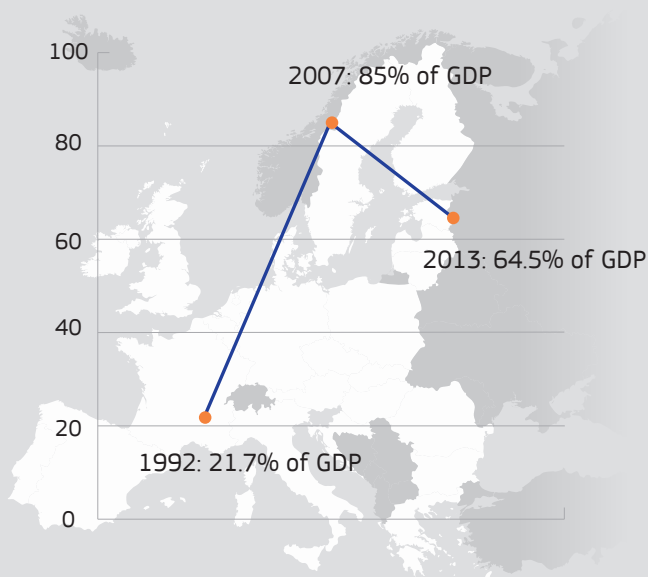


CAPITAL MARKETS IN THE EU

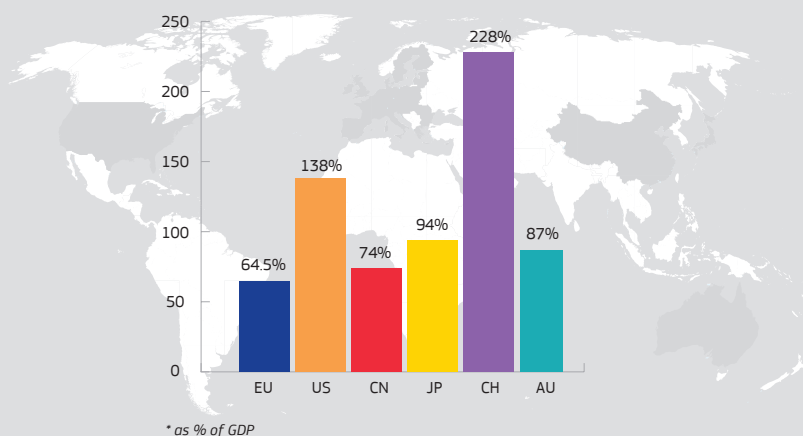
Capital markets in the EU have decreased since the financial crisis

Stock market capitalisation



They are still smaller than in other major economies

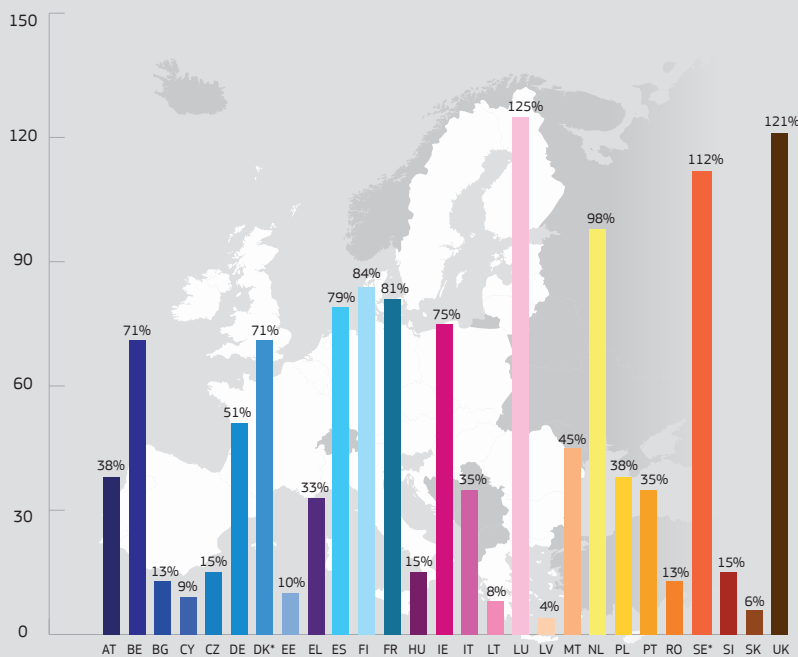
*Stock market capitalisation (2013)**



* as % of GDP

And the situation in EU Member States varies greatly

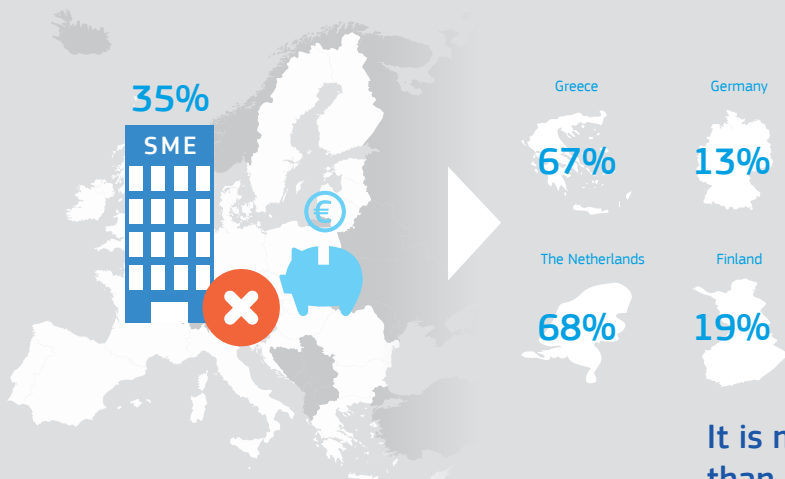
*Stock market capitalisation (as % of GDP) in 2013 in each EU28 country (*2012)*



CAPITAL MARKETS AND SMEs IN THE EU

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

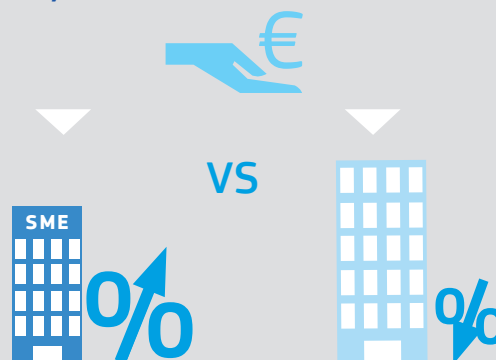
In the euro area, 35% of SMEs didn't get the complete financing they asked their banks for in 2013



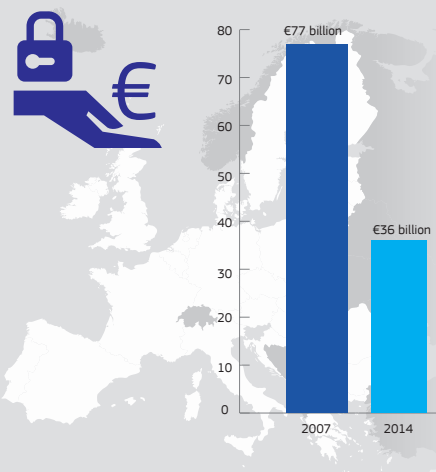
It is more costly for SMEs to get a loan from a bank than for bigger companies, especially in countries worst hit by the crisis

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

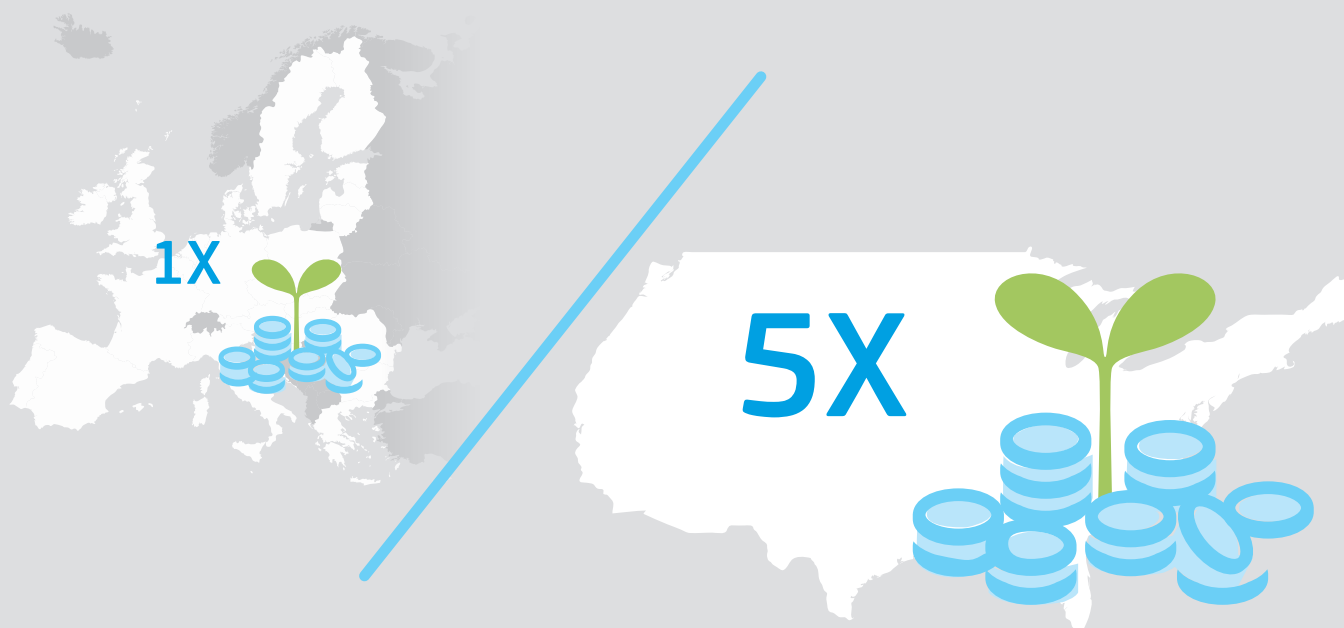


Securitisation of SMEs' loans in the EU is half the pre-crisis level



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)



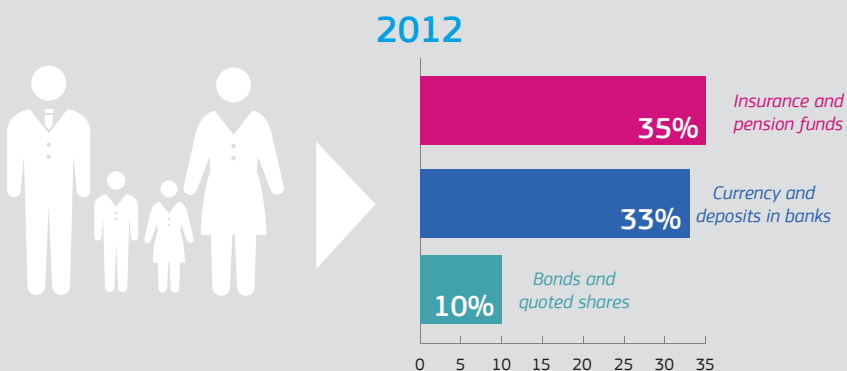
Private funds are providing less money to venture capital in the EU than before the crisis

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

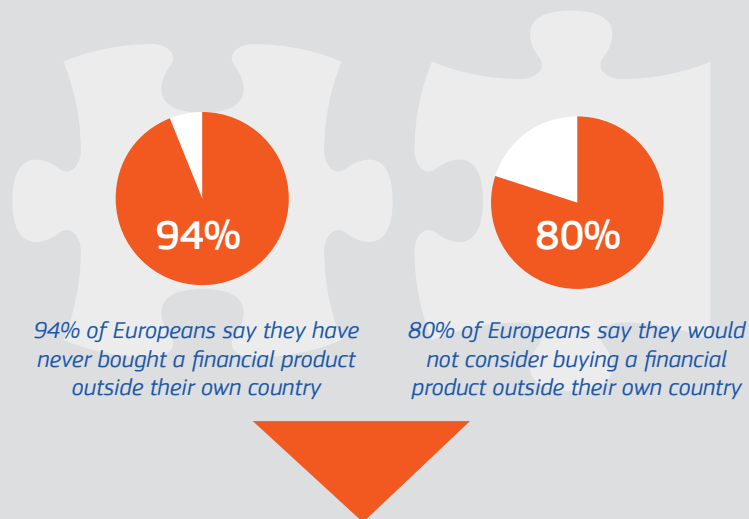


FINANCIAL MARKETS FOR INVESTORS

Where does the average EU family invest its money?

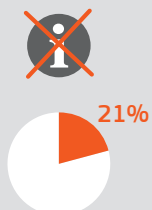


Citizens buy financial products mainly in their home country

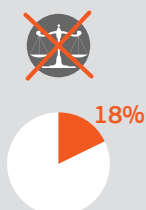


They don't buy financial products in other EU countries because:

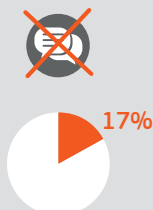
No clear information



Lack of knowledge of their rights

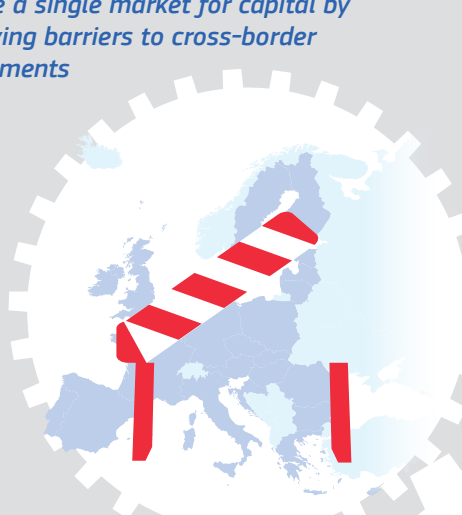


Language barrier



GOALS OF CAPITAL MARKETS UNION

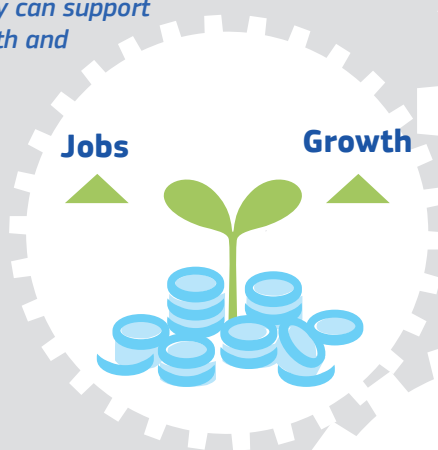
1. Create a single market for capital by removing barriers to cross-border investments



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



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

5. Help SMEs raise finance more easily

