2017 ANNUAL FINANCIAL REPORT

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

ATHENS EXCHANGE CLEARING HOUSE S.A.
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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL STATEMENTS OF 31.12.2017 AND THE ANNUAL REPORT 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 "ATHENS EXCHANGE CLEARING HOUSE 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 "ATHENS EXCHANGE CLEARING HOUSE 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 "ATHENS EXCHANGE CLEARING HOUSE S.A." on 26.03.2018.

Athens, 26 March 2018

THE	THE	THE
CHAIRMAN OF THE BOARD	**CHIEF EXECUTIVE OFFICER**	**MEMBER OF THE BOARD**
ALEXIOS PILAVIOS	**SOCRATES LAZARIDIS**	**ANDREAS MITAFIDIS**
ID CARD No. AB-340965	**ID CARD No. AK -218278**	**ID CARD No. Π-364444**

2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF "ATHENS EXCHANGE CLEARING HOUSE S.A."

FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2017

The Board of Directors of ATHENS EXCHANGE CLEARING HOUSE S.A. (ATHEXClear or the Company) presents its Report with regard to the financial statements for the fiscal year 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

Provision of Indirect Clearing Services in the Derivatives Market

The implementation of the new European Regulation (2017/2154) with regard to the application of rules to the indirect clearing services placed new requirements on Central Counterparties.

In order to ensure the regulatory compliance of ATHEXClear while at the same time offering new services to participants, changes have been made to the model of Derivatives Market Clearing Accounts, which now provide increased security to investors who decide to clear their transactions in derivatives products not through a Clearing Member but through a client of the Clearing Member.

Therefore, the option was offered to create a discrete account for indirect clients, whereby the separation of their assets is provided and the calculation of the margin is made on a non-offset position, in accordance with the requirements of the new regulation. The new account type covers the needs of a large group of investors, mainly from abroad, and is expected to become a new revenue source for the company.

Energy market development project

The impending liberalization of the energy market and the creation of new products, such as derivative financial products based upon electricity indices, led to the formation of a team for the preparation, investigation and design of a risk management model for this market as well as to the preparation of a file with an application for the extension of the clearing licence of ATHEXClear to the new financial products.

As part of this initiative, contacts were made with market players in Greece and abroad for the exchange of ideas and the acquisition of know-how.

Implementation of a benchmarking project for ATHEXClear

As the European Union gradually brings the existing central structures of trade and post-trade activity into homogeneity, competition increases and at the same time new opportunities emerge for the provision of the same services at the cross-border level.

At the same time, the cost of setting up, operating and supporting clearing services increases, due to the homogenization of the organizational, operational and capital obligations and the establishment of strict operating standards.

Based on the above, it was considered necessary for ATHEXClear to understand:

- the relative competitiveness of the direct cost of providing clearing services to its Members;
- the total cost of providing clearing services in the Greek market compared to the relevant cost of other markets; and
- the comparison of the indirect cost of providing margins and collaterals.

For this purpose, a benchmarking project was implemented with the assistance of a specialized external consultant. The results of the project were assessed internally by the ATHEXClear management and will be used in the development of its strategy as well as in targeted future actions.

Adaptation to the CSDR Regulation

As part of the project for adaptation/conformity and licensing of ATHEXCSD in accordance with the CSDR Regulation, the following were carried out:

- Evaluation of ATHEXCSD in accordance with the ISCO PFMI Standards, in which a thorough gap analysis of ATHEXCSD was conducted with the assistance of an external consultant in relation to the international standards and the areas for improvement were identified.
- Collection of information for the completion of the ATHEXCSD licensing file.
- Participation in the design of the ATHEXCSD Risk Management Framework. With the assistance of an external consultant and using the know-how from the relevant experience of implementing the ATHEXClear Risk Management Framework, the main risks of ATHEXCSD were identified, the risk management governance rules were determined and the first edition of the ATHEXCSD Risk Management Framework was designed.

Improvements in the EMIR TR service

In an effort to reduce the cost of the EMIR TR service both for ATHEXClear and for the derivatives market participants, the transition to a new Trade Repository was completed in January 2017. Certain minor problems that occurred were resolved during the first months following the transition.

In order to improve support to ATHEXClear customers, the EMIR TR service was also included in the unified customer service system of the Group. Through this service, communication was standardized in matters of sending files, user management, invoicing, problem reporting, communication filing etc.

Due to the changes in the codes of the Classification of Financial Instruments (CFI - ISO 10962), ATHEXClear issued new specifications for the Clearing Members and the customers of the service and the necessary changes were made in the TRC application supporting the service in the summer of 2017.

In addition, due to the implementation as from 01.11.2017 of the EU Regulation 2017/104 setting out new reporting standards but also due to the new requirements established by ESMA mainly with respect to the implementation of the Delegation Control system, extensive changes were made in the IT systems supporting the service as well as in the relevant processes.

Lastly, in 2017 a number of changes were designed, implemented and tested and were introduced on 03.01.2018 due to the implementation of the new MiFIR European Regulation.

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.

ATHEXClear 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.

Completion of the DSS transition to an online platform

As a last step in bringing technologically up to date the Dematerialized Securities System (DSS), one of the key IT systems of the Group, and its transition to an online platform, the development and testing of the client applications used for clearing transactions and for the cash settlement in Euro and foreign currencies were completed. The DSS upgrade project had started in 2016.

Also, in July 2017 the DSS connection was completed with the new platform implemented by the cooperating settlement bank, which is clearly upgraded in respect of reliability and security.

Due to the critical nature of the cash settlement operation, the simultaneous availability of the old and new system was maintained for more than a month, until the proper operation of the new systems was verified.

Improvements in the Risk Management Information System

As part of the continuous optimization and automation of the risk management operations, improvements were made in the Risk Management System (RMS). This includes, for instance, the further automation of the methods for verification of the predictive capability of the margin model.

The aim of the continuous development of the RMS is to increase the automation in daily risk monitoring and to reduce manual actions in order to prevent instances of error.

Development of a data warehouse for risk management data

In order to make possible the storage and management of a large volume of historical data concerning risk management, the project of developing a data warehouse is still under way.

Besides record keeping, the aim is to make possible the collection and combination of information from different sources, to reduce the time required of the management staff for reporting and to increase the amount of distributed information.

The project was implemented to a significant extent in 2017 and will continue in 2018.

Automation and management of clearing member default procedures

In the event of default of a clearing member, ATHEXClear should react immediately and assess the risk it undertakes and the actions it must take. Reaction time is crucial and can significantly affect the potential damage, both for market members and for ATHEXClear itself.

To this end, a project was implemented with the aim to automate substantially the final default procedures, thus reducing the time for its overall management as well as the number of manual actions so as to decrease significantly the possibility of human error. This project involved the preparation of detailed specifications, the implementation of a new functionality in the clearing information system, the performance of inspections and tests as well as the necessary documentation. The new functionality was also used successfully in the annual review of clearing member default procedures that was performed in November 2017.

Also, a quarterly process was implemented for review of default procedures in order to ensure that they remain effective and practicable, irrespective of any changes in the regulatory and institutional framework, the information systems, the procedures etc.

Annual certification of the risk management models

In accordance with Article 49 of Regulation (EU) 648/2012 (EMIR), an annual audit of the risk management models employed by ATHEXClear must be conducted by a specialized independent consultant.

After a conducting a competition, ATHEXClear completed the recruitment of a consultant and the project was assigned to a specialized foreign consultant.

After long cooperation with the consultant, the project was completed and the results were announced to the Hellenic Capital Market Commission, the Risk Committee and the management of the Company. The results of the audit will be taken into account for potential future improvements in the risk management models.

Participation in the EU-wide CCP Stress Test

ATHEXClear participated in the second EU-wide Stress Test regarding counterparty credit risk, which is conducted by the European Securities and Markets Authority (ESMA).

ESMA requested the supervised central counterparties to calculate potential losses and liquidity requirements that might result from clearing member defaults in certain extreme scenarios.

ATHEXClear completed these tests and the results it delivered to ESMA were considered quite satisfactory, as no substantial weakness was identified in its ability to absorb losses or in the adequacy its liquid resources in these extreme scenarios. ESMA plans to announce the overall results for all CCPs in the beginning of 2018.

Other actions

In 2017 a series of supplementary actions were also performed, the most important of which were the following:

- Participation in the six-monthly audits of the Target 2 emergency procedure as well as in the tests of the new version of Target 2, which was launched in November 2017.
- Participation in the annual audit of the Group's business continuity procedures.
- Improvement of the tax calculation and deduction system so as to enable the management of exemptions in accordance with a decision of the tax authorities.
- Improvement of the functionality for sending reference data from the Clearing System to the Negotiation System, so as to enable the manual operation in the event of a technical problem.
- Development of a functionality for the exclusion of securities from specific operations of the clearing and settlement system.
- Support of the XNet service and specifically transition of the transaction settlement cycle in the markets of the US and Canada to T+2 (settlement within two days after the completion of transactions).
- Improvement of the service for monitoring the value of collaterals given to ATHEXClear. The objective was to ensure immediate notification in the event of a significant change in the value of the collaterals as well as immediate provision of information regarding the assessed value of the collaterals and of the risk they cover.

Power Exchange and Power Clearing House

Recently Greece developed the institutional framework (Law 4425/2016) that constitutes the basis for establishing the actions and the relevant timetable for the adaptation of the domestic electricity market to the requirements of the European model (Target model).

The existing operators in the Greek Energy Market – Hellenic Electricity Market Operator (LAGIE) as Nominated Electricity Market Operator (NEMO) and Independent Power Transmission Operator (ADMIE) as Operator of Networks and Balancing Markets – together with the Regulatory Authority for Energy (RAE) as the Supervisory Authority have undertaken based on both the national and the European regulatory frameworks the responsibility for the operation, support and development of the Greek Energy Market with the aim of achieving the aforementioned adaptation.

Based on the above and in accordance with the European practices, a framework of cooperation has been agreed between these two operators and the Athens Exchange Group with the aim of working jointly towards a competitive and sustainable Greek Energy Market.

The key points of this cooperation are the following:

1. Establishment of two corporate entities, a Power Exchange and the relevant Clearing House.
2. Formation of both entities as multi-stakeholder companies, giving the right to participate in the share capital to all other market actors who wish to do so.

The primary objective for both the aforementioned entities, in addition to their contribution to the more effective and prompt adaptation of the Greek Market to the European Objective, is to ensure the sustainability of the entire undertaking under competitive conditions, while at the same time satisfying market participants, to the benefit of end consumers.

An additional key drive of the aforementioned cooperation is the expectation that the above undertaking will serve as a guide for the development and operation of similar energy products and markets.

COMMENTS ON THE RESULTS

The turnover of ATHEXClear came to €7.9 million compared to €8.1 million, recording a 1.38% decrease from the previous year, while the net profit after tax amounted to €452 thousand in 2017 compared to €169 thousand in the same period last year.

Approximately 98% of the turnover of the company in 2017 results from the clearing of transactions in the stock and derivatives markets carried out in the Athens Exchange (including revenues from the ATHEX-CSE common trading platform). Revenue from clearing came to €7.6 million compared to €7.7 million in the previous years, showing a decrease of €116 thousand or 1.5%.

The operating revenue of the Company in 2017 after deduction of the Capital Market Commission Fee amounted to €7.3 million compared to €7.5 million in the same period in 2016, showing a decrease of 1.4%.

The expenses of the Company including the flat settlement fee reached €6.5 million compared to €7.2 million in the previous fiscal year, showing a decrease of 9%. For 2017 the method of calculation of the flat annual settlement fee changed by decision of the Board of Directors, with the effect that 60% of the clearing revenue is now paid to ATHEXCSD compared to 81% in the previous year.

Personnel remuneration and expenses came to €970 thousand compared to €1 million, showing a decrease of 3.2%. The number of employees as at 31.12.2017 was 24 persons compared to 23 persons on 31.12.2016.

With regard to Earnings Before Interest and Taxes (EBIT), ATHEXClear shows a profit of €793 thousand compared to €282 thousand in the same period last year, thus recording an increase of 181%.

The results include the following financial indicators:

	2017	2016	Deviation %
EBITDA	**11%**	**4%**	**170%**
Return on Investment (ROI)	**39%**	**31%**	**26%**
Return on Equity (ROE)	**1.53%**	**0.58%**	**164%**
Cash flows after investment (in thousand €)	**2,577**	**(1,498)**	**(272)%**
Degree of financial self-sufficiency	**94%**	**97%**	**(3)%**

Third-party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework laid down by Regulation (EU) 648/2012 of the European Parliament and of the Council (EMIR Regulation), the Company holds all cash collaterals managed by the Company and relating to the cash market and the derivatives market, as well as its own cash balances, in an account with the Bank of Greece as a direct participant over the Internet in the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2-GR).

Therefore, its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear holds with the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2017. In the Statement of Financial Position of 31.12.2017, they are reported as equal amounts both in current assets and in current liabilities as "third-party balances in the bank account of the Company" and concern exclusively the margins in the cash and derivatives markets that were deposited in the bank account held by ATHEXClear with the Bank of Greece as at 31.12.2017.

SHARE CAPITAL

The share capital of the Company amounts to €25,500,000 and consists of 8,500,000 shares of a nominal value of €3 each.

TREASURY SHARES

The company does not hold any treasury shares as at 31.12.2017.

DIVIDEND POLICY

The company has not yet distributed a dividend.

TRANSACTIONS BETWEEN RELATED PARTIES

Total trades with related parties amount to €97 thousand, remaining unchanged in relation to the previous year, and concern the remuneration of executives and members of the Board of Directors of the Company. Apart from these transactions, no other transactions were carried out with related parties as defined in IAS 24, which could materially affect 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 Group, the smooth 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 lasting survival with significant benefits for the shareholders.

TURNOVER - RISKS AND UNCERTAINTIES

The revenues of ATHEXClear and of the Athens Exchange Group in general 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 the clearing fees for trades carried out on the markets of the Athens Exchange, which are collected through the Members, major sources of revenue for the Company are the proceeds from trade transfers and allocations, from trade notification instructions, from subscriptions of clearing members, from TR service etc.

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 the recent years has increased the risks for foreign and local investors resulting in a significant decrease in the volume of stock market transactions.

RISK MANAGEMENT

General – Risk management environment

A major consideration of the Athens Exchange Group (Group) is the management of risk that arises from its business activities.

The Group, as organizer of the capital market, has developed a comprehensive framework for managing the risks to which it is exposed, ensuring its sustainability and development, as well as contributing to the stability and security of the capital market.

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a central counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy the strict requirements of the EMIR regulatory framework concerning risk management, under which it has been licensed since 2015. Even though risk management at the Group concerns all companies and risk categories, it is recognized that because of its role in the market, ATHEXClear faces and must manage the most significant risk.

The internal and external legal and regulatory framework which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation on the Clearing of

Transactions on Derivatives and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR (European Market Infrastructure Regulation).

Risk Strategy and Risk Management

The risk strategy of the Group is aligned with its business strategy to provide the appropriate infrastructure for the reliable, safe and unhindered operation of the capital market. In accordance with the strategy of the Group, the risk tolerance level is defined in order to satisfy market needs, limit cost for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the comprehensive measures for ensuring the smooth operation of the systems of the Group, each organizational unit of the Group is responsible for monitoring and managing possible risks in such a way so as to react quickly and effectively in case risk events arise.

Continuing the effort of previous years, in 2017 efforts were made to strength the operation of risk management by ATHEXClear, in order to remain aligned with the EMIR Regulation and to follow international good practices.

In particular, as far as ATHEXClear is concerned, the organizational structure that supports risk management includes the following units:

- *Board of Directors*, which has the final responsibility and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors defines, determines and documents the appropriate level of risk tolerance and ability of the company to assume risk. In addition, the BoD and senior management ensure that the policies, processes and audits of the company are consistent with the risk tolerance level and the ability of the company to assume risk, and examine ways through which the company recognizes, reports, monitors and manages risks.
- *Risk Committee*, which advises the Board of Directors on matters of risk management.
- *Investments Committee*, which decides on the determination of limits and monitors liquidity risk, determines policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and management.
- *Risk Management Department*, of the Risk Management & Clearing Division of ATHEXClear, which is sufficiently independent from other departments of the Company, and whose main duty is the comprehensive approach to risks that ATHEXClear faces, in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the required jurisdiction, the necessary means, know-how and access to all relevant information.
- *Chief Risk Officer*, heading the Risk Management Department, who reports to the Board of Directors on matters of risk management through the Chairman of the Risk Committee, and implements the risk management framework through the policies and procedures that the Board of Directors enacts.
- *Organizational Units* which are responsible for recognizing and managing risks within their scope and participate in overall risk management at the Group.

Unified risk management

The services that the Group provides involve various types and levels of risk, and it is recognized that effective risk management consists of the following:

- *Recognizing and assessing risks:* Analyzing the present and future activities of the Group, recognizing cases in which the Group is exposed to risks. The risks recognized are evaluated as to the potential exposure to loss. This includes in general the estimation of both the possibility that the loss will occur, as well as the potential effects.

- *Controlling risks:* The arrangements for managing each risk are the key to the effective management of risks and it is important that they be understood by all personnel. In addition, management is responsible to ensure the appropriate application of the unified framework for risk management and individual policies / frameworks.
- *Risk containment:* Management identifies the best method for risk containment, taking into consideration costs and benefits. As a general principle, the Group does not assume risks that pose the possibility of catastrophic or significant losses. Likewise, insuring against losses that are relatively predictable and without a material impact is avoided. The alternatives for containing risk depend on the level of tolerance of the Group against various types of risk.
- *Monitoring and reporting risks:* The Group possesses a comprehensive system for reporting and monitoring risks. In particular, the ATHEXClear Risk Management Department monitors the risk levels of the company on a continuous basis using specialized and approved risk management methods. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework.

Risk categories

The Group ensures that it deals with all risks, internal or external, present or future, and especially those that have been recognized as being significant. It is recognized that each service provided by the Group can expose it to any combination of the risks mentioned below.

The usual risks to which, due to the nature of its activities, the Group is exposed to are:

Financial Risk

- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility)
- Credit risk (mainly counterparty credit risk and from the investment of own assets)
- Liquidity risk (mainly cash flows risk)

Operating risk

Risk due to a lack or failure of internal procedures and systems, by human factor or external events which includes legal risk.

Business risk

Risk due to new competitors, drop in transaction activity, deterioration of local and international economic conditions etc.

Description of categories and main risk factors

Market risk

The Group is exposed to limited market risk in its activities. ATHEXClear, as central counterparty in the clearing of cash and derivatives products, places its financial assets only in cash at the Bank of Greece. ATHEX and ATHEXCSD invest their cash exclusively in time deposits in Greek systemic banks as well as in foreign banks with an excellent rating. In any case, the Group monitors the potential exposure that market risk can bring and calculates the capital that it must keep against market risk, in accordance with the capital requirements calculation methodology that it applies. In particular:

Foreign exchange risk: This risk does not materially affect the operation of the Group, given that transactions with clients & suppliers in foreign currency are very few. In particular, the risk that ATHEXClear faces is treated as part of the risk management measures that apply to the clearing activity. ATHEXClear monitors possible exposures in foreign currencies, and calculates any capital it needs to maintain against foreign exchange risk.

Credit risk

The Group's credit risk mainly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

The Hellenic Capital Market Commission, with decisions 5, 6 and 7/556/8.7.2010 granted to ATHEXClear a license to manage and operate systems to clear trades on dematerialized securities (Securities System) and derivatives products (Derivatives System). In this capacity, ATHEXClear assumes the risk that Clearing Members default on their obligations to clear and settle trades, as described in the Rulebooks (credit counterparty risk). In addition, as of 22 January 2015 has been licensed as a Central Counterparty under the EMIR regulation, and has a very strict framework for managing risk.

ATHEXClear has enacted and is implementing a number of mechanisms and financial assets to cover risk, and is responsible for the smooth operation of the system in general, in conjunction with the scope and scale of trades whose clearing it has undertaken. The mechanisms that ATHEXClear applies are described in the "Regulation of Clearing of Transferable Securities Transactions in Book Entry Form," in the "Regulation on the Clearing of Transactions on Derivatives," as well as the relevant decision of the ATHEXClear BoD.

In order to obtain the status of Clearing Member, the Intermediary or Bank must conform to the minimum specific financial and operational adequacy requirements, as specified in the Clearing Rulebooks; these requirements must be continuously fulfilled during the time the Member is in operation.

Both for the cash market, as well as for the derivatives market, ATHEXClear clears trades assuming the role of Central Counterparty. In order to cover the risk against its clearing members, ATHEXClear monitors and calculates on a daily basis (end-of-day but also during the day in almost real time) the margin for each clearing account of the Clearing Members, and blocks the additional guarantees in the form of cash and/ or transferable securities.

In addition, it manages the Clearing Funds of the two markets which act as risk sharing funds to which Clearing Members contribute exclusively in cash. Based on the margins that have been blocked, the credit limits allocated to members are continuously reviewed, fulfilment of which is monitored in real time during the trading session. The minimum size of the Clearing Funds is recalculated at least on a monthly basis, in accordance with the provisions of the Rulebook, in order for its size to be adequate to cover at any time the obligations imposed by EMIR, that is the absorption of losses beyond the margins in case of a default of a group of clearing members under extreme market conditions.

The risk management models and the parameters used are examined as to their effectiveness on a daily basis and under extreme but possible scenarios (Margin/Haircut Back-Testing, Default Fund Coverage under Stress).

Besides the counterparty credit risk that ATHEXClear faces, the Group faces credit risk from equity investments. As part of its Investment Policy, specific principles are defined for investing cash. In particular for ATHEXClear, asset investments are as a rule made at the Bank of Greece, a fact that minimizes its risk exposure.

Liquidity risk

Liquidity risk as a whole for the Group is maintained at low levels by maintaining adequate cash.

The main liquidity risk for the Group mostly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

In particular for ATHEXClear, the aim is to maintain an adequate liquidity level in order to ensure that it is in a position to fulfil its obligations concerning payments or settlement in all currencies that are payable, at the end of each day and / or, if required, on an intraday basis. The estimation of the size of the obligations of ATHEXClear is done both based on its business plan, as well as based on possible, but unforeseen, events.

ATHEXClear's liquidity is monitored based on the criteria imposed by EMIR. On a daily basis, and under extreme but possible market scenaria, it is examined whether cash required will be sufficient, following the default by two (2) groups of clearing members to which ATHEXClear has the greatest demand for liquidity to close-out their positions separately for each market (equities, derivatives). In addition, the overall liquidity needs of ATHEXClear are monitored on a daily basis using liquidity gap analysis.

Operating risk

The Group does not seek to assume operating risk, but accepts that operating risk may arise as a result from system, internal procedure or human failure. In particular, it is recognized that operating risk may arise among others because of: outsourcing, surveillance and regulatory non-compliance, business continuity failure, IT systems, information security and project implementation risk.

Operating risk is maintained at acceptable levels, through a combination of good corporate governance and risk management, strong systems and audits and tolerance structures.

In 2017 there were no cases of interruptions in clearing, settlement and registration at the Group due to failure or unavailability of the IT systems or to human error. There was a very brief (lasting less than two hours) unavailability of the trading system one day due to a technical problem which was subsequently identified and fixed. There were no major damages or monetary demands due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition no losses due to external events were faced.

Measures to reduce operating risk

The Group recognizes the need to determine, estimate, monitor and reduce operating risk that is included in its operations and activities, as well as the need to maintain adequate capital, in order to manage this particular type of risk.

In particular for ATHEXClear, in accordance with the EMIR Regulation, the capital requirement for operating risk is calculated on an annual basis, using the Basic Indicator Approach (BIA); in addition, a framework for the systematic monitoring of operating risk has been implemented.

The most important measures for reducing operating risk are the implementation of a business continuity plan for all the critical services of the Group, the conclusion of insurance contracts, as well as measures for ensuring compliance to new regulations. In particular, ATHEXClear follows a specific methodology for managing operating risk, in accordance with which it carries out on a regular basis an RCSA[1] in order to categorize risk and determine KRIs, update the loss data base[2], create regular reports and plan actions to improve risk management.

Business continuity plan

The Group has processed and put into operation an appropriate infrastructure and a disaster recovery plan, which includes:

- *Operation of a Disaster Recovery Site:* The Group maintains a disaster recovery site for its IT systems. In addition, the Group has received the ISO-22301 business continuity certification.
- *Formation of crisis management teams and emergency incident management:* The purpose of these teams is to maintain continuity in the provision of trading services in case of an unforeseen event. They have been assigned specific responsibilities and specially trained Group executives have been assigned to them.
- *Existence of back up IT systems:* The IT systems of the Group are installed and operate in the data center at the headquarters of the Group. The data center consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centers, in order to provide redundancy and high availability, ensuring continuous systems operation.

Insurance contracts

Operating risks which the Group is not able or does not wish to assume are transferred to insurance companies. Management of insurance contracts takes place centrally for the whole Group in order to obtain

[1] Risk Control Self-Assessment (RCSA): at regular intervals ATHEXClear organizes workshops for categorizing risk based on the degree of risk exposure at the procedures level and determining Key Risk Indicators (KRIs).

[2] Loss Database: the database is updated on a daily basis with operations risk events independent of the size of the damage.

better services and more advantageous terms. In particular, coverage concerns among others third party civil liability and professional liability (DFL/PI) as well as civil liability of BoD members and executives (D&O).

Regulatory compliance

A Regulatory Compliance unit has been set up, having as its key objectives to ensure compliance with the legal and regulatory framework, regulations and policies, measuring and minimizing the risk of regulatory compliance and addressing the consequences of non-compliance with the legal and regulatory framework; the unit operates independently of other departments of the company with clear and separate reporting lines from those of other company activities, in accordance with the requirements of the EMIR regulation. The main responsibilities of the unit are to:

- Monitor changes in the regulatory and surveillance framework and inform the BoD, the Audit Committee and staff.
- Conduct gap analysis between the existing and future condition brought about by regulatory and surveillance changes.
- Monitor the compliance of the company with the legal and regulatory framework.
- Handle requests related to compliance matters.
- Measure and monitor compliance risk.

In particular for ATHEXClear, policies were implemented concerning conflict of interest, outsourcing, managing complaints by clearing members, remuneration of staff, executives and members of the BoD and management of its archives, in accordance with the requirements of the EMIR Regulation.

Business risk

The Group recognizes that it depends on macroeconomic developments and is affected by external factors such as changes in the competitive capital markets environment, changes in the international and domestic economic environment, legal and regulatory developments, changes in taxation policy and in technology etc. Such events may impact the growth and sustainability of the Group, causing a reduction in trading activity, a drop in expected profits, inability to liquidate and / or asset impairment etc.

Within this framework, the Group continually and systematically monitors international developments and adjusts to the environment that is taking shape.

In particular, in accordance with the EMIR Regulation, the capital requirements for business risk for ATHEXClear are calculated on an annual basis.

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.

SIGNIFICANT EVENTS AFTER 31.12.2017

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 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 "ATHENS EXCHANGE CLEARING HOUSE S.A."

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of "ATHENS EXCHANGE CLEARING HOUSE S.A." (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			
Clearing	5.6	7,584	7,700
Clearing House Services	5.7	172	166
New Services	5.8	78	148
Other Services	5.9	95	26
Total turnover		**7,929**	**8,040**
Hellenic Capital Market Commission Fee	5.21	(580)	(585)
Total revenue		**7,349**	**7,455**
Expenses			
Personnel remuneration and expenses	5.11	970	1,002
Third party fees and expenses	5.12	274	67
Maintenance/IT support	5.13	67	74
Taxes-VAT	5.14	178	74
Building/equipment management	5.15	29	29
Flat Settlement Fee	5.16	4,558	5,500
Marketing and advertising expenses	5.17	9	12
Expenses of participation in organizations	5.18	18	13
Operating expenses	5.19	254	198
Bank of Greece - cash settlement	5.20	5	5
Total operating expenses before new activities and depreciation		**6,362**	**6,974**
Expenses of New Services (CP CSE-Sibex, IT)	5.22	131	159
Total operating expenses including new activities before depreciation		**6,493**	**7,133**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**856**	**322**
Depreciation	5.23	(63)	(40)
Earnings before interest and taxes (EBIT)		**793**	**282**
Financial expenses	5.26	(117)	(109)
Earnings before tax (EBT)		**676**	**173**
Income tax	5.32	(224)	(4)
Profit after tax		**452**	**169**

Net profit after tax (A)		**452**	**169**
Other comprehensive income/(loss)			
Other comprehensive income not carried forward to following fiscal years			
Actuarial Gains/(Losses) from employee compensation provision	5.11	(4)	(4)
Income tax impact		1	1
Other net comprehensive income (B)		**(3)**	**(3)**
Total comprehensive income (A)+(B)		**449**	**166**

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

(Amounts in thousands of Euro, unless otherwise indicated) 26

4.2. ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31.12.2017	31.12.2016
ASSETS			
Non-current assets			
Tangible assets for own use	5.23	53	68
Intangible assets	5.23	367	162
Participations and other long-term receivables		2	2
Deferred tax assets	5.27	67	67
		489	**299**
Current assets			
Clients	5.24	478	419
Other receivables	5.24	325	362
Income tax receivable	5.24	74	1,254
Cash and cash equivalents	5.26	30,776	28,199
Third party balances in ATHEXClear bank account	5.25	156,032	204,852
		187,685	**235,086**
TOTAL ASSETS		**188,174**	**235,385**
EQUITY AND LIABILITIES			
Equity and reserves			
Share Capital	5.28	25,500	25,500
Reserves	5.28	217	217
Retained earnings	5.28	4,367	3,918
Total equity		**30,084**	**29,635**
Non-current liabilities			
Employee compensation provision	5.29	169	168
Other provisions	5.29	20	20
		189	**188**
Current liabilities			
Suppliers and other liabilities	5.30	1,820	663
Third party balances in ATHEXClear bank account	5.31	156,032	204,852
Social security		49	47
		157,901	**205,562**
TOTAL LIABILITIES		**158,090**	**205,750**
TOTAL EQUITY & LIABILITIES		**188,174**	**235,385**

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

(Amounts in thousands of Euro, unless otherwise indicated) 27

4.3. ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Reserves	Retained earnings	Total Equity
Balance 01.01.2016	**25,500**	**0**	**217**	**3,752**	**29,469**
Profit for the period	0	0	0	169	169
Other comprehensive income after tax	0	0	0	(3)	(3)
Total comprehensive income after tax	0	0	0	166	166
Balance 31.12.2016	**25,500**	**0**	**217**	**3,918**	**29,635**
Profit for the period	0	0	0	452	452
Other comprehensive income after tax	0	0	0	(3)	(3)
Total comprehensive income after tax	0	0	0	449	449
Balance 31.12.2017	**25,500**	**0**	**217**	**4,367**	**30,084**

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

(Amounts in thousands of Euro, unless otherwise indicated) 28

4.4. ANNUAL CASH FLOW STATEMENT

	Note	01.01.2017-31.12.2017	01.01.2016-31.12.2016
Cash flows from operating activities			
Profit /Loss before tax		676	173
Plus/(minus) adjustments for:			
Depreciation	5.23	63	40
Employee compensation provisions	5.11	(3)	8
Interest paid and related expenses	5.26	117	109
Plus/(minus) adjustments for changes in working capital accounts or relating to operating activities			
(Increase)/Decrease in receivables		(22)	407
Increase/(Decrease) in liabilities (except loans)		1,158	(1,964)
Interest and related expenses paid	5.26	(117)	(109)
Income taxes paid		958	78
Net inflows/outflows from operating activities (a)		**2,830**	**(1,258)**
Purchase of tangible and intangible assets	5.23	(253)	(240)
Total inflows/(outflows) from investing activities (b)		**(253)**	**(240)**
Total outflows from financial activities (c)		**0**	**0**
Net increase/(decrease) in cash and cash equivalents at beginning of period (a) + (b) + (c)		2,577	(1,498)
Cash and cash equivalents at beginning of period	**5.26**	**28,199**	**29,697**
Cash and cash equivalents at end of period	**5.26**	**30,776**	**28,199**

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

(Amounts in thousands of Euro, unless otherwise indicated) 29

5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR 2017

5.1. GENERAL INFORMATION ABOUT THE COMPANY

The Company under the name "ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME" and the trade name "ATHEXClear" was set up on 22/07/2005 (originally under the name "Ypsipyli Société Anonyme for the Development of Real Estate and the Provision of Services" and the trade name "Ypsipyli Real Estate S.A." and the announcement of its formation and the relevant registration in the Companies Register was published in the Government Gazette issue No. 8298 of 27/07/2005. The General Electronic Commercial Registry (G.E.MI.) number of the Company is 6410501000 (formerly Companies Register No. 58973/01/B/05/309).

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

5.2. BASIS OF PRESENTATION OF THE ANNUAL 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 and according to the going concern principle. The accounting principles set forth below have been applied consistently to all the periods presented.

The excellent organization of the Company, 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 of the Group but it is nonetheless expected that soon, with the agreement of the Greek Government within EU and in the context of 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 Group 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.

These estimates and assumptions form the basis for making decisions regarding the book values of the assets and liabilities that are not readily available from other sources. The resulting accounting estimates will, by definition, rarely match entirely the respective actual results. Estimates and assumptions that pose a material risk of causing significant changes in the amounts of the claims and liabilities during the next fiscal year are provided below.

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 Company 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 (note 5.23).

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 5.27).

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 (note 5.11).

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 5.35).

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, 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 any 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 and the implementation of the commitments the Greek economy will gradually begin to grow. 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 and excellently organized so as to overcome any temporary difficulties they may face.

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 5.11).

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 starting with fiscal year 2016.

	Note	01.01 31.12.2016 Modified	01.01 31.12.2016 Published
Revenue			
Clearing	5.6	7,700	7,700
Clearing House Services	5.7	166	166
New Services	5.8	148	148
Other Services	5.9	26	63
Total turnover		**8,040**	**8,077**
Hellenic Capital Market Commission Fee	5.21	(585)	(585)
Total revenue		**7,455**	**7,492**
Expenses			
Personnel remuneration and expenses	5.11	1,002	1,002
Third party fees and expenses	5.12	67	67
Maintenance/IT support	5.13	74	74
Taxes-VAT	5.14	74	74
Building/equipment management	5.15	29	29
Flat Settlement Fee	5.16	5,500	5,500
Marketing and advertising expenses	5.17	12	12
Expenses of participation in organizations	5.18	13	13
Operating expenses	5.19	198	208
Bank of Greece - cash settlement	5.20	5	5
Other expenses		0	27
Total operating expenses		**6,974**	**7,011**
Expenses of New Services (Xnet, CP CSE-Sibex, IT)	5.22	159	159
Total operating expenses, including new activities		**7,133**	**7,170**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**322**	**322**
Depreciation	5.23	(40)	(40)
Earnings before interest and taxes (EBIT)		**282**	**282**
Financial expenses	5.26	(109)	(109)
Earnings before tax (EBT)		**173**	**173**
Income tax	5.22	(4)	(4)
Profit after tax		**169**	**169**

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. Tangible assets for own use

Tangible assets are initially recognized at cost and are subsequently evaluated at cost less accumulated depreciation less any impairment provisions.

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 probable that financial benefits will arise for the Group and provided that their cost can be measured reliably.

(Amounts in thousands of Euro, unless otherwise indicated) 34

The repair and maintenance costs are recorded in the Statement of Comprehensive Income when incurred.

The depreciation of other tangible assets is calculated using the straight-line method over their useful life.

	Useful Life after 01.01.2014
Machinery	5 years or 20%
Transportation means	16 years or 6.25%
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.

Upon 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 profits or losses are recorded in the Statement of Comprehensive Income.

5.3.2. Intangible assets

Intangible assets include software licenses 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 annual amortization rates applied by the Company for intangible assets/rights are set at 10%.

5.3.3. Foreign currency translation

Transactions in foreign currencies are translated 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.

5.3.4. Impairment of non-financial assets

The Company examines at each date of the financial statements whether there are impairment indications for non-financial assets. The book values of assets are revised for any impairment whenever events or changed circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable value, an impairment loss is recorded 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.

(Amounts in thousands of Euro, unless otherwise indicated) 35

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 the 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. Offset of claims and liabilities

The offset of financial assets with liabilities and the recognition of the net amount in the financial statements are only made if there is a legal right to offset and the intention to settle the net amount that results from the offset or for simultaneous settlement.

5.3.7. 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.

5.3.8. 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 provision for doubtful accounts is necessary. The balance of the specific provision 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 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 claims against 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.

5.3.9. 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.

5.3.10. Third-party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework laid down by Regulation (EU) 648/2012 of the European Parliament and of the Council (EMIR Regulation), the Company holds all cash collaterals managed by the Company and relating to the cash market and the derivatives market, as well as its own cash balances, in an account that it has with the Bank of Greece as a direct participant over the Internet in the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2-GR).

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains with the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2017. In the Statement of Financial Position of 31.12.2017, they are shown as equal amounts both in current assets and in short-term liabilities as “third-party balances in the bank account of the company” and concern exclusively margins in the cash and derivatives markets that were deposited in the bank account held by ATHEXClear with the Bank of Greece as at 31.12.2017 and 31.12.2016 respectively.

5.3.11. Share capital

The share capital includes the common shares of the Company that have been issued and are available for trade. Common shares are included in Equity. Direct costs for the issuance of shares are shown after the deduction of the relevant income tax.

5.3.12. 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

5.3.13. 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 gains and losses resulting from the adjustments based on historical data are directly recorded under “Other Comprehensive Income” (note 5.11).

5.3.14. 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 Statement of Comprehensive Income.

5.3.15. 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.

5.3.16. Revenue Recognition

Revenue includes the fair value of the transactions, net of any recovered taxes, rebates and refunds. Intra-group revenue on consolidation is fully deleted. 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 clearing transactions in the stock market

Revenue generated from transaction clearing activities is recognized at the time the transaction is concluded, cleared and settled 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)

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. Fees for the trading of derivatives are collected on the day following the settlement. Fees for cash and derivatives are invoiced on a monthly basis.

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.

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. 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 by the Company.

5.3.18. Expenses

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

5.3.19. 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.

5.3.20. 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 and the Company 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

A major consideration of the Athens Exchange Group (Group) is the management of risk that arises from its business activities.

The Group, as organizer of the capital market, has developed a comprehensive framework for managing the risks to which it is exposed, ensuring its sustainability and development, as well as contributing to the stability and security of the capital market.

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a central counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy the strict requirements of the EMIR regulatory framework concerning risk management, under which it has been licensed since 2015. Even though risk management at the Group concerns all companies and risk categories, it is recognized that because of its role in the market, ATHEXClear faces and must manage the most significant risk.

The internal and external legal and regulatory framework which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation on the Clearing of Transactions on Derivatives and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR (European Market Infrastructure Regulation).

Risk Strategy and Risk Management

The risk strategy of the Group is aligned with its business strategy to provide the appropriate infrastructure for the reliable, safe and unhindered operation of the capital market. In accordance with the strategy of the Group, the risk tolerance level is defined in order to satisfy market needs, limit cost for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the comprehensive measures for ensuring the smooth operation of the systems of the Group, each organizational unit of the Group is responsible for monitoring and managing possible risks in such a way so as to react quickly and effectively in case risk events arise.

Continuing the effort of previous years, in 2017 efforts were made to strength the operation of risk management by ATHEXClear, in order to remain aligned with the EMIR Regulation and to follow international good practices.

In particular, as far as ATHEXClear is concerned, the organizational structure that supports risk management includes the following units:

- *Board of Directors*, which has the final responsibility and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors defines, determines and documents the appropriate level of risk tolerance and ability of the company to assume risk. In addition, the BoD and senior management ensure that the policies, processes and audits of the company are consistent with the risk tolerance level and the ability of the company to assume risk, and examine ways through which the company recognizes, reports, monitors and manages risks.
- *Risk Committee*, which advises the Board of Directors on matters of risk management.
- *Investments Committee*, which decides on the determination of limits and monitors liquidity risk, determines policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and management.
- *Risk Management Department*, of the Risk Management & Clearing Division of ATHEXClear, which is sufficiently independent from other departments of the Company, and whose main duty is the comprehensive approach to risks that ATHEXClear faces, in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the required jurisdiction, the necessary means, know-how and access to all relevant information.
- *Chief Risk Officer*, heading the Risk Management Department, who reports to the Board of Directors on matters of risk management through the Chairman of the Risk Committee, and implements the risk management framework through the policies and procedures that the Board of Directors enacts.
- *Organizational Units* which are responsible for recognizing and managing risks within their scope and participate in overall risk management at the Group.

Unified risk management

The services that the Group provides involve various types and levels of risk, and it is recognized that effective risk management consists of the following:

Recognizing and assessing risks: Analyzing the present and future activities of the Group, recognizing cases in which the Group is exposed to risks. The risks recognized are evaluated as to the potential exposure to loss. This includes in general the estimation of both the possibility that the loss will occur, as well as the potential effects.

Controlling risks: The arrangements for managing each risk are the key to the effective management of risks and it is important that they be understood by all personnel. In addition, management is responsible to ensure the appropriate application of the unified framework for risk management and individual policies / frameworks.

Risk containment: Management identifies the best method for risk containment, taking into consideration costs and benefits. As a general principle, the Group does not assume risks that pose the possibility of catastrophic or significant losses. Likewise, insuring against losses that are relatively predictable and without a material impact is avoided. The alternatives for containing risk depend on the level of tolerance of the Group against various types of risk.

Monitoring and reporting risks: The Group possesses a comprehensive system for reporting and monitoring risks. In particular, the ATHEXClear Risk Management Department monitors the risk levels of the company on a continuous basis using specialized and approved risk management methods. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework.

Risk categories

The Group ensures that it deals with all risks, internal or external, present or future, and especially those that have been recognized as being significant. It is recognized that each service provided by the Group can expose it to any combination of the risks mentioned below.

The usual risks to which, due to the nature of its activities, the Group is exposed to are:

Financial Risk

- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility)
- Credit risk (mainly counterparty credit risk and from the investment of own assets)
- Liquidity risk (mainly cash flows risk)

Operating risk

- Risk due to a lack or failure of internal procedures and systems, by human factor or external events which includes legal risk.

Business risk

- Risk due to new competitors, drop in transaction activity, deterioration of local and international economic conditions etc.

Description of categories and main risk factors

Market risk

Foreign exchange risk: This risk does not materially affect the operation of the Group, given that transactions with clients & suppliers in foreign currency are very few. In particular, the risk that ATHEXClear faces is treated as part of the risk management measures that apply to the clearing activity. ATHEXClear monitors possible exposures in foreign currencies, and calculates any capital it needs to maintain against foreign exchange risk.

Credit risk

Credit Risk: Credit risk mainly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

Besides counterparty credit risk that ATHEXClear faces, it also faces credit risk arising from claims and the investment of cash assets in Greek systemic banks as well as foreign banks with a good rating that operate in Greece. As part of its Investment Policy, specific principles are defined for investing cash. Asset investments are as a rule made at the Bank of Greece, a fact that minimizes its risk exposure.

BANK RATINGS

			STANDARD & POOR' S				
			Outlook	Long Term Local Issuer Credit	Short Term Local Issuer Credit	Long Term Foreign Issuer Credit	Short Term Foreign Issuer Credit
ALPHA BANK AE	ALPHA GA Equity	GR	STABLE	CCC+	C	CCC+	C
EUROBANK ERGASIAS SA	EUROB GA Equity	GR	STABLE	CCC+	C	CCC+	C
NATIONAL BANK OF GREECE	ETE GA Equity	GR	STABLE	CCC+	C	CCC+	C
PIRAEUS BANK S.A	TPEIR GA Equity	GR	STABLE	CCC+	C	CCC+	C
BANK OF GREECE	TELL GA Equity	GR	#N/A	NR	NR	NR	NR
HSBC BANK PLC	MID LN Equity	GB	STABLE	AA-	A-1+	AA-	A-1+
			MOODY' S				
			Outlook	Local Long Term Bank Deposits	Foreign Long Term Bank Deposits	Subordinated Debt	Senior Unsecured Debt
ALPHA BANK AE	ALPHA GA Equity	GR	POS	Caa3	Caa3	(P)Caa3	(P)Caa3
EUROBANK ERGASIAS SA	EUROB GA Equity	GR	STABLE	Caa3	Caa3	Caa3	Caa3
NATIONAL BANK OF GREECE	ETE GA Equity	GR	POS	Caa3	Caa3	#N/A	Caa2
PIRAEUS BANK S.A	TPEIR GA Equity	GR	STABLE	Caa3	Caa3	(P)Caa3	(P)Caa3
BANK OF GREECE	TELL GA Equity	GR	#N/A	#N/A	#N/A	#N/A	WR
HSBC BANK PLC	MID LN Equity	GB	#N/A	Aa3 *-	Aa3 *-	A3 *-	Aa3 *-
			FITCH				
			Long Term Issuer Default Rating	Senior Unsecured Debt	Short Term		
ALPHA BANK AE	ALPHA GA Equity	GR	RD	C *+	C		
EUROBANK ERGASIAS SA	EUROB GA Equity	GR	RD	C *+	C		
NATIONAL BANK OF GREECE	ETE GA Equity	GR	RD	WD	C		
PIRAEUS BANK S.A	TPEIR GA Equity	GR	RD	C *+	C		
BANK OF GREECE	TELL GA Equity	GR	#N/A	#N/A	#N/A		
HSBC BANK PLC	MID LN Equity	GB	AA-	AA-	F1+		

Out of a total cash and cash equivalents of the Company of €31m, €88 thousand is placed with Greek systemic banks.

Liquidity risk

Liquidity risk as a whole for the Company is maintained at low levels by maintaining adequate cash.

The main liquidity risk for the Group mostly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

For ATHEXClear, the aim is to maintain an adequate liquidity level in order to ensure that it is in a position to fulfil its obligations concerning payments or settlement in all currencies that are payable, at the end of each day and / or, if required, on an intraday basis. The estimation of the size of the obligations of ATHEXClear is done both based on its business plan, as well as based on possible, but unforeseen, events.

ATHEXClear's liquidity is monitored based on the criteria imposed by EMIR. On a daily basis, and under extreme but possible market scenaria, it is examined whether cash required will be sufficient, following the default by two (2) groups of clearing members to which ATHEXClear has the greatest demand for liquidity to close-out their positions separately for each market (equities, derivatives). In addition, the overall liquidity needs of ATHEXClear are monitored on a daily basis using liquidity gap analysis.

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 Company and maximize shareholder value.

There were no changes in the approach adopted by the Company with respect to capital management during the fiscal year 2017.

5.6. CLEARING

Revenue from clearing amounted to €7.58m compared to €7.70m in the same period last year, showing a decrease of 1.5% as shown in the following table:

	31.12.2017	31.12.2016
Shares	5,774	6,040
Bonds	14	1
Derivatives	1,340	1,157
ETFs	4	1
Transfers - Allocations (Special settlement orders)	306	354
Trade notification instructions	146	147
Total	**7,584**	**7,700**

Revenue from share clearing, which consists of revenue from the organized market and the Common Platform, amounted to €5.8 million, recording a decrease of 4.4%.

The total traded value in the fiscal year 2017 came to €14.8 billion compared to €15.1 billion in the previous year, showing a decrease of 2.0%. The average daily traded value in the fiscal year 2017 came to €58.8 million compared to €60.5 million in the same period last year, recording a drop of 2.8%.

The average daily traded volume was reduced by 24.6% (72.7 million shares in 2017 contrasted with 96.4 million shares in the same period last year).

The average daily number of contracts in the derivatives market increased to 78.7 thousand contracts compared to 63.5 thousand contracts in the same period last year, a rise of 29.3%.Revenue from clearing trades in derivatives recorded an increase of 15.8% (€1.3 million in 2017 contrasted with €1.2 million in 2016). The average revenue per contract decreased by 9.5% (coming to €0.097 in 2017 from €0.105 in 2016).

Revenue from transfers – allocations amounts to €306 thousand, showing a13.7% decrease compared to the same period last year, while trade notification instructions came to €146 thousand, recording a decrease of 0.7%.

5.7. CLEARING HOUSE SERVICES

This category includes the subscriptions of the members of ATHEXClear for the derivatives market and the Special Type participant subscriptions.

Revenue in this category amounted to €172 thousand compared to €166 thousand in the same period last year, showing a decrease of 3,6% and is broken down in the following table:

	31.12.2017	31.12.2016
Subscriptions of derivatives clearing members	119	121
Special type participant subscriptions - Discrete clearing account	53	45
Total	**172**	**166**

5.8. NEW SERVICES (CSE-Sibex Common Platform, IT)

Revenue from this category amounted to €78 thousand compared to €148 thousand in the same period last year, showing a decrease of 47.3%.

(Amounts in thousands of Euro, unless otherwise indicated) 47

For the needs of these services, agreements have been concluded with our members, as well as with a supplier. The relevant expenses are shown in note 5.22.

	31.12.2017	31.12.2016
Support of other markets (CSE, Sibex)	4	14
EMIR TR Service	74	134
Total	**78**	**148**

5.9. OTHER SERVICES

For 2017 revenue in this category reached €95 thousand. An amount of €26 thousand concerns penalties on ATHEX members for failing to fulfil their obligation in the Securities System for delivery of transferable securities from transactions by the end of the settlement, as they were required, and an amount of €15 thousand concerns the provision of support services to Companies of the Group. For the same period of 2016, the amount came to €26 thousand (an amount of €15 thousand concerned penalties on ATHEX members for failing to fulfil their obligation in the Securities System for delivery of transferable securities from transactions by the end of the settlement, as they were required).

5.10. DEFAULT FUND MANAGEMENT

CASH MARKET

Athens Exchange Clearing House S.A. (ATHEXClear) manages the Default Fund with the purpose of protecting the System from credit risks of the Clearing Members resulting from the clearing of the transactions.

The contribution of each Clearing Member to the Default Fund is determined based on each Share of the Clearing Member in it. The Share consists of the sum of the contributions of the Clearing Member that have been paid for its formation into the Default Fund and is increased by any revenue accruing from the rules of management and investment of the assets of the Default Fund, as well as by the cost for managing risk and margins, as determined by the ATHEXClear procedures. Revenues and expenses are allocated in respect of each Clearing Member Share in the Default Fund in proportion to its size.

The contributions to the Default Fund must be paid by the Clearing Members in full and in cash into a bank account of ATHEXClear with the Bank of Greece. In the event of refund of a Share cash amount, where applicable under the provisions hereof, ATHEXClear pays the relevant amount into the bank account of the Clearing Member.

The minimum size of the Default Fund is based on the amount of transactions carried out by each Clearing Member and is calculated according to the special method described in the decisions of the Hellenic Capital Market Commission and in Part 4, Section II of the ATHEXClear Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, as applicable. For each month, the difference between the new balance and the previous balance for each Clearing Member Share is paid or refunded, accordingly, by the Manager of the Default Fund.

The new size of the Default Fund is €17,849,187.00 and will be in effect until 31.03.2018.

The implementation of the new model in the cash market in accordance with Regulation (EU) 648/2012 concerning the Default Fund and Member guarantees for the cash market went into effect on 16.02.2015. The amount as at 31.12.2017 together with the relevant amount of collaterals in the derivatives market is shown in both assets and liabilities in the Statement of Financial Position of 31.12.2017 and of 31.12.2016 (see notes 5.25 and 5.31).

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

DERIVATIVES MARKET

The Board of Directors of ATHEXClear at its meeting No. 109/17.11.2014 approved the development of a set of risk management policies and practices due to the change of the clearing model in the derivatives market, the Regulation on the Clearing of Transactions on Derivatives and also due to the adaptations to the requirements of the EMIR Regulation.

Given the transition to the new model in the Derivatives market on 1 December 2014, ATHEXClear defined the risk management procedures for the Derivatives System pursuant to the Regulation (ATHEXClear Decision 5).

At the same time a contract was signed with the Bank of Greece due to the capacity of ATHEXClear as a direct participant over the Internet in the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2-GR) for the fulfilment of the requirements of the EMIR Regulation.

In accordance with the new Regulation on the Clearing of Transactions on Derivatives and in particular Part 6 of Section II, a Default Fund for the Derivatives Market is set up, the size of which is €10,733,465 for the period from 01.03.2018 to 31.03.2018. Calculation takes place on a monthly basis.

The management of the Default Fund in the derivatives market is not different from the management of the Default Fund in the cash market (see above).

5.11. PERSONNEL REMUNERATION AND EXPENSES

Personnel remuneration and expenses in 2017 amounted to €970 thousand compared to €1.0m in the same period last year, showing a decrease of 3,2%. The number of employees as at 31.12.2017 was 24 compared to 23 on 31.12.2016.

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 €70 thousand, while there was no respective amount in the previous year.

	31.12.2017	31.12.2016
Personnel remuneration	706	717
Employer contributions	170	179
Employee termination benefits	20	0
Employee compensation provision (actuarial valuation)	(23)	8
Other benefits (insurance premiums etc.)	97	98
Total	**970**	**1,002**

Obligations to employees

The Company 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, revised), which stipulate the requirement to record such figures in the Statement of Financial Position and in 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 carried out at the end of the year when the amounts and the details are determined so as to calculate the actuarial obligation. Despite the fact that the economic conditions and the environment in Greece continue to be unfavourable, it is estimated that the actuarial figures have not changed significantly so as to necessitate a new actuarial valuation in the middle of the year.

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

The changes in the provision for 31.12.2017 are shown in detail in the following table:

Actuarial Presentation in accordance with the revised IAS 19 (amounts in €)	Company	
Period	31.12.2017	31.12.2016
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	148,900	168,123
Net liability recognized in the Statement of Financial Position	**148,900**	**168,123**
Amounts recognized in the Profit & Loss Account		
Cost of current employment	3,279	4,005
Net interest on the liability/(asset)	2,993	4,110
Other expenses/(revenue)	(29,229)	0
Total expense in the Profit & Loss Account	**(22,957)**	**8,115**
Change in the present value of liability		
Present value of liability at the beginning of the period	168,123	155,663
Cost of current employment	3,279	4,005
Interest cost	2,993	4,110
Benefits paid by the employer	0	0
Cost of staff reductions/settlement/termination	0	0
Other expenses/(revenue)	(29,229)	0
Actuarial loss/(gain) - financial assumptions	2,175	1,863
Actuarial loss/(gain) - experience for the period	1,559	2,482
Present value of liability at the end of the period (note 5.29)	**148,900**	**168,123**
116,617 Adjustments		
Adjustments to liabilities due to change in assumptions	(2,175)	(1,863)
Experience adjustments in liabilities	(1,559)	(2,482)
Total actuarial gain/(loss) in Equity	**(3,734)**	**(4,345)**
Changes in net liability recognized in the balance sheet		
Net liability at beginning of year	168,123	155,663
Total expense recognized in the Profit & Loss Statement	(22,957)	8,115
Total amount recognized in Equity	3,734	4,345
Net liability at the end of the period (note 5.29)	**148,900**	**168,123**

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

Actuarial assumptions	Valuation date	
	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	18.21	18.52

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

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

Cash flows *Expected benefits from the plan in the next fiscal year*	Company 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	(8.43)%	(8.57)%
Sensitivity 2 - Discount rate minus 0.5% - Difference % in present value (PV) of liabilities	9.30%	9.47%
Sensitivity 3 - Annual inflation plus 0.5% - Difference % in present value (PV) of liabilities	9.32%	9.50%
Sensitivity 4 - Annual inflation minus 0.5% - Difference % in present value (PV) of liabilities	(8.52)%	(8.68)%
Sensitivity 5 - Salary increase assumption plus 0.5% - Difference % in present value (PV) of liabilities	8.49%	7.88%
Sensitivity 6 - Salary increase assumption minus 0.5% - Difference % in present value (PV) of liabilities	(8.35)%	(8.34)%

5.12. THIRD PARTY FEES AND EXPENSES

In the fiscal year 2017 third party fees and expenses amounted to €274 thousand compared to €67 thousand, recording an increase of 309% compared to the same period last year and concern fees of auditors, translators and consultants. The significant increase is mainly due to an amount of €200 thousand for consultant fees for the annual review of the clearing models used by the clearing house and an amount of €8 thousand for the review of third-party capital management and a provision for EY fee for risk management (there are no respective amounts for 2016).

	31.12.2017	31.12.2016
Remuneration of Board members	11	8
Auditor fees	20	24
Consultant fees and other fees	243	22
Other fees	0	13
Total	**274**	**67**

5.13. MAINTENANCE/IT SUPPORT

Software maintenance expenses for 2017 came to the amount of €67 thousand compared to €74 thousand in the same period last year.

Software and hardware maintenance expenses are contractual obligations of the Company.

5.14. TAXES-VAT

The non-deductible Value Added Tax and other taxes charged on the cost of works came to the amount of €178 thousand compared to €74 thousand in the same period last year. The amount is increased due to the recognition in 2017 of €48 thousand for VAT of RISC DYNAMICS expenses, €35 thousand for VAT for OLIVER WYMAN expenses for clearing benchmarking study services and €22 thousand for VAT of €22 expenses (there were no respective amounts in 2016).

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

5.15. MANAGEMENT OF BUILDINGS/EQUIPMENT

This category includes expenses such as: security and cleaning of facilities, as well as the cost of cleaning materials.

Building and equipment management expenses for the fiscal year 2017 amounted to €29 thousand remaining unchanged in relation to the same period last year.

5.16. FLAT SETTLEMENT FEE

The cost of the flat annual settlement fee came to the amount of €4,558 thousand compared to €5,500 thousand in the same period last year, showing a decrease of 17.1%. The amount relates to the calculation of the flat annual settlement fee for the fiscal year 2017, in accordance with Article 1, paragraph 1.a of Regulatory Decision 1 on “Dematerialized Securities System Management and Operation Fees” of ATHEXCSD.

According to a decision of the Board of Directors of ATHEXCSD, the flat annual settlement fee was changed for the fiscal year 2017 and is 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.

For the same period last year 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.

5.17. MARKETING & ADVERTISING EXPENSES

Marketing and advertising expenses in 2017 reached the amount of €9 thousand compared to €12 thousand showing an increase compared to the same period last year and concern expenses for events and travel expenses for participation in conferences.

5.18. EXPENSES OF PARTICIPATION IN ORGANIZATIONS

The expenses of this category reached the amount of €18 thousand in 2017 compared to €13 thousand in 2016 and concern mainly the Company’s EACH membership fee.

5.19. OPERATING EXPENSES

Operating expenses in the fiscal year 2017 amounted to €254 thousand compared to €198 thousand in the same period last year, recording an increase of 28%. The increase is due to the rise in the support services provided to ATHEXClear by other Companies of the Athens Exchange Group, which are presented in detail in the following table:

	31.12.2017	31.12.2016
Travel expenses	7	13
Support operation services	173	147
Building rent to companies of the Group	55	46
Other expenses	19	(8)
Total	**254**	**198**

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Other expenses in this category for 2016 include reversal of a provision for revenue from unused provisions.

5.20. BANK OF GREECE - CASH SETTLEMENT

In 2017 fees amounting to €5 thousand were paid to the Bank of Greece for the cash settlement of trades in cash and derivative products, in accordance with the agreement that had been signed between the Bank of Greece and the Companies of the Group, remaining unchanged in relation to the same period last year.

5.21. HELLENIC CAPITAL MARKET COMMISSION FEE

The operating revenue does not include the Hellenic Capital Market Commission Fee, which came to €580 thousand for the fiscal year 2017 compared to €585 thousand in the same period last year, as this amount is collected on behalf of the Hellenic Capital Market Commission, to which it is subsequently paid. This decrease is due to the significant drop in the value of clearing, on which this amount is calculated.

5.22. EXPENSES FOR NEW SERVICES

Revenue in this category amounted to €131 thousand compared to €159 thousand in the same period last year, recording a decrease of 17.6%. A significant portion of this amount is paid to the Members (note 5.8).

	31.12.2017	31.12.2016
Expenses for IT Services (EMIR-UNAVISTA FULL DELEGATED REPORTING)	131	159
Total	**131**	**159**

5.23. TANGIBLE ASSETS FOR OWN USE AND INTANGIBLE ASSETS

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

ATHEXClear	Furniture, fixtures and equipment	Intangible assets PC Software	Total
Acquisition and valuation value as at 31.12.2015	**378**	**498**	**876**
Additions in 2016	83	157	240
Reductions in 2016	(4)	(461)	(465)
Acquisition and valuation value as at 31.12.2016	**457**	**194**	**651**
Accumulated depreciation as at 31.12.2015	377	469	846
Depreciation in 2016	16	24	40
Reduction in accumulated depreciation 2016	(4)	(461)	(465)
Accumulated depreciation as at 31.12.2016	**389**	**32**	**421**
Undepreciated value			
as at 31.12.2015	1	29	30
as at 31.12.2016	**68**	**162**	**230**

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ATHEXClear	Furniture, fixtures and equipment	Intangible assets PC Software	Total
Acquisition and valuation value as at 31.12.2016	**457**	**194**	**651**
Additions in 2017	0	253	253
Reductions in 2017			0
Acquisition and valuation value as at 31.12.2017	**457**	**447**	**904**
Accumulated depreciation as at 31.12.2016	**389**	**32**	**421**
Depreciation in 2017	15	48	63
Reduction in accumulated depreciation 2017			0
Accumulated depreciation as at 31.12.2017	**404**	**80**	**484**
Undepreciated value			
as at 31.12.2016	68	162	230
as at 31.12.2017	**53**	**367**	**420**

5.24. CLIENTS AND OTHER TRADE RECEIVABLES

All claims are short-term and thus no discounting is required as at 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	488	434
Intra-Group Clients	5	0
Less: provision for doubtful accounts	(15)	(15)
Net trade receivables	**478**	**419**
Other receivables		
Withholding tax on dividends for offset (1)	300	300
Prepaid non-accrued expenses	18	27
Sundry debtors	7	35
Total	**325**	**362**
Income tax receivable (2)	**74**	**1,254**

1. Dividend withholding tax collected from the 10% participation in ATHEX in 2012. Dividend €1.2 million x 25% (dividend tax) = €300 thousand
2. For the Company, the change in income tax liability in the year 2017 resulted in a claim of €74 thousand (compared to €1,254 thousand in 2016) and is recognized in the assets (note 5.32).

The book value of the above receivables as at 31.12.2017 represents their fair value.

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

Provision for doubtful accounts	
Balance 31.12.2015	**15**
Additional provisions in 2016	0
Balance 31.12.2016	**15**
Additional provisions in 2017	0
Balance 31.12.2017	**15**

The receivables of the company are grouped below into:

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

(a) Not past due

(b) Past due without significant risk of default

(c) Past due with significant risk of default

	31.12.2017		31.12.2016	
Grouping	**Without impairment**	**With impairment**	**Without impairment**	**With impairment**
Not past due	478	0	419	0
Past due without significant risk of default	0	0	0	0
Past due with significant risk of default	0	15	0	15
Before provisions	**478**	**15**	**419**	**15**
Less: provisions for value impairment	0	15	0	15
After provisions	**478**	**0**	**419**	**0**

5.25. THIRD PARTY BALANCES IN ATHEXClear BANK ACCOUNT (COLLATERAL)

The ATHEXClear cash balances that concern collateral of the Clearing Members in the form of cash as well as the cash of the Default Fund in accordance with the investment policy of ATHEXClear are held by ATHEXClear in an account that it maintains as a Direct Participant in TARGET2 with the Bank of Greece.

The implementation of the ATHEXClear investment policy commenced immediately with the initiation of the new model for clearing and risk management for the derivatives market on 01.12.2014. The amount of €156,032 thousand, which is broken down below and shown on the Statement of Financial Position of 31.12.2017 both under the assets and under the liabilities, concerns collateral of Members of the derivatives market and the cash market deposited in the ATHEXClear bank account with the Bank of Greece and managed by ATHEXClear.

The implementation of the new model in the cash market in accordance with Regulation (EU) 648/2012 concerning the Default Fund and Member guarantees for the cash market went into effect on 16.02.2015.

	31.12.2017	31.12.2016
Cash Market Default Fund Collaterals	10,475	15,726
Cash Market Default Fund Additional Collaterals	99,324	145,202
Derivatives Market Default Fund Collaterals	8,685	8,207
Derivatives Market Default Fund Additional Collaterals	37,548	35,717
Total	**156,032**	**204,852**

5.26. CASH AND CASH EQUIVALENTS

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 Company.

As of 26.11.2014 the cash balances of ATHEXClear are kept in accounts with the Bank of Greece, in accordance with the investment policy of the Company and the provisions of Article 45 of Regulation (EU) No. 153/2013. The above mentioned policy excludes an amount not exceeding €500 thousand, which is kept at commercial banks and used exclusively for the daily operating needs of ATHEXClear.

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

It should be noted that deposits with the Bank of Greece had a negative interest rate of 0.1% for the period 11.06.2014 to 09.09.2014, a negative interest rate 0.2% from 10.09.2014 to 08.12.2015, a negative interest rate of 0.3% from 09.12.2015 and a negative interest rate 0.4% from 16.03.2016 onwards.

As a result of the above charge on deposits with the Bank of Greece, the Company incurred in 2017 a cost of €117 thousand compared to €109 thousand in the same period last year. The breakdown of the cash balances of the Company is provided below:

	31.12.2017	31.12.2016
Deposits at the Bank of Greece	30,685	28,101
Sight deposits in commercial banks	88	93
Cash on hand	3	5
Total	**30,776**	**28,199**

5.27. DEFERRED TAX

Deferred tax stood at €67 thousand compared to €67last year and relates to actuarial valuation provisions and intangible assets.

In accordance with the tax legislation (Law 4334/2015), the income tax rate for legal entities is set at 29% for the fiscal year 2017.

Deferred income tax is calculated based on the interim differences that result between the book value of the assets and the liabilities included in the financial statements and their tax value as assessed in accordance with 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.

Deferred Tax	31.12.2017	31.12.2016
Deferred tax assets	67	67
Deferred tax liabilities	0	0
Total	**67**	**67**

Deferred tax assets are broken down as follows:

Deferred tax assets	INTANGIBLE ASSETS	ACTUARIAL & EMPLOYEE COMPENSATION PROVISIONS	OTHER PROVISIONS	Total
Balance 01.01.2016	**15**	**45**	**10**	**70**
(Debit)/Credit to results	(7)	3	0	(4)
(Debit)/Credit to other comprehensive income	0	1	0	1
Balance 31.12.2016	**8**	**49**	**10**	**67**
(Debit)/Credit to results	(7)	1	6	0
(Debit)/Credit to other comprehensive income	0	0	0	0
Balance 31.12.2017	**1**	**50**	**16**	**67**

(Amounts in thousands of Euro, unless otherwise indicated) 56

5.28. SHARE CAPITAL AND RESERVES

a) Share capital

After the spin-off of the clearing branch and its integration into ATHEXClear, the share capital of the Company came to €25,000,000 comprised of 8,500,000 common registered shares with a nominal value of €3.00 (three Euro) each. The share capital of the Company remained unchanged until 31.12.2017.

b) Reserves

	31.12.2017	31.12.2016
Legal reserve	217	217
Total	**217**	**217**

c) Retained earnings

The retained earnings amounting to €4,367 thousand as at 31.12.2017 were increased by an amount of €449 thousand, which represents the other comprehensive income after tax for the year 2017 (see 4.1).

d) Capital requirements

According to the EMIR Regulation, Article 45 of Regulation (EU) No. 648/2012, a clearing house must maintain lines of defence (default waterfall) against default of a member.

In accordance with Article 35 of the technical standards for clearing houses the amount of own resources of central counterparties that are used as line of defence in the event of default is calculated, and specifically:

- The central counterparty maintains and reports separately an amount of dedicated own resources for the purposes mentioned in Article 45, paragraph 4 of Regulation (EU) No. 648/2012.
- The central counterparty calculates the minimum amount specified in paragraph 1 by multiplying by 25% the minimum capital requirement, including undistributed profits and reserves for the purposes mentioned in Article 16 of Regulation (EU) No. 648/2012 and by authorization Regulation (EU) No. 152/2013 of the Commission (1).

The central counterparty revises this minimum amount on an annual basis

Based on the above, as a recognized clearing house, ATHEXClear prepared in cooperation with consultants a report of “Methodology For Calculating Capital Requirements”, which describes the methodology applied in order to estimate the capital requirements for credit risk, counterparty risk, market risk, business interruption risk, operating risk and business risk. The methodology applied was based on the following:

- Regulations (EU) 648/2012 and (EU) 152/2013 and (EU) 153/2013
- Regulation (EU) 575/2013
- FSA: Prudential Sourcebook for Banks, Building Societies and Investment Firms
  - BIPRU 13.4 CCR mark to market method
  - BIPRU 5.4 Financial collateral
  - BIPRU 3 Standardised credit risk

ATHEXClear regularly calculates on a quarterly basis and presents in its financial reports and interim financial statements the capital requirements that are necessary in order to be able to fulfil its regulatory obligations.

ATHEXClear has in place procedures for the identification of all risk sources that may affect its current operations and examines the probability of potential adverse effects on its revenue or expenses and the level of its capital.

(Amounts in thousands of Euro, unless otherwise indicated) 57

The capital requirements of ATHEXClear as at 31.12.2017 are broken down in the table below:

Capital Requirements (Euro '000)	
Type of Risk	**Capital Requirements on 31.12.2017**
Credit risk (total)	122
Derivatives Market	
Cash Market	0
Investment of Own Assets	122
Market Risk	0
Foreign Exchange Risk	0
Operating Risk	80
Business Interruption Risk	3,247
Business Risk	1,623
Total Capital Requirements	**5,072**
Notification Threshold (110% of the above Capital Requirements)	5,579
Additional Special Resources (25% of Capital Requirements on 31.12.2017)	**1,268**

The capital requirements as estimated above are significantly lower than the amount of equity shown in the Statement of Financial Position of the Company of 31.12.2017. In addition, the capital requirements are significantly lower than the amount of cash balances held by ATHEXClear in accounts in commercial banks and at the Bank of Greece.

If the ATHEXClear equity is estimated to be less than 110% of the capital requirements, as calculated above, or less than 110% of the 7.5 million notification threshold, ATHEXClear will be required to notify immediately the relevant authority (Hellenic Capital Market Commission) and to update such authority at least on a weekly basis, until the amount of its equity exceeds again the notification threshold.

The additional special resources of €1,268 thousand, as they are calculated above and remain constant during the fiscal year 2018, are allocated by 54.67% (€693 thousand) to the cash market and by 45.33% (€575 thousand) to the derivatives market as at 31.12.2017.

5.29. PROVISIONS

	31.12.2017	**31.12.2016**
Employee retirement or redundancy compensation (note 5.11)	149	168
Compensation Provisions	20	0
Employee retirement or redundancy compensation	**169**	**168**
Other provisions	20	20
Total other provisions	**20**	**20**

The Company has recorded provisions for other risks of a total amount of €20 thousand in order to be secured in the event of occurrence of such risks.

Changes in the provision for employee retirement or redundancy compensation are shown in detail in note 5.11.

Changes in the other provisions are shown in the following table:

(Amounts in thousands of Euro, unless otherwise indicated) 58

ATHEXClear	Compensation Provisions	Provisions for other risks
Balance on 31.12.2015	**0**	**20**
Additional provision in the period	0	0
Balance on 31.12.2016	**0**	**20**

ATHEXClear	Compensation Provisions	Provisions for other risks
Balance on 31.12.2016	**0**	**20**
Additional provision in the period	20	
Balance on 31.12.2017	**20**	**20**

5.30. 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	57	242
Group Suppliers (1)	1,330	51
Hellenic Capital Market Commission Fee (2)	295	234
Accrued third-party services (3)	38	78
Payable contributions (4)	38	1
Payroll tax	24	25
Other taxes	7	4
Sundry creditors	31	28
Total	**1,820**	**663**

1. The amount of liabilities to the companies of the Group as at 31.12.2017 includes an amount of €1,221 thousand relating to the flat fee for settlement and trade notification instructions of the fourth quarter of 2017 due by ATHEXClear to ATHEXCSD (there was no relevant liability on 31.12.2016) and €109 thousand for support services.
2. The Hellenic Capital Market Commission Fee (€295 thousand) is calculated on the value of trades in the cash and derivatives markets and is paid to the Hellenic Capital Market Commission within two months of the end of each six-month period. The above mentioned amount concerns the second half of 2017 (note 5.21).
3. For the year 2017, the amount concerns a provision for EY fee of €23 thousand for risk assessment and of €12 thousand for financial audits, while for 2016 the amount concerns provisions for UNAVISTA expenses.
4. For the year 2017, the amount concerns a provision for fees, while there was no relevant amount for 2016.

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

(Amounts in thousands of Euro, unless otherwise indicated) 59

5.31. THIRD PARTY BALANCES AT THE BANK OF GREECE

The ATHEXClear cash balances that concern collateral of the Clearing Members in the form of cash as well as the cash of the Default Fund in accordance with the investment policy of ATHEXClear are held by ATHEXClear in an account that it maintains as a Direct Participant in TARGET2 with the Bank of Greece.

The implementation of the ATHEXClear investment policy commenced immediately with the initiation of the new model for clearing and risk management for the derivatives market on 01.12.2014. The amount of €156,032 thousand, which is broken down below and shown on the Statement of Financial Position of 31.12.2017 both under the assets and under the liabilities, concerns collateral of Members of the derivatives market and the cash market deposited in the ATHEXClear bank account with the Bank of Greece and managed by ATHEXClear.

The implementation of the new model in the cash market in accordance with Regulation (EU) 648/2012 concerning the Default Fund and Member guarantees for the cash market went into effect on 16.02.2015.

	31.12.2017	31.12.2016
Cash Market Default Fund Collaterals	10,475	15,726
Cash Market Default Fund Additional Collaterals	99,324	145,202
Derivatives Market Default Fund Collaterals	8,685	8,207
Derivatives Market Default Fund Additional Collaterals	37,548	35,717
Total	**156,032**	**204,852**

5.32. CURRENT INCOME TAX AND INCOME TAX PAYABLE

The Management of the Company, based on the possibilities offered by tax law, plans its policy so as to minimize its tax obligations. Under this assumption, it is assumed that the profits of the period realized by the Company and its subsidiaries shall be distributed to tax-free reserves at the maximum allowable amount.

Non-deductible expenses mainly include provisions, various expenses, as well as amounts considered non-justifiable as acceptable production expenses in a potential tax audit, which are reformed by management during the calculation of the income tax.

Tax liabilities	31.12.2017	31.12.2016
Income tax	223	0
Deferred Tax	1	4
Income Tax Expense	**224**	**4**

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	676	173
Income tax rate	29%	29%
Expected tax expense	196	50
Tax effect of non-taxable income	0	(46)
Tax effect of non-deductible expenses	28	0
Income tax expense	**224**	**4**

(Amounts in thousands of Euro, unless otherwise indicated) 60

Tax liabilities	31.12.2017	31.12.2016
Liabilities/(Receivables) 31.12	(1,254)	(1,332)
Income Tax Expense	223	0
Taxes paid	0	78
Income tax rebates	957	0
Liabilities / (Receivables) (see note 5.24)	**(74)**	**(1,254)**

In accordance with the tax legislation (Law 4334/2015), the income tax rate applied for legal entities was set at 29% for the fiscal year 2016 onwards.

Under the same Law 4334/2015, the prepayment of corporate income tax has been increased from 80% to 100%.

The Company received from the Greek State within 2017 a tax refund of €976 thousand relating to fiscal year 2013.

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 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.

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. RELATED PARTIES DISCLOSURES

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

	31.12.2017	31.12.2016
Remuneration of executives and managerial staff	97	97

(Amounts in thousands of Euro, unless otherwise indicated) 61

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) 62

The intra-group transactions concern the flat settlement fee (ATHEXCSD Decision 1, Article 1), the settlement instructions (ATHEXCSD Decision 1, Article 1 regarding fees) as well as support services billed at prices similar to those carried out between third parties.

5.34. MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME	
Name	**Position**
Alexios Pilavios	Chairman of the Board, Non-Executive Member
Gkikas Manalis	Vice Chairman, Non-Executive Member
Socrates Lazaridis	Chief Executive Officer
Andreas Mitafidis	Independent Non-Executive Member
Nikolaos Pimplis	Executive member
Charalambos Sachinis	Independent Non-Executive Member
Dionysios Christopoulos	Independent Non-Executive Member

5.35. CONTINGENT LIABILITIES

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

5.36. 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 financial statements by the Board of Directors of the Company on 26.03.2018.

Athens, 26 March 2018

THE CHAIRMAN OF THE BOARD

ALEXIOS PILAVIOS

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