HELLENIC CAPITAL MARKET COMMISSION

ANNUAL REPORT

2001

Table of Contents

Appendices

Tables in the Text

Figures in the Text

Tables in the Appendix

A Note from the Chairman

In 2001, the international economy entered a phase of slowdown, after a deca of high economic growth rates. Along with the real change in macroeconomic aggregates, came the reversal of investor expectations, which in the past had ranged from positive to exuberantly optimistic for a long period of time. This resulted in marked price decreases in international stock markets, accompanied by substantial drops in volume. As it has been noted during past periods of negative expectations, investor behaviour during 2001 showed increased tendency to risk aversion, and clear orientation towards low risk shares. There has been indeed an international increase of relative prices of bonds to stocks, and an increase of the liquidity channelled to fixed income securities. These phenomena were also observed in the Greek Capital Market, which closely tracked the developments in international, and especially European, capital markets.

The most important development of the year was the upgrading of the Greek Capital Market from emerging to advanced market status that took place in May 2001. In the context of the recession that prevailed in international stock exchanges throughout the year, this upgrading led to the outflow of emerging market institutional investor funds from the Greek market. As a result, the domestic public considered the upgrading as an adverse development. In reality, though, and irrespectively of temporary changes, the upgrading constituted a major turning point in the history of the Greek Capital Market. The reliability of the institutional and operational framework of the Greek market received international recognition. The Greek market was recognized as equal to the most advanced global markets. The road has been paved for the co-operation between the Greek and other exchanges. The Greek market was safeguarded from the extreme fluctuations that occurred in emerging markets due to both the overall recession and the crises in Turkey and Argentina. The upgrading of the Greek Capital Market is an achievement of multiple long-term benefits and sets the conditions for the integration of the Greek and European capital markets.

The major development in the regulatory field during the previous year was the decisive improvement of the supervision of the conduct of the companies whose shares are listed in the Stock Exchange. The implementation of the Code of Conduct for listed Companies was successful because it enhanced substantially transparency concerning both corporate activities and transactions by major shareholders. The publication of uniform Annual Reports by all listed companies and the inclusion in those reports of the Cash Flow Statements prepared in accordance to the International

Accounting Standards, constituted a great step forward in relation to the objective, reliable and complete provision of information to investors in the Greek Stock Exchange. Furthermore, the initial implementation of the take-over code had also successful results, since two major take-overs were carried out under normal circumstances and very transparent conditions, to the great benefit of small shareholders and investors. It has to be noted that listed companies proved rather co-operative and complied diligently with the new regulations, recognising the long-term benefit for themselves and for the market, due to this new institutional framework.

New institutional regulations concerning the operation of the stock market were established during 2001, in order to complete the great wave of institutional improvements and reforms that started in 1997. Two of these new regulations concern the creation of statutory mechanisms for the provision of the stock market with liquidity. They concern the enactment of rules governing margin account trading and the regulation of the market makers' operation. Both regulations establish a framework for operations that were hitherto performed informally and in a disorderly fashion and exposed the market and investors to unnecessary risks. A third, albeit fundamental, regulation was enacted in 2001 and will come into force in 2002: the certification of specialists engaged in order receipt and transmission, portfolio management, provision of investment advice, and market analysis. The operation of the market by certified specialists will decisively improve both normality, and, most importantly, the proper provision of information, handling, and rendering of services, that is will enhance investor protection. This innovation will provide a major boost to the competitiveness of the services provided to investors in Greece.

The implementation of supervision in the Greek capital market by the personnel of the supervising authority reached new heights. Being a newly founded organization, the Hellenic Capital Market Commission accumulates knowledge, experience and supervisory skills as its executives attain maturity. This useful experience is the best guarantee for the future, as well as for quality, objective and effective supervision of the capital market. I, personally, as the chairman of the experts group of the Committee of European Security Regulators (CESR) on market abuse issues, am constantly discovering that the regulatory control and sanction of such abuses in Greece is among the most effective throughout the European Union. I believe that all personnel of the Hellenic Capital Market Commission must take pride in this achievement. Nevertheless, they must also intensify their effort to attain new high levels of investor safety and protection in Greece.

An important development for both the European Union and the Capital Markets' regulators was the formation of the CESR in September 2001. This Committee, which comprises the capital market regulators of the EU-15, is an established EU body, providing official opinion on the creation of legislation and regulations for the co-ordinated implementation of Directives concerning the capital markets. The Committee has assumed an official role and its opinion is important for the enactment of new Directives and the revision of existing ones. Moreover, CESR constitutes an active network of supervisory authorities, which support each other, exchange confidential information and co-operate in both fields of prudential supervision and control and sanctions. Of course, the Hellenic Capital Market Commission has become a member of this network and actively participates in European developments through many initiatives. There is no doubt that CESR is the early model of a single European regulator that will supervise a singe European Capital Market. This great challenge of European Capital Market integration will be the main test of the success of the venture undertaken by all regulators that formed CESR last September.

Stavros B. Thomadakis

Part One

Objectives and Tasks of the Hellenic Capital Market Commission

The Hellenic Capital Market Commission (HCMC) is an independent decisio 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 laws 148/67, 1969/91, 2166/93, 2324/95 and 2396/96 mainly govern 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 these objectives 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 HCMC 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 aforementioned 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 Hellenic 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, licenses 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 licenses to mutual fund management firms and portfolio investment companies, as well as the granting of licenses for initial public offerings 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 Hellenic Capital Market Commission introduces rules and regulations and supervises compliance with them, aiming at the safeguarding 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 the establishment of the smooth operation of the capital markets, based on European standards and practices, is the introduction of statutory codes of conduct. The introduction of codes of conduct by the Commission, aiming at the regulation of the behavior of market entities, now 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 Hellenic 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 was a founding and active member of FESCO (Forum of European Securities Commissions), whose work until September 2001 had been 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 CESR (Committee of European Securities Regulators) was established in September 2001 as the successor to FESCO and is already an official institution of the European Union. National regulators that participate in the CESR constitute a network of co-operating authorities, of which the Hellenic Capital Market Commission is a part. The exchange of confidential confirmation, the co-operation in the fight against capital market violations and the harmonization of supervisory rules and actions are the immediate objectives of the European regulators' network, in whose context the Hellenic Capital Market Commission is actively engaged.

Furthermore, the Commission is an active member of IOSCO (International Organization of Securities Commissions). 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 Hellenic Capital Market Commission

The Board of Directors

The seven-member Board of Directors of the HCMC 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 other four board members are selected by the Minister of the National Economy among the candidates proposed by the Bank of Greece, the Board of Directors of the Athens Stock Exchange, the Union of Institutional Investors and the Federation of Greek Industries. On December 31st 2001, the composition of the Board of Directors was the following:

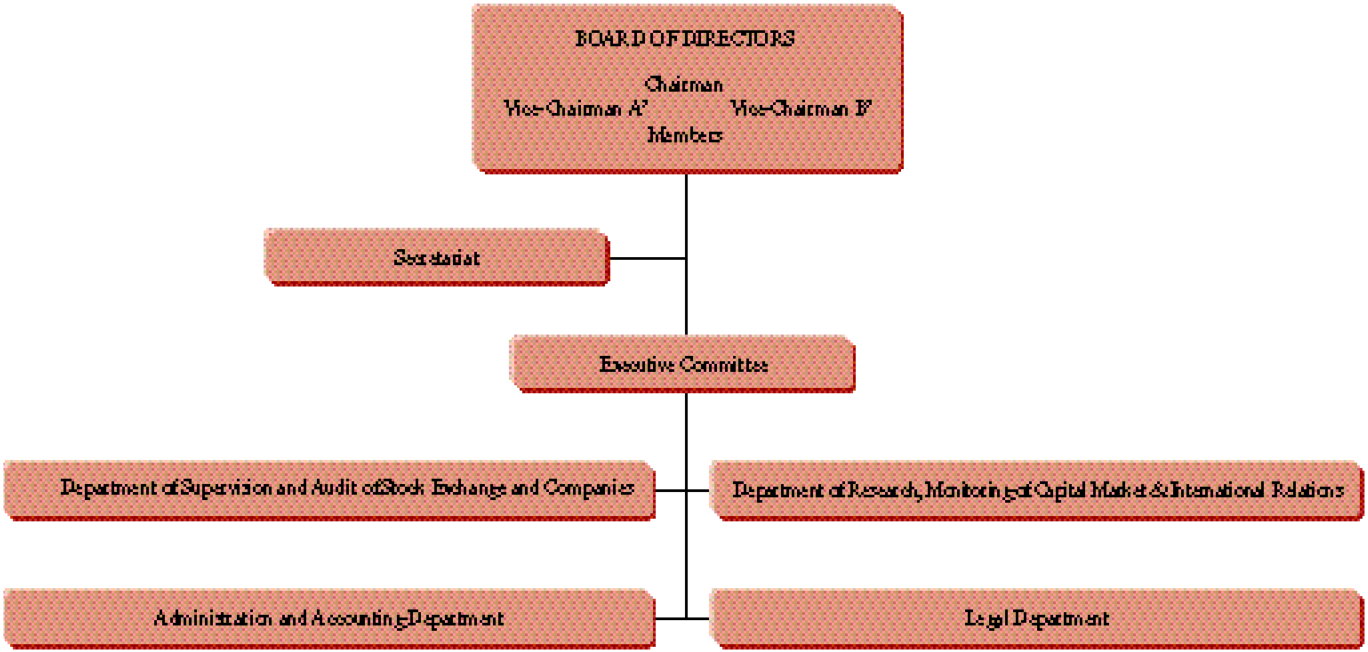
Chairman:	*Dr. Stavros Thomadakis*
First Vice-Chairman:	*Mr. George Floros*
Second Vice-Chairman:	*Mr. Alexandros Vousvounis*
Members:	*Dr. Panayiotis Alexakis*
	Mr. Pavlos Georgouleas
	Mr. Michael Massourakis
	Mr. Panagiotis Kavouropoulos
Secretary of the Board:	*Mr. George Kallias*

Where the law requires a decision to be made by the HCMC, 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 prepared by the Chairman.

The Executive Committee

The Executive Committee consists of the Chairman and the two Vice-Chairmen 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 responsible for the judicial representation of the Hellenic Capital Market Commission in front of Greek and foreign courts.

Administrative Structure of the Capital Market Commission



Part Two

Developments in the Economy and the Capital Market

Macroeconomic Developments

Greece's entry in the Economic and Monetary Union in 2001 resulted in th formation of a macroeconomic environment of low interest rates and limited foreign currency risk. Within this new environment, the Greek economy sustained its high growth rate despite the slowdown in global economy, which was aggravated after the September 11th terrorist attacks against the US. According to preliminary estimates, Gross Domestic Product increased in 2001 by 4.1%, surpassing for a sixth consecutive year the average growth rate for the European Union. The EU estimate of GDP growth in the entire euro zone for the year 2001 was 1.6%.

The high growth rate of the Greek economy was mainly sustained by the growth in domestic demand, which was assisted by a 2.3% improvement in real wages and the significant reduction of lending rates. According to estimates, the contribution of interest rate cuts to GDP growth increased from 0.9% in 2000 to 1.4% in 2001.

Capital expenditure also played an important role for GDP growth, given that, according to estimates, the gross fixed capital formation of the public sector increased by 7.5% in 2001, as compared to 6.2% in 2000. During the same period, private fixed capital formation increased by 8.7% (Table 1). Despite its marginal decrease in 2001 as compared to 2000, the contribution of consumption demand remained substantial. It is estimated that private consumption of goods and services increased by 3.1% in 2001, as compared to 3.2% in 2000. Public consumption also increased by 1.8% in 2001, as compared to 2.3% in 2000. Overall, it is estimated that during 2001 domestic demand increased by 4%. Overseas demand had a marginally positive effect on GDP growth in 2001. Nevertheless, due to the adverse international economic conditions, exports of goods and services increased by a mere 5.8% in 2001, as compared to 18.9% in 2000. At the same time, it is estimated that imports of goods and services increased by 5.2% in 2001 as compared to 15% in 2000.

Despite the significant reduction of its growth rate in 2001 in comparison to 2000, the general industrial production index increased from January to October 2001 by an average of 1.3%, whereas industrial production in Europe during the same period had declined. It is estimated that the persistence of high growth rates in 2001 had a 0.8% contribution to employment growth, thus slightly reducing the unemployment rate to 10.9%.

Income policy for the year 2001, assisted in keeping nominal unit labour cost increases to 1.6%, while average wages increased by 2.3% in 2001, as compared to 3% in 2000.

The acceleration of inflationary pressures that occurred in 2000 continued during the first months of 2001, decelerating only during the final quarter of the year. The Consumer Price Index (CPI) rose in average by 3.4% during the 12-month period December 2000-November 2001, as compared to 3.1% for the same period of the previous year. The harmonized CPI moved in a similar manner, maintaining its high rate up to September (4% increase in September), and decelerating afterwards. The increase in inflation during 2001 is due to the indirect effects of the increases in petroleum product prices that occurred in 2000 and the devaluation of the Euro's weighted exchange rate. Inflation in the euro zone had been decelerating since June 2001, and as a result, year-on-year average inflation in October fell to 2.4%. The inflation rate difference between Greece and the euro zone for the year 2001 ranged from 0.5 to 1.5 percentage points.

In 2001, all developments in the monetary field emanated from the policy of the European Central Bank (ECT). Aiming to the maintenance of monetary stability, the ECT set the objective of limiting money supply (M3) in the Euro zone to 4.3%. However, due to the adverse developments and forecasts concerning the economic growth and employment rates in the euro zone, during the year the ECT proceeded to consecutive cuts of its base rates. During the same period, the average short-term lending rate fell to 8.35% in September, from 9.40% in January, while the average long-term corporate lending rate fell to 8.38% in September, from 9.12% in January. In 2001, the consumer loan rate fell to 13.07% in September from 14.37% in January, while the mortgage loan rate fell to 6.38% from 7.31% respectively. This reduction in interest rates helped sustain in 2001 the high credit expansion rates of the year 2000. Total credit to the economy as a whole increased on a year-to-year basis to 16.4% in October 2001. This development is mainly due to the marked acceleration of credit expansion to the private sector, which increased by 22.1%, while credit expansion to the public sector increased by 12.9%, as compared to 15.5% in 2000.

During 2001, treasury securities' yields continued their downward course. The average yield of the Greek 10-year bond decreased from 6.1% in 2000 to 5.3% during the period Jan.-Sept. 2001. The yield difference between the Greek 10-year bond and the German 10-year bond was limited from 60 basis points by the end of 2000, to 34 basis points by the end of 2001. The value of transactions in the Electronic Secondary Government Bonds Market showed a spectacular increase in 2001, by almost quadrupling from 63 billion Euros in 2000 to 314 billion Euros in 2001. As

Table 1

Macroeconomic Indicators of Greece, 1998-2001

	1998	1999	2000	2001
Aggregate Demand and GDP				
(Constant prices, percentage change over previous year)				
Gross Domestic Product	3.1	3.4	4.3	4.1
Private Consumption	3.1	2.9	3.2	3.1
Public Consumption	1.7	-0.1	2.3	1.8
Gross Fixed Private Investment	10.5	14.7	8.1	8.7
Gross Fixed Public Investment	12.1	5.8	6.2	7.5
Final Domestic Demand	4.7	2.9	4.4	4.0
Exports of Goods & Services	5.9	6.5	18.9	5.8
Imports of Goods & Services	11.3	3.9	15.0	5.2
Production & Employment				
Index of Industrial Production (percent, y-o-y)	6.9	2.8	7.1	1.3[1]
Labour Productivity (percent, y-o-y)	0.3	4.1	4.6	3.3
Nominal Unit Labour Cost (percent, y-o-y)	2.9	0.6	1.6	1.6
Real Average Wage (percent, y-o-y)	1.5	2.4	3.0	2.3
Unemployment Rate	9.9	12.0	11.4	10.9
Prices & Monetary Aggregates				
Inflation (CPI, year average percentage change)	4.8	2.6	3.2	3.4
Inflation (harmonized CPI, year average percentage change)	4.5	2.1	2.9	3.6
Deposits and Repos (percent, y-o-y)	9.2	11.0	16.1	10.6[2]
Total Credit Expansion (percent, y-o-y)	9.7	12.2	20.2	16.4[3]
Credit Expansion to the Private Sector (percent, y-o-y)	15.0	12.7	27.6	22.1[3]
Credit Expansion to the Public Sector (percent, y-o-y)	7.4	11.0	15.9	12.9[3]
10-year Treasury Bond Yield (percent, year average)	8.5	6.3	6.1	5.3[3]
Public Finances (percent of GDP)				
General Government Balance	-2.5	-1.8	-1.1	0.1
General Government Primary Surplus	6.4	5.8	6.1	6.6
General Government Debt	105.5	104.6	102.7	99.6
External Transactions				
Nominal Effective Exchange Rate (percent, annual change)	-5.9	-0.9	-6.5	-0.9
Trade Balance (percent of GDP)	-12.8	-13.9	-16.2	-16.5
Current Account Balance (percent of GDP)	-1.9	-3.2	-4.5	-4.3

Sources: Ministry of National Economy, Bank of Greece.

Notes: [1] Jan.-Oct. 2001, [2] Aug. 2000-Aug. 2001, [3] Oct. 2000-Oct. 2001 a result of the substantial easing of interest rates during 2001 and the gradual reduction in Greek treasury security yields, the funding of the Greek public sector borrowing requirements in local currency became an appealing option, thus reducing foreign currency debt with the aim of cutting lending costs.

There has also been a substantial improvement in public finances, which contributed to the formation of macroeconomic stability conditions within the economy. It is estimated that the general government balance will have a marginal surplus, equivalent to 0.1% of the GDP. The elimination of the General government deficit was also assisted by the increase in primary surplus from 6.1% of GDP in 2000 to 6.6% in 2001. Finally, it is estimated that public debt will be reduced from 102.7% in 2000 to 99.6% of GDP in 2001.

As expected, the economic slowdown in the member-countries of the OECD and the volatility that prevails in international markets affected the balance of payments. The improvement of the weighted exchange rate of the drachma by 0.9% in 2001, as compared to 6.5% in 2000, did not avert a marginal increase of the trade deficit from 16.2% in 2000 to 16.5% of GDP. Nevertheless, in the same period the current account deficit increased marginally from 4.5% of GDP in 2000 to 4.3%.

General Overview of the Capital Market

Developments in the Capital Market

The year 2001 saw the decline of most advanced and emerging capital markets, including the Greek capital market. During 2001 there has been indeed, a correction in share prices, with large fluctuations and reduction in the volume of transactions in the Athens Stock Exchange (ASE). However, these developments were accompanied by significant institutional modernization and activity in the primary market. Therefore, the reduction of transaction activity and total market capitalization did not lead to the destabilization of the market systems, since the smooth growth and security of transactions under conditions of transparency were further improved.

The ASE General Index closed at the year's end at 2,591.6 units, realising an annual decrease of 23.5% as compared to the Index's closing price at the end of the previous year. In 2001, the daily value of transactions in the ASE was on average 162.1 billion Euros, decreased by 63.2% on an annual basis. By the end of the year, total market capitalization amounted to 97.2 million Euros, representing an annual decrease of 17.8%. Despite this decrease, total market capitalization is equivalent to approximately 73.1% of the Greek GDP, thus highlighting the important role of the capital market in the national economy.

During the first five months of 2001, the ASE General Index remained constant, marked by slight fluctuations. This stability was due to domestic and international factors. Indeed, the unanimous approval by the European Commission Council of Finance Ministers in early 2001 of the stability programme for the Greek economy and the announcement of favourable prospects for the Greek economy by the OECD, helped disperse the uncertainty prevailing in the capital market. Furthermore, the positive developments in Europe, the major ones being the approval by the European Commission of the Lamfalussy Committee Report concerning the development of co-ordinated capital market supervision, the emergence of associations among stock exchanges and the intensification of cross-border transactions within the European Union, contributed to the establishment of an optimistic atmosphere. However, due to the gloomy projections of that period concerning the growth the US and Japanese economies, and despite the encouraging monetary developments and their effects on European economies, investor activity in both the European and Greek exchanges became rather moderate.

From late May, till the middle of July, the General Index dropped as a result of a shift in investor expectations. This shift was due to the non-realization of the short-term benefits that were expected to occur from the advent of foreign capital, which would follow the upgrading of the Greek stock market by overseas investing houses. This change in sentiment was further intensified by the worrisome deterioration of the overall business environment in EU countries during the same period. The estimates of international organizations became stricter after the upgrade. Actually, in more recent reports, both the OECD and Morgan Stanley, the investment bank, proceeded to downward revisions of their estimates concerning inflation, the future growth potential of the Greek economy and the realization of substantial stock market returns. As a result of the upgrade, institutional investor emerging market funds continued their outflow, thus intensifying the fluctuations in the stock market. Capital outflows were a common feature of European countries during this period, which reflected the difficulties of the European economy, and caused widespread volatility in European stock markets.

Since late July, the downward course of the General Index was reversed, owing to an improvement in investor sentiment. This improvement was due to the increased spreading of rumours concerning mergers and acquisitions in the banking sector, to the promising developments concerning inflation control in the European Union, to the substantial reduction in international oil prices, and to the recovery of the global stock markets. However, this improvement in investor sentiment proved to be weak and susceptible to developments in the domestic political arena.

By late August, the General Index resumed its fall, as a result of the uncertainty of the period concerning both the outcome of the political developments that had already taken their course since the previous summer, and the impeding cabinet shuffle.

Since mid-September, the decline of the stock market was rapidly accelerated due to mass international liquidations, which came as a consequence of the terrorist activities that took place in the US, on the 11th of that month. The anticipation of company failures and mass employee lay-offs contributed to the further decline of international stock market indices.

The initial reactions where followed by a more sober assessment of the impact of the terrorist attack against the US, which, of course, contributed to a gradual positive shift in investor expectations both in the European and Greek stock markets, and led most stock exchange indices to higher levels during the final quarter of 2001 and up to the year's end. Toward the end of the year, this shift in investor sentiment was further enhanced by the anticipated adoption of the Euro at the beginning of 2002.

Given the international and domestic financial and other developments, the corrective trend, as well as the intense fluctuations of both the general price level and the relative share prices in the ASE during 2001, are to a great extent due to the persistence of the adverse effects of the grand "boom and bust" cycle of the stock market during the previous years. This overheating-slowdown cycle led, through self-fulfiling expectations, to extensive fluctuations and gradual corrections of stock prices in the years following 1999.

It has to be noted that, according to domestic and international estimates, the sound fundamentals of the Greek economy foretell its long-term economic growth. It is expected that the sensible re-evaluation of Greek economic developments and the dynamics of structural reforms on the economy, will contribute substantially to the reduction of the general level of uncertainty and in due time will result in a reversal of the unfavourable investment climate, leading to the undertaking of new investment initiatives, which will gradually restore the connection between, on one hand, the general price level, the relative share prices and market capitalization in the ASE and, on the other hand, the corporate fundamentals and the Greek economy.

Due to the stock market fall, activity in the primary market of the ASE during 2001 was less intense. Indeed, 24 new companies proceeded to the public offering of their shares, raising 1.08 billion Euros, which corresponds to a 62.8% of annual decrease in new listings. In the same year, 19 listed companies proceeded to share capital increases, raising 427 billion Euros.

By the end of 2001, the total number of listed companies in the ASE increased to 357 companies, representing an annual increase of 4.4% percent. The number of listed companies is expected to increase even further due 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 to the operation of the New Market for small and highly innovative companies. The slight improvement in investor sentiment led the companies providing underwriter services to gradually lift their reservations concerning the appropriateness of this period in relation to new listings, thus leading to an acceleration of the listing process towards the end of the year.

The listed companies' profitability during 2001 showed downward trends. According to the published annual financial statements for the year 2000, the total net corporate profits of listed companies amounted to 5.6 billion Euro, decreasing by 9% as compared to 1999, while distributed dividends exceeded 2.6 billion Euros, increasing by 37%. The first estimates of the listed companies' results for the first three quarters of 2001 show that net profits before taxes have decreased by 11.4%, in comparison to the same period of 2000. This reduction in profitability is mainly attributed to the adverse conditions prevailing in the stock market.

During the past five years, the increased liquidity generated by fresh capital inflows to the capital market has been channelled to investment on securities by means of mutual funds. Conversely, the decline of the stock market during the past few years has led to the redemption of shares in mutual funds, and the liquidation of shareholdings in portfolio investment companies. In fact, by the end of 2001 the total assets of approximately 270 mutual funds amounted to 26.8 billion Euros, having decreased by 13,2% on an annual basis. This decrease in institutional fund assets in recent years prepared the ground and provided the incentives for the competitive rationalization and restructuring of the industry's investments.

There was also a change in the composition of mutual fund investment. In the end of 2001, the net assets of money market funds amounted to 36.2% of total assets, decreasing by 13.5 percentage points. At the same time, net assets of equity funds amounted to 20.4% of total assets, decreasing by 5.1 percentage points, while net assets of bond funds amounted to 20.8% of total assets, increasing by 5.5 percentage points. These changes prove that there is a steady change in the treatment of Greek savings, which is shaped by the overall developments in the stock market. A large and increasing portion of savings is alternatively channelled into low, medium, and high risk-bearing financial placements. That is, there is both an increase in the supply of funds that accept the undertaking of higher risks in return for higher returns, and a considerable sensitivity to stock market developments.

These findings confirm the lasting role of the Greek capital market as the main 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 foster their further transformation and efficient restructuring. These characteristics can further sustain the development of optimistic expectations, which attract new companies and fresh funds to the capital market.

The funds raised in the capital market were mainly used to finance new investment in plant and equipment, merger and acquisition activity, investment through debt substitution and working capital needs. The funding of new investment projects through the capital market assisted the improvement of the corporations' financial health and, therefore, of the national economy's growth prospects, thus making it possible to undertake new and profitable investment projects.

The Institutional Developments in the Capital Market

The main objective of both the supervisory authorities and the State is to enhance the regulatory framework and the infrastructure for the supervision of the capital market. The standards set by laws 2324/95 and 2396/95 regarding the capital market have been met during the past few years. The implementation of certain measures (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.) has been gradually completed, safeguarding the market and providing many benefits to all market operation participants. Even during the period when prices and transactions in the ASE were significantly reduced, the new regulatory safeguards protected the market from phenomena of extreme speculative behaviour and abnormality that had been noted during similar periods in the past.

During 2001, the regulatory and operational framework of the Greek capital market was strengthened and upgraded through 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. This year the development of capital market supervision included measures such as the enhancement of the possibilities, effectiveness and liquidity of the market, the completion of the regulatory framework for the certification of market agents, the modernization of the framework governing the listing of companies in the Stock Exchange and their oversight, as well as a series of ameliorating interventions in the operation of the market and the system of transactions.

During 2001, the Board of Directors of the Commission, having obtained the necessary authorization, issued almost 25 rules and regulations and proposals to the Minister of the National Economy for issuing ministerial rules. These are rules and regulations which contributed to ongoing institutional progress by aiming principally at the protection of investors, the improvement of the smooth functioning and systemic protection of the market, the establishment of transparency of the capital market and the improvement of the operating conditions and efficiency of market intermediaries. These rules and regulations helped to improve the institutions and rules governing the security of transactions and investors, as well as the financial adequacy of market intermediaries, the adaptation of the codes of their conduct with the view to protect the investing public from unethical behaviour, and the enhancement of rules concerning transparency, which improved significantly the provision of investors with information. The conditions were set for the operation of new institutions, such as the Capital Market Ombudsman. In the infrastructure field, there has been constant improvement of the Dematerialized Securities System (DSS), and the system for the clearing and settlement of market transactions, with the purpose of meeting the demands of a constantly growing Greek capital market.

More specifically, the effectiveness of stock market transactions and the smooth operation of the market were significantly enhanced by the expansion of the market's potential, which included the establishment of short-selling, of the market maker in both the Main and Parallel markets of the ASE, and of the possibility for the provision of credit by brokerage firms to their clients for the purchase of securities (margin account rule).

The Athens Stock Exchange (ASE), in co-operation with the Athens Derivatives Exchange (ADEX), the Athens Derivatives Exchange Clearing House (ADECH), and the Central Securities Depository (CSD), can now provide investors with the possibility of performing short selling transactions. This possibility constitutes an important hedging mechanism, which is instrumental for effective portfolio management during periods of stock market volatility.

The establishment of the market maker in both the Main and Parallel markets of the ASE is expected to have manifold benefits for the operation of the capital market, and not only to assist in the balancing of supply and demand for stock, but also to increase the liquidity of stocks with large and small market capitalizations. All brokerage firms that are members of the ASE are eligible to become market makers. Nevertheless, the intermediary role of the market maker in both the Main and Parallel markets is optional, in contrast to the New Market where this role is mandatory.

The establishment, by means of the relevant decisions of the Hellenic Capital Market Commission and the Bank of Greece, of the possibility for the provision of credit by brokerage firms to their clients for the purchase of securities (margin account), is a major step towards the modernization of the capital market. The performance of margin account transactions contributes to effective investment risk management, and enhances market transparency and stability, providing investors with the opportunity to adjust their positions appropriately under conditions of uncertainty. The establishment of margin accounts replaces an informal and awkward credit extension regime, which gave rise to the financial intermediaries "red code" problem and exposed both the investors, and the firms providing credit facilities, to unwarranted risks. This newly established regime includes rules for monitoring credits and controlling the corresponding undertaken risks, and has already improved the operation of the stock market.

Special emphasis was placed on the completion of the regulatory framework for the professional certification of market participants, with the aim to upgrade the quality of rendered services, and therefore increase investor protection. These certifications refer to the following professional positions: a) securities and market analyst; b) asset manager; c) investment consultant; d) persons executing orders at brokerage firms and investment firms; and e) persons receiving and transmitting orders at firms for the reception and transmission of orders. Having obtained the necessary legal authorization, the Hellenic Capital Market Commission issued the relevant rules, which specified the terms and conditions for candidate entry in the corresponding examinations, and proposed to the Ministry of National Economy the issue of a rule specifying the syllabus and other details. The examinations for the professional certification of market participants is an innovation for the Greek capital market that will lead to substantial improvement in the quality of human resources in the capital market, and will improve the quality of the rendered services, the competitiveness of the capital market and the effective protection of investors. The examinations took place in March 2002.

Another major development concerning the effectiveness of stock exchange transactions was the expansion of the daily fluctuation price limits for listed company shares traded through the Integrated System for Automating Trading (known by its Greek acronym OASIS) from +/-12% to +/-18% under certain conditions.

Major steps have been made towards the improvement of transparency in the capital market. Listed companies are now obliged to disclose additional information in their published financial statements, with the purpose of providing investors with complete information concerning the use of the funds raised. Listed companies are also obliged to provide additional information in case of share capital increases, while the amount of such increases has been limited and the obligation to provide investors with complete information concerning their purposes has been established. More specifically, the Prospectus must make full mention of the uses of funds raised through share capital increases, which must be in accordance to the decisions of the General Shareholders Meeting.

As far as implementation of the code of conduct for companies listed in the Athens Stock Exchange (HCMC rule 5/204/14.11.2000) is concerned, article 16 of the rule introduces the obligation of listed companies to provide investors with information concerning their operation and the development of their corporate fundamentals. Listed companies are obliged to publish an Annual Report, the content of which bears 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 offerings.

An important contribution to financial disclosure practices is the requirement to include 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 accounts, allowing domestic and foreign investors to compare domestic with international corporate performance. It must be noted that that all listed companies in EU exchanges will have to implement the IAS by the end of 2005.

The procedure concerning evaluation of the shares of companies about to be listed in the ASE was improved by means of an amendment in the Underwriters Regulation and with the purpose of enhancing effectiveness in the primary market. Now, the book building procedure has been put into general use for the definition of issuing prices at initial public offerings. In order to set a realistic price range, underwriters are also obliged to proceed to the timely and adequate presentation of the company to be listed to the institutional investors (pre-marketing).

The regulatory framework governing the operation of the ASE's two new markets, i.e. the New Market and the Greek Market for Emerging Markets Funds, was completed and activated. The New Market, which is an organized market of the ASE, was formed in accordance to the standards of the most advanced markets, such as the NASDAQ (US), the Neuer Markt (Germany) and the Nouveau March (France), where the shares of new fast-growing companies with good growth prospects are being listed and traded. The first company that listed its shares in the New Market is Unibrain SA, an information technology firm. All trading in New Market company shares must be performed by using the services of a market maker. The Greek Market for Emerging Markets Funds is also an organized market of the ASE, whose target is to attract fast-growing companies based in South European and Mediterranean countries. The financial instruments listed and traded in this new market are the following: first, the Greek Depository Receipts, which are securities representing companies based on the aforementioned countries; second the shares of Emerging Markets Investment Funds, which are securities similar to mutual fund shares, with the difference that they are themselves listed for trading in the Exchange; and, third, the stock of Emerging Markets Portfolio Investment Funds, which mainly invest in dynamic emerging markets. In this context, the Hellenic Capital Market Commission has already approved the granting of licenses to 3 banks for the issuance of Greek Depository Receipts, while the number of interested market participant increases, and the first applications for the listing of foreign companies through the use of Greek Depository Receipts are also expected.

The competitive transformation of the Greek capital market and the harmonization of its regulatory framework to that of Europe continued with the completion of the preparations for the reception of EU investment firms in the domestic stock market and their participation in the ASE as remote members, provided that they fulfil the legal requirements.

The security of transactions was enhanced by readjusting the size of the Common Guarantee Fund and by elaborating certain procedures that improve the effective operation of the Supplementary Fund in case an ASE member defaults. The new framework that is currently in operation allows for more flexible procedures in order to activate the relevant clauses of the Supplementary Fund.

The system's operating conditions and transparency were further improved by a series of rules and regulations issued by the ASE and CSD authorities. These include the obligation of listed companies to announce any credit of rights to the securities account of investors in the Dematerialized Securities System (DSS), as a condition for the initiation of the trading of such rights in the OASIS. Furthermore, the dematerialization of rights has been completed, the period for their execution has been reduced from 30 to 15 days and their price fluctuation limits have been abolished. The procedure concerning the listing and initiation of trading for shares in cases of reclassification, listing without initial public offering and corporate bond issuance has been fine-tuned and set in line with the provisions of the regulation for the Dematerialized Securities System. Moreover, the regulatory framework concerning the placement of shares under surveillance has been improved and the conditions concerning the restoration of a company from "under surveillance" to normal trading status have been more clearly defined.

The development of the financial instruments market, emphasising on transparency and the effective provision of information, was upgraded through the reorganization of the stock market's indices. Now, all indices are prepared on the basis of certain rules and criteria, which are disclosed and reviewed every six months, in regard to large, medium and small market capitalization companies. Moreover, the list of conditions concerning the listing of companies to the ASE has been readjusted.

Finally, the smooth operation of the market was enhanced through the amendment of a rule of the Ministry of National Economy, following a relevant proposal of the Hellenic Capital Market Commission, concerning the conditions for the listing of shares in the Parallel Market of the ASE. More specifically, it is now possible to distribute underlying shares to investors, and there have been improvements in the share dispersion procedure. Furthermore, the limitation on the determination of share allocation prices has been abolished. According to this limitation, the allocation price of new shares was not allowed to exceed the allocation price of new shares issued by means of share capital increases through public offerings that had taken place during the past six months against cash payment.

During 2001, 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 and investment firms by monthly regular and irregular audits, the monitoring of the portfolio composition of portfolio investment companies by quarterly and irregular audits, the monitoring of financial behaviour 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, the daily monitoring of the clearing and settlement process by imposing 'automatic sanctions' in cases of malpractice and the monitoring of illegal short selling.

During 2001, 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 2001, the auditing work of the Commission 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. The Commission examined in detail several cases of share transactions, where there was an indication of market abuse practices. Several illegal practices were detected by those audits, which led the Commission to levy fines totally worth 9.32 million Euros, 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 co-operation on issues related to the safeguarding of market stability. In the context of international relations development, members of the Commission's staff participated in numerous international conferences. Moreover, during 2001 three new bilateral memoranda of understanding were signed and co-ordinating bodies were formed with the aim to improve co-operation between stock exchanges, clearing houses and regulation authorities. It was also very important that in 2001 a CESR working group completed, under the presidency of the Hellenic Capital Market Commission, the preparation of a set of rules concerning market abuse. This set of rules became the basis for the preparation of a draft European Directive, and the Chairman of the Hellenic Capital Market Commission, Mr. Stavros Thomadakis, presented its main points to the European Parliament.

In general, the executives of the Hellenic Capital Market Commission had a great contribution to the discussions and the preparation of European Commission Directives related to the capital market. These include the revision of the Directives on Investment Services (incorporated in Law 2396/1996) and on Collective Investments (incorporated in Law 1969/1991), the processing of draft new Directives concerning Prospectus content and the implementation of the International Accounting Standards by the year 2005.

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 2001, the operational and supervisory systems of the capital market functioned properly and remained unaffected by the adverse psychological conditions prevailing in the market. All systems and supervisory mechanisms proved to be rather durable and the market was not exposed to any systemic risk.

Developments in the Capital Market

The ASE General Index

The year 2001 was a year of share price decline for almost all advanced and most emerging capital markets. The Greek capital market was no exception to this rule. In the last trading session of the year, the ASE General Index closed at 2,591.6 units, realising a total annual decrease of 23.5%. It is worth noting that in 2001, out of 17 major international markets, only the AXJO index of the Sydney Stock Exchange closed without registering any loss, while the percentage losses in other advanced markets ranged from -6% for the Dow Jones Industrial Average, to -26% for the MIB30 index of the Milan Stock Exchange.

The average annual level of the General Index during 2001 was 2,817.6 units. The highest closing, highest intraday and lowest closing values of the General Index were registered on January 3rd, 2001 (3,360.51 units), January 12th (3,455.9 units), and September 21st (2,105.6 units) respectively. On this last date, the General Index also registered its lowest intraday value (1,997.82 units). The fall of the General Index was accompanied by smaller fluctuations. The average monthly standard deviation of daily returns of the General Index was, indeed, 1.8% percent in 2001, against 2.1% in 2000 and 2.4% in 1999. The average annual difference between the highest and lowest intraday value of the Index was reduced from 94.2 units in 2000, to 58.15 units in 2001. The ASE General Index exhibited considerable volatility during January, as well as July and September due to the developments in Greece and abroad (see Figures 1 and 2).

Table 2

Average Annual Percentage Change of the ASE General Index, 1991-2001

Return	Placement Year									
Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1992	-17.0%									
1993	8.8%	42.6%								
1994	2.4%	13.7%	-9.4%							
1995	3.1%	10.8%	-2.3%	5.2%						
1996	2.9%	8.6%	-0.9%	3.6%	2.1%					
1997	10.6%	17.1%	11.5%	19.4%	27.2%	58.5%				
1998	19.0%	26.4%	23.4%	33.2%	44.2%	71.3%	85.1%			
1999	27.2%	35.1%	33.9%	44.8%	56.9%	81.0%	93.4%	102.2%		
2000	17.2%	22.4%	19.8%	25.5%	30.0%	38.0%	31.8%	11.3%	-38.8%	
2001	12.3%	16.2%	13.2%	16.9%	19.0%	22.7%	15.0%	-1.8%	-53.2%	-23.5%

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, 2001

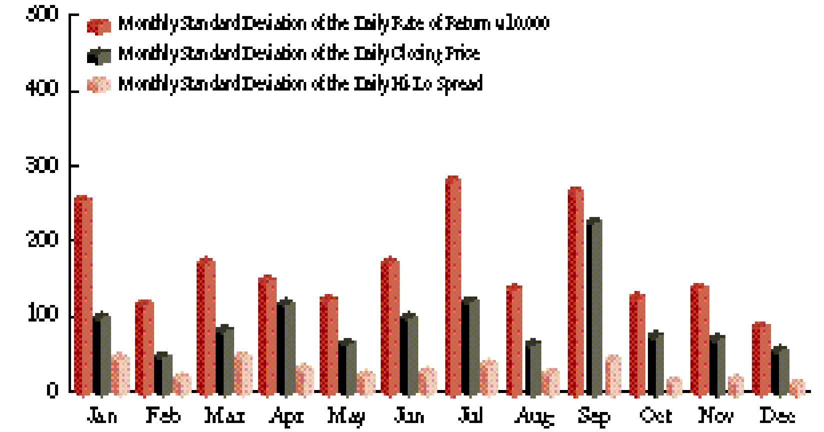
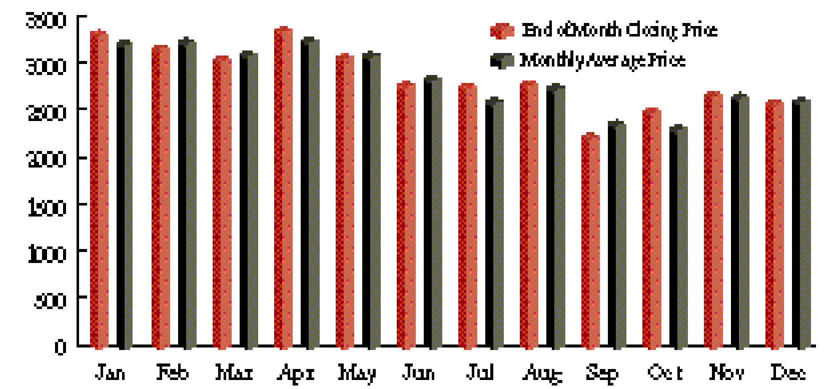


Figure 2

Monthly Closing Price and Mean of the ASE General Index, 2001



Sectoral Share-price Indices in the ASE

During 2001, most sectoral indices registered losses (Tables 3 and 4). The exceptions were the indices of the Insurance, Industrial Minerals and Telecommunications sectors, which registered annual increases of 30.7%, 6.0% and 15.8% respectively. The losses of most sectoral indices exceeded those of the General Index. The greatest loss was suffered by the Publishing and Printing index (-57.7%), followed by the

Information Technology (-46.8%), Portfolio Investment Companies (-42.9%), Wholesale Trade (-37.5%), Holding Companies (-35.4%) and Bank (-34.5%) indices. The FTSE/ASE 20, which includes the large capitalization stocks, fell by 26.8%, whilst the index FTSE/ASE Mid 40, which includes the middle capitalization stocks, fell by 29.4%. Finally, the FTSE/ASE Small Cap 80, whose value is being calculated since June 2001 and reflects the prices of small capitalization stocks, fell by 19.3% from May till the end of the year.

Table 3

Sectoral Share-price Indices in the ASE, 2001

Sectoral Share-price Indices	Closing Price 28/12/2001	Lowest Daily Price	Highest Daily Price	% Change since 29/12/2000
General Index	2,591.6	1,997.8	3,456.0	-23.53%
FTSE/ASE 20	1,428.9	1,121.7	2,014.5	-26.76%
FTSE/ASE MID 40	279.1	193.7	408.3	-29.42%
FTSE/ASE Small Cap 80	807.0	563.3	1,011.1	-19.30% [1]
Banks	4,788.1	3,640.6	7,557.8	-34.47%
Insurance	1,809.3	1,110.5	1,932.4	30.74%
Investment	762.5	568.4	1,393.3	-42.88%
Industrial	1,535.9	1,149.8	2,092.1	-25.90%
Holding Companies	2,488.9	1,842.3	4,004.4	-35.37%
Construction	1,146.0	782.2	1,652.0	-9.90%
Metals	811.4	596.4	1,090.4	-18.86% [2]
IT Equipment	532.3	351.9	1,159.5	-46.77% [2]
Publishing-Printing	423.5	320.5	1,110.5	-57.65% [2]
Textiles	802.5	578.9	1,453.8	-19.75% [2]
Retail Trade	878.0	568.2	1,274.7	-12.20% [2]
Industrial Minerals	1,059.9	734.2	1,133.3	5.99% [2]
Information Technology	789.6	548.2	1,193.1	-21.04% [2]
Telecommunications	1,158.4	884.6	1,263.9	15.84% [2]
Food & Beverages	812.5	664.2	997.8	-18.75% [2]
Wholesale Trade	624.8	430.5	1,171.8	-37.52% [2]
Parallel Market	242.3	377.1	169.8	-24.21%

Source: ASE.[1] Change since 31/5/2001,[2] Change since 2/3/2001.

As far as the prices of individual stocks are concerned, from a total of 357 companies listed in the ASE, 83% registered losses, while 17% registered price gains. 52.4% of stocks registered price declines over 25% and, more specifically, the prices of 52 stocks fell by more than 50%. Of the stocks whose share prices increased, 23 gained more than 20%, while another 20 had price gains of up to 10%.

Table 4

Sectoral Share Price Indices in the ASE by Month, 2001

	ASE General Index	Banks	Insurance	Investment	Holding Companies	Industrial	Construction	Parallel Market	FTSE/ ASE 20	FTSE/ ASE Mid 40	FTSE/ ASE Small Cap 80
31-Jan.	3,264.8	7,133.4	1,252.8	1,323.1	3,413.4	1,969.6	1,268.4	257.3	1,833.0	341.5	-
28-Feb.	3,129.1	6,680.3	1,380.0	1,257.3	3,393.5	1,953.9	1,423.0	317.2	1,776.9	365.8	-
30-Mar.	3,044.6	6,427.1	1,459.5	1,181.1	3,530.8	1,875.6	1,471.1	332.3	1,745.3	371.2	-
30-Apr.	3,286.7	7,035.4	1,514.7	1,135.4	3,829.5	1,966.3	1,541.0	326.6	1,922.4	379.2	-
31-May	3,088.7	6,678.0	1,680.9	986.6	3,415.2	1,754.9	1,332.1	292.4	1,809.3	343.5	1,000.0
29-Jun.	2,741.2	5,662.7	1,652.5	789.2	3,212.7	1,555.3	1,148.3	257.9	1,580.2	305.4	852.7
31-Jul.	2,727.2	5,313.0	1,709.0	875.3	3,027.6	1,602.2	1,183.6	261.4	1,530.5	304.1	872.6
31-Aug.	2,762.1	5,350.4	1,720.0	871.8	2,982.9	1,631.3	1,254.5	272.4	1,551.3	308.9	911.9
28-Sep.	2,226.1	4,041.3	1,487.1	658.5	2,104.8	1,309.3	944.0	200.2	1,243.1	226.0	651.2
31-Oct.	2,468.3	4,642.4	1,709.8	719.7	2,416.8	1,443.5	1,019.9	228.2	1,385.2	252.1	731.1
30-Nov.	2,694.0	4,929.4	1,748.8	827.6	2,695.0	1,610.0	1,239.9	265.2	1,473.8	297.7	877.5
28-Dec.	2,591.6	4,788.1	1,809.3	762.5	2,488.9	1,535.9	1,146.0	242.3	1,428.9	279.1	807.0
Max. 2001[1]	3,360.5	7,311.3	1,889.6	1,340.9	3,878.0	2,055.4	1,574.5	368.0	1,947.6	396.4	982.6
Min. 2001[1]	2,105.6	3,878.1	1,150.3	599.4	1,932.0	1,210.6	856.1	184.9	1,182.3	207.3	609.9

Source: ASE.

Note.: [1] Closing Prices.

The Value of Transactions in the ASE

The year 2001 was marked by a decrease in the value of transactions to 40.5 billion Euros, from 101.7 billion Euros in 2000 (Table 5). The average daily value of transactions in 2001 was 162.1 million Euros, against 440.8 million Euros in 2000 and 880.1 million Euros in 1999. The highest daily value of transactions was 790.3 billion Euros and was observed on May 31st, 2001, whilst the lowest daily value of transactions was 42.7 billion Euros and was observed on October 15th. The total annual value of transactions in the Main Market decreased by 59.9%, whilst in the Parallel Market it decreased by 60.3%. The value of transactions in the Parallel Market of the ASE during 2001 accounted for 16.5% of the total value of transactions, while the value of transactions in the New Market accounted for 0.4% of the total value of transactions for the year 2001.

Table 5

The Value of Transactions in the ASE, 1994-2001

Year	Main Market		Parallel Market		New Market	ASE Total [1]	
	Amount (million €)	% Annual Change	Amount (million €)	% Annual Change		Amount (million €)	% Annual Change
1994	3,596.83	-	105.04	-	-	3,716.49	-
1995	3,690.91	2.6	442.53	321.3	-	4,140.11	11.4
1996	5,334.03	44.5	506.05	14.4	-	5,849.33	41.3
1997	16,259.13	204.8	768.10	51.8	-	17,081.40	192.0
1998	39,097.70	140.5	2,233.45	190.8	-	41,708.07	144.2
1999	153,373.11	292.3	19,175.66	158.6	-	173,026.98	314.9
2000	83,961.93	-45.3	16,824.75	-12.3	-	101,675.74	-41.2
2001	33,698.54	-59.9	6,679.37	-60.3	151.89	40,529.80	-60.1

Source: ASE.[1] Includes additional margin account transactions in the Main and Parallel Markets.

Net Profits and Dividends of the ASE Listed Companies

During the period 2001-2001, the decline in share prices was accompanied by a comparatively smaller deterioration of corporate profitability. Shrinking profits may be largely attributed to the decline in share prices, which mainly had a negative effect on holding companies and companies of the financial sector. Net after-tax profits of listed companies, based on their 2000 annual financial statements, amounted to 1,894 billion GRD (5,558 million Euro), representing a decrease of 9% in relation to 1999 (Table 6). At the same time, distributed dividends out of the 2000 profits amounted to 901.5 billion GRD (2,646 million Euro), representing an increase of 37% in relation to 1999. This increase resulted to an increase in dividend payout ratio from 31.6% in 1999 to 47.6% in 2000.

In 2001, the third quarter results of listed companies show an 11.4% decrease in profits before taxes, as compared to the same period in 2000. Corporate profitability for the year was adversely affected by the continuous decline in share prices, the slowdown of the global economy, the decrease in profit margins due to increased competition, and the large cost of investments due to mergers and acquisitions. Such investments were accompanied by substantial increases in depreciation, which led to a corresponding reduction of profits after depreciation, while in the short run they burdened the companies' operating expenses. Finally, as a result of the slight decrease in the price to earnings ratio (P/E)[1] of both the companies and the capital market as a whole during 2001, the average valuation of the companies listed in the ASE is now comparable to those of other European capital markets.

Table 6

Net Profits and Distributed Dividends of the ASE Companies, 1990-2000

	Net Profits [1] (million GRD)		Distributed Dividends (million GRD)		Dividend Ratio
Year	Amount	% Annual Change	Amount	% Annual Change	
1990	155,561		93,688		60.2
1991	236,548	52.1%	127,489	36.1%	53.9
1992	180,125	-23.9%	89,147	-30.1%	49.5
1993	311,248	72.8%	120,343	35.0%	38.7
1994	347,249	11.6%	171,408	42.4%	49.4
1995	365,422	5.2%	193,628	13.0%	53.0
1996	684,356	87.3%	249,899	29.1%	36.5
1997	730,776	6.8%	344,286	37.8%	47.1
1998	899,648	23.1%	448,540	30.3%	49.9
1999	2,081,802	131.4%	658,052	46.7%	31.6
2000	1,893,889	-9.0%	901,536	37.0%	47.6

Source: ASE.

[1] Profits after taxes and after the compensation of board members of profitable companies.

[1] Given that the pre-tax profits for the first 9 months of 2001 amounted to approximatelly 4,692 billion Euro, whilst total ASE capitalization by the end of December, 2001, was 96,949 million Euro, the result of a prelimilary estimate of the price to earnings ratio for the market as a whole is 17. The corresponding price to earnings ratio by the end of December 2000 was 19, while by the end of December 1999 it was 29.

Market Capitalization of the ASE Listed Companies

During 2001, the total market capitalization of ASE listed companies decreased both as an absolute level and as a percentage of the GDP (Tables 7 and 9). In fact, total market capitalization shrunk by 17.8%, from 118 billion Euros in the end of 2000 to 97 billion Euros in 2000. Despite its decrease by 100 billion Euros during the period 2000-2001, total ASE capitalization in 2001 was still 45% higher than that of 1998.

The decrease of total market capitalization in 2001 is mainly due to the decline in share prices and the de-listing of INTERAMERICAN life insurance company from the ASE. Nevertheless, the share capital increases of listed companies and the introduction in the stock exchange of shares of companies such as the Public Power Corporation, the Agricultural Bank of Greece, OPAP, and Motor Oil, moderated the decrease of total market capitalization. By the end of 2001, the total market capitalization of the 21 companies that were listed in the ASE during the year amounted to approximately 10 billion Euro, which is equivalent to 10.3% of total market capitalization.

In 2001, the market capitalization of shares listed in the Parallel market decreased by 27.7%, while the market capitalization of Main Market shares decreased by 16.9%. By the end of the year, the market capitalization of Parallel Market companies accounted for 8% of total market capitalization, as compared to 9% in 2000. Among individual sectors, the highest market capitalization was that of the banking sector, with 24% of total market capitalization, as compared to 31% in 2000, followed by Telecommunications (16.6% of total market capitalization, as compared to 13.5% in 2000).

The companies of the wider industrial and manufacturing sector suffered the greatest losses in market capitalization (-41.5%) during 2001. As a result, their portion of total market capitalization in the ASE fell from 28% in 2000 to 20%. The companies of the financial sector (banks, insurance firms, leasing companies, portfolio investment companies) also suffered a 32% decrease in market capitalization, and their portion of the total market capitalization was limited from 37% in 2000 to 31% in 2001. On the contrary, the market capitalization of other sectors (provision of non-financial services, trade, construction and shipping) increased by 31%, leading to an increase in their portion of the total market capitalization from 26% during the period 1999-2000 to 31% in 2001. By the end of the year, the listed companies with the highest market capitalization were the Hellenic Telecommunications Organization (9.5% of total market capitalization, as compared to 6.8% in 2000), the National Bank of Greece (6.5% of total market capitalization, as compared to 7.8% in 2000), EFG Eurobank-Ergasias (4.7% of total market capitalization, as compared to 5.2% in 2000), followed by 3E (4%), Cosmote (3.9%) and Alpha Bank (3.8%).

Finally, it has to be noted that the decline in the average daily value of transactions and total market capitalization contributed to the decrease of the ASE's Average Daily Liquidity Index to 0,18%, from 0.26% in 2000 and 0.48% in 1999 (Table 8).

Table 7

Market Capitalization of the ASE Listed Companies, 1994-2001

(million €)	Main Market				Parallel Market		ASE Total	
Year	Finacial Sector [1]	Manufa-cturing	Other [2]	Total Shares	Total Shares	New Market	Amount	% Change
Dec. 1994	3,610.4	5,524.3	1,118.3	10,253.0	246.7	-	10,499.7	
Dec. 1995	4,082.4	6,096.5	1,185.0	11,363.9	451.0	-	11,814.8	12.5
Dec. 1996	4,898.4	5,695.1	6,289.6	16,883.1	563.1	-	17,446.2	47.7
Dec. 1997	8,976.0	9,457.1	9,397.3	27,830.4	962.9	-	28,793.3	65.0
Dec. 1998	23,740.5	18,619.2	21,797.3	64,157.0	2,867.8	-	67,024.8	132.8
Dec. 1999	64,783.2	61,863.2	51,244.0	177,890.4	19,646.6	-	197,537.0	194.7
Dec. 2000	44,076.6	32,788.1	30,419.2	107,283.9	10,672.3	-	117,956.3	-40.3
Dec. 2001	30,105.5	19,178.4	39,894.6	89,178.5	7,720.8	50.2	96,949.5	-17.8

Source: ASE.

[1] *Banks, Insurance Companies, Portfolio Investment Companies, Leasing Companies.*

[2] *Holding Companies, Construction, Telecommunications, Water Supply, Shipping, Information Technology, TV & Entertainment, Health, Wholesale Trade, IT Equipment, Retail Trade, Motor Vehicle Trade & Maintenance, Transport Rental Services, Fish Farming, Agriculture & Farming, "Change of Activity".*

Table 8

Monthly Liquidity Index in the ASE, 2001

	Market Capitalization at the end of Month (million €)	Average Daily Value of Transactions (million €)	Average Daily Liquidity Index[1] (%)
January	112,214	151.5	0.14
February	110,962	170.1	0.15
March	110,482	233.1	0.19
April	118,134	159.3	0.14
May	110,143	193.6	0.17
June	97,204	159.7	0.15
July	97,317	125.7	0.13
August	101,097	127.0	0.13
Sptember	79,461	149.2	0.18
October	87,562	102.5	0.12
November	98,404	205.6	0.21
December	96,949	171.4	0.18

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

The decline in ASE share prices under conditions of economic growth led to a further reduction of the ratio of the total market capitalization of companies listed in the ASE to GDP from 169% in 1999 and 96% in 2000, to 73% in 2001. Moreover, total market capitalization was equivalent to 73% of Greece's contribution to money supply (M3) in the euro zone, as compared to 93% in 2000 and 173% in 1999. Finally, the total market capitalization of the listed companies by the end of 2001 was equivalent to 78% of the total value of commercial deposits and repos (Table 9).

Table 9
Market Capitalization and Macroeconomic Indicators, 1991-2001

	Market Capitalization (% of GDP)	Market Capitalization (% of M3)	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	29.6	47.1	52.0
Dec. 1998	63.6	100.1	109.6
Dec. 1999	169.4	172.8	193.9
Dec. 2000	95.5	92.5	99.9
Dec. 2001	73.1 [1]	72.8 [2]	77.7 [3]

[1] *The GDP level for the year 2001 is estimated by the Ministry of National Economy to be approximately 132.7 billion Euros (Ministry of National Economy, Annual Report 2001, Annex I).*
[2] *August 2001 data.*
[3] *October 2001 data.*

The Developments in the Athens Derivatives Exchange

The Athens Derivatives Exchange is an organized market for transactions on derivative financial products in Greece. It launched its operations on August 27th, 1999, by trading the first FTSE/ASE-20 Future. The Athens Derivatives Exchange (ADEX) and the Athens Derivatives Exchange Clearing House (ADECH) are the agencies responsible for the organization, operation and development of the Greek derivatives' market. More specifically, the objective of the ADEX is to organize and support transactions on derivatives, while the objective of the ADECH is the clearing of transactions in the derivatives market. In order to fulfil this task more effectively, the ADECH also provides central counter-party services. I.e., the ADECH participates in contracts dealt in the ADEX and proceeds to the clearing of transactions, ensuring that the counter parties fulfil the obligations emanating from these transactions. The Hellenic Capital Market Commission exercises the supervision of transactions performed in the ADEX.

The development of the Greek derivatives market proceeds at a rather satisfactory pace. In 2001 there was significant increases of both the volume and the value of transactions

Table 10

The Greek Derivative Products Market, 1999-2001

	Dec. 1999	Dec. 2000	Dec. 2001
Trading Members (ADEX)	20	40	65
- Greece	20	40	63
- Europe	-	-	2
Clearing Members (ADECH)	20	36	42
- Direct Clearing Members	20	29	33
- General Clearing Members	-	7	9
Terminals	92	171	333
API use agreements	-	21	28
Client Accounts	325	3,181	9,133
Products	1	5	7

Source: ADEX.

The number of Futures and Options traded in the ADEX during 2001 reached 4,368,538 contracts, as compared to 2,381,260 contracts in 2000, which corresponds to an annual increase of 83%. More specifically, the total number of contracts concerning index derivatives (Futures and Options on the FTSE/ASE-20 and the FTSE/ASE Mid 40 indices) increased in 2001 by 129%, while the value of transactions reached 14.6 billion Euro, increasing by 50.5%.

The upgrade of the ADEX's role is also demonstrated by the increase in investor accounts. During 2001, the participation of final client-investors in the derivatives market increased by an average of 496 new clients per day. On the whole, the number of accounts by the end of 2001 amounted to 9,133, which corresponds to a total annual increase of 187%.

By the end of 2001, the ADEX numbered 65 members, as compared to 40 Members in 2000, and the ADECH had 42 members as compared to 36 Members in 2000. Based on the new member applications that have been submitted, it is expected that the number of ADEX and ADECH members will increase significantly in the following year. The distribution of transactions in the ADEX during 2001 was marked by an increase in the average portion of private investor contracts, which amounted to approximately 55% of the total, and a decrease in the portion of contracts of ADEX members that act as Type A and B Market Makers.

The year 2001 was also marked by a change in the relationship between the underlying and forward markets. Indeed, the ratio of the value of transactions in the ADEX to the total value of transactions in the ASE increased substantially (Table 11).

The growing use of derivatives by Greek investors bears proof of the improvement in risk management methods and the gradual familiarization of investors with the possibilities and opportunities offered by these new products.

Table 11

The Underlying and Future Derivative Products Market in the ADEX, 1999-2001

Month - Year	Transaction value of Futures & Options to the value of ASE transactions	Transaction value of FTSE/ASE-20 & MID 40 shares to the value of ASE transactions	Total Futures to FTSE/ASE-20 & MID 40 shares	Futures to Spot FTSE/ASE-20 shares	Futures to Spot FTSE/ASE-40 shares
Jun. 2000	8%	39%	21%	24%	20%
Jul. 2000	14%	38%	38%	34%	48%
Aug. 2000	16%	43%	40%	32%	57%
Sep. 2000	18%	56%	32%	33%	31%
Oct. 2000	26%	52%	48%	53%	36%
Nov. 2000	38%	53%	67%	78%	46%
Dec. 2000	21%	52%	41%	53%	26%
Jan. 2001	44%	61%	64%	74%	40%
Feb. 2001	38%	57%	61%	74%	45%
Mar. 2001	21%	36%	54%	55%	56%
Apr. 2001	34%	51%	60%	63%	54%
May 2001	36%	64%	53%	55%	47%
Jun. 2001	47%	72%	57%	64%	36%
Jul. 2001	59%	62%	83%	101%	32%
Aug. 2001	40%	39%	80%	107%	20%
Sep. 2001	39%	54%	57%	70%	16%
Oct. 2001	44%	48%	73%	94%	20%
Nov. 2001*	34%	41%	64%	79%	25%
Dec. 2001	28%	45%	44%	53%	23%

** Includes Futures on shares, whose trading started on November 19th, 2001.*

Since the beginning of 2001, the Euro has become the basis for calculating the prices of the market support and transaction clearing systems for fixed-income securities in Greece: i.e., the dematerialized securities system of the Bank of Greece, where transactions on Greek treasury bonds in the Electronic Secondary Government Bonds Market are cleared and settled and the dematerialized securities system of the Central Securities Depository, where transactions in the Fixed Income Securities Market of the ASE are cleared.

More specifically, as far as Greek treasury bonds are concerned, in 2001 the policy concerning public debt management focused on the harmonization and fulfilment of the requirements emanating from the participation of these securities in the single Eurobond market. The nominal value and the yields of all existing Greek treasure bonds are now calculated in Euro. All new issues of Greek Treasury dematerialized securities are expressed and traded in Euro. There were further auctions designed for public debt restructuring and the new issues that were auctioned helped lengthen the average maturity of the debt structure. More specifically, the composition of domestic debt for the first three quarters of 2001 was 5.3% Treasury bills, and 94.7% fixed rate bonds, whilst in the same period of 2000 it comprised 8.9% of Treasury bills, and 91.1% of fixed rate bonds. Figure 3, shows the development of the interest rate of the 12-month Greek Treasury Bill and the 10-year Bond, on the basis of the average weighted rate that resulted from their distribution auctions during the period November 2000-December 2001. It is worth noting that in March 2001, Standard & Poor's upgraded Greece's credit rating by increasing its long-term external debt rating from A- to A.

The average monthly volume of transactions at the Electronic Secondary Government Bonds Market increased significantly during the first 9 months of 2001, amounting to 20 billion Euros. The issuance of bonds and the so-called "prometoxa," i.e. bonds convertible to public corporation shares, continued in 2001 as well, with the issue in the international market of tradable "prometoxa" providing bearers with the option to convert them with shares of Hellenic Tourist Properties SA, or its subsidiaries. In 2001, the holders of previous "prometoxa" issues were given the opportunity to change them with shares distributed by the Greek State, such as the shares of OPAP, and the Public Power Corporation.

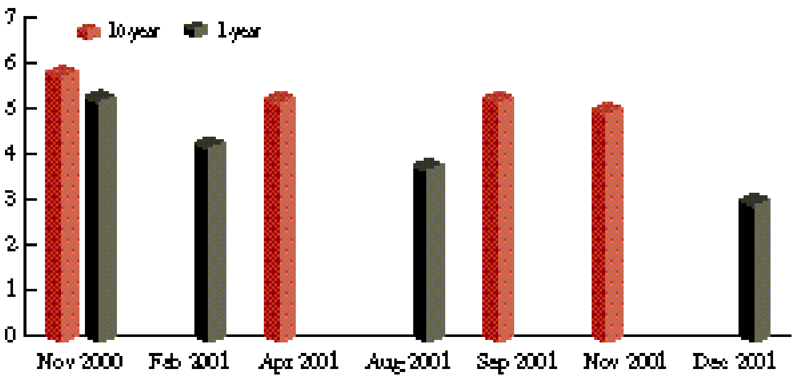
During 2001, the corporate bond market of the ASE was reactivated, on one hand with the inclusion of these securities to the OASIS trading system and on the other, with the introduction of the first dematerialized corporate bond in the Fixed Income Securities Market (FISM) of the ASE. Moreover, according to the provisions of article 16 of Law 2954/2001, all non-state debt securities that are about to be listed in the FISM must be issued in dematerialized form, and all existing material corporate bonds must be dematerialized at the issuing company's initiative.

Furthermore, the new provisions settled the issue concerning the registering and clearing of corporate debt securities by the CSD, by means of a process similar to the process of registering and clearing shares described in Rule 3/228/25.19.2001 of the Hellenic Capital Market Commission and allowed for the possibility of off-the-counter transfers of corporate bonds. Finally, Rule 75/2001 of the ASE facilitated the procedure of corporate bonds trading in the FISM.

It must be noted that it was not possible to interconnect the operation of these two independent bond markets during 2001. The Hellenic Capital Market Commission believes that the operators of the market (the Bank of Greece and the ASE) must proceed with their interconnection, in order to create optimum conditions for the further development of the Greek bond market within the highly competitive European environment.

Figure 3

Weighted Average Interest Rates of Greek Treasury Bill and 10-year Greek Bond Auctions, 2001



The Developments in the Transaction Clearing System and 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, stock 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 Hellenic 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 (DSS).

During 2001, given the activation of both the New Market and the institution of Margin Account trading, and due to other individual developments, the HCMC proceeded to certain amendments of the regulation, through the issuance of the relevant rules. The necessary adaptation of the clearing and settlement procedure to these new conditions imposed the amendment of certain DSS operations, in order to include the responsibilities of the market maker, the performance of short selling in the New Market, the introduction of the Security Portfolio and the procedure concerning the pledging of securities for margin account requirements. The same amendment improves and regulates issues concerning the identification of dividend beneficiaries, the procedure and the principles of multilateral settlement and the handling of reselling or repurchase agreements.

Another important development was the expansion of the DSS in the field of Greek Depository Receipt and Treasury bond management and registering. Finally, by activating the possibility for the provision of services by overseas remote member investment companies, the clearing procedures concerning such members were developed and incorporated in the DSS.

Despite the stock market decline, the number of trading accounts in the DSS continued to increase. Table 12 presents the monthly growth in the numbers of new and active DSS stock trading accounts during the period 1999-2000.

Table 12
Number of Stock Trading Accounts by Month, 1998-2000

	1998	1999	2000	2001
January	-	43,719	56,642	3,324
February	-	56,980	63,119	4,600
March	-	88,048	50,088	4,238
April	-	127,923	15,592	2,922
May	-	114,586	18,394	4,122
June	-	116,881	11,931	2,819
July	-	72,750	8,106	3,135
August	-	74,154	5,059	2,110
September	-	145,064	10,273	2,888
October	-	98,807	7,180	2,149
November	-	81,666	10,395	6,756
December	-	83,091	34,005	2,704
Total new accounts	355,309	1,103,669	290,784	41,764
Total accounts				1,791,529

Source: CSD.

The Primary Securities Market

General Overview

During 2001, the supply of tradable securities in the primary market decreased both internationally and in Greece. It is estimated that this decrease is mainly due to: a) the decrease in the volume of transactions in advanced secondary security markets and its effects on the sentiment of potential investors activated in the primary market; b) the satisfactory yields realised by bond issues, which resulted in the shift of a substantial portion of the investing public to lower risk placements; c) the increase in consumption expenditure in certain advanced markets (notably the US and the UK), which led to liquidation of financial investments; and d) the consecutive interest rate cuts by the Federal Reserve (and to a lesser extent by the European Central Bank), which led to a relative decrease in the cost of raising funds through bank lending.

More specifically, in Greece, the decrease in the public offer of tradable shares also reflects the decrease in the number of high market capitalization companies whose shares were listed in the ASE, and the reluctance, due to the fall in share market prices and therefore of company valuations, of listed company managements to proceed to share capital increases. It was, indeed, anticipated that the funds offered would be much less than the funds demanded, or, alternatively, the raising of the desired funds would necessitate the issuance of a large number of new shares, resulting to an extensive dispersion of share ownership, during a period of inelastic fund raising costs (e.g. issuance expenses, underwriter and consultant fees, legal and financial audit expenses).

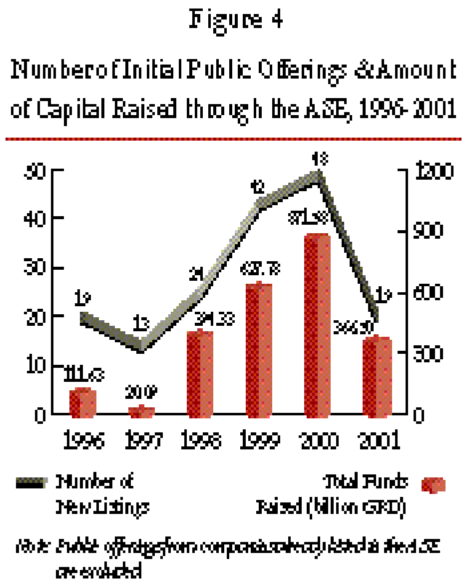
The total funds raised through the offering of shares and corporate bonds by means of initial public offerings and share capital increases (in favour of existing shareholders or by abolishing pre-emptive rights) were reduced by 87%, from 11.59 billion Euro (3.95 trillion GRD) in 2000 to 1.49 billion Euro (506 billion GRD) in 2001. The participation of new issues to the total market capitalization of the ASE was considerably reduced: the funds raised accounted for a mere 1.5% of the total market capitalization of companies listed in the ASE, as compared to 9.8% in 2000 and 6.5% in 1999.

Public Offerings

During 2001, the public offering of shares met a shrinking response from both domestic and international potential investors. In Greece, the drastic reduction of new issues led to a significant contraction of the funds raised through them. Nevertheless, there are still many companies that have submitted applications for initial public offerings and listing of their shares in one of the ASE's markets. Of course, as a result of the negative sentiment prevailing in the stock market, listed company managements became very reluctant to raise funds through the distribution of shares by public offering.

During 2001, there were 24 public offerings in the ASE, as compared to 49 in 2000 and 46 in 1999. Out of this total, 13 offerings took place in the Main Market, 9 in the Parallel Market and 2 in the New Market.

The funds raised through public offerings and private placements with company employees amounted to 366.5 billion GRD (1.08 billion Euro), as compared to 992.9 billion GRD (2.91 billion Euro) in 2000 and 1,624.5 billion GRD (4.77 billion Euro) in 1999. The amount of the funds raised during 2001 has decreased by 63% and 77% as compared to the relevant amounts for 2000 and 1999 respectively. All 24 public offerings that took place in 2001 concerned new issues, while one of the 49 offerings of 2000 and 4 of the 46 offerings of 1999 were performed by already listed companies. If these specific issues are excluded, the amounts of funds raised through public offerings of new companies listed in the ASE are reduced to 871.6 billion GRD (2.56 billion Euro) in 2000 and 627.8 billion GRD (1.84 billion Euro) in 1999. In this case, the contraction of funds raised during 2001 in comparison to the two previous years is limited to 58% and 42% respectively (Figure 4).



From the total amount of funds raised, 95.2% (389.4 billion GRD or 1.024 billion Euro) came from the Main Market, 4.06% (14.9 billion GRD or 43.654 billion Euro) came from the Parallel Market and, finally, 0.73% (2.7 billion GRD or 7.846 billion Euro) came from the New Market. The large portion of the Main market is due, first, to the great number of companies listed in this specific market, and, second, to the dominant role of stock issues by high market capitalization companies, such as those of the Oil Refineries and the corporations of the wider public sector. It is notable that only the public offering of the Public Power Corporation (PPC) accounted for 43% of the total funds raised.

The average amount of funds raised per public offering during 2001 was 15.3 billion GRD (44.8 million Euro), as compared to 20.6 billion GRD in 2000 and 35.3 billion GRD in 1999. Given that only 5 issues raised 21% of the total funds, concentration was very high. Excluding the case of the PPC, the average amount of funds raised per public offering during 2001 is 9.1 billion GRD (26.6 million Euro).

From the total amount of funds raised, 44% (161.3 billion GRD or 473.4 million Euro) came from the issue of new shares, while 56% (205.2 billion GRD or 602.1 Euro) came from the sale of existing shares by existing shareholders. From this latter amount, 72.2% represents the sale of existing shares of privatized wider public sector corporations (PPC, Thessaloniki Water and Sewage Company, Thessaloniki Port Authority, OPAP). It has to be noted that in 2000 the allocation of raised funds between new and existing shares was 62.4% and 37.6% respectively, while in 1999 it was 32.3% and 67.7% respectively. These developments confirm the importance of the implementation of Law 2651/1998, which enacted the possibility of existing share sales through public offerings, in regard to both the acceleration of the privatization programme and the expansion of share ownership dispersion in the ASE. Moreover, 47.9% of the total funds raised were drawn during the fourth quarter of 2001, due to the public offering of the PPC, while the distribution of funds raised in the remaining quarters was almost equal (Table 13).

The average weighted (on the basis of the funds raised) over-subscription of public offerings in the ASE during 2001 was 2.2 times. Demand for shares was weaker than in previous years, when the average weighted over subscription was 29.5 times in 2000 and 34.2 times in 1999. This contraction in demand was mainly caused by the abatement of investor expectations for high returns and the increased supply of shares from certain issues (e.g. PPC, Motor Oil). Moreover, during 2001 there were three instances of IPO under-subscription. Table 13 presents the average weighted IPO over subscription by private and institutional investors for each quarter of the year 2001. In the first quarter, average weighted over-subscription was equal to 1.6 times, in the second quarter over-subscription increased to 2.7 times, only to be reduced to 0.6 times in the third quarter and rise, again, significantly to 2.9 times in the last quarter of the year. The fluctuations of the ASE General Index and stock market returns during 2001 had a major effect on retail demand for shares, and therefore on the extent of excess demand for the shares offered.

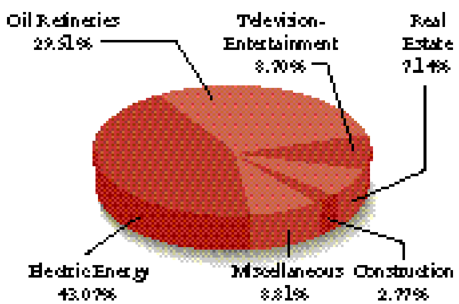
Table 13

Quarterly Distribution of Public Offerings in the ASE, 2001

Quarter 2001	Number of New Listings		Capital Raised (billion GRD)	% of Grand Total	Over-subscription
1st	3	Average	15,849	13.0	1,57
		Total	47,547		
2nd	7	Average	9,808	18.7	2.70
		Total	68,655		
3d	4	Average	18,693	20.4	0.56
		Total	74,771		
4th	10	Average	17,553	47.9	2.85
		Total	175,527		
Total	24	Average	15,270	100.0	2.19
		Total	366,500		

Figure 5

Public Offerings by Sector of Activity in the ASE, 2001



The listing of PPC's shares led to the creation of a new ASE sector, the Energy Sector, which absorbed 43% of the total funds raised during 2001. Moreover, 29.5% of the total funds raised was absorbed by the Oil Refineries sector (Motor Oil -Petrola), 8.7% was absorbed by the Television & Entertainment Sector (OPAP), 7.1% was absorbed by the Real Estate Sector (Babis Vovos International Technical SA), and, finally, 2.8% was absorbed by the Construction Sector (Intracom Construction, Nestos). The five larger IPOs (PPC, Motor Oil, Petrola, OPAP, Babis Vovos) absorbed 88.4% of the total funds raised.

The average return realized during the first three days of IPO trading in the ASE was 36.2% in 2001, against 58.4%[2] in 2000 and 236.5% in 1999. It must be noted that during the first three trading days there are no share price fluctuation limits and this period is considered adequate to attain share price equilibrium for newly listed companies.

In 2001, the greatest return was realized by the share of Fitco, whose price increased by 270%, followed by the shares of Rainbow Computer and Unibrain, whose prices increased by 209% and 175% respectively. Negative returns were realized by the share prices of Betanet (-25%), Atlantic Super Market (-20%) and Alpha Trust Andromeda (-14%). Figure 6 presents the average first-three day returns for each month of the period 1999-2001. The Figure shows that average returns increased until October 1999 only to decrease afterwards, with few exceptions. During 2001, the highest average return was realized in April (+117%), while the lowest average return was realized in July (-15%). Given that share prices in the secondary market are constantly falling during the last two years, the returns realized by the newly listed shares were rather satisfactory. The reduction in IPO returns over time must not be attributed to "overpricing" phenomena, given that the average price to earnings ratio (P/E) of the companies listed in the ASE during 2001 was lower than in previous years.

The abatement of the expectations for high returns from IPOs during the first three days of trading in the ASE, reduced the number of investors, both retail and institutional, who wish to participate in them. In 2001, the numerical average

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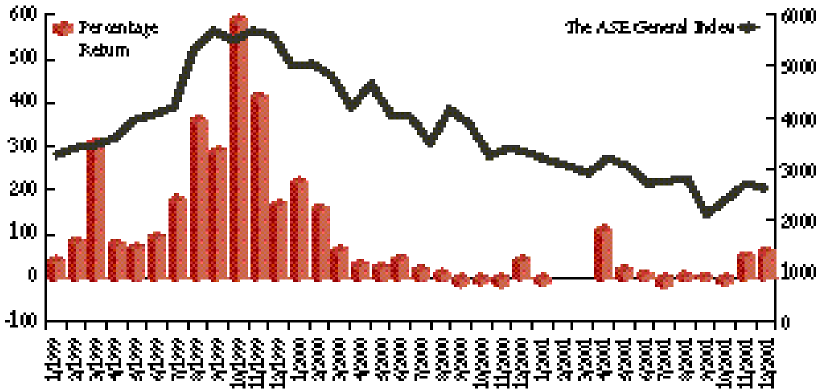
[2] *Returns have not been weighted according to the market capitalization of each company.*

of investor applications for the acquisition of shares per IPO was 12,484 applications[3], as compared to 92,619 applications in 2000 and 79,109 applications in 1999. In 2001, the maximum number of applications for subscription in IPOs was 34,437 and the minimum number was 1,267 applications. The corresponding maximum and minimum numbers for the years 2000 and 1999 were 234,884 and 1,475 and 626,822 and 2,425 applications respectively.

Figure 6

Average Return of Initial Public Offerings in the ASE, 1999-2001



Finally, according to the approved Prospectuses for public offerings in 2001, the funds raised through the ASE would be mainly used as follows: 53.7% for fixed capital and other investment, 6.5% for corporate merger and acquisition plans, 34.5% for the debt repayment and the remaining 5.3% for working capital purposes. The funds designated for the repayment of corporate debt include those raised by the PPC through its initial public offering (51.4 billion GRD or 150.9 million Euro). Excluding the funds raised by the Investment Companies sector, the portion of funds that would be used for fixed capital and other investment is increased from 18.6% in 1999 and 38.2% in 2000 to 55.2% in 2001. Moreover, the portion of funds raised that would be used for corporate merger and acquisition plans is reduced from 55.6% in 1999 and 28.1% in 2000 to 3.7% in 2001. The portion of funds raised that would be used for debt repayment amounts to 35.6% in 2001, as compared to 17.9% in 2000 and 12.0% in 1999. Finally, the portion of funds raised that would be used for working capital purposes was reduced from 13.8% in 1999 and 15.8% in 2000 to 5.5% in 2001.

[3] *It is estimated that the reduction in the number of applications was aggravated by the change, by means of a HCMC rule, of the method for distributing IPO shares.*

There was a major change in the distribution of raised fund uses during the period 1999-2001. According to the approved Prospectuses of the companies, the funds raised during 1999 would be mainly used to finance corporate merger and acquisition plans, whilst the funds raised during 2001 would be used to finance fixed capital and other investments. The decline in share prices and the need to enhance the listed companies' capital base, led in 2001 to mergers among companies belonging to the same sector, instead of the acquisition or formation of other companies. There was also a substantial decrease of the amounts that would be used for working capital purposes, due to the decline in interest rates and the availability of such capital through bank lending. As a conclusion, low share valuations, the decrease of the funds raised through public offerings during the previous year and the consequent reluctance of investors to participate in such offerings, forced companies to revise and rationalize their original business plans concerning the distribution of the raised funds.

The Secondary Securities Market

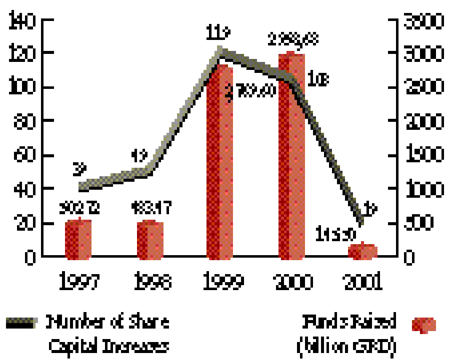
Increases in Share Capital by ASE Listed Companies

During 2001 there was a substantial decrease of both the number of share capital increases by ASE listed companies, and the amount of funds raised through them. The number of companies that proceeded to share capital increases dropped from 103 in 2000 to 19 in 2001. The total funds raised were reduced by 95.1% on an annual basis, from 2.96 trillion GRD (8.68 million Euro) in 2000 to 145.5 billion GRD (427 million Euro) in 2001. This shrinkage of listed company funding through the capital market can be attributed to the following factors: First, the decline in share prices increased investor cautiousness and discouraged listed company managements from asking the General Assemblies to approve any further increase of shareholder capital. Second, the cost of borrowing from financial institutions has been reduced to such a great extent that it is often cheaper to borrow than to raise funds through the capital market. Third, the funds that had been raised from the capital market during the past two years had been used to a great extent to finance long-term investments, which have not yet yielded the expected results, while at the same time, a small portion of the funds raised still remains unused.

Pursuing the trend of the previous years, the greatest portion of share capital increases was performed by companies whose shares are traded in the Main Market of the ASE. More specifically, 75% of the 19 share capital increases that took place in 2001 were effected by Main Market companies, which raised 109.2 billion GRD (320.3 million Euro), while 25% of share capital increases were effected by Parallel Market

Figure 7

Increases in Share Capital and Amount of Funds Raised, 1997-2001



companies, which raised 36.4 billion GRD (106.7 million Euro).

Despite the substantial reduction in share issues during 2001, the listed companies proceeded slowly to the issuance of corporate bonds, thus contributing to the development of the relevant market, which had remained inactive in the past few years. Actually, 13.6% of the total funds raised during 2001, i.e. 19.8 billion GRD (58.1 million Euro), was raised through the issuance of convertible corporate bonds (e.g. Attica Enterprises SA and LogicDis SA). Another company, the Maritime Company of Lesvos SA, proceeded in 2001 to the issuance of convertible bonds amounting to 6.0 billion GRD (17.7 million Euro), albeit this figure is not included in the aforementioned amount of funds raised, given that the subscription deadline was extended within 2002. It is expected that the improvement of the relevant regulatory framework, which is already underway, as well as the anticipated improvement of the liquidity in the corporate bonds market, will assist the further development of corporate bond issues.

The quarterly distribution of share capital increases, as illustrated by Table 14, shows an upward trend: 12.9% of total capital was raised in the first quarter (18.8 billion GRD, or 55.1 million Euro); 18.0% of total capital was raised in the second and third quarters (approximately 27 billion GRD or 79 million Euro per quarter); and 49.9% of total capital was raised in the fourth quarter (72.7 billion GRD or 213.2 million Euro).

Table 14

Quarterly Distribution of Share Capital Increases in the ASE, 2001

Quarter	Number of Share Capital Increases	Capital Raised (million GRD)	Capital Raised (million €)	% of Total
1st	3	18,766	55.1	12.9%
2nd	6	26,872	78.9	18.5%
3d	2	27,203	79.8	18.7%
4th	8	72,654	213.2	49.9%
Total	19	145,495	427.0	100.0%

Source: Approved Prospecruses.

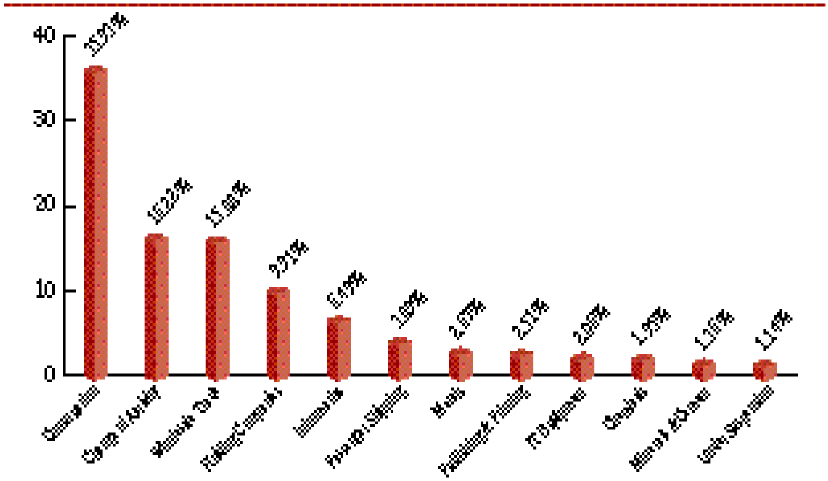
During 2001, the Construction sector raised 52.3 billion GRD (153.6 million Euro) through share capital increases, and was ranked first in terms of funds raised, while in 2000 the same sector had been ranked in the third place[4], having, though, raised much more capital (266.7 billion GRD or 782.7 million Euro). The consecutive share capital increases of construction companies are part of their effort to enhance their capital base, as a precondition for faster growth, in order to exploit the benefits of the new institutional framework for the sector's consolidation and business ventures.

Second comes the "Change of Activity" sector, comprising only one company, which raised 25 billion GRD (73.7 million Euro), or 17.3% of total capital raised. In the third place comes the Wholesale Trade sector, which raised 24.6 billion GRD (72.2 million Euro), or 15.9% of total capital, through three share capital increases. It is notable that no financial institution proceeded to any share capital increase in 2001, for the first time since 1995.

8 out of 19 share capital increases were not fully absorbed by existing shareholders, and the issue was covered by decision of the companies Boards, while in one share capital increase the final absorption of the issue amounted to 87.1%. It also has to be noted that the issue of corporate bonds by the Maritime Company of Lesvos SA is still pending.

Figure 8

Distribution of Share Capital Increases by Sector, 2001



[4] *It is worth noting that the sectoral distribution of funds raised can not be directly compared to that of previous years, since in early 2001 the ASE proceeded to the restructuring of individual sectors.*

The Supervision of the Code of Conduct for Listed Companies (HCMC Rule 5/204/2000)

The contraction of total activity in the ASE during 2001 did not interrupt the orderly operation of the market's systems and the trading of shares in the secondary market, as the smooth development and safety of transactions under conditions of transparency was further enhanced.

The need to enact rules concerning transparency and investor information, as well as to ensure the effective compliance of the ASE listed companies with them, led the Hellenic Capital Market Commission to issue a "Code of Conduct for Listed Companies and their affiliated persons" (HCMC Rule 5/204/2000), which came into force within 2001. The Code imposes, among other things, the timely announcement to investors of corporate decisions and actions which may affect the share's price, the timely announcement of transactions performed by the companies' management and senior staff, and the improvement of the periodic information provided by companies.

Both the companies and the persons affiliated with them complied rather satisfactorily with the obligations emanating from the Code. More specifically, according to article 8 of the Code there were 244 announcements during the year by the responsible persons, concerning the notification of transactions performed within the "sensitive period," as defined by this article. The quarterly distribution of announcements was even. Twelve percent of the announcements showed deviations from the specifications of the Code of Conduct[5]. The Hellenic Capital Market Commission performed sample audits to verify the extent of responsible party compliance.

Moreover, during 2001 and according to article 10 of the Code, there were 65 recorded cases of shareholders owning more than 10% in a company's share capital that announced in advance their intention to acquire, or dispose of [6], more than 5% of this company's share capital. The quarterly distribution of announcements was also even. After the end of the advance notification period, 13 cases of significant deviation were identified, accounting for 20% of the total. Fines amounting to 15.5 million GRD (45 thousand Euro) were levied in four of these cases, while the remainder is under investigation. The Hellenic Capital Market Commission performs regular audits to ascertain whether the persons covered by article 10 of the Code are complying with their obligations.

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[5] *Such deviation is expected, due to the limited period of time the Code has been implemented.*

[6] *Approximately 2/3 of cases concern the advance announcment of a disposal.*

A significant amount of announcements were published in the ASE Daily News, in accordance to articles 4 & 5 of the Code, concerning the publication of corporate actions and decisions, which may affect the share prices of listed companies, as well as the confirmation, or denial, of information or rumours. The outdated or misleading announcement of such information, or the exploitation of inside information by company executives, causes the imposition of administrative sanctions and fines. In 2001, a 4 million GRD (11.7 thousand Euro) fine was levied for the premature announcement of a business deal that was never concluded.

During 2001, the Annual Reports of the listed companies were published for the first time in accordance to article 16 of the Code. The completeness of the Reports, in regard to their minimum content requirements, was verified through a series of sample audits and any material omissions were pointed out to the issuing companies.

The obligation of companies to prepare and publish Annual Reports was a major step towards the provision to investors with regular information concerning the course of operations and the development of corporate fundamentals of listed companies. The content of the Annual Report is a subtotal of the information required by Presidential Decree 348/1985 and also includes the mandatory preparation of a Cash Flow Statement, which is expected to allow the efficient monitoring of both company cash flows 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 that all listed companies in EU exchanges will have to implement the IAS by the end of 2005.

It is also noted, that articles 12, 13 and 14 of the Code established the obligation of listed companies to form an internal audit department, an investor relations department and a corporate announcements department. A large number of listed companies complied with these requirements, by properly organising their departments.

The Supervision of the Take Over Bid Regulation (HCMC Rule 1/195/2000)

In order to streamline the institutional framework governing hostile take-overs against companies, whose shares are listed in the ASE, the Hellenic Capital Market Commission issued HCMC Rule 1/195/2000.

This rule defines two kinds of take-over bids: according to the first kind (voluntary bid), the bidder has to make an offer to the shareholders of the target company for the acquisition of at least 50 percent of its total capital. In addition, the bidder has to define the minimum number of shares required for the take-over bid to be valid, with an absolute minimum of no less than 40 percent. According to the second (compulsory) kind of bid, in case a person, or a company, acquires shares of a target company that represent more than 50 percent of its total voting rights, this person, or company, is obliged within 30 days from the acquisition date to make a bid for the total number of shares of the target company. This way minority shareholders are given the opportunity to choose whether they will retain their shareholdings under the new majority, or whether they will liquidate their positions.

During 2001, in accordance to the provisions of the Regulation and in the context of major corporate restructuring, there were two Take-over bids. The first bid concerned the (voluntary) bid of Delta Holdings SA to acquire shares of Goody's SA.[7] The Prospectus of the bid was submitted to the HCMC on July 3rd, it was approved by the Board on July 18th and the period concerning the acceptance of the take-over bid by the shareholders ended on August 23rd, 2001. As a result of the bid, Delta Holdings SA acquired control over Goody's SA, increasing its participation in the latter from 24.4% to 60.0%.

The second bid concerned the (compulsory) bid made by Eureko BV to the shareholders of Interamerican Hellenic Life Insurance SA, for the acquisition of all the latter's shares. The said bid was compulsory, in accordance to article 5 of the Rule, since the participation of Eureko BV in Interamerican Hellenic Life Insurance SA had exceeded the 50% limit of the total voting rights of the target company. The Prospectus was submitted to the HCMC on July 27th, 2001, was approved by the Board on August 7th, and the period concerning the acceptance of the take-over bid by the shareholders ended on September 17th, 2001. As a result of the process, Eureko BV acquired 98.07% of the share capital of Interamerican HLI and, by decisions of the insurance company's General Assembly and the relevant approval from the HCMC Board, the latter was de-listed.

It must be noted that in both aforementioned cases the implementation of the applicable institutional framework led to the orderly conclusion of the deals and to the avoidance of any problems that might have occurred had the relevant rule not been in place.

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[7] *This is the second hostile take over bid in the Greek stock exchange, after the hostile move of EFG Eurohodlings in 1999 for the acquisition of Ergasias Bank shares.*

Decreasing share valuations, increasing tax incentives and the overall international trend towards the accumulation of activities under a single management had a catalytic effect on the hitherto dominant belief that decentralised operations are more effective. As a consequence of this belief, many ASE company Groups feature a large number of listed subsidiaries.

Many companies listed in the ASE are, indeed, members of Groups, whose parent company is also listed in the ASE. These companies perform similar or complementary activities, and a great portion of their turnover consists of sales to other companies of the same Group. The emergence and development of Groups was rather serious during the last three years, when many Groups proceeded to splits and/or spin-offs and listed the new companies in the ASE with the purpose of enhancing their total market capitalization, especially during the great bull run in the Athens Stock Exchange.

As a result, the number of listed companies increased considerably and too many shares of low market capitalization companies were being traded in the Greek stock exchange, at least in comparison to other advanced European markets[8].

Finally, it seems that the vertical corporate integration of Groups contributed to the achievement of economies of scale, and therefore to the rationalization of their management and operation structures. These developments contributed to the emergence of the opposite trend in the international and Greek markets, i.e. the intensification of mergers and acquisitions between companies, with the following benefits: a) the achievement of economies of scale through the vertical integration of production; b) the enhancement, or maintenance, of a competitive market share; and c) the increase in the market capitalization of listed companies, with the aim to attract international investors. It has been noted world-wide that high market capitalization companies usually feature more extensive share capital dispersion and more sustainable evaluations, since their stock is more marketable. Moreover, companies with high market capitalization and extensive share dispersion are less exposed to attempts to manipulate their share prices, and, therefore, are safer placements, more attractive to investors.

Many significant merger and acquisition deals were concluded in the Greek market during 2001. In fact, 22 listed companies followed procedures that led to the conclusion of 9 mergers in 2001, against 4 mergers in 2000, in the form of mergers by absorption. Of these 22 companies, 8 belonged to the Information Technology Sector.

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[8] *The number of companies listed in the ASE is approximately equal to that of the Milan Stock Exchange, which has a much larger market capitalization, whereas the average market capitalization per company is probably the lowest among EU member-states.*

Table 15

Mergers and Acquisitions in the Capital Market, 2001

Acquirer	Industry	Target Company	Industry
1 Alpha Bank	Bank	Alpha Finance	Finacial Services
2 Panafon	Telecoms	Unifon	IT and Telecoms
3 SINGULAR SA	IT	Delta Informatics	IT
4 Infoquest	IT Equipment	Pliroforiki Ergasias	IT
5 Altec	IT Equipment	Sysware, Unisoft	IT
6 Klostiria Naoussa	Textiles	K. Doudos	Textiles
7 AGET	Cement	Halkida Cement	Cement
8 Notos Com	Holding	Papaellinas, Sportsman, Endysi, Lambropouloi Bros	Wholesale/ Retail Trade
9 Athens Medical Center	Private Health Care	AMC Palaio Faleron Clinic	Hospital

Source: ASE Daily Bulletins.

Share Ownership Dispersion of ASE Listed Companies

In 2001, the Hellenic Capital Market Commission, concluded, for the first time, two surveys on the dispersion of share ownership of companies listed in the ASE, based on the share ownership ratios of February 1st and September 3rd, 2001. Both the data and the findings of the surveys were made available to the public.

In summary, the major conclusions of both surveys are the following: First, share dispersion in the Greek stock market ranges from medium to low. Shareholders with stakes below 1%[9] account for 35.7% of the total[10], and those with stakes less than 5% account for 47.2%. The data shows that small and medium companies listed in the ASE are mainly "family" businesses, whose management is exercised by large shareholders. Moreover, "small" shareholders prefer investments in relatively high market capitalization, and comparatively lower risk, companies.

Second, the companies of the Main Market feature more extensive dispersion than those of the Parallel Market. More specifically, shareholders with stakes less than 1% (5%) in Main Market companies account for 37.0% (48.7%) of the total, whilst in Parallel Market companies the respective percentage is 21.5% (30.4%).

Third, shareholders with stakes less than 1% (5%) account for 41.9% (54%) of the share ownership dispersion of the FTSE-20 Index (high-cap companies), 30.6% (44.4%) of the FTSE-40 Index (medium-cap companies), while in companies with smaller market capitalization this percentage is 26.5% (35.6%). The results

[9] *There is no distinction between different types of shareholders, such us institutional investors.*
[10] *The quantitative data concern the most recent of the two surveys.*

show that high market capitalization companies feature more extensive dispersion, while the more market capitalization decreases, the more shares tend to be concentrated in the hands of few principal shareholders. This finding is further supported by the prevalence of limited dispersion in the Parallel Market, which includes small market capitalization companies.

During the period that intervened between the two surveys, there was a slight decrease in dispersion in the companies of the Main Market and the FTSE-20 Index. On the contrary, the companies of the Parallel Market and the FTSE-40 Index showed a small increase in share dispersion.

The decrease of share dispersion is mainly observed in Main Market and high capitalization companies. According to estimates, the decrease in share ownership dispersion in the Greek stock market that occurred between the two surveyed periods is mainly due to the emergence of intense phenomena of own share purchases by listed companies, as well as the increase of principal shareholder participation in the share capital of listed companies. During 2001, 61 companies had indeed announced own share purchase plans, of which, 35 companies had reached the relevant decision within 2001, while 25 companies had reached the relevant decision within 2000 and one company within 1999. 72% of the companies that proceeded to own share purchase extended their acquisition plans in the year 2002 as well.

Use of the Funds Raised during the Period 1/1/1999 - 30/6/2001

During 2001, the Hellenic Capital Market Commission continued providing investors with information about how listed companies use the funds raised through the capital market. To this end, two studies were prepared and publicized.

The main findings of the first are the following: first, according to the published and audited financial information of the companies, during the period 1/1/1999-30/6/2001 the share issues in the primary market of the ASE raised funds amounting to 6.2 trillion GRD (18.3 billion Euro). Seventy percent of these funds were raised through issues by companies providing financial and other services, while thirty percent was raised through issues by industrial[11] and trading companies.

Second, the funds that had been used until June 30th, 2001, exceeded 5.5 trillion GRD (16.3 billion Euro) and amounted to 89% of the total capital raised. Some sectors used the funds raised faster than others did. The companies of the financial services' sectors invested the capital they raised faster than anybody else did.

Third, excluding issues by the Banking, Investment Company, and Holding Company sectors, 26% of the used capital financed fixed capital and other investment,

[11] *Concerns both primary and secondary production, including Construction.*

42% financed corporate merger and acquisition plans, 14% financed working capital purposes and 18% was used for the reduction of bank lending.

Fourth, bearing in mind that the completion of investment plans requires a considerable time period, the portion of capital used for investment is considered satisfactory. This is also shown by the fact that, while up to 30.6.2001 45.3% of the funds raised had been used for investment, the relevant percentage for the 1st quarter of 2001 was only 9%. On the contrary, funds can be used for other purposes (reduction of bank lending etc.) either immediately, or soon after they have been raised.

The conclusion drawn from the above is that the greatest part of the funds, which have not yet been used (approximately 11% of the total), will be used for investment financing. This fact will be reflected in the next fiscal years.

Capital Market Entities

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

General Overview

The 2001 stock market was marked by a reduction of the volume and value of transactions in the ASE, which caused a decline in the income of the financial services sector. This reduction in transactions was due to the overall negative climate in the stock exchange and the shift of investor preferences towards lower risk investments.

Having already enacted measures that safeguard the market from systemic risks, ensure the smooth operation of the transactions system and the effective co-operation between investment firms, the Hellenic Capital Market Commission proceeded to the implementation of measures aimed at upgrading the quality and range of both the rendered services and the liquidity of the market. Based on the necessary legal authorization provided by Law 2843/2000, the Hellenic Capital Market Commission issued rules and regulations with the aim to improve the operational framework, as well as the quality and range of the rendered services and to fight market abusive practices.

In this context, the establishment, by means of the relevant joint rules by the Hellenic Capital Market Commission and the Bank of Greece, of the possibility for the provision of credit by brokerage firms to their clients for the purchase of securities (margin account), is a major step towards the modernization of the Capital market. The performance of margin account transactions contributes to effective investment risk management and enhances market transparency and stability, providing investors with the opportunity to adjust their positions appropriately under conditions of uncertainty. The establishment of margin accounts replaces the existing informal and awkward credit extension regime, which gave rise to the “bad debtors” problem and exposed both the investors, and the firms providing credit facilities, to unwarranted risks. This newly established regime includes rules for monitoring credits and controlling the corresponding undertaken risks, and has already improved the operation of the stock market.

The utilization rate of this possibility by the ASE members is rather satisfactory. By the end of 2001, the number of active margin account contracts amounted to approximately 3,000 and the total value of the Security Portfolios for margin trading amounted to approximately 65.4 billion GRD (192 million Euro).

Rule 1/216/17.5.2001 establishes the institution of the market maker in both the Main and Parallel markets of the ASE is expected to have manifold benefits for the operation of the capital market, and not only to assist in the balancing of supply and demand for stock, but also to increase the liquidity of stocks with large and small market capitalization. All brokerage firms that are members of the ASE are eligible to become market makers. Nevertheless, the intermediary role of the market maker in both the Main and Parallel markets is optional, in contrast to the New Market where this role is mandatory.

Finally, Rule 2/216/17.5.2001 provides ASE members with the possibility to engage, under certain conditions, in short selling practices either on their own behalf, or on behalf of a client, allowing them at the same time to lend their securities. The enactment of the possibility to perform short selling in the Main and Parallel Markets of the ASE, and the ADEX, provided an effective hedging instrument, increased investors’ management options and improved the liquidity of the market.

In order to enhance the effectiveness of the stock exchange’s transaction system by adding new possibilities, the Hellenic Capital Market Commission proceeded during 2001 to consecutive amendments of the regulation for the clearing system of dematerialised securities, with the aim to incorporate current developments concerning new markets, the demands of the market for new investment products and the reduction of the time needed for clearing transactions.

These amendments are expected to boost the capability of providing the capital market with competitive investment services. Based on the relevant data, during 2001 the compliance of Investment Firms was satisfactory and the number of deviations diminished.

The decrease in stock market activity under conditions of widespread uncertainty was one of the factors that led to the maintenance of the Common Guarantee Fund to the level of 100 billion GRD for the year 2001. This decision was further influenced by the high level of reserves in the Supplementary Fund, which by the end of 2001 amounted to 51 billion GRD (150 million Euro).

The growth of cross-border transactions in the investment services' field on the basis of reciprocity -the so-called European passport- led the Hellenic Capital Market Commission to the regulatory amendment of competitive terms concerning the books and records that must be kept by the Remote Members of the ASE, as well as the adjustment of the Regulation concerning transaction clearing, in order to facilitate the clearing and settlement of transactions performed by Remote ASE Members.

In order to upgrade the quality of investment services, with the purpose of enhancing the competitiveness of the market and to protect investors, the HCMC proceeded, in accordance to article 4 of Law 2836/2000 to the issuance of the relevant rules. More specifically, Rule 213/28.3.2001 specified the terms and conditions concerning entry to the examinations for the professional certification of staff of investment firms and firms for the reception and transmission of orders, which receive and transmit orders, execute orders, provide investment advice and asset management services, or perform securities and market analysis. The examinations are due to take place in the first quarter of 2002. Moreover, the examination for candidate brokerage representatives was held on November 29th, 2001, with the participation of forty-eight (48) candidates.

During 2001, ninety-two (92) brokerage firms and forty-eight (48) investment firms- non-members of the ASE were activated in the capital market. The Hellenic Capital Market Commission granted operation licenses to three (3) new brokerage firms-members of the ASE and thirteen (13) new investment firms, and revoked the licenses of three (3) investment firms. In addition, the first brokerage firm from an EU country started operating in Greece during 2001, in the context of the European passport for the provision of investment services, foretelling the intensification of competition in the domestic investment services market.

During 2001, the number and the scope of investment services were expanded on the basis of Law 2396/1996. It has to be noted, though, that the relevant EU Directive 93/22 (ISD), which was incorporated to the Greek legislation through Law 2396/1996, is under revision. The provisions under revision include the expansion in the scope of principal and consequent investment services and products that the Investment firms activated in organized markets of the European Union will be allowed to offer.

During 2001, the Hellenic Capital Market Commission granted modification of license in order to provide principal underwriter services for the listing of companies to the ASE, to four (4) brokerage firms and three (3) investment firms-non-members of the ASE. Moreover, it approved of share capital increases in thirty-eight (38) brokerage firms and fourteen (14) investment firms-non-members of the ASE. In addition, it granted a re-operation license to one (1) brokerage firm and granted license for the extension of the operations network through the establishment of new branches and representative offices to eleven (11) brokerage firms and six (6) investment firms-non-members of the ASE.

During 2001, investment firms (excluding financial institutions) continued their activation in the underwriting field. In three (3) out of twenty four (24) initial public offerings performed during 2001, the Main Underwriter was an investment firm-member of the ASE, while six (6) investment firm-members of the ASE and one (1) investment firm-non member of the ASE provided advisor services to nineteen (19) share capital increases of companies already listed in the ASE.

The acknowledgement of the need to further strengthen the capital base of the sector's companies, in order to cope with the new competitive environment, led to wide-ranging corporate restructuring. In this context, there was one (1) acquisition of an investment firm through absorption and one (1) merger between two investment firms-members of the ASE, while two (2) more mergers between companies are in the preparation stage. Of course, the Greek market for the provision of intermediary services is still fragmented in comparison to the European ones and includes too many firms. It is expected that mergers and acquisitions will intensify within the new competitive environment.

According to the published financial statements for the fiscal year 2000, the total capital owned by brokerage firms-members of the ASE, amounted to 335.2 billion GRD (984 million Euro), as compared to 261.6 billion GRD (768 million Euro) in 1999, increasing by 28%. This increase was due to the introduction of new companies and the strengthening of the existing companies' capital base. By the end of 2000, the companies' own capital accounted for 36.7% of total assets, as compared to 19.6% in 1999. Total turnover in 2000 was 360.2 billion GRD (1.06 billion Euro) representing an annual decrease of 41% percent. This decrease mainly reflects the drop in transaction value, and is partly offset by the income from other investment services rendered. In 2000, pre-tax profits reached almost 123 billion GRD (361 million Euro), as compared to 304 billion GRD (892 million Euro) in 1999, decreasing by 60%. This disproportionate decline in the profitability of brokerage firms, in comparison to the decline in their income, is due to the delays in the necessary internal restructuring of these companies' operations[12]. The average return on own capital was reduced from 125.1% in 1999 to 42.6% in 2000. Finally, the conservative policy concerning retained earnings, which was adopted by almost all firms of the sector, led to a drop in dividend yields from 35.2% in 1999 to 10.1% in 2000.

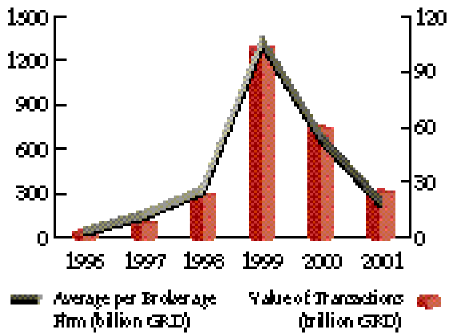
[12] *This point is corroborated by the drop of the gross profit margin from 57.2% to 47.2%.*

The Value of Transactions in the ASE Executed by Brokerage Firms

During 2001, transactional activity in the ASE shrunk for a second consecutive year, barely exceeding the levels of 1998. More specifically, the total value of transactions amounted to 28.9 trillion GRD (84.7 billion Euro) in 2001, as compared to 69 trillion GRD (202.8 billion Euro) in 2000, representing a decrease of 58.2%. This decline in transactions followed the overall drop of share prices in the ASE. Therefore, it is estimated that approximately one fourth (1/4) of the reduction in the value of transactions was due to the decline in the value, and not in the volume, of traded securities.

Figure 9

Value of Transactions Executed by Brokerage Firms, 1996-2001



The decline in the value of transactions contributed to the reduction of their ratio to GDP from 169% in 2000 to 64% in 2001. Nevertheless, the level of this ratio is very close to the average European ones. Moreover, the ratio of the total value of transactions to total capitalization declined by 50%. Therefore, while during 2000 the total value of transactions in the ASE was equivalent to 170% of the total market capitalization of listed shares, in 2001 it dropped to a mere 87%.

Figure 10

Distribution of the Value of Transactions by Month, 2001 (trillion GRD)

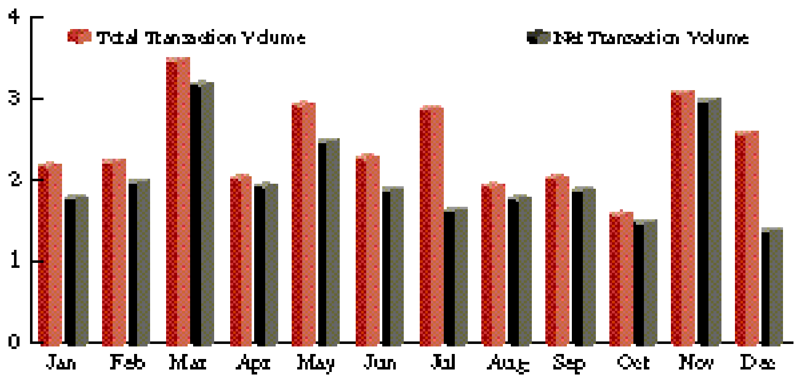


Table 16

Value of Transactions Executed by Brokerage Firms, 1998-2001

(million GRD)

Analysis	**1998**	**1999**	**2000**	**2001**	**% Diff. 01/00**
Total Transaction Value	27,552,230	117,909,018	69,120,347	28,870,385	-58.3%
Share of the first 4 brokerage firms	29.4%	20.4%	21.8%	26.2%	19.9%
Average value per brokerage firm	423,880	1,572,120	768,004	313,809	-59.1%
Maximum transaction value per brokerage firm	2,354,923	6,785,014	4,975,972	1,953,520	-60.7%
Minimum transaction value per brokerage firm*	31,008	96,773	20,445	5,452	-73.3%
Share of transaction value by Bank Subsidiaries	45.4%	46.7%	46.4%	46.4%	0.1%
Net Transaction Value [1]	22,862,612	102,531,135	59,036,174	24,541,156	-58.43%
Share of the first 4 brokerage firms	22.1%	18.2%	19.5%	25.2%	29.2%
Average value per brokerage firm	357,228	1,367,082	655,957	266,807	-59.4%
Maximum transaction value per brokerage firm	1,450,914	5,067,975	3,231,673	1,664,905	-48.48%
Minimum transaction value per brokerage firm*	31,008	96,773	20,445	5,452	-73.33%
Share of transaction value by Bank Subsidiaries	40.9%	42.3%	41.3%	43.4%	5.2%
Block Trades and Repurchase Agreements	4,689,618	15,377,883	10,084,173	4,329,229	-57.1%
Percentage over the total transaction value	17.1%	13.0%	14.6%	15.0%	2.8%
Share of the first 4 brokerage firms	64.6%	51.0%	52.1%	58.2%	11.8%
Number of firms involved in block trades and repurchase agreements	60	69	70	57	-18.7%
Share of transaction value by Bank Subsidiaries	66.9%	75.9%	76.3%	63.6%	-16.6%

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

* *Concerns brokerage firms that operated throughout 2000.*

The transactions performed through the Thessaloniki Stock Exchange Centre followed the overall downward trend of transactions in the ASE. In 2001, transactions amounted to 2 trillion GRD (5.9 billion Euro)[13], registering an annual decrease of 59%. Nevertheless, the ratio of transactions in the TSEC to the total value of transactions in the ASE remained, in fact, unchanged to 6.9% in 2001, as compared to 7.1% in 2000.

The average value of transactions executed per brokerage firm in 2001 was 314 billion GRD (921 million Euro) against 768 billion GRD (2.3 billion Euro) in 2000. However, only 24 brokerage firms, representing 26% of the total, exceeded this average. The intensification of mergers between brokerage firms and financial institution subsidiaries led to an increase of concentration in the sector. The portion of the four (4) larger brokerage firms in terms of transactional activity in the total value of transactions did, indeed, increase from 21.8% in 2000 to 26.2% in 2001. I.e. more than 25% of the total value of transactions is executed by 5% of the brokerage firms. It is anticipated that the progress in mergers between Brokerage firms and/or Investment firms will cause a further increase in the concentration of activities within the sector. Moreover, the opportunity to perform faster stock exchange transactions at lower costs through the Internet and the opening of European markets are expected to bring on further changes in the client base and income structure of both big and small brokerage firms.

The net value of transaction in the ASE, decreased from 59 trillion GRD (173.3 billion Euro) in 2000 to 24.5 trillion GRD (72 billion Euro) in 2001, registering a total annual drop of 58%, i.e. similar to the drop in the total value of transactions. The ratio of the net to the total value of transactions is 0.85 and lies on the average level of the last three years. Also, the trends towards increased concentration are fully verified: in 2001, the four (4) major brokerage firms executed 25.2% of the net value of transactions, as compared to 19.5% in 2000, whilst the ten (10) major brokerage firms executed more than 50% of the net value of transactions (Table 16). Brokerage firms that are subsidiaries of financial institutions executed 43.4% of transactions in 2001, as compared to 41.2% in 2000. It also has to be noted that this last category includes only nineteen (19) brokerage firms, i.e. 21% of the total.

Finally, the value of transactions on block trades and repurchase agreements amounted in 2001 to 4.3 trillion GRD (12.7 billion Euro), as compared to 10.1 trillion GRD (29.6 billion Euro) in 2000 and accounted for 15% of the total value of transactions. The percentage of pre-arranged deals executed by bank subsidiary brokerage firms decreased to 63.6%. This reduction is mainly due to the transfer of "INTERAMERICAN HLIC" shares, which was equivalent to approximately 20%

[13] *Of which, only 18.5% concerns block trades or repurchase agreements.*

of the total value of block trades and was executed by a brokerage firm that was not a bank subsidiary.

Table 17

Market Share Concentration of Brokerage Firms, 1998-2001 (%)

Classification of firms according to market share	Market share 1998	1999	2000	2001	% diff. 01/00
1-10	44.7	39.4	39.3	50.1	27.4%
11-25	27.6	29.8	26.6	22.6	-15.1%
26-45	19.5	20.7	19.7	15.6	-21.1%
46-89	8.2	10.1	14.4	11.8	-18.2%

Margin Account Trading

The institutional framework for the provision of credit by brokerage firms to their clients for the purchase of securities was enacted in 2001. This new framework specifies the settlement of financial transactions between clients of ASE members and the latter and sets the terms for margin account trades. According to the provisions of the institutional framework, the said credit is provided by ASE members, which possess the appropriate operational and organisational capacity, and have submitted the relevant notification to the Hellenic Capital Market Commission. A main condition for the provision of credit is the conclusion of an agreement between the ASE member and the client, based on capital market law and the pledging of the client's Security Portfolio with the ASE member. The maximum credit that can be extended for each new purchase of shares is limited by the percentage of the initial margin requirement. During the term of the credit agreement, the Security Portfolio of each margin account is daily evaluated, while the margin has to be kept within limits set in advance, in order to monitor the amount of total credit extended to each client.

This institution was introduced on June 5th, 2001. The following table briefly presents the development of the main elements of margin accounts, according to data submitted by the members of the ASE to the HCMC for the last trading day of the months from August to December 2001. More specifically, by the end of the year: first, 25 out of 42 members of the ASE that submitted the relevant notification to the Capital Market Committee became active in this field; second, 3,560 margin account agreements were concluded, showing a significant increase as compared to the number of agreements concluded prior to the end of August, 2001; third, the total debit balances in margin accounts, which amounted to 21.5 billion GRD, almost quadrupled since late August, 2001; fourth, the value of Security Portfolios, which amounted to 76 billion GRD, almost trebled since late August, 2001.

Table 18

Anouncements and Amounts of Credit Provision by ASE Members, 2001

(amounts in million GRD)	Dec. 31st		Nov. 30th		Oct. 31st		Sept. 28th		Aug. 31st
	Num.	% diff.	Num.	% diff.	Num.	% diff.	Num.	% diff.	Num.
Anouncements of ASE members for the provision of credit	42	2	41	14	36	6	34	0	34
Members providing credit	25	0	25	9	23	35	17	55	11
Active agreements for the provision of credit	3,560	33	2,679	37	1,954	23	1,594	57	1,014
	Amount	% diff.	Amount	% diff.	Amount	% diff.	Amount	% diff.	Amount
Debt margin account balances	21,448	22	17,539	85	9,459	23	7,664	35	5,686
Total value of securities portfolios from margin account trading	76,104	16	65,388	67	39,230	30	30,283	24	24,353

Source: HCMC.

Based on the overall information concerning the members of the ASE and their clients, and on a sample of certain days from the aforementioned time period, the steady increase in margin account trading was accompanied by a decrease of overdue debit balance from cash transactions. At the same time, the value of Security Portfolios was high in comparison to the amount of the extended credit. More specifically, cumulative data indicate margins equivalent to approximately 75% of the Security Portfolios of all credit accounts. Given the maximum limit of 150,000 Euro per client for the extension of credit, and the possibility provided by the Code of Conduct for Investment firms to ASE members to adopt stricter terms when extending credit, the above fact indicates that ASE members follow a conservative credit policy. At the same time, it explains why few members place margin calls to their clients, while and -to the extent it can be translated to higher margins than those dictated by the initial margin requirements- it indicates potential purchasing power in credit accounts, i.e. possibility of further share purchases exclusively on credit.

Finally, during the first year since the adoption of this institution, the shares bought on credit increased as a portion of market capitalization in the ASE, as reflected by the development of the ratio of total debit balances in margin accounts to the total market capitalization in the ASE.

Mutual Funds, Mutual Fund Management Firms and Portfolio Investment Companies

General Overview

The developments in the mutual funds market in 2001 followed the overall trend of the stock market. Actually, the total assets of mutual funds activated in the Greek market decreased for the first time after a steady increase that lasted for 6 years. This was mainly due to the effects of the decline of share prices in the ASE.

During 2001, the institutional framework for the mutual funds market was further streamlined through the provisions of Law 2954/2001 (Gov. Gazette A 255/2.11.2001), which governs the split of a mutual fund to two, or more, funds. More specifically, the provisions regulate, among others, the procedure, the terms and conditions for the split, the publication of the relevant announcements and the provision of information to investors, as well as the preparation of reports concerning the split, and their submission to the Hellenic Capital Market Commission.

Table 19

Bank Deposits, ASE Capitalization and Net Mutual Funds Assets, 1991-2001

Month-Year	Commercial Bank Deposits[1] (billion GRD)	Commercial Bank Deposits[1] (million €)	ASE Capitalization (billion GRD)	ASE Capitalization (million €)	Net Mutual Funds Assets (billion GRD)	Net Mutual Funds Assets (million €)
Dec. 2001	-	-	60,697.7	178,129.8	9,130.4	26,795.0
Oct. 2001	45,319.7	133,000.0	57,498.8	168,742.0	8,130.7	23,861.3
Dec. 2000	23,095.4	67,778.1	66,411.5	194,898.0	10,525.0	30,887.7
Dec. 1999	22,889.0	67,172.4	93,500.9	274,397.4	11,933.5	35,021.3
Dec. 1998	20,073.9	58,910.9	45,639.5	133,938.4	8,997.7	26,405.6
Dec. 1997	19,754.9	57,974.8	23,545.8	69,099.9	7,325.3	21,497.6
Dec. 1996	17,997.1	52,816.1	23,479.6	68,905.6	3,873.4	11,367.3
Dec. 1995	15,766.1	46,268.8	21,108.1	61,946.0	2,454.1	7,202.1
Dec. 1994	13,747.5	40,344.8	15,419.1	45,250.5	1,343.7	3,943.4
Dec. 1993	11,084.6	32,530.0	12,204.8	35,817.5	866.8	2,543.8
Dec. 1992	10,149.0	29,784.3	9,217.0	27,049.2	223.4	655.6
Dec. 1991	9,233.5	27,097.6	7,685.9	22,555.8	171.5	503.3

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

[1] Resident deposits and repurchase agreements of residents (companies, households and general government) in Greek credit institutions. The previous data of the series refer to total deposits in commercial banks and specialized credit institutions.

Table 20

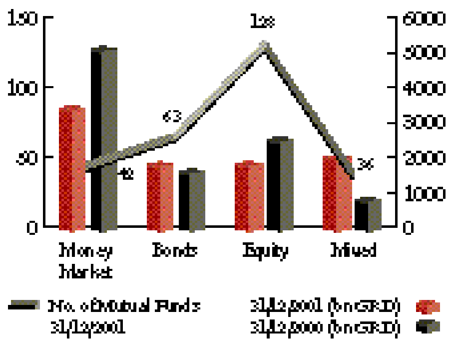
Net Asstets and Number of Mutual Funds by Fund Classification, 1998-2001

Classification of Mutual Funds	31/12/2001 Amount (bn GRD)	No. of M.F.	31/12/2000 Amount (bn GRD)	No. of M.F.	31/12/1999 Amount (bn GRD)	No. of M.F.	31/12/1998 Amount (bn GRD)	No. of M.F.
Money Market	3,302.9	42	5,227.1	47	4,579.2	45	5,966.8	42
Bonds	1,903.6	63	1,614.0	62	1,363.1	67	1,680.0	64
Equity	1,864.0	128	2,682.6	120	4,967.6	66	492.0	40
Mixed	2,059.9	36	1,001.2	36	1,023.5	30	828.0	30
Special Type	-	-	-	-	-	-	31.0	2
Total	9,130.4	269	10,524.9	265	11,933.4	208	8,998	178

Source: Union of Greek Institutional Investors, HCMC.

Figure 11

Net Assets and Number of Mutual Funds by Fund Classification, 2000-2001



On December 21st, 2001, there were 26 mutual funds management firms operating in Greece, having 269 mutual funds under their management, as compared to 265 mutual funds in 2000. The distribution of mutual funds by investment is the following: there were 42 money market funds, 63 bond funds, 128 equity funds and 36 mixed (or balanced) funds.

By the end of 2001, the total net assets of mutual funds had decreased by 13.2%, to 9.13 trillion GRD (26.8 billion Euro), mainly due to the continuous drop of share prices and, to a lesser extent, due to the decline in the number of their shares.

During 2001, investor placements became more conservative, leading to an increase in the assets of bond and mixed funds. More specifically, the total assets of money market mutual funds decreased by 36.8%, and the total assets of equity funds decreased by 30.5%. The number of shares in equity funds decreased by 9.4%, while the annual decrease of their total assets amounted to 31.0%.

Conversely, the change in the number of shares and in the total assets of bond and mixed funds, bears proof of the investors' shift towards more conservative mutual fund types. Indeed, the assets of bond funds as a percentage of total assets increased from 15.3% in 2000 to 20.8% in 2001, whilst the percentage of mixed funds increased from 9.5% in 2000 to 22.6% in 2001. On the contrary, the assets of money market funds as a percentage of total assets decreased from 49.7% in 2000 to 36.2% in 2001, while the percentage of equity funds decreased from 25.5% in 2000 to 20.4% in 2001.

Table 21

Net Assets and Shares of Mutual Funds by Fund Classification, 2001

Classification of Mutual Funds		Net Assets 31/12/2001 (bn GRD)	% diff. 2001-2000	No. of Shares 31/12/2001 (mn GRD)	% diff. 2001-2000
Money Market	Domestic	3,285.7	-37.01	1,664.4	-28.22
	Foreign	2.8	64.86	1.0	-20.86
	International	14.4	62.21	3.1	32.17
Bond	Domestic	1,670.4	10.34	758.1	13.79
	Foreign	131.7	94.69	63.5	110.01
	International	101.5	213.01	73.2	346.94
Equity	Domestic	1,726.3	-31.05	816.6	-9.45
	Foreign	101.8	-24.98	88.5	2.54
	International	35.9	-17.16	30.7	-0.55
Mixed	Domestic	1,997.1	118.32	800.7	129.21
	Foreign	1.4	-71.23	1.1	-71.32
	International	61.4	-24.47	18.2	-4.66
TOTAL		9,130.4	-13.25	4,319.1	-2.42

Source: Union of Greek Institutional Investors, HCMC.

Money market mutual funds have suffered a decrease in market share, albeit in 2001 they still commanded the largest market share, since their assets accounted for 36.2% of total mutual fund assets. Their assets decreased from 5.2 trillion GRD (15.3 billion Euro) in 2000 to 3.3 trillion GRD (9.7 billion Euro) in 2001, representing a decrease of 36.8%. Out 42 funds of this type in 2001 (against 47 funds in 2000), 36 were domestic money market funds, 2 were foreign money market funds and 4 were international money market funds (see Table II of the Appendix).

Equity funds also suffered a decrease in market share during 2001. Their assets decreased from 2.7 trillion GRD (7.9 billion Euro) in 2000 to 1.9 trillion GRD (5.5 billion Euro) in 2001, representing a decrease of 30.5%. 128 equity funds were operating by the end of 2001, as compared to 120 funds in 2000, of which 76 were domestic, 31 were foreign and 21 were international equity funds.

The market share of bond funds increased in 2001. Bond fund assets as a percentage of total mutual fund assets increased to 20.8%, from 15.3% in 2000, and amounted to 1.9 trillion GRD (5.6 billion Euro), as compared to 1.6 trillion GRD (4.7 billion Euro), representing an increase of 17.9%. Out of 63 bond funds operating by the end of 2001, 33 were domestic, 13 were foreign and 17 were international.

The largest market share gain was achieved by the mixed mutual funds, whose assets reached 2.1 trillion GRD (6.0 billion Euro), representing an annual increase of 105.7%. As a result, their market share increased from 9.5% in 2000 to 22.6% in 2001. Of 36 mixed funds operating by the end of the year, 25 were domestic, 2 foreign and 9 were international.

The effect of the stock market on the total assets of mutual funds is illustrated on Figure 13, which correlates the quarterly change in total mutual fund assets with the corresponding ratio of equity fund to total assets.

Figure 12

ASE Capitalization, Net Mutual Funds Assets and the ASE General Index, 2000-2001

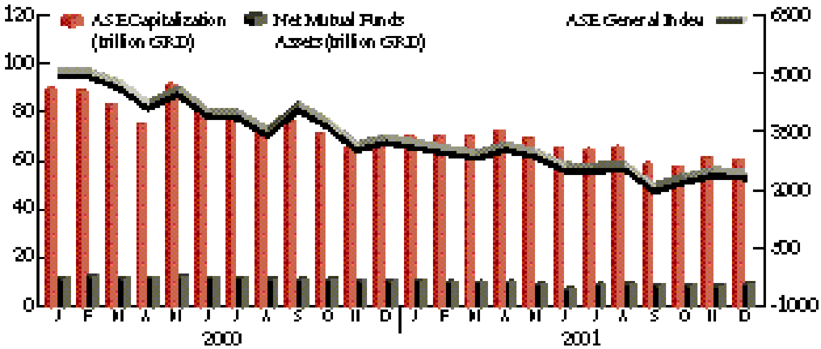
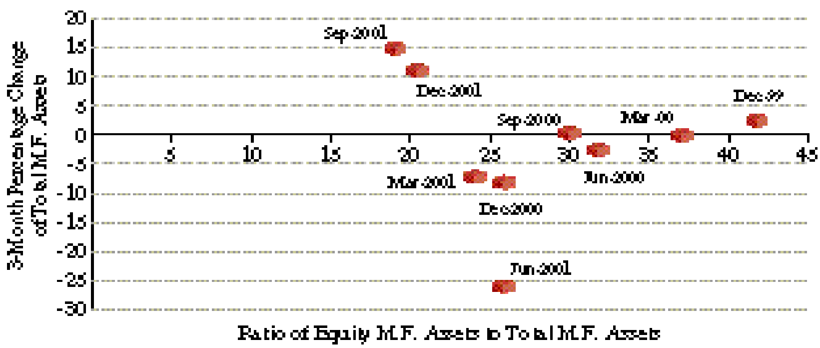


Figure 13

The Evolution of the Capital Market and the Total Assets of Mutual Funds



Based on Figure 13, one can reach the following conclusions: First, the continuous drop of share prices led to the gradual decline of equity fund assets as a percentage of total assets from 41.6% in the 4th quarter of 1999 to 20.4% in the 4th quarter of the year 2001. Second, during the period December 1999-September 2000 the decline of the ASE General Index did not have any material effect on the total assets of mutual funds, given that there was a gradual transfer of capital from equity to bond and money market funds, along with an increase of shares in the other mutual fund types and an increase of equity fund assets on small fluctuation listed shares. Third, equity funds had a major effect on total mutual fund assets in June 2001, due to substantial share redemption. Fourth, despite the new drop of the ASE General Index in September 2001, total mutual fund assets register a significant increase, due to the diminution of the negative effect of equity fund assets and the simultaneous increase in the number of mixed fund and money market fund shares.

During 2001, the concentration level in the mutual fund market was very high. By the end of the year, the three largest mutual fund management firms had funds under management of 5.1 trillion GRD (15 billion Euro), which accounted for 55.9% of total mutual fund assets, while the 5 largest mutual fund management firms had funds under management, which accounted for 72.0% of total mutual fund assets. (See Table I of the Appendix).

During 2001, the Hellenic Capital Market Commission granted operating licenses to four mutual fund management firms, two of which had already been activated by the end of the year. Moreover, 18 overseas Undertakings for Collective Investments in Transferable Securities (UCITS), whose operation is governed by the provisions of Directive 85/116/EEC, notified the Hellenic Capital Market Commission about their intention to sell mutual fund shares through their representatives. Ten of those UCITS are based in Luxembourg and eight in Ireland. The Hellenic Capital Market Commission also approved the sale of eleven overseas mutual funds, which are not governed by the provisions of Directive 85/116/EEC, and are under the management of three UCITS, two of which are based in France and one in Luxembourg.

Table 22

Foreign UCITS in the Greek Market, 2001

UCITS covered by Directive 85/611/EEC		UCITS not covered by Directive 85/611/EEC	
UCITS	M/F	UCITS	M/F
18	316	3	11

Source: Hellenic Capital Market Commission.

According to the statistics of FEFSI, in September 2001, 28,195 mutual funds were available to investors in the European Union (including mutual funds governed by Directive 85/611/EEC and other mutual fund types not governed by Directive 85/611/EEC). Of these, 18,424 mutual funds (65.3% of the total) with total assets of 2,520 billion Euros (74.5% of the total) operated within the 5 larger countries of the European Union. Of course, the highest portion of total international mutual fund assets belongs to the mutual funds of the US, followed by those of the EU, Japan, Canada, and Brazil.

Table 23

The 5 Top-ranked FEFSI Member-states in Number of Mutual Funds, 30/9/2001

EU Member States	Total Number of M/F	Equity Mutual Funds	Bond Mutual Funds	Mixed Mutual Funds	Money Market Mutual Funds	Other Mutual Funds
France	7,473	2,546	1,300	2,974	653	0
Luxembourg	6,508	2,953	1,868	771	263	653
Italy	1,129	480	342	179	37	91
United Kingdom	2,107	1,270	236	308	48	245
Germany	1,207	515	300	150	46	196
Total	28,195	11,512	5,792	5,679	1,500	2,120

Source: FEFSI.

Table 24

The 5 Top-ranked both EU and FEFSI Member-states in Number of Mutual Funds, 30/9/2001

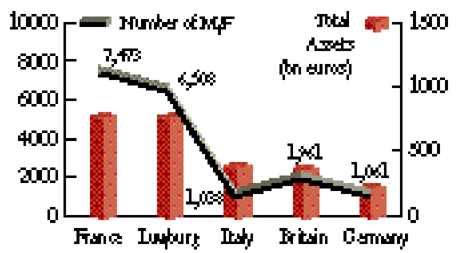
EU Member States	Net Assets [1] (million €) 30/9/2001	(%) of Total	Net Assets (million €) 31/12/2000	% diff. 9/2001-12/2000
France	769,000	23.1	766,100	0.4
Luxembourg	761,583	22.9	792,781	-3.9
Italy	386,632	11.6	449,929	-14.1
United Kingdom	364,201	11.0	415,465	-12.3
Germany	211,319	6.4	252,578	-16.3
Total / Average	3,325,627	15.0	3,530,157	-5.8

Source: FEFSI.[1] Not including Funds of Funds assets.

Based on September 2001 data for each mutual fund type, it is noted (excluding Ireland, for which there are no available classification data) that the equity fund assets account for 38.1% of total assets, mixed fund assets account for 15.5% of total assets, bond fund assets account for 28.1%, of total assets, money market fund assets account for 15.7%, and the assets of all other types account for 2.5%.

Figure 14

The 5 Top-ranked EU Member-states in Number and Assets of Mutual Funds, 30/9/2001



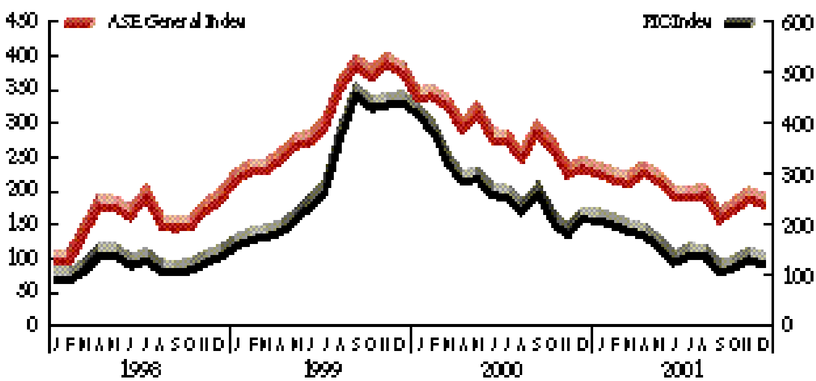
France is ranked first among EU countries (Luxembourg in 2000) with total assets of 769 billion Euro and 7,473 mutual funds, followed by Luxembourg with total assets of 762 billion Euro and 6,508 mutual funds, Italy with total assets of 393 billion Euro and 1,129 mutual funds, the United Kingdom with total assets of 379 billion Euro and 2,107 mutual funds and Germany with total assets of 217 billion Euro and 1,207 mutual funds.

Portfolio Investment Companies

The slowdown of the capital market had a negative impact on both the net asset value of portfolio investment companies (PIC) and the prices of their shares. As a result, net profits are expected to decrease, affecting the amount of dividends distributed to their shareholders.

Figure 15

The Evolution of the ASE General Index and the PIC Index, 1998-2001



Twenty portfolio investment companies, whose shares were listed in the ASE operated by the end of 2001, while two companies (NEXUS INVESTMENT and ARROW) had completed their share capital increases through initial public offerings and waited for the date their shares would start trading in the ASE. Moreover, it is noted that out of 19 companies not listed in the ASE, 17 have already presented the competent authorities with applications to be listed in the ASE.

By the end of 2001, the total market capitalization of the twenty listed companies was 601.3 billion GRD (1.8 billion Euro), while in 2000 there were 17 companies with market capitalization of 881.3 billion GRD (2.6 billion Euro). Their total net asset value was 777.0 billion GRD (2.3 billion Euro) at the end of 2001, as compared to 965.2 billion GRD (2.8 billion Euro) at the end of the year 2000.

During 2001, the newly listed companies raised from the market funds amounting to 4,185 billion GRD (12.3 billion Euro), while none of the companies already listed in the ASE proceeded to any share capital increase against cash payment. Finally, it must be noted that during 2001 the Hellenic Capital Market Commission granted operating licenses to two companies (ATTIKI and GLOBAL INVESTMENT CAPITAL), while it revoked the licenses of four companies after their own request (NUNTIUS, NEW TECHNOLOGY, AXIAS INTERNATIONAL INVESTMENTS and SELECTIVE INVESTMENTS).

The Portfolio Structure of Portfolio Investment Companies Listed in the ASE

The following analysis presents the portfolio structure of the portfolio investment companies listed, or about to be listed, in the ASE. Portfolios of such companies are allocated to the following main categories: a) placements in shares of companies listed in the ASE; b) placements in shares of companies not listed in the ASE; c) placements in mutual fund share and fixed income securities; d) placements in foreign equities; and e) investment capital in deposits, including repos.

The 2001 bear market led to the restructuring of PIC investment portfolios, in favour of placements in mutual funds' shares, fixed income securities and foreign equities. This was not the case during the 3rd quarter, when there was a reversal of the above trend, due to expectations for the realization of capital gains from a future increase in share prices, given that after the great correction of the year 2000 prices seemed to be attractive at the time.

The restructuring of investment portfolios included the acquisition of shares of companies either not listed in the ASE or listed in overseas exchanges. It also included the placement of capital in cash deposits and repos. There was an exception during the 2nd quarter, when given the continued decline in share prices, there was

Table 25

The Portfolio Structure of the ASE Listed and Non-listed[1] Portfolio Investment Companies, 1998-2001

Quarter/ Year	Shares of ASE Listed Companies: Value (million GRD)	Shares of ASE Listed Companies: % of Total	Shares of Non-listed Companies: Value (million GRD)	Shares of Non-listed Companies: % of Total	Mutual Funds Shares & Bonds: Value (million GRD)	Mutual Funds Shares & Bonds: % of Total	Cash: Value (million GRD)	Cash: % of Total	Foreign Equities: Value (million GRD)	Foreign Equities: % of Total
3d/ 2001	454,978.5	67.72	38,823.8	5.78	20,678.9	3.08	115,133.1	17.14	42,286.1	6.29
2nd / 2001	574,217.7	72.28	40,260.8	5.07	29,756.8	3.75	94,154.4	11.85	56,001.5	7.05
1st / 2001	652,665.7	69.70	39,719.1	4.24	28,777.8	3.07	166,535.4	17.78	48,709.7	5.20
4th / 2000	736,214.9	72.48	37,836.7	3.73	40,131.0	3.95	147,245.6	14.50	54,309.4	5.35
3d / 2000	926,473.6	75.55	35,405.3	2.89	32,541.4	2.65	173,850.2	14.18	58,079.8	4.74
2nd / 2000	905,794.1	72.63	35,515.7	2.85	39,928.1	3.20	212,921.5	17.07	52,889.9	4.24
1st / 2000	979,888.7	69.57	35,284.0	2.51	74,781.2	5.31	268,467.1	19.06	50,098.3	3.56
4th / 1999	963,408.2	75.93	32,042.9	2.53	11,176.3	0.88	229,455.5	18.08	32,736.6	2.58
4th / 1998	252,331.1	74.98	5,220.3	1.55	20,356.0	6.05	42,392.4	12.60	16,237.4	4.82

Source: Hellenic Capital Market Commission.

[1] *The above analysis includes data for companies whose shares were either already being traded in the ASE on December 31st, 2001, or had been approved for listing by the HCMC. Therefore, the above analysis includes datafor the following companies:*

Aeolian Investment Funds SA, Active Investments SA, Alpha Portfolio Investment Co., Alpha Trust Andromeda, Alpha Trust Asset Manager Fund, Alpha Trust Orion, Arrow, Aspis Invest SA, Dias SA Investment Company, Domus Closed End Fund SA, National Investment SA, Hellenic Investment SA, Commercial Investment SA, Exelixi SA, Investment Development Fund, Ergo Invest SA, Eurodynamic Closed End Fund SA, Interinvest International Investments, Marfin Classic SA, Nexus Investment, Optima SA, P&K SA, Piraeus Investment SA and The Greek Progress Fund SA.

a reduction in the percentage of cash in comparison to other forms of investment, mainly due to expectations for the realization of capital gains.

During the 3rd quarter of the year, and excluding investment in shares of non-listed companies, which remained unchanged, portfolio restructuring featured an increase of investment in cash that partly contributed to the decrease in the daily value of transactions in the stock exchange during that period. Another major development that occurred during 2000 was the imposition of a 7.0% tax on capital gains from investment on repos, which is expected to cause a decrease in the amount of such placements.

Institutional Investor Activity in the Derivatives Market

During 2001, institutional investors were very active in the derivatives market. The following table shows the placement of mutual fund assets in derivatives at the end of each quarter. Investments are made in regulated and over-the-counter derivative products. Investments in regulated derivatives concern derivative products traded in a domestic and/or overseas organized derivatives market and off-the counter investments concern derivative products that are not tradable in any organized market. Moreover, the Table presents the quarterly gains and losses due to investment in derivatives.

Table 26

Mutual Fund Investments in Derivative Products

(million GRD)	Regulated Derivatives		Over-the-Counter Derivatives		Total	
Date	Net Value of Position	Gains	Net Value of Position	Gains	Net Value of Position	Gains
31/3/2001	-1,580.4	296.8	224,688.2	820.4	223,107.8	1,117.2
30/6/2001	4,806.7	573.6	349,373.3	-1,128.2	354,180.0	-554.6
30/9/2001	8,315.0	-410.8	210,370.8	935.7	218,685.8	524.9
31/12/2001	18,848.4	2,735.5	246,734.6	680.5	265,583.1	3,416.0

Source: Hellenic Capital Market Commission.

The conclusions can be summarized as follows: first, mutual funds have taken long positions, with the exception of the 1st quarter of 2001, where the net value of their position in regulated derivatives is short. Second, the percentage of mutual fund assets invested in derivatives is increasing, especially as far as investment in regulated derivatives is concerned. Third, the comparatively higher percentage of over-the-counter derivatives, in comparison to regulated derivatives, is mainly due to the activation of money market and bond mutual funds in the forward exchange market, in order to hedge the risks from investment in overseas money and capital markets.

The following table presents in a similar manner the placements of portfolio investment companies in regulated and OTC derivatives at the end of each quarter.

Table 27

PIC Investments in Derivative Products

(million GRD)	Regulated Derivatives		Off-the-Counter Derivatives		Total	
Date	Net Value of Position	Gains	Net Value of Position	Gains	Net Value of Position	Gains
31/3/2001	-421.1	44.6	23,405.9	192.8	22,984.9	237.4
30/6/2001	-1,943.0	-439.7	10,585.7	-147.7	8,642.7	-587.4
30/9/2001	-994.5	1,535.9	8,214.6	90.2	7,220.1	1,626.1
31/12/2001	-5,668.8	-632.7	8,169.3	-149.9	2,500.5	-782.6

Source: Hellenic Capital Market Commission.

The conclusions from this table can be summarized as follows: first, and in contrast to mutual funds, the net position of investment portfolio companies on regulated derivatives seems to be short throughout the entire 2001, while positions on OTC derivatives are considered as long. Second, and excluding the 3rd quarter of 2001, investment in regulated derivatives is increasing, in contrast to the placement of funds in OTC derivatives, which exhibit downward trends. As a result, the gap between the amounts invested regulated and OTC derivative financial products have narrowed significantly during 2001.

Developments in International Capital Markets

During 2001, there was a widespread slowdown in international capital markets. Share prices have reached very low levels, as the global economy has entered a recession period, further aggravating the negative investor sentiment in emerging markets.

The relaxation of monetary policy in the US led to a temporary recovery in capital markets during the first months of 2001. The Federal Reserve proceeded to eleven interest rate cuts, approaching the lowest interest rate level of the last 40 years. At the same time, the fiscal policy that was implemented assisted the effort to support the US economy, by means of tax cuts and public expenditure increases, especially after the September 2001 terrorist strike.

Table 28

European Union Macroeconomic Indicators, 1999-2001[1]

	Gross Domestic Product [2]			Exchange Rates [3]			Inflation [4]			Government Gross Debt [5]		
Countries	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Austria	2.8	3.2	2.5	13.9	13.9	13.9	0.7	1.8	1.7	64.7	62.9	61.6
Belgium	2.7	3.9	3.0	40.6	40.6	40.6	1.2	2.5	1.7	116.4	110.8	104.3
Denmark	2.1	2.9	2.1	7.4	7.5	7.4	2.6	3.1	2.1	52.0	46.3	42.4
Finland	4.2	5.7	4.0	6.0	6.0	6.0	1.3	3.2	2.2	46.9	44.0	41.7
France	2.9	3.2	2.9	6.6	6.6	6.6	0.8	1.2	1.3	58.8	58.0	56.9
Germany	1.6	3.0	2.2	2.0	2.0	2.0	0.3	1.4	1.8	61.1	60.3	58.7
Greece	3.4	4.1	4.4	3.3	3.4	3.4	2.4	3.0	2.8	104.6	103.9	99.9
Ireland	9.8	10.7	7.5	0.8	0.8	0.8	3.3	5.9	4.8	50.1	38.9	33.1
Italy	1.6	2.9	2.5	1.9	1.9	1.9	2.1	2.9	2.6	114.5	110.2	105.7
Luxembourg	7.5	8.5	5.6	40.6	40.6	40.6	1.4	3.1	2.4	6.0	5.3	5.1
Netherlands	3.9	3.9	3.4	2.2	2.2	2.2	1.9	2.8	4.2	63.2	56.1	51.9
Portugal	3.0	3.3	2.6	2.0	2.0	2.0	2.3	2.8	3.5	55.0	54.1	53.0
Spain	4.0	4.1	3.2	1.7	1.7	1.7	2.5	3.6	3.2	63.4	60.6	58.1
Sweden	4.1	3.6	2.7	8.8	8.5	9.3	0.8	0.9	1.4	65.2	55.6	53.5
Britain	2.3	3.0	2.7	0.7	0.6	0.6	1.6	0.8	1.4	45.7	42.9	38.3
EU15	2.5	3.4	2.8	1.0	1.0	1.0	1.4	1.9	2.1	67.5	64.5	61.7
USA	4.3	5.0	1.6	1.1	0.9	0.9	1.8	2.4	2.4	NA	NA	NA
Japan	0.7	1.2	1.0	1.2	1.0	1.2	-0.7	-1.1	-0.2	NA	NA	NA

Sources: European Economy, BIS, National Statistical Service.

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).*

In the European Union, the European Central Bank also proceeded to interest rate cuts in 2001, albeit without any similar changes in the member-states' fiscal policy. In Japan, monetary relaxation was accompanied by strict fiscal policy, due to the increase in public debt as a percentage of the GDP.

The fall of stock market indices was significantly aggravated by the lack of positive news concerning macroeconomic aggregates, as well as by the intensification of worldwide uncertainty during the fourth quarter of the year, do to the terrorist attack against the US on September 11th, 2001. During 2001 the GDP of EU member-states grew by an average rate of just 2.8%, as compared to 3.4% in 2000, while inflation rose to 2.1% from 1.9% in 2000, mainly due to the increase in oil and oil product prices and the devaluation of the Euro against the US dollar. The fluctuations of the exchange rate of the Euro against the US dollar were considerable during 2001, albeit close to the end of the year there was a recovery of the European currency due to its anticipated common introduction in European economies on January 1st, 2002. Despite the successful course towards the adoption of the Euro as the single European currency, recession in most EU economies is a fact and is manifested, among other things, in the contraction of stock exchange transactions during 2001. In 2001, the US GDP grew by a mere 1.6%, while in Japan its growth rate was just 1%. Inflation remained stable to 2.4%, while Japan suffered from a deflation of -0.2%. The financial problems of the Japanese economy seem to have major repercussions on the international investment climate. Finally, it must be noted that during 2001 unemployment shows an upward international trend.

The 2001 bear market conduced the reduction in listed company profitability, aggravating uncertainty about a possible rebound in share prices. Especially in the New Economy field, the reaction of share prices contradicted analyst estimates about the steady recovery of these companies' corporate profitability. Investors liquidated their placements on New Economy shares without taking profitability prospects under full consideration and the corresponding Stock Market Indices fell. In general, during 2001 low risk investors worldwide placed their capital in the money market, in fixed income securities and in their derivative products.

The development of international macroeconomic aggregates did not prevent Morgan Stanley Research from expressing the estimate that dividend yields in G10 economies for 2001 would finally show upward trends. Of course, according to international estimates, capital markets appear to be overpriced if evaluated according to their P/E. Despite its decline in many capital markets, with the exception of the US where it increased, this ratio remained at levels higher than those prevailing prior to the crash of October 1987. The only exceptions were Japan, Belgium and the Netherlands, where P/Es were lower than those of 1987.

Table 29

International Price to Earnings ratios of Selected Countries, 1996-2001 [1]

Countries	September 1987 [2]	December 1996	March 1997	March 1998	March 1999	March 2000	2001*
Germany	15	17	20	21	19	23	20
France	13	17	18	20	22	27	23
Italy	15	17	19	26	26	36	16
Britain	16	16	16	22	24	28	20
Netherlands	15	18	20	24	27	27	14
Switzerland	14	20	23	29	24	20	17
Belgium	14	16	18	25	21	17	14

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

Table 30

Dividend Yields (percentages) of Selected Countries, 1998-2001 (%)

Countries	Minimum Level	Year	March 1998	March 1999	March 2000	2001*
USA	1.1	1999	1.5	1.3	1.2	1.4
Japan	0.4	1990	1.1	0.8	0.6	1.0
Germany	1.1	2000	1.3	1.4	1.2	2.7
France	1.6	2000	1.7	2.2	1.6	2.3
Italy	1.0	1981	1.1	2.0	1.3	2.6
Britain	2.1	2000	2.8	2.6	2.1	2.6
Netherlands	1.7	2000	1.8	2.2	1.8	2.4
Switzerland	0.9	1998	2.4	1.4	1.3	1.5
Belgium	1.3	1999	1.8	1.6	2.0	3.2

Sources: Datastream, OECD, BIS, Morgan Stanley Research and national statistics.
** Morgan Stanley Research estimates.*

The year 2001 may be considered as a rather unfortunate year for most international capital markets, due to the great drop in share prices. As an example, the share price indices in the markets of New York (NASDAQ composite index), Milan (MIBTEL index), Switzerland (SPI General), Amsterdam (AEX index), Athens (ASE General Index), Tokyo (Nikkei index) and Hong Kong (Hang Seng Index) markets dropped by more than 20%. It must be noted that the terrorist attack against the US on September 11th, 2001 worsened the fall to a great extent and

Table 31

Developments in Selected Stock Exchanges, 2001

Stock Exchanges	General Index		Market Capitalization			Transaction Volume			Turnover Ratio[3] (%)	No. of Listed Companies (Dec. 2001)
	Closing Price (Dec. 2001)	% Annual Change	Amount (billion USD) Dec. 2001	% Annual Change (11/2001)	% of GDP[4]	Amount (billion USD) Dec. 2001	% Annual Change	% of GDP*100[4]		
London	5,217.4	-16.2	2,149.5	-11.8	1.6	4,550.5 [2]	-0.2	334.4	211.7	2,891
Germany	5,160.1	-19.8	1,071.8	-10.9	0.6	1,439.9 [1]	-32.1	77.7	134.4	984
Euronext	800.5	--	1,843.5	--	--	3,179.8 [2]	--	--	172.5	1,345
Paris [6]	4,624.6	-22.0								
Switzerland	4,382.9	-22.0	527.4	-28.1	2.2	327.0 [2]	-48.8	134.3	62.0	412
Amsterdam [6]	506.8	-20.5								
Italy	22,232.0	-26.7	527.4	-29.1	0.5	710.2 [1]	-30.4	65.4	134.7	294
Madrid	824.4	-6.4	468.2	-1.2	0.8	842.2 [2]	-18.7	147.3	179.9	1,482
Stockholm	239.1	-16.9	236.5	-25.4	1.1	386.7 [2]	-20.3	178.6	163.5	305
Brussels [6]	2,782.0	-8.0								
Athens	2,591.6	-23.5	85.7	-17.8	0.8	37.5 [1]	-61.0	32.8	43.7	314
Vienna	1,140.4	-6.3	25.2	-8.6	0.1	7.7 [1]	-20.1	4.1	30.6	113
NYSE	589.8	-10.2	11,026.5	-0.8	1.1	10,489.3 [1]	-5.2	108.3	95.1	2,400
NASDAQ	1,950.4	-21.1	2,896.9	-19.3	0.3	11,000.2 [2]	-44.4	113.5	379.7	4,128
Tokyo	10,542.6	-23.5	2,452.1 [5]	-28.7	0.6	1,544.7 [5,1]	-29.0	36.7	63.0	2,142
Hong-Kong	11,397.2	-24.5	506.1	-13.1		241.0 [1]	-36.0		47.6	867

Sources: FIBV, Hellenic Capital Market Commission.

[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 31/12/2001. [5] November 2001 data. [6] No individual information is available for the Stock Exchanges of Paris, Amsterdam and Brussels due to their merger in the Euronext.

sustained the volatility in stock markets. After the reopening of the New York stock Exchange the Dow Jones Industrial Average registered its greatest loss in history. The value of transactions in international stock exchanges suffered an equally great blow, with the exception of the London Stock Exchange, where it decreased by only 0.2%. The greatest drops in transaction value were registered in the Athens Stock Exchange (61.0%), the Swiss Stock Exchange (48.8%), the NASDAQ (44.4%), the Hong-Kong Stock Exchange (36.0%), the German stock exchange (32.1%) and the Milan Stock Exchange (30.4%).

Finally, there was a substantial decrease in the market capitalization of companies listed in international stock exchanges. The decreases in market capitalization that occurred in the Athens, Milan, Tokyo, Swiss and Stockholm stock exchanges exceeded 20%. The number of companies listed in the NASDAQ dropped by 660, in the NYSE by 72 and in the LSE by 18 companies, while, on the contrary, it increased by 476 new companies in the Madrid Stock Exchange, by 87 new companies in the Hong-Kong stock exchange and by 72 new companies in the Tokyo Stock Exchange.

During the fourth quarter of 2001, there was a tendency towards the recovery of share prices. Nevertheless, it is doubtful whether this recovery can be sustained. However, there seems to be a feeling of moderate optimism concerning the rebound of share prices, due to the steady decline of international oil prices, the expansive monetary and fiscal policy of the US and the expectation that the repercussions of the terrorist attacks on international capital markets will be limited over time.

Notifications of Foreign Companies Wishing to Provide Investment Services in Greece

According to European Directive 93/22 (ISD) on the Provision of Investment Services, investment firms intending to provide investment services in any EU member state (Receiving member-state), are obliged to notify this intention to the competent authorities of the Originating member-state. This notification must always be accompanied by a complete business plan. Then, the competent authorities of the Originating member-state inform their counterparts in the Receiving member-state accordingly.

In the context of the implementation of Directive 93/22 for the period 1995-2001, the Hellenic Capital Market Commission has received notifications from 772 overseas firms wishing to provide investment services in Greece by means of the "European Passport". These notifications remain active in the case of 691 of the above companies.

The distribution of notifications by country is the following: 586 notifications came from the UK, 29 from Ireland and 18 from the Netherlands. In addition, 12 notifications came from Austria, 11 notifications came from France, 9 from Belgium, 5 came from each of Germany and Denmark, 6 from Norway, 3 came from each of Italy and Sweden, 2 from Finland and, finally, and 1 notification came from each of Spain and Luxembourg.

Furthermore, in 2001, notifications regarding the provision of investment services in the Greek capital market were submitted by 69 companies from the UK, 5 companies coming form Austria, 4 companies from Germany, 3 companies from France, 2 companies from each of Norway and Finland, and 1 company from each of Belgium, Spain, and Sweden.

Table 32

Notifications for the Provision of Investment Services According to the EU Directive 93/22, 2001

	Number of Notifications			Number of Cancellations			Total of Active Companies		
Country	1999	2000	2001	1999	2000	2001	1999	2000	2001
Austria	3	7	14	0	0	2	3	7	12
Belgium	6	8	10	0	0	1	6	8	9
Denmark	5	5	5	0	0	0	5	5	5
France	4	8	11	0	0	0	4	8	11
Germany	0	1	5	0	0	0	0	1	5
Ireland	29	31	33	2	2	4	27	29	29
Italy	1	3	3	0	0	0	1	3	3
Spain	0	0	1	0	0	0	0	0	1
Luxembourg	1	1	1	0	0	0	1	1	1
Norway	3	4	6	0	0	0	3	4	6
Netherlands	18	21	22	2	3	4	16	18	18
Sweden	1	2	5	0	1	2	1	2	3
Finland	0	0	2	0	0	0	0	0	2
Britain	612	681	789	138	162	203	474	522	586
Total	683	772	907	142	168	216	541	608	691

Source: Hellenic Capital Market Commission.

Part Three

Activities of the Hellenic Capital Market Commission

Rules and Regulations

During 2001 the Commission's board of directors issued several rules an regulations and contributed significantly to the Ministry of National Economy's legislative work on the capital market. During 2001 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 2001:

Investor Protection

- HCMC Rule 4/213/28.03.2001: "Specification of special qualifications and special procedure for the certification of individuals employed by investment firms." This rule sets the terms and conditions for the entry of the aforementioned persons in the relevant examinations, in order to be professionally certified as a) securities and market analyst; b) asset manager; c) investment consultant; d) persons executing orders at brokerage firms and investment firms; and e) persons receiving and transmitting orders at firms for the Reception and Transmission of orders.
- Ministerial Decision 42430/B/17665.12.2001: "Professional certification of capital market agents." By means of this decision, following the relevant proposal by the Hellenic Capital Market Commission, the Ministry specified the syllabus, the examination procedure, and the appointment method for the members of the examination committee, as well as other issues pertaining to the professional certification of Capital Market Participants.
- HCMC Rule 15/211/19.02.2001: "Size of the Investment Services Common Guarantee Fund for the year 2001." According to the rule, the size of the fund for the year 2001 is set to the amount specified by HCMC Rule 8/185/25.2.2000 (GRD 100 billion or 293 million Euro) provided that the Common Guarantee Fund will increase the amount of additional insurance kept with insurance firms from GRD 40 billion to GRD 50 billion, in order to increase coverage to approximately 150 billion GRD or 440 million Euro.

- Circular Encyclical of HCMC 10/21.6.2001: "Explanations on HCMC Rule 5/204/14.11.2000 Government Gazette 1487B/6.12.2000." This circular provides explanations on the "Code of Conduct of Companies listed in the ASE and their affiliated persons," which follows Circular Encyclical 9/21.12.2000.
- Circular Encyclical of HCMC 13/10.10.2001: "Supplement to Circular Encyclical of HCMC number 8 -uncooperative countries and territories in regard to 'money laundering." This circular supplements the provisions of Circular 8 of the HCMC, which defines the uncooperative countries and territories in regard to "money laundering."

Safeguarding the Normal Operation and Liquidity of the Capital Market

- HCMC Rule 2/213/28.03.2001: "Provision of credit by members of the Athens Stock Exchange and other regulations concerning the payment of the price of stock exchange transactions." This rule regulates the procedure concerning the provision of credit from ASE members to their ordering clients for the payment of the price of share acquisition transactions effected on the clients' behalf be the Athens Stock Exchange, as well as certain obligations of the Member to guarantee timely payment in case on credit has been extended. Moreover, the rule defines: the provision of credit, the initial margin, the condition for margin calls, the Safety Portfolio, the pledging-release of security assets, the credit agreements, the provision of information to the HCMC, the provision of information to the client and the operational and organizational capacity of the Member, along with the relevant obligations.
- HCMC Rule 3/216/17.5.2001: "Daily fluctuation limits of share prices in the Athens Stock Exchange for shares under constant trading." This rule, which concerns the shares of companies under constant trading in the ASE, specifies that the maximum fluctuation limit of their prices is escalating. The first limit is set to +/-12%, and if this limit is maintained for 15 minutes it is expanded to +/-18%.
- HCMC Rule 2/216/17.5.2001: "Short selling in the Athens Stock Exchange." This rule allows the conclusion of regulated short sale contracts in the ASE, under specific terms and procedures.
- HCMC Rule 1/216/17.5.2001: "Market Maker in the Main and Parallel Markets of the Athens Stock Exchange." This rule specifies the following: i) the notion of the Market Maker in the Main and Parallel Markets; ii) market making agents; iii) prerequisites for performing market making; iv) the operational and organizational adequacy of the market maker; v) the internal regulation concerning market making; vii) the obligations of the market maker; vii) the suspension of market making; ix) surveillance; and x) issues pertaining to the transparency of transactions.

- Ministerial Decision 42756/B1765/13.12.2001: “Amendment of Ministerial Decision 41517/b.1972/4-12-98 on underwriters regulation.” This Decision further supplements and enhances the rules concerning the provision of underwriting services. More specifically, during the “Sensitive period” Underwriters and Advisors are forbidden from acquiring, either through the stock exchange or over-the-counter, securities subject to the provision of the specific underwriting or advisory services and from companies affiliated with them, excluding Insurance Companies, Investment Portfolio Companies and Mutual Fund Investment Firms, provided that the latter subscribe on behalf of the mutual funds they manage.
- HCMC Rule 11/215/10.5.2001: “Amendment of HCMC Rule 2/213/28.3.2001.” More specifically, this rule regulated the obligations of an ASE member to guarantee the timely payment of the price of a transaction in securities.
- HCMC Rule 3/231/23.11.2001: “Amendment of HCMC Rule 71/4/2.4.96: ’Specification of the maximum daily fluctuation limits of share prices, block trades and clearing entries.” This rule further specifies the procedure concerning the underwriter’s actions to stabilize share prices.
- HCMC Rule 1/211/19.02.2001: “Amendment of HCMC Rules 104/8.4.96 subjects 6b, 6c, 6d and 123/20.1.1998, subject 11.” This rule regulates capital requirement issues, concerning the coverage of credit risk that results from the debit balances of investment firm clients.

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

- HCMC Rule 1/215/10.5.2001: “Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities System.” This rule enhances and supplements the clearing Regulation, as amended by HCMC Rules 9/160/2.6.1999, 11/177/7.12.1999, 9/181/18.1.2000, 5/194/4.7.2000 and 11/201/10.10.2000. This rule regulates issues such as the responsibilities of the Market Maker, the performance of short sales in the New market, the introduction of the Security Portfolio principle and the procedure for pledging securities for the needs of margin accounts. The same amendment improves and settles issues pertaining to the definition of dividend beneficiaries, the procedure and principles of multilateral settlement and the management of repurchase and resale agreements in the ADEX.
- HCMC Rule 3,4/228/25.10.2001: “Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities

System.” This enhances and supplements the clearing Regulation, as amended by HCMC Rules 9/160/2.6.1999, 11/177/7.12.1999, 9/181/18.1.2000, 5/194/4.7.2000, 11/201/10.10.2000 and 1/215/10.5.2001.

Improvement of Capital Market Transparency

- HCMC Rule 3/212/8.3.2001: “Amendment of HCMC Rule 9/201/10.10.2000: ’Terms and conditions for proceeding with a book building and the allocation of IPO shares.” A new paragraph has been added to the end of article 8, Rule 9/201/10.10.2001, specifying that the said rule is not applicable in the case of share allocation to the employees of the issuing company or/and the group in which the company is a member of.
- HCMC Rule 2/211/19.02.2001: “Terms and conditions concerning the allocation of IPO shares in the New Market and the Greek Market for Emerging Markets.” This rule specifies that in order to participate in public offerings, investors must keep Stock Trading and Securities Accounts with the Dematerialized Securities System (SAT). Subscriptions for the acquisition of shares are accepted only after the underwriters have received cash or cheques of an amount equal to the participation in any bank account of the investor or elsewhere. The maximum subscription limit per investor cannot exceed the total value of the share distributed through the public offering. The shares are allocated to individuals and legal entities, as well as to institutional investors, according to the method and the procedure specified by this rule.
- HCMC Rule 6/13/28.03.2001: “Books and records of remote members of the ASE.” This rule specifies that the investment firms that have been granted operating licenses by a European Union member-state and have become remote members of the ASE, are not subject to the provisions of the applicable Greek laws, concerning the books and records kept by the members of the ASE, if it arises from the member-state’s legislation that such books and records are being kept, reflecting the firm’s transactional activity.
- HCMC Rule 2/231/23.11.2001: “Amendment of HCMC Rule 9/201/10.10.2000: ’Terms and conditions for proceeding with a book building and the allocation of IPO shares.’” By means of this rule, mutual funds, portfolio investment firms, investment firms, credit institutions, insurance companies and social security funds are considered to be institutional investors. Offshore companies are not considered to be institutional investors. It is also specified that the allocation of shares to institutional investors participating in the book-building procedure be performed by the Main Underwriter.

Enhancement of the Orderly Operation of Market Agencies and Institutions

- Circular Encyclical of HCMC 11/6.9.2000: "Amendment of Circular Number 6 of the HCMC." This circular clarifies issues pertaining to the intermediation of the firms for the Reception and Transmission of orders in relation to the preparation of transactions on derivative financial products.
- Circular Encyclical of HCMC 12/6.9.2000: "Branches of EU investment firms in Greece." According to this circular, the EU provides investment firms that have been granted operating licenses by the competent authorities of an EU member state and either provide or intend to provide investment services in Greece, with information about the documents and other data they are obliged to submit to the HCMC.

The Institution of the Market Maker in the Markets of the ASE

During 2001, the Hellenic Capital Market Commission issued a regulation, which established the terms and conditions for the activation of market makers on regulated products in the Main and Parallel Markets of the ASE, according to article 22A of Law 2843/2000. This is HCMC Rule 216/17.5.2001 (Government Gazette B667/31.5.2001) "Market Maker in the Main and Parallel Markets of the Athens Stock Exchange." The institution of the market maker was first introduced to the New Market by means of HCMC Rule 182/25-1-2000, (Government Gazette B171/17.2.2000) "The market maker in the New Market."

The market maker enters, on its own behalf and on a continuous basis, simultaneous orders for the purchase and sale of the share, whose market making it has undertaken. This way the market maker increases liquidity in the market of the said shares, with positive gains for both investors and listed companies. At the same time, the market maker enhances the orderly operation of the stock market, improving transparency and the provision of investors with information and, therefore, increasing confidence in the stock exchange and facilitating smoother price determination. For this reason, it was considered necessary to have at least one market maker for each issuing company in the New Market, where the shares of small and medium, dynamic and innovative enterprises are listed with possibly low marketability, in order to bridge the temporary gaps between supply and demand for low liquidity shares.

In order to obtain market maker status, a company must be an ASE member, its share capital must comply at least with the minimum share capital requirement for the provision of Underwriter services, and, finally, it must possess operational and organizational adequacy. This adequacy pertains to the formation of a market-making department within the company, performing market-making transactions only for its own behalf and by means of a separate account exclusively designed for this purpose. Moreover, the company must establish an internal code of operation, as well as compliance monitoring procedures. The internal code of operation must ensure the observation of the Market Maker's obligations and the effective segregation of the market-making department from the other departments of the Member. Furthermore, the market maker must possess an amount of the shares, whose market making it has undertaken, which is considered necessary to fulfil its task, as well as the necessary cash.

The ASE member and the company issuing the shares whose market making is being undertaken by the former, sign an agreement, notified to the ASE and including the rights and obligations of the contracting parties and the term of their co-operation. This term can not be less that one year for Main and Parallel market shares, or less than three years for New Market shares.

The introduction of simultaneous purchase and sale orders by the market maker must comply with the specific rules set by the Hellenic Capital Market Commission, which differ according to the market the share has been listed in. More specifically, the entry of market making orders must concern a minimum daily quantity of shares, each transmitted order must include a minimum disclosable quantity, the divergence between the purchase and sale prices for each pair of orders must not exceed a certain limit, and, finally, there is a time constraint for the entry of the next market making order after the previous one has been partly or fully executed. After the minimum quantity of shares has been covered, the market maker may stop transmitting orders. In any case, additional market making orders are subject to the same rules with compulsory ones. If the price of the share that is the object of market making reaches the maximum or minimum fluctuation limit, the market maker is not obliged to transmit orders for as long as the share price remains "locked." In extraordinary cases of sudden price fluctuations, or in case there is any other impediment to the fulfilment of the market maker's obligations or a danger to the smooth operation of the stock market, the market maker may request the ASE for temporary relief from duty.

The ASE and the Hellenic Capital Market Commission supervise the work of the market makers, in order to ensure the proper operation of the institution and the existence of transparency in the market. Moreover, apart from the books and records it keeps as a member of the ASE, the market maker is obliged to keep a complete record of market making orders and deals, which has to be accessible to inspection by the competent supervisory authorities for three years after the termination of the market making agreement.

Licencing 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 2001 the board of directors of the HCMC proceeded with the following:

Brokerage Firms - Members of the ASE

- Granted operating license to three (3) new firms, one of which was revoked prior to activation.
- Granted modification of license to one (1) firm in order to expand their activities as investment firms.
- Granted expansion of license to three (3) investment firms-ASE members for the provision of underwriting services.
- Granted license for the operation of subsidiaries and local representative offices in eighteen (18) cases, concerning eleven (11) firms.
- Approved of the modification of the charter in seventeen (17) cases, concerning sixteen (16) firms.
- Approved of share capital increase in forty-three (43) cases, concerning thirty-eight (38) firms.
- Approved of share capital decrease (due to the conversion to the Euro) concerning six (6) firms.
- Approved of the transfer of shares in twenty-one (21) cases, concerning nineteen (19) firms.
- Approved of a change in board composition in forty (40) cases, concerning thirty-five (35) firms.
- Approved the appointment of stock exchange representatives in thirty-eight (38) cases, concerning twenty-eight (28) firms.
- Approved the replacement of the head of a brokerage firm branch for seven (7) firms.
- Approved of the participation of brokerage firms in the share capital of other companies in eight (8) cases, concerning seven (7) firms.

Investment Firms - Non ASE Members

- Granted operating license to thirteen (13) new firms, one of which was revoked prior to activation.
- Granted expansion of license to three (3) investment firms for the provision of underwriting services.

- Granted license for the operation of branches in eleven (11) cases, concerning six (6) firms.
- Granted license for the operation of local representative offices in eight (8) cases, concerning two (2) firms.
- Approved of the modification of the charter of four (4) firms.
- Approved of share capital increase in sixteen (16) cases, concerning fourteen (14) firms.
- Granted approval for the share capital decrease (due to the conversion to the Euro) of two (2) firms.
- Granted approval for the transfer of shares of five (5) firms.
- Approved of a change in board composition in twenty-two (22) cases, concerning fourteen (14) firms.
- Approved the replacement of one (1) head of a brokerage firm branch.

Mutual Fund Management Firms

- Approved of twenty-two (22) new mutual funds.
- Granted operating license to four (4) new firms.
- Approved of the modification of internal regulations of thirty-five (35) firms.
- Approved of the modification of the charter of twenty-one (21) firms
- Approved of share capital increase of seven (7) firms.
- Approved of several appointments of new board members.
- Acknowledged notification for the distribution in Greece through representatives of foreign M/F shares governed by Directive 85/611/EEC of eighteen (18) UCITS and 316 mutual funds.
- Acknowledged notification for the distribution in Greece through representatives of foreign M/F shares not governed by Directive 85/611/EEC of three (3) UCITS and eleven (11) mutual funds.

Portfolio Investment Companies (Closed end Funds)

- Granted operating license to two (2) new firms.
- Approved of a modification of the charter in forty (40) cases (the majority due to conversion of the share capital of firms to Euro)
- Approved of several appointments of new board members.
- Approved of share capital increase in thirty-two (32) cases.
- Approved of share capital decrease in eight (8) cases.

Public Offerings

- Approved of the public offering of shares of thirteen (13) new firms in the ASE's Main Market.
- Approved of the public offering of shares of nine (9) new firms in the ASE's Parallel Market.
- Approved of the public offering of shares of two (2) new firms in the New Market.

Enforcement and Compliance

The Supervisory Framework

For the purpose of supervision of market entities, the Hellenic Capital Market Commission monitors and analyses 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 2001 the auditing activity of the Hellenic Capital Market Commission was substantially increased in relation to that of previous year and expanded into 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.

The audits that took place during the 2001 concerned brokerage firms, investment firms and the ASE listed companies. In 2001 the special program for the auditing of the firms for the reception and transmission of orders included more than 110 firms. The trading behaviour of shares of 35 listed companies for which there was evidence of illegal trading was monitored and analysed. Finally, the monitoring of the use of funds raised through public offerings of shares in the market was continued in a steady manner.

Administrative Sanctions

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

Revocation of Licence

- Revoked the licenses of two (2) brokerage firms, under the power of the article 4 of law 1806/88.
- Revoked the licenses of three (3) investment firms, non-ASE members, under the power of the article 4 of law 1806/88.
- Revoked the licenses of seven (7) firms that receive and transmit stock exchange orders, under the power of the article 4 of law 1806/88.
- Temporarily revoked the licenses of four (4) firms that receive and transmit orders 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 levied on six (6) 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 levied on twenty-four (24) brokerage firms for failing to provide timely information concerning changes in shares under special monitoring.
- Fines were levied on four (4) brokerage firms, under the power of the law 3632/28, for unlawfully engaging in short selling activity.
- Fines were levied on three (3) brokerage firms, for illegal trading practices and for insufficient protection of investors.
- Fines were levied on five (5) brokerage firms, for violations of the Underwriters Code.
- A fine was levied on one investment firm for failing to comply with the code of conduct for investment services.

Firms for the reception and transmission of exchange orders

- Fines were levied on thirteen (13) 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 fund management firms and portfolio investment companies

- Fines were levied on three (3) mutual fund management companies for violating rules of market transparency.

- Fines were levied on three (3) mutual funds management companies for failing to comply with the code of conduct for institutional investors as well as for insufficient protection of clients.
- A fine was levied on one (1) mutual funds management company for delays in the disclosure of due information to the competent authorities.
- Fines were levied on two (2) portfolio investment companies for delays in the disclosure of due information to the competent authorities.
- A fine was levied on one (1) portfolio Investment Company for failing to comply with the code of conduct for institutional investors as well as for insufficient protection of clients.

Listed companies

- Fines were levied on two (2) listed companies for price manipulation, thus undermining the smooth function of the capital market.
- Fines were levied on five (5) 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 levied on three (3) 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 levied on one (1) listed company for failing to introduce its shares in due time for trading in the ASE.

Legal Entities

- Fines were levied on two (2) underwriting firms for failing to comply with the code of conduct.
- Fines were levied on six (6) companies for engaging in share price manipulation, thus undermining the smooth function of the capital market.
- Fines were levied on fourteen (14) 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.
- Fines were levied on six (6) firms for failing to comply with the code of conduct for investment companies

Individuals

- Fines were levied on twelve (12) individuals for engaging in insider trading, artificial transactions and price manipulation.
- Fines were levied on thirty-one (31) individuals for failing to timely disclose changes in share capital ownership, as required by the Presidential Degree 51/92.
- Fines were levied three (3) individuals for failing to comply with the code of conduct for investment companies.

Banks and financial institutions.

- Fines were levied on three (3) financial institutions for failing to timely disclose changes in share capital ownership exceeding 3 percent, as required by the Presidential Degree 51/92.
- Fines were levied on three (3) financial institutions 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 (3) financial institutions for failing to comply with the code of conduct of underwriters.

Indictments to Courts

- Indictments were submitted against of two (2) legal entities for proceeding with initial public offerings of securities without proper authorization.
- An indictment was submitted against one (1) brokerage firm for engaging in insider trading, price manipulation and the provision of misleading information.
- An indictment was submitted against one (1) brokerage firm, non-ASE member representative for engaging in insider trading, price manipulation and the provision of misleading information.
- An indictment was submitted against one (1) listed company for engaging in insider trading, price manipulation and the provision of misleading information.
- Indictments were submitted against three (3) individuals for engaging in insider trading, price manipulation and the provision of misleading information.

The Hellenic Capital Market Commission during 2001 levied fines of a total worth of 3.173 billion GRD against 3.411 billion GRD in 2000. The allocation of fines among market entities is presented below:

Table 33

Fines per Supervised Entity, 2001

Number of Fines	Institution	Amount (million GRD)	Amount (thousand €)
44	Brokerage Firms - Members of the ASE	320.8	941.5
7	Investment Firms - non ASE Members	3.0	8.8
24	Firms for the Reception & Transmission of Orders	96.0	281.7
7	Mutual Fund Management Firms	63.0	184.9
3	Portfolio Investment Companies	53.0	155.5
10	Listed Companies	300.7	882.5
9	Banking Institutions	88.1	258.5
29	Underwriters and other Legal Entities	777.0	2,280.3
46	Individuals	1,470.9	4,316.7
Total: 179		3,172.6	9,310.6

Reception and Investigation of Investors Complaints

During the year 2001 the Investor Complaints Committee (ICC) of the HCMC 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 1,500. Responding to those requests, the ICC analysed all information available and provided investors with the necessary clarifications and recommendations for problem resolution.

It is worth noting that, while in previous years there was a tendency towards more complaints, in 2001 fewer complaints were submitted in relation to the previous year and more specifically, only 182 against 235 complaints in 2000. However, these figures concern only written complaints and not oral or telephone contacts of investors with the Investor Complaints Committee. It is remarkable that written complaints account for a small part of the total contacts of investors with the Hellenic Capital Market Commission. Nevertheless, all the above contributed to the maintenance of a valuable connection between the Supreme Supervisory Authority and the investing public during the previous year.

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 Hellenic Capital Market Commission, or general grievances regarding capital market performance.

It should be noted that, in accordance with HCMC 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 Commission's Contribution to Legislative Work in 2001

During 2001, the Hellenic Capital Market Commission has been very active in settling legal matters, concluding legal cases and processing legal provisions. The legal staff of the HCMC handled 179 cases in front of Greek courts. The handling of cases included the preparation of the relevant legal reports and memoranda and the attendance of HCMC lawyers and executives in front of the courts and criminal investigation authorities.

During 2001, the relevant files for 43 cases assigned to lawyers were prepared and the monitoring of their progress was completed. Also, the HCMC prepared the files and completed the relevant opinion reports for 14 cases on behalf of the Legal Council of the State that attended these cases.

During 2001, the Hellenic Capital Market Commission prepared and submitted 19 indictments for various violations of the Penal Code and the capital market law (especially articles 40, Law 1806/1988, 10 Law 876/1979, 72, par 1 Law 1969/91 and 76, par 8, Law 1969/1991). It also made 4 appeals against court of first instance decisions, 2 appeals against public prosecutor acts and judicial council decrees and 2 recourses against public prosecutor acts.

During the same year, executives of the Committee proceeded to the preparation of legal opinions to the Board of Directors and the Executive Committee of the Hellenic Capital Market Commission, concerning the imposition of sanctions for violations of capital market law, the temporary revocation of operating licenses of firms for the reception and transmission of orders, the initiation of the procedure to revoke the licenses of such firms, the revocation of operating licenses of Investment Firms, the prohibition of the operation of firms for the reception and transmission of orders and other issues, covering 204 cases. In another 339 cases, letters were prepared and sent to capital market agents and other investors summoning them to plea hearings or dealing with other issues. Finally, there were 22 cases in which official opinion memoranda were prepared and legal counsel was provided.

During 2001, the Hellenic Capital Market Commission contributed the legislative work in the following cases:

- The preparation of the draft law concerning corporate governance of companies listed in the ASE.
- The preparation of article 14 of the draft law concerning the abbreviation of proceedings in front of civil courts.
- The amendment of provisions of law 1969/1991.
- The amendment of provisions of the Code of Conduct for Institutional Investors
- The amendment of provisions of law 2778/1999 concerning real estate mutual funds.
- The preparation of a draft law for maritime investment portfolio companies.
- The preparation of legal provisions concerning mutual fund splits.

International Activities of the Hellenic Capital Market Commission

Memoranda of Understanding

The development of international relations framework for co-operation 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 Securities Commission of Bosnia-Herzegovina (June 27th, 2001).
- A bilateral Memorandum of Understanding with the Czech Securities Commission (June 28th, 2001)
- A bilateral Memorandum of Understanding with the Turkish Capital Market Board (October 5th, 2001).

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 them. These Memoranda provide supervisory authorities with the possibility to exchange confidential information, in order to achieve compliance of the supervised agents of the market to the existing regulations. The memoranda of understanding between the supervisory authorities of different countries facilitate international co-operation between stock exchanges, companies and other capital market agents, and therefore are the first stage for the establishment and further improvement of the relations among these countries' capital markets.

The Hellenic Capital Market Commission and FESCO

FESCO (Forum of the European Securities Commissions) was founded in Paris in December 1997 by the regulatory authorities of the European member-states and has already developed a set of important activities. The Hellenic Capital Market Commission was a founder member of FESCO and had actively participated in all of its experts groups.

The Committee of European Securities Regulators (CESR) was established after the submission of the Final Lamfalussy Report to the European Commission, the Decision of the European Council in Stockholm, the Decision of the European Parliament in March 2001 and the decision of the European Commission on June 6th, 2001. The members of the FESCO agreed on a draft statue, specifying the operations of CESR.

The first meeting of the new Committee was held on September 11th, 2001, in order to officially approve its statue. The new Committee will undertake all obligations emanating from the agreements, standards, commitments and works agreed by FESCO. The chairman of FESCO, Mr. Georg Wittich, stated: "The new stature reflects the wish of the network of national regulators, which have co-operated successfully within the FESCO during the past three years, to make on step forward and play exactly the role assigned to them by the Lamfalussy Report, the Decision of the European Council in Stockholm, the Decision of the European Parliament in March 2001 and the recent decision of the European Commission. We want to co-operate in a manner open and transparent to market professionals and consumers, in order to achieve more effective and unified supervision of European securities markets."

FESCO and the New Status of the CESR

The new statute provides for the following:

- Each EU member-state will appoint a high-ranking representative from the competent supervising authority in the securities' field that will attend the meetings of the Committee. The competent authorities of states belonging to the European Economic Area, albeit are not EU members, can attend the meetings but cannot participate in decision-making.
- The Committee will be chaired by one of the members, which will be elected for two years and will be assisted by a vice-chairman. The Committee will develop close operational relations with the European Commission: a representative of the European Commission can actively participate in all meeting, except when the Committee will discuss confidential issues. The

Chairman of the new Committee will submit reports, whenever asked, to the European Parliament. The Committee will submit its annual report to the European Commission, as well as to the European Parliament and the European Council. The Chairman of the Committee will attend the meetings of the Securities Committee[14] of the EU as an observer.

- In summary, the role of the Committee is to provide the European Commission with advice concerning the policy on securities issues and to carry out its mandates assigned concerning the preparation of measures for realising and implementing the policy. In addition, the Committee will develop effective mechanisms for the promotion of common supervising practices in the EU. It will issue guidelines, recommendations, and standards of conduct that will be implemented by its members.
- The Committee will convene at least four times each year and will constitute experts groups and/or permanent working groups. It will work in an open and transparent manner, and more specifically, it will apply the appropriate procedures of consultation (a priori, as well as a posteriori) with market participants, consumers, and end-users, which may include the following: press releases, papers under consultation, public hearings, lectures and conventions, consultations in writing and via the Internet, public presentations and summaries of comments, consultations on the national or European level. In order to facilitate the debate with market participants and consumers, the Committee can form advisory working groups.
- The Secretariat will consist of a full-time general secretary and other permanent or detached staff, employed by responsibility of the Chairman. The Committee will operate on the basis of an annual budget, supported by the annual subscriptions of its members.

FESCO Working Groups

1. Standards for Investor Protection.

The aim of this working group is the harmonization of the existing codes of ethics of the FESCO member-states. It is working not only for the definition of the way investment services should be provided, but also for the exact allocation of responsibilities between the country of origin and the country of destination, especially in regard to the implementation of ethics rules. The Group concluded to a harmonized definition of professional investors in a paper titled “Classifications of Investors for the needs of Ethics Codes.”

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[14] The Securities Committee, which was also established by the European Commission on June 6th, 2001 as an advisory Committee, consists of high-ranking government officials.

During the FESCO meeting in Vienna in December 2000, the FESCO members decided to initiate a second round of public consultations concerning their proposal to harmonize the ethics principles and rules for the investor protection.

The issue of investor protection and especially the harmonization of Article 11 of the Directive on the Provision of Investment Services (ISD) are considered by FESCO's members as one of the main obstacles to the effective provision of cross-border investment services. The national codes of ethics still differ among the states of the European Economic Space. The issue of the harmonization of the codes of ethics is a priority in both the Action Plan for the Provision of Investment Services, and the recent Circular of the European Commission concerning the improvement of the ISD, which aim at attaining a unified capital market and an effective "passport" for investment firms.

The relevant working group of FESCO, which is chaired by Jacob Kaptein, a member of the Dutch capital market supervising authority (STE), issued in 2001 and after a second round of public consultation (i) the revised proposal concerning the harmonization of ethics codes and (ii) the revised study concerning the classification of investors.

The original proposal for the harmonization of ethics codes was amendment after a consultation held by FESCO. FESCO's website (www.europefesco.org) contains a presentation of all the comments that were made. The procedure for the revision of the original proposal was described in an introductory note, while the interpretation of the main changes and the causes of the amendments were given in an appendix.

The main changes made on the revised European investor protection regime are the following: (i) the classification of investors was amended with the purpose of upgrading large firms and classifying other institutional investors in the professional investor category. Two different regimes apply on the relations between investment services and clients for investor protection, according to the classification of the client as a private or professional investor. (ii) In regard to private investors, the paper also covers issues such as the promotion of investment services over the phone (cold calling), the informal sale of non-listed shares (grey markets) and the provision of advice. (iii) Moreover, the CESR proposes the recognition of a regime, which includes rules governing the relations between counterparties in securities transactions.

FESCO proceeded to a public consultation on the European Union level and each member proceeded to public consultation on the national level. FESCO also held open meetings with the professional unions of market agents and investors. Given the European Union timetable concerning the revision of the Investment Services Directive, FESCO evaluated all received comments until late November 2001. After studying the first results of the final consultation on the paper titled “Standards and regulations for the harmonization of Ethics Codes,” the aim is to have them approved by the next CESR meeting that will be held in Paris, in March 2002.

2. Primary Market Practices.

The working group has to deal with three issues concerning public offerings, which require a common European approach: grey market trading (a market in which share transactions are performed prior to the shares’ distribution, taking for granted that this will occur shortly after), green shore arrangements (agreements based on which the issuer provides undertakers the opportunity to purchase an additional block of shares in order to cover excess demand), price stabilization practices and the dispersion of shares.

In 2001, FESCO published a paper titled “Stabilization and Distribution” on public offerings, for a second round of consultation. This is a European supervisory approach, elaborated by an experts group chaired by Mr. Kaarlo Jannari, Chairman of the Finnish supervisory authority of the Rahoitustarkastus market.

The paper is a revised version of a previous study published in September 2000. The stabilization proposals were revised in order to attain a balance between transparency and effective stabilization. The objective of the new proposals is to provide a safe haven for stabilization practices, which will be widely accepted in Europe.

The part concerning the allocation of shares was revised due to the results of the consultation and the recently proposed Draft European Directive on Prospectus’ contents. The objective of the proposed directive is the provision of a European Passport to issuers, only by the supervisory authority of the country of origin. This specific change requires a great deal of harmonization of the main prerequisites for the performance of public offerings and especially the prerequisites concerning allocation. To this end, FESCO stresses the need of feedback, especially by consumer and investor unions both on the national and European level.

The second round of consultations reflects FESCO’s commitment to co-operate with market agents, businesses, users and final consumers, in order to form balances proposals. It also reflects FESCO’s aim of adopting more detailed consultation procedures, as proposed by the Lamfalussy Report. The consultation lasted from June 11th 2001 till September 3rd 2001. All interested parties may find the complete document at FESCO’s Internet address (www.europefesco.org).

3. Alternative Trading Systems -ATSs.

The task of this Working Group was to define the types of ATSs and study the risks and benefits emanating from their use. On this basis, and given that such systems operate simultaneously in many European countries, the Group worked for the formation of a common European approach.

In June 2001, FESCO published proposals for common European standards concerning the operation of Alternative Trading Systems: ATSs. These were prepared by the Group under the presidency of Mr. Howard Davies, chairman of the Financial Services Authority (F.S.A.) of the United Kingdom. The paper that was put forward for consultation, presents standards for Alternative Trading Systems in the European Economic Space with the purpose of providing the appropriate regulation of their operation in the context of Investment Services Directive 93/22. The paper is based on FESCO's report to the European Commission (Regulation for Alternative Trading Systems in Europe), which was issued in September 2001. These standards aim at securing that (i) users of Alternative Trading Systems are adequately protected and (ii) the integrity of the market is safeguarded.

The need for additional standards arises because the existing codes of ethics do not define adequately the specific risks that occur in the context of the special nature of the services rendered through the Alternative Trading Systems. Therefore, the standards concern specific fields that, according to FESCO, are in need of further regulation, in order to achieve the two aforementioned targets. FESCO realized that the standards will have to be implemented differently, in order to ensure that the risks arising from different Alternative Trading Systems are appropriately dealt with.

FESCO believes that the targets will be achieved by focusing on standards in the following fields:

- Approval / registration: the investment company that employs Alternative Trading Systems provides the competent authorities with information concerning price definition, the rules of the system. The participants of the system, and the types of transactions etc.
- Transparency: the Alternative Trading Systems must comply with the minimum transparency requirements.
- Reporting requirements: additional reporting requirements will be imposed on Alternative Trading Systems, to the extent it is necessary, in order to enable the competent authorities to monitor the market share of Alternative Trading Systems, compliance, and any changes in the information notified upon approval/registration.
- Prevention of market abuse: certain requirements will be imposed on Alternative Trading Systems, enabling the detection, discouragement and punishment of market abuse.

FESCO has officially put these specific proposals to consultation. All interested parties may find the complete document at FESCO's Internet address (www.europefesco.org).

In the beginning of 2002, the revised version of the paper titled "Standards for Alternative Trading Systems" is expected for a final round of consultation, accompanied by a statement on comments received during the previous round. The objective is to have them finalized at the CESR meeting in June 2002.

4. Market Abuse

The Working Group will define and compare the existing legal framework for controlling abusive behaviour in all member states, and will specify the type of behaviour that the FESCO member consider as punishable. Then the Group will make proposals concerning its achievement, including any possible amendment of EU legislation.

FESCO's proposal for a European campaign against market abuse practices aspires to the prevention of all forms of abuse, such as the abuse of inside information, the manipulation of the market and the dissemination of false or misleading information. For the time being, these two latter cases are not adequately dealt with within the context of the existing European Directives, whilst the former, which had been enacted by means of a previous Directive, leaves much room for varying levels of strictness concerning its implementation on the national level.

The proposal comprises two parts. The first includes the actual definition of market abuse practices. The second contains, through the establishment of a "regulators network," a framework for the investigation and implementation of measures for the punishment of behaviours containing "market abuse," appropriate for a single European securities market. FESCO believes that this network could be created by means of a Directive, requiring member states to appoint the competent supervisory authorities on a common base of responsibilities and powers in each member-state. The competent supervisory authorities, through their co-ordinated action, could -as proposed- become responsible for the materialization of the principles set out in the Directive, and the attribution of liability on the European and national level. Moreover, the network could ensure common implementation and enforcement of European Law against cases of market abuse on the national level.

This paper was sent to the European Commission, the European Parliament and the ECOFIN Ministers of Finance and contributed decisively to the EU initiative to put to debate a draft Directive demarcating and forbidding market abuse. The Working Group continues its work under the leadership of Mr. Stavros Thomadakis, chairman of the Greek Capital Market Commission, with the purposes of specifying measures for the prevention of market abuse, which will refer to the microstructure of the market and its main participants (listed companies, investment companies, institutional investors, certain persons, such as "potential" holders of inside information). To this end, the Group analyses the existing institutional framework of European countries and co-operates with FESCOPOL, concerning the framework for dealing with cross-border incident of market abuse, and the recording of cases of such abuse both cross-border, and within the borders of each European countries. Furthermore, the Group aspires to the harmonized implementation of measures for the prevention of market abuse on the European level, bearing at the same time in mind the directions of the negotiated draft Directive of the European Union. Following the national consultations on its paper titled "Measures for the Promotion of Market Integrity," the CESR will review the paper and will publish it as an "orientation study," waiting to be assigned any possible further task on this issues, emanating from the proposed European Directive on market abuse (Market Abuse Directive).

Permanent FESCO Committees

Two FESCO committees that are in constant operation are the FESCOPOL and the FESCOFIN. FESCOPOL consists of executives of Hellenic Capital Market Commissions-members of the FESCO, which are responsible for supervision and exchange of information. FESCOPOL was formed by the conclusion of the Multilateral Memorandum of Understanding on the exchange of confidential information and the supervision of activities pertaining to securities (January 26th, 1999). The objective of FESCOPOL is to facilitate the effective and drastic exchange of information, in order to improve co-operation and the co-ordination among FESCO members in the fields of supervision and imposition of sanctions.

FESCOFIN concerns the quality of financial information reporting. Realising the role that Hellenic Capital Market Commissions can play within a European framework for the regulation of accounting standards and, especially, the consistent implementation of International Accounting Standards (IAS), FESCO decided to form a new Working Group on Accounting Standards. This Group studied the institutional and essential issues related to accounting standards and especially the implementation and imposition of the International Accounting Standards in the European Economic Space. FESCO responded to the challenge posed by the European Commission, which by means of its paper titled "EU Financial Reporting Strategy: The Way Forward" clarifies that Hellenic Capital Market Commissions will have to play a major role for the implementation and consistent imposition of International Accounting Standards throughout the European Economic Space. The final report of the Working Group was sent to the European Commission. According to the conclusions of the report, in February 2001 FESCO decided to form a Permanent Committee on issues of Financial Statement Reporting (FESCOFIN).

The Hellenic Capital Market Commission and CESR

The Commission of European Securities Regulators (CESR) convened for the first time in Paris, on September 11th, 2001. It members officially adopted its Statute (a copy of which can be found at the Hellenic Capital Market Commission's website www.hcmc.gr) that specifies the operation rules for the new Commission.

Mr. Arthur Docters van Leewen, chairman of the Dutch capital market supervisory authority-STE, was elected Chairman for a two-year term. Mr. Kaarlo Jannari, General Director of the Finnish supervisory authority (Rahoitustarkastus) was elected Vice-Chairman of the CESR also for a two-year term. Each member-state of the European Union has one representative at the CESR. The members of the CESR are appointed by the member-states and are the heads of the national public authorities responsible for the supervision of securities. The European Commission appointed as its representative Mr. John Mogg, General Director of the DG Department of the European Commission, as its representative. Moreover, the supervisory authorities of Norway and Iceland are represented at the senior level.

More specifically, the CESR is composed by:
Mr. Arthur DOCTERS VAN LEEUWEN, Chairman of the CESR,
Mr. Thomas GOLDMANN, Director of the Austrian Regulatory Authority (ASA),
Mr. Eddy WYMEERSCH, Chairman of the Belgian Regulatory Authority,
Mr. Henrik Bjerre NIELSEN, General Director of the Danish Regulatory Authority,
Mr. Kaarlo JANNARI, General Director of the Finnish Regulatory Authority,
Mr. Michel PRADA, Chairman of the French Regulatory Authority,
Mr. George WITTICH, Chairman of the German Regulatory Authority,
Mr. Stavros THOMADAKIS, Chairman of the Hellenic Capital Market Commission,
Dr. Liam O'REILLY, Deputy General Director of the Central Bank of Ireland,
Mr. Luigi SPAVENTA, Chairman of the Italian Regulatory Authority,
Mr. Jean-Nicolas SCHAUS, General Director of the Regulatory Authority of Luxembourg,
Mr. Jacob KAPTEIN, Commissioner of the Dutch Regulatory Authority,
Mr. Fernando TEIXEIRA dos SANTOS, Chairman of the Portuguese "Comisao do Mercado de Valors Mobiliarios",

Mr. Blas CALZADA, Chairman of the Spanish Regulatory Authority,
Mr. Claes NORGREN, General Director of the Swedish Regulatory Authority,
Mr. Howard DAVIES, Chairman of the UK Regulatory Authority,
Mr. Pall G. PALSSON, General Director of the Regulatory Authority of Island,
Mr. Erling SELVIG, Chairman of the Regulatory Authority of Norway.

After the terrorist attack against the US, the supervisory authorities of European Capital Markets are in close contact in order to co-ordinate their actions for the maintenance of the continuity and the orderly operation of markets in Europe. At the same time, the contacts with central banks and financial institution regulators led to immediate interconnections with the stock exchanges and other market participants, both on the national and the European level (e.g. FESE). There are also active co-ordinated communication channels with the US.

Public Statement of the CESR on the Pursued Consultation Practices

The Commission of European Securities Regulators (CESR) issued a draft statement on the pursued consultation practices ("Statement") and opened it to public debate. The consultation process ended on November 16th, 2001, and after its conclusion the CESR adopted a revised version of its "Public Statement on the public consultation practices pursued by it." The Statement is available at the Hellenic Capital Market Commission's website (www.hcmc.gr at International Activities \ CESR).

The new Statement is a result of the commitment made by the Statute of CESR that the Commission would proceed to a public statement of commitment to develop its operations transparently. It also reflects the wish of CESR to materialize the recommendations included in the Lamfalussy Report. The Statement includes specific commitments concerning the recipient, the extent and the method of consultation. More specifically, the CESR aims at activating all interested parties, including consumers. Therefore, the consultation papers will be widely available also via the Internet.

As specified in its Statute, the CESR can form consultation groups whenever necessary and issue proposals concerning the materialization of their findings in due time. The CESR accepts proposals by parties to consultations concerning the aims and mechanisms for the enhancement of initiatives for the formation of consultation groups, including proposals for the achievement of an ideal balance between market participants (market members, consumers, end users) and states. The CESR is committed to play a complete role according to the provisions of the Lamfalussy Report. This Statement will contribute to the improvement of transparency in the supervision of the European securities market. The next meeting of the CESR, in March 2002, will discuss methods for the better use of an advisory panel, comprising market participants and investor representatives.

Common Action of the CESR and the European Clearing and Settlement System

The European Central Bank and the Commission of European Securities Regulators (CESR) agreed on common action in fields of mutual interest concerning systems for the clearing and settlement of securities transactions, approving a co-operation framework of common action procedures.

A Working Group comprising representatives of the ECT, of the 15 national Central Banks of the EU member-states and of the CESR will start its work in the immediate future. Mr. Jean-Michel Godeffroy, General Director of the ECT, and Professor Eddy Wymeersch, chairman of the Belgian supervisory authority, will preside over the Group.

This common action will lead to the establishment of standards or/and recommendations concerning securities clearing systems and central counterparties on the European level. The common standards will contribute to the formation of a scope of action among the agents providing securities' clearing and settlement services and the surmounting of significant differences in the institutional frameworks of EU member states. The rich experience of the existing common Group of the Clearing and Settlement Systems Commission and the Central Banks of G-10 countries and the IOSCO provides encouragement for European co-operation in this field between central banks and capital market regulators. Their proposals represent a strong starting point for the evaluation of the need to adopt stricter recommendations on the European level.

The Hellenic Capital Market Commission and IOSCO

The Annual Conference of IOSCO

The world's securities and derivatives regulators and other members of the international financial community met in Stockholm from 23 to 29 June 2001, on the occasion of the XXVI Annual Conference of the International Organization of Securities Commissions (IOSCO). The Swedish capital market supervisory authority was the host of the event and offered a warm and friendly welcome to more than 650 participants from 97 countries.

The Conference, titled "Capital markets in the information age", provided an opportunity for participants to discuss the regulatory challenges posed by today's rapidly evolving relationship between technology and capital markets. In this context, IOSCO issued a work paper on stock exchange activity via the Internet.

Also in this context, the IOSCO Technical Committee conducted an International Internet Surf Day aiming at increasing investor protection and market confidence. Forty-one securities and futures regulators from thirty-four countries, including the Hellenic Capital Market Commission, co-ordinated their efforts to identify securities and futures fraud via 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 300 individuals from the participating securities regulators visited nearly 27,000 sites, totalling nearly 1,200 hours of global participation. Of these sites, more than 2,400 were identified for follow-up review, including over 300 sites that involved cross-border activity.

Apart from its Internet work, IOSCO decided to form working groups that will deal with the following topics: (i) Evaluation of the materialization of co-operation among regulators; (ii) Evaluation of the role and the behaviour of capital market analysts; (iii) Implementation of Accounting standards on all financial products; (iv) Study of cross-border issues emanating from trading halts; and (v) Elaboration of a report on the methods of training investors related to Collective Investment Undertakings (Mutual Fund Managers) in emerging markets.

In September1998, IOSCO issued the "Objectives and Principles of Securities Regulation". This document sets out 30 principles of securities regulation, based on three pillars: 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. The issue of the implementation of IOSCO's principles is of utmost importance for the Organization as far as the enhancement of the effective and orderly operation of capital markets is concerned.

During the 26th Conference, IOSCO admitted four new ordinary members: the Capital Market Commission of Vietnam, the Capital Market Commission of Bosnian Serbs, the Capital Market Commission of Estonia and the Capital Market Commission of Slovakia.

IOSCO also admitted six new affiliate members: the Panamerican Development Bank, the Athens Derivatives Exchange and Chicago Mercantile Exchange, the Toronto Stock Exchange, the Singapore Stock Exchange and the Association of Canadian Mutual Fund Managers. Thanks to these new admissions, the membership of IOSCO now stands at 172. The next IOSCO conference will be held in Istanbul, from the 18th to the 24th of May 2002.

Finally, in the context of IOSCO's Conference, the Hellenic Representation signed a Memorandum of Understanding with the Czech Securities Commission and the Capital Market Commission of Bosnia-Herzegovina and established several contacts with the Turkish and Tunisian Capital Market Commissions with the aim of concluding bilateral Memoranda of Understanding.

The Meeting of IOSCO's Executive Committee

The meeting of the Executive Committee of IOSCO was held in Rome on October 12th, 2001. During the meeting it was decided to form a special Working Group to investigate the actions that must be taken by regulators in view of the 11th September attacks and their consequences. Mr. Michael Prada, Chairman of the French Commission (COB), chairs the Group. The fast and properly co-ordinated response of regulators, markets and market participants to these incidents bears proof of the importance of proper emergency policy planning and the co-operation between market participants and regulators.

The members of IOSCO discussed about their reactions to the 11th September attacks and their co-operation on rule enforcement issues. As a result, the members of IOSCO specified three fields of further investigation:

(i) Emergency policy planning: IOSCO will revise the main elements of emergency plans concerning markets, market professionals and regulators, as well as the regulatory measures for dealing with abnormal market conditions, bearing in mind the success of the preparation for the year 2000.

(ii) Expansion of co-operation and information exchange: The complete investigation of financial crimes necessitates the expansion of information exchange among capital market regulators, judicial authorities and law enforcement authorities of all countries. The Working Group will assess the capability and willingness of capital market regulators to implement demanding information exchange standards, as well as to adopt standards of other financial sector regulators and of the judicial authorities.

(iii) Know your customer: The implementation of the know-your-customer principle by investment companies is an issue of critical importance in regard to the capability of fighting financial crime. The Working Group will investigate the necessary prerequisites for an effective know-your-customer system, bearing in mind the practical consequences for the market.

The Meeting of the European Regional Committee of IOSCO

The European Regional Committee of IOSCO is composed of 42 regulators, including the 15 supervisory authorities of European Union member-states. 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 principles in European countries; the activities of the off-shore financial centres; 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 activity of the European Regional Committee of IOSCO verifies that all its members make serious effort to adopt high common regulatory standards, acknowledging the need for further action in this field.

The meeting of the European Regional Committee of IOSCO was held in Athens on November 2nd, 2001 under the presidency of Mr. Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission. The meeting was attended by European regulator representatives, including the Chairman of IOSCO's Executive Committee and Chairman of the Portuguese "Comisao do Mercado de Valors Mobiliarios", Mr. Fernando Santos, the Chairman of the CESR and Chairman of the Dutch Regulatory Authority Mr.Arthur Docters van Leeuwen, the Chairman of the German BAWe Mr. Georg Wittich and the General Secretary of IOSCO Mr. Philippe Richard.

The participants presented the latest developments in their countries and then the Chairman of IOSCO's Executive Committee; Mr. Santos assessed the progress in the implementation of IOSCO principles in the countries of the region. The General Secretary of IOSCO, Mr.. Philippe Richard, made an overview of the progress in the work of the Technical and Emerging Market Committees of IOSCO. The Technical Committee of IOSCO consists of 16 members coming from the most advanced and globalized markets in the world. Its purpose is to study the main regulatory issues concerning cross-border transactions on securities and derivatives and the co-ordination of response practices concerning these issues. The Emerging Market Committee acts for the promotion of development and the improvement of efficiency in the emerging securities and derivatives markets through the enactment of principles and standards, the preparation of training programmes for the members' staff, and the facilitation of information exchange and technology and know-how transfer.

The Chairman of the CESR, Mr. Docters van Leeuwen, presented the newly formed CESR to the members, making special reference to its Statute and the public consultation policy that will be implemented and co-ordinated the discussion concerning the improvement of co-operation between the CESR and the supervisory authorities of candidate countries for EU accession. There were also discussions for the implementation of the International Accounting Standards by issuers all over Europe, as well as for issues concerning the candidate countries for EU accession. During the meeting it was decided that the following two Experts Groups would be formed:

Experts Group for the Implementation of the International Accounting Standards

This Group will undertake the assessment of the extent of implementation of International Accounting Standards (IAS) in Europe. To this end, a questionnaire that has already been prepared by the Croatian Securities Commission will be distributed to the members of the European Regional Committee of IOSCO. The Group is composed by the Croatian Securities Commission, the Cypriot Capital Market Commission, the Danish Finanstilsynet, the Capital Market Commission and the Italian CONSOB.

Experts Group for Information Exchange

This Group will undertake the task of preparing a draft Multilateral Memorandum of Understanding among the members of the European Regional Committee of IOSCO concerning the exchange of confidential information and the improvement of co-operation among regulators. The Group is composed by the Bulgarian National Securities Commission, the Czech Securities Commission, the Guernsey Financial Services Commission, the Hellenic Capital Market Commission and the Italian CONSOB. The next meeting of the European Regional Committee of IOSCO will be held in Istanbul, in May 2002, in the context of IOSCO's international convention of.

APPENDICES

Appendix 1

Rules and Regulations Issued by the Hellenic Capital Market Commission in 2001

No.	Title of Rule	Description
210/6-2-2001 GAZETTE B' 321/15-3-2000	APPROVAL OF THE TRAINING PROGRAMME FOR PERSONS ENGAGED IN THE SALE OF MUTUAL FUND SHARES	This rule approves the proposals of the Union of Institutional Investors concerning the training of persons engaged in the sale of Mutual Fund shares (num. 4) and specifies the training programme.
1/211/19-2-2001 GAZETTE B' 745/14-6-2001	AMENDMENT OF HCMC RULES 104/8-4-1997 ISSUES 6B, 6C AND 6D (GAZETTE B' 369/12-5-1997 & B' 357/2-5-1997) AND 123/20-1-1998 ISSUE 11O (GAZETTE B' 137/18-2-1998)	Replacement of the last section of paragraph 2 of Rule 6B/104/8-4-1997 that was added by par.2 of Chapter B of Rule 123/20-1-1998, addition of subparagraphs 1c and 1d to Chapter D of Rule 6C/104/8-4-1997, addition of new section d to par. of Rule 6D/104/8-4-1997, replacement of case d (iii) par.8 of the same rule, as completed by case d of rule 11/123/20-1-1998, replacement of sections a and b of par. VI of Appendix I of Rule 6D/104/8-4-1997 and addition of new section c, addition of new section in par. 9 of chapter G part I of Appendix I of Rule 6D/104/8-4-1997 and, finally, abolition of Rule 6/86/15-10-1996.
2/211/19-2-2001 GAZETTE B' 443/19-4-2001	TERMS AND CONDITIONS CONCERNING THE DISTRIBUTION OF SECURITIES LISTED IN THE NEW MARKET AND THE GREEK MARKET FOR EMERGING MARKETS WHICH ARE AT THE INVESTORS DISPOSAL THROUGH INITIAL PUBLIC OFFERING	This rule applies in the cases of i) listing of securities in the New Market and the Greek Market for Emerging Markets through initial public offering and ii) the distribution of securities already listed in the aforementioned ASE markets through public offering.

(continued)

No.	Title of Rule	Description
15/211/19-2-2001 GAZETTE B' 273/15-3-2001	SIZE OF THE INVESTMENT SERVICES COMMON GUARANTEE FUND FOR THE YEAR 2001	Sets the size of the Common Guarantee Fund for the year 2001 to the amount specified by HCMC rule 8/185/25-2-2000 (100 billion GRD) provided that the Common Guarantee Fund will increase the amount of additional insurance kept with insurance firms from 40 to 50 billion GRD in order to increase coverage to 150 billion GRD as compared to 140 billion GRD for the previous year.
3/212/8-3-2001 GAZETTE 443/19-4-2001	AMENDMENT OF RULE 9/201/10-10-2000 "TERMS AND CONDITIONS CONCERNING THE BOOK BUILDING AND THE DISTRIBUTION OF SHARES WHICH ARE AT THE INVESTORS DISPOSAL WITH AN INITIAL PUBLIC OFFERING " (GAZETTE B' 1419/22-11-2000)	At the end of Article 8 of rule 9/201/10-10-2000 (GAZETTE B' 1419/22-11-2000) "Terms and conditions concerning the book building and the distribution of shares which are at the investors disposal with an initial public offering" the following new section is added: "This Rule does not apply in the case of share distribution to the employees of the issuing company and/or the Group to which it belongs."
2/213/28-3-2001 GAZETTE B' 480/26-4-2001	PROVISION OF CREDIT BY MEMBERS OF THE ATHENS STOCK EXCHANGE AND OTHER REGULATIONS CONCERNING THE PAYMENT OF THE PRICE OF TRANSACTIONS ON SHARES	Regulates issues for which the HCMC has been granted authorization, concerning the provision of credit by members of the ASE to their ordering clients for the payment of the price of the purchase of shares through the stock exchange performed on the client's behalf by the ASE, as well as concerning certain obligations of the Members to guarantee timely payment in case no credit is extended, in application of articles 1 to 6 of Law 2843/2000 as it is currently in force.

(continued)

No.	Title of Rule	Description
6/213/28-3-2001 GAZETTE B' 480/26-4-2001	BOOKS AND RECORDS OF REMOTE ASE MEMBERS	Remote members of the ASE are excluded from the provisions of existing laws concerning books and records kept by ASE members, if it occurs that: i) they keep books and records at their Member-state of origin for the complete and correct presentation of information about the securities transactions they performs as members of the ASE, as well as about the transactions they perform in the context of third party asset management and ii) the manner for keeping the said books and records ensures the safe and accurate recording of transaction information. The aforementioned firms are subject to the obligations of decision.3/22-2-1996 of the Board of the ASE, as applicable.
4/213 /28-3-2001 GAZETTE B' 534/9-5-2001	SPECIFICATION OF SPECIAL QUALIFICATIONS AND SPECIAL PROCEDURE FOR THE CERTIFICATION OF EMPLOYEES OF FIRMS FOR THE RECEIPT AND TRANSMISSION OF ORDERS AND INVESTMENT FIRMS	1). Firms providing services of receipt and transmission of client orders, execution of orders, financial advice and asset management or engage in the analysis of shares, derivatives and the market must employ at the relevant positions employees possessing a professional adequacy certificate according to the provisions of this rule. 2). Firms providing the investment services of the receipt and transmission of orders for the conclusion of contracts on derivative financial products listed in the Athens Derivatives Exchange (ADEX) or provide advice on such products, must employ at the relevant positions employees possessing the Professional Accreditation Certificate for investment advice or market maker granted by the ADEX. In the case of asset management that includes derivative financial products, firms must employ individuals possessing the Professional Accreditation Certificate for market maker.

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No.	Title of Rule	Description
1/215/10-5-2001 GAZETTE B' 667/31-5-2001	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Amendment of HCMC Rule 9820/154/16-3-1999 (GAZETTE B' 900) " Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities System" (hereinafter called the "Regulation"), as amended by rules 9/160/2-6-1999, 11/177/7-12-1999, 9/181/18-1-2000, 5/194/4-7-2000 and 11/201/10-10-2000 (GAZETTE B' 1484, 188, 321, 946 and 1353 respectively).
215/10-5-2001	SPECIFICATION OF SHIP BROKERAGE HOUSES THAT CAN ASSESS THE VALUE OF VESSELS (ARTICLE 12 PAR. 2B LAW 2843/2000)	This rule specifies, following a proposal by the Maritime Chamber of Greece, the ship brokerage houses that will assess the value of ocean-going shipping.
11/215/10-5-2001 GAZETTE B' 667/31-5-2001	AMENDMENT OF ARTICLES 2 & 12 OF HCMC RULE. 2/213/28-3-2001 (GAZETTE B/480/26-4-2001) "PROVISION OF CREDIT BY MEMBERS OF THE ATHENS STOCK EXCHANGE AND OTHER REGULATIONS CONCERNING THE PAYMENT OF THE PRICE OF TRANSACTIONS ON SHARES"	Amendment of article 2 (Member's obligations to ensure timely payment) and of the first section of article 12 (initiation of application) of HCMC Rule 2/213/28-3-2001.
1/216/17-5-2001 GAZETTE B' 667/31-5-2001	"MARKET MAKER IN THE MAIN AND PARALLEL MARKETS OF THE ATHENS STOCK EXCHANGE"	The institution of the market maker is also established in the main and parallel markets of the Athens Stock Exchange. Conditions, Operational and Organizational adequacy of the Market maker, internal regulation, obligation, suspension of market-making, other transactions of the market maker, supervision.

(continued)

No.	Title of Rule	Description
2/216/17-5-2001 GAZETTE B' 667/31-5-2001	SHORT SELLING IN THE ATHENS STOCK EXCHANGE	Terms, conditions, procedure for the performance of short sales in the Main and, parallel markets of the Athens Stock Exchange.
3/216/17-5-2001 GAZETTE B' 667/31-5-2001	DAILY FLUCTUATION LIMITS OF SHARE PRICES IN THE ATHENS STOCK EXCHANGE FOR SHARES UNDER CONSTANT TRADING	The daily fluctuation limits of share prices in the Athens Stock Exchange defined by par. a of HCMC rule 8/71/2-4-1996 (GAZETTE 296 B) can be expanded to +18% provided that there is constant supply of shares for purchase or sale for 15 minutes.
3/220/11-7-2001 GAZETTE B' 975/27-7-2001	ABOLITION OF A HCMC RULE	HCMC Rule 6319/86/8-10-1996 (GAZETTE. B' 1209) is abolished.
224/6-9-2001	SPECIFICATION OF SYLLABUS, METHOD AND TIME OF THE EXAMINATIONS FOR CANDIDATE STOCK EXCHANGE REPRESENTATIVES	Specifies the syllabus, the conditions for the submission of applications and finally the method and the time in which the examinations for candidate stock exchange representatives will be held.
3/228/25-10-2001 GAZETTE B' 1641/10-12-2001	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Amendment of HCMC Rule 9820/154/16-3-1999 (GAZETTE B' 900) " Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities System" (hereinafter called the "Regulation"), as amended by rules 9/160/2-6-1999, 11/177/7-12-1999, 9/181/18-1-2000, 5/194/4-7-2000 and 11/201/10-10-2000 and 1/215/10-5-2001 (GAZETTE B' 1484, 188, 321, 946, 1353 and 667 respectively).

(continued)

No.	Title of Rule	Description
1/231/23-11-2001 GAZETTE 1663/13-12-2001	PROPOSAL TO THE MINISTRY OF ECONOMICS: AMENDMENT OF DECISION 41517/B.1972/4.12.1998 OF THE MINISTER OF ECONOMICS “UNDERWRITERS REGULATION”	1) Par. 6 of art. 6 is amended as follows: “During the sensitive period, Underwriters and Advisors are prohibited from acquiring either through the Stock Exchange or off-the-counter securities that constitute the object of the underwriting or distribution services they provide.” 2) Case (ii) of par. 7 of art. 6 is amended as follows: “Deals performed on behalf of third parties in the context of the usual activities of Underwriters, Advisors or Firms Affiliated with them, especially the execution of orders on behalf of third parties by members of the ASE or the management of client assets by order of the latter.” 3) Case (v) is added to par. 7 of art. 6 as follows: “(v) The acquisition of securities by Underwriters due to commitment included in the Prospectus concerning the coverage of any securities of the initial public offering not assumed by investors.” 4) Par. 8 of art. 6 is amended as follows: “During the sensitive period, Underwriters and Advisors must take care to avoid the acquisition either through the Stock Exchange or off-the-counter, of securities that constitute the object of the underwriting or distribution services they provide, for their own behalf from companies affiliated with them, excluding insurance companies, portfolio investment companies and mutual fund management companies, provided that the latter subscribe on behalf of the mutual funds they manage.” 5) Par. 2 of art. 9 is amended as follows: “(i) In case the Underwriter, Advisor or Company Affiliated to them is a financial institution or other enterprise supervised by the Bank of Greece according to article 8 Law 2548/1997, the sanctions emanating from par. 1 section (ii) are imposed by the Bank of Greece. (ii) In the aforementioned cases, the Hellenic Capital Market Commission transfers to the Bank of Greece the information concerning the audits it performs.”

(continued)

No.	Title of Rule	Description
2/231/23-11-2001 GAZETTE B' 1604/4-12-2001	AMENDMENT OF RULE 9/201/10-10-2000 "TERMS AND CONDITIONS CONCERNING THE BOOK BUILDING AND THE DISTRIBUTION OF SHARES WHICH ARE AT THE INVESTORS DISPOSAL WITH AN INITIAL PUBLIC OFFERING" (GAZETTE B' 1419/22-11-2000) (GAZETTE B' 1167)	Paragraph 1 of art.4 and par.4 of art.5 are respectively replaced as follows: a) art.4, par.1 "In regard to the application of these presents, the term institutional investors denotes mutual funds, portfolio investment companies, investment companies, financial institutions, insurance companies and social security funds. Offshore companies cannot be considered institutional investors in any case, and b) art.5 par.4 "The distribution of shares to the institutional investors participating in the book building process is made by the Main Underwriter. The Underwriters and Advisors of the specific issue are not allowed to participate in the book building process, as well as their affiliated companies, excluding insurance companies, portfolio investment companies and mutual fund management companies, provided the latter subscribe on behalf of the mutual funds they manage."
3/231/23-11-2001 GAZETTE B' 1604/4-12-2001	AMENDMENT OF HCMC RULE .71/4/2-4-96 "DAILY FLUCTUATION LIMITS OF SHARE PRICES, OF BLOCK TRADES AND CLEARING ENTRIES"	Case vi is added to par. 1 as follows: vi) In case of regulated manual transaction of a block of shares with the purpose of transferring the shares acquired by the Main Underwriter through balancing transactions to the (Selling) shareholders in the context of Public Offering or combined offer through public offering and private placement.

(continued)

No.	Title of Rule	Description
4/231/23-11-2001 GAZETTE B' 1641/10-12-2001	AMENDMENT OF THE REGULATION FOR THE CLEARING SYSTEM OF DEMATERIALIZED SECURITIES	Amendment of HCMC Rule 9820/154/16-3-1999 (GAZETTE B' 900) " Amendment of the regulation for the clearing and settlement process and the operation of the Dematerialized Securities System" (hereinafter called the "Regulation"), as amended by rules 9/160/2-6-1999, 11/177/7-12-1999, 9/181/18-1-2000, 5/194/4-7-2000 and 11/201/10-10-2000, 1/215/10-5-2001 and 3/228/25-10-2001 (GAZETTE B' 1484, 188, 321, 946, 1353, 667 and 1641 respectively).
1/232/6-12-2001	SIZE OF THE INVESTMENT SERVICES COMMON GUARANTEE FUND FOR THE YEAR 2002	The size of the Common Guarantee Fund for the year 2002 is set to the amount of 80 billion GRD. Of this amount, 75 billion GRD will be paid by the Fund's members, with a minimum contribution of 240 million GRD per member and 5 billion GRD by insurance coverage.

Appendix 2

Participation in International Conferences, Fora and Meetings in 2001

- January 15th, 2001, Brussels, Meeting of the High Level Security Supervisors Committee
- January 16th, 2001, Brussels, Meeting of the Chairmen of FESCO with the Lamfalussy Committee
- January 18th, 2001, Helsinki, Meeting of FESCO's Working Group on Primary Market Practices
- January 22nd, 2001, Milan, Meeting of FESCO's Working Group on European Public Offerings
- January 22nd, 2001, Brussels, Meeting for the revision of the European Directive on UCITS
- January 26th, 2001, London, Convention titled "E.U. Financial Market Supervision".
- January 25th to 27th, 2001, Copenhagen, Meeting of FESCO's Working Group on the I.A.S.
- January 26th, 2001, Brussels, Meeting of the High Level Security Supervisors Committee
- January 30th, 2001, Oslo, FESCOPOL Meeting
- January 30th, 2001, Brussels, Meeting on Enlargement and the Financial Services Sector in the EU
- February 2nd, 2001, Amsterdam, Meeting of FESCO's Working Group on Alternative Trading Systems
- February 5th to 6th, 2001, Paris, Meeting of Working Party IV of the Technical Committee of IOSCO
- February 9th, 2001, Rome, Meeting of on European Public Offerings
- February 16th 2001, Frankfurt, ad hoc meeting of FESCO's Working Group
- February 19th to 22nd, 2001, Brussels, Meeting of the High Level Security Supervisors Committee
- February 22nd, 2001, London, Meeting of FESCO's Working Group on Market Abuse
- February 22nd, 2001, Milan, Meeting of FESCO's Working Group on Standards for Investors Protection
- February 23rd, 2001, Copenhagen, FESCOFIN Meeting
- February 23rd, 2001, Paris, FESCO Workshop on Clearing and Settlement
- February 28th, 2001, Frankfurt, ad hoc meeting of FESCO's Working Group
- March 6th, 2001, Paris, FESCO summit
- March 10th, 2001, Cyprus, Conference of the Cypriot Hellenic Capital Market Commission
- March 20th, 2001, Madeira, Conference of IOSCO's Executive Committee
- March 20th, 2001, Amsterdam, Meeting of FESCO's Working Group on Standards for Investors Protection
- March 27th, 2001, Brussels, Meeting for the Peer Review of the Cypriot Financial Sector
- March 29th, 2001, Berlin, SHCOG Conference on "The European Compliance Conference"
- April 2nd, and 3rd, 2001, Copenhagen, Meeting of FESCO's Working Group on Market Abuse
- April 6th, 2001, Helsinki, Meeting of FESCO's Working Group on Primary Market Practices
- April 6th, 2001, Paris, Meeting of FESCO's Working Group on Standards for Investor Protection
- April 26th to 27th, 2001, Paris, OECD Meeting on Corporate Governance
- April 26th 2001, Copenhagen, Meeting of FESCOFIN's Working Group
- May 4th, 2001, Vienna, Meeting of FESCO's Working Group on Market Abuse
- May 4th, 2001, Tunis, Conference of the Tunisian Hellenic Capital Market Commission
- May 9th, 2001, Vienna, Meeting of FESCO's Working Group on Standards for Investor Protection
- May 9th to 10th, 2001, London, International Enforcement Conference
- May 9th, 2001, Frankfurt, ad hoc meeting of FESCO's Working Group
- May 9th, 2001, London, IOSCO Conference on Joint and Parallel Investigations
- May 17th, 2001, Brussels, Meeting for the Peer Review of the Slovenian Financial Sector
- May 21st, 2001, London, FESCO summit
- June 6th, 2001, Brussels, Meeting of the Working Group on Financial Conglomerates in the EU
- June 6th, 2001, Rome, FESCOPOL Meeting
- June 19th to 22nd, 2001, Paris, FATF - OECD meeting
- June 25th to 29th, 2001, Stockholm, IOSCO Annual Conference
- June 29th, Brussels, Meeting of the Working Group on Financial Conglomerates in the EU
- July 2nd, 2001, Rome, FESCOFIN Meeting
- July 4th, 2001, Luxembourg, Meeting of FESCO's Working Group on Standards for Investors Protection
- July 6th to 13th, 2001, Cyprus, Peer Review of the Cypriot Financial Sector
- July 10th, 2001, Brussels, Meeting for the revision of the Investment Services Directive

- July 16th, 2001, Brussels, Working Party on Financial Services concerning Market Abuse
- August 22nd and 23rd, 2001, Dublin, Meeting of FESCO's Working Group on Standards for Investors Protection
- September 4th, 2001, Lisbon, FESCOPOL Meeting
- September 4th and 7th, 2001, Brussels, Meeting for the revision of Directive on Public Offerings
- September 6th, 2001, London, Meeting of the Working Group on Market Abuse
- September 6th 2001, Brussels, Meeting of the Working Group on Financial Conglomerates in the EU
- September 6th 2001, Luxembourg, FESCOFIN Meeting
- September 6th 2001, Brussels, Meeting with the European Parliamentary Financial Services Forum
- September 6th 2001, Helsinki, Meeting of FESCO's Working Group on Primary Market Practices
- September 11th 2001, Paris, FESCO Summit
- September 18th 2001, Paris, FESCOFIN Meeting
- September 20th and 21st, 2001, Bucharest, OECD meeting on Corporate Governance
- September 23rd to 28th, 2001, Ljubljana, Peer Review of the Slovenian Financial Sector
- September 24th, 2001, Brussels, Meeting for the draft Directive on Market Abuse
- October 1st, 2001, Brussels, European Council Working Group on I.A.S.
- October 1st, 2001, London, Meeting of FESCO's Working Group on Alternative Trading Systems
- October 2nd, 2001, Frankfurt, ad hoc meeting of the CESR Working Group
- October 4th to 6th, 2001, Istanbul, Signing of Memorandum of Understanding with the Turkish Capital Market Commission
- October 4th and 9th, 2001, Brussels, Meeting for the revision of Directive on Public Offerings
- October 4th 2001, Brussels, Meeting on Enlargement and the Financial Services Sector in the EU
- October 6th, 2001, Rome, Convention of IOSCO's Executive Committee
- October 15th to 19th, 2001, Washington, U.S. SEC Seminar on Securities Enforcement and Market Oversight
- October 21st to 26th, 2001, Chicago, U.S. C.F.T.C. Seminar titled "International Market Authorities on Regulation of Derivatives, Products, Markets and Financial Intermediaries".
- October 22nd, 2001, Brussels, Meeting for the draft Directive on Market Abuse
- October 24th, 2001, Luxembourg, FESCO - FESE Meeting
- October 25th, 2001, Brussels, European Council meeting on I.A.S.
- October 26th, 2001, Brussels, Meeting of FESCO's Working Group on Financial Conglomerates in the EU
- November 2001, Brussels, Working Group on capital adequacy in the EU
- November 6th to 9th, 2001, Brussels, Meeting for the draft Directive on Market Abuse
- November 6th 2001, Brussels, Meeting of experts on organized crime concerning the exchange of information among European FIUs.
- November 9th 2001, London, Meeting of FESCO's Working Group on Alternative Trading Systems
- November 15th and 16th, 2001, Brussels, Meeting for the revision of Directive on Public Offerings
- November 16th 2001, Paris, Meeting of CESR Working Group on Market Abuse
- November 19th and 20th, 2001, Brussels, Meeting for the draft Directive on Market Abuse
- November 26th to 27th, 2001, Brussels, Meeting of the Working Group on Financial Conglomerates in the EU
- November 30th, 2001, Paris, Meeting of IOSCO's Special Task Force on Information Sharing
- December 1st, 2001, Copenhagen, CESRFIN Meeting
- December 2nd to 5th, 2001, Sofia, Meeting of IOSCO's South East European Regional Group - Task Force on Exchange of Information
- December 3rd to 4th, 2001, Paris, Meeting of Working Group IV of the Technical Committee of IOSCO
- December 3rd to 7th, 2001, London, FSA seminar on "Risk and Regulation in Changing Financial Markets".
- December 4th, 2001, Brussels, Meeting of the European Securities Commission on Market Abuse
- December 4th, 2001, Brussels, Meeting for the revision of the Directive on Public Offerings 6 and
- December 7th, 2001, Frankfurt, CESRFIN Working Group Meeting
- December 11th, 2001, Madrid, CESR Summit

Appendix 3

International Developments and the ASE General Index, 2001

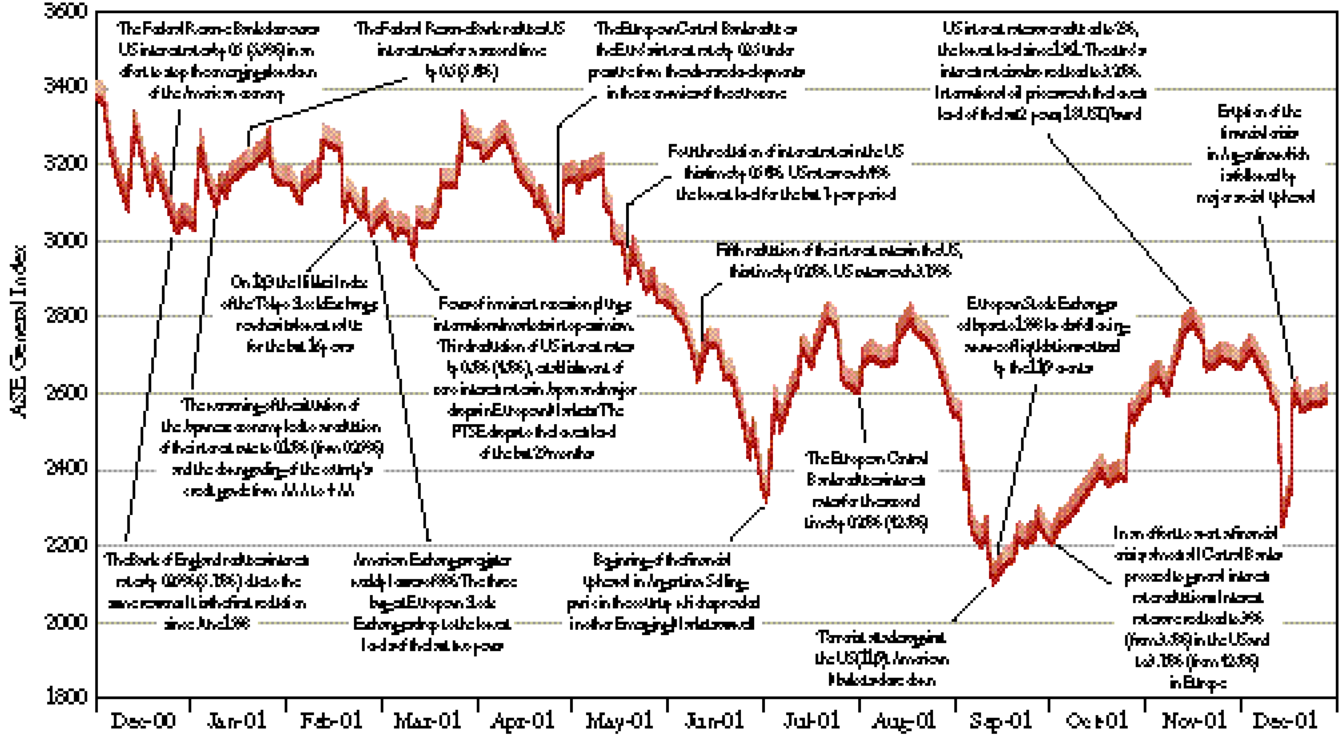

TABLE I

Market Share, Number and Total Net Assets of Mutual Funds by Mutual Fund Management Firm, 1999-2001

Rank	Management Firms	December 31st, 2001				December 31st, 2000				December 31st, 1999			
		Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 2001-2000	Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 2000-1999	Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 1999-1998
1	ALPHA	28	1,293.7	14.17%	-41.38%	26	2,206.9	20.97%	24.93%	22	1,766.5	14.80%	10.27%
2	DIETHNIKI	15	1,444.8	15.82%	-18.22%	15	1766.6	16.79%	106.50%	9	855.5	7.17%	-35.98%
3	ERGASIAS [1]	-	-	-	-	-	-	-	-	7	713.0	5.98%	-2.01%
4	INTERTRUST	25	782.1	8.57%	-8.27%	21	852.6	8.10%	-29.01%	13	1,201.0	10.07%	117.26%
5	ATE	9	388.8	4.26%	-5.94%	9	413.5	3.93%	-14.65%	8	484.5	4.06%	-21.78%
6	ERMIS	13	688.3	7.54%	-24.97%	11	917.4	8.72%	-11.89%	9	1,041.2	8.73%	38.73%
7	IONIKI [2]	-	-	-	-	-	-	-	-	7	953.5	7.99%	111.84%
8	ALICO-EUROBANK	13	191.1	2.09%	-78.89%	9	905.3	8.60%	-6.23%	8	965.4	8.09%	15.94%
9	CITI	4	178.9	1.96%	-11.44%	4	202	1.92%	12.35%	4	179.8	1.51%	10.10%
10	MACEDONIA-THRACE [3]	-	-	-	-	-	-	-	-	3	213.4	1.79%	16.55%
11	PIRAEUS	10	454.9	4.98%	-39.42%	17	751	7.14%	130.72%	7	325.5	2.73%	33.40%
12	NAT. NEDERLANDEN	9	147.2	1.61%	-23.41%	9	192.2	1.83%	-24.77%	8	255.5	2.14%	80.69%
13	KTIMATIKI [4]	-	-	-	-	-	-	-	-	6	985.4	8.26%	229.46%
14	XIOS [5]	-	-	-	-	-	-	-	-	6	195.3	1.64%	-16.22%
15	SG ASSET MANAGEMENT	8	23.1	0.25%	-25.83%	8	31.2	0.30%	-21.41%	5	39.7	0.33%	16.76%
16	HSBC (HELLAS)	10	168.1	1.84%	-20.78%	8	169.6	1.61%	-22.91%	7	220.0	1.84%	101.10%
17	ALPHA TRUST	14	141.1	1.55%	-26.90%	14	193.2	1.83%	-44.64%	9	349.0	2.92%	779.09%
18	ASPIS	6	96.8	1.06%	-0.48%	6	97.3	0.92%	-7.86%	4	105.6	0.88%	54.39%

(continued)

Rank	Management Firms	December 31st, 2001 Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 2001-2000	December 31st, 2000 Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 2000-1999	December 31st, 1999 Number of M/F	Assets (bn GRD)	Market Share	Assets % Change 1999-1998
19	ETVA P&K	7	22.6	0.25%	-40.98%	6	38.2	0.36%	101.05%	3	19.0	0.16%	15.15%
20	ABN AMRO	4	64.0	0.70%	-16.25%	4	76.4	0.73%	-8.72%	4	83.7	0.70%	54.71%
21	ALLIANZ ELLINIKI	13	124.3	1.36%	-10.28%	13	138.5	1.32%	-30.30%	10	198.7	1.66%	233.39%
22	EVROPAIKI PISTI	11	28.6	0.31%	-18.26%	9	34.9	0.33%	-21.57%	7	44.5	0.37%	206.90%
23	INTERNATIONAL	10	50.1	0.55%	-25.54%	10	67.2	0.64%	-43.15%	10	118.2	0.99%	198.48%
24	GENIKI	8	143.3	1.57%	-17.13%	9	172.9	1.64%	-14.28%	7	201.7	1.69%	35.64%
25	EGNATIA	9	84.6	0.93%	-42.25%	9	146.5	1.39%	-20.64%	7	184.6	1.55%	36.44%
26	EFG	18	2,368.4	25.94%	137.54%	17	965.7	9.17%	8153.85%	3	11.7	0.10%	-63.44%
27	TELESIS [6]	-	-	-	-	6	31.8	0.30%	-19.08%	4	39.3	0.33%	62.40%
28	BARCLAYS [7]	-	-	-	-	5	42.6	0.40%	-23.38%	5	55.6	0.47%	35.28%
29	CYPRUS	5	206.3	2.26%	209.99%	5	66.6	0.63%	23.56%	3	53.9	0.45%	-
30	MARFIN	11	8.4	0.09%	12.71%	11	7.5	0.07%	-	-	-	-	-
31	LAIKI	4	28.4	0.31%	-24.45%	4	37.6	0.36%	-47.56%	3	71.7	0.60%	-
32	IBG [8]	4	1.6	0.02%	-	-	-	-	-	-	-	-	-
33	PROFUND [9]	1	0.9	0.01%	-	-	-	-	-	-	-	-	-
TOTAL		269	9,130.4	100%	-13.25%	265	10,525.2	100%	-11.79%	208	11,932.4	100%	33.29%

Source: Union of Greek Institutional Investors, HCMC.

Notes: [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 Macedonia-Thrace's management firm's Mutual Funds, [4] Since 30/6/2000 Ktimatiki management firm was merged with Diethniki management firm, [6] Since 16/11/2001 EFG managament firm manages TELESIS managament firm's Mutual Funds, [7] Since 2/4/2001 HSBC Greece management firm manages BARCLAYS management firm's Mutual Funds, [8] Started operating on 17/10/2001 [9] Started operating on 1/11/2001.

TABLE II

Number and Total Net Assets of Mutual Funds by Type of Fund, 31/12/2001

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	28	11.59%	4.21%	-	50.41%	0.05%	-	1.90%	0.08%	-	30.25%	1.10%	0.41%
2	DIETHNIKI	15	16.95%	3.00%	-	59.50%	-	-	4.82%	-	0.03%	15.43%	0.27%	-
3	EFG	18	14.78%	-	2.46%	3.10%	-	-	74.32%	-	0.48%	3.73%	1.02%	0.12%
4	ERMIS	13	12.09%	-	-	60.75%	-	-	4.28%	-	-	22.61%	0.26%	-
5	ALICO-EUROBANK	13	7.70%	14.01%	-	23.52%	-	2.37%	0.29%	-	16.98%	31.92%	2.82%	0.40%
6	INTERTRUST	25	37.95%	-	1.46%	19.07%	0.27%	1.21%	1.62%	-	-	37.51%	0.74%	0.17%
7	PIRAEUS	10	19.13%	-	0.56%	59.70%	-	-	8.00%	-	-	11.52%	-	1.09%
8	ATE	9	33.62%	-	2.71%	41.95%	-	-	0.23%	-	3.55%	16.91%	-	1.03%
9	CITI	4	35.75%	-	-	52.67%	-	-	1.25%	-	-	10.33%	-	-
10	ALPHA TRUST	14	9.66%	-	1.21%	14.48%	-	0.29%	3.51%	-	-	63.29%	6.10%	1.46%
11	NAT.-NEDERLANDEN	9	-	3.99%	-	31.93%	-	-	4.30%	-	-	38.34%	21.43%	-
12	GENIKI	8	20.92%	-	1.65%	56.37%	-	-	2.54%	-	-	17.24%	1.27%	-
13	HSBC (HELLAS)	10	20.00%	-	3.10%	38.35%	-	-	-	-	-	32.82%	2.29%	3.44%
14	EGNATIA	9	2.64%	-	-	57.64%	-	-	-	-	-	36.69%	0.91%	2.12%
15	ALLIANZ ELLINIKI	13	35.82%	-	3.39%	7.42%	-	-	25.31%	-	-	24.06%	-	4.01%

(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	53.46%	-	2.48%	24.58%	-	-	-	-	-	19.48%	-	-
17	ABN AMRO	4	21.40%	-	-	66.93%	-	-	-	-	-	11.67%	-	-
18	INTERNATIONAL	10	42.35%	-	-	9.41%	-	-	19.66%	-	4.06%	24.52%	-	-
19	CYPRUS	5	5.90%	-	-	87.55%	-	-	0.24%	-	-	6.31%	-	-
20	ETVA P&K	7	-	-	9.32%	72.43%	-	-	-	-	-	13.47%	-	4.78%
21	LAIKI	4	24.50%	-	-	15.38%	-	-	-	-	-	60.11%	-	-
22	EVROPAIKI PISTI	11	40.72%	4.30%	-	7.74%	-	-	7.33%	-	1.28%	36.98%	-	1.65%
23	SG ASSET MANAGEMENT	8	33.82%	-	-	40.17%	-	-	1.20%	1.48%	-	23.34%	-	-
24	MARFIN	11	-	-	4.15%	36.86%	-	-	16.88%	-	6.44%	28.32%	-	7.35%
25	IBG	4	-	-	24.85%	24.88%	-	-	-	-	25.23%	25.04%	-	-
26	PROFUND	1	-	-	-	100.00%	-	-	-	-	-	-	-	-
TOTAL		269	33	13	17	36	2	4	25	2	9	76	31	21

Source: Union of Greek Institutional Investors, HCMC.

TABLE III
Mutual Funds Returns by Type of Fund, 1996 - 2001

Mutual Funds Classification	End of year Return 2001	End of year Return 2000	End of year Return 1999	End of year Return 1998	End of year Return 1997	End of year Return 1996	Avg Annual Return 2001	Avg Annual Return 2000	Avg Annual Return 1999	Avg Annual Return 1998	Avg Annual Return 1997	Avg Annual Return 1996
BOND												
Domestic	4.11%	7.83%	15.07%	11.40%	11.43%	11.94%	4.11%	7.98%	5.63%	11.90%	12.01%	11.74%
Foreign	4.52%	12.25%	13.88%	9.12%	11.91%	6.36%	4.85%	-	15.38%	8.38%	11.65%	4.64%
International	4.37%	10.48%	14.57%	10.32%	8.85%	4.31%	5.48%	11.19%	-5.37%	10.18%	11.85%	-
MONEY MARKET												
Domestic	3.44%	6.37%	14.62%	12.33%	11.46%	11.22%	3.70%	7.15%	12.96%	11.73%	11.62%	11.01%
Foreign	0.26%	6.94%	6.63%	6.19%	-0.25%	5.54%	2.87%	-	9.11%	5.47%	2.30%	4.90%
International	5.67%	7.43%	9.77%	9.25%	10.33%	13.87%	5.67%	9.97%	12.80%	7.33%	23.15%	-
EQUITY												
Domestic	-22.63%	-38.42%	116.56%	80.27%	47.06%	-4.17%	-23.97%	-45.66%	98.32%	78.27%	46.50%	-4.33%
Foreign	-12.79%	-7.43%	50.68%	2.29%	6.60%	13.25%	-17.66%	-10.91%	44.71%	2.09%	23.53%	13.26%
International	-15.66%	-13.21%	57.52%	15.24%	20.36%	9.08%	-18.47%	-19.24%	68.66%	15.24%	34.72%	-
MIXED												
Domestic	-10.56%	-20.19%	80.68%	49.31%	28.86%	3.50%	-11.78%	-23.23%	64.75%	45.32%	29.96%	4.01%
Foreign	-10.87%	4.04%	22.48%	9.47%	21.50%	10.69%	-10.87%	5.52%	19.15%	4.76%	22.33%	13.73%
International	-4.64%	-10.04%	41.58%	24.85%	14.96%	11.27%	-6.46%	-11.50%	35.98%	19.28%	20.76%	-
SPECIAL TYPE												
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, Alpha Trust Investment Services, HCMC.

TABLE IV

Assets of Mutual Funds by Type of Fund, 1998-2001

Month/ Year	Total Assets (bn GRD)	Bond Funds Assets (bn GRD)	Bond Funds % diff.	Domestic Equity Funds Assets (bn GRD)	Domestic Equity Funds % diff.	Domestic Mixed Funds Assets (bn GRD)	Domestic Mixed Funds % diff.	Domestic Money Market Funds Assets (bn GRD)	Domestic Money Market Funds % diff.
Dec-01	9,130.4	1,903.6	0.30	1,726.4	-2.77	1,997.12	56.56	3,285.66	1.04
Nov-01	8,329.5	1,892.8	-0.22	1,792.5	8.11	1,242.69	6.88	3,187.96	-1.93
Oct-01	8,130.7	1,890.9	1.73	1,606.4	9.82	1,152.81	4.81	3,283.60	-9.78
Sep-01	8,180.9	1,858.1	-0.19	1,479.5	-22.90	1,091.26	2.59	3,567.13	-5.29
Aug-01	8,796.4	1,865.7	1.02	1,945.4	1.02	1,058.07	10.56	3,712.64	-3.76
Jul-01	8,284.1	1,804.9	11.29	1,836.3	9.17	948.59	18.44	3,513.13	22.82
Jun-01	7,147.2	1,622.2	-16.85	1,686.3	-20.93	796.23	-9.03	2,806.32	-29.32
May-01	9,269.9	1,947.6	-3.50	2,174.2	-6.29	874.66	3.89	4,025.26	-5.45
Apr-01	9,616.6	1,979.9	2.69	2,332.6	5.04	839.90	0.51	4,217.55	-5.70
Mar-01	9,629.3	1,915.7	5.25	2,228.6	0.09	830.53	-2.23	4,418.46	-6.30
Feb-01	9,845.0	1,817.9	4.36	2,242.1	-0.79	853.41	-3.39	4,680.90	-7.40
Jan-01	10,188.5	1,733.2	7.39	2,268.7	-9.38	882.90	-3.48	5,027.27	-3.63
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

(continued)

Month/ Year	Total Assets (bn GRD)	Bond Funds Assets (bn GRD)	Bond Funds % diff.	Domestic Equity Funds Assets (bn GRD)	Domestic Equity Funds % diff.	Domestic Mixed Funds Assets (bn GRD)	Domestic Mixed Funds % diff.	Domestic Money Market Funds Assets (bn GRD)	Domestic Money Market Funds % diff.
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
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

Source: ASE, Union of Greek Institutional Investors, HCMC.

TABLE V

Mutual Funds Assets, ASE Capitalization and the ASE General Index, 1998-2001

Month-Year	Total M/F Assets (bn GRD)	% Change	ASE Capitalization (bn GRD)	ASE General Index	Return (%)
Dec-01	9,130.4	9.62	60,697.7	2,591.56	-3.80
Nov-01	8,329.5	2.45	61,193.5	2,694.02	9.15
Oct-01	8,130.7	-0.61	57,498.8	2,468.26	10.88
Sep-01	8,180.9	-7.00	58,343.1	2,226.05	-19.41
Aug-01	8,796.4	6.18	65,715.5	2,762.12	1.28
Jul-01	8,284.1	15.91	64,427.3	2,727.21	-0.51
Jun-01	7,147.2	-22.90	65,062.1	2,741.18	-11.25
May-01	9,269.9	-3.61	68,797.7	3,088.66	-6.02
Apr-01	9,616.6	-0.13	72,117.7	3,286.67	7.95
Mar-01	9,629.3	-2.19	69,510.0	3,044.55	-2.70
Feb-01	9,845.0	-3.37	70,113.9	3,129.06	-4.16
Jan-01	10,188.5	-3.20	70,415.4	3,264.76	-3.66
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

(continued)

Month-Year	Total M/F Assets (bn GRD)	% Change	ASE Capitalization (bn GRD)	ASE General Index	Return (%)
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
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: ASE, Union of Greek Institutional Investors, HCMC.

TABLE VI

The Performance of Portfolio Investment Companies, 31/12/2001

Rank	Portfolio Investment Companies	Date of Listing in the ASE	Share Price 31/12/2001	Market Capitalization (million GRD)	Net Asset Value (million GRD)	Premium / Discount (%)
1	Active Invest.	01.09.1999	467	3,168	4,277	-25.9
2	Alpha Investment	19.11.1984	1,138	113,800	146,603	-22.4
3	Aeolean Invest. Fund	09.08.1993	549	12,273	15,617	-21.4
4	Aspis Invest.	07.04.1995	470	10,079	14,670	-31.3
5	Dias Closed & Inv. Fund	27.07.1992	402	10,094	11,323	-10.9
6	National Invest. Co.	19.06.1981	623	61,699	80,811	-23.6
7	Hellenic Invest. Co.	19.01.1973	654	78,048	108,649	-28.2
8	Commercial Invest.	17.08.1993	889	32,035	42,887	-25.3
9	Exelixi	06.05.1992	266	22,623	26,131	-13.4
10	Investment Dev. Fund	12.08.1982	658	19,261	28,460	-33.1
11	Ergo Invest.	11.11.1977	521	69,293	97,022	-28.6
12	Interinvest	15.01.1992	508	8,712	10,193	-14.5
13	Alpha Trust Asset Manager	02.08.1993	1,124	5,901	6,324	-6.7
14	Marfin Classic	18.08.1993	477	44,021	64,640	-31.9
15	Piraeus Invest.	06.12.1990	842	40,980	36,141	13.4
16	The Greek Progress Fund	30.07.1990	1,050	33,852	44,228	-23.5
17	Alpha Trust Orion	19.12.1994	647	14,558	17,896	-18.7
18	Eurodynamic Closed End Fund	05.10.2001	866	6,551	6,337	3.4
19	Domus	04.12.2001	1,561	5,932	3,693	60.6
20	Alpha Trust Andromeda	19.12.2001	763	8,393	11,124	-24.6
	TOTAL			601,276	777,026	-22.6

Source: Union of Greek Institutional Investors, HCMC.

TABLE VII

FEFSI Statistics on EU Member-States Mutual Funds Sector (I), 30/9/2001

Member-States	No. of M/F	Equity	Bond	Money Market	Mixed	Funds of Funds	Other	Total Assets (million Euro)	Equity	Bond	Money Market	Mixed	Funds of Funds	Other
Austria	1,328	231	311	13	197	576	0	73,833	10,644	38,979	818	8,722	14,670	0
Belgium	1,072	779	122	20	86	64	1	80,349	41,783	10,354	1,084	17,459	9,642	28
France	7,473	2,546	1,300	653	2,974	0	0	769,000	181,400	140,500	262,400	184,700	0	0
Germany	1,207	515	300	46	150	146	50	217,542	104,006	58,132	29,714	17,059	6,223	2,409
Denmark	438	271	148	2	17	0	0	33,438	14,581	17,291	25	1,541	0	0
Switzerland	311	150	79	12	70	0	n/a	79,679	34,656	17,087	5,241	22,695	0	n/a
Greece	270	127	64	43	36	0	0	24,010	4,669	5,453	10,509	3,378	0	0
U.K.	2,107	1,270	236	48	308	146	99	378,850	270,963	39,318	1,585	28,442	14,650	23,892
Ireland	1,592	n/a	n/a	n/a	n/a	n/a	n/a	183,191	n/a	n/a	n/a	n/a	n/a	n/a
Spain	2,529	1,066	673	180	578	28	4	171,172	46,070	51,414	39,305	31,498	1,485	1,400
Italy	1,129	480	342	37	179	91	0	393,240	101,536	157,323	39,074	88,699	6,608	0
Luxembourg	6,508	2,953	1,868	263	771	n/a	653	761,583	267,527	310,095	83,676	56,485	n/a	43,800
Norway	480	255	69	44	29	83	0	15,872	7,920	1,404	5,422	419	706	0
Netherlands	494	239	89	n/a	49	n/a	117	99,858	61,011	22,376	n/a	10,309	n/a	6,162
Hungary	89	29	25	19	16	0	0	2,410	161	1,802	411	35	0	0
Poland	92	26	18	21	23	0	4	1,443	193	429	445	310	0	66
Portugal	249	83	57	34	29	46	0	19,365	1,889	6,658	7,057	1,775	1,987	0
Sweden	504	337	54	36	68	2	7	61,660	42,839	3,522	3,740	10,923	11	624
Czech Republic	60	12	6	7	32	3	0	1,832	51	128	733	894	26	0
Finland	263	143	31	22	67	0	0	13,309	4,989	2,180	3,324	2,815	0	0
TOTAL	28,195	11,512	5,792	1,500	5,679	1,185	935	3,381,635	1,196,889	884,444	494,562	488,159	56,008	78,382

Source: FEFSI, HCMC.

TABLE VIII

FEFSI Statistics on EU Member-States Mutual Funds Sector (II), 30/9/2001

Member-States	No. of M/F	Property Funds	Derivatives Funds	Venture Capital Funds	Specul. Funds	Securitization	Open-Ended Funds	Closed-Ended Funds	Total Assets (million Euro)	Property Funds	Derivative s Funds	Venture Capital Funds	Specul. Funds	Securitization	Open-Ended Funds	Closed-Ended Funds
Austria	340	n/a	n/a	n/a	315	n/a	25	n/a	18,972	n/a	n/a	n/a	18,782	n/a	190	n/a
Belgium	41	20	0	2	0	19	0	0	5,377	2,902	0	118	0	2,357	0	0
France	3,536	0	29	275	0	0	3,232	0	62,300	0	800	7,500	0	0	54,000	0
Germany	5,528	19	0	0	5,509	0	0	0	522,116	52,658	0	0	469,458	0	0	0
Denmark	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Switzerland	28	28	n/a	n/a	n/a	n/a	n/a	n/a	7,454	7,454	n/a	n/a	n/a	n/a	n/a	n/a
Greece	17	0	0	0	0	0	0	17	1,844	0	0	0	0	0	0	1,844
U.K.	497	3	12	n/a	91	n/a	n/a	391	126,354	931	0	0	23,587	0	0	101,836
Ireland	1,143	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65,220	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Spain	4	4	0	0	0	0	0	0	1,400	1,400	0	0	0	0	0	0
Italy	36	8	10	0	17	0	1	0	6,943	2,047	492	0	4,269	0	135	0
Luxembourg	902	8	46	21	411	0	0	416	73,991	521	833	575	37,794	0	0	34,269
Norway	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Netherlands	33	33	n/a	n/a	n/a	n/a	n/a	n/a	16,581	16,581	n/a	n/a	n/a	n/a	n/a	n/a
Hungary	7	5	0	0	0	0	0	2	49	33	0	0	0	0	0	16
Poland	4	0	0	0	0	0	0	4	66	0	0	0	0	0	0	66
Portugal	61	46	0	0	0	0	0	15	4,802	4,041	0	0	0	0	0	762
Sweden	7	0	1	0	0	0	6	0	495	0	25	0	0	0	470	0
Czech Republic	12	0	0	0	0	0	0	12	379	0	0	0	0	0	0	379
Finland	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	12,196	174	98	298	6,343	19	3,264	857	914,343	88,567	2,150	8,193	553,890	2,357	54,795	139,172

Source: FEFSI, HCMC.

TABLE IX

The Status of the ASE Listed Companies, 31/12/2001

	Under Regular Trading	Under Surveillance	Companies Trading	Under Suspension	Under Listing	Total Companies Listed in the ASE
Main Market	223	8	231	11	2	244
Parallel Market	102	2	104	1	2	107
New Market	1	0	1	0	1	2
ASE Total	**326**	**10**	**336**	**12**	**5**	**353**

De-Listing of Companies

	Date
INTERAMERICAN LIC (CR)	23/11/2001

Companies under Suspension

	Date
ALCAR Trans. Com. & Tour. SA (CB)	9/8/1989
GREEK POWDER CO. (CB)	2/4/1992
PHILIPPOU DE SA (CB)	20/1/1995
INTER. CLOTHING IND SA (CB)	23/10/1995
COSMOS SA (CB)	11/6/1996
GLOBE SA (CB)	11/6/1996
MAGRIZOS BROS SA (CB)	7/11/1996
ECON INDUSTRIES (CB)	4/12/1996
DANE SEA LINE (CB)	7/10/1998
THESSALIKI SPIRITS CO. (CB)	1/7/1999
NIMATEMPORIKI SA (CB)	23/7/1999
ELVIEMEK (PB)	26/6/1997

Companies under Surveillance

	Date
VIOSOL SA (CB)	23/9/1999
EMPORIKOS DESMOS SA (CB)	23/9/1999
KLAOUDATOS G. SA (CB)	23/9/1999
INTERSAT SA (CB)	5/11/1999
TECHNODOMI M. TRAVLOS (CB)	25/11/1998
ATEMKE ATE (CB)	23/3/2001
PARNASSOS SA (CB)	23/3/2001
KERANIS HOLDING SA (CB)	23/3/2001
PERSEUS SA (CB)	20/10/2000
MOURIADIS SA (PB)	23/3/2001

Revocations of Licence

BABIS VOVOS
INTRACOM CONSTRUCTION
PROMOTA

Mergers and Acquisitions between Listed Companies

Absorbing	**Absorbed**	**Absorbing**	**Absorbed**
AGET HERACLES	HALKIDA CEMENT	ALTEC SA	SYSWARE SA
ALPHA BANK	ALPHA FINANCE	KLOST. NAOUSSA	KLOSTIRIA DOUDOS
PANAFON SA	UNIFON	ATHENS MEDICAL CENTER	AMC PALAIO PHALERON CLINIC
INFO QUEST SA	ERGASIAS IT SA	SINGULAR SA	DELTA INFORMATICS SA
NOTOS COM HOLDINGS	SPORTSMAN, ENDYSI SA, PAPAELLINAS COSMETICS SA, LAMBROPOULOI BROS SA		

Source: HCMC, ASE.

TABLE X

New Listings in the ASE, 2001

no	Company	IPO Period	Date of Listing	Type of Market	Type of Share	Initial Share Price (GRD/Euro)	Number of New/ Existing Shares: Public Placement (,000)	Number of New/ Existing Shares: Private Placement (,000)
1	PETROLA HALLAS CO.	20-23/2/01	15-Mar-01	Main	CR	2,099 / 6.16	20,510	1,025.5
2	FITCO SA	19-21/3/01	24-Apr-01	Parallel	CR	1,002 / 2.94	750.0	0.0
3	Vardas SA	28-30/3/01	23-Apr-01	Parallel	CR	1,942 / 5.7	780.8	39.0
4	OPAP SA [1]	3-6/4/01	25-Apr-01	Main	CR	1,874 / 5.5	16,038.3	1,094.7
5	Unibrain SA	6-10/4/01	30-Apr-01	New Mrkt	CR	2,215 / 6.5	762.0	38.0
6	Nestos SA	24-27/4/01	31-May-01	Main	CR	1,199 / 3.52	1,805.0	90.0
7	Babis Vovos International Technical	8-11/5/01	30-May-01	Main	CR	3,278 / 9.62	7,630.0	350.0
8	MLS Multimedia SA	18-22/5/01	13-Jun-01	Parallel	CR	5,391 / 15.82	312.5	15.6
9	Medicon Hellas SA	8-12/6/01	11-Jul-01	Parallel	CR	2,999 / 8.8	576.6	28.8
10	Betanet SA	18-20/6-01	12-Jul-01	Parallel	CR	1,315 / 3.86	2,162.0	98.0
11	Motor Oil (Hellas) SA [2]	10-13/7/01	6-Aug-01	Main	CR	3,510 / 10.3	17,936.3	0.0
12	Thessaloniki Port Authority [3]	27/7-1/8/01	27-Aug-01	Main	CR	2,297 / 6.74	2,400.0	120.0
13	Thes/niki Water & Sewage Co.	24-29/8/01	21-Sep-01	Main	CR	1,343 / 3.94	4,067.9	132.1
14	Eurodynamic Closed End Fund SA	4-7/9/01	5-Oct-01	Main	CNR	893 / 2.62	565.0	0.0
15	Domus Closed End Fund SA	7-9/11/01	4-Dec-01	Parallel	CNR	1,009 / 2.96	762.5	0.0
16	INTRAKOM Construction SA	13-16/11/01	30-Nov-01	Main	CR	1,124 / 3.3	6,750.0	250.0
17	Rainbow Computer SA	21-23/11/01	18-Dec-01	Parallel	CR	2,045 / 6.00	375.0	0.0

Total Funds Raised		Main		End of	Oversubscription			Weigthed
				Positive	Institutional	Private		Oversubscription
(Mn GRD)	(Mn Euro)	Underwriter	Advisor	Period	Investors	Investors	Total	(GRD)
45,203.4	132.7	EFG Eurobank Ergasias	EFG Eurobank Ergasias	15/6/2001	2.06	1.19	1.45	65,621.4
751.4	2.2	ETEVA SA	Telesis Securities SA	24/7/2001	8.06	9.51	9.07	6,817.7
1,592.3	4.7	Telesis Securities SA	Telesis Securities SA	23/7/2001	3.38	0.57	1.41	2,247.9
31,895.7	93.6	Alpha Finance Investment	Alpha Finance Investment	25/7/2001			0.52	16,606.0
1,771.9	5.2	Alpha Finance Invetment	Omega Securities SA	30/7/2001	10.98	6.32	7.72	13,677.1
2,272.9	6.7	HSBC Bank plc	HSBC Bank plc	31/7/2001	19.04	8.23	11.47	26,070.4
26,158.6	76.8	Commercial Bank, EFG Eurobank Erg.	Alpha Securities SA	31/8/2001	2.33	1.46	1.73	45,131.3
1,768.7	5.2	Commercial Bank	Commercial Bank	13/9/2001	45.19	16.81	25.33	44,794.3
1,815.4	5.3	ETEVA SA	ETEVA SA	11/10/2001	20.46	7.03	11.06	20,068.8
2,972.6	8.7	Telesis Securities SA	Telesis Securities SA	12/10/2001	13.04	3.46	6.33	18,817.1
62,951.4	184.7	National Bank, HSBC Bank	HSBC, Piraeus Prime	6/11/2001	0.51	0.25	0.33	20,774.0
5,730.1	16.8	ABG, EFG Eurobank Erg.	Bank of America	27/11/2001			0.88	5,042.5
5,585.7	16.4	ETEVA SA	ETEVA SA	21/12/2001	4.62	1.69	2.57	14,342.6
504.4	1.5	Πειραιώς Prime Bank, ABG	Πειραιώς Prime Bank, ABG	5/1/2002	5.64	2.56	3.49	1,758.6
769.1	2.3	Telesis Inv. Bank	N. Sarros Securities SA	4/3/2002	3.03	2.28	2.51	1,927.0
7,871.3	23.1	Alpha Finance, National Bank	Telesis Securities SA	30/2/2002	23.14	7.06	11.88	93,531.3
766.7	2.3	Commercial Bank	Societe Generale	18/3/2002	88.16	17.93	39.00	29,897.2

(continued)

no	Company	IPO Period	Date of Listing	Type of Market	Type of Share	Initial Share Price (GRD/Euro)	Number of New/ Existing Shares Public Placement (,000)	Private Placement (,000)
18	Alpha Trust Andromeda	27-30/11/01	19-Dec-01	Main	CR	1,008 / 2.96	1,000.0	0.0
19	PPC SA [4]	4-7/12/01	12-Dec-01	Main	CR	4,328 / 12.70	35,681.5	1,638.5
20	Euroadvisors SA	10-12/12/01	7-Jan-02	New Mrkt	CR	1,431 / 4.2	600.0	30.0
21	PROMOTA HELLASSA	12-14/12/01	9-Jan-02	Parallel	CNR	1,799 / 5.28	1,610.0	20.0
22	Arrow Securities SA	13-18/12/01	11-Jan-02	Main	CNR	869 / 2.55	1,600.0	0.0
23	Kepenos Mills SA	17-19/12/01	8-Jan-02	Parallel	CR	1,124 / 3.3	1,276.2	63.8
24	Nexus Investment	17-20/12/01	23-Jan-02	Main	CR	685 / 2.01	750.0	0.0
	TOTAL							

Source: HCMC.

Notes:

[1] Initially the Greek state distributed 31,900,000 shares, aiming at the absorption of 1,595,000 shares through private placement and 30,305,000 through public placement. Finally the issue was absorbed by 52%. In more detail, 1,094,680 shares were distributed through private placement and at an initial price of 4.95 Euro per share, 91,290 were distributed to holders of "prometoxa" at an initial price of 5.225 Euro and finally 15,947,020 were distributed through public placement (13,697,680 to institutional and 2,249,340 to non-institutional investors) at an initial price of 5.5 Euro.

[2] The issue was absorbed by 33.51%. The Underwriters absorbed the non-distributed shares (12,105,430).

[3] The issue was absorbed by 87%. Non-institutional investors received 718,890 shares (30%), of which 110,970 shares (4,62%) were distributed to holders of "prometoxa" at an initial price of 6.403 Euro and 607,920 shares (25.33%) were distributed to investors against cash, at a price of 5.392Euro. Institutional Investors received 1,369,480 μετοχές (57%). The Underwriters absorbed the non-distributed shares (311,630).

[4] 37,320,000 shares were distributed through the combined offer (including 2.32 million shares for balancing), of which 19,288,750 shares were distributed in the local market and 16,392,790 in the international market. Institutional investors-holders of "prometoxa" were offered the shares at a 5% discount on the initial price, i.e. at 12.07 Euro. Discounts for non-institutional investors and non-institutional investors-holders of "prometoxa", were 3% and 5%, i.e. 12.32 and 11.7 Euro respectively. Finally, the share distributed to employees and management executives enjoyed a discount of 10% on the initial price to non-institutional investors i.e. 11.09 Euro.

Total Funds Raised (Mn GRD)	Total Funds Raised (Mn Euro)	Main Underwriter	Advisor	End of Positive Period	Oversubscription Institutional Investors	Oversubscription Private Investors	Oversubscription Total	Weigthed Oversubscription (GRD)
1,008.6	3.0	ETEVA SA	Alpha Trust Securities	19/3/2002	4.06	1.95	2.58	2,603.5
157,866.9	463.3	Alpha Finance Sec., National Bank	Alpha Finance Sec., ETEVA SA	12/3/2002	1.44	1.20	1.26	198,351.8
901.6	2.6	P & K Securities SA	Alpha Trust Securities SA	7/4/2002	81.05	44.59	62.82	56,638.7
2,932.6	8.6	Commercial Bank	EFG Finance Sec. SA	9/4/2002	47.51	10.45	21.57	63,244.7
1,390.3	4.1	Piraeus Bank	Piraeus Bank	11/4/2002	3.19	1.74	2.21	3,072.5
1,506.8	4.4	Alpha Finance Securities SA	Alpha Finance Securities SA	7/4/2002	75.39	13.50	32.07	48,323.2
513.7	1.5	Commercial Bank	NEXUS Securities SA	23/4/2002	2.43	6.99	5.62	2,886.9
366,501.9	1,075.6							802,246.6

TABLE XI

Share Capital Increases in the ASE, 2001

(Only cash-financed share capital increases are mentioned)

	Ex-right Date	SCI Period	New/Old Share Ratio	Number of Shares/Bond	Issuing Price (GRD/Euro)	Total Funds Raised (GRD)	Total Funds Raised (Euro)	Advisor /Remarks
I. Main Market								
1 Micromedia - Britannia SA	8-Jan	18/1-19/2	1 / 1	9,421,000	450 / 1.32	4,239,450,000	12,441,526	N. Sarros Securities SA
2 Technodoni M. Travlos	27-Dec	8/1-8/2	5 / 10	16,941,210	750 / 2.20	12,705,907,500	37,288,063	Alpha Finance, Underwriter: Societe Generale
3 Mesochoriti Bros Corporation	16-Mar	26/3-24/4	1 / 1	11,000,000	450 / 1.32	4,950,000,000	14,526,779	
4 Mochlos SA	2-Apr	12/4-14/5	1 / 2	22,000,000	350 / 1.03	7,700,000,000	22,597,212	Alpha Finance
5 ETMA Rayon SA	15-May	22/5-20/6	1 / 2	5,691,450	530 / 1.56	3,016,468,500	8,852,439	
6 Marfin Comm. (former Epiphania)	15-May	24/5/2001	Abolition of preemptive right	2,961,697	1312 / 3.85	3,885,746,464	11,403,511	Marfin Hel. Sec. SA / In favour of Messrs Katsoufis, Pietra, Leonta and Marfin Hel. Sec. SA
7 LogicDis SA	16-Oct	16/10/2001	Abolition of preemptive right	4,000,000	1400.48 / 4.11	5,601,920,000	16,439,971	P & K Capital Securities SA / In favour of EFG Eurobank Ergasias
8 GLOBE	24-Sep	24/9-30/10	1 / 1	11,720,000	150 / 0.44	1,758,000,000	5,159,208	
9 Electra Importing SA	22-Oct	29/10-12/11	11 / 5	12,777,600	1450 / 4.25	18,527,520,000	54,372,766	Advisor & Underwriter: Piraeus Bank
10 ALTE SA[1]	5-Dec	13/12-27/12	1 / 1	18,450,020	1193 / 3.5	22,003,955,103	64,575,070	Telesis Securities SA
11 VIOTER SA	6-Dec	13/12-27/12	5 / 10	12,460,122	400 / 1.17	4,984,048,800	14,626,702	Devletoglou N.D. Securities SA
TOTAL (I)						**89,373,016,367**	**262,283,247**	

(continued)

	Ex-right Date	SCI Period	New/Old Share Ratio	Number of Shares/Bond	Issuing Price (GRD/Euro)	Total Funds Raised (GRD)	Total Funds Raised (Euro)	Advisor /Remarks
II. PARALLEL MARKET								
1 DIONIC SA	15-Feb	20/2-20/3	1 / 6	1,821,000	1000 / 2.93	1,821,000,000	5,344,094	National Securities SA
2 Despec Hellas SA	14-Mar	28/3-30/4	1 / 10	2,898,000	1100 / 3.23	3,187,800,000	9,355,246	Devletoglou N.D. Securities SA
3 ALKO Hellas SA	6-Mar	15/3-15/4	1 / 3	8,264,740	500 / 1.47	4,132,370,000	12,127,278	Piraeus Prime Bank SA
4 Papafili Mills SA	20-Aug	27/8-12/9	12 / 10	10,459,056	2400 / 7.04	25,101,734,400	73,666,132	Marfin Hellenic Securities SA
5 Iktinos Hellas SA	20-Aug	29/8-14/9	3 / 10	2,101,500	1000 / 2.93	2,101,500,000	6,167,278	Marfin Hellenic Securities SA
TOTAL (II)						**36,344,404,400**	**106,660,028**	
III. ISSUANCE OF CONVERTIBLE BONDS								
1 Attica Enterprises Holding Co. [2]		11/10/2001	Abolition of preemptive right	4,500	3407500 / 10000	15,333,750,000	45,000,000	Alpha Finance- Manager: Alpha Bank / Traded Convertible Bond
2 Maritime Company of Lesvos [3]		30/10-30/11	2 bonds for 10 shares	8,021,456	750 / 2.20	6,016,092,000	17,655,442	Egnatia Bank / Non-Traded Convertible Bond
3 LogicDis SA [4]		16/10/2001	Abolition of preemptive right	17,770	250111 / 734	4,444,463,585	13,043,180	Manager: EFG Eurobank Ergasias / Non-Traded Convertible Bond / In Favour of EFG Eurobank Ergasias
TOTAL (III)						**19,778,213,585**	**58,043,180**	
GRAND TOTAL (I+II+III)						**145,495,634,352**	**426,986,454**	

Source: Hellenic Capital Market Commission.

Notes: [1] *The share capital increase that was initially decided and corresponded to 25,283 million GRD (74,199,930 Euro) was absorbed by 87.03%.* [2] *The annual coupon rate is 3.25% and the term of the loan is three years. The redemption price will be increased by 9.638% in comparison to their par value.* [3] *The issue is not included in the grand total, since the end of the subscription period has been extended in the year 2002. The par value of the bonds coincides with the issuing price. The rate equals the annual EURIBOR as per October 1st, plus 2 percentage points and the term of the loan is 7 years.* [4] *The par value of the bonds coincides with the issuing price. Interest rate is set to 0.5% annually and the term of the loan is 3 years. The redemption price will be increased by 9.638% in comparison to par value.*

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