

Good morning ladies and gentlemen,

It's my great pleasure to be here with you today, to address the annual Athens Exchange Conference, before such a select and demanding audience, as well as distinguished speakers. First off, I wish to express my warm thanks to the organizers, Mr. Lazarides and Mr. Anastasopoulos, for their kind invitation.

Being an economist, it's only fitting that I start with a few brief remarks about the current economic developments in Greece. On a positive note, Greece returned to growth in 2017, signalling a turning point for our economy. GDP growth reached 1.4%, and based on the latest quarterly figures, growth is expected to accelerate by a noteworthy 2.3% year-on-year in 2018. This accelerating growth-rate, is thanks largely to a remarkable increase in exports and a strong push in Foreign Direct Investment in 2017.

Against this backdrop, Greece's biggest economic challenge is the continued implementation of its new growth model, based mainly on exports and foreign investment, and of course tourism. Since private consumer spending remains weak, and public investment is constrained by the obligations of the economic adjustment

programme, exports and large-scale investment are still crucial for economic growth.

At the same time, we are enjoying a gradual recovery across the Greek banking system. In 2017, savings increased by 4.3% year-on-year. Moreover, we observed a decrease in NPEs by 6 billion euros in 2017, and our commitment is to reduce NPEs by a further 43 billion euros in 2018 and 19. This reduction is essential in order to free up significant sources of funding for the restructuring and support of viable enterprises that are in need of capital injection.

The reality is that Greek banks remain the major source of financing of the real economy. But it is not sufficient, and it is essential to expand the available sources of financing.

Achieving a better balance between the banking system and the financial markets as sources of funding, would yield significant benefits for the Hellenic financial system and beyond. More diverse funding sources, would facilitate a shift from debt-funding to equity-funding, and in turn, increase the overall competitiveness of the financial system. Moreover, an increase in the financing of economic activities through capital markets, would result in more jobs and

economic growth, and would also facilitate an increase in savings and investments by Greek citizens.

With this in mind, I will now turn to the ongoing work and challenges of the Hellenic Capital Market Commission. At the Commission, our role as the regulator of Greece's capital market, includes the promotion and establishment of sound market conditions. We aspire to enhance public confidence in the quality of supervision and market behaviour, which itself is a prerequisite for growth.

We are now reaping the initial benefits from the newly established market of corporate bonds tradeable on the Athens Stock Exchange. Since its introduction less than two years ago, we have already seen a number of major issues with many more in the pipeline. These results are indeed encouraging as investor demand is often almost three times in excess of the issue. We will continue to work towards the further development of this promising initiative.

Let me now briefly mention some regulatory developments that are worth noting. As you know, MiFID II/MiFIR is the single most significant piece of legislation in the history of the operation of the European Capital Market, so its significance cannot be overlooked.

Over 2017, our commission monitored the preparation of the entities under our supervision, for compliance with the new regulations. And since its passage into Greek Law in January of this year, we are all committed to fulfilling the demands in adjusting to this all-important new legislation. Within this framework, our Commission is currently closely monitoring its transfer and full implementation into the Greek market itself.

Our experience since MiFID II entered into force 5 months ago, is that there are still matters needing clarification today. Most notably, product intervention measures in binary options and CFDs, that will soon be effective in accordance with the relevant ESMA decisions in which we are actively participating. These are likely to prove a challenge that will test both supervisors and market participants alike.

This brings me to the issue of market interventionism - a subject that is on many people's mind of late. On the road towards an integrated EU financial market, which itself is the goal of the Capital Markets Union project, the harmonization of national laws and policies is a *sine qua non*.

To date, most areas of national capital market legislation have already been harmonized, including investment services, market abuse, fund management and post trading.

As supervisors, we have at our disposal, more-or-less the same wide-range of tools to address weaknesses in investor protection, as well as in the orderly functioning of markets, and in the stability of the financial system.

The main challenge for us, as regulators, is to strike the right balance between our legal intervention obligations on the one hand, and the need to protect investor interests by ensuring the smooth functioning of the markets, on the other.

With this end in mind, we are constantly reviewing and evolving our supervisory policies so-as-to ensure supervisory success and avoid market failures, while also enhancing our supervisory credibility and ultimately, protecting investors.

Finally, I must stress that global regulatory co-operation will continue to be a key point of focus in the future, and I am confident that together, supervisors and market participants, can and will meet any challenges that may arise.

In conclusion, I wish to assure you that the Hellenic Capital Market Commission will continue to wholly support and promote all initiatives that enhance market stability and economic growth for Greece.

It's my belief and hope that in 2018 and beyond, we will continue to see our goals fulfilled, and our expectations for progress exceeded, for both the Greek economy and its people alike.

Thank you very much for your attention.