HELLENIC REPUBLIC
CAPITAL MARKET COMMISSION

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TABLE OF CONTENTS

A NOTE FROM THE CHAIRMAN 7

PART ONE. THE HELLENIC CAPITAL MARKET COMMISSION 9

OBJECTIVES AND TASKS 9
BOARD OF DIRECTORS 10
EXECUTIVE COMMITTEE 10
ORGANIZATION OF THE CAPITAL MARKET COMMISSION 10

PART TWO. MARKET DEVELOPMENTS 12

MACROECONOMIC DEVELOPMENTS 12
The Greek economy 12
The International Economy 14
GENERAL OVERVIEW OF THE CAPITAL MARKET 19
International Capital Markets 19
The financial crisis, the European economy and the reforms 23
Directions of the European market reform program 25
The Greek Capital market 28
The Institutional Framework of the Capital Market 35
Supervision of the Greek capital market 36
International activities of the Hellenic Capital Market Commission 37
CAPITAL MARKET ACTIVITY 38
The stock market 38
The General Index of the Athens Stock Exchange 38
Stock Exchange Indices 39
Transaction Value 41
Market Capitalization of Listed Companies 41
Net profits and Dividends of ASE-Listed Companies 44
The Fixed-income securities market. 44
The Derivatives Market 46
NEW CORPORATE SECURITY ISSUES 49
Share issues through initial public offerings 50
Share issues by listed companies 52
Fixed income security issues by listed companies 54
Mergers and acquisitions in the capital market 54

PART THREE. CAPITAL MARKET INTERMEDIARIES 57

INVESTMENT FIRMS 57
General Overview 57
Trading activity 57
Provision of credit by Investment Firms-ASE members 59
COLLECTIVE INVESTMENT MANAGEMENT FIRMS 60
Developments in the Greek mutual fund market 60
Developments in the European mutual fund market 66
Portfolio Investment Companies 68
CLEARING AND SETTLEMENT OF TRANSACTIONS 68

PART FOUR. ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION ... 71
RULES AND REGULATIONS ... 71
Quality of services and investor protection enhancement. ... 71
Improvement of Capital Market Transparency ... 71
Safeguarding the Normal Operation, Liquidity and Security of the Capital Market ... 72
Improvement of company solvency, transaction security and market infrastructure efficiency ... 72
LICENSING ... 73
Investment Firms ... 73
Financial Intermediation Firms ... 73
Mutual Fund Management Firms ... 74
Portfolio Investment Companies ... 74
Real Estate Investment Companies ... 74
Foreign UCITS ... 74
Approval of public offering prospectuses ... 75
Prospectus for the initial public offering of securities (Law 3371/2005, and Law 3401/2005) ... 75
Prospectus for public offerings ... 75
Prospectus for the listing of securities without public offering ... 75
Prospectus for public offerings without listing ... 76
Corporate transactions of listed companies (article 4, Law 3401/2005) ... 76
Forced sale of listed company shares ... 76
Forced sales ... 76
Sale of fractional balances ... 77
Sales of tangible shares ... 77
SUPERVISORY WORK ... 78
Revocation of License ... 78
Fines ... 78
Investment Firms ... 78
Mutual Fund Management Firms and Portfolio Investment Companies ... 80
Financial Intermediation Firms ... 81
Listed Companies ... 81
Legal Entities ... 82
Individuals ... 84
Supervision & Monitoring of the behaviour of listed companies ... 85
Supervision & Monitoring of takeover bids ... 87
LEGISLATIVE AND INSTITUTIONAL INITIATIVES ... 89
The new European regulation on Credit Rating Agencies ... 89
PROFESSIONAL CERTIFICATION OF CAPITAL MARKET AGENTS ... 90
INTERNATIONAL ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION ... 91
Notifications for the Provision of Investment Services in Greece ... 91
Memoranda of Understanding ... 93
The Hellenic Capital Market Commission and the Committee of European Securities Regulators (CESR) ... 95
The CESR and the Financial Crisis ... 95
Permanent Committees: CESR-Pol and CESR-Fin. ... 97
CESR Expert Groups ... 99
The Review Panel of the CESR ... 110
The Hellenic Capital Market Commission and IOSCO ... 112
IOSCO and the Recent Crisis ... 112
The Multilateral Memorandum of Understanding ... 114
Activities ... 115
New Members ... 118

Annual Conference 118
The European Regional Committee of IOSCO 119

PART FIVE. APPENDICES 120

APPENDIX 1. RULES AND REGULATIONS ISSUED BY THE CAPITAL MARKET COMMISSION 120
APPENDIX 2. PARTICIPATION IN INTERNATIONAL CONFERENCES, FORA AND MEETINGS 123

TABLES IN THE TEXT

TABLE 1. Macroeconomic indicators of Greece, 2008-2009 13
TABLE 2. Macroeconomic indicators of the European Economy, 2008-2009 18
TABLE 3. Average Annual Change (%) of the ASE General Index, 1999-2009 38
TABLE 4. Sectoral Share-price Indices in the ASE, 2009 40
TABLE 5. Sectoral Share-price Indices in the ASE, 2009 40
TABLE 6. The Value of Transactions in the ASE, 2009 41
TABLE 7. Market Capitalization of the ASE Listed Companies, 2009 42
TABLE 8. Monthly Liquidity Index[1] in the ASE, 2009. 43
TABLE 9. Market Capitalization and Macroeconomic Indicators, 1999-2009. 43
TABLE 10. Price to Earnings (P/E) ratio and listed company returns, 2000-9 44
TABLE 11. Intermediation Agencies in the derivatives market, 2009 47
TABLE 12. Distribution of Contracts in the Derivatives market, 2007-2009 48
TABLE 13. Value of transactions in the underlying and future derivative products market, 2009 49
TABLE 14. Share public offerings by listed companies, 2009 50
TABLE 15. Share issues through public offerings 2000-2009 51
TABLE 16. Quarterly distribution of share issues through initial public offerings 2007-9 51
TABLE 17. Share capital increases by ASE-listed companies, 2003-09. 53
TABLE 18. Quarterly distribution of share capital Increases by ASE Listed Companies, 2009 53
TABLE 19. Company mergers and absorptions in the capital market, 2009 55
TABLE 20. Acquisitions by listed companies per general sector, 2009 56
TABLE 20. Analysis of the value of transactions by investment firms-ASE members, 2006-2009 (,000 €) 58
TABLE 21. Market Share Concentration of ASE Members (%) 2006-2009 59
TABLE 22. Margin Account Trading, 2009 59
TABLE 23. Net assets and Number of Mutual Funds, 2006-2009 60
TABLE 24. Net Mutual Funds Assets and macroeconomic aggregates, 1991-2009 61
TABLE 25. Net Assets and Units of Mutual Funds, 2009 64
TABLE 26. Foreign UCITS in the market, 2009 66
TABLE 27. Net Assets of UCITS Mutual Funds, 2009 66
TABLE 28. Net mutual fund assets of UCITS from the top five (5) EU member-states, 30.09.2009 67
TABLE 15. Net mutual fund assets of UCITS from the top five (5) EU member-states, 2009 67
TABLE 29. Number of new Stock Trading Accounts in the DSS by month, 2003-2009. 69
TABLE 30. Distribution of trading accounts in the Athens Stock Exchange, 31.12.2009. 69
TABLE 31. Number and value of fines, 2009. 85
TABLE 32. Take-over bids in the capital market, 2009. 88
TABLE 33. Notifications for the Provision of Investment Services in Greece, 2007-2009 92

FIGURES IN THE TEXT

FIGURE 1. The Organization Chart of the Hellenic Capital Market Commission 11
FIGURE 2. Monthly volatility of the ASE General Index, 2009 39
FIGURE 3. Monthly Closing Price of the ASE General Index, 2009 39
FIGURE 4. Spread of the Greek over the German 10-year bond, 2009 46
FIGURE 5. Distribution of the Volume of Transactions in the derivatives market per product, 2009 48
FIGURE 6. Capital raised from IPOs, 1996-2009 51
FIGURE 7. Public offering of shares without listing, 2009 52
FIGURE 8. Funds raised by ASE-listed companies, 2009 52
FIGURE 9. Funds raised through share capital increases in the ASE, 2002-2008 53

FIGURE 10. Funds raised through share capital increases per sector, 2009 54
FIGURE 11. Value of transactions by investment firms-ASE members and average value per member 58
FIGURE 12. Net assets and Number of Mutual Funds per MF classification 2009 61
FIGURE 13. Mutual Fund Asset and ASE Capitalization, 2009 65
FIGURE 14. Net assets and structure of the Mutual Funds market, 2004-2009 65

TABLES IN THE APPENDIX

TABLE I. Developments in Selected International Stock Exchanges, 2009 129
TABLE II. Market Share, Number and Total Assets of Mutual Funds, by Mutual Fund Management Firm, 2007-2009 130
TABLE III Net assets of Mutual Fund Management Firms per MF classification 31.12.2009 131
TABLE IV. Mutual Fund Returns, 2005-2009 132
TABLE V. Monthly distribution of mutual fund assets, 2009-8 133
TABLE VI. Net Mutual Fund Assets and the General Index of the ASSE, 2007-2009 134
TABLE VII. The performance of Portfolio Investment Companies, 31.12.2009 135
TABLE VII. Net mutual fund assets in EU member-states, 09/30/2009 135
TABLE IX. Structure of mutual fund assets in EU member-states, 2008-09 136
TABLE X. Share capital increases due to merger and listing of new shares in the ASE, 2009 137
TABLE XI. Public offering of new shares by listed companies in the ASE, 2009 138
TABLE XII. Initial public offerings in the ASE, 2009 141
TABLE XIII. Public offering of shares without listing in the ASE, 2009 142
TABLE XIV. Trading Status of ASE-listed companies, 2009 143

A NOTE FROM THE CHAIRMAN

In 2009, international stock exchanges started to recover, after plummeting during 2008. Their rise was fuelled by a combination of increased liquidity as a result of the emergency measures taken by governments, low interest rates and the improvement of corporate results.

The Greek market moved in parallel with European ones till mid-October. But then the magnitude of Greece's fiscal crisis caused the stock exchange to plummet and move opposite to the course of European markets.

After four years of major changes in capital market regulation, in 2009 the activity of the Hellenic Capital Market Commission focused on the interpretation and implementation details of the new framework for the operation of capital market intermediaries, through the issuance of circulars and guidelines. At the same time, special emphasis was placed on preventing infringements by exercising active supervision and immediately drawing the market participant's attention to their obligations. Moreover, the ex post audits that were completed in 2009 led to the detection of illegal practices, for which total fines of €5.66 million were imposed, while reports and indictments were submitted to prosecution authorities, whenever required.

In regard to investment service providers and other market intermediaries, the year 2009 saw the continuation of the restructuring that began in 2008. The increased obligations of firms intermediating in the provision of investment services and the consequent increase in their operation costs led many firms to change their mode of operation, or leave the market altogether. Developments are accelerated by the new forms of investment service provision already provided for by the Law, such as tied agents and "small" investment firms, which cannot hold client assets. More specifically, there was a drastic reduction of the number of Financial Intermediation Firms from 146 to 122 in the end of 2009, along with an increase in a number of agents tied to a single Investment Firm. During the year there were also three Investment Firm mergers and two changes of activity, while only one new Investment Firm was licensed, reducing the total number of Investment Firms to 69. We also saw a decrease in the number of services offered by each Investment Firm, since it is more efficient for firms to focus on activities that offer a corresponding advantage, thus reducing their operating costs. We believe that this trend will continue after the non-clearing members of the ASE will be given the option to participate in the trading sessions in the second half of 2010.

At the European level, the international financial crisis demonstrated the weaknesses of market regulation and supervision, and became the catalyst for taking new legislative initiatives within the European Union for ensuring the stability of the financial system and improving market supervision. Among others, the proposals provide for the formation of a European Systemic Risk Board that will issue *macro-prudential policy recommendations and early risk warnings, as a well as the establishment of three new European supervisory authorities for the securities market (European Securities and Markets Authority), the banking sector (European Banking Authority) and the insurance and occupational pensions sector (European Insurance and Occupational Pension Authority). These European authorities, which are due to start operating on 1.01.2011, are the development of the corresponding committees of European regulators (CESR, CEBS, CEIOPS) and shall be authorized to intervene directly in the markets. The European Commission is also preparing a series of major regulations concerning the extension of the regime for the prevention of market abuse, the operating framework for high-risk investment fund managers (Hedge Funds, Private Equity), the operation rules for regulated markets and trading systems in general (crossing networks), as well as the clearing and settlement of transactions (post-trading activity). The Hellenic Capital Market Commission was involved in the formation of the new rules through the Commission of European Securities Regulators (CESR), actually playing a leading part in the field of clearing and settlement as it chaired the relevant Expert Group (Post Trading Expert Group) till the end of the year.*

A major regulatory initiative of the HCMC in 2009 was the preparation of the draft ministerial decision for the new method of calculating the contributions paid to the Common Guarantee Fund by its members. In accordance with the new scheme, the contributions of each member (Investment Firm, Mutual Fund Management Firm or credit institution) are proportionate to the level of client assets under management. The new method for calculating shares rationalizes the investor insurance system by increasing the burden of those members that assume higher risks against their clients. It is expected that the enactment of the new method for calculating contributions to the Common Guarantee Fund will release funds that will be refunded to Investment Firms in order to enhance their capital base during a testing period.

The year 2010 is expected to be a hard one for the Greek economy and will inevitably have grave repercussions on the Greek capital market. We are facing a long period of structural changes aimed at dealing with fiscal challenges and releasing economic activity, in order to improve the competitiveness of the Greek economy. Capital market firms will be except from these changes, since they have been operating for quite some time under full liberalization and alignment with community law, successfully competing with European undertakings. For this reason, the Greek capital market is able to deal with any problem that may occur, contribute to the effort of restoring the economy, and exploit any new opportunities that will arise from the liberalization of the Greek economy.

Anastasios Th. Gabrielides

PART ONE

THE HELLENIC CAPITAL MARKET COMMISSION

OBJECTIVES AND TASKS

The Hellenic Capital Market Commission is responsible for monitoring compliance with the provisions of capital market law. The Hellenic Capital Market Commission is a public entity, whose exclusive task is to protect the public interest, enjoying operational and administrative independence. The Commission's operations do not burden the state budget, and its 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. 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 Speaker 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 integrity of the market, to mitigate systemic risks, and to protect investors by increasing transparency.

The HCMC supervises Investment Firms, Mutual Fund Management Firms, Portfolio Investment Companies, Real Estate Investment Companies and Financial Intermediation Firms. The HCMC also oversees the compliance of ASE-listed companies with capital market legislation in regard to transparency, adherence to accounting standards for the presentation of financial statement and corporate governance. The Commission also oversees the compliance of the members of the boards of directors and the executive managers of the aforementioned entities with capital market rules and regulations. Entities and organizations subject to supervision by the HCMC also include regulated markets and clearing houses, as well as investor indemnity schemes, i.e. the Common Guarantee Fund. The Hellenic Capital Market Commission is responsible for the approval of prospectuses, as far as investor requirements to receive complete information during public offerings and the listing of securities in organized markets is concerned.

The Commission is endowed with the authority to impose administrative sanctions (suspension and revocation of license, trading halts, imposition of fines) on any supervised legal and physical entities that violate capital market law.

Being a national regulator, the Commission concludes bilateral and multilateral agreements and memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, and co-operation on issues that fall under its competence. The HCMC is an *active member of the Committee of European Securities Regulators (CESR), and the International Organization of Securities Commissions (IOSCO).*

BOARD OF DIRECTORS

The Board of Directors consists of the Chairman, two Vice-Chairmen and four members. The Chairman of the Board is appointed by the Minister of Economy and Finance, and approved by the transparency committee of the Greek Parliament. The two Vice-Chairmen and the other four members are appointed by decision of the Minister of Economy and Finance.

Since 1.1.2009 the Board of the Hellenic Capital Market Commission comprised the following members:

Chairman:	*Mr. Anastassios Gabrielides*
First Vice-Chairman:	*Mr. George Hadjinikolaou*
Second Vice-Chairman:	*Xenofon Avlonitis*
Members:	*Messrs. Spyridon Kapralos, Panagiotis Kavouropoulos, Ioannis Gousios, and Panayotis Kommatas.*

The Board of Directors of the HCMC is mainly entrusted with general policy-making, introducing rules and regulations, granting and revoking licenses, imposing sanctions, drafting the annual budget, and making decisions on internal operation and personnel issues. The Board of Directors is convened by its Chairman and meets at least twice a month, provided that at least four of its members are present.

EXECUTIVE COMMITTEE

The Executive Committee consists of the Chairman and the two Vice-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.

ORGANIZATION OF THE CAPITAL MARKET COMMISSION

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

FIGURE 1. The Organization Chart of the Hellenic Capital Market Commission

BOARD OF DIRECTORS			
First Vice-Chairman		***CHAIRMAN***	***SECOND VICE-CHAIRMAN***
MEMBERS			
Secretariat of the Chairman, and Vice Chairmen		***INTERNAL AUDIT OFFICE***	
Press Office			
GENERAL DIRECTOR			
Secretariat of the Board of Directors, Executive Committee Gen Director			
SPECIAL ANTI-MONEY LAUNDERING UNIT		***THESALLONIKI REGIONAL OFFICE***	
DIRECTORATE OF CAPITAL MARKET INTERMEDIARIES		***DIRECTORATE OF LISTED COMPANIES***	
Department of Licensing of Investment Firms	Department of Licensing of Collective Investment Schemes	Public Offerings Department	Department of Continuous Information
Department of Supervision of Investment Firms	Department of Supervision of Collective Investment Schemes	Department of Periodic Information	Department of Supervision of Listed Companies
Department of Markets and Information Systems			
DIRECTORATE OF MARKETS SURVEILLANCE		***DIRECTORATE OF INTERNATIONAL RELATIONS***	
Department of Monitoring	Department of Transactions Auditing	Department of International Relations	Department of European Affairs
Department of Citizen Information			
DIRECTORATE OF RESEARCH AND TRAINING		***DIRECTORATE OF ADMINISTRATION***	
Department of Research	Department of Training	Department of Protocol	Department of Information Systems
		Human Resources Department	
DIRECTORATE OF ACCOUNTING		***DIRECTORATE OF LEGAL SERVICES***	
Accounting Department	Procurement Department		

PART TWO

MARKET DEVELOPMENTS

MACROECONOMIC DEVELOPMENTS

The Greek economy

In 2009, the performance of the Greek economy was negatively affected by the impact of the global financial crisis, as well as by domestic macroeconomic imbalances.

According to the estimated of the Updated Stability and Growth Programme of the Ministry of Finance (Jan. 2010), real GDP growth was negative (-1.2%), as compared to a 2% increase in 2008 and a 4.5% increase in 2007 (Table 1).

It is estimated that private consumption decreased by 1.5% in 2009 (as compared to a 2.3% increase in 2008), contributing to the decrease of domestic demand. On the contrary, public consumption increased by 11% in constant prices in 2009, having a positive effect on GDP growth. Real gross fixed capital formation is estimated to have suffered a major 18.8% decrease in 2009. This drop in gross fixed capital formation is due to the substantial reduction of investment in equipment by 25% and the further contraction of the construction sector by 13%. The contribution of domestic demand to output reduction in 2009 is estimated at 6.1 percentage points. Conversely, the change in the external balance is estimated to have improved GDP by 4.95 percentage points. The drop in domestic demand contributed to the reduction of the real exports of goods and services by 24.7% in 2009. Finally, it is estimated that the real exports of goods and services suffered a major decrease of 16%. According to the National Statistical Service of Greece, total industrial output fell by an average of -9.4% during the first eleven months of 2009, as compared to a 4% decrease throughout the entire 2008. The drop in the growth rate lead to an estimated decrease in employment by 1.1% and the rise of unemployment to 9% in 2009 from 7.5% in 2008. Despite the salary freeze in the public sector, earnings per employee are estimated to have increased by 5.7% in 2009 as compared to 5.9% in 2008. Labor productivity is estimated to have fell by 0.1% in 2009 as compared to a 1.9% increase in 2008, while unit labor cost growth stood at 5.8% in 2009.

In 2009, price growth decelerated due to the drop in domestic demand, the lowest inflation in the Euro zone and the reduction of international oil prices as compared to 2008. It is estimated that the growth of the Consumer Price Index fell to 1.2% in 2009 from 4.3% in 2008. The GDP deflator is estimated at 1.6% in 2009 as compared to 3.5% in 2008.

The annual growth of money supply (M3) in Greece decreased in 2009, falling to 2.9% for the period Nov. 2008-Nov. 2009. This was due to the drop in deposit rates which made placements included in M3 less attractive. There were also fund movements within M3, from time deposits to overnight deposits.

TABLE 1. Macroeconomic indicators of Greece, 2008-2009

Aggregates	*2008*	*2009*
Aggregate Demand and GDP *(percent, y-o-y, constant prices)*		
Gross Domestic Product	2.0	-1.2
Private Consumption	2.3	-1.5
Public Consumption	0.6	11.0
Gross fixed capital formation	-7.4	-18.8
Domestic effective demand	0.06	-3.28
Exports of Goods & Services	4.0	-16.0
Imports of Goods and Services	0.2	-24.7
Production & Employment		
General Index of Industrial Production (% change during Jan-Nov)	-3.6	-9.4
Total employment (persons, % y-o-y change)	0.1	-1.1
Labor productivity (persons, % y-o-y change)	1.9	-0.1
Salaries per capita (percent, y-o-y)	5.9	5.7
Nominal Unit Labour Cost (percent, y-o-y)	6.4	5.8
Unemployment rate (national accounting basis)	7.4	9.0
Prices & Monetary Aggregates		
Consumer Price Index (% average annual change)	4.2	1.2
Harmonized CPI (% average annual change)	4.2	1.3
Euro Zone inflation rate (% average annual change)	3.3	0.3
Total credit expansion (percent, y-o-y)	13.4	6.0[1]
Credit expansion to the private sector (percent, y-o-y)	15.9	4.2[1]
Credit expansion to private enterprises (percent, y-o-y)	18.7	5.2[1]
Credit expansion to households (percent, y-o-y)	12.8	3.1[1]
Credit expansion to the Public sector (percent, y-o-y)	1.4	16.4[1]
10-year Treasury Bond Yield (percent, year average)	4.8	5.2
Public Finances *(percent of GDP)*		
Regular Budget Primary result	-3.2	-7.7
Net Lending/Borrowing of the General Government	-7.7	-12.7
General government debt	99.2	113.4
External Account		
Trade weighted nominal exchange rate (percent, annual change)	2.3	1.0
Trade Balance (percent of GDP)	-10.2	-6.0
Current Account Balance (percent of GDP)	-12.4	-8.8

Source: Ministry of Finance: Update of the Hellenic Stability & Growth Programme, January 2010
Bank of Greece: Bulletin of Conjunctural Indicators, Nov. Dec. 2008

1. *November 2008-November 2009.*

In 2009, there was a decrease in the interest rates on new bank deposits and loans, while the spread between the weighted average interest rate on new banking loans and the corresponding rate on new deposits increased by 40 basis points, reaching 385 basis points in September 2009.

The annualized credit growth rate fell by a large margin to 6% in November 2009 from 13.4% in December 2008. This mainly reflects the drop of credit expansion to the private sector. More specifically, credit expansion towards households fell to 3.7% in November from 12.8% in December 2008. The drop in credit growth concerned both housing and consumer loans. There was also a large drop in credit expansion towards businesses, which fell to 5.2% in November from 18.7% in December 2008. On the other hand, the credit expansion of the public sector increased by 16.4% in November 2009 as compared to 1.6% in 2008.

A main feature of fiscal developments during 2009 was the steep deterioration of the general government deficit, due to the wide negative deviation of tax revenues from the original projections, as well as to expense overruns. It is estimated that the general government deficit rose to 12.7% of GDP in 2009, from 7.7% of GDP in 2008. The high deficit of the 2009 budget led to a corresponding increase in general government debt to 113.45% of GDP from 99.2% in 2008.

In 2009, the current account deficit decreased as a percentage of GDP, and stood at 8.8% as compared to 12.4% in 2008. The competitiveness of Greek exports deteriorated, while the adverse economic climate and the reduced volume of transactions among EU member-states had a negative effect on shipping and tourism.

The International Economy

Following the severe financial crisis, which intensified and spread all over the world during 2008, the international economy started showing signs of stabilization. The situation in global financial markets was stabilized during the first half of 2009. Following the steep recession of the last quarter of 2008 and the first quarter of 2009, global growth turned positive during the second half of the year. Global trade also showed some tentative signs of stabilization, even at very low levels.

Governments worldwide took measures for supporting the economy through state funding aimed at boosting demand, reducing unemployment and avoiding further slowdown, also taking major initiatives for enhancing liquidity in the markets. One of the most notable events of 2009 was the signing of a $787 billion support plan by the US President for the creation of 3.5 million jobs in February 2009, while a 36% stake in Citigroup was acquired by the US government during the same month. In March, the European Central Bank reduced the euro lending rate to the historic low of 1.5%, while the Bank of England reduced its interest rate to 0.5% and purchased £75 billion in government bonds. Moreover, the Chinese government introduced its own package for supporting the economy, aiming at 8% growth. In June 2009, General Motors filed for bankruptcy under Chapter 11 of the US Bankruptcy Code, while the Car Allowance Rebate System (also known as "cash for clunkers") was launched in the US in July. In

November, the Dow Jones Industrial Average exceeded 10,000 points, while on November 25, Dubai World, a sovereign wealth fund, asked "all providers of financing" to 'standstill' for a six-month period.

During 2009, stock prices rose in both developed and emerging capital markets. In addition, the rise of the most important European stock market indices was rather spectacular. More specifically, as shown in table I of the Appendix, all European stock exchange indices showed improvement. More specifically, in London the FTSE 100 index rose by 22.1%; in Paris the CAC 40 index rose by 22.32%; in Germany the XETRA DAX index improved by 23.8%, in Athens the General Index gained 22.9%, in Amsterdam the AEX index gained 36.34%, and in Vienna the ATX index rose by 42.5%. There was a similar increase in the US, where the NASDAQ Composite index improved by 43.9% year-on-year, and the NYSE Composite Index improved by 24.8%. Asian markets also registered strong gains, as Japan's Nikkei 225 index rose by 19.04% and Hong-Kong's Hang Seng index rose by 52.00% as compared to 2008.

The gradual rise of most stock market indices during 2009 led to an increase in the market capitalization of publicly traded companies in most stock exchanges. More specifically market capitalization in the NYSE and the NASDAQ Stock Market increased by 28.5% and 44% respectively. In Europe, market capitalization in the largest stock exchanges increased significantly, with market capitalization in the London Stock Exchange rising by a spectacular 49.7%. Market capitalization increased by 16.4% in Germany, by 25.6% in Italy, by 24.9% in Athens, by 49.5% in Vienna, while market capitalization in the Euronext increased by 36.5%. Moreover, market capitalization increased in most Asian stock exchanges, rising by 6.1% in the Tokyo Stock Exchange and by 73.5% in Hong-Kong.

Despite market capitalization increases, there was a drop in the value of equity transactions worldwide. In Europe, in particular, the value of transactions fell by -47.4% in London, by -5.8% in Frankfurt, by -37.9% in Italy, by -37.8% in Athens, by -51.7% in Vienna, while the value of equity transactions in the Euronext decreased by -56.4%. Asian stock markets showed a similar picture, as the value of equity transactions plummeted by -28.6% in the Tokyo Stock Exchange and fell by -7.8% in the Hong-Kong stock exchange. The value of transactions also fell in the US stock exchanges, decreased by -47.1% in the NYSE and by -20.60% in the NASDAQ.

The value of bond transactions increased by 12.7% in London, decreased by -19.1% in Frankfurt, improved by 22.1% in Italy, decreased by -30.8% in Athens, and increased by 16% and 35.7% in Vienna and the Euronext respectively. Asian stock markets presented a mixed picture, as the value of equity transactions increased by 73.2% in the Tokyo Stock Exchange and fell by -46.5% in the Hong-Kong stock exchange.

Although global markets faced severe losses in early 2009, they seemed to recover since the second quarter of this year, as the MSCI World index, which records the movement of 1742 companies in 23 *markets, rose by a spectacular 27.28%, reaching 1171.29 points by the end of the year, as compared to 920.22 points at the end of 2008.*

Economic growth slowed down significantly in the European Union during the year, as, according to European Commission data, GDP in EU-27 decreased by -4.1% in 2009 as compared to 0.8% in 2008, despite the European governments' efforts to boost household consumption by offering lower lending rates. Growth in the 16-member Euro zone followed a similar pattern, falling to -4.0%. For example, GDP in the UK and France fell to -4.6% and -2.2% respectively in 2009, from 0.8% and 0.4% in 2008. The largest GDP loss occurred in Germany, which from a growth rate of 1.3% in 2008 turned to negative growth rate of -5.0% in 2009.

In the US, GDP fell by a mere 1% during the second quarter of 2009, after plummeting by 6.4% in the first quarter mainly due to the credit crunch and the deterioration of working conditions, which reflect the negative growth of household consumption and personal savings (to 1.5% in 2008). Following four quarters of negative growth, GDP in the US increased by 3.5% in the third quarter. Nonetheless, GDP growth was negative for the entire year (-2.5%).

In Japan, economic activity started improving since the second quarter of 2009, while consumer prices continued to fall. GDP rose by 0.9% in the second quarter, as compared to the previous quarter, as a result of an increase in Japanese exports, a 0.8% increase in household consumption and, above all, a 8.1% increase in government consumption. However, total annual growth was negative (-5.9%).

In China, GDP increase by 7.9% during the second quarter of the year, as compared to 6.2% in the first quarter, mainly due to an increase in government consumption. Annual GDP growth sustained the high levels of 2008 and stood at 9.1% in the third quarter of 2009. Finally, in the fourth quarter China's economy showed the fastest growth rate since 2007, leading to total GDP growth of 8.7% for the entire 2009.

Inflation in the Euro zone was negative in September, as it receded to -0.3 % from -0.2 % in August, falling for a fourth consecutive month. This was the first such continuous deflation since early 2002, i.e. since the Euro was introduced as legal tender in the Euro zone. It is assumed that inflation in the Euro zone will remain for quite some time at levels below the 2% target that has been set by the ECB, as inflationary pressures are held in check by the large variations in the growth rates of Euro zone economies, rising unemployment and a strong Euro. Under this lens, the ECB is expected to leave its interest rates at the historic low of 1 % in order to encourage bank lending and boost the economy. On the other hand, the President of the ECB has made the estimate that deflation in the Euro zone is a temporary and short-lived phenomenon that does not give rise to serious stagflation concerns, as it is not expected to lead to a vicious spiral of lower prices, reduced demand, rising debts and lay-offs, i.e. the *combination of adverse economic developments that is associated with the Great Depression of the 1930s. In the end, the annual inflation rate in the Euro zone fell to 0.3% in 2009, from 3.3% in 2008.*

According to Eurostat data, inflation in Greece rose to 2.1 % in November 2009, from 1.2% in October, making Greece the country with the highest inflation rate in Europe during that period, despite being in a recession. Inflation in EU-27 rose from 0.5% to 1% in November, while it stood at 2.8% a year ago. In November, the lowest inflation rates were registered in Ireland (-2.8%), Estonia (-2.1%) and Latvia (-1.4%) and the highest in Hungary (5.2%), Romania (4.6%) and Poland (3.8%). In December, the lowest inflation rates were registered, according to Eurostat data, in Ireland (-2.6%), Estonia (-1.9%) and Latvia (-1.4%) and the highest in Hungary (5.4%), Romania (4.7%) and Poland (3.8%). Year-on-year inflation increased in 20 member states, remained unchanged in two member states and fell in two member states as compared to November 2009 In the EU-27, year-on-year inflation fell to 1% in 2009, from 3.7% in 2008. At the end of the year, inflation in the US and Japan showed year-on-year drops of -0.2% and -1.6% respectively.

The euro:dollar exchange rate showed great fluctuations during 2009. More specifically, the previous year's devaluation of the Euro against the dollar continued in the first quarter of 2009, leading to a 1.3193 rate against the dollar in March 2009. Then the euro started to gain ground, as the euro:dollar exchange rate rose to 1.4058 in the second quarter of 2009. Revaluation continued during the third quarter of 2009, as the Euro climbed at 1.4549 dollars. This trend was reversed again during the fourth quarter, leading to a year-end euro:dollar rate of 1.39. In 2009, there was an improvement in the exchange rate of the euro against the yen, which stood at 130.20 at the end of the year.

The yen:dollar exchange rate skyrocketed after the Japanese Minister of Finance hinted about a possible intervention for weakening the currency. The Japanese currency reached 88.23 yen to the dollar, the highest exchange rate since January when it had "touched" a 13-year high at 87.10 yen to the dollar. Nonetheless, the US currency was strengthened during the fourth quarter, leading to a year-end yen:dollar exchange rate of 92.77:1.

Finally, the Euro was substantially devalued against the starling, as the euro:sterling rate which initially stood at 0.9291 closed at 0.90 by the end of 2009.

TABLE 2. Macroeconomic indicators of the European Economy, 2008-2009

Country	Gross Domestic Product annual change %)			Exchange Rate			Inflation annual change %)			Government Debt (% of GDP)		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Austria	-3.7	2.0	3.5	-	-	-	0.5	2.6	2.6	69.1	62.6	59.5
Belgium	-2.9	1.0	2.9	-	-	-	0.0	3.8	2.8	97.2	89.8	84.2
Denmark	-4.5	-1.2	1.6	7.45	7.46	7.45	1.3	3.1	1.8	33.7	33.5	26.8
Finland	-6.9	1.0	4.2	-	-	-	1.2	3.4	2.3	41.3	34.1	35.2
France	-2.2	0.4	2.3	-	-	-	0.1	2.8	2.1	76.1	67.4	63.8
Germany	-5.0	1.3	2.5	-	-	-	-0.2	2.1	1.8	73.1	65.9	65.0
Greece	-1.1	2.0	4.5	-	-	-	1.2	4.1	3.0	112.6	99.2	95.6
Ireland	-7.5	-3.0	6.0	-	-	-	-1.8	3.1	0.0	65.8	44.1	25.1
Italy	-4.7	-1.0	1.6	-	-	-	0.3	3.2	2.2	114.6	105.8	103.5
Luxembourg	-3.6	0.0	6.5	-	-	-	0.4	3.7	2.0	15.0	13.5	6.6
Netherlands	-4.5	2.0	3.6	-	-	-	1.1	2.1	1.6	59.8	58.2	45.5
Portugal	-2.9	0.0	1.9	-	-	-	-1.1	2.6	2.7	77.4	66.3	63.6
Spain	-3.7	0.9	3.6	-	-	-	-0.4	3.7	3.2	54.3	39.7	36.1
Sweden	-4.6	-0.2	2.6	10.61	9.62	9.25	1.9	2.8	1.1	42.1	38.0	40.5
Britain	-4.6	0.6	2.6	0.90	0.80	0.68	1.4	3.0	2.9	68.6	52.0	44.2
Estonia	-13.7	-3.6	7.2	15.65	15.65	15.65	0.2	9.2	7.4	7.4	4.6	3.8
Cyprus	-0.7	3.7	4.4	-	-	0.8	1.0	4.8	2.8	53.2	48.4	58.3
Latvia	-18	-4.6	10.0	0.71	0.70	0.70	3.0	15.5	10.3	33.2	19.5	9.0
Lithuania	-18.1	2.8	9.8	3.45	3.45	3.45	3.5	9.7	6.4	29.9	15.6	16.9
Malta	-2.2	2.1	3.7	-	-	0.43	1.8	2.9	1.6	68.5	63.8	62.0
Hungary	-6.5	0.6	1.0	279.7	251.5	251.4	4.2	5.6	6.2	79.1	72.9	65.9
Poland	1.2	5.0	6.8	4.34	3.51	3.78	3.8	4.2	2.4	51.7	47.2	45.0
Slovakia	-5.8	6.4	10.4	-	31.24	33.77	1.6	4.4	2.6	34.6	27.7	29.3
Slovenia	-7.4	3.5	6.8	-	-	-	0.6	5.3	4.1	35.1	22.5	23.3
Czech Republic	-4.8	2.5	6.1	26.40	24.95	27.77	0.4	4.9	2.9	36.5	30.0	29.0
EU 27	-4.1	0.8	2.9	-	-	-	1.0	3.7	2.4	73.0	61.5	58.7
Bulgaria	-5.9	6.0	6.2	1.96	1.96	1.96	1.4	11.0	6.8	15.1	14.1	18.2
Romania	-8	6.2	6.3	4.24	3.68	3.34	5.8	9.0	4.8	21.8	13.6	12.6
USA.	-2.5	0.4	2.1	1.39	1.47	1.37	-0.2	3.3	2.7	N/A	N/A	N/A
Japan	-5.9	-0.7	2.3	130.	152.3	161.3	-1.6	0.5	-0.4	N/A	N/A	N/A

Source: European Economy, No 10, 2009.

GENERAL OVERVIEW OF THE CAPITAL MARKET

International Capital Markets

In 2009, there was a substantial increase in international stock market indices, and a major decrease in international volatility. European and American markets yielded two-digit positive returns, while developing markets fared even better. The course of international stock markets was primarily affected by the financial crisis and government interventions to contain its impact.

Monetary easing led to interest rate reductions: the annual US dollar lending rate decreased from 4.18% at the end of 2007, to 2.02% at the end of 2008, and to 0.98% at the end of 2009, while the euro lending rate decreased from 4.73% at the end of 2007, to 3.03% at the end of 2008, and to 1.22% at the end of 2009. The nominal yield of the 10-year US Treasury bond decreased from 4.63% at the end of 2007 to 3.66% at the end of 2008, and to 3.26% at the end of 2009, while the yield of the 10-year German Bund fell from 4.50% at the end of 2007 to 3.32% at the end of 2008 and to 3.40% at the end of 2009.

According to data from the Financial Times (January 2nd, 2010), the MSCI World ($) index registered an annual gain of 27.65% in 2009, as compared to a 42.22% loss in 2008. Moreover, the MSCI Europe (€) index increased by 23.4%, the MSCI Pacific ($) index by 21.1%, the DJ Euro Stoxx 50 (€) index by 21.0%, and the FTSE Eurotop 300 (€) index, which includes the largest listed European companies, increased by 25.7%. The performance of most European markets was roughly similar to the performance of US and Japanese markets. More specifically, the FTSE 100 (£) index of the London Stock Exchange rose by 22.1% year-on year, the CAC-40 (€) of the Paris Stock Exchange rose by 22.3% and the Dax Xetra (€) index of the Frankfurt Stock Exchange rose by 23.8%, while the Dow Jones Industrial Average rose by 18.8%, the NASDAQ Comp ($) by 43.9% and the Nikkei 225 Average (¥) by 19.0%. Chinese company share prices registered substantial year-on-year gains, along with the value of transactions in the Shanghai Stock Exchange. The Shanghai Avrg index registered an annual gain of 79.8%.

The rise of stock market indices during 2009 was accompanied by an decrease in stock market volatility. The price volatility indices of options on the S&P500 (VIX), DJIA (VXD) and the DAX Xetra (VDAX) stock market indices decreased year-on-year by 45.8%, 47.8% and 44.9% respectively Given that the turmoil in the global financial system was contained, international markets seemed to moved smoothly towards new higher levels. Sustained monitoring and intervention by both central banks and governments with the aim of enhancing liquidity in the economy prevented further market upheaval.

In 2009, the total value of transactions in international stock markets decreased due to the adverse effects of the crisis on cross-border portfolio restructuring activity, state enterprise privatization efforts, the reduced activity of large private equity investors and hedge funds, and above all, reduced equity *valuations. According to data from the World Federation of Exchanges (WFE), the total value of equity transactions in its member exchanges was reduced to US$80.455 trillion in 2009 from US$113.26 trillion in 2008 (-28.9%) and US$113.21 trillion in 2007. The total value of transactions decreased to US$48.788 trillion in 2009 from US$73.316 trillion in 2008 (-33.45%) in US stock exchanges, and to US$13.077 trillion in 2009 from US$23.391 trillion in 2008 in European and Middle Eastern stock exchanges, whereas transactions improved in Asian stock exchanges from US$16.551 trillion in 2008 to US$18.600 trillion in 2009. More specifically, the value of equity transactions in local currency amounted to US$17.521 billion in the NYSE (-36.6%); US$13.608 bn (-42.9%) in the NASDAQ; US$1.772 bn (-53.9%) in the London Stock Exchange; US$2,240 bn (-52.8%) in Frankfurt's Deutsche Borse; US$1.610 bn (-34.0%) in Spain's BME Spanish Exchanges; US$778.4 bn (-42.56%) in the OMX; US$3.704 bn (-29.4%) in the Tokyo Stock Exchange, while the value of transactions in the Shanghai and Shenzhen Stock Exchanges increased to US$5.056 bn (95.7%) and US$2,772 bn (123.2%) respectively.*

In 2009, there was an increase in the value of bond transactions worldwide. The value of transactions in local currency increased to US$8.138 billion in the BME Spanish Exchanges (+24.5%), increased to US$6,896 billion in the London Stock Exchange (+22.8%), decreased to US$2,419 billion in the NASDAQ (-14.5%), increased to US$66,3 billion in the NYSE-Euronext (+35.7%), decreased to US$146.3 billion in the Deutsche Borse (-19.1%), decreased to US$2,419.8 in the OMX Nordic Exchange (-17.8%), and increased to US$5.01 billion in the Tokyo Stock Exchange (+73.2%).

In 2009, there was a decrease in the volume of transactions on derivative products in most stock exchanges. More specifically, the number of stock option contracts traded in the International Securities Exchange of the US decreased by -4.3% (946.7 million) as compared to a 22.7% decrease in 2008 and a 38.2% increase in 2007, while the decrease in the Chicago Board Options Exchange of the US reached -2.3%, with a volume of 911.98 million (-2.3%). In 2009, activity was also reduced in European markets: In the Eurex, the number of stock option contracts decreased year-on-year (-19%), the number of futures decreased (-12.6%), and the number of index options shrank by 29.1%. Conversely, the number of stock option contracts increased significantly year-on-year (56.1%0, while the number of futures fell by -18.9%, while the volume of futures traded in the Euronext/Liffe exchange increased by a spectacular 64.0%.

In 2009, there was a substantial worldwide decrease in the value of transactions on securitized financial derivatives. The value of such transactions in the Hong-Kong Stock Exchange stood at US$429.7 billion, decreased by 25.2% year-on-year, the value of transactions stood at US$87.9 billion in the Deutsche Borse, decreased by 46.8%, while, on the other hand, the value of transactions in the Korea Exchange reached US$174.1 billion, increased by a spectacular 103.2% year-on-year.

In 2009, there was also a decrease in the value of transactions on Exchange Traded Funds (ETFs) worldwide. The value of transactions in the NYSE/Euronext and the Deutsche Borse decreased by 35.9% and 0.4% year-on-year respectively. On the other hand, ETF trading in the London Stock Exchange increased by 20.6%.

In 2009, there was a significant increase in the total market capitalization of equities in international stock exchanges, due to stock evaluation increases. Total market capitalization in WFE-member stock exchanges rose to US$46.525 trillion in 2009 from US$32.6 trillion in 2008, improved by almost US$16 trillion or 42.8%. More specifically, the changes of total market capitalization in local currency were the following: the New York Stock Exchange remains the leading stock market in terms of listed company capitalization, with a market value of US$11.838 trillion (+28.5%), followed by the Tokyo stock exchange with a market capitalization of US$3.306 trillion (+8.6%); the NASDAQ, with a market capitalization of US$3.239 trillion (+44.0%); the NYSE/Euronext, with a market capitalization of US$2.869 trillion (+32.6%) the London Stock Exchange with a market capitalization of US$2.796 trillion (+34.4%) and the Shanghai Stock Exchange with a market capitalization of US$2.705 trillion (89.9%).

In 2009, corporate bond and stock offerings in international markets registered a considerable increase, reversing the negative trends of the previous year. According to data from Thomson Reuters, the total value of shares issued in 2009 amounted to US$858.4 billion. worldwide, through 3,851 issues, increased by 36% year-on-year. The total value of equity issues stood at US$249.9 billion in the US (749 issues), US$261.2 billion in Europe and the Middle East (897 issues), US$161.2 billion in Asia (1,167 issues), US$56.7 billion in Australia (575 issues), US$64.3 billion in Japan (90 issues) and US$30.1 billion in Latin America (42 issues). To total value of securities issued worldwide included the issuance of US$766.6 billion in equities (89% of the total, 3,553 issues), increased by 45.53% year-on-year, and the issuance of US$91.7 billion in convertible securities, decreased by 12.18%. Share issues worldwide consisted of initial public offerings of US$113.9 billion (517 issues) increased by 20.33% and secondary public offerings of US$652.6 billion (3,036 issues) increased by 51.05% as compared to the previous year. The distribution of share IPO's was the following: 14.6% of the total in the US, 63.3% in Asia and Australia, 8.4% in Europe and Middle East, 0.55% in Japan and 13.9% in Latin America. The total value of secondary stock offerings was distributed by 30.6% in the US, 20.4% in Asia and Australia, 33.1% in Europe and Middle East, 9.14% in Japan and 2.43% in Latin America.

More specifically, the total value of equity issues in the US (US$249.9 bn) increased by 4.9% in terms of capital raised, and by 98.1% in terms of number. Most new issues came from the financial sector (48.8% of the total) and the real estate sector (10%), followed by materials (6%) and high technology (6%). The largest issue was made by the Bank of America (US$19.3 billion), followed by Citigroup (US$17.6 bn); both issues were used to repay the US government's guarantees. 53.3% of the total value of equity *issues in Europe and the Middle East (US$261.2 bn) concerned new issues by existing companies (192 cases). The value of initial public offerings (IPOs) was limited to US$9.6 bn (50 issues), while the value of convertible securities stood at US$36.2 billion (75 issues), registering a spectacular 109.7% year-on-year increase. 40.5% of new issues were made by financial sector companies, 19.0% by companies of the materials sector and 9.8% by energy companies. Activity in the primary market of the United Kingdom accounted for 38.4% of total activity in Europe and the Middle East. The largest issue was made by the Lloyds Banking Group (US$22.5 bn) followed by HSBC (US$19.4 bn). Finally, the total value of equity issues in Asia (US$161.2 bn) excluding Japan and Australia, increased by 104.1% year-on-year in terms of capital raised. Chinese, Indian, and Hong Kong issues accounted for 71.7% of total equity issues. The main contributors to the new issues were the financial sector, by 21.4%, the manufacturing sector by 18.1%, and the real estate sector by 13.5%. The total value of initial public offerings amounted to US$70 bn, increased by 144.1% year-on-year. The largest issue was made by China State Construction Co. (US$7.3 bn), followed by China Minsheng Banking Group (US$4 bn).*

The total value of bond issues worldwide amounted to US$5,612.3 bn, increased by 29% year-on-year. Of this total, 12% represents government bonds and 21.4% investment grade corporate bonds (excluding financial institutions), a category that showed strong annual growth, mainly due to the increased issuing activity from the energy, materials and manufacturing sectors (60% of the total). Out of the total bonds issued worldwide, US$343.1 bn represent mortgage-backed securities (MBS), increased by 41.6%, US$175.2 bn represent asset-backed securities (ABS) (-32.6%) and US$1,681.3 bn represent government and supranational bonds, which registered the largest increase by 91.8%.

The total value of debt issues in the US stood at US$2,289.9 bn, of which 84.83% long-term and 15.17% short-term, while the relevant amount in the rest of the world stood at US$5,126.2 bn, 97.37% of which were long-term. Investment grade bond issues increased by 10% year-on-year (77 issues); 33.8% of these issues were came from the financial sector, the largest issue being that of Roche Holding (US$16.3 bn). MBS issues account for 85% of total issues worldwide, while ABS issues account for 86.6% of total issues worldwide, decreased by 7.5% year-on-year. The value of government guaranteed bonds issued for enhancing liquidity in the US amounted to US$294.1 bn. In Europe and the Middle East the value of corporate bonds in euro increased by 116.8% year-on-year, while the value of government bonds increased by 115.6% y-o-y. The largest government bond issue, of US$7 bn, was undertaken by the state of Qatar.

In 2009, total investment bank income from the provision of stock underwriting services worldwide amounted to US$6,446.9 bn, with the top-10 banks accounting for 59.9% of this amount. JP Morgan, the investment bank, was the main underwriter of equity and similar security issues, with income of US$614.6 bn, followed by Barclays Capital (US$475.6 bn), Bank of America-Merrill Lynch (US$447.5 bn), *Citigroup (US$408.2 bn) and Deutsche Bank (US$381.2 bn). Similarly, the income of big investment banks from the provision of debt underwriting services worldwide amounted to US$5,585.8 bn, with the top-10 investment banks accounting for 60.7% of this amount.*

In 2009, international merger & acquisition activity continued, albeit significantly reduced. According to Thomson Reuter's data, the total value of M&A deals worldwide amounted to US$2.1 trillion, decreased by 28.2% as compared to 2008, while the number of corporate transactions worldwide stood at 38 thousand, reduced by 6.6% year-on-year. The value of state enterprise merger and acquisitions represented 16.6% of the total. M&A value accounted for 44% of the total in the US, 35% in Europe and the Middle East, 16% in Asia and 5% in Japan. M&A activity in the financial sector accounted for 20% of total activity worldwide, followed by the energy (16.9%) and manufacturing (11.8%) sectors. In the same year, the value of private equity-financed mergers and acquisitions amounted to US$133.8 bn, reduced by 43.5%.

In 2009, the value of completed M&As in the US stood at US$712.9 bn, reduced by 30.6% year-on-year. M&A value in Europe amounted to US$509.1 bn, reduced by 57.7%. M&A value in Japan fell by 30.7% to US$63.8 bn, while in Asia this drop was even larger, at 43%, and the value of such corporate transformations amounted to US$201.1 bn.

In 2009, the top-five M&A deals worldwide comprised the absorption of Wyeth by Pfizer Inc (US$64.5 bn) in the pharmaceuticals sector, the ongoing procedure regarding the absorption of Rio Tinto plc by BHP Inc (US$58.0 bn) in the resources sector, the absorption of Schering-Plough Co by Merck Inc (US$45.7 bn) in the pharmaceuticals/health sector, the absorption of General Motors Co by Vehicle Holdings Llc (US$43,0 bn) in the manufacturing/automobile sector and the ongoing process regarding the absorption of the Royal Bank of Scotland by the government of the UK (US$41.9 bn) in the financial sector.

In 2009, there were further major developments in stock exchanges, and international market infrastructures. The technological upgrade of the electronic execution and clearing of transactions was further enhanced also due to intense competitive pressures, derivative product trades increased with the aim of more efficiently managing risks, while new debates and consultations were launched regarding the improvement of the international and European regulatory framework, aiming at the further enhancement of international market efficiency.

The financial crisis, the European economy and the reforms

By late 2009, there were certain signs that the deeper, more enduring and wider recession in the history of the Euro zone was reaching its conclusion. Although Europe's GDP shrank by almost 4% in 2009, *European Commission estimates suggest 0.2% growth during the last quarter. It should be noted that this was the first GDP increase in the Euro zone after the crisis. GDP growth in the Euro zone turned positive in the third quarter, following five consecutive quarters of slowdown. Most countries showed significant GDP recovery, excluding Cyprus (-1.4%), Greece (-0.3%) and Spain (-0.3%). Although the data corroborate, in general, the recovery of economic activity, it should be noted that this recovery reflects the improvements in the external environment and economic conditions, as well as the unprecedented fiscal and monetary policy measures that were taken. Many financial indicators have now returned to pre-crisis levels. However, monetary and credit expansions towards businesses and households remains limited due to low asset prices and reduced demand. Moreover, although the recent stabilization of financial markets seems to be strong, the improvement of economic indicators is gradual and economic conditions remain vulnerable. European exports, which benefited from the upturn of the global economy, became growth recovery drivers. Stocks also contributed positively to GDP growth. On the contrary, the consumption of European households was slightly reduced during the third quarter of the year, mainly due to the deterioration of the labor market. Investment continued to fall, albeit much slower. Recent European confidence indices are, in general, aligned with the growth forecasts that show 0.7% GDP growth in the Euro zone in 2010 and 1.5% in 2011. Nonetheless, the current economic recovery is supported by the huge financial assistance provided by governments worldwide, which is expected to decrease. High and increasing unemployment remains a main economic policy determinant.*

Solid foundations for the European economy's progress were set during 2009: (a) the European Economic Recovery Plan, which was launched in December 2008, was a shield against the collapse of economic activity. Without this plan, GDP contraction in the Euro zone would be worse. With a two-year horizon, the plan aims at the provision of valuable support during 2010. (b) Recognizing that the euro zones economies cannot depend indefinitely on government support, in October 2009 the Ecofin council established clear and transparent principles for preparing the phasing out of government and central bank interventions. Fiscal consolidation is expected to continue till 2011, provided that the financial condition does not show any further deterioration. However, depending on national idiosyncrasy, some EU member-states are called to begin with fiscal consolidation earlier, introducing structural reforms that support the long-term sustainability of public finances and the mitigation of the crisis' adverse effects on growth. Based on these principles, in December 2009 the Ecofin Council approved recommendations regarding the correction of member-state excessive deficits. (c) The Finance Ministers, the European Commission and the ECB agreed on a number of principles regarding the phasing out of financial sector support systems. Based on the Commission's proposals, and in accordance with European rules on state aid, the abolition of these systems will be gradual, taking into account economic and financial stability conditions in the member-states and will begin with the, now potentially distorting, state guarantees. (d) The European Union proceeds to the reform of the supervisory *architecture for financial markets, following the announcement of the announcement of the recommendations of the de Larosière report, the detailed legislative proposals made by the European Commission in early 2009 and the agreement of the European Council in December 2009. In order to enhance the stability of European financial markets in the future, the new European Systemic Risk Board will exercise macro-prudential supervision and will issue early warnings and policy recommendations if risks are deemed significant. Moreover, three European supervisory authorities for banks, insurance companies and investment services will be formed, with the aim of unifying supervisory practice in all member-states, enabling them to act efficiently in situations of financial emergency. The European Council will start discussing on the reform package in early 2010, with the aim of establishing the new system by the end of the year.*

Conditions in the money and bond markets of the Euro zone continued to stabilize in the last months of 2009. The three-month money market rate fell to 0.72% in early December 2009 from 5.39% in October 2008.

Share prices in the Euro zone have, by and large, increased steeply since March 2009, in anticipation of an impeding turning point in the business cycle and due to the improvement of financial results. By mid-December 2009 the Eurostoxx50 index stood 60% above March 2009 levels. However, stock market volatility remains high and uncertainty persists, a fact corroborated by Dubai World's default.

The prospects for the Euro zone's economy are still uncertain due to the deterioration of labor markets. In 2009, there was a slowdown in the labor market of the Euro zone, with substantial job losses in many member-states and industries. Compared, though, with output losses, the growth of unemployment in the Euro zone was limited, with the largest part of the remaining adjustment consisting to the reduction of individual working hours. Employment in the Euro zone continued to slow down by 0.5% in late 2009, while unemployment rose to 9.6%.

The Euro zone saw a prolonged period of deflation during 2009, as the Harmonized Index of Consumer Prices (HICP) fell to -0.7% in July, before rebounding to 0.5% in November. This rebound was due to the recent recovery of oil prices and the increasing signs of economic recovery. Core inflation remained unchanged at 1% year-on-year. The data for November 2009 show that annual inflation increased significantly in most Euro zone countries. The services sector remained the main contributor to inflation (0.7 percentage point).

Directions of the European market reform program

The financial crisis exposed certain weaknesses of the global regulatory framework, which have to be dealt with in order to set the Euro zone's financial systems and economies on more stable foundations.

As a result, a series of regulatory and supervisory initiatives have been undertaken by the relevant European and international councils. The latest report of the Financial Stability Board (FSB) contains a detailed survey of all initiatives taken worldwide, specifies various aspects of operations and summarizes the main consequences for the financial sector and markets. There is a serious risk that the gradual improvement of conditions in the financial markets and the banking sector may dampen the urgency and necessity of implementing reforms that are instrumental for mitigating the possibility of such crises occurring in the future.

There has been significant progress in reforming the European markets' regulatory and supervisory framework in response to the financial crisis. A substantial amount of technical work was been performed within a very tight schedule. The relevant initiatives have been taken on the global level, and the European Union has been a pioneer in certain key areas. Three main reforms have been initiated and are expected to be completed within 2010: the regulation of credit rating agency activities, the regulation of hedge fund and private equity activities and remuneration policies.

(a) In regard to credit rating agencies, the new European Commission regulation, which subjects these organizations to mandatory registration and control, in order to enhance transparency and contain conflicts of interest, has already come into force since December 2009.

(b) In regard to hedge funds and private equity funds, the European Commission has proposed a directive on alternative investment fund managers. This proposal, which is currently debated, will require alternative investment fund managers to be authorized and be subject to harmonized regulatory standards concerning minimum capital and disclosure. This proposal has raised objections from certain member-states, and therefore it is being discussed on the political level in order to reach consensus.

(c) In regard to remuneration policies, the European Commission has been a pioneer in adopting the principles developed by the Financial Stability Board (FSB) in regard to sound compensation practices, which are expected to be applied in the end of 2010. In this context European initiatives drove the international agenda for developing further guidelines for harmonizing compensation practices through the creation of long-term value and the discouragement of short-term risk taking. It should be noted that the leaders of G20 countries that met in Pittsburg in September 2009 approved the application of FSB standards on compensation practices.

Moreover, a worldwide agreement has been reached in regard to a comprehensive set of measures for enhancing the supervisory framework in order to deal with the crisis. The proposal of the European Commission for revising the capital requirements directive of July 2009 includes internationally agreed tighter requirements regarding trading books and securitizations. The recommendations recently issued by the Basel Committee aim at improving the quality, consistency and transparency of financial *institution capital, as well as developing a framework for dealing with liquidity risk. This will lead to a significant improvement in the quality of capital, especially Tier-1 capital, which is instrumental for absorbing capital losses and concerns crisis situations.*

Finally, international cooperation has been significantly enhances, and supervisory colleges for large cross border financial organizations have been introduced. The formation and operation of colleges is provided for by the new regulatory framework of the EU, and has shown substantial progress. Their efficient operation, though, remains to be seen.

Gazing towards 2010, legislative proposals reflect the top priorities, which include the finalization of the prudential supervision framework, dealing with the risks inherent in financial organization activity and the specification of a macro-prudential supervision framework.

In the European Union, in particular, given that its 27 member-states have been committed to promoting the single financial market and preventing financial protectionism, the long term supervisory reform that is already underway is described in the de Larosière report.

The de Larosière proposes changes in the organization of macro-prudential supervision. These changes include the establishment of the European Systemic Risk Board (ESRB), which will operate under the institutional support of the ECB/ESCB. The Board's task is to form decisions and issue macro-prudential policy recommendations, early risk warnings, macroeconomic development comparisons and recommendations for dealing with risks on the national level. The ESRB shall comprise the members of the General Council of the ECB/ESCB, the chairpersons of level 3 European authorities (CEBS, CESR, CEIOPS) and a representative of the European Commission, and is expected to be in a unique position for identifying systemic risks. The Board's work will be based on analyzing data collected from national central bank and regulators, demonstrating the challenge of developing efficient European/national structures for generating and transmitting confidential information, as well as efficient mechanisms for implementing appropriate policy measures (e.g. increased capital requirements, stronger liquidity buffers etc), on the basis of risk assessment and the results of micro- and macro-prudential supervision.

The de Larosière report also proposes changes in the organization of micro-prudential supervision. These include the establishment of the European System of Financial Supervisors (ESFS) and the transformation of existing level 3 committees to European authorities with clear responsibilities (implementation of binding supervision standards, harmonized transposition of community directives into national law and interpretation of secondary rules), as well as the improvement of cooperation among national regulators: day-to-day micro-prudential supervision will be exercised by national supervisors, albeit the activity of cross-border financial organizations shall be supervised by a college of national supervisors, in which the transformed authorities and the ECB/ESCB will be also represented. The new authorities shall *operate under the ESFS and will resolve cases of disagreement among national supervisors, will implement binding decisions on financial organizations, will supervise and coordinate the colleges of national supervisors, will grant licenses and supervise specialized institutions, bodies and operations (e.g. credit rating agencies, clearing and settlement systems) and will play a coordination role in emergency situations.*

This decentralized structure does not require any change in European treaties, respects the principles of proportionality and subsidiarity, albeit requires a European coordination policy and national supervisory restructuring policies, since the harmonization of supervision standards require the harmonization of national supervisory responsibilities and sanction regimes. The Report proposes a dual micro-prudential supervision model, according to which cross-border financial organizations will be supervised on the European level and national organizations will be supervised on the local level.

The Greek Capital market

Improving international developments affected the course of the Greek capital market, which in 2009 was marked by an substantial increase in stock market prices, increased trading activity in the markets of the Athens Stock Exchange (ASE), but also marginal IPO activity, although total primary market activity was significantly increased as compared with 2008.

The ASE General Index closed at the year's end at 2,196 units, registering a total annual gain of 22.9%. The average monthly volatility of the daily returns of the General Index stood at 2.05% in 2009, as compared to 2.22% in 2008, 0.97% in 2007 and 1.08% in 2006. In 2009, the daily value of transactions in the ASE amounted to 205.1 million euro, reduced by 35.13% as compared to 2008. The relevant change from 2008 to 2007 was also negative (33.9%), and followed a 40.6% increase in 2007. The total annual value of transactions amounted to 50.9 billion Euros, decreased by 35% year-on-year. By the end of 2009, the total market capitalization of ASE-listed companies reached 83.4 billion Euros, registering an annual increase of 22.3%, after, nonetheless, sustained a 65.1% loss in 2008. The market capitalization of ASE-listed companies accounts for just 28.5% of Greece's GDP, as compared to 34.7% in 2008 and 85.2% in 2007.

More specifically, according to ASE data, the development of major market indices during 2009 was the following: In January, the ASE General index incurred a monthly loss of 0.4%. The total value of transactions stood at €2.5 bn, registering a year-on-year decrease of 78% and a monthly decrease of 8.9%. The average daily value of transactions stood at €123 million as compared to €128.7 million in December 2008 and €519.8 million in January 2008. 57,451 investor accounts were active during this month, as compared to 61,639 accounts during the previous month, while 4,101 new investor accounts were created. Total market capitalization stood at €67 bn, registering a year-on-year decrease of 60.2%

and a monthly decrease of 2.9%. The market capitalization of the FTSE/ATHEX 20 index fell to €46.4 bn (a monthly loss of 0.8%), while that of the FTSE/ATHEX Liquid Mid rose to €5.23 bn (a monthly gain of 4.2%) and that of the FTSE/ATHEX SmallCap 80 fell to €4.0 bn (a monthly loss of 5.8%). The participation of foreign investors to the market capitalization of the ASE fell to 48.02% as compared to the previous month. Overall, foreign investors showed net outflows of €70.66 million. The outflows originated from foreign institutional investors (€96.3 million) and offshore companies (€1.03 million), while the inflows originated from foreign legal entities (€13.61 million) and foreign natural persons (€13.06 million). Greek investors showed net capital inflows of €64.67 million, which resulted from the inflows of Greek retail investors (€99.45 million) and non-financial private companies (€24.34 million), and the outflows from private financial companies (€58.52 million). The remaining €5.99 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In February, the ASE General index incurred a monthly loss of 13.7%. The total value of transactions stood at 2.1 bn, registering a year-on-year decrease of 72% and a monthly decrease of 14%. The average daily value of transactions stood at €114.5 million as compared to €123 million in January 2009 and €444.2 million in February 2008. 61,853 investor accounts were active during this month, as compared to 57,451 accounts during the previous month, while 4,018 new investor accounts were opened. Total market capitalization stood at €58.4 bn, registering a year-on-year decrease of 63.5% and a monthly decrease of 12.83%. The market capitalization of the FTSE/ATHEX 20 index fell to €39 bn (a monthly loss of 16%), that of the FTSE/ATHEX Liquid Mid fell to €5 bn (a monthly loss of 3.7%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.6 bn (a monthly loss of 9.3%). The participation of foreign investors to the market capitalization of the ASE fell to 47.3% as compared to the previous month. Overall, foreign investors showed net outflows of 296.6 million. The outflows originated from foreign institutional investors (€378.98 million) and offshore companies (€21.94 million), while the inflows originated from foreign legal entities (€31.98 million) and foreign natural persons (€28.42 million). Greek investors showed net capital inflows of €287.46 million, which resulted from the inflows of Greek retail investors (€237.05 million) and financial private companies (€27.9 million), as well as private non-financial companies (€21.01 million). The remaining €9.18 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a tax residence.

In March 2009, the ASE General index registered a monthly gain of 9.7%. The total value of transactions stood at €2.4 bn, registering a year-on-year decrease of 64% and a monthly increase of 12%. The average daily value of transactions stood at €118.9 million as compared to €105.9 million in February 2009 and €436.7 million in March 2008. 62,217 investor accounts were active during this month, as compared to 61,853 accounts during the previous month, while 4,450 new investor accounts were *created. Total market capitalization stood at €63.1 bn, registering a year-on-year decrease of 59.3% and a monthly decrease of 8.19%. The market capitalization of the FTSE/ATHEX 20 index rose to €43.4 bn (a monthly gain of 11.4%), that of the FTSE/ATHEX Liquid Mid rose to €5.2 bn (a monthly gain of 4.2%) and that of the FTSE/ATHEX SmallCap 80 rose to €3.8 bn (a monthly gain of 6.1%). The participation of foreign investors to the market capitalization of the ASE fell to 46.85% as compared to the previous month. Overall, foreign investors showed net outflows of 73.69 million. The outflows originated from foreign institutional investors (€80 million) and offshore companies (€7.3 million), while the inflows originated from foreign legal entities (€11.2 million) and foreign natural persons (€2.44 million). Greek investors showed net capital inflows of €64.13 million, which resulted from the inflows of Greek retail investors (€37.54 million) and non-financial private companies (€35.14 million), and the outflows from retail investors (€8.56 million). The remaining €9.56 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.*

In April 2009, the ASE General index registered a monthly gain of 21.9%. The total value of transactions stood at €3.7 bn, registering a year-on-year decrease of 47% and a monthly increase of 55%. The average daily value of transactions stood at €204.4 million as compared to €118.9 million in March 2009 and €345.9 million in April 2008. 68,357 investor accounts were active during this month, as compared to 62,717 accounts during the previous month, while 3,542 new investor accounts were opened. Total market capitalization stood at €75.7 bn, registering a year-on-year decrease of 53.7% and a monthly increase of 19.9%. The market capitalization of the FTSE/ATHEX 20 index rose to €52.6 bn (a monthly gain of 21.1%), that of the FTSE/ATHEX Liquid Mid rose to €6.7 bn (a monthly gain of 27.4%) and that of the FTSE/ATHEX SmallCap 80 rose to €4.6 bn (a monthly gain of 19.2%). The participation of foreign investors to the market capitalization of the ASE rose to 47.18% as compared to the previous month. Overall, foreign investors showed net inflows of €324.44 million. The inflows originated from foreign institutional investors (€171.73 million) and offshore companies (€83.68 million), while the outflows originated from foreign legal entities (€241.99 million). On the contrary, foreign natural persons showed outflows of €8.6 million. Greek investors showed net capital outflows of €316.99 million, the result of investments by Greek retail investors (€208.4 million), private financial companies (€89.05 million), private non-financial companies (€31.1 million), while the Public sector showed marginal outflows (€11.57 million). The remaining €4.45 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In May 2009, the ASE General index registered a monthly increase of 13.3%. The total value of transactions stood at €5.2 bn, registering a year-on-year decrease of 51% and a monthly increase of 41.7%. The average daily value of transactions stood at €260.6 million as compared to €204.4 million in

April 2009 and €505.3 million in May 2008. 84,439 investor accounts were active during this month, as compared to 68,357 accounts during the previous month, while 3,644 new investor accounts were created. Total market capitalization stood at €87.2 bn, registering a year-on-year decrease of 43.1% and a monthly increase of 15.3%. The market capitalization of the FTSE/ATHEX 20 index rose to €60.2 bn (a monthly gain of 14.5%), that of the FTSE/ATHEX Liquid Mid rose to €7.7 bn (a monthly gain of 14.7%) and that of the FTSE/ATHEX SmallCap 80 rose to €6.1 bn (a monthly gain of 34.8%). The participation of foreign investors to the market capitalization of the ASE rose to 48.7% as compared to the previous month. Overall, foreign investors showed net outflows of €65.89 million. Inflows originated from foreign institutional investors (€30.65 million). On the other hand, outflows originated from foreign legal entities (€24.84 million), foreign natural persons (€45.76 million) and offshore companies (€25.94 million). Moreover, Greek investors showed net capital inflows of €86.41 million, the result of inflows from private financial companies (€2.77 million), private non-financial companies (€120.27 million), as well as outflows from retail investors (€36.98 million). The remaining €20.52 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In June 2009, the ASE General index incurred a monthly loss of 5%. The total value of transactions stood at €4.6 bn, registering a year-on-year decrease of 24% and a monthly decrease of 11%. The average daily value of transactions stood at €220.8 million as compared to €260.6 million in May 2009 and €303.4 million in June 2008. 83,960 investor accounts were active during this month, as compared to 84,439 accounts during the previous month, while 3,231 new investor accounts were created. Total market capitalization stood at €82.2 bn, registering a year-on-year decrease of 36.8% and a monthly decrease of 5.8%. The market capitalization of the FTSE/ATHEX 20 index fell to €55.7 bn (a monthly loss of 7.4%), that of the FTSE/ATHEX Liquid Mid rose to €8.1 bn (a monthly gain of 5.9%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.6 bn (a monthly loss of 40.8%). The participation of foreign investors to the market capitalization of the ASE fell to 48% as compared to the previous month. Overall, foreign investors showed net outflows of €223.55 million. The outflows originated from foreign legal persons (€364.8 million), institutional investors (€3.21 million) and offshore companies (€22.73 million), while the inflows originated from foreign natural persons (€17.16 million). Greek investors showed net capital inflows of €224.07 million, which resulted from the inflows of Greek retail investors (€116.95 million), financial private companies (€80.55 million), and non-financial private companies (€31.06 million). On the other hand, the public sector showed outflows (€4.48 million). The remaining €0.52 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In July 2009, the ASE General index registered a monthly increase of 7%. The total value of transactions stood at €4.2 bn, registering a year-on-year decrease of 26% and a monthly decrease of 10%. The average daily value of transactions stood at €181.57 million as compared to €220.77 million in June 2009 and €247.01 million in July 2008. July's trading data include the transfer of a €673.9 million stake in OTE to Deutsche Telecom. Excluding this transaction, the net inflow from foreign investors stands at €70.42 million, whereas Greek investors show outflows of €64.8 million. 82,604 investor accounts were active during this month, as compared to 83,960 accounts during the previous month, while 3,144 new investor accounts were created. Total market capitalization stood at €89.1 bn, registering a year-on-year decrease of 30.26% and a monthly increase of 8.34%. The market capitalization of the FTSE/ATHEX 20 index rose to €62 bn (a monthly gain of 11.3%), that of the FTSE/ATHEX Liquid Mid rose to €8.6 bn (a monthly gain of 6.6%) and that of the FTSE/ATHEX SmallCap 80 rose to €3.8 bn (a monthly gain of 4.9%). The participation of foreign investors to the market capitalization of the ASE rose to 48.13% as compared to the previous month. Overall, foreign investors showed net inflows of €744.37 million. Inflows originated from foreign legal entities (€693.26 million), foreign institutional investors (€49.51 million) and offshore companies (€2.93 million). On the contrary, foreign natural persons showed outflows of €1.33 million. Greek investors showed net capital outflows of €738.76 million, which resulted from outflows of the public sector (€683.85 million) and Greek retail investors (€169.38 million), while inflows originated from private financial companies (€98.4 million) and private non-financial companies (€16.07 million). The remaining €5.62 million, which appear as outflows of "Other Investors" concern non-registered DSS accounts.

In August 2009, the ASE General index registered a monthly increase of 4.4%. The total value of transactions stood at €4.2 billion, increased by 15% year-on-year, while there was no change from July 2009. The average daily value of transactions stood at €198.8 million as compared to €181.6 million in June 2009 and €181.6 million in July 2008. 73,570 investor accounts were active during this month, as compared to 82,604 accounts during the previous month, while 2,348 new investor accounts were created. Total market capitalization stood at €92.1 bn, registering a year-on-year decrease of 26% and a monthly increase of 3.45%. The market capitalization of the FTSE/ATHEX 20 index rose to €65.3 bn (a monthly gain of 5.4%), that of the FTSE/ATHEX Liquid Mid fell to €8.3 bn (a monthly loss of 3.6%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.8 bn (a monthly loss of 0.4%). The participation of foreign investors to the market capitalization of the ASE rose to 48.38% as compared to the previous month. Overall, foreign investors showed a net inflow of €291.93 million. Inflows originated from foreign institutional investors (€309.8 million) and foreign legal persons (€4.81 million). On the other hand, offshore companies showed outflows of €8.83 million, and foreign natural persons showed outflows of €13.85 million. Moreover, Greek investors showed net capital outflows of €268.57 million, which resulted from the outflows of Greek retail investors (€198.11 million), financial private companies

(€108.75 million), and the public sector (€20.03 million). On the other hand, private non-financial companies generated inflows of €58.32 million. The remaining €23.35 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In September 2009, the ASE General index registered a monthly gain of 7.9%. The total value of transactions stood at €5.5 bn, registering a year-on-year decrease of 10% and a monthly increase of 32%. The average daily value of transactions stood at €251.2 million as compared to €198.8 million in August 2009 and €279.8 million in September 2008. 77,258 investor accounts were active during this month, as compared to 73,570 accounts during the previous month, while 2,599 new investor accounts were created. Total market capitalization stood at €98.8 bn, registering a year-on-year decrease of 7.38% and a monthly increase of 7.24%. The market capitalization of the FTSE/ATHEX 20 index rose to €70.77 bn (a monthly gain of 8.31%), that of the FTSE/ATHEX Liquid Mid rose to €9.28 bn (a monthly gain of 11.42%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.62 bn (a monthly loss of 4.83%). The participation of foreign investors to the market capitalization of the ASE rose to 51% as compared to the previous month. Overall, foreign investors showed net inflows of €722.08 million, which originated from foreign institutional investors (€721.38 million) and foreign legal entities (€16.54 million) that were offset by outflows from foreign natural persons (€13.68 million) and offshore companies (€2.16 million). Greek investors showed net capital outflows of €637.42 million, which resulted from the outflows of Greek retail investors (€285.31 million), financial private companies (€318.16 million), and the public sector (€37.75 million). On the other hand, private non-financial companies generated inflows of €3.8 million. The remaining €84.66 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In October 2009, the ASE General index registered a monthly gain of 0.93%. The total value of transactions stood at €6.3 bn, registering a year-on-year decrease of 5% and a monthly increase of 13.8%. The average daily value of transactions stood at €299.38 million as compared to €251.19 million in September 2009 and €300.49 million in October 2008. 88,364 investor accounts were active during this month, as compared to 77,258 accounts during the previous month, while 2,932 new investor accounts were created. Total market capitalization stood at €99.8 bn, registering a year-on-year increase of 27.9% and a monthly increase of 1.03%. The market capitalization of the FTSE/ATHEX 20 index rose to €71.69 bn (a monthly gain of 1.31%), that of the FTSE/ATHEX Liquid Mid rose to €9.58 bn (a monthly gain of 3.2%) and that of the FTSE/ATHEX SmallCap 80 rose to €3.96 bn (a monthly gain of 9.47%). The participation of foreign investors to the market capitalization of the ASE marginally fell to 49.7% as compared to the previous month. Overall, foreign investors showed a net inflow of €97.96 million. Inflows originated from foreign institutional investors (€177.51 million) and foreign natural *persons (€4.53 million). On the other hand, offshore companies and foreign legal entities registered outflows (€38.16 million and €45.92 million respectively). Greek investors showed a net outflow of €80 million, the result of outflows by private financial companies (€66.4 million) and the public sector (€21.89 million). In contrast, Greek retail investors and private non-financial companies generated inflows of €3.89 million and €4.4 million respectively. The remaining €17.96 million, which appear as outflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a tax residence.*

In November 2009, the ASE General index incurred a monthly loss of 15.7%. The total value of transactions stood at €5.6 bn, registering a year-on-year increase of 34.1% and a monthly decrease of 11.5%. The average daily value of transactions stood at €264.9 million as compared to €299.4 million in October 2009 and €207.4 million in November 2008. 88,432 investor accounts were active during this month, as compared to 88,364 accounts during the previous month, while 2,674 new investor accounts were created. Total market capitalization stood at €83.9 bn, registering a year-on-year increase of 15.4% and a monthly decrease of 15.92%. The market capitalization of the FTSE/ATHEX 20 index fell to €59.2 bn (a monthly loss of 17.4%), that of the FTSE/ATHEX Liquid Mid fell to €8.3 bn (a monthly loss of 13.4%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.3 bn (a monthly loss of 16.5%). The participation of foreign investors to the market capitalization of the ASE marginally fell to 49.3% as compared to the previous month. Overall, foreign investors showed net outflows of €106.58 million. The outflows originated from foreign institutional investors (€153.55 million), while the inflows originated from foreign natural persons (€16.71 million), offshore companies (€2.33 million) and foreign legal entities (€27.92 million). Greek investors showed net capital inflows of €54.36 million, which resulted from the inflows of Greek retail investors (€65.98 million) and private financial companies (€25.17 million). Moreover, the public sector generated outflows of €13.25 million and private non-financial companies generated outflows of €23.54 million. The remaining €52.22 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

In December 2009, the ASE General index incurred a monthly loss of 3%. The total value of transactions stood at €4.7 bn, registering a year-on-year increase of 72%, along with a monthly decrease of 16%. The average daily value of transactions stood at €221.83 million as compared to €264.92 million in November 2009 and €128.66 million in December 2008. 69,557 investor accounts were active during this month, as compared to 88,432 accounts during the previous month, while 2,922 new investor accounts were created. Total market capitalization stood at €84.1 bn, registering a year-on-year increase of 21.8% and a marginal monthly increase of 0.13%. The market capitalization of the FTSE/ATHEX 20 index fell to €58.6 bn (a monthly loss of 1%), that of the FTSE/ATHEX Liquid Mid fell to €8 bn (a monthly loss of

3.8%) and that of the FTSE/ATHEX SmallCap 80 fell to €3.1 bn (a monthly loss of 5%). The participation of foreign investors to the market capitalization of the ASE fell to 48.5% as compared to the previous month. Overall, foreign investors showed net outflows of €359.96 million. The outflows originated from foreign institutional investors (€316.99 million), offshore companies (€32.04 million) and foreign legal entities (€11.01 million) while the inflows originated from foreign natural persons (€0.08 million). Greek investors showed net capital inflows of €336.32 million, which resulted from inflows by Greek retail investors (€354.13 million) and private non-financial companies (€24.87 million), while outflows originated from private financial companies (€39.43 million) and the Public Sector (€3.25 million).. The remaining €23.64 million, which appear as inflows of "other investor" capital, concerned accounts to which the responsible DSS Operators have not registered a specific tax residence.

Overall, 406,996 investor accounts were active during 2009, increased by 1.27% as compared to 2008. Moreover, new investor accounts rose to 2,922, while 2,879 accounts were deactivated. The participation of foreign investors to the market capitalization of the ASE rose to 48.5% from 47.9% in December 2008. Overall, foreign investors showed net capital inflows of €980.8 million, originating from acquisitions of €24.8 billion and sales of €23.83 billion. In contrast, Greek investors showed total outflows of €0.92 bn in 2009.

The Institutional Framework of the Capital Market

In 2009, the regulatory framework and the infrastructure for the supervision of the capital market were reinforced with new measures that protected the market from systemic risks, and phenomena of extreme behavior. The measures included improvements and extensions of the existing regulatory framework, on the basis of the new demands of the markets and the substantial experience thus far accumulated.

Investor protection and the quality of investment services were enhanced through measures that reformed the regime for the professional certification of market agents, improved practices for preventing the use of the financial system for the purpose of money laundering and terrorist financing, established the requirements for the sale of shares in undertakings for collective investment not subject to Directive 85/611/EEC in Greece, and specified accepted market practice in the context of market abuse legislation.

Transparency in the capital market was enhanced through measures for improving the data and information that arise from quarterly and semi-annual financial statements, the further clarification of how to exercise the sell-out right after the end of the bid, the reform of mutual fund classification, and the formation of a training program for individuals involved in the distribution of mutual fund units.

The smooth operation, infrastructure and security of the capital market were enhanced by measures that specify the conditions for suspending the redemption of mutual fund shares, set criteria for granting and revoking the operating license of main counterparty, clearing and settlement system managers, criteria for the licensing of Multilateral Trading Facilities (MTFs), criteria for the refund of shares in Guarantee funds in case of the winding-up of a legal entity that is member to a clearing system, criteria for granting and revoking the operating license of central counterparty, clearing and settlement systems, as well as improvements to the regulation for the operation of the dematerialized securities system in regard to the access of foreign depositories in the DSS, and adaptation of the short-selling regime. Moreover, the ATHEX was granted license to operate a securities clearing system, the relevant Regulation was approved, a license for the operation of a derivatives' clearing system was granted and the relevant regulation was approved. The smooth operation of the market was enhanced by licensing a regulated market, named "Electronic Secondary Securities Market" and the ATHEX as the systems manager, as well as the licensing of the Alternative Market as a Multilateral Trading Facility. Market infrastructures and the security of transactions were reinforced through continuous improvements in the rulebook of the ASE markets and the regulation for the clearing and settlement of transactions on securities and derivatives, as well as the dematerialized securities system, in a manner that enables the implementation of the provisions on Markets in Financial Instruments established by Law 3606/2007.

Supervision of the Greek capital market

A major part of the Commission's supervisory activity during 2009 was the implementation of Law 3606/2007 on the licensing and operation of Investment Firms. The supervision of compliance with listed-company transparency requirements, as well as controls regarding the disclosure of information in the financial statements published by listed companies and the provision of investors with complete information about the use of the funds raised were continued..

In 2009, the HCMC persisted on the strict supervision of financial intermediaries (Financial Intermediation Firms, Investment Firms, 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; the monitoring of capital adequacy of investment firms; the monitoring of the asset structure of institutional investors; the monitoring of the efficiency of risk management systems; the organization of examinations for the certification of stock exchange representatives; the monitoring of financial intermediation firms through sample audits; the monitoring of transactions in the securities and derivative products markets for the prevention of market abuse practices

During the year, the Commission continued to follow-up news publications regarding shares and listed companies, requesting explanations from companies, and imposing their publication in the ASE Daily Bulletin. Moreover the Commission continued to monitor the uses of funds raised in the primary market, the financial statements of listed companies and stock exchange transactions in real time.

In 2009, There were many audits on supervised financial intermediation firms and listed companies. Cases concerning the disclosure of information by large shareholders were also audited. The Commission examined in detail several cases of share transactions, which showed indications of market abuse practices. Finally, the monitoring of the use of funds raised through IPOs in previous years continued at the same pace. Several illegal practices were detected by those audits in 2009, which led the Commission to levy fines worth a total of 1,146,500 million Euros, 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 Hellenic Capital Market Commission is endowed with the authority to conclude bilateral and multilateral agreements in the form of memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, and co-operation on issues related to the safeguarding of market stability. In the context of international relations development, members of the Commission's staff participated in numerous international conferences. In 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, as well as similar CESR initiatives, in the context of various working groups.

More specifically, the Chairman of the Hellenic Capital Market Commission up to May 31, 2009, Mr. A. Pilavios, continued to chair the EcoNet Working Group of the CESR during the first half of 2009. The general objectives of the working group are to study, and contribute to, the development of systems for monitoring smooth market operation. The EcoNet Group undertook initiatives for the improvement of CESR's capability to undertake economic analysis of market trends and key risks in the securities markets that are, or may become, of particular significance for its Members, through the development of practical impact analysis methodologies regarding financial regulation and supervision. In the second half of 2009, the new Chairman of the HCMC, Mr. Anastasios Gabrielides, assumed the chair of CESR's Post Trading Expert Group (PTEG). PTEG was formed to deal with the risks that became evident during the global financial crisis of 2008, with the main aim of ensuring the smooth implementation of the code of conduct and improving clearing and settlement systems in the EU.

THE COURSE OF THE GREEK CAPITAL MARKET

The stock market

The General Index of the Athens Stock Exchange

In 2009, share prices recovered worldwide, especially those of financial sector companies, which had plummeted due to the financial crisis. In the last trading session of 2009, the General Index of the Athens Stock Exchange closed at 2,196.16 units, registering an annual gain of 22.9%, as compared to a 65.5% loss in 2008 (Table 3). This level represents an overall decrease of 65.5% from the 6,355 unit historic high that was achieved on September 17, 1999. The average closing value of the General Index during the year was 2,186.64 units. In 2009, the course of the Index was marked by volatility. Affected by the upheaval in international financial markets, in the first quarter of the year the Index followed a downward course. During the 09.03.09 session the Index registered its lowest intraday value (1,457.83 units), as well as its lowest closing price (1,469.41 units), the lowest since March 2003. Afterward, the General Index kept rising till late October. The Index registered its highest closing price for the year on 24.10.09 (2,896.61 units), and its highest intraday value on 15.10.09 (2,932.45 units). Stock market indices started to fall since November 2009, mainly due to adverse fiscal developments.

TABLE 3. Average Annual Change (%) of the ASE General Index, 1999-2009

		Placement Year									
	Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Return Year	2000	-38.8									
	2001	-31.6	-23.5								
	2002	-31.9	-28.2	-32.5							
	2003	-20.0	-12.6	-6.5	29.5						
	2004	-12.8	-4.8	2.4	26.2	23.1					
	2005	-6.6	1.6	9.0	28.0	27.2	31.5				
	2006	-3.2	4.4	11.1	25.9	24.7	25.6	19.9			
	2007	5.4	6.2	12.2	24.3	23.0	23.0	18.9	17.9		
	2008	-6.9	-7.7	-5.2	0.4	-4.6	-10.5	-21.3	-36.2	-65.5	
	2009	-4.2	-4.7	-2.0	3.3	-0.5	-4.6	-12.0	-20.6	-34.9	22.9

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

The average monthly standard deviation of the daily returns of the General Index was 2.05% in 2009, as compared to 2.22% in 2008 and 0.97% in 2007, bearing proof of the great fluctuations in stock prices (Figure 2). However, the average monthly standard deviation of the difference between the highest and lowest intraday values of the General Index fell to 23.8 units in 2009, from 37 units in 2008, and 23.1 units in 2007. The months of January, June and December featured increased price volatility.

FIGURE 2. Monthly volatility of the ASE General Index, 2009

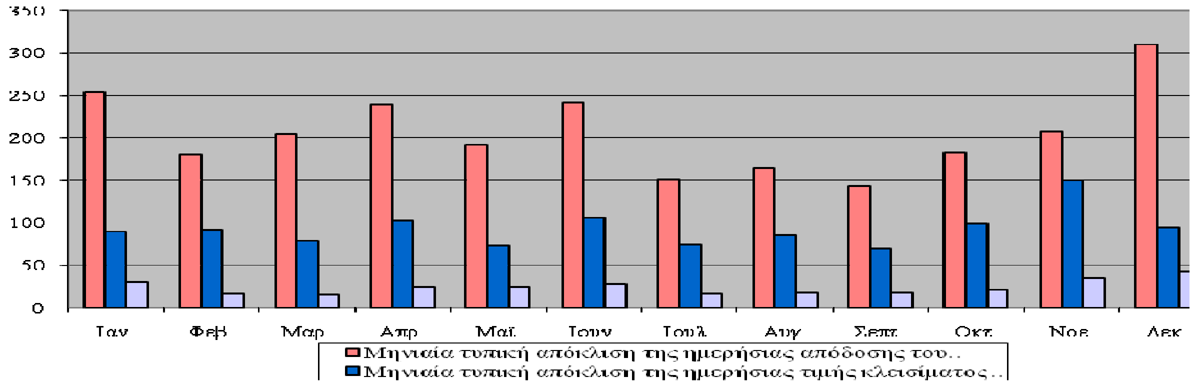
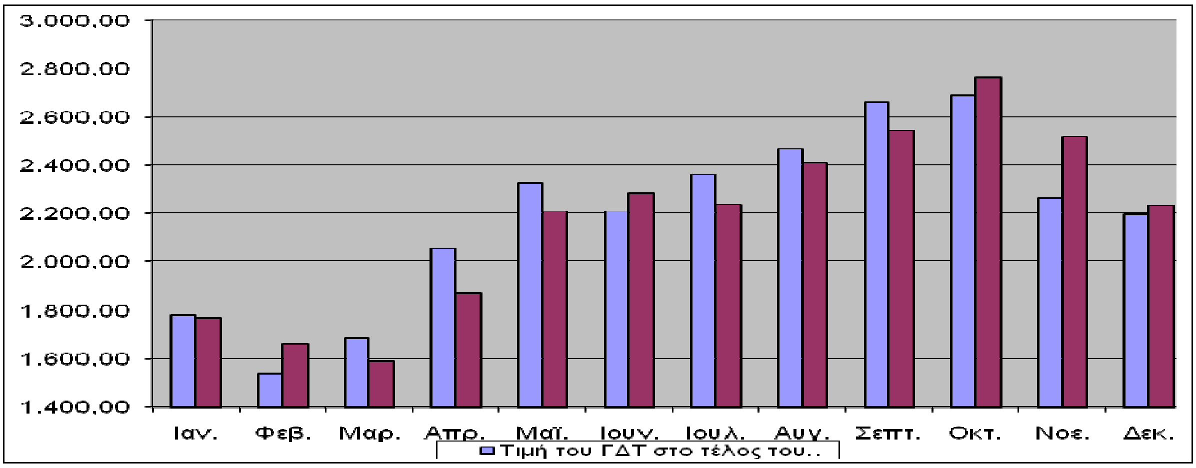


FIGURE 3. Monthly Closing Price of the ASE General Index, 2009



Stock Exchange Indices

In 2009, most indices in the Athens Stock Exchange followed an upward course (Tables 4 and 5). In terms of market capitalization, the largest annual increase was registered by the FTSE/ASE Mid40 index of middle capitalization companies (37.5%), which had, nonetheless, sustained the heaviest losses during 2008 (-69.66%). It was followed by the FTSE/ASE 20 index of large capitalization companies, which rose by 20.7%, albeit without outperforming the General Index. The FTSE/ASE Small Cap 80 index of small capitalization companies registered a marginal 1.19% gain. Among sectoral indices, only those of Industrial Goods & Services, Trade, Media, Travel & Leisure and Telecommunications sustained losses. The largest annual gain was registered by the Personal & Household Goods index (79.1%), followed by Food & Beverages (64.5%), Oil & Gas (42.9%) and Insurance (40.1%).

TABLE 4. Sectoral Share-price Indices in the ASE, 2009

ASE indices	Closing price. 31.12.2008	Lowest price for the year	Highest price for the year	Annual Change (%)
General Index	2,196.16	1,457.83	2,932.45	22.93
FTSE/ASE20	1,125.38	709.66	1,578.69	20.68
FTSE/ASE MID40	2,614.15	1,666.30	3,252.66	37.54
FTSE/ASE Small Cap 80	427.69	361.86	528.19	1.19
FTSE/ASE 140	2,547.24	1,625.82	3,518.32	21.86
Banks	2,661.69	1,167.15	4,033.14	40.13
Insurance	1,684.75	1,070.56	2,247.47	-0.22
Financial Services	3,854.14	3,513.35	6,118.95	-17.32
Industrial Goods	3,355.32	2,354.01	4,097.87	19.73
Retail	3,108.74	2,432.03	4,213.59	-5.17
Personal & Household Goods	3,972.49	2,051.25	4,573.64	79.11
Food & Beverages	5,817.40	2,981.77	6,340.17	64.54
Basic Resources	2,936.46	1,944.89	4,049.47	25.58
Construction & materials	3,402.22	1,990.42	4,432.72	38.97
Oil & Gas	3,079.03	1971.21	3,492.89	42.90
Chemicals	7,796.89	5,738.93	9,703.65	10.30
Media	3,151.93	2,826.39	5,930.57	-7.44
Travel & Leisure	2,803.24	2,602.70	4,314.91	-21.78
Technology	1,276.42	779.77	1,765.76	35.07
Telecommunications	2,832.39	2,592.92	3,704.96	-13.53
Utilities	3,849.24	3,164.03	4,881.24	16.73
Health Care	4,512.12	3,812.44	7,957.72	4.55
Total shares index	682.37	476.83	885.73	17.85

Source: ASE

TABLE 5. Sectoral Share-price Indices in the ASE, 2009

Month	Gen. Index	Banks	Insurance	Financial Services	Industrial Products	Retail	Construct ion & materials	FTSE/ ASE 20	FTSE/ ASE Mid 40	FTSE/ ASE sm 80	FTSE/ +
Jan.	1,779.5	1,765.2	1,438.0	4,475.8	2,654.3	3,047.1	2,404.8	919.7	1,815.2	406.8	2,053.0
Feb.	1,535.8	1,307.1	1,246.1	3,662.4	2,414.3	2,810.7	2,330.4	755.2	1,743.0	370.2	1,722.6
Mar.	1,684.4	1,541.5	1,134.5	4,199.1	2,490.0	2,654.0	2,553.2	846.8	1,732.4	385.0	1,905.6
Apr.	2,053.7	2,110.4	1,454.6	5,140.1	2,935.6	3,223.8	3,175.8	1,050.3	2,290.8	446.9	2,368.2
May	2,327.5	2,691.7	1,937.8	5,819.6	3,334.8	3,924.4	3,513.1	1,213.6	2,640.1	504.3	2,733.4
Jun.	2,210.0	2,500.3	1,639.7	5,255.2	3,483.3	3,841.2	3,282.1	1,124.5	2,716.3	456.6	2,558.7
Jul.	2,362.4	2,859.4	1,800.3	5,255.8	3,600.0	3,819.7	3,568.5	1,216.1	2,843.0	484.7	2,756.3
Aug.	2,466.4	3,178.4	1,857.6	4,929.1	3,511.7	3,814.3	3,598.1	1,294.3	2,798.4	476.1	2,904.9
Sep.	2,661.4	3,536.1	1,926.4	5,291.7	3,568.7	3,824.4	3,927.4	1,414.6	2,941.3	478.7	3,156.8
Oct.	2,686.21	3,622.6	1,834.7	5,174.9	3,960.1	3,736.4	3,943.2	1,430.6	3,005.1	493.1	3,196.9
Nov.	2,263.3	2,864.0	1,570.9	4,139.3	3,306.0	3,102.7	3,327.5	1,178.3	2,575.9	412.4	2,644.2
Dec.	2,196.2	2,661.7	1,684.8	3,854.1	3,355.3	3,108.7	3,402.2	1,125.4	2,614.2	427.7	2,547.2
Max '09	2,932.4	4,033.1	2,247.5	6,119.0	4,097.9	4,213.6	4,432.7	1,578.7	3,252.7	528.2	3,518.3
Min '09	1,457.8	1,167.2	1,070.6	3,513.4	2,354.0	2,432.0	1,990.4	709.7	1,666.3	361.9	1,625.8

Source: ASE. End of month closing prices

In regard to individual share prices, out of 283 shares traded in the ASE at the end of 2009, 142 (50.2%) registered annual gains. Moreover, 10 shares showed gains of more than 100%, while, on the other hand, the price of 15 shares fell by more than 50%. The best performing stocks of 2009 where those of Proton Bank, which gained 193%, followed by Shelman and Kyriakidis, which gained 166% and 161% respectively. Among large capitalization companies, the largest gains in comparison to their price as at

31.12.08 were registered by the Bank of Cyprus (83%), Coca Cola HBC (69%), Intracom (64%), OLP (52%), National Bank of Greece (50%) and Hellenic Petroleum (50%).

Transaction Value

In 2009, the total annual value of transactions in the ASE amounted to 50,866.8 bn Euros, sustaining an annual decrease of 34.9% (Table 6). The average daily value of transactions stood at 205.1 million Euros in 2009, as compared to 316.5 million Euros in 2008 and 481.3 million Euros in 2007. The highest average daily value of transactions was observed in October (299.4 million Euros), while the lowest average daily value of transactions was observed in February (105.9 million Euros).

The total annual value of transactions on large capitalization stocks in the ASE reached 48,797.7 million Euros in 2009, accounting for 95.9% of the total annual value of transactions in the ASE, as compared to 96.7% in 2008 and 92% in 2007. The annual value of transactions on middle and small capitalization stocks accounted for 3% of the total value of transactions performed in 2009, as compared to 2.3% in 2008 and 7.5% in 2007. The annual value of transactions on shares of the low dispersion and specific features category, and on shares under probation, accounted for 0.65% of the total annual value of transactions for 2009, as compared to 0.9% in 2008. Finally, the annual value of transactions on Exchange Traded Fund shares accounted for just 0.1% of the total annual value of transactions (Table 6).

TABLE 6. The Value of Transactions in the ASE, 2009

Month	Large Capitalization	Middle and Small Capitalization	Low Dispersion and Specific Features	Under Probation	Exchange Traded Funds	Grand Total[1] (billion Euros)
Jan.	2,391.18	53.23	6.96	1.69	6.90	2,460.43
Feb.	2,049.26	50.73	11.28	2.68	4.49	2,118.58
Mar.	2,295.49	70.02	6.47	2.39	2.72	2,377.50
Apr.	3,422.57	93.06	152.07	8.30	2.85	3,679.16
May	5,028.07	156.30	7.57	13.49	5.56	5,211.98
Jun.	4,414.88	159.52	25.65	27.94	7.69	4,635.91
Jul.	4,024.39	127.13	5.44	8.82	7.65	4,175.91
Aug.	3,926.83	225.81	5.99	8.51	6.04	4,173.96
Sep.	5,354.89	134.57	22.74	6.27	4.08	5,525.43
Oct.	6,055.91	196.20	14.32	7.27	6.41	6,286.73
Nov.	5,432.62	104.98	8.38	6.66	8.16	5,563.20
Dec.	4,401.78	177.20	65.20	3.93	8.64	4,658.06
Total 2009	48,797.86	1,548.76	332.07	97.93	71.19	50,866.82

Source: ASE. [1] The Grand Total includes fixed income securities.

Market Capitalization of Listed Companies

By the end of 2009, the total market capitalization of ASE-listed shares, including exchange traded funds, stood at 83.4 bn Euros, increased by 22.3% year-on-year, as compared to a 65.1% y-o-y decrease in 2008 (Table 7). The increase in total market capitalization during 2009 was the result of an increase in *prices, given that there were only 4 IPOs in ASE markets during the year, while the capital injected in the market by means of rights issues by already listed companies stood at 4.7 bn Euros.*

In December 31, 2009, the market capitalization of large cap companies reached 70,440 million Euros, increased by 27.4% year-on-year. The market capitalization of large capitalization shares accounted for 84% of total market capitalization in the ASE, as compared to 81% at the end of 2008. The capitalization of middle and small capitalization shares amounted to 5,588.6 million Euros, decreased by 19.5% year-on-year, and accounting for 6.7% of total listed company capitalization, as compared to 9.8% in 2008. The market capitalization of the low dispersion and specific features category stood at 6,954.4 million Euros and accounted for 8.3% of total market capitalization at the end of 2009 (as compared to 8.6% in 2008). Finally, the market capitalization of shares under probation and/or suspension accounted for 0.6% of total market capitalization, as compared to 0.4% in 2008.

In 2009, the market capitalization of the financial sector (banks, insurance companies, leasing companies, portfolio investment companies, real estate investment companies) increased by 42.1% year-on-year, and accounted for 44.9% of the total market capitalization of ASE-listed shares at the end of the year, as compared to 38.7% in 2008 and 43.4% in 2007.

At the end of 2009, Banks accounted for 40.5% of total market capitalization in the ASE, as compared to 32.8% in 2008 and 41.6% in 2007, followed by Soft Drinks with 7% of total market capitalization as compared to 5.6% at the end of 2008, Gambling with 6.6% (10.4% at the end of 2008), Fixed Line Telecommunications with 6% (8.6% in 2008), Electricity with 3.6% and Oil & Gas with 2.9%.

TABLE 7. Market Capitalization of the ASE Listed Companies, 2009.

Month	Large Capitalization	Middle and Small Capitalization	Low Dispersion and Specific Features	Under Probation	Grand Total
Jan.	54,705.41	6,359.71	5,168.85	274.00	66,507.97
Feb.	46,956.18	5,878.74	4,519.82	266.19	57,620.93
Mar.	51,535.45	6,199.43	4,690.49	269.55	62,694.92
Apr.	62,826.93	8,068.13	4,795.93	332.81	76,023.80
May	72,002.10	9,013.92	5,304.90	403.20	86,724.12
Jun.	68,004.02	6,671.43	7,327.99	420.81	82,424.25
Jul.	73,667.74	6,668.78	7,427.30	630.56	88,394.38
Aug.	77,220.20	6,814.27	7,608.97	586.14	92,229.58
Sep.	83,159.41	6,933.22	7,894.40	547.85	98,534.88
Oct.	84,497.18	7,079.28	7,323.89	509.68	99,410.03
Nov.	71,294.98	6,054.03	6,790.64	454.14	84,593.79
Dec.	70,440.02	5,588.56	6,954.40	464.49	83,447.47

Source: ASE.

By the end of 2009, listed company participation to total market capitalization in the ASE was the following: the National Bank was the company with the largest market capitalization, holding a 13.2% share in the total market capitalization of the stock and ETF market. It was followed by Coca Cola HBC *with 7% of total capitalization, the Hellenic Telecom Organization (OTE) (6%), OPAP (5.9%), and Alpha Bank (5.3%). The capitalization of the ten largest listed companies as a percentage of total market capitalization in the ASE registered a marginal increase, and stood at 55.7% by the end of 2009, as compared to 55.1% by the end of 2008.*

In 2009, there was an increase in average annual market liquidity, which reached 0.22% from 0.21% in 2008 and 0.20% in 2007 (Table 8). In December 2009, the average monthly liquidity index of the Athens Stock Exchange amounted to 0.25% as compared to 0.17% in December 2008 and 0.16% in December 2007. As far as other categories of stock are concerned, the average annual liquidity of both the middle and small capitalization, and the large capitalization categories remained unchanged in 2009 (0.04% and 0.27% respectively).

TABLE 8. Monthly Liquidity Index[1] in the ASE, 2009.

Month	Large Capitalization Category	Middle & Small Capitalization Category	Special Characteristics Category	Total markets
Jan.	0.21%	0.033%	0.0091%	0.1754%
Feb.	0.19%	0.040%	0.0056%	0.1614%
Mar.	0.22%	0.043%	0.0071%	0.1872%
Apr.	0.29%	0.067%	0.103%	0.2467%
May	0.35%	0.089%	0.0069%	0.29990%
Jun.	0.29%	0.203%	0.0090%	0.2471%
Jul.	0.20%	0.063%	0.0061%	0.1691%
Aug.	0.23%	0.101%	0.0039%	0.2011%
Sep.	0.27%	0.085%	0.0145%	0.2311%
Oct.	0.31%	0.124%	0.0080%	0.2719%
Nov.	0.30%	0.073%	0.0056%	0.2575%
Dec.	0.28%	0.085%	0.0094%	0.2450%

Source: ASE

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

TABLE 9. Market Capitalization and Macroeconomic Indicators, 1999-2009.

End of year	Market Capitalization (% of GDP)	Market Capitalization (% of M3)	Market Capitalization (% of commercial deposits & repos)
2009	28.5	34.9[1]	35.6[1]
2008	34.7	29.0	30.0
2007	85.7	95.0	98.8
2006	73.8	87.6	90.3
2005	61.9	75.3	77.1
2004	49.7	60.5	67.0
2003	49.4	61.5	68.7
2002	41.7	61.6	66.3
2001	66.3	67.4	77.0
2000	130.6	92.5	99.9
1999	169.4	172.8	193.9

Source: ASE, Bank of Greece, National Statistical Service.

[1] . November 2009

By the end of 2009, the total market capitalization of ASE-listed companies and ETFs was equivalent to 28.5% of Greek GDP, as compared to 34.7% at the end of 2008 and 85.7% at the end of 2007. Moreover, in November 2009 the total market capitalization of ASE-listed companies represented 34.9% of Greece's contribution to money supply (M3) in the euro zone as compared to 29% at the end of 2008, and 35.6% of the total value of commercial deposits and repos, as compared to 30% at the end of 2008 (Table 9).

Net profits and Dividends of ASE-Listed Companies

The net profits and sales of listed companies are expected to decrease in 2009, as compared to 2008, mainly due to the contraction of domestic demand. According to the listed companies' published financial results for the nine-months of 2009, their consolidated turnover decreased by 14.5% year-on-year, while net profits decreased by 25.9%.

At the end of 2009, the weighted price to after tax earnings ratio (P/E) for the entire capital market stood at 21.7, as compared to 12.5 in 2008 and 27.7 in 2007 (Table 10). The weighted profit distribution rate for the total of ASE-listed companies stood at 5.4% at the end of 2009, as compared to 7.3% in 2008.

As far as Banks, a sector which accounts for 41% of total listed company capitalization and was severely hit by the financial sector, are concerned, weighted P/E rose to 19.5 in December 2009 from 6.6 in 2008 and 26.1 in 2007, while the weighted profit distribution rate fell to 5.8% in December 2009, as compared to 9.5% in the same month of 2008.

TABLE 10. Price to Earnings (P/E) ratio and listed company returns, 2000-9

End of year	Weighted P/E (after taxes)	Weighted Profit Distribution Rate
2009	21.7	5.4
2008	12.5	7.3
2007	27.7	2.9
2006	30.5	2.4
2005	29.4	3.6
2004	26.7	4.0
2003	28.0	4.8
2002	22.6	6.3
2001	24.9	4.1
2000	27.5	10.3

Source: ASE.

The Fixed-income securities market.

As a result of the financial crisis that broke out in 2008, and the huge borrowing requirements of the Greek state, price volatility remained high in the Greek bond market during 2009. According to data from the Bank of Greece and the General Accounting Office of the State, bond prices showed a mixed *picture for different maturities, with changes in the slope of the yield curve as reflected by the movement of the spread of the three-year over the 30-year bond.*

The spread between short-term and long-term securities reached 304 basis points in early February 2009, from 172 basis points in late 2008, and remained below 250 basis points till mid-May 2009 and between 300 and 316 points till July 2009. By the end of the year the spread of the 3-year over the 30-year bond fell to 233 basis points from 288 in November 2009.

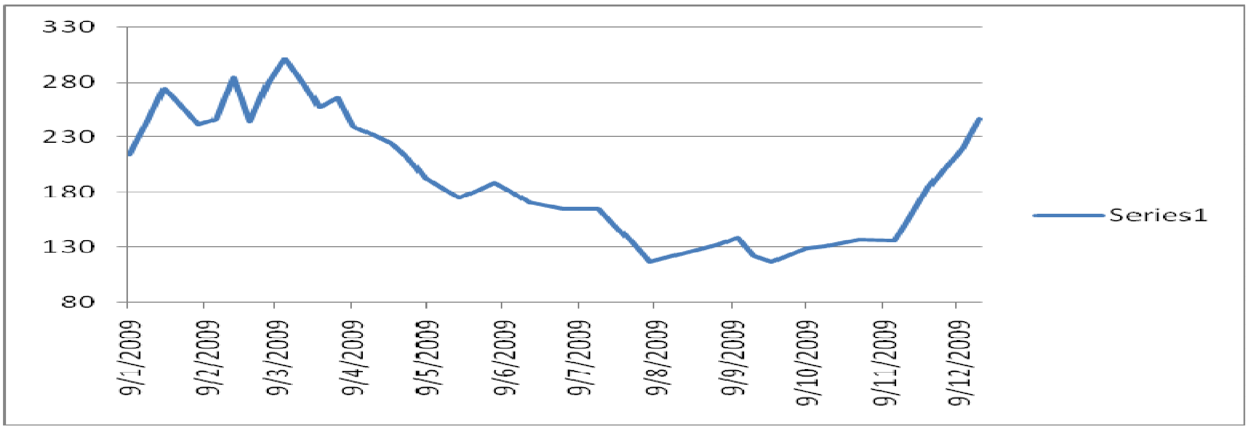
Moreover, the Greek bond market appeared to be vulnerable to the ratings given to Greece by credit rating agencies throughout 2009. This fact is, amongst others, reflected in the movement of credit default swap spreads, the movement of the spread of the Greek ten-year bond of the German 10-year reference bond and, in general, the increase of total borrowing costs during 2009. The average spread of the Green ten-year bond over the ten-year Bund rose from 229 points in the beginning of the year to 257 points at the end of the first quarter, reaching 301 basis points in the first ten-days of March. The Greek bond market continued to present an uncertain picture during the second quarter of 2009, with individual maturities registering both gains and losses. Furthermore, the yield of the Greek 10-year bond converged to that of the German 10-year bond, leading to a spread of 165 points at the end of the 2nd quarter of 2009. However, the spread rose to 226 basis points at the end of 2009, from 156 in November. The movement of the spreads is illustrated by Figure 4.

The value of transactions in the Electronic Secondary Securities Market (IDAT) increased since August 2009, as compared to the same months of 2008, reaching 55.4 bn Euros in October 2009, and stood at 17.48 bn Euros in the last month of the year, as compared to 5.45 bn Euros in December 2008.

Moreover, the largest part of Greek government debt continued to comprise long-term maturities during 2009, albeit was reduced as compared to the previous structure, also showing a substantial increase in medium-term debt. The largest part of the debt continued to be serviced in euro and at fixed rates during 2009.

The average remaining maturity of Greek debt fell to 7.8 years in the third quarter, as more emphasis was placed on short- and medium-term borrowing. The value of transactions on Greek government bonds with maturities of more than 10 years accounted for 51.3% of the total in the second quarter of 2009. This picture was reversed, though, towards the end of the year, as the value of transactions on securities with maturities between 5-10 years accounted for 70% of the total value of transaction in IDAT during the third quarter. By the end of the year investor interest focused on securities with remaining maturities between 3 and 5 years, which absorbed 45% of the total value of transactions.

FIGURE 4. Spread of the Greek over the German 10-year Government Bond, 2009



The Derivatives Market

In 2009, the financial derivative products market of the Athens Stock Exchange was marked by the growth of trading activity despite the drop in the number of listed derivative products, an increase in the market share of stock futures and the increase of market maker over client participation.

In 2009, the average daily volume of transactions on traded futures and options amounted to 31,693 contracts, as compared to 28,804 contracts in 2008, 26,123 contracts in 2007 and 23,287 contracts in 2006. The highest activity was observed in December 2009, with an average daily volume of transactions of 45,324 contracts. The largest increase in the average daily volume of transactions concerned stock futures (36.2%), while the largest decrease in the average daily volume of transactions concerned stock options (62.8%). FTSE/ASE-Mid 40 futures did not show any trading activity during the first half of the year, and the Board of the ASE decided to suspend their trading in July 2009.

In 2009, there was a decrease in the average daily volume of transactions of two derivative products whose underlying instrument is the FTSE/ASE 20. This decrease reached 15.22% in the case of futures and 12.6% in the case of options. The average daily volume of transactions on two derivative products whose underlying instrument is the FTSE/ASE 20 index accounted for 35.06% of the total average daily volume of transactions for the year 2009, as compared to 45.31% of the total average daily volume of transactions in 2008, 48.31% in 2007and 53.05% in 2006 (Figure 5).

The average daily volume of transactions on all stock futures rose from 14,913 contracts in 2008 and 12,308 in 2007 to 20,311 contracts in 2009, increased by 36.20% year-on-year. In 2009, the largest average daily volume of transactions concerned the future of the National Bank of Greece (3,143 contracts). The increase in the volume of transactions on all stock futures improved the share of this type of product in the total average daily volume of transactions in the derivatives market, which stood at 64.09% in 2009, as compared to 51.77% in 2008 and 47.12% in 2007. Similarly, the average daily volume *of transactions on all stock options fell to 273 contracts in 2009, from 734 contracts in 2008 and 424 contracts in 2007. Finally, trading on the Intracom option was suspended in July.*

The total volume of transactions on Stock Repos fell to 988,765 contracts in 2009, from 1,003,801 contracts in 2008 and 878,101 contracts in 2007, while the volume of transactions on Stock Reverse Repos rose to 1,482,219 contracts in 2009 from 1,339,537 contracts in 2008 and 1,155,102 contracts in 2007. Finally, the total volume of transactions on Special Type Repurchase Agreements increased by 13.74%, to 485,845 contracts from 427,170 contracts in 2008.

In 2009, there was an increase in the number of investors activated in the derivatives market. The number of end investor-client accounts amounted to 39,237 accounts in December 2009, as compared to 34,915 accounts in 2008 and 34,820 in 2007, registering an annual increase of 12.38%. The monthly average of active investor accounts stood at 3,535 in 2009 as compared to 3,411 in 2008 and 3,584 in 2007, and accounted for 9.54% of total investor accounts in 2009, as compared to 10.17% in 2008 and 10.81% in 2007.

The ratio of market maker to client transaction value for all the products traded in the derivatives market was 49:51 in 2009, as compared to 38:62 in 2008, and 42:58 in 2007 (Table 12). This improvement in market maker participation in the derivatives market is mainly due to the non-inclusion of the ratio concerning FTSE/ASE20 futures and options, which was heavily in favor of clients during the previous year, due to the suspension of their trading, as well as the significant increase of market maker participation in the value of transactions on stock options (50:50 in 2009 as compared to 36:64 in 2008). The ratio under consideration also improved in favor of market makers in the case of FTSE/ASE-20 futures, and remained unchanged in the case of stock futures.

TABLE 11. Intermediation Agencies in the derivatives market, 2009

	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2005
Trading Members	50	54	51	54	55
New members per year	0	4	1	3	2
Member mergers and deletions	-4	-1	-4	4	-7
Clearing Members (ADECH)	31	34	35	37	36
New members per year	0	0	0	3	0
Member mergers and deletions	-3	-1	-2	-2	-5
- Direct Clearing Members	19	22	23	24	24
- General Clearing Members	12	12	12	13	12
Terminals	295	291	295	303	310
API use agreements	35	32	29	32	30
Client Accounts	39,237	34,915	34,820	31,355	27,399
Products	7	10	11	11	11

Source: ASE.

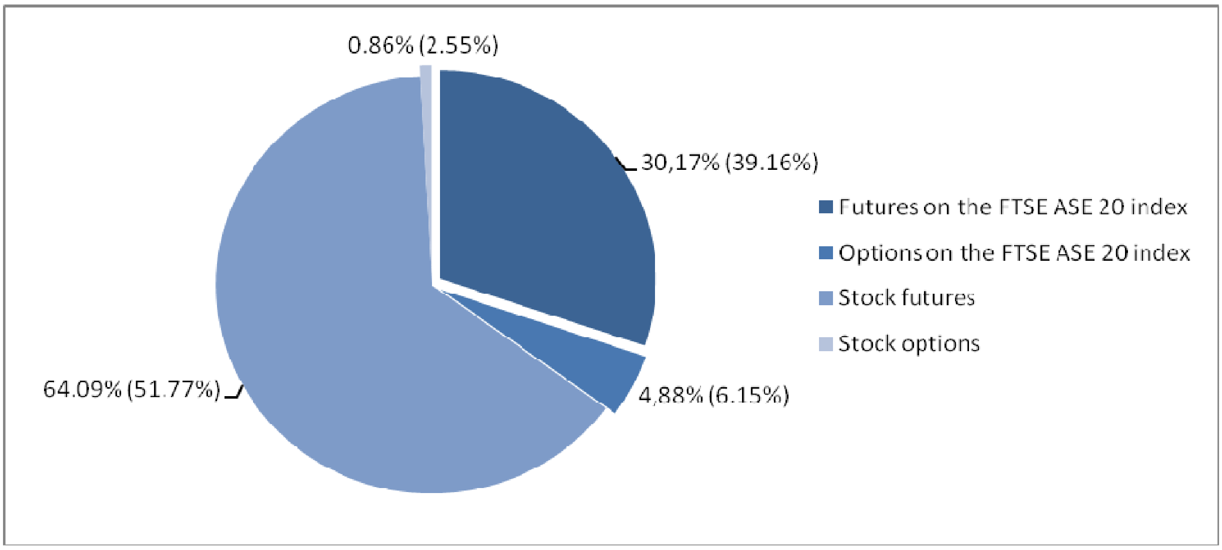
TABLE 12. Distribution of Contracts in the Derivatives market, 2007-2009

Derivative financial products of the ASE derivatives market	Distribution of Contracts					
	Average 2009		Average 2008		Average 2007	
	MM	Clients	MM	Clients	MM	Clients
FTSE/ASE- 20 futures	42%	58%	38%	62%	41%	59%
FTSE/ASE Mid 40 futures	-	-	12%	88%	32%	68%
FTSE/ASE- 20 futures	59%	41%	56%	44%	49%	51%
FTSE/ASE- 40 options	-	-	40%	60%	53%	47%
Stock futures	45%	55%	46%	54%	43%	57%
Stock options	50%	50%	36%	64%	34%	66%
Total Products	49%	51%	38%	62%	42%	58%

Source: ASE

The comparison of the value of transactions in the derivatives market to the value of transactions in the transferable securities market of the ASE in 2009 indicates that the average ratio of the value of transactions on futures and options to the total value of transactions in the underlying market rose to 0.62 in 2009, from 0.60 in 2008 and 0.54 in 2007 (Table 13). A decrease was also observed in the average ratio of the value of transactions on all FTSE/ASE20 futures and options to the value of transactions on the stocks included in this index, which fell to 0.36 in 2009, from 0.45 in 2008, and 0.48 in 2007.

FIGURE 5. Distribution of the Volume of Transactions in the derivatives market per product, 2009



Source: ASE.

TABLE 13. Value of transactions in the underlying and the futures derivative markets, 2009

Month / Year	Value of transactions on FTSE/ASE20 & MID40 stocks to ASE Stocks	Value of transactions on futures & options to ASE Stocks	Value of transactions on futures & options to FTSE/ASE20 stocks.	Value of transactions on share futures and options to stocks
Jan. 2009	83%	55%	39%	8%
Feb. 2009	83%	45%	34%	11%
Mar. 2009	84%	102%	41%	13%
Apr. 2009	77%	62%	32%	8%
May 2009	77%	99%	33%	8%
Jun. 2009	81%	60%	42%	11%
Jul. 2009	85%	56%	28%	6%
Aug. 2009	81%	38%	32%	8%
Sep. 2009	83%	44%	36%	10%
Oct. 2009	83%	45%	31%	7%
Nov. 2009	89%	71%	37%	7%
Dec. 2009	86%	61%	51%	11%
Average 2009	83%	62%	36%	9%
Average 2008	93%	60%	45%	6%
Average 2007	83%	54%	48%	4%

Source: ASE.

In 2009 the call:put ratio for the total of transactions on index options was in favor of put options on the FTSE/ASE-20, reflecting investor concerns about the performance of stock markets. More specifically, the value of the ratio regarding the entire volume of transactions on FTSE/ASE-20 options fell to 0.93 in 2009 from 0.97 in 2008 and 2007. It should be noted that the ratio showed significant monthly fluctuations during 2009 (maximum value: 1.90 in March; minimum value: 0.67 in September), with the average monthly value of the ratio amounting to 0.99 in 2009 as compared to 1 in 2008 and 1.05 in 2007.

NEW CORPORATE SECURITY ISSUES

In 2009, there was an increase in issuing activity in the stock exchange, as compared to the previous year. Price trends upon initial listing were similar to price trends upon secondary trading, reversing the situation of the past few years, mainly due to increased activity in the primary market. As a result of relatively low valuations and significant market fluctuation in 2009, only one company made an initial public offering, raising 10 million Euros, despite the interest shown by other companies. In contrast, ASE listed companies showed considerable issuing activity. Three companies proceeded to share capital increases due to absorption and through the listing of new shares in the ASE, raising a total of 31.3 million Euros. Seventeen companies proceeded to share capital increase through public offering for the listing of new shares in the ASE, raising a total of 4.63 bn Euros, while one company (under probation) increased its share capital by 660 thousand Euros through the capitalization of liabilities. Finally, five companies proceeded to share capital increases by public offering without listing new shares in the ASE, *raising a total of 103.3 million Euros. In 2009 the total value of capital raised from the market stood at €4,776.5 million as compared to €664.08 million in 2008, €10.69 bn in 2007, €4.16 bn in 2006, €2.76 bn in 2005, €414.1 million in 2004, €462.1 million in 2003, €435.5 million in 2002 and €1.49 bn in 2001.*

Share issues through initial public offerings

In 2009, there was only one initial public offering of shares in the Athens Stock Exchange. In 2008, IPO activity was inexistent, as compared to four IPOs in 2007, two in 2006, eight in 2005, ten in 2004 and sixteen in 2003 (Tables 14 and 15).

In 2009, there were four public offerings of shares that were not-listed for trading in the ASE. More specifically, the Epirus Cooperative Bank raised 3.49 million Euros from the public, REA Hospital SA raised 10.2 million Euros and 9.34 million Euros (in two public offerings), Probank SA raised 80.1 million Euros and Porto Karras SA raised almost 2.5 million Euros. The total funds raised by non-listed companies stood at 103.25 million Euros.

TABLE 14. Share public offerings by listed companies, 2009

No	Company	Trading category	Funds Raised (€)
1	*HELLENIC POSTBANK*	*Large Capitalization*	*526,262,033*
2	*GENERAL BANK OF GREECE*	*Large Capitalization*	*175,724,341*
3	*NATIONAL BANK OF GREECE*	*Large Capitalization*	*1,247,154,050*
4	*ALPHA BANK*	*Large Capitalization*	*986,343,968*
5	*ALAPIS SA*	*Large Capitalization*	*451,076,101*
6	*S&B INDUSTRIAL MINERALS*	*Large Capitalization*	*41,425,760*
7	*HYGEIA SA*	*Large Capitalization*	*82,916,400*
8	*ATTICA BANK*	*Middle and Small Capitalization*	*152,373,244*
9	*INTPAKAT - KARAYANNIS- CYBARCO- EUROKAT*	*Middle and Small Capitalization*	*11,877,600*
10	*NUTRIART SA*	*Middle and Small Capitalization*	*17,294,518*
11	*ELINOIL SA*	*Middle and Small Capitalization*	*10,056,260*
12	*NIREUS SA (only listing of bonds)*	*Middle and Small Capitalization*	-
13	*CHATZIKRANIOTIS (MM only listing, no PO)*	*Middle and Small Capitalization*	*685,941*
14	*KATSELIS-ALLATINI-ELVIPET*	*Middle and Small Capitalization*	*21,230,760*
15	*R.E.D.S*	*Middle and Small Capitalization*	*24,954,466*
16	*INTERFISH SA*	*Middle and Small Capitalization*	*6,723,197*
17	*EMPORIKI BANK*	*Low Dispersion and Spec. Characteristics*	*849,511,894*
18	*PC SYSTEMS - OPENTEC- COMPUTERBANK*	*Low Dispersion and Spec. Characteristics*	*3,320,982*
19	*HOL-Hellas Online*	*Under Probation*	*50,707,692*
20	*KERAMIA ALLATINI SA*	*Under Probation*	*3,517,075*
	TOTAL 1		4,663,156,282
21	*PROODEFTIKI SA*	*Under probation (mand. Capit.)*	*660,000*
	TOTAL 2		660,000
22	*EPIRUS COOPERATIVE BANK*	*W/o listing*	*3,488,542*
23	*Rea HOSPITAL SA*	*W/o listing*	*10,200,000*
24	*PROBANK SA*	*W/o listing*	*80,086,889*
25	*PORTO KARRAS (below 2.5 mio) €)*	*W/o listing*	*130,500*
26	*Rea HOSPITAL SA*	*W/o listing*	*9,339,600*
	TOTAL 3		103,245,532
	GRAND TOTAL		4,767,061,814

Source: HCMC

TABLE 15. Share issues through public offerings 2000-2009

Year	Total offerings	IPOs			Public offerings by Listed Companies		
		No	Amount (mn €)	% of total.	No	Amount (mn €)	% of total.
2009	27	1	10	0.1	26	4,663.8	99.9
2008	0	0	0	0	11	607,26	100
2007	4	4	500.73	4.7	28	10,186.5	95.3
2006	2	2	725.25	100	0	0	0
2005	8	7	81.9	6	1	1,266.00	94
2004	10	10	95.4	100	0	0	0
2003	16	14	118.4	8.1	2	1,349.50	92.9
2002	20	18	92.5	9.6	2	873.5	90.4
2001	24	24	1,075.60	100	0	0	0
2000	49	48	2,557.80	87.8	1	356	12.2

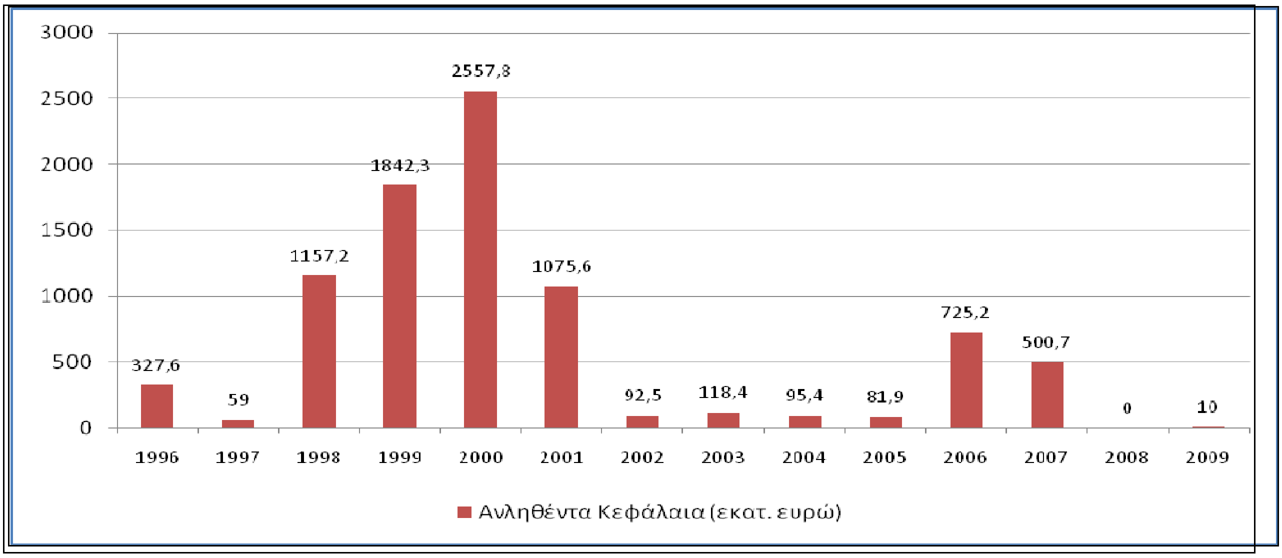
Source: HCMC

TABLE 16. Quarterly distribution of share issues through initial public offerings 2007-9

	Stat	Number of issues			Total Funds Raised (mn €)			% of total.			Average weighted subscription		
		2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
1	A.V.						11.52						
	Total	0	0	1	0	0	11.52	0	0	3	0	0	11.82
2	A.V.						135.24						
	Total	0	0	1	0	0	135.24	0	0	27		0	1.65
3	A.V.				10		0						
	Total	1	0	0	10	0	0	100	0	0	4.54	0	0
4	A.V.				0		76.99						
	Total	0	0	2	0	0	353.98	0	0	70		0	3.25
Total	AV						125.18						
	Total	0	0	4	10	0	500.74	100	0	100		0	

Source: HCMC

FIGURE 6. Capital raised from IPOs, 1996-2009



Source: HCMC

FIGURE 7. Public offering of shares without listing, 2009

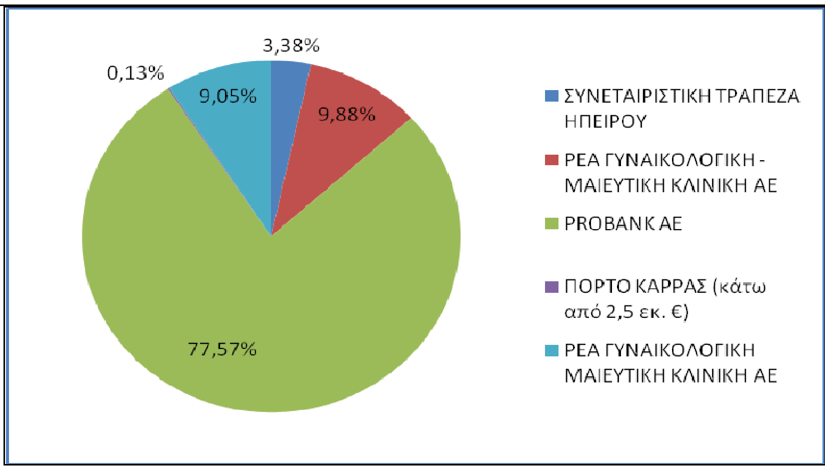
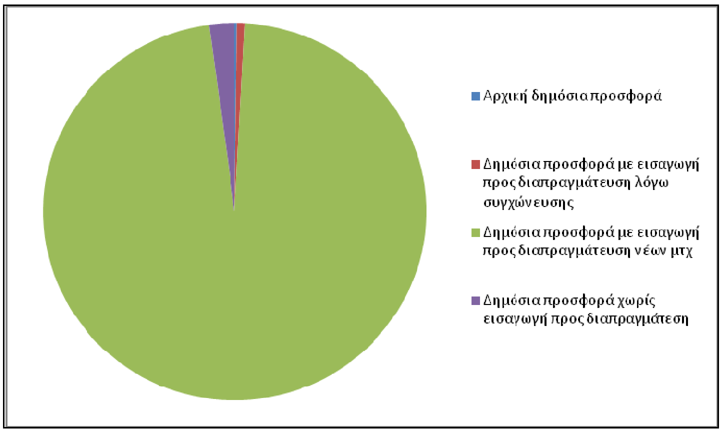


FIGURE 8. Funds raised by ASE-listed companies, 2009



Share issues by listed companies

The number of companies that performed share capital increases in 2009 was increased by 40.5% as compared to 2008, while the total value of funds raised reflects an ongoing corporate restructuring effort in the face of the current deterioration, the improvement of the companies' investment programs, and investor interest.

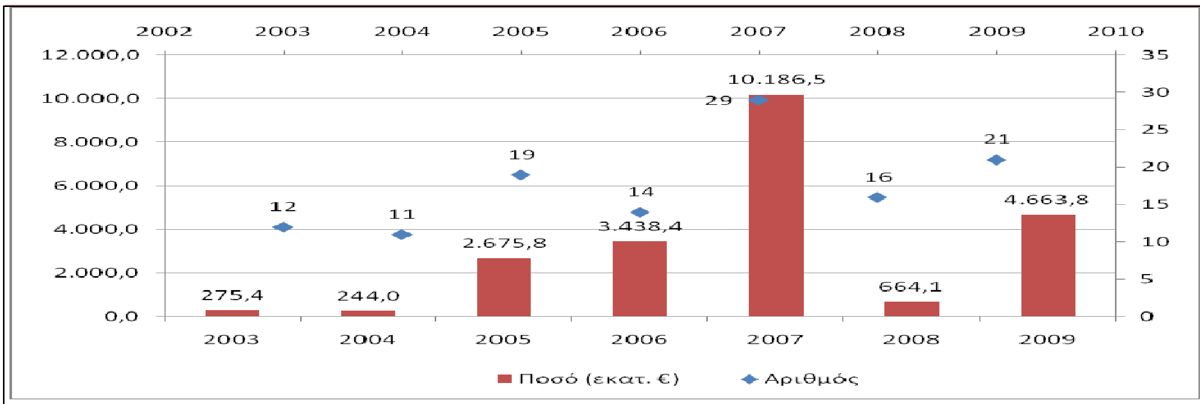
Share offerings by already listed companies were mainly performed by banking and manufacturing enterprises. Their largest part came from large capitalization companies, the most important being the National Bank of Greece, which raised 1.25 bn Euros, followed by Alpha Bank with 986.4 million Euros and Hellenic Postbank with 526.3 million Euros. The largest public offering by a manufacturing company was that of Alapis SA, which raised 451 million Euros, followed by S&B Industrial Minerals. The largest public offering of shares among middle and small capitalization companies was made by the Bank of Attica. Finally, Emporiki Bank, which has been transferred to the special characteristics market, made a substantial capital injection of 849.5 million Euros.

TABLE 17. Share capital increases by ASE-listed companies, 2003-09.

Year	Number of Share Capital Increases	Total Funds Raised (mn €)
2009	21	4,663.8
2008	16	664.08
2007	0	0
2006	29	10,186.53
2005	14	3,438.4
2004	19	2,675.8
2003	11	244.0

Source: HCMC

FIGURE 9. Funds raised through share capital increases in the ASE, 2002-2008



Source: HCMC

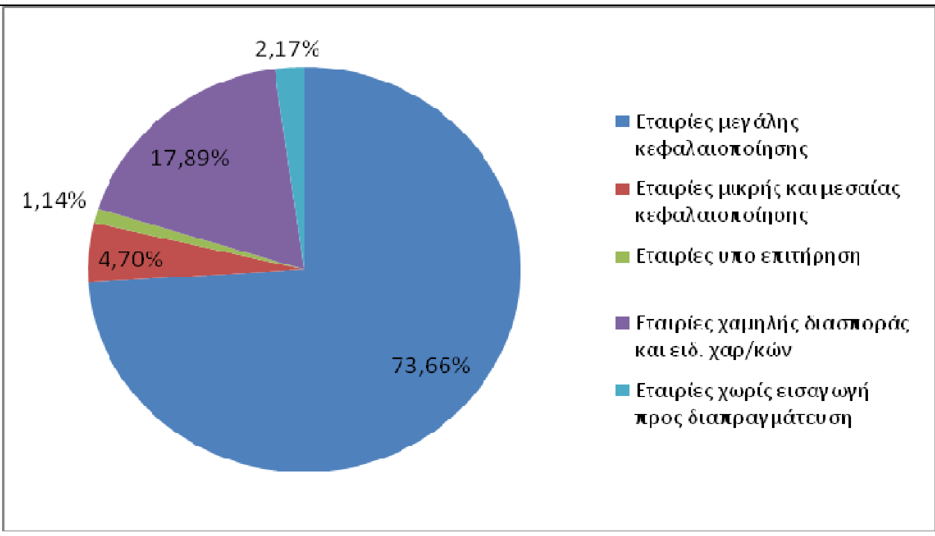
The quarterly distribution of share capital increases in 2009 (Table 18) is the following: In the first quarter there were 8 share capital increases with a total value of 1.5 bn Euros, which account for 31.5% of the total funds raised throughout the year; in the second quarter there were also 2 increases, with a total value of 850.2 million Euros (17.8% of the total); in the third quarter there 7 increases, with a total value of 1.14 billion Euros (24.0% of the total); and in the fourth quarter there were 8 increases, with a total value of 1.28 billion Euros that absorbed 26.7% of the total funds raised.

TABLE 18. Quarterly distribution of share capital Increases by ASE Listed Companies, 2009

per	St	Number of issues		Total Funds Raised (mn €)		% of total.	
		2009	*2008*	*2009*	*2008*	*2009*	*2008*
1	*A.V.*						
	Total	*8*	*0*	*1,500,651,868*	*0*	*31.5%*	*-*
2	*A.V.*						
	Total	*2*	*0*	*850,197,835*	*0*	*17.8%*	*-*
3	*A.V.*						
	Total	*7*	*0*	*1,142,406,046*	*0*	*24.0%*	*-*
4	*A.V.*						
	Total	*8*	*0*	*1,273,146,065*	*0*	*26.7%*	*-*
Total	*AV*						
	Total	*25*	*0*	*4,766,401,813*	*0*	*-*	*-*

Source: HCMC

FIGURE 10. Funds raised through share capital increases per sector, 2009



Fixed income security issues by listed companies

In 2009, NIREUS SA, a listed company, completed a fixed income security issued without public offering. The total value of the issue stood at 33.8 million Euros. The relevant total amounts raised by fixed income issues in previous years: 30 million Euros in 2008, 320.01 million Euros in 2007, 53.43 million Euros in 2006, 13.04 million Euros in 2005, 74.7 million Euros in 2004 and 68.4 million Euros in 2003.

Mergers and acquisitions in the capital market

In 2009 there was a marked reduction in corporate restructuring (mergers, spin-offs and acquisitions of business sectors) with the participation of ASE-listed companies.

More specifically, in 2009 there was no corporate restructuring among listed companies. Moreover, mergers among listed and non-listed companies were significantly reduced as compared to 2008, as 16 companies absorbed 26 non-listed companies through merger (including the acquired business sectors of non-listed companies — Table 19A), while in the previous year 22 listed companies had absorbed 33 non-listed companies through merger (including the acquired business sectors of non-listed companies). Of the acquirer listed companies, two came from the Building Materials and Fixtures sector, and the remaining companies came from different sectors (Farming & Fishing, Computer Hardware, Durable Household Products, Pharmaceuticals, Computer Services, Transportation Services, Health Care Providers, Software, Publishing, Furnishings, Clothing & Accessories, Aluminum and Personal Products).

Corporate restructuring through spin-offs and acquisitions of business sectors were also significantly reduced. More specifically, in 2009 there 5 business sectors were spun-off from ASE-listed companies and were acquired by 6 non listed companies (Table 19B), as compared to 13 spin-offs in 2008, at a ratio of 12 non-listed to 1 listed company. The spin-offs and acquisitions of business sectors that took place in

2009 concerned one company from each of Specialty Retailers, Specialty Chemicals, Aluminum, Computer Services and Heavy Construction.

TABLE 19. Company mergers and absorptions in the capital market, 2009

A.	**Mergers among listed and non-listed companies, 2009**		
No	**ACQUIRER**	**SECTOR**	**TARGET COMPANY**
1	*NIREFS SA*	*Farming & Fishing*	*RED ANCHOR SA ALPINO SA A-SEA SA*
2	*CPI SA*	*Hardware*	*MDI SA*
3	*X. BENRUBI SA*	*Durable Household products*	*ELECTROLINK SA*
4	*ALAPIS SA*	*Pharmaceuticals*	*ALAPIS PHARMA SA LAMDA APPLIED SA PNG GEROLYMATOS SA*
5	*ALPHA GRISSIN SA*	*Computer Services*	*ALPHA GRISSIN MANAGEMENT AND FINANCIAL LTD GRISIN PAPPAS SA*
6	*IMPERIO ARGO GROUP SA*	*Transportation Services*	*BALAUF HELLAS SA TRANSPORT AGETEK SA*
7	*XYLEMPORIA SA*	*Building Materials & Fixtures*	*INTERWOOD SA*
8	*HERACLES GENERAL CEMENT COMPANY SA*	*Building Materials & Fixtures*	*GREEK CEMENT RESEARCH CENTER*
9	*HYGEIA SA*	*Health Care Providers*	*MAGNITIKI YGEIA SA*
10	*HELLAS ONLINE SA*	*Software*	*Fixed telephony and broadband services sector of VODAFONE PANAFON SA*
11	*NAFTEMBORIKI PUBLISING SA*	*Publications*	*GRAPHIC ARTS SA EMOS SA*
12	*VIOCARPET SA*	*Furnishings*	*A. NIKOLAIDIS SA CHRISOSTOMIDIS SA VERGINA SA*
13	*ELMEC SPORT SA*	*Clothing & Accessories*	*FACTORY OUTLET SA FACTORY OUTLET AIRPORT SA*
14	*ELVAL HELLENIC ALUMINUM INDUSTRY*	*Aluminum*	*ELVAL SERVICE CENTER SA*
15	*PLIAS SA*	*Personal Products*	*GAGEO SA HOTEL EQUIPMENT*
16	*AS COMPANY SA*	*Specialty Retailers*	*KOSMOKID SA*
B.	**Listed company business sector spin-offs and acquisitions by non-listed companies, 2009**		
No	**LISTED COMPANY**	**BUSINESS SECTOR**	**COMPANY WHICH ACQUIRED THE SECTOR**
1	*VIVERE SA*	*Specialty Retailers*	*VIVERE RADIO PRODUCTIONS SA (now VICOM HOLDINGS SA)*
2	*DRUCKFARBEN HELLAS SA*	*Specialty Chemicals*	*ETROCHROMA SA*
3	*ETEM SA*	*Aluminum*	*ETALBOND SA*
4	*ALTEC SA*	*Computer Services*	*ALTEC SOFTWARE SA ALTEC INTEGRATION SA.*
5	*DOMIKI CRITIS SA*	*Construction*	*EOLIKO BOSKEROU SA*

Moreover, acquisitions by listed companies were significantly reduced as compared to 2008, as shown by their official corporate announcements in the ASE Daily Bulletin and the press releases posted on the ASE website. More specifically, 25 listed companies acquired 30 companies, of which 1 was listed and *the others non-listed companies (TABLE 20), while in 2008 52 listed companies acquired 90 non-listed companies. Most acquisitions were made by listed companies from the general sectors of Health Care (7) and Industrial Goods and Services (4), followed by listed companies from the general sectors of Construction & Materials (3), Media (3), Travel & Leisure (3), Financial Services (2), Basic Resources (2), Technology (2), Banks (1), Retail (1), Food & Beverage (1) and Personal & Household Goods (1).*

TABLE 20. Acquisitions by listed companies per general sector, 2009

Listed Cos	General Sector	Target Companies			
		Total	Listed	General Sector	Non Listed
1	Banks	1	-	-	1
2	Financial Services	2	-	-	2
2	Basic Resources	2	-	-	2
3	Construction & Materials	3	-	-	3
3	Industrial Goods & Services	4	-	-	4
2	Technology	2	1	Technology	1
3	Media	3	-	-	3
1	Retail	1	-	-	1
3	Travel & Leisure	3	-	-	3
1	Food & Beverages	1	-	-	1
1	Personal & Household Goods	1	-	-	1
3	Health Care	7	-	-	7
25	TOTAL	30	1		29

PART THREE

CAPITAL MARKET INTERMEDIARIES

INVESTMENT FIRMS

General Overview

In 2009, seventy three investment firms were operating in the Greek market. More specifically, in 2009 the HCMC granted operating licenses to three investment firms, granted license expansion to six (6) investment firms and approved operating license amendments for one investment firm. Moreover, the HCMC revoked the operating licenses of two investment firms and recalled the operating license in regard to specific investment services for four investment firms. In addition, the HCMC approved the eligibility of new Investment Firm board members in fourteen cases, and the eligibility of investment firm managers in seven cases. Furthermore, the HCMC approved the acquisition of qualifying holdings in Investment Firms in eight cases, and the offering of qualifying holdings in Investment Firms in six cases. Finally, in 2009 two investment firms were absorbed by two other investment firms. In 2009, the Common Guarantee Fund exceeded 164 million euro, including Investment Firms-ASE members and credit institutions-ASE members.

Trading activity

The erosion of investor sentiment and the decrease in share prices during 2009 led to reduced trading activity in the ASE. The total value of transactions (on stocks and bonds) of companies-members of the ASE (Investment Firms, Credit Institutions and remote members) stood at 101.74 bn Euros in 2009, reduced by 34.93% year-on-year (Figure 11). The average value of transactions per ASE-member stood at 1.34 bn Euros in 2009. Eleven firms ASE-members, which performed trades accounting for 75.05% of the total, outperformed this average. The share of the four investment firms-ASE members with the largest value of transactions as a percentage of the total value of transactions stood at 49.85% in 2009, while he top ten firms-ASE members executed 73.69% of the total value of transactions.

The value of transactions performed through the Thessalonica Stock Exchange Centre reached 5.49 billion Euros in 2009, from 5.32 billion Euros in 2008 and 5.5 billion Euros in 2007. The ratio of transactions in the Thessalonica Exchange Centre to the total value of transactions in the ASE stood at 10.8% in 2009, as compared to 6.81% in 2008 and 4.53% in 2007.

The total value of transactions executed by investment firms-ASE members stood at 70.63 bn Euros and accounts for 69.42% of the total value of transactions executed by all ASE members.

In 2009, eight investment firms-ASE members that are subsidiaries of credit institutions were operating in the market, including a firm-member of the Cyprus Stock Exchange that operated as a remote member of the ASE. The total value of transactions executed by investment firms-ASE members that are subsidiaries of credit institutions stood at 48.62 bn Euros in 2009 and accounts for 47.79% of the total value of transactions executed by all ASE members.

In 2009, there were sixteen active remote members in the ASE. The total value of transactions executed by remote-ASE members stood at 13.44 bn Euros and accounts for 13.21% of the total value of transactions executed by all ASE members.

FIGURE 11. Value of transactions by investment firms-ASE members and average value per member, 2005-2009 (billion €)

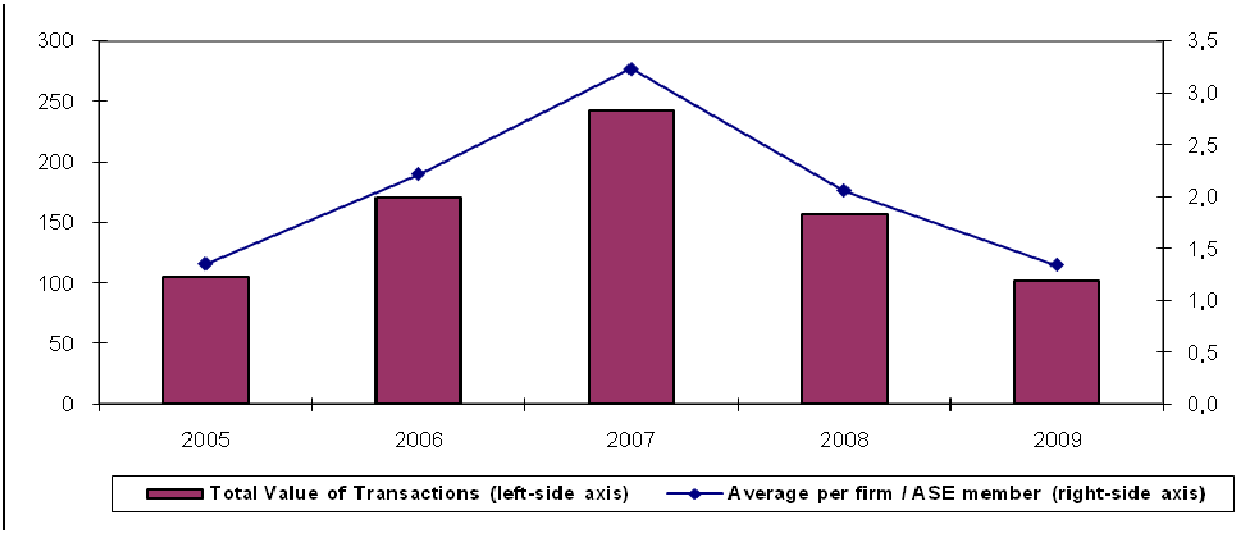


TABLE 20. Analysis of the value of transactions, 2006-2009 (€ ,000)

Transaction analysis (purchases & sales)	*2006*	*2007*	*2008*	*2009*
Total Transaction Value	*170,679,388*	*242,559,704*	*92,089,404*	*101,740,720*
% of total.) of top-4 ASE members	*50.75%*	*55%*	*59%*	*49.85%*
Average value of transactions per ASE-member	*2,216,615*	*3,244,129*	*2,057,309*	*1,338,694*
Maximum annual transaction value per ASE member	*29,143,882*	*43,090,565*	*31,943,239*	*15,219,730*
Minimum annual transaction value per ASE member	*13,361*	*193,990*	*406,629*	*8,085*
Transactions by Investment Firms-subsidiaries of Credit Institutions	*55.34%*	*49.34%*	*48.68%*	*47.79%*

Source: HCMC

**: Concerns investment firms that operated throughout the year*

TABLE 21. Market Share Concentration of ASE Members (%) 2006-2009

Classification of firms according to market share	2009	2008	2007	2006
1-10	73.69%	85.68%	84.2%	80.3%
11-25	14.68%	6.94%	9.1%	11.7%
26-45	8.04%	4.83%	4.4%	5.5%
46-76	3.59%	2.54%	2.3%	2.5%

Source: HCMC

Provision of credit by Investment Firms-ASE members

In 2009, there was a decrease in the value of credit extended by investment firms-ASE members to their clients for the purchase of securities (margin account trading). Table 22 presents the development of margin account trading for the year 2009, according to data submitted by investment firms-ASE members to the Hellenic Capital Market Commission on the last trading day of each month. Out of the investment firms-ASE members that submitted the relevant notification to the Commission, an average of 48 firms became active in this field. The average number of active margin account contracts increased to 14,898 from 14,724 in 2008. Total average debit balances in margin accounts decreased from 235 million euro in 2008 to 152 million euro in 2009, and reached their highest level in October 2009 (202 million euro). The average value of security portfolios decreased from 1.296 billion Euros in 2008 to 952 billion Euros in 2009.

TABLE 22. Margin Account Trading, 2009

Month	Announcement of Investment Firms-ASE members for the provision of credit	Number of Investment Firms-ASE Members actually providing credit	Number of active open-end credit agreements .	Number of active short term credit agreements[2]	Debit Balances	Security Portfolio Valuation
Dec.	53	47	15,719	44,158	168,930,346.61	1,058,695,395.31
Nov.	53	47	15,551	43,754	188,864,169.57	1,014,102,777.64
Oct.	54	48	15,224	43,066	202,077,617.12	1,231,660,995.61
Sep.	54	48	15,079	42,065	165,075,222.90	1,072,387,788.07
Aug.	54	48	14,964	42,208	164,282,446.81	1,059,765,891.93
Jul.	54	48	14,860	41,852	156,923,337.19	969,322,967.31
Jun.	54	48	14,775	41,227	137,758,646.98	955,652,204.28
May	54	48	14,881	40,471	160,835,759.53	1,003,927,006.68
Apr.	55	49	14,621	39,535	128,560,403.35	898,025,573.18
Mar.	55	49	14,498	38,736	114,937,840.78	693,255,359.55
Feb.	55	49	14,345	37,967	126,581,217.86	713,511,734.27
Jan.	56	49	14,261	37,414	118,908,483.31	759,542,070.35
A.V.	54	48	14,898	41,038	152,811,291.00	952,487,480.35

Source: HCMC

Note. 1. Does not include data about credit institutions-ASE members.
2. This column concerns short term credit, in accordance with HCMC Rule 8/370/26.01.2006.

COLLECTIVE INVESTMENT MANAGEMENT FIRMS

Developments in the Greek mutual fund market

In 2009, the Greek mutual fund market saw a slight increase in total mutual fund net assets. Despite the significant recovery in the markets, all foreign mutual fund subcategories experienced outflows, while there were M/F restructures by all management firms. The total number of Mutual Fund Management Firms remained unchanged in 2009 as compared to the two previous years, i.e. 22, as compared to 26 firms in 2006. The total number of mutual funds under management rose to 306 in 2009, as compared to 352 in 2008 and 329 in 2007. The number of mutual funds under management decreased for all m/f categories.

The distribution of mutual funds by investment at the end of 2009 was the following: 123 equity funds, 78 bond funds, 44 mixed (or balanced) funds, 36 "funds of funds" and 25 money market funds. Foreign mutual funds were re-classified under the above categories.

In 2009, the institutional framework of the mutual fund market was improved through the issuance of three HCMC Rules (a) HCMC Rule 8/503/3.4.2009 "Clarification of certain definitions of Council Directive 85/611/EEC", which transposes Commission Directive 2007/16/EC "implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions" into Greek law. The aim is to ensure a uniform application of Directive 85/611/EEC, to help Member States to develop a common understanding as to whether a given asset category is eligible for a UCITS and to ensure that the definitions are understood in a manner consistent with the principles underlying Directive 85/611/EEC. (b) HCMC Rule 7/509/15.5.2009, which amends HCMC Rule 1/317/11.11.2004 "Classification of mutual funds" in regard to eligible investments by mutual funds that reproduce stock market indices. (c) HCMC Rule 21/530/19.11.2009 "Sale of shares in undertakings for collective investment not subject to Directive 85/611/EEC in Greece" which regulates licensing terms and other issues, such as the liability of UCITS and the provision of information to the HCMC.

TABLE 23. Net assets and Number of Mutual Funds, 2006-2009

MF Classification	31.12.2009		31.12.2008		31.12.2007		31.12.2006	
	Value (mn €)	No. of M/F	Value (mn €)	No of M/F	Value (mn €)	No. of M/F	Value (mn €)	No of M/F
Money Market	2,070.06	25	2,522.88	28	7,968.91	26	5,894.31	30
Bond	3,220.18	78	3,333.97	92	4,347.09	62	6,222.15	66
Equity	3,083.36	123	2,606.67	141	5,197.85	93	6,351.56	105
Mixed	1,560.70	44	1,296.06	51	2,722.31	46	2,492.43	46
Funds of Funds	746.18	36	645.22	38	1,439.27	30	2,950.00	22
Foreign Market MFs	0.00	0	15.47	2	2,843.24	69	-	-
Total	10,680.47	306	10,420.28	352	24,518.67	326	23,910.45	269

Source: Union of Greek Institutional Investors, HCMC.

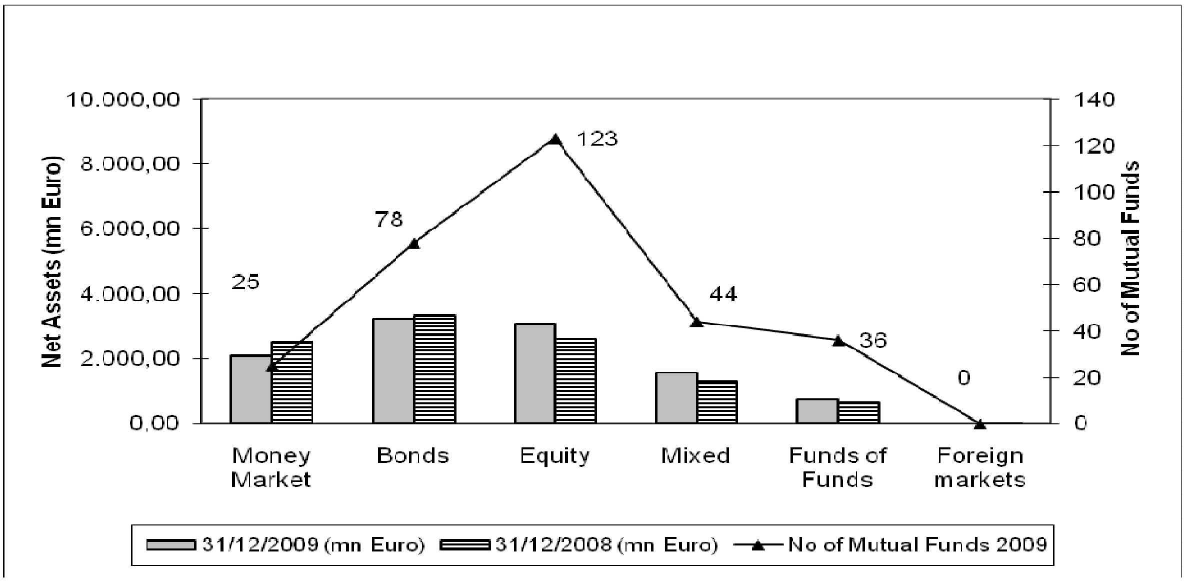
TABLE 24. Net Mutual Funds Assets and macroeconomic aggregates, 1991-2009

Date	Commercial Bank Deposits (mn €)	ASE market capitalization (mn €)	Net Mutual Funds Assets (mn €)
Dec. 2009	-	279.891,7	10.680,5
Oct. 2009	278,548.3	296,045.3	11,484.6
Dec. 2008	280,159.7	269,980.4	10,420.3
Dec. 2007	248,524.3	390,161.7	24,518.7
Dec. 2006	211,062.3	349,477.5	23,910.5
Dec. 2005	187,585.5	301,958.6	27,944.0
Dec. 2004	159,854.5	250,045.2	31,647.3
Dec. 2003	140,029.7	219,766.6	30,398.8
Dec. 2002	133,848.7	180,329,5	25,385.1
Dec. 2001	135,732.7	178,129.8	26,795.0
Dec. 2000[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, ASE, 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.

FIGURE 12. Net assets and Number of Mutual Funds per MF classification 2009



At the end of 2009, the total net assets of mutual funds amounted to 10.7 billion Euros, as compared to 10.4 billion Euros at the end of 2008 and 24.52 billion Euros at the end of 2007. This slight (2.6%) annual increase is due to a 481.2 million euro increase in the net assets of equity mutual funds, to a 265.5 million euro increase in the net assets of mixed funds, and to a 101.7 million euro increase in the net *assets of Funds of funds. The above increases offset the 454.9 million euro decrease in the net assets of money market mutual funds and the 113 million euro decrease in the net assets of bond funds.*

The net assets of bond funds decreased by 3.39% year-on-year, owing to large outflows from foreign bond M/Fs (286.5 million Euros). Domestic bond mutual funds saw small inflows that reached 16.96 million Euros. On a quarterly basis, the net assets of bond funds sustained the largest decrease in the first quarter of the year (-9.49%) and registered the largest increase in the third quarter (7.3%).

The net assets of equity funds registered an annual increase of 18.49%, mainly as a result of the improvement of equity portfolio valuations. Average annual returns for both equity mutual fund sub-categories (domestic-foreign) exceeded 21%. The total value of inflows towards this m/f category stood at 60.66 million Euros. The net assets of equity mutual funds increased significantly in the second and third quarters of the year (22.14% and 15.35% respectively) and fell in the first and last quarters of the year (-5.85% and -10.68% respectively). The average annual return of domestic equity M/Fs was 21.3% in 2009, while during the same year the General Index of the ASE gained 22.9%, the FTSE/ASE 20 gained 20.7%, and the FTSE/ASE Mid 40 and FTSE/ASE 80 indices gained 37.5% and 1.2% respectively.

In 2009, the net assets of mixed mutual funds increased by 20.50%. This was mainly the result of total net inflows to domestic mixed funds, which amounted to 187.08 million Euros for the entire year, as well as of the positive average annual return of mixed funds, which stood at 8.85% for domestic, and 22.56% for foreign mixed funds. Foreign mixed mutual funds saw a year-on-year decrease in net assets by 9.08% with outflows of 55.39 million Euros. The largest net assets increase for domestic mixed mutual funds occurred in July (17.55%), while the largest increase for foreign m/fs occurred in November (13.46%).

In 2009, the net assets of money market mutual funds decreased by 18.02%. The two subcategories of this category moved towards opposite directions. Foreign money market mutual funds saw net outflows of 1,133.5 million Euros with net assets reduced by 64.60%, while domestic money market mutual funds saw net inflows of 640.48 million Euros with net assets increased by 84.30%. The largest net asset increase for this type of mutual funds (37.61%) and the largest net asset increase for domestic funds (14.85%) occurred in December.

The net assets of funds of funds increased by 15.78% in 2009 and stood at 746.18 million Euros. Equity funds of funds increased their net assets (53.61%) with inflows of 43.18 million Euros, while the corresponding mixed and bond funds of funds suffered losses (4.56% and 68.48% respectively) with cumulative outflows of 74.47 million Euros. It should be noted that the average annual returns of equity and bond funds of funds for 2009 stood at 35.08% and 10.87% respectively.

In the first three quarters of 2009, the total net assets of Greek mutual funds increased by 9.4%, as compared to a 13.5% increase in the total net assets of European UCITS mutual funds. In the case of equity and mixed mutual funds, the net assets of Greek mutual funds followed a similar, albeit more spectacular, rise to the one experienced by European mutual funds. During the first nine months of 2009, the net assets of Greek equity and mixed funds increased by 32.7% and 27.9% respectively, as compared to increases of 28.3%, and 14.8% for the corresponding European M/Fs during the same period. In contrast, the net assets of Greek bond and money market mutual funds fell by 1.45% and 10.48% respectively, while the net assets of European M/Fs of the same category rose by 13.8% and 1% during the same period. Finally, the net assets of Greek Funds of funds increased by 15% during the period in questions, while the net assets of European Funds of funds fell by 4.7%.

In 2009, the mutual funds of the Greek market received a total net inflow of 601.60 million Euros. Mixed mutual funds and equity mutual funds enjoyed net inflows (131.68 and 60.66 million Euros respectively), while all other categories suffered net outflows: 493.04 million Euros for money market M/Fs, 269.61 million Euros for bond M/Fs, and 31.29 million Euros for funds of funds. It is worth noting that all foreign mutual fund subcategories suffered outflows. The largest net inflow of capital was observed in domestic money market M/Fs and amounted to 640.48 million Euros, while the largest net outflow was sustained by foreign money market M/Fs and amounted to 1,133.52 million Euros.

By the end of 2009, the structure of the mutual fund market had undergone changes in comparison to 2008 (see Table III of the Appendix). The market share of bond mutual funds fell to 32.0% from 30.15% in 2008, while domestic bond mutual funds improved their market share against foreign bond M/Fs (with domestic/foreign ratios of 37.41%:62.59% in 2009 as compared to 34.14%:65.86% in 2008). By the end of 2009, there were 78 bond mutual funds, of which 24 were domestic and 54 foreign. In 2009, the market share of equity MFs rose to 28.87%, from 24.99% in 2009. By the end of the year, there were 123 equity mutual funds, of which 66 were domestic, and 57 were foreign. The market share of money market mutual funds decreased in 2009 and stood at 19.38% as compared to 24.24% in 2008, while the market share of domestic money market mutual funds increased significantly as compared to that of foreign money market mutual funds (a domestic/foreign ratio of 70.33%:29.67% in 2009 as compared to 31.29%:68.71% in 2008). By the end of the year, there were 25 money market mutual funds, of which 20 were domestic and 5 were foreign. In the same year, the share of mixed mutual funds registered an increase, and stood at 14.61% by the end of 2009, as compared to 12.44% in 2008. At year-end, there were 44 mixed mutual funds, of which 32 were domestic and 12 foreign. Finally, the market share of funds of funds increased to 6.99% in 2009 from 6.19% in 2008, while the share of equity funds of funds increased against the other subcategories (63.73% in 2009 from 55.05% in 2008). By the end of 2009, there were 36 "funds of funds" of which 18 were equity, 15 were mixed and 3 were bond MFs.

Figure 14 correlates the quarterly change in total mutual fund assets with the corresponding ratio of equity funds to total assets. In the first quarter of 2009, the total net assets of mutual funds decreased by 13.07%, as compared to a 5.85% decrease in the net assets of equity mutual funds, since, apart from the reduction of equity portfolio valuations (Genera Index return: -5.72%), there were substantial outflows in the foreign money market (842.76 million Euros) and bond (276.69 million Euros) mutual fund categories. In the second and third quarters the rise in share prices (General Index return: 31.21% and 20.43%) led to an increase in the net assets of equity M/Fs that was larger (22.14% and 15.35%) relative to the net assets of mutual funds (11.09% and 13.29% respectively). Finally, in the fourth quarter of 2009 the decline of Greek equity portfolio valuations led to a decrease in the net assets of equity M/Fs that was larger than the corresponding net asset decrease for all mutual funds (10.68% against 6.27%).

TABLE 25. Net Assets and Units of Mutual Funds, 2009

MF Classification	Type of M/F	Net Assets 31.12.2009 (€)	Annual Change (%)	No. of shares 31.12.2009	Annual Change (%)
Money market	Domestic	1,455,956,160		392,093,667	
	Foreign	614,098,972		326,814,486	
	Total	2,070,055,132	-18.02	718,908,152	65.77
Bond	Domestic	1,204,803,061		201,967,474	
	Foreign	2,015,373,039		426,543,591	
	Total	3,220,176,100	-3.39	628,511,065	-10.67
Equity	Domestic	2,240,925,287		403,267,593	
	Foreign	842,435,750		215,174,722	
	Total	3,083,361,037	18.49	618,442,315	-1.01
Mixed	Domestic	1,318,855,477		232,805,498	
	Foreign	241,840,542		37,693,070	
	Total	1,560,696,020	20.50	270,498,568	10.59
Funds of Funds	Equity	415,348,122		220,004,219	
	Mixed	317,921,834		124,235,392	
	Bond	12,908,334		996,898	
	Total	746,178,291	15.78	345,236,509	-2.54
Foreign Market MFs	Total	0	-100.00	0	-100.00
TOTAL		10,680,466,579	2.55	2,581,596,609	9.35

Source: Union of Greek Institutional Investors, HCMC.

The concentration of mutual fund assets was significantly reduced in 2009. By the end of the year, the three largest mutual fund management firms had funds under management of 6.32 billion Euros, which accounted for 59.14% of total mutual fund assets, as compared to assets of 7.04 billion Euros and a corresponding market share of 67.57% in 2008 and 19.22 billion Euros with a market share of 78.44% in 2007. The five largest mutual fund management firms had funds under management that accounted for 74.99% of total mutual fund assets in 2009, as compared to 79.05% in 2008 and 86.52% in 2007 (see Table II of the Appendix).

In 2009, the HCMC approved the formation and operation of five (5) new mutual funds, the merger of thirty five (35) mutual funds, and the amendment of internal regulations for twenty one (21) mutual *funds. Moreover, ten (10) 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 2009 the Commission approved the sale of shares from one hundred and sixty eight (168) new mutual funds of foreign UCITS.*

FIGURE 13. Mutual Fund Asset and ASE Capitalization, 2009

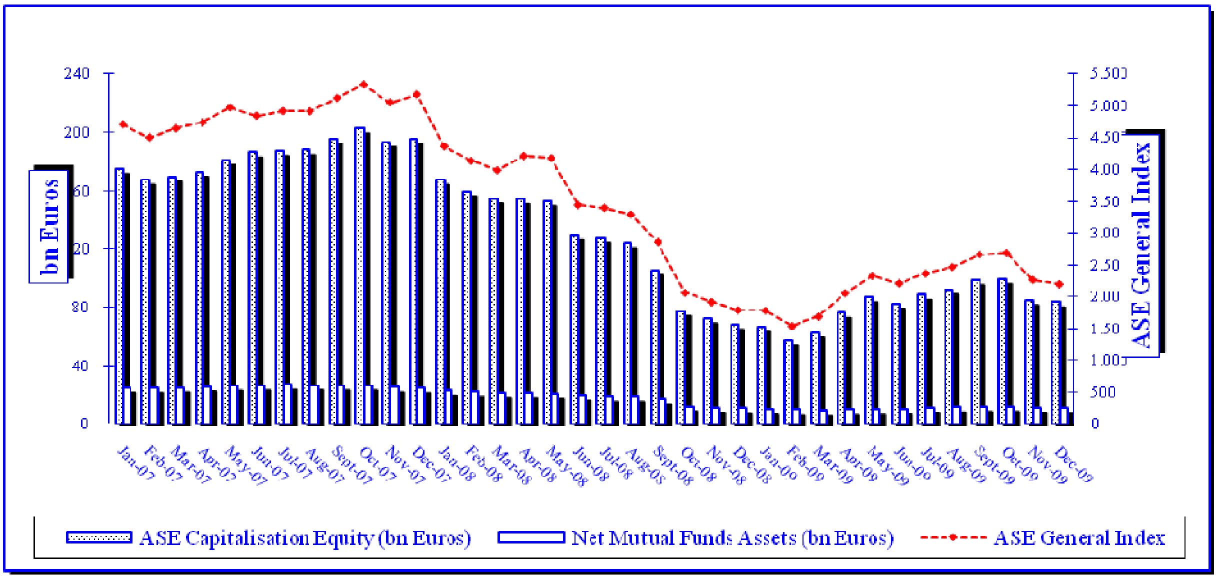


FIGURE 14. Net assets and structure of the Mutual Funds market, 2004-2009

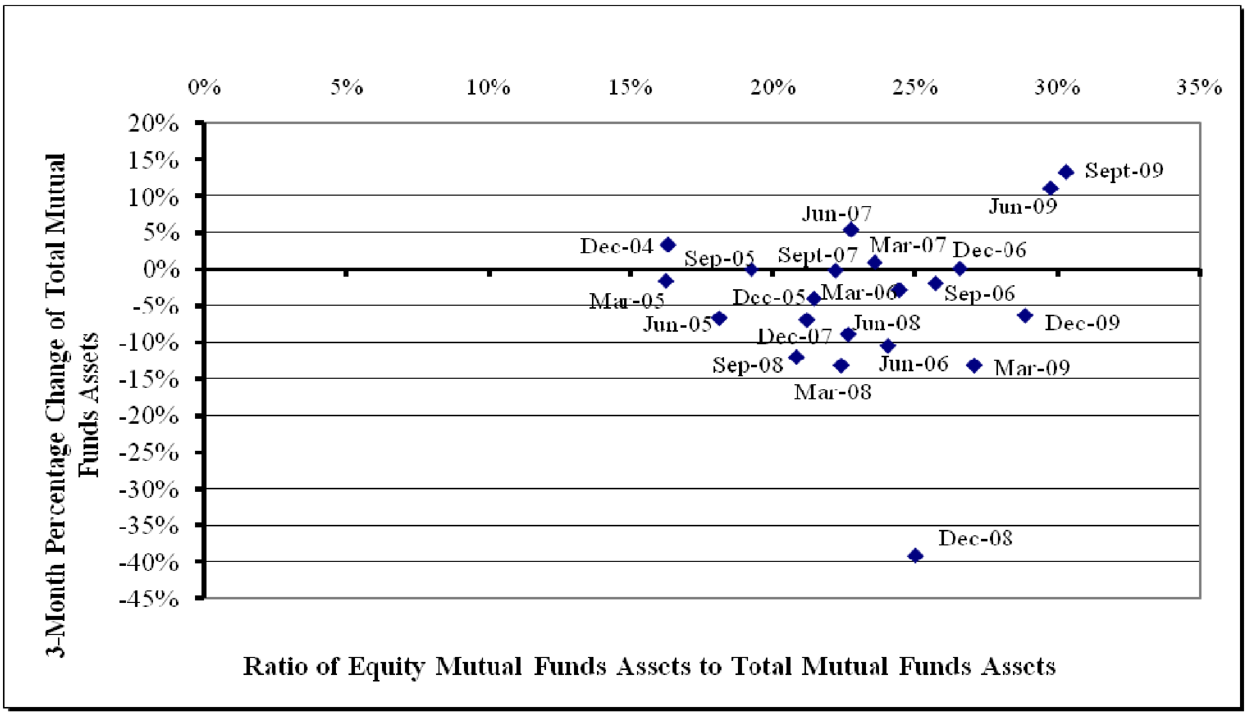


TABLE 26. Foreign UCITS in the market, 2009

Year	UCITS covered by Directive 85/611/EEC		UCITS covered by Directive 85/611/EEC	
	Number of UCITS	Number of M/F	Number of UCITS	Number of M/F
2009	10	168	0	0
2008	9	369	0	0
2007	9	206	0	0
2006	6	328	0	0
2005	5	159	0	0
2004	12	92	0	0
2003	4	115	2	2
2002	6	246	0	0
2001	18	316	3	11

Source: HCMC

Developments in the European mutual fund market

According to statistics of the European Fund & Asset Management Association (E.F.A.M.A.), in the first nine-months of 2009, the total net assets of mutual funds in European markets increased by 12.4%. During the same period, the total net assets of UCITS mutual funds increased by 13.5%, mainly because of the increase in the total assets of equity mutual funds by 28.3%, of mixed funds by 14.8% and of bond funds by 28.3%. Only the funds of funds suffered net asset losses of 4.7%.

Net sales were positive for the total of UCITS mutual funds during the first nine months of 2009, and amounted to 122 billion Euros. All mutual fund categories saw net inflows during the first nine months of 2009. The largest inflows (50 billion Euros) were suffered by bond funds, followed by equity funds (48 billion Euros) and mixed funds (26 billion Euros). The third quarter of the year saw the largest net inflow in all UCITS mutual funds (70 billion Euros).

TABLE 27. Net Assets of UCITS Mutual Funds, 2009

M/F Classification	30.9.2009			30.6.2008	31.3.2007	31.12.2006
	Total net assets (bn €)	% of Total	Percentage Change 9.09-12.08	Total net assets (bn €)	Total net assets (bn €)	Total net assets (bn €)
Equity	1,479	32.7%	28.3%	1,282	1,077	1,153
Mixed	730	16.1%	14.8%	668	612	636
Funds of Funds	61	1.3%	-4.7%	54	45	64
Bond	1,032	22.8%	13.8%	959	892	907
Money Market	1,034	22.9%	1.0%	1,046	1,089	1,024
Other	188	4.2%	2.2%	181	180	184
Total[1]	4,524	100.0%	14.0%	4,190	3,895	3,968
Incl. Ireland	5,157		13.5%	4,789	4,458	4,542

Source: EFAMA

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

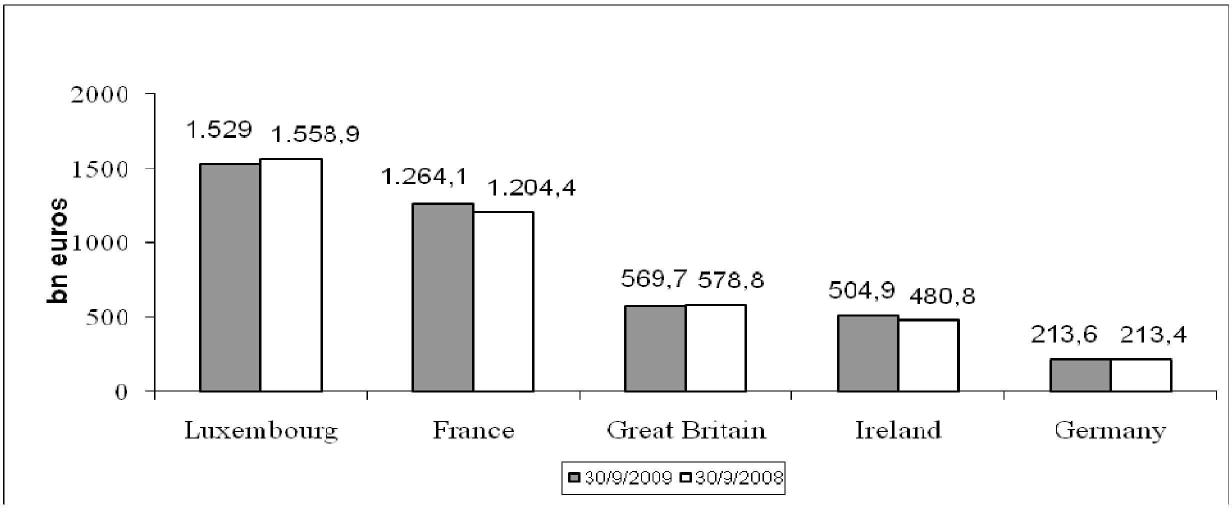
Net asset changes during the first nine months of 2009 brought about slight alterations in the market shares of equity funds (32.7% as compared to 29.1% at the end of 2008) and money market funds (22.9% as compared to 25.8% at the end of 2008). Market shares for the remaining UCITS mutual fund categories remained at December 2008 levels, and stood at 23% for bond funds, 16% for mixed funds and 1% for funds of funds. The above figures do not include Irish and Dutch mutual funds, for which there is no classification.

TABLE 28. Net mutual fund assets of UCITS from the top five (5) EU member-states, 30.09.2009

Country	30.9.2009			31.12.2008	
	Total net assets (bn €)	% of the total in the EU market	Percentage change 09.09-12.08	Net assets (billion Euros)	% of the total in the EU market
Luxembourg	1,529.02	29.65%	14.36%	1,337.04	29.44%
France	1,264.11	24.51%	10.57%	1,143.27	25.17%
Ireland	569.70	11.05%	10.04%	517.70	11.40%
Un. Kingdom	504.94	9.79%	32.72%	380.46	8.38%
Germany	213.65	4.14%	15.53%	184.92	4.07%
Total	4,081.41	79.14%	14.54%	3,563.39	78.45%
Total Europe	5,157.29		13.54%	4,542.09	

Source: EFAMA

TABLE 15. Net mutual fund assets of UCITS from the top five (5) EU member-states, 2009



France and Luxembourg dominate the European UCITS mutual fund market in the first nine months of 2009, with a market shares of 29.65% and 24.51% respectively, followed by Ireland, the United Kingdom and Germany with market shares of 11.1%, 9.8% and 4.1% respectively. In the first nine months of 2009, the UCITS from twenty three (23) out of twenty six (26) European countries increased their net assets as compared to the end of 2008. The largest increases during this period were registered by the UCITS mutual funds of Romania (153.6%), followed by those of Norway (48.6%). The non-UCITS markets are dominated by four product types: Special Mutual Funds, which are addressed exclusively to institutional investors; real estate funds; British investment trusts; and French employee savings funds. During the *first three quarters of 2009, the total net assets of non-UCITS mutual funds increased by 8.9%; British investment trusts registered the greatest net asset gains (37.8%), followed by French employee savings funds, whose net assets increased by 19.7%. Finally, Special Mutual Funds, which are exclusively addressed to institutional investors and hold the largest share in the non-UCITS mutual funds market (63%) increased their net assets by 11.3%.*

Portfolio Investment Companies

By the end of 2009, the shares of five (5) Portfolio Investment Companies (PICs) were traded in the Athens Stock Exchange with a total market capitalization of 152.18 million Euros, as compared to 138.9 million Euros for seven (7) listed companies by the end of 2008, and 328.7 million Euros for eight (8) companies listed by the end of 2007.

At the end of the year, the total net asset value of PICs amounted to 247.65 million Euros, as compared to 236.57 million Euros in 2008, and 413.55 million Euros in 2007. PIC shares traded at an average weighted discount of 38.55%, as compared to a discount of 41.33%by the end of 2008, and 20.49% at the end of 2007. In 2009, the average annual return of portfolio investment companies was negative, and stood at 12.75%.

Finally, in 2009 the Hellenic Capital Market Commission revoked the license of one PIC and approved the liquidation of one PIC, following the relevant resolutions of the general assemblies of their shareholders.

CLEARING AND SETTLEMENT OF TRANSACTIONS

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

Pursuant to the authorization granted by law 3606/2007, in 2009 the HCMC issued Rule 61/524/28.9.2009 "Requirements for authorization and withdrawal of authorization of central counterparty, clearing and settlement facilities", and 23/530/19.11.2009 "Authorization and withdrawal of authorization of central counterparty, clearing and settlement facilities".

In 2009, the HCMC authorized "Hellenic Exchanges SA Holding" (ATHEX) as the manager of the Dematerialized Securities and Derivatives clearing and settlement systems (HCMC Rule 2/507/28.2009). Moreover, the HCMC authorized the Securities System and the Derivatives System, also approving the Rulebook of each system (HCMC Rules 1/527/30.10.2009 and 2/527/30.10.2009 respectively).

In accordance with law 3606/2007, ATHEX manages the Dematerialized Securities System (DSS), a register for crediting the dematerialized securities that have been listed in regulated markets or are traded in Multilateral Trading Facilities. The transfers of dematerialized securities are monitored through the investors' trading and securities accounts kept with the DSS. In 2009, HCMC Rule 2/514/25.6.2009 amended the Rulebook of the Dematerialized Securities System, in order to adapt it to the provisions of Law 3756/2009 "Dematerialized Securities System, Capital Market provisions, tax issues and other provisions". This Rule enabled foreign Central Securities Depositaries to connect to the DSS, under the capacity of "General Operators". Foreign Central Securities Depositaries that wish to become General Operators must (a) be supervised in accordance with its governing law and (b) sign an association agreement with ATHEX, in accordance with the provisions of article 6 of law 3756/2009. The same decision provided for crediting and keeping synthetic financial products (SFP) in the DSS in accordance with article 1 of Law 3756 and Operators were allowed to collect, after given authorization by investors, any kind of monetary payment originating from the issuers, and to reinvest such payments.

In 2009, 39,605 new accounts were opened, as compared to 35,493 accounts opened in 2008, representing an 11.1% year-on-year increase. Moreover, 2,879 accounts were deactivated, as compared to 2,880 deactivations in 2008. By the end of 2009, the total number of trading accounts in the DSS amounted to 2,150,296, reduced by 2% year-on-year. The number of accounts with balances decreased to 937,799 at the end of 2009, from 953,853 in December 2008.

TABLE 29. Number of new Stock Trading Accounts in the DSS by month, 2003-2009.

Month / Year	2009	2008	2007	2006	2005	2004	2003
January	4,101	3,052	4,013	3,223	3,661	4,427	1,663
February	4,018	2,522	2,297	2,564	1,459	18,352	36,441
March	4,450	1,858	3,685	3,229	1,526	1,861	2,503
April	3,542	2,304	2,974	3,260	3,836	2,372	2,390
May	3,644	2,073	2,122	9,892	1,108	1,961	16,728
June	3,231	1,710	9,153	14,662	1,873	1,322	3,659
July	3,144	2,621	3,605	5,027	7,146	1,784	4,744
August	2,348	1,488	3,331	2208	2,362	1,066	2,573
September	2,599	1,873	1,939	2869	1,511	1,611	15,330
October	2,932	6,505	3,031	4709	2,623	5,230	3,446
November	2,674	6,465	2,847	2982	1,600	1,473	10,207
December	2,922	3,022	2,221	2042	2,107	1,409	1,399
Total new accounts	39,605	35,493	41,218	56,667	30,812	42,868	101,083
Account deactivations	2,879	2,880	3,929	334,549	6,626	3,743	3,142
Total accounts	2,150,296	2,107,910	2,075,297	2,043,668	2,321,550	2,297,364	2,258,239

Source: Hellenic Exchanges SA "Axia Numbers", Monthly Statistical Bulletin, December 2009.

In 2009, domestic investor participation to the market capitalization of the ASE was marginally reduced and stood at 50.22% at the end of the year, as compared to 51.8% in 2008 (Table 30). The positions of private domestic investors accounted for 21.8% of total market capitalization in the ASE, as compared to 21.1% in 2008, while the positions of the public sector accounted for 13.7% of total market *capitalization, as compared to 15.1% at the end of 2008. The year-end participation of foreign investors to the market capitalization of the ASE rose to 48.5% in 2009, from 47.9% in 2008 and 51.8% in 2007. This increase resulted from the increased participation of foreign institutional investors, which accounted for 33.5% of total market capitalization in the ASE in 2009, as compared to 32.4% in 2008.*

In 2009, foreign investors were buyers, in contrast to 2008 when they generated total outflows of 3.59 bn Euros. More specifically, in 2009 foreign investors performed total purchases of 24.81 billion Euros and total sales of 23.83 billion Euros, leading to a net inflow of 0.98 billion Euros. Overall, domestic investors were sellers, with a total outflow of 0.92 billion Euros, of which 29.31 billion Euros originated from private investors.

TABLE 30. Distribution of trading accounts in the Athens Stock Exchange, 31.12.2009.

	Accounts with balances		Capitalization	
	No	Percentage (%)	Value (mn €)	Percentage (%)
I. Domestic Investors	911,261	97.17	42,212.93	50.22
• Private domestic	907,915	96.81	18,356.37	21.84
• Private financial [1]	481	0.05	5,414.99	6.44
• Private non-financial	2,237	0.24	6,901.68	8.21
• Public Sector	627	0.07	11,539.88	13.73
• Other domestic investors	1	0.00	0.01	0.00
II. Foreign Investors	19,135	2.04	40,727.38	48.46
• Private-foreign	11,998	1.28	463.22	0.55
• Legal Entities	1,224	0.13	9,522.09	11.33
• Institutional Investors	5,684	0.61	28,183.44	33.53
• Other legal entities	229	0.02	2,558.64	3.04
III. Other Investors[2]	7,403	0.79	1,110.38	1.32
Total I +II + III	937,779	100.00	84,050.69	100.00

Source: Hellenic Exchanges SA "Axia Numbers", Monthly Statistical Bulletin, December 2009.

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

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

PART FOUR

ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION

RULES AND REGULATIONS

In 2009, the Board of Directors of the Hellenic Capital Market Commission issued many rules and regulations. There rules and regulations were directed towards the enhancement of service quality and investor protection, the safeguarding of the normal operation of the market, the protection of the trading and clearing system, market transparency and the assurance of the smooth functioning of the market. The following rules are regulations were issued:

Quality of services and investor protection enhancement.

- *HCMC Rules 4/505/3-4-2009 on the "Certification of the professional adequacy of CI employees and executives in regard to the provision of investment services" and 5/505/3-4-2009, jointly with the BOG on certification issues.*
- *HCMC 3/505/3-4-2009 on the certification of the professional adequacy of capital market agents.*
- *HCMC Rule 1/506/8-4-2009 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.*
- *HCMC Rule 521/530/19-11-2009 on the "Sale of shares in undertakings for collective investment not subject to Directive 85/611/EEC in Greece" concerning the terms and condition for selling shares in Greece.*
- *HCMC Rule 1/503/13-3-2009 on the definition of an acceptable market practice by the HCMC.*

Improvement of Capital Market Transparency

- *HCMC Rule 4/507/28-4-2009 on the data and information that arise from quarterly and semi-annual financial statements.*
- *HCMC Rule 1/526/20-10-2009 on the "Replacement of para. 2 of article 2 of HCMC Rule 1/409/29-12-2006"on exercising the sell-out right after the end of the bid.*
- *HCMC Rule 7/509/15-5-2009 regarding the amendment of HCMC Rule 1-317/11-11-2004 concerning the classification of mutual funds.*
- *HCMC Rule 8/505/3-4-2009 on the Clarification of certain definitions of Council Directive 85/611/EEC.*

- *HCMC Rule 6/503/13-3-2009 on the Approval of the training program for individuals involved in the distribution of mutual fund units.*

Safeguarding the Normal Operation, Liquidity and Security of the Capital Market

- *HCMC Rule 534/22-12-2009 on the "suspension of MF share redemption" on December 24, 2009.*
- *HCMC Rule 3/527/30-10-2009 on "Terms and Conditions for the refund of shares in Guarantee funds" in case of the winding-up or revocation of the operating license of a legal entity that is member to a clearing system.*
- *HCMC Rule 1/527/30-10-2009 on "Authorizing the operation of a Securities System by the ATHEX and approval of the relevant Rulebook" pursuant to law 3606/2007.*
- *HCMC Rule 2/527/30-10-2009 on "Authorizing the operation of a Derivatives System by the ATHEX and approval of the relevant Rulebook" pursuant to law 3606/2007.*
- *HCMC Rule 1/509/15-5-2009 on the short selling of shares.*
- *HCMC Rule 1/507/28-4-2009 on authorizing the regulated marked named "Electronic Secondary Securities Market".*
- *HCMC Rule 2/505/3-4-2009 on authorizing the Alternative Market as a Multilateral Trading Facility.*

Improvement of company solvency, transaction security and market infrastructure efficiency

- *HCMC Rule 23/530/12-11-2009 on the "Authorization and withdrawal of authorization of central counterparty, clearing and settlement facilities", which specifies the terms concerning the authorization of facility managers by the HCMC.*
- *HCMC Rule 1/502/6-3-2009 on the amendment of the Rulebook of the Athens Stock Exchange.*
- *HCMC Rule 61/524/28-9-2009 on the "Requirements for authorization and withdrawal of authorization of central counterparty, clearing and settlement facilities" in accordance with the relevant authorization of the HCMC pursuant to law 3606/2007, article 73.*
- *HCMC Rule 2/514/25-6-2009 on the "Amendment of HCMC Rule 3/304/10.06.2004 on the Regulation for the Clearing of Transactions on Dematerialized Securities" concerning the access of foreign depositaries to the DSS.*
- *HCMC Rule 1/514/25-6-2009on the "Amendment of the Regulation for the Clearing and Settlement of Transactions on Dematerialized Securities", based on the proposal of ATHEX during Board Meeting 198/22-6-2009.*

- *HCMC Rule 2/507/28-4-2009 on authorizing the ATHEX as a facility manager pursuant to the provisions of article 74 paragraphs 2 and 83 of law 3606/2007.*
- *HCMC Rule 1/505/3-4-2009, which amended HCMC rule on the conditions for the licensing of Multilateral Trading Facilities.*

LICENSING

The work of the Hellenic Capital Market Commission in the field of licensing during 2008 includes the following:

Investment Firms

- *Authorized the operation of Investment Firms in three cases.*
- *Authorized the extension of Investment Firm operations in six cases.*
- *Revoked the operating licenses of Investment Firms in two cases.*
- *Revoked the operating licenses of Investment Firms in regard to specific investment services in four cases.*
- *Amended the operating licenses of Investment Firms in one case.*
- *Approved the merger through absorption of an investment firm by another investment firm in two cases.*
- *Evaluated the eligibility of new Investment Firm board member in fourteen cases.*
- *Evaluated the eligibility of seven Financial Intermediation firm managers.*
- *Approved the acquisition of qualifying holdings in Investment Firms in eight cases.*
- *Approved the sale of qualifying holdings in Investment Firms in six cases.*

Financial Intermediation Firms

- *Revoked the operating licenses of Financial Intermediation Firms in nine cases.*
- *Temporarily suspended the operating licenses of FIFs in one case.*
- *Approved the merger through absorption of a FIF by another FIF in five cases.*
- *Approved the merger through absorption of a financial intermediation firm by an investment firm in one case.*

- *Evaluated the eligibility of new FIF board members in twenty seven cases.*
- *Evaluated the eligibility of the actual managers of Financial Intermediation firms in three cases.*
- *Evaluated the shareholders who increased their qualified holding in FIFs in five cases.*
- *Evaluated a shareholder who acquired a qualified holding in a FIF in seven cases.*
- *Approved the sale of qualified holdings in FIFs in nine cases.*
- *Granted license for the provision of investment advice services to one Financial Intermediation Firm.*
- *Revoked the license for the provision of investment advice services of one Financial Intermediation Firm.*

Mutual Fund Management Firms

- *Approved the regulations and creation of mutual funds in five cases.*
- *Approved of the modification of mutual fund internal regulations in twenty one cases.*
- *Granted licenses for mergers between mutual funds in thirty five cases.*
- *Approved the modification of the charter of three MFMFs.*
- *Approved of share capital changes of MFMFs in two cases.*
- *Approved the new composition of the board of directors of MFMFs in twenty four cases.*

Portfolio Investment Companies

- *Approved the modification of the charter of one PIC.*
- *Approved the new composition of the board of directors of PICs in three cases.*
- *Approved the change of the share capital of one PIC.*
- *Approved of two cessations of PIC operation.*

Real Estate Investment Companies

- *Approved the new composition of the board of directors of REICS in two cases.*
- *Approved the modification of the charter of one REIC.*

Foreign UCITS

- *Approved the sale of shares in new foreign UCITS in ten cases.*

- *Approved the sale of shares in new foreign UCITS mutual funds in sixty eight cases.*

Approval of public offering prospectuses

Prospectus for the initial public offering of securities (Law 3371/2005, and Law 3401/2005)

- *Approved the prospectus of one company concerning the public offering of shares for the increase of its share capital and the listing of its shares in the securities market of the ASE.*

Prospectus for public offerings

- *Approved the prospectuses of fourteen companies, concerning the public offering of through shares share capital increases by payment of cash, and their listing in the securities market of the ASE.*

- *Approved the prospectus of one company concerning the public offering of bonds without listing in the securities markets of the ASE.*

- *Approved the prospectus of one company concerning the public offering of bonds for trading in the securities markets of the ASE.*

- *Approved the prospectus of one company concerning the listing in the ASE of new shares that resulted from its share capital increase due to the acquisition of a business sector and assets of other companies.*

- *Approved the supplementary prospectuses of two companies, concerning share capital increases through the public offering of their shares in the securities market of the ASE.*

Prospectus for the listing of securities without public offering

- *Approved the prospectus of one company concerning the listing in the ASE of new shares that resulted from its share capital increase through the capitalization of liabilities.*

- *Approved the prospectus of one company concerning the listing in the ASE of new shares that resulted from its share capital increase through the payment of cash without public offering.*

- *Approved the supplementary prospectuses of one company, concerning a share capital increase through the public offering of their shares in the securities market of the ASE.*

Prospectus for public offerings without listing

- *Approved the prospectuses of four companies, concerning share capital increases through the public offering of their shares, without listing in the securities market of the ASE.*

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

- *Briefing of the Board of the Hellenic Capital Market Commission on the contents of the document provided for by article 4, Law 3401/2005 in the case of three companies intending to increase their share capitals due to merger with other companies.*

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

- *Notification to the HCMC of three forms provided for by article 4 of Law 3401/2005 concerning share capital increases through the distribution of free shares to existing shareholders.*

- *Notification to the HCMC of eleven forms provided for by article 4 of Law 3401/2005 concerning share capital increases through the payment of dividends or pre-dividends in the form of shares.*

- *Notification of a corporate transaction concerning the listing of new shares that resulted from a share capital increase through the capitalization of liabilities.*

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

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

Forced sale of listed company shares

Forced sales

The granting of licenses for forced sales and the appointment of ASE-members for the forced sale of pledged or seized shares, continued in 2009. Law 3152/2003 (article 13 §§ 1 and 2) transferred these responsibilities to the Hellenic Capital Market Commission.

The total volume of stock for sale reached 379,281 shares in 2009, as compared to 1,266,795 shares in 2008, while the total volume of the stock finally sold reached 56,876 shares in 2009, as compared to 442,264 in 2008. The total value of shares sold amounted to 85,683 Euros, as compared to 604,282 Euros in 2009.

In 2009, 3 requests were submitted for the execution of 2 sales, as compared to 17 requests and 12 sales in 2008. Since the transfer of competence for the forced sale of shares, and till the end of 2009, the HCMC had received a total of 136 requests for the forced sale of pledged or seized shares.

Sale of fractional balances

According to paragraph 2 of article 44a of Law 2396/1996, added by means of paragraph 1 of article 53 of Law 3371/2005, fractional balances resulting from the share capital increase of a listed company can be sold under the care of the issuing company after 6 months, and the HCMC is authorized to issue rules for settling every specific issue and detail, concerning the implementation of this paragraph.

On the basis of the aforementioned authorization, the HCMC issued Rule 13/375/17.3.2006: "Sale of indisposed fractional balances resulting from a company's share capital increase." This rule specifies the details concerning the method of, and the procedure for, the sale of fractional balances, the provision of selling licenses by the HCMC (whenever required) and the appointment of the ASE-member that will perform the sale, as well as the method for notifying the beneficiaries of the fractional balances about the sale, and the collection of the product from the sale.

Based on the above, the HCMC received 12 requests for the sale of fractional balances in 2009, as compared to 9 requests in 2008. The total volume of stock for sale amounted to 113,196 shares, as compared to 10,908 in 2008, while the total volume of stock finally sold amounted to 17,907 shares, as compared to 9,811 in 2008. The value of the shares sold fell to 132,756 Euros in 2009, from 36,380 Euros in 2008.

Sales of tangible shares

In accordance with paragraph 2 of article 53 of Law 3371/2005, any tangible registered shares that have not been submitted for dematerialization are sold through the Athens Stock Exchange. This article authorizes the HCMC to issue rules to regulate any relevant issue and detail concerning the implementation of this paragraph. Paragraph 2 of article 32 of Law 3556/2007 amended the aforementioned provision in order to include shares that have been issued in dematerialized form in favor of the beneficiaries of the tangible registered shares that have not been submitted for dematerialization, and have resulted from corporate transactions, such as share capital increases with *or without payment of cash, the distribution of free shares, share splits or reverse splits, or conversion of preferred stock to common stock and vice-versa.*

On the basis of the aforementioned authorization, the HCMC issued Rule 1/380/4.5.2006: "Sale of tangible registered shares that have not been submitted for dematerialization". This rule specifies the details concerning the procedure for the sale of tangible registered shares, the provision of selling licenses by the HCMC (whenever necessary) and the appointment of the ASE-member that will perform the sale, as well as the method for notifying the beneficiary shareholders about the sale, and the collection of the product from the sale.

In implementation of the above provisions, the HCMC received 1 request for the sale of tangible registered shares in 2009, as it did in 2008, as compared to 25 requests in 2007, while the volume of stock for sale amounted to 11,260 shares, as compared to 72,384 in 2008. The shares to be sold had been issued by the "Elviemek SA", and their value amounted to 29,501.20 Euros.

Given that this procedure concerns shares that have not been submitted for dematerialization, whose number is limited, the number of shares to be sold is decreasing every year, until all the shares credited in the accounts of absent shareholders have been sold.

SUPERVISORY WORK

During 2009, the Hellenic Capital Market Commission continued its supervisory work in all areas. Supervision brought considerable benefits to the Greek capital market by ensuring its smooth operation. The audits that were performed during 2009 covered all capital market entities. There were multiple audits on investment firms, mutual fund management firms, financial intermediation firms, listed companies, and stock exchange transactions.

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

Revocation of License

- *Revoked the licenses of fourteen Financial Intermediation Firms in implementation of article 21 of Law 2690/1999.*
- *Revoked the licenses of five Financial Intermediation Firms in implementation of article 39 of Law 3606/2007.*

Fines

Investment Firms

- *A fine was levied on one Investment Firms for violating article 8 of Law 2396/1996, concerning the keeping and submission of information about the transactions performed.*
- *Fines were levied on two Investment Firms for violating article 5 of Law 2843/2000 concerning the rules that must be adhered to by Investment Firms upon concluding margin account agreements.*
- *A fine was levied on one investment firm for violating article 2 of law 2843/2000 concerning the provision of credit by ASE members.*
- *A fine was levied on one investment firm for violating article 17 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to notify the Hellenic Capital Market Commission whenever they reasonably suspect that a transaction might constitute market abuse.*
- *A fine was levied on two Investment Firms for violating articles 17 and 18 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to notify the Hellenic Capital Market Commission whenever they reasonably suspect that a transaction might constitute market abuse, as well as their obligation to record and file all orders received by their clients.*
- *Fines were levied on fourteen Investment Firms for violating articles 72 and 76 of law 1969/1991 concerning the penalties for disseminating false information, and violations of capital market law.*
- *A fine was levied on one Investment Firm for violating articles 12, 21 and 22 of law 3606/2007 concerning the organizational requirements, revocation of operating license, and liquidation of Investment Firms.*
- *Fines were levied on two Investment firms for violating HCMC Rule 86/15.10.1996 concerning the procedure and the supporting documents required for the authorization by the HCMC of the issue of Greek Depository Certificates by Banks.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 2/213/28.3.2001 concerning the provision of credit by ASE members.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 2/306/22.6.2004 concerning the segregation of client and investment firm funds.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 1/347/12.7.2005 on indications of market abuse.*

- *A fine was levied on one (1) Investment Firm for violating HCMC Rule 2/347/12.7.2005 on the obligations of persons professionally arranging transactions in financial instruments in regard to preventing market abuse.*
- *Fines were levied on two Investment Firms for violating CMC Rule 23/404/22.11.2006 on money laundering and terrorist financing.*
- *Fines were levied on ten Investment Firms for violating HCMC Rule 2/363/30.11.2005 concerning the provision of credit by ASE members.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 1/387/19.6.2006, since it did not employ certified individuals for the provision of investment services.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 1/452/1.11.2007 on the code of conduct for investment firms.*
- *Fines were levied on seven Investment Firms for violating HCMC Rule 1/452/1.11.2007 on the organizational requirements for the operation of investment firms.*
- *A fine was levied on one Investment Firm for violating HCMC Rule 2/452/1.11.2007 on the mandatory disclosure of transactions.*
- *Fines were levied on three Investment Firms for violating HCMC Rule 7/452/13.6.2008 on Investor Firm compliance evaluation reports vis-à-vis the organizational requirements of Law 3606/2007*
- *Fines were levied on fourteen Investment Firms for violating the Code of Conduct.*

Mutual Fund Management Firms and Portfolio Investment Companies

- *Fines were levied on nine MFMFs for violating articles 16, 22 & 23 of Law 3283/2004 on the supervision of MFMFs and PICs.*
- *A fine was levied on one PIC for violating articles 13 of Law 3340/2005 on the obligations of MFMF and PIC managers.*
- *Fines were levied on two MFMFs for violating HCMC Rule 2/132/19.5.1998.*
- *A fine was levied on one PIC for violating HCMC Rule 3/347/12.7.2005 on issuer obligations concerning the disclosure of privileged information.*
- *Fines were levied on two Investment Firms for violating HCMC Rule 1/462/7.2.2008 on the code of conduct for MFMFs and PICs.*

- *The operating license of one PIC was revoked in implementation of article 37 of law 3371/2005.*

Financial Intermediation Firms

- *A fine was levied on one FIF for violating paragraph 2 of article 72 of law 1969/1991 concerning the penalties for disseminating false information*
- *A fine was levied on two (2) Financial Intermediation Firms for violating paragraphs 1 and 2 of article 18 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to record and file all orders received by their clients.*
- *The operating licenses of twenty Financial Intermediation Firms were revoked in implementation of article 39 of law 3606/2007.*

Listed Companies

- *Fines were levied on two listed companies for violating PD 350/1985 on the obligations of ASE listed companies.*
- *Fines were levied on two listed companies for violating PD 360/1985 on the disclosure of information about ASE listed companies.*
- *Fines were levied on three listed companies for violating the provisions of P.D. 51/1992 concerning the information that must be disclosed upon the acquisition and sale of major shareholdings in ASE-listed companies.*
- *A fine was levied on one listed company for violating article 72 of law 1969/1991 concerning the penalties for disseminating false information.*
- *Fines were levied on three listed companies for violating para. 3 of article 4 of Law 3016/2002 on the obligations of independent, non-executive Board members.*
- *Fines were levied on seven listed companies for violating law 3301/2004 on Financial Collateral Arrangements in implementation of the International Accounting Standards.*
- *Fines were levied on twenty seven listed companies for violating paragraphs 1, 2 and 3 of article 13 of Law 3340/2005 concerning the protection of the capital market from the actions of persons that possess privileged information (insider trading) and from market manipulation and for violating HCMC Rule 3/347/12.7.2005 on issuer obligations concerning the disclosure of privileged information.*

- *A fine was levied on one listed company for violating articles 10 of Law 3340/2005 on the issuers' obligation to publish and maintain websites.*

- *Fines were levied on five listed companies for violating law 3556/2007 on the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.*

- *Fines were levied on eight listed companies for violating HCMC Rule 5/204/14.11.2000 on the Code of Conduct for Listed Companies and persons connected to them.*

- *Fines were levied on eight listed companies for violating HCMC Rule 17/336/21.4.2005 on the data and information contained in the financial statements published in accordance with the provisions of PD 360/1985 (Gazette A/ 129/1985).*

- *Fines were levied on twenty six listed companies for violating HCMC Rule 3/347/12.7.2005 on issuer obligations concerning the disclosure of transactions.*

- *A fine was levied on one listed company for violating HCMC Rule 13/375/17.3.2006 on the Sale of undisposed fractional balances resulting from a listed company's share capital increase.*

- *Fines were levied on two listed companies for violating HCMC Rule 2/396/31.8.2006 on the data and information contained in the financial statements published in accordance with the provisions of PD 360/1985.*

- *A fine was levied on one listed company for violating HCMC Rule 7/448/11.10.2007 on the additional information and data contained in the annual and semi-annual financial reports and the annual and semi-annual reports of the Board of Directors.*

- *A fine was levied on one listed company for violating HCMC Rule 7/452/1.11.2007 on transaction reporting and information recording obligations.*

Legal Entities

- *Fines were levied on twenty six legal entities for violating the provisions of P.D. 51/1992 on the information that must be disclosed upon the acquisition and sale of major shareholdings in ASE-listed companies.*

- *A fine was levied on one legal entity for violating PD 348/1985 on the preparation of prospectuses prior to the official listing of securities in the Stock Exchange.*

- *Fines were levied on four legal entities for violating PD 360/1985 on the disclosure of information about ASE listed companies.*
- *Fines were levied on five legal entities for violating article 72 of law 1969/1991 concerning the penalties for disseminating false information.*
- *Fines were levied on four legal entities for violating para. 3 of article 4 of Law 3016/2002 on the obligations of independent, non-executive Board members.*
- *Fines were levied on three legal entities for violating articles 10 and 11 of Law 3340/2005 on the issuers' obligation to disclose, without any culpable tardiness, any privileged information directly related to them.*
- *Fines were levied on fourteen legal entities for violating article 13 of Law 3340/2005 on the obligations of persons that exercise managerial duties on behalf of issuers.*
- *Fines were levied on five legal entities for violating articles 8 and 25 of Law 3606/2007 on the persons eligible for providing investment services and their professional conduct upon providing such services.*
- *A fine was levied on one legal entity for violating article 36 of law 3283/2004 on the terms and conditions for the sale of mutual fund shares in other states.*
- *Fines were levied on four legal entities for violating law 3301/2004 on Financial Collateral Arrangements in implementation of the International Accounting Standards.*
- *Fines were levied on six legal entities for violating law 3461/2006 on the preparation and publication of bids and the notification of the HCMC.*
- *Fines were levied on eight legal entities for violating law 3371/2005 on the capability of the HCMC to ex-officio de-list securities when the smooth operation of the market is at stake.*
- *Fines were levied on four legal entities for violating HCMC Rule 5/204/14.11.2000 on the Code of Conduct for Listed Companies and persons connected to them.*
- *Fines were levied on three legal entities for violating HCMC Rule 17/336/21.4.2005 on the data and information contained in the financial statements published in accordance with the provisions of PD 360/1985.*
- *Fines were levied on seventeen legal entities for violating HCMC Rule 3/347/12.7.2005 on issuer obligations concerning the disclosure of privileged information.*

- *Fines were levied on two legal entities for violating HCMC Rule 2/396/31.8.2006 on the data and information contained in the financial statements published in accordance with the provisions of PD 360/1985.*
- *Fines were levied on three legal entities for violating HCMC Rule 1/452/1.11.2007 on the code of conduct for investment firms.*
- *A fine was levied on one legal entity for violating the Code of Conduct.*

Individuals

- *Fines were levied on twenty one 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 ASE-listed companies.*
- *A fine was levied on one individual for violating the provisions of article 3 of PD 53/1992 on the abuse of confidential information by members of the issuer's auditing and supervisory bodies.*
- *Fines were levied on thirty three individuals for violating article 72 of law 1969/1991 concerning the penalties for disseminating false information.*
- *Fines were levied on five individuals for violating articles 3 and 4 of Law 2396/1996 concerning the persons eligible for providing investment services in Greece.*
- *Fines were levied on thirty seven individuals for violating paragraphs 1, 2 of article 13 of Law 3340/2005 concerning the obligation of persons that exercise managerial duties on behalf of issuers to disclose to the latter any transactions performed on their own behalf and concern the issuer's shares.*
- *Fines were levied on five individuals for violating article 30 of Law 3340/2005 on the penalties for price manipulation.*
- *Fines were levied on two individuals for violating article 7 of Law 3340/2005 that prohibits market manipulation.*
- *A fine was levied on one individual for violating article 7 of Law 3461/2006 on compulsory takeover bids.*
- *Fines were levied on four individuals for violating articles 3, 5, 9 of Law 3556/2007 on the obligation to prepare financial statements and provide information about the acquisition or sale of major holdings.*

- *Fines were levied on two individuals for violating HCMC Rule 1/347/12.7.2005 on market abuse indications.*

- *Fines were levied on thirty seven individuals for violating HCMC Rule 3/347/12.7.2005 on issuer obligations.*

- *Fines were levied on eight individuals for violating the Code of Conduct for Investment Firms.*

During 2009, the Hellenic Capital Market Commission levied fines of a total worth of 5,655,300 Euros. The allocation of fines among market entities is presented in Table 31.

TABLE 31. Number and value of fines, 2009.

Number of cases	Entity	Fines (€)
75	Investment Firms	333,300
13	MFMF	27,500
0	PIC	-
22	Financial Intermediation Firms	5,000
98	Listed Companies	549,500
111	Other Legal Entities	898,500
156	Individuals	3,841,500
Total: 475		Total: €5,655,300

Source: HCMC

Supervision & Monitoring of the Behavior of Listed Companies

According to article 10 of Law 3340/, the issuers of shares listed in the ASE must disclose, without any culpable tardiness, any privileged information related to them. A main prerequisite for the application of the provisions of article 10 is that such information should be of "privileged" nature, as specified by HCMC Rule 3/347/2005.

Pursuant to its duties concerning the supervision of company compliance with the provisions of the aforementioned law, in 2009 the competent department of the HCMC sent almost 31 letters to supervised companies, requiring them: (i) to immediately disclose all information deemed as "privileged" and concerning the said companies, without waiting for the finalization of the situation, or event, to which this "privileged information" refers to, and (ii) in the case of already disclosed information, to disclose at least those items of information that are necessary for the provision of investors with accurate, adequate, and clear information, in order to preclude any ambiguous or unclear interpretation.

According to the provisions of article 2, paragraph 1 of HCMC Rule 5/204/14.11.2000, all companies whose shares are listed in the ASE must immediately confirm, or deny, any unverified information that *might materially affect the price of their shares, clarifying at the same time the current stage of the events to which the relevant information refers to.*

Pursuant to its duties concerning the supervision of listed company compliance with HCMC Rule 5/204/14.11.2000, in 2009 the competent department of the HCMC sent almost 40 letters to companies, requiring them to confirm, or deny, unverified information, in accordance with the aforementioned provisions. The number of cases is diminishing during the past few years (70 cases in 2008), a fact which should be attributed to issuer familiarization with the said legislation, and to the decrease of corporate activity in 2009 due to the overall negative economic climate.

The review of announcements and the investigation of unverified rumours or information, which is performed daily due to both their everyday flow and their immediate nature, showed that the vast majority of listed companies has complied with the aforementioned regulations. Nevertheless, there are some cases of possible infringements, which have been, or are still being, audited.

In the context of the aforementioned regulations, in 2009 the HCMC levied fines of 359,000 Euros in four cases, for delays in the disclosure of privileged information and for inadequate information.

Disclosure obligations are designed to protect investors and guarantee their confidence in the accuracy and objectivity of stock market information. Moreover, these provisions are designed to inform investors and protect them from any consequences on the financial position, and financial data of the company, which may be caused by events such as changes in business activity, or the omission to deny or confirm unofficial information, or rumors, or the leakage of information about impeding developments pertaining to the company's business activity, which might affect the prices of its share.

In the context of the provisions of Law 3556/2007 on the obligations concerning the announcement and disclosure of major holdings, shareholders and other responsible persons submitted more than 600 announcements concerning major changes in corporate ownership, as a percentage on the total voting rights of ASE-listed companies. The number of these announcements was reduced by almost 33% as compared with 2008, a fact attributed to the overall trading climate in the ASE. The review of these announcements revealed that only 5% concerned correct repetitions of previous announcements, following an intervention from the competent department of the Hellenic Capital Market Commission with the aim of providing investors with correct and complete information. The number of corrections is smaller than in the previous year, which was the first year of implementing law 3556/2007, and this was due to the familiarization of supervised persons with the said law. Nevertheless, there are some cases of possible infringements, which are still being audited.

Moreover, as part of the investigation of cases subject to the previous legal framework, and in particular the provisions of PD 51/1992, in 2009 the Board of Directors of the Hellenic Capital Market Commission imposed total fines of 331,500 Euros to individuals or legal entities that were found to violate the announcement obligations provided for by the Presidential Decree.

In the context of Law 3016/2002 on Corporate Governance, the Hellenic Capital Market Commission, based on the experience gained from the implementation of the said law, and with the assistance of the Union of Listed Companies, distributed a questionnaire with the aim of gathering information on the specific corporate governance rules implemented by each company, the problem it has been facing and possible ideas for improving the regime on corporate governance.

The distribution of the questionnaire and the accumulation of data comprise the first stage of the debate for improving the corporate governance regime. The information and ideas that will be gathered will help form proposals for improving the corporate governance regime. Then, these proposals will be put to consultation, in order to select specific actions. The above procedure is in progress.

Supervision & Monitoring of Takeover Bids

In 2009, seven takeover bids for securities traded in the ASE were submitted to the Hellenic Capital Market Commission (Table …). The supervisory process remained intensive, leading to the detection of infringements of Law 3461/2006, for which the HCMC imposed total fines of 27,500 Euros in six cases.

In 2009, the Hellenic Capital Market Commission received five requests for the execution of squeeze-out rights, i.e. the right of the Acquirer that, after the end of the bid, possesses transferable securities representing at least ninety percent (90%) of the Target Company's voting rights to demand the acquisition of all the remaining transferable securities of the Target Company.

More specifically, in 2009 the following requests were submitted to, and approved by, the Board of the Hellenic Capital Market Commission: (i) A request by IBERDROLA RENOVABLES S.A. for exercising its squeeze-out right on the share of CH. ROKAS SA (approved on 23.1.2009); (ii) a request by VANDERVELLE S.A. for exercising its squeeze-out right on the share of MULTIRAMA SA (approved on 17.7.2009); (iii) a request by PRIME KEFALOS SIMMETOHIKI SA for exercising its squeeze-out right on the share of GREGORYS MICROGEVMATA SA (approved on 13.3.2009); (iv) a request by AMA PROPERTY DEVELOPMENT SA for exercising its squeeze-out right on the share of IMAKO MEDIA SA (approved on 19.11.2009); (v) a request by MIG TECHNOLOGY HOLDINGS SA for exercising its squeeze-out right on the shares of SINGULAR LOGIC SA (approved on 19.11.2009); and (vi) a request by ISQUARE SA for exercising its squeeze-out right on the shares of RAINBOW SA (approved on 19.11.2009).

Moreover, in conjunction with Law 3371/2005, and in order to consider whether the companies whose shares have been under suspension of trading status for more than six months should be de-listed from the ASE, but also after requests of the companies themselves for the de-listing of their shares, in 2009 the HCMC reviewed information pertaining to eleven (11) companies. Based on this review, and after the completion of the applicable procedure, the Board of the Hellenic Capital Market Commission decided to de-list the shares of nine companies.

More specifically, (a) the Board of the HCMC decided, in accordance with article 17 paragraph 3 of Law 3371/2005 as is currently in force, to de-list from the Athens Stock Exchange the shares of HELLATEX SYNTHETIC FIBERS SA on 1.2.2009, ERGAS SA on 18.6.2009, ETMA SA on 28.9.2009 and (b) following the completion of the take-over bid and squeeze-out procedures, five (5) companies submitted requests to the HCMC, concerning the de-listing of their shares from the Athens Stock Exchange in accordance with article 17, paragraph 5 of Law 3371/2005 as currently in force, which were approved by the Board of the Hellenic Capital Market Commission: (i) PIREAUS LEASING SA, approved on 23.1.2009; (ii) CH. ROKAS SA Approved on 13.3.2009; (iii) GREGORYS MICROGEVMATA SA approved on 18.6.2009; (iv) MULTIRAMA SA Approved on 24.8.2009; and (v) IMAKO MEDIA SA, approved on 28.12.2009.

TABLE 32. Take-over bids in the capital market, 2009.

No	Date of submission	Type of bid	Bidder	Target company	Date of Approval	Underwriting period	% shares prior to the bid	% of shares after the bid
1	22/12/08	Mandatory	PRIME KEFALOS SA	GREGORYS MICROGEVMATA SA	23/01/09	28/1/09 - 25/2/09	46.99%	97.84%
2	15/4/09	Mandatory	VANDERVELLE SA	Multirama SA.	15/5/09	20/5/09 - 17/6/09	74.51%	90.59%
3	18/5/09	Voluntary	DELHAIZE "THE LION" NEDERLAND BV	A-B VASSILOPOULOS SA	5/6/09	12/6/09 - 9/7/09	65.27%	89.51%
4	9/6/09	Voluntary	AMA REAL ESTATE DEVELOPMENT	IMAKO MEDIA SA	30/6/09	3/7/09 - 31/7/09	0.00%	96.70%
5	29/6/09	Revisory	DELHAIZE "THE LION" NEDERLAND BV	A-B VASSILOPOULOS SA	30/6/09	12/6/09 - 9/7/09	65.27%	89.51%
6	4/8/09	Mandatory	MIG TECHNOLOGY HOLDINGS SA	SINGULAR LOGIC SA	10/9/09	15/9/09 - 13/10/09	57.81%	92.83%
7	4/8/09	Mandatory	ISQUARE SA	RAINBOW SA	24/8/09	27/8/09 - 24/9/09	79.57%	95.27%

Source: HCMC

LEGISLATIVE AND INSTITUTIONAL INITIATIVES

The new European regulation on Credit Rating Agencies

Following the set of conclusions on the financial crisis (the "Ecofin Roadmap") which included a proposal to assess the role played by credit rating agencies and to address any relevant deficiencies, the EU Council of June 20 and October 16, 2008, called for a legislative proposal to strengthen the rules on credit rating agencies and their supervision at EU member-state level, considering it a priority to restore confidence and the proper functioning of the financial sector. In this context, in November 2008 the European Commission put forward a proposal for a Regulation on credit rating agencies. This proposal was added to the Commission's proposals on Solvency II, the Capital Requirements Directive, Deposit Guarantee Schemes and accounting.

The HCMC was actively involved in the consultations during the elaboration of the Regulation at the Council of the European Union, and contributed to the drafting of the final text of the Regulation, which was issued in 2009. In 2009, the Committee of European Securities Regulators (CESR) commenced work on the specification of certain points of the Regulation, which was undertaken by its relevant experts group, with the participation of the HCMC. This work includes, amongst others, the creation of a central repository database and the publication of ratings, as well as individual issues concerning the cooperation among supervisors on the basis of the new "colleges of authorities" system. There will also be specifications in regard to the manner European CRAs will endorse ratings issued by foreign CRAs based on the endorsement procedure, the application of the equivalence procedure when CRAs registered in third countries shall request certification by European regulators, and, in general, an analytical framework for cooperation for the initial certification of these agencies.

The new Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 sets the terms for the publication of credit ratings and establishes the procedure for the official registration of CRAs, in order to enable member-states for the first time ever to control the activities of credit rating agencies through the major role given to the CESR. It should be noted that the Regulation will be implemented in parallel with the existing procedures on the certification of CRAs set out by the capital adequacy directive.

Henceforth, credit rating agencies are required to comply with rules ensuring (i) that ratings are not affected by conflicts of interest, (ii) that credit rating agencies remain vigilant on the quality of the rating methodology and the ratings and (iii) that credit rating agencies act in a transparent manner. The Regulation also includes an effective surveillance regime whereby European regulators will supervise credit rating agencies.

The majority of the new European rules have been based on the standards set in the International Organization of Securities Commissions (IOSCO) code. However, those rules were given a legally binding character with the aim of restoring market confidence after the crisis and increase investor protection, while the European Commission was mandated to continue to examine issues pertaining to the role of CRAs in markets and prepare a series of studies and reports.

PROFESSIONAL CERTIFICATION OF CAPITAL MARKET AGENTS

The current regime for the professional certification of capital market agents is regulated by means of HCMC Rule 3/505/3.4.2009 (Gazette B 873/11.5.2009), in implementation of article 4 of Law 2836/2000 (Gazette A 168), as amended by article 49(2) of Law 3371/2005 (Gazette A 178), which was later replaced by article 14 of Law 3606/2007 (Gazette A 175).

The regime applicable to the year 2009, provided for the obligation of Investment Firms, Financial Intermediation Firms, Mutual Fund Management Firms, and Portfolio Investment Companies, which have been licensed, and are supervised, by the Hellenic Capital Market Commission, to employ for the provision of investment services only holders of Professional Adequacy Certificates. The Rule determines the maximum number of trainees that may be employed by each Firm, as well as the maximum time period during which firms may employ trainees, prior to their successful participation in the Certification Exams or the Certification Seminar (a1).

The Professional Adequacy Certificate refers to five specific types of investment services:

(a1): Receipt, transmission and execution, on behalf of third parties, of orders on transferable securities, shares in collective investment undertakings, and money market instruments.

(a2): Receipt, transmission and execution, on behalf of third parties, of orders on derivative products.

(b): Provision of investment advice concerning transferable securities, shares in collective investment undertakings, and money market instruments, derivative products, and structured financial products.

(b1): Provision of investment advice concerning transferable securities, shares in collective investment undertakings, and money market instruments.

(c): Client asset management.

(d): Preparation of analyses on financial instruments or issuers.

The Certificate is bestowed by the HCMC if the applicant has successfully sat in certification exams or attended certification seminars, or is the holder of a CFA (Series 3) or CIIA (Final) degree, or equivalent professional adequacy certificates issued by the competent authorities, or agencies, recognized by the *competent authorities of EEA member-states, the US, Canada and Australia, and have successfully sat in the exams on the "Institutional framework of the capital market".*

Apart from taking the tests, certification will be provided in case certain criteria regarding the acceptability of each individual are fulfilled, such as: (a) the fulfillment of minimum personal reliability requirements that are specified by the Rule; (b) the fulfillment, according to case, of minimum qualifications that are specified by the Rule; and (c) the payment of a €100 Certification fee to the HCMC.

Moreover, HCMC Rule 3/505/3.4.2009 introduces the option to organize certification seminars addressed to applicants wishing to receive Certificate (a1).

A similar certification requirement has been established for credit institution executives, under similar terms and conditions, which are specified by the joint Decision 4/505/3.4.2009 of the Board of the HCMC and the Governor of the Bank of Greece, whose implementation lies with the Bank of Greece.

In implementation of the above, 415 applications for participation in the exams or the seminars that were organized during the year (March-May, October-November-December) were submitted in 2009, and 297 professional adequacy certificates were granted. More specifically, 61 certificates were granted in area (a1), 70 certificates in area (a2), 55 certificates in area (b1), 35 certificates in area (b), 47 certificates in area (c) and 29 certificates in area (d).

Moreover, in implementation of the applicable provisions, in 2009 the HCMC granted, following the relevant requests, 87 professional adequacy certificates without participation in the exams (60 following requests for exception due to equivalence and 27 following requests for implementation of transitional provisions): more specifically, 30 certificates in area (a1), 27 certificates in area (a2), 8 certificates in area (b1), 17 certificates in area (b) and 5 certificates in area (c).

INTERNATIONAL ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION

Notifications for the Provision of Investment Services in Greece

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

In the context of the implementation of the aforementioned European Directives during the period 1995-2009, the Hellenic Capital Market Commission has received notifications from 2,272 overseas firms *wishing to provide investment services in Greece by means of the "European Passport" (Table 33). These notifications remain active in 1,680 cases.*

The distribution of active notifications by country is the following: 1,402 companies come from the UK, 44 from Ireland, 40 from the Netherlands, 32 from France, 29 from Cyprus, 22 from each of Austria and Norway, 20 from Germany, 11 from each of Belgium and Luxembourg, 8 from each of Denmark and Italy, 7 from Spain, 6 from Finland, 5 from Sweden, 4 from Malta, 2 from each of Bulgaria and Slovakia, and 1 company from each of Estonia, Poland, Portugal, Slovenia and the Czech Republic.

Furthermore, in 2009, 200 new companies coming from the UK submitted notifications regarding the provision of investment services in the Greek capital market, 8 from Ireland, 7 from Germany, 6 from France, 4 from each of Austria and Cyprus, 3 from each of the Netherlands and Luxemburg, 2 from each of Bulgaria, Malta, Slovakia and Sweden and one from each of Denmark, Estonia, Italy, Spain, Norway, and Finland.

TABLE 33. Notifications for the Provision of Investment Services in Greece, 2007-2009

Country	Number of Notifications			Number of Cancellations			Total of Active Companies		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Austria	34	30	28	12	9	7	22	21	21
Belgium	14	14	12	3	3	2	11	11	10
Bulgaria	2	0	0	0	0	0	2	0	0
France	40	34	28	8	7	5	32	27	23
Germany	24	17	15	4	4	1	20	13	14
Denmark	8	7	5	0	0	0	8	7	5
Estonia	1	0	0	0	0	0	1	0	0
Ireland	57	49	48	13	11	10	44	38	38
Italy	8	7	5	0	0	0	8	7	5
Spain	7	6	5	0	0	0	7	6	5
Cyprus	37	33	26	8	3	1	29	30	25
Luxembourg	13	10	4	2	1	1	11	9	3
Malta	5	3	1	1	0	0	4	3	1
Norway	23	22	21	1	0	0	22	22	21
Netherlands	56	53	48	16	11	10	40	42	38
Poland	1	1	0	0	0	0	1	1	0
Portugal	1	1	1	0	0	0	1	1	1
Slovakia	2	0	0	0	0	0	2	0	0
Slovenia	1	1	1	0	0	0	1	1	1
Sweden	11	9	9	6	6	6	5	3	3
Czech Republic	1	1	0	0	0	0	1	1	0
Finland	7	6	4	1	1	0	6	5	4
Britain	1,919	1,719	1,426	517	423	386	1,402	1,296	1040
Total	2,272	2,023	1,687	592	479	427	1,680	1,544	1,260

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 IOSCO (International Organization of Securities Commissions) (October 18th, 2002).*

2003

- *A bilateral Memorandum of Understanding with the Securities Commission of Hungary (January 8th, 2003);*
- *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).*

2007

- *A bilateral Memorandum of Understanding with the Capital Markets Commission of Dubai (September14th, 2007);*
- *A bilateral Memorandum of Understanding with the Securities Commission of Egypt (November 20th, 2007).*

The Hellenic Capital Market Commission and the Committee of European Securities Regulators (CESR)

The CESR (Committee of European Securities Regulators) was established as an independent authority in accordance with the terms of a decision reached by the European Commission on June 6th, 2001 (2001/1501/EC), which was replaced by the decision reached on January 23, 2009 (2009/77/EC) that enhanced the role of CESR and increased its responsibilities. The CESR is one of the two commissions envisaged by the final Lamfalussy report (the other is the European Securities Committee) concerning the regulation of European securities markets, which was chaired by baron Alexandre Lamfalussy (Lamfalussy Committee of Wise Men). The report was ratified by the European Council and the European Parliament.

The Role of the CESR is to: (i) to improve co-ordination among European capital market regulators; (ii) to act as a team of advisors, with the purpose of assisting the European Commission, especially in regard to the preparation of measures concerning the securities' field; and (iii) to work in order to guarantee a more consistent and timely implementation of community laws by member-states.

On 1.1.2011 the CESR shall be renamed to European Securities and Markets Authority (ESMA) and transformed to an independent authority operating within the EU. The membership of each member state in ESMA shall be retained, along with the competencies and operation of the CESR. For the first time, though, the new authority will be authorized to take direct measures in regard to market participants. Moreover, cooperation with the European Commission is enhanced.

The CESR and the Financial Crisis

The capital market regulators of European Union countries are closely monitoring developments in, and the operation of, markets under the current conditions of financial crisis, and convene in order to take the necessary measures for promoting the proper operation of capital markets. The measures are taken with the aim of enhancing confidence in financial markets, as well as investor protection. CESR, as the network of European capital market regulators, coordinates its members' actions in regard to short selling practices. Many regulators have adopted measures or took action in their markets with the aim of either limiting or setting strict conditions or further data reporting requirements in regard to short selling. Other authorities are considering the necessity of imposing additional requirements to those already existing, taking into account the developing conditions in the market and the peculiarities of their own domestic markets.

In general, CESR members have enhanced the monitoring of markets, in order to combat possible cases of market abuse, and other practices that could endanger their smooth operation. As part of its regular reporting practices, the CESR had already carried out a survey, in order to notify the ECOFIN Council about the existing short-selling requirements and/or limitations that apply in each member-state.

The CESR took initiatives for dealing with the crisis. Continually monitoring developments, CESR members adopted the following actions for dealing with dealing with main aspects of the financial crisis that fall under their jurisdictions. These measures are implemented, wherever appropriate, in close cooperation with the corresponding Level 3 Committees of the EU that regulate banking, insurance and pension issues (i.e. CEBS and CEIOPS) and in cooperation with IOSCO.

Short selling: Following its initial urgent action to coordinate the short-selling measures adopted by CESR members on the national level, the CESR is investigating methods for further promoting the convergence of national measures, to the degree that this is possible and necessary, also increasing transparency in the markets, which will enhance the cooperation among members regarding the imposition of specific sanctions related to the prohibition of short selling. This task is carried out by CESR-Pol.

Mutual Funds: The CESR is closely monitoring the effects of recent market developments on the proper operation of mutual funds. This task is carried out by the Investment Management Expert Group.

Accounting: Following a public consultation, the CESR published its final paper on fair value measurement and the relevant transparency requirements for financial instruments in illiquid markets. CESR members, as the national agencies responsible for the monitoring and enforcement of the accounting standards' implementation by listed companies, will continue to monitor the accounting standard's implementation throughout the period, along with any new developments. This task is carried out by CESR-FIN.

Clearing and Settlement: CESR-members recognize the importance of post-trade infrastructure for the proper operation of markets. To this end, it formed the Post-trading expert group on settlement and clearing, which aims at ensuring the stability, transparency and effectiveness of post-trading activity in Europe.

It should be noted that the CESR is in the stage of completing other major initiatives that were adopted in April 2008 for the implementation of recommendations made by the Financial Stability Forum, such as the survey regarding market transparency on non-equity financial instruments, risk management principles for UCITS and the further analysis of the operation of Credit Rating Agencies.

Permanent Committees: CESR-Pol and CESR-Fin.

CESR-Pol comprises staff members from regulators-CESR members, who are responsible for the supervision of securities and derivatives markets and the exchange of information. The objective of the CESR-Pol is to facilitate effective information exchange, in order to improve co-operation and the co-ordination among CESR members in the fields of supervision and imposition of sanctions.

CESR-Pol, and especially its Subcommittee on market abuse (Market Abuse Directive Drafting Group), has worked on three sets of Level 3 guidelines (on the basis of the "Lamfalussy" process), in order to ensure the consistent implementation of the Directive on Market Abuse. Although the guidelines are not binding for regulators, CESR members have agreed to comply with the relevant provisions during the supervision process, since these provisions describe how they perceive and implement the legal prerequisites set by the Directives, and the executive means for their realization.

CESR member recognize the major role played by the guidelines, on one hand in regard to supervisory convergence at the European level, and on the other hand for the provision of guidance to market participants. Many of the issues included in the work program of the CESR have been pointed out by market participants during the consultation process on relevant working papers.

Two major steps in this process have been the first and second set of CESR guidance on Market Abuse. In May 2009, the CESR-Pol published the third set of guidelines, produced after the completion of the consultation process. The guidelines concern insider lists, suspicious transaction reports, stabilization and buy-back programs and the two-fold notion of "inside information".

In regard to stabilization and buy-back programs, CESR members clarify that stabilization outside the exemption provided by article 8 of the Market Abuse Directive should not be deemed to constitute market abuse, but must be determined in accordance with the criteria set out in the Directive. The same stands the sales of shares that occur during stabilization programs. All competent authorities must publish the mechanisms by which listed-company stabilization and buy bank programs are reported to *the public. The CESR believes that the mechanisms for the dissemination of regulated information provided for by the Transparency Directive (2004/109/EC) can be used for this purpose.*

The term "inside information" is two-fold, due to the problems arising from the existence of a definition that applies both to the prohibition of trading by insiders, and to the listed companies' obligation to disclose major corporate actions, taking into consideration the requirement not to mislead the public in case of delay in public disclosure. However, the CESR did not produce any new guidance on the topic, apart from the treatment of rumours. CESR considers that issuers are under no obligation to respond to speculation or market rumours that are without substance. Nonetheless, issuers are expected to react and respond to rumours that are sufficiently precise to indicate that a leak of information has occurred.

In July 2009, the CESR published a consultation paper on its proposal for a pan-European short selling disclosure regime. After a significant number of CESR members took, as a first step, emergency measures to restrict short selling in financial instruments due to the turbulent market conditions prevailing in Autumn 2008, CESR developed a list, which provides an overview of the situation across Europe and is update whenever the Members make changes to their short selling measures. Moreover, the CESR considered it appropriate to launch a policy review, with the aim of formulating pan-European standards for short selling. The CESR is in favor of a pan-European regime for enhanced transparency of short-selling, on a permanent and harmonized basis across the European Economic Area, by introducing European legislation. Although the design of a common disclosure regime is given top priority, the CESR continues to consider whether further harmonized measures, beyond disclosure, for the regulation of short selling are required and feasible.

The other permanent committee, CESR-Fin, consists of staff members from national regulators-members of the CESR, who are responsible for the supervision and the proper implementation of rules concerning the publication of financial results and compliance with transparency requirements. The main role of the CESR-Fin is to co-ordinate the work of the CESR on the endorsement and observance of the International Accounting Standards and other transparency requirements concerning financial results in the European Union, in the context of its strategy for the adoption of a single financial reporting framework. CESR-Fin will provide CESR observers with the necessary support in the context of the operation of the mechanism for the endorsement of the International Accounting Standards, the main aim being their adoption and implementation by the European Union.

The CESR-Fin plays an active role in future developments, in the European approvals of accounting standards and their interpretations that are published by the IASB and the IFRIC, and in the future regulatory developments regarding audit procedures. This entails that CESR-Fin is capable of supervising the procedures related to the establishment of accounting standards, and of developing *stronger ties with similar European and international organizations, such as: ARC, AuRC, EFRAG, IASB, IASSB and the EU Accounting Roundtable.*

These objectives are better achieved through the operation of a permanent group (i.e. the CESR-Fin) responsible for all issues pertaining to accounting standards, and a sub-group (European Enforcers Co-ordination Sessions-EECS), which is working on specific operational issues and will comprise both CESR members and non-members responsible for the implementation and enforcement of the IAS. Moreover, CESR-Fin will enjoy more flexibility in creating and dissolving working groups, in order to provide swift responses on key issues that arise in its field of activity. Moreover, CESR-Fin maintains a close working relationship with the executives of the US Securities and Exchange Commission (SEC), in an effort to prevent regulatory conflict during the implementation of the IFRS and the US GAAP.

In November 2009, CESR-Fin published an analysis of the compliance of European financial institutions with disclosure requirements related to financial instruments. For the purposes of this analysis, the CESR reviewed the 2008 year-end financial statements of 96 listed banks and/or insurers, including 22 companies of the FTSE Eurotop 100 index. The findings revealed that, in some areas, a significant proportion of companies failed to comply with mandatory disclosure requirements relating to financial instruments, for example in regard to the use of valuation techniques and relationships with special purpose entities.

In December 2009, CESR-Fin published the minutes from the meeting of IFRS enforcers from 33 countries, representatives from the International Accounting Standards Board and auditors, regarding the enforcement of International Financial Reporting Standards and enforcement decisions taken worldwide. CESR's decision to organize this meeting reflects its strong commitment to strengthen dialogue with third country enforcers with a view to enhancing the consistent application of IFRS all over the globe.

CESR Expert Groups

1. Expert Groups on the Directive on Markets in Financial Instruments – MiFiD Expert Group

In May 2009, the CESR published its assessment of the first four proposals for waivers from the pre-trade transparency requirements of MiFID. The compliance of these waivers with MiFID has been assessed by the CESR on the basis of a new joint process launched by the CESR in February 2009.

Although the legal responsibility for granting the waivers lies with the national competent supervisory authorities, CESR members have agreed that when an operator of a regulated market or a Multilateral Trading Facility (MTF) seeks to rely on a MiFID pre-trade transparency waiver, the arrangements will be considered by the CESR following a request and at the initiative of the relevant CESR member. This is *consistent with CESR's role in providing a forum for supervisors to achieve greater supervisory convergence and contributes to ensuring an appropriate level of market transparency across Europe.*

In July 2009, the CESR published its assessment on the impact of the Markets in Financial Instruments Directive (MiFID) on the functioning of equity secondary markets. Following the first anniversary of the implementation of MiFID in November 2008, the CESR published a review of the impact of the MiFID on the operation of equity secondary markets. The report focused on the functioning of MiFID's provisions and its Implementing Regulation in regard to market transparency and integrity, regulated markets, Multilateral Trading Facilities (MTFs) and systematic internalisers. The publication of CESR's report followed a call for evidence issued in November 2008 and recording stakeholder views on the workings of MiFID and its impact.

The impact of MiFID on secondary markets

CESR's assessment showed that the introduction of MiFID significantly changed the secondary markets landscape throughout Europe, especially through the introduction of new Multilateral Trading Facilities. Although the market share of regulated markets has decreased since the implementation of MiFID, the vast majority of equity trading is transacted through the existing regulated markets, rather than on the new entrants or over-the-counter (OTC).

Many factors have influence the cost of trading since MiFID came into force, such as increasing competition, which led to downward pressures on direct execution costs. Moreover, the increase in expenditure on technology used for trading in a more fragmented environment, and, in general, the widening of bid-ask spreads as a result of volatile market conditions, have tended to offset the reduction in trading fees. The findings also indicate the concern of some market participants that fee reductions by trading platforms have not been fully passed on by market participants to investors.

Pre- and post-trade transparency

Following the implementation of MiFID, market participants expressed concerns over a number of pre-trade transparency issues, ranging from interpretation issues to potentially undesirable impacts on innovation and fair competition between various trade execution venues. The CESR is already taking measures for addressing these concerns. For example, a processes for considering future applications for pre-trade transparency waivers has been implemented and the CESR has agreed to undertake a review of all pre-trade transparency waivers, starting in the second half of 2009.

As a result of the increased competition in trade publication services introduced by MiFID, trade data is now available from a number of different sources. Some market players were concerned about market data fragmentation. in other words, that there is a need for better quality of post-trade data and a *consolidated set of market data. The CESR is aware of these concerns and will conduct further work to assess issues pertaining to the cost of accessing post-trade data and the consolidation of data.*

Level playing field

MiFID aims at developing competition and greater efficiency of equity trading, while maintaining investor protection. Achieving greater competition is raising concerns about the level playing field among trading platforms, both by regulated markets vis-à-vis Multilateral Trading Facilities and by regulated markets and MTFs vis-à-vis investment firms' OTC activities. In its report, the CESR notes the importance of recognizing the challenges that arise from this competition so that action can be taken or recommendations made to address any issues that are identified.

In addition to publishing this report on the MiFID's impact on the functioning of equity secondary markets, the CESR has already started preparing a similar report on MiFID's impact on non-equity markets. This report is expected to be finalized during the first quarter of 2010.

The work undertaken should be viewed in the context of CESR's wider objectives. Moreover, by reviewing the impact of MiFID the CESR seeks to enhance transparency of implementation and foster market transparency, thus improving market efficiency.

In July 2009, the CESR published its final proposal and feedback statement on the transparency of corporate bond, structured finance product and credit derivatives markets. The CESR believes that certain market-led initiatives have not provided sufficient levels of transparency. The CESR believes that an increased level of transparency would be beneficial to the market and that a harmonized approach to post-trade transparency would be preferable to national initiatives taken in this area on the basis of the flexibility allowed by MiFID. Therefore, the CESR has considered it necessary to inform the European Institutions about the main conclusions reached in its report, and to recommend the adoption of a mandatory trade transparency regime for corporate bond, structured finance product and credit derivatives markets.

CESR's proposals for corporate bonds

The CESR believes that a post-trade transparency regime for corporate bonds should cover bonds for which a prospectus has been published (including all corporate bonds admitted to trading on a regulated market) or which are admitted to trading on an MTF. The information to be published should include a description of the bond (including a standardized format of identification), price/yield, volume and date and time of execution. The regime should minimize any potential drawback on liquidity by allowing for delayed publication and/or disclosure without specified volumes, if the transaction exceeds a given threshold. When setting the thresholds, the initial issuance size (total value) and/or turnover of *a particular corporate bond would need to be taken into account, in a similar way as in the case of shares under the existing MiFID regime.*

CESR's proposal for structured finance products and credit derivatives

In the view of CESR, any post-trade transparency regime for structured finance products should be seen as complementary to existing initiatives designed to improved transparency. In the case of asset-backed securities (ABSs) and collateralized debt obligations (CDOs), CESR recommends the use of a phased approach, so that the post-trade transparency regime would gradually apply to all ABSs and CDOs that are commonly considered as standardized. In regard to asset-backed commercial paper (ABCP), CESR came to the conclusion that additional post-trade transparency is not one of the pressing topics for participants in these markets. Therefore CESR does not currently see a need for a post-trade transparency regime for ABCPs. In regard to credit default swaps (CDSs), the CESR is of the view that a post-trade transparency regime should cover all contracts which are eligible for clearing by a central counterparty (CCP) due to their level of standardization, including single name CDS, although there may not yet be an offer for the clearing of these CDS by a CCP.

The post-trade transparency regime for structured finance products and credit derivatives will minimize any potential drawbacks on liquidity by allowing delays in, or exemptions from, the publication in a similar way as suggested for corporate bonds.

At this stage, CESR's proposal does not include all the details needed for an effective post-trade transparency regime for non-equity markets. However, the CESR is prepared to assist the Commission in developing the necessary details to ensure that any possible drawbacks on liquidity of these markets can be avoided.

This report is part of CESR's work of addressing some of the recommendations of the Financial Stability Forum in its report "Enhancing the Market and Institutional Resilience", issued after the request, in October 2007, by the G7 Ministers and Central Bank Governors to undertake an analysis of the causes and weaknesses that produced the crisis, which broke out in the summer of 2007. The CESR has also taken note of the Declaration of the Summit on Financial Markets and the World Economy of the Leaders of the Group of Twenty (of 15 November 2008) which stated the commitment to: "strengthen financial market transparency, including by enhancing required disclosure on complex financial products […]."

2. Expert Group on Investment Management

In February 2008, the CESR published its advice to the European Commission on the content and form of Key Investor Document disclosures for Undertakings for Collective Investment on Securities (UCITS). The *new document (KID) aims at simplifying and stressing the key information that retail investors should take into account when investing in UCITS. The purpose of KID is to ultimately replace the simplified prospectus for retail investors, following its implementation in the market, after an initiative taken by the European Commission in 2008.*

In October 2009, the CESR published its advice to the European Commission (hereinafter the "Commission") on UCITS management company passports.

The key points covered by this CESR advice are the following: Definition of domicile, applicable law and supervisory responsibilities, authorization procedure for UCITS funds whose management company is established in another member state, on-going supervision of the management of a fund, dealing with breaches of rules governing the management of the fund.

In July 2009, the CESR published its draft advice to the European Commission on the regulatory framework that should underpin the management company passport for Undertakings for Collective Investment on Securities (UCITS). CESR's draft advice covers the organizational requirements that companies managing UCITS need to fulfill, and the conflicts of interest those companies must avoid. The advice also includes details on the companies' rules of conduct, depositaries and risk management, as well as on supervisory co-operation.

Organizational requirements, conflicts of interest and rules of conduct

CESR's advice follows the clear direction in the Commission's mandate to seek maximum alignment with the rules contained on this respect in the Markets in Financial Instruments Directive (MiFID), while taking into account the peculiarities of UCITS. The paper sets out draft advice on such matters as general organizational procedures and arrangements, responsibility of senior management and the remuneration policy (Part I of the advice).

In line with the proposals on organizational requirements and conflicts of interest, CESR's approach to the advice on rules of conduct is to seek maximum alignment with the relevant MiFID provisions. The advice includes requirements applicable to the direct sale of UCITS by management companies, as well as best execution, order handling and inducements.

CESR contributed to the development of the new UCITS framework

In September 2009, the CESR published for consultation a draft technical advice to the European Commission on the format and content of Key Information Disclosures for UCITS. CESR's proposals follow over two years of work, which has included extensive consultation with stakeholders. In developing its advice, the CESR also placed great emphasis on the outcome of the consumer testing exercise carried *out by the Commission. The proposed disclosure, to be known as the Key Information Document (KID), will replace the current Simplified Prospectus that was introduced in 2002 and aims at increasing investor protection and convergence across Europe.*

Since April 2007 the CESR had been working to develop advice to the Commission on the format and content of key investor information disclosures for Undertakings for Collective Investment in Transferable Securities (UCITS). The KID will be a short, pre-contractual disclosure document, containing only the key elements of information investors need before making a decision on whether to invest in a fund. It will cover the investment policy and objectives of the fund, risk and reward, charges and past performance, as well as practical information. The testing exercise conducted by the Commission from March 2008 to May 2009 has also shown the importance of disclosure documents being short, concise and written in plain language. In its draft advice the CESR sets out a number of proposals designed to ensure that the KID fulfils such criteria.

The objectives and investment policy to be summarized in a KID

The CESR proposes that the KID should describe the objectives and investment policy of each UCITS in plain terms, not necessarily repeating the description in its prospectus. The CESR recommends adding a statement that investors may redeem their units on request, since the consumer testing exercise showed that a significant number of investors failed to understand this essential feature of all UCITS. The advice proposes disclosures in regard to risk, returns, as well as fees and charges.

The consultation paper sets out two options for risk and reward disclosure: a synthetic risk and reward indicator (SRRI) supported by a narrative explanation versus an improved version of the narrative approach. The indicator is CESR's preferred option taking into account a range of factors, in particular in terms of improved comparability of funds. The CESR would work further on the methodology supporting the indicator and would publish the outcome for consultation later in July.

During its work on the KID, the CESR considered a range of options for disclosures related to charges. The approach proposed in the consultation paper consists of a table setting out clearly the different elements of the charging structure (in percentage terms), accompanied by a simple summary measure of charges presented in narrative terms and including a cash figure. The inclusion of the summary measure of charges is designed to recognize the retail investors' preference for the use of cash figures.

UCITS will need to display past performance

CESR's proposed approach to the presentation of past performance is based on use of a bar chart displaying up to ten years' performance, where available. In addition, the CESR proposes allowing performance information to be displayed only where there is at least one calendar year's data.

Taking into account the wide range of structures that exist in the UCITS sphere, the CESR has identified a number of situations in which a tailored approach to the content of the KID might be necessary. As the display of past performance information is generally not appropriate for structured funds, the CESR proposes the alternative of including performance scenarios. These scenarios are designed to illustrate the potential performance of the fund under a range of market conditions. Two options are proposed:

- *a prospective scenarios approach, using tables or graphs (CESR's preferred option), and probability tables, or*
- *improved investor disclosures.*

In October 2009, the CESR delivered to the Commission its advice on two key UCITS-related areas: the regulatory framework concerning the management company passport and the format and content of key investor information disclosures. This work serves two key CESR objectives: delivering greater convergence by harmonizing the requirements that firms must apply when managing UCITS, and improving investor protection by ensuring greater transparency and clarity of information for retail investors seeking to buy UCITS products. The work on disclosures will help integrate the single market for financial services further by enabling retail investors to compare products more effectively and will ensure certainty and clarity for cross-border firms.

Requirements for the cross-border management of UCITS

CESR's advice on the management company passport covers both the organizational requirements that companies managing UCITS need to fulfill, and the conflicts of interest such companies must avoid. The advice also includes details on the companies' rules of conduct, depositaries and risk management, as well as on supervisory co-operation.

CESR's advice follows the objective set out in the Commission's mandate, which was to seek maximum alignment with the relevant rules in the Markets in Financial Instruments Directive (MiFID), while taking into account the peculiarities of UCITS. The advice covers such matters as general organizational procedures and arrangements, responsibility of senior management, voting rights and inducements.

CESR's advice in the area of depositaries focuses on the written agreement to be drawn up between the management company and the depositary, both in domestic and cross-border situations. The advice on risk management is based on the principle that a management company should employ a risk management process that enables it to monitor and measure, at any time, the risk of different positions and their contribution to the overall risk profile of the portfolio of the UCITS. This includes the establishment of a well-documented organizational structure that clearly assigns responsibilities, *incorporates proper internal control mechanisms, and ensures good flows of information between all parties involved.*

CESR's recommendations on supervisory co-operation take into account the existing legal framework in relation to international co-operation, as well as best practice developed within CESR and IOSCO, the International Organization of Securities Commissions.

The Commission intends to adopt implementing measures on the basis of CESR's advice by July 2010, taking into account the deadline for implementing the UCITS Directive by July 2011.

3. Post Trading Expert Group

The importance of post-trading activities, i.e. all actions pertaining to the clearing and settlement of transactions on financial instruments, had been included in CESR's scope of research since 2001. The Committee on Payment and Settlement Systems (CPSS)/IOSCO Recommendations for Securities Settlement Systems and for Central Counterparties were also published in the year. In 2001 the first report of the Giovannini Group on the obstacles identified in the clearing and settlement of cross border transactions ("Cross-Border Clearing and Settlement Arrangements in the European Union") was also published. The importance of post-trading activities was highlighted by the collapse of Lehman Brothers, which jeopardized the operation of capital market worldwide. To this end, the European Condition has included in its current schedule the preparation of draft community regulations on clearing and settlement in 2010.

The task of the Expert Group is to monitor developments concerning post-trading activities, especially the clearing and settlement of transactions executed in regulated market or over-the-counter, and the coordination of national supervisory authority actions. The Chairman of the Expert Group from June 2009 till the end of the year was the Chairman of the Hellenic Capital Market Commission.

The Expert Group is responsible for:

(a) Finalization of the draft recommendations for securities clearing and settlement systems and for central counterparties in the European Union, and monitoring of their implementation.

This is a joint action of the CESR and the European Central Bank for the adoption of common clearing and settlement rules (CESR/ECB Joint Expert Group on Clearing and Settlement) This initiative had initially been taken in 2001, but was frozen later on, when the debate on possible legislation in the field of clearing and settlement came to the forefront. The idea for issuing a relevant Directive did not bear fruit, and the European Code of Conduct was adopted instead. The financial crisis that broke out in August 2007 highlighted again the urgency of taking new, more effective measures. By decision of the

ECOFIN Council of December 2, 2008, the ESCB and the CESR were mandated to take effective measures for dealing with risks emanating from extensive exposure and trading on over-the-counter financial derivatives (mainly credit default swaps - CDS) In reply to this request, the ESCB and the CESR made special arrangements, which were included in the final text of the recommendations.

The Recommendations, which were put to public consultation in October 2008 and were finally adopted in June 2009, constitute a response to the aforementioned identified need for heavier regulation of post-trading activities.

The first part of the Recommendations' consultation paper contains 19 recommendations, concerning central securities depositaries (CDSs) and the second part contains 15 recommendations, concerning central counterparties (CCPs). These recommendations aim at increasing the safety, soundness, and efficiency of securities clearing and settlement systems and central counterparties respectively.

The recommendations were based on the recommendations on securities settlement systems issued by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions (CPSS-IOSCO) in November 2001 and the recommendations on central counterparties issued in November 2004. In regard to depositaries, the CEBS has assumed further work in order to ensure a level playing field.

Following the adoption and publication of the Recommendations, the joint ESCB/CESR group continued its work, in order to solve certain remaining technical issues and organize the monitoring of their implementation.

(b) Creation of a Trade Information Warehouse for OTC derivatives

The financial crisis highlighted the information deficit faced by supervisory authorities worldwide, in regard to the risk that may emanate from extensive exposure of and, similarly, the increased concentration of positions held by market participants in over-the-counter derivatives (such as CDSs), as well as the consequent systemic risk for the market from the possible collapse of a market agent, such as a bank, an undertaking for collective investments (e.g. a hedge fund), an insurance company or just a major investor. In this context, the Expert Group proposed the mandatory recording of CDSs and other OTC derivatives in a Trade Repository, which will gather all analytical data on the positions of market participants, with the aid of providing regulators with continuous and reliable information. Moreover, the Trade Repository could provide additional services to investors, such as trade matching.

The Expert Group took into account the agreement between the European Commission and market agents concerning the mandatory clearing of CDS produces through a Central Counterparty in order to contain inherent systemic risks, and considered the development of similar trade repositories in the US

("Trade Information Warehouse" or TIW operated by the Depository Trust and Clearing Corporation-DTCC). The Expert Group prepared, and in September 2009 put to public consultation, a paper on the characteristics of Trade Repositories and the advantages from the creation of one or more TRs. The results of the consultation, which were submitted to the CESR and the European Commission, will be assessed as part of the latter's forthcoming initiatives for regulating post-trading activity.

Among the most important assessment factors that will affect the future clearing, settlement and recording environment in Europe, is the question whether the recording of trades in OTC derivatives should be performed per each derivative or per each OTC asset class. In other words, whether there should be a unique TR per product, along the lines of the TIW, thus ensuring the completeness of data, since all transactions will be recorded there, or if it is more appropriate to establish a global Trade Repository in the European Union, in order to fully ensure the free access of European regulators to the information gathered there. The market has been de facto in favor of the former position, and as a result, a global Trade Repository per OTC asset class has been established. More specifically, a TR for CDSs is already operating in the US, a TR for interest rate swaps is operating in Sweden and a TR for currency derivatives is operating in the UK.

(c) Investigation of the frequency and importance of failed trades.

As part of its work, the Expert Group investigated the frequency and total volume of transactions whose clearing is not concluded within the specified deadline (failed trades). Although many markets were not in a position to provide data on failed trades, there were large deviations between the data presented by national regulators, which necessitated further investigation.

It should be noted that the Chairman of the HCMC, apart from coordinating the work of the Experts Group, represented the CESR at all colleges on issues pertaining the clearing and settlement of trades. More specifically, the Hellenic Capital Market Commission carried out, through its Chairman, the following tasks:

(a) Representing the CESR in the preparation of the TARGET 2 SECURITES (T2S) system

The T2S systems concerns the centralized settlement of all trades in securities listed in regulated markets of the Euro zone, and possibly other member-states of the European Union, operated by the Eurosystem. The aim of this venture, which was launched in 2006 and is expected to come on-stream in 2013, is to unify settlement operations at the European level, in a manner that will reduce the cost of cross-border transactions and the current barriers from the fragmentation of clearing and settlement services. To all intents and purposes, in the immediate future national central security depositories will have to assign all settlement operations to the T2S system. A major issue that remains to be negotiated is the *supervision of the system, which, according to the CESR, should be exercised by the competent authorities.*

(b) Participation in the OTC Derivatives Regulators' Forum

The Forum was established under the presidency of the Federal Reserve, and comprises regulators from the world's most important markets. The purpose of the Forum is to exchange information and coordinate the actions of regulators responsible for supervising post-trading activity in derivatives non traded in regulated markets. The most important issues that the Forum deals with is the provision of information by depositories to regulators and the establishment of a framework for the supervision of OTC Trade Repositories. The importance of a state's regulators accessing the data kept with a TR operating in another state is evident. An example is the Trade Information Warehouse, which operates in the US, and where all trades on CDS concluded worldwide are recorded.

(c) Participation in working groups of the European Commission, such as the Group for monitoring the realization of prime broker commitment, for the clearing of CDS trade through Central Depositories (Derivatives Working Group), the Monitoring Group of the Code of Conduct on Clearing and Settlement and the CESAME Group for the removal of "Giovannini" barriers.

The work of the Expert Group contributed to increasing the security and efficiency of clearing and settlement facilities, especially in regard to the clearing of CDSs, and laid the groundwork for the introduction of community legislation, which is currently prepared by the European Commission. The Commission is in communication with the CESR in order to formulate its proposals within the year.

4. CESR - Econet

In the past few years, an ad hoc group of economists (financial experts' network) has been meeting at regular intervals, mostly to discuss issues pertaining to statistical data that could be recorded in order to prepare reports on financial trends in securities markets, to be dispatched to the Economic & Financial Committee.

Given that the CESR proceeds to Level 3 work, it formed a new group, titled ECONET, whose task is to assist the CESR in dealing with its increasing commitments to submit reports on market trend forecasts with the assistance of expert economists. The objectives of ECONET are to: (a) enhance CESR's capability to undertake economic analysis of market trends and key risks in the securities markets that are, or may become, of particular significance for its Members; (b) Develop practical impact analysis methodologies regarding financial regulation and supervision.

5. CESR-Tech

In the context of the implementation of the Markets in Financial Instruments Directive (MiFID), the CESR was asked to analyze the interconnection of its members IT systems. This responsibility was assigned to the CESR-Tech Group. The main tasks of the group are: (a) To assist CESR members in reaching certain decisions on the best method of implementing common regulations for the exchange of IT data among CESR members, and the allocation and use of IT budget. (b) The specification of technical options for the exchange of reports on transactions through IT systems. (c) The internal organization of the CESR in order to respond. The proposal clarifies the responsibilities for executing each step of the project, participation to the estimated cost, the legal issues, personnel issues, and outsourcing issues.

6. Takeover Bids Network

In March 2007, representatives of CESR members, specialized on takeover bid issues, started discussing practical matters concerning the implementation of Directive 2004/25/EC on Takeover bids. It was decided that the CESR will establish a network of competent authorities on takeover bids, with the aim of discussing about their experience and future developments.

The Takeover Bids Directive covers two separate areas: company law aspects and securities, or market-related, issues. Since the authorities that compose the network do not, in general, have powers in relation to corporate law issues, the object of the network is limited to securities or regulated market related issues, with the main aim of exchanging information and expertise. This network will convene on an ad hoc basis.

7. Expert Group on Credit Ratings Agencies

Market Participants Consultative Panel The CESR consultation policy is a CESR commitment. According to its statute, the CESR can form consultation groups, and can issue reports on the consultations' results in due time. To this end, the CESR has also formed a high-ranking Market Participants Consultative Panel, comprising a limited number of members selected on a personal basis. The role of this Group is to: (i) Provide with the CESR comments on the manner in which it performs its role, and more specifically, the implementation of its Statement on Consultation Practices; (ii) assist the CESR in setting its priorities; and (iii) draw the CESR's attention to any institutional deficiencies of the single market and other major financial developments.

The Review Panel of the CESR

Following the Conclusions of the Stockholm Council of March 2001, the CESR formed the Review Panel, which is chaired by the vice-chairman of the CESR. The Review Panel comprises high-ranking *representatives from CESR member-state regulators, and its mandate is to evaluate the practical implementation of European Legislation by CESR members, and the transposition of CESR standards into their national legislation.*

The review of the supervisory powers of CESR members shows that all supervisory powers concerning MiFID have been assigned through the CESR membership. However, certain powers have been left with national ministries, central banks or other competent authorities and have not been directly assigned to a CESR member.

The findings suggest that harmonization in regard to the supervisory framework for authorities and the ongoing supervision of regulated markets and multilateral facilities, is much more important than the convergence of supervision by competent authorities of other entities, such as investment firms and credit institutions. The findings indicate certain differences in the information gathered for authorizing regulated markets.

Overall, the exercise undertaken by the Review Panel of the CESR shows that there are significant differences in the administrative measures and criminal sanctions that can be imposed by CESR members for infringements of MiFID. These differences are partly due to the fact that the EU member-state's legal systems differ.

In regard to the administrative fines that can be imposed, there is no convergence between the amount of such fines, which range from €12.500 (the lowest maximum amount of administrative fines in Luxemburg) to €5 million (the highest maximum amount in Sweden) and even up to unlimited fines in Denmark and the United Kingdom. In regard to criminal side, fines range from €5,000 (the lowest maximum amount in Bulgaria) to almost €16 million (the highest maximum amount in Estonia) and can extend to unlimited criminal fines in the Czech Republic, Germany, Denmark, Finland, Iceland, Norway and the United Kingdom.

Criminal sanctions may include imprisonment, which ranges from a maximum of 4 months in Denmark to a maximum of 10 years in Ireland and Bulgaria depending on the infringement. The ability to imprison individuals for infringements of MiFID provisions is more prolific in regard to the unauthorized provision of investment services and products than for any other infringement of MiFID provisions.

For the unauthorized provision of investment services by investment firms the majority of CESR members provide for administrative sanctions, administrative fines and criminal sanctions. Nonetheless, for infringements of other MiFID provisions, the majority of CESR members can only impose administrative sanctions and fines, albeit not criminal sanctions. Since only half, or less, of jurisdictions can impose criminal sanctions for the infringement of other provisions of this Directive, more divergence is noted.

The review of supervisory powers in relation to the Transparency Directive showed great convergence: with the exception of 6 member states, all other CESR members are the designated central competent authorities responsible for all aspects of the TD.

In regard to general obligations, ongoing information, the powers of competent authorities and cooperation in the EU, a large majority of CESR members have the same supervisory powers.

Administrative measures and fines are more common than criminal sanctions throughout member-states across all articles of the Transparency Directive. All CESR members can impose administrative measures for infringements of the requirements set out by the main articles of the TD. There are some differences in regard to the administrative measures and criminal sanctions that can be imposed in cases of TD violations.

In the same month (July 2009), the CESR published the results of the peer review and self assessment on the application and implementation of CESR's Standard No 2 on financial information on the coordination of enforcement activities by national enforcers across Europe. The review of Standard No 2 was conducted by 26 out of 29 CESR members, which self-assessed the application of the Standard. This self-assessment showed that less than half (45%) of CESR's members fully apply the Standard when imposing sanctions.

As part of the Review Panel, in September 2009 the CESR published an updated self-assessment and peer review on the application and implementation of CESR's Standard No 1 on financial information by EU national enforcers. Standard No 1 was first published in March 2003, and sets 21 principles which should contribute to achieving a common approach to the enforcement of standards on financial information, considered an effective and important tool in securing efficient capital markets and an actual level playing field within the EU. Less than half (45%) of the 29 national enforcers fully apply Standard No1 on financial information, while 6% of enforcers either do not apply the Standard or did not respond to the review.

The Hellenic Capital Market Commission and IOSCO

The International Organization of Securities Commissions (IOSCO), which is based in Madrid, is the main forum of international cooperation among national capital market regulators and is recognized as the international agency responsible for the establishment of security market standards. For the time being, IOSCO has 193 members from more than 100 countries.

IOSCO and the Recent Crisis

In November 2008, in an open letter addressed to the G-20 forum, IOSCO welcomed, on one hand, the efforts of the G-20 Heads of State to meet in order to address issues arising from the global financial *crisis, and on their other hand their willingness to assist in finding regulatory solutions. IOSCO stated that "to resolve this current crisis, co-operation and coordination amongst financial regulators and policy makers, supported by the political will to make the necessary regulatory or legislative changes, are critical".*

Moreover, IOSCO offers its global reach and technical experience, which are necessary to assist policymakers in developing and implementing common regulatory solutions on a global basis, in response to the current crisis in global capital markets. IOSCO has already laid solid foundations for a strong securities framework. IOSCO's Principles are recognized as benchmarks for all securities market, while its Multilateral Memorandum of Understanding (MMoU) "has been instrumental in strengthening cross-border enforcement cooperation and enabling regulators to exchange information". The letter calls for a strong political will to ensure that the IOSCO Principles are implemented in all countries, and that the legislative requirements for signing the Memorandum are also implemented in all jurisdictions. IOSCO points out that "in the face of the present crisis it has become evident that regulatory gaps, particularly those posed by certain unregulated or under-regulated parts of the global market will need to be closed and IOSCO is the appropriate vehicle to achieve this". "It is also increasingly clear that, while financial regulatory structures remain national, consistent global solutions are desired by many".

Building on its existing principles for a high quality regulatory framework for securities, IOSCO examines ways for dealing with some of the regulatory gaps highlighted by the crisis. This exercise includes: (a) international financial reporting standards and the accountability of standard setters to the community of national authorities responsible for reporting by public companies; (b) building investor confidence, including through measures such as strengthening cross-border enforcement cooperation and addressing concerns about abusive short-selling in current market conditions; (c) transparency in markets and disclosure with respect to all financial products; and (d) establishing global norms for regulators of credit rating agencies through the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies and promoting CRA compliance with rules through cooperative oversight and inspection.

The Technical Committee of IOSCO, following its initiatives in regard to the important role of accounting standards in the context of the current financial crisis, and in the light of the importance of financial reporting standards for the proper operation of capital markets, reaffirmed its commitment to the development and enforcement of high quality accounting standards.

Accounting standards for listed companies must provide clear, accurate and useful information to investor, in order to allow them to reach informed investment decisions. Furthermore they promote investor confidence in the listed companies' financial statements and in capital markets at large. The Technical Committee of IOSCO strongly supports accounting standards that provide investors with *transparency, maintain market integrity, facilitate capital formation and are consistent with financial stability.*

The task of developing and maintaining high quality standards that provide investors with transparency relies to a great extent on independent accounting standards setters. In this vein, the Technical Committee of IOSCO supports the joint action announced by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) to address issues related to the credit crisis. The Technical Committee of IOSCO welcomes their willingness to seek input from all market participants and supports their effort to work together, with speed and rigor, in order to identify high quality globally acceptable solutions. It also acknowledges the important steps taken by the Accounting Standards Board of Japan and the Canadian Accounting Standards Board in regard to the fair valuation measurement and reclassification of assets.

High quality standards are developed if standard-setters are able to exercise independent judgment, based on their skills, expertise and due process. In this context, the Technical Committee of IOSCO strongly supports the efforts of the International Accounting Standards Committee Foundation Trustees to promote their own, as well as the IASB's accountability, legitimacy and independence.

The Technical Committee of IOSCO also supports the proposition that global markets require a coordinated approach, especially amidst a crisis. It also confirms its support for the synchronized implementation, and the coordinated enforcement, of those standards.

The Multilateral Memorandum of Understanding

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

Significant progress has been made in regard to the strategic target that was set in 2005 of seeing all member-regulators signed on to the Multilateral Memorandum of Understanding before 2010. IOSCO's MOU, which was adopted in 2002, provides for improved enforcement-related cooperation and the *exchange of information among regulators. IOSCO's Regional Committees, assisted by its General Secretariat, have worked alongside jurisdictions in their regions to encourage the necessary actions for joining IOSCO's MMOU.*

It seems likely that IOSCO will achieve its goal of having every jurisdiction signed onto the MMOU, or committed to signing it, by removing the legislative limitations for doing so, by January 1, 2010. IOSCO has committed itself to assist its remaining members that have yet to apply, to meet this commitment. There has been significant progress in the past 12 months, and 55 jurisdictions have implemented the principles contained in the MMOU, while another 27 are committed to follow suit. During the annual conference of 2009, the members from Albania, the Cayman Islands and the West African Economic and Monetary Union were admitted to Appendix A of the MMOU, while the members from Armenia, the Bahamas, Mongolia, Oman, Tanzania and Uganda were admitted to Appendix B.

Related to these developments is the IOSCO MoU Assistance Program which aims at helping members throughout the application process. The Program, which is coordinated by the General Secretariat of IOSCO, provides experienced professionals that will work together with members seeking technical assistance, in order to help them comply with the necessary international regulatory standards.

Many members have benefited from this assistance, which is still available for those remaining members that may be facing difficulties in preparing their MMOU applications.

Activities

Implementation of IOSCO Objective and Principles

The IOSCO Objectives and Principles of Securities Regulation (IOSCO principles) were endorsed by the organization in 1998. Their objective is to encourage jurisdiction to improve the quality of their securities regulation. They are the main international benchmark on sound prudential principles and practices for the regulation of securities markets.

Since the full implementation of IOSCO principles in every member jurisdiction is a top priority for the organization, a Principles Assessment and Implementation Program was launched in 2005. This Program essentially helps jurisdictions adopt and implement IOSCO principles. Since the launch of the Program, a large number of members has benefited from the assessment programs that have been completed or are in the process of being carried out.

The G20 process has focused on the role of the standards embodied in the IOSCO principles and the need for their urgent implementation. This increasing attention is critical in order to support the ongoing work of IOSCO's general secretariat in accelerating the implementation of the Principles Assessment Program.

IOSCO presented its proposals to the World Bank and the International Monetary Fund in regard to the opportunities for enhancing the Financial Sector Assessment Program (FSAP) by coordinating it with the IOSCO Principles Assessment Program, in order to deliver high quality assessments of the jurisdictions regulatory systems.

Initiative to raise standards of cross-border cooperation

The IOSCO Contact Initiative with under-regulated or uncooperative jurisdictions continues to be a priority, and substantial progress has been made with a number of previously uncooperative and unresponsive jurisdictions. The objective of this work is to assist each of the identified jurisdictions to make genuine improvements in the level of cooperation they are able to offer in relation to information sharing. A number of these jurisdictions have successfully applied, or are expected to apply, for joining the IOSCO MMOU. While some contacts have been constructive, there still remain a number of jurisdictions which require further attention.

Executive Committee Task Force on IOSCO's Strategic Direction

IOSCO has set up an Executive Committee Task Force to review the Organization's role and key functions. The Task Force comprises the chairmen and vice-chairmen of the Executive, Emerging Markets and Technical Committees. It will identify and recommend any structural or operational adjustments it believes would help IOSCO better fulfill those functions. The main aim is to keep IOSCO in a position to continue to provide the lead in the development of regulatory standards for capital markets, taking account of lessons learned from the global financial crisis and looking towards a more secure future.

International Accounting Standards Committee Monitoring Board

IOSCO members were given an update on the International Accounting Standards Committee Foundation (IASCF) Monitoring Board's inaugural meeting on 1 April 2009, as well as its work program. IOSCO expressed its support for the Monitoring Board in its role to monitor and reinforce the public interest oversight function of the IASCF work.

Technical Task Force on Supervisory Cooperation

Recognizing the increasing need and reliance on supervisory cooperation in effectively regulating and overseeing global operations of our markets and market participants, the Technical Committee agreed to establish a task force to consider the manner in which regulators cooperate in the supervision and oversight of market participants whose operations cross borders. This task force aims at developing and articulating principles of supervisory cooperation by the winter of 2010.

New IOSCO Work Mandates

Technical Committee

During its meeting on June 9 the Technical Committee approved a number of new mandates and Task Forces:

Task Force on Supervisory Cooperation

Formation of a task force to develop principles for supervisory cooperation, in an effort similar to that undertaken in the 1990s for developing principles for enforcement cooperation.

Standing Committee on Regulation of Market Intermediaries

Mandate on the protection of client assets held by insolvent market intermediaries and mandate on suitability standards in connection with complex financial products.

Emerging Markets Committee

During its meeting on June 9, 2009, the TC initiated further crisis-related work with the launch of 4 new task forces on the following issues: a) Circuit Breakers and Market Halts; (b) Securitization, in cooperation with the International Monetary Fund; (c) OTC markets and derivatives trading; and (d) Capacity building in risk-based supervision.

The Self Regulated Organizations (SRO) Consultative Committee

IOSCO's SRO Consultative Committee discussed the ongoing roles and work of SROs in dealing with the crisis and how they complement the work of government regulators. It exchanged information on the measures taken or planned by SROs in the current market environment, and also evaluated the success of its recent training programs for SRO officials and emerging market regulators — the first of which was held in Washington D.C. in December 2008. It has agreed to hold the next event in early 2010. The SROCC remains committed to working closely with the relevant IOSCO bodies and government regulators in meeting the G-20 recommendations.

Publications

IOSCO welcomes the release of clarified International Standards on Auditing IOSCO has published a statement welcoming the release of the clarified International Standards on Auditing (ISAs) and noting the role to be played by a set of international auditing standards in contributing to global financial reporting and supporting investor confidence and decision making. IOSCO encourages securities regulators to accept the audits performed and reported in accordance with the clarified ISAs for cross-

border offerings and listings, recognizing that the decision whether to do so will depend on a number of factors and circumstances in their jurisdiction. Furthermore, IOSCO notes the potential role of the clarified ISAs for purely domestic offerings and listings, and thus encourages securities regulators and relevant authorities to consider the clarified ISAs when setting auditing standards for national purposes, recognizing that factors at the national and regional level will be relevant to their considerations.

Reports approved for publication

During the course of their meetings, both the Technical and Emerging Markets Committees finalized reports to be published in the next few weeks.

Technical Committee:

Final Reports: (a) Regulation of short selling; (b) hedge funds oversight; (c) principles on outsourcing for markets; (d) good practices in relation to the investment managers' due diligence when investing in structured financial instruments; (e) protection of minority shareholders in listed issuers.

Consultation Reports: (a) Principles for periodic disclosure by listed entities; (b) disclosure principles for public offerings and listings of asset-backed securities; (c) Auditors' communication; and (d) transparency of firms that audit public companies.

Emerging Markets Committee: (a) Impact on and Responses of Emerging Markets to the financial crisis; (b) Survey on Development & Distribution of Foreign Collective Investment Schemes (CIS) Funds in Emerging Markets

New Members

IOSCO announced the admission of the following new members: Cayman Islands Monetary Authority (ordinary member), Canadian Investor Protection Fund (affiliated member), European Commission (affiliated member), Financial Services Compensation Scheme of the United Kingdom (affiliated member), and Securities Investor Protection Corporation of the United States (affiliated member)

Annual Conference

The world's securities and derivatives regulators and other members of the international financial community met in Tel-Aviv from June 8 to 11, 2009, on the occasion of the 34th Annual Conference of IOSCO. The Hellenic Capital Market Commission was represented by a delegation headed by its Chairman, Mr. Anastasios Gabrielides. IOSCO will hold its next Annual Conference in Montreal, Canada from June 6-10, 2010. The Executive Committee has chosen Beijing, People's Republic of China as the venue for the 2012 Annual Conference.

The European Regional Committee of IOSCO

The European Regional Committee of I.O.S.C.O. comprises 45 supervisory authorities, including the 27 supervisory authorities of European Union member-states. This Committee deals with the in-depth study of: the developments in the capital markets in its member states; the progress of the implementation of IOSCO's regulatory and supervisory standards by member-states; the activities of off-shore financial centers, and the harmonization of the regulatory standards in accordance with European Directives.

PART FIVE

APPENDICES.

APPENDIX 1. RULES AND REGULATIONS ISSUED BY THE HELLENIC CAPITAL MARKET COMMISSION

No. Of Rule / Gazette	Title	Summary
534/22-12-2009 Gazette B 2593/31-12-2009	SUSPENSION OF MF SHARE REDEMPTION	This decision states the redemption of mutual fund shares shall be suspended on December 24, 2009.
21/530/19-11-2009 (Gazette B 2459/17-12-2009)	SALE OF SHARES IN UNDERTAKINGS FOR COLLECTIVE INVESTMENT NOT SUBJECT TO DIRECTIVE 85/611/EEC IN GREECE	This decision sets the terms and conditions for the sale of shares in undertakings for collective investment not subject to Directive 85/611/EEC.
23/530/12-11-2009 (Gazette B 2432/9-12-2009)	AUTHORIZATION AND WITHDRAWAL OF AUTHORIZATION OF CENTRAL COUNTERPARTY, CLEARING AND SETTLEMENT FACILITIES	This decision sets the requirements for the authorization and withdrawal of authorization of Clearing System Managers, Pursuant to the authorization granted by article 74 law 3606/2007.
1/526/20-10-2009 (Gazette B 2374/26-11-2009)	REPLACEMENT OF PAR 2, ARTICLE 2 OF HCMC RULE 1/409/29-12-2006	This rule concerns exercising the sell-out right after the end of the bid
3/527/30-10-2009 (Gazette B 2336/13-11-2009)	TERMS AND CONDITIONS FOR THE REFUND OF SHARES IN GUARANTEE FUNDS	This rule refers to the winding-up or revocation of the operating license of a legal entity that is member to a clearing system
1/527/30-10-2009 (Gazette B 2320/3-11-2009)	AUTHORIZATION OF SECURITY SYSTEM OPERATION TO “HELLENIC EXCHANGES SA” AND APPROVAL OF RULEBOOK	This rule concerns the authorization of the operation of a securities system by the ATHEX and the approval of the Rulebook pursuant to law 3606/2007
2/527/30-10-2009 (Gazette B 2320/3-11-2009)	AUTHORIZATION OF DERIVATIVES SYSTEM OPERATION TO “HELLENIC EXCHANGES SA” AND APPROVAL OF RULEBOOK	This rule concerns the authorization of the operation of a derivatives system by the ATHEX and the approval of the Rulebook pursuant to law 3606/2007
61/524/28-9-2009 (Gazette B 2319/3-11-2009)	REQUIREMENTS FOR AUTHORIZATION AND WITHDRAWAL OF AUTHORIZATION OF CENTRAL COUNTERPARTY, CLEARING AND SETTLEMENT FACILITIES	This decision sets the requirements for the authorization and withdrawal of authorization of Clearing Systems, Pursuant to the authorization granted by article 73 law 3606/2007.
2/514/25-6-2009 (Gazette B 1364/9-7-2009)	AMENDMENT OF HCMC RULE 3/304/10-6-2004 REGULATION FOR THE OPERATION OF THE DEMATERIALIZED SECURITIES SYSTEM	The amendments aim at: a) activating the Link-Up, which will offer foreign depositories access to the DSS under the capacity of General Operators, in accordance with the provisions of article 6 of law 3756/2009, b) enabling the crediting of synthetic financial products in the DSS as securities, in accordance with article 1 of law 3756 and c) allowing Operators to collect any kind of monetary payment originating from the issuers and reinvest it.
1/514/25-6-2009	AMENDMENT OF THE REGULATION FOR THE CLEARING OF TRANSACTIONS ON	This rule approves the amendments proposed by ATHEX to the HCMC based on meeting

(Gazette B 1364/9-7-2009)	DEMATERIALIZED SECURITIES	198/22-6-2009 of its board.
4/505/3-4-2009 (Gazette B 1168/16-6-2009)	CERTIFICATION OF THE PROFESSIONAL ADEQUACY OF CREDIT INSTITUTION EMPLOYEES AND EXECUTIVES IN REGARD TO THE PROVISION OF INVESTMENT SERVICES	Joint decision of the Bank of Greece and the HCMC which concerns the credit institutions set out in para. 1a of law 3601/2007 (Gazette A 178) which have been licensed and are supervised by the Bank of Greece.
5/505/3-4-2009 (Gazette B 1168/16-6-2009)	SYLLABUS OF THE EXAMS FOR THE CERTIFICATION OF THE PROFESSIONAL ADEQUACY IN REGARD TO THE PROVISION OF INVESTMENT SERVICES	Joint decision of the Bank of Greece and the HCMC which defines the syllabus of the examinations for the certification of Investment Firm, Financial Intermediation Firm, Mutual Fund Management Firm and Portfolio Investment Companies, as well as Credit Institutions, in regard to the provision of investment services.
7/509/15-5-2009 (Gazette B 1042/1-6-2009)	AMENDMENT OF HCMC RULE 1/317/11-11-2004 "CLASSIFICATION OF MUTUAL FUNDS ACCORDING TO LAW 3283/2004"	This rule concerns the amendment of case e of article 2 para. 2 of HCMC Rule 1/317/11-11-2004 on the mutual funds set out by law 3283/2004 that reproduce the composition of a stock exchange index.
1/509/15-5-2009 (Gazette B 1076/4-6-2009)	SHORT SALES OF SHARES LISTED IN THE ATHENS STOCK EXCHANGE	This rule regulates the obligations of investors in regard to short selling on shares.
1/507/28-4-2009 (Gazette B 998/27-5-2009)	AUTHORIZATION OF A REGULATED MARKET NAMED ELECTRONIC SECONDARY SECURITIES MARKET	By means of this rule, the HCMC grants authorization to the IDAT for the first time, and approves its Rulebook pursuant to the provision of L. 3606/2007
2/507/28-4-2009 (Gazette B 998/27-5-2009)	AUTHORIZATION OF THE ATHEX AS SYSTEM MANAGER	This rule authorized ATHEX as a clearing system manager in accordance with the provisions of article 74 par. 2 and 83 of law 3606/2007.
4/507/28-4-2009 (Gazette B 943/20-5-2009)	DATA AND INFORMATION THAT ARISE FROM QUARTERLY AND SEMI-ANNUAL FINANCIAL STATEMENTS	This rule concerns the financial statements that cover the first quarter and semester, as well as the third quarter of each fiscal year, which are prepared in accordance with the IAS.
1/506/8-4-2009 (Gazette B 834/6-5-2009)	PREVENTION OF THE USE OF THE FINANCIAL SYSTEM FOR THE PURPOSE OF MONEY LAUNDERING AND TERRORIST FINANCING.	This rule was issued by authorization of law 3691/2008 and on the basis of the 40 recommendations of the FATF, and concerns, amongst others, the due diligence measures and the time of their implementation.
1/505/3-4-2009 (Gazette B 834/6-5-2009)	AMENDMENT OF HCMC RULE 2/477/1-7-2008 "CRITERIA FOR THE LICENSING OF MULTILATERAL TRADING FACILITIES"	This rule concerns the timing of reporting to the HCMC amendments to the MTF's rulebook
2/505/3-4-2009 (Gazette B 834/6-5-2009)	AUTHORIZATION OF THE ASE MTF NAMED "ALTERNATIVE MARKET"	This rule authorized the operation of the Alternative Market in accordance with the provisions of law 3606/2007
3/505/3-4-2009 (Gazette B 873/11-5-2009)	CERTIFICATION OF PROFESSIONAL ADEQUACY IN REGARD TO THE PROVISION OF INVESTMENT SERVICES	This rule concerns Investment Firms, Financial Intermediation Firms, Mutual Fund Management Firms and Portfolio Investment Companies.
8/505/3-4-2009 (Gazette B 776/29-4-2009)	CLARIFICATION OF DEFINITIONS OF DIRECTIVE 85/611/EEC	This rule aims at transposing Directive 2007/16/EC of March 19, 2007.
6/503/13-3-2009	APPROVAL OF THE TRAINING PROGRAM FOR INDIVIDUALS INVOLVED IN THE	This rule concerns the approval of the syllabus for the training of staff involved in

(Gazette B/633/6.4.2009)	*DISTRIBUTION OF MUTUAL FUND UNITS*	*the sale of mutual fund units.*
1/503/13-3-2009 *(Gazette B 764/27-4-2009)*	*ACCEPTABLE MARKET PRACTICE, SHARE BUY BACK AND HOLDING FOR ACQUIRING OTHER COMPANY SHARES IN THE FUTURE*	*This rule concerns the ability provided by HCMC Rule 5/347/12-7-2005 to a regulator to designate certain practices as acceptable in the context of regulations on market abuse.*
1/502/6-3-2009 *(Gazette B 747/22-4-2009)*	*AMENDMENT OF THE RULEBOOK OF THE ATHENS STOCK EXCHANGE SA*	*This rule approves the amendments to the rulebook of the ASE as decided at Board meetings: 2/29-1-2009, 3/12-2-2009 and 5/3.3.2009.*

APPENDIX 2. PARTICIPATION IN INTERNATIONAL CONFERENCES, FORA AND MEETINGS IN 2008

- *January 8, 2009, Brussels, Meeting of the Panel of the European Commission on Credit Rating Agencies;*
- *January 12 to 13, 2009, Amsterdam, Meeting of the CESR Working Group on Transparency*
- *January 13-14, 2009, London, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *January 15-16, 2009, Paris, CESR's ECONET Meeting;*
- *January 19-20, 2009, Paris, Meeting of the CESR-Tech Work Sub-group on OTC Derivates Reporting;*
- *January 20-22, 2009, Paris, CESR-Tech and TPEM-User Network Meeting;*
- *January 26-27, 2009, Paris, Meeting of the CESR Review Panel;*
- *January 29-31, 2009, Madrid, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *February 2-3, 2009, Rome, Meeting of the CESR Working Group on investment management*
- *February 2-4, 2009, Paris, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards;*
- *February 4-6, 2009, Paris, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *February 10-12, 2009, London, Meeting of CESR-Pol Sub-group on market abuse and short selling.*
- *February 12-14, 2009, Lisbon, CESR Post Trading Group meeting;*
- *February 16-17, 2009, Paris, TREM-User Network Meeting;*
- *February 17 to 18, 2009, Frankfurt, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning main counterparties.*
- *February 22-24, 2009, Paris, CESR Summit;*
- *February 22-26, 2009, Paris, Meeting of the Plenary of OECD's Financial Action Task Force (FATF);*
- *February 28-March 4, 2009, Paris, Meeting of the CESR Working Group on Prospectuses;*

- *March 2-3, 2009, Paris, Meeting of the CESR Working Group on Credit Rating Agencies*
- *March 3-4, 2009, Paris, Meeting of the CESR-Tech Work Sub-group on OTC Derivates Reporting;*
- *March 4-5, 2009, Paris, CESRPol Meeting;*
- *March 10-12, 2009, Helsinki, CESR-Tech and TREM-User Network Meeting;*
- *March 12-13, 2009, Budapest, CESR Post Trading Group meeting;*
- *March 17-18, 2009, Amsterdam, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *March 25-26, 2009, Madrid, Meeting of CESR-Pol Sub-committee on Surveillance and Intelligence;*
- *April 1-3, 2009, Meeting of the CESR Review Panel;*
- *April 5-6, 2009, London, Meeting of the CESR-Tech Work Sub-group on OTC Derivates Reporting;*
- *April 5-6, 2009, Rome, Meeting of the CESR Working Group on investment management*
- *April 15-127 2009, Vienna, CESR-Tech and TREM-User Network Meeting;*
- *April 20-21, 2009, Madrid, CESR-Fin Meeting;*
- *April 20-22, 2009, Paris, OECD Steering Group Meeting on Corporate Governance;*
- *April 23-24, 2009, Paris, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning central counterparties.*
- *April 27, 2009, Brussels, Meeting of a European Commission Panel on MiFID;*
- *April 28, 2009, Brussels, Meeting of the CESR Working Group on Credit Rating Agencies;*
- *April 26-30, 2009, Krakow, Meeting of the Standing Committee IV, and the Screening Group of IOSCO.*
- *May 6-7, 2009, Brussels, Conference of the European Commission on: "Towards a new supervisor architecture in Europe",*
- *May 11-12, 2009, Prague, CESR Summit;*
- *May 17-18, 2009, London, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*

- *May 18-19m, 2009, Paris, Meeting of the Review Panel sub-group for recording options/directions in regard to the Market Abuse Directive;*
- *May 18-19, 2009, Madrid, Meeting of CESR-Pol Sub-committee on Surveillance and Intelligence;*
- *May 20, 2009, Brussels, Meeting of the European Commission with the CESR Working Group on Credit Rating Agencies;*
- *July 25-26, 2009, Paris, Meeting of the CESR Review Panel;*
- *May 25-26, 2009, Budapest, Meeting of the CESR Working Group on Transparency;*
- *May 25-26, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *May 25-27, 2009, Oslo, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards;*
- *May 26-27, 2009, Rome, Meeting of the CESR Working Group on investment management*
- *May 31-June 4, 2009, Bucharest, Participation to the Romanian Securities Commission on: "2009 Enforcement and Market Oversight Conference for Countries from Central and Eastern Europe and Caucasus",*
- *June 4-5, 2009, Frankfurt, CESR-Pol Meeting;*
- *June 8-9, 2009, Brussels, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *June 8-9, 2009, Paris, Meeting of CESR-Pol Sub-group on short selling;*
- *June 9-12, 2009, Tel Aviv, IOSCO Annual Conference,*
- *June 14-16 2009, Paris, CESR-Tech and TREM-User Network Meeting;*
- *June 16-17, 2009, Brussels, Meeting of the joint CESR-ECB group on Clearing and Settlement, concerning central counterparties;*
- *June 16-17, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *June 17, 2009, Paris, CESR-Fin Meeting;*

- *June 18-19, 2009, Paris, Meeting of the CESR Working Group on credit rating agencies and the European Commission panel on credit rating agencies;*
- *June 23-24, 2004, Paris, Meeting of the CESR Working Group on Takeover Bids;*
- *June 24-25, 2009, Paris, Meeting of the CESR Working Group on Prospectuses;*
- *July 1, 2009, Brussels, Meeting of the European Commission on derivatives;*
- *July 5-6, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *July 6-7, 2009, Paris, CESR Summit;*
- *July 9, 2009, Frankfurt, Meeting at the European Central Bank regarding the creation of a central counterparty for credit default swaps;*
- *July 14-15, 2009, Paris, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *July 28-29, 2009, Paris, CESR Post Trading Group meeting;*
- *August 3-4, 2008, Belgrade, Meeting with the Securities Commission of Serbia;*
- *August 5-9, 2009, Amman, Meeting with agencies involved in the XNET/DAC06 project;*
- *September 2-3, 2009, Amsterdam, Meeting of the CESR Working Group on Transparency*
- *September 7-8, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *September 9-10, 2009, Paris, Meeting of the Level 3 MiFID CESR Working Sub-Group on intermediaries;*
- *September 9-11, 2009, Copenhagen, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*
- *September 15-16, 2009, Meeting of CESR-Pol Sub-committee on Surveillance and Intelligence;*
- *September 15-17, 2009, Vilnius, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards;*

- *September 15-18, 2009, Barcelona-Paris, Meeting of CESR's Review Panel and IOSCO's Implementation Task Force;*
- *September 16-18, 2009, Luxemburg, CESR-Tech and TREM-User Network Meeting;*
- *September 21-23, 2009, Paris, Meeting of the CESR Working Group on Credit Rating Agencies;*
- *September 21-22, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *September 22-23, 2009, Paris, CESR-Fin Meeting;*
- *September 22-25, 2009, Frankfurt-London-Brussels, Joint meeting of the CESR and the European System of Central Banks;*
- *September 23-24, 2009, Rome, Meeting of the CESR Working Group on investment management*
- *September 28-October 1, 2009, Paris and Vienna, CESR-Pol conference and CESR Review Panel;*
- *September 30-October 4, 2009, Paris and London, meetings with institutional agencies;*
- *October 1-2, 2009, Paris, Meeting of the CESR Working Group on post-trading;*
- *October 7-9, 2009, Basle, Meeting of the European Regional Committee of IOSCO and Conference of the Technical Committee of IOSCO;*
- *October 12-14, 2009, Stockholm, Conference organized by the Swedish Authorities and the Academy of European Law on: 'Towards a more effective control of financial crimes and financial interests of EU-Strengthening co-operation between judicial and police authorities in the EU',*
- *October 14-16, 2009, Warsaw, training Programme of the European Institute of Public Administration on Financial Statements and Public Sector Audits;*
- *October 15-16, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *October 15-17, 2009, Stockholm, CESR Summit;*
- *October 21-22, 2009, London, Meeting of CESR-Pol Sub-group on short selling;*
- *October 26-27, 2009, London, Meeting of the Level 3 MiFID CESR Working Sub-Group on regulated markets;*

- *October 27-28, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *October 28-29, 2009, Brussels, Meeting of the Monitoring Group of the Code of Conduct on Clearing and Settlement;*
- *October 28-30, 2009, Barcelona, Participation to the Program for Mediterranean Cooperation;*
- *October 30-November 13, 2009, Washington, US SEC Seminar on Securities Enforcement and Market Oversight;*
- *November 2-4, 2009, Paris, Annual OECD Conference on Corporate Governance;*
- *November 2-4, 2009, Amsterdam, Meeting of CESRFin sub-committee for the Enforcement of International Accounting Standards;*
- *November 4-5, 2009, Paris, Meeting of the CESR Working Group on Prospectuses;*
- *November 8-9, 2009, Brussels, Meeting of the European Council's Work Group on the consultation for the new Directive on Alternative Investment Fund Managers;*
- *November 9-10, 2009, Paris, Meeting of the Level 3 MiFID CESR Working Sub-Group on intermediaries;*
- *November 16-18, 2009, Paris, CESR Seminar on Practical Aspects of Surveillance and Investigatory Powers of the Financial Regulations;*
- *November 22-23, 2009, Madrid, Meeting of CESR-Pol Sub-committee on Surveillance and Intelligence;*
- *November 24-26, 2009, Paris, Meeting of the CESR Working Sub-group on market abuse, and meeting of CESR's Review Panel;*
- *December 1-4, 2009, Stockholm, Participation to the 8th European Corporate Governance Conference;*
- *December 10, 2009, Paris, CESR Summit.*

TABLE I. Developments in Selected International Stock Exchanges, 2009

	Stock Exchange Indices		Market Capitalization		*Value of transactions*[1]		*Tradability Index*[2]	No. of listed companies
Markets	Closing price.	Annualized Change (%)	Amount (US$ billion)	Annualized Change (%)	Amount (US$ billion)	Annualized Change (%)	(%)	
London	5,412.88	22.1%	2,796.4	49.7%	3,402.49	-47.4%	12.16%	2,792
Germany	5,957.43	23.8%	1,292.35	16.4%	2,240.33	-52.8%	173.35%	783
Euronext[3]	N/A	N/A	2,869.39	36.5%	1,971.92	-56.4%	68.72%	1,160
Paris	3,936.33	22.32%	-	-	-	-	-	-
Switzerland	6,545.91	18.3%	1,064.68	20.9%	789.88	-47.7%	74.18%	339
Amsterdam	335.33	36.34%	-	-	-	-	-	-
Italy	23,248.39	19.5%	655.84	25.6%	948.14	-37.9%	144.56%	296
Madrid[4]	1,241.72	23.34%	1,297.23	36.8%	1,610.21	-34.0%	124.12%	3,472
Stockholm[5]	299.50	39.94%	817.22	45.1%	778.35	-42.5%	95.24%	797
Brussels	2,511.62	31.59%	-	-	-	-	-	-
Athens	2,196.16	22.9%	112.63	24.9%	71.82	-37.8%	63.76%	288
Vienna	2,495.56	42.5%	114.07	49.5%	51.32	-51.7%	44.98%	115
NYSE	7,184.96	24.8%	11,837.80	28.5%	17,784.58	-47.1%	15.02%	3,164
NASDAQ	2,269.88	43.9%	3,239.50	44%	28,951.34	-20.6%	893.69%	2,852
Tokyo	10,546.44	19.04%	3,306.08	6.1%	3,987.71	-28.6%	120.61%	2,335
Hong-Kong	21,872.50	52.00%	2,305.14	73.5%	1,501.68	-7.8%	65.14%	1,319

Source: World Federation of Exchanges

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

2 Value of trading in shares / market capitalization.

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

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

5 Includes data from the stock exchanges of Stockholm, Copenhagen, Helsinki, Tallinn, Riga, and Vilnius.

TABLE II. Market Share, Number and Total Assets of Mutual Funds, by Mutual Fund Management Firm, 2007-2009

MFMF	31.12.2009				31.12.2008				31.12.2007			
	Number of M/F	Assets (€ mil.)	Market Share	Change in Share	Number of M/F	Assets (€ mil.)	Market Share	Change in Share	Number of M/F	Assets (€ mil.)	Market Share	Change in Share
ALICO AIG	25	337.43	3.16%	0.5	25	276.77	2.66%	0.7	25	480.66	1.96%	-0.19
ALLIANZ	7	134.61	1.26%	0.02	7	128.63	1.23%	0.29	10	232.23	0.95%	-0.11
ALPHA ASSET MAN	27	1,738.09	16.27%	-1.73	36	1,874.04	17.98%	-5.11	32	5,647.66	23.03%	-6.04
ALPHA TRUST MFMF	13	200.29	1.88%	0.17	14	178.11	1.71%	0.36	11	325.14	1.33%	-0.11
ASPIS INT'L	4	53.65	0.50%	-0.06	4	58.14	0.56%	0.09	7	115.46	0.47%	-0.08
ATTICA WEALTH MAN	8	85.52	0.80%	0.02	8	80.96	0.78%	0.38	-	-	-	-
EFG MFMF	70	2,676.72	25.06%	2.05	80	2,390.01	22.94%	-1.27	69	5,949.94	24.27%	-5.76
HSBC (HELLAS)	11	515.05	4.82%	1.44	11	351.83	3.38%	1.72	11	407.86	1.66%	-0.02
ING-MFMF	5	130.61	1.22%	0.03	9	123.70	1.19%	0.17	7	249.40	1.02%	-0.09
INTERNATIONAL	6	45.05	0.42%	-0.06	7	50.03	0.48%	0.12	7	87.13	0.36%	-0.01
MARFIN GLOBAL AM	8	626.69	5.87%	3.27	13	270.68	2.60%	1.67	11	228.83	0.93%	0.37
MILLENNIUM MFMF	9	115.36	1.08%	0.48	9	62.55	0.60%	0.04	9	136.33	0.56%	0.19
PROBANK MFMF	4	27.20	0.25%	-0.17	4	43.74	0.42%	0.28	3	33.96	0.14%	0.02
PROTON MFMF	4	14.70	0.14%	-0.04	5	19.05	0.18%	0.02	7	43.23	0.18%	-0.03
SOCIAL SECURITY FUNDS	2	1,066.42	9.98%	2.09	2	822.03	7.89%	3.91	2	974.00	3.97%	0.28
ATE MFMF	11	243.99	2.28%	0.04	11	233.10	2.24%	0.65	11	389.32	1.59%	-0.24
ATTIKI	-	-	-	-	-	-	-	-	6	98.95	0.40%	0.01
DIETHNIKI	-	-	-	-	-	-	-	-	60	7,635.71	31.14%	1.77
ETHNIKI ASSET MGT	45	1,902.43	17.81%	-8.73	61	2,776.56	26.65%	-4.49	-	-	-	-
EMPORIKI ASSET M	7	327.37	3.07%	-0.52	9	374.09	3.59%	-0.51	10	1,003.76	4.09%	-1.83
EVROPAIKI PISTI	10	51.55	0.48%	0.14	10	35.06	0.34%	0.07	9	66.79	0.27%	-0.01
CYPRUS ASSET MGT MFMF	10	87.43	0.82%	0.16	8	69.03	0.66%	0.13	6	128.97	0.53%	0.11
PIRAEUS ASSET M,	13	177.59	1.66%	0.07	13	165.57	1.59%	0.64	12	231.65	0.94%	-0.06
PSB GREEK POST MFMF	7	122.73	1.15%	0.8	6	36.58	0.35%	0.14	4	57.69	0.21%	0.03
TOTAL	306	10,680.47			352	10,420.26			329	24,524.67		

Source: Union of Greek Institutional Investors.

Note.: On 06.10.09, Cyprus MFMF changed its name to Cyprus Asset Management MFMF. On 12.03.09, Profund MFMF changed its name to Probank MFMF.

TABLE III Net assets of Mutual Fund Management Firms per MF classification 31.12.2009

MFMF	Bond			Money market			Mixed			Equity			Funds of Funds			Total
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total	Equity	Mixed	Bond	
ALICO AIG MFMF	3.92%	33.59%	37.52%	10.52%		10.52%	0.94%	10.92%	11.86%	27.71%	6.23%	33.94%	5.62%	0.54%		6.16%
ALLIANZ MFMF	18.18%		18.18%	5.91%		5.91%	48.71%		48.71%	25.29%	1.90%	27.19%				0.00%
ALPHA AM MFMF	7.84%	19.21%	27.05%	19.57%		19.57%	8.12%	4.90%	13.02%	29.53%	1.28%	30.81%	8.64%	0.91%		9.55%
ALPHA TRUST MFMF	7.93%	4.76%	12.69%	5.02%		5.02%	10.32%		10.32%	67.61%	1.45%	69.07%	2.90%			2.90%
ASPIS INT'L MFMF	49.13%		49.13%	27.04%		27.04%	5.00%		5.00%	18.83%		18.83%				0.00%
ATTICA W.M. MFMF	9.17%	24.46%	33.63%	14.83%		14.83%	6.89%	27.88%	34.77%	15.66%	1.11%	16.78%				0.00%
EFG MFMF	9.31%	25.38%	34.69%	2.38%	12.05%	14.43%	1.86%		1.86%	18.33%	19.62%	37.95%	6.40%	4.66%		11.06%
HSBC (HELLAS)	3.35%	0.51%	3.86%	56.80%		56.80%	10.10%		10.10%	18.53%	8.84%	27.37%		1.87%		1.87%
ING-MFMF			0.00%	10.03%		10.03%	13.46%		13.46%	52.33%	24.17%	76.51%				0.00%
INT'L MFMF	32.14%		32.14%	7.88%		7.88%	19.49%	4.17%	23.66%	36.33%		36.33%				0.00%
MARFIN G.A.M.		14.29%	14.29%	61.58%		61.58%		3.19%	3.19%	12.11%	1.40%	13.50%	7.43%			7.43%
MILLENNIUM MFMF	6.06%		6.06%	9.59%		9.59%			0.00%	40.31%	7.26%	47.57%		36.78%		36.78%
PROBANK MFMF	31.68%		31.68%	33.13%		33.13%	0.0388		3.88%	31.31%		31.31%				0.00%
PROTON MFMF	29.12%		29.12%			0.00%	0.2598		25.98%	44.90%		44.90%				0.00%
SOCIAL SEC. FUNDS MFMF	35.96%		35.96%			0.00%	0.6404		64.04%			0.00%				0.00%
ATE MFMF	20.59%	4.51%	25.10%	5.22%		5.22%	13.66%	15.00%	28.66%	34.48%	4.78%	39.25%	1.78%			1.78%
NATIONAL AM MFMF	6.32%	37.36%	43.68%		15.32%	15.32%	7.68%	1.97%	9.65%	16.77%	7.58%	24.35%	0.88%	0.0544	0.68%	7.00%
EMPORIKI ASSET MGT	18.55%		18.55%	29.48%		29.48%	8.20%		8.20%	42.06%		42.06%		1.70%		1.70%
EVROPAIKI PISTI	12.07%	38.48%	50.55%			0.00%	9.16%		9.16%	19.24%	21.05%	40.29%				0.00%
CYPRUS AM MFMF	12.39%	16.46%	28.85%	9.86%		9.86%	17.34%		17.34%	38.29%		38.29%	1.79%	3.88%		5.66%
PIRAEUS ASSET M	21.18%	2.57%	23.74%	29.95%		29.95%	10.61%		10.61%	26.85%	2.70%	29.55%		6.14%		6.14%
PSB GREEK POST	8.59%	4.59%	13.18%	69.35%		69.35%	15.24%		15.24%	0.75%	1.48%	2.23%				0.00%
MARKET SHARES	11.28%	18.87%	30.15%	13.63%	5.75%	19.38%	12.35%	2.26%	14.61%	20.98%	7.89%	28.87%	3.89%	2.98%	0.12%	6.99%

Source: Union of Greek Institutional Investors.

Note.: On 06.10.09, Cyprus MFMF changed its name to Cyprus Asset Management MFMF. On 12.03.09, Profund MFMF changed its name to Probank MFMF.

TABLE IV. Mutual Fund Returns, 2005-2009

M/F Classification	Annual return					Annual return*				
	2009	**2008**	**2007**	**2006**	**2005**	**2009**	**2008**	**2007**	**2006**	**2005**
BOND										
Domestic	3.70%	-1.68%	1.58%	0.57%	0.89%	3.66%	-1.68%	1.58%	0.57%	0.89%
Foreign	6.08%	-5.34%	-1.61%	-0.68%	4.05%	6.58%	-7.09%	-1.93%	-0.90%	4.63%
MONEY MARKET										
Domestic	2.44%	2.62%	2.87%	1.92%	1.12%	2.55%	2.62%	2.87%	1.92%	1.12%
Foreign	-0.37%	4.02%	1.06%	0.47%	4.55%	-0.37%	4.43%	1.06%	0.47%	7.45%
EQUITY										
Domestic	21.31%	-55.56%	15.36%	26.40%	29.21%	21.64%	-57.81%	15.76%	26.55%	29.48%
Foreign	21.15%	-33.02%	3.44%	10.63%	20.02%	22.06%	-37.17%	4.03%	11.14%	19.79%
MIXED										
Domestic	8.85%	-27.14%	7.48%	11.19%	14.03%	9.66%	-28.83%	7.72%	11.19%	14.03%
Foreign	22.56%	-24.99%	1.20%	4.59%	6.49%	24.61%	-25.35%	1.14%	4.25%	7.82%
FUNDS OF FUNDS										
Equity	35.08%	-44.82%	1.47%	10.21%	7.05%	39.68%	-45.96%	1.47%	10.97%	-
Mixed	10.87%	-19.42%	-0.26%	5.40%	5.60%	11.59%	-20.30%	2.05%	6.11%	-
Bond	3.80%	-3.75%	-0.07%	1.12%	-	3.80%	-3.75%	-0.07%	-	-

Source: Union of Greek Institutional Investors.
*Note. *: Excluding mutual funds that started operating during 2009*

TABLE V. Monthly distribution of mutual fund assets, 2009-8

Month / Year	Total Assets (mn €)	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-09	10,412.37	3,220.17	-1.44%	2,240.93	-1.59%	1,318.85	-2.18%	1,455.96	14.85%
Nov-09	9,594.77	3,267.29	-1.16%	2,277.25	-13.81%	1,348.26	-7.53%	1,267.70	-2.74%
Oct-09	11,476.66	3,305.59	0.65%	2,642.02	1.08%	1,458.12	0.61%	1,303.43	6.31%
Sep-09	11,394.21	3,284.25	0.94%	2,613.76	5.07%	1,449.35	2.19%	1,226.03	2.47%
Aug-09	11,092.65	3,253.60	2.84%	2,487.73	3.55%	1,418.26	2.84%	1,196.44	3.43%
Jul-09	10,827.93	3,163.73	3.45%	2,402.33	7.22%	1,379.16	17.55%	1,156.79	9.80%
Jun-09	10,055.05	3,058.32	0.48%	2,240.47	-2.13%	1,173.22	0.72%	1,053.57	51.73%
May-09	9,632.93	3,043.57	-0.18%	2,289.30	11.06%	1,164.82	5.29%	694.37	-22.04%
Apr-09	9,555.01	3,048.93	1.08%	2,061.33	16.60%	1,106.25	7.18%	890.71	9.58%
Mar-09	9,050.86	3,016.20	-2.95%	1,767.92	7.57%	1,032.16	4.51%	812.84	4.70%
Feb-09	9,405.82	3,107.79	-2.93%	1,643.56	-9.84%	987.60	-3.47%	776.34	-1.28%
Jan-09	10,001.28	3,201.69	-3.97%	1,823.01	1.59%	1,023.05	-0.66%	786.42	-0.45%
Dec 08	10,420.27	3,333.97	0.33%	1,794.50	-3.74%	1,029.84	-2.85%	789.97	-1.70%
Nov 08	10,827.65	3,322.87	-4.90%	1,864.20	-3.96%	1,060.02	-2.44%	803.65	-1.61%
Oct 08	11,660.01	3,494.06	-19.66%	1,941.00	-25.49%	1,086.58	-13.63%	816.80	-17.25%
Sep 08	17,109.08	4,348.92	-3.25%	2,605.03	-15.21%	1,258.04	-6.23%	987.12	-0.82%
Aug 08	18,591.27	4,495.06	8.88%	3,072.38	-3.19%	1,341.61	-0.69%	995.30	11.08%
Jul 08	18,753.77	4,128.43	-1.89%	3,173.76	-1.96%	1,350.90	-1.23%	896.01	-1.09%
Jun 08	19,436.49	4,207.75	-4.84%	3,237.20	-12.71%	1,367.78	-5.53%	905.88	3.37%
May 08	20,686.76	4,421.93	-4.88%	3,708.62	-0.36%	1,447.84	1.48%	876.36	-2.06%
Apr 08	21,154.05	4,648.71	-3.44%	3,722.19	5.07%	1,426.66	2.26%	894.81	-5.08%
Mar 08	21,320.84	4,814.08	26.34%	3,542.63	-2.08%	1,395.18	-1.93%	942.73	-2.41%
Feb 08	21,980.60	3,810.45	-6.26%	3,617.84	-5.52%	1,422.59	-2.40%	965.96	2.73%
Jan 08	22,603.53	4,064.91	-6.49%	3,829.24	-13.85%	1,457.63	-7.66%	940.28	-7.04%

Source: Union of Greek Institutional Investors.

TABLE VI. Net Mutual Fund Assets and the General Index of the ASSE, 2007-2009

Month / Year	Total M/F Assets		Market Capitalization of ASE companies	ASE Gen. Index	Return
	Amount (mn €)	Change (%)	(mn €)		
Dec-09	10,412.37	8.52%	279,891.72	2,196.16	-2.97%
Nov-09	9,594.77	-16.40%	281,047.81	2,263.27	-15.74%
Oct-09	11,476.66	0.72%	296,045.31	2,686.21	0.93%
Sep-09	11,394.21	2.72%	295,167.73	2,661.42	7.91%
Aug-09	11,092.65	2.44%	288,834.73	2,466.41	4.40%
Jul-09	10,827.93	7.69%	285,055.46	2,362.35	6.89%
Jun-09	10,055.05	4.38%	285,723.34	2,209.99	-5.05%
May-09	9,632.93	0.82%	277,306.01	2,327.47	13.33%
Apr-09	9,555.01	5.57%	278,853.64	2,053.74	21.93%
Mar-09	9,050.86	-3.77%	265,671.64	1,684.37	9.67%
Feb-09	9,405.82	-5.95%	260,638.95	1,535.82	-13.69%
Jan-09	10,001.28	-4.02%	276,745.97	1,779.47	-0.39%
Dec 08	10,420.27	-3.76%	270.035,81	1,786.51	-6.64%
Nov 08	10,827.65	-7.14%	273.681,45	1,913.52	-7.12%
Oct 08	11,660.01	-31.85%	279.413,45	2,060.31	-27.87%
Sep 08	17,109.08	-7.97%	307.491,93	2,856.47	-13.25%
Aug 08	18,591.27	-0.87%	315.690,47	3,292.69	-3.00%
Jul 08	18,753.77	-3.51%	318.815,53	3,394.64	-1.31%
Jun 08	19,436.49	-6.04%	327.787,82	3,439.71	-17.64%
May 08	20,686.76	-2.21%	351.159,02	4,176.51	-0.89%
Apr 08	21,154.05	-0.78%	346.897,47	4,214.16	5.72%
Mar 08	21,320.84	-3.00%	358.628,36	3,985.97	-3.56%
Feb 08	21,980.60	-2.76%	359.615,61	4,133.03	-5.27%
Jan 08	22,603.53	-7.81%	362.509,74	4,362.79	-15.76%
○**Dec-07**	24,518.67	-2.03%	390.825,40	5,178.83	0.52%
Nov-07	25,025.59	-4.45%	388.747,60	5,152.16	0.29%
Oct-07	26,191.57	-0.52%	398.160,20	5,137.47	0.56%
Sep-07	26,327.72	-0.29%	390.360,40	5,108.82	-0.02%
Aug-07	26,404.94	-0.94%	377.460,10	5,109.82	1.05%
Jul-07	26,655.29	1.12%	376.904,50	5,056.64	0.90%
Jun-07	26,360.02	1.06%	385.595,20	5,011.60	-0.17%
May-07	26,083,37	1.64%	375.476,50	5,020.19	1.00%
Apr-07	25,663,27	2.63%	369.509,50	4,970.37	-2.49%
Mar-07	25,006.23	1.37%	366.358,70	5,097.51	-0.84%
Feb-07	24,667.24	-0.65%	367.510,10	5,140.48	9.13%
Jan-07	24,828.22	0.25%	371.258,20	4,710.24	7.19%

Source: ASE, Union of Greek Institutional Investors.

TABLE VII. The performance of Portfolio Investment Companies, 31.12.2009

Company	Date of Listing in the ASE	Share Price (€)	Market Capitalization (,000 €)	Premium / Discount (%)	Net Asset Value (NAV) (€)
ALPHA TRUST ANDROMEDA PIC	19,12,2001	1.47	40,425.00	-28.29%	56,512,433.20
EUROLINE INVESTMENT SA	11,12,2002	1.18	12,542.45	-38.54%	20,407,845.13
INTERINVEST SA	15,01,1992	0.82	9,143.00	-48.10%	17,597,632.85
AEOLIAN INVESTMENT FUNDS SA	09,08,1993	1.93	21,573.54	-36.93%	34,149,911.75
DIAS INVESTMENT CO	27,07,1992	0.65	68,491.63	-42.48%	118,981,166.82
TOTAL			152,175.62		247,648,989.75

Source: Union of Greek Institutional Investors, HCMC.
Note.: On 13.07.09, OMEGA PIC was dissolved.
On 29.04.09 ALTIUS SA was delisted from the ASE.

TABLE VII. Net mutual fund assets in EU member-states, 09/30/2009

Member States	Total Assets (mn €)		UCITS members net assets (mn €)		Non-UCITS members net assets (mn €)	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Austria	137,342	140,576	81,802	90,023	55,540	50,553
Belgium	92,670	109,147	87,105	103,333	5,565	5,814
Bulgaria	172	237	170	237	2	-
Czech Republic	4,506	6,116	4,454	6,047	52	69
Denmark	103,895	112,324	55,161	57,326	48,734	54,998
Finland	51,729	50,559	43,734	42,355	7,995	8,204
France	1,430,238	1,350,800	1,264,105	1,204,400	166,133	146,400
Germany	995,217	964,606	213,645	213,419	781,572	751,187
Greece	10,923	16,579	9,869	15,470	1,054	1,109
Hungary	10,304	12,487	7,821	9,325	2,483	3,162
Ireland	702,552	733,832	569,697	578,819	132,855	155,013
Italy	249,850	282,530	194,200	214,529	55,650	68,001
Lichtenstein	23,066	18,162	21,054	16,216	2,012	1,946
Luxembourg	1,773,834	1,796,696	1,529,019	1,558,850	244,815	237,846
Netherlands	76,500	71,689	64,100	59,126	12,400	12,563
Norway	43,865	39,972	43,865	39,972	-	-
Poland	20,552	25,189	14,907	19,167	5,645	6,022
Portugal	27,448	28,387	11,058	14,232	16,390	14,155
Romania	2,248	2,744	593	245	1,655	2,499
Slovakia	3,263	4,335	3,084	4,164	179	171
Slovenia	2,186	2,616	1,793	2,072	393	544
Spain	195,686	224,887	188,247	215,353	7,439	9,534
Sweden	113,417	105,077	111,196	102,701	2,221	2,376
Switzerland	156,457	159,021	117,994	119,329	38,463	39,692
Turkey	16,029	16,286	13,685	13,638	2,344	2,648
Un. Kingdom	596,163	569,135	504,936	480,812	91,227	88,323

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

TABLE IX. Structure of mutual fund assets in EU member-states, 2008-09

Type of M/F	30.9.2009		30.6 .2009		31.12.2008	
	Total assets (billion Euros)	% of Total (%)	Total assets (billion Euros)	% of Total (%)	Total assets (billion Euros)	% of Total (%)
Equity	1.479	33%	1.282	31%	1.153	29%
Mixed	730	16%	668	16%	636	16%
Funds of funds[1]	61	1%	54	1%	64	2%
Bond funds	1.032	23%	959	23%	907	23%
Money Market	1.034	23%	1.046	25%	1.024	26%
Other	188	4%	181	4%	184	5%
Total [2]	4.524	100%	4.189	100%	3.968	100%
Ireland and the Netherlands	5,157		4,807		4,542	

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

Note.: 1. Excluding Funds of Funds in France, Luxembourg, Italy and Germany, which are included in other MF categories.
2. Excluding Ireland for which there is no detailed information.

TABLE X. Share capital increases due to merger and listing of new shares in the ASE, 2009

no	Company	Trading Category upon approval	Approval Date	Ex-right Date.	SCI Period	Initial Trading Day for new shares	Capital Raised (€)	Share Price (€)	Number of shares	Beneficiaries	Inv. Firm Advisor / Underwriter
1	KATSELIS-ALLATINI-ELVIPET	Middle & Small Cap	11/2/2009	10/8/2009	17/8/2009 - 31/8/2009	19/2/2009	21,230,760	0.96	22,115,375	1.518961N – 1E	PROTON BANK
2	PC SYSTEMS - OPENTEC-COMPUTERBANK	Low Dispersion and Spec. Characteristics	11/2/2009	-	-	18/2/2009	3,320,982.8	0.31	15,629,782	1N-1E of PC SYSTEMS, 1 share OPENTEX 41.6937 share PC SYSTEMS, 8,792,012 shares of PC SYSTEMS	-
3	INTERFISH SA – STEFANOU FISHFARMING-STEFANOU AQUACULTURE – LESVOS AQUACULTURE	Middle and Small Capitalization	24/8/2009	-	-	31/8/2009	6,723,197,48	0.37	18,170,804	1N INTERFISH-1 LESVOS, 1 KORONIS-1N INTERFISH. 1 STEFANOU-1N INTERFISH	-

Source: HCMC

TABLE XI. Public offering of new shares by listed companies in the ASE, 2009

No	Company	Trading category	Date of approval by HCMC	Right Coupon Cut-off Date	SCI Period	Initial Trading Day for new shares	Capital Raised (€)	Share Price (€)	Number of shares	Beneficiaries	Inv. Firm Advisor / Underwriter
1	HOL-Hellas Online[(1)]	Probation	11/2/2009	17/02/09	23/02/09-09/03/09	27/3/2009	50,707,692.8	1.6	31.692.308	1N-3E	Alpha Bank
2	ELINOIL SA[(2)]	Middle and Small Capitalization	11/3/2009	17/02/09	23/02/09 - 09/03/09	24/3/2009	10,056,260	2.00	5,028,130	7N – 20E	ALPHA BANK - Eurobank EFG
3	NIREUS SA (Prosp. only for listing of bonds, no PO)	Middle and Small Capitalization	13/3/2009	14/6/2007	21/6/2007 - 5/7/2007	27/3/2009					-
4	CHATZIKRANIOTIS (Prosp. only for listing of shares, no PO)[(4)]	Middle and Small Capitalization	27/3/2009	20/1/2009	26/1/2009 - 24/2/2009	6/5/2009	685,941.5	0.34	2.017.475	1N – 3E	-
5	EMPORIKI BANK[(5)]	Low dispersion and Specific Features	3/4/2009	8/4/2009	16/4/2009 - 30/4/2009	11/5/2009	849,511,894	5.5	154.456.708	7N -6E	CALYON
6	R.E.D.S [(6)]	Middle and Small Capitalization	5/6/2009	12/6/2009	19/6/2009 - 8/7/2009	31/7/2009	24,954,466.6	1.4	17.824.619	9N – 20E	PROTON BANK
7	HELLENIC POSTBANK [(7)]	Large Capitalization	5/6/2009	15/6/2009	19/6/2009 - 3/7/2009	13/7/2009	526,262,033,4	3.7	142232982	1N-1E	PIRAEUS BANK
8	GENERAL BANK [(8)]	Large Capitalization	30/6/2009	7/2/2009	8/7/2009 - 22/7/2009	31/7/2009	175,724,341.2	0.72	244,061,585	2.2N – 1E	Eurobank EFG Telesis Finance
9	NATIONAL BANK [(9)]	Large Capitalization	30/6/2009	7/2/2009	8/7/2009 - 22/7/2009	30/7/2009	1,247,154,050	11,3	110,367,615	2N – 9E	-
10	INTPAKAT - KARAYANNIS- CYBARCO-EUROKAT[(10)]	Middle and Small Capitalization	3/8/2009			10/8/2009	11,877,600	0.34	14,847,000		Alpha Bank
11	NUTRIART SA[(11)]	Middle and Small Capitalization	3/8/2009	8/10/2009	17/8/2009 - 31/8/2009	5/10/2009	17,294,518.08	0.96	18,015,123	1.518961N – 1E	PROTON BANK
12	ALAPIS SA[(12)]	Large Capitalization	24/8/2009	31/8/2009	4/9/2009 - 18/9/2009	25/9/2009	451,076,101.2	0.46	980.600.220	1N-1E	-
13	S&B INDUSTRIAL MINERALS[(13)]	Large Capitalization	24/8/2009	1/9/2009	7/9/2009 - 21/9/2009	25/9/2009	41,425,760	4.00	10.356.440	1N – 3E	ALPHA BANK - Eurobank EFG
14	BANK OF ATTICA [(14)]	Middle and Small Capitalization	1/9/2009	9/7/2009	11/9/2009 - 25/9/2009	12/10/2009	152,373,244.8	1.4	108.838.032	2,57706517 23N – 10E	Eurobank EFG Telesis Finance
15	HYGEIA SA[(15)]	Large Capitalization	28/9/2009	5/10/2009	13/10/2009 - 27/10/2009	13/10/2009	82,916,400,6	2.2	37.689.273	3N – 10E	INVESTMENT BANK OF GREECE

16	KERAMIA ALLATINI SA(16)	Probation	28/9/2009			13/10/2009	3,517,075	0.5	7.034.150	-	-
17	ALPHA BANK SA(17)	Large Capitalization	4/11/2009	6/11/2009	12/11/09-26/11/2009	7/12/2009	986,343,968,20	8.0	123,292,996	3N – 10E	
	TOTAL 1						4,631,881,346.88				
18	PROODEFTIKI SA	Probation	-	-	-		660,000.00	0.30	2,200,000	-	SCI through capitalization of liabilities
	TOTAL 2						**660,000**				

Source: HCMC

Notes:

1. The share capital increase was initially subscribed by 80.70% (25,576,199 common registered shares) through payment in cash with preemptive rights in favor of existing shareholders. Afterward, 6,116,109 shares, i.e. 19.3%, were covered by investors who exercised their subscription rights, raising the final subscription rate to 100%.
2. The share capital increase was initially 72.5% (4,771,958 common non-registered shares) subscribed through the exercise of preemptive rights. Afterward, 245,172 shares, i.e. 3.73%, were sold to investors who exercised their subscription rights, and finally 11,000 were distributed according to the underwriter's judgment, raising the final share capital increase subscription rate to 76.4% and the total amount of the share capital increase to 10,056,260 Euros.
3. Prospectus only for the listing of bonds.
4. The share capital increase was initially subscribed by 62.92% through the exercise of pre-emptive rights in favor of existing shareholders (1,269,338 shares), while 748,137 shares remained unsold, i.e. 37.08% of the total. By decision of the company's Board, 292,637 shares, amounting to 99,496.58 Euros, i.e. 14.50% of the total, were distributed to subscription rights exercised at the same time with the preemptive right, while the remaining 455,500 unsold share, of a total value of 154,870.00 Euros, i.e. 22.58% of the total, were sold at 0.34 Euros each, according to the judgment of the Board. The final subscription rate stands at 100% and the total amount of the share capital increase stood at 685,941.50 Euros.
5. The share capital increase was initially subscribed by 82.16% (126,896,098 new common registered shares) through payment in cash with preemptive rights in favor of existing shareholders, while 27,560,610 shares remained unsold. By decision of the Board of the Bank, the aforementioned unsold shares were sold, according to the Board's judgment, to the Bank's principal shareholder, Credit Agricole S.A., raising the total subscription rate to 100%.
6. The share capital increase through the payment of cash (with the exercise of the preemptive and subscription tights), decided by the Board of Directors of May 5, 2009 to be subscribed by 100% of the funds requested, i.e. to the receipt by the company of 24,954,466.60 Euros, which refers to the sale of 17,824,619 new common registered voting shares of the Company, at a par and sale price of 1.31 and 1.40 Euros respectively.
7. The share capital increase was initially subscribed by 96.52% through the exercise of pre-emptive rights (137,283,248 common registered shares), while 4,949,734 shares remained unsold due to the non-exercise of an equal number of preemptive rights. The Board of the Bank decided to sell 4,949,734 unsold shares exclusively to the first, in terms of priority, "subscription right holders", i.e. existing shareholders that exercised their rights partially or wholly, actually proceeding to the proportional distribution of these shares (given that the number of unsold shares did not suffice to cover the demand for 53,010,949 shares, both by this category of subscription right holders, and by other categories), leading to the full, 100% subscription of the share capital increase.
8. The share capital increase was initially subscribed by 93.88% (229,114,642 common registered shares) through payment in cash with preemptive rights in favor of existing shareholders. Afterward, the Board of the Bank decided to sell 9,087,890 shares to shareholders subscriptions, and 5,859,053 shares to Societe Generale. The final subscription rate of the share capital increase stands at 100%.
9. The share capital increase was initially subscribed by 97.36% (107,452,301 common registered shares) by existing shareholders and those who acquired preemptive rights during their trading in the ASE. Afterward, the company's Board decided to sell 2,915,314 of the unsold the shares to the Greek state as the preferred shareholder, leading to a total subscription rate of 100% or 110,367,615 common registered shares.
10. Listing of shares from the acquisition of a business sector.
11. Initial subscription to the company's share capital increase through the exercise of preemptive rights stood at 26.78% (9,764,301 new common registered shares), while 26,694,032 shares remained unsold. The final subscription rate of the share capital increase stands at 49.41%.
12. The share capital increase was initially subscribed by 99.46 % (975,301,078 common registered shares) through payment in cash with preemptive rights in favor of existing shareholders. Afterward, 5,299,142 shares, i.e. 0.54%, were sold to the holders of subscription rights at the sell price, in proportion to the demand expressed by these investors. The final subscription rate of the share capital increase stands at 100%.

13. The share capital increase was covered by 98.92% through the exercise of preemptive rights by existing shareholders and those who acquired subscription rights during their trading (10,244,713 new, common, registered voting shares), while 111,727 new shares remained unsold. 111,727 unsold shares were sold to the persons that exercised subscription rights.
14. 31.46% (34,236,905 new, common, registered, voting shares) of the new shares produced by the share capital increase was covered by the exercise of preemptive rights by existing shareholders and investors who acquired preemptive rights during their trading. 64.98% of the new shares produced by the share capital increase was covered through the supplementary subscription by existing shareholders (70,727,697 new, common, registered voting shares). Moreover, subscription applications were submitted by Attica Bank group employees for 1,553,437 unsold shares (1.43% of the new shares produced by the share capital increase) which were fully covered. Moreover, subscription applications were submitted by preemptive right holders who had fully exercised their preemptive rights, to whom 2,319,993 new shares were distributed (2.13% of the new shares produced from the share capital increase). The final subscription rate of the share capital increase stands at 100.0%.
15. The share capital increase was initially subscribed by 51.39% (19,369,700 new common registered shares), while 18,319,573 shares remained unsold. Afterward, 18,319,573 shares, i.e. 48.61%, were covered by investors who exercised their oversubscription rights, raising the final subscription ratio to 100%.
16. Listing of shares from the capitalization of deposits.
17. The share capital increase was initially subscribed by 96.66% (119,176,132 new common registered shares), while 4,116,864 shares remained unsold. Afterward, 4,116,864 shares, i.e. 3.33%, were covered by investors who exercised their oversubscription rights, raising the final subscription ratio to 100%

TABLE XII. Initial public offerings in the ASE, 2009

No	Company	SCI Period	Date of listing	Sector	Initial Share Price Range (€)	Share Price (€)	Number of new shares through p.o.	Number of new shares placed with a RCI	Public Offering of existing shares	Total number of new shares	Funds Raised (€)
1	MIG REAL ESTATE REIC	8/7/2009 - 22/7/2009	23/7/2009	Industrial and Office REICs	3.5 – 4.1	4.00	2,500,000	-	-	2,500,000	10,000,000

Main Underwriter	Advisor	Allocation to Private Investors	Total allocation to institutional investors	Demand from private investors	Total Demand from Institutional Investors	Oversubscription by Private Investors	Oversubscription by Institutional Investors	Total oversubscription	Participating Capital
MARFIN EGNATIA BANK, PIRAEUS BANK	INVESTMENT BANK OF GREECE	1,608,681	891,319	9,716,914	1,637,000	6.04	1.84	4.54	45,415,656

Source: HCMC

Notes:

*1. The total funds raised through the IPO prior to excluding fees and expenses stand at €10,000,000 (€4.00*2,500,000).*

891.319 new common registered shares (or 35.65% of the total IPO) were allocated to Other and Institutional Investors and 1,608,801 shares (or 64.35% of the IPO) were allocated to Private Investors. Based on the shares finally allocated to Private Investors the priority limit was set to 215 shares.

TABLE XIII. Public offering of shares without listing in the ASE, 2009

no	Company	Approval Date	SCI Period	Funds Raised (€)	Number of shares	Share Price (€)	Beneficiaries	Inv. Firm Advisor / Underwriter
1	EPIRUS COOPERATIVE BANK	2/1/2009	5/1/2009-15/3/2009	3,488,542.50	49,515	70.00	-	-
2	Rea HOSPITAL SA	27/3/2009	5/1/09 - 20/1/09	10,200,000	1,700,000	6.00	1N – 1.77E	-
3	PROBANK SA	5/6/2009	11/6/09 - 03/07/09	80,086,888.6	21,075,497	3.80	4N – 13E	PIRAEUS BANK
4	PORTO KARRAS (below 2.5 mio) €)	28/9/2009	1/10/09 - 16/10/09	130,500	585,000	0.90	0.16N – 1E	-
5	Rea HOSPITAL SA	19/11/2009	23/11/09 - 9/12/09	9,339,600	2,556,600	6.00	1N – 2E	EMPORIKI BANK
	Total			103,245,531.40				

Source: HCMC

Notes:

1. *The increase of the cooperative capital through the payment of cash was subscribed by 65.82% through the sale of 49,515 cooperative units at a total of €3,488,542.50. The initial forecast was to increase the cooperative capital by €5,300,000 through the sale of 75,000 cooperative units, of which 24,485 were finally left unsold.*
2. *The share capital increase through the payment cash with preemptive rights in favor of existing shareholders was 78.47% subscribed through the payment of a total amount of €8,004,234.00, which corresponds to 1,334,039 registered voting shares, while 365,961 shares were left unsold. The said 365,961 unsold shares were distributed according to the judgment of the Board and in accordance with the Articles of Association to new and existing shareholders who expressed interest in participating and paid the corresponding amounts; as a result the share capital increase was oversubscribed and the final subscription rate stood at 100%, while the total amount of the increase reached ten million two hundred thousand Euros (€10,200,000.00).*
3. *The share capital increase as per the decision of the General Meeting of the Shareholders of 31.03.09 was fully subscribed and a total of €80,086,888.60 was raised, accounting for almost 31% of the company's equity as per 31.12.08.*
4. *The share capital increase through the payment cash with preemptive rights in favor of existing shareholders was 24.79% subscribed. 145,000 New shares were sold, of a total value of 130,500euros, while 440,000 shares remained unsold.*
5. *The share capital increase through the payment cash with preemptive rights in favor of existing shareholders was 79% subscribed and 535,250 shares remained unsold. Of the said 535,250 unsold shares 137,500 were allocated, according to the Board's judgment, to new and 397,500 to existing shareholders that expressed interest to participate and paid the corresponding amounts; as a result the increase was 100% subscribed and the total amount of the increase reached 9,339,600 Euros.*

TABLE XIV. Trading Status of ASE-listed companies, 2009

	Under regular trading	Under Probation	Total under trading	Under Suspension	Under Listing	Total
Large Capitalization	56	-	-	-	-	-
Middle & Small Capitalization	147	-	-	-	-	-
Special financial characteristics	40	-	-	-	-	-
Under Probation	24	-	-	-	-	-
Total	267	-	-	17	-	284
De-listed companies	**Date**					
HELLATEX SA SYNTHETIC YARNS	13.02.2009	Par. 3 article 17 Law 3371/05		Under Suspension		
GENER SA	20.05.2009	Par. 3 article 17 Law 3371/05		Under Suspension		
ERGAS SA	23.06.2009	Par. 3 article 17 Law 3371/05		Under Suspension		
ETMA SA	01.10.2009	Par. 3 article 17 Law 3371/05		Under Suspension		
PIRAEUS LEASING	27.01.2009	Par. 5 article 17 Law 3371/05		Under Suspension		
CH ROKAS SA	18.03.2009	Par. 5 article 17 Law 3371/05		Low Dispersion		
GREGORYS MICROGEVMATA SA	23.06.2009	Par. 5 article 17 Law 3371/05		Low Dispersion		
MULTIRAMA SA	27.08.2009	Par. 5 article 17 Law 3371/05		Under Probation		
IMAKO MEDIA SA	04.01.2010	Par. 5 article 17 Law 3371/05		Under Suspension		
Companies under suspension	**Date**					
ALISIDA SA	19.04.2006					
HITECH SNT	26.02.07 & 28.06.07					
LAN-NET SA	30.06.2008					
ASPIS PRONIA GENERAL INSURANCES SA	30.07.2008					
MARITIME COMPANY OF LESVOS (NEL)	01.09.2008					
DIEKAT SA	28.11.2008					
MESOCHORITI BROS Corp	28.11.2008					
SHEET STEEL Co	01.12.2008					
PIRAEUS LEASING SA	19.12.2008					
SAOS ANE SAMOTHRAKI (ex. GALIS)	01.04.2009					
BETANET SA	31.03.2009					
ALTIUS SA	29.04.2009					
OMEGA SA	14.07.2009					
MICROLAND COMP SA	15.07.2009					
RAINBOW COMPUTER SA	10.12.2009					
SINGULARLOGIC SA	10.12.2009					
Companies under probation	**Date**					**Date**
EMPORIKOS DESMOS SA	23.09.1999		PERSEFS SA			07.04.2008
KERAMICS ALLATINI	07.03.2003		AEGEK SA			27.06.2008
PLIAS SA	07.03.2003		COMPUCON COMPUTER APPLICATIONS SA			02.09.2008
UNITED TEXTILES	18.02.2005		TECHNICAL OLYMPIC SA			26.09.2008
EVLIEMEK	04.04.2006		ALTEC SA			20.10.2008
EUROHOLDINGS CAP & INV	04.04.2006		HELLENIC FISHFARMING SA			21.10.2008
HIPPOTOUR SA	04.04.2006		KOUMBAS HOLDING			06.04.2009
KLONATEX GROUP OF COMPANIES SA	04.04.2006		HELLAS ON LINE EL. COM (ex UNIBRAIN)			03.07.2009
ALMA-ATERMON SA	16.10.2006		TEXAPRET SA			09.10.2009
PETZETAKIS SA	02.10.2007		ZENON SA			06.04.2009
PRAXITELIO HOSPITAL SA	09.11.2007		M.I. MAILLIS SA			06.04.2009
PROODEFTIKI SA	11.02.2008		VARVARESSOS SA			21.12.2009

Source: HCMC

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