
- *March 21, 2012, Paris, Meeting of the ESMA Review Panel.*
- *March 27, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament.*
- *April 02, 2012, Paris, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *April 03, 2012, Brussels, Meeting of the expert group on the proposal for a Draft Regulation on Insider Trading and Market Manipulation;*
- *April 04, 2012, Paris, Meeting of the Post-Trading Standing Committee of ESMA.*
- *April 17, 2012, Paris, ESMA Summit.*

- *April 20, 2012, Paris, Meeting of the Corporate Governance Committee of the Organisation for Economic Co-operation and Development (OECD).*
- *April 20, 2012, London, Speech at the Hellenic Bankers Association (HBA UK).*
- *May 3, 2012, Paris, Meeting of the IT Management and Governance Group of ESMA.*
- *May 04, 2012, Paris, Meeting of the Post-Trading Standing Committee of ESMA.*
- *May 07, 2012, Paris, Meeting of the Investment Management Standing Committee of ESMA.*
- *May 14, 2012, Paris, Meeting of the task force of the Investor Protection and Intermediaries Standing Committee (IPISC) of ESMA.*
- *May 15, 2012, London, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *May 12 to 17, 2012, China, Annual Conference of IOSCO.*
- *May 25, 2012, Paris, Meeting of the Technical Committee of ESMA on CRAs.*
- *May 25, 2012, Paris, Meeting of the Corporate Finance Standing Committee of ESMA.*
- *May 26, 2012, Warsaw, Seminar on "Insider trading: definition and investigation techniques", ESMA.*
- *June 01, 2012, London, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *June 01, 2012, Paris, Meeting of the Investor Protection and Intermediaries Standing Committee of ESMA.*
- *June 01, 2012, Paris, Meeting of the Committee for Economic and Markets Analysis (CEMA) of ESMA.*
- *June 04, 2012, Paris, Meeting of the Investment Management Standing Committee of ESMA.*
- *June 05, 2012, Paris, Meeting of the European Enforcers Coordination Sessions (EECS), a sub-working group of the Corporate Reporting Standing Committee, & the Review Group on Sovereign Debt.*
- *June 05, 2012, Paris, Meeting of the ESMA-Pol Standing Committee.*
- *June 06, 2012, Paris, Meeting of the Corporate Reporting Standing Committee of ESMA.*
- *June 07, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament.*
- *June 19 and 20, 2012, Copenhagen, ESMA summit.*
- *June 26, 2012, Paris, Meeting of the Takeover Bids Network of ESMA.*
- *July 05, 2012, Paris, Meeting of the IT Management and Governance Group (ITMG) of ESMA.*
- *July 21, 2012, Paris, Meeting of the ESMA Review Panel.*
- *July 24, 2012, Brussels, Meeting of the expert group on a draft Directive on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament.*
- *September 7, 2012, Paris, Meeting of the Committee for Economic and Markets Analysis (CEMA) of ESMA.*
- *September 7, 2012, London, 7th Greek Business Conference.*
- *September 12, 2012, Paris, ESMA Summit.*
- *September 10 to 13, Paris, Meeting of the Screening Group and Committee 4 of IOSCO,*
- *September 13, 2012, Paris, Meeting of the Post-Trading Standing Committee of ESMA.*
- *September 17, 2012, Paris, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *September 24, 2012, Paris, ESMA Summit.*
- *September 25, 2012, Paris, Meeting of the European Regional Committee of IOSCO.*
- *October 26 and 27, 2012, Paris, Meeting of the ESMA-Pol Standing Committee of ESMA.*
- *October 22, 2012, Milan, Meeting of the Investment Management Standing Committee of ESMA.*
- *November 6, 2012, Cyprus, ESMA summit.*
- *November 08, 2012, Paris, Meeting of the Financial Innovation Standing Committee of ESMA.*
- *November 20, 2012, Paris, Meeting of the ESMA-Pol Standing Committee of ESMA.*
- *November 21, 2012, Paris, Meeting of the sub-working group of ESMA's Review Panel on Market Abuse.*
- *November 26, 2012, Paris, Meeting of the Secondary Markets Standing Committee of ESMA.*
- *November 28, 2012, Lisbon, Meeting of the Committee for Economic and Markets Analysis (CEMA) of ESMA.*
- *November 29, 2012, Paris, Meeting of the Post-Trading Standing Committee of ESMA.*
- *November 26 to 29, 2012, London, Annual International Seminar, organized by the UK Financial Services Authority.*
- *December 4, 2012, Paris, Meeting of the ESMA Review Panel.*
- *December 3, 2012, Rome, Meeting of the Investment Management Standing Committee of ESMA.*
- *December 10 to 12, Meeting of the Screening Group and Committee 4 of IOSCO.*
- *December 11, 2012, Paris, Meeting of the Corporate Reporting Standing Committee of ESMA.*
- *December 12 and 13, 2012, Paris, ESMA's Investor Day, ESMA.*
- *December 18, 2012, ESMA Summit.*

TABLE I. International Stock Market Indices, 2012

Stock Exchange	Indicators							No. of listed companies
	Stock Exchange Indices		Market Capitalization		Value of Transactions1		Tradability[2]	
	Closing price.	Annualized Change (%)	Value (US$ billion)	Y-o-y % change	Value (US$ billion)	Annualized Change (%)	(%)	
London	5,898	10.5%	3,396.51	3.98%	2,194.26	-22.7%	64.6%	2,767
Germany	7,612.39	29.1%	1,486.32	25.48%	1,275.95	-27.4%	85.85%	747
NYSE Euronext[3]			2,832.19	15.75%	1,576.12	-26.1%	55.65%	1,073
Paris	3,641.07	15.2%	-		-			-
Switzerland	6,822.44	14.9%	1,233.44	13.21%	585.20	-34%	47.44%	268
Amsterdam	342.71	9.7%	-		-			-
Italy	16,273	7.8%	-		-			-
Madrid[4]	824.7	-3.8%	995.09	-3.48%	851.83	-30.6%	30.08%	3,200
Stockholm[5]	343.94	12%	995.72	18.24%	586.97	-29.1%	58.95%	751
Brussels	2,475.81	18.8%	-		-			-
Athens	907.9	33.4%	44.88	32.85%	15.95	-41.6%	35.54%	265
Vienna	2,401.21	26.9%	106,036.78	24.35%	23.41	-44.7%	22.07%	99
NYSE-Euronext	8,443.51	12.9%	14,085.95	19.42%	13,442.72	-25.4%	95.43%	2,339
NASDAQ OMX	3,019.51	15.9%	4,582.39	19.17%	9,784.20	-23.1%	213.52%	2,577
Tokyo	10,395.18	22.9%	3,478.83	4.61%	3,463.1	-12.8%	99.55%	2,304
Hong-Kong	22,656.92	22.9%	2,831.956	25.42%	1,106.07	-23.4%	39.06%	1,547

Source: World Federation of Exchanges, Financial Times (December 31/January 1 2013).

Notes:

1 *Because of differences in the presentation and estimation of transaction value, the figures are not totally comparable.*

2 *Value of trading in shares / market capitalization.*

3 *Includes data from Amsterdam, Brussels, Lisbon and Paris.*

4 *Includes data from the stock exchanges of Madrid, Barcelona, Bilbao, and Valencia.*

5 *Includes data from the stock exchanges of Stockholm, Copenhagen, Helsinki, Iceland, Tallinn, Riga, and Vilnius (NASDAQ OMX Nordic).*

TABLE II. Market Share, Number and Total Assets of Mutual Funds, by Mutual Fund Management Firm, 2010-2012

MFMF	31.12.2012				31.12.2011				31.12.2010			
	Number of M/F	Assets (€ mil.)	Market share	Change in Share	Number of M/F	Assets (€ mil.)	Market share	Change in Share	Number of M/F	Assets (€ mil.)	Market share	Change in Share
METLIFE ALICO	23	181.99	3.06%	-1.14	19	216.16	4.13%	0.54	21	287.35	3.58%	0.42
ALLIANZ	7	68.54	1.15%	0.01	7	59.59	1.14%	-0.14	7	102.39	1.28%	0.02
ALPHA ASSET MAN	23	893.79	15.03%	-0.56	27	815.05	15.59%	-0.95	27	1,326.5	16.55%	0.29
ALPHA TRUST	12	141.68	2.38%	0.32	12	107.46	2.06%	0.18	12	150.56	1.88%	0.00
T FUNDS MFMC					4	26.38	0.50%	-0.02	4	41.37	0.52	0.02
ATTICA WEALTH	7	58.92	0.99%	-0.01	8	52.37	1.00%	0.18	8	65.84	0.82	0.02
EFG MFMF	90	1,662.8	27.96%	0.54	89	1,433.7	27.42%	3.32	75	1,931.7	24.10	-0.98
HSBC (HELLAS)	8	90.83	1.53%	-0.85	8	124.59	2.38%	-1.71	9	328.17	4.09%	-0.74
ING-MFMF	3	64.72	1.09%	0.02	3	56.17	1.07%	-0.15	5	97.53	1.22%	0.00
INTERNATIONAL	4	17.36	0.29%	-0.04	6	17.49	0.33%	-0.06	6	30.99	0.39%	-0.03
MARFIN GLOBAL	11	224.87	3.78%	0.70	14	161.12	3.08%	0.15	11	235.17	2.93%	-2.94
MILLENNIUM	9	48.95	0.82%	-0.01	9	43.63	0.83%	-0.21	9	83.43	1.04%	-0.04
PROBANK MFMF	4	152.65	2.57%	0.78	4	93.53	1.79%	-1.26	4	244.63	3.05%	2.80
PROTON MFMF					4	3,678.1	0.07%	-0.06	4	10.05	0.13%	-0.01
INSUR. ORG.	2	599.72	10.08%	0.60	2	495.64	9.48%	-0.74	2	1,066.4	10.22%	0.23
ATE MFMF	11	147.10	2.47%	-0.17	11	138.07	2.64%	0.16	11	198.51	2.48%	0.19
ETHNIKI ASSET MG	27	1025.21	17.24%	-0.20	40	912.20	17.44%	0.16	44	1,384.7	17.27%	-0.50
AMUNDI MFMC	3	88.19	1.48%	-0.30	4	93.18	1.78%	-0.74	4	201.95	2.52%	-0.55
EVROPAIKI PISTI	10	40.33	0.68%	-0.01	10	35.86	0.69	0.13	10	44.55	0.56%	0.08
CYPRUS ASSET MGT	7	26.85	0.45%	-0.09	9	27.99	0.54%	-0.20	10	59.21	0.74%	-0.08
PIRAEUS ASSET M,	13	93.66	1.57%	0.04	13	79.83	1.53%	0.23	13	103.79	1.29%	-0.37
PSB GREEK POST	9	319.57	5.37%	0.36	7	235.35	4.50%	1.16	7	267.74	3.34%	2.19
TOTAL	283	5,947.8			310	5,229.1			303	8,015.6		

Source: Hellenic Fund & Asset Management Association.

TABLE III. Net assets of Mutual Fund Management Firms per MF classification, 31.12.2012

MFMF	Money market			Bond	Balanced	Equity	Funds of Funds	Index	Specialist
	Short-term	Money Market	Total						
ALLIANZ MFMF	-	6.32%	6.32%	17.67%	48.91%	27.11%	-	-	-
ALPHA AM MFMF	-	13.66%	13.66%	20.95%	9.10%	30.67%	14.12%	1.99%	9.50%
ALPHA TRUST MFMF	3.45%	-	3.45%	13.38%	15.36%	62.86%	4.95%	-	-
AMUNDI MFMC	-	12.23%	12.23%	28.94%	-	58.83%	-	-	-
ATTICA WEALTH MANAGEMENT MFMF	-	2.52%	2.52%	41.73%	37.91%	14.92%	2.92%	-	-
EUROBANK EFG ASSET MANAGEMENT MFMC	8.76%	7.42%	16.18%	11.80%	1.48%	17.36%	11.09%	-	42.09%
HSBC (HELLAS)	16.01%	-	16.01%	9.68%	10.32%	63.99%	-	-	-
ING-MFMF	7.59%	-	7.59%	-	12.00%	80.41%	-	-	-
INT'L MFMF	-	7.73%	7.73%	24.03%	22.43%	45.81%	-	-	-
MARFIN G.A.M. MFMF	-	65.03%	65.03%	2.43%		17.27%	15.27%	-	-
MILLENNIUM MFMF	-	4.58%	4.58%	4.48%	-	64.26%	26.69%	-	-
METLIFE ALICO MFMF	-	7.51%	7.51%	42.58%	13.23%	21.00%	6.90%	8.77%	-
PROBANK MFMF	-	89.74%	89.74%	5.06%	0.50%	4.71%	-	-	-
SOCIAL SEC. FUNDS MFMF	-	-	-	27.55%	72.45%	-	-	-	-
ATE MFMF	2.49%	-	2.49%	18.72%	38.52%	37.05%	3.22%	-	-
NATIONAL MFMF	-	2.05%	2.05%	43.87%	12.18%	21.87%	10.89%	0.59%	8.55%
EVROP. PISTI	-	-	-	48.20%	5.05%	46.75%	-	-	-
CYPRUS MFMF	-	4.46%	4.46%	22.52%	13.80%	54.15%	5.07%	-	-
PIRAEUS ASSET M	34.64%	5.52%	40.16%	21.52%	6.73%	23.21%	8.39%	-	-
PSB HELLENIC POST	-	83.00%	83.00%	10.83%	4.29%	1.88%	-	-	-
MARKET SHARES	3.47%	14,382%	17.84%	21.74%	14.65%	21.93%	8.49%	0.67%	14.67%

Source: Hellenic Fund & Asset Management Association.

TABLE IV. Mutual Fund Returns, 2006-2011 (previous classification)

M/F Classification				***Annual return***					***Annual return****	
	2011	*2010*	*2009*	*2008*	*2007*	*2006*	*2009*	*2008*	*2007*	*2006*
BOND										
Domestic	_	*-17.44%*	*3.70%*	*-1.68%*	*1.58%*	*0.89%*	*3.66%*	*-1.68%*	*1.58%*	*0.57%*
Foreign	_	*-0.42%*	*6.08%*	*-5.34%*	*-1.61%*	*4.05%*	*6.58%*	*-7.09%*	*-1.93%*	*-0.90%*
MONEY MARKET										
Domestic	_	*1.74%*	*2.44%*	*2.62%*	*2.87%*	*1.12%*	*2.55%*	*2.6%*	*2.87%*	*1.92%*
Foreign		*5.57%*	*-0.37%*	*4.02%*	*1.06%*	*4.55%*	*-0.37%*	*4.43%*	*1.06%*	*0.47%*
EQUITY										
Domestic	_	*-30.08%*	*21.31%*	*-55.56%*	*15.36%*	*29.21%*	*21.64%*	*-57.81%*	*15.76%*	*26.55%*
Foreign	_	*8.95%*	*21.15%*	*-33.02%*	*3.44%*	*20.02%*	*22.06%*	*-37.17%*	*4.03%*	*11.14%*
BALANCED										
Domestic	_	*-22.13%*	*8.85%*	*-27.14%*	*7.48%*	*14.03%*	*9.66%*	*-28.83%*	*7.72%*	*11.19%*
Foreign	_	*1.69%*	*22.56%*	*-24.99%*	*1.20%*	*6.49%*	*24.61%*	*-25.35%*	*1.14%*	*4.25%*
FUNDS OF FUNDS										
Equity	*-9.28%*	*14.42%*	*35.08%*	*-44.82%*	*1.47%*	*7.05%*	*39.68%*	*-45.96%*	*1.47%*	*10.97%*
Balanced	*-7.64%*	*4.10%*	*10.87%*	*-19.42%*	*-0.26%*	*5.60%*	*11.59%*	*-20.30%*	*2.05%*	*6.11%*
Bond	*1.10%*	*1.64%*	*3.80%*	*-3.75%*	*-0.07%*	-	*3.80%*	*-3.75%*	*-0.07%*	-

Source: Hellenic Fund & Asset Management Association.
Note. Based on HCMC Rule 6/587/2.6.2011 the classification of mutual funds was amended and, therefore, returns are not anymore comparable.

Table V. Mutual Fund Returns, 2011-2012 (new classification)

M/F Classification	*Annual return*	
	2012	*2011*
EQUITY		
US Equity M/Fs	*6.60%*	*-0.63%*
Advanced Market Equity MFs	*9.23%*	*-6.83%*
Emerging Market Equity MFs	*22.46%*	*-20.54%*
Index Equity M/Fs	*32.52%*	*-51.42%*
International Equity M/Fs	*3.27%*	*-17.64%*
Greek Equity M/Fs	*43.41%*	*-44.92%*
Euro zone Equity M/Fs	*11.80%*	*-12.29%*
BOND		
International Bond M/Fs	*13.55%*	*-1.87%*
Greek Bond M/Fs	*55.07%*	*-38.42%*
Advanced Sovereign Bond MFs	*6.31%*	*0.44%*
Emerging Sovereign Bond MFs	*12.31%*	*-2.84%*
Investment Grade Sovereign Bond MFs	*8.99%*	*-2.15%*
High Yield Sovereign Bond MFs	*26.34%*	*-3.92%*
BALANCED		
Balanced Mutual Funds	*25.84%*	*-28.91%*
MONEY MARKET		
Short Term Money market	*1.29%*	*1.33%*
Money market	*3.70%*	*1.79%*
SPECIALIST FUNDS		
Absolute Return MFs	*11.21%*	*-4.06%*
Specialist MFs	*25.94%*	*-10.50%*
FUNDS OF FUNDS		
Equity	*9.24%*	*-9.28%*
Balanced	*11.31%*	*-7.64%*
Bond	*7.83%*	*1.10%*

Source: Hellenic Fund & Asset Management Association.

TABLE VI. Net Mutual Fund Assets and the General Index of the ASSE, 2010-2012

Month / Year	Total M/F Assets		Market Capitalization of ATHEX firms (€ million)	CSP Index / ATHEX	Return Change (%)
	Amount (€ mn)	Change (%)			
Dec-12	5,947.70	4.98%	33,766.07	907.90	12.20%
Nov-12	5,665.39	1.70%	30,104.51	809.14	0.97%
Oct-12	5,570.21	3.76%	29,951.11	801.32	8.41%
Sep-12	5,368.35	4.80%	27,665.54	739.12	14.26%
Aug-12	5,122.20	0.62%	24,561.67	646.82	8.04%
Jul-12	5,090.51	-1.83%	23,197.90	598.68	-2.04%
Jun-12	5,185.92	8.46%	24,148.05	611.16	16.31%
May-12	4,781.08	-7.03%	21,060.07	525.45	-24.90%
Apr-12	5,143.13	-1.55%	27,497.94	699.91	-3.98%
Mar-12	5,224.57	-2.37%	28,613.20	728.93	-1.97%
Feb-12	5,351.44	-0.65%	29,451.62	743.59	-6.58%
Jan-12	5,386.90	3.03%	31,541.43	796.02	16.98
Dec-11	5,228.40	-4.01%	26,802.38	680.42	-0.26%
Nov-11	5,446.74	-7.57%	26,469.43	682.21	-15.63%
Oct-11	5,892.76	-0.88%	30,400.80	808.58	1.27%
Sept-11	5,945.21	-9.35%	31,108.71	798.42	-12.83%
Aug-11	6,558.71	-6.74%	36,515.63	915.98	-23.93%
Jul-11	7,032.90	-1.19%	45,333.79	1204.15	-5.86%
Jun-11	7,118.06	-4.55%	48,618.23	1279.06	-2.32%
May-11	7,457.41	-3.99%	48,005.29	1309.46	-8.73%
Apr-11	7,767.86	-3.37%	54,387.32	1434.65	-6.55%
Mar-11	8,039.14	-2.73%	58,803.95	1535.19	-2.64%
Feb-11	8,265.61	0.25%	60,635.33	1576.86	-1.03%
Jan-11	8,244.61	2.85%	60,985.25	1593.30	12.68%
Dec-10	8,015.63	-1.76%	299,628.59	1,413.94	-0.40%
Nov-10	8,159.67	-3.14%	300,059.44	1,419.67	-8.26%
Oct-10	8,424.82	2.59%	305,158.86	1,547.43	5.19%
Sep-10	8,211.78	-0.74%	302,864.30	1,471.04	-5.42%
Aug-10	8,273.52	-2.35%	303,050.10	1,555.41	-7.53%
Jul-10	8,473.47	5.19%	309,682.32	1,681.98	8.46%
Jun-10	8,055.26	-6.07%	298,727.94	1,550.78	8.13%
May-10	8,576.23	-5.07%	313,637.87	1,434.22	-23.30%
Apr-10	9,035.01	-7.63%	335,126.31	1,869.99	-9.55%
Mar-10	9,781.98	0.86%	322,693.02	2,067.49	8.07%
Feb-10	9,697.72	-5.69%	317,340.46	1,913.16	-6.60%
Jan-10	10,283.00	-1.24%	273,947.48	2,048.32	-6.73%

Source: ATHEX, Hellenic Fund & Asset Management Association.

TABLE VII. The performance of Portfolio Investment Companies, 31.12.2012

Company	Share Price (€)	Book Value of Share (euros)	Premium / Discount (%)	Internal Rate of Return (euros)	Net Asset Value (€ million)
ALPHA TRUST ANDROMEDA PIC	19.78	24.27	-18.50%	77.67%	6,522,180.16
AEOLIAN INVESTMENT FUNDS SA	1.00	1.66	-39.76%	8.26%	18,555,530.35
TOTAL					25,077,710.51

Source: Hellenic Fund & Asset Management Association, HCMC.

TABLE VII. Net mutual fund assets in EU member-states, 9/30/2012

Member States	Total Assets (€ mn)		UCITS members net assets (€ mn)		Non-UCITS members net assets (€ mn)	
	30.09.2012	30.9.2011	30.09.2012	30.9.2011	30.09.2012	30.9.2011
Austria	145,898	139,182	78,055	75,788	67,843	63,394
Belgium	87,698	85,043	81,396	79,131	6,302	5,912
Bulgaria	233	228	231	226	2	2
Czech Republic	4,415	4,456	4,327	4,375	88	81
Denmark	158,366	131,695	76,394	62,373	81,972	69,322
Finland	63,722	54,107	54,511	46,969	9,211	7,138
France	1,473,679	1,383,895	1,113,679	1,080,382	360,000	303,513
Germany	1,244,907	1,104,292	242,877	221,914	1,002,030	882,378
Greece	6,007	7,075	4,243	5,140	1,764	1,935
Hungary	11,170	11,887	7,078	7,856	4,092	4,031
Ireland	1,199,950	970,574	940,967	754,903	258,983	215,671
Italy	189,013	204,589	136,293	149,371	52,720	55,218
Lichtenstein	29,514	30,188	25,313	25,769	4,201	4,419
Luxembourg	2,314,448	2,032,077	1,941,223	1,704,978	373,225	327,099
Malta	10,405	0	2,322	0	8,083	0
Netherlands	65,497	70,352	54,628	58,591	10,869	11,761
Norway	72,749	59,614	72,614	59,614	135	0
Poland	32,906	24,181	17,613	15,197	15,293	8,984
Portugal	23,011	22,309	5,724	6,565	17,287	15,744
Romania	3,246	3,417	1,869	1,871	1,377	1,546
Slovakia	3,543	3,358	2,393	3,011	1,150	347
Slovenia	1,841	1,752	1,841	1,752	0	0
Spain	151,284	159,704	145,909	152,792	5,375	6,912
Sweden	168,819	137,927	164,844	134,790	3,975	3,137
Switzerland	307,931	262,072	240,142	205,222	67,789	56,850
Turkey	22,237	18,216	12,274	11,569	9,963	6,647
Un. Kingdom	948,203	744,740	744,852	602,269	203,351	152,471

Source: E.F.A.M.A.

TABLE IX. Structure of mutual fund assets in EU member-states, 2011-12

Type of M/F	*30.9.2012*		*30.6.2012*		*31.12.2011*	
	Total Assets (€ billion)	*% of Total (%)*	*Total Assets (€ billion)*	*% of Total (%)*	*Total Assets (€ billion)*	*% of Total (%)*
Equity	*2,034*	*33%*	*1,927*	*32%*	*1,853*	*33%*
Balanced	*970*	*16%*	*928*	*16%*	*905*	*16%*
Funds of funds[1]	*62*	*1%*	*60*	*1%*	*56*	*1%*
Bond funds	*1777*	*29%*	*1,682*	*28%*	*1,511*	*27%*
Money Market	*1,054*	*17%*	*1,081*	*18%*	*1054*	*19%*
Other	*277*	*4%*	*273*	*5%*	*256*	*5%*
Total	*6,174*	*100%*	*5,951*	*100%*	*5,634*	*100%*

Source: E.F.A.M.A.

Note: 1. Excluding Funds of Funds in France, Luxembourg, Italy and Germany, which are included in other MF categories.

TABLE X. Share Capital Increases in the ASE, 2012

No	Company	Trading category	Date of approval by HCMC	Right Coupon Cut-off Date	SCI Period	Initial Trading Day for new shares	Funds raised (euros)	Initial Share Price (€)	Number of shares	Beneficiaries	Adviser
1	*Olympic Catering*(1)	*Large Capitalization*	*27/4/2012*	*3/5/2012*	*9/5/2012 – 23/5/2012*	*30/5/2012*	*17,393,750.0*	*1.25*	*13,915,000*	*20N – 1E*	
2	*Teletypos SA*(2)	*Probation*	*12/7/2012*	*17/7/2012*	*23/7 -6/8/2012*	*20/8/2012*	*10,079,300.0*	*0.80*	*12,599,125*	*1N - 3E*	
3	*Unibios SA Holding*(3)	*Main market*	*14/11/2012 & 11/2/2013*	*3/12/2012*	*7/12/2012-7/1/2013*	*28/3/2013*	*1,635,066.30*	*0.30*	*5,450,221*	*1N - 1E*	
4	*Wool Industry Tria Alfa*(4)	*To be de-listed*	*28/11/2012 & 14/12/2012*	*11/12/2012*	*20/12/2012-7/1/2013*	*28/3/2013*	*1,134,830.0*	*2.83*	*401,000*	*13N-10E*	
5	*Hellenic Cables SA*(5)	*Main market*	*NA*	*NA*	*7/9/2011 - 7/2/2012*	*7/3/2012*	*9,593,921.0*	*39.4 & 6.38*	*2,320,000*	*Abolition of pr. right in favour of 8 banks*	
Total funds raised							*€39,836,867.3*				

Notes:

1. *The share capital increase through payment in cash and by way of pre-emptive rights in favour of the company's existing shareholders was initially subscribed by 74.74% by shareholders who exercised their pre-emptive right paying €12,999,250, which corresponds to 10,399,400 new common registered shares. Pursuant to the resolution of the company's BoD, reached on 23.5.2012, the remaining 3,515,600 new shares were used to cover subscription applications. As a result of the above, the share capital increase was 100% subscribed, raising a total of €17,393,750 through the issuance of 13,915,000 new common registered shares.*
2. *The share capital increase through payment in cash and by way of pre-emptive rights in favour of the company's existing shareholders was initially subscribed by 86.25% by shareholders who exercised their pre-emptive right paying €8,733,691.2 which corresponds to 10,917,114 new common registered shares. Pursuant to the resolution of the company's BoD, reached on 20.8.2012, the remaining 1,682,011 new shares were used to cover subscription applications. As a result of the above, the share capital increase was 100% subscribed, raising a total of €10,079,300.00 through the issuance of 12,599,125 new common registered shares.*
3. *The share capital increase through payment in cash and by way of pre-emptive rights in favour of the company's existing shareholders was initially subscribed by 19.11% by shareholders who exercised their pre-emptive right paying €528,245.90 which corresponds to 1,760,830 new common registered shares. Pursuant to the resolution of the company's BoD, reached on 28.2.2012, the remaining 3,689,391 new shares were used to cover subscription applications. As a result of the above, the share capital increase was 59.39% subscribed, raising a total of €1,635,066.30 through the issuance of 5,450,221 new common registered shares.*
4. *The share capital increase through payment in cash with pre-emptive rights in favour of existing shareholders was initially subscribed as follows: pre-emptive rights, corresponding to 376,331 new common registered voting shares, were exercised, raising €1,065,016.73 (47.46% of the total SCI). Afterward, 3.11% was covered through the exercise of oversubscription rights, more specifically through the exercise of oversubscription rights corresponding to 24,657 new common registered voting shares, raising €69,779.31. Moreover, following the exercise of the aforementioned pre-emptive and oversubscription rights, 392,012 shares remained unsold, i.e. 49.43% of the initial amount of the company's share capital increase. The Board of Directors of the Company, at the meeting that was held on 16.1.2013, distributed 12 new, common, registered voting shares, from those unsold, to each existing shareholder. Following the above, the Company's share capital increased by 1,134,830.00 euros, i.e. the SCI was subscribed by 50.57% through the issuance of 401,000 new, common, registered voting shares, at a par value of 2.83 euros each, and the payment of 1,134,830.00 euros.*
5. *The company's share capital increase was carried out through the elimination of the right in favour of existing shareholders by capitalizing the obligations of creditor banks. The total capital contributed amounted to € 9,593,921.*

TABLE XI. Public offering of securities without listing in the ASE, 2012

No.	Company	Date Of approval by HCMC	SCI Period	Funds Raised (€)	Number of shares	Share Price (€)	Beneficiaries	Inv. Firm Advisor / Underwriter
1	*Coop. Bank of Epirus(*[1]*)*	*19/1/2012*	*24/1/2012 – 30/4/2012*	*5,452,348.23*	*74,998*	*70.00 & 73.00*		
2	*Probank SA*[2]	*19/1/2012 & 12/6/2012*	*24/1/2012-21/5/2012*	*€59,246,992.0*	*74,058,740*	*0.8*	*1.0878099 N: 1 E*	*PIRAEUS BANK*
3	*SUPPORTERS CLUB* [3]	*11/5/2012*	*14/5/2012 – 5/7/2012*	*€82,630.0*	*8,263*	*10*		
4	*PAO FC*[4]	*30/8/2012*	*2/9/2012 - 30/9/2012*	*€2,498,859.3*	*8,329,531*	*0.30*		*BETA SA*
Total funds raised				*€64,781,967.23*				

Notes:

1. *The increase of the Bank's cooperative capital through payment in cash in favour of existing and new members on a priority basis was subscribed by 57.30% (42,796 cooperative shares) by existing members and by 42.70% (31,849 cooperative shares) by new members. Thus, the increase was subscribed by 99.58%, i.e. 74,998 cooperative shares were sold, of a total value of €5,452,348.23, while 2 cooperative shares from the initial provision of 75,000 remained unsold.*
2. *The final subscription ratio stood at 55.54% and the final amount raised stood at €59,246,992. The exercise of the pre-emptive rights by the existing shareholders led to the subscription of the share capital increase by 15.71% through the payment of a total of €16,758,919.2, which corresponds to 20,948,649 new common registered voting shares, while 112,384,684 shares remained unsold. In addition, the holders of pre-emptive rights submitted subscription applications for the purchase of additional shares to those they were entitled to due to their pre-emptive right. The subscription process generated demand for 18,819,699 shares, which accounted for 14.11% of the total share capital increase. Pursuant to the resolution reached by the BoD of the Bank on 3.07.2012 the aforementioned 112,384,684 unsold shares were allocated according to its judgment to existing and new shareholders that expressed interest to participate and paid the respective amounts, at a price of €0.80 per share. The subscription ratio from the unsold shares stood at 39.83%, i.e. 53,110,091 shares. The total participation of the Bank's existing shareholders through the exercise of pre-emptive rights and the acquisition of unsold shares rose to 29.83% of the projected revenues from the increase, while the remainder was sold to 2,633 new investors, raising the total number of the Bank's shares to 6,207.*
3. *The share capital increase was partly subscribed by 4.86% through payment in cash with pre-emptive rights in favour of existing shareholders. More specifically, the issue raised funds of €82,630, which correspond to 8,260 common registered shares, at a par value and a sale price of €10, as compared to an initial provision of €1,700,000 corresponding to 170,000 new shares.*
4. *The share capital increase through payment in cash and by way of pre-emptive rights in favour of the company's existing shareholders was partly subscribed by 41.64%, i.e. the participants paid €2,498,859.3, which corresponds to 8,329,531 new registered shares.*

TABLE XII. Trading Status of ASE-listed companies, 2012

	Trading	Under Suspension	To be de-listed	Total
Main market	156	-	-	-
Low Dispersion	18	-	-	-
Under Probation	41	-	-	-
Total	215	39	2	256
Companies whose shares were de-listed	**Date**	**Condition**		
INTERINVEST INT. INV. SA	11.7.2012	Dissolution and liquidation		Under Suspension
INTERFISH FISHFARMING SA	30.7.2012	Merger by absorption		Low Dispersion
EUROLINE INVESTMENT SA	13.8.2012	Revocation of License		Under Suspension
SCIENS HOLDING	10.9.2012	Par. 5 article 17 Law 3371/05		Under Probation
ELFIKO SA	30.11.2012	Decision of the BoD/ATHEX (par. 3b, art. 2.6.12 Rul. ATHEX)		Under Suspension
EUROHOLDINGS CAP & INV SA	30.11.2012	Decision of the BoD/ATHEX (par. 3b, art. 2.6.12 Rul. ATHEX)		Under Suspension
ELBISCO HOLDING SA (ex Hellenic Biscuits Company SA)	30.11.2012	Par. 5 article 17 Law 3371/05		Under Suspension
RILKEN SA	31.12.2012	Merger by absorption		Under Suspension
Companies to be de-listed	**Date**			**Date**
WOOL INDUSTRY TRIA ALFA SA	10/10/2011:	ZAMBA SA		10.4.2012
Companies under suspension	**Date**			**Date**
LAN-NET SA	30.06.2008	PROTON BANK SA		10.10.2011
ASPIS PRONIA GENERAL INSURANCES SA	30.07.2008	T BANK SA		30.11.2011
DIEKAT SA	28.11.2008	IKONA-IHOS SA		06.12.2011
MESOCHORITI BROS Corp	28.11.2008	RIDENCO SA		30.3.2012
SHEET STEEL Co	01.12.2008	H.K. TEGOPOULOS EDITIONS SA		30.3.2012
BETANET SA	31.03.2009	BABIS VOVOS INTNL CONSTR CORP.		2.4.2012
SAOS ANE SAMOTHRAKI	01.04.2009	IMPERIO ARGO GROUP SA		2.4.2012
ALTIUS SA	29.04.2009	KOUMBAS HOLDING		2.4.2012
MICROLAND COMP SA	15.07.2009	SANYO HELLAS SA		2.4.2012
"MAXIM" KON. PERTSINIDIS SA	01.12.2009	ALAPIS SA		2.4.2012
UNITED TEXTILES	Feb 25th 2010	MEDIMEK SA		3.4.2012
ATERMON SA	01.04.2010	AGRICULTURAL BANK OF GREECE		30.7.2012
PRAXITELIO HOSPITAL SA	01.04.2010	GREEK POSTAL SAVINGS BANK		30.8.2012
EMPORIKOS DESMOS SA	01.06.2010	VENIR LEISURE & ENTERTAINMENT SA		31.8.2012
KON. KARDASILARIS & SONS SA	01.12.2010	KERAMICS ALLATINI REAL EST. MAN. & HOLDING		31.8.2012
A.G. PETZETAKIS SA	31.01.2011	NEORION HOLDING SA		31.8.2012
TEXAPRET SA	01.03.2011	FINTEXPORT SA		31.8.2012
ATLANTIC SUPER MARKET SA	28.03.2011	ELECTRONIKI ATHINON SA		1.10.2012
ELEFTHERI TILEORASI SA	30.03.2011	EDRASIS – C. PSALLIDAS SA		30.11.2012
KLONATEX GROUP OF COMPANIES SA	20.05.2011			
Companies under probation	**Date**			**Date**
EVLIEMEK	04.04.2006	LAMBRAKIS PRESS ORGANISATION		08.04.2011
HIPPOTOUR SA	04.04.2006	DOUROS SA		06.09.2011
AEGEK SA	27.06.2008	FORTHNET SA		25.11.2011
ALTEC SA	20.10.2008	HELLENIC FABRICS SA		25.11.2011
HELLENIC FISHFARMING SA	21.10.2008	PC SYSTEMS		29.12.2011
M.I. MAILLIS SA	06.04.2009	J.BOUTARIS & SON HOLDING S.A.		29.12.2011
COMPUCON COMPUTER APPLICATIONS SA	21.04.2009	ALSINCO SA		29.3.2012
HELLAS ONLINE SA	03.07.2009	VIOTER SA		10.4.2012
VARVARESSOS SA	21.12.2009	VARAGIS SA		12.04.2010
ATTI-KAT SA	12.04.2010	P. G. NIKAS S.A.		10.4.2012
MARITIME COMPANY OF LESVOS (NEL)	06.05.2010	SHELLMAN SA		10.4.2012
NUTRIART SA	08.04.2011	SIDMA SA		10.4.2012
SATO SA	08.04.2011	SFAKIANAKIS SA		10.4.2012
OLYMPIC CATERING SA	08.04.2011	AXON SA HOLDING.		10.4.2012
YALCO - SD CONSTANTINOU & SON SA	08.04.2011	EUROMEDICA SA		10.4.2012
ALPHA GRISSIN INFOTECH SA	08.04.2011	SPIDER MET. N. PETSIOS & SONS		10.4.2012
PEGASUS PUBLISHING SA	08.04.2011	SPRIDER STORES SA		24.7.2012
TECHNICAL PUBLICATIONS SA	08.04.2011	LAVIPHARM SA		31.7.2012
TELETYPOS SA	08.04.2011	MARAC ELECTRONICS SA		5.9.2012
EUROBROKERS SA	10.4.2012	MICHANIKI SA		24.9.2012
EUROCONSULTANTS SA	10.4.2012			

Source: HCMC

Communication:

Hellenic Capital Market Commission
1st Kolokotroni & Stadiou Str.,
105 62 Athens, GREECE
Tel. center: +30-210-33.77.100
Website: http://www.hcmc.gr