2018 ANNUAL FINANCIAL REPORT

For the period 1 January 2018 - 31 December 2018
In accordance with the International Financial Reporting Standards

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

(in accordance with Article 5 of Law 3556/2007)

WE DECLARE THAT

1. To the best of our knowledge, the accompanying annual Financial Statements, which have been prepared in accordance with the applicable International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity as at 31.12.2018 and the results of fiscal year 2018 of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A."
2. To the best of our knowledge, the accompanying report of the Board of Directors for fiscal year 2018 presents truly and fairly the course, performance and position of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.", including the description of main risks and uncertainties that the Company faces.
3. To the best of our knowledge, the accompanying Financial Statements for fiscal year 2018 are those approved by the Board of Directors of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A." on 18.03.2019.

Athens, 18 March 2019

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

2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF “HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.” FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2018

The Board of Directors of "HELLENIC CENTRAL SECURITIES DEPOSITORY S.A." (ATHEXCSD) presents its annual Report with regard to the financial statements for the year ended 31.12.2018 pursuant to Law 4548/2018.

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 closed on 31.12.2018 at 613.30 points, decreased by 23.6% in relation to 802.37 points at the end of 2017. The average market capitalization came to €52.2 billion, a rise of 4.0% compared to 2017 (€50.2 billion).

The total traded value in 2018 (€13.9 billion) shows a 6.1% decrease compared to the same period last year (€14.8 billion), while the average daily traded value reached €55.7 million compared to €58.8 million in 2017, recording a decrease of 5.3%. The average daily traded volume decreased by 48.7% and came to 37.3 million shares compared to 72.7 million shares.

In the derivatives market, the total trading activity decreased by 28.3% (2018: 13.9 million contracts, 2017: 19.4 million contracts), while the average daily traded volume decreased by 27.7% (56.0 thousand contracts compared to 77.5 thousand contracts).

BUSINESS DEVELOPMENTS

Significant Corporate Actions – Share Capital Increases

HALCOR S.A. merged with the non-listed company ELVAL S.A. by absorption of the latter changed its name to ELVALCHALCOR S.A.

The companies ATTICA BANK S.A. and SFAKIANAKIS S.A. increased their share capital through exercise of the pre-emption right of the existing shareholders, thus raising €94 million.

TERNA ENERGY S.A. increased its share capital by payment of cash and with elimination of the pre-emption right of the existing shareholders, thus raising €41.3 million.

The companies PIPEWORKS TZIRAKIAN PROFIL S.A. and ATTICA HOLDINGS S.A. increased their share through the capitalization of liabilities and with elimination of the pre-emption right of the existing shareholders, in favour of creditors.

The companies P.G. NIKAS S.A. and FORTHNET S.A. listed new shares that resulted from the conversion of existing convertible bonds.

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

Public offers – Tender offers for listed securities

- January 2018 – The procedure for registration of the public offer for the shares of the company THE DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA S.A." was completed.
- April 2018 – The tender offer procedure for the Hellenic Certificates of the company MERMEREN Kombinat AD Prilep was completed.

Forced buyouts (squeeze-outs) of listed companies

- June 2018 – The squeeze-out of the remaining shareholders of the listed company ATHENA S.A. was completed.
- July 2018 – The squeeze-out of the remaining shareholders of the listed company KORRES S.A. - NATURAL PRODUCTS was completed.

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

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

In the above mentioned context, ATHEXCSD actively participates in the actions for the adaptation of the Greek capital market to the new environment, particularly as regards the timely licensing of the company in accordance with the CSDR within 2019. A significant development in that direction is the enactment of Law 4569/2018 "I) Central Securities Depositories, II) Adaptation of the Greek Law to the provisions of Directive (EU) 2016/2258 and other provisions, and III) Other provisions of the Ministry of Finance" (Government Gazette 179A of 11.10.2018).

Specifically, in 2018 ATHEXCSD actively participated in the following initiatives:

- Preparatory actions of ATHEXCSD for the timely implementation of the transitional provisions of the aforementioned CSDR Bill after its adoption.
- Implementation of actions to ensure compliance of ATHEXCSD as part of the procedure for its licensing in accordance with the CSDR.
- Review of the CSDR Level 2 regulatory and technical standards regarding the implementation of settlement discipline measures for the purpose of examining the effects and planning/implementing actions to ensure compliance of ATHEXCSD. It should be noted that the specific provisions were published in the Official Journal of the European Union on 13.09.2018 and that the requirement for compliance of central securities depositories with these provisions becomes effective on14/09/2020.
- Receipt and publication of all decisions required with respect to the timely implementation within the period November 2018 - July 2019 of the actions/tasks specified in paragraphs 7, 8 and 9 of Article 29 of Law 4569/2018 (Government Gazette 179A of 11.10.2018). The implementation of these actions/tasks is an essential requirement for the completion of the necessary adaptations in the ATHEXCSD operating framework, particularly with respect to the Dematerialized Securities System (DSS), for the purpose of completing the application file of the Company for authorization as a central securities depository in accordance with Regulation (EU) 909/2014 (CSDR) and Law 4569/2018 (Government Gazette 179A of 11.10.2018). Information regarding the procedure and the specific conditions for the implementation of the relevant provisions of Law 4569/2018 (Article 29, paragraphs 7, 8 and 9) is published in www.athexgroup.gr/Law4569, while the Table of forced sales assignment for securities to Members and the Table of securities balances to be forced sold per date are published in www.athexgroup.gr/Law4569-ForcedSales.

Project for the update of DSS Account information by the Operators, in accordance with Decisions 1/736 of 02/11/2015 (Government Gazette 2558B of 26/11/2015) and 7/759 of 29/06/2016 (Government Gazette 2130B of 11/07/2016) of the Board of the Hellenic Capital Market Commission and Decision 6 of 27/06/2016 of the Board of ATHEXCSD, in effect as from 30/06/2016

In accordance with the relevant decisions of the Board of the Hellenic Capital Market Commission and of ATHEXCSD, periodic (monthly and quarterly) reviews were performed in 2018 regarding the accuracy of registrations in the active Investor Shares in the Dematerialized Securities System (DSS) by ATHEXCSD and the relevant briefing of the DSS Operators, for the purpose of updating the relevant information maintained in the DSS in accordance with the existing regulatory framework.

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

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

The relevant actions and projects include the following:

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

On the basis of the above, the following reports were submitted by ATHEXCSD with respect to the portfolios held in the special account:

- June 2018 – Submission of the first report in implementation of the FATCA legislation, in accordance with Ministerial Circular 1094 of 21.05.2018/Decision of the Director of the Independent Authority for Public Revenue (Government Gazette 1891B of 24.05.2018).
- June 2018 – Submission of the 2 second report for 2017, in implementation of the OECD Multilateral Competent Authorities Agreement (Common Reporting Standard CRS/DAC2) and the Council Directive 2011/16/EU as it has been amended with Council Directive 2014/107/EU, in accordance with Ministerial Circulars 1135/2017, 1137/2017, 1090/2018 and 1102/2018.

Development of operations of the AXIAlei service

In response to the need for issuing a Legal Entity Identifier (LEI) code for all legal entities carrying out transferable securities transactions as of 03.01.2018 within the first half of 2018 in accordance with the relevant Declaration by the European Securities and Markets Authority (ESMA) and the Hellenic Capital Market Commission, as part of the implementation of the MiFID II Directive and the MiFIR Regulation, ATHEXCSD provided successfully the relevant services.

Overall, in 2018:

- 1,127 new LEI codes were issued by ATHEXCSD;
- 1,216 LEI codes were renewed by ATHEXCSD;
- 14 LEI codes were transferred from another provider to ATHEXCSD;
- 8 LEI codes were transferred from ATHEXCSD to another provider.

COMMENTS ON THE RESULTS

The turnover of ATHEXCSD in 2018 came to €10.7 million compared to €11.00 million, recording a 2.6% decrease in relation to the previous year, while the net profit after tax reached €1.77 million in 2018 compared to €1.84 thousand in the same period last year, recording a decrease of 3.8%. The slight decrease in net profit is due to the reduction in deferred tax following the adoption of IFRS 9.

By decision of the Board in January 2017 the flat annual settlement fee paid to ATHEXCSD by ATHEXClear is calculated at 60% of the revenues of the clearing house from clearing, with a minimum annual amount of €3 million and a maximum annual amount of €15 million.

The results include the following financial indicators for the Company:

	31.12.2018	31.12.2017	Deviation %
EBITDA	31%	38%	(16.8)%
Cash flows after investment (in thousand €)	1,115	2,835	(60.7)%
Return on Assets (ROA) %	4%	3.8%	5.3%
Return on Equity (ROE) %	4%	4.5%	(10.4)%
Degree of financial self-sufficiency	88%	84.0%	4.8%

Expenses

The total expenses of the Company in 2018 amounted to €7.3 million compared to €6.8 million in the previous fiscal year, showing an increase of 6.7%.

Personnel remuneration and expenses came to €3.4 million compared to €3.1 million in the same period last year, showing an increase of 11.0% due to severance payments to employees amounting to €279 thousand and to the actuarial valuation difference amounting to €145 thousand.

SHARE CAPITAL

The share capital of the Company amounts to €24,078,000 and consists of 802,600 shares of a nominal value of €30.00 each. The share capital of the Company did not change in the fiscal year 2018.

DIVIDEND POLICY

The Ordinary General Meeting of 30.05.2018 decided at its unsolicited universal meeting the payment of dividend in the amount of €802,600 or €1.00 per share. The dividend was paid on 14.06.2018 to the Athens Exchange as the sole shareholder of the Company.

TRANSACTIONS BETWEEN RELATED PARTIES

Total trades with related parties amount to €371 thousand and concern the remuneration of executives, compared to €290 thousand in the same period last year. Apart from these transactions, no other transactions were carried out with related parties as defined in IAS 24, which could materially affect the financial position or the performance of the Company during this period.

OUTLOOK FOR 2019

The exit from the Memorandum programmes signifies the completion of a series of structural changes that, coupled 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. New company listings and stock capital increases are planned for 2018, and this is expected to renew the interest of investors. In this regard, conditions will be particularly conducive to privatizations through the Stock Exchange. In turn, such development would foster a positive climate for the stock market.

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

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

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

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

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

TURNOVER - RISKS AND UNCERTAINTIES

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

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

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

RISK MANAGEMENT

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate responsibility is a key characteristic of all advanced societies and economies and concerns the ongoing effort for the improvement of the economic climate, the cultivation of an open dialogue with stakeholders, as well as the active involvement of companies in society.

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

At the Company, we believe that Corporate Social Responsibility concerns us all. It is our responsibility for our impact on society and the environment. Our Group operates in a constantly changing global environment and is confronted every day with challenges concerning its effectiveness as well as its function as an integral part in social and economic developments. In this environment, the trend that now prevails worldwide is that corporations should be encouraged to undertake 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, involves voluntary actions and consists a strategic choice of ours. We have created and maintain an action plan that concerns the environment, the people and education:

- We try to contribute in the alleviation of poverty by supporting the work of volunteer organizations that provide support to our fellow human beings.
- We continue our efforts for the protection of the environment through everyday recycling activities and by adopting new workplace methods intended to save energy.
- We promote and support a programme for offering information and education to schoolchildren, university students and members of the market aiming to develop the stock market culture.
- As an active member of the Greek Network for Corporate Social Responsibility we support its efforts which are aimed at boosting awareness of the Corporate Social Responsibility both in businesses and in the society in general, as well as at attaining a balance between profitability and sustainable development.
- The Company offers a work environment of equal opportunities to all staff, where all rights arising from the legislation are respected. Furthermore, the Company attends to all work issues of the employees and constantly invests in their professional training and development.

MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

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

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

BRANCH OFFICES

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

SIGNIFICANT POST BALANCE SHEET EVENTS

No event with material impact on the results of the Company occurred or was concluded after 31.12.2018, the date of the annual financial statements for 2018, and until the approval of the financial statements for 2018 by the Board of Directors of the Company on 18.03.2019.

Athens, 18 March 2019

The Board of Directors

3. AUDIT REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

Independent auditor's report

To the Shareholders of "Hellenic Central Securities Depository SA" (ATHEXCSD SA)

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of ATHEXCSD SA (the "Company") which comprise the statement of financial position as of 31 December 2018, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2018, its financial performance and its cash flows for the year then ended in accordance with Greek Accounting Standards and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

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Other Information

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

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

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

With respect to Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 201X is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a of the Codified Law 2190/1920.

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

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

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Greek Accounting Standards and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease 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 financial statements

Our objectives are to obtain reasonable assurance about 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 control.

- Obtain an understanding of internal control 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 control.

- 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 Board of Directors’ use 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 financial statements or, if such disclosures are inadequate, to modify 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Halandri, 18 March 2019

THE CERTIFIED AUDITORS

PricewaterhouseCoopers S.A. Certified Auditors 268 Kifissias Avenue 152 32 Halandri SOEL Reg. No. 113	Despina Marinou SOEL Reg. No. 17681	Fotis Smirnis SOEL Reg. No. 52861

4. 2018 ANNUAL FINANCIAL STATEMENTS

For the period 1 January 2018 to 31 December 2018

In accordance with the International Financial Reporting Standards

4.1. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

	Note	01.01 31.12.2018	01.01 31.12.2017
Revenue			
Settlement	5.6	6,350	6,637
Depository Services	5.7	2,446	2,583
IT Services	5.8	41	46
Ancillary services (XNET, LEI, INBROKER)	5.9	1,147	1,142
Revenue from re-invoiced expenses	5.10	124	101
Other Services	5.11	592	480
Total turnover		**10,700**	**10,989**
Hellenic Capital Market Commission Fee	5.12	(90)	(85)
Total revenue		**10,610**	**10,904**
Expenses			
Personnel remuneration and expenses	5.13	3,443	3,101
Third party fees and expenses	5.14	76	97
Utilities	5.15	614	574
Maintenance/IT support	5.16	337	280
Taxes	5.17	406	399
Building/equipment management	5.18	352	373
Other operating expenses	5.19	1,022	1,091
Total operating expenses before ancillary services, depreciation and amortization		**6,250**	**5,915**
Expenses for ancillary services (XNET, IT)	5.20	803	741
Re-invoiced expenses	5.21	214	156
Total operating expenses including ancillary services before depreciation and amortization		**7,267**	**6,812**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**3,343**	**4,092**
Depreciation and amortization	5.22	(1,656)	(1,426)
Earnings before interest and taxes (EBIT)		**1,687**	**2,666**
Capital income	5.25	249	142
Financial expenses	5.25	(3)	(2)
Earnings before tax (EBT)		**1,933**	**2,806**
Income tax	5.28	(162)	(964)
Earnings after tax (A)		**1,771**	**1,842**

Earnings after tax (A)		**1,771**	**1,842**
Other comprehensive income/(loss)			
Items that may be included in the income statement at a later date:			
Other comprehensive income not carried forward to following years			
Profit(Loss) from property revaluation	5.22	2,599	0
Income tax included in other comprehensive income/(loss)		(650)	0
Actuarial Gains/(Losses) from employee compensation provision (note 5.13)		0	(12)
Income tax effect		0	4
Net other comprehensive income (B)		**1,949**	**(8)**
Net other comprehensive income (A) + (B)		**3,720**	**1,834**

Any differences in amounts in the annual financial statements as well as in respective amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of these annual financial statements of 31.12.2018.

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

4.2. ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Tangible assets for own use	5.22	22,528	20,628
Intangible assets	5.22	1,936	1,641
Investments and other non-current assets	5.23	57	57
		24,521	**22,326**
Current assets			
Accounts receivable	5.24	998	2,617
Other accounts receivable	5.24	2,135	2,638
Cash and cash equivalents	5.25	22,221	21,106
		25,354	**26,361**
TOTAL ASSETS		**49,875**	**48,687**
EQUITY AND LIABILITIES			
Equity and reserves			
Share Capital	5.26	24,078	24,078
Reserves	5.26	11,487	9,445
Retained earnings	5.26	8,131	7,256
Total equity		**43,696**	**40,779**
Non-current liabilities			
Employee compensation provision	5.29	525	646
Other provisions	5.29	40	40
Deferred tax liabilities	5.27	1,483	1,568
		2,048	**2,254**
Current liabilities			
Accounts payable and other liabilities	5.30	3,968	5,136
Taxes payable	5.28	8	370
Social security		155	148
		4,131	**5,654**
TOTAL LIABILITIES		**6,179**	**7,908**
TOTAL EQUITY & LIABILITIES		**49,875**	**48,687**

Any differences in amounts in the annual financial statements as well as in respective amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of these annual financial statements of 31.12.2018.

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4.3. ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Reserves	Retained earnings	Total Equity
Balance on 01.01.2017	**24,078**	**9,390**	**6,280**	**39,748**
Profit for the period	0	0	1,842	1,842
Other comprehensive income after tax	0	0	(8)	(8)
Total comprehensive income for the period after tax	**0**	**0**	**1,834**	**1,834**
Dividend distribution	0	0	(803)	(803)
Creation of statutory reserve	0	55	(55)	0
Balance on 31.12.2017	**24,078**	**9,445**	**7,256**	**40,779**
Profit for the period	0	0	1,771	1,771
Other comprehensive income for the period after tax	0	0		0
Total comprehensive income for the period after tax	**0**	**0**	**1,771**	**1,771**
Dividend distribution			(803)	(803)
Creation of property revaluation reserve	0	1,949		1,949
Creation of statutory reserve		93	(93)	0
Balance on 31.12.2018	**24,078**	**11,487**	**8,131**	**43,696**

Any differences in amounts in the annual financial statements as well as in respective amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of these annual financial statements of 31.12.2018.

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4.4. ANNUAL CASH FLOW STATEMENT

(In thousand €)	Note	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Cash flows from operating activities			
Profit before tax		1,933	2,807
Plus/(minus) adjustments for:			
Depreciation and amortization	5.22	1,656	1,426
Provisions for employee compensation	5.13	(120)	(65)
Allowance for doubtful accounts		387	400
Interest income	5.25	(249)	(142)
Interest paid and related expenses		3	2
Plus/(minus) adjustments for changes in working capital accounts or relating to operating activities			
(Increase)/Decrease in receivables		1,736	(1,037)
Increase/(Decrease) in liabilities (except loans)		(1,161)	644
Total adjustments for changes in working capital accounts		**4,185**	**4,022**
Interest and related expenses paid		(3)	(2)
Income tax paid		(1,260)	295
Total inflows/outflows from operating activities (a)		**2,922**	**4,315**
Purchase of tangible and intangible assets	5.22	(1,252)	(819)
Interest received	5.25	249	142
Total inflows/(outflows) from investing activities (b)		**(1,003)**	**(677)**
Dividend payments	5.31	(803)	(803)
Total outflows from financing activities (c)		**(803)**	**(803)**
Net increase/(decrease) in cash and cash equivalents at the beginning of the period (a) + (b) + (c)		**1,116**	**2,835**
Cash and cash equivalents at the beginning of the period	**5.25**	**21,106**	**18,271**
Cash and cash equivalents at the end of the period	**5.25**	**22,222**	**21,106**

Any differences in amounts in the annual financial statements as well as in respective amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of these annual financial statements of 31.12.2018.

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5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR 2018

5.1. GENERAL INFORMATION ABOUT THE COMPANY

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

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

The annual financial statements of the Company for fiscal year 2018 have been approved by the Board of Directors at the meeting of 18.03.2019. The financial statements of the Company are included in the Consolidated Financial Statements prepared by the Athens Exchange Group and have been posted on the Internet at www.athexgroup.gr.

Dematerialized Securities System Administrator

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

According to decision 1 on “DSS management and operation fees” in Article 1 a flat annual settlement fee is paid for the settlement services provided by the Company to clearing houses, calculated at 60% of the revenues resulting in the clearing house from the clearing of transactions, with a minimum amount of €3.0 million and a maximum amount of €15.0 million payable annually. The revenues of the Company from the above-mentioned activity from ATHEXClear in 2018 amounted to €4.4 million (note 5.6).

5.2. BASIS OF PREPARATION 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 2018. There are no standards and interpretations of standards that have been applied before the date they were put into effect.

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

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

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

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

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

Income tax

Judgement is required of the Company for the establishment of the provision for income tax. There are many transactions and calculations for which the final assessment of the tax is uncertain. If the final tax figure is different from the amount initially recognized, the difference will affect the income tax in the fiscal year in which the assessment of the tax differences will be made (note 5.28).

Provisions for trade and other receivables

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

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates regarding the useful life of depreciable assets. These residual useful lives are periodically reassessed in order to estimate whether they continue to be appropriate. Also, Management evaluates the real estate market conditions and makes assessments regarding the valuation of property (note 5.22).

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, salary increase rates and mortality rates. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty (note 5.13).

Deferred tax claims

Deferred tax claims 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 (notes 5.13 and 5.29).

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 5.29).

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, however Greece is expected to gradually overcome the economic crisis and, supported by the significant and necessary structural reforms will enter a phase of growth.

Going concern

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

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

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

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

The following table shows the classification of the published Statement of Comprehensive Income of the Company in the new structure/presentation of accounts that the Group decided to implement as from 01.01.2017.

		01.01	01.01
	Note.	31.12.2017	31.12.2017

		Modified	Published
Revenue			
Settlement	5.6	6,637	6,637
Depository Services	5.7	2,583	2,583
IT Services	5.8	46	46
New Services (Xnet, CP CSE-Sibex, IT)	5.9	1,142	1,142
Other Services	5.10	101	101
Total turnover		**10,989**	**10,989**
Hellenic Capital Market Commission Fee	5.12	(85)	(85)
Total revenue		**10,904**	**10,904**
Expenses			
Personnel remuneration and expenses	5.13	3,101	3,101
Third party fees and expenses	5.14	97	97
Utilities	5.15	574	574
Maintenance/IT support	5.16	280	280
Taxes	5.17	399	399
Building/equipment management	5.18	373	373
Marketing and advertising expenses	5.19	1,091	0
Expenses of participation in organizations		0	14
Insurance premiums		0	289
Operating expenses		0	22
Bank of Greece - cash settlement		0	710
Other expenses		0	56
Building/equipment management		0	0
Total operating expenses		**5,915**	**5,915**
Re-invoiced expenses	5.21	156	156
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.20	741	741
Total operating expenses, including new activities		**6,812**	**6,812**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**4,092**	**4,092**

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. Conversion of foreign currencies

Functional and presentation currency

The data in the Financial Statements of the Company are measured in the currency of the financial environment in which each company functions (functional currency). The Financial Statements are presented in euro, the functional currency of the Parent Company.

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Transactions and balances

Transactions in foreign currency are converted to the functional currency using the exchange rates in effect on the date of the transactions. Profits and losses that arise from the settlement of transactions in foreign currency, as well as from the valuation, at the end of the fiscal year, of the currency assets and liabilities that are expressed in foreign currency, are booked in the Statement of Comprehensive Income. Foreign exchange differences from non-currency assets that are valued at fair value are considered part of the fair value and are therefore booked just like differences in fair value.

5.3.2. Tangible assets

Tangible owner-occupied assets

Real estate (plots of land – buildings) belonging to fixed assets are recorded at their adjusted values, during the first application of IFRS, and subsequently at fair value which is based on estimated made by independent estimators, less future building depreciation. Estimations are made regularly in order for the fair value of the adjusted asset not to differ significantly from its book value.

Other tangible assets used are recorded in the financial statements at acquisition cost minus accumulated depreciation and any value impairment provisions.

The acquisition cost includes all the direct expenses for the acquisition of the assets.

Later expenses are recognized as an increase in the book value of the tangible fixed assets or as a separate asset only if it is probable that future financial benefits will flow to the Group, and the cost can be reliably measured.

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

Depreciation of other tangible assets (except plots of land which are not depreciated) is calculated using the straight line method during their useful life.

	Useful life after 1.1.2014
Buildings and construction	25 years ή 4%
Machinery	5 years ή 20%
Means of transportation	6.25 years ή 16%
Other equipment	5-10 years ή 20-10%

The useful life of tangible assets and their salvage values 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.

When tangible assets are retired or sold, the associated cost and the accumulated depreciation are eliminated from the relevant accounts at the time the asset is retired or sold, and the associated profits or losses are recognized in the Statement of Comprehensive Income.

5.3.3. Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus accumulated depreciation and any impairment. Depreciation is calculated using the straight line method during the useful life of these assets, which is budgeted to 5 years.

It is noted that the depreciation rates for intangible assets / rights is 10%, except for development expenses that are capitalized and amortized – starting on 1.1.2018 – over 5 years.

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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 recognized in the Statement of Comprehensive Income. The recoverable amount is calculated as the greater of the fair value less sale expenses and the value-in-use.

Fair value less sale expenses is the amount that results from the sale of an asset in an independent transaction between informed and willing parties, after subtracting all additional direct sale expenses, while the value-in-use is the present value of the estimated future cash flows that are expected to occur from the continuous use of the asset and its disposal at the end of its useful life. In order to evaluate the impairment, the assets are grouped at the lowest level for which there are discrete recognizable cash flows.

5.3.5. Financial instruments

A financial instrument is any contract that simultaneously creates a financial asset for one financial entity and a financial liability or participatory title for another financial entity.

Initial recognition and subsequent measurement of financial assets

Starting on 1 January 2018, financial assets are classified, when initially recognized, and subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through results. The classification of financial assets when initially recognized is based on the contractual cash flows of the financial assets and the business model within which the financial asset is kept.

Excluding client claims, the Group initially values a financial asset at fair value plus the transaction costs, in case of a financial asset that is not valued at fair value through results. Client claims are initially valued at transaction cost as specified by IFRS 15.

In order to classify and value a financial asset (excluding equity securities) at amortized cost or at fair value through other comprehensive income, cash flows that constitute “exclusively principal and interest payments” on the outstanding balance of capital. This assessment is known as SPPI ("Solely Payments of Principal and Interest") criterion and is made at the level of the individual financial instrument.

Following initial recognition, financial assets are classified in three categories

- At amortized cost
- At fair value through other comprehensive income
- At fair value through results

The Company does not possess assets that are value at fair value through results on 31 December 2018.

Financial assets are amortized cost

Financial assets recorded at amortized cost are later valued based on the Effective Interest Rate (EIR) method and are subject to an impairment test of their value. Profits and losses are recognized in the results when the asset ceases to be recognized, modified or impaired.

Financial assets classified at fair value through comprehensive income

At initial recognition, the Group can choose to irrevocably classify participatory investments as participatory titles at fair value through comprehensive income when they fulfil the definition of equity position in accordance with IAS 32 Financial instruments: Presentation, and are not held for trading. Classification takes place for each financial instrument individually.

Profits and losses from these financial assets are never recycled in profits or losses. Dividends are recognized as other revenue in the profit and loss statement when the right to payment has been established, unless the Group benefits from that revenue to recuperate part of the cost of the financial asset, in which case this income is recognized in the statement of comprehensive income. Equity instruments identified at fair value through comprehensive income are not subject to an impairment test.

The Company does not possess financial assets in this category.

Impairment of financial assets

The Company evaluates at each reporting date information concerning whether the value of a financial asset or a group of financial assets has been impaired as follows:

For client claims and contractual assets, the Group and the Company apply the simplified approach to calculate expected credit losses. Therefore, at each reporting date, the Company measures the loss provision for a financial asset in an amount equal to the expected credit losses for the duration, without monitoring changes in credit risk.

Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to the inflow of cash resources have expired
- The Company retains the right to the inflow of cash flows from the financial asset, but has also assumed the obligation to pay them to third parties in full, without substantial delay, in the form of a transfer agreement, or
- The Company has transferred the right to the inflow of cash flows from the asset and at the same time has either (a) essentially transferred all risks and benefits from it, or (b) has not essentially transferred all risks and benefits, but has transferred control of the asset.

When the Company transfers the cash inflow rights from an asset or concludes a transfer contract, it assesses the extent to which it maintains the risks and benefits of ownership of the asset. When the Company neither transfers nor substantially maintains all risks and benefits of the asset being transferred and maintains control of the asset, then the asset is recognized to the extent that there is continuous participation of the Company in that asset. In that case, the Company also recognizes a related obligation. The transferred asset and the related liability are measured on a basis that reflects the rights and commitments that the Company have maintained.

Initial recognition and subsequent measurement of financial obligations

All financial liabilities are initially valued at fair value less transaction costs in case of loans and payables.

Derecognition of financial obligations

A financial obligation is deleted when the commitment resulting from the obligation is cancelled or expires. When an existing financial obligation is replaced by another one by the same creditor but with substantially different conditions, or the conditions of an existing obligation are substantially altered, this exchange or amendment is treated as a derecognition of the original obligation and a recognition of a new obligation. The difference in the corresponding accounting values is recognized in the income statement.

Offsetting financial claims and obligations

Financial claims and liabilities are offset and the net amount is shown in the statement of financial position only when the Group or the Company has a legal right to do so and intends to offset them on a net basis between them or claim the asset and settle the obligation at the same time. The legal right must not depend on future events and must be able to be enforced in the normal course of the work even in the event of default, insolvency or bankruptcy of the company or counterparty.

5.3.6. Other long term claims

Other long term claims may include rent guarantees, guarantees to utilities (OTE, PPC etc.) and other long term duration amounts. Other long term claims are valued at book value using the real interest rate method.

5.3.7. Clients and other trade receivables

Client receivables are initially recognized at fair value, and subsequently valued at amortized cost using the real interest rate, less any impairment losses. On each financial reporting date, all past due or doubtful debts are evaluated in order to determine whether or not a provision for doubtful debts is required. The balance of the particular provision for doubtful debts is appropriately adjusted on each closing date of the financial statements in order to reflect the possible risks.

It is the policy of the Company and the Group almost never to write-off any such claims until all possible legal recourse for their collection has been exhausted. Commercial and other short term client claims and debtors are usually settled by the Group and the Company within 60 days, while if they become past due, no late payment fees are charged to clients.

5.3.8. Cash and cash equivalents

Cash and cash equivalents include cash at hand, sight deposits and short term (up to 3 months) investments, having high liquidity and low risk.

For the purposes of preparing the Statement of Cash Flows, cash assets consist of cash and bank deposits, as well as cash equivalents as described above.

5.3.9. Share Capital

Share capital includes the common stock of the Company that has been issued and is in circulation.

5.3.10. Current and deferred income tax

Current and deferred tax is calculated based on 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 adjusted in their tax declarations, any additional income tax that is assessed by the tax audits of the tax authorities, and from deferred income taxes based on the enacted tax rates.

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

Deferred tax is not recognized when it arises at the initial recognition of an asset or a liability from a transaction that is not a business combination and at the time of the transaction it affects neither the accounting nor the taxable result (profit / loss).

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

Deferred tax claims are recognized to the extent that there will be a future tax gain for the offset of the temporary difference that creates the deferred tax claim.

Deferred income tax is determined on the temporary differences that arise from investments in subsidiaries and associated companies, with the exception of the case when reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax claims and liabilities are offset when there is a legally enforceable right to offset current tax claims and liabilities, and when the deferred tax claims and liabilities concern income tax that is imposed by the same tax authority either to the same taxable entity or to different taxable entities when there is the intention to settle the balances on a net basis.

5.3.11. Employee benefits

Current benefits

Current benefits to employees in cash and in kind are recognized as an expense when they accrue.

Staff retirement obligations

Staff retirement obligations include both defined contributions plans as well as defined benefits plans.

Defined contribution plan

Under the defined contributions plan, the obligation of the company (legal) is limited to the amount agreed to be contributed to the organization (social security fund) which manages the contributions and grants the benefits (pensions, health care etc.).

The accrued cost of the defined contributions schemes is recognized as an expense in the corresponding period.

Defined benefits plan

The defined benefits plan of the Company concerns its legal obligation to pay a lump sum indemnity to each employee upon retirement.

The liability recognized in the Statement of Financial Position for this plan is the present value of the obligation for the defined benefit depending on the accrued right of the employees and in relation to the specific point of time that this benefit is expected to be paid.

The present value of the defined benefit liability is calculated by discounting the future cash outflows with a discount rate equal to the interest rate of long-term, high credit rating corporate bonds that have a duration approximately equal to the pension plan.

The actuarial profits or losses that arise from the adjustments based on historical data are directly recognized in Other Comprehensive Income (note 5.13).

5.3.12. Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions that have been set for payment. When government grants are related to an asset, the fair value is recorded in 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 is related to an expense, it is recognized as revenue in the fiscal year required in order for the grant to correspond on a systematic basis to the expenses it is intended to compensate.

5.3.13. Provisions and contingent liabilities

Provisions are recognized when:

- the Company has a current commitment (legal or inferred) as a result of a past event;
- it is likely that an outflow of resources incorporating financial benefits will be required to settle the commitment and it is possible to reliably estimate the amount of the commitment.

Provisions are re-examined on the preparation date of the financial statements and are adjusted so as to reflect the best possible estimates, and, whenever deemed necessary, they are adjusted based on a pre-tax discount rate.

Contingent liabilities are not recognized in the financial statements, but are published, unless the possibility of an outflow of resources which incorporate financial benefits is minimal. Contingent claims are not recognized in the financial statements, but are published provided the inflow of financial benefit is likely.

5.3.14. Revenue recognition

Revenue includes the fair value of the transactions, net of any taxes recovered, rebates and returns. Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the relevant amounts can be reliably measured.

The Company recognizes revenue, excluding interest income, dividends and any other source derived from financial instruments (which are recognized based on IFRS 9), to the extent that they reflect the consideration which the Company is entitled to from the transfer of the goods and services on the basis of a five-step approach:

1. Recognition of client contracts
2. Recognition of the terms of the contracts
3. Determination of the price of the transaction
4. Allocation of the price of the transaction according to the terms of the contracts
5. Revenue recognition when the Company fulfils the terms of the contracts

The following specific recognition criteria must also be satisfied when revenue is recognized:

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

Revenue from stock, bond etc. trading is recognized at the time the transaction is concluded and clearing and settlement take place at the Exchange.

Revenue from derivative products

Revenue from the derivatives market is recognized at the time the transaction is cleared at Athens Exchange through ATHEXClear, the transactions clearing entity.

Revenue from Members (fees)

Revenue is recognized when the Members are invoiced at the end of each month both for securities and derivatives.

Collection of transactions in the cash market takes place on the day following settlement, or the third working day of the following month, provided the Member submits such a request. In the derivatives market, collection takes place on the day following settlement.

Revenue from listed companies

Revenue concerning subscriptions, one-off fees, company listings, rights issues, and HERMES System services, is recognized at the time the relevant invoices are issued, when the corporate action is completed.

Revenue from market data vendors

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

Technical support services

Revenue from technical support services is recognized at the time the service provided is completed.

Other services

Revenue from other services is recognized at the time the service provided is completed.

Interest income

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

5.3.15. Commercial and other liabilities

Supplier balances and other liabilities are recognized at the cost associated with the fair value of the future payment for the purchase of services rendered. Commercial and other short term liabilities are not interest bearing and are usually settled within 60 days by the Group and the Company.

5.3.16. Expenses

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

Dividend distribution

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

5.3.17. Profits / (losses) per share

Basic profits / (losses) per share are calculated by dividing the net profits / (losses) that correspond to the shareholders of the parent company by the average weighted number of shares that are in circulation during each year, excluding the average of the common stock that was acquired by the Group as treasury stock.

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

5.3.18. Research and development

Expenditures for research activities that take place with the intention of the Company to acquire new technical knowledge and expertise are recognized in the Statement of Comprehensive Income as an expense when they occur. Development activities presuppose the drafting of a study or a 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 is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, having at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

The capitalization of expenditures 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 expenditures are capitalized only when they increase the expected future economic benefits that are incorporated in the specific asset to which they refer. All other expenditures, including expenditures for internally created surplus value and trademarks, are recognized in the Statement of Comprehensive Income.

Depreciation is recognized in the Statement of Comprehensive Income using the straight line method for the duration of the useful life of the intangible assets, starting on the date they are available for use. The useful life for the current and the comparative period in the capitalization of development costs is 5 years starting on 1.1.2018.

The profit or loss that arises from derecognizing an intangible asset is determined as the difference between the net disposal proceeds, if they exist, and the book value of the asset. This profit or loss is recognized in the Statement of Comprehensive Income when the asset is derecognized.

5.3.19. Treasury stock

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

5.3.20. New standards, amended standards and interpretations

New standards, amended standards and interpretations: Specific new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2018. The Company'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

IFRS 9 *"Financial Instruments"*

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 that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The effect from applying the standard to the Company is described in note 5.24.

IFRS 15 *"Revenue from Contracts with Customers"*

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 recognizes 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. Adoption of this standard by the Company has no effect.

IFRS 4 (Amendments) *"Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"*

The amendments introduce two approaches. The amended standard: a) gives 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) gives companies, whose activities are predominantly connected with insurance, an optional temporary exemption from applying IFRS 9 until 2021. The entities that have elected to defer the application of IFRS 9 continue to apply the existing financial instruments standard—IAS 39. Adoption of this standard by the Company has no effect.

IFRS 2 (Amendments) *"Classification and measurement of Shared-based Payment transactions"*

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. Adoption of this standard by the Company has no effect.

IAS 40 (Amendments) *"Transfers of Investment Property"*

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. Adoption of this standard by the Company has no effect.

IFRIC 22 *"Foreign currency transactions and advance consideration"*

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. Adoption of this standard by the Company has no effect.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

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

Standards and Interpretations effective for subsequent periods

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.

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 does not expect that this Standard will have an effect on its Financial Statements.

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 and its objective is to ensure that an entity provides relevant information that faithfully represents those 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.

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.

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

The interpretation explains how to recognise 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.

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.

IFRS 3 (Amendments) *"Definition of a business"* (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) *"Definition of material"* (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

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

The amendments set out below include changes to four IFRSs. 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.

5.3.22. Effect from the adoption of new IFRSs

The Company implemented, for the first time, IFRS 15 "Income from Contracts with Customers" and IFRS 9 "Financial Instruments" with the method of cumulative effect (i.e. the modified retroactive approach), with the effect of the adoption of these Standards being recognized on the date of initial application (i.e. 1 January 2018). Correspondingly, the information relating fiscal year 2017 has not been restated, i.e. it is classified according to the previous standards, IAS 18, and IAS 39 and the related interpretations.

IFRS 15 Revenue from contracts with customers

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations and applies to all revenue arising from contracts with customers, unless such contracts fall within the scope of other standards. The new Standard establishes a five-stage model to measure revenue arising from contracts with customers, as follows:

1. Determination of contract (s) with the customer
2. Determination of the performance obligations.
3. Determination of the transaction price.
4. Allocating the transaction price to the performance obligations of the contract.
5. Recognition of revenue when (or while) an entity fulfils a performance obligation.

The basic principle is that an entity will recognize revenue in a way that reflects the transfer of goods or services to customers in the amount it expects to be entitled in return for these goods or services. It also includes the principles that an entity must apply to determine the measurement of revenue and the time it is recognized. According to IFRS 15, revenue is recognized when the customer gains control over the goods or services, specifying the time of the transfer of the check-either in a given time or in the long term.

As of 1 January 2018, the Group adopted the new standard by applying the modified retroactive approach without any adjustment to comparative information. The new Standard did not have a significant impact on the financial statements at its application, since there were no significant differences in the implementation of the new accounting policies. Therefore, the application of IFRS 15 did not have any impact retained earnings nor were adjustments necessary for the transition to it.

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 concerning the classification and measurement of financial assets and financial liabilities and also includes a model of expected credit losses which replaces the model of the realized credit losses.

The new provisions for impairment losses, in some cases, result in the expected losses being recognized earlier.

(a) Classification and measurement

IFRS 9 maintains to a large extent the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 had no effect on the Company’s accounting policies concerning financial liabilities.

According to IFRS 9, financial assets after initial recognition will be measured at fair value through the income statement, amortized cost or fair value through the statement of other comprehensive income. The classification is based on the following two criteria: The business model that is followed by the Company for the management of the specific data and the characteristics of their contractual cash flows.

Financial assets (investments in equity instruments) which the Group had designated as available for sale under IAS 39, are now classified as investments in equity instruments and will be measured at fair value through the statement of other comprehensive income. Changes from the valuation of equity instruments are included in the "items that will not be sorted in the future in the profit and loss statement". IFRS 9 allows companies the irrevocable option to measure an investment in an equity instrument title that is not held for trading at fair value through other comprehensive income.

As a result of the implementation of the new standard, the Company transferred an amount of €1.57m from retained earnings to reserves.

(b) Impairment

The adoption of IFRS 9 resulted in a change in the Company' accounting practices to deal with financial instrument impairment losses as it replaced the handing of IAS 39 for the recognition of incurred losses by recognizing expected credit losses.

Regarding 'Customers', the Company implemented the simplified approach of the standard and calculated the expected credit losses over the lifetime of the claims. To this end, a table was used to calculate the relevant provisions in a way that reflects experience from past events, as well as the forecasts of the future financial situation of customers and the economic environment.

As a result of the implementation of the new standard, the results were burdened by an additional provision for bad debts of €21 thousand for the Company.

5.4. RISK MANAGEMENT

Risk Management Environment

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

Risk management is performed by the relevant departments of the Company and the Group.

The excellent organization of the Company, 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.

Risk Strategy and Risk Management

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

Foreign exchange risk

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

Price risk

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

Credit risk

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

Liquidity risk

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

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

The operating revenues and the cash flows of the Company are independent of changes in interest rates.

Financial products - Fair value

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

5.5. CAPITAL MANAGEMENT

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

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

5.6. SETTLEMENT

	31.12.2018	31.12.2017
Off-exchange transfers OTC	1,373	1,490
Exchange transfers	5	3
Trade notification instructions	574	586
Flat order settlement fees	4,398	4,558
Total	**6,350**	**6,637**

Revenue in this category amounted to €6.356 million in 2018 compared to €6.63 million in the same period last year, recording a decrease of 4.3%, and includes revenues from the trade settlement services provided to ATHEXClear, as flat settlement fee amounting to €4.4 million, revenues from settlement notification instructions amounting to €574 thousand, as well as revenues from over-the-counter transfers amounting to €1.4 million.

According to a decision of the Board of Directors of ATHEXCSD, the flat annual settlement fee changes as of 01.01.2017 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.

5.7. DEPOSITORY SERVICES

This category includes revenue from rights issues by listed companies, quarterly operator subscriptions as well as revenue from inheritances etc. This revenue in 2018 amounted to €2.45 million, compared to €2.58 million in the same period last year, showing a decrease of 5.3%.

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	31.12.2018	31.12.2017
Issuers (rights issues - AXIA LINE) (1)	870	814
Greek State Bonds - Securities	82	136
Investors	107	95
Flat listing fees (3)	19	213
Operators (2)	1,368	1,325
Total	**2,446**	**2,583**

1. Fees on corporate actions by issuers (including the share capital increases of the companies) in 2018 came to €419 thousand (ELVALCHALCOR €73 thousand, ATTICA BANK €65 thousand, ATTICA GROUP €41 thousand, TERNA ENERGY €40 thousand, AUDIOVISUAL ENTERPRISES €38 thousand, IASO €27 thousand, NIKAS €24 thousand, INTRACOM €24 thousand etc.) compared to €445 thousand (FRIGOGLASS €101 thousand, ALPHA BANK €95 thousand, MYTILINEOS €33 thousand, ATHENA €35 thousand, INTRAKAT €31 thousand, NIKAS €31 thousand, TRASTOR €30 thousand etc.), i.e. recorded a 8.5% decrease, and the listing of corporate bonds came to €26 thousand (GEK TERNA €10 thousand, CORAL €10 thousand, B&F €6 thousand etc.), compared to €40 thousand in 2017 (MYTILINEOS €10 thousand, SUNLIGHT€10 thousand SUNLIGHT, OPAP €10 thousand, TERNA ENERGY €10 thousand). Revenue from the provision of online information to listed companies amounted to €204 thousand in 2018 compared to €202 thousand in the same period last year. Revenue from disclosure of cash payment beneficiaries amounted to €98 thousand compared to €94 thousand in the same period last year. This category also includes revenues from bond representative services amounting to €45 thousand (€26 thousand in 2017) and revenues from the Electronic Book Building (EBB) amounting to €72 thousand for 2018, while there was no such revenue in 2017.
2. Revenues from operators include revenues from monthly subscriptions amounting to €1,028 thousand compared to €993 thousand in the same period of 2017, calculated on the value of the portfolio of the operators, revenue from usage authorization number amounting to €135 thousand compared to €121 thousand, revenue from opening investor account of €66 thousand compared to €89 thousand in the same period of 2017 and other operator revenues.
3. Revenue from ATHEX listing fees amounted to €19 thousand and concerns the listing of CNL CAPITAL. In 2017, revenue from ATHEX flat listing fees amounted to €213 and comprise €180 thousand for the listing of ADMIE HOLDINGS and €33 for the listing of BRIQ PROPERTIES.

5.8. IT SERVICES

Revenues in this category, which concern DSS terminal licenses, in 2018 amounted to €41 thousand recording a 10.9% decrease in relation to the same period last year.

	31.12.2018	31.12.2017
DSS terminal licenses	41	46
Total	**41**	**46**

5.9. ANCILLARY SERVICES

Revenue from ancillary services recorded an increase of 0.4% and is broken down in the following table.

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	31.12.2018	31.12.2017
Revenue from Xnet	114	103
Revenue from InBroker service (see table below)	455	569
Co-location services (1)	29	114
CSE Common Platform	132	80
EMIR TR/LEI Service (2)	250	164
Singular securities	0	(8)
Market suite	117	120
Services for use of DESFA auction platform	50	0
Total	**1,147**	**1,142**

(1) Co-location services include provision of space, network services and database services and amounted to €29 thousand in 2018 compared to €114 thousand in the same period of 2017.

(2) When reporting transactions, liable parties are identified based on their Legal Entity Identifier (LEI) code, a unique code for each legal entity issued in accordance with ISO17442 and supervised by the Regulatory Oversight Committee for the Global Entity Identifier System (LEIROC) that has been appointed by the Financial Stability Board.

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

	31.12.2018	31.12.2017
InBroker technological infrastructure	125	124
InBroker terminals	194	253
InBroker technical solution	97	102
InBroker Xnet	39	90
Total	**455**	**569**

5.10. REVENUE FROM RE-INVOICED EXPENSES

The amount of expenses re-invoiced to customers in 2018 came to €124 thousand compared to €101 in the same period last year and relate to the cost of electricity for the co-location service.

5.11. OTHER SERVICES

Revenue from other services is broken down in the following table:

	31.12.2018	31.12.2017
Training	1	3
Rents	322	271
Provision of support services to Companies of the Group	257	186
Other	12	20
Total	**592**	**480**

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5.12. HELLENIC CAPITAL MARKET COMMISSION FEE

The operating results of 2018 do not include the Hellenic Capital Market Commission fee, which amounted to €90 thousand compared to €89 thousand in the same period last year. This fee is received on behalf of the Hellenic Capital Market Commission and paid to the same within two months of the end of each six-month period.

5.13. PERSONNEL REMUNERATION AND EXPENSES

Personnel remuneration and expenses in 2018 amounted to €3.44 million compared to €3.10 million in the same period last year, recording an increase of 11.0%.

In accordance with the new accounting principle applied as of 01.01.2013, expenses (CAPEX creation) concerning development of systems of the Company are capitalized. The amount capitalized in 2018 runs to €349 thousand compared to €484 thousand in the same period last year.

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

EMPLOYEES	31.12.2018	31.12.2017
Salaried employees	88	85
Total Personnel	**88**	**85**

PERSONNEL REMUNERATION AND EXPENSES	31.12.2018	31.12.2017
Personnel remuneration	2,266	2,226
Employer contributions	566	529
Severance payments to employees	279	184
Net change in the employee compensation provision (actuarial valuation)	(22)	(167)
Other benefits (insurance premiums etc.)	354	329
Total	**3,443**	**3,101**

The increase in personnel remuneration and expenses results from the severance payments to employees in 2018, as well as from the change in the actuarial valuation.

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

Obligations to employees

The changes in the provision for 2018 are shown in detail in the following table:

Accounting Presentation in accordance with the revised IAS 19 (amounts in €)	Company	
Period	31.12.2018	31.12.2017
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	525,435	547,761
Net liability recognized in the Statement of Financial Position	**525,435**	**547,761**
Amounts recognized in the Profit & Loss Account		

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Cost of current employment	10,141	15,755
Net interest on the liability/(asset)	8,929	12,516
Regular expense in the Profit & Loss Account	**19,070**	**28,271**
Recognition of past service cost	0	(28,903)
Cost of staff reduction/settlement/termination	342,159	72,055
Other expenses/(revenue)	(5,713)	(152,542)
Total expense in the Profit & Loss Account	**355,516**	**(81,119)**
Change in the present value of the liability		
Present value of the liability at the beginning of the period	547,761	703,138
Cost of current employment	10,141	15,755
Interest expense	8,929	12,516
Benefits paid by the employer	(377,434)	(86,114)
Cost of staff reduction/settlement/termination	342,159	72,055
Past service cost during the period	0	(28,903)
Other expenses/(revenue)	(5,713)	(152,542)
Actuarial loss/(gain) - financial assumptions	(10,000)	13,403
Actuarial loss/(gain) - experience for the period	9,592	(1,547)
Present value of liability at the end of the period (note 5.29)	**525,435**	**547,761**
Adjustments		
Adjustments to liabilities due to change in assumptions	10,000	(13,403)
Experience adjustments in liabilities	(9,592)	1,547
Total actuarial gain/(loss) in Equity	**408**	**(11,856)**
Net liability at the beginning of year	547,761	703,138
Benefits paid by the employer	(377,434)	(86,114)
Total expense recognized in the Profit & Loss Account	355,516	(81,119)
Total amount recognized in Equity	(408)	11,856
Net liability at the end of the period (note 5.29)	**525,435**	**547,761**

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

Actuarial assumptions	31.12.2018	31.12.2017
Discount rate	1.77%	1.63%
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%
Normal 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	15.35	16.46

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

Cash flows *Expected benefits from the plan in the next fiscal year*	Company 31.12.2018	 31.12.2017
Sensitivity Scenarios for the Economic and Demographic Assumptions Used		
Sensitivity 1 - Discount rate plus 0.5% - Difference % in the present value (PV) of liabilities	(7.10)%	(7.63)%
Sensitivity 2 - Discount rate minus 0.5% - Difference % in the present value (PV) of liabilities	7.75%	8.36%

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Sensitivity 3 - Annual inflation plus 0.5% - Difference % in the present value (PV) of liabilities	7.77%	8.37%
Sensitivity 4 - Annual inflation minus 0.5% - Difference % in the present value (PV) of liabilities	(7.18)%	(7.71)%
Sensitivity 5 - Salary increase assumption plus 0.5% - Difference % in the present value (PV) of liabilities	7.33%	7.92%
Sensitivity 6 - Salary increase assumption minus 0.5% - Difference % in the present value (PV) of liabilities	(7.00)%	(7.55)%

5.14. THIRD PARTY FEES AND EXPENSES

Third party fees and expenses of the Company are broken down below:

	31.12.2018	31.12.2017
Fees to auditors	25	25
Fees to consultants	26	47
Other fees	25	25
Total	**76**	**97**

5.15. UTILITIES

	31.12.2018	31.12.2017
Fixed telephony - Mobile telephony - Internet	102	113
Leased lines - ATHEXNet	66	52
Power (electricity) supply (PPC)	441	403
Water supply and sewerage (EYDAP)	5	6
Total	**614**	**574**

This category includes expenses for electricity, water, fixed and mobile telephony and telecommunications networks, which in total amounted to €614 thousand.

5.16. MAINTENANCE/IT SUPPORT

The account for maintenance and IT support includes the maintenance of the technical equipment of the Company, as well the technical support of IT systems. In 2018 this expense came to the amount of €337 thousand compared to €280 thousand in the same period of 2017. The increase relates to software licences in 2017 that had not been billed, as well as Jira software licences.

5.17. TAXES

The taxes, mainly VAT, charged on the cost of services came to €406 thousand in 2018 compared to €399 thousand in the same period last year.

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5.18. BUILDING / EQUIPMENT MANAGEMENT

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

Building and equipment management expenses in 2018 are broken down in the following table:

	31.12.2018	31.12.2017
Cleaning and security services	225	221
Repair & maintenance of buildings-other equipment	92	122
Fuel and other generator materials	17	13
Shared expenses	18	17
Total	**352**	**373**

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

5.19. OTHER OPERATING EXPENSES

Other operating expenses for 2018 are broken down in the following table:

	31.12.2018	31.12.2017
Bank of Greece - cash settlement	48	56
Postal expenses	4	2
Transportation expenses	13	9
Storage costs	4	4
Support operation services (1)	179	168
DR site rent	22	22
Various legal expenses/donations	3	7
Travel expenses (2)	41	24
Insurance premiums for means of transportation	1	1
Building fire insurance premiums	21	21
Subscriptions to online databases	236	289
Promotion, entertainment and hospitality expenses	15	7
Expenses for events	20	7
Other expenses (3)	415	474
Total	**1,022**	**1,091**

1. They concern services provided by subsidiaries of the Athens Exchange Group based on intra-company agreements for the provision of services.
2. Travel expenses concern participation in conferences and events abroad, as well as in training courses.
3. Other expenses in 2018 include provisions for doubtful accounts of €389 thousand for 2018 and of €400 for 2017.

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5.20. EXPENSES FOR ANCILLARY SERVICES (XNET, IT)

The expenses for ancillary services are broken down below:

	31.12.2018	31.12.2017
Xnet / InBroker expenses	521	534
Expenses for IT Services (LEI)	202	124
VAT on ancillary activities	80	83
Total	**803**	**741**

Xnet expenses are shown in detail below:

	31.12.2018	31.12.2017
InBroker Plus data feed expenses	417	440
ATHEX-CSE InBroker Info	27	18
Settlement and connection fees for foreign securities	72	72
Bank expenses concerning foreign securities	5	4
Total	**521**	**534**

The increase in IT expenses is due to the increased expenses for obtaining LEI codes.

The relevant revenues are shown in note 5.9.

5.21. RE-INVOICED EXPENSES

RE-INVOICED EXPENSES	31.12.2018	31.12.2017
Leased lines - ATHEXNet	8	6
Promotion expenses	5	3
Co-location electricity consumption	191	145
Other expenses	10	2
Total	**214**	**156**

5.22. TANGIBLE ASSETS FOR OWN USE AND INTANGIBLE ASSETS

The policy of the Company is to reassess the commercial value of its properties every three years. The last property valuation was made in early March 2016, with 31/12/2015 as the reference value. Thus, in line with its policy, the Company assigned the study for the assessment of the commercial value of its properties, in accordance with the IFRS, to recognized independent appraisers. The study was completed and delivered in late March 2019, while the Company adjusted the value of its properties on 31.12.2018 according to the outcome of the study, in order to recognize in the balance sheet of 31.12.2018 the fair value of the properties.

The valuation study revealed a significant difference in relation to the carrying amount of the properties shown in the accounting records, mainly in connection with the building on Athinon Avenue, whereas the variances for the Katouni building in Thessaloniki are marginal, and there are also differences in the value of the plots of land. In conclusion it should be noted that the valuation study increases by €2.6 million the value of the buildings while leaving the total value of the plots of land unchanged.

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The following table presents the assessment of the commercial value of the properties of the Company, as shown in the report of the independent property appraisers on 31.12.2018.

	Book value		
BUILDING ON ATHINON AVENUE			
Land	3,000	3,200	200
Buildings	14,615	16,950	2,335
	17,615	20,150	2,535
KATOUNI BUILDING IN THESSALONIKI			
Land	1,500	1,300	-200
Buildings	261	525	264
	1,761	1,825	64
GRAND TOTAL	**19,376**	**21,975**	**2,599**

A. Building on Athinon Avenue

The assumptions and methods used for the calculation of the fair value of the property on Athinon Avenue include:

Direct Capitalization Method

For this method, the conditions of the market and the use of the property were taken into consideration, based on the current returns for each space, and estimation was made of the fair rent and, subsequently, of the fair value of the property.

Level	Use	Surface area (m²)	Fair rent (€/m²)	Fair rent (€/month)	Leasing Performance	Fair Value
Basement (-4)	56 Parking Spaces	639.06	5	3,195.30	7.50%	€511,248
Basement (-3)	53 Parking Spaces	605.80	5	€3,029.00	7.50%	€484,640
Basement (-2)	53 Parking Spaces	605.80	5	€3,029.00	7.50%	€484,640
Basement (-1)	Data Centre	1,878.00	14	€26,292.00	7.50%	€4,206,720
Ground Floor (0)	Office Space	1,126.00	14	€15.764,00	7.50%	€2,522,240
1st Floor (1)	Office Space	963.00	14	€13,482.00	7.50%	€2,157,120
2nd Floor (2)	Office Space	963.00	14	€13,482.00	7.50%	€2,157,120
3rd Floor (3)	Office Space	963.00	14	€13,482.00	7.50%	€2,157,120
4th Floor (4)	Office Space	963.00	14	€13,482.00	7.50%	€2,157,120
5th Floor (5)	Office Space	963.00	14	€13,482.00	7.50%	€2,157,120
TOTAL		**€9,669.66**		**€118,719.30**		**€18,995,088.00**
						€19,000,000

Depreciated Replacement Cost Method

The surface of the plot of land indicated in the following table refers to the percentage of joint ownership of the total of the horizontal properties of Building A on the total plot of land, while the surface areas of the building are those that result from the coverage diagram.

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Description	Surface area		Unit price	Replacement cost	Impairment	Market Value
	Land (m²)	Buildings (m²)	(€/(m²)	(€/(m²)		(€)
Land	2,687.12		1,250			€3,358,900
Superstructure		7,783.00		1,500	15%	€9,923,325
Underground spaces		5,692.00		750	15%	€3,628,650
Surrounding area						€400,000
Electromechanical equipment						€4,000,000
TOTAL	**€2,687.12**	**€13,475.00**				**€21,310,875**
						€21,300,000

Value Weighting

After the application of the Income Method (Direct Capitalization Method) and the Amortized Replacement Cost Method, the two methods are weighted, with a 50% weight given to each.

Method	Fair Value	Weight	Subtotal	Weighted fair value
Income	€19,000,000	50%	€9,500,000	€20,150,000
Replacement cost	€21,300,000	50%	€10,650,000	
Value Allocation				
	Fair Value	**€20,150,000.00**		
	Building Value	**€16,950,000.00**		
	Value of Corresponding Land	**€3,200,000.00**		

B. Building on Katouni Street - Thessaloniki

The assumptions and methods used for the calculation of the fair value of the property on Katouni Street in Thessaloniki include: (a) the comparative method, which is the most basic method for the assessment of property value and is usually used as a check after using other methods; (b) the direct capitalization method, which in effect converts the revenue from the use of the property to an indication of value/capital using an appropriate capitalization rate; and (c) the residual method, which calculates the amount that an investor would be prepared to pay for the purchase of the property in question with the intention to repair and then lease or use the property.

Direct Capitalization Method

For this method, the conditions of the market and the use of the property were taken into consideration, based on the current returns for each space, and estimation was made of the fair rent and, subsequently, of the fair value of the property.

Use	Surface area	FAIR RENT (€/m²/month)	FAIR RENT (€/month)	LEASING PERFORMANCE (%)	FAIR VALUE (€)
Store	310.08 m²	20.50	6,360	7.75%	985,000
Office Space	722.03 m²	8.00	5,775	8.25%	840,000
Total (property under consideration):					**1,825,000**
		Fair Value (€)	**Value of Corresponding Land (€)**	**Building Value (€)**	
		1,825,000	1,300,000	525,000	

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Breakdown of the assets of the Group per category in the Statement of Financial Position of 31.12.2018			
	Owner-occupied property		
	Athinon Avenue Building	Katouni Building (Thessaloniki)	Total
Land	3,200	1,300	4,500
Buildings-Technical works	16,964	525	17,489
Means of transportation	7		7
Electronic systems	1,095		1,095
Telecommunication and other equipment	462		462
Intangible assets	6,554		6,554
Total	**28,282**	**1,825**	**30,107**

Breakdown of the assets of the Group per category in the Statement of Financial Position of 31.12.2017			
Owner-occupied property			
	Athinon Avenue Building	Katouni Building (Thessaloniki)	Total
Land	3,000	1,500	4,500
Buildings-Technical works	15,562	358	15,920
Means of transportation	7		7
Electronic systems	799		799
Telecommunication and other equipment	239		239
Intangible assets	6,084		6,084
Total	**25,691**	**1,858**	**27,549**

The tangible and intangible assets of the Company as at 31.12.2018 and 31.12.2017 are broken down as follows:

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

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ATHEXCSD	PPE & INTANGIBLE ASSETS						
	Land	Buildings and technical works	Machinery and other equipment	Means of transportation	Furniture and fixtures	Intangible assets	Total
Acquisition and valuation value as at 31.12.2017	**4,500**	**26,863**	**24**	**9**	**1,548**	**2,438**	**35,382**
Additions in 2018	0	49	0	0	469	734	**1,252**
Reductions in 2018	0	0	0	0	0	0	**0**
Acquisition and valuation value as at 31.12.2018	**4,500**	**26,912**	**24**	**9**	**2,017**	**3,172**	**36,634**
Accumulated depreciation and amortization as at 31.12.2017	**0**	**10,958**	**24**	**6**	**1,328**	**797**	**13,113**
Depreciation and amortization in 2018	0	1,079	0	0	138	439	**1,656**
Total depreciation and amortization as at 31.12.2018	**0**	**12,037**	**24**	**6**	**1,466**	**1,236**	**14,769**
as at 31.12.2017	**4,500**	**15,905**	**0**	**3**	**220**	**1,641**	**22,269**
as at 31.12.2018	**4,500**	**14,875**	**0**	**3**	**551**	**1,936**	**21,865**
Value adjustment	0	2,599	0	0	0	0	**2,599**
Book value after adjustment							
as at 31.12.2018	**4,500**	**17,474**	**0**	**3**	**551**	**1,936**	**24,464**

The amounts of intangible assets include a total amount of €49 thousand in respect of the capitalization of expenses (creation of CAPEX) for systems development for the fiscal year 2018 (note 5.13).

5.23. OTHER LONG-TERM RECEIVABLES

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

	COMPANY	
	31.12.2018	31.12.2017
Management committee reserve	11	11
Rental guarantees	46	46
Total	**57**	**57**

5.24. CUSTOMERS AND OTHER TRADE RECEIVABLES

All receivables are short-term and, therefore, no discounting is required as at the date of the Statement of Financial Position. The breakdown of customers and other receivables is shown in the following table:

	31.12.2018	31.12.2017
Customers	3,046	3,017
Group Customers (1)	23	1,262
Less: provision for doubtful accounts	(2,048)	(1,662)
Net trade receivables	**998**	**2,617**
Other receivables		
Tax (0.2%) (2)	1,910	2,528
Withholding tax on deposits	62	26

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Accrued income (interest on placements)	14	8
Other taxes withheld	18	11
Prepaid non-accrued expenses	144	71
Sundry debtors	(14)	(6)
Total	**2,135**	**2,638**

1. Group Customers include fees for trade notification instructions due by ATHEXClear to ATHEXCSD.
2. The tax claim of 0.20% is paid by the members on SD+1, while some members take advantage of their right to make a single payment of the tax to ATHEXCSD on the third business day after the end of the month on which the transactions were carried out.

The carrying amount of the above receivables represents their fair value.

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

Provision for doubtful accounts	
Balance on 31.12.2016	**1,262**
Additional provision in 2017	400
Balance on 31.12.2017	**1,662**
Additional provision in 2018	386
Balance on 31.12.2018	**2,048**

The carrying amounts for customers represent their fair value.

The following table shows in detail the total accounts receivable.

COMPANY	**31.12.2018**	**31.12.2017**
Balances not past due	866	1,798
Past due balances	2,179	2,480
Before provisions	**3,046**	**4,278**
Less: provisions for value impairment	2,048	1,661
After provisions	**998**	**2,617**

The aging analysis for past due accounts receivable is as follows:

COMPANY	**31.12.2018**	**31.12.2017**
Up to 120 days	118	352
121-240 days	20	30
241-360 days	2	35
More than 360 days	2,039	2,063
Before provisions	**2,179**	**2,480**

As of 1 January 2018, the Company implements the simplified approach of IFRS 9 and calculates the expected credit losses over the entire lifetime of trade receivables.

On each balance sheet date, the Company performs an impairment test on trade receivables using a table according to which the expected credit losses are calculated. The maximum exposure to credit risk on the balance sheet date is the carrying amount of each category of trade receivables as shown above.

The following table presents information regarding the exposure of the Company to credit risk.

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

COMPANY	Not past due	Up to 120 days	121-240 days	241-360 days	More than 360 days
Expected loss ratio	0.42%	1.75%	10.82%	39%	100%
Total accounts receivable	866	118	20	2	2,039
Expected loss	4	2	2	1	2,039

The new IFRS 9, which concerns the classification and measurement of financial assets, encourages the use of an expected credit loss model replacing the model of realized accounting losses previously implemented. According to this model, and for the purpose of estimating the expected credit loss in trade receivables as at 31.12.2018, the Company allocated the accounts receivable to time scales and then applied loss ratios based on past experience in each time scale. This showed that an additional provision for doubtful accounts of €20 thousand is required.

5.25. CASH AND CASH EQUIVALENTS

The breakdown of the cash balances of the Company is provided below:

	31.12.2018	31.12.2017
Third party balances in ATHEXCSD bank account	140	12
Sight deposits in commercial banks	729	691
Term Deposits < 3months	21,348	20,397
Cash on hand	4	6
Total	**22,221**	**21,106**

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 set by the Strategic Investments Committee of the Group. The income of the Company from the placement of its cash balances in short-term interest bearing investments came to €249 thousand in 2018 compared to €142 thousand in the same period of 2017. Bank expenses reached €3 thousand.

5.26. SHARE CAPITAL AND RESERVES

a) Share capital

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

b) Reserves

	31.12.2018	31.12.2017
Statutory reserve	1,152	1,059
Untaxed and specially taxed reserves	454	454
Reserves	1,436	1,436
Property revaluation reserve	1,949	0
Business sector Spin-off Reserve	6,447	6,447
Reserve from employee stock option	49	49
Total	**11,487**	**9,445**

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

The Company carried out a revaluation of its property and transferred the capital gain from the buildings of Athinon Avenue and Katouni to a property revaluation reserve.

c) Retained earnings

The retained earnings account, which on 31.12.2017 had a balance of €7,256 thousand after the addition of the profit after tax of 2018 amounting to €1,771 thousand, the distribution of a dividend of €803 thousand to the parent company and the formation of a statutory reserve amounting to €93 thousand, came to €8,131 thousand.

5.27. DEFERRED TAX

The deferred tax accounts are broken down as follows:

Deferred Tax	31.12.2018	31.12.2017
Deferred tax liabilities	(1,483)	(1,568)
Total	**(1,483)**	**(1,568)**

Deferred tax assets	INTANGIBLE ASSETS	PROPERTY, PLANT & EQUIPMENT	ACTUARIAL AND EMPLOYEE COMPENSATION PROVISIONS	OTHER PROVISIONS	Total
Balance on 01.01.2017	**43**	**0**	**203**	**139**	**385**
(Debit)/Credit to profit or loss	(5)	0	(48)	28	(25)
(Debit)/Credit to other comprehensive income	0	0	3	0	3
Balance on 31.12.2017	**38**	**0**	**158**	**167**	**363**
(Debit)/Credit to profit or loss	(9)	0	(27)	(28)	(64)
(Debit)/Credit to other comprehensive income	0	0	0	383	383
Balance on 31.12.2018	**29**	**0**	**131**	**522**	**682**

Deferred tax liabilities	INTANGIBLE ASSETS	PROPERTY, PLANT & EQUIPMENT	ACTUARIAL AND EMPLOYEE COMPENSATIO N PROVISIONS	OTHER PROVISIONS	Total
Balance on 01.01.2017	**0**	**(2,096)**	**0**	**0**	**(2,096)**
Debit/(Credit) to profit or loss	0	165	0	0	165
Debit/(Credit) to other comprehensive income	0	0	0	0	0
Balance on 31.12.2017	**0**	**(1,931)**	**0**	**0**	**(1,931)**
Debit/(Credit) to profit or loss	0	416	0	0	416
Debit/(Credit) to other comprehensive income	0	(650)	0	0	(650)
Balance on 31.12.2018	**0**	**(2,165)**	**0**	**0**	**(2,165)**

According to the tax legislation, the tax rate that applies pursuant to Law 4334/2015 is 29% for fiscal year 2015 onwards.

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Deferred income tax is calculated based on the temporary differences that arise between the carrying amounts of the assets and liabilities recognized in the financial statements and their tax base according to the tax legislation.

5.28. CURRENT INCOME TAX AND TAX PAYABLE

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

Tax liabilities	31.12.2018	31.12.2017
Liabilities/(assets)	370	(1,007)
Income tax expense	897	1,104
Taxes paid/(refunded)	(1,259)	273
Liabilities / (Assets)	**8**	**370**

The company shows on 31.12.2018 an income tax liability of €8 thousand compared to a tax liability of €370 thousand on 31.12.2017.

	31.12.2018	31.12.2017
Income tax	897	1,104
Deferred Tax	(735)	(140)
Income tax expense	**162**	**964**

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

Income Tax	31.12.2018	31.12.2017
Profit before tax	1,933	2,806
Income tax rate	29%	29%
Expected tax expense	561	814
Tax effect of non-deductible expenses		150
Tax effect of non-taxable income	(399)	
Income tax expense	**162**	**964**

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.

From 2016 onwards the issuance of the “Annual Certificate” is optional. The tax authority reserves the right to conduct a tax audit within the statutory framework, as set out in Article 36 of Law 4174/2013.

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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 was performed by PricewaterhouseCoopers S.A. in accordance with Article 65A of Law 4174/2013 and the relevant tax audit certificate was issued in October 2018. For fiscal year 2018 the tax audit is in progress and an unqualified tax audit certificate is expected to be issued after the filing of the tax return for 2018.

5.29. PROVISIONS

The following table shows in detail the provisions of the Company as at 31.12.2018.

	31.12.2018	31.12.2017
Post-employment compensation (note 5.13)	525	548
Other compensation provisions	0	98
Employee compensation provision	**525**	**646**
Other provisions	40	40
Total	**565**	**686**

Changes in provisions are shown in the following table:

	Compensation Provisions	Provisions for other risks
Balance on 31.12.2016	**0**	**40**
Additional provision in the period	98	0
Balance on 31.12.2017	**98**	**40**
	Compensation Provisions	**Provisions for other risks**
Balance on 31.12.2017	**98**	**40**
Used provision in the period	(98)	0
Balance on 31.12.2018	**0**	**40**

5.30. SUPPLIERS AND OTHER TRADE LIABILITIES

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

	31.12.2018	31.12.2017
Suppliers	798	455
Group Suppliers	16	188
Cheques Payable	72	0
Hellenic Capital Market Commission Fee	42	56
Tax on sale of shares 0.2% (1)	2,122	3,534
Accrued third party services	254	215
Employee remuneration provision	0	123

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Payroll tax	89	71
VAT/Other Taxes (2)	86	107
XNET Settlement Money Facility (3)	338	328
Sundry creditors (4)	150	59
Total	**3,968**	**5,136**

1. The Company, after the absorption of the ATHEX Depository branch, as universal successor of the Central Securities Depository according to Article 9, paragraph 2 of Law 2579/88 as amended by Law 2742/99, acts as an intermediary in the receipt from ATHEX Members and the payment to the Greek State of the Tax (0.20%) on sales of shares concluded in ATHEX. The amount of €2.1 million represents the tax (0.20%) on sales of shares that was received for December 2018 and was paid to the Greek State in January 2019.
2. The amount includes VAT on outflows and stamp duty.
3. The amount concerns the money facility provided by ATHEX to the Company in order to facilitate the XNET settlement in accordance with the regulatory operating framework of the "XNET Trading Network" of the Athens Exchange.
4. The creditors account includes an amount of €17 thousand with respect to building rent guarantees, as well as an intermediate account for coupons to be paid of €130 thousand.

The carrying amount of the above liabilities represents their fair value.

5.31. EARNINGS PER SHARE AND DIVIDENDS PAYABLE

The net profit after tax of the Company in 2018 came to €1.77 million compared to €1.84 million in the same period of 2017 and earnings per share amounted to €2.2 and €2.3 respectively.

The Unsolicited Universal General Meeting of shareholders of 30.05.2018 approved the proposal of the Board of Directors for the payment of dividend in the amount of €802,600 to the Athens Exchange, sole shareholder of the Company (802,600 shares x €1.00 per share) for fiscal year 2017.

5.32. RELATED PARTY DISCLOSURES

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

	31.12.2018	31.12.2017
Remuneration of executives and managerial staff	371	290

The intra-group balances as at 31.12.2018 and 31.12.2017, as well as the intra-company transactions of the Companies of the Group as at 31.12.2018 and 31.12.2017, are shown in detail below.

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INTRA-GROUP BALANCES (in €) ON 31.12.2018				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Receivables	0	404,920	0
	Payables	0	3,069	0
ATHEXCSD	Receivables	3,069	0	20,047
	Payables	404,920	0	1,611
ATHEXClear	Receivables	0	1,611	0
	Payables	0	20,047	0

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

INTRA-GROUP REVENUE-EXPENSES (in €) ON 31.12.2018				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	402,376	109,822
	Expenses	0	308,833	0
	Dividend income	0	802,600	0
ATHEXCSD	Revenue	308,833	0	5,085,351
	Expenses	402,376	0	16,258
ATHEXClear	Revenue	0	16,258	0
	Expenses	109,822	5,085,351	0

INTRA-GROUP REVENUE-EXPENSES (in €) ON 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

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

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

5.33. CONTINGENT LIABILITIES

Legal action has been taken against customers for overdue debts.

The Management of the Company and the counsels consider that the outcome of these cases will not have any significant impact on the results of the Company.

In order to reduce the amount of accounts receivable, the Company takes all legal actions allowed by the Law and the Regulations.

5.34. MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

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

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

5.35. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

No event with material impact on the results of the Company occurred or was concluded after 31.12.2018, the date of the annual financial statements for 2018, and until the approval of the financial statements by the Board of Directors of the Company on 18.03.2019.

Athens, 18 March 2019

THE CHAIRMAN OF THE BOARD

GEORGE HANDJINICOLAOU ____________________

THE CHIEF EXECUTIVE OFFICER

SOCRATES LAZARIDIS ____________________

THE CHIEF FINANCIAL OFFICER

VASILIS GOVARIS ____________________

THE DIRECTOR OF FINANCIAL MANAGEMENT

CHRISTOS MAYOGLOU ____________________

THE DEPUTY DIRECTOR OF FINANCIAL CONTROL, BUDGETING & INVESTOR RELATIONS

CHARALAMBOS ANTONATOS ____________________