CAPITAL MARKET COMMISSION

ANNUAL REPORT 2000

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The year 2000 presented formidable challenges for investors and the capital market in Greece. A significant correction in share prices resulted after three consecutive years of large and persistent stock market growth. However, this macroscopic behavior is a common characteristic of international financial activity. The announcement and execution in April 2000 of national parliamentary elections was a cause of nervousness in the financial markets. On the other hand, the admission of Greece in the euro-zone eliminated uncertainty regarding the momentum of the Greek economy's European integration process. Finally, the public announcement by international agencies of their intention to upgrade the status of the Greek capital market to a developed market status constituted an important international recognition of the maturity and efficiency characterizing the functional, supervisory and institutional systems of the Greek capital market. The general political and economic developments are by themselves inadequate to the task of interpreting capital market developments, and the market correction.

The decline of share prices during 2000 was mainly the result of a large share price overvaluation episode that occurred in mid 1999. The crisis reached its peak during the 1999 summer period, following the tremendous and sudden growth in the demand for shares. That period was too short for the supply side to respond adequately. The euphoria prevailing during that period led a large part of investors to proceed with massive purchases of shares, motivated by short-term speculation rather than long-term views and sensible expectations of corporate profitability. Overvaluation crises of this kind have been observed in many capital markets, the most recent example being the NASDAQ. Given the abounding international evidence on such phenomena, and following the scrutiny by regulatory authorities, it can be concluded that these crises cannot be dealt with, while in process, by administrative actions or interventionist policies. The likelihood of eruption of these crises is instead significantly reduced in the medium term by promoting transparency and investor education policies. The crises are eventually contained by the operation of the very market mechanism. Resorting to exogenous intervention often proves dangerous since it distorts the corrective operation of the market mechanism.

The decline in share prices in September 1999 occurred through the liquidation of investment portfolios. Large parts of the mass of investors liquidated their portfolios, especially those consisting of thinly traded stocks, which were overvalued by the preceding irrational injection of liquidity. A further, even more important, correction was observed: indeed, during 2000 foreign institutional investors with an "emerging markets" investment profile liquidated substantial portions of their portfolios, which consisted mainly of high-cap stocks (banks, telecoms, etc). The massive liquidations were the result, on the one hand, of the expected upgrading of the Greek capital market status and, on the other hand, of the expectation of realizing higher capital gains in other emerging markets. Finally, an important contributing factor to the correction of share prices in Greece was the domestic impact of the generalized correction trends observed in the movement of other major stock exchanges too during 2000. It is, in this respect, a very important task of financial education to raise the level of investor familiarity with risk-taking and share price volatility, so that rational investment choices are made. The latter contribute to the establishment of smoothly functioning markets that benefit investors considerably.

Despite the persistent correction in share prices, the primary capital market in Greece exhibited considerable dynamism. Investors supplied funds to both newly listed and already listed Greek companies thus raising the overall level of equity capital in the market. The capital market was for a second consecutive year a large source of finance of corporate plans. The continuous raising of funds through the capital market burdens listed companies with the obligation to use these funds efficiently and in accordance with their stated purposes, thus benefiting shareholders and maintaining high transparency standards in their mutual interactions. Expected profitability of listed companies is evidently positive. The return to normality and the rationalization of investor expectations presupposes continuous and effective communication between listed companies and their shareholders. To that end, the Commission has introduced two fundamental regulations during the past year: a code of conduct for listed companies and a takeover bid code. Listed companies should make use of the tools made available to them by these regulations for the building up of new relations of confidence with investors.

During the year 2000, several steps were taken for the deepening of maturity and effectiveness of the supervisory mechanisms in the capital market. Prudential supervision of financial intermediaries and stock exchange transactions has benefited considerably from the expanded technical capabilities of the newly introduced trading platform. The parallel monitoring of transactions in both the derivatives exchange and the stock exchange has been initiated. The monitoring of capital adequacy requirements of the investment services firms has been expanded and accelerated. The monitoring of compliance to rules against money laundering activities has been strengthened. Punitive supervision was expanded too, involving the multiplication of audits, the imposition of sanctions and the effective punishment of cases of financial fraud.

In April 2000, the Commission released a new program of modernization of the institutional framework of the capital market, aiming at providing support to the upgrading of the Greek capital market status from an emerging to an advanced market. The program's effective implementation presupposed the prior undertaking of suitable legislative activity by the government and the subsequent issuance of new regulations by the Commission. Today, we are happy to report that the program has been implemented, thus providing the required institutional basis for the upgrading of the capital market's status.

During the year 2000, the Commission was very active in the international field and won an important international distinction: the presidency of IOSCO's European Regional Committee. The Commission has also been leading the FESCO's Expert Group on Market Abuse. Moreover, the Commission continued the coordination of cooperation among the regulatory authorities in the southeast European States. Finally, the Commission in cooperation with the regulatory authority of Cyprus formed a joint experts team for the effective progression of the process of integration of the two capital markets. The engagement in international activities is, given the ongoing globalization of capital markets and the development of cross-border transactions, a principal element in the Commission's mandate.

The effective supervision of the Greek capital market is an important institutional achievement of the last few years. It developed rapidly and is being subject to continuous improvement. The widely held disappointment due to the recent stock market developments should not act as an excuse for the under-valuation of the supervisory mechanism and the regulatory work accomplished by the now large number of staff in the Commission, which pays the utmost attention to and is concerned with the protection of investors and the market. Supervision is a complicated and delicate activity because it must promote transformation, prudential and punitive actions without upsetting the normal course of the market. The Commission's staff is steadily accomplishing this work. The capital market regulatory authority must proceed with the accomplishment of its work, as a prerequisite for the further and smooth development of the capital market in Greece.

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 investment firms, the mutual fund management firms, the portfolio investment companies and the firms for the reception and transmission of stock exchange orders with respect to compliance to the code of conduct. 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 of capital market entities by the Capital Market Commission is the license authorization function and the imposition of fit and proper European Union (EU) standards for the granting of license. 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 offers is another important means for exercising prudential supervision.

The monitoring of the capital adequacy of brokerage firms and investment firms, the granting of license for increases in their share capital, the monitoring of 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, prudential supervision involves in addition the monitoring of their portfolio composition and compliance with transparency rules and regulations.

In order to ensure the smooth function of the capital market, the Capital Market Commission introduces rules and regulations and supervises compliance with them, aiming at the safeguarding of the normal and smooth 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, ownership, structural changes, etc.)

An essential means for consolidating 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 encompasses the entire range of financial intermediation: a code of conduct for investment firms (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 and a code of conduct for listed companies. 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 (suspension and 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 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 FESCO levels, the Commission acts as an advisor to national and European state authorities on relevant matters.

The Commission is moreover an active member of IOSCO. During the current two-year period, the Commission holds the chair of the IOSCO European Regional Committee that includes 36 countries.

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

The 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 31, 2000, 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:	*Dr. Panayiotis Alexakis*
	Dr. Dimitrios Moschos
	Mr. Michael Massourakis
	Mr. Panagiotis Kavouropoulos
Secretary of the Board:	*Mr. George Kallias*

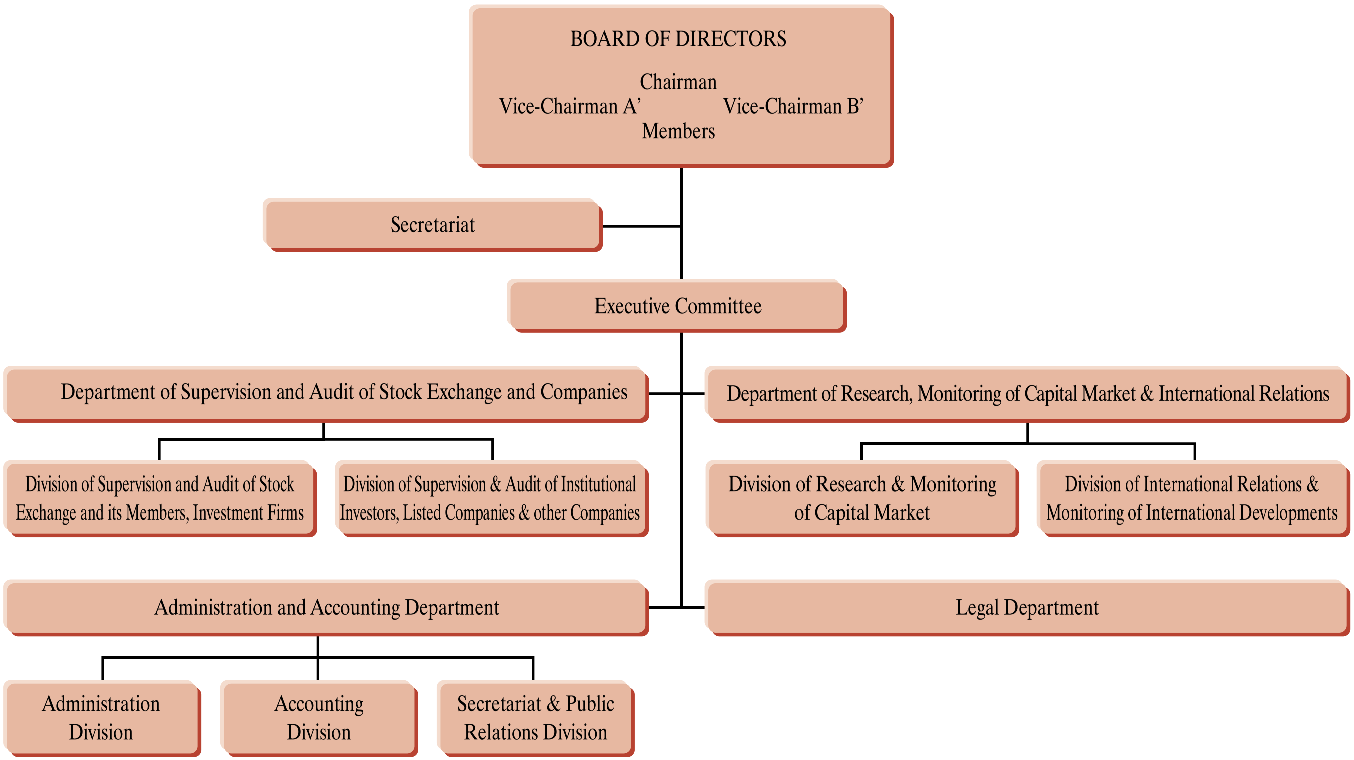
Where the law requires a decision to be made by the CMC, the decision is a mandate of the Board of Directors, unless the specific responsibility has been granted to the Commission's Executive Committee. The members of the Board of Directors meet at least twice a month to make decisions of the daily agenda,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

The 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.

[1] During 2000 the following changes took place in composition of the CMC's Board of Directors: Mr. D. Kallinikos was replaced by Mr. M. Massourakis (Ministerial Decision 19495/DIOE387/22.5.00) and Mr. S. Kouniakis was replaced by Mr. P. Alexakis (Ministerial Decision 28809/DIOE547/23.8.2000).

Administrative Structure of the Capital Market Commission



Part Two

Macroeconomic Developments

The consistent economic policy followed by the Greek government led to the meeting of all convergence criteria required by the Maastricht Treaty for joining the European Monetary Union (EMU) even since March 2000. Thus, during the Feira Summit Conference in June 19, 2000, the European Council admitted Greece in the final stage of the EMU as from January 1, 2001. The decision, marking the beginning of a new era for the country, has had a decisive impact on basic macroeconomic indicators.

During 2000, the Greek Economy continued for the fifth consecutive year to grow at a rate higher than the EU average growth rate. It is estimated that the country's real Gross Domestic Product (GDP) increased by 4.1 percent in 2000 (Table 1) against an estimated 3.4 percent in the EU as a whole.

The increase of GDP growth was fueled by the growth in domestic demand, whilst the impact of the net external balance position was negative as opposed to a positive impact in 1999. It is estimated that gross fixed capital formation increased in real terms from 7.3 percent in 1999 to 9.3 percent in 2000. Fixed capital formation took the form of plant & equipment expenditure by the private sector and infrastructure works by the public sector. Consumption demand contributed considerably to the increase of GDP. Private consumption increased from 2.9 percent in 1999 to 3.1 percent in 2000, whilst public consumption increased by 0.8 percent. The increase of domestic consumption and investment demand led also to an increase in foreign import penetration. Imports of goods and services increased from 3.9 percent in 1999 to 7.4 percent in 2000, whilst domestic exports increased from 6.5 percent in 1999 to 8 percent in 2000.

The increase in GDP is reflected on the movement of the industrial production index. Total industrial production increased on average by 5.5 percent during the Jan.-Nov. 2000 period, against 2.8 percent in 1999. The rise in industrial production was especially astute in the sectors of durable consumer goods, energy, equipment, and intermediary goods as well as in mining.

The high growth rate brought a slight improvement in labor market conditions. The unemployment rate declined from 12 percent in 1999 to 11.4 percent in 2000. Nominal wages increased by 4.5 percent and labor productivity by 2.9 percent, thus raising nominal unit labor cost by 1.5 percent in 2000 relative to 0.65 percent in 1999.

Economic growth during 2000 was associated with inflationary acceleration. The year-average rate of inflation, measured by the Consumer Price Index (CPI), increased from 2.4 percent in 1999 to 3.4 percent in 2000, whilst measured by the Harmonized CPI, it increased from 2.1 percent in 1999 to 2.9 percent in 2000. The increase was mainly the result of the price increase of crude oil and the revaluation of the US dollar against the drachma and the euro. These factors led also to an increase in the average inflation in the Euro-zone from 1.75 percent in December 1999 to 2.75 percent in October 2000. Inflationary acceleration in Greece during 2000 was partly the result of the gradual adjustment of the drachma exchange rate against the euro towards its irrevocably fixed central exchange rate of 340.75 drachmas per euro. The gradual adjustment resulted in an annual decrease of the exchange rate by 6.2 percent.

During 2000, in view of the country's participation in the final stage of the EMU, domestic and Euro-zone interest rates gradually converged, leading to a relaxation of monetary policy. The central bank decreased the intervention rate in the interbank market for 14 day-transactions from 10.75 percent at the end of 1999 to 4.75 percent at the end of 2000. This led to a decrease by 3.6 percentage units in the average day-to-day savings rate and by 3 percentage units in the average time deposit savings rate.

The broad liquidity index M4N (including currency, private deposits in drachmas and foreign exchange, repos, bonds, money market mutual funds units and liquid Treasury securities) of the Greek economy increased by 12.6 percent during the period Jan.-Nov 2000 against a 5.5 percent annual increase in 1999, thus exceeding the central bank forecast of 5 to 7 percent increase. This increase is to a large extent the result of the doubling of private investment in repos, owing to the higher repo yield relative to other liquid securities. The increase in the liquidity index is also the result of funds transfer from equity mutual funds (which are not included in M4N) to money market mutual funds (which are included) that followed the Greek stock market fall in 2000. Finally, the increase in the liquidity index is also related to the relaxation of credit expansion to the private sector. The annual growth rate of total credit to the private and public sectors was 17.3 percent in November 2000 against 12.2 percent in December 1999, whilst the corresponding growth rate of bank lending to the private sector was 25.2 percent in November 2000 against 14.2 percent in December 1999. The expansion of domestic credit was also affected by international factors, such as the revaluation of the US dollar and the Japanese yen. Excluding exchange rate adjustments, domestic credit expansion in November 2000 was 16.2 percent for the entire economy and 21.9 percent for the private sector.

In 2000, the level and volatility of treasury securities yields continued to approach those in the Euro-zone, thus indicating the high degree of integration of the Greek bond market with the Euro-zone counterparts. Indeed, the yield difference between the Greek 10-year bond and the corresponding German bond was reduced from 110 basis points in the end of 1999 to 60 basis points in the end of 2000. The admission of the Greek economy in the EMU led to an increase in investor interest in Greek treasury securities, thus resulting in a rise in the total volume of transactions in the secondary bonds market from 28.3 trillion in 1999 to 43.3 trillion drachmas in 2000.

Fiscal reform continued in 2000 and available estimates reduce the general government deficit, as a percent of GDP, from 1.8 percent in 1999 to 0.8 percent in 2000. The deficit reduction by one percentage unit was due to the increase in the government primary surplus. The public debt is, as a percent of GDP, still high but steadily falling from 104.6 percent in 1999 to 103.9 percent in 2000.

At the same year, the balance of payments deficit increased, as a percent of GDP, from 3.2 percent in 1999 to 3.7 percent in 2000. The deterioration is due to the increase in the country's trade deficit caused by the rise of oil prices, the revaluation of the US dollar and the increase in imports. It is also due to the considerable capital outflow, as foreign investors liquidated their portfolios and pulled funds out of Greece.

The Capital Market in Greece

General Overview

The year 2000 was characterized by considerable share price fluctuations and a reduction in the volume of transactions in the Athens Stock Exchange (ASE) that led to a considerable reduction in total market capitalization. Reduced transactions activity did not however discourage the modernization of the institutional framework and the dynamism of the primary market. Moreover, the systems safeguarding market integrity functioned properly and the overall level of transparency was further improved.

The ASE General Index closed at the year's end at 3,388.9 units, realizing an annual decrease of 38.8 percent. The daily value of transactions was on average 150 billion GRD against 240 billion GRD in 1999 and 75 billion GRD in 1998. Total market capitalization was at the year's end 40.2 trillion GRD against 67.3 trillion GRD in 1999, representing a decrease of 40.3 percent. Despite the decrease, total market capitalization still corresponds to about 100 percent of Greek GDP, thus highlighting the important role of the capital market in the national economy.

The substantial fluctuations and the ensuing correction in the ASE relative share prices and the General Index during 2000 are largely the result of the persistent

Table 1

Macroeconomic Indicators of Greece, 1997-2000

	1997	1998	1999	2000
Aggregate Demand & GDP				
(constant prices, percent change over previous year)				
Gross Domestic Product	3.5	3.1	3.4	4.1
Private Consumption	2.8	3.1	2.9	3.1
Public Consumption	3.0	1.7	-0.1	0.8
Gross Fixed Private Investment	10.4	10.5	14.7	8.8
Gross Fixed Public Investment	7.3	12.1	5.8	9.4
Final Domestic Demand	3.6	4.7	2.9	4.3
Exports of Goods & Services	18.2	5.9	6.5	8.0
Imports of Goods & Services	13.9	11.3	3.9	7.4
Production - Employment				
Index of Industrial Production (percent, y-o-y)	1.1	7.7	2.8	7.7 [1]
Labor Productivity (percent, y-o-y)	3.7	0.3	4.1	2.9
Nominal Unit Labor Cost (percent, y-o-y)	7.1	2.9	0.6	1.5
Real Average Wage (percent, y-o-y)	5.2	1.5	2.4	1.8
Unemployment Rate	7.9	9.9	12.0	11.3
Prices & Monetary Aggregates				
Inflation (C.P.I., year average percent change)	5.5	4.8	2.4	3.2
Inflation (C.P.I., Dec./Dec.-1 percent change)	4.7	3.9	2.7	3.9
M4N (percent, y-o-y)	7.8	9.8	5.5	12.6
Total Credit Expansion (percent, y-o-y)	11.0	9.7	12.2	17.3
Deposits in Commercial Banks & Specialized Institutions (percent, y-o-y)	9.8	1.6	13.9	4.2
Credit to Private Sector (percent, y-o-y)	15.3	15.0	14.2	25.2
10-year Treasury Bond Yield (percent, year average)	9.8	8.5	6.3	6.1
Public Finances (percent of GDP)				
General Government Balance	-4.0	-2.5	-1.8	-0.8
General Government Primary Surplus	5.7	6.4	5.8	6.5
General Government Debt	108.3	105.5	104.6	103.9
External Transactions				
Nominal Effective Exchange Rate (percent annual change)	-1.9	-5.9	-0.9	-6.2
Trade Balance (percent of GDP)	-12.3	-12.8	-13.9	-14.9
Current Account Balance (percent of GDP)	-2.6	-1.9	-3.2	-3.7

Sources: Ministry of National Economy, Bank of Greece.
Note: [1] Nov. 1999 - Nov. 2000.

consequences of the reversion of the cumulative cycle of overheating and self-fulfilling expectations observed in the Greek capital market during the second and third quarters of 1999.

It is by now well-known that the overheating cycle of the Greek capital market during the third quarter of 1999 has had a considerable impact on market activity that remained present for a lengthy period 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 and the entire 2000. The extensive liquidations of portfolios by both domestic and foreign institutional investors resulted in considerable market correction actions, thus leading to a new market equilibrium in both the general level of prices and the relative prices of securities.

During the first quarter of 2000, share price volatility was amplified by the nervousness caused by the announcement and realization in March of national parliamentary elections. Following the end of elections, uncertainty was reduced thus bringing about a restoration of a climate of confidence in the financial markets, which led to a new inflow of liquidity until the end of April. A considerable inflow of liquidity by foreign mainly institutional investors was evident, leading to a new rise in the ASE General Index.

However, the investment dynamism was not strong enough. Investment confidence weakened again reflecting the negative consequences of the steep rise in the international oil price on domestic and world economic growth. Indeed, the rise in the price of oil during the period April-September 2000 was especially large, feeding on financial volatility in the world markets. International volatility was further amplified by the appearance of a new round of international turmoil resulting mainly from large share prices corrections in the telecom and the "new economy" sectors. Accidental events too contributed to the increase in volatility, such as the fatal naval accident in September and the suicide of the chairman of its board, contributed to the increase in domestic volatility. Since October 2000 additional portfolio liquidations took place, especially by foreign institutional investors. The liquidations reflected, given those institutional investors' investment profile, their efforts to restructure their portfolios in view of the prospective upgrading of the status of the Greek capital market from a developing to an advanced market status. It must be emphasized that the year 2000 is a cornerstone year for the Greek economy due to its full participation in the EMU, the establishment of a fixed relation between the Greek drachma and the euro and the drachma's full abandonment by 2002.

It must be noted that the temporary fluctuations in the international oil price are not expected to have long-term negative consequences for the growth of the Greek economy since it is internationally recognized that the country's economic fundamentals are sound. It is expected that sensible re-evaluation of Greek economic developments will contribute substantially to the reduction in the general level of uncertainty and in due time will result in a reversal of the unfavorable investment climate that prevailed during 2000. This will lead to the undertaking of new investment initiatives, which will gradually restore the connection between the general price level, the relative share prices and capitalizations in the ASE and corporate fundamentals.

Despite the stock market fall, the activity in the primary and secondary markets during 2000 was intense. Indeed, forty eight new companies and one already listed company moved with a public offering of shares, raising 929.9 billion GRD. In the same year, a hundred and three listed companies proceeded with an increase in their share capital, raising 2.96 trillion GRD.

The number of listed companies in the ASE increased in 2000 to 342 companies, representing an annual increase of about 10 percent. The number is expected to increase even further owing to the large number of companies being at the stage of preparation or waiting in the line to be granted license to proceed with the public offering as well as those that wish to be listed in the New Market for small and highly-innovative companies. Of course, the fall in the stock market and the ensuing reluctance by underwriters to encourage immediate entry have brought delays in the listing process, which are expected to be only temporary.

Corporate and sectoral restructuring in the Greek capital market during 2000 was quite intense, taking the form of takeover activity and the expansion of strategic alliances. The intensity is also the result of the ongoing process of privatization of state-owned enterprises through the stock exchange. The Hellenic Bank of Industrial Development was privatized by 30 percent through the stock exchange and has already made the decision to proceed with further privatization by seeking a strategic alliance. The Commercial Bank of Greece proceeded with the formation of a strategic alliance with the French bank Credit Agricole, providing in the first stage 6.7 percent of its share capital. The competitive restructuring in the banking sector already proved beneficial for consumers through the reduction in the spread between borrowing and lending rates as well as the charging of lower fees in making loans.

The growth of the Greek capital market is also reflected on the economic performance of listed companies. Based on published annual financial statements, total net corporate profits for the first six-months of 2000 exceeded 2 trillion GRD whilst distributed dividends exceeded 650 billion GRD.

During the 1997-2000 period, a large portion of financial investment has been realized through collective investment schemes. As a result, total assets of mutual funds increased considerably during that period, providing the motive for a substantial restructuring of the sector. Total mutual fund assets increased from 3.9 trillion GRD in 1996 to 11.8 trillion GRD in 1999 and 10.5 trillion GRD in 2000.

The composition of mutual fund investment changed too. Net assets of money market funds decreased from 58.5 percent in 1996 to 49.7 percent of total assets in 2000. At the same time, net assets of equity funds decreased from 2.1 percent in 1996 to 25.5 percent of total assets in 2000. These changes provide evidence of a considerable transformation of the Greek capital market, where an increasing portion of saving is channeled into risk-bearing financial investment, thus manifesting a growing willingness of investors to undertake higher risk against higher return.

These developments confirm the transformation of the Greek capital market into an important and expanding mechanism for the financing of corporate plans. The availability of cost-efficient finance directly through the capital market, despite the recurrent reduction in interest rates, allows and encourages corporations to raise funds through the capital market in order to increase investment and financial strength, 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 plant and equipment, technological advance, merger and acquisition activity, investment through debt substitution and working capital needs. 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.

During 2000 the regulatory and functional framework of the Greek capital market was strengthened and upgraded by the introduction of new rules and possibilities. The rules contributed to the improvement and expansion of the existing institutional framework on the basis of the substantial experience accumulated.

In the past years, market supervision and regulation involved the implementation of statutory codes of conduct of business, the monitoring of capital adequacy, the take-over code, the publication of quarterly financial statements by listed companies, the completion of the process of dematerialization of securities and the initiation of the derivatives market, etc. These actions were taken gradually but steadily and resulted in the consolidation of efficient and safe market operation. The Capital Market Commission and the State have already met the standards set by the laws 2324/95 and 2396/96 with respect to the capital market.

During 2000, the new phase of regulatory development included actions that can be separated into four broad areas: the strengthening of the Capital Market Commission's authority, the oversight of listed companies, the compulsory professional certification for market agents and the improvement of market operations.

It must be noted that the large initial increase and the subsequent decrease of share prices in Greece during the period 1999-2000 led to a public debate on the ability of the regulatory authorities to carry out efficiently their duties. In part, the debate focused on the extent to which the Commission should intervene into areas in which it has no authority, such as for example the increase in share capital by listed companies. Moreover, it was pointed out that the regulatory authorities should intervene in the determination of prices of initial public offers, an action that is found nowhere in the advanced capital markets because it runs contrary to the fundamental character of the capital market as a mechanism of uninterrupted price determination under competitive conditions and transparency. The debates of this kind are useful when they care to be constructive. Achievement and continuation of competitiveness implies the development of regulatory policy that conforms to the international and especially European experience. After all, such policy falls within the broad goal of European capital market integration.

An important contribution of the regulation authorities and the State to the capital market operations has been the establishment of institutions and infrastructures. Since 1997 capital market institutions and rules have been substantially improved. New rules for the protection of market transactions and investors were introduced (e.g. the reformulation of the Common Guarantee Fund and the Supplementary Fund against counterparty risk and default of financial intermediaries). New rules were introduced for the enhancement of capital adequacy of financial intermediaries. Codes of conduct of business were introduced for all market participants (investment firms, underwriters, institutional investors and listed companies) aiming at investor protection against market abuse and the establishment of appropriate business ethics. Transparency rules were introduced which improved substantially the disclosure of information to investors (quarterly financial statements, detailed company prospectuses for initial public offers, disclosure of information regarding financial transactions by major company insiders). The New Market was also established to provide low-cost finance to small, dynamic and highly innovative firms. Greek Depository Receipts were moreover instituted for allowing foreign company securities to be traded in the Market for Emerging Markets, the fourth market of the Athens Stock Exchange. Two new institutions were created: the real estate investment company and the maritime investment company, thus allowing for the listing in the ASE of two new and very important sectors of economic activity. The completion of the process of securities dematerialization and the installation of a new multi-capability trading system in the ASE has been important improvements in the market.

During 2000, the Board of Directors of the Commission, having obtained the necessary authority, issued about 30 rules and regulations as well as submitted opinions to the Minister of the National Economy for issuing ministerial decisions. These rules and regulations add to the ongoing institutional progress aiming principally at the protection of investors, the improvement of the smooth function and systemic protection of the market and the improvement of the operating conditions and efficiency of market intermediaries.

The provision of financial services and the effective protection of investors were further strengthened by the reorganization of the Common Guarantee Fund so as to increase the level of compensation provided to 30,000 euros, the establishment of stricter rules for engaging in derivatives trading by institutional investors, the introduction of terms and conditions for proceeding with a takeover bid in the market aiming at the provision of adequate information and the equal treatment of investors.

The smooth function of the market was strengthened by the increase of minimum own funds required for the listing and trading of shares in the ASE, the readjustment of the daily closing price of traded securities, the widening of the daily share price fluctuation limits to (12 percent and the establishment of terms and conditions for the imposition of a trading halt on derivatives trading.

The protection of the system of transactions as well as their clearing and settlement was further improved by the extension of the obligation of traders toward the Derivatives Clearing House for surrendering securities when futures contracts are being agreed upon.

Market transparency was also improved. With respect to the operation of the New Market, new rules set the minimum share dispersion requirements, the obligations of institutional investors, the type and manner of information disclosure and the terms and conditions for the provision of underwriting and consultation services. New rules established the terms and conditions for becoming a market-maker and described the associated obligations and responsibilities. During 2000, the code of conduct for underwriters was amended to improve the transparency and credibility of the participation process for the acquisition of securities and the quantity and quality of financial information to be provided in the prospectuses of the issuing companies increased.

Of special importance was the completion of the program of institutional changes announced by the Commission in Spring 2000. Indeed, following the passing by parliament of the laws 2836/2000 and 2843/2000, large steps of modernization have been taken by the Commission. A new code of conduct for listed companies was established (CMC rule 5/204/14.11.2000) aiming at the protection of minority shareholders and the enhancement of transparency through extensive disclosure of corporate information. At the same time, new regulations allow the provision of credit by brokerage firms to their clients for the purchase of securities (margin account rule) and establish the role and functions of the market-maker in the stock exchange for the provision of liquidity. Moreover, the framework for the listing in the ASE of securities of maritime investment companies has been worked-out, the establishment of the capital market Ombudsman in association with market participants is close to completion, as is the carrying out of professional certification of market participants (analysts, investment consultants, fund managers and traders).

During 2000, prudential supervision by the Commission of financial intermediaries (brokerage firms, investment firms and mutual fund management firms), listed companies and financial transactions was carried out forcefully. More specifically, prudential supervision principally involved the setting of fit and proper criteria for granting operating license to financial intermediaries and the listing of shares in the stock exchange, the monitoring of capital adequacy of brokerage firms by monthly regular and irregular audits, the monitoring of the portfolio composition of institutional investors by quarterly and irregular audits, the monitoring of financial behavior of the firms for the reception and transmission of stock exchange orders by recurring sample audits, the cross-checked monitoring of transactions in the stock exchange and the derivatives exchange for the prevention of market abuse practices and the daily monitoring of the clearing and settlement process by imposing "automatic sanctions" in cases of malpractice.

During 2000, the Commission has put under surveillance the news publications on financial issues and asked for the required explanation regarding the content of announcements in the ASE Daily News. Moreover, the Commission continued the monitoring of the uses of funds raised by listed companies through the capital market and the results were made public, the quarterly monitoring of financial statements and the "real time" monitoring of stock exchange transactions.

During 2000, the auditing work of the Commission multiplied and expanded into new areas. Both prudential and punitive supervision were efficient and brought considerable benefits to the Greek capital market by securing conditions of smoothness in the operation of the market at times where the offering volumes of securities was large. The audits were multidimensional, including tens of brokerage firms, investment firms, mutual fund management firms and listed companies. A large number of information disclosure practices by large shareholders and company insiders were also audited. The Commission continued the long program of auditing the firms for the reception and transmission of stock exchange orders, which included about 200 firms. The Commission examined in detail several cases where there was an indication of market abuse practices. Several illegal practices were detected by those audits which led the Commission to impose fines totally worth 3.6 billion GRD (10.6 million Euro), the proceeds credited with the Greek State, and to submit indictments against a large number of entities to administrative courts.

The Commission is endowed with the authority to conclude bilateral and multilateral agreements and memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, the cooperation on issues related to the safeguarding of market stability and the coordination of the relationships between stock exchanges, clearing houses and regulation authorities. In the context of international relations development, members of the Commission's staff participated in numerous international conferences, fora and meetings and several memoranda of understanding were signed and activated. An important distinction for the Capital Market Commission during 2000 was its election as the chair of the IOSCO's European Regional Committee.

The continuous institutional and supervisory initiatives by the Commission enhanced market and investor protection under increasingly difficult circumstances for the world financial markets. Despite the fall in share prices during 2000, the operational and supervisory systems of the capital market functioned properly and remained unaffected by the adverse psychological conditions prevailing in the market.

The ASE General Index

During 2000 the stock market registered significant losses. At the end of the year, the ASE General Index closed at 3,389 units, realizing a total annual decrease of 38.8 percent, the highest in the last two decades (Table 2). However, 2000 was characterized by index losses in most stock exchanges worldwide: the NASDAQ Index fell by 39.3 percent, the Tokyo Nikkei 225 Index fell by 27.2 percent, the London FTSE-100 fell by 10,2 percent, the Frankfurt DAX-30 fell by 8.6 percent, the Hong-Kong Hang Seng fell by 11.0 percent, the New York Dow Jones fell by 5.5 percent, whilst the Paris CAC-40 Index gained 1.52 percent.

The average annual level of the General Index during 2000 was 4,279.9 units. On January 3, 2000, the Index reached its record high value of 5,794.8 units, whilst on November 28 the Index's reached its annual lowest value of 3,213.4 units. The average monthly standard deviation of daily returns of the General Index was 2.1 percent in 2000, against 2.4 percent in 1999 and 2.5 percent in 1998. The average annual difference between high and low price of the Index was 94.2 units. The ASE General Index exhibited considerable volatility during January, April (national elections), September (revaluation of the USD against the Euro and increase in the price of crude oil) and December (Figures 1 and 2).

Table 2

Average Annual Percentage Change of the ASE General Index, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1991	-13.1%									
1992	-15.1%	-17.0%								
1993	0.9%	8.8%	42.6%							
1994	-1.7%	2.4%	13.7%	-9.4%						
1995	-0.4%	3.1%	10.8%	-2.3%	5.2%					
1996	0.0%	2.9%	8.6%	-0.9%	3.6%	2.1%				
1997	6.8%	10.6%	17.1%	11.5%	19.4%	27.2%	58.5%			
1998	14.4%	19.0%	26.4%	23.4%	33.2%	44.2%	71.3%	85.1%		
1999	21.9%	27.2%	35.1%	33.9%	44.8%	56.9%	81.0%	93.4%	102.2%	
2000	13.8%	17.2%	22.4%	19.8%	25.5%	30.0%	38.0%	31.8%	11.3%	-38.8%

Source: ASE

The results are based on the following relation: $(X_t / X_o)^{(1/t)}$ -1, where X_o and X_t 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, 2000

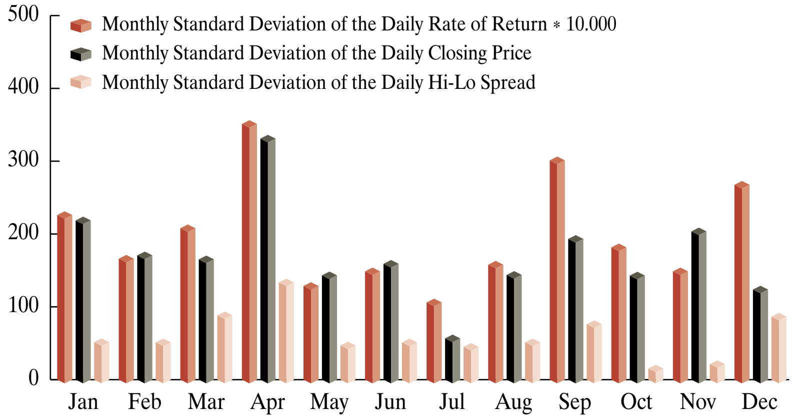
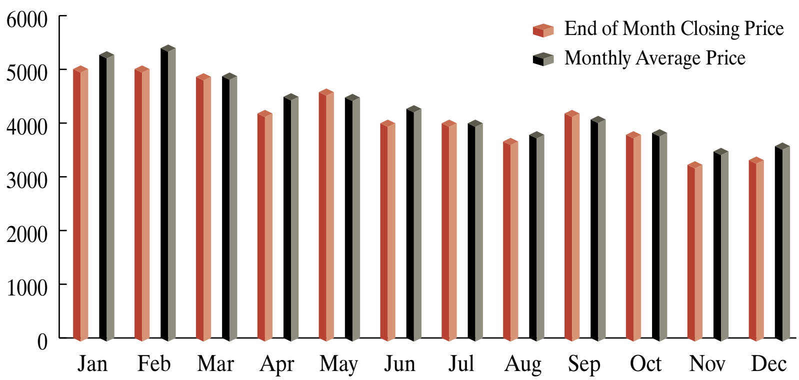


Figure 2

Monthly Closing Price and Mean of the ASE General Index, 2000



Sectoral Share-price Indices in the ASE

During 2000, all sectoral share-price indices exhibited a significant decrease, that was on average 52 percent (Tables 3 and 4). The strongest decrease was observed in the index of the Parallel Marked, which fell by 79.8 percent in 2000, reversing the strong gain of 658.8 percent realized in 1999. Significant decreases were observed in the sectoral indices of the Leasing Companies (-64.7 percent), the Construction Companies (-63.1 percent), the Insurance Companies (-62,9 percent) and the

Miscellaneous Companies (-57.5 percent). Only the decrease of the sectoral index of Banks (-28.1 percent) was smaller than the decrease of the ASE General Index, whilst the sectoral indices of the Industrial Companies and the Holding Companies fell slightly more than the General Index (-39.9 percent and 41.1 percent respectively). Finally, the index FTSE/ASE 20, which includes the large capitalization stocks, fell during 2000 by 33.0 percent, whilst the index FTSE/ASE Mid 40, which includes the middle capitalization stocks, decreased during the same year by 62.9 percent.

Table 3

Sectoral Share-price Indices in the ASE, 2000

Sectoral Share-price Indices	Closing Price on 29/12/2000	Lowest Daily Price	Highest Daily Price	% Change since 30/12/1999
ASE General Index	3,388.86	3,165.19	5,874.95	-38.8%
FTSE/ASE 20	1,950.95	1,814.85	3,064.09	-33.0%
FTSE/ASE MID 40	395.44	374.16	1,077.28	-62.9%[1]
Banks	7,306.98	6,525.25	10,652.06	-28.1%
Insurance	1,383.92	1,336.46	4,011.64	-62.9%
Leasing	545.60	491.42	1,668.46	-64.7%
Investment	1,335.07	1,103.75	3,036.67	-52.7%
Industrial	2,072.80	1,932.90	3,708.65	-39.9%
Miscellaneous	2,970.99	2,784.98	7,483.50	-57.5%
Construction	1,271.88	1,111.84	3,950.82	-63.1%
Holding	3,851.29	3,647.71	7,207.44	-43.1%
Parallel Market	319.72	302.24	1,807.15	-79.8%

Source: ASE. [1] *Change since 3/1/2000.*

The Value of Transactions in the ASE

The total value of transactions During 2000 decreased from 58.9 trillion GRD in 1999 to 37.8 trillion GRD in 2000, realizing a fall of 35.8 percent (Table 5). The average daily value of transactions in 2000 was 150.2 billion GRD, against 300 billion GRD in 1999. The highest daily value of transactions was 511.4 billion GRD and was observed on February 4th, 2000. The total annual value of transactions in the Main Market decreased by 41.6 percent, whilst in the Parallel Market it increased by 11.5 percent, owing to the rising number of companies seeking funds in this market. Thus, the value of transactions in the Parallel Market corresponded to 19 percent of the total value of transactions realized in the ASE in 2000, against 10.9 percent in 1999 and 5.5 percent in 1998.

Table 4

Sectoral Share-price Indices in the ASE by Month, 2000

	ASE General Index	Banks	Insurance	Leasing	Investment	Holding	Industrial	Construction	Misc.	Parallel Market	FTSE/ ASE 20	FTSE/ ASE Mid 40
21-Jan	4,990.0	9,057.7	3,446.2	1,323.8	2,677.0	6,142.8	3,036.4	3,206.8	6,379.5	1,501.0	2,606.4	906.0
29-Feb	5,002.2	9,543.7	3,214.9	1,081.6	2,452.5	5,271.9	2,917.4	2,616.4	6,168.3	1103.8	2,773.5	782.8
31-Mar	4,793.5	9,269.8	3,288.7	1,076.9	2,052.0	5,278.0	2,838.9	2,357.5	5,058.9	826.5	2,710.4	686.1
27-Apr	4,249.5	8,323.8	2,863.5	887.7	1,816.9	4,672.5	2,533.8	2,209.1	4,084.4	715.4	2,405.9	563.1
31-May	4,608.2	8,797.8	2851.9	956.3	1,847.4	5,342.8	2,784.2	2,672.3	4,915.2	998.2	2,553.8	672.7
30-Jun	4,054.4	7,524.0	2687.4	768.3	1,636.8	4,627.8	2,516.6	2,220.4	4,193.7	752.0	2,235.5	580.2
31-Jul	3,988.3	7,535.8	2,488.9	769.2	1,625.7	4,246.7	2,502.7	2,155.4	3,982.6	746.2	2,225.1	559.4
31-Aug	3,557.2	6,824.8	2,170.2	655.5	1,417.6	4,041.9	2,214.3	1,697.0	3,805.5	614.1	2,010.1	489.0
29-Sep	4,178.0	8,520.6	2,267.1	673.1	1,652.4	5,043.9	2,473.6	2,008.2	4,281.7	596.4	2,371.6	535.5
31-Oct	3,797.8	8,139.1	1,887.6	548.5	1,305.4	4,336.4	2,210.4	1,593.4	3,303.0	420.1	2,206.6	444.8
30-Nov	4,245.8	6,778.7	1,481.2	598.9	1,130.2	4,047.5	2,008.1	1,193.0	2,885.0	329.5	1,855.6	384.2
29-Dec	3,388.9	7,307.0	1,383.9	545.6	1,335.1	3,851.3	2,072.8	1,271.9	2,971.0	319.7	1,951.0	395.4
Max 2000[1]	5,794.9	10,506.2	3,933.2	1,642.5	2,984.6	6,994.7	3,655.2	3,782.6	7,322.5	1745.5	3,020.3	1,064.3
Min 2000[1]	3,213.4	6,559.6	1,365.5	509.5	1,108.4	3,746.4	1,964.6	1,156.8	2,828.3	319.7	1,839.5	381.7

Source: ASE.

Note: [1] Closing Prices.

Table 5

The Value of Transactions in the ASE, 1990-2000

Year	Main Market		Parallel Market		Total	
	Amount (bn GRD)	% Annual change	Amount (bn GRD)	% Annual change	Amount (bn 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	1,225.6	96.3%	35.8	180.1%	1,262.1	98.1%
1995	1,257.7	2.6%	150.8	321.3%	1,408.5	11.6%
1996	1,817.6	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%
2000	30,673.6	-41.6%	7,173.2	11.5%	37,846.8	-35.8%

Source: ASE.

Net Profits and Dividends of the ASE listed Companies

The significant decline of share prices in 2000 does not reflect at all a comparable decline in corporate profitability. Net pre-tax profits of listed companies for the period Jan.-Sep. 2000 decreased only 10 percent in relation to the same period in 1999. The decrease in profits is mainly due to the decrease in the revenues from securities sales that followed the decline in share prices and to the increase in import cost (oil, etc.). Net after-tax profits of listed companies, based on their 1999 annual financial statements, amounted to 2,081 billion GRD, representing an impressive increase of 131 percent in relation to 1998 (Table 6). Distributed dividends out of the 1999 profits amounted to 658 billion GRD, representing an increase of 46.8 percent in relation to 1998. Dividend policy by listed corporations was conservative given that distributed dividends declined from 49.9 percent of net profits in 1998 to 31.6 percent in 1999. The proportional decline of share prices in 2000, which was higher than the decline of corporate profitability, led to a significant decrease of the capital market's price to earnings ratio (P/E)[2], thus bringing the average valuation of the Greek market to a level comparable to those of most European and other developed capital markets.

[2] *Given that the pre-tax profits for the first 9 months of 2000 amounted to about 1.54 trillion GRD, whilst total ASE capitalization on 29/12/2000 was 40.2 trillion GRD, a provisional estimation of the price to earnings ratio results, which is 20. The corresponding price to earnings ratio by the end of December 1999 (excluding the surplus-values resulting from the sale of the Ionian Bank to the Credit Bank) was 29.*

Table 6

Net Profits and Distributed Dividends of the ASE Companies, 1990-1999

Year	After-tax Net Profits (mil GRD)		Distributed Dividends (mil GRD)		Profit Distribution (Percent)
	Amount	% Annual Change	Amount	% Annual Change	
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%	38.8
1994	347,249	11.6%	171,408	42.4%	49.3
1995	365,419	5.2%	193,628	13.0%	53.0
1996	494,445	35.3%	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%	49.9
1999	2,081,802	131.4%	658,052	46.7%	31.6

Source: ASE, CMC.

Market Capitalization of the ASE listed Companies

During 2000, total market capitalization of the ASE listed companies decreased significantly both as an absolute level and as a percentage of the GDP (Tables 7 and 9). Total market capitalization decreased from 67.3 trillion GRD in the end of 1999 to 40.2 trillion GRD in 2000 that is by 40.3 percent. However, total ASE capitalization in 2000 remained higher than 1998 by 76 percent.

The decrease of total market capitalization in 2000 is due to the decline in share prices resulting from extensive liquidation of securities. Increases in share capital by listed companies and the listing in the stock exchange of shares of new and large companies, such as Cosmote, Agricultural Bank of Greece and Cyprus Bank, as well as smaller companies reversed the decrease of total capitalization. Total market capitalization of the new listings during 2000 amounted to 3.9 trillion GRD, corresponding to 9.6 percent of total market capitalization.

In the end of 2000, the share in total capitalization of the banking sector was the highest in the ASE (31 percent against 25.1 percent in 1999), followed by the telecommunications sector (13.5 percent), the metallurgy sector (6.6 percent) and the food industry sector (5.9 percent). Total capitalization in the Parallel Market declined by 46.3 percent, that is from 6.7 trillion GRD in the end of 1999 to 3.6 trillion GRD in the end of 2000, corresponding to 9.1 percent of total market capitalization. The share of the broader financial sector (banks, insurance companies, leasing companies, investment companies) in total capitalization increased from 32.8 percent in 1999 to 37.4 percent in 2000. The capitalization of the broader industrial and construction sector amounted to 13.3 trillion GRD in the end of 2000, corresponding to 33.1 percent of total capitalization, against 48.7 percent in the end of 1999. However, commercial and non-financial sector companies show a tendency to widen their share in total capitalization. The share of these companies (telecommunications, water supply, internet providers, hotels, shipping and miscellaneous) in total capitalization, in the end of 2000, was 20.5 percent.

The significant decline in the share prices of small- and medium-cap companies was associated with an increase in the relative share of large-cap companies in total ASE capitalization. In the end of 2000, the listed companies with the highest share in total ASE capitalization were the National Bank of Greece (7.8 percent against 5.5 percent in 1999), the Hellenic Telecommunications Organization (6.8 percent against 5.6 percent in 1999) the Eurobank-Ergasias (5.2 percent), the Alpha Credit Bank (5.1 percent) and the Commercial Bank (3.7 percent).

Table 7

Market Capitalization of the ASE listed Companies, 1991-2000

	Main Market (bn GRD)				Parallel Market (bn GRD)	Total (bn GRD)	
Year	Financial Sector [1]	Manufacturing	Misc. Sectors	Total		Amount	% Annual Change
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%
Dec. 2000	15,019.1	13,300.0	8,237.9	36,557.0	3,636.6	40,193.6	-40.3%

Source: ASE. [1] Banks, Insurance, Portfolio Investment Companies, Leasing Companies.

The decline in the average daily value of transactions and total capitalization in the ASE led to a reduction in the average daily liquidity index from 0.48 percent in 1999 to 0.26 percent in 2000 (Table 8).

Table 8

Monthly Liquidity Index in the ASE, 2000

	Market Capitalization (end of month, bn GRD)	Average Transactions Value (bn GRD)	Average Daily Liquidity Index[1] (percent)
January	63,956	214.7	0.34
February	62,447	272.2	0.44
March	56,872	185.6	0.33
April	48,993	139.8	0.29
May	56,695	180.5	0.32
June	49,364	131.5	0.27
July	48,347	88.1	0.18
August	43,227	71.4	0.17
September	48,535	133.5	0.28
October	43,814	72.7	0.17
November	38,442	53.7	0.14
December	40,194	113.6	0.28

Source: ASE. [1] The Liquidity Index equals the ratio of average daily value of transactions to total market capitalization.

Table 9

Market Capitalization and Macroeconomic Indicators, 1991-2000

	Market Capitalization (percent of GDP)	Market Capitalization (percent of M4N**)	Market Capitalization (% of commercial deposits & repos**)
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	196.3	303.6
Dec. 2000	98.0*	104.3	131.5

Source: ASE, CMC.
** The level of GDP for 2000 is estimated by the Ministry of National Economy to be approximately 40 trillion GRD (Ministry of National Economy, Annual Report 2000, Annex I). ** September 2000 data.*

The role of the capital market in the national economy can be inferred if total ASE capitalization is compared with other macroeconomic variables. Indeed, by the end of 2000 total capitalization of the ASE corresponded to 98 percent of GDP, a level very close to the Euro-zone average level (approx. 92 percent of GDP in late October 2000). Total ASE capitalization was 169.4 percent of GDP in the end of 1999, against 64.3 percent in 1998. Total market capitalization moreover corresponded to 104.4 percent of the broad index of liquidity of the Greek economy (M4N) in 2000, against 196.3 percent in 1999 and 93.1 percent in 1998. Finally, in 2000 total ASE capitalization corresponded to 131.5 percent of the value of total private deposits and repos in commercial banks (Table 9).

The Developments in the Athens Derivatives Exchange (ADEX)

A very important development in the Greek capital market during of 2000 was the issuing of new derivative products by the Athens Derivative Exchange (ADEX). The new products were (a) the 10-year Bond Future, issued on 14/1/2000, (b) the FTSE/ASE Mid 40 Future issued on 28/1/2000, (c) the FTSE/ASE-20 Option issued on 11/9/2000 and (d) the OTC product of Stock Lending through ADEX issued on 21/8/2000.

Table 10

Volume of Contracts in the ADEX, 2000

Month **Starting**	**Future** FTSE/ASE-20 27/8/1999	**Future** FTSE/ASE-40 28/1/2000	**Bond Future** 14/1/2000	**Options** FTSE/ASE-20 11/9/2000	**Total**
January	825	925	923		2,673
February	1,106	666	881		2,653
March	1,408	1,061	805		3,274
April	1,402	1,509	706		3,617
May	1,009	1,809	2,131		4,949
June	1,121	1,769	1,772		4,662
July	1,170	2,185	1,392		4,747
August	1,276	2,746	985		5,007
September	3,267	2,998	698	125	7,088
October	2,882	1,715	569	207	5,373
November	3,649	2,017	768	353	6,787
December	4,013	1,850	592	602	7,057
Total					**57,887**

Source: ADEX.

The decline in the ASE General Index raised investors' interest in derivative contracts. The average daily trading volume in the ADEX increased rapidly from 635 contracts on December 1999 to 7,057 contracts on December 2000.

During 2000, ADEX policy enhanced derivatives trading by decreasing the margins of the FTSE/ASE-20 index and the FTSE/ASE-Mid 40 index from 20 percent to 12 percent and to 16 percent respectively, and by abolishing the maintenance margin in cash (20 mil GRD), so that an investor can now use his/her own shares for the maintenance of the margin.

The number of members in the ADEX increased in 2000 to 41 members. The continuous issuing of new financial derivative products along with the existing ones provides the basic tools for investors to hedge their portfolios against risks. The extent to which these tools are being used testifies to the maturity of the market.

The Developments in the Fixed-income Securities Market

The domestic fixed income securities market is still dominated by securities issues by the Greek Treasury. Main policy objectives of the Treasury Debt Office during 2000 were the improvement of the treasury securities market in view of the increased competition arising from the integration in the euro bond treasury market and the enhancement of transparency and liquidity of the primary and secondary markets.

In fulfilling this task, the average maturity of the debt structure was lengthened, being replaced by longer maturity issues has reduced the amount of treasury bills in circulation and many operations of debt restructuring were completed. By the end of September 2000, the average maturity of domestic borrowing through issues of marketable debt was approximately 8.7 years.

Moreover, in January of the same year, a 20-year fixed coupon rate treasury bond was issued for the first time. Secondary market activity increased significantly raising the average per day trading value to 500 million euro in December 2000. During the same year trading volumes of the future contract on the 10-year treasury bond in the ADEX were also significant.

The convergence of the treasury securities' interest rate to the euro-zone rates accelerated during 2000. The spread between the 10-year benchmark treasury bond yield and the Germany's Bund yield fell from 115-120 basis points in the beginning of 2000 to 54 basis points by the end of December 2000. Figure 3 depicts the movement of the treasury bonds yield curve during 2000.

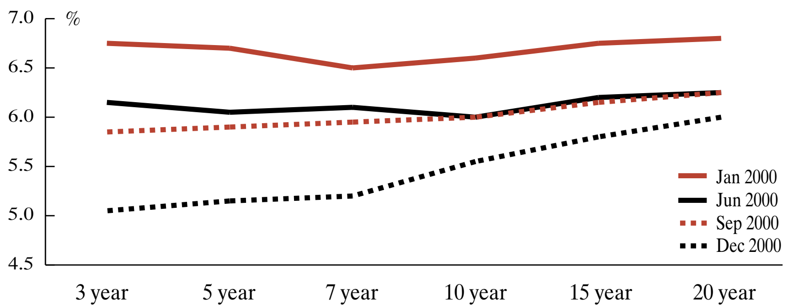
On the basis of privatization policy through the stock exchange, three-year zero coupon GRD certificates in book entry form were issued, enabling holders to exchange them on a later date with shares of privatizing companies, such as the Agricultural Bank of Greece. Holders of privatization certificates were also given the right to exchange them at a discount on the offering price with shares of Greek Stock Exchange S.A.

The year 2000 was characterized by the preparation for the re-denomination of government debt into euro currency as of the date of Greece' s participation into the euro-zone, i.e. the 1st January 2001. The re-denomination will adopt the "bottom-up" approach followed by investor holding policies.

It is worth mentioning that current stock exchange conditions will accelerate developments in the corporate fixed income securities market in the following years. Corporate bond issue is an alternative source of corporate finance, which will be reinforced by the expected alignment of the tax treatment between corporate and treasury fixed-income securities, the convergence of Greek corporate ratings as well as of the cost of capital to those observed in the euro-zone.

Figure 3

Treasury Bonds Yield Curve, 2000



The Developments in the Central Securities Depository

The Central Securities Depository (CSD) is the central agency for the clearing and settlement of stock exchange transactions as well as for the support of the dematerialized securities system (DSS), in which dematerialized securities are credited to the securities account of investors during the execution of daily transactions or corporate actions. The participants in the clearing of transactions are the DSS operators, the brokerage firms - members in the ASE, and the banks that provide custodian services. The basic services provided by the CSD are the following:

(a) Services to operators, clearing and settlement. The activity aims at the completion of operations pertaining to the clearing and settlement of stock exchange transactions between DSS operators and all related actions.

(b) Services to investors. They include the modification of vital data on investors' securities, the provision of information on the balances and movements of accounts, the establishment of encumbrances, the blocking of securities, inheritance matters, etc.

(c) Services to issuing companies. The CSD provides services relating to the keeping of share registers and the performance of corporate actions, such as general shareholder meetings, share capital increases involving the distribution of free shares, share splits, etc, or through the registration of records in the case of share capital increases involving the exercise of pre-emptive rights. Shares are automatically entered in the DSS securities accounts and dividends are automatically credited to the bank accounts designated for investors.

All the above functions are specified and supervised in accordance with the law 2396/96 and the Capital Market Commission rules (Regulation 154/16/3/1999) governing the clearing and settlement of stock exchange transactions and the operation of the Dematerialized Securities System.

In addition, during 2000 many amendments were implemented in the system, such as the involvement of the Athens Derivatives Clearing House (ADECH) as an account operator, the CSD audits on the Dematerialized Securities System, the introduction of a procedure for the elimination and correction of mistakes made by the system operator and the increase in the efficiency of the settlement and clearing of new shares.

Furthermore the CSD has introduced an important investors information facility, which provides information on their portfolios, such as account balances and transactions for each security.

Moreover, investors will soon obtain a smart card that will give them direct access to the DSS and more importantly to their accounts in the system. Investors will be able to use the smart card to get information on portfolio account balances and their movement, by resorting to special ATM-type machines to be installed at various locations in major towns and cities around the country. They will also be able to receive the same information through the internet.

The CDS services extend to issuing companies. Thus, issuing companies will be given direct links with DSS and, in the case of registered shares, they will be able to obtain data relating to the share registers and data transfers.

In addition, the new environment of dematerialized securities makes possible the reduction in the time required for clearing -currently three business days after the execution of the transaction. The decrease in the clearing time will bring (a) a reduction of risk associated with the time interval between transaction and clearing, (b) a reduction of insurance guarantees provided by brokerage firms for unsettled transactions, (c) an increase in the lower and upper limits on transaction volume and (d) a prompt settlement of accounts.

Moreover the above services will assist issuing companies by facilitating their corporate actions, investor by settling properly and quickly their accounts and reducing the overall transactions costs and the New Market by providing precious support for its functions.

Table 11
Number of Stock Trading Accounts by Month, 1998-2000

	1998	1999	2000
January		43,719	56,642
February		56,980	63,119
March		88,048	50,088
April		127,923	15,592
May		114,586	18,394
June		116,881	11,931
July		72,750	8,106
August		74,154	5,059
September		145,064	10,273
October		98,807	7,180
November		81,666	10,395
December		83,091	34,005
Total of the year	355,309	1,103,669	290,784
Grand Total			**1,749,762**

Source: CSD

The Primary and Secondary Securities Markets

General Overview

The level of activity in the primary securities market during 2000 was significant, despite the adverse market conditions. Total funds raised through initial public offers and increases in share capital amounted to 3.95 trillion GRD (11.6 bn Euros), representing an annual decrease of 10 percent against 1999. The latter year was characterized by the highest historically amount of funds raised directly through the capital market.

The impact of new issues on total market capitalization was even stronger in 2000: total funds raised through initial public offers corresponded to 9.8 percent of total ASE capitalization at the year's end, against 6.5 percent at the end of 1999. Despite the significant decline in the cost of borrowing, companies continued their efforts to raise corporate finance through the capital market. This was the result of their conviction that the cost of capital raised directly through the capital markets is still lower than the cost of borrowing and moreover that debt: equity ratios should remain at low levels to maintain financial health.

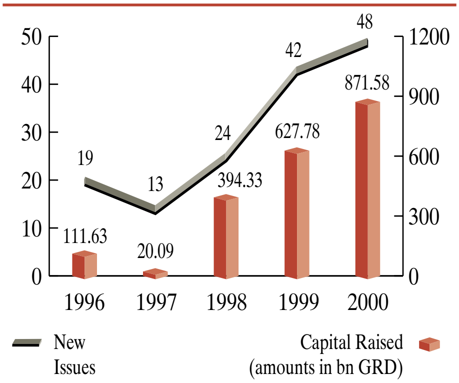
Public Offerings

The total number of public offers, including both public and private placement, in the Main and the Parallel Markets of the ASE in 2000 increased to 49 offers, raising 992.9 bn GRD (2,91 bn Euros) against 46 public offers in 1999, which raised 1,624.5 billion GRD (4.77 bn Euros). Among the 49 public offers in 2000, one offer was made by "Hellenic Petroleum SA", an already ASE listed company, while among the 46 public offers in 1999 four companies ("Hellenic Telecommunications Organization", "The National Bank of Greece", "Panafon SA" and "Viohalko Holdings SA") were already listed in the ASE. If the already listed companies are excluded, funds raised through the capital market amounted to 871.6 bn GRD (2.56 bn Euros) in 2000 against 627.8 bn GRD (1.84 bn Euros) in 1999, showing an annual increase of 39 percent.

From the total amount raised through public offers, 847.6 bn GRD (2.49 bn Euros) was raised through the Main Market corresponding to 85.4 percent of total funds, and 145.3 bn GRD (0.43 bn Euros) was raised through the Parallel Market corresponding to 14.6 percent of total funds raised. Among the 49 public offers, 34 offers (70 percent of the total) took place in the Parallel Market, indicating a strong preference for this market. Given the large number and dynamism of small- and medium-sized companies in Greece, this preference can be mainly attributed to the less strict listing requirements set for the Parallel Market. However, despite the latter's dynamic growth, the Main Market remains the dominant market. The levels of capitalization between the Main and the Parallel Market

Figure 4

Number of Initial Public Offerings and Amount of Capital Raised through the ASE, 1996-2000



Note: Public Offerings from companies already listed in the ASE are excluded.
Source: Various Prospectuses, Capital Market Commission.

of the ASE stand at a ratio of 10:1, whilst the levels of total funds raised stand at a ratio of 6:1, respectively.

The average amount of funds raised was 20.6 bn GRD in 2000 against 35.3 bn GRD in 1999. The high average level of funds raised in 1999 was due mainly to the public offering of securities by the four already listed companies ("Hellenic Telecommunications", "National Bank of Greece", "Panafon" and "Viohalko Holdings"). Excluding these companies, the average funds raised through public offers amounted to 18.2 bn GRD in 2000 against 14.9 bn GRD in 1999.

The increasing number of companies seeking funds through the capital market, especially when considering the unfavorable market conditions during 2000, demonstrates the capital market's rising role in corporate finance and the primary market's importance for its growth. The dynamism of the primary markets is a central element in total market growth and thus it should be further encouraged.

The dynamism of the primary market in Greece is further demonstrated by the fact that an amount of 619.2 bn GRD (1.82 bn Euros), corresponding to 62.4 percent of total funds raised in 2000, was raised through initial public offers, while the remaining 373.7 bn GRD (1.1 billion Euros) corresponding to 37.6 percent of the total, was raised through securities sales in the secondary markets. The relative figures in 1999 were inversed: 32.3 percent of total funds was raised in the primary market and 67.7 percent was raised in the secondary market. This was due to the large public offers made by the four already listed companies mentioned above, which accounted for 58 percent of total funds raised in 1999. This fact is consistent with current international practices involving the sale of securities by major block-holders, in order to satisfy minimum dispersion requirements for the listing of shares and corporate governance best practices.

The quarterly distribution of public offers in 2000 was as follows: 33.3 percent of total capital was raised in the first quarter, 7.1 percent was raised in the second quarter, 13.0 percent was raised in the third quarter and 46.5 percent was raised in the fourth quarter. The relatively high percentage of the first quarter is due to the large number (21) of companies that proceeded with a public offers, following the positive investment conditions prevailing in the market at that time. In the first quarter two large public offers were completed: "Germanos SA" (76.9 bn GRD) and "Hellenic Petroleum" (121.3 bn GRD). The relative high percentage of the fourth quarter is due to the fact that the newly listed companies were large capitalization ones: "Cosmote" (a subsidiary of Hellenic Telecommunications Organization) raising 179.2 bn GRD and representing the largest initial public offers, "Bank of Cyprus" raising 120.9 bn GRD and "Agricultural Bank of Greece" raising 147 bn GRD.

Table 12

Annual Distribution of Public Offerings in the ASE, 2000

Quarter 2000	Number of Listings		Capital Raised (bn GRD)	Percent of Grand Total	Oversubscription by Institutional Investors (%)	Oversubscription by Non-institutional Investors (%)
First	21	Average	15,804		70.88	311.36
		Total	331,088	33.40%		
Second	7	Average	9,993		10.13	44.48
		Total	69,953	2.05%		
Third	15	Average	8,607		20.11	14.01
		Total	129,111	13.00%		
Fourth	6	Average	76,992		4.75	1.48
		Total	461,949	43.53%		

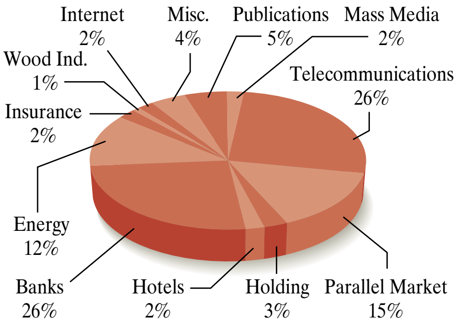
Source: Capital Market Commission.
Note: The listing of "Datamedia S.A." is excluded as it was completed without a public offering.

The average excess demand for IPOs by institutional investors in securities auction was 41.9 times, while the average excess demand by private investors was 144.9 times. In one public offers, the total amount offered was not fully absorbed by the general public and the main underwriter picked up the slack. Table 12 shows a decreasing trend in the average excess demand for IPOs by both institutional and private investors during 2000, especially during the last quarter. This is due both to the unfavorable market conditions and the large number of shares offered in the market. It is noted that the demand for shares by individual investors was higher than the demand by institutional investors in the first three quarters of 2000. The significant capital gains realized on initial public offers during the stock market boom in the 1997-99 period resulted in an interruptive inflow of private investor funds in the primary securities market, while institutional investors were forced to confine themselves to restricted placements and therefore more moderate returns. When market conditions worsened by the end of 1999 and during 2000, private investors reaction were again more extreme in their decreasing of demand for IPOs, thus leading to lower average excess demand.

The sectoral distribution of public offers in 2000 was as follows (Figure 5): the banking sector absorbed 27 percent of total capital raised ("Bank of Cyprus" and "Agricultural Bank of Greece"), the telecommunications sector absorbed 26 percent, the Parallel Market absorbed 15 percent and the energy sector absorbed 12 percent. In total, the financial sector, broadly defined, absorbed 29 percent of total capital raised, the commercial and industrial sector absorbed 65.7 percent and

Figure 5

Public Offerings by Sector of Activity in the ASE, 2000



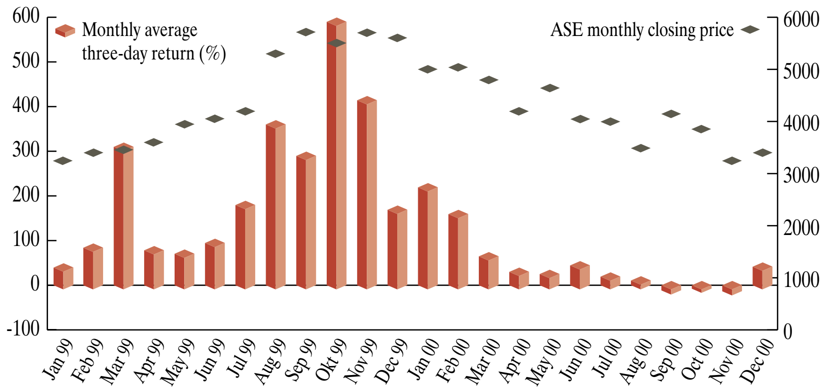
the high technology sector absorbed 5.3 percent. The total amount absorbed by the five larger public offers ("Cosmote SA", "Agricultural Bank of Greece", "Hellenic Petroleum SA", "Bank of Cuprus" and "Germanos Sa") corresponded to 65 percent of total capital raised, thus reflecting a rising degree of capitalization concentration by the high capitalized companies.

The uses of funds raised trough the ASE, according to the approved Prospectuses for public offers in 2000, were as follows: 30.7 percent of net capital raised would finance fixed capital and other investment (new products and processes, personnel training, marketing programs, etc.), 22.5 percent would finance corporate merger and acquisition plans, 14.4 percent would be used for debt-substitution finance and the remaining 32.4 percent would finance working capital needs (this last category includes the amount of 116.1 billion GRD raised by the "Bank of Cyprus" to be used for capital structure improvement). Excluding the public offering of "The Bank of Cyprus", the distribution of uses of funds changes as follows: 38.2 percent for fixed and other investments (against 18.6 percent in 1999), 28.1 percent for financing corporate merger and acquisition plans (against 55.6 percent in 1999), 17.9 percent for corporate debt substitution (against 12 percent in 1999) and 15.8 percent for working capital needs (against 13.8 percent in 1999). Although the figures for 1999 and 2000 are not exactly comparable, a conclusion emerges that almost two thirds of total funds raised through the capital market will finance fixed investment and corporate restructuring.

The average return realized during the first three days of trading in the ASE of initial public offers was 58.4 percent in 2000, against 236.5 percent in 1999. Figure 6 shows that the return was increasing until October 1999 (when it reached 580 percent) and then decreasing, reflecting the deterioration of investor sentiment. In the Fall 2000, the return was in some cases negative. The highest positive return for 2000 was 417 percent, whilst the highest negative return was 28 percent. In general, the return on initial public offers was higher than that of secondary public offers. The issuing of CMC rule 13/174/26.10.1999: "Terms and conditions for book building procedures and the distribution of shares in an initial public offering", regulated initial public offering behavior, maintaining the smoothness and normality in the market.

Figure 6

Average Return of Initial Public Offerings in the ASE, 1999-2000



Increases in Share Capital by the ASE listed Companies

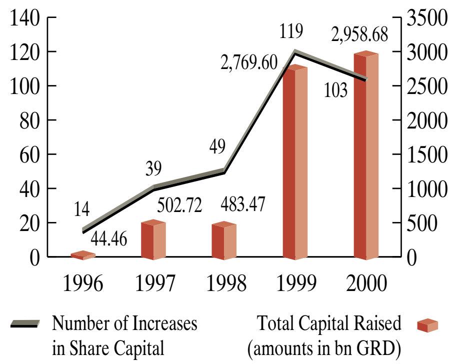
Despite the decrease in investor demand for securities, listed companies continued to seek low-cost and high-return funds in 2000. As a result, total capital raised by listed companies through the ASE increased by 6.8 percent in 2000, reaching 2.96 trillion GRD (8.68 bn Euros) (Figure 7). These funds corresponded to 7.4 percent of total ASE capitalization for 2000 against 4.4 percent in 1999.

The majority of share capital increases in 2000 were concluded in the ASE's Main Market, where 79 companies raised 2.73 trillion GRD (8.02 bn Euros), accounting for 92.2 percent of total funds raised. In the ASE's Parallel Market 24 companies concluded increases in share capital, accounting for the remaining 7.8 percent of total funds. The annual growth rate of these funds was 3.7 percent for the Main Market and 68.2 percent for the Parallel Market. The growth rates were made possible despite the 9 percent decrease in the number of share capital increases. This must be attributed to the increase of the average funds raised per share capital increase from 23.3 bn GRD in 1999 to 28.7 billion GRD in 2000.

In 2000 the percentage of offered shares distributed to company staff and associates as well as to institutional investors and allies increased. About 23.3 percent (636 bn GRD or 1.87 bn Euros) of total funds raised through share capital increases in the Main Market was absorbed by the aforementioned investors, after existing

Figure 7

Increases in Share Capital and Amount of Funds Raised, 1996-2000



Source: Various Prospectuses, CMC.

shareholders refrained from the exercise of their pre-emptive rights. It should be noted, however, that 89 percent of the above amount represents the amount raised by a single company, namely "The Coca-Cola 3E Co", whose increase in share capital amounted to 568 bn GRD. The corresponding percent of funds raised in the Parallel Market was only 1.8 percent.

The annual distribution of share capital increases during 2000 varies and is affected by the developments in the stock exchange (Figure 13). More than 50 percent of total funds were raised in the first quarter of 2000, whilst over 30 percent of funds were raised in the third quarter. The high percentage for the third quarter is due to the share capital increase of "The Coca-Cola 3E Co". In the fourth quarter, due to adverse market conditions, the shares offered by seven share capital increases were not fully absorbed by investors.

Table 13

Annual Distribution of Share Capital Increases in the ASE, 2000

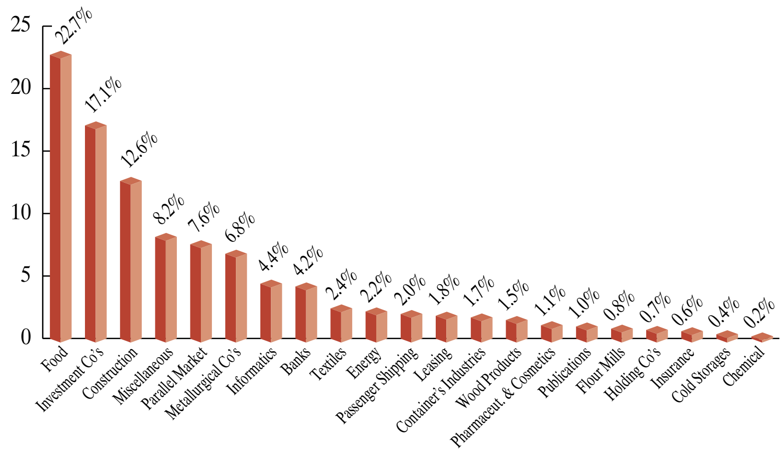
Quarter	Number of Increases in Share Capital	Capital Raised (million GRD)	Percent of the Total
1st	51	1,608,757.46	54.37
2nd	18	273,362.17	9.24
3d	21	909,291.10	30.73
4th	13	167,277.60	5.65
Total	103	2,958,688.33	100.00

Source: Registered Prospectuses.

The sectoral pattern of distribution of funds raised was diversified too. For the first time the amount of funds raised by industrial and commercial companies in the ASE was higher than the amount raised by companies of the broader financial sector. The largest portion of total funds was absorbed by the food sector, which raised 673 bn GRD (1.97 bn Euros) or 22.7 percent of the total (Figure 8). The construction sector raised 372 bn GRD (1.1 bn Euros) or 12.6 percent of the total, which will be used for the strengthening of the construction companies' capital base as a precondition to grow faster following the new institutional framework for the sector's consolidation and business ventures. In the broader financial sector, investment companies concluded nine increases in share capital raising 505 bn GRD (1.48 bn Euros) or 17 percent of total funds. The banking sector raised 125 bn GRD (0.37 bn Euros), an amount that was lower than that in the previous year, since only three banking institutions proceeded with a share capital increase. However, the banking sector has already undertaken and completed several capital increases in the recent past thus having achieved and maintained an already high capital adequacy ratio.

Figure 8

Distribution of Share Capital Increases by Sector, 2000



Note: The concentration of share capital increases in 2000 was significant: five companies raised almost 30 percent of the total capital raised ("Coca Cola 3E", "Ergasias Portfolio Investment Company", "Techniki Olympiaki", "Genikon Apothikon", "Hellenic Portfolio Investment Company").

Mergers and Acquisitions between ASE listed Companies, 2000

Considerable takeover activity was observed in the capital market during 2000, which however was friendly. Mergers and acquisitions activity was intensified by the desire to expand vertical corporate integration so as to take advantage of economies of scale, to increase corporate size so as to appropriate higher market share, to cooperate with companies in the same sector so as to reduce costs and to achieve stock market listing through the use of an already listed company as a vehicle. An indication of the most significant mergers and acquisitions realized between listed in the ASE companies in 2000 is provided below

Table 14

Mergers and Acquisitions in the Capital Market, 2000

Acquirer	Industry	Target Company	Industry	Percent of Participation
Singular	Informatics	DELTA Informatics	Informatics	Merger through absorption
Singular/DELTA	Informatics	Space Hellas	Informatics	23.1%
Pouliadis & Associates	Informatics	Despec Hellas	Informatics	34.0%
Balafas Holding Co.	Holding Co.	St. George Flour Mills	Flour Mills	Acquisition
Domiki Kritis Group	Construction	Iktinos Hellas	Marbles	10.0%
Selonda Group	Fish-farming	Nirefs	Fish-farming	10.8%
Nirefs	Fish-farming	Hellenic Fish-farming	Fish-farming	16.2%
Notos Com Holdings	Holding Co.	Remek	Pharmaceuticals, Cosmetics	51.1%
Alpha Bank	Bank	Alpha Finance	Investment Companies	Merger through absorption
Lambrakis Press	Publications	Paperpack Tsoukaridis	Paper Products	31.4%
General Construction Co.	Construction	Kekrops	Real Estate	18.9%
General Construction Co.	Construction	Hermes	Real Estate	10.4%
DELTA Holding	Holding Co.	Papafilis Mills	Flour Mills	79.4%

Source: ASE, Daily News.

Brokerage Firms, Investment Firms and Firms for the Reception and Transmission of Orders

General Overview

Transactions activity in the capital market during 2000 was stabilized at levels, which reflect the prevailing demand and supply conditions for securities. Under these circumstances, brokerage and investment firms readjusted their internal organizational structures and looked into new corporate deals (merger & acquisitions, formation of alliances, co-operations etc.) in order to improve the return on capital in the new competitive environment.

During 2000 the supervision of the investment services sector (investment companies under the law 2396/96) by the Capital Market Commission focused on the safeguarding of the smooth operation of the system of execution, clearing and settlement of transactions. To that end, the CMC, in collaboration with other competent authorities, completed the process of securities dematerialization, which, in addition with the improvement of the existing clearing and settlement procedures, involved the broader system of transactions too. These developments, assisted by regular and irregular audits by the CMC staff, led to a significant containment of systemic risk.

At the same time, the CMC continued the improvement of the institutional framework of the derivatives market and the New Market by changing the rights and obligations of investment firms, underwriters and market makers.

In addition, investor protection against insolvency of brokerage and investment firms was further strengthened by an enlargement of the Common Guarantee Fund to a total of 100 billion GRD (293,5 million Euros). This increase was augmented by an additional insurance for the Common Guarantee Fund worth of 40 billion GRD, thus raising the total funds available to 140 billion GRD (410.9 billion Euros). Moreover, the reserves of another investor protection fund, the Supplementary Fund, were raised at the year's end to 43 billion GRD (127.2 million Euros).

During 2000 investment services firms increased in number and continued their restructuring in the new competitive environment marked by the large stock market fall and the provision of investment services in Greece by foreign brokerage firms. The reaction of investment firms included the development of existing and the introduction of new investment products and services, such as underwriting services.

More specifically, investment firms offered underwriting services in five share capital increases through public offer and acted as advisors in 32 out of 50 share capital increases. In addition investment firms acted as advisors in 70 out of 90 share capital increases through the exercise of pre-emptive rights.

During 2000 seven brokerage firms were given license modification in order to provide additional investment services, while several brokerage firms expanded their investment services to other markets in the European Union. Several mergers and acquisitions among brokerage firms and subsidiaries of credit institutions took place.

According to the 1999 financial statements, total capital owned by brokerage firms - members in the ASE, amounted to 261.6 billion GRD (768 million Euros), which represents a three-fold annual increase. This increase is mainly due to the rise of both the number of operating firms and operating profits, a large portion of which was capitalized.

In response to the improved capital base, the CMC granted license to 49 brokerage firms (that is more than 50 percent of the total number) for increasing their share capital. Total turnover in 1999 was 607.1 billion GRD (1.8 billion Euros) representing an annual increase of 357 percent relative to 1998. Pre-tax and post-tax profits were 314.3 billion GRD (922 million Euros) and 198.9 billion GRD (584 million Euros), respectively. The increase in profits and the return on equity, which was 144 percent in 1999 against 57 percent in 1998, led to a generous dividend policy during1999.[3]

The Value of Transactions in the ASE executed by Brokerage Firms

The total value of transactions executed by brokerage firms - members of the ASE in 2000 declined considerably from 117.9 trillion GRD (346 billion Euros)[4] in 1999 to 69 trillion GRD (202.8 billion Euros) in 2000, representing a decrease of 41.4 percent. The reduction was a consequence of the stock market fall, especially during the second half of the year, and the return to smaller trading volumes after the unprecedented growth by 327.9 percent in the value of transactions during 1999. Despite the reduction, the average volume of transactions increased during the last two years by 150 percent and during the last three years by 566 percent. As a result, the ratio of the total value of transactions to GDP decreased from 3.09 in 1999 to 1.69 in 2000. Yet, the ratio of the total value of transactions to total capitalization in the ASE remained in 2000 at the satisfactory level of 1.7, thus highlighting the essential role of the decline in share prices in the reduction of the overall value of transactions.

[3] *Dividend return after taxation was 38.7% in 1999, against 30.6% in 1998.*

[4] *The value of transactions decreased for the first time since 1992.*

In 2000 transactions worth 4.93 trillion GRD (14.5 billion Euros) took place through the Thessalonica Stock Exchange Center, representing a decrease of 36.6 percent against 1999. However, as a percentage of the total value of transactions that took place through the Thessalonica Stock Exchange Center, transactions increased from 6.6 percent in 1999 to 7.1 percent in 2000, thus verifying the increasing investment interest in northern Greece.

Figure 9

Value of Transactions Executed by Brokerage Firms, 1996-2000

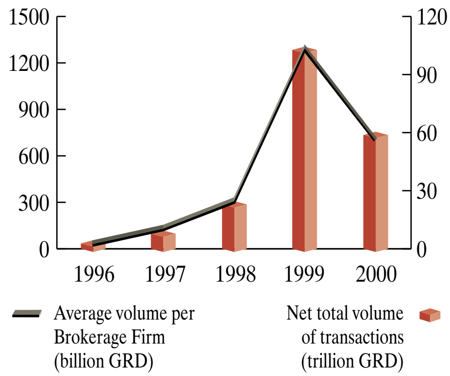
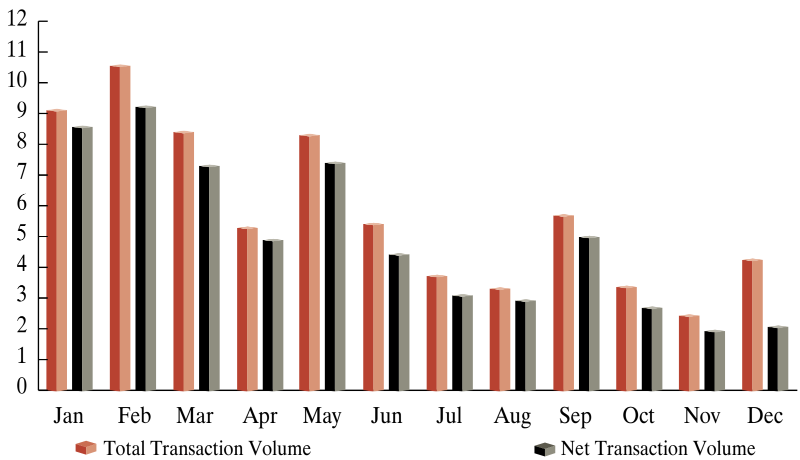


Figure 10

Distribution of the Value of Transactions by Month, 2000 (trillion GRD)



The average value of transactions executed per brokerage firm in 2000 was 768 billion GRD (2.3 billion Euros) against 1.572 trillion GRD (4.6 billion Euros) in 1999, which represents a decrease of almost 50 percent. Only one third of brokerage firms exceeded the average amount, which shows a high degree of concentration. This is also illustrated by the market share of the four higher, in terms of transaction

Table 15

Value of Transactions Executed by the Brokerage Firms, 1998-2000

(million GRD)

	1998	1999	2000	% dif 99/98	% dif 00/99
TOTAL TRANSACTION VALUE	27,552,230	117,909,018	69,120,347	327.95	-41.38
Share of the first 4 brokerage firms	29.38%	20.43%	21.83%	-30.44	6.83
Average transaction value per brokerage firm	423,880	1,572,120	768,004	270.89	-51.15
Transaction value of the first brokerage firm	2,354,999	6,784,850	4,976,132	188.10	-26.66
Transaction value fo the last brokerage firm*	31,148	96,907	20,407	211.12	-78.94
Share of transaction value by bank subsidiaries	45.33%	46.67%	46.36%	2.94	-0.66
NET TRANSACTIONS VALUE [1]	22,862,612	102,531,135	59,036,174	348.47	-42.42
Share of the first 4 brokerage firms	22.14%	18.17%	19.51%	-17.93	7.36
Average transaction value per brokerage firm	357,228	1,367,082	655,957	282.69	-52.02
Transaction value of the first brokerage firm	1,450,744	5,067,809	3,231,723	249.32	-36.23
Transaction value fo the last brokerage firm*	31,146	96,907	20,407	211.14	-78.94
Share of transaction value by bank subsidiaries	40.91%	42.29%	41.23%	3.38	-2.51
BLOCK TRADES AND REPURCHASE AGREEMENTS	4,689,618	15,377,883	10,084,173	227.91	-34.42
Share of the total transaction value	17.02%	13.04%	14.59%	-23.38	11.86
Share of the first 4 brokerage firms	64.64%	50.99%	52.13%	-21.12	2.24
Number of firms involved in block trades and repurchase agreements	60	69	70	15.00	1.45
Share of transaction value by bank subsidiaries	66.92%	75.97%	76.30%	13.52	0.44

[1] *Block trades and repurchase agreements (article 16, L. 2324/95) are excluded from the total value.*

** It concerns brokerage firms that operated throughout 2000.*

value, brokerage firms, which increased from 20.4 percent in 1999 to 21.8 percent in 2000. The concentration was mainly due to the fact that a large number of investors returned to the large and “safe” brokerage firms, without having anymore to fear delays in the execution of orders. It is also due to the extensive takeover activity between brokerage firms and subsidiaries of credit institution, which traditionally hold higher market shares.

The net value of transactions (excluding block trades and repurchase agreements) was 59 trillion GRD (173.3 billion Euros) in 2000 against 102.5 trillion GRD (300.9 billion Euros) in 1999, showing a decrease of 42.4 percent. The net value of transactions corresponded to 85.5 percent of gross transaction value, against 87 percent in 1999 and 83 percent in 1998. The market share of the four largest brokerage firms was 19.5 percent, showing a slight increase relative to 1999. However the 10 highest, in terms of market share, brokerage firms maintained their market share, the medium level brokerage firms are loosing market share in favor of smaller firms (Table 15). The market share of brokerage firms that are subsidiaries of credit institutions fell to 41.2 percent.

The total value of transaction on block trades and repurchase agreements was 10.1 trillion GRD (29.6 billion Euros) in 2000, showing a decrease of 34.5 percent. Block trades represent 14.6 percent of the total transaction value, which remains roughly stable during the last three years. Brokerage firms, which are subsidiaries of credit institutions, executed 75 percent of the total block trades in 2000.

Table 16

Market Share Concentration of the Brokerage Firms, 1998-2000

Brokerage Firms' ranking according to market share	1998	1999	2000	% dif 99/00
1-10	44.76%	39.42%	39.27%	-0.38%
11-25	27.60%	29.78%	26.59%	-10.71%
26-45	19.48%	20.70%	19.73%	-4.69%
46-89	8.16%	10.1%	14.41%	42.67%

Mutual Funds, Mutual Fund Management Firms and Portfolio Investment Companies

General Overview

The market of Undertakings for Collective Investments in Transferable Securities (UCITS), that is mutual funds and portfolio investment companies, continue to grow as a larger number of investors show interest in collective investment schemes (Table 17). By the end of August 2000, the total value of mutual fund assets corresponded to 47.5 percent of total private deposits and repos in commercial banks and credit institutions against 52.1 percent in the end of 1999 and only 9.8 percent in the end of 1994.

Table 17

Commercial Bank Deposits, ASE Capitalization and Net Mutual Funds Assets, 1991-2000

(billion GRD)

	Commercial Bank Deposits	ASE Capitalization	Net Mutual Funds Assets
Dec 1991	9,233.5	2,355.2	171.5
Dec 1992	10,149.0	2,044.3	223.4
Dec 1993	11,084.6	3,117.0	866.8
Dec 1994	13,747.5	3,577.8	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	20,073.9	22,838.7	8,997.7
Dec 1999	22,889.0	67,306.5	11,933.5
Dec 2000	23,095.4	40,193.6	10,525.0

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

In the end of 2000, there were 265 mutual funds operating in the Greek market against 208 funds in 1999.Their composition was the following: 62 bond funds, 47 money market funds, 120 equity funds and 36 mixed funds.

Total mutual fund asset value in the end of 2000 was 10.5 trillion GRD, representing a decrease of 11.8 percent in relation to 1999. Total asset value of equity funds was 2.6 billion in 2000 against 4.9 billion in 1999, showing a decrease of 46 percent and corresponding to 25.5 percent of total in 2000 against 41.6 percent in

1999, while total asset value of money market funds increased to 49.7 percent of total in 2000 from 38.4 percent in the 1999.

Thus the remarkable 1999 stock market rise was followed by an increase in total assets of equity funds as investors showed a preference for the acquisition of equity fund shares, while the equally remarkable 2000 stock market fall was followed by an increase in total assets of money market funds as investors showed a preference for liquid and stable investments.

During 2000, important changes in the ownership and operation structures of collective investment institutions took place. Indeed, many mutual fund management firms, which were bank subsidiaries, were forced to restructure as their respective mother companies bought them out.

Table 18

Net Assets and Number of Mutual Funds by Fund Classification, 1996-2000

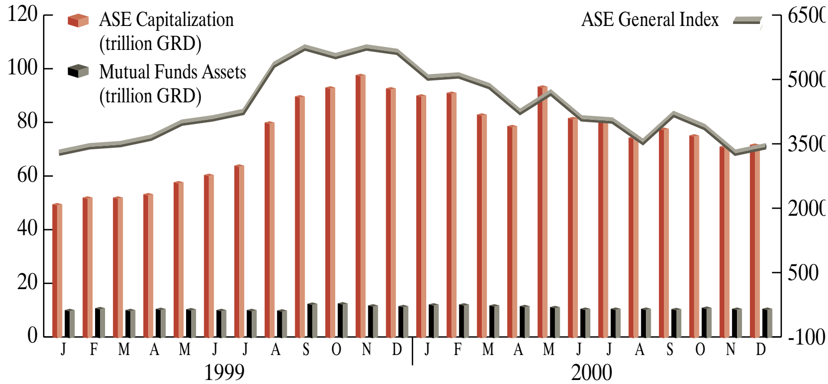
Classification of Mutual Funds	31/12/2000 Amount bn GRD	31/12/2000 Number of M/F	31/12/1999 Amount bn GRD	31/12/1999 Number of M/F	31/12/1998 Amount bn GRD	31/12/1998 Number of M/F	31/12/1997 Amount bn GRD	31/12/1997 Number of M/F	31/12/1996 Amount bn GRD	31/12/1996 Number of M/F
Money Market	5,227.1	47	4,579.2	45	5,966.8	42	4,405.0	36	2,299.0	35
Bonds	1,614.0	62	1,363.1	67	1,680.0	64	2,063.0	64	1,435.0	60
Equities	2,682.6	120	4,967.6	66	492.0	40	237.0	32	78.0	29
Mixed	1,001.2	36	1,023.5	30	828.0	30	619.0	26	59.0	22
Special Type	-	-	-	-	31.0	2	4.0	2	3.0	2
Total	10,524.9	265	11,933.4	208	8,998	178	7,327	160	3,874	148

Source: Union of Greek Institutional Investors.

Comparing total mutual fund assets with other financial and macroeconomic variables can assess the growing role of collective investment schemes. Indeed, total asset value corresponded to 47.5 percent of total private sector deposits and repos in credit institutions in the end of August 2000, a level that is close to average international levels. As regards total mutual funds asset composition, the following observations can be made: Money market funds correspond to 49.7 percent, equity funds correspond to 25.5 percent, bond funds correspond to 15.3 percent and mixed funds correspond to 9.5 percent of total mutual fund assets, respectively. Moreover, the degree of concentration in the domestic collective investment schemes market was high since by the year's end, three mutual fund management firms managed funds worth 5 trillion GRD, corresponding to 46.9 percent of total mutual fund assets.

Figure 11

ASE Capitalization, Net Mutual Funds Assets and the ASE General Index, 1999-2000

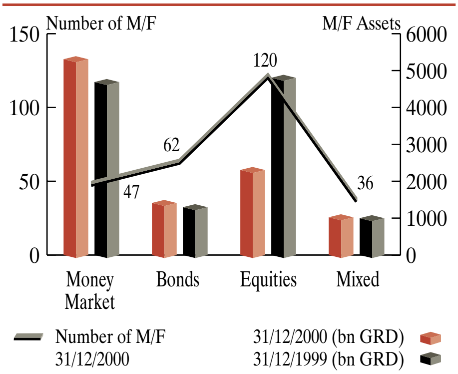


Stock market developments show that money market funds commanded the largest market share, which was 49.7 percent of total assets in 2000 against 38.4 percent in 1999. Their total assets value was 5.2 trillion GRD in 2000 against 4.6 trillion GRD in 1999,representing an increase of 14 percent. The composition of the money market funds (1999:45) was the following: 41 domestic money market funds, 2 foreign money market funds and 4 international money market funds.

In 2000 the role of equity mutual funds was reduced. Their total asset value decreased to 2.7 trillion GRD in 2000 against 4.9 in 1999, due to the transfer of funds from equity to bond and money market mutual funds. By the end of 2000, there were 120 equity mutual funds against 66 in 1999, of which 78 were domestic equity funds, 25 foreign equity funds and 17 international equity funds.

Figure 12

Net Assets and Number of Mutual Funds by Fund Classification, 1999-2000



The bond funds held 15.3 percent of total market share in 2000 against 11.4 in 1999. Their total asset value was 1.6 trillion GRD in 2000 against 1.4 trillion GRD in 1999, representing an increase of 18.4 percent. In the end of 2000, there were 62 active bond funds, of which 38 were domestic bond funds, 13 foreign bond funds and 11 were international bond funds.

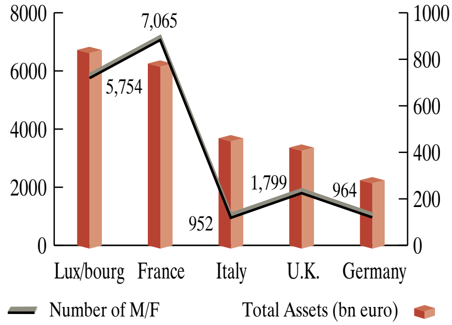
Total assets of mixed funds decreased by 2.2 percent in 2000, averaging 1 trillion GRD in 2000 against 1.023 trillion GRD in 1999, while their market share increased from 8.6 percent in 1999 to 9.5 percent in 2000. In 2000 there were 36 mixed mutual funds, against 30 in 1999, of which 25 were domestic funds, four were foreign funds and seven were international funds.

The International Mutual Fund Market

According to FEFSI, in September 2000, the five top ranking states in Europe had 16,696 mutual funds under operation, commanding total assets worth 2,779 trillion Euro (Tables 19 and 20). Collective investment schemes in USA commanded the largest percentage of world assets, followed by CIS in the EU, Japan, Canada, Brazil and the other countries.

Figure 13

The 5 Top-ranked both EU and FEFSI Member-states in Number and Assets of Mutual Funds, 30/6/2000



On September 30th, 2000, in the EU countries there were 23,545 mutual funds worth 3.6 trillion Euro. Equity funds corresponded to 46.9 percent of total assets, mixed funds to 16.2 percent, bond funds to 23.3 percent, money market to 11.8 percent and other types to 1.7 percent of total mutual fund assets. Luxembourg ranks first among EU countries, managing 5.754 mutual funds worth 825 billion Euro, France ranks second with 7,065 mutual funds worth 778 billion Euro, Italy ranks third with 952 mutual funds worth 475 billion Euro, followed by Great Britain with 1799 funds worth 428 billion Euro and Germany with 964 funds worth 273 billion Euro.

Table 19

The 5 Top-ranked FEFSI Member-states in Number and Assets of Mutual Funds, 30/9/2000

FEFSI Members	Total Number of M/F	Equity M/F	Bonds M/F	Mixed M/F	Money Market M/F	Other
Luxembourg	5,754	2,521	1,858	699	269	407
France	7,065	2,300	1,383	2,716	666	0
Italy	952	431	338	148	35	0
United Kingdom	1,888	1,209	223	261	48	147
Germany	1,037	454	305	117	41	120
Total	16,696	6,915	4,107	3,941	1,059	674

Source: FEFSI.

Table 20

The 5 Top-ranked both EU and FEFSI Member-states in Number and Assets of Mutual Funds, 1998-2000

EU and FEFSI Members	Total Assets (bn euro) 30/6/2000	Total Assets (bn euro) 30/6/1999	% diff 6/2000-6/1999	Total Assets (bn euro) 30/6/1998	% diff 6/1999-6/1998	Percent of total
Luxembourg	824,876	434,914	89.7	351,912	23.6	23.4
France	778,600	655,600	18.7	513,614	27.6	22.1
Italy	475,021	454,490	4.5	333,305	36.3	13.4
United Kingdom	428,210	306,445	39.7	213,333	43.6	12.1
Germany	273,095	196,398	39.1	149,113	31.7	7.7
Total / Average	2,779,802	2,047,847	38.3	1,561,277	32.6	15.7

Source: FEFSI.

Portfolio Investment Companies

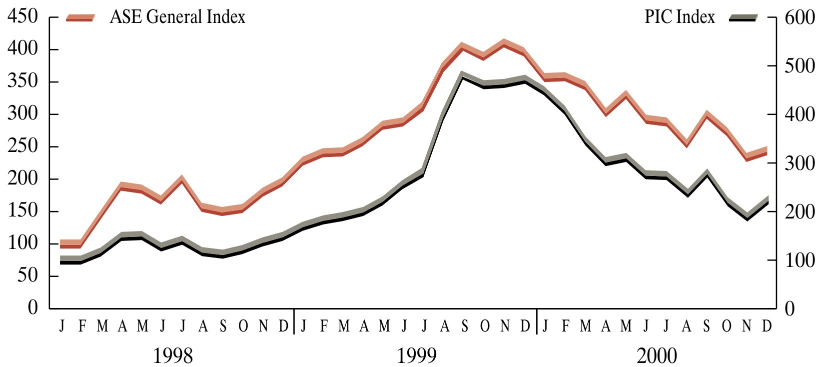
The rapid development of the capital market had a negative impact on the growth of the net asset value of portfolio investment companies (PIC) and the prices of stocks comprising their portfolios. As a result, net profits are expected to decrease considerably in the 2000 and therefore the amount of dividends distributed to their shareholders.

At the end of 2000, there were 48 PICs, of which 17 were listed in the ASE and 31 companies were not listed, of which however 20 had already submitted their application for enlistment. Total market capitalization of the listed PIC amounted to 881.3 billion GRD in 2000 against 2.054 billion GRD in 1999, representing a 57 percent decrease. At the same time, total net asset value amounted to 965.2 billion GRD in 2000 against 1.442 billion GRD in 1999, representing a 33 percent decrease.

The total value of the increases in PICs' share capital was 391.8 billion GRD, corresponding to 14.2 percent of the total value of funds raised through share capital increases by all listed companies in the ASE in 2000. This increase in share capital contributed to a reduction in the discrepancy between total market capitalization and net asset value of portfolio investment companies.

Figure 14

The Evolution of the ASE General Index and the PIC Index, 1998-2000



The Portfolio Structure of Portfolio Investment Companies Listed in the ASE

The structure of portfolio of the PICs listed in the ASE consisted of shares of listed companies in the ASE, shares of non-listed companies in the ASE, shares of mutual funds, fixed-income securities and cash and foreign securities.

Table 21

The Portfolio Structure of the ASE listed Portfolio Investment Companies, 2000

	Shares of ASE listed Companies		Shares of non-listed Companies		Mutual Funds, Bonds & Liquid Assets		Foreign Equities	
Quarter	Value (mil GRD)	Percent of Total	Value (mil GRD)	Percent of Total	Value (mil GRD)	Percent of Total	Value (mil GRD)	Percent of Total
3d /2000	894.181,3	85,36	35.083,4	3,35	60.331,0	5,76	46.462,5	4,44
2nd /2000	853.466,9	84,14	35.519,4	3,50	69.550,2	6,86	45.628,1	4,50
1st /2000	922.139,0	80,66	35.235,3	3,08	114.545,2	10,02	43.925,8	3,84
4th /1999	793.781,1	90,15	22.646,0	2,57	30.397,9	3,45	29.497,1	3,35
3d /1998	248.550,9	84,99	5.199,7	1,78	19.472,0	6,66	13.940,9	4,77

Source: Capital Market Commission.

In 1999, the PICs' portfolio consisted primarily of listed securities due to the growth of the stock market and the high capital returns realized in this year. The high proportion of listed securities was associated with a decrease in the proportion of mutual fund shares, bonds and treasury bills, state/corporate bonds, cash and foreign securities. In 2000, the large decrease in equity returns and/or the realization of capital losses led PICs to a restructuring of their portfolios towards the acquisition of mutual fund shares, fixed-income securities, cash investments and foreign securities. However, in the third quarter of 2000 the above trend weakened as PICs moved to acquire domestic equity shares in order to realize capital profits from the prospective revaluation. At the same time, PICs placed considerable investment funds in non-listed companies with the prospect of realizing future benefits.

Developments in the International Capital Markets

General Overview

The beginning of 2000 came with a moderation of enthusiasm prevailing until then in world capital markets, especially with respect to the share prices of the "new economy" companies. The overvaluation of these shares triggered substantial fluctuations worldwide. The fluctuations were amplified by the changes in monetary policy in the USA, whose repercussions were not smoothly absorbed by the price stabilization mechanisms and market-makers actions.

The overvaluation of "new economy" stocks in world capital markets during 1999 contributed to the substantial enhancement, owing to successive share capital increases through public offers, of the capital base of newly established high-tech companies during the year 2000. At the same time, the realization of low returns and/or capital losses in many "old-economy" stocks during 1999 as well as intensified competition contributed to the appearance of a pronounced tendency for share buy-back during the year 2000. However, international capital markets continued to promote free capital flows, expected to lead to an expansion of cross-border merger and acquisition activity.

Share price fluctuations in world markets and contagion effects among national capital markets and sectors became even more pronounced during the first quarter of 2000. However, share price fluctuations of the "new economy" stocks followed a different pattern than those of the "old economy" stocks. After an international short decline of the share prices in the beginning of 2000, share prices in Europe increased, whilst in the USA remained stable or continued falling. In Japan, the public announcement in the middle of March of a likely economic recession, based on the last 1999 quarter's data, led to temporary but large fluctuations.

However, during 2000, developments on the basic macroeconomic variables were encouraging. The average rate of GDP growth in the EU member countries was 3.4 percent in 2000 against 2.3 percent in 1999 (Table 22), whilst inflation showed a slight increase to 1.9 percent in 2000 against 1.7 percent in 1999, due mainly to the rise in the international oil price and the devaluation of the Euro against the US dollar and the Japanese Yen. The rate of GDP growth in the USA decreased to 3.6 percent in 2000 from 4.1 percent in 1999, whilst in Japan it increased to 1.1 percent in 2000 from 0.3 percent in 1999. Inflation in the USA increased to 2.3 percent in 2000 from 1.6 percent in 1999 due to the strong economic growth and the rise in oil price, whilst in Japan inflation decreased to 0.2 percent in 2000 against 0.5 percent in 1999, due to the recession.

The sustained increase in share prices internationally resulted in the overvaluation of stocks. In most world markets, dividend yields were on average close to their historically lowest levels, but corporate valuation levels, as measured by P/E indices, remained high. Although the P/E indices started to fall, they nevertheless continued to remain at levels higher than those prevailing before the 1987 crisis.

According to March 2000 data, the P/E index in world capital markets exceeded its long-term average and was near the historically highest level in Japan, the UK, Italy and the Netherlands (Table 23). On the contrary, dividend yields in these countries fluctuated around levels lower than their long-term average (Table 24). Dividend yields in the G10 group are also characterized by a downward trend and, with the exception of Belgium and to some extent Switzerland, they were close to their historically lowest levels. The large differences observed in dividend yields are the result of the ongoing structural changes in these economies and diversified investor behavior. The evidence shows that share prices increased at a higher pace than dividend yields, thus leading to overvaluation of world capital markets in 2000.

The different behavior of the “old” and the “new economy” stocks internationally is due to the later sector’s special character. Even though the P/E index in “old economy” stocks was fluctuating around levels lower than those of other sectors and markets, investors refrained from investing in them. On the contrary, even though the P/E index and dividend yields of the “new economy” stocks have been fluctuating around very high levels, investors preference for them remained undiminished. For example, in March 2000, the P/E index of the high-technology sector in the USA and Japan has been 53 and 169, respectively. The difference between the market two valuations indicates primarily divergence in investor expectations regarding future corporate earnings in the sector, growth prospects and the cost of capital as well as risk-averse behavior.

Table 22

International Macroeconomic Indicators, 1998-2000[1]

	Gross Domestic Product [2]			Exchange Rates [3]			Inflation [4]			Government Gross Debt [5]		
Countries	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
Austria	2.9	2.3	3.2	13.85	13.76	13.76	0.70	0.60	1.20	63.5	64.5	64
Belgium	2.7	2.3	3.5	40.62	40.34	40.34	0.80	1.10	1.50	117.4	114.4	110
Denmark	2.5	1.6	2.0	7.50	7.44	7.46	1.80	2.50	2.40	55.8	52.5	49.3
Finland	5.0	3.5	4.9	5.98	5.95	5.95	2.10	1.80	2.30	49	47.1	42.6
France	3.2	2.8	3.7	6.60	6.56	6.56	0.90	0.80	1.20	59.3	58.6	58.2
Germany	2.2	1.5	2.9	1.97	1.96	1.96	0.90	0.80	1.50	60.7	61	60.7
Greece	3.7	3.5	3.9	3.31	3.26	3.41	4.70	2.50	2.50	105.4	104.4	103.7
Ireland	8.9	8.3	7.5	0.79	0.79	0.79	3.70	3.30	4.00	55.6	52.4	45.2
Italy	1.5	1.4	2.7	1.94	1.94	1.94	2.10	2.20	2.30	116.3	114.9	110.8
Luxembourg	5.0	5.0	5.6	40.62	40.34	40.34	1.70	1.00	2.00	6.4	6.2	5.8
Netherlands	3.7	3.5	4.1	2.22	2.20	2.20	1.80	2.00	2.40	67	63.6	58.7
Portugal	3.5	2.9	3.6	2.02	2.00	2.00	1.80	2.30	2.20	56.5	56.7	56.9
Spain	4.0	3.7	3.8	1.67	1.66	1.66	2.00	2.80	2.50	64.9	63.5	62.3
Sweden	3.0	3.8	3.9	8.92	8.82	8.92	1.00	0.70	1.40	72.4	65.5	61.3
U.K.	2.2	2.1	3.3	0.68	0.66	0.63	2.50	2.40	2.10	48.4	45.9	42.4
EU 15	2.7	2.3	3.4	1.00	1.00	1.00	1.70	1.70	1.90	69	67.6	65.1
USA	4.3	4.1	3.6	1.12	1.07	0.95	0.90	1.60	2.30	NA	NA	NA
Japan	-2.5	0.3	1.1	1.46	1.22	1.09	0.20	-0.50	-0.20	NA	NA	NA

Source: European Economy, BIS and national data.

Notes: [1] *Annual percentage changes, unless otherwise stated.* [2] *At 1995 constant prices, annual percentage changes.* [3] *Annual average, national currency units per euro. For Greece, Portugal, Spain and Japan the exchange rate concerns, 100 GRD, PTE, ESP and YEN respectively, whereas for Italy it concerns 1,000 ITL.* [4] *Price Deflator Private Consumption (ESA).* [5] *General Government Gross Debt (end of period: percentage of GDP).*

Table 23

International Price to Earnings Ratios [1]

Countries	Sep 1987 [2]	Peak Level	Peak Year	Average	Dec 1996	Mar 1997	Mar 1998	Mar 1999	Mar 2000
USA	22	36	1999	16 (27 years)	21	21	27	34	28
Japan	70	85	2000	39 (27 years)	57	51	43	60	81
Germany	15	27	2000	14 (27 years)	17	20	21	19	23
France	13	30	1973	13 (27 years)	17	18	20	22	27
Italy	15	36	2000	18 (14 years)	17	19	26	26	36
U.K.	16	29	2000	13 (20 years)	16	16	22	24	28
Canada	20	43	1999	13 (23 years)	20	21	32	26	33
Netherlands	15	32	2000	12 (27 years)	18	20	24	27	27
Switzerland	14	30	1998	13 (27 years)	20	23	29	24	20
Belgium	14	29	1973	13 (27 years)	16	18	25	21	17

Sources: Datastream, OECD, BIS and national data.
Notes: [1] Ratio of price to reported earnings per share.
[2] Month preceding the global stock market crash.

Table 24

International Dividend Yields (percentages)

Countries	Minimum Level	Minimum Year	Average	March 1998	March 1999	March 2000
USA	1.1	1999	3.6 (27 years)	1.5	1.3	1.2
Japan	0.4	1990	1.3 (27 years)	1.1	0.8	0.6
Germany	1.1	2000	2.7 (27 years)	1.3	1.4	1.2
France	1.6	2000	4.0 (27 years)	1.7	2.2	1.6
Italy	1.0	1981	2.8 (14 years)	1.1	2.0	1.3
U.K.	2.1	2000	4.7 (20 years)	2.8	2.6	2.1
Canada	1.1	2000	3.3 (23 years)	1.4	1.6	1.1
Netherlands	1.7	2000	4.6 (27 years)	1.8	2.2	1.8
Switzerland	0.9	1998	2.3 (27 years)	2.4	1.4	1.3
Belgium	1.3	1999	4.0 (27 years)	1.8	1.6	2.0

Sources: Datastream, OECD, BIS and national data.

In 2000, share price indices fell in most world stock exchanges mainly because of the large fall in the share prices of the "new economy" stocks and especially the subsequent large fall in NASDAQ composite index (Table 25). The fall of the latter is regarded to have resulted from (a) the overturn of overtly optimistic expectations

Table 25

Developments in the European Stock Exchanges, 1999-2000

Stock Exchanges	Indices (31/12/2000)	Percent change (Dec. 1999)	Market Capitalization (bn USD) Nov. 2000	Percent change Nov. 1999	Transactions value (bn USD) Nov. 2000	Turnover Ratio [3]	Market Capitalization (Percent of GDP)[4]	(Value of transactions / GDP[4]) * 100	Number of listed Companies Nov. 2000
London	6,222.5	-10.21	2,436.44	-12.18	4,245.822	174.26	1.71	297.77	2,909
Germany	6,433.61	-7.54	1,202.41	-2.20	1,965.782	163.49	0.62	101.97	983
Paris	5,926.42	1.52	1,336.99	2.52	974.51[1]/ 3,665.85[2]	72.89	1.01	73.57	1,187
Switzerland	5,621.13	11.91	733.91	10.93	585.552	79.78			418
Amsterdam	637.6	-5.04	614.63	-0.48	624.732	101.64	1.65	168.14	380
Italy	30323	4.65	743.59	21.88	955.481	128.50	0.69	88.44	289
Madrid	880.71	-12.68	473.73	21.66	967.142	204.15	0.85	172.87	1,006
Stockholm	4,735.42	-12.01	316.81	-0.41	450.022	142.05	1.39	197.71	311
Brussels	3,024.49	-9.46	157.13	-12.02	39.701	25.27	0.69	17.33	262
Athens	3,388.86	-38.77	164.38	-24.14	90.131	54.83	1.42	77.91	309
Vienna	1,073.3	-10.39	27.57	-11.92	9.071	32.90	0.14	4.74	111
NYSE	656.87	1.01	11,111.55	3.01	1,0150.771	91.35	1.24	113.26	2,472
NASDAQ	2470.5	-39.29	3,588.11	-15.10	18,400.872	512.83	0.40	205.31	4,788
Tokyo	13,785.69	-27.19	3,437.61	-19.00	2,176.411	63.31	0.78	49.39	2,070
Hong-Kong	15,095.53	-11.00	582.45	8.54	358.521	61.55			780

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/Euro exchange rate on 29/12/2000.

regarding the future growth of the index, (b) the indictment of MICROSOFT corporation, the company with the highest capitalization share in the NASDAQ stock exchange, for violating anti-trust and healthy-competition laws and (c) the increase of interest rates by the US Federal Reserve Bank to restrain inflationary pressures.

The fluctuation of the USD/Euro exchange rate to levels unfavorable for the Euro resulted in a decline of investor confidence in European stock prospects, thus leading to considerable liquidations. In an effort to support the Euro against the US dollar, the European Central Bank raised the minimum short-term Euro lending interest rate, which, along with the fluctuations in international oil prices further affected European stock markets.

Notifications of Investment Companies Wishing to Provide Investment Services in Greece

The implementation of the European Directive 93/22/EEC (ISD) meant that a rising number of notifications for the provision of investment services are being sent for authorization to the Hellenic Capital Market Commission. Indeed, during the period 1995-2000, 772 European companies expresses interest in providing investment services in Greece by means of the "European passport" (Table 26). For 608 of these investment companies, the notification for the provision of investment services still remains active.

Table 26

Notifications for the Provision of Investment Services according to the EU Directive 93/22

	No. of Notifications			No. of Withdrawals			No. of Active Notifications		
Countries	1998	1999	2000	1998	1999	2000	1998	1999	2000
Austria	3	3	7	0	0	0	3	3	7
Belgium	4	6	8	0	0	0	4	6	8
Denmark	4	5	5	0	0	0	4	5	5
France	4	4	8	0	0	0	4	4	8
Germany	0	0	1	0	0	0	0	0	1
Ireland	28	29	31	0	2	2	28	27	29
Italy	0	1	3	0	0	0	0	1	3
Luxembourg	1	1	1	0	0	0	1	1	1
Netherlands	10	18	21	2	2	3	8	16	18
Norway	3	3	4	0	0	0	3	3	4
Sweden	1	1	2	0	0	1	1	1	2
U.K.	563	612	681	108	138	162	455	474	522
Total	621	683	772	110	142	168	511	541	608

Source: Capital Market Commission.

The distribution of notifications by country is the following: 522 notifications came from the UK, 29 from Ireland and 18 from the Netherlands. In addition, 8 notifications came from each of Belgium and France, 7 notifications came from Austria, 5 from Denmark, 4 from Norway, 3 from Italy, 2 from Sweden and 1 notification came from each of Germany and Luxembourg. In 2000, notifications regarding the provision of investment services in the Greek capital market were submitted by 69 companies from the UK, 4 companies coming form each of France and Austria, 3 companies from the Netherlands, 2 companies from each of Belgium, Italy and Ireland and 1 company from each of Germany, Norway and Sweden.

Mergers and Acquisitions between Stock Exchanges

During 2000, an important development has been merger and acquisition activity among European stock exchanges. The first case concerns the establishment of the "Euronext" exchange and the second case concerns the establishment of the "iX" exchange. The second attempt did not finally succeed, due to both a lack of sufficient consensus among shareholders and a take-over bid concerning the London Stock Exchange submitted by Swedish OM exchange. The basic characteristics of these attempts are outlined described below:

The Establishment of Euronext

The chairmen of the stock exchanges of Paris (Paris BourseSBF SA), Amsterdam (AEX) and Brussels (BXS) announced the merger of their stock exchanges on the 20th of March 2000. Having the unanimous approval of the boards of directors of the above stock exchanges and having signed the relevant contract on the 18th of March, Euronext was established with the purpose of providing the basis for the merging of transactions on securities, derivative products and settlement services in Europe.

Euronext is established as a new company located in the Netherlands and is characterized by a double governance structure: on one hand, it is managed by a 12-member surveillance council that represents the interests of all participants including investors and, on the other hand, it is managed by a 3-member executive board of directors. The later is composed of the chairmen of the three previous stock exchanges - Mr. Jean Francois Theodore as chairman and chief executive officer of Euronext in a 4-year office term, Mr. George Moller as vice-chairman and Mr. Olivier Lefebvre as general secretary. Having acquired the necessary information, the regulation authorities of the three stock exchanges approved of the merger.

Shareholders of the Amsterdam, Belgian and French stock exchanges will have to exchange their shares with shares of Euronext through a public offering.

The merger resulted in the establishment of the largest stock exchange in continental Europe with more than 1,300 listed companies and a total capitalization of about 2,380 billion Euros. The trading volume of the three stock exchanges during 1999 was 1,453 billion Euros. Euronext is expected to become the largest stock exchange in Europe, in which securities and derivative products (index options) will be traded. In response to the growing investor demands for the establishment of a unified European capital market, Euronext aspires to provide to investors, issuers and financial intermediaries services related to public offers, transactions on securities, bonds and derivatives trading, as well as transactions settlement services and underwriting.

Euronext is characterized by an equitable and unified participation. Members of the three stock exchanges will become members of the new stock exchange. As far as issuers and listed companies are concerned, the size, maturity and liquidity of the market make the new stock exchange very appealing not just to European companies but also to multinational companies that wish a European listing.

Euronext will carry out all the basic functions of the three previous stock exchanges and will be organized on a sectoral influence basis. The heads of the activity sectors will be located on the three economic centers, thus ensuring a balanced responsibility and cooperation regarding the functioning of the new stock exchange.

Transactions will be carried out based on the French transactions system NSC that is already in use in Paris and Brussels stock exchanges. Settlement for all products will be based on the system Clearing 21, which constitutes one of the most advanced software systems. Through the expansion of CLEARNET, a common solution concerning settlement services is expected to emerge. There will exist only one settlement company: Euroclear is a first likely choice.

Through the three stock exchanges, Euronext will provide a full set of services, especially for public offers of securities. Euronext will preserve an intense presence into the three domestic capital markets. Through the use of already given licenses, the subsidiaries of the new stock exchange will be able to provide services to listed and for listing companies in the Dutch, Belgian and French capital markets thus providing considerable to institutional and private investors.

In the context of the Alliance of eight European stock exchanges, Euronext aims at establishing a pan-European transactions structure within a framework that preserves existent alliances. The new stock exchange is open to new partners and aims at its expansion, either through merging with other stock exchanges and/or through appealing to financial sector companies. Luxembourg stock exchange has expressed its wish to become a member at a subsequent stage. ABN AMRO will be the consultant for the three stock exchanges.

The Establishment of iX

The London and Frankfurt stock exchanges announced on May 3rd 2000 their plans for merging in a new company named "iX". In addition, the iX and the NASDAQ stock exchange signed a cooperation agreement regarding the establishment of a pan-European market consisting of companies with high rates of growth.

The aim of iX was to become a leading consolidated stock exchange that would provide the foundation for trading and the provision of information on securities, commodities and derivative products on the basis of a unified technological system, which would give substantial emphasis on activities of electronic commerce. The iX would become the largest European stock exchange, commanding 53 percent of the total trading volume in Europe and through Eurex, the largest market in derivative products internationally.

The iX would comprise all member-companies of the London and Frankfurt stock exchanges, with the exception of the 50 percent share of the Frankfurt exchange in Clearstream Company that will be kept unchanged. Shareholders of the London and Frankfurt stock exchanges would receive 50 percent each of the share capital of the iX. Mr Don Gruickshank would be the chairman of the board of the iX and Mr. Werner Seifert would be the chief executive officer.

The electronic trading platform of then iX would be the German system Xetra. This was expected to lead to a reduction in cost and a simplification of procedures of the informational systems of the iX and its customers. The iX would be located in London but many important functions would be executed in Frankfurt. Almost 45 percent of the 300 largest European companies are already listed in the London and Frankfurt stock exchanges. The annual rate of growth of the volume of securities traded in the London and Frankfurt stock exchanges exceeds 35 percent during the last 4 years. In addition, the two stock exchanges will encourage initiatives for the establishment of a central low-cost settlement system for all market participants. Meanwhile, the companies Clearstream and CrestCo Limited will provide settlements services.

The new common project with the NASDAQ stock exchange would lead to a merger between the markets Techmark of London and Neuer Market of Germany, forming the basis for a new pan-European market for dynamic high-tech companies. This new market would be the most vigorous European market, with a market share of about 80 percent of the total. The iX and NASDAQ stock exchanges would be equal partners in the new company that would be headed by London and function in Frankfurt.

The London and Frankfurt stock exchanges hoped that other European stock exchanges would eventually join the iX stock exchange. In this context, talks with the Milan and Madrid stock exchanges were held. Although great aspirations were invested in this plan, the iX merger was not finally concluded due to the lack of sufficient consensus among shareholders and a take-over bid for the London Stock Exchange by the Swedish OM exchange.

Part Three

Activities of the Capital Market Commission

Rules and Regulations

During 2000 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 2000 the Commission's regulatory activity was mainly directed at the enhancement of investor 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 2000:

Investor Protection

1.1 Ministerial Decision 4082/b.809/4-4-2000: "Increase of investor reimbursement by the Common Guarantee Fund." The decision increases the maximum amount of individual investor reimbursement against brokerage default from 20,000 to 30,000 Euros.

1.2 CMC Rule 8/185/25-2-2000: "Size of the Common Guarantee Fund of Investment Services in 2000". According to the rule, members of the Athens Stock Exchange must contribute to the fund, raising the total amount to GRD 100 billion.

1.3 CMC Rule 8/194/4-7-2000, Par. 8: "Use of derivative products by mutual funds and portfolio investment companies (closed-end funds)". The rule sets conditions for the use of financial derivatives by mutual funds and portfolio investment companies (closed-end funds). The objective is to expand investment possibilities and ensure investor protection through hedging of portfolios.

1.4 CMC Rule 8/195/19-7-2000: "Takeover bid for the acquisitions of securities in the capital market". This is an important regulation, consisting of 23 articles, which describes the procedures for proceeding with a takeover bid in the capital market (see the analysis later in the text).

1.5 CMC Rule 7/207/19-12-2000: "Additional contributions to the Supplementary Fund of the Athens Stock Exchange." The rule states that the deadline for the additional contributions to the transaction-clearing fund of the Athens Stock Exchange is extended to 31.12.2002. The contribution amounts to 0.01 percent of the daily transactions value of each brokerage firm.

2.1 CMC Rule 182/25-1-2000, Par. 8c: "Readjustment of the daily fluctuation limits of share prices in the ASE". According to this rule the daily fluctuation limits of the stock prices in the Athens Stock Exchange are increased from ±8 percent to ±10 percent."

2.2 Ministerial Decision 3444/b.253/31-1-2000: "Minimum company own funds for listing in the Main Market of the Athens Stock Exchange". According to this decision the minimum required share capital for listing in the Main Market of the Athens Stock Exchange is raised from 2 billion to 4 billion GRD (11.8 million Euro).

2.3 Ministerial Decision 3445/b.254/31-1-2000: "Amendment of Ministerial Decision 2063/b69/19-1-1999 concerning the operation of the Parallel Market". According to this decision the minimum required share capital for listing in the Parallel Market of the Athens Stock Exchange is raised from 0.5 billion to 1 billion GRD (2.94 million Euro).

2.4 CMC Rule 194/4-7-2000, Par. 6: "Stock purchase contracts with resale agreements & stock sale contracts with repurchase agreements". The rule defines the terms and conditions for stock purchase with resale agreement in the derivatives market.

2.5 CMC Rule 194/4-7-2000, Par. 7: "Short selling". This rule refers to the role of market makers in the Athens Derivatives Exchange and defines the terms and conditions for short-selling.

2.6 Ministerial Decision 18283/b.979/11-5-2000: "Calculation of the daily closing price of the shares traded in the Athens Stock Exchange". The decision defines the method for calculating daily closing prices of the shares traded in the Athens Stock Exchange as a weighted average of the prices of the last ten minutes of trading.

2.7 CMC Rule 195/19-7-2000, Par. 2: "Readjustment of the daily fluctuation limits of share prices in the Athens Stock Exchange". According to this rule the daily fluctuation limits of the share prices in the Athens Stock Exchange are increased from ±10 percent to ±12 percent."

2.8 CMC Rule 196/28-7-2000, Par. 4: "Provisions for the safeguarding of the smooth operation of the Athens Derivatives Exchange & the Derivatives Transactions Clearing House". The rule sets the terms and conditions for the temporary interruption of the trading process in the Athens Derivatives Exchange, when deemed necessary to protect investors and the market.

2.9 CMC Rule 196/28-7-2000, Par. 5: "Account books and other information that must be kept by the members of the Athens Derivatives Exchange and the Derivatives Transactions Clearing House". This rule defines the required documentation and bookkeeping for engaging in regular transactions in derivatives.

2.10 CMC Rule 202/24-10-2000, Par. 6: "Currency in which account books and other information must be denominated, submitted and issued from the supervised entities for transactions realized after 1/1/2000". The rule defines all accounting and other information that must be kept and disclosed by supervised entities for auditing purposes by the authorities.

2.11 CMC Rule 207/19-12-2000, Par. 9: "Supplementary information for the content of the documentation published by the members of the Athens Stock Exchange for transactions after 1-1-2001". The rule defines all accounting and other information that must be kept and disclosed by supervised entities to investors, such as denominations in both GRD and Euro currency.

2.12 CMC Rule 207/19-12-2000, Par. 5: "Amendment of CMC Rule 5/196/28-7-2000 on "Account books and information that must be kept by the members of the Athens derivatives Exchange and the Derivatives Transactions Clearing House"". According to this rule transactions and amounts must be recorded and published in both GRD and EURO currencies.

Enhancement of the Efficiency of the Trading, Clearing and Settlement Systems

3.1 CMC Rule 181/18-1-2000, Par. 9: "Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities System". The rule defines in detail the terms and conditions for the operation of the Dematerialized Securities System.

3.2 CMC Rule 181/18-1-2000, Par. 11: "Valuation of the Athens Stock Exchange and the Central Securities Depository shares". This rule defines the denomination value of the shares of the Athens Stock Exchange SA and the Central Securities Depository SA.

3.3 CMC Rule 182/25-1-200: "Extension of the deadlines set in par. 2 of article 42 and in par. 1 of the article 44 of law 2396/96". The deadline only for the requirements of the dematerialization of securities in the possession of the brokerage firms that have gone into liquidation according to the article 4α of law 1806/88, as amended by the article 12 of law 2651/1998, is extended to 10-2-2000.

3.4 CMC Rule 182/25-1-2000, Par. 10: "Amendment of rule 11/176/23-11-1999 "Determination of the auction procedure of shares that were not deposited by the issuer in order to be dematerialized and extension of the specified in par. 2 of article 42 and par. 1 of article 44 of law 2396/96 deadline"". The rule defines terms and conditions for the liquidation of shares in physical form that were not dematerialized.

3.5 CMC Rule 194/4-7-2000, Par. 5: "Amendment of the regulation for the Clearing System of Dematerialized Securities". The rule amends certain provisions of the regulation for the Clearing System of Dematerialized Securities

3.6 CMC Rule 201/10-10-2000, Par. 11: "Amendment of the regulation for the Clearing System of Dematerialized Securities". This rule provides operational guidelines for the function of the New Market (NEXA).

Improvement of Capital Market Transparancy

4.1 CMC Rule 182/25-1-2000, Par. 7A: "Terms and conditions concerning the allocation of IPO shares in the New Market". The rule defines share allocation procedures and obligations of underwriters. Offered shares will be allocated by 70 percent to institutional investors and by 30 percent to individual investors.

4.2 CMC Rule 182/25-1-2000, Par. 7B: "Obligations of companies listed in the New Market". The rule defines the obligations of the companies listed in the New Market, including those related to disclosure of information on important corporate facts and internal control.

4.3 CMC Rule 182/25-1-2000, Par. 7C: "Underwriters and advisors in the New Market". The rule defines the obligations of those wishing to offer underwriting and advisor services to issuers in the New Market.

4.4 CMC Rule 182/25-1-2000, Par. 7D: "The market maker in the New Market" The rule defines the minimum requirements and procedures in order to obtain the qualification of the market maker in the New Market.

4.5 Ministerial Decision 10653/b.681/16-3-2000: "Amendment of Ministerial Decision 41517/b.1972/4-12-98 on underwriters regulation." The decision forces underwriters to accept applications for IPOs only when the respective amount is deposited.

4.6 CMC Rule 188/4-4-2000, Par. 9: "Amendment of article 9 of rule 7D/182/25-1-2000 "Market Maker in the New Market"". The rule amends the obligations of market makers in order to ensure transaction transparency and proper market operation.

4.7 CMC Rule 191/30-5-2000, Par. 12: “Adjustment of the daily fluctuation price limits of shares that are traded for the first time following the end of their suspension period.” In the case of shares, which are traded for the first time after their trading was suspended for a period grater than three months, the daily fluctuation price limits (upper and lower) shall not be in effect for the first three days of trading. These shares after the withdrawal of their trading suspension will be placed for a period of one month among the ASE special category “Under Surveillance’ and they will be traded according to the call auction procedures.

4.8 Circular encyclical of CMC: “Presentation of the prospectus and the issuing company to the public”. The encyclical provides information on the required content of the prospectus.

4.9 CMC Rule 197/4-8-2000, Par. 3: “Amendment of the Ministerial Decision 4151/B.1972/4-12-1998 on ‘Underwriters regulation’”. The amendment regulates the transfer of shares to the market maker in the case where the underwriters and advisors are permitted to trade during the sensitive period.

4.10 CMC Rule 197/4-8-2000, Par. 4: “Amendment of article 5 of rule 7D/182/25-1-2000 ‘Market Maker in the New Market’”. The rule defines in a more detailed form the obligations of the Market Maker in the New Market.

4.11 CMC Rule 199/12-9-2000, Par. 7: “Amendment of rule 13/174/26-10-1999 ‘Terms and conditions for book building and the allocation of shares in a public offering’”. In cases of share offering by privatizing state companies, by companies with total asset value exceeding 200 billion GRD, or by simultaneously combined offers in Greece and abroad, it is at the regulation authorities’ discretion to approve a deviation from the provisions of the articles 2, 3 and 5 of the existing rule.

4.12 CMC Rule 201/10-10-2000, Par. 9: “Terms and conditions for proceeding with a book building and the allocation of IPO shares”. The rule amends articles 5 and 6 concerning the book building procedure.

4.13 CMC Rule 204/14-11-2000, Par. 5: “A code of conduct of listed companies.” The regulation is a very important one and defines, among many things, the financial and disclosure obligations of all listed companies, their major shareholders, the members of the board of directors and the management team (see the analysis later in the text).

4.14 CMC Rule 207/19-12-2000, Par. 14: “Replacement of the rule 7B/182/25-1-2000 ‘Obligations of companies listed in the New Market’”. This rule specifies additional obligations concerning companies listed in the New Market.

Improvement and Coordination of Market Agencies and Institutions

5.1 CMC Rule 186/7-3-2000, Par. 8: "Registration and annual fees paid to the Athens Derivatives Exchange and the Derivatives Transactions Clearing House by their members". The rule defines the payment process for each member of the Athens Derivatives Exchange and the Derivatives Transactions Clearing House.

5.2 CMC Rule 188/4-4-2000, Par. 7: "Rights definition of the Central Securities Depository on the transaction clearing procedures of bond derivatives". The rule defines the rights accruing to the CSD for the clearing of transaction on bond derivatives.

5.3 CMC Rule 15/191/30-5-2000. "Hiring of permanent staff". Permission was given to proceed with the hiring of a total number of 20 qualified persons. The hiring was concluded.

5.4 CMC Rule 193/23-6-2000, Par. 10: "Readjustment of the minimum capital required for granting operating license to a mutual fund management firm". The minimum capital required for setting-up a mutual fund management firms is raised to 400 million GRD (1.17 million Euro). The already operating mutual fund management firms, whose own capital base is less than the new minimum level, are obliged to meet the new minimum requirements by Dec. 31, 2000.

5.5 CMC Rule 207/19-12-2000, Par. 6: "Registration and annual fees paid to the Athens Derivatives Exchange and the Derivatives Transactions Clearing House by their members". The rule defines the payments by each member to the Athens Derivatives Exchange and the Derivatives Transactions Clearing House.

The Code of Conduct for Listed Companies

A major contribution during 2000 to the enhancement of transparency and disclosure regarding the behavior of listed companies in the capital market has been the enactment of CMC rule 5/204/14.11.2000 (Government Gazette 1487B/6.12.2000): "A code of conduct for companies listed in the Athens Stock Exchange and their affiliated persons". The code sets behavior standards for ASE listed companies, their major shareholders, members of the board of directors, executive managers with specific responsibilities and other persons or companies which are directly or indirectly related to those listed companies. The dissemination of reliable and timely information for important corporate events is taken to be the most efficient way for the elimination of exploitation of inside information and the distortion of share prices as a result of misleading information and unsubstantiated rumors.

The code specifies all corporate actions that must be timely announced and explicitly verified and places emphasis on the prevention of information leaks during corporate planning, so that company announcements refer to specific board decisions made and not to ambiguous corporate plans. The aim is to eliminate uncertainty in the market on corporate affairs and avoid speculation by company insiders or other persons that may have inside information.

Listed companies are required to form a corporate announcements department, with the responsibility of making public all financially important corporate information and providing confirmation of rumors in the market regarding changes in corporate activity, mergers and acquisitions, changes in the board of directors and the capital structure. The outdated or misleading acknowledgement of this information as well as the exploitation of inside information by managers causes the imposition of administrative sanctions and fines ranging from 1 to 200 million GRD.

Listed companies are also obliged to form an investor services department, with the responsibility of providing information regarding corporate issues, the exercise of investor rights, the course of their business and the progress of their financial situation.

Listed companies are obliged to form an internal audit department, with the responsibility of monitoring internal corporate operations and auditing compliance with rules and regulations. The code specifies terms and conditions for the department's independence and efficient operation. The code also requires independent external auditors to provide the regulation authorities their view regarding the effectiveness and efficiency of the internal auditing department.

On disclosure matters, shareholders that already own more than 10 percent of the listed company's stock and intend to buy or sell additional shares that correspond to at least 5 percent of the company's stock are obliged to announce their intention before the transaction. This is an important advance over previous regulations (Presidential Decree 51/92), which provided that such transactions should be announced one day after the transaction.

During certain "sensitive" periods (such as those preceding the publication of financial statements), persons or companies that may have inside information must announce their intentions regarding transactions on securities of affiliated companies by making these intensions public in the ASE Daily News at least one day before the transaction. Persons or companies that should comply are board members, managers, certified accountants, solicitors, major shareholders, and affiliated companies.

Listed companies are also obliged to publish an Annual Report, the content of which will bear close resemblance to the content of company Prospectus, as provided by Presidential Decree 348/1985. The publication of the Annual Report conforms to the requirements set by the forthcoming European Directive on the separation of the Prospectus in two parts: the first part will be formed on an annual basis as a formal report and the second part will be formed only in cases of share capital increases. The separation contributes to a reduction in the cost of raising funds from the primary market and a simplification of the procedures for international offers.

An important contribution to financial disclosure practices is the requirement to publish in the Annual Report a cash flow statement, which will allow the efficient monitoring of both company cash flows (and consequently their level of liquidity) and the uses of funds raised through share capital increases.

The cash flow statement is structured along international accounting standards and constitutes the first step of implementing IAS in Greece. The adoption of these standards will enhance the reliability and consistency of financial information, allowing domestic and foreign investors to compare domestic with international corporate performance. It must be noted that Greece will abide with the EU Directive that all listed companies in EU exchanges will implement the IAS by the end of 2005.

The New Framework for Takeover Bids in the Capital Market

The framework for takeover bids in the capital market is further modernized by the implementation of a takeover code regulating tender offers in the market (CMC Rule 1/195/19.07.2000, Gov. Gazette 1030B/22.08.2000). The rule was modeled along the recommendations made by the forthcoming European Directive and made account of relevant legislation in other EU member-states. The rule sets terms and conditions of a public take-over bid towards the shareholders of the target listed company, for the acquisition of the total or part of the company's shares against cash payment or by an exchange of other financial instruments or a combination of both. In addition the rule defines the procedures for the public call by a person or a company for bidding for the target company's stock.

The rule defines two kinds of takeover bids. According to the first kind (voluntary bid), the bidder has to make an offer to the shareholders of the target company for acquiring at least 50 percent of total capital, including the shares that the bidder already owns. In addition the bidder has to set minimum number of shares required for the take over bid to be valid, with an absolute minimum no less than 40 percent (including the shares under ownership).

According to the second kind (compulsory bid) kind of bid, in the case that a person or a company acquires shares of a target company that represent more than 50 percent of its total voting rights, the person or the company is obliged within 30 days from the acquisition date to make a bid for the total number of shares of the target company. In that way the rule provides the opportunity for reaction to minority shareholders.

The code states that the bidder has to provide information to the Capital Market Commission and the board of directors of the target company by submitting a prospectus and timely informing market participants. The Capital Market Commission approves the prospectus within 10 working days.

The board of directors of the target company must submit an evaluation report on the proposed bid to shareholders, seeking their approval.

The code also defines price-setting procedures and response intervals for compulsory takeover bids, allowing also for a bid's withdrawal under certain conditions. Moreover, the code regulates issues, such as publicity, restrictions of advertisement, competitive proposals and fines.

It is noted that since the date of the code's implementation (August-September 2000) no (voluntary) take over bid has taken place, while in 5 cases of (involuntary) bids there was a violation of article 5 of the code. These cases were investigated and sanctioned by the Capital Market Commission.

Licensing of Supervised Entities

The expansion of the capital market in Greece and the growth of financial intermediation needs brought an expansion in license granting activity too. Thus, during 2000 the board of directors of the CMC proceeded with the following:

Brokerage Firms - Members of the ASE

- Granted operating license to nine new firms.
- Granted modification of license to seven firms in order to expand their activities as investment firms
- Granted license for the operation of twenty one subsidiaries and local representative offices.
- Approved of the modification of the charter of seventeen firms.
- Approved of share capital increase in forty-nine firms.
- Approved of the transfer of shares in twenty five firms.
- Approved of a change in board composition in fifty nine firms.

Investment Firms

- Granted operating license to ten news firms.
- Approved of share capital increase in twenty one firms.
- Approved of the proper status of new share issues in seven firms.
- Granted license for the operation of subsidiaries to nine firms.
- Approved of the appointment of new board members in nineteen firms.

Mutual Funds Management Firms

- Approved of thirty six new mutual funds.
- Granted operating license to one new firm.
- Approved of the modification of internal regulations of seventy four firms.
- Approved of the modification of the charter of twelve firms.
- Approved of fitness and propriety of owners in many firms.

Portfolio Investment Companies

- Granted operating license to thirty one new firms.
- Approved of the modification of the charter of eight firms.
- Approved of the appointment of new board members in seventeen firms.
- Approved of share capital increase in nine firms.

Initial Public Offerings

- Approved of the public offering of shares of nineteen new firms in the ASE's Main Market.
- Approved of the public offering of shares of thirty six new firms in the ASE's Parallel Market.
- Approved of the public offering of shares of one listed firm in the ASE's Main Market.

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 2000 the auditing activity of the Capital Market Commission was substantially increased in relation to 1999 and 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 conditions of rapid and large growth in both the supply and retail demand of securities.

The audits that took place during the 2000 concerned brokerage firms, investment firms and the ASE listed companies. In 2000 the special program for the auditing of the firms for the reception and transmission of orders included more than 135 firms. The trading behavior of shares of 35 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 offers of shares in the market was continued in a persistent and steady manner.

Administrative Sanctions

The audits detected considerable violations of capital market regulations, which led the Capital Market Commission to impose the following administrative sanctions:

Revocation of License

- The license of one brokerage firm, under the power of the article 4 of law 1806/88.
- The license of two investment firms, non-ASE members, under the power of the article 4 of law 1806/88.
- The license of seven firms that receive and transmit stock exchange orders, under the power of the article 4 of law 1806/88.
- The license of eight firms that receive and transmit orders was temporarily suspended for failing to comply with their obligations toward the investors and the competent authorities as well as for failing to comply with the code of conduct.

Imposition of Fines

Brokerage Firms and Investment Firms

- Fines were imposed on thirty five brokerage firms for failing to comply with the code of conduct for investment services and for illegal trading practices, such as the creation of artificial transactions and price manipulation.

- Fines were imposed on six brokerage firms, under the power of the law 3632/28, for unlawfully engaging in short selling activity.
- Fines were imposed on eight brokerage firms, for illegal trading practices and for insufficient protection of investors.
- A fine was imposed on one investment firm for failing to comply with the code of conduct for investment services.

Firms for the Reception and Transmission of Stock Exchange Orders

- Fines were imposed on fifteen 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.

Mutual Funds Management Firms and Portfolio Investment Companies

- Fines were imposed on twelve mutual fund management companies for violating rules of market transparency.
- Fines were imposed on seven mutual funds management companies for failing to comply with the code of conduct for institutional investors as well as for insufficient protection of clients.
- Fines were imposed on five mutual funds management companies for delays in the disclosure of due information to the competent authorities.
- Fines were imposed on two portfolio investment companies for delays in the disclosure of due information to the competent authorities.

Listed Companies

- A fine was imposed on one listed company for price manipulation, thus undermining the smooth function of the capital market.
- Fines were imposed on two listed companies for failing to comply with their obligation for adequate information disclosure to investors and the competent authorities regarding public announcements on the company's prospects as well as for delays in the publication of financial statements, as provided by the Presidential Decree 360/1985.
- Fines were imposed on three listed companies for failing to disclose information regarding changes in ownership exceeding 3 percent and volumes of transactions exceeding 100 million GRD to the competent authorities, as required by the Presidential Decree 51/1992.
- A fine was imposed on two listed company for failing to update the information provided in the prospectus before the date of listing, as required by the Presidential Decree 348/1985.

Companies Offering Underwriting Services and Other Legal Entities.

- Fines were imposed on two underwriting firms for failing to comply with the code of conduct.
- Fines were imposed on four companies for engaging in share price manipulation, thus undermining the smooth function of the capital market.
- Fines were imposed on five companies for failing to timely disclose changes in ownership exceeding 3 percent as required by the Presidential Degree 51/92

Individuals

- Fines were imposed on seven individuals for engaging in insider trading, artificial transactions and price manipulation.
- Fines were imposed on thirteen individuals for failing to timely disclose changes in share capital ownership, as required by the Presidential Degree 51/92
- Fines were imposed on seven individuals for providing false and misleading information to the competent authorities.

Banks and Financial Institutions

- Fines were imposed on two bank subsidiaries for failing to timely disclose changes in share capital ownership exceeding 3 percent, as required by the Presidential Degree 51/92.
- A fine was imposed on one bank subsidiary for failing to comply with the code of conduct for institutional investors.
- A request was submitted to the central bank for the imposition of fines on three commercial banks for failing to comply with the code of conduct of underwriters.

Indictments to Courts

- Indictments were submitted against four companies for proceeding with initial public offers of securities without proper authorization.
- Indictments were submitted against a number of individuals and company executives for engaging in insider trading, price manipulation and the provision of misleading information.
- Indictments were submitted against five firms under the power of the law 3632/28.

The Capital Market Commission during 2000 imposed fines totally worth of 3.4 billion GRD against 1.7 billion GRD in the 1999, representing a yearly increase of 217.6 percent. The distribution of fines among market entities is presented below:

Table 27

Fines per Supervised Entity, 2000

Fines	Institution	Amount (mil GRD)	Amount (000' euro)
49	Brokerage Firms - ASE members	913.8	2,681.7
3	Investment Firms - not ASE members	20.0	58.7
15	Firms for the reception & transmission of orders	257.0	754.2
24	Mutual Fund Management Firms	238.0	698.5
3	Portfolio Investment Companies	7.0	20.5
8	Listed Companies	648.7	1,903.7
3	Banking Institutions	64.7	189.9
11	Underwriters & other legal entities	573.2	1,682.2
21	Individuals	689.1	2,022.3
Total: 137		3.411.5	10,011.7

Source: Capital Market Commission.

Reception and Investigation of Investors Complaints

During the year 2000 the Investor Complaints Committee (ICC) of the CMC received numerous complaints and questions from investors regarding violations of capital market law.

The total number of telephone contacts and personal visits paid by investors to the ICC in order to submit complaints and request the imposition of sanctions exceeded 2,500. Responding to those requests, the ICC analyzed all information available and provided investors with the necessary clarifications and recommendations for problem resolution.

The majority of the cases were about misunderstandings between investors and companies concerned that were promptly resolved through a direct contact, interpretation differences of significant financial actions beyond the competence of the Capital Market Commission, or general grievances regarding capital market performance. Excluding oral communications, the ICC dealt with 235 written complaints addressed to the Capital Market Commission.

It should be noted that, in accordance with CMC policy, investors are requested to provide all required evidence and comments by companies concerned when filling their complaints. The policy ensures that investors should first collect and assess all information available for their case so as to decide if they will go forward with the complaint's submission. Moreover, in all cases that a complaint raised questions of criminal nature, the file was also sent to public prosecution authorities.

The examination of complaints received by the ICC shows the following: In 35 percent of the cases, the ICC provided clarifications on legal or capital market issues or on other aspects of the complaint, which were ignored by the investors that filled the complaint. In 12 percent of the cases, the ICC investigation ended with the imposition of administrative and financial sanctions. In 11 percent of the cases, the ICC finally closed the file issuing recommendations to the companies concerned. In 19 percent of the cases, the companies concerned settled their differences with the complainants before the end of the complaint's resolution procedure. In 13 percent of the total, complaints were filed without substantive supporting information. In 10 percent of the cases, the file was submitted to other competent authorities, such as the public prosecution authorities.

Five Serious Cases of Market Abuse Practices Detected and Sanctioned during 2000

1. An outrageous Opening Price: the Case of "Korasidis Telecom S.A." share's Initial Trading Day

In order to proceed with the initial public offers, "Korasidis Telecom SA" distributed the offered shares to the public on Dec. 6-9, 1999 at the price of 6,500 GRD per share. During the first day of trading in the ASE (12.01.2000), the share's opening price reached the very high value of 129,000 GRD. More specifically, during the first minute of trading, transactions were carried out at prices as high as 100,000 GRD. Share price equilibrium was eventually reached at a reasonable level, having however caused huge public upheaval and provoked questions regarding the likelihood of such an event. The CMC immediately responded to market reactions by launching an investigation on the possibility of share price manipulation.

A great divergence between the offering and the opening price is possible since there are no limits to share price fluctuation during the first three days of trading of an IPO in the ASE. During the half-hour pre-opening auction, a share's opening price is formulated through automatic algorithm. The call auction defines the opening price as the price that maximizes the matching of orders and the realized trading volume. During the pre-opening auction two types of orders are taken: orders without price limit as well as limit orders. In order for a high opening price to obtain, therefore, it is insufficient to have a sell-order at a high price, as that is rational for the sellers. The crucial role is that of the existence of buy-orders at a high price that may coincide either with the no limit sell-orders, or with sell-orders at a high price limit.

The CMC's investigation concluded that there was neither a concentration of sell-orders nor a pre-agreement between buyers and sellers for raising the price, as the various buy- and sell-orders were put through many different brokerage firms and there was no coordination between buyers and sellers. On the other hand, the sellers who received price as high as 100,000 GRD were a few tens of small private investors who had put through open sell-orders, which were matched with high price buy-orders. The investigation also showed that only few brokerage firms had put through limit buy-orders at a high price and volume, whilst many brokerage firms put through no limit buy-orders that were matched at the high opening price that was formed.

The analysis of the pre-opening auction session showed that the main responsibility for the very high price should be attributed to the brokerage firms that put through limit buy-orders at a high price and volume. These brokerage firms were "Macedonia-Thrace Securities SA", which put through a buy-order for 1,000 shares at the price of 130,500 GRD and "Devletoglou Securities SA", which put through one buy-order for 4,000 shares at the price of 129,500 GRD and another two buy-orders for 7,000 shares at the price of 129,000 GRD. The Capital Market Commission decided that those brokerage firms violated the code of conduct for investment services, which prohibits them from using practices that lead to market distortion, and imposed fines of 20 and 35 million GRD, respectively.

The CMC investigation also demonstrated that nine other brokerage firms, that put through no limit buy-orders, did know that there was a possibility of leading their customers to paying outrageously high prices but did nothing to protect them or deter them from putting through no limit buy-orders. Fines were imposed on five of those firms amounting to 110 million GRD, depending on the violation of each firm, whereas a reprimand was issued for four others.

After the end of the investigation, a special examination was initiated of all no limit buy-orders put through during the pre-opening auction session for shares. Recurring surveillance and punitive actions of the pre-opening auction session have contributed to the elimination of share price distortions during the auction process in the market's opening period.

2. Short-term Underpricing Speculation, Price Manipulation and Market Abuse: the Case of the "Klonatex S.A." Holding Group on March 9-10, 2000

"Klonatex SA" is a holding company, incorporating, among others, the ASE listed company "Naoussa Spinning Mills SA". The holding company's financial behavior was for a long time closely monitored by the CMC, especially for transactions on shares of the members of the holding group. As a result of the long monitoring and investigation of these transactions, the CMC gave warnings to the holding company's management team over the company's stock market behavior.

The indications of price manipulation of the share of "Naoussa Spinning Mills SA" were mounting and eventually were confirmed by an incident that took place in the ASE on the 9th and 10th of March 2000. The incident was the realization of a large amount of transactions between "Klonatex SA", the main shareholder of "Naoussa Spinning Mills SA", and "Violan SA", a main shareholder of "Klonatex SA" over the shares of "Naoussa Spinning Mills SA". On 09.03.2000 "Klonatex SA" sold 600,980 shares, whilst in the same day "Violan SA" bought 394,990 shares. These amounts corresponded to 56.5 percent and 37.0 percent of that day's total trading volume on the shares of "Naoussa Spinning Mills SA", respectively. Next day, the orders put through were reversed as follows: "Klonatex SA" bought 888,730 shares, whilst "Violan SA" sold 402,990 shares. These amounts corresponded to 75.0 percent and 34.0 percent of that day's trading volume of the share of "Naoussa Spinning Mills SA", respectively. The abuse of market conditions by these two companies transactions was clearly unquestionable. Through these two-day transactions, "Klonatex SA" increased its holding of "Naoussa Spinning Mills SA" stock by 279,750 shares. The share price fluctuation over these two days, which was crucially determined by the holding group's transactions, was such that the above increase in share holding led to a net capital gain of 106 million GRD for the "Klonatex SA".

A single brokerage firm, "Sarros Securities SA", executed the highest percentage of the "Klonatex SA" transactions. About 26.5 percent of the total transactions on the shares of "Naoussa Spinning Mills SA" on 09.03.2000 were directly realized between "Klonatex SA" and "Violan SA" using the services of "Sarros Securities SA", whilst 30 percent of total transactions on the shares of "Naoussa Spinning Mills SA" on 10.03.2000 was directly realized between "Klonatex SA" and "Violan SA" using the same brokerage firm. The evidence made clear that beyond any doubt "Klonatex SA" abused the market by creating artificial transactions and causing share price manipulation.

The CMC examination concluded that coordinated transactions between "Klonatex SA" and "Violan SA" created an artificial market for the shares of "Naoussa Spinning Mills SA" leading to high and unreasonable share price fluctuation. The smooth function of the capital market and interests of investor were threatened by the actions of "Klonatex SA", as investors observed large transactions volume and "Klonatex SA" share price fluctuations, without knowing their cause, whilst the holding company was making large capital gains. The holding company's behavior constituted a case of market abuse, concerning price manipulation and a misleading of the market through coordinated transactions. The Commission also decided that the brokerage firm "Sarros securities SA" violated the code of conduct for the provision of investment services as regards the incidence of the 9th and 10th of March 2000. The board of directors of the Commission on its 06.06.2000 meeting imposed fines of 500 million GRD on "Klonatex SA" as well as additional sanctions for other violations, 50 million GRD on "Violan SA" and 45 million GRD on "Sarros Securities SA" brokerage firm. The board of directors also decided to submit an indictment of "Klonatex SA" to public prosecution authorities for violating the article 34 of law 3632/1928 concerning the dissemination of misleading information. The indictment is presently under consideration.

3. Creating False Expectations through Public Anouncements and their Exploitation: the Case of Listed Firm "Electra S.A."

Since the beginning of February 2000 rumors were circulating that the ASE listed company "Electra SA" was to be taken-over by another company. These rumors caused a significant increase in the company's share price. The management of the company verified the rumors and announced the conclusion of an agreement with the US-based investment house "Laidlow Global Securities Inc" authorizing the latter to acquire and subsequently transfer to strategic and institutional investors of 51 percent of the shares of "Electra SA". The listed company's main shareholder Mr. Michael Saridis would conclude the transfer until the 10th of March 2000.

The above deadline was not met raising the level of uncertainty regarding the future of the agreement and thereby causing large share price fluctuations. However, a block of 2,000,000 shares was finally transferred on 28.03.2000 from Michael Saridis to "Laidlow Co." and others. These shares represented 34.43 percent of the company's total share capital. The remaining 16.57 percent, that was scheduled to be transferred under the agreement, was never transferred. The agreement's conclusion was assisted by managers from "Lead Capital SA", a domestic firm for the reception and transmission of stock exchange orders, which was associated with "Laidlow Co." More specifically, two of "Lead Capital's" board members, namely John Moustos and Theofanis Ranios, were buyers of a portion of the transferred block of 2,000,000 shares.

On April 1st 2000, public statements by Mr. Anastasios Karayiannis, the chairman and CEO of "Laidlow Co" were made in the newspaper "Axia". In those statements, Mr. Karayiannis confirmed "Laidlow Co's" ambitious business plans regarding the listed company "Electra SA". The aim of these statements was to maintain the level the company's share price. However, independently of those optimistic statements on "Electra's" future and only two days after the announcement, "Laidlow Co" proceeded with the gradual sale of significant numbers of shares through the electronic system where the seller identity is unknown. The public creation of a false market optimism in association with the gradual sale of a large number of shares just after the public announcement constitute a deliberate attempt by "Electra SA" to disseminate false information to investors in order to take advantage of their reactions.

The Commission's investigation also found that a significant portion of sales were made by Mr. J. Moustos and Mr. Th. Ranios, who were associated with both "Lead Capital" and "Laidlow Co" and participated in the transfer of the block of 2,000,000 shares. Their sales were also made through the electronic transactions system in a gradual way, but took place before "Laidlow Co's" sales were made. The Commission decided that those two persons' financial behavior provided indisputable evidence of being aware of "Laidlow's" intentions for selling its shares, thus engaging in "front running" practices to realize large capital gains.

On the basis of the investigation's findings, in its 13.09.2000 meeting, the board of directors of the Commission imposed the following fines: A fine of 150 million GRD on "Laidlow Global Securities Co." for violating article 72 of law 1969/91 that prohibits the public dissemination of false information. Also, a fine of 57 million GRD on the same company for violating the Presidential Decree 51/92, which requires notification for changes in corporate ownership structure. A fine of 10 million GRD on "Lead Capital SA", the firm for the reception and transmission of exchange orders, for participating in activities prohibited by law for such companies, according to the article 3i(θ) of law 2396/96. Fines of 80 and 40 million GRD for J. Moustos and Th. Ranios respectively, for violating the Presidential Decree 53/92 concerning the abuse of inside information. The amounts were equal to the quadruple of those persons' realized capital gains. A fine of 9.7 million GRD on Michael Saridis, "Electra's" main shareholder, for violating Presidential Decree 51/92. The Commission also revoked the operating license of "Lead Capital SA" on account of its improper involvement in this action and other evidence.

The Commission also submitted an indictment to the public prosecution authorities against "Laidlow Co" according to the articles 72 and 76 of law 1969/91. An indictment was also submitted against Mr. J. Moustos and Th. Ranios, according to the article 30 of law 1806/88 in association with the article 76 of law 1969/91. The indictments are presently under consideration.

4. Misleading Prices in Block Transfers: thw Cases of the Shares of Listed Companies "Oinerga S.A.", "Attikat S.A." and "Techniki Olympiaki S.A." through the Intermediation of "Contalexis Financial Services S.A." Brokerage Firm

During the large increase in the ASE share prices during the first half of 1999, rumors were circulating in the market regarding own share price manipulation by entrepreneurs with the assistance of brokerage firms.

After a lengthy investigation, the Capital Market Commission concluded that listed company entrepreneurs Mr. G. Batatoudis, Mr. P. Panoussis and Mr. K. Stegos were transferring, using the services of "Contalexis Financial Services SA" brokerage firm, blocks of shares in prices lower than those announced to the public and the price differences were credited to third persons' bank accounts.

On the basis of the above findings, the board of directors of the Capital Market Commission decided that the aforementioned entrepreneurs were engaged in market abuse practices, by creating artificially high prices for the blocks of shares transferred that were publicly announced, aiming at misleading investors and moreover violated the rules regarding share price determination in blocks transfers. The board of directors of the Commission decided therefore to submit indictments to prosecution authorities against all related persons regarding the dissemination of inaccurate and misleading information on transaction prices. The board also decided to impose fines on all relevant persons amounting to 360 million GRD.

5. Divergence between Actual and Forecasted Corporate Earnings (as published in Company Prospectuses) and Inadequate Information to the Public: the Cases of Initial Public Offerings by "Chatzikraniotou Sons S.A." and "Frigoglass S.A." Companies

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Company	Forecasted pre-tax earnings disclosed in the Prospectus	Actually realized pre-tax earnings
Frigoglass	6,121 million GRD	3,598 million GRD
Chatzikraniotou Sons	330 million GRD	87 million GRD

In the case of “Frigoglass ABEE”, the investigation showed that the divergence was mainly due to interest paid on a loan that was contracted before the publication of the company’s Prospectus. Interest is charged on a daily basis and therefore it can be easily computed by taking into account the size of liabilities toward the bank and the settlement date. The company could have estimated, before the beginning of trading on Dec. 2, 1999, the interest charged for the whole fiscal year and disclose the amount in the Prospectus. The company should have therefore disclosed this information to investors before the start of trading, since it created a significant divergence from the information disclosed in the Prospectus and which could be known in advance, but the company chose to ignore it.

In the case of “Chatzikraniotou Sons SA”, the investigation, based on the auditing of corporate accounts, showed that the divergence was mainly due to the exchange rate differences associated with the contract of a bank loan in foreign currency. These exchange rate differences resulted from the revaluation of the Japanese Yen that was gradually taking place during the entire period between the approval of the Prospectus and the start of trading in the ASE. The investigation showed that the company had also invested large amounts in shares of ASE listed companies undertaking excessive risk, which was not disclosed to investors. According to the law, the company ought to have reported the results of these exchange rate differences before the start of trading, since these differences led to a significant divergence between actual and forecasted earnings as reported in the Prospectus. However, the company omitted to disclose this information.

In both cases, the board of directors of the Commission decided that there was a serious violation of Presidential Decree 348/85 concerning the timely disclosure of information to investors. The board also decided that the underwriters and advisors of these two companies that were responsible for their Prospectuses, violated the Code of Conduct for Underwriters (Ministerial Decision 41517/B.1972/4.12.1998), by neglecting the timely disclosure of information to investors before the start of trading. Based on these findings, the board imposed the following fines: A fine of 25 million GRD on "Chatzikraniotou Sons SA" and a fine of 75 million GRD on "Frigoglass SA" for violating the Presidential Decree 348/85. Moreover, fines of 75 and 25 million GRD were imposed on the investment companies Alpha Finance SA and Ioniki Finance SA, the underwriter and advisor of the issue respectively, for omissions and neglect of responsibility with respect to forecasts disclosed in the prospectuses.

The Commission's Contribution to the Legislative Work in 2000

During the year 2000, the Parliament passed two new laws on capital market issues. The Commission contributed, as it has done in the past, to the drafting of these laws.

Thus, the law 2836/2000 enhanced the Commission's supervisory authority and human resources. According to the law, the Commission is endowed with the authority:

- To specify the terms and conditions for the conduct of business of listed companies. This subsequently led to the issuing of CMC rule 204/14-11-2000: "A code of conduct for listed companies" (outlined earlier in the text).
- To postpone up to six months an initial public offer when this is deemed necessary for the safeguarding of the smooth function of the market. A similar authority was granted to the board of directors of the Athens Stock Exchange with respect to the increases in the share capital of listed companies.
- To establish professional certification requirements for market participants.
- To proceed, in short period of time, with the temporary suspension of the operating license of financial intermediaries when deemed necessary for the protection of investors and the market
- To proceed with the hiring of 65 new persons (28 auditors, 21 highly qualified economists, 9 securities lawyers and 7 administrative assistants)

On the other hand, the Law 2843/2000 establishes a set of innovating rules aiming at the modernization of the capital market in Greece and the enhancement of market liquidity. The new law establishes:

- The generalization of the provision of credit by brokerage firms to their clients for the purchase of securities (margin account) thus enhancing market liquidity
- The terms and conditions for the listing of shares of investment firms (as provided by law 2396/1996) in the ASE
- The generalization of the provision of services by the market makers in the Main and Parallel markets of the ASE.
- The terms and conditions for the setting-up maritime investment companies, investing exclusively in non-passenger shipping, as well as the listing of their shares in the ASE.

The introduction of the shipping sector in the ASE is a considerable development for the Greek economy, given the significance of the sector in the economy.

International Activities of the Capital Market Commission

Memoranda of Understanding (MoU)

The development of international relations framework for cooperation and exchange of information on capital markets is an important part of the mandate of the Hellenic Capital Market Commission. Within this framework the Commission has signed the following Memoranda of Understanding:

- A bilateral Memorandum of Understanding with the “Comissao de Valores Mobiliarios” of Brazil (May 17, 2000).
- A bilateral Memorandum of Understanding with the Central Bank of Cyprus (September 8, 2000).
- A bilateral Memorandum of Understanding with the Securities Market Agency of Slovenia (October 6, 2000).
- A bilateral Memorandum of Understanding with the Bulgarian National Securities Commission (December 1, 2000).

The purpose of these agreements is to establish and implement a procedure for the provision of mutual assistance between the competent authorities for the supervision of the capital market, in order to enhance the efficiency of the supervisory function entrusted with.

Under the auspices of the existing bilateral Memorandum of Understanding with the Romanian National Securities Commission, signed on November 30, 1998, a bilateral assistance program was agreed upon and carried out in June 2000. In the course of this program, nine securities experts from the Romanian National Securities Commission came to Athens for a 15-day training visit. The experts were mainly trained on the areas of securities legislation, supervision and monitoring procedures as well as derivatives products. Under the same agreement, two members of the Hellenic Capital Market Commission went to Bucharest in January 2000 for a 5-day training visit.

The Hellenic Capital Market Commission and FESCO [5]

FESCO (Forum of the European Securities Commissions) was founded in Paris in December 1997 by the regulatory authorities of the European member-states and

[5] *The following countries are members of FESCO: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom.*

has already developed a set of important activities. The Hellenic Capital Market Commission is a founder member of FESCO and actively participates in all of its experts groups.

During their meeting in Amsterdam on February 2000, the members of FESCO took an important step forward for the achievement of a common approach on financial services regulation in the European Union.

In its paper "Categorization of Investors for the Purposes of the Conduct of Business Rules", FESCO members agreed on a harmonized definition of the professional investor. The common definition will encourage cross-border activity by the uniform implementation of article 11 of the Investment Services Directive (93/22/EEC). The Experts Group on "Standards for Investor Protection" prepared this paper and its main objective is to harmonize the underlying codes of conduct for the provision of investment services of the member authorities of FESCO. The Group continuous to be actively working on this subject during 2001.

FESCO members agreed that the full range of investor protection rules need not apply to investors with adequate knowledge and experience to assess undertaken risk. The classification of investors was introduced, first, to achieve a sufficient degree of protection and, secondly, to avoid excessive regulation. The common definition of the professional investor was officially sent to the European Commission, as a contribution to the latter's work in relation to the EU Action Plan for Financial Services.

During their last meeting in Naples, FESCO members decided to initiate a consultation process on their proposal to create a "European Passport for Issuers". More specifically, in addressing the subject of mutual recognition of prospectuses in Europe, FESCO members state their intension to provide the opportunity for an EU-based company to proceed with an initial public offering of securities on a EU-wide basis, that is to all European investors, or to apply for listing in a manner that simplifies regulatory compliance for issuers, while at the same time ensures proper investor protection.

To that end, FESCO members propose a cross-border use of the EU shelf-registration system and therefore separate the prospectus content into different documents: first, the shelf-registration document and, second, the securities note. This will enhance the prospectus's mutual recognition across European member-states. FESCO will also encourage the use of electronic communication facilities, such as the Internet, as a means for circulating such documents.

This FESCO paper also analyses the possibilities to simplify EU public offers and stock exchange listings and proposes to extend the mutual recognition mechanism to small and medium-size enterprises. The expert group on "European Public offers" has elaborated this paper and its main objective is to establish standards for the achievement of cross-border public offers.

The elaboration of this paper is a significant contribution to the EU Action Plan for Financial Services developed by the European Commission. In line with the conclusions of the European Council at the Lisbon meeting, the FESCO proposal contributes to the development of efficient and transparent financial markets that will foster economic growth and employment. The paper was opened to public consultation for a period of three months.

During their last meeting in Paris in September 2000, the members of FESCO decided to publish two key papers contributing to the EU Action Plan for Financial Services: "The Regulation of Alternative Trading Systems in Europe" and "A European Regime Against Market Abuse".

The Hellenic Capital Market Commission and IOSCO

The Annual Conference of IOSCO, Sydney, May 14-19, 2000

The world's securities and derivatives regulators and other members of the international financial community met in Sydney from 14 to 19 May 2000, on the occasion of the XXV Annual Conference of the International Organization of Securities Commissions (IOSCO). The Australian Securities and Investments Commission was the host of the event and offered a warm and friendly welcome to more than 500 participants from 90 countries.

The Conference, titled "Global Markets-Global Regulation", provided an opportunity for participants to discuss the regulatory challenges posed by today's rapidly evolving markets, including changing market structures, market alliances, the new economy and technological advances. IOSCO's activities and work program continue to address these challenges in a concerted and consultative manner.

The implementation of the "Objectives and Principles of Securities Regulation", IOSCO's active participation in global initiatives such as the Financial Stability Forum and the Joint Forum, its international training programs, and detailed work on specific technical issues all contribute to strengthening investor protection, market confidence and financial stability worldwide. As Mr. Alan Cameron, Chairman of the Australian Securities and Investment Commission (ASIC) emphasized: "This Conference is being held at a time of increased market volatility, a large number of mergers and alliances among market operators, and a dramatic increase in the use of the Internet for financial services. The focus is clearly on whether, what and how to regulate, in these challenging times."

Implementation of the International Accounting Standards Committee (IASC) Core Standards

As a part of the ongoing effort to facilitate cross-border offers and listings by multinational issuers, IOSCO has evaluated 30 standards issued by the International Accounting Standards Committee (IASC). The Presidents' Committee approved a resolution recommending that IOSCO members allow for the use of 30 IASC standards for such cross-border offers and listings, as they are formulated.

IOSCO encouraged the IASC to continue to develop its body of accounting standards and expressed its desire to continue to work with the IASC. IOSCO congratulates and thanks the IASC for its work and contribution to raising the quality of financial reporting worldwide.

Internet Surf Day

The IOSCO Technical Committee conducted an International Internet Surf Day on March 28, 2000 aiming at increasing investor protection and market confidence. Twenty-one securities and futures regulators from eighteen countries, including the Hellenic Capital Market Commission, coordinated their efforts to identify securities and futures fraud on the Internet. Regulators concentrated on fraudulent solicitation of investors, manipulation, the circulation of false or misleading information and insider trading. During the Surf Day, approximately 220 individuals from the participating securities regulators visited nearly 10,000 sites, totaling nearly 1000 hours of global participation. Of these sites, more than 1,000 were identified for follow-up review, including over 250 sites that involved cross-border activity. Enforcement action by relevant national regulators, working cooperatively where appropriate, could result.

The New Economy

Technological changes have empowered the individual investor and contributed to the re-organization of the operational structure of securities markets. The need to identify market and investment risks and disclose these risks to investors, and for market professionals to properly discharge their responsibilities has never been greater. In recognition of these developments, the IOSCO Technical Committee issued a Bulletin on Investor Protection in the New Economy.

The Bulletin highlights four areas of concern: a) the initial public offering process; b) the valuation of high tech companies, including accounting and financial reporting issues; c) the effects of short-term trading strategies on investors' risks and expectations; and d) preserving investor confidence. While these are not new issues, the Technical Committee believes they are of heightened importance in the New Economy, where many investors have entered the securities markets for the first time, and others have intensified their investment activity.

IOSCO will continue to examine specific issues related to investor protection in the New Economy, with input from members of both the Technical and Emerging Markets Committees.

Demutualization of Exchanges

Many stock exchanges are being transformed from not-for-profit, mutual or cooperative entities to for-profit shareholder owned corporations - a process known as demutualization. IOSCO is considering the main questions arising from this transformation, namely: What conflicts of interest may arise where a for-profit entity also performs regulatory functions? Is there a need for special corporate governance arrangements and rules regarding share ownership to protect the public interest? Will a for-profit exchange be run with due regard for its financial viability and with adequate funding allocated to regulatory functions?

Implementation of Objectives and Principles

In September1998, IOSCO issued the "Objectives and Principles of Securities Regulation". This document sets out 30 principles of securities regulation, based on three objectives: investor protection, ensuring that markets are fair, efficient and transparent, and reduction of systemic risk. Pursuing its strong commitment to the establishment and maintenance of consistently high regulatory standards, IOSCO is committed to ensuring the implementation of these Principles. Considerable progress has been made in this implementation program. IOSCO continues to consult with the International Financial Institutions on their use of the Objectives and Principles, and is currently considering a peer review project, to be conducted on a regional basis, in cooperation with those Institutions and the regional development banks.

Election of the members of the Executive Committee and designation of the chairmen and vice-chairmen of the various Committees. As a result of elections that took place during the conference, the Executive Committee is now composed of the following members:

- The chairmen of the Technical Committee of IOSCO and the Emerging Markets Committee of IOSCO

- The chairmen of the four Regional Committees: Prof. Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission (European Regional Committee); Mr. Ashraf Shamseldin, Deputy Chairman of the Egyptian Capital Market Authority (Africa/Middle-East Regional Committee), Mr. Ali Abdul Kadir, Chairman of the Malaysian Securities Commission (Asia-Pacific Regional Committee), and Mr. Enrique Diaz Ortega, Chairman of the Peruvian Comision Nacional Supervisora de Empresas y Valores (Interamerican Regional Committee);
- Nine members elected by the Presidents' Committee: the Securities Commissions from Australia, Brazil, France, Germany, Italy, Japan, South Africa, United Kingdom and United States
- Mr. David A. Brown, Chairman of the Ontario Securities Commission, was elected Chairman of the Technical Committee and with Mr. A.W.H. Docters van Leeuwen, Chairman of the Securities Commission of the Netherlands, as Vice-Chairman.
- Mr. Devendra Raj Mehta, Chairman of the Securities and Exchange Board of India was elected Chairman of the Emerging Markets Committee and Mr.Prasarn Trairatvorakul, Secretary General of the Office of the Securities and Exchange Commission of Thailand, was elected Vice-Chairman.
- The appointment of the Hellenic Capital Market Commission to the Chairmanship of the European Regional Committee of IOSCO for the following two years constitutes an international recognition of its work both in the Greek market and in the field of the international co-operation between competent authorities.

Admission of New Members

During the 25th Conference, IOSCO admitted three new ordinary members: (a) the Securities Commission of the Federation of Bosnia and Herzegovina, (b) the Securities Regulatory Commission of Ghana, and (c) the Capital Markets Authority of Uganda.

IOSCO also admitted three new affiliate members: (a) the International Monetary Fund, (b) the Athens Stock Exchange, and (c) KOSDAQ Stock Exchange (Korea). As a result of these new admissions, the membership of IOSCO now stands at 165.

Finally, in the context of IOSCO's Conference, the Hellenic Representation signed a Memorandum of Understanding with the Brazilian Securities Commission and established several contacts with its neighboring countries with the aim of concluding bilateral Memoranda of Understanding.

The Meeting of the European Regional Committee of IOSCO

The Meeting of the European Regional Committee of IOSCO took place for the first time in Athens from 5 to 6 October 2000, under the Chairmanship of Prof. Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission.

The European Regional Committee of IOSCO is composed of 36 countries, including the 15 countries of the European Union. The Regional Committee deals with the in-depth study of: the evolution of the capital markets of its member states; the progress of the implementation of IOSCO's regulatory standards in the member states; the activities of the off-shore financial centers; the harmonization of the regulatory standards in accordance with the European Directives, in particular in the South Eastern European countries; and the progress of the national and international efforts for the implementation of the International Accounting Standards by issuers. The Regional Committee verifies that the member states develop serious efforts to ensure the adoption of high and common regulatory standards, acknowledging the need for further action in this field.

The Chairman of FESCO, Mr. Georg Wittich, made presentation for the members of the European Regional Committee of IOSCO on the last institutional developments in the realm of the financial markets in the European Union.

The Conference of the European Regional Committee reached to the following decisions:

First, the Committee will continue and strengthen the dialogue between the competent authorities of the European region and specially with the three off-shore centers that operate in Europe; second, the sub-committee of the South Eastern countries will continue its activities aiming at the harmonization of institutional surveillance; third, the competent authority for the supervision of the Republic of Kazakhstan is accepted as member of the European Regional Committee, after considering the neat pro-European orientation of its economic policy, fourth; the Hellenic Capital Market Commission accepts to organize a special expert group for the harmonization of the International Accounting Standards, as adopted by IOSCO, with the aim of coordinating the efforts of the countries of the region with the activities currently under-way by the European Commission in this field.

In addition to the Conference, the Hellenic Capital Market Commission, as well as the managers of the Athens Stock Exchange, established several bilateral contacts with the competent authorities of other countries. Finally, the Slovenian Securities Commission signed two bilateral Memoranda of Understanding, with the Hellenic Capital Market Commission and with the Portuguese "Comisao do Mercado de Valores Mobiliarios" respectively.

2nd Meeting of Capital Markets Regulators of South Eastern Europe.

The Second Meeting of Capital Market Regulators of South Eastern Europe, organized by the Hellenic Capital Market Commission, was held in Thessalonica on 21 and 22 February 2000. Representatives of the following countries attended the meeting: Albania, Armenia, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, FYROM, Georgia, Greece, Italy, Moldavia, Ukraine and Slovenia.

During the first session, the participants discussed on the recent developments of the capital markets of South Eastern Europe and on priority issues concerning the enlargement of the co-operation between the competent authorities.

The second session was devoted to the working-groups dealing, first, on licensing of financial intermediaries, secondly, on exchange of confidential and non-confidential information and, thirdly, on the harmonization of national legislation in accordance to the principles developed by the European Union.

This Second Meeting was a significant step forward to strengthen co-operation among the competent authorities of the region, which is a condition for the increase of the financial and economic relations between South Eastern Europe countries.

APPENDICES

Appendix 1

Rules and Regulations Issued by the Capital Market Commission in 2000

Number of Rule	Title of Rule	Description
181/18-1-2000 GAZETTE B 321/15-3-2000	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Par. 9: REPLACEMENT OF: 1) Article 7. 2) Par. 1 of article 8. 3) Par.1 of article 12 and the article 14. 4) Subject b of par. 1 and the recounted par.5 of article 15. 5) Article 21. 6) The first section of par.2 of article 27. 7) Article 30. 8) Subject b of article 34. 9) The second section of par.2 of article 40. 10) Par. 2 of article 49. 11) Par.1 of article 52. 12) Subject b of par.3 of article 53. 13) Par.3 of article 54. 14) Section b and c of article 55. 15) Par.3 of article 55. 16) Par.3 of article 56. 17) Article 57. 18) The first section of par. 4 and par. 5 of article 59. 19) Par.2 of article 72. 20) Par.1 and 4 of article 73. ADDITION OF: 1) Subjects e, f, and g in par. 3 of article 12. 2) Par.2 in article 15 (with respective recount of the following paragraphs). 3) Subjects g and η in article 18. 4) Par.4 in article 49. 5) Article 49a after article 49. 6) Par. 2 in article 66 (with respective recount of the following paragraphs). 7) Section in par.1 of article 72. 8) Par. 5 in article 73. 9) Article 79a after article 79. 9) Par. 3 in article 80. From the first section of par. 2 of article 28 the following phrase is removed "...also notifying the Central Securities Depository about the reason of disruption". The fourth section of case a of par.1 of article 62 and the article 67 are removed.
181/18-1-2000 GAZETTE B 125/9-2-2000	ASSESSMENT OF THE ATHENS STOCK EXCHANGE S.A. AND THE CENTRAL SECURITIES DEPOSITORY S.A. STOCK SHARES	Par 11: For the assessment of the Athens Stock Exchange S.A. and the Central Securities Depository S.A. Stock shares from Mutual Fund Management Firms and Investment Services Companies the following prices are considered as spot prices: 1) For the shares of the Athens Stock Exchange SA the price of 17.000 GRD. 2) For the shares of the Central Securities Depository SA the price of 48.000 GRD.

(continued)

Number of Rule	Title of Rule	Description
182/25-1-2000 GAZETTE B 171/17-2-2000	TERMS AND CONDITIONS CONCERNING THE DISTRIBUTION OF STOCK SHARES ISSUED FOR THE NEW MARKET WHICH ARE AT THE INVESTORS' DISPOSAL WITH AN INITIAL PUBLIC OFFERING	Par 7A: 1) For the participation in an Initial Public Offering 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 certain countries and blocking of repurchases agreements on non-dematerialized equity shares. The shares of mutual funds and the letters of guarantee are excluded. 3) 30 percent of the stock shares, which are disposed in an Initial Public Offers, are allocated to the institutional investors, while the rest 70 percent to the other investors. The institutional investors are defined in an analytical way and the offshore companies are excluded. The price of allocation is identical for both categories of investors. 4) For the allocation of 70 percent of the whole number of the stock shares, which are disposed to non-institutional investors, number 500 divides the total number of the offered stock shares. 5) The Main Underwriter fixes the allocation of stock shares, which is allocated to the institutional investors, according to some predetermined (quantitative or qualitative) criteria. 6) The underwriters ought to keep and have at the supervisory authorities' disposal documentation from which it arises that the registering foreign institutional investors meet the requirements, which are similar to those, which govern the domestic institutional investors and are supervised by the respective country supervisory authority of each country. 7) From the allocation of the shares to the institutional investors the underwriters and the advisors of the specific issue as well as the companies related to them are exempted. The Investment Services Companies and the Mutual Funds Management Firms are excluded from the afore-mentioned, as long as they are registered on behalf of the mutual funds that they manage. 8) If the demand in one of the two categories of investor falls short of the respective offer and the demand in the other category is not fully fulfilled, the surplus shares are transferred in the category with the unsatisfactory demand. 9) The Underwriters ought to inspect the documentation of those participating, in order to avoid forged documents, fraudulent substitution or the usage by investors of techniques aiming at the formation of multiplex document.

(continued)

Number of Rule	Title of Rule	Description
182/25-1-2000 GAZETTE B 171/17-2-2000	OBLIGATIONS OF FIRMS ISSUED IN THE NEW MARKET	Par 7B: A) Notification of documentation. 1) Annual Report. 2) Notification of significant facts and information concerning the company. B) Internal monitoring. Establishment of internal monitoring department, which operates autonomously in terms of finance and function.
182/25-1-2000 GAZETTE B 171/17-2-2000	UNDERWRITER AND CONSULTANT IN THE NEW MARKET	Par 7C: 1. Definitions of Underwriter and Consultant. 2. Obligations of Underwriters and Consultants. 3. Notice of termination of contracts - Replacement of Underwriter and Consultant.
182/25-1-2000 GAZETTE B 171/17-2-2000	MARKET MAKER IN THE NEW MARKET	Par 7D: A) Requirements and procedure of acquisition of the status of Market Maker: 1) Acquisition-Loss of status of Market Maker. 2) Requirements of operational and organizational adequacy of Market Maker. 3) Procedure of putting on and approval of the application for the acquisition of status of Market Maker. B) Obligations-Supervision of Market Maker: 1) Obligations of Market Maker. 2) Supervision of Market Maker. 3) Transactions transparency. C) Contract of market making: 1) Definition of Market Maker. 2) Transfer of stock shares to Market Maker. 3) Notice of termination of contracts of market making- Replacement of Market Maker.
182/25-1-2000 GAZETTE B188/17-2-2000	EXTENSION OF THE PREVIEWED IN PAR. 2 OF ARTICLE 42 AND IN PAR. 1 OF THE ARTICLE 44 OF L.2396/96 DEADLINE AS THEY ARE PREDETERMINED	Par 9: The deadline of par. 2 of article 42 of L.2396/96 about issuers the stock shares of which were dematerialized from 30-3-99 till 14-5-99 is extended until 10-2-2000 exclusively and only for the requirements of the dematerialization of stock shares possessed by the brokerage firms that have gone into liquidation under article 4α L. 1806/88, as enhanced with article 12 of L.2651/1998.

(continued)

Number of Rule	Title of Rule	Description
182/25-1-2000 GAZETTE B 167/17-2-2000	AMENDMENT OF DECISION 11/176/23-11-1999 “DETERMINATION OF THE AUCTION PROCEDURE OF SHARES THAT WERE NOT DEPOSITED IN THE ISSUER TO BE DEMATERIALIZED AND EXTENSION OF THE DEADLINE PREVIEWED IN PAR. 2 OF ARTICLE 42 AND THE PAR. 1 OF THE ARTICLE 44 OF L.2396/96”	Par 10: The final section of par.1 and the subject 5 of article 3 are replaced and in the end of article 2 a new section is added.
182/25-1-2000 GAZETTE B 168/17-2-2000	READJUSTMENT OF THE DAILY FLUCTUATION LIMITS OF THE STOCK SHARE PRICES	Par 8C: The daily fluctuation limits of the stock share prices in the Athens Stock Exchange transactions are increased per 2 percent (upwards or downwards) from plus or minus 8 percent to plus or minus 10 percent.
185/25-2-2000	AMOUNT OF THE GUARANTEE INSURING FUND OF INVESTMENT SERVICES FOR THE YEAR 2000	Par. 8: 1) The calculation of the ceiling of the Guarantee Insuring Fund for the year 2000 at the amount of 159,6 billion GRD is approved. 2) The ceiling of the Guarantee Insuring Fund for the year 2000 is determined based on Par. 11 of article 71 of L.2533/1997, at the amount of 100 billion GRD (compared to 159 billion) and 80 billion GRD, which is suggested by the Board of Directors of Guarantee Insuring Fund, taking into account among other things that the Guarantee Insuring Fund is proceeding as well in insurance companies for 40 billion GRD. Thus the total coverage adds to 140 billion GRD. 3) The minimum contribution for each member of the Athens Stock Exchange is readjusted at the amount of 300 million GRD (compared to 150 million GRD). 4) The minimum contribution for Investment firms, which are not members of the Athens Stock Exchange, is readjusted at the amount of 300 million GRD (compared to 150 million GRD).

(continued)

Number of Rule	Title of Rule	Description
186/7-3-2000 GAZETTE B 421/30-3-2000	AMOUNTS PAID TO THE ATHENS DERIVATIVES EXCHANGE S.A. AND THE DERIVATIVES TRANSACTIONS CLEARING HOUSE BY THEIR MEMBERS AS A REGISTRATION FEE AND AN ANNUAL CONTRIBUTION	Par 8: A) 1) Registration fee. 2) Annual contribution paid to the Athens Derivatives Exchange and the Derivatives Transactions Clearing House by their members. The before-mentioned amounts of annual contributions concern to the license of using the software for four working points for carrying out transactions and for two working points with regard to the clearing procedure of transactions. For any additional working point an annual amount of 1.000.000 GRD will be paid to the Athens Derivatives Exchange and an amount of 500.000 GRD to the Derivatives Transactions Clearing House. For any additional working point for clearing procedure an annual amount of 1.000.000 GRD will be paid to the Derivatives Transactions Clearing House.
188/4-4-2000 GAZETTE B 599/8-5-2000	ASSESSMENT OF RIGHTS OF THE CENTRAL SECURITIES DEPOSITORY ON THE TRANSACTION CLEARING PROCEDURE OF BOND DERIVATIVES	Par 7: For transmission services of bonds, through the system of Bank of Greece among trading parts on account of an investor or an entity and for the transmissions among share code numbers in the System of Dematerialized Securities for the clearing procedure of futures in 10-year state bond, the rights of the Central Securities Depository S.A., which burden the Derivatives Transaction Clearing House, are determined in the amount of 4.000 GRD per future.
188/4-4-2000 GAZETTE B 586/3-5-2000	AMENDMENT OF ARTICLE 9 OF DECISION 7D/182/25-1-2000 "MARKET MAKER IN THE NEW MARKET"	Par 9: The company is obliged to ensure that: 1) The Market Maker (or Market Makers) possesses in the aggregate quantity equal to 4 percent of the whole number of stock shares listed in New Market. 2) The transaction of the transmission of this percentage takes place after the listing of the company's stock shares and 3 working days before the beginning of the treatment of the company's stock shares. 3) After the beginning of the treatment of stock shares, transmission of blocked stock shares to the Market Maker (or Market Makers) is possible after a decision of the Board of Directors of the Capital Market Commission. 4) The Market Maker (or Market Makers) is not allowed to acquire in the aggregate quantity of blocked stock shares, which exceeds the 1/4 of blocked company's stock shares as long as their obligation continues. 5) Data about before- mentioned transactions are published in the Daily Official List.

(continued)

Number of Rule	Title of Rule	Description
191/30-5-2000 GAZETTE B 729/12-6-2000	ADJUSTMENT OF THE DAILY FLUCTUATION LIMITS OF THE STOCK SHARE PRICES OF SECURITIES THAT ARE TREATED FOR THE FIRST TIME AFTER THE WITHDRAWAL OF THE RESPITE OF TREATMENT	Par 12: In case of treatment of stock shares for the first time after they have been respited for a period greater than three months, the daily fluctuation limits (upper and lower) shall not be in force for the first three days of the treatment. These stock shares after the withdrawal of the respite of treatment will be placed, for a period of one month under the special category “UNDER SURVEILLANCE” and the treatment will be done by the call auctions procedure.
193/23-6-2000 GAZETTE B 864/12-7-2000	READJUSTMENT OF THE MINIMUM AMOUNT OF OWN FUNDS OF MUTUAL FUND MANAGEMENT FIRMS	Par 10: The minimum amount of own funds of Mutual Fund Management Firms is readjusted at 400.000.000 GRD fully paid. The already existing Mutual Fund Management Firms, whose own funds are inferior to the above mentioned amount, are obliged to raise their own funds at the required level until the 31st of December 2000.
194/4-7-2000 GAZETTE B 946/31-7-2000	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Par 5: Article 9α is replaced and article 67 is put into force again.
194/4-7-2000 GAZETTE B 1004/10-8-2000	CONTRACTS OF BUYING WITH AGREEMENT OF RESELLING STOCKS AND CONTRACTS OF SELLING STOCKS WITH AGREEMENT OF REPURCHASE	Par 6: 1) Definitions. 2) Requirements of the establishment and content of the contracts and the agreements of reselling or repurchase. 3) Procedure for the fulfillment of the contracts and the agreements of reselling or repurchase. 4) Commissions of the Central Securities Depository. 5) Regulations concerning the Mutual Fund Management Firms and Investment Services Firms. 6) Evaluation of the own funds of the Mutual Fund Management Firms and Investment Services Firms. 7) Supervising and penalties.

(continued)

Number of Rule	Title of Rule	Description
194/4-7-2000 GAZETTE B 1004/10-8-2000	SHORT SELLING	Par 7: The selling of stock shares of listed companies in Athens Stock Exchange is permitted for regular transactions on account of persons, who at the time of formation of the main stock exchange contract they do not have full and exclusive ownership of these stock shares, or they possess these securities burdened. - Requirements.
194/4-7-2000 GAZETTE B 1004/10-8-2000	USE OF DERIVATIVES FROM MUTUAL FUNDS AND INVESTMENT SERVICES COMPANIES	Par 8: 1) Definitions. 2) Mutual Funds Management Companies and Investment Services Companies are allowed to invest in derivatives. -The issue of derivatives by Mutual Funds Management Companies and Investment Services Companies is not allowed. 3) Conditions of using derivatives to offset the risk. 4) Conditions of using derivatives for the effective management of portfolios 5) Investments in derivatives with underlined value a specific stock share. 6) Assessment of derivatives. 7) Obligations of Mutual Funds Management Companies and Investment Services Companies.
195/19-7-2000 GAZETTE B 1030/22-8-2000	TAKE-OVER BID	Par 1: 1) Definitions. 2) Implementation field. 3) Purpose. 4) Take-Over Bid. 5) Obligatory Take-Over Bid. 6) Contentment of declarations of acceptance. 7) Obligation of making known the Take-Over Bid publicly and informing the Capital Market Commission. 8) Limitations on the authority of the Board of Directors of the company to be bought out. 9) Informational Bulletin. 10) Consultant of the part making the bid. 11) Publicity. 12) Acceptance of the Take-Over Bid. 13) Revocation of Take-Over Bid. 14) Clause - Price of the Take-Over Bid. 15) Revisal of the Take-Over Bid. 16) Opinion of the management of the company to be bought out. 17) Informing the authorities. 18) Prohibition of advertising. 19) Publishing of the results of the Take-Over Bid. 20) Informing the representatives of the employees of the company to be bought out. 21) Competitive bids. 22) Obligations after the revocation of the bid. 23) Penalties.

(continued)

Number of Rule	Title of Rule	Description
195/19-7-2000 GAZETTE B 987/9-8-2000	READJUSTMENT OF THE DAILY FLUCTUATION LIMITS OF THE STOCK SHARE PRICES	Par 2: The daily fluctuation limits of the stock share prices in the Athens Stock Exchange transactions are increased per 2 percent (upwards or downwards) from plus or minus 10 percent to plus or minus 12 percent.
196/28-7-2000 GAZETTE B 1002/9-8-2000	SAFETY VALVES FOR THE SMOOTH OPERATION OF THE ATHENS DERIVATIVES EXCHANGE S.A. AND THE DERIVATIVES TRANSACTIONS CLEARING HOUSE	Par 4: 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. - Decision 154/16-3-1999 (Gazette A 741) is abolished.
196/28-7-2000 GAZETTE B 1002/9-8-2000	ACCOUNT BOOKS AND DATA THAT MUST BE KEPT BY THE MEMBERS OF THE ATHENS DERIVATIVES EXCHANGE SA AND THE DERIVATIVES TRANSACTIONS CLEARING HOUSE	Par 5: A) Documentation required for regular transactions in derivatives: 1) List of orders made in duplicate. 2) List of transactions made in duplicate. 3) Catalogue of exercising rights in options and repurchase or reselling or expiry of futures, made in duplicate. B) Account books that must be kept for regular transactions: 1) Account books kept regardless of the type of transactions. 2) Analytical statement of the insurance margins. 3) Record of daily transactions. C) Obligations of the Members as far as the keeping of account book and data concerned: 1) Obligation of keeping the afore-mentioned account books and data. 2) Mode of keeping account books and data. D) Right of knowledge.
197/4-8-2000	AMENDMENT OF THE MINISTERIAL DECISION 4151/B.1972/4-12-1998 “UNDERWRITERS REGULATION” AS IT IS PREDETERMINED	Par 3: RECOMMENDATION TO THE MINISTER OF NATIONAL ECONOMY. In article, par.7 of Ministerial Decision 41517/B 1972/ 4-12-1998 “Underwriters Regulation” as it is predetermined subject c is added as follows: “The transmission of stock shares to the Market Maker according to article 9 of decision 7D/182/25-1-2000 as it is predetermined”.

(continued)

Number of Rule	Title of Rule	Description
197/4-8-2000 GAZETTE B 1081/31-8-2000	AMENDMENT OF ARTICLE 5 OF DECISION 7D/182/25-1-2000 “MARKET MAKER IN THE NEW MARKET”	Par 4: Replacement of section f of par.1 and par. 3. - Cases in which Market Maker is no longer obliged to transmit orders of market making. - Temporary release of Market Maker from fulfilling its obligations in special cases.
199/12-9-2000 GAZETTE B 1167/21-9-2000	AMENDMENT OF DECISION 13/174/26-10-1999 “TERMS AND CONDITIONS CONCERNING THE BOOK BUILDING AND THE DISTRIBUTION OF STOCK SHARES WHICH, ARE AT THE INVESTORS’ DISPOSAL WITH AN INITIAL PUBLIC OFFERING” (GAZETTE B 2099)	Par 7: Article 8 is replaced as follows: “In cases of disposal of stock shares of privatized state companies, or companies with total assets over 200 billion GRD, or simultaneous combined offers in Greece and abroad, the Capital Market Commission may approve a deviation from the provisions stated in articles 2,3 and 5 of the present decision, after a grounded recommendation of the Main Underwriter”.
201/10-10-2000 GAZETTE B 1353/7-11-2000	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Par 11: Par. 12 is added after par.11 in article 1. A new par.4, in article 15, is also added. (By recounting of par.4 and 5). 2) Article 9 and the par.3 of article 14 is amended.
201/10-10-2000 GAZETTE B 1419/22-11-2000	TERMS AND CONDITIONS CONCERNING THE BOOK BUILDING AND THE DISTRIBUTION OF STOCK SHARES WHICH ARE AT THE INVESTORS DISPOSAL WITH AN INITIAL PUBLIC OFFERING (GAZETTE B 2099)	Par 9: Amendment of articles 5 and 6 concerning the book building procedure.

(continued)

Number of Rule	Title of Rule	Description
202/24-10-2000 GAZETTE B 1419 /22-11-2000	CURRENCY IN WHICH ACCOUNT BOOKS AND DATA MUST BE KEPT, SUBMITTED AND ISSUED FROM THE SUPERVISED ENTITIES FOR TRANSACTIONS REALIZED AFTER 1/1/2001 (INTRODUCTION OF EURO)	Par 6: This paragraph concerns Account books and data overlooked by the Capital Market Commission submitted to the Capital Market Commission and are kept or published by supervised entities, which are related to transactions made after the 1/1/2001. These must be overlooked, kept, submitted and published in Greek Drachmas and also in Euro. For the conversion of historical data from Greek Drachmas to Euro the irreversible parity of exchange between Greek Drachmas and Euro shall be used, according to the provisions of European Rule 1103/97 (EE L 16297) of the Council and the provisions of L.2842/2000 (Gazette A 207), as they are predetermined.
204/14-11-2000 GAZETTE B 1487 /6-12-2000	CODE OF CONDUCT OF LISTED COMPANIES	Par 5: CHAPTER A. Implementation field - General principles -Means of publicity. CHAPTER B. Specification of obligations foreseen in par. 2,3,4 and 5 of the Presidential Decree 350/1985 CHAPTER C. Specification of the content of the exclusion foreseen in article 3 of the Presidential Decree 53/1992. 1) Obligations of keeping secrecy. 2) Requirements for some particular persons of having transactions. Penalties. CHAPTER D. Obligation of announcing transactions in advance. CHAPTER E. Additional obligations for the companies and their administration. 1) Internal regulation of operation. 2) Internal monitoring department. 3) Investors' Relations Office. 4) Companies Announcement Office. 5) Penalties. CHAPTER F. Obligations for notification of data and information concerning the status and the activity of the company. 1) Annual Report. APPENDIX A: Cash flows statement model for Trade and Industrial Companies. APPENDIX B: Cash flows statement model for Banks. APPENDIX Γ: Cash flows statement model for Insurance Companies.

(continued)

Number of Rule	Title of Rule	Description
207/19-12-2000 GAZETTE B 48/24-1-2001	AMENDMENT OF DECISION 5/196/28-7-2000 “ACCOUNT BOOKS AND DATA THAT MUST BE KEPT BY THE MEMBERS OF THE ATHENS DERIVATIVES EXCHANGE S.A. AND THE DERIVATIVES TRANSACTIONS CLEARING HOUSE” (GAZETTE B 1002/9-8-2000)	Par 5: 1) Par. 2 of article 1 is recounted as par.3 and a new par.2 is added. 2) After article 12, article 13 is added.
207/19-12-2000 GAZETTE B 34 /19-1-200	AMOUNTS PAID TO THE ATHENS DERIVATIVES EXCHANGE S.A. AND THE DERIVATIVES TRANSACTIONS CLEARING HOUSE BY THE MEMBERS AS A REGISTRATION FEE AND ANNUAL CONTRIBUTION	Par 6: It determines the payment of the members to the Athens Derivatives Exchange and the Derivatives Transactions Clearing House as: 1) Registration fee. 2) Annual contribution. - Abolishment of decision 186/7-3-2000 GAZETTE B 421/30-3-2000
207/19-12-2000	ADDITIONAL CONTRIBUTIONS TO THE TRANSACTION CLEARING FUND OF THE ATHENS STOCK EXCHANGE	Par 7: The foreseen contribution of Athens Stock Exchange members to the Transaction Clearing Fund, according to the decision 106/13-5-1997/Par. 4 that is equal to 0,01 percent of the value of daily transactions, is extended until 31-12-2002.
207/19-12-2000 GAZETTE B 34 /19-1-2001	SUPPLEMENTARY DATA FOR THE CONTENT OF THE TRIPLICATE DOCUMENTATION ISSUED BY THE MEMBERS OF THE ATHENS STOCK EXCHANGE TO MAKE OUT STOCK TRANSACTIONS AFTER 1-1-2001	Par 9: Over and above the data foreseen in 6280/B 508/17-5-1989 Ministerial Decision. After the beginning of the treatment of securities in Euro on 1-1-2001, the amounts included in the triplicate documentation of transactions issued by the Members of the Athens Stock Exchange will be written both in Euro and Greek Drachmas during the transitional period.

(continued)

Number of Rule	Title of Rule	Description
207/19-12-2000 GAZETTE B 34 /19-1-2001	REPLACEMENT OF THE DECISION 7B/182/25-1-2000 “OBLIGATIONS OF FIRMS ISSUED IN THE NEW MARKET”	Par 14: Notification of documentation: 1) Besides the documentation as anticipated in par.2 and 3 of article 16 of the decision 5/204/14-11-2000 of Capital Market Commission, the annual report will include an updating of the following chapters of the appendix 2 of decision 49/25-10-2000 of the Athens Stock Exchange Chapter I: 1, Chapter II, Chapter VIII, Chapter X. 2) The Athens Stock Exchange should be informed in writing, as soon as possible, about any event that could influence the implementation of the investing scheme or its smooth evolution, as it is anticipated within the time of its submission and about the review of the anticipations regarding the company’s outlook as well. 3) It should inform the relevant Authorities and the investing public, without delay, about the cessation of the cooperation with the Main Underwriter or the Market Maker and for the appointment of their substitute.

Appendix 2

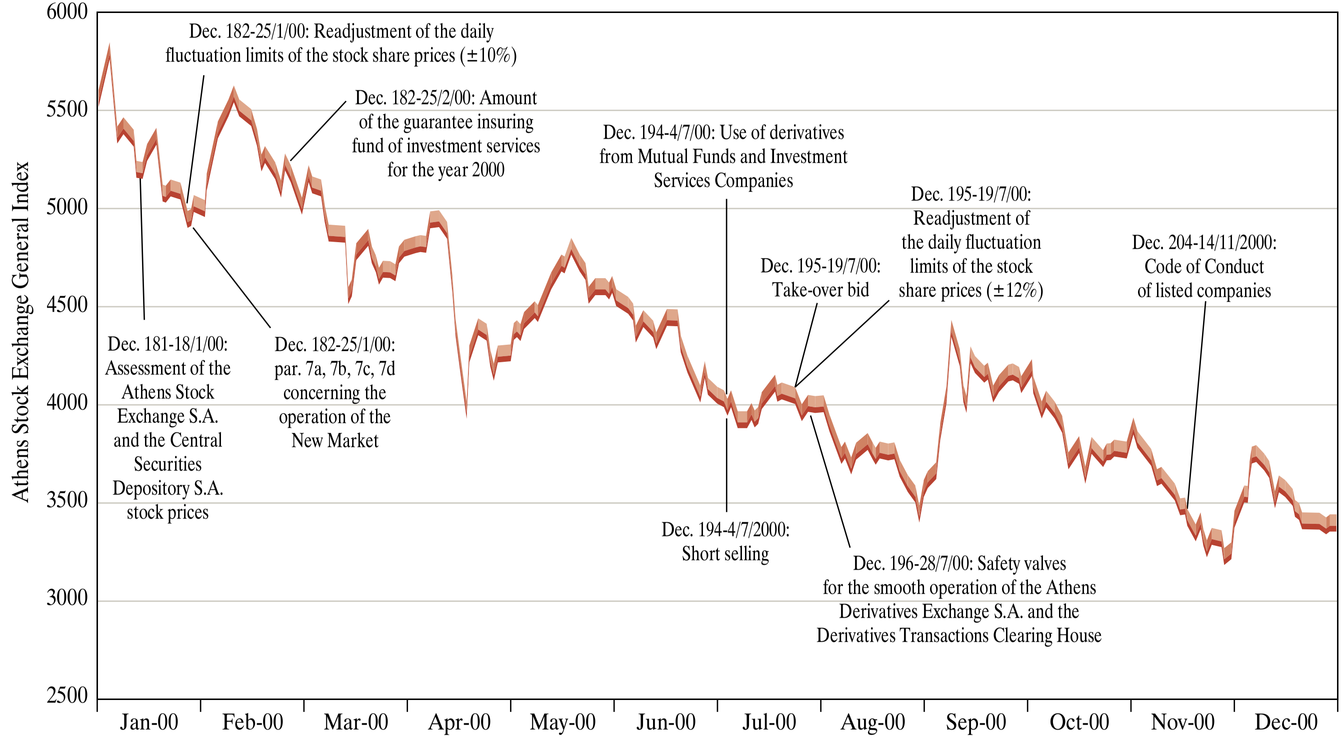
Participation in International Conferences, Fora and Meetings in 2000

Conference, Forum or Meeting	Date - Place
Annual Conference of the International Organization of Securities Commissions (IOSCO)	May 15-19, 2000, Sydney, Australia
European Regional Committee of IOSCO	May 16, 2000, Sydney, Australia 5-6 October 2000, Athens, Greece
Forum of the Executive Committee of IOSCO	October 19, 2000, Toronto, Canada
Meeting of Working Party No IV of the Technical Committee of IOSCO	May 5-6, 2000, London, UK September 18-24, 2000, Hong-Kong, Hong-Kong
Forum of European Securities Commissions (FESCO)	February 28-29, 2000, Amsterdam, the Netherlands May 4-5, 2000, Naples, Italy September 14, 2000, Paris, France December 14-15, 2000, Vienna, Austria
Federation of European Stock Exchanges (FESE) - Forum of European Securities Commissions (FESCO)	September 12-13, 2000, Brussels, Belgium
Meetings of the Experts Groups of FESCO	
Standards for Investor Protection	January 27, 2000, Paris, France April 12, 2000, Paris, France May 30, 2000, London, UK August 29, 2000, Lisbon, Portugal September 26, 2000, Paris, France November 7-8, 2000, Copenhagen, Denmark
Market Abuse	January 19, 2000, London, UK February 14, 2000, Paris, France March 24, 2000, Lisbon, Portugal November 26, 2000, Paris, France
European Public offers	January 31, 2000, Milan, Italy March 30, 2000, Milan, Italy June 26, 2000, Rome, Italy July 20, 2000, Paris, France October 16, 2000, Milan, Italy November 31, 2000, Milan, Italy
Primary Market Practices	February 11, 2000, Helsinki, Finland June 5, 2000, Helsinki, Finland July 19, 2000, Frankfurt, Germany August 22, 2000, Helsinki, Finland
FESCOPOL	January 28, 2000, London, UK April 3, 2000, Frankfurt, Germany September 5, 2000, Vienna, Austria
Alternative Trading Systems	February 18, 2000, London, UK July 3, 2000, London, UK

Conference, Forum or Meeting	Date - Place
Accounting Standards	November 2, 2000, Copenhagen, Denmark
Meetings of the High Level Securities Supervisors Committee	February 22, 2000, Brussels, Belgium June 8, 2000, Brussels, Belgium September 19-20, 2000, Brussels, Belgium November 20, 2000, Brussels, Belgium
UCITS Reformation Committee	March 16-17, 2000, Brussels, Belgium
Enlarged Contact Group on the Supervision of Collective Investment Fund	October 3-7, 2000, Amsterdam, the Netherlands
OECD Meeting on Corporate Governance	June 14-16, 2000, Paris, France
FATF	October 4-6, 2000, Madrid, Spain
New IASC Europe Convention	September 26-27, 2000, Brussels, Belgium
Conference on Non-Bank Financial Institutions: Development & Regulation	January 30 to February 6, 2000, Washington, USA
FSA Conference on "Tackling Market Abuse: The Proposed Code of Market Conduct"	September 7, 2000, London, UK
Conference of European Corporate Governance Network	November 15-18, 2000, Brussels, Belgium
Multi-Sectoral Experts Group on Effective Financial Services Supervision in Accession Countries	November 31, 2000, Brussels, Belgium
South Eastern Europe Cooperation Initiative	April 10, 2000, Istanbul, Turkey
Educational Participation	2000 IOSCO Seminar Training Program October 22-29, 2000, Montreal, Canada
Seminar of U.S. S.E.C. Annual International Institute on Securities Enforcement and Market Oversight	November 4-10, 2000, Washington, USA
Training Program with the Romanian National Securities Commission	January 16-23, 2000, Bucharest, Romania
Training Visit to the Israel Securities Authorities	June 12-13, 2000, Tel Aviv, Israel
Memoranda of Understanding (MoUs)	- Comissao de Valores Mobiliaros of Brasil, 17 May 2000, Sydney, Australia - Central Bank of Cyprus, 8 September 2000, Nicosia, Cyprus - Securities Market Agency of Slovenia, 6 October 2000, Athens, Greece - Bulgarian National Securities Commission, 1 December 2000, Sofia, Bulgaria

Appendix 3

The ASE General Index and Rules and Regulations Issued by the Capital Market Commission, 2000



Appendix 4

International Developments and the ASE General Index, 2000

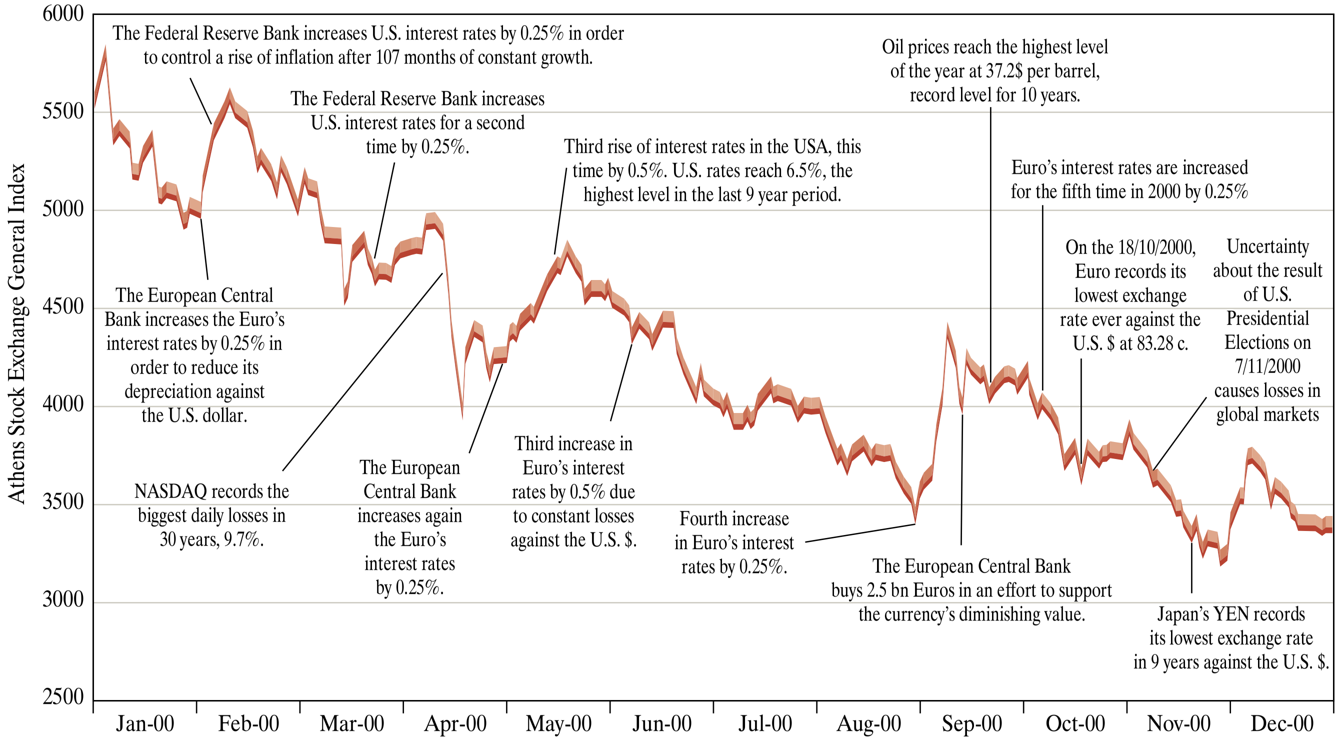


TABLE I

Number and Total Net Assets of Mutual Funds by Mutual Fund Management Firm, (1998-2000)

Rank	Management Firms	December 31, 2000 No. of M/F	Assets (bn GRD)	Market Share	Assets % change 2000-1999	December 31, 1999 No. of M/F	Assets (bn GRD)	Market Share	Assets % change 1999-98	December 31, 1998 No. of M/F	Assets (bn GRD)	Market Share	Assets % change 1998-97
1	ALPHA	26	2,206.9	20.97%	24.93%	22	1,766.5	14.80%	10.27%	19	1,602.0	17.80%	7.07%
2	DIETHNIKI	15	1,766.6	16.79%	106.50%	9	855.5	7.17%	-35.98%	9	1,336.2	14.85%	23.31%
3	ERGASIAS [1]	-	-	-	-	7	713.0	5.98%	-2.01%	6	727.6	8.09%	20.30%
4	INTERTRUST	21	852.6	8.10%	-29.01%	13	1,201.0	10.07%	117.26%	12	552.8	6.14%	19.99%
5	ATE	9	413.5	3.93%	-14.65%	8	484.5	4.06%	-21.78%	8	619.4	6.88%	17.85%
6	ERMIS	11	917.4	8.72%	-11.89%	9	1,041.2	8.73%	38.73%	9	750.5	8.34%	35.30%
7	IONIKI [2]	-	-	-	-	7	953.5	7.99%	111.84%	7	450.1	5.00%	6.61%
8	ALICO-EUROBANK	9	905.3	8.60%	-6.23%	8	965.4	8.09%	15.94%	8	832.7	9.26%	65.88%
9	CITI	4	202	1.92%	12.35%	4	179.8	1.51%	10.10%	2	163.3	1.81%	20.07%
10	MACEDONIA-THRACE [3]	-	-	-	-	3	213.4	1.79%	16.55%	3	183.1	2.04%	11.31%
11	PIRAEUS	17	751	7.14%	130.72%	7	325.5	2.73%	33.40%	6	244.0	2.71%	80.21%
12	NAT. NEDERLANDEN	9	192.2	1.83%	-24.77%	8	255.5	2.14%	80.69%	6	141.4	1.57%	-0.77%
13	KTIMATIKI [4]	-	-	-	-	6	985.4	8.26%	229.46%	5	299.1	3.32%	19.07%
14	XIOS [5]	-	-	-	-	6	195.3	1.64%	-16.22%	4	233.1	2.59%	32.74%
15	SG ASSET MANAGEMENT	8	31.2	0.30%	-21.41%	5	39.7	0.33%	16.76%	5	34.0	0.38%	-47.77%
16	HSBC (HELLAS)	8	169.6	1.61%	-22.91%	7	220.0	1.84%	101.10%	5	109.4	1.22%	2.05%

(continued)

Rank	Management Firms	No. of M/F	December 31, 2000 Assets (bn GRD)	Market Share	Assets % change 2000-1999	No. of M/F	December 31, 1999 Assets (bn GRD)	Market Share	Assets % change 1999-98	No. of M/F	December 31, 1998 Assets (bn GRD)	Market Share	Assets % change 1998-97
17	ALPHA TRUST	14	193.2	1.83%	-44.64%	9	349.0	2.92%	779.09%	8	39.7	0.44%	58.17%
18	ASPIS	6	97.3	0.92%	-7.86%	4	105.6	0.88%	54.39%	4	68.4	0.76%	-12.87%
19	ETVA P&K	6	38.2	0.36%	101.05%	3	19.0	0.16%	15.15%	3	16.5	0.18%	-68.98%
20	ABN AMRO	4	76.4	0.73%	-8.72%	4	83.7	0.70%	54.71%	4	54.1	0.60%	13.42%
21	ALLIANZ ELLINIKI	13	138.5	1.32%	-30.30%	10	198.7	1.66%	233.39%	9	59.6	0.66%	63.74%
22	EVROPAIKI PISTI	9	34.9	0.33%	-21.57%	7	44.5	0.37%	206.90%	4	14.5	0.16%	-18.54%
23	INTERNATIONAL	10	67.2	0.64%	-43.15%	10	118.2	0.99%	198.48%	5	39.6	0.44%	88.57%
24	GENIKI	9	172.9	1.64%	-14.28%	7	201.7	1.69%	35.64%	6	148.7	1.65%	59.89%
25	EGNATIA	9	146.5	1.39%	-20.64%	7	184.6	1.55%	36.44%	4	135.3	1.50%	216.12%
26	EFG	17	965.7	9.17%	8,153.85%	3	11.7	0.10%	-63.44%	3	32.0	0.36%	4.92%
27	TELESIS	6	31.8	0.30%	-19.08%	4	39.3	0.33%	62.40%	4	24.2	0.27%	9.50%
28	BARCLAYS	5	42.6	0.40%	-23.38%	5	55.6	0.47%	35.28%	4	41.1	0.46%	105.50%
29	CYPRUS	5	66.6	0.63%	23.56%	3	53.9	0.45%	-	-	-	-	-
30	MARFIN	11	7.5	0.07%	-	-	-	-	-	-	-		
31	LAIKI	4	37.6	0.36%	-47.56%	3	71.7	0.60%	-	-	-	-	-
	TOTAL	265	10,525.2	100%	-11.79%	208	11,932.4	100%	33.29%	172	8,952.4	100%	22.18%

Source : Union of Greek Institutional Investors, CMC.

[1] *Since 10/11/2000 EFG management firm manages Ergasias management firm's mutual funds.*

[2] *Since 19/10/2000 the Ioniki management firm was merged with Alpha management firm.*

[3] & [5] *Since 1/8/2000 Piraeus management firm manages Xios' and Mecedonia-Thrace management firms' mutual funds.*

[4] *Since 30/6/2000 Ktimatiki management firm was merged with Diethniki management firm.*

TABLE II

Number and Total Net Assets of Mutual Funds by Type of Fund, 31/12/2000

Rank	Management Firms	No. of M/F	BOND FUNDS Domestic	BOND FUNDS Foreign	BOND FUNDS Int'l	MONEY MARKET FUNDS Domestic	MONEY MARKET FUNDS Foreign	MONEY MARKET FUNDS Int'l	MIXED FUNDS Domestic	MIXED FUNDS Foreign	MIXED FUNDS Int'l	EQUITY FUNDS Domestic	EQUITY FUNDS Foreign	EQUITY FUNDS Int'l
1	ALPHA	26	7.34%	1.10%	-	62.81%	0.07%	-	1.33%	0.08%	-	26.18%	0.78%	0.32%
2	DIETHNIKI	15	13.20%	0.55%	-	61.73%	-	-	5.31%	-	-	18.89%	0.32%	-
3	EFG	17	19.61%	-	-	2.58%	-	-	63.63%	0.19%	0.71%	9.59%	3.69%	-
4	ERMIS	11	10.29%	-	-	62.24%	-	-	4.00%	-	-	23.47%	-	-
5	ALICO-EUROBANK	9	1.27%	3.10%	-	76.87%	-	0.46%	-	-	6.32%	11.35%	0.63%	-
6	INTERTRUST	21	39.72%	-	0.79%	7.76%	-	0.51%	1.86%	-	-	48.56%	0.71%	0.10%
7	PIRAEUS	17	8.73%	-	0.57%	73.14%	-	-	6.41%	-	-	10.40%	-	0.75%
8	ATE	9	28.48%	-	1.49%	43.32%	-	-	0.22%	-	3.53%	21.78%	-	1.18%
9	CITI	4	31.93%	-	-	54.00%	-	-	1.35%	-	-	12.72%	-	-
10	ALPHA TRUST	14	5.06%	-	1.08%	13.69%	-	0.21%	3.20%	-	-	68.08%	7.58%	1.10%
11	NAT. - NEDERLANDEN	9	-	1.82%	-	25.92%	-	-	3.91%	-	-	44.07%	24.29%	-
12	GENIKI	9	19.88%	-	0.77%	52.39%	-	-	2.96%	0.49%	0.65%	22.86%	-	-
13	HSBC (HELLAS)	8	13.18%	-	2.48%	30.62%	-	-	-	-	-	47.58%	1.53%	4.60%
14	EGNATIA	9	2.18%	-	-	63.67%	-	-	-	-	-	31.41%	0.90%	1.84%
15	ALLIANZ ELLINIKI	13	25.39%	-	2.80%	8.64%	-	-	25.64%	-	-	33.46%	-	4.07%

(continued)

Rank	Management Firms	No. of M/F	BOND FUNDS Domestic	BOND FUNDS Foreign	BOND FUNDS Int'l	MONEY MARKET FUNDS Domestic	MONEY MARKET FUNDS Foreign	MONEY MARKET FUNDS Int'l	MIXED FUNDS Domestic	MIXED FUNDS Foreign	MIXED FUNDS Int'l	EQUITY FUNDS Domestic	EQUITY FUNDS Foreign	EQUITY FUNDS Int'l
16	ASPIS	6	56.31%	-	1.25%	16.03%	-	-	-	-	-	26.41%	-	-
17	ABN AMRO	4	14.12%	-	-	71.48%	0.32%	-	-	-	-	14.08%	-	-
18	INTERNATIONAL	10	34.29%	-	-	14.86%	-	-	19.67%	-	1.00%	27.18%	-	3.00%
19	CYPRUS	5	4.03%	-	-	70.40%	-	-	0.58%	-	-	24.99%	-	-
20	BARCLAYS	5	23.84%	2.18%		59.23%	-	-	-	-	-	14.75%	-	-
21	ETVA P&K	6	-	-	2.55%	85.73%	-	-	-	-	-	10.24%	-	1.48%
22	LAIKI	4	4.61%	-	-	28.22%	-	-	-	-	-	67.17%	-	-
23	EVROPAIKI PISTI	9	30.84%	3.43%	-	14.63%	-	-	6.48%	-	-	44.62%	-	-
24	TELESIS	6	23.07%	-	4.93%	20.99%	-	-	-	-	1.22%	39.72%	-	10.06%
25	SG ASSET MANAGEMENT	8	35.44%	-	-	40.07%	-	-	2.55%	1.19%	-	20.75%	-	-
26	MARFIN	11	-	-	-	6.72%	-	-	24.59%	-	11.42%	46.53%	-	10.74%
	TOTAL	265	38	13	11	41	2	4	25	4	7	78	25	17

Source: Union of Greek Institutional Investors, CMC.

TABLE III

Mutual Funds Returns by Type of Fund, 1995 - 2000

Mutual Fund Classification	Rate of Return 2000	Rate of Return 1999	Rate of Return 1998	Rate of Return 1997	Rate of Return 1996	Average Accumulation 2000	Average Accumulation 1999	Average Accumulation 1998	Average Accumulation 1997	Average Accumulation 1996	Average Accumulation 1995
BONDS FUNDS											
Domestic	7.83%	15.07%	11.40%	11.43%	11.94%	7.98%	5.63%	11.90%	12.01%	11.74%	17.01%
Foreign	12.25%	13.88%	9.12%	11.91%	6.36%	-	15.38%	8.38%	11.65%	4.64%	11.16%
International	10.48%	14.57%	10.32%	8.85%	4.31%	11.19%	-5.37%	10.18%	11.85%	-	-
MONEY MARKET FUNDS											
Domestic	6.37%	14.62%	12.33%	11.46%	11.22%	7.15%	12.96%	11.73%	11.62%	11.01%	16.32%
Foreign	6.94%	6.63%	6.19%	-0.25%	5.54%	-	9.11%	5.47%	2.30%	4.90%	4.20%
International	7.43%	9.77%	9.25%	10.33%	13.87%	9.97%	12.80%	7.33%	23.15%	-	-
EQUITY FUNDS											
Domestic	-38.42%	116.56%	80.27%	47.06%	-4.17%	-45.66%	98.32%	78.27%	46.50%	-4.33%	8.07%
Foreign	-7.43%	50.68%	2.29%	6.60%	13.25%	-10.91%	44.71%	2.09%	23.53%	13.26%	11.10%
International	-13.21%	57.52%	15.24%	20.36%	9.08%	-19.24%	68.66%	15.24%	34.72%	-	-
MIXED FUNDS											
Domestic	-20.19%	80.68%	49.31%	28.86%	3.50%	-23.23%	64.75%	45.32%	29.96%	4.01%	8.30%
Foreign	4.04%	22.48%	9.47%	21.50%	10.69%	5.52%	19.15%	4.76%	22.33%	13.73%	12.45%
International	-10.04%	41.58%	24.85%	14.96%	11.27%	-11.50%	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, CMC.

TABLE IV
Assets and Monthly Returns of Domestic Mutual Funds Assets by Type of Fund, 1998-2000

	Total Assets (bn GRD)	Assets of Bonds Funds (bn GRD)	% Return of Bonds Funds	Assets of Equity Funds (bn GRD)	% Return of Equity Funds	Assets of Mixed Funds (bn GRD)	% Return of Mixed Funds	Assets of Money Market Funds (bn GRD)	% Return of Money Market Funds
Dec-00	10,525.0	1,514.0	1.14	2,503.7	1.58	914.76	1.75	5,216.52	0.60
Nov-00	10,454.7	1,414.9	0.62	2,436.8	-11.68	898.00	-7.05	5,322.61	0.29
Oct-00	10,989.4	1,406.0	0.14	2,827.0	-11.32	957.77	-5.31	5,398.87	0.40
Sep-00	11,357.1	1,408.0	0.98	3,242.6	8.14	1,013.88	6.08	5,278.86	0.67
Aug-00	10,969.9	1,416.6	0.07	2,951.7	-10.18	1,011.53	-4.87	5,168.75	0.43
Jul-00	11,571.7	1,420.9	0.51	3,358.6	-1.42	1,016.58	-0.26	5,374.54	0.53
Jun-00	11,481.3	1,439.7	0.33	3,450.5	-11.18	1,000.85	-5.88	5,192.32	0.39
May-00	12,052.4	1,443.3	0.57	3,956.0	11.02	1,002.60	5.52	5,247.24	0.74
Apr-00	11,527.3	1,488.2	0.19	3,473.4	-12.30	962.45	-6.31	5,189.61	0.38
Mar-00	11,894.3	1,390.6	0.85	4,205.8	-7.72	949.50	-3.80	4,919.14	0.63
Feb-00	12,033.1	1,325.5	1.72	4,703.1	-3.67	964.70	-0.89	4,701.10	0.90
Jan-00	11,930.8	1,270.7	0.63	4,788.4	-6.43	924.10	-3.61	4,644.18	0.85
Dec-99	11,933.5	1,277.3	1.08	4,880.8	-6.11	910.73	-2.38	4,568.49	1.01
Nov-99	12,143.6	1,311.8	1.88	5,137.6	3.49	910.86	3.18	4,509.53	1.44
Oct-99	12,110.1	1,371.5	0.21	4,738.4	4.94	905.08	1.80	4,843.40	0.84
Sep-99	11,626.9	1,484.0	1.07	3,993.0	8.58	897.24	6.46	5,000.87	1.32
Aug-99	11,341.2	1,646.1	2.00	3,023.6	26.56	934.65	16.53	5,490.84	2.55

(continued)

	Total Assets (bn GRD)	Assets of Bonds Funds (bn GRD)	% Return of Bonds Funds	Assets of Equity Funds (bn GRD)	% Return of Equity Funds	Assets of Mixed Funds (bn GRD)	% Return of Mixed Funds	Assets of Money Market Funds (bn GRD)	% Return of Money Market Funds
Jul-99	10,383.1	1,763.0	0.05	1,951.0	10.28	832.83	5.66	5,600.04	0.78
Jun-99	10,110.8	1,824.6	0.54	1,516.1	6.73	808.43	3.75	5,726.38	0.94
May-99	9,851.6	1,798.1	1.24	1,289.9	12.70	788.89	7.91	5,744.81	0.87
Apr-99	9,468.4	1,728.2	1.63	979.0	7.89	762.40	6.15	5,763.00	0.91
Mar-99	9,326.9	1,681.5	2.11	840.3	0.42	750.41	0.53	5,827.47	1.10
Feb-99	9,367.6	1,602.6	1.13	726.0	8.80	760.69	6.43	6,050.74	0.87
Jan-99	9,254.7	1,537.2	0.92	623.1	14.05	801.05	8.74	6,054.45	0.92
Dec-98	8,997.7	1,550.9	1.23	473.5	6.06	756.61	3.28	5,946.69	1.05
Nov-98	8,895.0	1,586.0	1.08	434.5	14.32	706.50	8.05	5,880.31	0.98
Oct-98	8,639.9	1,588.6	0.84	353.7	1.47	694.64	1.78	5,716.10	0.96
Sep-98	8,839.0	1,590.5	0.75	339.0	-2.40	695.64	-0.60	5,914.30	0.93
Aug-98	8,737.5	1,673.2	0.69	329.8	-15.52	683.81	-8.81	5,738.44	0.81
Jul-98	8,506.8	1,686.4	1.10	375.9	14.38	693.78	8.23	5,439.45	1.04
Jun-98	8,121.8	1,663.6	0.73	330.3	-7.02	693.27	-3.84	5,113.46	1.04
May-98	8,040.2	1,889.6	1.10	334.3	5.24	714.45	3.13	4,929.55	1.09
Apr-98	7,988.8	1,703.7	1.33	304.5	27.38	703.70	14.71	4,904.05	1.14
Mar-98	8,343.8	1,720.1	1.14	265.5	30.20	709.46	16.49	5,405.20	1.25
Feb-98	8,179.6	1748,9	0.36	217.2	1.98	700.67	1.14	5,358.86	0.98

Soure: Union of Greek Institutional Investos, CMC.

TABLE V

Mutual Funds Assets, ASE Capitalization and the ASE General Index, 1998-2000

	Total Mutual Funds Assets (bn GRD)	Perentage Chenge	ASE Capitalization (bn GRD)	ASE General Index	Percentage Return
Dec-00	10,525.0	0.67	66,411.5	3,388.86	4.41
Nov-00	10,454.7	-4.87	65,242.1	3,245.77	-14.54
Oct-00	10,989.4	-3.24	70,770.1	3,797.84	-7.16
Sep-00	11,357.1	3.53	75,742.1	4,090.89	15.00
Aug-00	10,969.9	-5.20	73,360.8	3,557.15	-10.81
Jul-00	11,571.7	0.79	78,767.6	3,988.28	-1.63
Jun-00	11,481.3	-4.74	79,883.0	4,054.41	-12.02
May-00	12,052.4	4.56	91,179.9	4,608.24	8.44
Apr-00	11,527.3	-3.09	74,705.5	4,249.45	-11.35
Mar-00	11,894.3	-1.15	82,842.9	4,793.47	-4.17
Feb-00	12,033.1	0.86	89,120.8	5,002.23	0.24
Jan-00	11,930.8	-0.02	89,330.1	4,990.02	-9.85
Dec-99	11,933.5	-1.73	93,500.9	5,535.09	-3.10
Nov-99	12,143.6	0.28	97,586.9	5,712.26	4.96
Oct-99	12,110.1	4.16	92,183.3	5,442.14	-3.98
Sep-99	11,626.9	2.52	89,350.8	5,667.60	8.88
Aug-99	11,341.2	9.23	82,660.1	5,205.34	19.80

(continued)

	Total Mutual Funds Assets (bn GRD)	Perentage Chenge	ASE Capitalization (bn GRD)	ASE General Index	Percentage Return
Jul-99	10,383.1	2.69	67,542.1	4,345.13	7.78
Jun-99	10,110.8	2.63	62,340.0	4,031.64	2.46
May-99	9,851.6	4.05	60,346.3	3,934.67	8.77
Apr-99	9,468.4	1.52	53,974.2	3,617.42	7.14
Mar-99	9,326.9	-0.43	50,891.8	3,376.37	-0.04
Feb-99	9,367.6	1.22	51,530.3	3,377.58	7.24
Jan-99	9,254.7	2.86	48,268.8	3,149.50	15.05
Dec-98	8,997.7	1.15	45,639.5	2,737.55	8.99
Nov-98	8,895.0	2.95	42,897.3	2,511.82	16.13
Oct-98	8,639.9	-2.25	38,698.2	2,162.93	1.98
Sep-98	8,839.0	1.16	38,919.5	2,120.90	-2.51
Aug-98	8,737.5	2.71	38,014.0	2,175.53	-22.23
Jul-98	8,506.8	4.74	41,974.4	2,797.41	18.26
Jun-98	8,121.8	1.01	39,694.0	2,365.45	-8.71
May-98	8,040.2	0.64	40,961.5	2,591.03	-1.16
Apr-98	7,988.8	-4.25	38,703.7	2,621.44	30.69
Mar-98	8,343.8	2.01	35,465.7	2,005.82	41.33
Feb-98	8,179.6	4.72	32,003.2	1,419.22	1.71
Jan-98	7,810.8	-	30,004.5	1,395.40	-

Source: Union of Greek Institutional Investors, CMC.

TABLE VI

The Performance of Portfolio Investment Companies, 31/12/2000*

Rank	Portfolio Investment Companies	Date of listing in the ASE	Share Price 29/12/2000	Market Capitalization (million GRD)	Net Asset Value (million GRD)	Premium or Discount (%)
1	Active Invest.	01.09.1999	1,000	4,940	5,350	26.8%
2	Alpha Investments	19.11.1984	1,910	191,000	199,500	(-4.3%)
3	Aeolean Invest. Fund	09.08.1993	840	18,779	19,578	(-4.1%)
4	Aspis Invest.	07.04.1995	1,245	5,446	18,581	43.7%
5	Dias Closed & Inv. Fund	27.07.1992	801	20,113	15,885	26.6%
6	National Invest. Co.	19.06.1981	1,165	113,376	111,005	3.9%
7	Hellenic Invest Co.	19.01.1973	1,025	122,323	145,228	(15.8%)
8	Commercial Invest.	17.08.1993	1,105	39,818	53,016	(-24.9%)
9	Exelixi	06.05.1992	363	30,873	32,629	(-5.4%)
10	Investment Develop. Fund	12.08.1982	961	28,130	35,748	(-21.3%)
11	Ergo Invest	11.11.1977	917	121,961	150,887	(-19.2%)
12	Interinvest	15.01.1992	747	12,811	13,826	(-7.3%)
13	Alpha Trust-Asset Manager	02.08.1993	1,510	7,927	7,710	2.8%
14	Marfin	18.08.1993	1,435	36,988	25,433	45.4%
15	Piraeus Investment	06.12.1990	1,190	57,917	50,730	14.2%
16	The Greek Progress Fund	30.07.1990	1,500	48,360	56,826	(-14.9%)
17	Alpha Trust Orion	19.12.1994	916	20,610	23,351	(-11.7%)
	Total			881,372	965,283	

Source: Union of Greek Institutional Investors, CMC.

** Temporary Data.*

TABLE VII

FEFSI Statistics on EU Member-states Mutual Funds Sector (I), 30/9/2000

Member-states	No. of M/F	Equity	Bonds	Money Market	Mixed	Funds of Funds	Other	Total Assets (mil Euro)	Equities	Bonds	Liquid Assets	Mixed	Funds of Funds	Other Assets
Austria	1,627	397	528	24	678	348	n/a	86,666	18,725	44,834	843	22,264	12,319	n/a
Belgium	882	656	114	24	87	36	1	74,487	47,885	8,745	864	16,944	8,949	49
France	7,065	2,300	1,383	666	2,716	0	0	778,600	229,200	125,100	220,100	204,200	0	0
Germany	964	454	305	41	117	73	47	273,095	171,666	59,087	22,154	15,089	4,430	5,099
Denmark	375	249	113	2	11	0	0	34,874	21,231	13,240	26	3,820	0	0
Switzerland	350	240	110	0	0	0	0	91,411	70,132	21,280	0	0	0	0
Greece	248	104	63	45	36	0	0	33,472	10,159	4,439	15,588	3,287	0	0
U.K.	1,799	1,209	223	48	261	89	58	428,210	349,033	35,418	1,507	31,862	11,160	10,390
Ireland	223	122	41	0	60	0	0	94,492	-	-	-	-	-	-
Spain	2,366	948	657	201	560	0	0	194,773	67,159	47,572	34,173	45,869	0	0
Italy	952	431	338	35	148	0	0	475,021	173,148	164,041	20,323	117,509	0	0
Luxembourg	5,754	2,521	1,858	269	699	0	407	824,876	378,038	263,761	73,429	70,669	0	38,979
Norway	366	222	68	42	34	55	0	18,345	12,446	1,449	3,911	539	254	0
Netherlands	348	201	56	31	38	0	22	101,800	68,400	17,600	5,300	8,600	0	1,900
Hungary	90	26	28	17	19	0	0	2,071	234	1,421	352	63	0	0
Poland	74	23	15	14	19	0	3	1,454	225	220	656	338	0	15
Portugal	240	82	66	40	22	57	30	19,284	3,062	5,641	6,833	1,482	3,134	2,266
Sweden	481	321	50	38	67	2	5	89,334	68,781	3,453	3,175	13,809	17	116
Czech Republic	61	10	8	8	35	2	0	1,983	33	112	700	1,139	29	0
Finland	221	113	33	20	55	0	0	14,698	7,054	1,701	2,124	3,820	0	0
Total	24,486	10,629	6,057	1,565	5,662	662	573	3,638,946	1,696,611	819,114	412,058	561,303	40,292	58,814

Source: FEFSI, CMC.

TABLE VIII

FEFSI Statistics on EU Member-states Mutual Funds Sector (II), 30/9/2000

Member-states	No. of M/F	Property Funds	Derivatives Funds	Venture Capital Funds	Specul. Funds	Securitization	Open-Ended Funds	Closed-Ended Funds	Total Assets (mil Euro)	Property Funds	Derivative Funds	Venture Capital Funds	Specul. Funds	Securitization	Open-Ended Funds	Closed-Ended Funds
Austria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Belgium	42	20	0	1	0	21	0	0	5,202	2,652	0	91	0	2,459	0	0
France	3,691	0	34	197	0	0	3,461	0	56,590	0	1,100	4,940	0	0	50,550	0
Germany	5,168	18	0	0	5,150	0	0	0	557,179	47,805	0	0	509,374	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	7,423	7,423	0	0	0	0	0	0
Greece	17	0	0	0	0	0	0	17	3,396	0	0	0	0	0	0	0
U.K.	470	2	21	0	91	0	0	356	172,668	784	468	0	30,642	0	0	140,774
Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spain	5	5	0	0	0	0	0	0	1,194	1,194	0	0	0	0	0	0
Italy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Luxembourg	900	10	47	18	393	0	0	432	86,321	3,471	1,175	446	38,022	0	0	43,208
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hungary	6	4	0	0	0	0	0	2	39	28	0	0	0	0	0	11
Poland	2							2	22							22
Portugal	42	42	0	0	0	0	0	0	3,410	3,410	0	0	0	0	0	0
Sweden	9	0	1	0	0	0	8	0	375	0	73	0	0	0	302	0
Czech Republic	16	0	0	0	0	0	0	16	835	0	0	0	0	0	0	835
Finland	4	0	4	0	0	0	0	0	257	0	0	0	257			
Total	10,404	132	107	217	5,634	21	3,469	825	894,960	66,767	2,816	5,526	578,295	2,459	50,852	184,850

Source: FEFSI, CMC.

TABLE IX

FEFSI Statistics on the non-EU Member-states Mutual Funds Sector, 30/9/2000

Member-states	Number of Mutual Funds						Total Assets (million Euro)					
	Total Number	Equity	Bonds	Mixed	Money Market	Other	Total Assets	Equities	Bonds	Mixed	Liquid Assets	Other Assets
Argentina	226	67	83	30	46	-	8,691	452	1,477	357	6,405	-
Australia	-	-	-	-	-	-	372,037	119,007	44,279	-	79,993	128,758
Brazil	2,082	600	1,085	293	-	104	171,332	14,875	146,393	8,997	0	1,067
USA	8,065	4,272	2,227	526	1,040	-	8,253,258	4,987,012	904,548	402,422	1,959,276	-
Japan	2,884	1,833	608	428	15	-	557,782	142,350	238,466	28,145	148,821	-
India	221	105	53	26	37	-	14,701	3,072	4,566	5,529	1,534	-
Canada	1,506	990	175	165	107	69	326,358	201,543	23,618	51,042	31,698	18,458
Korea	11,677	4,904	3,657	-	3,116-	141,602	56,289	34,683	-	50,630	-	
Mexico	298	78	184	8	28	-	21,559	2,943	17,873	157	587	-
New Zealand	629	216	143	197	16	57	8,230	1,979	933	3,493	419	1,406
South Africa	324	190	28	69	21	16	19,936	10,681	1,533	1,360	5,256	1,105
Taiwan	280	205	59	16	-	-	44,110	12,313	30,224	1,573	-	-
Philippines	18	5	5	8	-	-	139	20	78	42	-	-
Hong-Kong	899	604	153	66	65	11	252,850	184,547	29,984	19,030	18,946	344
Total	29,109	14,069	8,460	1,832	4,491	257	10,192,585	5,737,083	1,478,655	522,147	2,303,564	151,138

Source: FEFSI, CMC.

TABLE X

The Status of the ASE listed Companies, 31/12/2000

Number of Companies	Under Regular Trading	Under Surveillance	Companies Trading	Under Suspension	Total
Main Market	217	7	224	14	238
Parallel Market	102	1	103	1	104
ASE Total	**319**	**8**	**327**	**15**	**342**

Companies under Suspension

Main Market	Date	Parallel Market	Date
Bank of Crete	23/11/1988	Elviemek	26/6/1997
ALCAR Trans. Co. & Tour. S.A.	9/8/1989		
Halkis Cement Co.	26/3/1991		
Greek Powder Co.	2/4/1992		
Philippou DE S.A.	20/1/1995		
Int'l Clothing Ind. S.A.	23/10/1995		
Cosmos S.A.	11/6/1996		
Globe S.A.	11/6/1996		
Magrizos Bros S.A.	7/11/1996		
ECON Industries S.A.	4/12/1996		
DANE Sea Line	7/10/1998		
Thessaliki Spirits Co.	1/7/1999		
Nimatemporiki S.A.	23/7/1999		
Flour Mill Ag. Georgiou	1/11/2000		

Companies under Surveillance

Main Market	Date	Parallel Market	Date
Technodomi M. Travlos	25/11/1998	Perseus S.A.	20/10/2000
Athinaia S.A.	23/9/1999		
Viosol S.A.	23/9/1999		
Emporikos Desmos S.A.	23/9/1999		
Klaoudatos S.A.	23/9/1999		
Intersat S.A.	5/11/1999		
Daring S.A.	9/3/2000		

Mergers and Acquisitions between Listed Companies

Take over Company	Taken over Company
ALPHA BANK	IONIAN BANK
BANK OF PIRAEUS	XIOSBANK, BANK OF MACEDONIA-THRACE
DIS	COMPUTER LOGIC
EUROBANK	ERGO BANK

TABLE XI

New Listings in the Athens Stock Exchange, 2000

No	Company	IPO Period	Date of Enlistment	Type of Market	Type of Share	Initial Share price	Number of New/ Existing Shares: Public Placement	Private Placement	Total Funds Raised	Main Underwriter	Advisor
1	Germanos SA	11-14/1/00	14-Feb-00	Main	CR	9,500	7,076,500	1,018,500	76,902,500,000	EFG Eurobank	Telesis Securities
2	Technical Publications SA	14-18/1/00	10-Feb-00	Parallel	CR	3,500	424,000	21,000	1,557,500,000	Alpha Bank	Sigma Securities
3	Informatics Computers SA	17-19/1/00	11-Feb-00	Parallel	CR	4,300	521,400	0	2,242,020,000	Ergo Bank	Ergofinance
4	Liberis Publications SA	19-21/1/00	9-Feb-00	Parallel	CR	7,500	840,000	42,000	6,615,000,000	EFG Eurobank	EFG Eurobank
5	Domiki Kritis SA	24-26/1/00	15-Feb-00	Parallel	CR	2,600	1,226,640	60,000	3,345,264,000	Ionian Bank Alpha Bank	Ionian Finance
6	Byte Computer SA	26-28/1/00	23-Feb-00	Parallel	CR	4,700	687,660	34,343	3,393,414,100	Telesis Securities	Telesis Securities
7	Kathimerini Publications SA	8-12/2/00	7-Mar-00	Main	CR	5,800	4,050,000	200,000	24,650,000,000	National Bank of Greece	Alpha Finance, ETEVA
8	Naytemporiki Publications SA	11-15/2/00	8-Mar-00	Parallel	CR	4,300	780,500	39,000	3,523,850,000	National Bank of Greece	P&K Securities
9	Mathios SA	16-18/2/00	17-Mar-00	Parallel	CNR	3,500	493,370	24,130	1,811,250,000	Bank of Piraeus	Piraeus Finance
10	IMAKO Media Net Group SA	17-21/2/00	21-Mar-00	Parallel	CR	6,000	725,500	36,000	4,569,000,000	National Bank of Greece	ETEVA
11	Iktinos Hellas SA	21-23/2/00	15-Mar-00	Parallel	CNR	3,000	460,000	22,500	1,447,500,000	Bank of Piraeus	N. D. Devletoglou Securities
12	Hellenic Petroleum SA [1]	22-25/2/00	3-Mar-00	Main	CR	4,050	30,000,000	0	121,319,159,480	National Bank of Greece	ETEVA

(continued)

No	Company	IPO Period	Date of Enlistment	Type of Market	Type of Share	Initial Share price	Number of New/ Existing Shares: Public Placement	Number of New/ Existing Shares: Private Placement	Total Funds Raised	Main Underwriter	Advisor
13	Pegasus Publishing SA	28/2-2/3/00	27-Mar-00	Main	CR	2,800	7,142,860	357,140	21,000,000,000	National Bank of Greece	N. D. Devletoglou Securities
14	Agricultural Insurance SA	3-8/3/00	12-Apr-00	Main	CR	4,800	3,969,500	198,000	20,004,000,000	Agricultural Bank of Greece	Agricultural Finance
15	Akritas SA	6-9/3/00	7-Apr-00	Main	CR	4,200	3,096,000	154,500	13,652,100,000	Alpha Bank	HSBC Bank Plc
16	Kreta Farm SA	9-14/3/00	3-Apr-00	Parallel	CR	6,300	873,920	10,280	5,570,460,000	Commercial Bank	Sigma Sec. / Xios Bank
17	N. Varveris - Moda Bagno SA	10-15/3/00	17-Apr-00	Parallel	CR	4,100	818,000	40,550	3,520,055,000	Alpha Bank	Alpha Finance
18	Daios Plastics SA	15-17/3/00	20-Apr-00	Parallel	CR	9,500	397,500	19,500	3,961,500,000	Xios Bank	Sigma Sec. / Xios Bank
19	PC Systems SA	20-22/3/00	14-Apr-00	Parallel	CR	8,750	302,900	15,100	2,782,500,000	Bank of Piraeus	Sigma Securities
20	KEGO Veterinary Products SA	23-27/3/00	27-Apr-00	Parallel	CR	3,400	760,000	20,000	2,652,000,000	Ergo Bank	Alpha Finance
21	Informer SA	27-29/3/00	2-May-00	Parallel	CR	7,000	1,002,690	50,000	7,368,830,000	Commercial Bank	Egnatia Securities
22	Datamedia SA		13-Apr-00	Main	CR	8,000	Listing without Public Offering			Commercial Bank Bank of Piraeus	Sigma Securities
23	Ikona - Ihos SA	12-14/4/00	11-May-00	Parallel	CR	6,000	681,000	34,000	4,290,000,000	Commercial Bank	Commercial Bank
24	Kordellos CH. Bros SA	3-5/5/00	26-May-00	Parallel	CNR	3,000	770,000	38,150	2,424,450,000	Commercial Bank	Elliniki Securities Investment Services SA
25	Iaso SA *	4-9/5/00	9-Jun-00	Main	CR	5,200	5,519,470	1,379,858	35,876,505,600	National Bank of Greece Commercial Bank	ETEVA

(continued)

No	Company	IPO Period	Date of Enlistment	Type of Market	Type of Share	Initial Share price	Number of New/ Existing Shares: Public Placement	Number of New/ Existing Shares: Private Placement	Total Funds Raised	Main Underwriter	Advisor
26	Evrofarma SA	15-17/5/00	12-Jun-00	Parallel	CR	2,200	892,000	44,600	2,060,520,000	Commercial Bank	Commercial Bank
27	Gregory's Mikrogevmata SA	24-26/5/00	13-Jun-00	Parallel	CR	4,000	1,074,580	34,750	4,437,320,000	EFG Eurobank	Global Finance
28	G. Nakas - Mousikos Oikos SA	21-23/6/00	12-Jul-00	Parallel	CR	3,800	1,220,000	60,000	4,864,000,000	Alpha Finance	Alpha Finance
29	Alter Channel SA - Free Television	26-29/6/00	19-Jul-00	Main	CR	8,000	1,905,000	95,000	16,000,000,000	Commercial Bank	Marfin Securities
30	Astir Pallas Vouliagmenis SA	29/6-4/7/00	24-Jul-00	Main	CR	2,750	5,080,000	2,569,750	21,036,812,500	National Bank of Greece	National Bank of Greece
31	ELTON Chemicals SA	5-7/7/00	4-Aug-00	Parallel	CNR	4,800	558,200	27,900	2,813,280,000	Bank of Piraeus	Sigma Securities Bank of Piraeus
32	Sex Form SA - Underware Industry	7-11/7/00	26-Jul-00	Parallel	CR	5,000	1,418,100	70,900	7,445,000,000	Ergo Bank	Alpha Finance
33	Duros SA	12-14/7/00	3-Aug-00	Parallel	CR	3,200	792,300	39,000	2,660,160,000	National Bank of Greece	ETEVA
34	Quality & Realibility SA	14-18/7/00	11-Aug-00	Parallel	CR	11,500	442,060	21,940	5,336,000,000	Sigma Securities	Sigma Securities
35	Hellenic Fishfarming SA	19-21/7/00	18-Aug-00	Parallel	CR	7,700	1,014,500	50,500	8,200,500,000	Agricultural Bank of Greece	N. D. Devletoglou Securities
36	Hellenic Stock Exchanges SA [2]	25-28/7/00	21-Aug-00	Main	CR	5,250	4,650,000	246,390	25,329,490,095	National Bank of Greece, Alpha Finance	ETEVA, Alpha Finance
37	GEKE SA	31/7-2/8/00	1-Sep-00	Parallel	CNR	4,000	1,683,750	0	6,735,000,000	Bank of Piraeus	Bank of America NA

(continued)

No	Company	IPO Period	Date of Enlistment	Type of Market	Type of Share	Initial Share price	Number of New/ Existing Shares: Public Placement	Number of New/ Existing Shares: Private Placement	Total Funds Raised	Main Underwriter	Advisor
38	M&A Karatzi SA	2/8-4/8/00	4-Sep-00	Parallel	CR	3,500	2,936,000	146,000	10,787,000,000	BAnk of Piraeus	National Bank, Alpha Finance
39	Eurodrip SA	7-9/8/00	8-Sep-00	Parallel	CNR	5,700	1,408,180	70,400	8,427,906,000	NAtional Bank of Greece	Global Finance
40	Space Hellas SA	28-30/8/00	29-Sep-00	Parallel	CR	6,250	858,600	42,930	5,634,562,500	National Bank of Greece	Sigma Securities
41	AS Company SA	13-15/9/00	13-Oct-00	Parallel	CR	4,000	570,800	28,540	2,397,360,000	Bank of Piraeus	Sigma Securities
42	Paperpack - Tsoukaridis SA	15-19/9/00	19-Oct-00	Parallel	CR	5,500	530,000	25,000	3,052,500,000	National Bank of Greece	Telesis Securities
43	Forthnet SA	20-25/9/00	6-Oct-00	Main	CR	4,400	3,525,000	176,250	16,285,500,000	EFG Eurobank Ergasias Bank	Alpha Finance
44	Vogiatzoglou Systems SA	23-27/9/00	26-Oct-00	Parallel	CR	3,600	825,000	0	2,970,000,000	Bank of Piraeus	Sigma Securities
45	Cosmote - Mobile Communications SA * [3]	27/9-2/10/00	12-Oct-00	Main	CR	3,200	56,062,500	0	179,151,897,600	EFG Eurobank Ergasias Bank	Telesis Investment Bank
46	Bank of Cyprus Ltd *	17-20/10/00	8-Nov-00	Main	CR	3,100	39,000,000	0	120,900,000,000	National Bank of Greece, Alpha Finance	Alpha Finance
47	Dromeas SA [4]	31/10-3/11/00	24-Nov-00	Main	CR	3,900	2,067,000	103,000	8,463,000,000	EFG Eurobank Ergasias Bank	Alpha Finance
48	CPI SA *	8-10/11/00	11-Dec-00	Parallel	CR	1,650	862,000	43,000	1,493,250,000	Telesis Securities	Telesis Securities

(continued)

No	Company	IPO Period	Date of Enlistment	Type of Market	Type of Share	Initial Share price	Number of New/ Existing Shares Public Placement	Private Placement	Total Funds Raised	Main Underwriter	Advisor
49	Atlantic Super Market SA	13-15/12/00	11-Jan-01	Parallel	CR	1,100	4,246,000	212,000	4,903,800,000	EFG Eurobank Ergasias Bank	EFG Eurobank Ergasias Bank
50	Agricultural Bank* [5]	18-21/12/00	19-Jan-01	Main	CR	3,200	45,006,190	2,000,000	147,037,435,200	Commercial Bank, Bank of Piraeus	Alpha Finance, ETEVA
	Total Funds Raised								**992,901,152,075**		

Note: CR = Common Registered, NCR = Common Non-Registered, PR = Preferential Registered, PNR = Preferential Non-Regitered.

** The issuing price was defined through book building (par. 5 of CMC Rule 13/174/26.10.99).*

[1] *The issuing price was 4,050 GRD for non-holders of "prometoxa" and 3.847 GRD for holders of "prometoxa". From the total number of 30,000,000 shares issued, 20,750,150 shares were allocated to institutional investors non-holders of "prometoxa", and 690.300 shares were allocated to institutional investors holders of "prometoxa". Retail investors non-holders of "prometoxa" were allocated 8,358,650 shares and holders of "prometoxa" were allocated 200,540 shares.*

[2] *The issuing price was 5,250 GRD for the shares allocated to the non-holders of "prometoxa" and the members of the Board of Directors of the ASE, it was 4,987 GRD for the holders of "prometoxa" (227,900 shares for non institutional investors and 572,410 for institutional investors) and 4,462,5 GRD to the staff of the ASE.*

[3] *From a total of 56,025,500 shares, 17,500,000 are newly issued shares, while the 21,875,000 include the sale of existing shares owned be OTE SA and the sale of 9,375,000 shares of existing shares owned by Telenor B-Invest AS. The rest 7,312,00 shares come from the exercise of the green shoe by the Underwriters. From the 56,062,500 shares, 23,000,000 were allocated through private placement to international institutional investors, while the rest 33,062,500 shares were allocated in the Greek investors as follows: 13,526,400 shares through public offering to retail investors, 1,085,940 shares through private placement to existing shareholders of OTE, 387,660 shares through private placement to the staff of the company at a reduced by 20% price (2,560 GRD) and 18,062,500 shares to Greek institutional investors.*

[4] *The issue was absorbed by 71.4% approximately. The underwriters absorbed the non-distributed shares.*

[5] *From a total of the 45,006,190 shares of the public offers, 11,496,500 shares are newly issued shares and the rest result from the sale of existing shares owned by the Greek state. The issue of new shares did the private placement. In the form of prometoxa -euro prometoxa- 138,600 shares were allocated to non-institutional investors and 566,480 shares were allocated to institutional investors and in the form of "agro-prometoxa" 15,741,610 shares were allocated to non-institutional investors and 2,693,140 to institutional investors. In these cases the issue price was reduced by 5% (3,040 GRD). Moreover, 25,866,360 shares were allocated in exchange for cash, including 3,000,000 shares for the green shoe and 8,511,340 shares were allocated to institutional investors and 17,355,020 to non-institutional investors.*

TABLE XII

Share Capital Increases in the Athens Stock Exchange, 2000

(Only cash-financed share capital increases are mentioned)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
A. Companies Listed in the Main Market							
1 Balkan Export SA	-	21/12/1999		73,000,000	166	12,118,000,000	No pre-emptive right
2 D.A.N.E. Sea Line SA	-	7/12-7/1	3 / 1	75,000,000	200	20,564,165,500	Egnatia Bank
3 Flour Mills Loulis SA	10/12/99	10/12-10/1	1 / 1	8,362,116	1,700	14,215,597,200	
4 Arcadia Metal Ind. C. Rokas SA	12/12/99	27/12-27/1	1 / 2	11,887,162	1300 & 1200	15,291,817,000	National Securities
5 Pantechniki SA	7/12/99	28/12-1/2	15 / 10	10,294,500	1,300	13,382,850,000	Alpha Finance Underwriter: Alpha Bank
6 Flour Mills St. George	14/12/99	20/12-20/1	2 / 1	8,709,206	1,250	10,886,507,500	Intersec SA
7 Hellenic Invest. Co.		23/12-24/1	2 / 1	70,200,000	1,500	105,300,000,000	Underwriter: ETBA Bank
8 National Invest. Co.	17/12/99	24/12-24/1	2 / 1	56,592,000	1,600	90,547,200,000	
9 Bank of Piraeus SA [1]				7,767,297	10,000	77,672,970,000	Piraeus Finance
10 Halkor SA	27/12/99	31/12-2/2	1 / 10	4,618,147	2,200	10,159,923,400	N.I.B.I.D.
11 Edrasis - Psallidas SA	24/12/99	4/1-4/2	6 / 10	3,829,810	2,300	8,808,563,000	N. D. Devletoglou Securities SA
12 General Hellenic Bank	4/1/00	10/1-10/2	1 / 1	9,588,760	3,500	33,560,660,000	National Securities SA
13 Ergo Invest SA	10/1/00	17/1-17/2	15 / 10	80,000,000	1,500	120,000,000,000	
14 “VIOTER” SA	13/1/00	21/1-28/2	15 / 10	14,377,064	600	8,626,238,400	N. D. Devletoglou Securities SA
15 Technical Olympic SA	18/1/00	21/1-1/3	15 / 10	110,812,163	1,000	110,812,163,000	Alpha Finance
16 N.B.G. Real Estate SA	17/1/00	24/1-24/2	1 / 1	54,557,450	2,000	109,114,900,000	National Securities SA

(continued)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
17 Sportsman SA	25/1/00	31/1-29/2	1 / 1	10,560,000	1,000	10,560,000,000	Omega Securities SA
18 Alfa - Alfa Holdings SA	25/1/00	31/1-29/2	1 / 1	41,996,060	1,250	52,495,075,000	EFG Eurobank
19 “Maxim” CM Pertsinides SA	2/2/00	5/2-3/3	3 / 1	11,261,250	900	10,135,125,000	
20 Ideal Group SA	3/2/00	9/2-9/3	2 / 10	2,455,554	5,000	12,277,770,000	Telesis Securities SA
21 “Proodeftiki” Tech. Co.	7/2/00	11/2-11/3	1 / 1	10,081,500	1,000	10,081,500,000	Ergofinance SA
22 Athens Medical Center	8/2/00	14/2-14/3	1 / 2	15,000,000	1,000	15,000,000,000	Intersec SA
23 Intrasoft SA	8/2/00	15/2-15/3	1 / 1	22,995,000	4,000	91,980,000,000	Alpha Finance - NIBID
24 Sanyo Hellas Holding SA	10/2/00	15/2-15/3	1 / 1	39,349,995	1,750	68,174,991,250	Sigma Securities Underwriters: Bank of Piraeus, Prime Bank, Sigma Securities
25 Hellenic Petroleum SA	31/1/00	17/2-17/3	1 / 8	29,018,750	2,250	65,292,187,500	NIBID / Underwriter: National Bank
26 Commercial Invest. SA	11/2/00	18/2-20/3	3 / 1	27,035,000	2,000	54,070,000,000	
27 K. Doudos SA	15/2/00	21/2-21/3	5 / 1	20,000,000	3,000	60,000,000,000	Telesis Securities SA
28 Shelman SA	15/2/00	21/2-21/3	1 / 2	9,510,380	1,600	15,216,608,000	Telesis Securities SA
29 Selonda Aquaculture	15/2/00	21/2-21/3	1 / 1	11,956,250	1,900	22,716,875,000	Alpha Finance
30 Aspis Pronia General Insurances SA	16/2/00	21/2-21/3	1 / 4	7,645,170	2,300	17,583,891,000	NIBID
31 X.K. Tegopoulos Publishing SA	20/1/00	25/2-27/3	1 / 1	14,979,446	2,000	29,958,892,000	Xios Securities
32 “Exelixi” SA	21/2/00	25/2-5/4	8 / 1	75,600,000	500	37,800,000,000	
33 “Nirefs” SA	21/2/00	28/2-28/3	2 / 1	19,467,114	1,000	19,467,114,000	Telesis Securities SA
34 Cosmos SA	28/2/00	28/2-3/4	1 / 1	16,740,000	100	1,674,000,000	Without ASE approval / Company under suspension
35 GEKAT Construction [2]	24/2/00	1/3-31/3	7 / 10	3,311,000	2,220	7,350,420,000	Sigma Securities/ Underwriters: Banks: Piraeus, Attikis, Sigma Sec.
36 Veterin SA	29/2/00	3/3-2/4	4 / 10	4,340,100	2,500	10,850,250,000	Hellenic Securities SA

(continued)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
37 Piraeus Investment SA		10/3-11/4	25 / 10	32,932,000	1,250	41,165,000,000	Piraeus Finance / Underwriter: Bank of Piraeus
38 Alpha Leasing SA	6/3/00	14/3-14/4	1 / 2	7,500,000	7,000	52,500,000,000	Alpha Finance / Underwriter: Alpha Bank
39 Interinvest SA	7/3/00	14/3-24/4	4 / 1	16,338,750	1,000	16,338,750,000	
40 Hellenic Biscuit Co.	22/3/00	24/3-25/4	1 / 2	10,825,000	1,500	16,237,500,000	Sigma Securities
41 Parnassos Enterprises	20/3/00	27/3-27/4	1 / 3	13,827,531	750	10,370,648,250	Metrolife Securities
42 Delta Holdings SA	24/3/00	29/3-29/4	5 / 10	11,940,667	1,800	21,493,200,600	Societe Generale
43 ATEMKE SA	3/4/00	6/4-6/5	1 / 2	18,323,629	600	10,994,177,400	Metrolife Securities
44 M. J. Maillis SA	10/4/00	13/4-12/5	1 / 2	18,108,470	2,800	50,703,716,000	Telesis Securities SA
45 Axon SA Holding	10/4/00	24/4-24/5	1 / 1	15,452,110	1,750	27,041,192,500	Alpha Finance / Underwriters: Alpha Bank, National Bank
46 Pipe Works L. Girakian Profil SA	14/4/00	19/4-19/5	2 / 1	5,106,220	1,000	5,106,220,000	Sigma Securities
47 The Greek Progress Fund SA	17/4/00	20/4/-20/5	2 / 1	16,120,000	1,250	20,150,000,000	Ergofinance / Underwriter: Ergo Bank
48 Hippotour SA	18/4/00	21/4-22/5	4 / 10	3,424,000	850	2,910,400,000	
49 Katselis Sons SA Bread Industry	15/5/00			2,124,600	2,500	5,311,500,000	Telesis Securities No pre-emptive right
50 Balkan Export SA		2/5-5/6	1 / 1	100,608,550	166	16,701,019,300	Without ASE approval / Company under Suspension
51 Nikas SA	9/5/00	15/5-15/6	3 / 10	4,668,768	2,000	9,337,536,000	Egnatia Securities
52 Alumil - Milonas SA	11/5/00	23/5-23/6	3 / 10	3,669,375	2,750	10,090,781,250	NIBID
53 European Technical SA	10/5/00	25/5-23/6	2 / 1	13,100,000	500	6,550,000,000	Alpha Finance
54 Aktor SA Technical Co.	29/5/00	2/6-2/7	4 / 10	19,218,063	2,100	40,357,932,300	Telesis Securities SA

(continued)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
55 P. D. Papoutsanis SA	16/6/00	27/6-27/7	2 / 10	2,158,310	2,500	5,395,775,000	Telesis Securities SA
56 Light Metals Industry SA	26/6/00	3/7-3/8	8 / 10	8,574,060	1,000	8,574,060,000	Piraeus Finance
57 Aspis Mortgage Bank	5/7/00			6,863,750	2,000	13,727,500,000	No pre-emptive right
58 ELVAL Alum. Process Co.	7/7/00	17/7-17/8	5 / 10	41,353,605	1,000	41,353,605,000	NIBID - Alpha Finance
59 A. Cambas SA	14/7/00	20/7-20/8	2 / 10	3,492,720	1,600	5,588,352,000	NIBID
60 Sidenor SA	17/7/00	24/7-8/9	5 / 10	31,835,542	1,000	31,835,542,000	NIBID - Telesis
61 Gr. Sarantis SA	27/7/00	4/8-4/9	1 / 1	19,068,100	1,200	22,881,720,000	Telesis Securities SA
62 Delta Informatics SA	31/7/00	8/8-8/9	1 / 6	10,000,000	2,500	25,000,000,000	Alpha Finance
63 Coca-Cola E.E.E. SA		10/8		93,729,760	6,065	568,470,994,400	No pre-emptive right
64 Hellenic Cables SA	23/8/00	6/9-6/10	8 / 10	7,688,000	1,000	7,688,000,000	Egnatia Securities
65 AEGEK SA	30/8/00	8/9-9/10	1 / 1	41,535,000	1,100	45,688,500,000	Sigma Securities
66 Strintzis Lines	4/9/00	11/9-11/10	8 / 10	30,748,768	900	27,673,891,200	
67 Sp. Tasoglou - Delonghi SA *	6/9/00	14/9-16/10	1 / 2	9,480,000	900	8,532,000,000	Active SA
68 Singular SA*	5/9/00	18/9-18/10	24 / 100	3,874,206	3,150	12,203,748,900	Telesis Securities SA
69 Uncle Stathis SA	8/9/00	18/9-18/10	5 / 10	3,865,144	1,000	3,865,144,000	Marfin SA
70 J. Boutaris & Son Holding SA	19/9/00	23/9-23/10	1 / 1	13,684,000	600	8,210,400,000	Omega Securities
71 Avax SA Construction Co.	29/9/00	12/10-13/11	8 / 10	18,540,000	1,900	35,226,000,000	Telesis Securities SA
72 Athena Hellenic Eng. Ind. & Tour. Co.	10/10/00	16/10-16/11	4 / 10	6,322,500	1,100	6,954,750,000	Piraeus Prime Bank
73 Fourlis SA	13/10/00	20/10-20/11	2 / 10	4,370,000	2,500	10,925,000,000	N. D. Devletoglou Securities SA
74 ANEK Lines SA *	13/10/00	20/10-20/11	1 / 1	8,640,295	1,100 & 1,350	9,504,324,500	Commercial Bank / Alpha Finance
75 Maritime Company of Lesvos SA *	16/10/00	23/10-23/11	8 / 10	27,467,036	800&900	2,115,305,700	Piraeus Prime Bank / Sigma Securities

(continued)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
76 O. Daring Sain	25/10/00	3/11-4/12	2 / 1	10,352,560	870	9,006,727,200	Alpha Finance / Underwriter: Commercial Bank
77 Hellenic Technodomiki SA	1/11/00	10/11-11/12	10 / 10	40,000,000	1,100	44,000,000,000	Telesis Securities SA
78 Aspis Invest SA *	6/11/00	10/11-11/12	5 / 1	17,070,354	1,120	19,118,796,480	Aspis Securities
79 "Michaniki" SA	14/11/00	22/11-22/12	1 / 1	57,096,988	1,200 & 900	22,768,829,700	Sigma Securities
TOTAL(1)						**2,733,414,793,430**	**(68.17%)**
B. Companies Listed in the Parallel Market							
1 KRE.KA. SA	13/12/99	21/12-21/1	3 / 10	929,376	1,500	1,394,064,000	Intersec SA
2 Imperio SA	18/10/99	23/12-31/1	1 / 2	2,150,400	1,000	2,150,400,000	Telesis Securities SA
3 Efkleidis SA	10/12/99	24/12-24/1	12 / 10	6,144,000	2,300	14,131,200,000	Ergofinance SA
4 Jumbo SA	26/1/00	4/2-6/3	2 / 10	3,456,000	1,500	5,184,000,000	
5 Vernikos Yachts SA	1/2/00	5/2/-5/3	1 / 1	4,458,000	1,200	5,349,600,000	Marfin SA
6 Folli Follie SA	1/2/00	4/2-6/3	5 / 10	6,589,375	3,000	19,768,125,000	Telesis Securities SA
7 Sea Farm Ionian Aquaculture SA	7/2/00	11/2-14/3	2 / 1	17,820,000	1,100	19,602,000,000	Sigma Securities
8 F.H.L. Kyriakides SA	23/2/00	29/2-6/4	2 / 10	1,498,680	4,000	5,994,720,000	DF Securities
9 Flexopack SA		22/2-22/3	5 / 10	1,960,004	1,700	3,332,006,800	Hellenic Securities SA
10 Kleeman Hellas SA	17/4/00	2/5-2/6	7 / 10	4,868,850	1,500	7,303,275,000	Hellenic Securities SA
11 Lamda Development SA	15/5/00	19/5-19/6	1 / 1	7,251,250	5,500	39,881,875,000	EFG Eurobank
12 Mevaco SA	31/5/00	14/6-14/7	2 / 10	1,530,000	1,500	2,295,000,000	Telesis Securities SA
13 Yalco - Constantinou SA		20/6-20/7	1 / 2	2,587,620	1,800	4,657,716,000	Omega Securities
14 Karamolegos Bakery Industry SA	14/7/00	20/7-20/8	1 / 2	2,435,730	1,900	4,627,887,000	Xios SA
15 Koumbas Synergy Group of ompanies SA	1/8/00	9/8-9/9	3 / 1	13,158,450	1,000	13,158,450,000	NIBID/ Underwriter: Sarros Seurities
16 Kiriakoulis Shipping SA	7/8/00	18/8-18/9	2 / 10	2,531,720	1,500	3,797,580,000	Sigma Seurities

(continued)

	Ex-right date	SCI Period	New / Old Share Ratio	Number of Shares Issued	Issuing Price (GRD)	Total Funds Raised (GRD)	Advisor / Remarks
17 Druckfarben Hellas SA	29/8/00	1/9-3/10	5 / 10	3,880,720	1,100	4,268,792,000	Hellenic Securities SA
18 Everest SA	18/9/00	3/10-3/11	2 / 10	5,000,000	750	3,750,000,000	Telesis Securities SA
19 Metrolife SA	28/9/00	6/10-6/11	1 / 1	18,119,160	1,200	21,742,992,000	Commercial Bank
20 Active SA *	2/10/00	10/10-10/11	19 / 10	1,843,567	1,000	1,843,567,000	Omega Securities SA
21 GENER SA	2/10/00	9/10-9/11	2 / 2	12,523,500	400&600	5,844,300,000	Alpha Finance
22 Plaisio Computers SA	3/10/00	12/10-12/11	2 / 10	3,680,000	1,100	4,048,000,000	National Securities SA
23 General Clinic K.I. Daniilides	18/10/00	27/10-27/11	5 / 10	6,188,000	1,000	6,188,000,000	Telesis Securities SA
24 Info Quest SA	12/10/00	23/10-23/11	2 / 10	7,800,000	3,200	24,960,000,000	Hellenic Securities SA
TOTAL (2)						**225,273,549,800**	**(31.83%)**
GRAND TOTAL (1+2)						**2,958,688,343,230**	**(100%)**

*Notes,: * The share capital increase was not fully absorbed.*

[1] No pre-emptive right was exercised. The share capital increase was beneficial for Xios Bank existing shareholders.

[2] A total of 890,400 shares was given to the existing shareholders of KORONIS SA.