2015 ANNUAL FINANCIAL REPORT

For the period 1 January 2015 – 31 December 2015
In accordance with the International Financial Reporting Standards and Article 4 of Law 3556/2007

ATHENS EXCHANGE CLEARING HOUSE S.A.
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The 2015 Annual Financial Report was prepared in accordance with Article 4 of Law 3556/2007, approved by the Board of "Athens Exchange Clearing House S.A." on 21 March 2016 and has been posted on the Internet at www.athexgroup.gr

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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL STATEMENTS OF 31.12.2015 AND THE ANNUAL REPORT 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 annual Financial Statements, which have been prepared in accordance with the applicable International Financial Reporting Standards, present accurately the assets and liabilities, the equity as at 31.12.2015 and the results of the fiscal year 2015 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 2015 presents accurately the course, performance and position of "ATHENS EXCHANGE CLEARING HOUSE S.A.", including the description of main risks and uncertainties that the Company faces.
3. To the best of our knowledge, the attached Financial Statements for the fiscal year 2015 are those that were approved by the Board of Directors of "ATHENS EXCHANGE CLEARING HOUSE S.A." on 21.03.2016.

Athens, 21 March 2016

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

2. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF “ATHENS EXCHANGE CLEARING HOUSE S.A.” FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2015 (in accordance with Article 4 of Law 3556/2007)

The Board of Directors of ATHENS EXCHANGE CLEARING HOUSE S.A. (ATHEXClear or the Company) presents its Report with regard to the annual financial statements 2015 pursuant to articles 43a and 136 of Codified Law 2190/1920.

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

THE GREEK STOCK MARKET

The Athens Exchange General Index closed on 31.12.2015 at 631.35 points, decreased by 23.6% from the 826.18 points at the end of 2014. This close is the lowest since July 2012 (598.7 points on 31/07/2012) and 1989 on an annual basis (459.43 points on 29/12/1989). The average market capitalization reached €43.8 billion, a drop of 36.9% compared to 2014 (€69.4 billion).

The total trading value (€19.1 billion) is significantly decreased by 39.3% compared to the respective period the previous year (€31.5 billion), having been negatively affected also by the fact that the market was closed for 25 business days – the last two days of June and the entire month of July – due to the restrictions imposed on capital movements (capital controls). Although the Stock Exchange opened again on 03.08.2015, the restrictions on share purchases by Greek investors remained in effect until 09.12.2015, further negatively affecting the trading activity. The average daily trading value in 2015 reached €85.7 million compared to €127.1 million in 2014, showing a decrease of 32.5%.

In the derivatives market, the 51% drop in the average revenue per contract (€0.175 million in 2015 compared to €0.357 million in 2014) due to the price decrease in the underlying securities, offset the 26.76%increase in the trading activity (15.30 million contracts) compared to 2014 (12.072 million contracts). The average daily trading volume increased by 40.7% in 2015 (68.5 thousand contracts) compared to 2014 (48.7 thousand contracts).

BUSINESS DEVELOPMENTS

Licensing of ATHEXClear as a Central Counterparty in accordance with the EMIR Regulation

On 22 January 2015 the Hellenic Capital Market Commission (HCMC) announced the licensing of ATHEXClear as a Qualifying Central Counterparty (QCCP) in accordance with Regulation (EU) No. 648/2012 (EMIR).

The EMIR Regulation went into effect in August 2012 and laid down specific requirements in order to increase the transparency in transactions of OTC derivatives, affecting also the regulated markets. The implementation by ATHEXClear of the EMIR requirements increases significantly the safety of the system and at the same time assures that its operation is based on the same principles and methods applied by the major European Clearing Houses. At the same time, it facilitates the participation of foreign investors who evaluate positively the relevant licence as it ensures for them the compatibility of the market with commonly accepted compliance rules.

The ATHEXClear licensing project lasted for more than two years and required significant changes in the internal organizational of the company, in IT systems as well as in the regulatory framework of the Cash and Derivatives Markets.

2015 was a year that called for significant changes in the ATHEXClear procedures since it was the first year of implementation of the EMIR requirements.

Authorization of ATHEXClear by the Hellenic Capital Market Commission

Through the unanimous adoption of resolution 1/704/22.1.2015, the Board of Directors of the Hellenic Capital Market Commission decided:

1. To grant authorization for the operation of a central counterparty system in accordance with Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories to the company under the name "ATHENS EXCHANGE CLEARING HOUSE" (ATHEXClear) for the performance of the following clearing activities:

- Clearing transactions in transferable securities
- Clearing transactions in derivatives
- Clearing securities financing transactions

2. To approve the Regulation for the operation of a Central Counterparty System under the title “Regulation of Clearing of Transferable Securities Transactions in Book-Entry Form” which is included in the minutes of meeting No. 103 of the Board of Directors of the Company of 28.07.2014.

   This Regulation will take effect as of 16 February 2015, except for the provisions of Chapter VII, Part 2, Paragraph 2.1, Subparagraph 4, which will take effect as of 6 February 2015.

3. To approve the Regulation for the operation of a Central Counterparty System under the title “Regulation on the Clearing of Transactions on Derivatives” which is included in the minutes of meeting No. 103 of the Board of Directors of the Company of 28.07.2014.

Changes in the Cash Market to ensure compatibility with the EMIR Regulation

In February 2015, the new risk management model for the Cash Market went into effect. A number of changes were made in order to fulfil the requirements of the EMIR Regulation. Specifically:

The operation of ATHEXClear as the Central Counterparty for all transactions carried out in the regulated Cash Market and the Alternative Market (EN.A.) of the Athens Exchange was instituted.

The methodology for the calculation of the Clearing Fund as well as of the risk management parameters changed in order to fulfil the EMIR requirements.

The conditions for selecting acceptable collateral to ATHEXClear for covering the risk of the Clearing Members were modified.

A new investment policy was set forth for ATHEXClear balances as well as for the margins of the Clearing Members that ATHEXClear manages.

A new order of use was specified for the available resources in case of default of a Clearing Member (default waterfall), which includes the use of ATHEXClear own assets before the use of assets of non-defaulting Clearing Members.

As a result of the above, the safety of the Market increased substantially and, at the same time, the clearing and risk management model became fully compatible with the EU standards. The effectiveness of the risk management system was confirmed during the periods of significant volatility in the market in 2015, as there was no risk management issue.

For the implementation of the above, significant changes were necessary in the regulatory framework and IT systems of ATHEXClear.

The main subject of the EMIR regulation concerns the operation of ATHEXClear and includes requirements for clearing and bilateral risk management for OTC derivatives, common requirements for carrying out CCP activities, obligations to report derivatives in trade repositories and common requirements for carrying out the trade repository activities.

The project started in 2012 and was successfully completed with the licensing of ATHEXClear on 21.01.2015. In December 2015, the annual audit was carried out by the competent supervisory authorities (HCMC and College formed by ESMA) in relation to the compliance of ATHEXClear with the EMIR Regulation. Specifically, the regulatory authorities requested specific details evidencing the compliance of ATHEXClear with the EMIR Regulation. The responses of the Company were deemed adequate and ATHEXClear received a positive assessment in the first review following its authorization under the EMIR Regulation.

Improvements in the ATHEXClear risk management procedures

During the first year of operation in the new risk management environment, a number of projects were implemented with the aim of:

1. Complying with the EMIR requirements.
2. Automating the processes both of ATHEXClear and of the market participants.
3. Making better use of the resources of the participants and covering risk more effectively.

Briefly, the most important projects that were implemented were:

1. Capability of irrevocable notice of a Securities Account for sale transactions before the settlement date, in order to reduce the risk and therefore the required margin of the Clearing Members.
2. Capability to block transferable securities as margin in favour of ATHEXClear to cover risk in the cash market, apart from the deposit of margin in the form of cash.
3. Automation of the procedure for the management of margin in the form of cash. With the new procedure, the possibility of human error and the corresponding operating risk were significantly reduced, and at the same time the procedure for the deposit of margin and the calculation of Credit Limits was sped up. In addition, the capability was provided to return margin received by ATHEXClear from the Clearing Members of the Cash Market on the business day immediately following the date of the relevant request.
4. Capability for the correction by the Trading Members of a Clearing Account or Sub-account for trades carried out on the same date of the transaction.
5. Automation of the process for payment and return of contributions from the Clearing Fund through the Cash Settlement Account kept in Target2 by the Clearing Members of the Cash and Derivatives Markets.
6. Improvement of the risk management system so as to automate reporting capabilities. The new functionality allows the automation and scheduling of execution of a number of scenarios and the creation of the relevant reports without any requirement of human intervention except for the assessment of the results.

EMIR Trade Reporting – Level 2 Validation

During 2015, Level 2 validation for EMIR trade reporting went into effect, with the inclusion of a number of changes in the specifications of the messages transmitted.

These changes had a significant impact on the EMIR TR service and required:

- Analysis of the necessary changes
- Implementation of the changes in the IT system supporting the service and subsequently monitoring of the system
- Changes in the documentation of the service to members
- Information to members/clients of the service

Bank holiday and operation under capital controls

During the period of the bank holiday, extraordinary measures needed to be taken.

At clearing procedure level:

- settlement was necessary to be carried out while the bank holiday was in effect,
- the process for clearing SIBEX transactions continued,
- the necessary exemptions were obtained and the required procedures were implemented in order to make possible the continuation of the clearing and settlement operations despite the restrictions on capital movements,
- it should of course be noted that the imposition of restrictions on capital movements still in effect has resulted in additional workload in the daily operation.

At risk management level:

- extraordinary meetings of the Risk Committee and the Default and Crisis Management Committee were held,
- a number of extraordinary measures were taken, such as:
  - the increase of the risk factors at the end of the bank holiday
  - the non-acceptance of additional collateral in the form of shares for the period 10.07.2015 – 07.08.2015.

COMMENTS ON THE RESULTS

In the fiscal year 2015, a loss of €270 thousand was reported compared to a €886 thousand profit last year.

The losses are ascribable to the decrease in revenues and in particular the decrease in the revenues from the Clearing of transactions, which show a drop of €6.4 million or 38.3%.

Approximately 96% of the turnover of the company in 2015 results from the clearing of transactions in the stock and derivatives markets carried out in the Athens Exchange (including revenues from the ATHEX-CSE common trading platform). Turnover reached the amount of €10.8 million contrasted with €17.4 million in 2014.

The operating revenue of the Company for the fiscal year 2015 after deduction of the Capital Market Commission Fee amounted to €10.million compared to €16.3 million for the respective period 2014.

The expenses of the Company including the flat settlement fee reached €10.2 million, showing a decrease of 32.5%. The flat settlement fee amounted to €8.3 million compared to €13.6 million in 2014, dropping by 38.7% due to the significant decrease in transactions. Personnel remuneration and expenses came to €1.1 million, showing a decrease of 5.2% due to the reduction in the number of employees by 3 persons (26 persons on 31.12.2015).

With regard to Earnings Before Interest and Taxes (EBIT), ATHEXClear recorded losses amounting to €213 thousand contrasted with profits of €1,028 thousand in the respective period last year.

Third-party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework laid down by Regulation (EU) 648/2012 of the European Parliament and of the Council (EMIR Regulation), the Company keeps all cash collaterals that are managed by the Company and relate to 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 through the Internet to the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2-GR).

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains with the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2015. In the Statement of Financial Position of 31.12.2015, they are reported as equal amounts both in current assets and in current liabilities as “third-party balances in the bank account of the company” and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear with the Bank of Greece on 31.12.2015.

SHARE CAPITAL

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

EQUITY SHARES

The company does not own any treasury stock on 31.12.2015.

DIVIDEND POLICY

The company to this day has not distributed a dividend.

TRANSACTIONS BETWEEN ASSOCIATED PARTIES

Total trades with associated parties amount to €115 thousand compared to €183 thousand in the fiscal year 2014 and concern the remuneration of executives and members of the Board of Directors of the Company. Apart from these transactions, no other transactions were carried out with associated parties as defined in IAS 24, which could affect materially the financial position or the performance of the Company during that period.

USE OF FINANCIAL INSTRUMENTS

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

OUTLOOK FOR 2016

The prospects of the Company are formed by the interventions directly or indirectly created by the institutional framework developed at the European Union level, by the focus of the European Commission on the possibility of financing small and medium sized enterprises in Europe with share capital due to the ongoing deleveraging in the banking system and by the overall developments in the global macroeconomic environment and of course in Greece.

Under such conditions, the Company endeavours to reduce its cost of operation, to ensure the smooth operation of its markets, to provide added value services, to utilize its infrastructure improving it with the addition of new products and services, and to efficiently play its role in the transfer of investment resources to the productive backbone of Greece.

The EMIR Regulation, 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 for structure, licensing, operation and surveillance of Clearing Houses, while the CSDR Regulation that is under development will create a similar environment for Depositories.

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 increased security and reduced risk.

The worsening of the Greek economy during the last few months materially affected the trading activity and share prices on the Athens Exchange. The drop in share prices negatively affected also the value of trades on which the Athens Exchange Group receives a significant part of its revenues in the cash and derivatives markets.

The Legislative Act (Government Gazette A65/28.6.2015) by which a “short-term bank holiday” was imposed starting from 29.06.2015, resulting in the closure of the Athens Exchange, had a negative impact on the cash and derivatives markets in 2015. The reopening of the stock market and the removal of capital controls on stock exchange transactions had a positive effect on the market. The anticipated completion of the evaluation in the first four months of 2016 on the part of the institutions, the implementation of the obligations of the Memorandum of Understanding and the decision making by the political leadership on difficult issues such as the pension system, are expected to contribute to the circumvention of the adversities caused by the recent developments and to restore the smooth operation of the stock exchange market, so that it can fulfil its role as a capital raising mechanism for the real economy.

TURNOVER - RISKS AND UNCERTAINTIES

The revenues of the Company are influenced, to a large extent, from factors which the Company cannot affect, as they are connected with developments in the Greek capital market, which in turn are affected by a series of factors such as, the basic financial results of listed companies, the fundamental macroeconomic elements of the Greek economy as well as developments in the international capital markets.

Apart from the fees from clearing transactions carried out in the stock and derivatives markets of the Athens Exchange, which are collected through the Members, important revenue sources for the Company are proceeds from transfers, allocations, settlement instructions, trade notification instructions, member subscriptions in derivatives products, IT services etc.

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

As mentioned above, the bank holiday affected negatively the revenues and the results of the entire fiscal year 2015.

In addition, the lengthy extension of capital controls, which hinder cash and capital market transactions, significantly reduced revenue and profits of the Company and the Group.

RISK MANAGEMENT

General – Risk management environment

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

The Group, as organizer of the stock 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 stock market.

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

In particular, the legal and regulatory framework, to which ATHEXClear is subject directly 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 of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as EMIR (European Market Infrastructure Regulation).

In light of these new regulatory requirements, the Group is implementing 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 stock market. In accordance with the strategy of the Group, the risk tolerance level is defined, so as to satisfy market needs, reduce cost for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with the regulatory requirements.

Organizational structure

In 2015 risk management continued to be strengthened and restructured, especially for ATHEXClear, in order to remain harmonized with the EMIR Regulation. In particular, in addition to 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 as to react promptly and effectively in case of occurrence of risk events.

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

- *Board of Directors*, which has the final responsibility and accountability regarding the management of the risk management operation of the company. Specifically, the Board shall determine, define and document the appropriate level of risk tolerance and risk assumption ability of the Company. In addition, the Board and the 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 makes recommendations to the Board on risk management issues.
- *Investments Committee*, which decides on the determination of the limits and monitors liquidity risk, determines policies and standards for the investment strategy, the financing principles, the liquidity management, the interest rate risk and its 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 identify them, assess them and finally manage them. The Risk Management Department possesses the required authority, the necessary means, know-how and access to all relevant information.
- Chief Risk Officer, head of 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 established by the Board of Directors.

Unified risk management

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

Risk Identification & Assessment: Through analysis of the present and future activities of the Group, cases in which the Group is exposed to risks are identified. The risks identified are evaluated as to the potential exposure to loss. This includes in general the assessment both of the possibility that the loss will occur and of the potential effects.

Risk Control: 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, the Management has the responsibility to ensure the appropriate application of the unified risk management framework and of all separate policies/frameworks.

Reduction of Risk: The Management identifies the best method for the reduction of risks, taking into consideration the costs and the benefits. As a general principle, the Group does not assume risks that involve the possibility of disastrous or serious losses. Similarly, the insurance for losses that are relatively predictable and without any material impact is avoided. The alternatives for the reduction of risks depend on the level of tolerance of the Group against various types of risk.

Risk Monitoring & Reporting: 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 risks are documented and tested for their reliability on a regular basis through the review and audit and the validation frameworks.

Risk categories

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

The common risks to which, due to the nature of its activities, the Group may be exposed are:

Financial risk

- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility).
- 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, owing to human factor or external events, including legal risk.

Business risk

Risk due to new competitors, drop of the trading 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 with the Bank of Greece. In general, the cash balances of the Group are invested exclusively in time deposits. In any case, the Group monitors its potential exposure to market risk 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 affect materially the operations of the Company, given that the transactions with customers and suppliers in foreign currency are minimal. In particular, the risk that ATHEXClear assumes is dealt with as part of the risk management measures applied in the clearing activity. ATHEXClear monitors the potential 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 financial assets the value of which is affected by price changes.

The credit risk of the Group mainly concerns the transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty, as described in the following paragraph.

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

Counterparty credit risk

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

ATHEXClear has established and is implementing a number of mechanisms and financial resources 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 in the relevant decision of the ATHEXClear Board of Directors.

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

Both for the cash market, as well as for the derivatives market, ATHEXClear clears trades assuming the role of Central Counterparty. In order to cover the risk towards its clearing members, ATHEXClear monitors and estimates on a daily basis the safety margin for each clearing account of the Clearing Members, and blocks the additional guarantees in the form of cash and/or transferable securities. In addition, it manages the Clearing Funds of the two markets which act as risk sharing funds to which Clearing Members contribute exclusively in cash. Based on the margins that have been blocked, the credit limits allocated to members are continuously reviewed, and their fulfilment is monitored in real time during the trading session. The minimum amount of the Clearing Funds is recalculated at least every month, in accordance with the provisions of the regulation, in order for the amount to be adequate to cover as a minimum at any time the requirements laid down by EMIR, that is the absorption of losses beyond the safety margins in the event of default of a group of clearing members under extreme market conditions.

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

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

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

Liquidity Risk

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

Specifically for ATHEXClear, the aim is to maintain a sufficient liquidity level in order to ensure that it is in a position to fulfil its obligations concerning payments or settlement in all currencies that become payable, at the end of each day or also, if so required, on an intraday basis. The estimation of the size of the obligations of ATHEXClear is carried out both based on its business plan and based on possible, but unforeseen, events.

The liquidity available to ATHEXClear is monitored on a daily base as to the criteria set by EMIR, and under extreme but possible scenarios, i.e. the existence of the required level of liquidity that will be necessary for the close-out of the positions of two (2) groups of clearing members with the greatest exposure to credit risk under extreme market conditions, separately for each market (cash, derivatives). In addition, the overall liquidity requirements of ATHEXClear are monitored using liquidity gap analysis.

Operating Risk

The Group does not seek to undertake operating risk, but accepts that operating risk may arise as a result of failure of systems or internal procedures or due to human error. Specifically, it is recognized that operating risk may arise, among other things, because of: outsourcing, failure of supervisory and regulatory compliance, business continuity failure, IT systems and information security risks and project implementation risks.

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

In 2015 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 losses 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. Also, there were no losses due to external events.

Measures to reduce operating risk

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

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

The most significant measures are the implementation of a business continuity plan, the purchase of insurance policies as well as the measures to ensure compliance with the new regulations. In addition, ATHEXClear carries out an RCSA[1] on a regular basis in order to categorize risks and determine KRIs, update the loss database[2]) and create regular reports.

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.
- *Formation of crisis management and emergency incident management teams:* 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 backup IT systems:* The IT systems of the Group are installed and operate in the data centre at the headquarters of the Group. The data centre consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centres, 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. The management of insurance policies takes place centrally for the entire Group in order to obtain better services and more advantageous terms. Specifically, the insurance covers include risks such as third party civil liability and professional liability (DFL/PI) as well as Directors & Officers (D&O) Liability.

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 key responsibilities of the unit are:

- Monitoring changes in the regulatory and supervisory framework and informing the Board of Directors, the Audit Committee and the staff.
- Conducting gap analysis between the existing and future condition brought about by regulatory and supervisory changes.

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[1] Risk Control Self-Assessment (RCSA): at regular intervals ATHEXClear organizes workshops for the classification of the risks according to the level of hazard at the level of procedures and the determination of Key Risk Indicators (KRIs).

[2] Loss Database: the database is updated on a daily basis with operating risk events regardless of the extent of the loss.

- Monitoring the compliance of the company with the regulatory and supervisory framework.
- Handling requests related to compliance matters.
- Measuring and monitoring compliance risk.

Specifically for ATHEXClear, in 2015, by taking the appropriate measures and developing procedures and systems, the policies regarding the conflict of interest, outsourcing, handling of clearing member complaints, remuneration of personnel, executives and Board members and management of the Company records in accordance with the requirements of the EMIR Regulation were implemented.

Business Risk

The Group recognizes that it depends on macroeconomic developments and is affected by external factors such as changes in the competitive environment of capital markets, 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 developing environment.

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate responsibility is a key characteristic of all advanced societies and economies and concerns the ongoing effort to improve the economic climate, cultivate an open dialogue with stakeholders and the active involvement of companies in society.

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

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

For us at the Athens Exchange Group, Corporate Social Responsibility is directly connected with the concept of sustainable development, consists of voluntary actions and is our strategic choice. We have created and maintain an action plan that concerns the environment, the people and education:

- We try to contribute in the alleviation of poverty by supporting the work of volunteer organizations that provide support to our fellow human beings.
- We continue our efforts for the protection of the environment through everyday recycling activities and by adopting new workplace methods intended to save energy.
- We promote and support a programme for offering information and education to schoolchildren, university students and members of the market aiming to develop the stock market culture.
- As an active member of the Greek Network for Corporate Social Responsibility we support its efforts which are aimed at boosting awareness of the Corporate Social Responsibility both in businesses and in the society in general, as well as at attaining a balance between profitability and sustainable development.

SIGNIFICANT EVENTS AFTER 31.12.2015

There has been no event with any significant impact on the results of the Company, which occurred or was concluded after 31.12.2015, date of the financial statements for 2015, and until the approval of the financial statements of 2015 by the Board of Directors of the Company on 21.03.2016.

Athens, 21 March 2016

THE BOARD OF DIRECTORS

3. AUDITOR’S REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
8B Chimarras Street, Maroussi, Athens

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ey.com

To the Shareholders of the Company

"ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME (ATHEXClear)"

Auditor's Report on the Financial Statements

We have audited the accompanying financial statements of "ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME (ATHEXClear)", which consist of the statement of financial position as at 31 December 2015, the statements of comprehensive income, changes in equity and cash flows for the fiscal year ended on the aforesaid date, as well as a summary of significant accounting principles and 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 the International Financial Reporting Standards, as those have been endorsed by the European Union, as well as for the internal controls that management considers necessary in order 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 on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 judgement, 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 financial statements referred to above present fairly, in all material respects, the financial position of "ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME (ATHEXClear)" as at 31 December 2015 and its financial performance and cash flows for the year that ended on the aforesaid date in accordance with the International Financial Reporting Standards, as those have been endorsed by the European Union.

Report on Other Legal and Regulatory Matters

We verified the consistency and correspondence of the content of the Management Report of the Board of Directors with the accompanying financial statements pursuant to the provisions of Articles 43a (paragraph 3a) and 37 of Codified Law 2190/1920.

Athens, 21 March 2016

PANAGIOTIS I.K. PAPAZOGLOU
SOEL REGISTRATION NUMBER 16631

DIMITRIOS KONSTANTINOU
SOEL REGISTRATION NUMBER 16201

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
8B CHEIMARRAS STREET, MAROUSSI
15125 ATHENS
COMPANY SOEL REGISTRATION NUMBER 107

4. ANNUAL FINANCIAL STATEMENTS

For the period 1 January 2015 - 31 December 2015

In accordance with the International Financial Reporting Standards

4.1. ANNUAL STATEMENT OF COMPREHENSIVE INCOME

	Note:	01.01 31.12.2015	01.01 31.12.2014
Revenue			
Clearing	5.7	10,249	16,610
Clearing House Services	5.8	168	296
IT Services	5.9	0	28
New Services (Xnet, CP CSE-Sibex, IT)	5.10	162	175
Other Services	5.11	218	321
Total turnover		**10,797**	**17,430**
Hellenic Capital Market Commission Fee	5.23	(730)	(1.162)
Total revenue		**10,067**	**16,268**
Expenses			
Personnel remuneration and expenses	5.13	1,056	1,166
Third party fees and expenses	5.14	39	38
Maintenance/IT support	5.15	73	69
Taxes-VAT	5.16	175	65
Building/equipment management	5.17	29	29
Flat Settlement Fee	5.18	8,311	13,561
Expenses of participation in organizations	5.19	12	11
Operating expenses	5.20	226	56
Bank of Greece - cash settlement	5.21	7	1
Other expenses	5.22	21	10
Total operating expenses		**9,949**	**15,006**
Expenses of New Services (Xnet, CP CSE-Sibex, IT)	5.24	366	159
Re-invoiced expenses	5.25	1	6
Provision for bad debts	5.26	(66)	20
Total operating expenses, including new activities before depreciation		**10,250**	**15,191**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**(183)**	**1,077**
Depreciation	5.27	(30)	(49)
Earnings before interest and taxes (EBIT)		**(213)**	**1,028**
Capital income	5.29	0	163
Financial expenses	5.29	(69)	(1)
Earnings before tax (EBT)		**(282)**	**1,190**
Income tax	5.36	12	(304)
Profit after tax		**(270)**	**886**

Net profit after tax (A)		**(270)**	**886**
Other comprehensive income/(losses)			
Other comprehensive income not carried forward to following fiscal years			
Actuarial profits/(losses) from staff compensation provision		26	(48)
Effect on income tax (note 5.36)		(7)	12
Other net comprehensive income (B)		**19**	**(36)**
Total comprehensive income (A)+(B)		**(251)**	**850**

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

The notes on chapter 5 form an integral part of these financial statements of 31.12.2015.

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

4.2. ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31.12.2015	31.12.2014
ASSETS			
Non-current assets			
Tangible assets for own use	5.27	1	2
Intangible assets	5.27	29	28
Participations and other long-term receivables		2	2
Deferred tax assets	5.31	70	66
Receivables from affiliated companies		0	0
		102	**98**
Current assets			
Clients	5.28	844	567
Other receivables	5.28	343	388
Income tax receivable	5.28	1,332	869
Third party balances in ATHEXClear bank account	5.30	446,808	395,110
Cash and cash equivalents	5.29	29,697	32,425
		479,024	**429,359**
TOTAL ASSETS		**479,126**	**429,457**
EQUITY AND LIABILITIES			
Equity and reserves			
Share Capital	5.32	25,500	25,500
Reserves	5.32	217	173
Retained earnings		3,752	4,047
Total equity		**29,469**	**29,720**
Non-current liabilities			
Provisions	5.33	176	196
		176	**196**
Current liabilities			
Suppliers and other liabilities	5.34	2,630	4,383
Third party balances in ATHEXClear bank account	5.35	446,808	395,110
Social security		43	48
		449,481	**399,541**
TOTAL LIABILITIES		**449,657**	**399,737**
TOTAL EQUITY & LIABILITIES		**479,126**	**429,457**

The account “Third party balances in ATHEXClear bank account” of the previous fiscal year has been modified (see notes 5.30 & 5.35).

The notes on chapter 5 form an integral part of these financial statements of 31.12.2015.

(Amounts in thousands of Euro, unless otherwise indicated) 24

4.3. ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Reserves	Retained earnings	Total Equity
Balance 01.01.2014	**25,500**	**0**	**148**	**3,222**	**28,870**
Profit for the period				886	886
Other comprehensive income after tax				(36)	(36)
Total comprehensive income after tax	**0**	**0**	**0**	**850**	**850**
Profit distribution to reserves			25	(25)	0
Balance 31.12.2014	**25,500**	**0**	**173**	**4,047**	**29,720**
Loss for the period				(270)	(270)
Other comprehensive income after tax				19	19
Total comprehensive income after tax	**0**	**0**	**0**	**(251)**	**(251)**
Profit distribution to reserves			44	(44)	0
Balance 31.12.2015	**25,500**	**0**	**217**	**3,752**	**29,469**

The notes on chapter 5 form an integral part of these financial statements of 31.12.2015..

(Amounts in thousands of Euro, unless otherwise indicated) 25

4.4. ANNUAL CASH FLOW STATEMENT

	Note	01.01-31.12.2015	01.01.-31.12.2014
Cash flows from operating activities			
Profit before tax		(281)	1,190
Plus/(minus) adjustments for:			
Depreciation	5.26	30	49
Provisions for staff compensation	5.13	5	12
Provisions for other risks		0	(80)
Provision for bad debts		0	(163)
Interest income		0	0
Interest paid and related expenses		69	1
Tax refund from HCMC Fee and extraordinary tax			
Plus/(minus) adjustments for changes in working capital accounts or relating to operating activities			
Decrease in receivables		(237)	24,747
Decrease in liabilities (except loans)		(1,757)	(386)
Interest and related expenses paid		(69)	(1)
Payments for employee compensation		(8)	0
Income taxes paid		(451)	(1.279)
Net inflows/outflows from operating activities (a)		**(2,699)**	**24,090**
Purchase of tangible and intangible assets	5.26	(30)	(28)
Proceeds from sale of financial assets		0	0
Interest received		0	163
Dividends received			0
Total inflows/(outflows) from investing activities (b)		**(30)**	**135**
Total outflows from financial activities (c)		**0**	**0**
Net increase/(decrease) in cash and cash equivalents at beginning of period (a) + (b) + (c)		(2,729)	24,225
Cash and cash equivalents at beginning of period	**5.29**	**32,425**	**8,200**
Cash and cash equivalents at end of period	**5.29**	**29,696**	**32,425**

The notes on chapter 5 form an integral part of these financial statements of 31.12.2015.

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

5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2015

5.1. GENERAL INFORMATION ABOUT THE COMPANY

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

By decision of the Board of Directors of ATHEX (formerly HELEX), the acquisition of all shares (100%) of the company “ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME” (under the original name “Ypsipyli Société Anonyme for the Development of Real Estate and the Provision of Services” and the trade name “Ypsipyli Real Estate S.A.”) was completed on 08/03/2010 for a total price of one hundred thirty thousand (130,000) Euro. The purpose of the acquisition was the contribution of the clearing branch to the new company with the spin-off of the branch from HELEX pursuant to Law 2166/93.

On 15 July 2010, after the completion of the spin-off of the clearing branch from HELEX and its integration into ATHEXClear (Prefectural decision 20153/15.07.2010), the share capital increased - due to the integration of the branch - by the book value of the HELEX clearing branch, i.e. twenty five million three hundred eighty thousand Euro (€25,380,000), with the issuance of eight million four hundred sixty thousand (8,460,000) new common registered shares of a nominal value of three Euro (€3.00) each. Thus the total equity of ATHEXClear came to twenty five million five hundred thousand Euro (€25,500,000), divided into eight million five hundred thousand (8,500,000) common registered shares of a nominal value of three Euro (€3.00) each.

The annual financial statements of the Company for the fiscal year 2015 were approved by the Board of Directors on 21.03.2016. The financial statements of the company are included in the Consolidated Financial Statements prepared by the Athens Exchange Group and are published on the Internet at www.athexgroup.gr.

5.2. BASIS OF PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with their respective interpretations issued by the IASB Standards Interpretation Committee, as those have been adopted by the European Union and are mandatory for financial years ending on 31 December 2015. There are no standards and interpretations of standards that have been applied before the date they were put into effect.

These financial statements have been prepared on a historical cost basis, as modified by the revaluation at fair value of specific elements of Assets, Equity and Liabilities (Commercial Securities Portfolio, Assets Available for Sale and Real Estate Investments) and according to the going concern principle. The accounting principles set forth below have been applied consistently to all the periods presented.

The excellent organization of the Company, the perfect operation of the stock market, the continuous investments in modern equipment and procedures, the absence of loan liabilities, the recognition of its reliability by internationally recognized rating agencies, as well as the liquidity that it possesses, are the guarantee of its long-term survival, with significant benefits for the shareholders. The recent economic crisis that the country is going through and the imposition of capital controls cause significant problems in the operation of the Group but it is nonetheless expected that soon, with the agreement of the Greek Government within EU and in the context of the Euro system, any obstacles will be overcome and the country will return to growth, supported by the necessary structural changes, which are gradually being legislated.

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

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

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

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

Income tax

Judgement is required of the Company for the establishment of the provision for income tax. There are many transactions and calculations for which the final assessment of the tax is uncertain. If the final tax figure is different from the amount initially recognized, the difference will affect the income tax in the fiscal year that the assessment of the tax differences will be made (note 5.36).

Provisions for trade and other receivables

The Management of the company periodically re-examines the adequacy of the provision for bad debts in conjunction with its credit policy and taking into consideration information provided by the Legal Department of the Group, which results by means of processing historical data and recent developments of the cases the Department handles (note 5.28).

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates regarding the useful life of depreciable assets. These residual useful lives are periodically reassessed in order to estimate whether they continue to be appropriate (note 5.27).

Deferred tax claims

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

Provision for staff compensation

Obligations for staff compensation are calculated based on actuarial methods, the use of which requires that Management assess specific parameters, such as the future increase in staff remuneration etc. Management tries, 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 5.33).

Estimations – sources of uncertainty

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

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

Going concern

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

It is expected that, after the agreement with the institutions and the implementation of the commitments undertaken, growth will start. The lifting of capital controls will help restore a healthy economic climate and environment in Greece. The companies of the Group are very well placed and excellently organized so as to overcome any temporary difficulties they face.

Defined benefits 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 the 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 information of the Statement of Comprehensive Income of the Company

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

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 from 01.01.2015 and on.

The changes below have no effect on the results of the fiscal year 2015 of the Company.

	Note	01.01 31.12.2014 Modified	01.01 31.12.2014 Published
Revenue			
Clearing	5.7	16,610	16,610
Clearing House Services	5.8	296	296
IT Services	5.9	28	28
New Services (Xnet, CP CSE-Sibex, IT)	5.10	175	218
Other Services	5.11	321	320
Total turnover		**17,430**	**17,472**
Hellenic Capital Market Commission Fee	5.23	(1.162)	(1.162)
Total revenue		**16,268**	**16,310**
Expenses			
Personnel remuneration and expenses	5.13	1,166	1,166
Third party fees and expenses	5.14	38	38
Maintenance/IT support	5.15	69	69

(Amounts in thousands of Euro, unless otherwise indicated) 30

	Note	01.01 31.12.2014 Modified	01.01 31.12.2014 Published
Taxes-VAT	5.16	65	65
Building/equipment management	5.17	29	29
Flat Settlement Fee	5.18	13,561	13,561
Expenses of participation in organizations	5.19	11	0
Operating expenses	5.20	56	77
Other expenses	5.22	10	0
Bank of Greece - cash settlement	5.21	1	0
Provision for bad debts	5.26	20	20
Total operating expenses		**15,026**	**15,025**
Re-invoiced expenses	5.25	6	6
Expenses of New Services (Xnet, CP CSE-Sibex, IT)	5.24	159	202
Total operating expenses, including new activities		**15,191**	**15,233**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**1,077**	**1,077**
Depreciation	5.27	(49)	(49)
Earnings before interest and taxes (EBIT)		**1,028**	**1,028**
Capital income	5.29	163	163
Financial expenses	5.29	(1)	(1)
Earnings before tax (EBT)		**1,190**	**1,190**
Income tax	5.36	(304)	(304)
Profit after tax		**886**	**886**

The “non-recurring expenses” published in the Statement of Comprehensive Income for 2014 were renamed to “Provision for bad debts” in the Statement of Comprehensive Income for 2015.

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 (land - buildings) as fixed assets are recorded at their adjusted values in the first application of the IFRS and then at fair value.

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

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

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

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

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

Following the implementation of the tax Law 4110/2013 (Article 3, paragraph 24), which went into effect on 23 January 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 Income Tax Code, Law 4172/23.07.2013, Article 24, paragraph 4), which went into effect on 01.01.2014, the depreciation rates were once again modified. The changes in the accounting estimate of the useful lives of tangible assets are shown below:

(Amounts in thousands of Euro, unless otherwise indicated) 31

	Useful life after 31.12.2012	Useful Life after 01.01.2013	Useful Life after 01.01.2014
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 and residual values of tangible assets are revised annually. When the book value of the fixed assets exceeds their recoverable value, the difference (impairment) is entered as an expense in the Statement of Comprehensive Income.

Upon withdrawal or sale of an asset, the associated cost and accumulated depreciation are deleted from the relevant accounts at the time of withdrawal or sale and the respective profits or losses are recorded in the Statement of Comprehensive Income.

5.3.2. Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus depreciation. Depreciation is calculated using the straight line method during the useful life of these assets, which is estimated at approximately 3 years. It is stressed that according to the new Income Tax Code, Law 4172/23.07.2013, the mandatory depreciation rates for intangible assets/rights and multi-annual depreciation expenses are reduced to 10%.

5.3.3. Conversion of foreign currency

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

5.3.4. Impairment of non-financial assets

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

5.3.5. Financial instruments

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

(Amounts in thousands of Euro, unless otherwise indicated) 32

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

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

The securities were initially classified as securities available for sale. Therefore, they were classified under IAS 39 "Financial assets valued at fair value through comprehensive income" and their valuation was at their fair value while the profits or losses from the valuation are included in the results of the period. The estimated profits or losses that result from the changes in the fair value of the securities that are classified in the available-for-sale portfolio are entered into a special reserve account in equity. When the securities from the available-for-sale portfolio are sold, the relevant accumulated profits/losses are transferred from the special reserve to the respective accounts in the Statement of Comprehensive Income.

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

Financial assets valued at fair value through comprehensive income ("Profit and Loss Statement")

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

Loans and receivables

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

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

Investments held to maturity

This includes non-derivative financial assets with fixed or predetermined payments and fixed maturities that the Company intends and is able to hold to maturity. The Company did not possess financial assets of this category during the fiscal year.

Financial assets available for sale

This includes non-derivative financial assets which either belong 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 date of the Statement of Financial Position.

Accounting treatment and valuation

Purchases and sales of financial assets evaluated at fair value through the Statement of Comprehensive Income ("Profit and Loss Statement"), held to maturity and available for sale, are recorded on the transaction date, i.e. the date on which the Group undertakes to buy or sell the asset. Loans are recorded when cash is dispersed to the debtors. The financial assets that are not presented at fair value through the Statement of Comprehensive Income are initially recorded 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 profit and loss in subsequent periods are also valued and presented at fair value. Loans and advance payments, as well as investments held to maturity, are presented at their unamortized cost with the real interest rate method. Profits and losses from changes in the fair value in the category "financial assets evaluated at fair value through profit and loss" are included in the Statement of Comprehensive Income in the period they occur.

Profits and losses from changes in the fair value of financial assets available for sale are recorded directly to Other Comprehensive Income, until the financial asset is no longer recognized or is impaired, in which case the accumulated profit or loss, that was previously included in equity, is transferred to the Profit and Loss Statement. However, interest from those assets, which is calculated with the real interest rate method, is recorded in the Profit and Loss Statement. Dividends from financial assets available for sale are recorded in the Statement of Comprehensive Income ("Profit and Loss Statement") when the right to receive payment of the dividend is approved by the shareholders.

The fair value of investments traded in active markets is determined by the current bid prices in the stock exchange. The fair value of non-listed securities and other financial assets in cases where the market is not active, is determined using valuation methods. These methods include the use of recent transactions made 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. Offset of claims and liabilities

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

5.3.7. Other long-term receivables

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

5.3.8. Clients and other trade receivables

Trade receivables are initially recorded at fair value, and subsequently valued at unamortized cost using the effective interest method, less any impairment losses. On each reporting date, all overdue or bad debts are evaluated in order to determine whether or not a provision for bad debts is necessary. 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 relevant risks. Each client balance write-off is charged against the existing provision for bad debts. It is the policy of the Group that nearly no receivable should be written off until all available legal measures for its collection have been exhausted. Trade and other short-term claims against clients and debtors are usually settled within 90 days for the Group and the Company, while in instances of overdue payment no interest is charged to clients.

5.3.9. Cash and cash equivalents

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

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

5.3.10. Third-party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework laid down by Regulation (EU) No. 648/2012 of the European Parliament and of the Council (EMIR Regulation), the Company keeps all cash collaterals that are managed by the Company and relate to 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 through the Internet to the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2-GR).

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains 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 31.12.2015. In the Statement of Financial Position of 31.12.2015, they are shown as equal amounts both in current assets and in short-term liabilities as "third-party balances in the bank account of the company" and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear with the Bank of Greece on 31.12.2015 and 31.12.2014 respectively.

5.3.11. Share capital

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

5.3.12. Current and deferred income tax

Current and deferred tax is calculated on the basis of the Financial Statements in accordance with the tax laws in effect in Greece. Income tax is calculated based on the profits of each Company as they are 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 based on the applicable tax rates.

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

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

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

Deferred tax claims are recognized to the extent that there will be a 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 resulting from investments in subsidiaries and affiliates, 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

Short-term benefits

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

Staff benefits on retirement

Staff benefits on retirement include both defined contribution plans as well as defined benefit plans.

Defined contribution plan

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

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

Defined benefit plan

The defined benefits plan of the Company concerns its legal obligation to pay to the staff a lump sum at the time each employee leaves service due to retirement.

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

The commitment to the defined benefit is calculated on an annual basis by an independent actuary using the projected unit credit method. The interest used for discounting is calculated based on the indices of the iBoxx rated bonds issued by the International Index Company.

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

5.3.14. Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions that have been set for their payment. When government grants relate to an asset, the fair value is credited to the long-term liabilities as deferred revenue and is transferred to the Statement of Comprehensive Income in equal annual instalments based on the expected useful life of the relevant asset that was subsidized. When the grant relates to an expense, it is recognized as revenue in the fiscal year required in order to associate the grant on a systematic basis with 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 will be required for the settlement of the commitment and it is possible to estimate the amount of the commitment reliably.

Provisions are reviewed on the date of preparation of the financial statements and are adjusted to reflect the best possible estimates and, where deemed necessary, they are discounted 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 if the inflow of financial benefit is probable.

5.3.16. Revenue Recognition

Revenue includes the fair value of the transactions, net of any recovered taxes, rebates and refunds. Intra-group revenue in the Company is eliminated in full. Revenue is recognized to the extent that it is likely that the economic benefits will flow into the Group and the relevant amounts can be reliably measured. When income is recognized, the following specific recognition criteria must also be satisfied:

Revenue from clearing transactions in the stock market

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

Revenue from derivatives

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

Revenue from Members (fees)

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

Technological support services

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

Other services

Revenue from other services is recorded 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 indication as to an impairment of 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 from the shareholders is finalized, i.e. on approval by the General Meeting.

Dividend distribution

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

5.3.17. Trade and other liabilities

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

5.3.18. Expenses

Expenses are recognized in the Statements of Comprehensive Income (“Profit Loss Statement”) on an accrual basis.

5.3.19. Research and Development

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

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

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

Subsequent expenditure is capitalized only when it increases the expected future financial benefits that are incorporated in the specific asset to which they relate. All other expenses, including expenses for internally created goodwill and trademarks, are recognized in the Statement of Comprehensive Income ("Profit and Loss Statement"). Depreciation is based on the cost of an asset minus its salvage value. Depreciation is recognized in the Statement of Comprehensive Income using the straight-line method over the estimated useful life of the intangible assets from the date on which they become available for use. The useful life for the current and the comparative period in the capitalization of development costs is from 3 to 7 years.

The profit or loss that arises from the write-off of an intangible asset is determined as the difference between the net proceeds of sale, if any, and the book value of the asset. This profit or loss is recognized in the Statement of Comprehensive Income ("Profit and Loss Statement") when the asset is written off.

5.3.20. New standards, amendments to standards and interpretations

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended standards, which have been adopted by the Company as of 1 January 2015.

In case that the adoption of any standard or interpretation had an impact on the financial statements or the operation of the Company, this impact is described below:

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 impact on the financial statements of the Company is not significant.

- ***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.

Standards issued but not applicable to the current accounting period and not early adopted by the Company

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets (Amendments): 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 amortise intangible assets. The Management of the Company is in the process of assessing the impact of these amendments on the 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 in the process of assessing the impact of these amendments on the 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 in the process of assessing the impact of these amendments on the 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 Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IFRS 15 Revenue from Contracts with Customers**

  The standard is effective for annual periods beginning on or after 1 January 2018. 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 requirements of the standard 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 judgements and estimates. The standard has not yet been endorsed by the EU. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IAS 27 Separate Financial Statements (amended)**

  The amendment is effective for annual periods beginning on or after 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. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: 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. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **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. The amendments have not yet been endorsed by the EU. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IAS 1: Disclosure Initiative (Amendment)**

  The amendments to IAS 1 Presentation of Financial Statements further encourage companies to apply professional judgement 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. The Management of the Company is in the process of assessing the impact of these amendments on the 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 in the process of assessing the impact of these amendments on the 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 judgements made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliation of the total of the assets of the reportable segments to the assets of the entity 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 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. The Management of the Company is in the process of assessing the impact of these amendments on the 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.
- ***AS 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 16: Leases**

  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard has not yet been endorsed by the EU. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IAS 12 Income taxes (Amendments): Recognition of Deferred Tax Assets for Unrealized Losses**

  The amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The objective of these amendments is to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. For example, the amendments clarify the accounting for deferred tax assets when an entity is not allowed to deduct unrealised losses for tax purposes or when it has the ability and intention to hold the debt instruments until the unrealised loss reverses. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

- **IAS 7 Statement of Cash Flows (Amendments): Disclosure Initiative**

  The amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The objective of these amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments have not yet been endorsed by the EU. The Management of the Company is in the process of assessing the impact of these amendments on the financial statements.

5.4. RISK MANAGEMENT

General – Risk Management Environment

A key consideration of the Group of Hellenic Exchanges - Athens Stock Exchange S.A. is the management of risk that arises from its business activities.

The Group, as organizer of the stock 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 stock market.

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

In particular, the legal and regulatory framework, to which ATHEXClear is subject directly 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) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as EMIR (European Market Infrastructure Regulation).

In light of these new regulatory requirements, the Group is implementing 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 stock market. In accordance with the strategy of the Group, the risk tolerance level is defined, so as to satisfy market needs, reduce cost for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with the regulatory requirements.

Organizational structure

In 2015 risk management continued to be strengthened and restructured, especially for ATHEXClear, in order to remain harmonized with the EMIR Regulation. In particular, in addition to 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 as to react promptly and effectively in case of occurrence of risk events.

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

- *Board of Directors*, which has the final responsibility and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors sets, determines and documents the appropriate level of risk tolerance and ability of the company to assume risk. In addition, the Board and the 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 makes recommendations to the Board on risk management issues.
- *Investments Committee*, which decides on the determination of the limits and monitors liquidity risk, determines policies and standards for the investment strategy, the financing principles, the liquidity management, the interest rate risk and its 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 identify them, assess them and finally manage them. The Risk Management Department possesses the required authority, the necessary means, know-how and access to all relevant information.
- Chief Risk Officer, head of 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 established by the Board of Directors.

Unified risk management

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

Risk Identification & Assessment: Through analysis of the present and future activities of the Group, cases in which the Group is exposed to risks are identified. The risks identified are evaluated as to the potential exposure to loss. This includes in general the assessment both of the possibility that the loss will occur and of the potential effects.

Risk Control: 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, the Management has the responsibility to ensure the appropriate application of the unified risk management framework and of all separate policies/frameworks.

Reduction of Risk: The Management identifies the best method for the reduction of risks, taking into consideration the costs and the benefits. As a general principle, the Group does not assume risks that involve the possibility of disastrous or serious losses. Similarly, the insurance for losses that are relatively predictable and without any material impact is avoided. The alternatives for the reduction of risks depend on the level of tolerance of the Group against various types of risk.

Risk Monitoring & Reporting: 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 risks are documented and tested for their reliability on a regular basis through the review and audit and the validation frameworks.

Risk Categories

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

The common risks to which, due to the nature of its activities, the Group may be exposed are:

Financial risk

- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility).

- 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, owing to human factor or external events, including legal risk.

Business risk

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

Description of risk categories and main risk factors

Capital risk

Risk Description: Capital risk refers to the risk that the companies of the Group do not maintain adequate funds to cover their obligations.

This includes the risks in the event that the regulatory authorities decide to increase the capital requirements for the companies or that the levels of capital requirements are insufficient.

The capitals are specifically distributed, depending on the risk of default of the members, in case of bankruptcy either of the clearing member or default in investments of the counterparties. Furthermore, the capitals may be at risk due to operating losses in excess of the insurance coverage.

Approach to risk management

In accordance with the EMIR regulation, in case of default of a clearing member and in order to cover the losses caused, a clearing house must use first the margins posted by the defaulting member and then the account of that same member in the Clearing Fund. ATHEXClear is required to use own resources, as determined through the calculation of total capital requirements, before it uses the contributions of non-defaulting members. According to the calculation of 31.12.2015, the total capital requirements amounted to 35.7% of the total capital maintained by ATHEXClear.

The loss distribution model limits the amount of capital at risk due to investment bankruptcy or loss of a banking institution or default of the issuer of a security for this entity.

The Group can manage its capital structure by changing the returns to shareholders, issuing new shares or with the increase or decrease of loans.

Capital requirements are comprised of the partial measurement of the capital requirements for the following risks:

- Operating risk
- Business Interruption Risk
- Business risk
- Credit Risk
- Counterparty risk
- Market Risk
- Foreign Exchange Risk

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 with the Bank of Greece. In general, the cash balances of the Group are invested exclusively in time deposits. In any case, the Group monitors its potential exposure to market risk 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 affect materially the operations of the Company, given that the transactions with customers and suppliers in foreign currency are minimal. In particular, the risk that ATHEXClear assumes is dealt with as part of the risk management measures applied in the clearing activity. ATHEXClear monitors the potential 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 financial assets the value of which is affected by price changes.

The credit risk of the Group mainly concerns the transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty, as described in the following paragraph.

Besides the counterparty credit risk that ATHEXClear faces, the Group faces credit risk that arises from the investment of its assets. As part of the Investment Policy, specific principles are defined regarding the arrangements for the investment of cash balances. Specifically for ATHEXClear, asset investments are as a rule made at the Bank of Greece, a fact that minimizes its risk exposure.

Counterparty credit risk

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

ATHEXClear has established and is implementing a number of mechanisms and financial resources 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 in the relevant decision of the ATHEXClear Board of Directors.

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

Both for the cash market, as well as for the derivatives market, ATHEXClear clears trades assuming the role of Central Counterparty. In order to cover the risk towards its clearing members, ATHEXClear monitors and estimates on a daily basis the safety margin for each clearing account of the Clearing Members, and blocks the additional guarantees in the form of cash and/or transferable securities. In addition, it manages the Clearing Funds of the two markets which act as risk sharing funds to which Clearing Members contribute exclusively in cash. Based on the margins that have been blocked, the credit limits allocated to members are continuously reviewed, and their fulfilment is monitored in real time during the trading session. The minimum amount of the Clearing Funds is recalculated at least every month, in accordance with the provisions of the regulation, in order for the amount to be adequate to cover as a minimum at any time the requirements laid down by EMIR, that is the absorption of losses beyond the safety margins in the event of default of a group of clearing members under extreme market conditions.

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

Liquidity Risk

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

Specifically for ATHEXClear, the aim is to maintain a sufficient liquidity level in order to ensure that it is in a position to fulfil its obligations concerning payments or settlement in all currencies that become payable, at the end of each day or also, if so required, on an intraday basis. The estimation of the amount of the obligations of ATHEXClear is carried out both based on its business plan and based on possible, but unforeseen, events.

The liquidity available to ATHEXClear is monitored on a daily base as to the criteria set by EMIR, and under extreme but possible scenarios, i.e. the existence of the required level of liquidity that will be necessary for the close-out of the positions of two (2) groups of clearing members with the greatest exposure to credit risk under extreme market conditions, separately for each market (cash, derivatives). In addition, the overall liquidity requirements of ATHEXClear are monitored using liquidity gap analysis.

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 of failure of systems or internal procedures or due to human error. Specifically, it is recognized that operating risk may arise, among other things, because of: outsourcing, failure of supervisory and regulatory compliance, business continuity failure, IT systems and information security risks and project implementation risks.

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

In 2015 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 losses 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. Also, there were no losses due to external events.

Measures to reduce operating risk

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

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

The most significant measures are the implementation of a business continuity plan, the purchase of insurance policies as well as the measures to ensure compliance with the new regulations. In addition, ATHEXClear carries out an RCSA[3] on a regular basis in order to categorize risks and determine KRIs, update the loss database[4]) and create regular reports.

Business continuity plan

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

[3] Risk Control Self-Assessment (RCSA): at regular intervals ATHEXClear organizes workshops for the classification of the risks according to the level of hazard at the level of procedures and the determination of Key Risk Indicators (KRIs).

[4] Loss Database: the database is updated on a daily basis with operating risk events regardless of the extent of the loss.

- *Operation of a Disaster Recovery Site:* The Group maintains a disaster recovery site for its IT systems. In addition, the Group has received the ISO-22301 business continuity certification.
- *Formation of crisis management and emergency incident management teams:* 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 backup IT systems:* The IT systems of the Group are installed and operate in the data centre at the headquarters of the Group. The data centre consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centres, 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. The management of insurance policies takes place centrally for the entire Group in order to obtain better services and more advantageous terms. Specifically, the insurance covers include risks such as third party civil liability and professional liability (DFL/PI) as well as Directors & Officers (D&O) Liability.

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 key responsibilities of the unit are:

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

Specifically for ATHEXClear, in 2015, by taking the appropriate measures and developing procedures and systems, the policies regarding the conflict of interest, outsourcing, handling of clearing member complaints, remuneration of personnel, executives and Board members and management of the Company records in accordance with the requirements of the EMIR Regulation were implemented.

Business Risk

The Group recognizes that it depends on macroeconomic developments and is affected by external factors such as changes in the competitive environment of capital markets, 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, liquidation inability and even asset impairment etc.

Within this framework, the Group continually and systematically monitors international developments and adjusts to the developing environment.

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

5.5. ADJUSTMENT TO THE EMIR REGULATION

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

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

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 data on an aggregate basis about the positions per type of derivative that will be accessible to participants.
2. Reduce counterparty credit risk. Obligation to clear standardized contracts in a CCP. Strict operation and surveillance rules for CCP. Rules for risk mitigation for derivatives that are not cleared in a CCP.
3. Reduce operational risk. Use electronic means for the timely confirmation of the terms of OTC derivatives contracts.

As central counterparty in the derivatives market, ATHEXClear adjusted to the requirements of the Regulation, i.e. adjusted its capital and organizational structure and was re-licensed by the authority competent for licensing and supervising the CCPs that operate in its area of responsibility.

The Hellenic Capital Market Commission granted an authorization to ATHEXClear with 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 ATHEXClear Board of Directors 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 1 December 2014, ATHEXClear set the Derivatives System risk management procedures in accordance with the Regulation (ATHEXClear Decision No. 5).

Establishment of a Risk Committee

Following the plans for the adjustment of ATHEXClear to the provisions of Regulation No. 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) No. 648/2012 and by the authorization of Regulation (EU) No. 153/2013 EEE L 52/41/23.2.2013), the Board of Directors decided to form 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 01.12.2014 (date the Regulation on the Clearing of Transactions on Derivatives went into effect).

Modification of the Internal Operation Regulation & Establishment of 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 Board of Directors, an independent and autonomous Strategic Investments Committee was formed, 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, comprised of 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 fulfilment 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 the short-term and long-term investment objectives.

c) Monitoring the progress of implementation of the objectives.

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.

Subsequently the existing “Clearing Fund Asset Management” committee was renamed to “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.

Approval of investment policy

The Board of Directors of ATHEXClear at its meeting No. 108/11.11.2014 approved the following investment policy for ATHEXClear:

This policy concerns the investment of the following assets of ATHEXClear:

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

1. The Company as central counterparty, holds all of the above mentioned 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 Euro 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 Article 47, paragraph 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 transferable 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) No. 648/2012 and 153/13 (on EMIR).

Authorization of ATHEXClear by the Hellenic Capital Market Commission

Through the unanimous adoption of decision 1/704/22.1.2015, the Board of Directors of the Hellenic Capital Market Commission decided:

1. To grant authorization for the operation of a central counterparty system in accordance with Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories to the Company under the name “ATHENS EXCHANGE CLEARING HOUSE” (ATHEXClear) for the performance of the following clearing activities:
    - Clearing transactions in transferable securities
    - Clearing transactions in derivatives
    - Clearing securities financing transactions
2. To approve the Regulation for the operation of a Central Counterparty System under the title “Regulation of Clearing of Transferable Securities Transactions in Book-Entry Form” which is included in the minutes of meeting No. 103 of the Board of Directors of the Company on 28.07.2014.
3. To approve the Regulation for the operation of a Central Counterparty System under the title “Regulation on the Clearing of Transactions on Derivatives” which is included in the minutes of meeting No. 103 of the Board of Directors of the Company on 28.07.2014.

This Regulation will take effect as of 16 February 2015, except for the provisions of Chapter VII, Part 2, Paragraph 2.1, Subparagraph 4, which will take effect as of 6 February 2015.

Establishment of a Strategic Investment Committee

The Company, in order to comply with the corporate governance framework described in Regulation 648/2012 of the European Parliament and of the Council (EMIR Regulation), established by decision of the Board of Directors an independent and autonomous Strategic Investments Committee, 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.

Establishment of a Collateral and Own Funds Management Committee

Subsequently the existing “Clearing Fund Asset Management” committee was renamed to “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 (note 5.5).

5.6. CAPITAL MANAGEMENT

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

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

The Company monitors the adequacy of its Equity and its effective use by using the Net Debt to Equity ratio.

	31.12.2015	31.12.2014
Suppliers and other trade liabilities	2,630	4,383
Other short-term liabilities	43	48
Less cash and cash equivalents	(29,697)	(32.425)
Net debt (a)	**(27,024)**	**(27.994)**
Shareholder Equity (b)	29,469	29,720
Equity and net debt (a+b)	**2,445**	**1,726**
Gearing ratio (a/(a+b))	**(11.05)**	**(16.22)**

5.7. CLEARING

Revenue from clearing amounted to €10.25m compared to €16.61m in the respective period last year, showing a decrease of 38,3% as shown in the following table:

	31.12.2015	31.12.2014
Shares	7,496	12,617
Derivatives	1,935	2,974
ETFs	3	6
Transfers - Allocations (Special settlement orders)	609	775
Trade notification instructions	206	238
Total	**10,249**	**16,610**

Revenue from clearing trades of shares, which consists of revenue from the organized market and the Common Platform, amounted to €7.5, recording a drop of 40.4%.

In 2015 the total traded value in the cash market was €19.11 billion compared to €31.51 billion in the previous year, showing a decrease of 39.3%. The average daily traded value in amounted to €85.7 million compared to €127.1 million in the previous year, a decrease of 32.57%.

In the derivatives market, despite the significant increase in volume traded by 40.9% (the average daily number of contracts increased to 68.6 thousand contracts compared to 48.7 thousand in 2014), the revenue from clearing amounted to €1.9 million compared to €3.0 million in the previous year, recording a drop of 34.9% due to the reduction in the average revenue per contract by 51% (€0.175 in 2015 compared to €0.357 in 2014).

Revenue from transfers - allocations amounted to €609 thousand and is reduced by 21.4% compared to the respective period last year, while trade notification instructions amounted to €206 thousand, dropping by 13.4%.

5.8. CLEARING HOUSE SERVICES

This category includes the subscriptions of members of ATHXClear for the derivatives market, while the revenue in last year also included revenue from the 0.125% fee on margins in derivative products, which ceased to apply as of 01.01.2015.

Revenue in this category amounted to €168 thousand compared to €296 thousand in the respective period last year, showing a decrease of 43.2% and is shown in detail in the following table:

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

	31.12.2015	31.12.2014
Subscriptions of derivatives clearing members	133	220
Special Type Participant Subscriptions	35	30
0.125% fee on margin	0	46
Total	**168**	**296**

5.9. IT services

In the fiscal year 2015, there was no revenue from IT services, while the amount of the respective period last year concerned revenue from the supply of API software of €28 thousand.

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

Revenue from this category amounted to €162 thousand compared to €175 thousand in the respective period last year, showing a decrease of 7.4%.

Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 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 of the Regulation.

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
- 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 the above services reached €162 in the fiscal year 2015 compared to €175 thousand in the same period last year, dropping by 7.4%. For the needs of the above mentioned services, agreements have been signed with our members, as well as with a supplier.

	31.12.2015	31.12.2014
Revenue from XNET	0	13
Support of other markets (CSE, Sibex)	14	0
EMIR TR/LEI Service	148	162
Total	**162**	**175**

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

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

5.11. OTHER SERVICES

Revenue from other services for the fiscal year 2015 amounts to €218 thousand compared to the amount of €321 thousand in the respective last year period. Revenue from other services for the year 2015 concerns (a) fines to ATHEX members for failing to fulfil their obligations to deliver transferable securities from transactions to the Securities System as they were obliged to do by the end of settlement, amounting to €190 thousand compared to €204 thousand in the respective period last year and (b) revenue from unused provisions, amounting to €85 thousand in 2015 compared to €115 thousand in the respective period last year.

Certain amounts of the previous fiscal year have been modified (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, the Clearing Members contribute exclusively in cash. ATHEXClear monitors and calculates, on a daily basis 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 re-evaluated on a daily basis, and 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 favour 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 notes 5.30 & 5.35). Cash refunds to Accounts, where required under the present terms, 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. 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.

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, with decision number 1/704/22.1.2015, granted to ATHEXClear a licence to operate a central counterparty system, 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 €17,849,187.00 and is in effect until 31.03.2016.

For reasons of comparison, the figures of 31.12.2014 were modified in order to include the amounts that were placed in commercial accounts and concern margins received by the Clearing Fund for the Cash Market (see notes 5.30 & 5.35).

The application of the new model in the cash market in accordance with Regulation (EU) No. 648/2012 concerning the Clearing Fund and member guarantees for the cash market went into effect on 16.02.2015. The amount is shown both under the assets and under the liabilities in the Statement of Financial Position on 31.12.2014 and 31.12.2015 (see notes 5.30 & 5.35).

DERIVATIVES MARKET

The Board of Directors of ATHEXClear at its meeting No. 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 1 December 2014, ATHEXClear set the Derivatives System risk management procedures in accordance with the Regulation (ATHEXClear Decision No. 5) (investment policy, 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, the size of which is €6,843,967.00 in the period from 01.03.2016 to 31.03.2016. 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 above).

5.13. PERSONNEL REMUNERATION AND EXPENSES

Personnel remuneration and expenses in 2015 amounted to €1.06m compared to €1.17m in the respective period last year, showing a decrease of 9,4%. The number of employees on 31.12.2015 was reduced to 23 persons compared to 26 persons on 31.12.2014.

	31.12.2015	31.12.2014
Personnel remuneration	781	846
Employer contributions	172	205
Employee termination benefits	8	0
Employee compensation provision (actuarial valuation)	5	12
Other benefits (insurance premiums etc.)	90	103
Total	**1,056**	**1,166**

Obligations to employees

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

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

It is the standard policy of the Athens Exchange Group to carry out the actuarial study at the end of the year when the amounts and details are finalized in order to calculate the actuarial obligation. Despite the fact that the economic conditions and the environment in Greece has deteriorated since the end of last year, and especially after the Bank holiday and the imposition of capital controls, it is estimated that the actuarial figures are not significantly changed so as to require a new actuarial study in the middle of the year.

The changes in the provision for 31.12.2015 are shown in detail in the following table:

Actuarial Presentation according to the amended IAS 19 (amounts in €)	**Company**	
Period	**31.12.2015**	**31.12.2014**
Amounts recognized in the Statement of Financial Position		
Present value of liabilities	155,663	175,930
Net liability recognized in the Statement of Financial Position	**155,663**	**175,930**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	7,627	5,908
Net interest on the liability/(asset)	3,712	4,571
Regular expense in the Profit & Loss Statement	**11,339**	**10,479**
Cost of staff reductions/settlement/termination	1,601	1,216
Total expense recognized in the Profit & Loss Statement	**12,940**	**11,695**
Change in the present value of the liability		
Present value of liability at the beginning of the period	175,930	116,617
Current employment cost	7,627	5,908
Interest cost	3,712	4,571
Benefits paid by the employer	(7,699)	0
Cost of staff reductions/settlement/termination	1,601	0
Other expenses/(revenue)	0	1,216
Actuarial loss/(profit) - demographic assumptions	(18,105)	45,676
Actuarial loss/(profit) - experience for the period	(7,403)	1,942
Present value of the liability at the end of the period (note 5.33)	**155,663**	**175,930**
Adjustments		
Adjustments to liabilities due to change in assumptions	18,105	(45.676)
Experience adjustments in liabilities	7,403	(1.942)
Experience adjustments in assets	0	0
Total actuarial profit/(loss) recognized in Equity	**25,508**	**(47.618)**

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

Actuarial assumptions	Valuation date	
	31.12.2015	31.12.2014
Discount rate	2.64%	2.11%
Increase in salaries (long term)	1.75%	1.75%
Inflation rate	1.75%	1.75%
Mortality	EVK 2000 (Swiss table)	EVK 2000 (Swiss table)
Personnel turnover rate	0.50%	0.50%
Regular retirement age	Retirement terms established by the social security fund of the employee	Retirement terms established by the social security fund of the employee

The interest used for discounting in accordance with IAS 19 is calculated based on the indices of the iBoxx rated bonds issued by the International Index Company.

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

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

Cash flows *Expected benefits from the plan in the next fiscal year*	**Company** **31.12.2015**	 **31.12.2014**
Sensitivity Scenarios for the Economic and Demographic Assumptions Used		
Sensitivity 1 - Discount rate plus 0.5% -Difference % in liability present value (PV)	(8.90)%	(9.60)%
Sensitivity 2 - Discount rate less 0.5% -Difference % in liability PV	9.87%	10.72%
Sensitivity 3 - Annual inflation plus 0.5% -Difference % in liability PV	9.91%	10.72%
Sensitivity 4 - Annual inflation less 0.5% -Difference % in liability PV	(9.02)%	(9.68)%
Sensitivity 5 - Salary increase assumption plus 0.5% -Difference % in liability PV	8.22%	9.50%
Sensitivity 6 - Salary increase assumption less 0.5% -Difference % in liability PV	(8.68)%	(9.48)%

5.14. THIRD PARTY FEES AND EXPENSES

In the fiscal year 2015 third party fees and expenses amounted to €39 thousand compared to €38 thousand recording an increase of 2.6% compared to the respective period last year and concern fees to auditors and fees for Board member meetings.

	31.12.2015	31.12.2014
Remuneration of Board members	11	7
Auditor fees	24	26
Consultant fees	4	5
Total	**39**	**38**

5.15. MAINTENANCE/IT SUPPORT

Maintenance / IT Support expenses for 2015 amounted to €73 thousand compared to €69 thousand in the respective last year period.

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

5.16. TAXES-VAT

The non-deductible Value Added Tax and other taxes imposed on the cost of works came to the amount of €175 thousand compared to €65 thousand in the respective period last year. The total figure is increased for 2015 due to the payment of an amount of €102 in favour of the Hellenic Capital Market Commission for the licensing of ATHEXClear.

5.17. MANAGEMENT OF BUILDINGS/EQUIPMENT

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

Building and equipment management expenses for the fiscal year 2015 amounted to €29 thousand remaining unchanged in relation to the respective period last year.

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

5.18. FLAT SETTLEMENT FEE

The fees for settlement services amounted to €8.3 million compared to €13.6 million in the respective period last year, decreased by 38.97%. The amount relates to the calculation of the flat fee charged in 2015 for the flat annual settlement fee, in accordance with Article 1, paragraph 1 of the Regulatory Decision 1 on "Dematerialized Securities System Management and Operation Fees" of ATHEXCSD.

The Board of Directors of ATHEXCSD decided to change the flat annual settlement fee, which as of 01.01.2012 is set at 81% of the revenues from the clearing of transactions earned by the clearing house, with the payment of a minimum amount of €7.5 million and a maximum amount of €15.0 million per year.

5.19. EXPENSES OF PARTICIPATION IN ORGANIZATIONS

The expenses of this category reached the amount of €12 thousand and concern mainly the EACH annual subscription, thus remaining roughly at the same levels with the respective last year period.

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

5.20. OPERATING EXPENSES

The operating expenses for the fiscal year 2015 reached €226 thousand compared to €56 thousand the respective period last year, recording a significant increase as a result of the charge of support services by subsidiaries due to the restructuring of services, as follows:

	31.12.2015	31.12.2014
Travel expenses	17	4
Transportation expenses	2	2
Publication expenses	0	2
Storage fees	0	1
Support operation services	147	0
Building rent to companies of the Group	46	46
Subscriptions to professional organizations and contributions (EACH)	0	0
Various legal expenses/donations	3	1
Other expenses	11	0
Total	**226**	**56**

Other expenses include the IRR 2014 conference expense.

Certain amounts of the previous financial year have been modified (see note 2.2).

5.21. BANK OF GREECE - CASH SETTLEMENT

In the fiscal year 2015 fees amounting to €7 thousand were paid to the Bank of Greece (BoG) for the cash settlement of trades in the cash and derivatives markets, in accordance with the agreement signed between the BoG and the Companies of the Group and ATHEXClear and the respective amount in the previous year was €1 thousand.

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

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

5.22. OTHER EXPENSES

Other expenses in the fiscal year 2015 amounted to €20 thousand compared to €10 thousand in the respective period last year.

	31.12.2015	31.12.2014
Other expenses (1)	10	8
Mobile telephones (2)	11	2
Total	**21**	**10**

1) These concern costs of events and hospitality expenses of €7 thousand and pension administration costs of €2 thousand.
2) This included costs of mobile telephony of €6 thousand as well as mobile telephone devices of €5 thousand.

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

5.23. HELLENIC CAPITAL MARKET COMMISSION FEE

The operating revenue does not include the Hellenic Capital Market Commission Fee, which amounted to €730 thousand for the fiscal year 2015 compared to €1,162 thousand in the same period last year, since it is collected on behalf of the Hellenic Capital Market Commission, to which it is subsequently paid. This decrease is due to the significant drop of the value of clearing on which this amount is calculated.

5.24. EXPENSES FOR NEW SERVICES

The expenses in this category amounted to €366 thousand compared to €159 thousand in the respective last year period, having increased due to the increase of the UNAVISTA Reporting services. Part of this amount is paid by the Members.

	31.12.2015	31.12.2014
IT service costs (UNAVISTA full delegated reporting)	366	156
Expenses for new services	0	3
Total	**366**	**159**

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

5.25. RE-INVOICED EXPENSES

Re-invoiced expenses of €1 thousand in the year 2015 concern a small part of the New York Roadshow trip of the Group, while the respective expense for 2014 amounted to €6 thousand.

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

5.26. PROVISION FOR BAD DEBTS

In 2015, the Company made reversal of a provision for bad debts of €66 thousand while for 2014 there had been a provision for other risks of €20 thousand.

5.27. TANGIBLE ASSETS FOR OWN USE AND INTANGIBLE ASSETS

The tangible (Property, Plant and Equipment) and intangible assets of the Company on 31.12.2015 and 31.12.2014 are shown in detail below:

ATHEXClear	PPE & INTANGIBLE ASSETS						
	Plots of land	Buildings and construction	Machinery & other equipment	Means of transportation	Furniture and fixtures	Intangible assets PC Software	Total
Acquisition and valuation value on 31.12.2013	**0**	**0**	**0**	**0**	**358**	**462**	**820**
Additions in 2014						28	**28**
Reductions in 2014							**0**
Acquisition and valuation value 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**
Reduction in accumulated depreciation 2014							**0**
Accumulated depreciation on 31.12.2014	**0**	**0**	**0**	**0**	**356**	**462**	**818**
Book value							
on 31.12.2013	0	0	0	0	51	0	**51**
on 31.12.2014	**0**	**0**	**0**	**0**	**2**	**28**	**30**

ATHEXClear	PPE & INTANGIBLE ASSETS						
	Plots of land	Buildings and construction	Machinery & other equipment	Means of transportation	Furniture and fixtures	Intangible assets PC Software	Total
Acquisition and valuation value on 31.12.2014	**0**	**0**	**0**	**0**	**356**	**490**	**846**
Additions in 2015					22	8	**30**
Reductions in 2015							**0**
Acquisition and valuation value on 31.12.2015	**0**	**0**	**0**	**0**	**378**	**498**	**876**
Accumulated depreciation on 31.12.2014	**0**	**0**	**0**	**0**	**353**	**462**	**815**
Depreciation in 2015					24	7	**31**
Reduction in accumulated depreciation 2015							**0**
Accumulated depreciation on 31.12.2015	**0**	**0**	**0**	**0**	**377**	**469**	**846**
Book value							
on 31.12.2014	0	0	0	0	3	28	**31**
on 31.12.2015	**0**	**0**	**0**	**0**	**1**	**29**	**30**

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

5.28. CLIENTS AND OTHER TRADE RECEIVABLES

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

	31.12.2015	31.12.2014
Clients	859	648
Less: Provision for bad debts	(15)	(81)
Net trade receivables	**844**	**567**
Other receivables		
Withholding tax on dividends for offset (1)	300	300
Tax (0.2%) under Law 2579	0	5
Withholding tax on deposits	0	28
Prepaid non-accrued expenses	8	21
Sundry debtors	35	34
Total	**343**	**388**
Income tax receivable (2)	**1,332**	**869**

1. Dividend withholding tax collected from the 10% participation in ATHEX in 2012. 25% (dividend tax) on dividend of €1.2 million equals €300 thousand.
2. For the Company, the change in income tax liability in the year 2015 resulted in a claim of €1,332 thousand and is shown in the assets, compared to €869 thousand in the year 2014 (see note 5.36).

Trade and other receivables are classified in Level 2.

During the fiscal year 2015, there were no transfers among Levels 1, 1.2, 3.

The change in the provision for bad debts is broken down as follows:

Provision for bad debts	
Balance 31.12.2013	**81**
Additional provisions in 2014	0
Balance 31.12.2014	**81**
Additional provisions in 2015	0
Unused provisions in 2015	(66)
Balance 31.12.2015	**15**

5.29. CASH AND CASH EQUIVALENTS

The cash balances of the Company are placed in short-term interest bearing investments with the aim to maximize the benefits, always in accordance with the policy drawn by the Strategic Investments Committee of the Company. By putting the cash balances in short-term interest bearing investments, the Company derived a revenue of €3163 thousand in the previous year.

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

As of 26.11.2014 the cash balances of ATHEXClear are kept in accounts in the Bank of Greece, in accordance with the investment policy of the Company and the provisions of Article 45 of Regulation (EU) No. 153/2013. The above-mentioned policy excludes an amount not exceeding 500 thousand, which is held in commercial banks and is used solely for the daily operating needs of ATHEXClear (see notes 5.5 and 5.35).

The Group was informed by the Bank of Greece (BoG) that, after 30.06.2015, deposits at the BoG will carry a negative interest rate 0.1% for the period 11.06.2014 to 09.09.2014, a negative interest rate 0,2% from 10.09.2014 to 08.12.2015 and a negative interest rate 0.3% from 09.12.2015 on.

From the above charge the Company incurred in the fiscal year 2015 a cost of €69 thousand. The breakdown of the cash balances of the Company is provided below:

	31.12.2015	31.12.2014
Deposits at the Bank of Greece	29,598	32,331
Sight deposits in commercial banks	93	92
Cash on hand	6	2
Total	**29,697**	**32,425**

Out of the total cash balance of the Group, the amount of €10.6 million or 35.7% is blocked as own resources, in order to be used as a line of defence (default waterfall) against default in the obligations towards the company ATHEXClear, as mentioned below (in accordance with Article 35 of the technical standards and Article 45 of Regulation (EU) No. 648/2012).

The amounts deposited at the Bank of Greece cannot be placed in time deposits.

The term deposits of the Company that matured after the enforcement of the bank holiday in July were not renewed during the bank holiday and, consequently, remain in sight deposits. Therefore, there is a loss of revenue from the difference in the interest rate between term and sight bank deposits.

Cash and cash equivalents are classified in Level 1.

During fiscal year 2015, there were no transfers among Levels 1, 1.2, 3.

CALCULATION OF CAPITAL REQUIREMENTS

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

In accordance with article 35 of the technical standards, for clearing houses the amount of the own assets of central counterparties that are used as line of defence in case of default is calculated, and in particular:

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

The central counterparty revises this minimum amount on an annual basis

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

- Regulations (EU) 648/2012 and (EU) 152/2013 and (EU) 153/2013
- Regulation (EU) 575/2013

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

- FSA: Prudential Sourcebook for Banks, Building Societies and Investment Firms
  - BIPRU 13.4 CCR mark to market method
  - BIPRU 5.4 Financial collateral
  - BIPRU 3 Standardised credit risk

ATHEXClear regularly calculates on a quarterly basis and reports in its financial statements the capital requirements, which are required in order to be able to fulfil its regulatory obligations.

If the amount of capital, as calculated above, is less than 110% of the capital requirements, or less than 110% of the 7.5 million threshold notification, ATHEXClear will immediately notify the relevant authority (Hellenic Capital Market Commission), and will continue to keep it informed on a weekly basis, until the amount of capital it possesses exceeds the notification threshold.

The capital requirements of ATHEXClear on 31.12.2015 are broken down in the table below:

Capital Requirements (Euro '000)	
Type of Risk	**Capital Requirements**
Credit risk (total)	11
Derivatives Market	0
Cash Market	0
Investment of Own Assets	11
Market Risk	0
Foreign Exchange Risk	0
Operating Risk	104
Business Interruption Risk	5,160
Business Risk	2,580
Total Capital Requirements	**7,854**
Notification Threshold (110% of Capital Requirements)	8,639
Additional Special Resources (25% of Capital Requirements)	1,963
Total Capital Requirements	**10,603**

ATHEXClear maintains cash balances on its balance sheet of 31.12.2015, which more than cover the capital requirements as calculated above.

5.30. 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 (see note 5.5), 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 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 above mentioned bank having a standing order by ATHEXClear, exchanges the amount of the collaterals into Euro daily and then credits the ATHEXClear 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.

(Amounts in thousands of Euro, unless otherwise indicated) 62

The implementation of the ATHEXClear investment policy (see note 5.5) begun immediately with the application of the new clearing model and risk management in the derivatives market on 01.12.2014. The amount of €446,808 thousand explained below and shown on the Statement of Financial Position of 31.12.2015 both under assets and under liabilities (see note 5.35) concerns Member collaterals in the derivatives market deposited in the ATHEXClear bank account in the Bank of Greece and managed by ATHEXClear.

The application of the new model in the cash market in accordance with Regulation (EU) No. 648/2012 concerning the Clearing Fund and member guarantees for the cash market went into effect on 16.02.2015.

	31.12.2015	31.12.2014
Clearing Fund Collaterals - Cash Market *	(12,918)	(57.059)
Additional Clearing Fund Collaterals - Cash Market *	(380,517)	(235.995)
Clearing Fund Collaterals – Derivatives Market	(7,616)	(17.889)
Additional Clearing Fund Collaterals – Derivatives Market	(45,757)	(84.167)
Total	**(446,808)**	**(395.110)**

*

Cash market collateral received was placed in commercial bank accounts.

For reasons of comparison, the figures of 31.12.2014 were modified (see the following table) in order to include the amounts that were placed in commercial accounts and concern margins received by the Clearing Fund for the Cash Market.

	31.12.2014 MODIFIED	31.12.2014 PUBLISHED
Clearing Fund Collaterals - Cash Market	57,059	0
Additional Clearing Fund Collaterals - Cash Market	235,995	0
Clearing Fund Collaterals – Derivatives Market	17,889	17,889
Additional Clearing Fund Collaterals – Derivatives Market	84,167	84,167
Total	**395,110**	**102,056**

5.31. DEFERRED TAX

Deferred tax stood at €70 thousand remaining at the same levels with those of 2014 and concern actuarial study provisions and intangible assets.

In accordance with tax legislation, the tax rate that applies to companies starting from 1 January 2013 is 26% whereas, according to the recent changes in tax legislation (Law 4334/2015), the tax rate is set at 29% for the fiscal year 2015. The results for the year 2015 have been calculated at a tax rate of 29%.

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 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.

(Amounts in thousands of Euro, unless otherwise indicated) 63

Deferred Tax	31.12.2015	31.12.2014
Deferred tax receivables	70	66
Deferred tax liabilities	0	0
Total	**70**	**66**

Changes in deferred income tax	31.12.2015	31.12.2014
Opening balance	66	57
Changes in the period	4	9
Balance	**70**	**66**

Deferred Tax Breakdown	
Changes in deferred tax - Actuarial study provision	1
Changes in deferred tax - Actuarial study OCI	(7)
Changes in deferred tax - Other temporary differences	(6)
Balance	**(12)**

5.32. SHARE CAPITAL AND RESERVES

a) Share capital

After the spin-off of the clearing branch and its integration into ATHEXClear, the share capital amounted to €25,000,000 comprised of 8,500,000 common registered shares of a nominal value of €3.00 each. The share capital of the Company remained unchanged until 31.12.2015.

b) Reserves

	31.12.2015	31.12.2014
Regular reserve	217	173
Actuarial study reserves	0	0
Total	**217**	**173**

5.33. PROVISIONS

	31.12.2015	31.12.2014
Employee retirement or redundancy compensation	156	176
Other provisions	20	20
Total	**176**	**196**

The Company has made a provision of a total amount of €20 thousand for unaudited fiscal years to be covered against any relevant risk.

Changes in provisions are shown in the table below:

(Amounts in thousands of Euro, unless otherwise indicated) 64

ATHEXClear	Balance on 31.12.2013	Adjustment - reorganization of the Group	Cost of current employment	Interest cost	Benefits paid by the employer	Cost of staff reductions/settlement/termination	Actuarial loss/(profit) - financial 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
Employee retirement or redundancy compensation	117	0	6	5	0	0	48	2	(2)	0	0	176
Provisions for other risks	100	0							0	20	(100)	20
Total	**217**	**0**	**6**	**5**	**0**	**0**	**48**	**2**	**(2)**	**20**	**(100)**	**196**

ATHEXClear	Balance on 31.12.2014	Adjustment - reorganization of the Group	Cost of current employment	Interest cost	Benefits paid by the employer	Cost of staff reductions/settlement/termination	Actuarial loss/(profit) - financial assumptions	Actuarial loss/(profit) - experience for the period	Used provision	Additional provision in the period	Revenue from unused provisions	Balance on 31.12.2015
Employee retirement or redundancy compensation	176						0	(20)	0	0	0	156
Provisions for other risks	20								0		0	20
Total	**196**	**0**	**0**	**0**	**0**	**0**	**0**	**(20)**	**0**	**0**	**0**	**176**

5.34. SUPPLIERS AND OTHER TRADE LIABILITIES

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

	31.12.2015	31.12.2014
Suppliers (1)	2,255	3,584
Hellenic Capital Market Commission Fee (2)	256	511
Tax on stock sales 0.2%	0	7
Accrued third-party services	6	5
Employee holiday payment provision	51	64
Payroll tax	26	28
Revenue collected in advance	0	0
Other taxes	4	1
Various creditors (3)	32	183
Total	**2,630**	**4,383**

1. This amount includes €2.1 million that concerns part of the flat order settlement fee for the 4th quarter of 2015, which is payable by ATHEXClear to ATHEXCSD. The respective amount on 31.12.2014 was €3.2 million.
2. The Hellenic Capital Market Commission fee (€256 thousand) 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 six-month period.
3. The amount of €183 thousand in the previous year concerns an intra-group liability of the Company to HELLENIC CENTRAL SECURITIES DEPOSITORY SA, since the Company collected on behalf of the latter the revue from emission allowance auctions in 2014.

Trade and other payables are classified in Level 2.

During the fiscal year there were no transfers among Levels 1, 1.2, 3.

(Amounts in thousands of Euro, unless otherwise indicated) 65

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

The cash balances 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 procedures in a credit institution in the form of cash in foreign currency, ATHEXClear applies regulations that allow them to be converted to Euro and kept at the Bank of Greece, according to what is specified below. In particular, the above mentioned bank having a standing order by ATHEXClear, exchanges the amount of the collaterals into Euro daily and then credits the ATHEXClear 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.

The implementation of the ATHEXClear investment policy (see note 5.5) begun immediately with the application of the new clearing model and risk management in the derivatives market on 01.12.2014. The amount of €446,808 thousand explained below and shown on the Statement of Financial Position of 31.12.2015 both under assets (see note 5.30) and under liabilities concerns Member collaterals in the derivatives market deposited in the ATHEXClear bank account in the Bank of Greece and managed by ATHEXClear.

The application of the new model in the cash market in accordance with Regulation (EU) No. 648/2012 concerning the Clearing Fund and member guarantees for the cash market went into effect on 16.02.2015.

	31.12.2015	31.12.2014
Clearing Fund Collaterals - Cash Market *	12,918	57,059
Additional Clearing Fund Collaterals - Cash Market *	380,517	235,995
Additional Clearing Fund Collaterals – Derivatives Market	7,616	17,889
Additional Clearing Fund Collaterals – Derivatives Market	45,757	84,167
Total	**446,808**	**395,110**

* Cash market collateral received on 31.12.2014 was placed in commercial bank accounts.

For reasons of comparison, the figures of 31.12.2014 were modified (see the following table) in order to include the amounts that were placed in commercial accounts and concern margins received by the Clearing Fund for the Cash Market.

	31.12.2014	31.12.2014
	MODIFIED	PUBLISHED
Clearing Fund Collaterals - Cash Market	57,059	0
Additional Clearing Fund Collaterals - Cash Market	235,995	0
Additional Clearing Fund Collaterals – Derivatives Market	17,889	17,889
Additional Clearing Fund Collaterals – Derivatives Market	84,167	84,167
Total	**395,110**	**102,056**

(Amounts in thousands of Euro, unless otherwise indicated) 66

5.36. 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	**31.12.2015**	**31.12.2014**
Income tax	0	300
Deferred Tax	(12)	4
Income Tax Expense	**(12)**	**304**

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

Income Tax	**31.12.2015**	**31.12.2014**
Profit before tax	(282)	1,190
Income tax rate	29%	26%
Expected tax expense	0	309
Tax effect of non-taxable income	(12)	(5)
Income tax expense	**(12)**	**304**

Tax liabilities	**31.12.2015**	**31.12.2014**
Liabilities/Receivables) 31.12	(869)	32
Income Tax Expense	0	302
Taxes paid	(463)	(1.203)
Effect of income tax prepayment	**0**	
Liabilities/Receivables (see note 5.28)	(1,332)	(869)

In accordance with the tax legislation, the tax rate that applies to companies starting from 1 January 2013 is 26% whereas, according to the recent changes in tax legislation (Law 4334/2015), the tax rate is set at 29% for the fiscal year 2015. The results for the fiscal year 2015 have been calculated at a tax rate of 29%.

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

The tax audit of the companies of the Company for the fiscal year 2015, in accordance with article 65a of Law 4174/2013 and Decision of the General Secretariat of Public Revenue 1124/2015, is in progress and the relevant tax certificate is expected to be issued following the publication of the Financial Statements for fiscal year 2015 by the auditors. If additional tax obligations arise by the time the tax audit is completed, it is expected that they will not have a material impact on the financial statements of the Company 2010 remains the only unaudited fiscal year of the Company.

(Amounts in thousands of Euro, unless otherwise indicated) 67

5.37. DISCLOSURE OF ASSOCIATED PARTIES

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

	31.12.2015	31.12.2014
Remuneration of executives and managerial staff	115	183

The intra-group balances on 31.12.2015 and 31.12.2014, as well as the intra-company transactions of the Companies of the Group on 31.12.2015 and 31.12.2014, are shown in detail below.

INTRAGROUP BALANCES (in €) 31.12.2015				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Claims	0	16,709.79	16,399.59
	Liabilities	0	34,404.09	0
ATHEXCSD	Claims	34,404.09	0	2,151,295.25
	Liabilities	16,709.79	0	1,600.00
ATHEXClear	Claims	0	1,600.00	0
	Liabilities	16,399.59	2,151,295.25	0

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 REVENUE-EXPENSES (in €) 31.12.2015				
		ATHEX	ATHEXCSD	ATHEXClear
ATHEX	Revenue	0	358,289.69	53,332.00
	Expenses	0	274,938.62	0
	Dividend income	0	9,069,380.00	0
ATHEXCSD	Revenue	274,938.62	0	9,284,271.75
	Expenses	358,289.69	0	0
ATHEXClear	Revenue	0	0	0
	Expenses	53,332.00	9,284,271.75	0

(Amounts in thousands of Euro, unless otherwise indicated) 68

INTRAGROUP REVENUE-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

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

5.38. MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

ATHENS EXCHANGE CLEARING HOUSE SOCIÉTÉ ANONYME	
Name	**Position**
Alexios Pilavios *	Chairman of the Board, Non-Executive Member
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 of the Board of Directors held on 26.01.2015 Mr. Alexios Pilavios replaced Mr. Iakovos Georganas as non-executive Chairman.

5.39. CONTINGENT LIABILITIES

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

5.40. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

There is no event with any significant impact on the results of the Company, which occurred or was concluded after 31.12.2015, the date of the financial statements for 2015, and until the approval of the financial statements for the fiscal year 2015 by the Board of Directors of the Company on 21.03.2016.

(Amounts in thousands of Euro, unless otherwise indicated) 69

Athens, 21 March 2016

THE CHAIRMAN OF THE BOARD

ALEXIOS PILAVIOS

THE CHIEF EXECUTIVE OFFICER

SOCRATES LAZARIDIS

THE CHIEF FINANCIAL OFFICER

VASILIS GOVARIS

THE DIRECTOR OF FINANCIAL MANAGEMENT

CHRISTOS MAYOGLOU

THE DEPUTY DIRECTOR OF FINANCIAL CONTROL, BUDGETING & INVESTOR RELATIONS

CHARALAMBOS ANTONATOS