

HELLENIC CAPITAL MARKET COMMISSION

2005

A N N U A L R E P O R T

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A NOTE FROM THE CHAIRMAN

In 2005, the Hellenic Capital Market Commission reinforced the regulatory framework and the infrastructure for the control and supervision of the capital market. Through a series of legislative initiatives and executive regulatory decisions of its Board, the Hellenic Capital Market Commission improved its regulatory and supervisory authority, the efficiency and liquidity of the market, the operation of investment firms and the operation of the transaction clearing, settlement and integrity systems, and facilitated the modernization of the framework governing the listing of companies in the Stock Exchange and their oversight.

The enactment of Laws 3340/2005, 3401/2005 and 3371/2005 reinforced the institutional framework for the operation of the Greek capital market and accelerated its convergence with the corresponding European framework. Law 3340/2005 establishes provisions for the prevention of market abuse (insider dealing and market manipulation). The new framework provides a generic and flexible definition of “market abuse,” establishes strict terms and conditions for the adoption of trading practices and introduces a common European regime for the supervision, prevention and investigation of market abuse cases and the imposition of sanctions.

Law 3371/2005 establishes modern and competitive terms and conditions for the listing of securities for trading in organized markets in Greece and new obligations for the issuers of securities, which concern the equitable treatment of shareholders and the provision of information to investors; revises the framework for the suspension, trading and delisting of securities from the Stock Exchange; updates the framework for the operation of portfolio investment companies and firms for the reception and transmission of orders; and introduces regulations concerning transaction clearing and investor compensation schemes.

In order to improve transparency and investor protection on the European level, Law 3401/2005 establishes provisions on the content of the Prospectus of companies wishing to list their securities for trading in an Exchange.

In 2005, the Board of the Hellenic Capital Market Commission issued a large number of regulations and circulars designed to ensure service quality and investor protection, to promote the smooth operation of the market, to protect of the trading and clearing system, and to improve and the smooth function of the market, as well as transparency in all markets.

Investor protection was significantly improved through the establishment of regulations against all types of market abuse and the establishment of the obligation of mutual funds to disclose new investment and financial information, cost and portfolio adjustment ratios, and to inform investors about their advertisements in a manner that prevents the dissemination of misleading information. The regulation for issuing companies (HCMC Rule 5/204/2000) was revised in order to improve the transparency obligations of the persons that direct and manage listed companies, new requirements were established concerning the provision of information by Investment Firms and Mutual Fund Management Firms that provide investment services in association with other companies, while new terms and conditions were established concerning the provision of client portfolio management services by portfolio investment companies. There was also a revision of the methods for the allocation and the definition of the final security price of initial public offerings, along with the establishment of the obligation of issuing companies to post in their websites data and information about the consolidated and non-consolidated financial statements that are prepared in accordance with the International Financial Reporting Standards.

Transparency in the market was improved through the establishment of a new framework governing the information disclosure and Record keeping obligations of investment firms in the context of their operation, as well as the modernization of the asset valuation methods of mutual funds and the portfolios of investment firms and real estate investment companies that are not listed in regulated markets. Moreover, the Stock Exchange is now obliged to prepare, issue, and publish daily bulletins in due time.

The smooth operation of the market was decisively secured through the approval of improvements in the rulebooks for the Athens Exchange, the Athens Derivatives Clearing House and the Dematerialized Securities System and the establishment of a new regulatory framework for stock lending. The regime for the provision of credit to investment firm clients (margin account trading) was updated, criteria for the provision and revocation of operation licenses for regulated markets were established, and the regime governing the maximum daily fluctuation limits of share prices in cases of company restructuring and auction trading was reformed.

During 2005, the Commission expanded its monitoring and supervisory work. The audits performed during 2005 were multidimensional and included brokerage firms, investment firms, mutual fund management firms and listed companies. Many cases concerning the disclosure of information by large shareholders were audited. The Commission exam-

ined in detail several cases of share transactions that exhibited indications of market abuse practices. The monitoring of the use of funds raised through initial public offers in previous years continued at the same pace, along with the investigation of investor complaints, many of which were successfully resolved.

The audits performed in 2005 revealed several illegal practices, which led the Commission to levy fines totally worth 11 million euro - the proceeds credited with the Greek State - and to submit indictments against a large number of persons and legal entities to criminal courts.

Alexios Pilavios

PART ONE

HELLENIC CAPITAL MARKET COMMISSION

OBJECTIVES AND TASKS

The Hellenic Capital Market Commission (HCMC) is a regulatory authority, in the form of a Public Law Legal Entity. It is established in Athens and its organizational structure is defined by presidential decree 25/2003 (Gazette A 26/6.2.2003). Its responsibilities and operation are mainly governed by laws 1969/91, and 2166/93. As a Legal Entity of the public sector, the HCMC operates under the supervision of the Ministry of Economy and Finance.

The Hellenic Capital Market Commission is a self-funded public entity with the exclusive task of protecting the public interest, and enjoying operational and administrative independence. The members of the Board of the Hellenic Capital Market Commission exercise their duties under conditions of total personal and operational independence, are only bound by the law and their conscience and do not represent the bodies that nominated them. The Hellenic Capital Market Commission submits its annual report to the President of the Hellenic Parliament and the Minister of Economy and Finance. The Chairman of the Hellenic Capital Market Commission is summoned at least twice a year by the competent Commission of the Parliament, to provide information on capital market issues.

The objectives of the HCMC are to ensure the sound and smooth operation of the capital market, to enhance public confidence to the institutions of the market, to protect investors by increasing transparency and enforcing capital market laws. In order to achieve these objectives, and in accordance with the relevant legal authorization, the Commission can issue various regulations. The legislative framework of the Greek capital market has already been adapted to all relevant guidelines and directives of the European Union. The HCMC is operating on the basis of European standards.

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 financial intermediation firms (formerly known as firms for the reception and transmission of stock exchange orders). Moreover, the HCMC oversees the compliance of ATHEX-listed companies with the capital market legislation concerning legitimacy issues related to investor protection. The members of the

boards of directors and the executive managers of the aforementioned entities have to comply with rules and regulations set by the Commission. Entities and organizations subject to supervision by the HCMC also include regulated markets and clearing houses, such as the Athens Stock Exchange (ATHEX), the Athens Derivatives Clearing House (ADECH) and the Central Depository of Securities (CSD), as well as investor compensation and transaction security schemes, such as the Common Guarantee Fund and the Supplementary Fund.

In order to ensure the smooth operation of the capital market, the HCMC is responsible for monitoring the enforcement of rules and regulations concerning the operation of market systems. A central means to ensure the smooth operation of the capital markets is the introduction of mandatory codes of conduct that encompass 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), and a code of conduct for underwriters. The conduct of companies listed in the Stock Exchange is governed by the provisions of the revised Code of Conduct for Listed Companies and the Take-over Regulation of the HCMC, as well as the provisions of Law 3016/2002 on Corporate Governance; compliance with this law is monitored by the HCMC.

The Hellenic Capital Market Commission is responsible for licensing the operation of supervised entities, and monitoring compliance with European Union (EU) standards regarding natural persons, which is tantamount to the granting of a “European passport” for the provision of such services throughout the entire EU. The approval of prospectuses for the public offering and listing of securities in the stock exchange is tantamount to the granting of a “European passport.”

Means for the supervision of capital market entities include the monitoring of the capital adequacy of investment firms and the granting of license for their share capital increases, the monitoring of changes in the composition of the board of directors and senior management of the supervised companies, and the granting of licenses for the establishment of subsidiaries by financial intermediaries. Moreover, the prudential supervision of mutual fund management firms and portfolio investment companies involves the monitoring of their portfolio composition and their compliance with transparency rules and regulations.

In order to enhance confidence in market institutions and ensure investor protection, the law authorizes the Hellenic Capital Market Commission to hold examinations for the professional certification of employees of Investment Firms and Firms for the Reception &

Transmission of Orders. This certification includes the specialties of market and securities analyst, investment consultant, asset manager, person responsible for executing orders, and person responsible for the reception and transmission of orders.

Transparency is promoted through the introduction of rules and regulations governing the disclosure of financial information and the publication of financial statements by listed companies, as well as the disclosure of transactions, corporate actions and confidential information.

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.

As a national regulator, the Hellenic Capital Market Commission can engage in the conclusion of bilateral and multilateral agreements with the regulators of other countries for the exchange of confidential information and cooperation on maintaining the smooth operation of the capital market. The HCMC is an active member of CESR (Committee of European Securities Regulators), the successor to FESCO that has already become an official institution of the European Union. The Hellenic Capital Market Commission acts as an advisor to national and European state authorities on issues falling into its sphere of responsibility, and is also an active member of IOSCO (International Organization of Securities Commissions).

The Commission's operations are financed by own resources and do not burden the state budget. These resources originate from 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 Economy and Finance.

BOARD OF DIRECTORS

The Board of Directors consists of the Chairman, two Vice-Chairmen and six members. The Chairman and the two Vice-Chairmen of the Board are appointed by the Minister of Economy and Finance, and the Chairman is also approved by the competent committee of the Greek Parliament. The other six board members are selected from a list of eighteen candidates, jointly submitted by the Bank of Greece, the Board of Directors of the Athens Stock Exchange, the Union of Institutional Investors, the Federation of Greek Industries, the Association of Athens Exchanges Members and the Hellenic Bank Association, and are appointed by decision of the Minister of Economy and Finance.

From 01.01.2005 to 31.12.2005, the Board of the HCMC comprised the

following nine members, in accordance with Ministerial Decision 18249/_644 (Gazette 615/27.04.2005):

Chairman:	Mr. Alexios Pilavios
First Vice-Chairman:	Mr. Yiangos Charalambous
Second Vice-Chairman:	Mr. Anastassios Gabrielides
Members:	Mr. Spyridon Kapralos
	Mr. Nikolaos Pantelakis
	Mr. Panagiotis Kavouropoulos
	Mr. Ioannis Gousios
	Mr. Christos Gortsos
	Mr. Nikolaos Travlos

The Board of Directors of the HCMC is mainly entrusted with the following tasks: general policy-making, introduction of rules and regulations, granting and revoking of licenses, imposition of sanctions, drafting the annual budget, management of the Commission's operations and decisions on personnel matters. The Board of Directors is convened by its Chairman and meets at least twice a month, provided that at least five of its members are present.

EXECUTIVE COMMITTEE

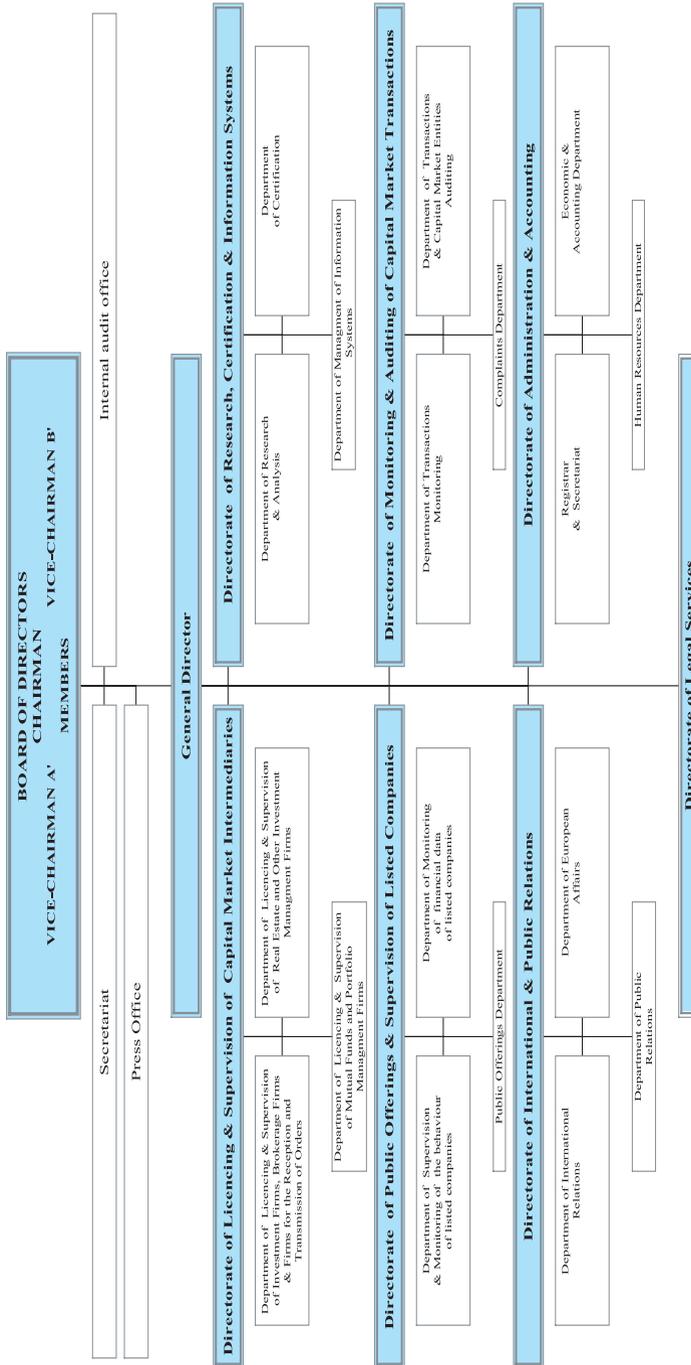
The Executive Committee consists of the Chairman and the two Vice-Chairmen and is entrusted with the execution of the decisions made by the Board of Directors. It is responsible for the Commission's daily management and the supervision of its operations. It is also responsible for the judicial representation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

ORGANIZATION OF THE CAPITAL MARKET COMMISSION

The organization chart and the responsibilities of the departments of the HCMC were enacted by Presidential Decree 25/2003 (Gazette 26/6.2.2003). The organization chart of the HCMC is the following:

FIGURE 1

The Organization Chart of the Hellenic Capital Market Commission



PART TWO

MARKET DEVELOPMENTS

Macroeconomic Developments

The Greek economy

In 2005 the growth rate of the Greek economy remained strong, albeit slower in comparison to the previous years. This slowdown is due to the weakening of certain factors that drove aggregate domestic demand for goods and services during the previous years, such as Olympic Games-related expenditures and low interest rates, and the enhancement of factors that suppressed demand, such as the substantial increase in oil prices. The Report of the Ministry of Economy and Finance on the Current Developments and Prospects of the Greek Economy notes that the country's real Gross Domestic Product (GDP) increased by 3.6% in 2005, as compared to 4.7% in 2004 (Table 1). The estimated growth rate for the Euro zone during the same period reached 1.2%, ranking Greece once more among the EU member-states with the highest annual growth rates.

GDP growth for 2005 was driven by the increase in consumer demand, which was fuelled by the expansion of consumer credit to the private sector. According to estimates, in 2005 private consumption increased by 3.2% in constant prices, public consumption increased by 2.7% and investment increased by 1%, contributing to GDP growth by 2.9 percentage points. It is also estimated that developments in the external balance of goods and services added a further 0.7% to the Greek GDP in 2005. The exports of goods and services are estimated to have increased by 5% in 2005, as compared to 11.5% in 2004. On the other hand, imports have been estimated to increase by only 0.7% in 2005, as compared to 9.3% in 2004. These developments led to a domestic demand increase of 2.4% in 2005, as compared to 4.7% in 2004, while, on the supply side, the general index of industrial production decreased.

In the labor market, it is estimated that total employment increased by 1.4% in 2005, reducing the unemployment rate to 10.4% in 2005, from 11% in 2004. Real per capita wages for the entire economy are estimated to have increased by 2% in 2005, as compared to a 3.3% increase in 2004. In the same year, labor productivity increased by 2.2%, as compared to 1.7% in 2004.

According to Bank of Greece data, by the end of 2005 the Harmonized Consumer Price Index registered an increase of 3.5%, as

compared to 3% in 2004, due to the increase in oil prices and the VAT rate by one percentage point in April 2005. During the same period, the average inflation rate in the euro-zone amounted to 1.3 percentage points.

After remaining unchanged for most of the year, the base rate of the European Central Bank (ECB) increased by 0.25% in December 2005. The minimum bid rate in main refinancing operations increased to 2.25%, the interest rate on the marginal lending facility increased to 3.25% and the interest rate on the deposit facility increased to 1.25%. In the Greek money market, the rates for new mortgage loans decreased during the first ten-months of 2005, and their weighted average, excluding charges, amounted to 3.93% in November 2005, as compared to 4.37% in December 2004. The rates for new business and consumer loans exhibited mixed trends.

Greek government securities' yields fluctuated during 2005. The yield of the 10-year benchmark bond for Greek treasury bonds stood at 3.57% in December 2005, as compared to 3.77% in December 2004. The yield of the 12-month Treasury Bills increased from 2.3% in December 2004, to 2.78% in December 2005.

In 2005, total credit expansion of the Greek economy showed significant growth. In the period Nov. 2004 - Nov. 2005 total lending to the private and public sectors of the economy increased by 14.0%, as compared to a 7.7% increase during the same period of 2004, credit expansion to the private sector (households and enterprises) increased by 15.1%, as compared to 15.8% for the same period of 2004, and credit expansion to the public sector increased by 11.5%, as compared to an 8% decrease for the same period of 2004.

In 2005, the budget deficit was substantially reduced, through a fiscal consolidation of 2.3 percentage points of the GDP. By the end of 2005, the general government deficit decreased to 4.3% of GDP, from 6.6% in 2004. The general government recorded a primary surplus of 0.9% of GDP, as compared to a 0.9% deficit in 2004, while the general government debt as a percentage of the GDP is estimated to have decreased to 107.9% in 2005 from 109.3% in 2004.

Developments concerning the country's external account during 2005 were favorable. The trade weighted exchange rate registered an annualized decrease of 2.5%, as compared to a 0.9% increase in 2004, positively affecting the exports of goods, and reducing the trade deficit to 16.5% of GDP in 2005 from 17.9% of GDP in the previous year. The improvement in exports was accompanied by an increase in the income from tourism and transport. As a result, the current account deficit decreased to 6.6% of GDP in 2005, from 8.2% of GDP in 2004.

TABLE 1

Greek Macroeconomic Indicators, 2004-2005

Macroeconomic Indicators	2005	2004
Aggregate Demand and GDP		
(Constant prices, percent change [%] over previous year)		
Gross Domestic Product	3.6	4.7
Private Consumption	3.2	4.4
Public Consumption	2.7	3.9
Gross Fixed Capital Formation	1.0	5.7
Domestic effective demand	2.4	4.7
Exports of Goods & Services	5.0	11.5
Imports of Goods and Services	0.7	9.3
Production & Employment		
General Index of Industrial Production (percent, y-o-y)	-0.9	1.2
Total employment (percent, y-o-y)	1.4	2.9
Labor productivity (percent, y-o-y)	2.2	1.7
Unit Labor Cost (percent, y-o-y)	3.4	4.5
Real per capita wages (percent, y-o-y)	2.0	3.3
Unemployment rate	10.4	11.0
Prices & Monetary Aggregates		
Consumer Price Index (% average annual change)	3.5	2.9
Harmonized CPI (% average annual change)	3.5	3.0
Difference in Greek and EU-15 inflation rates (% points)	1.3	1.1
Deposits and repos (percent, y-o-y.)	13.6 ¹	9.0
Total credit expansion (percent, y-o-y)	14.0 ¹	7.7
Credit expansion to the private sector (percent, y-o-y)	15.1 ¹	15.8
Credit expansion to the Public sector (percent, y-o-y)	11.5 ¹	-8.0
10-year Treasury Bond Yield (percent, year average)	3.6	4.3
Public Finances (percent of GDP)		
General Government Balance	-4.3	-6.6
General Government Primary Surplus	0.9	-0.9
General Government Debt	107.9	109.3
External Account		
Trade weighted exchange rate (percent, annual change)	-2.5	0.9
Trade Balance (percent of GDP)	-16.5	-17.9
Current Account Balance (percent of GDP)	-6.6	-8.2

Sources: *Prospects of the Greek Economy*, Ministry of Economy and Finance, Oct. 2005.
Bulletin of Conjunctural Indicators, Bank of Greece, Nov. Dec. 2005.

Note 1. Nov. 2004-Nov. 2005

The International Economy

In 2005, the growth of the global economy continued despite the large increases in the prices of energy and raw materials. According to IMF estimates, the growth rate of world GDP registered a slight decrease in 2005, dropping to 4.3%, from 5% in 2004, albeit continued to exceed the annual growth rate of the world GDP for the period 1970-2005, i.e. 3.7%. In 2005, GDP growth was stronger in the US (3.5%) and China (9%), and lagged in Japan (2%) and the euro zone (1.2%). Moreover, the growth of global trade in goods and services fell to 7% in 2005, as compared to 10.3% in 2004.

GDP growth in EU-25 fell to 1.5% in 2005, from 2.5% in 2004. The

deceleration of GDP growth rates in Europe is mainly due to oil price increases, which had an adverse effect on private consumption and investment. By the end of December 2005, the price of Brent amounted to approximately \$60 per barrel, as compared to \$40 in January. The slowdown in economic activity led to the implementation of expansionary macroeconomic policies, accompanied by relatively low interest rates and high profit margins. Nevertheless, the policies to boost the economy and the increases in the price of oil and other raw materials did not exert any upward pressures on inflation rates, which remained under control, because of the controlled dependence on oil, the strengthening of international competition in the markets for goods and services, and the increased reliability of central banks in meeting price stability targets.

In the first semester of 2005, the euro zone saw a decline in domestic consumption, caused by the reduction in consumer expenditure. The increase in net exports contributed to GDP growth and the labor market responded well to the demands of the changing economic environment. Employment registered a slight increase of 0.9% in 2005, as compared to 0.6% in 2004, but unemployment remained unwavering at 8.7%. The main feature of the European economy in the second semester was the increase of inflation to 2.5%.

Overall, inflation in the euro zone for 2005 stood at approximately the average rate of the previous year (2.2%). This development was also facilitated by the gradual devaluation of the euro against the dollar and the containment of labor costs. It is estimated that the budget deficit rose to 3.0% of GDP in 2005, from 2.7% in 2004. The gross public debt ratio is estimated to 72.3% of GDP in 2005, as compared to 70.8% in 2004. The devaluation of the euro against the dollar during 2005 benefited European exports. The containment of euro interest rates to low levels, along with increases in demand and exports, create the proper conditions for investment growth and present the European economy with favorable prospects for 2006.

General Overview of the capital market

International capital markets

In 2005, international markets recovered, investment activity increased and capital market indices rose significantly in most emerging and advanced capital markets. Most emerging markets registered some of the greatest stock exchange returns ever.

According to data from the Financial Times (02.01.2006), the MSCI World (\$) index registered an annual gain of 7.4%, sustaining the good

TABLE 2

EU Macroeconomic Indicators, 2003-2005

Country	GDP			Exchange Rate			Inflation			Gross National Debt (% GDP)		
	Annual change (%)			Annual change (%)			Annual change (%)			2005	2004	2003
	2005	2004	2003	2005	2004	2003	2005	2004	2003	2005	2004	2003
Austria	1.7	1.9	0.8	-	-	-	2.3	2.0	1.5	64.3	64	64.5
Belgium	1.4	2.5	1.3	-	-	-	2.9	2.0	1.8	94.9	95.8	100
Denmark	2.7	2.3	0.5	7.45	7.44	7.43	1.7	1.4	1.8	36.0	43.4	45.9
Finland	1.9	3.0	1.9	-	-	-	1.5	0.6	0.5	42.8	44.8	45.6
France	1.5	2.4	0.5	-	-	-	1.3	1.7	2.0	66.5	64.9	63.7
Germany	0.8	1.9	-0.1	-	-	-	1.7	1.7	1.0	68.6	65.9	64.2
Greece	3.5	3.8	4.5	-	-	-	3.7	3.1	3.4	107.9	112.2	109.9
Ireland	4.4	5.2	3.7	-	-	-	1.8	2.2	3.8	29.0	30.7	32.1
Italy	0.2	1.3	0.3	-	-	-	2.0	2.4	2.5	108.6	106	106.2
Luxembourg	4.2	4.0	2.9	-	-	-	2.6	2.3	1.9	6.8	4.9	5.3
Netherlands	0.5	1.4	-0.9	-	-	-	1.7	1.1	2.3	54.0	55.7	54.1
Portugal	0.4	1.3	-1.2	-	-	-	2.2	2.3	3.4	65.9	60.8	60.3
Spain	3.4	2.6	2.5	-	-	-	3.7	3.1	3.1	44.2	48.2	50.7
Sweden	2.5	3.7	1.6	9.28	9.13	9.12	1.0	1.5	2.5	50.6	51.6	52
Britain	1.6	3.3	2.2	0.68	0.68	0.69	2.4	1.7	1.8	43.1	40.4	39.8
EU-25	1.5	2.5	1.0	-	-	-	2.1	2.0	1.9	64.1	63.5	63.2
USA	3.5	4.4	3.1	1.25	1.23	1.13	2.9	2.4	1.9	N/A	N/A	N/A
Japan	2.5	4.2	2.4	136.7	1.34	1.3	-0.5	-1.3	-1.4	N/A	N/A	N/A

Source: *European Economy, Oct. 2005.*

performance of the previous year. Moreover, the MSCI Europe (€) index rose by 21.7%, the MSCI Pacific (\$) index by 20.6%, the DJ Euro Stoxx (€) index by 20.7%, and the FTSE Eurotop 300 (€) index, which includes the largest listed European companies, rose by 22.4%. European capital markets performed slightly better than those of the US, albeit lagged in comparison to the extremely good performance of the Japanese market, which started to recover after a ten-year recession. More specifically, the FTSE 100 (£) index of the London Stock Exchange rose by 16.7% year-on-year, the CAC-40 (€) of the Paris Stock Exchange rose by 23.4% and the Dax Xetra (€) index of the Frankfurt Stock Exchange rose by 27.1%, whereas the Dow Jones Industrial Average (\$) registered a slight 0.6% decrease, the NASDAQ Comp (\$) registered a slight 1.4% increase and the Nikkei 225 Average (¥) registered a hefty increase of 40.2%.

This increase in stock market indices occurred in a favorable international environment, marked by stability and flexibility. The global economy withstood natural disasters, continuous oil and other energy source price hikes, as well as negative forecasts concerning the momentum of the US economy's recovery and the course of the US dollar. The international community managed to absorb repercussions from, and to retain its balance despite the turbulence caused by, the

continuing engagement of the US in Iraq, the complicated international trade negotiations of Doha, and the rejection of the European Constitution by France and the Netherlands. The ongoing internationalization of financial transactions intensified competition and created favorable conditions and opportunities for investors, and companies seeking to raise funds. The dynamic growth of Asian countries, led by China, helped boost investor interest.

Stock market developments indicate that international markets continue growing in terms of transactions and capital gains, and continue to improve their efficiency. Despite the variability in estimates concerning the expected valuation levels of securities worldwide, deviations from the growth patterns of stock market prices remained at reasonable levels. Many new and sophisticated financial products (e.g. credit derivatives) were introduced in the US and Europe, as a result of the dynamic effort of stock exchanges and investment banks to capture increased business profits, albeit without properly understanding how such products behave in the market under conditions of major or extreme share price fluctuations, or what are their repercussions for the smooth operation of the markets. Technological development and the profit motive increased the speed of international capital mobility and led to the execution of stock exchange transactions that put a great strain on the clearing and settlement of cross-border transactions. Hedge fund investments increased significantly and, according to estimates, their total assets under management exceed US\$1 trillion, posing major challenges for regulators. Indeed, apart from the consequences on the sound and smooth operation of the markets, the strife to find first-rate opportunities for the placement of such huge funds, in conjunction with increasing market efficiency, could be accompanied by phenomena of high indebtedness to finance relatively mediocre investment expectations.

In 2005, there were many new security issues in international capital markets, more than those of the year 2000. According to data from Thomson Financial (Global Financial Markets), the total international value of shares, fixed income securities, and other securities issued by means of initial public offerings, exceeded US\$6.5 trillion, registering an annual increase of 14.0% and including more than 20,000 issues. In Europe the total value of issues exceeded US\$ 2.5 trillion, registering an annual increase of 12.9%, while in Japan it exceeded US\$ 276 billion, registering an annual increase of 10%. Investment banks providing underwriting services saw their revenues increase by 5.2%, reaching US\$32,2 billion. Moreover, the total international value of fixed income securities issued by means of initial public offerings, exceeded US\$5,6 trillion, registering an annual increase of 16.0% and including more than

14,000 issues.

According to data from the Financial Times (30.12.2005), in 2005 there were approximately 1,600 initial public offerings (IPOs) of shares and fixed income securities. The total value of funds raised through public offerings worldwide amounted to US\$ 170 billion, increased by 24% year-on-year. The total value of funds raised through public offerings in Europe (mostly accounting for France) approached US\$ 63 billion, registering an annual increase of 66%, while in North America it shrank to US\$ 44 billion, registering an annual decrease of 14%. The total value of funds raised through public offerings in Asia, excluding Japan, exceeded US\$ 42 billion, registering an annual increase of 50%, while in Japan the total value decreased by 23% year-on-year, falling to US\$ 12 billion. The five companies that absorbed the largest funds worldwide were China Construction Bank Corp (\$9.23 billion), Electricite de France (\$9.03 billion), Gaz de France (\$5.46 billion), China Shenhua Energy (\$3.27 billion) and Link Real Estate Investment Trust (\$2.8 billion).

This significant increase in the issuance of new securities in Europe emanated from the momentum of state-owned companies privatization, increased demand for securities from investors of all industries, and the expansion of private equity investors. Reportedly, the reduction in the number of new issues in the US has been the result of the adverse effects on cross-border transactions caused by the increase in the regulatory burden of the past few years (e.g. Sarbanes-Oxley Act).

The growth of international issuance activity took place in a global environment marked by increasingly prudent investment opportunity selection, and the restraint of the investment excesses of past periods. These developments confirm that recourse to the capital market has been the main source of business financing during 2005, a practice that is expected to persist in 2006.

In 2005, corporate restructuring was a main feature of international markets, because of the increased demand for investment in the energy sector, the increased liquidity of companies and the substantial involvement of major private investors. According to data from Thomson Financial, the total international value of company mergers and acquisitions reached US\$2.7 trillion, registering an annualized increase of 38.4% , the third largest ever. The value of mergers & acquisitions among energy sector companies increased by 40.7%, reaching US\$416 billion, the value of M&A among financial sector companies increased by 28.5%, reaching US\$413.8 billion and the value of M&A in the telecommunications sector increased by 19.4%, reaching US\$264.5 billion, while the value of M&A among consumer goods companies

reached US\$152 billion and registered the largest year-on-year increase of 91.6%.

In 2005, the total value of stock market transactions increased worldwide. Given the slow pace of international growth rates, this increase was substantial, and emanated from the continued growth of cross-border portfolio restructuring investments, the privatization of state enterprises and the increased use of venture capital to finance new security issues. Although in 2005 the value of share transactions in the US decreased by 4.6% year-on-year, and fell to US\$ 165.9 billion, in Europe it was substantially increased. More specifically, according to data of the World Federation of Exchanges (Focus, Jan 2006), the value of share transactions amounted to US\$10,086.7 (+15.1%) in the NASDAQ; US\$14,125.3 (+21.6%) in the NYSE; US\$1,567.7 (+29.9%) in the BME Spanish Exchanges; US\$1,300.4 (+33.6%) in the Borsa Italiana; US\$1,912.3 (+24.0%) in the Deutsche Borse; US\$2,901.3 (+17.2%) in the Euronext; US\$5,673.9 (+9.6%) in the London Stock Exchange; US\$64.9 (+45.2%) in the Athens Exchange; US\$201.1 (+36.1%) in the Istanbul Stock Exchange; US\$464.3 (+5.6%) in Hong Kong; and US\$4,426.6 (+37.5%) in the Tokyo Stock Exchange.

The Greek capital market

International developments affected the course of the Greek capital market, which in 2005 featured a rise in stock market prices and increased trading activity in the equity, derivatives and corporate bond markets of the Athens Exchange (ATHEX). The rise in the total value of transactions and the market capitalization of the companies listed in the Athens Exchange was even, and stock market fluctuations did not have any destabilizing effect on market systems.

The ATHEX General Index closed at the year's end at 3,663.9 units, realizing an annual increase of 31.5%. In 2005, the average daily value of transactions in the ATHEX was 210 million euros, registering a substantial annualized increase of 48.9%, while the total annual value of transactions amounted to 52.5 billion euros, registering a major increase of 46.9%. By the end of 2005, the total market capitalization of ATHEX-listed companies amounted to 123.0 billion euros, representing an annual decrease of 33.5%, and was equivalent to almost 68.3% of the Greek GDP.

The ATHEX General Index and the sectoral indices followed an upward, fluctuating course. More specifically, in January 2005 the stock indices of the Greek market outperformed those of European countries. The General Index of the Athens Exchange increased by 4.8%, outperforming both European and American indices. This increase

mainly concerned the prices of small and middle capitalization stocks. The FTSE/ATHEX 20 index rose by 4.2%, the FTSE/ATHEX MidCap 40 index rose by 10.4%, and the FTSE/ATHEX Small Cap 80 index, which includes small capitalization stocks, rose by 9.8%. The developments occurred during a period in which the Greek economy was expected to be placed under probation by the European Commission, in order to reduce the budget deficit below 3% of GDP by the end of the year. Moreover, according to data of the National Statistical Service, consumer price index growth approached 2.9% (year-on-year), the lowest rate of the past five years. The Bank of Greece announced a small increase in consumer credit rates, and a slight decrease in collateralized mortgages. Banking sector companies attracted investor interest, and their sectoral index increased by 3.3%, as compared to 1.5% for the telecommunications index. The net assets of mutual funds on January 25th amounted to 31.6 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In February, there was a major rise of stock market indices. The FTSE/ATHEX 20 index rose by 9.1% on a monthly basis, while the FTSE/ATHEX Mid 40 index rose by 5.6%. The banking sector registered the largest increase (10.1%), thanks to the announcement of substantial profit increases for the previous year. The NSS announced that the consumer price index had risen by a substantial 4.2% in January, while GDP growth for the previous year had reached 3.9%. The Bank of Greece announced that the budget deficit for the previous year had amounted to 15.3 billion euros, while the Ministry of Economy and Finance announced a revision of the Stability & Growth Programme, designed to incorporate the new excessive public debt calculation procedures set by the European Commission. The net assets of mutual funds by the end of the month amounted to 31.8 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

March was a month of massive share liquidation in the Greek stock exchange, which, nevertheless, did not exceed the massive liquidations caused in the other European markets by negative investor expectations regarding developing markets. The FTSE/ATHEX 20 index fell by 9.4%, the FTSE/ATHEX MidCap 40 index fell by 11.3%, and the FTSE/ATHEX MidCap 80 index fell by 9.3%. According to Eurostat, the budget deficit for the previous year (2004) represented 6.1% of the GDP. Following these developments, the Ministry of Economy and Finance announced supplementary measures for the reduction of the deficit, the most important being the addition of one percentage point to the VAT rate, and the imposition of a special tax on alcoholic beverages and

cigarettes, with the aim of raising additional revenues of 2.6 billion euros by the end of 2006. The overall negative sentiment in the stock market affected trading activity in all sectors, with very few exceptions. The banking sector index lost 11.2%, amidst heated debate on the issue of the bank's pension liabilities. The net assets of mutual funds by the end of the month amounted to 31.2 billion euros, while the inflows:outflows balance for the entire mutual fund market was negative.

In April trading activity was weak and stock market indices registered only a slight increase. The General Index increased by 0.5%, outperforming European stock exchanges. The FTSE/ATHEX 20 index fell by just 0.2%, the FTSE/ATHEX MidCap 40 index registered a slight increase of 0.7%, and the FTSE/ATHEX MidCap 80 index registered a larger fall of 2.6%. In the same month, the Ministry of Economy and Finance announced the revised Stability & Growth Programme, which assumed a growth rate of 3.5% for 2005 and the reduction of the budget deficit to 3.5% of GDP by the end of the year. The European Commission announced a 2.9% estimate for Greek GDP growth in 2005, and accepted the measures taken for the reduction of the budget deficit below 3% of GDP by the end of 2006. According to NSS data, the consumer price index had reached 2.9% in March, and the unemployment rate for the final quarter of 2004 stood at 10.4%. In April, foreign institutional investors increased their placements in FTSE/ATHEX 20 companies, raising their participation in Greek market companies to approximately 44%. Also in April, the telecommunications sector presented the best return (6.9%), while the banking sector suffered a slight loss (-0.8%), reflecting the desire of investors to secure their gains in view of the adoption of the international financial reporting standards for the preparation of the financial statements of the sector's companies. The net assets of mutual funds by the end of the month amounted to 30.6 billion euros, while the inflows:outflows balance for the entire mutual fund market was negative.

In May, share prices recovered significantly in both the European and Greek markets. The FTSE/ATHEX 20 index rose by 4.1%, mainly driven by the increase in banking stock prices. The banking sector index rose by 6.6%. The FTSE/ATHEX MidCap 40 index registered a smaller increase of 3.0%, and the FTSE/ATHEX MidCap 80 index registered a slight increase of 0.8%. The public announcements for the month included the increase of the consumer price index by 3.4% (year-on-year) in April, because of the substantial rise of international oil prices, as well as the annualized increase of the growth rate by 3.6%, and the reduction of the overall central government debt to 115% of GDP by the end of March. According to OECD estimates, the Greek economic

growth rate decreased to 2.8%. Equity sales were limited during the month, which was marked by the dynamic presence of the banking sector, but also by concerns about the outcome of the sector's unfunded pension liabilities issue. The net assets of mutual funds by the end of the month amounted to 30.3 billion euros, while the inflows:outflows balance for the entire mutual fund market was negative.

In June, the General Index rose by 3.4%, retaining the momentum of the previous month, and mainly driven by the telecommunications sector. The FTSE/ATHEX 20 index rose by 3.6%, the FTSE/ATHEX MidCap 40 index rose by just 0.4%, and the FTSE/ATHEX MidCap 80 index fell by 1.6%. The government announced its proposals concerning the institutional framework for the bank's unfunded pension liabilities, causing the reaction of the unions of the sectors employees and generating estimates for a slight adverse influence on the profitability of the sector's companies during the second semester. The new institutional framework was ratified by the Parliament at the end of the month and reactions subsided. Despite the slight reduction in the CPI to 3.2% in May, overall inflation expectations remained negative because of increased oil prices. The telecommunications sector showed the most dynamic behavior and the corresponding index gained 7.5%, driven by developments in the issue of labor reform and the restructuring of the pension liabilities of OTE, whose share price increased by 10.5%, while the share price of Cosmote SA increased by 3.4%. Conversely, banking stock prices fluctuated, amid discussions concerning the difficulties in implementing the new institutional framework for the banks' unfunded pension liabilities. The net assets of mutual funds by the end of the month amounted to 29.2 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In July, the stock exchange indices of the Greek market posted substantial gains. The General Index rose by 6.9%, retaining the momentum of the previous month, and mainly driven by the telecommunications and banking sectors. The FTSE/ATHEX 20 index rose by 6.4%, the FTSE/ATHEX MidCap 40 index rose by 13.0%, and the FTSE/ATHEX MidCap 80 index rose by 8.8%. The NSS announced that the consumer price index for the previous month had increased slightly to 3.3%, and predicted that inflation would accelerate because of the delay in the sales season. The Ministry of Economy and Finance announced its estimate for 3.5% growth in the first quarter of 2005, and its expectation for equal growth rates for the second quarter. The net assets of mutual funds by the end of the month amounted to 29.7 billion euros, while the inflows:outflows balance for the entire mutual fund market was positive.

In August, the stock exchange indices of the Greek market incurred losses. The General Index incurred a loss of 1.3%, greater than the loss of European indices. The FTSE/ATHEX 20 index fell by 1.3%, the FTSE/ATHEX MidCap 40 index fell by 0.9%, and the FTSE/ATHEX MidCap 80 index fell by 2.2%. The Ministry of Economy and Finance, announced that at the end of June 2005 the public debt had risen to 123% of the GDP, while the consumer price index had remained stable to 3.7% year-on-year. The Bank of Greece announced that the trade deficit for the first semester of the year had increased by 1.5 billion euros. In the same month, the banking sector index suffered a slight loss of 2.5%, while the telecommunications sector posted a small gain of 0.6%. The net assets of mutual funds by the end of the month amounted to 29.3 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In September, investor sentiment reversed and the markets started to rise, following European ones. The General Index rose by 4.7%, the FTSE/ATHEX 20 index rose by 4.2%, mainly driven by the banking sector, the FTSE/ATHEX MidCap 40 index rose by 5.6% and the FTSE/ATHEX Small Cap 80 index rose by 6.1%. Announcements for August included a slight annualized reduction of the consumer price index to 3.7%, and the acceleration of the economic growth rate to 3.7%. The measures taken for the reduction of the budget deficit, the improvement in the quarterly financial results of companies and the expansion of mortgage loans, provided new momentum for banking sector companies during this month. The net assets of mutual funds by the end of the month amounted to 29.1 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In October, the stock exchange indices of the Greek market incurred losses, following the trends in European markets. The General Index fell by 2.2%, the FTSE/ATHEX 20 index fell by 2.1%, the FTSE/ATHEX MidCap 40 index fell by 1.6%, and the FTSE/ATHEX MidCap 80 index rose by 2.3%. The NSS announced a 3.9% year-on-year increase of the consumer price index. The European Commission announced that the government's move to reduce public debt through securitization designed would have limited effectiveness, because of its negative consequences for the effort to reduce the budget deficit. The net assets of mutual funds by the end of the month amounted to 28.6 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In November, the stock exchange indices of the Greek market rose, thanks to the announcement of improved corporate results and the rise in European markets. The General Index rose by 4.1%, the

FTSE/ATHEX 20 index rose by 4.2%, the FTSE/ATHEX MidCap 40 index fell by 4.0%, and the FTSE/ATHEX MidCap 80 index rose by just 1.2%. Announcements concerning the inflation showed a small year-on-year reduction of the consumer price index by 3.8%, while the forecasts of the European Commission included the reduction of the budget deficit from 6.6% at the end of 2004 to 3.7% at the end of 2005, with the aim of a further reduction to 3.7% at the end of 2006. It was also announced that the new institutional framework, and the imposition of the higher VAT rate (19%) on real property transaction would take effect from the beginning of 2006. The results announced by ATHEX-listed companies showed once again that the banking sector featured the greatest gains (4.7%). In the same month, the government presented the initial draft of the state budget for 2006, whose key annual targets were the reduction of the budget deficit below 2.6% of GDP, the reduction of the public deficit and the enhancement of economic growth, employment and social cohesion. The net assets of mutual funds by the end of the month amounted to 28.3 billion euros, while the inflows minus outflows balance for the entire mutual fund market was negative.

In December, the stock exchange indices of the Greek market followed the trends in European markets and moved upwards, featuring increased activity in mid- and small- capitalization. The General Index rose by 6.3%, the FTSE/ATHEX 20 index rose by 5.3%, the FTSE/ATHEX MidCap 40 index registered a substantial increase of 12.4%, and the FTSE/ATHEX MidCap 80 index registered a major increase of 16.6%. The announcement about the inflation indicated a slight year-on-year decrease of the consumer price index to 3.5% in November, because of the drop in international oil prices. Announcements also included a 21.1% reduction of the budget deficit for the ten-month period from January to October. In December, investor interest focused on the shares of companies featuring superior cash flow, sound results and strong growth prospects. The net assets of mutual funds by the end of the month amounted to 27.9 billion euros, while the inflows:outflows balance for the entire mutual fund market was negative.

Expectations concerning the course of stock markets in 2006 are positive. The bullish trends of the period 2003-2005 during which both the General and FTSE/ATHEX-20 indices posted cumulative gains of 109.6% and 133.7% respectively, are expected to persist, as a result of the improvement of the domestic macroeconomic environment, the buoyant climate in international stock exchanges, the improvement of corporate profits, the gradual growth of corporate restructuring and initial public offering activity, and the enhancement of investor interest

for dynamic industries (e.g. energy). The increased participation of foreign investors in the Greek capital market, and the continuous restructuring of stock markets, foretell a major alignment of behavior between the Greek, and European and international markets.

Issuance activity in the markets of the ATHEX during 2005 was limited in terms of absolute numbers, albeit significant in terms of the funds raised. Indeed, 8 new companies proceeded to the initial public offering of their shares in 2005, as compared to 10 companies in 2004, raising 1,348 million euros. This amount represents an annualized increase of 1,318.9%. Moreover, 19 listed companies proceeded to share capital increases, as compared to 11 companies in 2004, raising 2,675.8 million euros. This amount represents an annualized increase of 996.3%. By the end of 2005, the total number of listed companies in the ASE rose to 360 companies.

During the period 2004-2005, ATHEX-listed companies improved their profitability. Consolidated net profits of listed companies, based on their 2004 annual financial statements, amounted to 5.4 billion euros, increased by 12.5% year-on-year, while distributed dividends increased by 159.7%. The first estimates of the listed companies' results for 2005 show a decline in net profits for the first three quarters. However, according to initial indications, the profitability of listed companies for 2005 was expected to rise.

In the past few years, placements in mutual fund and portfolio investment company shares were marked by upward and downward trends, with continuous inflows and outflows of liquidity. In 2005, the trend remained the same. By the end of the year, the total assets of 267 mutual funds amounted to 27.94 billion euros, registering a total annual decrease of 11.7%. The increase in collective fund assets in recent years laid the groundwork and provided the incentives for the competitive rationalization and restructuring of the industry's investments through new mutual fund types and placements in new products and foreign securities.

There was also a change in the composition of mutual fund investments. By the end of 2005, the net assets of money market funds amounted to 17.7% of total assets, as compared to 48.8% in 2004, the net assets of equity funds amounted to 21.5% of total assets, as compared to 16.3% in 2004, the net assets of bond funds amounted to 48.6% of total assets, as compared to 24.1% in 2004, the net assets of mixed funds amounted to 9.4% of total assets, as compared to 10.8% in 2004, and the net assets of the "funds of funds" amounted to 2.9% of total assets.

These changes prove that there is a steady change in the treatment of Greek savings, which is determined by overall developments in the

stock market. While in previous years a large and increasing portion of savings was channeled into high risk-bearing financial placements, the reversal in investor sentiment of the past two years led money savings to low risk placements, a trend that was reversed again during the course of the previous year. That is, there is both greater sensitivity to stock market developments, and a consequent change in the supply of funds that accept the undertaking of higher risks in return for higher yields.

Regulation of the Greek capital market

In 2005, both the supervisory authorities and the State enhanced the regulatory framework and the infrastructure for the supervision of the capital market, with new measures that protected the market from systemic risks and phenomena of extreme speculative behavior. The measures included improvements and extensions of the existing regulatory framework, on the basis of the new demands of the market and the substantial experience thus far accumulated. In 2005, the development of capital market supervision included measures such as the reinforcement of the regulatory and supervisory capabilities of the capital market and the regulatory authorities, the enhancement of the market's effectiveness and liquidity, the improvement of the efficient operation of investment firms, the continuation of the program 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, as well as in the trading and clearing system.

The implementation of Laws 3340/2005, 3401/2005 and 3371/2005 led to major developments regarding the fight against market abuse and the operation and supervision of stock markets. Law 3340/2005 incorporates into Greek legislation the provisions of the European Commission Directive 2003/6/EC on market abuse, the European Commission Regulation 2273/2003 on share buy-back programs and stabilization of financial instruments, the European Commission Directive 2003/124/EC on the definition of inside information and the definition of market manipulation, the Commission Directive 2003/125/EC on the fair presentation of investment recommendations and the disclosure of conflicts of interest and the Directive 72/2004/EC on inside information about commodity derivatives and other Level II measures of the Lamfalussy process. The new institutional framework provides a generic and flexible definition of "market abuse," establishes strict terms and conditions for the adoption of trading practices and introduces a common European regime for the supervision, prevention and investigation of market abuse cases and the imposition of sanctions.

Law 3371/2005 is a key instrument for the improvement of the institutional framework governing the Greek capital market. The law establishes modern and competitive terms and conditions for the listing of securities for trading in regulated markets in Greece and new obligations for the issuers of securities, which concern the equitable treatment of shareholders and the provision of information to investors; revises the framework for the suspension, trading and delisting of securities from the Stock Exchange; updates the framework for the operation of portfolio investment companies and firms for the reception and transmission of orders; introduces regulations concerning transaction clearing and investor insurance schemes and upgrades the overall operation of the market. The establishment of these provisions is a major step towards the improvement of the flexibility and development of the capital market, as well as the effective supervision of its operation.

Moreover, Law 3401/2005 incorporates into Greek law the provisions of the European Directive on the content of the Prospectuses of companies wishing to list their shares for trading in a stock market, in order to improve transparency and investor protection.

In 2005, the Board of Directors of the Hellenic Capital Market Commission, having obtained the necessary authorization, issued a large number of rules, regulations and circulars as well as opinions to the Minister of Economy and Finance. 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 in 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 financial intermediation firms, to adapt the codes of their business conduct with the view of protecting investors from unethical behavior, and to enhance the rules concerning transparency, which improved the provision of information to investors.

Investor protection was significantly improved through the establishment of regulations against all types of market abuse and dissemination of misleading information and analyses; the reinforcement of the obligation of investment firms to segregate their own funds from those of their customers; the establishment of the obligation of mutual funds to disclose new investment and financial information, cost and portfolio rotation ratios, and to inform investors about their advertisements in a manner that prevents the dissemination of misleading information; the revision of transparency regulations for

issuing companies (HCMC Rule, 5/204/2000) designed to improve the transparency obligations of the persons that lead and manage listed companies; the establishment of new requirements concerning the provision of information by Investment Firms and Mutual Fund Management Firms that provide investment services in association with other companies; the establishment of regulations for the revision of the methods for the allocation, and the definition of the final price, of IPO securities, along with the establishment of the obligation of issuing companies to post in their websites data and information about the consolidated and non-consolidated financial statements that are prepared in accordance with the International Financial Reporting Standards.

Transparency in the market was decisively improved through the establishment of a new framework for the disclosure of information and the record keeping obligations of investment firms in the context of their operation, the establishment of provisions concerning the methods for valuating the assets of mutual funds, and the portfolios of investment firms and Real Estate Investment Companies not listed in regulated markets, and the establishment of the obligation of the Stock Exchange to prepare, issue and circulate to the public a Daily Bulletin the latest within the day after the stock market session.

The smooth operation of the market was decisively upgraded through the approval of improvements in the rulebooks for the Athens Exchange, the ADECH and the Dematerialized Securities System (DSS) and the establishment of a new regulatory framework for stock lending, as well as criteria for the provision and revocation of operation licenses for regulated markets, the revision of regime governing the maximum daily fluctuation limits of share prices in cases of company restructuring and auction trading, and the regime for the provision of credit to investment firm clients (margin account trading).

Investor insurance schemes were rationalized through the revision of the size of the Common Guarantee Fund for the year 2005 to €180 million, which set the minimum contribution of investment firms to €704,328.69, and through the establishment of terms and conditions for the refunding from the Supplementary Clearing Fund, in case a firm ceases to be a member of the Athens Stock Exchange.

Supervision of the Greek capital market

A major priority during 2005 was the supervision of listed company compliance with transparency obligations. Controls regarding the disclosure of additional information in the financial statements published by listed companies were continued, with the aim of providing

investors with complete information about the use of the funds raised. There were also further controls regarding the disclosure of information in cases of share capital increases by listed companies, and the observance of restrictions regarding the amount of such increases, and especially of the uses of funds raised, which must be in accordance with the decisions of the General Shareholders' Meeting.

A major part of the Commission's supervisory activity was the implementation of the code of conduct for companies listed in the Athens Exchange (HCMC rule 5/204/14.11.2000), regarding the mandatory disclosure of transactions by company executives that are holders of inside information, as well as the announcement of major corporate actions. As a result of the new regulations on market abuse, the above rule was revised, in order to become more efficient.

Moreover, the oversight of compliance with the provisions of Law 3016/2002 on corporate governance, regarding the composition of the board of directors, the internal audit and organization of the companies, and the use of funds raised in the market continued and showed a satisfactory degree of company compliance.

In 2005, the Hellenic Capital Market Commission provided a major assistance to the State for the preparation of legislation regulating the capital market. The most important development was the completion of the work of the committee that had been preparing the incorporation of EU Directives and the Regulation on Market Abuse (market manipulation and insider trading) into Greek law. Its work was the first implementation of the new four-level European legislative process, proposed by the Committee of Wise Men ("Lamfalussy" Report) for the regulation of European securities markets. These regulations constitute a balanced effort to adopt an effective and comprehensive structure for the prevention of market abuse, in line with the European framework.

In 2005, the HCMC persisted on the strict supervision of financial intermediaries (investment firm - members and non-members of the ASE, and mutual fund management firms), listed companies and financial transactions. More specifically, supervision principally involved compliance with the natural and legal person eligibility and transparency criteria for the provision of operating licenses to financial intermediaries and the listing of shares in the stock exchange; the monitoring of capital adequacy of brokerage firms through monthly regular and ad hoc audits; the monitoring of the asset structure of institutional investors through quarterly and ad hoc audits; the monitoring of the efficiency of risk management systems; the organization of examinations for the certification of stock exchange representatives; the strict monitoring of the financial behavior of investment intermediation firms through

recurring sample audits; the cross-checked monitoring of transactions in the securities and derivative products markets of the stock exchange for the prevention of market abuse practices; the daily monitoring of the clearing and settlement process and the imposition of sanctions in cases of malpractice; and the monitoring of illegal short selling.

During the year, the Commission continued to follow-up news publications regarding shares and listed companies, and asked for the required explanations regarding the content of announcements in the ASE Daily Bulletin. Moreover, the Commission continued the semi-annual monitoring of the uses of funds raised by listed companies through the capital market, the quarterly monitoring of financial statements and the 'real time' monitoring of stock exchange transactions. Moreover, in 2005 the HCMC implemented for the first time the new regime on market abuse, and started to monitor written analyst reports about Greek shares and the Greek market.

In 2005, the Commission expanded its auditing work, with major benefits for the Greek capital market. The audits that were performed during 2005 covered all capital market entities. There were many audits on brokerage firms, investment firms, mutual fund management firms and listed companies. Dozens of cases concerning the disclosure of information by large shareholders were audited. The Commission examined in detail several cases of share transactions, showing indications of market abuse practices. The monitoring of the use of funds raised through initial public offers in previous years continued at the same pace, and a certain amount of evidence was released. The audits performed in 2005 revealed several illegal practices, which led the Commission to levy fines totally worth €11 million - the proceeds credited with the Greek State - and to submit indictments against a large number of persons and legal entities to criminal courts.

International activities of the Hellenic Capital Market Commission

Being a national regulator, 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, and co-operation on issues related to the safeguarding of market stability. In the context of international relations development, members of the Commission's staff participated in numerous international conferences. Moreover, during 2005 there was further co-operation with other countries' regulatory authorities, and the coordinating bodies continued their work for the improvement of co-operation between stock exchanges, clearing houses and regulation authorities.

In general, the staff 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, such as the revision of the Directive on investment services; the promotion of work on the Directive concerning transparency and the frequency of financial disclosure by listed companies; and the promotion of work on the Directive concerning mergers & acquisitions, as well as participation in committees preparing the incorporation of the integrated institutional measures of the European Commission into Greek law.

The critical institutional and supervisory initiatives of the Commission enhanced market and investor protection under steadily improving circumstances for the financial markets. The operational and supervisory systems of the market responded efficiently to its increased trading activity requirements for 2005.

THE ACTIVITY OF THE GREEK CAPITAL MARKET

The stock market

The General Index of the Athens Exchange

In 2005, share prices in the Greek capital market rose significantly, sustaining the recovery of the previous year. Moreover, price fluctuations showed a slight decrease. The Greek capital market followed international trends, confirming its significant degree of correlation with major European markets.

In the last trading session of the year 2005, the General Index of the Athens Exchange closed at 3,663.9 units, registering an annual gain of 31.5%. This is the second best performance among EU member-states. This level represents an overall decrease of 42.1% from the historic high (17.9.1999) of the General Index. The average closing value of the General Index during the year was 3,157.3 units. During the session of 03.01.2005 the Index registered its lowest intraday value (2,786.5 units) and on 05.01.2005 registered its lowest closing price (2,818.3 units). Moreover, the Index registered its highest price for the year and its highest intraday value on 30.12.2004 (3,663.9 units). The average monthly standard deviation of the daily returns of the General Index was 0.83% in 2005, as compared to 1.05% in 2004, 1.13% in 2003 and 1.04% in 2002, while the average monthly standard deviation of the difference between the highest and lowest intraday values of the General Index was reduced from 9.72 units in 2003 and 8.82 units in 2004 to 12.76 units in 2005 (Figure 2), registering a slight decrease in the fluctuation of share prices in comparison to the previous year.

In 2005, all the share price indices of the Athens Exchange Stock Market realized gains (Tables 4 and 5), the only exception being the Publishing-Printing index (-0.48%). The FTSE/ATHEX 20 index rose by 30.47% year-on-year, the FTSE/ATHEX Mid 40 index, which includes middle capitalization stocks rose by 47.06%, while the FTSE/ATHEX Small Cap 80 index, which includes small capitalization stocks rose by 33.31%. Among sectoral indices, the greatest gains were realized by Oil

TABLE 3

Average Annual Change (%) of the ATHEX General Index, 1995-2005

		Placement Year										
Return Year	Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	1996	2.1%										
	1997	27.2%	58.5%									
	1998	44.1%	71.2%	85.0%								
	1999	56.9%	81.0%	93.4%	102.2%							
	2000	30.0%	38.0%	31.8%	11.3%	-38.8%						
	2001	19.0%	22.7%	15.0%	-1.8%	-31.6%	-23.5%					
	2002	9.7%	11.0%	3.4%	-10.6%	-31.9%	-28.2%	-32.5%				
	2003	12.0%	13.5%	7.3%	-3.7%	-20.0%	-12.6%	-6.5%	29.5%			
	2004	13.2%	14.6%	9.5%	0.3%	-12.8%	-4.8%	26.2%	23.1%			
	2005	14.9%	16.4%	12.0%	4.3%	-6.6%	1.6%	9.0%	28.0%	27.2%	31.5%	

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

FIGURE 2

Monthly Volatility of the ATHEX General Index, 2005.

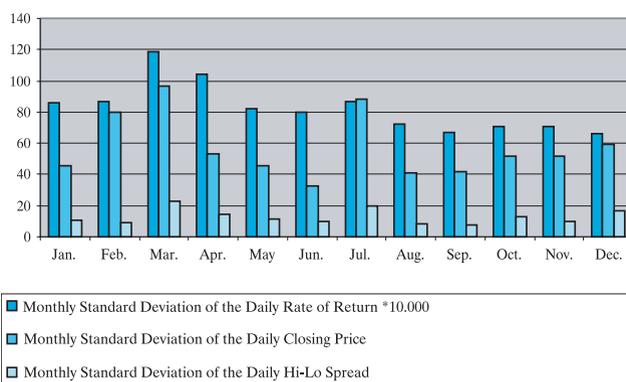


FIGURE 3**Monthly Closing Price of the ATHEX General Index, 2005**

Refineries (63.81%), Information Technology (50.92%), Insurance (50.56%), Wholesale Trade (48.06%) and Industrial Minerals (42.7%). Out of 18 sectoral indices in the ASE, 9 outperformed the General index. Out of 83 large capitalization stocks, 68 registered year-on-year increases. The greatest gains were realized by the shares of Marfin Holdings (214.5%), InfoQuest (203.3%), and Aluminum of Greece (187.55%). Out of 223 middle and small capitalization stocks, 125 (55% of the total) realized year-on-year gains. The greatest gains were realized by the shares of Altec (340.91%), Rainbow (155.84%) and Livani Publishing Organization (154.79%).

In 2005, the total annual value of transactions in the stock market of the ATHEX amounted to 52,489.3 million euros, registering an annual increase of 46.9%. The average daily value of transactions amounted to 210 million euros. The highest monthly value of transactions was observed in September (5,882 million euros), while the lowest monthly value of transactions was observed in May (3,084 million euros).

The value of transactions in the Main Market during the period 02.01.2005-25.11.2005 was equivalent to 93.8% of the total value of transactions in the ATHEX Stock Market, and was increased by 38.3% year-on-year. The value of transactions in the Parallel Market accounted for 5.9% of the total value of transactions in the ATHEX Stock Market, as compared to 9.8% in 2004, and incurred a year-on-year decrease of

TABLE 4

Sectoral Share-Price Indices in the ATHEX, 2005

ASE Indices	Closing price 31.12.2005	Lowest price for the year	Highest price for the year	Annual Change (%)
General Index	3,663.90	2,786.51	3,663.90	31.50
FTSE/ASE20	2,019.04	1,546.80	2,023.41	30.47
FTSE/ASE MID40	3,397.00	2,309.47	3,409.84	47.06
FTSE/ASE Small Cap 80	626.64	442.36	639.28	33.31
FTSE/ASE 140	4,320.08	3,262.51	4,320.08	32.39
Banks	7,904.17	5,962.43	8,010.51	28.96
Insurance	893.10	480.03	898.42	50.56
Investment	1,376.33	910.70	1,376.33	38.48
Industrial	1,709.44	1,223.54	1,709.44	39.31
Holding Companies	1,945.67	1,391.18	1,973.46	37.39
Construction	704.96	544.26	746.23	12.88
Metals	531.22	366.40	548.66	22.11
IT Equipment	284.77	167.43	289.41	28.49
Publishing-Printing	351.53	287.75	428.03	-0.48
Textiles	212.64	131.19	213.84	28.86
Retail Trade	1,193.08	985.36	1,231.81	18.86
Non Metallic Minerals	1,334.89	916.40	1,361.54	42.70
Information Technology	660.71	436.6	665.92	50.92
Telecommunications	1,429.41	1,028.21	1,456.75	32.60
Food & Beverages	441.44	398.37	454.55	7.69
Wholesale Trade	741.36	473.80	762.09	48.06
Real Estate	701.05	585.29	719.79	10.51
Oil Refineries	2,167.45	1,308.54	2,380.57	63.80
Total shares index	1,213.61	929.49	1,213.61	30.26

Source: ATHEX

TABLE 5

Sectoral Share-Price Indices in the ATHEX, by Sector, 2005

Month									FTSE/	FTSE/	FTSE/
	General Index	Banks	Insurance Comp.	Invest. Comp.	Hold. Comp.	Indus. Comp.	Constr. Comp.	Parallel Market	ASE, 20	ASE Mid 40	ASE Small Cap 80
Dec.	3,663.9	7,904.2	893.1	1,376.3	1,945.7	1,709.4	705.0	-	2,019.4	3,397.0	624.6
Nov.	2,919.9	7,543.1	759.4	1,219.3	1,671.1	1,558.5	588.4	155.251	1,913.8	3,007.8	537.4
Oct.	3,145.2	7,202.9	701.4	1,140.8	1,589.3	1,537.3	590.8	150.84	1,836.7	2,891.8	530.8
Sep.	2,854.9	7,340.0	692.4	1,151.2	1,645.6	1,612.4	601.8	155.93	1,876.3	2,938.9	519.0
Aug.	2,868.5	6,901.3	621.2	1,077.7	1,574.4	1,478.4	608.3	153.39	1,801.3	2,783.1	489.2
Jul.	2,959.5	7,078.2	640.0	1,101.8	1,658.4	1,443.6	627.6	155.61	1,824.3	2,807.6	500.4
Jun.	3,060.7	6,633.5	566.2	1,039.9	1,496.7	1,354.8	572.6	146.93	1,714.3	2,485.2	459.8
May	3,271.8	6,543.8	508.8	993.6	1,504.7	1,310.5	608.0	142.57	1,654.4	2,474.4	467.5
Apr.	3,231.5	6,139.6	527.8	933.6	1,508.8	1,308.0	582.2	139.3	1,590.0	2,403.2	463.8
Mar.	3,382.0	6,187.7	501.3	931.4	1,516.3	1,262.5	565.7	143.6	1,593.4	2,386.1	476.3
Feb.	3,307.3	6,968.0	657.7	1,038.6	1,677.6	1,372.4	651.3	153.3	1,759.6	2,690.9	525.1
Jan.	3,441.6	6,330.2	652.1	1,013.4	1,547.9	1,310.5	717.3	143.0	1,612.9	2,549.4	515.9
Max '05	3,663.9	7,976.9	893.1	1,376.3	1,961.4	1,709.4	717.3	157.5	2,019.4	3,402.5	629.1
Min '05	2,818.3	6,026.7	481.7	918.5	1,401.8	1,232.0	549.42	131.92	1,567.3	2,324.7	447.4

Note: 1. Closing price on 25/11/2005.

Source: ATHEX. End of month closing prices

TABLE 6

The Value of Transactions in the ATHEX, 1996-2005

Year	Main market		Parallel market		New Market		GMECM		Grand Total ¹	
	Amount (mn. euro)	Annual change (%)	Amount (mn. euro)	Annual change (%)						
2005 ²	44,155.8	38.3	2,764.8	-21.4	85.32	17.6	3.7	32.1	47,054.2	31.7
2004	31,928.1	8.0	3,519.0	-29.3	72.55	-77.5	2.8	-	35,736.4	2.3
2003	29,558.3	50.8	4,975.9	0.7	323.06	40.1	-	-	34,936.1	40.9
2002	19,596.8	-41.8	4,943.7	-26.0	230.56	51.8	-	-	24,771.1	-38.9
2001	33,698.5	-59.9	6,679.4	-60.3	151.89	-	-	-	40,529.8	-60.1
2000	83,961.9	-45.3	16,824.8	-12.3	-	-	-	-	101,675.7	-41.2
1999	153,373.1	292.3	19,175.7	158.6	-	-	-	-	173,027.0	314.9
1998	39,097.7	140.5	2,233.5	190.8	-	-	-	-	41,708.1	144.2
1997	16,259.1	204.8	768.1	51.8	-	-	-	-	17,081.4	192.0
1996	5,334.1	44.5	506.0	14.4	-	-	-	-	5,849.3	41.3

Source: ATHEX

Note: 1: Includes margin account transactions in the Main and Parallel markets and sales of existing shares.

2: From 1.1.2005 till 25.11.2005, because of the change in the Rulebook of the ATHEX concerning the classification of stocks.

21.4%. The value of transactions in both the New Market and the Greek Market of Emerging Capital Markets (GMECM) accounted for 0.2% of the total value of transactions and registered an annualized increase (Table 6).

Market capitalization of listed companies

In the end of 2005, the total market capitalization of ATHEX listed companies amounted to 123 billion euros, registering a total annual increase of 33.5% (Tables 7 and 9). This increase was due rather to the rise in share prices, than to new listings in the stock exchange, given that in 2005 activity in the primary securities market was weak.

On November 25th, 2005, the market capitalization of shares traded in the Main Market amounted to 110,628.6 million euros, increased by 27.6% since the beginning of the year (Table 7), and represented 94.8% of total market capitalization in the ATHEX. On the same date, the market capitalization of shares traded in the Parallel and the New Market represented 5.1% and just 0.9% of total market capitalization respectively. According to the new classification of ATHEX-listed shares, applicable since November 28th, 2005, the market capitalization of the large capitalization category accounted for 91.7% of total market capitalization at the end of 2005, and that of the small and middle capitalization category accounted for 7.4%. The market capitalization of

shares included in the category of special financial characteristics accounted for 0.6% of total market capitalization and the market capitalization of shares under surveillance and/or suspension accounted for 0.3%.

In 2005, the financial sector (banks, insurance companies, leasing companies, portfolio investment companies) showed, for one more year, the largest market capitalization increase (39%), and by the end of the year accounted for 38.4% of total market capitalization in the ATHEX. The industrial-manufacturing sector accounted for 19.2% of the total market capitalization in the ATHEX, while the other sectors and companies (provision of non-financial services, trade, construction, and shipping) accounted for 42.1% of total market capitalization in the ATHEX. By the end of the year Banks accounted for 37.4% of total market capitalization in the ATHEX, as compared to 34.5% in 2004 and 27.9% in 2003, followed by Telecommunications with 12.5% of total market capitalization, Gaming with 8.3%, Holding & Consulting with 5.8% and the Beverages sector with 4.8%.

By the end of 2005, corporate participation to total market

TABLE 7

Market Capitalization of the ATHEX Listed Companies, 1996-2005

End of Year	Main Market				Parallel market	New Market	General Total ⁴	
	Financial Sector ²	Manufact.	Other Sector ³	Amount			Value	Annual Change (%)
2005 ¹	46,994.9	19,810.8	43,822.9	110,628.6	5,957.4	104.8	116,693.2	26.7
2004	33,816.2	15,250.4	37,619.6	86,686.1	5,346.35	105.5	92,137.9	9.0
2003	26,030.4	17,458.3	34,678.7	78,167.3	6,111.4	268.5	84,547.1	28.6
2002	17,578.0	12,383.7	30,487.7	60,449.3	5,188.3	122.1	65,759.7	-47.4
2001	30,105.5	19,178.4	39,894.6	89,178.5	7,720.8	50.2	96,949.5	-17.8
2000	44,076.6	32,788.1	30,419.2	107,283.9	10,672.3	-	117,956.3	-40.3
1999	64,783.2	61,863.2	51,244.0	177,890.4	19,646.6	-	197,537.0	194.7
1998	23,740.5	18,619.2	21,797.3	64,157.0	2,867.8	-	67,024.8	132.8
1997	8,976.0	9,457.1	9,397.3	27,830.4	962.9	-	28,793.3	65.0
1996	4,898.4	5,695.1	6,289.6	16,883.1	563.1	-	17,446.2	47.7

Source: ATHEX.

Note:

1. As per 25.11.2005, because afterwards the classification of stocks in the ATHEX changed.
2. Banks, Insurance Companies, Portfolio Investment Companies, Leasing Companies
3. Holding Companies, Construction, Telecommunications, Water Supply, Electricity, Shipping, Information Technology, TV & Entertainment, Gaming, Health, Wholesale trade, IT Equipment, Retail Trade, Mobile Telephony Retail Services, Hotels, Resorts, Advertising, Real Estate, Mining, Motor Vehicle Trade & Maintenance, Transport Rental Services, Fish Farming, Agriculture & Farming, "Change of Activity."
4. Includes the market capitalization of the Greek Market of Emerging Capital Markets (EAGAK - GMECM).

capitalization in the ATHEX was the following: the National Bank of Greece accounted for 9.8% of total market capitalization in the ATHEX, followed by the Hellenic Organization of Football Prognostics (OPAP) (7.5%), OTE (7.2%), EFG Eurobank (6.9%), Alpha Bank (5.8%) and Cosmote SA (5.1%). The capitalization of the ten largest listed companies by the end of 2005, accounted for 57.6% of the total market capitalization in the ATHEX.

In 2005, market liquidity followed an upward, albeit volatile, course. In December, the average monthly liquidity index of the stock exchange decreased to 0.18%, from 0.20% in the January of the same year (Table 8).

By the end of 2005, the total market capitalization of ATHEX-listed companies was equivalent to 68.3% of the Greek GDP as compared to 55.1% in 2004, to 78.0% of Greece's contribution to money supply (M3) in the euro zone as compared to 60.5% in 2004, and to 80.5% of the total value of commercial deposits and repos (Table 9).

Net profits and dividends of ATHEX-listed companies

According to the published financial results for the period 2004-2005, most ATHEX-listed companies improved their economic efficiency (Table 10). Total consolidated net profits post tax and after board member compensation of listed companies, based on their 2003 annual financial statements, amounted to 5.4 billion euros, increased by 12% year-on-year. The dividends distributed out of 2004 profits were

TABLE 8

Monthly Liquidity Index in the ATHEX, 2005

Μήνας	Market Capitalization (end of month, mn euro)	Average daily value of transactions (mn euro)	Average Daily Liquidity Index (%)¹
Dec.	123,033.4	227.42	0.18
Nov.	114,918.6	221.61	0.19
Oct.	111,182.7	217.69	0.20
Sep.	113,055.4	267.38	0.24
Aug.	107,473.9	172.55	0.16
Jul.	108,199.0	278.23	0.26
Jun.	100,310.4	188.80	0.19
May	96,192.4	146.86	0.15
Apr.	93,510.9	159.35	0.17
Mar.	93,764.47	208.47	0.22
Feb.	103,567.4	228.72	0.22
Jan.	97,301.4	199.15	0.20

Source: ATHEX

Note 1. The Liquidity Index is the ratio of average daily value of transactions to total market capitalization.

TABLE 9**Market Capitalization and Macroeconomic Indicators, 1994-2005**

End of year	Market Capitalization (% of GDP)	Market Capitalization (% of M3)	Market Capitalization (% of commercial deposits & repos)
2005	68.3 ¹	78.0 ²	81.0 ²
2004	55.1	60.5	67.0
2003	55.5	61.5	68.7
2002	46.9	61.6	66.3
2001	74.1	67.4	77.0
2000	95.5	92.5	99.9
1999	169.4	172.8	193.9
1998	63.6	100.1	109.6
1997	29.6	47.1	52.0
1996	20.0	23.2	38.5
1995	14.9	17.6	28.3
1994	14.9	16.9	27.6

Source: ATHEX, Bank of Greece

Notes:

1. The GDP level for the year 2005 is estimated by the Ministry of Economy and Finance to approximately 180,045 million euros (see Prospects of the Greek Economy, Oct. 2005, Appendix B). 2. October 2005 data

substantially increased by 159.7%, leading to a dividend payout ratio of 55.9% for 2004, as compared to 24.1% for 2003, 54% for 2002 and 53.3% for 2001.

Consolidated listed company economic results for the first semester of 2005 showed a turnover increase of 5% in comparison to the first semester of the 2004 and an increase of total net pre-tax profits of 15.4%. Banks and portfolio investment companies showed significant net pre-tax profit increases for the first six-months of 2005 (43.8% and 47.3% respectively). Excluding the profits posted by the companies of the financial sector, the increase in the total net profits of listed companies for the first semester of 2005, as compared to the same period of the previous year, was only 5.2%.

The consolidated financial results of listed companies for the first semester of 2005 showed that 84% of the companies posted profits. Of those, 40% increased their profits in comparison to the same period of 2004, 34% saw a decrease in profits, and 10% of listed companies managed to turnaround.

By the end of 2005, the weighted price to earnings after taxes ratio (P/E) stood at 29.4 as compared to 28.0 in 2004 for the capital market as a whole, 34.5 as compared to 26.3 in 2004 for banks, 17.6 for Holding Companies, 23.2 for telecommunications, and 17.0 for construction.

TABLE - 10**Net Profits and Distributed Dividends
of ATHEX listed Companies, 1994 -2004**

Year	Net Profits		Distributed Dividends		Divident vatro
	Amount (million euros)	Annual Change (%)	Amount (million euros)	Annual Change (%)	
2004	5,372.74	12.0	3,004.59	159.7	55.9
2003	4,798.50	53.9	1,156.81	-31.2	24.1
2002	3,117.67	-27.5	1,682.46	-26.5	54.0
2001	4,299.98	-22.6	2,290.40	-13.4	53.3
2000	5,558.00	-9.0	2,645.74	37.0	47.6
1999	6,109.47	131.4	1,931.19	46.7	31.6
1998	2,640.20	23.1	1,316.33	30.3	49.9
1997	2,144.61	6.8	1,010.38	37.8	47.1
1996	2,008.38	87.3	733.38	29.1	36.5
1995	1,072.40	5.2	568.24	13.0	53.0
1994	1,019.07	-	503.03	-	49.4

Source: ATHEX.

The fixed-income securities market

In 2005, the fixed income securities market of the Athens Exchange was characterized by a reduction in trading activity and intense fluctuation. The total value of transactions in the ATHEX during 2005 amounted to 40.1 million euros, registering an annualized decrease of 57.4%. Trading activity was increased only in January, June, and September. The average monthly value of transactions on Greek government securities in the Electronic Secondary government Bonds Market (IDAT), managed by the Bank of Greece, amounted to 41.87 billion euros in December, 78.73 billion euros in September, 56.06 billion euros in March, and 37.39 billion euros in December 2004. Trading activity concentrated mainly on securities with residual maturities of 7 to 10 years, and especially on the 10-year reference bond.

In 2005, activity in the Eurobond market was significantly affected by the increase in oil prices, the natural disasters in the US, the bombing in London, and the interest rate increases of the US Federal Reserve and, at the end of the year, the European Central Bank. These developments led to an increase in the yields of short- and medium-term securities, and the substantial reduction of long-term security yields.

In the 3rd quarter of 2005, the Greek fixed income securities market demonstrated a downward shift of the yield curve for Greek government bonds and a further reduction of the slope of its short-term to medium-term segment (up to 10 years). The shifts of the yield curve for Greek government Bonds in the IDAT are shown in Figure 4. It is obvious that by late 2005 the curve's slope decreased, as compared to the beginning

of the year; moreover, the yields of medium and long term securities shrank, reaching historic lows in September 2005.

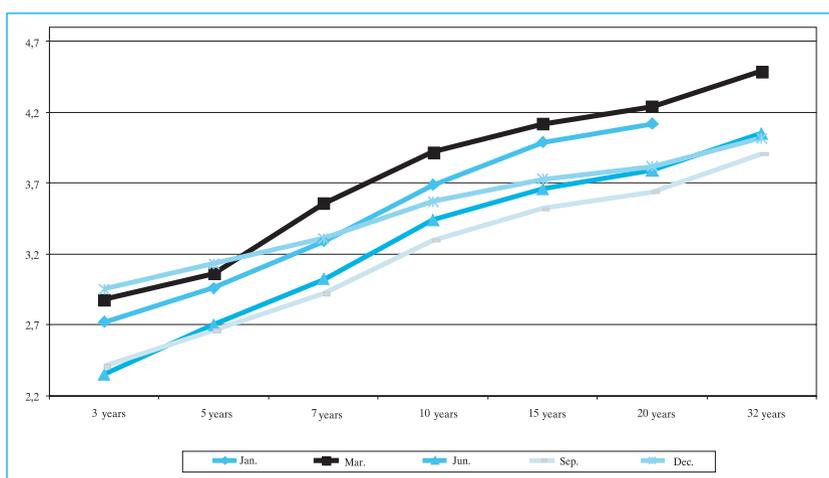
Bond yields fluctuated and in the end of the year stood at 3.31% for the 7-year bond, and 3.57% for the 10-year bond. The average spread between the Greek 10-year bond and the German benchmark 10-year bond increased to 20 basis points in December 2005, from 12 basis points in the end of 2004. It has to be noted, though, that the New Greek benchmark bond matures approximately 7 months earlier than its German equivalent.

In 2005, there were new issues of high liquidity government bonds with maturities of 3.5 and 10 years. The Greek State employed the syndication method for the primary distribution of those securities (initial issues of 5 and 10 years), as well as the auction method, especially for 3-year and short-term securities. Moreover, the State exploited the historically low long-term interest rates and, by issuing the first long-term reference bond, managed to extend the Greek yield curve beyond the 30-year limit. In 2005, there were also 5 issues of bonds with long-term maturities, covered through private placement.

The reduction of the fiscal deficit as a percentage of GDP, in conjunction with the efficient management of the public debt, contributed to the decrease of debt refinancing costs. More specifically, despite the increase in the average weighted maturity of new debt (issued

FIGURE 4

The Yield Curve of Greek Treasury Bonds, 2005



till 31.10.2005) from 7.7 to 10.6 years in 2005, the average weighted interest rate decreased to 3.08% in 2005 from 3.40% in 2004. The composition of the general government debt at the end of 2005, included treasury bills (0.7%, as compared to 0.9% by the end 2004), and fixed rate bonds (78.7% as compared to 81.6% by the end 2004).

The derivatives market

In 2005, the financial derivatives market of the Athens Stock Exchange was marked by reduced trading activity, the growth of client transactions in comparison to market maker transactions, the introduction of new products and the improvement of its regulatory framework.

In 2005, the volume of transactions in the derivatives market decreased, despite the formal reduction of trading costs established since 02.01.2005 and the substantial increase of the value of transactions in the spot markets of the ATHEX. The average daily volume of transactions on all traded futures and options was 18,792 contracts in 2005, as compared to 19,581 contracts in 2004 and 19,559 contracts in 2003. The highest activity was observed in March, with an average daily volume of transactions of 26,780 contracts. The largest increase in the average daily volume of transactions concerned the stock future of Emporiki Bank (548.21%), while the largest decrease in the average daily volume of transactions concerned the futures on the euro:dollar exchange rate (73.64%).

In 2005, the average daily volume of transactions on both the FTSE/ATHEX 20 futures and the FTSE/ATHEX 20 options incurred substantial year-on-year decreases of 14.36% and 27.62% respectively. The average daily volume of transactions on two derivative products whose underlying instrument is the FTSE/ATHEX 20 index accounted for 64.69% of the total average daily volume of transactions for the year 2005, as compared to 75.38% in 2004 and 86.23% in 2003.

In the same year, the average daily volume of transactions on futures and options whose underlying instrument is the FTSE/ATHEX Mid40 index increased by 3.36% and 30.49% respectively. The average daily volume of transactions on all stock futures rose from 3,635 contracts in 2004 to 5,726 contracts in 2005, while the average daily volume of transactions on stock options decreased to 87 contracts in 2005, from 109 contracts in 2004. The increase in the volume of transactions on futures, a small part of it being due to the listing of 7 new stock futures in September, led to a substantial increase in the share of this type of derivatives in the total average daily volume of transactions of the derivatives market, which rose from 9.88% in 2003 and 30.47% in 2004

to 30.47% in 2005.

In 2005, the average daily volume of transactions on futures on the euro:dollar exchange rate decreased by 73.64% to 87 contracts, from 330 contracts in 2004 and 436 contracts in 2003. Finally, the total volume of transactions on Stock Repos increased to 266,024 contracts from 174,744 contracts in 2004, and the total volume of transactions on Stock Reverse Repos increased to 370,809 from 148,054 contracts in 2004.

In 2005 there was an increase in the number of investors activated in the derivatives market. The number of end investor-client accounts amounted to 27,399 accounts, as compared to 24,373 accounts in 2004 and 21,526 accounts in 2003, registering an annual increase of 12.42%.

TABLE - 11

The ATHEX Derivatives Market, 2001-2005

	Dec. 2005	Dec. 2004	Dec. 2003	Dec. 2002	Dec. 2001
Trading Members	55	60	67	70	65
New members per year	2	2	1	8	26
Member mergers and deletions	-7	-9	-4	-3	-1
Clearing Members (ADECH)	36	41	47	47	42
New members per year	0	2	2	5	6
Member mergers and deletions	-5	-8	-2	0	0
- Direct Clearing Members	24	29	35	35	33
- General Clearing Members	12	12	12	12	9
Terminals	310	405	429	419	333
API use agreements	30	33	35	34	28
Client Accounts	27,399	24,373	21,256	15,482	9,133
Products	11	11	10	8	7

Source: ATHEX.

TABLE - 12

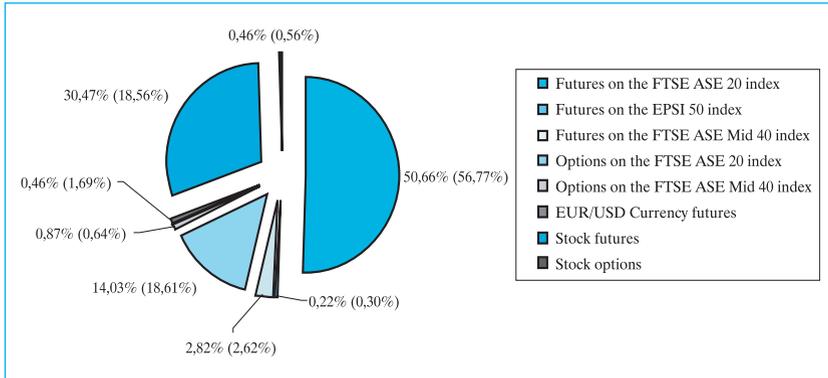
Distribution of Contracts in the ATHEX Derivatives Market, 2003-2005

Financial derivative products of the ATHEX derivatives markets	Distribution of Contracts					
	Average 2005		Average 2004		Average 2003	
	MM	Clients	MM	Clients	MM	Clients
FTSE/ASE- 20 futures	57%	43%	57%	43%	53%	47%
FTSE/ASE Mid 40 futures	40%	60%	49%	51%	56%	44%
FTSE/ASE- 20 options	59%	41%	58%	42%	56%	44%
FTSE/ASE- 40 options	56%	44%	65%	35%	70%	30%
Stock Futures	43%	57%	54%	46%	54%	46%
Future on the euro: dollar exchange rate	68%	32%	85%	15%	84%	16%
Total products 1	54%	46%	61%	39%	62%	38%
Stock options	0%	100%	0%	100%	0%	100%
Total products 2	46%	54%	53%	47%	53%	47%

Source: ATHEX.

FIGURE 5

**Distribution of Transactions Volume
in the Derivatives Market, per Product, 2005**



The ratio of market maker to client transactions for all the products of the derivatives market was 46/54 in 2005 as compared to 53/47 in 2004 (Table 12). Excluding repos, for which the first market maker was appointed in August 2005, this ratio was 54/46 in 2005 as compared to 61/39 in 2004. Excluding FTSE/ATHEX20 futures and options, where the ratio remained unchanged, in the case of all remaining derivative products the ratio showed a marked decrease.

The comparison of the value of transactions in the securities market to the value of transactions in the derivatives market of the ASE in 2005 indicates that the average ratio of the value of transactions on futures and options to the total value of transactions in the underlying market decreased from 0.77 in 2004 to 0.62 in 2005 (Table 13). An even larger decrease was observed in the average ratio of the value of transactions on all futures to the value of transactions on the stocks included in the FTSE/ATHEX20 and FTSE/ATHEX Mid40, which fell from 0.91 in 2004 to 0.64 in 2005.

Finally, in 2005 the call:put ratio was more in favor of call options, reflecting positive investor expectations concerning the performance of stock markets. The value of the ratio regarding the entire volume of transactions was 1.49 in 2005, as compared to 1.57 in 2004 and 1.59 in 2003, while the average monthly value of the ratio was 1.57 in 2005, as compared to 1.51 in 2004 and 1.62 in 2003. The value of the ratio for the FTSE/ATHEX20 index is less than the value of the ratio for the FTSE/ATHEX Mid40 index (1.46 as compared to 2.07).

In 2005, new products were introduced in the derivatives market.

Special Type Repurchase Agreements, which are used for the settlement of failed trades, were introduced in late May 2005. Moreover, the new stock futures listed for trading concerned the shares of GEK, Hyatt Regency, Marfin Financial Group, Attica Holdings, Hellenic Technodomiki TEV, Intralot, and Mytilineos.

In 2005, there were certain amendments in the regulatory framework of the derivatives market, designed to boost trading activity and improve the effectiveness of the market. More specifically, four decisions of the boards of the ATHEX and the ADECH came into force on January 1st, 2005, reducing the cost of participation for members, and the cost of investor activity in derivatives. The amendment of the rulebook for the ATHEX, approved by the board of the HCMC by means of HCMC Rule 4/358/8.11.2005, establishes a new method for the preparation of bilateral Special Type Repurchase Agreements, reduces the deadline for the entry of purchase orders concerning pre-agreed transactions and cross trades deals until the initiation of the clearing process for the day, unifies the preconditions and the procedure concerning participation in the securities and derivatives markets for the ATHEX and further specifies the terms and conditions for becoming a market maker for derivatives. Moreover, Law 3371/2005 amends Law 2533/1997 and expands the list of eligible underlying assets for derivative products, in order to include commodities,

TABLE 13

Value of Transactions in the Underlying and the Futures Markets, 2005

Month / Year	Value of transactions on FTSE/ATHEX20 & MID40 stocks to	Value of transactions on futures & options to ATHEX stocks	Value of transactions on futures & options to FTSE/ATHEX20 & MID40 stocks	Value of transactions on futures & options to FTSE/ATHEX-20	Value of transactions on futures & options to FTSE/ATHEX-40
	ATHEX stocks	to ATHEX stocks	& MID40 stocks	to FTSE/ATHEX-20	to FTSE/ATHEX-40
Dec. 2005	83%	49%	49%	58%	15%
Nov. 2005	88%	64%	57%	65%	14%
Oct. 2005	88%	57%	61%	71%	14%
Sep. 2005	91%	47%	45%	49%	17%
Aug. 2005	89%	55%	57%	44%	17%
Jul. 2005	94%	43%	43%	46%	20%
Jun. 2005	92%	64%	62%	69%	21%
May 2005	91%	69%	71%	79%	26%
Apr. 2005	92%	82%	86%	89%	60%
Mar. 2005	88%	87%	93%	98%	64%
Feb. 2005	83%	64%	73%	75%	63%
Jan. 2005	84%	61%	68%	69%	64%
Average 2005	89%	62%	64%	68%	33%
Average 2004	81%	77%	91%	100%	42%

Source: ATHEX.

especially energy products, basic or precious metals or agricultural products and other assets, climatic variables, freight rates, carbon credits, inflation rates or other official statistics, and authorizes the Hellenic Capital Market Commission to define, by decision of its Board, the form, printed or electronic, in which the books and records concerning the provision of derivative investment services may be kept.

New Issues

In 2005, there was a reduction in the corporate issuing activity in the market, despite the substantial increase of activity worldwide, sustaining the downwards trend of the past three years. More specifically, there was a reduction in the number of companies that proceeded to initial public offerings of tradable securities in the Athens Exchange. Conversely, the value of the total funds raised through initial public offerings and share capital increases registered a significant annual increase and amounted to 2.76 billion euros. This increase is exclusively due to the large share capital increases of certain listed companies (approximately 2.67 billion euros). It is noted that the total value of funds raised amounted to 414.1 million euros in 2004, 462.1 million euros in 2003, 435.5 million euros in 2002 and 1.49 million euros in 2001.

The participation of new issues to total market capitalization in the ATHEX was slightly reduced in 2005, as compared to the previous three-years. More specifically, the value of funds raised by newly-listed companies in the ATHEX accounted for 0.07% of total market capitalization in the ATHEX, as compared to approximately 0.10% in 2004, 0.55% in 2003, 0.66% in 2002, 1.5% in 2001 and 9.8% in 2000.

Share issues through public offerings

In 2005, there were 8 public offers altogether in the ATHEX, as compared to 10 in 2004 and 16 in 2003 (Table 14). Out of this total, 3 offers took place in the Main Market, 2 in the Parallel Market and 1 in the New Market of the Athens Exchange, while there was 1 public offer - the first - in the new Small and Middle Capitalization Market of the ATHEX, which was created by the restructuring of the Rulebook of the Athens Exchange (28.11.2005). In addition, one public offer concerned a state-controlled company that was already listed in the Main Market, OPAP SA.

Out of 8 public offers that took place in the ATHEX during 2005, 7 concerned newly-listed companies. After deducting the listing of one Portfolio Investment Company and one Real Estate Investment Company, whose introduction in the stock exchange is compulsory six

TABLE 14

**Public Offering of Shares and Funds Raised
per ATHEX Market, 2001-2005**

	2005		2004		2003		2002	
Market	Number of IPOs	Capital Raised (mn euro)						
Main market	4	1,307	4	65	7	899	7	899
Parallel	2	19.9	3	17	10	50	10	50
New Market	1	3.4	2	9	3	18	3	18
EAGAK	0	0	1	4	0	0	0	0
Midle & Small Cap ¹	1	17.5	0	0	0	0	0	0
Total	8	1,348	10	95	20	966	20	966

Source: HCMC Note 1. New ATHEX market, created in 2005.

months after their formation, the number of new companies that listed their shares in the stock market is reduced to 5. The number of initial public offers is the lowest of the last seven-years (Table 15) and reflects the limited attractiveness of the stock market as a source of business finance, in an environment of low interest rates. No public offerings of public sector companies listed in the ATHEX were performed in 2005, in the context of the privatization program.

The total amount of funds raised by means of public offerings of stock (of newly- and already listed companies) and private placements reached 1,348 million euro in 2005, registering a rather spectacular annual increase of 1,304.2%. This performance corresponds to the level of funds drawn in 2003 and is the best of the past five-years.

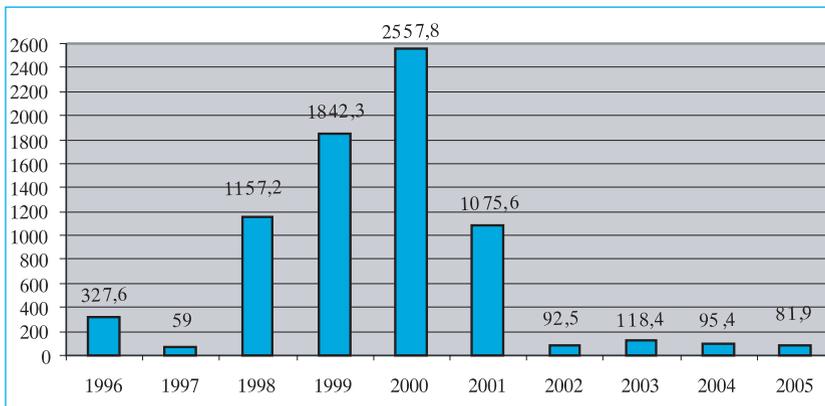
However, if the funds raised through the public offering of existing shares by OPAP SA are excluded, then the amount of funds raised by initial public offerings drops to 81.9 million euros, decreased by 14.2% as compared to 2004 and by 30.8% as compared to 2003. This amount is the smallest raised in the past five years by means of initial public offerings. These data indicate that the public offering of listed and state-controlled companies continues to be the main pillar of activity in the Greek public offerings market.

From the total amount of funds raised though public offerings in 2005, 96.97% (1,306,842,652 euros) was raised from the Main Market, 1.48% (19,900,000 euros) was raised from the Parallel Market, 0.25% (3,399,000 €) was raised from the New Market and 1.30% (17,500,000 €) was raised from the Medium and Small Capitalization market that was formed near the end of the year. Excluding the funds raised by OPAP SA,

TABLE - 15**Share Issues Through Public Offers, 2000-2005**

Year	Total Offerings	Initial Public Offers			Public offers by listed companies		
		No	Amount (mn euro)	% total	No	Amount (mn euro)	% total
2005	8	7	81.9	6	1,266.0	94	
2004	10	10	95.4	100	0	0	
2003	16	14	118.4	8.1	1,349.5	92.9	
2002	20	18	92.5	9.6	873.5	90.4	
2001	24	24	1,075.6	100	0	0	
2000	49	48	2,557.8	87.8	356.0	12.2	

Source: HCMC

FIGURE - 6**Funds Raised from Initial Public Offerings in the ATHEX (€mn), 1996-2005**

Source: HCMC

the above percentages are modified as follows: 50.1% (41,061,152 euros) from the Main Market, 24.31% (19,900,000 euros) from the Parallel Market, 4.15% (3,399,000 euros) from the New Market, and 21.38% (17,500,000 euros) from the Small and Middle Capitalization Market (Table 14).

These developments show that the Main Market of the ATHEX is the primary source of capital for companies, while the attractiveness of both the Parallel and the New markets is steadily diminishing. These facts were taken into account for the reorganization of the markets of the Stock Exchange that resulted from the amendment of its Rulebook.

The average amount of funds raised per public offer was 168.5 million euros in 2005, and 11.7 million euros if OPAP is excluded, as compared to 9.5 million euros in 2004, 91.7 million euros in 2003, 48.3 million euros in 2002, 44.8 million euros in 2001 and 60.45 million euros in 2000. If the funds raised through the public offering of listed company shares are excluded, then the average amount of funds per public offering drops to 8.4 million euros in 2005.

Capital concentration was high, given that the public offer of OPAP accounts for 94% of the total funds raised. Excluding the funds raised by OPAP, capital concentration is low: Piraeus Real Estate Investment Company raised almost 32% of the total funds, Proton Investment Bank raised 21.38% and, finally, EBIK SA raised 4.15% of total funds.

The data for 2005 indicate that from the total amount of funds raised, 95.53% (1,287,406,500 euros) was raised from the sale of shares by existing shareholders and 4.47% (60,235,152 million euros) was raised from new share issues. The impact of the OPAP offering is once more decisive, since if it is not taken into account, the situation is reversed: from the total amount of funds raised, 73.6% (60,235,152 euros) was raised from the issuance of new shares, and 26.4% (21,625,000 euros) was raised from the sale of shares by existing shareholders. Overall, 5 of the companies that proceeded to public offerings during 2005, offered the shares of existing shareholders.

The corresponding data for 2004 indicated that from the total amount of funds raised, 83.2% (79,658,479 million euros) had been raised from new share issues and 16.8% (16,098,800 million euros) had been raised from the sale of existing shares. The latter percentage includes the funds raised from the sale of existing shares in two companies. The allocation of funds raised between new and existing shares in previous years was, respectively, 3.6% and 96.4% in 2003, 8.9% and 91.1% in 2002, 44% and 56% in 2001, and 62.4% and 37.6% in 2000.

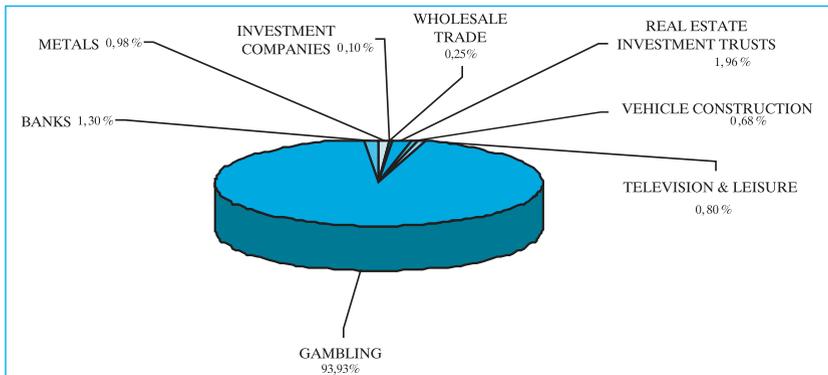
The ratio of the average weighted (on the basis of funds raised) over-subscription of public offerings in the ATHEX was 3.75 (or 3.34 excluding OPAP) in 2005 (Table 16), as compared to 3.42 in 2005, 5.4 in 2003, 4.4 in 2002, 2.2 in 2001 and 29.5 in 2000. No public offerings took place during the first quarter of 2005. In the second quarter, the average weighted over-subscription ratio was equal to 2.41 times, in the third quarter it increased to 3.75 times, and in the last quarter of the year the over-subscription ratio reached 7.62.

Figure 7 illustrates the allocation of funds raised among sectors of activity in the ATHEX during the year 2005. Thanks to the OPAP issue, the Gaming sector absorbed the largest share of the funds raised (94%). The Real Estate Investment Company sector is far behind (1.96%),

TABLE - 16**Quarterly Distribution of Share Issues
Through Public Offerings in the ATHEX, 2005**

Quarter 2005	Number of issues		Total Funds Raised	% of total	Average weighted over-subscription
1o	0	Average	0		
		Total	0	0	0
2o	5	Average	10.712.030		
		Total	53.560.152	3,97	2,41
3o	2	Average	638.290.750		
		Total	1.265.781.500	94,73	3,75
4o	1	Average	17.500.000		
		Total	17.500.500	1,3	7,62
Total	8	Average	168.455.207		
		Total	1.347.641.652	100,0	3,75

Source: HCMC

FIGURE - 7**Funds Raised Through Public Offerings per Sector
of Activity in the ATHEX, 2005**

Source: HCMC

along with Banks (1.3%), and other sectors, with Investment Companies being last (0.1%). There was no case of two public offerings from companies of the same sector in 2005.

In 2005, the average return realized during the first three days of IPO trading in the ATHEX was positive and amounted to 2.9%, as compared to -2.8% in 2004, 2.9% in 2003, 11.0% in 2002, 36.2% in 2001 and 58.4% in 2000. The average return realized in the first day of IPO trading was slightly lower and approached 2.22% as compared to -3.56% in the previous year, and 6.1% in 2003. During the first three trading days there

are no price fluctuation limits for the shares of newly-listed companies, and this period is considered adequate for attaining market price equilibrium.

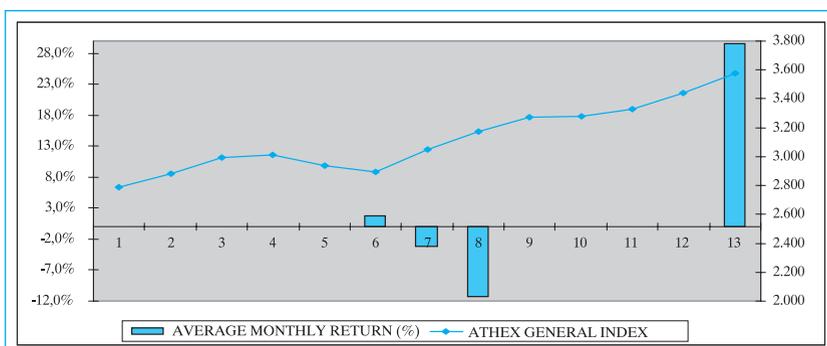
After weighting average return by each company's capitalization upon listing, i.e. by the number of newly listed shares multiplied by the listing price, in order to incorporate in the resulting average return any difference in returns between small and large capitalization companies because of differences in the volume of shares offered to investors, the dispersion of shares, and, therefore, issue over-subscription, it turns out that the average weighted return of share prices after the three-days of free trading was negative and approximated -2.41%, as compared to -5.14% in 2004, and almost 16.8% in 2003.

The greatest return during these first three-days was realized by the share of Proton Bank, whose price increased by 29.6%, followed by the shares of EBIK and Piraeus REIC with returns of 17.58% and 6.13% respectively. The largest losses during the first three days of trading were incurred by the share of Ikona-Ihos SA, whose price was reduced by 11.25%, followed by the shares of Motodynamiki (9.29%), SIDMA SA (8.68%) and Diolkos SA (3.59%).

Figure 8 illustrates the monthly return of newly listed shares during the first three trading days and the average monthly value of the ATHEX General Index during 2005. The Figure shows that there was a balance between positive and negative returns of newly listed company shares, while in 8 out of 12 months of the year 2005 there were no new company listings in the stock market. Moreover, given the low overall supply of the capital market with new listings during 2005, the average rate of company

FIGURE 8

Average Monthly Return of Newly-Listed Shares in the ATHEX, 2005



Source: HCMC

listings was less than one company per month. More specifically, there were new company listings in May, June, July and December, with 3, 1, 2 and 1 listings, respectively. At the end of the year (last trading day 30.12) the share price of five companies (Diolkos SA, EBIK SA, Piraeus REIC, Ikona-Ihos SA, Proton Investment Bank) of those listed in the ATHEX by means of public offerings during 2005, had increased in comparison to their listing price, and the share price of two companies (Motodninamiki, Sidma SA) had decreased. On the same day, the average return of the shares of companies that performed public offerings during 2005 was positive, and stood at 7.79%, while the capitalization-weighted average return was negative and stood at -9.5%.

Share capital increases by ATHEX listed companies

In 2005 the number of share capital increases by ATHEX-listed companies rose to 19, from 11 in 2004 and 12 in 2003 (Table 17). The total value of funds raised amounted to 2,675.8 million euros, as compared to 244 million euros registering an annual decrease of 997%. The share capital increases were performed by 14 companies listed in the Main Market, 3 companies listed in the Parallel Market of the Athens Exchange and two companies whose shares are under suspension of trading. The increase in the number, and most importantly, in the value of the total funds raised, reflects the continuing process of corporate restructuring and the improvement of the companies' investment programs, as well as the increased interest of investors for placements in capital market securities.

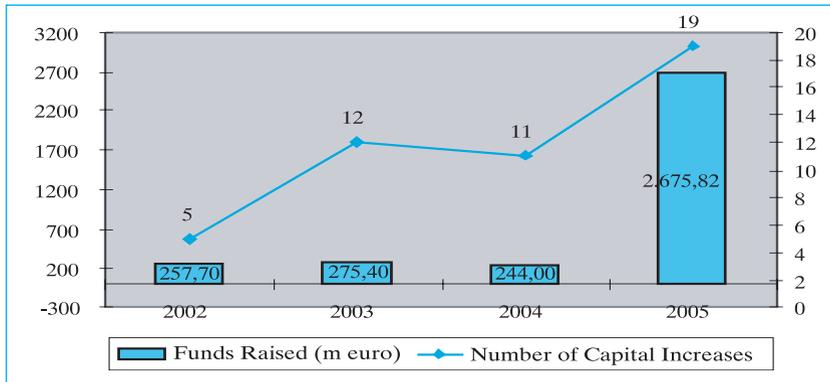
The quarterly distribution of share capital increases in 2005 (Table 18) is the following: in the first quarter there were four share capital increases, with a total value of 169.5 million euros that absorbed 6.3% of the total funds raised throughout the year; in the second quarter there were 4 increases, with a total value of 1,345.5 million euros that absorbed 50.3% of the total funds raised; in the third quarter there was one

TABLE 17

Share Capital Increases in the ATHEX, 2002-2005

ATHEX Market	2005		2004		2003		2002	
	No	Total Funds Raised (mn euro)	No	Total Funds Raised (mn euro)	No	Total Funds Raised (mn euro)	No	Total Funds Raised (mn euro)
Main	14	2,638.3	7	194.4	8	248.4	5	257.7
Parallel	3	37.5	4	49.6	4	27	-	-
Under Suspen.	2	-	-	-	-	-	-	-
Total	19	2,675.8	11	244	12	275.4	5	257.7

Source: HCMC

FIGURE 9**Share Capital Increases and Funds Raised in the ATHEX, 2002-2005**

Source: HCMC

TABLE 18**Quarterly Distribution of Share Capital Increases in the ATHEX, 2005**

Quarter	Number of Share Capital Increases	Capital Raised (mn euro)	% of total
1 ^o	4	169.49	6.3%
2 ^o	4	1,345.53	50.3%
3 ^o	1	100.09	3.7%
4 ^o	10	1,060.72	39.6%
Total	19	2,675.82	100.00%

Source: HCMC

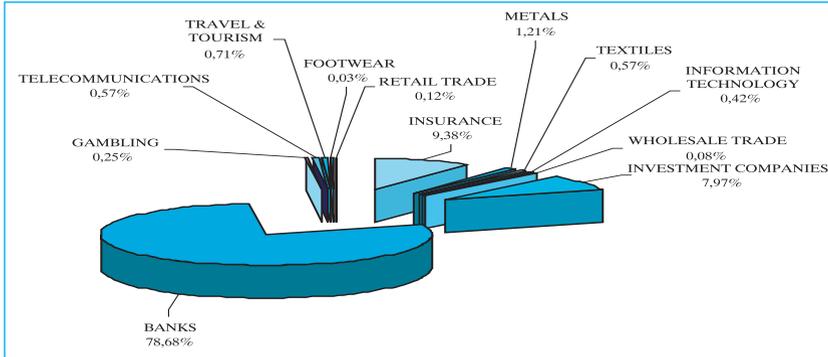
increase of 100.1 million euros that absorbed 3.7% of the total funds raised; and in the fourth quarter there were ten increases, with a total value of 1,060.7 million euros that absorbed the remaining 39.6% of the total funds raised.

In 14 cases the share capital increase was initially subscribed through the exercise of options, at rates ranging from 29.61% to 99.21%, with an average subscription rate of 76.58%. In the remaining cases, the share capital increase was performed either through private placement, or through a strategic investor. The corresponding subscription rates for 2004 were 7.7% and 85.7%, with an average subscription of 37.11%.

Figure 10 shows the distribution of funds raised from share capital increases per sector of activity in 2005. There were five share capital increases in the Banks sector, which raised almost 2,105 million euros, or 78.68% of the total. There were two share capital increases in the Insurance sector, which raised almost 251 million euros, or 9.38% of the

FIGURE 10

**Distribution of Funds Raised Through
Share Capital Increases, by Sector, 2005.**



Source: HCMC

total. There were also two share capital increases in the Investment Companies' sector, which raised almost 213 million euros, or 7.97% of the total. There was one share capital increase in the Metals sector, which raised 32.3 million euros (1.21% of the total). There was also one share capital increase in each of the Passenger Shipping, Textiles, Information Technology, Gaming, Retail Trade, Wholesale Trade and Footwear sectors, which raised a total of 73.8 million euros, or 2.76% of the total.

The fixed-income securities market

In 2005, there was a decrease in both the number of fixed income securities issues by ATHEX-listed companies, and the value of the funds raised. Only one ATHEX-listed company, from the IT sector, issued corporate bonds in 2005, as compared to 5 in 2004 and 4 in 2003. The total value of the funds raised amounted to 13.04 million euros, as compared to 74.7 million euros in 2004 and 68.4 million euros in 2003.

Mergers and acquisitions in the capital market

Although there was relatively limited restructuring among listed companies in the Greek market in 2005, there was extended restructuring activity among listed and non-listed companies (Table 19). In 2005, there were 7 final mergers and acquisitions among listed companies, as compared to 4 in 2004 and 8 in 2003. Of the 16 listed companies that completed the relevant merger procedures, 6 belonged to Investment Companies, 6 in Banks, 2 in "Change of Activity" and one in Fish Farming.

In 2005, M&A activity among listed and non-listed companies remained at high levels. In this year, 27 listed companies absorbed 39 non-listed companies through mergers, while in 2004, 28 listed companies had absorbed 42 non-listed companies. Of the listed acquiring companies, 5 belonged to the Information Technology sector, 4 to Fish Farming, 4 to Retail Trade, 2 came from each of the Holding & Consulting Companies and Industrial Minerals sectors and 1 from each of the Paper & Packaging, Change of Activity, Construction, Banks, Agriculture & Farming, Mobile Telephony Retail Services, Furniture, Clothing, and Electronic Equipment. Finally, the share of one of the listed companies was under suspension of trading.

In 2005, there were 4 spin-offs and transfers of branches from listed companies to one listed and 5 non-listed companies. These concerned 2 listed companies of the Construction sector and one company from each of the Electronic Equipment and IT Equipment sectors.

TABLE -19

Mergers, Spin-offs and Branch Transfers, 2005 (parts A, B, and C)

A. Mergers among ASE listed companies, 2005				
No	LISTED COMPANY - ACQUIRER	SECTOR	TARGET COMPANY	SECTOR
1	ALPHA BANK SA	Banks	DELTA SINGULAR SA	IT
2	PIRAEUS BANK	Banks	PIRAEUS REAL ESTATE DEVELOPMENT FINANCING	Change of Activity
3	PIRAEUS BANK	Banks	HELLENIC INVESTMENT Co	Investment
4	NIREFS	Fish Farming	FEEDUS SA	Change of Activity
5	EFG EUROBANK ERGASIAS	Banks	GREEK PROGRESS FUND	Investment
6	NATIONAL BANK OF GREECE	Banks	NATIONAL INVESTMENT Co ARROW	Investment
7	PROTON Investment Bank SA	Banks	EURODYNAMIC Closed End Fund SA EXELIXI SA	Investment
				Investment
B. Mergers among listed and non-listed companies, 2005				
No	LISTED COMPANY - ACQUIRER	SECTOR	TARGET COMPANY	SECTOR
1	PAPERPACK TSOUKARIDIS SA	Paper & Packaging	EUROKTISMA SA	Non-listed
2	KLOUKINAS - LAPPAS SA	Constructions	PAPAYANIS SONS SA	Non-listed
3	G. LEVENTAKIS TEXTILES SA	Change of Activity	VIVATOM SA	Non-listed
4	HELLENIC STOCK EXCHANGES	Holding & Consulting Companies	- BELCOT SA ASYK SA	Non-listed
5	EMBORIKI BANK	Banks	KADMOS SA VENTURES KADMOS SA INVESTMENT INITIATIVES	Non-listed
				Non-listed

			KADMOS SA INVESTMENT	Non-listed
			AGHIOS THOMAS PREVEZAS	
			SEA FARM	Non-listed
			D. NIKOLAOU FISH FARMING	Non-listed
6	HELLENIC FISHFARMING SA	Fish Farming	AGELOS VAKRINOS FISH FARMING	Non-listed
			VOURLIA VIOTIAS FISH FARMING	Non-listed
			LARYMNA FISH FARMING & TRADING	Non-listed
			CAVO DORO FISHFARMING	Non-listed
7	ILYDA SA	Information Technology	DIOSCOURIDES SA	Non-listed
8	HIPPOTOUR SA	Agriculture & Farming	BONO INTERNATIONAL SA	Non-listed
9	MICROLAND SA	Retail Trade Mobile	ALTCOM SA	Non-listed
10	GERMANOS IND. & COM Co	Telephony Retail Services	NG SYSTEMS HELLAS	Non-listed
11	INFORM P. LYKOS SA	Inform. Technology	INFORM PROCESSING SA	Non-listed
12	HITECH SNT SA	Inform. Technology	TELEDANOS SA	Non-listed
13	HERACLES GENERAL CEMENT Co	Industrial Minerals	EMMY SA	Non-listed
14	NOTOS COM HOLDING	Retail Trade	EAKOS SA	Non-listed
15	DIAS AQUA CULTURE SA	Fish Farming	RED HOOK Ltd	Non-listed
16	SPACE HELLAS SA	Inform. Technol.	SPACE NET TELECOMMUNICATION SERVICES	Non-listed
17	SATO SA	Furniture	BOCONCEPT SA	Non-listed
			VERSA SA	Non-listed
18	HELLENIC FISHFARMING SA	Fish Farming	ANAGNOSTOU SA	Non-listed
			- ATTICA SEA FARMING	
19	SEA FARM IONIAN AQUACULTURE SA	Under Suspension	ICTHYO-HELLENIC SEA FARM SA	Non-listed
			ICTHYOTECHNOLOGY SA	Non-listed
20	ALBIO HOLDINGS	Holding & Consulting Companies	VIOCARPET SA	Non-listed
21	IKTINOS HELLAS SA	Industrial Minerals	IKTINOS MARBLES SA	Non-listed
22	LOGICDIS SA	Inform. Technol.	SYSTEM R&D SA	Non-listed
			INFORMATION "KNOWLEDGE SA"	Non-listed
			LOGIC DIS GLOBAL SERVICES SA	Non-listed
23	ELVE SA	Clothing	OAKS SA	Non-listed
24	DIAS AQUACULTURE SA	Fish Farming	Th. D. KYPREOS FISH FARMING SA	Non-listed
25	VIVERE ENTERTAINMENT SA	Retail Trade	HERAKLION MUSICAL STORES	Non-listed
26	INTRACOM SA	Electronic Equipment	INTRACOM SA IT AND COMMUNICATIONS	Non-listed
27	HELLENIC DUTY FREE SHOPS SA	Retail Trade	THE NUANCE GROUP (HELLAS)	Non-listed

C. Spin-offs and branch transfers of ASE listed companies, 2005

A/A	LISTED COMPANY	SECTOR	COMPANY TO WHICH THE BRANCH IS TRANSFERRED	SECTOR
1	AKTOR TECHNICAL Co	Constructions	HELLENIC TECHNODOMIKI TEV	Holding & Consulting Companies
			TRIGONON SA	Non-listed
2	INFO QUEST SA	IT Equipment	Q TELECOMMUNICATIONS SA	Non-listed
3	INTRACOM SA	Electronic Equipment	INTRACOM SA TELECOMMUNICATION SOLUTIONS	Non-listed
			INTRAKOM DEFECE SA	Non-listed
4	INTRACOM CONSTRUCTION	Construction	INTRAMET SA	Non-listed

Source: HCMC

PART THREE

CAPITAL MARKET INTERMEDIARIES

Investment Firms

General overview

In 2005, seventy three investment firms ATHEX-members, five credit institutions ATHEX-members and twenty eight investment firms non-ATHEX members were active in the Greek capital market. The Hellenic Capital Market Commission revoked the licenses of five investment firms-ATHEX members and two investment firms non-ATHEX members, proceeded to the dissolution of one investment firm non-ATHEX member, granted license expansion to five investment firms-ASE members and one investment firm-non ATHEX member, imposed license restrictions on two investment firms-ATHEX members and approved corporate objective changes for four investment firms non-ATHEX members. It also approved of share capital increases for three investment firms-ATHEX members and one investment firm non-ATHEX member, as well as share capital decreases for four investment firms-ATHEX members and two investment firms non-ATHEX members. Furthermore, the HCMC granted licenses for the establishment of new branches and representative offices to one investment firm-ATHEX member. In 2005, one investment firm non-ATHEX member was absorbed by another investment firm-non-ATHEX member, one investment non-ATHEX member was absorbed by an investment firm-ATHEX member, two investment firms-ATHEX members were absorbed by two investment firms-ATHEX members and one firm-non ATHEX member was absorbed by a Mutual Fund Management Company.

In 2005, the 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. Certain issues were clarified, concerning margin account trading, the segregation of company assets from client assets, the strict closure of investment firm clients' open positions, the administrative and accounting organization of investment firms, the auditing mechanisms, the information sent to clients and the information submitted to the HCMC.

The utilization of the possibility for the provision of credit by ATHEX members to their clients for the purchase of securities (margin account) was satisfactory. By the end of 2005, the number of active margin account contracts was 11,896, as compared to 11,951 in 2004 and the

total value of security portfolios for margin trading amounted to 628.5 million euros, as compared to 553.0 million euros in December 2004. Basket order trading in the OASIS trading system was enhanced, contributing to an increase of flexibility and a decrease of management cost of investment firm client portfolios.

In 2005, the Common Guarantee Fund was set to 180 million euro, and the minimum contribution was set to 704,328.7 euros for investment firms ATHEX-members, 704,328.7 euros for investment firms-non ATHEX members, and 2,465,150.4 euros for each investment firm that becomes a new member of the Fund and the Athens Exchange.

***The value of transactions executed
by investment firms-ATHEX members***

The improvement in investor sentiment boosted trading activity in the ATHEX during 2005. The total value of transactions by investment firms-ATHEX members was 105.1 billion euros in 2005, registering an annualized increase of 47%. Since the percentage growth of the value of transactions was greater than the estimated increase of the economic growth rate, the ratio of the total value of transactions to estimated GDP rose from 43.4% in 2004 to 58.3% in 2005. The average value of transactions per investment firm-ATHEX member was 1.347 billion euros in 2005, as compared to 839 million euros in 2004. Only twelve investment firms-ATHEX members, accounting for 15% of the total, outperformed this average. The value of transactions performed through the

FIGURE 11

Value of Transactions by Investment Firms-ATHEX Members, 1998-2005 (bn euro)

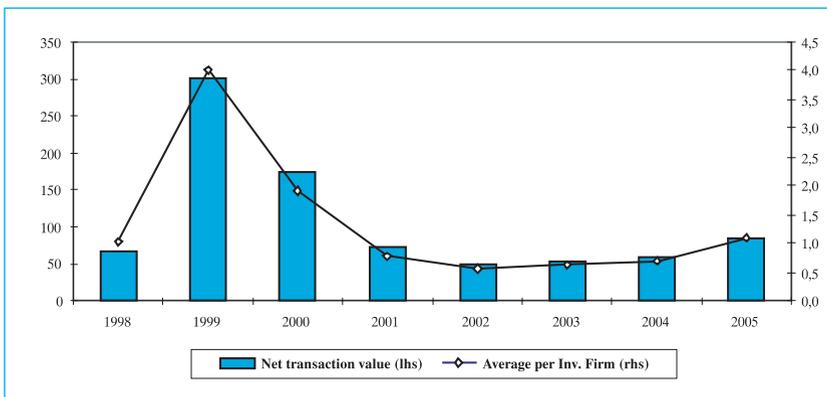
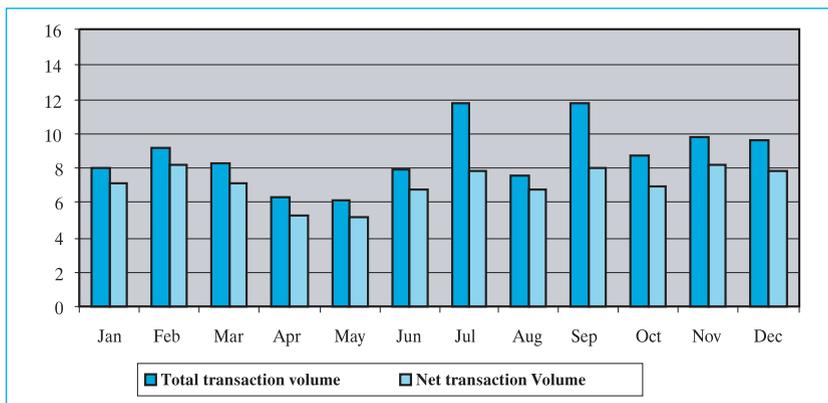


FIGURE 12**Monthly Distribution of the Value of Transactions
by Investment Firms-ATHEX Members, 2005 (bn euro)**

Thessalonica Stock Exchange Centre increased to 2.56 billion euros in 2005 from 2.15 billion euros in 2004. The ratio of transactions in the Thessalonica Exchange Centre to the total value of transactions in the ATHEX decreased to 4.99% in 2005 from 6.01% in 2004.

The net value of transactions by investment firms-ATHEX members was 84.96 billion euros in 2005, registering an annualized increase of 43%. The increase of transactions on block trades and repurchase agreements during 2005 led to a decrease in the ratio of net to the total value of transactions from 0.83 in 2004 to 0.81 in 2005.

Restructuring in the sector contributed to the increase of the concentration of transactions executed by investment firms-ATHEX members. The share of the four investment firms-ATHEX members with the largest value of transactions as a percentage of the total value of transactions increased to 52% in 2005 from 47% in 2004, the share of the four investment firms-ATHEX members with the largest value of transactions as a percentage of the net value of transactions increased to 50% in 2005 from 42.7% in 2004, while the top ten investment firms-ATHEX members executed 78.8% of the net value of transactions. Investment firms-ATHEX members that are subsidiaries of credit institutions executed 65% of total transactions in 2005, as compared to 51% in 2004. In 2005, ten investment firms-ATHEX members were subsidiaries of credit institutions, and represented 12% of all investment firms-ATHEX members operating in the ATHEX, as compared to 14% in 2004.

In 2005, the value of transactions on block trades and repurchase agreements amounted to 20.17 billion euros, registering an annual

increase of 70.52%. The value of transactions on block trades and repurchase agreements accounted to 19.2% of the total value of transactions, as compared to 16.6% in 2004. Sixty eight (68) investment firms-ASE members executed block trades in 2005, as compared to seventy seven firms in 2004.

The ongoing restructuring of the sector is expected to cause further concentration of trading activity, clientele and income for the companies of the sector. Another stimulus arises from the persistent opening of European markets and the capability to perform faster and cheaper transactions through the use of new technologies.

TABLE -20

**Analysis of the Value of Transactions
by Investment Firms-ATHEX Members, 2003-2005**

Transaction analysis	2002	2003	2004	2005	D % 05/04
Total Transaction Value (euro .000)	49,542,080	69,774,318	71,284,505	105,131,605	47.48%
Share of the first 4 brokerage firms	35.40%	43.00%	46.59%	52.45%	12.58%
Average value per brokerage firm	562,978	802,003	838,641	1,347,841	60.72%
Max transaction value per brokerage firm	6,547,343	11,537,250	10,919,536	18,495,383	69.38%
Min transaction value per brokerage firm*	2,927	1,534	1,650	338,303	20,403.21%
Share of trans. value by Bank subsidiaries	48.37%	58.00%	51.38%	65.05%	26.61%
Net Transaction Value ¹	39,944,349	54,503,871	59,268,478	84,963,379	43.35%
Share of the first 4 brokerage firms	27.86%	33.40%	42.72%	49.97%	16.97%
Average value per brokerage firm	453,913	626,481	697,276	1,089,274	56.22%
Maximum trans. value per brokerage firm	3,973,967	6,587,761	8,935,454	14,758,719	65.17%
Minimum trans. value per brokerage firm*	2,927	1,534	1,650	338,303	20,403.21%
Share of trans. value by Bank subsidiaries	41.33%	50.44%	49.16%	61.77%	25.65%
Block Trades & Repurchase Agreements	9,597,731	15,270,446	11,827,767	20,168,224	70.52%
Percentage over total transaction value	19.37%	21.89%	16.59%	19.18%	15.61%
Share of the first 4 brokerage firms	66.80%	77.32%	66.30%	62.92%	-5.10%
Number of firms involved in block trades	79	81	77	66	-14.29%
Share of trans. value by Bank subsidiaries	77.68%	85.40%	61.91%	78.82%	27.31%

Source: HCMC

Notes: 1: Block trades and repurchase agreements are excluded from total value.

*: Concerns brokerage firms that operated throughout the year

TABLE -21

**Market Share Concentration
of Investment Firms-ATHEX Members, 2002 -2005**

Classification of firms according to market share	2005	D%05/04	2004	2003	2002
1-10	78.8%	11.1%	70.9%	62.9%	55.5%
11-25	12.2%	-16.4%	14.6%	17.5%	22.8%
26-45	5.8%	-31.3%	8.4%	11.8%	13.3%
46-78	3.2%	-47.7%	6.1%	7.8%	8.4%

Source: HCMC

Trading on margin

In 2005, there was an increase in the provision of credit by investment firms-ATHEX members to their clients for the purchase of securities. Such credit may be provided by investment firms-ATHEX members, which possess the appropriate operational and organizational capacity and have submitted the relevant notification to the Hellenic Capital Market Commission. A prerequisite for the provision of credit is the conclusion of an agreement between the investment firm-ATHEX member and its client, and the pledging of the client's security portfolio with the investment firm-ATHEX member. The maximum credit that can be extended for each new purchase of shares is limited by the percentage of the initial margin requirement and the maximum credit limit, which has been set to one million euros per client. During the term of the agreement, the security portfolio of each margin account is marked to market, while the margin must be kept within limits set in advance, in order to compare the amount of total credit extended to each client with the pledged portfolio.

In 2005, the Commission established the compulsory valuation of margin account security portfolios after the end of the ATHEX trading session on the basis of the most recent official closing price of the ATHEX in case of ATHEX-listed shares, and on the basis of the most current price bulletin of the Electronic Secondary government Bonds Market, in the case of listed Greek government bonds (HCMC Rule 4/340/01.06.2005). Moreover, the HCMC extended the differentiation obligation, requiring, with certain exceptions, client security portfolios to include securities of at least three different issuers, not exceeding 50% of the current value of the margin account security portfolio.

In 2005, margin account trading was expanded. Following a recommendation of the HCMC, the Bank of Greece issued a Governor's Act (GA/BOG 2567/23.11.2005) reducing the initial margin from 50% to 40% and the maintenance margin from 35% to 30%. The fixing of the initial margin to 40% means that investors can purchase shares on a margin 150% greater than the value of their initial portfolios. The fixing of the maintenance margin to 30% means that the total margin provided to investors cannot exceed 70% of the value of their portfolios.

Finally, HCMC Rule 2/363/30.11.2005 amended the terms for the differentiation of margin account security portfolios, and codified the existing regulatory framework (HCMC Rules 2/213/28.3.2001, 11/215/10.05.2001, 2/291/22.1.2004, 1/306/22.6.2004 and 4/340/1.6.2005).

Table 22 presents the development of margin account trading for the year 2005, according to data submitted by investment firms-ATHEX members to the Hellenic Capital Market Commission on the last trading

day of each month. Out of the investment firms-ATHEX members that submitted the relevant notification to the Commission, an average of 44 firms became active in this field. The average number of active contracts increased from 10,546 in 2004 to 11,948 in 2005. Total debit balances in margin accounts increased on average from 146.2 million euros in 2004 to 153.8 million euros in 2005, and reached its highest level in February 2006 (162.8 million euros). The average value of security portfolios increased from 491.8 million euros in 2004 to 563.9 million euros in 2005. These developments show that margin account trading remains a key instrument for increasing liquidity in the market.

Market making by investment firms-ATHEX members

In 2005 there were major amendments in the institutional framework governing market making on listed securities. Paragraph 2, of article 51 of Law 3371/2005 (Gazette _ 178/14.07.2005), which replaced article 22_, Law 1806/1988 (Gazette _ 207), introduced important changes in the institutional framework governing market maker operations: i) extended market making to other securities, apart from shares; ii) established the optional conclusion of an agreement between the issuing company and the ATHEX-member that has undertaken market making on the security; iii) established the obligation of members to get permission from the ATHEX, in order to act as market makers; iv) set, and explicitly incorporated in the Rulebook of the ATHEX, the terms and conditions for market making and the main conditions that must be met by ATHEX-members, in order to act as market makers; v) set, and explicitly incorporated in the Rulebook of

TABLE 22

Trading on Margin, 2005

Μήνας	Notifications by ASE members for credit provision	Members actually providing credit	Active agreements for credit provision	Debt margin account balances (euro ,000)	Total value of security portfolios on margin trading (euro ,000)
Dec.	64	41	11,896	168,417,062	628,495,510
Nov.	65	41	11,808	160,015,978	577,335,797
Oct.	67	42	12,172	159,425,123	568,165,115
Sep.	67	42	11,998	144,032,341	564,821,747
Aug.	67	42	12,023	156,124,057	559,791,660
Jul.	67	43	12,061	140,364,332	550,736,567
Jun.	67	44	12,040	151,704,639	531,009,747
May	70	44	11,959	145,199,625	538,950,043
Apr.	70	44	11,963	150,927,791	495,250,110
Mar.	70	45	11,924	159,917,388	570,977,208
Feb.	71	45	11,836	162,786,257	620,481,098
Jan.	72	46	11,639	161,566,189	626,054,307

Source: HCMC

the ATHEX, the terms and conditions for the granting, renewal and revocation of market making licenses for companies; and vi) established the mandatory evaluation of market maker effectiveness, the relevant criteria being defined by the Rulebook of the ATHEX.

Regarding the incorporation of the new regime on market making in its Rulebook, the ATHEX introduced the institution of the Sponsors, a new type of market makers, who have different obligations. More specifically, Sponsors must enter pairs of purchases and sale orders (quotes) in the trading system only after the receipt of a quote request from other members of the ATHEX, must issue analyses for the companies they are responsible for, and must make two presentations of each analysis to investors.

Moreover, the ATHEX issued regulations aimed at rationalizing the new regime of market making obligations, which include the adaptation of the percentage deviation of the quote prices entered in the system by market makers to the price of the traded securities, the adjustment of the method for the calculation of the minimum quantity announced per order, the minimum daily quantity of shares and the reduction of the minimum time period required for the re-entry of orders. Finally, the ATHEX allowed market makers to enter, under certain conditions, quotes upon the implementation of the automatic instant transactions execution method, as well as limit orders.

Collective Investment Institutions

Developments in the Greek mutual fund market

The main features of the Greek mutual funds market in 2005 were the major reduction of total mutual fund assets, the reorganization of Mutual Fund Management Firms and their mutual funds, the changes in the market shares of different MF types, and the improvement of the regulatory framework. In 2005 the total number of mutual fund management firms decreased to twenty five (25), from twenty six (26) in 2004, and twenty nine (29) firms in 2003, while the total number of mutual funds under management decreased to 258 in 2005, from 262 in 2004 and 265 in 2003. The distribution of mutual funds by investment type by the end of 2005 was the following: 32 money market funds, 66 bond funds, 105 equity funds, 44 mixed (or balanced) funds, and 11 funds of funds.

In 2005, the regulatory framework of the mutual funds market, which had been modernized by means of Law 3283/2004 (Gazette A 210/2.11.2004) “Mutual Fund Management Firms, Undertakings for Collective Investment on Securities, mutual funds and other provisions” that annulled the relevant provisions of Law 1969/1991 and incorporated

the provisions of the relevant European directives on UCITS into Greek law, was further improved by Law 3371/2005 (Gazette _ ' 178/14.07.2005) "Capital market issues and other provisions" that supplemented and clarified certain provisions of Law 3283/2004. The new framework defines the method for valuating mutual fund placements in derivative products, and permits the listing of mutual fund shares reproducing stock market indices into regulated markets.

The regulatory framework was also improved by the issuance of HCMC Rules (8/330/2.3.2005, 8/335/6.4.2005, 9/342/8.6.2005), which upgrade the code of conduct for mutual fund management firms and portfolio investment companies, specify company obligations concerning advertisements, define the contents of simplified prospectuses so that they include investment and financial data, as well as total expenses and portfolio rotation indices, and redefine the types of mutual funds. The previous classification of mutual funds that was applicable in the beginning of the year, led to major restructuring in the institutional investment sector, as regards the geographical allocation of their assets and the type of financial instruments on which they invest.

By the end of 2005, the total assets of mutual funds amounted to 27.94 billion euros, registering a total annual decrease of 11.7 %. This decrease is mainly due to the contraction of net assets of money market funds by 10.49 billion euros and of mixed funds by 803.7 billion euros.

The net assets of bond funds showed a substantial year-on-year increase of 78.15%, due to the inflow of new capital in foreign bond mutual funds. In 2005, both net assets and the number of shares in foreign bond mutual funds increased by 710.97% and 799.62%, respectively. On a monthly basis, the largest increase of total bond fund net assets occurred in February (22.35%) and September (20.98%).

The net assets of equity funds registered an annual increase of

TABLE -23

Net Assets and Number of Mutual Funds, 2002-2005

MF Classification	31.12.2005		31.12.2004		31.12.2003		31.12.2002	
	Value (mn euro)	No of MF						
Money Market	4,938.86	32	15,429.90	39	15,787.39	40	10,747.44	40
Bond	13,578.09	66	7,621.92	62	6,540.32	65	5,121.93	63
Equity	5,994.18	105	5,168.35	116	4,852.77	119	3,711.26	121
Mixed	2,623.45	44	3,427.14	45	3,218.33	41	5,804.52	36
Funds of Funds	809.40	11	-	-	-	-	-	-
Total	27,943.98	258	31,647.31	262	30,398.81	265	25,385.15	260

Source: Union of Greek Institutional Investors, HCMC.

TABLE 24

**Net Assets of Mutual Funds
and Macroeconomic Aggregates, 1991-2005**

Date	Commercial Bank Deposits (mn euro)	ASE Capitalizatio (mn euro)	Net Mutual Funds Assets (mn euro)
Dec. 2005	-	301,958.6	27,9434.9
Oct. 2005	183,341.2	273,779.8	28,670.7
Dec. 2004	159,854.5	250,045.2	31,647.3
Dec. 2003	140,029.7	219,766.6	30,398.8
Dec. 2002	133,848.7	180,329.5	25,385.1
Dec. 2001	135,732.7	178,129.8	26,795.0
Dec. 2000 ¹	117,825.9	194,898.0	30,887.7
Dec. 1999	67,172.4	274,397.4	35,021.3
Dec. 1998	58,910.9	133,938.4	26,405.6
Dec. 1997	57,974.8	69,099.9	21,497.6
Dec. 1996	52,816.1	68,905.6	11,367.3
Dec. 1995	46,268.8	61,946.0	7,202.1
Dec. 1994	40,344.8	45,250.5	3,943.4
Dec. 1993	32,530.0	35,817.5	2,543.8
Dec. 1992	29,784.3	27,049.2	655.6
Dec. 1991	27,097.6	22,555.8	503.3

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

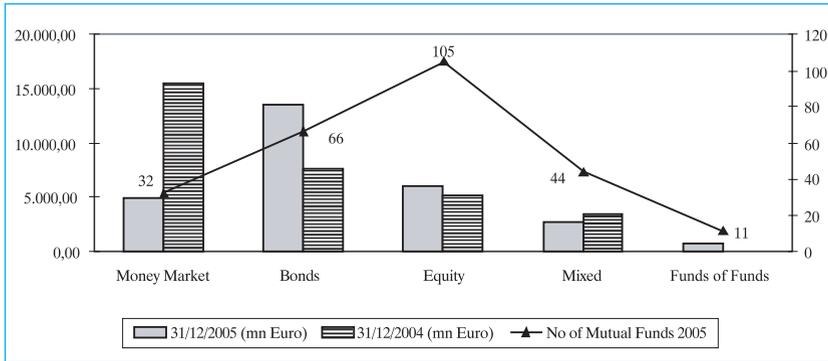
Note: 1. Resident deposits and repurchase agreements of residents (companies, households and general government) in Greek credit institutions. The previous data of the series refer to total deposits in commercial banks and specialized credit institutions.

15.98%, which is due to share evaluation increases, despite the fact that in 2005 this category suffered net outflows of 444.6 million euros. The largest increase in net assets was registered by foreign equity funds (26.22%), which enjoyed net inflows of 53.7 million euros, while the net assets of domestic equity mutual funds increased by 15.23%. The average annual return of domestic equity MFs was 29.48% in 2005, while during the same year the General Index of the ATHEX increased by 31.50%, the FTSE/ATHEX20 increased by 30.47%, and the FTSE/ATHEX Mid40 and FTSE/ATHEX80 indices increased by 47.06% and 33.31% respectively.

In 2005, the net assets of mixed mutual funds decreased by 23.45%. This reduction is due to the reclassification of the largest, in terms of net assets, mixed fund, which was assigned to foreign bonds funds in February 2005, leading to a 59.85% reduction in the net assets of mixed domestic mutual funds in this month. It is noted that, from the end of February and till the end of the year, mixed domestic mutual fund assets increased by 12.40%. The net assets of foreign mixed MFs increased by a spectacular 1,342.04 %, mainly due to the reclassification of a large

FIGURE 13

Net Assets and Number of Mutual Funds by Fund Classification, 2005



number of international mixed MFs to foreign mixed MFs in early 2005, as well as the large inflow of capital from June till late 2005. During this year, foreign mixed MFs enjoyed net inflows of 737.2 million euros, while domestic mixed MFs suffered net outflows of 1,768.4 million euros.

In 2005, the net assets of money market mutual funds decreased by 67.99%. The net assets of domestic money market MFs decreased by 82.41%, while the net assets of foreign money market MFs increased by 700.43%. On a monthly basis, the reduction of the net assets of domestic money market MFs was continuous, the largest fall occurring in February (24.75%), when three domestic money market MFs were reclassified to foreign money market MFs, with a corresponding increase of the net assets of this category by 900.57%. Foreign money market MFs suffered a large net asset reduction in September (47.57%), mainly because of the reclassification of one mutual fund. Domestic money market MFs suffered net outflows of 12,415.2 million euros, while foreign money market MFs received net inflows of 1,828.6 million euros.

In 2005, a new category of mutual funds was created in the Greek market, the “Funds of funds.” From July till December 2005, their net assets increased by a substantial 422.63%, reaching 809.4 million euros.

In the first three quarters of 2005, the total net assets of Greek mutual funds decreased by 8.05%, as compared to a 19.0% increase in the total net assets of the euro zone’s mutual funds. More specifically, the net assets of Greek equity mutual funds shared a similar, albeit more limited, growth pattern with the net assets of European equity mutual funds (increase of 8.4%, as compared to 25.1%). During the same period, the net assets of Greek bond MFs increased by 77%, as compared to

16.1% for European bond MFs. Finally, Greek money market MFs registered a net asset increase of 51.88%, as compared to 7.1% for European MFs, while Greek mixed MFs suffered a net asset decrease of 33.35%, against a 17.9% increase of European ones.

In 2005, the mutual funds of the Greek market received a total net inflow of 5,787.9 million euros. Bond mutual funds and funds of funds enjoyed net inflows (5,739.6 and 534.7 million euros respectively), while all other categories suffered net outflows: money market funds lost 10,586.6 million euros, mixed funds lost 1,031.2 million euros and equity funds lost 444.6 million euros. The largest net inflow of capital was achieved by foreign bond MFs and amounted to 6,219.3 million euros, while the largest net outflow was incurred by domestic money market MFs and amounted to 12,415.2 million euros.

By the end of 2005, the mutual fund market featured major changes in comparison to 2004. The share of bond mutual funds increased to 48.59% as compared to 24.08% in 2004. Foreign bond funds held a market share of 63.28%, as compared to 13.90% in 2004. By the end of 2005, there were 66 bond mutual funds, of which 32 were domestic, and 34 were foreign. In the same year, the market share of equity MFs increased to 21.45%, from 16.33% in 2004. By the end of the year, there were 105 equity mutual funds, of which 61 were domestic, and 44 were foreign. In the end of 2005, the share of mixed mutual funds was 9.39% as compared to 10.83% in 2004. Domestic mixed MFs held a market share of 49.16%, as compared to 83.46% in 2004. By the end of 2005, there were 44 mixed mutual funds, of which 26 were domestic, and 18 were foreign. By the end of 2005 money market mutual funds controlled a market share of 17.67%, as compared to 48.76% in 2004. In the end of the year, there were 32 money market mutual funds, of which 26 were domestic and 6 were foreign. (See Table III of the Appendix). Finally, the market share of “funds of funds” by the end of 2005 was 2.90%, and there were eleven funds of funds, of which 6 were equity and 5 were mixed MFs.

Figure 15 correlates the quarterly change in total mutual fund assets with the corresponding ratio of equity funds to total assets. During the first semester of 2005, total net mutual fund assets decreased by 8.08%, while the General Index of the ATHEX rose by 9.85%, and during the second semester of 2005, total net assets of mutual funds decreased by 3.94%, while the General Index of the ATHEX rose by 19.71%. The decrease in the total net assets of mutual funds is attributed to the outflows observed in domestic money market funds, domestic mixed funds, and domestic equity mutual funds, which outdid the effects on the net assets of equity and mixed mutual funds from the recovery of share prices.

In 2005, the concentration level of net mutual fund assets remained unchanged. By the end of the year, the three largest mutual fund management firms had funds under management of 20.62 billion euros, which accounted for 73.81% of total mutual fund assets, as compared to 23.68 billion euros accounting for 74.83% of the total in 2004, while the 5 largest mutual fund management firms had funds under management of 85.08% of total mutual fund assets, as compared to 84.22% in 2004

TABLE -25

Net Assets and Units of Mutual Funds, Dec. 2005

MF Classification	Type of MF	Net Assets		Annual change (%)	No of shares	
		31.12.2004 (euro)			31.12.2004	
Money market	Domestic	2,664,457,430		-67.99	799,216,000	
	Foreign	2,274,401,570			254,410,000	
	Total	4,938,859,000			1,053,626,000	
Bond	Domestic	4,986,409,560		78.15	784,929,000	
	Foreign	8,591,680,460			1,527,098,000	
	Total	13,578,090,020			2,312,027,000	
Equity	Domestic	4,981,358,990		15.98	527,612,000	
	Foreign	1,012,818,990			222,816,000	
	Total	5,994,177,980			750,428,000	
Mixed	Domestic	1,289,740,480		-23.45	212,731,000	
	Foreign	1,333,709,670			185,176,000	
	Total	2,623,450,150			397,907,000	
Funds of Funds	Total	809,398,580			238,852,000	
TOTAL		27,943,975,730		-11.70	4,752,840,000	

Source: Union of Greek Institutional Investors, HCMC.

FIGURE -14

Net Assets of Mutual Fund, ATHEX Capitalization and the General Index, 2005

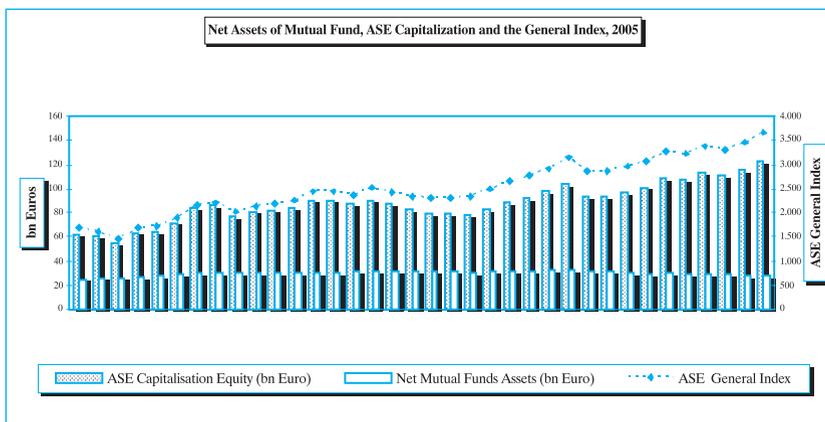


FIGURE 15

The Make-Up of the Capital Market and Total Assets of Mutual Funds, 2001-2005

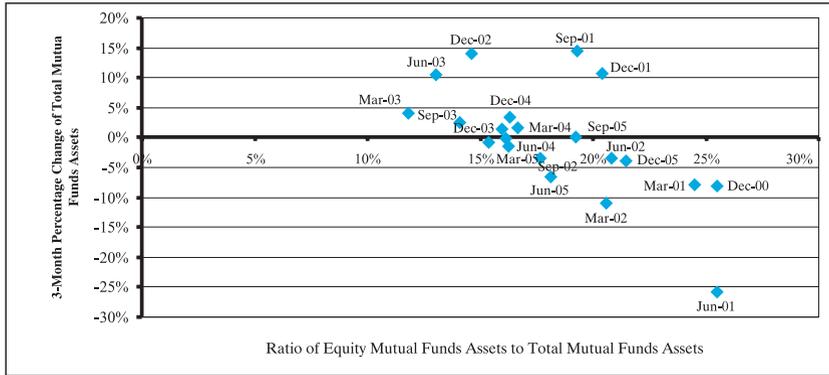


TABLE 26

New Foreign UCITS in the Greek Capital Market, 2001-2005

Year	UCITS covered by Directive 85/611/EEC		UCITS not covered by Directive 85/611/EEC	
	No of UCITS	Number of MF	No of UCITS	Number of MF
2005	5	159	0	0
2004	12	92	0	0
2003	4	115	2	2
2002	6	246	0	0
2001	18	316	3	11

Source: HCMC

(see Table II of the Appendix).

In 2005, the Hellenic Capital Market Commission approved the formation and operation of eighteen (18) mutual funds, the amendment of the internal regulations of one hundred and ninety nine (199) mutual funds and the merger of twenty one (21) mutual funds. Moreover, five foreign Undertakings for Collective Investments in Transferable Securities (UCITS), notified the HCMC about their intention to sell mutual fund units in the Greek market through their representatives. Finally, in 2005 the Commission approved the sale of units from one hundred and fifty nine (159) new mutual funds of foreign UCITS.

Developments in the European mutual fund market

According to statistics of the European Fund & Asset Management

Association (EFAMA), in the first nine-months of 2005 the total net assets of mutual funds in European markets increased by 18.7%. During the same period, the total net assets of UCITS mutual funds increased by 19%, mainly because of the increase in the total assets of equity mutual funds by 25.1% and in the total assets of bond funds by 16.1%. There was also a 17.9% increase in the net assets of mixed funds and a 7.1% increase in the net assets of money market funds. Net sales were positive for all UCITS mutual fund categories during the first three quarters of 2005, and reached 328 billion euros. The largest sales were achieved by bond funds (119 billion euros) and equity mutual funds (74 billion euros). . In terms of net sales, the best quarters for all UCITS mutual funds were the third (144 billion euros) and the first (112 billion euros).

These changes in net assets during the first three quarters of 2005 did not produce any major reshuffling in the market shares of European UCITS mutual funds, which were the following: equity funds held a market share of 37%, as compared to 35% in 2004, mixed funds and bond funds remained at 2004 levels, i.e. 13%, and 27% respectively, while the share of money market funds fell to 19% from 21% in 2004. The above figures do not include Irish mutual funds, for which there is no classification.

France and Luxembourg dominate the European UCITS mutual fund market, with a combined market share of 49.5% in the first nine-months of 2005, followed by the United Kingdom, Ireland and Italy with market shares of 9.5%, 8.7% and 7.7% respectively. The largest net asset increases were achieved by the UCITS mutual funds of Hungary (58.2%), followed by those of Slovakia (57.7%). The non-UCITS markets are dominated by four product types: German Special Mutual

TABLE - 27

Net Assets of UCITS, 2004-2005

Κατάταξη A/K	Total net assets (bn euro)	30.9.2005		30.6.2005	31.3.2005	31.12.2004
		% of total	% Change Sep. 2005 - Dec. 2004	Total net assets (bn euro)	Total net assets (bn euro)	Total net assets (bn euro)
Equity	1,685	37.0%	25.19%	1,520	1,430	1,346
Mixed	612	13.4%	17.92%	572	540	519
Funds of Funds	71	1.6%	36.54%	61	56	52
Bond	1,209	26.6%	16.14%	1,153	1,095	1,041
Money Market	855	18.8%	7.14%	837	816	798
Other120	120	2.6%	37.93%	107	97	87

Source: EFAMA

Note: (1): Excluding Ireland for which there is no detailed information.

TABLE - 28

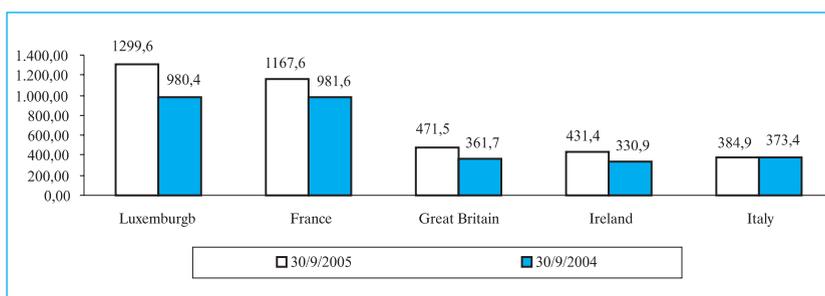
**Top-5 Countries in Net Assets
of Mutual Fund in the EU, 30.9.2005**

Country	30.9.2005			31.12.2004	
	Total net assets (bn euro)	% of the total in the EU Market	% Change Sep. 2005 - Dec. 2005	Total net assets (bn euro)	% of the total in the EU Market
Luxembourg	1,299,574	26.08%	26.79%	1,024,984	24.49%
France	1,167,600	23.43%	16.01%	1,006,500	24.05%
Un. Kingdom	471,493	9.46%	25.24%	376,477	8.99%
Ireland	431,418	8.66%	25.67%	343,308	8.20%
Italy	384,914	7.73%	2.45%	375,694	8.98%
Total	3,754,999	75.36%	20.08%	3,126,963	74.70%
Total Eur. Market	4,982,470	-	-	4,185,777	-

Source: EFAMA

FIGURE - 16

**Top-5 Countries in Mutual Fund Assets
in the EU (bn euro), 30.9.2004 - 30.9.2005**



Funds, exclusively addressed to institutional investors, British investment trusts, French employee savings funds and real estate funds. During the first three quarters of 2005, the total net assets of non-UCITS mutual funds increased by 18%; French employee insurance funds and German special Mutual Funds registered the largest net asset increases by 16% and 12% respectively.

Portfolio Investment Companies

In 2005, the enactment of Law 3371/2005 improved the institutional framework governing the operation of PICs, redefining the regime for the granting, temporary suspension and revocation of licenses for the operation and formation of PICs, the listing of their shares in a regulated market, the permitted investments and investment limits, the out-

sourcing of financial services, the provision of custodian services, their transformation to mutual funds and other issues.

By the end of 2005, the shares of fourteen Portfolio Investment Companies (PIC) were traded in the Athens Stock Exchange, with a total market capitalization of 569.9 million euros, as compared to 1.23 billion euros for the twenty companies that were listed by the end of 2004, and 1.3 billion euros for twenty two companies listed by the end of 2003.

In the end of the year, the total net asset value of the eleven PICs that remained after the absorption of three companies on 30.12.2005 amounted to 354.68 million euros, as compared to 1.34 billion euros in 2004 and 1.41 billion euros in 2003. PIC shares traded at an average weighted discount of 13.19% in 2005, as compared to a discount of 5.73% by the end of 2004 and a premium of 5.2% by the end of 2003. By the end of 2005, the average weighted return of portfolio investment companies was 21.21% and the average return was 12.14%. Since the beginning of the year the investment companies' index increased by 38.48%, while the General Index of the ATHEX rose by 31.50% (Figure 17).

In 2005, the HCMC revoked the licenses of two (2) companies due to dissolution and liquidation, and approved the merger by absorption of six companies, while one company was transformed to a mutual fund. More specifically, P&K PIC and Optima PIC proceeded to dissolution and liquidation; Exelixa PIC, Arrow and Eurodynamic Closed End Fund PIC were absorbed by Proton Investment Bank; National Investment PIC was absorbed by the National Bank of Greece; the Greek Progress Fund PIC was absorbed by EFG Eurobank Ergasias; Hellenic Investment PIC was absorbed by Piraeus Bank; and New Millenium Investments PIC was transformed into the Marfin New Millenium Domestic Equity mutual fund. In 2005, one company, Diolkos PIC, listed its shares in the Main Market of the ATHEX, raising 1.36 million euros, while none of the listed companies proceeded to share capital increases through the payment of cash.

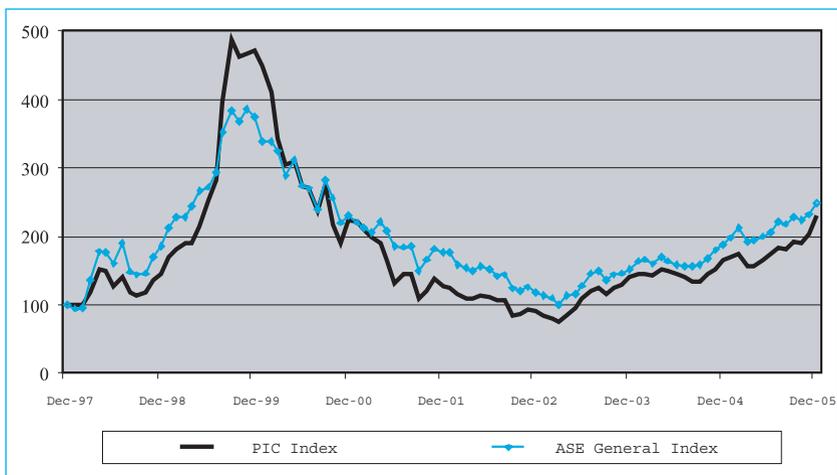
The portfolio structure of Portfolio Investment Companies

According to available data, there was an increase in the value of PIC portfolios in 2005. In the end of September 2005, the total value of PIC portfolios amounted to 1,484.39 million euros, as compared to 1,434.26 million euros in the end of September 2004, increasing by 3.5% year-on-year. In the first quarter of 2005, total portfolio value decreased by 1.49%, while in the second and third quarters it increased by 6.63% and 0.39% respectively.

In 2005 there was a change in the portfolio structure of PICs (Table

FIGURE 17

The ATHEX General Index and the PIC Index, 1998-2005



29). In September 2005, placements in ATHEX-listed shares accounted for 46.67% of total portfolio value, as compared to 55.50% in September 2004 and 60.80% in December 2004. During the period September 2004-September 2005, the value of investments in ATHEX-listed shares increased in the final quarter of 2004, remained at the same levels in the first quarter of 2005, and decreased in the next two quarters. Overall, the value of investments during the period under consideration decreased by 12.99%, while the General Index of the ATHEX rose by 45.26%, the FTSE/ATHEX20 index rose by 48.20%, the FTSE/ATHEX Mid40 index rose by 51.91% and the FTSE/ATHEX80 index rose by 18.89%. In September 2005, placements in equities listed in overseas exchanges accounted for 8.45% of total portfolio value, as compared to 10.62% in September 2004 and 10.43% in December 2004, decreased by 17.69% since September 2004 and by 14.58% since December 2004. In September 2005, placements in non-listed shares accounted for 0.41% of total portfolio value, as compared to 0.57% in September 2004 and 0.54% in December 2004. In September 2005, placements in bonds and mutual funds accounted for 4.26% of total portfolio value, as compared to 5.42% in September 2004 and 5.59% in December 2004. In September 2005, placements in cash and repos accounted for 40.23% of total portfolio value, as compared to 27.88% in September 2004 and 22.64% in December 2004, realizing major gains of 49.31% since September 2004 and 87.34% since December 2004.

The development of the portfolio structure of portfolio investment companies for the period Dec. 1998-Sept. 2005 shows that, by the end of this period, placements in ATHEX-listed shares represented the smallest percentage of total portfolio value ever, while investments in cash and repos, accounted for a historically high percentage.

TABLE -29

Portfolio Structure of Portfolio Investment Companies,¹ 1998-2005.

Month/ Year	Shares of ASE- listed companies		Shares of non- listed companies		Mutual fund shares and bonds		Foreign Equities		Cash & Repos	
	Value (euro)	% of port- folio	Value (euro)	% of port- folio	Value (euro)	% of port- folio	Value (euro)	% of port- folio	Value (euro)	% of port- folio
Sep-05	692,697,122	46.67	6,017,744	0.41	63,173,532	4.26	125,366,535	8.45	597,141,092	40.23
Jun-05	812,624,720	54.96	6,018,594	0.41	97,642,826	6.60	105,605,270	7.14	456,723,448	30.89
Mar-05	838,849,388	60.49	6,543,124	0.47	79,636,655	5.74	125,036,719	9.02	336,584,776	24.27
Dec-04	855,831,601	60.80	7,579,943	0.54	78,744,509	5.59	146,766,544	10.43	318,748,693	22.64
Sep-04	796,082,570	55.50	8,163,675	0.57	77,774,393	5.42	152,313,446	10.62	399,930,507	27.88
Jun-04	849,714,700	59.48	8,154,673	0.57	85,059,152	5.95	160,135,269	11.21	325,627,306	22.79
Mar-04	930,136,000	64.72	8,289,208	0.58	85,981,522	5.98	192,276,255	13.38	220,501,627	15.34
Dec-03	973,251,628	63.25	15,316,351	1.00	104,812,642	6.81	131,191,019	8.53	314,135,042	20.42
Sep-03	980,733,793	54.91	21,090,561	1.18	155,681,907	8.72	97,825,758	5.48	530,737,278	29.72
Jun-03	968,377,448	56.80	21,342,628	1.25	140,877,328	8.26	131,763,297	7.73	442,398,568	25.95
Mar-03	808,680,816	55.51	23,729,213	1.63	151,625,248	10.41	124,491,259	8.55	348,248,814	23.91
Dec-02	1,009,372,851	61.17	23,982,934	1.45	115,944,476	7.03	142,117,001	8.61	358,583,540	21.73
Sep-02	1,194,885,169	62.33	73,865,125	3.85	140,780,181	7.34	138,777,573	7.24	368,755,770	19.24
Jun-02	1,502,250,294	66.38	76,401,919	3.38	109,729,778	4.85	158,385,052	7.00	416,464,545	18.40
Mar-02	1,649,965,045	70.10	79,301,056	3.37	109,520,679	4.65	157,137,755	6.68	357,929,596	15.21
Dec-01	1,821,654,738	72.29	102,081,693	4.05	89,328,166	3.54	152,060,231	6.03	354,938,430	14.08
Sep-01	1,408,268,767	66.94	114,852,039	5.46	73,572,056	3.50	125,095,822	5.95	382,061,789	18.16
Jun-01	1,776,076,272	71.62	119,069,134	4.80	100,029,997	4.03	166,192,424	6.70	318,369,650	12.84
Mar-01	1,987,974,952	68.24	117,479,276	4.03	98,346,242	3.38	144,318,466	4.95	565,225,141	19.40
Dec-00	2,222,303,236	71.50	111,955,154	3.60	122,098,616	3.93	160,202,699	5.15	491,401,809	15.81
Sep-00	2,786,542,076	74.36	104,819,780	2.80	100,314,162	2.68	171,304,166	4.57	584,588,294	15.60
Jun-00	2,689,366,183	71.55	104,227,972	2.77	117,287,330	3.12	155,216,242	4.13	692,471,215	18.42
Mar-00	2,890,894,437	69.58	103,548,139	2.49	219,460,706	5.28	147,023,651	3.54	793,883,405	19.11
Dec-99	2,827,316,684	75.93	94,036,409	2.53	32,799,209	0.88	96,072,272	2.58	673,383,699	18.08
Dec-98	740,516,933	74.98	15,320,182	1.55	59,738,868	6.05	47,652,064	4.82	124,409,081	12.60

Source: Hellenic Capital Market Commission.

Note: 1. The above analysis includes data concerning companies whose shares were either already being traded in the ATHEX on December 31st, 2005, or had been approved for listing by the HCMC. Therefore, the above analysis includes data for the following companies: Aeolian Investment Funds SA, Attiki Investments SA, Active Investments SA, Alpha Portfolio Investments SA, Alpha Trust Andromeda, Alpha Trust Asset Manager Fund, Alpha Trust Orion, Altius, Arrow, Aspis Invest SA, Omega SA, Dias SA Investment Company, Diolkos SA, Domus Closed End Fund SA, National Investment SA, Hellenic Investment SA, Commercial Investment SA, Exelixa SA, Investment Development Fund, Ergo Invest SA, Eurodynamic Closed End Fund SA, Euroline SA, Global New Europe Fund, Interinvest International Investments, Marfin Classic SA, Marfin Global Investments SA, New Millennium SA, Nexus Investment, Optima SA, P&K SA, Piraeus Investment SA, The Greek Progress Fund SA, Standard Investment SA and Farsi Investment Co.

Institutional investment in the derivatives market

In 2005, there was a marked reduction of institutional investor activity in the derivatives market. The value of mutual fund investments in derivative financial products stood at 1.06 billion euros in September 2005, decreased by 52% in comparison to the same period of 2004.

In 2005, the value of mutual fund investments in derivatives decreased (Table 30). The value of investments by mutual funds that were active in the derivatives market in September 2005 accounted for 5.49% of their net assets, as compared to 9.22% in September 2004 and 7.69% in December 2004. The value of investments by mutual funds that were active in the derivatives market in September 2005 accounted for 3.64% of total net assets of mutual funds, as compared to 7.21% in September 2004 and 5.81% in December 2004.

In 2005, there was also a decrease in the value of PIC investment in derivative financial products. The value of PIC investment in September 2005 was 52.34 million euros, decreased by 73.09% in comparison to the same period of 2004 (Table 31). The value of PIC investment in derivative products in September 2005 accounted for 5.13% of their own capital, as compared to 16.25% in September 2004 and 14.28% in December 2004.

TABLE - 30

Mutual Fund Investment on Derivatives, 2001-2005

End of Quarter	Value of position on derivatives (euro)	Value of position on derivatives (% of assets)	Gains / Losses (euro)
3rd Quarter 2005	1,059,933,245	5.49%	2,048,979
2nd Quarter 2005	1,457,984,467	6.53%	-18,615,686
1st Quarter 2005	1,761,553,628	7.54%	1,769,994
4th Quarter 2004	1,838,840,211	7.69%	-8,262,424
3rd Quarter 2004	2,206,051,166	9.22%	-10,640,795
2nd Quarter 2004	2,099,349,517	8.63%	51,576,944
1st Quarter 2004	2,587,152,357	10.60%	-46,141,264
4th Quarter 2003	2,591,048,186	11.98%	28,148,121
3rd Quarter 2003	1,830,795,801	14.91%	4,227,805
2nd Quarter 2003	2,232,022,819	10.79%	-14,274,272
1st Quarter 2003	1,719,168,837	10.61%	-7,262,240
4th Quarter 2002	1,462,288,622	8.40%	23,467,248
3rd Quarter 2002	1,102,462,102	7.09%	-7,796,429
2nd Quarter 2002	1,329,785,038	7.94%	5,859,696
1st Quarter 2002	953,982,414	7.23%	707,904
4th Quarter 2001	783,945,848	5.91%	10,024,880
3rd Quarter 2001	670,887,540	5.03%	1,540,379
2nd Quarter 2001	1,106,847,848	8.21%	-1,627,693
1st Quarter 2001	703,731,902	5.12%	3,278,772

Source: HCMC

TABLE 31**Portfolio Investment Company Investments on Derivatives, 2001-2005**

Τέλος τριμήνου	Value of position on derivatives (euro)	Value of position on derivatives (% of own capital)	Gains / Losses (euro)
3rd Quarter 2005	52,342,355	5.13%	-1,059,281
2nd Quarter 2005	49,886,079	3.69%	-3,974,4567
1st Quarter 2005	82,744,165	6.89%	-1,327,346
4th Quarter 2004	175,342,932	14.28%	-3,252,272
3rd Quarter 2004	194,499,988	16.25%	1,978,154
2nd Quarter 2004	169,931,710	14.13%	1,536,923
1st Quarter 2004	113,990,721	9.21%	1,530,461
4th Quarter 2003	84,604,724	7.23%	436,133
3rd Quarter 2003	86,879,115	7.89%	2,910,027
2nd Quarter 2003	98,218,767	8.51%	-473,970
1st Quarter 2003	96,099,169	5.14%	257,771
4th Quarter 2002	80,974,822	3.36%	3,405,621
3rd Quarter 2002	124,602,151	6.33%	-3,902,468
2nd Quarter 2002	67,764,316	2.70%	2,234,410
1st Quarter 2002	94,798,312	3.77%	1,562,640
4th Quarter 2001	43,711,727	1.74%	-2,296,656
3rd Quarter 2001	74,098,112	2.95%	4,772,068
2nd Quarter 2001	47,267,147	1.88%	-1,723,921
1st Quarter 2001	72,117,296	2.87%	696,670

Source: HCMC

Central Securities Depository and clearing and settlement

The Central Securities Depository (CSD) is the central agency for the clearing and settlement of stock exchange transactions, as well as for the operation 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. In 2005, there were two amendments of the Regulation for the Dematerialized Securities System (DSS), designed to increase the effectiveness of the systems operation (HCMC Rules 7/336/21.04.2005 and 24/367/22.12.2005).

In the context of its upgrading, the CSD provides investors with services related to the payment of dividends, the payment of coupons, the distribution of securities, the intermediation for the transfer of options etc. In accordance with Law 3152/2003, these operations of the CSD are described and defined by the Regulation for the Clearing and Settlement of Stock Exchange Transactions on Dematerialized Securities, which is approved by the Capital Market Commission. In 2005, the HCMC approved an amendment of the Regulation, designed to align it with the new Rulebook of the ATHEX (HCMC Rule 23/367/22.12.2005).

In 2005, the number of trading accounts in the DSS decreased by

28.1%. By the end of the year, the total number of trading accounts in the DSS was 2,394,319, registering a small annual increase of 1.23% and the number of active accounts was 2,321,550, registering a small annual increase of 1.03% (Table 32).

By the end of the year, the accounts of domestic investors in the DSS accounted for 93.8% of total accounts, as compared to 95.6% in 2004 (Table 33). The total positions of domestic investors accounted for 59.4% of the total market capitalization of ATHEX-listed companies, as compared to 63.6% in the end of 2004, while the positions of private domestic investors accounted for 24.47% of the total market capitalization of ATHEX-listed companies, as compared to 25.7% in the end of 2004.

TABLE - 32**Number of New Trading Accounts in the DSS by Month, 1999-2005**

Month / Year	2005	2004	2003	2002	2001	2000	1999
January	3,661	4,427	1,663	2,156	3,330	56,803	44,580
February	1,459	18,352	36,441	2,243	4,604	64,840	58,113
March	1,526	1,861	2,503	2,776	4,245	78,891	89,850
April	3,836	2,372	2,390	1,942	2,954	142,986	129,473
May	1,108	1,961	16,728	1,408	4,129	98,502	116,017
June	1,873	1,322	3,659	1,489	2,829	132,234	118,216
July	7,146	1,784	4,744	1,826	3,146	8,118	73,341
August	2,362	1,066	2,573	1,131	2,116	5,070	74,532
September	1,511	1,611	15,330	1,342	2,898	10,949	145,817
October	2,623	5,230	3,446	1,604	2,151	7,670	99,149
November	1,600	1,473	10,207	1,739	6,758	10,402	81,956
December	2,107	1,409	1,399	2,476	3,620	34,006	83,317
Total new accounts	30,812	42,868	101,083	22,132	42,780	650,471	1,114,361
Account deactivations	6,626	3,743	3,142	4,495	6,467	15,312	10,821
Total active accounts	2,321,550	-	-	-	-	-	-
Total accounts	2,394,319	-	-	-	-	-	-

Source: CSD Monthly Statistical Bulletin, December 2005.

TABLE - 33**Distribution of Trading Accounts
in the Athens Exchange, 31.12.2005.**

	No	Percentage (%)	No	Percentage (%)
I. Domestic Investors	1,160,046	93.75	73,227.38	59.43
- Private domestic	1,155,847	93.41	30,152.30	24.47
- Private financial ¹	632	0.05	11,596.05	9.41
- Private non-financial	2,846	0.23	9,326.78	7.57
- Public Sector	709	0.06	22,151.65	17.98
- Other domestic investors	12	0.00	0.61	0.00
II. Foreign Investors	18,835	1.52	49,682.01	40.32
- Private-foreign	12,694	1.03	535.47	0.43
- Legal Entities	1,047	0.08	11,319.99	9.19
Institutional Investors	4,872	0.39	34,447.70	27.96
- Other legal entities	222	0.02	3,378.85	2.74
III. Other Investors	58,526	4.73	299.13	0.24
Total I +II + III	1,237,407	100.0	123,208.52	100.0

Source: CSD Monthly Statistical Bulletin, December 2005

Note: 1. Insurance companies, pension funds, UCITS, Investment Firms, Brokerage Firms, financial institutions, factoring, leasing, venture capital companies, firms for the reception and transmission of orders etc. 2. Investors with no registered tax residence. From joint ownerships, those whose members include both Greeks and foreigners.

PART FOUR

ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION

RULES AND REGULATIONS

In 2005, the Board of Directors of the Hellenic Capital Market Commission, having obtained the necessary authorization, issued many rules and regulations. These rules and regulations were directed towards the enhancement of service quality and investor protection, the safeguarding of the normal operation of the market, the protection of the trading and clearing system, market transparency and the assurance of the smooth function of the market. The following rules and regulations were issued:

Investor protection and quality of services

- HCMC Rule 327/14.02.2005 (Gazette B 280/03.03.2005): “Amendment of HCMC Rule 2/306/22.6.2004 (Gazette B 1029/8.7.2004) on the segregation of client and investment firm assets.” The rule amends article 2 of HCMC Rule 2/306/22.6.2004 (Gazette B 1029/8.7.2004).
- HCMC Rule 330/02.03.2005 (Gazette B 361/21.03.2005) “Amendment of HCMC Rule 2/132/19.05.1998 (Gazette B 615/18.06.1998) ‘Code of Conduct for Mutual Fund Management Firms and Portfolio Investment Firms’.” The rule amends article 7 of HCMC Rule 2/132/19.05.1998 (Gazette B 615/18.06.1998).
- HCMC Rule 1/347/12.07.2005 (Gazette B 983/13.07.2005): “Indications of Market Abuse.” This rule aligns the institutional framework with the articles of EU Directive 2003/124/EC, Official Journal of the European Communities (L339/70/2003).
- HCMC Rule 2/347/12.07.2005 (Gazette B 983/13.07.2005): “Obligation of professionals that intermediate in the execution of transactions, concerning the prevention of market abuse.” This rule adapts the regulatory framework to articles 7 to 11 of EU Directive 2004/72/EC, Official Journal of the European Communities (L162/70/2004).
- HCMC Rule 3/347/12.07.2005 (Gazette B 983/13.07.2005): “Issuer obligations concerning the disclosure of privileged information.” This rule adapts the regulatory framework to the provisions of EU Directive 2003/124/EC, Official Journal of the European Communities (L 339/70/2003) and 2004/72/EC, Official Journal of

- the European Communities (L162/70/2004).
- HCMC Rule 4/347/12.07.2005 (Gazette B 983/13.07.2005): “Obligations of the persons that prepare or disseminate analyses.” This rule adapts the regulatory framework to the provisions of EU Directive 2003/125/EC, Official Journal of the European Communities (L 339/73/2003).
 - HCMC Rule 5/347/12.07.2005 (Gazette B 983/13.07.2005): “Procedure and criteria for the definition of acceptable market practices.” This rule adapts the regulatory framework to articles 2 to 3 of EU Directive 2004/72/EC, Official Journal of the European Communities (L 162/70/2004).
 - HCMC Rule 3/348/19.07.2005 (Gazette B 1081/1.08.2005): “Amendment of HCMC Rule 5/204/2000 (Gazette B 1487/6.12.2000). This rule amends articles 1 and 5, and abolishes articles 2 to 4 and 6 to 10 of HCMC Rule 5/204/2000 (Gazette B 1487/6.12.2000)
 - HCMC Rule 2/356/26.10.2005 (Gazette B 1651/29.11.2005): “Granting and revocation of organized market operation licenses.” This rule defines the criteria, documentation and information for the granting of operating licenses to organized stock markets.
 - HCMC Rule 4/363/30.11.2005 (Gazette B 1755/14.12.2005): “Amendment of HCMC Rule 16/262/6.2.2003 (Gazette B 297/13.3.2003) ‘Regulations regarding the provision of client investment portfolio management services by investment firms-members of the Athens Exchange’.” This rule amends articles 5, 6 and 7 of HCMC Rule 16/262/6.2.2003 (Gazette B 297/13.3.2003).
 - HCMC Rule 17/336/21.04.2005 (Gazette B 614/10.05.2005): “Data and information of the financial statements published in accordance with the provision of PD 360/1985 (Gazette A 129/9.7.1985).” This rule defines the data and information contained in the financial statements published in accordance with the International Financial Reporting Standards.
 - HCMC Rule 3/363/30.11.2005 (Gazette B 1755/14.12.2005): “Disclosure obligations of companies providing investment services.” This rule defines the disclosure obligations of companies providing investment services to their clients, and their disclosure obligations in case they co-operate with other companies for the provision of investment services.
 - HCMC Rule 1/364/5.12.2005 (Gazette B 1825/23.12.2005): “Methods for the allocation and the definition of the final price of IPO securities.” This rule defines the methods for the allocation and the definition of the final price of IPO securities.

Improvement of capital market transparency

- HCMC Rule 9/342/08.06.2005 (Gazette B 901/01.07.2005): Amendment of HCMC Rule 1/317/11.11.2004 “Classification of mutual funds according to Law 3283/2004.” (Gazette A 210/2.11.2004).” The rule amends article 2 of HCMC Rule 1/317/11.11.2004 (Gazette B 1746/26.11.2004).
- HCMC Rule 13/350/31.08.2005 (Gazette B 1269/09.09.2005): “Valuation of the assets of mutual funds, and the portfolios of investment firms and Real Estate Investment Companies not listed in organized markets.” This decision specifies the rules concerning the valuation of the assets of mutual funds, and the portfolios of investment firms and Real Estate Investment Companies not listed in organized markets.
- HCMC Rule 3/356/26.10.2005 (Gazette B 1554/10.11.2005): “Record keeping requirements concerning the provision of investment services.” This rule defines the books and records that must be kept by investment firms.
- HCMC Rule 7/361/18.11.2005 (Gazette B 1668/01.12.2005): “Daily Bulletin of the stock exchange.” This rule sets the minimum contents of the Daily Bulletins that must be issued and made public by stock exchanges after each trading session.
- HCMC Rule 335/336/06.04.2005 (Gazette B 614/10.05.2005): “Simplified Mutual Fund prospectus in accordance with Law 3283/2004.” This rule defines the contents of simplified mutual fund prospectuses.

Safeguarding the normal operation and liquidity of the capital market

- HCMC Rule 5/336/21.04.2005 (Gazette B 662/18.05.2005): “Amendment of the Rulebook of the Athens Exchange.” This rule approves the amendment of the Rulebook of the Athens Exchange adopted during the 16.12.2004 and 3.3.2005 meetings of the Board of Directors of the ATHEX.
- HCMC Rule 8/336/21.04.2005 (Gazette B 726/30.05.2005): “Amendment of HCMC Rule 18/291/22.1.2004 (Gazette B 486/05.03.2004) ‘Price fluctuation limits on shares, block trades and clearing entries’.” The rule amends article 1 of HCMC Rule 18/291/22.1.2004 (Gazette B 486/5.3.2004).
- HCMC Rule 4/340/01.06.2005 (Gazette B 828/17.06.2005): “Amendment of HCMC Rule 2/213/28.3.2001 ‘Provision of credit by the ATHEX members and other adjustments to clients (margin account).’ (Gazette B 480/26-4-2001).” The rule amends articles 5, 8 and 11 of HCMC Rule 2/213/28.3.2001 (Gazette B 480/26.4.2001).

- HCMC Rule 11/343/17.06.2005 (Gazette B 901/01.07.2005): “Amendment of HCMC Rule 7D/182/2000 (Gazette B 171/17.2.2000) concerning Market Makers in the New Market.” The rule amends articles 7 and 9 of HCMC Rule 7D/182/2000 (Gazette B 171/17.2.2000).
- HCMC Rule 2/344/22. 06.2005 (Gazette B 1408/11. 10.2005): “Amendment of HCMC Rule 18/291/22.1.2004 (Gazette B 486/05.03.2004) ‘Price fluctuation limits of share prices, block trades and clearing entries’ as currently in force.” The rule amends article 1 of HCMC Rule 18/291/22.1.2004 (Gazette B 486/5.3.2004).
- HCMC Rule 4/358/08.11.2005 (Gazette B 1635/25.11.2005): “Amendment of the Rulebook of the Athens Exchange.” This rule approves the new text of the Rulebook of the ATHEX, which replaces the one approved by HCMC Rule 1/304/10.6.2004 (Gazette B 900/16.6.2004).
- HCMC Rule 2/363/30.11.2005 (Gazette B 1755/14.12.2005): “Provision of credit by the ATHEX members and other adjustments to clients (margin account).” This rule defines issues, for which the HCMC has been authorized, concerning the provision of ATHEX-members to their orderers in terms of the cash settlement of trades executed on their behalf in the ATHEX, as well as certain obligations of Members to ensure timely settlement whenever no credit has been provided, in accordance with articles 1 to 6 of Law 2843/2000, as is currently in force. It is noted that this rule abolishes all previous rules concerning the provision of credit by ATHEX members.

***Improvement market infrastructure
and investor compensations schemes***

- HCMC Rule 6/336/21.04.2005 (Gazette B 662/18.05.2005): “Amendment of HCMC Rule 2/304/10.06.2004 ‘Approval of the Regulation for the Clearing of Transactions on Dematerialized Securities.’” This rule ratifies the “Regulation for the Clearing of Transactions on Dematerialized Securities” adopted on 1.4.2005 at meeting No. 252 of the CSD.
- HCMC Rule 7/336/21.04.2005 (Gazette B 662/18.05.2005): “Amendment of HCMC Rule 3/304/10.06.2004 ‘Regulation for the Clearing of Transactions on Dematerialized Securities.’ (Gazette B 901/16.6.2004)” The rule amends article 14 of HCMC Rule 3/304/10.06.2004 (Gazette B 901/16.6.2004).
- HCMC Rule 12/323/26.01.2005 (Gazette B 280/03.03.2005): “Amount of the Common Guarantee Fund for the year 2005.” This rule sets

the total amount of the Common Guarantee Fund for the year 2005 to 180 million euros.

- HCMC Rule 13/353/30.09.2005 (Gazette B 1408/11. 10.2005): “Terms and conditions for the refund of shares in the Supplementary Clearing Fund, in case a firm ceases to be a member of the Athens Exchange.” This rule defines the terms and conditions for the refund of shares in the Supplementary Clearing Fund, in case a firm ceases to be a member of the Athens Exchange.

LICENSING

The work of the Hellenic Capital Market Commission in the field of licensing during 2005 includes the following:

Investment Firms-ATHEX members

- Revoked the licenses of five (5) investment firms-ATHEX members.
- Granted expansion of operating license to one (1) investment firm-member of the ATHEX.
- Approved of the limitation of purpose of two (2) investment firms-ATHEX members.
- Approved of the merger through absorption of an investment firm-ATHEX member by an investment firm-ATHEX member in two (2) cases.
- Approved of share capital increases of eleven (11) investment firms-ATHEX members.
- Approved of share capital decreases of three (3) investment firms-ATHEX members.
- Approved of the operation of subsidiaries of one (1) investment firm-ATHEX member.
- Approved of the appointment of new boards of directors of investment firms-ATHEX members in twenty two (22) cases.
- Approved of the share ownership of three (3) investment firms-ATHEX members.
- Approved of the modification of the charters of seven (7) investment firms-ATHEX members.
- Approved of the replacement of the head of investment firms-ATHEX members branches /representation offices in six (6) cases.
- Approved of the participation of investment firms-ATHEX members in non-listed companies in three (3) cases.
- Approved of the appointment of stock exchange representatives of investment firms-ATHEX members in twenty three (23) cases.
- Approved of the activation of investment firms-members of the

ATHEX in non EU states through the use of the “community passport” in eight (8) cases.

- Granted expansion of license to four (4) brokerage firms.
- Approved of share capital increases of two (2) brokerage firms.
- Approved of share capital decreases of one (1) brokerage firm.
- Approved of the appointment of new board members of brokerage firms in four (4) cases.
- Approved of share ownership of two (2) brokerage firms.
- Approved of the replacement of the head of a brokerage firm branch / representative office in one (1) case.
- Approved of the appointment of new stock market representatives of brokerage firms in four (4) cases.
- Approved of the activation of brokerage firms in non EU states through the use of the “community passport” in three (3) cases.

Investment Firms-non ATHEX members

- Revoked the licenses of three (3) investment firms-non ATHEX members.
- Dissolved one (1) investment firm-non ATHEX member.
- Granted expansion of license to one (1) investment firm non-ATHEX member.
- Approved of changes in the purpose of four (4) investment firms-non ATHEX members.
- Approved of the merger through absorption of an investment firm-non ATHEX member by an investment firm-non ATHEX member in one (1) instance.
- Approved of the merger through absorption of an investment firm-non ATHEX member by an investment firm-ATHEX member in one (1) instance.
- Approved of the merger through absorption of an investment firm-non ATHEX member by a mutual fund management company in one (1) instance.
- Approved of the share capital increase of one (1) investment firm-non ATHEX member.
- Approved of share capital decreases of two (2) investment firms-non ATHEX members.
- Approved of the appointment of new board members of investment firms-non ATHEX members in fourteen (14) cases.
- Approved of share ownership of two (2) investment firms-non ATHEX members.
- Approved of the modification of the charter of one (1) investment firm-non ATHEX member.

- Approved of the replacement of the head of an investment firm-non ATHEX member branch / representative office in one (1) case.

Mutual Fund Management Firms

- Approved of the operation of eighteen (18) new mutual funds.
- Approved of the modification of the internal regulations of one hundred and ninety nine (199) mutual funds.
- Approved of twenty one (21) mergers among mutual funds
- Approved of the modification of the charter of three (3) firms.
- Approved of share capital changes of mutual fund management firms in eight (8) cases.
- Approved of the appointment of new board members in twenty one (13) cases.
- Approved of the transfer of shares of MF management firms in nine (9) cases.

Portfolio Investment Companies

- Approved of nine (9) cessations of operation
- Approved of the modification of the charter of two (2) PICs.
- Approved of the appointment of new board members in eleven (11) PICs.
- Approved of share capital changes of PICs in four (4) cases.

Real Estate Investment Companies

- Granted operation license to one (1) REIC.
- Approved of the appointment of new board members in one (1) REIC.

Foreign UCITS

- Approved of the sale of shares of new foreign UCITS in five (5) cases.
- Approved of one hundred and fifty nine (159) new funds of foreign UCITS.

Public offerings

In 2005, the institutional framework for the listing of investment vehicles in the stock exchange was improved by means of law 3371/2005 (Gazette A 178/14.7.2005) “Capital market issues and other provisions”, which rationalizes the regime for the listing and trading of financial instruments in the Athens Exchange, as well as of law 3401/2005 (Gazette A 257/17.10.2005) “Prospectus for the public offering of securities and their listing for trading”, which adapts the Greek legislation to Directive 2003/71/EC of the European Parliament and the Council, concerning Prospectuses, and Regulation 809/2004 of the European

Commission. An account of public offering approvals according to the old and the new frameworks is presented below.

Initial public offerings (P.D. 350/1985 and Law 2733/1999).

- Approved of the initial public offering of shares of three (3) new firms in the Main Market of the ATHEX. The above approvals include the re-approval of the listing of one (1) firm that was granted approval in 2004, by simultaneously revoking the approval previously granted.
- Approved of the initial public offering of shares of two (2) new firms in the Main Market of the ATHEX.
- Approved of the public offering of shares of one (1) new firm in the New Market of the ATHEX.

Initial public offerings (Law 3371/2005 and Law 3401/2005).

- Approved of the initial public offering of shares of one (1) new firm in the Middle and Small Capitalization Market of the ATHEX.
- Approved of the public offering of existing shares of one (1) company, owned by the Greek State.

Prospectuses and corporate actions by listed companies

- Approved of the prospectuses of eight (8) companies, concerning share capital increases through the public offering of their shares in the ATHEX. In one case, the approval of the contents of one (1) company the prospectus of concerned a share capital increase because of the absorption of asset operations and the listing of its shares in the ATHEX.
- Approved of the contents of the document provided for by article 4 of Law 3401/2005 for seven (7) companies, concerning share capital increases due to absorption and the listing of new shares in the ATHEX.
- Approved of the notification to the HCMC of the documents provided for by article 4 of Law 3401/2005 concerning share capital increases for twelve (12) companies through the offer of stock options to their employees.

Initial public offerings with no listing in the ATHEX

- Renewed the license for the public offering of bonds of one (1) company with no listing in the ATHEX.
- Approved of the prospectus of one (1) company, concerning a share capital increase through public offering, with no listing of its shares in the ATHEX.

Revocation of license for public offering

- Permanently revoked the approvals granted to eight (8) firms regarding their listing in the ATHEX.

Take-over bids

- Approval of two (2) company Prospectuses regarding take-over bids in the capital market.

Auction of pledged or seized listed company shares

The authority for the granting of license for the auction of pledged or seized shares and the appointment of a member of the ATHEX for the auction of shares, which had been assigned by Law 3632/1928 (article 24 ΑΑ 3 and 4) to the state, were transferred by Law 3152/2003 (article 13 ΑΑ 1 and 2) to the Hellenic Capital Market Commission.

According to the new regime for the auction of listed company shares, the petitioner must submit to the HCMC, along with the documents required for each case, a written request for the appointment of an ATHEX member that will perform the auction and, if necessary, for the granting of a license for the auction. Provided that the submitted documents are complete, the HCMC issues a decision, by which it grants (in the cases provided for by the law) a license for the auction of the required number of shares and appoints the ATHEX member that will perform the auction. The auction takes place in a designated area of the Athens Exchange, on a date that has been agreed by the HCMC and the notary public appointed for each case. In case the shares are not sold in full on the predetermined date, the procedure for the auction of the remaining shares continues the next day. If a number of shares remain unsold, a new date is agreed among the HCMC, the notary public and the ATHEX member, and the HCMC issues a new decision.

According to the cumulative data for the period 2004-2005, the total volume of stock for auction reached 20,168,348 shares and the total volume of the stock finally sold reached 13,288,787 shares, of a total value of 23,119,054.38 euros.

Moreover, according to the records:

- In terms of volume, the largest auction concerned 9,747,000 shares of Pouliadis Associates Corporation.
- The smallest auction, in terms of volume, concerned 7 shares of Emboriki Bank.
- The largest auction in terms of value concerned the stock of Forthnet SA and amounted to €7,504,000.
- The smallest auction in terms of value concerned the stock of Mathios SA and amounted to €22.32.

- The average volume of auctions was 90,729 shares.
- The average value of auctions was €372,845.

In the period 2004-2005, 63 requests were submitted for the performance of 141 auctions (each share corresponds to one auction). By the end of this period, 98 auctions had taken place (in one or more sessions, with or without complete sellout). Some indicative reasons for the rejection of requests for the auction of shares are the following:

- The shares to be auctioned had been placed under suspension of trading or de-listed from the stock exchange: this reason concerned 15 cases, of which 4 concerned shares that had not been fully disposed of in a previous sale.
- File pendencies: this reason concerned 21 cases, of which 3 concerned shares that had not been fully disposed of in a previous sale.
- Repeal of the sale, after a request of the petitioner: this reason concerned 3 cases.
- To be executed: this reason concerned 14 cases, of which 3 concerned shares that had not been fully disposed of in a previous auction. A revision of the relevant institutional framework is forthcoming.

ENFORCEMENT

For the purpose of supervision of market entities, the Hellenic Capital Market Commission monitors and analyses the developments in the capital market and intervenes whenever deemed necessary. The responsibility for the development of preventive measures lies with the Directorate of Research, Certification and Information Systems, whilst the responsibility for their enforcement lies with the three supervising Directorates: the Directorate of Licensing and Supervision of Capital Market Intermediaries, the Directorate of Public Offerings and Supervision of Listed Companies and the Directorate of Monitoring and Auditing of Capital Market Transactions.

The supervising Directorates act on the basis of regular and ad hoc audits concerning the functioning procedures of all supervised entities, with the purpose of ascertaining the degree of compliance with the relevant legislation, as well as with the rules and regulations issued by the Commission, including the Codes of Conduct.

During 2005, the Hellenic Capital Market Commission continued its auditing work in all areas. Supervision brought considerable benefits to the Greek capital market by ensuring its smooth operation. The audits that were performed during 2005 covered all capital market entities. There were multiple audits on investment firms, mutual fund management firms, firms for the receipt and the transmission of orders, listed companies, and stock exchange transactions.

Administrative sanctions

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

Revocation of license

- The HCMC revoked the licenses of two (2) investment firms, in application of the provisions of article 4, items (a), (b) and (c) of Law 1806/1988 and put them under liquidation, due to conditions that would lead to the rejection of an application for the granting of operating license, non compliance with the provisions of the law on investment services, and grave and repeated violations of capital market laws.
- The HCMC revoked the license of one (1) investment firm, in application of the provisions of article 4, items (a), (b) and (c) of Law 1806/1988 and put the firm under liquidation, due to conditions that would lead to the rejection of an application for the granting of operating license, and non compliance with the provisions of the law on investment services.
- The HCMC revoked the licenses of three (3) investment firms, in application of the provisions of article 4, items (a), (b) and (c) of Law 1806/1988 and put them firm liquidation, due to conditions that would lead to the rejection of an application for the granting of operating license, and grave and repeated violations of capital market laws.
- Revoked the license of one (1) investment firm because of dissolution and liquidation.
- Revoked the license of one (1) portfolio investment company because of changes in its purpose.
- Revoked the license of one (1) investment firm-member of the ATHEX, in application of article 7 Law 2836/2000 and placed the firm under liquidation because of violations of capital market laws that made the operation of the firm unsafe for investors and the smooth operation of the stock market.
- Revoked the licenses of three (3) portfolio investment companies and placed them under liquidation, in accordance with the provisions of paragraphs 2b and 3 of article 3 of Law 1969/1991, because they had not completed the procedure for listing their shares in the ATHEX.
- Revoked the license of one (1) portfolio investment company and placed it under liquidation, in accordance with paragraphs 1 and 4 of article 15, Law 1969/1991, because the terms and conditions for its

formation ceased to exist, the audit of the HCMC was hindered and there were violations of the current legislation, as well as the rules and regulations of the HCMC.

- Banned the operation of fourteen (14) firms for the receipt and transmission of orders, and temporarily suspended the operation of four (4) firms for the receipt and transmission of orders.

Fines

Investment firms and brokerage firms

- A fine was levied on one (1) brokerage firm for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ATHEX-listed companies.
- Fines were levied on two (2) Investment Firms for violating paragraph 12, article 76, of Law 1969/1991 concerning their obligation to provide the HCMC with data and information that is necessary for the execution of its duties.
- Fines were levied on two (2) investment firms for violating HCMC Rule 6C/86/15.10.1996 concerning the record keeping obligations of investment firms.
- A fine was levied on one (1) investment firm for violating HCMC Rule 6B/86/15.10.1996 concerning the terms and conditions for the granting of operating licenses to investment firms.
- A fine was levied on one (1) investment firm for violating HCMC Rule 6C/104 /8.4.1997, on the supervision and monitoring of Large Financial Exposures of Investment Firms.
- A fine was levied on one (1) investment firm for violating HCMC Rule 5/196/28.7.2000 concerning the Record keeping obligations of the members of the derivatives market of the ATHEX and the ADECH.
- Fines were levied on three (3) investment firms for violating HCMC Rule 2/213/28.3.2001 concerning the provision of credit by ATHEX members.
- Fines were levied on seven (7) investment firms for violating HCMC Rule 16/262/6.2.2003 that regulates the provision of client investment portfolio management services by investment firms.
- Fines were levied on one (1) investment firm for violating HCMC Rule 2/306/22.6.2004 concerning the segregation of client and investment firm funds.
- Fines were levied on one (1) investment firm and one (1) brokerage firm for violating the Underwriters Regulation.
- A fine was levied on one (1) brokerage firm for violating article 5, paragraph 1 of Law 2733/1999, concerning new share issue

underwriters-advisors in the New Market.

- A fine was levied on one (1) brokerage firm for violating HCMC Rule 7C/182/2000, concerning new share issue underwriters-advisors in the New Market.
- Fines were levied on four (4) investment firms for violating the Code of Conduct.

Mutual Fund Management Firms and Portfolio Investment Companies.

- A fine was levied on one (1) mutual fund management firm for violating HCMC Rule 5/108/27.5.1997 on money laundering.
- A fine was levied on one (1) mutual fund management firm for violating HCMC Rule 3/129/14.4.1998 concerning the classification of mutual funds.
- A fine was levied on one (1) PIC for violating paragraph 1, article 5, Law 1969/1991 concerning the placement of more than 10% of its own capital in securities of the same issuer.

Listed companies

- Fines were levied on two (2) listed companies for violating paragraph 5a, article 5, of PD 350/1985, concerning their obligation to notify the public immediately about new important developments.
- A fine was levied on one (1) listed company for violating paragraph 3d, article 4 of PD 360/1985, concerning the presentation of additional information in the financial statements.
- A fine was levied on one (1) listed company for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ATHEX-listed companies.
- A fine was levied on one (1) listed company for violating article 72 paragraph 2 of Law 1969/1991 concerning the publication or dissemination, in any manner, of inaccurate or misleading information about securities being listed, or already listed, in an organized stock exchange market, which may, due to their nature, affect the price of or the transactions on these securities.
- Fines were levied on two (2) listed companies for violations of HCMC Rule 5/204/14.11.2000 on the Code of Conduct for Listed Companies, which may, due to their nature, affect the price of or the transactions on these securities.

Other legal entities

- Fines were levied on two (2) legal entities for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the

acquisition and sale of major shareholdings in ATHEX-listed companies.

Individuals

- Fines were levied on seven (7) individuals for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ATHEX-listed companies.
- Fines were levied on five (5) individuals for violating PD 53/1992 concerning the activities of persons that possess inside information.
- Fines were levied on eleven (11) individuals for violating article 72 paragraph 2 of Law 1969/1991 concerning the publication or dissemination, in any manner, of inaccurate or misleading information about securities being listed, or already listed, in an organized stock exchange market, which may, due to their nature, affect the price of or the transactions on these securities.
- Fines were levied on two (2) individuals for violating PD 348/1985 concerning the terms of the preparation, audit and dissemination of prospectuses.
- A fine was levied on one (1) individual for violating the Code of Conduct.

During 2005, the Hellenic Capital Market Commission levied fines of a total worth of 10,979,630 euros. The allocation of fines among market entities is presented in Table 38.

Indictments to courts

- An indictment was submitted against the representatives of one (1) investment firm for knowingly violating paragraph 8, article 76 of Law 1969/1991, which concerns the submission of false or inaccurate information to the HCMC, or the omission of submitting

TABLE 34

Fines Levied per Supervised Entity, 2005

Number of Fines	Entity	Fines (euro)
27	Investment Firms	587,000
2	Mutual Fund Management Firms	11,000
1	Portfolio Investment Companies	25,000
7	Listed Companies	637,935
2	Other Legal Entities	5,870
26	Individuals	9,712,425
Total: 65		Total: euro 10,979,630

Source: HCMC

information or the obstruction, in any manner, of the audits of the HCMC.

- An indictment was submitted against the representatives of one (1) investment firm for possibly committing crimes against the property of the company and/or its clients.
- Indictments were submitted against six (6) individuals, who as members of the board of directors of a listed company violated article 23a of Law 2190/1920, which forbids the company's founders, the members of its board, or its management, as well as their relatives to borrow from the company.
- Indictments were submitted against twelve (12) individuals, members of the board of directors of a listed company, and one (1) individual, who was the statutory auditor of the same company, for violating paragraph 1, article 72, Law 1969/1991, concerning the dissemination of false or inaccurate information through the Press, or by any other means, which may affect the price of one or more securities, as well as for violating article 390 of the Penal Code by knowingly damaging the property of other persons.
- Indictments were submitted against three (3) individuals for abusing inside information for transactions on a listed company's shares.
- Indictments were submitted against two (12) individuals for violating article 30 of Law 1806/1998 on the abuse of inside information and PD 53/1992 concerning the activities of persons that possess inside information.
- Indictments were submitted against ten (10) individuals and three (3) brokerage firms for violating paragraph 1, article 72, Law 1969/1991, concerning the dissemination of false or inaccurate information through the Press, or by any other means, which may affect the price of one or more securities, as well as for forgery and embezzlement.
- Indictments were submitted against the members of the board of directors of two (2) listed companies for violating article 23a of Law 2190/1920, which forbids the company's founders, the members of its board, or its management, as well as their relatives to borrow from the company.
- Indictments were submitted against five (5) individuals for violating article 10, of law 876/1979, by soliciting the public to invest, without a license from the HCMC.
- An indictment was submitted against three (3) individuals for the concerted obstruction of a company's liquidation.
- Indictments were submitted against five (5) individuals for violating paragraph 1, article 72, Law 1969/1991, concerning the dissemination of false or inaccurate information through the Press, or by any other means, which may affect the price of one or more securities.

Supervision of Listed Companies

Issuer obligations, the Code of Conduct for Listed Companies and corporate governance

Laws 3340/2005, 3371/2005 and 3401/2005 were enacted in 2005, contributing to the improvement of the institutional framework for the listing of company securities for trading in organized markets. Authorized by Law 3340/2005, the HCMC issued Rule 3/347/12.7.2005 concerning issuer obligations for the disclosure of privileged information. Furthermore, there were radical amendments in HCMC Rule 5/204/11.12.2000: “Code of Conduct for Listed Companies”.

The new measures are preventive and aim at ensuring the proper, timely and adequate information of investors, enhancing transparency in the market and the preventing of market abuse practices (insider dealing). The new regime obliges issuers to disclose immediately all privileged information, without any culpable tardiness and/or waiting for the finalization of corporate developments or events. The concept of “privileged information” is wider than the concept of “confidential information” or “important activity” and covers all information pertaining to issuing companies or financial instruments. According to the new regime, the disclosure of the event must not take place when the event becomes definite, but at the stage on which the management of the issuing company estimates that the event will finally become definite. Accordingly, articles 8 and 10 of the Code of Conduct for Listed Companies were abolished, and as a result, after the law came into force, there is neither any obligation to disclose transactions performed within the “sensitive period” nor any obligation of shareholders owning more than 10% in a company’s share capital to announce their transactions in advance. That is, the new regime does not provide for any advance announcement of transactions. This way, the relevant provisions are aligned with those applicable in the vast majority of other member-states of the European Union.

A great number of announcements were published during 2005 in the ATHEX Daily Bulletin, in accordance with articles 4 and 5 of HCMC Rule 5/204/2000 (till the first semester of 2005), article 2 of HCMC Rule 3/347/12.7.2005 and article 2 of HCMC Rule 5/204/2000, as amended and currently in force, concerning the disclosure of corporate actions and decisions that may affect listed company share prices, as well as the confirmation, or denial, of information or rumors. In the scope of preventive control and focusing on the smooth operation of the market, in conjunction with the complete, proper and timely provision of information to investors, in many cases the HCMC recommended strict adherence to

the aforementioned provisions and in eleven cases asked for the announcement of more detailed information .

In 2005, the audits of the companies' Annual Reports were continued, aiming at the provision of regular and comprehensible information to investors. The Annual Report is considered to be a major source of periodic information and the data it contains must be adequate and accurate. The audit of the Reports led, in certain cases, to the identification of deviations from the provisions of Article 16, which were not, however, punishable. Certain companies were asked to amend and republish their Annual Reports. It is noted that since the beginning of 2006, the contents of the Annual Report were amended, in order to ensure its alignment with the information provided through the notes to the financial statements, as stipulated by the implementation of the International Financial Reporting Standards.

Law 3371/2005 established the minimum obligations of companies whose shares are listed in stock exchanges, as well as the conditions for the suspension of trading on securities and their delisting. In 2005, the shares of many companies were placed under temporary suspension of trading, since the HCMC ascertained that the smooth operation of the market and the protection of investors were either not ensured, or were threatened. Moreover, investigations began concerning the possible delisting of the shares of companies that have been under suspension for more than 6 months. It is expected that this process will be completed by late 2006.

In 2005, the HCMC continued the supervision of compliance with law 3016/17.5.2002 on corporate governance. Many companies proceeded to changes in the composition of their Boards, properly notifying both investors and regulators. In certain cases, the companies had not notified the HCMC in due time about the composition of their Boards. Anyhow, the implementation of the Law improved confidence in the Greek capital market.

In 2005, the supervision of the transparency rules set by Greek law was intensified, with the aim of improving ex ante the information provided to investors, and therefore reducing sanctions. This supervision was implemented through the real-time intervention of the HCMC, in the case of major issuing company activities, for which there was inadequate or vague information. This method is expected to become more efficient once experience will have been accumulated.

Supervision of the Take-Over Regulation

In 2005, there were two (2) tender offers, in accordance with the provisions of the Regulation. The first concerned the (compulsory) bid of

“Almati Services Ltd” to acquire shares of “Imperio Forwarding Agent Sa”. The Prospectus of the bid was submitted to the HCMC on May 24th, was approved by its board on June 8th, and the period concerning the acceptance of the bid lasted from June 14th till July 13th. The bidder made an offer for all the shares it did not possess, i.e. for 24.14% of the share capital of the target company, while the final percentage accepted by shareholders was 12%. Therefore, by the end of the acceptance period the participation of the bidder in the target company amounted to 87.86%.

The second case concerned the (voluntary) bid of “Intracom SA” to acquire shares of “Forthnet SA”. The Prospectus of the bid was submitted to the HCMC on September 29th, was approved by its board on October 12th, and the period concerning the acceptance of the bid lasted from October 20th till November 18th. The bid was considered unsuccessful.

On the basis of its five-year experience, the Hellenic Capital Market Commission has managed to improve significantly the monitoring of takeover bids, ensuring the adequacy of material information in the approved Prospectuses, so that the shareholders of the target company can efficiently assess the attractiveness of the bid.

It is reminded that in 2004 the European Parliament and the Council of April 21st, 2004, issued Directive 2004/25/EC on takeover bids. This Directive was the product of a long effort, given that the European Union had been dealing with this issue since 1989. The new Directive establishes fundamental principles and provides the means for specifying the competent regulator, and the applicable legislations, two elements of crucial importance, especially as far as cross-border takeover bids are concerned. It sets the scope for action by establishing principles and general requirements, and it also allows member-states to establish detailed implementation rules, in accordance with national practices, provided that there are no differences, which shall by nature prevent EC-wide implementation of the Directive. The Directive establishes equitable conditions for all shareholders within the European Union, defines the concept of the fair value that shall be paid in the case of compulsory bids, mandates the provision of adequate information, establishes the obligations of the board of directors of the target company, the scope of defensive measures to be taken after the submission of the bid, and introduces a procedure for compulsory withdrawal and a right of compulsory takeover after the end of a bid. A law-preparing committee has been formed for the incorporation of the Directive into Greek Law.

Obligations to announce significant changes in shareholdings

Presidential decree 51/1992 regulates the information that must be disclosed upon acquisition and transfer of significant shareholdings in companies whose shares are listed in the Athens Exchange. Article 12 of Law 3152/2003, applicable since 16.6.2004, appoints the HCMC as the agency responsible for the receipt and handling of notifications submitted in compliance with the requirements of PD 51/1992 and, in general, the everyday monitoring of compliance with the provisions of the decree.

In 2005, article 32, paragraph 1(e) of Law 3340/2005 abolished the obligation of the persons described in article 5, paragraph 5, case 2 of PD 51/1992, to disclose transaction exceeding 100,000,000 drachmae (euro 293,470.28). Transaction announcements by the supervised persons are governed by the provisions of article 13, Law 3340/2005, as specified by HCMC Rule 3/347/12.7.2005.

In 2005, more than nine hundred (900) notifications concerning major changes in participation were submitted, and were disclosed by the HCMC to the investors. Audits ascertained 10 cases of violations, for which sanctions were imposed by the HCMC.

LEGISLATIVE INITIATIVES

The new regulatory framework against market abuse

In 2005, the institutional framework against market abuse was substantially improved through the establishment of Law 3340/2005 (Gazette A 112/10.5.2005) and five rules of the Board of the Hellenic Capital Market Commission: HCMC Rule 1/347/12.7.2005 (Gaz B 983/13.7.2005), Rule 2/347/12.7.2005 (Gaz B 983/13.7.2005), Rule 3/347/12.7.2005 (Gaze B 983/13.7.2005), Rule 4/347/12.7.2005 (Gaz B 983/13.7.2005) and Rule 5/347/12.7.2005 (Gaz B 983/13.7.2005).

Law 3340/2005 on market abuse incorporated into Greek legislation the relevant EU Directives that constituted the first example of the adoption of a new legislative process proposed by the “Final report of the Committee of Wise Men, on the regulation of European securities markets -Lamfalussy Report.” This European regime comprises “level 1” umbrella directive 2003/6/EC and the individual “level 2” regulations and directives (Directives 2003/124/EC, 2003/125/EC, 2004/72/EC and Regulation 2273/2003) set by the commissions’ process (European Securities Commission - ESC, on the basis of an opinion of the CESR).

In order to ensure the effective protection of the financial services market, the law established a framework for the prevention, identification and investigation of abusive practices and the imposition of sanctions, which will also be implemented by the other European countries.

This framework guarantees legal certainty to market participants as regards the concepts and the enforcement of the legislation, laying a level playing field for all economic agents.

The European and Greek legal framework that was covering market integrity up to now had at least two major flaws:

- The first concerned the lack of common European statutes for the prevention of market abuse practices. The previous directive on the activities of persons that possess privileged information (89/592/EEC) as incorporated into Greek law by PD 53/1989) prohibited only the abuse of privileged information.
- The second flaw concerns the lack of clear supervisory responsibility among member-states, clear rules for the prevention of market abuse practices, and legal obligations of every national legal order. Certain states did not even possess any legislation on market manipulation.

The aim of the law is to ensure the integrity of the Greek and European capital markets, the implementation of common standards against market abuse practices in all European markets and the reinforcement of investor confidence towards them. A major innovation is the explicit definition and prohibition of market abuse, i.e. of every activity related to the exploitation of privileged information and/or the manipulation of the market. More specifically, the forbidden market abuse practices occur whenever certain persons use to their benefit or to the benefit of others price sensitive information that has not been known to the public, or distort the mechanism for the formation of financial instrument prices, or disseminate false or misleading information in order to affect these prices.

Such behavior may create misleading impressions concerning transactions on financial instruments and jeopardize the principle of equity among investors in terms of:

- (a) their access to information: transactions performed on the basis of privileged information generate unwarranted financial benefits to the detriment of the “outsiders”;
- (b) their knowledge about the price definition mechanism: prices are fair when they result from the decisions of investors that have analyzed all publicly available information. The prices that result from market abuse are set to different levels and generate financial gains only for the persons that adopt market abuse practices and impair the interests of other investors; and
- (c) the knowledge of the basis or the origin of the information that is known to the public: the dissemination of false or misleading information may cause investors to make decisions on the basis of erroneous information.

In order to establish an adequate framework for the prevention of

market abuse practices, the law provides a complete definition of the “market abuse” concept, presenting certain types of behavior. For example, the term “market manipulation” denotes the transactions, or orders for the execution of transactions, through which false or misleading information is given concerning the demand, supply or price of a share, or which lead to the artificial determination of the share price.

Manipulation is defined as the result of the actions, and not as the intention to perform them. Moreover, the law provides for a series of preventive measures covering all capital market participants, such as securities’ issuers, banks and investment firms, stock exchanges and analysts. According to the provisions of the Directives, and European practice, the HCMC was authorized to proceed to the further specification of these measures in its rules. For example, in the context of these rules, issuers are obliged to disclose, as fast as possible, all privileged information that directly concern them and to maintain lists of the persons that have access to such information. Brokerage firms must notify the HCMC as fast as possible, whenever they suspect that certain transactions of their clients amount to insider trading or market abuse. The firms must also record and file all client orders received by the professionals that intermediate in the preparation of orders. Stock and market analysts must properly prepare and make available to the public their recommendations concerning financial instruments.

In special cases, the law provides for deviations (“safe harbors”) from the obligation to comply with certain prohibitions. For example, transactions for the stabilization of financial instruments and share buy-back programs must be performed in accordance with the provisions of Regulation 2273/2003 of the European Commission, which dictates how such transactions must be performed, in order to avoid being subject to market abuse prohibitions.

Moreover, the growth of cross-border transactions necessitates genuine cooperation among European regulators for the prevention of market abuse practices. The law provides for the reinforcement of the framework governing information exchange and cooperation among the competent EU member-state regulators.

In order to ensure the effective suppression of market abuse practices, the law introduces punitive sanctions and administrative sanctions that offer the advantage of fast imposition and imminent cessation of the unlawful behavior during the process, both in Greece and in Europe.

1. Evidence of Market Abuse (HCMC Rule 1/347/12.7.2005 (Gazette B 983/13.7.2005)).

The Rule defines criteria and evidence, in order to determine whether the transactions, or orders for the execution of transactions,

amount to market abuse. The criteria and evidence are not exhaustive and they do not necessarily constitute market abuse practices by their own right. Some examples of criteria and evidence are the following:

- The extent to which the orders given, or the transactions performed, represent a substantial percentage of the daily volume of transactions on a share, especially when they lead to a major change in its price;
- The extent to which the orders given, or the transactions performed, by persons with significant short or long positions on a share lead to major changes in its price;
- The extent to which the transactions performed on a share are accompanied with changes of its real beneficiary;
- The extent to which the orders given, or the transactions performed, lead to short term position reversals, represent a substantial percentage of the daily volume of transactions on a share, and may be related to a major change in its price;
- The extent to which the orders given, or the transactions performed, are concentrated in a small period of the trading session, and lead to price changes that are later reversed;
- The extent to which the orders given change the best ask and bid prices for a share, and are withdrawn prior to their execution;
- The extent to which orders are given or transactions are performed in, or around, a specific time period during which reference prices and valuations are calculated, thus repeatedly (in more than one sessions) changing or affecting the said prices;
- If prior, or after, the orders given, or the transactions performed, by certain persons, these same persons, or other persons related to them, disseminate false or misleading information;
- If orders are given, or transactions, are performed by certain persons, before these same persons, or other persons related to them, prepare or publish investment strategy analyses, recommendations or suggestions, which are misleading or biased or obviously influenced by major interests.

2. Obligations of professionals that intermediate in the execution of transactions, concerning the prevention of market abuse (HCMC Rule 4/347/12.7.2005 (Gazette B 983/13.7.2005)).

This Rule obliges every person whose profession is to intermediate in the execution of transactions, in accordance with the provisions of point 8, article 2 of law 3340/2005, and is based or has a branch in Greece, to notify the Hellenic Capital Market Commission whenever there is strong indication that the performed transactions may constitute

insider trading or market manipulation.

3. Issuer obligations for the disclosure of privileged information (HCMC Rule 3/347/12.7.2005 (Gazette B 983/13.7.2005))

A major innovation of Law 3340/2005 for the protection of the capital market from the actions of persons that possess privileged information and from market manipulation is that all privileged information must be properly disclosed as fast as possible by the companies that have listed their shares in the stock exchange. This preventive measure, which deters insider trading, is accompanied by a series of other preventive measures, such as, the obligation to prepare a list of persons employed by issuers and enjoying access to privileged information, and the obligation to disclose certain transactions performed by persons that exercise managerial duties on behalf of the issuers, as well as the persons that are closely linked with them.

More specifically, the Rule establishes the issuers' obligation to disclose all privileged information, even prior to their finalization, and to present any facts that may be considered to be of privileged information nature. Some examples of such facts:

- Substantial changes in the business activity of the issuer;
- The initiation, or termination, of major associations or business alliances;
- Participation in company mergers, spin-offs or acquisitions;
- Changes in the composition of the Board of Directors;
- The distribution and payment of dividends and the issuance of new financial instruments;
- Bankruptcy applications, as well as court orders concerning bankruptcies, and other legal or judicial disputes that may affect the financial position and the results of the issuer;
- The change in the fundamentals of the most recent prospectus of the issuer, including commitments concerning the use of funds raised;
- Any substantial change in the financial position, and the share and capital structure of the issuer, and especially the issuer's gearing;
- Major changes in estimated or forecasted results announced by the publisher.

All privileged information disclosed must be immediately included in the Daily Bulletin of the Athens Exchange, as well as in the issuer's web page.

The Rule also defines the type of legitimate interest that may justify delays in the disclosure of privileged information, such as negotiations in progress, or other similar facts, whose disclosure may decisively affect their outcome or normal flow. As long as the postponement of the dis-

closure is in effect, the issuer must have taken the necessary measures (e.g. confidentiality contracts, establishment of “Chinese walls”), in order to ensure the confidentiality of the information. If it is impossible to ensure the confidentiality of the said information, the issuer must immediately disclose it.

The Rule replaces the obligations of certain persons (Board members, managers, auditors etc) to announce their transactions ex ante, along with obligations to announce their transactions ex post, if these transactions exceed € 5,000 per calendar year. The announcement is made to the issuer, who discloses it to investors and the HCMC. The issuer notifies the HCMC about the specific supervised persons.

Finally, the Rule abolishes the obligation of shareholders to make binding statements of intent and establishes the issuers’ obligation to maintain lists of persons that are employed by them and have regular, or occasional, access to privileged information; this list must be made available to the HCMC.

4. Obligations of the persons that prepare or disseminate analyses (HCMC Rule 4/347/12.7.2005 (Gazette B 983/13.7.2005))

The Rule sets the terms for the preparation of any report or analysis on any investment or market that recommends investment strategies and is intended for publication via the Media and the internet or directly to the public. The Rule does not concern investment advice provided in the form of personal recommendations to clients concerning transactions on financial instruments nor any informal investment suggestions made by the sales departments of investment firms to their clients, provided that such suggestions are not likely to be publicized.

The Rule stipulates that the persons preparing reports and analyses must provide, among other things, for the following:

- The announcement of the identity of the person responsible for their preparation, as well as the person’s supervisor;
- The distinction between facts and information that is not based on actual facts, the clear segregation of estimates, forecasts and target prices, and the presentation of the main assumptions made for their estimation or use;
- The announcement of additional data and information, in case the analysis is prepared by certain persons, such as investment firms, such as sources of information, any possible presentation of the analysis to the issuer or any possible amendment of the analysis, the valuation method, the frequency of updates, any possible deviations from the previous analysis of the same kind.
- The announcement of relations or circumstances that may affect the

objectivity of the analysis (e.g. if there is a major financial interest in the share covered by the analysis, or if there is a significant conflict of interest with the issuer covered by the analysis);

- The announcement of additional data and information, in case the analysis is prepared by certain persons, such as investment firms and financial institutions, concerning their interests and internal conflicts of interest; For example, it must be made known whether the analyst has provided market maker or underwriter services during the previous year or whether the analyst has maintained any other investment banking relation with the issuer; Moreover, such persons must disclose their existing internal organization for the prevention and deterrence of conflicts of interest related to the production of analyses, the quarterly ratios of “buy”, “hold” and “sell” recommendations (or their equivalents) to total recommendations, as well as the percentages of the issuers corresponding to each category, to which the investment firm or financial institution provided substantial investment banking services during the previous year.

5. Procedure and criteria for the definition of acceptable market practices (HCMC Rule 5/347/12.7.2005 (Gazette B 983/13.7.2005))

The Rule specifies the minimum factors that will be taken into account by the Hellenic Capital Market Commission for characterizing certain market practices as acceptable, as well as the procedure for defining certain market practices as acceptable.

The new regulatory framework following the Law 3371/2005

In 2005, the institutional framework of the capital market was substantially improved through the establishment of Law 3371/2005, which regulates key issues concerning the operation of the capital market.

The law updates the regime for the listing of securities in regulated markets, in order to align the Greek framework with Directive 2004/39/EC and to update the provisions established by the previous Law 3152/2003. This law transferred responsibilities concerning the regulation of the privatized stock exchange to the HCMC, which approves the Rulebook of the ATHEX. Accordingly, the transaction process and the content of the relations among the stock exchange and its members, as well as among the stock exchange and the companies listed in it, are specified by the ATHEX Rulebook.

The law abolished previous legal provisions, which regulated issues that concern the operation of regulated markets and that are currently regulated by the ATHEX Rulebook, and authorized the Hellenic Capital

Market Commission to set the terms and conditions for the granting and revocation of regulated market operation licenses.

The law sets the minimum requirements for the listing of securities in regulated markets, where the listing decision is made by the stock exchange in accordance with the stipulations of its Rulebook, while the audit of the contents, the approval and the publication of the Prospectus for the listing of shares in an organized market is performed by the HCMC. Moreover, the law establishes permanent obligations for listed companies and criteria concerning the trading in, suspension of trading in, and delisting of securities from the stock exchange.

The law reinforces the operational independence and administrative self-sufficiency of the HCMC, provides for the upgrading of the internal audit service, and redefines the regime concerning the Commission's resources.

The law regulates issues concerning the listing of PIC shares in organized markets, as well as their operation, and defines the framework for the licensing and operation of investment intermediation firms, which may, apart from receiving and transmitting orders, also provide investment advice to their clients.

Finally, the law revises the framework concerning the operation of the Supplementary Fund and the regime concerning the professional certification of capital market agents, establishes the capability to receive and transmit orders on commodity derivatives, as well as the listing of mutual fund shares that reproduce stock exchange indices in regulated markets.

Activities of the Commission's legal service

In 2005, the legal services of the Hellenic Capital Market Commission handled 442 court cases, of which 407 were handled by its own legal force in front of courts, and 35 cases were prepared by the legal services in order to be handled by external lawyers. The legal service prepared and submitted 17 indictments for various violations of capital market law. It applied legal means (appeals and notices of appeals) against decisions by first and second instance administrative and penal courts in 8 cases. Provided legal assistance for the preparation of proposals to the Executive Committee and the Board of the HCMC in 388 cases. It also provided legal aid for the preparation of letters sent to capital market agents and other investors summoned to a plea, as well as for other issues, in 145 cases. Prepared consolatory responses on various legal issues that occurred in 6 cases. Finally, it provided advice on various legal issues that occurred in other 177 cases. The legal service of the Hellenic Capital Market Commission was involved in the legislative and

regulatory work of the HCMC in 39 cases and participated in work groups, seminars and conventions for the preparation of agreements and tender announcements in 20 cases.

Developments over past court cases of capital market law violation

By means of Rule 16/217/07.06.2001 the Hellenic Capital Market Commission levied a fine of 75,000,000 drachmae (or 220,102.75 euros) on Mr. George Vardinoyiannis, for violating the provisions of paragraph 3 of PD 53/1992. In April 2002, the HCMC circulated both as a booklet, and in its website, its Annual Report for the year 2001, which includes a comprehensive presentation of this case in its third part, under the heading “Five Serious Cases of Market Abuse Practices Detected and Sanctioned during 2001.”

Mr. G. Vardinoyiannis appealed against the above Rule of the HCMC both through his opposition entered with the Athens’ Administrative Court of First Instance on 16.04.2002, as well as through his application of reversal submitted to the Council of the State on 16.01.2002.

As far as the opposition is concerned, decision 54/2003 ruled that Mr. G. Vardinoyiannis actually committed the alleged violation and was legally levied with a fine. Nevertheless, the Court ruled that the initial fine was disproportionate and should be reduced to 102,725 euros. Mr. Vardinoyiannis appealed against this ruling, which led to the issuance of decision number 15747/2004 of the Athens’ Administrative Court of First Instance, which ruled again that George Vardinoyiannis had indeed committed the alleged violation and, therefore, had been legitimately been levied with a fine, but limited the initial fine to 117,388.11 euros. On 10.6.2005, Mr. Vardinoyiannis entered an opposition, which will be tried on 25.09.2006.

As far as the parallel process of the reversal submitted to the Council of the State is concerned, the Council issued decision 3394/2005, by which it accepted the application of reversal and annulled HCMC Rule 16/217/07.06.2001.

Furthermore, as far as the relevant criminal action against the plaintiff is concerned, the Athens Council of the Court of Common Pleas issued decree 5862/2002, which terminates the aforementioned prosecution. Similarly, decree 480/2003 of the Athens Council of Court of Appeals rejected the appeal of the HCMC against the initial decree, number 5862/2002.

Also, by means of Rule 26/236/16.1.2002 the HCMC revoked the license of Dominion Investments PIC, which had been granted by means of HCMC Rule 4/201/10.10.2000, and the company was placed under liquidation. On March 21st, 2002, the following shareholders of the com-

pany submitted an application of reversal to the Council of the State: Georgios Avatangelos, Alexandros Avatangelos, Charalambos Anagnostopoulos, Christos Valsamides, Dionysios Vogasaris, Maria-Ioanna Gravani, Christos Themelis, Christos Kyriazopoulos, Savvas Michaelides, Meletis Moustakas, Georgios Belitsis, Vasillios Economopoulos, Georgios Papadimitriou, Aphrodite Sarou, Demetrios Spiliotopoulos, Georgios Stringos, Paraskevas Tsevas, and Helias Filippacopoulos.

By means of decision 299/2006, the Council of the State accepted in part the application of reversal and annulled HCMC Rule 26/236/16.1.2002.

PROFESSIONAL CERTIFICATION OF CAPITAL MARKET AGENTS

The examinations for the professional certification of capital market agents (in accordance with article 4 Law 2836/2000, Gazette A 168/24.7.2000) were performed on Sunday, November 27th, 2005 in Athens and Thessalonica. A total of 394 candidates applied for participation in the examinations, 368 were accepted and 95 executives were certified: 5 as securities analysts, 10 as client asset managers, 5 as investment advisors, 17 as persons responsible for executing orders (authorized traders) and 58 as persons responsible for receiving and transmitting stock exchange orders. Since certification was first established (March 2002) and till the end of 2005, a total number of 1,883 professionals of all specialties have been certified. In the same period, the total number of applications submitted to the HCMC for participation to the certification exams amounted to 4,935.

The detailed breakdown of applications for participation to the certification exams since the beginning of the procedure is presented in Table 35. Moreover, 801 more professionals have been certified without participating in the examinations, in accordance with the provisions concerning the exception of existing professionals from certification requirements, which applied at the time the certification was first established (2001-2002), as well as the provisions of HCMC Rule 1/294/19.2.2004 on the acquisition of securities and market analyst certificates by persons holding Chartered Financial Analyst (CFA, Series 3) titles from the AIMR, and Certified International Financial Analyst (CIIA, Final) titles from the ACIIA. Therefore, by the end of 2005 the total number of professionals certified of all specialties in the Greek capital market amounted to 2,684.

The enactment of law 3371 (Gazette A 178/14.7.2005) amends and

supplements article 4 of law 2836/2000, in order to improve the certification of market agents. Article 49 of this Law establishes, apart from the extension of certification obligation to mutual fund management firm professionals (responsible for the provision of investment advice, portfolio management and securities and market analyses) and PIC professionals (responsible for portfolio management and securities and market analyses), the obligation of financial institution employees and executives to be certified. Moreover, it provides for the issuance of a HCMC rule defining, among other things, the qualifications and conditions for participation in the exams, the syllabus, the exams procedure, the procedure for renewing or revoking the professional adequacy certificate, as well as any other relevant detail, as well as the issuance of a joint decision by the HCMC and the Bank of Greece, concerning the executives of credit institutions that operate as investment firms. Finally, the same law provides certain employees and executives of investment services, financial institutions, financial intermediation firms, mutual fund management firms and portfolio investment companies that fulfill certain criteria, with the opportunity to be certified without participating in the exams.

INTERNATIONAL ACTIVITY OF THE HELLENIC CAPITAL MARKET COMMISSION

Notifications for domestic provision of investment services by foreign firms, 2002-2005

According to the EU Investment Services Directive 93/22 (ISD), investment firms intending to provide investment services in any EU member state (host member state), are obliged to notify this intention to the competent authorities of the home member state. Such notification

TABLE 35

Professional Certification Examination Results, 2002-2005

Professional Position	Passed the exams		Failed the exams		Absences from exams		Accepted Applications		Rejected Applications		Total
	No	% of total	No	% of total	No	% of total	No	% of total	No	% of total	
Market Analyst	76	38.9%	77	39.5%	22	11.3%	175	89.7%	20	10.3%	195
Portfolio Manager	214	41.4%	232	44.9%	42	8.1%	488	94.4%	29	5.6%	517
Investment Advisor	263	39.5%	246	36.9%	92	13.8%	601	90.2%	65	9.8%	666
Order Execution	470	36.2%	708	54.5%	110	8.5%	1.288	99.1%	12	0.9%	1300
Order reception & transm.	860	38.1%	1090	48.3%	260	11.5%	2.210	97.9%	47	2.1%	2257
Total of Professionals	1.883	38.2%	2.353	47.7%	526	10.7%	4.762	96.5%	173	3.5%	4.935

Source: HCMC

must always be accompanied by a complete business plan. Thereafter, the competent authorities of the home member-state inform their counterparts in the host member-state accordingly.

In the context of the implementation of Directive 93/22 for the period 1995-2005, the Hellenic Capital Market Commission has received notifications from 1,193 overseas firms wishing to provide investment services in Greece by means of the “European Passport” (Table 36). These notifications remain active in 836 cases.

The distribution of notifications by country is the following: 997 companies come from the UK, 38 from each of Ireland and the Netherlands, 22 from France, 28 from Austria, 12 from Belgium, 11 from Cyprus, 9 from Germany, 8 from Norway, 5 from each of Denmark and Italy, 4 from each of Finland and Spain, 3 from Luxemburg, 7 from Sweden, and 1 company from each of Portugal and Malta.

Furthermore, in 2005, 57 new companies coming from the UK submitted notifications regarding the provision of investment services in the Greek capital market, 7 from the Netherlands, 10 from Cyprus, 3 from France, 5 from Austria, and 1 from each of Norway and Malta.

TABLE 36

**Notifications for the Provision
of Investment Services in Greece, 2002-2005**

Country	Number of Notifications			Number of Cancellations			Total of Active Companies		
	2005	2004	2003	2005	2004	2003	2005	2004	2003
Austria	28	23	19	6	5	3	22	18	16
Belgium	12	12	11	2	2	1	10	10	10
Denmark	5	5	5	0	0	0	5	5	5
France	22	19	18	1	1	0	21	18	18
Germany	9	9	7	1	0	0	8	9	7
Ireland	38	38	35	9	8	6	29	30	29
Italy	5	5	4	0	0	0	5	5	4
Spain	4	4	3	0	0	0	4	4	3
Cyprus	11	1	0	0	0	0	11	1	0
Luxembourg	3	3	2	1	0	0	2	3	2
Malta	1	0	0	0	0	0	0	0	0
Norway	8	7	7	0	0	0	8	7	7
Netherlands	38	31	28	7	6	5	31	25	23
Portugal	1	1	0	0	0	0	1	1	0
Slovenia	0	1	0	0	0	0	0	1	0
Sweden	7	7	7	5	5	4	2	2	3
Finland	4	4	4	0	0	0	4	4	4
Britain	997	940	890	325	293	266	672	647	624
Total	1.193	1.110	1.040	357	320	285	836	790	755

Source: HCMC

Memoranda of Understanding

The purpose of Memoranda of Understanding (MoU) is to establish and implement a procedure for the provision of assistance among competent authorities for the supervision of the capital market, in order to enhance the efficiency of the supervisory function entrusted with them. These Memoranda enable supervisory authorities to exchange confidential information, in order to exercise supervision and achieve compliance of the supervised agents of the market with the existing institutional regulations. The memoranda of understanding between the supervisory authorities of different countries facilitate international co-operation between stock exchanges, companies and other capital market agents, and therefore are the first stage for the establishment and further improvement of the relations among these countries' capital markets.

Up to date, the Commission has signed the following Memoranda of Understanding in the context of the general development of its international relations:

1996

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

1998

- A bilateral Memorandum of Understanding with the Securities Commission of Portugal (July 9th, 1998).
- A bilateral Memorandum of Understanding with the securities commission of Cyprus (September 1st, 1998).
- A bilateral Memorandum of Understanding with the National Securities Commission of Romania (November 30th, 1998).

1999

- Multilateral Memorandum of Understanding with the regulators of FESCO member-states (January 26th, 1999).
- A bilateral Memorandum of Understanding with the securities commission of Albania (April 1st, 1999).

2000

- A bilateral Memorandum of Understanding with the securities commission of Brazil (May 17th, 2000).
- A bilateral Memorandum of Understanding with the Central Bank of Cyprus (September 8th, 2000).
- A bilateral Memorandum of Understanding with the Securities Commission of Slovenia (October 6th, 2000).
- A bilateral Memorandum of Understanding with the Securities Commission of Bulgaria (December 1st, 2000).

2001

- A bilateral Memorandum of Understanding with the Securities

- Commission of Bosnia & Herzegovina (June 27th, 2001).
- A bilateral Memorandum of Understanding with the Securities Commission of the Czech Republic (June 28th, 2001).
- A bilateral Memorandum of Understanding with the Capital Markets Board of Turkey (October 5th, 2001).
- 2002
- A bilateral Memorandum of Understanding with the Capital Market Commission of South Africa (October 9th, 2002).
- Multilateral Memorandum of Understanding with the member-states of FESCO (International Organization of Securities Commissions) (October 18th, 2002).
- 2003
- A bilateral Memorandum of Understanding with the Securities Commission of Hungary, (January 8th, 2003), and
- A bilateral Memorandum of Understanding with the Securities Commission of Poland, (August 1st, 2003).
- 2005
- A bilateral Memorandum of Understanding with the Securities Commission of Bulgaria (March 28th, 2005).
- A bilateral Memorandum of Understanding with the Securities Commission of Slovakia (June 28th, 2005).
- A bilateral Memorandum of Understanding with the Capital Markets Commission of Israel (September 27th, 2005).
- A bilateral Memorandum of Understanding with the securities commission of Serbia (December 3rd, 2005).

The Hellenic Capital Market Commission and CESR

Commission staff participated in CESR's Permanent Committees (CESR-Pol, CESR-Fin) and working Experts Groups (transparency group, Prospectus group, MiFID group, investment management group, CESR-Pol-Market Abuse group, CESR-Fin and IAS group, joint expert group (CESR/ECB) on clearing and settlement, credit-ratings group) as well as in CESR's Review Panel. Other Greek professionals participated in CESR's Participants Consultative Panel.

The Hellenic Capital Market Commission and IOSCO

The Commission administration participated in IOSCO's conferences and meetings and various technical committees.

APPENDICES

APPENDIX - 1

RULES AND REGULATIONS ISSUED BY THE HELLENIC CAPITAL MARKET COMMISSION IN 2005

NO. OF RULE / GAZETTE	TITLE	SUMMARY
12/323/26.01.2005 (GAZETTE B 280/03.03.2005)	SIZE OF THE COMMON GUARANTEE FUND FOR THE YEAR 2005.	Sets the size of the Common Guarantee Fund for the year 2005 to € 180 million, setting the minimum contribution of investment firms to €704,328.69
327/14.02.2005 GAZETTE B 280/03.03.2005)	AMENDMENT OF RULE 2/306/22.6.2004 (GAZ B/1029/8.7.2004) ON THE SEGREGATION OF CLIENT AND INVESTMENT FIRM FUNDS	The rule amends article 2 of HCMC Rule 2/306/22.6.2004 (Gazette B 1029/8.7.2004).
330/02.03.2005(GAZETTE B 361/21.03.2005)	AMENDMENT OF HCMC RULE 2/132/19.05.1998 'CODE OF CONDUCT FOR MUTUAL FUND MANAGEMENT FIRMS AND PORTFOLIO INVESTMENT FIRMS'	The rule amends article 7 of HCMC Rule 2/132/19.05.1998 (Gazette B 615/18.06.1998).
335/06.04.2005 (GAZETTE B 614/10.5.2005	SIMPLIFIED PROSPECTUS OF MUTUAL FUNDS ACCORDING TO LAW 3283/2004.	This rule defines the contents of simplified mutual fund prospectus
5/336/21.04.2005 (GAZETTE B 662/18.5.2005)	AMENDMENT OF THE RULEBOOK FOR ATHENS EXCHANGE SA	This rule approves the amendment of the Rulebook of the ATHEX adopted during the 16.12.2004 and 3.3.2005 meetings of the Board of Directors of the ATHEX.
6/336/21.04.2005 (GAZETTE B 662/18.5.2005)	AMENDMENT OF RULE 2/304/10.6.2004 "APPROVAL OF THE REGULATION FOR THE CLEARING OF TRANSACTIONS ON DEMATERIALIZED SECURITIES"	This rule ratifies the "Regulation For The Clearing of Transactions on Dematerialized Securities" adopted on 1.4.2005 at meeting No. 252 of the CSD.
7/336/21.04.2005 (GAZETTE B 662/18.5.2005)	AMENDMENT OF RULE 3/304/10.6.2004; "REGULATION FOR THE OPERATION OF THE DEMATERIALIZED SECURITIES SYSTEM" (GAZETTE B /901/16.6.2004).	The rule amends article 14 of HCMC Rule 3/304/10.6.2004 (Gazette B 901/16.6.2004).
8/336/21.04.2005 (GAZETTE B 726/30.5.2005)	AMENDMENT OF HCMC RULE 18/291/22.1.2004 (GAZETTE B/486/5.3.2004) 'SPECIFICATION OF THE MAXIMUM DAILY FLUCTUATION LIMITS OF SHARE PRICES, BLOCK TRADES AND CLEARING ENTRIES' AS AMENDED BY RULE 2/319/12.2004 (GAZETTE B 1884/20.12.2004)	The rule amends article 1 of HCMC Rule 18/291/22.1.2004 (Gazette B 486/5.3.2004).
17/336/21.04.2005 (GAZETTE B 614/10.5.2005)	DATA AND INFORMATION OF THE FINANCIAL STATEMENTS PUBLISHED IN ACCORDANCE WITH THE PROVISION OF PD 360/1985 (GAZETTE A 129/9.7.1985)	This rule defines the data and information contained in the financial statements published in accordance with the IFRS.

Continue

4/340/01.06.2005 (GAZETTE B 828/17.6.2005)	AMENDMENT OF HCMC RULE 2/213/28.3.2001 PROVISION OF CREDIT BY THE ATHEX MEMBERS AND OTHER ADJUSTMENTS TO CLIENTS (MARGIN ACCOUNT) (GAZETTE B 480/26.04.2001)	The rule amends articles 5, 8 and 11 of HCMC Rule 2/213/28.3.2001 (Gazette B 480/26.4.2001).
9/342/08.06.2005 (GAZETTE B 901/1.7.2005)	AMENDMENT OF HCMC RULE 1/317/11.11.2004 (GAZETTE B 1746/26.11.2004) *CLASSIFICATION OF MUTUAL FUNDS ACCORDING TO LAW 3283/2004.*	The rule amends article 2 of HCMC Rule 1/317/11.11.2004 (Gazette B 1746/26.11.2004).
11/343/17.06.2005 (GAZETTE B 901/1.7.2005)	*AMENDMENT OF HCMC RULE 7D/182/2000 (B 171/17.2.2000) CONCERNING MARKET MAKERS IN THE NEW MARKET.* AS AMENDED BY HCMC RULE 9/188/4.4.2000 (GAZ B/586/3.5.2000)	The rule amends articles 7 and 8 of HCMC Rule 7D/182/2000 (Gazette B 171/17.2.2000).
1/347/12.07.2005 (GAZETTE B/983/13.7.2005)	INDICATIONS OF MARKET MANIPULATION	This rule adapts the regulatory framework to the articles of Directive 2003/124/EC, (L339/70/2003).
2/347/12.07.2005 (GAZETTE B/983/13.7.2005)	OBLIGATIONS OF PROFESSIONALS THAT INTERMEDIATE IN THE PREPARATION OF TRANSACTIONS, CONCERNING THE PREVENTION OF MARKET ABUSE	This rule adapts the regulatory framework to articles 7 to 11 of EU Directive 2004/72/EC, Official Journal of the European Communities (L162/70/2004).
3/347/12.07.2005 (GAZETTE B/983/13.7.2005)	ISSUER OBLIGATIONS CONCERNING THE DISCLOSURE OF PRIVILEGED INFORMATION.	This rule adapts the regulatory framework to the provisions of EU Directive 2003/124/EC, Official Journal of the European Communities (L 339/70/2003) and 2004/72/EC, Official Journal of the European Communities (L162/70/2004).
4/347/12.07.2005 (GAZETTE B/983/13.7.2005)	OBLIGATIONS OF THE PERSONS THAT PREPARE OR DISSEMINATE ANALYSES.	This rule adapts the regulatory framework to the provisions of EU Directive 2003/125/EC, Official Journal of the EC (L 339/73/2003).
5/347/12.07.2005 (GAZETTE B/983/13.7.2005)	PROCEDURE AND CRITERIA FOR THE DEFINITION OF ACCEPTABLE MARKET PRACTICES	This rule adapts the regulatory framework to articles 2 to 3 of EU Directive 2004/72/EC, Official Journal of the European Communities (L 162/70/2004).
9/347/12.07.2005 (GAZETTE B/1079/1.8.2005)	EXTENSION OF THE DEADLINE FOR PUBLISHING FINANCIAL STATEMENTS FOR THE 1 ST SEMESTER OF 2005	The deadline set by Article 3, par. 1 of PD 360/1985 for the publication of the financial statements for the first six-months of the fiscal years ending on 31.12.2005 for ATHEX-listed companies, is extended by one month.
3/348/19.07.2005 (GAZETTE B/1081/1.8.2005)	AMENDMENT OF PROVISIONS OF RULE 5/204/2000:	This rule amends articles 1 and 5, and abolished articles 2 to 4 and 6 to 10 of HCMC Rule 5/204/2000 (Gazette B 1487/6.12.2000)
13/350/31.08.2005 (GAZETTE B 1269/9.9.2005)	VALUATION OF THE ASSETS OF MUTUAL FUNDS, AND THE PORTFOLIOS OF INVESTMENT FIRMS AND REAL ESTATE INVESTMENT COMPANIES NOT LISTED IN REGULATED MARKETS.	This decision specifies the rules concerning the valuation of the assets of mutual funds, and the portfolios of investment firms and Real Estate Investment Companies not listed in regulated markets.

Continue

13/353/30.09.2005 (GAZETTE B 1408/11.10.2005)	TERMS AND CONDITIONS FOR THE REFUND OF SHARES IN THE SUPPLEMENTARY CLEARING FUND, IN CASE A FIRM CEASES TO BE A MEMBER OF THE ATHENS EXCHANGE.	This rule defines the terms and conditions for the refund of shares in the Supplementary Clearing Fund, in case a firm ceases to be a member of the Athens Exchange.
2/344/22.06.2005 (GAZETTE B 1408/11.10.2005)	AMENDMENT OF HCMC RULE 18/291/22.1.2004 (GAZETTE B/486/5.3.2004) 'SPECIFICATION OF THE MAXIMUM DAILY FLUCTUATION LIMITS OF SHARE PRICES, BLOCK TRADES AND CLEARING ENTRIES' AS AMENDED BY RULE 2/319/9.12.2004 (GAZETTE B 1884/20.12.2004) AND 8/336/21.4.2005 (GAZETTE B 726/30.5.2005)	The rule amends article 1 of HCMC Rule 18/291/22.1.2004 (Gazette B 486/5.3.2004).
3/356/26.10.2005 (GAZETTE B 1554/10.11.2005)	RECORD KEEPING REQUIREMENTS CONCERNING THE PROVISION OF INVESTMENT SERVICES	This rule defines the books and records that must be kept by investment firms.
2/356/26.10.2005 (GAZETTE B 1651/29.11.2005)	GRANTING AND REVOCATION OF REGULATED MARKET OPERATION LICENSE.	This rule defines the criteria, documentation and information for the granting of operating licenses to organized markets.
4/358/8.11.2005 (GAZETTE B 1635/25.11.2005)	AMENDMENT OF THE RULEBOOK FOR ATHENS EXCHANGE SA	This rule approves the new text of the Rulebook of the ATHEX, which replaces the one approved by HCMC Rule 1/304/10.6.2004 (Gazette B 900/16.6.2004).
7/361/18.11.2005 (GAZETTE B 1688/01.12.2005)	STOCK EXCHANGE DAILY BULLETIN	This rule sets the minimum contents of the Daily Price Bulletins that must be issued and made public by stock exchanges after trading session.»
2/363/30.11.2005 (GAZETTE B 1755/14.12.2005)	PROVISION OF CREDIT BY ATHEX MEMBERS	This rule defines issues concerning the provision of credit by ATHEX-members to their customers and sets obligations of the members to ensure timely settlement whenever no credit has been provided, in accordance with Law 2843/2000, as is currently in force. By this rule all previous HCMC Rules concerning provision of credit by ATHEX Members are abolished
3/363/30.11.2005 (GAZETTE B 1755/14.12.2005)	DISCLOSURE OBLIGATIONS OF COMPANIES PROVIDING INVESTMENT SERVICES.	This rule defines the disclosure obligations of companies providing investment services to their clients, and their disclosure obligations in case they co-operate with other companies.
4/363/30.11.2005 (GAZETTE B 1755/14.12.2005)	AMENDMENT OF HCMC RULE 16/262/6.2.2003 "REGULATIONS REGARDING THE PROVISION OF CLIENT INVESTMENT PORTFOLIO MANAGEMENT SERVICES BY INVESTMENT FIRMS" (GAZETTE B 297/13.3.2003).	This rule amends articles 5, 6 and 7 of HCMC Rule 16/262/6.2.2003 (Gazette B 297/13.3.2003)
1/364/5.12.2005 (GAZETTE B 1825/23.12.2005)	METHODS FOR THE ALLOCATION AND THE DEFINITION OF THE FINAL PRICE OF SECURITIES offered via an IPO to various categories of investors.	This rule defines the methods for the allocation and the definition of the final price of securities offered via an IPO to various categories of investors.

APPENDIX 2

PARTICIPATION IN INTERNATIONAL CONFERENCES, FORA AND MEETINGS, 2005

- January 7th, 2005, Paris, Meeting of the CESR Working Group for Co-operation and Information Exchange on executed transactions (MiFiD CESR Working Group).
- January 9th to 12th, 2005, Helsinki, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- January 10th to 11th, 2004, London, Meeting of the CESR Working Group for market intermediaries (MiFiD CESR Working Group)
- January 13th to 14th, 2005, Rome, Meeting of the CESR Working Group on investment management
- January 18th, 2005, Frankfurt, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning main counterparties.
- January 21st, 2005, Brussels, meeting for the incorporation of Directive 2004/39/EC on Markets in Financial Instruments - MiFiD.
- January 26th, 2005, Brussels, Meeting on Prospectuses,
- February 7th to 8th, 2005, Frankfurt, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- February 8th to 9th, 2005, Jerusalem, Visit of HCMC delegation to the Securities Commission of Israel,
- February 15th, 2005, Frankfurt, Meeting of subgroup 2 of the CESR Working Group on Transparency
- February 15th to 16th, 2005, London, Meeting of the CESR Working Group for market intermediaries (MiFiD CESR Working Group).
- February 15th to 16th, 2005, Stockholm, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning main counterparties.
- February 13th, 2005, Paris, Meeting of the CESR Working Group on Transparency
- February 17th to 18th, 2005, London, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- February 22nd to 23rd, 2005, Brussels, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards
- March 1st, 2005, Rome, Meeting of the CESR Working Group on investment management
- March 2nd, 2005, Paris, Extraordinary Conference of the CESR Chairmen,
- March 3rd, 2005, Paris, Meeting of CESR experts on the Directive on Transparency,
- March 3rd to 4th, 2005, Rome, Meeting of the CESR Working Group for market intermediaries (MiFiD CESR Working Group),
- March 8th, 2005, Brussels, Meeting of a Panel of the European Commission on the Directive on Prospectuses
- March 9th to 10th, 2005, Frankfurt, Meeting of the joint CESR-ECB group on Clearing and Settlement
- March 10th, 2005, Paris, CESRPol Meeting
- March 11th, 2005, Paris, Meeting of CESR experts on the Directive on Prospectuses,
- March 11th, 2005, Paris, Meeting of subgroup 2 of the CESR Working Group on Transparency
- March 17th to 18th, Oslo, Conference of the CESR and AWAY DAY chairmen,
- March 21st to 23rd, Paris, Meeting on the MiFiD executive measures,
- March 22nd to 23rd, Paris, OECD Steering Group Meeting on Corporate Governance,
- March 28th, 2005, Signing of Memorandum of Understanding with the Securities Commission of Bulgaria.
- April 1st, 2005, Helsinki, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards

- April 3rd to 8th, Colombo, IOSCO Annual Conference,
- April 4th, 2005, Amsterdam, Meeting of CESRFin sub-committee for the Endorsement of International Accounting Standards
- April 7th to 8th, 2005, Niece, Financial Crime Summit,
- April 11th, 2005, Paris, Meeting of the CESR Working Group for Co-operation and Information Exchange on executed transactions (MiFiD CESR Working Group).
- April 11th, 2005, Frankfurt, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- April 11th to 12th, 2005, London, Meeting of the CESR Working Group for market intermediaries (MiFiD CESR Working Group),
- April 12th, 2005, Paris, CESR-Fin Meeting
- April 13th, to 15th, 2005, Paris, Meeting of the Working Group on Transparency,
- April 15th to 16th, 2005, London, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- April 20th, 2005, London, “GREECE DAY” Conference,
- April 24th to 25th, 2005, Paris, CESR Chairmen Conference,
- April 27th to 28th, 2005, Paris, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning main counterparties.
- May 4th to 6th, 2005, London, Wilton Park International Enforcement Conference
- May 13th, 2005, Paris, Working Group on main counterparties,
- May 18th, 2005, Paris, Meeting of CESR experts group on the Directive on Transparency,
- May 22nd to 24th, 2005, Maastricht, Meeting of the European Institute of Public Administration,
- June 4th to 11th, 2005, Singapore, Meeting of the Plenary of OECD’s Financial Action Task Force (FATF)
- June 6th, 2005, Larnaca, Meeting of subgroup 2 of the CESR Working Group on Transparency
- June 7th to 8th, 2005, Larnaca, Meeting of the CESR Working Group on the Directive on Transparency
- June 9th, 2005, Paris, Meeting of the CESR Working Group for Co-operation and Information Exchange on executed transactions (MiFiD CESR Working Group).
- June 10th, 2005, Vienna, CESRPol Meeting
- June 13th to 14th, 2005, Milan, Meeting of the CESR Working Group on investment management
- June 14th to 16th, 2005, London, Visit to the FSA concerning the incorporation of the new Directive on Market Abuse in the UK,
- June 14th to 17th, 2005, Tallinn, Meeting of the CESR Working Group on the Directive on Transparency,
- June 16th to 17th, 2005, Oslo, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards
- June 24th, 2005, Paris, CESR Meeting
- June 27th to 27st, 2005, London, CESR Chairmen Conference,
- June 28th, 2005, Warsaw, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning main counterparties.
- July 18th, 2005, Brussels, Exchange of views at the European Commission concerning 2005 policy in the field of financial services,
- July 19th, 2005, Brussels, Meeting on the Directive on the prevention of the use of the financial system for money laundering purposes,
- September 8th to 9th, 2005, Paris, Visit to the AMF concerning the incorporation of the new Directive on Market Abuse in France,
- September 16th, 2005, Paris, Meeting of CESR expert Group on the Directive on Prospectuses,
- September 17th, 2005, Malta, Meeting of the joint CESR-ECB group on Clearing and

Settlement

- September 19th, 2005, Nicosia, Visit to the Securities Commission of Cyprus concerning corporate governance issues,
- September 19th to 20th, 2005, Paris, Meeting of the CESR Working Group on the Directive on Transparency
- September 22nd, 2005, Amsterdam, Meeting of CESRFin sub-committee for the Endorsement of International Accounting Standards
- September 23rd, 2005, Helsinki, Conference of the CESR Review Panel
- September 26th to 27th, 2005, Rome, Meeting of the CESR Working Group on investment management
- September 27th, 2005, Madrid, Meeting of CESR experts on Prospectuses,
- September 28th, 2005, Paris, CESR-Fin Meeting
- October 5th to 6th, 2005, Frankfurt, Conference of Technical Committee of IOSCO,
- October 10th to 15th, 2005, Paris, Meeting of OECD's Financial Action Task Force (FATF),
- October 11th to 12th, Brussels, Meeting on the executive measures for the Directive on transparency,
- October 13th to 14th, 2005, Larnaca, Annual Pan-European Conference on Internal Audit,
- October 16th to 17th, 2005, Paris, CESR Chairmen Conference,
- October 16th to 17th, 2005, Lisbon, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards
- October 17th to 18th, 2005, Brussels, Meeting of the European Commission concerning the incorporation of the Directive on Transparency,
- October 20th to 21st, 2005, Lisbon, Meeting of CESR Experts on the Directive on Transparency,
- October 21st, 2005, Brussels, Working Meeting on the incorporation of the Directive on Takeover bids,
- October 25th to 26th, Paris, OECD Steering Group Meeting on Corporate Governance,
- November 2nd, 2005, Frankfurt, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
- November 9th, 2005, Paris, Meeting of the CESR Working Group for market intermediaries (MiFiD CESR Working Group)
- November 14th, 2005, London, Conference on corporate governance,
- November 14th to 16th, 2004, Paris/Brussels, Meeting of the CESR Working Group on Transparency
- November 14th to 16th, 2005, Washington, Annual Seminar of the US SEC,
- November 17th, 2005, Madrid, Conference of the European Regional Committee of IOSCO
- November 24th, 2005, Luxembourg, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards
- November 28th to 29th, 2005, Paris, Meeting of the CESR Working Group on Transparency
- November 30th, 2005, Paris, Meeting of CESR-Pol sub-committee on Surveillance and Intelligence,
- December 1st, 2005, Paris, Conference of the CESR Review Panel,
- December 1st to 4th, 2005, London, UK Financial Services Authority International Regulators Seminar,
- December 5th, 2005, Amsterdam, Meeting of CESRFin sub-committee for the Endorsement of International Accounting Standards
- December 14th to 15th, 2005, Paris, CESRPol Meeting
- December 14th to 15th, 2005, Rome, Meeting of the CESR Working Group on investment management

- December 14th to 15th, 2004, Paris, Meeting of the CESR Working Group for regulated markets (MiFiD CESR Working Group)
 - December 21st to 23rd, 2005, Lisbon, Meeting of the CESR Working Group on Transparency
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APPENDIX 3

INTERNATIONAL AND DOMESTIC DEVELOPMENTS AND THE ATHEX GENERAL INDEX, 2005

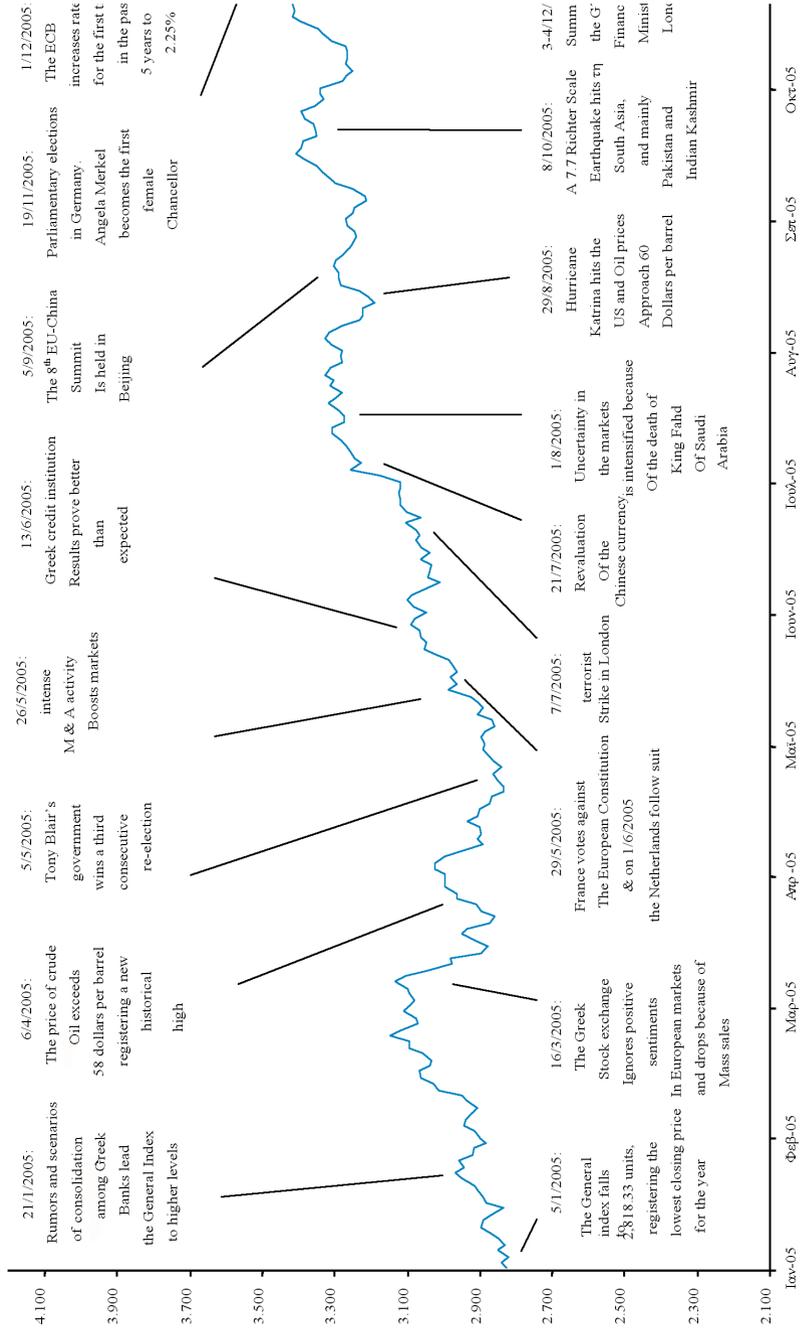


TABLE-I

Developments in Selected Stock Exchanges, 2005

Stock Exchange	Stock Exchange Indices		Market Capitalization				Value of Transactions ¹				Marketability Index ²	No. of listed companies
	Closing price	Annual Change (%)	Value (bn \$)	Annual Change (%)	(%) of GDP	Value (bn \$)	Annual Change (%)	(%) of GDP				
London	5,638.30	17.12	3,058.18	8.6	146.49	5,673.88	9.6	271.78	185.53	3,091		
Germany	5,458.58	28.25	1,221.11	2.2	46.14	1,912.33	24.0	72.26	156.61	764		
Euronext ³	810.35	23.17	2,706.80	10.9	-	2,901.29	17.2	-	107.19	1,259		
Paris	4,772.93	24.91	-	-	-	-	-	-	-	-		
Switzerland	7,619.96	33.84	935.45	12.8	274.75	975.69	23.6	286.57	104.30	400		
Amsterdam	440.87	26.66	-	-	-	-	-	-	-	-		
Italy	26,929.00	14.43	798.07	1.1	48.84	1,300.42	33.6	79.59	162.95	282		
Madrid ⁴	1,160.27	20.98	959.91	2.0	90.16	1,567.72	29.9	147.25	163.32	N/A		
Stockholm	302.59	32.48	802.56 ⁵	10.3	236.75	950.996	9.8	280.53	118.49	669		
Brussels	3,575.19	21.91	-	-	-	-	-	-	-	-		
Athens	3,663.90	31.50	145.12	15.9	68.63	64.99	45.2	30.73	44.79	304		
Vietna	3,667.03	50.82	126.31	43.9	43.72	46.27	90.0	16.02	36.63	111		
NYSE	7,814.66	7.79	13,310.59	4.7	112.49	14,125.29	21.6	119.37	106.12	2,270		
NASDAQ	2,228.61	2.44	3,603.98	2.0	30.46	10,086.74	15.1	85.24	279.88	3,164		
Tokyo	16,344.20	42.26	4,572.90	28.5	105.37	4,426.62	37.5	102.00	96.80	2,351		
Hong-Kong	15,045.59	5.73	1,055.00	22.5	N/A	464.29	5.6	N/A	44.01	1,135		

Source: World Federation of Exchanges

Notes: 1. Because of differences in the presentation and estimation of transaction value, the figures are not totally comparable. 2. Value of trading in shares / market capitalization. 3. Includes data from Amsterdam, Brussels, Lisbon and Paris. 4. Includes data from the stock exchanges of Madrid, Barcelona, Bilbao, and Valencia.

TABLE II

Market Share, Number and Total Assets of Mutual Funds by Mutual Fund Management Firm, 2003-2005

Company	31.12.2005				31.12.2004				31.12.2003			
	Number of MF	Assets (€ mn)	Market Share	% Annual Change	Number of MF	Assets (€ mn)	Market Share	% Annual Change	Number of MF	Assets (€ mn)	Market Share	% Annual Change
ABN AMRO	17	490.58	1.76%	0.11	15	520.2	1.64%	-0.21%	4	92.44	0.30%	-31.27%
ALICO AIG	10	346.36	1.24%	0.26	10	309.2	0.98%	-0.13%	14	563.25	1.85%	-8.99%
ALLIANZ DRESNER	27	5,205.19	18.63%	3.84	25	4,676.1	14.78%	-0.27%	27	4,573.79	15.05%	47.30%
ALPHA	12	361.95	1.30%	0.18	10	224.7	0.71%	-0.09%	11	242.13	0.80%	-5.53%
ALPHA TRUST	35	8,538.36	30.56%	-2.55	36	10,494.1	33.16%	1.57%	18	7,797.64	25.65%	-2.13%
EFG	10	615.47	2.20%	0.37	10	578.7	1.83%	0.51%	10	402.14	1.32%	12.80%
HSCB (HELLAS)	9	603.72	2.16%	-0.23	12	757.3	2.39%	-1.82%	10	717.13	2.36%	-5.24%
ING PIRAEUS	7	92.63	0.33%	-0.01	7	108.6	0.34%	-0.09%	8	131.90	0.43%	12.45%
INTERNATIONAL	-	-	-	-	-	-	-	-	23	2,233.48	7.35%	1.72%
INTERTRUST	9	25.71	0.09%	0	11	29.4	0.09%	0%	11	27.51	0.09%	56.41%
MARFIN	3	23.29	0.08%	0.01	3	22.0	0.07%	0%	3	19.93	0.07%	41.13%
PROFUND	3	16.44	0.06%	0.01	3	15.6	0.05%	0%	3	14.52	0.05%	303.36%
PROTON	10	206.23	0.74%	-0.09	10	263.2	0.83%	-0.2%	6	220.51	0.73%	-2.89%
ASPIIS	2	823.38	2.95%	0.66	2	722.2	2.28%	0.13%	2	655.22	2.16%	102.70%
SOCIAL SECURITY FUNDS	10	616.58	2.21%	-0.61	9	891.7	2.82%	-0.29%	9	945.60	3.11%	-5.93%
ATE	6	84.77	0.30%	0.19	4	34.3	0.11%	0.03%	4	23.75	0.08%	-2.48%
ATTIKI	21	6,880.60	24.62%	-2.3	8	132.0	0.42%	-0.15%	8	171.04	0.56%	-15.90%
GENIKI	8	131.53	0.47%	0.06	21	8,512.3	26.90%	1.63%	20	7,678.89	25.26%	81.46%
DIETHNIKI	8	114.15	0.41%	-0.17	7	128.8	0.41%	-0.06%	7	141.21	0.46%	-7.38%
EGNATHA	12	2,324.33	8.32%	1.74	7	183.5	0.58%	0.32%	6	79.34	0.26%	1188.62%
ELLINIKI TRUST	8	68.22	0.24%	0.04	10	2,079.4	6.57%	-0.19%	10	2,053.47	6.76%	10.29%
ERMIS	5	103.54	0.37%	-1.45	11	63.5	0.20%	-0.03%	11	71.51	0.24%	2.02%
EVROPAIKI PISTI	4	44.80	0.16%	0.01	5	574.7	1.82%	0.26%	5	473.21	1.56%	-14.92%
CYPRUS	12	133.52	0.48%	-0.07	4	47.0	0.15%	-0.01%	4	48.18	0.16%	-3.20%
LAIKI	3	54.51	0.20%	0.1	12	174.8	0.55%	-0.9%	4	19.84	0.07%	33.13%
P &	7	38.11	0.14%	-0.1	-	-	-	-	3	582.35	1.92%	-24.16%
PIRAEUS	2	823.38	2.95%	0.66	3	28.8	0.09%	0.01%	3	25.64	0.08%	-
PSB GREEK POST	10	616.58	2.21%	-0.61	7	75.6	0.24%	0.06%	7	55.42	0.18%	37.13%
OMEGA	258	27,943.98	100.00%	-	262	31,647.3	100.00%	-	265	30,398.81	100%	19.76%
TOTAL												

Source: Union of Greek Institutional Investors.

Note: On 14.06.05, ALPHA TRUST absorbed GENIKI SA.

TABLE - III

Structure of Mutual Fund Management Firm Assets per Type of MF, 31.12.2005

Company	Bond			Money market			Mixed			Equity		
	Domesti	Foreign	Total	Domesti	Foreign	Total	Domesti	Foreign	Total	Domesti	Foreign	Total
	%	%	%	%	%	%	%	%	%	%	%	%
ALICO AIG	19.96%	11.64%	31.61%	15.54%	15.54%	15.54%	2.50%	13.05%	13.05%	35.22%	4.09%	39.31%
ALLIANZ DRESNER	35.52%	3.65%	39.18%	2.26%	2.26%	2.26%	25.66%	25.66%	25.66%	26.32%	6.59%	32.91%
ALPHA TRUST	13.21%	6.73%	19.95%	4.27%	4.27%	4.27%	4.76%	4.76%	4.76%	63.79%	7.23%	71.02%
ALPHA	12.05%	48.14%	60.19%	6.00%	0.91%	6.91%	2.27%	2.23%	4.50%	24.05%	1.96%	26.00%
ASPS INTERNATIONAL	44.03%	1.36%	45.39%	27.86%	27.86%	27.86%	12.14%	12.84%	13.77%	3.36%	26.75%	30.11%
EFG	28.59%	25.61%	54.20%	3.59%	3.59%	3.59%	6.39%	6.39%	6.39%	28.32%	7.96%	36.29%
HSBC (HELLAS)	5.86%	0.94%	6.80%	50.52%	50.52%	50.52%	11.58%	11.58%	11.58%	45.51%	10.29%	55.81%
ING PIRAEUS	13.64%	1.02%	14.66%	17.96%	17.96%	17.96%	21.10%	1.82%	22.92%	40.98%	40.98%	40.98%
INTERNATIONAL	34.00%		34.00%	2.09%	2.09%	2.09%	9.84%	2.06%	11.90%	19.68%	23.06%	42.74%
MARFIN	15.61%	15.61%	15.61%	29.75%	29.75%	29.75%	18.00%	18.00%	18.00%	45.33%	45.33%	45.33%
PROFUND	36.67%	36.67%	36.67%	18.00%	18.00%	18.00%	22.15%	22.15%	22.15%	51.29%	51.29%	51.29%
PROTON	26.56%	26.56%	26.56%	61.10%	61.10%	61.10%	6.17%	6.17%	6.17%	27.99%	1.47%	29.46%
SOCIAL SECURITY FUNDS	38.90%	38.90%	38.90%	20.88%	20.88%	20.88%	5.05%	5.05%	5.05%	18.30%	18.30%	18.30%
ATE	34.14%	3.44%	37.58%	4.87%	4.87%	4.87%	2.98%	0.37%	3.35%	10.06%	0.21%	10.27%
ATTIKI	5.61%	29.07%	34.68%	1.13%	27.38%	28.51%	1.77%	1.77%	1.77%	83.58%	4.70%	88.28%
DIETHNIKI	6.97%	50.89%	57.87%	5.34%	5.34%	5.34%	32.83%	32.83%	32.83%	5.45%	8.07%	13.52%
EGNATIA	2.30%	2.30%	2.30%	31.69%	31.69%	31.69%	2.55%	2.55%	2.55%	14.69%	0.24%	14.92%
ELLINIKI TRUST	27.40%	27.40%	27.40%	63.03%	63.03%	63.03%	7.11%	7.11%	7.11%	45.87%	2.10%	47.97%
ERMIS	11.22%	8.28%	19.50%	7.11%	7.11%	7.11%	14.60%	14.60%	14.60%	36.36%	36.36%	36.36%
EVROPAIKI PISTI	20.82%	15.06%	35.88%	1.09%	1.09%	1.09%	82.96%	82.96%	82.96%	42.05%	2.92%	44.97%
CYPRUS	47.95%	47.95%	47.95%	24.81%	24.81%	24.81%	43.82%	43.82%	43.82%	29.34%	29.34%	29.34%
LAHI	8.95%	8.95%	8.95%	35.26%	35.26%	35.26%	6.67%	1.97%	8.65%	17.83%	3.62%	21.45%
P & K	26.66%	26.66%	26.66%	45.40%	45.40%	45.40%	4.62%	4.77%	9.39%	17.83%	3.62%	21.45%
PSB GREEK POST	20.92%	20.92%	20.92%	16.61%	16.61%	16.61%	17.67%	17.67%	17.67%	17.83%	3.62%	21.45%
OMEGA	16.61%	16.61%	16.61%	9.53%	8.14%	17.67%	4.62%	4.77%	9.39%	17.83%	3.62%	21.45%
MARKET SHARES	17.84%	30.75%	48.59%	9.53%	8.14%	17.67%	4.62%	4.77%	9.39%	17.83%	3.62%	21.45%

Source: Union of Greek Institutional Investors.
Note: On 14.06.05, ALPHA TRUST absorbed GENIKI.

TABLE-N

Mutual Funds Returns per Type of MF, 2001-2005

MF Classification	Annual Return					Annual Return*				
	2005	2004	2003	2002	2001	2004	2003	2002	2001	2001
BOND										
Domestic	0.89%	2.45%	2.27%	4.89%	4.11%	2.53%	2.41%	4.89%	4.11%	4.11%
Foreign	4.05%	3.32%	-1.42%	0.45%	4.52%	3.32%	-1.87%	0.45%	4.85%	4.85%
International	-	1.03%	-1.61%	1.07%	4.37%	1.03%	-2.21%	0.75%	5.48%	5.48%
MONEY MARKET										
Domestic	1.12%	1.72%	2.12%	2.26%	3.44%	1.12%	2.18%	2.40%	3.70%	3.70%
Foreign	4.55%	3.28%	3.28%	0.26%	7.45%	7.45%	3.28%	3.28%	2.87%	2.87%
International	-	1.01%	-2.26%	-2.05%	5.67%	-0.95%	-3.34%	-2.84%	5.67%	5.67%
EQUITY										
Domestic	29.21%	9.81%	23.09%	-26.35%	-22.63%	29.48%	23.40%	-27.24%	-23.97%	-23.97%
Foreign	20.02%	2.82%	9.26%	-27.84%	-12.79%	19.79%	11.03%	-29.39%	-17.66%	-17.66%
Funds of Funds	7.05%									
International	-	5.90%	14.70%	-30.41%	-15.66%	5.90%	13.92%	-30.41%	-18.47%	-18.47%
MIXED										
Domestic	14.03%	8.07%	12.19%	-12.80%	-10.56%	14.03%	12.67%	-13.40%	-11.78%	-11.78%
Foreign	6.49%	0.41%	2.40%	-20.27%	-10.87%	7.82%	3.98%	-20.27%	-10.87%	-10.87%
Funds of Funds	5.60%					13.75%				
International	-	3.06%	2.46%	-11.95%	-4.64%	2.86%	2.25%	-11.95%	-6.46%	-6.46%

Source: Union of Greek Institutional Investors.

Note: *. Excluding mutual funds that started operating during 2005

TABLE V

. Monthly Distribution of Mutual Fund Assets per Type of MF, 2003-2005

Month / Year	Total Assets	Bond		Domestic Equity		Domestic Mixed		Domestic Money Market	
		Assets (mn €)	% monthly change	Assets (mn €)	% monthly change	Assets (mn €)	% monthly change	Assets (mn €)	% monthly change
Dec-05	27,943.98	13,578.09	-1.43%	4,981.36	5.72%	1,289.74	5.02%	2,664.46	-19.55%
Nov-05	28,165.50	13,774.58	-1.95%	4,712.05	3.23%	1,228.07	3.22%	3,312.02	-22.18%
Oct-05	28,670.74	14,049.05	4.11%	4,564.64	-2.61%	1,189.79	-0.69%	4,255.77	-23.26%
Sep-05	29,101.01	13,494.68	20.98%	4,686.91	2.76%	1,198.00	2.13%	5,545.69	-17.39%
Aug-05	29,309.91	11,154.87	1.71%	4,561.16	-2.07%	1,173.02	-0.44%	6,713.06	-10.31%
Jul-05	29,742.88	10,966.96	3.43%	4,657.76	5.25%	1,178.24	2.93%	7,485.10	-2.32%
Jun-05	29,091.30	10,602.97	-1.87%	4,425.31	2.74%	1,144.72	2.57%	7,663.19	-14.02%
May-05	30,360.71	10,805.48	0.34%	4,307.38	2.69%	1,116.05	1.74%	8,912.39	-4.50%
Apr-05	30,714.77	10,768.63	7.82%	4,194.61	-0.99%	1,096.98	-0.11%	9,332.51	-12.72%
Mar-05	31,152.70	9,987.61	2.65%	4,236.67	-9.46%	1,098.23	-4.29%	10,692.39	-4.23%
Feb-05	31,843.36	9,729.64	22.35%	4,679.12	4.54%	1,147.49	-59.85%	11,164.17	-24.75%
Jan-05	31,907.60	7,952.48	48.69%	4,476.02	3.54%	2,858.18	-0.07%	14,836.51	-2.04%
Dec-04	31,647.31	5,348.42	0.22%	4,323.05	3.42%	2,860.25	2.21%	15,145.75	0.34%
Nov-04	31,323.12	5,346.67	3.94%	4,179.99	3.12%	2,798.48	-1.40%	15,094.81	-0.56%
Oct-04	31,061.07	5,143.89	1.13%	4,053.7	3.81%	2,838.11	-0.98%	15,179.53	0.17%
Sep-04	30,614.98	5,086.37	1.24%	3,904.94	-1.94%	2,866.24	-0.87%	15,154.31	-2.83%
Aug-04	30,700.81	5,024.03	0.8%	3,982.18	-2.38%	2,891.3	-0.57%	15,596.19	-0.93%
July-04	30,794.36	4,984.12	0.01%	4,079.06	-1.68%	2,874.98	-0.84%	15,742.76	0.75%
Jun-04	30,698.27	4,983.53	0.05%	4,149.25	-2.96%	2,899.44	-2.92%	15,625.21	0.85%
May-04	30,605.77	4,980.81	-0.31%	4,275.95	-4.27%	2,986.53	-2.07%	15,494.27	-1.71%
Apr-04	31,116.29	4,996.2	-0.03%	4,466.83	3.7%	3,049.83	0.25%	15,764.6	0.73%
Mar-04	30,798.24	4,997.91	-0.54%	4,307.42	-4.57%	3,041.81	1.15%	15,650.56	2.85%
Feb-04	30,488.45	5,024.97	-0.07%	4,513.9	-1.01%	3,007.21	0.96%	15,217.06	-1.09%
Jan-04	30,362.73	5,027.86	-1.61%	4,555.23	8.86%	2,977.73	-2.51%	15,160.01	-3.04%
Dec-03	30,398.81	6,540.32	0.21%	4,184.59	3.76%	3,054.55	1.13%	15,635.78	1.25%
Nov-03	29,978.61	6,526.80	-1.72%	4,032.78	3.29%	3,020.50	0.53%	15,443.08	-0.79%
Oct-03	30,071.40	6,640.80	-1.36%	3,904.30	4.72%	3,004.48	-3.98%	15,565.46	-0.16%
Sep-03	29,969.60	6,732.30	0.40%	3,728.20	-8.68%	3,129.03	-6.49%	15,590.30	-0.50%
Aug-03	30,617.30	6,705.40	3.42%	4,082.50	4.11%	3,346.31	2.67%	15,667.87	-0.85%
Jul-03	30,236.70	6,483.70	0.29%	3,921.50	13.16%	3,259.16	6.79%	15,802.02	1.07%
Jun-03	29,232.10	6,464.70	4.70%	3,465.30	8.34%	3,052.05	-1.75%	15,634.95	6.07%
May-03	27,779.50	6,174.60	3.71%	3,198.40	1.39%	3,106.51	-3.48%	14,739.83	2.32%
Apr-03	27,269.90	5,953.80	1.35%	3,154.60	11.78%	3,218.39	3.19%	14,405.03	2.00%
Mar-03	26,431.80	5,874.60	2.34%	2,822.10	-8.15%	3,118.95	-3.03%	14,122.10	9.22%
Feb-03	25,456.20	5,740.50	5.20%	3,072.60	-4.33%	3,216.48	-11.24%	12,930.01	7.91%
Jan-03	24,771.50	5,456.70	6.54%	3,211.80	-5.20%	3,623.90	-35.84%	11,982.00	11.84%

Source: Union of Greek Institutional Investors.

TABLE VI

Mutual Fund Assets, ASE Capitalization and the ATHEX General Index, 2002 - 2005

Month / Year	Total MF Assets		Market Capitalisation of ASE companies	ATHEX General Index	Return (%)
	Amount	Change (%)			
Dec-05	27,943.98	-11.70%	301,958.56	3,663.90	6.46%
Nov-05	28,165.50	-10.08%	277,647.33	3,441.64	4.06%
Oct05	28,670.74	-7.70%	273,779.77	3,307.32	-2.21%
Sep-05	29,101.01	-4.95%	275,668.37	3,381.96	4.66%
Aug-05	29,309.91	-4.53%	270,088.18	3,231.48	-1.23%
Jul-05	29,742.88	-3.41%	270,728.64	3,271.78	6.90%
Jun-05	29,091.30	-5.23%	263,357.92	3,060.73	3.42%
May 05	30,360.71	-0.80%	265,714.36	2,959.53	3.18%
Apr-05	30,714.77	-1.29%	263,052.63	2,868.45	0.47%
Mar-05	31,152.70	1.15%	253,076.93	2,854.91	-9.23%
Feb-05	31,843.36	4.44%	264,769.28	3,145.16	7.71%
Jan-05	31,907.60	5.08%	258,509.02	2,919.93	4.80%
Dec-04	31,647.31	1.03%	250,045.21	2,786.18	4.95%
Nov-04	31,323.12	0.84%	240,465.11	2,654.81	6.65%
Oct-04	31,061.07	1.46%	235,177.12	2,489.19	6.91%
Sep-04	30,614.98	-0.28%	230,796.4	2,328.24	0.60%
Aug-04	30,700.81	-0.30%	231,420.19	2,314.26	-0.22%
July-04	30,794.36	0.31%	232,803.08	2,319.30	-1.27%
Jun-04	30,698.27	0.30%	227,719.09	2,349.16	-3.08%
May-04	30,605.77	-1.64%	231,355.26	2,423.72	-3.73%
Apr-04	31,116.29	1.03%	235,308.44	2,517.62	6.20%
Mar-04	30,798.24	1.02%	228,565.95	2,370.65	-3.30%
Feb-04	30,488.45	0.41%	227,033.54	2,451.50	0.78%
Jan-04	30,362.73	-0.12%	227,402.31	2,432.58	7.47%
Dec-03	30,398.81	1.40%	219,766.62	2,263.58	4.31%
Nov-03	29,978.61	-0.31%	218,154.18	2,170.05	2.31%
Oct-03	30,071.40	0.34%	217,358.80	2,121.06	5.02%
Sep-03	29,969.60	-2.12%	210,257.70	2,019.76	-8.63%
Aug-03	30,617.30	1.26%	219,462.90	2,210.57	2.41%
Jul-03	30,236.70	3.44%	217,518.30	2,158.64	14.09%
Jun-03	29,232.10	5.23%	196,888.40	1,892.04	10.81%
May-03	27,779.50	1.87%	191,222.95	1,707.54	0.95%
Apr-03	27,269.90	3.17%	181,302.20	1,691.52	15.28%
Mar-03	26,431.80	3.83%	173,986.40	1,467.30	-9.09%
Feb-03	25,456.20	2.76%	184,365.90	1,614.06	-4.13%
Jan-03	24,771.50	-2.42%	186,736.80	1,683.59	-3.71%
Dec-02	25,385.10	5.54%	180,329.50	1,748.42	-6.64%
Nov-02	24,052.40	7.83%	187,284.10	1,872.83	4.90%
Oct-02	22,306.70	0.27%	183,842.90	1,785.28	-2.84%
Sep-02	22,246.30	-2.53%	180,857.50	1,837.52	-13.69%
Aug-02	22,824.10	-0.17%	80,745.00	2,129.06	0.65%
Jul-02	22,864.00	-0.77%	197,862.90	2,115.39	-5.47%
Jun-02	23,040.60	-1.78%	198,659.90	2,237.86	-2.60%
May-02	23,458.60	0.90%	202,448.00	2,297.56	3.57%
Apr-02	23,249.40	-2.57%	198,084.40	2,218.35	-2.73%
Mar-02	23,863.60	-2.30%	166,127.80	2,280.72	-2.24%
Feb-02	24,424.70	-4.69%	164,469.90	2,332.89	-10.16%
Jan-02	25,627.40	-4.36%	177,428.80	2,596.75	0.20%

Source: ATHEX, Union of Greek Institutional Investors.

TABLE VII

The performance of Portfolio Investment Companies, 31.12.2005

Rank	Company	Date of Listing in the ASE	Share Price (euro)	Market Capitalization of ASE companies (million euro)	Net Asset Value (million euro)	Premium / Discount (%)
1	Alpha Trust Andromeda	19.12.2001	3	85.98	90.78	-5.36%
2	Altius	16.08.2002	2.03	9.74	10.96	-10.96%
3	Euroline Investment SA	11.12.2002	1.6	15.31	18.80	-18.37%
4	Global New Europe Fund	8.10.2004	4.14	67.65	79.01	-14.29%
5	Interinvest SA	15.01.1992	0.58	9.55	12.78	-25.64%
6	Nexus SA	23.01.2002	1.13	8.48	10.36	-18.12%
7	Aeolian Investment Funds SA	09.08.1993	2.44	27.27	36.61	-25.61%
8	Active Investments SA	01.09.1999	0.77	5.22	7.55	-30.63%
9	Dias SA Investment Company	27.07.1992	1.4	35.15	39.36	-10.83%
10	Diolkos SA,	11.05.2005	2.5	32.83	33.30	-5.66%
11	Omega SA	31.7.2003	1.36	12.24	15.18	-19.53%
	TOTAL				354.68	

Source: Union of Greek Institutional Investors, HCMC.

Notes: Exelixa SA: Absorbed by Proton Investment Bank on 30.12.05, ARROW SA: Absorbed by Proton Investment Bank on 30.12.05, Eurodynamic Closed End Fund SA: Absorbed by Proton Investment Bank on 30.12.05, Optima Portfolio Investment S.A.: Dissolved on 28.12.05, National Investment SA: Absorbed by the National Bank of Greece on 14.12.05., THE GREEK PROGRESS FUND: Absorbed by EFG Eurobank Ergasias bank on 28.11.05, HELLENIC INVEST. CO: Absorbed by Piraeus Bank on 11.11.05, INTERINVEST SA: Cancelled 428,740 shares with nominal per share value of 0,76 on 07.06.05, Domus S.A.: Temporary Suspension of trading after an audit of the HCMC on 02.06.05, Diolkos SA: Approval of ASE-listing on 26.04.05. Trading started on 26.04.05, New Millennium Investments SA: Suspension of trading because of the conversion of the company to a Mutual Fund - MARFIN New Millennium Domestic Equity on 22.04.05, P & K SA: Dissolved on 20.01.05.

TABLE VIII

EFAMA Statistics on EU Member-States Mutual Funds Sector, 30.09.2005

Member States	Total Assets (mn euro)		UCITS assets (mn euro)		Non UCITS assets (mn euro)	
	30.9.2005	30.9.2004	30.9.2005	30.9.2004	30.9.2005	30.9.2004
Austria	162,271	121,547	104,270	86,407	58,001	35,140
Belgium	108,618	96,618	102,974	90,702	5,644	5,324
Czech Republic	4,490	3,388	4,490	3,347	0	41
Denmark	100,990	66,571	59,054	43,407	41,936	23,164
Finland	43,555	29,127	37,787	26,397	5,768	2,730
France	1,282,000	1,085,850	1,167,600	981,600	114,400	104,250
Germany	955,888	846,895	258,003	226,579	697,885	620,316
Greece	30,730	31,828	29,101	30,615	1,629	1,213
Hungary	7,207	3,545	5,959	3,009	1,248	536
Ireland	543,403	420,903	431,418	330,907	111,985	89,996
Italy	411,606	394,555	384,914	373,410	26,692	21,145
Lichtenstein	12,467	9,752	12,092	9,570	375	182
Luxembourg	1,423,551	1,058,915	1,299,574	980,373	123,977	78,542
Netherlands	90,912	86,371	75,824	72,560	15,088	13,811
Norway	28,751	21,054	28,751	21,054	0	0
Poland	13,614	7,972	12,916	7,611	698	361
Portugal	35,145	30,491	25,512	23,186	9,633	7,305
Slovakia	2,546	1,336	2,510	1,336	36	0
Spain	268,559	224,614	262,535	220,695	6,024	3,919
Sweden	100,710	77,958	98,826	76,552	1,884	1,406
Switzerland	104,589	89,602	70,255	70,255	14,987	12,677
Turkey	18,837	13,148	17,267	13,148	1,570	0
Un. Kingdom	591,444	469,479	471,493	361,728	119,951	107,751

Source: EFAMA

TABLE IX

Structure of UCITS Funds Assets of EFAMA EU Member-States, 2005

Type of MF	30.9.2005		30.06.2005		30.3.2005		31.12.2004	
	Total Assets (bn euro)	% of total	Total Assets (bn euro)	% of total	Total Assets (bn euro)	% of total	Total Assets (bn euro)	% of total
Equity	1,685	37.02%	1,520	35.76%	1,430	35.45%	1,346	35.02%
Mixed	612	13.44%	572	13.46%	540	13.39%	519	13.51%
Funds of funds ¹	71	1.56%	61	1.44%	56	1.39%	52	1.35%
Bond	1,209	26.56%	1,153	27.13%	1,095	27.14%	1,041	27.09%
Money Market	855	18.78%	837	19.69%	816	20.23%	798	20.77%
Other	120	2.64%	107	2.52%	97	2.40%	87	2.26%
Total ²	4,552	100.00%	4,250	100.00%	4,034	100.00%	3,843	100.00%
Incl. Ireland	4,982		4,659		4,400		4,185	

Source: EFAMA

Notes:

1. Excluding funds of funds in France, Luxembourg and Italy, which are included in the other categories.
2. Excluding Ireland for which no detailed data exists

TABLE X**The Trading Status of ATHEX-Listed Companies, 2005**

ASE Markets	Normal Trading	Under Probation	Total trading	Under Suspension	Under Listing	Total Listed Companies
Main market	189	11	200	23	0	223
Parallel Market	105	5	110	12	0	122
New Market	9	0	9	1	0	10
EAGAK	1	0	1	0	0	1
Total	304	16	320	36	0	356

Large Capitalization	79					
Middle & Small Cap	213					
Special characteristics	12					
Total 304	16	320	36	0	356	

COMPANIES UNDER SUSPENSION

Main Market	Date of suspension	Parallel Market	Date of suspension
Philippou De Sa	20/1/1995	Connection SA	3/2/2003
Cosmos Sa	12/6/1996	SEA FARM SA	7/8/2003
Globe SA	12/6/1996	Mouriadis SA	11/6/2004
DANE SEA LINE	8/10/1998	XIFIAS SA - KAVALA'S FISHERY PRODUCTS	22/12/2004
Thessaliki Spirits Co	1/7/1999	INTERSONIC ADVANCED TECHNOL.	15/2/2005
ALFA BETON SA	27/7/1999	EMPHASIS SYSTEMS SA	4/3/2005
ENERGOS HOLDING	10/8/1999	IPIROTIKI SOFTWARE & PUBLIC. SA	4/4/2005
STABILTON SA	4/6/2003	DOMUS CLOSED END FUND	2/6/2005
DATAMEDIA SA	7/8/2003	COR-FIL SA	11/7/2005
INTERSAT SA	28/1/2004	SEX FORM SA	20/9/2005
European Technical SA	7/6/2004	INFORMATICS SA	1/12/2005
TECHNODOMI M. TRAVLOS SA	25/6/2004	POULIADIS ASSOCIATES CO.	20/12/2005
O. DARING SA	6/12/2004		
BALAFAS SA	6/12/2004	New Market	Date
Empedos SA	7/2/2005	Dynamic Life SA	21/12/2004
ALFA ALFA HOLDINGS SA.	2/3/2005		
ALFA ALFA ENERGY SA	2/3/2005		
IDEAL GROUP SA	4/3/2005		
Keranis Holding SA*	19/4/2005		
ALTE TECHNICAL CO	16/6/2005		
RADIO A. KORASSIDIS COMMERCIAL	11/7/2005		
ELEPHANT SA	11/7/2005		
THEMELIODOMI SA	11/7/2005		

COMPANIES UNDER PROBATION

Main Market	Date of probation	Parallel Market	Date of probation
Emporikos Desmos Sa	23/9/1999	Corinth Pipeworks SA	7/3/2003
Viosol SA	23/9/1999	MICROLAND COMPUTERS SA	12/3/2004
ALISIDA SA	7/3/2003	HELLATEX SA SYNTHETIC YARNS	27/7/2004
TASSOGLOU DELONGHI	7/3/2003	IKONA-IHOS SA	4/3/2005
KERAMIA ALLATINI	7/3/2003	PC SYSTEMS	6/10/2005
PLIAS SA	7/3/2003		
Ergas SA	6/2/2004		
NAOUSSA SPINNING MILLS SA	18/2/2005		
FANCO SA	4/3/2005		
ETMA SA	4/3/2005		
SHEET STEEL Co	4/3/2005		

DELISTED COMPANIES

Company	Market	Date trading ended
P & K SA	Main market	22/2/2005
New Millennium Investments SA:	Main market	19/7/2005
POWDER & CARTRIDGE Co.	Main market	26/9/2005
AKTOR TECHNICAL Co	Main market	16/12/2005
P. Kotsovolos SA	Parallel Market	22/4/2005
Optima SA	Parallel Market	29/12/2005

Source: HCMC

TABLE XI

Public Offerings in the ATHEX, 2005 (Part A)

No	Company	P.O. period	Date of listing	Market	Sector	Binding Price Range	Initial Share Price (€)	Number of New Shares (PO)	Number of New Shares (PP)	Total New Shares	Sale of existing Shares (PP)	Sale of existing Shares (PO)	Total PO and PP shares	Funds Raised (€)
1	SIDMA SA	12-15/4/05	10/5/05	MAIN	METALS	5-5,6	5,3	2,381,000	119,000	2,500,000	0	0	2,500,000	13,250,000
2	Diolkos SA,	15-20/4/05	11/5/05	MAIN	INVESTMENTS COMPANIES	1,9-1,95	1,95	0	0	0	0	700,000	700,000	1,365,000
3	EVIK SA	20-22/4/05	27/5/05	New Market	WHOLESALE TRADE	2,90-3,30	3,3	1,010,000	20,000	1,030,000	0	0	1,030,000	3,399,000
4	PIRAEUS REAL ESTATE INVESTMENT COMPANY	7-10/6/05	28/6/05	MAIN	REAL ESTATE INVESTMENT COMPANIES	2,04-2,20	2,12	12,474,600	0	12,474,600	0	0	12,474,600	26,446,152
5	MOTODYNAMIKI	14-16/6/05	30/6/05	Parallel	VEHICLE CONSTRUCTION	5,4-5,7	5,6	1,250,000	75,000	1,325,000	0	300,000	1,625,000	9,100,000
6	IKONA-IHOS SA	23-27/6/05	12/7/05	Parallel	TV & ENTERTAINMENT	2,4-2,7	2,4	4,050,000	0	4,050,000	0	450,000	4,500,000	10,800,000
7	OPAP SA I	13-15/7/05	21/7/05	MAIN	GAMING	22,00-25,20	24,14	0	0	0	150,000	52,300,000	52,450,000	1,265,781,500
8	PROTON INVESTMENT BANK SA	5-19/12/2005	22/12/05	Middle & Small Cap	BANKS	4,36-5,3	5,00	0	0	0	0	3,500,000	3,500,000	17,500,000
	TOTAL													1,347,641,652

TABLE XI

Public Offerings in the ATHEX, 2005 (Part B)

No	Company	Main Underwriter	Main Advisor	Allocation to Private Investors	Allocation to Institutional Investors	Demand by private investors	Demand by institutional investors	Institutional Investor oversubscription (times)	Private Investor Oversubscription (times)	Total Oversubscription (times)	Weighted Oversubscription (€)
1	SIDMA SA	EFG Telesis Finance.	EFG Telesis Finance.	1,549,830	831,170	2,494,770	963,350	1.2	1.6	1.5	19,244,053
2	Diolkos SA,	COMMERCIAL INVESTMENT BANK	Egnatia Sec SA	424,240	275,760	896,680	420,770	1.5	2.1	1.9	2,569,028
3	EVIK SA	OMEGA BANK	OMEGA BANK	460,500	549,500	2,638,790	3,958,683	7.20	5.73	6.53	22,202,783
4	PIRAEUS REAL ESTATE INVESTMENT COMPANY	NATIONAL BANK & PIRAEUS BANK	Piraeus Bank	8,161,800	4,312,800	22,843,940	11,438,930	2.65	2.80	2.75	72,679,684
5	MOTODYNAMIKI	P & K Capital	P & K Capital	717,230	832,770	947,090	1,167,916	1.4	1.3	1.36	12,417,132
6	IKONA-IHOS SA	Piraeus Bank	Piraeus Bank	2,225,260	1,823,770	2,227,850	1,823,867	1.0	1.0	1.00	10,807,167
7	OPAP SA I	NBG/ALPHA/ EFG/EMBORIKI	NBG/ALPHA/ EFG/EMBORIKI	-	-	-	-	-	-	3.78	4,781,444,536
8	PROTON INVESTMENT BANK SA	OMEGA BANK/ ATEBANK	OMEGA BANK	1,366,840	2,133,160	6,610,961	20,061,000	9.40	4.84	7.62	133,359,805
	Total										5,054,724,187

Source: HCMC

Notes: 1. Concerning OPAP SA: A combined offering, analyzed as follows: Private Placement Domestic Offering and International Offering 150,000, 20,658,500, and 31,641,500 shares respectively. The initial price for shares distributed by Private Placement is 21.73.

TABLE - XII

Share Capital Increases in the ATHEX, 2005

No	Company	ASE Market	ASE Approval Date	Dividend Cut-off Date	Offering Period	Initial Trading Day for New Shares	Amount of Funds Raised (€)	Funds Issuing Price	Number of shares	Beneficiaries	Inv. Firm Advisor/ Underwriter
1	ASPIS PRONIA GENERAL INSURANCES ¹	MAIN	16/12/04	21/12/04	27/12/04-10/1/05	10/2/05	9,930,898.6	0.70	14,186,998	Existing Shareholders 0,7494n(CR)>1e(CR) DISTRIBUTION OF UNSOLD SHARES	OMEGA BANK
2	CORINTH PIPEWORKS SA ²	Parallel	3/2/05	11/2/05	11-25/2/05	30/3/05	21,140,620.0	0.78	27,103,359	Existing Shareholders 1n(CR)>2e(CR) DISTRIBUTION OF UNSOLD SHARES	ALPHA FINANCE NBG
3	PHOENIX METROLIFE SA ³	MAIN	3/2/05	10/2/05	17/2-18/3/05	6/4/05	70,370,599.1	2.06	34,160,485	Existing Shareholders 8n(CR)>9e(CR) DISTRIBUTION OF UNSOLD SHARES	EMPORIKI BANK
4	NAOUSSA SPINNING MILLS SA ⁴	MAIN	17/2/05	28/2/05	4/3-18/3/05	19/4/05	7,961,855.4	0.30	26,539,518	Existing Shareholders 25n(CR)>10e(CR) DISTRIBUTION OF UNSOLD SHARES	P & K Capital
5	LOGIC DATE INFORMATION SYSTEMS SA ⁵	MAIN	17/2/05	2/3/05	1/3-11/4/05	3/5/05	5,673,593.4	0.30	18,911,978	Existing Shareholders 1n(CR)>2e(CR) DISTRIBUTION OF UNSOLD SHARES	EFG Telesis Finance
6	HELLENIC INVEST. CO ⁶	MAIN	31/3/05	5/4/05	11-25/4/05	17/5/05	72,035,485.2	2.10	34,302,612	Existing Shareholders 4n(CR)>10e(CR)	EMPORIKI BANK

continue

7	MARAC ELECTRONICS SA	Parallel	18/5/05	-	20/5/05	7/6/05	11,154,754.8	2.10	5,311,788	DISTRIBUTION OF UNSOLD SHARES	PENTEDEKAS INV.
							2,099,999.9	2.23	941,704	ABOLITION OF RIGHT IN FAVOR OF STRATEGIC INVESTOR (CR)	
8	AGRICULTURAL BANK OF GREECE ⁷	MAIN	2/6/05	6/6/05	10-24/6/05	4/7/05	1,197,567,266.0	2.00	598,783,633	Existing Shareholders 20n(CR)>9e(CR)	-
							51,321,622.0	2.00	25,660,811	DISTRIBUTION OF UNSOLD SHARES	
9	GENIKI BANK ⁸	MAIN	16/6/05	24/6/05	30/6-1/8/05	4/8/05	97,008,636.0	6.00	16,168,106	Existing Shareholders 4n(CR)>10e(CR)	EFG Telesis Finance.
							3,084,972.0	6.00	514,162	DISTRIBUTION OF UNSOLD SHARES	
10	THE GREEK PROGRESS FUND ⁹	MAIN	21/9/05	26/9/05	30/9-14/10/05	18/10/05	121,860,541.4	2.88	42,312,688	Existing Shareholders 14n(CR)>10e(CR)	EFG Telesis Finance.
							8,131,138.6	2.88	2,823,312	DISTRIBUTION OF UNSOLD SHARES	
11	CASINO PORTO CARRAS SA (Under Suspension of Trading)	MAIN	-	-	5-19/10/05	-	6,650,000.0	0.35	19,000,000	Existing Shareholders 0,348628n(CR)>1e(CR)	-
12	LAN-NET SA ¹⁰	MAIN	4/11/05	8/11/05	14-28/11/05	15/12/05	12,777,258.0	1.04	12,285,825	Existing Shareholders 4n(CR)>10e(CR)	P & K Capital
							2,574,261.0	1.04	2,475,251	DISTRIBUTION OF UNSOLD SHARES	
13	ETHNIKI GREEK GENERAL INSURANCE COMPANY ¹¹	MAIN	8/11/05	15/11/05	18/11-5/12/05	23/12/05	128,089,215.0	3.00	42,696,405	Existing Shareholders 5n(CR)>10e(CR)	NBG
							1,017,585.0	3.00	339,195	DISTRIBUTION OF UNSOLD SHARES	
14	EMPORIKI BANK ¹²	MAIN	11/11/05	15/11/05	21/11-21/12/05	3/1/06	142,212,774.0	5.50	25,856,868	Existing Shareholders 5n(CR)>20e(CR)	NBG
							3,417,843.0	5.50	621,426	DISTRIBUTION OF UNSOLD SHARES	
15	BANK OF CYPRUS LTD ¹³	MAIN	8/11/05	26/10/05	22/11-19/12/05	29/12/05	165,506,768.9	2.44	67,830,643	Existing Shareholders 1n(CR)>6e(CR)	-

continue

16	MARITIME COMPANY OF LESVOS ¹⁴	MAIN	16/11/05	18/11/05	24/11-8/12/05	30/12/05	45,322,150.5	4.50	10,071,589	DISTRIBUTION OF UNSOLD SHARES	
										Existing Shareholders 2n(CR)>1e(CR)	Piraeus Bank
			24/11/05				7,124,345.4	0.30	23,747,818		
							11,997,524.7	0.30	39,991,749		
17	MARFIN FINANCIAL GROUP MARFIN FINANCIAL GROUP	MAIN	14/12/05	-	16/12/05	23/12/05	400,000,000.0	16.00	25,000,000	PRIVATE PLACEMENT (CR)	INVESTMENT BANK OF GREECE
18	MOURIADES SA (Under Suspension of Trading)	Parallel	-	-	29/12/05	-	900,000.0	0.30	3,000,000	Strat. INVESTOR (CR)	-
19	VIVERE SA	Parallel	-	-	28/12/05	-	3,133,800.0	0.60	5,223,000	PRIVATE PLACEMENT (CR)	-
	TOTAL						2,675,824,780.9				

Source: HCMC

Notes: 1. The approved share capital increase by 31,428,570 common registered shares (total capital 21,999,999 €) was initially subscribed, through the exercise of options, by 45.14% (14,186,998 shares) subsequently and after the acquisition of unsold shares by interested investors (17,241,572 common shares) it was covered by 100% respectively (i.e. 31,428,570 common shares). 2. The approved share capital increase by 41,390,067 common registered shares (total capital 32,284,252.26 €) was initially subscribed, through the exercise of options, by 65.48% (27,103,359 shares) subsequently and after the acquisition of unsold shares by a principal of the company (14,286,708 common shares) it was covered by 100% respectively (i.e. 41,390,067 common shares). 3. The approved share capital increase against cash by 38,302,168 common registered shares (total capital 78,902,466.1 €) was initially subscribed, through the exercise of options, by 89.18% (34,160,485 shares) subsequently and after the acquisition of unsold shares by the principal of the company (4,141,683 common shares) it was covered by 100% respectively (i.e. 38,302,168 common shares). 4. The approved share capital increase by 50,675,000 common registered shares (total capital 15,202,500 €) was initially subscribed, through the exercise of options, by 52.37% (26,539,518 shares) subsequently and after the acquisition of unsold shares by interested investors (24,135,482 common shares) it was covered by 100% respectively (i.e. 50,675,000 common shares). 5. The approved share capital increase by 37,837,207 common registered shares (total capital 11,351,162.1 €) was initially subscribed, through the exercise of options, by 49.98% (18,911,978 shares). Subsequently and after the acquisition of unsold shares by interested investors (18,925,229 common shares) it was covered by 100% respectively (i.e. 37,837,207 common shares). 6. The approved share capital increase by 39,614,400 common registered shares (total capital 83,190,240 €) was initially subscribed, through the exercise of options, by 86.59% (34,302,612 shares). Subsequently and after the acquisition of unsold shares by interested investors (5,311,788 common shares) it was covered by 100% respectively (i.e. 39,614,400 common shares). 7. The approved share capital increase by 624,444,444 common registered shares (total capital 1,248,888,888 €) was initially subscribed, through the exercise of options, by 95.90% (1,197,567,266 shares) subsequently and after the acquisition of unsold shares by interested investors (25,660,811 common shares) it was covered by 100% respectively (i.e. 624,444,444 common shares). 8. The approved share capital increase by 16,682,268 common registered shares (total capital 100,093,608 €) was initially subscribed, through the exercise of options, by 96.92% (97,008,636 shares). Subsequently and after the acquisition of unsold shares by Societe Generale (514,162 common shares) it was covered by 100% respectively (i.e. 16,682,268 common shares). 9. The approved share capital increase by 45,136,000 common registered shares (total capital 129,991,680 €) was initially subscribed, through the exercise of options, by 93.74% (121,860,541.44 shares). Subsequently and after the acquisition of unsold shares by interested investors (2,823,312 common shares) it was covered by 100% respectively (i.e. 45,136,000 common shares). 10. The approved share capital increase by 14,761,076 common registered shares (total capital 15,351,519.04 €) was initially subscribed, through the exercise of options, by 83.23% (12,777,258 shares). Subsequently and after the acquisition of unsold shares by interested investors (2,475,251 common shares) it was covered by 100% respectively (i.e. 14,761,076 common shares). 11. The approved share capital increase by 43,035,600 common registered shares (total capital 129,106,800 €) was initially subscribed, through the exercise of options, by 99.21% (128,089,215 shares). Subsequently and after the acquisition of unsold shares by interested investors (339,195 common shares) it was covered by 100% respectively (i.e. 43,035,600 common shares). 12. The approved share capital increase by 26,478,294 common registered shares (total capital 145,630,617 €) was initially subscribed, through the exercise of options, by 97.65%. Subsequently and after the acquisition of unsold shares by interested investors (17,241,572 common shares) it was covered by 100% respectively, i.e. 26,478,294 common shares of 145,630,617 €. 13. The approved share capital increase by 77,902,232 common registered shares (total capital 190,101,446.1€) was initially subscribed, through the exercise of options, by 87.1% (165,506,768.9 shares). Subsequently and after the acquisition of unsold shares by interested investors (10,071,589 common shares) it was covered by 100% respectively (i.e. 77,902,232 common shares). 14. The approved share capital increase by 80,214,568 common registered shares (total capital 24,004,370.4 €) was initially subscribed, through the exercise of options, by 29.61%. Subsequently and after the acquisition of unsold shares by interested investors (17,241,572 common shares) it was covered by 79.46% respectively, i.e. 63,739,567 common shares of 19,121,870.1 €.

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