ATHEXCLEAR
Clearing House

2014 ANNUAL FINANCIAL REPORT

For the period 1 January 2014 - 31 December 2014

In accordance with the International Financial Reporting Standards and Article 4 of Law 3556/2007

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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 4 §2 of Law 3556/2007)

WE DECLARE THAT

1. To the best of our knowledge, the attached annual financial statements, which have been prepared in accordance with the International Accounting Standards in effect, reflect in a true manner the assets, liabilities and equity on 31.12.2014 and the results for fiscal year 2014 of “ATHENS EXCHANGE CLEARING HOUSE S.A.”
2. To the best of our knowledge, the attached report of the Board of Directors for the fiscal year 2014 reports in a truthful manner the performance and position of the company “ATHENS EXCHANGE CLEARING HOUSE S.A.”, including a description of the main risks and uncertainties that it faces.
3. To the best of our knowledge, the attached financial statements are those that have been approved by the Board of Directors of “ATHENS EXCHANGE CLEARING HOUSE S.A” on 16 March 2015.

Athens, 16 March 2015

THE CHAIRMAN OF THE BoD	THE CHIEF EXECUTIVE OFFICER	THE MEMBER OF THE BoD
ALEXIOS PILAVIOS ID No: AB-340965	SOCRATES LAZARIDIS ID No: AK-218278	ANDREAS MITAFIDIS ID No: Π-364444

2. ANNUAL MANAGEMENT REPORT

OF THE BOARD OF DIRECTORS OF ATHENS EXCHANGE CLEARING HOUSE S.A. FOR THE FISCAL YEAR FROM JANUARY 1ST TO DECEMBER 31ST 2014

(in accordance with Article 4 of Law 3556/2007)

The Board of Directors of ATHENS EXCHANGE CLEARING HOUSE S.A. (ATHEXClear or the Company) publishes its report on the annual financial statements for the period that ended on 31.12.2014, in accordance with articles 43a and 136 of Codified Law 2190/1920.

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

The Greek capital market

The General Index (GI) on 31.12.2014 closed at 826.2 points, a drop of 29% compared to the 1,162.7 points at the beginning of 2014, while the market capitalization of ATHEX dropped by 20% (€13.6bn) to €53.0bn. In 2014 the exchange showed two faces. In the first half the trend was upward, with significant capital inflows, while the second half was negative, due to the political developments and the increase in political risk. The GI went from 1379 points in the middle of March to 826.2 points on 31.12.2014, while the 29% drop that was recorded was the third worst in 2014. The increase in volatility and the frequent changes between ups and downs were present throughout most of the year, with the second worst performance of all time for the GI being posted on 9.12.2014 when the index lost 12.78%. The negative performance of the banks was even worse. The market capitalization of the banks dropped from €33bn in March 2014 to €19bn on 31.12.2014, a loss of €14bn.

The total value of transactions (€31.5bn) increased significantly by 48% compared to 2013 (€21.3bn). The average daily traded value was €127.1m vs. €86.6m in 2013, increased by 47%.

In 2014 international investors increased their participation in the total capitalization of the Greek market significantly, to 61.5% on 31.12.2014 from 49.6% on 31.12.2013 (excluding the participation of the Hellenic Financial Stability Fund – HFSF). If the participation of the HFSF is included, the participation becomes 45.9% from 31% on 31.12.2013.

In the derivatives market, the drop in share prices in the second half together with the fee reductions of the Group in effect since the beginning of 2014 resulted in a small (2%) increase in the revenue of the Group, despite the significant increase in the traded volume. In particular, the average daily traded number of contracts (48.7 thousand) increased by 17% compared to 2013 (31.6 thousand). The average revenue per contract in the derivatives market was down by 12% (from €0.406 to €0.357).

Business Development

Compliance with the EMIR Regulation

EMIR (European Market Infrastructure Regulation) set the rules for OTC-related issues, OTC Derivatives, CCPs and Trade Repositories. The European Market Infrastructure Regulation is part of broader European and international regulatory initiatives (setting up of European Supervisory Authorities, CSDR, CRD IV, MIFID/MIFIR, CPSS/IOSCO Principles for FM/s).

EMIR lays down uniform requirements regarding CCP (and interoperability) activities, clearing and bilateral risk management requirements for OTC derivatives, requirements for reporting derivatives to trade repositories and uniform requirements for Trade Repository activities. The European Market Infrastructure Regulation concerns CCPs, Clearing Members, counterparties to derivatives contracts (as well as non-financial counterparties in those cases where they are envisaged), trade repositories and trading venues (where envisaged).

The European Market Infrastructure Regulation aims mainly to:

- Increase transparency. Detailed information on derivatives transactions must be reported to a trade repository where regulators have access. Trade repositories will publish aggregated data on the positions per derivatives type which will be available to participants.
- Reduce counterparty credit risk. Obligation to clear standardized contracts in a CCP. Strict operation and surveillance rules for CCPs. Rules for risk mitigation for derivatives that are not cleared in a CCP.
- Reduce operating risk. Use electronic means for the timely confirmation of the terms of OTC derivatives contracts.

As central counterparty in the derivatives market, ATHEXClear had to adjust to the requirements of the Regulation, i.e. to adjust its capital and organizational structure and to obtain again a license from the authority which is responsible for licensing and supervising the CCPs that operate in its area of supervision.

In order to receive the license from the Hellenic Capital Market Commission, ATHEXClear drafted – in cooperation with an external consultant – a dossier for obtaining a license by the Hellenic Capital Market Commission in accordance with Regulation (EU) 648/2012 (EMIR), since it operates as a Central Counterparty (CCP) in the ATHEX derivatives market. The dossier included the clearing of the Romanian derivatives market in accordance with the agreement with that exchange (SIBEX).

Certain changes, mainly linked to managing the risk of the securities market, needed to be made for ATHEXClear to be able to be authorized as CCP under EMIR.

Among the most important of such changes are changes regarding the fact that ATHEXClear is now the CCP for all transactions made on the ATHEX markets, changes regarding eligible collateral, where letters of guarantee are no longer accepted, the fact that the Clearing Fund is not employed to cover risk, and the methodology employed to compute the risk management model parameters, where the level of confidence required was raised.

A special working committee was set up by ESMA during the stage of assessing authorization files. The object of this committee was to issue opinions and interpret various EMIR-related matters and to regularly update a document containing frequently asked questions and answers (Q&A).

Given that a number of clearing firms have been faced with problems regarding their authorization files as a result of the above procedure of providing clarifications through the Q&A document, ESMA notified the national Capital Market Commissions about a procedure for granting extensions to clearing firms in order to comply with the opinions of the committee when there are material changes.

ATHEXClear prepared and submitted on 27 June 2014 a new dossier, including the CCP clearing activity in the Securities Market, in compliance with the clarifications provided by ESMA.

The Regulation of Clearing of Transferable Securities Transactions in Book Entry Form was accordingly modified as part of this procedure. The changes introduced to that regulation were included as draft in the dossier submitted to the HCMC.

Lastly, a new version of the Regulation on Clearing Transactions in Derivatives, in which the observations of the HCMC and editorial improvements were implemented, was added to the dossier.

The Hellenic Capital Market Commission granted a license to operate to ATHEXClear in its decision 1/704/22.1.2015 (see below).

At the same time a contract was signed with the Bank of Greece due to the capacity of ATHEXClear as direct participant over the internet to the TARGET2-GR express transfer of capital and settlement system in order to satisfy the requirements of the EMIR Regulation.

Risk Management Procedures in the Derivatives System

Due to the change of the clearing model in the derivatives market, the changes introduced to the Regulation on Clearing Transactions in Derivatives (hereinafter Regulation), as well as due to the actions taken to adapt to the requirements laid down in EMIR, by Resolution No 109/17.11.2014, the Board of ATHEXClear approved at its sitting the establishment of a set of risk management policies and methods.

ATHEXClear established the risk management procedures for the Derivatives System in application of the Regulation (ATHEXClear Resolution 5), given the transition to the new model in the Derivatives Market as of 1 December 2014.

In particular, the Resolution sets out the following:

Margin Calculation Requirement under paragraphs 7.7 and 7.8.1 of Section II of the Regulation, establishing Eligible Collateral, Valuation Prices, Haircuts and Concentration Limits to meet the Margin Requirement under paragraphs 5.2 and 5.3 of Section II of the Regulation, rules for computing the Default Fund under paragraphs 6.2, 6.4.1 and 6.4.2 of Section II of the Regulation, adherence to paragraphs 3.2 and 6.1 of Section II of the Regulation, application of the Credit Limits under paragraph 7.8.1 of Section II of the Regulation and providing

Information on the management of associated Risk concentrations under paragraph 2.4.12 of Section II of the Regulation.

Procedure for transitioning to the new Derivatives System

The technical procedures for transitioning to the new clearing model for the Derivatives Market were decided by the Board of Directors pursuant to Article 2.1(4) of Section VII of the Regulation on Clearing Transactions in Derivatives (Regulation). The new clearing model for the Derivatives Market includes the following:

1. Time frame for the transition
2. Members and accessibility
3. Transitioning to the new structure of clearing accounts and position accounts
4. Calculating the Clearing Fund amount
5. Establishing risk management parameters
6. Payment of contributions and collateral for the new model
7. Release collaterals under the old model

As a result of the above, next follows a list with the decisions adopted by the Board in implementing the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form and Regulation on Clearing Transactions in Derivatives, which are in force as of 1 December 2014, at which time the Regulation on Clearing Transactions in Derivatives became effective. The respective decisions are listed next:

Decision No	DECISION TITLE
1	Rules for the clearing cross-border transactions on transferable securities taking place over Xnet
2	Procedure for becoming Clearing Member in the Securities System and the Derivatives System, relinquishing the status of Clearing Member and other associated matters
3	Terms of use of information systems & procedures of providing Clearing Members with access to them
4	Professional competence of Clearing Members in the Securities System and Derivatives System
5	Risk management procedures in the derivatives system and other associated matters
6	Risk management procedures in the Securities System and other associated matters
7	Testing Member default procedures
8	Default and Crisis Management Committee
9	Risk Committee
10	Management and Operation Fees regarding the System of Transferable Securities Transactions Clearing in Book Entry Form & List of Fees for the ATHEX Derivatives Market
11	Technical procedures regarding clearing
12	Technical procedures and time limits regarding derivative clearing
13	Transition Procedures

Modification of the Internal Rulebook of Operation & Setting up a Strategic Investments Committee – Modifications in the Clearing Fund Asset Management Committee

In order for ATHEXClear to be harmonized with the corporate governance framework described in Regulation 648/2012 of the European Parliament and the Council (EMIR Regulation), an independent and autonomous Strategic Investments Committee was set up by decision of the BoD, acting independently of the Strategic Investments Committee of the parent company.

In particular, the Strategic Investments Committee acts as a committee of the ATHEXClear Board of Directors, is staffed by members of the Board of Directors, and its main purpose is to determine investment strategy.

The main responsibilities of the Committee will be:

a) The observance of the obligations of ATHEXClear concerning the collateral that is managed by ATHEXClear and concern the Cash Market and the Derivatives Market, as well as the management of the cash of the Company, in accordance with its obligations, as defined in the EMIR Regulation.

b) Setting short and long term investment targets.

c) Monitoring progress towards achieving the targets.

d) Drafting reports to the Board of Directors at regular time intervals, which will describe in detail the results of the investments policy and outline possible deviations from the goals and returns that have been set.

Next the existing "Clearing Fund Asset Management" committee was renamed "Collateral and Own Funds Management Committee" in order to clarify its role, with a corresponding modification in the Internal Operation Regulation of the company.

The committee is responsible for managing the cash of the Clearing Fund on Derivatives Transactions, Transactions in transferable securities in dematerialized form, as well as its own cash, in accordance with the investments policy that was approved by the Board of Directors and is mentioned below.

Investment policy approval

The Board of Directors of ATHEXClear, at meeting number 108/11.11.2014 approved the following investment policy for the company:

The investment policy concerns the placement the following assets of ATHEXClear:

- Cash– own assets
- Cash – capital requirements
- Cash of the Clearing Fund for derivatives and equities as well as member margins (collaterals).

1. The Company as central counterparty, holds all of the abovementioned cash balances, only in euro and exclusively at the Bank of Greece (BoG) with the following exceptions:
    - The use of currency swaps in order to exchange into euros amounts held in other currencies and vice versa, needed for clearing and settlement of products in currencies other that the euro.
    - To carry out transactions for hedging risk, cover obligations or close positions as part of the process of managing member default.
    - To maintain in total in all Greek banks, sight accounts of up to €500,000 for its daily operating needs.
2. In accordance with art. 47 §6 of Regulation 648, the Company is not allowed to invest its own cash assets or the cash that it manages (Clearing Fund, claims, margins and other financial assets) in its own transferrable securities, nor in transferable securities of the parent or any subsidiary company.
3. In making cash placements, the security of the assets of the Company and of the collaterals (margins, clearing funds for derivatives and equities) is primary and as such placements will be made exclusively at the BoG and may have zero or negative returns.
4. The investment policy is determined by the Strategic Investments Committee of the company and approved by the Board of Directors, taking into consideration the provisions of Regulation (EU) 648/2012 and 153/13 (on EMIR).

Under Article 5 of ATHEXClear Regulatory Decision No 5 on procedures for managing risk in the derivatives system:

1. ATHEXClear's cash, concerning Clearing Member margins in the form of cash as well as the cash of the Clearing Fund and the dedicated own cash, are kept by ATHEXClear in an account that it holds as a Direct Participant in Target2 at the Bank of Greece;
2. ATHEXClear's cash that concern other financial assets are held by ATHEXClear in accounts at the Bank of Greece and banks in accordance with the investment policy and the terms laid down in article 45 of Regulation (EU) 153/2013;

3. for Collaterals that are deposited, in accordance with ATHEXClear's procedures, in a bank in the form of cash in foreign currency, ATHEXClear implements arrangements that allow their conversion into Euros and their adherence to the Bank of Greece in accordance with the following specific provisions. In particular, pursuant to a standing order by ATHEXClear, the above credit institution must conduct currency conversion of the Collateral amount into Euros on a daily basis and then credit the ATHEXClear account in the Target2. The next business day ATHEXClear transfers the monetary amount credited from the Collateral currency conversion in Euros to an account held in the name of the credit institution, so that the credit institution is able to proceed with the currency conversion of the Collateral amount from Euros to a foreign currency amount that is equal to the Collateral amount that was originally deposited.

Setting up a Risk Committee

Following the plans for the adjustment of ATHEXClear to the provisions of Regulation 648/2012 (EMIR) and having in mind the need to set up a standing advisory committee which will assist the Board of Directors in its function managing risk assumed by the Company in accordance with the rules of its operation by adopting the provisions of article 28 of Regulation (EU) 648/2012 and by the authorization of Regulation (EU) 153/2013 EEE L 52/41/23.2.2013), the BoD decided to create the Risk Committee, define its purpose and responsibilities, its composition, the procedures for convocation and decision making, and the main obligations of its members, as of 1.12.2014 (date the Regulation on the Clearing of Transactions on Derivatives went into effect).

Hellenic Capital Market Commission grants ATHEXClear a license to operate

The Board of Directors of the Hellenic Capital Market Commission decided (decision 1/704/22.1.2015) unanimously to:

1. Grant a license to operate a central counterparty system in accordance with Regulation (EU) 648/2013 of the European Parliament and Council for OTC derivatives, central counterparties and trade repositories, to ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) to carry out the following clearing activities:
    - Clearing transactions in transferable securities
    - Clearing transactions in derivatives
    - Clearing transactions in financing securities
2. Approve the Regulation for the operation of a Central Counterparty System with the title "Regulation of Clearing of Transferable Securities Transactions in Book Entry Form" which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

    The Regulation in question goes into effect starting on February 16th 2015, except for the provisions of subparagraph 4 of par. 2.1 of Part 2 of Section VII, which go into effect starting February 6th 2015.
3. Approve the Regulation for the operation of a Central Counterparty System with the title "Regulation on the Clearing of Transactions on Derivatives" which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

Implementation of the T+2 settlement cycle

On Monday October 6th 2014, the settlement of transactions cycle for all listed securities traded in the Organized cash market and the Alternative Market, moved to T+2 (completion of settlement within two working days following the trade).

The change in the settlement cycle was an adjustment to the new European Regulation for Central Depositories (Central Securities Depository Regulation – CSDR), which among other has as its aim to harmonize settlement cycles across the European Union.

The shortening of the settlement cycle from T+3 to T+2 for the securities market, had a significant reduction on the claims for covering the risk by ATHEXClear clearing members.

A comprehensive project was in place for the transition which included:

- analyzing the changes required to information systems and the regulatory framework;

- designing and implementing changes;
- testing the transition procedure;
- communicating with and informing members.

Comment on the results

The net after tax profits of the Company in 2014 amounted to €886 thousand vs. €495 thousand in 2013, posting an increase of 79%. The increase is due to the increase of revenues and in particular due to the increase of clearing of transactions in cash market which were up by 52.6% (€4.3 m).

Approximately 96% of the turnover of the company in 2014 derives from the clearing in the stock and derivatives market in Athens Exchange (including revenues from the ASE-CSE common trading platform). Turnover stood at €17.5m against €13.0m in 2013.

The operating income of the Company for 2014 minus the Capital Market Commission Fee amounted to €16.3m compared to €12.1m in 2013.

The Company's expenses including the flat settlement fee amounted to €15.2m, increased by 31.8%. Due to the significant increase in transactions, the annual flat settlement fee saw a 32.2% increase, increasing from €10.3m in 2013 to €13.6m. Due to the increase in the number of employees by 13 persons (26 persons on 31 December 2014), an increase of 64.2% was experienced in personnel remuneration and expenses which stood at €1.2 m.

The Earnings Before Interest and Taxes, stood at €1,028 thousand in 2014 vs €452 thousand in 2013, recording a significant rise by 127%.

Third-party balances in ATHEXClear bank account

In order to comply with the corporate governance framework determined by Regulation (EU) 648/2012 of the European Parliament and Council (EMIR Regulation), the Company keeps all cash collateral that are being managed by the Company and concern the cash market and the derivatives market, as well as its own cash balances, in an account that it maintains at the Bank of Greece as a direct participant over the internet to the TARGET2-GR Express Transfer of Capital and Settlement System in real time (TARGET2-GR).

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains at the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2014. In the Statement of Financial Position of 31.12.2014, they are shown in the same amounts in both current assets and short term liabilities as "third party balances at the bank account of the company" and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear at the BoG on 31.12.2014 are shown

There was no corresponding amount last year since the process for the Clearing Fund for the derivatives market started being implemented on 1.12.2014.

Collection of claim

In July 2014 the company recovered €23,310,000 from Hellenic Exchanges - Athens Exchange SA, its parent undertaking, representing the sale to the parent of 10% of the shares of ATHEX to facilitate the HELEX-ATHEX merger for the purpose of the restructuring of the Group. Pursuant to the policy made by ATHEXClear's Strategic Investment Committee, all of the Company's cash is deposited at the Bank of Greece.

Share capital

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

Treasury stock

The company does not have any treasury stock on 31.12.2014.

Dividend policy

The company has not yet distributed dividend.

Transactions between associated parties

All transactions with associated parties amount to €183 thousand and concern the remuneration of executives and members of the Board of Directors of the Company. Besides these transactions, no transactions with associated parties, as defined by IAS 24, and which could materially affect the financial position or the performance of the Group have taken place in the period in question.

Use of financial instruments

The company does not use financial instruments for the evaluation of assets and liabilities or financial position or income statement and therefore does not apply hedge accounting.

Prospects for the remainder of 2015

The prospects of the Company are shaped by the interventions that are taking place at the European Union level in the regulatory framework, with the focus by the European Commission in the possibility of financing small and medium sized enterprises in Europe with equity, due to the continuing deleveraging in the banking system, to overall developments in the international macroeconomic environment and of course in Greece.

Under these conditions, the Company is trying to reduce operating costs, maintain the smooth functioning of its markets, provided added value services, exploit its infrastructure by enriching it with new products and services, and carry out effectively its role in transferring investments to Greece's production backbone.

Following the financial crisis of 2008, the European Union began drafting new Regulations and updating older Directives with the aim of increasing security and transparency in cash and capital markets, with a specific emphasis in trading and post trading activities. These are the Short Sale Directive, the EMIR Regulation (European Markets Infrastructure Regulation), the updated of the MiFID Directive (MiFID II: Markets in Financial Instruments Directive [MiFID] and Regulation [MiFIR]), the CSDR Regulation (Central Securities Depository Regulation) and the SLD Directive (Securities Law Directive). Out of the abovementioned Directives, some have already been implemented, while others are in the implementation phase.

In particular EMIR, which directly affects the company, and whose implementation has already begun with the approvals by the Hellenic Capital Market Commission of the Cash and Derivatives Clearing Regulations, creates a unified European environment structure, licensing, operation and surveillance of Clearing Houses, while the CSDR Regulation that is under development will create a similar environment for Depositories.

The successful outcome of the efforts of ATHEXClear (and the whole of the ATHEX Group) in the abovementioned directions depends on the investment climate and is directly related with economic conditions in Greece. The adaptation of the Group to the new models of operation will create opportunities to create new services and collaborations and the conditions for effective and profitable operation in an international environment of greater security and reduced risk.

Turnover – Risks and uncertainties

The revenue of the Company depends, to a large extent, on factors over which it has no influence, since they are connected with developments in the Greek capital market, which in turn are affected by a series of factors such as, the current financial position and the debt crisis in Greece, the financial results of listed companies, the fundamental macroeconomic data of the Greek economy as well as developments in international capital markets. The current economic momentum increases risks from the stock price reduction and trading activity in general that may negatively impact the profitability of the Company

Besides the fees from clearing transactions in cash and derivatives market that are collected through the Members, important revenue streams are also the fees from transfers, allocations, trade notification instructions, member subscriptions in the derivatives market, 0.125 margin, IT services etc.

Contrary to revenues, which cannot be controlled by the Company, on the cost side concerted efforts are being made to reduce them, with the aim of reducing negative consequences to the financial results of the Company from possible adverse developments in the market.

Risk management

Financial Risk Factors: The Company is exposed to a limited range of financial risks. The usual risks to which it is usually subject are market risk (foreign exchange, interest rate and market value variations), credit risk, liquidity risk, cash flow risk.

The overall risk management program of the Company is performed by the competent departments of the Company and its basic elements are analyzed below:

Exchange Rate Risk: This risk does not materially affect the Company operations, given that the transactions with customers and suppliers in foreign currency are minimal.

Price Risk: The Company is not exposed to risk of security price variations.

Credit risk: The turnover of the Group mainly consists from transactions in the cash and derivatives markets, as well as with reliable foreign house with a high creditworthiness. On this basis, credit risk is estimated to be minimal.

The Hellenic Capital Market Commission, with decisions 5, 6 and 7/556/8.7.2010 granted to ATHEXClear a license to manage and operate systems to clear trades on dematerialized securities (Securities System) and derivatives products (Derivatives System). In this capacity, ATHEXClear assumes the risk that Clearing Members default on their obligations to clear and settle trades, as described in the Rulebooks (credit counterparty risk).

A new trading and clearing model was implemented in the Derivatives Market starting on 1 December 2014. This was a result of the restructuring and modernization of the derivatives market that begun in 2013 and concerned the restructuring of the derivatives market aiming at the effective utilization of the resources of all participants and at the adaptation of the operating model to the requirements of the EMIR Regulation.

As a result of this project, a common system currently exists for the trading on ATHEX of all products (securities, derivatives), as well as a common system for the clearing and settlement of all transactions (in securities and derivatives).

The use of uniform infrastructure will result in a drop in the cost of the services provided, as well as a reduction in the infrastructure that participants maintain, while enabling at the same time the development of new services and functions to be offered to all participants.

With the completion of the project, the trading and clearing models for the two markets have converged, and are now based on common concepts and similar models.

The new operating model for the derivatives market included major changes to the account structure and to risk management, where requirements under EMIR were implemented, such as for example the establishment of a Clearing Fund for the derivatives market, the development of systems for effectively monitoring risk in almost real time, the application of credit limits, changes to eligible collateral, etc.

The Board of Directors of the Hellenic Capital Market Commission decided (decision 1/704/22.1.2015) unanimously to grant a license to operate a central counterparty system in accordance with Regulation (EU) 648/2013 of the European Parliament and Council for OTC derivatives, central counterparties and trade repositories, to ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) to carry out the following clearing activities:

- clearing of transactions in transferable securities,
- clearing transactions in derivatives,
- clearing securities financing transactions;

In that same decision the HCMC approved, with effect as of 16 February 2015, the Regulation of Operation of the Central Counterparty System under the title “Regulation of Clearing of Transferable Securities Transactions in Book Entry Form”, included in the minutes of meeting No 103 of the Company's Board of Directors that was held on 28 July 2014. It also approved the Regulation of Operation of the Central Counterparty System under the title Regulation on Clearing Transactions in Derivatives, included in the minutes of meeting No 103 of the Company's Board of Directors that was held 28 July 2014.

Liquidity Risk: Liquidity risk is kept at low levels as a result of keeping enough amounts of cash and highly liquid securities. 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 on the following business day (T+1) a relevant request has been submitted by the member following the procedures in place by ATHEXClear and the derivatives market.

Cash Flow Risk and Change of Fair Value Risk Due to Interest Rate Changes: The operating income and cash flows of the Company are independent of changes in interest rates.

In 2014, working together with a consulting company, the design of policies and the development of methods that document ATHEXClear's adaptation to the new risk management requirements under EMIR were completed; these policies and methods were submitted to the HCMC as part of ATHEXClear's authorization file. In particular:

- The detailed method for determining ATHEXClear's capital requirements under EMIR was developed and documented and an estimate was made of the capital required.
- The new risk management framework was drafted containing the risk categories to which ATHEXClear is exposed, and establishing key principles and common process for counteracting them.
- A new liquidity risk management Framework was drafted containing the methodology for determining, quantifying and monitoring ATHEXClear's liquidity risk.
- The operational risk management framework was drafted containing the methodology for identifying, assessing, and managing the operational risks ATHEXClear faces. These methodologies were incorporated into ATHEXClear's existing procedures.
- The methodology for calculating risk management and collateral valuation parameters was redesigned to document compliance with EMIR requirements.
- A new framework for reexamining models and audits in the derivatives market was designed, containing methodologies back testing, stress testing, liquidity stress testing, reverse stress testing and sensitivity analysis, in order to document compliance with EMIR requirements.
- A new framework for validating models and methodologies in the Derivatives Market was designed. This framework includes methods and procedures for validating the margin model, the liquidity framework, the valuation models, as well as a reexamination of the fitness of the stress test scenaria under extreme conditions, in order to document compliance with EMIR requirements.

Corporate Social Responsibility

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

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

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

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

- We try to alleviate poverty by supporting the work of volunteer organizations providing to our fellow human beings.
- We continue our efforts to protect the environment through recycling, and we adopt new workplace methods in order to save energy through a number of simple and practical rules.
- We promote and support an information and educational program for high school and university students, as well as market professionals, in order to improve the level of education regarding the exchange.
- We support as an active member the efforts of the Greek network for Corporate Social Responsibility which aims to promote CSR both to the business world and to society as a whole and to achieve a balance between generating profits and sustainable development.

Significant events after 31 December 2014

Starting on 16.2.2015, the cash balances that concerned cash collaterals of the Clearing Members in the cash markets and are maintained in a Company account as a direct participant in Target2 are maintained at the Bank of Greece (BoG). The amount transferred to the BoG from the commercial banks amounted to €301.2m and is added to the existing cash collaterals of the Clearing Members in the Derivatives Market that had already begun being maintained starting on 1.12.2014 and is shown in the Statement of Financial Position on 31.12.2014.

There are no significant events in the results of the Company which has taken place or was completed after 31.12.2014, the date of the annual financial statements for 2014 and up until the approval of the 2014 financial report by the Board of Directors of the Company on 16.03.2015.

Athens, 16 March 2015

THE BOARD OF DIRECTORS

3. AUDIT REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants SA
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INDEPENDENT AUDITOR'S REPORT

To the shareholders of **"ATHENS EXCHANGE CLEARING HOUSE S.A. (AthexClear)"**

Report on the Financial Statements

We have audited the accompanying Financial Statements of "**ATHENS EXCHANGE CLEARING HOUSE S.A. (AthexClear)"**, which comprise the statement of financial position as at 31 December 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **"ATHENS EXCHANGE CLEARING HOUSE S.A. (AthexClear)"** as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other Legal and Regulatory issues

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, 16 March 2015

PANAGIOTIS I. K. PAPAZOGLOU
SOEL Reg. No. 16631

DIMITRIOS KONSTANTINOU
SOEL Reg. No. 16201

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants SA
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COMPANY SOEL Reg. No 107

4. ANNUAL FINANCIAL STATEMENTS

For the period 1 January 2014 - 31 December 2014

In accordance with International Financial Reporting Standards

4.1. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

	Note	01.01 31.12.2014	01.01 31.12.2013
Revenue			
Clearing	5.7	16,610	12,323
Exchange Services		0	200
Clearing House Services	5.8	296	333
IT Services	5.9	28	35
New Services (XNET,CP CSE-Sibex, IT)	5.11	218	68
Other Services	5.10	320	7
Total turnover		**17,472**	**12,966**
Hellenic Capital Market Commission Fee	5.20	(1,162)	(887)
Total Revenue		**16,310**	**12,079**
Expenses			
Personnel remuneration and expenses	5.13	1,166	710
Third party fees and expenses	5.14	38	34
Maintenance/IT support	5.15	69	155
Taxes - VAT	5.16	65	68
Building/Equipment Management	5.17	29	34
Fixed Settlement Fee	5.18	13,561	10,255
Operating Expenses	5.19	77	102
Total operating expenses		**15,005**	**11,358**
Expenses from new services (XNET, CSE-SIBEX CP, IT)	5.21	202	29
Re-invoiced expenses	5.22	6	0
Non-recurring expenses	5.23	20	171
Total operating expenses, including new activities		**15,233**	**11,558**
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)		**1,077**	**521**
Depreciation	5.24	(49)	(69)
Earnings Before Interest and Taxes (EBIT)		**1,028**	**452**
Capital income	5.26	163	238
Impairment provision - financial assets available for sale		0	10
Financial expenses		(1)	(1)
Earnings Before tax (EBT)		**1,190**	**699**
Income tax	5.33	(304)	(204)
Profits after tax		**886**	**495**

Net profit after tax (A)		**886**	**495**
Other comprehensive income not recognized in profit or loss in the following financial years		0	0
Actuarial profits / (losses) from staff compensation provision		(48)	7
Effect in income tax (note 5.13)	5.13	12	(2)
Other net comprehensive income not carried over in profit or loss in following fiscal years (B)		**(36)**	**5**
Total comprehensive income after tax (A) + (B)		**850**	**500**

Certain amounts of the previous financial year have been modified (see note 5.2).

The notes on pages 25 to 64 form an integral part of these financial statements of 31.12.2014.

(Amounts in thousands of euros, unless otherwise specified) 21

4.2. ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31.12.2014	31.12.2013
ASSETS			
Non-current assets			
Tangible assets for own use	5.24	2	51
Intangible assets	5.24	28	0
Participations & other long-term receivables		2	2
Deferred Taxes	5.28	66	57
Receivables from affiliated companies	5.26	0	23,310
		98	**23,420**
Current assets			
Clients	5.25	567	592
Other claims	5.25	388	1,528
Income tax claim	5.33	869	0
Cash and cash equivalents	5.26	32,425	8,200
Third party balances in ATHEXClear bank account	5.27	102,056	0
		136,305	**10,320**
Total Assets		**136,403**	**33,740**
LIABILITIES & SHAREHOLDERS' EQUITY			
Equity & reserves			
Share Capital	5.29	25,500	25,500
Reserves	5.29	173	148
Retained earnings		4,047	3,222
Total Equity		**29,720**	**28,870**
Long-term liabilities			
Provisions	5.30	196	217
		196	**217**
Short-term liabilities			
Suppliers and other commercial liabilities	5.31	4,383	4,591
Taxes payable	5.33	0	32
Social security		48	30
Third party balances in ATHEXClear bank account	5.32	102,056	0
		106,487	**4,653**
TOTAL LIABILITIES		**106,683**	**4,870**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**136,403**	**33,740**

The notes on pages 25 to 64 form an integral part of these financial statements of 31.12.2014.

(Amounts in thousands of euros, unless otherwise specified) 22

4.3. ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2013	**25,500**	**0**	**87**	**2,783**	**28,370**
Profit for the period				495	495
Other comprehensive income after taxes				5	5
Total comprehensive income after taxes	**0**	**0**	**0**	**500**	**500**
Profit distribution to reserves			61	(61)	0
Balance 31.12.2013	**25,500**	**0**	**148**	**3,222**	**28,870**
Profit for the period				886	886
Other comprehensive income after taxes				(36)	(36)
Total comprehensive income after taxes	**0**	**0**	**0**	**850**	**850**
Profit distribution to reserves			25	(25)	0
Balance 31.12.2014	**25,500**	**0**	**173**	**4,047**	**29,720**

The notes on pages 25 to 64 form an integral part of these financial statements of 31.12.2014.

(Amounts in thousands of euros, unless otherwise specified) 23

4.4. ANNUAL CASH FLOW STATEMENT

	Note	1.1-31.12.2014	1.1-31.12.2013
Cash flows from operating activities			
Profit before tax		1,190	777
Plus / (minus) adjustments for:			
Depreciation	5.24	49	69
Staff compensation provisions	5.13	12	45
Provisions for other risks	5.30	(80)	100
Interest income	5.26	(163)	(248)
Interest and related expenses paid	5.26	1	1
Plus/ minus adjustments for changes in working capital accounts or concerning operating activities			
Reduction in receivables		24,747	(1,351)
Reduction in liabilities (except loans)		(386)	3,945
Interest and related expenses paid	5.26	(1)	(1)
Income tax paid		(1,279)	(174)
Net inflows / outflows from operating activities (a)		**24,090**	**3,163**
Investing activities			
Purchases of tangible and intangible assets	5.24	(28)	248
Interest received	5.26	163	0
Total inflows / (outflows) from investing activities (b)		**135**	**248**
Financing activities			
Special dividend (share capital return)		0	0
Dividend payments		0	0
Total outflows from financial activities (c)		**0**	**0**
Net increase/(decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		24,225	3,411
Cash and cash equivalents at start of the period		**8,200**	**4,789**
Cash and cash equivalents at end of the period		**32,425**	**8,200**

The notes on pages 25 to 64 form an integral part of these financial statements of 31.12.2014.

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5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR FISCAL YEAR 2014

5.1. General information about the Company

The company "ATHENS EXCHANGE CLEARING HOUSE S.A." with the commercial name "ATHEXClear", was founded on 22.07.2005 (under the initial corporate name "Ipsipili Société Anonyme Real Estate Development and Services Provision" with the commercial name "Ipsipili Real Estate S.A.") and the announcement of said establishment and the relevant entry in the Register of Sociétés Anonymes was published in the Government Gazette 8298/27.07.2005. The company's General Electronic Commercial Registry (GEMI) is 6410501000 (former companies register No 58973/01/B/05/309).

In accordance with the decision of the ATHEX Board of Directors, the acquisition of all shares (100%) of the company " ATHENS EXCHANGE CLEARING HOUSE S.A ", (under the initial corporate name "Ipsipili Société Anonyme Real Estate Development and Services Provision" and the commercial name "Ipsipili Real Estate S.A.") for the amount of one hundred thirty thousand Euros (€130,000) was completed on 8 Mar 2010. The purpose of the acquisition was the contribution of the clearing business to the new company by the spin-off from HELEX under L.2166/93.

On 15 July 2010, after the completion of the clearing segment spin-off from HELEX and its contribution to ATHEXClear (Prefectural decision 20153/15.7.2010), the share capital increased - due to the contribution of the business - by the book value of the HELEX clearing business, i.e. twenty five million three hundred eighty thousand Euros (€25 380 000), with the issuance of eight million four hundred sixty thousand (8 460 000) new common registered shares with a face value of three euros (€3) each. Thus ATHEXClear's total equity is twenty five million five hundred thousand Euros (€25,500,000), divided into eight million five hundred thousand (8,500,000) common registered shares of three Euros (€3) face value each.

The annual financial statements of the Company for 2014 have been approved by the Board of Directors on 16.03.2015. The financial statements of the company are included in the consolidated financial statement of the Athens Exchange Group and are published on the internet, at www.athexgroup.gr.

5.2. Basis of preparation of the annual financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the European Union and are mandatory for fiscal years ending on December 31st 2014. There are no standards and interpretations of standards that have been applied before the date that they go into effect.

The attached financial statements have been drafted on the basis of historical cost as modified by the revaluation of specific assets, equity and liabilities to fair values (commercial securities portfolio, assets available for sale) and the principle of "going concern". The accounting principles set forth below have been applied consistently throughout all periods presented.

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

Estimates and judgments are continuously evaluated, and are based on actual data and other factors, including the expectations for future events that are deemed to be expected under reasonable conditions. The management of the company estimates that there are no estimates and assumptions that involve a significant risk of causing material adjustments in the book values of the assets and liabilities.

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

The sectors that require a higher degree of judgment and where the assumptions and estimations are significant for the Financial Statements are noted below:

Income tax

Judgment is required of the Group in order to determine the provision for income tax. There are many transactions and calculations for which the final determination of the tax is uncertain. If the final tax figure is different than the amount initially recognized, the difference will affect the income tax in the fiscal year that the determination of the tax differences takes place (note 5.33).

Provisions for commercial and other claims

The Management of the company periodically reexamines the adequacy of the provision for bad debts in conjunction with its credit policy, and by taking into consideration information provided by the Legal Affairs Division of the Group, which are the result of the processing of the relevant historical data and recent developments of the cases that it handles (note 5.25).

Useful lives of tangible and intangible assets – Valuation

Estimates regarding the useful lives of depreciable assets are made by the Company's Management. Periodic reassessments are made of these residual useful lives to establish their continued suitability. Sections 5.3.1 and 5.3.2 respectively provide more information. Further, property market conditions are also assessed by the Management which proceeds to estimates regarding the valuation of property (note 5.24).

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 to be used against those loses. Significant estimates by Management are required in order to ascertain the size of the deferred tax claim that may be recognized, based on the possible time and size of future taxable profits in conjunction with the tax planning of the entity (note 5.28).

Staff compensation provision

Obligations for staff compensation are calculated based on actuarial methods; the calculation requires that Management estimate specific parameters, such as the future increase in staff remuneration etc. Management strives, on each reference date when the provision in question is revised, to estimate in the best possible manner these parameters (note 5.13).

Contingent Liabilities

The existence of contingent liabilities requires that Management constantly make assumptions and value judgements regarding the possibility that future events may or may not occur, as well as the effect that these events could have on the activity of the Company (note 5.36).

Estimations – sources of uncertainty

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

Going concern

Management examines the main financial elements and, on occasion, the fulfillment 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 Company.

Defined benefit plans

The cost of the benefits for defined benefits plans is calculated using actuarial estimates, which in turn use assumptions about the discount rates, the rate at which salaries are increased, and mortality rates. Due to the long term nature of these plans, these assumptions are subject to significant uncertainty (note 5.13).

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

As part of the effort to provide greater transparency and more material information to investors, a reclassification of accounts in the Statement of Comprehensive Income took place. As a result of these changes, the date from the corresponding period last year must be adjusted in order to make them comparable.

The table below presents the classification of the published Statement of Comprehensive Income of the Company, in the new accounts structure that the Company decided to implement starting on 01.01.2014 forward. The changes below have no effect in total turnover of the Company.

	Note	01.01 31.12.2013 Modified	01.01 31.12.2013 Published
Revenue			
Clearing	5.7	12,323	12,323
Clearing House Services	5.8	333	333
IT Services	5.9	35	35
Emission Rights		0	200
Exchange Services		200	0
X-NET		0	39
New Activities (XNET, CP CSE-Sibex, IT)	5.11	68	0
Other Services	5.10	7	7
Total turnover		**12,966**	**12,937**
Hellenic Capital Market Commission Fee	5.20	(887)	(887)
Total operating Revenue		**12,079**	**12,050**
Cost and expenses			
Personnel remuneration and expenses	5.13	710	710
Third party fees and expenses	5.14	34	34
Utilities		0	1
Maintenance/IT support	5.15	155	155
Other taxes	5.16	68	68
Building/Equipment Management	5.17	34	34
Fixed Settlement Fee	5.18	10,255	10,255
Operating Expenses	5.19	102	94
Other Expenses		0	7
Expenses from new activities (XNET, CP CSE-Sibex, IT)	5.21	29	0
Non-recurring expenses	5.23	171	0
Total operating expenses		**11,558**	**11,358**
Re-invoiced expenses	5.22	0	171
Total operating expenses, including new activities		**11,558**	**11,529**
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)		**521**	**521**
Depreciation	5.24	(69)	(69)
Earnings Before Interest and Taxes (EBIT)		**452**	**452**
Capital income	5.26	238	238

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	Note	01.01	
		31.12.2013 Modified	31.12.2013 Published
Revenues from the sale of shares		10	10
Financial expenses		(1)	(1)
Earnings before tax (EBT)		**699**	**699**
Income tax	5.33	(204)	(204)
Earnings after tax		**495**	**495**

5.3. Basic Accounting Principles

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

5.3.1. Tangible assets for own use

Real estate (plots of land – buildings) fixed assets are recorded at their adjusted values, in accordance with the adjustment method, minus accumulated depreciation and any possible value impairment.

Other tangible assets for own use are presented in the financial statements at their acquisition values less accumulated depreciation and any possible value impairment.

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 to the extent that these expenses increase the future financial benefits expected to flow in from the use of the fixed asset, provided that 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.

Following the implementation of the new tax law (4110/2014, article 3, §24), which went into effect on 23.1.2013 in Greece, the Group and the parent company harmonized the useful life of tangible assets with those in the new tax law. In accordance with the new tax law (4172/23.7.2013, article 24, §4), which went into effect on 1.1.2014, the depreciation rates were once again modified.

The changes in the accounting estimate of the useful lives of tangible assets are shown below:

	Useful life until 31.12.2012	Useful life after 1.1.2013	Useful life after 1.1.2014
Buildings and technical works	25 years	25 years	25 years or 4%
Machinery	5-6 years	5 years	5 years or 20%
Means of transportation	5-6 years	10 years	16 years or 6.25%
Other equipment	3-10 years	10 years	5-10 years or 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 deleted from the relevant accounts at the time period that the asset is retired or sold, and the associated profits or losses are recognized in the Statement of Comprehensive Income.

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5.3.2. Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus depreciation. Depreciation is calculated using the straight line method during the useful life of these assets, which is estimated to be approximately 3 years. In accordance with the new tax law (4172/23.7.2013) the mandatory depreciation rates for intangible assets/ rights and depreciation are reduced by 10%.

5.3.3. Conversion of foreign currency

Transactions in foreign currencies are converted to the functional currency using the exchange rates on the date of the transactions. Earnings and losses from the settlement of foreign currency transactions and from the valuation at year-end of cash assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Foreign exchange differences resulting from non-cash items that are measured at fair value are taken to form part of the fair value and are, as a result, recorded together with fair value differences.

5.3.4. Impairment of non-financial assets

The Company examines at each date of the financial statements, whether there are impairment indications for non-financial assets. The book values of assets are revised for any impairment, whenever events or changed circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable value, an impairment loss is recognized in the Profit and Loss Statement. The recoverable amount is calculated as the greater of the fair value less sale expenses and the value-in-use.

The 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

Financial instruments are presented as claims, liabilities, or elements of equity, based on the substance or contents of the relevant contracts from which they arise. Interest, dividends, profits or losses which arise from the financial products which are characterized as claims or liabilities are recognized as revenue or expenses respectively. The dividend distribution to shareholders is recognized as equity. Financial instruments are offset when the Company has this right according to the law and intends to offset on a net basis (between them) or to recover the asset and to offset the liability at the same time.

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

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

Securities were initially characterized as securities at fair value through comprehensive income; that is they were considered as being purchased and kept with the aim of being liquidated in the short-term for profit. Therefore, they were classified under IAS 39 “Financial Instruments valued at fair value through the Statement of Comprehensive Income” and their valuation was at their fair value while the profits or losses from the valuation are recognized in the results of the period. Starting on 1.7.2008, the modifications of IAS 39 were adopted, and as a result these securities were classified in the portfolio available-for-sale, and the result of the valuation of the bonds is recognized in a special reserve. The estimated profits or losses that arise from the changes in the fair value of the securities that are classified in the available-for-sale portfolio are recognized in a special reserve in equity. When the securities from the available-for-sale portfolio are sold, the corresponding accumulated profits/losses are transferred from the special reserve to the corresponding accounts in the Statement of Comprehensive Income.

The financial assets of the Company are classified in the following categories based on the nature of the contract and the purpose for which they were acquired. The decision for the classification is taken by management when the asset is initially recognized.

Financial asset at fair value through comprehensive income

This category includes two subcategories, financial assets held for trading and those designated as investments at fair value through the statement of comprehensive income upon initial recognition. A financial asset is recorded in this category if acquired principally for the purpose of short-term selling or when identified as such. Derivative instruments for trading are also recorded in this category, unless identified as hedging instruments.

Loans and receivables

This category includes non-derivative financial assets not quoted in an active market, for which there is no intention to sell and which have fixed or determinable payments. Unless they mature in more than 12 months from the reporting date, they are included in current assets.

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

Investments held-to-maturity

Such investments include non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company intends and is able to hold to maturity. During the financial year in question the Company had no such financial assets.

Financial assets available for sale

These include non-derivative financial assets that are either identified in this category or cannot be classified in any of the above categories. They are included in the non-current assets, provided that the Management does not intend to liquidate them within 12 months from the Statement of Financial Position date.

Accounting treatment and valuation

Purchases and sales of financial assets at fair value through the Statement of Comprehensive Income, held-to-maturity and available-for-sale are recognized on the trade date, i.e. the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is dispersed to borrowers. Financial assets that are not recognized at fair value through Comprehensive Income are initially recognized at fair value plus transaction costs. Financial assets cease to be recognized when the right to collect their cash flows expires or when the Group has effectively transferred the risks and returns or rewards that ownership entails.

Investment titles available for sale and financial assets at fair value through the Statement of Comprehensive Income are also valued and presented at fair value in future periods. Loans, advance payments and held-to-maturity investments are presented their book value with the real interest rate method. Profits and losses from changes in fair value of "financial assets at fair value through the Statement of Comprehensive Income” are included in the Statement of Comprehensive Income at the period incurred.

Profits and losses from changes in the fair value of financial assets available-for-sale are recognized directly to equity, until the financial asset is no longer recognized or is impaired, in which case the accumulated profit or loss, which was up until then recognized directly to equity, is transferred to the Statement of Comprehensive Income. Interest however from those assets which is calculated based on the real interest rate method, is recognized in the Statement of Comprehensive Income. Dividends from available-for-sale financial assets are recognized in the Statement of Comprehensive Income when the right to collect the dividend is approved by the Shareholders.

The fair value of investments traded in active markets is determined by the current exchange ask prices. The fair value of non-listed securities and other financial assets in cases when the market is not active is determined using valuation methods. These methods include the use of recent transactions conducted on a strictly commercial basis, reference to the current price of comparable assets that are traded, as well as the discounted cash flows, estimation of options and other valuation methods that are commonly used in the market.

5.3.6. Offsetting claims - liabilities

Offsetting financial assets with liabilities and the recognition of the net amount in the financial statements takes place only when there is a legal right to offset, and the intention to settle the net amount that results from the offset or for simultaneous settlement.

5.3.7. Other Long-term claims

Other long-term claims may include rental guarantees, guarantees to public utility companies (OTE, PPC, etc.) as well as other long-term duration amounts. Other long-term claims are valued at the book value using the real interest rate method.

5.3.8. Clients and other commercial receivables

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

It is the policy of 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 90 days, while if they become past due, no late payment fees are charged to clients.

5.3.9. Cash and cash equivalents

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

In order to prepare the Statement of Cash Flows, cash assets consist of cash and bank deposits, as well as cash equivalents as described above.

5.3.10. Third-party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework determined by Regulation (EU) 648/2012 of the European Parliament and Council (EMIR Regulation), the Company keeps all cash collateral that are being managed by the Company and concern the cash market and the derivatives market, as well as its own cash balances, in an account that it maintains at the Bank of Greece as a direct participant over the internet to the TARGET2-GR Express Transfer of Capital and Settlement System in real time (TARGET2-GR).

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains at the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2014. In the Statement of Financial Position of 31.12.2014, they are shown in the same amounts in both current assets and short term liabilities as “third party balances at the bank account of the company” and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear at the BoG on 31.12.2014 are shown

There was no corresponding amount last year since the process for the Clearing Fund for the derivatives market started being implemented on 1.12.2014.

5.3.11. Share capital

Share capital includes the common stock of the Company that has been issued and is in circulation. Common stock is included in equity. Direct expenses incurred when issuing stock are reported after deducting the relevant income tax.

5.3.12. Current and deferred income tax

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

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

Deferred tax is not recognized when it arises at the time of the initial recognition of an asset or liability from a transaction that is not a consolidation of enterprises and at the time of the transaction it does not affect either the accounting or the taxable result (profit / loss).

Deferred tax is determined using tax rates (and tax laws) that have been 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 future taxable gain for the use of the temporary difference that generates the deferred tax claim.

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

5.3.13. Employee benefits

Current benefits

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

Staff retirement obligations

Staff retirement obligations include both defined contribution and defined benefits plans.

Defined Contributions Plan

Under the defined contribution plan, the company's obligation (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 defined contributions scheme is recognized as an expense in the corresponding period.

Defined Benefits Plan

The defined benefits plan of the Group concerns its legal obligation to pay 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 defined benefit, depending on the accrued right of employees and in relation to the specific point of time that this benefit is expected to be paid.

The commitment to the defined benefit is calculated on an annual basis by an independent actuary using the projected unit credit method. The long-term Greek government bond rate is used for discounting.

The actuarial profit and losses arising from adjustments based on historical data are directly recognized in the results, as they occur (note 5.13).

5.3.14. Government Grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Group will comply with the terms and conditions that have been set for their 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 installments 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. Grant depreciation is recorded in “Other Revenue” in the Statement of Comprehensive Income.

5.3.15. Provisions and contingent liabilities

Provisions are recognized when:

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

Provisions are re-examined on the date of the financial statements preparation and are adjusted to reflect the best possible estimates, and whenever deemed necessary, they are discounted with a discount rate before taxes.

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 very small. Contingent claims are not recognized in the financial statements, but are published provided the inflow of financial benefit is likely.

5.3.16. Revenue Recognition

Revenue includes the fair value of transactions, net of any recovered taxes, rebates and returns. Complete write-off applies to intra-group revenues within the Company. Revenue is recognized to the extent that it is likely that the economic benefits will inflow in the Group and the respective amounts can be reliably measured. The following specific recognition criteria must also be satisfied when revenue is recognized:

Revenue from trade clearing in the stock market

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

Revenue from derivatives 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) Fee payment for securities markets takes place on the next day following the settlement date or on the third working day of the following calendar month, if the member submits such a request. For the derivatives market, fee payment takes place by Members on the next day following the settlement date. For both cash and derivatives market the relevant invoice is issued at a monthly basis.

Technological Support Services

Revenue from technological 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 the 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.

Dividends

Dividend income is recognized when the right to collect by the shareholders is finalized, that is, on approval by the General Meeting.

Dividend distribution

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

5.3.17. Commercial and Other Payables

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

5.3.18. Expenses

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

5.3.19. 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 are productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, and at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

The capitalization of 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 based on the cost of an asset minus its salvage value. Depreciation is recognized in the Statement of Comprehensive Income using the same depreciation method for the duration of the useful life of intangible assets, starting on the date that they are available for use. The useful life for the current and the comparative period in the capitalization of development costs is from 3 to 7 years.

The profit or loss that arises from the write-off of 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 written off.

5.3.20. New standards, modified standards and interpretations

Changes in accounting policies and notifications

The accounting policies that have been adopted are consistent with those that had been adopted during the previous fiscal year, except for the modified standards listed below which the Company adopted on January 1st 2014:

- IAS 28 Investments in Associates and Joint Ventures (Revised)
- IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets
- IFRIC Interpretation 21: Levies

Standards which have been published but do not apply to the current accounting period and the Company has not early adopted

In addition to the standards and interpretation that have been announced in the financial statements for the fiscal year ended on December 31st 2014, the following new standards, amendments/ standard or interpretation reviews have been published but do not apply to the accounting period commencing on January 1st 2014, and were not early adopted by the Company:

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**
  The amendment is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendment has not yet been endorsed by the EU. Management of the Group and the Company are assessing this amendment in their financial statements.

- **IAS 19 Employee benefits (Amended): Employee Contributions**
  The amendment is effective for annual periods beginning on or after 1 February 2015. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The management of the Company is assessing this amendment in its financial statements.

- **IFRS 9 Financial Instruments – Classification and measurement**
  The standard is applied for annual periods beginning on or after 1 January 2018 with early adoption permitted. The final phase of IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The

standard has not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**
  The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

- **IFRS 14 Regulatory Deferral Accounts**
  The standard is effective for annual periods beginning on or after 1 January 2016. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The management of the Company is assessing this amendment in its financial statements.

- **IAS 27 Separate Financial Statements (amended)**
  The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016. The amendments have not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

The IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 February 2015. The management of the Company is assessing these amendments in their financial statements.

- **IFRS 2 Share-based Payment:** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

- **IFRS 3 Business combinations:** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- **IFRS 8 Operating Segments:** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- **IFRS 13 Fair Value Measurement:** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
- **IAS 16 Property Plant & Equipment:** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- **IAS 24 Related Party Disclosures:** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- **IAS 38 Intangible Assets:** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount**.**

The IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2015. The management of the Company is assessing these amendments in its financial statements.

- **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other**.**

The IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements have not yet been endorsed by the EU. The management of the Company is assessing these amendments in its financial statements.

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**: The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal; rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- **IFRS 7 Financial Instruments: Disclosures:** The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

- **IAS 19 Employee Benefits:** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- **IAS 34 Interim Financial Reporting:** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

- **IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments)**
The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments have not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

- **IAS 1: Disclosure Initiative (Amendment)**
The amendments to IAS 1 Presentation of Financial Statements further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. These amendments have not yet been endorsed by the EU. The management of the Company is assessing this amendment in its financial statements.

5.4. Risk management

General – Risk management environment

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

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

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a central counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy strict requirements concerning risk management.

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

In light of these new regulatory requirements, the Group has drafted a comprehensive plan to improve risk management in order to continue to provide high quality services.

Risk Strategy and Risk Management

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

Organizational structure

In 2014 risk management was strengthened and restructured, especially for ATHEXClear, in order to be harmonized with the EMIR Regulation. In particular, beyond the specific measures for the smooth operation of the systems of the Group, each organizational unit of the Group is responsible to monitor and manage possible risks in such a way so as to react quickly and effectively in case risk events arose.

In particular, as far as ATHEXClear is concerned, the risk management environment is shaped by the participation of the following units:

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

Unified risk management

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

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

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

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

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

Risk Categories

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

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

Financial risk

- Market risk (changes in foreign exchange rates, interest rates, market prices, etc.)
- Credit risk (mainly counterparty credit risk and risk from equity investments)
- Liquidity risk (mainly cash flow risk)

Operating Risk

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

Business Risk

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

Description of risk categories and main risk factors

Market Risk

The Group is exposed to minimum market risk for its activities. ATHEXClear, as a central counterparty in the clearing of cash and derivatives products, places its financial assets only in cash at the Bank of Greece. As a rule, the cash balance of the Group is invested exclusively in time deposits. In each case, the Group monitors the potential exposure that market risk can bring and calculates the capital that it must keep against market risk, in accordance with the capital requirements calculation methodology that it applies. In particular:

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

Price Risk: The Company is not exposed to price risk as it does not hold securities whose value is affected by price changes.

Credit Risk

The turnover of the Group mainly consists from transactions in the cash and derivatives markets, as well as transactions with reliable foreign house with a high creditworthiness. On this basis, credit risk is estimated to be minimal.

The credit risk that ATHEXClear faces only arises from the investment of its own assets. As part of the investment policy, specific principles are set for placement of the cash; in particular cash placements are as a rule made at the Bank of Greece, a fact that minimizes the company's risk.

Credit Counterparty Risk

The Hellenic Capital Market Commission, with decisions 5, 6 and 7/556/8.7.2010 granted to ATHEXClear a license to manage and operate systems to clear trades on dematerialized securities (Securities System) and derivatives products (Derivatives System). In this capacity, ATHEXClear assumes the risk that Clearing Members default on their obligations to clear and settle trades, as described in the Rulebooks (credit counterparty risk).

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

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

In particular, in order to protect the securities system from credit risk of Clearing Members, ATHEXClear manages the Clearing Fund which acts as a risk sharing fund to which Clearing Members contribute exclusively in cash. In addition, it monitors and calculates, on a daily basis as well as during the day, the risk that Clearing Members will default on their obligations, and blocks the corresponding guarantees in cash and/or letters of guarantee. Based on the guarantees that have been blocked, the credit limits of the members are reevaluated on a daily basis; monitoring the limits takes place in real time during market hours. The minimum size of the Clearing Fund is recalculated at least every three months, in accordance with the provisions of the Rulebook, so that its size is sufficient at a minimum to cover at any time the loss, under any extreme market conditions that may arise in case the Clearing Member which exposes the system to the greatest risk is overdue.

As far as the derivatives system is concerned, ATHEXClear undertakes the clearing of trades as central counterparty. Up until November 2014, every clearing account beneficiary blocked margin in favor of ATHEXClear, under the responsibility of the Clearing Member that represented him, in order to properly fulfill all of his obligations from the transactions that took place on his account in the Derivatives Market. The requirement to provide margin was fulfilled by committing cash, liquid securities and dematerialized securities issued by the Greek government. Besides the blocking of margin at the final investor level, each Clearing had to provide additional margin to reassure the fulfillment of its obligations to ATHEXClear, depending on his capacity and the risk that its trading activity entailed. In particular, ATHEXClear applied a methodology based on which the minimum margin per Clearing Member is calculated, in order for this margin to be sufficient, at a minimum, to cover the loss under any extreme market conditions that may arise in case the Clearing Member defaults.

Starting on the 1st of December 2014, the clearing and risk management model in the derivatives market changed significantly in order to satisfy the requirements imposed by the EMIR Regulation. The most important changes in the new model were:

The creation of a clearing fund for the Derivatives Market as well.

1. Defining the clearing accounts and calculating the risk and the required margins from the members at the clearing account level
2. Change the parameter calculation method of the risk management model
3. Changes in the acceptable margin and non-acceptance of letters of guarantee

Under the new model, the system has become even safer and compliant with the demands imposed by EMIR; as a result it is easily understood by participants from both Greece and abroad.

Liquidity Risk

Liquidity risk is maintained at low levels by maintaining adequate cash.

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

Cash flow risk and risk from the change of the fair value due to interest rate changes:

The operating revenue and the cash flows of the Group are independent of interest rate changes.

Operating Risk

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

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

In 2014 there was no significant interruption in the activities (trading, clearing, settlement, registration) of the Group that was due to failure or unavailability of information systems or to human error. There were no significant damages or monetary demands due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition no losses due to external events were faced.

Measures for reducing operating risk

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

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

The most significant measures are the implementation of a business continuity plan, taking out insurance policies as well as measures to ensure compliance with the new regulations.

Business Continuity Plan

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

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

Insurance policies

Operating risks which the Group is not able or does not wish to assume are transferred to insurance companies. Management of insurance policies takes place centrally for the whole Group in order to obtain better services and more advantageous terms. In particular, coverage concerns among others third party civil liability and professional liability (DFL/PI) as well as civil liability of BoD members and executives (D&O).

Regulatory Compliance

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

- Monitoring changes in the regulatory and surveillance framework and informing the BoD, the Audit Committee and staff.
- Conducting gap analysis between the existing and future condition brought about by regulatory and surveillance changes.
- Monitoring the compliance of the company to the legal and regulatory framework.
- Handling requests related to compliance matters.
- Measuring and monitoring compliance risk.

Specifically for ATHEXClear, in 2014 policies were implemented concerning conflicts of interest, outsourcing, managing complaints by clearing members, remuneration of personnel, executives and members of the BoD and management of its archives, in accordance with the requirements of the EMIR Regulation.

Business Risk

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

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

5.5. Adjustment to the EMIR Regulation

The EMIR (European Market Infrastructure Regulation) Regulation regulates matters concerning OTC derivatives, Central Counterparties (CCPs) and Trade Repositories. It is part of a wider range of regulatory initiatives at a European and international level (creation of European Supervisory authorities, CSDR, CRD IV, MIFID/ MIFIR, CPSS/ IOSCO Principles for FM/s).

The EMIR Regulation regulates uniform requirements for carrying out CCP activities (and interoperability), requirements for clearing and managing bilateral risk for OTC derivatives, obligation to report derivatives to Trade Repositories and uniform requirements for carrying out Trade Repository activities. The EMIR Regulation concerns Central Counterparties CCP, Clearing Members, Derivatives Contracts Counterparties (and non-financial whenever necessary), trade repositories and trade venues (where foreseen).

The main goals of EMIR are to:

1. Increase transparency. Detailed information on derivatives transactions must be reported to a trade repository where regulators have access. Trade repositories will publish aggregated data on the positions per derivatives type which will be available to participants.

2. Reduce counterparty credit risk. Obligation to clear standardized contracts in a CCP. Strict operation and surveillance rules for CCPs. Rules for risk mitigation for derivatives that are not cleared in a CCP.

3. Reduce operating risk. Use electronic means for the timely confirmation of the terms of OTC derivatives contracts.

As central counterparty in the derivatives market, ATHEXClear had to adjust to the requirements of the Regulation, i.e. to adjust its capital and organizational structure and to obtain again a license from the authority which is responsible for licensing and supervising the CCPs that operate in its area of supervision.

In order to receive the license from the Hellenic Capital Market Commission, ATHEXClear drafted – in cooperation with an external consultant – a dossier for licensing the company by the Hellenic Capital Market Commission in accordance with Regulation (EU) 648/2012 (EMIR), since it operates as a Central Counterparty (CCP) in the ATHEX derivatives market. The dossier included the clearing of the Romanian derivatives market in accordance with the agreement with that exchange (SIBEX).

As far as the cash market is concerned, following a relevant impact study on the members and the market, and due to the critical economic situation in our country and the lack of liquidity it was decided (in consultation with the HCMC) not to modify the market model in accordance with the EMIR Regulation but to ring fence – isolate the market by exploiting the relevant provision of the EMIR Regulation for providing services linked to clearing.

During the evaluation phase of the licensing dossiers, ESMA created a special workgroup which decides and interprets EMIR-related issues, and updates a document with frequently asked questions and answers (Q&A).

Since the abovementioned procedure of providing clarifications through the Q&A document created issues in a number of Clearing Houses with their licensing dossiers, ESMA notified the national Capital Market Commissions a procedure in which an extension was provided to the Clearing Houses to conform with the decisions of the Committee when material changes arise. At the same time, ATHEXClear prepared and submitted, on 27 June 2014, a new licensing dossier which included the activity of clearing as Central Counterparty in the Cash Market, in compliance with the clarifications provided by ESMA.

Within this framework, the necessary changes in the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form were adopted and included in draft form in the licensing dossier that was submitted to the Hellenic Capital Market Commission.

Finally, the licensing dossier included a new edition of the draft Regulation on the Clearing of Transactions on Derivatives, which incorporates comments by the Hellenic Capital Market Commission and text improvements.

The Hellenic Capital Market Commission granted a license to operate to ATHEXClear in its decision 1/704/22.1.2015 (see below).

At the same time a contract was signed with the Bank of Greece due to the capacity of ATHEXClear as direct participant over the internet to the TARGET2-GR express transfer of capital and settlement system in order to satisfy the requirements of the EMIR Regulation.

Risk Management Procedures in the Derivatives System

The BoD of ATHEXClear at its meeting 109/17.11.2014 approved the creation of a set of risk management policies and methodologies as a result of the clearing model changes in the derivatives market, the Regulation on the Clearing of Transactions on Derivatives (hereinafter Regulation), as well as due to the adjustments to the requirements of the EMIR Regulation.

Given the transition to the new model in the Derivatives market on December 1st 2014, ATHEXClear set the Derivatives System risk management procedures in accordance with the Regulation (ATHEXClear decision 5).

Setting up a Risk Committee

Following the plans for the adjustment of ATHEXClear to the provisions of Regulation 648/2012 (EMIR) and having in mind the need to set up a standing advisory committee which will assist the Board of Directors in its function managing risk assumed by the Company in accordance with the rules of its operation by adopting the provisions of article 28 of Regulation (EU) 648/2012 and by the authorization of Regulation (EU) 153/2013 EEE L 52/41/23.2.2013), the BoD decided to create the Risk Committee, define its purpose and responsibilities, its composition, the procedures for convocation and decision making, and the main obligations of its members, as of 1.12.2014 (date the Regulation on the Clearing of Transactions on Derivatives went into effect).

Modification of the Internal Rulebook of Operation & Setting up a Strategic Investments Committee – Modifications in the Clearing Fund Asset Management Committee

In order for ATHEXClear to be harmonized with the corporate governance framework described in Regulation 648/2012 of the European Parliament and the Council (EMIR Regulation), by decision of the BoD, an independent and autonomous Strategic Investments Committee was set up, which acts independently of the Strategic Investments Committee of the parent company.

In particular, the Strategic Investments Committee acts as a committee of the ATHEXClear Board of Directors, is staffed by members of the Board of Directors, and has as its main purpose the establishment of an investment strategy.

The main responsibilities of the Committee will be:

a) The observance of the obligations of ATHEXClear concerning the collateral that is managed by ATHEXClear and concern the Cash Market and the Derivatives Market, as well as the management of the cash of the Company, in accordance with its obligations, as defined in the EMIR Regulation.

b) Setting short and long term investment targets.

c) Monitoring progress towards achieving the targets.

d) Drafting reports to the Board of Directors at regular time intervals, which will describe in detail the results of the investments policy and outline possible deviations from the goals and returns that have been set.

Next, the existing “Clearing Fund Asset Management” committee was renamed “Collateral and Own Funds Management Committee” in order to clarify its role, with a corresponding modification in the Internal Operation Regulation of the company.

The committee is responsible for managing the cash of the Clearing Fund on Derivatives Transactions, Transactions in transferable securities in dematerialized form, as well as its own cash, in accordance with the investments policy that was approved by the Board of Directors and is mentioned below.

Investment policy approval

The Board of Directors of ATHEXClear, at meeting number 108/11.11.2014 approved the following investment policy for ATHEXClear:

The investment policy concerns the placement of the following assets of ATHEXClear:

- Cash– own assets
- Cash – capital requirements
- Cash of the Clearing Fund for derivatives and equities as well as member margins

1. The Company as central counterparty, holds all of the abovementioned cash balances, only in euro and exclusively at the Bank of Greece (BoG) with the following exceptions:
    - The use of currency swaps in order to exchange into euros amounts held in other currencies and vice versa, needed for clearing and settlement of products in currencies other that the euro.

- To carry out transactions for hedging risk, cover obligations or close positions as part of the process of managing member default.
- To maintain in total in all Greek banks, sight accounts of up to €500,000 for its daily operating needs.

2. In accordance with art. 47 §6 of Regulation 648, the Company is not allowed to invest its own cash assets or the cash that it manages (Clearing Fund, claims, margins and other financial assets) in its own transferrable securities, nor in transferable securities of the parent or any subsidiary company.
3. In making cash placements, the security of the assets of the Company and of the collaterals (margins, clearing funds for derivatives and equities) is primary and as such placements will be made exclusively at the BoG and may have zero or negative returns.
4. The investment policy is determined by the Strategic Investments Committee of the company and approved by the Board of Directors, taking into consideration the provisions of Regulation (EU) 648/2012 and 153/13 (on EMIR).

Hellenic Capital Market Commission grants ATHEXClear a license to operate

The Board of Directors of the Hellenic Capital Market Commission decided (decision 1/704/22.1.2015) unanimously to:

1. Grant a license to operate a central counterparty system in accordance with Regulation (EU) 648/2013 of the European Parliament and Council for OTC derivatives, central counterparties and trade repositories, to ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) to carry out the following clearing activities:
    - Clearing transactions in transferable securities,
    - Clearing transactions in derivatives,
    - Clearing securities financing transactions;
2. Approve the Regulation for the operation of a Central Counterparty System with the title “Regulation of Clearing of Transferable Securities Transactions in Book Entry Form” which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

The Regulation in question goes into effect starting on February 16th 2015, except for the provisions of subparagraph 4 of par. 2.1 of Part 2 of Section VII, which go into effect starting February 6th 2015.

Approve the Regulation for the operation of a Central Counterparty System with the title “Regulation on the Clearing of Transactions on Derivatives” which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

Setting up a Strategic Investment Committee

The Company to comply with the corporate governance framework established in Regulation (EU) No 648/2012 of the European Parliament and of the Council (EMIR), set up by decision of the Board of Directors, an independent and autonomous Strategic Investment Committee, functioning independently from the Strategic Investment Committee of the parent company.

In particular, the Strategic Investment Committee, which comprises members of the Board and aims mainly to establish an investment strategy, functions as a committee of the Company's Board.

Setting up a Collateral & Own Cash Management Committee

Next, and for the purpose of clarifying its role, the name of the existing Clearing Fund Cash Management Committee was changed to Collateral & Own Cash Management Committee. This change of name led to the Company's Internal Operation Regulation being amended accordingly.

In accordance with the investment policy approved by the Board of Directors and mentioned below, it is the duty of the committee in question to manage the cash in the Clearing Fund for Transactions in Derivatives, Transactions on Transferable Securities in Book Form, and own cash.

5.6. Capital Management

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

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

The Company monitors the adequacy of its equity and its effective use, by using the net borrowing to equity index.

	31.12.2014	31.12.2013
Suppliers and other commercial liabilities	4,383	4,591
Other long-term liabilities	0	0
Other short-term liabilities	48	30
(Minus) cash and cash equivalents	(32,425)	(8,200)
Net borrowing (a)	**(27,994)**	**(3,579)**
Shareholder Equity (b)	29,720	28,870
Equity and net borrowing (a + b)	**1,726**	**25,291**
Borrowing leverage Index (a/(a + b))	**(16.22)**	**(0.14)**

5.7. Clearing

Revenue from clearing amounted to €16.61m vs. €12.32m in the corresponding period last year, a 34.8% increase, and is broken down in the following table:

	31.12.2014	31.12.2013
Shares	12,617	8,270
Derivatives	2,974	2,921
ETFs	6	6
Transfers - Allocations (Special settlement orders)	775	811
Trade notification instructions	238	315
Total	**16,610**	**12,323**

In 2014 the total traded value in the cash market was €31.5bn compared to €21.3bn in the corresponding last year, increased by 48%. The average daily traded value in amounted to €127.1m vs. €86.6m in last year, increased by 47%.

Revenue from stock clearing, which consists of revenue from the organized market and the Common Platform, amounted to €12.6m, a 52.6% increase.

The average daily volume in 2014 was 95.2m shares vs. 53.6m shares in 2013, a 78% increase.

In the derivatives market, revenue from clearing amounted to €2.97m vs. €2.92m in the corresponding period last year, increased by 1,8%. The average daily number of contracts in 2014 increased by 17% (48.7 thousand vs. 41.6 thousand in 2013).

(Amounts in thousands of euros, unless otherwise specified) 48

Revenue from transfers – allocations amounted to €775 thousand and is reduced by 4.4 % compared to the corresponding period last year, while trade notification instructions amounted to €238 thousand dropped by 24,4%.

5.8. Clearing House services

This category includes revenue from the 0.125% fee on margin on derivative products, calculated on a daily basis, as well as subscriptions paid by ATHEXClear members in the derivatives market.

Revenue in this category amounted to €296 thousand vs. €333 thousand in the corresponding period last year, decreased by 11.1% and is broken down in the table below:

	31.12.2014	31.12.2013
Subscriptions of derivatives clearing members	220	264
Special Type Participant Subscriptions	30	30
Fee at 0.125% on margin	46	39
Total	**296**	**333**

5.9. IT services

Revenues from information technology services amounted to €28 thousand compared to €35 thousand during 2103 reduced by 20.0%, and concern revenue from the API software concession.

5.10. Other services

Compared to the 2013, a significant increase was seen in revenues from other services which rose from € 7 thousand to € 320 thousand.

In 2014, revenue from other services pertain to fines amounting €204 thousand paid by ATHEX members for not fulfilling their obligations to deliver transferable securities from transactions to the Securities System that they are obliged to do by the end of settlement and. to unused provisions standing at €115 thousand. The respective figures for 2013 stood at €7 thousand (training services at €3 thousand and member transaction fines standing at €4 thousand).

5.11. New services (XNET, CSE-Sibex Common Platform, IT)

Revenue in this category amounted to €218 thousand compared to €68 thousand in the corresponding period last year, showing a significant increase mainly due to the above new service and is broken down below.

Regulation (EU) No 648/2012 of the European Parliament and of the Council of July 4 2012 on OTC derivatives, central counterparties and trade repositories (EMIR) states the obligation to report transactions, according to which counterparties and central counterparties ensure that detailed information for each derivative contract they have entered into and any amendment or termination of the contract is reported in a Trade Repository registered in accordance with Article 55 or recognized in accordance with Article 77.

According to the Regulation and ESMA, as of 12 February 2014 the following will have the obligation to report with regards to derivative transactions made in an exchange:

- Central counterparties
- Clearing Members
- Investment entities under MiFID executing transactions in an exchange in which they are members

(Amounts in thousands euro, unless otherwise noted) 49

- Counterparties to derivative transactions, unless explicitly exempted from this obligation under the Regulation.

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

Based on the above, and in order to assist our members, the Athens Exchange Group decided to offer these services to all market participants, in order to cover reporting obligations as well as the need to issue LEI codes.

Revenue from this service in 2014 amounted to €162 thousand. For the needs of the abovementioned services, agreements have been signed with our members, as well as with a supplier.

	31.12.2014	31.12.2013
Revenue from XNET	56	68
EMIR TR/LEI Service	162	0
Total	**218**	**68**

Figures are different from the ones in the financial statements as of 31 December 2013 (see note 5.2).

5.12. Management of the Clearing Fund

Cash Market

Athens Exchange Clearing House S.A. (ATHEXClear) manages the Clearing Fund in order to protect the System from credit risk of the Clearing Members that arise from the clearing of transactions.

In the Clearing Fund Clearing Members contribute exclusively in cash. ATHEXClear monitors and calculates, on a daily basis as well as during the day, the risk that Clearing Members will renege on their obligations, and blocks the corresponding guarantees in cash and/or letters of guarantee. Based on the guarantees that have been blocked, the credit limits of the members are reevaluated on a daily basis; monitoring the limits takes place in real time during market hours. The minimum size of the Clearing Fund is recalculated at least every month, in accordance with the provisions of the Rulebook, so that its size is sufficient at a minimum to cover at any time the loss, under any extreme market conditions that may arise in case the Clearing Member in which the system has the greatest exposure is overdue.

The participation of each Clearing Member in the Clearing Fund is determined based on its Account in it. The Account consists of all of the contributions by the Clearing member that have been paid into the Fund in order to form it, and is increased by any revenue resulting from the management and investment of the assets of the Fund, as well as by the cost of managing risk and margins, as determined by ATHEXClear procedures. Revenues and expenses are distributed on a pro rata basis to each Clearing Member account in the Clearing Fund, in relation to the size of the Account balance.

Contributions in favor of the Clearing Fund must be paid in by the Clearing Members in full and in cash through the bank account that ATHEXClear maintains at the BoG (see investment policy note 5.5). Cash refunds to Accounts are paid by ATHEXClear to the bank account of the Clearing Member.

The minimum size of the Clearing Fund, is based on the value of transactions that each member carries out, and calculated as described in the decisions of the Hellenic Capital Market Commission and in Part 4, Section II of the ATHEXClear Regulation of Clearing of Transferable Securities Transactions in Book Entry Form as it applies. At the recalculation of the Clearing Fund on 31.12.2014 its minimum size was €46,613,291.51. Each month, the difference between the new balance and the previous balance is paid in or refunded to each Member Account respectively by the Manager of the Clearing Fund.

(Amounts in thousands of euros, unless otherwise specified) 50

In order to complete the adjustment to the EMIR Regulation, the necessary changes in the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form were adopted and included in draft form in the licensing dossier that was submitted to the Hellenic Capital Market Commission.

The Hellenic Capital Market Commission (decision 1/704/22.1.2015) granted a license to operate a central counterparty system to ATHEXClear, in accordance with Regulation (EU) 648/2012 of the European Parliament.

At the same time a contract was signed with the Bank of Greece due to the capacity of ATHEXClear as direct participant over the internet to the TARGET2-GR express transfer of capital and settlement system in order to satisfy the requirements of the EMIR Regulation.

The new size of the Clearing Fund amounts to €43,925,301.00 and is in effect until 31.3.2015.

Derivatives Market

The BoD of ATHEXClear at meeting number 109/17.11.2014 approved the creation of a set of risk management policies and methodologies as a result of the clearing model changes in the derivatives market, the Regulation on the Clearing of Transactions on Derivatives, as well as due to the adjustments to the requirements of the EMIR Regulation (see note 5.5).

Given the transition to the new model in the Derivatives market on December 1st 2014, ATHEXClear set the Derivatives System risk management procedures in accordance with the Regulation (ATHEXClear decision 5) (see investment policy in note 5.5).

At the same time a contract was signed with the Bank of Greece due to the capacity of ATHEXClear as direct participant over the internet to the TARGET2-GR express transfer of capital and settlement system in order to satisfy the requirements of the EMIR Regulation.

In accordance with the new Regulation on the Clearing of Transactions on Derivatives and in particular Part 6 of Section II, a Clearing Fund for the Derivatives Market is set up; its size based on Decision 13/17.11.2014 of the BoD of ATHEXClear was €13,465,290.00 on 31.12.2014, while for the time period from 01.03.2015 to 31.03.2015 its size is €15,714,180.00. Calculation takes place on a monthly basis.

Management of the Clearing Fund in the Derivatives Market does not differ from the Clearing Fund in the cash market (see previous chapter).

5.13. Personnel remuneration and expenses

Personnel remuneration and expenses in 2014 amounted to €1.17m vs. €710 thousand in the corresponding period last year, posting a 64.2% increase. This is due to the increase in the number of employees by 13 people (the number of employees rose to 26 people), as a result of the EMIR regulation and the obligation to fill specific positions in the Company.

	31.12.2014	31.12.2013
Personnel remuneration	846	474
Social security contributions	205	131
Compensation due to personnel departure	0	0
Net change in the compensation provision (actuarial valuation)	12	53
Other benefits (insurance premiums, etc.).	103	52
Total	**1,166**	**710**

Obligations to employees

(Amounts in thousands of euros, unless otherwise specified) 51

The ATHEX Group assigned the preparation of a study to an actuary in order to investigate and calculate the actuarial figures, based on the requirements of the International Accounting Standards (IAS 19), which require their recognition in the statement of financial position and the statement of comprehensive income. In the actuarial valuation, all financial and demographic parameters concerning the employees of the Company were taken into consideration.

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

Accounting Presentation in accordance with IAS 19 (amounts in €)	**Company**	
	31.12.2014	**31.12.2013**
Amounts recognized in the Statement of Financial Position		
Present value of the liabilities	175,930	116,617
Fair value of the assets of the program	0	0
Net obligation recognized in the Statement of Financial Position	**175,930**	**116,617**
Amounts recognized in the Profit & Loss Statement		
Current employment cost	5,908	7,933
Net interest on the liability/(asset)	4,571	4,174
Total administrative expense recognized in the Profit & Loss Statement		
Regular expense in the Profit & Loss Statement	**10,479**	**12,107**
Cost of personnel reduction / mutual agreements/retirement	0	0
Other expenses/(revenue)		
Total expense recognized in the Profit & Loss Statement	**10,479**	**12,107**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	116,617	71,291
Adjustment - reorganization of the Group	0	40,903
Cost of current employment	5,908	7,933
Interest expense	4,571	4,174
Benefits paid by the employer	0	0
Cost of personnel reduction / mutual agreements/retirement	0	0
Reorganization cost	0	0
Other expenses/(revenue)	1,216	0
Actuarial loss/(profit) - financial assumptions	45,676	(6,135)
Actuarial loss/(profit) - demographic assumptions	0	0
Actuarial loss/(profit) - experience for the period	1,942	(1,549)
Present value of the liability at the end of the period	**175,930**	**116,617**
Adjustments		
Adjustments to liabilities due to change in assumptions	(45,676)	6,135
Experience adjustments in liabilities	(1,942)	1,549
Experience adjustments in assets	0	0
Total actuarial profit / loss in equity	**(47,618)**	**7,684**
Total recognized in equity	**(47,618)**	**7,684**
Changes in net liability recognized in the balance sheet		
Net liability at year start	116,617	71,291
Adjustment - reorganization of the Group	0	40,903
Employer Contribution		
Benefits paid by the employer	0	0
Total expense recognized in Profit & Loss Statement	10,479	12,107
Total amount recognized in equity	47,618	(7,684)
Net Liability at the end of the year	**174,714**	**116,617**

(Amounts in thousands of euros, unless otherwise specified) 52

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

Actuarial assumptions	Valuation Date	
	31.12.2014	31.12.2013
Discount rate	2.11%	3.92%
Increase in salaries (long term)	1.75%	2.00%
Inflation rate	1.75%	2%
Mortality	EVK 2000 (Swiss table)	EVK 2000 (Swiss table)
Personnel turnover	0.50%	0.50%
Regular retirement age	Based on the rules of the Social security fund in which each employee belongs	Based on the rules of the Social security fund in which each employee belongs

In order to determine the discount rate, in accordance with IAS 19, data from iBoxx AA-rated bond indices, published by the International Index Company, is used.

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

Cash flows - Expected benefits from the plan in the next fiscal year	31.12.2014	31.12.2013
Sensitivity Scenarios for the Economic and Demographic Assumptions Used		
Sensitivity 1 - Discount rate plus 0.5% -Difference % in liability present value (PV)	(9.60)%	9.67%
Sensitivity 2 - Discount rate less 0.5% -Difference % in liability PV	10.72%	10.80%
Sensitivity 3 - Annual inflation plus 0.5% -Difference % in liability PV	10.72%	10.96%
Sensitivity 4 - Annual inflation less 0.5% -Difference % in liability PV	(9.68)%	(9.89)%
Sensitivity 5 - Salary increase assumption plus 0.5% -Difference % in liability PV	9.50%	9.75%
Sensitivity 6 - Salary increase assumption minus 0.5% -Difference % in liability PV	(9.48)%	(8.79)%

5.14. Third party fees and expenses

In 2014 third party fees and expenses amounted to €38 thousand. vs €34 thousand increased by 11.8% compared to the corresponding period last year and include fees to auditors, consultants and the remuneration of the members of the BoD.

	31.12.2014	31.12.2013
BoD member remuneration	7	1
Fees to auditors	26	33
Fees to consultants	5	0
Total	**38**	**34**

(Amounts in thousands of euros, unless otherwise specified) 53

5.15. Maintenance / IT support

Maintenance / IT Support expenses for 2014 stood at €69 thousand vs €155 thousand in 2013, and are down by 55.5%.

Hardware and software maintenance expenses constitute contractual obligations of the company.

5.16. Taxes – Value Added tax (VAT)

The non-deductible Value Added Tax, that burden the cost of services amounted to €65 thousand compared to €68 thousand, reduced by 4.4% compared to 2013.

5.17. Building / equipment management

This category includes expenses such as: security and cleaning services as well as expenses for cleaning materials.

Building and equipment management expenses in 2014 amounted to €29 thousand, reduced by 14.7% compared to 2013.

5.18. Flat Settlement Fee

The fees for ATHEXClear's settlement services amounted to €13.6m vs €10.2m in the respective period last year, increased by 32%. The amount concerns the computation of the flat fee charged in 2014 for order settlement pursuant to Article 1(1) (a) of ATHEXCSD Decision No 1 on Dematerialized Securities System Management and Operation Fees.

On 17 December 2012 and as a result of the significant drop in the prices of shares and in the value of transactions in 2012, the Board of ATHEX decided to change the flat fee for the settlement of orders. The flat fee as of 1 January 2012 is set at 81% of the revenues earned from the clearing of transactions by the clearing house, with €7.5 million and €15.0 million being the minimum and maximum amounts respectively payable per year. The figure recorded in 2014 regards the 81% of clearing transactions revenue as at 31.12.2014.

5.19. Operating expenses

Operating expenses in 2014 amounted to €77 thousand vs. €102 thousand in 2013, decreased by 24.5%, in the corresponding period last year, and are analyzed in the following table:

	31.12.2014	31.12.2013
Travel expenses	4	6
Transportation expenses	2	1
Publication expenses	2	2
Storage fees	1	0
Operation support services	0	65
Building rent to companies of the Group	46	19
Subscriptions to professional organizations and contributions (EACH)	11	1
Various court expenses/donations	1	0
Other	10	8
Total	**77**	**102**

Operation support services expenses for the previous year include intragroup transactions (IT user and logistics services); no such expenses were incurred in 2014.

Rental costs in 2014 increased due to more space being rented by the Company in the building at Athinon Avenue which belongs to ATHEXCSD. The need to rent more space resulted from the doubling of the number of company employees in 2014.

Figures are different from the ones in the financial statements as of 31 December 2013 (see note 5.2).

5.20. Hellenic Capital Market Commission fee

The Hellenic Capital Market Commission fee amounted to €1.2m in 2014 vs. €887 thousand in 2013 and is not included in the operating revenue, since it is collected on behalf of the HCMC, to which it is turned over.

5.21. Expenses for new services

Expenses in this category amounted to €202 thousand vs €29 thousand in the corresponding period last year, posting a significant increase due to the new service UNAVISTA full delegated reporting (the corresponding revenues are shown on note 5.11).

	31.12.2014	31.12.2013
X-NET expenses	43	29
IT service costs (UNAVISTA full delegated reporting)	156	0
Expenses for new services	3	0
Total	**202**	**29**

The amounts differ from those of the published financial statements of 31.12.2013 (see note 5.2).

5.22. Re-invoiced expenses

Re-invoiced expenses of €6 thousand concern the Roadshow trip for which there is corresponding revenue from sponsorships.

The amounts differ from those of the published financial statements of 31.12.2013 (see note 5.2).

(Amounts in thousands of euros, unless otherwise specified) 55

5.23. Non-recurring expenses

A provision of €20 thousand was made by the Company in 2014 to ensure it against risks by reversing the €100 thousand provision of last year.

The amounts differ from those of the published financial statements of 31.12.2013 (see note 5.2).

5.24. Tangible assets for own use and intangible assets

The book value of the buildings and equipment of the Company on 31.12.2014 and 31.12.2013 are presented in the following table:

	TANGIBLE & INTANGIBLE ASSETS						
ATHEXCLEAR	**Plots of Land**	**Building and Construction**	**Machinery & Other Equipment**	**Means of Transport**	**Furniture fittings & equipment**	**Intangible assets - software**	**Total**
Acquisition and valuation on 31.12.2012	**0**	**0**	**0**	**0**	**355**	**462**	**817**
Additions in 2013					3		**3**
Reductions in 2013							**0**
Acquisition and valuation on 31.12.2013	**0**	**0**	**0**	**0**	**358**	**462**	**820**
Accumulated depreciation on 31.12.2012	**0**	**0**	**0**	**0**	**238**	**462**	**700**
Depreciation in 2013					69		**69**
Accumulated depreciation reduction in 2013							**0**
Accumulated depreciation on 31.12.2013	**0**	**0**	**0**	**0**	**307**	**462**	**769**
Book value							
on 31.12.2012	0	0	0	0	117	0	**117**
on 31.12.2013	**0**	**0**	**0**	**0**	**51**	**0**	**51**

(Amounts in thousands of euros, unless otherwise specified) 56

ATHEXCLEAR	TANGIBLE & INTANGIBLE ASSETS Plots of Land	Building and Construction	Machinery & Other Equipment	Means of Transport	Furniture fittings & equipment	Intangible assets - software	Total
Acquisition and valuation on 31.12.2013	**0**	**0**	**0**	**0**	**358**	**462**	**820**
Additions in 2014					0	28	**28**
Reductions in 2014							**0**
Acquisition and valuation on 31.12.2014	**0**	**0**	**0**	**0**	**358**	**490**	**848**
Accumulated depreciation on 31.12.2013	**0**	**0**	**0**	**0**	**307**	**462**	**769**
Depreciation in 2014					49		**49**
Accumulated depreciation reduction in 2014							**0**
Accumulated depreciation on 31.12.2014	**0**	**0**	**0**	**0**	**356**	**462**	**818**
Book Value							
as at 31.12.2013	0	0	0	0	51	0	**51**
as at 31.12.2014	**0**	**0**	**0**	**0**	**2**	**28**	**30**

5.25. Clients and other commercial receivables

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

	31.12.2014	31.12.2013
Clients	648	673
Less: provisions for bad debts	(81)	(81)
Net commercial receivables	**567**	**592**
Other receivables		
Tax withheld on dividends for offsetting (1)	300	1,466
Tax (0.2%) under Law 2579	5	0
Taxes withheld on deposits	28	36
Accrued income (interest)	0	26
Prepaid non accrued expenses	21	0
Advance payment and credit management accounts	0	0
Other debtors	34	0
Total	**388**	**1,528**

1. Dividend withholding tax collected from a 10% participation in ATHEX in 2012. Dividend of €1.2m times 25% (dividend tax) equals €300 thousand to be offset against future tax liabilities.

The change in the provisions for bad debts is as follows:

(Amounts in thousands of euros, unless otherwise specified) 57

Provisions for bad debts	
Balance on 31.12.2012	**10**
Additional provisions in 2013	71
Balance on 31.12.2013	**81**
Additional provisions in 2014	0
Balance on 31.12.2014	**81**

5.26. Cash and cash equivalents

The cash at hand and at bank of the Company until 25.11.14 were invested in short term interest bearing instruments on commercial banks in order to maximize the benefits, in accordance with the policy set by the Strategic Investments Committee of the Company. By placing its cash in short term interest bearing investments, the Company recorded revenue €163 thousand in 2014 vs. €238 thousand in 2013.

As of 26.11.14 the cash of ATHEXClear is kept in accounts at the Bank of Greece, pursuant to the investment policy of the Company and the terms in Article 45 of Regulation (EU) No 153/2013. From the abovementioned policy an amount not exceeding €500 thousand is exempt and is held in commercial banks and is used solely to meet ATHEXClear's daily operating needs (see note 5.5).

Since safety on deposits of the Company and collaterals have priority (margin, clearing fund for derivatives and securities), the deposits in BoG may have zero and/or negative interest rate, according to ECB’s strategy on interest rates.

The breakdown of the Company's cash is provided below:

	31.12.2014	31.12.2013
Sight deposits	32,423	118
Term Deposits < 3months	0	8,081
Cash at hand	2	1
Total	**32,425**	**8,200**

In July 2014 ATHEX paid to ATHEXClear a debt standing at €23,310 thousand, hence its cash as at 31 December 2014 was increased. The amounts deposited at the Bank of Greece cannot be placed in time deposits.

5.27. Third party balances in ATHEXClear’s bank account (collateral)

	31.12.2014	31.12.2013
Clearing Fund collaterals – Derivatives Market	17,889	0
Additional Clearing Fund collaterals – Derivatives Market	84,167	0
Total	**102,056**	**0**

The cash of ATHEXClear that concern Clearing Member cash collaterals as well as the cash of the Clearing Fund, are kept by ATHEXClear in an account that it maintains as a direct participant in Target2 at the Bank of Greece, in accordance with ATHEXClear investment policy.

(Amounts in thousands of euros, unless otherwise specified) 58

For collaterals deposited, in accordance with ATHEXClear procedures, in banks in cash in foreign currency, ATHEXClear applies regulations that allow their conversion into Euro and keeping at the Bank of Greece, in accordance with the following specific provisions. In particular, the abovementioned bank having a standing order by ATHEXClear, exchanges the amount of the collaterals into Euro daily and then credits ATHEXClear’s account in Target2. On the next working day, ATHEXClear transfers to an account in its own name at the bank, the amount that was credited from the collateral currency exchange in Euro, in order for the bank to exchange the Euro collaterals in an amount in foreign currency equal to the amount originally deposited.

Implementation of the ATHEXClear investment policy begun together with the start of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €102,056 thousand shown above and in the Statement of Financial Position on 31.12.2014 exclusively concerns Member collaterals in the derivatives market.

The application of the new model in the cash market in accordance with Regulation (EU) 648/2012 concerning the Clearing Fund and member guarantees for the cash market went into effect on 16.2.2015.

5.28. Deferred tax

Deferred tax stood at €66 thousand as compared to €57 thousand last year and concern actuarial study provisions and intangible assets.

The other data concern the tax corresponding to the valuation and sale of participations and securities.

In accordance with the tax legislation, the tax rate that applies to corporations starting on January 1st 2013 is 26%.

Deferred income tax is calculated based on the temporary differences, which arise between the book value of the assets and the liabilities included in the financial statements, and the tax assessment of their value in accordance with the tax legislation.

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

Deferred Tax	31.12.2014	31.12.2013
Deferred tax claims	66	57
Deferred tax liabilities	0	0
Total	**66**	**57**

Changes in deferred income tax	31.12.2014	31.12.2013
Starting balance	57	40
Changes in the period	9	17
Balance	**66**	**57**

Analysis of deferred tax table	
Changes in deferred tax - Actuarial study provision	(15)
Changes in deferred tax - Actuarial study OCI	12
Changes in deferred tax - Other temporary differences	7
Balance	**4**

(Amounts in thousands of euros, unless otherwise specified) 59

5.29. Share capital and reserves

(a) Share Capital

After the spin-off of the clearing sector and its contribution to ATHEXClear, the share capital amounted to €25,000,000 comprised of 8,500,000 common shares of €3 (three) euros value each. The share capital of the Company remained unchanged until 31 December 2014.

(b) Reserves

	31.12.2014	31.12.2013
Regular reserve	173	149
Actuarial study reserves	0	(1)
Total	**173**	**148**

5.30. Provisions

	31.12.2014	31.12.2013
Staff retirement obligation (a)	176	117
Other provisions (b)	20	100
Total	**196**	**217**

The table below shows the provisions:

ATHEXClear	Balance on 31.12.2013	Adjustment – Group restructuring	Current employment cost	Interest expenses	Benefits paid by the employer	Redundancy / Settlements / Termination of employment cost	Actuarial loss/profit - economic assumptions	Actuarial loss/profit - experience for the period	Other revenue/ expenses	Additional provision in the period	Revenue from unused provisions	Balance on 31.12.2014
Staff retirement obligations (a)	117	0	6	5	0	0	48	2	(2)	0	0	176
Provisions for other risks (a)	100	0							0	20	(100)	20
Total	**217**	**0**	**6**	**5**	**0**	**0**	**48**	**2**	**(2)**	**20**	**(100)**	**196**

ATHEXClear	Balance on 31.12.2012	Adjustment – Group restructuring	Current employment cost	Interest expenses	Benefits paid by the employer	Redundancy / Settlements / Termination of employment cost	Actuarial loss/profit - economic assumptions	Actuarial loss/profit - experience for the period	Provision used	Additional provision in the period	Revenue from unused provisions	Balance on 31.12.2013
Staff retirement obligations	71	41	8	4	(6)	(1)	0	0	0	0	0	117
Provisions for other risks (a)	0								0	100	0	100
Total	**71**	**41**	**8**	**4**	**(6)**	**(1)**	**0**	**0**	**0**	**100**	**0**	**217**

(Amounts in thousands of euros, unless otherwise specified) 60

(a) The Company has made provisions for unaudited fiscal years totaling €20 thousand to be covered against their potential occurrence (note 5.23).

5.31. Suppliers and other commercial activities

All payables are short-term and thus no discounting is required on date of the financial statements. The breakdown of suppliers and other liabilities is presented in the table below:

	31.12.2014	31.12.2013
Suppliers (1)	3,584	4,047
Hellenic Capital Market Commission Fee (2)	511	480
Tax on stock sales 0.2%	7	0
Accrued third-party services	5	37
Employee holiday payment provision	64	0
Tax on salaried services	28	21
Tax on external associates	0	0
Other taxes	1	5
Various creditors (3)	183	1
Total	**4,383**	**4,591**

1. €3.2 million are included in this figure regarding part of the flat order settlement fee for Q4 2014 owed to ATHEXCSD by ATHEXClear and which was paid in January 2015.
2. The Hellenic Capital Market Commission fee (€1.162m) is calculated based on the value of the trades in the cash and derivatives market and is turned over to the Hellenic Capital Market Commission within two months following the end of each 6-month period.
3. €183 thousand concerns an intragroup liability of the Company to ATHEXCSD SA, since it collected on the latter's behalf income from emission allowance auctions in 2014.

5.32. Third party balances in ATHEXClear bank account

The cash of ATHEXClear concern Clearing Member cash collaterals as well as the cash of the Clearing Fund, and in accordance with the investment policy of ATHEXClear, are kept by ATHEXClear in an account that it maintains as a direct participant in Target2 at the Bank of Greece.

For collaterals deposited, in accordance with ATHEXClear's procedures, in banks, in cash in foreign currency, ATHEXClear applies regulations that allow their conversion into Euro and keeping at the Bank of Greece, in accordance with the following specific provisions. In particular, the abovementioned bank having a standing order by ATHEXClear, exchanges the amount of the collaterals into Euro daily and then credits ATHEXClear's account in Target2. On the next working day, ATHEXClear transfers to an account in its own name at the bank, the amount that was credited from the collateral currency exchange in Euro, in order for the bank to exchange the Euro collaterals in an amount in foreign currency equal to the amount originally deposited.

Implementation of the ATHEXClear investment policy begun together with the start of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €102,056 thousand shown below and in the Statement of Financial Position on 31.12.2014 exclusively concerns Member collaterals in the derivatives market.

(Amounts in thousands of euros, unless otherwise specified) 61

The application of the new model in the cash market in accordance with Regulation (EU) 648/2012 concerning the Clearing Fund and member guarantees for the cash market went into effect on 16.2.2015. The amount appears in both the assets and liabilities in the Statement of Financial Position on 31.12.2014 (see note 5.27).

	31.12.2014	31.12.2013
Clearing Fund collaterals – Derivatives Market	17,889	0
Additional Clearing Fund collaterals – Derivatives Market	84,167	0
Total	**102,056**	**0**

5.33. Current income tax and income tax payable

The Management of the Company plans its policy aiming at minimizing its tax obligations, based on incentives provided by the tax legislation. Under this assumption, it is assumed that the profits of the period realized by the Company and its subsidiaries shall be distributed to tax-free reserves at the maximum allowable amount.

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

Tax liabilities	31.12.2014	31.12.2013
Income tax	300	223
Deferred Tax	4	(19)
Income tax expense	**304**	**204**

Reconciliation of the income tax with profits/losses before tax on the basis of the applicable ratios and the tax expense is as follows:

Income tax	31.12.2014	31.12.2013
Profits before taxes	1,190	699
Income tax rate	26%	26%
Expected income tax expense	309	182
Tax effect of non-deductible expenses	(5)	22
Income tax expense	**304**	**204**

Tax liabilities	31.12.2014	31.12.2013
Liabilities/ claims on 31.12	32	(170)
Income tax expense	302	204
Taxes paid	(1,203)	(2)
Payables/Receivables	**(869)**	**32**

The tax claim concerns the reconciliation of tax on share transfers amounting to €1,166 thousand with income tax, leading to a debit balance.

For fiscal year 2013, the Company has been audited and the relevant tax certificate with a concurring opinion by the auditors of the Group was provided on 09.07.2014. There was no additional tax obligation, which would have a material impact on the annual financial statements of the Company.

(Amounts in thousands of euros, unless otherwise specified) 62

The tax audit of the companies of the Athens Exchange Group for fiscal year 2014, in accordance with article 65a of law 4174/2013 and the decision that will be issued by the General Secretary for State Revenue as foreseen in §2 article 65a of law 4174/2013, is in progress and the relevant tax certificate is expected to be issued by the auditors, following the publication of the Financial Statements for fiscal year 2014. If by the time the tax audit is completed additional tax obligations arise, it is expected that they will not have a material impact in the financial statements of the Group and the Company.

5.34. Notifications of associated parties

The value of transactions and the balances of the Company with associated parties are analyzed in the following table:

	31.12.2014	31.12.2013
Remuneration of executives and members of the BoD	183	99

The balances and the intra-Group transactions of the companies of the Group, as of 31.12.2014 and 31.12.2013, are shown in the following tables:

INTRAGROUP BALANCES (in €) 31.12.2014				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Claims	0	429,508.61	0
	Liabilities	0	0	0
ATHEXCSD	Claims	0	0	3,675,558.58
	Liabilities	429,508.61	0	1,600.00
ATHEXClear	Claims	0	1,600.00	0
	Liabilities	0	3,675,558.58	0

INTRAGROUP BALANCES (in €) 31.12.2013				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Claims	0.00	456,509.80	17,712.00
	Liabilities	0.00	1,278,648.36	23,311,600.00
ATHEXCSD	Claims	1,278,648.36	0.00	3,906,149.24
	Liabilities	456,509.80	0.00	0.00
ATHEXClear	Claims	23,311,600.00	0.00	0.00
	Liabilities	17,712.00	3,906,149.24	0.00

INTRAGROUP INCOME-EXPENSES (in €) 31.12.2014				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	500,437.79	0
	Expenses	0	147,536.52	0
ATHEXCSD	Revenue	147,536.52	0	14,602,217.53
	Expenses	500,437.79	0	0
ATHEXClear	Revenue	0	0	0
	Expenses	0	14,602,217.53	0

(Amounts in thousands of euros, unless otherwise specified) 63

INTRAGROUP INCOME-EXPENSES (in €) 31.12.2013				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	390,952.12	7,661,115.34
	Expenses	0	92,951.95	0
ATHEXCSD	Revenue	92,951.95	0	3,902,596.94
	Expenses	390,952.12	0	0
ATHEXClear	Revenue	0	0	0
	Expenses	7,661,115.34	3,902,596.94	0

Intra-Group transactions concern: the annual fee for trade settlement (art. 1 decision 1 on fees), settlement instructions (art. 1 decision 1 on fees), support services (accounting, security, administrative services etc.), IT services, as well as PC support services, which are invoiced at prices comparative to those between third parties.

5.35. Composition of the BoD of the Company

ATHENS EXCHANGE CLEARING HOUSE SOCIETE ANONYME	
Name	Position
Alexios Pilavios *	Chairman, Non-Executive Member
Gikas Manalis	Vice Chairman, Non-Executive Member
Socrates Lazaridis	Chief Executive Officer
Andreas Mitafidis	Independent Non-Executive Member
Nikolaos Pimplis	Non-Executive Member
Charalambos Sachinis	Independent Non-Executive Member
Dionysios Christopoulos	Non-Executive Member

(*) At the meeting on 26 January 2015 Mr. Alexios Pilavios replaced Mr Iakovos Georganas as non-executive Chairman.

5.36. Contingent Liabilities

None. It is estimated that all claims will be fully recovered.

5.37. Events after the date of the financial statements

Starting on 16.2.2015, the cash balances that concerned cash collaterals of the Clearing Members in the cash markets and kept in a Company account as a direct participant in Target2 are maintained at the Bank of Greece (BoG). The amount transferred to the BoG from the commercial banks amounted on 16.2.2015 to €301.2m and is added to the existing cash collaterals of the Clearing Members in the Derivatives Market that were already being kept starting on 1.12.2014 and is shown in the Statement of Financial Position on 31.12.2014.

There are no significant events between the date of the annual financial statements for 2014 and up until the approval of the 2014 financial report by the Board of Directors of the Company on 16.03.2015 concerning the Company that must under the IASs be reported or adjust figures included in the published Financial Statements.

(Amounts in thousands of euros, unless otherwise specified) 64

Athens, 16 March 2015

THE CHAIRMAN OF THE BoD
ALEXIOS PILAVIOS

THE CHIEF EXECUTIVE OFFICER
SOCRATES LAZARIDIS

THE CHIEF FINANCIAL OFFICER
VASILIS GOVARIS

THE DIRECTOR OF FINANCIAL
MANAGEMENT
CHRISTOS MAYOGLOU

THE DEPUTY DIRECTOR OF FINANCIAL
CONTROLLING & BUDGETING
CHARALAMPOS ANTONATOS