HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX)

ANNUAL FINANCIAL REPORT

For the period 1 January 2015 – 31 December 2015

In accordance with the International Financial Reporting Standards

ATHENS EXCHANGE GROUP

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The 2015 Annual Financial Report was prepared in accordance with article 4 of Law 3556/2007, has been approved by the BoD of Hellenic Exchanges-Athens Stock Exchange S.A. (ATHEX) on March 21st 2016, and has been posted on the internet www.athexgroup.gr

Table of contents

1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

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

WE DECLARE THAT

1. to the best of our knowledge, the attached Annual Financial Statements of the Group and the Company, which have been prepared in accordance with the International Financial Accounting Standards in effect, reflect in a true manner the assets, liabilities and equity on 31.12.2015 and the results for fiscal year 2015 of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX), as well as of the companies that are included in the consolidation taken as a whole.

2. to the best of our knowledge, the attached report of the Board of Directors for 2015 reports in a truthful manner the performance and position of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX), as well as of the companies that are included in the consolidation taken as a whole, including a description of the main risks and uncertainties that they face.

3. to the best of our knowledge, the attached 2015 Annual Financial Statements are those that have been approved by the Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX) on 21.03.2016 and have been published by being uploaded on the internet, at www.athexgroup.gr.

Athens, March 21st 2016

THE CHAIRMAN OF THE BoD	**THE CHIEF EXECUTIVE OFFICER**	**THE MEMBER OF THE BoD**
IAKOVOS GEORGANAS **ID: X-066165**	**SOCRATES LAZARIDIS** **ID: AK-218278**	**NIKOLAOS MYLONAS** **ID: AK-088810**

2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE 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 **HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE SA** (Athens Exchange or the Company) publishes its report on annual separate and consolidated Financial Statements for the period that ended on 31.12.2015, in accordance with article 136 of Codified Law 2190/1920 and articles 4 & 5 of Law 3556/2007.

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

The Greek capital market

The Athens Exchange General Index closed on 31.12.2015 at 631.35 points, reduced by 23.6% from the 826.18 points at the end of 2014. This close is the lowest since July 2012 (31.7.2012: 598.7 points), and 1989 on an annual basis (29.12.1989: 459.43 points). The average capitalization of the market was €43.8bn, reduced by 36.9% (€25.6bn) compared to 2014 (€69.4bn).

The total value of transactions (€19.1bn) is significantly lower, by 39.3%, compared to 2014 (€31.5), and was negatively affected by the closing of the market for 25 working days – the last 2 days in June and all of July – due to the bank holiday and the imposition of capital controls. Even though the Exchange opened again on 3.8.2015, the restrictions on share purchases by Greek investors remained in effect until 9.12.2015, thus negatively impacting trading activity. The average daily value of transactions in 2015 was €85.7m compared to €127.1m in 2014, reduced by 32.6%.

In the derivatives market, the 51% drop in the average revenue per contract (2015: €0.175, 2014: €0.357), due to the drop in the prices in the underlying securities, more than covered the 26.76%increase in trading activity (15.30m contracts) compared to 2014 (12.072m contracts). The average daily volume increased by 40.7% in2015 (68.5 thousand contracts) compared to 2014 (48.7 thousand).

Business Development

Organized market – significant corporate actions

In December 2015, ALPHA BANK, NATIONAL BANK OF GREECE, PIRAEUS BANK, EUROBANK ERGASIAS and ATTICAN BANK completed their share capital increases, in order to further strengthen their capital base. Capital raised amounted to €10bn.

SELONDA SEA FARMS and NIREUS SEA FARMS increased their share capital by capitalizing liabilities and waiving the preemption right of old shareholders in favor of their creditor banks, raising €109m.

GEK TERNA, VARAGIS, ATTICAN BANK and MARFIN INVESTMENT GROUP listed new shares that resulted from the conversion of existing convertible bonds.

Five corporate transformations took place. In particular:

- TECHNICAL OLYMPIC absorbed its subsidiary, listed company, MOCHLOS.
- AUTOHELLAS absorbed the non-listed company VAKAR
- MEDICON HELLAS absorbed the non-listed company MENTIKON LLC
- VIOHALCO merged by absorbing its listed subsidiary SIDENOR
- MIG REAL ESTATE REIT merged by absorbing the non-listed company NBG PANGEA REIT and changing its name to NBG PANGEA REIT.

Market promotion

In order to further showcase and promote the Greek capital market, widen the international institutional investor network and improve contact between listed companies and international fund managers, the Athens Exchange carried out the following actions:

- in June 2015, in cooperation with the American Hellenic Chamber of Commerce, it organized the 4th Greek Investment Forum in New York. 21 companies from Greece, listed on the Athens Exchange, participated; in approximately 460 meetings that took place, their representatives had the opportunity to present their strategy and investment plans to institutional investors.

  This successful event has now been instituted, and is one of the most important annual roadshows organized by the two entities for the benefit of Greek companies, providing them with the opportunity to come into contact with representatives of institutional investors in the world's financial capital.

- In September 2015 the 10th Annual Greek Roadshow took place in London, with the support of Bloomberg. During the two days of the event, more than 600 meetings between 150 institutional investors and 28 listed companies that participated took place.

- In October 2015, on the occasion of Grant Thornton's Global Annual Conference in Greece, Mr. Ed Nusbaum, Global CEO of Grant Thornton rang the closing bell.

- In November 2015, as part of the visit of senior executives of the World Bank in Athens, a presentation was held at the Athens Exchange titled "World Bank Group: Tools and solutions for the enhancement of the entrepreneurship in Greece - The contribution to the development"

- In December 2015, the Equity Investment Forum took place in Athens, co-organized with the Athens Exchange, the Hellenic Venture Capital Association, the organization Enterprise Greece, the New Economy Development Fund (TANEO) and the PRAXI network. The aim of the Forum was to inform and support Greek enterprises in matters of financing at all growth stages, from inception to listing on the Exchange.

Finally the Athens Exchange, in support of the Hellenic Fund and Asset Management Association, provided its premises in order for listed companies to make their presentations. As part of this effort, 13 listed companies presented their results, their strategy for development and prospects for growth.

Maintaining the high degree of proper functioning and smooth operation

It is worth noting that in 2015, and in particular the events that took place during the year, were a verifiable challenge to the continuous effort which the Group is committed to make in order to maintain reliable operations. Despite these events, ATHEX for the sixth (6th) straight year remains among the two three (3) European exchanges concerning the reliability of its operation (comparing the total amount of down time due to technical or other problems), and certainly among the best worldwide.

Upgrading surveillance functions – New surveillance system – Surveillance project

With a view towards technologically upgrading the Surveillance of the markets of the Athens Exchange, and in order to achieve the immediate adjustment to the rapidly changing European regulatory environment, the Group procured a new Surveillance system, in order to further develop both reactive as well as proactive surveillance, having combinational surveillance tools in real time, that fulfill the needs that arise in today's regulatory environment, thus substantially upgrading the potential to monitor and supervise the ATHEX markets, and market participants.

International recognition for support services to participants

In a period when increased efforts were required to support the participants in the ATHEX markets and to complete significant events, such as:

- The recapitalization of the four systemic banks (ALPHA BANK, NBG, PIRAEUS BANK, EUROBANK)
- Deal, at both the regulatory and technical level, with the consequences of capital controls

It is generally recognized that the level of support remained at an especially high standard, a fact that is confirmed with the Group receiving the Award by FISD as "Outstanding Data Provider 2015", an award that mainly rewards the impeccable quality of service and communication with data vendor clients and consumers ("downstream customers"), as well as the "Professional, ethical & proactive" attitude during the difficult times under capital controls.

New members

Despite the hesitance in general that existed in 2015 due to the continuing economic crisis in Greece, but having as a major advantage the significant changes that have taken place in the country in the trading and clearing systems as well as in the trading and risk management models, for the first time since 2009 there is an increase in the total number of members in the two ATHEX markets. In particular, new members have been activated as follows:

- New members – cash market:
  - ONE PLUS CAPITAL LTD, remote member headquartered in Cyprus
- New members – derivatives market:
  - ONE PLUS CAPITAL LTD, remote member headquartered in Cyprus
  - DEUTSCHE BANK (LONDON BRANCH), remote member headquartered in London
  - HELLENIC AMERICAN SECURITIES, direct clearing member in the derivatives market

Increase turnover and penetration through the promotion of systems – software to market participants

In 2015, promotion of systems concerning:

- Order routing / management and trading in the Common Platform markets of ATHEX – CSE – SIBEX, XNET markets, and other international markets
- monitor capital market information, and
- support back office functions, accounting and asset management

resulted in an 18% increase in revenue for the Group, as well as an increase in penetration concerning new clients in existing products, but also the significant acceptance in the penetration of new products.

In particular, the Group maintained this year the 2nd place in market share concerning order systems, and new collaborations have been achieved that are expected to bring in additional revenue in 2016.

As far as the systems for monitoring information are concerned, the Group was in 2015 in 1st place in the Greek market (in number of users based in Greece & Cyprus), and new collaborations have already been achieved, which are expected to bring additional revenue in 2016.

The penetration that has been achieved by the new service targeting the needs of investors of listed companies for information (IR services) is also significant.

Regional cooperation

2015 is a watershed year during which the existing regional cooperation with the Cyprus Stock Exchange (CSE) was strengthened, and a new exchange added to it, SIBEX.

In particular, as far as the cooperation with CSE is concerned, following on the successful ten year cooperation, signed a Memorandum of Understanding (MoU) concerning the immediate start of the process for ATHEX to assume clearing on the CSE markets, thus expanding this successful cooperation.

It is worth mentioning the fact that, in 2015, the participation of Greek members in CSE has significantly increased, posting the greatest percentage since the start of the cooperation (19%), while the participation of CSE members in ATHEX is also at the highest level since the start of the cooperation (8.4%).

As concerns SIBEX, it is a collaboration that began in the previous year, however in 2015 the systems, operations and procedures that support trading in the SIBEX cash and derivatives markets and the clearing of derivatives trades by ATHEXClear, went into production successfully.

It should be noted that among the three Exchanges of the regional cooperation in question, a trilateral MoU was signed that underlines their intention to jointly participate in actions in order to further exploit the advantages of this cooperation.

As part of this framework, and in collaboration with SIBEX staff, a plan to develop new products and services for SIBEX was drafted, which had as a direct consequence the list of 35 new stocks in the Alternative market (compared to 5 at the start of the cooperation), resulting in a significant increase in trading activity in the market in question, and approximately 20 new derivative products, for the promotion of which SIBEX will soon hold marketing meetings with members of ATHEX and CSE.

XNET network

The XNET network, through which the Group provides to investment firms and banks:

- The ability to carry out transactions in real time through the use of its main infrastructure
- supporting it with the relevant price data feed
- while at the same time offering modern custody services with the reliability and Depository infrastructure that it possesses

In approximately 4.000 traded securities (mainly stocks and Exchange Traded Funds (ETFs)), covering all developed markets both in America (USA) as well as in Europe (England (LSE & IOB), Belgium, France, Germany, Denmark, Switzerland, Ireland, Italy, Spain, Norway, Netherlands, Portugal, Sweden, Finland).

With regards to the XNET services network, it should be noted that in 2015, despite the significant difficulties and the imposition of capital controls:

- Total traded value was €56.74, reduced by only 10%, while the average portfolio amounted to €287m, increased by 3.06%.
- The first member from SIBEX was activated, and
- An agreement was reached on replacing the order routing provider (Execution Agent)

Colocation and third party service hosting

The Group, as part of the provision of colocation services to third parties, has expanded its activities and provides data center, co-location services, administration & operation of third party installations. Total revenue from this activity amounted to €485 thousand in 2015, and it is expected that revenue will increase in 2016.

Business Continuity certification (ISO22301)

In 2014 the Group completed the certification of the DR site in accordance with the Business Continuity Standard ISO22301:2012. The audit and the certification were carried out by Lloyd's and the Lloyd's Register Quality Assurance (LRQA) Department.

On July 17th 2015 the first supervisory evaluation by Lloyd's was carried out, in order to ascertain the effective implementation of the System, as well as the continuous improvement and compliance with the standard. The result of the evaluation was positive, and the certification was maintained. The second review is scheduled for June 2016.

Implementation of the Disaster Recovery (DR) Site of the Group

The Athens Exchange Group has implemented a Disaster Recovery Site ("DR-site") which has been completed since the end of 2012 approximately. Since 11/2012, at least one (1) – two (2) pilot tests are carried out on an annual basis with the participation of external users (ATHEX members, data vendors etc.), the aim of which is to confirm the smooth functioning of the ATHEX DR site activation mechanism, as well as the technological services that are provided to all market participants.

Among the aims of the Pilot / General Tests, is the continuous familiarization of the staff and the market participants with the IT infrastructure and the mechanism for activating the ATHEX Business Continuity Plan at the DR site, in the smallest possible amount of time.

Licensing ATHEXClear as Central Counterparty in accordance with the EMIR Regulation

On the January 22nd 2015 the Hellenic Capital Market Commission announced that ATHEXClear was licensed as a recognized Central Counterparty in accordance with Regulation (EU) 648/2012 (EMIR).

The EMIR Regulation went into effect in August 2012 and put in place specific requirements in order to increase transparency in OTC derivatives transactions; however it also affects organized markets. The implementation of EMIR requirements by ATHEXClear significantly increases the safety of the system while at the same time it certifies that its operation is based on the same principles and methods followed by large European Clearing Houses. At the same time, it facilitates the participation of foreign investors which evaluate positively ATHEXClear's license since it ensures the compatibility of the market with commonly accepted compliance rules.

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

2015 was a year that required significant changes in ATHEXClear's processes, since it was the first year operating under EMIR.

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

1. Grant a license to operate a central counterparty system in accordance with Regulation (EU) 648/2012 of the European Parliament and Council for OTC derivatives, central counterparties and trade repositories, to ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) to carry out the following clearing activities:
    - Clearing transactions in transferrable securities
    - Clearing transactions in derivatives
    - Clearing transactions in financing securities
2. Approve the Regulation for the operation of a Central Counterparty System with the title "Regulation of Clearing of Transferable Securities Transactions in Book Entry Form" which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

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

Changes in the cash market to make it compatible 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 fulfill the requirements of the EMIR Regulation. In particular:

- The operation of AthexClear as Central Counterparty for all transactions that take place in the organized Cash Market and the Alternative Market (EN.A) of the Athens Exchange was codified.
- The methodology for calculating the Clearing Fund changed, as well as the parameters for the risk management algorithms.
- The conditions for selecting acceptable collateral to AthexClear for covering Clearing Member risk were modified.
- A new investment policy was implemented for AthexClear balances as well as clearing member margins under management.
- A new line of use of available assets in case of default of a Clearing Member (default waterfall), which includes the use ofATHEXClear assets before the use of assets by non-defaulted Clearing Members.

As a result of the above the safety of the Market has increased significantly, and, at the same time, the clearing and risk management model is fully compatible with EU standards. The effectiveness of the risk management system was confirmed during the periods of significant volatility in the market in 2015, which were dealt with without any issues.

The main object of the EMIR regulation concerns the operation of ATHEXClera 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 ou the activity of a Trade Repository.

The project began in 2012 and was successfully completed with the licensing of ATHEXClear on 21.01.2015. In December 2015, the annual audit by the competent regulatory agencies (HCMC and College composed by ESMA) was carried out concerning the compliance of ATHEXClear with the EMIR Regulation. In particular, the regulatory authorities requested specific data that documents ATHEXClear's compliance with the EMIR Regulation. The responses by the Company were deemed adequate and ATHEXClear received a positive assessment in the first review following the receipt of the license to operate under the EMIR Regulation.

Improvements in the ATHEXClear risk management procedures

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

- Complying with the requirements of EMIR
- Automating the processes both of ATHEXClear as well as of the market participants
- Improving the use of participant resources and the more effective coverage of risk

In summary, the most important projects that were implemented were:

- The ability to irrevocably notify 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.
- The ability to block transferable securities as margin in favor of ATHEXClear to cover risk in the cash market, besides the deposit of margin in the form of cash.
- The automation of the procedure for margin management in the form of cash. With the new procedure, the possibility of human error and the corresponding operating risk were greatly reduced, and the procedure for depositing margin and the calculation of credit limits were speeded-up. In addition, the option was given to return margin received by ATHEXClear from Clearing Members of the Cash market, on the next working day following the date of the relevant request.
- The ability of a Clearing Member to correct a Clearing Account or Sub-account for trades that took place on the same date of the transaction.
- The automation of the process for paying in and returning contributions from the Clearing Fund through the settlement cash account kept in Target2 by the clearing members of the cash and derivatives markets.
- Improvement in the risk management system in order to automate reporting. This new functionality allows the automation and timing of execution of a number of scenario and the production of the relevant reports without human involvement, except in the evaluation of the results.

EMIR-TR Level 2 Validation

During 2015, level 2 validation on trade reporting under EMIR went into effect, which included a number of changes in the specifications of the messages that are sent.

These changes had a significant impact in the EMIR-TR and required:

– Analysis of the changes required
– Implementation of the required changes in the IT system that supports this services and then a systems audit

– Changes in the documentation of the service to members
– Notification of members / clients of the service

Bank holiday and operation under capital controls

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

At the clearing level:

- It was requested that settlement be executed while the bank holiday was in effect,
- The process of clearing SIBEX transactions continued
- The necessary exemptions were obtained and the required processes were applied in order to be able to continue clearing and settlement despite the restrictions in capital movements
- Extraordinary meetings of the Risk Committee and the Default and Crisis Management Committee were held
- a number of extraordinary measures were taken, such as:
    - an increase in risk factors at the end of the bank holiday
    - the non-acceptance of shares as additional margin for the period from 10.07.2015 to 07.08.2015.

Statistical groupings of investor accounts in the Dematerialized Securities System (DSS)

In 2015 the new statistical groups of investor accounts were implemented in the DSS, in accordance with decision 5/2015 of the Board of Directors of Hellenic Central Securities Depository" (ATHEXCSD) as "DSS Operator". The new statistical groupings of investors are based on:

- Regulation (EU) 1011/2012 of the European Central Bank dated 17 October 2012 concerning statistical data for holding titles (ECB/2012/24); and
- The "European system of accounts – ESA 2010" Regulation by Eurostat.

As a result of the above, starting in January 2016, the AξIAnumbers statistical publication takes into consideration the new investor account groupings in the DSS.

Managing changes in the Rulebook of operation of the Dematerialized Securities System (DSS)

In 2015, following the proposal by the Hellenic Central Securities Depository (ATHEXCSD) as "DSS Operator", changes in the Regulation of Operation of the Dematerialized Securities System (DSS) were made in accordance with decision 1/736/2.11.2015 of the Board of Directors of the Hellenic Capital Market Commission.

In implementation of article 15 of the abovementioned decision of the Hellenic Capital Market Commission, all necessary actions to implement on the part of the DSS Operator and DSS Operators were started, in accordance with decision 6/2015 of the Board of Directors of ATHEXCSD. Since then, the implementation is in progress, with the aim of successfully completing them, in stages, until 04.07.2016.

Investigation of the adjustment of the operation and services of "Hellenic Central Securities Depository" (ATHEXCSD) to the European Regulation CSDR (Central Securities Depository Regulation)

Following on the successful migration of the settlement of transactions cycle of all listed securities traded in the organized cash market and the Alternative market on 06.10.2014 to T+2 (completion of settlement within two working days following the transaction date), in 2015 the investigation continued on the timely adjustment, within 2016, of the operation of ATHEXCSD services in accordance with the CSDR Regulation, which went into effect on 17.09.2014 and aims to harmonize the operation of Central Securities Depositories (CSDs) in the European Union.

T2S-BoG (Bank of Greece)

The Bank of Greece successfully migrated the operation of the Depository ("BOGS") of the Bond Market ("IDAT") to the T2S environment on 22.06.2015. ATHEXCSD, as a "BOGS" entity, successfully completed the corresponding project of adjustment due to the requirement that "BOGS" participate in T2S.

Hellenic Corporate Governance Council (HCGC)

The Hellenic Corporate Governance Council (HCGC) continued its successful course from 2014 into 2015, expanding its international network, participating in the BUSINESS EUROPE Committees, the European Corporate Governance Codes Network, as well as the International Finance Corporation - World Bank Group (IFC).

During the 4th meeting of the 15-member HCGC Council, which took place on February 20th, members of the work group tasked with drafting a Good Corporate Practices Code for non-listed companies presented the 1st draft of the Good Corporate Practices Code. At the meeting of the 15 member HCGC Council which took place on December 11th, the members of the work group presented the final Draft of the Special Good Corporate Governance Practices. The Council provided guidance in order to complete the first phase and move to the open consultation phase in Greece and abroad.

At the same time, the Athens Exchange continues to develop the internet platform for monitoring and evaluating the implementation of the Hellenic Corporate Governance Code. In particular, in January 2015 the transfer of the whole model began to the new internet system by the work group; the work was completed in August 2015. In October, the main technical specifications of the system were implemented, and the model was given for testing to particular members of the work group. The Model has been in use in the second stage of pilot operation by selected listed companies. Following the completion of the pilot operation, and after user comments have been taken into consideration and potentially incorporated, the Model will go into production in order to be used by listed companies.

HCGC is cooperating with EY Greece in order to draft a manual titled "Internal Audit and Risk Management Framework" that will replace Appendix IV of the Hellenic Corporate Governance Code.

Comment on the results

Fiscal year 2015 results

Turnover in fiscal year 2015 for the Athens Exchange Group amounted to €35.0m compared to €47.3m in fiscal year 2014, posting a 25.9% drop. 52% of the turnover of the Group in fiscal year 2015 was from fees on trading, clearing and settlement of transaction on the Athens Exchange.

At the EBITDA level, fiscal year 2015 was at €14.95m compared to €26.0m in 2014, reduced by 42.5%.

The reduction in the bottom line is due to the 32.6% drop in the average daily traded value, to €85.7m vs. €127.1m last year, the reduction in the number of corporate actions due to the concern on the part of investors as a result of the economic crisis in Greece, the payment of the capital concentration tax for the recent rights issue of the Athens Exchange (capitalization of share premium), the revaluation losses on the properties of the Group, as well as the derecognition and replacement of the Piraeus Bank bond with shares of the Bank issued at the recent recapitalization.

The Group carried out a valuation of the fair value of its properties by independent estimators. The total charge on the results for fiscal year 2015 for the Group amounted to €399 thousand and the Company €1.1m.

The earnings before interest and taxes (EBIT) for fiscal year 2015 amounted to €12.9m vs. €24.2m in 2014, reduced by 46.8%.

Following the subtraction of €4.4m in income tax, the net after tax profits of the Athens Exchange Group amounted to €9.0m vs. €21.0m, reduced by 57%. If other comprehensive income is included (share valuation loss and profit from actuarial provision), net after tax profits amount to €8.95m, corresponding to fourteen cents (€0.14) per share against thirty three cents (€0.33) per share in 2014, reduced by 58%.

It should be noted that the income tax rate used by the Group is 29%, as this is the tax rate that is effective for fiscal year 2015 (Law 4334/2015).

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, the net after tax profits amounted to €12.9m in fiscal year 2015 compared to €10.3m in fiscal year 2014, increased by 24.7%. It should be noted that the net profits of the parent company in fiscal year 2015 benefited from the collection of the dividend in the amount of €9.1m paid by ATHEXCSD that was paid in June 2015.

Excluding the dividend, turnover dropped by approximately €4.0m, due to the reduction in trading revenue. The Company was burdened by the €1.1m revaluation loss in the value of the real estate in its possession.

Significant events

- The 14th Annual General Meeting of Athens Exchange shareholders on 20.5.2015 decided to distribute dividend amounting to €0.21 per share or €13,727,398.20 in total for fiscal year 2014. The dividend was paid on 4.6.2015.
- The 1st Repetitive General Meeting of 3.6.2015 decided to return capital of €0.11 per share, or €7,190,541.93 in total. The capital return was paid on 13.08.2015.
- The Emergency Decree (Government Gazette A' 65/28.6.2015), based on which starting on 29.6.2015 a "short term bank holiday" went into effect, resulted in the closure of the Athens Exchange from 26.06 to 03.08.2015. Capital controls remained in effect until 09.12.2015, when they were abolished for transactions on the exchange.
- Law 4334/2015 increases the corporate income tax rate from 26% to 29%, and the income tax prepayment from 80% to 100%. The Group used the 29% rate to calculate income tax for 2015.
- The Group assigned the estimation of the commercial value of the real estate assets of the Group to an independent estimator. Despite the fact that the estimations were received at the beginning of March 2016, they are included in the results for fiscal year 2015, on which there was a charge of €399 thousand.
- Following on the proposal of Piraeus Bank, the Athens Exchange liquidated the Piraeus Bank bond in its portfolio having a par value of €4,000,000, replacing it with an equal value of Piraeus Bank shares that were issued during the recent recapitalization. In particular, it owns 13,365,316 shares of Piraeus Bank with a par value of €0.30 per share. The bond liquidation resulted in a loss of €207 thousand, from the settlement of an old deferred tax claim that was recorded in the results of fiscal year 2015. The valuation of the Piraeus Bank shares on 31.12.2015 resulted in a loss of €294 thousand, which, in accordance with IAS 39, was recorded in Other Comprehensive Income.

Third party balances in ATHEXClear bank accounts

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

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

Share Capital

The Company is listed on Athens Exchange, and its shares are traded in the ATHEX cash market, in the Main Market segment. The shares of the Company are common registered, with a voting right.

The Annual General Meeting of 20.5.2015 decided to increase the share capital of the Company by €43,796,937.21, with the capitalization of an equal amount from the “share premium” reserve, by increasing the par value of the stock by €0.67, from €0.74 to €1.41.

With the decision of the Repetitive General Meeting of 3.6.2015 to return €0.11 per share with an equal reduction in the stock’s par value, equity amounted to €84,979,131.90 divided into 65,368.563 shares with a par value of €1.30 each.

The Equity of the Group on 31.12.2015 was €177.9m, and the Company’s €164m.

Treasury Stock

At the 14th Annual General Meeting on 20.5.2015, shareholders approved a share buyback program to purchase up to 10% of the share capital at a price range of €1.50 to €7.00 over two years (May 2015 – May 2017) with the intention of cancelling at least 95% of shares thus purchased (the remaining 5% may be distributed to personnel).

No shares have been purchased under this program and the Athens Exchange did not possess any treasury stock on 31.12.2015. Share buybacks began on 09.02.2016 following the decision of the ATHEX BoD, and up until the approval date of the financial statements by the BoD on 21.03.2016 639,300 shares (0.98% of the share capital) had been purchased, at an average price of €4.55 (total purchase cost €2.9m).

Dividend policy

The Annual General Meeting of Athens Exchange shareholders on 20.5.2015 decided to distribute dividend amounting to €13,727,398.23 or €0.21 per share to shareholders.

The Repetitive General Meeting of 3.6.2015 approved the proposal of the BoD to return capital amounting to €7,190,541.93 or €0.11 per share. Payment of the capital return begun on 13.08.2015.

In total, the payout ratio of profits distributed to shareholders for fiscal year 2014 amounted to 98%, compared to 40% for the previous fiscal year (2013).

Transactions between associated parties

All transactions with associated parties amount to €1,490 thousand and concern the remuneration of executives and members of the Boards of Directors of the companies of the Group; the figure for the company is €1,013 thousand. Besides these transactions, no transactions with associated parties, as defined by IAS 24, and which could materially affect the financial position or the performance of the Group have taken place in the period in question. There is no (credit or debit) balance from these transactions on 31.12.2015.

Use of financial instruments

The Company does not use financial instruments to value assets and liabilities in either the statement of financial position or the statement of comprehensive income and as such does not use hedge accounting.

Prospects for the remainder of 2016

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

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

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

The adjustment of the Group to the new models of operation creates opportunities to develop new activities and collaborations, and sets the conditions for a more effective and profitable operation in an international environment of greater security and lower risk.

The worsening of the Greek economy during the last few months materially impacted trading activity and share prices on the Athens Exchange. The drop in share prices negatively affected the value of trades on which a large portion of the revenue of the Athens Exchange Group in the cash and derivatives markets depends.

The Emergency Decree (Government Gazette A' 65/28.6.2015), based on which starting on 29.6.2015 a "short term bank holiday" went into effect, resulting in the closure of the Athens Exchange for more than one month, negatively impacted the cash and derivatives markets in 2015. The reopening of the capital market at the beginning of August and the abolition of capital controls for capital market transactions at the beginning of December positively impacted the market. The expected completion of the evaluation in the first four months of 2015 by the institutions, the implementation of the obligations of the Memorandum and decision making by the political leadership on difficult issues such as the pension system, is expected to contribute to the overcoming of the difficulties faced by the Greek economy and restore the smooth functioning of the market, in order for it to carry out its role as a capital raising mechanism for the real economy.

Turnover – risks and uncertainties

The revenue of the Athens Exchange Group depends, to a large extent, on factors over which it has no influence, since they are connected with developments in the Greek capital market, which in turn are affected by a series of factors such as, the financial results of listed companies, the fundamental macroeconomic data of the Greek economy as well as developments in international capital markets.

Besides the fees from trading that take place in the ATHEX markets and are collected through the Members, important revenue streams for the Athens Exchange Group are also fees from orders and Member terminals, revenue from Member and Operator subscriptions, revenue from subscriptions and rights issues of listed companies, revenue from data vendors, revenue from IT support and services, educational services etc.

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

As mentioned above, the bank holiday and capital controls negatively impacted the revenue and the results of the fiscal year. In addition, the lengthy extension of capital controls, which hinder cash and capital market transactions, significantly reduced revenue and profits at the Company and the Group.

Risk Management

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

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

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

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

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

Risk Strategy and Risk Management

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

Organizational structure

In 2015 risk management continued to be strengthened and restructured, especially for ATHEXClear, in order to be harmonized with the EMIR Regulation. In particular, beyond the specific measures for the smooth operation of the systems of the Group, each organizational unit of the Group is responsible to monitor and manage possible risks in such a way so as to react quickly and effectively in case risk events arise.

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

- **Board of Directors**, which has the final say and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors appoints, determines and documents the appropriate level of risk tolerance and ability of the company to assume risk. In addition, the BoD and senior management ensure that the policies, processes and audits of the company are consistent with the risk tolerance level and the ability of the company to assume risk, and examine ways through which the company recognizes, reports, monitors and manages risks.

- **Risk Committee**, which advises and proposes to the Board of Directors on matters of risk management.

- **Investments Committee**, which decides on defining the limits and monitors liquidity risk, determines policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and management.

- **Risk Management Department**, of the Risk Management & Clearing Division of ATHEXClear, which is sufficiently independent from other departments of the company, and whose main duty is the comprehensive approach to risks that ATHEXClear faces, in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the required jurisdiction, the necessary means, know-how and access to all relevant information.

- **Chief Risk Officer**, heading the Risk Management Department, who reports to the Board of Directors on matters of risk management through the Chairman of the Risk Committee, and applies the risk management framework through the policies and procedures that the Board of Directors enacts.

Unified risk management

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

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

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

Risk categories

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

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

Financial Risk

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

Operating risk

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

Business risk

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

Capital risk

The risk that the companies of the Group do not maintain adequate capital to cover their obligations.

Description of categories and main risk factors

Market risk

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

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

Interest rate / Price risk: The Group is exposed to the risk that the value of the securities it holds changes. On 31.12.2015 the Group held (through Hellenic Exchanges – Athens Stock Exchange) shares in Piraeus Bank that resulted from the exchange of a Piraeus Bank bond with a face value of €4,000,000 for shares of an equal amount that were issued during the recent recapitalization of the bank. In particular, it received 13,365,316 shares with a par value of €0.30 per share. The market price of these shares on 31.12.2015 was €0.278, and as a result there is a valuation loss of €294 thousand which was transferred to equity in accordance with IAS 39. If the price of the stock deviates by more than 10 basis points on 31.12.2015 (from €0.278 to €0.278278) the valuation difference revenue would change by ±€4 thousand.

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.

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.

Credit counterparty risk

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

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

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

Both for the cash market, as well as for the derivatives market, ATHEXClear clears trades assuming the role of Central Counterparty. In order to cover the risk against its clearing members, ATHEXClear monitors and calculates on a daily basis 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, fulfillment of which is monitored in real time during the trading session. The minimum size of the Clearing Funds is recalculated at least every month, in accordance with the provisions of the Rulebook, in order for its size to be adequate to cover at any time the obligations imposed by EMIR, that is the absorption of losses beyond the safety margins in case of a default of a group of clearing members under extreme market conditions.

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

Liquidity risk

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

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

The liquidity available to ATHEXClear is monitored on a daily base as to the criteria imposed by EMIR, and under extreme but possible scenario, i.e. the existence of the required level of liquidity that will be necessary to close-out the positions of two (2) groups of clearing members with the greatest exposure to credit risk under extreme market condition, separately for each market (equities, derivatives). In addition, the overall liquidity needs 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 from systems, internal procedures or human failure. In particular, it is recognized that operating risk may arise among others because of: outsourcing, surveillance and regulatory non-compliance, business continuity failure, IT systems, information security and project implementation risk.

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

In 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. No large damages or monetary demands due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition no losses due to external events were faced.

Measures to reduce operating risk

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

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

The most important measures are the implementation of a business continuity plan, the taking-out of insurance contracts as well as measures for ensuring compliance to new regulations. In addition, ATHEXClear carries out an RCSA[1] on a regular basis in order to categorize risk and determine KRIs, update the damages database (loss data base[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 teams and emergency incident management:* The purpose of these teams is to maintain continuity in the provision of trading services in case of an unforeseen event. They have been assigned specific responsibilities and specially trained Group executives have been assigned to them.

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

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

- *Existence of back up IT systems:* The IT systems of the Group are installed and operate in the data center at the headquarters of the Group. The data center consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centers, in order to provide redundancy and high availability, ensuring the continuous operation of the systems.

Insurance contracts

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

Regulatory compliance

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

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

Specifically for ATHEXClear, in 2015, through the implementation appropriate measures and the development of procedures and systems, policies were implemented concerning conflicts of interest, outsourcing, managing complaints by clearing members, remuneration of personnel, executives and members of the BoD and management of its archives, in accordance with the requirements of the EMIR Regulation.

Business risk

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

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

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

Capital risk

Capital risk refers to the risk that the Companies of the Group do not maintain adequate funds to cover their obligations. This risk includes the risk of an increase in capital requirements by the regulatory agencies, or the erosion of existing equity.

Funds are distributed in a specific way, and are therefore at risk of being reduced before the assets of clearing members, in case of default of a clearing member or a counterparty-investor. In addition, funds may be at risk in case of operating losses above the amount for which there is insurance coverage.

Approaching risk management

In accordance with the EMIR regulation, in case of default a clearing house must use a default waterfall in order to cover the losses, by initially using the margin of the defaulting member, then the account of that same member in the Clearing Fund. ATHEXClear is obliged to use own resources, as determined in the calculation of total capital requirements, before it uses the contributions of non-defaulting members. In accordance with the calculation on 31.12.2015, total capital requirements amounted to 35.7% of the total capital maintained by ATHEXClear.

Capital requirements are comprised of the individual measurement of the capital requirements for the following risks (see 5.43):

- Operating risk
- Risk of cessation of operation
- Business risk
- Credit risk
- Counterparty risk
- Market risk
- Exchange rate risk

Corporate Responsibility

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

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

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

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

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

Code of Conduct

Based on the Code of Conduct for clearing and settlement, which was signed on October 31st 2006 between European exchanges (FESE), clearing houses (EACH) and depositories (ECSDA), the Athens Exchange Group committed to implementing measures for fee transparency, access and interoperability as well as unbundling and accounting separation of services. All measures of the Code of Conduct have been implemented by the Company in accordance with the schedule agreed upon by all participants of the Code.

The measures for the unbundling of services and their accounting separation were applied starting in fiscal year 2008. Athens Exchange has complied with part V of the Code and in particular with articles 39 (Principles), 40 (Unbundling), 42 (Disclosure of annual non-consolidated accounts) and 43 (Disclosure of costs and revenues).

The Group has complied in full with the Code of Conduct, providing its services with full transparency and without cross subsidies. Costs and revenues for each service provided have been separated and recorded, and are being monitored in a fully separated accounting level, and are reported for the purposes of the Code in the relevant categories.

Significant events after 31.12.2015

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015, and the decision of the BoD on 9.2.2016, the share buyback program of the Company was given a go-ahead. In particular, the brokerage companies that will make the purchases were selected, under the provision that the daily volume of purchases does not exceed 10% of the average of the 20 days preceding the purchase date. Up until 18.3.2016, 639,300 shares (0.98% of the number of shares outstanding) had been purchased, at an average price of €4.55 per share, and a total cost of €2.9m.

There are no significant events in the results of the Group and the Company which has taken place or was completed after 31.12.2015, the date of the 2015 annual financial statements and up until the approval of the 2015 annual financial statements by the Board of Directors of the Company on 21.03.2016.

Athens, March 21st 2016

The Board of Directors

CORPORATE GOVERNANCE DECLARATION

The present Corporate Governance Declaration is drafted in accordance with article 43a §3d of codified law 2190/1920 and contains the information that the abovementioned provision specifies as of 31.12.2015.

For the management of the Company, proper and responsible corporate governance is a core prerequisite for the creation of value for its shareholders and for safeguarding corporate interests.

The company, being listed on the Athens Exchange, fully complies with the provisions of the law – the provisions of which supersede in any case – on corporate governance for listed companies that are included in laws 2190/1920, 3016/2002, 3693/2008 and 3884/2010 as well as decision 5/204/14.11.2000 of the BoD of the Hellenic Capital Market Commission.

The policies and procedures that are applied by the Company are contained in the Articles of Association, which is hierarchically the supreme rulebook of operation, the Internal Operations Rulebook which is an internal Company document and acts supplementary to the provisions of its Articles of Association, and other Rulebooks and policies of the Company that regulate specific functions, and, lastly, the principles and specific practices for listed companies provided for by the SEV Corporate Governance Code, as it applies, as the Hellenic Corporate Governance Code following its review / amendment by the Hellenic Corporate Governance Council (HCGC) in October 2013, with which the Company voluntarily complies; the Code is available at http://www.athexgroup.gr/el/web/guest/esed-hellenic-cgc [in Greek].

General Meeting - Shareholder rights

Operation of the General Meeting - Authority

The General Meeting of Shareholders is the supreme body of the Company having the authority to decide on all matters that concern the Company. The procedures and convocation rules, participation and decision making by the General Meeting, as well as its responsibilities are regulated in detail in the provisions of the Articles of Association of the Company and codified law 2190/1920.

Shareholders have the right to participate at the General Meeting, either in person or through a legally authorized representative, in accordance with the legal procedure that is in effect.

The Board of Directors ensures that the preparation and the proceedings of the General Meeting of shareholders facilitate the effective exercise of shareholder rights; shareholders are informed about all matters relating to their participation in the General Meeting, including the items on the Daily Agenda, and their rights during the General Meeting.

In particular regarding the preparation of the GM, and in conjunction with the provisions of codified law 2190/1920, the Company publishes on its website at least twenty (20) days before the General Meeting, both in the Greek and English languages, information regarding:

- The date, the time and the place where the General Meeting of shareholders is being convened,
- The main rules and practices for participating, including the right to introduce items to the daily agenda and to submit questions, as well as the deadlines for exercising those rights,
- The voting process, the conditions for representation by proxy, and the documents that must be used for voting by proxy,
- The proposed daily agenda of the Meeting, including the draft decisions for discussion and voting, as well as any accompanying documents.
- The proposed list of candidate members of the BoD and their biographical statements (provided that there is a item concerning the election of members on the agenda), and
- The total number of shares and voting rights on the convocation date.

The Chairman of the Board of Directors of the Company, the Chief Executive Officer, and the Chairmen of the Committees of the Board of Directors are present at the General Meeting of shareholders, in order to provide information and brief on matters that are put forth for discussion, and to answer questions or provide clarifications that shareholders ask. In addition, at the General Meeting, the head of Internal Audit of the Company is also present.

The Chairman of the Board of Directors, or if he or she is not able or absent, his or her replacement, temporarily chairs the General Meeting, electing one or two secretaries from among the shareholders that are present and / or from non-shareholders until the list of those able to participate at the General Meeting is approved, and the permanent Chair of the General Meeting is elected. The chair is comprised of the Chairman and one or two secretaries that also carry out vote gatherer duties. The election of the permanent Chair of the General Meeting is by secret ballot, unless the General Meeting itself decides otherwise or the law stipulates otherwise.

Following the certification of the list of shareholders that have the right to vote, the General Meeting immediately elects the final Chair, which is comprised of the Chairman and one or two secretaries, which also carry out vote gatherer duties. The decisions of the General meeting are taken in accordance with the provisions of the law in effect and the provisions of the Articles of Association of the Company.

A summary of the minutes of the General Meeting of shareholders is made available on the website of the Company within fifteen (15) days following the General Meeting of shareholders, along with a translation in English.

Shareholder participation in the General Meeting

Every shareholder is allowed to participate and vote at the General Meeting of the Company that appears in that capacity in the records of the Dematerialized Securities System which is managed, in its capacity as Central Depository, by the company "Hellenic Central Securities Depository", which is the entity under the meaning of article 28a §4 of codified law 2190/1920 that holds the transferable securities of the Company at the start of the fifth (5th) day before the date of the General Meeting, and, in the case of a Repetitive General Meeting, at the start of the fourth (4th) day before the date of the Repetitive General Meeting. The exercise of these rights does not require the blocking of the shares of the holder, nor the observance of any other similar procedure. The shareholder can appoint a proxy if he or she wishes. In other respects, the Company complies with the provisions of codified law 2190/1920 (article 28a).

Procedure for participating and voting by proxy

Shareholders participate in the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies and legal entities/shareholders may appoint up to three (3) private individuals as proxies. In cases where a shareholder owns shares of the Company that are held in more than one Investor Securities Account, the shareholder may appoint separate proxies for the shares appearing in each Account. A proxy holding proxies from several shareholders may cast votes differently for each shareholder.

A plenipotentiary document for appointing proxies is available to shareholders in hard copy at the Investor Relations Department of the Company, and in electronic form on the website of the Company (www.athexgroup.gr).

The proxy is obliged to notify the Company, before the start of the meeting of the General Meeting, about any specific event, which may be useful to shareholders in order to ascertain the risk that the proxy may serve other interests besides the interests of the shareholder.

A conflict of interest may arise particularly when the representative is:

a) A shareholder that exercises control of the Company, or other legal person or entity that is controlled by that shareholder,

b) A member of the Board of Directors or in general of the management of the Company or a shareholder that exercises control of the Company, or other legal person or entity that is controlled by that shareholder, which exercises control of the Company.

c) An employee or a certified auditor of the Company or a shareholder that exercises control, or other legal person or entity that is controlled by a shareholder that exercises control of the Company.

d) A spouse or a relative in the first degree with one of the private individuals that are mentioned in cases a) to c).

The Articles of Association of the Company provide shareholders the option to participate at the General Meeting and exercise their voting rights with electronic means, without their physical presence at the place where it is convened under the conditions of codified law 2190/1920. In addition, the Articles of Association make provision for shareholders to participate in the voting remotely, either by exercising their voting rights through electronic means, or by correspondence voting, under the conditions of Codified Law 2190/1920.

Minority shareholder rights

1. At the request of shareholders, who represent one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of shareholders, specifying the day of its session, which shall not be more than forty five (45) days from the date of service of request to the Chairman of the Board of Directors. The request contains the subject of the daily agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the relevant request, it shall be convened by the shareholders who have submitted the request, at the expense of the company, by judgment of the single-member Court of First Instance of the company's headquarters, which is issued in the procedure for interim measures. This judgment determines the place and time of session, as well as the daily agenda.
2. At the request of shareholders, who represent one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to record additional issues in the daily agenda of the General Meeting, which has already been convened, if the relevant request is received by the Board of Directors within at least fifteen (15) days prior to the General Meeting. The request for recording additional issues in the daily agenda is accompanied by an explanation or a draft decision for approval to the General Meeting and the revised daily agenda is published in the same way as the previous daily agenda, that is thirteen (13) days prior to the date of the General Meeting. At the same time, it is made available to shareholders through the Company's website, along with the explanation or the draft decision that is submitted by the shareholders, as referred to in article 27 §3 of codified law 2190/1920.
3. At the request of shareholders, who represent one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to shareholders the draft decisions on the issues included in the initial or the revised daily agenda, as specified in the article 27 §3 of codified law 2190/1920, at least six (6) days prior to the date of the General Meeting, if the relevant request is received by the Board of Directors, at least seven (7) days prior to the date of the General Meeting.
4. At the request of a shareholder or shareholders, who represent one twentieth (1/20) of the paid-up share capital, the Chairman of the Meeting is obliged to postpone decision-making by the, Regular or Extraordinary, General Meeting, once only, for all or certain issues, by setting the date specified in the shareholders' request as the one for continuation of the session, which shall not be more than thirty (30) days from the date of postponement. The General Meeting, following the postponement, is the continuation of the previous one and the publication formalities of the shareholders' invitation is not required. New shareholders can also participate in it, in compliance with the provisions of the articles 27 §§2, 28 and 28a of codified law 2190/1920.
5. At the request of shareholders, who represent 1/20 of the paid-up share capital, decision-making on any issue of the daily agenda of the General Meeting is carried out by roll-call vote.
6. At the request of shareholders, who represent one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to announce in the Regular General Meeting the sums paid to each member of the Board of Directors or Company's directors during the last two years, as well as any provision to the afore-mentioned individuals for any reason whatsoever or due to the Company's contract with them.
7. Following the request of any shareholder, which is submitted to the company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with the information specifically requested concerning Company affairs, in so far as they are useful in order

to factually assess the issues of daily agenda. The Board of Directors may provide a single reply to shareholder requests having the same content. There is no obligation to provide information, if the relevant information is already available in the company's website, especially in the form of questions and answers.

In the above-mentioned cases #6 and 7, the Board of Directors may refuse to provide information on reasonable grounds; the reason for refusal is recorded in the minutes. Such a reason may be the representation of the shareholders submitting the request to the Board of Directors, in accordance with §§3 or 6 of article 18 of codified law 2190/1920.

8. Following the shareholders' request, who represent one fifth (1/5) of the paid-up share capital and submit the request to the Company within the deadline of the previous paragraph, the Board of Directors is obliged to provide to the General Meeting information about the progress of the Company's affairs and the Company's assets. The Board of Directors may refuse to provide information on reasonable grounds, which is registered in the minutes. Such a reason may be the representation of the shareholders who submitted the request to the Board of Directors, in accordance with §§3 or 6 of article 18 of codified law 2190/1920, provided that the respective members of the Board of Directors have received the relevant information in a manner that is sufficient.

In all of the abovementioned cases, shareholders submitting requesting shareholders are obliged to prove their status of shareholder and the number of shares that they possess at the time they exercise the right in question, which can be certified by their registration in the Dematerialized Securities System which is managed, in its capacity as Central Depository, by the company "Hellenic Central Securities Depository", which is the entity under the meaning of article 28a §4 of codified law 2190/1920. More detailed information concerning the abovementioned minority shareholder rights and on how they can be exercised is available on the website of the Company (www.athexgroup.gr).

Available documents and information

The information of article 27 §3 of codified law 2190/1920, including the Invitation to the General Meeting, the procedure for exercising the voting rights by proxy, the documents appointing and revoking the appointment of a proxy, the draft decisions on the items of the daily agenda, as well as more comprehensive information regarding the exercise of minority rights of article 39 §§2, 2a, 4 and 5 of codified law 2190/1920, are available in hard copy at the Investment Relations Department of the Company (110 Athinon Ave, 4th floor, tel +30-210 3366 616), where shareholders can receive copies. In addition, all of the abovementioned documents, the total number of outstanding shares and voting rights (in total and by share class) are available in electronic form on the website of the Company (www.athexgroup.gr).

Board of Directors

The Board of Directors which is elected by the General Meeting of shareholders manages the Company and represents it in and out of court. It is the primary obligation and duty of the members of the Board of Directors to constantly strive to increase the long term economic value of the Company and to defend company interests in general. Furthermore, given that the shares of the Company are listed in an organized market, the duty of the Board of Directors consists of constantly striving to increase long term shareholder value. Members of the Board of Directors are forbidden from seeking own benefits to the detriment of the Company. This prohibition applies to all persons to which the Board of Directors has assigned duties to manage the Company (substitutes of the Board of Directors).

At the end of each fiscal year, the Board of Directors drafts a report on the transactions of the Company with companies associated with in (under the meaning of article 42e §5 of codified law 2190/1920). The report is provided to the supervisory authorities and is brought to the attention of the General Meeting of shareholders of the Company.

In accordance with the Company's Articles of Association, the Board of Directors may by decision assign the exercise of all or some of its rights and or powers concerning the management, administration and representation of the Company to one or more persons, regardless of whether these persons are members of the Board or not. The title and responsibilities of each of these persons is determined in the decision of the Board of Directors appointing them.

The Chief Executive Officer of the Company is its supreme executive officer, responsible for any matter concerning its operation, and having the overall supervision of its operation.

Authority – Responsibilities of the Board of Directors

The Board of Directors, acting collectively, manages and administers corporate affairs. It can generally decide on any matter that concerns the Company, and takes any action, except those for which either by Law or by the Articles of Association, authority rests with the General Meeting of shareholders.

The Board of Directors of the Company has, as a whole, sufficient knowledge and experience, at least regarding the most important of the activities of the Company, so that it can carry out its monitoring function on the whole of its operation, either directly or indirectly through the relevant Committees of the Board of Directors. In order to avoid cases of conflict of interest, the Company adopts best practices and corporate governance principles that apply, especially regarding the separation of executive and supervisory duties of the members of the Board of Directors.

The BoD is comprised of executive, non-executive and independent non-executive members. Executive members are responsible for the day-to-day management of the Company, while non-executive members are duty bound to promote all corporate matters.

1. The Board of Directors manages the Company and develops its strategic direction, having as its primary obligation and duty to constantly strive to increase the long term economic value of the Company and to defend corporate interests in general.
2. The Board of Directors, in the discharge of its powers and the implementation of its obligations, has at its forefront the interest of shareholders, company employees, other interested parties and the social benefit of its actions. The BoD decides using its fair entrepreneurial judgment.
3. The BoD observes and duly complies with the provisions of the Law as part of the Company's activities and the companies associated with it.
4. Decisions that are critical for the Company, especially the specification of its goals and the determination of its strategy are taken only by the BoD. In particular, the BoD:
    - Determines the general business strategy of the Company and its subsidiaries.
    - Drafts the business plan for the time frame that it deems necessary.
    - Approves the annual budget of the Company and monitors its execution on a quarterly basis.
    - Audits and decides on investments (capital expenditures) of the Company.
    - Audits the financial statements.
    - Determines the goals to be attained and the means of attaining them.
    - Decides on buyouts, mergers and spinoffs.
    - Decides on the first level of the organizational structure of the Company and its staffing.
    - Approves the General Governance Principles of the Company and its subsidiaries, and decides on the staffing of the bodies required to operate the regulated activities of the Group.
    - Determines and staffs the Committees of the Board of Directors that are foreseen by the Corporate Governance Code that the Group complies with.
    - Audits the effectiveness of the corporate governance practices of the Company and makes any necessary modifications.
    - Selects, monitors and replaces executive members, in case of resignation or forfeiture, and sets down the plan for their succession.

- Determines the remuneration of executive members and other members of the BoD, based on the long term interests of the Company and its shareholders.
- Ensures that a transparent process is maintained in the proposals to elect new members to the BoD.
- Monitors and resolves potential conflicts of interest of managers and shareholders, including the inappropriate management of assets of the Company and misappropriation in relation to transfers to persons associated with close ties with members of the BoD.
- Ensures the integrity of the system of financial reporting and independent audit, as well as the optimum operation of the appropriate internal audit systems, especially for financial and operation audit, risk management and compliance with the legal and regulatory framework in effect.

5. In order to fulfill their obligations, the members of the BoD have the right of free access to correct, material and timely information.
6. The BoD meets at least once a month, preferably on dates determined at the start of the calendar year. The BoD has the flexibility to meet whenever deemed necessary.

The responsibilities of the executive members of the BoD are to:

- Constantly strive to increase the long term economic value of the Company, and to protect corporate interests in general.
- Shape the vision, strategic direction, corporate goals and operational plans for all of the activities of the Company, in accordance with the decisions of the BoD.
- Develop, implement and communicate the policies and action plans, in accordance with the decisions of the BoD.
- Ensure that senior executive members are taking all necessary measures in order to effectively manage the Company.
- Ensure the systematic and continuous communication with clients, investors, staff, supervisory authorities, the public and other authorities.
- Define clear operational goals and policies for senior executives in their operational sectors of responsibility.
- Review the work of their operational sector of responsibility and brief the BoD.
- Consistently implement the operational strategy of the Company through the effective use of available resources.
- Ensure the completeness and reliability of the data and information that are required for the accurate and timely determination of the financial position of the Company.
- Comply with the legal and regulatory framework that governs the operation of the Company.
- Represent the Company.
- Have the responsibility of implementing the decisions of the General Meeting of the shareholders of the Company.

The responsibilities of the non-executive members of the BoD are to promote all corporate matters pertaining to the supervision of the management of corporate matters, and by providing direction concerning all corporate affairs, such as indicatively:

- Constantly strive to increase the long term economic value of the Company, and protect corporate interests in general.
- Monitor the consistent implementation of the operational strategy of the Company through the effective use of the available resources.

- Monitor that the operational plan for achieving the corporate goals is in accordance with the decisions of the General Meeting of shareholders of the Company.

The independent members of the Board of Directors are responsible for the promotion of all corporate matters.

Composition – Term of office of the Board of Directors

In accordance with the Articles of Association, the Company is managed by the Board of Directors which is composed of nine (9) up to thirteen (13) members.

In accordance with the Company's Articles of Association, the term of office of the Board of Directors is four years, ending on 20.5.2019, with the term being automatically extended until the Annual General Meeting of the shareholders of the Company which will meet or be convened after the end of its term of office.

Members are elected by the General Meeting of shareholders, in accordance with the provisions of codified law 2190/1920. The changes in the composition of the Board of Directors that take place during the fiscal year are, in accordance with the law, announced at the next Annual General Meeting.

Members of the Board of Directors can always be reelected and can be freely recalled.

The composition of the Board of Directors of the Company that was elected by the Annual General Meeting of shareholders on 20.5.2015, as modified following the resignation and replacement of a Member is today as follows:

	Name		Position
1.	Iakovos Georganas		Chairman, non-executive member
2.	Socrates Lazaridis		Vice Chairman & Chief Executive Officer
3.	Alexandros Antonopoulos		Independent non-executive member
4.	Konstantinos Vassiliou		Non-executive member
5.	Ioannis Emiris		Non-executive member
6.	Dimitris Karaiskakis		Executive member
7.	Sofia Kounenaki – Efraimoglou		Independent non-executive member
8.	Ioannis Kyriakopoulos	(*)	Non-executive member
9.	Adamantini Lazari		Independent non-executive member
10.	Nikolaos Milonas		Independent non-executive member
11.	Alexios Pilavios		Non-executive member
12.	Dionysios Christopoulos		Independent non-executive member
13.	Nikolaos Chryssochoides		Non-executive member

(*) At the meeting of the Board of Directors on 22.02.2016 Mr. Ioannis Kyriakopoulos replaced Mrs. Paula Hadjisotiriou as non-executive member.

The biographical statements of the members of the current Board of Directors are available on the website of the Company (www.athexgroup.gr).

Election – Replacement of members of the Board of Directors

The members of the Board of Directors are elected by secret ballot by the General Meeting of the shareholders, in accordance with the provisions of codified law 2190/1920. The members of the Board of Directors can be shareholders or third parties, can always be reelected, and are freely recalled.

If a member of the Board of Directors resigns, dies, or forfeits his office in any way, or is declared forfeit by a decision of the Board of Directors due to unaccounted for absence from the meetings for three straight months, the Board of Directors may continue to manage and represent the Company without replacing these members, provided that the remaining members are at least nine (9).

If the number of members of the Board of Directors drops below nine (9), and provided that the remaining members are at least three (3), the Board of Directors is obliged to elect replacements for the remainder of the term of office for the members being replaced, at least up until the ninth (9th) member. The decision on the election is published as provided by article 7b of codified law 2190/1920, as it applies, and is announced by the Board of Directors to the General Meeting immediately following, which can replace the member elected even if a relevant item has not been included in the daily agenda. In any case, all actions of the members of the Board of Directors that have been elected in such a manner are considered valid, even if the members are replaced by the General Meeting.

Constitution of the Board of Directors in a body

The Board of Directors elects from among its members, by an absolute majority of the members present or represented, the Chairman, the Vice Chairman who replaces the Chairman when he or she is absent or unavailable, while when the Vice Chairman is absent or unavailable he or she is replaced by another member of the Board of Directors who is appointed by it, or on occasion by the Chief Executive Officer of the Company. In addition, the Board of Directors, by an absolute majority of members present or represented, appoints its Secretary who may not necessarily be a member of the Board of Directors. These elections always take place during the first meeting of the Board of Directors following the General Meeting that decided the election of the Board of Directors. The Chairman, the Vice Chairman as well as the Chief Executive Officer can always be re-elected.

Convening the Board of Directors

The Board of Directors is convened by the Chairman or the Vice Chairman who replaces him, and meets at the headquarters of the Company, or through teleconference, in accordance with the provisions of codified law 2190/1920 that are in effect, at least once a month.

The Board of Directors can legally meet outside its headquarters in another place, either in the country or abroad, provided that at the meeting all of its members are present or represented, and no member is opposed to holding the meeting and to taking decisions.

In fiscal year 2015 the Board of Directors met seventeen (17) times.

The attendance of each member of the Board of Directors at its meetings that took place during their tenure in fiscal year 2015 is shown in the following table:

Name	Meetings during the member's tenure in fiscal year 2015	Number of meetings – present via proxy	Number of meetings - presence in person
Iakovos Georganas	17	1	16
Socrates Lazaridis	17	-	17
Alexandros Antonopoulos	17	3	12
Konstantinos Vassiliou	14	-	10
Ioannis Emiris	17	-	17
Fokion Karavias	3	-	1
Dimitris Karaiskakis	17	2	14
Sofia Kounenaki – Efraimoglou	17	1	16
Adamantini Lazari	17	-	17
Nikolaos Milonas	17	-	17
Alexios Pilavios	17	-	17
Paula Hadjisotiriou	17	2	13

Name	Meetings during the member's tenure in fiscal year 2015	Number of meetings – present via proxy	Number of meetings - presence in person
Dionysios Christopoulos	17	-	17
Nikolaos Chryssochoides	17	-	17

Quorum – Majority – Member representation - Minutes

The Board of Directors has a quorum and is legally in session when one half plus one of the members is present or represented; however the number of members that are present cannot be less than three (3). In order to calculate the number necessary for the quorum, any fractional remainder is discarded.

When the Board of Directors meets through teleconference, the members that participate in the teleconference are considered to be physically present.

The decisions of the Board of Directors are taken with an absolute majority of those present and represented, unless the law or the Articles of Association stipulate otherwise.

A member of the Board of Directors can be represented at the meetings only by another member of the Board of Directors, authorized in writing (including email, telegram or telefax), addressed to the Board of Directors.

The drafting and the signing of the minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if no meeting had previously taken place.

The discussions and the decisions of the Board of Directors are recorded in summary form in a special ledger which may be kept electronically. Following the request of a member of the Board of Directors, the Chairman is obliged to record to the minutes an exact summary of the member's opinion. In this ledger, a list of members present or represented at the meeting of the Board of Directors is recorded. The minutes of the Board of Directors are signed by the Chairman or the Vice Chairman, the Chief Executive Officer and the Secretary of the Board of Directors. Copies or excerpts of the minutes are provided by the Chairman or his replacement or by a person appointed by the Board of Directors.

Delegating responsibilities of the Board of Directors to consultants or third parties

The Board of Directors may, by a decision taken by an absolute majority of the members that are present and/or represented, delegate the exercise of all or some of its rights and or powers concerning the management, administration and representation of the Company to one or more persons, regardless of whether or not these persons are members of the Board. The title and responsibilities of each of these persons is always determined in the decision of the Board of Directors appointing them.

Obligations of the members of the Board of Directors

Members of the Board of Directors, Directors (division heads) and senior staff of the Company are prohibited from taking actions, without the prior consent of the General Meeting, for their own account or for the account of third parties, either alone or in collaboration with third parties, that are included, in whole or in part, in the goals of the Group, or to carry out work related to those goals, or to participate as partners in companies that aim for such goals. If there is a breach of this prohibition, the Company has the right to receive compensation, and if the party responsible is a member of the Board of Directors, he or she forfeits the position by decision of the Board of Directors. In that case, §§2 and 3 of article 23 of codified law 2190/1920 also apply.

Remuneration of the Board of Directors – Remuneration policy

A basic condition for continuous, long term growth, as well as ensuring the constant presence and sustainability of the company in the market, is the alignment of the goals and motives of the members of the BoD, executives and in general all employees of the company with the goals of the shareholders as well as with the general market conditions.

In recognition of this condition, and respecting its legal and regulatory obligations, the Company has implemented, maintains and applies basic principles and rules concerning employee remuneration, including the members of the BoD and executives that promote proper and effective risk management and do not create incentives for relaxing risk standards.

As part of the licensing of the subsidiary company of the Group Athens Exchange Clearing House S.A., and compliance with the Europear Market Infrastructure Regulation (EMIR) concerning the obligations of Central Counterparties (CCPs) together with the existing legal and regulatory framework in Greece, a specific remuneration policy was adopted which was subject to evaluation in accordance with the abovementioned Regulation which was successfully completed. Following this and for reasons of direct application and unified rules, this policy will be adopted by the Company in order to complete the following main principles that are applied.

The remuneration of the non-executive members of the Board of Directors is determined by a special decision of the Annual General Meeting, in accordance with the provision of article 24 of codified law 2190/1920 and is related to the time provided for the meetings of the Board of Directors in carrying out their duties as non-executive members, and the extent of their duties.

There is no provision for providing bonuses, stock options or performance based remuneration.

The General Meeting of shareholders of 20.5.2015 has preapproved the payment to members of the Board of Directors and of the Committees of remuneration in accordance with article 24 §2 of codified law 2190/1920 for fiscal year 2015. The relevant remuneration is as follows:

- The amount of €160 per meeting for representation expenses per member of the Board of Directors, excluding its executive members.
- The amount of €140 per meeting for representation expenses per member of the Board of Directors participating in the Strategic Investments Committee.
- The amount of €160 per meeting for representation expenses per member of the Board of Directors participating in the Audit Committee.

All of the abovementioned amounts are gross before taxes and other fees, including third party fees.

Total remuneration of the non-executive members of the Board of Directors for their participation in the Board of Directors and the Committees in 2015 amounts to €35,120.00 (net remuneration €34,698.56).

The remuneration of the executive members of the Board of Directors (Chief Executive Officer & Chief Operating Officer) are approved in accordance with the provisions of codified law 2190/1920 by the General Meeting of shareholders. As regards the remuneration of the executive members of the Board of Directors, the following apply:

- the remuneration and benefits policy of the Company for positions of equivalent level with those that the members of the Board of Directors hold, and
- the terms of their individual employment contracts (which have been approved by the GM of shareholders of the Company).

The structure of the remuneration for the executive members of the Board of Directors which do not receive remuneration for their participation in the Boards of Directors of the companies of the Group, includes a fixed and a ancillary part, as follows:

- Annual base salary and representation expenses
- Ancillary benefits (in the form of additional benefits), always in accordance with their position in the Company hierarchy, the corresponding corporate policies, and in accordance with the terms of their indefinite term employment contracts.

In particular:

The annual base pay is the fix part of the remuneration of executive members of the Board of Directors, and is determined in their individual employment contracts following approval by the General Meeting of shareholders of the Company, taking into consideration the level of their position in the organization, the importance of their position, their duties and responsibilities as well as market data on comparable positions of a similar level.

As far as other additional benefits are concerned, executive members of the Board of Directors receive supplementary benefits, which are provided without exception to all personnel of the Group, are part of the overall policy of the Company and do not provide any motive for assuming risk. These benefits are for example travel expenses, health and or pension insurance through an insurance organization, food subsidies etc.

It should be noted that the Annual General Meeting of shareholders of the Company of 29.5.2014 approved the extension of the term in the individual employment contract of the Chief Executive Officer and the Chief Operating Officer concerning the reduction in their annual remuneration, which for fiscal year 2015 amount to €177,649.17 for the Chief Executive Officer and €100,220.19 for the Chief Operating Officer, which will be submitted for approval by the following General Meeting.

The abovementioned remuneration of executive members covers their services to all the companies of the Group. No bonuses, stock options or performance based remuneration have been paid.

Assessment of the Board of Directors

The Company assesses the way the Board of Directors functions and carries out its duties. The location and evaluation of the strengths and weaknesses is a prerequisite for the improvement of the effectiveness of the BoD.

The self-assessment of the Board of Directors and Committees of the Board of Directors concerns the Board as a whole. The Chairman of the BoD supervises the process.

The Board of Directors also appraises the performance of its Chairman; as the Vice Chairman is not independent, this process is headed by a non-executive member of the BoD. An assessment of each member of the Board of Directors may also optionally be made. The self-assessment of the Board of Directors takes place every two years. The Chairman of the BoD appoints an independent non-executive member of the Board or an independent third party to perform the assessment. The party responsible for carrying out the assessment must:

- Prepare the assessment form (questionnaire). In addition to the questionnaire, the party responsible for carrying out the assessment may gather any additional material deemed useful in the process, conduct personal interviews with the members of the Board of Directors and / or senior executives of the Group which do not sit on the BoD but have contact with members of the Board of Directors et al.
- Make the assessment form available to members of the Board of Directors and explain to them how to fill it out.
- Collect the data from the members.
- Ensure that anonymity and data confidentiality are maintained throughout the process.
- Draft the “Assessment Report” for the Board of Directors, by gathering the findings of the assessment process.

The assessment report is presented to the Board of Directors for discussion by the party responsible for the assessment. The management of the Company provides all necessary means to the party responsible for the assessment in order to complete the process. The Chairman of the BoD takes measures to resolve any identified weaknesses. The non-executive members of the BoD meet once a year, without the presence of executive members, in order to evaluate the performance of executive members.

Other professional commitments of members of the BoD

The current members of the Board of Directors have notified the Company about the following professional commitments (including significant non-executive commitments to corporations and non-profit organizations):

BoD member	Professional commitment
Iakovos Georganas	• Non-executive Chairman of the BoD of the subsidiary Hellenic Central Securities Depository S.A. • Non-executive Member of the BoD of Piraeus Bank • Non-executive member of the BoDs of Aegean Airlines and Hellenic Cables
Socrates Lazaridis	• Chief Executive Officer of the subsidiaries "Athens Exchange Clearing House" and "Hellenic Central Securities Depository" • Member of the BoD of the Hellenic Capital Market Commission • Member of the BoD of the Hellenic-American Chamber of Commerce • Chairman of the Hellenic Corporate Governance Council
Alexandros Antonopoulos	• Chief Executive Officer (executive member) of Attica Bank
Konstantinos Vassiliou	• Non-executive member of the Board of Directors of Eurobank Factors • Non-executive member of the Board of Directors of Eurobank Equities
Ioannis Emiris	• General Manager of Private and Investment Banking at Alpha Bank • Non-executive Member of the BoD of Alpha Bank London
Dimitris Karaiskakis	None
Sofia Kounenaki – Efraimoglou	• Vice Chairwoman of the Foundation of the Hellenic World • Chairwoman and Chief Executive Officer of Adrittos Holding S.A. • Chairwoman and Chief Executive Officer of VEK S.A. Holding • Chairwoman and Chief Executive Officer of Ladis S.A. • Member of the BoD of the Hellenic Federation of Enterprises (SEV) • Member of the BoD of the Athens Chamber of Commerce and Industry (ACCI) • Cashier of the ALBA (Athens Laboratory of Business Administration) BoD • Vice Chairwoman of the BoD of the Hellenic Corporate Governance Council • Vice Chairwoman of the BoD of Technopolis-Acropolis S.A. • Member of the Advisory Committee of the Institute for Economic Policy and Public Governance of the Hellenic-American Chamber of Commerce • Member of the Business Advisory Council of the Athens University of Economics and Business MBA International Program • Member of the BoD of the Peloponnesian Folklore Foundation
Ioannis Kyriakopoulos	• Chief Financial Officer of National bank and the NBG Group
Adamantini Lazari	• Independent non-executive member of the BoD of Selonda Aquaculture, and a member of the Audit Committee • Chairwoman of the BoD of Villa Precieux – a subsidiary of Selonda • Advisor to the Board - Domius Capital Advisors LLP (consulting company based in London) • Member of the Investment Committee of the Economists Professional Insurance Fund
Nikolaos Milonas	• Professor of Finance at the Economics Department of Athens University • Deputy Dean of Financial Affairs at Athens University • Chief Executive Officer at Tsagkaris S.A. (a company belonging to the University) • Member of the BoD of Evgenideio Hospital (a company belonging to the University) • Chairman of the BoD of ETB Energy Technology & Biofuels S.A.

BoD member	Professional commitment
Alexios Pilavios	• Non-executive Member of the subsidiaries "Athens Exchange Clearing House" • General Manager of Wealth Management at Alpha Bank • Chairman of the BoD of Alpha Finance • Chairman of the BoD of Alpha Asset Management • Member of the BoD of Alpha Bank London
Dionysios Christopoulos	• Deputy Director in the Banking Supervision Department of the Bank of Greece • Independent non-executive member of BoD of the subsidiaries "Athens Exchange Clearing House" and "Hellenic Central Securities Depository" • Member of the BoD of the Accounting Standardization and Audit Committee (ELTE)
Nikolaos Chryssochoides	• Chief Executive Officer of N. Chryssochoides Brokers • Vice Chairman of the BoD of Compro IT S.A. • Member of the BoD of U-Trade IT S.A. Holding • Member of the BoD of the Association of Members of the Athens Exchange

Committees of the Board of Directors

As part of the continuous improvement of the organizational structure of the Company and the Group, the Board of Directors has assigned specific tasks to the following main special Committees, among others, which meet on a regular or ad hoc basis.

Audit Committee:

The Audit Committee operates as an audit committee of the Board of Directors and its main purpose is to supervise the quality and integrity of the accounting and auditing mechanisms, as well as the process by which the financial statements are produced. The Committee has at least three (3) non-executive members of the Board of Directors that are not involved in the operation of the Company in any way, in order to be able to pass judgment that is objective and independent without conflict of interest. In addition, the majority of the members of the Audit Committee consists of independent non-executive members.

The main responsibilities of the Committee are:

Supervision of the Internal Audit Division

- Examine and approve the Regulation of Operation of the Internal Audit Department, in order to assure that it complies with International Internal Audit Standards.
- Ensure the independence and objectivity of the Internal Audit Division, by proposing to the Board of Directors the appointment and dismissal of the head of the Internal Audit Division.
- Evaluate the Director of Internal Audit
- Examine and revise, whenever necessary, the operation, structure, goals and procedures of the Internal Audit Division.
- Examine the short and long term plan of the Internal Audit Division, in order to assure its effectiveness.
- Examine and evaluate the audit reports of the Internal Audit Division, as well as management's comments.
- Evaluate at least once a year, the competence, quality and effectiveness of the internal audit system, in order to promote more effective approaches whenever deemed necessary.

- Supervise the compatibility in the conduct of the employees in the Division of Internal Audit with the Code of Conduct of the Institute of Internal Auditors.
- To commission audits for any activity of the company, for which there are suspicions of fraud.
- Make proposals to the Board of Directors on matters of Internal Audit.

Supervision of the external auditors

- Propose to the Board of Directors to submit a proposal to the General Meeting, regarding the appointment, the reappointment and the recall of the external auditors, as well as approve the remuneration and hiring terms.
- Assure the Board of Directors that the work of the external auditors, insofar as the scope and the quality are concerned, is correct and adequate.
- Examine and monitor the independence of the external auditors, as well as the impartiality and effectiveness of the auditing process, taking into consideration the relevant professional and regulatory requirements,
- Examine and monitor the provision to the Company of additional services by the audit company in which the external auditors belong, in order to ensure their independence.
- Confer with the auditor about the material auditing differences that arose from the audit, independent on whether they were resolved,
- Confer with the auditor about any weaknesses of the Internal Audit System which may have been discovered, especially when these concern the processes for providing financial information and drafting the financial statements.

Supervision of the Financial Statements

- Assist the Board of Directors in order to ensure that the financial statements of the Company are trustworthy and in accordance with accounting standards, tax principles and the legislation in force.
- Ensure the existence of an effective process for providing financial information,
- Ensure, on behalf of the Board of Directors, that there are no significant disagreements between management and the external auditors,
- Intervene in order to resolve critical matters that may arise during the audit process, such as a potential difference of opinion between the auditor and those being audited.
- Receive the Management Letter from the external auditors and submit it to the Board of Directors.
- Inform the Board of Directors about matters for which the external auditors express strong reservations.

Supervision of the Auditing Mechanisms

- Assure the Board of Directors that there exists a sufficient and systematic review of the auditing mechanisms and the risk management mechanisms of the Company, which ensure the effectiveness, the sufficiency and the conservation of resources concerning the smooth operation of the Company and its subsidiaries.
- Assure the Board of Directors that the Company complies with the laws and regulations that govern its operation.
- Participate in the monitoring process and the implementation of the recommendations of the audit for improvements in the auditing mechanisms and the production process, in order to examine the course of implementation of the recommendations and any problems that arise in the relevant action plans.

- Receive information from the Director of Internal Audit on all important findings, for which management has decided to assume the risk of non-compliance, either due to the cost involved, or due to specific conditions.
- Receive information in cases of conflict of interest in the transactions of the Company with associated with it persons, and submit to the Board of Directors the relevant reports.
- Ensure the existence of procedures in accordance with which the personnel of the Company, may, confidentially, express its concerns about potential breaches of the law and irregularities in matters of financial information, or for other matters that concern the operation of the Company.
- Has the express right to assign the carrying out an inspection into any activity of the Company and its subsidiaries.
- Direct both the external as well as the internal auditors in their audit work, for which there is suspicion of fraud.
- Define the terms and assign to certified auditors-accountants the assessment of the adequacy of the System of Internal Audit. The assignment of such an assessment project must take place periodically and at least once every five years.

The composition of the Audit Committee, which was appointed by the Annual General Meeting of shareholders of the Company on 20.05.2015, in accordance with the provision of article 37 of Law 3693/2008, is the following:

Chairman	Nikolaos Milonas
Members	Adamantini Lazari
	Alexandros Antonopoulos

The Audit Committee meets a minimum of four times a year, i.e. every quarter, or more frequently if necessary, following an invitation by the Chairman. In particular, the Audit Committee has the express right to convene as often as it deems necessary in order to carry out its duties. The Director of Internal Audit, as well as any member of the Committee has the right to request the convocation of an extraordinary meeting of the Committee if it is deemed necessary and judged to be useful to do so.

At the meetings of the Committee, besides the members, other persons may participate – without the right to vote - such as the Chief Executive Officer, the Director of Internal Audit, the Director of Financial Management, external auditors etc.

At least two (2) times per year, the Audit Committee must meet with the external auditors without the presence of management; the Audit Committee must also hold separate meetings with management and the internal auditors.

In order for the Committee to have the necessary quorum to meet and take decisions, the majority of its members must be present, either in person, or through a written authorization to another member of the Committee. If there is a tie in the voting, the Chairman casts the deciding vote.

The Audit Committee appoints its secretary, who is responsible for keeping detailed minutes of the meetings of the Committee. The minutes of the meetings record the decisions of the Committee, and are approved and signed by all members.

The Audit Committee reports to the Board of Directors on its activity at least once every quarter, either through minutes, or through written reports.

As part of carrying out its duties in 2015, the Audit Committee held seven (7) meetings. The participation of the Chairman and the members of the Audit Committee in the meetings held in fiscal year 2015 are shown in the following table:

Name	Meetings held in fiscal year 2015	Number of meetings – present via proxy	Number of meetings - presence in person
Nikolaos Milonas	7	-	7

Name	Meetings held in fiscal year 2015	Number of meetings – present via proxy	Number of meetings - presence in person
Adamantini Lazari	7	-	7
Alexandros Antonopoulos	4	2	4

The Committee during the meetings above, dealt with all matters under its competence, mainly to:

a) review the interim and the annual financial statements, company and consolidated, before they are published in accordance with the applicable accounted standards.

b) ensure the independence of the auditors and make proposal for the selection of an auditing firm

c) audit and evaluate the risk management systems of the Company and the Group, monitor and evaluate the work of the Internal Audit Division, approve the staffing changes in the internal audit

In addition, in 2015 the Audit Committee met twice with the external auditors of the Company, without the presence of management of the Company.

Nomination and Compensation Committee:

The Nomination and Compensation Committee is composed of three members of the Board of Directors, out of which at least two are independent members; the Committee is chaired by an independent member. The main responsibilities of the Committee are to:

- Set Company policy on remuneration and other benefits that executive members of the management of the Company receive, in such a way so as to ensure respect with the principles of transparency and corporate governance.
- Ensure that executive members of the management of the Company receive remuneration and benefits commensurate to their duties and responsibilities that are such that can attract executives of high caliber and effectiveness, and are comparable to those that are provided by other exchange groups of similar size and turnover abroad.
- Evaluate the effectiveness of the executive members of management during each fiscal year, always in conjunction with the targets of the budget that has been approved and the conditions that are prevalent in the market.
- Align shareholder interests with those of the executive members of management and senior staff through regular or extraordinary benefits that are connected to the profitability or the return on equity or in general to the financial performance of the Company and the Group.
- Propose to the Board of Directors person or persons appropriate to succeed the Chairman or the Chief Executive Officer in case of resignation or permanent inability to carry out their duties for any reason during their term of office.
- Propose to the Board of Directors person or persons appropriate to replace members of the Board of Directors in case of resignation or forfeiture of office or permanent inability to carry out their duties for any reason during their term of office.
- Propose to the Board of Directors a list of persons appropriate for election by the General Meeting as members of the Board of Directors of the Company.

Committee composition:

Chairman	Alexandros Antonopoulos
Members	Iakovos Georganas
	Sofia Kounenaki - Efraimoglou

The members of the Committee are appointed, removed and replaced by the Board of Directors. The loss of the status of member of the Board of Directors automatically implies the loss of the status of member of the Committee. The Committee meets at the invitation of the Chairman, as many times as it is deemed necessary in order to carry out its mission, but in any case no less than once every calendar year. Each member of the Committee has the right to ask the convocation of the Committee in writing, in order to discuss specific matters.

In order to take a decision, the Committee must have a quorum of at least two members. The presence, participation and voting of a member of the Committee when a matter is being discussed that concerns it directly and personally, or has a conflict of interest, is not allowed. The abovementioned prohibition does not apply to decisions on matters that have general application.

The Committee has the right to invite to its meetings as many employees, executives or consultants of the Group as it deems necessary or useful.

The Committee is assisted in carrying out its work by the departments of the Company and is allowed to hire outside consultants and to determine the terms of engagement with them; these fees will burden management's budget.

The Committee reexamines, on an annual basis, the present rules of its operation and either adds to or revises them with those amendments that it deems useful.

In carrying out its duties for 2015, the Committee met four (4) times in the presence of all of its members and among others submitted a proposal to the Board of Directors to replace a member of the BoD that resigned; to grant additional remuneration to staff that participated in development projects; to grant compensation to a departing senior member of management; and lastly submitted a proposal to the Board of Directors to draft a list of persons that are qualified for election by the General Meeting as Members of the Board of Directors of the Company.

Strategic Investments Committee:

The Strategic Investments Committee is composed of members of the Board of Directors, and its main purpose is to determine investment strategy. At the meetings of the Investment Committee the Chief Financial Officer, who has been appointed as administrator of the cash assets of the Company, is present. The Investments Committee reports to the Board of Directors. Its main responsibilities are to:

- Determine the short term and the long term investment goals.
- Monitor the implementation of those goals.
- Draft reports to the Board of Directors at regular intervals, detailing the results of the investment policy and describing possible deviations from the goals and performance that have been set.

Committee composition:

Chairman	Ioannis Kyriakopoulos
Members	Alexios Pilavios
	Adamantini Lazari

In carrying out its duties during 2015, the Committee held three (3) meetings in order to submit proposals to the Board of Directors to decide on matters of investment strategy.

Stock Markets Steering Committee

The Committee was set up in accordance with §7.2 of the Athens Exchange Rulebook, to cover the operational needs of the Organized Markets that have been set up and are in operation in accordance with the Rulebook, as well as overall compliance with the Rulebook.

It has 9 members, of which 3 are chosen among executives of ATHEX and companies of the Group, with those members considered executive, and 6 chosen among persons whose professional activity is related to matters addressed by the Rulebook. Members of the Committee are appointed by a decision of the ATHEX BoD which ensures that participants in the capital market are represented to the maximum extent possible, thus accepting appointment proposals from those participants, with those proposals being non-binding.

The Members of the Committee are checked for eligibility in accordance with the provisions of §4 article 42 of law 3606/2007.

The responsibilities of the Committee are mainly to take decisions on manners concerning market access as described in Section 1 of the Exchange Rulebook; trading in the Market as described in Section 2 of the Exchange Rulebook; listing of financial instruments and classifying them in Segments as described in Sections 3 and 5 of the Exchange Rulebook; notification obligations of listed companies as described in Section 4 of the Exchange Rulebook; imposition of sanctions in accordance with Section 6 of the Rulebook, as well as other matters that concern the operation of the markets of the Exchange and application of the Exchange Rulebook, as they are specified in the Rulebook governing the operation of the Committee. Furthermore, the Committee is responsible for modifying the Rulebook of the Exchange and to issue decisions in execution of the Rulebook, in accordance with §7.3.1 of the Rulebook.

The Committee drafts a Rulebook of Operation in which its responsibilities are specified, the conflict of interest policies described, and the following are specified: the convocation, the quorum and decision making, how members forfeit their seats, are absent or unable to attend, how members are replaced, how minutes are kept, as well as other procedural details of its operation. The abovementioned Rulebook of Operation is disclosed to the BoD of the Exchange as well as the Hellenic Capital Market Commission.

Committee composition:

Chairman	Socrates Lazaridis, Chief Executive Officer
Vice Chairman	Nikolaos Porfyris, Deputy Chief Operating Officer
Members	Panagiotis Drakos, President of the Union of Listed Companies
	Eleftherios Kourtalis, President of the Hellenic Federation of Enterprises-Textile Industries
	Michail Karamanof, Chief Executive Officer of Karamanof Securities
	Kimon Volikas, President of the Hellenic Fund and Asset Management Association
	Athanasios Savvakis, President of the Federation of Industries of Northern Greece
	Dionysios Christopoulos, executive at the Bank of Greece
	Apostolos Patrikios, Attorney, Committee Secretary

In 2015 the Committee met forty five (45) times as part of the framework of responsibilities mentioned above.

Xnet Steering Committee

The responsibility of the Committee is to regulate any matter and necessary detail that concerns the application of the provisions of the Regulatory Framework concerning the operation of the Xnet services, especially in relations with the Xnet Network, the examination of applications and the participation of Members and Clearing Members, the risk management procedures that are applied and the determination of all types of parameters, methodologies and processes concerning this management, the procedures for settling Xnet transactions and settlement, including the determination of cash settlement Entities and the particular procedures that are carried out by the Hellenic Central Securities Depository for settlement, the handling of overdue payments as well as taking related measures.

Committee composition:

Chairman	Dimitris Karaiskakis, Chief Operating Officer
Members	Andreas Daskalakis, Director of Market Operation & Member Support
	Christos Nikolaidis, Director of Risk Management and Clearing
	Konstantinos Karanasios, Director of Central Registry
	Dimitris Gardelis, Director of IT Development

In 2015 the Committee held thirteen (13) meetings as part of its abovementioned responsibilities.

Matters of internal audit and risk management of the Company in relation to the reporting process

The primary concern of the Company is the development and the constant improvement and upgrade of the Internal Audit System, which comprises all of the recorded audit mechanisms and processes that cover the whole range of daily operations and procedures of the Company.

In particular, as regards the financial operation of the Company, a system of safeguards is in place that prevents or detects significant errors in time in order to ensure the reliability of the financial statements, the effectiveness and efficiency of operations and compliance with the rules and regulations. Based on specific significance criteria (quantitative and qualitative), important accounts are located as well as companies of the Group that must be incorporated in the scope of the system. The procedures are recorded, the responsibilities and the policies are assigned, and the audit points are designed, and are applied on a continuous basis by management and staff.

The Board of Directors has the ultimate responsibility to monitor and appraise the effectiveness and sufficiency of the Internal Audit System.

The following are responsible for auditing the observance of the Internal Audit System: a) the Audit Committee and b) the Internal Audit Division.

The **Audit Committee** of the Company has been set up by decision of the Board of Directors of the Company and operates based on the Standards for the Professional Application of Internal Audit of the Institute of Internal Auditors, decision 5/204/14.11.2000 of the Hellenic Capital Market Commission regarding corporate governance, Law 3016/2022 on corporate governance, and Law 3693/2008 on the harmonization of Greek legislation with Directive 2006/43/EC.

The main purpose of the Audit Committee is to assist the Board of Directors in the supervision of the quality, adequacy and effectiveness of the internal audit and risk management system, as well as the quality of the work performance of the Company.

The **Internal Audit Division** operates in the manner prescribed by the Standards for the professional application of Internal Audit of the Institute of Internal Auditors, decision 5/204/14.11.2000 of the Hellenic Capital Market Commission and Law 3016/2002 concerning corporate governance. It reports to the Chief Executive Officer of the Company and operationally to the Board of Directors, through the Audit Committee which supervises it.

The main responsibility of the internal audit department is to express an opinion on the compliance or non-compliance of the internal processes of each audited area, as well as the application of the safeguards that have been adopted by Management, in order to prevent and avoid risk.

In addition, through the **Regulatory Compliance Unit** of the Group, which reports directly to the Chief Executive Officer, and the Regulatory Compliance Unit of ATHEXClear, which reports to the BoD of ATHEXClear through the Audit Committee, and operate independently of other departments of the Group, with clear lines of reporting that are discrete from its other activities, ensures compliance with the letter and more importantly the spirit of the law, the legal and regulatory rules and principles, the codes of conduct and the best practices in the markets in each of the countries where the Group and ATHEXClear are active, in order to minimize the risk of regulatory or supervisory sanctions, financial or reputational loss which the Group or ATHEXClear may suffer as a result of failure to comply with any rule.

In addition, a basic concern of the Group is the management of risk arising from its business activities.

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

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

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

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

Risk strategy and risk management

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

Unified risk management

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

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

Risk categories

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

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

Financial risk

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

Operating risk

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

Business risk

Risk due to new competitors, drop in trading activity on the exchange, worsening of the domestic and international financial climate etc.

In the relevant section of the Annual Financial Report, extensive mention is made about the procedure applied for dealing with financial, business and other reported risk categories.

The Board of Directors is informed on a regular basis on the risks that the Group is facing, and examines whether these risks are clearly defined, whether they have adequately been estimated and whether risk management is effective.

Information re items of article 10 §1 (c), (d), (f), (h), (i) of Directive 2004/25/EC of the European Parliament and of the Council of April 21st 2004 concerning public offers

- The information required under item (c) of article 10 §1 of Directive 2004/25/EC is already included in another section of the Annual Financial Report that refers to the additional information of article 4 §7 of law 3556/2007.
- With regards to the information required under item (d) of article 10 §1 of Directive 2004/25/EC, there are no securities of the Company that confer special control privileges to their holders.
- With regards to the information required under item (f) of article 10 §1 of Directive 2004/25/EC, there is no restriction of any kind on voting rights.
- With regards to the information required under item (h) of article 10 §1 of Directive 2004/25/EC, the provisions of the Articles of Association of the Company concerning the appointment and replacement of members of the Board of Directors and modifications of the Company's Articles of Association do not deviate from the provisions in codified law 2190/1920.

  In particular, in accordance with the provisions of the Articles of Association, the members of the Board of Directors can be nine (9) up to thirteen (13), are elected by the General Meeting, which also decides on their number. Their term of office is four years, beginning on the day of election by the General Meeting and ends at the Annual General Meeting that is convened in the year during which the four year term since the election has already been completed.

  If a member of the Board of Directors resigns, dies, or forfeits his office in any way, or is declared forfeit by a decision of the Board of Directors due to unaccounted for absence from the meetings for three straight months, the Board of Directors may continue to manage and represent the Company without replacing these members, provided that the remaining members are at least nine (9).

  If the number of members of the Board of Directors drops below nine (9), and provided that the remaining members are at least three (3), the Board of Directors is obliged to elect replacements for the remainder of the term of office for the members being replaced, at least up until the ninth (9th) member. If elected by the Board of Directors as a temporary member to replace another member, the election is announced to the General Meeting immediately following (Annual or Extraordinary), which may replace the members thus elected even if no such item has been included in the daily agenda of the General Meeting in question.

  Already, by decision of the General Meeting, the members of the Board of Directors are thirteen (13).

  The members of the Board of Directors can always be reelected, and are freely recalled by the General Meeting of shareholders.
- The information required under item (i) of article 10 §1 of Directive 2004/25/EC is already included in another section of the Annual Financial Report that refers to the additional information of article 4 §7 of law 3556/2007.

TRANSACTIONS WITH ASSOCIATED COMPANIES OF THE HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE (ATHEX) GROUP FOR THE 14TH FISCAL YEAR FROM 1.1.2015 TO 31.12.2015

In accordance with the provisions of Article 2 of Law 3016/2002 on "Corporate governance, payroll issues and other provisions", a report on transactions with associated companies of the Hellenic Exchanges-Athens Stock Exchange SA Group (ATHEX) has been prepared for the fiscal year 1.1.2015 - 31.12.2015.

The transactions with companies associated with the Group concern the following expense categories:

Dividends

These are the dividends which are received by Athens Exchange and by its subsidiaries, based on their percentages of participation.

Invoicing of services

These are services relating to the granting of the right to use the OASIS system, monitoring and maintenance of the network, computer and telecommunications equipment of the companies of the Group and provision of information to data vendors.

Intra-Group Contracts

Because of the operating restructuring of the Group, by contract dated 25.4.2005, Athens Exchange provides support and administrative services to the other companies of the Group. In addition, by contract ATHEX provides user and IT services to the other companies of the Group; these services are customized in the individual contracts. These contracts are no longer in effect because of the restructuring of the Group starting on 1.1.2014.

Rents

Following the relocation of the departments of the Group to the new building, ATHEX collected rent from Athens Exchange and ATHEXClear up until 19.12.2013. The HELEX central registry and depository business, which included the building at 110 Athinon Ave, was transferred on 19.12.2013 to TSEC, at the same time as the headquarters were moved to Athens and the name of the company changed to HCSD. Starting on 1.1.2014 rent is collected by ATHEXCSD.

Financing

The former Athens Exchange had entered into a loan agreement with the former HELEX in order to provide the latter with a short term cash facility. Following the merger of ATHEX with HELEX on 19.12.2013, the loan agreement was written off.

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Remuneration of executives and members of the BoD	1,490	1,482	1,013	725

For the Hellenic Exchanges-Athens Stock Exchange S.A. (ATHEX) Group (following the completion of the restructuring), the intra-Group transactions between the following associated companies according to article 42e of Codified Law 2190/1920 are included:

- Hellenic Exchanges-Athens Stock Exchange S.A. (ATHEX)
- Hellenic Central Securities Depository (ATHEXCSD)
- Athens Exchange Clearing House (ATHEXClear)

The balances and the intra-Group transactions of the companies of the Group on 31.12.2015 are shown in the following tables:

INTRA-GROUP 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

INTRA-GROUP BALANCES (in €) 31-12-2014				
		HELEX-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

INTRA-GROUP REVENUES-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

INTRA-GROUP REVENUES-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

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

REPORT IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007

The present explanatory report of the Board of Directors contains information in accordance with article 4 §7 of Law 3556/2007, and will be submitted to the Annual General Meeting of shareholders, in accordance with the provisions of article 4 §8 of Law 3556/2007.

Share capital structure

The share capital of the Company amounts to €84,979,131.90 and is divided into 65.368.563 shares, with a par value of €1.30 each. All shares are listed for trading in the Main cash market of Athens Exchange. The Company's shares are common registered with a voting right.

Restrictions on the transfer of shares of the Company

The transfer of shares of the Company takes place in accordance with the Law and there are no restrictions on their transfer in the Company's Articles of Association.

Significant direct or indirect participations in accordance with the provisions of Law 3556/2007

The following shareholders on 31.12.2015 possessed, directly and indirectly, more than 5% of the share capital of the Company:

Shareholder	% of the share capital of the Company
THE GOLDMAN SACHS GROUP (indirect participation - % based on the notification by the company on 17.12.2015)	6.33%
WELLINGTON MANAGEMENT COMPANY LLP (indirect participation - % based on the notification by the company on 22.12.2014)	5.14
THE LONDON AND AMSTERDAM TRUST COMPANY LTD (direct participation - % based on the notification by the company on 6.12.2013)	5.01

No other physical or legal entity possesses more than 5% of the share capital of the Company.

Shares that provide special control rights

No shares of the Company exist that confer on their holders special control privileges.

Voting right restrictions

No voting right restrictions are foreseen in the Articles of Association of the Company.

Agreements between shareholders of the Company

No agreement between its shareholders has been made known to the Company that implies restrictions in the transfer of its shares or in the exercise of voting rights of the Company's shares.

Rules for appointing and replacing members of the Board of Directors and modifying the Articles of Association, provided that they deviate from the provisions of Law 2190/1920

The Articles of Association have been harmonized with the provisions of Law 3604/2007. Beyond the special provision regarding the continuation of the representation and management of the Company in case of resignation, death, or in any other way loss of the capacity of Member of the BoD, provided that the remaining members are at least nine (9) in number, the provisions of the Articles of Association concerning the appointment and replacement of the members of the Board of Directors and the modification of the Articles of Association do not deviate from the provisions of Law 2190/1920, as it applies.

Responsibility of the Board of Directors or specific BoD members regarding the issuance of new shares or the purchase of own shares in accordance with article 16 of Law 2190/1920, as it applies

In accordance with article 13 §13 of Law 2190/1920, as it applies, the Board of Directors can increase the share capital of the Company, by issuing new shares, in order to implement stock option plans approved by the General Meeting, whereby beneficiaries obtain Company shares.

In accordance with the provisions of article 16 of Law 2190/1920, as it applies, the Company may, following the approval of the General Meeting, obtain own shares up to the amount of 1/10 of the paid-in share capital, under the specific terms and conditions foreseen by article 16 of Law 2190/1920, as it applies. There is no provision in the Articles of Association of the Company contrary to the above.

In accordance with the provisions in effect, the General Meeting of the shareholders of the Company on 20.05.2015 approved a share buyback program for up to 10% of the paid-in share capital, over a time period of 24 months, at a price range from €1.50 to €7.00, with the aim of cancelling at least 95% of the shares thus purchased (the remaining 5% may be distributed to employees).

No shares were acquired under the abovementioned program during 2015.

Important agreement concluded by the Company, coming into effect, modified or expiring, in case there is a change of control of the Company following a public offer, and the effects of any such agreement

No such agreement exists.

Agreements that the Company has concluded with members of its Board of Directors or with employees, which foresee the payment of compensation in case of resignation or termination without cause, or termination of the term of office or employment, as a result of a public offer

There are no agreements between the Company and members of its Board of Directors or employees, which foresee the payment of compensation, especially in case of resignation or termination without cause, or termination of the term of office or employment, as a result of a public offer

3. AUDIT REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
Chimarras 8B,
151 25, Marousi Athens, Greece

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

"HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA (ATHEX)"

Report on the Financial Statements

We have audited the accompanying standalone and group financial statements of "**HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA (ATHEX)**", which comprise the standalone and group statement of financial position as at December 31, 2015, the standalone and group statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these standalone and group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of the standalone and group 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 standalone and group financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the standalone and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone and group financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone and group 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 standalone and group 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 standalone and group financial statements.

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

Opinion

In our opinion, the accompanying standalone and group financial statements present fairly, in all material respects, the financial position of **"HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA (ATHEX)"** as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
Chimarras 8B,
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Report on Other Legal and Regulatory Requirements

A) The Directors' Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified Law 2190/1920.

B) We confirm that the information given in the Directors' Report is consistent with the accompanying standalone and group financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 21 March 2016

The Certified Auditor Accountants

PANAGIOTIS I.K PAPAZOGLOU
S.O.E.L R.N. 16631

DIMITRIOS CONSTANTINOU
S.O.E.L R.N. 16201

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B, 151 25, Marousi Athens
COMPANY S.O.E.L. R.N. 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

		GROUP		COMPANY	
		01.01	01.01	01.01	01.01
	Notes	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Revenue					
Trading	5.9	5,691	9,336	5,689	9,336
Clearing	5.10	11,078	17,563	0	0
Settlement	5.11	1,587	1,964	0	0
Exchange services	5.12	5,892	6,924	5,892	6,742
Depository services	5.13	3,211	3,792	0	0
Clearinghouse services	5.14	168	296	0	0
Market Data	5.15	3,354	3,627	3,659	3,910
IT services	5.16	306	309	255	163
Revenue from re-invoiced expenses	5.17	840	1,014	840	1,014
New Services (XNET, CP CSE - Sibex, IT etc)	5.18	1,919	1,658	855	669
Other services	5.19	989	805	860	614
Total turnover		**35,035**	**47,288**	**18,050**	**22,448**
Hellenic Capital Market Commission fee	5.22	(1,356)	(2,155)	(516)	(860)
Total revenue		**33,679**	**45,133**	**17,534**	**21,588**
Expenses					
Personnel remuneration and expenses	5.23	9,869	9,958	4,660	4,216
Third party remuneration and expenses	5.24	714	692	604	588
Utilities	5.25	877	875	107	168
Maintenance / IT support	5.26	1,191	1,497	828	933
Other Taxes	5.27	1,557	1,629	1,051	1,111
Building / equipment management	5.28	621	663	103	136
Marketing and advertising expenses	5.29	213	248	187	232
Participation in organizations expenses	5.30	282	284	258	260
Insurance premiums	5.31	420	461	407	439
Operating expenses	5.32	388	452	555	448
BoG - cash settlement	5.33	62	58	0	0
Other expenses	5.34	139	136	95	92
Total operating expenses		**16,333**	**16,953**	**8,855**	**8,623**
Re-invoiced expenses	5.35	925	1,021	910	969
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.36	1,098	755	43	64
Provision for bad debts	5.37	365	400	584	400
Total operating expenses, including new activities		**18,721**	**19,129**	**10,392**	**10,056**
Earnings before Interest, Taxes, Depreciation & Amortization(EBITDA)		**14,958**	**26,004**	**7,142**	**11,532**
Depreciation	5.38 & 5.39	(2,073)	(1,800)	(1,028)	(793)
Earnings Before Interest and Taxes (EBIT)		**12,885**	**24,204**	**6,114**	**10,739**
Capital income	5.43	1,554	3,703	1,214	3,083
Dividend income		0	0	9,069	0
Revaluation of real estate (profit/loss)		(399)	0	(1,090)	0
Provision to coverother risks		(300)	(246)	(300)	(549)
Bond deregognition		(207)	0	(207)	0
Financial expenses	5.43	(83)	(8)	(10)	(5)
Earnings Before Tax (EBT)		**13,450**	**27,653**	**14,790**	**13,268**
Income tax	5.51	(4,412)	(6,640)	(1,913)	(2,940)
Profits after tax		**9,038**	**21,013**	**12,877**	**10,328**

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 thousand euro unless otherwise noted) 55

Net profit after tax (A)		**9,038**	**21,013**	**12,877**	**10,328**
Other comprehensive income/(losses)					
Items that may later be classified in the P&L Statement:					
Available for sale financial assets					
Valuation profits / (losses) during the period	5.42	(294)	843	(294)	843
Income tax included in other comprehensive income / (losses) (note 5.50)	0	85	(219)	85	(219)
Other comprehensive income no transferred to results in the following fiscal years		0	0	0	0
Actuarial profits / (losses) from staff compensation provision	5.23	167	(408)	88	(179)
Effect on income tax (note 5.50)		(48)	106	(26)	47
Total other income / (loss) after taxes (B)		**(90)**	**322**	**(146)**	**492**
Total comprehensive income (A) + (B)		**8,948**	**21,335**	**12,731**	**10,820**

Distributed to:

Company shareholders		8,948	21,335
Profits after tax per share (basic & impaired; in €)		0.14	0.33

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

(Amounts in thousand euro unless otherwise noted) 56

4.2. Annual Statement of Financial Position

	Note	GROUP		COMPANY	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
ASSETS					
Non-Current Assets					
Tangible assets for own use	5.38	23,122	23,271	413	469
Intangible assets	5.38	5,209	3,805	4,168	3,011
Real Estate Investments	5.39	3,200	4,494	3,200	4,494
Investments in subsidiaries & other long term receivables	5.40	68	72	58,118	58,123
Deferred tax asset	5.45	1,315	2,929	1,245	802
		32,914	**34,571**	**67,144**	**66,899**
Current Assets					
Trade receivables	5.41	6,520	6,591	2,666	3,740
Other receivables	5.41	12,931	10,593	5,758	5,953
Income tax receivable	5.51	3,715	1,677	1,155	808
Financial assets available for sale	5.42	3,716	3,383	3,716	3,383
Third party balances in Group bank account	5.44	447,816	395,110	1,008	0
Cash and cash equivalents	5.43	137,235	151,551	89,174	96,057
		611,933	**568,905**	**103,477**	**109,941**
Total Assets		**644,847**	**603,476**	**170,621**	**176,840**
EQUITY & LIABILITIES					
Equity & Reserves					
Share capital	5.46	84,979	48,373	84,979	48,373
Share premium	5.46	157	43,954	157	43,954
Reserves	5.46	62,584	61,598	59,699	59,246
Retained earnings		30,180	35,283	19,051	19,839
Shareholders' equity		**177,900**	**189,208**	**163,886**	**171,412**
Non-current liabilities					
Grants and other long term liabilities	5.47	87	111	50	50
Provisions	5.48	3,151	3,025	2,243	2,012
Deferred tax liability	5.45	1,873	3,603	0	0
		5,111	**6,739**	**2,293**	**2,062**
Current liabilities					
Trade and other payables	5.49	13,245	9,213	2,880	2,920
Third party balances in Group bank account	5.50	447,816	395,110	1,008	0
Current income tax payable	5.51	0	2,531	0	0
Social Security		775	675	554	446
		461,836	**407,529**	**4,442**	**3,366**
Total Liabilities		**466,947**	**414,268**	**6,735**	**5,428**
Total Equity & Liabilities		**644,847**	**603,476**	**170,621**	**176,840**

The account “Third party balances in Group bank account” of the previous fiscal year has 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 thousand euro unless otherwise noted) 57

4.3. Annual Statement of Changes in Equity

4.3.1. Group

	Share Capital	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2014	**49,680**	**94,334**	**129,523**	**(92,774)**	**180,763**
Profit for the period				21,013	21,013
Other comprehensive income after taxes			624	(302)	322
Total comprehensive income after taxes	**0**	**0**	**624**	**20,711**	**21,335**
Profit distribution to reserves			35	(35)	0
Reserves tax payment in one installment			184		184
Share Capital Increase untaxed reserves (note 5.46)	55,702		(68,768)	13,066	0
Share Premium increase (note 5.46)	50,380	(50,380)			0
Return of share capital (note 5.46)	(13,074)			0	(13,074)
Share capital reduction (note 5.46)	(94,315)			94,315	0
Balance 31.12.2014	**48,373**	**43,954**	**61,598**	**35,283**	**189,208**
Profit for the period				9,038	9,038
Other comprehensive income after taxes			(209)	119	(90)
Total comprehensive income after taxes	**0**	**0**	**(209)**	**9,157**	**8,948**
Profit distribution to reserves			533	(533)	0
Bond deregognition			662		662
Share Premium increase (note 5.46)	43,797	(43,797)			0
Return of share capital (note 5.46)	(7,191)				(7,191)
Dividends paid (note 5.55)				(13,727)	(13,727)
Balance 31.12.2015	**84,979**	**157**	**62,584**	**30,180**	**177,900**

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

(Amounts in thousand euro unless otherwise noted) 58

4.3.2. Company

	Share Capital	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2014	**49,680**	**94,334**	**127,250**	**(97,738)**	**173,526**
Profit for the period				10,328	10,328
Other comprehensive income after taxes		0	624	(132)	492
Total comprehensive income after taxes	**0**	**0**	**624**	**624**	**10,820**
Reserves tax payment in one installment			140		140
Share capital increase - untaxed reserves (note 5.46)	55,702		(68,768)	13,066	0
Share premium increase (note 5.46)	50,380	(50,380)			0
Return of share capital (note 5.46)	(13,074)				(13,074)
Share capital reduction (note 5.46)	(94,315)			94,315	0
Balance 31.12.2014	**48,373**	**43,954**	**59,246**	**19,839**	**171,412**
Profit for the period				12,877	12,877
Other comprehensive income after taxes			(209)	62	(147)
Total comprehensive income after taxes	**0**	**0**	**(209)**	**12,939**	**12,730**
Bond deregognition			662		662
Share capital increase – share premium (note 5.46)	43,797	(43,797)			0
Return of share capital (note 5.46)	(7,191)				(7,191)
Dividends paid (note 5.55)				(13,727)	(13,727)
Balance 31.12.2015	**84,979**	**157**	**59,699**	**19,051**	**163,886**

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

(Amounts in thousand euro unless otherwise noted) 59

4.4. Annual Cash Flow Statement

	Notes	Group		Company	
		1.1-31.12.2015	1.1-31.12.2014	1.1-31.12.2015	1.1-31.12.2014
Cash flows from operating activities					
Profit before tax		13,450	27,653	14,790	13,268
Plus / (minus) adjustments for					
Depreciation	5.39	2,073	1,800	1,028	793
Grant depreciation		(24)	(24)	0	
Staff compensation provisions	5.23	(7)	135	19	62
Net provisions	5.48	136	647	16	803
Revaluation of real estate assets	5.38	399		1,090	0
Interest Income	5.43	(1,554)	(3,703)	(1,214)	(3,083)
Dividends received	5.40			(9,069)	
De-recognition of financial assets available for sale	5.42	207		207	
Interest and related expenses paid	5.43	83	8	10	5
Plus/ (minus) adjustments for changes in working capital accounts or concerning operating activities					
Reduction/Increase in receivables	5.41	(648)	836	832	(236)
Reduction/Increase in liabilities (except loans)	5.49	2,332	(1,095)	21	(25,914)
Reduction/Total adjustments for changes in working capital		**16,447**	**26,257**	**7,730**	**(14,302)**
Interest and related expenses paid	5.43	(83)	(8)	(10)	(5)
Compensation payments to personnel		(337)	(21)	(215)	
Taxes paid		(8,981)	(25,957)	(2,262)	(22,076)
Net inflows / outflows from operating activities (a)		**7,046**	**271**	**5,243**	**(36,383)**
Investing activities					
Purchases of tangible and intangible assets	5.38 & 5.39	(2,457)	(2,190)	(1,950)	(1,950)
Interest received	5.43	1,554	3,703	1,214	3,083
Dividends received	5.40	0	0	9,069	0
Total inflows / (outflows) from investing activities (b)		**(903)**	**1,513**	**8,333**	**1,133**
Financing activities					
Special dividend (share capital return)	5.46	(7,191)	(13,074)	(7,191)	(13,074)
Dividend payments	5.55	(13,268)	0	(13,268)	0
Total outflows from financing activities (c)		**(20,459)**	**(13,074)**	**(20,459)**	**(13,074)**
Net increase/ (decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		**(14,316)**	**(11,290)**	**(6,883)**	**(48,324)**
Cash and cash equivalents at start of the period	**5.43**	**151,551**	**162,841**	**96,057**	**144,381**
Cash and cash equivalents at end of the period	**5.43**	**137,235**	**151,551**	**89,174**	**96,057**

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

(Amounts in thousand euro unless otherwise noted) 60

5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.1. General information about the Company and its subsidiaries

The Company "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX)" with the commercial name "ATHENS EXCHANGE" was founded in 2000 (Government Gazette 2424/31.3.2000) having General Electronic Commercial Registry (GEMI) No 3719101000 (former Companies Register No 45688/06/B/00/30). Its head office is in the Municipality of Athens at 110 Athinon Ave, Postal Code 10442. The shares of the Company are listed in the Main Market segment of the Athens Exchange cash market. Following the completion of the merger with the Athens Exchange (decision K2-7391/19.12.2013 of the Deputy Minister of Development and Competitiveness) based on its Articles of Association the company's purpose is:

(1) the participation in companies and business of any legal form having activities related to the support and operation of organized capital markets, as well as the development of activities and provision of services related to the support and operation of organized capital markets, in companies that it participates and in third parties that participate in organized capital market or that support their operation.

(2) the organization and support of the operation of a cash market, a derivatives market, as well as other financial means (including any type of product with any kind of reference values) in Greece and abroad.

The annual financial statements of the Group and the Company for 2015 have been approved by the Board of Directors on 21.03.2016. The financial statements have been published on the internet, at www.athexgroup.gr.

The companies in which the parent company participates with their relevant activities and participation percentages, which are included in the consolidated financial statements (with the full consolidation method), are:

Company	**Hellenic Central Securities Depository (ATHEXCSD)**	
Head Office	Athens	
Activity	Settlement of off-exchange transfers in transferrable securities. The provision of registration and settlement on dematerialized securities, listed and non-listed on the Athens Exchange or on other exchanges or other organized cash markets. The provision of services concerning: distribution of dividends, interest payment, distribution of securities, intermediation in the transfer of options or stock options without consideration and carrying out any activity related to the above. The development, management and exploitation of the IT and operating system for registering dematerialized securities Carrying out commercial activities to promote and provide IT services and use / broadcast Market Data from Greece and abroad as a Data Vendor, as well as in general the promotion, distribution, support, monitoring, operation and commercial exploitation of products, systems and customized software applications based on corresponding licenses to resell and commercially exploit.	
% of direct participation	**31.12.2015**	**31.12.2014**
ATHEX	100%	100%
ATHEX GROUP	100%	100%

(Amounts in thousand euro unless otherwise noted) 62

Company	Athens Exchange Clearing House (ATHEXClear)	
Head Office	Athens	
Activity	Management of clearing systems and / or central counterparty, as well as comparable mechanisms with similar characteristics and / or a combination of these systems in order to carry out, in Greece and/or abroad, the activities of finalizing or reconciling or settling the finalization of transactions in financial instruments and in general the operation as a System administrator in accordance with the provisions of article 72 of Law 3606/2007 (Government Gazette A/195/17.8.2007), as it applies.	
% of direct participation	31.12.2015	31.12.2014
ATHEX	100%	100%
ATHEX GROUP	100%	100%

The ATHEX Group, despite being the entity operating the market for derivative financial products, and possessing the systems (OASIS, DSS) through which transactions in derivative products take place, does not use such products for its own account. Following the approval (decision 20153/15.7.2010) by the Athens Prefecture for the spin-off of the clearing of trades at ATHEX business from HELEX and its contribution to ATHEXClear, in accordance with Law 2166/1993, starting on 16.7.2010 ATHEXClear clears trades at Athens Exchange. ATHEXClear, a subsidiary of the Company, is a central counter-party and performs the clearing for every trade, but does not report these trades. The safety margin deposited to an account belonging to investors, managed by the Member and blocked in favor of ATHEXClear is not reported in the financial statements.

The various types of margins that ATHEXClear and the Athens Exchange receive from their Members, in order to acquire and maintain their capacities in the Cash and Derivatives markets are reported.

At the end of 2013 the following corporate actions were completed: a) with the approval decision (K27391/19.12.2013) of the Deputy Minister of Development and Competitiveness, HELEX absorbed ATHEX and as a result carries out itself trading (organization and operation of securities and derivative markets as well as other financial instruments) at the Athens Exchange and b) with the approval decision (39079/19.12.2013) of the Chairman of Thessaloniki Chamber of Commerce and Industry (TCCI), the spin-off of the Central Securities Depository business, the Registry and Settlement services, as well as the management of the Dematerialized Securities System, and contribution to HCSD in accordance with law 2166/1993; as a result the abovementioned activities are now being carried out by the Central Securities Depository S.A. (ATHEXCSD).

5.2. Basis of preparation of the annual financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the European Union and are mandatory for fiscal years ending on December 31st 2015. There are no standards and interpretations of standards that have been applied before the date they go into effect.

The attached financial statements have been drafted on the basis of historical cost as modified by the revaluation of specific assets, equity and liabilities to fair values (commercial securities portfolio, assets available for sale) and the principle of “going concern”.

The excellent organization of the Group, the reliable operation of the capital market, the continuous investment in modern equipment and processes, the absence of loan liabilities, the recognition of its reliability by internationally recognized rating agencies, as well as the liquidity that it possesses, guarantee its survival in the long term, with significant benefits for shareholders. The recent economic crisis gripping the country, and the imposition of capital controls, create significant problems in the operation of the Group; however it is estimated that, with the agreement of the Greek government as part of the EU and within the Euro system, any obstacles will be overcome and the country will return to growth, supported by the necessary structural changes that are gradually being legislated.

(Amounts in thousand euro unless otherwise noted) 63

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

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

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

Income tax

Judgment is required of the Group in order to determine the provision for income tax. There are many transactions and calculations for which the final determination of the tax is uncertain. If the final tax figure is different than the amount initially recognized, the difference will affect the income tax in the fiscal year that the determination of the tax differences takes place (note 5.51).

Provisions for trade and other receivables

The management of the Group periodically reexamines the adequacy of the provision for bad debts in conjunction with its credit policy, and by taking into consideration information provided by the Legal Affairs Division of the Group, which are the result of the processing of the relevant historical data and recent developments of the cases that it handles (note 5.41).

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates concerning the useful life of depreciable assets. These remaining useful lives are periodically reexamined in order to estimate whether they continue to be appropriate. In addition, management evaluates market conditions in the real estate market and makes estimates regarding their valuation (notes 5.38 & 5.39).

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 mortality rates. Due to the long term nature of these plans, these assumptions are subject to significant uncertainty (note 5.23).

Impairment check for participations

The Company carries out the relevant impairment check of their participations when there are indications of impairment. In order to perform the impairment check, a determination of the “value in use” of the subsidiaries takes place. This determination of the value in use requires that the future cash flows of each subsidiary be determined, and the appropriate discount rate selected, based on which the present value of the abovementioned future flows is determined (note 5.40).

Deferred tax claims

Deferred tax claims are recognized due to unused tax losses to the extent that it is possible that taxable profits will be available in the future to be used against those loses. Significant estimates by Management are required in order to ascertain the size of the deferred tax claim that may be recognized, based on the possible time and size of future taxable profits in conjunction with the tax planning of the entity (note 5.45).

Staff compensation provision

Obligations for staff compensation are calculated based on actuarial methods; the calculation requires that Management estimate specific parameters, such as the future increase in staff remuneration etc. Management strives, on each reference date when the provision in question is revised, to best estimate these parameters (notes 5.23 & 5.48).

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 Group (note 5.48).

Estimations – sources of uncertainty

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

The economic crisis in the country intensifies uncertainty and concern. Following the agreement with the creditors in the EU and the Eurozone however, and the completion of the evaluation of the program by the institutions, Greece is gradually expected to overcome the economic crisis and, supported by the far-reaching and necessary structural changes, enter a growth phase.

Going concern

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

It is estimated that, following the agreement with the institutions, the signing of the third Memorandum and the implementation of the commitments undertaken, the crisis that the Greek economy faces will gradually be overcome. The positive evaluation of the program by the institutions and the removal of capital controls will help restore a healthy economic environment in Greece. The companies of the Group are very well placed in the domestic and international capital markets, and are well organized in order in order to overcome any adversities they face.

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

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

The table below presents the classification of the published Statement of Comprehensive Income of the Group and the Company, in the new accounts structure that the Group decided to implement from 01.01.2015 onward.

The changes below have no effect in total turnover and the profits for either the Group or the Company.

	note	GROUP 01.01 31.12.2014 Modified	GROUP 01.01 31.12.2014 Published	COMPANY 01.01 31.12.2014 Modified	COMPANY 01.01 31.12.2014 Published
Revenue					
Trading	5.9	9,336	9,336	9,336	9,336
Clearing	5.10	17,563	17,563	0	0
Settlement	5.11	1,964	1,964	0	0
Exchange services	5.12	6,924	6,924	6,742	6,742
Depository services	5.13	3,792	3,792	0	0
Clearinghouse services	5.14	296	296	0	0
Data feed	5.15	3,627	3,627	3,910	3,910
IT services	5.16	309	309	163	163
Revenue from re-invoiced expenses	5.17	1,014	1,018	1,014	1,017
New Services (XNET, CP CSE - Sibex, IT etc)	5.18	1,658	1,658	669	669
Other services	5.19	805	802	614	462
Total turnover		**47,288**	**47,289**	**22,448**	**22,299**
Hellenic Capital Market Commission fee	5.22	(2,155)	(2,155)	(860)	(860)
Total Operating revenue		**45,133**	**45,134**	**21,588**	**21,439**
Costs & Expenses					
Personnel remuneration and expenses	5.23	9,958	9,958	4,216	4,216
Third party remuneration and expenses	5.24	692	692	588	588
Utilities	5.25	875	875	168	168
Maintenance / IT support	5.26	1,497	1,497	933	933
Other Taxes	5.27	1,629	1,629	1,111	1,111
Building / equipment management	5.28	663	663	136	136
Marketing and advertising expenses	5.29	248	248	232	232
Participation in organizations expenses	5.30	284	284	260	260
Insurance premiums	5.31	461	461	439	439
Operating expenses	5.32	452	452	448	448
BoG - cash settlement	5.33	43	58	0	0
Other expenses	5.34	60	136	92	89
Total operating expenses		**16,953**	**16,953**	**8,623**	**8,620**
Re-invoiced expenses	5.35	1,021	1,021	969	969
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.36	755	755	64	64
Provisions for bad debts		400	647	400	803
Total operating expenses, including new activities		**19,129**	**19,376**	**10,056**	**10,456**
Earnings before Interest, Taxes, Depreciation & Amortization(EBITDA)		**26,004**	**25,758**	**11,532**	**10,983**
Depreciation		(1,800)	(1,800)	(793)	(793)
Earnings Before Interest and Taxes (EBIT)		**24,204**	**23,958**	**10,739**	**10,190**
Capital income	5.43	3,703	3,703	3,083	3,083
Impairment provision-financial assets available for sale		(246)	0	(549)	0
Financial expenses	5.43	(8)	(8)	(5)	(5)
Earnings Before Tax (EBT)		**27,653**	**27,653**	**13,268**	**13,268**
Income tax	5.51	(6,640)	(6,640)	(2,940)	(2,940)
Profits after tax		**21,013**	**21,013**	**10,328**	**10,328**

For reasons of comparison, the balance on 31.12.2014 of the third party cash balance in ATHEXClear bank account has been modified, in order to include the margins on 31.12.2014 for the cash market that were placed in commercial bank accounts. Thus, in the Statement of Financial Position of ATHEXClear and the Group on 31.12.2014, the abovementioned account showed a balance of €102,056 thousand (notes 5.44 & 5.50), and on 31.122015 this amount was modified in both Assets and Liabilities. As a result, the new amount on 31.12.2014 changed to €395,110 thousand.

The “Non-recurring expenses” that were published in the Statement of Comprehensive Income in 2014 were renamed “Provisions for bad debts” in the Statement of Comprehensive Income in 2015.

(Amounts in thousand euro unless otherwise noted) 66

5.3. Basic Accounting Principles

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

5.3.1. Basis for consolidation

(a) Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Group and its subsidiaries. Subsidiaries are all companies (including special purpose vehicles) whose operation the Group controls. The Group controls a company when it is exposed to, or has rights to, various returns of the company due to its participation in it, and has the ability to affect these returns through its power over the company.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease being consolidated from the date that this control no longer exists.

The Group is using the acquisition method to account for business combinations. The acquisition price for a subsidiary is calculated as the total of the fair values of the assets transferred, liabilities assumed and participation titles issued by the Group. The consideration of the transaction also includes the fair value of the assets or liabilities that arise from a contingent consideration agreement.

In a business combination the costs related to the acquisition are expensed. The identifiable assets acquired, the liabilities and contingent liabilities are measured at fair value on the acquisition date. In case of a non-controlling participation, the Group either recognizes it at fair value, or at the equity share value of the company acquired.

If an acquisition takes place in stages, the book value of the assets of the company that is acquired and possessed by the Group on the acquisition date is revalued at fair value. The profit or loss from the revaluation at fair value is recognized in the profit and loss statement.

Each contingent consideration provided by the Group is recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration, which is considered an asset or a liability, is recognized either in accordance with IAS 39, in the profit and loss statement, or as a change in other comprehensive income. The contingent consideration that is classified as an asset is not revalued and subsequent arrangements take place in equity.

Goodwill initially recognized in the acquisition cost is the excess amount from the total consideration that was paid and the amount recognized as a non-controlling participation, against the net assets that were acquired and the liabilities assumed. Provided that the fair value of assets is greater than the total consideration, the profit from the transaction is recognized in the Statement of Comprehensive Income.

Following the initial recognition, goodwill is measured at cost minus accumulated impairment losses. For the purposes of an impairment test, goodwill created from company acquisitions, is distributed after the acquisition date to each cash generating unit of the Group that is expected to benefit from the acquisition, independent on whether the assets or liabilities of the acquired firm are transferred to that unit.

If goodwill is allocated to a cash generating unit and part of the activity of that unit is sold, the goodwill associated with that part of the activity is included in the book value when determining profit and loss from the sale. In that case, the goodwill sold is calculated based on the relative values of the activity sold and the part of the cash flow generating unit that is maintained.

Any losses are distributed to non-controlling participations, even if the balance becomes negative.

In the Statement of Financial Position of the Company, investments in subsidiaries are shown at the acquisition value less any impairment losses. The acquisition value is adjusted in order to incorporate the changes in the consideration from the changes in the contingent consideration.

The financial statements of the subsidiaries are prepared on the same date and use the same accounting principles as the parent Company. Intra-group transactions, balance and accrued profits/ losses in transactions between the companies of the Group are eliminated.

(b) Changes in the participation in subsidiaries without change in control

Transactions with non-controlling participations that result in control of a subsidiary by the Group being maintained are considered equity transactions, i.e. transactions between owners. The difference between the fair value of the paid consideration and the part of the book value of the net assets of the subsidiary company that has been acquired is also recognized in equity.

(c) Sale of subsidiaries

When the Group ceases to control a subsidiary company, and provided that it continues to maintain a participation in it, then the participation is recalculated at fair value at the time when control ceases and any subsequent change in book value is recognized in the results. For accounting purposes the fair value is the initial current value of the remaining participation in the associate company, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income concerning that company, is accounted using the same method that the Group would have used in case the assets or liabilities had been liquidated. This may mean that amounts previously recognized in other comprehensive income are reclassified in the results for the fiscal year.

5.3.2. Conversion of foreign currencies

Functional and presentation currency

The data in the Financial Statements of the companies of the Group are measured in the currency of the financial environment in which each company functions (functional currency). The consolidated Financial Statements are presented in euro, the functional currency of the parent company.

Transactions and balances

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

5.3.3. Tangible assets

Investments in real estate

Investments in real estate are those assets which are owned either for rental income or for capital gains or both. Plots of land and buildings are the only investments considered investments in real estate.

Investments in real estate are initially measured at cost. Initial cost includes transaction expenses: professional and legal expenses, transfer tax and other direct costs.

After the initial measurement investments in real estate are measured at acquisition cost minus accumulated depreciation and any provisions of impairment of their value.

Transfers to investments in real estate only take place when the purpose of their use changes, as demonstrated with the end of their use, the start of a long term financial lease to third parties or the completion of their construction or development. Transfers from investments in real estate only take place when there is a change in use, as demonstrated by the start of their use by the Group or the start of development with the intent to sell.

For a transfer from investments in real estate that is presented at the true cost to owner-occupied property, the cost of the property for subsequent accounting treatment (in accordance with IAS 16), is the acquisition cost minus accumulated depreciation.

Depreciation of investments in real estate (except plots of land which are not depreciated) is calculated using the straight line method for the duration of their useful life, which is estimated at 25 years.

The useful life of investments in real estate and their salvage values are revised annually. When the book value of investments in real estate exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

Due to the continuing economic crisis in the country, and the resulting drop in the value of plots of land and buildings, the Group decided to assign the study of determining the market value of the properties of the Group, in accordance with IFRS, to independent recognized estimators. The study was completed and turned over at the beginning of March 2016; however the Group adjusted the value of its properties on 31.12.2015 in line with the results of the study, in order record on the balance sheet of 31.12.2015 the fair value of the properties.

Tangible assets for own use

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

Due to the continuing economic crisis in the country, and the resulting drop in the value of plots of land and buildings, the Group decided to assign the study of determining the market value of the properties of the Group, in accordance with IFRS, to independent recognized estimators. The study was completed and turned over at the beginning of March 2016; however the Group adjusted the value of its properties on 31.12.2015 in line with the results of the study, in order record on the balance sheet of 31.12.2015 the fair value of the properties.

Even though the estimation report did not reveal a significant total discrepancy with the book value of the properties at the Group level, as recorded in the accounts, it did show significant deviations at the company level, in particular buildings, as well as significant value differences between the plots of land and the buildings at those properties. As a result, it may be noted that the estimate significantly reduces the value of the plots of land at the Group level, and increases the value of the buildings. As a result, in the years to follow, the Group will be obliged to record increased depreciation levels.

Note 5.38 reports the estimates of the commercial value of the real estate of the Group, as calculated in the Report of the independent real estate estimators that was presented to the Group at the beginning of March 2016.

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

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

Later expenses are recognized as an increase in the book value of the tangible fixed assets or as a separate asset only to the extent that these expenses increase the future financial benefits expected to flow in from the use of the fixed asset, provided that the cost can be reliably measured.

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

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

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

	Useful life until 31.12.2012	Useful life after 1.1.2013	Useful life after 1.1.2014
Buildings and construction	20 years	25 years	25 years ή 4%
Machinery	5-6 years	5 years	5 years ή 20%
Means of transportation	5-6 years	10 years	6.25 years ή 16%
Other equipment	3-10 years	10 years	5-10 years ή 20-10%

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

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

5.3.4. Intangible assets

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

5.3.5. Impairment of non-financial assets

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

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

The Group carries out a study of the fair value of the properties in its possession on a regular basis. The last valuation report on the real estate of the Group by independent estimators was received on 11.3.2016.

5.3.6. Financial instruments

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

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

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

(Amounts in thousand euro unless otherwise noted) 70

For the Group, securities were initially characterized as securities available for sale. Therefore, they were classified under IAS 39 "Financial Instruments valued at fair value through the Statement of Comprehensive Income" and their valuation was at their fair value while the profits or losses from the valuation are recognized in the results of the period.

The estimated profits or losses that arise from the changes in the fair value of the securities that are classified in the available for sale portfolio are recognized in a special reserve in equity. When the securities from the available-for-sale portfolio are sold, the corresponding accumulated profits/losses are transferred from the special reserve to the corresponding accounts in the Statement of Comprehensive Income.

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

Financial assets valued at fair value through comprehensive income ("Income Statement")

This category includes two subcategories: the financial assets for sale, and those that have been classified as investments at fair value through comprehensive income, when initially recognized. A financial asset is classified in this category, mainly when it is acquired with the aim of being sold in the short term or when it is classified as such. Furthermore, derivative products for sale are classified in this category, unless they are classified as hedging instruments.

Loans and claims

Includes non-derivative financial assets with fixed or predetermined payments, which are not traded in an active market, and which are not intended for sale. They are included in Current Assets unless their maturity is longer than 12 months from the date of the Financial Statements.

Financial claims and financial liabilities in the statement of financial position include cash and cash equivalents, third party balances in ATHEXClear bank account, securities, other claims, participations, short and long term liabilities.

Investments held to maturity

This category includes non-derivative financial assets with fixed or predetermined payments and a specific expiration, which the Group intends and is able to hold to maturity. The Group did not possess financial assets of this category during the fiscal year.

Available-for-sale financial assets

This category includes non-derivative financial assets that are either classified in this category, or cannot be classified in one of the abovementioned categories. They are included in non-current assets if 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 at fair value through the Statement of Comprehensive Income, held until maturity and available-for-sale, are recorded on the transaction date, i.e. the date during which the Group commits to purchase or sell the asset. Loans are recognized when cash is dispersed to the borrower. Financial assets that are not recognized at fair value through comprehensive income are initially recognized at fair value plus transaction costs. Financial assets stop being recognized when the right to collect their cash flows expires or when the Group has effectively transferred the risks and returns or rewards that ownership entails.

Investment titles available-for-sale and financial assets at fair value through the Statement of Comprehensive Income are valued and presented at fair value in future periods as well. Loans and advance payments, as well as investments held until maturity, are presented at their book value with the real interest rate method. Profits and losses from changes in the fair value in the category "financial assets at fair value through the Statement of Comprehensive Income" 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 recognized directly to Other Comprehensive Income, until the financial asset is no longer recognized or is impaired, in which case the accumulated profit or loss, which was up until then recognized directly to equity, is transferred to the Statement of Comprehensive Income. Interest however from those assets which is calculated based on the real interest rate method, is recognized in the Statement of Comprehensive Income. Dividends from financial assets available-for-sale are recognized in the Statement of Comprehensive Income when the right to collect the dividend is approved by the shareholders.

The fair value of investments that are traded in active markets, is determined by the current exchange ask prices. The fair value of non-listed securities, and other financial assets in cases when the market is not active, is determined using valuation methods. These methods include the use of recent transactions 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.

5.3.7. Offsetting claims – liabilities

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

5.3.8. Investments in subsidiaries (Company financial statements)

In the Financial Statements of the Parent Company, subsidiary companies are shown at the acquisition cost minus any impairment provisions.

Impairment losses are recognized in the Statement of Comprehensive Income.

5.3.9. Other long term claims

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

5.3.10. Clients and other trade receivables

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

It is the policy of the Group almost never to write-off any such claims until all possible legal recourse for their collection has been exhausted. Commercial and other short term client claims and debtors are usually settled by the Group and the Company within 90 days, while if they become past due, no late payment fees are charged to clients.

5.3.11. Cash and cash equivalents

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

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

5.3.12. Third party balances in ATHEXClear bank accounts

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

Therefore its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains at the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2015. In the Statement of Financial Position of 31.12.2015, they are reported as equal amounts in both current assets and short term liabilities as "third party balances at the bank account of the company" and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear at the BoG on 31.12.2015 and 31.12.2014 respectively.

5.3.13. Share Capital

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

5.3.14. Current and deferred income tax

Current and deferred tax are calculated based on the Financial Statements of each of the companies that are included in the Consolidated 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 tax rate is determined using the liability method and arises from the temporary differences between the book value and the tax basis of the assets and liabilities.

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

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

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

A deferred income tax is determined on the temporary differences that arise from investments in subsidiaries and associated companies, with the exception of the case when 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.

5.3.15. Employee benefits

Current benefits

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

Staff retirement obligations

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

Defined contribution plan

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

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

Defined benefits plan

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

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

The commitment to the defined benefit is calculated on an annual basis by an independent actuary using the projected unit credit method. For discounting, the interest of the iBoxx bond index, issued by the International Index Companym is used.

The actuarial profits or losses that arise from the adjustments based on historical data are directly recognized in Other Comprehensive Income as they occur (note 5.23).

Stock Option Plans for employees

The Group had in the past stock option plans for certain executives. Through these options, part of the remuneration is paid with ATHEX shares or options on ATHEX shares. The cost of these transactions is set as the fair value of the shares on the date these plans are approved by management.

Fair value is arrived at through a valuation model that is appropriate for similar cases. The cost of the stock option plans is recognized during the period, in which the prerequisites for exercising the relevant options are gradually satisfied, with that period ending on the date which the executives participating in the plan establish their right to receive/ purchase the shares (vesting date). For options which do not ultimately vest, no such expense is recognized, except for options whose vesting depends on the fulfillment of specific, external market conditions. It is assumed that these options vest when all the performance criteria have been satisfied, irrespective of the satisfaction of the external market conditions.

If any of these plans are cancelled, they are treated as if they had vested on the cancellation date, and expenses not yet recognized are recognized immediately in the period results. If a plan being cancelled is replaced by a new program, it is treated as a modification of the cancelled plan.

5.3.16. Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Group will comply with the terms and conditions that have been set for their payment. When government grants are related to an asset, the fair value is recorded in long term liabilities as deferred revenue and is transferred to the Statement of Comprehensive Income in equal annual installments based on the expected useful life of the relevant asset that was subsidized. When the grant is related to an expense, it is recognized as revenue in the fiscal year required in order for the grant to correspond on a systematic basis to the expenses it is intended to compensate. Grant depreciation is recorded in “Other Revenue” in the Statement of Comprehensive Income.

5.3.17. Provisions and contingent liabilities

Provisions are recognized when:

- the Group has a current commitment (legal or inferred) as a result of a past event;

- it is likely that an outflow of resources incorporating financial benefits will be required to settle the commitment and it is possible to reliably estimate the amount of the commitment.

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

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

5.3.18. Revenue Recognition

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

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

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

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

Revenue from derivatives products

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

Revenue from Members (fees)

The trading and clearing fee of the transactions in the Cash Market, takes place on the next day following the settlement date or on the third working day of the following month, provided that the member submits such request. Fee payment for the Derivatives Market takes place on the date following the settlement date. For both Cash and Derivatives Market invoicing takes place on a monthly basis.

Revenue from listed companies

Revenue concerning subscriptions, one-off fees, company listings, rights issues, and HERMES System services, are recognized at the time the relevant invoices are issued, in conjunction with the time the service provided is completed. Subscriptions are prepaid.

Revenue from market data vendors

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

Technological support services

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

Other services

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

Interest income

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

Dividends

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

5.3.19. Commercial and other liabilities

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

5.3.20. Expenses

Expenses are recognized in the Statements of Comprehensive income on an accrued basis.

Dividend distribution

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

5.3.21. Profits / (losses) per share

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

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

5.3.22. Research and development

Expenditures for research activities that take place with the intention of the Group to acquire new technical knowledge and expertise are recognized in the Statement of Comprehensive Income as an expense when they occur. Development activities presuppose the drafting of a study or a plan for the production of new or significantly improved products, services and processes. Development costs are capitalized only when the cost of development can be reliably measured, the product or the process are productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, and at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

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

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

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

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

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

5.3.23. New standards, modified standards and interpretations

A) Changes in accounting policy and disclosures

The accounting policies that have been adopted are consistent with those that had been adopted during the previous fiscal year, except for the modified standard listed below which the Company adopted on January 1st 2015.

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its 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 effect on the financial statements of the Group and the Company are described below:

- **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.

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

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**

  The amendment is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies the principle in *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

- **IAS 19 Defined Benefit Plans (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. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

- **IFRS 9 Financial Instruments: Classification and Measurement**

  The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of *IFRS 9 Financial Instruments* 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 amendment has not yet been endorsed by the EU. Management of the Group will examine and assess the possible impact of the amendment in 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. Management of the Group will examine and assess the possible impact of the amendment in 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 standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. Management of the Group will examine and assess the possible impact of the amendment in 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. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 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. Management of the Group will examine and assess the possible impact of the amendment in 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. These amendments have not yet been endorsed by the EU. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

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

  The amendments to IAS 1 *Presentation of Financial Statements* further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. Management of the Group will examine and assess the possible impact of the amendment in 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. Management of the Group will examine and assess the possible impact of the amendment in 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 judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- ***IFRS 13 Fair Value Measurement:*** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
- ***IAS 16 Property Plant & Equipment:*** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- ***IAS 24 Related Party Disclosures:*** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

- ***IAS 38 Intangible Assets:*** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The **IASB has issued the Annual Improvements to IFRSs 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. Management of the Group will examine and assess the possible impact of the amendment in 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.
- ***IAS 19 Employee Benefits***: The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- ***IAS 34 Interim Financial Reporting:*** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

- **IFRS 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 been yet endorsed by the EU. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

- **IAS 12 Income taxes (Amendments): Recognition of Deferred Tax Assets for Unrealised 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. Management of the Group will examine and assess the possible impact of the amendment in 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 earlier 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. Management of the Group will examine and assess the possible impact of the amendment in the financial statements.

5.4. Risk Management

General – Risk management environment

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

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

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

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

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

Risk Strategy and Risk Management

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

Organizational structure

In 2015 risk management continued to be strengthened and restructured, especially for ATHEXClear, in order to be harmonized with the EMIR Regulation. In particular, beyond the specific measures for the smooth operation of the systems of the Group, each organizational unit of the Group is responsible to monitor and manage possible risks in such a way so as to react quickly and effectively in case risk events arise.

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

- Board of Directors, which has the final say and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors appoints, determines and documents the appropriate level of risk tolerance and ability of the company to assume risk. In addition, the BoD and senior management ensure that the policies, processes and audits of the company are consistent with the risk tolerance level and the ability of the company to assume risk, and examine ways through which the company recognizes, reports, monitors and manages risks.
- Risk Committee, which advises and proposes to the Board of Directors on matters of risk management.

- **Investments Committee**, which decides on defining the limits and monitors liquidity risk, determines policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and management.
- **Risk Management Department**, of the Risk Management & Clearing Division of ATHEXClear, which is sufficiently independent from other departments of the company, and whose main duty is the comprehensive approach to risks that ATHEXClear faces, in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the required jurisdiction, the necessary means, know-how and access to all relevant information.
- **Chief Risk Officer**, heading the Risk Management Department, who reports to the Board of Directors on matters of risk management through the Chairman of the Risk Committee, and applies the risk management framework through the policies and procedures that the Board of Directors enacts.

Unified risk management

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

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

Risk categories

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

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

Financial Risk

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

Operating risk

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

Business risk

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

Capital risk

The risk that the companies of the Group do not maintain adequate capital to cover their obligations.

Description of categories and main risk factors

Market risk

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

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

Interest rate / Price risk: The Group is exposed to the risk that the value of the securities it holds changes. On 31.12.2015 the Group held (through Hellenic Exchanges – Athens Stock Exchange) shares in Piraeus Bank that resulted from the exchange of a Piraeus Bank bond with a face value of €4,000,000 for shares of an equal amount that were issued during the recent recapitalization of the bank. In particular, it received 13,365,316 shares with a par value of €0.30 per share. The market price of these shares on 31.12.2015 was €0.278, and as a result there is a valuation loss of €294 thousand which was transferred to equity in accordance with IAS 39. If the price of the stock deviates by more than 10 basis points on 31.12.2015 (from €0.278 to €0.278278) the valuation difference revenue would change by ±€4 thousand.

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.

Credit counterparty risk

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

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

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

Both for the cash market, as well as for the derivatives market, ATHEXClear clears trades assuming the role of Central Counterparty. In order to cover the risk against its clearing members, ATHEXClear monitors and calculates on a daily basis 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, fulfillment of which is monitored in real time during the trading session. The minimum size of the Clearing Funds is recalculated at least every month, in accordance with the provisions of the Rulebook, in order for its size to be adequate to cover at any time the obligations imposed by EMIR, that is the absorption of losses beyond the safety margins in case of a default of a group of clearing members under extreme market conditions.

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

Liquidity risk

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

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

The liquidity available to ATHEXClear is monitored on a daily base as to the criteria imposed by EMIR, and under extreme but possible scenario, i.e. the existence of the required level of liquidity that will be necessary to close-out the positions of two (2) groups of clearing members with the greatest exposure to credit risk under extreme market condition, separately for each market (equities, derivatives). In addition, the overall liquidity needs 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 from systems, internal procedures or human failure. In particular, it is recognized that operating risk may arise among others because of: outsourcing, surveillance and regulatory non-compliance, business continuity failure, IT systems, information security and project implementation risk.

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

In 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. No large damages or monetary demands due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition no losses due to external events were faced.

Measures to reduce operating risk

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

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

The most important measures are the implementation of a business continuity plan, the taking-out of insurance contracts as well as measures for ensuring compliance to new regulations. In addition, ATHEXClear carries out an RCSA[3] on a regular basis in order to categorize risk and determine KRIs, update the damages database (loss data base[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:

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

Insurance contracts

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

Regulatory compliance

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

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

Specifically for ATHEXClear, in 2015, through the implementation appropriate measures and the development of procedures and systems, policies were implemented concerning conflicts of interest, outsourcing, managing complaints by clearing members, remuneration of personnel, executives and members of the BoD and management of its archives, in accordance with the requirements of the EMIR Regulation.

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

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

Business risk

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

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

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

Capital risk

Capital risk refers to the risk that the Companies of the Group do not maintain adequate funds to cover their obligations. This risk includes the risk of an increase in capital requirements by the regulatory agencies, or the erosion of existing equity.

Funds are distributed in a specific way, and are therefore at risk of being reduced before the assets of clearing members, in case of default of a clearing member or a counterparty-investor. In addition, funds may be at risk in case of operating losses above the amount for which there is insurance coverage.

Approaching risk management

In accordance with the EMIR regulation, in case of default a clearing house must use a default waterfall in order to cover the losses, by initially using the margin of the defaulting member, then the account of that same member in the Clearing Fund. ATHEXClear is obliged to use own resources, as determined in the calculation of total capital requirements, before it uses the contributions of non-defaulting members. In accordance with the calculation on 31.12.2015, total capital requirements amounted to 35.7% of the total capital maintained by ATHEXClear.

Capital requirements are comprised of the individual measurement of the capital requirements for the following risks (see 5.43):

- Operating risk
- Risk of cessation of operation
- Business risk
- Credit risk
- Counterparty risk
- Market risk
- Exchange rate risk

5.5. Adjustment of ATHEXClear to the EMIR Regulation

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

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

The main goals of EMIR are to:

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

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

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

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

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

Risk management procedures in the Derivatives System

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

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

Setting up a Risk Committee

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

Investment policy approval

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

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

- Cash– own assets
- Cash – capital requirements

- Cash of the Clearing Fund for derivatives and equities as well as member margins

The core principles are:

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

Hellenic Capital Market Commission grants ATHEXClear a license to operate

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

1. Grant a license to operate a central counterparty system in accordance with Regulation (EU) 648/2012 of the European Parliament and Council for OTC derivatives, central counterparties and trade repositories, to ATHENS EXCHANGE CLEARING HOUSE (ATHEXClear) to carry out the following clearing activities:
    - Clearing transactions in transferrable securities
    - Clearing transactions in derivatives
    - Clearing transactions in financing securities
2. Approve the Regulation for the operation of a Central Counterparty System with the title “Regulation of Clearing of Transferable Securities Transactions in Book Entry Form” which is included in the minutes of meeting number 103 of the BoD of the company dated 28.07.2014.

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

5.6. Capital Management

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

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

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Suppliers and other commercial liabilities	13,245	9,213	2,880	2,920
Other long term liabilities	87	111	50	50
Other short term liabilities	775	675	554	446
Less Cash and cash equivalents	(137,235)	(151,551)	(89,174)	(96,057)
Net borrowing (a)	**(123,128)**	**(141,552)**	**(85,690)**	**(92,641)**
Shareholder equity (b)	177,900	189,208	163,886	171,412
Equity and net borrowing (a + b)	**54,772**	**47,656**	**78,196**	**78,771**
Borrowing leverage index (a/(a+b))	**(2.25)**	**(2.97)**	**(1.10)**	**(1.18)**

5.7. Segment Information

In accordance with the provisions of IFRS 8, the determination of operating segments is based on a "management approach." Based on this approach, the information that is disclosed for operating segments must be that which is based on internal organizational and managerial structures of the Group and the Company, and in the main accounts of the internal financial reports that are being provided to the chief operating decision makers.

An **operating segment** is defined as a group of assets and operations exploited in order to provide products and services, each of which has different risks and returns from other business sectors. For the Group, the main interest in financial information focuses on operating segments since the company's electronic systems – located at its headquarters - are at the disposal of investors irrespective of their physical location.

On December 31st 2015 the core activities of the Group broken down by business sector were as follows:

GROUP	Segment information on 31.12.2015									
	Trading	Clearing	Settlement	Data feed	IT	Exchange services	Depository services	Clearinghouse services	Other*	Total
Revenue	5,691	11,078	1,587	3,354	306	5,892	3,211	168	3,748	35,035
Capital income	252	491	70	149	14	261	142	7	168	1,554
Expenses	(3,422)	(6,661)	(954)	(2,017)	(184)	(3,543)	(1,931)	(101)	(2,253)	(21,066)
Depreciation	(337)	(655)	(94)	(198)	(18)	(349)	(190)	(10)	(222)	(2,073)
Taxes	(717)	(1,395)	(200)	(422)	(39)	(742)	(404)	(21)	(472)	(4,412)
Profit after tax	**1,467**	**2,858**	**409**	**866**	**79**	**1,519**	**828**	**43**	**969**	**9,038**
Assets	5,122	9,970	1,428	3,019	275	5,303	2,890	151	3,373	31,531
Cash and cash equivalents	22,292	43,393	6,216	13,138	1,199	23,079	12,578	658	14,681	137,235
Other assets	77,333	150,536	21,565	45,577	4,158	80,065	43,633	2,283	50,932	476,081
Total assets	**104,747**	**203,899**	**29,209**	**61,734**	**5,632**	**108,447**	**59,101**	**3,092**	**68,986**	**644,847**
Total liabilities	**75,850**	**147,648**	**21,152**	**44,702**	**4,078**	**78,529**	**42,796**	**2,239**	**49,953**	**466,947**

(Amounts in thousand euro unless otherwise noted) 89

GROUP	Segment information on 31.12.2014 **									
	Trading	Clearing	Settlement	Data feed	IT	Exchange services	Depository services	Clearinghouse services	Other*	Total
Revenue	9,336	17,563	1,964	3,627	1,967	6,924	3,792	296	1,820	47,289
Capital income	731	1,375	154	284	154	542	297	23	142	3,703
Expenses	(4,252)	(8,000)	(895)	(1,652)	(896)	(3,154)	(1,727)	(135)	(828)	(21,539)
Depreciation	(355)	(669)	(75)	(138)	(75)	(264)	(144)	(11)	(69)	(1,800)
Taxes	(1,311)	(2,466)	(276)	(509)	(276)	(972)	(532)	(42)	(256)	(6,640)
Profit after tax	**4,149**	**7,803**	**872**	**1,612**	**874**	**3,076**	**1,686**	**131**	**809**	**21,013**
Assets	6,233	11,725	1,311	2,421	1,313	4,622	2,532	198	1,215	31,570
Cash and cash equivalents	29,920	56,286	6,294	11,624	6,304	22,190	12,153	949	5,831	151,551
Other assets	82,988	156,119	17,458	32,241	17,485	61,548	33,707	2,631	16,178	420,355
Total assets	**119,141**	**224,130**	**25,063**	**46,286**	**25,102**	**88,360**	**48,392**	**3,778**	**23,224**	**603,476**
Total liabilities	**81,787**	**153,858**	**17,205**	**31,774**	**17,232**	**60,657**	**33,219**	**2,593**	**15,943**	**414,268**

The distribution of expenses was made based on fixed distribution percentages for each business sector.

* In revenue it includes: revenue from re-invoiced expenses, X-NET revenue from other services.

** These amounts differ from those in the published financial statements of 31.12.2014.

5.8. Capital Market and fiscal year results

Capital Market

The Athens Exchange General Index closed on 31.12.2015 at 631.35 points, reduced by 23.6% from the 826.18 points at the end of 2014. This close is the lowest since July 2012 (31.7.2012: 598.7 points), and 1989 on an annual basis (29.12.1989: 459.43 points). The average capitalization of the market was €43.8bn, reduced by 36.9% (€25.6bn) compared to 2014 (€69.4bn).

The total value of transactions (€19.1bn) is significantly lower, by 39.3%, compared to 2014 (€31.5), and was negatively affected by the closing of the market for 25 working days – the last 2 days in June and all of July – due to the bank holiday and the imposition of capital controls. Even though the Exchange opened again on 3.8.2015, the restrictions on share purchases by Greek investors remained in effect until 9.12.2015, thus negatively impacting trading activity. The average daily value of transactions in 2015 was €85.7m compared to €127.1m in 2014, reduced by 32.6%.

In the derivatives market, the 51% drop in the average revenue per contract (2015: €0.175, 2014: €0.357), due to the drop in the prices in the underlying securities, more than covered the 26.76%increase in trading activity (15.30m contracts) compared to 2014 (12.072m contracts). The average daily volume increased by 40.7% in2015 (68.5 thousand contracts) compared to 2014 (48.7 thousand).

Fiscal year 2015 results

Turnover in fiscal year 2015 for the Athens Exchange Group amounted to €35.0m compared to €47.3m in fiscal year 2014, posting a 25.9% drop. 52% of the turnover of the Group in fiscal year 2015 was from fees on trading, clearing and settlement of transaction on the Athens Exchange.

At the EBITDA level, fiscal year 2015 was at €14.95m compared to €26.0m in 2014, reduced by 42.5%.

The reduction in the bottom line is due to the 32.6% drop in the average daily traded value, to €85.7m vs. €127.1m last year, the reduction in the number of corporate actions due to the concern on the part of investors as a result of the economic crisis in Greece, the payment of the capital concentration tax for the recent rights issue of the Athens Exchange (capitalization of share premium), the revaluation losses on the properties of the Group, as well as the derecognition and replacement of the Piraeus Bank bond with shares of the Bank issued at the recent recapitalization.

(Amounts in thousand euro unless otherwise noted) 90

The earnings before interest and taxes (EBIT) for fiscal year 2015 amounted to €12.9m vs. €24.2m in 2014, reduced by 46.8%.

Following the subtraction of €4.4m in income tax, the net after tax profits of the Athens Exchange Group amounted to €9.0m vs. €21.0m, reduced by 57%. If other comprehensive income is included (share valuation loss and profit from actuarial provision), net after tax profits amount to €8.95m, corresponding to fourteen cents (€0.14) per share against thirty three cents (€0.33) per share in 2014, reduced by 58%.

It should be noted that the income tax rate used by the Group is 29%, as this is the tax rate that is effective for fiscal year 2015 (Law 4334/2015).

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, the net after tax profits amounted to €12.9m in fiscal year 2015 compared to €10.3m in fiscal year 2014, increased by 24.7%. It should be noted that the net profits of the parent company in fiscal year 2015 benefited from the collection of the dividend in the amount of €9.1m paid by ATHEXCSD that was paid in June 2015.

Excluding the dividend, turnover dropped by approximately €4.0m, due to the reduction in trading revenue. The Company was burdened by the €1.1m revaluation loss in the value of the real estate in its possession.

Significant events

- The 14th Annual General Meeting of Athens Exchange shareholders on 20.5.2015 decided to distribute dividend amounting to €0.21 per share or €13,727,398.20 in total for fiscal year 2014. The dividend was paid on 4.6.2015.
- The 1st Repetitive General Meeting of 3.6.2015 decided to return capital of €0.11 per share, or €7,190,541.93 in total. The capital return was paid on 13.08.2015.
- The Emergency Decree (Government Gazette A' 65/28.6.2015), based on which starting on 29.6.2015 a "short term bank holiday" went into effect, resulted in the closure of the Athens Exchange from 26.06 to 03.08.2015. Capital controls remained in effect until 09.12.2015, when they were abolished for transactions on the exchange.
- Law 4334/2015 increases the corporate income tax rate from 26% to 29%, and the income tax prepayment from 80% to 100%. The Group used the 29% rate to calculate income tax for 2015.
- The Group assigned the estimation of the commercial value of the real estate assets of the Group to an independent estimator. Despite the fact that the estimations were received at the beginning of March 2016, they are included in the results for fiscal year 2015, on which there was a charge of €399 thousand.
- Following on the proposal of Piraeus Bank, the Athens Exchange liquidated the Piraeus Bank bond in its portfolio having a par value of €4,000,000, replacing it with an equal value of Piraeus Bank shares that were issued during the recent recapitalization. In particular, it owns 13,365,316 shares of Piraeus Bank with a par value of €0.30 per share. The bond liquidation resulted in a loss of €207 thousand, from the settlement of an old deferred tax claim that was recorded in the results of fiscal year 2015. The valuation of the Piraeus Bank shares on 31.12.2015 resulted in a loss of €294 thousand, which, in accordance with IAS 39, was recorded in Other Comprehensive Income.

5.9. Trading

Total revenue from trading in 2015 amounted to €5.69m vs. €9.34m in the corresponding period last year, a 39.0% reduction. Revenue is broken down in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Shares	4,862	8,060	4,860	8,060
Derivatives	826	1,274	826	1,274
ETFs	3	2	3	2
Total	**5,691**	**9,336**	**5,689**	**9,336**

Revenue from stock trading amounted to €4.9m vs. €8.1m in 2014, decreased by 39.7%. This drop is due to the decrease in trading activity in the second half of 2015, due to the concern by investors about the deepening economic crisis in the country, the imposition of capital controls and the bank holiday from 26.06 to 03.08.2015.

In 2015 the total traded value in the cash market was €19.11bn compared to €31.51bn in 2014, decreased by 39.4%. The average daily traded value was €85.7m vs. €127.1m in 2014, decreased by 32.6%.

The average daily volume in 2015 was 192.9m shares vs. 95.2m shares in 2014, a 102.6% increase.

In the derivatives market, despite that significant increase in the volume traded by 40.7% (the average daily number of contracts increased to 68.5 thousand vs. 48.7 thousand in 2014), revenue from trading amounted to €0.8m compared to €1.3m in 2014, reduced by 38.5% due to the reduction in the average revenue per contract by 51% (to €0.175 in 2015 from €0.357 in 2014).

5.10. Clearing

Revenue from clearing amounted to €11.08 m. vs. €17.56 m. in 2014, a 36.9% decrease, and is broken down in the following table:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Shares	7.501	12.620	0	0
Derivatives	1.935	2.974	0	0
ETFs	3	6	0	0
Transfers - Allocations (Special settlement instruction)	609	775	0	0
Trade notification instructions	1.028	1.188	0	0
Total	**11.078**	**17.563**	**0**	**0**

Revenue from stock clearing, which consists of revenue from the organized market and the Common Platform, amounted to €7.5m, a 40.1% decrease compared to 2014.

In 2015 the total traded value in the cash market was €19.11bn compared to €31.51bn in 2014, decreased by 39.4%. The average daily traded value was €85.7m vs. €127.1m in 2014, decreased by 32.6%.

In the derivatives market, despite that significant increase in the volume traded by 40.7% (the average daily number of contracts increased to 68.5 thousand vs. 48.7 thousand in 2014), revenue from clearing amounted to €1.9m compared to €3.0m in 2014, reduced by 34.9% due to the reduction in the average revenue per contract by 51% (to €0.175 in 2015 from €0.357 in 2014).

Revenue from transfers – allocations amounted to €609 thousand, decreased by 21.46% compared to 2014, while trade notification instructions amounted to €1.03m, decreased by 13.5%.

(Amounts in thousand euro unless otherwise noted) 92

5.11. Settlement

Revenue from settlement amounted to €1.59m vs. €1.96m in 2014, a 19.2% reduction, and is broken down in the following table:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Off-exchange transfers OTC (1)	1,548	1,921	0	0
Off-exchange transfers (2)	36	41	0	0
Rectification trades	3	2	0	0
Total	**1,587**	**1,964**	**0**	**0**

(1) Over the counter transactions through DSS operators.

(2) Over the counter transfers, public offers, donations.

5.12. Exchange services

This category includes revenue from issuers for quarterly subscriptions and rights issues from ATHEX listed companies, as well as quarterly ATHEX member subscriptions in the cash and derivatives markets.

Revenue from this category in 2015 amounted to €5.89m vs. €6.9m in 2014, posting a 14.9% reduction.

It is analyzed in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Rights issues by listed companies (1)	3,208	2,363	3,208	2,363
Quarterly subscriptions by listed companies (2)	2,078	2,737	2,078	2,737
Member subscriptions (3)	582	1,252	582	1,252
IPO'S (4)	0	358	0	358
Revenue from emission allowance auctions	0	183	0	0
Bonds - Greek government securities	0	8	0	8
Subscriptions of ENA company advisors	0	8	0	8
Other services (Issuers)	24	15	24	16
Total	**5,892**	**6,924**	**5,892**	**6,742**

(1) Fees on rights issues by listed companies amounted to €3.2m (NBG - €681 thousand; PIRAEUS BANK - €663 thousand; ALPHA BANK - €653 thousand; EUROBANK - €522 thousand; NBG PANGEA - €362 thousand; BANK OF CYPRUS - €205 thousand; ATTICA BANK - €36 thousand; NIREUS - €27 thousand; SELONTA - €25 thousand; MIG - €15 thousand et al.) vs. €2.4m (EUROBANK - €729 thousand; NBG - €638 thousand; PIRAEUS BANK - €450 thousand; ALPHA BANK - €313 thousand; EUROBANK PROPERTIES - €61 thousand; LAMDA - €50 thousand; ATHENA ATE - €17 thousand; MINOAN LINES - €15 thousand; FORTHNET - €15 thousand et al.) in the corresponding period last year, increased by 33.3%.

(2) Revenue from listed company subscriptions amounted in €2.1m in 2015 vs. €2.7m in 2014, decreased by 24.1% due to the drop in the market capitalization of listed companies.

(3) Revenue from member subscriptions, which depends on members' annual trading activity, amounted to €546 thousand in 2015 vs. €1.1m in 2014, decreased by 49.5%. Revenue from member subscriptions

(Amounts in thousand euro unless otherwise noted) 93

in the derivatives market amounted to €36 thousand in 2015 vs. €163 thousand in 2014, decreased by 77.9%.

(4) In 2015 there were no fees from new listings. The figure for 2014 concerns the new listings of VIOCHALCO - €307 thousand and ANEMOS - €51 thousand.

5.13. Depository Services

This category includes revenue from rights issues by listed companies, quarterly operator subscriptions as well as revenue from inheritances etc. Revenue for this category in 2015 amounted to €3.21m vs. €3.79m in 2014, a 15.3% reduction. Revenue is broken down in the following table:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Issuers (Rights issues - AXIA LINE) (1)	1,786	1,579	0	0
Bonds - Greek government securities	31	47	0	0
Investors	133	161	0	0
Operators (2)	1,261	2,005	0	0
Total	**3,211**	**3,792**	**0**	**0**

(1) Fees on rights issues by listed companies in 2015 amounted to €1.4m (NBG - €202 thousand; PIRAEUS BANK - €197 thousand; EUROBANK - €196 thousand; ALPHA BANK - €193 thousand; NBG PANGEA - €180 thousand; BANK OF CYPRUS - €107 thousand; ATTICA BANK - €69 thousand; SELONTA - €48 thousand; GEK-TERNA - €44 thousand; TECHNICAL OLYMPIC - €38 thousand; NIREUS - €19 thousand; VIOHALCO - €19 thousand; IASO - €14 thousand; LAMDA - €3 thousand; HERTZ - €4 thousand; MEDICON - €3 thousand; VARAGKIS - €3 thousand) vs. €1.25m (ALPHA BANK - €180 thousand; NBG - €180 thousand; EUROBANK - €180 thousand; PIRAEUS BANK - €180 thousand; EUROBANK PROPERTIES - €116 thousand; LAMDA- €95 thousand ATHINA ATE - €36 thousand; MINOAN LINES - €35 thousand; FORTHNET - €35 thousand; KATHIMERINI - €21 thousand; JUMBO - €17 thousand), increased by 12.0%. Revenue from the provision of information to listed companies through electronic means amounted to €315 thousand in 2015 vs. €317 thousand in 2014. Revenue from notifications of beneficiaries for cash distributions amounted to €93 thousand in 2015 vs. €52 thousand in 2014.

(2) Revenue from operators include revenues from monthly subscriptions amounting to €886 thousand vs. €1.6m in the corresponding period in 2014, and is calculated based on the value of the portfolio of the operators; revenue from authorization number usage amounted to €111 thousand vs. €174 thousand in 2014 and revenue from investor account opening €161 thousand vs. €120 thousand in 2014 et al.

5.14. Clearing House Services

Revenue in this category amounted to €168 thousand vs. €296 thousand in 2014, decreased by 43.2% and is broken down in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Member subscriptions	168	250	0	0
Fee 0.125 on margin	0	46	0	0
Total	**168**	**296**	**0**	**0**

(Amounts in thousand euro unless otherwise noted) 94

This category in 2014 included revenue of the 0.125% fee on margin on derivative products which was calculated on a daily basis, and the subscriptions of ATHEXClear members in the derivatives market. There is no corresponding revenue in 2015.

5.15. Market data

Revenue from this category includes the rebroadcast of ATHEX and CSE market data, as well as revenue from the sale of statistical information. Revenue from this category which amounted to €3.35m vs. €3.63m in 2014, posting a small 7.5% reduction, is broken down in the following table:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Revenue from Data Feed	3,318	3,600	3,622	3,882
Revenue from publication sales	36	27	37	28
Total	**3,354**	**3,627**	**3,659**	**3,910**

5.16. IT services

Revenue from this category which amounted to €306 thousand vs €309 thousand 2014, a 1.0% reduction, and is broken down in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
DSS terminal use licenses (1)	187	129	136	13
Services to Members (2)	119	180	119	150
Total	**306**	**309**	**255**	**163**

(1) Revenue from DSS terminal licenses amounted to €187 thousand, increased by 45% in 2015, due to a change in pricing policy which is in effect from the start of 2015. In 2015 a new fee went into effect for using an extra operator code, which brought in €50 thousand in revenue.

(2) Revenue from services to Members includes revenue from TRS services - €48 thousand, as well as €67 thousand from the use of additional terminals, and is reduced by 33.9% compared to 2014. Last year there was software revenue in the amount of €57 thousand, while there is no corresponding revenue in 2015.

5.17. Revenue from re-invoiced expenses

The expenses that were re-invoiced to clients in 2015 amounted to €840 thousand decreased by 17.2% compared to 2014.

(Amounts in thousand euro unless otherwise noted) 95

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
ATHEXNet	538	630	538	630
General Meeting Services to listed companies (SODALI)	41	65	41	65
Revenue from sponsorships-NY roadshow	258	317	258	317
Travel revenue	3	2	3	2
Total	**840**	**1,014**	**840**	**1,014**

Certain amounts in the previous fiscal year have been modified – see note 5.2.

ATHEXnet revenue (€538 thousand) concerns the re-invoicing of expenses of the Group for the use of the ATHEX Exchange Transactions network to members. The corresponding expenses are shown in re-invoiced expenses (see note 5.35).

5.18. New Activities (Xnet, CSE-Sibex Common Platform, IT)

This category includes support services of other markets as well as new services provided by the Group that are not directly related with its core businesses, such as collocation services, which refer to the concession to use the installation and IT systems of the Group, as well as the provision of software services to third parties. New services are analyzed in the following table:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Revenue from X-NET/InBroker	701	640	40	216
Support of other markets (CSE, SIBEX)	273	239	225	183
Co-location Services (2)	487	324	373	38
Market Suite	138	104	94	104
Hellenic Capital Market Commission	122	128	123	128
UNAVISTA LEI - EMIR TR (1)	198	223	0	0
Total	**1,919**	**1,658**	**855**	**669**

(1) 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. For the needs of the abovementioned services, agreements have been signed with our members, as well as with a supplier. Revenue from this service in 2015 amounted to €198 thousand.

(2) The Group offers co-location services from which it received €487 thousand in 2015 (BLOOMBERG, PANTELAKIS SECURITIES, AXIA VENTURES, FORTHNET, MEDNET CITIGROUPGLOBAL MARKETS, UBS LIMITED, DEUTSCHE BANK A.G, OBRELA SECURITY INDUSTRIES, CREDIT SUISSE SECURITIES) vs. €324 thousand in 2014.

Inbroker/InBrokerPlus

ATHEX owns and provides the InBrokerPlus® system on a commercial basis to ATHEX members, as a comprehensive service of real time price watch, and order routing/management for end-users (OMS), for capital markets that are supported (ATHEX, CSE, and other foreign markets), as part of the operation of the XNET network by the Group.

(Amounts in thousand euro unless otherwise noted) 96

The BoD of ATHEXCSD, a subsidiary of the Athens Exchange Group, decided on 23.12.2009 to enter into the commercial activity of distributing the InBroker/ InBrokerPlus services as a data vendor to ATHEX Members; this is accepted practice worldwide, and is followed by other European capital market Groups and maximizes the targeted aims and benefits. In 2015 revenue from the InBrokerPlus® system amounted to €701 thousand, increased by 9.53% compared to 2014, and is analyzed in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Revenue from X-NET	107	112	40	0
Revenue from Inbroker	594	528	0	216
Total	**701**	**640**	**40**	**216**

5.19. Other services

Revenue from other services increased by 22.9%, amounting to €989 thousand, vs. €805 thousand in 2014.

The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Education (1)	99	57	95	51
Rents	294	267	250	250
Provision of support services	0	0	107	0
Guarantee forfeitures – penalties (2)	190	204	0	0
Revenue from swift instructions	0	13	0	0
Reversal of old unused provisions	200	142	131	256
Asset grants (depreciation note 5.46)	24	24	0	0
Other (3)	182	98	277	57
Total	**989**	**805**	**860**	**614**

Certain amounts in the previous fiscal year have been modified – see note 5.2.

(1) Concerns OAED grants - €38 thousand as well as revenue from seminars and certifications – €61 thousand.

(2) The amount of €190 thousand concerns penalties on ATHEX members for not fulfilling their obligations to deliver transferable securities from transactions to the Securities System that they are obliged to do by the end of settlement.

5.20. Operation of the ATHEX-CSE Common Platform

On the 19th of July 2012 the Athens and Cyprus Exchanges signed a new, revised 5 year contract, in order to support the operation of the CSE market through the ATHEX-CSE Common Platform.

The Common Platform project operated successfully this year as well, fulfilling its initial goals, having facilitated access and use of the markets at a reduced cost (through the development of a common infrastructure and processes), and serving in common the development plans of the two markets, while respecting the independence of the two exchanges. At the same time, the Members of the two exchanges that participate in the Common Platform significantly increased, both quantitatively and qualitatively, the services that they offer through their client networks, thus expanding their sources of revenue.

(Amounts in thousand euro unless otherwise noted) 97

2015 was a watershed year, in which the regional cooperation with the Cyprus Stock Exchange was strengthened, and another exchange – SIBEX – joined.

In particular, concerning the cooperation with CSE, and following on the successfully cooperation over the past ten years, a Memorandum of Understanding was signed concerning the immediate start of the process for ATGHEXClear to assume clearing on the CSE markets, thus expanding this successful cooperation.

As far as SIBEX is concerned, the collaboration began in the previous year, however it was in 2015 that the systems, operations and processes, that support trading activity in the SIBEX cash and derivatives market, and clearing of transactions in derivatives by ATHEXClear, went into production.

It is worth nothing that between the three exchanges in this regional cooperation, a trilateral MoU was signed that underlines their intention to jointly participate in any initiatives to further develop the advantages of this cooperation.

However, in the continuously changing exchange environment, new important challenges and requirements are taking shape, which the Exchanges are being called upon to face, if possible in common, in order to further develop.

5.21. Management of the Clearing Fund

Cash Market

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

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

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

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

The minimum size of the Clearing Fund, is based on the value of transactions that each member carries out, and calculated as described in the decisions of the Hellenic Capital Market Commission and in Part 4, Section II of the ATHEXClear Regulation of Clearing of Transferable Securities Transactions in Book Entry Form as it applies. 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 a license to operate a central counterparty system to ATHEXClear, in accordance with Regulation (EU) 648/2012 of the European Parliament.

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

The new size of the Clearing Fund amounts to €17,849,187.00 and is in effect until 31.03.2016.

For reasons of comparison, the data 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 5.44 & 5.50).

The application of the new model in the cash market, in accordance with Regulation (EU) 648/12, concerning the Clearing Fund and Member margins went into effect on 16.02.2015. The amount is shown in both the assets and the liabilities in the Statement of Financial Position on 31.12.2014 and 31.12.2015 (see notes 5.44 & 5.50).

Derivatives Market

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

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

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 the Fund for the time period from 01.03.2016 to 31.03.2016 its size is €6,843,967.00. Calculation takes place on a monthly basis.

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

5.22. Hellenic Capital Market Commission fee

The operating results of the Group in 2015 do not include the Hellenic Capital Market Commission (HCMC) fee, which amounted to €1,356 thousand compared to €2,155 thousand in 2014. This fee is collected and turned over to the HCMC, within two months following the end of each six-month period.

The decrease resulted from a corresponding decrease in the revenue of the Group from the trading, clearing and settlement of trades on stocks and derivatives, on which it is calculated.

For the Company, the HCMC fee in 2015 amounted to €516 thousand compared to €860 thousand in 2014.

5.23. Personnel remuneration and expenses

Personnel remuneration and expenses in 2015 amounted to €9.87m vs. €9.96m in 2014, posting a small 0.9% reduction.

In accordance with the new accounting principle applied by the Group starting on 01.01.2013, expenses that concern systems development in the Group are capitalized (CAPEX creation). The amount thus capitalized in 2015 amounts to €798 thousand at the Group level (2014: €700 thousand), and for the Company it amounts to €494 thousand and has been transferred from personnel remuneration and expenses (note 5.38).

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Salaried staff	230	236	99	100
Total Personnel	**230**	**236**	**99**	**100**

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Personnel remuneration	6,954	6,973	3,267	2,920
Social security contributions	1,620	1,673	686	704
Compensation due to personnel departure	337	159	215	0
Net change in the compensation provision(actuarial valuation)	(7)	114	19	62
Other benefits (insurance premiums etc.)	965	1,039	473	530
Total	**9,869**	**9,958**	**4,660**	**4,216**

During the year, compensation in the amount of €337 thousand was paid to persons that departed.

Obligations to employees

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

It is standard policy of the Athens Exchange Group to carry out the actuarial study at the end of the year, when the data is determined 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 data is not significantly.

(Amounts in thousand euro unless otherwise noted) 100

The changes in the provision for fiscal year 2015 are shown in detail in the following table:

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Group	
	31.12.2015	**31.12.2014**
Present values liabilities	1,790,637	1,964,621
Net obligation recognized on the Balance Sheet	**1,790,637**	**1,964,621**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	65,367	61,962
Net Interest on the liability/asset	41,453	56,546
Regular expense in the Profit & Loss Statement	**106,820**	**118,508**
Cost of personnel reduction / mutual agreements/retirement	348,138	16,947
Total expense recognized in the Profit & Loss Statement	**454,958**	**135,455**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,964,621	1,442,505
Cost of current employment	65,367	61,962
Interest expense	41,453	56,546
Benefits paid by the employer	(462,120)	(21,233)
Cost of personnel reduction / mutual agreements/retirement	348,138	16,947
Actuarial loss/(profit) - financial assumptions	(147,443)	418,684
Actuarial loss/(profit) - demographic assumptions	(19,379)	(10,790)
Present value of the liability at the end of the period (note 5.48)	**1,790,637**	**1,964,621**
Adjustments		
Adjustments to liabilities from changes in assumptions	147,443	(418,684)
Experience adjustments in liabilities	19,379	10,790
Total actuarial profit / (loss) recognized in equity	**166,822**	**(407,894)**

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Company	
	31.12.2015	**31.12.2014**
Amounts recognized in the Balance Sheet		
Present values liabilities	943,403	1,011,989
Net obligation recognized on the Balance Sheet	**943,403**	**1,011,989**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	28,790	25,664
Net Interest on the liability/asset	21,353	30,199
Regular expense in the Profit & Loss Statement	**50,143**	**55,863**
Cost of personnel reduction / mutual agreements/retirement	171,382	0
Total expense recognized in the Profit & Loss Statement	**221,525**	**62,195**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,011,989	770,371
Cost of current employment	28,790	25,664
Interest expense	21,353	30,199
Benefits paid by the employer	(202,241)	0
Cost of personnel reduction / mutual agreements/retirement	171,382	0
Additional payments or expenses	0	6,332
Actuarial loss/(profit) - financial assumptions	(71,259)	182,145
Actuarial loss/(profit) - experience of the period	(16,611)	(2,722)
Present value of the liability at the end of the period (note 5.48)	**943,403**	**1,011,989**
Adjustments		
Adjustments to liabilities from changes in assumptions	71,259	(182,145)
Experience adjustments in liabilities	16,611	2,722
Total actuarial profit / (loss) recognized in equity	**87,870**	**(179,423)**

The amounts recognized in equity are shown in other comprehensive income (OCI). In particular, in OCI €167 thousand and €408 thousand are shown for the Group for fiscal years 2015 and 2014 respectively; for the Company the amounts are €88 thousand and €179 thousand for 2015 and 2014 respectively.

(Amounts in thousand euro unless otherwise noted) 101

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

Actuarial assumptions	Valuation dates	
	31.12.2015	31.12.2014
Discount rate	2.64%	2.11%
Increase in salaries (long term)	1.75%	1.75%
Inflation	1.75%	1.75%
Mortality table	E V K 2000 (Swiss table)	E V K 2000 (Swiss table)
Personnel turnover	0.50%	0.50%
Regular retirement age	Based on the rules of the Social security fund in which each employee belongs	Based on the rules of the Social security fund in which each employee belongs

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

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

Cash flows Expected benefits from the plan in the next fiscal year	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)	(8.77)%	(9.23)%
Sensitivity 2 - Discount rate minus 0.5% - % difference in liability PV	9.71%	10.27%
Sensitivity 3 – Annual inflation plus 0.5% - % difference in liability PV	9.76%	10.25%
Sensitivity 4 - Annual inflation minus 0.5% - % difference in liability PV	(8.89)%	(9.31)%
Sensitivity 5 - Assumption: salary increase of plus 0.5% - % difference in liability PV	8.49%	8.98%
Sensitivity 6 – Assumption: salary increase of minus 0.5% - % difference in liability PV	(8.07)%	(8.49)%

5.24. Third party fees & expenses

In 2015 third party fees and expenses amounted to €714 thousand, vs €692 thousand increased by 3.2% compared to the corresponding period last year. Third party fees and expenses include the remuneration of the members of the BoDs of all the companies of the Group. The corresponding amount for the Company was €604 thousand (2014: €588 thousand).

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
BoD member remuneration	61	75	50	68
Attorney remuneration and expenses	60	60	60	60
Fees to auditors	94	108	39	45
Fees to consultants (1)	305	287	286	267
Fees to FTSE (ATHEX)	164	135	164	135
Other Fees	25	14	0	0
Fees to training consultants	5	13	5	13
Total	**714**	**692**	**604**	**588**

(1) Consultancy fees include consultancy services, actuarial study fees, fees for tax and legal services.

(Amounts in thousand euro unless otherwise noted) 102

5.25. Utilities

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Fixed - mobile telephony - internet	189	174	51	92
Leased lines - ATHEXNet	144	166	41	54
PPC (Electricity)	538	527	15	22
EYDAP (water)	6	8	0	0
Total	**877**	**875**	**107**	**168**

Expenses in this category include electricity, water, fixed line and mobile telephony and telecommunications networks, and amounted to €877 thousand in 2015 vs. €875 thousand in 2014, increased by 0.2%.

For the company these expenses amounted to €107 thousand in 2015 compared to €168 thousand in 2014 posting a 36.3% reduction.

5.26. Maintenance / IT Support

Maintenance and IT support includes expenses for the maintenance of the Group's technical infrastructure and support for the IT systems (technical support for the electronic trading platforms, databases, Registry [DSS] etc.), and are contractual obligations.

Expenses in this category for the Group amounted to €1,191 thousand in 2015 (2014: €1,497 thousand), reduced by 20.4% compared to last year, while for the company amounted to €828 thousand in 2015 vs. €933 thousand in 2014.

5.27. Other taxes

Non-deductible Value Added Tax, and other taxes (Property Tax) that burden the cost of services amounted to €1,557m compared to €1,629 thousand in 2014, reduced by 4.4% compared to 2014. In 2015, besides VAT, other taxes include the amount of €438 thousand – capital concentration tax on the rights issue by the Athens Exchange; €44 thousand – Hellenic Competition Commission fees; as well as €102 thousand – fees to the HCMC as part of the ATHEXClear licensing process.

For the Company, these expenses amounted to €1,051 thousand in 2015 vs. €1,111 thousand in 2014.

5.28. Building / equipment management

This category includes expenses such as: building and equipment insurance premiums, security and cleaning services, maintenance and repairs et al.

Building and equipment management expenses in 2015 amounted to €621 thousand, reduced by 6.3% compared to 2014.

(Amounts in thousand euro unless otherwise noted) 103

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Cleaning and building security services	361	361	98	102
Building repair and maintenance - other equipment	232	266	6	34
Fuel and other generator materials	9	10	0	0
Communal expenses	19	26	0	0
Total	**621**	**663**	**103**	**136**

5.29. Marketing and advertising expenses

Marketing and advertising expenses amounted to €213 thousand in 2015 vs. €248 thousand, reduced by 14.1% compared to 2014. For the Company, these expenses amounted to €187 thousand in 2015 vs. €232 thousand in 2014.

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Promotion, reception and hosting expenses	133	200	125	194
Event expenses	80	48	62	38
Total	**213**	**248**	**187**	**232**

5.30. Participation in organizations expenses

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Subscriptions to professional organizations & contributions	263	268	239	244
Hellenic Capital Market Commission subscription	19	16	19	16
Total	**282**	**284**	**258**	**260**

Subscriptions in professional organizations include participation in WFE and FESE, as well as ANNA, HMA (Hellenic Management Association), Reuters, Bloomberg, periodicals, newspapers etc.

5.31. Insurance premiums

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Electronic equipment fire insurance	16	17	16	18
Means of transport insurance	2	4	2	3
Building fire insurance premiums	19	29	5	8
BoD member civil liability ins. Premiums (D&O, DFL & PI)	383	411	384	410
Total	**420**	**461**	**407**	**439**

Members of the Board of Directors and executives of the Group have been insured against professional liability risk, employee fraud, BoD member and executive liability, legal liability and electronic fraud, with the premium in 2015 amounting to €383 thousand, reduced compared to 2014 due to lower prices achieved by the Group in the renewal of the relevant contracts.

(Amounts in thousand euro unless otherwise noted) 104

5.32. Operating expenses

Operating expenses in 2015 amounted to €388 thousand vs. €452 thousand in 2014, reduced by 14.2%, while for the company the expenses amounted to €555 thousand vs. €448 thousand in 2014.

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Stationery	7	5	7	3
Consumables	41	33	40	32
Travel expenses	166	116	112	74
Postal expenses	6	6	3	1
Transportation expenses	53	58	43	44
Publication expenses	0	6	0	2
Storage fees	11	17	8	10
Operation support services	0	0	102	0
Automobile leases	22	22	22	22
DR site rent	58	54	184	180
Other expenses	24	135	34	80
Total	**388**	**452**	**555**	**448**

Travel expenses concern participation in conferences abroad, as well as for educational purposes. Transportation expenses include the travel expenses of personnel for the DR Site.

5.33. BoG cash settlement

In 2015 fees amounting to €62 thousand for the Group were paid to the Bank of Greece (BoG) for the cash settlement of trades in the cash and derivatives markets, in accordance with the contract signed between the BoG and the companies of the Group and ATHEXClear. The corresponding amount for 2014 was €58 thousand for the Group.

On 24.2.2012, following the successful completion of the planned certification tests of the Athens Exchange ancillary system by Target 2 and the Bank of Greece, and the completion of the general tests on 23.2.2012 with the participation of all sides involved (ATHEX/ATHEXClear, settlement banks and operators), the relevant contract was signed with the Bank of Greece, for the provision of settlement services to ancillary systems (in accordance with the Rulebook of Operation of the Trans-European Automated Real-time Gross Settlement Express Transfer System Target2-GR) with a start date of 1.3.2012.

5.34. Other expenses

Other expenses in 2015 amounted to €139 thousand vs. €136 thousand in the corresponding period last year, increased by 2.2% and concern fees to ascertain the eligibility of BoD members, fees and various expenses; for the Company these expenses amounted to €95 thousand in 2015 vs. €92 thousand in 2014.

5.35. Re-invoiced expenses

The expenses on this category in 2015 amounted to €925 thousand vs €1,021 thousand in 2014. For the company these expenses amounted to €910 thousand vs €969 thousand in 2014.

(Amounts in thousand euro unless otherwise noted) 105

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Leased Lines(ATHEXNet)	506	517	496	508
Sodali expenses (General Meetings)	31	50	31	50
VAT on re-invoiced expenses	161	190	160	180
Promotion, reception and hosting expenses (NY roadshow)	225	263	221	230
Other	2	1	2	1
Total	**925**	**1,021**	**910**	**969**

Certain amounts in the previous fiscal year have been modified – see note 5.2.

5.36. Expenses for new activities

The expenses on this category for the Group amounted to €1,098 thousand vs €755 thousand in 2014, posting a 45.4% increase due to expenses for new IT services to third parties UNAVISTA FULL DELEGATED REPORTING (the corresponding revenues are shown in note 5.18). For the company these expenses amounted to €43 thousand vs. €64 thousand in 2014. The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
New services Expenses	0	32	0	28
X-NET Expenses	515	472	26	2
Expenses on IT Services to third parties	583	251	17	34
Total	**1,098**	**755**	**43**	**64**

InBroker Plus expenses for X-NET (the corresponding revenue is described in note 5.18) concern data feed, which is purchased from foreign exchanges in order for the product to be more attractive to a greater range of clients and vendors. In particular, data feed is purchased from the London Stock Exchange, Euronext, Deutsche Börse et al, aiming to widen the investment horizon of investors.

Expenses on IT Services include expenses of UNAVISTA LEI service amounting €350 thousand (plus VAT on all the services in this category) vs. €173 thousand in 2014, Singular Securities ERP - €17 thousand, and Oracle - €13 thousand.

XNET expenses are analyzed in the table below:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Expenses concerning foreign securities	73	70	25	0
Inbroker Plus data feed expenses	442	402	1	2
Total	**515**	**472**	**26**	**2**

5.37. Provisions for bad debts

This category includes the provisions in the amount of €365 thousand (2014: €400 thousand) that have been taken by the Group to safeguard it against bad debts. For the Company the corresponding amount is €584 thousand vs. €400 thousand in 2014.

(Amounts in thousand euro unless otherwise noted) 106

5.38. Tangible assets for own use and intangible assets

Due to the continuing economic crisis in the country, and the resulting drop in the value of plots of land and buildings, the Group decided to assign the study of determining the market value of the properties of the Group, in accordance with IFRS, to independent recognized estimators. The study was completed and turned over at the beginning of March 2016, however the Group adjusted the value of its properties on 31.12.2015 in line with the results of the study, in order record on the balance sheet of 31.12.2015 the fair value of the properties.

Even though the estimation report did not reveal a significant total discrepancy with the book value of the properties at the Group level, as recorded in the accounts, it did show significant deviations at the company level, in particular buildings, as well as significant value differences between the plots of land and the buildings at those properties. As a result, it may be noted that the estimate significantly reduces the value of the plots of land at the Group level, and increases the value of the buildings. As a result, in the years to follow, the Group will be obliged to record increased depreciation levels.

The table below reports the estimates of the commercial value of the real estate of the Group, as calculated in the Report of the independent real estate estimators.

The assumptions and methods used to calculate the fair value of the property on Athinon Ave. include:

A. Building on Athinon Avenue

Direct capitalization method

For this method, the requirements of the market and the use of the property were taken into consideration, based on the prevailing returns for each space, the fair lease value of the property was estimated, and then its fair value.

Level	Use	Area (m2)	Fair lease (€/m2)	Fair lease (€/month)	Lease yield	Fair value (€)
Basement (-4)	56 parking positions	639.06	5	3,195.30	7.50%	511,248
Basement (-3)	53 parking positions	605.80	5	3,029.00	7.50%	484,640
Basement (-2)	53 parking positions	605.80	5	3,029.00	7.50%	484,640
Basement (-1)	Data Center	1,878.00	14	26,292.00	7.50%	4,206,720
Ground floor (0)	Office space	1,126.00	14	15,764.00	7.50%	2,522,240
1st floor (1)	Office space	963.00	14	13,482.00	7.50%	2,157,120
2nd floor (2)	Office space	963.00	14	13,482.00	7.50%	2,157,120
3rd floor (3)	Office space	963.00	14	13,482.00	7.50%	2,157,120
4th floor (4)	Office space	963.00	14	13,482.00	7.50%	2,157,120
5th floor (5)	Office space	963.00	14	13,482.00	7.50%	2,157,120
Total		**9,669.66**		**118,719.30**		**18,995,088**
						19,000,000

Amortized replacement cost method

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

(Amounts in thousand euro unless otherwise noted) 107

Description	Surface area		Unit price	Replacement cost	Impairment	Market value
	Land (m2)	Building (m2)	(€/m2)	(€/m2)		(€)
Land	2,687.12		1,200			3,224,544
Superstructure		7,783.00		1,500	10%	10,507,000
Underground areas		5,692.00		750	10%	3,842,000
Surrounding area						400,000
Electromechanical equipment						4,000,000
Total	**€2,687.12**	**€13,475.00**				**21,973,544**
						22,000,000

Value weighting

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

Method	Fair value (€)	Weight	Subtotal (€)	Weighted fair value (€)
Income	19,000,000	50%	9,500,000	20,500,000
Replacement cost	22,000,000	50%	11,000,000	

Value allocation		
Fair value (€)	Building value (€)	Value of corresponding land (€)
20,500,000	17,500,000	3,000,000

B. Building on Katouni St - Thessaloniki

The assumptions and methods used to calculate the fair value of the property on Katouni Street in Thessaloniki include:

Direct capitalization method

For this method, the requirements of the market and the use of the property were taken into consideration, based on the prevailing returns for each space, the fair lease value of the property was estimated, and then its fair value.

(Amounts in thousand euro unless otherwise noted) 108

Use	Surface area (m2)	Fair lease (€/m2/month)	Fair lease (€/month)	Lease yield (%)	Fair value (€)
Store	310.08	25.00	7,750	8.00%	1,160,000
Office space	722.03	8.75	6,300	8.50%	890,000
Total (property in question):					**2,050,000**

Value allocation		
Fair value (€)	Value of corresponding land (€)	Building value (€)
2.050.000	1.500.000	550.000

Owned occupied property is classified in Level 3.

The book value of the assets of the Group per building on 31.12.2015 is summarily presented in the following table:

Asset analysis of the Group by presentation category in the Statement of Financial Position on 31.12.2015						
	Owner occupied property					
	Athinon Ave.		Katouni (Thessaloniki)		Total	
	Land	Building	Land	Building	Land	Building
Purchase cost	10,000	16,997	1,800	2,004	11,800	19,001
Accumulated depreciation on 31.12.2015	0	7,083	0	1,859	0	8,942
Book value on 31.12.2015	**10,000**	**9,914**	**1,800**	**145**	**11,800**	**10,059**
Revaluation due to estimate from independent estimator	(7,000)	7,586	(300)	405	(7,300)	7,991
Adjusted property value on 31.12.2015	**3,000**	**17,500**	**1,500**	**550**	**4,500**	**18,050**

Analysis of the Assets of the Group per category in the Statement of Financial Position of 31.12.2015				
	Owner-occupied			Real Estate investments (note 5.39)
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building
Plots of land	3,000	1,500	4,500	1,000
Construction	17,500	550	18,050	2,200
Means of transportation	29	0	29	0
Electronic systems	268	0	268	0
Communication & other equipment	275	0	275	0
Intangibles	5,209	0	5,209	0
Total	**26,281**	**2,050**	**28,331**	**3,200**

Analysis of the Assets of the Group per category in the Statement of Financial Position of 31.12.2014				
	Owner-occupied			Real Estate investments (note 5.39)
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building
Plots of land	10,000	1,800	11,800	2,100
Construction	10,581	225	10,806	2,394
Means of transportation	45	0	45	
Electronic systems	291	0	291	
Communication & other equipment	329	0	329	
Intangibles	3,805	0	3,805	
Total	**25,051**	**2,025**	**27,076**	**4,494**

(Amounts in thousand euro unless otherwise noted) 109

The tangible and intangible assets of the Group on 31.12.2015 and 31.12.2014 are analyzed as follows:

GROUP	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31/12/2013	**11,800**	**18,993**	**800**	**165**	**6,959**	**3,609**	**42,326**
Additions in 2014	0	0	0	0	89	2,100	**2,189**
Acquisition and valuation on 31/12/2014	**11,800**	**18,993**	**800**	**165**	**7,048**	**5,709**	**44,515**
Accumulated depreciation on 31/12/2013	0	7,433	800	104	6,061	1,445	**15,843**
Addition of accumulated depreciation	0	0	0	0	0	0	**0**
Depreciation in 2014	0	754	0	16	367	459	**1,596**
Accumulated depreciation reduction in 2014	0	0	0	0	0	0	**0**
Accumulated depreciation on 31/12/2014	**0**	**8,187**	**800**	**120**	**6,428**	**1,904**	**17,439**
Book value							
on 31/12/2013	11,800	11,560	0	61	898	2,164	**26,483**
on 31/12/2014	**11,800**	**10,806**	**0**	**45**	**620**	**3,805**	**27,076**

GROUP	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31/12/2014	**11,800**	**18,993**	**800**	**165**	**7,048**	**5,709**	**44,515**
Additions in 2015	0	7	0	0	269	2,157	**2,433**
Reductions in 2015	0	0	0	0	0	0	**0**
Acquisition and valuation on 31/12/2015	**11,800**	**19,000**	**800**	**165**	**7,317**	**7,866**	**46,948**
Accumulated depreciation on 31/12/2014	0	8,187	800	120	6,428	1,904	**17,439**
Depreciation in 2015	0	754	0	16	346	753	**1,869**
Accumulated depreciation reduction in 2015	0	0	0	0	0	0	**0**
Accumulated depreciation on 31/12/2015	**0**	**8,941**	**800**	**136**	**6,774**	**2,657**	**19,308**
Book value							
on 31/12/2014	11,800	10,806	0	45	620	3,805	**27,076**
on 31/12/2015	**11,800**	**10,059**	**0**	**29**	**543**	**5,209**	**27,640**
Revaluation due to estimate by independent estimator		7,991	0	0	0	0	**691**
Book value after the revaluation on 31/12/2015	**4,500**	**18,050**	**0**	**29**	**543**	**5,209**	**28,331**

(Amounts in thousand euro unless otherwise noted) 110

COMPANY	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31/12/2013	**0**	**0**	**103**	**154**	**4,967**	**2,241**	**7,465**
Additions in 2014	0	0	0	0	89	1,861	**1,950**
Acquisition and valuation on 31/12/2014	**0**	**0**	**103**	**154**	**5,056**	**4,102**	**9,415**
Accumulated depreciation on 31/12/2013	0	0	103	100	4,369	776	**5,348**
Addition of accumulated depreciation	0	0	0	0	0	0	**0**
Depreciation in 2014	0	0	0	15	258	315	**588**
Accumulated depreciation reduction in 2014	0	0	0	0	0	0	**0**
Accumulated depreciation on 31/12/2014	**0**	**0**	**103**	**115**	**4,627**	**1,091**	**5,936**
Book value							
on 31/12/2013	0	0	0	54	598	1,465	**2,117**
on 31/12/2014	**0**	**0**	**0**	**39**	**429**	**3,011**	**3,479**

COMPANY	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31/12/2014	**0**	**0**	**103**	**154**	**5,056**	**4,102**	**9,415**
Additions in 2015	0	0	0	0	187	1,739	**1,926**
Reductions in 2015	0	0	0	0	0	0	**0**
Acquisition and valuation on 31/12/2015	**0**	**0**	**103**	**154**	**5,243**	**5,841**	**11,341**
Accumulated depreciation on 31/12/2014	0	0	103	115	4,627	1,091	**5,936**
Depreciation in 2015	0	0	0	15	227	582	**824**
Accumulated depreciation reduction in 2015	0	0	0	0	0	0	**0**
Accumulated depreciation on 31/12/2015	**0**	**0**	**103**	**130**	**4,854**	**1,673**	**6,760**
Book value							
on 31/12/2014	0	0	0	39	429	3,011	**3,479**
on 31/12/2015	**0**	**0**	**0**	**24**	**389**	**4,168**	**4,581**
Book value after the revaluation on 31/12/2015	**0**	**0**	**0**	**24**	**389**	**4,168**	**4,581**

The tangible and intangible assets of the Company on 31.12.2015 and 31.12.2014 are analyzed as follows:

(Amounts in thousand euro unless otherwise noted) 111

COMPANY	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31/12/2014	**0**	**0**	**103**	**154**	**5,056**	**4,102**	**9,415**
Additions in 2015	0	0	0	0	187	1,739	**1,926**
Reductions in 2015	0	0	0	0	0	0	**0**
Acquisition and valuation on 31/12/2015	**0**	**0**	**103**	**154**	**5,243**	**5,841**	**11,341**
Accumulated depreciation on 31/12/2014	0	0	103	115	4,627	1,091	**5,936**
Depreciation in 2015	0	0	0	15	227	582	**824**
Accumulated depreciation reduction in 2015	0	0	0	0	0	0	**0**
Accumulated depreciation on 31/12/2015	**0**	**0**	**103**	**130**	**4,854**	**1,673**	**6,760**
Book value							
on 31/12/2014	0	0	0	39	429	3,011	**3,479**
on 31/12/2015	**0**	**0**	**0**	**24**	**389**	**4,168**	**4,581**
Book value after the revaluation on 31/12/2015	**0**	**0**	**0**	**24**	**389**	**4,168**	**4,581**

Intangible assets include the amounts of €798 thousand for the Group and €494 thousand for the Company and concern the capitalization of expenses (CAPEX creation) concerning systems development by the Group.

The management of the Athens Exchange Group estimates that there are no impairment indications on the owner occupied buildings of the Group.

Certain amounts in the previous period have been for the correctness of the statements, without affecting the book value of the published assets.

5.39. Real Estate Investments

Building (at Acharnon & Mayer)

Due to the continuing economic crisis in the country, and the resulting drop in the value of plots of land and buildings, the Group decided to assign the study of determining the market value of the properties of the Group, in accordance with IFRS, to independent recognized estimators. The study was completed and turned over at the beginning of March 2016; however the Group adjusted the value of its properties on 31.12.2015 in line with the results of the study, in order record on the balance sheet of 31.12.2015 the fair value of the properties.

Even though the estimation report did not reveal a significant total discrepancy with the book value of the properties at the Group level, as recorded in the accounts, it did show significant deviations at the company level, in particular buildings, as well as significant value differences between the plots of land and the buildings at those properties. As a result, it may be noted that the estimate significantly reduces the value of the plots of land at the Group level, and increases the value of the buildings.

Their value was estimated as the average of the revenues and comparable items methods of valuation on the transition date. These fair values were the deemed cost of these particular properties.

The Mayer building is leased from 1.7.2013, with an annual lease of €249,600 (€20,800 per month) (see note 5.19).

(Amounts in thousand euro unless otherwise noted) 112

The assumptions and methods used to calculate the fair value of the property include:

Direct capitalization method

For this method, the specifications of the market and the use of the property were taken into consideration, and, based on prevailing returns for each space the fair lease level of the property was estimated, and then its fair value.

Property description	Surface area (m2)	Fair lease (€/m2/month)	Fair lease (€/month)	Lease yield (%)	Fair value (€)
Office building (standalone structure)	3,336.50	6.80	22,700	8.50%	~3,200,000

Value allocation		
Fair value (€)	Land value (€)	Building value (€)
3,200,000	1,000,000	2,200,000

Building (on Katouni St - Thessaloniki)

The assumptions and methods used to calculate the fair value of the property on Katouni Street in Thessaloniki include:

Direct capitalization method

For this method, the specifications of the market and the use of the property were taken into consideration, and, based on prevailing returns for each space the fair lease level of the property was estimated, and then its fair value.

Use	Surface area (m2)	Fair lease (€/m2/month)	Fair lease (€/month)	Lease yield (%)	Fair value (€)
Store	310.08	25.00	7,750	8.00%	1,160,000
Office space	722.03	8.75	6,300	8.50%	890,000
Total (property in question):					**2,050,000**

Value allocation		
Fair value (€)	Value of corresponding land (€)	Building value (€)
2.050.000	1.500.000	550.000

Owner occupied property is classified in Level 3.

The table below notes the estimates of the market value of the properties of the Group, as estimated by the report of the independent real estate estimators that was submitted to the Group at the beginning of March 2016. Together with the fair value of the property, the book value was correspondingly adjusted in order for the balance sheet of 31.12.2015 to reflect the true value of the property.

(Amounts in thousand euro unless otherwise noted) 113

Book value of the land and buildings of the Group				
Real Estate Investments (Mayer)	**31.12.2015**		**31.12.2014**	
	Land	**Building**	**Land**	**Building**
Purchase cost	2.100	5.100	2.100	5.100
Accumulated depreciation on 31.12.2015	0	2.910	0	2.706
Book value on 31.12.2015	2.100	2.190	2.100	2.394
Valuation adjustment due to estimate by independent estimator	(1.100)	10	0	0
Adjusted property value on 31.12.2015	**1.000**	**2.200**	**2.100**	**2.394**

The book value of the investments in real estate for the Group and the Company on 31.12.2015 and 31.12.2014 is shown in the following table:

GROUP-COMPANY	TANGIBLE ASSETS			
	Plots of Land	**Buildings and Construction**	**Furniture and fixtures**	**Total**
Acquisition and valuation on 31/12/2013	**2,100**	**5,100**	**88**	**7,288**
Additions in 2014	0	0	0	0
Acquisition and valuation on 31/12/2014	**2,100**	**5,100**	**88**	**7,288**
Accumulated depreciation on 31/12/2013	**0**	**2,502**	**0**	**2,590**
Depreciation in 2014	0	204	0	204
Accumulated depreciation on 31/12/2014	**0**	**2,706**	**88**	**2,794**
Book value				
on 31/12/2013	2,100	2,598	0	4,698
on 31/12/2014	**2,100**	**2,394**	**0**	**4,494**

GROUP-COMPANY	TANGIBLE ASSETS			
	Plots of Land	**Buildings and Construction**	**Furniture and fixtures**	**Total**
Acquisition and valuation on 31/12/2014	**2,100**	**5,100**	**88**	**7,288**
Additions in 2015	0	0	0	0
Acquisition and valuation on 30/09/2015	**2,100**	**5,100**	**88**	**7,288**
Accumulated depreciation on 31/12/2014	**0**	**2,706**	**88**	**2,794**
Depreciation in 2015	0	204	0	204
Accumulated depreciation on 31/12/2015	0	2,910	88	2,998
Book value				
on 31/12/2014	2,100	2,394	0	4,494
on 31/12/2015	**2,100**	**2,190**	**0**	**4,290**
Adjustment value in an independent assessor assessment	(1,100)	10	0	(1,090)
Net book value after revaluation at 31/12/2015	**1,000**	**2,200**	**0**	**3,200**

(Amounts in thousand euro unless otherwise noted) 114

5.40. Investments in subsidiaries and other long term claims

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Participation in ANNA	1	1	1	1
Participations in subsidiaries	0	0	57,880	57,880
Management committee reserve	11	11	0	0
Valuation from subsidiaries due to stock options	0	0	227	228
Rent guarantees	56	60	10	14
Total	**68**	**72**	**58,118**	**58,123**

The breakdown of the participations of the parent company in the subsidiaries of the Group on 31.12.2015 is shown below:

	% of direct participation	Number of shares/total number of shares	Valuation 31.12.2015	Valuation 31.12.2014
ATHEXCSD (former TSEC)	100	802,600 / 802,600	32,380	32,380
ATHEXClear	100	8,500,000 / 8,500,000	25,500	25,500
		Total	**57,880**	**57,880**

The General Meeting of ATHEXCSD shareholders (the parent Company of the Group is the sole shareholder) approved the distribution of dividend of €11.30 per share. As such, the parent Company received the amount of €9,069,380 (2014: €0).

Despite the worsening of the business climate in Greece, and taking into consideration the latest positive developments (agreement within the EU and the Eurozone, legislating reforms by the Greek Parliament), it is estimated that this condition is temporary and that there are no indications of impairment of the participations of the Athens Exchange in its subsidiaries. The gradual restoration of the business environment will lift all existing restrictions that are hindering business activity.

5.41. Trade receivables, other receivables and prepayments

All claims are short term and, therefore, 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:

(Amounts in thousand euro unless otherwise noted) 115

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Clients	8,668	8,888	4,360	5,134
Less: provisions for bad debts	(2,148)	(2,297)	(1,694)	(1,394)
Net commercial receivables	**6,520**	**6,591**	**2,666**	**3,740**
Other receivables				
Tax withheld on dividends for offsetting (1)	4,721	4,721	4,421	4,421
Tax (0.20%) (2)	6,671	3,760	0	0
HCMC fee claim	453	453	453	453
Taxes withheld on deposits	262	604	202	504
Accrued income (interest)	46	154	36	119
Letter of guarantee for NSRF (ESPA) seminars	185	185	185	185
Other withheld taxes	12	33	10	12
Prepaid non-accrued expenses	144	196	43	133
Other debtors (3)	437	487	408	126
Total	**12,931**	**10,593**	**5,758**	**5,953**
Income tax claim (4)	**3,715**	**1,677**	**1,155**	**808**

(1) Concerns the dividend withholding tax on dividends received by the Company from its former subsidiary ATHEX, which is gradually offset with the tax due to the State from the dividend withholding tax on dividends paid to its shareholders.

(2) The tax claim of 0.15%, starting on 1.4.2011 became 0.20%. It is turned over by members on T+2, however some members take advantage of their right to turn it over in one tranche to ATHEXCSD on the third working day after the end of the month when the transactions took place.

(3) Other debtors includes the claim for XNET cash settlement €330 thousand, a rent payment claim on the Acharnon building €62 thousand.

(4) The Group has a tax claim of €3,715 thousand which breaks down as follows: ATHEXClear - €1,332 thousand; ATHEXCSD - €1,228 thousand; ATHEX (parent company) - €1,155 thousand. For the corresponding period last year, the tax claim amounted to €1,677 thousand and concerned: ATHEX - €808 thousand; ATHEXClear - €869 thousand.

Provisions for bad debts	Group	Company
Balance on 31.12.2013	**1,897**	**994**
Additional provisions in 2014	400	400
Balance on 31.12.2014	**2,297**	**1,394**
Bad debts write off 2014	-514	-284
Released provisions in 2015	-219	0
Additional provisions in 2015	584	584
Balance on 31.12.2015	**2,148**	**1,694**

The provisions that have been taken cover part of the claims that the Group has on the Greek State, which are included in receivables on 31.12.2015.

Trade and other receivables are classified in Level 2.

During 2015, there were no transfers between Levels 1, 2, 3.

(Amounts in thousand euro unless otherwise noted) 116

5.42. Financial assets available for sale

The shares in Piraeus Bank that were purchased, in exchange for the bond issued by the same Bank that the Group possessed, are classified as financial assets available for sale. In particular, 13,365,316 shares of Piraeus Bank were purchased at a par value of €0.30 per share and total value of €4,009,594.80.

On 31.12.2015 the share price of Piraeus Bank that is listed on the Athens Exchange was €0.278 (total value of the shares: €3,715,558), and as a result the Company is recording a securities valuation loss of €294 thousand (13,365,316 x (0.30-0.278)).

Taking into consideration IAS 39, the Company transferred the shares to the portfolio of securities available for sale, and the amount of the loss was recorded in equity.

The amount is shown in the statement of other comprehensive income, in accordance with revised IAS 1 as of 1.1.2009.

As far as the liquidation of the Piraeus Bank bond is concerned, the Company and the Group recorded losses of €207 thousand in order to reflect the settlement of the deferred tax claim.The loss is shown in the statement of comprehensive income for fiscal year 2015.

5.43. Cash and cash equivalents

The cash at hand and at bank of the Group are invested in short term interest bearing instruments in order to maximize the benefits for the companies of the Group, in accordance with the policy set by the Strategic Investments Committee of the Company. By placing its cash in short term interest bearing investments, the Group recorded revenue of €1.6m in 2015 (2014: €3.7m); for the Company, the corresponding income was €1.2m (2014: €3.1m).

A significant portion (21.6%) of the cash of the Group is, due to the adjustment of ATHEXClear to the EMIR Regulation (note 5.5), kept at the Bank of Greece.

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 of 0.1% for the time period 11.06.2014-09.09.2014, and negative 0.2% from 10.09.2014-30.09.2015. In accordance with the BoG, the total amount due for the time period 11.06.2014-30.09.215 amounted to €74 thousand; this expense was booked in the results.

Expenses and bank commissions over the same period amounted to €83 thousand (2014: €8 thousand) for the Group and €9 thousand for the Company (31.12.2014: €5 thousand).

The breakdown of the cash at hand and at bank of the Group is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Deposits at the Bank of Greece	29,598	32,331	0	0
Sight deposits in commercial banks	31,442	845	30,759	490
Time deposits < 3 months	76,161	118,369	58,406	95,567
Cash at hand	33	6	9	0
Total	**137,235**	**151,551**	**89,174**	**96,057**

Out of the total cash balance of the Group, the amount of €10.6m or 7.7% (35.7% of ATHEXClear assets) is blocked as own resources – default waterfall of the Central Counterparties, in order to be used as a line of defense against default obligations to the company of the Group ATHEXClear (in accordance with article 35 of the technical standards and article 45 of Regulation (EU) 648/2012). The calculation of the capital requirements is described below.

(Amounts in thousand euro unless otherwise noted) 117

Calculating capital requirements

In accordance with the EMIR Regulation (article 45 of Regulation (EU) 648/2012), a clearinghouse must maintain lines of defense against member default (default waterfall).

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

- The central counterparty maintains and reports separately on its balance sheet the amount of special own assets earmarked for the purposes mentioned in article 45 paragraph 4 of Regulation (EU) 648/2012.
- The central counterparty calculates the minimum amount specified in paragraph 1 by multiplying the minimum capital requirement by 25%, including undistributed profits and reserves for the purposes mentioned in article 16 of Regulation (EU) 648/2012 and by authorization Regulation (EU) 152/2013 of the Commission (1).

The Central Counterparty reviews the minimum amount in question on an annual basis.

Based on the above, as a recognized clearing house, ATHEXClear drafted a report “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, winding down risk, operating risk and business risk. The methodology applied was based on the following:

- Regulations (EU) 648/2012, (EU) 152/2013 and (EU) 153/2013
- Regulation (EU) 575/2013
- FSA: Prudential sourcebook for Banks, Building Societies and Investment Firms
    - BIRBU 13,4 CCR mark to market method
    - BIRBU 5,4 Financial collateral
    - BIRBU 3 Standardized credit risk

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

If the amount of capital, as calculated above, is less than 110% of the capital requirements, or less than 110% of the €7.5m 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.

ATHEXClear’s capital requirements on 31.12.2015 are broken down in the table below:

Capital requirements	
Risk type	**Capital requirements**
Credit risk (total)	11
Derivatives market	0
Cash market	0
Investment of own assets	11
Market risk	0
Exchange rate risk	0
Operating risk	104
Winding down risk	5.160
Business risk	2.580
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**

(Amounts in thousand euro unless otherwise noted) 118

ATHEXClear maintains a cash balance on its balance sheet on 31.12.2015 which more than covers the capital requirements as calculated above.

5.44. Third party balances in bank accounts of the Group

This essentially is a memo account for the margins that ATHEXClear receives from its Members for the derivatives market and, starting on 16.02.2015, for the cash market. ATHEXClear manages Member margins, which in accordance with the investment policy for deposits, are placed with the BoG (see note 5.5).

The amount is shown both in the assets and the liabilities in the Statement of Financial Position on 31.12.2015 (see note 5.50). The amount on 31.12.2014 has been modified (see note 5.50).

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Clearing Fund collaterals – Cash Market *	12,918	57,059	0	0
Additional Clearing Fund collaterals – Cash Market *	380,517	235,995	0	0
Clearing Fund collaterals – Derivatives Market	7,616	17,888	0	0
Additional Clearing Fund collaterals – Derivatives Market	45,757	84,168	0	0
Members Guarantees in cash for X-NET (1)	1,008	0	1,008	0
Third party balances in ATHEXClear Account	**447,816**	**395,110**	**1,008**	**0**

(1) Concerns cash collaterals by members for XNET on 31.12.2015 placed in ALPHA BANK in effect as of 16.02.2015.

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

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

The implementation of the ATHEXClear investment policy begun immediately with the application of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €447,816 thousand on 31.12.2015 and €395,110 thousand on 31.12.2014 shown above and in the Statement of Financial Position, concern exclusively Member collaterals in the cash, derivatives and XNET markets respectively.

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

For reasons of comparison, the data 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. The comparison is provided in the table below:

(Amounts in thousand euro unless otherwise noted) 119

	GROUP		COMPANY	
	31.12.2014	31.12.2014	31.12.2014	31.12.2014
	Modified	Published	Modified	Published
Clearing Fund collaterals – Cash Market*	57,059	0	0	0
Additional Clearing Fund collaterals – Cash Market *	235,995	0	0	0
Clearing Fund collaterals – Derivatives Market	17,888	17,888	0	0
Additional Clearing Fund collaterals – Derivatives Market	84,168	84,168	0	0
Third party balances	**395,110**	**102,056**	**0**	**0**

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

5.45. Deferred Tax

The deferred taxes accounts are analyzed as follows:

	GROUP		COMPANY	
Deferred taxes	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Deferred tax claims	1,315	2,929	1,245	802
Deferred tax liabilities	(1,873)	(3,603)	0	0
Total	**(558)**	**(674)**	**1,245**	**802**

	Group		Company	
Changes in deferred income tax	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Starting balance	2,929	1,808	802	21
Effect on other comprehensive income	(1,614)	1,121	443	781
Amount from deferred tax claims	**1,315**	**2,929**	**1,245**	**802**
Starting balance	(3,603)	(3,603)	0	0
(Charge)/Credit to the results	1,730	0	0	0
Amount from deferred tax liabilities	**(1,873)**	**(3,603)**	**0**	**0**
Balance	**(558)**	**(674)**	**1,245**	**802**

Analysis of deferred tax table	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Deferred tax changes - actuarial study result	(8)	(136)	(10)	(63)
Actuarial study OCI	(48)	106	(26)	47
Deferred tax changes - Other temporary differences	(188)	(1,204)	(510)	(938)
	(244)	**(1,234)**	**(546)**	**(954)**

Other data concerns the tax corresponding to the valuation and sale of participations and securities.

(Amounts in thousand euro unless otherwise noted) 120

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

The charge for deferred income tax (deferred tax liability) in the Statement of Comprehensive Income (OCI) 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.

5.46. Equity and reserves

a) Share Capital & Share premium

The Repetitive General Meeting of shareholders of 17.6.2014 approved another share capital return to shareholders, with a corresponding reduction in the share par value. In particular it decided the return of capital in the amount of €13,073,712.60 or €0.20 per share for the 65,368,563 shares outstanding. Thus, the share capital of the Company amounted to €36,606,395.28, divided into 65,368,563 shares with a par value of €0.56 per share.

The 1st Repetitive General Meeting of shareholders on 2.12.2014 decided to increase the share capital of the Company by one hundred six million eighty one thousand seven hundred ninety four euro and seventy one cents (€106,081,794.71), by capitalizing: a) the untaxed reserves in the amount of €55,702,157.60 formed based on law 2238/1994 in accordance with article 72 of law 4172/2013, and b) part of the “Share premium” reserve, in the amount of €50,379,637.11 by increasing the share par value by €1.62282586371067 (from €0.56 to €2.18282586371067).

The 1st Repetitive General Meeting of shareholders on 2.12.2014 decided to reduce the share capital of the Company by the amount of ninety four million three hundred fifteen thousand four hundred fifty three euro and thirty seven cents (€94,315,453.37) in order to offset losses from the “retained earnings” account, through a reduction in the share par value by €1.44282586371066 (from €2.18282586371067 to €0.74).

The Annual General Meeting of shareholders on 20.05.2015 decided to increase the share capital of the Company by €43,796,937.21 with the capitalization of an equal amount from the “share premium” reserve, by increasing the par value of each share by €0.67, from €0.74 to €1.41.

The Repetitive General Meeting of shareholders of 3.6.2015 approved another share capital return to shareholders, with a corresponding reduction in the share par value. In particular it decided the return of capital in the amount of €7,190,541.93 or €0.11 per share for the 65,368,563 shares outstanding. Thus, the share capital of the Company amounts to €84,979,131.90, divided into 65,368,563 shares with a par value of €1.30 per share.

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
31.12.2006	70,271,463	1.75	122,975,060.25	91,874,226.91
Reduction/ share capital return	-	(0.50)	(35,135,731.50)	-
30.6.2007	70,271,463	1.25	87,839,328.75	91,874,226.91
Stock Option 1st Program- 2nd Phase (Dec. 07)	105,500	1.25	131,875.00	316,500.00
TOTAL	70,376,963	1.25	87,971,203.75	92,190,726.91
Stock Option 2nd Program-1st Phase (Dec.07)	108,600	1.25	135,750.00	2,088,378.00
TOTAL 31.12.2007	70,485,563	1.25	88,106,953.75	94,279,104.91
Cancellation of treasury stock (May 2009)	(5,117,000)	-	(6,396,250.00)	-
Reduction/ Return of share capital (June 2009)	-	(0.15)	(9,805,284.45)	-
TOTAL 31.12.2009	65,368,563	1.1	71,905,419.30	94,279,104.91
Reduction/ Return of share capital (June 2010)	-	(0.13)	(8,497,913.19)	-

(Amounts in thousand euro unless otherwise noted) 121

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
TOTAL 31.12.2010	65,368,563	0.97	63,407,506.11	94,279,104.91
Reduction/ Return of share capital (May 2011)	-	(0.10)	(6,536,856.30)	0
TOTAL 31.12.2011	65,368,563	0.87	56,870,649.81	94,279,104.91
Reduction/ Return of share capital (June 2012)	-	(0.08)	(5,229,485.04)	0
TOTAL 31.12.2012	65,368,563	0.79	51,641,164.77	94,279,104.91
Reduction/ Return of share capital (June 2013)	-	(0.03)	(1,961,056.89)	0
Addition to share premium (due to the merger with ATHEX) (December 2013)	0	0	0	54,553.56
TOTAL 31.12.2013	65,368,563	0.76	49,680,107.88	94,333,685.47
Reduction/ Return of share capital (June 2014)	-	(0.20)	(13,073,712.60)	0
Share capital increase / capitalization of untaxed reserves (December 2014)	-	0	55,702,157.60	0
Share capital increase / capitalization of share premium (December 2014)	-	1.62	50,379,637.11	(50,379,637.11)
Reduction of share capital (December 2014)	-	(1.44)	(94,315,453.37)	0
TOTAL 31.12.2014	65,368,563	0.74	48,372,736.62	43,954,048.36
Share capital increase / capitalization of share premium (June 2015)	-	0.67	43,796,937.21	(43,796,937.21)
Reduction of share capital (June 2015)	-	(0.11)	(7,190,541.93)	0
TOTAL 31.12.2015	65,368,563	1.30	84,979,131.90	157,111.15

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015, and the decision of the BoD on 9.2.2016, the share buyback program of the Company was given a go-ahead. In particular, the brokerage companies through which the share purchases will be made were selected, under the provision that the daily volume of purchases does not exceed 10% of the average of the 20 days preceding the purchase date. Up until 18.3.2016, 639,300 shares (0.98% of the total number of shares of the Company outstanding) had been purchased, at an average price of €4.55 per share, and a total cost of €2.9m.

b) Reserves

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Regular Reserve (1)	28,418	27,883	27,472	27,472
Tax free and specially taxed reserves	10,141	10,141	10,141	10,141
Treasury stock reserve	6,396	6,396	6,396	6,396
Reserves	16,453	16,454	14,562	14,562
Special securities valuation reserve (2)	(209)	(661)	(209)	(661)
Reserve from stock option plan to employees	1,385	1,385	1,337	1,336
Total	**62,584**	**61,598**	**59,699**	**59,246**

(1) ATHEXClear regular reserve: €217 thousand; ATHEXCSD regular reserve: €729 thousand.

(2) The Group has invested part of its cash assets in shares of a listed company which it has classified as a portfolio of securities available for sale, as part of IAS 39. The result of the valuation of the shares on 31.12.2015 was a loss of €294 thousand which was recognized directly in a special reserve (less the corresponding tax of €85 thousand).

(Amounts in thousand euro unless otherwise noted) 122

5.47. Grants and other long term liabilities

The Group shows an amount of €87 thousand vs. €111 thousand and concerns grants a) by the Ministry of Northern Greece in the amount of €37 thousand for the purchase of equipment in order for ATHEXCSD (former TSEC) to promote its activities in northern Greece; b) withholding on compensation (Law 103/75) in the amount of €50 thousand; for the Company the amount is €50 thousand.

5.48. Provisions

		GROUP		COMPANY	
		31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Staff retirement obligation (5.23)		1,791	1,965	943	1,012
Other provisions		1,360	1,060	1,300	1,000
Total		**3,151**	**3,025**	**2,243**	**2,012**

GROUP	**Balance on 31.12.2014**	**Adjustment – Group restructuring**	**Cost of current employment**	**Interest expense**	**Employer paid benefits**	**Redundancy / Settlement / Termination of employment cost**	**Actuarial loss / profit – Economic assumptions**	**Actuarial loss / profit – experience during the period**	**Other revenue / expense**	**Additional provision in the period**	**Revenue from unused provisions**	**Balance on 31.12.2015**
Staff retirement obligations	1,965	0	65	41	(462)	348	(146)	(20)	0	0	0	1,791
Provisions for other risk	1,060	0	0	0	0	0	0	0	0	300	0	1,360
Total	**3,025**	**0**	**65**	**41**	**(462)**	**348**	**(146)**	**(20)**	**0**	**300**	**0**	**3,151**

Staff retirement obligations	**Balance on 31.12.2013**	**Adjustment – Group restructuring**	**Cost of current employment**	**Interest expense**	**Employer paid benefits**	**Redundancy / Settlement / Termination of employment cost**	**Actuarial loss / profit – Economic assumptions**	**Actuarial loss / profit – experience during the period**	**Used provision**	**Additional provision in the period**	**Revenue from unused provisions**	**Balance on 31.12.2014**
Staff retirement obligations	1,443	0	62	56	(21)	17	419	(11)	0	0	0	1,965
Provisions for other risk	813	0	0	0	0	0	0	0	0	609	(362)	1,060
Total	**2,256**	**0**	**62**	**56**	**(21)**	**17**	**419**	**(11)**	**0**	**609**	**(362)**	**3,025**

COMPANY	**Balance on 31.12.2014**	**Adjustment – Group restructuring**	**Cost of current employment**	**Interest expense**	**Employer paid benefits**	**Redundancy / Settlement / Termination of employment cost**	**Actuarial loss / profit – Economic assumptions**	**Actuarial loss / profit – experience during the period**	**Other revenue / expense**	**Additional provision in the period**	**Revenue from unused provisions**	**Balance on 30.09.2015**
Staff retirement obligations	1,012	0	29	21	(202)	171	(71)	(17)	0	0	0	943
Provisions for other risk	1,000	0	0	0	0	0	0	0	0	300	0	1,300
Total	**2,012**	**0**	**29**	**21**	**(202)**	**171**	**(71)**	**(17)**	**0**	**300**	**0**	**2,243**

(Amounts in thousand euro unless otherwise noted) 123

COMPANY	Balance on 31.12.2013	Adjustment – Group restructuring	Cost of current employment	Interest expense	Employer paid benefits	Redundancy / Settlement / Termination of employment cost	Actuarial loss / profit – Economic assumptions	Actuarial loss / profit – experience during the period	Used provision	Additional provision in the period	Revenue from unused provisions	Balance on 31.12.2014
Staff retirement obligations	770	0	26	30	0	0	182	(3)	7	0	0	1,012
Provisions for other risk	598	0	0	0	0	0	0	0	0	549	(147)	1,000
Total	**1,368**	**0**	**26**	**30**	**0**	**0**	**182**	**(3)**	**7**	**549**	**(147)**	**2,012**

Certain amounts in the previous fiscal year have changed (see note 5.2).

The Group and the Company are, by taking provisions, trying to protect themselves against potential future risks.

5.49. Trade and other payables

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Suppliers	2,210	2,254	1,460	1,560
Hellenic Capital Market Commission Fee (1)	499	936	183	374
Tax on stock sales 0.20% (2)	8,713	4,389	0	0
Dividends payable (3)	23	39	23	39
Accrued third party services	644	339	604	232
Employee holiday payment provision	342	456	148	127
Share capital return to shareholders (3)	49	107	49	107
Tax on salaried services	278	276	148	131
Tax on external associates	1	0	1	0
Vat-Other taxes	314	184	223	164
Various creditors	171	233	41	186
Total	**13,245**	**9,213**	**2,880**	**2,920**

(1) The Hellenic Capital Market Commission fee (€499 thousand vs. €936 thousand in 2014) is calculated based on the value of the trades in the cash and derivatives market and is turned over to the Hellenic Capital Market Commission within two months following the end of each 6-month period. The amount in question concerns the second half of 2015.

(2) ATHEXCSD, as successor to the Central Securities Depository, based on article 9 §2 of Law 2579/88 as amended by Law 2742/99, acts as an intermediary and collects from ATHEX members the tax (0.20%) on stock sales that take place on ATHEX which it turns over to the Greek State. The amount of €8.7m corresponds to the tax (0.20%) on stock sales that has been collected for December 2015 and was turned over to the Greek State in January 2016. Starting on 1.4.2011 the tax rate on stock sales increased to 0.20%, from 0.15% previously.

(3) Includes the obligation to pay the share capital returns from previous fiscal years that have not been collected by shareholders.

Trade and other payables are classified in Level 2.

(Amounts in thousand euro unless otherwise noted) 124

During 2015 there were no transfers among Levels 1, 2, 3.

5.50. Third party balances in bank accounts of the Group

It concerns effectively an information account for the collateral received by ATHEXClear for the Derivatives Market and, starting on 16.2.2015, the Cash market. ATHEXClear manages Member collaterals; in accordance with the investment policy, they are deposited at the BoG (see note 5.5).

The implementation of the ATHEXClear investment policy begun immediately with the application of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €447,816 thousand on 31.12.2015 and €395,110 thousand on 31.12.2014 shown above and in the Statement of Financial Position, concern exclusively Member collaterals in the cash and derivatives market respectively.

The amount is shown both in the assets and liabilities in the Statement of Financial Position on 31.12.2015 (see note 5.44).

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Clearing Fund collaterals – Cash Market *	12,918	57,059	0	0
Additional Clearing Fund collaterals – Cash Market *	380,517	235,995	0	0
Clearing Fund collaterals – Derivatives Market	7,616	17,888	0	0
Additional Clearing Fund collaterals – Derivatives Market	45,757	84,168	0	0
Members Guarantees in cash for X-NET (1)	1,008	0	1,008	0
Third party balances in ATHEXClear Account	**447,816**	**395,110**	**1,008**	**0**

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

(1) Collaterals received by the company for XNET on 31.12.2015 were placed in commercial bank accounts

For reasons of comparison, the data 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. The comparison is provided in the table below:

	GROUP		COMPANY	
	31.12.2014	**31.12.2014**	**31.12.2014**	**31.12.2014**
	Modified	**Published**	**Modified**	**Published**
Clearing Fund collaterals – Cash Market*	57,059	0	0	0
Additional Clearing Fund collaterals – Cash Market *	235,995	0	0	0
Clearing Fund collaterals – Derivatives Market	17,888	17,888	0	0
Additional Clearing Fund collaterals – Derivatives Market	84,168	84,168	0	0
Third party balances	**395,110**	**102,056**	**0**	**0**

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

(Amounts in thousand euro unless otherwise noted) 125

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

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

5.51. Current income tax payable

The management of the Group plans its policy in order to minimize its tax obligations, based on the incentives provided by tax legislation.

Nondeductible expenses mainly include provisions, various expenses as well as amounts which the company considers that they would not be justified as acceptable production expenses in a potential tax audit and which are readjusted by management when the income tax is calculated.

Tax liabilities	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Liabilities 31.12	2,531	20,171	(808)	18,329
Claims 31.12	(1,677)	0	0	0
Income tax expense	4,657	7,874	2,460	3,893
Taxes paid	(9,226)	(25,514)	(2,807)	(23,030)
Liabilities / (claims)	**(3,715)**	**2,531**	**(1,155)**	**(808)**

The amount of €3,715 thousand shown as Group income tax claim breaks down as follows: ATHEXClear - €1,332 thousand; ATHEXCSD - €1,227 thousand; ATHEX (parent company) - €1,156 thousand. For the corresponding period last year, the tax claim amounted to €1,678 thousand and concerned: ATHEX (parent company) - €808 thousand; ATHEXClear - €869 thousand. The tax liability was €2,531 thousand.

For the Company, the change in income tax liability was a credit balance (claim) and as such was transferred to assets in income tax claim (note 5.41).

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Income Tax	4,656	7,873	2,459	3,894
Deferred Tax (note 5.45)	(244)	(1,233)	(546)	(311)
Income tax expense	**4,412**	**6,640**	**1,913**	**2,940**

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

Income tax	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profits before taxes	13,450	27,653	14,790	13,268
Income tax rate	29%	26%	29%	26%
Expected income tax expense	3,901	7,190	4,289	3,450
Tax effect of non-taxable income	0	(550)	(2,376)	(510)
Tax effect of non-deductible expenses	511	0	0	0
Income tax expense	**4,412**	**6,640**	**1,913**	**2,940**

(Amounts in thousand euro unless otherwise noted) 126

Non-taxable income refers mainly to dividend income from subsidiaries, which is eliminated on a consolidated basis. Thus the tax rate calculated on the accounting profits increases, since the corresponding taxable profits are larger. Furthermore, the resulting effective tax rate on the consolidated profits is larger than the nominal tax rate in effect because – during the current fiscal year- there are intra-Group transactions.

The losses from the bank bonds have a different accounting treatment in IFRS compared to tax accounting, and are the main reason for the creation of deferred tax.

All of the above result in the sum (from the individual subsidiary companies) of the tax to be greater than that which would have been, had the nominal tax rate (29%) applied on consolidated profits, since it is the profits of each company separately that are subject to taxation, and not the consolidated profits.

All the companies of the Group have been audited up to and including fiscal year 2009, except Athens Exchange, for which fiscal years 2008 and 2009 remain unaudited. Fiscal year 2010 is unaudited for all companies of the Group. For ATHEX the tax audit for years 2008-2010 is in progress and is expected to be completed within the first four months of 2016.

The status of the tax audits for the companies of the Group, by fiscal year, is as follows:

	2008	2009	2010	2011	2012	2013	2014
ATHEX up to 30.06.2014	x	x	-	x	x	x	x
ATHENS EXCHANGE (ATHEX)	+	+	+	x	x	x	x
ATHEXCSD (former TSEC)	x	x	-	x	x	x	x
ATHEXClear	x	x	-	x	x	x	x

(-) Tax audit has not begun
(x) Tax audit completed
(+) Tax audit in progress

ATHENS EXCHANGE (ATHEX): Fiscal year 2010 remains unaudited.

ATHEXCSD: Fiscal year 2010 remains unaudited.

ATHEX: Fiscal years 2008, 2009 and 2010 remain unaudited.

ATHEXClear: Fiscal year 2010 remains unaudited.

The tax audit of the companies of the Athens Exchange Group for fiscal year 2015, in accordance with article 65a of law 4174/2013 and Decision ΠΟΛ1124/2015 of the General Secretary for State Revenue 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 by the time the tax audit is completed additional tax obligations arise, it is expected that they will not have a material impact in the financial statements of the Group and the Company

Law 4334/2015 increases the corporate income tax rate from 26% to 29%, and the income tax prepayment from 80% to 100%. The Group used the 29% rate to calculate income tax for 2015.

5.52. Notifications of Associated parties

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Remuneration of executives and members of the BoD	1,490	1,482	1,013	725

(Amounts in thousand euro unless otherwise noted) 127

The balances and the intra-Group transactions of the companies of the Group on 31.12.2015 are shown in the following tables:

INTRA-GROUP 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

INTRA-GROUP BALANCES (in €) 31-12-2014				
		HELEX-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

INTRA-GROUP REVENUES-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

INTRA-GROUP REVENUES-EXPENSES (in €) 31-12-2014				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	500,437.79	0
	Expenses	0	147,536.52	0
ATHEXCSD	Revenue	147,536.52	0	14,602,217.53
	Expenses	500,437.79	0	0
ATHEXCLEAR	Revenue	0	0	0
	Expenses	0	14,602,217.53	0

(Amounts in thousand euro unless otherwise noted) 128

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

5.53. Hellenic Corporate Governance Council (HCGC)

The Hellenic Corporate Governance Council (HCGC) continued its successful course from 2014 into 2015, expanding its international network, participating in the BUSINESS EUROPE Committees, the European Corporate Governance Codes Network, as well as the International Finance Corporation - World Bank Group (IFC).

During the 4th meeting of the 15-member HCGC Council, which took place on February 20th, members of the work group tasked with drafting a Good Corporate Practices Code for non-listed companies presented the 1st draft of the Good Corporate Practices Code. At the meeting of the 15 member HCGC Council which took place on December 11th, the members of the work group presented the final Draft of the Special Good Corporate Governance Practices. The Council provided guidance in order to complete the first phase and move to the open consultation phase in Greece and abroad.

At the same time, the Athens Exchange continues to develop the internet platform for monitoring and evaluating the implementation of the Hellenic Corporate Governance Code. In particular, in January 2015 the transfer of the whole model began to the new internet system by the work group; the work was completed in August 2015. In October, the main technical specifications of the system were implemented, and the model was given for testing to particular members of the work group. The Model has been in use in the second stage of pilot operation by selected listed companies. Following the completion of the pilot operation, and after user comments have been taken into consideration and potentially incorporated, the Model will go into production in order to be used by listed companies.

HCGC is cooperating with EY Greece in order to draft a manual titled “Internal Audit and Risk Management Framework” that will replace Appendix IV of the Hellenic Corporate Governance Code.

5.54. Composition of the BoDs of the companies of the Group

The current members of the Boards of Directors of the companies of the ATHEX Group are listed in the following tables:

HELLENIC EXCHANGES - ATHENS STOCK EXHANGE S.A. HOLDING

Name	Position
Iakovos Georganas	Chairman, non-executive member
Socrates Lazaridis	Vice Chairman & Chief Executive Officer
Alexandros Antonopoulos	Independent non-executive member
Konstantinos Vassiliou	Non-executive member
Ioannis Emiris	Independent non-executive member
Dimitrios Karaiskakis	Executive member
Sofia Kounenaki – Efraimoglou	Independent non-executive member
Adamantini Lazari	Independent non-executive member
Nikolaos Milonas	Independent non-executive member
Alexios Pilavios	Non-executive member
Ioannis Kyriakopoulos (*)	Non-executive member
Dionysios Christopoulos	Independent non-executive member
Nikolaos Chryssochoidis	Non-executive member

(*) At the meeting of the Board of Directors on 22.02.2016 Mr. Ioannis Kyriakopoulos replaced Mrs. Paula Hadjisotiriou as non-executive member.

(Amounts in thousand euro unless otherwise noted) 129

ATHENS EXCHANGE CLEARING HOUSE S.A (*)

Name	Position
Alexios Pilavios (*)	Chairman, non-executive member
Gikas Manalis	Vice Chairman, non-executive member
Socrates Lazaridis	Chief Executive Officer
Andreas Mitafidis	Independent non-executive member
Nikolaos Pimplis	Non-executive member
Charalambos Saxinis	Independent non-executive member
Dionysios Christopoulos	Independent non-executive member

(*) At the meeting of the Board of Directors on 26.01.2015 Mr. Alexios Pilavios replaced Mr. Iakovos Georganas as non-executive Chairman.

HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.

Name	Position
Iakovos Georganas	Chairman, non-executive member
Socrates Lazaridis	Vice Chairman & Chief Executive Officer
Nikolaos Pimplis	Non-executive member
Nikolas Porfyris	Executive member
Dionysios Christopoulos	Non-executive member

The members of the Boards of Directors of the companies of the Group which participate in the capital of other companies with a stake larger than 20% are listed in the following table:

	BoD Member of a Company of the ATHEX Group	Company participating in	Relationship	Participation (%)
1	Sofia Kounenaki - Efraimoglou	Vek Holdings	Shareholder	47.95
2	Konstantinos Vassiliou	Kulta	Shareholder	49
3	Nikolaos Chryssochoides	N. Chryssochoides Brokers	Shareholder	70

No business relationship, agreement, contract or transaction exists between the Company and companies in the equity and management of which members of the Board of Directors or/ and the main shareholders of the Company participate that are not part of their usual activity.

As part of IAS 24 “Related-Party Disclosures” it is declared that there are no relations, transactions, control or material influence of related parties that must be reported in application of paragraph 3 of IAS 24 in conjunction with the definitions of paragraph 5 of IAS 24.

5.55. Profits per share and dividends payable

The net after tax profit of the Group for fiscal year 2015 amounted to €9.0m or €0.14 per share; if other comprehensive income is included, net after tax profit amounted to €8.9m or €0.14 per share.

The BoD of the Athens Exchange decided to propose the distribution of €0.21 per share, i.e. a payout of €13,727,398.23, as dividend from the profits of fiscal year 2014, as well as the return of capital to shareholders of €0.11 per share. The proposals of the BoD for the distribution of dividend and the return of capital were approved by shareholders during the 14th Annual General meeting on 20.5.2015 and the 1st Repetitive GM on 3.6.2015 respectively. The dividends were paid during fiscal year 2015.

(Amounts in thousand euro unless otherwise noted) 130

5.56. Contingent Liabilities

The Group is involved in legal proceedings with employees, members of the Athens Exchange, listed companies as well as with third parties. The management of the Group and its legal counsel estimate that the outcome of these cases will not have a significant effect on the financial position or the results of the operation of the Group and the Company.

5.57. Events after the date of the financial statements

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015, and the decision of the BoD on 9.2.2016, the share buyback program of the Company was given a go-ahead. In particular, the brokerage companies through which the share purchases will be made were selected, under the provision that the daily volume of purchases does σnot exceed 10% of the average of the 20 days preceding the purchase date. Up until 18.3.2016, 639,300 shares (0.98% of the total number of shares of the Company outstanding) had been purchased, at an average price of €4.55 per share, and a total cost of €2.9m.

There are no significant events in the results of the Group and the Company which has taken place or was completed after 31.12.2015, the date of the 2015 annual financial statements and up until the approval of the 2015 annual financial statements by the Board of Directors of the Company on 21.03.2016.

Athens, March 21st 2016

THE CHAIRMAN OF THE BoD

IAKOVOS GEORGANAS ____________________________

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 ____________________________