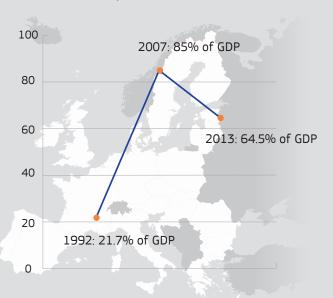


CAPITAL MARKETS IN THE EU

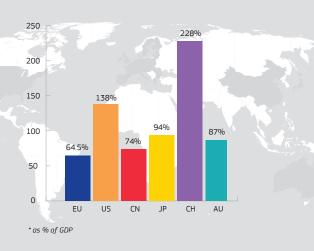
Capital markets in the EU have decreased since the financial crisis

Stock market capitalisation



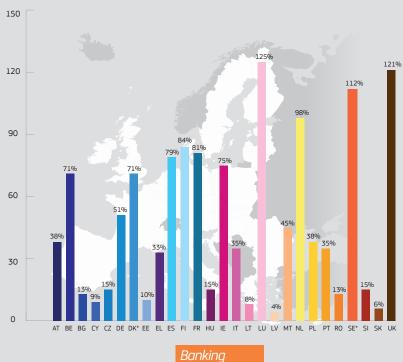
They are still smaller than in other major economies

Stock market capitalisation (2013)*



And the situation in EU Member States varies greatly

Stock market capitalisation (as % of GDP) in 2013 in each EU28 country (*2012)



and Finance



CAPITAL MARKETS AND SMEs IN THE EU

A lot of SMEs don't get all the financing they ask from banks in Europe

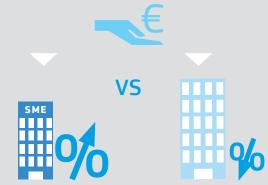
In the euro area, 35% of SMEs didn't get the complete financing they asked their banks for in 2013



It is more costly for SMEs to get a loan from a bank than for bigger companies, especially in countries worst hit by the crisis

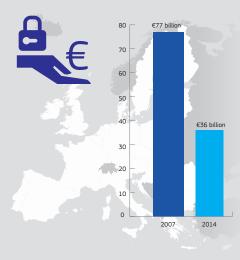
Access to credit information on SMEs isn't generally available: this makes it both harder for the SMEs to receive capital market financing and difficult for investors to invest in SMEs

Around 25% of all companies and around 75% of owner-managed companies do not have a credit score





Securitisation of SMEs' loans in the EU is half the pre-crisis level

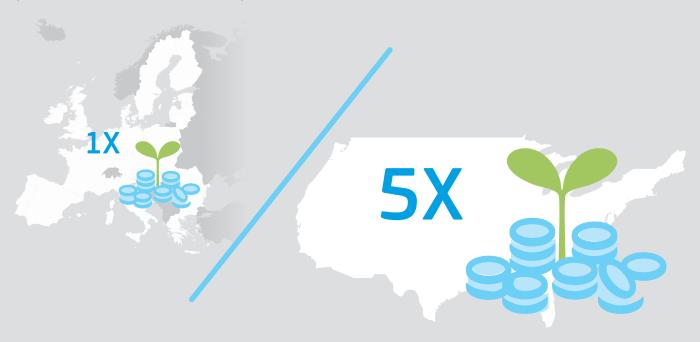


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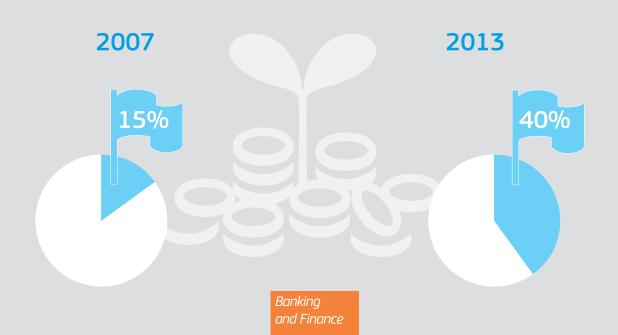
VENTURE CAPITAL MARKETS IN THE EU

The venture capital market is about five times bigger in the US than in the EU (in terms of amounts invested)



Private funds are providing less money to venture capital in the EU than before the crisis

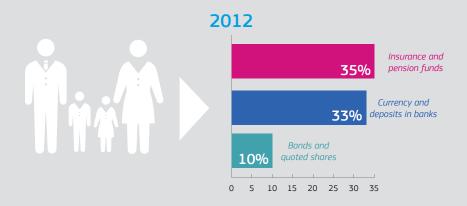
In 2007, 15% of VC funds came from public money In 2013, 40% of VC funds came from public money





FINANCIAL MARKETS FOR INVESTORS

Where does the average EU family invest its money?



Citizens buy financial products mainly in their home country



They don't buy financial products in other EU countries because:







GOALS OF CAPITAL MARKETS UNION

1. Create a single market for capital by removing barriers to cross-border investments

2. Improve access to financing for all businesses around Europe



4. Maximise the benefits of capital markets so they can support economic growth and job creation

Jobs Growth

5.Help SMEs raise finance more easily



3. Diversify the funding of the economy and reduce the cost of raising capital

6. Help the EU to attract investments from all over the world and become more competitive



