

CAPITAL MARKET COMMISSION

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NOTES FROM THE CHAIRMAN OF THE CAPITAL MARKET COMMISSION

1999 was a remarkable period for the Greek capital market, where considerable reforms and structural changes took place. The growth and depth of the capital market were connected with the introduction of innovations in infrastructures, processes and products. The successful operation of the Athens Derivatives Exchange was associated with the introduction of a new class of financial products, while the establishment of the new electronic trading system, OASIS, in the Athens Stock Exchange expanded the possibilities for efficient and transparent transactions. The completion of the process of securities dematerialization transformed radically the capital market environment and opened up new avenues for the provision of services and information as well as for the protection of investors. The establishment of a new procedure regulating the conduct of public offerings contributed to the rationalization of the role and the function of the primary securities market to the benefit of both the companies wishing to be listed in the Athens Stock Exchange and the investors.

The amount of capital raised through the capital market in 1999 reached a record high and exceeded the amount of capital loaned to corporations by the banks. The capital market has thus been firmly established as a central mechanism for the financing of Greek corporations thus confirming its developmental role. These corporations are now burdened by the responsibility of using the funds raised through the capital market in ways that realize the expected benefits for all their stakeholders and the national economy. In this respect, it is especially important for listed companies to adopt best practice policies. The Code for Corporate Governance, which was published in 1999 by the Capital Market Commission in co-operation with a number of organizations, constitutes a central point of reference. The role and the operation of the primary securities market, which encompasses the investment-finance mechanism of the capital market, will develop even further by the commencement of operations of the New Market in the Athens Stock Exchange designed to admit dynamic and innovative small-sized firms.

In 1999 the secondary securities market was characterized by the largest expansion ever as indicated by the volume of transactions, the level of capitalization of listed companies and the number of new and active investors in the market. The achievement of high liquidity is a decisive advantage for every organized market, for it allows the continuous movement of listed securities and therefore fulfills the central role of the capital market mechanism. The Greek capital market was transformed in 1999 into a high liquidity market, mainly as a result of the remarkable shift in the economy's saving behavior into higher risk / higher return investments. The shift in liquidity was occasionally too rapid and massive, thus giving rise to the appearance of cycles of self-fulfilling expectations. The events in the capital market during the summer 1999 were classic examples of market overheating and over-optimistic mass expectations fuelling excess demand for securities. As the international evidence amply shows, these circumstances bring about financial disorder. Following the summer events, however, the market disturbances in Greece were smoothed out and the market was relatively stabilized. The presence of a large number of new investors in the capital market requires the establishment of rational and cautious behavior as well as the demonstration of mature reaction by all market agents: the avoidance of overstatement in announcements, news and forecasts, the resistance to the phenomena of 'market craze' or 'sales panics' and the education of investors to exhibit cautious reactions to financial disturbances, constitute the duty of all those who are in a position to influence investor behavior. The Capital Market Commission made its first public campaign for the provision of information to investors through the distribution of 1.7 million advisory brochures. The effort will be continued.

However, all market agents must simulate such efforts, so that the general level of investor education is elevated.

The development of the capital market creates a larger need for further development of its supervision. Active supervision in 1999 was exercised persistently and intensively. The number of audits that took place and the total amount of fines that were imposed increased by almost four-fold. It must be recognized that the supervision of the market is not a series of unrelated and fractional actions. It is a process that demands the existence of a system of intervention, the rational combination of prevention and suppression, the setting of priorities and the persistence in their achievement. This process has already been implemented during the last few years in Greece and is fruitful. As a result, the enormous growth of the capital market took place in an orderly manner. The ability of the competent authorities to act independently of other state authorities and market agents is required in order to ensure and protect continuously the effectiveness and credibility of supervision.

The development of international cooperation among the capital market regulation authorities constitutes a fundamental element of active supervision. The movement of capital across national borders is steadily enlarged, creating new challenges for regulation authorities concerning the coordination of actions and the exchange of confidential information. The Capital Market Commission has increased considerably and will continue to do so the intensive development of international relations on a bilateral and multilateral basis, placing special emphasis on the group of regulatory authorities of the European Union and the group of regulatory authorities of Southeast European states. With respect to the second group, the Commission has already undertaken initiatives for coordinated action and harmonization of standards, which it intends to continue further.

The work of capital market supervision is multidimensional and requires continuous expansion and deepening. The European supervisory standards and practices are themselves subject to continuous improvements and modernization. The Capital Market Commission will continue to monitor closely the reforms of the European supervision standards and practices in order to ensure the smoothness in the operation of the capital market and the protection of investors.

STAVROS B. THOMADAKIS

PART ONE

OBJECTIVES AND TASKS OF THE CAPITAL MARKET COMMISSION

The Capital Market Commission (CMC) is an independent decision-making body, in the form of a Public Law Legal Entity operating under the supervision of the Ministry of National Economy. It is established in Athens and the laws 148/67, 1969/91, 2166/93, 2324/95 and 2396/96 regulate its operation.

Its main objective is to promote the establishment of sound conditions for the operation of the capital market and to enhance public confidence both in the quality of supervision and market behavior. In order to achieve this objective the Commission sets the general terms and conditions governing the organization and operation of the capital market and issues instructions on compliance procedures. It also introduces the measures that are useful for ensuring the proper functioning of the market. The legislative framework of the Greek capital market is fully harmonized with the guidelines and directives of the European Union.

The capital market entities supervised by the CMC are the brokerage firms, the firms providing investment services, the mutual fund management firms, the portfolio investment companies and the firms for the reception and transmission of stock exchange orders. Entities and organizations such as the Athens Stock Exchange, the Athens Derivatives Exchange, the Athens Derivatives Transactions Clearing House and the Central Depository of Securities are also subject to supervision by the Commission. The members of the board of directors and executive managers of the above mentioned entities have to comply with rules and regulations set by the Commission.

A central means for exercising prudential supervision by the Capital Market Commission is the license authorization function and the imposition of proper European Union (EU) standards for the approval of operation of capital market entities. More specifically, license for the provision of investment services are granted on terms that secure their use as a 'European passport' in the EU territory. The granting of license to the Mutual Fund Management Firms and the portfolio investment companies as well as the granting of license for the conduct of initial public offerings is another important means for exercising prudential supervision.

The monitoring of the capital adequacy of the brokerage firms and the firms providing investment services, the approval of public offers by listed companies and of the changes in the composition of the board of directors and senior management of the supervised companies, the granting of license for obtaining the qualification of the 'broker representative' and for the establishment of subsidiaries by financial intermediaries constitute fundamental means for the exercise of prudential supervision of the capital market entities. With respect to the Mutual Fund Management Firms and the portfolio investment companies, the prudential supervision involves the monitoring of the portfolio composition and the compliance with transparency rules and regulations.

In order to ensure the smooth function of the capital market, the Capital Market Commission introduces rules, and supervises the compliance with them, aiming at the regulation of the operation of the market systems (the electronic trading system, the transactions settlement and clearing system, the derivatives systems) and the establishment of appropriate transparency standards (disclosure of information on financial performance, market transactions, structural changes, etc.).

An essential means for the establishment of the smooth operation of the capital markets, based on European standards and practices, is the introduction of statutory codes of conduct. The introduction of codes of conduct by the Commission aiming at the regulation of

the behavior of market entities now encourages the entire range of financial intermediation: a code of conduct for the firms providing investment services (including the firms for the reception and transmission of orders), a code of conduct for institutional investors (mutual fund management firms and portfolio investment companies), a code of conduct for underwriters and the underwriting procedures. The responsibility for the monitoring of compliance with the codes of conduct rests with the Commission.

The Commission is endowed with the authority to impose administrative sanctions (revocation of license, trading halts, imposition of fines) on all supervised legal and physical entities that violate capital market law and the rules established to ensure the smooth function of the market. It is also endowed with the authority to submit indictments to prosecution authorities when punishable financial law violations are detected.

As a national regulation authority, the Capital Market Commission can engage in the conclusion of bilateral and multilateral agreements with the regulation authorities of other countries for the exchange of confidential information and the cooperation in maintaining the smooth operation of the capital market. The Commission is a founding and active member of FESCO (Forum of European Securities Commissions), whose work is directed at the harmonized implementation of EU Directives that are relevant to the capital market and the general support of the single capital market in Europe. Both at the national and the FESCO levels, the Commission acts as an advisor to national and European state authorities on relevant matters.

The Commission's operations are financed by own resources and thus do not burden the state budget. The resources are fees and contributions paid by the supervised entities. The Commission's annual budget is drafted by its Board of Directors and approved by the Minister of the National Economy.

Organization of the Capital Market Commission

Board of Directors

The seven-member Board of Directors of the CMC is entrusted with the following tasks: The design of the general policy, the introduction of rules and regulations, the granting and revoking of licenses, the imposition of sanctions, the drafting of the annual budget, the management of the Commission's operations and decisions on personnel matters. The Minister of the National Economy appoints the Chairman and the two Vice-Chairmen. The rest four board members are selected by the Minister of the National Economy among the candidates proposed by the Bank of Greece, the Board of Directors of the Athens Stock Exchange, the Union of Institutional Investors and the Federation of Greek Industries. On December 31st 1999, the composition of the Board of Directors was the following:¹

Chairman:	Dr. Stavros Thomadakis
First Vice-Chairman:	Mr. George Floros
Second Vice-Chairman:	Mr. Alexandros Vousvounis
Members:	Mr. Spyridon Kouniakis, Dr. Dimitrios Moschos, Mr. Dionisios Kallinikos, Mr. Panagiotis Kavouropoulos.

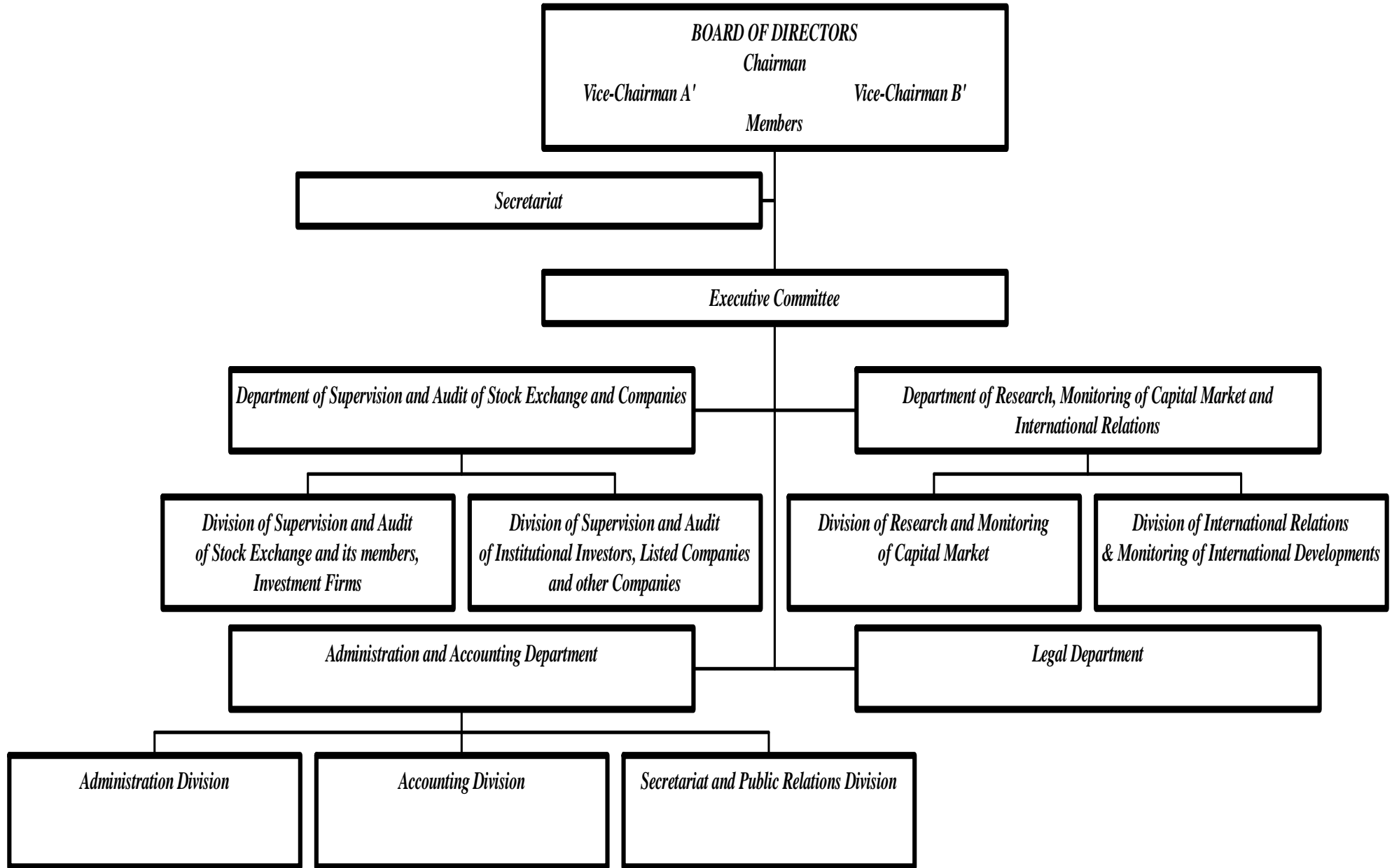
Secretary of the Board:	Mr. George Kallias
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¹ . During 1999 there was a change in the Board of Directors: Mr. P. Kavouropoulos replaced Mr. A. Sarrigeorgiou as a member of the Board.

Where the law requires a decision to be made by the CMC, the decision is a mandate of the Board of Directors, unless the specific responsibility has been granted to the Commission's Executive Committee. The members of the Board of Directors meet at least twice a month to make decisions of the daily agenda, which is made by the Chairman.

Executive Committee

The Executive Committee consists of the Chairman and the two Vice- Chairman and is entrusted with the execution of the decisions made by the Board of Directors. It has the responsibility for the Commission's daily management and the supervision of its operations. It also represents the Capital Market Commission judicially in Greek and foreign courts.



PART TWO

Macroeconomic Developments in the Greek Economy During 1999

During 1999 Greek macroeconomic indicators were further improved. Real Gross Domestic Product (GDP) increased at an estimated rate of 3.5% in 1999 against 3.7% in 1998, confirming the sustainable growth trend of the Greek economy (Table 1). During the 1997-99 period, the growth rate of real output in the Greek economy was the highest in the past decade, outperforming the average growth rate of the European Union (2.8% in 1999).

These developments materialized despite the adverse impact of external factors, such as the Kosovo crisis, the rise in oil prices and the earthquake in Athens. Despite the impact of those factors, the general level of confidence remained high, reflecting mainly the sustainable improvements in the Greek economy and the positive expectation for the full participation of the country in the EMU. It also reflects the positive impact of the ongoing process of corporate and sectoral restructuring and the domestic benefits from the continued economic expansion of the European Union.

During 1999 investment activity continued along the upward trend of recent years, contributing steadily to the maintenance of the growth momentum of the country. Particularly important was the contribution of public investment expenditures, which rose by 14.1% in 1999 against 13.7% in 1998 and 7.2% in 1997. Private sector investment expenditure also rose by 8.3% in 1999 against 8.4% in 1998 and 7.2% in 1997. The growth rate of private consumption increased to 2.6% in 1999 from 1.8% in 1998 as a result of the rise in real incomes, whereas public consumption recorded a 0.2% decline. Thus, in 1999 for the second consecutive year, the 3.3% rise in overall domestic demand did not exceed the rise in the rate of growth of real GDP, confirming the effective state control of public expenditures. It is thought that the improvement in competitiveness that followed the readjustment of the exchange rate of the drachma against the *Ecu* in March 1998 accrued the expected benefits since it led to a further increase in exports of goods and services at a rate of 5.4% in 1999, following the significant export performance of 1998. At the same time, imports of goods and services increased by 5.1% in 1999 against 4.9% in 1998.

The positive macroeconomic developments and the subsequent improvement in the level of business are also reflected on the evolution of the general index of industrial production, which during the period January to October 1999 rose by 8.6%, representing the highest growth rate of this index for the past decade. However, the acceleration of investment activity and economic growth was accompanied by a slight increase in the rate of unemployment from 10.1% in 1998 to 10.5% in 1999.

The exchange rate of the drachma against the euro was stable until mid July, fluctuating around the level of 325 drachmas per euro, whilst at the year's end was 330,25 drachmas per euro. The prospect of joining the EMU and the pursuit of the national currency's stabilization resulted in the realignment of the exchange rate at the level of 340 drachmas per euro in January 2000, which is going to be the drachma's entry rate in the EMS.

The rate of inflation continued its downward trend during 1999. The year-average general Consumer Price Index (CPI) fell from 4.8% in 1998 to 2.4% in 1999. The Index was 2.0% in September, 1.9% in October and 2.7% in December. It is worth noting that the fall in the inflation rate was achieved despite the inflationary pressures that followed the Kosovo events, the rise of international oil prices (which led also to a rise in average EU inflation) and the earthquake in Athens. Thus, the inflation criterion for joining the EMU is expected to be satisfied within the first quarter of 2000.

Aiming at the control of the general level of liquidity in the Greek economy, short- and long-term interest rates during 1999 remained high relatively to the European rates. The desired control of inflationary acceleration around 2.0% for 1999, given the rise in oil prices, led the Central Bank's discount rate to remain at around 12% since the beginning of the year. In addition, the Central Bank imposed credit restrictions on consumer goods and imports for the effective control of the general level of liquidity. Provisional estimates raise the level of credit expansion in 1999 between 7 and 9 percentage units. These developments prevented the further competitive reduction in lending rates by the commercial banks.

Nominal interest rates followed the downward trend of inflation. In December 1999 the rate for the 1-year Treasury bill was 9.1%, against 10.3% in Dec. 1998 and 11.4% in Dec. 1997. In Dec. 1999 the 12-month rate was 8.6% and the return on the 10-year government bond was 6.46%. In general, the difference between the Greek and the European rates was about 5 to 7 percentage units, whilst the difference between the Greek and the German 10-year government bond rates was reduced in Dec. 1999 to 110 basis points.

The improvement in the macroeconomic indicators of the Greek economy during 1999 is also reflected in the substantial reduction of the general government deficit at an estimated 1.5% of GDP, against 2.2% in 1998 and 4.0% in 1997. At the same time, the primary surplus of the general government continued to increase as a percentage of GDP, reaching 7.0% in 1999, against 6.9% in 1998 and 5.7% in 1997. The fiscal adjustment brought about in 1999 succeeded in reducing public debt as a percentage of GDP. Thus, in 1999 the ratio of debt-to-GDP declined from 105.5% in 1998 to 104.2% in 1999. Finally, it is estimated that in 1999 the level of trade deficit was reduced to 8.5% of GDP against 12.8% of GDP in 1998 and 12.3% of GDP in 1997, whereas the current account deficit was 1.3% of GDP in 1999, against 1.9% in 1998 and 2.6% in 1997.

During 1999 the Greek economy showed remarkable endurance to the pressures exercised by various domestic and international factors, which led to the upgrading by international investment houses of the economy's credibility.

Table 1.
Macroeconomic Indicators of the Greek Economy, 1995-99

	1995	1996	1997	1998	1999
Aggregate Demand & GDP (constant prices, % change over previous year)					
Private Consumption	2.7	1.9	2.5	1.8	3.5
Public Consumption	5.6	1.0	-0.4	-0.6	2.6
Gross Fixed Private Investment	2.0	9.9	10.5	8.4	-0.2
Gross Fixed Public Investment	10.9	5.9	7.0	13.7	8.3
Final Domestic Demand	3.9	2.9	3.4	3.3	14.1
Exports of Goods & Services	0.5	3.0	5.3	7.1	3.6
Imports of Goods & Services	9.2	4.9	5.4	4.9	5.4
GDP	2.1	2.4	3.2	3.5	5.1
Production – Employment					
General Index of Industrial Production (% y-o-y)	1.8	1.2	1.1	6.9	8.6
Nominal Unit Labor Cost (% y-o-y)	11.6	10.6	7.1	2.9	2.5
Real Average Wage (% y-o-y)	3.7	3.3	5.2	1.5	2.3
Unemployment Rate	10.0	10.3	10.3	10.1	10.5
Prices & Monetary Aggregates					
Inflation (CPI, year-average % change)	8.9	8.2	5.5	4.8	2.4
M4N (% annual change)	13.0	15.3	7.8	9.8	5.6
Deposits in Commercial Banks & Specialized Credit Institutions (% y-o-y)	14.7	14.2	9.8	1.6	13.8
Total Credit Expansion (% y-o-y)	9.6	8.1	11.0	9.7	11.1
Credit to Private Sector (% y-o-y)	22.0	17.0	15.3	15.0	10.3

12-month Time Deposit Rate	15.9	13.5	10.2	10.7	8.7
12-month Treasury Bill Yield	15.5	12.8	10.4	11.6	8.9
12-month Government Bond Yield			9.8	8.5	6.3
Budget Data (% of GDP)					
Net Public Sector Borrowing Requirement	10.2	8.9	10.4	6.4	5.4
Primary Surplus of General Government	2.3	4.5	5.7	6.9	7.0
General Government Debt	110.1	112.2	109.5	105.5	104.2
Exchange Rate & External Balance					
Nominal Effective Exchange Rate (% annual change)	-3.5	-1.1	-1.9	-5.9	-0.9
Trade Balance (% of GDP)	-12.8	-12.6	-12.3	-12.8	-8.5
Current Account Balance (% of GDP)	-2.4	-2.6	-2.6	-2.9	-1.3

Sources: *Ministry of National Economy, Bank of Greece.*

THE CAPITAL AND MONEY MARKETS

A General Overview

The development of the Greek capital market during 1999 was characterized by substantial structural changes and an enormous growth in transactions activity.

The two most significant developments in the market were the successful conclusion of the dematerialization of tradable securities in the Athens Stock Exchange (ASE) and the initiation of the operations of the Athens Derivatives Exchange (ADEX). A series of regulations by the Capital Market Commission (CMC) formed the regulation framework for the operation of these institutions. The dematerialization of securities contributed decisively to the enhancement of efficiency in the clearing and settlement of transactions, in the level of transparency in the market and in the improved provision of information and investor protection. The commencement of the derivatives market contributes to the widening of available investment choices and to the effective introduction of risk management tools.

Another important development in the capital market in 1999 was the publication of a White Paper on Corporate Governance in Greece, which contains a set of principles and recommendations for competitive governance of listed companies. These principles and recommendations were the result of the works of the Committee on Corporate Governance in Greece, which was set up by a Capital Market Commission initiative and consisted of representatives of finance and industry in Greece.

The passing by Parliament of Law 2733/1999 on the institution of the New Market in the ASE, in which new and innovative small firms are allowed to raise equity finance, is expected to commence its operation by early 2000 and therefore further augment the primary function of the capital market, that is the finance of new productive investment. Available estimates lead to the conclusion that a significant number of small- and medium-sized enterprises from various sectors in the economy fulfill the requirements for the listing of their shares in the New Market.

The sizeable growth of the capital market in 1999 is clearly manifested in the increase in total capitalization in the ASE. Indeed, in the end of 1999 total ASE capitalization was 67.3 trillion GRD (198 billion Euros), corresponding approximately to 168% of the country's estimated GDP.

Transactions activity in the capital market recorded enormous growth during 1999. The growth was characteristic of both share prices and the volume of transactions. Whilst in the end of 1998, the ASE General Index closed at 2737 units, in the end of 1999 the same index closed at 5535 units, materializing a total annual increase of 102.2%. Whilst the average volume of daily transactions in 1998 was about 75 billion GRD, the same volume in 1999 was about 240 billion GRD (706 million Euros) and in some occasions the daily volume exceeded 400 billion GRD (1.17 billion Euros). At the same time, a large number of new investors came to the market contributing to the expansion of the market's general level of liquidity. As a result, the number of trading accounts registered with the brokerage firms exceeded 1.35 million accounts, corresponding approximately to 30% of the total number of Greek households. In addition, the increase in the volume of transactions in the ASE during 1999 by far exceeded the increase in total capitalization, thus reaffirming the role of the capital market in Greece as a powerful and rapidly expanding mechanism for the valuation and the trading of securities.

During the first few months of 1999, domestic investors invested heavily on small- and medium-capitalization stocks. The resulting large increase in the demand for these stocks relative to the large-capitalization stocks that compose the ASE General Index led to the realization of a substantially larger return on the former in relation to the General Index.

The large increase in the market's general level of liquidity during 1999 was accompanied by considerable volatility in the general level of prices and the relative prices of securities. During the first five months of 1999, the volatility was largely the result of the prevailing uncertainty brought about by the Kosovo events, the European Parliament elections, etc. The general level of uncertainty eventually declined and a strong wave of optimism set in, which encouraged the inflow of a large number of new investors and consequently brought new liquidity to the capital market. During the period of July-September 1999, the activity in the Greek capital market was characterized by the appearance and establishment of a cycle of self-fulfilling expectations on the market's growth that led to a tremendous share price boom. The existence of such expanding cycles of self-fulfilling expectations is a well-documented phenomenon in international capital markets. However, in Greece the appearance of the cycle was exceptionally intense: the rapid inflow of liquidity inflated rapidly share prices. The accelerating share price increases attracted new investors and the subsequent increase in liquidity led the expectation of further share price increases to be self-fulfilled.

The overheating of the Greek capital market during the third quarter of 1999 has had a considerable impact, which remained present for a large period of time following the phasing out of the cycle. First, there was a significant distortion in the level of actual share prices relative to the level justified by expected long-term corporate profitability. Second, investor preferences were switched toward short-term speculative placements, while it is widely known and empirically observed that the financial investment pay-off is largely materialized within a medium- to a long-term horizon. Third, there was a reduction in portfolio diversification, associated with the concentration of investor preferences on relatively few stocks thus unnecessarily raising the level of undertaken risk. Fourth, considerable phenomena of investment fads were observed which led investors to 'glamour' stocks rather than value stocks. The ramifications of those actions in the Greek capital market brought about a process of gradual correction of share prices and investment portfolios, which determined the behavior of the capital market during the last quarter of 1999. As a result of the market correction actions, the required equilibrium in both the general level of prices and the relative prices of securities was restored in a gradual fashion.

The appearance of the expanding cycle of self-fulfilling expectations and the overheating of the Greek capital market led the CMC to introduce measures and regulations that improved the efficiency of the market: clear criteria were set for placing certain stocks under direct surveillance status, large transactions are being monitored through a special electronic system, the way of calculation of the daily closing price of the ASE traded securities and the General Index was changed in order to avoid price manipulation, stricter terms and conditions for the disclosure of transactions executed by majority shareholders and senior management were introduced.

The supply and demand of new issues of securities comprise the primary function of the capital market, which is the financing of new investment. The large growth of the primary market during 1999 confirms the important developmental role of the capital market in Greece. However, the primary market too was characterized by certain imbalances resulting from the excess demand for new issues that led to large share price increases following the first day of trading in relation to the initial offer price. However, within the new framework regulating the distribution of shares established by the CMC, these imbalances have tended gradually to correct themselves.

During 1999, 42 new companies and 4 listed companies raised capital through direct public offerings, 119 listed companies proceeded with increases in their share capital and 2 companies transferred their shares from the Parallel to the Main Market of the ASE. The total value of shares sold through the ASE in 1999 was 1.62 trillion GRD (4.77 billion euros) by

means of public offerings and 2.77 trillion GRD (8.15 billion Euros) by means of share capital increases.

The number of listed companies in the ASE increased by the end of 1999 to 280 companies, representing an increase of about 10% in relation to the previous year. The number of listed companies is expected to increase considerably owing to the large number of companies, which either are waiting for approval of their submitted application or are at the preparation stage, as well as those small- and medium-sized companies that are expected to be listed in the New Market.

During 1999, corporate and sectoral restructuring was intense, especially in the broader financial sector, and took place mainly through the takeover mechanism. Alpha Credit Bank acquired 51% of the Ionian and Popular Bank's share capital paying 272 billion GRD. EFG Eurobank moved forward with the absorption of the Bank of Athens and moreover acquired through a public offer the 50.5% of Ergo Bank's share capital. The Greek government, after having concluded a substantial increase in the National Bank of Greece's share capital, proceeded last October with the listing of a portion of its shares in the New York Stock Exchange.

The intensive merger and acquisition (M&A) activity was a notable feature in the capital markets of the EU as well. The M&A activity internationally was reinforced by the extensive issue of corporate bonds as a means for investment finance and the firm establishment of the belief that M&As constitute an effective way of meeting the rising global competitive challenges (Table I in the Appendix).

The intensity of corporate M&As in the Greek economy is reflected on the ongoing policies of securitization of public enterprises and their privatization through the stock exchange. The revenues of the Greek state from privatization were 1.07 trillion GRD (3.15 billion euros) originating to a large extent in the expanded securitization of the Hellenic Telecommunications Organization (HTO) that raised 341 billion GRD and of the National Bank of Greece that raised 281 billion GRD. At the same time, the revenues of all other public sector entities from privatization were 396 billion GRD, the main portion of which accrued to the state-owned Commercial Bank of Greece from the sale of the Ionian and Popular Bank (226 billion GRD).

In the telecommunications sector, the HTO concluded the 4th successive securitization of its share capital by 14%, preserving however the control of management by the Greek state. The telecommunications sector is a rapidly expanding sector characterized by both intense technological innovations and rising challenges.

The expected expansion of corporate and sectoral restructuring through the takeover mechanism led the CMC to proceed with the drafting of a Takeover Code regulating the conduct of tender offers in the Greek capital market.

The growth of the Greek capital market is also reflected on the economic performance of the listed companies, which during the first two quarters of 1999 continued its historical upward trend. Total net corporate profits, as shown in the 1998 annual financial statements, were substantially increased in relation to 1997. The most profitable sector was for another year the banking sector.

The increased liquidity due to the entry of new investors in the capital market was channeled into various investments to a large extent via the mutual funds. Mutual fund assets were therefore rapidly increased, creating the conditions for their competitive restructuring. The value of total mutual fund assets increased from 3.9 trillion GRD in 1996 to 11.9 trillion GRD (35 billion Euros) in 1999. The composition of mutual fund assets changed too. In 1996 the assets of money market funds corresponded to 58.6% of total assets, whilst the assets of equity funds corresponded to only 2.1% of total assets. In 1999, the figures were 41.6% and 38.4% respectively. These developments confirm the substantial change in the Greek saving

behavior that takes the form of increasing placements of private savings directly into productive investments at the expectation of realizing higher returns against higher risk.

These developments confirm the transformation of the Greek capital market into an important and expanding mechanism for the financing of corporate investment. The availability of cost-efficient finance directly through the capital market, despite the recurrent reduction in interest rates, allows and encourages corporations to raise capital through the capital market in order to increase investment, which in turn induces their further transformation and efficient restructuring. These characteristics feed further on the development of optimistic expectations, which bring new companies and new liquidity to the capital market.

The funds raised in the capital market in 1999 were used to finance new investment in infrastructure and technological advance, merger and acquisition activity, investment through debt substitution and working capital. The finance of new investment projects through the capital market contributed significantly to the improvement in the corporations' financial health and therefore in the national economy's growth prospects through the sustained undertaking of new and profitable investment projects.

The financing of corporate M&As has been, as previously pointed out, an important feature in the Greek capital market. The different sectors are being restructured, the different corporations seek the realization of economies of scale and scope and form strategic alliances in order to cope with the intensifying challenges of domestic and global competition. Corporate restructuring is as important for the efficiency of the national economy as is new investment. Finally, the uses of funds raised through the capital market contributed significantly to the improvement of corporate finance and management procedures as well as in the efficient allocation of capital within the corporations. In the last two years, the debt-equity ratios of the listed corporations have been progressively reduced, thus demonstrating the consolidation of financial strength of the Greek corporate sector and the simultaneous gradual decrease of problematic firms.

The Developments in the Capital Market

The ASE General Index

During the first nine months of 1999, the ASE General Index followed an upward trend, especially during the May-September period, whilst in the last quarter it was characterized by correction tendencies and eventual stabilization. In the end of 1999 the General index closed at 5535 units, realizing an annual return of 102.2% compared with a return of 84.7% in 1998 and 58.7% in 1997 (Table 2). This performance was one of the highest worldwide: the Dow Jones Index realized in the same year an annual return of 25.7%, the Nasdaq Index rose by 85.6%, the London FTSE100 rose by 17.8%, the Paris CAC40 rose by 51.6%, the Frankfurt DAX rose by 39.1% and the Tokyo Nikkei rose by 36.8%.

During 1999 the average annual level of the General Index was 4424 units. On September 17th the Index reached its record high value of 6355 units, whilst the Index's annual lowest value was 2798 units. The average monthly standard deviation of daily returns of the General Index was 2.35% in 1999 against 2.51% in 1998, whilst the average difference between high and low daily prices of the Index was 122.1 units in 1999 against 37.4 units in 1998.

According to the Figures 1 and 2, the ASE General Index exhibited considerable volatility during the March-May period as a result of the Kosovo events, then in June as a result of the Euro-land elections and the rise in the international oil price and, most

importantly, in the third quarter of 1999 as a result of the massive liquidations in the capital market.

Table 2.
Average Annual Percentage Change of the ASE General Index, 1988-99

Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1989	64.3%											
1990	82.6%	102.9%										
1991	42.5%	32.8%	-13.1%									
1992	24.5%	13.5%	-15.1%	-17.0%								
1993	27.9%	20.2%	0.9%	8.8%	42.6%							
1994	20.8%	13.6%	-1.7%	2.4%	13.7%	-9.4%						
1995	18.4%	12.2%	-0.4%	3.1%	10.8%	-2.3%	5.2%					
1996	16.3%	10.7%	0.0%	2.9%	8.6%	-0.9%	3.6%	2.1%				
1997	20.3%	15.7%	6.8%	10.6%	17.1%	11.5%	19.4%	27.2%	58.7%			
1998	25.6%	21.9%	14.4%	19.0%	26.4%	23.4%	33.2%	44.2%	71.3%	84.7%		
1999	32.2%	28.3%	21.9%	27.2%	35.1%	33.9%	44.8%	56.9%	81.0%	93.4%	102.2%	

Source: ASE, CMC

The results are based on the following relation: $(X_t / X_0)^{1/t} - 1$, where X_t and X_0 represent the closing prices of the ASE General Index at the year-base 0 and year t, respectively

Figure 1.
Monthly Volatility of the ASE General Index, 1999

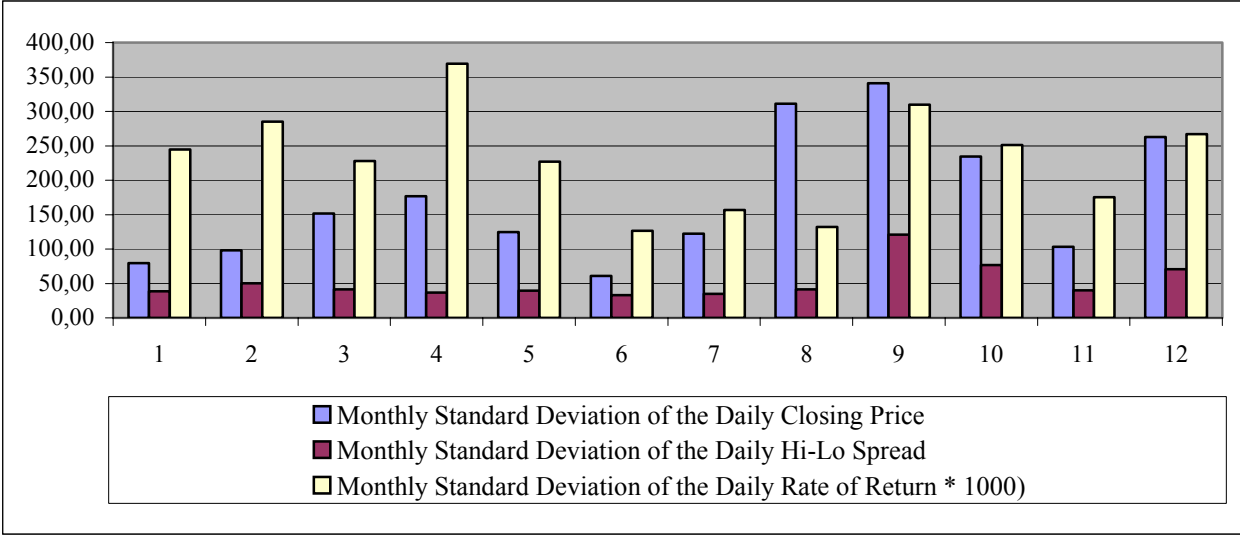


Figure 2.
Monthly Closing Price and Mean of the ASE General Index, 1999



Sectoral Share Price Indices in the ASE

During 1999 the movements in the sectoral share-price indices of the ASE highlight the Parallel Market as the highest performing sector, realizing a 658.5% annual increase in the sector's index (Tables 3 and 4). A strong increase was observed too in the sectoral indices of the Construction Companies (586.3%), the Leasing Companies (332.2%), the Miscellaneous Companies (268.2%) and the Investment Companies (202.5%). However, these sectoral indices were characterized by the largest volatility during the year. The Industrial sector index followed a smoother upward trend characterized by milder fluctuations.

Table 3.
Sectoral Share-Price Indices in the ASE, 1999

Sectoral Indices	Share-Price	Closing Price on 31/12/99	Lowest Price of the Year	Highest Price of the Year	% Change since 02/01/99
ASE General Index		5,535.1	2,697.7	6,484.4	89.5%
FTSE/ASE20		2,910.1	1,693.7	3,348.3	57.5%
Banks		10,165.4	5,714.7	11,861.7	62.9%
Insurance		3,731.1	1,264.6	4,802.7	174.8%
Leasing		1,545.6	340.5	2,006.0	332.3%
Investment		2,822.7	861.4	3,512.1	202.5%
Industrial		3,451.6	1,695.9	4,038.5	101.4%
Miscellaneous		6,985.4	1,872.0	7,951.2	268.2%
Construction		3,446.0	489.8	5,356.7	586.3%
Holding		6,770.4	2,072.6	10,265.3	195.5%
Parallel Market		1,582.6	1,693.7	3,348.2	658.5%

Source: ASE

Table 4.
Sectoral Share-Price Indices in the ASE by Month, 1999

	ASE General Index	Banks	Insurance	Investm	Leasing	Industrial	Miscellan	Construct	Holding	Parallel Market	FTSE/ ASE20
Jan.	3149.5	6801.4	1641.7	386.4	1013.5	2259.1	1908.9	675.6	2245.5	251.8	2002.5
Febr.	3377.6	7398.2	1785.7	394.6	1087.8	2504.0	2056.8	864.7	2555.2	330.7	2109.4
Mar	3376.4	7743.5	1922.6	407.6	1129.9	2414.0	1908.1	911.7	2526.2	334.9	2093.9
Apr.	3617.4	8332.2	1896.9	437.3	1135.9	2475.6	2068.1	1218.8	2800.1	371.0	2244.7
May	3934.7	8643.8	2350.4	657.7	1276.1	3064.9	2334.3	1721.8	3342.7	522.8	2346.5
Jun.	4031.6	8642.9	2705.3	921.4	1518.2	3828.4	2311.4	1916.0	3397.6	694.9	2368.9
Jul.	4345.1	9238.2	2864.3	1228.1	1689.4	4934.3	2441.7	2091.4	4065.1	908.7	2503.8
Aug.	5205.3	9901.8	4055.1	1646.8	2371.3	6381.1	3122.3	3642.9	5782.0	1554.9	2783.3
Sept.	5667.6	10316.5	4366.3	1541.6	2906.1	8051.7	3467.1	3797.1	6363.6	1430.3	2983.7
Oct.	5442.1	9586.9	3921.8	1675.1	2754.2	8270.7	3340.5	3797.6	7197.8	1658.9	2780.1
Nov.	5712.3	9990.2	4099.0	1854.0	2786.9	8244.1	3510.8	4409.3	7659.2	2060.2	2853.9
Dec.	5535.1	10165.4	3731.1	1545.6	2822.7	6770.4	3451.6	3446.0	6985.4	1582.6	2910.1
Min 99	2762.6	5822.7	1290.1	342.5	880.0	2131.7	1721.6	502.6	1921.0	208.5	1742.2
Max 99	6484.4	11861.7	4802.7	2006.0	3512.1	10265.3	4038.5	5356.7	7951.2	2224.1	3348.2

Source: ASE

The Value of Transactions in the ASE

The enormous growth of the capital market during 1999 is also clearly reflected on the total annual as well as the average daily value of transactions in the ASE. Indeed, the total value of transactions in 1999 exceeded 58.9 trillion GRD (173.3 billion Euros) representing an increase of 218.7% in relation to 1998 (Table 5). The average daily value of transactions in 1999 was about 300 billion GRD (0.88 billion Euros) whilst the daily value on Sept. 17th approached 613 billion GRD. The total annual value of transactions in the Main Market of the ASE in 1999 exceeded 52.5 trillion GRD, realizing an annual increase of 200.3% whilst in the Parallel Market the value exceeded 6.4 trillion GRD realizing an annual increase of 539.3%. The total value of transactions in the Parallel Market was doubled from 5.5% in 1998 to 10.9% of total ASE transactions in 1999.

The value of transactions in the Thessaloniki Stock Exchange Center also increased considerably, amounting to 7.8 trillion GRD in 1999 against 795 billion GRD in 1998, showing a total annual increase of 878.6%.

Table 5.
The Value of Transactions in the ASE, 1990–99

Year	Main Market		Parallel Market		General Total	
	Amount (Billion GRD)	% Annual change	Amount (Billion GRD)	% Annual change	Amount (Billion GRD)	% Annual change
1990	606.9		1.8		608.7	
1991	435.3	-28.3%	2.3	29.7%	437.6	-28.1%
1992	305.3	-29.9%	2.4	-10.1%	307.3	-29.8%
1993	624.3	104.5%	12.8	526.5%	637.1	107.3%
1994	1225.6	96.3%	35.8	180.1%	1,262.1	98.1%
1995	1257.7	2.6%	150.8	321.3%	1,408.5	11.6%
1996	1817.6	44.5%	172.4	14.4%	1,990.1	41.3%

1997	5,540.3	204.8%	261.7	51.8%	5,802.1	191.6%
1998	17,490.8	215.7%	1,006.6	284.6%	18,497.4	218.8%
1999	52,521.9	200.3	6,432.5	539.3%	58,954.5	218.7%

Source: ASE, CMC

The ASE Price to Earnings Ratio (P/E)

In 1999, the average valuation of the companies listed in the ASE, as represented by the ratio of price to earnings (P/E), increased in relation to 1998. Given that, first, the pre-tax profits of the first three quarters of 1999 were approximately 1.7 trillion GRD, excluding the revenues accrued to the state-owned Commercial Bank of Greece from the sale of the Ionian and Popular Bank (227 billion GRD) and, second, that the total ASE capitalization on 09/30/1999 was 63.9 trillion GRD, a provisional assessment of the total ASE price to earnings ratio results which is 29.

Among the different sectors, the Parallel Market was characterized by the highest increase in the P/E ratio, followed by the Construction Companies, the Miscellaneous Companies, the Banking and Insurance Sectors as well as the Industrial sector. The increase in the P/E of the Industrial sector was largely expected as a result of its exceptional level of realized profitability during 1999.

Net Profits and Dividends of the ASE Listed Companies.

The continuously improving prices of securities in the ASE reflect mainly the steadily rising profitability of the listed companies observed in recent years, which, in view of the prospect of the country being fully incorporated in the EMU, consolidates positive expectations for their profitability in the future. The net profits of listed companies, based on their 1998 annual financial statements, amounted to 899.6 billion GRD (2.65 billion Euros) against 730 billion GRD in 1997, representing an increase of 23.1% in relation to 1997 and a doubling of net profits in relation to 1996 (Table 6). The distributed dividends from the profits of 1998 reached 448.5 billion GRD, representing an increase of 30.3% in relation to 1997. According to all available evidence the amount of total profits of the ASE listed firms reach the level of 2.5 trillion GRD in 1999 including the proceeds of the Commercial Bank of Greece.

Table 6.
Net Profits and Distributed Dividends of the ASE Listed Companies, 1990-98

Year	Net Profits (Million GDR)		Distributed Dividends (Million GDR)		Percent of Profit Distribution
	Amount	% Annual change	Amount	% Annual change	Percent
1990	155,356		93,688		60.3%
1991	236,594	52.3%	127,489	36.1%	53.9%
1992	179,999	-23.9%	89,147	-30.1%	49.5%
1993	311,186	72.9%	120,343	35.0%	38.7%
1994	347,249	11.6%	171,408	42.4%	49.4%
1995	365,422	5.2%	193,628	13.0%	53.0%
1996	684,355	80.6%	249,899	29.1%	50.5%
1997	730,776	47.8%	344,286	37.8%	47.1%

1998	899,647	23,1%	448.540	30,3%
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Sources: ASE, CMC.

Market Capitalization of the ASE Listed Companies

The positive course of the developments in the Greek capital market is also reflected on the evolution of the total market capitalization of listed shares, which exhibited an impressive increase in absolute level and as a percentage of GDP (Table 7).

Total market capitalization of the ASE listed companies amounted to 67.3 trillion GRD (197.9 billion Euros) in the end of 1999 representing an increase of 194.7% in relation to 1998 and an eleven-fold increase in relation 1996. It is estimated that the growth of the total ASE capitalization in 1999 is due to the rise in share prices of listed companies by 82.4% (36.6 trillion GRD), the new issues of shares by listed companies by 6.3% (2.8 trillion GRD) and the new listings of shares in the ASE by 11.3% (5.1 trillion GRD) by large companies such as EFG Eurobank, Interamerican Insurance and Hyatt Regency Hotels.

In the end of 1999 the proportion in the total ASE capitalization of the banking sector was 25.1%, of the telecommunications sector was 9.6%, of the metallurgy sector was 7.9% and of the Parallel Market was 9.9%. The substantial increase in the proportion of small- and medium-capitalization companies in the ASE during 1999 led to a reduction in the share of the fifteen largest companies' capitalization in total ASE capitalization. In the end of 1999, the listed companies with the highest share in total ASE capitalization were in a decreasing order the HTO (5.6%), the National Bank of Greece (5.5%), the Alpha Credit Bank (3.7) and Panafon (3.2%).

The broader financial sector (banks, insurance, leasing companies, investment companies) accounted for 32.8% of the total ASE capitalization in 1999 against 38.1% in 1998, whilst the broader industrial sector accounted for 48.7% of the total ASE capitalization in 1999. These tendencies reflect the ongoing structural changes in the Greek economy and the expanding role of the capital market as the main source of investment finance, as shown by the new sectors in the market, such as real estate and water.

Table 7.
Total Market Capitalization of the ASE, 1991-1999

Year	Main Market				Parallel Market	Grand Total	
	Financial Sector ^a	Manufact. Sector	Miscellan.	Total for the Main Market		Amount (Bn GRD)	% Annual change
	Amount (Bn GRD)	Amount (Bn GRD)	Amount (Bn GRD)	Amount (Bn GRD)			
Dec. 1991	1,137.1	949.9	249.5	2,336.5	18.7	2,355.2	
Dec. 1992	916.9	836.3	273.0	2,026.2	18.1	2,044.3	-13.2%
Dec. 1993	1,194.9	1,625.0	287.5	3,107.4	9.6	3,117.0	52.5%
Dec. 1994	1,230.3	1,882.4	381.0	3,493.7	84.1	3,577.8	14.8%
Dec. 1995	1,391.1	2,077.4	403.8	3,872.3	153.7	4,026.0	12.5%
Dec. 1996	1,669.1	1,940.6	2,143.2	5,752.9	191.9	5,944.8	47.7%
Dec. 1997	3,058.6	3,222.5	3,202.1	9,483.2	328.1	9,811.3	65.1%
Dec. 1998	8,712.9	5,404.6	7,744.0	21,861.5	977.2	22,838.7	132.8%
Dec. 1999	22,074.9	32,776.9	5,760.1	60,611.9	6,694.6	67,306.5	194,7%

Sources: ASE, CMC.

Notes: ^a Banks, Insurance, Portfolio Investment Companies Leasing Companies.

The enduring process of maturation of the Greek capital market is also reflected on the growth of total market capitalization in relation to other macroeconomic variables. Indeed, by the end of 1999, total ASE capitalization of listed companies corresponded to 169.4% of the country's estimated GDP against 64.3% in 1998 and 31.7% in 1997. In addition, total ASE capitalization in 1999 corresponded to 187.8% of the broad index of liquidity of the Greek economy (M4N) and to 294.7% of the value of total private deposits and repos in the commercial banks, calculated by the Central Bank

Table 8.
Total Market Capitalization in Relation to Macroeconomic Variables, 1990-99

	Market Capitalization (% GDP)	Market Capitalization (% M4)	Market Capitalization (% Comm. Deposits & Repos)
Dec. 1990	18.5	22.1	29.5
Dec. 1991	14.5	17.4	25.4
Dec. 1992	10.9	12.7	19.3
Dec. 1993	14.7	16.8	25.4
Dec. 1994	14.9	16.9	27.6
Dec. 1995	14.9	17.6	28.3
Dec. 1996	20.0	23.2	38.5
Dec. 1997	31.7	38.9	58.4
Dec. 1998	64.3	93.1	122.1
Dec. 1999	169.4	187.8	294.7

Source: ASE, CMC

Note: The level of GDP for 1999 is estimated by the Ministry of the national economy to be approximately 40 trillion GRD (Ministry of National Economy, Annual Report 1999, Annex I)

The rising level of liquidity in the Greek capital market and the rapid increase in total ASE capitalization demonstrate an unusual performance among the OECD member-states. The increase in total capitalization of the Greek capital market, both as an absolute level and as a percent of GDP, is among the highest in the OECD countries. The ratio of total ASE capitalization to Greek GDP has already approached and occasionally exceeded the corresponding ratios of many advanced countries. This development reflects the rapid overcoming of traditional structural weaknesses of the Greek economy and the increasing role of the capital market as a mechanism for the attraction of national savings, the finance of corporate investment and the augmenting of economic growth.

The Developments in the Athens Derivatives Exchange

A most important development in the Greek capital market was the institution of the Athens Derivatives Exchange (ADEX) and the commencement of its operation on Aug. 27th 1999. The ADEX and the Derivatives Transactions Clearing House were established by the Law 2533/1997, which describes their mandate. The level of initial share capital was 3 billion GRD for the ADEX and 8 billion GRD for the Derivatives Clearing House. The Law also describes the procedures governing the increase in these institutions' share capital, the role of institutional investors, the framework for their supervision, the structure and responsibilities of the their boards of directors.

The first derivative product introduced by the ADEX was a future on the ASE General index. Investor interest in engaging in futures contracts gradually increased from the ADEX's commencement of operations until the end of 1999 (Figure 3). The average daily volume of transactions exhibited some volatility over that period, raising the amount of contracts from 610 contracts in August to 635 contracts in December. The average daily number of short positions in the ADEX was raised from 102 positions in August to 1516 positions in December, thus consolidating a sustainable increase in the general level of liquidity in the exchange.

The average daily value of transactions was also somewhat volatile, moving from 3.42 billion GRD in August to 3.57 billion GRD in December 1999. The average number of contracts per transaction decreased from 10.9 contracts in August to 4.5 contracts in December (Figure 4). The total number of contracts per month was roughly stable until the end of the year (Figure 5).

The stable growth of the ADEX and the introduction of new derivative products contributed to the enrichment of the Greek capital market through the expansion of the variety of investment choices and the establishment of opportunities for the undertaking of effective risk hedging actions.

Figure 3.
Average Daily Volume of Transactions and Number of Short Positions in the ADEX, 1999

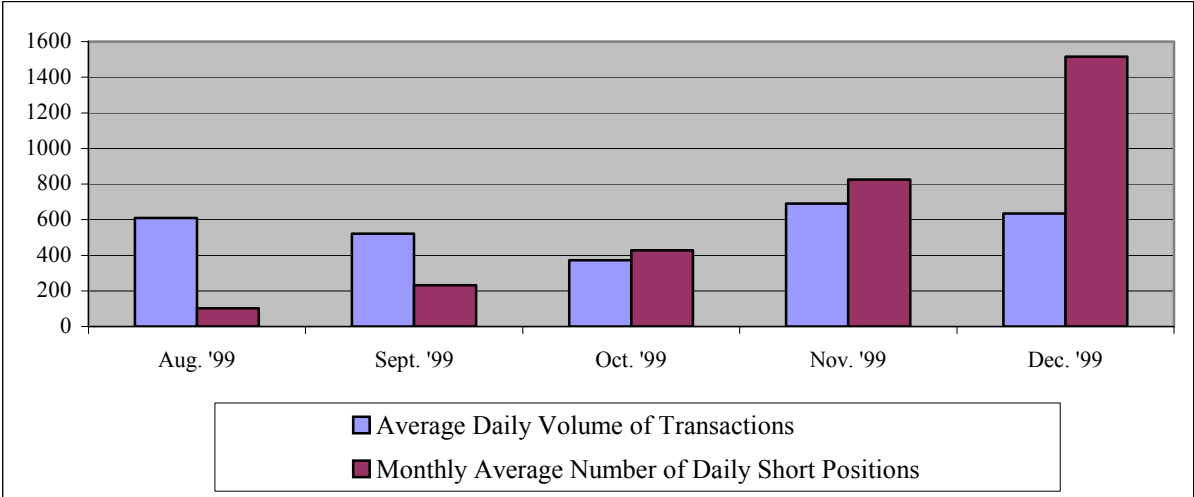


Figure 4.
Average Daily Value of Transactions per Month and Number of Contracts per Transaction in the ADEX, 1999

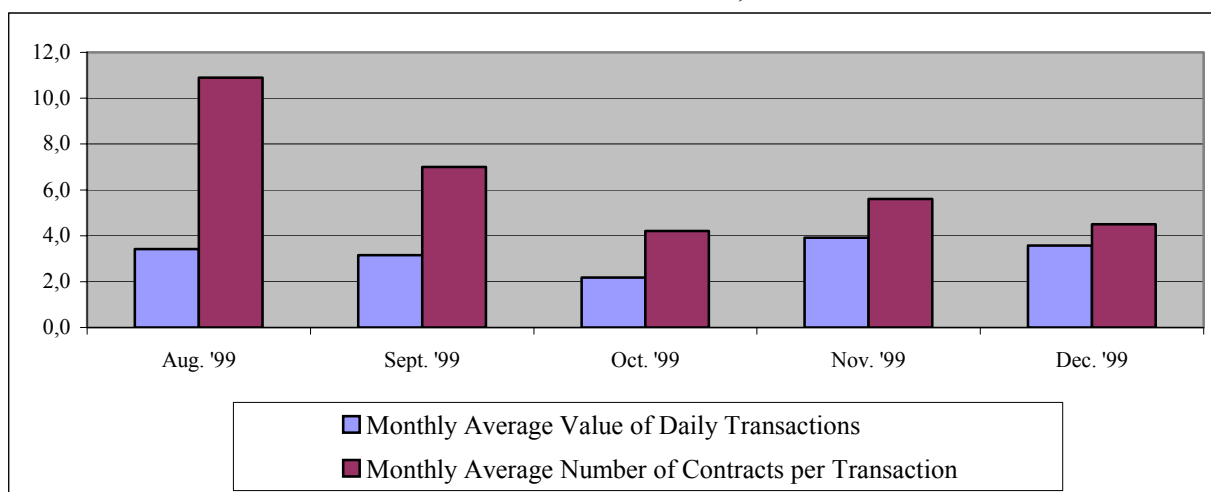
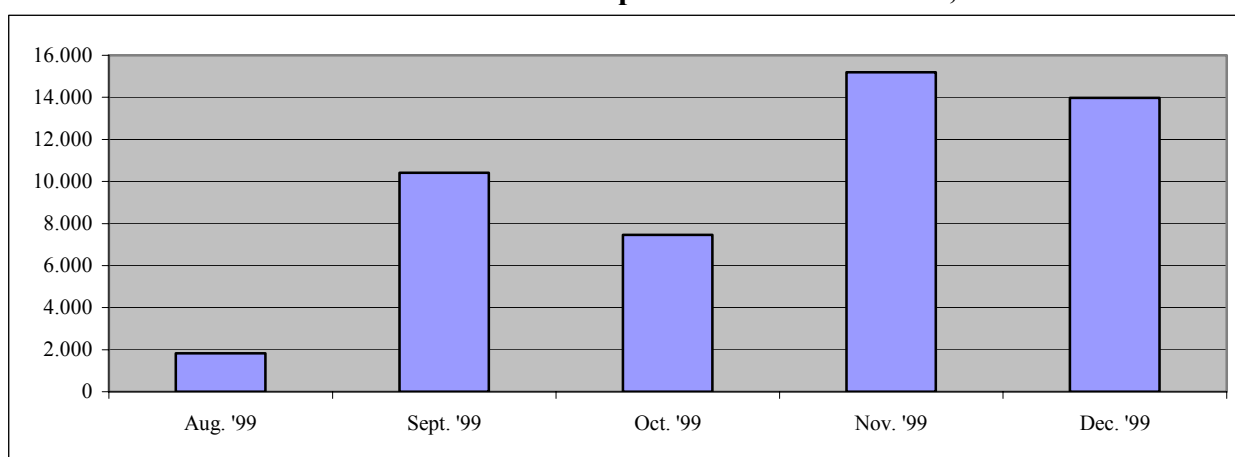


Figure 5.
Total Number of Contracts per Month in the ADEX, 1999



The Developments in the Fixed-Income Securities Market

During 1999 the public issue of intangible government securities dominated the domestic market for fixed-income securities. Important developments took also place both in the primary market and the secondary electronic market.

The efficiency of the secondary electronic market was enhanced by the amendment of the framework regulating the behavior of basic market makers, the establishment of the possibility for direct participation of the foreign financial institutions in the market and the expansion of the market's operational framework to include, in addition to borrowing, the possibility to execute transactions in repos.

At the same time, the government founded the Public Debt Management Organization, which added flexibility and speed in the decision-making process, and introduced regulations that made possible the issue of saving bonds and other tradable fixed-income securities. In January 1999, the government abolished the tax on the interest on bond loans for foreign

investors thus bringing about a tax harmonization in accordance with EU standards. By the end of 1999 the government completed the process of changing the valuation method of government securities: the new method is now based on the information supplied by the daily price bulletin of the secondary electronic market.

The improvement in public finances during 1999 and the improvement in the short- and long-term domestic public borrowing ratings, the reduction in interest rates and the stabilization of the exchange rate of the drachma against the euro led to an increase in the volume of transactions in the secondary electronic market, in the prices of fixed-income securities and the pace of convergence of drachma-denominated returns toward the EU average returns.

Figure 6 shows the evolution of the 10-year government bond used as a benchmark. The bond was issued on Jan. 26th 1999 and its issuance was continued on a bi-monthly basis. Figure 7 shows the structure of returns of government bonds of different maturity on Oct. 6th and Dec. 21st 1999.

During the year 2000 further developments are expected to take place in the fixed-income securities markets, such as the issue of a 20-year government bond, the introduction by the Athens Derivatives Exchange of a future on the 10-year government bond, the regulation of technical aspects of the fixed-income securities trading in the ASE, the introduction of a method for the evaluation of liabilities and the development of the corporate bonds market. These developments are expected to further contribute to the deepening and maturity of the Greek capital market.

Figure 6.
The Return on the 10-Year Government Bond, 1999

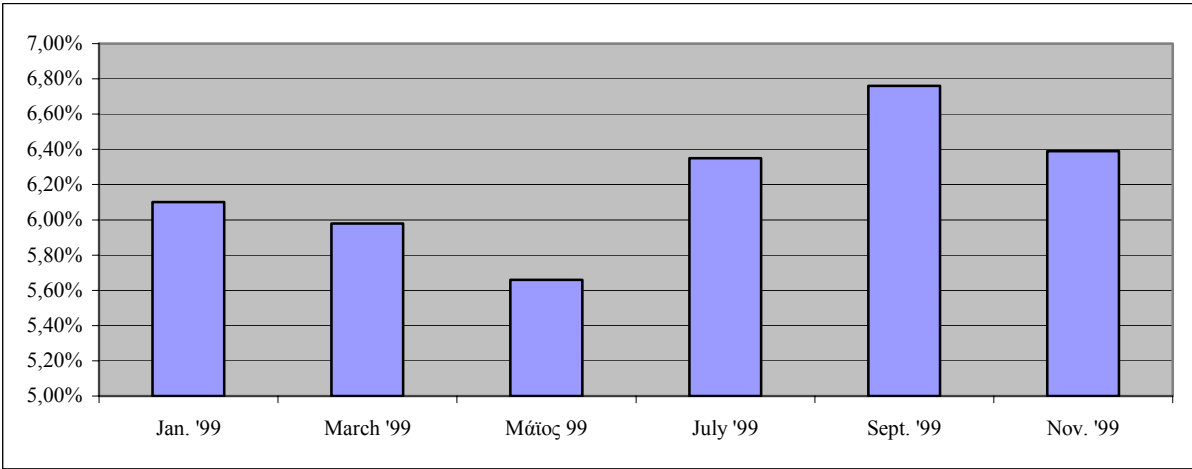
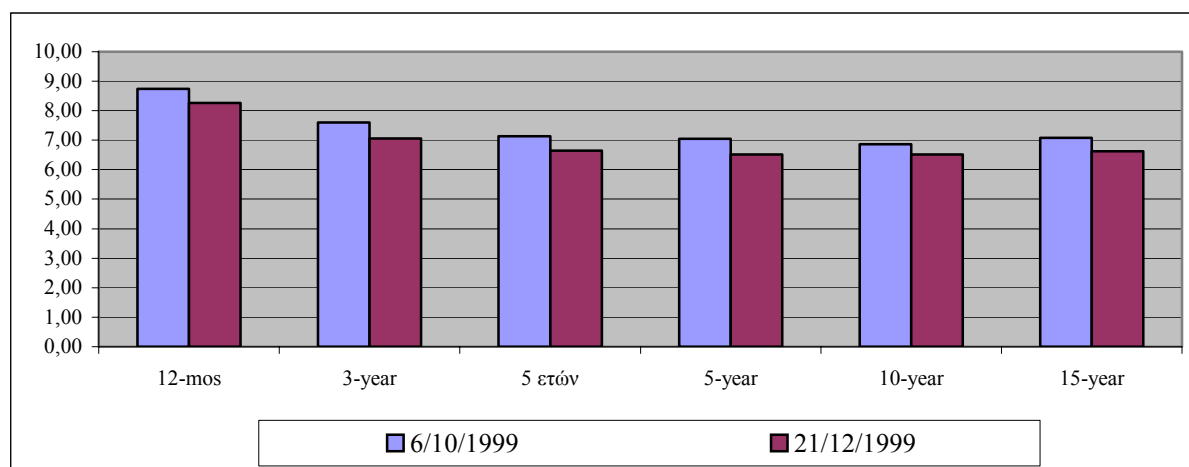


Figure 7.
The Structure of the Returns of Various Government Bonds, 1999



New Issues in the Capital Market

Initial Public Offerings

The dynamic development of the Greek capital market in the recent years and the corresponding significant increases in capital market returns established a positive climate of confidence among investors which resulted in a massive inflow of domestic and foreign capital, thus contributing to the acceleration of the developments in the capital market and the increase in new issues in the ASE. The entry of new firms in the ASE was encouraged by the high demand for shares, which resulted from the expectation of realizing significant capital gains from initial public offers. The evidence for the past few years shows that the price of initial public offers established in the market in the first three days of trading exceeded substantially their official entry price. In 1999 the average return of initial public offerings in the ASE was 242.8% for the first three days of trading against 97.3% in 1998. However, the large difference between initial entry price and the market price subsequently established reflects certain imbalances in the market, which tend to be corrected to the extent that companies carry on consistently their investment programs and investors rationally adjust their investment behavior.

The decrease in the ASE General Index during the August-October period did not deter the dynamism of initial public offerings activity, which during 1999 is characterized by an increase in both the number of initial public offers and the total value of funds accordingly raised. The total number of public offers in the Main and the Parallel markets of the ASE increased to 46, raising 1624.5 billion GRD (4.78 billion Euros). Among the 46 companies that proceeded with public offers, 4 companies were already listed in the ASE and 5 companies had their shares traded in the beginning of year 2000, even though the entry authorization procedures were finalized in 1999. The 42 companies that proceeded with initial public offerings in the ASE raised 627.8 billion GRD (1.84 billion Euros) corresponding to 38.6% of total capital raised through the ASE in 1999 (Table 9).

Table 9.
Number of Initial Public Offerings and Capital Raised Through the ASE, 1995-99

Year	New Issues in the ASE		Total Capital Raised	
	Number	% Annual Change	Amount (bn GRD)	% Annual Change
1995	20		22,64	
1996	19	-5,0%	111,13	390,9%
1997	13	-31,6%	20,09	-81,9%
1998	24	84,6%	394,33	1862,8%
1999	42	75,0%	627,77	59,2%

Source: CMC

The demand for new issues was substantially larger than the supply, thus leading to intense over-subscription phenomena. The demand for new issues by institutional investors was larger by 48.5 times than the supply in the Main Market of the ASE and by 84.7 times in the Parallel Market (Table 10). At the same time, the demand for new issues by private investors was larger by 130.2 times than the supply in the Main market of the ASE and by 428.7 times in the Parallel Market. Overall, the total capital supplied by institutional investors to purchase new shares was 12.7 times larger than the total capital demanded by corporations newly listed in the market. In addition, the value of capital demanded by institutional investors was 42.5 times larger than the value corresponding to them according to existing regulations. The figures for private investors were 64.2 times and 91.6 times respectively.

From the total amount of 1624.5 billion GRD raised through the ASE in 1999, 1514.6 billion GRD was raised through the Main Market, 108.5 billion GRD was raised through the Parallel Market and 1.5 billion GRD was raised through a public offer without a listing in the ASE. Moreover, from the total amount raised, 627.8 billion GRD was raised through new listings, whilst 996.8 billion GRD was raised through public offers by the 4 large listed corporations (Hellenic Telecommunications Organization, National Bank of Greece, Panafon and Viohalko Holdings).

Table 10.
Over-Subscription of Initial Public Offerings in the ASE, 1999

	Total Capital Raised (Billion GRD)	Average Over- subscription by Institutional Investors	Average Over- subscription by Private Investors	Average total Over- subscription
<i>Initial Public Offerings (42 companies)</i>				
Average	14.947,0	82,6	310,0	218,42
Total	627.773,9			
<i>Public Offerings by Listed Companies (4 Companies)</i>				
Average	249.193,9	0,6	0,3	0,48
Total	996.775,5			
<i>Main Market in the ASE (21 Companies)</i>				
Average	72.122,5	48,5	130,2	96,07
Total	1.514.572,1			
<i>Parallel Market in the ASE (24 Companies)</i>				
Average	4.519,9	84,7	428,7	324,45
Total	108.477,3			
<i>Public Offer without Listing in the ASE (1 Company)</i>				
Average	1.500,0	0	0	1,61

Source: Various Prospectuses, CMC

The annual distribution of public offerings in 1999 is as follows: 7.37% of total capital was raised in the first quarter, 4.07% was raised in the second quarter, 32.17% was raised in the third quarter and 56.44% was raised in the fourth quarter. The relatively large percent corresponding to the third quarter is due to the 4th securitization of the HTO and the public offers by EFG Eurobank and Interamerican Insurance whilst the large percent of the fourth quarter is due to the public offers by the National Bank of Greece, Panafon and Viohalko Holdings (Table 11).

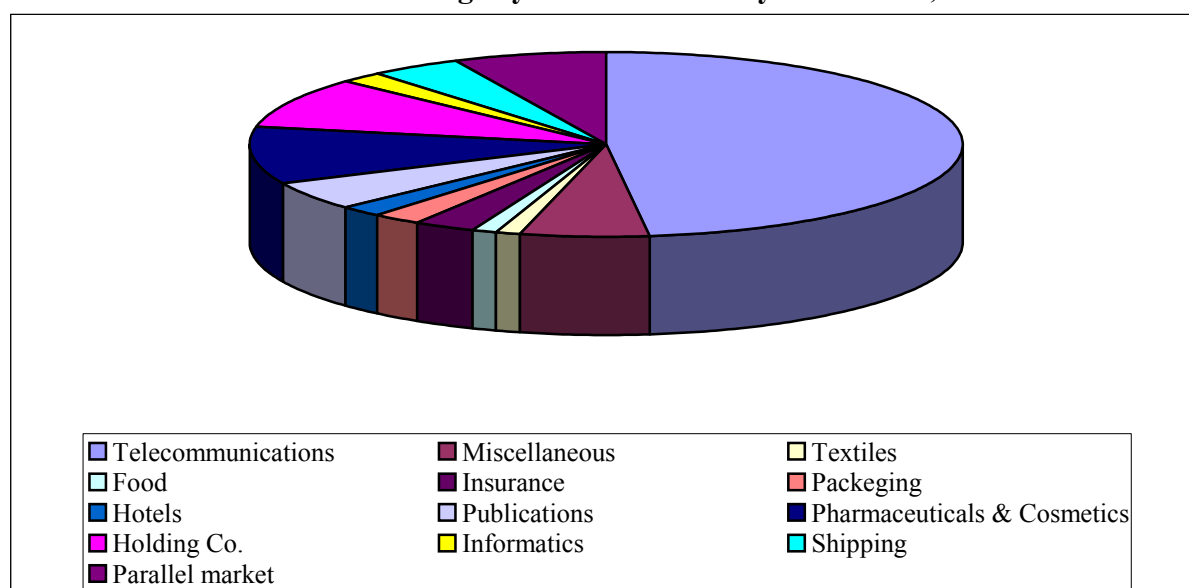
Turning to the sectoral distribution of public offers in 1999, the telecommunications sector absorbed 48% of total capital raised through the ASE, thus exhibiting a trend similar to those of the EU states, and the broader financial sector absorbed 23% of the total. The sector of holding companies absorbed a considerable portion of total capital, mainly owing to the public offering of Viohalko Holdings (Figure 8).

Table 11.
Annual Distribution of Public Offerings in the ASE, 1999

Quarter	Number of Listings	Statistics	Capital Raised (Billion GRD)	Percent of Grand Total	Average Over-subscription by Institutional Investors (times)	Average Over-subscription by Private Investors (Times)
1 ^o	8	Average	14,975.5	7.37%	56.75	293.49
		Total	119,803.6			
2 ^o	8	Average	8,274.1	4.07%	61.37	235.35
		Total	66,192.5			
3 ^o	11	Average	47,418.9	32.12%	73.56	314.15
		Total	521,607.9			
4 ^o	19	Average	48,260.3	56.44%	68.27	280.87
		Total	916,945.3			

Source: CMC, Various Prospectuses

Figure 8.
Public Offerings by Sector of Activity in the ASE, 1999



Increases in Share Capital by the ASE Listed Companies

The total amount of capital raised through the ASE by listed companies in 1999 through increases in their share capital was 2.75 trillion GRD (8.1 billion Euros) representing an increase of 472.15% in relation to 1998 (Table 12). These funds contributed by 6.3% in the increase in total ASE capitalization for 1999. The recurrent increases in listed corporations' share capital demonstrate the increased investor demand for securities and the wish of listed corporations to expand their activity into new areas and speed up their process of efficient restructuring.

During 1999, 119 listed companies proceeded with increases in their share capital. Among them, 98 companies were listed in the Main Market and 21 in the Parallel market of the ASE. The former raised 2.64 trillion GRD (95.16% of the total) and the latter raised 134 billion GRD (4.84% of the total). The amount of capital raised through the Parallel Market is exhibiting a large increase over the years.

Table 12.
Increases in the Share Capital and Total Amount of Capital Raised by the ASE Listed Companies, 1996-99

Year	Increases in Share Capital in the ASE		Total Capital Raised	
	Number	% Annual Change	Amount (bn GRD)	% Annual Change
1996	14		44.46	
1997	39	178.6%	502.72	1,030.7%
1998	49	25.6%	483.47	-3.8%
1999	119	142.9%	2,769.6	472.9%

The increases in share capital during 1999 were to a large extent characterized by the resignation of existing shareholders from their right to obtain shares on privileged terms in favor of employees and other corporate stakeholders.

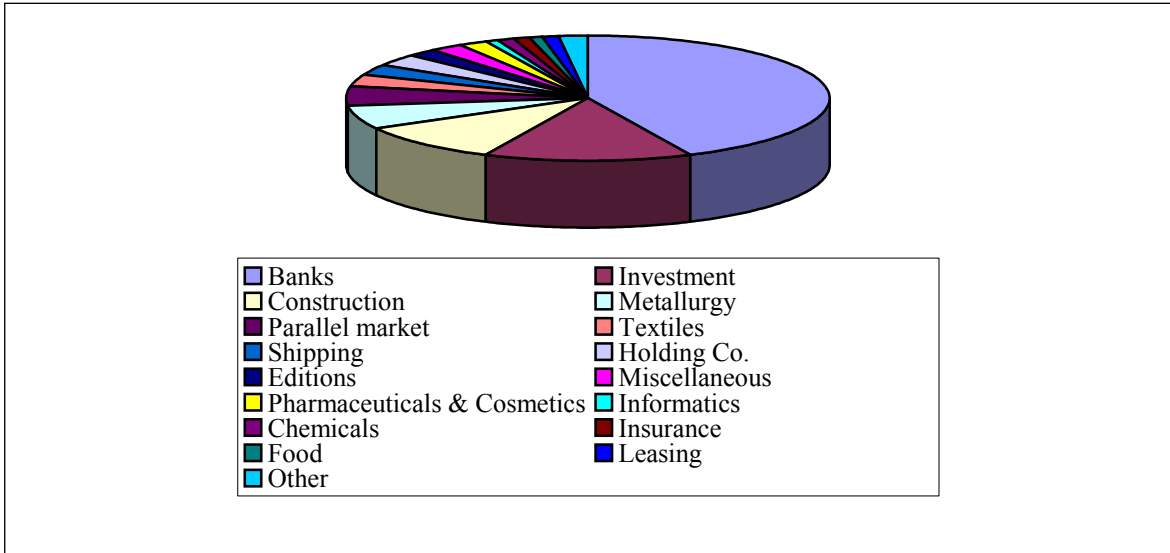
The annual distribution of the increases in share capital in 1999 is as follows: 16.2% of total capital was raised in the first quarter, 30.6% was raised in the second quarter, 20.4% was raised in the third quarter and 32.8% was raised in the fourth quarter (Table 13).

The sectoral distribution of public offers in 1999 shows that for the third consecutive year the banking sector absorbed the largest portion of total capital raised, that is 43% of the total (Figure 9). Investment Companies absorbed 14% of total capital, Constructions Companies absorbed 10%, Metallurgy Companies absorbed 6% and the Parallel Market absorbed 5% of the total (133 billion GRD).

Table 13.
Quarterly Distribution of the Increases in Share Capital by the ASE Listed Companies, 1999

Quarter	Number of Increases in Share Capital	Capital Raised (Million GRD)	% of the Total
1 ^o	11	448,276.8	16.19%
2 ^o	37	846,010.9	30.55%
3 ^o	28	564,624.5	20.39%
4 ^o	43	910,684.5	32.88%
<i>Total</i>	<i>119</i>	<i>2,769,596.3</i>	<i>100.00%</i>

Figure 9.
Distribution of the Increases in Share Capital by Sector, 1999



The Uses of Funds Raised Through the ASE

The manner in which the funds raised by corporations through the ASE were used plays a crucial role in the efficient restructuring and sustainable long-term economic growth of the Greek economy. Based on the available information provided in the registered I.P.O. Prospectuses, the funds raised through the market would be directed mainly toward fixed

capital investment, the financing of mergers and acquisitions, debt substitution finance and working capital.

The evidence shows that approximately 53.5% of the total funds raised are going to be channeled into new investment aiming at the renewal and expansion of plant and equipment, 15.2% is going to be used for financing corporate merger and acquisition plans, 16.1% is going to be used for the reduction in corporate debt, 14.8% is going to be used for working capital needs and the small portion of 0.5% of total funds raised is going to be used for other uses (Table 14). The companies belonging to the Main Market of the ASE appear to direct most of the funds raised to the financing of new fixed-capital investment and only a small portion is used for debt reduction, whilst the contrary appears to be the case as regards the companies listed in the Parallel Market.

At the same time, the companies wishing to be listed in the Main Market stated that they would use the funds raised mainly toward debt reduction in contrast to the already listed companies, which stated that they would use the funds raised mainly toward merger and acquisition activity.

The large increase in total capital raised through the ASE by a large number of companies confirms that the market constitutes an important development mechanism for private enterprise in Greece. Given the needs for sustainable domestic economic expansion and efficient corporate restructuring and modernization, the availability of timely and cost-efficient finance has been largely enhanced by the development of the capital market in Greece.

Table 14.
The Uses of Funds Raised According to Registered Prospectuses, 1999

	Fixed- capital Investment	Mergers & Acquisitions	Debt Substitution Finance	Working Capital	Other
<i>All</i>	53.5%	15.2%	16.0%	14.8%	0.5%
Main Market	58.3%	15.9%	12.9%	12.3%	0.6%
Parallel Market	42.3%	13.2%	23.0%	21.7%	0.1%
Transfer to the Main Market	24.8%	14.1%	49.4%	11.7%	0.0%
Initial Public Offerings	52.8%	8.2%	21.1%	17.9%	0.1%
Increases in Share Capital	53.7%	17.6%	14.4%	13.7%	0.6%

Note: The results represent about 80% of registered Prospectuses.

CAPITAL MARKET AGENTS

Brokerage Firms, Firms Providing Investment Services and Firms for the Reception and Transmission of Stock Exchange Orders

A General Overview

The enormous increase in the volume of transactions and the modernization of the legal framework regulating the operation of financial intermediaries constitute the main developments in the Greek Capital Market during 1999.

During 1999 the supervision of the investment services sector by the Capital Market Commission focused on (a) the market protection from systemic risks inherent in the process of execution of orders and the clearing of transactions, (b) the standardization of the framework regulating the operation of the trading system within the new dematerialized environment, (c) the clear determination of the relations between investors and financial intermediaries and (d) the monitoring of compliance by firms that provide investment services with the Code of Conduct, which also applies to all other regulated companies in the sector and especially to the firms that receive and transmit orders.

The past year was characterized by an outstanding performance and considerable changes in the investment services sector. These changes include the enormous increase in the profitability of brokerage and investment services firms, their internal restructuring expressed in the strengthening of their capital base and the differentiation of business, and the expansion of their activities within the context defined by the Law 2396/96. More specifically, in 1999 one brokerage firm acted as the main underwriter in an initial public offer and in an increase in the share capital of an ASE listed company, while several brokerage firms acted as advisors in 32 initial public offerings and in 63 increases of share capital by listed companies.

According to the 1998 financial statements, the total capital owned by brokerage firms amounted to 85.6 billion GRD (251.8 million Euro), representing an increase of 76% in relation to the previous year. Their total 1998 turnover was 132.4 billion GRD (389.4 million Euro), representing an annual increase of 143%, pre-tax profits rose to 60.3 billion GRD (177.4 million Euro) whilst after tax profits rose to 38.2 billion GRD (112.4 million Euro), representing an increase of 173% and 166% relative to 1997, respectively. The figures for 1999 are expected to be substantially higher. It is worth mentioning that the profits of brokerage firms for the first two only quarters of 1999 approached 100 billion GRD (294 million Euro), thus by far exceeding the total amount of 1998 profits.

Brokerage firms channeled their increased profits into share capital increases. More than half of the brokerage firms and the one third of the firms providing investment services proceeded with share capital increases. In 1999 the Capital Market Commission granted licenses for registration and operation to eleven new brokerage firms and to eight new firms providing investment services. It should be noted that a large and rapidly increasing number of applications for granting license is under consideration by the Capital Market Commission.

A major impetus to the strengthening of the capital base of the financial intermediaries and therefore to the provision of increased investor protection was provided by the expansion of the Common Guarantee Fund to 40 billion GRD (117.6 million Euro) and the Supplementary Fund to approximately 26 billion GRD (76.5 million Euro).

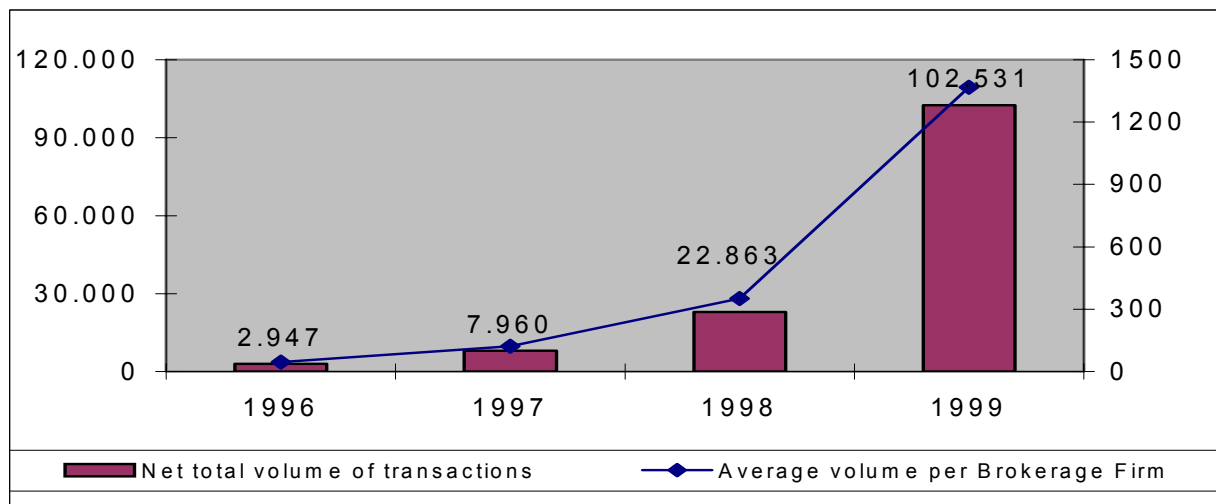
As regards the firms for the reception and transmission of stock exchange orders, their expansion in 1999, both numerically and geographically, was impressive. At the end of 1999 about nine hundred companies, comprising a total capital value of more than 60 billion GRD (175 million Euro), acted as intermediaries for the reception and transmission of orders.

Almost half of them are located in the wider Athens area and the other half is spread throughout Greece.

The Value of Transactions in the ASE executed by Brokerage Firms

Year 1999 was another year of tremendous growth in the volume of transactions in the ASE. The shift in saving behavior from commercial bank deposits toward equity investments is evident in the Greek economy. Only in 1999 there was a 1.114 million increase in the number of investor trading accounts, whilst the total volume of transactions increased by 46 times during the 1994-99 period. The average annual rate of increase in the volume of transactions was about 215% in 1999, while the total increase during 1997-99 exceeded 1000%.

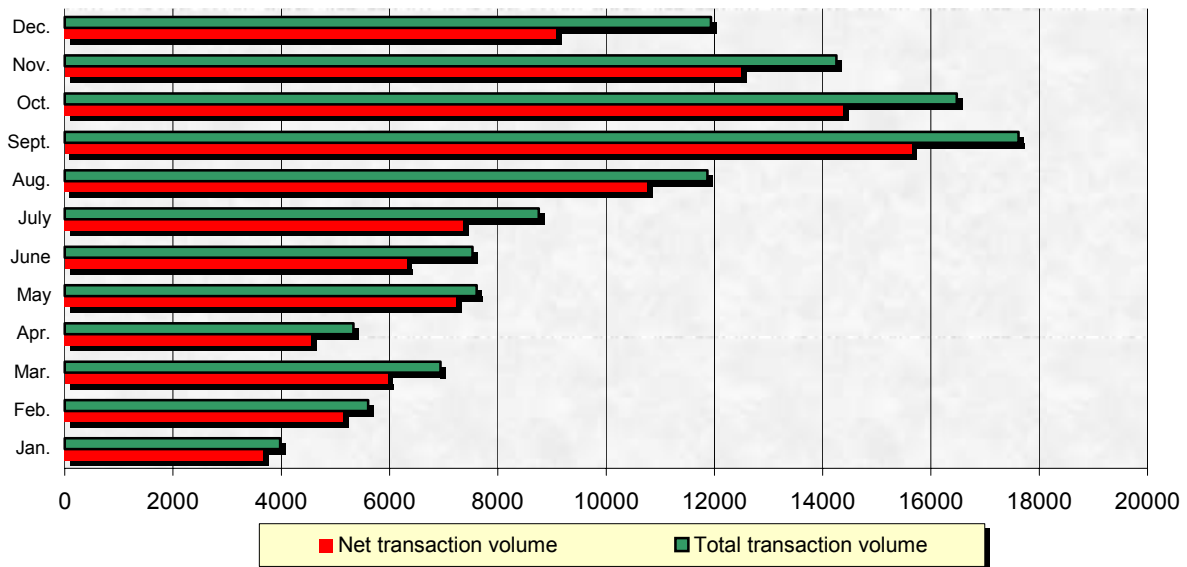
Figure 10.
The Value of Transactions executed by the Brokerage Firms (Billion GRD)



In 1999 the total value of transactions executed by the brokerage firms was 118 trillion GRD (347.1 billion Euro) against 27.6 trillion GRD (81.2 billion Euro) in 1998 and 10.4 trillion GRD (30.6 billion Euro) in 1997. The total annual increase for 1999 (328%) is the highest in the entire decade. The ratio of the total annual value of transactions to GDP was 2.94 for 1999 against 0.87 in 1998. Most transactions were executed during the August-December period (Figure 13), following the same trend with that of the ASE General Index.

About 6.6% of transactions took place through the Thessaloniki Stock Exchange Center, reaching the level of 7.8 trillion GRD (23 billion Euro). The corresponding figures for 1998 were 5.8% and 1.6 trillion GRD (4.7 billion Euro).

Figure 11.
Monthly Distribution of the Value of Transaction in 1999
 (billion GRD)



During 1999 ten new brokerage firms were granted license for operation, thus raising the total number of firms to seventy-five. The average value of transactions executed per brokerage firm was 1.572 trillion GRD (4.6 billion Euro) and twenty-seven firms (36% of the total) exceeded this amount. Moreover, the four highest in terms of market share brokerage firms executed 20% of the total transaction volume, against 30% in 1998 and 35% of the total in 1997. The falling concentration can be attributed to the entry of new firms and the increased market share captured by the medium-sized firms. It is also possible that the rise in the number of new investors and the inability of top brokerage firms to timely execute their orders may have led investors to seek the services of smaller or new firms. Brokerage firms, which are subsidiaries of credit institutions, executed 46.7% of total transactions in the ASE, maintaining their 1998 share. However, if the market share of the two new brokerage firms that are bank subsidiaries is excluded, the above percentage decreases to 40%.

Table 15.
The Value of Transactions executed by the Brokerage Firms, 1997-99
(Million GRD)

	1997	1998	1999	98/97 Change	99/98 Change
<i>Total Transaction Value¹</i>	10,375,920	27,552,230	117,909,018	165.5%	327.9%
Percentage of the first four brokerage firms	35.5%	29.3%	20.4%	-17.4%	-30.4%
Average transaction value per brokerage firm	159,630	423,880	1,572,120	165.5%	270.8%
Transaction value of the first brokerage firm	1,218,712	2,354,999	6,784,850	93.2%	188.1%
Transaction value of the last brokerage firm	10,676	31,148	96,907	191.7%	211.1%
Percentage of transaction value by bank subsidiaries	38.8%	45.3%	46.6%	16.7%	2.9%
<i>Net Transaction Value²</i>	7,959,679	22,862,612	102,531,135	187.2%	348.4%
Percentage of the first four brokerage firms	24.4%	22.1%	18.1%	-9.5%	-17.9%
Average transaction value per brokerage firm	122,457	357,228	1,367,082	191.7%	282.6%
Transaction value of the first brokerage firm	653,822	1,450,744	5,067,809	121.8%	249.3%
Transaction value of the last brokerage firm	10,676	31,146	96,907	191.7%	211.1%
Percentage of transaction value by bank subsidiaries	30.8%	40.9%	42.2%	32.6%	3.3%
<i>Block Trades & Repurchase Agreements</i>	2.416.241	4.689.618	15.377.883	94,0%	227,9%
Percentage of the total transaction value	23.2%	17.0%	13.0%	-26.9%	-23.3%
Percentage of the first four brokerage firms	78.8%	64.6%	50.9%	-17.9%	-21.1%
Number of firms involved in block trades or rep. agr.	49	60	69	22.4%	15.0%
Percentage of transaction value by bank subsidiaries	65.0%	66.9%	75.9%	2.8%	13.5%

¹: The 1997 value does not include the 614,946 million GRD due to the transfer of HTO shares.

²: Block trades and repurchase agreements (art. 16, L. 2324/95) are excluded from the total value.

The net value of transactions exceeded 100 trillion GRD (294.1 billion Euro) in 1999 against 23 trillion GRD (67.6 billion Euro) in 1998, thus showing a 348% increase. The net transaction value corresponded to 87% of gross transaction value in 1999, against 83% in 1998 and 77% in 1997. The market share of the four largest brokerage firms was reduced to 18% in 1999 against 22% in 1998. Brokerage firms that are subsidiaries of credit institutions expanded slightly their market share to 42%.² When brokerage firms are classified according to their market share, the class including the ten largest firms is the only class in 1999 that has a lower market share in relation to 1998 (Table 16).

The total value of transactions on block trades and repurchase agreements, although it was tripled in absolute terms relative to 1998, showed a decline in relative terms, since it was reduced to 13% in 1999 against 17% in 1998 and 23% in 1997. About 92% of the brokerage firms participated in these transactions, resulting in a decrease in the level of market concentration for the largest four brokerage firms to 51% in 1999 against 65% in 1998. Brokerage firms that are subsidiaries of banks executed about 75% of transactions in block trades or repurchase agreements.

² When the two new firms owned by banks are excluded, the relevant percentage is reduced to 37%.

Table 16.
Market Concentration Levels of the Brokerage Firms

Brokerage firms' ranking according to their market share	1997	1998	1999	99/98 change
1 st to 10 th	45,14	44,76	39,42	-12,67%
11 th to 25 th	27,13	27,6	29,78	9,77%
26 th to 45 th	19,62	19,48	20,70	5,50%
46 th to the end	8,11	8,16	10,1	24,54%
	100,00	100,00	100,00	

Source: CMC

Mutual Funds, Mutual Fund Management Firms and Portfolio Investment Companies

During 1999 considerable developments characterized the operational and monitoring framework regulating the growth of the market of institutional investors.

The Capital Market Commission introduced regulations designed to set the terms and conditions for the engagement of institutional investors in financial derivatives trading. Moreover, the passing of the Law 2778/1999 on "Real Estate Mutual Funds and Real Estate Portfolio Investment Companies" contributed to the effort for the sector's improvement. Furthermore, the valuation of bond fund portfolios according to mark-to-market procedures provided the basis for the rationalization of the bonds market in Greece. The above procedure started on 15/3/1999 and was gradually completed by 16/6/1999.

The Market of Domestic Mutual Funds

The developments in the mutual funds sector continue to be of great magnitude as is shown by the increasing portion of national savings managed by mutual funds management companies (Table 17).

Thus, in the end of July 1999 the market value of total mutual fund assets corresponded to 47.5% of the value of total private deposits and repos in commercial banks and credit institutions, against 44.9% in the end of 1998 and only 9.8% in the end of 1994.

In the end of 1999 there were 208 mutual funds operating in the Greek market against 178 funds in 1998. In 1999 the composition of mutual funds consisted of 67 bond funds, 45 money market funds, 66 equity funds and 30 mixed funds. The value of their total assets in the end of 1999 was 11.9 trillion GRD, representing an increase of 32.7 % in relation to 1998. The increase in total assets was 22.8% in 1998 and 89.1% in 1997.

The main incident in the mutual funds sector during 1999 relative to the previous years was the increase in the share of equity funds in total mutual funds assets, which was raised to 41.6% in the end of 1999 from 5.5% in 1998.

Thus, while the remarkable growth of the mutual funds market in 1998 was due to the growth of the money market funds and bond funds, acting as a substitute for bank deposits, in 1999 was due to the channeling of massive savings through mutual funds into capital market products.

Also, during 1999 considerable changes took place in the share composition of the mutual fund management firms because of extensive acquisition activity by their mother companies.

Table 17.
Commercial Deposits, ASE Capitalization and Net Mutual Funds Assets, 1991-99

	Commercial Deposits (Bn GRD)	ASE Capitalization (Bn GRD)	Net Mutual Funds Assets (Bn GRD)
Dec. 1991	9,233.5	2,355.2	171.5
Dec. 1992	10,149.0	2,044.9	223.4
Dec. 1993	11,084.6	3,117.5	866.8
Dec. 1994	13,747.5	3,577.9	1,343.7
Dec. 1995	15,766.1	4,026.0	2,454.1
Dec. 1996	17,997.1	5,944.8	3,873.4
Dec. 1997	19,754.9	9,811.3	7,325.3
Dec. 1998	20,058.4	24,289.0	8,997.7
July. 1999	21,282.0	43,608.0	10,110.8
Dec. 1999	22,835.9	68,846.4	11,933.5

Source: Bank of Greece, ASE, Union of Greek Institutional Investors, Capital Market Commission.

Figure 12.
Net Assets and Number of Mutual Funds by Fund Classification, 1998-99

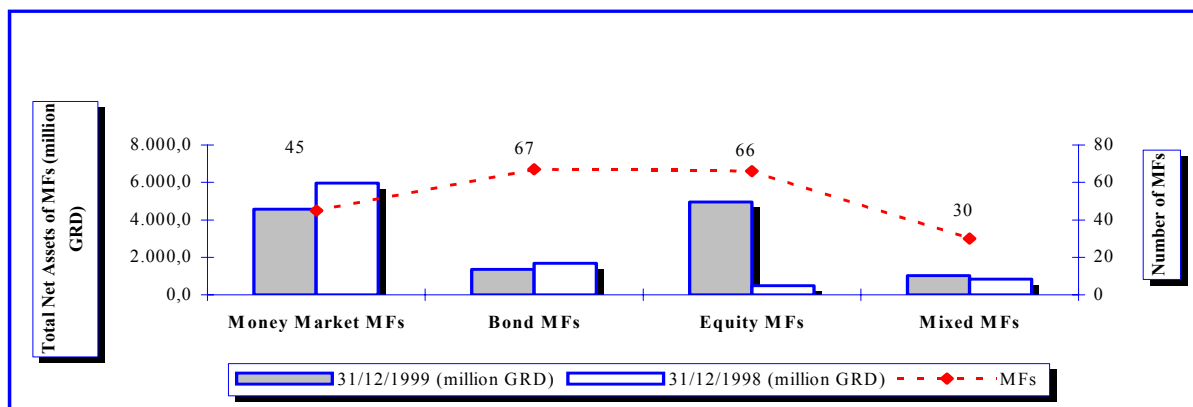
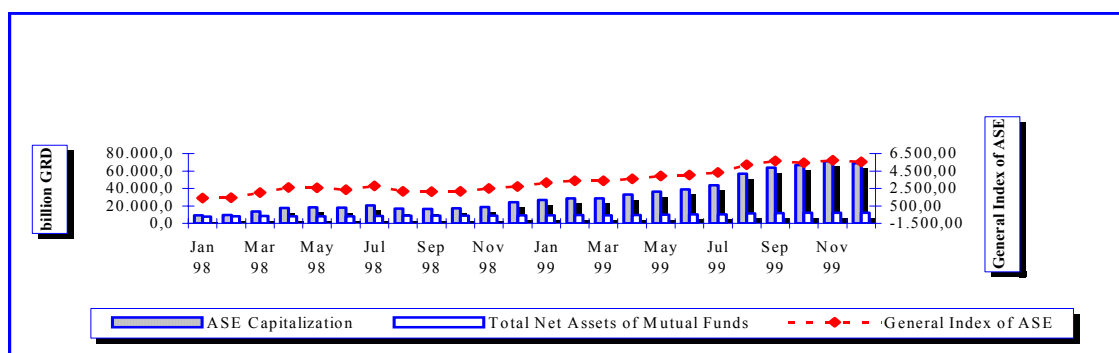


Figure 13.
ASE Capitalization, Net Mutual Fund Assets and the ASE General Index, 1998-99



The remarkable growth of mutual funds can also be inferred by comparing the mutual fund assets with other macroeconomic variables. Indeed, the value of mutual funds assets corresponded in the end of 1999 to 45.7% of total bank deposits, a level that bears a close resemblance to average international levels.

The assets of money market funds in the end of 1999 corresponded to 38.4% of total fund assets, while the assets of equity funds, bond funds and mixed funds corresponded to 41.6%, 11.4% and 8.6% of the total assets, respectively. In the international market in June 1999 the assets of equity funds corresponded to 47.2% of total assets, the mixed funds corresponded to 9.3%, the bond funds to 21.8% and the money market funds to 21.3%.

The degree of concentration in the Greek mutual funds sector was quite high since three mutual fund management firms managed funds of total value of 4 trillion GRD, representing 29.8% of total assets.

As regards the domestic mutual funds market in 1999, the following observations can be made:

First, in 1999 the equity funds acquired the largest market share, managing 41.6% of total assets against 5.5% in 1998. Their total asset value was 4.97 trillion GRD in 1999 against 492.2 billion GRD in 1998, representing an increase of 909.3%. In 1999 there were 66 equity funds against 40 funds in 1998. Among them, 53 were domestic equity funds, 7 were foreign equity funds and 6 were international equity funds.

Second, the bond funds acquired 11.4% of total market share against 18.7% in 1998. Their total assets amounted to 1.36 trillion GRD against 1.68 trillion GRD in 1998, representing a decrease of 18.9%, which is due to the transfer of funds from bond to equity funds. Among the 67 active bond funds at the end of 1999, there were 43 domestic bond funds, 14 foreign bond funds and 10 international bond funds.

Third, in 1999 the total assets of money market funds amounted to 4.57 trillion GRD against 5.97 trillion GRD in 1998, while their market share decreased to 38.4% from 66.3% in 1998. By the end of 1999 there were 45 money market funds against 42 in 1998, among which 40 were domestic money market funds, 2 were foreign money market funds and 3 were international money market funds.

Fourth, the assets of mixed funds were characterized by considerable growth too. Their total assets reached 1.02 trillion GRD against 827.5 billion GRD in 1998, representing an increase of 23.69%, while their market share decreased to 8.6% in 1999 from 9.2% in 1998. Among them, 22 were domestic mixed funds, 3 were foreign mixed funds and 5 were international mixed funds.

Table 18.
Net Assets and Number of Mutual Funds by Fund Classification, 1995-99

Classification of Mutual Funds	31/12/1999		31/12/1998		31/12/1997		31/12/1996		31/12/1995	
	Amount Bn GRD	Number	Amount Bn GRD	Number	Amount Bn GRD	Number	Amount Bn GRD	Number	Amount Bn GRD	Number
Money Market	4,579.2	45	5,966.8	42	4,405.0	36	2,299.0	35	1,259.0	21
Bond	1,363.1	67	1,680.0	64	2,063.0	64	1,435.0	60	1,029.0	48
Equity	4,967.6	66	492.0	40	237.0	32	78.0	29	91.0	24
Mixed	1,023.5	30	828.0	30	619.0	26	59.0	22	69.0	21
Special type	-	-	31.0	2	4.0	02	3.0	2	5.0	1
Total	11,933.4	208	8,998.0	178	7,327.0	160	3,874.0	148	2,453.0	115

Source: Union of Greek Institutional Investors, Capital Market Commission.

The Market of International Mutual Funds

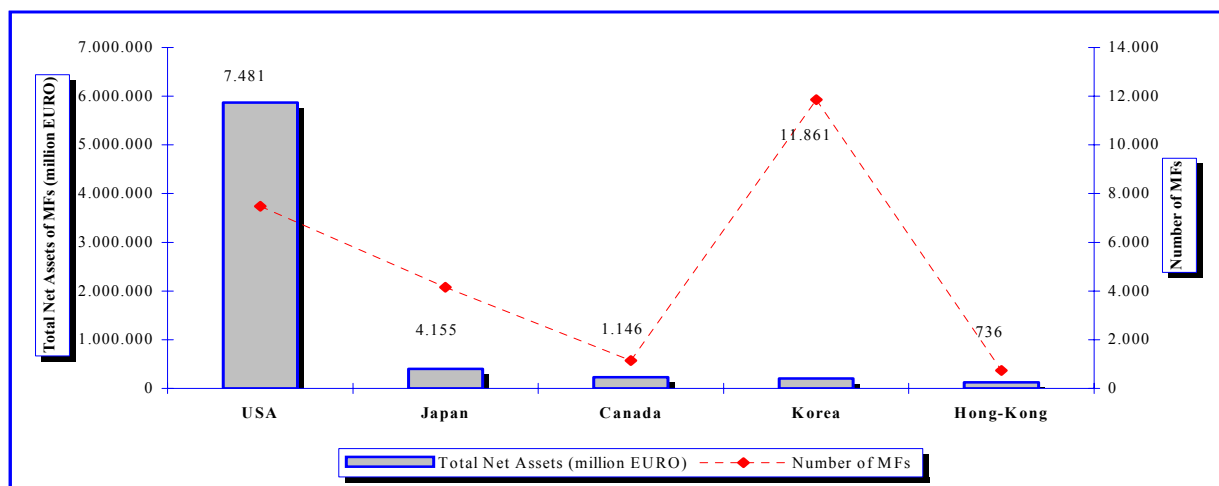
According to the European Union of Institutional Investors (FEFSI), in June 1999 49,842 mutual funds were internationally active managing 9.68 trillion Euro in assets. Among them, 19,690 mutual funds operated in EU countries, managing assets of 2.55 trillion Euro. The USA-based mutual funds owned 60.6% of world assets, whilst the EU-based mutual funds owned 27.3% of world assets, followed by Japan with 4.1%, Canada with 2.6%, Brazil with 1.1% and the other countries with 4.5% of the total international market (Table 19).

Table 19.
The International Mutual Fund Market (30/6/1998-30/6/1999)

FEFSI	Total Net Assets (Billion EURO) 30/6/1999	Total Net Assets (Billion EURO) 30/6/1998	% Change 6/1998 - 6/1999	% Of Total Asset
USA	5,870.6	4,701.8	24.8	60.6%
Europe	2,641.6	2,157	22.5	27.3%
Japan	400.2	292.2	37.0	4.1%
Canada	232.8	200.7	16.0	2.4%
Brazil	97.1	108.6	-10.6	1.1%
Other Countries	440.1	240.0	83.4	4.5%
Total	9,682.4	7,700.3	25.7	100.0%

Source: FEFSI.

Figure 13.
The 5 Top Ranked non-EU States in Mutual Fund Assets and Number, 30.6.1999



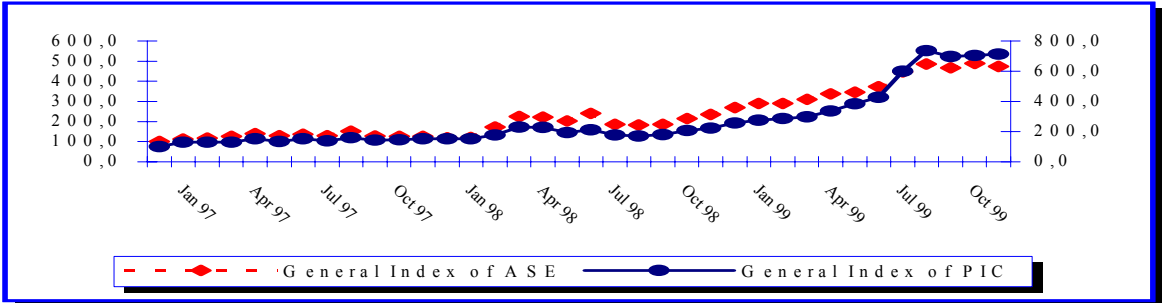
On September 30th 1999, in the EU countries there were 20,091 mutual funds managing assets worth of 2.6 trillion Euro. The equity funds owned 33.8% of total assets, mixed funds owned 17.9%, the bond funds owned 32.7%, the money market funds owned 14.7% and the other types owned the rest of 1.0%. The distribution, by country, of mutual

funds assets in the European Union is as follows: France has 6,439 mutual funds, amounting to 656 billion Euro in assets, Luxembourg ranks second with 4,524 mutual funds amounting 435 billion Euro in assets, followed by Spain with 2,096 mutual funds and 205 billion Euro in assets and Great Britain with 1,620 mutual funds and 306 billion Euro in assets.

Portfolio Investment Companies

The rapid development of the capital market had a strong positive impact on the growth of the net asset value of the Portfolio Investment Companies (PIC) and the prices of stocks comprising their portfolios. As a result, net profits are expected to increase considerably in 1999 and therefore the amount of dividends distributed to their shareholders.

Figure 14.
The Evolution of the ASE General Index and the PIC Index, 1999



At the end of 1999, 17 portfolio investment companies were listed in the Athens Stock Exchange and 3 companies were not listed. Total market capitalization of the 17 companies amounted to 2.05 trillion GRD in 1999, representing a 534.7% increase in relation to 1998. At the same time, total net asset value of PICs amounted to 1.44 billion GRD in 1999, representing a 328.6% increase in relation to 1998. The imbalance between total market capitalization and total net asset value of PICs is due to persistent excess demand conditions.

Moreover, it should be noted that during 1999 the total value of the increases in the PICs' share capital amounted to 391.8 billion GRD, corresponding to 14.2% of the total value raised through share capital increases by all listed companies. The above increase in the PICs share capital led to a decrease in the difference between total market capitalization and total net asset value of PICs.

At the end of 1999 the portfolios of PICs consisted of equity by 81.3% against 82.3% in 1998, of fixed income bonds by 0.7% against 5.3% in 1998 and of cash by 18.0% against 12.4% in 1998.

Table 20.
Changes in the PIC Sector, 1998–99

	31/12/99	30/6/99	31/12/98	30/6/98	(%) Annual Change	
Net Asset Value (million GRD)	1,442,090	624,081	335,506	278,073	329.8	
Premium (Discount) %	42.5%	13.2%	-3.7%	-10.0%	1,248.6	
Stock Exchange Value (million GRD)	2,054,431	706,620	322,968	250,308	536.1	
General Index of ASE	5,535.09	4,031.64	2,737.55	2,365.45	102.2	
Index of PIC	2,822.69	1,518.15	876.48	763.14	222.0	
<i>Portfolio of Composition of PIC</i>						
	(%)	(%)	(%)	(%)		
Equities	Domestic	78.6	79.8	77.1	75.5	1.9
	International	2.7	4.0	5.2	7.4	-48.1
Bonds	Domestic	0.6	2.6	4.7	5.7	-87.2
	International	0.1	0.2	0.6	0.5	-83.3
Money Market	Domestic	16.4	12.9	11.2	8.6	46.4
	International	1.6	0.6	1.2	2.3	33.3

Source: Athens Stock Exchange (ASE), Union of Greek Institutional Investors. Capital Market Commission.

INTERNATIONAL CAPITAL MARKETS

During 1999 the international capital markets were characterized by significant changes in their structures, trading activity and overall growth.

Throughout the year there was a global increase in the volume of trading and new trading instruments were introduced in developed and emerging markets. The emerging markets in particular witnessed a spectacular rise in capital inflows, which largely financed their public deficits. The globalization of financial services and the rapid developments in information and telecommunications technology led to fundamental changes in the financial sector.

The increasing pace of cross-border financial transactions urged organizations and regulation authorities to foster their cooperation in the harmonization of trading platforms and other legislative frameworks, in order to achieve a sufficient level of global supervision without restricting competition and growth.

A major event was the introduction of the Euro in the European Union at the beginning of 1999. The single European currency was established as the official nomination currency unit of the Euroland, an incident that created a direct competitor to the US dollar and the Japanese yen.

Another result of increasing globalization was the rising trend for the formation of strategic alliances and cooperation between autonomous national stock exchanges in order to expand their activities and survive increasing competition. The speed of the changes in the financial environment was remarkable, thus creating concerns and introducing new challenges for the regulation authorities.

During the last two years, the gradual decline in international interest rates due to the decline of exchange risk, led to the increase in trading in the stock exchanges. This trend is reflected on the tidal wave of merges and acquisitions, whose value in 1999 exceeded any previous record (Table I in the Appendix).

Another important factor that contributed to the expansion of trading activity and the rise of new stock exchanges was the continuous growth of the international economy. Moreover, the latest IMF forecasts estimate that global production and income growth will

increase further, providing the opportunity for a strong growth of European and Asian exports.

The US economy continued its spectacular growth for the ninth consecutive year, aided by the successful monetary control exercised by the FED, which succeeded in containing inflationary pressures. In Japan there are encouraging signs of economic recovery but growth is still weak, while the rest of South-east Asia is recovering at a faster pace. In the European Union, the average growth rate of GDP was 2.4% in 1999 against 2.8% in 1998, but there are expectations of faster growth in 2000. A number of eastern European nations are showing good economic performance, except Russia whose economic performance is low.

In the euro-zone, the industrial output index exhibited volatility during 1999, owing partly to the previous periods pessimism as regards investment activity. The entrepreneurial confidence index exhibited a falling trend until the first quarter of 1999 and then started to recover at a slow pace. The fall was associated with the existence of high unemployment in Europe, which was associated with low expenditure levels since there was considerable skepticism on the ability to maintain income levels.

Cautious optimism was also present in the OECD and the European Commission forecasts. The OECD estimates world output to rise from 3.0% in 1999 to 3.5% in 2000 on average, while the European Commission estimates the latter figure to 3.6%. Inflation rate in the OECD member states is expected to increase marginally without however exceeding the 2% on average.

The average rate of inflation in the euro-zone increased slightly from 1.6% in 1998 to 1.7% in 1999. Bond yields and interest rates followed a downward trend until May 1999 and then started to rise. The short-term interest rates fluctuated between 3% and 4% in 1999, while the long-term rates fluctuated between 5% and 6%.

In 1999 both the FED in the USA, and the European Central Bank were led by monetary events to raise interest rates several times but only marginally in order to prevent undesired increases of inflation. The exchange rate of the euro against other major currencies was relatively stable during the first quarter of 1999. However, since the second quarter the euro exchange rate exhibited considerable fall against major international currencies, most notably with respect to the USD. This was mainly the result of the sustained spectacular economic performance of the US economy relative to the European performance.

According to the OECD and the European Commission, an increase in business risk is expected to materialize world wide as a result of the existence of persistent and significant trade and fiscal deficits, lagging restructuring and remaining barriers in the international flow of goods, services and capital in several Asian and African countries. Despite differences in risk levels and the pace of economic growth among countries, the US stock market performance that steadily feeds on US economic growth exercises strong influence on the behavior of the European and Asian economies. International share prices and stock market general indices in 1999 increased greatly, offering considerable capital gains to investors. In 1999, the Dow Jones index rose by 25.7%, the Nasdaq by 85.6%, the London's FTSE100 by 17.8%, the Paris's CAC40 by 51.6%, the Frankfurt's DAX by 39.1% and the Tokyo's Nikkei index increased by 36.8% (Figure 18). The following tables 21 to 24 and Table XII (Appendix) presents data on the international markets.

Table 21.
Basic International Macroeconomic Variables 1996-99¹

Countries	Gross Domestic Product ²			Exchange Rates ³			Inflation Rate ⁴			Government Gross Debt ⁵		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
Austria	2.5	3.2	2.8	13.88	13.86	13.76	2.0	1.1	1.3	64.3	64.0	63.6
Belgium	3.0	2.8	2.5	40.5	40.63	40.34	1.8	1.1	1.4	121.9	117.2	113.7
Denmark	3.3	2.4	1.9	7.48	7.50	7.44	2.2	1.9	2.4	64.1	58.8	54.3
Finland	6.0	5.1	3.4	5.88	5.98	5.94	1.5	1.5	1.6	55.1	52.9	50.2
France	2.3	3.1	2.6	6.61	6.60	6.56	1.1	0.6	1.2	58.1	58.3	58.6
Germany	2.2	2.8	2.2	1.96	1.97	1.96	1.7	1.0	1.1	61.5	61.3	61.0
Greece	3.2	3.4	3.5	3.09	3.3	3.3	5.5	4.8	2.8	109.5	108.7	107.0
Ireland	10.6	11.4	8.2	0.75	0.79	0.79	0.9	2.7	3.3	63.4	53.3	44.1
Italy	1.5	1.7	2.1	1.93	1.94	1.94	2.5	2.2	2.0	121.6	118.8	115.3
Luxembourg	4.8	4.2	3.8	40.53	40.63	40.96	1.1	1.4	1.7	6.7	7.1	7.5
Netherlands	3.6	3.8	2.7	2.21	2.22	2.20	2.0	2.2	2.3	71.4	68.6	66.6
Portugal	3.7	4.2	3.4	1.99	2.01	2.00	2.5	2.6	2.4	61.7	57.4	55.3
Spain	3.5	3.8	3.6	1.60	1.66	1.66	2.2	1.3	1.8	68.9	67.7	66.0
Sweden	1.8	3.0	2.8	8.65	8.89	8.56	2.2	1.3	1.8	76.9	74.0	69.5
U.K	3.5	2.5	1.3	0.69	0.67	0.62	2.6	2.0	2.2	53.5	51.5	49.9
EU 15	2.7	2.9	2.4	1.00	1.00	1.00	2.1	1.6	1.7	72.0	70.3	69.0
USA	4.0	3.3	2.1	1.13	1.12	1.00	1.9	0.9	2.2	66.5	NA	NA
Japan	0.9	-2.5	0.6	1.37	1.50	1.03	1.6	0.7	-0.2	88.0	NA	NA

Source: European Economy, BIS and national data

Notes: ¹ Annual percentage changes, unless otherwise stated

² At 1990 prices.

³ Annual average, national currency units per ECU. For Greece, Portugal, Spain and Japan the exchange rate concerns 100 GRD, PTE, ESP, and YEN respectively, whereas for Italy it concerns 1000ITL

⁴ Price deflector private consumption (ESA).

⁵ General government gross debt (end of period: percentage of GDP).

Table 22.
International Price to Earnings Ratios, 1996-99

Countries	Sept 1987 ²	Peak	P/E Average	Dec. 1996	March 1997	March 1998	March 1999
	Level	Year					
USA	22	34	11 (42 years)	21	21	27	34
Japan	70	77	27 (18 years)	57	51	43	60
France	15	26	9 (26 years)	17	20	21	19
Germany	14	30	9 (26 years)	17	18	20	22
Italy	15	34	13 (13 years)	17	19	26	26
U.K	17	26	9 (19 years)	16	16	22	24
Canada	18	37	9 (42 years)	20	21	32	26
Netherlands	15	27	8 (26 years)	18	20	24	27
Switzerland	14	28	9 (26 years)	20	23	29	24
Belgium	15	29	9 (38 years)	16	18	25	21

Source: DataStream, OECD, BIS and national data

Notes: ratio of price to reported earnings per share.

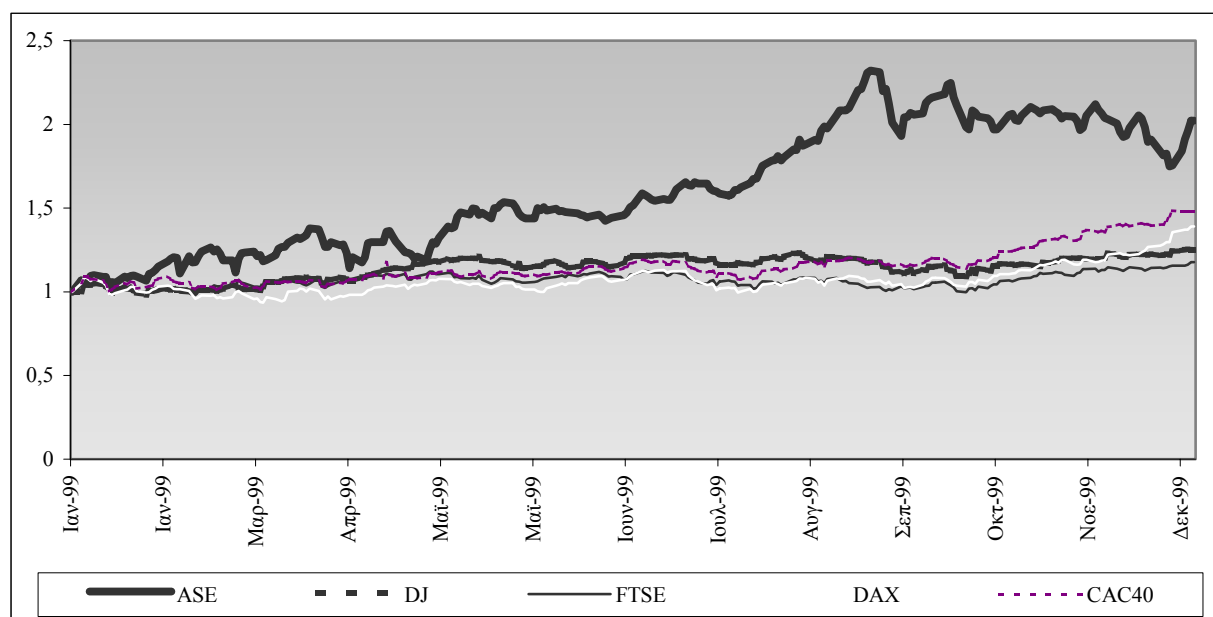
² month preceding the global stock market crashes.

Table 23.
International Dividend Yields, 1998-99

<i>Countries</i>	<i>Minimum level</i>		<i>Average</i>	<i>March</i>	<i>March</i>
	<i>%</i>	<i>Year</i>		<i>1998</i>	<i>1999</i>
USA	1.3	1999	2.7 (51 years)	1.5	1.3
Japan	0.4	1987	0.9 (36 years)	1.1	0.8
France	1.2	1998	1.9 (25 years)	1.3	1.4
Germany	2.0	1998	2.9 (34 years)	1.7	2.2
Italy	1.0	1981	2.1 (1 year)	1.1	2.0
U.K	2.6	1999	3.4 (35 years)	2.8	2.6
Canada	1.4	1998	2.4 (42 years)	1.4	1.6
Netherlands	1.7	1998	3.4 (25 years)	1.8	2.2
Switzerland	1.0	1998	1.7 (25 years)	2.4	1.4
Belgium	1.4	1998	3.0 (37 years)	1.8	1.6

Source: OECD, BIS, National data

Figure 15.
Monthly Percentage Change of the Indices of the Stock Exchanges of New York (Dow Jones), London (FTSE100), Frankfurt (DAX), Paris (CAC40) and Athens (ASE), 1999



PART THREE

ACTIVITIES OF THE CAPITAL MARKET COMMISSION

Rules and Regulations Issued by the Capital Market Commission

During 1999 the Commission's board of directors issued several rules and regulations and contributed significantly to the Ministry of National Economy's legislative work on the capital market. During 1999 the Commission's regulatory activity was mainly directed at the enhancement of investors information and protection procedures, market transparency, the protection of the systems of trading and clearing, the enactment and enforcement of codes of conduct for supervised firms and the assurance of the smooth function of the market. The following rules and regulations were issued during 1999:

The Athens Stock Exchange

- A Recommendation was made by the Capital Market Commission to the Minister of National Economy, which led to the amendment of the Ministerial Decision 8173/B444/11.3.99 on the «Athens Stock Exchange Bulletin». The new decision changed the method of calculation of the daily closing price of the ASE traded shares and the General Index. The new method calculates the daily closing price as the average price of the last 30 minutes of transactions for each share, weighted by its respective volume of transactions.

The Transactions Clearing System

- Decision No 154/16.3.99. The decision approves the «Regulation for the Transactions Clearing Procedure and the Operation of the Dematerialized Securities System». The regulation consists of four basic sections, which include the definitions, the procedures for clearing of transactions, the listed companies related procedures and the procedures regulating the conversion of material securities into a dematerialized form. The compliance to the regulation of brokerage firms and listed companies was very successful, resulting into a near completion of all conversion processes within 1999.
- Decision No 6^a/173/19.10.99: «Regulation of the Transactions Clearing Procedure». The decision specifies the terms and conditions for the clearing and settlement of transactions executed by foreign institutional investors who invest on behalf of other private investors.

The Athens Derivatives Exchange and the Athens Derivatives Transactions Clearing House

- Decision No 4^A/154/16.3.99: «Safety Provisions for the Smooth Operation of the Athens Derivatives Exchange and the Derivatives Transactions Clearing House». The decision specifies the terms and conditions for the temporary interruption of the trading process of the Athens Derivatives Exchange, the imposition of a trading halt or a repeal of a traded derivative product as well as its crossing off.
- Decision No 165/3.8.99: «Short Selling». The decision specifies the terms and conditions for short selling by the market makers on the Athens Derivatives Exchange in order to secure the efficiency of the undertaken hedging procedures.
- Decision No 3^a/165/3.8.99: «Securities Repurchase Agreements». The decision specifies the terms and conditions for purchasing contracts with an agreement to resell stocks and

contracts for selling stocks with an agreement of repurchase them, by market makers and others investors in the Athens Derivatives Exchange.

Compensation Guarantee Fund

- Decision No151/2.2.99: «Specification of the Amount of the Compensation Guarantee Fund and the Amount of the Contribution of the Investment Services Companies which are not Members of the Athens Stock Exchange». The decision raises the amount of the Guarantee Fund to 40 billion GRD (11.76 million Euro) and the contribution by the investment services companies who are not members of the Athens Stock Exchange to 150 million GRD (0.44 million Euro). In addition the Guarantee Fund was ensured against possible out-payments at the amount of 20 billion GRD, thus raising the total amount to 60 billion GRD.

New Issues in the Capital Market and Initial Public Offering

- A Recommendation by the Capital Market Commission to the Minister of National Economy led to the amendment of Ministerial Decision No 2063/B69/19.1.99 on the «Operation of the Parallel Market in the Athens Stock Exchange». The new decision raises from 13% to 20% the minimum dispersion to the public required for the conduct of Initial Public Offerings in the Parallel Market.
- Decision 13/174/26.10.99. «Terms and Conditions on Book Building Procedures and on the Distribution of Shares in Initial Public Offerings». The decision amends the existing regulations in the following respects:
 - ✓ Specifies the means (deposits, intangible government securities) used as a collateral for the participation in public offerings.
 - ✓ Specifies that the issue price of securities during a public offer is determined on the basis of book building procedures when the total amount of the offer exceeds 25 billion GRD, whilst the main underwriter determines it when the offer is of a lesser value.
 - ✓ Specify clearly all agents who may participate in an Initial Public Offerings under the status of an institutional investor.
 - ✓ Specifies that the allocation of shares to the institutional investors during an Initial Public Offerings be at the discretion of the main underwriter, based on criteria set by the underwriter.
 - ✓ Specifies a wider allocation of shares to the public during an Initial Public Offerings so that to ensure wide dispersion, satisfaction of small investor demands and the rationalization of the phenomenon of excessive commitment of funds in order to acquire newly issued shares.

The new decision raises the level of discretion enjoyed by the main underwriter in adapting the terms leading to the specification of the issuing price to prevailing market conditions and issuance needs, without however compromising on the need for maintaining market transparency.

Brokerage Firm - Firms Providing Investment Services – Firms for the Reception and Transmission of Orders

- Decision No 150/19.1.99. This decision raises the quality of information included in the account books and records kept by the members of the Athens Stock Exchange.
- Regarding the collaboration between, on the one hand, the brokerage firms and the firms providing investment services and, on the other hand, the firms for the reception and transmission orders, as well as regarding the terms and conditions for the operation of the

latter firms, the Capital Market Commission issued the encyclicals 5 and 6 (June 1999). The two encyclicals particularized for the latter firms certain responsibilities outlined in the Code of Conduct for Investment Services Companies and set the terms and conditions for their collaboration with the brokerage firms. The response of all market agents was highly positive, particularly with respect to the internal audit matters and public announcements.

- Decision No. 4/165/3.8.99: «Amendment of Decision 104/8-4-1999 of the Board of Directions of the Capital Market Commission». The decision lowers from three months to one month the frequency of disclosure of information on large financial exposures and capital adequacy levels by the brokerages firms and the firms providing investment services with share capital exceeding 1 billion GRD.

Institutional Investors

- Decision No 8^A/164/20.7.99: «Use of Derivatives by Mutual Funds and Portfolio Investment Companies». The decision defines the terms and conditions for engaging in derivatives transactions by mutual funds and investment services companies.
- Decision No 177/7-12-99: «Change in the Minimum Amount of Share Capital by the Portfolio Investment Companies». The decision raises the minimum amount of share capital required for the operation of Portfolio Investment Companies, according to the par. 2, of the article 1, of law 1969/1991, from 500 million GRD to 2 billion GRD.

Corporate Governance

Members of staff of the Capital Market Commission participated in the OECD meetings for the drafting of the *OECD Principles on Corporate Governance*. The Commission organized, in cooperation with the Economics Department of the University of Athens, a conference on corporate governance in Greece. The conference highlighted the need for sound corporate governance principles in Greece, which led the Commission to undertake the initiative of setting up a Committee on Corporate Governance in Greece. The Committee consisted of representatives of industry and finance and its work led to the publication of a White Paper containing a set of recommendations for efficient corporate governance practices in Greece. The recommendations:

- Aim at the design and application of proper and efficient mechanisms for the management, monitoring and control of corporate activity in a manner that makes efficient use of resources.
- Emphasize the rights and responsibilities of all agents in the governance of listed corporation as well as that the governance rules must be clearly defined and transparent.
- Go along with international practices and make use of terms that are internationally recognized and accepted.
- Aim at the satisfaction of three basic principles as far as the activities of corporate agents and the Board of Directors are concerned: (a) transparency, (b) accountability and (c) consistency.
- Recognize the crucial role for efficient corporate governance of the Board of Directors
- Emphasize the role of independent Directors for the corporations' overall credibility.
- Emphasize the need for the establishment of internal audit committees with unambiguous powers and duties.
- Emphasize the establishment of procedures that guarantee the timely, complete and equitable provision of information to the Board of Directors as well as procedures that guarantee transparency in the conduct of large capital transactions, such as mergers and acquisitions.

- Highlight the essential role of the General Shareholder Meetings for efficient corporate governance. It is recommended that shareholders must have the right to participate equitably and effectively in the meetings and be sufficiently and timely informed on the important corporate issues that they will be asked to make decisions. Indicatively, these issues include:
 - The approval of unusual capital transactions, such as mergers and acquisitions
 - The approval of the appointment and the dismissal of the members of the Board of Directors and the determination of their remuneration and duties
 - The approval of the appointment and the dismissal of the members of internal and external auditors and the determination of their remuneration and duties
 - The acquisition of sufficient and timely information on the date, place and the agenda of the general shareholder meetings in which they will be asked to make decisions
 - The right of shareholders to ask questions to the members of the Board of Directors and suggest actions and policies to them, provided that the shareholders own a sufficient portion of share capital.

Licensing of Supervised Entities

The intense activity in the Greek capital market is also reflected in licensing work of the Capital Market Commission. Thus, the Board of Directors of the Commission proceeded with the following:

Brokerage Firms

- Granted license for the operation of 11 new firms.
- Granted license modifications to 6 firms in order to expand their activities as Firms Providing Investment Services
- Granted license for the operation of 10 subsidiaries and representative offices.
- Approved of the modification of the charter of 24 firms.
- Granted license for share capital increases to 42 firms.
- Granted license for the transfer of shares to 11 firms.
- Granted license for the appointment of new board members to 7 firms.

Firms Providing Investment Services that are not ASE Members

- Granted license for operation to 8 new firms.
- Approved of share capital increases in 5 firms.
- Approved of the proper status of new shares to 3 firms.
- Granted license for the operation of subsidiaries to 2 firms.
- Approved of the appointment of new board members in 2 firms.

Mutual Fund Management Firms

- Approved of the operation of 22 new mutual funds.
- Approved of the establishment of one new firm.
- Approved of the modification of internal regulations of 7 firms.
- Approved of the modification of the charter of 15 firms.
- Approved of the suitability of the new shares in 5 firms.

Portfolio Investment Companies

- Granted license to 3 new firms.
- Approved of the modification of the charter of 20 firms.
- Approved of the appointment of new board members in 11 firms.
- Granted license for share capital increases to 20 firms.

Initial Public Offerings

- Approved of the public offering of shares of 18 new firms in the ASE's Main Market.
- Approved of the public offering shares of 4 listed firms in the ASE's Main Market.
- Approved of the public offering of shares of 31 firms in the ASE's Parallel Market.
- Approved of the transferring of shares, through public offering, of 2 firms from the Parallel Market to the Main Market in the ASE.
- Approved of the public offering of shares of one new firm without listing of its shares in the ASE.

Enforcement and Compliance

The Supervisory Framework

For the purpose of supervision of market entities, the Capital Market Commission monitors and analyzes the developments in the capital market and intervenes prudentially as well as punitively when it is considered necessary. The responsibility for the first task rests with the Department of Research, Monitoring of the Capital Market and International Relations, whilst the responsibility for the second task rests with the Department of Supervision and Audit of the Capital Market.

The Department of Supervision and Audit acts on the basis of regular and special audits concerning the functioning procedures of all supervised entities, with the purpose of ascertaining the degree of compliance to rules and regulations issued by the Commission, including the Codes of Conduct.

During 1999 the audit acts of the Capital Market Commission were substantially increased in relation to 1998 and were expanded in many new areas. The prudential and punitive supervision contributed significantly to the rise in the market's efficiency through the establishment of the environment required for the smooth functioning of the capital market in circumstances of rapid and large growth in both the supply and retail demand of securities.

The audits that took place during the 1999 were directed mainly at the brokerage firms, the firms for the provision of investment services and the ASE listed companies. In addition, in 1999 a special program for the auditing of the firms for the reception and transmission of orders was introduced which included more than 180 firms. The trading behavior of shares of 42 listed companies for which there was evidence of illegal trading was monitored and analyzed. Finally, the monitoring of the use of funds raised through public offerings of shares in the market was continued in a persistent and steady manner.

Administrative Sanctions

Following the auditing results, considerable violations of capital market regulations were detected which led to the imposition by the Capital Market Commission of the following administrative sanctions:

Revocation of license

- The license of one brokerage firm was revoked, under the power of the article 4 of the Law 1806/88.
- The license of 4 firms that receive and transmit orders was revoked, under the power of the article 4 of the Law 1806/88.
- The license of 9 firms that receive and transmit orders was temporarily revoked for failing to meet their obligations toward the investors and the competent authorities as well as for failing to comply with their code of conduct.

Imposition of fines on Brokerage Firms

- Fines were imposed on 13 brokerage firms for failing to comply with the code of conduct for investment services, for illegal trading practices, such as the creation of artificial transactions and price manipulation.
- Fines were imposed on 13 brokerage firms, under the power of the Law 3632/28, for engaging in short selling activities.

Imposition of fines on the Firms for the Reception and Transmission of Orders

- Fines were imposed on 7 firms for the reception and transmission of orders for unlawfully providing investment services, for participation in artificial transactions and price manipulation and for failing to comply with the code of conduct.

Imposition of fines on Mutual Fund Management Firms and Portfolio Investment Companies

- Fines were imposed on 15 mutual fund management companies for violating rules of market transparency.
- Fines were imposed on 7 mutual funds management companies for failing to comply with the code of conduct as well as for insufficient protection of investors.
- Fines were imposed on 8 mutual funds management companies for delays in the disclosure of due information to the competent authorities.
- Fines were imposed on 3 portfolio investment companies for investing in warrants without having been granted permission by the Capital Market Commission.

Imposition of fines on listed companies

- Fines were imposed on one listed company for providing misleading information to investors regarding the purchasing price of its own shares.
- Fines were imposed on 2 listed companies for failing to meet their obligation to disclose information to investors and the competent authorities regarding public announcements on the company's prospects as well as for the delay in public disclosure of financial statements, as they are obliged by the Presidential Decree 360/1985.
- A fine was imposed on one listed company for failing to secure the equitable treatment of investors during the trading of its shares in the ASE.

Imposition of fines on Underwriters

- A fine was imposed on one underwriting firm for failing to comply with the Code of Conduct.

Imposition of fines on Individuals

- Fines were imposed on 18 individuals for engaging in insider trading, artificial transactions and price manipulation.
- Fines were imposed on 8 individuals under the power of Presidential Decree 51/92 for failing to timely disclose to the ASE changes in its share capital ownership.

Indictments

- Indictments were submitted for 3 companies for the conduct of initial public offers without proper authorization.
- Indictments were submitted for 11 individuals for engaging in insider trading, price manipulation and the provision of misleading information.
- Indictments were submitted for 2 firms for engaging in financial fraud.

The Capital Market Commission during 1999 imposed fines totally worth of 1.074 billion GRD against 380 million GRD in the 1998, as follows: 221 million GRD on brokerage firms and banks, 157 million GRD on portfolio investment companies and mutual fund management firms, 145 million GRD on listed companies, 36 million GRD on firms for the reception and transmission of orders and finally 515 million GRD on individuals.

Reception and Investigation of Investors Complaints

Within its duties as a supervisory authority, the Board of Directors of the Capital Market Commission has set up a task force, which receives and examines investor complaints regarding compliance of supervised entities with rules and regulations pertaining to investor protection and transparency. In some cases, complaints are settled on the basis of short-timed procedures, whilst in some other cases complaints lead to special investigations and, if necessary, the taking of appropriate corrective measures. During 1999, 187 cases were investigated and settled.

Supervision of Capital Adequacy and Large Financial Exposures

An important means for exercising supervision on the brokerage firms and the firms providing investment services is the monitoring of their capital adequacy, under the Commission's decisions 104/8-4-97 and 123/20-1-98 and the supplementary decision 165/3.8.99. The monitoring is taking place electronically on a continuous basis since the second quarter of 1998. The Commission has the capability, through electronic monitoring, to check timely and consistently the level of capital adequacy, the solvency ratio and the level of the large financial exposures of the brokerage firms and the firms providing investment services. The decisions establish the requirement for the monitoring of the capital adequacy and the large financial exposures on a monthly basis, as opposed to quarterly basis in the past. During 1999 several checks took place on capital adequacy. In general, the capital adequacy levels of the brokerage firms and the firms providing investment services were substantially improved.

Information to Investors

The enormous increase in total ASE capitalization and mutual funds assets in 1999 as well as the continuous improvement and modernization of the supervision framework were accompanied by a large increase in the number of ASE trading accounts, most of which belong to individual investors. In order to strengthen the provision of inform to investors, the Capital Market Commission designed and distributed through the press to the wider public a pamphlet, titled «Useful Information and Advice to Investors». The pamphlet was mainly addressed to the average unsophisticated investor providing basic information and advice, to which investors responded positively. The total number of distributed pamphlets was 1.7 million copies.

Examinations for the Granting of License to Broker Representatives

During 1999 the Capital Market Commission organized, under the Law 1806/95, the examinations required for the granting of license of Broker Representatives. The examinations were successfully passed by 45 people, who were granted the corresponding license.

The Capital Market Commission's Contribution to the Legislative Work in 1999

The commission played an active role in the drafting of the Law 2733/1999, which establishes the New Market. The key points of the New Market legislation are the following:

- Dynamic, innovative, medium-sized companies can be listed in the New Market provided that they are not already listed in the ASE's Main or Parallel Market.
- The own funds of the company wishing to be listed should be at least 200 million GRD.
- The issuing company must have published audited financial statements as a *Société Anonyme* for at least two years prior to the issue.
- The company's main shareholders must maintain ownership of a certain proportion of shares for a period of at least three years past the listing date.
- At least 100.000 shares with a minimum total value of 250 million GRD must be allocated through public offer. A portion of 80% of the shares allocated must have resulted from the company's increase in share capital.
- Allocation of shares through private placement is allowed only for the company's employees.
- The minimum dispersion rate of the company's total number of shares is 20%, which must be allocated to at least 150 natural or legal persons.
- It is mandatory to make and submit a business plan.
- The role of the underwriter is vested with increased rights and responsibilities.
- The company appoints at least one Broker-Dealer, who is a member of the ASE, to act as a market maker, thus providing liquidity during the trading hours for the company's shares.

Also the Commission played an important role in the amendment towards greater transparency of the existing rules of the Presidential Decree 51/1992, as regards the provision of information on the changes in corporate ownership of the main shareholders of listed companies. The most important amendments, which were incorporated in the Law 2744/99, are the following:

- Any change in the voting rights that equal or exceed the 5% limit, must be disclosed.
- The change must be disclosed both to the supervising authority and the company within the first day following the transaction (the previous period was 5 days).
- Any changes in the voting rights of a shareholder who owns more than 10% of the total voting rights as well as any change in the voting rights that exceeds 3% must be disclosed.
- The voting rights of the members of the company's board of directors and senior management must be disclosed.
- The brokerage firms must disclose to the Capital Market Commission all executed transactions on shares which are being under special surveillance as well as all transactions which are under special status as the latter is defined by the Capital Market Commission and their value exceeds 5% of all daily transactions executed on each share.
- The upper limit of fines imposed for violation of the above rules is raised from 100 million GRD to 300 million GRD.

Finally, the Commission played an important role in the amendment of the Law 2533/1997 on the derivatives market and other issues. Article 16 of the new Law 2733/1999 specifies the terms and conditions for the engagement in derivatives trading and for the clearing and settlement procedures in the Athens Derivatives Exchange. In particular it is established that (a) the brokerage firms are allowed to participate in derivatives trading, (b) the Derivatives Transactions Clearing House sets the terms and conditions for the provision of insurance guarantee in the form of letters of credit issued by banks as a collateral from its members, (c) the Athens Derivatives Exchange and the Athens Derivatives Transactions Clearing House are authorized to set the terms, conditions that must be fulfilled by candidate members in order to obtain membership status, (d) every member of the Athens Derivatives Transactions Clearing House has the right to open a bank account on investor's behalf in collaborating credit institutions, which is going to be used for the deposit of the margin requirement, (e) a listed company in the ASE cannot engage in own trading on derivative products whose underlying asset is either the company's shares or market indices comprised of the company's shares in a percent greater than 25%.

Memoranda of Understanding

In 1999 the Hellenic Capital Market Commission signed the following Memoranda of Understanding:

- On 26th January 1999, a Multilateral Memorandum of Understanding was signed among the members of FESCO³ (see also the Chapter entitled The Hellenic Capital Market Commission and FESCO).
- On 1st April 1999, a bilateral Memorandum of Understanding was signed with the Albanian Securities Commission

The purpose of these agreements is to establish and implement a procedure for mutual assistance between the above mentioned authorities, in order to enhance the performance of the functions they are entrusted with, to promote the integrity of the securities markets by providing a framework for cooperation, including a channel for communication, increased mutual understanding, exchange of information and investigative assistance.

These Memoranda of Understanding constitute a first step in the establishment and further improvement of the relations among the regulatory authorities. Under the auspices of existing Memoranda of Understanding two bilateral assistance programs were implemented as follows:

1. A Training Program for the Albanian Securities Commission

During 10-23 October 1999, a professional of the Albanian Securities Commission attended a training program in Athens. He was mainly informed on mutual fund licensing procedures, monitoring, asset valuation and matters of international relations.

³ The Forum of European Securities Commissions (FESCO) assembles the following 17 Statutory Securities Commissions of the European Economic Area (EEA): Bundes-Wertpapieraufsicht (Austria); Commission bancaire et financière/Commissie voor het Bank- en Financiewezen/ Kommission für das Bank- und Finanzwesen (Belgium); Finanstilsynet (Denmark); Rahoitustarkastus (Finland); Commission des opérations de bourse (France); Bundesaufsichtsamt für den Wertpapierhandel (Germany); Επιτροπή Κεφαλαιαγοράς/ Capital Market Commission (Greece); Financial Supervisory Authority (Iceland); Central Bank of Ireland; Commissione Nazionale per le Società e la Borsa (Italy); Commission de surveillance du secteur financier (Luxembourg); Stichting Toezicht Effectenverkeer (Netherlands); Kredittilsynet (Norway); Comissão do Mercado de Valores Mobiliários (Portugal); Comisión Nacional del Mercado de Valores (Spain); Finansinspektionen (Sweden); Financial Services Authority (United Kingdom).

2. *A Bilateral Cooperation Program between the Hellenic Capital Market Commission and the Romanian National Securities Commission.*

This program will provide to the staff of the Romanian National Securities Commission the opportunity to acquire knowledge and experience on matters of regulation, supervision and capital market control from experts of the Hellenic Capital Market Commission. At the same time this program will provide to the experts of the Capital Market Commission the opportunity to be acquainted with the Romanian capital market and its institutions. It was agreed that information and training visits would take place for a six-month period. From 24 October until 6 November 1999 three experts of the Romanian National Securities Commission made a training visit in Athens and were informed about existing legislation, surveillance and monitoring procedures as well as derivatives products. A second group of Romanian experts visited the Capital Market Commission from 28 November until 11 December and were informed about enforcement procedures and monitoring of supervised entities.

Collaboration with other Greek Authorities

The introduction of the Euro in Greece by Jan. 1st 2001 is creating new and pressing needs for complete and effective cooperation with other Greek financial authorities, in order to avoid anomalies during its introduction. In 1999 the Commission collected and filed all relevant to the Euro's introduction and the capital market legislation, which was transferred to the Ministry of Finance in order to proceed with the drafting of the required legislation. The Commission also has participated in a Ministry of Finance led committee set out to specify all the technical details that have to be amended before the Euro's introduction.

The Capital Market Commission has collaborated with the Bank of Greece for the efficient supervision of financial institutions and the firms providing investment services, as regards matters of information disclosure by the domestic and foreign firms providing investment services, the mutual provision of information and the assistance for the improvement of their activity.

The Capital Market Commission has also collaborated closely with the public prosecutors and judicial authorities, regarding violations of financial law. The Commission, given the authority assigned to it, submits indictments and lawsuits to the prosecutors for the investigation of financial law violations.

The Commission finally collaborated with the Committee of the Article 7 of the Law 2331/1995, to which it provides the information contained in the outcome of the audits conducted by the Commission's staff, which indicates the existence of money laundering activities.

Acknowledgement of Foreign Licenses

During the 1995-99 period, the Capital Market Commission acknowledged license to several foreign firms for the provision of a full range of investment services in Greece, according to the European Community Directive 93/22. Presently, 541 foreign firms have expressed their interest in doing business in the Greek capital market. Among them, 474 are from the United Kingdom, 27 are from Ireland, 16 from the Netherlands, 6 from Belgium, 4 from France, 5 from Denmark, 3 from Austria and Norway, and 1 from Italy, Sweden and Luxembourg.

Table 24.
**Notifications for the Provision of Investment Services According to the
European Directive 93/22 on Investment Services**

Countries	Number of Notifications	Number of Withdrawals	Number of Active Notifications
Austria	3	0	3
Belgium	6	0	6
Denmark	5	0	5
France	4	0	4
Ireland	29	2	27
Italy	1	0	1
Luxembourg	1	0	1
Netherlands	18	2	16
Norway	3	0	3
Sweden	1	0	1
U.K.	612	138	474
<i>Total</i>	<i>683</i>	<i>142</i>	<i>541</i>

International Regulatory Cooperation

In May 1999, the 24th Annual Conference of the International Organization of Securities Commissions (IOSCO) took place in Lisbon, Portugal. Panel discussions were held on a variety of issues to the interest of both regulators and practitioners, such as:

- International co-operation among supervisory authorities
- The year 2000 computer problem and its consequences for the electronic systems of stock exchanges, clearing houses and other supervised entities
- Cross-border investment flows and the stability and development of the markets

The panels have covered an extensive number of topics of considerable interest to the supervisory authorities and the capital markets' participants:

The Internet and the Securities Market

The Internet offers substantial opportunities for investors and the securities industry. Traditional geographical and time barriers are overcome by the emergence of this new communication and trading medium. The Internet facilitates the fostering of innovation and competitiveness in the securities markets, raises a number of new and important issues for securities regulators, industry and investors. Cross-border regulation and oversight, in particular, take on a new dimension when Internet-based securities trading takes place among parties located in different jurisdictions.

Another important issue discussed during the conference is securities activity on the Internet. Supervising authorities should cooperate and share information in order to monitor effectively securities activity on the Internet and strive for transparency and consistency regarding the manner in which their rules apply in an Internet environment.

Investors Education

Individual investors across the globe increase their participation in securities markets. The advent of the Internet, the move to self-directed retirement plans and the maturing of equity markets all make it easier for individuals to invest in securities. Many of these

individuals may be first time investors, many are unsophisticated and may be more vulnerable to fraud. The panel discussed the ways in which regulators and the private sector can develop effective programs for educating these investors about the markets and the risks and rewards of investing.

Cross-Border Offerings and Listings

The globalisation of capital markets provides new opportunities for issuers and investors. Issuers can raise cost-efficient capital on multiple markets while investors can choose from a wider selection of investment opportunities. Increased harmonisation of requirements for issuer disclosure may encourage greater cross-border capital raising and investment. IOSCO's Technical Committee is now assessing a "core set" of IASC standards to see whether it can recommend their use on a cross-border basis. Through these and other efforts, steps towards globalisation of the markets, without compromising investor protection, are being taken. A discussion on the current status of cross-border listings and offerings, and measures to facilitate capital flows took place.

Sound Management in Collective Investment Schemes

The tremendous growth of investments through Collective Investment Schemes pays particular attention on the management of funds. The concentration of significant amounts of assets in the hands of fund managers prompts the need for closer examination of managerial issues, such as conflicts of interest and shareholders' protection of rights and interests. The establishment of effective managerial standards from the dual perspective of regulation and compliance was the main subject of presentations in this panel.

Last but not least in the panel discussions were issues such as the impact of Euro on securities markets, corporate governance of public companies in a context of growing cross-border investment.

IOSCO's implementation of the "Objectives and Principles of Securities Regulation", its detailed work on specific technical issues, its efforts to improve international co-operation, its various training initiatives, and its active participation in the key international discussions of issues affecting securities and futures markets, all make a vital contribution to the strengthening of regulation world-wide. A common belief among regulators is that smoothness and stability in international financial markets will be further improved if the following fundamental features apply to the markets:

- Equal treatment of investors
- Markets' efficiency
- Liquidity
- Transparency

To this end, international collaboration and co-ordination of practices of national competent authorities is necessary. During the Conference, the Hellenic delegation has had bilateral contacts with representatives from neighbouring countries in the Balkans, North Africa and Middle East aiming at the establishment of closer relations and the signing of relevant MoU agreements.

The Hellenic Capital Market Commission and FESCO⁴

During their Dec. 8, 1997 meeting, 17 of the statutory Securities Commissions of the Member States of the European Economic Area (EEA) have adopted a Charter creating the Forum of European Securities Commissions (FESCO). FESCO was founded in Paris in December 1997 in order to respond to the challenges of creating the European single market in financial services. The Hellenic Capital Market Commission participated in substantial international activity within FESCO. During 1998 the following experts groups were established under FESCO and fulfilled their tasks in 1999:

1. *Expert group on “The Exchange of Information and Surveillance of Securities Activities”.*

The objective of this group was to produce a multilateral Memorandum of Understanding among the members of FESCO and to create a surveillance network. The members of FESCO have signed in Paris on 26 January 1999 a Multilateral Memorandum on the Exchange of Information and on the Surveillance of Securities Activities. This multilateral Memorandum is the corner stone of the FESCO Exchange of Information and Surveillance Co-Ordination Group (“FESCOPOL”) assembling the officials of each Authority responsible for the surveillance of securities activities and the exchange of information.

The members of FESCO considering the increasing internationalization, harmonization and interdependence of European Financial Markets due to the completion of the Internal Market for financial services, the closer co-operation between European Exchanges and the use of modern technology, the objective of this Multilateral MoU is to create a pan-European regulatory framework to provide broadest possible mutual assistance between the competent Authorities of Member States of the EEA so as to enhance market surveillance and effective enforcement against financial abuse.

In particular the scope of this MoU covers the following areas falling within the competencies of the signatory authorities:

- Investigations and enforcement in connection with applicable laws or regulations relating to insider dealing, market manipulation and other fraudulent or manipulative practices in the securities field
- Investigation and enforcement of and monitoring compliance with, applicable laws and regulations relating to dealing in, advising on and the management, administration and safekeeping of securities,
- Checking that the conditions for the taking up of (or continuing in) business as an Intermediary are met
- Enforcing and monitoring compliance with applicable laws and regulations relating to the disclosure of interests in securities, take-over bids or the acquisition of influence over financial intermediaries

⁽⁴⁾ The Forum of European Securities Commissions (FESCO) assembles the following 17 Statutory Securities Commissions of the European Economic Area (EEA): Bundes-Wertpapieraufsicht (Austria); Commission bancaire et financière/Commissie voor het Bank- en Financiewezen/ Kommission für das Bank- und Finanzwesen (Belgium); Finanstilsynet (Denmark); Rahoitustarkastus (Finland); Commission des opérations de bourse (France); Bundesaufsichtsamt für den Wertpapierhandel (Germany); Επιτροπή Κεφαλαιαγοράς / Capital Market Commission (Greece); Financial Supervisory Authority (Iceland); Central Bank of Ireland; Commissione Nazionale per le Società e la Borsa (Italy); Commission de surveillance du secteur financier (Luxembourg); Stichting Toezicht Effectenverkeer (Netherlands); Kredittilsynet (Norway); Comissão do Mercado de Valores Mobiliários (Portugal); Comisión Nacional del Mercado de Valores (Spain); Finansinspektionen (Sweden); Financial Services Authority (United Kingdom). The European Commission attends FESCO meetings as an observer. The Chairman of the IOSCO European Regional Committee is also invited as an observer. FESCO is chaired by George Wittich, Chairman of the Bundesaufsichtsamt für den Wertpapierhandel (Germany).

- The supervision of the Financial Markets, including the clearing and settlement, the monitoring and surveillance of OTC transactions in securities listed on EEA regulated markets as defined in the Investment Services Directive,
- Enforcing or monitoring compliance with applicable laws relating to the duties of issuers and officers of securities in relation to the disclosure of information.

2. *Experts Group on “Fitness and Propriety”*

The objective of this group was to make proposals to prevent firms or individuals deemed not fit and proper in one Member State becoming authorized in another and obtaining the European Passport. As a result of this experts group The European Standards on Fitness and Propriety to provide investment services were adopted in Athens in April 1999.

The objective of the FESCO Standards on Fitness and Propriety is to facilitate the ability of investment firms and credit institutions to provide investment services by using their "European passport" in the Member States of the European Economic Area (EEA). This document focuses on standards, which the regulators will apply in respect of fitness and propriety to provide investment services. These standards are a useful detailed complement to the principles established by the provisions of the Investment Services Directive (93/22/EEC) and the "post-BCCI" Directive (95/26/EEC).

3. *Experts group on “Standards for Regulated Markets”*

During their last meeting in Paris, the members of FESCO have adopted a key paper entitled “Standards for Regulated Markets”. The "Standards for Regulated Markets" (99-FESCO-C) add detail to, and supplement the requirements of the Investment Services Directive (93/22/EEC). They address the conditions for operation of the market, for access to the market as well as listing and admission to trading. FESCO believes that this European Standards will be applicable to markets, which seek to establish themselves in the European Economic Area (EEA), and considers that in the light of closer co-operation between regulated markets through new exchange alliances there is particular need for these Standards.

4. *Experts group on Market Conduct Standards for Participants in an Offering*

During their last meeting in Paris, the members of FESCO have also adopted another key paper entitled “Market Conduct Standards for Participants in an Offering”. Market Conduct Standards for participants in an Offering" will support the effective and consistent cross border implementation of high level investor protection and market integrity objectives of the main directives addressing securities offerings. The main objective of the Standards is to preserve market integrity by avoiding the misuse of material information by the participants in an offering.

FESCO members will introduce these standards, adopted after national and European consultation, in their regulatory objectives and, when possible, in their respective rules. If a FESCO member does not have the authority to implement a certain standard, it will commend the standard to its government and to the responsible regulatory authority. FESCO members will publicly disclose the manner in which they implement FESCO standards.

The adoption of harmonized regulatory standards and the formation of new FESCO’s experts groups are a significant contribution to the completion of the EU Action Plan for financial services developed by the European Commission.

The adoption of the above two papers is a significant step forward in FESCO's work to a common approach to the regulation of the European Single Market for financial services. This common approach will allow regulators to work with a common set of regulatory standards, thereby improving investor protection and reducing cross-border inconsistencies in the regulation of markets and investment services firms.

The following experts groups were established under FESCO and are still in progress:

1. *Experts group on "Investor Protection"*

The objective of this group is to start a comparative work on the existing Conduct of Business Rules in members' jurisdictions, consider the scope for further harmonization of these Conduct of Business Rules and where possible commence a harmonization process, as well as to improve procedures for necessary co-operation between competent authorities in the enforcement of Conduct Business Rules.

2. *Experts group on "European Public Offers"*

The objective of this group is to make proposals to facilitate cross-border offerings by European companies and ensure high standards of information disclosure, FESCO has drawn up appropriate criteria to separate the prospectus into different documents and agree on how these documents should be prepared, approved and mutually recognized. FESCO has also identified other areas in which the European Directives could be amended to improve capital raising in the Single Market and, in particular, for small and medium enterprises (SMEs) whose securities are traded on regulated markets. FESCO members agree to mutually recognize prospectuses established in accordance with the 80/390/EEC Directive and composed of separated documents or documents incorporated by reference. In order to clarify the responsibilities of the authorities involved in the approval of the documents and the mutual recognition process, FESCO members propose to the European Commission amendments to the Directive. FESCO members also agree on policy objectives to simplify the EU legislation and to apply the mutual recognition of prospectuses in a protective manner for investors.

During their last meeting in Paris, the members of FESCO have announced its future work program with the establishment of three new experts groups: Primary Market Practices; Alternative Trading Systems; and Market Abuse.

Primary Market Practices - The work of this Experts Group, chaired by Kaarlo Jännäri, Director General of the *Rahoitustarkastus* (Finland), will encompass three subjects in connection with securities offerings that require a common European approach: gray market trading, stabilization practices (including green shoe arrangements) and the allotment of securities.

Alternative Trading Systems (ATSS) - This Experts Group, chaired by Howard Davies, Chairman of the Financial Services Authority (UK), will identify the generic types of ATSS and study the risks and benefits attached to such trading facilities. On that basis, especially because ATSS, like investments firms and exchanges, increasingly operate globally, the Group will consider a common European approach.

3. *Market Abuse*

The Experts Group, chaired by Juan Fernandez Armesto, Chairman of the *Commission Nacional del Mercado de Valores* (Spain), will identify and compare the regulation of market abuse in each Member State and define the type of market conduct that FESCO members consider subject to sanction. On that basis, the group will make proposals on how this could be achieved, including suggesting possible modifications of the EU legislation.

1st Meeting of Capital Markets Regulators of South Eastern Europe, Sofia, 10-11 June 1999

The First Meeting of Capital Markets Regulators of South Eastern Europe was held in Sofia, Bulgaria in July 1999. Official representatives of IOSCO and FESCO took part in the Meeting. The delegates of the participating Commissions (Albania, Armenia, Bulgaria, Croatia, Cyprus, FYROM, Georgia, Greece, Moldova, Romania, Slovenia, Ukraine) have examined the possibilities for establishing closer bilateral and multilateral cooperation, in the spirit of EU Directives and IOSCO principles and in the interests of each one of the countries

of the region. They have also made presentations on the recent developments in their jurisdictions.

It was agreed upon the necessity of holding such meetings annually. In that context, the Hellenic Capital Market Commission undertook the responsibility to organize the next meeting in Thessaloniki, Greece on 21 and 22 February 2000.

Participation in International Conferences, Fora and Meetings in 1999

Annual Conference of the International Organization of Securities Commissions (IOSCO)
24-29 May 1999, Lisbon, Portugal

European Regional Committee of IOSCO
25 May 1999, Lisbon, Portugal
12-13 September 1999, Krakow, Poland

Meetings of the Working Party No IV of the Technical Committee of IOSCO
14 January 1999, Bern, Switzerland
5 May 1999, London, U.K.
27 September 1999, Washington, U.

Forum of European Securities Commissions (FESCO)
25-27 January 1999, Paris, France
9-10 September 1999, Frankfurt, Germany
16-18 December 1999, Paris France

Meetings of the Experts Groups of FESCO

Standards for Investors Protection
14 October 1999, Paris, France
10 December 1999, Amsterdam, The Netherlands

FESCOPOL
16-19 June 1999, Paris, France
2-5 September 1999, Paris, France

European Public Offers
18 June 1999, Rome, Italy
10 October 1999, Milan, Italy

Market Abuse
7 October 1999, Madrid, Spain
21 November 1999, Madrid, Spain

Primary Market Practices
22 November 1999, Paris, France

Alternative Trading Systems
29 November 1999, London, U.K.

Public Relations and Communication
25 October 1999, Frankfurt, Germany

Workshop on the regulatory consequences of European Exchange Alliances

UCITS Contact Committee
17 March 1999, Brussels, Belgium
23 April 1999, Brussels, Belgium
26 May 1999, Brussels, Belgium
24 June 1999, Brussels, Belgium
7 October 1999, Brussels, Belgium
27 October 1999, Brussels, Belgium
18 November 1999, Brussels, Belgium

High Level Securities Supervisors Committee Meetings
14 January 1999, Brussels, Belgium
30 June 1999, Brussels, Belgium

Enlarged Contact Group on the Supervision of Collective Investment Funds
20-25 September 1999, Rio de Janeiro, Brazil

OECD Meeting on Corporate Governance
20-21 January 1999, Paris, France

Conference organized by the World Bank and Brookings Institution on Emerging Markets and Developments
25-28 March 1999, New York, U.

Conference on the Recent Developments of Greek Economy
22-27 March 1999, New York, U.

Educational Participation

1999 IOSCO Seminar Training Program on the Regulation and Supervision of Market Intermediaries
5-12 September 1999, Montreal, Canada

Seminar of the U.S. Commodities and Futures Trade Commission
16-24 October 1999, Chicago, U.

Seminar of the U.S. Securities & Exchange Commission on Securities Enforcement and Market Oversight
14-21 November 1999, Washington, U.

APPENDICES

Appendix I.

Rules and Regulations Issues by the Capital Market Commission, 1999

No.	Title	Description
146/24-11-1998	Criteria For The Imposition Of Sanctions Against Brokerage Firms, Mutual Fund Management Firms And Investment Services Companies In Case Of Delayed Submission Of Audited Information In The Capital Market Commission	Par. 9: A) If the delay is up to 5 working days, a penalty of 1.000.000 GRD will be imposed. B) If the delay is between 6 and 10 working days, a penalty of 2.000.000 GRD will be imposed. C) In case of reversion, the above-mentioned penalties will be doubled. D) If the delay is greater than 10 working days, or if no information is submitted, or in case of a second reversion, the level of the penalty will be determined, depending on the case, by the Capital Market Commission in combination with other sanctions.
149/12-1-1999	Approval Of The Training Program For Those Engaged In The Promotion Of Mutual Funds' Units	Par. 7: 1. Material items of the training program. 2. Duration of the training program. 3. Text book for the candidates 4. Written examination.
150/19-1-1999	The Contributions Of The Members Of The Athens Stock Exchange And The Listed Companies For The Computerization Of The Athens Stock Exchange	Par. 5: The obligation for payments by the Athens Stock Exchange members and the listed companies for the computerization of the Athens Stock Exchange, that is foreseen in paragraph (α) and (b) of Decision 12/7-6-1994/Par. 7 ^o (GAZETTE 556 B), is suspended from 1/1/1999 until 31/12/1999.
150/19-1-1999	Supplementary Data Concerning The Account Books And The Records That Must Be Kept By The Members Of The Athens Stock Exchange	Par. 6: On the counterfoil and on the prototype of each duplicate, before the delivery to the client, an executive from a firm member of the Athens Stock Exchange marks the data of the record, which have been issued, to demonstrate that all the obligations of the member and the client have been fulfilled. Par. 7: In cases of transmission, for the accomplishment of the sufficient according to the low dispersion of shares, which are listed in the Athens Stock Exchange for the first time and they are not derived from a rise of the share capital, the data of any kind foreseen by the decision 6280/B508/17-5-89 which concern the stock transaction with which the shares are spared to the investors who are interested in them, before the listing procedure, can be issued concentrated on the name of the Main Underwriter. The Main Underwriter then issues records on the name of the investors. Through the member of the Athens Stock Exchange, which intervene in the fulfillment of the stock transaction, a copy of the catalogue (containing all the data concerning the investors), which the Main Underwriter has submitted to the Board of Directors of the Athens Stock Exchange during the approval of the dispersion of shares of the listed company, is imposed to the Central Securities Depository.

150/19-1-1999	Amendment Of Decision 76/28.5.1996/Par. 5 "Fixing Of The Rights Of The Central Securities Depository "	Par. 4: It determines the payment to the Central Securities Depository by the issuer company with registered stock shares listed in Athens Stock Exchange of an amount of 50 GRD for each transaction of transmission and with a minimum payment of 5.000 GRD for each magnetic mean.
151/2-2-1999	Rights Of The Central Securities Depository In The Case Of Replacing Equity Shares With Depository Receipts	Par. 1: The validity of decision 143/20-10-1998/Par. 3° "Rights of the Central Securities Depository in the case of replacing equity shares with depository receipts" is extended until 30-4-1999.
152/2-3-1999	Account Books And Data That Must Be Kept By The Members Of The Athens Derivatives Exchange Sa And The Derivatives Transactions Clearing House	Par. 8: A) <i>Documentation required for regular transactions</i> : 1) factual information for transactions concerning limited time contracts (futures), 2) list of orders made in duplicate for limited time contracts, 3) list of transactions made in duplicate in the case of limited time contracts, 4) data for transactions in options, 5) catalogue of order made in duplicate in options, 6) list of transactions made in duplicate in options. B) <i>Account books that must be kept for regular transactions</i> : 1) analytical statement of the insurance margins, 2) record of daily transactions. C) <i>Obligations of the Members as far as the keeping of account books and data are concerned</i> : 1) <i>Obligation of keeping the aforementioned account books and data</i> , 2) all the aforementioned material must be computerized.
153/9-3-1999	Once And For All Rights That Must Be Paid To The Athens Stock Exchange During The Listing Procedure Of Stock Shares Because Of A Merger Of A Company Witch Is Not Listed With One Witch It Is	Par. 1: RECOMMENDATION TO THE MINISTER OF NATIONAL ECONOMY. The provisions of Par. 5 of case A of Ministerial Decision 24072/B 7880/30-6-1996 (Gazette B), as it was amended by the Ministerial Decision 39716/B 1870/23-11-1998(Gazette 1204B'25-11-1998), that concern the once and for all payment of an amount, as a registration fee during the listing procedure of stock shares for the first time, are as well applied to the listing procedure of stock shares because of a merger of a company which is not listed with one that it is. In that case the value of listed stock shares is determined as the product of the listed share stocks that are allocated to the merged company's shareholders by the price of the share.
153/9-3-1999	Specific Determination Ofthe Subject Matters For The Examinations Taken By Candidate Brokers	Par. 5B: 1. Stock Market and Capital Market legal framework. 2. Legislation for Limited Liability Companies. 3. Financial Analysis and analysis of balance sheets. 4. Appraisal and Valuation of securities. 5. Portfolio analysis and Portfolio Management.
154/16-3-1999	Regulation For The Transactions Clearing Procedure And The Operation Of Dematerialized Securities System	Par. 2: <i>FIRST PART</i> : A) Share code numbers and accounts of Dematerialized Securities System. B) Activation and inactivation of share code numbers and accounts. C) Alterations of share code numbers and accounts. D) Strict secrecy of registered data and obligation of informing. <i>SECOND PART</i> : A) The transactions' clearing procedure on the whole. B) Notification of the transactions to be cleared by the Athens Stock Exchange to the Central Securities Depository. C) Finalization of the transactions. D) Notification of the account operator. E) Settlement of the transactions. F) Transposition of buying and selling. <i>THIRD PART</i> : A) Incidents concerning the firms and modifications into the registered data by the Central Securities Depository. B) Updating of the registered data. C) Modifications of the remaining of the accounts. D) Binding of the equity shares. E) Transactions of the shareholder. F) Issuing of certifications. <i>FOURTH PART</i> : A) Procedure o modifying the shares of listed in the Athens Stock Exchange companies. B)

		Procedures of modifying the shares, which are being listed for the first time into in the Athens Stock Exchange. C) Incidents concerning the firms and transactions of the shareholder during the stage of modification. <i>FIFTH PART</i> : Final provisions.
154/16-3-1999	Safety Valves For The Smooth Operation Of The Athens Derivatives Exchange Sa And The Derivatives Transactions Clearing House	Par. 4A: Temporary interruption of the sessions of the Athens Derivatives Exchange, the interruption and the respite of the treatment of a derivative and its crossing off. Obligations-Consequences.
156/6-4-1999	Amounts Paid To The Athens Derivatives Exchange Sa And The Derivatives Transactions Clearing House By The Members, As A Registration Fee And Annual Contribution	Par. 5: A) TO THE ATHENS DERIVATIVES EXCHANGE SA: 1. <i>Registration fee</i> a. For the members – Market makers of type B 4.000.000 GRD. β. For the other members 5.500.000 GRD. 2. <i>Annual Subscription</i> a. For the members – Market makers of type B 2.000.000 GRD. B. For the other members 2.500.000 GRD. The annual subscription is related to the permission of using programs in two working stations for holding transactions. Whenever the number of working posts rise the annual Subscription of the member will change proportionately. B) TO THE DERIVATIVES TRANSACTIONS CLEARING HOUSE :1. <i>Registration fee</i> a. For the members – Market makers of type B 4.000.000 GRD. b. . For the other members 5.500.000 GRD 2. <i>Annual Subscription</i> a. For the members – Market makers of type B 2.000.000 GRD. b. For the other members 2.500.000 GRD. The annual subscription is related to the permission of using programs in two working stations for holding transactions. Whenever the number of working stations rise the annual Subscription of the member will change proportionately.
158/11-5-1999	Rights Of The Central Securities Depository In The Case Of Replacing Equity Shares With Depository Receipts	Par. 7: The validity of decision 143/20-10-1998/Par. 3° “Rights of the Central Securities Depository in the case of replacing equity shares with depository receipts” is extended until 31-7-1999.
160/2-6-1999	Amendment Of Decision 9820/154/16-3-1999 For The Regulation Of The Clearing System And The Operation Of The Dematerialized Securities System	Par. 9: 1. <i>Case d of Par.1 of the article 37</i> : In cases of transactions which are contracted by the method No 6 which is foreseen in decision 18/15-1-99 of the Board of Directors of the Athens Stock Exchange (GAZETTE B 40) as it is amended by the decision 22/14-5-99 of the Board of Directors of the Athens Stock Exchange (GAZETTE B 1172). 2. <i>Article 37 Par. 5</i> : The transactions of Par.1 case d of present can be cleared in T+0 or in T+1 day. These transactions can be contracted by a Member who acts as a principal of the purchase and for its own account, even if a penalty of exclusion from the session has been imposed on it, for not fulfilling its obligations according to article 38 Par.1 case (α) and (c) of the Regulation of the Stock Transactions Clearing Procedure and the Dematerialized Securities System in combination with decision 129/14-4-98 Capital Market Commission (GAZETTE B 453). Right removes the aforementioned penalty of exclusion after the aforementioned transactions have been contracted. Any positive difference between the value of the transaction of purchase, which caused the tendency and the value of the buying transaction of case d of Par.1 of the present article, is paid by the member for the settlement as an extra additional contribution to the Transactions Clearing Fund, without being counterbalanced for its already existing obligations. The price of these transactions is permitted to be formed according to the predictions of method 6 as it is foreseen in the decision 18/15-1-99 of the Board of Directors of the Athens Stock Exchange (GAZETTE B 40), as it is amended by the decision 22/14-5-99 of the Board of Directors of the Athens Stock Exchange (GAZETTE B

		1172). The value of these transactions is non-included in the transactions, which are foreseen in the decision 90/19-11-96 of the Capital Market Commission (GAZETTE B 1095). 3. <i>First section of Par.2 of article 38</i> : In cases of the aforementioned paragraph the Central Securities Depository hold an overdue settlement, complex or bilateral, in T+3 days or in days after T+3.
164/20-7-1999	Use Of Derivatives From Mutual Funds And Investment Services Companies	Par. 8A: α) Conditions of using Derivatives to offset the risk. b) Conditions of using Derivatives for the effective management of portfolio. c) Investments in derivatives with underlined value a specific stock share. d) Obligations of Mutual Funds Management Companies and Investment Services Companies.
165/3-8-1999	Short Selling	Par. 3B: <i>Conditions for the short selling transaction</i> : α) The seller is member of the Athens Derivatives Exchange which has signed a contract of a Market Maker of type B. b) The seller has established a contract of purchase or venting for shares equal in number and type with agreement of repurchase or reselling and he has handed the relevant contract in the Central Securities Depository SA. c) Short selling is not permitted to be established into a price per share, which is lower than the latest price, in which transaction has been established in the same share itself. d) The overall short selling per seller and per share can not exceed in constant basis 1% of the available percentage of the wide spread for the particular share. e) The list, which is issued for the aforementioned short selling, defines with an appropriate indication that it deals with a short selling case. f) The valid provisions of law about the transactions' clearing procedure are applied.
165/3-8-1999	Contacts Of Buying With Agreement Of Reselling Stocks And Contracts Of Selling Stocks With Agreement Of Repurchase	Par. 3A: α) Over the counter contracts of venting or purchase with agreements of reselling or repurchase for the members of the Athens Derivatives Exchange who have signed conventions of a Market Maker of type B. b) Requirements for the established and content of the contracts and the agreements of reselling or repurchase. c) Procedure for the fulfillment of the contracts and agreements of reselling and repurchase. d) Commissions of the Central Securities Depository. e) Regulations concerning the Mutual Fund Management Firms and Investment Services Firms. f) Evaluation of the own funds of the Mutual Funds and Investment Services Firms. g) Supervising and penalties.
165/3-8-1999	Amendment Of Decisions 104/8-4-1999 (Par.6γ And 6δ)	Par. 4: The imposition of data for the Large Financial Exposure and the Capital Adequacy for Firms of Providing Investment Services will be carried out every month.
166/31-8-1999	Rights Of The Central Securities Depository In The Case Of Replacing Equity Shares With Depository Receipts	Par. 5: The validity of the decision 143/20-10-1998/Par.3° "Rights of the Central Securities Depository in the case of replacing equity shares with depository receipts" is extended until the end of the dematerialization procedure.

167/7-9-1999	Amendment Of Decision 95/14-16.1.97 (Par. 3)	<p>Par. 11: <i>Penalties for violations of P.D. 51/1992. 1 Essential penalty</i> 1.Omission 4.000.000 GRD 2. Delay 2.000.000 GRD <i>Increment of penalty</i> 1. The value of stock transactions, which correspond to the transmissions without announcement. a) Up to 100.000.000 GRD: quadruple essential penalty. b) From 100.000.001- 500.000.000 GRD: fivefold essential penalty. c) From over 500.000.001: six fold essential penalty. 2. Proportion of the share capital that belongs to shareholder. For each one hundredth unit of the share capital that belongs to shareholder before the change starting from 10, the essential penalty is increased by 60.000 GRD. (1 hundredth unit = 60.000 GRD) 3) Percentage of change: For each one hundredth unit of change of shareholders sharing the essential penalty is increased by 100.000 GRD. (1 hundredth unit = 100.000 GRD) 4) Shareholder and member of the Board of Directors: If the offender is a member of the Board of Directors of the company, then essential penalty is increased by 1/3 of it. 5) Change of the administration: If the change of the sharing of the share capital come also along with change in administration of the company then the essential penalty is doubled. 6) For each relapse, the essential penalty is increased by the judgment of the Board of Directors of the Capital Market Commission. The final penalty, as it is formulated above, will be decreased by 1/3, with the minimum limit at 2.000.000 GRD, as long as the transmission of shares from or to the one who misses out the obligation of information is carried out from or to the members of the family of the shareholder.</p>
172/12-10-1999	Determination Of Rights Of The Central Securities Depository Sa In The Case Of Entry Of New Shares Equities In Dematerialized Securities System Because Of An Increase In The Share Capital Of A Listed Company	<p>Par. 12B: A. Rate 0,30% of the value, as it is determined below, up to 1.000.000.000 GRD. B. Rate 0,20% from 1.000.000.000 to 3.000.000.000 GRD. C. Rate 0,10% from 3.000.000.000 to 5.000.000.000 GRD. D. Rate 0,05% over 5.000.000.000 GRD. The total value of the increase of the share capital is determined as the product of issue price by the number of stock shares. In case that the increase of the share capital was realized with free stock shares, the total value is determined as the product of the nominal price of stock shares by the number of shares. The minimum paid amount is determined fixed at 1.000.000 GRD and the maximum at 60.000.000 GRD.</p>
172/12-10-1999	Amendment 74 ^{ns} /14.5.1996 For The " Specification Of Rights For The Central Securities Depository In Order To Reserve Equity Shares As It Is Predetermined	<p>Par. 2A: Amendment of Par.1 as follows: "The transmission rights on stock transactions for registered stocks or for depository receipts of registered stocks are detracted from 0,08% to 0,06% of the stock transaction value. From these rights, the Central Securities Depository will collect the 0,025%. The member of the Athens Stock Exchange, which has intervned in the transaction, will collect the 0,035%, from which the 0,01% will be paid to the Transactions Clearing Fund of the Athens Stock Exchange.</p>
173/19-10-1999	Regulation For The Transactions Clearing Procedure	<p>Par. 6: 1. The Central Securities Depository SA. For the clearing procedure of buying transactions can issue a depository receipt in a three working days' time in the name of the investment company after a written application of the member of the Athens Stock Exchange, in which all the information about the investment company will be sited. 2. In case of timely submission, the above depository receipt is not valid and the Central Securities Depository is obliged to replace it with a depository receipt in the name of the final buyers. 3. In case of untimely submission the issued depository are valid for the benefit of the investment company. 4. In the case of the final buyers being included in the list for a part of the shares only, the Central Securities Depository is obliged to replace it by issuing depository receipts in the name of the final buyers but only for the</p>

		number of shares that are included in the list, and in the name of the investment company for the rest of them. 5. In case of transaction of dematerialized stock shares, the investors' share code numbers will be credited through the record of distribution, that the brokerage firm, which intervened for the purchase, will bring the T+5 day from the make out day of the transaction.
174/26-10-1999	Terms And Conditions Concerning The Book Building And The Distribution Of Stock Shares Which Are At The Investors Disposal With An Initial Public Offerings	<p>Par. 13:1) For the participation in an Initial Public Offerings the existence of a share code number in the System of Dematerialized Securities is required. 2) The applications for participation can be done in cash, by check, dematerialized bonds or central government Treasury Bills of some countries and blocking of repurchases agreements on non-dematerialized equity shares. The shares of mutual funds and the letters of guarantee are excluded.</p> <p>3) The 30% of the stock share, which are disposed by an Initial Public Offering, is allocated to the institutional investors, while the rest 70% to the other investors. The institutional investors are defined in an analytical way and the offshore companies are excluded.</p> <p>4) For the part of stock shares, which is allocated to the institutional investors, there is the possibility of a book building procedure, according to the Main Underwriter's decision. 5) In the book building procedure, the price of allocation of the shares and the allocation of the shares to the institutional investors, are fixed from the Main Underwriter, according to some predetermined criteria. In the case in which a book building procedure is not applied, the distribution (allocation) of shares is fixed as well by the Main Underwriter, according to some predetermined criteria.</p> <p>6) When a book building procedure for institutional investors is applied, the Main Underwriter fixes the price and allocation of shares to non-institutional investors. When a book building procedure for institutional investors is not applied, the allocation of shares takes place by dividing the offered number of shares with a constant, which is related to the total receipts of the offering and according to the priority satisfaction of registration for a number of shares up to the quotient of the above division. In the case in which the aforementioned stock shares are not sufficient, the Main Underwriter, fixes the allocation of shares according to some predetermined criteria.</p> <p>7) The Capital Market Commission is able to approve a deviation from the aforementioned cases of allocation of shares for the privatized state firms, or for companies with assets over 200 billion GRD, or in cases of simultaneous combined offerings in Greece or abroad.</p>
174/26-10-1999	Amendment Of Decision 90/19.11.1996 "Procedures For Security Provisions For The Transactions Of The Athens Stock Exchange" (Gazette 1095/ 5/12/96)	<p>Par. 12: The daily transactions fulfilled by a member of the Athens Stock Exchange, do not demand covering, if they are smaller or equal to the own funds of that member. The level of the transactions is determined as the sum of the purchases and selling during one session. From the above ceiling of transaction the manually operated block of trades are excluded. As own funds are taken into account, they may result from the latest checked financial year balance sheet or a temporary checked balance sheet, concerning the first, second or third quarter, on the condition that, in this balance sheet adjustment for extra charges and predictions about the taxes and dividends will be taken into account according to the general principals that apply to the drawing up of the balance sheet and the annual results.</p>

175/9-11-1999	Amendment Of Decision 71/2-4-1996/Par.4 (Gazette 296 B) "Fixing Of The Fluctuation Of The Share Prices, The Block Of Trades And With Clearing Entry	<p>Par. 15: The paragraph δ of decision 71/2-4-96/Par.4 is amended as follows: In manually operated transactions of block of trades and in transactions with clearing entry that are contacted according to Par. 1 of article 24 of L.1806/88, if the value of the transactions fluctuate from 400.000.000 to 800.000.000 GRD, the selling price of the stock share it should not lean upwards or downwards by a percentage more than 5% of the price written on the electronic board by the time of the announcement of the transaction to the members who are responsible for the acceptance of the announcement or for the providing of permission as the case may be. If the value of transactions exceed the amount of 800.000.000 GRD, the selling price of the stock shares should not lean towards up or down by a percentage more than 10% of the price written on the electronic board by the time of the announcement of the transaction to the members who are responsible for the acceptance of the announcement or for the providing of permission as the case may be. There is no limit and the prices are formed freely between the parts in the following cases:</p> <p>1) If the subject of the transaction are stock shares that represent a percentage equal or greater than 30% of the summation of the shares of this category. 2) In cases of simultaneous transmission of shares of many categories with the same contracting parties, when the total transmitted stock shares represent a percentage equal or over than the 30% of the whole of the shares (irrespective of the allocated in many categories transmitted shares). 3) When the transitions of shares are fulfilled according to the offer procedure for vending block of shares through the Stock Market, which is regulated by the decision 13/19-2-98 of the Board of Directors of the Athens Stock Exchange and 4) in cases of the manually operated transactions of block of trades which worth more than 50 billion GRD, when the object of the transactions are stock shares of companies which belong by majority to Hellenic State or when the total assets of them exceeds 500 billion GRD. 5) In cases of the manually operated transactions of block of trades and in order to transmit listed shares that were an object of a Public Offering or of a Combined Offering (Public Offering and Private Placement), as it is specifically foreseen in the decision 14A/175/9-11-1999. With reference to more than one manually operated transactions of block of trades on the same share, which are established simultaneously, as a percentage of variance is considered the total value of them or the total percentage of the transmitted stock shares, as long as any of the contracting parties and members (agents and customers) is not presented as a buyer in one transaction and as a vender in another. The decisions 109/3-6-1997/ Par.1δ (GAZETTE 496B), 126/24-2-98/Par. 2 (GAZETTE 264B) and 138/18-8-98/ Par. 3 (GAZETTE 977B) are repealed.</p>
175/9-11-1999	Not Implementation Of The Variance Of Price Limits In The Case Of Transfer Of The Whole Or A Part Of Listed Stock Shares After An Initial Public Offerings	<p>Par. 14B: In the cases of the manually operated transactions of block of trades, and in order to transmit listed shares that were an object of a Public Offering or of a Combined Offering (Public Offering and Private Placement), the decision 217/71 / 2.4.1996 is not implemented and the price of transaction is appointed by the main underwriter during the period in which the investors show interest in these shares.</p>

175/9-11-1999	Supplement Of The Decision 150 /19.1.1999 "Supplementary Data Concerning The Account Books And The Records That Must Be Kept By The Members Of The Athens Stock Exchange"	Par. 14A: A paragraph with the following content is added: "All the above mentioned are also applied in cases of transmission of stock shares of a listed company for the purchase of which a great interest is manifested by the investors during the procedure of the approval of the Initial Public Offerings by the Capital Market Commission.
175/9-11-1999	Amendment Of The Ministerial Decision 2063/B.69/19.1.1999 (Gazette 79 B/8.2.99) Regarding The Operation Of The Parallel Market Of The Athens Stock Exchange	Par. 11: RECOMMENDATION TO THE MINISTER OF NATIONAL ECONOMY. Amendment of the first section of Par. 5 of chapter A as follows: " A company that is not listed in the Parallel Market of the Athens Stock Exchange or in a Stock Market of another state member of the E.U. and submits an application to be listed in the Parallel Market is bound in writing form that it will issue stock shares in an Initial Public Offerings that come only of a raise of its own funds and they represent, in a nominal value, at least the 25% of the amount that result from the sum of the own funds of the company and any amount of the increase that is not issued in an Initial Public Offering."
176/23-11-1999	Determination Of The Auction Procedure Of Non- Registered Bonds That They Were Not Deposited In The Issuer To Be Dematerialized And Extension Of The Previewed In Par. 2 Of Article And The Par. 1 Of The Article 44 Of L.2396/96 Deadline	Par. 11: 1) Extension of the deadline previewed in Par. 2 of article 42 L. 2396/96 2) Opening of the auction 3) Procedure of the auction 4) Other provisions.
176/23-11-1999	Amendment Of The Ministerial Decision 8173/B444/11.3.1999 (Gazette 288/B/24.3.99) For The Athens Stock Exchange Bulletin	Par. 10: RECOMMENDATION TO THE MINISTER OF NATIONAL ECONOMY. α) The medium weighting price per day is established as the quotient of the exchange value to the items of exchanges for any particular share during the day. Exchanges that have been carried out by hand are not taken into consideration for the calculation of the medium-weighting price per day. b) If an opening price is not formed for a share during the period before the session, then the setting out price is considered as the opening price. c) If no exchange has been done for a share during the session, the aforementioned prices are not brought out in the Daily Official List. d) If a share belongs to the basic category of negotiation A, the closure price is considered as the weighting median of prices to the items of transactions that had taken place the last 30' minutes before the session's termination. If transactions do not exist during the last 30 minutes period, the calculation time is doubled. If transactions do not exist during the last 60 minutes period, the duration of whole session is considered as the calculation period. If no transaction has taken place during the whole session, then the setting out price is considered the closure price as well. e) If a share belongs to the B or C (instant) category, the price of the last auction is considered as closure price (call auction). If no transaction has taken place during the whole session, then the setting out price is considered the closure price as well. f) For the listed in the Athens Stock Exchange bonds and national loans into foreign currency which is not the object of transaction of the Market of Stable Income Securities the following information is provided: 1. Nominal value. 2. Date of their issue, their duration in years. 3. The current interest rate. 4. The bulk of transactions into item for the previous day. 5. The price and the date of the latest call. ζ) For the short termed bonds such as the National Investment Bank of Industrial Development (E.T.B.A.), the National Mortgage Bank, the Hellenic Industrial Bank, E.T.E.B.A. ΕΣΤΕ and others (ex-Mortgage), which are not the object of transaction of the Market of Stable Income Securities, the following information is

		provided: 1. The initial and current interest rate the nominal value and the number of the listed bonds. 2. The annual interest rate. Date of their issue, their duration in years. 3. The date of their issue, their duration in years. 4. The bulk of transactions into item. 5. The price and the date of the latest call.
176/23-11-1999	Amendment Of The Ministerial Decision 2063/B.69/19.1.1999(Gazette 79 B/8.2.99) Regarding The Operation Of The Parallel Market Of The Athens Stock Exchange	Par. 9: RECOMMENDATION TO THE MINISTER OF NATIONAL ECONOMY. Supplementation of Par. 8 of chapter A as follows: In case of book building the disposal price is fixed by the underwriter, according to article 4 Par. 2 of P.D. 348/1985. The element (γγ) of Par. 5 of chapter A of the present decision is not in effect, as long as during Initial Public Offerings book building is applied.
177/7-12-1999	Amendment Of Decision 9820/154/16-3-1999 For The Regulation Of The Clearing System And The Operation Of The Dematerialized Securities System	Par. 11: 1. Replacement of Par.6 article 1. 2. After article 9 Investment Services Companies is added article 9α. 3. After article 11 of the Regulation is added article 11α. 4. Replacement of article 17 of the Regulation. 5. Replacement of case 1 of article 18 of the Regulation and in paragraph 1 of article 18 of the Regulation 6 th case is added. 6. Replacement of Par. 5 of article 65 of the Regulation. 7. Replacement of the title of chapter B of Part D. 8. Replacement of article 76 of the Regulation.
177/7-12-1999	Readjustment Of The Minimum Amount Of Own Funds Of Investment Services Companies	Par. 12: 1. The minimum amount of own funds of the Investment Services Companies is readjusted at 2 billion GRD. 2. The already existing Investment Services Companies, whose their own funds are inferior to the above mentioned amount, are obliged to raise their own funds at the required level until the 30 th of September 2000.
179/21-12-1999	Respite Of The Contributions Of The Members Of The Athens Stock Exchange And Listed Companies For The Computerization Of The Athens Stock Exchange	Par. 4: The obligation of payments of the Athens Stock Exchange members and the listed companies for the computerization of the Athens Stock Exchange, that is foreseen in paragraph (α) and (β) of Decision 12/7-6-1994/Par. 7 ^o (GAZETTE 556 B), is suspended from 1/1/2000 until 31/12/2000.
179/21-12-1999	Additional Contributions To The Transaction Clearing Fund Of The Athens Stock Exchange	Par. 5: The foreseen contribution of Athens Stock Exchange members to the Truncations Clearing Fund, according to the decision 106/13-5-1997/Par. 4, that is equal to 0,01% of the value of daily transactions, is extended until 31-12-2000.
179/21-12-1999	Amendment Of Decision 15/175/9-11-1999 "Amendment Of Decision 71/2-4-1996/Par.4 (Gazette 296 B) "Fixing Of The Fluctuation Of The Share Prices, The Block Of Trades And With Clearing Entry	Par. 7: The par. 2 of decision 15/175/9-11-99 is amended as follows: «Decisions 109/3-6-1997/Par. 1δ (GAZETTE 496 B), 126/24-2-1998/Par. 2 (GAZETTE 264 B) and 138/18-8-1998/Par. 3 (GAZETTE 977 B) are repealed. The present is put into force from the 28 th of December 1999.

Appendix II. International Developments and the General ASE Index, 1999

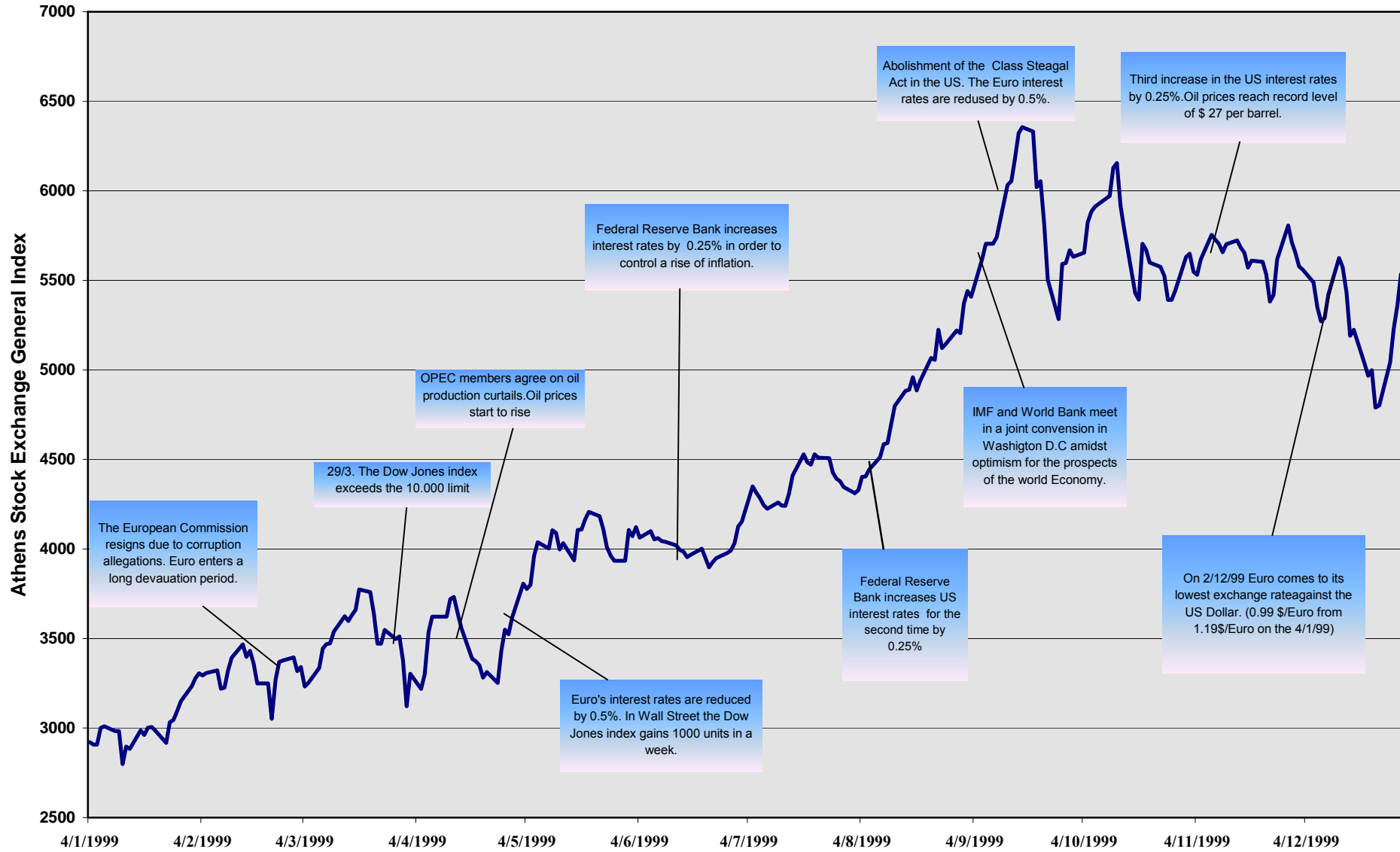


Table I.
Important Mergers & Acquisitions in Greece and Abroad, 1999

A. International Mergers & Acquisitions					
<i>Target Company</i>		<i>Acquirer Company</i>		<i>Value (million USD)</i>	
Company	Country	Company	Country		
Air Touch	USA	Vodafone	UK	65,901.9	
Media One	USA	AT&T	USA	63,115.3	
TotalFina	France	Elf Aquitaine	France	56,209.9	
Elf Acqintaine	France	Total finan SA	France	53,293.6	
US West	USA	Qwest	USA	48,479.8	
Telecom Italia	Italy	Olivetti	Italy	34,757.9	
Arco	USA	BP Amoco	USA	33,701.9	
Hoechst	Germany	Rhone-Poulenc	France	28,526.0	
Ascend	USA	Lucent Technologies	USA	21,070.4	
Promodes	France	Carrefour	France	18,301.8	
YPF	Argentina	Repsol	Spain	17,436.7	
Bank of Boston	USA	Fleet Financial	USA	15,925.2	
Honeywell	USA	AlliedSignal	USA	15,495.9	
Tractebel	Belgium	Suez Lyonnaise des Eaux	France	14,189.0	
One 2 One	UK	Deutsche Telecom	Germany	13,629.0	
Paribas	France	BNP	France	13,035.3	
CWC Consumer	UK	NTL	USA	12,963.7	
Marconi	UK	British Aerospace	UK	12,863.3	
BOC Group	UK	Investor Group	France	12,726.8	
Frontier Corp	USA	Global Crossing	USA	12,594.4	
Union Carbide Corporation	USA	Dow Chemical	USA	11,669.5	
Banco Central Hispanoamerico	Spain	Banco Santander	Spain	11,320.8	
Scottish Windows	UK	Lloyds TSB	UK	11,119.5	
TransAmerica Corp	UK	Aegon	Netherlands	10,813.6	
Asda Group	UK	Wal-Mart Stores	USA	10,742.9	

B. Privatization in Greece

C. Mergers & Acquisitions in Greece

<i>Company</i>	<i>Value (billion GRD)</i>	<i>Acquirer Company</i>	<i>Target Company</i>	<i>Activity</i>
HTO (4th secur. by 14%)	341,0	Singular AE	Germanos	Hardware, Software
National Bank of Greece	281,0	Etane AE	Efklidis	Construction
KAE	127,0	Intracom AE	Hell Technoldom	Consulting
Sales of ATE	80,0	Nireas AE	Sarantis	Food
Hellenic Petroleum	150,0	AEGEK AE	EKTER	Construction
ETVA	30,0	ATTIKAT AE	Sigalas	Construction
EYDAP	60,0	Loulis Miles	St. Gerge Miles	Flour
<i>Total State Revenues</i>	<i>1.069,0</i>	Alpha Credit bank	Ionian bank	Banking
Ionian Bank	272,0	Infoquest AE	Ergodata AE	Computers
Olympic Catering (1st secur.)	3,3	Telesis	Dorian Bank	Banking
ETVA	99,0	Papaellinas	Sportsman Ae	Clothing
Olympic Catering (2nd sec.)	5,3	Consol Eurofinance Holdings	Ergo Bankç	Financial Services
EYDAP	15,0	Piraeus Bank	AEGEK, TERNA	Construction, finance
<i>Total non-State Revenues</i>	<i>395,0</i>	Telesis AXE	Dias Invst.	Financial services
<i>Grand Total</i>	<i>1.464,0</i>	Naoussa Textiles	Doudos Textiles	Textiles
		Attica Corporation	Stringis Lines	Shipping
		Hellenic Technodomiki	Aktor	Construction
		Intracom AE	Hell. Techn. Actor	Energy
		Blue Circle Industries SA	AGET	Cement
		Mihaniki	Balkan export	Wood Processing
		Doudos textiles	Giannousis	Textile

Table II.

New Listings in the Athens Stock Exchange, 1999

COMPANY	IPO period	Date of enlistment	Type of Market	Type of shares ¹	Initial share price	No of shares: Public Offer	No of shares: Priv. placement	Total funds raised	Main Underwriter	Advisor
1 AGRICULTURAL INSURANCE	26-29/1	25/2/99	Main	CR	3500	2.531.600	126.400	9.303.000.000	Agricultural Bank	N.I.B.I.D., - ATE Finance
2 MEVACO	29/1-2/2	1/3/99	Parallel	CR	1600	452.000	22.000	758.400.000	Commercial Bank	Telesis Securities
3 PLAISIO COMPUTERS	10-12/2	15/3/99	Parallel	CR	3250	600.000	0	1.950.000.000	Ergobank	Telesis Securities
4 ATERMON	17-19/2	17/3/99	Parallel	CR	1500	557.700	27.700	878.100.000	Midland Bank plc.	Midland Bank plc.
5 KLEEMAN HELLAS	24-26/2	5/4/99	Parallel	CR	2300	910.000	45.500	2.197.650.000	EFG Eurobank	EFG Euribank
6 VETERIN	2-5/3	5/4/99	Main	CNR	1700	2.246.750	112.000	4.009.875.000	Commercial Bank	Commercial Bank
7 EFG EUROBANK	16-19/3	14/4/99	Main	CR	8500	11.162.500	587.500	99.875.000.000	Eurobank, National Bank	
8 ILEKTRA	22-24/3	26/4/99	Parallel	CNR	1650	480.000	24.000	831.600.000	Commercial Bank	Commer. Bank Nuntius
9 CRETE PLASTICS	31/3-2/4	13/5/99	Parallel	CNR	2500	1.488.000	32.000	3.800.000.000	Bank of Piraeus	Piraeus Finance
10 OLYMPIC CATERING ²	29/4-4/5	9/6/99	Main	CR	1900	1.700.000	57.500	3.333.500.000	National Bank	Commer. Bank N.I.B.I.D.
11 PAPAFLIS MILLS	5-7/5	7/6/99	Parallel	CNR	1600	568.430	0	909.488.000	Commercial Bank	Commer. Bank Hellenic Sec.
12 FIERATEX	25-28/5	30/6/99	Main	CR	2300	1.648.930	81.800	3.980.679.000	Commercial Bank	Ionian Finance
13 ALPHA ASTIKA AKINHTA	1-4/6	29/6/99	Main	CR	2400	3.620.000	0	8.688.000.000	Alpha Credit Bank	Alpha Finance
14 ELGEKA	8-11/6	16/8/99	Main	CNR	2600	3.810.000	190.000	10.400.000.000	National Bank	N.I.B.I.D.
15 UNISOFT	16-18/6	27/8/99	Parallel	CR	3500	816.500	40.800	3.000.550.000	Commercial Bank	Kappa Securities
16 INTERAMERICAN	22-25/6	26/7/99	Main	CR	7000	4.582.900	0	32.080.300.000	National Bank	National Bank, Telesis Sec.
17 ACTIVE	30/6-2/7	1/9/99	Parallel	CNR	1600	1.715.000	85.000	2.880.000.000	Bank of Piraeus	Omega Securities
18 ANEN	30/6-14/7	No listing		CR	1000	1.050.000	450.000	1.500.000.000	Bank of Piraeus	Piraeus Finance
19 HELLENIC TELLECOM. ³	6-9/7	19/7/99	Main	CR	6500	10.851.710	56.318.360	434.044.086.125	National Bank, CSFB, SSB	Alpha Finance, N.I.B.I.D.
20 UNIFON	13-16/7	18/8/99	Main	CR	6500	3.810.000	190.000	26.000.000.000	Alpha Cr., National Bank	Alpha Finance
21 EVEREST	21-23/7	26/8/99	Parallel	CR	2800	762.100	37.900	2.240.000.000	EFG Eurobank	Telesis Securities
22 AUTOHELLAS	27-30/7	30/8/99	Main	CR	2600	4.286.000	214.000	11.700.000.000	Alpha Credit Bank	Telesis Securities
23 HAYATT REGENCY	31/8-3/9	27/9/99	Main	CR	7000	4.500.000	225.000	33.075.000.000	EFG Eurobank	EFG Eurobank
24 DIONIC	8-10/9	11/10/99	Parallel	CNR	2700	317.250	15.000	897.075.000	Omega Securities	Omega Securities
25 ATTICA PUBLICATIONS	10-15/9	11/10/99	Parallel	CR	3700	500.000	25.000	1.942.500.000	Xiosbank	Xiosbank
26 K.I. DANILIDIS	15-17/9	7/10/99	Parallel	CR	3400	813.000	39.800	2.899.520.000	Alpha Credit Bank	Alpha Finance
27 COMPUTER LOGIC	22-24/9	14/12/99	Parallel	CR	5500	805.410	0	4.429.755.000	EFG Eurobank	Global Finance
28 INTRALOT	7-11/10	3/10/99	Parallel	CR	8000	1.210.000	60.500	10.164.000.000	Alpha Credit Bank	Sigma Securities
29 NATIONAL BANK OF GREECE ⁴	12-15/10	25/10/99	Main	CR	22900	2.244.775	2.355.225	104.314.915.850	Alpha Cr., Commer. Bank	
30 PETROPOULOS	29/10-2/11	1/12/99	Parallel	CR	3300	400.000	20.000	1.386.000.000	HSBC BANK PLC	Alpha Finance
31 VARVARESSOS	2/11-5/11	3/12/99	Main	CNR	1500	2.453.590	122.680	3.864.405.000	National Bank	Alpha Finance
32 FRIGOGLASS	9-12/11	2/12/99	Main	CR	3000	6.000.000	5.000.000	33.000.000.000	Alpha Credit Bank	Alpha Finance

33	PANAFON ⁵	16-19/11	29/11/99	Main	CR	3660	3.879.270	82.773.603	316.966.515.180	Alpha Credit, National Bank	Alpha Finance
34	VIOHALCO	23-26/11	17/12/99	Main	CR	11500	12.300.000	0	141.450.000.000	National Bank	N.I.B.I.D.
35	CHATZIKRANIOTIS MILLS	29/11-1/12	27/12/99	Parallel	CR	3500	315.780	0	1.105.230.000	Ionian, Alpha Cr. Bank	Ionian Finance
36	P. KOTSOVOLOS	29/11-1/12	23/12/99	Parallel	CR	8500	4.847.000	0	41.199.500.000	Bank of Piraeus	Devletoglou Securities
37	NEORION NEW – SYROS	1-3/12	21/12/99	Parallel	CR	3500	958.000	47.880	3.520.580.000	Alpha Credit Bank	Alpha Finance
38	ILEKTRONIKI ATHINON	2-6/12	23/12/99	Parallel	CR	7500	900.000	0	6.750.000.000	EFG Eurobank	EFG Eurobank
39	HAIDEMENOS	2-7/12	4/1/00	Main	CR	4200	1.812.210	90.000	7.989.282.000	National Bank	Alpha Finance
40	KTIMA LAZARIDI	7-9/12	14/1/00	Parallel	CNR	2800	469.000	23.000	1.377.600.000	Commercial Bank	Ergofinance SA
41	SPIDER METAL INDUSTRY	7-9/12	28/12/99	Parallel	CR	5000	992.000	47.680	5.198.400.000	Alpha Credit Bank	Alpha Finance
42	MICROLAND COMPUTERS AEBE	8-10/12	24/12/99	Parallel	CR	5200	840.000	42.000	4.586.400.000	Commercial Bank	Telesis Securities
43	UNISYSTEMS	8-13/12	4/1/00	Main	CR	9800	3.000.000	150.000	30.870.000.000	Alpha Credit Bank	Alpha Finance
44	RADIO KORASIDIS TELECOM	9-13/12	12/1/00	Parallel	CNR	6500	550.000	0	3.575.000.000	Commercial Bank	P&K Sec., Sarros Sec.
45	ETBA BANK	14-17/12	12/1/00	Main	CR	3000	40.609.730	0	121.829.190.000	Commercial Bank	Commercial Bank
46	EYDAP	23-28/12	28/1/00	Main	CR	2000/250 0	30.000.000	1.500.000	77.798.286.250	Alpha Cr., National Bank	N.I.B.I.D.
TOTAL									1.624.570.181.330		

Source: Capital Market Commission, Prospectuses

Note: Since ELGEKA's Initial Public Offerings (excluding Interamerican), offered shares are in dematerialised form.

¹: CR = Common Registered, CNR = Common Non-Registered.

²: The issuing price for private placement was set at 1,800 GRD.

³: The total number of shares offered was 67,170,070.

⁴: The total number of shares offered was 4,600,000.

⁵: The offer included 43,090,400 existing shares and 43,562,473 exchangeable notes.

Table III.
Share Capital Increases in the Athens Stock Exchange, 1999
(Only cash-financed share capital increases are mentioned.)

MAIN MARKET							
COMPANY	Ex-right Date	SCI period	New / Old Share Ratio	Number of Shares Issued	Issuing price	Total funds raised (GRD)	
1	PIRAEUS BANK	4/12/98	4/1-5/2	1/1	43.750.000	2.500	119.866.500.000
2	BITROS	12/1/99	20/1-23/2	6/10	3.407.040	1.300	4.429.152.000
3	ERGOBANK	26/1/99	23/2-23/3	3/10	7.762.000	12.000	93.144.000.000
4	ALPHA FINANCE ¹	15/2/99		1/3	2.125.000	10.000	21.250.000.000
5	ALPHA INVESTMENTS	1/3/99	1/3-31/3	1/1	20.000.000	2.200	44.000.000.000
6	NATIONAL INVESTMENTS CO.	2/3/99	2/3-1/4	1/1	14.148.000	1.900	26.881.200.000
7	NAOUSSA SPINNING MILLS	10/3/99	10/3-13/4	1/10	1.312.500	1.800	2.362.500.000
8	PIRAEUS BANK	22/3/99	3/5-4/6	1/2	39.150.000	3.000	117.450.000.000
9	SINGULAR ORION INTERNAT.	23/3/99	26/3-11/5	1/1	8.250.000	1.500	12.375.000.000
10	INVESTMENTS	30/3/99	30/3-4/5	2/1	3.000.000	1.400	4.200.000.000
11	CHIPITA INTERNATIONAL	1/4/99	1/4-30/4	1/4	2.647.667	4.600	12.179.268.200
12	ELTRAK	6/4/99	6/4-6/5	2/10	1.845.000	1.600	2.952.000.000
13	PAPAELLINAS GROUP OF CO'S	7/4/99	7/4-7/5	2/10	1.123.100	2.200	2.470.820.000
14	XIOSBANK	8/4/99	7/5-8/6	7/10	17.103.340	3.000	51.310.020.000
15	NATIONAL BANK OF GREECE	13/4/99	26/4-28/5	1/10	14.843.024	11.500	170.694.776.000
16	INTERINVEST	26/4/99	3/5-3/6	2/10	2.707.500	1.000	2.707.500.000
17	HELLENIC INVESTMENTS CO.	28/4/99	28/4-28/5	1/1	17.550.000	1.500	26.325.000.000
18	EFG EUROBANK	3/5/99	18/5-18/6	2/10	22.092.725	5.000	110.463.625.000
19	ALPHA CREDIT BANK	4/5/99	7/5-9/6	1/8	11.000.000	12.000	132.000.000.000
20	INFORM P. LYKOS	5/5/99	5/5-7/6	1/1	4.419.450	1.900	8.396.955.000
21	AEOLIAN INVESTMENTS FUND	7/5/99	14/5-14/6	1/2	2.484.000	900	2.235.600.000
22	COMMERCIAL INVESTMENNTS	7/5/99	7/5-7/6	3/1	6.750.000	1.200	8.100.000.000
23	ASPIS INVESTMENTS	7/5/99	7/5-7/6	3/2	2.625.000	1.200	3.150.000.000
24	FOURLIS	13/5/99	13/5-11/6	1/2	7.551.900	1.000	7.551.900.000
25	PIRAEUS INVESTMENTS	17/5/99	24/5-25/6	1/1	6.100.000	1.300	7.930.000.000
26	EXELIXI	19/5/99	21/5-21/6	3/1	3.543.750	1.000	3.543.750.000
27	ETBA LEASING	24/5/99	11/6-12/7	1/1	6.552.000	1.500	9.828.000.000
28	SHEET STEEL CO.	26/5/99	26/5-6/7	1/1	13.204.020	250	3.301.005.000
29	ASPIS MORTGAGE BANK	2/6/99	17/6-16/7	1/1	7.600.000	2.000	15.200.000.000
30	GENERAL CONSTRUCTION CO.	2/6/99	16/6-16/7	15/10	16.632.000	1.450	24.116.400.000
31	TECHNICAL OLYMPIC	3/6/99	3/6-9/7	2/1	19.649.910	700	13.754.937.000
32	MOCHLOS	4/6/99	4/6-9/7	9/50	2.234.160	700	1.563.912.000
33	TERNA	7/6/99	21/6-27/7	1/1	9.527.380	900	8.574.642.000
34	ATTI-CAT	7/6/99	28/6-6/8	5/10	4.425.000	2.300	10.177.500.000
35	EMPORIKOS DESMOS	8/6/99	8/6-7/7	15/10	5.580.000	250	1.395.000.000
36	«MICHANIKI»	10/6/99	17/6-19/7	1/1	28.548.494	1500&1300	41.199.091.600

37	MINOAN LINES	10/6/99	16/6-16/7	3/10	7.092.600	3.200	22.696.320.000
37α	MINOAN LINES		5/7-16/7	45/100	10.638.900	5.100	54.258.390.000
38	ERGAS	14/6/99	12/6-12/7	1/1	5.159.000	700	3.611.300.000
39	AEFEK	16/6/99	23/6-30/7	1/1	20.767.500	1.200	24.921.000.000
40	ALTE TECHNICAL CO.	17/6/99	17/6-19/7	7/10	7.419.993	1.300	9.645.990.900
41	ATHENA HEL. ENG.&TOUR. CO.	17/6/99	30/6-30/7	3/10	1.413.000	1.400	1.978.200.000
42	BANK OF ATTICA	22/6/99	1/7-30/7	2/5	11.884.944	2.500	29.712.360.000
43	INTRACOM	1/7/99	8/7-9/8	1/10	4.084.236	15.000	61.263.540.000
44	MACEDONIAN PLASTICS	12/7/99	13/7-16/8	3/10	1.428.470	1.200	1.714.164.000
45	DORIAN BANK ²	12/7/99		13,43/10	11.900.000	1.500	17.850.000.000
46	THESSALIKI SPIRITS CO.		19/7-20/8	2/1	44.000.000	110	4.840.000.000
47	ELMEC SPORT SILVER&BARYTE ORES MIN.	13/7/99	27/7-27/8	1/1	7.027.800	1.000	7.130.600.000
48	CO. SA.	20/7/99	26/7-3/9	2/10	2.238.640	5.000	11.193.200.000
49	«KEKROPS» INTERTECH INTERN.	20/7/99	10/8-10/9	2/10	507.798	1.000	507.798.000
50	TECHNOL.	30/7/99	6/8-6/9	3/10	1.021.200	1.500	1.531.800.000
51	NAOUSSA SPINNING MILLS	2/8/99	6/8-14/9	8/10	23.100.000	1.800	41.580.000.000
52	ERGODATA	2/8/99	23/8-1/10	3/1	6.000.000	1.500	9.300.000.000
53	MARITIME CO. OF LESVOS	3/8/99	18/8-20/9	5/10	20.392.490	775	17.000.429.750
54	MESOCHORITIS BROS.	3/8/99	6/8-5/9	10/10	5.000.000	400	2.000.000.000
55	COMMERCIAL BANK	16/8/99	30/8-1/10	3/10	20.185.797	6.400	129.189.100.800
56	ATHENIAN CAPITAL HOLDINGS	18/8/99	26/8-22/9	9/1	32.879.367	1.000	32.879.367.000
57	GEN. COMMERCIAL & IND.	30/8/99	8/9-8/10	5/10	2.406.000	1.200	2.887.200.000
58	ALTEC	7/9/99	13/10-15/11	5/10	21.900.000	1.200	26.280.000.000
59	“GOODY’S” BANK OF	20/9/99	24/9-25/10	1/10	1.064.406	4.000	4.257.624.000
60	MACEDONIA&THRACE	27/9/99	18/10-19/11	2/1	34.136.000	3.500	119.476.000.000
61	GNOMON CONSTRUCTION CO.	28/9/99	5/10 - 5/11	2/1	16.380.000	600	9.828.000.000
62	C.I. SARANTOPOULOS	30/9/99	14/10-15/11	1/1	8.378.000	1.000	8.378.000.000
63	AVAX CONSTRUCTION CO. ³	30/9/99		15/10	9.030.000	1.600	14.448.000.000
64	TEXTILE IND. NAFAKTOS	6/10/99	12/10-12/11	2/10	1.918.350	1.000	1.918.350.000
65	HELLENIC FABRICS	8/10/99	8/10-9/11	2/3	3.890.200	1.000	3.890.200.000
66	«ETHNIKI» GEN. INSUR. CO.	11/10/99	18/10-18/11	2/10	6.079.574	4.000	24.318.296.000
67	FINTEXPOR	11/10/99	22/10-22/11	1/1	2.716.660	500	1.358.330.000
68	LAMBRAKIS PRESS	12/10/99	29/10-29/11	1/1	25.300.000	2.500	63.250.000.000
69	FANCO	12/10/99	18/10-16/11	3/10	1.920.000	2.500	4.800.000.000
70	MARFIN	13/10/99	15/10-15/11	8/10	11.456.000	1.000	11.456.000.000
71	«ETMA» RAYON	13/10/99	27/10-6/12	4/1	3.252.257	1.700	5.528.836.900
72	XYLEMPORIA (C)	15/10/99	20/10-19/11	1/2	607.600	2.000	1.215.200.000
72a	XYLEMPORIA (PR)	15/10/99	20/10-19/11	1/4	239.120	2.000	478.240.000
73	EUROPEAN RELIANCE INS. CO.	18/10/99	22/10-22/11	1/4	7.522.079	750&650	6.608.683.800
74	KALPINIS – SIMOS STEEL CO.	18/10/99	22/10-22/11	4/10	3.552.000	1.000	3.552.000.000
75	PAPAEILLINAS GROUP OF CO’S	19/10/99	19/10-17/11	1/1	19.766.560	1.520	30.045.171.200
76	DORIAN BANK	19/10/99	5/11-6/12	6/10	12.656.000	4.000	50.624.000.000
77	KERANIS	19/10/99	19/10-19/11	1/1	12.501.263	1300&700	14.108.584.700

78	MYTILINEOS HOLDINGS	20/10/99	26/10-26/11	1/1	40.520.340	1.250	50.650.425.000
79	BISSOL	25/10/99	5/11-6/12	6/5	18.057.287	165	2.979.452.355
80	TILETIPOS	25/10/99	10/11-10/12	3/10	6.487.500	1.800	11.677.500.000
81	BITROS	26/10/99	8/11-8/12	3/10	2.725.632	1.500	4.088.448.000
82	DIAS INVESTMENTS	26/10/99	2/11-2/12	11/1	23.017.500	1.500	34.526.250.000
83	ALPHA INVESTMENTS	27/10/99	3/11-3/12	1/1	40.000.000	2.200	88.000.000.000
84	THRACE PLASTICS	1/11/99	10/11-10/12	2/10	6.500.000	1.200	7.800.000.000
85	HERMES BUILD. ENTER. ATTICA ENTERPRICES	1/11/99	8/11-17/12	5/1	17.692.800	1.900	33.616.320.000
86	HOLDINGS	2/11/99	9/11-9/12	1/10	20.918.640	3.200	66.939.648.000
87	ORION INVESTMENTS	2/11/99	9/11-9/12	4/1	18.000.000	1.900	34.200.000.000
88	METKA	3/11/99	10/11-10/12	6/10	19.481.475	1.100	21.429.622.500
89	«THEMELIODOMI»	11/11/99	19/11-20/12	1/1	15.450.000	2.200	33.990.000.000
90	INTERSAT	11/11/99	18/11-20/12	1/1	16.434.000	500	8.217.000.000
91	HELLENIC TECHNODOMIKI ⁴	11/11/99	19/11-20/12	3/20	18.000.000	3.250	58.500.000.000
92	SATO	15/11/99	18/11-17/12	1/2	7.600.194	800	6.080.155.200
93	EGNATIA BANK	10/11/99	17/11-17/12	1/10	9.107.351	3.300	30.054.258.300
94	PETZETAKIS	15/11/99	19/11-20/12	1/1	10.761.292	2.500	26.903.230.000
95	LAVIPHARM	22/11/99	26/11-27/12	5/10	13.097.700	1.600	20.956.320.000
96	AEOLIAN INVESTMENTS FUND	18/11/99	23/11-23/12	2/1	14.904.000	1.350	20.120.400.000
97	INVESTMENT DEVELOP. FUND	18/11/99	24/11-24/12	10/1	26.611.200	2.000	53.222.400.000
98	N. LEVENDERIS	23/11/99	29/11-29/12	2/10	1.507.795	750&650	1.099.424.650

TOTAL (1)

2.635.641.184.85

PARALLEL MARKET

No	COMPANY	Ex-right Date	SCI period	New / Old Share Ratio	Number of Shares Issued	Issuing price	Total funds raised (GRD)
1	DIS	1/3/99	1/3-31/3	2/10	1.656.000	1.400	2.318.400.000
2	SEAFARM IONIAN	29/4/99	6/5-6/6	2/10	2.010.000	1.050	2.110.500.000
3	ENDYSSI	30/4/99	30/4-1/6	7/10	1.995.000	1.000	1.995.000.000
4	ELVE	15/6/99	16/6-15/7	4/10	3.780.000	600	2.268.000.000
5	EKTER	16/6/99	23/6-5/8	2/1	6.000.000	900	5.400.000.000
6	RADIO KORASSIDIS COMMERC.	22/6/99	28/6-28/7	1/2	5.243.445	1.200	6.292.134.000
7	KOUMBAS INS. CONS. SERV.	6/7/99	13/7-12/8	1/2	1.462.050	1.000	1.462.050.000
8	ALCO HELLAS	6/8/99	12/8-15/9	2/7	4.508.040	1.000	4.508.040.000
9	INFO QUEST	16/8/99	1/9-1/10	5/10	13.264.000	1.450	19.450.600.000
10	CONNECTION	30/8/99	6/9-6/10	1/2	2.850.000	1.450	4.132.500.000
11	C. CARDASSILARIS & SONS	13/8/99	16/9-18/10	1/10	1.007.900	1.500	1.511.850.000
12	VARANGIS	23/9/99	5/10-5/11	1/3	1.304.862	900	1.174.375.800
13	CORINTH PIPEWORKS	23/9/99	15/10-15/11	3/10	3.339.600	2.650	8.849.940.000
14	DIEKAT	5/10/99	15/10-15/11	1/1	4.945.000	2.000	9.890.000.000
15	DESPEC HELLAS	13/10/99	18/10-17/11	2/10	1.380.000	1.450	2.001.000.000
16	PIRAEUS LEASING	1/11/99	10/11-10/12	1/1	4.117.500	5.000	20.587.500.000
17	EPIPHANIA	3/11/99	11/11-15/12	3/10	1.145.250	1.100	1.259.775.000

18	POULIADES ASSOCIATES CORP. XIFIAS SA-KAVALA'S FISHERY	15/11/99	25/11-24/12	1/1	21.230.000	1.000	21.830.000.000
19	PROD.	19/11/99	23/11-23/12	3/10	1.996.137	2000&1800	3.955.980.600
20	SPYROU	24/11/99	30/11-30/12	2/10	3.967.500	1.700	6.744.750.000
21	MOURIADES	23/11/99	30/11-30/12	60/10	13.806.000	450	6.212.700.000
	TOTAL (2)						133.955.095.400
	GRAND TOTAL (1+2)						2.769.596.280.255
TRANSFERS FROM THE PARALLEL TO THE MAIN MARKET							
1	CHATZIOANNOU		3-6/8		1.706.760	7.500	12.800.700.000
2	RIDENCO		19-22/10		1.515.400	7.000	10.607.800.000

Source: CMC

¹: The existing shareholders of Alpha Brokerage absorbed the increase in share capital

²: The existing shareholders of the Telesis Brokerage Group absorbed the increase in share capital.

³: The existing shareholders of J & P Oversees LTD Group absorbed the increase in share capital.

⁴: No rights were exercised by existing shareholders for 13.5 million shares in favor of the main shareholders of AKTOR SA and for 1.2 million shares in favor of head officers of the Hellenic Technodomiki Cons.

Table IV.
Market Share, Number and Total Net Asset of Mutual Funds per Management Firm, 1996-99

Management firms	31 December 1996				31 December 1997				31 December 1998				31 December 1999			
	No of M/F	Assets (Bn GRD)	Market Share	Assets % Ch. 1998-99	No of M/F	Assets (Bn GRD)	Market Share	Assets % Ch. 1997-98	No of M/F	Assets (Bn GRD)	Market Share	Assets % Ch. 1996-97	No of M/F	Assets (Bn GRD)	Market Share	Assets % Ch. 1995-96
1 ALPHA	22	1.766,5	14,80%	10,27%	19	1.602,0	17,80%	7,07%	15	1.496,2	20,42%	75,49%	15	852,6	22,01%	46,03%
2 DIETHNIKI	9	855,5	7,17%	-35,98%	9	1.336,2	14,85%	23,31%	9	1.083,6	14,79%	99,42%	9	543,4	14,03%	5,61%
3 ERGASIAS	7	713,0	5,98%	-2,01%	6	727,6	8,09%	20,30%	4	604,8	8,25%	61,82%	3	373,8	9,65%	82,25%
4 INTERTRUST	13	1.201,0	10,07%	117,26%	12	552,8	6,14%	19,99%	11	460,7	6,29%	41,99%	10	324,5	8,38%	44,12%
5 ATE	8	484,5	4,06%	-21,78%	8	619,4	6,88%	17,85%	9	525,6	7,17%	67,89%	9	313,1	8,08%	397,57%
6 ERMIS	9	1.041,2	8,73%	38,73%	9	750,5	8,34%	35,30%	7	554,7	7,57%	114,54%	7	258,5	6,67%	71,00%
7 IONIKI	7	953,5	7,99%	111,84%	7	450,1	5,00%	6,61%	7	422,2	5,76%	105,82%	7	205,1	5,29%	42,52%
8 ALICO-EUROBANK	8	965,4	8,09%	15,94%	8	832,7	9,26%	65,88%	8	502,0	6,85%	197,02%	8	169,0	4,36%	56,29%
9 CITI	4	179,8	1,51%	10,10%	2	163,3	1,81%	20,07%	4	136,0	1,86%	23,24%	4	110,4	2,85%	69,23%
10 MACEDONIA-THRACE	3	213,4	1,79%	16,55%	3	183,1	2,04%	11,31%	3	164,5	2,24%	62,73%	3	101,1	2,61%	167,81%
11 PIRAEUS	7	325,5	2,73%	33,40%	6	244,0	2,71%	80,21%	6	135,4	1,85%	42,78%	5	94,8	2,45%	97,73%
12 NATIONALE NEDERLANDEN	8	255,5	2,14%	80,69%	6	141,4	1,57%	-0,77%	5	142,5	1,94%	57,96%	4	90,1	2,33%	67,73%
13 KTIMATI KI	6	985,4	8,26%	229,46%	5	299,1	3,32%	19,07%	5	251,2	3,43%	203,72%	4	82,7	2,14%	48,47%
14 XIOS	6	195,3	1,64%	-16,22%	4	233,1	2,59%	32,74%	5	175,6	2,40%	154,06%	5	69,1	1,78%	138,24%
15 SG ASSET MANAGT GR	5	39,7	0,33%	16,76%	5	34,0	0,38%	-47,77%	5	65,1	0,89%	43,82%	5	45,3	1,17%	195,84%
16 HSBC (HELLAS)	7	220,0	1,84%	101,10%	5	109,4	1,22%	2,05%	5	107,2	1,46%	207,92%	5	34,8	0,90%	52,77%
17 ALPHA TRUST	9	349,0	2,92%	779,09%	8	39,7	0,44%	58,17%	8	25,1	0,34%	-19,25%	8	31,1	0,80%	-25,85
18 ASPIS	4	105,6	0,88%	54,39%	4	68,4	0,76%	-12,87%	4	78,5	1,07%	174,18%	4	28,6	0,74%	15,39%
19 ETVA P&K	3	19,0	0,16%	15,15%	3	16,5	0,18%	-68,98%	2	53,2	0,73%	110,69%	2	25,3	0,65%	-
20 ABN AMRO	4	83,7	0,70%	54,71%	4	54,1	0,60%	13,42%	4	47,7	0,65%	104,92%	4	23,3	0,60%	206,73%
21 ALLIANZ EΛΛΗNIKH	10	198,7	1,66%	233,39%	9	59,6	0,66%	63,74%	5	36,4	0,50%	64,56%	4	22,1	0,57%	79,47%
22 EVROPAĪKI PISTI	7	44,5	0,37%	206,90%	4	14,5	0,16%	-18,54%	4	17,8	0,24%	35,58%	3	13,1	0,34%	27,97%
23 INTERNATIONAL	10	118,2	0,99%	198,48%	5	39,6	0,44%	88,57%	2	21,0	0,29%	60,81%	2	13,1	0,34%	107,64%
24 GENIKI	7	201,7	1,69%	35,64%	6	148,7	1,65%	59,89%	5	93,0	1,27%	685,87%	2	11,8	0,31%	-
25 EGNATIA	7	184,6	1,55%	36,44%	4	135,3	1,50%	216,12%	4	42,8	0,58%	258,22%	4	12,0	0,31%	-11,66%
26 EFG	3	11,7	0,10%	-63,44%	3	32,0	0,36%	4,92%	3	30,5	0,42%	234,40%	2	9,1	0,24%	-
27 DORIKI	4	39,3	0,33%	62,40%	4	24,2	0,27%	9,50%	4	22,1	0,30%	256,91%	4	6,2	0,16%	-33,83%
28 BARCLAYS	5	55,6	0,47%	35,28%	4	41,1	0,46%	105,50%	3	20,0	0,27%	285,85%	2	5,2	0,13%	-
29 CYPROUS	3	53,9	0,45%	-	-	-	-	-	-	-	-	-	-	-	-	-
30 LAĪKI TELESIS	3	71,7	0,60%	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	208	11.932,4	100,00	33,29%	172	8.952,4	100,00%	22,18%	160	7.327,0	100,00%	89,00%	150	3.869,2	100,00%	58,00%

Source: Union of Greek Institutional Investors, Capital Market Commission

Table V.
Number and Total Net Assets of Mutual Funds by Type of Fund, 1999

<i>Management Firms</i>	<i>Number of M/F</i>	<i>BONDS</i>			<i>MONEY MARKET</i>			<i>MIXTED</i>			<i>EQUITY</i>		
		<i>Dom.</i>	<i>For.</i>	<i>Intl.</i>	<i>Dom.</i>	<i>For.</i>	<i>Intl.</i>	<i>Dom.</i>	<i>For.</i>	<i>Intl.</i>	<i>Dom.</i>	<i>For.</i>	<i>Intl.</i>
1 ALPHA	22	6,64%	1,13%	-	60,25%	0,06%	-	2,16%	0,04%	-	28,31%	0,58%	0,84%
2 INTERTRUST	13	23,47%	-	0,44%	4,25%	-	0,37%	1,60%	-	-	69,88%	-	-
3 ERMIS	9	8,65%	-	-	48,24%	-	-	5,24%	-	-	37,87%	-	-
4 KTIMATI KI	6	4,00%	0,22%	-	68,77%	-	-	3,03%	-	-	23,98%	-	-
5 ALICO-EUROBANK	8	1,21%	3,32%	-	61,83%	-	0,52%	-	-	9,70%	23,42%	-	-
6 IONIKI	7	5,15%	0,34%	-	26,17%	-	-	-	-	-	68,34%	-	-
7 DIETHNIKI	9	20,54%	0,50%	-	20,61%	-	-	12,24%	-	-	45,33%	0,78%	-
8 ERGASIAS	7	5,80%	-	-	9,24%	-	-	69,88%	0,13%	-	14,95%	-	-
9 ATE	8	22,69%	-	0,28%	44,01%	-	-	-	-	2,84%	29,02%	-	1,17%
10 ALPHA TRUST	9	3,90%	-	-	5,28%	-	-	3,81%	-	0,18%	85,50%	1,34%	-
11 PIRAEUS	7	2,26%	-	1,12%	69,05%	-	-	4,98%	-	-	20,55%	-	2,05%
12 NATIONALE-NEDERLANDEN	8	-	0,76%	-	14,87%	-	-	4,51%	-	-	67,64%	12,20%	-
13 HSBC (HELLAS)	7	13,87%	-	1,60%	14,80%	-	-	-	-	-	68,49%	-	1,24%
14 MACEDONIA-THRACE	3	17,03%	-	-	69,69%	-	-	13,28%	-	-	-	-	-
15 GENIKI	7	19,82%	-	0,55%	28,93%	-	-	4,80%	-	-	45,91%	-	-
16 ALLIANZ ELLHNIKI	10	13,22%	-	1,00%	5,15%	-	-	27,06%	-	-	51,86%	-	1,71%
17 XIOS	6	15,37%	-	-	38,22%	-	-	-	-	-	46,42%	-	-
18 EGNATIA	7	4,36%	-	-	40,47%	-	-	-	-	1,01%	53,79%	-	0,37%
19 CITI	4	20,50%	-	-	53,91%	-	-	1,34%	-	-	24,25%	-	-
20 INTERNATIONAL	10	19,74%	-	-	12,27%	-	-	24,22%	-	0,85%	42,92%	-	-
21 ASPIS	4	52,44%	-	1,09%	10,48%	-	-	-	-	-	35,99%	-	-
22 ABN AMRO	4	13,33%	-	-	59,12%	0,29%	-	-	-	-	27,26%	-	-
23 LAIKI TELESIS	3	2,40%	-	-	22,26%	-	-	-	-	-	75,35%	-	-
24 BARCLAYS	5	9,03%	1,53%	-	71,65%	-	-	-	-	-	17,79%	-	-
25 CYPROUS	3	3,76%	-	-	31,55%	-	-	-	-	-	64,69%	-	-
26 EVROPAIKI PISTI	7	18,52%	2,27%	-	22,27%	-	-	1,73%	-	-	55,21%	-	-
27 SG ASSET MANAG'T GR	5	25,14%	-	-	42,73%	-	-	-	1,10%	-	31,04%	-	-
28 DORIKI	4	12,84%	-	3,72%	14,88%	-	-	-	-	-	68,56%	-	-
29 ETVA P&K	3	-	-	4,55%	67,55%	-	-	-	-	-	27,91%	-	-
30 EFG	3	83,98%	-	-	5,16%	-	-	10,86%	-	-	-	-	-
TOTAL	208	43	14	10	40	2	3	22	3	5	53	7	6

Source: Union of Greek Institutional Investors, Capital Market Commission

Table VI.
Mutual Funds Returns by Type of Fund, 1995-99

<i>Mutual Fund Classification</i>	<i>Rate Of Return 1999</i>	<i>2-Year Accum. 1998</i>	<i>3-Year Accum. 1997</i>	<i>4-Year Accum. 1996</i>	<i>Average Accum. Ret.1999</i>	<i>Average Accum. Ret. 1998</i>	<i>Average Accum. Ret. 1997</i>	<i>Average Accum. Ret.1996</i>	<i>Average Accum. Ret.1995</i>
BONDS FUNDS									
Domestic	15,07%	11,40%	11,43%	11,94%	5,63%	11,90%	12,01%	11,74%	17,01%
Foreign	13,88%	9,12%	11,91%	6,36%	15,38%	8,38%	11,65%	4,64%	11,16%
International	14,57%	10,32%	8,85%	4,31%	-5,37%	10,18%	11,85%	-	-
MONEY MARKET FUNDS									
Domestic	14,62%	12,33%	11,46%	11,22%	12,96%	11,73%	11,62%	11,01%	16,32%
Foreign	6,63%	6,19%	-0,25%	5,54%	9,11%	5,47%	2,30%	4,90%	4,20%
International	9,77%	9,25%	10,33%	13,87%	12,80%	7,33%	23,15%	-	-
EQUITY FUNDS									
Domestic	116,56%	80,27%	47,06%	-4,17%	98,32%	78,27%	46,50%	-4,33%	8,07%
Foreign	50,68%	2,29%	6,60%	13,25%	44,71%	2,09%	23,53%	13,26%	11,10%
International	57,52%	15,24%	20,36%	9,08%	68,66%	15,24%	34,72%	-	-
MIXTED FUNDS									
Domestic	80,68%	49,31%	28,86%	3,50%	64,75%	45,32%	29,96%	4,01%	8,30%
Foreign	22,48%	9,47%	21,50%	10,69%	19,15%	4,76%	22,33%	13,73%	12,45%
International	41,58%	24,85%	14,96%	11,27%	35,98%	19,28%	20,76%	-	-
SPECIAL TYPE FUNDS									
Domestic	-	72,02%	28,94%	-8,37%	85,37%	72,02%	28,94%	-	-
Foreign	-	41,40%	-0,94%	-	-	41,40%	-	-	-
International	-	-	-	-	-	-	-	-	-

Source: Union of Greek Institutional Investors, Capital Market Commission

Table VII.
Monthly Returns and Mutual Fund Assets by Type of Fund, 1997-99

	<i>Assets (Bn GRD)</i>	<i>Assets M/F Bonds (Bn GRD)</i>	<i>(%) Return Bonds</i>	<i>Assets M/F Equity (Bn GRD)</i>	<i>(%) Return Equity</i>	<i>Assets M/F Mixed (Bn GRD)</i>	<i>(%) Return Mixed</i>	<i>Assets M/F Money market (Bn GRD)</i>	<i>(%) Return Money Market</i>
Jan-97	4.257,8	1.524,6	1,51	84,2	16,31	44,49	10,63	2.514,92	1,04
Feb-97	4.573,4	1.660,4	1,33	104,0	10,03	47,56	7,92	2.670,07	0,93
Mar-97	4.816,9	1.743,5	0,99	112,3	3,19	49,33	2,29	2.819,66	0,94
Apr-97	4.952,5	1.833,7	1,05	124,3	6,32	55,53	4,38	2.843,68	0,88
May-97	5.208,4	1.928,8	1,28	161,7	11,53	-	-	2.950,70	0,92
Jun-97	5.411,5	1.994,1	0,75	157,2	-3,92	67,54	-2,74	3.091,88	0,83
Jul-97	5.678,6	1.954,8	0,86	165,9	4,16	72,48	3,00	3.386,89	0,92
Aug-97	5.838,8	1.989,8	0,68	157,8	-4,49	70,88	-2,74	3.617,86	0,82
Sep-97	6.215,9	1.992,7	1,03	258,7	13,42	84,85	9,94	3.766,59	0,92
Oct-97	6.425,9	2.052,2	0,53	223,4	-13,30	553,24	-8,51	3.491,64	0,80
Nov-97	6.949,6	1.944,1	0,74	227,2	1,19	568,83	0,92	4.092,35	1,24
Dec-97	7.319,1	1.943,6	0,92	231,6	0,13	582,32	0,64	4.409,72	1,08
Jan-98	7.810,8	1.860,0	0,68	218,5	-2,97	625,50	-1,29	4.921,83	0,86
Feb-98	8.179,6	1.748,9	0,36	217,2	1,98	700,67	1,14	5.358,86	0,98
Mar-98	8.343,8	1.720,1	1,14	265,5	30,20	709,46	16,49	5.405,20	1,25
Apr-98	7.988,8	1.703,7	1,33	304,5	27,38	703,70	14,71	4.904,05	1,14
May-98	8.040,2	1.889,6	1,10	334,3	5,24	714,45	3,13	4.929,55	1,09
Jun-98	8.121,8	1.663,6	0,73	330,3	-7,02	693,27	-3,84	5.113,46	1,04
Jul-98	8.506,8	1.686,4	1,10	375,9	14,38	693,78	8,23	5.439,45	1,04
Aug-98	8.737,5	1.673,2	0,69	329,8	-15,52	683,81	-8,81	5.738,44	0,81
Sep-98	8.839,0	1.590,5	0,75	339,0	-2,40	695,64	-0,60	5.914,30	0,93
Oct-98	8.639,9	1.588,6	0,84	353,7	1,47	694,64	1,78	5.716,10	0,96
Nov-98	8.895,0	1.586,0	1,08	434,5	14,32	706,50	8,05	5.880,31	0,98
Dec-98	8.997,7	1.550,9	1,23	473,5	6,06	756,61	3,28	5.946,69	1,05
Jan-99	9.254,7	1.537,2	0,92	623,1	14,05	801,05	8,74	6.054,45	0,92
Feb-99	9.367,6	1.602,6	1,13	726,0	8,80	760,69	6,43	6.050,74	0,87
Mar-99	9.326,9	1.681,5	2,11	840,3	0,42	750,41	0,53	5.827,47	1,10
Apr-99	9.468,4	1.728,2	1,63	979,0	7,89	762,40	6,15	5.763,00	0,91
May-99	9.851,6	1.798,1	1,24	1.289,9	12,70	788,89	7,91	5.744,81	0,87
Jun-99	10.110,8	1.824,6	0,54	1.516,1	6,73	808,43	3,75	5.726,38	0,94
Jul-99	10.383,1	1.763,0	0,05	1.951,0	10,28	832,83	5,66	5.600,04	0,78
Aug-99	11.341,2	1.646,1	2,00	3.023,6	26,56	934,65	16,53	5.490,84	2,55
Sep-99	11.626,9	1.484,0	1,07	3.993,0	8,58	897,24	6,46	5.000,87	1,32
Oct-99	12.110,1	1.371,5	0,21	4.738,4	4,94	905,08	1,80	4.843,40	0,84
Nov-99	12.143,6	1.311,8	1,88	5.137,6	3,49	910,86	3,18	4.509,53	1,44
Dec-99	11.933,5	1.277,3	1,08	4.880,8	-6,11	910,73	-2,38	4.568,49	1,01

Source: Union of Greek Institutional Investors, Capital Market Commission

Table VIII.
Mutual Fund Assets, ASE Capitalization and the ASE General Index, 1997-99

	<i>Assets M/F (Bn GRD)</i>	<i>(%) Change Assets M/F</i>	<i>ASE Capitalization (Bn GRD)</i>	<i>ASE General Index</i>	<i>(%) Return ASE General Index</i>
Jan-97	4.257,8	-	7.211,3	1.166,19	-
Feb-97	4.573,4	6,90	8.033,3	1.303,63	11,79
Mar-97	4.816,9	5,06	8.330,0	1.368,82	5,00
Apr-97	4.952,5	2,74	8.951,0	1.467,51	7,21
May-97	5.208,4	4,91	10.005,5	1.635,31	11,43
Jun-97	5.411,5	3,75	9.674,0	1.518,51	-7,14
Jul-97	5.678,6	4,70	10.040,7	1.598,34	5,26
Aug-97	5.838,8	2,74	9.690,2	1.517,62	-5,05
Sep-97	6.215,9	6,07	11.213,4	1.771,37	16,72
Oct-97	6.425,9	3,27	9.631,8	1.488,53	-15,97
Nov-97	6.949,6	7,54	9.649,8	1.474,02	-0,97
Dec-97	7.319,1	5,05	9.811,3	1.479,63	0,38
Jan-98	7.810,8	6,30	9.333,7	1.395,40	-5,69
Feb-98	8.179,6	4,51	9.653,3	1.419,22	1,71
Mar-98	8.343,8	1,97	13.751,1	2.005,82	41,33
Apr-98	7.988,8	-4,44	17.755,5	2.621,44	30,69
May-98	8.040,2	0,64	18.459,5	2.591,03	-1,16
Jun-98	8.121,8	1,00	17.858,9	2.365,45	-8,71
Jul-98	8.506,8	4,53	20.536,8	2.797,41	18,26
Aug-98	8.737,5	2,64	16.746,3	2.175,53	-22,23
Sep-98	8.839,0	1,15	16.344,1	2.120,90	-2,51
Oct-98	8.639,9	-2,30	17.260,0	2.162,93	1,98
Nov-98	8.895,0	2,87	18.787,0	2.511,82	16,13
Dec-98	8.997,7	1,14	24.283,0	2.737,55	8,99
Jan-99	9.254,7	2,78	26.796,0	3.149,50	15,05
Feb-99	9.367,6	1,21	28.738,0	3.377,58	7,24
Mar-99	9.326,9	-0,44	28.498,6	3.376,37	-0,04
Apr-99	9.468,4	1,49	32.848,0	3.617,42	7,14
May-99	9.851,6	3,89	36.472,9	3.934,67	8,77
Jun-99	10.110,8	2,56	38.822,2	4.031,64	2,46
Jul-99	10.383,1	2,62	43.608,0	4.345,13	7,78
Aug-99	11.341,2	8,45	56.889,6	5.205,34	19,80
Sep-99	11.626,9	2,46	63.904,3	5.667,60	8,88
Oct-99	12.110,1	3,99	66.770,3	5.442,14	-3,98
Nov-99	12.143,6	0,28	71.086,9	5.712,26	4,96
Dec-99	11.933,5	-1,76	68.846,4	5.535,09	-3,10

Source: Union of Greek Institutional Investors, Capital Market Commission

Table IX.
Statistics on Portfolio Investment Companies, 30/12/1999

Portfolio Investment Companies	Date of listing In the ASE	Share Price 31/12/99	Dividend Yield (%)	Market Capitalization (Bn GRD)	Net Asset Value (Bn GRD)	Premium Discount (%)	Portfolio Composition in Market Prices					
							Equity		Fixed Income		Cash Reserves	
							Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
1 ACTIVE INVEST.	01.09.1999	9.065	-	27.988	6.140	355,8%	86,8%	-	5,3%	-	7,8%	-
2 ALPHA INVEST.	19.11.1984	3.840	12,5	384.000	346.428	10,8%	72,8%	6,4%	1,6%	-	15,4%	3,9%
3 AEOLIAN INVEST.FUND	09.08.1993	2.705	47,4	60.473	39.177	54,4%	41,4%	0,5%	-	-	57,7%	0,4%
4 ASPIS INVEST.	07.04.1995	4.725	20,0	20.672	9.936	108,1%	92,3%	3,9%	-	-	3,5%	0,3%
5 DIAS CLOSED & INV.FUND	27.07.1992	3.890	13,8	97.678	42.565	129,5%	67,2%	-	-	-	32,8%	-
6 NATIONAL INVEST.CO.	19.06.1981	3.500	15,2	346.626	219.633	57,8%	95,8%	1,1%	0,7%	0,7%	1,8%	0,1%
7 HELLENIC INVEST.CO.	19.01.1973	3.000	15,3	358.020	287.046	24,7%	88,9%	2,6%	0,0%	0,2%	6,7%	1,7%
8 COMMERCIAL INVEST.	17.08.1993	5.550	8,0	49.950	19.657	154,1%	95,4%	-	-	-	4,6%	-
9 EXEAI XI	06.05.1992	7.695	37,7	36.359	7.598	378,5%	77,6%	-	0,4%	-	21,9%	-
10 INVEST.DEVELOP.FUND	12.08.1982	4.090	12,7	119.724	65.070	84,0%	22,3%	0,4%	0,4%	0,0%	76,8%	0,1%
11 ERGO INVEST.	11.11.1977	3.825	11,1	202.725	162.678	24,6%	95,7%	0,5%	-	-	2,6%	1,1%
12 INTERINVEST	15.01.1992	5.820	35,7	23.636	7.961	196,9%	86,5%	5,5%	2,0%	-	4,5%	1,5%
13 IONIAN INVEST.	02.08.1993	7.320	10,2	25.620	14.565	75,9%	85,0%	0,7%	-	-	15,0%	-
14 MARFIN	18.08.1993	3.685	15,9	94.985	65.784	44,4%	68,2%	3,2%	-	-	30,0%	1,1%
15 PIRAEUS INVEST.	06.12.1990	4.565	16,3	59.870	39.812	50,4%	96,4%	2,6%	-	-	0,4%	0,0%
16 THE GREEK PROGRESS F.	30.07.1990	9.585	11,7	77.255	59.368	30,1%	90,5%	4,3%	1,0%	-	8,5%	-
17 ORION	19.12.1994	3.060	35,0	68.850	48.672	41,5%	63,7%	2,7%	0,0%	-	31,9%	0,0%

Source: Union of Greek Institutional Investors, Capital Market Commission

Table X.
FEFSI Statistics on the EU Member-States Mutual Fund Industry (I), 30/9/1999

<i>Member-States</i>	<i>Number of M/F</i>	<i>Equity M/F</i>	<i>Bond M/F</i>	<i>Money Market M/F</i>	<i>Mixed M/F</i>	<i>Funds of funds</i>	<i>Other</i>	<i>Total Assets (Ml euro)</i>	<i>Equity M/F</i>	<i>Bond M/F</i>	<i>Money Market M/F</i>	<i>Mixed M/F</i>	<i>Funds of Funds</i>	<i>Other</i>
Austria	1.218	246	443	22	507	191	0	69.745	8.475	43.267	959	17.044	4.946	0
Belgium	738	517	120	25	75	26	1	56.050	33.823	7.685	1.300	13.210	5.329	32
France	6.439	13.381	2.142	644	2.315	43	0	655.600	117.000	162.700	191.200	184.700	795	0
Germany	864	391	293	38	98	11	44	196.398	92.806	65.205	25.484	9.920	308	2.983
Denmark	285	186	93	1	5	0	0	21.616	10.030	11.340	2	245	0	0
Switzerland	332	235	97	0	0	0	0	70.566	50.617	19.949	0	0	0	0
Greece	192	53	66	45	28	0	0	35.541	12.361	4.824	15.326	3.030	0	0
United Kingdom	1.620	1.062	174	49	208	77	127	306.445	240.037	26.420	1.315	27.773	2.456	10.900
Ireland	223	122	41	0	60	0	0	20.241	6.121	6.121	1.407	6.592	0	0
Spain	2.096	694	672	206	486	0	38	205.231	47.292	65.239	44.767	47.155	0	778
Italy	791	341	295	32	123	0	0	454.490	97.986	230.538	19.402	106.564	0	0
Luxembourg	4.524	1.762	1.714	337	527	0	184	434.914	123.443	201.558	68.921	34.201	0	6.791
Norway	286	149	68	41	28	12	0	12.562	7.711	1.831	2.580	440	40	0
Netherlands	334	188	57	34	35	0	20	75.100	43.600	17.600	5.600	6.500	0	1.800
Hungary	80	18	29	8	25	0	0	1.558	55	1.018	242	244	0	0
Poland	38	16	9	1	12	0	0	2.256	118	90	1.583	465	0	0
Portugal	221	68	63	38	25	55	27	20.472	2.335	7.304	7.567	1.552	3.473	1.713
Sweden	397	259	84	incl.	54	0	0	63.442	47.545	6.217	incl.	9.680	0	0
Czech Rep.	60	5	13	6	36	1	0	1.160	9	127	606	418	1	0
Finland	149	75	24	18	32	0	0	7.201	2.790	1.677	1.280	1.455	0	0
<i>Total</i>	<i>20.887</i>	<i>19.768</i>	<i>6.497</i>	<i>1.545</i>	<i>4.679</i>	<i>416</i>	<i>441</i>	<i>2.710.588</i>	<i>944.154</i>	<i>880.710</i>	<i>389.541</i>	<i>471.188</i>	<i>17.348</i>	<i>24.997</i>

Source: FEFSI, Capital Market Commission

Table XI.
FEFSI Statistics on the EU Member – States Mutual Fund Industry (II), 30/9/1999

<i>Member-States</i>	<i>Number Of M/F</i>	<i>Property Funds</i>	<i>Derivative Funds</i>	<i>Venture Capital Funds</i>	<i>Special Funds</i>	<i>Securitized on</i>	<i>Other Open- Ended</i>	<i>Other Closed- Ended</i>	<i>Total Assets (MECU)</i>	<i>Property Funds (MECU)</i>	<i>Derivative Funds (MECU)</i>	<i>Venture capital Funds (MECU)</i>	<i>Special Funds (MECU)</i>	<i>Securitized on (MECU)</i>	<i>Other Open- Ended</i>	<i>Other Closed- Ended</i>
Austria	21	21	0	0	0	0	0	0	1.011	1.011	0	0	0	0	0	0
Belgium	40	17	0	1	0	22	0	0	5.383	2.565	0	51	0	2.767	0	0
France	3.796	0	32	154	0	0	3.610	0	38.387	0	912	2.134	0	0	35.341	0
Germany	4.640	16	0	0	4.624	0	0	0	461.416	49.941	0	0	411.475	0	0	0
Denmark	1	0	0	1	0	0	0	0	49	0	0	49	0	0	0	0
Switzerland	31	31	0	0	0	0	0	0	5.992	5.992	0	0	0	0	0	0
Greece	17	0	0	0	0	0	0	17	5	0	0	0	0	0	0	5
United Kingdom	696	3	22	0	88	0	233	350	178.730	555	554	0	23.540	0	48.053	106.028
Ireland	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0
Spain	5	5	0	0	0	0	0	0	788	788	0	0	0	0	0	0
Italy	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-
Luxembourg	180	8	45	0	0	0	127	0	6.361	0	340	0	0	0	3.754	0
Norway	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-
Netherlands	20	20	0	0	0	0	0	0	0	-	-	-	-	-	-	-
Hungary	8	4	0	0	0	0	0	4	44	29	0	0	0	0	0	15
Poland	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-
Portugal	316	40	0	0	0	0	265	11	26.980	3.035	0	0	0	0	23.325	620
Sweden	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-
Czech Rep.	27	0	0	0	0	0	0	27	1.413	0	0	0	0	0	0	1.413
Finland	4	0	4	0	0	0	0	0	0	0	257	0	-	-	-	-
Total	9.802	165	103	156	4.712	22	4.235	409	726.559	63.916	2.063	2.234	435.015	2.767	110.473	108.081

Source: FEFSI, Capital Market Commission

Table XII.
FEFSI Statistics on the EU Member-States Mutual Fund Industry (III), 30/6/1999

<i>Member-States</i>	<i>Number of M/F</i>	<i>Equity M/F</i>	<i>Bond M/F</i>	<i>Mixed M/F</i>	<i>Money Market M/F</i>	<i>Other</i>	<i>Total Assets (MEURO)</i>	<i>Equity M/F</i>	<i>Bond M/F</i>	<i>Mixed M/F</i>	<i>Money Market M/F</i>	<i>Other</i>
Argentina	226	66	83	29	48	0	7.398	332	862	330	5.874	0
Australia	569	188	66	150	39	126	37.411	8.596	2.068	6.418	8.014	12.315
Brazil	1.686	475	766	331	67	47	97.068	8.130	78.747	6.490	3.535	166
USA	7.481	3.698	2.231	527	1.025	0	5.870.580	3.310.950	814.021	371.750	1.373.859	0
Japan	4.155	2.506	1.151	483	15	0	400.249	70.129	141.256	32.312	156.552	0
India	97	34	48	12	3	0	7.411	1.134	2.778	3.456	43	0
Canada	1.146	680	206	132	107	21	232.849	124.647	36.654	38.687	27.414	5.447
Korea	11.861	2.023	9.838	0	0	0	205.791	25.578	85.941	0	0	0
Mexico	252	87	165	0	0	0	6.581	1.656	4.925	0	0	0
New Zealand	645	225	154	194	16	56	7.827	1.368	1.226	3.294	502	1.437
South Africa	205	129	16	33	13	14	15.102	8.646	1.085	1.167	3.687	517
Taiwan	193	142	47	4	0	0	25.665	7.747	17.649	269	0	0
Chile	106	38	26	0	42	0	3.782	240	792	0	2.750	0
Hong—Kong	736	488	121	49	66	12	123.098	83.854	18.703	11.121	8.953	467
<i>Total</i>	<i>29.358</i>	<i>10.779</i>	<i>14.918</i>	<i>1.944</i>	<i>1.441</i>	<i>276</i>	<i>7.040.812</i>	<i>3.653.007</i>	<i>1.206.707</i>	<i>475.294</i>	<i>1.591.183</i>	<i>20.349</i>

Source: FEFSI, Capital Market Commission

Table XIII.
Comparative Statistics on International Securities Markets, 1999

Exchanges	Indices 31/12/99	% Change Dec. 98	End Nov. 1999 Market Capitalization (Bn USD)	% Change Nov. 98	End Nov. 1999 Value of Share Trading (Bn USD)	Turnover Ratio ³ (%)	Market Capitalization to GDP. ⁴	(Value of Share Trading / GDP ⁴) * 100	End Nov. 1999 Number of Listed Companies
London	6930.2	17.8	2774.5	20.8	334.7 ²	12.1	2.2	26.8	2788
Frankfurt	6958.1	38.9	1229.5	12.4	155.4 ²	12.6	0.6	7.9	8798
Paris	5837.7	48.1	1304.1	32.4	75.7 ¹ , 277.5 ²	5.8	0.9	5.7	1150
Switzerland	5022.8	11.7	661.6	-4.0	46.5 ²	7.1			420
Amsterdam	671.4	24.7	617.6	2.4	48.8 ²	7.9	1.7	13.7	
Milan	28976.0	22.3	610.1	7.1	50.9 ¹	8.4	0.5	4.7	270
Madrid	1008.7	16.2	389.4	-3.2	62.9 ²	16.1	0.7	12.0	658
Stockholm	5381.8	66.4	318.1	14.1	36.6 ²	11.5	1.5	18.1	304
Brussels	3340.4	-4.9	178.6	-27.9	5.5 ¹	3.1	0.7	2.3	275
Athens	5535.1	102.2	216.7	165.6	21.7 ¹	10.1	1.6	19.4	251
Vienna	1197.8	6.9	31.3	-12.7	0.8 ¹	2.5	0.1	0.4	113
NYSE	650.3	9.2	10787.2	5.1	775.3 ¹	7.2	1.4	10.6	2606
NASDAQ	4069.3	85.6	4226.2	67.4	942.3 ²	22.3	0.5	12.8	4844
Tokyo	18934.3	36.8	4244.2	73.9	241.3 ¹	5.7	1.3	7.4	1913
Hong-Kong	16962.1	68.8	536.6	56.2	28.4 ¹	5.3			700

Source: FIBV, CMC estimates

Notes: ¹ Trading System View

² Regulated Environment View

³ Value of Share Trading / Market Capitalization

⁴ GDP is estimated in million USD, using the USD/ECU exchange rate on the 17-12-1998

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