ATHEXCSD
Central Securities Depository

2017 ANNUAL FINANCIAL REPORT

For the period 1 January 2017 - 31 December 2017
In accordance with the International Financial Reporting Standards

HELLENIC CENTRAL SECURITIES DEPOSITORY SA
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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

WE DECLARE THAT

1. To the best of our knowledge, the attached annual Financial Statements, which have been prepared in accordance with the applicable International Financial Reporting Standards, present accurately the assets and liabilities, the equity as at 31.12.2017 and the results of the fiscal year 2017 of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.".
2. To the best of our knowledge, the attached report of the Board of Directors for the fiscal year 2017 presents accurately the course, performance and position of the Company "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.", including the description of main risks and uncertainties that the Company faces.
3. To the best of our knowledge, the attached Financial Statements for the fiscal year 2017 are those that were approved by the Board of Directors of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A." on 26.03.2018.

Athens, 26 March 2018

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE MEMBER OF THE BOARD
GEORGE HANDJINICOLAOU	**SOCRATES LAZARIDIS**	**NIKOLAOS PORFYRIS**
ID CARD No. X-501829	**ID CARD No. AK -218278**	**ID CARD No. AK 129341**

2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF “HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.” FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2017

The Board of Directors of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A." (ATHEXCSD) presents its annual Report with regard to the financial statements for the year ended 31.12.2017 pursuant to articles 43a and 136 of Codified Law 2190/1920.

The financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union.

THE GREEK STOCK MARKET

The Athens Exchange General Index recorded a rise for the third consecutive year and closed on 31.12.2017 at 802.37 points, increased by 24.7% from the 643.64 points at the end of 2016. The average market capitalization came to €50.2 billion, a rise of 21.7% compared to 2016 (€41.3 billion).

The total traded value in 2017 (€14.8 billion) shows a 2% decrease compared to the same period last year (€15.1 billion), while the average daily traded value reached €58.8 million contrasted with €60.5 million in 2016, showing a decrease of 2.8%. The average daily traded volume decreased by 24.6% and came to 72.7 million shares compared to 96.4 million shares.

In the derivatives market, the total trading activity increased by 25.7% (2017: 19.4 million contracts, 2016: 15.5 million contracts), while the average daily traded volume increased by 24.1% (78.7 thousand contracts compared to 63.5 thousand contracts).

BUSINESS DEVELOPMENTS

Significant corporate actions – Rights issues

During 2017, the company P.G. NIKAS S.A. increased its share capital through exercise of the pre-emption right of existing shareholders, thus raising €23.3 million.

The companies ALPHA BANK S.A., DIONIC and FORTHNET S.A. listed new shares that resulted from the conversion of existing convertible bonds.

The companies GR. SARANTIS S.A., FOURLIS HOLDINGS S.A. and COCA-COLA HBC AG listed new shares that resulted from share capital increases through exercise of stock options.

November 2016 - March 2017: Delisting of the BANK OF CYPRUS from the Athens Exchange, formation of a new parent company and listing/trading of the shares at the London Stock Exchange (as well as at the Cyprus Stock Exchange).

April 2017 - June 2017: As part of the ownership unbundling of the Public Power Corporation (PPC), the separation of the Independent Power Transmission Operator (ADMIE) was completed and the shares of the newly formed company ADMIE Holding were admitted for trading.

November - December 2017: The exchange of Greek Government bonds that had resulted from the Private Sector Involvement (PSI) was completed with the issuance of new bonds.

November - December 2017: The warrants of Alpha Bank, Piraeus Bank and National Bank of Greece were delisted after the completion of the last exercise of warrants that had resulted from the initial bank recapitalization.

Forced buyouts (squeeze-outs) of listed companies

May 2017: The squeeze-out of the remaining shareholders of the listed companies KLEEMANN HELLAS S.A. and ASTIR PALACE VOULIAGMENI S.A. was completed.

June 2017: The squeeze-out of the remaining shareholders of the listed companies IONIAN HOTEL ENTERPRISES S.A. and F.H.L. I. KIRIAKIDIS MARBLES & GRANITES S.A. was completed.

October 2017: The squeeze-out of the remaining shareholders of the listed company GALAXIDI MARINE FARM S.A. was completed.

Development of the Electronic Book Building service

The aim of the Electronic Book Building (EBB) service is to enable ATHEX to provide the necessary logistical support to businesses that wish to raise capital from investors.

The EBB service is provided to underwriters, advisors and financial undertakings for use during the capital raising process. It is a transparent mechanism for the investors to express their will to participate in capital raising, designed to make effective use of the network of Athens Exchange Members (banks and brokerage firms) and their clients with the aim of channelling liquidity into the business proposals of companies seeking financing.

In the first half of 2017, the Hellenic Capital Market Commission issued Decision 19/776/13.02.2017 regarding "Determination of the yield and interest rate of bonds made available through a public offering and allocation to investors", which brought the need for changes in the provision of the relevant service.

ATHEXCSD was actively involved in the amendment of the regulatory framework for the provision of the service, in the specification of the necessary technical changes and in the monitoring of their implementation.

Regulation (EU) 909/2014 (CSDR) - Strategic adaptation of "Hellenic Central Securities Depository S.A." (ATHEXCSD) to the new environment

Regulation (EU) 909/2014 (CSDR) "on improving securities settlement in the European Union and on central securities depositories" is part of the EU package of measures for European integration in the area of post-trading services and establishment of single market conditions. This Regulation influences the operation of the Greek Capital Market system, bringing about significant changes through: a) the liberalization of Central Security Depository services being introduced at the EU level, and b) the adoption of omnibus accounts for holding securities.

In the above mentioned context, ATHEXCSD participates actively in the actions for the adaptation of the Greek capital market to the new circumstances, particularly as concerns the timely licensing of the company in accordance with the Regulation within 2018, if possible. Specifically, in 2017 ATHEXCSD actively participated in or completed the following actions:

- Participation in the work of the Committee chaired by Professor Stavros Thomadakis, which was formed by the Athens Exchange Group in collaboration with the Hellenic Capital Market Commission in order to examine actions for strategic adaptation to the new environment. The Committee completed its work and delivered its final report on 22.05.2017.
- Review of the CSDR Level 2 Regulatory Technical Standards that went into effect on 30.03.2017, as well as of the relevant ESMA Level 3 Measures (Guidelines, Q&As, opinions etc.) for the purpose of analysing the effects and planning/implementing actions for compliance.
- Procurement of consulting services from recognized firms regarding special matters and compliance requirements of ATHEXCSD (CPMI/IOSCO PFMI Assessment, CSD Account Structure, CSD Links, Capital requirements & Risk Management Framework).
- Preliminary briefing and commencement of consultation with DSS Operators regarding the necessary regulatory changes and the proposed relevant technical adjustments to systems and processes.
- Participation in the Legislative Committee of the Ministry of Finance for the adaptation of the national legal system to the CSDR Regulation. The Committee completed its work in July 2017, and the bill it presented to the Ministry of Finance was put to public consultation in the period from 15.09.2017 to 25.09.2017.
- Preparation of the file and submission of the application of ATHEXCSD to the Hellenic Capital Market Commission on 29.09.2017 for authorization as a Central Securities Depository in accordance with Regulation (EU) 909/2014.
- Organization of an information event on 09.10.2017 at the premises of the Bank of Greece, in cooperation with the Hellenic Capital Market Commission, on the subject: "Changes in the institutional operating framework of the Dematerialized Securities System for Adaptation to the CSDR Regulation".

Project for the update of DSS Account information by the Operators, in accordance with Decisions 1/736 of 02.11.2015 (Government Gazette 2558B of 26.11.2015) and 7/759 of 29.06.2016 (Government Gazette 2130B of 11.07.2016) of the Board of the Hellenic Capital Market Commission and Decision 6 of 27.06.2016 of the Board of ATHEXCSD, in effect as from 30.06.2016

In accordance with the relevant decisions of the Board of the Hellenic Capital Market Commission and of ATHEXCSD, periodic (monthly and quarterly) reviews were performed in 2017 regarding the accuracy of registrations in the active Investor Shares in the Dematerialized Securities System (DSS) by ATHEXCSD and the relevant briefing of the DSS Operators, for the purpose of updating the relevant information maintained in the DSS in accordance with the existing regulatory framework.

The follow-up on the actions of this project is done supplementarily by means of a relevant questionnaire completed by the DSS Operators every four months (January, May and September). All relevant actions are part of the preparations for the smooth transition of the Dematerialized Securities System (DSS) to the new operation under the CSDR Regulation that well take place with the authorization of ATHEXCSD as a Central Securities Depository in accordance with the aforesaid Regulation.

Completion of the necessary adaptations for the fulfilment of the obligations of the Athens Exchange Group companies and the participants in the Greek market, and in particular of ATHEXCSD and the DSS Operators, with respect to the Automatic Exchange of Financial Information in accordance with the relevant legislation.

The relevant actions and projects include the following:

- The agreement between Greece and the United States for the implementation of the Foreign Account Tax Compliance Act (FATCA), as it has been transposed into the Greek legislation with Law 4493/2017 (Government Gazette 164A of 31.10.2017).
- The Directive 2011/16/EU as it has been amended by Directive 2014/107/EU, as those have been transposed into the Greek legislation with Law 4170/2013 and Law 4378/2016.
- The Multilateral Competent Authority Agreement - OECD (Common Reporting Standard), as it has been transposed into the Greek legislation with Law 4428/2016.

Development of operations of the AXIAlei service

In response to the need for issuing LEI codes for all legal entities carrying out transferable securities transactions as of 03.01.2018 as part of the implementation of the MiFID II Directive and the MiFIR Regulation, ATHEXCSD provided successfully the relevant services. Specifically, in the last two months of the year, in collaboration with the LSE, more than 800 new LEI codes were issued for legal entities, including the listed companies and the Members of the Athens Exchange as well as the DSS Operators.

Improvement and expansion of existing Depository services on foreign securities ("Investor CSD services") of the Company "Hellenic Central Securities Depository S.A." (ATHEXCSD), within the development of the provided XNET Network services.

The relevant actions and projects include the following:

- Improvement of the operational infrastructure of the services provided in the existing markets of the XNET Network, especially in order to cover the needs under the existing operational framework of capital controls.
- Expansion of services in new markets in the South Eastern Europe (Romania, Bulgaria, FYROM, Croatia, Serbia) within the SEE Link Network, as well as in the Middle East (Iran).

Upgrade of the technological infrastructure for the connection of ATHEXCSD with the cash settlement bank (Alpha Bank)

In 2017 the project for the replacement of the Alphaline and Alphadirect systems and infrastructure with the more up-to-date Alpha Web Banking and the new service with connection of the ATHEXCSD systems with Apha Bank by means of web services began to be implemented. It should be noted that Alpha Bank has been designated as the cash settlement bank for transactions carried out in foreign securities as part of the Investor CSD service provided by ATHEXCSD.

COMMENTS ON THE RESULTS

The turnover of ATHEXCSD in 2017 came to €10.99 million compared to €11.02 million, recording a 0.3% decrease from the previous year, while the net profit after tax amounted to €1.8 million in 2017 compared to €1.1 million in the same period last year, showing an increase of 67%. The increase in net profit is due, firstly, to the reduction in employee expenses as a result of the restructuring of the services of the Athens Exchange Group by €687 thousand and, secondly, to the reduction of the provision for doubtful accounts by €424 compared to the previous year.

By decision of the Board in January 2017 the flat annual settlement fee paid by ATHEXClear to ATHEXCSD is calculated at 60% of the revenues of the clearing house from clearing, with a minimum annual amount of €3.0 million and a maximum annual amount of €15.0 million. It should be noted that the previous decision of the Board specified a 81% fee on the clearing revenues with a minimum annual amount of €7.5 million and a maximum annual amount of €15.0 million.

The results include the following financial indicators:

	2017	2016	Deviation %
EBITDA	**37%**	**28%**	**32%**
Return on Investment (ROI)	**36%**	**27%**	**33%**
Return on Equity (ROE)	**4.56%**	**2.68%**	**71%**
Cash flows after investment (in thousand €)	**3,638**	**3,920**	**(7)%**
Degree of financial self-sufficiency	**84%**	**85%**	**(1)%**

Expenses

The total expenses of the Company in 2017 amounted to €6.8 million compared to €7.8 million in the previous fiscal year, showing a decrease of 12.9%.

Personnel remuneration and expenses came to €3.1 million compared to €3.8 million in the same period last year, showing a decrease of 18.1%.

SHARE CAPITAL

The share capital of the Company amounts to €24,078,000 and consists of 802,600 shares of a nominal value of €30.00 each. The share capital of the Company did not change in the fiscal year 2017.

TREASURY SHARES

The company does not hold any treasury shares as at 31.12.2018.

DIVIDEND POLICY

The Ordinary General Meeting of 24.05.2017 decided at its unsolicited universal meeting the payment of dividend in the amount of €802,600 or €1.00 per share. The dividend was paid on 01.06.2017 to the Athens Exchange as the sole shareholder of the Company.

TRANSACTIONS BETWEEN RELATED PARTIES

Total transactions with related parties amount to €290 thousand and concern the remuneration of executives, compared to €306 thousand in the same period last year. Apart from these transactions, no other transactions were carried out with related parties as defined in IAS 24, which could affect materially the financial position or the performance of the Company during this period.

USE OF FINANCIAL INSTRUMENTS

The Company does not use financial instruments for the valuation of assets and liabilities or of the financial position or of the profit and loss account and, therefore, does not use hedge accounting.

OUTLOOK FOR 2018

The envisaged exit from the Memorandum signals the completion of a series of structural changes that, along with the clear signs of stabilization of the economy, boost economic activity as well as the trust of investors.

The anticipated improvement of the investment climate will provide opportunities for raising capital through the stock market. For 2018, new company listings and rights issues are planned, which will fuel the interest of investors. In this context, conditions will be particularly conducive for privatizations through the Stock Exchange. In turn, such development would create a positive climate for the stock market.

Although the Greek capital market managed during the crisis to maintain the interest of the international investment community, it is expected that the restructuring of the business landscape through possible acquisitions and mergers, the improvement in the management of Non-Performing Loans (NPLs), the privatizations, the upgrade of the credit rating of Greece, as well as the issuance of government bonds, will further fuel the interest of institutional investors, provided that there will be commitment to policies focused on the improvement of the economic climate.

The prospects of the Group and the Company are also shaped by regulatory changes taking place at the European level, as well as by the focus of the European Commission on the possibility of financing small and medium sized enterprises through the capital markets due to the ongoing deleveraging of the banking system and the overall developments in the international macroeconomic environment.

The EMIR Regulation has created a single European framework regarding the organization, licensing and supervision of Clearing Houses, while in 2019 the implementation of the CSDR Regulation will establish a similar framework for Depositories. The adaptation of the Group to the new models of operation creates opportunities for development of new activities and collaborations and the conditions for effective and profitable operation in an international environment of increased security and reduced risk.

Under these conditions, the Company endeavours to reduce its cost of operation, to ensure the orderly operation of its markets, to provide value-added services, to utilize its infrastructure improving it with the addition of new products and services and to fulfil effectively its role in the transfer of investment resources to the productive fabric of Greece.

The excellent organization of the Company and the Group, the smooth operation of the stock market, the continuous investment in modern equipment and processes, the absence of debt liabilities, the acknowledgement of their reliability by internationally recognized rating agencies, as well as the liquidity they possess, are the guarantee for lasting survival with significant benefits for the shareholders.

TURNOVER - RISKS AND UNCERTAINTIES

The revenues of the Company and the Group are largely determined by factors that cannot be influenced, as they are connected with the developments in the Greek capital market, which in turn are affected by a number of factors, such as the main financial figures of listed companies, the fundamental macroeconomic elements of the Greek economy as well as the developments in international capital markets.

Apart from over-the-counter transactions (trading outside the stock exchange) carried out on the markets of the Athens Exchange, major sources of revenue for the Company are the flat settlement fee and the trade notification instructions. The company also derives revenues from the In Broker service and the Co-location service. In contrast to revenues, the amount of which cannot be controlled by the Companies of the Group, on the cost side concerted efforts are made for rationalization, with the aim to improve the financial results of the Company and the Group even in adverse market conditions.

The economic crisis afflicting the Greek economy during recent years has increased the risks for foreign and local investors resulting in a significant decrease in the volume of stock market transactions as well as in the number of corporate actions, which in turn leads to a reduction in the revenue of the Company.

RISK MANAGEMENT

Financial risk factors The Company is exposed to a limited range of financial risks. The usual risks that the Company is theoretically exposed to are market risks (changes in exchange rates, interest rates and market prices), credit risk, liquidity risk, cash flow risk.

The overall risk management programme of the Company is implemented by the relevant departments of the Company and its basic elements are described in detail below:

Foreign exchange risk This risk does not affect materially the operations of the Company, given that the transactions with customers and suppliers in foreign currency are minimal.

Price risk The Company is not exposed to risk of change in the prices of securities.

Credit risk The turnover of the Company mainly consists of trades in the cash market. On this basis, the credit risk is estimated to be minimal.

Liquidity risk Liquidity risk is kept at low levels by maintaining adequate cash balances, and at the same time revenues from transactions are collected promptly.

Cash flow risk and risk of changes in fair value due to changes in interest rates The operating revenues and the cash flows of the Company are independent of changes in interest rates.

CORPORATE SOCIAL RESPONSIBILITY

Corporate responsibility is a basic characteristic that is common to all advanced societies and economies and concerns the ongoing effort to improve the economic climate, cultivate an open dialog with interested parties and the active participation of businesses in society.

Given that corporations are entities inextricably linked with the societies in which they operate, affecting and being affected by the time and the area of operation, they must recognize their responsibilities towards society and the environment. One of the axes through which corporate social responsibility is expressed, is Corporate Responsibility.

We believe at the Group that Corporate Responsibility concerns us all. It is our responsibility as far as our impact on society and the environment is concerned. Our Group operates in a constantly changing international environment and is faced, on a daily basis, with challenges concerning its efficiency and its status as an integral part of society and business. In this environment, the trend worldwide is that corporations are encouraged to take more Corporate Social Responsibility initiatives since their decisive role and contribution to social challenges is recognized.

For us at the Group, Corporate Social Responsibility is directly related to the concept of sustainable development, consists of voluntary actions and is our strategic choice. We have created, and continue with an action plan that concerns the environment, human beings and education:

- We try to alleviate poverty by supporting the work of volunteer organizations that support our fellow human beings.
- We continue our efforts to protect the environment through daily recycling actions, and we adopt new workplace methods in order to save energy through a number of simple and practical rules.
- We promote and support an information and educational program for high school and university students, as well as market professionals, in order to improve knowledge about capital markets.

- We support as an active member the efforts of the Greek network for Corporate Social Responsibility which aims to promote Corporate Responsibility both to the business world and to society as a whole and to achieve a balance between generating profits and sustainable development.
- The Company offers a work environment of equal opportunities to all staff, respecting the rights deriving from the legislation. In addition, the Company takes care of employees' work issues and continuously invests in their professional education and development.

BRANCH OFFICES

The Company operates a branch office in Thessaloniki, at 16-18 Katouni Street.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET

No event with material impact on the results of the Company occurred or was concluded after 31.12.2017, the date of the annual financial statements for 2017, and until the approval of the financial statements for the fiscal year 2017 by the Board of Directors of the Company on 26.03.2018.

Athens, 26 March 2018

The Board of Directors

3. AUDIT REPORT OF THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company "HELLENIC CENTRAL SECURITIES DEPOSITORY SOCIÉTÉ ANONYME"

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of "HELLENIC CENTRAL SECURITIES DEPOSITORY SOCIÉTÉ ANONYME" (the "Company"), which comprise the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the attached annual financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS), as they have been adopted by the European Union and conform with the regulatory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA), which have been incorporated into Greek Law. Our responsibilities under these standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our report. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor Independence

For the duration of our assignment, we were independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), which has been incorporated into Greek Law, and the ethical requirements of Law 4449/2017 that are relevant to our audit of the financial statements in Greece. We have fulfilled our ethical obligations in accordance with Law 4449/2017 and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information consists of the Management Report of the Board of Directors (but does not include the annual financial statements and our auditor's report thereon), which we received prior to the date of this report.

Our opinion on the annual financial statements does not cover the Other Information and except as expressly stated in this section of our Report we do not put forward any audit opinion or other form of assurance thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the annual financial statements or the information we obtained during the audit or otherwise appears to be materially misstated.

We examined whether the Management Report of the Board of Directors includes the disclosures required under Codified Law 2190/1920.

Based on the work we performed during our audit, in our opinion:

- The information included in the Management Report of the Board of Directors for the year ended 31 December 2017 is consistent with the annual financial statements.
- The Management Report of the Board of Directors has been prepared in accordance with the legal requirements of Articles 43a of Codified Law 2190/1920,.

In addition, based on the knowledge and understanding we obtained during our audit of the Company and its environment, we are required to report if we have identified material misstatements in the Management Report of the Board of Directors. We have nothing to report in this respect.

Other Matter

The annual financial statements of the Company for the year ended 31 December 2016 had been audited by another Certified Auditor - Accountant, who expressed an unqualified opinion on 27 March 2017 regarding the annual financial statements for the previous year.

Responsibilities of the Board of Directors and those charged with governance for the annual financial statements

The Board of Directors is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standards, as they have been adopted by the European Union, the requirements of Codified Law 2190/1920 and for such internal controls as the Board of Directors considers necessary in order to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or cease its operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs, which have been incorporated into Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of use by the Board of Directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to qualify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Among other matters, we impart to those charged with governance the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

The works that we performed with respect to the Management Report of the Board of Directors are mentioned above under "Other Information".

Athens, 26 March 2018

The Certified Auditors - Accountants

PricewaterhouseCoopers
Auditing Company SA
Certified Auditors - Accountants
268 Kifissias Avenue
152 32 Halandri
SOEL Registration No. 113

Despoina Marinou
SOEL REGISTRATION NUMBER 17681

Fotis Smyrnis
SOEL REGISTRATION NUMBER 52861

4. ANNUAL FINANCIAL STATEMENTS

for the period 1 January 2017 - 31 December 2017

In accordance with the International Financial Reporting Standards

4.1. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

	Note	01.01 31.12.2017	01.01 31.12.2016
Revenue			
Settlement	5.6	6,637	7,503
Depository Services	5.7	2,583	2,085
IT Services	5.8	46	46
New Services (XNET, CP CSE-Sibex, IT)	5.9	1,142	880
IT services Revenue from re-invoiced expenses	5.10	101	0
Other Services	5.11	480	509
Total turnover		**10,989**	**11,023**
Hellenic Capital Market Commission Fee	5.12	(85)	(98)
Total revenue		**10,904**	**10,925**
Expenses			
Personnel remuneration and expenses	5.13	3,101	3,788
Third party fees and expenses	5.14	97	101
Utilities	5.15	574	633
Maintenance/IT support	5.16	280	302
Taxes	5.17	399	388
Building/equipment management	5.18	373	419
Marketing and advertising expenses	5.19	14	17
Expenses of participation in organizations	5.20	289	373
Insurance premiums	5.21	22	17
Operating expenses	5.22	710	930
Bank of Greece - cash settlement	5.23	56	56
Total operating expenses before new activities and depreciation		**5,915**	**7,024**
Expenses of New Services (XNET, CP CSE-Sibex, IT)	5.24	741	684
Re-invoiced expenses	5.25	156	114
Total operating expenses including new activities before depreciation		**6,812**	**7,822**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**4,092**	**3,103**
Depreciation	5.26	(1,426)	(1,359)
Earnings before interest and taxes (EBIT)		**2,666**	**1,744**
Capital income	5.29	142	170
Financial expenses		(2)	(1)
Earnings before tax (EBT)		**2,806**	**1,913**
Income tax	5.32	(964)	(809)
Profit after tax (A)		**1,842**	**1,104**

Net profit after tax (A)		**1,842**	**1,104**
Actuarial Gains/(Losses) from employee compensation provision		(12)	7
Income tax impact		4	(2)
Other net comprehensive income (B)		**(8)**	**5**
Total comprehensive income (A) + (B)		**1,834**	**1,109**

The notes on chapter 5 form an integral part of these annual financial statements of 31.12.2017.

(Amounts in thousands of Euro, unless otherwise indicated) 20

4.2. ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31.12.2017	31.12.2016
ASSETS			
Non-current assets			
Tangible assets for own use	5.26	20,628	21,711
Intangible assets	5.26	1,641	1,165
Participations and other long-term receivables	5.27	57	57
		22,326	**22,933**
Current assets			
Clients	5.28	2,617	2,036
Other receivables	5.28	2,638	2,582
Income tax receivable	5.32	0	1,007
Cash and cash equivalents	5.29	21,106	18,271
		26,361	**23,896**
TOTAL ASSETS		**48,687**	**46,829**
EQUITY AND LIABILITIES			
Equity and reserves			
Share Capital	5.30	24,078	24,078
Reserves	5.30	9,445	9,390
Retained earnings	5.30	7,256	6,280
Total equity		**40,779**	**39,748**
Non-current liabilities			
Grants and other long-term liabilities	5.33	0	13
Employee compensation provision	5.34	646	703
Other provisions	5.34	40	40
Deferred tax liabilities	5.32	1,568	1,711
		2,254	**2,467**
Current liabilities			
Suppliers and other liabilities	5.35	5,136	4,427
Taxes payable	5.32	370	0
Social security		148	187
		5,654	**4,614**
TOTAL LIABILITIES		**7,908**	**7,081**
TOTAL EQUITY & LIABILITIES		**48,687**	**46,829**

The notes on chapter 5 form an integral part of these annual financial statements of 31.12.2017.

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4.3. ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Reserves	Retained earnings	Total Equity
Balance 01.01.2016	**24,078**	**0**	**9,115**	**9,459**	**42,652**
Profit for the period	0	0	0	1,104	1,104
Other comprehensive income after tax	0	0	0	5	5
Total comprehensive income after tax	**0**	**0**	**0**	**1,109**	**1,109**
Dividend distribution	0	0	0	(4,013)	(4,013)
Profit distribution to reserves	0	0	275	(275)	0
Balance 31.12.2016	**24,078**	**0**	**9,390**	**6,280**	**39,748**
Profit for the period	0	0	0	1,842	1,842
Other comprehensive income after tax	0	0	0	(8)	(8)
Total comprehensive income after tax	**0**	**0**	**0**	**1,834**	**1,834**
Profit distribution to reserves	0	0	55	(55)	0
Dividend distribution (5.36)	0	0	0	(803)	(803)
Balance 31.12.2017	**24,078**	**0**	**9,445**	**7,256**	**40,779**

The notes on chapter 5 form an integral part of these annual financial statements of 31.12.2017.

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4.4. ANNUAL CASH FLOW STATEMENT

(In thousand €)	Note	01.01.2017-31.12.2017	01.01.2016-31.12.2016
Cash flows from operating activities			
Profit before tax		2,807	1,913
Plus/(minus) adjustments for:			
Depreciation	5.26	1,426	1,359
Employee compensation provisions	5.13	(65)	(19)
Allowance for doubtful accounts		400	0
Amortization of grants		(13)	24
Interest income	5.29	(142)	(170)
Interest paid and related expenses		2	1
Plus/(minus) adjustments for changes in working capital accounts or relating to operating activities			
Increase/Decrease in liabilities		(1,037)	7,440
Decrease in liabilities (except loans)		644	(5,518)
Total adjustments for changes in working capital accounts		**4,022**	**5,030**
Interest and related expenses paid		(2)	(1)
Payments for employee compensation		0	(45)
Income taxes paid		295	(719)
Net inflows/outflows from operating activities (a)		**4,315**	**4,265**
Purchase of tangible and intangible assets	5.26	(819)	(515)
Interest received	5.29	142	170
Total inflows/(outflows) from investing activities (b)		**(677)**	**(345)**
Financing activities			
Dividend payments	5.36	(803)	(4,013)
Total outflows from financial activities (c)		**(803)**	**(4,013)**
Net increase/(decrease) in cash and cash equivalents at beginning of period (a) + (b) + (c)		**2,835**	**(93)**
Cash and cash equivalents at beginning of period	**5.29**	**18,271**	**18,364**
Cash and cash equivalents at end of period	**5.29**	**21,106**	**18,271**

The notes on chapter 5 form an integral part of these annual financial statements of 31.12.2017.

(Amounts in thousands of Euro, unless otherwise indicated) 23

5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR 2017

5.1. GENERAL INFORMATION ABOUT THE COMPANY

The Company "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A." was established in 1995 and is registered in the General Electronic Commercial Registry (G.E.MI.) with number 057958104000. After the restructuring of the Athens Exchange Group, the company is registered in the Municipality of Athens and its offices are located at 110 Athinon Avenue. The purpose of the Company is the following:

- The provision of services for the support of operation of organized markets.
- The settlement of trades on transferable securities carried out in the Athens Exchange or other stock exchanges or organized cash markets.
- The settlement of over-the-counter trades on transferable securities.
- The provision of registration and settlement on dematerialized securities, listed and non-listed on the Athens Exchange or on other exchanges or other organized cash markets.
- The provision of services relating to: distribution of dividends, interest payment, distribution of securities, intermediation in the transfer of stock options or rights to subscribe without consideration and the performance any activity related to the above.
- The development, management and operation of the computer and operating system for registering dematerialized securities.
- The performance of commercial activities for the promotion and provision of services relating to software and use/transmission of Market Data from Greece and overseas as a Data Vendor, as well as the promotion, distribution, support, monitoring, operation and marketing in general of products, systems and customized software applications in accordance with relevant licences for their resale and marketing by the Company.

The annual financial statements of the Company for the fiscal year 2017 have been approved by the Board of Directors at the meeting of 26.03.2018. The financial statements of the Company are included in the Consolidated Financial Statements prepared by the Athens Exchange Group and have been posted on the Internet at www.athexgroup.gr.

Dematerialized Securities System Administrator

After the restructuring of services of the HELEX Group, the Company acquired the status of the Central Securities Depository, which provides Settlement and Registry services, and the status of the Manager of the Dematerialized Securities System in accordance with the applicable provisions of the law and the resolution No. 667/09.12.2013 of the Board of Directors of the Hellenic Capital Market Commission (Government Gazette 3307/B/24.12.2013).

According to decision 1 on “DSS management and operation fees” in Article 1 a flat annual settlement fee is paid for the settlement services provided by the Company to clearing houses, calculated at 60% of the revenues resulting in the clearing house from the clearing of transactions, with a minimum amount of €3.0 million and a maximum amount of €15.0 million payable annually. The revenues of the Company from the above-mentioned activity from ATHEXClear for 2017 amounted to €4.6 million (note 5.6).

5.2. BASIS OF PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with their respective interpretations issued by the IASB Standards Interpretation Committee, as those have been adopted by the European Union and are mandatory for financial years ending on 31 December 2017. There are no standards and interpretations of standards that have been applied before the date they were put into effect.

These financial statements have been prepared on a historical cost basis, as modified by the revaluation at fair value of specific assets and according to the going concern principle.

The excellent organization of the Company and the Athens Exchange Group, the unimpaired operation of the stock market, the continuous investments in modern equipment and procedures, the absence of debt liabilities, the acknowledgement of its reliability by internationally recognized rating agencies, as well as the liquidity that it possesses, are the guarantee for lasting survival with significant benefits for the shareholders. The recent economic crisis that the country is going through and the imposition of capital controls cause difficulties in the operation and profitability of the Company but it is nonetheless expected that with the implementation of the agreed actions of the third Memorandum of Understanding that has been signed by Greek Government within EU and the Euro system, any obstacles will be overcome and the country will return to growth, supported by the necessary structural changes, which are gradually being legislated.

The preparation of the Financial Statements in accordance with the International Financial Reporting Standards requires the Management of the Company to make significant assumptions and accounting estimates that affect the balances of the Asset and Liability accounts, the disclosure of contingent claims and liabilities as at the date of preparation of the Financial Statements, as well as the revenues and expenses presented in the fiscal year into consideration. Despite the fact that these estimates are based on the best possible knowledge of the Management as regards the current conditions, actual results may differ eventually from these estimates.

Estimates and judgements are continuously evaluated and are based on empirical data and other factors, including the expectations for future events that are considered probable under reasonable conditions. The Management of the Company considers that there are no estimates and assumptions involving a significant risk of causing material adjustments in the book values of the assets and liabilities.

The areas that require a higher degree of judgement and instances in which the assumptions and estimates are significant for the Financial Statements are mentioned below:

Income tax

Judgement is required of the Company for the establishment of the provision for income tax. There are many transactions and calculations for which the final assessment of the tax is uncertain. If the final tax figure is different from the amount initially recognized, the difference will affect the income tax in the fiscal year in which the assessment of the tax differences will be made (note 5.32).

Provisions for trade and other receivables

The Management of the Group periodically reviews the adequacy of the provision for doubtful accounts in conjunction with its credit policy and taking into consideration information provided by the Legal Department of the Group, which results from processing historical data and recent developments of the cases handled by the Department (note 5.24).

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates regarding the useful life of depreciable assets. These residual useful lives are periodically reassessed in order to estimate whether they continue to be appropriate. Also, Management evaluates the real estate market conditions and makes assessments regarding the valuation of property (note 5.26).

Defined benefit plans

The cost of the benefits for defined benefits plans is calculated using actuarial estimates, which in turn use assumptions regarding the discount rates, the salary increase rates and the mortality rates. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty (note 5.13).

Deferred tax assets

Deferred tax assets are recognized due to unused tax losses to the extent that it is possible that taxable profits will be available in the future in order to be used against such losses. Significant estimates by Management are required in order to ascertain the amount of deferred tax assets that may be recognized, based on the possible time and amount of future taxable profits in conjunction with the tax planning of the entity (note 5.31).

Employee compensation provision

Obligations for employee compensation are calculated based on actuarial methods, the use of which requires Management to assess specific parameters, such as the future increase in employee remuneration etc. Management endeavours, on each reporting date when this provision is reviewed, to assess these parameters in the best possible manner (notes 5.13 and 5.34).

Contingent liabilities

The existence of contingent liabilities requires Management to make constantly assumptions and value judgements concerning the possibility that future events may or may not occur, as well as the impact that such events could have on the activity of the Company (note 5.34).

Estimations – sources of uncertainty

There are no significant assumptions that have been made in relation to the future or other sources of uncertainty of the estimations and which may cause significant risk for material adjustment in the book value of the assets and liabilities in the following fiscal year.

The economic crisis in the country intensifies uncertainty and concern, but after the agreement with the creditors in the EU and within the Eurozone, and with the completion of the review by the institutions, it is expected that Greece will gradually overcome any problems and supported by the important and necessary structural reforms will enter a phase of growth.

Going concern

Management examines the main financial elements and, on occasion, the fulfilment of medium term budgets, together with the existing loan conditions, in order to arrive at the conclusion that the assumption of going concern is appropriate for use in preparing the annual financial statements of the Group and the Company.

It is expected that, after the agreement with the institutions, the signature of the third Memorandum of Understanding and the fulfilment of the commitments, the crisis that the Greek economy faces will gradually be overcome. The positive review of the programme by the institutions and the lifting of capital controls will help restore a healthy economic climate and environment in Greece. The Companies of the Group are very well placed in the domestic and international capital markets and excellently organized so as to overcome any temporary difficulties they may face.

Modifications in the published information of the Statement of Comprehensive Income of the Company

As part of the effort to provide increased transparency and more substantial information to investors, there has been a reclassification of accounts in the Statement of Comprehensive Income. As a result of these changes, the data of the same period of last year must be adjusted accordingly in order to allow comparison.

The following table shows the classification of the published Statement of Comprehensive Income of the Company in the new structure/presentation of accounts that the Group decided to implement as from 01.01.2016.

	Note	01/01 31.12.2016 Modified	01/01 31.12.2016 Published
Revenue			
Settlement	5.6	7,503	7,503
Depository Services	5.7	2,085	2,085
IT Services	5.8	46	46
New Services (Xnet, CP CSE-Sibex, IT)	5.9	880	880
Other Services	5.10	509	607
Total turnover		**11,023**	**11,121**
Hellenic Capital Market Commission Fee	5.12	(98)	(98)
Total revenue		**10,925**	**11,023**
Expenses			
Personnel remuneration and expenses	5.13	3,788	3,788
Third party fees and expenses	5.14	101	101
Utilities	5.15	633	633
Maintenance/IT support	5.16	302	302
Taxes	5.17	388	388
Building/equipment management	5.18	419	419
Marketing and advertising expenses	5.19	17	17
Expenses of participation in organizations	5.20	373	373
Insurance premiums	5.21	17	17
Operating expenses	5.22	930	144
Bank of Greece - cash settlement	5.23	56	56
Other expenses	5.24	0	60
Total operating expenses		**7,024**	**6,298**
Re-invoiced expenses	5.25	114	114
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.24	684	684
Allowance for doubtful accounts		0	824
Total operating expenses, including new activities		**7,822**	**7,920**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**3,103**	**3,103**

5.3. BASIC ACCOUNTING PRINCIPLES

The basic accounting principles adopted by the Company for the preparation of the attached financial statements are as follows:

5.3.1. Foreign currency translation

Functional and presentation currency

The figures in the Financial Statements of the Company are estimated in the currency of the financial environment in which each Company operates (functional currency).

Transactions and balances

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Transactions in foreign currencies are converted to the functional currency using the exchange rates on the date of the transactions. Earnings and losses from the settlement of foreign currency transactions and from the valuation at the end of the fiscal year of cash Assets and Liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Foreign exchange differences from non-currency assets that are valued at fair value are considered as part of the fair value and are therefore recorded together with fair value differences.

5.3.2. Fixed assets

Tangible assets for own use

Real estate (land and buildings) included in the fixed assets are recorded at their adjusted values in the first application of the IFRS and then at fair value based on valuations performed by independent appraisers less the subsequent depreciation of buildings. The valuations are performed on a regular basis so that the fair value of the revalued asset is not significantly different from the book amount.

The other tangible assets for own use are presented in the financial statements at their fair value less accumulated depreciation and any provisions for impairment of their value.

The acquisition cost includes all directly attributable expenses for the acquisition of the assets.

Subsequent expenses are recorded in addition to the accounting value of the tangible assets (Property, Plant and Equipment) or as a separate asset only if it is considered possible that the Company will have financial benefits and their cost can be measured reliably.

The cost of repairs and maintenance is recognized in the Statement of Comprehensive Income when incurred.

The depreciation of other tangible assets (excluding land which is not depreciated) is calculated using the straight-line method over their estimated useful life.

	Useful Life after 01.01.2014
Buildings and technical works	25 years or 4%
Machinery	5 years or 20%
Transportation means	6.25 years or 16%
Other equipment	5-10 years or 20-10%

The useful life and residual values of tangible assets are revised annually. When the book value of the fixed assets exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

On withdrawal or sale of an asset, the associated cost and accumulated depreciation are deleted from the relevant accounts at the time of withdrawal or sale and the respective profit or loss is recognized in the Statement of Comprehensive Income.

5.3.3. Intangible assets

Intangible assets include software licences valued at the acquisition cost less amortization. Amortization is calculated using the straight line method during the useful life of these assets, which is estimated at approximately 3 years. It is stressed that the amortization rate for intangible assets/rights is 10%.

5.3.4. Impairment of non-financial assets

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The Company examines on the date of the financial statements whether there are impairment indications for non-financial assets. The recorded values of assets are revised for any impairment whenever events or changed circumstances indicate that the recorded value may not be recoverable. When the book value of an asset exceeds its recoverable value, an impairment loss is recognized in the Profit and Loss Statement. The recoverable amount is estimated as either the fair value less sale expenses or the value in use, whichever is higher. The fair value less sale expenses is the amount resulting from the sale of an asset in an independent transaction between informed and willing parties, after the deduction of all additional direct sale expenses, while the value in use is the present value of the estimated future cash flow expected to result from the continuing use of the asset and its disposal at the end of its useful life. For the assessment of the impairment, the assets are grouped at the lowest level for which there are discrete identifiable cash flows.

5.3.5. Financial instruments

The financial instruments are presented as receivables, liabilities or elements of equity, based on the substance and content of the relevant contracts under which they arise. Interest, dividends, profits or losses resulting from the financial products which are classified as receivables or liabilities are recognized in the accounts as revenue or expenses respectively. Dividends distributed to shareholders are recorded directly in equity. The financial instruments are offset when the Company, in accordance with the law, has such legal right and intends to offset them on a net basis (against each other) or to recover the asset and simultaneously offset the liability.

The securities are documents (titles) incorporating a right on a specific asset which can be valued in cash. These titles are either registered or bearer securities. The main types of securities are shares, bonds (state, bank or corporate), treasury bills, mutual funds etc.

Purchases and sales of financial instruments are recognized on the day of the transaction, which is the day the Group is obliged to purchase or sell the instrument.

The financial instruments of the Group are classified in the following categories according to the nature of the contract and the purpose for which they were acquired. The decision for the classification is made by Management at the time of initial recognition of the asset.

Loans and receivables

This includes non-derivative financial assets with fixed or predetermined payments, which are not quoted in an active market and are not intended for sale. They are included in Current Assets unless they mature within a period exceeding 12 months from the date of the Financial Statements.

The financial assets and financial liabilities in the Statement of Financial Position include cash balances, third-party cash balances in ATHEXClear account, securities, other receivables, participations, short-term and long-term liabilities.

Loans and receivables are calculated subsequently at unamortized cost using the effective interest method.

Accounting treatment and valuation

Purchases and sales of financial assets are recognized on the date of the transaction, i.e. the date on which the Company undertakes the commitment to purchase or sell the asset. Financial assets cease to be recognized when the right to collect their cash flows expires or when the Company has effectively transferred the risks and returns or rewards that ownership entails.

5.3.6. Other long-term receivables

Other long-term receivables may include rent guarantees, guarantees to utilities (telephone, electricity etc.), as well as other long-term amounts. Other long-term receivables are valued at unamortized cost using the effective interest rate method.

5.3.7. Clients and other trade receivables

Trade receivables are initially recorded at fair value, and subsequently valued at unamortized cost using the effective interest method, less any impairment losses. On each reporting date, all overdue or bad debts are evaluated in order to determine whether or not an allowance for doubtful accounts is necessary. The balance of the specific allowance for doubtful accounts is appropriately adjusted on each closing date of the financial statements in order to reflect the possible relevant risks. Each client balance write-off is charged against the existing provision for doubtful accounts. It is the policy of the Company and the Group that nearly no receivable should be written off until all available legal measures for its collection have been exhausted. Trade and other short-term receivables from clients and debtors are usually settled within 60 days for the Group and the Company, while in instances of overdue payment no interest is charged to clients.

5.3.8. Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits and short-term (up to 3 months) investments, which can be easily liquidated and entail low risk.

For the purpose of preparing the Statement of Cash Flows, cash and cash equivalents comprise cash and bank deposits, as well as cash balances as defined above.

5.3.9. Share capital

The share capital includes the common shares of the Company that have been issued and are available for trade.

5.3.10. Current and deferred income tax

Current and deferred tax is calculated on the basis of the Financial Statements in accordance with the tax laws in effect in Greece. Income tax is calculated based on the profits of each Company as they are presented in its tax returns, any additional income tax assessed in the tax audits by the tax authorities and from the deferred income taxes based on the applicable tax rates.

The deferred income tax is determined using the liability method and results from temporary differences between the book value and the tax basis of assets and liabilities.

Deferred tax is not recognized when it results at the time of the initial recognition of an asset or liability in a transaction that does not constitute a business combination and at the time of the transaction does not affect either the accounting or the taxable result (profit/loss).

Deferred tax is determined using tax rates (and tax laws) that have been enacted or effectively enacted until the date of the Financial Statements and are expected to be implemented when the relevant asset will be recovered or the liability settled.

Deferred tax assets are recognized to the extent that there will be a future taxable gain for the use of the temporary difference that produces the deferred tax asset.

A deferred income tax is determined on the temporary differences resulting from investments in subsidiaries and affiliates, with the exception of the case where the reversal of the temporary differences is controlled by the Company and it is possible that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax assets and liabilities relate to income taxes assessed by the same tax authority either for an entity subject to tax or for other businesses subject to tax, when there is the intention to settle balances on a net basis.

5.3.11. Employee benefits

Short-term benefits

Short-term benefits to employees in cash and in kind are recognized as an expense when they have accrued.

Employee retirement benefits

Employee retirement benefits include both defined contribution plans and defined benefit plans.

Defined contribution plan

Under the defined contribution plan, the (legal) obligation of the Company is limited to the amount that has been agreed to be contributed by the Company to the organization (social security fund) that manages the contributions and grants the benefits (pensions, health care etc.).

The accrued cost of the defined contributions plans is recognized as an expense in the relevant period.

Defined benefit plan

The defined benefits plan of the Company concerns its legal obligation to pay to employees a lump sum at the time they leave service due to retirement.

The liability recorded in the Statement of Financial Position for this plan is the present value of the commitment for the defined benefit in proportion to the accrued right of the employees and in relation to the specific time on which this benefit is expected to be paid.

The present value of the liability for the defined benefit plan is calculated by discounting the future cash outflows using as the discounting rate the rate of long-term corporate bonds of high credit rating that mature within a period approximately equal to the pension plan.

The actuarial profit and losses resulting from the adjustments based on historical data are directly recorded under "Other comprehensive income" (note 5.13).

5.3.12. Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions that have been set for their payment. When government grants relate to an asset, the fair value is recognized in the long-term liabilities as deferred revenue and is transferred to the Statement of Comprehensive Income in equal annual instalments based on the expected useful life of the relevant asset that was subsidized. When the grant relates to an expense, it is recognized as revenue during the fiscal year required in order to assign the grant on a systematic basis to the expenses it is intended to compensate. Amortization of grants is recorded in “Other Revenue” in the account for other services in the Statement of Comprehensive Income (note 5.11).

5.3.13. Provisions and contingent liabilities

Provisions are recognized when:

- The Company has a current commitment (legal or inferred) as a result of a past event;
- It is probable that an outflow of resources incorporating financial benefits will be required for the settlement of the commitment and it is possible to measure reliably the amount of the commitment.
- Provisions are reviewed on the date of preparation of the financial statements and are adjusted to reflect the best possible estimates and, where deemed necessary, they are discounted at a discounting rate before taxes.
- Contingent liabilities are not recognized in the financial statements but are disclosed, unless the probability of an outflow of resources which incorporate financial benefits is very low. Contingent assets are not recognized in the financial statements but are disclosed if the inflow of financial benefit is probable.

5.3.14. Revenue Recognition

Revenue includes the fair value of the transactions, net of any recovered taxes, rebates and refunds. Revenue is recognized to the extent that it is probable that the economic benefits will flow into the Company and the relevant amounts can be measured reliably. The following specific recognition criteria must also be fulfilled in the recognition of the revenue:

Revenue from shares, bonds, ETFs (Trading, Clearing & Settlement)

Revenue from the trading of shares, bonds etc. is recognized at the time the transaction is concluded and clearing and settlement are carried out at the Exchange.

Revenue from derivatives products

Revenue from the trading of derivatives is recognized at the time when the clearing of the transaction is completed at the Athens Exchange through ATHEXClear, which performs the clearing operations.

Revenue from Members (fees)

Revenue is recognized when invoices are issued to the Members at the end of each month both for cash and for derivatives.

The collection of fees on the transactions in the cash market is made on the day following the settlement date or on the third business day of the following month, provided that the member submits a relevant request. The collection of fees for the derivatives market is made the day following the settlement.

Revenue from listed companies

Revenues concerning subscriptions, flat fees, company listings, rights issues and HERMES System services are recognized at the time the relevant invoices are issued, after the completion of the corporate action. Subscriptions are recognized as expenses in the beginning of each quarter.

Revenue from market data vendors

Revenue from this source is recognized at the time the service provided is completed.

Technological support services

Revenue from technological support services is recognized based on the time of completion of the service provided.

Other services

Revenue from other services is recognized based on the time of completion of the service provided.

Interest Income

Interest income is recognized on an accrual basis and with the use of the effective interest rate. When there is indication as to an impairment of the receivables, their book value is reduced to their recoverable amount, which is the present value of the expected future cash flows, discounted at the initial effective interest rate. Next, interest is assessed at the same interest rate on the impaired (new book) value.

5.3.15. Trade and other liabilities

The balances of suppliers and other liabilities are recognized in the cost associated with the fair value of the future payment for the purchase of services rendered. The trade and other short-term liabilities are not interest bearing accounts and are usually settled within 60 days for the Group and the Company.

5.3.16. Expenses

Expenses are recognized in the Statement of Comprehensive Income on an accrual basis.

Dividend distribution

The distribution of dividends to shareholders is recognized directly to equity, net of any relevant income tax benefit (until the approval of the financial statements) and is recorded as a liability in the financial statements when distribution is approved by the General Meeting of shareholders.

5.3.17. Profit/(Loss) per share

The main profit/(loss) per share is calculated by dividing the net profit/(loss) corresponding to the shareholders of the Parent Company by the average weighted number of shares in circulation during each year, excluding the average of the common shares that were acquired by the Group as treasury shares.

The adjusted profit/(loss) per share is calculated by dividing the net profit distributed to the shareholders of the Parent Company (after it is adjusted for the effects of all potential shares that dilute shareholding) by the weighted average number of shares in circulation during the year (adjusted for the effect of all potential shares that dilute shareholding).

5.3.18. Research and Development

Expenses for research incurred with the prospect of the Company acquiring new technical knowledge and expertise are recognized in the Statement of Comprehensive Income at the time they are incurred. Development activities require the preparation of a study or plan for the production of new or significantly improved products, services and processes. Development costs are capitalized only when the cost of development can be reliably measured, the product or the process are productive, technically and commercially feasible, financial benefits are expected in the future, and the Group has the intention, and at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

The capitalization of expenditure includes the cost of direct consulting service expenses, direct work performed and the appropriate share of general expenses. Other development costs are recognized in the Statement of Comprehensive Income as an expense when they occur.

Development costs that have been capitalized are valued at the acquisition cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the expected future financial benefits that are incorporated in the specific asset to which they relate. All other expenses, including expenses for internally created goodwill and trademarks, are recognized in the Statement of Comprehensive Income. Depreciation is recognized in the Statement of Comprehensive Income using the straight-line method over the estimated useful life of the intangible assets from the date on which they become available for use. The useful life for the current and the comparative period in the capitalization of development costs is from 3 to 10 years.

The profit or loss arising from the write-off of an intangible asset is defined as the difference between the net proceeds of sale, if any, and the book value of the asset. Such gain or loss is recognized in the Statement of Comprehensive Income when the asset is written off.

5.3.19. Treasury shares

These are the Athens Exchange (HELEX) shares bought through a Stock Exchange by the Company or other Company of the Group after a decision of the Ordinary General Meeting of shareholders. The value of acquisition as well as the expenses for the purchase of treasury shares are recognized according to the IFRS in equity as a deduction from the share capital.

5.3.20. New standards, amended standards and interpretations

A) Changes in accounting policies and notifications

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

- **IAS 7 (Amendments) "Disclosure initiative"**

  These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

- **IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealized Losses"**

  These amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

- **IFRS 12 "Disclosures of Interests in Other Entities"**

  The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarized financial information.

Standards and Interpretations effective for subsequent periods

- **IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7** *(effective for annual periods beginning on or after 1 January 2018)*

  IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. Management has examined the effect of adopting the standard in the financial statements and has concluded that the requirements of the new standard concerning the classification, measurement and impairment is not expected to have a significant impact, even though it is expected that there will be an effect on notifications.

- **IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"** *(effective for annual periods beginning on or after 1 January 2019)*

  The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group cannot early adopt the amendments as they have not yet been endorsed by the EU.

- **IFRS 15 "Revenue from Contracts with Customers"** *(effective for annual periods beginning on or after 1 January 2018)*

  IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company is in the process of assessing the impact of this standard on the financial statements. Due to the nature of its activities, it does not expect a significant impact.

- **IFRS 16 "Leases"** *(effective for annual periods beginning on or after 1 January 2019)*

  IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company has begun assessing the effects of the standard, which is effective 1.1.2019, on its results.

- **IFRS 17 "Insurance contracts"** *(effective for annual periods beginning on or after 1 January 2021)*

  IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard as well as the relevant information. The purpose of the Standard is to ensure that entities provide relevant information which present a fair picture concerning these contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

- **IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39.

- **IAS 40 (Amendments) "Transfers of Investment Property"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

- **IAS 28 (Amendments) "Long term interests in associates and joint ventures"** *(effective for annual periods beginning on or after 1 January 2019)*

  The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

- **IFRIC 22 "Foreign currency transactions and advance consideration"** *(effective for annual periods beginning on or after 1 January 2018)*

  The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

- **IFRIC 23 "Uncertainty over income tax treatments"** *(effective for annual periods beginning on or after 1 January 2019)*

  The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

- **IAS 19 (Amendments) "Plan amendment, curtailment or settlement"** *(effective for annual periods beginning on or after 1 January 2019)*

  The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

- **IAS 28 "Investments in associates and Joint ventures"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

Annual Improvements to IFRSs (2015 – 2017 Cycle) *(effective for annual periods beginning on or after 1 January 2019)*

The amendments set out below include changes to four IFRS. The amendments have not yet been endorsed by the EU.

- **IFRS 3 "Business combinations"**

  The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11 "Joint arrangements"**

  The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- **IAS 12 "Income taxes"**

  The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23 "Borrowing costs"**

  The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

5.3.21. Rounding

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

5.4. RISK MANAGEMENT

General – Risk Management Environment

The Company is exposed to a limited range of financial risks. The usual risks which the Company is theoretically exposed to are market risks (fluctuations in exchange rates, interest rates and market prices), credit risk, liquidity risk, cash flow risk.

Risk management is performed by the relevant departments of the Company and the Group and its key elements are described in detail below.

The excellent organization of the Company, the reliable operation of the stock market, the continuous investment in modern equipment and processes, the absence of debt liabilities, the acknowledgement of its reliability by internationally recognized rating agencies, as well as the liquidity that it possesses, are the guarantee for its lasting survival with significant benefits for the shareholders. The recent economic crisis that the country is going through and the imposition of capital controls cause in the operation of the Company significant problems, which are nonetheless expected to be overcome soon.

Risk Strategy and Risk Management

The risk strategy of the Company is aligned with its business strategy to provide the appropriate infrastructure for the reliable, safe and unhindered operation of the stock market. In accordance with the strategy of the Athens Exchange Group, the risk tolerance level is defined so as to satisfy the needs of the market, to reduce the cost for the participants, to maximize benefits from business opportunities but also to ensure the security of the market and the compliance with the regulatory requirements.

Foreign exchange risk

The main volume of the transactions of the Company is in Euro and, therefore, the operation of the Company is not affected by foreign exchange risk.

Price risk

The Company is not exposed to price risk as it does not possess financial assets the value of which is affected by price changes.

Credit risk

The turnover of the Company mainly consists of transactions in the cash and derivatives markets, as well as with listed companies and members. On this basis, credit risk is estimated to be limited.

Liquidity risk

Liquidity risk is maintained at low levels by maintaining adequate cash balances and securities that can be immediately liquidated. Revenues from transactions in the securities market are collected immediately on the day following the settlement day (SD+1) or on the third business day of the following calendar month, provided that the member submits a relevant request, while revenues from the derivatives market are collected on the following business day (T+1).

Cash flow risk and risk of changes in fair value due to changes in interest rates

The operating revenues, as well as the cash flows, of the Company are independent of changes in interest rates.

Financial products - Fair value

The amounts shown on the Financial Statements for the cash balances, the trade and other receivables, the trade and other short-term liabilities and the financial assets available for sale approximate their respective fair value due to their short-term maturity.

5.5. CAPITAL MANAGEMENT

The primary aim of the capital management of the Company is to maintain its high credit rating and sound capital ratios, in order to support and expand the activities of the Athens Exchange Group and maximize shareholder value.

There were no changes in the approach adopted by the Company concerning capital management during the current fiscal year.

5.6. SETTLEMENT

	31.12.2017	31.12.2016
Off-exchange transfers OTC	1,491	1,397
Exchange transfers	3	19
Trade notification instructions	586	587
Flat order settlement fees	4,557	5,500
Total	**6,637**	**7,503**

Revenue in this category amounted to €6.64m in 2017 compared to €7.5 million in the same period last year, recording a decrease of 11.5%, and includes revenues from the trade settlement services provided to ATHEXClear, as flat settlement fee amounting to €4.6 million, revenues from settlement notification instructions amounting to €586 thousand, as well as revenues from over-the-counter transfers amounting to €1.5 million.

Until the end of 2016, the flat annual settlement fee was calculated at 81% of the revenues resulting in the clearing house from the clearing of transactions, with a minimum amount of €7.5 million and a maximum amount of €15.0 million payable annually.

The Board of ATHEXCSD decided in its meeting of January 2017 to change the method of calculation of the flat annual settlement fee for 2017 to 60% (from 81%) of the clearing revenues with a minimum amount of €3.0 million (from €7.5 million) and a maximum amount of €15.0 million and to amend accordingly Decision 1 regarding ATHEXCSD fees.

5.7. DEPOSITORY SERVICES

This category includes revenue from rights issues by listed companies, quarterly operator subscriptions as well as revenue from inheritances etc. This revenue in 2017 amounted to €2.58m, compared to €2.1 million in the same period last year, showing an increase of 24%.

	31.12.2017	31.12.2016
Issuers (rights issues - AXIA LINE) (1)	814	763
Greek State Bonds - Securities	136	79
Investors	95	129
Flat listing fees (2)	213	41
Operators (3)	1,325	1,073
Total	**2,583**	**2,085**

(1) Fees on rights issues by listed companies in 2017 (€101 thousand FRIGOGLASS, €95 thousand ALPHA BANK, €33 thousand MYTILINEOS, 35 thousand ATHINA ATE, €31 thousand INTRAKAT, €31 thousand NIKAS, €30 thousand TRASTOR, €22 thousand IASO, €13 thousand KEKROPS, €8 thousand PIRAEUS BANK, €6 thousand SARANTIS, €4 thousand BANK OF CYPRUS, €4 thousand DIONIC, €3.5 thousand FOURLIS, €6 AUDIO VISUAL ENTERPRISES, €3 thousand DOMAINE LAZARIDI etc.), as well as corporate bond listing (€10 thousand MYTILINEOS, €10 thousand SUNLIGHT, €10 thousand OPAP, €10 thousand TERNA ENERGY), amounted to €485 thousand compared to €467 thousand (180 thousand ATTICA BANK, €37 thousand ATHINA ATE, €36 thousand SELONDA, €30 thousand NEXANS, €21,5 thousand NIREUS, €14,5 thousand PLASTIKA KRITIS, €3 thousand HERTZ, €3 AUDIO VISUAL ENTERPRISES, €3 thousand GEK-TERNA, €3 thousand EUROCONSULTANTS etc.), i.e. an increase of 3.9%. Revenue from

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the provision of online information to listed companies amounted to €203 thousand in 2017 compared to €202 thousand in the same period last year. Revenue from disclosure of cash payment beneficiaries amounted to €98 thousand compared to €86 thousand in the same period last year.

(2) Revenue form ATHEX listing fees amounted to €213 thousand and concerns the listing of ADMIE and BriQ Properties on the Athens Exchange. In 2016 the relevant amount came to €41 thousand and concerned the listing of INTERCONTINENTAL.

(3) Revenues from operators include revenues from monthly subscriptions amounting to €8993 thousand compared to €802 thousand in the same period of 2016, calculated on the value of the portfolio of the operators, revenue from usage authorization number amounting to €121 thousand compared to €92 thousand, revenue from opening investor account of €89 thousand compared to €62 thousand in the same period of 2016 and other operator revenues.

5.8. IT SERVICES

Revenues in this category, which concern DSS terminal licenses, in 2017, amounted to €46 thousand remaining at the same level as last year.

	31.12.2017	31.12.2016
DSS terminal licenses	46	46
Total	**46**	**46**

5.9. NEW SERVICES

Revenue from new services recorded an increase of 29.8% and is broken down in the following table.

	31.12.2017	31.12.2016
Revenue from InBroker service (see table below)	672	603
Co-location services (1)	114	114
CSE-SIBEX Common Platform	80	27
EMIR TR/LEI Service	164	46
Singular securities	(8)	12
Market suite	120	78
Total	**1,142**	**880**

(1) Co-location services include provision of space, network services and database services and amounted to €114 thousand in 2017, remaining at the same level as in 2016.

The revenue from the InBroker service is broken down in the following table:

	31.12.2017	31.12.2016
Revenue from XNET	103	72
InBroker RETAIL	1	2
InBroker technological infrastructure	123	111
InBroker terminals	253	261
InBroker technical solution	102	105
InBroker Xnet	90	52
Total	**672**	**603**

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5.10. REVENUE FROM RE-INVOICED EXPENSES

The amount of expenses re-invoiced to clients in 2017 came to €101 thousand and concerns the cost of electricity for the co-location service.

5.11. OTHER SERVICES

Revenue from other services in 2017 came to €480 thousand, compared to €509 thousand in the same period last year, recording a decrease of 5.7%.

	31.12.2017	31.12.2016
Training	3	2
Rents	271	273
Provision of support services to companies	186	196
Other expenses	20	38
Total	**480**	**509**

5.12. HELLENIC CAPITAL MARKET COMMISSION FEE

The operating results of 2017 do not include the Hellenic Capital Market Commission fee, which amounted to €85 thousand compared to €98 thousand in the same period last year. This fee is received on behalf of the Hellenic Capital Market Commission and paid to the same within two months of the end of each six-month period.

5.13. PERSONNEL REMUNERATION AND EXPENSES

Personnel remuneration and expenses in 2017 amounted to €3.10m compared to €3.79m in the same period last year, showing a decrease of 18.1%

In accordance with the new accounting principle applied as of 01.01.2013, the capitalization of expenditures (CAPEX creation) has begun concerning the development of systems of the Company. The amount capitalized in 2017 amounts to €484 thousand compared to €307 thousand in the same period last year (note 5.26).

The change in the number of employees of the Company, as well as the breakdown of personnel remuneration, is shown in the following table:

EMPLOYEES	31.12.2017	31.12.2016
Salaried employees	85	104
Total Personnel	**85**	**104**

It should be noted that in the first quarter of 2017 a significant number of employees were transferred to other Companies of the Group due to restructuring of the services of the Group.

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PERSONNEL REMUNERATION AND EXPENSES	31.12.2017	31.12.2016
Personnel remuneration	2,226	2,693
Employer contributions	529	658
Employee termination benefits	184	45
Net change in the employee compensation provision (actuarial valuation)	(167)	19
Other benefits (insurance premiums etc.)	329	373
Total	**3,101**	**3,788**

The cost of the net change in the employee compensation provision based on the actuarial valuation results from the sum of the total expense recognized in the profit and loss account less the amount paid by the Company during the fiscal year (see table with presentation in accordance with the IAS 19 below).

Obligations to employees

The ATHEX Group assigned to an actuary the preparation of a study in order to examine and calculate the actuarial figures, based on the requirements laid down by the International Accounting Standards (IAS 19), which specify that such figures are required to be recorded in the Statement of Financial Position and the Statement of Comprehensive Income. In the actuarial valuation, all financial and demographic parameters concerning the employees of the Company were taken into consideration.

According to the standard policy of the Athens Exchange Group the actuarial valuation is performed at the end of the year when the amounts and the details are determined in order to calculate the actuarial obligation. Despite the fact that the economic conditions and the environment in Greece have deteriorated, it is estimated that the actuarial figures have not changed significantly.

The changes in the provision for 2017 are shown in detail in the following table:

Actuarial Presentation according to the amended IAS 19 (amounts in €)	Company	
Period	31.12.2017	31.12.2016
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	547,761	703,138
Net liability recognized in the Statement of Financial Position	**547,761**	**703,138**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	15,755	17,633
Net interest on the liability/(asset)	12,516	18,257
Regular expense in the Profit & Loss Statement	**28,271**	**35,890**
Recognition of past service cost	(28,903)	0
Cost of staff reductions/settlement/termination	72,055	28,093
Other expenses/(revenue)	(152,542)	0
Total expense recognized in the Profit & Loss Statement	**(81,119)**	**63,983**

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Change in the present value of liability		
Present value of liability at the beginning of the year	703,138	691,571
Adjustment or reorganization of the Group	0	0
Cost of current employment	15,755	17,633
Interest cost	12,516	18,257
Benefits paid by the employer	(86,114)	(45,153)
Cost of staff reductions/settlement/termination	72,055	28,093
Past service cost during the period	(28,903)	0
Other expenses/(revenue)	(152,542)	0
Actuarial loss/(gain) - financial assumptions	13,403	17,226
Actuarial loss/(gain) - experience during the period	(1,547)	(24,489)
Present value of liability at the end of the period (note 5.34)	**547,761**	**703,138**
116,617 Adjustments		
Adjustments to liabilities due to change in assumptions	(13,403)	(17,226)
Experience adjustments in liabilities	1,547	24,489
Total actuarial gain/(loss) in Equity	(11,856)	7,263
Total amount recognized in Equity	**(11,856)**	**7,263**
Changes in net liability recognized in the balance sheet		
Net liability at beginning of year	703,138	691,571
Benefits paid by the employer	(86,114)	(45,153)
Total expense recognized in the Profit & Loss Statement	(81,119)	63,983
Total amount recognized in Equity	11,856	(7,263)
Net liability at the end of the period (note 5.34)	**547,761**	**703,138**

The actuarial assumptions used in the actuarial valuation in accordance with IAS 19 are as follows:

Actuarial assumptions	31.12.2017	31.12.2016
Discount rate	1.63%	1.78%
Increase in salaries (long term)	1.00%	1.00%
Inflation rate	1.00%	1.00%
Mortality	EVK 2000 (Swiss table)	EVK 2000 (Swiss table)
Personnel turnover rate	0.50%	0.50%
Regular retirement age	Retirement terms established by the social security fund of the employee	Retirement terms established by the social security fund of the employee
Duration of liabilities	16.46	16.70

The following table provides a sensitivity test for the discount rate, the annual inflation and the increase in remuneration for the Company.

Cash flows	Company	
Expected benefits from the plan in the next fiscal year	31.12.2017	31.12.2016
Sensitivity Scenarios for the Economic and Demographic Assumptions Used		
Sensitivity 1 - Discount rate plus 0.5% - Difference % in present value (PV) of liabilities	(7.63)%	(7.69)%
Sensitivity 2 - Discount rate minus 0.5% - Difference % in present value (PV) of liabilities	8.36%	8.45%
Sensitivity 3 - Annual inflation plus 0.5% - Difference % in present value (PV) of liabilities	8.37%	8.47%
Sensitivity 4 - Annual inflation minus 0.5% - Difference % in present value (PV) of liabilities	(7.71)%	(7.78)%
Sensitivity 5 - Salary increase assumption plus 0.5% - Difference % in present value (PV) of liabilities	7.92%	7.84%
Sensitivity 6 - Salary increase assumption minus 0.5% - Difference % in present value (PV) of liabilities	(7.55)%	(7.55)%

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5.14. THIRD PARTY FEES AND EXPENSES

In 2017 third-party fees and expenses amounted to €97 thousand, recording a decrease of 4% compared to the same period last year.

	31.12.2017	31.12.2016
Auditor fees	25	30
Consultant fees	47	54
Other fees	25	17
Total	**97**	**101**

5.15. UTILITIES

	31.12.2017	31.12.2016
Fixed telephony - Mobile telephony - Internet	113	117
Leased lines - ATHEXNet	52	93
Power (electricity) supply (PPC)	403	416
Water supply and sewerage (EYDAP)	6	7
Total	**574**	**633**

This category includes expenses for electricity, water, fixed and mobile telephony and telecommunications networks, which in total amounted to €574 thousand compared to €633 thousand in the last year, showing a decrease of 9.3%.

5.16. MAINTENANCE/IT SUPPORT

The account for maintenance and IT support includes the maintenance of the technical equipment of the Company, as well the technical support of IT systems. In 2017 this expense came to the amount of €280 thousand, showing a decrease of 8.2% compared to the same period last year (€302 thousand).

5.17. TAXES

The taxes, mainly VAT, charged on the cost of services came to €399 thousand in 2017 compared to €388 thousand in the same period last year, showing an increase of 2.8%.

5.18. MANAGEMENT OF BUILDINGS/EQUIPMENT

This category includes expenses such as: security and cleaning of facilities, repair and maintenance of equipment and buildings etc.

Building and equipment management expenses in 2017 amounted to €373 thousand compared to €419 thousand in the last year, showing a decrease of 10.9%, and are broken down in the following table:

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	31.12.2017	31.12.2016
Cleaning and security services	221	228
Repair & maintenance of buildings-other equipment	122	157
Fuel and other generator materials	13	15
Shared expenses	17	18
Total	**373**	**419**

Building repair and maintenance expenses also include the annual contract of building maintenance.

5.19. MARKETING & ADVERTISING EXPENSES

Marketing and advertising expenses in 2017 came to €14 thousand showing a decrease of 17.6% compared to the same period last year.

	31.12.2017	31.12.2016
Promotion, entertainment and hospitality expenses	7	4
Expenses for events	7	13
Total	**14**	**17**

5.20. EXPENSES OF PARTICIPATION IN ORGANIZATIONS

	31.12.2017	31.12.2016
Subscriptions to online databases	289	373
Total	**289**	**373**

This account includes vendor information relaying contributions in the amount of €277 thousand, as well as subscriptions in professional publications.

5.21. INSURANCE PREMIUMS

	31.12.2017	31.12.2016
Insurance premiums for means of transportation	1	1
Building fire insurance premiums	21	16
Total	**22**	**17**

The expenses for insurance premiums came to €22 thousand in 2017, showing an increase of 29% compared to the same period last year.

5.22. OPERATING EXPENSES

Operating expenses in 2017 amounted to €710 thousand compared to €930 thousand in the same period last year, showing an increase of 23.7%. The increase is due to the amendment of the contracts for services provided among the Companies of the Group.

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	31.12.2017	31.12.2016
Printed material, stationery, delivery costs	0	1
Consumables	1	1
Postal expenses	2	2
Transportation expenses	9	9
Storage fees	4	4
Support operation services (1)	168	53
DR site rent	22	22
Various legal expenses/donations	7	9
Travel expenses (2)	24	38
Other expenses (3)	473	791
Total	**710**	**930**

1. These concern significantly increased services provided by the subsidiaries of the Athens Exchange Group based on intra-company agreements for the provision of services, which have been signed and are in effect as from 01.01.2017.
2. Travel expenses concern participation in conferences and events abroad, as well as in training courses.
3. Other expenses include provisions for doubtful accounts in the amount of €400 thousand, compared to and amount of €824 for 2016.

5.23. BANK OF GREECE - CASH SETTLEMENT

In 2017 fees amounting to €56 thousand were paid to the Bank of Greece for the cash settlement of trades in cash and trades in derivatives, in accordance with the agreement that has been signed between the Bank of Greece and the Companies of the Group. The amount for the same period of 2016 was also €56 thousand.

5.24. EXPENSES FOR NEW SERVICES (XNET, CSE-SIBEX CP, IT)

Expenses for new services came to €741 thousand in 2017, showing a decrease of 8.3% compared to the same period last year (€684 thousand), and are broken down below:

	31.12.2017	31.12.2016
Xnet Expenses	534	536
Expenses for IT Services	124	48
VAT on new activities	83	100
Total	**741**	**684**

XNET expenses are broken down further as follows:

	31.12.2017	31.12.2016
InBroker Plus data feed expenses	440	446
ATHEX-CSE InBroker Info	18	30
Settlement and connection fees for foreign securities	72	55
Bank expenses concerning foreign securities	4	5
Total	**534**	**536**

The increase in IT expenses is due to UNAVISTA costs with respect to LEI codes.

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The relevant revenues are shown in note 5.9.

5.25. RE-INVOICED EXPENSES

RE-INVOICED EXPENSES	31.12.2017	31.12.2016
Leased lines - ATHEXNet	8	8
Promotion expenses	3	3
Co-location electricity consumption	145	103
Total	**156**	**114**

The re-invoiced expenses amount to €156 thousand compared to €114 thousand in the same period of last year. The increase is due to the value of electricity for co-location, plus VAT, which is now re-invoiced.

5.26. TANGIBLE ASSETS FOR OWN USE AND INTANGIBLE ASSETS

The tangible and intangible assets of the Company as at 31.12.2016 and 31.12.2017 are broken down as follows:

ATHEXCSD	PPE & INTANGIBLE ASSETS						
	Land	Buildings & technical works	Machinery & other equipment	Means of transportation	Furniture, fixtures and equipment	Intangible assets	Total
Acquisition and valuation value as at 31.12.2015	**4,500**	**26,991**	**697**	**11**	**1,696**	**1,527**	**35,422**
Additions in 2016	0	0	0	0	150	365	**515**
Reductions in 2016	0	(132)	(673)	(2)	(358)	(195)	**(1,360)**
Acquisition and valuation value as at 31.12.2016	**4,500**	**26,859**	**24**	**9**	**1,488**	**1,697**	**34,577**
Accumulated depreciation as at 31.12.2015	0	8,941	697	6	1,543	515	**11,702**
Depreciation in 2016	0	1,074	0	1	72	212	**1,359**
Reduction in accumulated depreciation 2016	0	(132)	(673)	(2)	(358)	(195)	**(1,360)**
Total depreciation as at 31.12.2016	**0**	**9,883**	**24**	**5**	**1,257**	**532**	**11,701**
Undepreciated value							
as at 31.12.2015	4,500	18,050	0	5	153	1,012	**23,720**
as at 31.12.2016	**4,500**	**16,976**	**0**	**4**	**231**	**1,165**	**22,876**

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ATHEXCSD	PPE & INTANGIBLE ASSETS						
	Land	Buildings & technical works	Machinery & other equipment	Means of transportation	Furniture, fixtures and equipment	Intangible assets	Total
Acquisition and valuation value as at 31.12.2016	**4,500**	**26,859**	**24**	**9**	**1,488**	**1,697**	**34,577**
Additions in 2017	0	4	0	0	78	741	**823**
Reductions in 2017	0	0	0	0	(18)	0	**(18)**
Acquisition and valuation value as at 31.12.2017	**4,500**	**26,863**	**24**	**9**	**1,548**	**2,438**	**35,382**
Accumulated depreciation as at 31.12.2016	**0**	**9,883**	**24**	**5**	**1,257**	**532**	**11,701**
Depreciation in 2017	0	1,075	0	1	85	265	**1,426**
Reduction in accumulated depreciation 2017	0	0	0	0	(14)	0	**(14)**
Total depreciation as at 31.12.2017	**0**	**10,958**	**24**	**6**	**1,328**	**797**	**13,113**
as at 31.12.2016	**4,500**	**16,976**	**0**	**4**	**231**	**1,165**	**22,876**
as at 31.12.2017	**4,500**	**15,905**	**0**	**3**	**220**	**1,641**	**22,269**

The amounts of intangible assets include a total amount of €335 thousand relating to the capitalization of expenses (creation of CAPEX) that concern systems development for the fiscal year 2017 (note 5.13).

5.27. OTHER LONG-TERM RECEIVABLES

Other long-term receivables concern an amount of €46 thousand for electric power deposit and an amount of €11 thousand for management committee reserve for the Katouni building (Thessaloniki).

	31.12.2017	31.12.2016
Management committee reserve	11	11
Rental guarantees	46	46
Total	**57**	**57**

5.28. CLIENTS AND OTHER TRADE RECEIVABLES

All claims are short-term and thus no discounting is required on the date of the Statement of Financial Position. The breakdown of clients and other receivables is shown in the following table:

	31.12.2017	31.12.2016
Clients	3,017	3,220
Intra-Group Clients (1)	1,262	78
Less: Allowance for doubtful accounts	(1,662)	(1,262)
Net trade receivables	**2,617**	**2,036**
Other receivables		
Tax (0.2%) (2)	2,528	2,444
Withholding tax on deposits	26	31
Accrued income (interest on placements)	8	5
Other taxes withheld	11	8
Prepaid non-accrued expenses	73	110
Sundry debtors	(6)	(16)
Total	**2,638**	**2,582**

(Amounts in thousands of Euro, unless otherwise indicated) 48

1. From the total amount for clients on 31.12.2017, an amount of €1.242 thousand concerns the flat fee for settlement and trade notification instructions of the fourth quarter of 2017 due by ATHEXClear to ATHEXCSD (there was no relevant receivable on 31.12.2016) and €20 thousand for support services.
2. The tax claim of 0.15%, which as of 01.04.2011 amounted to 0.20%, is paid by the members on SD+1, while some members take advantage of their right to make a single payment of the tax to ATHEXCSD on the third business day after the end of the month on which the transactions were carried out.

The book value of the above receivables represents their fair value.

The change in the allowance for doubtful accounts is broken down as follows:

Allowance for doubtful accounts	
Balance 31.12.2014	**822**
Write off of ad debts in 2015	(230)
Additional provisions in 2015	0
Unused provisions in 2015	(154)
Balance 31.12.2015	**438**
Additional provisions in 2016	824
Balance 31.12.2016	**1,262**
Additional provisions in 2017	400
Balance 31.12.2017	**1,662**

The receivables of the company are grouped below into:

(a) Not past due

(b) Past due without significant risk of default

(c) Past due with significant risk of default

Grouping	31.12.2017		31.12.2016	
	Without impairment	With impairment	Without impairment	With impairment
Not past due	2,152	0	1,102	0
Past due without significant risk of default	465	0	934	0
Past due with significant risk of default	0	1,662	0	1,262
Before provisions	**2,617**	**1,662**	**2,036**	**1,262**
Less: provisions for value impairment	0	1,662	0	1,262
After provisions	**2,617**	**0**	**2,036**	**0**

5.29. CASH AND CASH EQUIVALENTS

The breakdown of the Company cash is provided below:

	31.12.2017	31.12.2016
Sight deposits in commercial banks	703	494
Term Deposits < 3months	20,397	17,770
Cash on hand	6	7
Total	**21,106**	**18,271**

(Amounts in thousands of Euro, unless otherwise indicated) 49

The cash balances of the Company are placed in short-term interest-bearing investments with the aim to maximize the benefits, always in accordance with the policy drawn by the Strategic Investments Committee of the Group. By placing its cash in short term interest bearing investments; the Company recorded revenue of €142 thousand in 2017 compared to €170 thousand in the same period of 2016.

5.30. SHARE CAPITAL AND RESERVES

a) Share capital

The share capital of the Company amounts to €24,078,000 and consists of 802,600 shares of a nominal value of €30.00 each.

b) Reserves

	31.12.2017	31.12.2016
Legal reserve	1,059	1,004
Untaxed and specially taxed reserves	454	454
Reserves	1,436	1,436
Branch Spin-off Reserve	6,447	6,447
Reserve from employee stock option	49	49
Total	**9,445**	**9,390**

Untaxed and specially taxed reserves remained unchanged and have been formed, as shown in the above table, in accordance with the provisions of tax legislation from untaxed or specially taxed income (profit from sale of shares etc.). In the event that a distribution of such profit is decided, tax must be paid, which will be calculated at the income tax rates applicable at the time of distribution.

In the distribution of profits for the year 2016, an amount of €55 thousand was allocated for the formation of a legal reserve.

c) Retained earnings

The retained earnings account with a balance of €6,280 thousand on 31.12.2016 after the addition of profits after tax of 2017 of €1,834 thousand, the formation of a legal reserve of €55 thousand, the distribution of a dividend of €803 thousand to the parent company and the addition of actuarial valuation reserves comes to the amount of €7,256 thousand.

5.31. DEFERRED TAX

The deferred tax accounts are broken down as follows:

Deferred Tax	31.12.2017	31.12.2016
Deferred tax assets	0	0
Deferred tax liabilities	(1,568)	(1,711)
Total	**(1,568)**	**(1,711)**

(Amounts in thousands of Euro, unless otherwise indicated) 50

Deferred tax assets	INTANGIBLE ASSETS	PROPERTY, PLANT & EQUIPMENT	ACTUARIAL & EMPLOYEE COMPENSATION PROVISIONS	OTHER PROVISIONS	Total
Balance 01.01.2016	**49**	**0**	**201**	**139**	**389**
(Debit)/Credit to results	(6)	0	5	0	(1)
(Debit)/Credit to other comprehensive income	0	0	(3)	0	(3)
Balance 31.12.2016	**43**	**0**	**203**	**139**	**385**
(Debit)/Credit to results	(5)	0	(48)	28	(25)
(Debit)/Credit to other comprehensive income	0	0	3	0	3
Balance 31.12.2017	**38**	**0**	**158**	**167**	**363**

Deferred tax liabilities	INTANGIBLE ASSETS	PROPERTY, PLANT & EQUIPMENT	ACTUARIAL & EMPLOYEE COMPENSATION PROVISIONS	OTHER PROVISIONS	Total
Balance 01.01.2016	**0**	**(2,261)**	**0**	**0**	**(2,261)**
Debit/(Credit) to results	0	165	0	0	165
Debit/(Credit) to other comprehensive income	0	0	0	0	0
Balance 31.12.2016	**0**	**(2,096)**	**0**	**0**	**(2,096)**
Debit/(Credit) to results	0	165	0	0	165
Debit/(Credit) to other comprehensive income	0	0	0	0	0
Balance 31.12.2017	**0**	**(1,931)**	**0**	**0**	**(1,931)**

According to tax legislation, the tax rate that applies pursuant to Law 4334/2015 is 29% for the fiscal year 2015 onwards. The results for 2017 have been calculated at a tax rate of 29%.

The deferred income tax is calculated based on the temporary differences that accrue between the book value of the assets and the liabilities included in the financial statements and the tax assessment of their value according to the tax legislation.

The charge for deferred income tax (deferred tax liability) in the Statement of Comprehensive Income includes the temporary tax differences that arise mainly from the accounted revenue-profits which will be taxed at a future time. The credit for deferred tax (deferred tax asset) includes mainly the temporary tax differences that accrue from specific provisions, which are tax deductible at the time they occur. Debit and credit deferred tax balances are offset when there is a legally enforceable offset right, and the deferred tax claims and liabilities concern income taxes collected by the tax authorities.

5.32. CURRENT INCOME TAX AND INCOME TAX PAYABLE

The Management of the Group – based on the possibilities allowed by the tax legislation – plans its policy so as to minimize its tax burden.

Non-deductible expenses mainly include provisions, various expenses, as well as amounts that the Company considers that cannot be justified as productive expenses in a potential tax audit and which are readjusted by the Management at the calculation of the income tax.

(Amounts in thousands of Euro, unless otherwise indicated) 51

Tax liabilities	31.12.2017	31.12.2016
Liabilities/(receivables)	(1,007)	(1,227)
Income tax expense	1,104	973
Taxes paid/(refunded)	273	(753)
Liabilities/(Receivables)	**370**	**(1,007)**

The company shows on 31.12.2017 an income tax liability of €370 thousand compared to a tax liability of €1,007 thousand on 31.12.2016. In 2017 the Company received from the Greek State a tax refund of €295 thousand relating to fiscal year 2013.

	31.12.2017	31.12.2016
Income tax	1,104	972
Deferred Tax (note 5.31)	(140)	(165)
Income tax expense	**964**	**809**

The reconciliation of the income tax with profits before tax on the basis of the applicable rates and the tax expense is as follows:

Income Tax	31.12.2017	31.12.2016
Profit before tax	2,807	1,913
Income tax rate	29%	29%
Expected tax expense	814	555
Tax effect of non-deductible expenses	150	254
Tax effect of non-taxable income		
Income tax expense	**964**	**809**

The tax audit for the fiscal year 2016 was completed and the relevant tax audit certificate was issued in July 2017.

Tax Compliance Report

For fiscal years 2011 to 2015, the Greek Sociétés Anonymes and Limited Liability Companies, the annual financial statements of which are subject to statutory audit, are required to obtain an “Annual Certificate” in accordance with paragraph 5 of Article 82 of Law 2238/1994 and Article 65A of Law 4174/2013, which is issued issued upon the completion of a tax audit conducted by the Statutory Auditor or Audit Firm conducting the audit of the annual financial statements. Upon the completion of the tax audit, the Statutory Auditor or Audit Firm issues to the company a “Tax Compliance Report” and, subsequently, submits this report by electronic means to the Ministry of Finance.

Starting with fiscal year 2016, the issuance of the “Annual Certificate” is optional. The tax authority reserves the right to perform a tax audit within the established framework, as set out in Article 36 of Law 4174/2013.

Unaudited fiscal years

The Company has been audited by the tax authorities and has conclusively closed all unaudited fiscal years up to 2009.

The Company has not been audited for the fiscal year 2010 and does not expect any material impact on the financial statements in the event of a tax audit.

(Amounts in thousands of Euro, unless otherwise indicated) 52

The Company has been audited for fiscal year 2011 by PricewaterhouseCoopers S.A. and for fiscal years 2012-2016 by Ernst & Young S.A. and has obtained unqualified "Tax Compliance Reports" in accordance with the applicable provisions (Article 82, paragraph 5 of Law 2238/1994 for fiscal years 2011-2013 and Article 65A of Law 4174/2013 for fiscal years 2014-2015).

For fiscal year 2017 the tax audit is already being conducted by PricewaterhouseCoopers S.A. in accordance with Article 65A of Law 4174/2013. The Company's management does not expect that any significant tax obligations will result at the conclusion of the tax audit, beyond those recognized and shown in the financial statements.

5.33. GRANTS AND OTHER LONG-TERM LIABILITIES

The amount of €13 thousand on 31.12.2016 concerns an unamortised grant from the Ministry of Northern Greece for the purchase of equipment with the aim of promoting the activities of Thessaloniki Stock Exchange Centre in Northern Greece. The amount was transferred to revenue in 2017.

5.34. PROVISIONS

The following table shows in detail the provisions of the Company as at 31.12.2017.

	31.12.2017	31.12.2016
Employee retirement or redundancy compensation (note 5.13)	548	703
Other compensation provisions	98	0
Employee compensation provision	**646**	**703**
Other provisions	40	40
Total	**40**	**40**

In previous fiscal years the Company has recorded provisions for other risks of a total amount of €40 thousand in order to be secured in the event of occurrence of such risks.

Changes in provisions are presented in detail in the following table:

	Compensation Provisions	Provisions for other risks
Balance on 31.12.2015	**0**	**40**
Additional provision in the period	0	0
Balance on 31.12.2016	**0**	**40**
	Compensation Provisions	**Provisions for other risks**
Balance on 31.12.2016	**0**	**40**
Additional provision in the period	98	
Balance on 31.12.2017	**98**	**40**

(Amounts in thousands of Euro, unless otherwise indicated) 53

5.35. SUPPLIERS AND OTHER TRADE LIABILITIES

All liabilities are short-term and, therefore, no discount is required as at the date of the financial statements. The breakdown of suppliers and other liabilities is presented in the table below:

	31.12.2017	31.12.2016
Suppliers	455	830
Group Suppliers	188	95
Hellenic Capital Market Commission Fee	56	51
Tax on sale of shares 0.2% (1)	3,534	3,125
Accrued third-party services	215	60
Employee remuneration provision	123	54
Payroll tax	71	90
VAT/Other Taxes (2)	107	82
XNET Settlement Money Facility (3)	328	0
Sundry creditors (4)	59	40
Total	**5,136**	**4,427**

1. The Company, after the absorption of the Depository branch, as universal successor of the Central Securities Depository according to Article 9, paragraph 2 of Law 2579/88 as amended by Law 2742/99, acts as an intermediary in the receipt from ATHEX Members of the Tax (0.20%) on sales of shares concluded in ATHEX and the payment of such Tax to the Greek State. The amount of €3.5 million represents the tax (0.20%) on sales of shares that was received for the month of December 2017 and was paid to the Greek State in January 2018.
2. It includes VAT on outflows and stamp duty.
3. It concerns the money facility provided by ATHEX to the Company in order to facilitate the XNET settlement in accordance with the regulatory operating framework of the “XNET Trading Network” of the Athens Exchange.
4. In creditors, an amount of €31 thousand is included with respect to coupons to be paid, which is the same as in the same period of 2016.

The book value of the above liabilities represents their fair value.

5.36. EARNINGS PER SHARE AND DIVIDENTS PAYABLE

The net profit after tax of the Company in 2017 came to €1.18 million compared to €5.5 million in 2016 while earnings per share amounted to €2.29 and €1.38 respectively.

The Unsolicited Universal General Meeting of shareholders of 24.05.2017 adopted the proposal of the Board of Directors for the payment of dividend in the amount of €802,600 to the Athens Exchange, sole shareholder of the Company (802,600 shares x €1.00 per share) for the fiscal year 2016.

5.37. RELATED PARTIES DISCLOSURES

The value of transactions and the balances of ATHEXCSD with related parties are presented in detail in the following table:

	31.12.2017	31.12.2016
Remuneration of executives and managerial staff	290	306

(Amounts in thousands of Euro, unless otherwise indicated) 54

The intra-group balances as at 31.12.2017 and 31.12.2016, as well as the intra-company transactions of the Companies of the Group as at 31.12.2017 and 31.12.2016, are shown in detail below.

INTRA-GROUP BALANCES (in €) 31.12.2017				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Receivables	0	569,926	68,090
	Liabilities	0	0	0
ATHEXCSD	Receivables	0	0	1,261,736
	Liabilities	569,926	0	6,637
ATHEXClear	Receivables	0	6,637	0
	Liabilities	68,090	1,261,736	0

INTRA-GROUP BALANCES (in €) 31.12.2016				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Receivables	0	154,864	16,533
	Liabilities	0	44,400	0
ATHEXCSD	Receivables	44,400	0	33,785
	Liabilities	154,864	0	1,600
ATHEXClear	Receivables	0	1,600	0
	Liabilities	16,533	33,785	0

INTRA-GROUP REVENUE-EXPENSES (in €) 31.12.2017				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	431,605	105,115
	Expenses	0	306,567	0
	Dividend income	0	802,600	0
ATHEXCSD	Revenue	306,567	0	5,258,875
	Expenses	431,605	0	14,893
ATHEXClear	Revenue	0	14,893	0
	Expenses	105,115	5,258,875	0

INTRA-GROUP REVENUE-EXPENSES (in €) 31.12.2016				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	415,114	53,332
	Expenses	0	289,867	0
	Dividend income	0	4,013,000	0
ATHEXCSD	Revenue	289,867	0	6,227,402
	Expenses	415,114	0	0
ATHEXClear	Revenue	0	0	0
	Expenses	53,332	6,227,402	0

(Amounts in thousands of Euro, unless otherwise indicated) 55

The intra-group transactions concern the flat settlement fee (Decision 1, Article 1 regarding ATHEXCSD fees), the settlement instructions (Decision 1, Article 1 regarding ATHEXCSD fees), support services (accounting, security, administration services etc.), IT services, as well as services for support of PC users, which are billed at prices similar to those carried out between third parties.

5.38. MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

The members of the Board of Directors of the Company are listed in the following table:

HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.	
George Handjinicolaou	Chairman, Non-Executive Member
Socrates Lazaridis	Vice Chairman & Chief Executive Officer
Nikolaos Pimplis	Non-Executive Member
Nikolaos Porfyris	Executive member
Dionysios Christopoulos	Non-Executive Member

5.39. CONTINGENT LIABILITIES

None. It is expected that all receivables will be collected in full.

5.40. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

No event with material impact on the results of the Company occurred or was concluded after 31.12.2017, the date of the annual financial statements for 2017, and until the approval of the annual financial statements for the fiscal year 2017 by the Board of Directors of the Company on 26.03.2018.

Athens, 26 March 2018

THE CHAIRMAN OF THE BOARD

GEORGE HANDJINICOLAOU

THE CHIEF EXECUTIVE OFFICER

SOCRATES LAZARIDIS

THE CHIEF FINANCIAL OFFICER

VASILIS GOVARIS

THE DIRECTOR OF FINANCIAL MANAGEMENT

CHRISTOS MAYOGLOU

THE DEPUTY DIRECTOR OF FINANCIAL CONTROL, BUDGETING & INVESTOR RELATIONS

CHARALAMBOS ANTONATOS